

City of Nassau Bay Annual Budget

**Fiscal Year
October 1, 2011 – September 30, 2012**

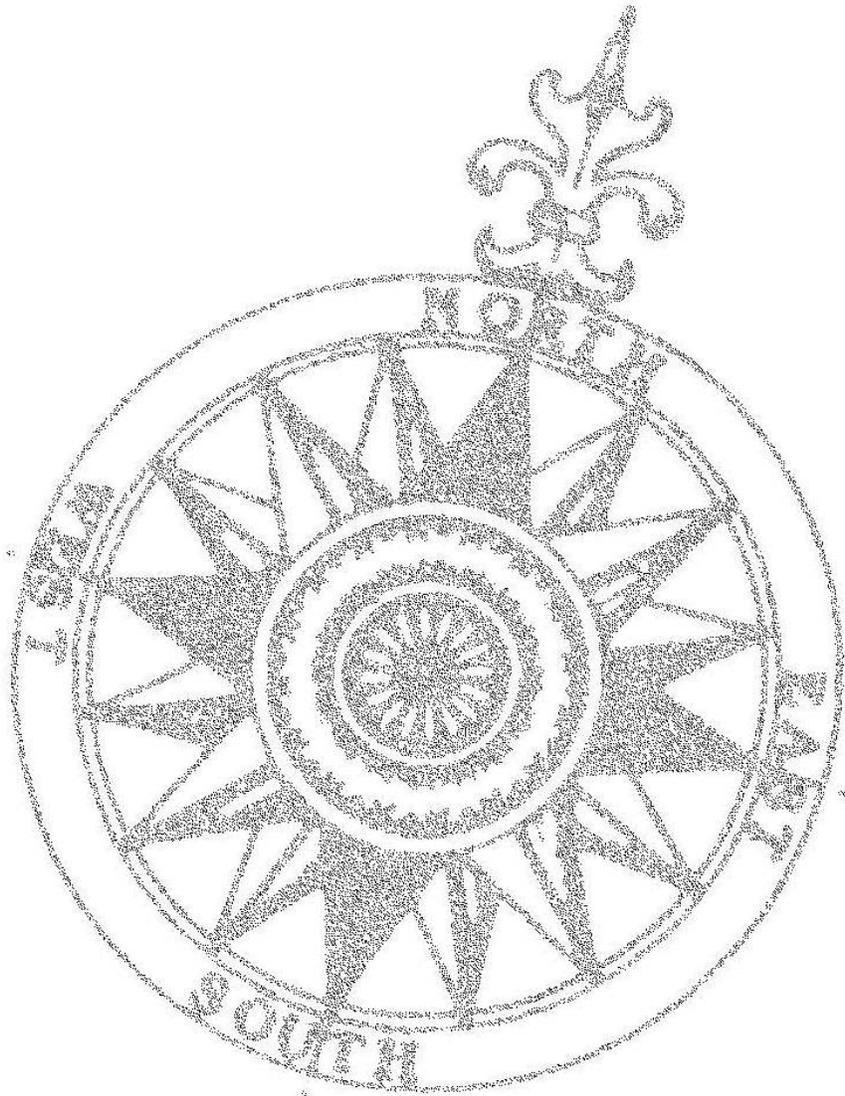
ADOPTED

September 12, 2011

THE MAYOR & CITY COUNCIL

**Donald C. Matter, Mayor
Ron Swofford, Mayor Pro Tem
David Braun, Council Position #1
Sandra Mossman, Council Position #2
Brad Bailey, Council Position #4
Jonathan Amdur, Council Position #5
Bob Warters, Council Position # 6**

**Chris Reed
City Manager**





City of Nassau Bay

Elected Officials

Donald C. Matter
Mayor

David Braun
Position 1

Sandra Mossman
Position 2

Ron Swofford
Mayor Pro Tem, Position 3

Brad Bailey
Position 4

Jonathan Amdur
Position 5

Bob Warters
Position 6

Administration

Chris Reed
City Manager

Mary Chambers
Community Development Director

Joe Cashiola
Police Chief

Csilla Ludanyi
Finance Director

Jamie Galloway
Emergency Management Coordinator

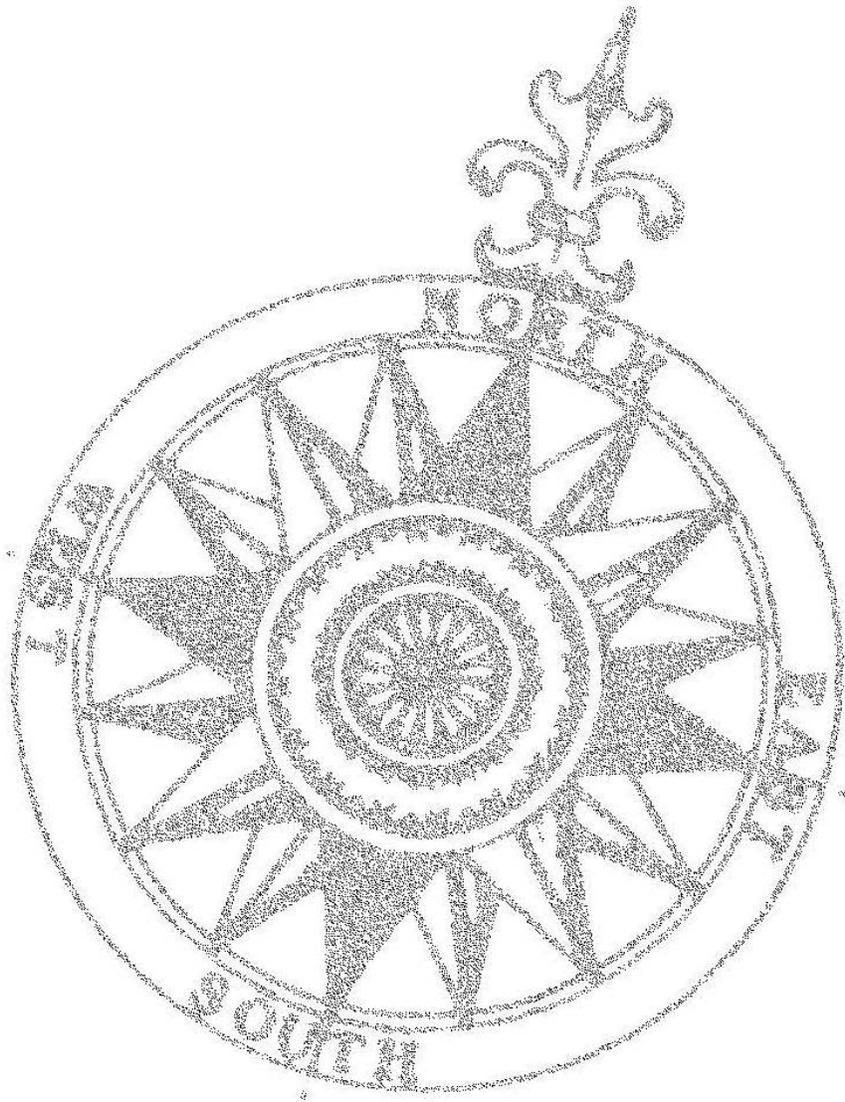
Pat Jones
City Secretary, TRMC

Paul Lopez
Public Works Director

Tom George
Fire Department Administrator/IT Manager

Larry Boles
Building Official/Floodplain Administrator

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





City of Nassau Bay

Budget for Fiscal Year 2011-2012

General Fund	\$4,307,797
Water & Sewer Fund	\$2,116,031
Debt Service Fund	\$ 465,097
Tourism Fund	\$ 538,660
Special Revenue & Grants Fund	\$1,763,478
Capital Projects Fund	\$ 35,500
Street Sales Tax Fund	\$ 222,880
Total Budget	<u>\$9,449,443</u>

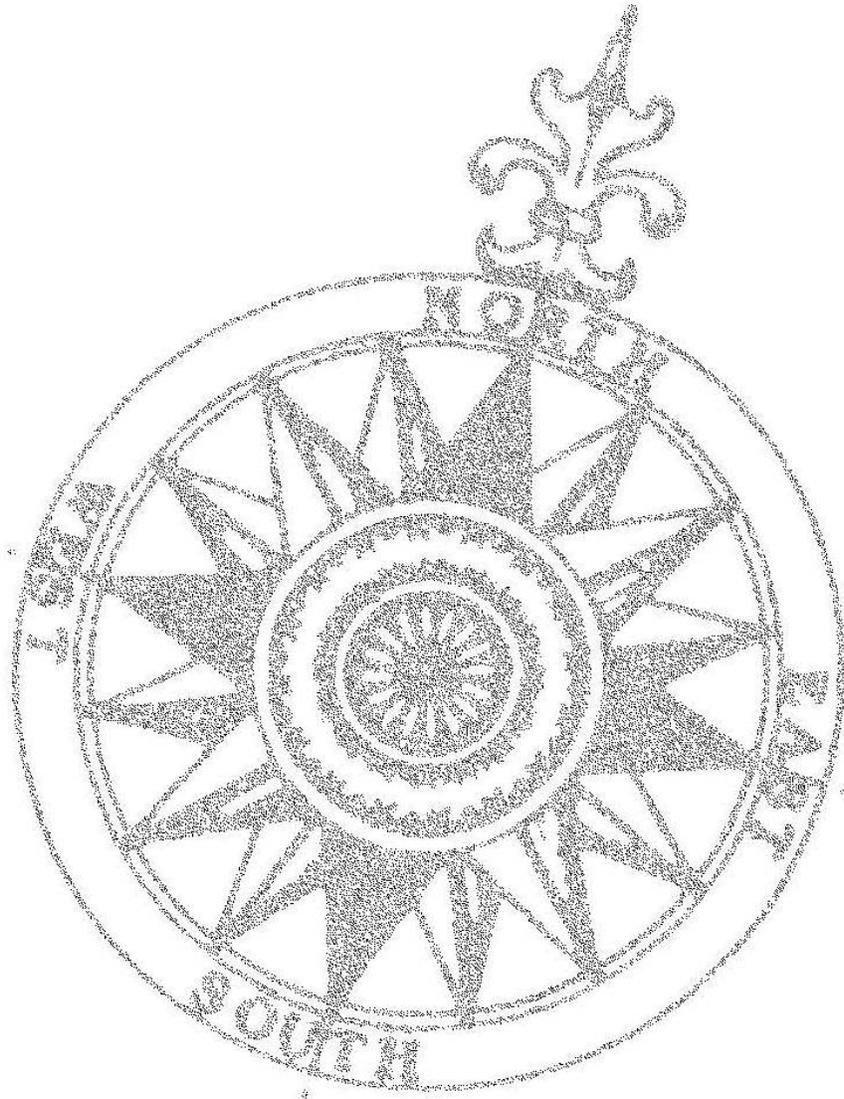
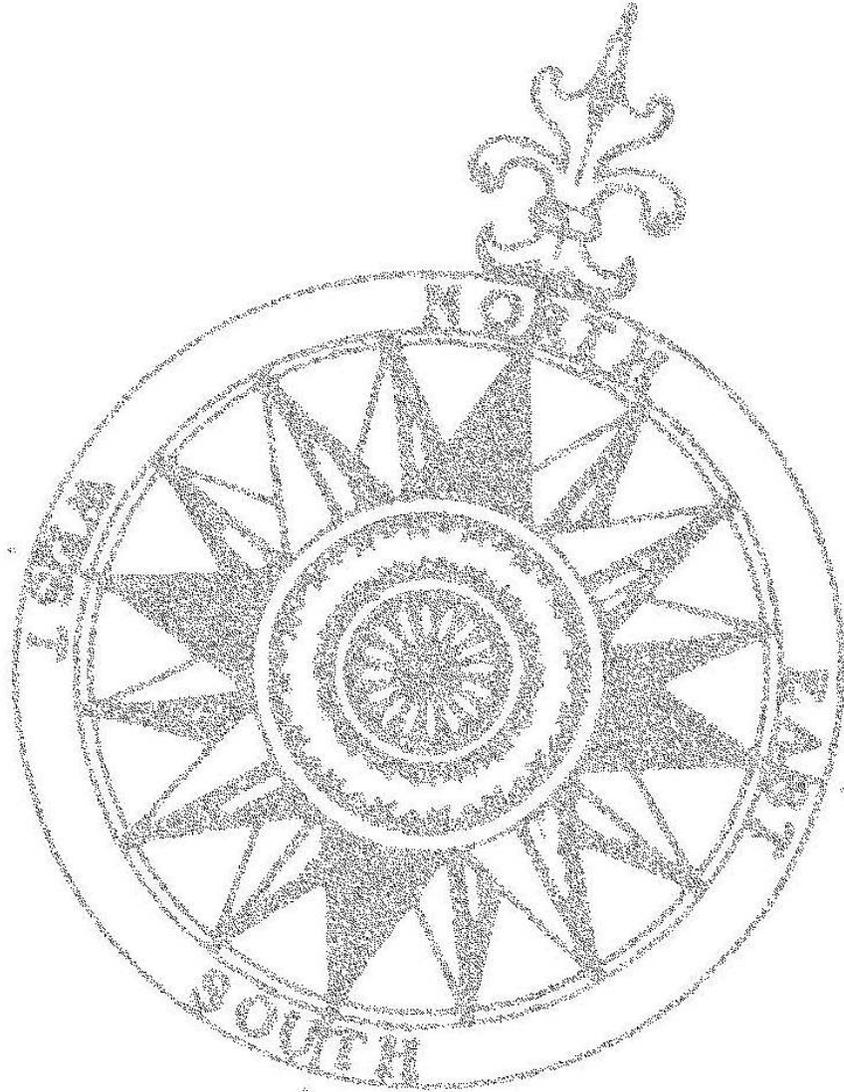


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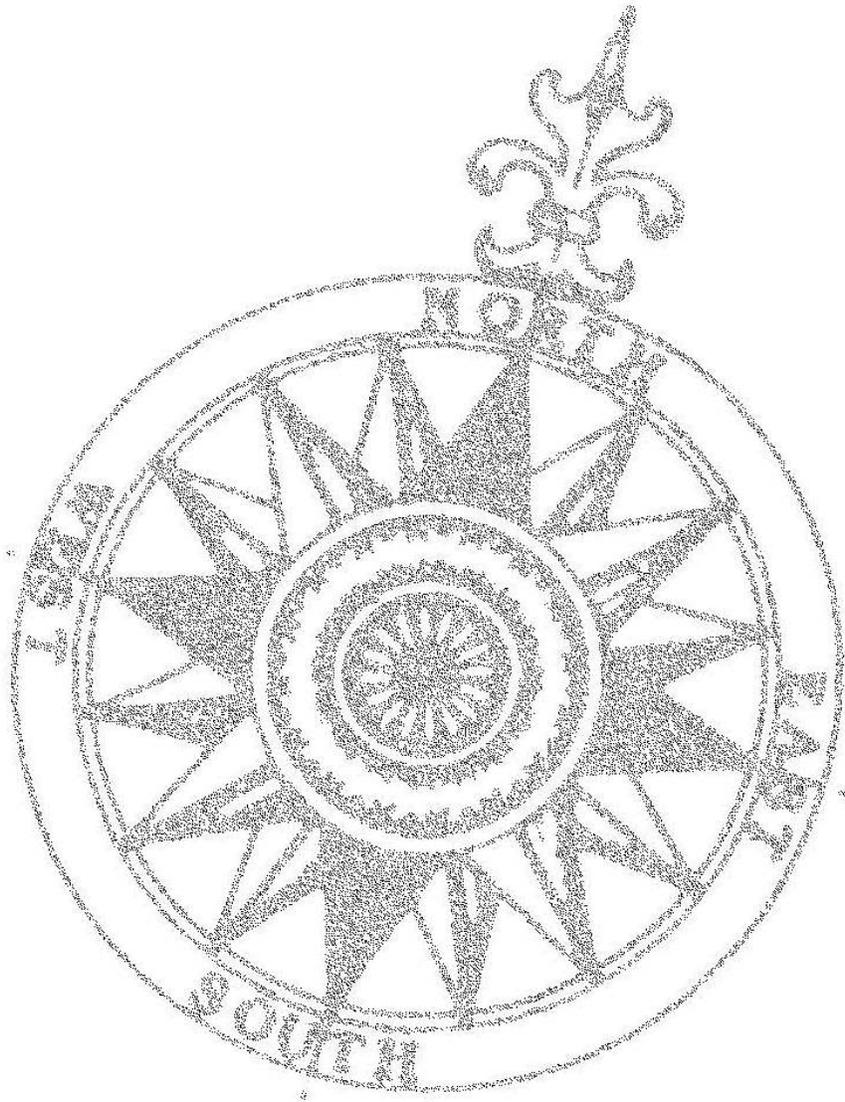
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Budget Year 2011-2012

Budget Calendar

April 26, Tuesday	Operating & CIP Budget Kick-Off; Budget Request Guides Distributed; Departments develop FY11 Objectives	Dept. Managers
April 28, Thursday	Receive Preliminary Tax Roll [certified estimate of total appraised value]	Harris County Appraisal District
May 17, Tuesday	Department capital outlay detail, funding sources & justification due; Preliminary Operating & CIP Budget request deadline	Dept. Managers
May 17 - May 31	City Manager's review of Department Budgets; final compilation of CIP and funding sources	City Manager
June	Meeting with Department Heads to review submitted budget information and determine final numbers	City Manager & Department Heads
June	Subcommittee on Appropriations and Interfacing (Tourism Fund) - Per new Hotel/Motel Appropriations Policy	HOT Tax Appropriations Subcommittee
June 22, Tuesday	Completed City Manager's Draft Budget	City Manager
June 27, Monday	Budget Workshop - Budget Priorities & CIP Funding	City Manager & Council
August 2, Tuesday	Budget Workshop - Present Draft of City & EDC Budget for Council Review	Special City Council & EDC Meeting
August 5, Friday	City Manager Budget delivered to City Secretary for distribution to Council, made available to public, and posted on website as Proposed Draft - 72 hr. notice of Public Hearing	City Manager
August 8, Monday	Presentation of Budget to City Council and Public Budget Hearing; Schedule Workshop if needed	City Manager at Regular City Council Meeting
August 29, Monday	Publicize Budget Public Hearing in local newspaper per Sec. 102.0065 of TX LGC	Finance Director, City Secretary
August 29 - September 5, Mon. - Mon.	Chief Appraiser certifies approved appraisal roll; Calculation of effective and rollback tax rates; 72-hr. notice for budget meeting	Harris County Appraisal District
September	SPENDING FREEZE - all purchases must be approved by Finance; credit cards may not be used without prior authorization by Finance	Finance Department
September 12, Monday	Presentation of Final Budget to City Council and Second Budget Public Hearing; Certification of anticipated collection rate; Adopt Budget by Ordinance; discuss tax rate. If Council determines, adopt Tax Rate 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.	City Manager; City Council; Regular Council Meeting
September 20, Tuesday	Nassau Bay Charter Requirement - Final Date to adopt budget	City Council
September 15, Thursday	Publish effective and rollback tax rates - schedules and fund balances; submission to Council; Publish notice of two public hearings on tax increase (tv, website, newspaper)	Finance Director, City Secretary
September 26, Monday	First Public Hearing on proposed tax increase (many not be held earlier than the 7th day after the notice is published) - Publish Notice of Tax Revenue Increase (TV & Website)	Special City Council Meeting
September 29, Thursday	Second Public Hearing on the proposed tax increase (may not be held earlier than the 3rd day after the first public hearing)	Special City Council Meeting
October 1, Saturday	Fiscal Year 2010-2011 Begins	
October 10, Monday	Vote on proposed tax increase to increase total revenues (not more than 14 days after Second Public Hearing); Adopt Tax Rate by Ordinance	Regular Council Meeting





The Municipal Budget Fiscal Year 2012

As we enter into a new fiscal year, it is an appropriate time to reflect on the accomplishments of the year that has passed and establish the goals that will guide the year ahead of us. In revisiting last year's Budget Letter, we are proud to say that many of last year's goals have been accomplished successfully.

The Completion of FY2011

During the FY2011 Budget the City Council approved a Comprehensive Five-Plus-Year Capital Improvement Plan. In order to facilitate the implementation of the first two years of projects in the Water and Sewer Department, the City pursued and received support from the Texas Water Development Board in obtaining \$2.445 million in bond revenue. The engineering and design portion of the projects are nearly complete and the City anticipates significant progress on completing the first year of work during FY2012.

After an FY2010 Budget that could have taken the city down to 22 days of Reserves heading into FY2011, the City worked diligently to curtail FY2010 spending and also decreased the FY2011 Budget by 15% from the previous year. This placed the City on a steady course toward maintaining adequate Reserves. Last year's budget successfully replenished the City's Reserve Funds to end the year with over 100 days of reserves, which is well in the range of our goal of 90 to 120 days. This was achieved even as some revenue streams did not yield as highly as anticipated. City staff worked to find replacement sources of revenue such as grants, and diminish spending in areas that were lower priority.

The City made the Water and Sewer Department a high priority during the past year. Infrastructure maintenance received special attention and the City purchased a refurbished Belt Press Mechanism in the Waste Water Treatment Plant saving the City approximately \$32,900 in sludge hauling in its first year of operation. Also, the City replaced approximately 350 feet of water lines throughout the City. The coming year will continue these types of infrastructure improvements including 300 feet of line replacement and infrastructure improvements to the sand filter and screen at the Waste Water Treatment Plant.

An area of focus over the last twelve months has been collections. City staff made significant strides in improving revenues in the Water and Sewer Fund by pursuing collections and improving tracking for meter-related issues. As part of this process, the City has implemented monthly utility billing to provide residents and staff with more regular feedback regarding consumption and usage. In doing so, the city-wide water loss ratios have drastically declined from approximately 26% in FY2010 to nearly 3% in FY2011. In addition to more timely feedback and tracking, the monthly billing process has stabilized the cash flow supporting water and sewer

activities. Through a more deliberate collections process, the City has collected about \$80,000 of delinquent water account balances and has put a system in place which will ensure that we can properly fund the many water and sewer infrastructure projects that are part of our Capital Improvement Plan.

Internally, City staff worked on various projects and items that provide for a smoother operation of City services. City staff has been encouraged to proactively seek out new revenue sources and savings opportunities. As a result departments have found less expensive vendors, creative solutions to service needs and a combined total over \$500,000 in unanticipated grant money to fund some City activities. Additionally staff has been diligent in adhering to budget constraints and we are proud that our FY2011 expenditures are on target as budgeted for the end of the fiscal year.

In seeking out more cost-effective and comprehensive services for the City, during FY2011 the City went through the Request for Qualification process for both Primary Depository Banking Services and for Solid Waste Services. In selecting a new bank with a 3-year negotiated contract, the City has been able to achieve approximately \$6,000/year in savings as well as take advantage of interest rates that are otherwise hard to find in the current economy. We anticipate that in the coming year, the net revenue achieved from our bank transition will be nearly \$10,000. As a part of this change, the City is also able to offer Automatic Bank Draft Services for utility billing customers, thereby streamlining the billing process and providing much-demanded payment alternatives to residents. The new solid waste contract provided an opportunity for the City to unify residential and commercial waste service provision under the same agreement and vendor. The combining of the various solid waste services under one provider is projected to save the City approximately \$18,000 a year for the next five to nine years.

In order to assist the City with standardized growth and development initiatives, the City Council, with the help of the Planning Commission and Nassau Bay residents, completed and approved a Five-Year Comprehensive Master Plan. Additionally, City staff worked with the Economic Development Corporation to have a Grocery Store Demand Study completed with the goal of having demographic and economic information to better attract the investment of a grocery store chain to our community.

Goals for FY2012

After the completion of two City Council Goals Workshops, six goals have been established as the primary directives for FY2012. **First and foremost, Council established that the budget for the coming year should be a Balanced Budget.** Not only is the FY2012 Budget balanced but after initial steps taken last year, this budget continues to work to minimizing fund transfers into the General Fund as much as practical.

The second priority that City Council selected is to work toward **an approved plan for design and construction of the new City Hall facility.** Since the demolition of the old City Hall in 2008, the City's administrative activities have primarily been housed in a temporary location. As many other important items have been checked off the list in the past couple of years, it has become a priority to see the City's staff and services housed in a permanent location, better suited to municipal government.

The third goal **City Council selected for Nassau Bay in the coming year is the improvement of Building Code Compliance city-wide.** City Council has asked that staff direct additional resources toward ensuring that residential and commercial buildings and property

are maintained to the levels established in our adopted building codes. The health and safety laws that were selected as the guide for maintenance and improvement of new and old structures will be proactively implemented with greater attention to detail and a larger awareness of their overall impact on the appearance, livability and safety of our community.

The fourth item that was recognized as being overwhelmingly important among City Council members is **the need for expanded Economic Development initiatives**. As City Council and staff look for ways to diversify our tax base and revenue sources, it is clear that new and additional economic development will be one component of the on-going answer to this ever-present question. Staff will utilize the information collected and compiled during FY2011 to establish a foothold in economic development groups throughout the region and state. The City plans to work with organizations such as BAHEP and ICSC to gain greater exposure and visibility in the networks where economic activity thrives and scouts for new opportunities.

The fifth priority that City Council has highlighted as being significant to the ongoing maintenance of our community is **improvements to Lake Nassau and the infrastructure that enables the existence of this highly-valued amenity**. As staff, residents, and experts look at the ways to best protect and secure the future of Lake Nassau, attention will be given to the natural, aesthetic and drainage-related benefits of this water feature of our community.

The final goal that City Council has put forward as being important for residents in Nassau Bay is **the implementation of a comprehensive and user-friendly residential recycling program that does not incur additional cost to the City**. With residents' input and guidance, the City plans to study various options for recycling services in Nassau Bay. The outcome of this process will be an expanded and effective recycling system for our residents to regularly and conveniently utilize.

Outline and Summary of FY2012 Budget

In the General Fund, following historic trends, 60.9% of the revenue available for maintenance and operations is derived from Property Taxes. Other revenue sources that provide significant amounts of revenue include Franchise Fees, Sales Tax, & Permits and Fees. Currently the majority of Sales Tax is generated by Telecommunications, Energy, Hospitality, Food Service & Retail sectors.

Facing revenue shortfalls, budgetary actions taken last year have stabilized the City Budget for FY2012. Overall, General Fund expenditures will remain steady from last year's 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 the redevelopment of Nassau Bay and an improved commercial tax base.

With these organizations' contributions and the work of staff, some of the City's on-going accomplishments at generating grant revenue include:

- I. **Economic Development Administration (EDA) Grant** – The City was awarded an EDA federal grant May 28, 2009 in the amount of \$2.5 Million for economic recovery assistance related to infrastructure improvements. Items approved for Nassau Bay Town Square infrastructure improvements include: (1) completion of the streets, (2) the duct bank and underground

electrical facilities, and (3) hardscape components. FY2012 will be final year of this grant with the anticipated completion of the hardscape construction on Saturn Lane. In addition to the existing apartment complex, food establishments, and office building, plans for the Town Square development include the new City Hall, additional office and shopping space, a conference center, and a Marriott Hotel. The development will continue to attract additional businesses, jobs, and private investment to aid the ongoing economic recovery of the bay area region.

2. Community Development Block Grants (CDBG Round #1 Funding) – Nassau Bay is approved for \$761,068 in Public Works projects for CDBG Round #1 Funding. 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. The City has selected to opt out of CDBG Round #2 Funding.
3. Houston-Galveston Area Council Livable Centers Grant – Livable centers are walkable, mixed-use places that provide multimodal (car, bike, golf cart, pedestrian) transportation options, improving the environmental quality by lowering the carbon footprint and promoting economic development. The NASA Area Management District in partnership with the Nassau Bay TIRZ submitted an application to H-GAC for a Livable Centers study. In November 2010, we received notice that the application was selected for funding in the amount of \$117,900 with a local match of \$29,475 for a total project cost of \$147,375. An RFP was sent out by H-GAC for the Nassau Bay Livable Centers project and five consulting firms responded. Following the presentation and interview process, SWA Group was selected as the consultant to perform the Livable Centers study in Nassau Bay. The study is slated to be completed within 9 months. The goals of the project are to (1) explore regulations and incentive structures that will encourage Livable Center development, (2) develop a market demand analysis to identify the most appropriate mix of land uses that can be supported by the existing residential, recreational and employment bases, and (3) explore the creation of a walk-able mixed-use community combined with a vibrant waterfront including urban density residential development. This study can lead to funding opportunities toward implementation of the approved plan.
4. Texas Parks and Wildlife Recreational Trail Grant – The City applied for and received a \$200,000 grant from Texas Parks and Wildlife for the installation of a recreational trail on the Nassau Bay Peninsula. This project is a matching grant with Texas Parks and Wildlife providing \$160,000 and the city being responsible for 20% of the total cost. The city's portion can be in-kind costs rather than cash, and the City plans to utilize City labor for the match.
5. State Energy Conservation Office Energy Efficiency and Conservation Block Grant (SECO-EECBG) - The SECO Grant is part of the Federal Energy Efficiency and Conservation Block Grant program. The City was approved for a grant relating to the Building Energy Audits and Retrofits portion of the grant. The grant will be used at the Wastewater Treatment Plant for an energy efficient pump. The work will be performed in conjunction with the scheduled TWDB improvement projects. The City's grant allocation is \$23,030 and it is not a matching grant. The estimated cost of the pump exceeds the allocation by \$6,900, therefore the City will absorb the cost of this difference.
6. Texas Department of Emergency Management Hazard Mitigation Grant – The TDEM-HM grant for which the City was approved provides an estimated \$213,750 of \$285,000 in emergency generators for City facilities. The grant is a reimbursement grant with 75% of the total project being eligible for reimbursement. Through this grant the City will provide emergency power

sources to the City Hall building (in the form of a mobile generator), the Public Works/EMS Building, and the Water Plant.

The FY2012 Budget proposes to continue our work to upgrade critical City infrastructure, with the intention of improving the quality of life and living environment for our citizens and for our businesses.

Revenues: Most FY2012 fund revenue projections are steady compared to last year (reference Fund Summaries, page 16).

