

AGENDA – WORKSHOP OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, TO BE HELD ON MONDAY, AUGUST 6, 2012, AT 6:00 P.M., IN THE COUNCIL CHAMBERS, CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.

I. CALL TO ORDER

II. PURPOSE OF THE WORKSHOP:

- 1. COUNCIL INPUT AND DISCUSSION:** REGARDING THE ANNUAL UNIFIED DEVELOPMENT CODE AMENDMENT (T-14) PROPOSED AMENDMENT TO ALLOW MOBILE FOOD VENDORS IN THE CITY OF PEARLAND.

Mr. Harold Ellis, City Planner.

- 2. COUNCIL INPUT AND DISCUSSION:** REGARDING THE PROPOSED FISCAL YEAR 2012-2013 ANNUAL BUDGET.

Mr. Bill Eisen, City Manager.

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.

Workshop Item No. 1

1. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE ANNUAL UNIFIED DEVELOPMENT CODE AMENDMENT (T-14) PROPOSED AMENDMENT TO ALLOW MOBILE FOOD VENDORS IN THE CITY OF PEARLAND. *Mr. Harold Ellis, City Planner.*

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

AGENDA OF: August 6, 2012	ITEM NO.: Workshop Item No. 1
DATE SUBMITTED: July 25, 2012	DEPT. OF ORIGIN: Planning
PREPARED BY: Harold Ellis	PRESENTOR: Harold Ellis
REVIEWED BY: Mike Hodge	REVIEW DATE: July 30, 2012
SUBJECT: Annual Unified Development Code Amendment (T-14), Workshop Number 1: Proposed Amendment to allow Mobile Food Vendors in the City of Pearland	
EXHIBITS: 1) Examples of Mobile Food Vendors; 2) City of Dallas – Information on Mobile Food Vendor Requirements	
EXPENDITURE REQUIRED: N/A AMOUNT AVAILABLE: N/A ACCOUNT NO.: N/A	AMOUNT BUDGETED: N/A PROJECT NO.: N/A
ADDITIONAL APPROPRIATION REQUIRED: N/A ACCOUNT NO.: N/A PROJECT NO.: N/A	
To be completed by Department: <input type="checkbox"/> Finance <input type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution	

EXECUTIVE SUMMARY

Amendments to the Unified Development Code (UDC) are reviewed annually. Based on input from citizens, developers, city council, board members, and city staff, planning staff creates a list of changes to the UDC.

Since UDC is our local zoning ordinance, state law and city charter requires a joint public hearing with the Planning & Zoning Commission (P & Z) and City Council, and two readings of the ordinance by the City Council to approve any changes to the local zoning ordinance.

In Pearland, the Council has directed that the Planning and Zoning Commission review these changes in detail and make a recommendation at the joint workshop. Therefore, the process starts with a P & Z workshop.

A workshop was scheduled with the P & Z on July 16, 2012, to discuss this change. A summary of the discussion and recommendation from that meeting is provided in this report. The next step in the process is a joint workshop with P & Z and City

Council. Assuming that the P & Z and City Council wish to make the ordinance change, a public hearing will be held on August 20, 2012 and the earliest date for the second reading of the ordinance would be September 24, 2012.

This is the first workshop of a series of workshops that will be scheduled in the couple months.

Proposed amendment:

The UDC (the city's zoning ordinance) does not permit mobile food vendors. A request has been received to amend the UDC to allow this type of use.

The city ordinance permits vendors in vehicles that traverse the city streets, such as ice cream trucks, etc. These are not permitted to park at any specific location, especially on private property. The only area that permits this kind of retail is the Pearland Town Center. Pearland Town Center was approved as a Planned Development and specifically lists this as a permitted use, within certain parameters.

Based on staff's preliminary research, the following considerations are associated with this type of use.

Types:

Mobile food vendors include a wide variety, some of which are listed here.

1. General Service Pushcart
2. Limited Service Push cart
3. Grocery Truck
4. Produce Truck
5. Lunch Truck
6. Catering Truck
7. Ice Cream Truck
8. Mobile Food Preparation Vehicle (hot truck)

Refer to attached regulations from Dallas, explaining each type in detail.

Permitted locations:

Some cities that permit this kind of use have demarcated locations in the city where this use would be beneficial. The locations are generally chosen based on their character and activity. Pedestrian oriented areas, central business districts, downtowns, public parks, plazas, and other special districts are some areas where these have been deemed to be appropriate.

Zoning and ownership:

Zoning of the property (residential or non-residential) and ownership (public or private) are important aspects that need to be considered. Typically, these uses have been excluded from private residential areas.

Special events:

Certain events, such as holiday parades or celebrations, ball games, etc., may benefit from these uses.

Other mobile uses:

It is important to discuss if these types of mobile units would be limited to eating establishments or would include other uses such as selling of consumer goods, pet vaccination clinics, etc.

Other considerations:

For each site, some cities required detailed information, such as location of the cart, dimensions, surrounding landscape and streetscape elements, lighting, seating, parking, nearby restroom facilities, etc.

Pros and Cons:

Based on preliminary discussion staff has listed the following pros and cons.

Pros:

1. Encourage small businesses.
2. Could add to food choices.
3. Promote street activity and vitality for certain areas.

Cons:

1. Potentially unsightly – out door display, condition of structure, etc.
2. Unfair competition to businesses that have invested in “brick and mortar” stores.
3. Taxation issues.
4. Health code issues – harder to enforce and to comply.
5. Potential safety issues – circulation, traffic, parking

Outdoor activities and use permitted currently:

The UDC permits outdoor activities and uses in certain zones, and sometimes with a Conditional Use Permit. Below is a summary.

Activity	OP	NS	GB	GC
Temporary outdoor activities or events	YES	YES	YES Related to holidays and national events for 45 days/event Others – once a year.	YES Related to holidays and national events for 45 days/event Others – once a year.
Permanent outdoor activity or display	NO	NO	Confined to pedestrian walkway adjacent to building.	YES, if related to a use in the building. Need a CUP if abutting residential zones.

Planning and Zoning Commission Workshop Summary:

As previously discussed, this proposed amendment was discussed at a Planning and Zoning Commission workshop on July 16, 2012. Listed below are the concerns raised by the Commission, followed by their recommendation:

- Does not seem appropriate for the community
- Effective code enforcement
 - Concern regarding potential problems with inspections, frequency of inspections, resulting in a concern for public health
- Traffic around vendor and/or in parking lot
- May not fit the vision of the community, what Pearland is.
- May be appropriate in specific areas of the City
 - Old Townsite
- Amount of City resources it may take to regulate effectively
- Tax collection
- Mobile devices likely would not meet the City's building finish standards
- Concern the vendors would use existing vacant land
- Outside sales has been heavily discussed in past Planned Developments
 - Not always approved
- Unfair competition for those who have developed on pad sites and shopping centers

P&Z Recommendation – The Planning and Zoning Commission was not interested in moving forward with an amendment to the Unified Development Code to allow for mobile food vendors to be permitted in Pearland at this time.

Staff Recommendation

Conduct the workshop and provide direction to staff.

Exhibit 1 – Examples(s):

Push carts



Grocery / Produce Truck



Lunch Truck Catering Truck



Ice Cream Truck



Food Preparation Truck

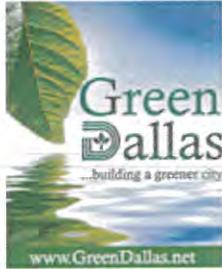


Mobile Auto Detailing Shops



Exhibit 2 – Information on City of Dallas Mobile Vendor Requirements(s):

(See attached PDF)



Code Home

- Restaurant/Bar Inspections**
- Buying a Food Facility**
- Consumer Information**
- Dogs on Patios**
- Fixed Food Facility**
- Foodborne Illness**
- Food Handler Certification**
- Food Operator Information**
- Food Scores**
- Forms**
- Frequently Asked Questions**
- Homeless Feeding**
- Mobile Food Facility**
- Registered Food Service Manager**
- Related Links**
- Temporary Food Establishment Requirements**
- Street Vending:**
- Street Vending Application Procedures**
- Street Vending Central Business District Vending Areas**
- Street Vending - Frequently Asked Questions**
- Street Vending - Non-Food Vending**
- Street Vending - Site Set Up and Maintenance**

Code Compliance Services

Restaurant and Bar Inspection Division | Street Vending | Central Business District Vending Areas

CBD Vending Boundaries

1. **Central Business District (CBD)** - the area of downtown Dallas within Woodall Rogers Freeway on the north, Central Expressway (elevated bypass) on the east, R.L. Thornton Freeway on the south, and Stemmons Freeway on the west (**permits are location specific**).
2. **Warehouse/ West End (roaming, 9 site locations)** - the area of downtown Dallas within Woodall Rogers Freeway on the North; Lamar Street on the east; the MKT railroad tracks on the west; and southern boundary consisting of and extending along Commerce Street from Lamar Street west to Austin Street, then along Austin Street north to Main Street, then along Main Street west to the MKT railroad tracks. A vendors badge is required (**roaming area**).
3. **Arts District (roaming, 10 site locations)** - the area of downtown Dallas within Woodall Rogers Freeway on the north, Routh Street on the east, Ross Avenue on the south, and St. Paul Street on the west. A vendors badge is required (**roaming area**).
4. **Central Business District (CBD) Core Area** - the area of the city within and including the following described boundaries: Point of beginning at the northeast corner of the intersection of Pacific Street and Lamar Street; then along Pacific Avenue (north sidewalk) to Akard Street; then along Akard Street (west sidewalk) to Federal Street; then along Federal Street (north sidewalk) to Pearl Street; then along Pearl Street (west sidewalk) to Pearl Expressway; then along Pearl Expressway (west sidewalk) to Commerce Street; then along Commerce Street (south sidewalk) to Lamar Street; then along Lamar Street (east sidewalk) to the point of beginning (**non-roaming area**).

NOTE: There are only 9 sites in the Warehouse and 10 sites in the Arts Districts

- [Central Business District Area Boundaries Map](#) (Adobe PDF)
- [Arts District Boundaries Map](#) (Adobe PDF)
- [West End District Boundaries Map](#) (Adobe PDF)
- [Pushcart Design Dimensions/ Area Dimensions](#) (Adobe PDF)
- [Pushcart Setback Requirements](#) (Adobe PDF)

A person that holds a CBD Concession License may receive a maximum of five (5) CBD Location Permits in addition to permits issued for Arts and Warehouse Districts. The director may determine the number of 'sites'.

Other factors may be taken into consideration by the Director when evaluating a vending site location for approval. These factors include: the type of merchandise sold; the uniqueness and variety of the product(s) offered; and the effect on nearby businesses.

Applicants must provide a list of products or services being provided.

Applicants for a CBD Concession License must submit a scaled sketch plan or photographs showing proposed cart location, dimensions, and details of surrounding streetscape elements, covering 6 feet on all sides of the edge of the proposed cart operating area including property lines, sidewalk, curb lines, lighting, trees indicating tree size, tree/ storm grates or gutters, planters, lamp post, parking meters, benches, utility boxes, newsstands, handicap ramp, building entrance/exits, street signs, bus/rail stops, and fire hydrants.

NOTE: All proposed vending locations that are selected will be assessed for approval by the Restaurant and Bar Inspection Division.

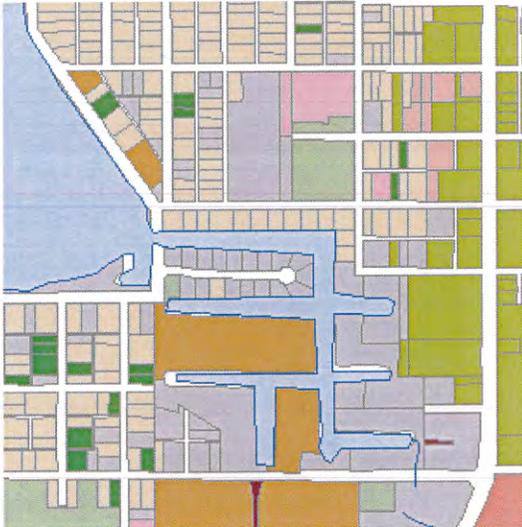
All applicants for a Central Business District Concession License and Central Business District Location Permit must apply in person at the Restaurant and Bar Inspection Division located at **7901 Goforth Road**, Dallas, Texas 75238. Applications are accepted Monday – Friday between the hours of 8:00 am and 12:30 pm or 1:00 pm and 4:30 pm.

Zoning Guidelines

- Zoning Guidelines for Street Vendors - A basic Street Vending License (Central Business District Concession License) entitles a vendor to sell handcrafted items or food on public property or private property in the Central Business District. Additional permits are required for food vendors.
- Private Property Zoned for Commercial Use - If a vendor desires to sell on private property, that private property must be zoned for commercial use
- Private Property Zoned for Residential Use - It is never legal for a street vendor to sell merchandise or food on private property zoned for residential use, even if the property owner has given permission. It is not legal to conduct any kind of sales or fundraisers from the front yard, driveway, porch, etc., of a residence.

Vending in a Public Park or The Farmer Market

To sell in a park or the Farmer Market, a vendor must have written permission from the Parks and Recreation Department or the Municipal Produce Market (Farmers Market). Vendors within the CBD are required to obtain a Central Business District (CBD) Concession License from the Restaurant and Bar Inspection Division.



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Requirements for Mobile Food Vendors City of Dallas



INSPECTION TIMES: Tuesday and Thursday 1:00 p.m. – 4:00 p.m.

All inspections are conducted at 7901 Goforth Rd., Dallas, Texas. An on-site inspection may be scheduled at a cost of \$100.00 (Per Vehicle) in addition to the permit fee.

Mobile Permit Requirements

General Service Pushcart (GS) - \$150.00: Low propane gas permit, current Texas Drivers License, notarized Commissary Approval Form, notarized Letter of Authorization from the property owner if vending will be conducted at a location that is different from the commissary.

Limited Service Pushcart (LS) - \$100.00: Current Texas Drivers License, notarized Commissary Approval Form.

Grocery Truck (LS) - \$100.00: Current Texas Drivers License, proof of liability insurance.

Produce Truck (P) - \$100.00: Current Texas Drivers License, proof of liability insurance.

Lunch Truck (LS)- \$100.00: Notarized Commissary Approval Form, current Texas Drivers License, proof of liability insurance, low propane gas permit.

Catering Truck (C) - \$100.00: Notarized Commissary Approval Form, current Texas Drivers License, proof of liability insurance, low propane gas permit (if propane gas is used).

Ice Cream Truck (I) - \$100.00: Proof of liability insurance, current Texas Drivers License, notarized Commissary Approval Form.

Mobile Food Preparation Vehicle (hot truck) (GS) - \$465.00 (\$315.00 Permit Application fee + \$150.00 Inspection Fee): Current Texas Drivers License, proof of liability insurance, Affidavit of Authenticity of MFPV, Food Service Manager registration, written agreement of the property owner of each vending location allowing the use of toilet facilities, Commissary Approval Form, low propane gas permit.

To obtain a low propane permit, call (214) 670-4319



General Service Guidelines For Food Preparation Pushcarts

1. The minimum acceptable material of the cart must be no less than 30-mm durable stainless steel. The cart must not have any areas that contain breaks, seams, cracks, chips, pits or similar imperfections or have difficult-to-clean internal corners or crevices. Carts having exposed angle iron supports or bracing will not be approved. No exposed rivets or square-head screws will be allowed.



2. The cart must be non-motorized and easily moveable by one person. The bottom of the food service or storage unit shall be at least 6" from the ground.

