



CITY COUNCIL AGENDA

CITY OF PEARLAND
WORKSHOP

Monday, August 4, 2014 | 6:30 PM

COUNCIL CHAMBERS | PEARLAND CITY HALL | 3519 LIBERTY DRIVE
281.652.1600

I. CALL TO ORDER

II. PURPOSE OF THE WORKSHOP:

Council input and discussion on: Fiscal Year 2015 Annual Budget and Multi-Year Financial Plan

Staff Overview Introduction:

- Multi-Year Financial Plan
- Funding Highlights
- Staffing Highlights
- Property Valuation and Tax Rate
- Debt Service Fund
- General Fund
- Water/Sewer Fund
- Other Funds
- Schedule going Forward (CIP Next meeting and tax determination)

City Council

- Comments and Questions for Follow-Up

III. ADJOURNMENT

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing at 281-652-1840 prior to the meeting so that appropriate arrangements can be made.

**AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS**

| | | | |
|--|-------------------------------------|---|-------------------------------|
| AGENDA OF: | August 4, 2014 | ITEM NO.: | Workshop Item No. 1 |
| DATE SUBMITTED: | July 28, 2014 | DEPT. OF ORIGIN: | Finance |
| PREPARED BY: | Claire Bogard | PRESENTOR: | Clay Pearson |
| REVIEWED BY: | | REVIEW DATE: | |
| SUBJECT: Fiscal Year 2015 Budget and Multi-Year Financial Plan - Budget Workshop #1 | | | |
| EXHIBITS: PowerPoint Presentation | | | |
| FUNDING: | | | |
| <input type="checkbox"/> Bonds To Be Sold | <input type="checkbox"/> Grant | <input type="checkbox"/> Developer/Other | <input type="checkbox"/> Cash |
| <input type="checkbox"/> Bonds- Sold | <input type="checkbox"/> L/P – Sold | <input type="checkbox"/> L/P – To Be Sold | |
| EXPENDITURE REQUIRED: N/A | | AMOUNT BUDGETED: N/A | |
| AMOUNT AVAILABLE: N/A | | PROJECT NO.: | |
| ACCOUNT NO.: N/A | | | |
| ADDITIONAL APPROPRIATION REQUIRED: | | | |
| ACCOUNT NO.: | | | |
| PROJECT NO.: | | | |
| To be completed by Department: | | | |
| X | Finance | Legal | Ordinance |
| | | | Resolution |

EXECUTIVE SUMMARY

BACKGROUND

Pursuant to State law and according to City Charter, the City must adopt a budget by the last regularly scheduled Council meeting in September, prior to the beginning of the fiscal year. The budget must contain a complete financial statement of the City and City must hold a public hearing on the budget and follow truth-in-taxation requirements. The budget process begins by reviewing the proposed annual budget for fiscal year 2014-2015 through a series of budget workshops. Tonight is the first workshop.

SCHEDULE

Budget workshops are scheduled for each Monday in August as necessary. The first public hearing on the budget and tax rate is tentatively planned for Tuesday, September 2nd and the second public hearing on September 8, 2013. First reading of the ordinances (budget and tax rate) are scheduled for September 22 with second and final reading on September 29, 2014.

POLICY/GOAL CONSIDERATION

Pursuant to State Statute and City Charter, the budget was filed with the City Secretary and submitted to City Council on July 28, within the targeted 60 to 90 days prior to the beginning of the fiscal year. The budget provides a complete financial plan for the program of services to be provided in the upcoming fiscal year ending September 30, 2015. The multi-year financial plan for major funds is also included in the recommended policy document to the City Council

The proposed budget is a public record and will be placed on the City's website, pearlandtx.gov, a copy provided to each library, and will be available for viewing in the City's Secretary's office as well.

CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS

The budget serves as the financial plan (revenues and expenditures) and provides for the annual program of services for the City in fiscal year 2015.

As currently proposed, the budget incorporates a total tax rate of \$0.7201 per \$100 valuation, an increase of 1.5 cents from the current tax rate of \$0.7051. The debt service component of the tax rate increases half a cent from \$0.4900 to \$0.4950 and the operations component of the tax rate increases 1 cent, from \$0.2151 to \$0.2251, to fund services such as public safety, parks, and public works. Both tax rate increases were forecasted in last year's multi-financial plan.

The General Fund expenditure budget totals \$67,175,937, an increase of \$976K or 1.5% from the current 2014 amended budget. Looking at just recurring expenditures, recurring expenditures from the 2014 budget have increased \$4.8 million or 8.3%. This is mainly due to increases in salaries and benefits of \$2.4 million, for a 2% average merit, police step pay, and increases in health, retirement, workers compensation and unemployment benefits. The budget only adds 8 full-time General Fund positions, as compared to 23 last year, of which three of those positions are in Police. Other increases to the budget include the full merger of the Fire and EMS Departments, landscape contract increases for corridor beautification, and operating expenditures of new parks coming on-line in 2015, Max Road, Shadow Creek Ranch, and Centennial Parks. The General Fund draws down fund balance by \$3.353 million, of which \$1.7 million is recurring and \$1.6 million non-recurring, resulting in a structural imbalance, where recurring expenditures exceed recurring revenues. This was forecast in last year's multi-year plan, however the ending fund balance of \$12.2 million is over the City's 2-month reserve policy by \$1.7 million.

The Water/Sewer Fund includes a 4.63% revenue increase as anticipated last year, generating \$1.358 million. The revenue increase is needed to maintain the system, provide for debt service, and to meet reserve and bond coverage requirements. Expenses total \$36,980,976, and include debt payments of \$10.7 million. The budget includes programs to maintain our existing infrastructure such as annual lift station rehab. (\$500K), interior lining of storage tanks

\$400K), inspection of lines for inflow and infiltration (\$459K), manhole rehab. (\$160K), and cleaning of water lines in the south east area to improve water quality. (\$300K)

Solid Waste (garbage/recycling) rates will increase based on the Houston MSA CPI effective October 1, 2014 pursuant to the City's contract with our provider. Based on the April Houston MSA CPI, the budget assumes a 2.8% increase in the base garbage rate, from \$17.05 to \$17.50.

O&M IMPACT INFORMATION

See proposed budget.

RECOMMENDED ACTION

Review and discuss the proposed budget for Fiscal Year 2014-2015 and Multi-Year Financial Plan. The first meeting for August 4 is intended primarily for presentation overview of the Budget and initial City Council questions that staff can follow-up in the coming weeks, as necessary.



CITY OF PEARLAND

Proposed Budget and Multi-Year Forecast

Fiscal Year 2014-2015

August 4, 2014

A young green plant with three leaves and a visible root system growing out of dark, rich soil. The plant is positioned on the left side of the slide, with its roots extending downwards and outwards into the soil.

**Planting
Seeds for
the Future**

Planting Seeds in the Garden

Firm Root Network of Support

- Master Plans (roads, parks, water/sewer, etc.)
- Financial Planning
- Quality School Systems
- Workforce
- Business
- Neighborhoods
- Amenities
- City Organization



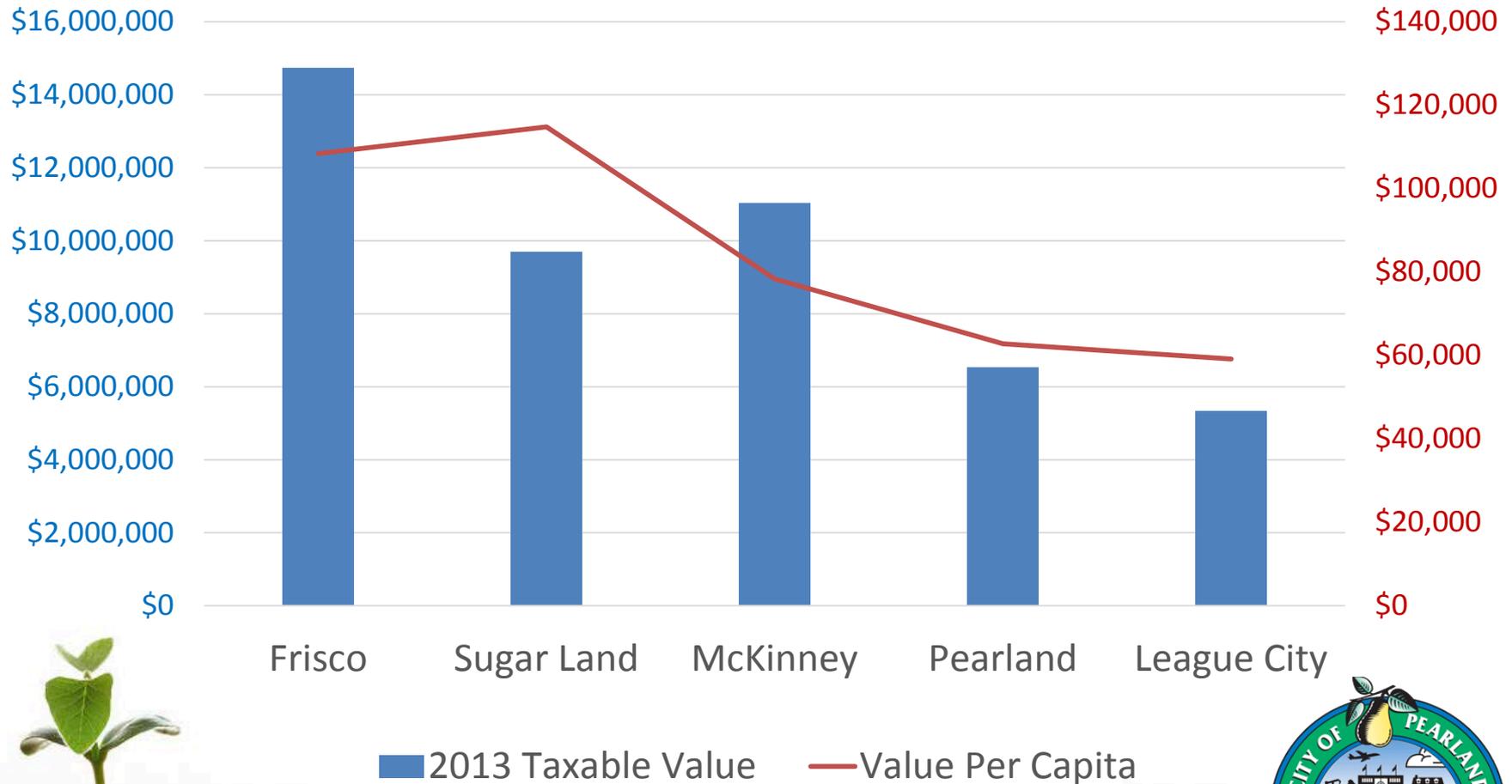
Planting Seeds in the Garden

Vulnerabilities

- Resources needed to support growth
 - Infrastructure (bonds)
 - Provision of Services
- Maintaining the existing infrastructure
 - Fertilizing, watering, removal of weeds
- Property valuation of new development/growth
- Reliance on sales tax to fund operations



