



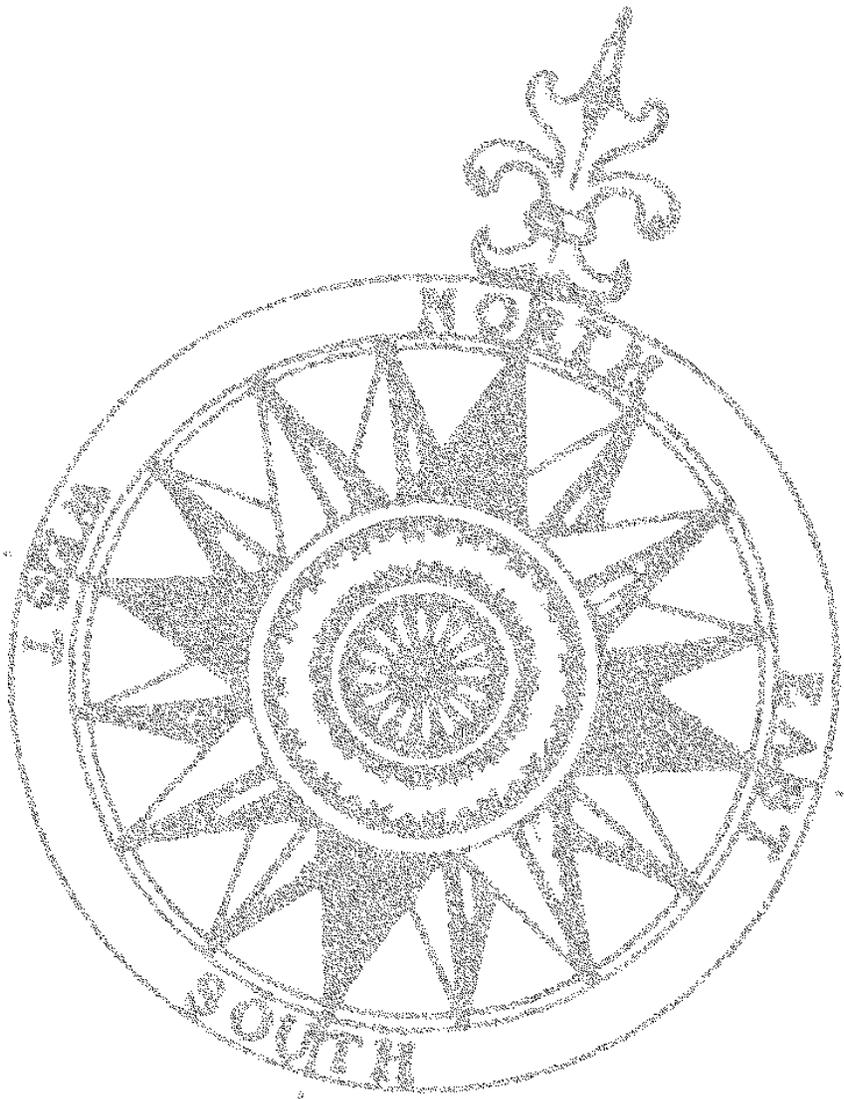
City of Nassau Bay

Budget for Fiscal Year 2009-2010

Adopted Budget

September 14, 2009

General Fund
Water & Sewer Fund
Debt Service Fund
Tourism Fund
Special Revenue & Grant Funds
Capital Projects Fund
Street Sales Tax Fund





City of Nassau Bay

Elected Officials

Donald C. Matter
Mayor

John Haugen
Position 1

Bette Johnson
Mayor Pro Tem, Position 2

Ron Swofford
Position 3

Brad Bailey
Position 4

Mark Denman
Position 5

David Braun
Position 6

Administration

Chris Reed
City Manager

Deborah Pattison
Assistant City Manager

Pat Jones
City Secretary, TRMC

Ronald Wroblewski
Police Chief/Emergency Management Coordinator

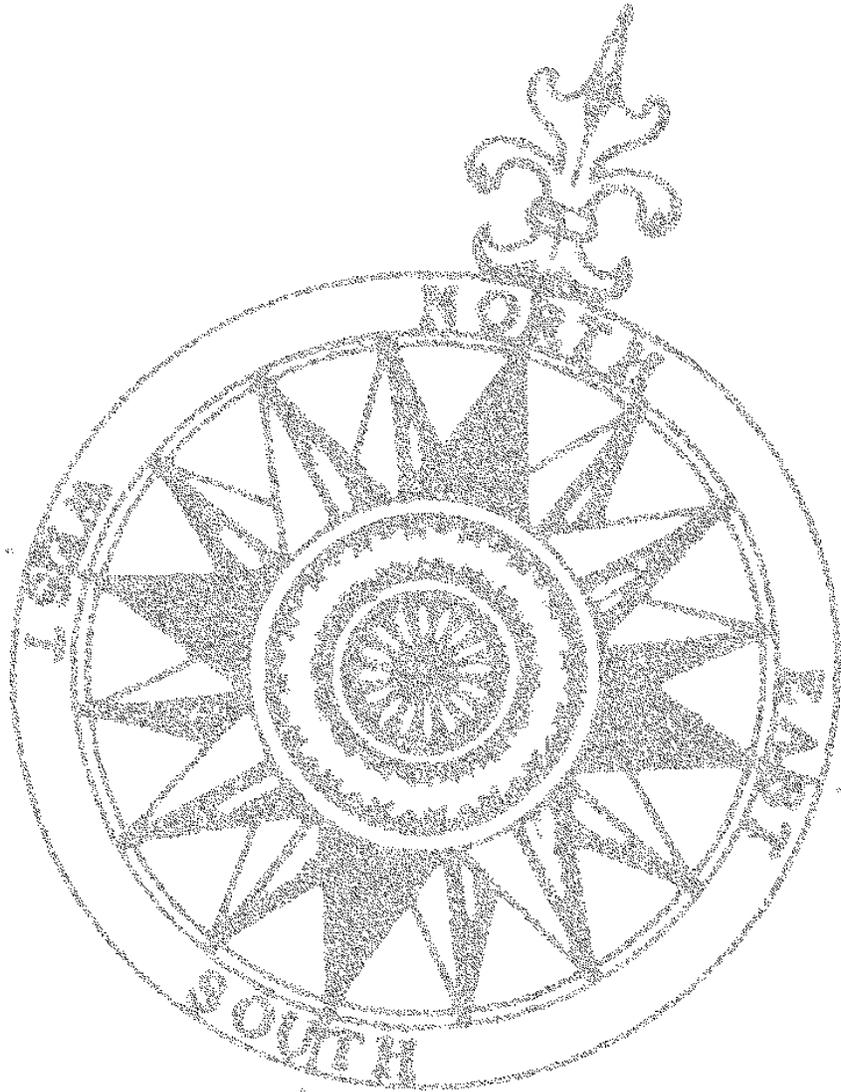
W. Thomas March
Finance Director

Tom George
Fire Department Administrator/IT Manager

Larry Boles
Building Official/Floodplain Administrator

Mike Hogan
Public Works Director

Dick H. Gregg, Jr., Esq.
City Attorney





City of Nassau Bay

Budget for Fiscal Year 2009-2010

General Fund	\$ 4,870,741
Water & Sewer Fund	1,887,519
Debt Service Fund	465,871
Tourism Fund	742,568
Special Revenue & Grants Fund	13,700
Capital Projects Fund	-
Street Sales Tax Fund	95,650
Total Budget	<u>\$ 8,076,049</u>

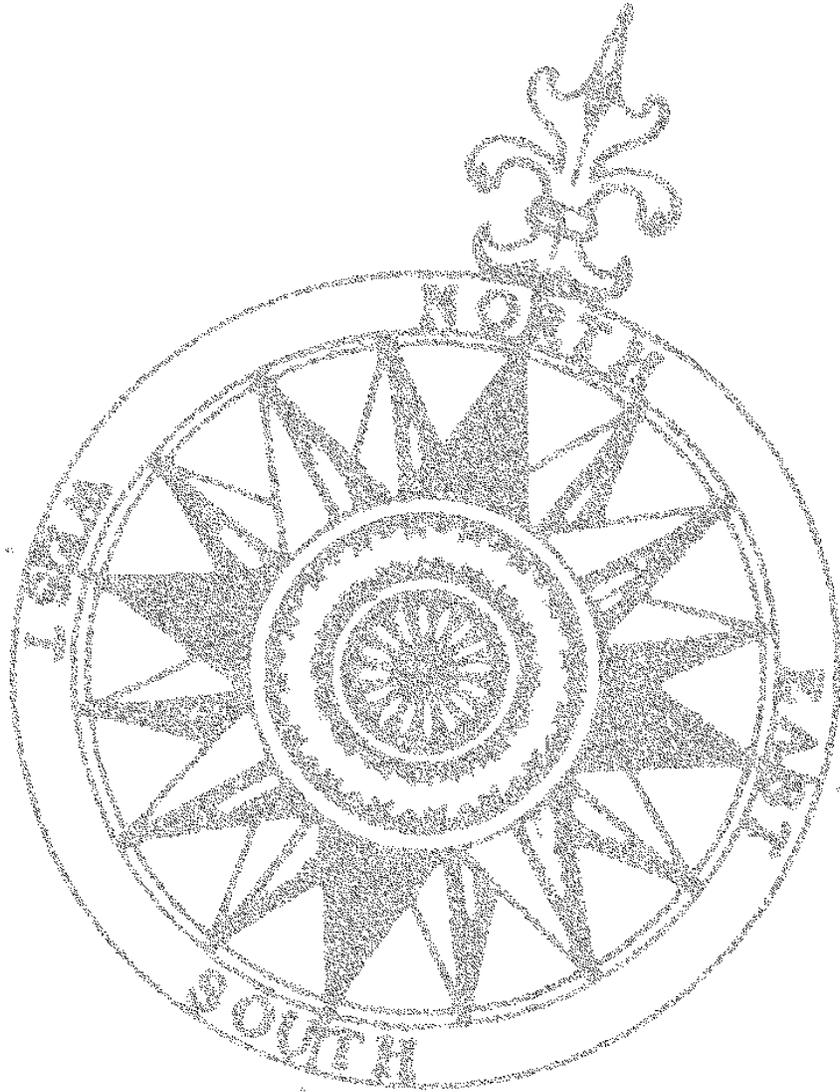
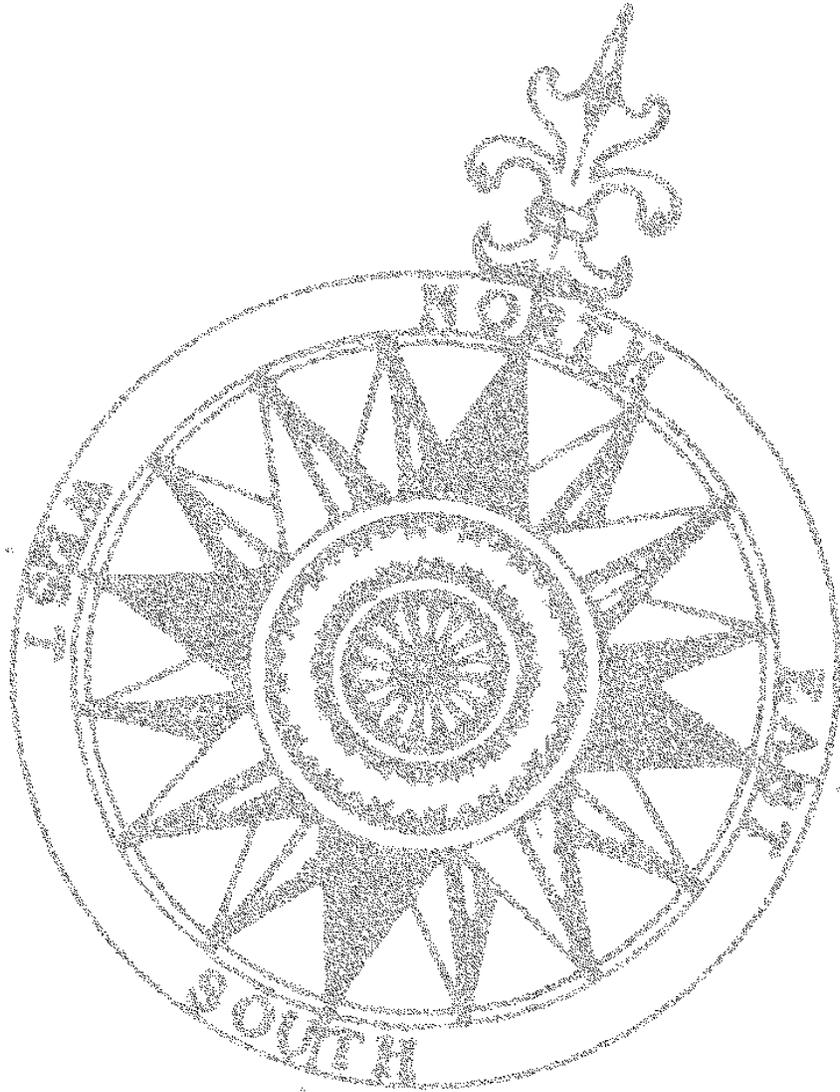


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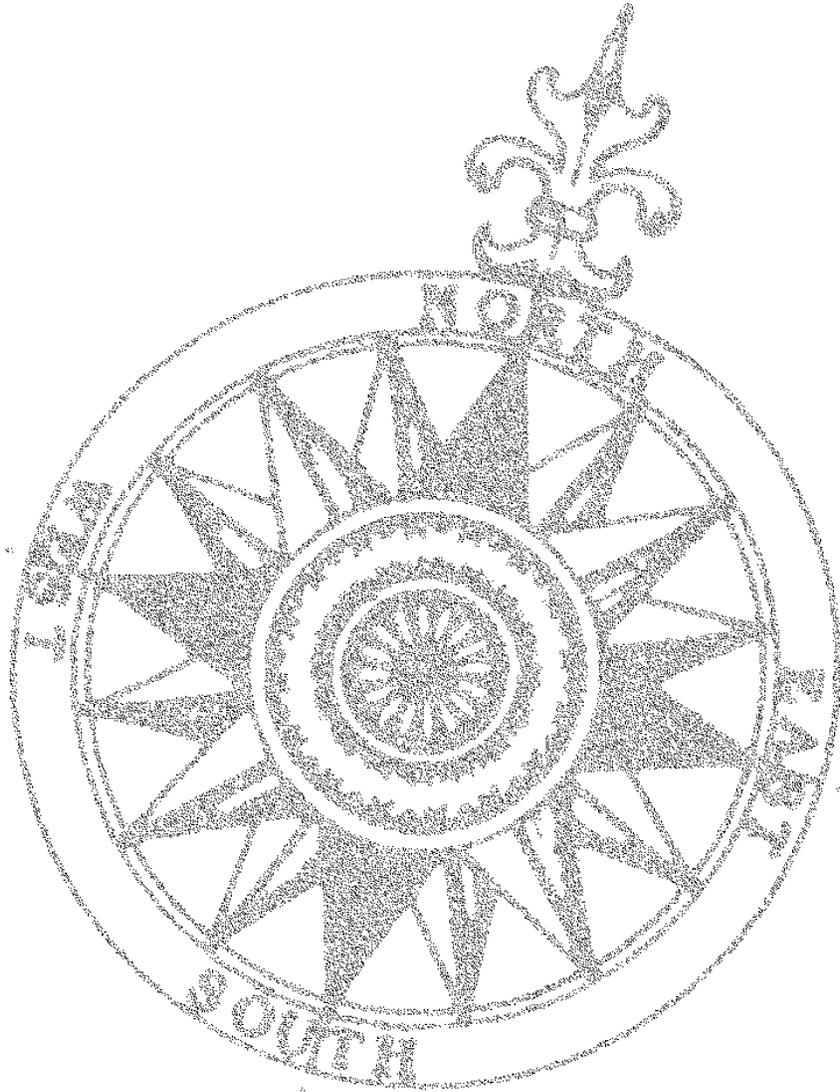
Budget Calendar

Budget Year 2009-2010

May 2009		Operating & CIP Budget Kick-off; Budget request software training; Departments develop FY2010 Objectives	Dept. Managers
		Department capital outlay detail, funding sources and justification due; Preliminary Operating & CIP budget request deadline	Dept. Managers
June 2009		City Manager's review of department budget requests	City Manager
		City Manager receives Preliminary Tax Roll [certified estimate of total appraised value]	Harris Co. Appraisal District
		CIP Draft and Funding Sources	City Manager
July 6	(Monday)	Subcommittee on Appropriations and Interfacing (Tourism Fund)	Council Committee
July 15	(Wednesday)	2009 Update: Truth-in-Taxation Seminar	Finance Director
July 27 - 31	(Mon - Fri)	Completion of the City Manager's Budget	City Manager and Dept. Managers
Aug 3	(Monday)	Budget Workshop - Budget Priorities and CIP Funding	City Manager and Council
Aug 5	(Wednesday)	(Charter Requirement) City Manager Budget delivered to City Secretary for distribution to Council and available to Public	City Manager
Aug 10	(Monday)	Presentation of Budget to City Council and Public Budget Hearing; Schedule Budget Workshop, if needed	City Manager at Regular City Council Meeting
Aug 31 – Sept 4	(Mon – Fri)	Chief Appraiser certifies approved appraisal role; Calculation of effective and rollback tax rates; 72-hr notice for budget meeting	Harris Co. Appraisal District
Sept 14	(Monday)	Presentation of Final Budget to City Council and Second Public Budget Hearing; Certification of anticipated collection rate; Adopt <u>Budget</u> by Ordinance; discuss tax rate. If Council determines, adopt <u>Tax Rate</u> by Ordinance; or, if tax rate will exceed the rollback or effective tax rate (whichever is lower), take a record vote and schedule two public hearings. (A) (B)	City Manager; Tax-Assessor Collector; City Council; Regular City Council Meeting
Sept 20	(Sunday)	(Charter Requirement) Final Date to adopt budget	City Council
Sept 24	(Thursday)	Publish effective and rollback tax rates, schedules and fund balances; submission to Council; (As required) Publish notice of two public hearings on tax increase (TV and website)	Finance Director; City Secretary
October 1	(Thursday)	Fiscal Year 2009-2010 Begins	
Oct 1	(Thursday)	(As required) First public hearing on proposed tax increase (may not be held earlier than the 7 th day after the notice is published)	Special City Council Meeting
Oct 5	(Monday)	(As required) Second public hearing on proposed tax increase (may not be held earlier than the 3 rd day after the first hearing)	Special City Council Meeting
Oct 8	(Thursday)	(As required) Publish Notice of Tax Revenue Increase (TV and website)	Finance Director
Oct 12	(Monday)	(As required) Vote on the proposed tax increase to increase total tax revenues (not more than 14 days after Second Public Hearing); Adopt <u>Tax Rate</u> by Ordinance (B)	Regular City Council Meeting

(A) *By Charter, if the council fails to adopt the budget by the twentieth day of September, the amounts appropriated for operation during the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month-to-month basis, with all items in it prorated accordingly, until such time as the council adopts a budget for the ensuing fiscal year. The levy of property tax normally approved as part of the budget adoption will be set such that the tax receipts for the budgeted year shall equal the tax receipts of the current fiscal year.*

(B) *By Property Tax Code, taxing unit must adopt tax rate by Oct. 1 or 60 days after receiving certified appraisal roll (November 2), whichever is later.*



Adopted Budget



The Municipal Budget Fiscal Year 2010

The last year has served as testament to the strength and resiliency of our citizens, and the elected officials and City employees who work to serve them. Facing this challenge, warmth and friendship flourished as neighbors helped out wherever they could; and people went that extra mile in action and service to their community.

Near the close of FY2008, Hurricane Ike made landfall over Galveston, TX on September 13, 2008 at 2:10 a.m. CDT. It is estimated that the storm surge generated by Hurricane Ike affected an area of approximately 310 miles along the Gulf of Mexico coastline. And, since the timing of when this Category 2 hurricane made landfall included a period of increased tides, storm surge levels more typically associated with a Category 4 hurricane were experienced.

Hurricane Ike is now classified as one of the top five costliest U.S. hurricanes of all time. Almost 30% of Nassau Bay's single family dwellings required some form of reconstruction after Hurricane Ike wreaked havoc on our City. In the month following Ike, in addition our normal Monday and Thursday garbage collections, the City removed over 80,000 cubic yards of debris from our streets and curbs, and over 800 pieces of white goods (appliances).

Some in Nassau Bay continue making major repairs or are demolishing their house and designing a new home. Currently, there have been 27 houses declared to have been substantially damaged; that is, with damage estimates more than 50% of the market value or independent appraisal value of the residence. To date, twenty-one of these houses have been demolished, and seven new homes are currently under construction. Progress will continue and become more visible with the construction of these new houses.

Adopted Budget

In August 2009, as our nation's economy continues to recover, and as regional impacts of Hurricane Ike diminish, the City of Nassau Bay demonstrates that our community spirit was not broken by the storm and we move forward with dignity into FY2010:

- Fortunately for the City of Nassau Bay economy, the significant mixed-use Planned Unit Development (PUD) that involves retail, new office buildings, a public plaza, multi-family residential, and a new hotel was at the very initial stages of construction when Hurricane Ike made its impact. The revenue generated by Building Permits associated with this project contributed to \$220,000 in cash flow during the first quarter of FY2009, allowing the City Council to refund or discount almost \$45,000 in re-construction permit fees to homeowners with Hurricane Ike damaged residential properties. This is the equivalent of refunding 1.08 cents per \$100 valuation in ad valorem taxes.
- The 313 unit Class A multi-family project at the corner of Space Park and Point Lookout will be ready for occupancy in early 2010 – adding new families and vital commercial value to our community. The first phase of the development's retail space will consist of 40,000 square feet and will diversify the City's sales and property tax base with the provision of several new restaurants and businesses – with construction beginning during late 2009.

The development, when completed, will consist of three office buildings containing as much as 600,000 sq. ft., the 313 unit multi-family project, a 180 room Marriott Hotel, approximately 73,000 sq. ft. of retail, a 24,000 sq. ft. conference center and Nassau Bay City Hall. The recently completed NASA Parkway Bypass will enhance the project's access directly to Interstate 45 with its entrance and exit just a few feet from Saturn Lane.

- Meanwhile, as Texas and some neighboring cities have seen a reduction in sales tax revenues, Nassau Bay's established retail businesses experienced healthy sales volumes – as demonstrated in a 10.1% increase in calendar 2009 sales tax revenues to the City, compared with 2008 receipts.

With the continuing redevelopment in our commercial areas, and our citizens' willingness to work together in the residential areas, Nassau Bay will rise again to be the premier city in the area.

Vision 2020 continues to represent our community and all of our major projects are directly related to this important statement:

VISION 2020 *The City of Nassau Bay will be an incomparable, safe, family-oriented, waterfront enclave which is fiscally well managed with well maintained, up-to-date infrastructure and aesthetically pleasing residences and buildings that reflect the obvious pride of its citizens. This community, the Manned Space Center's birthplace, will be the cultural arts center of the Bay Area, with a robust economy anchored by a revitalized commercial district, tourism, and high technology business, while retaining homeowner privacy and a small town atmosphere.*

Adopted Budget

Nassau Bay's Economic Development Corporation (EDC), NASA Area Management District, Tax Increment Reinvestment Zone No. 1 (the TIRZ), and the Nassau Bay Redevelopment Authority provide economic development tools facilitating public-private partnerships which are critical to redevelopment of blighted areas in Nassau Bay, and an improved commercial tax base.

With these organizations' contributions, some of the City's most substantial and recent accomplishments include:

1. \$2.5 Million Grant – An Economic Development Administration (EDA) federal grant was secured May 28, 2009. Items approved for Nassau Bay Town Square infrastructure improvements include: (1) completion of the streets, (2) the duct bank for underground electrical facilities, and (3) hardscape components. The Town Square development will be home to the new City Hall and conference center and will attract additional businesses, jobs, and private investment to aid the ongoing economic recovery of the bay area region following the devastation caused last year by Hurricane Ike. This investment is part of a \$3.125 million project that will help create 495 jobs and generate \$150 million in private investment.
2. Community Development Block Grants (CDBG Funds) – Nassau Bay is approved for \$761,068 in Public Works projects. The projects include an elevated generator at the wastewater treatment plant, improvements to various lift stations, a new mobile pump, and a bypass vault for the City's water system.
3. Fire Department Pierce Quantum Rescue/Pumper – The Nassau Bay Volunteer Fire Department (NBVFD) received its new fire engine, Engine 81, on June 19, 2009. The Department's fire fighting capability is served by the new unit's Compressed Air Foam System, a 750 gallon water tank, and a flow rate of 1,500 gallons per minute (gpm). With the addition of the 1,500 gpm capability of Engine 81 and the City's existing trucks, the Fire Dept. can produce a 3,500 gpm combined flow rate that satisfies the flow requirement for the City of Nassau Bay as set by the Insurance Services Office Public Protection Classification (ISO PPC) rating. In addition, Rescue & EMS First Responder operations have improved with the capability to carry a full complement of rescue tools, including the Jaws of Life, and medical supplies. This improved capability assists our volunteers in keeping our community and properties safe, and fulfills a vehicle replacement rotation schedule recommended in the Comprehensive Master Plan.

Additionally in FY2009, the NBVFD expanded its marine and water rescue capabilities. The Public Safety boat, used by both Fire and Police, has been outfitted with side-scanning sonar capability: having this equipment installed and immediately available on the boat means that the Nassau Bay Fire Department is able to rapidly deploy this technology without having to rely on external agencies. Also, community donations provided a Zodiac rigid-inflatable boat suitable for shallow water search and rescue operations. This boat brings to the department the capability to fulfill a function that, in the past, our volunteer department had been filling by using several of the member's personal water craft.

So we enter the new budget year with renewed confidence in *Vision 2020*, with enthusiasm toward the challenges remaining, and with certainty that Nassau Bay is on the

Adopted Budget

right course. The FY2010 Budget proposal keeps the City on a path to success, allows us to weather the \$61 million in reduced residential property valuations produced by Hurricane Ike, and keeps our eye focused toward greatly improved property values and tax base in the commercial areas. While there is much work ahead to achieve these improvements in our tax base, including expansion of our sales tax and hotel tax revenues, visible progress continues.

As we prepare for future growth in the tax base, the City faces challenges in our current year budget. In preparing this proposed budget for Fiscal Year 2010, Staff was cognizant that estimated taxable ad valorem valuations are reduced by \$25 million, and project specific increases in revenues that were realized in the FY2009 budget (such as Building Permit and Sewer Tap fees associated with the re-development) and are absent from this fiscal year's revenue projections.

In consideration of these revenue constraints, every line item and fund-departmental request has been carefully evaluated. Areas where cost savings were reasonable, were utilized, to allow sufficient funding for on-going maintenance and repair/recovery projects.

In review, based on Council guidance and staff agreement, the City reduced the ad valorem tax rate by 2.445 cents in FY2008 – which resulted in a reduction of almost \$110,000 in General Fund operating revenue. In the immediate aftermath of Hurricane Ike, with uncertainty as to the coverage of insurance claims and FEMA reimbursements, the FY2009 adopted budget added back one cent to the tax rate.

This year, we're mindful that many of our residents are still rebuilding their homes and reestablishing personal reserves in a tough economic climate. For this reason, our elected officials tasked Staff with budgeting for FY2010 while holding the current tax rate of 64.212 cents per \$100 valuation. As the anticipated effective and roll-back tax rates would have allowed adoption of a rate near 68.0 cents per \$100 valuation this fiscal year, Staff has carefully reduced and controlled costs to accommodate this \$160,000 loss – while planning and prioritizing objectives that will innovatively maintain expected service levels.

The FY2010 Budget proposes to continue our work to upgrade critical City infrastructure, while maintaining and improving an exemplary quality of life environment for our citizens and for our businesses. As always, *Vision 2020* remains the desired future we are striving to achieve. This budget proposal takes us closer to that goal.

Revenue: Most FY2010 fund revenue projections are down compared to recent years (reference Fund Summaries, page 18).

For the second year, the City will be sharing property tax revenue with the TIRZ. As you know, the incremental tax revenue increase in the zone goes into the TIRZ to be used for public improvements in the zone. In Nassau Bay, 90% of the incremental revenue is allocated to the TIRZ for management by the recently appointed TIRZ board. Ten percent of the incremental revenue remains in the General Fund.

The increase in taxable values within the TIRZ from 2007 to 2008 was \$18,610,635 – an 18.0% change. This budget year, there is a projected decline in TIRZ property values from the prior year; however, projected property values are still higher than for the base year (Tax Year 2007), resulting in a year two increment estimated near \$29 million in taxable valuation.

Adopted Budget

Note that this year the TIRZ and NASA Management District are budgeted to contribute a total of \$135,000 into the General Fund as Reimbursement Revenue.

General Fund operating revenue is projected \$34,934 less than budgeted in the previous year. To accomplish even this, we are returning a more robust General & Administrative (G&A) reimbursement from the Water and Sewer (W&S) Fund, and are receiving significant reimbursements from the TIRZ and Management District (\$135,000 total) and the Nassau Bay Economic Development Corporation (\$100,000).

The Tourism Fund continues to provide well due to the very strong performance of the Hilton Hotel. A new hotel in the Griffin Partners development will further enhance the revenue in this fund in the years ahead.

Fund Expenditures: The total expenditure budget for FY2010 is \$8,076,049. Reference the funds breakout on page 15 of the budget document.

General Fund expenditures are programmed to be about half of the City's total expenditures, coming in at \$4,870,741. The expenditure breakout for the *fifteen departments* is shown on page 24. Some of the major changes this year in the General Fund include:

- Code Enforcement: Several areas for cost reduction were identified and implemented. Due to the increased amount of residential construction activity, we are expecting increased expenditures for wages, contract inspections, and lab fees, compared with FY2009's projected year end levels. The FY2010 budget is increased by \$3,639, or 1.7% overall.

- Fire Protection: A variety of cost saving measures were implemented; and the resulting FY2010 expenditure level is only \$1,296 (0.5%) higher than last year's budget, including the provision of retirement benefits for our valued volunteers.

- Public Works: Several areas for cost reduction were identified such that additional funds can be appropriated for Street Maintenance and Street Sweeping (a total of \$23,500 over last year's budget) and for required Engineering Services (\$10,000 over last year's budget). Overall, the budget is increased by \$23,972 (or 6.6%) for FY2010.

- Parks & Recreation: In on-going support of recovery and restoration efforts by numerous volunteers and City personnel, an additional \$69,030 (27%) is budgeted in FY2010 for the maintenance of public grounds and esplanades, for the Parks Committee – Peninsula Project, and for Beautification Day and related community enhancement projects.

- Sanitation and Recycling: This program was reduced by 13.3% for FY2010 pending a Sub-Committee report returning to Council for consideration and action.

- Information Services: The other half of the dual-hatted position shared with the Fire Department is for the City's Information Technology Manager. Software and capital expenditures were reduced in this department, for an overall reduction in expenditures of \$5,836 that is budgeted for FY2010, compared with FY2009.

- Municipal Court: Court expenditures are anticipated to be \$1,076 lower, and revenues are projected \$30,000 higher in FY2010, with the expansion of Nassau Bay's contract agreement with the City of Webster to include Municipal Court functions. Court continues to be held in the Council Chambers at Nassau Bay City Hall.

- Emergency Medical Services: This department decreased its FY2010 expenditure budget by \$27,268 primarily through the reduction of one full-time position (EMS Administrator) and elimination of the associated FT benefit package. Departmental wage adjustments were implemented last fiscal year to help the EMS remain competitive with other departments in our region. Remaining competitive with wages in this department assures we have qualified personnel available 24/7 to staff the City's ambulance.

Adopted Budget

- Animal Control: Nassau Bay's animal control officer continues to spend substantial amounts of his time on this mission; and operates a cost-effective program that is budgeted for FY2010 only \$352 above last year's budget.

Water and Sewer Fund: Expenditures for this fund are projected \$109,086 over last year's budget, and include an additional \$31,500 in Maintenance funds. Factors contributing to this increase also include a strong G&A overhead reimbursement to the General Fund (\$100,000) and increased personnel costs. A Water & Sewer Rate Study and rate adjustment are required to insure that this Enterprise Fund is sustainable and capable of contributing to future Capital Improvement Plan (CIP) requirements.

Tourism Fund: As noted above, revenue in this fund continues a healthy growth due to the excellent performance of the Hilton Hotel (87% of HOT contributions), along with support by Extended Stay America and Microtel Inn & Suites (9% and 4% of HOT contributions, respectively). With a budgeted \$620,000 in revenue for FY2010, this allows the City to continue our 15% of revenue payments to the Bay Area Houston CVB, 15% to Arts and Special Events, and sponsorship of major events in our region to benefit our hotels.

FY2010 Capital Improvements: No new capital projects are planned for FY2010, however, capital improvements will continue to advance as projects budgeted from previous years are finalized, and completed project remaining balances are re-programmed to meet FY2010 objectives. Budgeted contributions from the Street Sales Tax Fund (\$95,650 for street projects) and the Tourism Fund (\$55,000 for NASA Parkway enhancements) will provide a total of \$150,650 for those projects during FY2010.

The upcoming FY2011 budget anticipates a debt issue to accommodate capital needs that were not possible within the FY2010 budget constraints. Fortunately, investments in our critical infrastructure over the past few years have greatly reduced imminent failure possibilities.

Personnel/Salaries: We are projecting an overall 4.41% increase in the Personnel budget, including both salary and benefits (in comparison with a 12.38% increase last year). The FY2010 budget includes the elimination of two full-time positions (Municipal Court Clerk and EMS Administrator) and those associated benefit expenses; and it includes the hiring of a new City Manager and addition of an Assistant City Manager position to aid daily operational and customer service requirements. The average merit increase for the employees is projected at 2 to 6%, based on employee performance evaluations.

The staffing level for this budget is 39 full-time, 12 part-time (9.7 FTE), and 7 temporary (5.0 FTE) employees. Personnel contingencies are budgeted within Depts. 1, 5, 13, and 14.

