

**City of Nassau Bay, Texas
Fiscal Year 2013-2014
Adopted Budget
September 23, 2013**

**General Fund
Water & Sewer Fund
Debt Service Fund
Tourism Fund
Special Revenue & Grants Fund
Capital Projects Fund
Street Sales Tax Fund**





City of Nassau Bay, Texas
Annual Budget
 October 1, 2013 – September 30, 2014

ADOPTED
SEPTEMBER 23, 2013

This budget will raise less revenue from property taxes than last year's budget by an amount of 446,760, which is a -12.91 percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is 59,373.**

THE MAYOR & CITY COUNCIL RECORD VOTE

The members of the governing body voted on the adoption of the budget as follows:

FOR: Mark Denman, David Braun, Sandra Mossman, John Mahon, Bob Wartens

AGAINST: none

PRESENT & NOT VOTING: none

ABSENT: Jonathan Amdur, Brad Bailey

Tax Rate Information	Proposed FY14	Adopted FY13
Property Tax Rate	0.732120	0.732120
Effective Tax Rate	0.757910	0.733702
Effective M&O Tax Rate	0.709630	0.686594
Rollback Tax Rate	0.834861	0.782853
I&S Tax Rate	0.068461	0.413320

The total amount of municipal debt obligation secured by property taxes for the City of Nassau Bay is \$5,517,123.25

** This statement is based on required Truth in Taxation calculations. This Title Page Notice is required by Texas Senate Bill 656 passed during the 83rd Legislative Session. For more information please contact the Finance Department at 281-333-4211.





Elected Officials

Mark A. Denman
Mayor

David Braun
Mayor Pro Tem, Position 1

Sandra Mossman
Position 2

John Mahon
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 L. Stiles
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

Tommy Cones
Fire Marshal

Stacy Froeschner
Court Administrator

Chris Shannahan
Code Enforcement Officer

EMS Chief

Isela Castillo
Human Resources

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





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Nassau Bay
Texas**

For the Fiscal Year Beginning

October 1, 2012

Christopher P. Morill

President

Jeffrey R. Emmer

Executive Director





Budget for Fiscal Year 2013-2014

General Fund.....	Pages 43-89.....	\$ 4,991,631
Water & Sewer Fund.....	Pages 91-103.....	\$ 4,105,960
Debt Service Fund.....	Pages 105-113.....	\$ 700,240
Tourism Fund.....	Pages 115-123.....	\$ 520,190
Special Revenue & Grants Fund.....	Pages 125-127.....	\$ 217,750
Capital Projects Fund.....	Pages 129-130.....	\$ 470,620
Street Sales Tax Fund.....	Pages 131-132.....	\$ 235,370
<hr/> Total Budget		\$11,241,761



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Budget Year 2014

Budget Calendar

April 30, Tuesday	Operating & CIP Budget Kick-Off; Budget Request Guides Distributed; Departments develop FY12 Objectives	Dept. Managers
April 30, Tuesday	Receive Preliminary Tax Roll [certified estimate of total appraised value]	HCAD
May 14, Tuesday	Department FY13 projections, capital outlay detail, funding sources & justification due; Preliminary Operating & CIP Budget request deadline	Dept. Managers
May 14 - 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	Appropriations/Interfacing Taskforce (Tourism Fund) - Per Hotel/Motel Appropriations Policy	HOT Tax Appropriations/ Interfacing Taskforce
June 11, Tuesday	Completed City Manager's Draft Budget	City Manager
June 24, Monday	Budget Workshop - Budget Priorities & CIP Funding	City Manager & Council
July 22, Monday	EDC Regular Meeting & Budget Workshop	City Manger & EDC
July 29, Monday	Budget Workshop - Present Draft Budget for Council Review	Special City Council Meeting
August 2, 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 12, Monday	Presentation of Budget to City Council and Public Budget Hearing; Schedule Workshop if needed	City Manager at Regular City Council Meeting
<i>August 26, Monday</i>	<i>Publicize Budget Public Hearing in local newspaper per Sec. 102.0065 of TX LGC- MISSED DEADLINE</i>	<i>Finance Director, City Secretary</i>
August 26 - September 3, Mon. - Tues.	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 9, Monday	Presentation of Final Budget to City Council and Second Budget Public Hearing; Certification of anticipated collection rate; discuss tax rate. If Council determines, adopt Tax Rate by Ordinance; <i>-Publicize Budget Public Hearing in local newspaper per Sec. 102.0065 of TX LGC (Instead of 8/26/13) ~ 9/12/2013 Publication Date</i>	City Manager; City Council; Regular Council Meeting
September 9, Monday	Publish effective and rollback tax rates, schedules and fund balances; submission to Council	Finance Director, City Secretary
September 20, Friday	Nassau Bay Charter Requirement - Final Date to adopt budget	City Council
September 23, Monday	Second Budget Public Hearing; Adopt Budget by Ordinance	Special City Council Meeting
October 1, Tuesday	Fiscal Year 2013-2014 Begins	
October 14, Monday	Adopt Tax Rate by Ordinance	Regular Council Meeting





The Municipal Budget Fiscal Year 2014 ~ Budget Message

The budget process for Fiscal Year 2014, like in previous years, allowed the City to take inventory of the past year's accomplishments as well as to plan for next year's projects. Through the budget process City staff and elected officials examine the activities and services of the City and evaluate them in terms of relevancy and impact on the residents and the community in order to best plan for the future.

With each budget, the City strives to do three important things: provide for the effective and healthy fiscal administration of the City's resources, prioritize resources to best achieve the City Council's goals, and complete capital projects in accordance with the available funding. The FY2013 Budget achieved all of these items successfully, paving the way for a great FY2014, fully prepared to meet the challenge of Council's newest goals and complete a myriad of capital infrastructure projects.

FY2013 Achievements – Year End Review

To review the successes of the past year, it is important to note that first and foremost, the FY2013 Budget maintained a healthy Reserve Fund and ended the year with approximately 133 days of reserves, above 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. With the Reserve Fund meeting the guidelines set in our Fund Balance Policy, the City also implemented a balanced FY2013 Budget that provided a successful framework for the entire fiscal year. Having done so, the City met the fourth goal Council set for FY2013.

City Council's first priority had been the development of a plan to replace the aging sewer and water infrastructure. Faced with nearly 50 year old infrastructure, it was Council's priority to address the most critical areas first and then develop a plan for annual replacement and upgrades of the existing system. During FY2013, the City completed a large Community Development Block Grant (CDBG) project that provided the sewer plant with an elevated natural gas back-up generator to ensure the City's ability to maintain sanitary conditions in time of disaster. A large Texas Water Development Board (TWDB) sewer plant rehabilitation project has also been bid and awarded with construction to start in September 2013. This project will entirely upgrade the existing sewer plant with new equipment to improve all the functions of the plant. The project is set for completion in the second quarter of FY2014. Finally, the City completed several water and sewer line rehab projects throughout the City, focusing on those critical areas that were known to have unstable or collapsing

lines. In addition to the CDBG grant funding and TWDB Bond Revenue, the City was able to cash flow about \$200,000 of Water and Sewer projects.

The second goal City Council selected for Nassau Bay in FY2013 was the improvement of the quality of life for Nassau Bay residents. Although, it is often difficult to quantify, the City completed several projects that easily fall into this category. The City rebuilt the boardwalk on Upper Bay Road to provide for safe passage along one of Nassau Bay's most scenic views. Through the help of a Texas Parks and Wildlife Grant, the City was able to construct a 2 mile (roundtrip) walking path on the Nassau Bay Peninsula, expanding the outdoor opportunities available to the public. Finally, the City began several large paving projects easing the commute of all those who use our streets and roadways.

Completing the plans for the new City Hall ranked third among Council's goals for FY2013. The City worked hard during the year to realize this goal. Not only were the plans for the new City Hall completed, but also the pre-construction project activities were well under way at the time of the FY2014 budget approval. It is anticipated that the construction of the new City Hall and Conference Center will be completed around April 2014. City Hall will be located upstairs and the first floor of the building will contain a Conference Center that will be leased to a single tenant on a full-time basis.

As in past fiscal years, Council reiterated the importance of a fiscally responsible, balanced budget. This priority was more of a challenge for the FY2013 Budget due to a decrease in residential and commercial personal property values. The value decreases forced Staff and Council to re-examine the goals for the City. After much deliberation, it was conceded that in order to maintain expected service levels and provide for the increases in operational costs, an increase in the tax rate would be necessary to effectively maintain the same level revenues that we had in previous years. While this was not an easy decision, it helped ensure that the City's operations and services are sustainable into the future. This decision resulted in a fiscally responsible, balanced budget which allocated resources to the services that Staff and Council feel most correctly reflect the expectations of Nassau Bay residents.

Finally, Council requested that as part of the ongoing push for more economic development in the City, Staff put energy and resources into the redevelopment of the area east of Upper Bay Road and south of NASA Parkway. This privately-owned commercial property is often regarded as under-leased and under-utilized. City Staff continued to work with property and business owners to look for productive ways to allow this property to once again become a bustling center of art and retail in our community. Additionally, the City Code Enforcement department worked to address code violations at the location, providing safer parking infrastructure among other items.

Prior year efforts to increase non-property tax revenues to the City continued in FY2013. Emergency Medical Service (EMS) contracts with the cities of El Lago and Taylor Lake Village to provide Emergency Medical Service continued to offset the costs of EMS service provision. The City continued to pursue cost-sharing with the NASA Area Management District for landscaping along the NASA Parkway frontage and entry median areas as well as maintenance on the fountains and lighting in the new development. Finally, the City continued to participate and qualify for the Emergency Management Performance Grant through the Texas Division of Emergency Management

to offset a portion of the cost associated with emergency management services in the City. All these sources of revenue are anticipated to remain on into the coming year.

In addition to the City's pursuit of Council's priorities, the City is proud to have completed several other projects. FY2013 heralded the return of the Municipal Court function to the City. The Court transition was a positive experience for all involved and has permitted the City to improve many processes related to law enforcement and recording keeping. The City also completed the first year with a full time Code Enforcement Officer. This change has allowed City staff to put special focus on code violations throughout the City.

As a result of productive inter-agency networking, the City negotiated with Harris County Precinct 2 to secure the construction of two large paving projects in Nassau Bay. Funded and managed by Harris County, the City anticipates the completion of repaving projects on Harbour Drive and Basilain Lane in the coming year. Finally, the City is delighted to have been honored with several important distinctions in FY2013, including the Texas State Comptroller's Gold Transparency Award, the Government Finance Officers' Associations Annual Distinguished Budget Award, and the designation of Top 100 Places to Work in Houston, Texas.

FY2014 Annual Budget – Goals

Completing the construction of the new City Hall ranked highest among Council's goals for FY2014. Building on the last year's progress in the planning and negotiations for the new City Hall structure, the City is planning to take ownership of the new 22,000 square foot facility around April 2014. The building will be home to City Hall, Council Chambers, and the Police Department on the second floor. This will include the General Administrative Department, Finance & Utility Billing, the Municipal Court, Building & Code Enforcement, and the Police & Emergency Management departments. It will also contain conference center space on the first floor which will be leased to a single tenant. The new City Hall will replace the old City Hall which was demolished as part of the new Town Square development. It will provide nearly 2,000 square foot of additional space for City Hall than was provided in the old structure. The location of the new City Hall will be 1800 Space Park Drive, Suite 200, between the Courtyard by Marriott and the current City Hall location.

Among the many infrastructure goals the City has for FY2014, stabilization of the erosion along the east and north side of Lake Nassau is a very high priority. The project was funded by Tax Note 2013 issued in March of last year. This project will provide a concrete honeycomb structure along the shorelines to limit future erosion and allow access to the lake for kayaks. This honeycomb structure allows natural grasses to grow and is aesthetically pleasing, while preventing the damage caused by nutria and natural erosion.

In addition to the City Hall and Lake Nassau projects, the City plans to complete its Texas Water Development Board construction at the Sewer Plant in FY2014. This construction will rehabilitate and replace 30-plus year infrastructure in the Sewer Plant. With the completion of this project, the plant will have increased capacity and much-improved tools and facilities to meet the statutory requirements for waste water disposal.

As always the City is putting a strong emphasis on providing services that improve the quality of life for residents in Nassau Bay. While this may mean different things to different people, through discussions with Council, City Staff has chosen to focus on two key areas: green spaces and infrastructure improvements. The improvement, maintenance, and upkeep of our City's green spaces are a source of pride and comfort to many of our residents. Not only are our public green spaces important but the general upkeep of many of the properties throughout the City, both residential and commercial, impact the way we view our own community. In order to ensure the ongoing vibrancy and enjoyment of our parks, the City is focusing resources toward parks' grounds maintenance in the coming year. Toward this end, the City will perform maintenance and repairs to the roof and flooring of the pavilion. The City is also working on projects such as the repair and replacement of street lights and street signs throughout the City. Projects that were started in FY2013 and are due to be completed in the first quarter of FY2014 include the various paving projects throughout the City as well as the Harris County projects on Harbour Drive and Basilain Lane.

As in past fiscal years, the City continues to put strong emphasis on the importance of a fiscally responsible, balanced budget. In FY2014 the Council chose to maintain a property tax rate of \$0.731210/\$100 valuation. While this rate resulted in a projected decrease in property tax revenues to the City, it allows the City to fund its services with a balanced budget within the Reserve Fund Policy guidelines. The City is continuing to look for innovative new ways to recruit more businesses that will increase sales tax revenues to the City, thereby lower the tax burden on residents. Participation in economic development initiatives with the Bay Area Houston Economic Partnership (BAHEP) allow the City to leverage its resources and reach out to a large pool of potential businesses.

Outline and Summary of FY2014 Budget

The FY2014 Annual Budget was adopted on September 23, 2013 and funds were allocated to accomplish the goals that Council set out for the coming year.

The General Fund, which accounts for most of the City's activities and services, continues to follow historic trends regarding the revenue available for maintenance and operations with the largest percentage, 55.0%, being derived from Property Taxes. Other revenue sources that provide significant amounts of revenue include Franchise Fees, Sales Tax, Permits & Fees, Fines, and Ambulance Fees. Currently the majority of Sales Tax is generated by Telecommunications, Energy, Hospitality, Food Service & Retail sectors. FY2014 sees an increase in Other Sources of revenue as a result of the new conference center and lease revenue associated with that new function.

With this budget the City maintained an ad valorem tax rate of 0.732120/\$100 valuation in FY2014. This tax rate is identical to the previous year but represents a decrease in projected property tax revenue. For the seventh year, the City will be sharing property tax revenue with the Tax Increment Reinvestment Zone #1 (TIRZ). The incremental tax revenue 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 Nassau Bay Redevelopment Authority (NBRDA). 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 \$94.1 million in taxable valuation.

General Fund operating revenue is projected overall at an increase compared to the budget in the previous year. Two major factors impact this increase; most significantly lease revenue from the new conference center. The conference center lease revenue stream is not available for general operations but instead is allocated to the maintenance and operations of the new City Hall/Conference Center as well as the debt service obligations related to the construction of this facility. Additionally, a one-time sum of revenue related to cell tower leasing will impact the revenue in FY2014. This one-time payment represents the first five years of this new lease and will be used for one-time infrastructure projects.

The Water & Sewer Fund revenues are projected to be flat year over year. An improved rate structure and consistent collections have put the Water & Sewer Fund in a healthy position to continue with much-needed infrastructure improvements related to water and sewer provision. Revenue activity in the Water & Sewer Fund will once again be impacted by the on-going Texas Water Development Board supported projects at the Sewer Plant. Additionally, due to a substantial reserve fund at the end of FY2013, the Council elected to cash flow several important projects such as the timely painting of the water tower, a new liquid chemical feed system to the sewer plant, and several water and sewer line rehabilitation projects.

The Debt Service Fund continues to service the City's existing debt through property tax revenue. In FY2013 the City issued a Tax Note for capital projects throughout the City. This new debt obligation increased the budget for FY2014. Additionally, the City anticipates the issuance of Certificates of Obligation to fund a portion of the costs related to the construction of the new City Hall.

The Tourism Fund is finally seeing some minimal growth after the strong recession in the tourism industry. Nassau Bay added a fourth hotel with the new Marriott in FY2012; however for its first five years, hotel occupancy revenue from this addition will be limited due to tax incentives.

The Special Revenue Fund is projected to significantly decrease in activity in the coming year as all the large grants were closed in FY2013. The Budget allocates anticipated revenue related to several small grants and recurring special revenues but does not project any major grant activity in FY2014.

The total expenditures for the FY2014 Annual Budget are allocated to be \$11,241,761. For information on the detail, refer to the funds breakout on pages 38-41.

General Fund: Expenditures are programmed to be about 44% of the City's total expenditures, coming in at \$4,991,631. The expenditure breakout for the seventeen departments is shown on page 50.

All Departments: The FY2014 Budget will provide for merit wage increases for City employees. The Council supports salary surveys to ensure the City's ability to recruit competitively

within our market. As with all industries, the City is projected to see an increase in the cost of medical insurance to employees in the coming year.

Parks Department: Due to resident and Council priorities, the landscaping budget was increased to better maintain the public green spaces that are valued as a key component of Nassau Bay's quality of life.

Conference Center: To accommodate the new services and operational costs associated with the new conference center, the City added a Department 17 to the General Fund in FY2014. Projections for this department are preliminary and maybe amended in the latter half of the year depending on the actual costs as they become known.