Taxable Value Comparison



Planting Seeds in the Garden

Photosynthesis = Growth and Blooms

- Significant increase in property values beginning in FY2014, over prior years
- Create an environment for quality growth
 - Continued commercial development
- Set high quality standards
 - Beautification
- Sales tax continues to grow at moderate pace
- High caliber of dedicated professionals



Percent Change in Taxable Value and Sales Tax



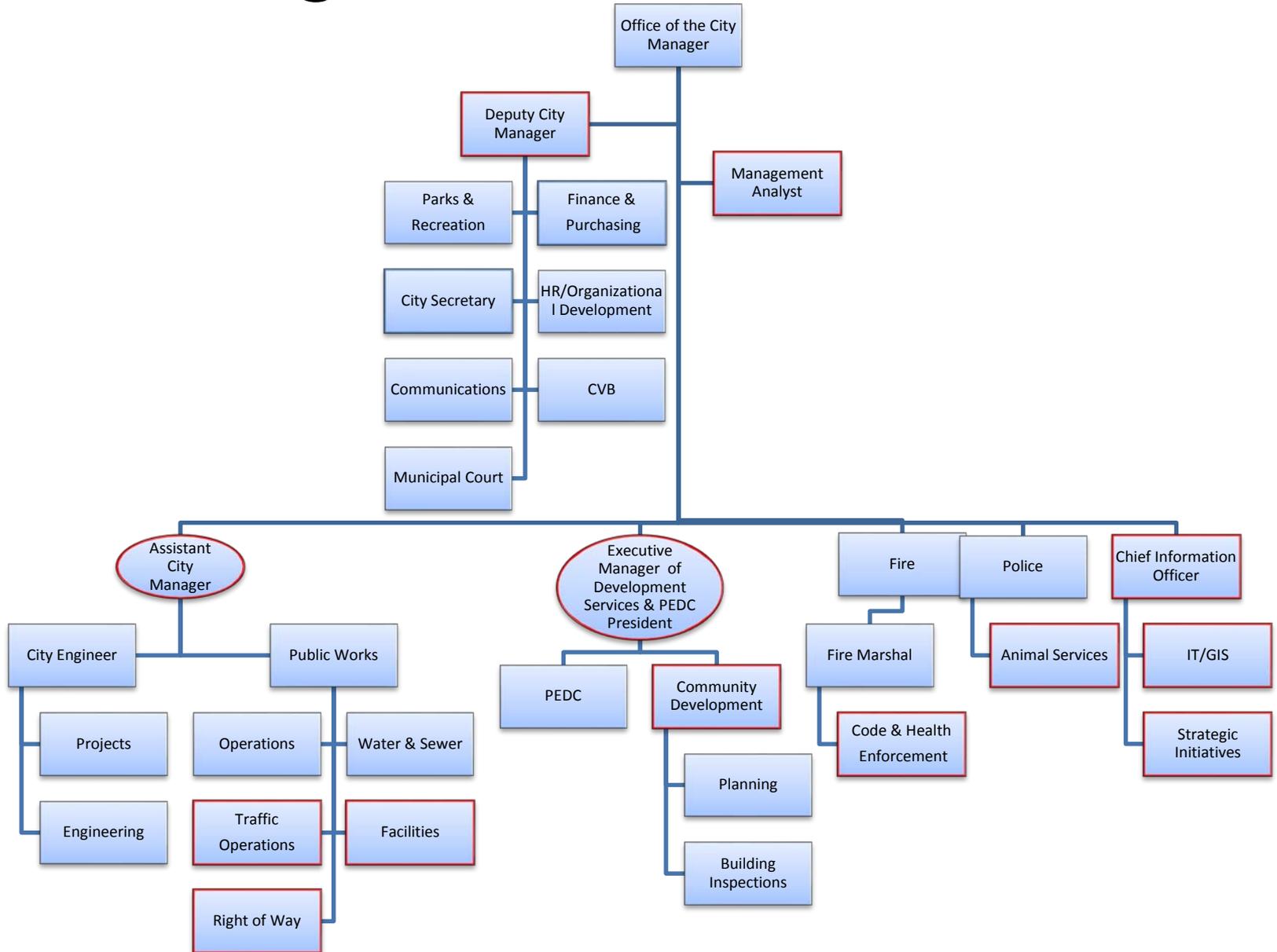
Planting Seeds in the Garden

FY2015 Budget

- ✓ Supporting a 47 square mile, 110,000 resident, \$7 billion valuation community
- ✓ Continuing to deliver excellent services, through making what we have even better.



Organizational Chart



Multi-Year Plan

(pages 29-45 of budget book)



MULTI-YEAR FORECAST

Assessed Valuation

| Fiscal Year | Value | % Change |
|-------------|-----------------|----------|
| 2013 | \$6,537,976,038 | 2.64% |
| 2014 | \$7,002,766,044 | 7.11% |
| 2015 | \$7,600,947,459 | 8.54% |
| 2016 | \$8,164,773,090 | 7.42% |
| 2017 | \$8,704,538,414 | 6.61% |

| Tax Rate | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------|--------|--------|--------|--------|--------|
| O&M | 0.2151 | 0.2151 | 0.2251 | 0.2351 | 0.2451 |
| DS | 0.4900 | 0.4900 | 0.4950 | 0.5050 | 0.5050 |
| Total | 0.7051 | 0.7051 | 0.7201 | 0.7401 | 0.7501 |



MULTI-YEAR FORECAST

DEBT SERVICE

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------|------------|------------|------------|------------|------------|
| Revenues | 28,326,489 | 54,589,304 | 30,365,000 | 32,842,171 | 34,702,811 |
| Expenditure | 28,676,148 | 55,090,332 | 30,194,234 | 33,137,979 | 34,366,833 |
| Income (Loss) | (349,659) | (501,028) | 170,766 | (295,808) | 335,978 |
| Beginning Fund Balance | 4,992,479 | 4,642,821 | 4,141,793 | 4,312,560 | 4,016,752 |
| Ending Fund Balance | 4,642,821 | 4,141,793 | 4,312,559 | 4,016,752 | 4,352,730 |
| Policy Req. 10% | 2,867,615 | 2,804,433 | 3,019,423 | 3,313,798 | 3,436,683 |
| Excess over Requirement | 1,775,206 | 1,337,360 | 1,293,136 | 702,954 | 916,047 |
| DS Tax Rate | 0.4900 | 0.4900 | 0.4950 | 0.5050 | 0.5050 |
| Debt Issuance | 12,060,000 | 16,200,000 | 27,960,000 | 19,785,000 | 24,330,000 |

MULTI-YEAR FORECAST

GENERAL FUND

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------|------------|-------------|-------------|------------|------------|
| Revenues | 57,409,291 | 63,245,053 | 63,822,655 | 68,134,948 | 74,511,253 |
| Expenditure | 56,358,135 | 66,336,042 | 67,175,937 | 68,922,505 | 73,911,133 |
| Income (Loss) | 1,051,156 | (3,090,989) | (3,353,282) | (787,557) | 600,120 |
| Beg. Fund Balance | 17,571,961 | 18,623,117 | 15,532,128 | 12,178,846 | 11,391,290 |
| End. Fund Balance | 18,623,117 | 15,532,128 | 12,178,846 | 11,391,290 | 11,991,410 |
| Policy Requirement | | 9,450,047 | 10,464,348 | 10,982,000 | 11,416,000 |
| Excess over Policy | | 6,082,082 | 1,714,498 | 409,000 | 575,000 |
| FTE Positions | 541.75 | 572.75 | 580.25 | 597.25 | 616.25 |
| Population | 103,800 | 106,500 | 110,000 | 113,300 | 116,700 |

MULTI-YEAR FORECAST

WATER/SEWER

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------|------------|------------|-------------|------------|------------|
| Revenues | 32,226,438 | 32,488,364 | 35,583,118 | 37,618,097 | 42,887,371 |
| Expenses | 30,756,471 | 31,814,713 | 36,980,976 | 38,321,236 | 41,397,649 |
| Income (Loss) | 1,469,967 | 673,651 | (1,397,858) | (703,138) | 1,489,722 |
| Beginning Balance | 11,931,087 | 13,401,054 | 14,074,705 | 12,676,847 | 11,973,709 |
| DS Reserves | 1,568,545 | 1,929,503 | 2,278,256 | 2,322,782 | 2,933,028 |
| Ending Balance | 11,832,509 | 12,145,202 | 10,398,591 | 9,650,927 | 10,530,402 |
| Cash Reserve Ratio - 25% | | 38% | 28% | 25% | 25% |
| Bond Coverage - 1.4 | | 1.43 | 1.56 | 1.50 | 1.45 |
| Rate Increase | 0.0% | 0.0% | 4.63% | 5.55% | 9.06% |
| Debt Issuance | 0 | 9,210,000 | 2,143,400 | 30,157,273 | 43,294,536 |

MULTI-YEAR FORECAST

PEDC

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenues | 8,350,533 | 9,003,762 | 9,415,766 | 9,692,080 | 9,959,451 |
| Expenditure | 5,661,274 | 3,837,394 | 11,462,606 | 7,571,313 | 7,678,358 |
| Income (Loss) | 2,689,259 | 5,166,368 | (2,046,840) | 2,120,767 | 2,281,093 |
| Other Financing Sources (Uses) | (784,450) | (3,090,340) | (3,132,014) | (5,445,514) | (5,880,514) |
| Beg. Fund Balance | 13,461,696 | 15,366,505 | 17,442,533 | 12,263,679 | 8,938,931 |
| Debt Reserve | (665,254) | (665,254) | | | |
| Debt Pay-off (Cumulative) | (3,041,757) | (4,725,109) | | | |
| End. Fund Balance | 11,659,494 | 12,052,170 | 12,263,679 | 8,938,931 | 5,339,510 |
| Capital Transfers | | 1,210,326 | 1,408,500 | 3,500,000 | 3,500,000 |
| Incentives | 784,450 | 1,880,014 | 1,723,514 | 1,945,514 | 2,380,514 |
| Debt Service | 2,045,585 | 2,032,500 | 8,602,270 | 1,419,957 | 1,425,757 |

Funding Highlights

Major Supplemental Funding
And Staffing
(pages 1-24 of budget book)



FUNDING HIGHLIGHTS

Complete List (pages 2-8)

IT Strategic Plan

\$2,489,414

- ✓ ERP (H T E) replacement. \$1.7 million General Fund, \$0.8K water-sewer fund. Replaces 18-year old financial system/community development system.
- ✓ Chief Information Officer – develop and implement technology initiatives in support of operations
- ✓ Business Analyst – assist departments in the use of technology, troubleshooting, recommend technology for business improvement.