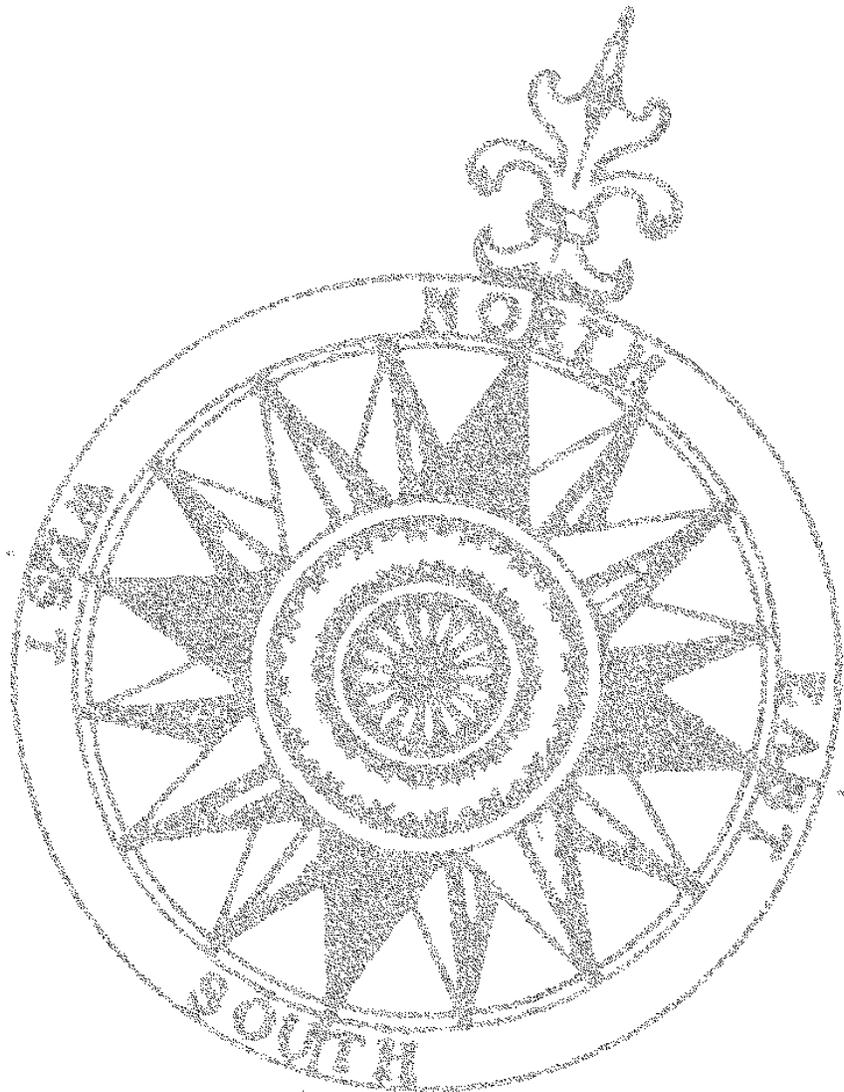
Summary: The City's financial position is solid with a low debt to assessed value ratio. We expect to see steady improvements in the tax base in the years ahead, due primarily to the Nassau Bay Town Square project, which is predicted to double the property values in the City's commercial area. Meanwhile, the added retail businesses will boost our sales tax revenue, and the new hotel (our City's fourth) will generate substantial new hotel occupancy tax revenue.

Adopted Budget

The City's *Vision 2020*, focused Hurricane recovery efforts, and community pride have united our thinking and priorities. We have carefully managed our resources to make incremental progress on a number of fronts. And, with utilization of the \$2.5 million federal EDA grant for infrastructure improvements in our new commercial areas – an award in the scale of 28% of the proposed FY2010 budget, we can look to the future with confidence.

Respectfully submitted,

Deborah Pattison, Assistant City Manager
Interim City Manager, June – August 2009



Budget Overview

Government Structure

The City of Nassau Bay was incorporated in 1970 as a Texas General Law city. Three years later, in 1973, the citizens of Nassau Bay adopted a Charter and reorganized as a Texas Home Rule City with a Council-Manager form of government.

The legislative and governing body of the City is the Council, which consists of a Mayor and six Council members. The Mayor and Council members are elected, at large, for two-year terms with a limitation of four consecutive terms.

- Mayor Donald Matter
- Position 1 John Haugen
- Position 2 Bette Johnson
- Position 3 Ron Swofford
- Position 4 Brad Bailey
- Position 5 Mark Denman
- Position 6 David Braun

The City Council meets monthly to transact the business of the City and its citizens. All legislation enacted by Council is in the form of Ordinances. The City's Charter defines the manner and procedure by which Ordinances are adopted.

The City Council appoints a City Manager who shall be the chief administrative officer of the City and who shall be responsible for the administration of all affairs of the City. The City Manager directs and supervises the administration of all departments, offices, and agencies of the City, except as otherwise provided by the Charter or by law. The City Manager attends all council meetings and has the right to take part in discussions; however, he may not vote.

Chris Reed began service as City Manager in mid-August 2009.

- Howard L. Ward 1973 – 1989
- James A. McFellin 1989 – 1991
- David K. Stall 1992 – 1998
- John D. Kennedy 1999 – 2009
- Chris Reed 2009

In addition to the City Manager, Council appoints the City's Municipal Court judges and clerks and members of the various boards, commissions, and committees that may exist.

Organization of the Funds

The City Budget addresses seven separate funds in one document. Each fund has been established to perform specific functions with its own source or sources of revenue.

General Fund

The General Fund is the City's largest and primary municipal operating fund. The General Fund provides for the City's administrative, regulatory, public safety, sanitation, public works (excluding water & sewer), and court functions. Revenue sources benefiting the General Fund include property taxes, sales & use taxes; franchise fees; license & permit fees; fines; and repayment for administrative services provided to other funds.

Water & Sewer Fund

The Water & Sewer Fund provides for the operation of the City's water and wastewater utilities. Revenue sources benefiting the Water & Sewer Fund include water and sewer subscriber charges and tap fees.

Debt Service Fund

The Debt Service Fund provides funds necessary to meet the debt service obligation of bonds issued by the City. Revenue sources benefiting the Debt Service Fund include property taxes and contributions from the Water & Sewer Fund and the Nassau Bay Economic Development Corporation.

Tourism Fund

The Tourism Fund provides for the promotion of the City's tourism industry. The most significant revenue source benefiting this fund is a Hotel Occupancy Tax. The City increased the hotel occupancy tax from 5% to 7% effective January 1, 2006.

Special Revenue & Grants Funds

The Special Revenue and Grants Fund accounts for specific revenue and grants that are legally restricted to expenditures for specified purposes.

Capital Projects Fund

The Capital Projects Fund provides funds for the acquisition or construction of capital improvements. These funds are spent according to the City's capital improvement plan.

Street Sales Tax Fund

Nassau Bay adopted an additional one-quarter percent local sales tax for street maintenance purposes on November 5, 2002 and the tax became effective on April 1, 2003. The tax expires every four years. The City held a tax reauthorization election on November 7, 2006, extending the sales tax to April 1, 2011.

Budget Development and Administration

Fiscal Year

The fiscal, budget, and accounting year of the City begins on the first day of October and ends the last day of September.

Proposed Budget

On or before the fifth day of August, the City Manager is required to submit a proposed budget for the ensuing year and issue a budget message. The minimum content of the budget, and the budget message, is defined by the City's Charter.

Public Hearing

Having received the budget, Council is required to hold a public hearing on the budget as submitted. All interested persons are given an opportunity to be heard, either for or against any item of the proposed budget.

Adoption of Budget

Following the public hearing, the Council may adopt the budget with or without amendment on one reading. Adoption of the budget will require an affirmative vote of a majority of the entire Council. Adoption of the budget constitutes an appropriation of the amounts specified herein as expenditures from the funds indicated.

Should Council fail to adopt a budget by the twentieth day of September, provisions of the City's Charter provide automatic appropriations on a month-to-month basis until a budget is adopted. In such event, the operation of the City would not be disrupted for lack of a budget.

Adoption of Tax Rate

Following the adoption of the budget, Council may adopt a property tax rate.

Certification of Funds

No payment is made or obligation incurred against any appropriation unless the City Manager, or his designee, first certifies that there is a sufficient unencumbered balance to meet that obligation.

Purchasing Policy

The City Manager is the City's purchasing agent and authorizes the payment of all bills. The City Manager reviews purchase orders, invoices, and signs checks for authorized expenditures.

Monthly Financial Reports

The City Manager submits a monthly report to Council detailing the financial condition of the City.

Annual Audit

At the completion of each fiscal year, an audit is made of all City funds by a competent certified public accounting firm selected by Council.

Budget Overview

— Continued

Property Taxes

The certified roll for the 2009 tax year was received from the appraisal district on August 31, 2009. The total appraised value now on the appraisal roll for 2009 is \$472,289,427. Over-65, Residential Homestead, Disability and Other Exemptions total \$90,232,082 (or 19.1% of appraised value). Thus, the taxable value on the appraisal roll for 2009 is \$382,057,345.

Budgeted Taxable Value for Tax Year 2009/Fiscal Year 2010 totals **\$402,367,229**, as follows: Taxable value of \$382,057,345 plus HCAD Estimated Final Taxable Value of \$46,344,026 [Uncertified Tax Roll with (including) Hearing Loss] less 90% of TIRZ Increment Valuation [\$28,926,825 Adjusted Captured Value x 0.90 = \$26,034,143]. This compares with the prior year, as follows:

	<u>Tax Year 2008</u>	<u>%</u>	<u>Tax Year 2009</u>	<u>%</u>
Total Appraised Value	\$ 432,334,013		\$ 472,289,427	
Less All Exemptions [Over-65, Residential Homestead, Disability and Other Exemptions]	\$ (49,817,173)	-11.5%	\$ (90,232,082)	-19.1%
Taxable Value	\$ 382,516,840		\$ 382,057,345	
Plus HCAD Estimated Final Taxable Value [Uncertified Tax Roll with (including) Hearing Loss]	\$ 45,036,238	11.8%	\$ 46,344,026	12.1%
	\$ 427,553,078		\$ 428,401,371	
Less 90% of TIRZ Increment Valuation [Adjusted Captured Value x 0.90]	\$ (14,344,085)	-3.4%	\$ (26,034,143)	-6.1%
Budgeted Taxable Value	\$ 413,208,993		\$ 402,367,229	

- The 2009 tax rate has not been adopted. The proposed tax rate of 64.212 cents per hundred dollars valuation is based on the tax revenue required to meet the level of expenditures proposed in this budget.
- Property tax is comprised of two separate components: Debt Service and Maintenance & Operations (M&O). The proposed tax rate of 64.212 cents is comprised of:

M&O Rate	53.934 cents per hundred dollars
Debt Service Rate	10.278 cents per hundred dollars

Adding the M&O and the Debt Service rates provides the proposed tax rate of 64.212 cents per hundred dollars.

- The Debt Service tax rate is directly driven by the cost of repaying the City's debt and two debt issues were retired during FY2009: the 2003B Certificate of Obligation debt issue and the 2004 Tax Note. Given that the City is not issuing debt as part of this fiscal budget, along with present debt requirements, the Debt Service rate for FY2010 will be 10.278 cents per hundred dollars which is a decrease of 2.598 cents per hundred dollars of valuation compared with the prior year budget.
- As elected officials have acted to hold the tax rate level, to continue to assist homeowners as they rebuild after Hurricane Ike, the M&O portion of the property tax rate can be raised higher than the prior year's maintenance and operations rate of 51.336 cents per hundred dollars. Thus, the proposed M&O rate is 53.934 and the total tax rate remains at 64.212 cents for FY2010.
- The combined effect of these two tax components is equivalent to last year's rate of 64.212 cents per hundred dollars. This adopted tax rate is well below both the 2009 Effective Tax Rate of 69.955 cents per hundred dollars and the Rollback Tax Rate of 70.210. A typical homeowner with property value of \$250,000 will save almost \$150 per year.

Home Rule cities are authorized by the Texas Constitution to levy a tax on real and personal property up to a limit of \$2.50 per \$100 assessed valuation.

Effective Tax Rate: The effective tax rate is that rate which would produce tax revenue equal to last year's tax revenue when applied to this year's assessed property value, plus values lost to exemption, less additional taxable property values that were not on last year's tax roll.

Property Tax

Assessed Valuation

Tax Year	Taxable	Rate	Tax Levy
1999	309,245,300	0.58543	1,810,415
2000	321,421,780	0.59406	1,909,438
2001	340,829,010	0.59406	2,024,729
2002	353,297,020	0.59800	2,112,716
2003	355,372,110	0.61957	2,201,779
2004	364,330,040	0.64157	2,337,432
2005	368,832,846	0.65657	2,421,646
2006	377,371,255	0.65657	2,477,706
2007	397,566,924	0.63212	2,513,100
2008	413,208,993	0.64212	2,653,298
2009	402,367,229 (a)	0.64212	2,583,680

Rate Distribution

Tax Year	M & O	Debt	Total
1999	0.49513	0.0903	0.58543
2000	0.51063	0.08343	0.59406
2001	0.51287	0.08119	0.59406
2002	0.48394	0.11406	0.59406
2003	0.50705	0.11252	0.61957
2004	0.53477	0.10680	0.64157
2005	0.54644	0.11013	0.65657
2006	0.53495	0.12162	0.65657
2007	0.49431	0.13781	0.63212
2008	0.51336	0.12876	0.64212
<i>Budget</i> 2009	0.53934	0.10278	0.64212

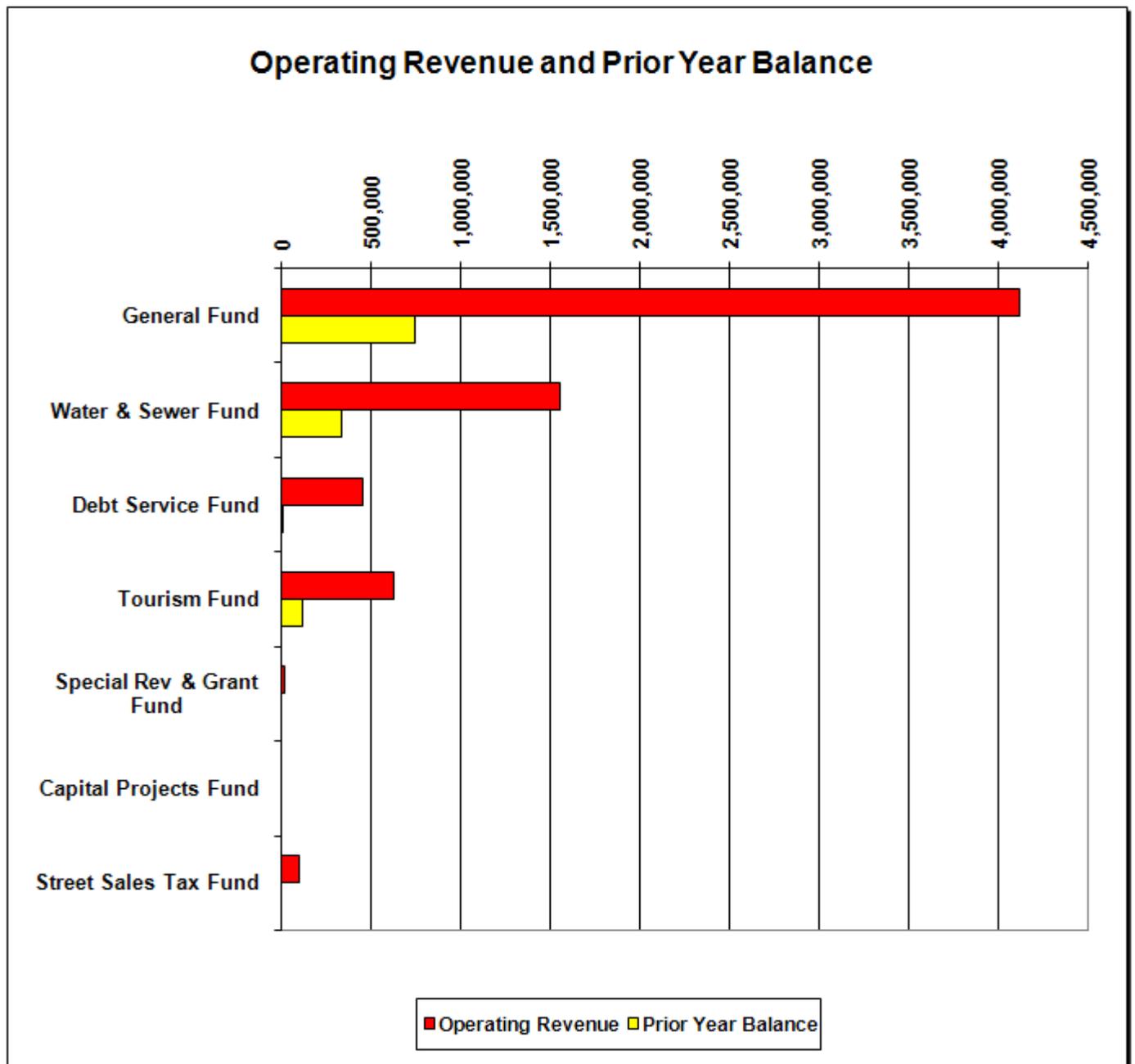
Tax Levy

Tax Year	M & O	Debt	Total
1999	1,641,276	268,162	1,909,438
2000	1,748,010	276,719	2,024,729
2001	1,709,746	402,971	2,112,716
2002	1,801,914	399,865	2,201,779
2003	1,948,328	389,104	2,337,432
2004	2,015,450	406,196	2,421,646
2005	2,018,748	458,959	2,477,706
2006	1,965,213	547,887	2,513,100
2007	2,121,246	532,052	2,653,298
2008	2,140,161	570,000	2,710,161
<i>Budget</i> 2009	2,170,127	413,553	2,583,680

(a) See prior page for detail of the budgeted Tax Year 2009 tax able value.

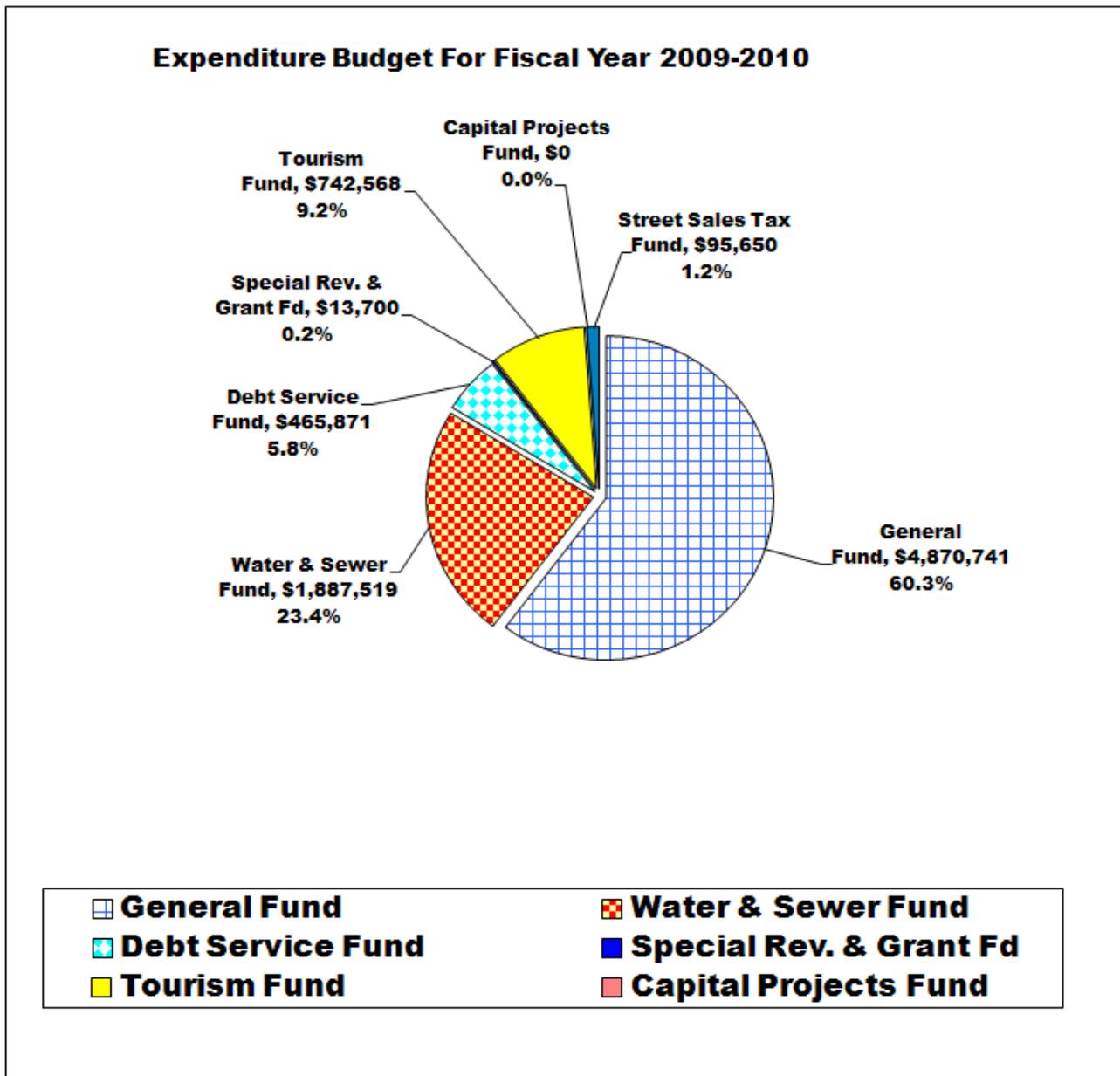
Revenue Budget For Fiscal Year 2009-2010

	<u>Operating Revenue</u>	<u>Prior Year Balance</u>	<u>Total Revenue</u>
General Fund	\$ 4,124,227	\$ 746,514	\$ 4,870,741
Water & Sewer Fund	1,554,000	333,519	1,887,519
Debt Service Fund	490,553	(24,682)	465,871
Tourism Fund	623,000	119,568	742,568
Special Rev & Grant Fund	13,700	0	13,700
Capital Projects Fund	0	0	0
Street Sales Tax Fund	95,650	0	95,650
Total	\$ 6,901,130	\$ 1,174,919	\$ 8,076,049



Expenditure Budget For Fiscal Year 2009-2010

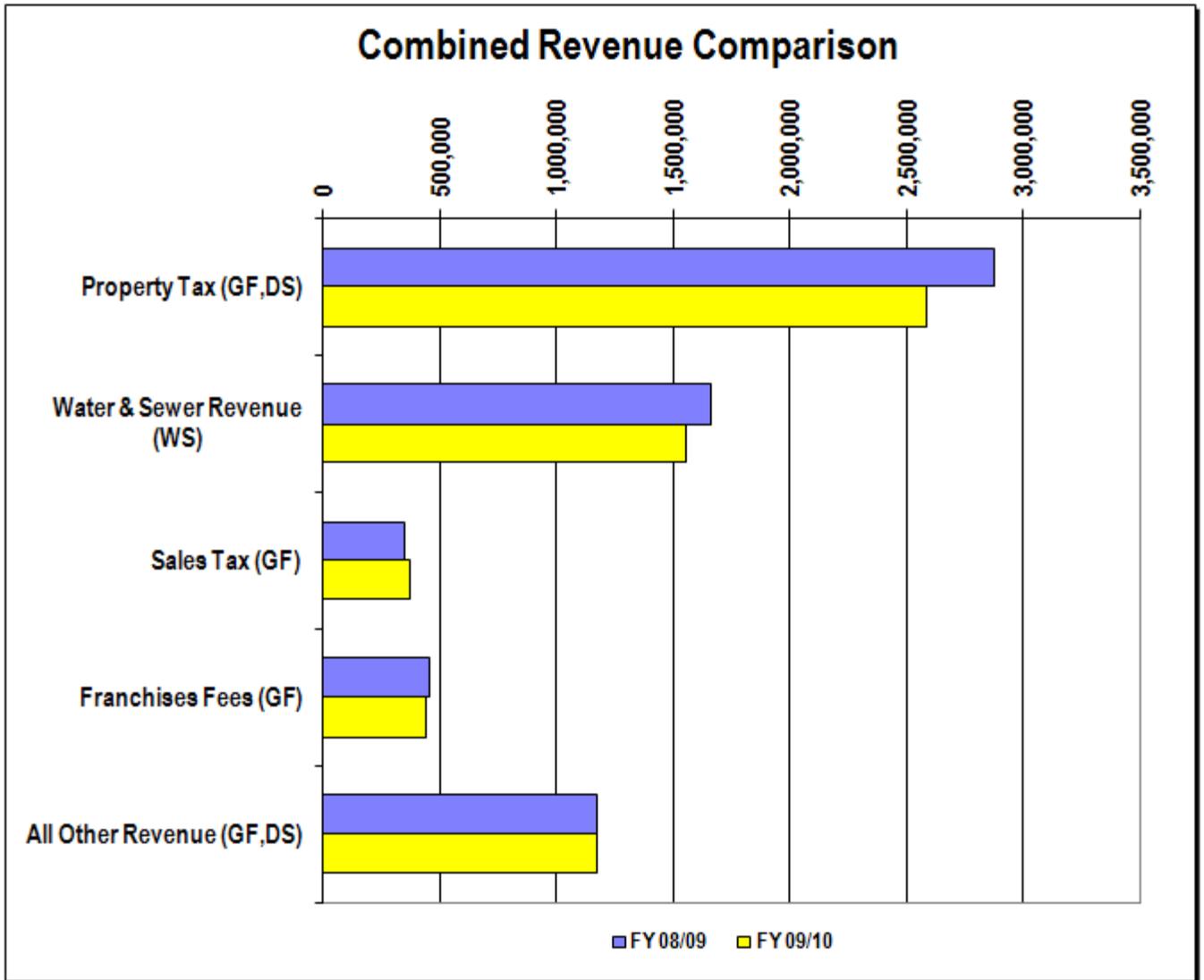
General Fund	\$4,870,741	60.3%
Water & Sewer Fund	\$1,887,519	23.4%
Debt Service Fund	\$465,871	5.8%
Special Rev. & Grant Fd	\$13,700	0.2%
Tourism Fund	\$742,568	9.2%
Capital Projects Fund	\$0	0.0%
Street Sales Tax Fund	\$95,650	1.2%
Total	\$8,076,049	100.0%



Combined Operating Revenues

General Fund - Water & Sewer Fund - Debt Service Fund

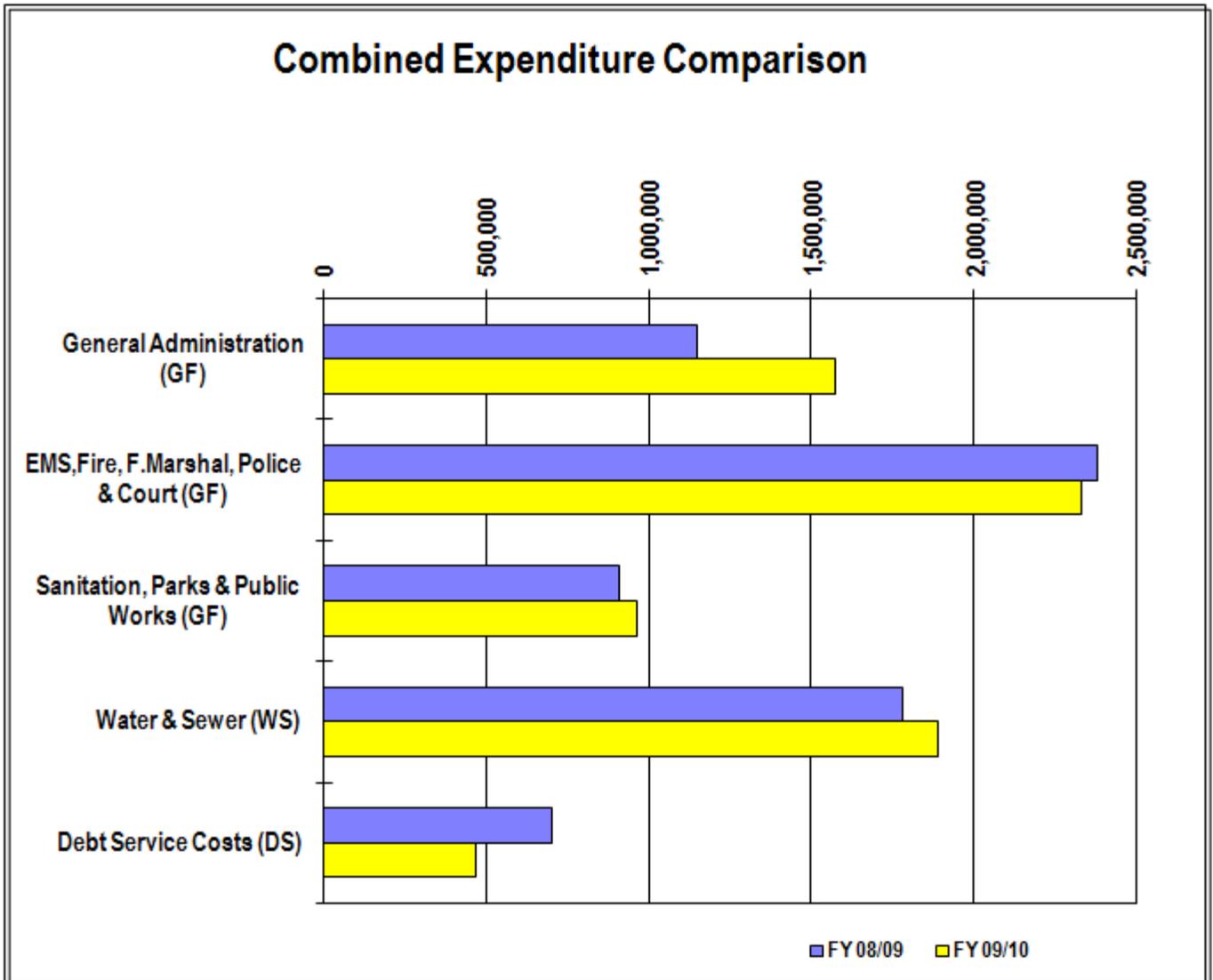
	Budget FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget \$ Change
Property Tax (GF,DS)	2,551,123	2,875,161	2,626,680	(248,481)
Water & Sewer Revenue (WS)	1,542,500	1,660,300	1,554,000	(106,300)
Sales Tax (GF)	340,000	354,300	371,400	17,100
Franchises Fees (GF)	455,000	455,000	440,000	(15,000)
All Other Revenue (GF,DS)	1,006,961	1,171,963	1,176,700	4,737
TOTAL	5,895,584	6,516,724	6,168,780	(347,944)



Combined Operating Expenditures

General Fund - Water & Sewer Fund - Debt Service Fund

	Budget FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget \$ Change
General Administration (GF)	1,093,738	1,150,229	1,572,471	422,242
EMS, Fire, F. Marshal, Police & Court (GF)	2,175,722	2,378,466	2,332,229	(46,237)
Sanitation, Parks & Public Works (GF)	996,521	912,009	966,041	54,032
Water & Sewer (WS)	1,672,493	1,778,433	1,887,519	109,086
Debt Service Costs (DS)	717,130	700,145	465,871	(234,274)
TOTAL	6,655,604	6,919,282	7,224,131	304,849



Fund Summaries

	Budget FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget \$ Change
General Fund				
Revenue	3,632,250	4,159,161	4,124,227	(34,934)
Prior Year Balance Fwd	640,000	834,771	1,210,721	375,950
Expenditures	4,265,981	4,440,704	4,870,741	430,037
End of Year Fund Balance	6,269	553,228	464,207	(89,021)
Water & Sewer Fund				
Revenue	1,542,500	1,660,300	1,554,000	(106,300)
Prior Year Balance Fwd	764,519	764,519	931,071	166,552
Expenditures	1,672,493	1,778,433	1,887,519	109,086
End of Year Fund Balance	634,526	646,386	597,552	(48,834)
Debt Service Fund				
Revenue	720,834	697,263	490,553	(206,710)
Prior Year Balance Fwd	150,512	231,946	194,275	(37,671)
Expenditures	717,130	700,145	465,871	(234,274)
End of Year Fund Balance	154,216	229,064	218,957	(10,107)
Tourism Fund				
Revenue	556,000	603,000	623,000	20,000
Prior Year Balance Fwd	85,000	325,520	386,263	60,743
Expenditures	639,885	681,218	742,568	61,350
End of Year Fund Balance	1,115	247,302	266,695	19,393
Special Rev. & Grant Fd				
Revenue	24,752	3,235,564	13,700	(3,221,864)
Prior Year Balance Fwd	138,750	0	0	0
Expenditures	157,357	3,235,564	13,700	(3,221,864)
End of Year Fund Balance	6,144	0	0	0
Capital Projects Fund				
Revenue	1,061,226	55,000	0	(55,000)
Prior Year Balance Fwd	1,818,977	453,572	0	(453,572)
Expenditures	2,838,943	55,000	0	(55,000)
End of Year Fund Balance	41,260	453,572	0	(453,572)
Street Sales Tax Fund				
Revenue	87,400	91,350	95,650	4,300
Prior Year Balance Fwd	155,302	237,889	212,387	(25,502)
Expenditures	192,702	91,350	95,650	4,300
End of Year Fund Balance	50,000	237,889	212,387	(25,502)
TOTAL BUDGET				
Revenue	7,624,962	10,501,638	6,901,130	(3,600,508)
Prior Year Balance Fwd	3,753,060	2,848,217	2,934,717	86,500
Expenditures	10,484,491	10,982,414	8,076,049	(2,906,365)
End of Year Fund Balance	893,531	2,367,441	1,759,798	(607,643)

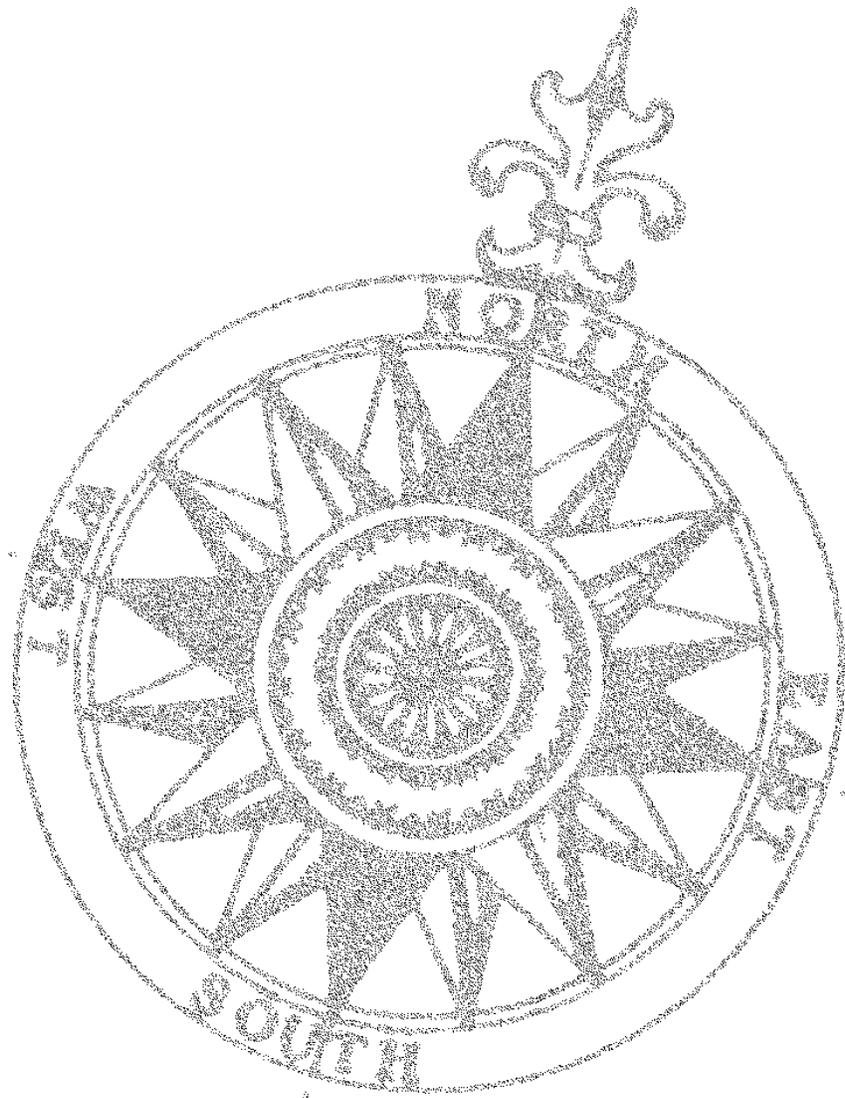
General Fund

The General Fund is the City's largest and primary municipal operating fund. The General Fund provides for the City's administrative, regulatory, public safety, sanitation, public works (excluding water & sewer), and court functions. Revenue sources benefiting the General Fund include property taxes, sales & use taxes, franchise fees, license & permit fees, fines, and repayment for administrative services provided to other funds.