In the Water and Sewer Fund, the City has allocated funds to cash flow several capital projects in the Water Department alongside the budgeted TWDB bond revenue funded sewer plant improvements. The capital projects in the Water and Sewer Fund total over \$2.3 million in FY2014.

The Debt Service Fund has increased expenditures by over \$200,000 due to the issuance of the 2013 Tax Note as well as the anticipated debt obligation relating to City Hall construction.

In addition to advertising activities, the Tourism Fund allocated \$37,000 toward the arts and entertainment in our community during the coming year. The expenditures are geared toward events that have a tangible impact on our tourism industry here in Nassau Bay. The City will continue allocating 15% of revenues to the Bay Area Houston CVB, 7% to Arts and Special Events, and sponsoring major events in our region to benefit our hotels. A new expenditure addition to the Tourism Fund in FY2014 is a portion of the debt service and operational costs associated with the new conference center.

The Special Revenue Fund expenditures for the coming year are significantly decreased from prior years. There are no major grants projected for FY2014.

The Capital Projects Fund includes plans for many projects throughout the City. FY2014 will see the completion of several 2013 Tax Note projects in addition to the completion of the new City Hall.

The Street Sales Tax Fund is the final City fund with planned expenditures in the coming year. Traditionally, large projects and expenditures are limited to an every-other-year-basis in this fund to allow larger sums of funding to be accumulated for bigger projects. In FY2014 the City anticipates the completion of those paving projects that were started in FY2013.

FY2014 Capital Improvements: After completing a successful year of infrastructure projects, the FY2014 Budget continues the Five-Plus-Year Capital Improvement Plan providing a framework for meeting the City's long term infrastructure needs. The City will complete the Texas Water Development Board Sewer plant infrastructure projects in the coming year. Additionally, Water and Sewer Department projects will be cash flowed through the Water and Sewer fund. Finally, many proposed projects related to General Fund activities are tentatively listed in the plan for FY2014 pending the availability of funding.

Personnel/Salaries: The FY2014 Annual Budget maintains the same level of staffing as the previous year. The Staffing level for this budget is 42 full-time, 6 part-time, and 30 hourly (temporary, limited-use) employees. Personnel contingencies are budgeted within all departments at 2% of the department's wages.

Although not part of the City's Annual Budget, Nassau Bay has several significant Component Units with fiscal activities that have bearing on the City. Nassau Bay's Economic Development Corporation (EDC), NASA Area Management District (NAMD), Tax Increment Reinvestment Zone No. 1 (TIRZ), and the Nassau Bay Redevelopment Authority (NBRDA) 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, the City is able to pursue additional economic development activities. Budgets related to these organizations can be found on page 149 for reference purposes.

Concluding Thoughts

With an emphasis on a deficit-free balanced budget and the maintenance of healthy reserve funds, the City's financial position is solid with a 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 with 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

Community Description

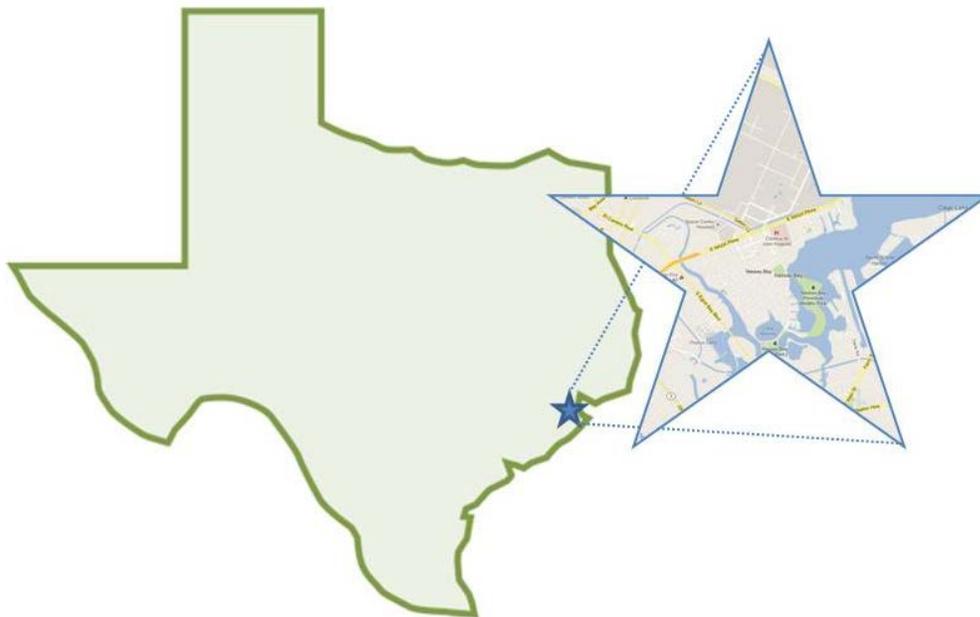
The City of Nassau Bay, Texas was incorporated in 1970 as a Texas General Law City. Eight years later, in 1978, the citizens of Nassau Bay adopted a Charter and reorganized as a Texas Home Rule City with a Council-Manager form of government.

Nassau Bay is located southeast of Houston, Texas within Harris County. Nassau Bay is considered to be part of the Houston-metro area which surpassed the 6 million population mark with the 2010 census making it the fifth largest metropolitan area in the nation.

The Nassau Bay community was originally developed to provide housing opportunities for NASA employees. Being across the street from Johnson Space Center, it continues to maintain a strong relationship with the space industry. Additionally, the City's economy is impacted by Christus St. John Hospital, which is located inside the City, as well as tourism and recreation activities along the Texas coast.

Nassau Bay is on a 1.33 square mile triangular peninsula that juts into Clear Lake and is surrounded on two sides by water. It is a charming and intimate community with a population of approximately 4,000 residents who enjoy the water front possibilities and lush green spaces the City has to offer.

Nassau Bay is within the Clear Creek Independent School District (CCISD) which is the 29th largest school district in the state, with over 39,000 students.



Budget Overview

~ Continued

Community Vision

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

On November 8, 2010, Nassau Bay adopted an updated Comprehensive Plan. This plan directs the activities of the City through 2015, providing a guidepost for the future growth and enhancement of the community within its geographic context. It assesses near- and longer-term needs and desires with regard to the services the City provides for its residents and businesses.

The 2010 Comp Plan highlights several important areas for consideration that were significant for FY2014 Budget planning:

1. Predicted Population Growth – Impacting a range of City services, including per-unit water demand, wastewater generation, traffic generation, parkland needs and recreation demand, and emergency calls. The City continues to address these projected demands with the FY2014 Budget:
 - Improvements to the Wastewater Plant, including the construction of additional capacity
 - Erosion stabilization to Lake Nassau
 - Paving projects throughout the City
 - Water and Sewer line replacement throughout the City

2. Educated, Older, More-Affluent Constituency – Impacting resident expectations for City services, resident interactions with the City, and generally higher interest and involvement in City government. The City’s FY2014 Budget is acknowledges these demographic issues by:
 - Continually re-examining adequacy of funding levels for Public Safety provision
 - Funding for consistent, dependable communications not only through the internet, social media, and automated phone calls, but also by maintaining publications like the City Newsletter distributed via the water bills
 - Saving on personnel costs by maintaining a strong emphasis on volunteer support for many City activities such as the Nassau Bay TV, the City newsletter, city-wide special events, National Night Out, and all Boards, Commissions, and Taskforces.
 - Planning for the variety of housing options available to our residents, the likely turnover of older housing stock with anticipated demographic shifts, and the maintenance and code enforcement issues related to the aging housing stock during these transitions.

Budget Overview

~ Continued

Community Vision

3. Geographic Proximity to Clear Lake & the Gulf Coast – The FY2014 Budget is mindful of the effect of the City’s geographic location as a waterfront community in the following ways:
 - Adherence to the City’s Fund Balance policy requiring 90-120 days of budgeted fund balance to help provide financial stability in the case of a hurricane or flood situation.
 - Active City Council and staff involvement in the ongoing process of the Federal Biggert-Waters Act and the FEMA Flood Map Updates. Working with the federal government to help secure grants for the elevating of low-lying properties. Flood prone properties and the insurance thereof have the ability to impact residential property values throughout the City. The City’s efforts to stay on top of these issues will insure the best possible outcome for the tax base.

4. Geographic Location Inside the Houston Metro Area – The FY2014 Budget takes into account the continued positive uptick of economic activity in the Houston Metro Area, specifically those industries which are active on the East and Southeast sides of Houston:
 - The Houston Ship Channel and associated activity
 - The Energy & Petrochemical Industries
 - The Healthcare & Biomedical Industries - with special attention to the newly announced merger/partnership between Houston Methodist Hospital and Nassau Bay’s Christus St. John’s Hospital resulting in a potential expansion of the medical services offered by our local hospital and also potential impacts on the exempt portion of the City’s tax base.
 - The Aerospace Industry – the City continues to participate in regional efforts to increase federal funding to NASA Johnson Space Center and the many contractors that play a key role in our local economy.
 - The Tourism and Retail Industries – Texas saw a gradual recovery in retail sales by late 2011, early 2012, but only in the last year was there a noteworthy statewide improvement in tourism industry related activity. The recovery of the Tourism sector is of tangible significance as the City grapples with the best use of its Hotel Occupancy Tax revenues.

5. Redevelopment and Tax Base Diversification – In light of the aging infrastructure, the Comp Plan places a strong emphasis on this issue. In addition to a variety of infrastructure projects, the FY2014 Budget addresses this issue with the construction of the new City Hall Building with adjoining conference center space.

Budget Overview

~ Continued

Community Profile

Resident Demographics:

- 4,016 Residents per the 2010 Census
- Median income \$70,149, 28% higher than the Houston Metro Area
- 29.1% of residents have obtained a Graduate or Professional degree, 20% more than the Houston Metro Area
- Median age is 48 years, over a decade older than the Houston Metro Area

Housing Availability:

- 2,216 Housing Units by last available estimates
- 40.8% of housing is Single-Family Detached Dwellings
- Relative diversity in housing availability

Top Ten Taxpayers:

1. Spacesub Apartments
2. Griffin Partners
3. Remington Acquisition LTD
4. 1100 NASA Road LP
5. AP Nassau Bay Funding
6. HCRI Nassau Bay Medical
7. BLW Interests LP
8. SJH Medical Office
9. Colony Oaks Apartments
10. JLW Real Estate

Major Employers within located City:

- Christus St. John Hospital – Medical
- UTC Space System – Aerospace
- Keller Williams – Realty
- Gloria Dei Lutheran Church – Church
- MD Anderson Cancer Center – Medical
- City of Nassau Bay – Government
- Molly Maids – Service
- Courtyard Houston/NASA Clear Lake – Hospitality
- SAIC – Aerospace
- MEI Technologies – Aerospace
- Lockheed Martin – Aerospace
- Tech Trans International - Aerospace
- Hilton Houston NASA Clear Lake - Hospitality

Budget Overview

~ *Continued*

Government Structure

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 2013-2014 City Council:

- Mayor Mark Denman
- Position 1 David Braun (Mayor Pro Tem)
- Position 2 Sandra Mossman
- Position 3 John Mahon
- Position 4 Brad Bailey
- Position 5 Jonathan Amdur
- Position 6 Bob Wartens

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:

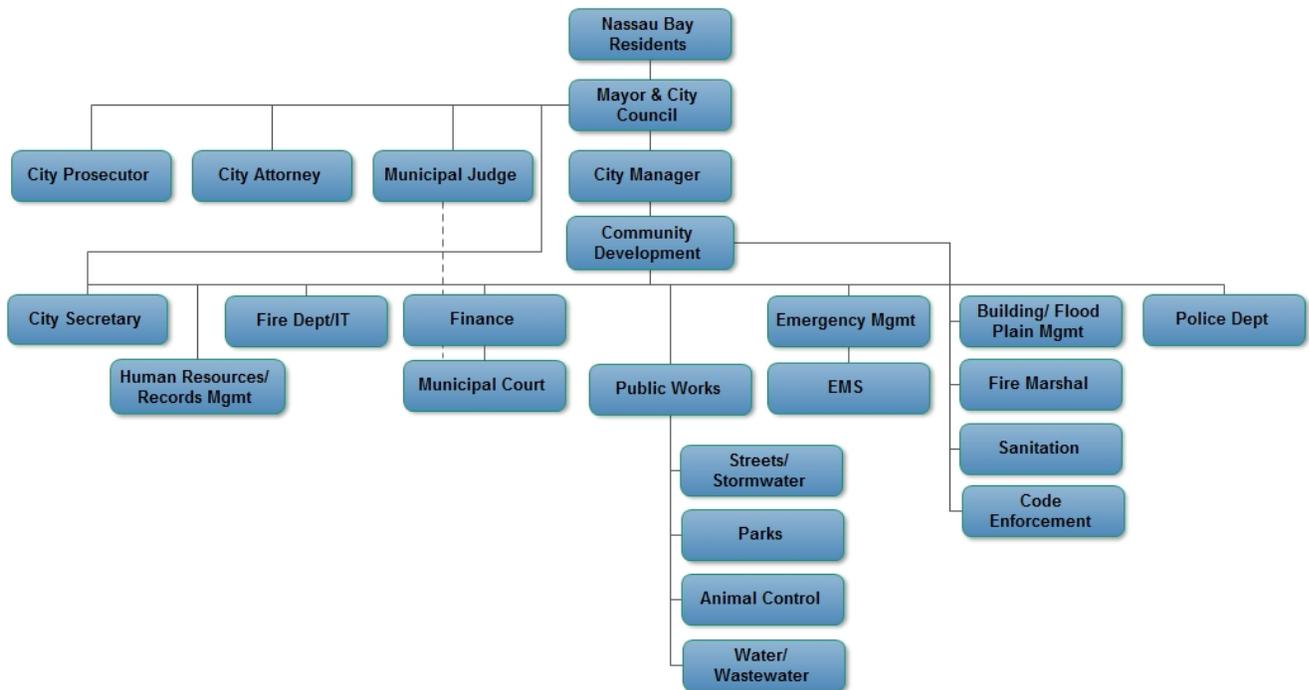
- Chris Reed 2009 - current
- John D. Kennedy 1999 – 2009
- David K. Stall 1992 – 1998
- James A. McFellin 1989 – 1991
- Howard L. Ward 1973 – 1989

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.

Budget Overview

~ Continued

Organizational Chart



Budget Overview

~ Continued

Organization of the Funds

The Annual City Budget addresses seven separate funds in this document. Each fund has been established to perform specific functions with its own sources of revenue. Major funds are the General Fund, Water & Sewer Fund, and Debt Service Fund. All other funds are considered Non-Major.

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 City. In FY2014, revenue sources benefitting the Debt Service Fund include property taxes and contributions from the General, Water & Sewer, and Tourism Funds.

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 the 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 projects. In FY2014, the City will be expending the remainder of the 2013 Tax Note. Additionally one-time funds related to a new cell tower lease will be transferred 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. The City Manager develops the proposed budget with the coordination of departmental requests, City Council planning workshops, and an analysis of applicable financial trends. Budget preparation follows the timeline of the published budget calendar (page 11).

Public Hearing

Having received the proposed budget, Council is required to hold a public hearing on the budget 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 appropriation 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.

Budget Overview

~ *Continued*

Budget Development & Administration

Amendments to the Adopted Budget

During the course of the budget year, should the adopted appropriations cease to correctly reflect the City's necessary revenue or expenditure activity, the City Manager or his designee will notify City Council of the need for a Budget Amendment (City Charter Section 7.04). The City Manager's level of control allows for the transfer of unencumbered appropriation balance at the department level (meaning within a department). Transfers or changes to appropriations between departments or funds must be accepted at the City Council level of control via ordinance approval that meets the standards of a budget adoption ordinance (City Charter Section 7.03(E)).

Basis of Accounting

The basis of accounting for all funds is modified accrual.

Annual Audit

The annual audit reviews the internal controls and verifies that the adopted budget has been implemented and administered within the guidelines of applicable laws and regulations.

Budget Overview

~ *Financial Policies*

Financial Policies

In order to attain a long-term stable and positive financial condition, the City adheres to the following financial policies. They provide guidelines for planning and directing the City's operational activities and assisting staff with providing recommendations to the Mayor and City Council.

Budget

The City shall establish a balanced operating budget that shall link revenues and expenditures to goals, objectives, and service and performance standards. Additionally, the budget incorporates a five year capital improvement plan. A balanced operating budget requires that revenues and appropriated fund balance equal expenditures.

Accounting, Auditing, and Financial Reporting

The City shall comply with prevailing local, state and federal regulations. Its accounting practices and financial reporting shall conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants ("AICPA"), and the Government Finance Officers Association ("GFOA"). The City Council shall select an independent firm of certified public accountants to perform an annual audit of all operations. The City Manager submits a monthly report to Council detailing the financial position of the City.

Revenues

For every annual budget, the City shall levy two property tax rates: maintenance & operations and debt service. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the City's outstanding debt for that budget year. The debt service levy and related debt service expenditures shall be accounted for in the Debt Service Fund. The operations & maintenance levy shall be accounted for in the General Fund.

Revenues are budgeted conservatively using an objective approach to analyze historical data and inherent trends. Adjustments are made to account for known events and projected economic activity within the City and surrounding areas.

Revenue from "one-time" or limited duration sources will not be used to pay for recurring expenditures within the City's budget.

Restricted revenue shall only be used for the purposes legally permissible and in a fiscally responsible manner.

The City will set fees and rates for the proprietary fund at levels to recover total direct and indirect operating costs, including capital outlay and debt service.

The City will follow an aggressive policy of collecting all revenues by reviewing its receivables annually and implementing collection procedures to obtain all revenues due to the City in a timely manner.