3. The measurements of the cart must not exceed 6 feet in length (exclusive of handles no longer than 6 inches), 3 feet in width (exclusive of wheels), or 4 feet in high (exclusive of wheels). Handles measuring 6" or more in length will be included in calculating the length of the cart. Wheels are to be included in the length of the pushcart on bicycles. Trailer hitches are included in the size measurement if it is



permanently attached to the pushcart. Overhead protective covering (umbrella) must be in place at the time of inspection to determine if it is in good condition as well as during all times of operation. Grills will not be allowed on the pushcart. The cart must be in operating condition at the time of inspection. **Carts are restricted to the Central Business District area or on private property only.**

4. Each cart must have a hand sink (minimum of 3" deep) and supplied with hot and cold potable water under pressure or gravity fed with a mixing faucet. Tanks relying on gravity for flow shall be vented for escape or intake of air of sufficient volume to allow for water flow. The opening shall be protected from possible contamination.



5. Water tanks shall have a minimum capacity of 2.5 gallons each to equal a minimum total of five gallons when combined. Water tanks shall have a smooth interior with no recesses or crevices.

6. A copy of plans and specifications of the construction of the pushcart must be approved in writing by the Health Department prior to issuing a permit.
7. During the Permitting inspection, the owner of the cart must bring 5 gallons of water in order to measure the size of the tanks, leaks and proper functioning. **Permits will not be issued to carts requiring handsinks unless it is operating properly.**
8. The propane tank must be attached to the outside of the cart and properly anchored in an upright position. A fire extinguisher approved by the fire department must be on the cart at the time of inspection and during all times of operation. Prior to inspection, each operator must submit the low propane permit. Contact the Fire Department at 214-670-4319.
9. The retention tank shall have a minimum capacity of 7.5 gallons (28.4 L) or 15% larger than the water supply tank, whichever is greater. Tanks shall have smooth interior surfaces.
10. Only foods approved by the Director and listed on the permit may be served, sold or distributed. **Only two food items can be served or sold at any one time.**
11. Cooking will not be allowed on the pushcart (i.e., grilling and baking). Only reheating of cooked food by boiling or steaming is allowed.
12. Cutting of vegetables and other food items is prohibited.
13. The cart must be equipped with a mechanical oven or refrigeration system to maintain proper food temperature. Thermometers shall be conspicuously located in each hot or cold unit.

14. Only single service articles are to be used.
15. If used, ice must be drained into a retention tank to be properly disposed of at the commissary. Wastewater leakage will not be allowed. Ice must be drained through the interior of the cart.
16. Stem type thermometers are required on the pushcart to check internal food temperatures, numerically scaled, and accurate to plus or minus 2EF (1EC).
17. Carts must report daily to a commissary for supplies, cleaning and servicing. If the applicant does not own the commissary, a Commissary Approval Form must be completed and submitted to the Department of Health and Environmental Services for approval prior to permitting. All Commissary Approval Forms must be notarized. All commissaries must be permitted fixed food establishments
18. All commissaries must be pre-approved prior to permitting the mobile unit. **Allow up to ten (10) working days for processing.** Each new permit and renewal requires a new notarized Commissary Approval Form.
19. The cart must have firm name and permit number on both sides in at least three (3) inch letters. Permit numbers are assigned at the time of inspection and the numbers must be placed on the cart within 24 hours.
20. Permit must be retained on the cart at all times.
21. The operating location of the mobile unit in the Central Business District (CBD) must be pre-approved prior to being issued a permit. Carts operating on private property must have a notarized Letter of Authorization in order to be permitted.

Limited Service Pushcart

Pre-Packaged Foods and Beverages



1. The cart must be stainless steel, anodized aluminum, fiberglass reinforced plastic, or similar materials. If any wood is used, it must be completely covered with Formica-type materials. The cart cannot have any area containing a break, seam, crack, chip, pit or similar imperfection or have difficult-to-clean internal corners or crevices. Carts having exposed angle iron supports or bracing will not be approved. No exposed rivets or square-head screws will be allowed.
2. The cart must be non-motorized and easily moveable by one person. The bottom of the food service or storage unit shall be at least 6" from the ground.
3. The size of the cart must not exceed 6 feet in length, 3 feet in width (exclusive of wheels), or 4 feet in height (exclusive of wheels and umbrellas). Carts must provide the overhead protection (umbrella) at the time of inspection to determine if it is in good condition and must be in operating condition at time of inspection.
4. Operator may vend only pre-wrapped and properly labeled foods in individual packages for immediate consumption and non-potentially hazardous beverages from pressurized dispensers or covered urns.
5. All foods must be obtained from a permitted fixed food facility.
6. If used, ice must be drained into a retention tank to be properly disposed of at the commissary or designated servicing area. No wastewater leakage will be allowed.
7. Carts must report daily to the commissary and servicing area for food supplies, cleaning and servicing. If the applicant does not own the commissary, a Commissary Approval Form must be completed and submitted to the Food Protection Division for approval. All Commissary Approval Forms must be notarized if the owner is not present in our office at the time of the signing.
8. All commissaries must be pre-approved prior to permitting the mo. **Allow up to ten (10) working days for processing of commissary approval.** Each new permit and renewal requires a new notarized Commissary Approval Form.
9. **CARTS AND EXCESS FOOD MUST BE STORED AT THE COMMISSARY OVERNIGHT.**

10. Cart must comply with applicable sections of Chapter 50 if the cart is to be located in the Central Business District areas.
11. Cart must have firm name and permit number on both sides of the cart in at least three (3) inch letters. Permit numbers are assigned at time of inspection and must be placed on cart within 24 hours.
12. Permit must be retained on the mobile unit at all times.
13. Operator must maintain mobile unit in a clean condition at all times.

Note: Park Department Information:

1. Chapter 50-156 (b) states you can not sell food and drink concessions on park property without a contract with the Park and Recreation Department.
2. Contact the Special Services Business Office at 5620 Parkdale Drive, Dallas, Texas, 75227, 214/670-85220, if you are interested in receiving more information concerning food and drink concession contracts.

Mobile Grocery Trucks



1. The vehicle must be an enclosed commercial van or truck with a smooth, easily cleanable floor in good condition. Carpet or wood flooring is strictly prohibited.
2. Only pre-packaged, non-potentially hazardous foods may be sold in single portion units. All other grocery items not packaged in single serve portions must be sold in the smallest quantity available.
3. If soft drinks are cooled on wet ice, a retention tank must be provided and wastewater must be disposed of at a designated service area. Dry ice may be used as a soft drink coolant as well.
4. All food sold must be properly labeled and obtained from an approved permitted facility. **No homemade foods may be sold.**
5. The firm name and permit number must be affixed on both sides of the vehicle in 3" letters.
6. The vehicle must be maintained in a clean condition.
7. The Mobile Food Unit Permit and original Mobile Food Unit Inspection sheet must be kept on the vehicle during all times of operation.

Produce Trucks



1. The only items approved for sale on a produce vehicle include fresh fruit, vegetables and other agricultural products.
2. The types of vehicles permitted for produce sale are pickup trucks, commercial van, station wagons and trailers. **Trailers must remain hitched to the vehicle at all times.**
3. The floor of the vehicle must be smooth and easily cleanable. Carpeted surfaces are strictly prohibited.
4. **Severely dented or rusted vehicles and trailers will not be approved.**
5. Produce may be displayed only on the body of the permitted vehicle.
6. No tables or similar fixtures will be allowed.
7. The vehicle must have the firm name and permit number permanently affixed on both sides in 3" letters. Newly assigned permit numbers must be provided on both sides of the vehicle within 24 hours of permit approval.
8. The vehicle must be maintained in a clean condition at all times.
9. Mobile Food Permit must be retained on the vehicle at all times.

Mobile Lunch Trucks



1. A commercially manufactured motorized mobile food from which only prepackaged foods and beverages are sold. Only pre-wrapped, bottled, canned or properly labeled packaged foods in individual servings and non-potentially hazardous beverages in covered urns may be vended.
2. All foods must be from an approved source.
3. Proper equipment must be provided, such as mechanical ovens and electric refrigerators or blowers, to maintain potentially hazardous foods at proper temperatures.
4. The serving of ice for human consumption may be dispensed through an automatic ice machine or stored in an approved ice bin and dispensed by the operator.
5. Ice used as a coolant must be drained into a retention tank and must be properly disposed of at a designated servicing area.
6. Only single service utensils may be used.
7. A Stem-type thermometer must be provided to check food temperatures.
8. All mobile lunch trucks must report daily to the approved commissary and servicing area for food supplies, and cleaning.
9. A commissary is required. If the owner does not own a commissary, a Commissary Approval Form must be obtained from the Food Protection and Education Division and filled out by the commissary owner. The approval form must be signed in the presence of a Notary Public.
10. The firm name and permit number must be affixed to both sides of the vehicle in 3" letters within 24 hours of permit approval.
11. The driver of the lunch truck must have a Texas Drivers License, current auto insurance, a current safety inspection sticker and current vehicle registration.

MOBILE CATERING VEHICLES



1. The vehicle must be enclosed type such as a commercial van or station wagon with smooth, easily cleanable floors, walls and ceilings.
2. The vehicle must operate from a fixed, permitted commissary. **NO HOME BASED FOOD SERVICE OPERATIONS ARE ALLOWED.**
3. All food must be transported in approved insulated units, electrical heating and mechanical refrigeration to maintain food temperature.
4. Food containers and all serving articles must be stored and dispensed in a manner to prevent contamination.
5. Food may not be sold from a mobile catering truck. The vehicle is used strictly to transport the food and equipment to the catering site.
6. The firm name and permit number must be affixed to both sides of the vehicle in at least three (3) inch letters.
7. The permit must be maintained with the vehicle at all times.
8. The vehicle must be kept clean at all times.
9. The vehicle must report daily to a commissary for supplies, cleaning and servicing. If the applicant does not own the commissary, a Commissary Approval Form must be completed and submitted to the Food Protection and Education Division for approval. All commissary forms must be notarized if the owner cannot be present in our office at the time of signing.
10. If the commissary is located outside the city limits of Dallas, a copy of the health permit and most recent sanitation inspection conducted by the regulating health authority must be submitted.

Ice Cream Trucks



1. The vehicle must be clean, inside and out, painted, and in good condition. The vehicle with the only servicing window on the curbside of the vehicle.
2. The vehicle must be equipped with left and right outside rear view mirrors and two wide-angle mirrors; one located in the front and one located in the back of the vehicle.
3. The vehicle must be equipped with signs reading **WATCH FOR CHILDREN** and/or **STOP FOR CHILDREN** in 5" letters on both the front and the back of the vehicle. It is recommended that signs be present on all four sides of the vehicle.
4. The vehicle must have firm name and permit number affixed on both sides of the vehicle in 3" letters within 24 hours of the permitting inspection.
5. All vehicles must be equipped with operable four-way hazard lights and at least one permanently affixed amber light on the top of the vehicle.
6. Chapter 30-2 Prohibits the use of mechanical loudspeakers or sound amplifiers on trucks or other moving vehicles for the purpose of advertising any show, sale, or display of merchandise. **Vehicles will not be permitted with a sound generating device attached.**
7. It is recommended that a shield be installed along the rear bumper to prohibit children from standing or jumping on it.
8. Floors and floor coverings must be constructed of a smooth and durable material, such as linoleum or metal, and must be easily cleanable. Carpeting of any type is strictly prohibited. The use of anti-slip floor covering will be allowed.
9. Walls and ceilings must be smooth, easily cleanable and non-absorbent. No carpet or exposed, raw wood is allowed.
10. All equipment must be mounted and properly secured to eliminate unsafe conditions.
11. Food storage units must be clean, in good repair, and properly designed to maintain the food product at 0E F or below. A visible thermometer must be provided.
12. **All ice cream must be pre-wrapped, sealed, labeled and obtained from an approved source.**
13. Pre-packaged candy, chips and soft drinks must be sold in single portion units.

14. If soft drinks are cooled on wet ice, a retention tank must be provided for drainage purposes and must be disposed of at a designated service site.
15. A trash receptacle must be available to the customer from the outside of the vehicle.
16. A commissary is required. If the owner does not own an approved commissary, a Commissary Approval Form must be secured from the Food Protection and Education Division and must be filled out by the commissary owner, signed and notarized.
17. The vehicle must be returned to the commissary daily for servicing and loading of food products.
18. Copies of the Mobile Food Service Permit must be retained on the vehicle at all times.
19. All drivers must possess a current Texas Drivers License, Texas license plate and a Texas safety inspection sticker.
20. Vendors shall not sell, distribute, or offer for sale, any products or services within two city blocks or 600 feet, whichever is greater, of the grounds of any public, private, parochial, elementary or secondary school between the hours of 7:30 a.m. and 4:30 p.m. on days when school is in session.
21. Vendors shall limit their hours to true daylight, which is defined as 30 minutes before sunrise to 30 minutes after sunset. Those units legally operating inside a park in accordance with Park Department approval may continue to operate during the hours set by the Parks and Recreation Department.

Note: Park Department Information-

1. Chapter 50-156 prohibits selling food and drink concessions on park property without a contract with the Park and Recreation Department.
2. Contact the Special Services Business Office at 5620 Parkdale Drive, Dallas, Texas 75227, Telephone 214/670-8520 if you are interested in receiving more information concerning a food and drink concession contract.

MOBILE FOOD PREPARATION VEHICLE GUIDELINES (HOT TRUCK)



Mobile Food Preparation Vehicle (MFPV) is defined as a commercially manufactured, motorized mobile food unit in which ready-to-eat food is cooked, wrapped, packaged, processed, or portioned for service, sale or distribution.

Design Requirements:

1. Floors of the vehicle must be constructed of durable, easily cleanable material, including, but not limited to, anodized aluminum, stainless steel, or tile. All junctures must be properly sealed. All service lines and pipes must be installed off the floor to allow for easy cleaning.
2. Walls of the vehicle must be durable, easily cleanable, non-absorbent and light in color. Minimum wall materials include, but are not limited to aluminum or fiberglass reinforced plastic (FRP). Walls at vent hood and grill areas must be covered with stainless steel panels. Wall covering must be installed to cover the entire height of each wall. Stud and utility lines may not be unnecessarily exposed on the wall or prevent cleaning.
3. Ceilings of the vehicle must be light in color, non-absorbent, and easily cleanable. Joints and rafters may not be exposed.
4. The cab of the vehicle must be physically separated from the food preparation area, with seats designated for the cook and any passengers located outside of the food preparation area.
5. The vehicle must be equipped with a built-in hose that may be used to wash the interior of the vehicle.
6. Ventilation systems over cooking equipment must be properly vented and meet all City of Dallas Fire Department requirements.
7. The handwash sink must be provided with hot and cold water under pressure tempered by means of a mixing valve or combination faucet. Soap and paper towels must also be available.
8. The potable water tank must be properly installed and of sufficient capacity for food preparation, dishwashing and general cleaning.
9. The retention tank must be permanently installed and of at least 15% larger capacity than the potable water supply tank.

10. The refrigeration and hot holding units must be NSF approved and adequate in number to maintain the required temperature of PHF (potentially hazardous foods).
11. Ice used for drinks must be properly dispensed and drained into a liquid waste retention tank to be disposed of at the designated commissary.
12. Food and single service articles must be properly protected and stored at least six inches above the floor.
13. Adequate lighting must be provided and properly shielded.
14. Outer openings including pop-up vents and sunroof must be insect and rodent proof. Screens must be tight fitting and in good repair. (Duct tape is not acceptable).
15. Service windows must be properly protected with screening of a size no larger than 16 mesh to the inch; must be tight fitting and free of breaks. The windows must be kept closed when not in service.
16. Garbage containers must have tight fitting lids and be kept closed when not in use.
17. A fire extinguisher approved by the Dallas Fire Department must be present on the vehicle at all times.
18. Prior to being inspected, each operator must submit a low propane fire permit.