Departments

The General Fund is organized into fifteen departments. Each department provides funding and support for the performance of its program of work.

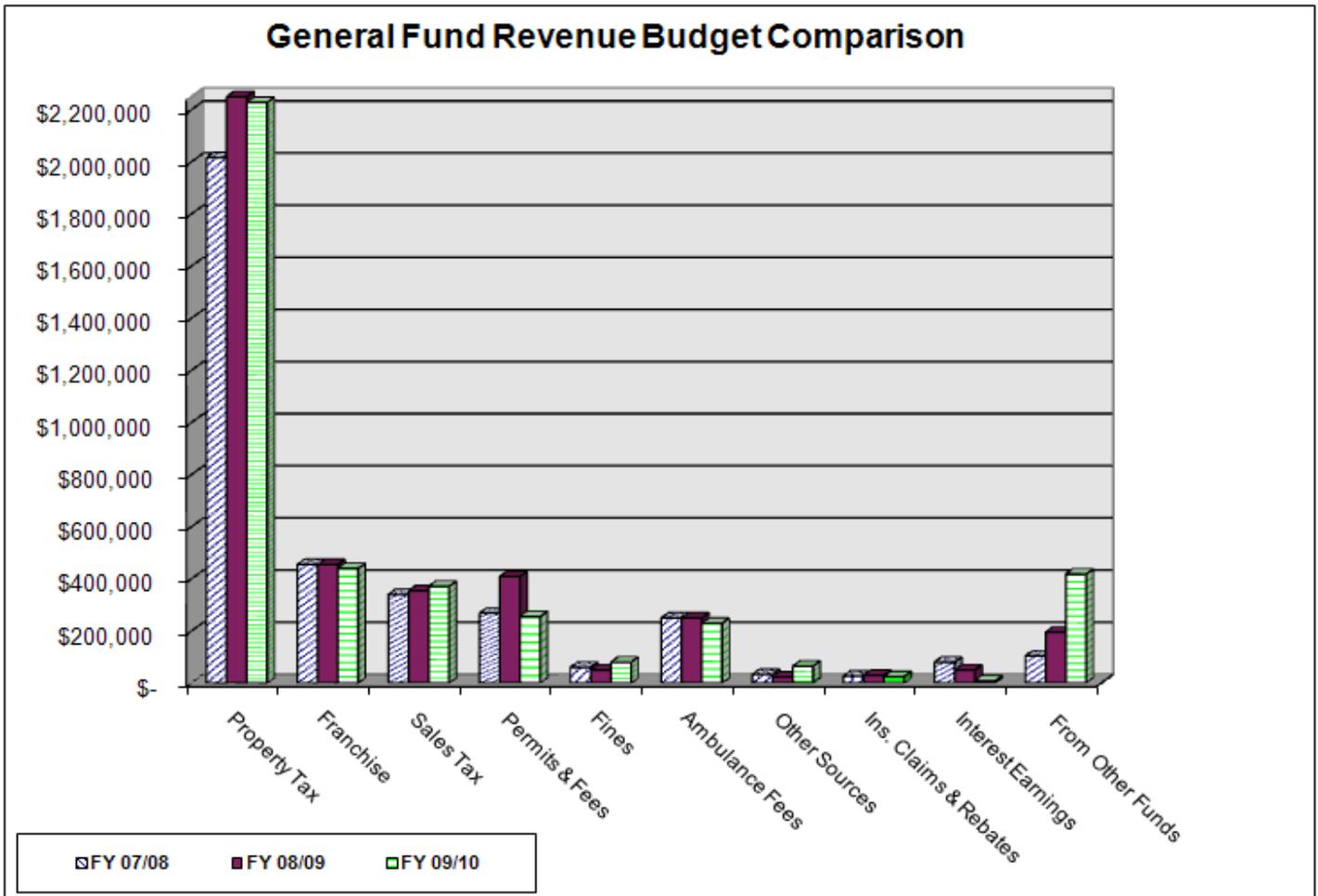
1. General & Administrative
2. Code Enforcement
3. Emergency Management
4. Fire Protection
5. Public Works
6. Parks & Recreation
7. Police Department
8. Sanitation & Recycling
9. Animal Control
10. Contingency
11. Information Services
12. Municipal Court
13. Emergency Medical Service
14. Fire Marshal
15. Planning & Development

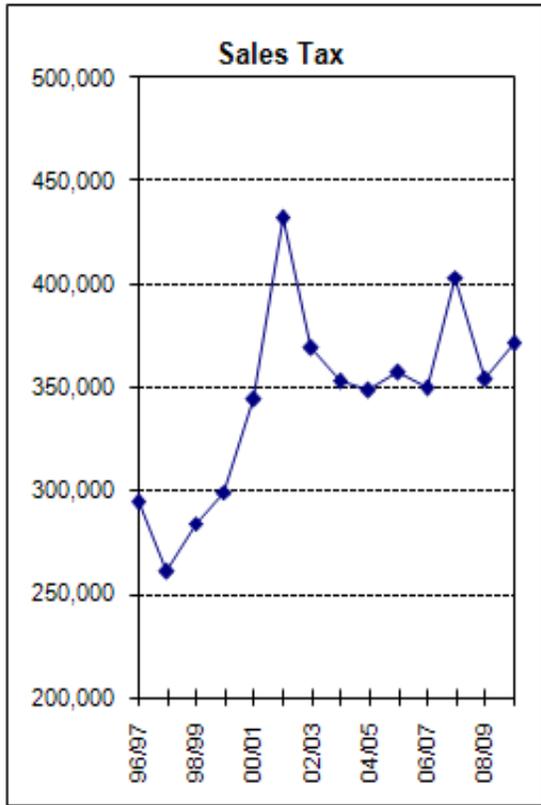


General Fund Revenue

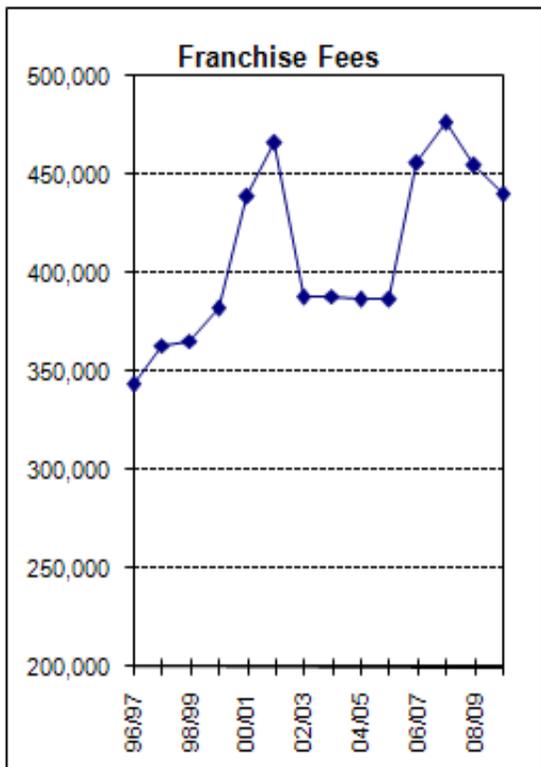
Revenue Summary		Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Property Tax (1)		2,015,800	2,145,038	2,343,161	2,118,100	2,230,127	(113,034)
Franchise (2)		455,000	476,237	455,000	455,000	440,000	(15,000)
Sales Tax (3)		340,000	408,881	354,300	354,300	371,400	17,100
Permits & Fees (4)		267,650	200,350	408,500	339,700	255,500	(153,000)
Fines (5)		60,000	53,116	50,000	80,000	80,000	30,000
Ambulance Fees (6)		250,000	242,321	250,000	240,000	230,000	(20,000)
Other Sources (7)		33,300	637,872	23,200	18,900	65,200	42,000
Ins. Claims & Rebates (8)		26,500	30,423	30,000	161,891	25,000	(5,000)
Interest Earnings (9)		80,000	40,124	50,000	9,000	9,000	(41,000)
From Other Funds (10)		104,000	104,000	195,000	348,294	418,000	223,000
TOTAL		3,632,250	4,338,363	4,159,161	4,125,185	4,124,227	(34,934)
Prior Year Balance Fwd		640,000	0	834,771	1,197,802	1,210,721	375,950
End of Year Fund Balance		(6,269)	0	(553,228)	(1,210,721)	(464,207)	89,021
Transfer From Other Funds		0	(5,074)	0	0	0	0
Transfer To Other Funds		0	0	0	0	0	0
GRAND TOTAL		4,265,981	4,333,289	4,440,704	4,112,266	4,870,741	430,037

Property Tax (1)	3005 3010 3015	Ambulance Fees (6)	3605
Franchises (2)	3105	Other Sources (7)	3705 3710 3715 3810 3815 3999
Sales Tax (3)	3110	Ins. Claims & Rebates (8)	3905
Permits & Fees (4)	3115 3116 3205 3206 3305 3306	Interest Earnings (9)	3990
Fines (5)	3307 3309 3310 3312 3315 3402 3405	From Other Funds (10)	4910 4920 4922 4923





Sales Tax	Year	Revenue
	96/97	294,620
	97/98	261,323
	98/99	284,288
	99/00	299,610
	00/01	344,341
	01/02	431,994
	02/03	369,414
	03/04	352,903
	04/05	348,439
	05/06	357,075
	06/07	349,858
	07/08	403,557
<i>Projected</i>	08/09	354,300
<i>Budget</i>	09/10	371,400



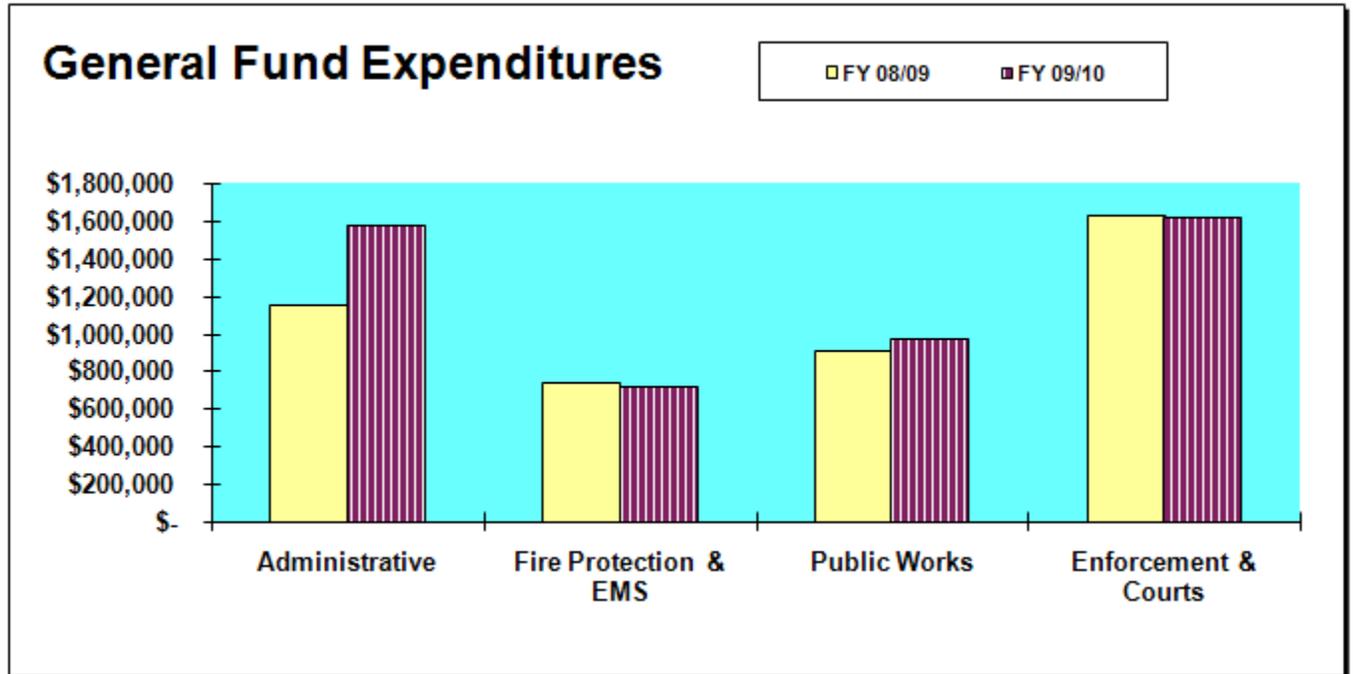
Franchise	Year	Revenue
	96/97	343,345
	97/98	363,365
	98/99	365,711
	99/00	382,223
	00/01	438,848
	01/02	466,541
	02/03	388,182
	03/04	388,436
	04/05	386,567
	05/06	386,372
	06/07	456,327
	07/08	476,237
<i>Projected</i>	08/09	455,000
<i>Budget</i>	09/10	440,000

General Fund Revenue

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
3005 Property Tax - Current	1,955,847	1,946,076	2,140,161	2,083,000	2,170,127	1.4%
3010 Property Tax - Prior Years	40,000	154,729	160,000	20,000	40,000	(75.0%)
3015 Penalty & Interest	19,953	44,234	43,000	15,100	20,000	(53.5%)
3105 Franchise Fees	455,000	476,237	455,000	455,000	440,000	(3.3%)
3110 Sales Tax	340,000	408,881	354,300	354,300	371,400	4.8%
3115 Alcoholic Beverage Tax	6,800	9,238	9,000	8,000	9,000	0.0%
3205 Animal Licenses	400	640	600	500	600	0.0%
3206 Animal Pound Fees	600	480	500	300	500	0.0%
3305 Building Permits	226,000	164,991	378,000	300,000	225,000	(40.5%)
3306 Storm Sewer Tap Fees	250	1,200	0	0	0	0.0%
3307 Fire Code Permits	3,600	2,696	2,500	19,000	2,500	0.0%
3308 Planning & Zoning Fees	0	2,200	1,000	300	1,000	0.0%
3309 Ambulance Permits	15,000	7,950	4,000	2,500	4,000	0.0%
3310 Building & Craft Licenses	6,000	2,775	3,000	3,000	3,000	0.0%
3312 Business Licenses	300	2,212	2,200	200	2,200	0.0%
3315 Sanitation & Alcohol Licenses	2,700	2,330	2,700	1,900	2,700	0.0%
3405 Government Service Fees	6,000	3,638	5,000	4,000	5,000	0.0%
3505 Fines	60,000	53,116	50,000	80,000	80,000	60.0%
3605 Ambulance Fees	250,000	242,321	250,000	240,000	230,000	(8.0%)
3705 Miscellaneous	4,000	2,922	3,000	2,000	3,000	0.0%
3710 Fixed Asset Sale Proceeds	6,600	0	100	100	100	0.0%
3715 Recyclable Material Sales	3,600	3,660	3,600	2,000	3,600	0.0%
3720 Lien Revenue	0	0	0	1,800	0	0.0%
3800 Commercial Waste Collection	0	0	0	3,000	45,000	0.0%
3810 Rent/Lease Revenue	19,000	14,823	15,000	10,000	12,000	(20.0%)
3815 Donations for City Programs	100	2,100	1,500	0	1,500	0.0%
3905 Insurance Claims & Rebates	26,500	30,423	30,000	161,891	25,000	(16.7%)
3990 Interest on Investment	80,000	40,124	50,000	9,000	9,000	(82.0%)
3999 FEMA Revenue	0	614,367	0	0	0	0.0%
4910 Reimburs. - Other Funds	17,000	17,000	33,000	98,294	33,000	0.0%
4915 Reimburs. - TIRZ & Mgmt Dist	0	0	0	0	135,000	0.0%
4920 G&A Overhead - W&S	25,000	25,000	100,000	100,000	100,000	0.0%
4922 G&A Overhead - Tourism	50,000	50,000	50,000	50,000	50,000	0.0%
4923 G&A Overhead - EDC	12,000	12,000	12,000	100,000	100,000	733.3%
TOTAL - Current Revenue	3,632,250	4,338,363	4,159,161	4,125,185	4,124,227	(0.8%)
9520 Prior Year Balance Fwd	640,000	0	834,771	1,197,802	1,210,721	45.0%
9525 End of Year Fund Balance	(6,269)	0	(553,228)	(1,210,721)	(464,207)	(16.1%)
9527 Transfer From Special Rev	0	(5,074)	0	0	0	0.0%
9526 Transfer To Cap Proj Fd	0	0	0	0	0	0.0%
9528 Transfer To Water & Sewer	0	0	0	0	0	0.0%
GRAND TOTAL	4,265,981	4,333,289	4,440,704	4,112,266	4,870,741	14.2%

General Fund Expenditures

Expenditures Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Administrative (1)	1,093,738	1,415,291	1,150,229	965,944	1,572,471	422,242
Fire Protection & EMS (2)	667,511	657,634	742,817	695,533	716,845	(25,972)
Public Works (3)	996,521	848,381	912,009	847,435	966,041	54,032
Enforcement & Courts (4)	1,508,211	1,430,168	1,635,649	1,603,354	1,615,384	(20,265)
TOTAL	4,265,981	4,351,474	4,440,704	4,112,266	4,870,741	430,037



Expenditures By Department	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
1 General & Administrative	653,846	700,381	662,343	716,913	939,931	41.9%
2 Code Enforcement	159,365	131,808	219,685	197,685	223,324	1.7%
3 Emergency Management	14,605	17,818	14,372	12,500	11,690	(18.7%)
4 Fire Protection	219,900	237,441	255,743	240,721	257,039	0.5%
5 Public Works	448,721	387,747	365,614	337,649	389,586	6.6%
6 Parks & Recreation	286,900	213,460	254,405	252,241	323,435	27.1%
7 Police Department	1,157,445	1,127,043	1,223,819	1,205,400	1,177,311	(3.8%)
8 Sanitation & Recycling	260,900	247,174	291,990	257,545	253,020	(13.3%)
9 Animal Control	35,594	25,567	31,970	30,458	32,322	1.1%
10 Contingency	300,000	584,989	305,000	75,000	447,000	46.6%
11 Information Services	100,287	111,103	144,379	137,396	138,543	(4.0%)
12 Municipal Court	69,340	65,448	71,044	73,788	69,968	(1.5%)
13 Emergency Medical Service	447,611	420,193	487,074	454,812	459,806	(5.6%)
14 Fire Marshal	86,467	80,301	89,131	96,023	112,459	26.2%
15 Planning & Development	25,000	1,001	24,135	24,135	35,307	46.3%
TOTAL	4,265,981	4,351,474	4,440,704	4,112,266	4,870,741	9.7%

(1) Includes Gen. & Admin., Emrg. Mgmt., Contingency, Information Services and Planning & Development

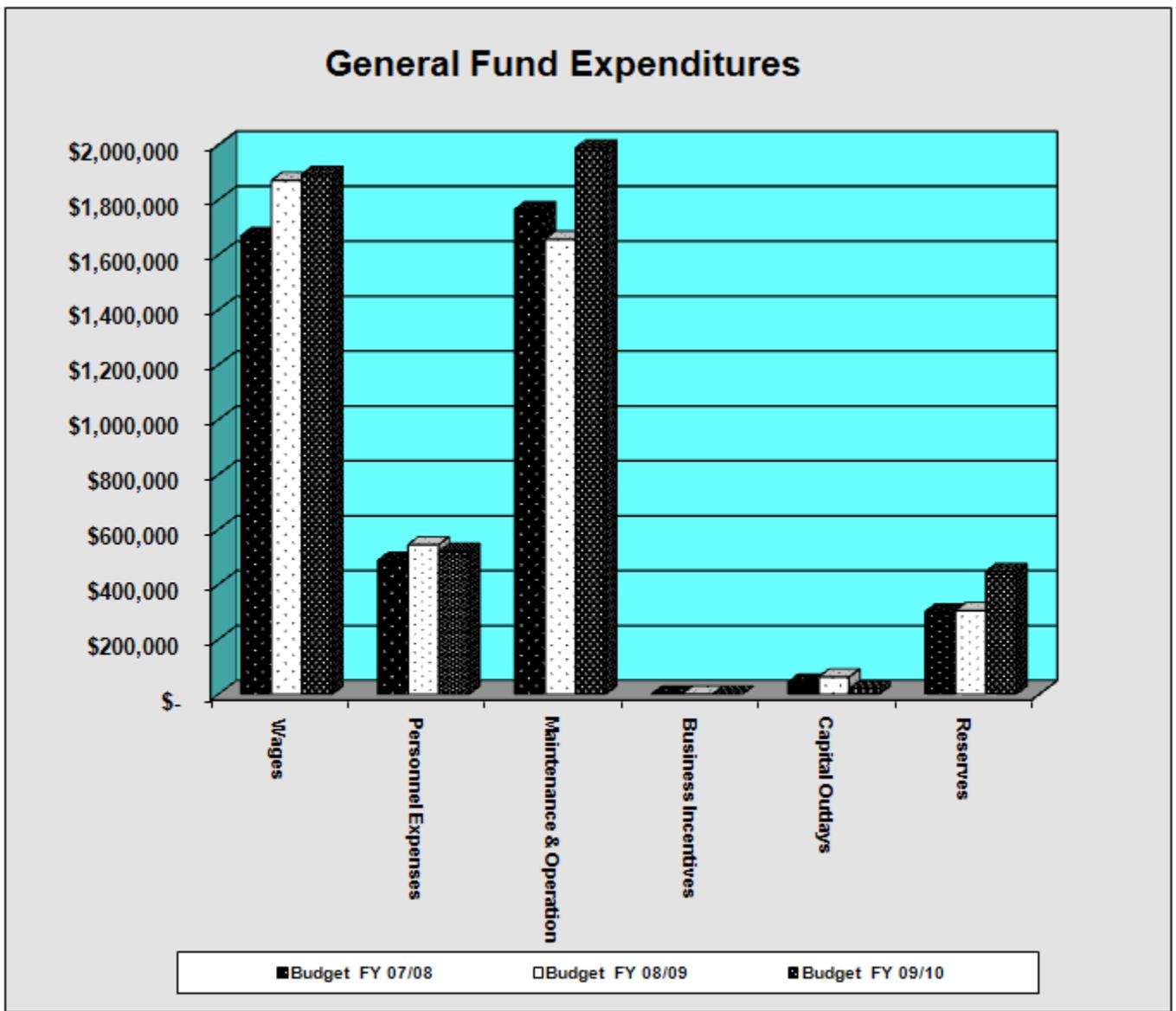
(2) Includes Fire Department & EMS

(3) Includes Public Works, Parks & Rec., and Sanitation & Recycling

(4) Includes Code Enforcement, Police Dept., Animal Control, Municipal Court and Fire Marshal

General Fund Expenditures

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	1,669,466	1,670,745	1,870,663	1,892,351	1,893,371	22,708
Personnel Expenses	487,285	463,488	544,971	527,142	520,043	(24,928)
Maintenance & Operation	1,764,553	1,599,359	1,656,870	1,574,873	1,988,827	331,957
Business Incentives	0	0	0	0	0	0
Capital Outlays	44,677	32,893	63,200	42,900	21,500	(41,700)
Reserves	300,000	584,989	305,000	69,636	447,000	142,000
TOTAL	4,265,981	4,351,474	4,440,704	4,106,902	4,870,741	430,037



General Fund Expenditures

— *Continued*

General & Administrative

The General & Administrative Department is responsible for numerous administrative activities. Some of the primary functions are:

- Planning
- Economic Development
- Risk Management
- Intergovernmental Relations
- Legal
- Issuance of Licenses & Permits
- Records Management
- Public Information
- Accounting
- Budget Preparation
- Budget Administration
- Debt Management
- Finance Administration
- Tax Collection
- Purchasing
- Payroll
- Personnel
- Personnel Benefit Administration
- Training
- City Council Support
- Planning Commission Support
- Board of Adjustment Support
- Agenda & Meeting Minutes Preparation
- Ordinances & Resolutions
- Election Administration
- Issuance of Pet and Alcohol Licenses

Staffing

This department is staffed with 8 full-time and 1 part-time employees.

- City Manager ^{FTE}
- Assistant City Manager ^{FTE}
- City Secretary ^{FTE}
- Finance Director ^{FTE}
- HR Administration / Records Management ^{FTE}
- Receptionist ^{FTE}
- Accountant ^{FTE}
- Accountant ^{FTE}
- Administrative Assistant ^{PT}

The functions of City Attorney are performed by an attorney through a professional services agreement.

General Fund Expenditures

1 - General & Administrative

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	188,880	246,204	203,155	207,255	252,104	48,949
Personnel Expenses	53,231	60,059	59,904	59,904	67,784	7,880
Maintenance & Operation	409,235	391,454	396,284	449,754	620,043	223,759
Capital Outlays	2,500	2,663	3,000	0	0	(3,000)
TOTAL	653,846	700,381	662,343	716,913	939,931	277,588
Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4005 Auditor	13,500	14,015	16,360	18,130	18,143	10.9%
4010 Tax Collector-Assessor / HCAD	25,000	22,594	25,000	25,000	26,000	4.0%
4030 Dues, Fees & Subscriptions	11,210	11,100	10,586	10,586	11,000	3.9%
4040 Advertising: Legal Notices	7,800	2,887	8,300	6,000	6,250	(24.7%)
4042 Printing: Newsletter	24,600	17,174	24,000	16,400	23,200	(3.3%)
4045 Printing: Documents/Forms	7,000	5,951	7,000	3,000	5,000	(28.6%)
4055 Legal Fees	40,000	62,400	56,000	56,000	56,000	0.0%
4060 Contract Services	25,000	40,290	25,000	25,000	35,000	40.0%
4061 Fixed Asset Management	2,000	1,975	2,000	0	2,000	0.0%
4062 City Programs	12,300	12,782	14,300	24,000	16,000	11.9%
4100 Rent/Lease: City Hall	40,000	25,769	30,705	56,500	1	(100.0%)
4105 Maintenance: Building	15,000	14,070	11,208	21,500	62,000	453.2%
4110 Maintenance: Office Equipment	4,000	6,411	4,000	6,000	6,000	50.0%
4115 Maintenance: Grounds	2,500	2,047	1,500	2,700	3,000	100.0%
4205 Supplies: Office/Paper	14,000	10,502	14,000	16,000	12,700	(9.3%)
4210 Supplies: Postage	4,500	4,424	4,700	1,000	3,000	(36.2%)
4225 Supplies: Computers/Copiers	0	0	0	0	1,500	
4240 Supplies: Building	6,000	3,284	3,000	4,000	3,000	0.0%
4305 Wages	187,380 (s)	241,496 (s)	201,255 (s)	201,255 (s)	247,104 (s)	22.8%
4306 Overtime	1,500 (s)	4,708 (s)	1,900 (s)	6,000 (s)	5,000 (s)	163.2%
4310 Social Security	14,449 (s)	18,264 (s)	15,541 (s)	15,541 (s)	19,286 (s)	24.1%
4390 Expense of City Officials	30,000	18,758	30,000	30,000	30,000	0.0%
4405 Insurance: Bonds	750	0	750	750	750	0.0%
4410 Insurance: General	27,000	24,282	19,000	12,088	12,200	(35.8%)
4415 Insurance: Medical & Dental	19,138 (s)	17,290 (s)	22,077 (s)	22,077 (s)	22,739 (s)	3.0%
4420 Insurance: Unemployment	4,000	0	4,000	4,000	4,000	0.0%
4425 Insurance: Worker's Comp	800	817	800	800	700	(12.5%)
4430 Retirement: Contribution	19,644 (s)	24,506 (s)	22,286 (s)	22,286 (s)	25,759 (s)	15.6%
4435 Retirement: Administrative Fees	8,500	8,746	18,000	9,000	18,000	0.0%
4440 Insurance: LT Disability	5,500	5,203	5,500	5,500	5,700	3.6%
4505 Utilities: City Hall	38,000	39,786	30,000	54,000	70,999	136.7%
4510 Telecommunications	12,000	12,706	6,000	13,000	13,000	116.7%
4605 Training	7,400	7,229	8,500	8,500	4,900	(42.4%)
4705 Miscellaneous	3,000	4,086	3,000	6,000	5,000	66.7%
4710 Election Expense	14,800	7,697	10,000	4,500	10,000	0.0%
4904 Lease Purchase	1,875	1,879	1,875	4,800	153,000	8060.0%
4905 Capital Outlays	2,500	2,663	3,000	0	0	(100.0%)
4930 Exams & Drug Testing	1,200	2,591	1,200	5,000	2,000	66.7%
TOTAL	653,846	700,381	662,343	716,913	939,931	41.9%

(s) Expense shared by another fund

General Fund Expenditures

— *Continued*

General & Administrative - Shared Expenses

Shared expenses are fixed amount assessments made by the General Fund to other funds for General & Administrative overhead. The assessments are collected by transfer on the following schedule: 25% on the last business day of December; 25% on the last business day of March; and, remaining 50% on the last business day of June.

The total for the Water & Sewer Fund is debited from expenditure line item 4810 - General & Administrative Overhead (see page 69) and is credited to General Fund revenue line item 4920 - General & Administrative Overhead (see page 23).

The total for the Tourism Fund is debited from expenditure line item 4920 - General & Administrative Overhead (see page 89) and is credited to General Fund revenue line item 4920 - General & Administrative Overhead (see page 23).

General Fund Expenditures

General & Administrative - Shared Expenses

Line Item Detail	FY 09/10	General		W & S		Tourism	
	Budget	Fund	%	Fund	%	Fund	%
4005 Auditor	18,143	10,178	56.10%	5,310	29.27%	2,655	14.63%
4030 Dues, Fees & Subscriptions	11,000	6,171	56.10%	3,219	29.27%	1,610	14.63%
4045 Printing: Documents/Forms	5,000	2,805	56.10%	1,463	29.27%	732	14.63%
4055 Legal Fees	56,000	31,417	56.10%	16,389	29.27%	8,194	14.63%
4060 Contract Services	35,000	19,635	56.10%	10,243	29.27%	5,122	14.63%
4061 Fixed Asset Management	2,000	1,122	56.10%	585	29.27%	293	14.63%
4062 City Programs	16,000	8,976	56.10%	4,683	29.27%	2,341	14.63%
4100 Rent/Lease: City Hall	1	1	56.10%	0	29.27%	0	14.63%
4105 Maintenance: Building	62,000	34,783	56.10%	18,145	29.27%	9,072	14.63%
4110 Maintenance: Office Equipment	6,000	3,366	56.10%	1,756	29.27%	878	14.63%
4115 Maintenance: Grounds	3,000	1,683	56.10%	878	29.27%	439	14.63%
4205 Supplies: Office/Paper	12,700	7,125	56.10%	3,717	29.27%	1,858	14.63%
4210 Supplies: Postage	3,000	1,683	56.10%	878	29.27%	439	14.63%
4240 Supplies: Building	3,000	1,683	56.10%	878	29.27%	439	14.63%
4405 Insurance: Bonds	750	421	56.10%	219	29.27%	110	14.63%
4410 Insurance: General	12,200	6,844	56.10%	3,570	29.27%	1,785	14.63%
4505 Utilities: City Hall	70,999	39,831	56.10%	20,779	29.27%	10,389	14.63%
4510 Telecommunications	13,000	7,293	56.10%	3,805	29.27%	1,902	14.63%
4605 Training	4,900	2,749	56.10%	1,434	29.27%	717	14.63%
4705 Miscellaneous	5,000	2,805	56.10%	1,463	29.27%	732	14.63%
4930 Exams & Drug Testing	2,000	1,122	56.10%	585	29.27%	293	14.63%
TOTAL	341,693	191,693	56.10%	100,000	29.27%	50,000	14.63%

General Fund Expenditures

— *Continued*

Code Enforcement/Building Department

The Code Enforcement Department is responsible for a wide variety of inspection, permit, and enforcement activities. Some of the primary functions are:

- Issuance of Building Permits
- Site & Construction Plans Review
- Building Code Inspections & Enforcement
- Issuance of Building & Craft Licenses
- Flood Plain Management Plan Enforcement
- National Flood Insurance Program: Community Rating System Participation
- Issuance of Sign Permits
- Sign Plans Review
- Sign Ordinance Enforcement
- Issuance of Food Establishment Permits
- Health Code Inspections & Enforcement

Staffing

This department is staffed with 2 full-time and 1 part-time employees.