Based on staff recommendations and Council agreement, with this budget the City is adopting an ad valorem tax rate of 0.692120 in FY2012. This tax rate is unchanged from FY2011. For the fifth year, the City will be sharing property tax revenue with the TIRZ. 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 TIRZ & RDA boards. Ten percent of the incremental revenue remains in the City's General Fund. This budget year, there is a projected increase in TIRZ property values from the prior year; projected property values continue to be higher than for the base year (Tax Year 2007), resulting in an estimated increment near \$40.1 million in taxable valuation.

General Fund operating revenue is projected overall at a decrease compared to the budget in the previous year. Several factors impact this decrease, most significantly a decrease in the tax rate compared to the Effective Tax Rate and accounting changes related to the change in Commercial Waste Provider. The majority of this decrease is offset by the changes in accounting for Commercial Waste collections. Additionally, new sources of revenue are being explored for inclusion in FY2012 to include a potential \$100,000 in EMS contracts and cell phone and telecommunications sales tax.

The Water & Sewer Fund has seen increased revenues due to rate increases, meter monitoring, and increased collection efforts. The revenues have put the Water & Sewer Fund in a healthy position to proceed with much-needed infrastructure improvements related to water and sewer provision.

The Tourism Fund continued to struggle this year due to sluggish sales in the hospitality industry. The last quarter of hotel tax revenue indicated a slight up-tick which we hope will mean stronger sales related to tourism in the coming year.

Expenditures: The total expenditure budget for FY2012 is \$9,449,443. Reference the funds breakout on page 16 of the budget document.

General Fund: Expenditures are programmed to be about half of the City's total expenditures, coming in at \$4,307,801. The expenditure breakout for the fifteen departments is shown on page 22. The City focused its efforts on several noteworthy projects this year.

All Departments: The FY2012 Budget will provide for a one-time 3% merit recognition for all employees. Additionally, the City has budgeted a change to the employee retirement plan, increasing contributions from 5% to 7% to align ourselves with the state-wide standard.

Fire Protection: The Fire Department was funded for the purchase of 16 replacement sets of bunker gear.

Public Works: Improvements were made to the Mowing and Landscaping contracts.

Public Safety & Information Services: In the areas of Police and Fire, the City has allocated money toward maintenance of the SCBA, for increases in our Harris County Radio System fees, our Police Cruiser MobileVision camera system, and our Public Safety OSSI database maintenance.

Water and Sewer Fund: Expenditures for this fund are projected \$326,646 over last year's budget due to the newly acquired debt service related to the Texas Water Development Board infrastructure projects and also to the increased costs associated with water purchase.

Tourism Fund: As noted above, revenue in this fund has not fully rebounded from the low point in FY2010. Strong improvement in the tourism sector is not projected and therefore FY2012 budgets \$502,000 in revenue. The City will continue allocating 15% of revenues to the Bay Area Houston CVB, 12% to Arts and Special Events, and sponsorship of major events in our region to benefit our hotels.

FY2012 Capital Improvements: After completing an successful year of infrastructure projects, the FY2012 Budget continues the Five-Plus-Year Capital Improvement Plan providing a framework for meeting the City's long term infrastructure needs. The City has received funding through the Texas Water Development Board for the funding of the first two years of this Capital Improvement Plan.

Personnel/Salaries: The FY2012 budget does not include any major staffing changes and does not fund any seasonal or temporary positions. The budget includes the partial shift of some personnel with the goal of better servicing multiple departments without increasing staff levels. The staffing level for this budget is 40 full-time, 6 part-time, and 29 hourly (part-time, limited-use) employees. Personnel contingencies are budgeted within Depts. 1, 5, 6, 7, 9, 11, 13, and 14.

Summary of FY2012 Budget

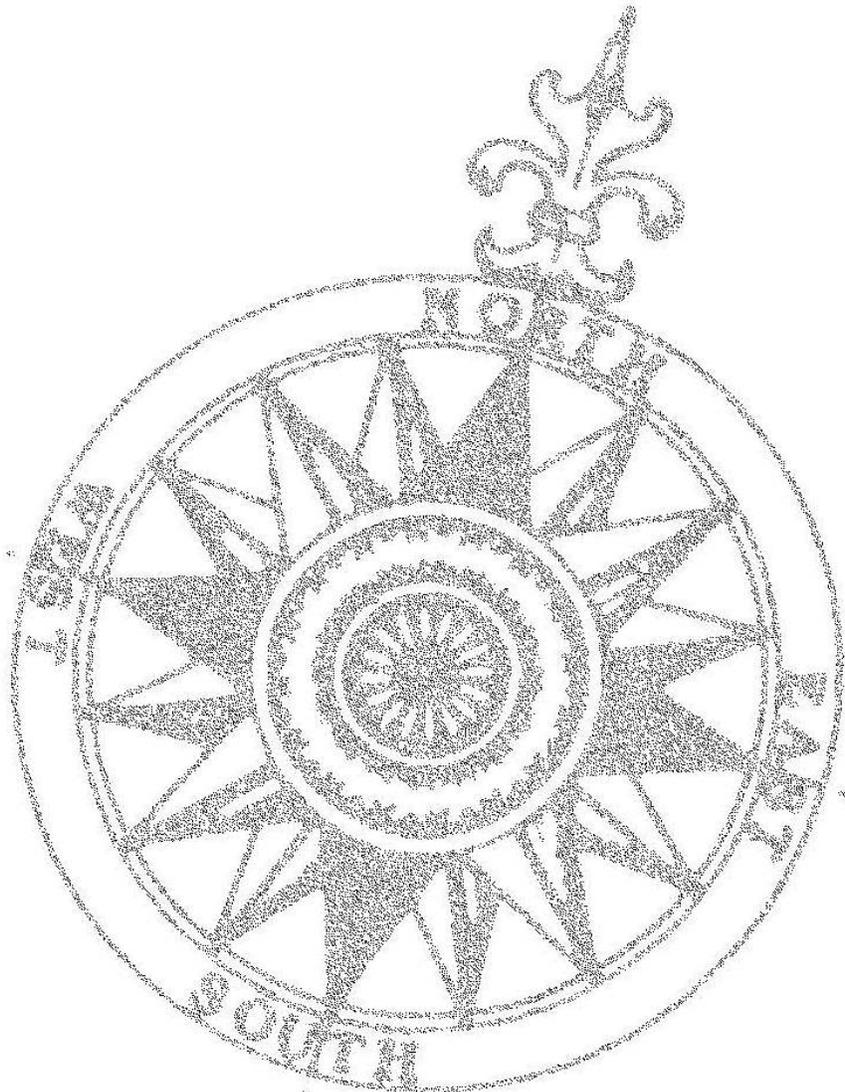
With an emphasis on a deficit-free balanced budget and the maintaining of healthy reserve funds, the City's financial position is solid with a very low debt to assessed value ratio. The City's goal is to continue to foster diversification in the tax base in the years ahead, through the Nassau Bay Town Square project as well as other opportunities in the TIRZ. Added retail, tourism and service sector businesses will boost our sales tax revenue and decrease the property tax burden on residential property owners.

The City's updated Comprehensive Master Plan combined the new development has renewed the community-wide commitment to ensuring the fiscal stability and preserving the charm and quality of life so highly valued in Nassau Bay. We have carefully managed our resources to make incremental progress on a number of fronts. By balancing the City's infrastructure needs with our financial position, we can look to the future with confidence.

Respectfully submitted,



Chris Reed, City Manager



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 legislature and governing body of the City is the City 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.

The 2011-2012 City Council:

- Mayor Donald C. Matter
- Position 1 David Braun
- Position 2 Sandra Mossman
- Position 3 Ron Swofford (Mayor Pro Tem)
- Position 4 Brad Bailey
- Position 5 Jonathan Amdur
- Position 6 Bob Warters

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.

The City Manager position:

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

In addition to the City Manager, the City 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 Annual City Budget addresses seven separate funds in one document. Each fund has been established to perform specific functions with its own sources of revenue.

General Fund – 01

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 and sewer), and court functions. Revenue sources benefitting the General Fund include property taxes, sales and use taxes, franchise fees, license & permit fees, fines, and repayment for the administrative services provided to other funds.

Water & Sewer Fund – 02

The Water & Sewer Fund operates as an enterprise fund and provides for the operation of the City's water and wastewater utilities. Revenue sources benefitting the Water & Sewer Fund include water and sewer usage charges and tap fees.

Debt Service Fund – 04

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

Tourism Fund – 06

The Tourism Fund provides for the promotion of the City's tourism industry. The only significant revenue source benefitting 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 Fund – 07

The Special Revenue & Grants Fund accounts for special revenue sources and grants that are legally restricted to specifically designated expenditure types or purposes.

Capital Projects Fund – 09

The Capital Projects Fund provides funding for the acquisition or construction of capital improvements or items. In FY2012 the revenue source for this fund is a transfer from the General Fund. These funds are spent according to the City's Capital Improvement Plan.

Street Sales Tax & Maintenance Fund – 10

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 2, 2010, extending the sales tax from April 1, 2011 to April 1, 2015.

Budget Overview

~ Continued

Budget Development & 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

By City Charter, Article VII, the City Manager is required to submit a proposed budget and budget message for the ensuing year to the City Council on or before the fifth day of August.

Public Hearing

Having received the budget, council is required to hold a public hearing on the budget as submitted per Local Government Code, Title 4, Subtitle A, Chapter 102, Section 102.006. All interested persons are given an opportunity to be heard, either for or against any item of the proposed budget.

Adoption of the Budget

The minimum contents of the Adopted Budget document are specified in the City Charter, Article VII, Section 7.03. 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 appropriations of the amounts specified herein as expenditures from the funds indicated.

Should the 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 an event, the operation of the City would not be disrupted for a lack of a budget.

Adoption of a Tax Rate

Following the adoption of the budget, Council may adopt a property tax rate following the guidelines of the Texas Constitution's Truth-in-Taxation provisions set forth in the Texas Tax Code, Chapter 26.

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

Monthly Financial Reports

The City Manager submits a monthly report to Council detailing the financial position 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

~ Property Taxes

Property Taxes

The certified roll for the 2011 Tax Year was sent by the Harris County Appraisal District on August 26, 2011. The total appraised value now on the appraisal roll for 2011 is \$502,720,576. Over-65, Residential Homestead, Disability, and Other Exemptions total \$87,075,805 (or 17.3% of total appraised value). Thus, the taxable value on the appraisal roll for 2011 is \$415,644,771.

Budgeted Taxable Value for Tax Year 2011 (Fiscal Year 2012) totals \$406,277,982 as follows: Taxable value of \$415,644,771 plus HCAD Uncertified Tax Roll with (including) hearing loss of \$26,957,935 less 90% of TIRZ Increment Valuation [September 7, 2011 Adjusted Captured Value of \$40,360,804 x 0.90 = \$36,324,724]. This compares with the prior year as follows:

	Tax Year 2010	% of Total Appraised Value	Tax Year 2011	% of Total Appraised Value
Total Appraised Value	487,696,922		502,720,576	
Less All Exemptions [Residential Homestead, Disability, & Other Exemptions]	(85,556,011)	-17.5%	(87,075,805)	-17.3%
Taxable Value	402,140,911		415,644,771	
Plus HCAD [Uncertified Tax Roll with (including) Hearing Loss]	38,904,350	8.0%	26,957,935	5.4%
Estimated Final Taxable Value Including TIRZ	441,045,261		442,602,706	
Less 90% of TIRZ Increment Valuation [Projected Adjusted Captured Value x 0.9]	(33,707,862)	-6.9%	(36,324,724)	-7.2%
City's Budgeted Taxable Value	407,337,399		406,277,982	

- The 2011 tax rate should be adopted on October 10, 2011. The proposed tax rate of 69.2120 cent per hundred dollar 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: Maintenance & Operations (M&O) and Debt Service. The proposed tax rate of 69.2120 cents is comprised of:

M&O Rate = 65.0720 cents per hundred dollars of value
 Debt Service Rate = 4.14000 cents per hundred dollars of value

Adding the M&O and the Debt Service rates provides the proposed tax rate of 69.2120 cents per hundred dollar valuation.

- The Debt Service tax rate is directly driven by the cost of repaying the City's debt. In an effort to standardize the debt related to the Water & Sewer Fund and pursue its true enterprise fund functionality, portions of existing debt that relate to utility fund activities have been transferred to the Water & Sewer Fund. The present debt requirements of the City, offset by contributions from the Water & Sewer Fund and other sources, have established the Debt Service rate for FY2011 at 4.1400 cents per hundred dollar valuation.
- The proposed M&O portion of the property tax rate of 65.0720 allows the City to accomplish a balanced budget and maintain reserve funds in the GFOA recommended range of 90 to 120 days.
- The 2011 Effective Tax Rate is 69.2434 cents per hundred dollar valuation and the 2011 Rollback Tax Rate is 73.9300 cents per hundred dollar valuation. The proposed tax rate is equal to last year's tax rate and will not change the average homeowner's property tax bill.
- Home Rule cities, like Nassau Bay, 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.

Budget Overview

~ Property Taxes

Budgeted Taxable Value & TIRZ Taxable Value

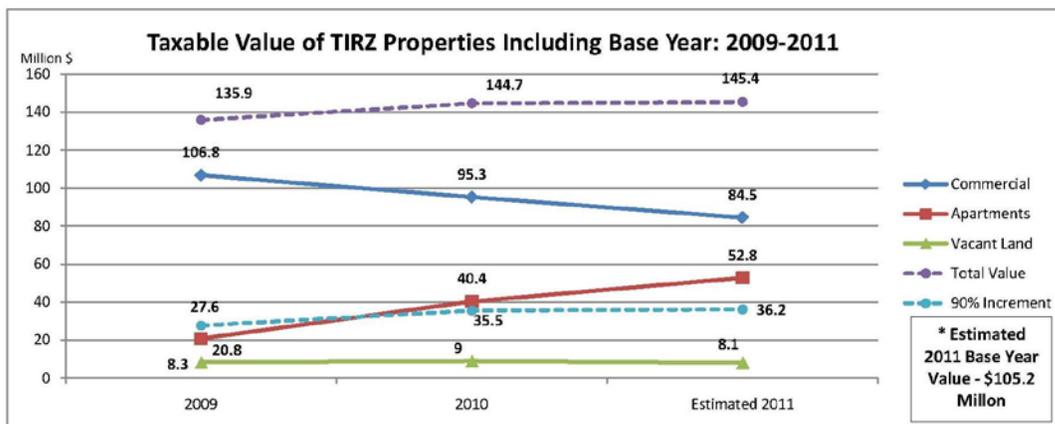
The Nassau Bay Tax Increment Reinvestment Zone #1 (TIRZ) property tax allocation, which is determined by the changing property values inside of the designated TIRZ area, is collected by the Harris County Tax Assessor Collector and submitted to the City as part of the total amount of property tax collected.

Each fiscal year in the third quarter, the City receives notification from the Harris County Appraisal District regarding the amount of property tax due to the TIRZ. Each fiscal year, as part of the budget process, seven months prior to receiving the final TIRZ allocation amount from HCAD, the City must anticipate the portion of property taxes that will be considered TIRZ revenue and be transferred to the TIRZ. The City budgets the receipt of the total property tax revenues while considering the anticipated apportioning of this amount to both the City and the TIRZ.

Therefore, the Budgeted Taxable Value calculation presents the property tax revenue that is anticipated for use by the City for Maintenance & Operations in the General Fund and for Debt Service obligations in the Debt Service Fund. These calculations are based on the taxable value minus 90% of the TIRZ Increment Valuation for a City Taxable Value of \$406,277,982 which. However, this amount does not account for the total property tax revenue that will be received by the City including the portion received on behalf of the TIRZ. The total amount of property tax revenue budgeted for receipt is \$3,063,342 but only \$2,811,931 of that is split between the General Fund and Debt Service Fund for City use.

The budgeted property tax revenue amount in the both the General Fund and Debt Service Fund (pg. 21 & 82) is based on the total taxable value, including the TIRZ (\$442,602,706), multiplied by the certified collection rate of 99.09%. The projected portion of the levy that will be transferred to the TIRZ is reflected in the budget as expenditures in the General and Debt Service Funds respectively.

	Tax Year 2011 Taxable Value	Total Levy	General Fund	Debt Service Fund
Estimated Final Taxable Value Including TIRZ	442,602,706	3,063,342	2,880,104	183,238
Less 90% of TIRZ Increment Valuation [Projected Adjusted Captured Value x 0.9]	(36,324,724)	(251,411)	(236,372)	(15,038)
City's Budgeted Taxable Value	406,277,982	2,811,931	2,643,732	168,199



Budget Overview

~ Property Taxes

Budgeted Taxable Value

	Tax Year	Taxable Value	Tax Rate	Tax Levy
Assessed Valuation	2001	340,829,010	0.594060	2,024,729
	2002	353,297,020	0.598000	2,112,716
	2003	355,372,110	0.619570	2,201,779
	2004	364,330,040	0.641570	2,337,432
	2005	368,832,846	0.656570	2,421,646
	2006	377,371,255	0.656570	2,477,706
	2007	397,566,924	0.632120	2,513,100
	2008	413,208,993	0.642120	2,653,298
	2009	402,367,229	0.642120	2,583,680
	2010	407,337,399	0.692120	2,819,264
	<i>Budget</i>	2011	406,277,982	0.692120

	Tax Year	M & O	Debt	Total Rate
Rate Distribution	2001	0.512870	0.081190	0.594060
	2002	0.483940	0.114060	0.598000
	2003	0.507050	0.112520	0.619570
	2004	0.534770	0.106800	0.641570
	2005	0.546440	0.110130	0.656570
	2006	0.534950	0.121620	0.656570
	2007	0.494310	0.137810	0.632120
	2008	0.513360	0.128760	0.642120
	2009	0.539340	0.102780	0.642120
	2010	0.650927	0.041193	0.692120
	<i>Budget</i>	2011	0.650720	0.041400

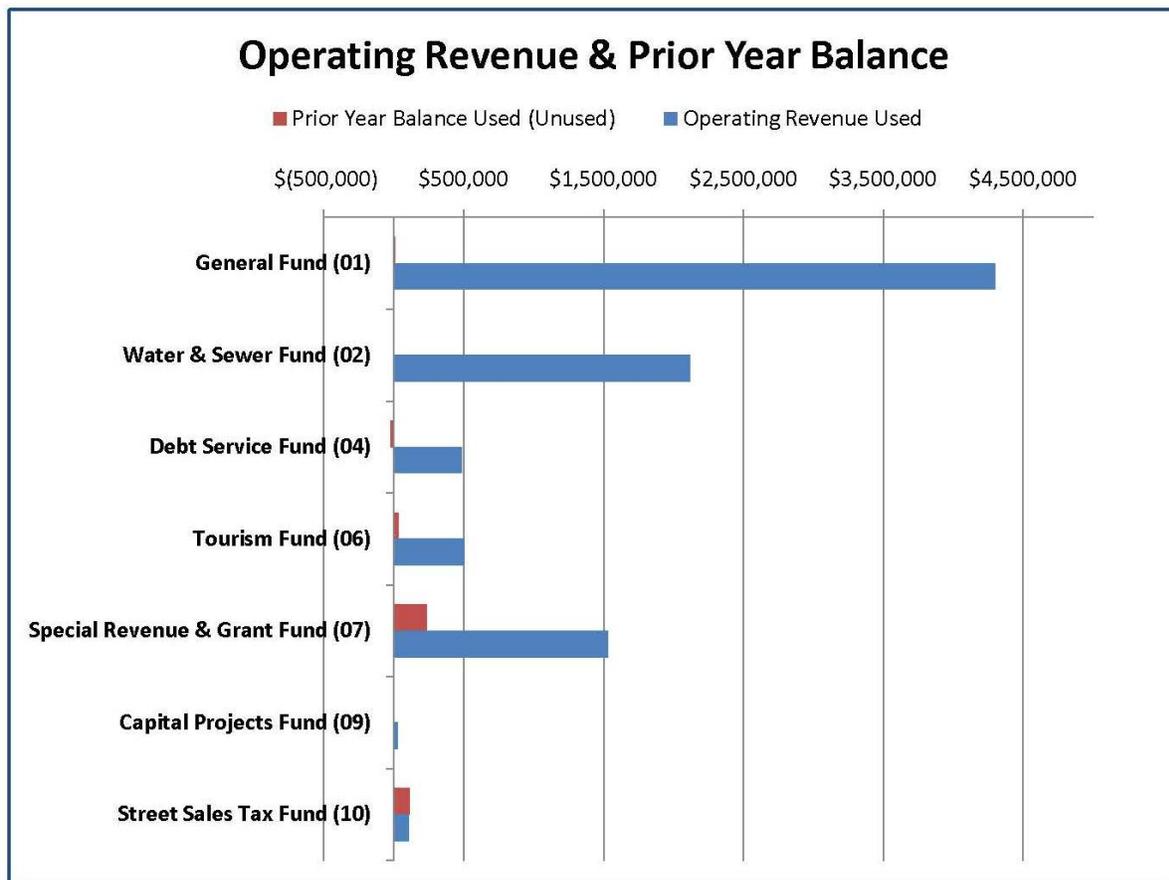
	Tax Year	M & O	Debt	Total Rate
Tax Levy	2001	1,748,010	276,719	2,024,729
	2002	1,709,746	402,971	2,112,716
	2003	1,801,914	399,865	2,201,779
	2004	1,948,328	389,104	2,337,432
	2005	2,015,450	406,196	2,421,646
	2006	2,018,748	458,959	2,477,706
	2007	1,965,213	547,887	2,513,100
	2008	2,121,250	532,048	2,653,298
	2009	2,170,127	413,553	2,583,680
	2010	2,651,469	167,794	2,819,264
	<i>Budget</i>	2011	2,643,732	168,199

Budget Overview

~ Fund Summaries

Revenue Budget for Fiscal Year 2012

	Operating Revenue Used	Prior Year Balance Used (Unused)	Total Revenue Used
General Fund (01)	\$ 4,297,215	\$ 10,582	\$ 4,307,797
Water & Sewer Fund (02)	2,116,600	(569)	2,116,031
Debt Service Fund (04)	484,167	(19,070)	465,097
Tourism Fund (06)	502,350	36,310	538,660
Special Revenue & Grant Fund (07)	1,529,668	233,810	1,763,478
Capital Projects Fund (09)	30,000	5,500	35,500
Street Sales Tax Fund (10)	106,600	116,280	222,880
Total	\$ 9,066,600	\$ 382,843	\$ 9,449,443

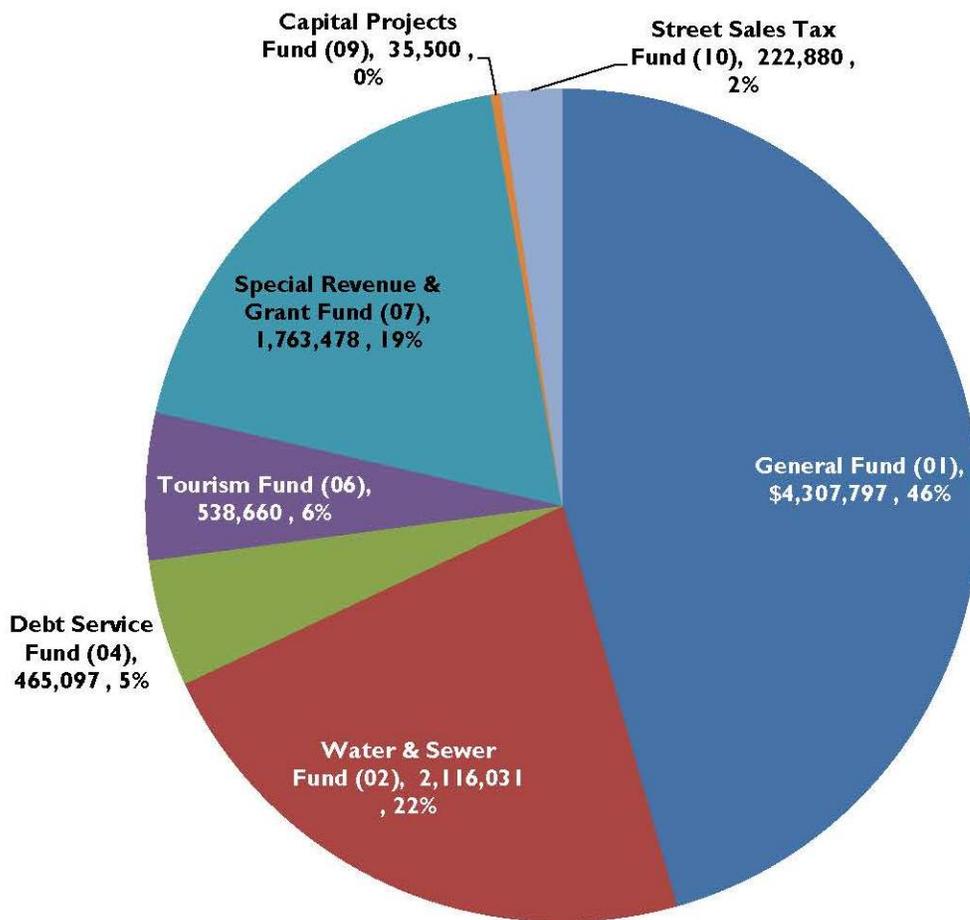


Budget Overview

~ Fund Summaries

Expenditure Budget for Fiscal Year 2012

	Budgeted Expenditures	% of Total Budget
General Fund (01)	\$ 4,307,797	45.6%
Water & Sewer Fund (02)	2,116,031	22.4%
Debt Service Fund (04)	465,097	4.9%
Tourism Fund (06)	538,660	5.7%
Special Revenue & Grant Fund (07)	1,763,478	18.7%
Capital Projects Fund (09)	35,500	0.4%
Street Sales Tax Fund (10)	222,880	2.4%
Total	\$ 9,449,443	100.0%



Budget Overview

~ Fund Summaries

	Budget FY10	Budget FY11	Budget FY12	Budget \$ Change
General Fund				
Revenue	4,272,749	4,365,509	4,060,815	(304,694)
Prior Year Balance Fwd	1,210,721	1,025,488	1,550,807	525,319
Expenditures	5,162,741	4,361,272	4,307,797	(53,475)
End of Year Fund Balance	320,729	1,029,725	1,303,825	274,100
Water & Sewer Fund				
Revenue	1,554,000	1,817,000	2,116,600	299,600
Prior Year Balance Fwd	361,473	111,143	538,197	427,054
Expenditures	1,837,519	1,789,385	2,116,031	326,646
End of Year Fund Balance	77,954	138,758	538,766	400,008
Debt Service Fund				
Revenue	468,862	477,029	469,067	(7,962)
Prior Year Balance Fwd	194,275	192,208	195,915	3,707
Expenditures	465,871	472,858	465,097	(7,761)
End of Year Fund Balance	197,266	196,379	199,885	3,506
Tourism Fund				
Revenue	528,000	525,350	502,350	(23,000)
Prior Year Balance Fwd	386,263	337,117	232,770	(104,347)
Expenditures	728,318	569,080	538,660	(30,420)
End of Year Fund Balance	185,945	293,387	196,460	(96,927)
Special Rev. & Grants Fund				
Revenue	13,700	568,400	1,529,668	961,268
Prior Year Balance Fwd	-	246,506	233,825	(12,681)
Expenditures	13,700	578,060	1,763,478	1,185,418
End of Year Fund Balance	-	236,846	15	(236,831)
Capital Projects Fund				
Revenue	-	-	30,000	30,000
Prior Year Balance Fwd	304,927	176,537	5,507	(171,030)
Expenditures	323,203	176,117	35,500	(140,617)
End of Year Fund Balance	(18,276)	420	7	(413)
Street Sales Tax Fund				
Revenue	95,650	93,400	106,600	13,200
Prior Year Balance Fwd	230,585	153,105	248,082	94,977
Expenditures	326,235	187,625	222,880	35,255
End of Year Fund Balance	-	58,880	131,802	72,922
TOTAL BUDGET				
Revenue	6,932,961	7,846,688	8,815,100	968,412
Prior Year Balance Fwd	2,688,244	2,242,104	3,005,103	762,999
Expenditures	8,857,587	8,134,397	9,449,443	1,315,046
End of Year Fund Balance	763,618	1,954,395	2,370,760	416,365

General Fund

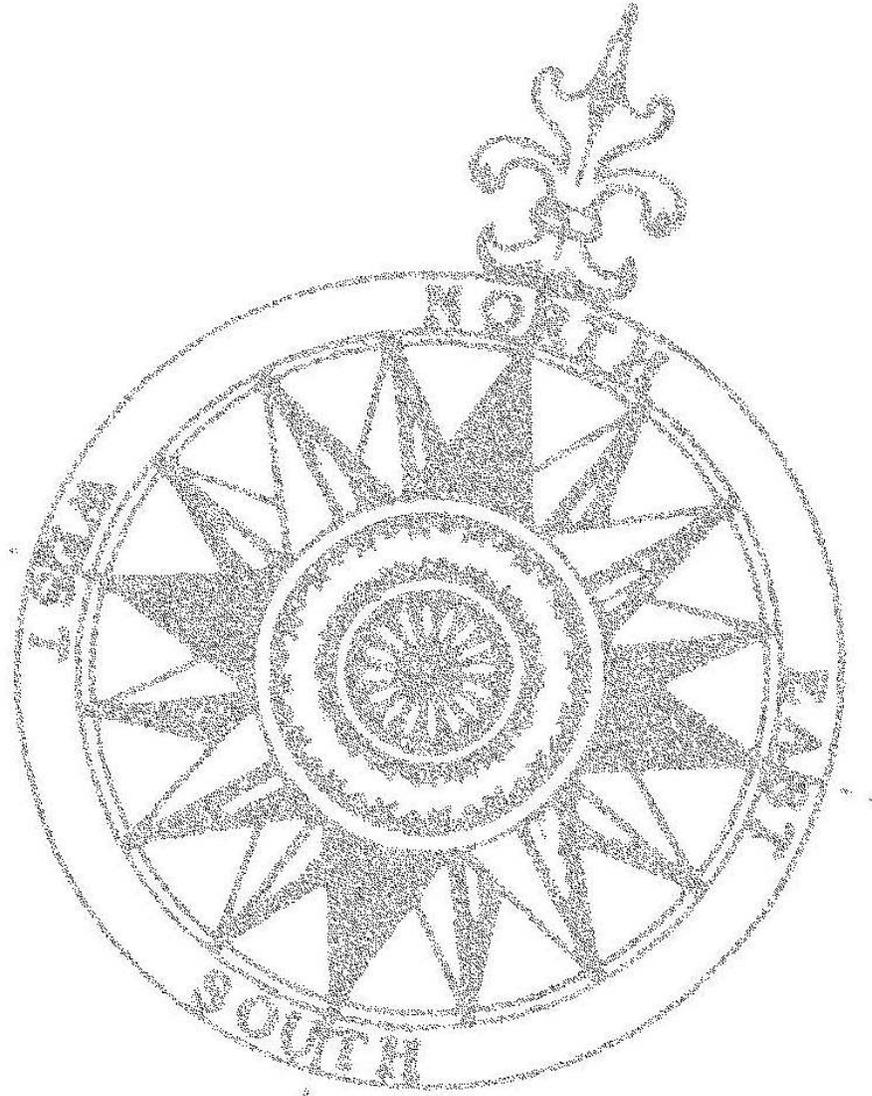
General Fund

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 benefitting 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 work.