Operational Requirements:

1. All operators of motorized mobile food units must have a current driver license issued by the State of Texas and proof of Liability Insurance.
2. Owners of each MFPV must have a signed and notarized commissary form and an Affidavit of Authenticity of Mobile Food Preparation Vehicle prior to being permitted.
3. Mobile food preparation units must have a current Registered Food Service Manager.
4. An itinerary must be provided for each vehicle prior to the first business day of each month. The Health Department must be advised of any changes immediately. Schedules/Stops must be accurate to within 30 minutes. The name, address and telephone number of the owner of the premises must be provided. A description of the food to be sold or served at each premise must accompany the itinerary.
5. The mobile food preparation vehicle must park only on improved surfaces to sell and serve food.

6. Cooking must not be conducted while the vehicle is in motion.
7. Only fast-cooked food items may be prepared on a mobile food preparation vehicle. Raw poultry or shellfish may be prepared on the vehicle only if it is frozen and breaded that goes directly from the freezer into a fryer.
8. Covers for deep fryers must be provided and installed over fryer units while the vehicle is in motion.
9. The owner must maintain a written agreement with one or more businesses to provide toilet facilities for use by employees of the mobile food preparation vehicle at locations where unit is stopped for vending.
10. The owner must have written agreement from the property owner of each vending location.

Mobile Food Vendor Checklist



Key:

GS - General Service Pushcart

LS - Limited Service Pushcart

Grocery – Grocery Truck

Produce – Produce Truck

Lunch – Lunch Truck

Catering – Catering Truck

Ice Cream – Ice Cream Truck

Hot Trucks – Mobile Food Preparation Vehicle

Food Requirements

1. **All food must be obtained from an approved source:** GS, LS, Grocery, Produce, Lunch, Catering, Ice Cream, Hot Trucks
2. **Single service articles must be properly stored:** GS, LS, Grocery, Lunch, Ice Cream, Hot Trucks
3. **Food and food contact equipment properly stored:** GS, LS, Grocery, Produce, Lunch, Catering, Ice Cream, Hot Trucks
4. **Ice should be properly stored and drained to retention tank:** GS, Lunch, Hot Trucks
5. **All foods must be properly labeled and packaged:** LS, Lunch, Ice Cream

Equipment Requirements

1. **Food heating and cooling units must be self-contained:** GS, Lunch, Hot Truck
2. **Adequate equipment to maintain proper temperature on all PHF:** GS, LS, Lunch, Catering, Ice Cream, Hot Truck
3. **Thermometers must be provided in coolers and hot holding units:** GS, Lunch, Hot Trucks
4. **Thermometers must be provided for all enclosed freezer units:** GS, Ice Cream, Hot Truck

<http://www.dallascityhall.com/pdf/ehs/MobileFoodVendorRequirements.pdf>

5. **A stem thermometer must be provided for PHF holding temperature tests:** GS, Hot Truck
6. **Floors, walls, ceilings and food contact surfaces must be easily cleanable (i.e. stainless steel, FRP):**, GS, LS, Grocery, Produce, Lunch, Catering, Ice Cream, Hot Trucks
7. **All outer openings must be screened and/or sealed:** Hot Trucks
8. **Adequate amount of shielded lighting must be provided:** Hot Trucks
9. **A handsink with hot and cold running water must be provided:** GS, Hot Trucks
10. **Five gallons of potable water must be provided:** GS, Hot Trucks
11. **A retention tank of at least 6.8 gallons (15% of potable tanks) must be provided:** GS, Hot Trucks

Miscellaneous Requirements

1. **Soap and paper towels must be provided:** GS, Hot Trucks
2. **All toxic chemicals and personal medications must be properly stored and labeled:** GS, LS, Grocery, Produce, Lunch, Catering, Ice Cream, Hot Trucks
3. **All exterior lights, including revolving amber light and caution lights must be functional:** Ice Cream
4. **Proof of vehicle registration and liability insurance must be provided:** Grocery, Produce, Lunch, Catering, Ice Cream, Hot Trucks
5. **Inspected at 8035 E. R.L. Thornton at designated times:** GS, LS, Grocery, Produce, Lunch, Catering, Ice Cream, Hot Trucks
6. **A notarized commissary letter must be provided:** GS, LS, Lunch, Catering, Ice Cream, Hot Trucks
7. **All servicing and restocking shall be done daily at the commissary:** GS, LS, Lunch, Catering, Ice Cream, Hot Trucks
8. **Must be stored at the commissary overnight:** GS, LS, Lunch, Catering, Ice Cream, Hot Trucks
9. **A Registered Food Service Manager must be provided during all operational hours of vehicle:** Hot Trucks

10. **Cart must fall within size requirements (6 feet long, 3 feet wide, 4 feet high), exclusive of wheels or removable accessories: GS, LS**

Workshop Item No. 2

2. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE PROPOSED FISCAL YEAR 2012-2013 ANNUAL BUDGET. *Mr. Bill Eisen, City Manager.*

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

AGENDA OF: 8/6/2012	ITEM NO.: Workshop Item No. 2
DATE SUBMITTED: 7/30/2012	DEPARTMENT OF ORIGIN: Finance
PREPARED BY: Claire Bogard	PRESENTOR: Bill Eisen
REVIEWED BY: Bill Eisen	REVIEW DATE: 8/1/12
SUBJECT: Budget Workshop for the Proposed Fiscal Year 2012-2013 Annual Budget	
EXHIBITS: Budget Books distributed out on July 30, 2012 Power Point Presentation	
EXPENDITURE REQUIRED: N/A	AMOUNT BUDGETED: N/A
AMOUNT AVAILABLE: N/A	PROJECT NO.: N/A
ACCOUNT NO.: N/A	
ADDITIONAL APPROPRIATION REQUIRED: N/A	
ACCOUNT NO.: N/A	
PROJECT NO.: N/A	
To be completed by Department:	
<input checked="" type="checkbox"/> Finance <input type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution	

EXECUTIVE SUMMARY

Management and staff will begin reviewing the proposed annual budget for fiscal year 2012-2013 through a series of budget workshops. The Budget workshop is scheduled for August 6th and continuation is planned for August 13th, 20th, and 27th, as necessary. The first public hearing on the budget and tax rate is tentatively planned for September 4th which is on a Tuesday following the Labor Day holiday and the second public hearing on September 10th, 2012. The proposed budget incorporates a two cent tax increase on the debt service component of the tax rate, for a total tax rate of \$0.7051. As such, as required by State law, Council will be asked to tax vote on the tax increase on August 20th, 2012. The adoption of the budget and tax rate is anticipated to be September 24, 2012, with the second and final reading.

RECOMMENDED ACTION

Review and discuss the proposed budget for fiscal year 2012-2013.

Revised 2007-01-09

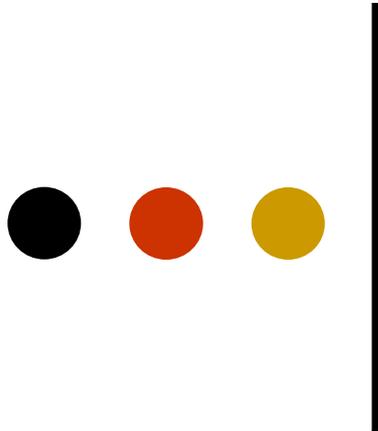


City of Pearland

Fiscal Year
2012-2013

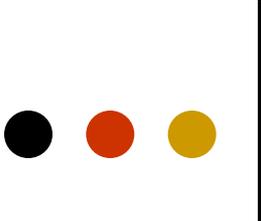
Proposed Budget and
Five Year Forecast

August 6, 2012



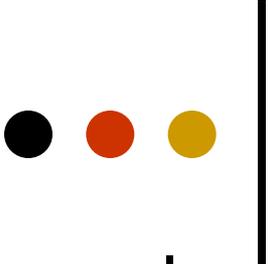
Budget Workshop Review

Budget Overview and Highlights
Projections for 2011-2012
Proposed Budget for 2012-2013
5-Year Forecast – Major Funds



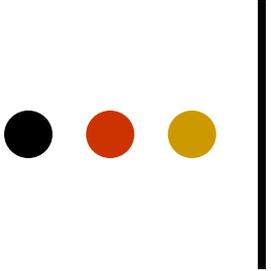
Budget Overview

- Meets Reserves and Bond Covenants
- Addresses Council Goals
- Continues Implementation of the \$162 million 2007 bond referendum and Capital Improvement Program
 - No additional delays
- Maintains Financial Health and Stability now and in future
- Funds Supplemental Requests, including some new positions
 - General Fund 9 Full-Time, 1 Part-Time, 1 PT-to-FT
 - Water/Sewer Fund 2 Full-Time
- Funds Personnel Pay Increases
 - 3% Average Pay for Performance
 - 3% Step Increase and 3% increase in range for Civil Service



Budget Overview

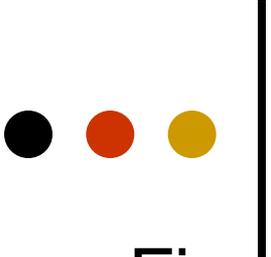
- Incorporates General Fund budget reductions totaling \$330,227
- Incorporates General Fund revenue enhancements of \$522,087
- Maintains, and in some instances, increases services and service levels for an estimated population of 104,100 including annexation of Brazoria County MUD #4 effective December 31, 2012
 - Such as Westside Library and outdoor pool
 - Focus on Public Safety
- No water/sewer rate increase
- Solid Waste increase based on CPI, per contract
- Total Tax Rate of \$0.7051
 - Increase of 2 cents in Debt Service



Council Goals

➤ Public Safety

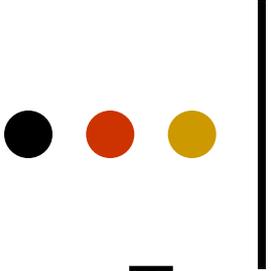
- Adds 6 new Police Officers
- 3% Civil Service Step and 3% Increase in Salary Range
- Shift Differential for Officers, Jailers, Dispatchers and Record Clerks



Council Goals

➤ Finances

- Continues sound financial practices
- Continues outsourcing where sound and applicable
 - Fire/EMS Dispatch, eliminating need of additional dispatchers
 - Re-bid EMS billing reducing collection costs
 - Contract out more medians, moving 2 personnel from medians to Parks Maintenance for renewed focus
 - Contracts out Dog Kennel Cleaning versus additional staff
- Issues debt for Capital Projects
 - General Obligation \$10,490,000
 - Certificates of Obligation \$ 3,325,000
 - Water/Sewer \$ -0-
- Five-Year Forecast included



Council Goals

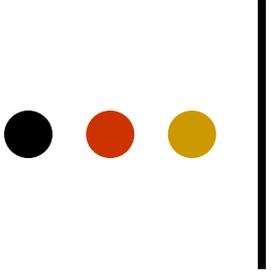
➤ Transportation

- Continues Street and Sidewalk Program \$1.0M
- Continues TIP funded projects
 - Pearland Parkway
 - Fite and Max Road
 - Intelligent Traffic System
- CR94 Expansion
 - Increased demand
 - Park-n-Ride
- Funding for Connect Transit



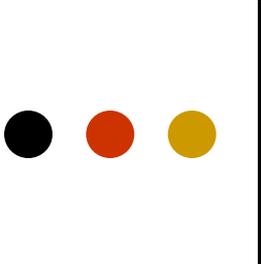
Council Goals

- Westside Library
 - Anticipates January 2013 opening
- Land Use / Annexation
 - Incorporates annexation of BC MUD 4, December 31, 2012
- Drainage
 - Design of Cullen/FM518 Regional Detention
 - Design of Lower Kirby UC Regional Detention
- Economic Development
 - PEDC approved 2013 budget
 - Includes funding for Incentives
 - Includes funding Business Center Drive; reimbursed via Street Assessments



Council Goals

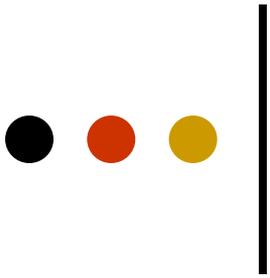
- Natatorium/Recreation Center
 - Outsourcing Custodial Services
 - New revenue sources and increased fees
- Comprehensive Communications Strategy
 - Continued funding for televising Council meetings



Tax Rate

	Previous 2011	Current 2012	Proposed 2013	Change
O&M	.2151	.2151	.2151	-0-
Debt	.4500	.4700	.4900	.0200
Total	.6651	.6851	.7051	.0200

- Total Tax Rate proposed \$0.7051, increase of \$0.0200.
 - Bond Referendum had 49 cent tax rate needed in tax year 2010; possible 13 cent debt service tax increase overall
 - Since 2007, total tax increase is only up 5.25 cents.



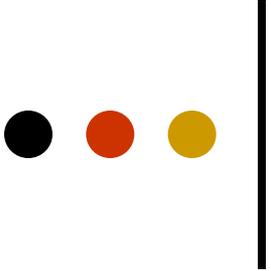
Funding Highlights

Major Supplemental Funding (pages 2-9)

Staffing (pages 10,11 and 307-310)

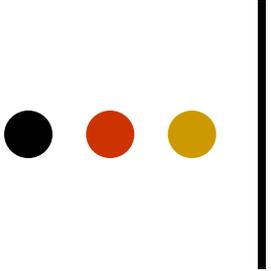
Major Revenue Enhancements (pages 22-24)

Major Budget Reductions (pages 25,26)



Funding Highlights

- **Fire Ladder Truck and Pumper** **\$1,350,000**
 - Includes \$790,000 to replace a Ladder Truck that is over 10 years old.
 - Includes \$560,000 to replace a Fire Engine Pumper that is over 20 years old.
 - The replaced ladder truck will serve as a reserve and the replaced pumper will be used for training.
 - Funded via Lease/Purchase

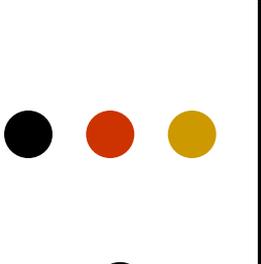


Funding Highlights

o **EMS Ambulances**

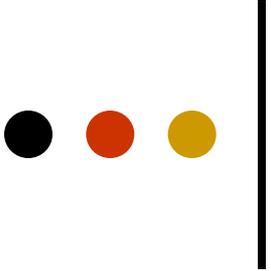
\$220,664

- Includes \$129,307 for a replacement ambulance.
 - Replaces an existing 6 years old ambulance with mileage of 131,350.
 - City applied for a State-funded grand of \$35,000 to offset cost. Approval pending.
- Includes \$91,357 to refurbish an existing ambulance.
 - Vehicle has over 120,295 miles, is over 5 years old, and has had extensive repairs.
- Funded via Lease Purchase



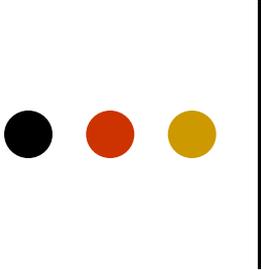
Funding Highlights

- **Contracted Fire/EMS Dispatch Services** **\$160,000**
 - Calls for fire service have increased 5% over the last year, and 21% over a two-year period.
 - Calls for EMS service have increased 9% from last year, and 19% since 2010.
 - There has been a 62% increase in 911 calls received by Police Dispatch in the last year.
 - Includes funds to contract with another entity, Jan. 2013
 - In lieu of adding staff
 - Contract will provide savings and relieve increased burden on Police Dispatch
 - Annual contract \$160,000; FY2013 includes \$40,000 non-recurring



Funding Highlights

- **Park Improvements/Enhancements** **\$385,500**
 - Includes \$187,923 from the Parks Development Fund and \$81,577 from the General Fund for:
 - Centennial Park
 - Independence Park
 - Woody Park
 - Southdown Park
 - Pine Hollow Park
 - Zychlinski Park
 - A total of \$116,000 is budgeted for contract mowing of Pearland Parkway and Dixie Farm Road. Allows 2 positions to be transferred to Parks Maintenance.