- Building Official/Floodplain Administrator ^{FTE}
- Building/Planning Commission Secretary/Asst. Floodplain Administrator ^{FTE}
- Code Enforcement ^{PTE}

The functions of Health Officer are performed by Harris County.

Facilities

Office space is provided within City Hall for this department.

Vehicles

- 2002 Ford Expedition

General Fund Expenditures

2 - Code Enforcement

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	90,915	89,483	128,424	128,424	134,528	6,104
Personnel Expenses	31,720	30,426	39,681	39,681	41,514	1,833
Maintenance & Operation	35,530	10,717	51,580	29,580	47,282	(4,298)
Capital Outlays	1,200	1,183	0	0	0	0
TOTAL	159,365	131,808	219,685	197,685	223,324	3,639

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues, Fees & Subscriptions	1,200	713	1,000	500	550	(45.0%)
4045 Printing: Documents/Forms	1,500	788	1,500	1,500	1,300	(13.3%)
4060 Contract Inspection & Lab Svcs	25,000	1,800	40,000	20,000	37,000	(7.5%)
4070 Health Inspector	0	0	0	0	0	0.0%
4120 Maintenance - Vehicles	1,500	722	1,500	1,500	1,500	0.0%
4205 Supplies: Office	400	963	500	1,000	650	30.0%
4220 Supplies: Uniforms	200	190	200	200	200	0.0%
4230 Supplies: Miscellaneous	100	(19)	200	200	150	(25.0%)
4245 Supplies - Gas & Oil	950	537	1,080	1,080	832	(23.0%)
4305 Wages	90,615	89,483	127,824	127,824	133,928	4.8%
4306 Overtime	300	0	600	600	600	0.0%
4310 Social Security	6,955	6,622	9,824	9,824	10,291	4.8%
4395 Auto Mileage	0	0	0	0	0	0.0%
4415 Insurance: Medical & Dental	15,310	14,403	15,769	15,769	16,242	3.0%
4425 Insurance: Worker's Comp	720	569	1,000	1,000	900	(10.0%)
4430 Retirement: Contribution	9,455	9,402	14,088	14,088	14,981	6.3%
4510 Telecommunications	660	1,059	1,200	1,200	1,100	(8.3%)
4605 Training	3,000	2,976	3,000	1,000	2,700	(10.0%)
4705 Miscellaneous	300	419	400	400	400	0.0%
4905 Capital Outlays	1,200	1,183	0	0	0	0.0%
TOTAL	159,365	131,808	219,685	197,685	223,324	1.7%

General Fund Expenditures

— *Continued*

Emergency Management

The Emergency Management Department is responsible for a wide variety of planning, education, coordination, threat monitoring, incident command, and post emergency recovery activities. Some of the primary functions are:

- Emergency Operation Planning
- Emergency Preparedness
- Local Emergency Planning Committee
- Community Hazardous Material Inventory
- Hazard Mitigation
- Public Information
- Public Education
- Emergency Exercises & Training
- Coordination of Emergency Services
- Radiological Monitoring
- Incident Command
- Emergency Operations Center
- Emergency Communications
- Threat Monitoring
- Warning
- Disaster Assistance Services

Staffing

This department has no full-time or part-time employees.

The routine functions of Emergency Management Coordinator and Assistant Coordinator are performed by:

- Chief of Police ^{FTE}
- Police Lieutenant ^{FTE}

Facilities

Office space is provided within the City Hall for this department.

Vehicles

This department has no vehicles.

Police Department vehicles are made available for routine business activities. Public works vehicles are made available for Emergency Management activities.

General Fund Expenditures

3 - Emergency Management

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	0	0	0	0	0	0
Personnel Expenses	0	0	0	0	0	0
Maintenance & Operation	14,605	17,818	14,372	12,500	11,690	(2,682)
Capital Outlays	0	0	0	0	0	0
TOTAL	14,605	17,818	14,372	12,500	11,690	(2,682)

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues, Fees & Subscriptions	350	350	450	450	450	0.0%
4045 Printing: Documents/Forms	1,500	792	1,000	1,000	1,000	0.0%
4060 Contract Service	6,430	6,407	8,902	7,000	6,400	(28.1%)
4110 Maintenance: Equipment	1,200	187	350	350	350	0.0%
4230 Supplies: Emergency Operations	1,100	1,086	1,000	1,000	800	(20.0%)
4245 Supplies- Gas & Oil	300	0	0	0	0	0.0%
4510 Telecommunications	675	98	70	100	90	28.6%
4605 Training	3,000	3,511	2,500	2,500	2,500	0.0%
4705 Miscellaneous	50	5,387	100	100	100	0.0%
4905 Capital Outlays	0	0	0	0	0	0.0%
TOTAL	14,605	17,818	14,372	12,500	11,690	(18.7%)

General Fund Expenditures

— *Continued*

Fire Protection

Volunteer Staffing

This department is staffed by volunteer members of the Nassau Bay Volunteer Fire Department, Inc.

The City contracts with Nassau Bay Volunteer Fire Department, Inc. for fire suppression. The structure of the contract is such that the City provides equipment and an operating budget. No cash payment is made for services rendered.

Emergency dispatching services are provided by a contract with the City of Webster.

City Staffing

This department is staffed with 1 full-time (50%) and 1 part-time employee.

- Fire Dept. Administration / Info. Technology Manager (50%) ^{FTE}
- Fire Administration Assistant ^{PTE}

Facilities:

- Fire Station (120 Surf Court)
- Emergency generator located at the Fire Station is maintained by Emergency Management.

Vehicles:

The City owns these vehicles (and associated equipment) operated and maintained the Nassau Bay Volunteer Fire Department, Inc.:

- 1982 AMGE Army Truck
- 1993 Pierce Dash Class-A Fire Truck (pumper)
- 1994 Pierce Dash Class-A Fire Truck (pumper)
- 2005 Chevrolet Crew Cab 25HP Utility Truck
- 2007 Chevrolet Silverado Truck – Command Vehicle
- 2007 Boston Whaler Marine Patrol Boat
- 2006 Trailer Special Operations Trailer
- 2009 Pierce Fire Engine #81

General Fund Expenditures

4 - Fire Protection

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	11,195	15,339	57,537	57,537	45,542	(11,995)
Personnel Expenses	2,001	3,755	14,656	14,656	12,617	(2,039)
Maintenance & Operation	196,204	212,349	165,250	152,628	191,380	26,130
Capital Outlays	10,500	5,997	18,300	15,900	7,500	(10,800)
TOTAL	219,900	237,441	255,743	240,721	257,039	1,296

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
4030 Dues, Fees & Subscriptions	3,000	2,901	3,000	3,000	3,650	21.7%
4060 Contract Services	4,804	2,245	2,500	3,500	2,900	16.0%
4105 Maintenance: Building	3,000	12,702	1,500	2,000	2,000	33.3%
4110 Maintenance: Equipment	9,000	10,325	9,000	16,000	10,000	11.1%
4120 Maintenance: Vehicles	30,000	27,611	33,000	25,000	28,000	(15.2%)
4125 Maintenance: Marine	750	3,832	1,500	2,000	3,000	100.0%
4205 Supplies: Office	1,200	2,695	2,000	3,000	2,000	0.0%
4215 Supplies: Medical	750	1,431	2,000	2,000	1,500	(25.0%)
4220 Uniforms & Protective Clothing	18,000	16,203	18,000	10,000	18,000	0.0%
4225 Supplies: Computers/Printers	600	1,491	750	750	2,490	232.0%
4230 Supplies: Miscellaneous	2,000	7,469	2,500	5,000	3,000	20.0%
4235 Supplies: Tools	3,500	4,721	3,500	3,500	2,000	(42.9%)
4245 Supplies: Gas & Oil	4,500	10,796	9,000	9,000	5,000	(44.4%)
4305 Wages	11,195	15,339	57,537 (s)	57,537	45,542 (s)	(20.8%)
4306 Overtime	0	0	0 (s)	0	0 (s)	0.0%
4310 Social Security	856	1,174	4,402 (s)	4,402	3,484 (s)	(20.9%)
4410 Insurance: General	15,000	12,911	15,000	13,686	13,800	(8.0%)
4415 Insurance: Medical & Dental	0	920	3,942	3,942	4,061	3.0%
4425 Insurance: Worker's Comp	1,500	970	3,000	2,192	2,400	(20.0%)
4430 Retirement: Contribution	1,145	1,662	6,312 (s)	6,312	5,072 (s)	(19.6%)
4435 Retirement: Volunteers	40,000	47,784	5,400	5,400	35,000	548.1%
4505 Utilities	15,000	3,145	5,000	6,000	5,040	0.8%
4510 Telecommunications	6,000	8,306	7,500	10,000	9,500	26.7%
4605 Training	18,000	11,346	18,000	10,000	18,000	0.0%
4705 Miscellaneous	100	909	100	100	100	0.0%
4905 Capital Outlays	8,000	5,997	15,900	15,900	5,000	(68.6%)
4906 Capital Reserve - Grant Matching	2,500	0	2,400	0	2,500	4.2%
4910 Awards/Banquet	9,000	10,175	9,000	9,000	9,000	0.0%
4911 Awards-Response & Incentive	6,000	8,148	8,000	8,000	9,000	12.5%
4912 Social Events	2,000	3,700	2,000	2,000	2,000	0.0%
4915 Child Safety Programs	0	534	1,500	1,500	1,500	0.0%
4930 Exams & Drug Testing	2,500	0	2,500	0	2,500	0.0%
TOTAL	219,900	237,441	255,743	240,721	257,039	0.5%

General Fund Expenditures

— *Continued*

Public Works

The Public Works Department is responsible for various activities. Some of the primary functions are:

- Facility Maintenance
- Repair & Replacement of Streets and Curbs
- Street Lighting Maintenance
- Street Sign & Regulatory Sign Installation & Maintenance
- Street Markings Application & Maintenance
- Bulkhead Maintenance
- Storm Drainage Installation & Maintenance
- Floodgate Maintenance
- Power Equipment Repair & Maintenance for All Departments

Staffing

This department is staffed with 7 full-time employees and 1 part-time temporary.

- Public Works Director ^{FTE}
- 2 Field Crew Leaders ^{FTE}
- 4 Field Operators ^{FTE}
- 1 Maintenance ^{PTT}

Facilities

- Maintenance shop (18295 Upper Bay Road).
- Public Works Director's office is located at 18295 Upper Bay Road.

Vehicles

- 1997 Ford F350 UT Bucket Truck
- 1997 Ford F150 Pickup
- 2003 Ford F150 Pickup
- 2003 Ford F150 Pickup
- 2003 Ford F650 Dump Truck
- 2007 Chevrolet Silverado

General Fund Expenditures

5 - Public Works

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	151,479	134,900	157,633	161,180	168,572	10,939
Personnel Expenses	45,292	44,782	47,781	49,453	52,764	4,983
Maintenance & Operation	247,550	208,065	152,200	127,016	168,250	16,050
Capital Outlays	4,400	0	8,000	0	0	(8,000)
TOTAL	448,721	387,747	365,614	337,649	389,586	23,972

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues Fees & Subscriptions	100	0	0	0	250	0.0%
4070 Engineering	20,000	6,245	5,000	5,000	15,000	200.0%
4075 Mosquito Control	7,000	2,158	7,500	6,500	7,500	0.0%
4105 Maintenance: Buildings	7,500	5,835	4,500	3,500	2,500	(44.4%)
4110 Maintenance: Equipment	6,500	6,500	3,000	4,500	2,000	(33.3%)
4115 Maintenance: Grounds	2,000	1,872	2,000	3,000	2,000	0.0%
4120 Maintenance: Vehicles	7,000	6,919	6,500	6,500	6,500	0.0%
4125 Maintenance: Street Lights	9,000	4,635	4,500	4,500	0	(100.0%)
4130 Maintenance: Streets	18,000	21,009	0	0	20,000	0.0%
4131 Maintenance: Equipment Rental	8,500	8,478	10,000	12,000	10,000	0.0%
4135 Maintenance: Street Sweeping	9,000	3,600	4,500	5,550	8,000	77.8%
4140 Maintenance - Lake Nassau	20,000	10,751	10,000	10,000	0	(100.0%)
4205 Supplies - Office	0	0	0	200	500	0.0%
4220 Supplies: Uniforms	2,800	2,930	3,200	3,700	3,200	0.0%
4230 Supplies: Hardware	10,000	5,640	8,000	8,000	8,000	0.0%
4235 Supplies: Tools	2,000	2,781	2,000	2,000	2,500	25.0%
4245 Supplies: Gas & Oil	20,000	28,653	20,000	15,000	22,000	10.0%
4250 Supplies: Miscellaneous	150	1,729	0	0	2,000	0.0%
4305 Wages	146,929 (s)	126,722 (s)	153,083 (s)	156,180 (s)	163,177 (s)	6.6%
4306 Overtime	4,550 (s)	8,178 (s)	4,550 (s)	5,000 (s)	5,395 (s)	18.6%
4310 Social Security	11,588 (s)	10,090 (s)	12,059 (s)	12,059 (s)	12,896 (s)	6.9%
4410 Insurance: General	12,500	4,097	12,500	7,952	8,100	(35.2%)
4415 Insurance: Medical & Dental	20,286 (s)	20,510 (s)	20,894 (s)	20,894 (s)	21,521 (s)	3.0%
4425 Insurance: Worker's Comp	7,000	4,622	7,000	5,114	5,300	(24.3%)
4430 Retirement: Contribution	13,418 (s)	14,182 (s)	14,828 (s)	16,500 (s)	18,347 (s)	23.7%
4505 Utilities: Street Lights & Pumps	70,000	74,912	33,000	15,000	33,000	0.0%
4510 Telecommunications	3,000	1,666	3,000	3,000	1,900	(36.7%)
4605 Training	2,500	1,183	3,000	3,000	5,000	66.7%
4705 Miscellaneous	3,000	1,851	3,000	3,000	3,000	0.0%
4905 Capital Outlays	0	0	8,000	0	0	(100.0%)
4907 Capital Improvements	4,400	0	0	0	0	0.0%
TOTAL	448,721	387,747	365,614	337,649	389,586	6.6%

General Fund Expenditures

— *Continued*

Parks & Recreation

The Parks & Recreation Department is responsible for the maintenance & operation of our public land facilities as well as special events and recreational activities.

Some of the primary functions are:

- Park Facility Maintenance
- Park Recreational Equipment Installation & Maintenance
- Mowing & Landscape Maintenance of Parks & Public Lands
- Special Event Programs

Staffing

This department is staffed with 3 full-time and 2 temporary employees.

- Parks Supervisor ^{FTE}
- 2 Maintenance ^{FTE}
- 2 Maintenance ^{TE}

The functions of Special Events Coordination are performed by the volunteer members of the Special Events Committee.

Facilities

- Lake Nassau Park and Lake Nassau
- Howard L. Ward Park
- Swan Lagoon Park
- Pocket Park at Lake Nassau
- Nassau Bay Peninsula
- Other public lands include: Upper Bay Road bulkheads, medians, and certain other landscaped areas within street rights-of-way.

Vehicles

- 1997 Ford F150 Pickup
- 2005 John Deere Gator Utility

General Fund Expenditures

6 - Parks & Recreation

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	106,358	85,041	104,414	105,870	114,283	9,869
Personnel Expenses	36,554	25,596	32,578	32,578	34,552	1,974
Maintenance & Operation	143,988	102,823	117,413	113,793	174,600	57,187
Capital Outlays	0	0	0	0	0	0
TOTAL	286,900	213,460	254,405	252,241	323,435	69,030

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues, Fees & Subscriptions	75	0	50	50	100	100.0%
4105 Maintenance: Facilities & Parks	20,000	6,905	15,000	16,000	20,000	33.3%
4110 Maintenance: Equipment	1,000	5,573	3,000	3,000	3,000	0.0%
4115 Maintenance: Gnds & Esplanades	55,000	43,979	38,000	38,000	52,000	36.8%
4125 Maintenance-Banners	0	2,367	0	0	0	0.0%
4135 Maintenance-Holiday Decorations	1,000	195	1,000	1,300	1,000	0.0%
4140 Maintenance: Lake Nassau	7,000	4,180	5,000	3,000	5,000	0.0%
4145 Maintenance: Channels/Buoys	2,000	0	1,500	2,500	1,500	0.0%
4228 Supplies: Mutt Mitts	2,800	1,603	2,500	2,500	2,500	0.0%
4230 Supplies: Miscellaneous	2,000	380	1,800	1,800	1,800	0.0%
4305 Wages	101,258 (s)	78,772 (s)	100,214 (s)	101,670 (s)	110,783 (s)	10.5%
4306 Overtime	5,100 (s)	6,269 (s)	4,200 (s)	4,200 (s)	3,500 (s)	(16.7%)
4310 Social Security	8,136 (s)	6,279 (s)	7,988 (s)	7,988 (s)	8,743 (s)	9.5%
4415 Insurance: Medical & Dental	19,520 (s)	12,242 (s)	16,558 (s)	16,558 (s)	17,054 (s)	3.0%
4425 Insurance: Worker's Comp	3,413	3,072	3,413	2,493	2,700	(20.9%)
4430 Retirement: Contribution	8,898 (s)	7,074 (s)	8,032 (s)	8,032 (s)	8,755 (s)	9.0%
4505 Utilities: Electric	12,000	1,557	9,000	7,000	10,000	11.1%
4705 Miscellaneous	1,200	693	1,150	1,150	1,000	(13.0%)
4908 Parks Committee	0	0	0	0	25,000	0.0%
4910 Special Events Committee	10,000	10,155	12,000	13,000	15,000	25.0%
4911 Street Tree Committee	7,500	8,040	10,000	8,000	10,000	0.0%
4912 Beautification Day & Projects	10,000	6,624	10,000	10,000	20,000	100.0%
4913 Environmental Restoration	4,000	2,500	4,000	4,000	4,000	0.0%
4914 Freeman Library	5,000	5,000	0	0	0	0.0%
4918 July Fourth	0	0	0	0	0	0.0%
TOTAL	286,900	213,460	254,405	252,241	323,435	27.1%

General Fund Expenditures

— *Continued*

Police Department

The Police Department is responsible for a broad range of public safety and criminal justice activities. Some of the primary functions are:

- Administration
- Planning
- Crime Prevention
- Patrol
- Criminal Investigations
- Detention Facilities
- Dispatch & Communications
- 9-1-1 Answering Point
- Personnel Selection
- Community Relations
- Public Education

Staffing

This department is staffed with 14 full-time employees.

- Chief of Police ^{FTE}
- Lieutenant ^{FTE}
- 2 Sergeants ^{FTE}
- 9 Patrol Officers ^{FTE}
- Staff Assistant ^{FTE}

Dispatch: Dispatching services are provided by a contract with the City of Webster.

Facilities

- Police Station (a portion of City Hall) 18100 Upper Bay Road
- Offices, booking room and property room

Vehicles

- 2004 Ford Expedition Marked Patrol Vehicle
- 2005 Ford Expedition Marked Patrol Vehicle
- 2006 Chevy Impala Unmarked Vehicle
- 2006 Chevy Impala Unmarked Vehicle
- 2007 Ford Crown VicMarked Patrol Vehicle
- 2008 Ford Crown VicMarked Patrol Vehicle

General Fund Expenditures

7 - Police Department

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	716,822	702,414	749,928	755,889	730,583	(19,345)
Personnel Expenses	236,556	225,434	250,021	250,021	251,073	1,052
Maintenance & Operation	190,089	190,595	206,970	189,490	195,655	(11,315)
Capital Outlays	13,978	8,600	16,900	10,000	0	(16,900)
TOTAL	1,157,445	1,127,043	1,223,819	1,205,400	1,177,311	(46,508)

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues, Fees & Subscriptions	835	1,094	1,205	1,205	1,145	(5.0%)
4040 Advertising	200	150	200	200	200	0.0%
4045 Printing: Documents/Forms	500	401	500	500	500	0.0%
4046 Reproductions	4,864	5,323	6,000	6,000	6,000	0.0%
4050 Information Services	3,150	3,032	3,100	3,100	3,150	1.6%
4060 Contract Services	15,040	12,967	15,700	10,000	14,550	(7.3%)
4061 Dispatch Contract	50,000	49,634	60,000	60,000	60,000	0.0%
4062 Jail Contract	10,000	7,052	6,500	13,000	9,000	38.5%
4064 Investigation Funds	3,000	0	3,000	1,500	3,000	0.0%
4070 Professional Services	600	800	600	1,000	600	0.0%
4105 Maintenance: Buildings	0	116	0	0	0	0.0%
4110 Maintenance: Equipment	5,300	1,489	4,800	4,800	4,800	0.0%
4120 Maintenance: Vehicles	9,000	12,312	9,000	12,000	10,500	16.7%
4125 Maintenance: Marine	600	265	600	600	600	0.0%
4220 Supplies: Uniforms	3,900	4,068	3,900	3,900	3,900	0.0%
4226 Supplies: Police	3,500	2,910	3,000	3,000	2,000	(33.3%)
4227 Supplies: Photographic	500	27	300	300	300	0.0%
4230 Supplies: Miscellaneous	400	615	500	500	500	0.0%
4245 Supplies: Gas & Oil	20,000	34,382	30,000	20,000	27,500	(8.3%)
4305 Wages	707,222	696,573	740,328	746,289	722,583	(2.4%)
4306 Overtime	9,600	5,840	9,600	9,600	8,000	(16.7%)
4310 Social Security	54,837	52,685	57,369	57,369	55,890	(2.6%)
4410 Insurance: General	15,300	14,072	15,000	9,543	9,700	(35.3%)
4415 Insurance: Medical & Dental	107,170	99,005	110,385	110,385	113,697	3.0%
4425 Insurance: Worker's Comp	26,000	22,807	24,000	17,532	17,700	(26.3%)
4430 Retirement: Contribution	74,549	73,743	82,267	82,267	81,486	(0.9%)
4510 Telecommunications	9,000	12,592	10,255	12,000	11,200	9.2%
4605 Training	6,000	3,504	6,500	6,500	6,500	0.0%
4705 Miscellaneous	400	(919)	400	400	400	0.0%
4904 Lease Purchase	2,000	1,903	1,910	1,910	1,910	0.0%
4905 Capital Outlays	13,978	8,600	16,900	10,000	0	(100.0%)
4906 Capital Outlay- Grant Match	0	0	0	0	0	0.0%
TOTAL	1,157,445	1,127,043	1,223,819	1,205,400	1,177,311	(3.8%)

General Fund Expenditures

— *Continued*

Sanitation & Recycling

The Sanitation & Recycling Department is responsible for two areas of activity. This department's functions include:

- Residential Solid Waste Collection & Disposal
- Municipal Generated Solid Waste Collection & Disposal
- Collection and Sale of Recyclable Materials
- Collection and Proper Disposal of Motor Oil Filters and Automobile Tires
- Public Information & Recycling Education
- Coordination and Sponsorship of Public-Private Recycling Programs

Residential solid waste collection and disposal costs have remained stable in a relaxed regulatory climate. Future regulatory requirements could impact costs and/or type or volume of municipal wastes collected.

No fee is charged to single-family residential waste generators.

Staffing

This department has no full-time or part-time employees.

The functions of the Sanitation & Recycling Department are performed by:

- Public Works Director ^{FTE}
- Public Works Field Employees ^{FTE}
- Administrative Assistant ^{PTE}
- Receptionist ^{FTE}

The City contracts with a private solid waste company to collect and dispose of residential solid waste. The contractor is paid monthly based on the number of occupied residential units. A separate contractor is utilized for commercial solid waste.

Facilities

Office space is provided within City Hall for the non-contracted functions of this department.

A fenced trash container site is provided at the Public Works Department service yard. A recycling container site is provided at Lake Nassau Park.

Vehicles

This department has no vehicles.

Collection and hauling vehicles are provided by the City's solid waste contractor. The City has a paper and aluminum recycling program.

General Fund Expenditures

8 - Sanitation & Recycling

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	0	0	0	0	0	0
Personnel Expenses	0	0	0	0	0	0
Maintenance & Operation	260,900	247,174	291,990	257,545	253,020	(38,970)
Capital Outlays	0	0	0	0	0	0
TOTAL	260,900	247,174	291,990	257,545	253,020	(38,970)

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4060 Contract Recycling	400	819	35,970	15,000	0	(100.0%)
4090 Solid Waste Collection	255,000	244,365	250,475	240,000	250,475	0.0%
4091 Contract-Bayfront	2,000	1,991	2,045	2,045	2,045	0.0%
4230 Supplies: Miscellaneous	500	0	500	500	500	0.0%
4520 Utilities-Trash	3,000	0	3,000	0	0	(100.0%)
4905 Capital Outlays (Recycling)	0	0	0	0	0	0.0%
TOTAL	260,900	247,174	291,990	257,545	253,020	(13.3%)

General Fund Expenditures

— *Continued*

Animal Control

The Animal Control Department is responsible for the following functions:

- Animal Code Enforcement
- Control of Dangerous and/or Vicious Animals
- Impoundment of Animals Found at Large
- Domesticated Duck Management
- Providing Humane Animal Traps for Resident Use
- Removal of Trapped Varmints
- Collection of Animal Carcasses
- Rabies Control
- Impoundment of Rabid or Suspected Rabid Animals

Staffing

This department expenses 35% of the salary of the Animal Control Officer.

The functions of the Animal Control Department are performed by:

- Public Works Field Employees ^{FTE}
(designated & trained Animal Control Officers)
- Police Patrol Officers ^{FTE}
- Receptionist ^{FTE}

Facilities

Office space is provided within City Hall for licensing activities.

Animal shelter space is provided at the Public Works Department service yard.

Vehicles

This department has no vehicles.

Public Works Department vehicles are made available for Animal Control Officers and the collection and transportation of animals.

General Fund Expenditures

9 - Animal Control

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	15,345	13,214	16,363	16,363	17,396	1,033
Personnel Expenses	5,449	4,919	5,807	5,807	6,076	269
Maintenance & Operation	14,800	7,435	9,800	8,288	8,850	(950)
Capital Outlays	0	0	0	0	0	0
TOTAL	35,594	25,567	31,970	30,458	32,322	352

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues, Fees & Subscriptions	50	0	50	50	100	100.0%
4060 Contract Services: Shelter / Vet	3,500	2,683	3,500	1,500	2,600	(25.7%)
4105 Maintenance: Facilities	7,800	1,122	2,800	2,800	2,800	0.0%
4230 Supplies: Miscellaneous	2,500	3,132	2,500	3,500	2,400	(4.0%)
4305 Wages	14,225 (s)	11,773 (s)	15,243 (s)	15,243 (s)	16,346 (s)	7.2%
4306 Overtime	1,120 (s)	1,441 (s)	1,120 (s)	1,120 (s)	1,050 (s)	(6.3%)
4310 Social Security	1,174 (s)	1,009 (s)	1,252 (s)	1,252 (s)	1,331 (s)	6.3%
4415 Insurance: Medical & Dental	2,679 (s)	2,520 (s)	2,760 (s)	2,760 (s)	2,842 (s)	3.0%
4425 Insurance: Worker's Comp	600	497	600	438	600	0.0%
4430 Retirement: Contribution	1,596 (s)	1,389 (s)	1,795 (s)	1,795 (s)	1,903 (s)	6.0%
4605 Training	350	0	350	0	350	0.0%
4905 Capital Outlays	0	0	0	0	0	0.0%
TOTAL	35,594	25,567	31,970	30,458	32,322	1.1%

General Fund Expenditures

— *Continued*

Contingency & Reserve

The City's Charter provides for a contingency fund not to exceed 5% of the General Fund proposed expenditures. This budget includes expenditures of \$4,870,741. Accordingly, this budget includes a contingency fund of \$247,000.

Typically these funds are not expended.

Availability of contingency funds will be critical should the City experience another tropical storm (such as Claudette or Alicia) or a storm surge or Hurricane (such as Ike). The following provides a twenty year comparison of the historical budget and actual use of the contingency and reserve appropriations and the current proposed allocation:

<u>Fiscal Year</u>	<u>Budget Appropriation</u>	<u>Actual Expenditure</u>
1990/91	50,000	-
1991/92	64,500	-
1992/93	100,000	-
1993/94	40,000	-
1994/95	25,000	-
1995/96	77,766	40,019
1996/97	100,000	-
1997/98	80,000	14,267
1998/99	105,000	14,014
1999/00	150,000	-
2000/01	170,000	45,964
2001/02	185,000	24,560
2002/03	185,000	42,233
2003/04	240,000	69,010
2004/05	263,257	165,514
2005/06	205,000	65,712
2006/07	275,000	58,832
2007/08	300,000	584,989
2008/09	305,000	75,000 (projected)
2009/10	447,000	

Maintaining a healthy year-end fund balance is required for future budgets as long as budgeted expenditures exceed revenues.

General Fund Expenditures

10 - Contingency & Reserves

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	0	0	0	0	0	0
Personnel Expenses	0	0	0	0	0	0
Maintenance & Operation	0	0	0	0	0	0
Capital Outlays	0	0	0	0	0	0
Reserves	300,000	584,989	305,000	75,000	447,000	142,000
TOTAL	300,000	584,989	305,000	75,000	447,000	142,000

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4060 Reserve - Contract Services	35,000	29,454	35,000	35,000	40,000	14.3%
4070 Reserve - Grant Matches	0	0	0	0	60,000	0.0%
4160 Charter Contingency	215,000	4,910	220,000	3,000	247,000	12.3%
4161 Hurricane Ike Recovery	0	519,708	0	0	0	0.0%
4170 Reserve - Legal Claims	25,000	13,407	25,000	30,000	50,000	100.0%
4415 Reserve - Insurance	0	0	0	0	25,000	0.0%
4715 Reserve - Flood Damage	25,000	17,510	25,000	7,000	25,000	0.0%
4905 Capital Outlays	0	0	0	0	0	0.0%
TOTAL	300,000	584,989	305,000	75,000	447,000	46.6%

General Fund Expenditures

— Continued

Information Services

The Information Services Department is responsible for a wide range of computer information services including the following functions:

- Support of Information Services for all Departments
- Coordination of Information System Standards
- Development & Maintenance of Local Area Network
- Network Server Operation & Maintenance
- Support of Mobile Data Systems

The Information Services Department was created in 1983 as the Data Processing Department to operate a mid-size “main-frame” style IBM System/36 computer. That system was used to perform all accounting functions including general ledger, accounts payable/receivable, payroll and utility billing.

Over a period of years the system was upgraded for word processing, automation of police records, municipal court, building permits, work order tracking, e-mail, mobile data systems, and other functions.

In 1996 a local area network was installed to provide connectivity and system support to desktop computers. The network allows cross-platform transfer, access of databases, email and file sharing.

In 2008 the IBM Advanced System/400 computer was replaced with a new financial software package specifically designed for government agencies. The new software was installed on a new server designed and dedicated specifically for this application.

This department provides services that are reimbursed by the department and fund benefited. See Information Services - Reimbursed Expenses, pages 50 – 51.

Staffing

This department expenses 50% of the Fire Department Administrator / Information Technology Manager.

The functions of the Information Services Department are performed by:

- City Manager ^{FTE}
- Information Technology Manager ^{FTE}
- Finance Director ^{FTE}
- Accountant ^{FTE}

Facilities

Information systems equipment space is provided within City Hall. The IT Manager’s office is in the temporary fire station at 120 Surf Court.

Vehicles

This department has no vehicles.

General Fund Expenditures

11 - Information Services

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	0	7,774	32,950	32,950	29,294	(3,656)
Personnel Expenses	0	2,323	10,078	10,246	9,749	(329)
Maintenance & Operation	89,807	91,315	84,851	77,700	85,500	649
Capital Outlays	10,480	9,691	16,500	16,500	14,000	(2,500)
TOTAL	100,287	111,103	144,379	137,396	138,543	(5,836)

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues, Fees & Subscriptions	0	0	0	0	300	0.0%
4045 Printing: Computer Forms	1,000	1,305	1,000	1,000	0	(100.0%)
4070 Contract Services	27,607	23,891	30,815	20,000	30,300	(1.7%)
4072 Maintenance: Software	13,500	14,991	6,500	6,500	4,500	(30.8%)
4110 Maintenance: Equipment	10,000	13,726	5,000	8,000	7,000	40.0%
4205 Supplies: Office/Paper	1,800	1,105	1,800	1,100	1,100	(38.9%)
4225 Supplies: Computers/Printers	0	473	0	200	1,500	0.0%
4305 Wages	0 (s)	7,774	32,950	32,950	29,294	(11.1%)
4306 Overtime	0 (s)	0	0	0	0	0.0%
4310 Social Security	0 (s)	595	2,521	2,521	2,241	(11.1%)
4415 Insurance -Medical & Dental	0 (s)	920	3,942	3,942	4,061	3.0%
4430 Retirement - Contributions	0 (s)	808	3,615	3,783	3,447	(4.6%)
4510 Telecommunications	24,000	24,883	25,836	27,000	26,900	4.1%
4511 Channel 16	10,000	10,716	12,000	12,000	12,000	0.0%
4605 Training	1,600	0	1,600	1,600	1,600	0.0%
4705 Miscellaneous	300	225	300	300	300	0.0%
4905 Capital Outlays	10,480	9,691	16,500	16,500	14,000	(15.2%)
TOTAL	100,287	111,103	144,379	137,396	138,543	(4.0%)

General Fund Expenditures

— *Continued*

Information Services - Reimbursed Expenses

Reimbursement for information services is based on actual expenditures. Reimbursement is in the form of charges made by the General Fund to other funds for Information Services provided.