Budget Overview

~ *Financial Policies Continued*

Financial Policies

Expenditures

The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus appropriated fund balance.

The City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to continue appropriate service levels.

The City Manager, or their designee, shall act as the City's purchasing agent to procure all merchandise, materials, and supplies needed by the City. Moreover, the City will comply with state law concerning the amount of the purchase requiring formal bidding procedures and approval by the City Council. For purchases that do not require formal bidding the City shall obtain the most competitive terms and pricing.

Investments

The City shall invest its cash in accordance with the adopted investment policy. The purpose of the policy is to ensure that the City's investment portfolio shall be designed and managed in a manner to be responsive to public trust while providing the highest rate of return with the maximum security, to be in compliance with the Public Funds Investment Act's legal requirements and limitations, and to be within the authority granted by City Charter and the City Council.

Fund Balance/Reserve Policies

The City shall manage its fund balance and reserves in accordance with the adopted fund balance policy. The purpose of the policy is to ensure that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. It is the goal of the City to achieve and maintain an unassigned fund balance in the General Fund equal to 90 to 120 days of expenditures.

Budget Overview

~ *Financial Policies Continued*

Financial Policies

Debt Management

The City will maintain debt management practices that will provide for the maintenance of adequate debt service reserves; compliance with debt covenant provisions; and appropriate disclosure to investors, underwriters, and rating agencies.

The term of any City debt issue, including lease-purchases, shall not exceed the useful life of the assets being acquired by the debt issue.

All debt issuance shall comply with Federal, State, and City charter requirements and adhere to Federal arbitrage regulations.

Capital Improvements

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. Through the capital improvement program process the City strives to realize several goals:

- A. 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.
- B. Assess short and long term financial impact of capital projects
- C. Ensure coordination between staff and elected officials in planning and implementing of capital projects.
- D. 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. 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 its CIP plan. Additionally, the City will seek grants and other funding opportunities to leverage tax dollars.

Budget Overview

~ Property Taxes

Property Taxes

The Certified Roll for the 2013 Tax Year was sent by the Harris County Appraisal District on August 23, 2013. The Certified Appraised Value on the appraisal roll for Tax Year 2013 is \$546,504,359. Over-65, Residential Homestead, Disability, and Other Exemptions total \$92,373,734 (or 16.9% of total appraised value). Thus, the Certified Taxable Value on the appraisal roll for Tax Year 2013 is \$454,130,625.

Budgeted Taxable Value for Tax Year 2013 (Fiscal Year 2014) totals \$413,053,342 as follows: Taxable value of \$454,130,625 plus HCAD Uncertified Tax Roll with (including) hearing loss of \$43,602,762 less 90% of TIRZ Increment Valuation [Adjusted Captured Value of \$94,088,939 x 0.90 = \$84,680,045]. This compares with the prior year as follows:

	Tax Year 2012	% of Total Appraised Value	Tax Year 2013	% of Total Appraised Value
Total Appraised Value	537,405,269		546,504,359	
Less All Exemptions [Over-65, Residential Homestead, Disability, & Other Exemptions]	(93,287,489)	-17.4%	(92,373,734)	-16.9%
Taxable Value	444,117,780		454,130,625	
Plus HCAD [Uncertified Tax Roll with (including) Hearing Loss]	22,130,034	4.1%	43,602,762	8.0%
Estimated Final Taxable Value Including TIRZ	466,247,814		497,733,387	
Less 90% of TIRZ Increment Valuation [Captured Value x 0.9]	(64,235,050)	-12.0%	(84,680,045)	-15.5%
City's Budgeted Taxable Value	402,012,764		413,053,342	

- The Tax Year 2013 tax rate adoption date is October 14, 2013. The proposed tax rate of 73.2120 cents 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 73.2120 cents is comprised of:

M&O Rate = 67.2120 cents per hundred dollars of value
 Debt Service Rate = 06.0000 cents per hundred dollars of value

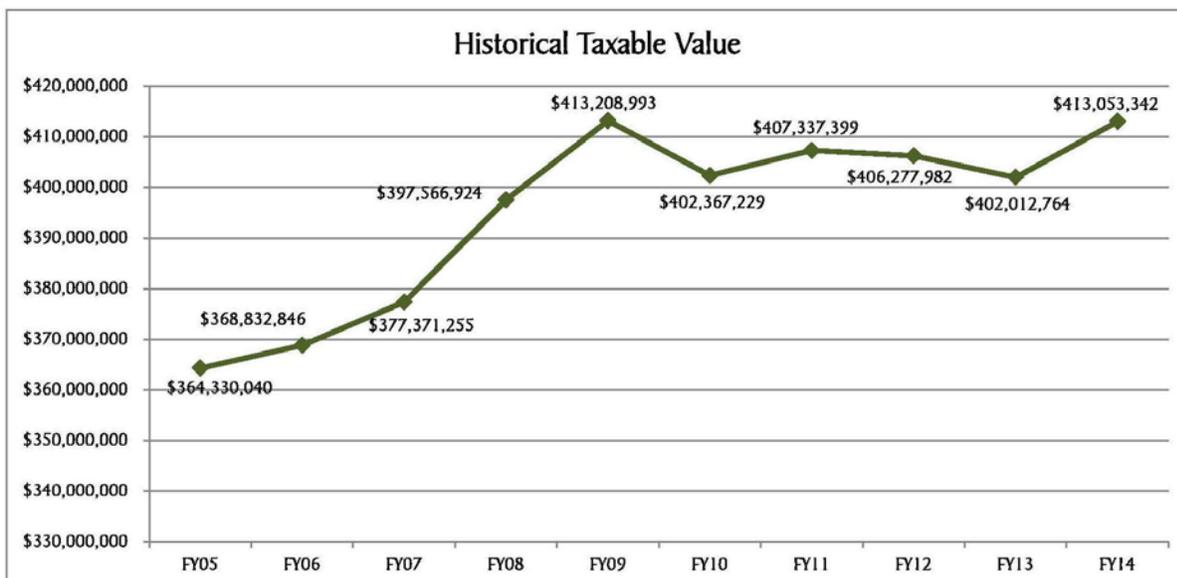
Adding the M&O and the Debt Service rates provides the proposed tax rate of 73.2120 cents per hundred dollar valuation.

Budget Overview

~ Property Taxes Continued

Property Taxes

- The Debt Service tax rate is directly driven by the cost of repaying the City's debt. The present debt requirements of the City, offset by contributions from the General, Water & Sewer, and Tourism Funds, as well as other sources, have established the Debt Service rate for FY2014 at 6.0000 cents per hundred dollar valuation.
- The proposed M&O portion of the property tax rate of 67.2120 allows the City to accomplish a balanced budget and maintain reserve funds in the GFOA recommended range of 90 to 120 days. This M&O tax rate raises less for maintenance and operations than last year's tax rate by 0.027%.
- The Tax Year 2013 Effective Tax Rate is 75.7910 cents per hundred dollar valuation and the Tax Year 2013 Rollback Tax Rate is 83.4861 cents per hundred dollar valuation. The proposed tax rate (73.2120) maintains an identical rate to last year's tax rate and is lower than both the Effective and Rollback Rates. The average property owner with no value change year over year will see no change in the property taxes paid on a \$100,000 home.



Budget Overview

~ Property Taxes Continued

Property Taxes

- 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.
- The graph below details the changes in Property Tax Rates per the guidelines of Truth-in-Taxation for the preceding Five Year Period. Definitions for the various rates are listed below:

Budget	Tax Year	Adopted Rate	Adopted Maintenance & Operations Rate	Adopted Debt Service Rate	Effective Tax Rate	Effective Maintenance & Operations Rate	Rollback Tax Rate
FY14	2013	0.732120	0.672120	0.060000	0.757910	0.709630	0.834861
FY13	2012	0.732120	0.690788	0.041332	0.733702	0.686594	0.782853
FY12	2011	0.692120	0.650720	0.041400	0.692434	0.646710	0.739300
FY11	2010	0.692120	0.650927	0.041193	0.657472	0.546561	0.631860
FY10	2009	0.642120	0.539340	0.102780	0.699550	0.478570	0.702100
FY09	2008	0.642120	0.513360	0.128760	0.611991	0.545050	0.645616

Budget – From October 1 of the preceding year through September 30 of the named Fiscal Year

Tax Year – January 1 of the year that precedes the named Fiscal Year determines the value of property taxable for the Fiscal Year

Adopted Rate – The total tax rate adopted to provide funding for the activities of a Fiscal Year based on the values of the Tax Year

Adopted Maintenance & Operations Rate – The portion of the total adopted tax rate that is dedicated to funding the maintenance and operations activities of the City during the Fiscal Year

Adopted Debt Service Rate – The portion of the total adopted tax rate that is dedicated to funding the debt service obligations of the City during the Fiscal Year

Effective Tax Rate – The legally calculated tax rate established in Truth-in-Taxation that would provide the City the same amount of revenue it received in the previous year on properties taxed in both years

Effective Maintenance & Operations Rate - The legally calculated tax rate established in Truth-in-Taxation that would provide the City the same amount of revenue for maintenance and operations it received in the previous year on properties taxed in both years

Rollback Tax Rate – The legally calculated tax rate established in Truth-in-Taxation that would provide the City with about the same amount of tax revenue it spent the previous year for day-to-day operations, plus an 8 percent increase for those operations, in addition to sufficient funds to pay debts in the coming year

Budget Overview

~ Property Taxes Continued

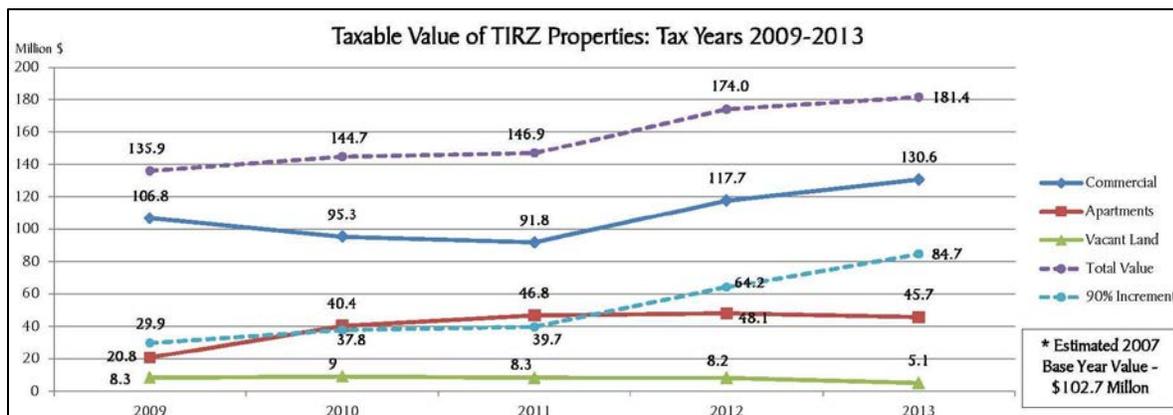
Budgeted Taxable Value & TIRZ Taxable Value

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 only budgets the property tax revenues that are anticipated as due to the City.

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 \$413,053,342.

	Tax Year 2013 Taxable Value	Total Levy	General Fund	Debt Service Fund
Estimated Final Taxable Value Including TIRZ	497,733,387	3,644,006	3,345,366	298,640
Less 90% of TIRZ Increment Value [Projected Adjusted Captured Value x 0.9]	(84,680,045)	(619,960)	(619,960)	-
City's Budgeted Taxable Value	413,053,342	3,024,046	2,725,406	298,640



Budget Overview

~ Property Taxes Continued

Budgeted Taxable Value

	Tax Year	Taxable Value	Tax Rate	Tax Levy
Assessed Valuation	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
	2011	406,277,982	0.692120	2,811,931
	2012	402,012,764	0.732120	2,943,216
		<i>Budget FY14</i> 2013	413,053,342	0.732120

	Tax Year	M & O Rate	Debt Rate	Total Rate
Rate Distribution	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
	2011	0.650720	0.041400	0.692120
	2012	0.690788	0.041332	0.732120
		<i>Budget FY14</i> 2013	0.672120	0.060000

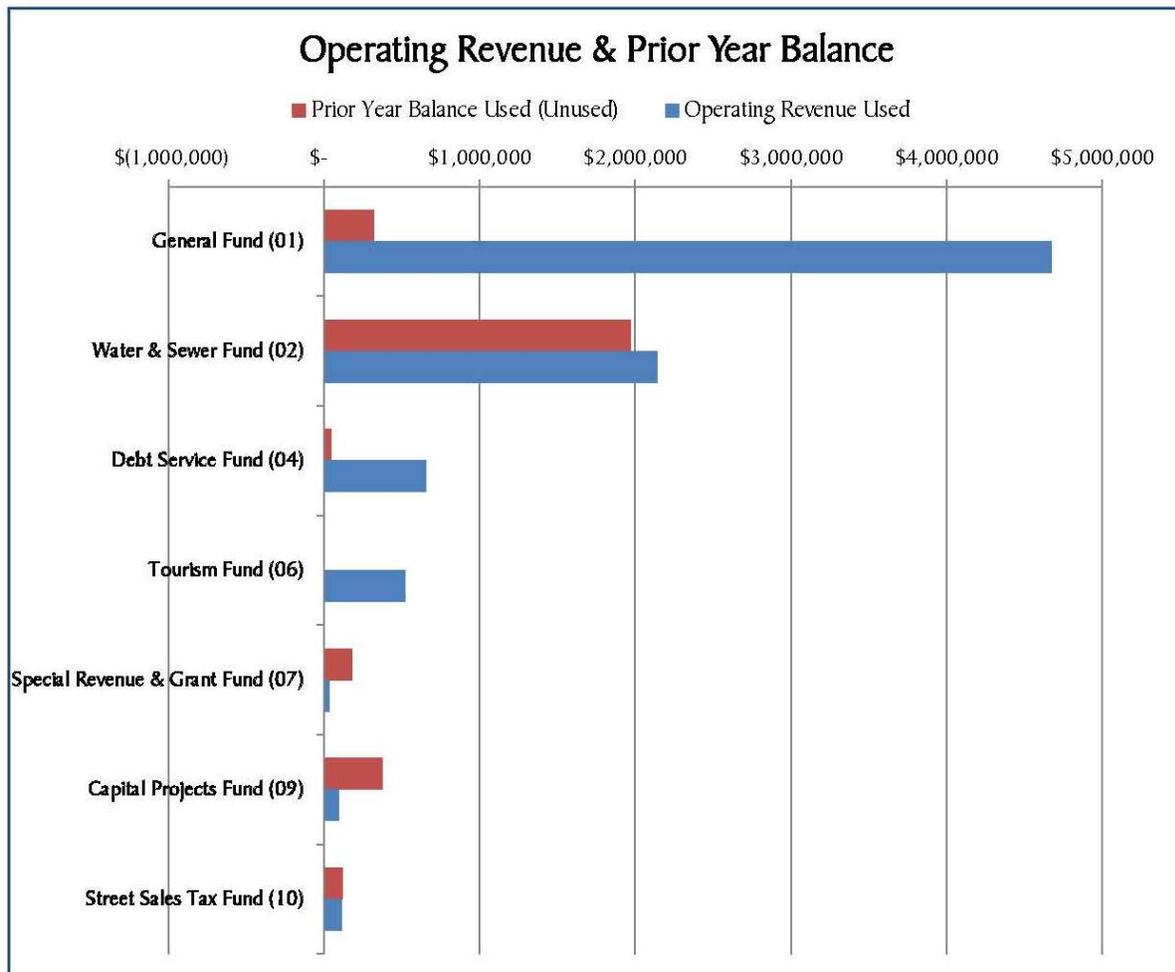
	Tax Year	M & O Levy	Debt Levy	Total Levy
Tax Levy	2004	1,948,328	389,104	2,337,432
	2005	2,015,450	406,196	2,421,646
	2006	2,018,748	458,959	2,477,706
	2007	1,965,213	547,887	2,513,100
	2008	2,121,250	532,048	2,653,298
	2009	2,170,127	413,553	2,583,680
	2010	2,651,469	167,794	2,819,264
	2011	2,643,732	168,199	2,811,931
	2012	2,750,506	192,710	2,943,216
		<i>Budget FY14</i> 2013	2,725,406	298,640

Budget Overview

~ Fund Summaries

Revenue Budget for Fiscal Year 2014

	Operating Revenue Used	Prior Year Balance Used (Unused)	Total Revenue Used
General Fund (01)	\$ 4,672,520	\$ 319,111	\$ 4,991,631
Water & Sewer Fund (02)	\$ 2,138,300	\$ 1,967,660	\$ 4,105,960
Debt Service Fund (04)	\$ 653,260	\$ 46,980	\$ 700,240
Tourism Fund (06)	\$ 520,400	\$ (210)	\$ 520,190
Special Revenue & Grant Fund (07)	\$ 37,500	\$ 180,250	\$ 217,750
Capital Projects Fund (09)	\$ 96,000	\$ 374,620	\$ 470,620
Street Sales Tax Fund (10)	\$ 115,500	\$ 119,870	\$ 235,370
Total	\$ 8,233,480	\$ 3,008,281	\$ 11,241,761