Park Facility Openings

\$ 437,517

- ✓ Shadow Creek Ranch – open August 2015 (\$107K)
- ✓ Centennial Park – June 2015 (\$40K)
- ✓ Max Road –Open October 2014



FUNDING HIGHLIGHTS

Fire Station 3 and 2

\$ 335,236

- ✓ Station 3 to open early 2015. Provides for four full-time and 8 part-time for 24/7 operations.
- ✓ Fire Station #2, to be staffed October 2015, FY2016, but some operating costs as EMS will run out of station prior to full staffing (\$29,945).

Police Personnel

\$ 350,639

- ✓ Two Patrol Sergeants to provide additional first line supervision on the night shift (\$291K)
- ✓ Crime Analyst to analyze, determine and report on crime patterns in order to make well informed decisions on where to place resources in combatting crime. (\$60K)



FUNDING HIGHLIGHTS

Merit Pay

\$ 967,051

- ✓ 2% average merit pool for civilians in all funds (\$883K)
- ✓ 2% increase in police service step
- ✓ Civil Service 3% step increase on anniversary of hire (\$93K)

Business Ctr. Library Expansion

\$ 96,996

- ✓ Rent and common area maintenance for the 4,000 square foot expansion, currently under design

Community Beautification

\$ 311,723

- ✓ Improve the image and gateway for the City (Pearland 20/20 plan). Contract just renewed which provided for enhanced reporting. (\$216K), add SH35 and FM518 to contract (\$30K) as well as other medians (\$65K) for 4 months of year.



FUNDING HIGHLIGHTS

Pavement and Sidewalk Rehab.

\$1,171,516

- ✓ Funding same as last year, but includes \$134K for rental of equipment.
- ✓ City has 843 miles of street and 2.9million linear feet of sidewalk.
- ✓ Current funding will not sustain existing maintenance needs. (ROW assessment underway)
- ✓ Public Works had requested \$4.3 million in additional funding, FY2015 and multi-year forecast shows City cannot provide additional funding.



FUNDING HIGHLIGHTS

Flashing Left Turn Arrow Program

\$ 138,186

- ✓ Traffic and traffic related issues are the number one concern of Pearland residents in the 2013 Citizen Survey, and has been since the first citizen survey in 2009.
- ✓ Flashing amber arrow for left turns along FM 518 will improve the traffic flow along this stretch of roadway and will reduce delays for left turn traffic during peak hours.
- ✓ This flashing arrow program will be a three year project. Year 1 will cover FM 518, part of Dixie Farm Road, and part of Magnolia. Year 2 will cover FM 2234/McHard, Cullen, and SH 35. Year 3 will cover the remainder of Dixie Farm Road, Magnolia, and signals off major roadways.
- ✓ These funds cover Year 1.



FUNDING HIGHLIGHTS

Span Wire Rebuild/Intersection Upgrades

\$ 192,000

- ✓ The span wire intersections along FM 518 are at least 20 years old and need to be upgraded.
- ✓ Include the replacement of all span wire, signals, and the controller cabinet.
- ✓ By upgrading the traffic signals, it will reduce overtime calls and improve the look and performance of the signals.
- ✓ These funds will be used for the FM 518 signals at Walmart, Cullen, Woody, and Woodcreek.
- ✓ Locations have existing issues that cause the signals to go into “flash” mode causing traffic delays and requiring service calls.



FUNDING HIGHLIGHTS

Water/Sewer Funds

\$2,879,390

- ✓ Includes \$231,000 for 44 auto dialer alarm systems to be installed at lift stations pursuant to TCEQ rules.
- ✓ Includes \$500,000 for Lift Station Rehab. for replacement of pumps, refurbishment of wet wells, piping and key electrical components. About 3 stations a year out of 86.
- ✓ Includes \$300,000 for pigging of water lines in the southeast area to improve the quality of potable water.
- ✓ Includes \$525,000 for the continued sludge removal at Far NW WWTP, until plant is expanded, currently under design. Temporary expense.
- ✓ Purchase of Vacuum Truck, \$459,000, with Jet Eye, to view, televise and record conditions of the sewer lines while cleaning them.



FUNDING HIGHLIGHTS

Water/Sewer Funds

- ✓ Includes \$400,000 for interior lining of storage tanks at Bailey, McLean and Garden to prevent corrosion and to stop leaks. Year 2 of 5 year program.
- ✓ Includes \$159,600 for Longwood Street Manhole Rehabilitation, approximately 40 manholes that have deteriorated due to sewer gases.
- ✓ Includes \$304,790 for backbone (transceiver, software, installation) of a wireless meter read system. New development to purchase new meters right away, City to transition existing meters over a 4-year time-period.



Major Revenue Enhancements

| | | |
|-------------------------|--|--------------|
| Water and Sewer Revenue | Proposed 4.63% increase based on the water sewer rate model that calculates the projected revenue to cover the cost of providing utility services, debt, cash reserves and bond coverage. | \$ 1,358,432 |
| Building Permits | A processing fee for Building Permits. The estimated annual increase from the processing fee is \$110,000. | \$ 110,000 |
| Planning | Increase current fees for Zoning, CUP, Plat, ZBA, Cluster Plan, and PD/PUD. | \$ 62,680 |
| Health Permits | Increase fees for Health Certificates and Re-inspections on Food Related Establishments | \$ 53,250 |
| Sport Field Rentals | Increase current fees for Veteran's Sport Fields which are lower than other field rental fees. This increase is based on the projected use and collection of fees. | \$ 3,000 |
| Knapp Membership | Implement a \$25 fee to residents for a one year membership. Currently there are over 1,000 members and some do not use the facility. We anticipate 500 purchasing a membership, which would equal \$12,500 of revenues. | \$ 12,500 |

Revenue Enhancements

Planning - \$62,680

| | <u>Current</u> | <u>Proposed</u> |
|---------------------------|--|---|
| Zoning Change Application | Starts at \$750.00 + \$25.00 per 25 acre increment | Starts at \$1000.00 + \$25.00 per 25 acre increment |
| CUP | \$250 | \$1,200 |
| Preliminary Plat | \$600 + \$6 per lot | \$1,000 + \$8 per lot |
| Final Plat | \$600 + \$6 per lot | \$1,000 + \$8 per lot |
| Variance | \$250 | \$400 |
| ZBA | \$500 Commercial \$300 Residential | \$500 Commercial \$500 Residential |
| Cluster Plans | Starts at \$400.00 + \$50.00 per 25 acre increment | Starts at \$1200.00 + \$50.00 per 25 acre increment |
| PD/PUD | Starts at \$800.00 + \$50.00 per 25 acre increment | Starts at \$1200.00 + \$50.00 per 25 acre increment |

Revenue Enhancements

Health Permits - \$53,250

Fees for Health Certificates and Re-inspections on Food Related Establishments:

| Health Establishments per Employee | Current Fees | | Proposed Fees | |
|------------------------------------|--------------|--------------|---------------|--------------|
| | Full Service | Limited Prep | Full Service | Limited Prep |
| 1 - 4 | \$100 | \$100 | \$100 | \$100 |
| 5 - 9 | \$150 | \$100 | \$375 | \$175 |
| 10 - 25 | \$300 | \$150 | \$525 | \$225 |
| 26 - 50 | \$450 | \$150 | \$650 | \$300 |
| 51 - 100 | \$550 | \$200 | \$750 | \$350 |
| 101 - More | \$700 | \$200 | \$900 | \$400 |
| Prepackaged only | | \$100 | n/a | \$125 |
| Mobile Units | | \$175 | n/a | \$200 |
| Produce Vendor | | \$75 | n/a | \$100 |
| Schools / Daycares | | \$75 | n/a | \$125 |
| Temporary fees | | \$20 | n/a | \$30 |
| Pre-opening inspection fee | | \$50 | | \$100 |

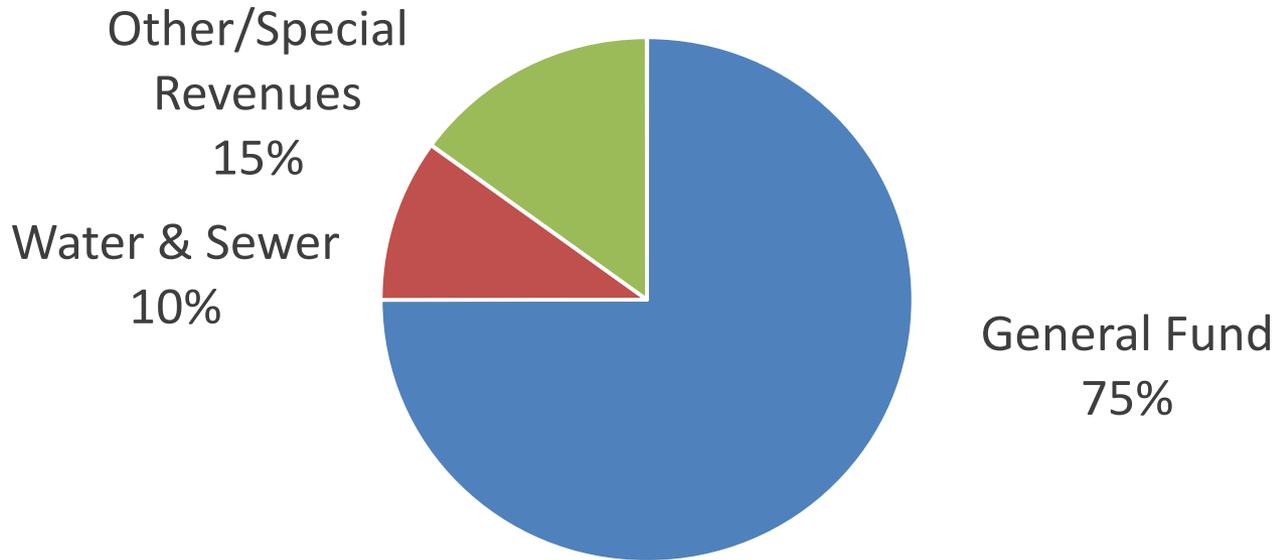
STAFFING HIGHLIGHTS

| STAFFING | FT | PT |
|-----------------------------|-----------|-----------|
| Chief Information Officer | 1 | |
| I.T. Business Analyst | 1 | |
| Patrol Sergeants | 2 | |
| Court Bailiff (Court Fund) | | 1 |
| Receptionist (CVB) | | 2 |
| Utility Inspector | 1 | |
| Crime Analyst | 1 | |
| Fire Inspector/Investigator | | 1 |
| Health/Code Officer | 1 | |
| Permit Clerk | 1 | |
| Total New | 8 | 4 |

| STAFFING BY FUND | FT | PT |
|-------------------------|-----------|-----------|
| General Fund | 7 | 1 |
| Water/Sewer Fund | 1 | |
| Other | 0 | 3 |
| Total New | 8 | 4 |