- Department 01 - General & Administrative
- Department 02 - Building Department
- Department 03 - Emergency Management
- Department 04 - Fire Protection
- Department 05 - Public Works
- Department 06 - Parks & Recreation
- Department 07 - Police Department
- Department 08 - Sanitation & Recycling
- Department 09 - Animal Control
- Department 10 - Contingency
- Department 11 - Information Services
- Department 12 - Municipal Court
- Department 13 - Emergency Medical Service
- Department 14 - Fire Marshal
- Department 15 - Planning & Development

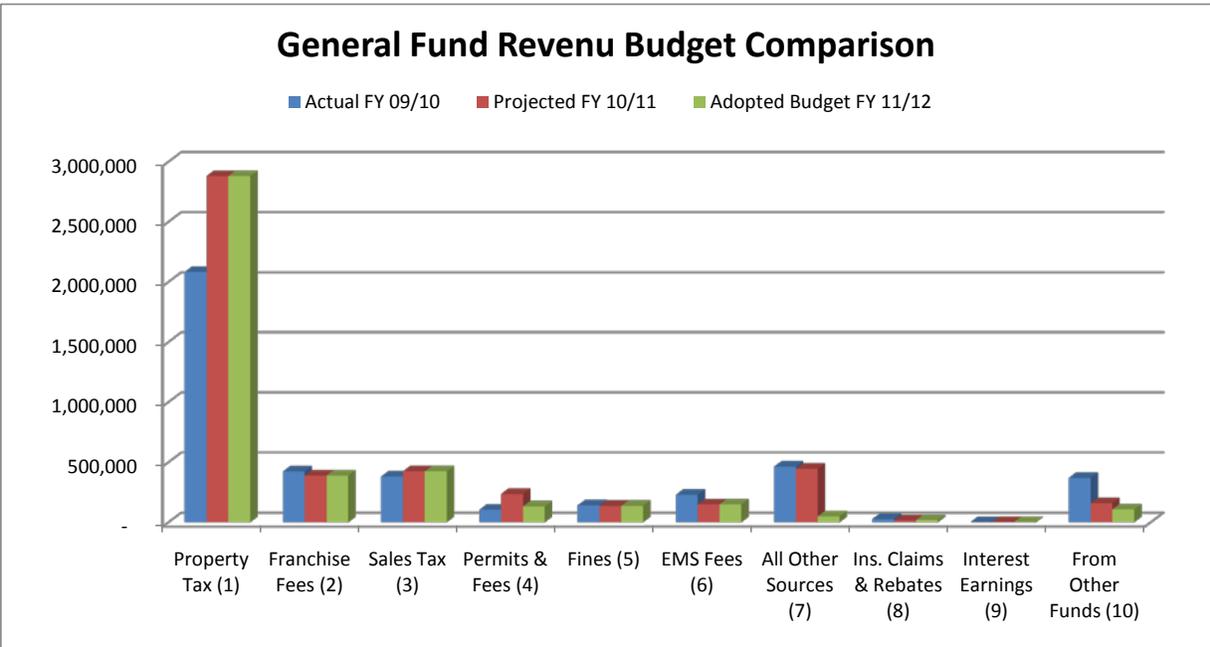


General Fund Revenue

~ Fund 01

Revenue Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
Property Tax (1)	2,143,649	2,083,752	2,891,883	2,881,495	2,881,495	-0.4%
Franchise Fees (2)	440,000	423,030	390,000	390,000	390,000	0.0%
Sales Tax (3)	371,400	380,786	371,400	424,400	424,400	14.3%
Permits & Fees (4)	251,500	105,086	132,150	236,320	133,550	1.1%
Fines (5)	80,000	141,030	82,040	137,600	137,550	67.7%
EMS Fees (6)	234,000	229,423	289,000	150,200	150,000	-48.1%
All Other Sources (7)	350,200	463,398	300,700	445,120	50,500	-83.2%
Ins. Claims & Rebates (8)	25,000	27,328	18,000	16,250	18,000	0.0%
Interest Earnings (9)	9,000	2,709	1,550	3,520	3,520	127.1%
From Other Funds (10)	368,000	369,833	108,200	159,400	108,200	0.0%
TOTAL	4,272,749	4,226,376	4,584,923	4,844,305	4,297,215	-6.3%
Prior Year Balance Forward	1,210,721	1,339,205	1,025,488	1,163,653	1,550,807	51.2%
End of Year Fund Balance	(320,728)	(1,025,488)	(1,029,725)	(1,550,807)	(1,303,825)	26.6%
Transfer to TIRZ			(219,414)	(214,325)	(236,400)	7.7%
GRAND TOTAL	5,162,742	4,540,093	4,361,272	4,242,826	4,307,797	-1.2%

- | | |
|---|--|
| Property Tax (1) 3005, 3010, 3015 | EMS Fees (6) 3605, 3606, 3309 |
| Franchise Fees (2) 3105 | All Other Sources (7) 3705, 3710, 3715, 3720 |
| Sales Tax (3) 3110 | (7) 3800, 3810, 3815, 3910 |
| Permits & Fees (4) 3115, 3205, 3206, 3305, 3307 | Ins. Claims & Rebates (8) 3905 |
| (4) 3308, 3310, 3312, 3315, 3405 | Interest Earnings (9) 3020, 3025, 3990 |
| Fines (5) 3116, 3505, 3506, 3507 | From Other Funds (10) 4910, 4915, 4920, 4922, 4923 |

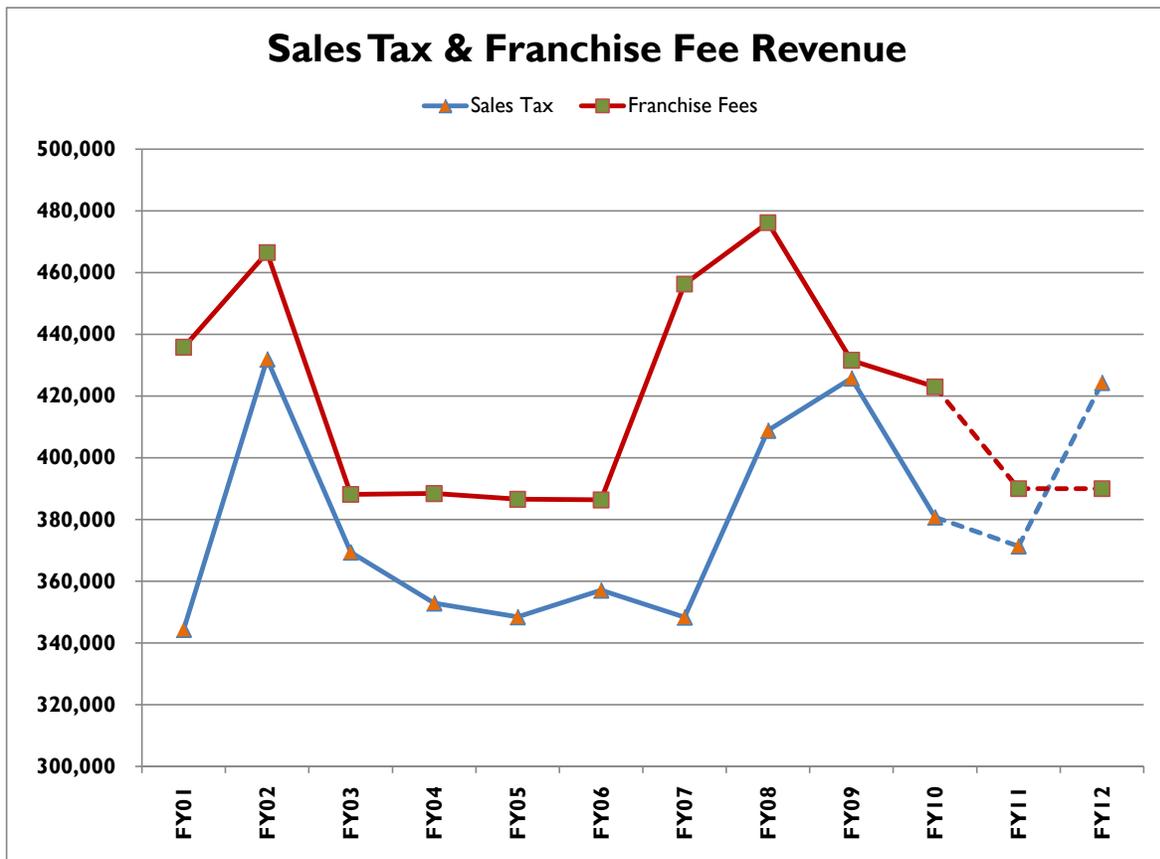


General Fund Revenue

~ Continued

Sales Tax	Year	Revenue
	FY01	344,341
	FY02	431,994
	FY03	369,414
	FY04	352,903
	FY05	348,439
	FY06	357,075
	FY07	348,326
	FY08	408,881
	FY09	425,823
	FY10	380,786
Projected	FY11	371,400
Budget	FY12	424,400

Franchise Fees	Year	Revenue
	FY01	435,848
	FY02	466,541
	FY03	388,182
	FY04	388,436
	FY05	386,565
	FY06	386,372
	FY07	456,327
	FY08	476,237
	FY09	431,624
	FY10	423,030
Projected	FY11	390,000
Budget	FY12	390,000



General Fund Revenue

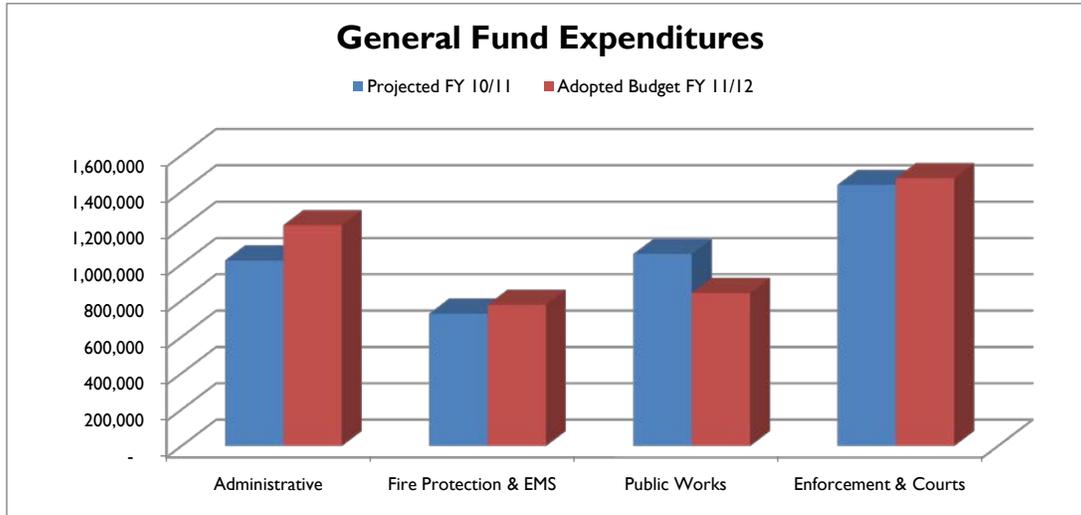
~ Fund 01

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
3005 Property Tax - Current	2,083,649	2,056,513	2,870,883	2,853,895	2,853,895	-0.6%
3010 Property Tax - Prior Years	40,000	9,862	5,000	16,600	16,600	232.0%
3015 Penalty & Interest	20,000	17,378	16,000	11,000	11,000	-31.3%
3020 Interest on Investment	-	124	50	2,000	2,000	3900.0%
3025 Cash Discounts Taken	-	-	-	20	20	100.0%
3105 Franchise Fees	440,000	423,030	390,000	390,000	390,000	0.0%
3110 Sales Tax	371,400	380,786	371,400	424,400	424,400	14.3%
3115 Alcoholic Beverage Tax	9,000	8,462	7,000	7,000	7,000	0.0%
3116 Child Passenger Safety	-	117	150	-	150	0.0%
3205 Animal Licenses	600	370	450	400	450	0.0%
3205 Animal Pound Fee	500	565	400	600	500	25.0%
3305 Building Permits	225,000	78,033	110,000	201,000	110,000	0.0%
3307 Fire Code Permits	2,500	2,916	2,500	11,700	4,000	60.0%
3308 Planning & Zoning Fees	1,000	630	700	3,000	1,000	42.9%
3309 Ambulance Permits	4,000	4,100	19,000	10,200	10,000	-47.4%
3310 Building & Craft Licenses	3,000	4,875	3,000	4,200	3,000	0.0%
3312 Business Licenses	2,200	440	400	720	400	0.0%
3315 Alcohol Licenses	2,700	3,705	2,700	2,700	2,700	0.0%
3405 Government Service Fees	5,000	5,089	5,000	5,000	4,500	-10.0%
3505 Fines	80,000	138,765	80,000	135,000	135,000	68.8%
3506 Court Time Pay Fees - Local	-	1,865	1,650	2,000	2,000	21.2%
3507 Court TLFTA3 - Local	-	283	240	600	400	66.7%
3605 Ambulance Fees	230,000	225,323	240,000	140,000	140,000	-41.7%
3606 Fire Department Fees	-	-	30,000	-	-	-100.0%
3705 Miscellaneous	3,000	6,981	3,000	1,500	3,000	0.0%
3710 Fixed Asset Sale Proceeds	100	6,551	-	64,600	-	0.0%
3715 Recyclable Material Sales	3,600	3,158	1,600	330	-	-100.0%
3720 Lien Revenue	-	10,069	-	16,690	-	0.0%
3800 Commercial Waste Collection	330,000	370,472	283,000	320,000	16,000	-94.3%
3810 Rent/Lease Revenue	12,000	35,131	11,600	42,000	30,000	158.6%
3815 Donations for City Programs	1,500	1,726	1,500	-	1,500	0.0%
3905 Insurance Claims & Rebates	25,000	27,328	18,000	16,250	18,000	0.0%
3910 Loan Proceeds - General Fund	-	29,309	-	-	-	0.0%
3990 Interest On Investments	9,000	2,585	1,500	1,500	1,500	0.0%
4910 Reimbursement - Other Funds	33,000	33,000	3,000	3,000	3,000	0.0%
4915 Reimbursement - TIRZ & NAMD	135,000	136,833	-	51,200	-	0.0%
4920 G&A Overhead - W&S	50,000	50,000	-	-	-	0.0%
4922 G&A Overhead - Tourism	50,000	50,000	5,200	5,200	5,200	0.0%
4923 G&A Overhead - EDC	100,000	100,000	100,000	100,000	100,000	0.0%
TOTAL - Current Revenue	4,272,749	4,226,376	4,584,923	4,844,305	4,297,215	(0)
9520 Prior Year Balance	1,210,721	1,339,205	1,025,488	1,163,653	1,550,807	1
9525 End of Year Fund Reserve	(320,728)	(1,025,488)	(1,029,725)	(1,550,807)	(1,303,825)	0
9529 Transfer to TIRZ	-	-	(219,414)	(214,325)	(236,400)	7.7%
GRAND TOTAL	5,162,742	4,540,093	4,361,272	4,242,826	4,307,797	(0)

General Fund Expenditures

~ Fund 01

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Administrative (1)	1,421,782	1,001,550	1,124,251	1,020,978	1,215,480	91,229
Fire Protection & EMS (2)	867,534	784,049	764,796	728,400	777,121	12,325
Public Works (3)	1,258,041	1,098,778	1,036,045	1,056,200	841,085	(194,960)
Enforcement & Courts (4)	1,615,384	1,510,513	1,436,180	1,437,235	1,474,110	37,930
TOTAL	5,162,741	4,394,890	4,361,272	4,242,813	4,307,796	(53,476)



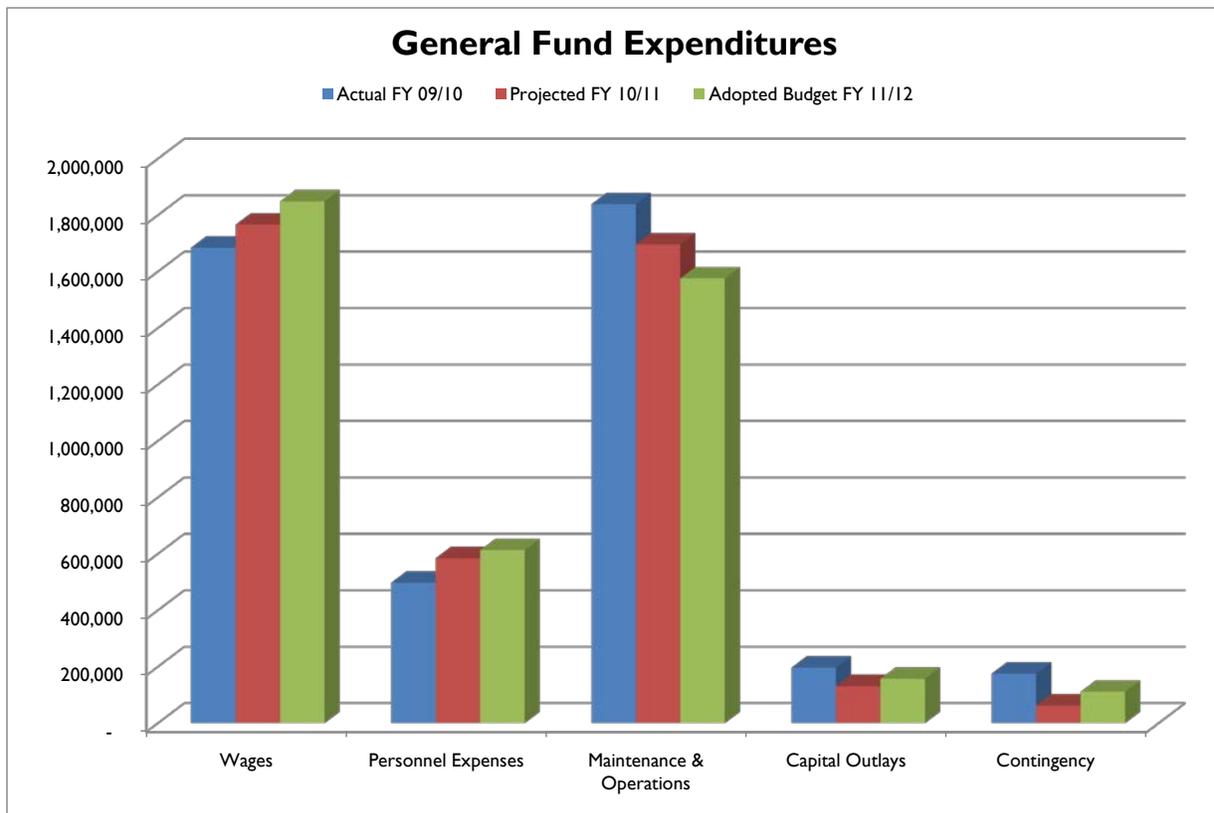
Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
1 General & Administrative	789,242	651,151	729,631	642,779	758,130	3.9%
2 Building Department	223,324	142,153	159,120	149,640	158,180	-0.6%
3 Emergency Management	11,690	10,571	120,620	121,242	122,810	1.8%
4 Fire Department	407,728	387,200	341,076	333,860	377,191	10.6%
5 Public Works	389,586	306,618	321,610	297,560	335,325	4.3%
6 Parks Department	323,435	239,498	226,130	233,590	270,710	19.7%
7 Police Department	1,177,311	1,182,768	1,066,811	1,080,670	1,101,010	3.2%
8 Sanitation & Recycling	545,020	552,662	488,305	525,050	235,050	-51.9%
9 Animal Control	32,322	30,495	33,570	33,100	34,740	3.5%
10 Contingency Department	447,000	175,717	91,000	63,000	111,650	22.7%
11 Information Services	138,543	130,786	165,270	176,227	205,160	24.1%
12 Municipal Court	69,968	65,621	72,620	72,040	72,380	-0.3%
13 Emergency Medical Service	459,806	396,849	423,720	394,540	399,930	-5.6%
14 Fire Marshal	112,459	89,476	104,059	101,785	107,800	3.6%
15 Planning & Development	35,307	33,325	17,730	17,730	17,730	0.0%
TOTAL	5,162,741	4,394,890	4,361,272	4,242,813	4,307,796	-1.2%
Over/(Under) Budget				(118,459)	(53,476)	Inc./(Decr.)

- (1) General & Admin., Emergency Mgmt., Contingency, Information Services, Planning & Development
- (2) Fire Department, Emergency Medical Service
- (3) Public Works, Parks Department, Sanitation & Recycling
- (4) Building Department, Police Department, Animal Control, Municipal Court, Fire Marshal

General Fund Expenditures

~ Fund 01

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages	1,893,371	1,685,135	1,765,340	1,766,470	1,848,930	83,590
Personnel Expenses	573,043	498,045	586,590	584,860	613,320	26,730
Maintenance & Operations	2,077,138	1,838,997	1,786,894	1,697,036	1,576,241	(210,653)
Capital Outlays	172,189	196,997	131,448	131,460	157,656	26,208
Contingency	447,000	175,717	91,000	63,000	111,650	20,650
TOTAL	5,162,741	4,394,891	4,361,272	4,242,826	4,307,797	(53,475)



General Fund Expenditures

~ Department 01

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 Reconciliation
- 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

Staffing

This department is staffed with 8 full-time employees.

- City Manager ^{FTE}
- Community Development Director ^{FTE}
- City Secretary ^{FTE}
- Finance Director ^{FTE}
- HR Administration / Records Management ^{FTE}
- Senior Accountant ^{FTE}
- Accountant ^{FTE}
- Customer Service/Utility Billing Coordinator ^{FTE}

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

General Fund Expenditures

01 ~ General & Administrative

Expenditures Summary		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages		252,104	187,172	225,290	221,590	252,490	27,200
Personnel Expenses		85,784	53,273	71,110	71,110	81,910	10,800
Maintenance & Operations		451,354	410,707	433,231	350,081	393,731	(39,500)
Capital Outlays		-	-	-	-	30,000	30,000
TOTAL		789,242	651,152	729,631	642,781	758,131	28,500
Line Item Detail		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4005	Audit	18,143	18,164	38,310	31,810	38,310	0.0%
4010	Tax Collector-Assessor & HCAD	26,000	22,370	26,000	28,700	28,700	10.4%
4030	Dues, Fees & Subscriptions	11,000	12,321	8,370	8,950	8,440	0.8%
4040	Advertising	6,250	9,700	6,250	6,250	6,250	0.0%
4042	Publications	23,200	12,446	8,600	8,100	8,600	0.0%
4045	Printing	5,000	3,858	5,000	2,500	5,000	0.0%
4055	Legal Fees	56,000	62,408	67,500	85,000	85,000	25.9%
4060	Contract Services	35,000	45,712	50,000	38,000	36,510	-27.0%
4061	Fixed Asset Management	2,000	-	2,000	-	2,000	0.0%
4062	City Programs	16,000	16,986	9,000	9,510	9,000	0.0%
4100	Rent/Lease - City Hall						0.0%
4105	Maintenance - Facilities	62,000	48,419	-	-	-	0.0%
4110	Maintenance - Equipment	6,000	4,214	1,000	300	1,000	0.0%
4115	Maintenance - Grounds	3,000	-	-	-	-	0.0%
4205	Supplies - Office	12,700	11,983	18,550	14,000	16,000	-13.7%
4210	Supplies - Postage	3,000	2,130	3,900	4,500	4,500	15.4%
4225	Supplies - Computers/Copiers	1,500	500	2,500	3,100	3,240	29.6%
4240	Supplies - Building	3,000	1,013	1,500	3,050	3,800	153.3%
4305	Wages	247,104	185,816	221,090	221,090	232,650	5.2%
4306	Overtime	5,000	1,356	4,200	500	4,200	0.0%
4308	Wages - Pay Plan/Merit	-	-	-	-	15,640	100.0%
4310	Social Security	19,286	13,391	17,240	17,240	19,450	12.8%
4390	Expense of City Officials	30,000	13,161	18,000	9,000	18,000	0.0%
4396	Phone Allowance	-	-	4,800	4,800	4,800	0.0%
4405	Insurance - Bonds	750	-	750	750	750	0.0%
4410	Insurance - General	12,200	10,615	10,500	7,720	7,720	-26.5%
4415	Insurance - Medical & Dental	22,739	19,459	23,000	23,000	27,740	20.6%
4420	Insurance - Unemployment	4,000	20,023	56,400	10,000	5,000	-91.1%
4425	Insurance - Workers' Comp	700	662	700	1,720	800	14.3%
4430	Retirement - Contribution	25,759	20,423	26,070	26,070	29,920	14.8%
4435	Retirement & Ins. - Admin.	18,000	-	-	-	-	0.0%
4440	Insurance - LT Disability	5,700	5,928	5,700	5,700	6,000	5.3%
4505	Utilities	70,999	56,350	65,000	65,000	65,000	0.0%
4510	Telecommunications	13,000	21,005	-	-	-	0.0%
4605	Training & Travel	4,900	6,772	6,600	7,000	11,150	68.9%
4705	Miscellaneous	5,000	(4,610)	-	(17,730)	-	0.0%
4710	Election Expense	10,000	4,466	10,000	9,550	15,000	50.0%
4904	Lease Purchase	2,311	2,174	5,600	5,600	2,460	-56.1%
4925	Transfer to Capital Projects Fund	-	-	-	-	30,000	100.0%
4930	Exams & Drug Testing	2,000	1,938	5,500	2,000	5,500	0.0%
TOTAL		789,242	651,152	729,631	642,781	758,131	3.9%

General Fund Expenditures

~ *Shared Expenses*

General & Administrative - Shared Expenses

Shared expenses are fixed amount assessments made by the General Fund to other funds for General and 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 Tourism Fund is debited from expenditure line item 4920 - General & Administrative Overhead (see page 87) and is credited to General Fund revenue line item 4922 - General & Administrative Overhead (see page 21).

General Fund Expenditures

General & Administrative ~ Shared Expenses

Line Item Detail	FY12	General	%	Tourism	%
	Budget	Fund		Fund	
4005 Audit	38,310	35,310	92%	3,000	8%
4055 Legal Fees	85,000	83,000	98%	2,000	2%
4110 Maintenance - Equipment	1,000	800	80%	200	20%
TOTAL	124,310	119,110	96%	5,200	4%

General Fund Expenditures

~ Continued

Building Department

The Building 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
- Planning Commission Support
- Board of Adjustment Support

Staffing

This department is staffed with 2 full-time employees.

- Building Official/Floodplain Administrator ^{FTE}
- Office Mgr./Bldg. Dept. ^{FTE}

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

02 ~ Building Department

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages	134,528	99,085	102,280	101,980	103,630	1,350
Personnel Expenses	41,514	33,229	38,960	38,960	39,550	590
Maintenance & Operations	47,282	9,839	17,880	8,700	15,000	(2,880)
Capital Outlays	-	-	-	-	-	-
TOTAL	223,324	142,153	159,120	149,640	158,180	(940)

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4030 Dues, Fees & Subscriptions	550	563	550	320	550	0.0%
4045 Printing	1,300	463	1,300	720	1,300	0.0%
4060 Contract Services	37,000	4,861	10,000	3,300	7,000	-30.0%
4120 Maintenance - Vehicles	1,500	178	1,500	1,140	1,500	0.0%
4205 Supplies - Office	650	206	-	140	-	0.0%
4220 Supplies - Uniforms	200	212	200	180	200	0.0%
4230 Supplies - Miscellaneous	150	-	-	-	-	0.0%
4245 Supplies - Gas & Oil	832	509	830	870	950	14.5%
4305 Wages	133,928	99,085	101,980	101,980	100,330	-1.6%
4306 Overtime	600	-	300	-	300	0.0%
4308 Wages - Pay Plan/Merit	-	-	-	-	3,000	100.0%
4310 Social Security	10,291	7,543	7,830	7,830	7,980	1.9%
4396 Phone Allowance	-	-	2,400	2,400	2,400	0.0%
4415 Insurance - Medical & Dental	16,242	14,549	16,890	16,890	16,890	0.0%
4425 Insurance - Workers' Comp	900	851	800	590	800	0.0%
4430 Retirement - Contribution	14,981	11,137	11,840	11,840	12,280	3.7%
4510 Telecommunications	1,100	1,133	-	-	-	0.0%
4605 Training & Travel	2,700	700	2,700	1,440	2,700	0.0%
4705 Miscellaneous	400	162	-	-	-	0.0%
TOTAL	223,324	142,153	159,120	149,640	158,180	-0.6%

General Fund Expenditures

~ Department 03

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 is staffed with 1 full-time employee.