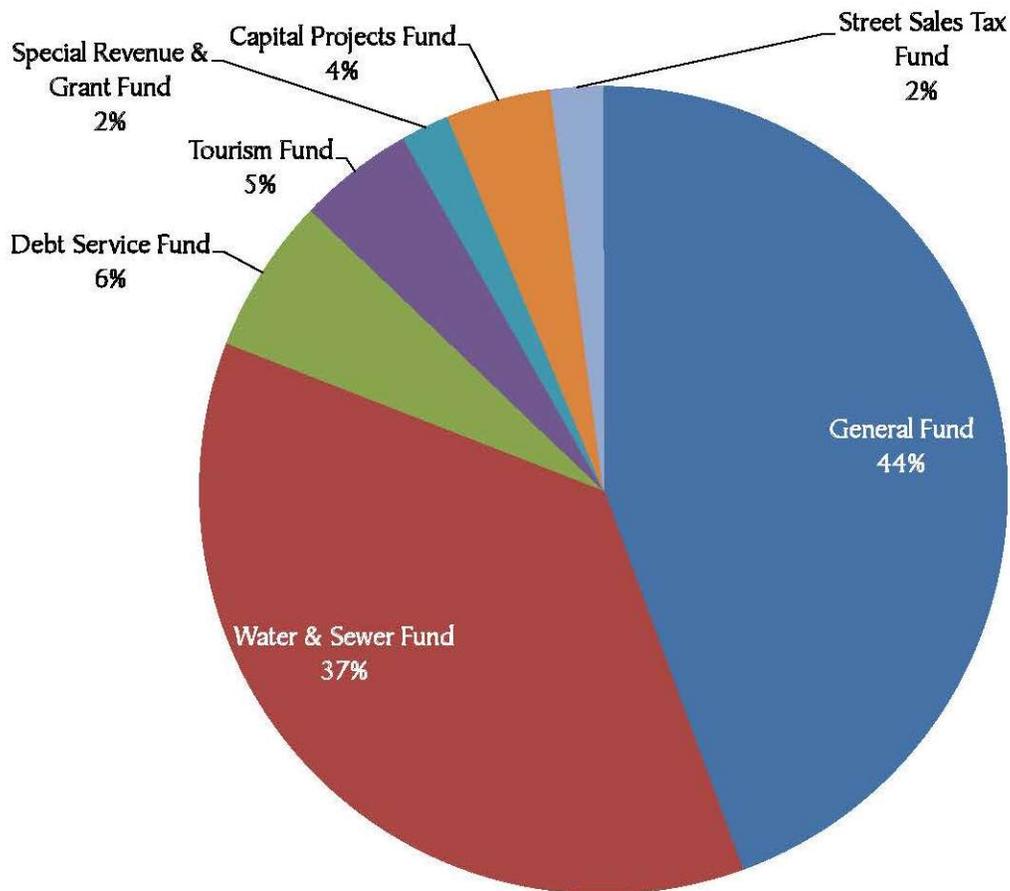


Budget Overview

~ Fund Summaries

Expenditure Budget for Fiscal Year 2014

	Budgeted Expenditures	% of Total Budget
General Fund	\$ 4,991,631	44.4%
Water & Sewer Fund	\$ 4,105,960	36.5%
Debt Service Fund	\$ 700,240	6.2%
Tourism Fund	\$ 520,190	4.6%
Special Revenue & Grant Fund	\$ 217,750	1.9%
Capital Projects Fund	\$ 470,620	4.2%
Street Sales Tax Fund	\$ 235,370	2.1%
Total	\$ 11,241,761	100.0%



Budget Overview

~ *Fund Balance*

Fund Balance

By policy the City maintains fund balances to ensure the financial and economic stability of the City. Fund balance helps to mitigate financial risk due to unforeseen revenue fluctuations and unanticipated expenditures. Fund balance also provides cash flow liquidity for the City's general operations. The Government Accounting Standards Board (GASB Statement 54) established new guidelines for the accounting distinctions between the portions of fund equity that are spendable and non-spendable. These are broken up into five categories:

- 1) Non-spendable fund balance – includes amounts that are not in a spendable form or are required to be maintained intact. Examples are inventory or permanent funds.
- 2) Restricted fund balance – amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation. Examples of providers are grantors, bondholders, and higher levels of government.
- 3) Committed fund balance – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- 4) Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority
- 5) Unassigned fund balance – amounts that are available for any purpose; these amounts are reported only in the General Fund.

For the purpose of understanding how these accounting guidelines impact the budget document, all sums described as "End of Year Fund Balance" fall into the general category of fund balance. Fund balance in the General Fund is considered to be Unassigned Fund Balance. Fund balances in all the other funds are likely to be more restricted in their use and are defined depending on that level of restriction.

Budget Overview

~ Fund Summaries and Fund Balance

	Amended Budget FY12	Actual FY12	Amended Budget FY13	Projected FY13	Adopted Budget FY14	Budget \$ Change
General Fund						
Revenue	4,119,815	4,442,816	4,499,826	4,498,870	4,672,250	172,424
Prior Year Balance Fwd	1,550,807	1,544,841	1,408,730	1,662,907	1,645,776	237,046
Expenditures	4,546,837	4,324,750	4,693,250	4,516,001	4,991,631	298,381
End of Year Fund Balance	1,123,785	1,662,907	1,215,306	1,645,776	1,326,395	111,089
Water & Sewer Fund						
Revenue	3,381,600	2,308,797	3,270,840	3,515,500	2,138,300	(1,132,540)
Prior Year Balance Fwd	538,197	948,921	1,041,374	1,198,684	2,421,224	1,379,850
Expenditures	3,476,183	2,059,034	3,624,540	2,292,960	4,105,960	481,420
End of Year Fund Balance	443,614	1,198,684	687,674	2,421,224	453,564	(234,110)
Debt Service Fund						
Revenue	469,067	480,061	467,150	438,400	653,260	186,110
Prior Year Balance Fwd	195,915	193,966	208,526	208,935	181,175	(27,351)
Expenditures	465,097	465,092	466,160	466,160	700,240	234,080
End of Year Fund Balance	199,885	208,935	209,516	181,175	134,195	(75,321)
Tourism Fund						
Revenue	502,350	499,383	502,350	520,520	520,400	18,050
Prior Year Balance Fwd	232,770	252,466	225,607	249,879	224,379	(1,228)
Expenditures	538,660	501,970	522,940	546,020	520,190	(2,750)
End of Year Fund Balance	196,460	249,879	205,017	224,379	224,589	19,572
Special Rev. & Grants Fund						
Revenue	1,537,668	667,657	1,117,500	568,990	37,500	(1,080,000)
Prior Year Balance Fwd	233,825	303,902	303,032	299,533	217,433	(85,599)
Expenditures	1,689,158	672,026	1,341,780	651,090	217,750	(1,124,030)
End of Year Fund Balance	82,335	299,533	78,752	217,433	37,183	(41,569)
Capital Projects Fund						
Revenue	35,000	35,012	674,000	674,350	96,000	(578,000)
Prior Year Balance Fwd	5,507	5,506	416	418	374,768	374,352
Expenditures	40,500	40,100	674,400	300,000	470,620	(203,780)
End of Year Fund Balance	7	418	16	374,768	148	132
Street Sales Tax Fund						
Revenue	106,600	123,360	106,600	116,440	115,500	8,900
Prior Year Balance Fwd	248,082	222,351	327,162	331,242	266,552	(60,610)
Expenditures	222,880	14,469	288,380	181,130	235,370	(53,010)
End of Year Fund Balance	131,802	331,242	145,382	266,552	146,682	1,300
TOTAL BUDGET						
Revenue	10,152,100	8,557,086	10,638,266	10,333,070	8,233,210	(2,405,056)
Prior Year Balance Fwd	3,005,103	3,471,953	3,514,847	3,951,598	5,331,307	1,816,460
Expenditures	10,979,315	8,077,441	11,611,450	8,953,361	11,241,761	(369,689)
End of Year Fund Balance	2,177,888	3,951,598	2,541,663	5,331,307	2,322,756	(218,907)



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. The three dominant sources of revenue are Property Tax (55.0%), Franchise Fee (8.8%), and Sales Tax (9.0%) combining for a total of 72.9% percent of all revenues in this fund. A detailed discussion of the Property Tax levy can be found in the Budget Overview beginning on page 33 of the budget document.

Franchise Fees are receipted based on Chapter 17 of the Code of Ordinances and Texas State statutes related to Franchise Fees. Sales Tax within Nassau Bay is set at .0825% of taxable sales receipts. The .0825% is allocated as follows:

- .0625% State of Texas
- .0100% General Fund (Fund 1)
- .0050% Streets Sales Tax Fund (Fund 10)
- .0050% Economic Development Corporation (Component Unit)
- .0025% NASA Area Management District (Component Unit)

Departments

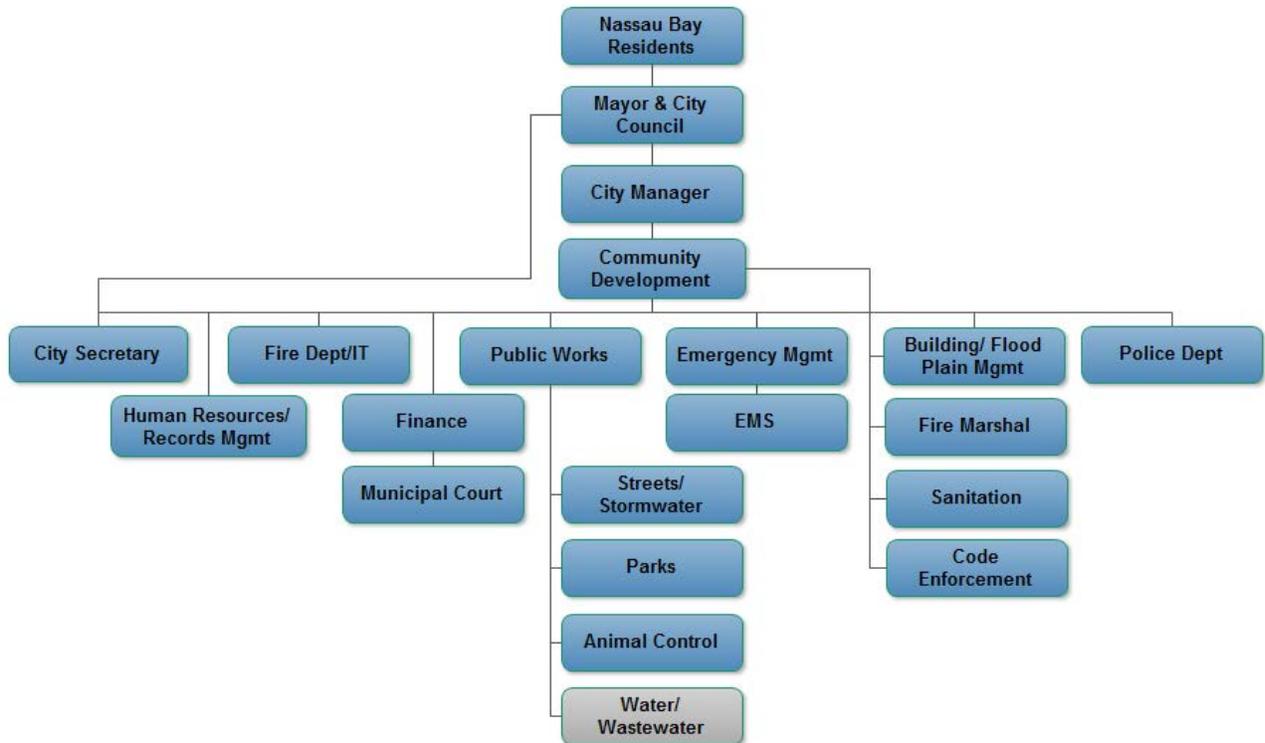
The General Fund is organized into seventeen departments. Each department receives funding and support for the performance of its work.

- 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
- Department 16 - Code Enforcement
- Department 17 - Conference Center

General Fund

~Organizational Chart

General Fund

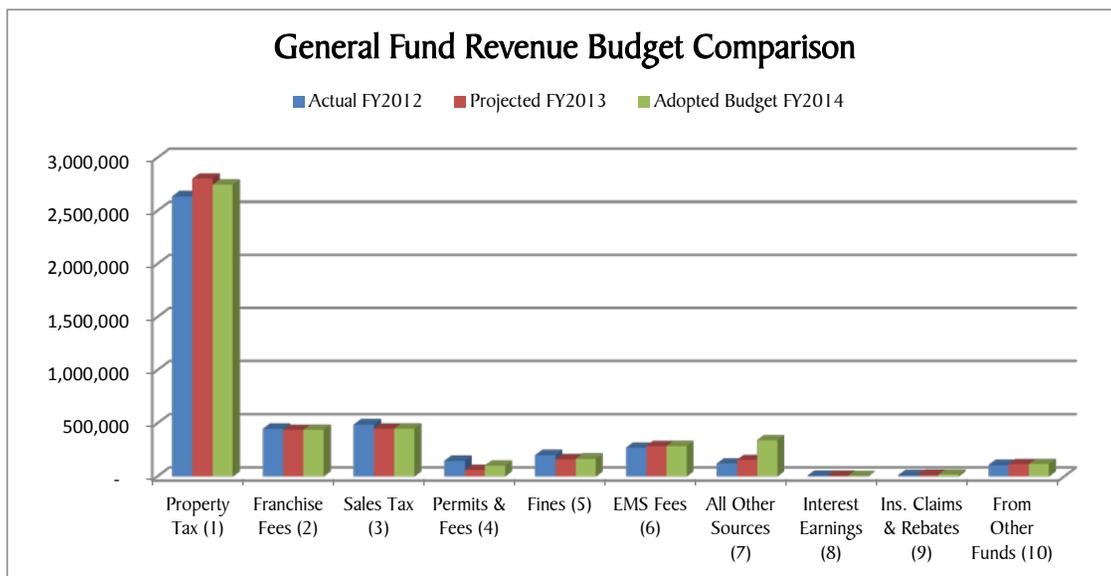


General Fund Revenue

~ Fund 01

Revenue Summary	Amended	Actual FY2012	Amended	Projected FY2013	Adopted	Budget FY2014	Budget
	Budget FY2012		Budget FY2013		Budget FY2014		% Change
Property Tax (1)	2,645,095	2,637,194	2,781,106	2,803,620	2,747,400	-1.2%	
Franchise Fees (2)	390,000	449,273	440,000	440,000	440,000	0.0%	
Sales Tax (3)	424,400	488,872	435,000	450,000	450,000	3.4%	
Permits & Fees (4)	133,550	148,073	128,750	61,600	101,310	-21.3%	
Fines (5)	137,550	201,408	163,050	162,400	166,230	2.0%	
EMS Fees (6)	198,000	270,368	288,000	285,800	286,000	-0.7%	
All Other Sources (7)	61,500	121,527	125,500	155,040	341,180	171.9%	
Interest Earnings (8)	3,520	7,293	3,020	5,770	5,000	65.6%	
Ins. Claims & Rebates (9)	18,000	10,609	18,000	17,240	18,000	0.0%	
From Other Funds (10)	108,200	108,200	117,400	117,400	117,400	0.0%	
TOTAL	4,119,815	4,442,816	4,499,826	4,498,870	4,672,520	3.8%	
Prior Year Balance Forward	1,550,807	-	1,408,730	1,662,907	1,645,776	16.8%	
End of Year Fund Balance	(1,123,785)	-	(1,215,306)	(1,645,776)	(1,326,665)	9.2%	
GRAND TOTAL	4,546,837	4,442,816	4,693,250	4,516,001	4,991,631	6.4%	

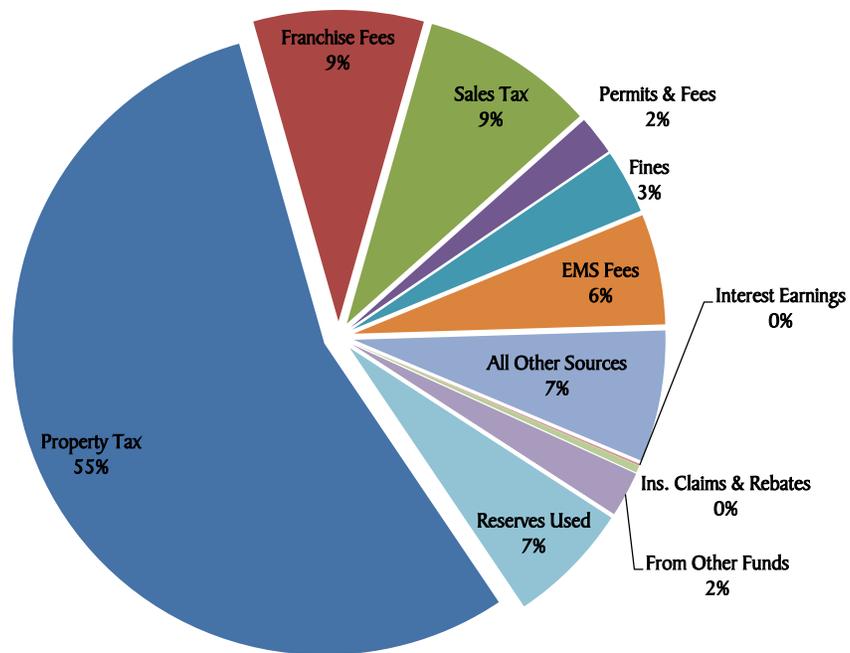
Property Tax (1) 3005, 3010, 3015
 Franchise Fees (2) 3105
 Sales Tax (3) 3110
 Permits & Fees (4) 3115, 3205, 3206, 3305, 3306, 3307
 Fines (5) 3116, 3505, 3506, 3507
 EMS Fees (6) 3605, 3606, 3309
 All Other Sources (7) 3030, 3705, 3710, 3715, 3720
 (7) 3800, 3810, 3815, 3830, 3910
 Interest Earnings (8) 3020, 3025, 3990
 Ins. Claims & Rebates (9) 3905
 From Other Funds (10) 4910, 4915, 4920, 4922, 4923