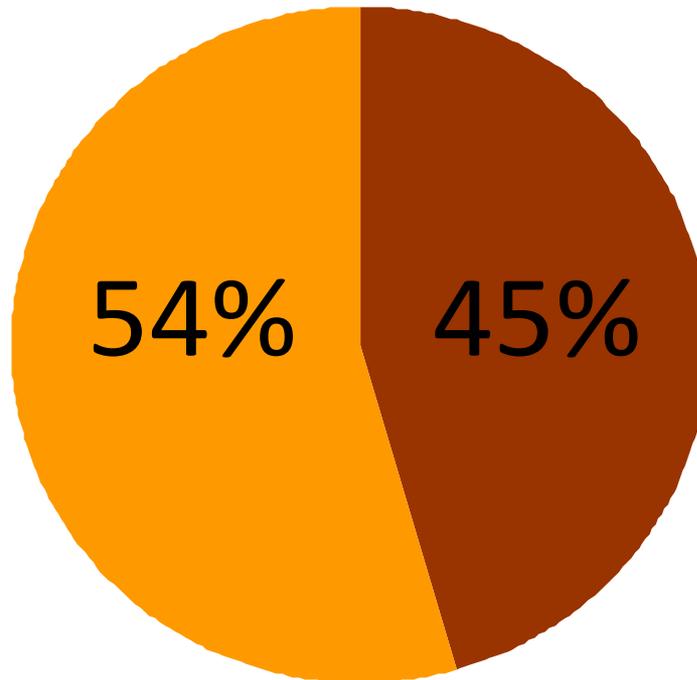
Funding Highlights

- **Employee Compensation** **\$1,336,035**
 - Includes \$90,773 for civil service step increase of 3% on the anniversary of date of hire.
 - Includes \$173,016 for shift differential pay.
 - \$1/hour for working nights
 - Includes Patrol Officers, Jailers, Dispatchers and Records Clerks.
 - Includes \$69,054 pay increase for the conversion of 9 full-time Firefighters to 9 Driver/Operator positions.
 - Incorporates an average 3% performance pay for civilians and 3% increase in Police pay plan.
 - General Fund \$873,599
 - W/S Fund \$113,236
 - Other Funds \$ 16,397

Funding Highlights

Full Time Employee Exit Interview Statistics 02/28/11 – 07/17/12

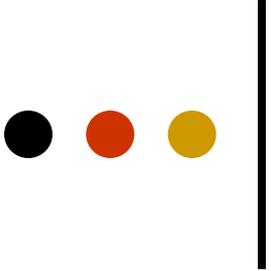
Employees Completing Exit Interviews = 86



Reasons for Leaving the City

■ Pay

■ Other

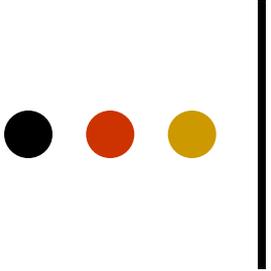


Funding Highlights

o **Police Officers**

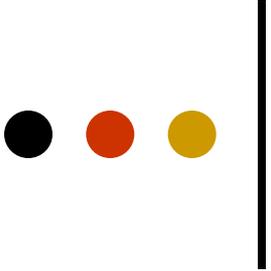
\$614,129

- Calls for service are up 5% from last year, and dispatched calls per Patrol Officer are up 4% from last year.
- Brazoria county MUD #4 Annexation will increase service requirements.
- Includes the addition of 6 Officers, 4 effective in October and 2 effective in April.
- Based on the anticipated population growth, the City is adding approximately 1 Officer per 1,000 population.
- Includes 2 vehicles for new personnel plus 2 for home fleet



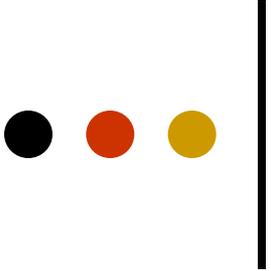
Funding Highlights

- **Data & Phone System Replacement** **\$470,060**
 - The primary phone system at City Hall and other key facilities are obsolete, and the new Public Safety Building and the Recreation Center are on a different system.
 - AT&T has advised the City the primary system will no longer be covered and has discontinued the product line.
 - In the event of a service disruption, due to software or equipment failure, the system could be down for several days.
 - The current voice mail has limited space for retention. New technology, VOIP, will be installed, which will mirror our newer facilities, and will connect all facilities.
 - Funded via Lease/Purchase



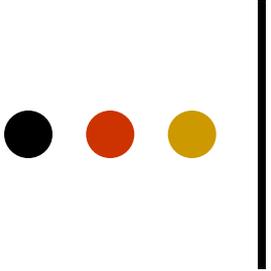
Funding Highlights

- **Comprehensive Plan Update** **\$100,000**
 - State law requires that a City must prepare a Comprehensive Plan for its future development.
 - The existing Comprehensive Plan was prepared in 1999, with minor updates in 2004 and 2009 and limited Land Use Plan revisions in 2010.
 - Emerging issues have diminished the effectiveness and validity of the current Plan.
 - Funding in fiscal year 2013 budget is the 1st year of a 2-year plan for an all-inclusive update.
 - Identified by Planning & Zoning Commission as a high priority.



Funding Highlights

- **Sidewalk Replacement Program** **\$437,000**
 - Includes replacement of sidewalks that create a trip hazard, as well as for those that were uprooted due to repair projects.
 - Program funding will reduce the backlog of sidewalks in need of repair or replacement.
 - Projects are based on priority, or highest percentage of damage.
 - Funded with non-recurring TxDOT reimbursement monies.

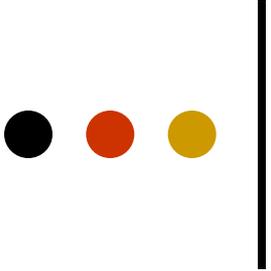


Funding Highlights

o **Asphalt Road Rehabilitation**

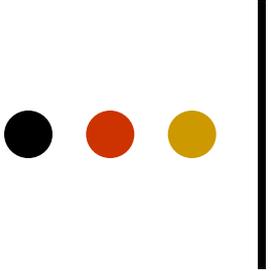
\$600,000

- Program is a partnership with Brazoria County Precinct #3.
- FY2013 Road Rehabilitation:
 - Includes – Hawk Meadows, Figland, E. Industrial, Garden, Buckholt, Westfield, Washington Irving, Woodcreek, Navarre, Wagon Trail, E. Orange, Creekridge, Hawk, Adamo and Brookside.
- FY2013 Road Repair:
 - Includes – Becky, Jerrycrest, Larrycrest, Patridge, Willow, Washington Irving, Butler, Taylor, Hatfield, Wagon Trail, Fite, Herbert, Hampshire, Westminster, Paul, McDonald, Longwood, Willits, Westgate, Keis, Warren, Williams, and Stone.
- Funded with non-recurring TxDOT reimbursement monies.



Funding Highlights

- **Sanitation/Health code Officer** **\$72,252**
 - Current staff of 4 Officers:
 - Inspect approximately 400 restaurants, bars and schools.
 - Perform 2 health inspections per year.
 - Also inspect foster homes, in addition to the monitoring and enforcement of non-compliance of nuisance properties.
 - An additional Officer plus vehicle:
 - Will help ensure that restaurants are inspected twice a year.
 - Maintain customer service and responsiveness that our customers/citizens expect.
 - Costs partially offset by increase in Health Permit fees.

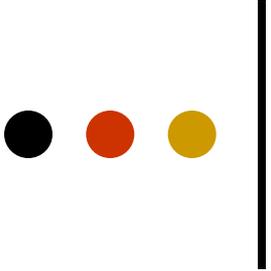


Funding Highlights

o **Library**

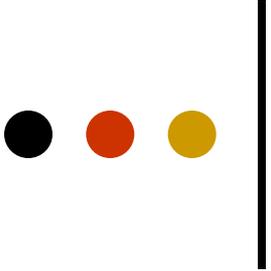
\$117,288

- Funding for opening of the West Side Library in January 2013 includes:
 - Lease payments with six months reduced rent for the first year,
 - Custodial,
 - Utilities,
 - Annual book subscriptions.
- Annual Cost will be \$198,221 in FY2014



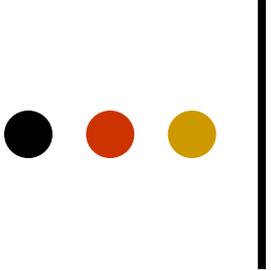
Funding Highlights

- **Water & Sewer Fund (pages 8, 9) **\$659,608****
 - Includes \$113,236 for an average 3% Merit Increase.
 - Includes \$64,323 for a GPS Field Technician and vehicle.
 - Includes \$39,246 for a Water & Sewer Maintenance Worker. The addition will increase Vactor truck productivity.
 - Includes \$114,553 for Articulating loader. Equipment is a four-wheel drive, 128 HP loader needed for moving heavy construction loads.
 - Includes \$42,700 for Jetting Unit. Allows two sewer cleaning and inspection operations to run at the same time, increasing efficiency and effectiveness.



Funding Highlights

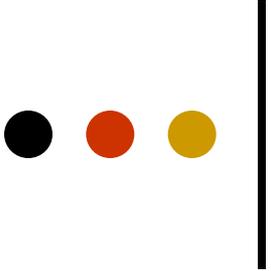
- **Water & Sewer Funds** **(Continued)**
 - Includes \$68,350 for 25 Auto Flushers that will reduce water quality concerns and improve water quality.
 - Includes \$67,200 to Sandblast and Paint 10 Water Plants for compliance with State and Federal regulations on the general appearance of the Water system's facilities.
 - Includes \$150,000 for Sand Filter Repair and Rehabilitation in order to discharge effluent that is of higher quality than the receiving stream.



Funding Highlights

- **Grant Funds, (pages 6, 7) **\$659,925****
 - Includes \$43,434 for Emergency Management Performance Grant.
 - Includes \$98,340 for 2 Crime Victim Assistance positions.
 - Includes \$107,000 Police Mobile Command Unit*.
 - Includes \$28,605 from “SAFER” Grant for:
Year 2 of a 4-year grant totaling \$146,802 to implement recruiting and retention of Firefighters.

* Notified that we did not receive award, budget will be adjusted



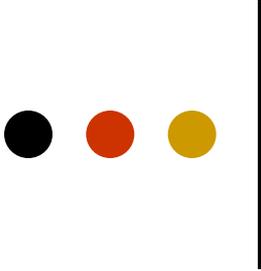
Funding Highlights

o **Grant Funds**

(Continued)

- Includes \$337,646 for “SAFER” grant.

Year 2 of a 3-year SAFER Hiring of New Firefighters Program, which has allowed the Fire Department to hire 6 new Firefighters. This 3-year program requires that the City maintain the 6 new personnel for a period no less than 12 months following the end of the 2-year grant funded program. In FY2014, City will pick up entire cost.



Funding Highlights

- **Court Software**

\$ 271,616

FY2013 expenditures include \$271,616 to update the Court's software. The total anticipated cost for the software is \$292,850, with any remaining cost to be paid from the fiscal year 2014 budget.

- **Cultural Arts Study**

\$125,000

To be paid for through Hotel Occupancy Tax Fund to support a study related to supporting local cultural arts.

- **Destination Marketing Contract**

\$385,530

- Contract services with the CVB. Current contract with CVB is \$268,100.

Funding Highlights

Staffing

- Admin. Clerk (PT to FT)
Community Development
- Code Enforcement/
Health Code Officer
- Deputy Court Clerk
- Police Officers*
- Police Records Clerk
- Jailer

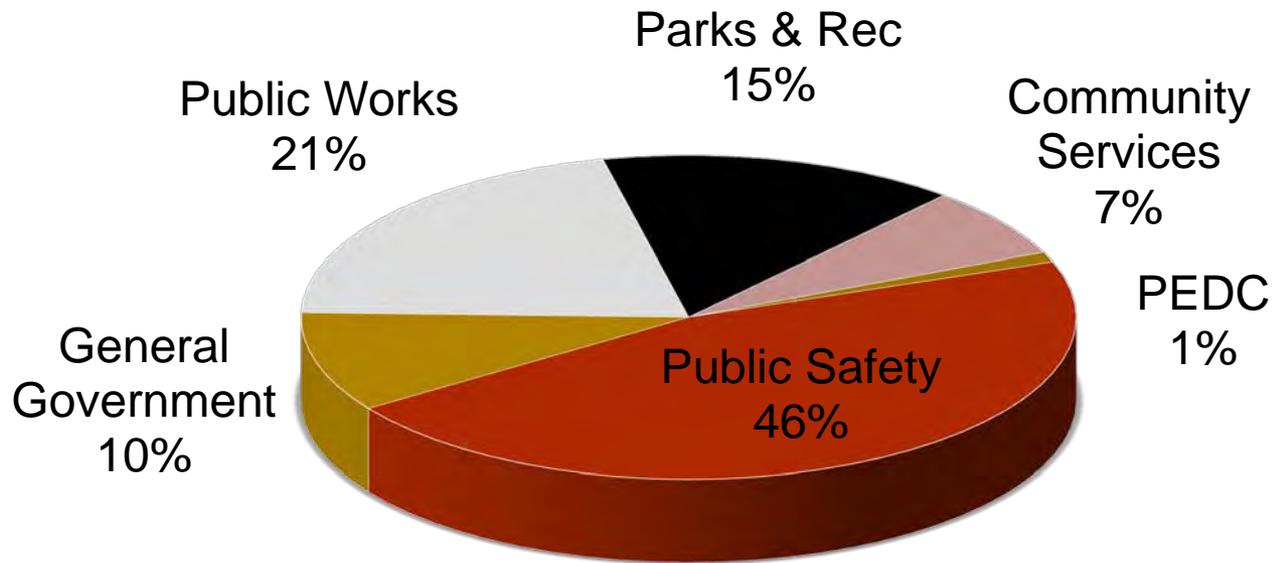
<u>FT</u>	<u>PT</u>
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	1
6	
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1	

Funding Highlights

Staffing	<u>FT</u>	<u>PT</u>
<ul style="list-style-type: none"> W&S Line Mtce Worker W&S GPS Field Tech. 	1	
o Total New	11	1
o One PT to Full-Time	1	
<ul style="list-style-type: none"> General Fund W/S Fund 	9	1

*Two (2) Police Officer positions effective 4/1/13.