- Emergency Mgmt. Coordinator ^{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

03 ~ Emergency Management

		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Expenditures Summary							
	Wages	-	2,222	84,170	84,170	88,450	4,280
	Personnel Expenses	-	325	25,660	25,660	26,790	1,130
	Maintenance & Operations	11,690	8,024	10,790	11,420	7,570	(3,220)
	Capital Outlays	-	-	-	-	-	-
	TOTAL	11,690	10,571	120,620	121,250	122,810	2,190
Line Item Detail		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4030	Dues, Fees & Subscriptions	450	150	620	620	620	0.0%
4045	Printing	1,000	180	700	700	700	0.0%
4060	Contract Services	6,400	5,212	4,800	4,940	-	-100.0%
4110	Maintenance - Equipment	350	-	100	100	100	0.0%
4230	Supplies - Emergency Operations	800	-	800	800	800	0.0%
4305	Wages	-	2,222	84,170	84,170	85,930	2.1%
4308	Wages - Pay Plan/Merit	-	-	-	-	2,520	100.0%
4310	Social Security	-	180	6,440	6,440	6,820	5.9%
4396	Phone Allowance	-	-	1,200	1,200	1,200	0.0%
4415	Insurance - Medical & Dental	-	-	8,280	8,280	8,280	0.0%
4430	Retirement - Contribution	-	145	9,740	9,740	10,490	7.7%
4510	Telecommunications	90	-	-	-	-	0.0%
4605	Training & Travel	2,500	2,372	3,770	4,260	5,350	41.9%
4705	Miscellaneous	100	110	-	-	-	0.0%
	TOTAL	11,690	10,571	120,620	121,250	122,810	1.8%

General Fund Expenditures

~ Department 04

Fire Department

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 & rescue services. 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 (60%).

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

Facilities:

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

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 Type I Fire Truck (pumper) |
| • 1994 Pierce | Dash Type I Fire Truck (pumper) |
| • 2005 Chevrolet | Silverado Truck – Utility Truck |
| • 2006 Trailer | Special Operations Trailer |
| • 2007 Chevrolet | Silverado Truck – Command Vehicle |
| • 2007 Boston Whaler | Marine Patrol/Fire Boat |
| • 2008 Zodiac | Inflatable Rescue Boat |
| • 2009 Pierce | Quantum Type I Fire Truck (rescue pumper) |

General Fund Expenditures

04 ~ Fire Department

Expenditures Summary	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	\$
	FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	Change
Wages	45,542	39,223	41,360	41,650	44,000	2,640
Personnel Expenses	47,617	39,857	45,710	38,710	45,240	(470)
Maintenance & Operations	156,380	154,505	140,140	139,630	168,585	28,445
Capital Outlays	158,189	153,614	113,866	113,870	119,366	-
TOTAL	407,728	387,200	341,076	333,860	377,191	36,115

Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	%
	FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	Change
4030 Dues, Fees & Subscriptions	3,650	3,407	3,750	3,750	3,850	2.7%
4060 Contract Services	2,900	2,860	2,900	3,710	2,900	0.0%
4105 Maintenance - Facilities	2,000	8,139	2,390	3,180	2,390	0.0%
4110 Maintenance - Equipment	10,000	16,551	10,000	10,000	11,825	18.3%
4120 Maintenance - Vehicles	28,000	24,629	28,050	26,000	28,050	0.0%
4125 Maintenance - Marine	3,000	4,585	3,600	4,100	3,600	0.0%
4205 Supplies - Office	2,000	1,070	-	-	-	0.0%
4215 Supplies - Medical	1,500	1,014	1,500	500	500	-66.7%
4220 Supplies - Uniforms	18,000	18,439	18,000	18,000	3,900	-78.3%
4221 Supplies - Protective Clothing	-	-	-	-	31,200	100.0%
4225 Supplies - Computers/Printers	2,490	1,927	-	-	-	0.0%
4230 Supplies - Miscellaneous	3,000	3,548	3,500	3,500	3,500	0.0%
4235 Supplies - Tools	2,000	2,609	3,000	4,840	3,000	0.0%
4245 Supplies - Gas & Oil	5,000	4,023	5,000	6,000	8,500	70.0%
4305 Wages	45,542	39,223	41,360	41,360	42,760	3.4%
4306 Overtime	-	-	-	290	-	0.0%
4308 Wages - Pay Plan/Merit	-	-	-	-	1,240	100.0%
4310 Social Security	3,484	3,037	3,170	3,170	3,390	6.9%
4396 Phone Allowance	-	-	2,400	2,400	2,400	0.0%
4410 Insurance - General	13,800	14,101	15,300	22,180	22,220	45.2%
4415 Insurance - Medical & Dental	4,061	3,637	4,230	4,230	4,230	0.0%
4425 Insurance - Workers' Comp	2,400	-	2,100	-	2,100	0.0%
4430 Retirement - Contribution	5,072	4,329	5,910	5,910	5,220	-11.7%
4435 Retirement - Volunteers	35,000	28,854	30,000	23,000	30,000	0.0%
4505 Utilities	5,040	7,392	6,850	6,850	6,850	0.0%
4510 Telecommunications	9,500	8,876	-	-	-	0.0%
4605 Training & Travel	18,000	11,153	16,000	7,000	16,000	0.0%
4705 Miscellaneous	100	139	-	370	-	0.0%
4904 Lease Purchase	150,689	150,689	113,866	113,870	113,866	0.0%
4905 Capital Outlays	5,000	2,925	-	-	5,500	100.0%
4906 Capital Outlays - Grant Match	2,500	-	-	-	-	0.0%
4910 Annual Banquet	9,000	9,935	7,200	8,500	7,200	0.0%
4911 Awards - Response & Incentive	9,000	7,665	9,000	9,000	9,000	0.0%
4912 Social Events	2,000	1,815	2,000	2,150	2,000	0.0%
4915 Child Safety Programs	1,500	569	-	-	-	0.0%
4930 Exams & Drug Testing	2,500	58	-	-	-	0.0%
TOTAL	407,728	387,200	341,076	333,860	377,191	10.6%

General Fund Expenditures

~ Department 05

Public Works

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

- 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
- Facility Maintenance

Staffing

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

- Public Works Director ^{FTE}
- 2 Field Crew Leaders ^{FTE}
- 4 Field Operators ^{FTE}
- Administrative Assistant ^{PTE}

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

05 ~ Public Works

Expenditures Summary		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget	FY 09/10	Budget	FY 10/11	Budget	FY 11/12
		FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	Change
Wages		168,572	138,556	137,870	140,970	147,090	9,220
Personnel Expenses		52,764	44,610	54,190	54,190	57,160	2,970
Maintenance & Operations		168,250	123,451	129,550	102,400	131,075	1,525
Capital Outlays							-
TOTAL		389,586	306,618	321,610	297,560	335,325	13,715

Line Item Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget	FY 09/10	Budget	FY 10/11	Budget	FY 11/12
		FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	Change
4030	Dues, Fees & Subscriptions	250	65	250	200	225	-10.0%
4070	Engineering	15,000	10,093	15,000	5,000	15,000	0.0%
4075	Mosquito Control	7,500	4,226	5,000	4,000	5,000	0.0%
4105	Maintenance - Facilities	2,500	2,661	2,500	2,650	2,500	0.0%
4110	Maintenance - Equipment/Safety	2,000	4,737	2,000	2,000	2,000	0.0%
4111	Maintenance - Storm Sewer	-	-	-	-	7,000	100.0%
4112	Maintenance - Storm Sewer LS	-	-	-	-	4,000	100.0%
4115	Maintenance - Grounds	2,000	2,032	2,000	2,200	-	-100.0%
4120	Maintenance - Vehicles	6,500	6,308	6,500	6,500	6,500	0.0%
4125	Maintenance - Street Lights	-	142	-	-	1,000	100.0%
4130	Maintenance - Streets & Curbs	20,000	19,117	-	400	2,500	100.0%
4131	Maintenance - Equipment Rental	10,000	6,075	10,000	5,000	6,000	-40.0%
4135	Maintenance - Street Sweeping	8,000	2,000	4,000	2,000	4,000	0.0%
4205	Supplies - Office	500	546	-	-	-	0.0%
4220	Supplies - Uniforms	3,200	2,821	3,200	3,200	3,200	0.0%
4230	Supplies - Hardware	8,000	6,808	8,000	2,500	-	-100.0%
4235	Supplies - Tools	2,500	2,291	2,500	1,800	2,000	-20.0%
4245	Supplies - Gas & Oil	22,000	16,871	22,000	25,000	22,000	0.0%
4250	Supplies - Miscellaneous	2,000	1,957	-	-	-	0.0%
4305	Wages	163,177	130,923	132,470	132,470	129,720	-2.1%
4306	Overtime	5,395	7,634	5,400	8,500	5,400	0.0%
4308	Wages - Pay Plan/Merit	-	-	-	-	11,970	100.0%
4310	Social Security	12,896	10,057	10,550	10,550	11,330	7.4%
4396	Phone Allowance	-	-	6,000	6,000	6,000	0.0%
4410	Insurance - General	8,100	7,048	7,000	10,240	10,240	46.3%
4415	Insurance - Medical & Dental	21,521	19,261	22,370	22,370	22,370	0.0%
4425	Insurance - Workers' Comp	5,300	5,011	4,600	7,910	7,910	72.0%
4430	Retirement - Contribution	18,347	15,292	15,270	15,270	17,460	14.3%
4505	Utilities (Street Lights/Pumps)	33,000	20,216	30,000	20,000	25,000	-16.7%
4510	Telecommunications	1,900	1,405	-	-	-	0.0%
4605	Training & Travel	5,000	322	5,000	1,800	5,000	0.0%
4705	Miscellaneous	3,000	701	-	-	-	0.0%
TOTAL		389,586	306,618	321,610	297,560	335,325	4.3%

General Fund Expenditures

~ Department 06

Parks & Recreation

The Parks & Recreation Department is responsible for the maintenance & operation of our public land facilities as well as assisting with 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 5 full-time employees.

- Parks Supervisor ^{FTE}
- 4 Maintenance ^{FTE}

The functions of the four annual Special Events are performed by the volunteer members of the Special Events Committee in coordination with city staff.

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

06 ~ Parks Department

Expenditures Summary		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget	FY 09/10	Budget	FY 10/11	Budget	FY 11/12
		FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	Change
Wages		114,283	97,805	104,920	107,800	106,250	1,330
Personnel Expenses		34,552	34,387	37,710	39,980	46,070	8,360
Maintenance & Operations		174,600	107,305	83,500	85,810	118,390	34,890
Capital Outlays							-
TOTAL		323,435	239,498	226,130	233,590	270,710	44,580

Line Item Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget	FY 09/10	Budget	FY 10/11	Budget	FY 11/12
		FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	Change
4030	Dues, Fees & Subscriptions	100	-	100	50	100	0.0%
4105	Maintenance - Facilities	20,000	8,759	20,000	15,000	19,000	-5.0%
4110	Maintenance - Equipment	3,000	3,180	3,000	3,000	3,000	0.0%
4115	Maintenance - Grounds	52,000	42,996	24,000	32,000	56,000	133.3%
4129	Maintenance - Park Lighting	-	-	-	-	3,000	100.0%
4135	Maintenance - Holiday Decorations	1,000	104	1,000	100	1,000	0.0%
4140	Maintenance - Lake Nassau	5,000	6,479	5,000	5,000	5,000	0.0%
4145	Maintenance - Channels/Buoys	1,500	1,262	1,500	1,500	1,500	0.0%
4228	Supplies - Mut Mits	2,500	3,051	2,500	2,500	2,500	0.0%
4230	Supplies - Miscellaneous	1,800	1,532	-	-	-	0.0%
4305	Wages	110,783	91,239	99,800	99,800	98,720	-1.1%
4306	Overtime	3,500	6,566	5,120	8,000	5,120	0.0%
4308	Wages - Pay Plan/Merit	-	-	-	-	2,410	100.0%
4310	Social Security	8,743	7,178	8,030	8,030	8,190	2.0%
4415	Insurance - Medical & Dental	17,054	17,395	17,730	20,000	25,290	42.6%
4425	Insurance - Workers' Comp	2,700	2,553	2,400	3,290	3,290	37.1%
4430	Retirement - Contribution	8,755	9,815	11,950	11,950	12,590	5.4%
4505	Utilities	10,000	12,772	10,000	7,500	8,000	-20.0%
4705	Miscellaneous	1,000	341	-	-	-	0.0%
4906	Grant Match - Peninsula Grant	-	-	-	2,250	-	0.0%
4908	Parks Committee	25,000	-	-	-	-	0.0%
4910	Special Events Committee	15,000	11,247	10,000	10,000	10,000	0.0%
4911	Street Tree Committee	10,000	-	-	-	-	0.0%
4912	Beautification Day & Projects	20,000	9,029	-	(380)	2,000	100.0%
4913	Environmental Restoration	4,000	4,000	4,000	4,000	4,000	0.0%
TOTAL		323,435	239,498	226,130	233,590	270,710	19.7%

General Fund Expenditures

~ Department 07

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
- Personnel Selection
- Community Relations
- Public Education

Staffing

This department is staffed with 13 full-time employees.

- Chief of Police ^{FTE}
- 2 Sergeants ^{FTE}
- 9 Patrol Officers ^{FTE}
- Office Manager ^{FTE}

Dispatch and detention 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

- 2006 Chevy Impala Unmarked Vehicle
- 2006 Chevy Impala Unmarked Vehicle
- 2007 Ford Crown Vic Marked Patrol Vehicle
- 2008 Ford Crown Vic Marked Patrol Vehicle
- 2010 Ford Expedition Marked Patrol Vehicle
- 2010 Ford Expedition Marked Patrol Vehicle

General Fund Expenditures

07 ~ Police Department

Expenditures Summary		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages		730,583	731,473	643,270	643,270	681,760	38,490
Personnel Expenses		251,073	238,030	245,640	245,640	244,190	(1,450)
Maintenance & Operations		195,655	183,956	160,319	174,170	167,220	6,901
Capital Outlays		-	29,309	17,582	17,590	7,840	-
TOTAL		1,177,311	1,182,768	1,066,811	1,080,670	1,101,010	34,199

Line Item Detail		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4030	Dues, Fees & Subscriptions	1,145	3,567	1,095	820	1,100	0.5%
4040	Advertising	200	-	200	200	200	0.0%
4045	Printing	500	180	500	250	500	0.0%
4046	Reproductions	6,000	5,363	-	-	-	0.0%
4050	Information Services	3,150	2,993	-	-	-	0.0%
4060	Contract Services	14,550	8,520	2,840	2,650	2,840	0.0%
4061	Dispatch Contract	60,000	59,165	60,000	60,000	60,000	0.0%
4062	Jail Contract	9,000	12,485	12,000	12,000	12,000	0.0%
4064	Investigation Funds	3,000	550	1,000	800	1,000	0.0%
4070	Professional Services	600	579	600	230	600	0.0%
4110	Maintenance - Equipment	4,800	1,680	1,800	3,050	1,800	0.0%
4120	Maintenance - Vehicles	10,500	12,771	10,500	10,500	10,500	0.0%
4125	Maintenance - Marine	600	531	-	-	-	0.0%
4220	Supplies - Uniforms	3,900	5,045	7,794	6,500	6,250	-19.8%
4225	Supplies - Computers/Printers	-	-	2,600	3,850	2,600	0.0%
4226	Supplies - Police	2,000	2,070	1,690	1,100	1,630	-3.6%
4227	Supplies - Photographic	300	-	-	-	-	0.0%
4230	Supplies - Miscellaneous	500	610	-	-	-	0.0%
4245	Supplies - Gas & Oil	27,500	26,548	27,500	34,000	35,000	27.3%
4305	Wages	722,583	727,354	637,270	637,270	653,860	2.6%
4306	Overtime	8,000	4,119	6,000	6,000	8,000	33.3%
4308	Wages - Pay Plan/Merit	-	-	-	-	19,900	100.0%
4310	Social Security	55,890	55,222	49,210	49,210	52,500	6.7%
4396	Phone Allowance	-	-	4,800	4,800	4,800	0.0%
4410	Insurance - General	9,700	9,555	8,300	17,070	8,300	0.0%
4415	Insurance - Medical & Dental	113,697	101,518	117,080	117,080	106,100	-9.4%
4425	Insurance - Workers' Comp	17,700	16,736	15,400	15,650	15,400	0.0%
4430	Retirement - Contribution	81,486	81,290	74,550	74,550	80,790	8.4%
4510	Telecommunications	11,200	9,563	-	-	-	0.0%
4605	Training & Travel	6,500	4,595	6,500	5,500	7,500	15.4%
4705	Miscellaneous	400	50	-	-	-	0.0%
4904	Lease Purchase	1,910	799	17,582	17,590	7,840	-55.4%
4905	Capital Outlays	-	29,309	-	-	-	0.0%
TOTAL		1,177,311	1,182,768	1,066,811	1,080,670	1,101,010	3.2%

General Fund Expenditures

~ Department 08

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
- Public Information & Recycling Education
- Coordination and Sponsorship of Public-Private Recycling Programs
- Commercial Solid Waste Collection & Disposal

Staffing

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

Various activities associated with the Sanitation & Recycling Department are performed by:

- Public Works Director ^{FTE}
- Public Works Field Employees ^{FTE}
- Customer Service/Utility Billing Assistant ^{FTE}
- Fire Marshal ^{PTE}

The City contracts with a private solid waste company to collect and dispose of residential and commercial solid waste. For residential waste removal, the contractor is paid monthly based on the number of occupied residential units in the City. For commercial waste removal, customers make payment directly to the contractor and the city receives a portion of the collected services charges as revenue for right-of-way rental fees.

Facilities

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

A recycling container site is provided in the parking lot of 1275 Space Park Dr. During FY12 the City plans to begin a new voluntary recycling program in which residents can elect to participate in the fee-based service. This recycling program will provide for curbside pick-up of recycling at participating residences.

Vehicles

This department has no vehicles.

Collection and hauling vehicles are provided by the City's solid waste contractor.

General Fund Expenditures

08 ~ Sanitation & Recycling

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages						-
Personnel Expenses						-
Maintenance & Operations	545,020	552,662	488,305	525,050	235,050	(253,255)
Capital Outlays						-
TOTAL	545,020	552,662	488,305	525,050	235,050	(253,255)

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4090 Solid Waste Collection	250,475	250,470	250,470	232,500	232,500	-7.2%
4091 Contract - Bayfront	2,045	2,040	2,045	2,050	2,050	0.2%
4230 Supplies - Miscellaneous	500	61	500	500	500	0.0%
4800 Commercial Solid Waste	292,000	300,091	235,290	290,000	-	-100.0%
TOTAL	545,020	552,662	488,305	525,050	235,050	-51.9%

General Fund Expenditures

~ Department 09

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

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}
- Customer Service/Utility Billing Assistant ^{FTE}

Facilities

Office space is provided within City Hall for licensing activities.

Animal shelter space is provided by the Public Works Department.

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

09 ~ Animal Control

Expenditures Summary		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages		17,396	19,274	18,380	18,950	18,790	410
Personnel Expenses		6,076	6,204	6,340	6,340	6,640	300
Maintenance & Operations		8,850	5,017	8,850	7,810	9,310	460
Capital Outlays							-
TOTAL		32,322	30,495	33,570	33,100	34,740	1,170

Line Item Detail		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4030	Dues, Fees & Subscriptions	100	-	100	50	100	0.0%
4060	Contract Services	2,600	1,120	2,600	1,500	2,600	0.0%
4105	Maintenance - Facilities	2,800	545	2,800	2,800	2,800	0.0%
4230	Supplies	2,400	2,516	2,400	2,400	2,400	0.0%
4305	Wages	16,346	17,432	17,300	17,300	16,860	-2.5%
4306	Overtime	1,050	1,842	1,080	1,650	1,500	38.9%
4308	Wages - Pay Plan/Merit	-	-	-	-	430	100.0%
4310	Social Security	1,331	1,498	1,410	1,410	1,450	2.8%
4415	Insurance - Medical & Dental	2,842	2,546	2,960	2,960	2,960	0.0%
4425	Insurance - Workers' Comp	600	567	600	1,060	1,060	76.7%
4430	Retirement - Contribution	1,903	2,160	1,970	1,970	2,230	13.2%
4510	Telecommunications	-	35	-	-	-	0.0%
4605	Training & Travel	350	234	350	-	350	0.0%
TOTAL		32,322	30,495	33,570	33,100	34,740	3.5%

General Fund Expenditures

~ Department 10

Contingency

The City's Charter provides for a contingency department not to exceed 5% of the General Fund proposed expenditures. The FY11 General Fund Budget includes expenditures of \$4,401,372 and a contingency budget of \$100,000.

These funds are expended at the discretion of the City Manager in unexpected situations meriting such designation. The contingency department allocation is beneficial when the City is presented with unanticipated opportunities or costs.

Availability of contingency funds will be critical should the City be faced with a natural disaster or other significant emergency situation. 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>
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	20,344
2009/10	447,000	175,717
2010/11	100,000	63,000*
2011/12	111,650	

*Projected

General Fund Expenditures

10 ~ Contingency Department

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages						-
Personnel Expenses						-
Maintenance & Operations						-
Capital Outlays						
Contingency	447,000	175,717	91,000	63,000	111,650	-
TOTAL	447,000	175,717	91,000	63,000	111,650	20,650

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4060 Contract Services	40,000	27,463	-	-	-	0.0%
4070 Grant Matches	60,000	60,000	-	-	61,650	100.0%
4160 City Charter Contingency	247,000	514	91,000	63,000	50,000	-45.1%
4170 Reserve - Legal Claims	50,000	64,606	-	-	-	0.0%
4415 Reserve - Insurance	25,000	13,687	-	-	-	0.0%
4715 Reserve - Flood Damage	25,000	9,447	-	-	-	0.0%
TOTAL	447,000	175,717	91,000	63,000	111,650	22.7%

General Fund Expenditures

~ Department 11

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
- Liaison with Contracted Service and Software Providers
- Website Maintenance

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.

In FY11 the City moved the email server to the cloud, providing for greater email capacity, higher security, and less hardware maintenance issues.

The Information Services Department provides services that are reimbursed by the departments and funds that receive the benefit. See Information Services - Reimbursed Expenses, pages 48-49.

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}
- Police Department Office Manager ^{FTE}

Facilities

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

Vehicles

This department has no vehicles.

General Fund Expenditures

II ~ Information Services

Expenditures Summary	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget	FY 09/10	Budget	FY 10/11	Budget	FY 11/12
	FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	\$ Change
Wages	29,294	29,452	31,770	32,060	31,300	(470)
Personnel Expenses	9,749	9,230	12,630	12,630	12,690	60
Maintenance & Operations	85,500	78,030	120,870	131,540	161,170	40,300
Capital Outlays	14,000	14,074	-	-	-	-
TOTAL	138,543	130,786	165,270	176,230	205,160	39,890

Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget	FY 09/10	Budget	FY 10/11	Budget	FY 11/12
	FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	% Change
4030 Dues, Fees & Subscriptions	300	180	11,970	11,970	17,150	43.3%
4070 Contract Computer Services	30,300	22,344	45,100	45,000	68,620	52.2%
4072 Maintenance - Software	4,500	6,482	4,500	4,000	4,500	0.0%
4110 Maintenance - Equipment	7,000	7,856	10,500	9,500	11,000	4.8%
4205 Supplies - Office	1,100	330	-	70	-	0.0%
4225 Supplies - Computers/Printers	1,500	2,765	2,500	500	2,500	0.0%
4305 Wages	29,294	29,452	31,770	31,770	30,380	-4.4%
4306 Overtime	-	-	-	290	-	0.0%
4308 Wages - Pay Plan/Merit	-	-	-	-	920	100.0%
4310 Social Security	2,241	2,290	2,430	2,430	2,450	0.8%
4415 Insurance - Medical & Dental	4,061	3,637	6,440	6,440	6,440	0.0%
4430 Retirement - Contribution	3,447	3,302	3,760	3,760	3,800	1.1%
4510 Telecommunications	26,900	29,173	44,700	60,000	55,800	24.8%
4511 Channel 16	12,000	8,021	-	-	-	0.0%
4605 Training & Travel	1,600	880	1,600	500	1,600	0.0%
4705 Miscellaneous	300	-	-	-	-	0.0%
4905 Capital Outlays	14,000	14,074	-	-	-	0.0%
TOTAL	138,543	130,786	165,270	176,230	205,160	24.1%

General Fund Expenditures

~ *Reimbursed Expenses*

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.

Tourism Fund reimbursements are charged to line item 4050 - Information Services and credited to General Fund revenue line item 4910 - Reimbursement - Other Funds (see page 21).

General Fund Expenditures

11 ~ Information Services Reimbursement Schedule

Line Item Detail	Adopted	General		W & S		Tourism	
	Budget	Fund	%	Fund	%	Fund	%
	FY 11/12						
4070 Contract Computer Services	68,620	67,378	98.2%	-	0%	1,242	1.8%
4072 Maintenance - Software	4,500	4,376	97.2%	-	0%	124	2.8%
4110 Maintenance - Equipment	11,000	10,711	97.4%	-	0%	289	2.6%
4225 Supplies - Computers/Printers	2,500	2,431	97.2%	-	0%	69	2.8%
4510 Telecommunications	55,800	54,569	97.8%	-	0%	1,231	2.2%
4605 Training & Travel	1,600	1,555	97.2%	-	0%	45	2.8%
TOTAL	144,020	141,020	97.9%	-	0%	3,000	2.1%

General Fund Expenditures

~ Department 12

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 one (1) hourly employee.

- Presiding Judge ^{HE}

The functions 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

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages	12,000	12,000	12,000	12,000	12,000	-
Personnel Expenses	918	(952)	920	2,030	930	10
Maintenance & Operations	57,050	54,572	59,700	58,010	59,450	(250)
Capital Outlays	-	-	-	-	-	-
TOTAL	69,968	65,621	72,620	72,040	72,380	(240)

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4030 Dues, Fees & Subscriptions	-	-	500	10	250	-50.0%
4045 Printing	200	-	200	-	200	0.0%
4059 Contract Services	52,000	37,500	-	-	-	0.0%
4060 Contract Services	4,500	16,613	58,000	58,000	58,000	0.0%
4305 Wages	12,000	12,000	12,000	12,000	12,000	0.0%
4310 Social Security	918	918	920	920	930	1.1%
4415 Insurance - Medical & Dental	-	(1,870)	-	1,110	-	0.0%
4425 Insurance - Workers' Comp	50	47	-	-	-	0.0%
4605 Training & Travel	-	412	1,000	-	1,000	0.0%
4705 Miscellaneous	300	-	-	-	-	0.0%
TOTAL	69,968	65,621	72,620	72,040	72,380	-0.3%

General Fund Expenditures

~ Department 13

Emergency Medical Service

Staffing

This department is staffed with 4 part-time employees and a pool of hourly paramedics. The Administrative Assistant is expensed 40% to this department while the remaining 60% is charged to the Fire Department.

- 1 EMS Administrator ^{PTE}
- 2 EMS Supervisor ^{PTE}
- 1 Administrative Assistant ^{PTE}
- Paramedics ^{HE}

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

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages	320,690	272,575	291,920	289,920	287,970	(3,950)
Personnel Expenses	31,366	29,417	31,450	33,340	35,980	4,530
Maintenance & Operations	107,750	94,857	100,350	71,280	75,980	(24,370)
Capital Outlays						-
TOTAL	459,806	396,849	423,720	394,540	399,930	(23,790)

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4030 Dues, Fees & Subscriptions	160	-	160	370	370	131.3%
4045 Printing	800	1,332	1,000	940	1,000	0.0%
4056 Contract Billing	48,000	34,957	48,000	19,500	20,000	-58.3%
4057 Licenses	890	40	890	840	890	0.0%
4100 Rent/Lease	-	-	-	-	1,000	100.0%
4105 Maintenance - Facilities	500	666	-	2,890	700	100.0%
4110 Maintenance - Equipment	3,000	593	3,000	500	1,000	-66.7%
4120 Maintenance - Vehicles	2,500	7,965	2,500	4,200	4,500	80.0%
4205 Supplies - Office	500	1,323	-	-	-	0.0%
4215 Supplies - Medical	18,000	17,492	18,000	15,600	18,000	0.0%
4220 Supplies - Uniforms	3,500	6,209	3,500	4,300	3,500	0.0%
4245 Supplies - Gas & Oil	6,000	4,088	6,000	4,700	6,000	0.0%
4305 Wages	308,690	257,065	279,920	279,920	263,870	-5.7%
4306 Overtime	12,000	15,510	12,000	10,000	16,000	33.3%
4308 Wages - Pay Plan/Merit	-	-	-	-	8,100	100.0%
4310 Social Security	24,166	20,938	22,340	22,340	22,180	-0.7%
4396 Phone Allowance	-	-	1,200	2,000	1,200	0.0%
4410 Insurance - General	4,200	3,654	3,600	8,120	8,120	125.6%
4425 Insurance - Workers' Comp	13,400	12,670	11,700	8,900	8,900	-23.9%
4430 Retirement - Contribution	7,200	8,479	7,910	9,000	12,600	59.3%
4510 Telecommunications	4,000	3,686	-	-	-	0.0%
4605 Training & Travel	1,500	146	2,000	420	2,000	0.0%
4705 Miscellaneous	300	36	-	-	-	0.0%
4930 Exams & Drug Testing	500	-	-	-	-	0.0%
TOTAL	459,806	396,849	423,720	394,540	399,930	-5.6%

General Fund Expenditures

~ Department 14

Fire Marshal & Code Enforcement

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 and other Health & Safety Ordinances
- 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 by 2 part-time and several hourly employees.

- Fire Marshal/Administrative Assistant ^{PTE}
- Assistant Fire Marshal ^{PTE}
- Deputy Fire Marshals ^{HE}

Facilities

Office space is provided within City Hall for this department.