General Fund Revenue

~ Fund 01

Revenue Summary	Adopted Budget FY2014	% of Total
Property Tax (1)	2,747,400	55.0%
Franchise Fees (2)	440,000	8.8%
Sales Tax (3)	450,000	9.0%
Permits & Fees (4)	101,310	2.0%
Fines (5)	166,230	3.3%
EMS Fees (6)	286,000	5.7%
All Other Sources (7)	341,180	6.8%
Interest Earnings (8)	5,000	0.1%
Ins. Claims & Rebates (9)	18,000	0.4%
From Other Funds (10)	117,400	2.4%
TOTAL	4,672,520	93.6%
Prior Year Balance Forward	1,645,776	
Reserves Used	319,111	6.4%
End of Year Fund Balance	(1,326,665)	
GRAND TOTAL	4,991,631	100.0%

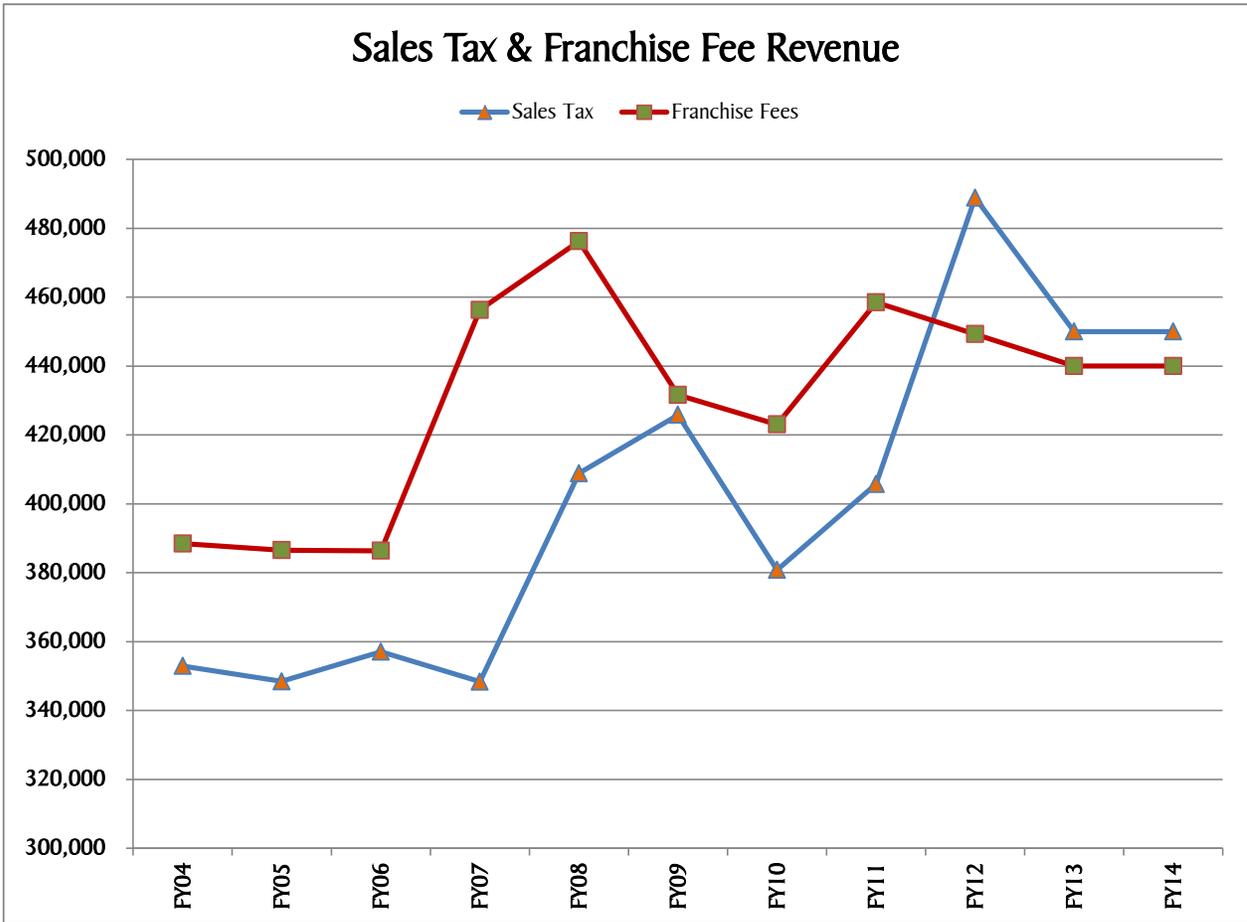


General Fund Revenue

~ Fund 01

Sales Tax	Year	Revenue
	FY04	352,903
	FY05	348,439
	FY06	357,075
	FY07	348,326
	FY08	408,881
	FY09	425,823
	FY10	380,786
	FY11	405,728
	FY12	488,872
Projected	FY13	450,000
Budget	FY14	450,000

Franchise Fees	Year	Revenue
	FY04	388,436
	FY05	386,565
	FY06	386,372
	FY07	456,327
	FY08	476,237
	FY09	431,624
	FY10	423,030
	FY11	458,496
	FY12	449,273
Projected	FY13	440,000
Budget	FY14	440,000





General Fund Revenue

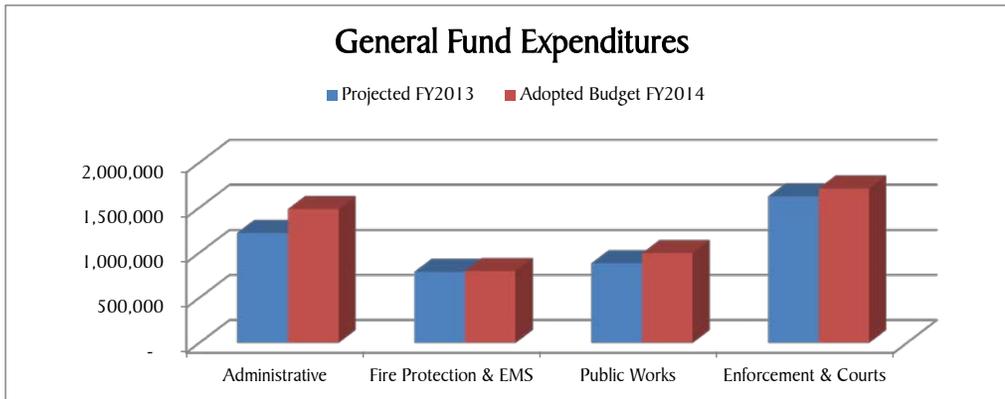
~ Fund 01

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
3005 Property Tax - Current	2,617,495	2,609,133	2,750,506	2,758,290	2,725,400	-0.9%
3010 Property Tax - Prior Years	16,600	7,195	16,600	29,500	8,000	-51.8%
3015 Penalty & Interest	11,000	20,866	14,000	15,830	14,000	0.0%
3020 Interest on Investment	2,000	7,273	3,000	5,770	5,000	66.7%
3025 Cash Discounts Taken	20	20	20	-	-	-100.0%
3030 Conf. Center Lease Revenue	-	-	-	-	142,640	0.0%
3105 Franchise Fees	390,000	449,273	440,000	440,000	440,000	0.0%
3110 Sales Tax	424,400	488,872	435,000	450,000	450,000	3.4%
3115 Alcoholic Beverage Tax	7,000	10,002	8,000	7,900	8,000	0.0%
3116 Child Passenger Safety	150	140	150	120	150	0.0%
3205 Animal Licenses	450	655	450	1,140	200	-55.6%
3206 Animal Pound Fee	500	1,032	700	1,700	860	22.9%
3305 Building Permits	110,000	102,628	100,000	30,000	75,000	-25.0%
3307 Fire Code Permits	4,000	12,767	9,000	7,120	9,000	0.0%
3308 Planning & Zoning Fees	1,000	1,300	1,000	450	1,000	0.0%
3309 Ambulance Permits	10,000	5,350	8,000	5,800	6,000	-25.0%
3310 Building & Craft Licenses	3,000	11,957	3,000	4,300	3,000	0.0%
3312 Business Licenses	400	1,390	400	1,250	900	125.0%
3315 Alcohol Licenses	2,700	2,625	2,200	4,100	3,000	36.4%
3405 Government Service Fees	4,500	3,716	4,000	3,640	350	-91.3%
3505 Fines	135,000	196,300	160,000	160,000	163,000	1.9%
3506 Court Time Pay Fees - Local	2,000	3,343	2,200	1,380	2,200	0.0%
3507 Court TLFTA3 - Local	400	1,625	700	900	880	25.7%
3605 Ambulance Fees	188,000	265,018	280,000	280,000	280,000	0.0%
3705 Miscellaneous	3,000	1,305	3,000	2,830	3,000	0.0%
3710 Fixed Asset Sale Proceeds	-	3,000	-	9,320	-	0.0%
3715 Recyclable Material Sales	-	958	-	4,170	-	0.0%
3720 Lien Revenue	-	54	-	4,100	-	0.0%
3800 Commercial Waste Collection	16,000	8,427	21,000	21,190	21,000	0.0%
3810 Rent/Lease Revenue	30,000	52,120	50,000	54,270	146,040	192.1%
3815 Donations for City Programs	12,500	28,723	1,500	5,250	1,500	0.0%
3830 Emrg Mgnt Grant Reimbursement	-	26,939	24,000	28,000	27,000	12.5%
3905 Insurance Claims & Rebates	18,000	10,609	18,000	17,240	18,000	0.0%
3910 Loan Proceeds - General Fund	-	-	26,000	25,910	-	-100.0%
3990 Interest On Investments	1,500	-	-	-	-	0.0%
4910 Reimbursement - Other Funds	3,000	3,000	3,000	3,000	3,000	0.0%
4920 G&A Overhead - W&S	-	-	14,400	14,400	14,400	0.0%
4922 G&A Overhead - Tourism	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	4,119,815	4,442,816	4,499,826	4,498,870	4,672,520	3.8%
9520 Prior Year Balance	1,550,807	-	1,408,730	1,662,907	1,645,776	16.8%
9525 End of Year Fund Reserve	(1,123,785)	-	(1,215,306)	(1,645,776)	(1,326,665)	9.2%
9529 Transfer to TIRZ	-	-	-	-	-	0.0%
GRAND TOTAL	4,546,837	4,442,816	4,693,250	4,516,001	4,991,631	6.4%

General Fund Expenditures

~ Fund 01

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Administrative (1)	1,352,511	1,205,870	1,248,410	1,221,041	1,483,891	235,481
Fire Protection & EMS (2)	803,021	811,656	781,830	787,400	798,550	16,720
Public Works (3)	876,285	837,545	1,016,340	882,750	994,550	(21,790)
Enforcement & Courts (4)	1,515,020	1,469,678	1,646,670	1,624,810	1,714,640	67,970
TOTAL	4,546,837	4,324,750	4,693,250	4,516,001	4,991,631	298,381



Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
1 General & Administrative	774,961	707,000	760,730	766,721	851,141	11.9%
2 Building Department	124,680	108,080	127,530	122,850	128,610	0.8%
3 Emergency Management	126,810	123,750	138,070	138,480	144,030	4.3%
4 Fire Department	394,591	371,239	366,700	350,210	363,690	-0.8%
5 Public Works	359,075	326,778	444,480	344,760	424,580	-4.5%
6 Parks Department	282,160	274,222	336,810	301,660	333,640	-0.9%
7 Police Department	1,159,210	1,134,368	1,192,940	1,175,200	1,232,980	3.4%
8 Sanitation & Recycling	235,050	236,546	235,050	236,330	236,330	0.5%
9 Animal Control	34,740	31,525	39,230	38,050	38,320	-2.3%
10 Contingency Department	176,650	129,603	100,000	86,020	100,000	0.0%
11 Information Services	224,360	203,276	229,610	224,120	231,080	0.6%
12 Municipal Court	87,240	84,195	116,810	119,630	125,950	7.8%
13 Emergency Medical Service	408,430	440,416	415,130	437,190	434,860	4.8%
14 Fire Marshal	109,150	111,510	110,160	107,980	113,935	3.4%
15 Planning & Development	49,730	42,242	20,000	5,700	15,000	-25.0%
16 Code Enforcement	-	-	60,000	61,100	74,845	24.7%
17 Conference Center	-	-	-	-	142,640	0.0%
TOTAL	4,546,837	4,324,750	4,693,250	4,516,001	4,991,631	6.4%

Over/(Under) Budget	(177,249)	298,381	Inc./(Decr.)
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(1) General & Admin., Emergency Mgmt., Contingency, Information Services, Planning & Development, Conference Center

(2) Fire Department, Emergency Medical Service

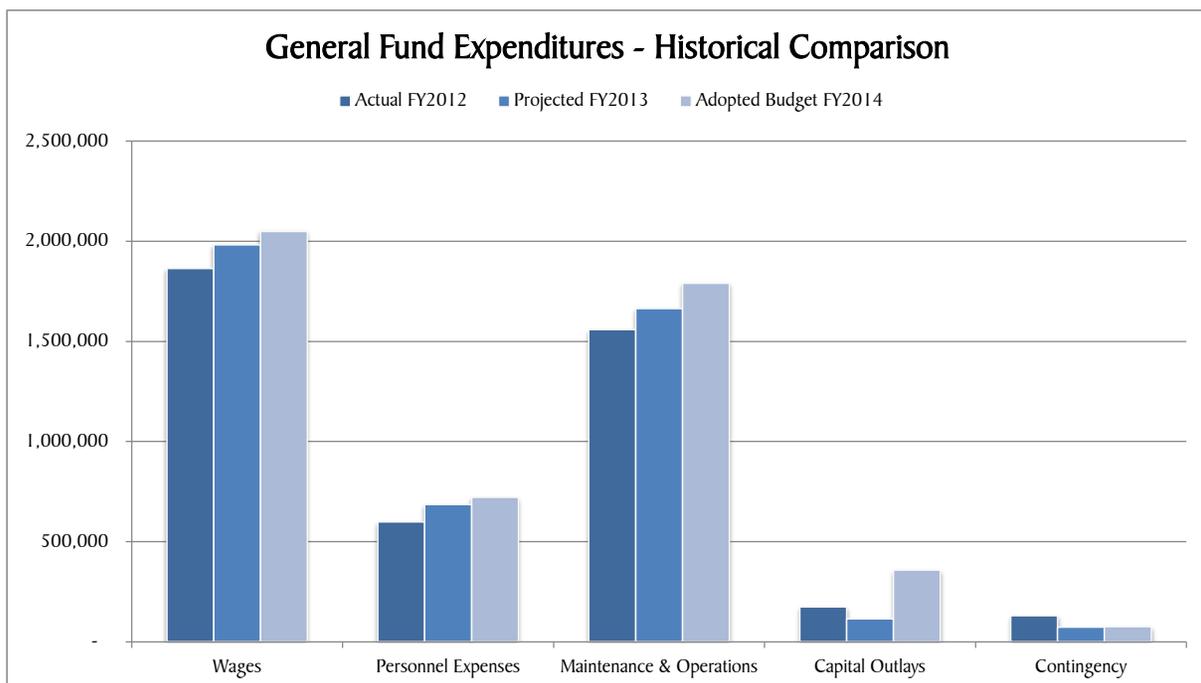
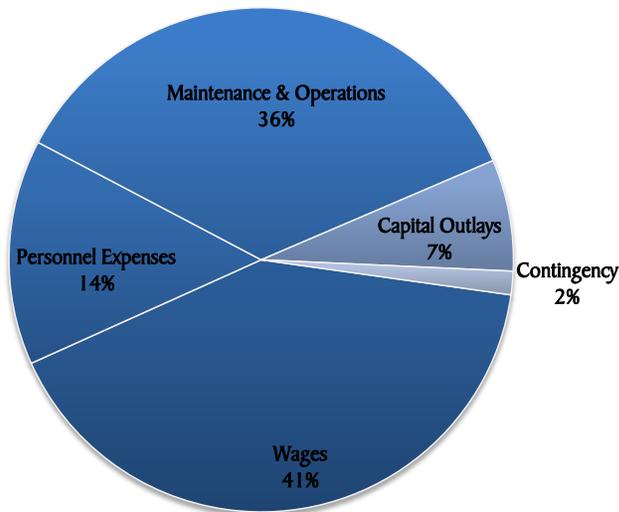
(3) Public Works, Parks Department, Sanitation & Recycling

(4) Building Department, Police Department, Animal Control, Municipal Court, Fire Marshal, Code Enforcement

General Fund Expenditures

~ Fund 01

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	1,841,463	1,863,991	1,990,130	1,981,200	2,048,700	58,570
Personnel Expenses	610,097	598,282	688,410	685,310	721,370	32,960
Maintenance & Operations	1,746,311	1,558,791	1,727,840	1,663,121	1,789,191	61,351
Capital Outlays	172,316	174,082	211,870	113,870	357,370	145,500
Contingency	176,650	129,603	75,000	72,500	75,000	-
TOTAL	4,546,837	4,324,750	4,693,250	4,516,001	4,991,631	298,381



General Fund Expenditures

~ Department 01

General & Administrative

In FY2014 the General & Administrative Department will oversee the planning, construction, and occupancy of the new City Hall Building. It will be located at 1800 Space Park Dr. and will house the functions of Administration, Building, Fire Marshal, Code Enforcement, Court, Utility Building, Police Department, and NBTV, as well as a leased conference center space on the first floor.