The distribution of 'charge-backs' is expressed as a percentage for each expenditure line item on the "Information Services - Reimbursement Schedule."

Reimbursements are collected by timely transfers following the last day of December, March, June, and September closing dates.

Water & Sewer Fund and Tourism Fund reimbursements are charged to line item 4050 - Information Services in each fund (see pages 69 and 89, respectively) and credited to General Fund revenue line item 4910 - Reimbursement - Other Funds (see page 23).

General Fund Expenditures

Information Services - Reimbursement Schedule

Line Item Detail	FY 09/10	General		W & S		Tourism	
	Budget	Fund	%	Fund	%	Fund	%
4045 Printing: Computer Forms	0	0	54.92%	0	40.98%	0	4.10%
4070 Contract Computer Services	30,300	16,640	54.92%	12,418	40.98%	1,242	4.10%
4072 Maintenance: Software	4,500	2,471	54.92%	1,844	40.98%	184	4.10%
4110 Maintenance: Equipment	7,000	3,844	54.92%	2,869	40.98%	287	4.10%
4205 Supplies: Paper	1,100	604	54.92%	451	40.98%	45	4.10%
4225 Supplies: Computers/Printers	1,500	824	54.92%	615	40.98%	61	4.10%
4510 Telecommunications	26,900	14,773	54.92%	11,025	40.98%	1,102	4.10%
4605 Training	1,600	879	54.92%	656	40.98%	66	4.10%
4705 Miscellaneous	300	165	54.92%	123	40.98%	12	4.10%
TOTAL	73,200	40,200	54.92%	30,000	40.98%	3,000	4.10%

General Fund Expenditures

— *Continued*

Municipal Court

The City has a contract with the City of Webster for Municipal Court services. The services provided by the City of Webster are for the trial of misdemeanor offenses. The Court has all the powers and duties prescribed by the laws of the State of Texas. The Municipal Court hears cases based on State law as well as City ordinances, including both traffic and criminal violations. The Court has the authority to levy fines and fees prescribed by law.

Staffing

This department is staffed with 1 temporary employee.

- Presiding Judge ^{TE}

The function of **Presiding and Associate Judge** are performed by an attorney appointed by Council.

The function of **Relief Judge** is performed by an attorney appointed by Council.

The function of **Prosecutor** is performed by an attorney as an independent contractor.

Facilities

Municipal Court is conducted in the City Hall Council Chambers. Jurors deliberate in the City Hall conference room.

Vehicles

This department has no vehicles

General Fund Expenditures

12 - Municipal Court

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	46,634	45,664	46,827	48,651	12,000	(34,827)
Personnel Expenses	15,136	14,471	15,617	14,831	918	(14,699)
Maintenance & Operation	7,570	5,314	8,100	9,806	57,050	48,950
Capital Outlays	0	0	500	500	0	(500)
TOTAL	69,340	65,448	71,044	73,788	69,968	(1,076)

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues, Fees & Subscriptions	470	246	600	600	0	(100.0%)
4045 Printing: Documents/Forms	700	400	700	700	200	(71.4%)
4059 Contract Services	0	0	0	3,000	52,000	0.0%
4060 Judge & Prosecutor	4,500	3,258	4,500	4,500	4,500	0.0%
4070 Jurors & Officers	0	0	0	0	0	0.0%
4205 Supplies: Office	0	0	0	60	0	0.0%
4305 Wages	45,434	44,508	45,627	47,620	12,000	(73.7%)
4306 Overtime	1,200	1,156	1,200	1,031	0	(100.0%)
4310 Social Security	3,567	3,493	3,582	3,722	918	(74.4%)
4415 Insurance: Medical & Dental	7,655	7,201	7,885	6,827	0	(100.0%)
4425 Insurance: Worker's Comp	200	142	200	146	50	(75.0%)
4430 Retirement: Contribution	3,914	3,776	4,150	4,282	0	(100.0%)
4605 Training	1,500	979	1,800	500	0	(100.0%)
4705 Miscellaneous	200	290	300	300	300	0.0%
4905 Capital Outlays	0	0	500	500	0	(100.0%)
TOTAL	69,340	65,448	71,044	73,788	69,968	(1.5%)

General Fund Expenditures

— *Continued*

Emergency Medical Service

Staffing

This department is staffed with 5 part-time and 2.5 part-time temporary equivalents.

- 2 EMT Supervisors ^{PTE}
- 3 Paramedics ^{PTE}
- 2.5 Paramedics ^{TPTE}

Emergency dispatching services are provided by a contract with the City of Webster.

Facilities

Space is provided at 18295 Upper Bay Road.

Vehicles

- 2006 Ford Ambulance

General Fund Expenditures

13 - Emergency Medical Services

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	287,484	281,918	315,890	320,690	320,690	4,800
Personnel Expenses	51,962	43,922	58,134	39,251	31,366	(26,768)
Maintenance & Operation	108,165	94,353	113,050	94,871	107,750	(5,300)
Capital Outlays	0	0	0	0	0	0
TOTAL	447,611	420,193	487,074	454,812	459,806	(27,268)

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues, Fees & Subscriptions	175	226	160	160	160	0.0%
4045 Printing: Documents/Forms	1,300	3,046	800	800	800	0.0%
4056 Contract Billing Services	48,000	21,894	48,000	35,000	48,000	0.0%
4100 Rent/Lease	0	0	0	0	0	0.0%
4057 License	890	175	890	890	890	0.0%
4105 Maintenance - Building	500	2,923	500	1,000	500	0.0%
4110 Maintenance: Equipment	4,500	3,019	3,000	2,000	3,000	0.0%
4120 Maintenance: Vehicles	2,500	3,685	2,500	4,000	2,500	0.0%
4205 Supplies: Office	2,100	635	500	500	500	0.0%
4215 Supplies: Medical	18,000	24,291	18,000	18,000	18,000	0.0%
4220 Supplies: Uniforms	3,500	4,928	3,500	3,500	3,500	0.0%
4245 Supplies: Gas & Oil	4,500	8,019	6,000	5,000	6,000	0.0%
4305 Wages	280,284	273,391	308,690	308,690	308,690	0.0%
4306 Overtime	7,200	8,527	7,200	12,000	12,000	66.7%
4310 Social Security	21,992	21,198	24,166	24,166	24,166	0.0%
4410 Insurance: General	4,400	3,937	6,400	4,072	4,200	(34.4%)
4415 Insurance: Medical & Dental	7,655	7,201	7,885	7,885	0	(100.0%)
4425 Insurance: Worker's Comp	11,000	12,591	18,000	13,149	13,400	(25.6%)
4430 Retirement: Contribution	22,315	15,522	26,083	7,200	7,200	(72.4%)
4510 Telecommunications	1,800	3,755	1,800	4,500	4,000	122.2%
4605 Training	3,500	450	1,500	1,500	1,500	0.0%
4705 Miscellaneous	300	580	300	300	300	0.0%
4905 Capital Outlays	0	0	0	0	0	0.0%
4906 Capital Outlays - Grant Match	0	0	0	0	0	0.0%
4930 Exams & Drug Testing	1,200	200	1,200	500	500	(58.3%)
TOTAL	447,611	420,193	487,074	454,812	459,806	(5.6%)

General Fund Expenditures

— *Continued*

Fire Marshal

The Fire Marshal Department is responsible for a wide variety of inspection, permit, and enforcement activities. Some of the primary functions are:

- Enforcement of Weed Ordinance
- Issuance of Fire Code Permits
- Site, Construction and Fire Protection System Plans Review
- Fire Safety Code Inspections & Enforcement
- Fire & Arson Investigation

Fire safety inspections and fire code enforcement functions are performed by the Fire Marshal's Office.

Staffing

This department is staffed with 2 part-time and 1 temporary employees.

- Fire Marshal / Administrative Assistant ^{PTE}
- Assistant Fire Marshal ^{PTE}
- Deputy Fire Marshal ^{TE}

Facilities

Office space is provided within City Hall for this department.

Vehicles

- 1998 Ford Expedition

General Fund Expenditures

14 - Fire Marshal

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	54,354	48,794	57,542	57,542	68,379	10,837
Personnel Expenses	9,384	7,802	10,714	10,714	11,630	916
Maintenance & Operation	21,110	18,946	20,875	27,767	32,450	11,575
Capital Outlays	1,619	4,759	0	0	0	0
TOTAL	86,467	80,301	89,131	96,023	112,459	23,328

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues, Fees & Subscriptions	2,410	2,535	3,075	3,075	3,075	0.0%
4045 Printing: Documents/Forms	350	195	450	450	475	5.6%
4060 Contract Services & Lab	1,000	0	1,000	0	200	(80.0%)
4063 Property Liens Expense	2,500	2,350	3,000	11,000	12,000	300.0%
4115 Maintenance -Gnds & Esplanad	0	0	0	0	0	0.0%
4120 Maintenance - Vehicles	3,000	2,337	3,000	3,000	3,000	0.0%
4220 Supplies: Uniforms	850	637	1,000	1,000	1,000	0.0%
4227 Supplies: Photographic	300	259	300	140	300	0.0%
4230 Supplies: Miscellaneous	1,400	2,614	1,400	1,400	1,400	0.0%
4245 Supplies - Gas & Oil	1,000	1,075	1,200	1,200	1,200	0.0%
4305 Wages	54,354 (s)	48,794 (s)	57,542 (s)	57,542 (s)	68,379 (s)	18.8%
4306 Overtime	0 (s)	0 (s)	0 (s)	0 (s)	0 (s)	0.0%
4310 Social Security	4,158 (s)	3,733 (s)	4,402 (s)	4,402 (s)	5,231 (s)	18.8%
4425 Insurance: Worker's Comp	550	455	550	402	600	9.1%
4430 Retirement: Contribution	5,226 (s)	4,069 (s)	6,312 (s)	6,312 (s)	6,399 (s)	1.4%
4510 Telecommunications	1,400	1,414	1,400	2,600	2,700	92.9%
4605 Training	4,500	3,395	2,500	1,500	4,500	80.0%
4705 Miscellaneous	1,850	1,679	2,000	2,000	2,000	0.0%
4905 Capital Outlays	1,619	4,759	0	0	0	0.0%
TOTAL	86,467	80,301	89,131	96,023	112,459	26.2%

General Fund Expenditures

— *Continued*

Planning & Development Department

Staffing

This department has no full-time or part-time employees.

Facilities

Office space is provided within City Hall for this department.

Vehicles

This department has no vehicles.

General Fund Expenditures

15 - Planning and Development Department

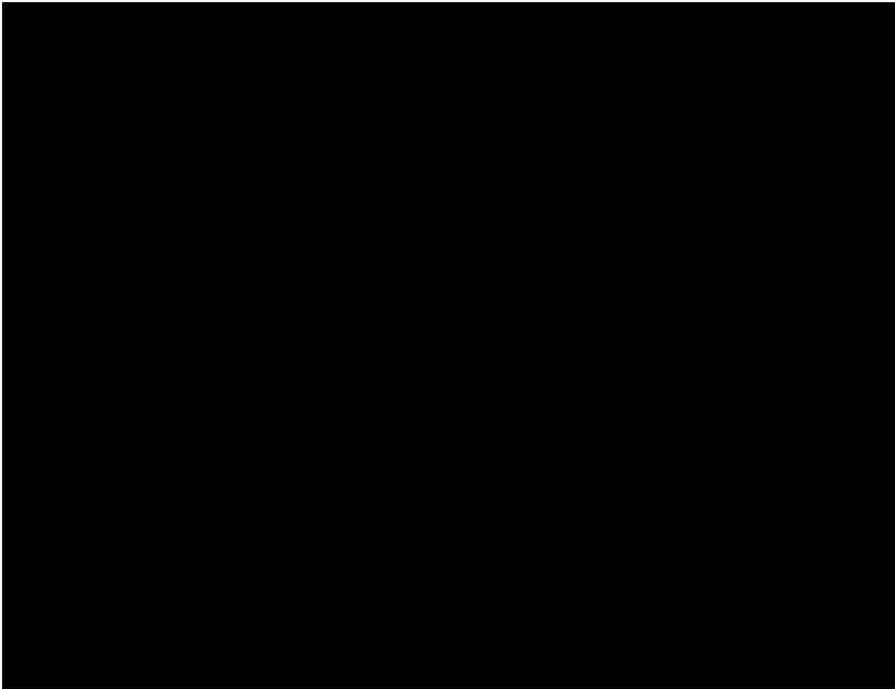
Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	0	0	0	0	0	0
Personnel Expenses	0	0	0	0	0	0
Maintenance & Operation	25,000	1,001	24,135	24,135	35,307	11,172
Business Incentives	0	0	0	0	0	0
Capital Outlays	0	0	0	0	0	0
TOTAL	25,000	1,001	24,135	24,135	35,307	11,172

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4005 Audit - TIRZ	0	0	8,135	8,135	10,307	26.7%
4060 Contract Services	25,000	1,001	16,000	16,000	25,000	56.3%
4305 Wages	0	0	0	0	0	0.0%
4306 Overtime	0	0	0	0	0	0.0%
4310 Social Security	0	0	0	0	0	0.0%
4415 Insurance: Medical & Dental	0	0	0	0	0	0.0%
4430 Retirement: Contribution	0	0	0	0	0	0.0%
4905 Capital Outlays	0	0	0	0	0	0.0%
4950 Business Incentive (Lockheed)	0	0	0	0	0	0.0%
9411 Reimbursement-Other Funds	0	0	0	0	0	0.0%
TOTAL	25,000	1,001	24,135	24,135	35,307	0.0%

General Fund Expenditures

-- Continued

FY 09-10 Capital Outlay Summary

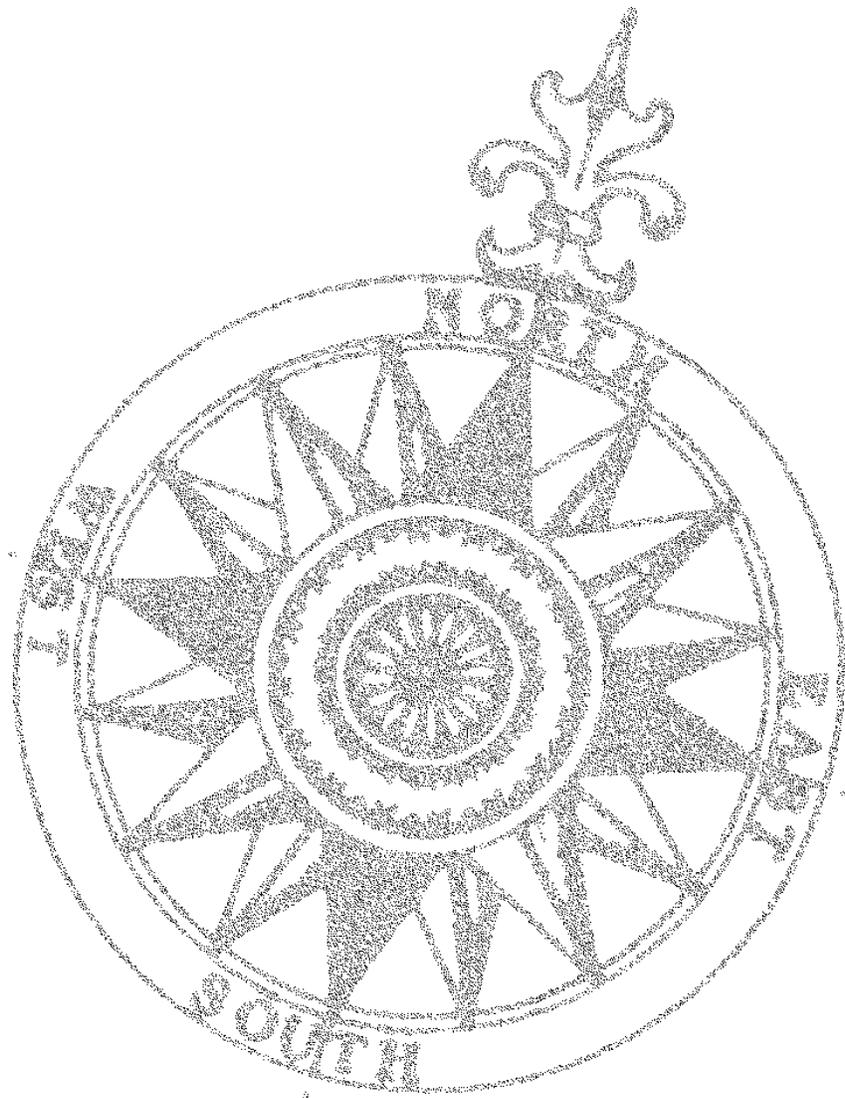


General Fund Expenditures

— *Continued*

FY 09-10 Capital Outlay Detail





Water & Sewer Fund

The Water & Sewer Fund is the operating fund for the City's municipal water and wastewater utilities. The Water & Sewer Fund is the City's second largest fund and provides exclusively for the administration, operation, and maintenance of the City's water and wastewater systems. This type of fund is commonly referred to as an 'enterprise fund'. Revenue sources benefiting the Water & Sewer Fund include utility service and connection fees. Accordingly, fund revenue is dependent on water sales and sewer service charges.

As an enterprise fund, service fees and charges must generate sufficient revenues to operate the water & sewer works. Property taxes do not benefit nor contribute to the Water & Sewer Fund. Should the fund suffer a shortfall, rates must be increased to cover the debt.

The City serves approximately 1,450 water and sewer customers.

The engineering firm of Clauch & Miller, Inc. prepared a report in January, 2003, evaluating the condition of the City's Sanitary Sewer System. The City issued \$780,000 of Certificates of Obligation in FY04 to fund Phase I for priority repairs of the deteriorated sections of the collection system, point repairs, rehabilitation of manholes and selected full length lines for repair or replacement. The City issued \$625,000 of Certificates of Obligation in FY06 including \$300,000 for Phase II repairs to the sewer system, \$225,000 for water meter replacements, and \$100,000 for repair of the Swan Lagoon water plant and lines. The City issued \$422,000 of Certificates of Obligation in FY07 including \$79,000 for water plant repairs and \$343,000 for waste water treatment plant repairs. The City issued \$343,000 of Certificates of Obligation in FY08 for \$293,000 in water projects (Swan Lagoon water plant tank system, SEWPP improvements, and fire hydrant caps) and \$50,000 in sewer projects (WWTP contingency repairs).

Departments

The Water & Sewer Fund is organized into four departments. Each department provides funding and support for the performance of its program of work.

1. General & Administrative
2. Water Department
3. Sewer Department
4. Debt Service and Depreciation Department

Water & Sewer Fund Revenue

Revenue - Detail

Water Sales (3005)

Revenues from the sale of treated drinking water. Water sales are based on a fixed bi-monthly connection charge of \$24.00 and a metered volume charge of \$1.90 per 1,000 gallons for the first 10,000 gallons and \$2.15 per 1,000 gallons in excess of 10,000 gallons. This rate was adopted on October 11, 2004. This revenue indirectly benefits the General & Administrative and Water Departments.

Sewer Service Charges (3010)

Revenues from the sale of sewer service. Sewer service charges are based on a fixed bi-monthly connection charge of \$18.00 and a volume charge of \$1.65 per 1,000 gallons consumed for the first 10,000 gallons and \$1.90 per 1,000 gallons over 10,000 gallons. A water-to-wastewater ratio has been calculated in the rate established and, accordingly, the wastewater rate is assessed on 100% of the metered water consumption. This rate was adopted on October 11, 2004. This revenue indirectly benefits the General & Administrative and Sewer Departments.

Penalties & Interest (3015)

Penalties (e.g. insufficient fund check returns and re-connect fees) and interest levied against delinquent utility payments.

Interest on Investment (3020)

Interest earned on funds placed into public fund investment pools, certificates of deposit, and interest bearing checking accounts.

Water Tap Fees (3305)

Charges for inspection and system impact for adding and enlarging connections to City's water distribution system. Includes charges for water metering equipment if purchased from the City. This revenue indirectly benefits the General & Administrative and Water Departments.

Sewer Tap Fees (3310)

Charges for inspection and system impact for adding and enlarging connections to City's wastewater collection system. This revenue indirectly benefits the General & Administrative and Sewer Departments.

Miscellaneous (3705)

Incidental or unanticipated revenues not assigned to another line item.

Fixed Asset Sale Proceeds (3710)

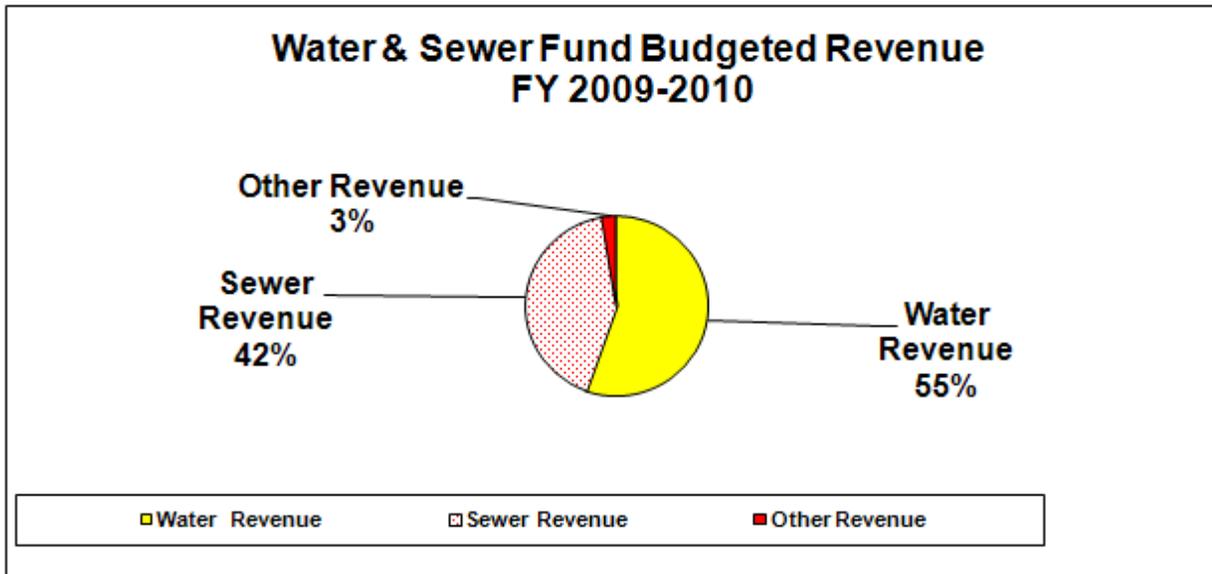
Proceeds from the sale of City owned property. Includes surplus pipe, valves, machinery, vehicles, scrap metals, etc.

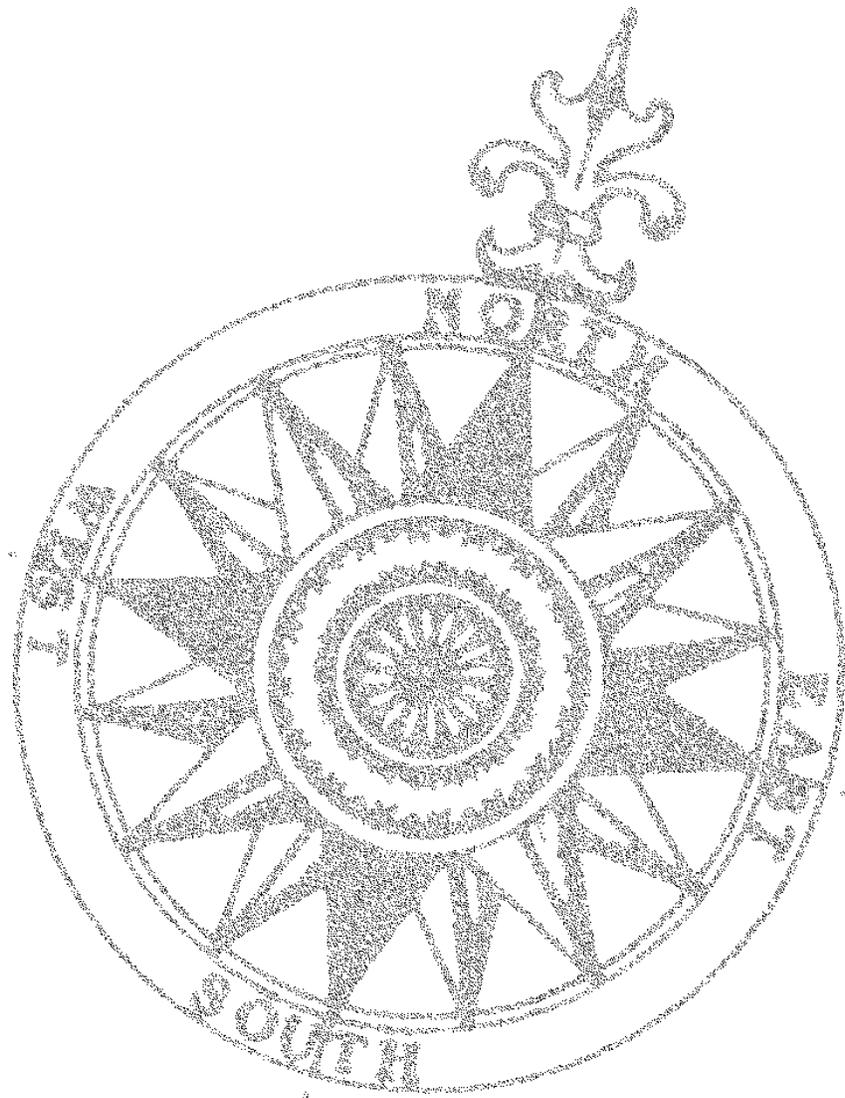
Water & Sewer Fund Revenue

Revenue Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Water Revenue (1)	860,000	899,717	835,000	835,000	860,000	25,000
Sewer Revenue (2)	650,000	628,412	655,000	655,000	655,000	0
Other Revenue (3)	32,500	17,239	170,300	141,875	39,000	(131,300)
Total Revenue	1,542,500	1,545,368	1,660,300	1,631,875	1,554,000	(106,300)
End of Year Fund Balance	(634,526)	(764,519)	(646,386)	(931,071)	(597,552)	48,834
Transfer from Other Funds	0	323,214	0	0	0	0
Prior Year Balance Fwd	764,519	764,519	764,519	985,755	931,071	166,552
GRAND TOTAL	1,672,493	1,868,582	1,778,433	1,686,559	1,887,519	109,086

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
3005 Water Sales	860,000	899,717	835,000	835,000	860,000	3.0%
3010 Sewer Service Charges	650,000	628,412	655,000	655,000	655,000	0.0%
3015 Penalties & Interest	16,000	14,879	16,000	22,000	16,000	0.0%
3020 Interest on Investment	4,000	1,201	2,200	1,000	1,000	(54.5%)
3305 Water Tap Fees	2,125	775	1,000	1,000	0	(100.0%)
3310 Sewer Tap Fees	5,200	0	150,000	117,375	21,000	(86.0%)
3705 Miscellaneous	2,275	384	1,000	500	1,000	0.0%
3710 Fixed Asset Sale Proceeds	2,900	0	100	0	0	(100.0%)
TOTAL	1,542,500	1,545,368	1,660,300	1,631,875	1,554,000	(6.4%)
9525 End of Year Fund Balance	(634,526)	0	(646,386)	(931,071)	(597,552)	(7.6%)
9526 Transfer to/(from) Capital Pro.	0	323,214	0	0	0	0.0%
9528 Transfer from General Fd	0	0	0	0	0	0.0%
9520 Prior Year Balance Fwd	764,519	0	764,519	985,755	931,071	21.8%
GRAND TOTAL	1,672,493	1,868,582	1,778,433	1,686,559	1,887,519	6.1%

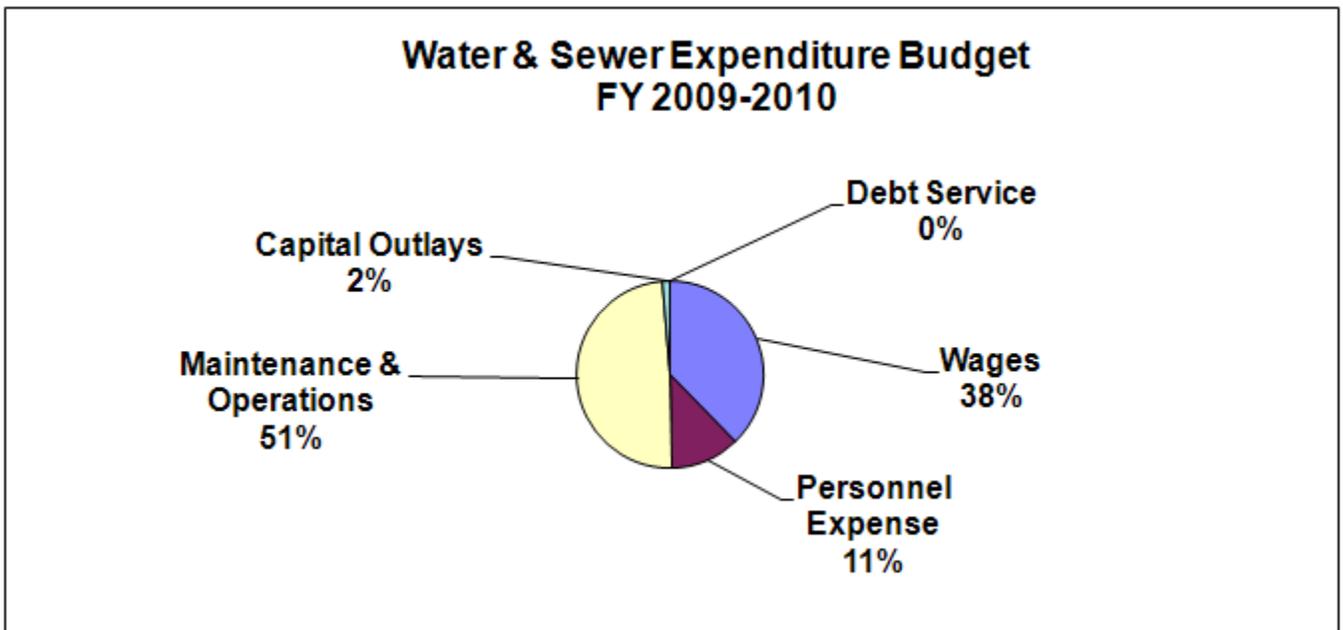
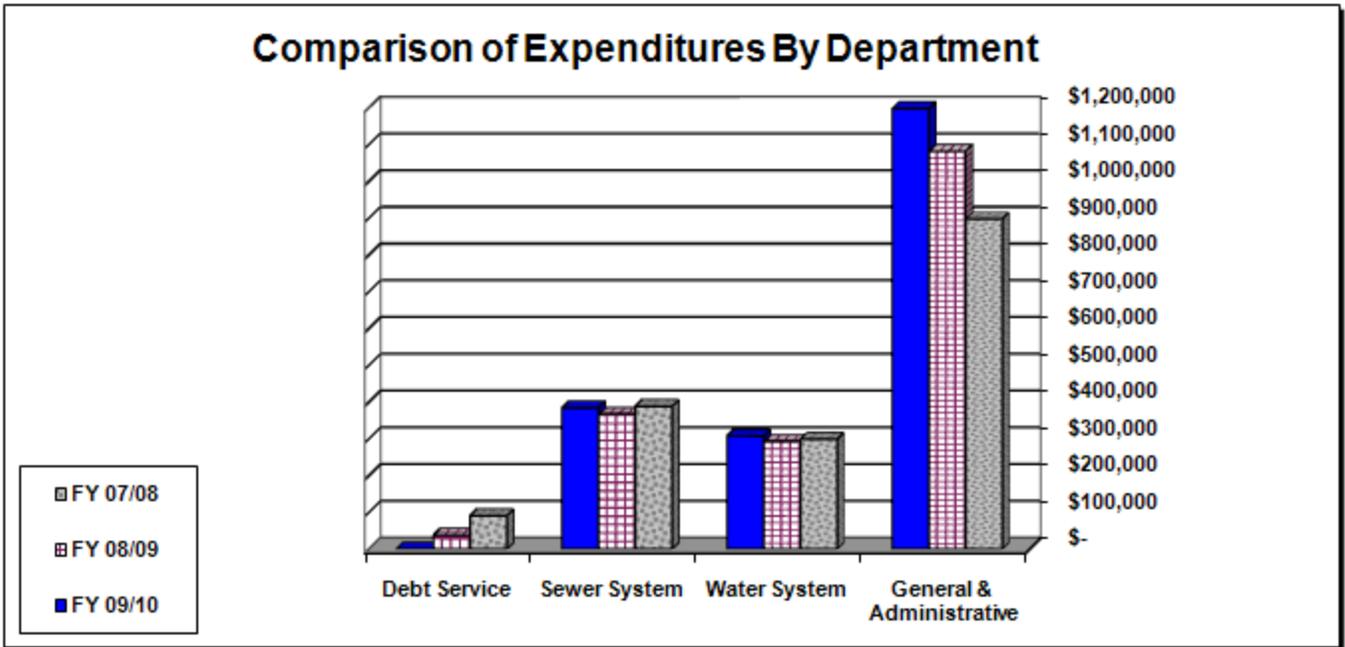
- (1) 3005
- (2) 3010
- (3) 3015 3020 3025 3305 3310 3705 3710





Water & Sewer Fund Expenditures

Expenditures By Department		Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
1	General & Administrative	896,693	834,276	1,081,628	1,099,154	1,197,119	115,491
2	Water System	298,100	251,118	292,500	275,100	306,900	14,400
3	Sewer System	387,700	261,958	366,725	274,725	383,500	16,775
4	Debt Service	90,000	299,993	37,580	37,580	0	(37,580)
TOTAL		1,672,493	1,647,345	1,778,433	1,686,559	1,887,519	109,086



Water & Sewer Fund Expenditures

— Continued

General & Administrative

The General & Administrative Department is responsible for the following functions:

- Receive Requests for Service Connects & Disconnects
- Preparation of Water Meter Reading Books
- Data Entry of Water Meter Readings
- Water & Sewer Utility Billing
- Collection of Accounts Receivable
- Record Keeping
- Regulatory Compliance

Staffing

All Water & Sewer Fund employees appear in the General & Administrative Department.