STAFFING HIGHLIGHTS

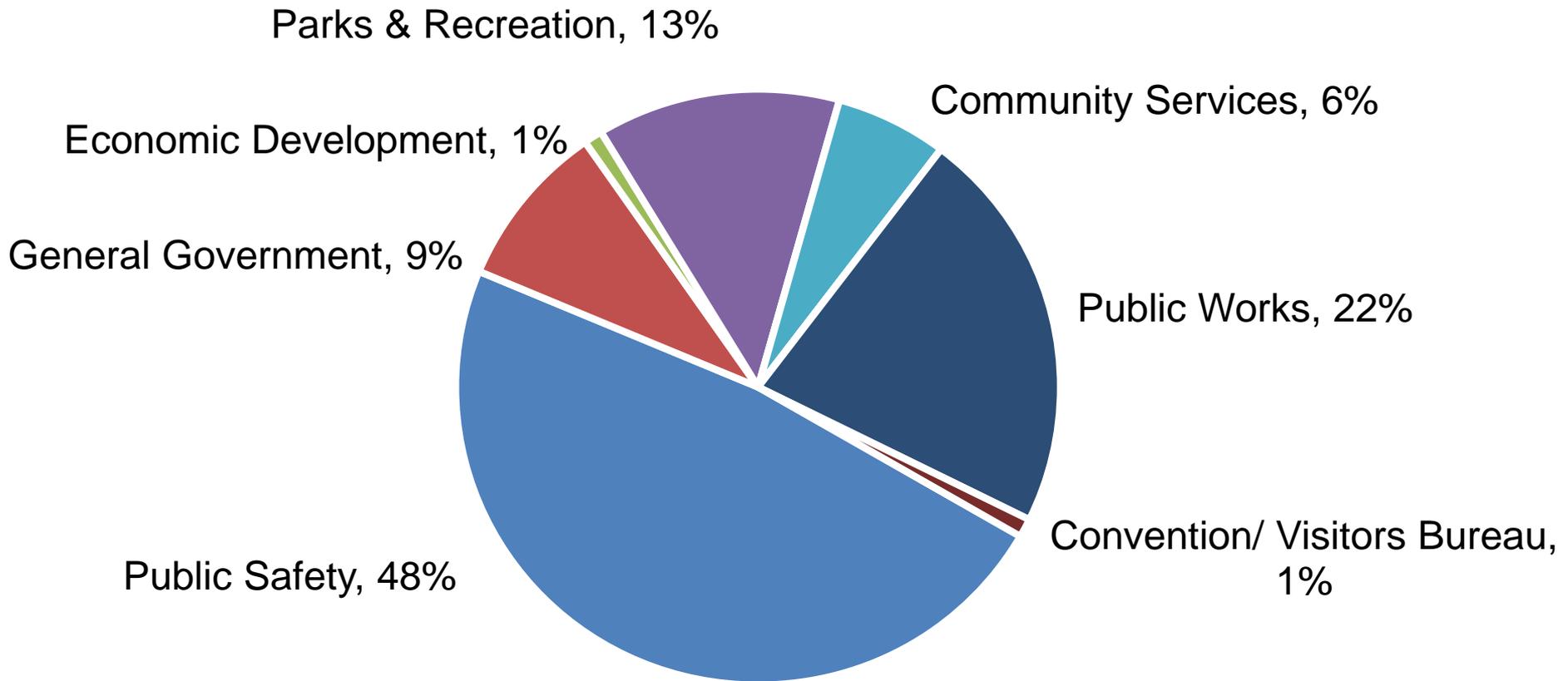
FTE ADDITIONS BY FUND



| FTE's by Fund | 2014 | Additions | 2015 | % Increase |
|------------------------|----------------|------------------|----------------|-------------------|
| General Fund | 572.75 | 7.5 | 580.25 | 1.31% |
| Water & Sewer | 104.25 | 1 | 105.25 | 0.96% |
| Other/Special Revenues | 11.5 | 1.5 | 13 | 13.04% |
| Total FTE's | 688.5 | 10 | 698.5 | 1.45% |
| Population | 106,500 | 3,500 | 110,000 | 3.29% |

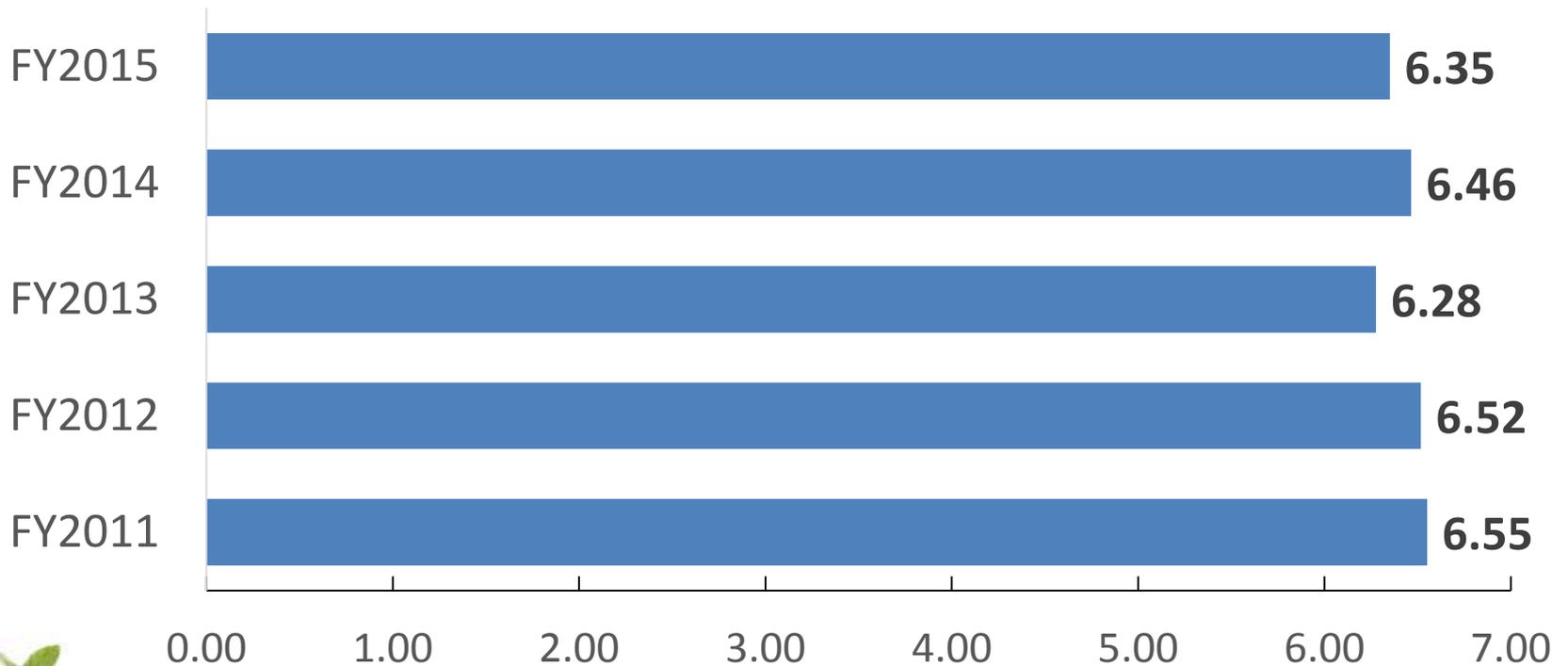
STAFFING HIGHLIGHTS

FY2015 EMPLOYEES BY SERVICE AREA – 698.5 FTE



STAFFING HIGHLIGHTS

FULL-TIME EMPLOYEE EQUIVALENTS PER 1,000 POPULATION



Property Valuation and Tax Rate

Preliminary Brazoria County
Preliminary Fort Bend County
Preliminary Harris County
(pages 47-50 of budget book)



PROPERTY VALUES

| | |
|---|-----------------|
| FY2014 (Tax Year 2013) Budgeted Roll | \$7,045,219,500 |
| FY2014 (Tax Year 2013) Adjusted Roll | \$7,002,766,044 |
| FY2015 (Tax Year 2014) Preliminary Roll | \$7,600,947,459 |
| Increase from Adjusted Roll | 8.5% |

| | <u>TY 2013</u> | <u>TY 2014</u> | <u>% Inc.</u> |
|-----------|-----------------|-----------------|---------------|
| Brazoria | \$6,336,973,174 | \$6,798,542,076 | 7.3% |
| Harris | \$474,703,268 | \$542,532,146 | 14.3% |
| Fort Bend | \$191,089,602 | \$259,873,237 | 36.0% |
| City | \$5,455,948,418 | \$5,895,997,521 | 8.1% |
| TIRZ | \$1,546,817,626 | \$1,704,949,938 | 10.2% |
| Total | \$7,002,766,044 | \$7,600,947,459 | 8.5% |

PROPERTY VALUES

| | | |
|---------------------------|---------------|------|
| Increase in Value | \$598,181,415 | 7.8% |
| New Value – Brazoria Co. | \$170,255,235 | 28% |
| New Value – Fort Bend Co. | \$49,795,290 | 8% |
| New Value – Harris Co. | \$41,626,637 | 7% |
| Total New Value | \$261,677,162 | 44% |



Average Residential Market Value

| | <u>Fort Bend</u> | <u>Brazoria</u> |
|----------|------------------|-----------------|
| FY 2014 | 234,935 | 182,694 |
| FY 2015 | 245,967 | 182,692 |
| % Change | 4.70% | 0.00% |

Based on Category A1-Residential Single Family

Harris County not available, includes New Construction

Homesteaded homes for Brazoria County did not change, actually declined by 34. Fort Bend County saw an increase of 147 homesteaded homes.