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

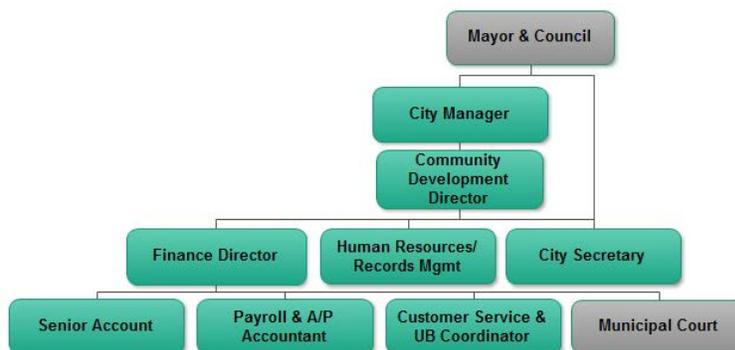
- Planning
- Economic Development
- Risk Management
- Intergovernmental Relations
- Legal
- Issuance of Licenses & Permits
- Records Management
- Public Information
- Accounting
- Budget Preparation
- Budget Administration
- Debt Management
- Finance Administration Tax Reconciliation
- Purchasing
- Payroll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

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}
- Payroll & A/P 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

		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Expenditures Summary							
	Wages	252,490	246,732	249,710	246,260	260,950	11,240
	Personnel Expenses	81,910	75,554	82,320	82,320	88,370	6,050
	Maintenance & Operations	405,561	349,713	428,700	438,141	405,821	(22,879)
	Capital Outlays	35,000	35,000	-	-	96,000	96,000
	TOTAL	774,961	707,000	760,730	766,721	851,141	90,411
		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
Line Item Detail							
4005	Audit	38,310	34,800	40,000	39,660	40,000	0.0%
4010	Tax Collector-Assessor & HCAD	28,700	23,107	28,000	28,000	26,000	-7.1%
4030	Dues, Fees & Subscriptions	8,440	10,341	8,440	10,670	8,440	0.0%
4040	Advertising	6,250	5,211	6,500	6,500	6,500	0.0%
4042	Publications	8,600	6,684	8,640	8,640	8,640	0.0%
4045	Printing	5,000	5,011	6,000	4,000	6,000	0.0%
4055	Legal Fees	85,000	51,797	85,000	105,000	85,000	0.0%
4060	Contract Services	36,510	40,289	62,050	62,050	36,050	-41.9%
4061	Fixed Asset Management	2,000	904	3,000	3,000	3,000	0.0%
4062	City Programs	20,000	19,656	15,200	15,200	15,200	0.0%
4100	Rent/Lease - City Hall	1	1	1	1	1	0.0%
4105	Maintenance - Facilities	-	-	-	-	2,000	0.0%
4110	Maintenance - Equipment	1,000	133	1,000	200	1,000	0.0%
4205	Supplies - Office	16,000	12,668	13,500	13,500	13,500	0.0%
4210	Supplies - Postage	4,500	5,513	5,100	6,260	5,500	7.8%
4220	Supplies - Uniforms	-	-	-	-	450	0.0%
4225	Supplies - Computers/Copiers	3,240	5,581	4,040	4,340	4,040	0.0%
4240	Supplies - Building	3,800	3,564	3,800	4,000	3,800	0.0%
4305	Wages	232,650	230,918	245,510	245,510	259,800	5.8%
4306	Overtime	4,200	174	4,200	750	1,150	-72.6%
4308	Wages - Pay Plan/Merit	15,640	15,640	-	-	-	0.0%
4310	Social Security	19,450	17,669	19,260	19,260	20,470	6.3%
4390	Expense of City Officials	18,000	18,491	22,500	15,000	22,500	0.0%
4396	Phone Allowance	4,800	4,700	4,800	4,800	4,800	0.0%
4405	Insurance - Bonds	750	-	750	-	750	0.0%
4410	Insurance - General	7,720	6,508	3,850	3,850	3,340	-13.2%
4415	Insurance - Medical & Dental	27,740	23,999	26,040	26,040	27,360	5.1%
4420	Insurance - Unemployment	5,000	2,104	5,000	-	5,000	0.0%
4425	Insurance - Workers' Comp	1,630	1,624	2,030	1,610	2,320	14.3%
4430	Retirement - Contribution	29,920	29,186	32,220	32,220	35,740	10.9%
4440	Insurance - LT Disability	6,000	6,483	6,000	6,200	6,000	0.0%
4505	Utilities	65,000	73,829	62,509	85,000	65,000	4.0%
4605	Training & Travel	11,150	12,371	15,330	10,000	15,330	0.0%
4710	Election Expense	15,000	100	15,000	-	15,000	0.0%
4904	Lease Purchase	2,460	1,872	2,460	2,460	2,460	0.0%
4925	Transfer to Capital Projects Fund	35,000	35,000	-	-	96,000	0.0%
4930	Exams & Drug Testing	5,500	1,070	3,000	3,000	3,000	0.0%
	TOTAL	774,961	707,000	760,730	766,721	851,141	11.9%

General Fund Expenditures

~ Department 02

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; however the Office Manager (50%) is a shared position with the Public Works Department.

- 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. The location of the Building Department will change to the new City Hall during FY2014.

Vehicles

- 2010 Ford Expedition

General Fund Expenditures

02 ~ Building Department

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	78,697	77,123	80,900	80,900	81,450	550
Personnel Expenses	30,983	28,065	32,170	32,170	32,480	310
Maintenance & Operations	15,000	2,893	14,460	9,780	14,680	220
Capital Outlays	-	-	-	-	-	-
TOTAL	124,680	108,080	127,530	122,850	128,610	1,080

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees & Subscriptions	550	708	700	700	700	0.0%
4045 Printing	1,300	370	1,300	1,000	1,000	-23.1%
4060 Contract Services	7,000	692	5,000	1,600	5,000	0.0%
4120 Maintenance - Vehicles	1,500	144	1,500	1,920	1,500	0.0%
4220 Supplies - Uniforms	200	-	200	150	200	0.0%
4235 Small Equipment & Tools	-	-	-	-	100	0.0%
4245 Supplies - Gas & Oil	950	616	950	740	950	0.0%
4305 Wages	76,317	74,456	80,800	80,800	81,150	0.4%
4306 Overtime	100	32	100	100	300	200.0%
4308 Wages - Pay Plan/Merit	2,280	2,635	-	-	-	0.0%
4310 Social Security	6,060	5,783	6,230	6,230	6,440	3.4%
4396 Phone Allowance	2,400	1,700	1,800	1,800	1,800	0.0%
4410 Insurance - General	-	-	2,590	2,450	3,030	17.0%
4415 Insurance - Medical & Dental	13,197	11,598	13,700	13,700	12,990	-5.2%
4425 Insurance - Workers' Comp	800	201	220	220	200	-9.1%
4430 Retirement - Contribution	9,327	8,984	10,440	10,440	11,250	7.8%
4605 Training & Travel	2,700	161	2,000	1,000	2,000	0.0%
TOTAL	124,680	108,080	127,530	122,850	128,610	0.8%

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
- Disaster Assistance Services
- EMS Supervision

Emergency Management was accepted into the FEMA Emergency Management Performance Grant Program during FY2012 and has continued to be in the program. The City anticipates on-going participation in this program in FY2014. Continuing an FY2013 effort, the department will work with the Building Department in securing federal grants to assist homeowners with the elevation of residential structures that have been designated as 'severe repetitive loss properties'.

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. The location of Emergency Management will change to the new City Hall during FY2014.

Vehicles

This department has no vehicles.

Police Department vehicles are made available for routine business activities. Public Works, Fire Department, and EMS vehicles are also made available for Emergency Management activities.

General Fund Expenditures

03 ~ Emergency Management

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	88,450	88,440	90,230	90,230	93,830	3,600
Personnel Expenses	26,790	26,924	29,050	29,050	31,070	2,020
Maintenance & Operations	11,570	8,386	18,790	19,200	19,130	340
Capital Outlays	-	-	-	-	-	-
TOTAL	126,810	123,750	138,070	138,480	144,030	5,960

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees & Subscriptions	620	700	620	530	620	0.0%
4045 Printing	700	639	700	700	700	0.0%
4110 Maintenance - Equipment	100	-	5,000	5,600	5,000	0.0%
4230 Supplies - Emergency Operations	800	569	800	800	800	0.0%
4245 Supplies - Gas & Oil	4,000	1,214	4,500	4,500	4,500	0.0%
4305 Wages	85,930	85,920	90,230	90,230	93,830	4.0%
4308 Wages - Pay Plan/Merit	2,520	2,520	-	-	-	0.0%
4310 Social Security	6,820	6,846	6,940	6,940	7,320	5.5%
4396 Phone Allowance	1,200	1,200	1,200	1,200	1,200	0.0%
4410 Insurance - General	-	-	1,820	1,720	2,160	18.7%
4415 Insurance - Medical & Dental	8,280	8,549	9,270	9,270	9,770	5.4%
4430 Retirement - Contribution	10,490	10,329	11,640	11,640	12,780	9.8%
4605 Training & Travel	5,350	5,264	5,350	5,350	5,350	0.0%
4705 Miscellaneous	-	-	-	-	-	0.0%
TOTAL	126,810	123,750	138,070	138,480	144,030	4.3%

General Fund Expenditures

~ Department 04

Fire Department

Volunteer Staffing

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

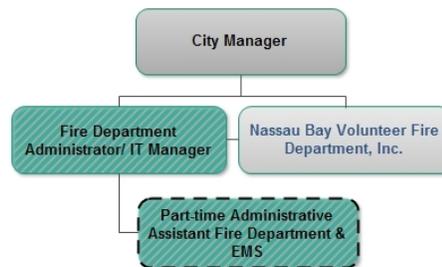
The City contracts with Nassau Bay Volunteer Fire Department, Inc. for fire & rescue services. The structure of the contract is such that the City provides equipment and an operating budget (Resolution No. R95-1269). No cash payment is made for services rendered.

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 (50%).

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



Facilities:

- Fire Station (120 Surf Court) with emergency generator

Vehicles:

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

- 1993 Pierce Dash Type I Fire Truck (pumper)
- 1994 Pierce Dash Type I Fire Truck (pumper)
- 2003 AMGE Army Truck
- 2005 Chevrolet Silverado Truck – Utility Truck
- 2006 Trailer Special Operations Trailer
- 2007 Chevrolet Silverado Truck – Command Vehicle
- 2007 Boston Whaler Marine Patrol/Fire Boat
- 2009 Zodiac Inflatable Rescue Boat
- 2009 Pierce Quantum Type I Fire Truck (rescue pumper)

General Fund Expenditures

04 ~ Fire Department

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	44,000	42,163	45,800	45,800	46,440	640
Personnel Expenses	45,240	45,723	46,460	42,460	47,600	1,140
Maintenance & Operations	170,485	146,552	160,570	148,080	155,780	(4,790)
Capital Outlays	134,866	136,801	113,870	113,870	113,870	-
TOTAL	394,591	371,239	366,700	350,210	363,690	(3,010)

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees & Subscriptions	3,850	3,722	3,850	3,850	4,140	7.5%
4060 Contract Services	2,900	3,215	2,900	2,900	2,900	0.0%
4105 Maintenance - Facilities	2,390	3,216	3,390	4,500	3,890	14.7%
4110 Maintenance - Equipment	11,825	11,673	11,830	6,010	12,330	4.2%
4120 Maintenance - Vehicles	28,050	25,465	28,050	38,740	29,400	4.8%
4125 Maintenance - Marine	3,600	2,015	4,000	4,000	4,000	0.0%
4215 Supplies - Medical	500	503	1,500	1,800	1,500	0.0%
4220 Supplies - Uniforms	3,900	3,503	3,900	3,900	3,900	0.0%
4221 Supplies - Protective Clothing	31,200	26,968	15,000	4,650	15,000	0.0%
4230 Supplies - Miscellaneous	3,500	2,510	3,500	3,000	3,500	0.0%
4235 Supplies - Tools	3,000	4,078	14,000	12,450	3,000	-78.6%
4245 Supplies - Gas & Oil	8,500	4,302	7,500	7,500	7,500	0.0%
4305 Wages	42,760	40,886	45,800	45,800	46,440	1.4%
4308 Wages - Pay Plan/Merit	1,240	1,277	-	-	-	0.0%
4310 Social Security	3,390	3,294	3,520	3,520	3,760	6.8%
4396 Phone Allowance	2,400	2,400	2,400	2,400	2,400	0.0%
4410 Insurance - General	22,220	19,067	16,200	16,190	17,540	8.3%
4415 Insurance - Medical & Dental	4,230	4,275	4,630	4,630	4,880	5.4%
4425 Insurance - Workers' Comp	4,000	3,985	3,900	(820)	4,130	5.9%
4430 Retirement - Contribution	5,220	4,963	5,910	5,910	6,560	11.0%
4435 Retirement - Volunteers	30,000	30,792	30,000	26,000	30,000	0.0%
4505 Utilities	6,850	6,630	6,850	6,110	6,850	0.0%
4605 Training & Travel	16,000	9,107	16,000	16,000	18,000	12.5%
4904 Lease Purchase	113,866	113,865	113,870	113,870	113,870	0.0%
4905 Capital Outlays	21,000	22,936	-	-	-	0.0%
4910 Annual Banquet	7,200	7,531	7,200	7,300	7,200	0.0%
4911 Awards - Response & Incentive	9,000	7,343	9,000	8,000	9,000	0.0%
4912 Social Events	2,000	1,721	2,000	2,000	2,000	0.0%
TOTAL	394,591	371,239	366,700	350,210	363,690	-0.8%

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 6 full-time employees; however the Office Manager is shared with the Building Department.

- Public Works Director FTE
- 1 Streets & Storm Water Supervisor FTE
- 3 Field Operators Crew Members FTE
- Office Manager (50%) FTE



Facilities

- Maintenance shop (18295 Upper Bay Road)
- Public Works Director's office is located at 18295 Upper Bay Road
- Equipment Storage at 18900 Point Lookout Drive

Vehicles

- 1993 Ford Dump Truck
- 1997 Ford F350 Pickup
- 2003 Ford F650 Pickup
- (2) 2003 Ford F150 Pickup
- 2006 Ford F350 IT Bucket Truck
- 2007 Chevrolet Silverado
- 2013 Ford F150 Pickup

General Fund Expenditures

05 ~ Public Works

Expenditures Summary	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	\$
	FY2012	FY2012	FY2013	FY2013	FY2014	Change
Wages	159,557	160,180	149,980	149,980	162,200	12,220
Personnel Expenses	61,443	61,129	63,830	64,230	70,190	6,360
Maintenance & Operations	138,075	105,469	132,670	130,550	142,190	9,520
Capital Outlays	-	-	98,000	-	50,000	(48,000)
TOTAL	359,075	326,778	444,480	344,760	424,580	(19,900)

Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	%
	FY2012	FY2012	FY2013	FY2013	FY2014	Change
4030 Dues, Fees & Subscriptions	225	77	250	80	100	-60.0%
4070 Engineering	15,000	8,415	15,000	10,000	15,000	0.0%
4075 Mosquito Control	5,000	5,717	5,000	5,000	5,000	0.0%
4105 Maintenance - Facilities	2,500	2,129	2,500	2,600	2,500	0.0%
4110 Maintenance - Equipment/Safety	2,000	2,039	2,000	2,050	3,000	50.0%
4111 Maintenance - Storm Sewer	7,000	-	7,000	12,900	7,000	0.0%
4112 Maintenance - Storm Sewer LS	11,000	11,780	4,000	2,000	5,000	25.0%
4120 Maintenance - Vehicles	6,500	3,617	6,500	8,150	6,500	0.0%
4125 Maintenance - Street Lights	1,000	878	5,000	10,750	7,000	40.0%
4130 Maintenance - Streets & Curbs	2,500	3,858	2,500	2,500	2,500	0.0%
4131 Maintenance - Equipment Rental	6,000	3,819	6,000	4,000	6,000	0.0%
4135 Maintenance - Street Sweeping	4,000	2,304	4,000	4,160	4,000	0.0%
4220 Supplies - Uniforms	3,200	2,706	3,200	2,750	3,200	0.0%
4235 Supplies - Tools	2,000	1,744	2,000	2,000	2,000	0.0%
4245 Supplies - Gas & Oil	22,000	24,424	25,000	25,000	25,000	0.0%
4305 Wages	141,727	140,571	137,400	137,400	154,060	12.1%
4306 Overtime	5,500	8,363	12,580	12,580	8,140	-35.3%
4308 Wages - Pay Plan/Merit	12,330	11,246	-	-	-	0.0%
4310 Social Security	12,290	12,003	11,540	11,540	12,770	10.7%
4396 Phone Allowance	6,000	6,400	6,000	6,400	6,000	0.0%
4410 Insurance - General	10,240	8,995	9,250	8,590	12,170	31.6%
4415 Insurance - Medical & Dental	24,217	24,294	26,940	26,940	29,110	8.1%
4425 Insurance - Workers' Comp	7,910	6,923	7,470	5,900	10,220	36.8%
4430 Retirement - Contribution	18,937	18,432	19,350	19,350	22,310	15.3%
4505 Utilities (Street Lights/Pumps)	25,000	15,686	21,000	20,120	21,000	0.0%
4605 Training & Travel	5,000	358	5,000	2,000	5,000	0.0%
4907 Capital Outlays	-	-	98,000	-	50,000	-49.0%
TOTAL	359,075	326,778	444,480	344,760	424,580	-4.5%

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.