This department has 4 full-time employees.

- Chief Operator ^{FTE}
- 2 Plant Operators ^{FTE}
- 1 Field Operator ^{FTE}

The functions of **Executive Director** are performed by:

- City Manager ^{FTE}

The functions of **Utility Superintendent** are performed by:

- Public Works Director ^{FTE}

Other necessary functions are performed by General Fund employees:

- Public Works Field Employees ^{FTE}
- Public Works Maintenance ^{FTE}
- City Secretary ^{FTE}
- Finance Director ^{FTE}
- Accountant ^{FTE}
- Administrative Assistant ^{PTE}
- Receptionist ^{FTE}

Engineering services are performed by a Texas Registered Professional Engineer as an independent contractor.

Facilities

Office space is provided within City Hall for administrative use.

Vehicles

- 1983 John Deere 410 Backhoe
- 1998 John Deere 310 Backhoe
- 1995 Ford SD Utility Truck
- 2005 Chevrolet C1500HD Pickup
- 2007 Chevrolet Silverado
- 2008 Chevrolet Silverado

Water & Sewer Fund Expenditures

1 - General & Administrative

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget %Change
Wages	561,984	497,538	613,715	636,280	711,830	98,115
Personnel Expenses	186,409	167,084	207,313	211,731	225,689	18,376
Maintenance & Operation	123,300	138,017	160,600	151,143	159,600	(1,000)
Capital Outlays	0	6,637	0	0	0	0
G&A Overhead	25,000	25,000	100,000	100,000	100,000	0
TOTAL	896,693	834,276	1,081,628	1,099,154	1,197,119	115,491

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget %Change
4030 Dues, Fees & Subscriptions	200	481	400	1,000	400	0.0%
4040 Advertising: Legal Notices	0	0	0	0	0	0.0%
4045 Printing-Documents/Forms	1,600	2,199	2,500	500	2,200	(12.0%)
4050 Information Services	14,000	14,000	30,000	30,000	30,000	0.0%
4056 Credit Card Program	3,000	3,279	3,000	3,000	3,000	0.0%
4057 License & Permit Fees	14,000	12,010	14,000	14,000	14,000	0.0%
4060 Contract Services: Engineering	15,000	15,404	35,000	35,000	35,000	0.0%
4105 Maintenance-Building	5,000	0	5,000	5,000	5,000	0.0%
4161 Hurricane Ike Recovery	0	27,266	0	0	0	0.0%
4210 Supplies: Postage	2,500	2,624	6,100	6,600	6,100	0.0%
4220 Supplies: Uniforms	3,000	917	3,000	1,000	1,500	(50.0%)
4240 Supplies: Building	300	0	300	0	100	(66.7%)
4245 Supplies: Gas & Oil	2,400	4,330	3,000	3,000	3,000	0.0%
4304 Wages- On call duty pay	7,280	0	7,280	7,280	7,280	0.0%
4305 Wages	538,814 (s)	476,031 (s)	591,165 (s)	601,000 (s)	679,895 (s)	15.0%
4306 Overtime	15,890 (s)	21,507 (s)	15,270 (s)	28,000 (s)	24,655 (s)	61.5%
4309 Accrued vacation & Sick	0 (s)	0 (s)	0 (s)	0 (s)	0 (s)	0.0%
4310 Social Security	42,992 (s)	36,345 (s)	46,949 (s)	48,119 (s)	53,898 (s)	14.8%
4410 Insurance: General	25,000	26,610	28,000	29,677	30,000	7.1%
4415 Insurance: Medical & Dental	84,971 (s)	78,735 (s)	93,039 (s)	96,287 (s)	95,830 (s)	3.0%
4420 Insurance: Unemployment	300	0	300	300	300	0.0%
4425 Insurance: Workers Comp.	12,000	12,007	12,000	8,766	8,900	(25.8%)
4430 Retirement: Contribution	58,446 (s)	52,004 (s)	67,325 (s)	67,325 (s)	75,961 (s)	12.8%
4440 Insurance: LT Disability	2,000	1,734	2,000	2,000	2,000	0.0%
4505 Utilities	18,000	12,163	11,000	6,000	13,000	18.2%
4510 Telecommunications	3,000	1,760	3,000	3,000	1,600	(46.7%)
4605 Training	0	430	0	0	1,500	0.0%
4705 Miscellaneous	2,000	803	2,000	2,300	2,000	0.0%
4810 G&A Overhead	25,000	25,000	100,000	100,000	100,000	0.0%
4905 Capital Outlays	0	0	0	0	0	0.0%
4940 Capital Outlays	0	6,637	0	0	0	0.0%
TOTAL	896,693	834,276	1,081,628	1,099,154	1,197,119	10.7%

Water & Sewer Fund Expenditures

— *Continued*

Water Department

The Water Department is responsible for the following functions:

- Water Well Operation & Maintenance
- Water Treatment
- Water Storage
- Water Distribution
- Water Meter Reading
- Water Storage Tank Maintenance & Operation
- Water Booster (Pressure) Pump Maintenance & Operation
- Water Distribution System Maintenance & Operation
- Water Quality Monitoring
- Regulatory Compliance

Staffing

All Water & Sewer employees are expensed in the General & Administrative Department; reference page 69.

Facilities

Water Plant No. 1 (18120 Point Lookout Drive)

Water & Sewer Fund Expenditures

2 - Water Department

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
Wages	0	0	0	0	0	0
Personnel Expenses	0	0	0	0	0	0
Maintenance & Operation	270,100	251,118	267,500	250,100	281,900	14,400
Capital Outlays	28,000	0	25,000	25,000	25,000	0
TOTAL	298,100	251,118	292,500	275,100	306,900	14,400

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4025 SWPP Capital Enhancements	28,000	0	25,000	25,000	25,000	0.0%
4035 Water Purchase	190,000	152,574	175,000	155,000	175,000	0.0%
4060 Contract Services - Lab Svcs	2,000	1,828	2,500	600	1,900	(24.0%)
4070 Contract Meter Reading	9,000	6,925	9,500	14,000	9,500	0.0%
4110 Maintenance - Equipment	2,500	3,463	2,500	2,500	2,500	0.0%
4120 Maintenance - Vehicles	7,000	9,499	8,500	8,500	8,500	0.0%
4150 Maintenance - Water Plant	12,000	10,193	12,000	12,000	15,000	25.0%
4155 Maintenance - Water Lines	18,000	21,045	18,000	18,000	25,000	38.9%
4165 Reserve-Maintenance	0	0	0	0	5,000	0.0%
4230 Supplies - Tools	600	989	800	800	800	0.0%
4235 Supplies - Water Meters	1,500	4,675	4,500	4,500	4,500	0.0%
4505 Utilities - Plants	24,000	33,071	30,000	30,000	30,000	0.0%
4520 Utilities - Trash	0	0	0	0	0	0.0%
4605 Training	3,500	6,857	4,200	4,200	4,200	0.0%
4905 Capital Outlays	0	0	0	0	0	0.0%
TOTAL	298,100	251,118	292,500	275,100	306,900	4.9%

Water & Sewer Fund Expenditures

— *Continued*

Sewer Department

The Sewer Department is responsible for the following functions:

- Municipal Wastewater Treatment
- Municipal Wastewater Treatment Plant Maintenance & Operation
- Wastewater Collection System Maintenance & Operation
- Inflow & Infiltration Control
- Wastewater Pumping Station Maintenance & Operation
- Wastewater Quality Monitoring
- Enforcement of City Wastewater Regulations
- Sludge Disposal
- Regulatory Compliance

Staffing

All Water & Sewer employees are expensed in the General & Administrative Department; reference page 69.

Facilities

Wastewater Treatment Plant (18900 Upper Bay Road) and four wastewater lift stations.

Water & Sewer Fund

3 - Sewer Department

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	0	0	0	0	0	0
Personnel Expenses	0	0	0	0	0	0
Maintenance & Operation	387,700	261,958	366,725	274,725	383,500	16,775
Capital Outlays	0	0	0	0	0	0
TOTAL	387,700	261,958	366,725	274,725	383,500	16,775

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4060 Contract Services: Lab Svcs	24,000	27,063	27,000	23,000	27,000	0.0%
4110 Maintenance: Equipment	0	0	0	0	1,500	0.0%
4120 Maintenance: Vehicles	2,500	0	2,500	2,500	2,500	0.0%
4135 Maintenance: Infiltration	4,000	0	5,000	4,000	0	(100.0%)
4137 Maintenance - Manhole Rehab	0	0	0	0	0	0.0%
4140 Maintenance: Sewer Lines	100,000	31,455	100,000	60,000	120,000	20.0%
4145 Maintenance: Sewer Plant	85,000	70,814	90,000	75,000	90,000	0.0%
4150 Maintenance: Lift Stations	12,000	2,135	12,000	10,000	12,000	0.0%
4230 Supplies: Tools	200	47	225	225	500	122.2%
4505 Utilities: Plants	160,000	130,444	130,000	100,000	130,000	0.0%
4905 Capital Outlays	0	0	0	0	0	0.0%
TOTAL	387,700	261,958	366,725	274,725	383,500	4.6%

Water & Sewer Fund Expenditures

— *Continued*

Debt Service & Depreciation Department

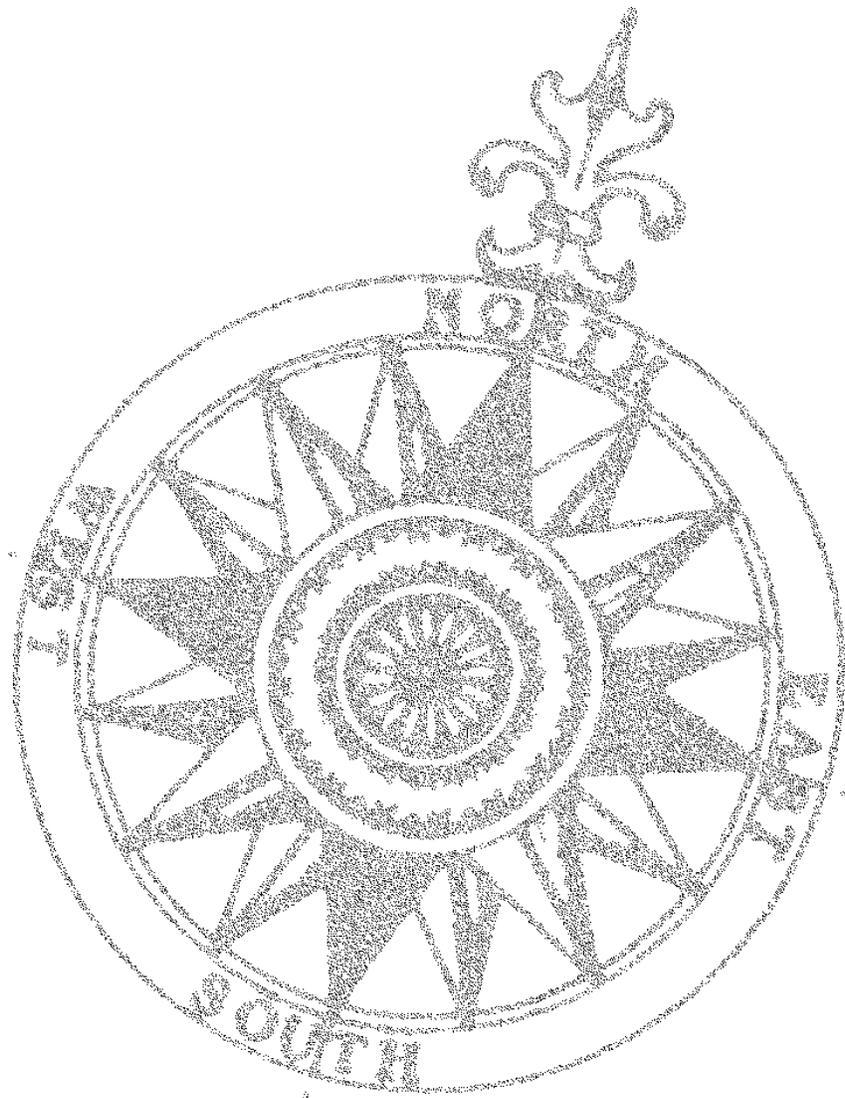
This Department is responsible for reporting the principal and interest expense on Water & Sewer Debt. The Depreciation expense of fixed assets is also recorded in this Department.

Water & Sewer Fund

4 - Debt Service & Depreciation

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	0	0	0	0	0	0
Personnel Expenses	0	0	0	0	0	0
Maintenance & Operation	0	0	0	0	0	0
Capital Outlays	0	0	0	0	0	0
Debt Service	90,000	299,993	37,580	37,580	0	(37,580)
TOTAL	90,000	299,993	37,580	37,580	0	(37,580)

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4825 Transfer Interest-Debt Service	17,388	17,388	8,713	8,713	0	(100.0%)
4826 Transfer Principal-Debt	72,612	72,612	28,867	28,867	0	(100.0%)
4995 Depreciation Expense	0	209,993	0	0	0	0.0%
TOTAL	90,000	299,993	37,580	37,580	0	(100.0%)



Debt Service Fund

Debt Service Fund

The Debt Service Fund was created to collect and disburse payments to meet the City's obligation for principal and interest payments on outstanding debts.

The City of Nassau Bay is in a favorable debt position with no obligations beyond FY2017.

During FY2010, reductions in outstanding prior year debt issues will total \$465,871. The aggregate outstanding principal of \$2,837,077 and interest payments of \$401,535 at October 1, 2009 is \$3,238,612.

City management budgets each year such that the ratio of debt service to General Fund operating expenditures (total expenditures less capital outlay) shall not exceed 20%. The ratio budgeted for FY2009-2010 is 9.6% and remains below the 20% guideline.

Debt Service Fund

— *Continued*

Bond Repayment Schedule

The figures and chart shown on page 79 reflect the actual cost of debt service over the next years. Also shown are the sources of revenue used to retire this debt.

The City presently has an outstanding principal obligation of \$2,837,077 at October 1, 2009.

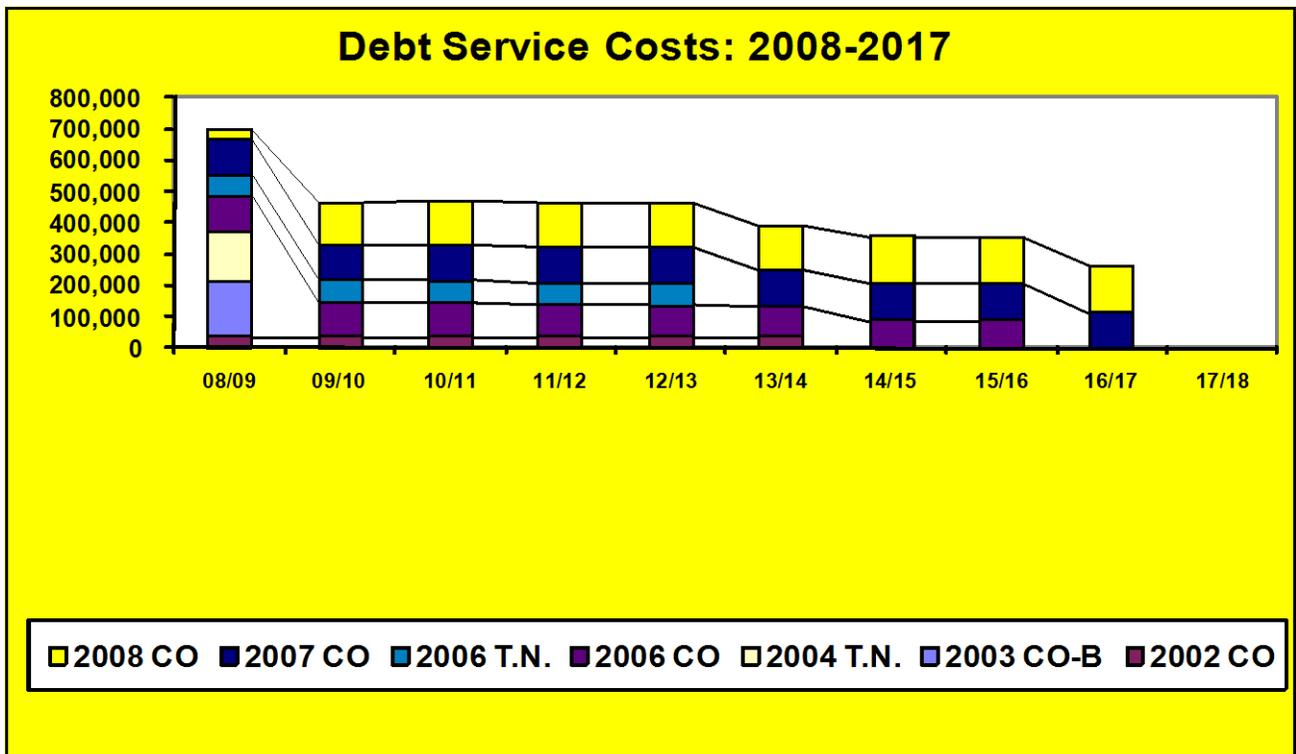
1. The **2002 Certificates of Obligation** for \$ 1,240,000 were issued for \$768,000 Equipment, Storm Drainage, and Streets and \$472,000 for additional water capacity at the Southeast Water Purification Plant and improvements at the Waste Water Treatment Plant. This issue will retire February 1, 2014. The current balance is \$167,077.
2. The **2006 Certificates of Obligation** for \$850,000 were issued for \$325,000 Water, \$300,000 for Sewer, \$25,000 Parks, \$112,000 Street and Drainage, and \$88,000 for General Government Projects. This issue will retire February 1, 2016. The current balance is \$595,000.
3. The **2006 Tax Notes** for \$370,000 were issued for the new Public Works/EMS building. This issue will retire February 1, 2013. The current balance is \$260,000.
4. The **2007 Certificates of Obligation** for \$945,000 were issued for Water \$79,000, Sewer \$343,000, Parks \$40,000, Dredging \$150,000, Redevelopment \$92,400, Streets \$65,000, Drainage \$20,000, Equipment \$135,600, and Bond issue cost \$20,000. This issue will retire February 1, 2017. The current balance is \$785,000.
5. The **2008 Certificates of Obligation** for \$1,030,000 were issued for Water \$293,000, Sewer \$50,000, Parks \$74,000, General Government \$110,000, Redevelopment \$183,000, Drainage \$140,000, Equipment \$150,000, and Bond issue cost \$30,000. This issue will retire February 1, 2017. The current balance is \$1,030,000.

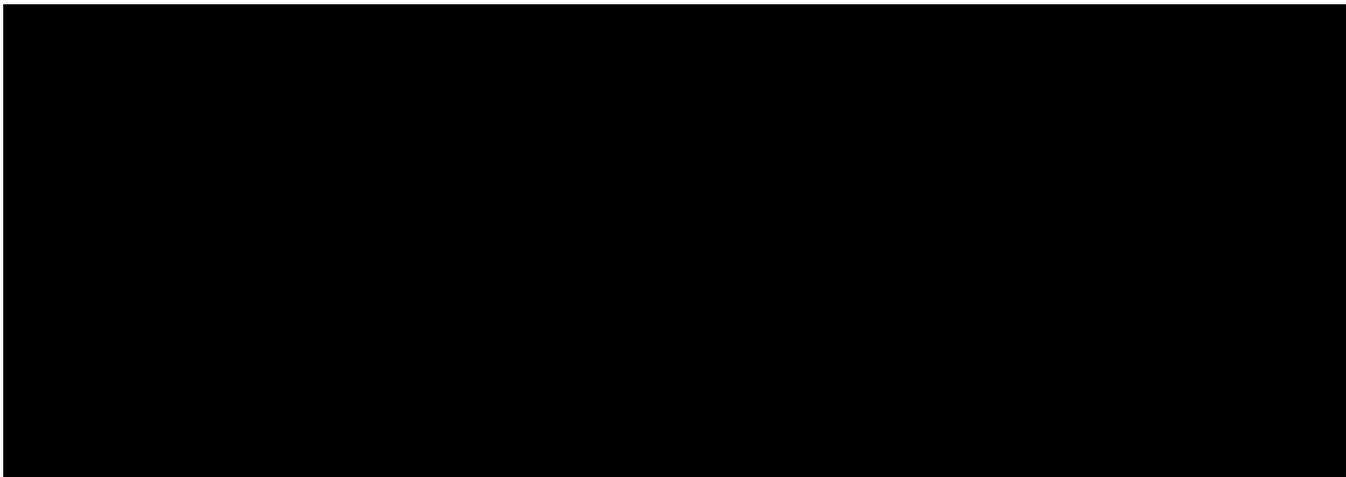
Debt Service Fund

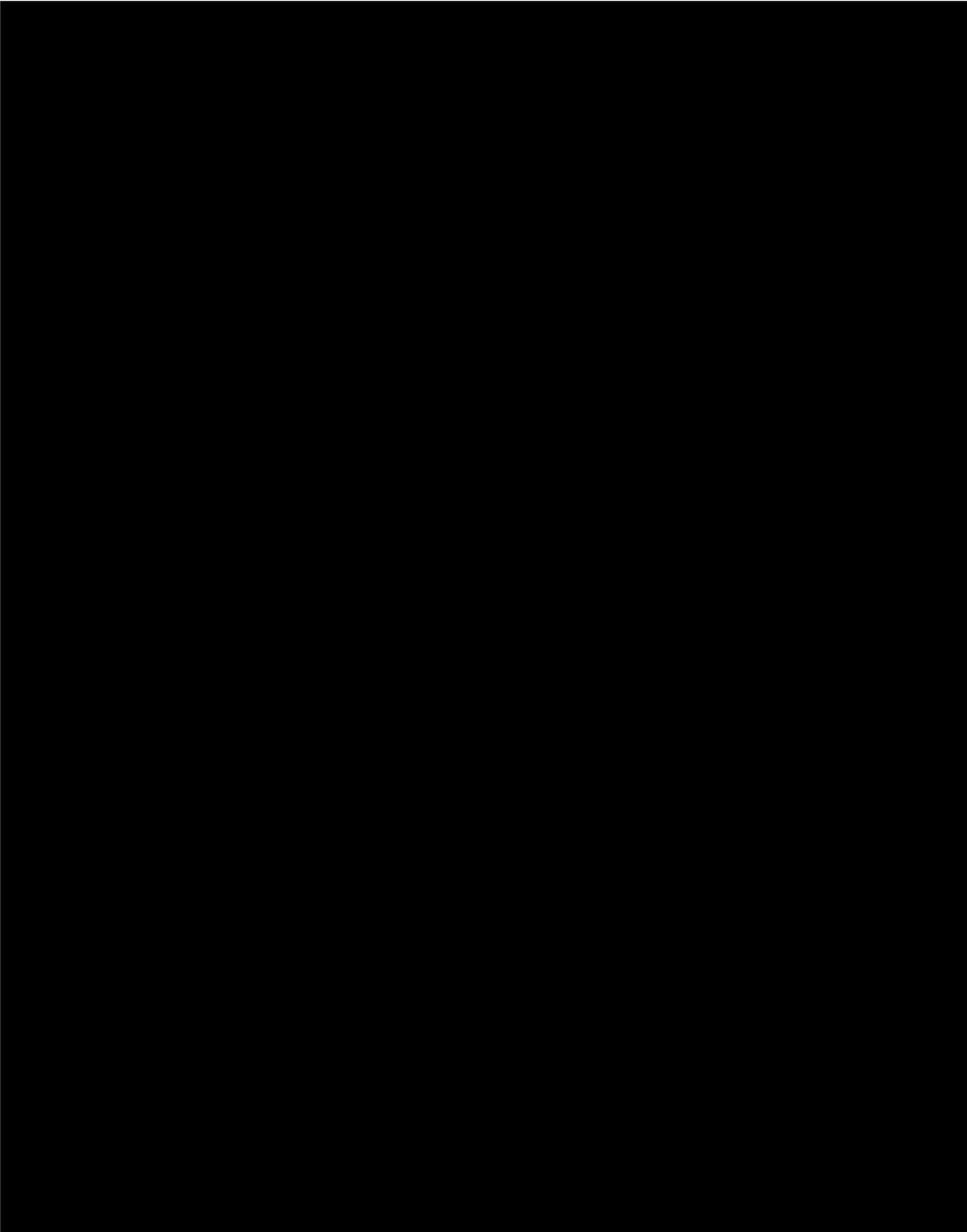
Bond Payment Schedule

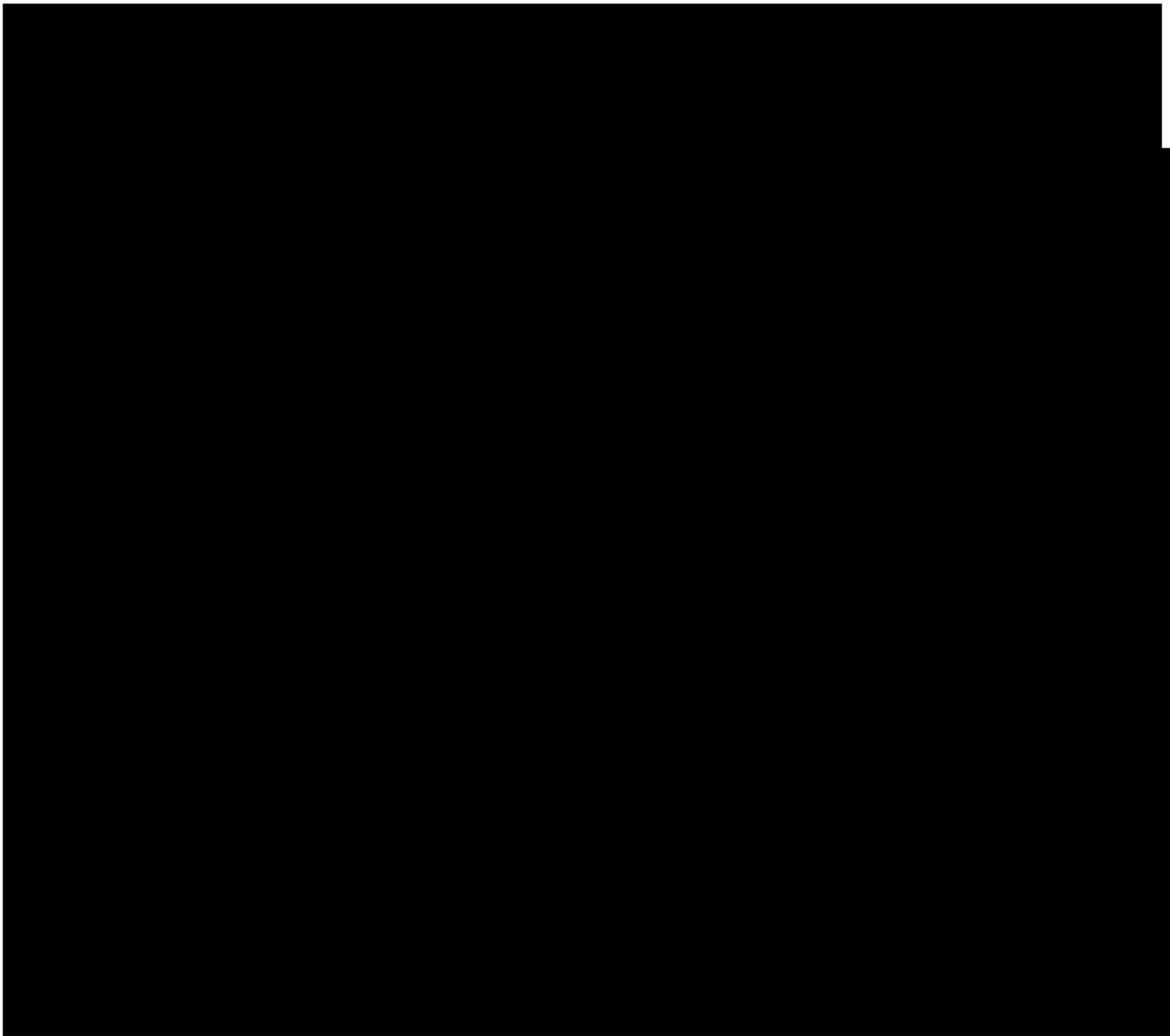
FY	Principal & Interest							TOTAL
	2002 CO	2003 CO-B	2004 T.N.	2006 CO	2006 T.N.	2007 CO	2008 CO	
08/09	37,579	172,465	162,520	112,158	66,683	113,413	31,827	696,645
09/10	37,579			108,605	69,411	115,071	135,205	465,871
10/11	37,579			105,026	71,919	116,528	141,806	472,858
11/12	37,580			101,426	69,283	112,883	143,175	464,346
12/13	37,579			97,805	71,474	114,136	144,390	465,384
13/14	37,579			94,167		115,188	145,450	392,384
14/15				90,512		116,036	151,279	357,827
15/16				86,840		116,683	151,875	355,398
16/17						112,228	152,318	264,545
17/18								0
Total	225,474	172,465	162,520	796,540	348,770	1,032,164	1,197,324	3,935,257

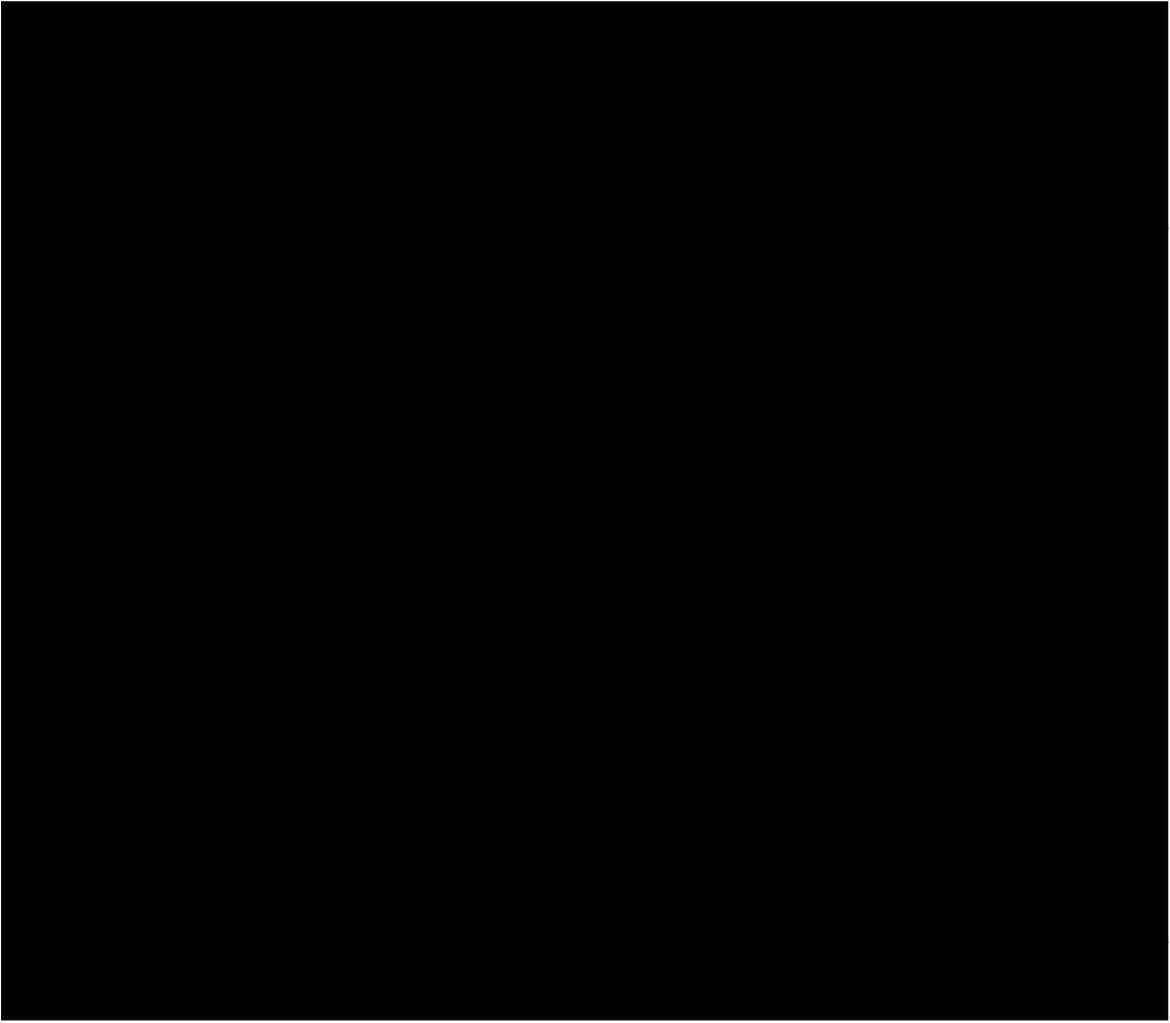
FY	Revenue Sources							TOTAL
	Taxes	EDC	W&S Fund	Gen Fund	Interest	Reserves		
08/09	530,000	66,683	37,580	0	6,000	56,382	696,645	
09/10	395,871	69,411	0	0	589	0	465,871	
10/11	362,360	71,919	37,579	0	1,000	0	472,858	
11/12	356,483	69,283	37,580	0	1,000	0	464,346	
12/13	355,331	71,474	37,579	0	1,000	0	465,384	











Debt Service Fund Revenue & Expenditures

Revenue Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
3005 Property Tax: Current	545,276	535,144	530,000	525,000	413,553	(22.0%)
3010 Property Tax: Prior Years	10,000	43,035	45,000	5,000	3,000	(93.3%)
3015 Penalty & Interest	4,000	12,332	12,000	4,200	4,000	(66.7%)
3020 Interest on Investment	2,724	7,016	6,000	2,100	589	(90.2%)
4920 Transfer from W&S Fund	90,000	90,000	37,580	37,580	0	(100.0%)
4922 Transfer from Tourism Fund	0	5,074	0	0	0	0.0%
4924 Transfer from Gen Fund	0	0	0	0	0	0.0%
4929 Transfer from EDC	68,834	68,834	66,683	66,683	69,411	4.1%
TOTAL	720,834	761,435	697,263	640,563	490,553	(29.6%)
9525 End of Year Fund Balance	(154,216)	0	(229,064)	(194,275)	(218,957)	(4.4%)
9520 Prior Year Balance Fwd	150,512	0	231,946	253,956	194,275	(16.2%)
GRAND TOTAL	717,130	761,435	700,145	700,244	465,871	(33.5%)

Expenditure Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4010 Tax Collection Fees	3,500	1,500	3,500	2,000	0	(100.0%)
4816 Principal: C.O. 2002 Debt Issue	27,513	27,513	28,867	28,867	30,286	4.9%
4817 Interest: C.O. 2002 Debt Issue	10,066	10,058	8,712	8,697	7,293	(16.3%)
4820 Principal: C.O. 2003B Debt Issue	165,000	165,000	170,000	170,000	0	(100.0%)
4821 Interest: C.O. 2003B Debt Issue	7,323	7,296	2,465	2,465	0	(100.0%)
4822 Principal - 2004 Tax Note	160,000	160,000	160,000	160,000	0	(100.0%)
4823 Interest - 2004 Tax Note	7,560	7,532	2,520	2,520	0	(100.0%)
4824 Principal - 2006 C.O.	85,000	85,000	85,000	85,000	85,000	0.0%
4825 Interest - 2006 C.O.	30,681	30,150	27,158	27,152	23,605	(13.1%)
4826 Principal - 2006 Tax Note	55,000	55,000	55,000	55,000	60,000	9.1%
4827 Interest - 2006 Tax Note	13,834	13,833	11,683	11,683	9,411	(19.4%)
4828 Principal - 2007 C.O.	80,000	80,000	80,000	80,000	85,000	6.3%
4829 Interest - 2007 C.O.	36,653	36,572	33,413	35,033	30,071	(10.0%)
4830 Principal - 2008 C.O.	0	0	0	0	105,000	0.0%
4831 Interest - 2008 C.O.	35,000	9,990	31,827	31,827	30,205	(5.1%)
4833 Interest - 2009 C.O.	0	0	0	0	0	0.0%
GRAND TOTAL	717,130	689,444	700,145	700,244	465,871	(33.5%)

Tourism Fund

The Tourism Fund accounts for the occupancy tax revenue collected from local hotels and motels and provides for the promotion of the City's tourism industry.