Vehicles

- 1998 Ford Expedition

General Fund Expenditures

14 ~ Fire Marshal

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages	68,379	56,296	72,110	72,110	75,200	3,090
Personnel Expenses	11,630	10,433	16,270	16,270	16,170	(100)
Maintenance & Operations	32,450	22,747	15,679	13,405	15,980	301
Capital Outlays	-	-	-	-	450	-
TOTAL	112,459	89,476	104,059	101,785	107,800	3,741

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4030 Dues, Fees & Subscriptions	3,075	2,543	2,054	2,000	3,100	50.9%
4045 Printing	475	401	375	275	380	1.3%
4060 Contract Services	200	-	250	-	250	0.0%
4063 Property Liens Expense	12,000	8,507	3,000	1,000	1,000	-66.7%
4120 Maintenance - Vehicles	3,000	1,426	3,000	2,900	3,000	0.0%
4220 Supplies - Uniforms	1,000	981	1,000	980	1,000	0.0%
4227 Supplies - Photographic	300	271	300	-	300	0.0%
4230 Supplies - Fire & Equipment	1,400	1,318	1,400	1,250	1,250	-10.7%
4245 Supplies - Gas & Oil	1,200	1,318	1,200	1,900	1,200	0.0%
4305 Wages	68,379	56,258	72,110	72,110	73,000	1.2%
4306 Overtime	-	38	-	-	-	0.0%
4308 Wages - Pay Plan/Merit	-	-	-	-	2,200	100.0%
4310 Social Security	5,231	4,411	5,520	5,520	5,820	5.4%
4396 Phone Allowance	-	-	2,400	2,400	2,400	0.0%
4425 Insurance - Workers' Comp	600	567	600	600	500	-16.7%
4430 Retirement - Contribution	6,399	6,021	8,350	8,350	7,950	-4.8%
4510 Telecommunications	2,700	1,410	-	-	-	0.0%
4605 Training & Travel	4,500	3,275	2,500	2,500	4,000	60.0%
4705 Supplies - Office & Misc.	2,000	731	-	-	-	0.0%
4905 Capital Outlays	-	-	-	-	450	100.0%
TOTAL	112,459	89,476	104,059	101,785	107,800	3.6%

General Fund Expenditures

~ Department 15

Planning & Development

The Planning & Development Department provides funding for administrative costs associated with development in the City. In the coming year this department will fund the audit of the Tax Reinvestment Zone #1 financials. Additionally, the department will help with the funding for review and update of the Zoning Ordinance.

Staffing

This department has no employees.

Facilities

Office space is provided within City Hall for this department.

Vehicles

This department has no vehicles.

General Fund Expenditures

15 ~ Planning & Development

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	35,307	33,325	17,730	17,730	17,730	-
Capital Outlays	-	-	-	-	-	-
TOTAL	35,307	33,325	17,730	17,730	17,730	-

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4005 Audit	10,307	10,307	7,730	7,730	7,730	0.0%
4060 Contract Services	25,000	23,018	10,000	10,000	10,000	0.0%
TOTAL	35,307	33,325	17,730	17,730	17,730	0.0%

General Fund Expenditures

~ Continued

FY 11-12 Capital Outlay Summary

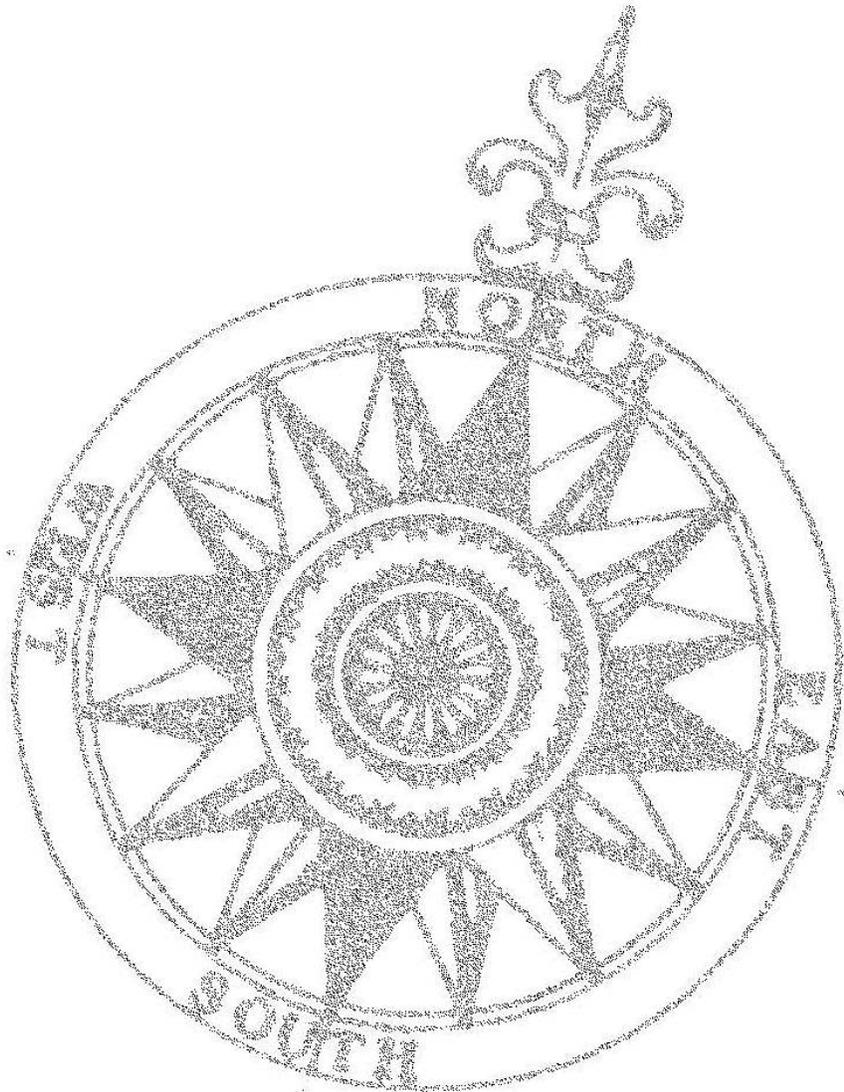
<u>General Fund</u>	
Fire Department	\$119,366
Fire Marshal	<u>\$ 450</u>
Total General Fund	\$119,816
Total Capital Outlay Summary	\$119,816

General Fund Expenditures

~ Continued

FY 11-12 Capital Outlay Detail

		<u>General Fund</u>
Fire Department		
Fire Truck		\$113,866
Replacement Fire Pagers		\$2,500
Safety Railing		\$1,000
Electric PPV Fan		\$2,000
Fire Marshal		
Legal Size 4-Drawer Filing Cabinet		\$ 250
Book Shelf		\$ 200



Water & Sewer Fund

~ Fund 02

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 benefitting 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 and sewer works. Property taxes do not benefit nor contribute to the Water & Sewer Fund. Service rates increased during the past fiscal year and have provided the fund with the ability to pay for debt issuance related to water and wastewater provision. Specifically, through the Texas Water Development Board, the City received bond revenue to complete \$2.1 million in improvements to the water and wastewater provision system.

The City serves approximately 1,450 water and sewer customers. Of these approximately 1,200 are residential customers and 250 are commercial customers.

The City's Five-Plus-Year Capital Improvement Plan has been updated with the assistance of HDR|Claunch & Miller, Inc. and includes many significant repairs and maintenance items related to the water and wastewater systems. Many of these items were funded by the TWDB bond revenue; those items which remain unfunded are part of a second phase plan.

Departments

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

- Department 01 – General & Administrative
- Department 02 – Water Department
- Department 03 – Sewer Department
- Department 04 – Debt Service & Depreciation Department

Water & Sewer Fund

~ Revenue Description

Water & Sewer Fund

Water Sales

Revenues are from the sale of treated drinking water. With the adoption of new water rates during the past fiscal year, water rates now include a fixed monthly charge combined with monthly consumption charges based on volume of usage. Billing occurs on a monthly basis.

Sewer Service Charges

Revenues are from the sale of sewer service. With the adoption of new water rates during the past fiscal year, sewer rates now include a fixed monthly charge combined with monthly consumption charges based on volume of usage. Sewer consumption is calculated based on the metered water consumption. Billing occurs on a monthly basis.

Penalties & Interest

Revenues are from penalties (e.g. insufficient fund check returns, re-connect fees) for additional costs incurred and interest levied against delinquent utility payments.

Interest on Investment

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

Water Tap Fees

Revenues are from charges for supplies, labor, and inspection of connections to the City's water distribution system. This includes charges for water metering equipment.

Sewer Tap Fees

Revenues are from charges for supplies, labor & inspection for adding or enlarging connections to the City's wastewater collection system.

Miscellaneous

Revenues resulting from incidental or unanticipated sources not assigned to another line item.

Fixed Asset Sale

Revenues are from proceeds from the sale of City-owned property. This includes items such as surplus pipe, valves, machinery, vehicles, scrap metal, etc.

Water & Sewer Fund Revenue

~ Fund 02

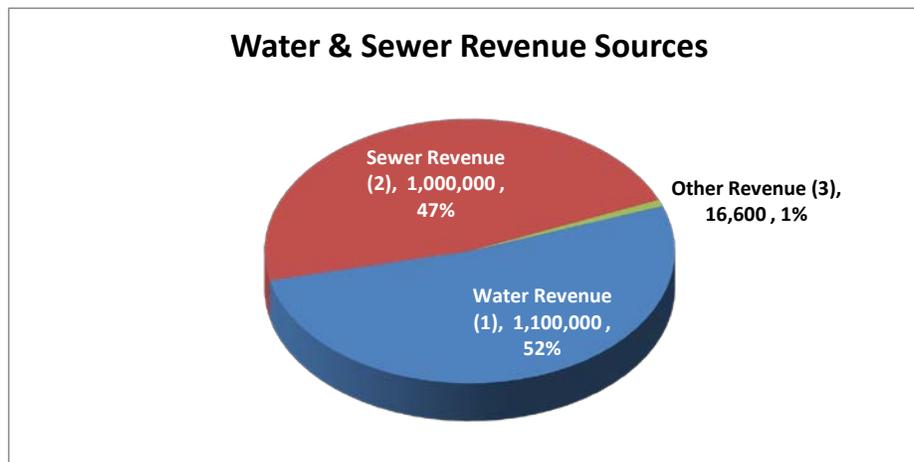
Revenue Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Water Revenue (1)	860,000	850,890	919,000	989,000	1,100,000	181,000
Sewer Revenue (2)	655,000	691,258	878,800	944,000	1,000,000	121,200
Other Revenue (3)	39,000	62,751	19,200	38,320	16,600	(2,600)
TOTAL	1,554,000	1,604,899	1,817,000	1,971,320	2,116,600	299,600
Prior Year Balance Forward	361,473	-	111,143	243,557	538,197	427,054
End of Year Fund Balance	(77,954)	-	(138,758)	(538,197)	(538,766)	(400,008)
Transfer To(From) Capital Proj	-	-	-	165,000	-	-
GRAND TOTAL	1,837,519	1,604,899	1,789,385	1,841,680	2,116,031	326,646

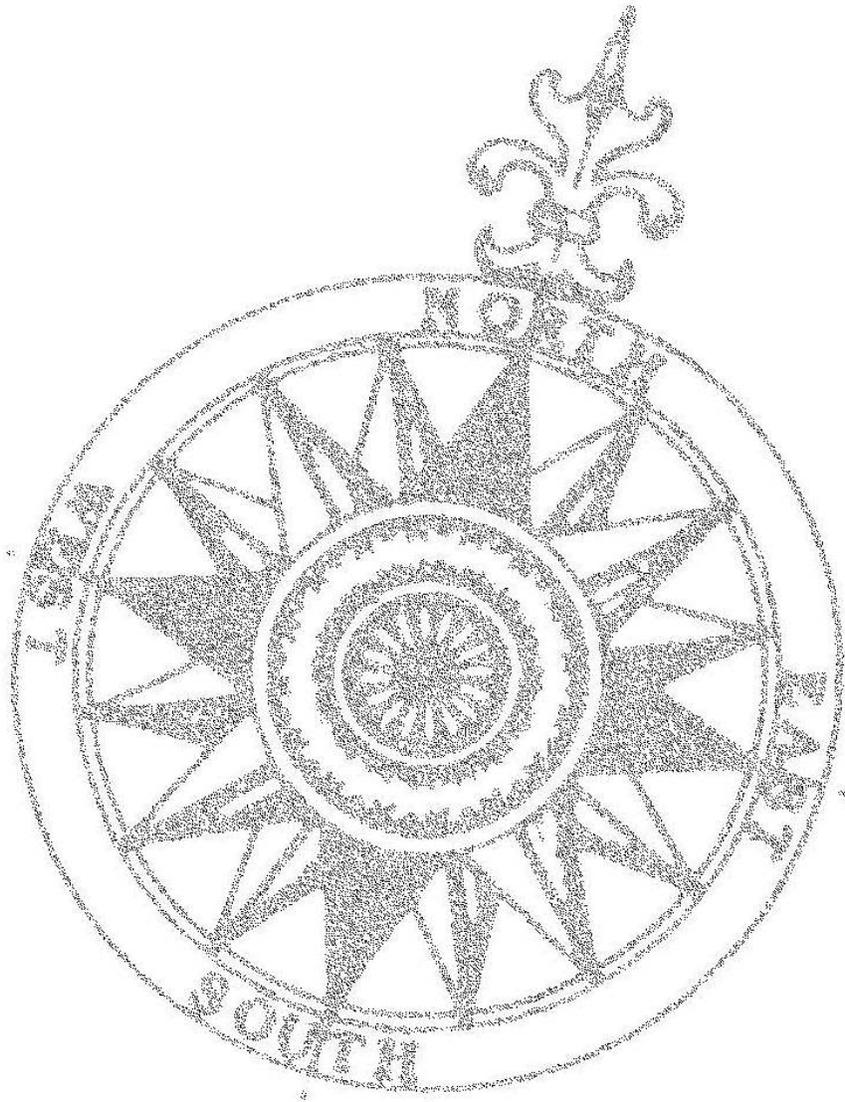
Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
3005 Water Sales	860,000	850,890	919,000	989,000	1,100,000	19.7%
3010 Sewer Service Charges	655,000	691,258	878,800	944,000	1,000,000	13.8%
3015 Penalties	16,000	54,031	16,000	16,000	13,000	-18.8%
3020 Interest on Investments	1,000	250	200	450	600	200.0%
3305 Water Tap Fees	-	5,025	-	2,500	-	0.0%
3310 Sewer Tap Fees	21,000	2,370	3,000	18,000	3,000	0.0%
3705 Miscellaneous	1,000	1,075	-	20	-	0.0%
3915 TWDB Investment Accretion	-	-	-	190	-	0.0%
3920 TWDB Investment Amortization	-	-	-	(25,540)	-	0.0%
3930 TWDB Interest Income	-	-	-	26,700	-	0.0%
TOTAL - CURRENT REVENUE	1,554,000	1,604,899	1,817,000	1,971,320	2,116,600	16.5%
9520 Prior Year Balance	361,473	-	111,143	243,557	538,197	384.2%
9525 End of Year Fund Reserve	(77,954)	-	(138,758)	(538,197)	(538,766)	288.3%
9526 Transfer To(From) Capital Proj	-	-	-	165,000	-	0.0%
GRAND TOTAL	1,837,519	1,604,899	1,789,385	1,841,680	2,116,031	18.3%

(1) 3005

(2) 3010

(3) 3015, 3020, 3305, 3310, 3705, 3915, 3920, 3930

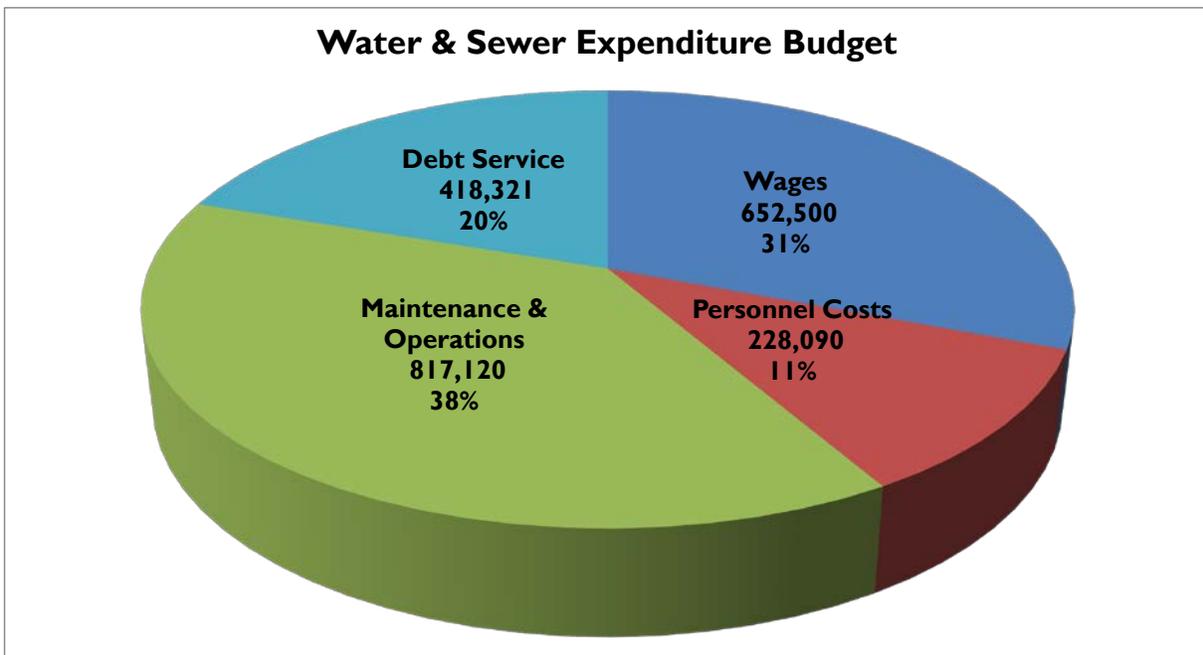
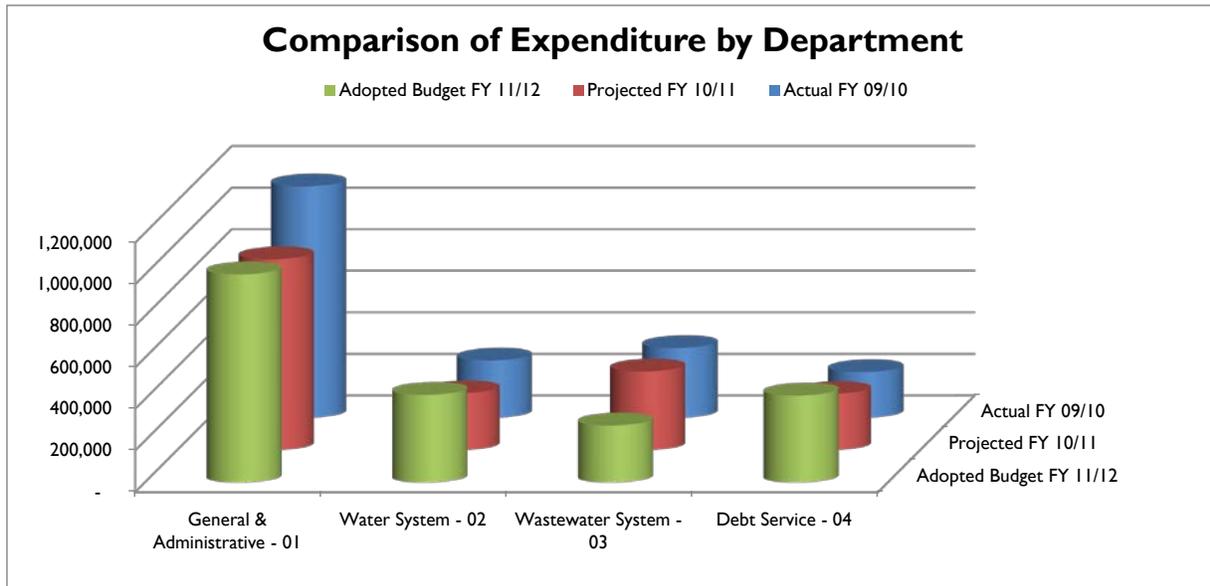




Water & Sewer Fund Expenditures

~ Expenditures by Department

Expenditures by Department	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
General & Administrative - 01	1,147,119	1,114,007	945,500	918,880	1,001,510	56,010
Water System - 02	306,900	275,820	302,400	273,800	421,700	119,300
Wastewater System - 03	383,500	336,219	308,500	378,900	274,500	(34,000)
Debt Service - 04	-	220,178	232,985	270,100	418,321	185,336
TOTAL	1,837,519	1,946,224	1,789,385	1,841,680	2,116,031	326,646



Water & Sewer Fund Expenditures

~ Department 01

General & Administrative

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

- Customer Service relating to Utility Service and Billing
- Receive Requests for Service Connects & Disconnects
- Preparation of Water Meter Reading Books
- Data Entry of Water Meter Readings
- Water & Sewer Utility Billing
- Collection of Account Receivable
- Regulatory Compliance & Record-keeping
- Planning, Managing, and Implementing System Maintenance and Improvements

Staffing

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

This department has 4 full-time employees.

- Chief Operator/Public Works Deputy Director ^{FTE}
- 2 Plant Operators ^{FTE}
- Field Operator ^{FTE}

The functions of **Executive Director** are performed by the City Manager. The functions of **Utility Superintendent** are performed by the Public Works Director.

All other necessary functions are performed by other General Fund employees:

- Public Works Field Employees ^{FTE}
- City Secretary
- Finance Director ^{FTE}
- HR Administration / Records Management ^{FTE}
- Senior Accountant ^{FTE}
- Accountant ^{FTE}
- Customer Service/Utility Billing Coordinator ^{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. Water and wastewater plants as well as lift-stations and other infrastructure as located throughout the City.

Vehicles

- 1983 John Deere 410 Backhoe
- 1998 John Deere 310 Backhoe
- 1995 Ford SD Utility Truck
- 2005 Chevrolet C1500 HD Pickup
- 2007 Chevrolet Silverado
- 2008 Chevrolet Silverado

Water & Sewer Fund Expenditures

01 - General & Administrative

Expenditures Summary		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages		711,830	672,362	622,300	620,020	652,500	30,200
Personnel Expenses		225,689	214,132	214,300	214,300	228,090	13,790
Maintenance & Operations		209,600	227,513	108,900	84,560	120,920	12,020
Capital Outlays							-
TOTAL		1,147,119	1,114,007	945,500	918,880	1,001,510	56,010

Line Item Detail		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4030	Dues, Fees & Subscriptions	400	346	400	400	400	0.0%
4045	Printing - Documents/Forms	2,200	322	500	500	500	0.0%
4050	Information Services	30,000	30,000	-	-	-	0.0%
4056	Credit Card Program	3,000	1,218	3,000	7,000	7,000	133.3%
4057	License & Permit Fees	14,000	14,139	14,000	14,000	14,000	0.0%
4060	Contract Services - Engineering	35,000	24,327	35,000	8,000	30,000	-14.3%
4105	Maintenance - Facilities	5,000	1,767	2,000	2,000	2,000	0.0%
4120	Maintenance - Vehicles	-	-	-	-	5,500	100.0%
4210	Supplies - Postage	6,100	6,645	6,100	12,000	12,000	96.7%
4220	Supplies - Uniforms	1,500	1,257	1,500	1,500	1,500	0.0%
4240	Supplies - Building	100	12	100	100	100	0.0%
4245	Supplies - Gas & Oil	3,000	4,270	3,000	1,000	3,000	0.0%
4304	Wages - On Call Duty Pay	7,280	-	7,280	5,000	7,280	0.0%
4305	Wages	679,895	648,282	596,560	596,560	586,450	-1.7%
4306	Overtime	24,655	24,079	18,460	18,460	18,460	0.0%
4308	Wages - Pay Plan/Merit	-	-	-	-	40,310	100.0%
4309	Accrued Vacation & Sick	-	4,561	-	-	-	0.0%
4310	Social Security	53,898	50,930	47,050	47,050	49,700	5.6%
4410	Insurance - General	30,000	38,439	25,700	21,300	21,300	-17.1%
4415	Insurance - Medical & Dental	95,830	85,029	98,920	98,920	101,890	3.0%
4420	Insurance - Unemployment	300	-	300	-	300	0.0%
4425	Insurance - Workers' Comp	8,900	8,415	7,800	3,820	3,820	-51.0%
4430	Retirement - Contribution	75,961	73,613	68,330	68,330	76,500	12.0%
4440	Insurance - LT Disability	2,000	1,976	2,000	2,000	2,000	0.0%
4505	Utilities	13,000	4,972	6,000	16,000	16,000	166.7%
4510	Telecommunications	1,600	7,474	-	-	-	0.0%
4605	Training & Travel	1,500	1,333	1,500	1,000	1,500	0.0%
4705	Miscellaneous	2,000	(131)	-	(7,990)	-	0.0%
4810	G&A Overhead	50,000	50,000	-	-	-	0.0%
4910	TWDB - Contract Services	-	5,000	-	1,930	-	0.0%
4940	Bad Debt Expense	-	25,731	-	-	-	0.0%
TOTAL		1,147,119	1,114,007	945,500	918,880	1,001,510	5.9%

Water & Sewer Fund Expenditures

~ Department 02

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 Fund employees are expensed in the General & Administrative Department (see page 66).

Facilities

Water Plant No. 1 (18120 Point Lookout Drive)

Water & Sewer Fund Expenditures

02 ~ Water Department

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	306,900	275,820	302,400	273,800	421,700	119,300
Capital Outlays	-	-	-	-	-	-
TOTAL	306,900	275,820	302,400	273,800	421,700	119,300

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4025 SEWPP Enhancements	25,000	26,697	25,000	30,000	83,000	232.0%
4035 Water Purchase	175,000	170,976	190,000	170,000	255,000	34.2%
4060 Contract Services - Lab Services	1,900	1,957	1,900	1,500	1,900	0.0%
4070 Contract Services & Meter Reading	9,500	8,378	9,500	7,000	9,500	0.0%
4110 Maintenance - Equipment	2,500	558	2,500	2,500	2,500	0.0%
4120 Maintenance - Vehicles	8,500	1,848	3,000	3,000	-	-100.0%
4150 Maintenance - Water Plant	15,000	11,955	11,000	11,000	11,000	0.0%
4155 Maintenance - Water Lines	25,000	24,603	25,000	20,000	25,000	0.0%
4165 Maintenance - Water Tower	5,000	3,649	5,000	5,000	5,000	0.0%
4230 Supplies - Tools/Safety	800	389	800	800	800	0.0%
4235 Supples - Water Meters	4,500	3,538	4,500	4,500	4,500	0.0%
4505 Utilities - Plants	30,000	20,069	20,000	16,000	20,000	0.0%
4605 Training & Travel	4,200	1,202	4,200	2,500	3,500	-16.7%
TOTAL	306,900	275,820	302,400	273,800	421,700	39.5%

Water & Sewer Fund Expenditures

~ Department 03

Wastewater Department

The Wastewater 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 Fund employees are expensed in the General & Administrative Department (see page 66).

Facilities

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

Water & Sewer Fund Expenditures

03 ~ Sewer Department

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	383,500	336,219	308,500	213,900	274,500	(34,000)
Capital Outlays	-	-	165,000	165,000	-	-
TOTAL	383,500	336,219	473,500	378,900	274,500	(199,000)

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4060 Contract Services - Lab Services	27,000	29,868	27,000	27,000	27,000	0.0%
4110 Maintenance - Equipment	1,500	1,350	1,500	1,800	2,000	33.3%
4120 Maintenance - Vehicles	2,500	651	2,500	2,600	-	-100.0%
4140 Maintenance - Sewer Lines	120,000	83,194	70,000	15,000	38,000	-45.7%
4145 Maintenance - Sewer Plant	90,000	105,889	85,000	75,000	28,000	-67.1%
4146 Maintenance - Chemical/Lab Supply	-	-	-	-	30,000	100.0%
4147 Maintenance - Sludge Removal	-	-	-	-	27,000	100.0%
4150 Maintenance - Lift Stations	12,000	12,180	12,000	12,000	12,000	0.0%
4230 Supplies - Tools/Safety	500	470	500	500	500	0.0%
4505 Utilities - Plants	130,000	102,616	110,000	80,000	110,000	0.0%
4907 Capital Improvements	-	-	165,000	165,000	-	0.0%
TOTAL	383,500	336,219	473,500	378,900	274,500	-42.0%

Water & Sewer Fund Expenditures

~ Department 03

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 DEBT SERVICE STATEMENT OF BONDED INDEBTEDNESS

Fiscal Year 2011-2012

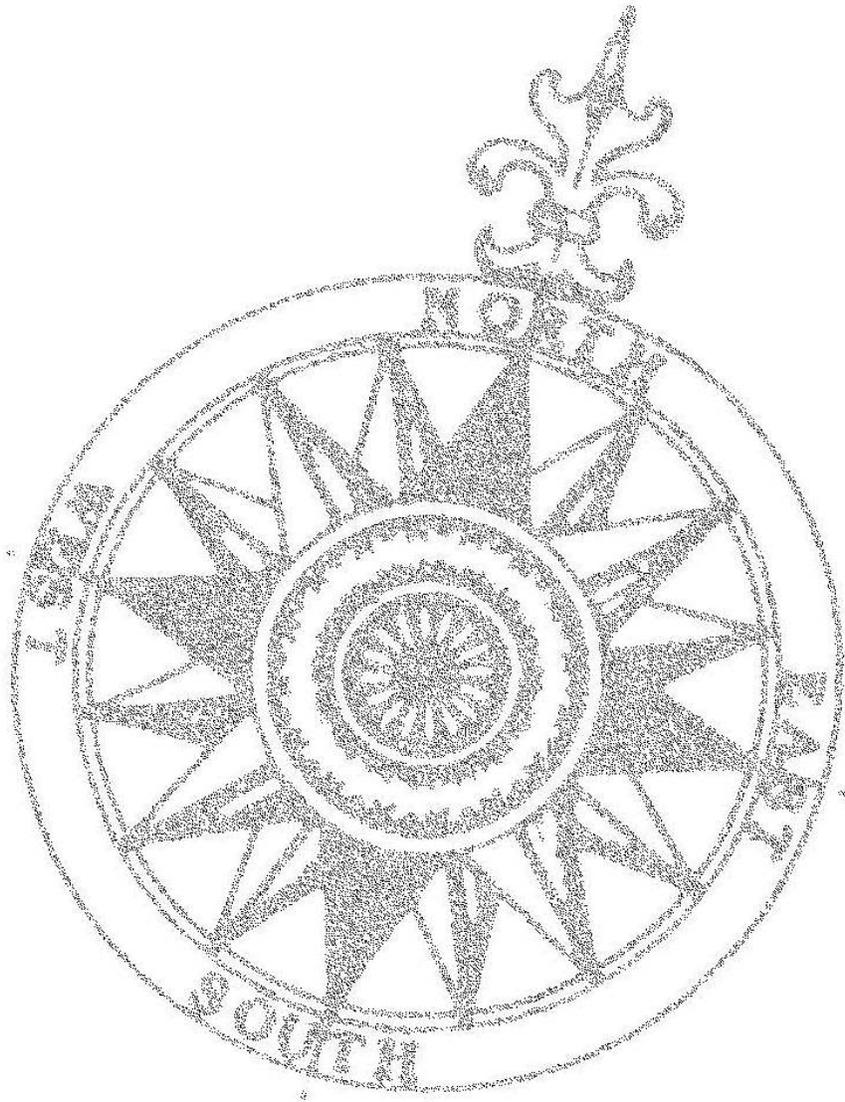
Fiscal Year	Interest Rate	Principal Due 02/12	Interest Due 02/12	Interest Due 08/12	Total Interest	Annual Requirement	Principal Outstanding
Tax & Revenue Certificates of Obligation							
Series 2011			Date of Issue - 3/24/2011				Term - 30 Years
2011				37,093	37,093.00	37,093	2,445,000
2012	1.94%	85,000	52,161	52,161	104,321.00	189,321	2,360,000
2013	2.24%	85,000	51,272	51,272	102,544.50	187,545	2,275,000
2014	2.44%	90,000	50,247	50,247	100,494.50	190,495	2,185,000
2015	2.84%	90,000	49,059	49,059	98,118.50	188,119	2,095,000
2016	3.09%	95,000	47,686	47,686	95,372.75	190,373	2,000,000
2017	3.34%	95,000	46,159	46,159	92,318.50	187,319	1,905,000
2018	3.49%	100,000	44,494	44,494	88,987.00	188,987	1,805,000
2019	3.74%	105,000	42,639	42,639	85,278.50	190,279	1,700,000
2020	4.14%	110,000	40,519	40,519	81,038.00	191,038	1,590,000
2021	4.34%	115,000	38,133	38,133	76,265.50	191,266	1,475,000
2022	4.49%	115,000	35,594	35,594	71,188.25	186,188	1,360,000
2023	4.64%	125,000	32,853	32,853	65,706.50	190,707	1,235,000
2024	4.69%	130,000	29,879	29,879	59,758.00	189,758	1,105,000
2025	4.89%	135,000	26,704	26,704	53,408.75	188,409	970,000
2026	4.99%	140,000	23,308	23,308	46,615.00	186,615	830,000
2027	5.09%	150,000	19,652	19,652	39,304.50	189,305	680,000
2028	5.14%	155,000	15,752	15,752	31,503.50	186,504	525,000
2029	5.19%	165,000	11,619	11,619	23,238.25	188,238	360,000
2030	5.24%	175,000	7,186	7,186	14,371.50	189,372	185,000
2031	5.29%	185,000	2,447	2,447	4,893.25	189,893	-
		2,445,000			1,371,819.25	3,816,819.25	

Water & Sewer Fund Expenditures

04 ~ Debt Service Department

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Debt Service	-	220,178	232,985	270,100	418,321	185,336
TOTAL	-	-	-	-	-	-

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4825 Transfer Interest-Debt Service	-	-	45,223	45,230	37,650	-16.7%
4826 Transfer Principal-Debt Servic	-	-	187,762	187,770	191,350	1.9%
4915 TWDB Interest Expense	-	-	-	37,100	104,321	100.0%
4916 TWDB Principal Expense	-	-	-	-	85,000	100.0%
4995 Depreciation Expense	-	220,178	-	-	-	0.0%
TOTAL	-	220,178	232,985	270,100	418,321	79.5%



Debt Service Fund

~ Fund 04

Debt Service Fund

The Debt Service Fund collects and disburses payments to meet the City's obligations for principal and interest payments on outstanding debt.