Information from effective tax rate information submitted with preliminary numbers.



Proposed Rate & Allocation

| | Previous 2013 | Current 2014 | Proposed 2015 | Change |
|-------|--------------------------|-------------------------|--------------------------|---------------|
| O&M | .2151 | .2151 | .2251 | .0100 |
| Debt | .4900 | .4900 | .4950 | .0050 |
| Total | .7051 | .7051 | .7201 | .0150 |

Effective tax rate and rollback rates not received yet.



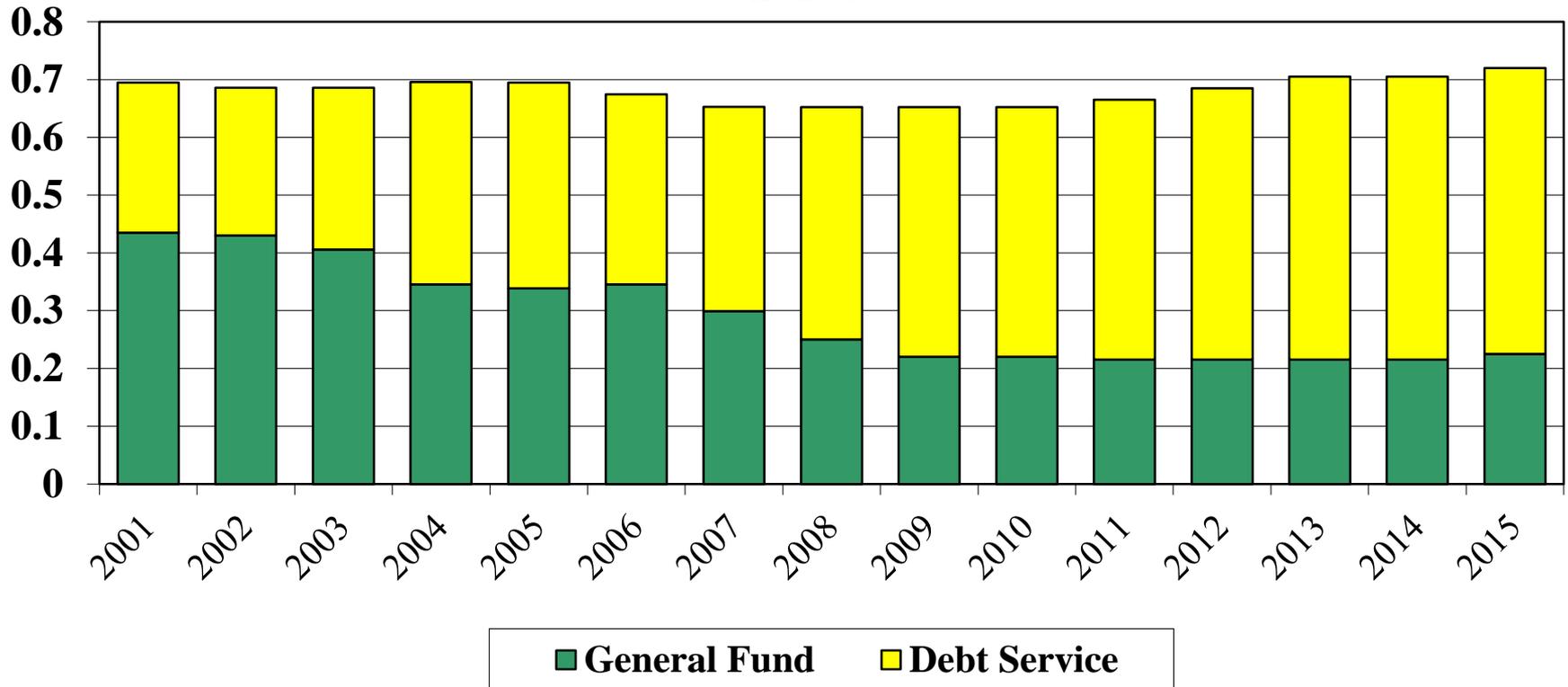
Tax Bill Comparison Average Homeowner

➤ **2013 Average Taxable Value** **\$177,859**

| Value Change | FY2014 Bill | FY2015 Bill | \$ Inc. | % Inc. |
|--------------|-------------|-------------|---------|--------|
| -4.0% | \$1,219 | \$1,166 | (\$49) | -4.0% |
| -2.0% | \$1,219 | \$1,191 | (\$24) | -2.0% |
| 0.0% | \$1,219 | \$1,245 | \$26 | 2.1% |
| 2.0% | \$1,219 | \$1,270 | \$51 | 4.2% |
| 4.0% | \$1,219 | \$1,296 | \$77 | 6.3% |
| 6.0% | \$1,219 | \$1,322 | \$103 | 8.4% |
| 8.0% | \$1,219 | \$1,347 | \$128 | 10.5% |
| 10.0% | \$1,219 | \$1,373 | \$154 | 12.6% |



Historical Tax Rate Allocation - Fiscal Year



| Tax Rate Split: | <u>2001</u> | <u>%</u> | <u>2007</u> | <u>%</u> | <u>2015</u> | <u>%</u> |
|-------------------|-------------|----------|-------------|----------|-------------|----------|
| General Fund | \$0.4350 | 63 | \$0.2990 | 46 | \$0.2251 | 31 |
| Debt Service Fund | \$0.2600 | 37 | \$0.3537 | 54 | \$0.4950 | 69 |

Debt Service Fund

Fiscal Year 2013-2014 Projections

Fiscal Year 2014-2015 Budget

(pages 51-60 of budget book)



DEBT SERVICE FUND PROJECTIONS – FY2014

(in millions)

| | <u>Budget</u> | <u>Projection</u> | <u>Var.</u> |
|-------------------|---------------|-------------------|-------------|
| Revenues | \$28.1 | \$54.6 | \$26.5 |
| Expenditures | \$28.8 | \$55.1 | (\$26.3) |
| Rev. Under Exp. | (\$0.7) | (\$0.5) | \$0.2 |
| Beginning Balance | \$4.6 | \$4.6 | |
| Ending Balance | \$3.9 | \$4.1 | |
| Over 10% Policy | \$1.0 | \$1.3 | |



DEBT SERVICE FUND

Assumptions – FY2015

Revenues

- ✓ Debt Service Tax Rate of \$0.4950
Half a cent increase
- ✓ Rent payments from UofH and PEDC towards debt service payment on facility

Expenditures

- ✓ New debt to be Issued:

General Obligation

2014 - \$11,575,000

2015 - \$16,890,000

Certificates of Obligation

2014 - \$ 4,625,000

2015 - \$11,070,000

- ✓ 1st Year of Debt Service the following Fiscal Year.



DEBT SERVICE FUND

Revenues

| | | |
|----------------|-----------|-------------------|
| Property Taxes | \$ | 28,952,113 |
| Rent/Other | | 799,476 |
| Transfers In | | 613,411 |
| TOTAL | \$ | 30,365,000 |

Expenditures

| | | |
|-------------------|-----------|-------------------|
| MUD Rebates/Other | \$ | 4,747,297 |
| Debt Service | | 24,250,692 |
| Short Term Note | | 1,196,245 |
| TOTAL | \$ | 30,194,234 |

| | | |
|-----------------------------------|-----------|------------------|
| Revenues Over Expenditures | \$ | 170,766 |
| Fund Balance at 9/30/2015 | \$ | 4,312,559 |
| Over Policy | \$ | 1,293,136 |



DEBT SERVICE FUND

Debt Service Requirements

Debt Service Outstanding as of 9/30/2014 *

| | |
|-----------|---------------|
| Principal | \$284,255,000 |
| Interest | \$125,111,202 |
| Total | \$409,366,202 |

Debt Ratios

| | |
|--|---------------|
| Estimated Debt Outstanding at 9/30/2015 | \$316,104,250 |
| Debt per Capita | \$2,874 |

Debt levels are high due to the high growth mode of the City's development.

*Excludes refunding portion associated with Water/Sewer and does not include new debt to be issued.



General Fund

Fiscal Year 2013-2014 Projections

Fiscal Year 2014-2015 Budget

(pages 61-89 of budget book)



GENERAL FUND PROJECTIONS – FY2014

(in millions)

| | <u>Budget</u> | <u>Projection</u> | <u>Var.</u> |
|-------------------|---------------|-------------------|-------------|
| Revenues | \$62.0 | \$63.2 | \$1.2 |
| Expenses | \$66.2 | \$66.3 | (\$0.1) |
| Net Income | (\$4.2) | (\$3.1) | \$1.1 |
| Beg. Fund Balance | \$18.6 | \$18.6 | |
| End. Fund Balance | \$14.4 | \$15.5 | |
| Reserve Policy | \$ 9.7 | \$ 9.4 | |
| Over Policy | \$ 4.8 | \$ 6.1 | |