The distribution of hotel/motel tax revenue is specified by Texas Tax Code Chapter 351.101. **Use of Hotel Occupancy Tax is heavily restricted and cannot be used in support of general local government functions.**

These funds must be spent to promote or encourage tourism and/or convention delegates. At least 1% of the annual tax revenue must be spent on advertising and general promotion of the city and its vicinity. The city is prohibited from spending more than 15% of the hotel occupancy tax revenue collected by the municipality for the development or enhancement of arts programs. Expenditures for historical purposes are limited to a maximum of 50% of the annual hotel tax revenue collected if the municipality does not allocate any revenue for convention/civic center purposes. Municipalities that border an estuary or bay with a population of less than 80,000 may not use more than 10% of the revenue for maintenance, improvement and operation of parks and facilities that serve the purpose of attracting visitors and tourists to the City, so long as funds expended for promotional activities do not fall below the average annual expenditures of the prior three years. Any expenditure must be consistent with one of the categories noted and serve to promote tourism, conventions, and the hotel industry.

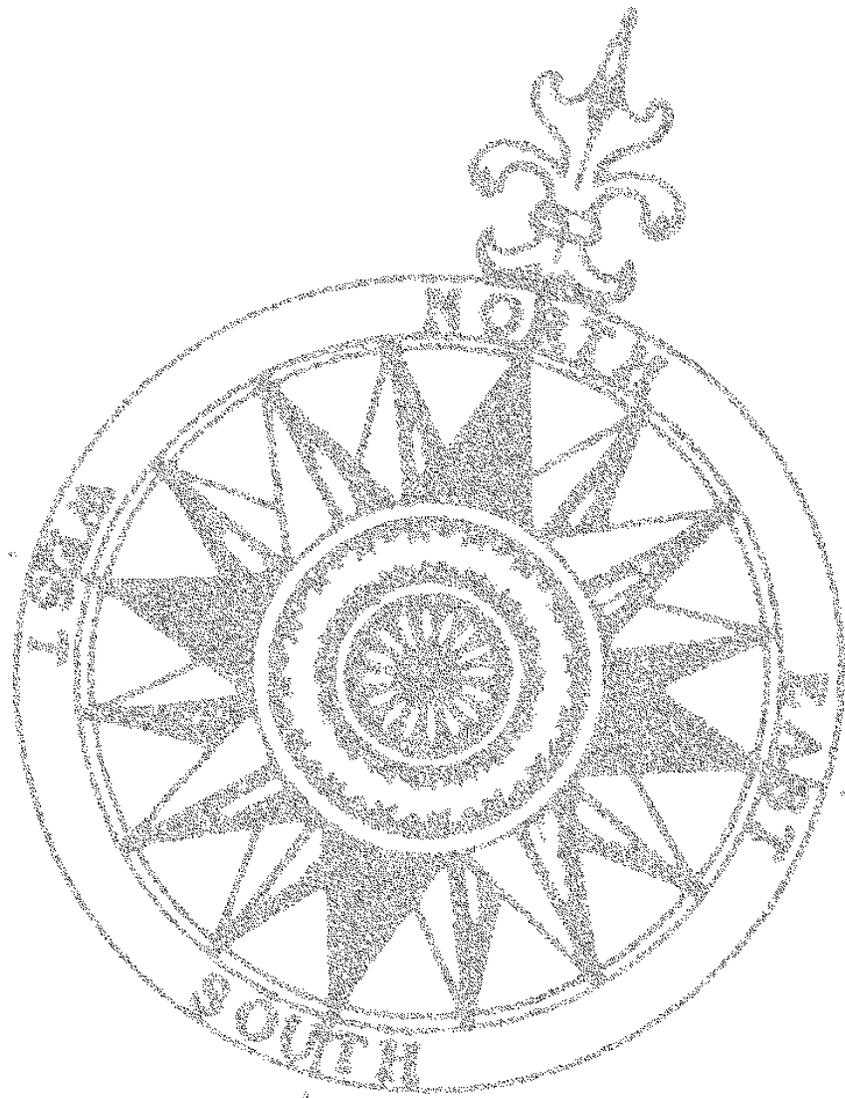
Departments

The Tourism Fund is organized into three departments. Each department provides funding and support for the performance of its program of work.

1. General & Administrative
2. Advertising & Promotion
3. Arts & Special Events

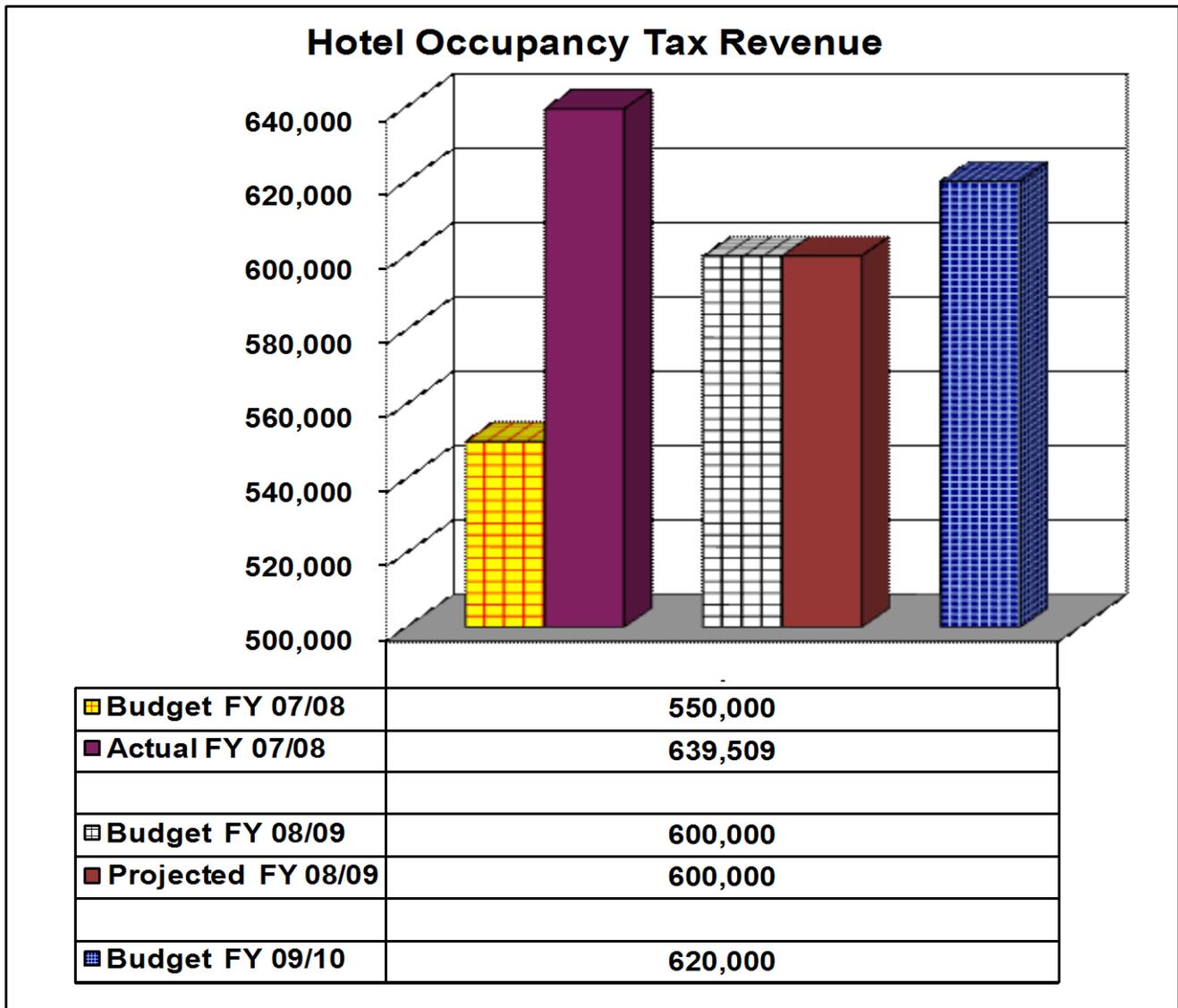
The Tourism Fund is supported solely by Hotel Occupancy Taxes and earned interest. Our hotels presently collect and remit 7% of their taxable receipts.

The City adopted a 2% increase in the hotel tax rate to 7% effective January 1, 2006.



Tourism Fund Revenue

Revenue Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
3020 Interest on Investment	6,000	6,392	3,000	2,400	3,000	0.0%
3120 Hotel Occupancy Tax	550,000	639,509	600,000	600,000	620,000	3.3%
TOTAL	556,000	645,900	603,000	602,400	623,000	3.3%
9525 End of Year Fund Balance	(1,115)	0	(247,302)	(386,263)	(266,695)	7.8%
9520 Prior Year Balance Fwd	85,000	0	325,520	412,311	386,263	18.7%
GRAND TOTAL	639,885	645,900	681,218	628,448	742,568	9.0%



Tourism Fund Expenditures

General & Administrative

The Tourism Department is responsible for the following functions:

- Tourism Industry Planning & Development
- Hotel Occupancy Tax Collection
- Purchasing

Staffing

This department has no full-time or part-time employees.

The functions of the Tourism Department are performed by:

- City Manager ^{FTE}
- City Secretary ^{FTE}
- Finance Director ^{FTE}
- Receptionist ^{FTE}
- HR Admin/Records ^{FTE}
- Accountant ^{FTE}
- Administrative Assistant ^{PTE}

Facilities

Office space is provided within City Hall.

Vehicles

This department has no vehicles.

Tourism Fund Expenditures

1 - General & Administrative

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Wages	106,942	84,951	130,075	130,318	158,761	28,686
Personnel Expenses	33,283	26,506	40,713	40,713	47,257	6,544
Maintenance & Operation	4,150	6,351	4,150	3,907	4,050	(100)
Capital Outlays	0	0	0	0	0	0
G&A Overhead	50,000	50,000	50,000	50,000	50,000	0
TOTAL	194,375	167,807	224,938	224,938	260,068	35,130

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4030 Dues, Fees & Subscriptions	250	0	250	250	250	0.0%
4050 Information Services	3,000	3,000	3,000	3,000	3,000	0.0%
4161 Hurricane Ike Recovery	0	2,625	0	0	0	0.0%
4305 Wages	104,642 (s)	83,432 (s)	127,515 (s)	127,515 (s)	155,261 (s)	21.8%
4306 Overtime	2,300 (s)	1,518 (s)	2,560 (s)	2,803 (s)	3,500 (s)	36.7%
4310 Social Security	8,181 (s)	6,190 (s)	9,951 (s)	9,951 (s)	12,145 (s)	22.0%
4415 Insurance: Medical & Dental	14,162 (s)	11,529 (s)	16,558 (s)	16,558 (s)	18,679 (s)	12.8%
4425 Insurance: Workers Comp.	900	726	900	657	800	(11.1%)
4430 Retirement: Contribution	10,940 (s)	8,787 (s)	14,204 (s)	14,204 (s)	16,433 (s)	15.7%
4905 Capital Outlays	0	0	0	0	0	0.0%
4920 G&A Overhead	50,000	50,000	50,000	50,000	50,000	0.0%
TOTAL	194,375	167,807	224,938	224,938	260,068	15.6%

Tourism Fund Expenditures

— *Continued*

Advertising & Promotion

The Advertising & Promotion Department is responsible for the following functions:

- Advertising Program Planning & Execution
- Advertising Agency Coordination
- Cooperative Tourism Promotions
- Promotional Banners
- Local Traveler Assistance Programs
- Convention & Visitor Bureau Services
- Meeting & Group Travel Promotions
- Direct Mail Tourism Promotions
- Maintenance of NASA Parkway Landscaping

The City contributes 15% of the Hotel Tax Revenue to the Bay Area Convention and Visitors Bureau.

Staffing

This department has no full-time or part-time employees.

Facilities

Office space is provided within City Hall.

Vehicles

This department has no vehicles.

Tourism Fund Expenditures

2 - Advertising & Promotion

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Bay Area Houston CVB	82,500	82,500	90,000	90,000	93,000	3,000
Advertising	82,510	64,787	78,280	69,000	81,000	2,720
Promoting Tourism & Events	88,000	70,613	88,000	49,000	50,500	(37,500)
NASA Parkway	110,000	61,057	110,000	108,000	110,000	0
Capital Outlays	0	0	0	0	55,000	55,000
TOTAL	363,010	278,958	366,280	316,000	389,500	23,220

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget %Change
4015 Bay Area Houston CVB	82,500	82,500	90,000	90,000	93,000	3.3%
4040 Advertising/Printing	78,510	59,861	74,280	65,000	77,000	3.7%
4041 Advertising Partnerships	0	0	0	0	0	0.0%
4060 Artwork & Agency Fees	4,000	4,926	4,000	4,000	4,000	0.0%
4069 Ballunar Pavilion	8,500	1,040	8,500	8,500	0	(100.0%)
4070 Ballunar Liftoff Festival	30,000	30,028	30,000	15,000	15,000	(50.0%)
4071 Wings Over Houston	20,000	20,000	20,000	20,000	20,000	0.0%
4072 Houston Livestock & Rodeo	4,000	2,500	4,000	4,000	4,000	0.0%
4073 Promotions	5,000	2,535	5,000	0	5,000	0.0%
4074 Reindeer Run Adv & Promotion	1,500	1,500	1,500	1,500	1,500	0.0%
4075 Texas Dragon Boat Race	0	0	0	0	0	0.0%
4076 Armand Bayou Nature Center	4,000	0	4,000	0	0	(100.0%)
4077 Bay Area Motorcycle Rally	10,000	10,453	10,000	0	0	(100.0%)
4115 Maintenance -Entrance Hwy	20,000	29,527	20,000	28,000	20,000	0.0%
4125 Maintenance -Banners	5,000	2,558	5,000	0	5,000	0.0%
4505 Utilities -Electrical	78,000	25,779	83,000	73,000	83,000	0.0%
4506 Utilities-Water	12,000	5,751	7,000	7,000	7,000	0.0%
4905 NASA Parkway	0	0	0	0	55,000	0.0%
TOTAL	363,010	278,958	366,280	316,000	389,500	6.3%

Tourism Fund Expenditures

— *Continued*

Arts & Special Events

The maximum that may be spent for Arts & Special Events is 15% of the Hotel Tax Revenue. The Arts & Special Events Department is responsible for the following functions:

- Performing Arts
- Support for Area Special Events
- Special Event Program Planning & Execution
- Independence Day
- Boat Parade
- Keels & Wheels
- Texas Dragon Boat Race

Staffing

This department has no full-time or part-time employees.

Facilities

Office space is provided within City Hall.

Outdoor events at Lake Nassau and Howard L. Ward Park.

Vehicles

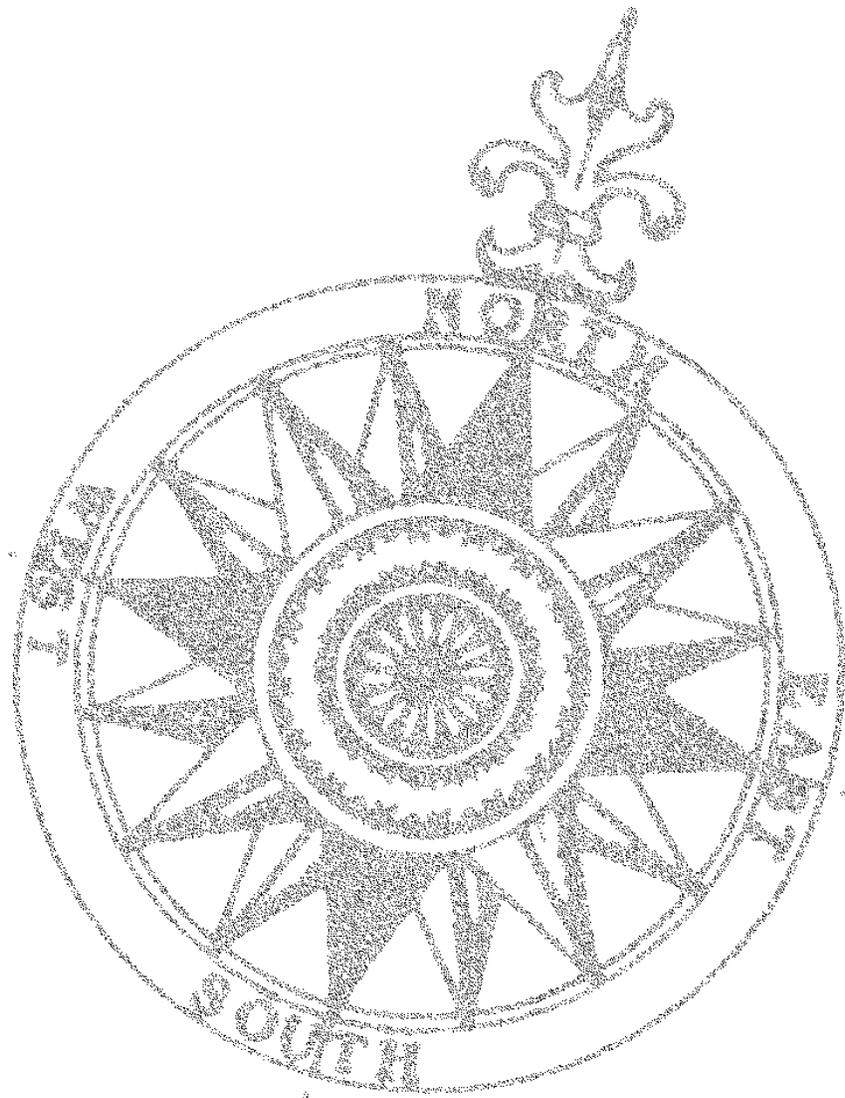
This department has no vehicles.

Tourism Fund Expenditures

3 - Arts & Special Events

Expenditure Summary	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget \$ Change
Arts	51,500	50,500	51,500	50,700	54,000	2,500
Special Events	31,000	26,264	38,500	36,810	39,000	500
Capital Outlays	0	0	0	0	0	0
TOTAL	82,500	76,764	90,000	87,510	93,000	3,000

Line Item Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
4013 Gulf Coast Film Expo	1,000	1,000	0	0	1,000	0.0%
4014 July Fourth	19,000	17,659	21,000	21,000	21,000	0.0%
4015 Alliance For The Arts	25,000	25,000	28,000	28,000	28,000	0.0%
4016 Bay Area Houston Ballet	4,000	4,000	1,000	1,000	1,500	50.0%
4017 Clear Creek Community Theatre	15,000	15,000	13,000	13,000	13,000	0.0%
4018 Boat Parade	5,500	3,605	5,500	5,810	6,000	9.1%
4019 Arts & Spec.Event Reserve	0	0	2,000	1,200	0	(100.0%)
4021 Edgar Literary Magazine	0	0	0	0	0	0.0%
4022 Hou. Symphony Lea.Bay Area	2,500	2,500	3,000	3,000	3,000	0.0%
4023 Texas Dragon Boat Association	1,500	0	2,000	0	2,000	0.0%
4024 Veterans Museum Promotion	1,000	0	1,000	1,000	2,000	100.0%
4025 Clear Lake Symphony	3,000	3,000	3,500	3,500	3,500	0.0%
4026 Keels & Wheels	5,000	5,000	10,000	10,000	10,000	0.0%
4027 Bay Area Chorus	0	0	0	0	2,000	0.0%
4905 Capital Outlays	0	0	0	0	0	0.0%
TOTAL	82,500	76,764	90,000	87,510	93,000	3.3%



Special Revenue & Grant Funds

Special Revenue & Grant Funds

The Special Revenue and Grant Funds account for Specific Revenue and Grants that are legally restricted to expenditures for specified purposes.

Special Revenue & Grant Funds

Revenue Summary		Budget	Actual	Budget	Projected	Budget	Budget
		FY 07/08	FY 07/08	FY 08/09	FY 08/09	FY 09/10	% Change
7000	Special Revenue	22,602	20,809	10,300	10,300	11,000	6.8%
7000	Grant Revenue	2,150	11,298	3,225,264	3,225,264	2,700	(99.9%)
TOTAL		24,752	32,107	3,235,564	3,235,564	13,700	(99.6%)
9525	End of Year Fund Balance	(6,144)	97,464	0	0	0	0.0%
9627	Transfer to General Fund	0	0	0	0	0	0.0%
9520	Prior Year Balance Fwd	138,750	0	0	0	0	0.0%
GRAND TOTAL		157,357	129,571	3,235,564	3,235,564	13,700	(99.6%)

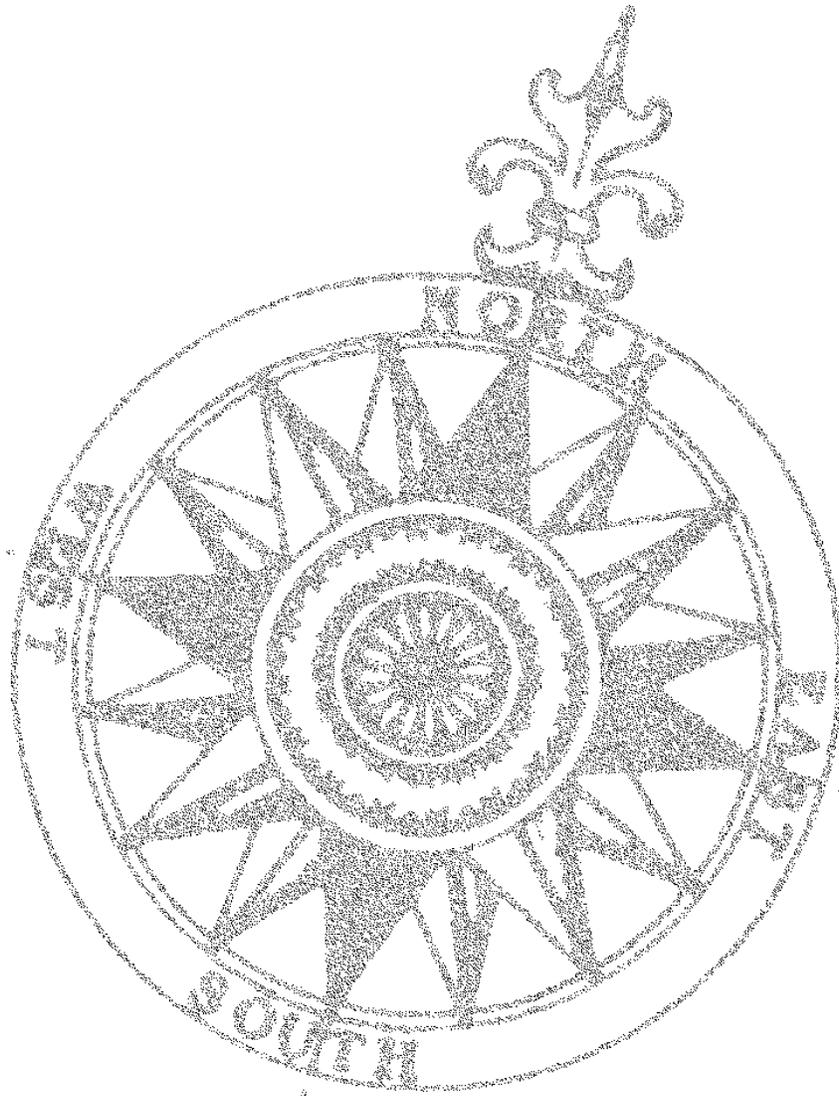
Revenue Detail		Budget	Actual	Budget	Projected	Budget	Budget
		FY 07/08	FY 07/08	FY 08/09	FY 08/09	FY 09/10	% Change
7021	Interest on Investments	800	1,743	800	800	900	12.5%
7022	Grant Match Revenue	0	0	0	0	0	0.0%
7031	Child Safety Revenue	4,700	5,020	5,000	5,000	5,000	0.0%
7041	Court Security Revenue	1,600	1,072	900	900	1,200	33.3%
7051	Court Technology Revenue	2,500	1,441	1,200	1,200	1,400	16.7%
7091	Fire/EMS Equipment Fund	7,000	5,431	2,400	2,400	2,500	4.2%
7101	Donations - Designated - Parks	0	0	0	0	0	0.0%
7111	Donations-EMS	0	100	0	0	0	0.0%
7221	Development Contributions	0	0	0	0	0	0.0%
7232	Marine Boat Ins. Claim	6,002	6,002 (a)	0	0	0	0.0%
7321	Court Asset Forfeitures-Revenue	0	4,466	0	0	0	0.0%
7131	Sale of Ambulance	0	0	0	0	0	0.0%
7421	LEOSE Grant - Police	1,450	1,533	1,500	1,500	1,500	0.0%
7431	LEOSE Grant - Fire Marshal	700	742	700	700	700	0.0%
7451	EMS SE-Tex Trauma Grant	0	4,557	4,500	4,500	500	(88.9%)
7701	Grt-03 State Homeland Security	0	0	0	0	0	0.0%
7721	Grt-05 UASI Grant	0	0	0	0	0	0.0%
7751	Grt-06 UASI Grant	0	0	0	0	0	0.0%
7731	FEMA - 05 Katrina Revenue	0	0	0	0	0	0.0%
7741	FEMA - 05 Rita Revenue	0	0	0	0	0	0.0%
7761	FEMA - 09 Ike Revenue	0	0	718,564	718,564	0	(100.0%)
7771	EDA-09 Grant	0	0	2,500,000	2,500,000	0	(100.0%)
TOTAL		24,752	32,107	3,235,564	3,235,564	13,700	(99.6%)
9525	End of Year Fund Balance	(6,144)	97,464	0	0	0	0.0%
9627	Transfer to General Fund	0	0	0	0	0	0.0%
9520	Prior Year Balance Fwd	138,750	0	0	0	0	0.0%
GRAND TOTAL		157,357	129,571	3,235,564	3,235,564	13,700	(99.6%)

(a) Sum of 07-7231-01-00 and 07-7232-01-00

Special Revenue & Grant Funds Expenditures

Expenditure Summary		Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
7000	Special Revenue	33,114	20,392	10,300	10,300	11,000	6.8%
7000	Grant Revenue	124,243	109,179	3,225,264	3,225,264	2,700	(99.9%)
TOTAL		157,357	129,571	3,235,564	3,235,564	13,700	(99.6%)

Expenditure Detail		Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
7022-02	Administration Expense	9,767	7,909	800	800	900	12.5%
7031-03	Child Safety Ex-ADM	2,839	0	1,000	1,000	2,000	100.0%
7032-03	Child Safety Ex-Police	2,442	487	2,000	2,000	1,500	(25.0%)
7033-03	Child Safety Ex-Fire Dept.	2,480	0	2,000	2,000	1,500	(25.0%)
7041-04	Court Security Expense	1,971	0	900	900	1,200	33.3%
7051-05	Court Technology Expense	3,546	3,546	1,200	1,200	1,400	16.7%
7092-09	Fire Dept. Donations-Equip.	4,351	4,351	1,200	1,200	1,250	4.2%
7093-09	EMS Donations - Equip.	4,218	4,099	1,200	1,200	1,250	4.2%
7101-10	Donations - Designated	1,500	0	0	0	0	0.0%
7102-10	Donations - Parks	0	0	0	0	0	0.0%
7211-21	Leadership Award	0	0	0	0	0	0.0%
7231-23	Marine Boat	76,320	76,320	0	0	0	0.0%
7321-32	Court Asset Forfeitures	32,772	21,338	0	0	0	0.0%
7421-42	LEOSE Grant - Police	2,234	0	1,500	1,500	1,500	0.0%
7431-43	LEOSE Grant - Fire Marshal	1,396	0	700	700	700	0.0%
7451-45	Grant-EMD-SE Trama R.A.C.	11,521	11,521	4,500	4,500	500	(88.9%)
7701-70	FY03 State Homeland Security Grt	0	0	0	0	0	0.0%
7721-72	FY05 UASI Grant	0	0	0	0	0	0.0%
7751-75	FY06 UASI Grant	0	0	0	0	0	0.0%
7731-73	FEMA - 05 Katrina	0	0	0	0	0	0.0%
7741-74	FEMA - 05 Rita	0	0	0	0	0	0.0%
7761-76	FEMA - 09 Ike Expenditure	0	0	718,564	718,564	0	(100.0%)
7771-77	EDA-09 Grant	0	0	2,500,000	2,500,000	0	(100.0%)
GRAND TOTAL		157,357	129,571	3,235,564	3,235,564	13,700	(99.6%)



Capital Projects Fund

The Capital Projects Fund provides funds for the acquisition and construction of municipal public improvements. These funds are spent in accordance with the City's capital improvements plan (see page 114). There are no new Capital Projects funded in the current year, however, capital improvements will continue to advance as projects budgeted from previous years are finalized in FY2010.