The City of Nassau Bay is in a favorable debt position with no General Fund obligations beyond FY2017. In FY2011 the City issued bonded debt through the Texas Water Development Board (TWDB) to fund \$2.1 million in water & wastewater projects. The debt service payments related to the TWDB debt extends through 2031 and are found in the Water & Sewer Fund.

During FY2011, reductions in outstanding prior year debt issues will total \$464,346. The aggregate of the outstanding principal (\$4,530,015) and interest payments (\$1,549,595) at October 1, 2011 is \$6,079,610.

The City budgets each year such that the ratio of Debt Service payments to the General Fund operating expenditures (total expenditures less capital outlay) shall not exceed 20%. The ratio budgeted for FY2011-2012 is 14.9% and remains below the 20% guideline.

Debt Service Fund

~ Continued

Bond Repayment Schedule

The figures and chart shown on page 77 reflect the actual cost of all combined debt service through 2031. Also shown are the sources of revenue used to retire this debt.

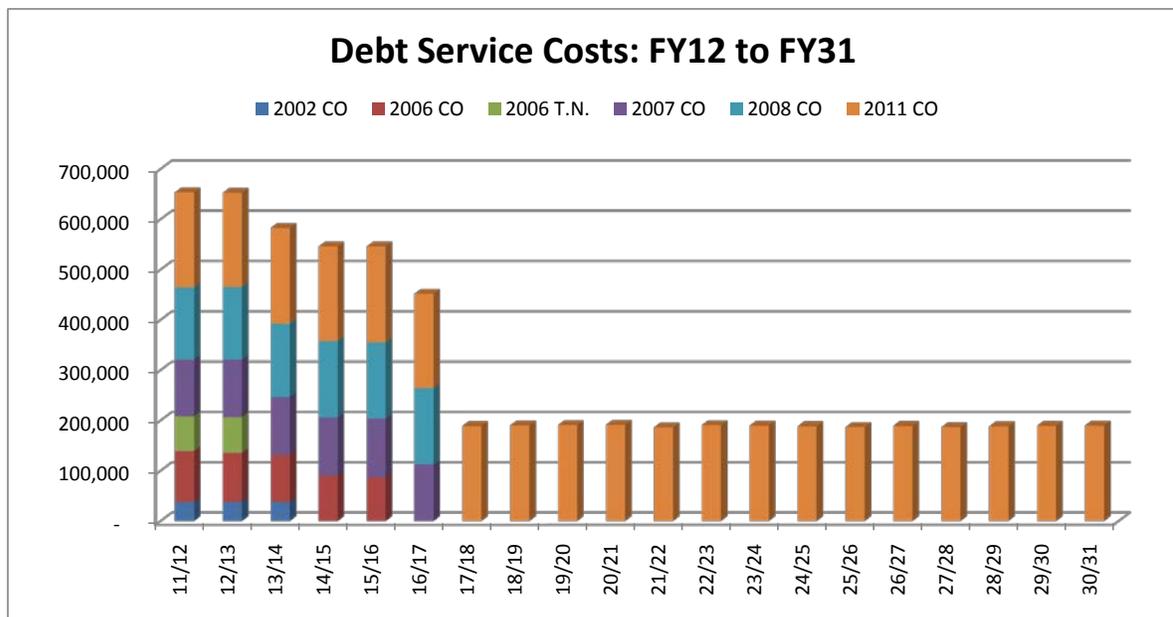
The City presently has an outstanding principal obligation of \$4,530,015 at October 1, 2011.

1. The **2002 Certificates of Obligation** for \$1,240,000 were issued for \$768,000 Equipment, Storm Drainage, and Streets; \$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 \$112,737, including principal and interest.
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 \$470,751, including principal and interest.
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 \$140,757, including principal and interest.
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 \$687,153, including principal and interest.
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 \$888,486, including principal and interest.
6. The **2011 Certificates of Obligation** (Combination Tax and Revenue) for \$2,445,000 were issued for Wastewater System projects. Of the bond revenue, approximately \$1,560,000 is allocated for Wastewater Treatment Plant Improvements, approximately \$600,000 is allocated to Sanitary Sewer Rehabilitation, and the remaining amount will be used to cover additional administrative and unanticipated projects costs. The issue will retire in 2031. The payment of this debt service will be recorded in the Water & Sewer Fund. The current balance is \$3,779,726, including principal and interest.

Debt Service Fund

~ Bond Repayment Schedule

Principal & Interest							
FY	2002 CO	2006 CO	2006 T.N.	2007 CO	2008 CO	2011 CO	TOTAL
10/11	37,579	105,026	71,919	116,528	141,806	37,093	509,951
11/12	37,580	101,426	69,283	112,883	143,175	189,321	653,667
12/13	37,579	97,805	71,474	114,136	144,390	187,545	652,929
13/14	37,579	94,167	-	115,188	145,450	190,495	582,878
14/15	-	90,512	-	116,036	151,279	188,119	545,946
15/16	-	86,840	-	116,683	151,875	190,373	545,771
16/17	-	-	-	112,228	152,318	187,319	451,864
17/18	-	-	-	-	-	188,987	188,987
18/19	-	-	-	-	-	190,279	190,279
19/20	-	-	-	-	-	191,038	191,038
20/21	-	-	-	-	-	191,266	191,266
21/22	-	-	-	-	-	186,188	186,188
22/23	-	-	-	-	-	190,707	190,707
23/24	-	-	-	-	-	189,758	189,758
24/25	-	-	-	-	-	188,409	188,409
25/26	-	-	-	-	-	186,615	186,615
26/27	-	-	-	-	-	189,305	189,305
27/28	-	-	-	-	-	186,504	186,504
28/29	-	-	-	-	-	188,238	188,238
29/30	-	-	-	-	-	189,372	189,372
30/31	-	-	-	-	-	189,893	189,893
Total	150,317	575,777	212,676	803,680	1,030,293	3,816,819	6,589,562



Debt Service Fund

~ Continued

CITY OF NASSAU BAY GENERAL LONG TERM DEBT SCHEDULE OF FISCAL YEAR 2011-2012 REQUIREMENTS

Series	Obligation	Amount of Issue	Principal Outstanding 10/1/2011	Principal & Interest Requirements for 2011-2012			Principal Outstanding 9/30/2012
				Principal	Interest	Total	
2002 Tax & Revenue Certificates of Obligation		1,240,000	105,015	33,339	4,241	37,580	71,676
2006 Tax & Revenue Certificates of Obligation		850,000	425,000	85,000	16,426	101,426	340,000
2006 Tax Anticipation Notes		370,000	135,000	65,000	4,283	69,283	70,000
2007 Tax & Revenue Certificates of Obligation		945,000	610,000	90,000	22,883	112,883	520,000
2008 Tax & Revenue Certificates of Obligation		1,030,000	810,000	120,000	23,175	143,175	690,000
2011 Tax & Revenue Certificates of Obligation		2,445,000	2,445,000	85,000	104,321	189,321	2,360,000
TOTAL			4,530,015	478,339	175,328	653,667	4,051,676

REVENUE SOURCES

FY	Taxes	EDC	W&S Fund	Gen. Fund	Interest	Reserves	TOTAL
10/11	167,794	71,919	270,078	-	160	-	509,951
11/12	166,074	69,283	418,311	-	330	-	653,667
12/13	166,438	71,474	415,017	-	-	-	652,929
13/14	166,609	-	416,270	-	-	-	582,878
14/15	169,522	-	376,423	-	-	-	545,946
15/16	169,214	-	376,556	-	-	-	545,771
16/17	144,368	-	307,497	-	-	-	451,864
17/18	-	-	188,987	-	-	-	188,987
18/19	-	-	190,279	-	-	-	190,279
19/20	-	-	191,038	-	-	-	191,038
20/21	-	-	191,266	-	-	-	191,266
21/22	-	-	186,188	-	-	-	186,188
22/23	-	-	190,707	-	-	-	190,707
23/24	-	-	189,758	-	-	-	189,758
24/25	-	-	188,409	-	-	-	188,409
25/26	-	-	186,615	-	-	-	186,615
26/27	-	-	189,305	-	-	-	189,305
27/28	-	-	186,504	-	-	-	186,504
28/29	-	-	188,238	-	-	-	188,238
29/30	-	-	189,372	-	-	-	189,372
30/31	-	-	189,893	-	-	-	189,893

Debt Service Fund

~ Continued

GENERAL DEBT SERVICE FUND STATEMENT OF BONDED INDEBTEDNESS Fiscal Year 2011-2012

Fiscal Year	Interest Rate	Principal Due 02/01	Interest Due 02/01	Interest Due 08/01	Total Interest	Annual Requirement	Principal Outstanding
Tax & Revenue Certificates of Obligation							\$ 1,240,000
Series	2002	Date of Issue - 1/15/2002			Term - 12 Years		
2003	3.95% / 4.8%	\$ 290,177	\$ 54,125	\$ 20,124	\$ 74,249	\$ 364,426	\$ 949,823
2004	3.95% / 4.8%	330,807	20,124	13,494	33,618	364,425	619,016
2005	3.95% / 4.8%	344,340	13,494	6,592	20,086	364,426	274,676
2006	4.80%	24,995	6,592	5,992	12,585	37,580	249,681
2007	4.80%	26,224	5,992	5,363	11,355	37,579	223,457
2008	4.80%	27,513	5,363	4,703	10,066	37,579	195,944
2009	4.80%	28,867	4,703	4,010	8,713	37,580	167,077
2010	4.80%	30,286	4,010	3,283	7,293	37,579	136,791
2011	4.80%	31,776	3,283	2,520	5,803	37,579	105,015
2012	4.80%	33,339	2,520	1,720	4,241	37,580	71,676
2013	4.80%	34,978	1,720	881	2,601	37,579	36,698
2014	4.80%	36,698	881	-	881	37,579	-
		\$ 1,240,000	\$ 122,808	\$ 68,683	\$ 191,490	\$ 1,431,490	

Tax & Revenue Certificates of Obligation							\$ 850,000
Series	2006	Date of Issue - 1/12/2006			Term - 11 Years		
2006		\$ -	\$ -	\$ 19,852	\$ 19,852	\$ 19,852	\$ 850,000
2007	4.09%	85,000	17,956	16,218	34,174	119,174	765,000
2008	4.13%	85,000	16,218	14,463	30,681	115,681	680,000
2009	4.16%	85,000	14,463	12,695	27,158	112,158	595,000
2010	4.20%	85,000	12,695	10,910	23,605	108,605	510,000
2011	4.22%	85,000	10,910	9,116	20,026	105,026	425,000
2012	4.25%	85,000	9,116	7,310	16,426	101,426	340,000
2013	4.27%	85,000	7,310	5,495	12,805	97,805	255,000
2014	4.29%	85,000	5,495	3,672	9,167	94,167	170,000
2015	4.31%	85,000	3,672	1,840	5,512	90,512	85,000
2016	4.33%	85,000	1,840	-	1,840	86,840	-
		\$ 850,000	\$ 99,675	\$ 101,571	\$ 201,246	\$ 1,051,246	

Tax Anticipation Notes							\$ 370,000
Series	2006	Date of Issue - 5/10/2006			Term - 7 Years		
2007		\$ -	\$ 10,597	\$ 7,451	\$ 18,048	\$ 18,048	\$ 370,000
2008	3.885%	55,000	7,451	6,383	13,833	68,833	315,000
2009	3.935%	55,000	6,383	5,300	11,683	66,683	260,000
2010	3.965%	60,000	5,300	4,111	9,411	69,411	200,000
2011	4.008%	65,000	4,111	2,808	6,919	71,919	135,000
2012	4.11%	65,000	2,808	1,474	4,283	69,283	70,000
2013	4.212%	70,000	1,474	-	1,474	71,474	-
		\$ 370,000	\$ 38,124	\$ 27,527	\$ 65,652	\$ 435,652	

Debt Service Fund

~ Continued

GENERAL DEBT SERVICE FUND STATEMENT OF BONDED INDEBTEDNESS Fiscal Year 2011-2012

Fiscal Year	Interest Rate	Principal Due 02/01	Interest Due 02/01	Interest Due 08/01	Total Interest	Annual Requirement	Principal Outstanding
Tax & Revenue Certificates of Obligation							\$ 945,000
Series	2007	Date of Issue - 3/13/2007			Term - 10 Years		
2007	6.00%	\$ -	\$ -	\$ 14,671	\$ 14,671	\$ 14,671	\$ 945,000
2008	6.00%	80,000	19,136	17,516	36,653	116,653	865,000
2009	6.00%	80,000	17,516	17,516	35,033	115,033	785,000
2010	6.00%	85,000	15,896	14,175	30,071	115,071	700,000
2011	6.00%	90,000	14,175	12,353	26,528	116,528	610,000
2012	6.00%	90,000	12,353	10,530	22,883	112,883	520,000
2013	6.00%	95,000	10,530	8,606	19,136	114,136	425,000
2014	5.55%	100,000	8,606	6,581	15,188	115,188	325,000
2015	5.15%	105,000	6,581	4,455	11,036	116,036	220,000
2016	5.20%	110,000	4,455	2,228	6,683	116,683	110,000
2017	5.25%	110,000	2,228	-	2,228	112,228	-
		\$ 945,000	\$ 111,476	\$ 108,631	\$ 220,107	\$ 1,165,107	

Tax & Revenue Certificates of Obligation							\$ 1,030,000
Series	2008	Date of Issue - 4/8/2008			Term - 10 Years		
2008		\$ -	\$ -	\$ 9,990	\$ 9,990	\$ 9,990	\$ 1,030,000
2009		-	15,914	15,914	31,827	31,827	1,030,000
2010	3.09%	105,000	15,914	14,291	30,205	135,205	925,000
2011	3.09%	115,000	14,291	12,515	26,806	141,806	810,000
2012	3.09%	120,000	12,515	10,661	23,175	143,175	690,000
2013	3.09%	125,000	10,661	8,729	19,390	144,390	565,000
2014	3.09%	130,000	8,729	6,721	15,450	145,450	435,000
2015	3.09%	140,000	6,721	4,558	11,279	151,279	295,000
2016	3.09%	145,000	4,558	2,318	6,875	151,875	150,000
2017	3.09%	150,000	2,318	-	2,318	152,318	-
		\$ 1,030,000	\$ 91,619	\$ 85,695	\$ 177,314	\$ 1,207,314	

Debt Service Fund

~ Continued

**CITY OF NASSAU BAY
GENERAL LONG TERM + WATER & SEWER DEBT
PRINCIPAL AND INTEREST REQUIREMENTS
As of October 1, 2011**

Fiscal Year	Principal	Interest Due 2/1	Interest Due 8/1	Interest	Total
2012	\$ 478,339	\$ 91,885	\$ 83,443	175,328	653,667
2013	\$ 494,978	\$ 83,443	\$ 74,508	157,951	652,929
2014	\$ 441,698	\$ 74,508	\$ 66,672	141,180	582,878
2015	\$ 420,000	\$ 66,672	\$ 59,273	125,946	545,946
2016	\$ 435,000	\$ 59,273	\$ 51,498	110,771	545,771
2017	\$ 355,000	\$ 51,498	\$ 45,366	96,864	451,864
2018	\$ 100,000	\$ 45,366	\$ 43,621	88,987	188,987
2019	\$ 105,000	\$ 43,621	\$ 41,658	85,279	190,279
2020	\$ 110,000	\$ 41,658	\$ 39,381	81,038	191,038
2021	\$ 115,000	\$ 39,381	\$ 36,885	76,266	191,266
2022	\$ 115,000	\$ 36,885	\$ 34,303	71,188	186,188
2023	\$ 125,000	\$ 34,303	\$ 31,403	65,707	190,707
2024	\$ 130,000	\$ 31,403	\$ 28,355	59,758	189,758
2025	\$ 135,000	\$ 28,355	\$ 25,054	53,409	188,409
2026	\$ 140,000	\$ 25,054	\$ 21,561	46,615	186,615
2027	\$ 150,000	\$ 21,561	\$ 17,744	39,305	189,305
2028	\$ 155,000	\$ 17,744	\$ 13,760	31,504	186,504
2029	\$ 165,000	\$ 13,760	\$ 9,478	23,238	188,238
2030	\$ 175,000	\$ 9,478	\$ 4,893	14,372	189,372
2031	\$ 185,000	\$ 4,893	-	4,893	189,893
	\$ 4,530,015	\$ 820,740	\$ 728,855	\$ 1,549,595	\$ 6,079,610

Debt Service Fund

~ Fund 04

Revenue

Revenue Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
3005 Property Tax - Current	391,862	379,780	181,680	177,200	181,570	-0.1%
3010 Property Tax - Prior Years	3,000	1,879	1,000	1,700	1,000	0.0%
3015 Penalty & Interest	4,000	3,312	3,000	3,000	3,000	0.0%
3020 Interest on Investment	589	276	330	330	330	0.0%
4920 Transfer from W&S Fund	-	-	232,985	232,985	228,984	-1.7%
4929 Transfer from EDC	69,411	69,411	71,919	71,919	69,283	-3.7%
TOTAL	468,862	454,658	490,914	487,134	484,167	-1.4%
9520 Prior Year Balance	194,275	-	192,208	195,952	195,915	1.9%
9525 End of Year Fund Reserve	(197,266)	-	(196,379)	(195,915)	(199,885)	1.8%
9529 Transfer to TIRZ	-	-	(13,885)	(13,563)	(15,100)	8.8%
GRAND TOTAL	465,871	454,658	472,858	473,608	465,097	-1.6%

Expenditures

Expenditure Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
4040 Market/Base Fees	-	750	-	750	750	100.0%
4816 Principal - 2002 C.O.	30,286	30,286	31,776	31,776	33,339	4.9%
4817 Interest - 2002 C.O.	7,293	7,277	5,803	5,803	4,241	-26.9%
4824 Principal - 2006 C.O.	85,000	85,000	85,000	85,000	85,000	0.0%
4825 Interest - 2006 C.O.	23,605	23,605	20,026	20,026	16,426	-18.0%
4826 Principal - 2006 Tax Notes	60,000	60,000	65,000	65,000	65,000	0.0%
4827 Interest - 2006 Tax Notes	9,411	9,411	6,919	6,919	4,283	-38.1%
4828 Principal - 2007 C.O.	85,000	85,000	90,000	90,000	90,000	0.0%
4829 Interest - 2007 C.O.	30,071	28,451	26,528	26,528	22,883	-13.7%
4830 Principal - 2008 C.O.	105,000	105,000	115,000	115,000	120,000	4.3%
4831 Interest - 2008 C.O.	30,205	30,205	26,806	26,806	23,175	-13.5%
GRAND TOTAL	465,871	464,985	472,858	473,608	465,097	-1.6%

Tourism Fund

~ Fund 06

Tourism Fund

The Tourism Fund accounts for the hotel 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 occupancy 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. 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.

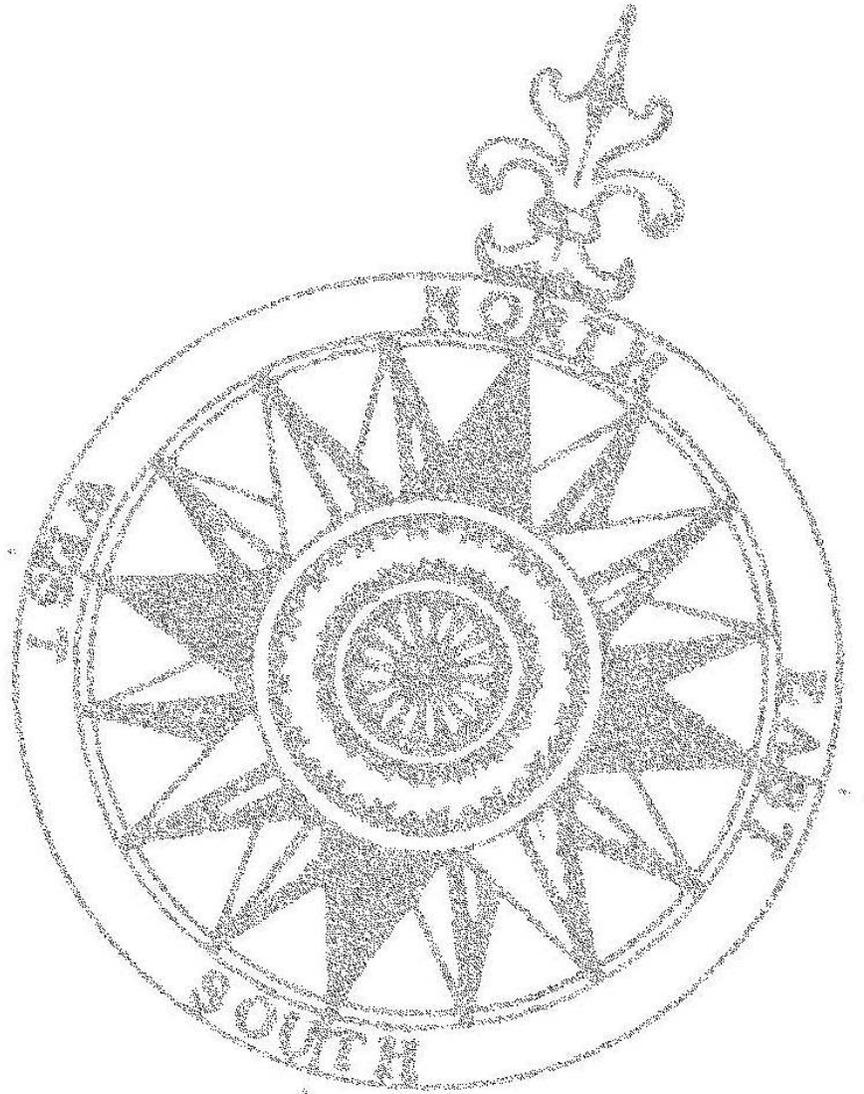
Department 01 - General & Administrative

Department 02 - Advertising & Promotion

Department 03 - 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.

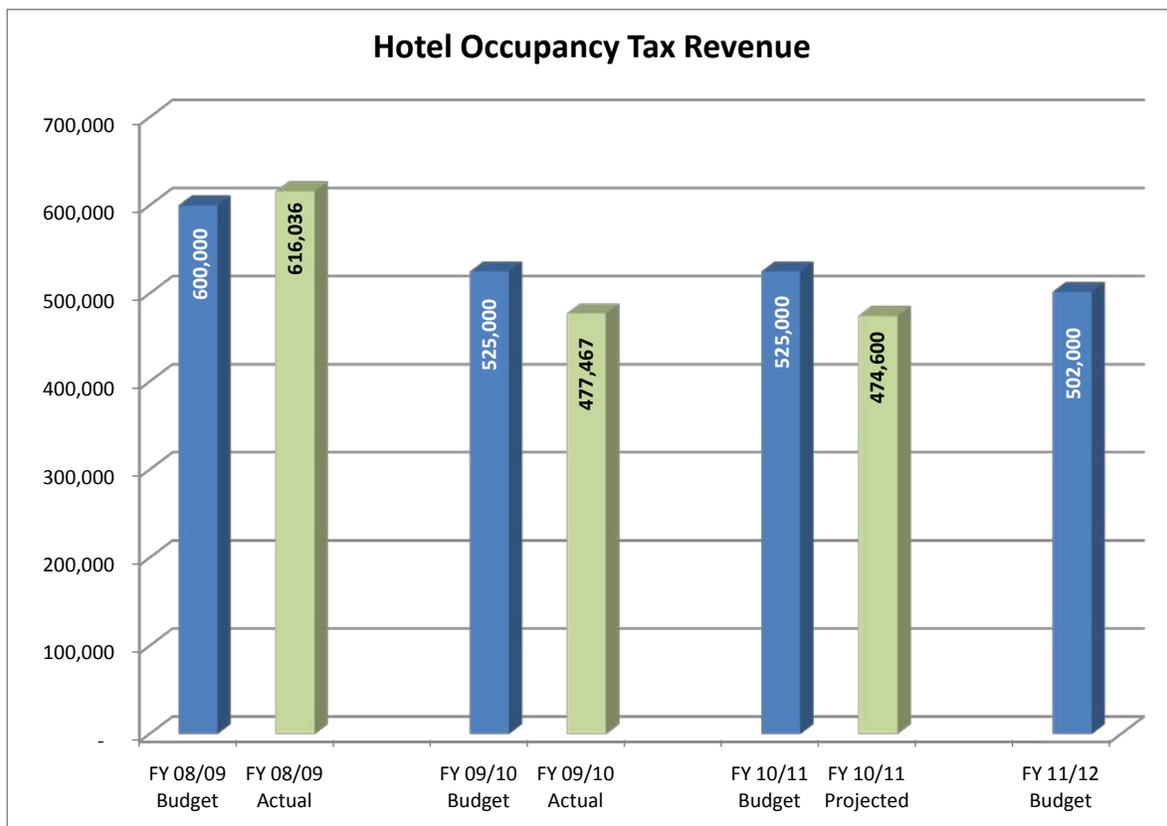
The City adopted a 2% increase in the hotel occupancy tax rate to 7% effective January 1, 2006.



Tourism Fund Revenue

~ Fund 06

Revenue Detail		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
3020	Interest on Investments	3,000	424	350	300	350	0.0%
3120	Hotel Occupancy Tax	525,000	477,467	525,000	474,600	502,000	-4.4%
TOTAL		528,000	477,891	525,350	474,900	502,350	-4.4%
9520	Prior Year Balance	386,263	-	337,117	318,563	232,770	-31.0%
9525	End of Year Fund Reserve	(185,945)	-	(293,387)	(232,770)	(196,460)	-33.0%
GRAND TOTAL		728,318	477,891	569,080	560,693	538,660	-5.3%



Tourism Fund

~ Department 01

General & Administrative

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

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

Staffing

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

The functions of the Tourism Department are performed by:

- City Manager
- City Secretary
- Finance Director
- HR Admin./Records
- Senior Accountant
- Administrative Assistant

Facilities

Office space is provided within City Hall.

Vehicles

This department has no vehicles.