GENERAL FUND

Assumptions – FY2015

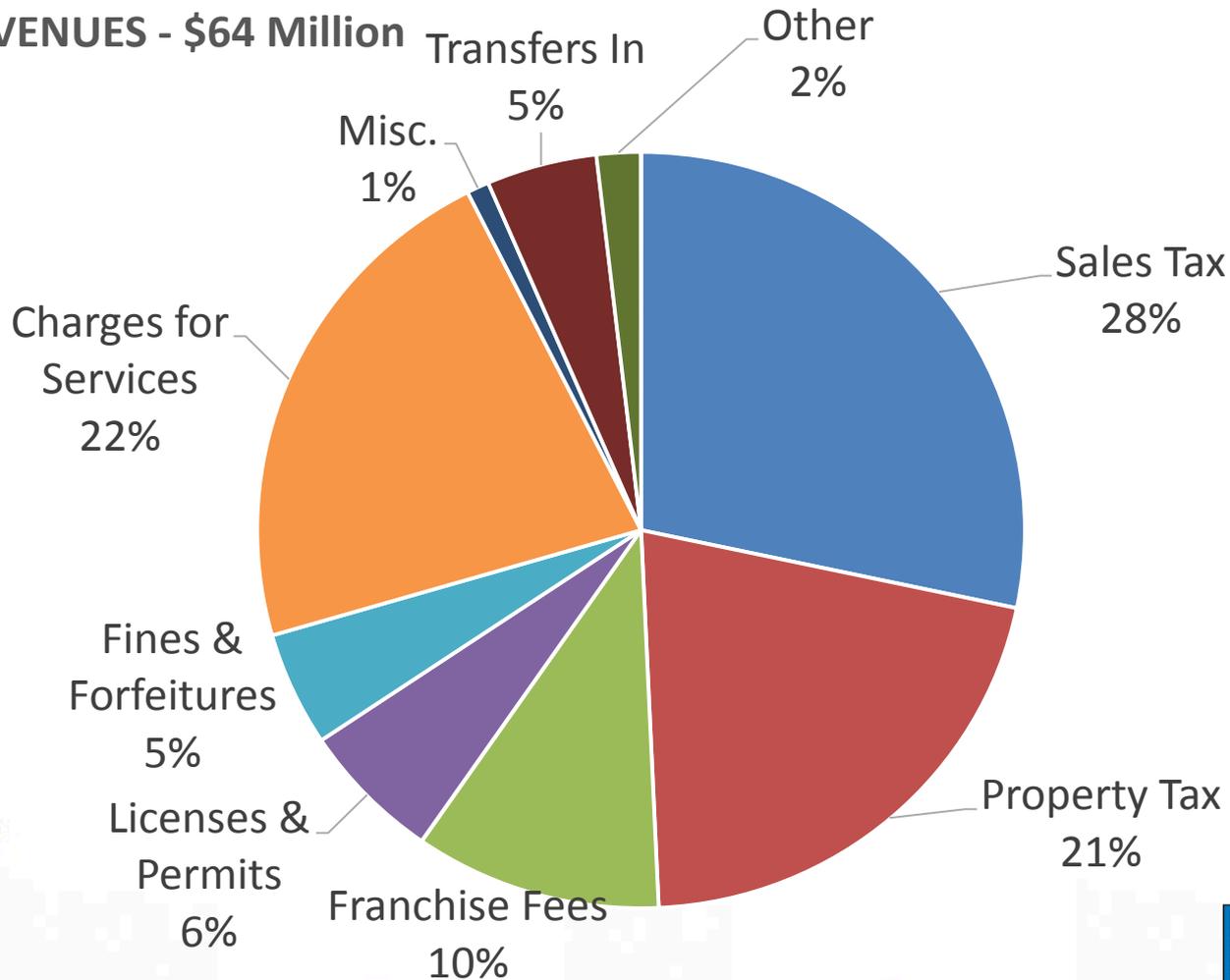
Revenues Total \$63.8 Million

- ✓ 1 cent increase in M&O tax rate needed, from .2151 to .2251
- ✓ Sales Tax increase of 6.0% from FY2014 projections
- ✓ SF Permits - 1,000; continued strong commercial pace
- ✓ Lease/Purchase for Year 1 of ERP Replacement
- ✓ Revenue Enhancements \$225,930
 - ✓ Planning \$ 62,680
 - ✓ Health Inspections \$ 53,250
 - ✓ Inspections \$110,000



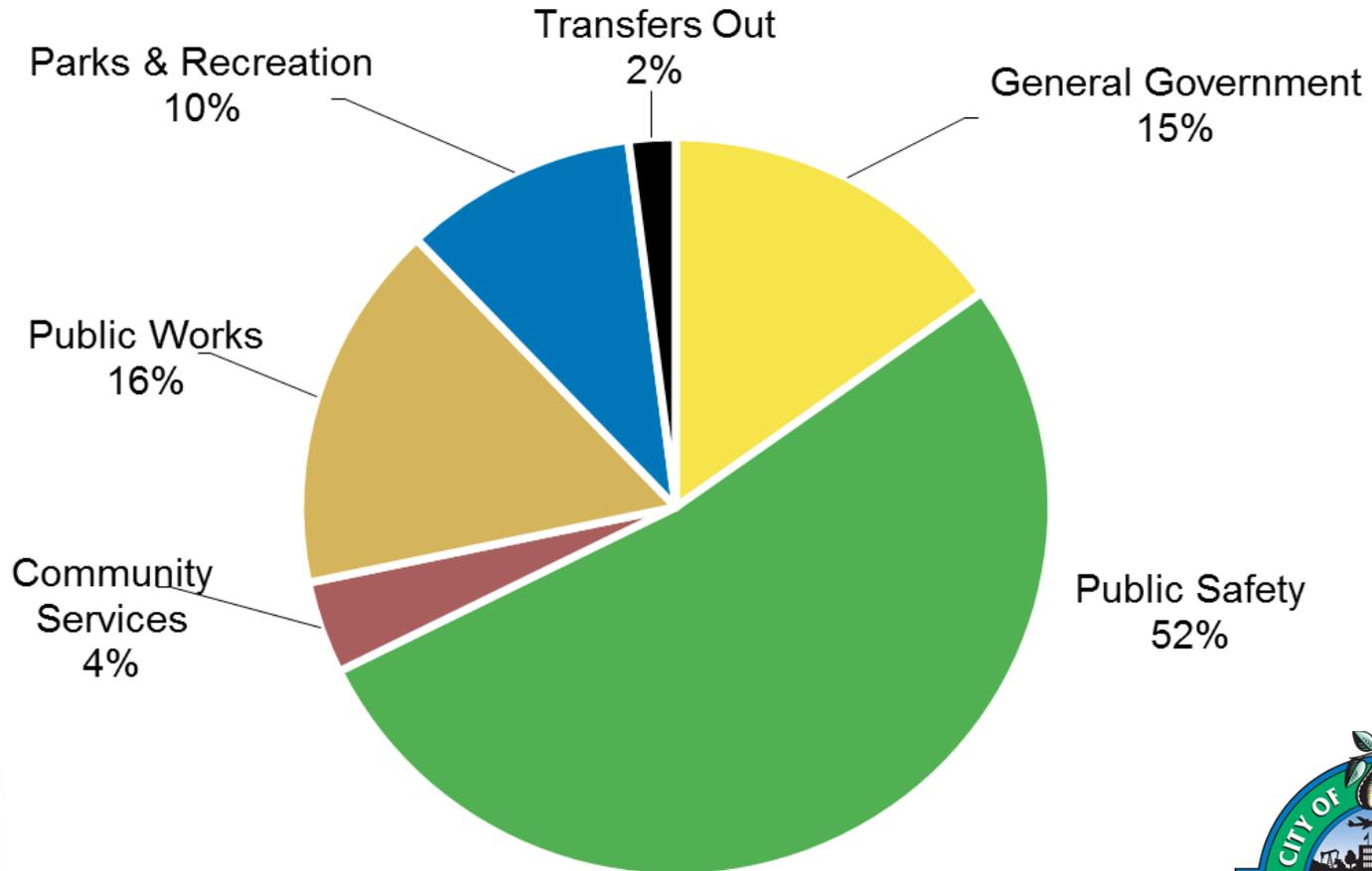
GENERAL FUND REVENUES

TOTAL REVENUES - \$64 Million



GENERAL FUND EXPENDITURES

TOTAL EXPENDITURES - \$67 M



GENERAL FUND

Assumptions – FY2015

Expenditures Total \$67.2 Million

- ✓ Funds basic and increased level of services for a 110,000 population.
- ✓ Supplemental Requests \$ 4.6 million
 - Recurring \$ 831,785
 - Replacements \$ 873,600
 - Non-Recurring/Capital \$ 2.9 million
- ✓ Employee Compensation \$ 2.3 million
 - Retain and Attract Employees
 - Strong yet Sustainable Benefits
- ✓ Enhanced Public Safety \$ 1.0 million



GENERAL FUND

Proposed – FY2015

| | |
|-------------------------------|----------------|
| Revenues | \$ 63,822,655 |
| Expenditures | |
| Operating Expenditures | \$ 65,629,193 |
| Transfers Out | \$ 1,546,744 |
| Total Expenditures | \$ 67,175,937 |
| Revenues Under Expenditures | \$ (3,353,282) |
| Fund Balance – Beginning | \$ 15,532,128 |
| Fund Balance – Ending | \$ 12,178,846 |
| Policy Requirement – 2 months | \$ 10,464,348 |
| Over Policy | \$ 1,714,498 |



GENERAL FUND

Proposed – FY2015

Drawdown of Fund Balance

\$3,353,282

✓ Non-Recurring

\$1,568,695

✓ Recurring

\$1,784,587

✓ Structurally Unbalanced, meaning recurring expenditures more than recurring revenues. This was forecasted in last years multi-year plan for FY2015 by \$842K.

✓ Back in balance by FY2017, as in last years forecast.

✓ Except for completed CIP projects, minimal increases to FY2016 budget.

✓ General Fund, however, still over 2 month policy requirement by \$1.7 million



GENERAL FUND

Recurring Expenditure Increase

| | FY2014 Amended Budget | FY2015 Budget | (Decrease)/ Increase |
|-------------------------|--------------------------|------------------|-------------------------|
| Total Budget | \$64,812,248 | \$65,629,193 | \$816,945 |
| Non-Recurring Carryover | (\$2,849,652) | | |
| Non-Recurring Funding | (\$4,013,253) | (\$2,855,659) | |
| Total Recurring | \$57,949,343 | \$62,773,534 | \$4,824,191 |

Recurring

| | |
|---|----------|
| Employee Compensation (2% Avg. Merit/Police Step) | \$ 843K |
| Medical Contribution Increase | \$1,083K |
| Other Benefit Increases (WC, TMRS, Unemployment) | \$ 425K |
| Fire Station #3 and EMS/Fire Consolidation | \$ 706K |
| Beautification (Base Contract Increase) | \$ 216K |
| New Positions (CIO/Facilities Superintendent) | \$ 265K |
| Supplemental Requests, excluding vehicle/computer replacement | \$ 889K |

GENERAL FUND

Select Supplemental Request

Full List (pages 18-20)

Information Technology

- | | |
|---------------------------------|-------------|
| ✓ ERP Replacement (Year 1 of 2) | \$1,472,090 |
| ✓ CIO and Business Analyst | \$ 214,527 |
| ✓ Annual Replacement | \$ 227,954 |

Police

- | | |
|------------------------------------|------------|
| ✓ Patrol Sergeants (2 + 1 Vehicle) | \$ 290,847 |
| ✓ Crime Analyst | \$ 59,792 |

Fire

- | | |
|-------------------------------------|-----------|
| ✓ Training Tower Structural Repairs | \$ 50,000 |
| ✓ Fire Investigator – Part Time | \$ 35,408 |
| ✓ Health Code Officer (CDBG funded) | \$ 80,449 |
| ✓ Remount Ambulance | \$ 83,100 |



GENERAL FUND

Select Supplemental Request

Inspections

| | |
|--------------|-----------|
| Permit Clerk | \$ 41,587 |
|--------------|-----------|