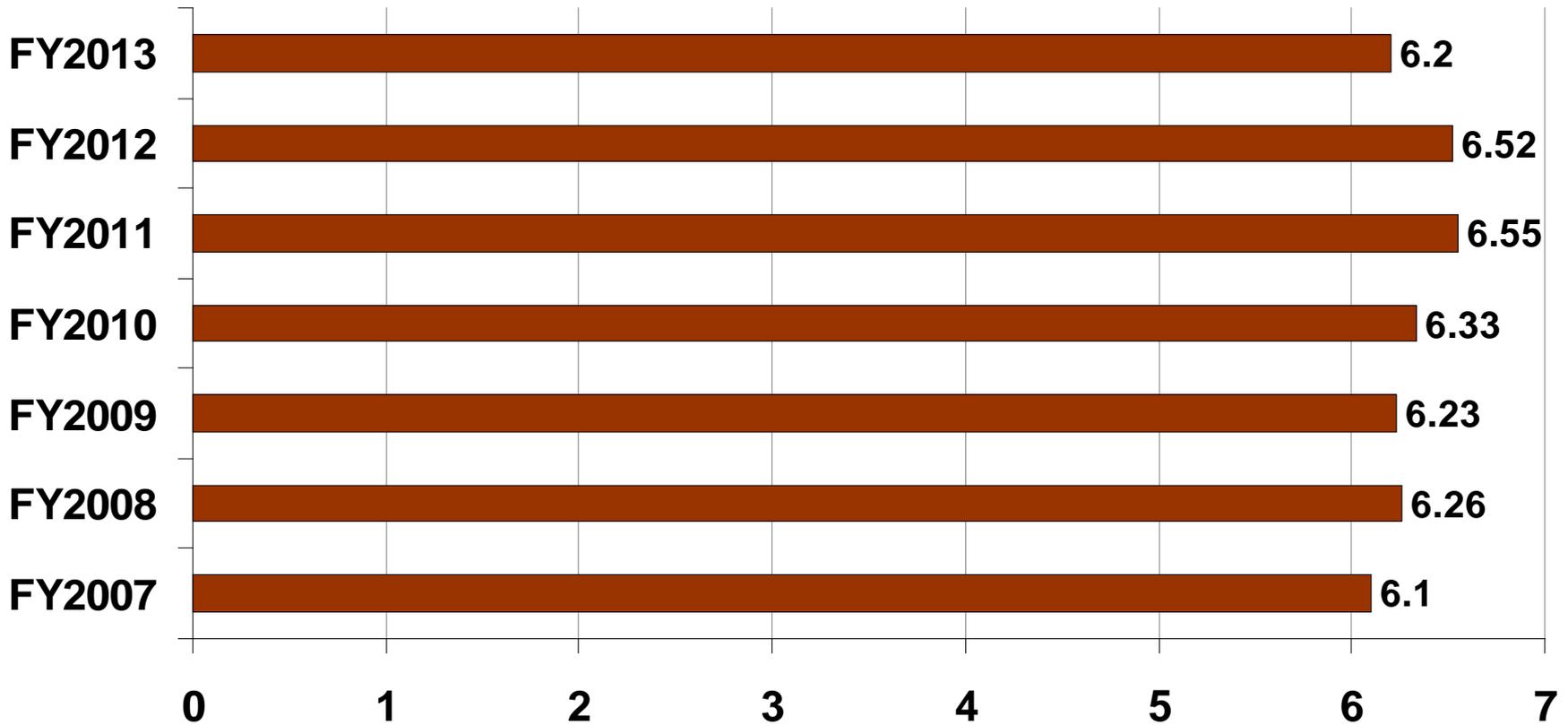
Staffing Highlights

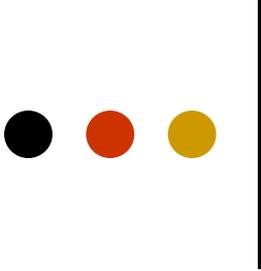


FTE's by Fund

	2012	Additions	2013	% Increase
General Fund	527.75	10	537.75	1.9%
Water & Sewer	97.25	2	99.25	2.1%
PEDC	5	0	5	0.0%
Other/Special Revenues	3.50	0	3.50	0.0%
Total FTE's	633.50	12	645.5	1.9%
Population	97,200	6,900	104,100	7.1%

Full-Time Employee Equivalents per 1,000 Population





Major Revenue Enhancements

(Full list on pages 22- 24)

Fire Re- Inspections	Charge fees for reinspections; currently not charging. Charge \$75 for 2 nd reinspection, \$200 for third or more and \$200 for after hours inspection. Baytown, Webster, Richmond, Tomball, Galveston, League City, Pasadena, Manvel, Harris Co., and Montgomery Co. charge for re-inspections.	\$32,500
Misc. Revenue	Use OnPay solutions credit card and ACH payment to vendors for a 1% rebate, increasing revenues.	\$82,444
Building Permits	15% increase on mechanical, electrical, plumbing and residential addition application fee and permit and 10% increase on building permits. Fee increase will not effect any commercial or residential project with less than 500 square feet. There has been no increase in fees since 2000.	\$188, 501

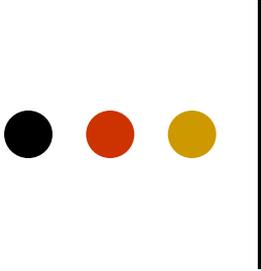


Major Revenue Enhancements

Building Permit Increases as Follows:

<u>Application Fee Inc.</u>	<u>Mechanical</u>	<u>Electrical</u>	<u>Plumbing</u>	<u>Building Permit</u>
SF Addition	\$2.25	\$3.60	\$2.25	
SF New	\$2.25	\$3.60	\$2.25	
Commercial	\$2.25	\$3.60	\$2.25	
<u>Average Impact to Customer:</u>				
SF New Construction				\$111.16
Commercial				\$140.66
Avg. Permit Increase	\$11.85	\$8.71	\$10.40	

Based on the Average Permit Value of SF home of \$202,320; Current permit is \$769, new permit would be \$846. Friendswood, League City and Missouri City currently at \$769; Sugar Land and Baytown at \$900.



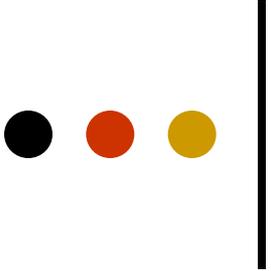
Major Revenue Enhancements

Health Permits - \$68,575

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

Employees	Current Fees	Proposed Fees		
		Employees	Full Service	Limited
1-5	\$75	1-4	\$100	\$100
6-10	\$100	5-9	\$150	\$100
11-15	\$125	10-25	\$300	\$150
16-20	\$150	26-50	\$450	\$150
21+	\$200	51-100	\$550	\$200
Mobile Units	\$150	101+	\$700	\$200
Additional Units	\$55	Mobile Units	\$175	
Produce Vendor	\$75	Prepackaged	\$100	
Club Tavern	\$75	Additional Units	\$175	
Temp Fees	\$15	Produce Vendor	\$75	
Other	\$25	School/Day care	\$75	
		Temp Fees	\$20	
		Service/re-inspection	\$25	
		Pre-opening inspection fee	\$50	

Even with fee increases,
Pearland would be lower than
MC, SL, Baytown

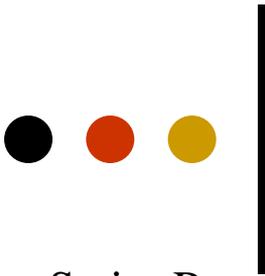


Major Revenue Enhancements

Planning - \$20,000

	<u>Current</u>		<u>Proposed</u>
Zoning Change Application	\$250		\$750
PUD	\$400		\$800
ZBA	\$250	Residential	\$300
		Commercial	\$500
Zoning Verification Letters	\$0	Residential	\$25
		Commercial	\$35

When compared to Sugar Land, League City, and Missouri City, Pearland is the lowest in all areas.



Major Revenue Enhancements

Swim Program

Increase fees charged for Learn-To Swim Group Classes which is in line with Revenue Management Plan

\$13,000

Current Fee Structure:

Water Baby 1/2, Preschool A/B/C	\$35 R/\$55 NR
Adult, Levels 1-6	\$40 R/\$60 NR
649 Paid Participants - Summer 2011 LTS	\$26,413

Proposed Fee Structure:

Water Baby 1/2, Preschool A/B/C	\$50 R/\$80 NR*
Adult, Levels 1-6	\$60 R/\$90 NR*

Senior Center

Increase the non-resident fee from \$25/year to \$50/year to progress toward meeting the Revenue Management Plan.

\$4,375

Membership

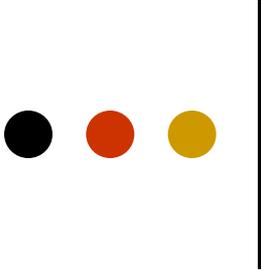
Charge a one-time, \$25, initiation fee for memberships.

\$22,500



Major Revenue Enhancements

Rental	Increase by 20% rental fees for gazebo at City Hall and pavilions/barbeque shelters located at Centennial, Independence, and Southdown.	\$16,000
Outdoor Pool	The current pool entry fee of \$2.00 was put into place for FY 2011. Increase pool fee by \$0.50 to \$2.00.	\$8,941
Outdoor Pool	Increase fees charged for Learn to Swim Classes. Proposal is to increase fee from \$15 per hour to \$20 per hour.	\$13,587
Other Fee Increases	Other Park revenue enhancements include Natatorium Pool only birthday party package, locker rentals, punch cards for group exercise, preschool classes, add space, and outdoor pool fee increases. Full list can be found starting on Page 22.	



Major Budget Reductions

Full List Page 25-29

Human Resources

\$10,328

- Various accounts with \$10,328 reduced due to distributing policy amendments by email or placing on driver.

Library

\$32,678

- Due to transition and expansion, BCLS will begin to handle all personnel costs as they do with other system libraries.

Traffic

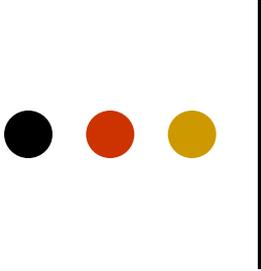
\$17,543

- Striping and part/materials.

Public Affairs

\$14,491

- Quantities of publication will be limited.
- Staff will make design changes in-house.



Major Budget Reductions

Full List Page 25-29

Engineering

\$11,797

- Re-classification of inspector position.
- Additional TIA Reviews by City Staff.

EMS

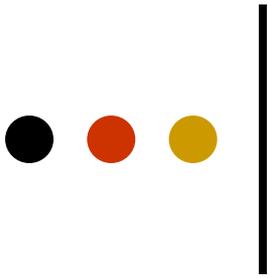
\$141,967

- Conduct an RFP for new EMS Billing Provider. Currently pay 11.25% in fees for billing services.

Parks and Recreation

\$69,180

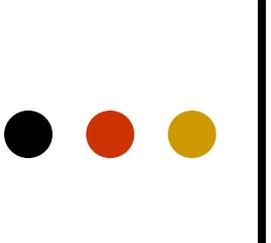
- Various accounts with \$17,070 from reducing hours from 40 to 35 to Recreation Specialist, \$17,900 from reduced rental cost of Bailey Campus and \$11,790 due to decreased participation in Tennis Program.



Property Valuation and Tax Rate

(begins on Page 35)

Certified Brazoria County
Certified Fort Bend County
Preliminary Harris County

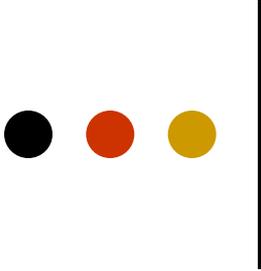


Property Values

- FY2012 Certified Roll \$6,365,312,309
- FY2013 Adjusted Roll \$6,368,606,472
- FY2013 Preliminary Roll \$6,541,399,683
- Increase from the Adjusted 2.7%

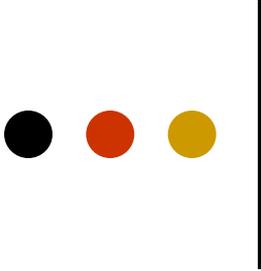
	<u>2012</u>	<u>2013</u>	<u>%Inc.</u>
Brazoria	\$5,826	\$5,956	2.2%
Harris	\$ 426	\$ 451	5.8%
Fort Bend	<u>\$ 116</u>	<u>\$ 134</u>	<u>15.5%</u>
	\$6,368	\$6,541	2.7%
City	\$4,956	\$5,085	2.6%
TIRZ	<u>\$1,413</u>	<u>\$1,456</u>	<u>3.0%</u>
Total	\$6,369	\$6,541	2.7%

- Property Tax revenues relatively flat on existing residential and commercial properties with a modest rate of new development value.



Proposed Tax Rate & Allocation

	FY2011	Current Year	FY2013 Proposed	Increase
O&M	.2151	.2151	.2151	-0-
Debt Service	.4500	.4700	.4900	.0200
Total	.6651	.6851	.7051	.0200 or 2.9%

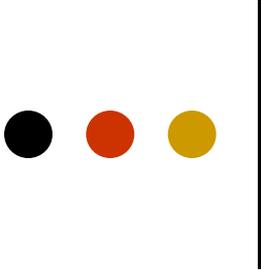


Average Residential Market Value*

	<u>Fort Bend</u>	<u>Brazoria</u>
2012	256,231	179,541
2013	227,797	179,218
% Change	(11.1%)	(.18%)
Houses*	503	21,289

*Based on Category A1-Residential Single Family

Harris County not Available, includes New Construction



Tax Bill Comparison

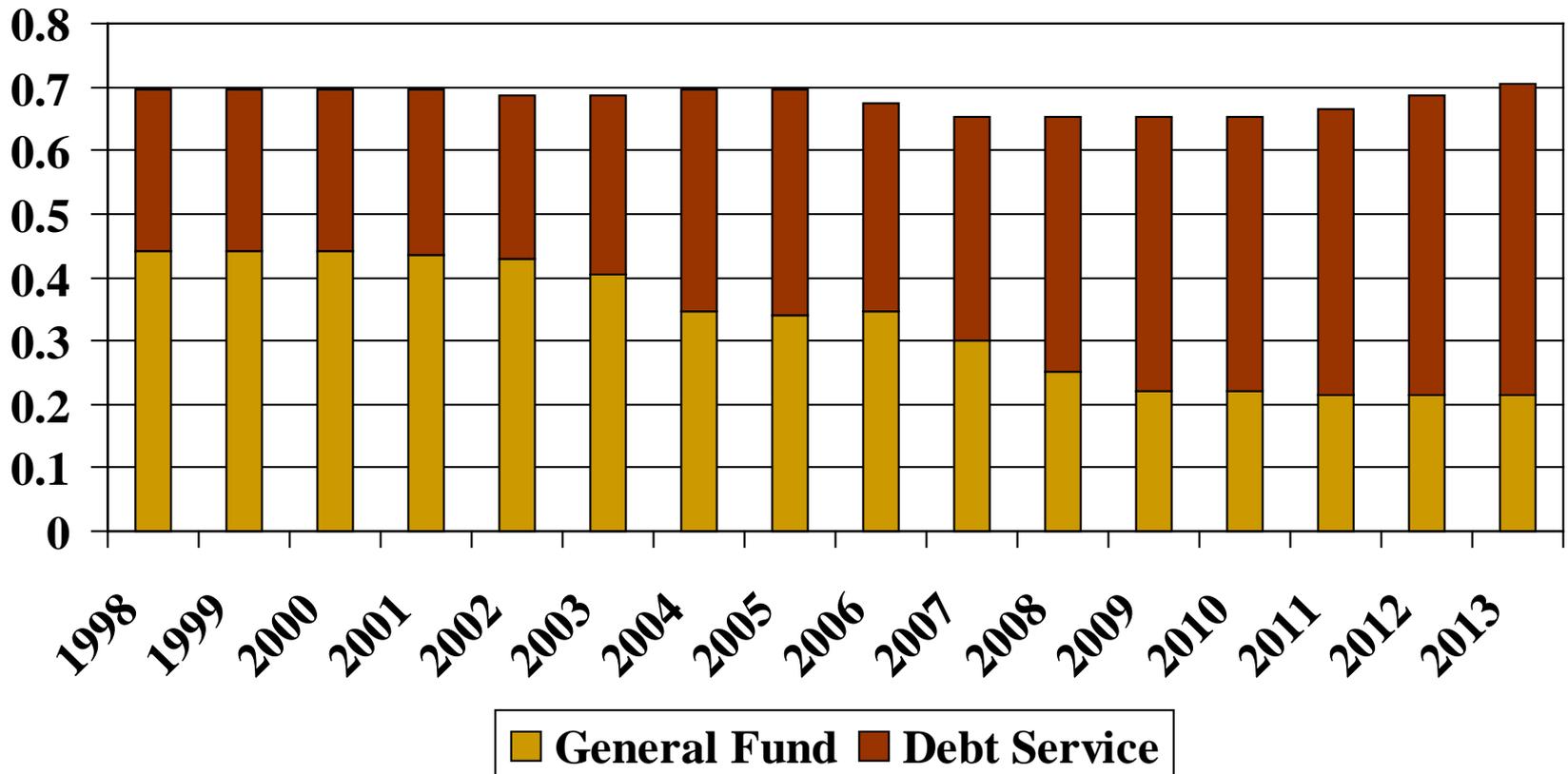
Average Homeowner

➤ 2011 Average Taxable Value \$172,882

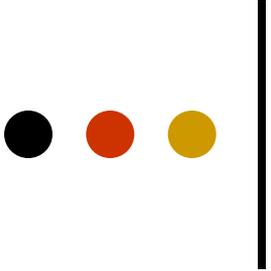
Value Change	FY2012 Bill	FY2013 Bill	\$ Inc.	% Inc.
-8%	\$1,184	\$1,119	-\$65	-5.5%
-6%	\$1,184	\$1,144	-\$40	-3.4%
-4%	\$1,184	\$1,169	-\$15	-1.3%
-2%	\$1,184	\$1,194	\$10	0.8%
0%	\$1,184	\$1,219	\$35	2.9%
2%	\$1,184	\$1,244	\$60	5.1%
4%	\$1,184	\$1,269	\$81	7.2%
6%	\$1,184	\$1,294	\$110	9.3%
8%	\$1,184	\$1,319	\$135	11.4%

2.9% of the increase due to tax rate, with remaining due to an increase in value.