Tourism Fund Expenditures

01 ~ General & Administrative

		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Expenditures Summary							
	Wages	158,761	153,056	180,850	180,850	183,090	2,240
	Personnel Expenses	47,257	45,921	61,080	61,080	66,240	5,160
	Maintenance & Operations	54,050	54,641	8,900	7,628	9,050	150
	Capital Outlays						-
	TOTAL	260,068	253,618	250,830	249,558	258,380	7,550
Line Item Detail		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4030	Dues, Fees & Subscriptions	250	-	-	150	150	100.0%
4050	Information Services	3,000	3,000	3,000	3,000	3,000	0.0%
4305	Wages	155,261	150,089	177,350	177,350	154,580	-12.8%
4306	Overtime	3,500	2,967	3,500	3,500	3,500	0.0%
4308	Wages - Pay Plan/Merit	-	-	-	-	25,010	100.0%
4310	Social Security	12,145	11,719	13,840	13,840	14,120	2.0%
4415	Insurance - Medical & Dental	18,679	17,513	29,520	29,520	30,410	3.0%
4425	Insurance - Workers' Comp	800	756	700	-	700	0.0%
4430	Retirement - Contribution	16,433	16,690	17,720	17,720	21,710	22.5%
4510	Telecommunications	-	885	-	125	-	100.0%
4706	Clearing Account	-	-	-	(847)	-	100.0%
4920	G&A Overhead	50,000	50,000	5,200	5,200	5,200	0.0%
	TOTAL	260,068	253,618	250,830	249,558	258,380	3.0%

Tourism Fund

~ Department 02

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 & Visitors Bureau Services
- Meeting & Group Travel Promotions
- Direct Mail Tourism Promotions
- Maintenance of NASA Parkway Landscaping

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

Tourism Fund Expenditures

02 ~ Advertising & Promotion

Expenditures Summary		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages		-	-	-	-	-	-
Personnel Expenses		-	-	-	-	-	-
Maintenance & Operations		334,750	229,782	206,750	200,215	218,280	11,530
Capital Outlays		-	-	-	-	-	-
TOTAL		334,750	229,782	206,750	200,215	218,280	11,530

Line Item Detail		Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4014	July Fourth	-	-	-	-	18,000	100.0%
4015	Bay Area Houston CVB	78,750	78,750	78,750	78,750	71,180	-9.6%
4018	Holiday Boat Parade	-	-	-	-	6,000	100.0%
4040	Advertising/Printing	77,000	77,047	60,000	60,000	60,000	0.0%
4060	Artwork/Agency Fees	4,000	2,913	-	465	600	100.0%
4073	Promotions	5,000	96	-	-	-	0.0%
4074	Reindeer Run Advertising/Promotion	-	-	-	-	1,500	100.0%
4115	Maintenance - Entrance Highway	20,000	21,135	11,000	11,000	11,000	0.0%
4125	Maintenance - Banners	5,000	-	-	-	-	0.0%
4505	Utilities - Electrical	83,000	45,712	50,000	50,000	50,000	0.0%
4506	Utilities - Water	7,000	4,129	7,000	-	-	-100.0%
4905	NASA Pkwy Enhancement	55,000	-	-	-	-	0.0%
TOTAL		334,750	229,782	206,750	200,215	218,280	5.6%

Tourism Fund

~ *Department 03*

Arts & Special Events

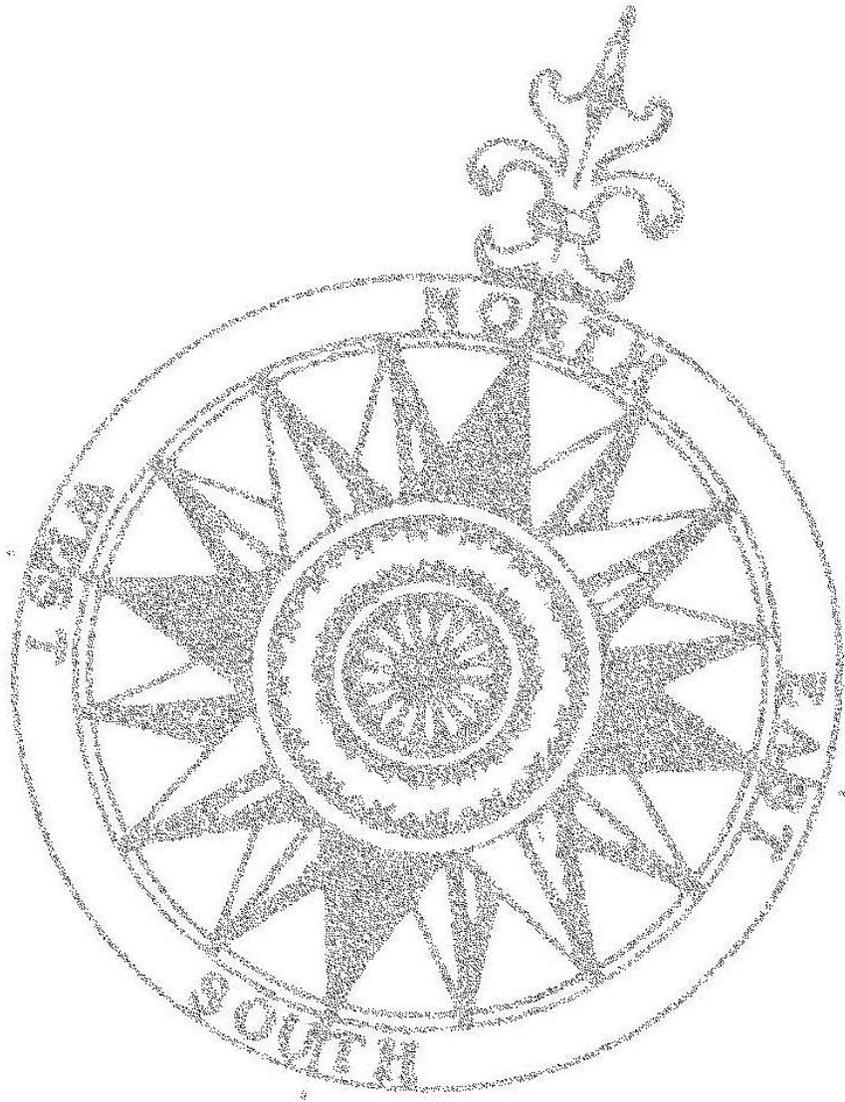
In FY2012 the Arts & Special Events that are funded were selected by the Appropriations Sub-Committee within the guidelines of the City of Nassau Bay Hotel Occupancy Tax Revenue Policy. All applicants submitted proposals detailing their event and its projected impact on area tourism. Applicants were selected for funding based on their ability to meet the guidelines set forth in the Texas Tax Code Chapter 351.101 and city policy.

Tourism Fund Expenditures

03 ~ Arts & Special Events

Expenditures Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	133,500	109,742	111,500	110,920	62,000	(49,500)
Capital Outlays	-	-	-	-	-	-
TOTAL	133,500	109,742	111,500	110,920	62,000	(49,500)

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
4013 Gulf Coast Film Expo	1,000	1,000	-	-	-	0.0%
4014 July Fourth	21,000	17,210	18,000	15,810	-	-100.0%
4015 Arts Alliance Ctr Clear Lake	28,000	28,000	20,000	20,000	9,000	-55.0%
4016 Bay Area Houston Ballet	1,500	1,500	-	2,000	1,000	100.0%
4017 Clear Creek Community Theatre	13,000	13,000	4,000	4,000	1,000	-75.0%
4018 Boat Parade	6,000	5,135	6,000	5,110	-	-100.0%
4022 Houston Symphony League Bay Area	3,000	3,000	2,000	2,000	-	-100.0%
4023 Texas Dragon Boat Association	2,000	-	-	-	-	0.0%
4024 Veterans Museum Promotion	2,000	-	-	-	-	0.0%
4025 Clear Lake Symphony	3,500	3,500	2,000	2,000	1,000	-50.0%
4026 Keels & Wheels	10,000	10,000	10,000	10,000	7,500	-25.0%
4027 Bay Area Chorus	2,000	2,000	1,000	1,000	-	-100.0%
4069 Ballunar Pavilion	-	1,387	-	-	-	0.0%
4070 Ballunar Festival	15,000	11	25,000	25,000	20,000	-20.0%
4071 Wings Over Houston	20,000	20,000	20,000	20,000	20,000	0.0%
4072 Houston Livestock Show & Rodeo	4,000	2,500	2,000	2,500	2,500	25.0%
4074 Reindeer Run Adv & Promotion	1,500	1,500	1,500	1,500	-	-100.0%
TOTAL	133,500	109,742	111,500	110,920	62,000	-44.4%



Special Revenue & Grant Fund

~ Fund 07

Special Revenue & Grant Fund

The Special Revenue & Grant Fund accounts for specific revenue sources and grant funds that are legally restricted to expenditures for specified purposes. In FY2012 there are several notable revenues and expenditures budgeted in this fund:

- Texas Parks & Wildlife Peninsula Trail Grant
- CDBG Round I: Post-Ike Recovery
- Energy Efficiency & Conservation Block Grant
- Texas Division of Emergency Management – Hazard Mitigation Grant
- Economic Development Administration Grant

Special Revenue & Grants Fund

~ Fund 07

Revenues

Revenue Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Special Revenue	11,000	134,971	23,500	42,240	35,550	12,050
Grant Revenue	1,390,489	1,389,954	544,900	285,120	1,494,118	949,218
TOTAL	1,401,489	1,524,925	568,400	327,360	1,529,668	961,268
Prior Year Balance Forward	196,792	-	246,507	159,462	233,825	(12,681)
End of Year Fund Balance	-	-	(236,847)	(233,825)	(15)	236,831
GRAND TOTAL	1,598,281	1,524,925	578,060	252,997	1,763,478	1,185,418

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
7021 Interest On Investments	900	2	-	150	100	100.0%
7022 Admin. Special Revenue - Int.	-	-	-	3,100	-	0.0%
7025 Grant Revenue - Police Department	9,220	9,225	-	7,190	7,000	100.0%
7031 Child Safety Revenue	5,000	2,685	5,000	4,740	4,500	-10.0%
7041 Court Security Revenue	1,200	2,732	2,000	2,640	2,500	25.0%
7051 Court Technology Revenue	1,400	3,639	2,000	3,490	3,550	77.5%
7061 Comcast 1% Franchise Fee - NBTV	-	6,974	12,000	14,900	14,900	24.2%
7071 TX Parks & Wildlife - Peninsula Grant	-	-	-	-	160,000	100.0%
7091 Fire/EMS Equip. Fund Revenue	2,500	8,690	2,500	12,000	10,000	300.0%
7109 Donations - Animal Control	-	-	-	1,210	-	0.0%
7111 Donations - EMS	-	39	-	-	-	0.0%
7321 Court Asset Forfeitures Revenue	-	310	-	10	-	0.0%
7421 LEOSE GRANT Revenue - Police	1,500	1,455	1,500	900	900	-40.0%
7431 LEOSE GRANT Revenue - Fire Marsh	700	706	700	730	700	0.0%
7451 Grant - EMS - SE Tex Trauma R.A.C.	500	-	500	2,940	-	-100.0%
7761 FEMA - 09 Ike Revenue	-	-	-	35,770	-	0.0%
7762 TMLIRP - Ike	-	109,901	-	-	-	0.0%
7763 CDBG Round I: Post-Ike Recovery	-	-	-	-	761,068	100.0%
7764 SECO EECBG	-	-	-	-	23,030	100.0%
7765 TDEM Hazard Mitigation Grant	-	-	-	-	213,750	100.0%
7771 EDA - 09 Grant Revenue	1,378,569	1,378,569	542,200	237,590	327,670	-39.6%
TOTAL	1,401,489	1,524,925	568,400	327,360	1,529,668	169.1%
Prior Year Balance Forward	196,792	-	246,507	159,462	233,825	(12,681)
End of Year Fund Balance	-	-	(236,847)	(233,825)	(15)	236,831
GRAND TOTAL	1,598,281	1,524,925	578,060	252,997	1,763,478	1,185,418

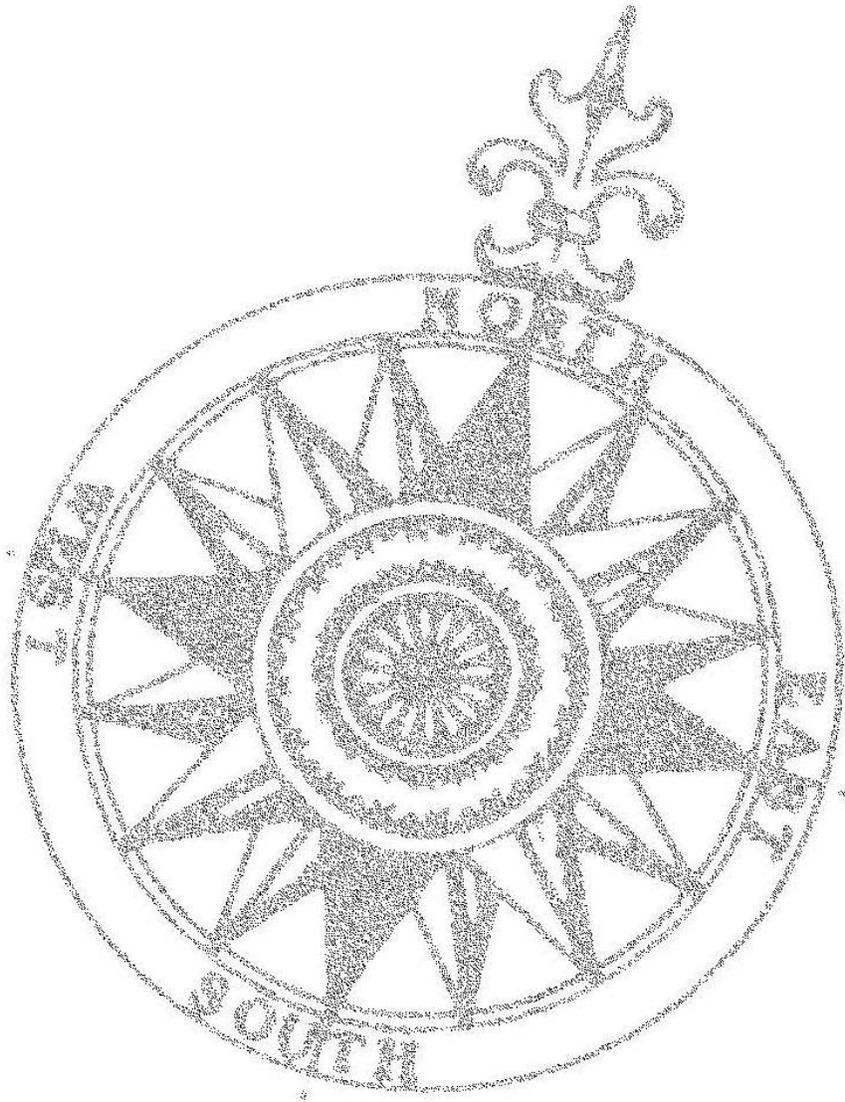
Special Revenue & Grants Fund

~ Fund 07

Expenditures

Expenditure Summary	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget \$ Change
Special Revenue - Expenditures	11,000	2,852	33,160	30,370	203,050	169,890
Grant Revenue - Expenditures	1,555,116	1,486,548	544,900	222,630	1,560,428	1,015,528
GRAND TOTAL	1,566,116	1,489,400	578,060	253,000	1,763,478	1,185,418

Line Item Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
7022 Admin. Expense - Special Revenue	900	-	-	-	3,350	100.0%
7031 Child Safety Expense - Admin.	2,000	-	2,000	2,700	6,000	200.0%
7032 Child Safety Expense - Police	1,500	-	1,500	-	4,150	176.7%
7033 Child Safety Expense - Fire Dept.	1,500	-	1,500	720	4,150	176.7%
7041 Court Security Expenses	1,200	-	2,000	-	12,020	501.0%
7051 Court Technology Expense	1,400	1,100	2,000	1,660	8,820	341.0%
7109 Animal Control Projects	-	-	-	1,210	-	0.0%
7092 Fire Dept. Donations - Equipment	1,250	1,661	3,500	10,000	10,310	194.6%
7093 EMS Donations - Equipment	1,250	-	1,500	2,420	10,310	587.3%
7101 Donations - Designated - Parks	-	-	-	-	1,500	100.0%
7321 Court Asset Forfeitures	-	90	7,160	380	7,050	-1.5%
7025 Grant Revenue - Police Department	9,220	9,220	-	7,190	7,000	100.0%
7071 TX Parks & Wildlife - Peninsula Grant	-	-	-	-	160,000	100.0%
7763 CDBG Round I: Post-Ike Recovery	-	-	-	-	761,068	100.0%
7764 SECO EECBG	-	-	-	-	23,030	100.0%
7765 TDEM Hazard Mitigation Grant	-	-	-	-	213,750	100.0%
7421 LEOSE GRANT Revenue - Police	1,500	755	1,500	780	5,010	234.0%
7431 LEOSE GRANT Revenue - Fire Marsh	700	611	700	130	3,520	402.9%
7451 Grant - EMS - SE Tex Trauma R.A.C.	500	-	500	-	3,210	542.0%
7061 Comcast 1% Franchise Fee - NBTV	-	-	12,000	11,280	25,490	112.4%
7762 TMLIRP - Ike	-	-	-	-	109,900	100.0%
7761 FEMA - 09 Ike Revenue	141,560	74,326	-	-	56,170	100.0%
7771 EDA - 09 Grant Revenue	1,401,636	1,401,636	542,200	214,530	327,670	-39.6%
TOTAL	1,566,116	1,489,400	578,060	253,000	1,763,478	205.1%



Capital Projects Fund

~ Fund 09

Capital Projects Fund

The Capital Projects Fund provides funding for the acquisition and construction of municipal public improvements. These funds are spent in accordance with the City's Capital Improvement Plan (see page 106). The FY2012 Budget contains an updated Five-Plus-Year Capital Improvement Plan to provide a framework for the long term infrastructure and capital needs of the City. The City received funding for the next two years of the Water & Sewer Capital Improvements. These expenditures will be captured in the Water & Sewer Fund. Additionally, as part of this budget, the City Council took steps toward cash-flowing smaller capital improvements with a transfer from the General Fund to the Capital Improvement Fund.

Capital Projects Fund

~ Fund 09

Revenues

Revenue Detail	Amended Budget FY 09/10	Actual FY 09/10	Amended Budget FY 10/11	Projected FY 10/11	Adopted Budget FY 11/12	Budget % Change
3020 Interest on Investments	-	473	-	110	-	0.0%
4920 Transfer From General Fund	-	-	-	-	30,000	100.0%
TOTAL	-	473	-	110	30,000	
9520 Prior Year Balance	323,202	-	176,537	172,199	5,507	-96.9%
9525 End of Year Reserve	-	-	(420)	(5,507)	(7)	-98.3%
GRAND TOTAL	323,202	473	176,117	166,802	35,500	-79.8%

Expenditures

Expenditure Detail	Budget FY 09/10	Actual FY 09/10	Budget FY 10/11	Projected FY 10/11	Budget FY 11/12	% Change
5232 FY08 Hydro Storz Fire Hydrant	264	264	-	-	-	0.0%
5233 FY08 SEWPP Improvements	31,226	19,688	15,928	-	-	-100.0%
5234 FY08 Hydro Tank/Valve Swan WP	38,327	-	38,327	-	-	-100.0%
5332 FY08 Plan New Public Safety Bldg.	46,698	-	46,698	-	-	-100.0%
5413 FY07 WWTP Belt Press (07CO)	28,362	28,362	-	-	-	0.0%
5423 Transfer to W&S Fund	-	-	-	165,000	-	0.0%
5804 FY06 Dredging Project	29,629	29,629	-	-	-	0.0%
5602 FY07 NASA Pkwy TxDOT 06 Grant	55,000	-	55,000	-	-	-100.0%
5709 FY08 TIRZ - Planning Projects	-	(375)	375	-	-	-100.0%
6011 FY07 Equipment (07CO)	6,349	6,349	-	-	-	0.0%
6012 FY08 Equipment	25,283	25,283	-	-	-	0.0%
6133 FY07 Street Lights (07CO)	4,210	-	4,210	1,590	2,500	-40.6%
6228 FY06 Inlet Rehab. (06CO)	4,212	4,000	212	212	-	-100.0%
6229 FY07 Inlet Rehab. (07CO)	20,000	20,000	-	-	-	0.0%
6232 FY07 Eng - Drain/UB Pump St. #2	33,643	-	15,367	-	3,000	-80.5%
6400 Fiscal Year Capital Projects	-	-	-	-	30,000	100.0%
GRAND TOTAL	323,202	133,200	176,117	166,802	35,500	-79.8%

Street Sales Tax Fund

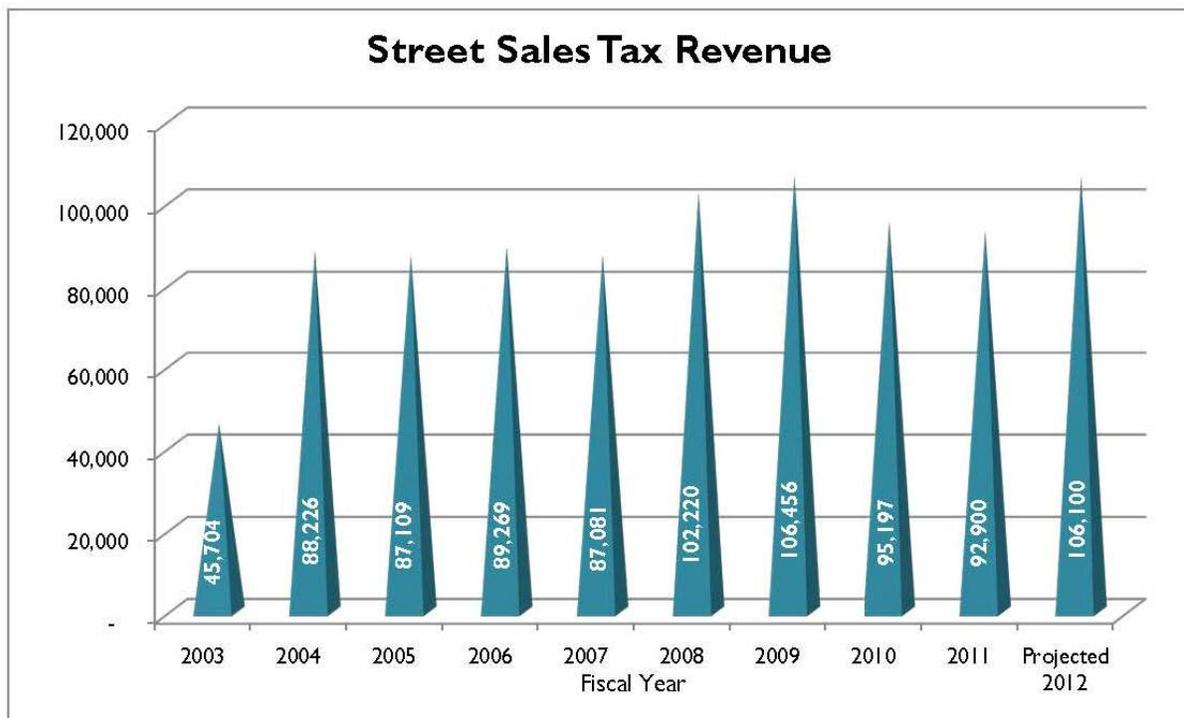
~ Fund 10

Street Sales Tax Fund

In 2001 the Texas Legislature passed House Bill 445 which allows cities to raise their local sales tax 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 build after the adoption of the tax.

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 the most recent reauthorization election in November 2, 2010, extending the sales tax to April 1, 2015. Since the tax became effective in 2003, the City has collected over \$794,000, all dedicated to improving and maintaining Nassau Bay's municipal streets.



Street Sales Tax Fund

~ Fund 10

Revenues

Revenue Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget		Budget		Budget	%
		FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	Change
3020	Interest on Investments	2,750	458	500	400	500	0.0%
3110	Sales Tax Revenue	92,900	95,197	92,900	92,900	106,100	14.2%
TOTAL		95,650	95,655	93,400	93,300	106,600	14.1%
9520	Prior Year Balance	230,585	-	153,105	-	248,082	62.0%
9525	End of Year Reserve	-	-	(58,880)	-	(131,802)	123.8%
GRAND TOTAL		326,235	95,655	187,625	93,300	222,880	18.8%

Expenditures

Expenditure Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget		Budget		Budget	%
		FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	Change
5204	FY07 Streets	33,626	35,421	-	-	-	0.0%
5205	FY08 Streets	105,609	105,609	-	-	-	0.0%
5206	FY09 Streets	91,350	80,460	10,890	10,890	-	-100.0%
5207	FY10 Street Projects	95,650	11,815	83,835	23,850	59,980	-28.5%
5208	FY11 Street Projects	-	-	92,900	-	92,900	0.0%
5209	FY12 STREET PROJECTS	-	-	-	-	70,000	100.0%
GRAND TOTAL		326,235	233,305	187,625	34,740	222,880	18.8%

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 policies.

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.

In past years the City has provided incentive for all employees to excel in their positions through a compensation program that is tied to a performance-based evaluation system with a salary structure for all pay grades. Due to budget constraints, in FY2011 employees did not receive any merit or cost of living increases. In FY2012, the budget provides for a one-time 3% merit allocation for all employees.

Staffing

The City is projecting an overall 6.36% increase in the Personnel Budget, including both salary and benefits. The FY2012 budget does not include any major staffing changes. It does not fund any seasonal or temporary positions and it limits overtime.

The staffing level for this budget is 40 full-time, 6 part-time and 29 hourly (part-time, limited-use) employees. Of the City's employees, many perform duties in two or more departments. As a result, many are paid percentages of their total salary from two or more departments.

Personnel Benefits

The City provides the following employee benefits:

Certification Pay	Longevity
Vacation	Holidays
Personal (floating) Holidays	Emergency Leave
Sick Time	Medical & Dental Insurance
Life Insurance	Long-Term Disability
Retirement Benefits	

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

Personnel

~ All Funds

Wages & Benefits

Fiscal Year	Wages	Social Security	Pension	Health Insurance	Total Benefits	% of Salary	Total Wages & Benefits	No. FT	No. PT	No. Hourly
FY06	2,125,489	162,600	193,998	307,710	664,308	31.25%	2,789,797	39	6	*
FY07	2,199,393	168,254	214,090	291,600	673,944	30.64%	2,873,337	39	6	*
FY08	2,327,197	178,031	228,401	298,544	704,976	30.29%	3,032,173	39	10	*
FY09	2,614,454	200,006	271,362	321,694	793,062	30.33%	3,407,516	40	11	*
FY10	2,763,962	211,443	265,743	316,727	793,913	28.72%	3,557,875	39	12	*
FY11	2,561,208	195,932	263,317	333,138	792,387	30.94%	3,353,595	40	6	*
FY12	2,684,520	206,310	323,540	352,600	882,450	32.87%	3,566,970	40	6	29

FY12 Increase (Decrease)

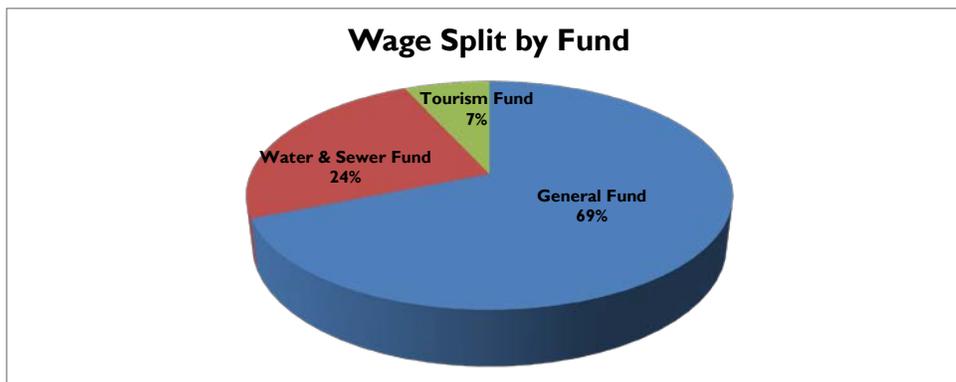
	Wages	Social Security	Pension	Health Insurance	Total Benefits	Total Wages & Benefits
\$ Change	123,312	10,378	60,223	19,462	90,063	213,375
% Change	4.81%	5.30%	22.87%	5.84%	11.37%	6.36%

* Not reported in previous budgets

Historical Wage Comparison

Fiscal Year	General Fund	Water & Sewer Fund	Tourism Fund	Total Wages	Total Increase
FY06	1,493,827	533,842	97,820	2,125,489	(48,423)
FY07	1,570,158	533,672	95,563	2,199,393	73,904
FY08	1,658,271	561,984	106,942	2,327,197	127,804
FY09	1,870,664	613,715	130,075	2,614,454	287,257
FY10	1,893,371	711,830	158,761	2,763,962	149,508
FY11	1,765,338	615,020	180,850	2,561,208	(202,754)
FY12	1,848,930	652,500	183,090	2,684,520	123,312

Total Five Year Increase 485,127
Five Year Average Increase 97,025



Capital Improvement Plan

~ All Funds

Summary & Description

The capital planning process and capital improvement plan (CIP) was established to provide routine processes and procedures for identifying and advocating the current and future capital needs of the City of Nassau Bay. Through the capital improvement program process, the City strives to realize several goals:

- Create a process that enables informed decisions and choices that are consistent with short and long term problems, opportunities, and policy issues resulting from the CIP; and give consideration to public needs.
- Assess short and long-term financial impact of capital projects.
- Ensure coordination between staff and elected officials in planning and implementing of capital projects.
- Identify and determine future infrastructure needs and establish priorities among projects so the available resources are used to the best advantage.

Projects in the Five-Year Capital Improvement Plan have been prioritized based on the extent to which each addresses the following criteria: external requirements, public health and safety, effect on operating or maintenance costs, level of service, availability of outside financing and economic development.

In addition, each project meets the City's definition of a capital improvement project: any project or physical public improvement that results in a permanent addition to the City's fixed assets or revitalization/improvement that extends a fixed asset's useful life or increases its usefulness or capacity. A capital improvement has an estimated service life of at least five years and a value of at least \$10,000.

The 5-year Capital Improvement Plan for 2011-2016 includes proposals totaling over \$17 million, with \$11 million occurring in the coming 5 years. Funding sources are not identified for all future projects. Given the City's financial position and cash management strategies, it may be necessary to issue debt in order to complete some of these projects. The City will aggressively seek grants and other funding opportunities to leverage tax dollars.

It is also important to highlight the projects that were completed in FY11 as part of the FY11 Budget and CIP. They total approximately \$540,000 and are depicted on the following page.