Public Works

| | |
|------------------------|------------|
| Dump Truck Replacement | \$ 101,509 |
|------------------------|------------|

| | |
|------------------------------------|------------|
| Pneumatic Roller & Recycler Rental | \$ 134,516 |
|------------------------------------|------------|

| | |
|--|------------|
| Flashing Left Turn Arrow Program (yr 1 of 3) | \$ 138,186 |
|--|------------|

| | |
|-------------------|------------|
| Span Wire Rebuild | \$ 192,000 |
|-------------------|------------|

| | |
|--|-----------|
| School Zone Flasher System (yr 3 of 3) | \$ 38,760 |
|--|-----------|

Parks

| | |
|---------------------|------------|
| SCR Park – 2 months | \$ 106,840 |
|---------------------|------------|

| | |
|----------------------------|-----------|
| Centennial Park – 4 months | \$ 39,921 |
|----------------------------|-----------|

| | |
|-----------------------------|-----------|
| Recreation Software Upgrade | \$ 34,047 |
|-----------------------------|-----------|

Water Sewer Fund

Fiscal Year 2013-2014 Projections

Fiscal Year 2014-2015 Budget

(pages 91-99 of budget book)



WATER & SEWER FUND PROJECTIONS – FY2014

(in millions)

| | <u>Budget</u> | <u>Projection</u> | <u>Var.</u> |
|--------------------------|---------------|-------------------|--------------|
| Revenues | \$32.4 | \$32.5 | \$0.1 |
| Expenses | <u>\$31.9</u> | <u>\$31.8</u> | <u>\$0.1</u> |
| Net Income | \$00.5 | \$00.7 | \$0.2 |
| Reserve for Debt Service | \$1.33 | \$1.93 | |
| Ending Cash Equiv. | \$12.6 | \$12.1 | |
| Bond Coverage | | \$1.43 | |
| Cash Reserve | | 38% | |



WATER & SEWER FUND

FY2015 - Assumptions

Revenues total \$35.6 Million

- ✓ Water/Sewer revenues total \$30.7million, 86% of total revenues
- ✓ Includes a 4.63% revenue increase, which generates \$1,358,432 in additional revenues

Revenue Increase expected based on last years forecast

Rate Increase placed on the Volume Side

- ✓ Lease/Purchase for Vacuum Truck



WATER & SEWER FUND

FY2015 - Assumptions

Expenses total \$37.0 Million

| | | |
|-------------------------------|-------------|---------------|
| ✓ Merit and Benefit Increases | | \$924,520 |
| ✓ Supplemental Requests | | \$4.8 million |
| Recurring | \$1,298,074 | |
| Non- Recurring | \$3,538,953 | |
| ✓ Annual Debt Service | | \$10,691,134 |
| ✓ Purchase of Surface Water | | \$ 3,883,873 |



WATER & SEWER FUND

Proposed – FY2015

| | |
|------------------------------|----------------|
| Revenues | \$ 35,583,118 |
| Expenses | \$ 36,980,976 |
| Revenues Under Expenses | (\$ 1,397,858) |
| Cash Equivalents – Beginning | \$ 14,074,705 |
| Reserve for Debt Service | \$ 2,278,256 |
| Cash Equivalents – Ending | 10,398,591 |
| Bond Coverage | 1.56 |
| Cash Reserve Ratio | 28% |



WATER & SEWER FUND

Select Supplemental Request

Lift Stations

| | |
|-------------------------------|------------|
| Auto Dialer Alarm System (44) | \$ 231,000 |
| Lift Station Rehabilitation | \$ 500,000 |

Wastewater Treatment Plants

| | |
|---------------------------------------|------------|
| Sludge dewatering/hauling Far NW WWTP | \$ 525,000 |
| Utility Inspector, with Vehicle | \$ 79,784 |

Water Production

| | |
|---|------------|
| Auto Flushers (25) yr 2 of 3yr program | \$ 107,400 |
| Interior Lining of GST's (yr 2 of 3 yr program) | \$ 400,000 |
| Pigging of lines in the South East | \$ 300,000 |



WATER & SEWER FUND

Select Supplemental Request

Distribution & Collections

| | |
|--------------|------------|
| Vacuum Truck | \$ 459,026 |
|--------------|------------|

Construction

| | |
|----------------------------|------------|
| Longwood St. Manhole Rehab | \$ 159,000 |
|----------------------------|------------|

Billing & Collection

| | |
|---------------------------------|------------|
| Wireless Read System (backbone) | \$ 304,790 |
|---------------------------------|------------|

| | |
|------------|------------|
| ERP System | \$ 802,797 |
|------------|------------|

| | |
|-------------------------|------------|
| Replacement of Vehicles | \$ 215,785 |
|-------------------------|------------|



WATER & SEWER FUND

CIP – FY2015

| | |
|-----------------|---------------------|
| TOTALS | \$ 3,523,575 |
| • Debt Issuance | \$ 2,143,400 |
| • Pay-as-you-Go | \$ 1,380,175 |

Major Projects include: Southdown WWTP Rehabilitation \$540K, PER for Barry Rose WWTP Expansion \$350K; design Roy/Max Garden Trunk Sewer \$330K; JHEC Filter and Bar Screen Improvements \$1.2M, Tom Bass Park Water Loop \$527K; Regency Park Subdivision Water Line Replacement \$626K



WATER & SEWER FUND

Debt Service Requirements

Current Debt Service Requirements to Maturity 2037*

| | |
|-----------|----------------|
| Principal | \$ 114,790,000 |
| Interest | \$ 53,933,023 |
| Total | \$ 168,723,023 |

Total FY15 Requirements

| | |
|-----------|---------------|
| Principal | \$ 5,253,000 |
| Interest | \$ 5,438,134 |
| Sub-Total | \$ 10,691,134 |

Principal Outstanding as of 9/30/15 \$ 120.9 Million

*excludes \$9.2 million in new debt to be issued in FY2014



Water-Sewer Revenue Increase

4.63% Revenue Increase

| Water | <u>Current</u> | <u>Proposed</u> | |
|---------------|----------------|-----------------|------------|
| Base | 11.98 | 11.98 | |
| Volume | | | |
| 2,001-6,000 | 2.93 | 3.16 | |
| 6,001-15,000 | 3.67 | 3.96 | Non-Res. |
| 15,001-25,000 | 4.40 | 4.75 | Irrigation |
| 25,001- + | 5.86 | 6.33 | |

Sewer

| | | |
|--------|-------|-------|
| Base | 14.41 | 14.41 |
| Volume | 3.03 | 3.28 |

8% increase on volume charges



Water-Sewer Revenue Increase

Residential Impact Comparisons

| | <u>Current</u> | <u>Proposed</u> | <u>Increase</u> |
|-------------------------|----------------|-----------------|-----------------|
| 2,000 Gallons | 26.39 | 26.39 | 0 |
| 6,000 Gallons (6 cap) | 50.23 | 52.15 | 1.92 |
| 8,000 Gallons (6 cap) | 57.57 | 60.07 | 2.50 |
| 10,000 Gallons (6 cap) | 64.91 | 67.99 | 3.08 |
| 10,000 Gallons (8 cap) | 70.97 | 74.55 | 3.58 |
| 15,000 Gallons (8 cap) | 89.32 | 94.35 | 5.03 |
| 15,000 Gallons (12 cap) | 101.44 | 107.47 | 6.03 |
| 25,000 Gallons (12 cap) | 145.44 | 154.97 | 9.53 |



Water-Sewer Revenue Increase

Commercial Impact Comparisons

| | Gallons | Current | Proposed | Change |
|--------------|---------|-----------|-----------|----------|
| | 41,700 | \$ 292.38 | \$ 313.82 | \$ 21.44 |
| | 17,500 | \$ 130.24 | \$ 138.61 | \$ 8.37 |
| (Church) | 104,200 | \$ 324.08 | \$ 349.63 | \$ 25.55 |
| (Restaurant) | 35,850 | \$ 116.98 | \$ 132.00 | \$ 15.02 |
| (School) | 175,400 | \$ 539.81 | \$ 583.16 | \$ 43.35 |
| (Sprinkler) | 29,400 | \$ 132.54 | \$ 142.13 | \$ 9.59 |



Solid Waste Fund

(page 100 of budget book)



SOLID WASTE FUND

FY 2015 (pg 100)

Contract expires 9/30/2021

- ✓ Allows for quarterly rate adjustments for fuel
- ✓ Annual CPI adjustment effective each October

Monthly Residential Rate

- ✓ Current Base Rate of \$17.05, fuel adjustment currently in affect \$17.21
- ✓ Estimated Base Rate of \$17.50 for FY15 based on estimated CPI increase of 2.8% as of April 2014. No fuel increases built in

Expenses total \$6,603,258



Special Revenue Funds

Hotel/CVB
Park Development
Seizure Funds
Citywide Donations
U of H
Grants

(pages 115-135 of budget book)



HOTEL/MOTEL & CVB (pg 123)

Revenues

| | |
|-------------------------|-------------|
| Revenues from 13 Hotels | \$1,393,078 |
|-------------------------|-------------|

Expenditures

| | |
|----------------|----------|
| Arts Promotion | \$15,000 |
|----------------|----------|

| | |
|-----------------------|----------|
| Historic Preservation | \$15,000 |
|-----------------------|----------|

| | |
|-------------------|-----------|
| Contractual/Other | \$192,961 |
|-------------------|-----------|

| | |
|---------------------------|-----------|
| CVB Activities/Operations | \$596,252 |
|---------------------------|-----------|

| | |
|---------------------------|------------------|
| Total Expenditures | \$819,213 |
|---------------------------|------------------|

| | |
|----------------------------|-----------|
| Revenues Over Expenditures | \$573,865 |
|----------------------------|-----------|

| | |
|----------------------------------|--------------------|
| Fund Balance at 9/30/2015 | \$3,494,090 |
|----------------------------------|--------------------|



PARKS & RECREATION DEVELOPMENT

FUND (pg 125)

Accounts for payments in lieu of parkland which must be spent in the appropriate park zone. Pearland has 13 park zones.

Expenditures

\$118,532

Expenditures for FY 2015 include:

| | |
|------------------------------------|-----------|
| 2 pet water fountains at Southdown | \$ 8,980 |
| Shadow Creek Trail Signage | \$ 9,552 |
| Centennial Park Construction | \$100,000 |

Ending Fund Balance 9/30/2015

\$705,545



POLICE SEIZURE FUNDS

Seizure funds to be used solely for law enforcement purposes, such as salaries/overtime, training, equipment, supplies and items used in direct law enforcement duties.