Historical Tax Rate Allocation - Fiscal Year



Tax Rate Split:	1998	%	2005	%	2012	%
General Fund	\$0.4400	63	\$0.3559	51	\$0.2151	31
Debt Service Fund	\$0.2550	37	\$0.3389	49	\$0.4900	69



Five-Year Forecast

○ Assessed Valuation	<u>Value</u>	<u>% Change</u>
● 2013	\$6.541	2.71
● 2014	\$7.010	7.17
● 2015	\$7.412	5.74
● 2016	\$7.915	6.79
● 2017	\$8.480	7.14

○ Tax Rate

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
O&M	.2151	.2225	.2225	.2225	.2225
DS	.4900	.5100	.5350	.5350	.5350
Total	.7051	.7325	.7400	.7575	.7575

Last year forecast showed tax rate of \$0.7600

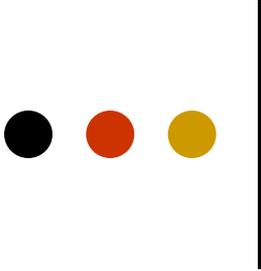
Increase of 10.39 cents since 2007, less than the 13 cents anticipated



Debt Service Fund

(begins on Page 39)

Fiscal Year 2011-2012 Projections
Fiscal Year 2012-2013 Budget
Five-Year Forecast

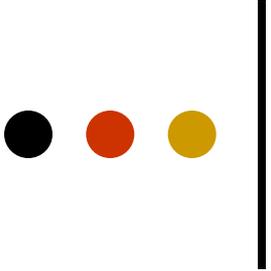


Debt Service Fund

FY2011-2012 Projections (in millions)

	<u>Budget</u>	<u>Projection</u>	<u>Var.</u>
Revenues	\$79.9	\$79.8	(\$0.1)
Exp.	<u>80.6</u>	<u>80.4</u>	<u>0.2</u>
Rev. under Exp.	(0.7)	(0.6)	0.1
Beg. Balance	5.2	5.2	
End. Balance	4.4	4.6	
Over 10% Policy		2.0	

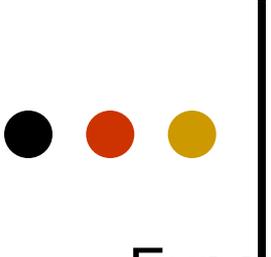
*Includes Bond Proceeds and Refunding of \$53.6 million



Debt Service Fund FY2012-2013 Assumptions

➤ Revenues

- Debt Service Tax Rate of \$0.4900
 - Increase of 2.0 cents
- Rent payments from UofH and PEDC towards debt service payment on facility
- MUD 4 Property Taxes of \$1,864,363



Debt Service Fund FY2012-2013 Assumptions

➤ Expenditures

➤ Annual Requirements total \$24.1 Million

➤ Up \$3.2 million from FY2012

➤ BC MUD 4 Debt of \$ 1.9 Million

➤ New Debt of \$450,000

➤ Debt to be Issued in 2013

➤ General Obligation \$10,490,000

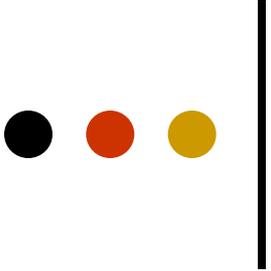
➤ Certificates of Obligation \$ 3,325,000

➤ MUD Rebates \$ 4,268,657

➤ Short-Term Debt \$ 852,017

➤ Fund Balance

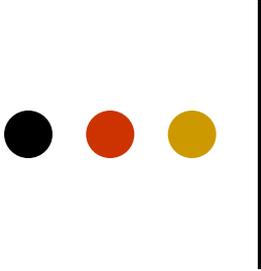
➤ Drawdown of \$1,436,624 to minimize tax rate impact. Over 10% reserve policy by \$191,713



Debt Service Fund

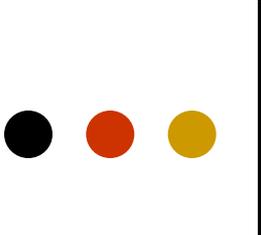
Debt to be Issued

- General Obligation Debt \$10,490,000
 - CR403
 - Pearland Pkwy Extension
 - Cullen/FM518 Detention
 - Hickory Slough
 - Centennial Park
 - Certificates of Obligation \$ 3,325,000
 - Library
 - Intelligent Traffic System
 - Old PD Renovations
- CR94
 - Old Alvin
 - East Mary's
 - Max Road Sports Complex
 - Shadow Creek Ranch Park
 - Trail Connectivity
 - Fire Station #3



Debt Service Fund Fiscal Year 2012-2013

➤ Revenues	
➤ Property Taxes	\$26,603,728
➤ Rent(UofH)/Other	794,110
➤ Transfers In	<u>438,572</u>
➤ Total	\$27,836,410
➤ Expenditures	
➤ MUD Rebates/Other	\$ 4,291,262
➤ Debt Service	24,129,755
➤ Short-Term Note	<u>852,017</u>
➤ Total	<u>\$29,273,034</u>
➤ Revenues Under Expenditures	(1,436,624)
➤ Fund Balance at 9/30/2012	<u>\$ 3,119,016</u>
➤ Over Policy	\$ 191,713

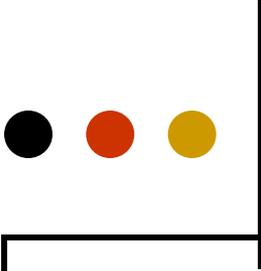


Debt Service Fund

Debt Service Requirements

- Current Debt Requirements to Maturity 2036
 - Principal \$289,595,000
 - Interest \$141,829,783
 - Total \$431,424,783
- Total FY13 Requirements \$ 24,117,755
- Debt Ratios*
 - Debt O/S 9/30/2013 \$296.5 million
 - Debt per Capita \$2,848
 - Debt to Assessed Value 4.4%
 - Lower the debt to value, the less risk of default; higher the bond rating. A reasonable level of debt burden is expected in order to meet the needs of a growing city.
 - “Debt levels are high due to the high growth mode of the City’s development”.

* Adjusted for BC MUD 4



Debt Service Forecast

	2013	2014	2015	2016	2017
Revenues	\$27,836,410	\$28,858,187	\$30,392,081	\$32,921,905	\$34,853,584
Expenses	\$29,273,034	\$28,825,029	\$30,302,296	\$32,738,243	\$34,589,450
Income(Loss)	(\$1,436,625)	\$33,158	\$89,785	\$183,662	\$264,134
Beginning Fund Balance	\$4,555,641	\$3,119,016	\$3,152,175	\$3,241,960	\$3,425,622
Ending Fund Balance	\$3,119,016	\$3,152,175	\$3,241,960	\$3,425,622	\$3,689,755
Policy Req. 10%	\$2,927,303	\$2,882,503	\$3,030,230	\$3,273,824	\$3,458,945
Excess over Requirement	\$191,713	\$269,672	\$211,730	\$151,798	\$230,810
DS Tax Rate	0.4900	0.5100	0.5175	0.5350	0.5350



General Fund

(begins on Page 49)

Fiscal Year 2011-2012 Projections

Fiscal Year 2012-2013 Budget

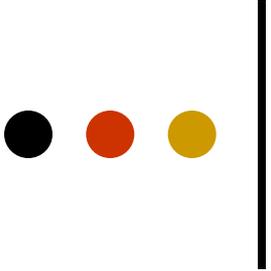
Five-Year Forecast

General Fund

FY2011-2012 Projections

(in millions)

	<u>Budget</u>	<u>Projection</u>	<u>Var.</u>
Revenues	\$51.2	\$53.0	\$1.8
Expenses	<u>\$52.3</u>	<u>\$53.0</u>	<u>(\$0.7)</u>
Net Income	(\$1.1)	(\$0.0)	\$1.1
Fund Balance	\$13.3	\$14.5	
Reserve Policy	\$8.2	\$8.2	
Over Policy	\$5.2	\$6.3	

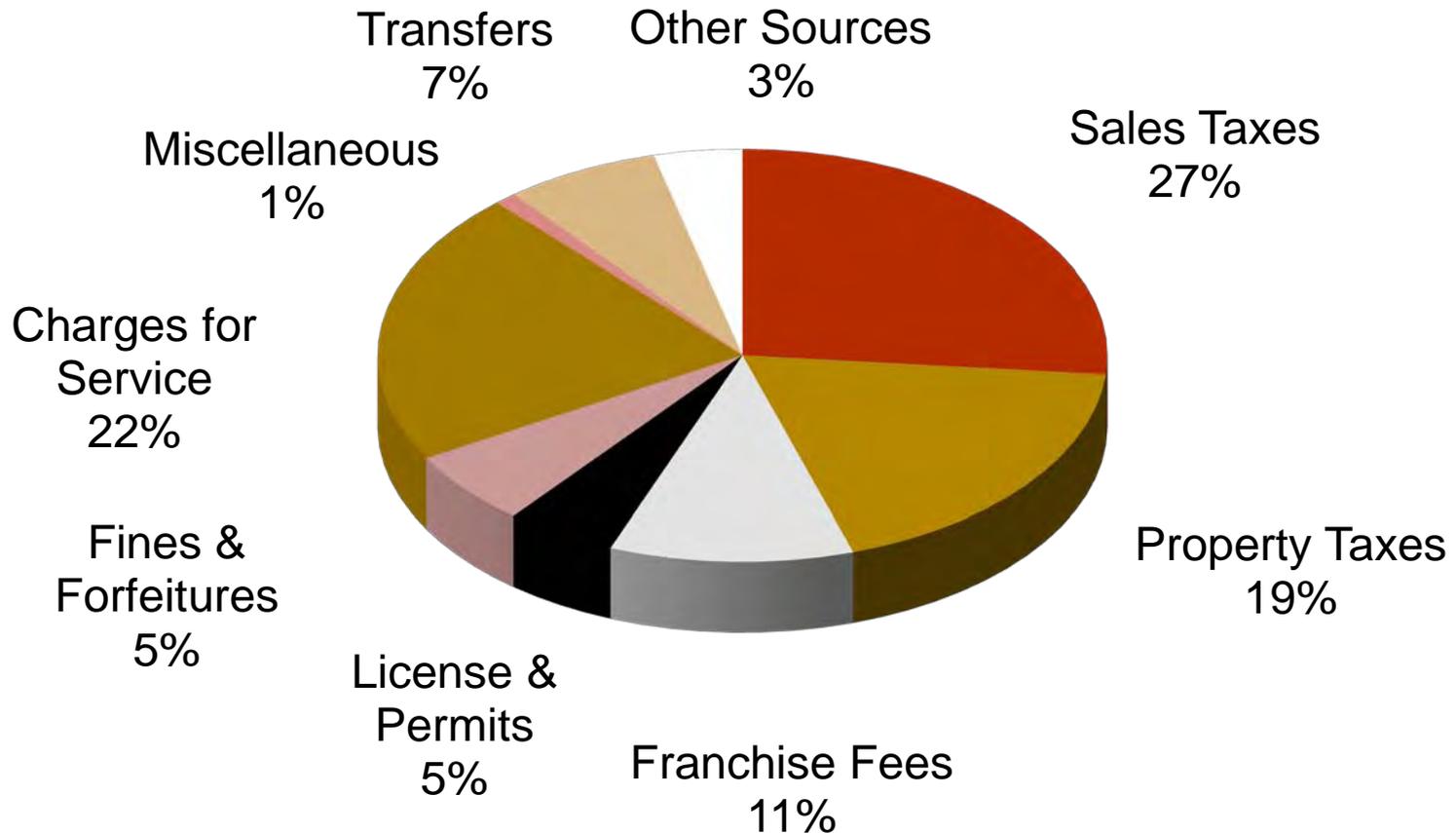


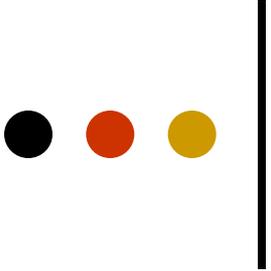
General Fund FY2012-2013 Assumptions

- Revenues total \$56.4 Million
 - No change in M&O tax rate needed.
 - Sales Tax increase of 5.4% from projections including Sam's Club and construction for Kelsey Seybold
 - Revenue Enhancements - \$522,087
 - SF Permits - 1,142
 - Use of TxDOT reimbursements (\$1.0million) to fund street and sidewalk rehabilitation
 - TIRZ Administration fee up due to value and tax rate.
 - Lease/Purchase for Fire Apparatus, Ambulances, Phone System

General Fund Revenues

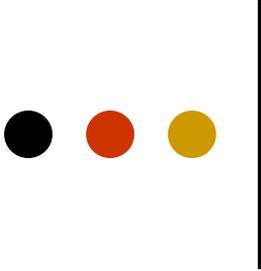
TOTAL REVENUES - \$56.39 M





General Fund FY2012-2013 Assumptions

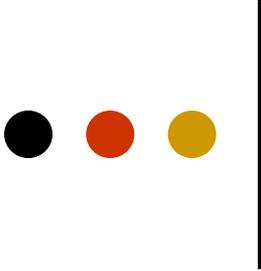
- Expenditures total \$58.6 Million
 - Funds basic and increased level of services for a 104,000 population.
 - Supplemental Requests - \$5.9 million
 - Recurring \$2,487,855
 - Non-Recurring \$3,406,360
 - Able to fund computer and vehicle replacement without lease/purchase
 - \$560,250 transfer to Self-Funded Medical Fund for reserves, considered non-recurring.
 - Budget Reductions of \$330,227 for a total of \$4.4 million over the last 3 years.