Capital Improvement Plan

~ Continued

Projects Completed from FY11 Five-Year CIP

Project	Estimated Cost	Actual Cost	Funding Source
Clean and Derag /Piping Improvements at Wastewater Treatment Plant	\$75,000	\$25,000 + In-House Labor	Water/Sewer Fund
Belt Press Replacement	\$173,290	\$165,000	Capital Improvement Project Fund
Sand Filter - Repair Existing Equipment and Unclog Media	\$16,000	\$6,000	Water/Sewer Fund
Sandy Cove Lift Station - Conversion to Submersible Pumps and Panel Replacement	\$50,000	\$48,000	FEMA Reimbursed Project
Annual Paving Improvements	\$150,000	\$30,000	Street Fund
Bulkhead Repair - West Antilles Lane	\$40,000	\$24,000	Water/Sewer Fund
Bulkhead Repair – Harbor Drive	\$40,000	424,000	Water/Sewer Fund

Capital Improvement Plan

~ Continued

2011-2012 CIP Budget

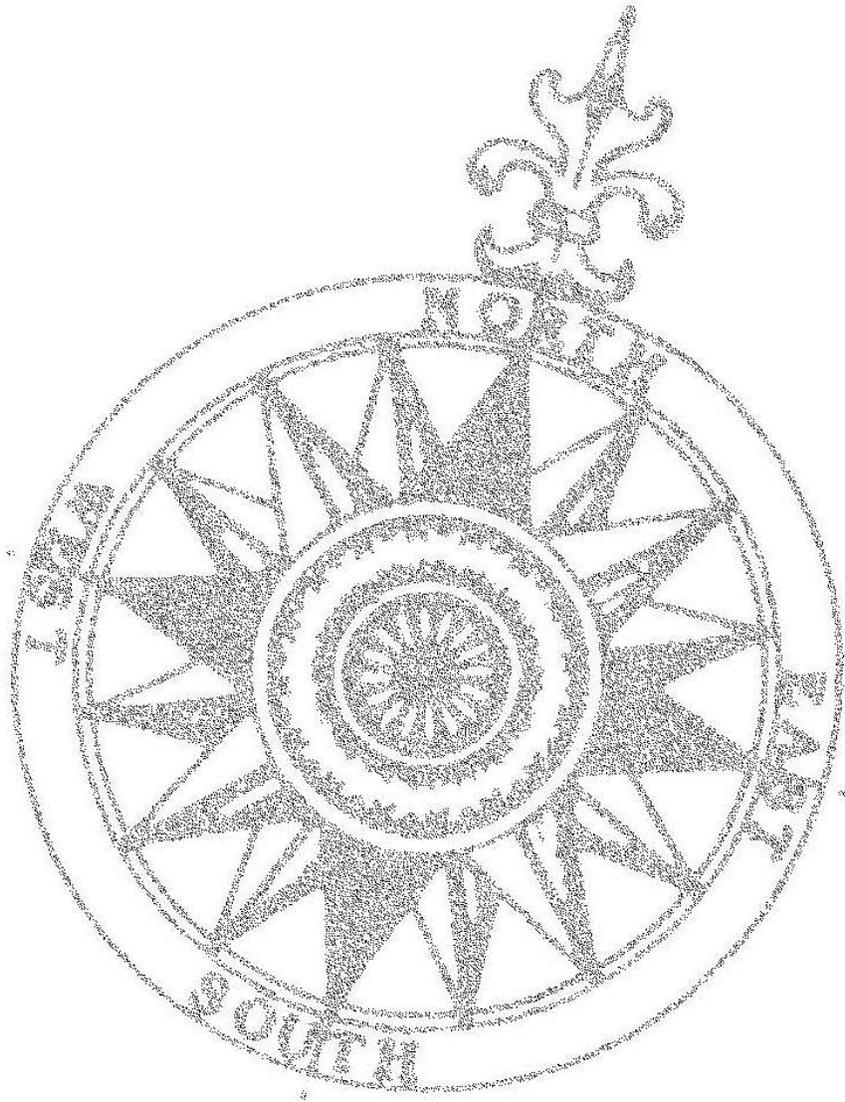
The City of Nassau Bay is proposing a FY2012 Capital Improvement Plan totaling over 3 million dollars of which 2.1 million, or 63%, is grant funded and over \$800,000 is part of the Texas Water Development Board project group. Projects include facilities and infrastructure, transportation systems and utility systems.

2012 Capital Budget Summary

# of Projects	Category	Cost
1	General Government	\$71,250
1	Parks & Recreation	\$200,000
14	Utility Systems	\$2.9 million
Various	Transportation	\$150,000

The Table below indicates the 2012 Capital Budget and Funding Detail.

Project Description	Estimated Cost	Funding Source
Surface Water Bypass Vault and ClaValve Installation	\$71,620	Community Development Block Grant
Replace Emergency Power System at Water Plant No. 1 w/ Natural Gas Generator	\$350,000	Texas Department of Emergency Management
Repairs to Electrical Conduit and Walkways [Railings, Safety]	\$30,000	Texas Water Development Board
Lift Pump Replacements to Improve Solids Handling - Phase 1, Single Pump	\$6,900	State Energy Conservation Office
Lift Pump Replacements to Improve Solids Handling - Phase 2, Remaining Two Pumps	\$40,000	Community Development Block Grant
Install Emergency Power Generator on Elevated Platform	\$241,500	Community Development Block Grant
Install New Liquid Chemical Feed System on Elevated Platform	\$200,250	Community Development Block Grant
Clarifier Center Well Repair	\$10,000	Texas Water Development Board
Facilities to divert flow or store flow to allow process units to be isolated for inspection, repair, and replacement	\$175,000	Texas Water Development Board
All Lift Stations - Installation of piping to allow for quick mobile pump hookup (bypass piping)	\$25,000	Community Development Block Grant
All Lift Stations - Installation of Generator quick connections and transfer switches	\$35,000	CDBG
Wastewater Lines and Manhole Rehabilitation - Various Areas	\$300,000	Texas Water Development Board
Sand Filter – Upgrade System Modem Unit	\$450,000	Texas Water Development Board
Annual Paving	\$150,000	Street Fund
Wastewater Lines and Manhole Rehabilitation - Various Areas	\$300,000	Texas Water Development Board



Overall CIP Rank	Proj ID	Project Description	Project Budget	2011-2012	Funding Source	2012-2013	2013-2014	2014-2015	2015-2016	2017 & Beyond	Current Phase	Next Phase	Special Notes & Justification
WATER SYSTEM													
Water Production and Transmission													
12	WP1001	Surface Water Supply Bypass Vault and ClValve Installation	\$71,620	\$71,620	CDBG Grant						Bidding	Construction	Improves water system reliability; Allows for bypass of City Water Plant for Maintenance.
23	WP1002	Replace 12-inch diameter Surface water supply pipeline b/w CLCWA and Nassau Bay	\$837,000			\$837,000					Grant Planning	Design	Historic maintenance problem throughout the years. Pipe is brittle AC-pipe, breaks often. Primary water supply to City
24	WP1003	Piping Improvements at Water Plant No. 1 to Improve Elevated Tank Fill and Drain Operations	\$50,000			\$50,000					New Project	Planning	Improves Fire Protection and reduces number of water line breaks by allowing full tank concurrent with lower system pressure.
25	WP1011	Elevated water storage tank and ground water storage tank at Plant #1 painting, repair, and upgrading	\$350,000			\$350,000					Planning	Inspection	Needed to extend life of water storage tanks
13	WP1004	Replace Emergency Power System at Water Plant No. 1 w/ Natural Gas Generator	\$350,000	\$350,000	TDEM-HMPG						Bidding	Construction	Replaces existing aging equipment, needed to provide back up power for water plant
44	WP1005	Rehabilitate and Restore Water Well at Swan Lagoon Water Plant; Includes Hydrotank	\$405,950							\$405,950	Planning	Design	Improves water system reliability; Improves Fire protection in Swan Lagoon Area.
Water Distribution													
34	WD1001	Water Line Rehabilitation	\$300,000				\$100,000	\$100,000	\$100,000				
WASTEWATER SYSTEM													
Wastewater Treatment Plant													
1	WWT1019	Repairs to Electrical Conduit and Walkways [Railings, Safety]	\$30,000	\$30,000	TWDB Fund						Planning	Design	Outdoor Wiring Needs Repair; Need repairs and rails on certain walkways
2	WWT1002	Lift Pump Replacements to Improve Solids Handling - Phase 1, Single Pump	\$6,900	\$6,900	SECO Grant						Final Design	Construction	Improves the ability of the WWTP to treat the full 5 million gallon per day design capacity. [Matching Funds Shown]
3	WWT1003	Lift Pump Replacements to Improve Solids Handling - Phase 2, Remaining Two Pumps	\$40,000	\$40,000	CDBG Grant						Bidding	Construction	Improves the ability of the WWTP to treat the full 5 million gallon per day design capacity.
4	WWT1004	Install Emergency Power Generator on Elevated Platform	\$241,500	\$241,500	CDBG Grant						Bidding	Construction	Provides back up power during emergency, allows wastewater plant to operate during times of power outage
5	WWT1005	Install New Liquid Chemical Feed System on Elevated Platform	\$200,250	\$200,250	CDBG Grant						Bidding	Construction	Replaces aging equipment; More safe installation compare to existing chlorine gas; flood proofs the disinfection system.
6	WWT1007	Clarifier Center Well Repair	\$10,000	\$10,000	TWDB Fund						Planning	Design	Repairs damaged equipment. Eliminates clear water from mixing with thickened sludge as sludge is wasted to digester.
7	WWT1009	Facilities to divert flow or store flow to allow process units to be isolated for inspection, repair, and replacement	\$175,000	\$175,000	TWDB Fund						Planning	Design	Develop plan to allow for the plant to be bypassed for maintenance. Current configuration allows for only 24 hours of down time.
26	WWT1012	Install Automatic or Manual Screen at Plant Headworks, Includes Screenings removal and Dumpster	\$300,000			\$300,000					Planning	Design	Reduces chance of plant clogging and overflows at the plant; improves operations.
27	WWT1013	Replace Existing diffusers with Fine Bubble System	\$75,000			\$75,000					Planning	Design	Reduces chance of plant spillage due to turbulent liquid in the aeration basin.
28	WWT1019	Rehabilitation of Clarifier - Painting, Releveling, Replace Corroded Metal	\$80,000			\$80,000					Planning	Design	
30	WWT1014	Comminuter Installation at Lift Station [May be superseded by Lift Pump Replacement]	\$138,000			\$138,000					Bidding	Construction	Grinds rags and solids prior to entering the wastewater treatment plant lift station. Reduces chance of overflows in system.
39	WWT1015	Grit Removal Improvements	\$400,000						\$400,000		Planning	Design	Reduces chance of plant clogging and overflows at the plant; reduces need for future basin clean out
14	WWT1016	Sand Filter - Upgrade System to Modern Unit which will be Flood Proof.	\$450,000	\$450,000	TWDB Fund						Planning	Design	Replaces aging and obsolete sand filter unit.
Wastewater Lift Stations and Force Mains													
8	WWL1005	All Lift Stations - Installation of piping to allow for quick mobile pump hookup (bypass piping)	\$25,000	\$25,000	CDBG Grant						Bidding	Construction	Allows for quick connection of a mobile diesel trash pump
9	WWL1006	All Lift Stations - Installation of Generator quick connections and transfer switches	\$35,000	\$35,000	CDBG Grant						Bidding	Construction	Allows for quick connection of a mobile generator
33	WWL1007	Surf Court Lift Station - Force Main Replacement	\$1,000,000			\$1,000,000					Grant Planning	Design	Replaces aging and deteriorated infrastructure; pipe is brittle AC, frequent breaks historically.
40	WWL1008	Surf Court Lift Station - Odor Control Improvements	\$75,000						\$75,000		None	Design	Improves odor condition at Surf Court cul-de-sac.
41	WWL1009	Installation of SCADA to provide more effective and energy efficient operation of sewer lift stations	\$15,000						\$15,000				
Wastewater Collection System													
10	WWC1002	2010-2011 Sewer Rehabilitation [Nassau Bay Drive Rear Easement; Hereford Lane; Basilan Lane]	\$300,000	\$300,000	TWDB Fund						Planning	Design	Repairs deteriorated infrastructure
11	WWC1006	Wastewater Lines and Manhole Rehabilitation - Various Areas	\$3,700,000	\$3,000,000	TWDB Fund	\$300,000	\$300,000	\$300,000	\$300,000	\$2,200,000	Planning	Design	Replaces deteriorated infrastructure.
WATER & WASTEWATER UTILITY TOTALS			\$9,661,220	\$2,235,270		\$2,130,000	\$1,400,000	\$400,000	\$890,000	\$2,605,950			
DRAINAGE													
Drainage Collection													
45	DC1004	Pipe Installation on Saxony - Connection b/w Point Lookout (6' pipe system thru Park) and Hereford Lane	\$45,000							\$45,000	Design	Construction	Improves drainage in Herford Lane area by connecting to 6' diameter pipe at Park [Design completed in 2008]
46	DC1005	Large Diameter Storm Sewer Installation on Point Lookout Draining to Lake Nassau [TWDB Loan Pote	\$448,700							\$448,700	Planning	Design	Reduce flooding in problem area of Point Lookout at Pirates Cove
47	DC1006	Marina Basin Storm Sewer Phase 1	\$151,595							\$151,595	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
48	DC1007	Marina Basin Storm Sewer Phase 2	\$168,200							\$168,200	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
49	DC1008	Marina Basin Storm Sewer Phase 3	\$285,470							\$285,470	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
50	DC1009	Marina Basin Storm Sewer Phase 4	\$456,190							\$456,190	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
51	DC1010	Improvements at Basilan Lane Area	\$100,000							\$100,000	Study	Design	Reduce flooding in problem area of Basilan Lane
Drainage - Pump Stations													
35	DP1001	Upper Bay Road - New Diesel-Driven Stormwater Pump Station No. 2	\$205,500				\$205,500				Planning	Design	Improves roadway drainage along Upper Bay to allow for evacuation and emergency vehicle access.
PAVING													
Capital Improvements													
16	PCIP1001	Annual Paving Improvements	\$150,000	\$150,000	Street Fund	\$50,000	\$150,000	\$50,000	\$150,000		Planning	Design	Replaces deteriorated infrastructure
Maintenance													
52	PM1001	Joint Sealing - City Wide or Large Areas	\$300,000							\$300,000	Planning	Construction	Preventative Maintenance of roadway infrastructure.
DREDGING AND BULKHEADS													
88	DM1003	Removal of High Spot in Lake Nassau Channel at Confluence w/ Clear Creek	\$24,100							\$24,100	Planning	Construction	Improves navigability and drainage
15	DL1004	Dredging of Lake Nassau; Lake Nassau Park shoreline erosion restoration and erosion protection	\$1,800,000	\$300,000	TBD	\$1,500,000					Planning	Construction	Improves water quality in Lake and drainage.
SPECIAL PUBLIC WORKS VEHICLES AND CAPITAL EQUIPMENT													
21	PW1001	Backhoe Kubota	\$25,000	\$25,000	TBD								
31	PW1002	Pick-Up Truck A	\$20,000			\$20,000							
36	PW1003	Backhoe Priority B	\$63,000			\$63,000							
22	PW1004	Bucket Truck	\$90,000	\$90,000	TBD								
38	PW1005	Pick-Up Truck B	\$20,000			\$20,000		\$20,000					
42	PW1006	Pick-Up Truck C	\$20,000			\$20,000			\$20,000				
53	PW1007	Trailer Mounted Vacuum Unit	\$95,000							\$95,000			
PARKS													
54	P1004	Lake Nassau Park Trail, Phase II	\$70,000							\$70,000			
32	P1005	Lake Nassau Park parking lot improvements	\$120,000			\$120,000							
56	P1001	Canoe Launches at Lake Nassau	TBD										
17	P1007	Peninsula Trail	\$200,000	\$200,000	TX P & W Grant								
18	P1008	Pavilion - Maintenance and Repairs	\$210,000	\$10,000	TBD	\$200,000							
FIRE DEPARTMENT													
55	FD1003	Ladder Truck	\$1,000,000							\$1,000,000			
43	FD1002	Replacement Pumper	\$600,000						\$600,000				
37	FD1001	Utility 89	\$32,000			\$32,000							
GENERAL & ADMINISTRATIVE													
57	GA1002	Public Safety Building	TBD										
19	GA1001	Generator	\$71,250	\$71,250	Grant - TDEM								
SPECIAL - GIS SYSTEM													
Mapping Updates													
58	GIS1000	Water System	TBD								Study	Completion	Improves City operation and public access
59	GIS1001	Wastewater System	TBD								Study	Completion	Improves City operation and public access
60	GIS1002	Drainage System	TBD								Study	Completion	Improves City operation and public access
61	GIS1003	Other as Required (Police/Fire)	TBD								Study	Completion	Improves City operation and public access
SPECIAL - PROJECTS - FEDERAL GRANTS													
EDA Grant Funded Projects - Nassau Bay Town Square													
20	SP1002	Contract 3 - Installation of Hardscape	\$300,000	\$300,000	EDA - Final Year						Construction	Completion	Improves aging infrastructure; Improves local economy

TOTAL ALL PROJECTS													
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2017 & Beyond							
\$17,132,225	\$3,381,520	\$4,020,000	\$1,850,500	\$470,000	\$1,660,000	\$5,750,205							

Component Units

~ For Resources Purposes

Component Units

The City is associated with several component units. Component units are governmental-type entities that are governed by a separate board than the City Council and have been empowered to varying degrees to receive and allocate certain sums of money. The City's component units are:

- Nassau Bay Economic Development Corporation
 - Funded by 0.50% Sales Tax
- Nassau Bay Tax Increment Reinvestment Zone #1
 - Funded by TIRZ #1 Property Tax Increment
- Nassau Bay Redevelopment Authority
 - Allocation and disbursement entity for the TIRZ #1 Revenue
- NASA Area Management District
 - Funded by 0.25% Sales Tax

Component Units

~ Economic Development Corporation

Economic Development Corporation

The Economic Development Corporation (EDC) was incorporated on April 22, 1998 as a nonprofit governed by Section 4B of the Texas Development Corporation Act of 1979. It is funded by 0.50 percent sales tax. The corporation promotes and develops new and expanded business enterprises in the City in order to promote and encourage the economic growth of the City and the full employment, welfare and prosperity of its citizens.

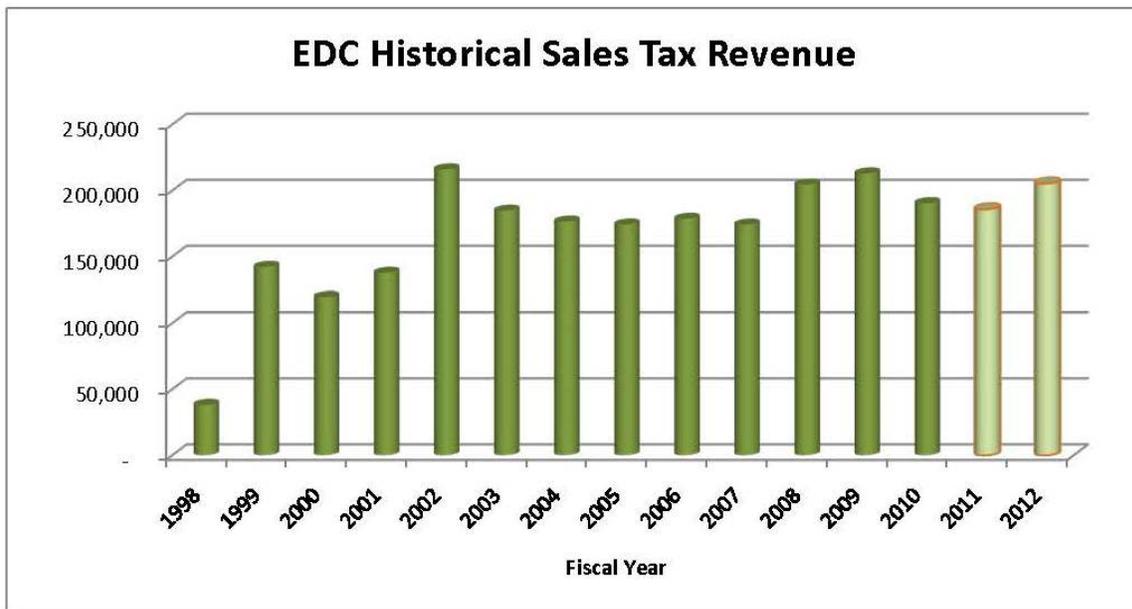
The Economic Development Corporation approves its budget and then submits its budget for City Council approval prior the Council's approval of the Annual City Budget. The Economic Development Corporation Budget is included in the City's Annual Budget book for information and resource purposes, but is not considered part of the City's Approved Annual Budget.

The following are the FY2012 Board Members for the EDC:

Don Matter, President
Ron Swofford, Vice President
Jonathan Amdur, Treasurer
Joe Murdock, Secretary

Brad Bailey, Director
Gary Mossman, Director
George Dempsey, Director

EDC bylaws state Mayor and Council Positions 3, 4, & 5 will be on the EDC.



Economic Development Corporation

~ Fund 51

Revenues

Revenue Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget		Budget		Budget	%
		FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	Change
3020	Interest on Investments	1,000	289	200	200	300	50.0%
3110	Sales Tax Revenue	185,700	190,393	185,700	185,700	205,200	10.5%
TOTAL		186,700	190,682	185,900	185,900	205,500	10.5%
9520	Prior Year Balance	193,900		160,400	177,954	87,730	-45.3%
9525	End of Year Reserve	(66,382)		(35,651)	(87,730)	(25,217)	-29.3%
GRAND TOTAL		314,218	190,682	310,649	276,124	268,013	-13.7%

Expenditures

Expenditure Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget		Budget		Budget	%
		FY 09/10	FY 09/10	FY 10/11	FY 10/11	FY 11/12	Change
5000	Administrative Expense	122,500	127,500	115,000	115,000	100,000	-13.0%
5001	Audit	10,307	10,307	7,730	7,730	7,730	0.0%
5002	Promotion/Consulting	3,000	241	3,000	475	-	-100.0%
5005	Legal	4,000	1,288	4,000	2,000	2,000	-50.0%
5006	Memberships-BAHEP/TEDC	15,000	15,000	19,000	19,000	19,000	0.0%
5100	Economic Dev Proj-Undesignated	80,000	4,000	30,000	10,000	10,000	-66.7%
5108	City Building-Joint Project	-	-	50,000	50,000	50,000	0.0%
5110	Debt Service-2006 Tax Notes	69,411	69,411	71,919	71,919	69,283	-3.7%
5113	Lockheed Martin Contract	10,000	-	10,000	-	10,000	0.0%
GRAND TOTAL		314,218	227,747	310,649	276,124	268,013	-13.7%

Component Units

~ *NASA Area Management District*

NASA Area Management District

The NASA Area Management District (NAMD) was incorporated by the state legislature to promote commercial sustainability by creating a unique sense of place inclusive of residential, retail, commercial and waterfront development. Its goal is to achieve these things by:

- Enhancing safety and security
- Ensuring high quality infrastructure
- Expanding awareness of Nassau Bay as a great place to live, work, and play
- Fostering public/private partnerships
- Providing distinctive urban design and maintenance

In FY2012 the NASA Area Management District will work in coordination with the Nassau Bay TIRZ #1 on the H-GAC Livable Centers Grant.

The NASA Area Management District has a completely independent governing board and approves its budget independent of the City Council. The NAMD Proposed Budget is included in the City's Annual Budget book for information and resource purposes, but is not considered part of the City's Approved Annual Budget.

**NASA Area Management District
Proposed Draft Budget
FYE: September 30, 2012**

	Year to Date (11 Months)			Annual	12 Month	Proposed Draft
	Actual	Budget	Variance	Budget	Projected	Budget FYE 2012
Income						
6-4380 · Sales Tax Income	66,006.52	55,000.00	11,006.52	60,000.00	72,007.11	72,000.00
6-5380 · Miscellaneous Income	0.00	0.00	0.00	0.00		0.00
6-5391 · Interest -	2.88	0.00	2.88	0.00	3.14	0.00
Total Income	66,009.40	55,000.00	11,009.40	60,000.00		72,000.00
Expense						
6-6320 · Legal Fees	5,826.36	9,166.66	-3,340.30	10,000.00		10,000.00
6-6321 · Auditing Fees	750.00	750.00	0.00	750.00		750.00
6-6322 · Engineering Fees	0.00	0.00	0.00	0.00		0.00
6-6324 · Un-Programmed Project Expense	2,140.00	9,166.66	-7,026.66	10,000.00	2,334.55	10,000.00
6-6329 · Livable Centers Grant	15,179.50	15,179.50	0.00	15,179.50	15,179.50	0.00
6-6330 · Administrator Fee	16,487.39	12,833.33	3,654.06	14,000.00	17,986.24	18,000.00
6-6331 · Management Fee	0.00	4,583.34	-4,583.34	5,000.00		7,500.00
6-6333 · Bookkeeping	3,850.00	4,400.00	-550.00	4,800.00	4,200.00	4,800.00
6-6338 · Legal Notices & Other Publicati	0.00	0.00	0.00	0.00		0.00
6-6340 · Printing & Office Supplies	161.93	0.00	161.93	0.00	176.65	200.00
6-6353 · Insurance	0.00	3,900.00	-3,900.00	3,900.00		3,900.00
6-6354 · Travel Expenses	0.00	0.00	0.00	0.00		0.00
6-6360 · Security Expense	0.00	0.00	0.00	0.00		0.00
6-6400 · Website Maintenance	0.00	0.00	0.00	0.00		0.00
6-7395 · Miscellaneous Expense	29.10	0.00	29.10	0.00	31.75	50.00
Total Expense	44,424.28	59,979.49	-15,555.21	63,629.50		55,200.00
Net Income	21,585.12	-4,979.49	26,564.61	-3,629.50		16,800.00

Component Units

~ Tax Increment Reinvestment Zone #1 & Redevelopment Authority

Tax Increment Reinvestment Zone #1

The Nassau Bay Tax Increment Reinvestment Zone #1 (TIRZ) is a designated geographic area approved by the State Legislature to help finance the cost of public improvements needed for development or redevelopment of that specific area. The TIRZ is funded by any additional incremental value created by property inside the TIRZ after the initial base year of 2007. Of the additional increment that is generated, the City receives 10% of the levy on the incremental value and the TIRZ receives 90%.

In FY2012 the Nassau Bay TIRZ will work in coordination with the NASA Area Management District on the H-GAC Livable Centers Grant.

Nassau Bay Redevelopment Authority

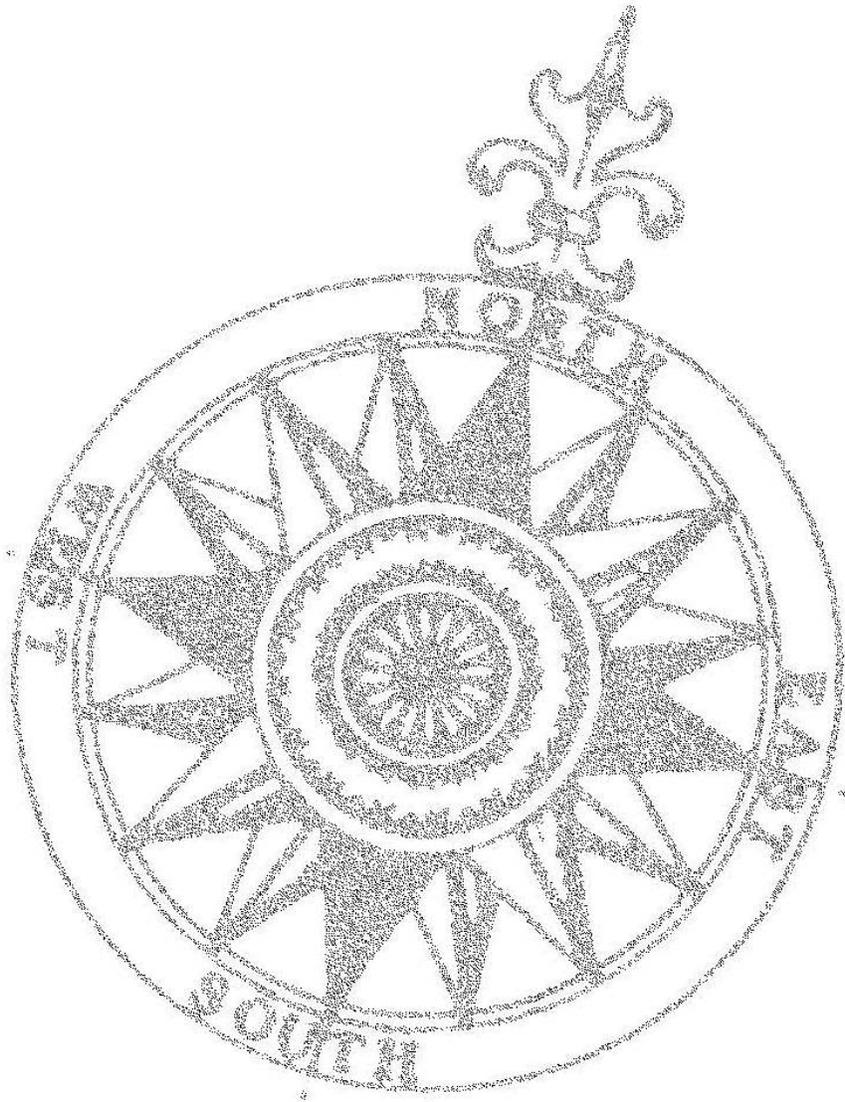
The Nassau Bay Redevelopment Authority (RDA) is a Local Government Corporation, owned by Nassau Bay and created in accordance with the powers granted cities in Chapter 431, Subchapter D, of the Texas Transportation Code. The RDA is a separate, nonprofit corporate entity from the City but is subject to the Open Meeting and Open Records Acts and is exempt from property and sales tax.

The RDA provides the City with flexibility in the implementation of the TIRZ; it can issue debt on its own behalf such that it is not an obligation of the City. Additionally, it can contract with developers and consultants to develop projects that increase taxable value within the TIRZ.

TIRZ & RDA

The Nassau Bay TIRZ levies and receives the Property Tax Increment revenue at which time these funds are transferred for allocation purposes to the Nassau Bay Redevelopment Authority. To date, the TIRZ/RDA has not had enough revenue to actively budget and allocate its funds and therefore a budget is not included with this information. The information provided in the City's Annual Budget is only for resource purposes.





Budget Notes