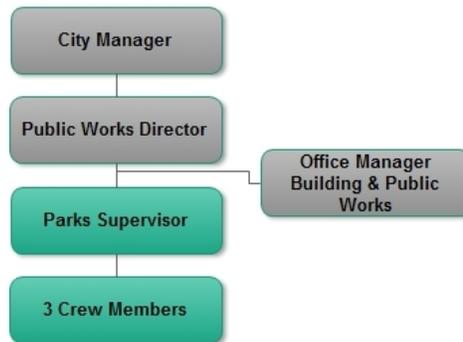
Some of the primary functions are:

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

Staffing

This department is staffed with 4 full-time employees.

- Parks Supervisor ^{FTE}
- 3 Maintenance Crew Members ^{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

- 2005 John Deere Gator Utility
- 2013 Ford F150 Pickup

General Fund Expenditures

06 ~ Parks Department

Expenditures Summary	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	\$
	FY2012	FY2012	FY2013	FY2013	FY2014	Change
Wages	106,250	107,381	126,240	126,240	117,240	(9,000)
Personnel Expenses	46,070	43,490	51,240	51,240	50,690	(550)
Maintenance & Operations	129,840	123,350	159,330	124,180	165,710	6,380
Capital Outlays	-	-	-	-	-	-
TOTAL	282,160	274,222	336,810	301,660	333,640	(3,170)

Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	%
	FY2012	FY2012	FY2013	FY2013	FY2014	Change
4030 Dues, Fees & Subscriptions	100	-	100	-	100	0.0%
4105 Maintenance - Facilities	19,000	6,934	16,000	8,000	16,000	0.0%
4110 Maintenance - Equipment	3,000	2,861	3,000	3,500	3,000	0.0%
4115 Maintenance - Grounds	56,000	59,524	93,630	70,000	100,000	6.8%
4129 Maintenance - Park Lighting	3,000	1,199	3,000	2,000	3,000	0.0%
4135 Maintenance - Holiday Decorations	1,000	218	1,000	1,000	1,000	0.0%
4140 Maintenance - Lake Nassau	5,000	2,622	5,000	5,820	5,000	0.0%
4145 Maintenance - Channels/Buoys	4,000	3,773	1,500	1,500	1,500	0.0%
4228 Supplies - Mut Mits	2,500	2,849	3,000	3,000	3,000	0.0%
4230 Supplies - Miscellaneous	-	143	-	-	-	0.0%
4305 Wages	98,720	96,873	115,640	115,640	108,710	-6.0%
4306 Overtime	5,120	7,587	10,600	10,600	8,530	-19.5%
4308 Wages - Pay Plan/Merit	2,410	2,921	-	-	-	0.0%
4310 Social Security	8,190	8,036	9,730	9,730	9,070	-6.8%
4410 Insurance - General	-	-	6,000	6,000	5,530	-7.8%
4415 Insurance - Medical & Dental	25,290	22,932	25,220	25,220	27,360	8.5%
4425 Insurance - Workers' Comp	3,290	2,750	3,100	2,450	3,580	15.5%
4430 Retirement - Contribution	12,590	12,522	16,290	16,290	14,260	-12.5%
4505 Utilities	8,000	7,130	8,000	5,910	8,000	0.0%
4906 Grant Match - Peninsula Grant	7,000	18,607	-	-	-	0.0%
4910 Special Events Committee	10,000	8,775	10,000	9,000	10,000	0.0%
4912 Beautification Day & Projects	3,950	1,965	2,000	2,000	2,000	0.0%
4913 Environmental Restoration	4,000	4,000	4,000	4,000	4,000	0.0%
TOTAL	282,160	274,222	336,810	301,660	333,640	-0.9%

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:

- Police Administration
- Public Safety Planning
- Crime Prevention
- Community-Wide Patrol
- Criminal Investigations
- Public Safety 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

The Police Department is located at 18100 Upper Bay Road within the City Hall building. The location of the Police Department will change to the new City Hall during FY2014.

Vehicles

- (2) 2006 Chevy Impala Unmarked Vehicle
- (3) 2013 Chevy Tahoe
- 2007 Boston Whaler Marine Patrol/Fire Boat

General Fund Expenditures

07 ~ Police Department

Expenditures Summary	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	\$
	FY2012	FY2012	FY2013	FY2013	FY2014	Change
Wages	681,760	682,735	694,640	694,640	716,350	21,710
Personnel Expenses	244,190	246,809	268,330	268,330	280,800	12,470
Maintenance & Operations	233,260	204,823	229,970	212,230	235,830	5,860
Capital Outlays	-	-	-	-	-	-
TOTAL	1,159,210	1,134,368	1,192,940	1,175,200	1,232,980	40,040

Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	%
	FY2012	FY2012	FY2013	FY2013	FY2014	Change
4030 Dues, Fees & Subscriptions	1,100	594	1,100	1,000	1,100	0.0%
4040 Advertising	200	-	200	-	200	0.0%
4045 Printing	500	225	500	1,120	500	0.0%
4060 Contract Services	2,840	2,857	2,840	5,000	2,840	0.0%
4061 Dispatch Contract	60,000	59,165	60,000	60,000	62,000	3.3%
4062 Jail Contract	60,000	46,200	60,000	50,000	60,000	0.0%
4064 Investigation Funds	1,000	500	1,000	500	1,000	0.0%
4070 Professional Services	600	-	600	400	600	0.0%
4110 Maintenance - Equipment	1,800	1,344	1,800	1,800	1,800	0.0%
4120 Maintenance - Vehicles	15,000	13,318	13,000	13,000	9,000	-30.8%
4220 Supplies - Uniforms	6,250	3,572	6,250	6,250	6,250	0.0%
4225 Supplies - Computers/Printers	2,600	3,550	2,600	3,400	2,600	0.0%
4226 Supplies - Police	1,630	970	1,630	1,630	7,750	375.5%
4245 Supplies - Gas & Oil	35,000	35,198	40,000	35,000	40,000	0.0%
4305 Wages	653,860	658,475	686,640	686,640	708,350	3.2%
4306 Overtime	8,000	5,372	8,000	8,000	8,000	0.0%
4308 Wages - Pay Plan/Merit	19,900	18,888	-	-	-	0.0%
4310 Social Security	52,500	51,471	53,480	53,480	55,520	3.8%
4396 Phone Allowance	4,800	4,800	4,800	4,800	4,800	0.0%
4410 Insurance - General	14,000	13,988	17,780	16,720	18,430	3.7%
4415 Insurance - Medical & Dental	106,100	111,138	120,460	120,460	123,480	2.5%
4425 Insurance - Workers' Comp	15,400	12,228	13,170	10,410	14,260	8.3%
4430 Retirement - Contribution	80,790	79,400	89,590	89,590	97,000	8.3%
4605 Training & Travel	7,500	3,352	7,500	6,000	7,500	0.0%
4904 Lease Purchase	7,840	7,763	-	-	-	0.0%
TOTAL	1,159,210	1,134,368	1,192,940	1,175,200	1,232,980	3.4%

General Fund Expenditures

~ Department 08

Sanitation & Recycling

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

- Residential Solid Waste Collection & Disposal
- Municipal Generated Solid Waste Collection & Disposal
- Commercial Solid Waste Collection & Disposal
- Public Information & Recycling Education
- Coordination of Public-Private Recycling Programs

In FY2014, the City will continue its voluntary recycling program in which residents can elect to participate in the fee-based service. This recycling program provides for back-door or curbside pick-up of recycling at participating residences. This program is provided directly through the contractor.

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, as well as provide recycling services. 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

This department has no facilities.

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 FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	235,050	236,546	235,050	236,330	236,330	1,280
Capital Outlays	-	-	-	-	-	-
TOTAL	235,050	236,546	235,050	236,330	236,330	1,280

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4090 Solid Waste Collection	232,500	232,485	232,500	232,500	232,500	0.0%
4091 Contract - Bayfront	2,050	3,326	2,050	3,330	3,330	62.4%
4230 Supplies - Miscellaneous	500	-	500	500	500	0.0%
4800 Commercial Solid Waste	-	735	-	-	-	0.0%
TOTAL	235,050	236,546	235,050	236,330	236,330	0.5%

General Fund Expenditures

~ Department 09

Animal Control

The Animal Control Department is responsible for the following functions:

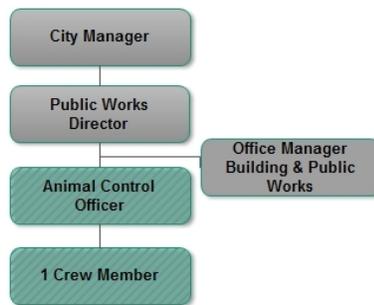
- Animal Code Enforcement
- Control of Dangerous and/or Vicious Animals
- Impoundment of Animals Found at Large
- Wildlife Management
- Providing Humane Animal Traps for Resident Use
- Removal of Trapped Varmints
- Collection of Animal Carcasses

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}
- Office Manager ^{FTE}



Facilities

Animal shelter space is provided by the Public Works Department at 18906 Point Lookout Drive.

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 FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	18,790	19,462	21,040	21,040	19,750	(1,290)
Personnel Expenses	6,640	6,879	7,580	7,580	7,600	20
Maintenance & Operations	9,310	5,185	10,610	9,430	10,970	360
Capital Outlays	-	-	-	-	-	-
TOTAL	34,740	31,525	39,230	38,050	38,320	(910)

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees & Subscriptions	100	-	100	100	100	0.0%
4060 Contract Services	2,600	1,460	2,600	2,750	2,600	0.0%
4105 Maintenance - Facilities	2,800	1,207	2,800	2,000	2,800	0.0%
4230 Supplies	2,400	2,028	2,400	2,400	2,400	0.0%
4305 Wages	16,860	17,142	18,330	18,330	18,250	-0.4%
4306 Overtime	1,500	1,826	2,710	2,710	1,500	-44.6%
4308 Wages - Pay Plan/Merit	430	494	-	-	-	0.0%
4310 Social Security	1,450	1,550	1,620	1,620	1,520	-6.2%
4410 Insurance - General	-	-	1,990	1,890	2,280	14.6%
4415 Insurance - Medical & Dental	2,960	2,992	3,240	3,240	3,420	5.6%
4425 Insurance - Workers' Comp	1,060	335	370	290	440	18.9%
4430 Retirement - Contribution	2,230	2,336	2,720	2,720	2,660	-2.2%
4605 Training & Travel	350	155	350	-	350	0.0%
TOTAL	34,740	31,525	39,230	38,050	38,320	-2.3%

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 [Article VII, Sec. 7.03 Budget (C) (11)]. The FY2014 General Fund Budget includes expenditures of \$4,991,631 and a contingency budget of \$100,000 (approximately 2.0%).

These funds are expended at the discretion of the City Manager in unexpected situations meriting such allocations. The contingency department 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 situations. The following chart provides a twenty-year comparison of the historical budgeted and actual expenditures as well as the current proposed allocation for the contingency department:

<u>Fiscal Year</u>	<u>Budget Appropriation</u>	<u>Actual Expenditure</u>
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	91,000
2011/12	176,650	129,603
2012/13	100,000	86,020*
2013/14	100,000	

*Projected

General Fund Expenditures

10 ~ Contingency Department

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	-	-	25,000	13,520	25,000	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Contingency	176,650	129,603	75,000	72,500	75,000	-
TOTAL	176,650	129,603	100,000	86,020	100,000	-

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4070 Grant Matches	61,650	35,945	25,000	22,500	25,000	0.0%
4160 City Charter Contingency	115,000	93,658	50,000	50,000	50,000	0.0%
4305 Reserve - Wages	-	-	25,000	13,520	25,000	0.0%
TOTAL	176,650	129,603	100,000	86,020	100,000	0.0%

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 and has continued to evolve with changes in technology and software. The City currently utilizes multiple software programs that provide for more efficient service provision and record-keeping. It has moved toward some web-hosted software systems that allow the burden of server and software maintenance to be transferred to the software provider. With the move to the new City Hall, the department will see expanded responsibilities with the additional technology in the new building. In FY2014 the department will begin to track its internal service provision through a new work order tracking software.

The Information Services Department provides services that are reimbursed by the departments and funds that receive the benefit. See Information Services - Reimbursed Expenses, pages 74-75.

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 and this will continue after the move to the new City Hall building. The IT Manager's office is in the Fire Station at 120 Surf Court.

Vehicles

This department has no vehicles.

General Fund Expenditures

11 ~ Information Services

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	31,300	30,988	33,020	33,020	32,910	(110)
Personnel Expenses	12,690	10,386	11,430	11,430	11,840	410
Maintenance & Operations	178,370	160,051	185,160	179,670	186,330	1,170
Capital Outlays	2,000	1,851	-	-	-	-
TOTAL	224,360	203,276	229,610	224,120	231,080	1,470

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees & Subscriptions	17,150	12,851	18,150	18,150	19,800	9.1%
4070 Contract Computer Services	68,620	58,473	73,750	73,000	73,250	-0.7%
4072 Maintenance - Software	4,500	5,279	4,500	4,000	4,500	0.0%
4110 Maintenance - Equipment	17,000	18,706	16,000	16,000	13,000	-18.8%
4225 Supplies - Computers/Printers	2,500	428	2,500	800	2,500	0.0%
4305 Wages	30,380	30,080	33,020	33,020	32,910	-0.3%
4308 Wages - Pay Plan/Merit	920	908	-	-	-	0.0%
4310 Social Security	2,450	2,439	2,540	2,540	2,530	-0.4%
4410 Insurance - General	-	-	1,820	1,720	2,160	18.7%
4415 Insurance - Medical & Dental	6,440	4,275	4,630	4,630	4,880	5.4%
4430 Retirement - Contribution	3,800	3,672	4,260	4,260	4,430	4.0%
4510 Telecommunications	67,000	64,315	66,840	66,000	69,520	4.0%
4605 Training & Travel	1,600	-	1,600	-	1,600	0.0%
4905 Capital Outlays	2,000	1,851	-	-	-	0.0%
TOTAL	224,360	203,276	229,610	224,120	231,080	0.6%

General Fund Expenditures

~ Reimbursed Expenses

Information Services - Reimbursed Expenses

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

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

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

Water & Sewer Fund reimbursements are charged to line item 4810 – G & A Overhead and credited to General Fund revenue line item 4920 – G & A Overhead – W&S.

General Fund Expenditures

11 ~ Information Services Reimbursement Schedule

Line Item Detail	Adopted	General		W & S		Tourism	
	Budget FY2014	Fund	%	Fund	%	Fund	%
4070 Contract Computer Services	73,250	66,830	91.2%	6,420	8.76%	-	0.0%
4072 Maintenance - Software	4,500	4,110	91.2%	390	8.76%	-	0.0%
4110 Maintenance - Equipment	13,000	11,860	91.2%	1,140	8.76%	-	0.0%
4225 Supplies - Computers/Printers	2,500	2,280	91.2%	220	8.76%	-	0.0%
4510 Telecommunications	69,520	63,430	91.2%	6,090	8.76%	-	0.0%
4605 Training & Travel	1,600	1,460	91.2%	140	8.76%	-	0.0%
TOTAL	164,370	149,970	91.2%	14,400	8.76%	-	0.0%

General Fund Expenditures

~ Department 12

Municipal Court

Beginning FY2013, the City selected to bring the court administrative functions in-house, after contracting this service with the City of Webster from 2009 to 2012. The Court has all the powers and duties prescribed by the laws of the State of Texas: the trial of misdemeanor offenses. 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

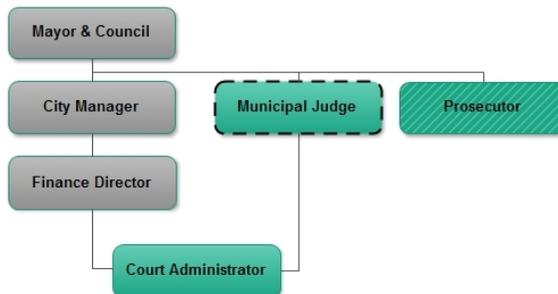
This department is staffed with one (1) full-time Court Administrator, a Presiding Judge, an Associate Judge, and a relief Judge.

- Court Administrator ^{FTE}
- 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 Administrative Office is located at City Hall. Court is conducted in the City Hall Council Chambers. Jurors deliberate in the City Hall conference room. The Municipal Court will move to the new City Hall building in FY2014.