Capital Projects Fund Revenue

Revenue Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
3020 Interest On Investments	31,226	31,226	0	0	0	0.0%
3905 Insurance Claims	0	0	0	0	0	0.0%
3913 TxDOT Grant NASA Parkway	0	0	55,000	55,000	0	(100.0%)
3925 Proceeds - 2006 Tax Note	0	0	0	0	0	0.0%
3926 Proceeds -CO-2007	0	0	0	0	0	0.0%
3927 Proceeds -CO-2008	1,030,000	1,030,000	0	0	0	0.0%
3928 Proceeds -CO-2009	0	0	0	0	0	0.0%
4920 Transfer From General Fund	0	0	0	0	0	0.0%
4922 Tourism Contri-NASA Pky Project	0	0	0	0	0	0.0%
4923 EDC Contri Dredging	0	0	0	0	0	0.0%
4920 EDC Contri Bldg 18295 U.B.	0	0	0	0	0	0.0%
TOTAL	1,061,226	1,061,226	55,000	55,000	0	(100.0%)
9525 End of Year Fund Balance	0	0	0	0	0	0.0%
9520 Prior Year Balance Fwd	1,818,977	0	453,572	0	0	(100.0%)
GRAND TOTAL	2,880,203	1,061,226	508,572	55,000	0	(100.0%)

FY09/10 Appropriations

Program	From City Revenue	From Debt Proceeds	Total
5100 Cap/Proj-Park Improvements	0	0	0
5200 Cap/Proj-W&S	0	0	0
5300 Cap/Proj-General Government	0	0	0
5400 Cap/Proj-Sewer	0	0	0
5500 Cap/Proj-Dredging	0	0	0
5600 Cap/Proj-NASA Parkway Enhancements	55,000	0	55,000
5700 Cap/Proj-Planning & Redevelopment	0	0	0
6000 Cap/Proj-Equipment	0	0	0
6100 Cap/Proj-Streets & Curbs	95,650	0	95,650
6200 Cap/Proj-Drainage	0	0	0
6300 Bond Issue Costs	0	0	0
Total FY09/10 Appropriations	\$150,650	\$0	\$150,650

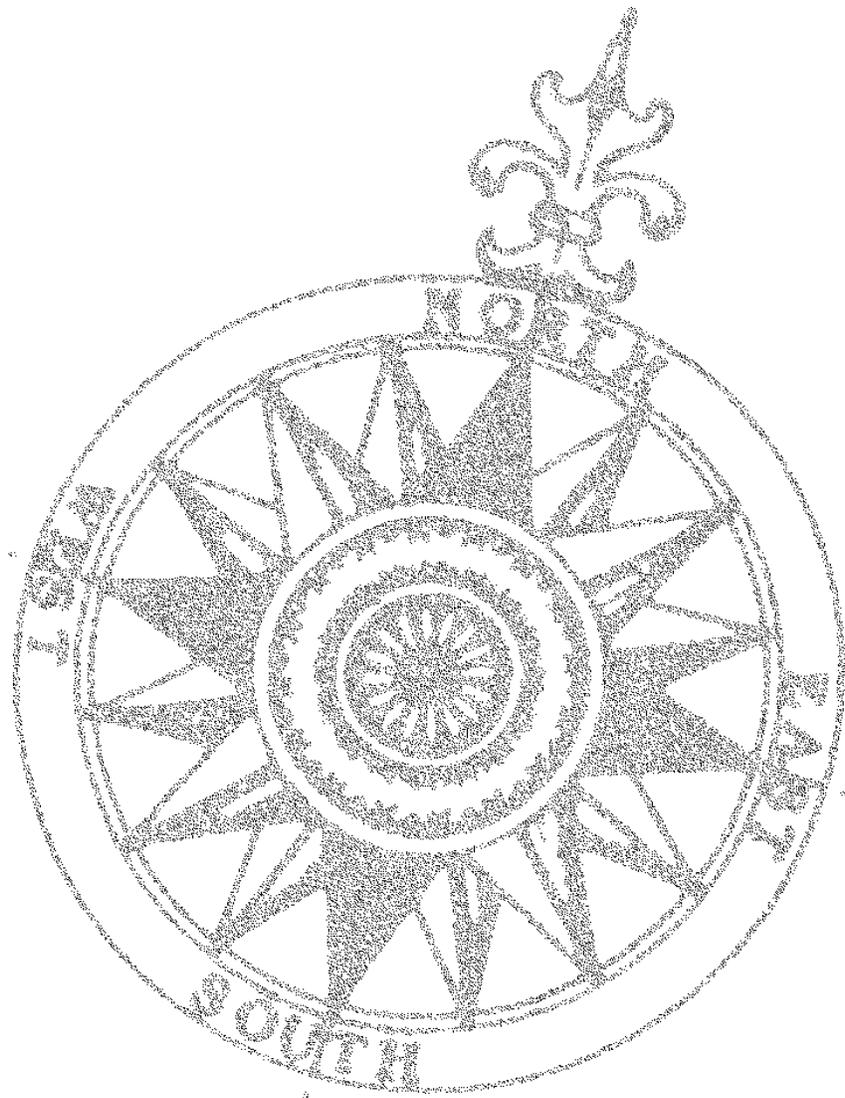
Capital Projects Fund Appropriations and Expenditures

Expenditure Detail	Amended	Actual	Amended	Expended/	Budget	Budget
	Budget		Budget	Encumbered		
	FY 07/08	FY 07/08	FY 08/09	FY 08/09	FY 09/10	% Change
5100 Cap/Proj - Parks	187,562	187,561	0	0	0	0.0%
5200 Cap/Proj - Water	338,239	270,186	0	0	0	0.0%
5300 Cap/Proj - General Government	508,842	465,767	0	0	0	0.0%
5400 Cap/Proj - Sewer	155,885	36,753	0	0	0	0.0%
5500 Cap/Proj - Dredging	952,493	922,863	0	0	0	0.0%
5600 Cap/Proj - NASA PKY Enhance.	194,716	194,715	55,000	55,000	0	(100.0%)
5700 Cap/Proj - Plan. & Redevelopment	210,602	147,265	0	0	0	0.0%
6000 Cap/Proj - Equipment	180,996	120,080	0	0	0	0.0%
6100 Cap/Proj - Streets & Curbs	4,210	#NAME?	0	0	0	0.0%
6200 Cap/Proj - Drainage	75,398	12,062	0	0	0	0.0%
6300 Cap/Proj - Bond Issue Cost	30,000	28,113	0	0	0	0.0%
GRAND TOTAL	2,838,943	#NAME?	55,000	55,000	0	(100.0%)

Note: Capital Appropriations continue in force until spent. The CIP lists the projects encumbered for these appropriations.

FY09/10 Appropriations

Program	From City	From Debt	Total
	Revenue	Proceeds	
5100 Cap/Proj-Park Improvements	0	0	0
5200 Cap/Proj-W&S	0	0	0
5300 Cap/Proj-General Government	0	0	0
5400 Cap/Proj-Sewer	0	0	0
5500 Cap/Proj-Dredging	0	0	0
5600 Cap/Proj-NASA Parkway Enhancements	55,000	0	55,000
5700 Cap/Proj-Planning & Redevelopment	0	0	0
6000 Cap/Proj-Equipment	0	0	0
6100 Cap/Proj-Streets & Curbs	95,650	0	95,650
6200 Cap/Proj-Drainage	0	0	0
6300 Bond Issue Costs	0	0	0
Total FY09/10 Appropriations	\$150,650	\$0	\$150,650



Street Sales Tax Fund

Street Sales Tax Fund

In 2001, the Texas Legislature passed House Bill 445 which allows cities to raise their local sales tax rate by one-quarter percent if the funds are dedicated to street maintenance and repair. The sales tax collected may only be used to maintain and repair municipal streets that existed when the tax was adopted. The tax may not be used on new streets.

Nassau Bay adopted the additional one-quarter percent local sales tax for street maintenance purposes on November 5, 2002. The tax became effective on April 1, 2003. The tax expires every four years unless voters continue to approve the tax in a reauthorization election.

The City held a tax reauthorization election on November 7, 2007, extending the sales tax to April 1, 2011.

Street Sales Tax Fund Revenue & Expenditures

Revenue Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
3110 Sales Tax	85,000	102,220	88,600	88,600	92,900	4.9%
3020 Interest on Investment	2,400	5,414	2,750	2,200	2,750	0.0%
TOTAL	87,400	107,634	91,350	90,800	95,650	4.7%
9525 End of Year Fund Balance	(50,000)	0	(237,889)	(212,387)	(212,387)	(10.7%)
9520 Prior Year Balance Fwd	155,302	0	237,889	212,937	212,387	(10.7%)
GRAND TOTAL	192,702	107,634	91,350	91,350	95,650	4.7%

Expenditure Detail	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Projected FY 08/09	Budget FY 09/10	Budget % Change
5203 FY06 Street Projects	12,244	0	0	0	0	0.0%
5204 FY07 Street Projects	93,058	1,331	0	0	0	0.0%
5205 FY08 Street Projects	87,400	0	0	0	0	0.0%
5206 FY09 Street Projects	0	0	91,350	91,350	0	(100.0%)
5207 FY10 Street Projects	0	0	0	0	95,650	0.0%
GRAND TOTAL	192,702	1,331	91,350	91,350	95,650	4.7%

Personnel

The City Council appoints a City Manager who shall be the chief administrative officer of the City and who shall be responsible for the administration of all affairs of the City. Council also establishes the City Manager's rate of compensation.

Among the duties of the City Manager is the appointment, direction, supervision, and, when necessary, removal of City employees and officers as provided for by the City Charter and personnel rules.

A personnel policy has been prepared by the City Manager and adopted by City Ordinance, a copy of which is on file in the City Secretary's office.

Employee compensation is no longer automatically increased annually (step method). In an effort to provide an incentive for all employees to excel in their job performance, the compensation program for the City of Nassau Bay has changed to a performance evaluation system with a salary structure for all pay grades.

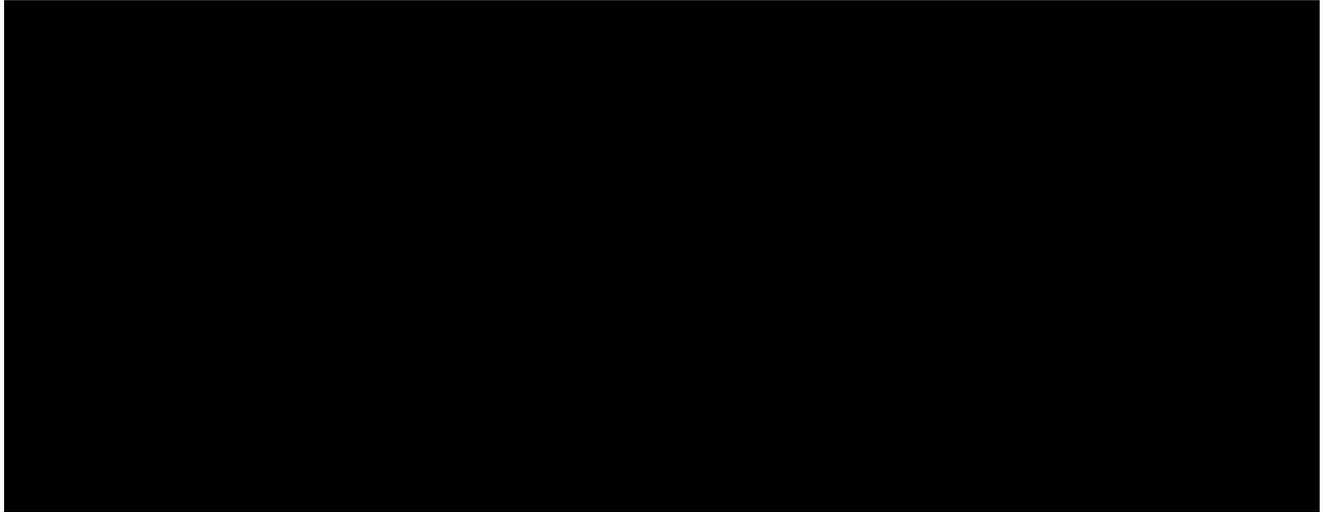
**Wages appearing in this document
are for planning and reference
purposes only.**

An employee's wages are based on performance evaluations. Adoption of this budget, or use of the wage amounts given herein, shall not be binding on the City; nor shall it limit, nor obligate, the City Manager to adjust the present or future rate of pay of any employee. The City is not obligated to create, maintain, or fill any position or positions listed.

Personnel

— Continued

Wages



Staffing

The staffing level for this budget is 39 full-time, 12 part-time (9.7 FTE), and 7 temporary (5.0 FTE) employees. The FY2009-2010 budget includes the elimination of two full-time employees (Court Clerk and EMS Administrator) and the addition of one full-time position (Assistant City Manager) compared to the prior year budget. Payroll contingencies are budgeted within Depts. 1, 5, 13, and 14.

Distribution of employees between funds and departments is shown in the schedule on pages 110 – 111. Employees shown within a specific department have their primary assignment within that department although they may perform duties for other departments and/or funds.

Departments that indicate no employees are wholly supported by staff from other departments or funds.

Shared Payroll Expenses

Of the City's 55 full, part-time, and temporary employees, many perform duties for two or more departments. As a result, many are therefore paid from more than one department. 21 employees perform duties for two or more funds and these employees' wages are paid by those two or three funds.

The schedule on pages 110 – 111 indicates the distribution of wages paid from more than one operating fund. The dollar amounts are based on estimated wages. Accordingly, the percentage splits are used for determining actual payroll assessments.

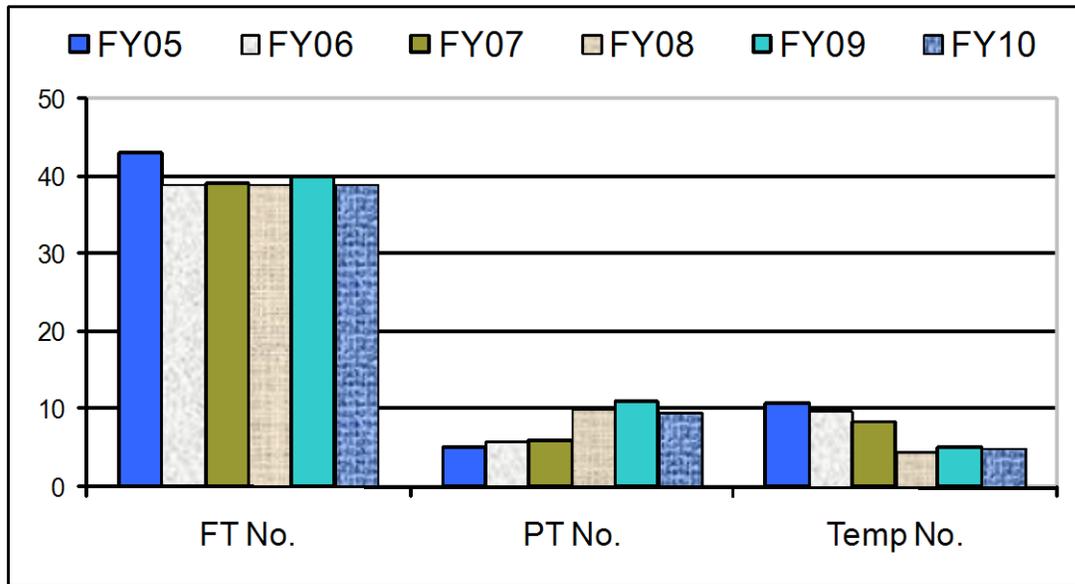
Personnel Benefits

The City provides the following employee benefits:

Certificate pay	Longevity
Vacation	Holidays
Personal (floating) holidays	Emergency Leave
Sick time	Medical & dental insurance
Life insurance	Long-term disability
Retirement benefits	

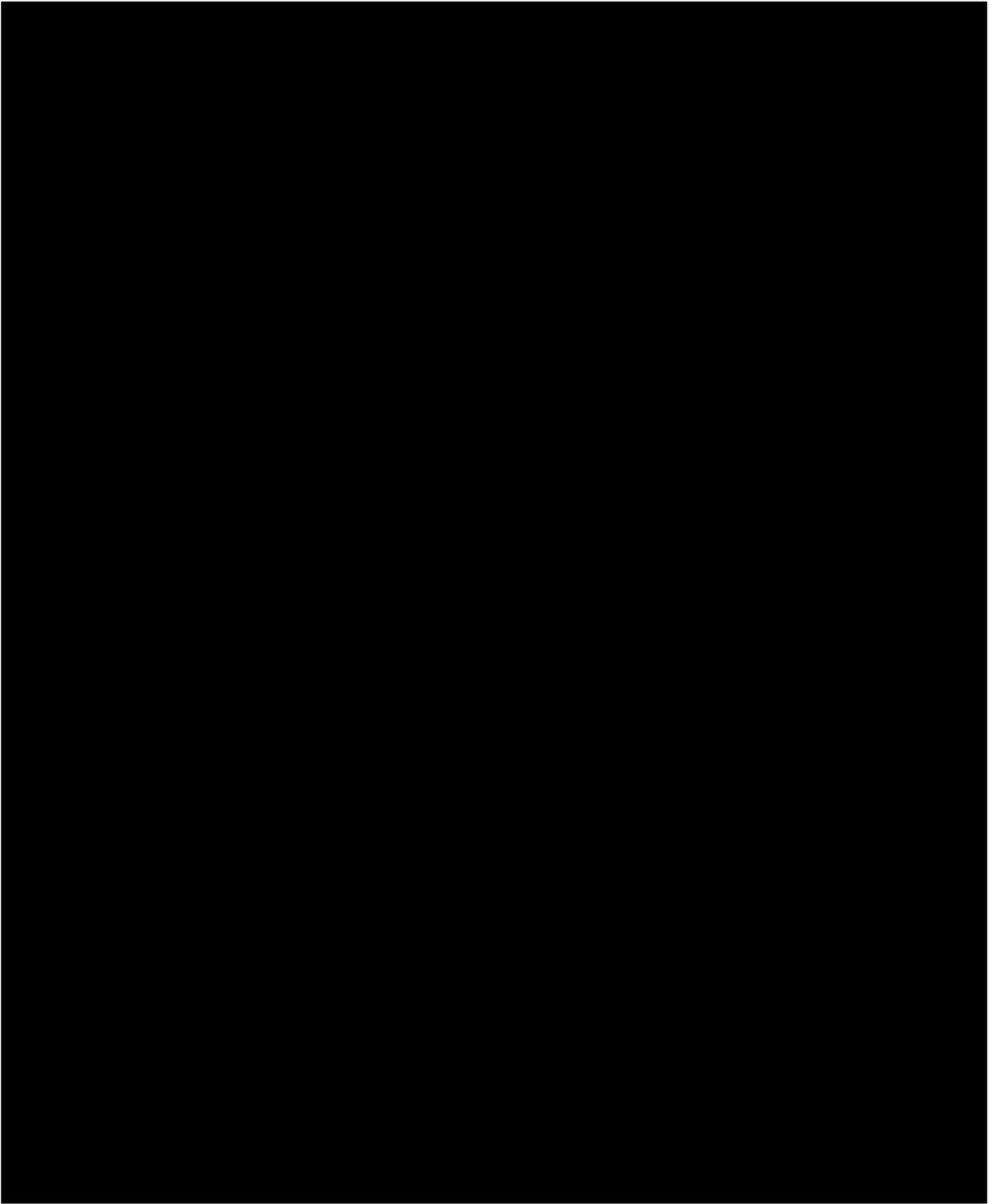
The City of Nassau Bay is subject to the Family Medical Leave Act (FMLA).

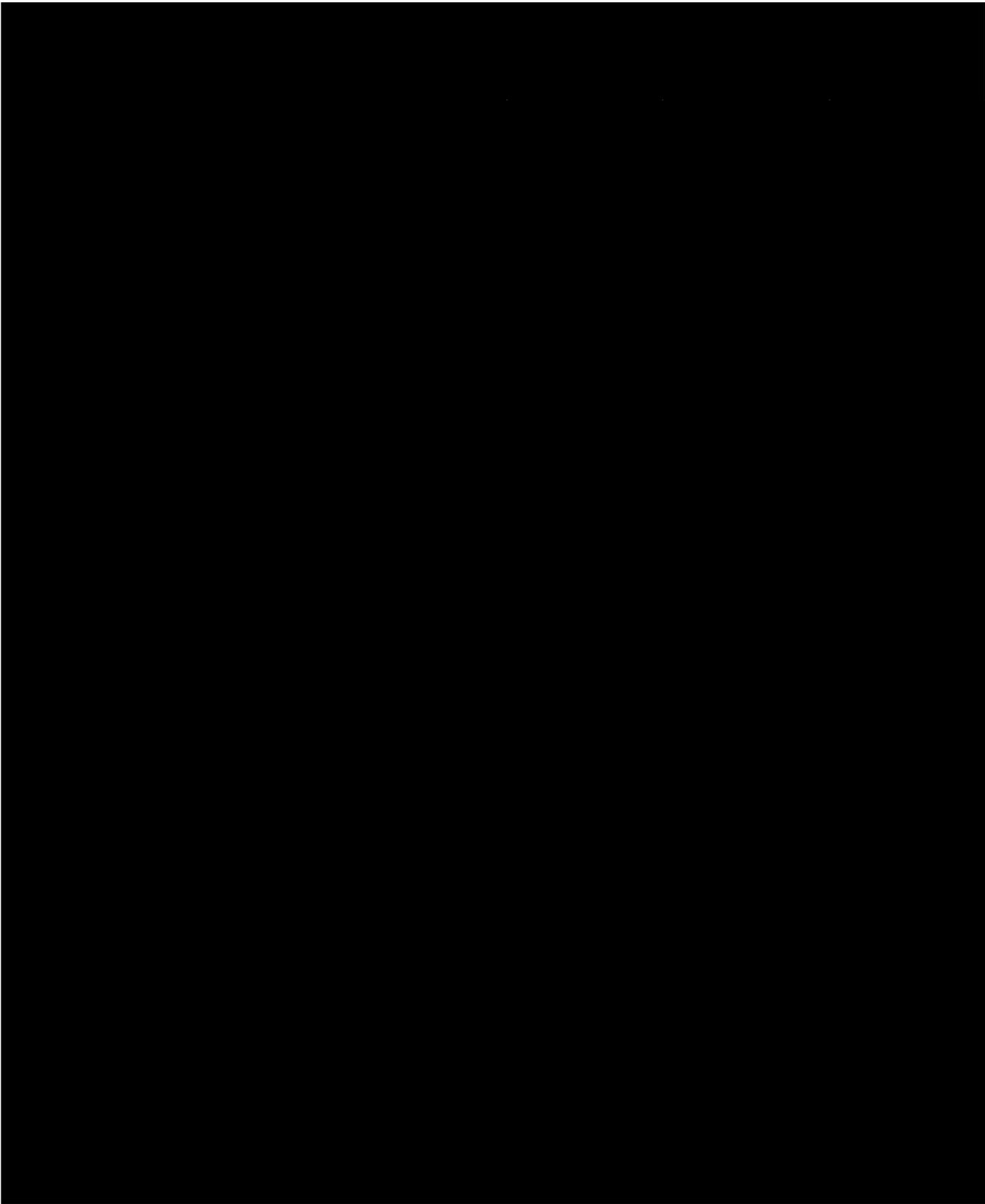
Wages and Benefits

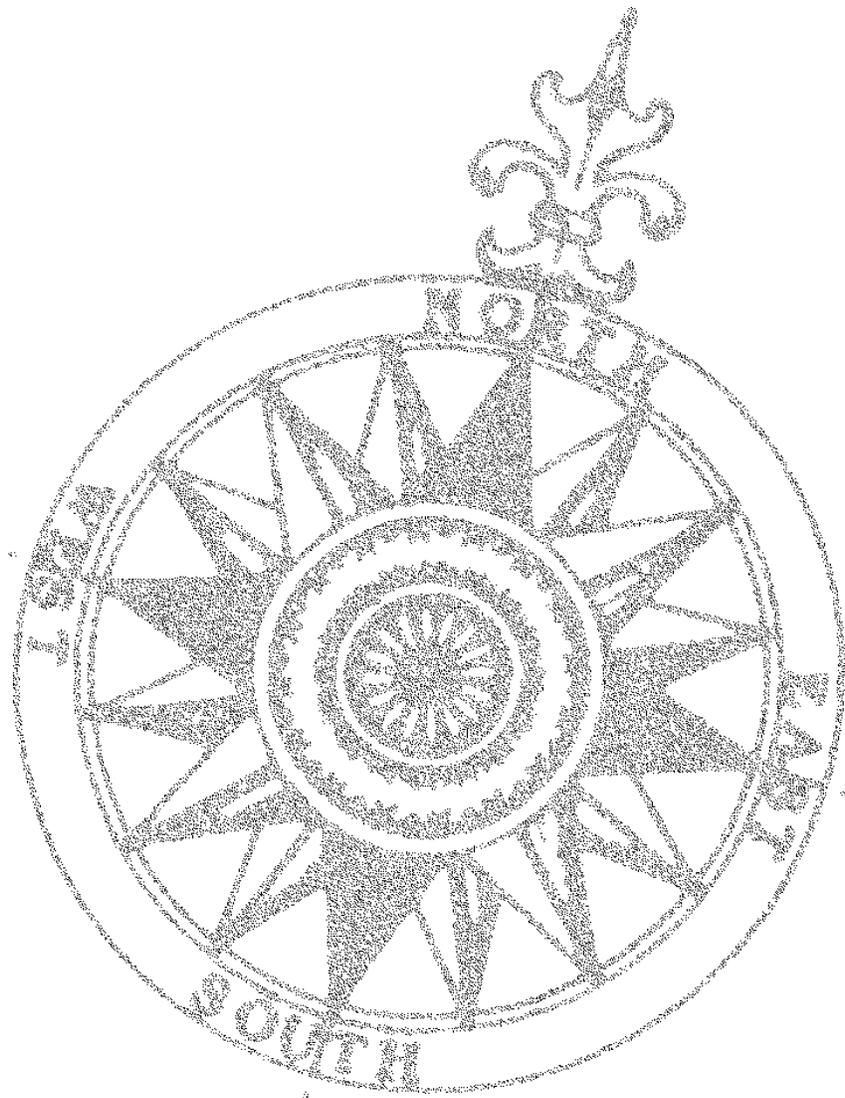


FY 10 Part-Time
FTE = 9.7

FY 10 Temporary
FTE = 5.0







Capital Improvement Plan

A Planning Document

Long Range Strategy

General Fund

- Control expenditures to ensure reasonable property tax rates.
- Replace "heavy use" rolling stock on a six year cycle.
- Fund appearance improvements to public property including parks and esplanades.
- Implement and sustain a redevelopment program.

Water & Sewer Fund

- Maintain reasonable and equitable utility rates.
- Provide adequate emergency repair reserve funds.
- Aggressively perform practical routine maintenance to all system components.
- Implement recommendations from the Study of the Sanitary Sewer System.
- Ensure water and sewer capacity is available for development/redevelopment expansions.
- Plan ISO Improvements.

Debt Service Fund

- Maintain a bond debt structure for a consistent impact (load) on property taxes over time.
- Provide a debt retirement schedule that will accommodate the addition of new debt.
- Study a large long-term debt issue for water and sewer needs.
- Planning for a new public safety building to house Police/Fire/EMS Departments.

Tourism Fund

- Improve quality and effectiveness of advertising and promotional efforts.
- Support community efforts to promote tourism as an industry.
- Fund appearance improvements to public property within the tourist district and NASA Parkway.
- Preserve the unique history associated with the City.
- Assist with access and transportation issues that impact the motoring visitor.
- Promote Nassau Bay as the cultural arts center in the Bay Area.
- Study the possibility of City participation in a new conference center.

Capital Projects Fund

- To provide the funds to implement the City's Capital Improvement Plan, focusing on improvements to the City's infrastructure.
- Street Sales Tax Fund to supplement street repair projects.

Unscheduled Capital Improvements

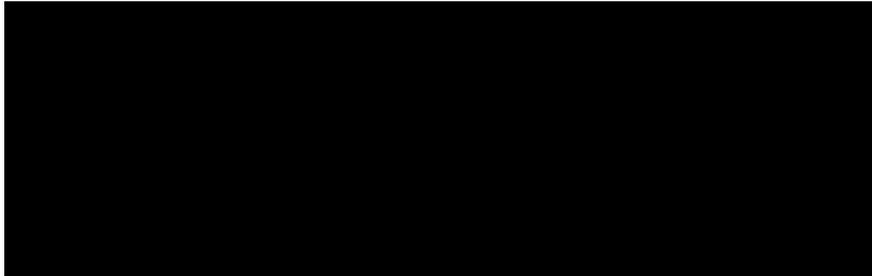
The following are Capital Improvement items that have not been scheduled.

General Government Projects

- Construction of Civic Center with Meeting and Classroom Space [approx. \$1,500,000]
- Enhancement of Peninsula (Trails, Conservation) [approx. \$2,250,000]
- Entrance Features on NASA Parkway [approx. \$ 450,000]
- ISO Improvements [approx. \$4,500,000]

Capital Improvement Plan
— *Continued*

New Capital Projects Appropriations
Fiscal Year 2009-2010



Capital Improvement Plan

— *Continued*

Fiscal Year 2010-2011

General Government Projects

- NBVFD Cascade Compressor [approx. \$ 60,000]
- 1 Public Works Pickup Truck [approx. \$ 25,000]
- 1 Police Department Vehicle [approx. \$ 30,000]
- Park Improvements [approx. \$ 25,000]
- Street Repair & Maintenance [approx. \$ 40,000]
- Street Lights [approx. \$ 25,000]
- Rehabilitation of BB Inlets [approx. \$ 20,000]
- Street Sales Tax Fund [approx. \$ 85,000]
- New City Hall Furnishings [approx. \$ 500,000]
- Land for New Public Safety Building [approx. \$1,000,000]
- New Public Safety Building [approx. \$3,000,000]

Water & Sewer Projects

- SSES Phase III [approx. \$ 500,000]
- Repaint Elevated Water Tower [approx. \$ 250,000]
- WWTP Generator [approx. \$ 150,000]
- Barbuda Lane large Sewer Line By-Pass [approx. \$ 450,000]

Tourism Projects

- NASA Parkway Improvements (Management District) [approx. \$ 50,000]

Capital Improvement Plan

— *Continued*

Fiscal Year 2011-2012

General Government Projects

- 1 Police Department Vehicle [approx. \$ 30,000]
- 1 NBVFD Ladder Truck, Unit 813 [approx. \$950,000]
- Street Repair & Maintenance [approx. \$ 40,000]
- Street Lights [approx. \$ 25,000]
- Street Sales Tax Fund [approx. \$ 85,000]
- Lake Nassau Park Trail, Phase II [approx. \$ 70,000]
- Parking Lot at Lake Nassau Park [approx. \$ 39,500]
- Lake Nassau Dredging [approx. \$200,000]
- EMS Ambulance [approx. \$150,000]

Water & Sewer Projects

- SSES Phase III [approx. \$500,000]
- 1 Pickup Truck [approx. \$ 25,000]

Tourism Projects

- NASA Parkway Enhancements (Management District) [approx. \$ 50,000]

Capital Improvement Plan

— *Continued*

Fiscal Year 2012-2013

General Government Projects

- 1 Public Works Pickup Truck [approx. \$ 25,000]
- 1 Police Department Vehicle [approx. \$ 30,000]
- Police Department Radio Equipment [approx. \$ 20,000]
- Street Repair & Maintenance [approx. \$ 40,000]
- Street Lights [approx. \$ 25,000]
- Street Sales Tax Fund [approx. \$ 85,000]

Water & Sewer Projects

- SSES Phase III [approx. \$500,000]

Tourism Projects

- NASA Parkway Improvements (Management District) [approx. \$ 50,000]

Capital Improvement Plan

— *Continued*

Fiscal Year 2013-2014

General Government Projects

- 1 Police Department Vehicle [approx. \$ 30,000]
- Street Repair & Maintenance [approx. \$ 40,000]
- Street Lights [approx. \$ 25,000]
- Street Sales Tax Fund [approx. \$ 85,000]

Water & Sewer Projects

- SSES Phase III [approx. \$500,000]
- 1 Pickup Truck [approx. \$ 25,000]

Tourism Projects

- NASA Parkway Improvements (Management District) [approx. \$ 50,000]

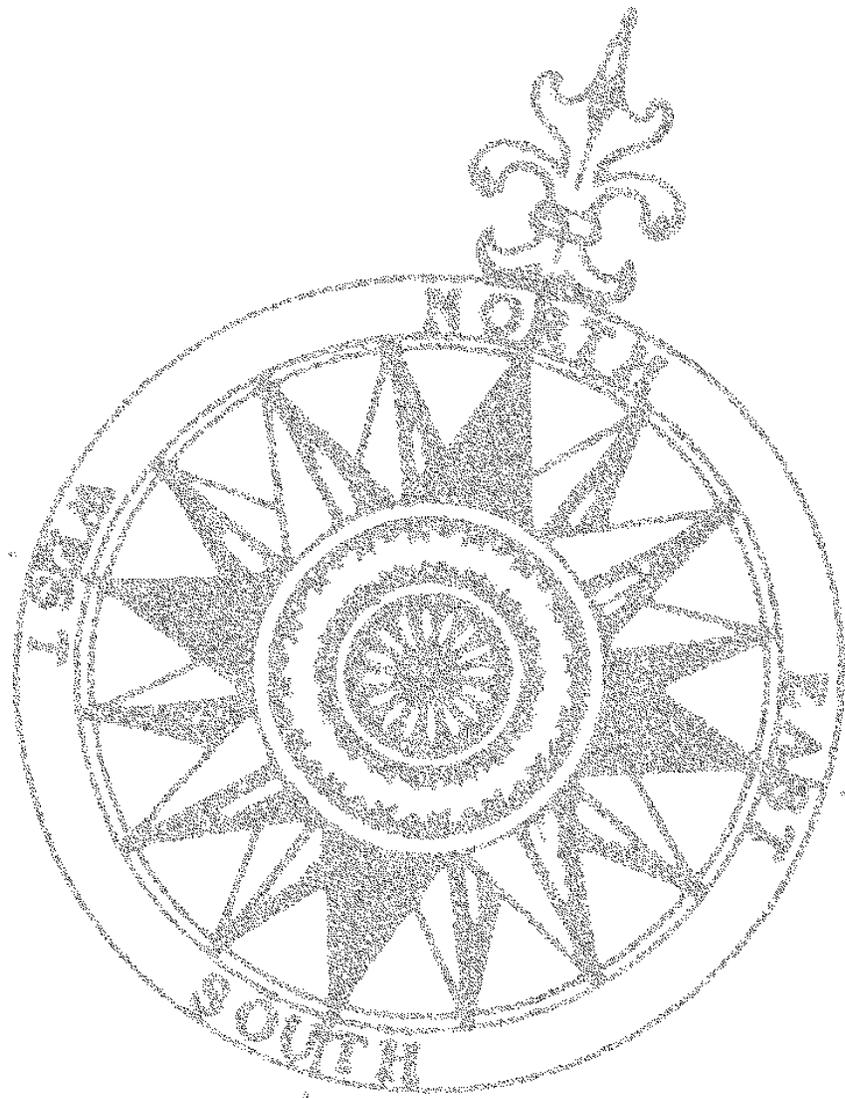
Capital Improvement Plan

— *Continued*

Fiscal Year 2014-2015

General Government Projects

- Police Department Vehicle [approx. \$ 35,000]
- Fire Pumper Truck [approx. \$1,000,000]
- Public Works Vehicle [approx. \$ 35,000]
- Public Works Backhoe [approx. \$ 85,000]
- Park Improvements [approx. \$1,000,000]



Notes

This space is provided for budget notes.

Notes

- *Continued*

Notes
- *Continued*