State Seizure Fund (page 129)

| | |
|---------------------------|-----------|
| Award/Informant Monies | \$ 20,000 |
| Equipment Rental | \$ 30,800 |
| K-9 Kennel | \$ 1,100 |
| K-9 Vehicle Cage | \$ 2,200 |
| Fund Balance at 9/30/2015 | \$ 91,764 |

Federal Seizure Fund (page 130)

| | |
|---------------------------|-----------|
| Fund Balance at 9/30/2015 | \$ 26,785 |
|---------------------------|-----------|



CITYWIDE DONATION FUNDS

The Citywide Donation Fund is used to account for miscellaneous donations for all City Departments, except the Parks and Recreation Department. Donations received for specific reasons or for specific departments shall be spent for those purposes.

FY 2015 Includes:

| | | |
|---|----|--------|
| Assessment/feasibility Study- Animal Services | \$ | 9,500 |
| Laptop – Humane Officer | \$ | 2,200 |
| Gear Rack Replacement – Fire | \$ | 15,800 |
| Rehab Refrigeration – Fire | \$ | 2,450 |
| | | |
| Fund Balance at 9/30/2015 | \$ | 49,227 |

(page 117 in budget book)



University of Houston Funds

University of Houston Operating Fund

Fund created to account for the revenues and expenditures associated with a development lease agreement between the City, University of Houston, and Pearland Economic Development Corporation.

- Participants share based on square feet.
 - University 75%
 - PEDC 25%
- Expenditure of \$339,915 includes: custodial, utilities, insurance, landscape maintenance, repair & maintenance.

University of Houston Capital Renewal Fund

Lease agreement establishes a Capital Renewal Fund beginning in year 4, FY2014, of 1% of replacement value and 2% contribution in Year 6. Fund Balance 9/30/15 - \$248,485

(pages 133, 134 in budget book)



Municipal Channel (PEG) Fund

Established with the passage of SB1087, that allows 1% of gross revenues to fund capital expenditures associated with public education and government programming for the City's municipal channel.

| | |
|------------------------|-----------|
| Revenues | \$270,500 |
| Expenditures | \$ 83,700 |
| Fund Balance 9/30/2015 | \$666,175 |

(page 135 in budget book)



CDBG Fund

Code Enforcement and Single Family Rehab.
Pearland Neighborhood Center – assistance funds

Revenues: \$313,794

Expenditures:

| | |
|-----------------------------|----------------|
| ✓ Public Social Services | 20,000 |
| ✓ Planning & Administration | 62,758 |
| ✓ Public Infrastructure | <u>231,036</u> |
| ✓ Total | \$313,794 |

(page 132 in budget book)



Internal Service Funds

(pages 137-141 of budget book)



Property Insurance Fund

FY 2015 Assumptions (pg 138-139)

Accounts for activities of the City's property and casualty insurance. Coverage includes general liability, law enforcement, auto, real and personal property, windstorm, etc.

Revenues

- ✓ Transfers from General and Water/Sewer Funds based on share/value of premiums.

Expenses

- ✓ Windstorm Increase of 5%
- ✓ Police Vehicle Coverage Increase of 12%
- ✓ Other Vehicle Coverage Increase of 7%
- ✓ Law Enforcement Liability Increase of 3.12%
- ✓ New facilities added: Fire Station 3 and 2, Parks



Property Insurance Fund

FY 2015 (pg 138-139)

PREMIUMS

| | |
|----------------------------------|-------------|
| GENERAL LIABILITY | \$48,813 |
| ERRORS AND OMISSIONS | \$76,364 |
| PUBLIC EMPLOYEE DISHONESTY | \$3,210 |
| ANIMAL MORTALITY | \$2,924 |
| LAW ENFORCEMENT | \$78,512 |
| PROPERTY INSURANCE | \$93,292 |
| WINDSTORM DAMAGE AND EXCESS WIND | \$727,204 |
| AUTOMOBILE LIABILITY AND DAMAGE | \$225,309 |
| MOBILE EQUIPMENT | \$12,480 |
| SEWAGE BACK-UP | \$16,612 |
| | <hr/> |
| | \$1,284,360 |



Medical Self-Insurance Fund

FY 2015 Assumptions (pg 140-141)

Revenues - \$6.8 million

- ✓ Contributions from City and Employees based on type of plan offered and chosen by employee and based on type dependent coverage.
- ✓ Efforts to provide a sustainable plan result in City offering an HSA and 2 Kelsey Seybold plans – Option 6A
- ✓ \$125,000 individual stop loss; \$6.4M aggregate stop loss.

Expenses - \$6.8 million

- ✓ Administration Fee
- ✓ Claims (Medical and Prescription)

Ending Balance - \$994,450

- ✓ Reserves should be at 2 to 3 months of claims paid or at approximately \$1.2 million



Economic Development Corporation

(pages 143-149 of budget book)

PEDC Board Approved on July 1, 2014



PEDC Assumptions

Pay-off of FY2010 bonds \$6.5 million

Continued Implementation of Pearland 20/20
Strategic Plan

- Economic Development Program \$1.7M
- Community Beautification \$450K
- Lower Kirby District \$500K
- Other \$350K

Retail Analysis, Image Campaign, SH35 and Hwy 288 MMD



P.E.D.C. FY 2015

Revenues

| | |
|----------------|--------------------|
| Sales Tax | \$8,921,768 |
| Lease Payment | 436,998 |
| Interest/Other | 57,000 |
| Total Revenue | <u>\$9,415,766</u> |

Expenditures

| | |
|----------------------|---------------------|
| Operations | \$1,695,365 |
| Operating Transfers | 204,971 |
| Capital/Inventory | 955,000 |
| Debt Service | 8,602,270 |
| Total Operating Exp. | <u>\$11,462,606</u> |

Revenues under Expenditures (2,046,840)

Incentives/Capital 3,132,014

Net Change in Fund Balance (5,178,854)

Fund Balance 9/30/2015 \$12,263,679

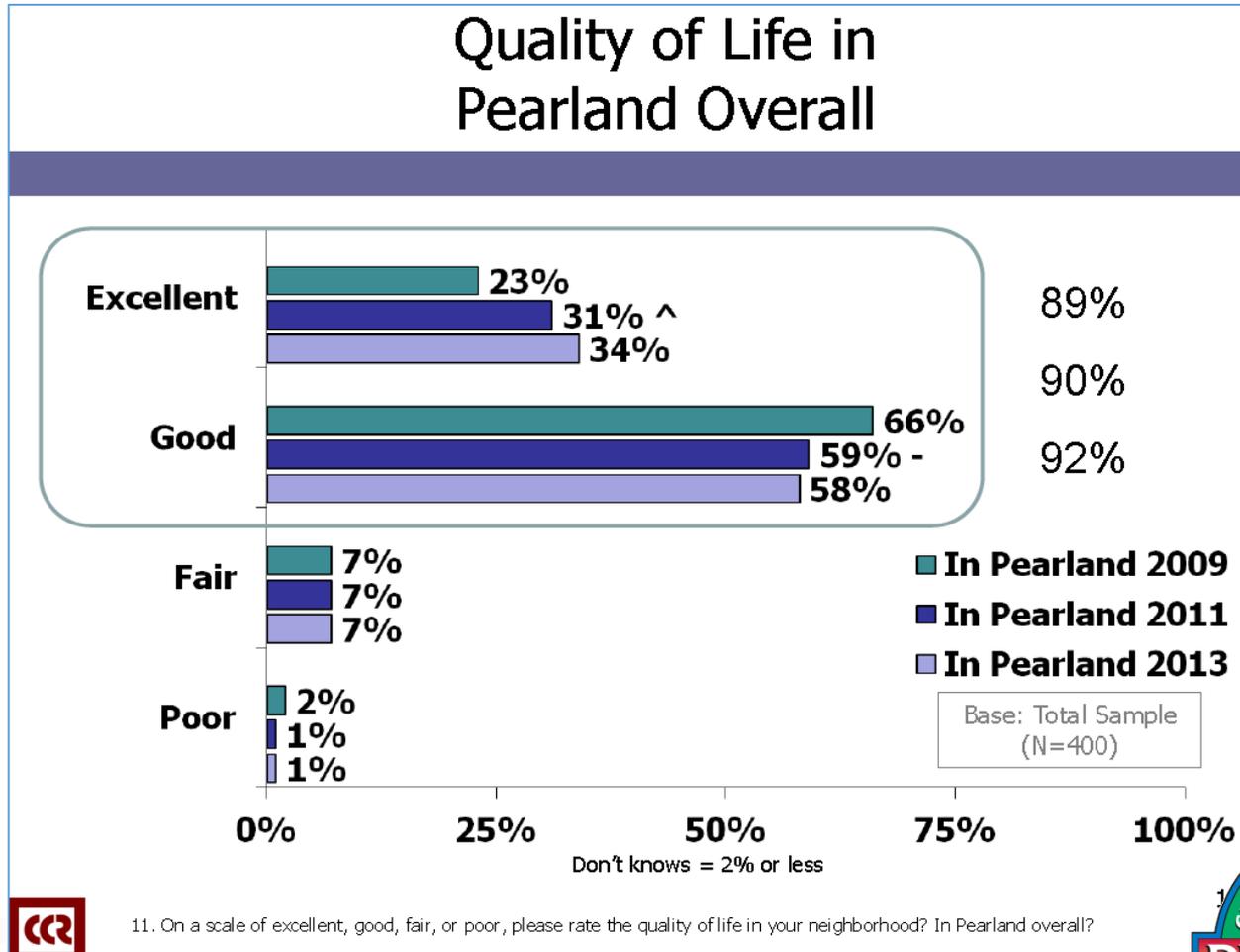


BUDGET CALENDAR

| | | |
|--------------|---------|---|
| August 11 | Monday | Budget Workshop – CIP |
| | 6:30pm | Review of Effective Tax Rate Notice |
| August 18 | Monday | Set Public Hearing on Budget |
| | 6:00pm | Vote on Tax Increase |
| | | Set Public Hearing on Tax Rate |
| | | Budget Workshop |
| August 25 | Monday | Budget Workshop, If Necessary |
| September 2 | Tuesday | 1 st Public Hearing on Budget and Tax Rate |
| September 8 | Monday | 2 nd Public Hearing on Budget and Tax Rate |
| September 22 | Monday | 1 st Reading of Ordinances |
| September 29 | Monday | 2 nd Reading of Ordinances |
| | | Adopt 5-Year CIP 2015-2019 |



GROWING EXCELLENCE





Questions?

Fiscal Year
2014-2015
Proposed Budget and
Multi-Year Forecast