General Fund FY2012-2013 Assumptions

- Fund Balance

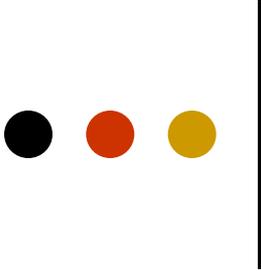
- Drawdown of \$2,187,663 of which \$1,862,570 is non-recurring and can be used to draw down fund balance.
- \$325,093 is recurring and reflective of MUD 4 annexation, which recurring funds will be received in 2014 to fund.
- Over 2-month reserve policy by \$3.4 million.



General Fund

Fiscal Year 2012-2013

➤ Revenues	\$56,387,521
➤ Expenditures	
➤ Operating Expenditures	\$56,829,532
➤ Transfers Out	<u>\$ 1,745,652</u>
➤ Total Expenditures	\$58,575,184
➤ Revenues Under Expenditures	(2,187,663)
➤ Fund Balance – Beginning	\$ 14,494,313
➤ Fund Balance – Ending	\$ 12,306,650
➤ Policy Requirement – 2 months	\$ 8,904,214
➤ Over Policy	\$ 3,402,436

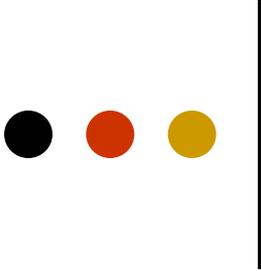


Expenditure Increase

	2012	2013	
	Amended Budget	Budget	\$ Change
Total	\$ 52,336,207	\$ 58,575,184	\$ 6,238,977
Non-Recurring	\$ (2,347,116)	\$ (3,975,180)	
	\$ 49,989,091	\$ 54,600,004	\$ 4,610,913
			9.2%

Employee Compensation	\$1,206,442	Street/Sidewalk	
New Positions	\$561,333	Rehabilitation	\$155,928 3%
Benefit Increase	\$740,807	Fuel/Parts and Repairs	\$155,486 3%
Full Year Impact Mid-Year		Landscape Maintenance	\$156,673 3%
Hires + Public Safety OT		Property Insurance	\$136,212 3%
Coverage	\$741,797	Outdoor Pool	\$133,769 3%
Total	70%		

Full List on Page 51



General Fund

Select Supplemental Requests

Full List - Page 12-17

- o **Finance**

- Citizen Survey (bi-annual) \$ 14,500
- Virtual Card Rebate \$ 11,400
(generates 1% rebate on all payments by credit cards)

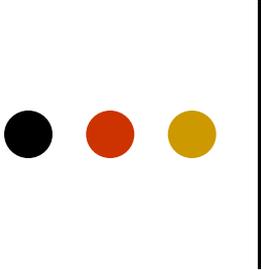
- o **Information Technology**

- Computer Replacement \$148,891
- Replace Data Switches* \$224,692
- Replace Phone System* \$245,368
- IT needs Assessment \$ 50,000
- Mobile App \$ 9,000

- o **Library**

Anticipates opening January 2013; \$117,288
6 months reduced rent. FY2014 annual
expenditures \$198,221.

*Lease purchase



General Fund

Select Supplemental Requests

Full List - Page 12-17

o **Fire**

- Ladder Truck Replacement* \$790,000
- Fire Engine Pumper Replacement* \$560,000
- Driver/Operator Pay \$ 69,054

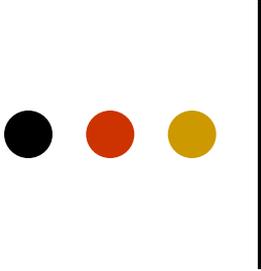
o **Fire Marshal**

- 2 Replacement Vehicles \$58,277

o **EMS**

- 4 Lifepaks with Software & Aircards \$119,686
- Replacement Ambulance* \$129,307
- Refurbished Ambulance* \$ 91,357
- EMS/Fire Dispatch Contract \$160,000

*Lease purchase



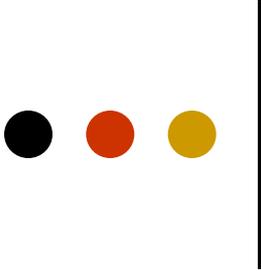
General Fund

Select Supplemental Requests

Full List - Page 12-17

o **Police**

- 2 Officers effective 4/1/13 \$ 89,989
- 4 Police Officers, 2 shared vehicles \$428,188
- Shift Differential Pay \$173,016
- 2 New Fleet vehicles (home fleet) \$ 95,952
- 3 Replacement vehicles \$143,928
- 1 Records Clerk \$ 37,974
- 1 Jailer (net of savings) \$ 33,326
- 1 New and 2 Replacement Motorcycles \$ 88,736



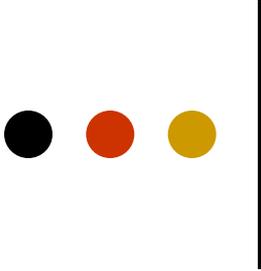
General Fund

Select Supplemental Requests

Full List - Page 12-17

o **Parks and Recreation**

- Natatorium – ADA Improvements \$ 7,500
- Natatorium Shade Screens \$ 15,845
- Library HVAC Replacement \$ 33,000
- Radio/Communications Facility A/C \$ 13,000
- Parks Maintenance Roof Replacement \$ 75,000
- Improvements to Centennial Park \$ 44,000
((\$54,000 funded in Park Development Fund))
- Improvements to Woody Park \$ 31,500
- 1 New and 3 Replacement Vehicles \$ 89,915
- 1 Cargo and 1 Double Axle Trailer \$ 21,000
- Annual Replacement Program \$ 14,000
(HVAC, Appliances, Landscape)



General Fund

Select Supplemental Requests

Full List - Page 12-17

o **Community Development**

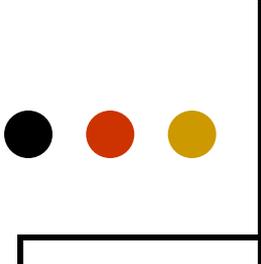
- Sanitarian/Health Code Officer (plus vehicle) \$ 72,252
- PT to FT Administrative Clerk \$ 24,734
- Comprehensive Plan Update (Year 1 of 2) \$100,000
- PT Deputy Court Clerk \$ 12,747
- Dog Kennel Cleaning \$ 38,820

o **Capital Projects & Engineering**

- 2 Replacement Vehicles \$ 43,790
- School Zone Flasher System (Multi-Year) \$ 38,760

o **Public Works**

- Pad-foot Roller \$ 80,850
- Vehicle Replacement \$ 33,275
- 2 Forklift Refurbishments \$ 26,500



General Fund Forecast

	2013	2014	2015	2016	2017
Revenues	56,387,521	57,715,000	61,303,000	63,804,000	67,178,000
Expenses	58,575,184	58,680,000	62,363,000	63,585,000	66,058,000
Income(Loss)	-2,187,663	-965,000	-1,060,000	219,000	1,120,000
Beginning Fund Balance	14,494,313	12,307,000	11,342,000	10,282,000	10,501,000
Ending Fund Balance	12,306,650	11,342,000	10,282,000	10,501,000	11,621,000
Policy Req.	8,904,214	9,347,000	9,785,000	10,125,000	10,465,000
Excess over Fund Balance	3,402,436	1,995,000	497,000	376,000	1,156,000
FTE Positions	537.75	552.75	567.75	574.75	582.75



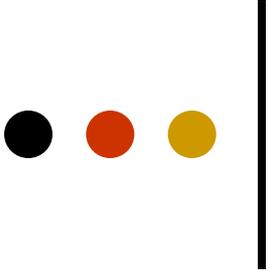
Water & Sewer Fund

(begins Page 173)

Fiscal Year 2011-2012 Projections

Fiscal Year 2012-2013 Budget

Five-Year Forecast

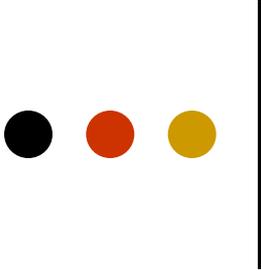


Water & Sewer Fund

FY2011-2012 Projections

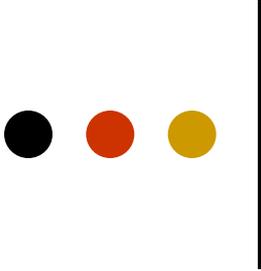
(in millions)

	<u>Budget</u>	<u>Projection</u>	<u>Var.</u>
Revenues	\$29.5	\$30.3	\$0.8
Expenses	<u>\$33.0</u>	<u>\$33.6</u>	<u>(\$0.6)</u>
Net Income	(\$3.5)	(\$3.3)	\$0.2
Cash Equiv.	\$9.9	\$9.5	
Bond Coverage		1.40	
Cash Reserve		28%	



Water & Sewer Fund FY2012-2013 Assumptions

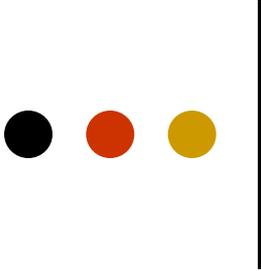
- Revenues total \$31.2 Million
 - Water/Sewer Service Revenue up 5.7% over FY2012 projections
 - MUD 4 revenues as of January 2013 – 1403 connections
 - No change in rates needed



Water & Sewer Fund FY2012-2013 Assumptions

- Expenses total \$31.1 Million

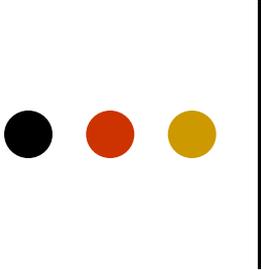
- MUD #4 Annexation - \$220,647
Excludes 3 personnel and purchased meters in FY2012.
- Supplemental Requests - \$1.4 million
 - Recurring \$373,380
 - Non- Recurring \$981,735
- Pay-As-You-Go CIP \$ 1,490,916
- Annual Debt Service \$10,144,425
- Purchase of Surface Water \$ 3,581,952



Water & Sewer Fund FY2012-2013 Assumptions

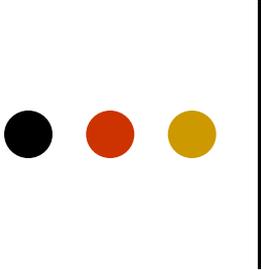
- Fund Balance

- Revenues over Expenses by \$171,160
- Ending Balance \$9,253,656
- 1.57 Bond Coverage and 30% Cash Reserve Rates



Water/Sewer Fund Fiscal Year 2012-2013

‣ Revenues	\$31,227,456
‣ Expenditures	\$31,056,296
‣ Revenues over Expenditures	\$ 171,160
‣ Cash Equivalents – Beginning	\$10,415,044
‣ Reserve for Debt Service	\$ 1,332,548
‣ Cash Equivalents – Ending	\$ 9,253,656
‣ Bond Coverage	1.57
‣ Cash Reserve Ratio	30%



Water & Sewer Fund

Select Supplemental Requests

Full List - Page 18-20

○ Lift Station

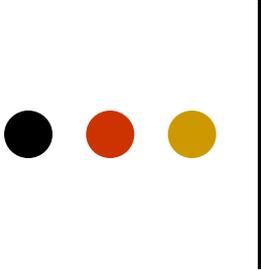
- Crane truck and vehicle replacement \$ 90,990
- Control panel replacement \$ 28,000

○ WWTP

- Rehab of sand filter at Far NW WWTP \$150,000
- SWEC surge basin bypass valves \$ 34,000

○ Water Production

- Sandblast and paint 10 water plants \$ 67,200
- Refurbish ground storage tank – Green Tee \$ 74,750
- 25 auto flushers \$ 68,350
- Chemical tanks and injection pumps \$ 66,320

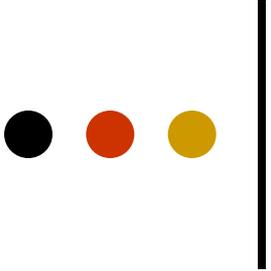


Water & Sewer Fund

Select Supplemental Requests

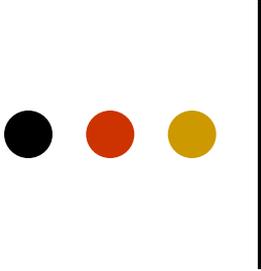
Full List - Page 18-19

- W&S Distribution & Collection
 - Maintenance Worker \$ 39,246
 - Sewer jetting machine \$ 42,700
 - Valve/Vacuum replacement machine \$ 33,350
 - 2 Replacement vehicles \$ 60,040
- W&S Construction
 - Articulating loader \$114,553
 - Dump truck replacement \$ 48,485
 - Concrete mix trailer replacement \$ 16,600
- W&S GIS
 - GPS Field Technician w/ vehicle \$ 64,323



Water & Sewer Fund CIP

o Totals	\$2,964,866
● Pay as you go CIP	\$1,490,916
● Impact Fee – Cash	\$1,326,454
● CIP Fund Balance	\$ 147,496
● Debt Issuance	-0-



Water & Sewer Fund Debt Service Requirements

➤ Current Debt Requirements to Maturity 2037

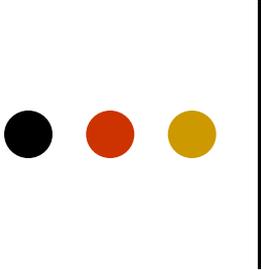
➤ Principal	\$124,455,000
➤ Interest	<u>\$ 66,710,554</u>
➤ Total	\$191,165,554

➤ Requirements for FY2012-2013

➤ Principal	\$ 4,660,000
➤ Interest	<u>\$ 5,484,425</u>
➤ Sub-Total	\$ 10,144,425

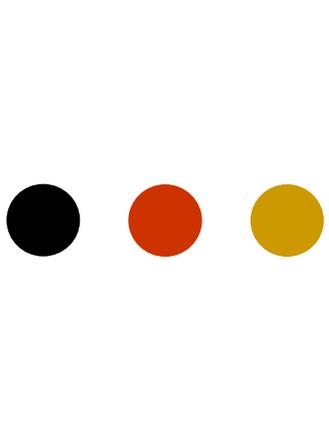
➤ Principal Outstanding as of 9/30/2013

➤ \$119.8 million

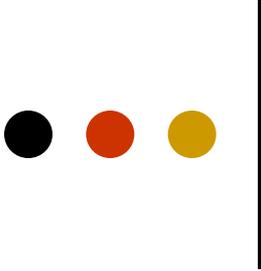


Water/Sewer Forecast

	2013	2014	2015	2016	2017
Revenues	31,227,456	32,193,501	33,360,526	36,777,387	42,041,923
Expenses	31,056,296	32,332,744	33,072,703	35,941,925	40,324,704
Income(Loss)	171,160	(139,242)	287,823	835,462	1,717,219
Beg. FB	10,415,044	10,586,204	10,446,962	10,734,785	11,570,247
End. FB Inc. DS Reserves	9,253,656	8,674,117	8,596,696	9,050,258	9,879,777
Rate Increase	-0-	-0-	-0-	6%	8%
25% Reserve	30%	27%	26%	25%	25%
Bond Coverage	1.57	1.72	1.69	1.55	1.45
Debt Issuance	-0-	8,081,184	12,077,255	32,223,015	43,118,941

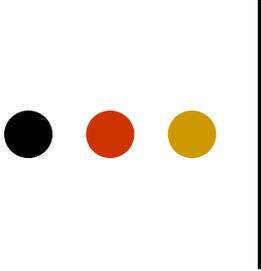


Other Funds



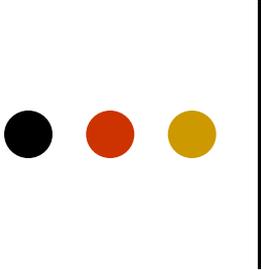
Solid Waste Fund FY2012- 2013 Budget

- New 5-Year Contract began 10/1/2011
 - Allows for quarterly rate adjustments
 - Annual CPI increase effective October 2012
- Monthly residential rate – Fiscal Year 2012
 - Base rate of \$13.82 through April 2012
 - 2% increase for fuel costs from May 2012 – July 2012
- Expenses total \$8,094,361
 - 2013 base rate increase with CPI; est. at 2.2%



Hotel/Motel Fund Fiscal Year 2012-2013

- Includes:
 - Revenues from 11 hotels, 2 from BC MUD 4 Annexation
 - 5% rebate to Hilton Garden Inn \$ 119,007
 - Destination Marketing contract \$ 385,530
 - Cultural Arts Study \$ 125,000
- Total Revenues \$ 931,082
- Expenditures
 - Arts Promotion 140,000
 - Historic Preservation 15,000
 - Other 5,000
 - Contractual 544,397
 - Total \$ 704,397
- Revenues Over Expenditures \$ 226,685
- Fund Balance at 9/30/2013 \$2,005,556



Hotel/Motel Fund

Fiscal Year 2012-2013

- **Destination Marketing** **\$117,430**

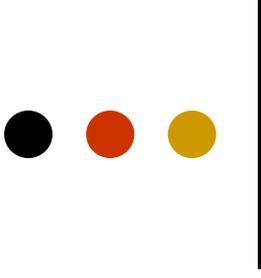
An increase of \$117,430 for Contracted services with the Chamber of Commerce for a proactive, strategic, visitor-centered approach to the economic and cultural development of a location, which balances and integrates the interests of visitors, service providers, and the community.

- **Cultural Arts Study** **\$125,000**
 - Establishes priorities and strategies for advancing arts and culture that support the City's broader goal of increasing tourism and enhancing the quality of life.
 - The plan will present a long-range framework and an achievable 3-5 year course of action that reflect the performances and priorities of the Citizens.
 - The plan will identify opportunities for future growth and change with strategies and funding requirements for implementation.



Parks & Recreation Development Fund Fiscal Year 2012-2013

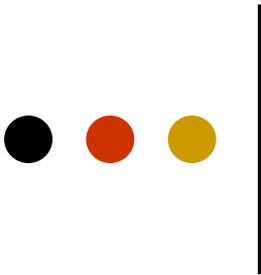
- Funded by Parkland Fees - Expenditures Total \$187,923
 - Southdown Park \$ 41,923
 - Shade Covers
 - Paint Splash Pad
 - Rehab Restroom
 - Centennial Park \$ 54,000
 - Renovate Softball Fields
 - 8 Shade Covers
 - Zychlinski Park \$ 12,000
 - Shade Covers



Parks and Recreation Development Fund Fiscal Year 2012-2013

(Continued)

➤ Independence and Pasternak Parks	\$ 30,000
➤ Renovate Restrooms	
➤ Pine Hollow Park	\$ 50,000
➤ Replace Playground	
➤ Fund Balance at 9/30/2013	\$ 466,003

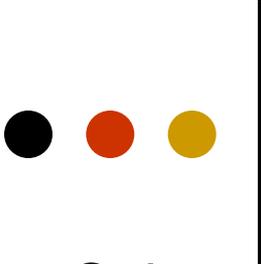


Court Technology Fund

Fiscal Year 2012-2013

Funds collected by the City when a defendant is convicted of a misdemeanor, by law, is set aside in this fund and can only be used to fund court technology, such as computer equipment, imaging systems, electronic kiosks, etc.

➤ Court software update	\$255,676
➤ Training for new Court software	\$ 15,850
➤ Fund Balance at 9/30/2013	\$ 6,716

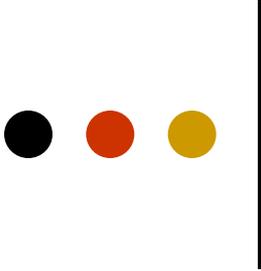


Police Seizure Fund

Fiscal Year 2012-2013

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.

➤ Vehicle Rental	\$ 24,300
➤ Buy Money	\$ 25,000
➤ APLR Replace./Maint./Install	\$ 23,000
➤ Police vehicle for forensic analyst	\$ 24,391
➤ Audio & GPS System	\$ 4,995
➤ Lexis-Nexis legal research	\$ 9,000
➤ K9 Replacement & Training	\$ 10,500
➤ Other	<u>\$ 6,939</u>
➤ Total	\$128,125
➤ Fund Balance 9/30/2013	\$148,562



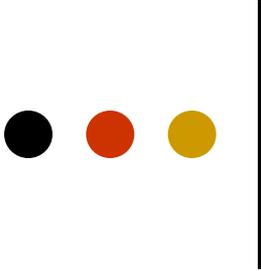
Municipal Channel Fund

Fiscal Year 2012-2013

Established in 2012 to account for revenues and expenditures associated with the City's Public, Education and Government (PEG) channel. Funds can only be used for capital purchases such as cameras, monitors, cables, teleprompters, etc.

- Additional Chamber upgrade
 - Sound System \$ 25,000
- Lighting \$ 15,000
- Two HD Camcorders & lens \$ 18,000
- Microphone system \$ 1,000
- Other accessories \$ 6,700
- Total \$ 65,700

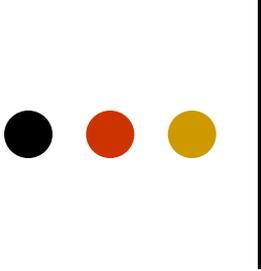
- Fund Balance at 9/30/2013 \$262,941



CDBG Fund

Fiscal Year 2012-2013

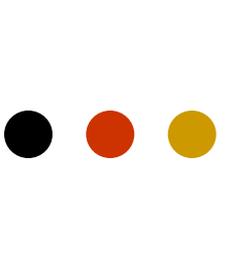
- 2.8% increase over last year
- Sidewalks in Old Townsite – N. Houston & E. Orange
- Forgotten Angels' Day Hab facility expansion
- Revenues: \$284,818
- Expenditures:
 - Public Social Services 42,592
 - Planning & Administration 56,964
 - Public Infrastructure 185,262
 - Total \$284,818
- Fund Balance at 9/30/2013 \$ 205



Grant Funds

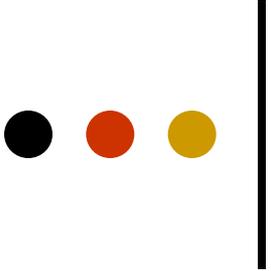
Fiscal Year 2012-2013

- Crime Victim Assistance Positions \$ 98,340
 - Reimburse Personnel Costs
- SAFER – Firefighters and volunteer FF \$366,251
 - Year 2 of 4 Recruitment/Retention of Volunteers/Retain Firefighters.
 - Year 2 and final funding year for 6 Firefighters
- Emergency Management \$ 43,434
 - Reimburse Personnel Costs
- Ambulance \$ 35,000
- Bullet Proof Vest Grant-50% match \$ 9,900



University of Houston Operating Fund Fiscal Year 2012-2013

- Participants share based on square feet.
 - UofH 75%
 - PEDC 25%
- Expenditure includes: custodial, utilities, insurance, landscape maintenance, repair & maintenance



Property Insurance Fund FY2012-2013 Assumptions

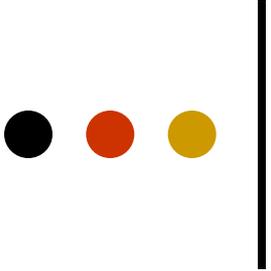
- Account for activities of the City's property and casualty insurance. Coverage includes general liability, law enforcement, auto, real and personal property, windstorm, etc.

Revenues

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

Expenses

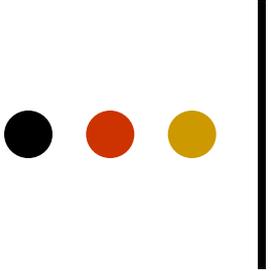
- Windstorm Increase of 5%
- E&O Increase of 5.5%
- Law Enforcement 4.3% increase
- Liability Modifier increased 48% based on claims history and outside claims.



Property Insurance Fund Fiscal Year 2012-2013

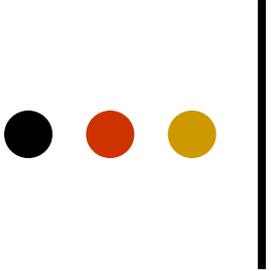
o Premiums

• General Liability	\$ 46,538
• E&O	\$ 62,674
• Public Employee Dishonesty	\$ 3,118
• Animal Mortality	\$ 2,176
• Law Enforcement	\$ 65,340
• Property	\$ 73,502
• Windstorm and XS Wind	\$ 656,935
• Auto (Liability and Damage)	\$ 146,668
• Mobile Equipment	\$ 11,115
• Sewage	\$ 11,986
	<u>\$1,080,052</u>



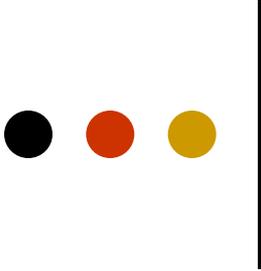
Medical Self-Insurance

- Accounts for the activities of the City's medical self-insurance fund. The City went from premium based to self-funded in October 2010. In order to limit liability the fund currently has a \$100,000 individual stop-loss and a \$4.4 million aggregate stop loss. The City will get reimbursed up to \$1.0 million for claims exceeding that amount.
- Based on the current claims and activities, the City is projecting to meet the aggregate stop-loss, which would increase the aggregate stop-loss for fiscal year 2013. The City is currently out for bid for administration and stop-loss. The proposed budget built in an 11% increase in Premiums, GF impact \$377,785, Water/Sewer Fund Impact \$73,670, PEDC \$3,512, and Other funds \$2,165, based upon current (medical only) enrollment in plans.



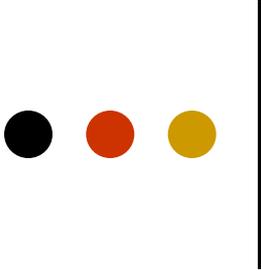
Medical Self-Insurance

- The City will be looking at the mix of premium contributions and other options in order to ensure best rates and least impact to City.
- Reserve Requirement
 - Establishment is critical to the fund. Not only funds IBNR or termination expenses but also provides for the risk factor to cover the stop loss risk. Reserves based on 2 to 3 months of claims. For City – 2 months is \$715,000.
- Once bids are received and analyzed, adjustments may be made accordingly



Medical Self-Insurance

Contributions	2012	2013
Transfers	\$4,850,198	\$5,666,167
Water/Sewer Fund	85,000	114,750
General Fund	415,000	560,250
Total Revenue	<u>\$5,350,198</u>	<u>\$6,341,167</u>
Administrative Fee	\$881,343	\$1,053,123
Claims	4,591,814	4,762,800
Wellness	48,700	60,000
Total Expenses	<u>\$5,521,857</u>	<u>\$5,875,923</u>
Beginning Balance	\$209,208	\$38,006
Ending Balance 9/30	\$38,006	\$503,350

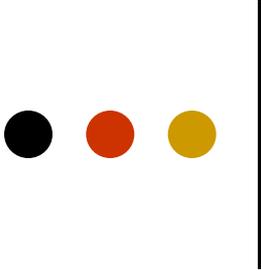


PEDC

FY2011-2012 Projections-in millions

	<u>Budget</u>	<u>Projection</u>	<u>Var.</u>
Revenues	\$ 7.2	\$ 7.6	\$0.4
Expenditures	<u>\$ 7.0</u>	<u>\$ 3.8</u>	<u>\$3.2</u>
Change	\$ 0.2	\$ 3.8	\$3.6
Beg. Balance	\$ 9.2	\$ 9.2	
Reserve for DS	\$ (0.7)	\$ (0.7)	
Debt pay-off	\$ (1.3)	\$ (1.4)	
End. Balance	\$ 7.4	\$ 10.9	\$3.5

Savings in Incentives and Marketing/Industry Recruitment



PEDC

FY2012 – 2013 Assumptions

➤ Revenues

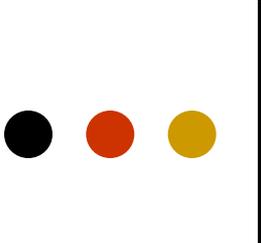
- Sales Tax Growth 5.35%
- Lease payment on building

➤ Expenditures

- Funds Department, marketing retention and recruitment programs
- Funds operating and DS on space in UofH, \$178,386
- Annual Debt Service Requirement of \$2.1 million
- Business Incentives of \$2.2 million
- Business Center Drive, \$3.1 million

➤ Reserves 20% of sales tax annually for debt pay-off in 2015.

➤ Board approved budget on June 28, 2012



PEDC

Fiscal Year 2012-2013

➤ Revenues	
➤ Sales Tax	\$7,496,477
➤ Lease payment	\$ 414,000
➤ Interest/Other	<u>37,657</u>
➤ Total	\$7,948,134
➤ Expenditures	
➤ Operations	\$1,700,340
➤ Debt Service	<u>2,057,764</u>
➤ Revenues Over Expenditures	\$4,180,030
➤ Capital Transfers	3,148,493
➤ Capital	5,000
➤ Incentives	<u>2,152,000</u>
➤ Total Expenditures	\$9,063,597
➤ Change in Fund Balance	<u>(\$1,115,463)</u>
➤ Available Fund Balance at 9/30/2013	\$ 8,316,467

(excludes debt service reserves of \$2.3million)



PEDC Forecast

	2013	2014	2015	2016	2017
Revenues	7,948,134	8,156,810	8,412,867	8,675,471	8,925,375
Expenses	9,063,597	6,046,423	7,473,984	7,013,282	7,049,774
Income(loss)	(1,115,463)	2,110,387	938,883	1,662,189	1,875,601
Beg. FB	10,931,226	8,316,467	8,882,580	9,288,171	10,950,360
End. FB*	8,316,467	8,882,580	9,288,171	10,950,360	12,825,961
Incentives	2,152,000	2,288,889	2,180,881	1,955,889	1,957,889
Capital Transf.	3,148,493		1,500,000	1,500,000	1,500,000
Debt Service	2,056,264	2,055,521	2,057,917	2,058,152	2,058,276

*Ending FB excludes funds held for debt pay-off and reserves



Budget & Tax Calendar

August 13, 20, 27

Budget Workshops

August 15

Publish Effective Tax Rate

August 20

Set Public Hearing on Budget

Set Public Hearing on Tax Rate and Take Vote to Increase Taxes

September 4

1st Public Hearing on Budget and Tax

(Tuesday)

Rate

September 10

2nd Public Hearing on Budget and Tax

Rate

September 17*

1st Reading of Ordinance to Adopt

Budget and Tax Rate

1st Reading on Fee Ordinance Changes

September 24

2nd and Final Reading on Budget and

Tax Rate

2nd Reading on fee ordinance changes

Adopt Five-Year CIP

*change in regular meeting date



Questions?

CIP workshop is
scheduled for August 13

Fiscal Year
2012-2013
Proposed Budget
August 6, 2012