Vehicles

This department has no vehicles

General Fund Expenditures

12 ~ Municipal Court

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	17,000	16,662	71,200	71,200	76,010	4,810
Personnel Expenses	1,990	1,270	22,390	22,390	24,480	2,090
Maintenance & Operations	68,250	66,263	23,220	26,040	25,460	2,240
Capital Outlays	-	-	-	-	-	-
TOTAL	87,240	84,195	116,810	119,630	125,950	9,140

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees & Subscriptions	250	100	500	500	800	60.0%
4045 Printing	200	150	200	200	800	300.0%
4060 Contract Services	66,800	65,412	17,700	20,620	17,700	0.0%
4305 Wages	17,000	16,662	71,200	71,200	74,510	4.6%
4306 Overtime	-	-	-	-	1,500	0.0%
4310 Social Security	1,310	1,270	5,480	5,480	5,940	8.4%
4410 Insurance - General	-	-	1,820	1,720	2,160	18.7%
4415 Insurance - Medical & Dental	100	-	9,270	9,270	9,770	5.4%
4430 Retirement - Contribution	580	-	7,640	7,640	8,770	14.8%
4605 Training & Travel	1,000	601	3,000	3,000	4,000	33.3%
TOTAL	87,240	84,195	116,810	119,630	125,950	7.8%

General Fund Expenditures

~ Department 13

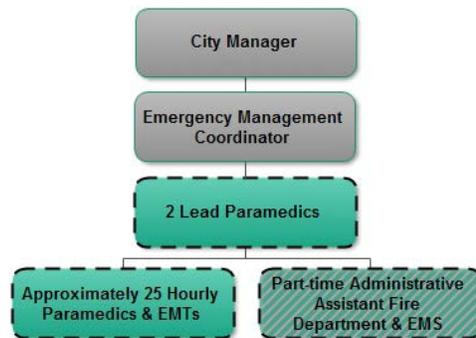
Emergency Medical Service

The Nassau Bay EMS provides 24-hour emergency medical services to the community. The Nassau Bay EMS works closely with St. John's Hospital as well as other local agencies and public safety personnel to provide service to the residents of Nassau Bay.

Staffing

This department is staffed with 2 part-time employees and a pool of hourly paramedics and EMTs. The Administrative Assistant is expensed 50% to this department while the remaining 50% is charged to the Fire Department.

- 2 Lead Paramedics ^{PTE}
- 1 Administrative Assistant (50%) ^{PTE}
- Pool of Paramedics & EMTs ^{HE}



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

Facilities

Space is provided at 18295 Upper Bay Road.

Vehicles

- 2004 Chevy Tahoe
- 2005 Ford F350 Ambulance
- 2006 Ford F450 Ambulance

General Fund Expenditures

13 ~ Emergency Medical Services

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	287,970	309,907	290,490	296,490	298,480	7,990
Personnel Expenses	35,980	36,052	38,900	38,200	38,410	(490)
Maintenance & Operations	84,480	94,457	85,740	102,500	97,970	12,230
Capital Outlays	-	-	-	-	-	-
TOTAL	408,430	440,416	415,130	437,190	434,860	19,730

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees & Subscriptions	370	295	370	690	690	86.5%
4045 Printing	1,000	572	1,000	1,000	1,000	0.0%
4056 Contract Billing	25,000	34,873	25,000	36,500	35,000	40.0%
4057 Licenses	890	120	890	2,200	890	0.0%
4100 Rent/Lease	1,000	625	-	-	-	0.0%
4105 Maintenance - Facilities	2,200	2,913	1,700	1,700	1,700	0.0%
4110 Maintenance - Equipment	1,000	-	1,000	1,000	1,500	50.0%
4120 Maintenance - Vehicles	4,500	8,897	8,000	8,000	8,500	6.3%
4215 Supplies - Medical	20,000	20,424	23,000	25,100	21,000	-8.7%
4220 Supplies - Uniforms	3,500	3,320	3,500	6,160	4,000	14.3%
4245 Supplies - Gas & Oil	6,000	7,615	6,500	7,000	7,000	7.7%
4305 Wages	263,870	287,763	274,490	274,490	272,480	-0.7%
4306 Overtime	16,000	13,856	16,000	22,000	26,000	62.5%
4308 Wages - Pay Plan/Merit	8,100	8,289	-	-	-	0.0%
4310 Social Security	22,180	23,825	22,360	22,360	22,990	2.8%
4396 Phone Allowance	1,200	1,100	1,200	500	1,200	0.0%
4410 Insurance - General	8,120	5,746	3,900	3,720	5,290	35.6%
4425 Insurance - Workers' Comp	8,900	7,376	7,880	6,230	8,400	6.6%
4430 Retirement - Contribution	12,600	11,127	15,340	15,340	14,220	-7.3%
4605 Training & Travel	2,000	1,681	3,000	3,200	3,000	0.0%
4905 Capital Outlays	-	-	-	-	-	0.0%
TOTAL	408,430	440,416	415,130	437,190	434,860	4.8%

General Fund Expenditures

~ Department 14

Fire Marshal

The Fire Marshal Department is responsible for a wide variety of inspection, permit, and enforcement activities. In FY2014, the Fire Marshal's Office will continue to pursue activities focused on life safety and fire prevention through its annual fire inspections and pre-fire plan surveys. Some of the primary functions of the department are:

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

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. The location of the Fire Marshal Office will change to the new City Hall during FY2014.

Vehicles

- 2013 Chevy Suburban

General Fund Expenditures

14 ~ Fire Marshal

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	75,200	82,217	71,320	71,320	73,720	2,400
Personnel Expenses	16,170	16,003	17,090	17,090	18,500	1,410
Maintenance & Operations	17,330	12,860	21,750	19,570	21,715	(35)
Capital Outlays	450	430	-	-	-	-
TOTAL	109,150	111,510	110,160	107,980	113,935	3,775

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees & Subscriptions	3,100	2,981	3,800	3,800	3,500	-7.9%
4045 Printing	380	-	380	380	540	42.1%
4060 Contract Services	1,000	995	1,560	1,000	1,750	12.2%
4063 Property Liens Expense	1,000	32	600	400	300	-50.0%
4120 Maintenance - Vehicles	3,000	1,997	3,000	1,500	400	-86.7%
4220 Supplies - Uniforms	1,000	1,166	1,000	1,000	1,000	0.0%
4227 Supplies - Photographic	300	-	300	300	460	53.3%
4226 Supplies - Fire Prevention	-	-	-	-	500	0.0%
4230 Supplies - Fire & Equipment	1,250	989	1,250	1,250	1,250	0.0%
4245 Supplies - Gas & Oil	1,800	2,470	1,900	2,100	1,900	0.0%
4305 Wages	73,000	79,886	71,320	71,320	73,720	3.4%
4308 Wages - Pay Plan/Merit	2,200	2,331	-	-	-	0.0%
4310 Social Security	5,820	6,446	5,490	5,490	5,860	6.7%
4396 Phone Allowance	2,400	2,400	2,400	2,400	2,400	0.0%
4410 Insurance - General	-	-	2,590	2,450	3,030	17.0%
4425 Insurance - Workers' Comp	500	501	870	690	810	-6.9%
4430 Retirement - Contribution	7,950	7,157	9,200	9,200	10,240	11.3%
4605 Training & Travel	4,000	1,731	4,500	4,700	6,275	39.4%
4905 Capital Outlays	450	430	-	-	-	0.0%
TOTAL	109,150	111,510	110,160	107,980	113,935	3.4%

General Fund Expenditures

~ *Department 15*

Planning & Development

The Planning & Development Department provides funding for administrative costs associated with development in the City.

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

		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Expenditures Summary							
	Wages	-	-	-	-	-	-
	Personnel Expenses	-	-	-	-	-	-
	Maintenance & Operations	49,730	42,242	20,000	5,700	15,000	(5,000)
	Capital Outlays	-	-	-	-	-	-
	TOTAL	49,730	42,242	20,000	5,700	15,000	(5,000)
		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
Line Item Detail							
4005	Audit	7,730	7,700	-	-	-	0.0%
4060	Contract Services	42,000	34,542	20,000	5,700	15,000	-25.0%
	TOTAL	49,730	42,242	20,000	5,700	15,000	-25.0%

General Fund Expenditures

~ Department 16

Code Enforcement

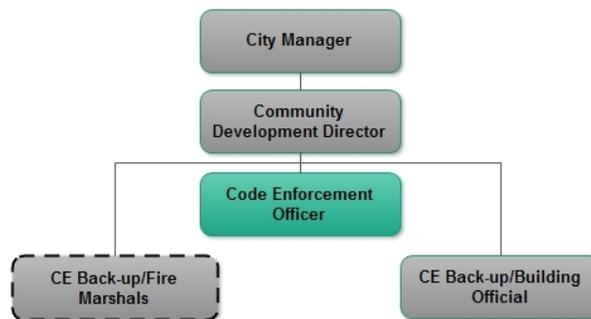
The Code Enforcement department allocates resources to the full time pursuit of enforcing City codes and ordinances. Through inspections and citations the Code Enforcement Officer is fully dedicated to issues such as high grass, dangerous pools, and dangerous neglect of property violations. The primary functions of the department are:

- Enforcement of some Health & Safety and Zoning Ordinances
- Enforcement of some Sign & Housing Codes
- Building Abatement
- Nuisance Violation enforcement
- Abandoned and Junk Vehicle enforcement with Police Department coordination

Staffing

This department is staffed by 1 full-time employee.

- Code Enforcement Officer/Deputy Fire Marshal ^{FTE}



Facilities

Office space is provided within City Hall for this department. The location of the Code Enforcement office will change to the new City Hall during FY2014.

Vehicles

- 2012 Ford Expedition

General Fund Expenditures

16 ~ Code Enforcement

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	-	-	40,560	40,560	44,370	3,810
Personnel Expenses	-	-	17,620	18,820	19,340	1,720
Maintenance & Operations	-	-	1,820	1,720	11,135	9,315
Capital Outlays	-	-	-	-	-	-
TOTAL	-	-	60,000	61,100	74,845	14,845

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees, & Subscriptions	-	-	-	-	800	0.0%
4045 Printing - Documents/Forms	-	-	-	-	200	0.0%
4060 Contract Services	-	-	-	-	1,500	0.0%
4063 Property Liens Expense	-	-	-	-	300	0.0%
4120 Maintenance - Vehicles	-	-	-	-	750	0.0%
4220 Supplies - Uniforms	-	-	-	-	300	0.0%
4227 Supplies - Photographic	-	-	-	-	300	0.0%
4230 Supplies - Code Enf. Equipment	-	-	-	-	300	0.0%
4245 Supplies - Gas & Oil	-	-	-	-	1,500	0.0%
4305 Wages	-	-	40,560	40,560	44,370	9.4%
4310 Social Security	-	-	3,120	3,120	3,510	12.5%
4396 Phone Allowance	-	-	-	1,200	1,200	0.0%
4410 Insurance - General	-	-	1,820	1,720	3,030	66.5%
4415 Insurance - Medical & Dental	-	-	9,270	9,270	8,500	-8.3%
4430 Retirement - Contribution	-	-	5,230	5,230	6,130	17.2%
4605 Training	-	-	-	-	2,155	0.0%
TOTAL	-	-	60,000	61,100	74,845	24.7%

General Fund Expenditures

~ *Department 17*

Conference Center

Department 17 is a new department in the General Fund in FY2014. This department will capture the expenditures related to the maintenance and operations of the new conference center facility that is scheduled to be completed in the first quarter of 2014. Expenditures in department 17 will be offset by revenues from the leasing of this conference space.

The conference center will be located on the first floor of the new City Hall building at 1800 Space Park. It is anticipated that the conference center will be leased out to a single tenant that will utilize the space for conferences, training, and education within their organization. The single tenant lease will not only provide revenue to cover the costs of maintenance and operations to the facility but also to pay a portion of the debt service related to the new City Hall building.

Staffing

This department has no employees.

Vehicles

This department has no vehicles.

General Fund Expenditures

17 ~ Conference Center

		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Expenditures Summary							
	Wages	-	-	-	-	-	-
	Personnel Expenses	-	-	-	-	-	-
	Maintenance & Operations	-	-	-	-	45,140	45,140
	Transfer to Debt Service	-	-	-	-	97,500	97,500
	Capital Outlays	-	-	-	-	-	-
	TOTAL	-	-	-	-	142,640	142,640
		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
Line Item Detail							
4105	Maintenance - Facilites	-	-	-	-	13,660	0.0%
4240	Supplies - Building	-	-	-	-	7,030	0.0%
4410	Insurance - General	-	-	-	-	7,030	0.0%
4505	Utilities	-	-	-	-	17,420	0.0%
4927	Transfer to Debt Service	-	-	-	-	97,500	0.0%
	TOTAL	-	-	-	-	142,640	0.0%

General Fund Expenditures

~ Capital Outlay Requests

FY2014 Capital Outlay Request Summary

Department	Total Amount of Requests
Fire Department	\$ 191,870
Public Works	\$ 12,000
Police Department	\$ 48,850
Information Services	\$ 31,000
EMS	\$ 135,000
Fire Marshal	\$ 1,300
Code Enforcement	\$ 1,890
Total General Fund Capital Outlay Requests	\$ 421,910

All Capital Outlay Requests are received and reviewed by the City Manager. City staff prioritizes requests based on available funding and various criteria such as life safety, statutory requirement, and contractual obligations. In the FY2014 budget, one request was funded and five requests were prioritized within the possible funding available. All other requests are recorded and acknowledged but considered to be pending until such time that funds would become available. Totals for the categories are as follows:

Funded	Prioritized	Pending (Unfunded)
\$ 113,870	\$ 106,240	\$ 201,800

General Fund Expenditures

~ Capital Outlay Requests

FY2014 Capital Outlay Request Detail

Department	Outlay Description	Amount	Status
Fire Department			
	Fire Truck Payment (through 2016)	\$113,870	Funded
	Replacement of 6 Outdated SCBA (self-contained breathing apparatus)	\$ 48,000	Prioritized-2
	New Command Vehicle	\$ 30,000	Pending
Public Works			
	Street Sign Replacement/Repair	\$ 12,000	Pending
Police Department			
	(15) Replacement Tasers	\$ 15,540	Pending
	(5) Personal Video Cameras (partially funded)	\$ 5,200	Prioritized-4
	(5) Mobile Vision In-car video camera systems	\$ 28,200	Pending
Information Services			
	(4) Mobile Data Terminals (for Police Vehicles)	\$ 20,000	Prioritized-3
	(10) Replacement Computers	\$ 11,000	Pending
EMS			
	Life Pak 15 heart monitor/defibrillator	\$ 32,000	Prioritized-1
	Remount/Refurbish Primary Ambulance	\$100,000	Pending
	AED for Reserve EMS Unit	\$ 1,000	Pending
	Stair Chair for Reserve EMS Unit	\$ 2,000	Pending
Fire Marshal			
	Additional Ipad for Asst Fire Marshal	\$ 1,300	Pending
Code Enforcement			
	Bullet Proof Vest	\$ 850	Pending
	Body Camera	\$ 1,040	Prioritized-5



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 most recently in FY2011 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 wastewater provision system. It is anticipated that the Texas Water Development Board projects will be completed in FY2014.

The City serves approximately 1,490 non-governmental water and sewer customers. Of these approximately 1,345 are residential customers and 145 are commercial customers.

The City's Five-Plus-Year Capital Improvement Plan has been updated and includes many significant repairs and maintenance items related to the water and wastewater systems. Due to funding through CDBG Round #1 and Texas Water Development Board, many of the major projects that were started in the last 3 years will be completed in FY2014. The CIP calls for additional projects to maintain the integrity of aging water and sewer lines; many of these projects are scheduled to be cash-flowed.

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 Revenue

Water Sales

Revenues are from the sale of treated drinking water. With the adoption of updated water rates in FY2011, 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 updated water rates in FY2011, sewer rates were also adjusted to 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, delinquent payments) for additional costs incurred and late fees levied against delinquent utility payments.

Interest on Investments

Revenues are from interest earned on funds invested according to the Public Fund Investment Act.

Water Tap Fees

Revenues are from charges for supplies, labor, & 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 Sales

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

TWDB Bond Proceeds

Revenues are sums released to the City for the purpose of funding TWDB projects.

Water & Sewer Fund Revenue

~ Fund 02

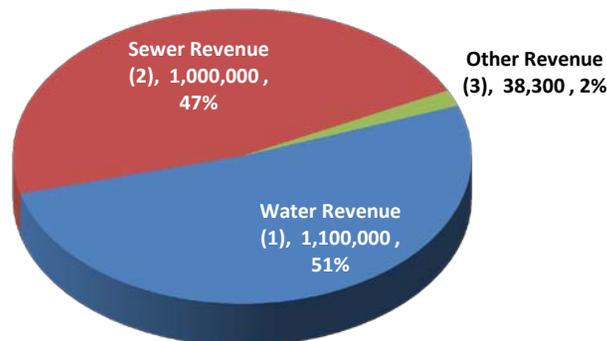
Revenue Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Water Revenue (1)	1,100,000	1,100,671	1,100,000	1,181,420	1,100,000	-
Sewer Revenue (2)	1,000,000	1,059,169	1,000,000	1,141,050	1,000,000	-
Other Revenue (3)	1,281,600	19,458	1,170,840	1,193,030	38,300	(1,132,540)
TOTAL	3,381,600	2,179,297	3,270,840	3,515,500	2,138,300	(1,132,540)
Prior Year Balance Forward	538,197	-	1,041,374	1,198,684	2,421,224	1,379,850
End of Year Fund Balance	(443,614)	-	(687,674)	(2,421,224)	(453,564)	234,110
Transfer To(From) Capital Proj	-	-	-	-	-	-
Transfer To(From) General Fund	-	-	-	-	-	-
Transfer To(From) Special Rev	-	129,500	-	-	-	-
GRAND TOTAL	3,476,183	2,308,797	3,624,540	2,292,960	4,105,960	481,420

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
3005 Water Sales	1,100,000	1,100,671	1,100,000	1,181,420	1,100,000	0.0%
3010 Sewer Service Charges	1,000,000	1,059,169	1,000,000	1,141,050	1,000,000	0.0%
3015 Penalties	13,000	42,986	13,000	31,000	30,000	130.8%
3020 Interest on Investments	600	5,532	2,500	7,300	5,000	100.0%
3305 Water Tap Fees	-	3,750	1,500	2,950	1,500	0.0%
3310 Sewer Tap Fees	3,000	2,392	3,000	850	1,500	-50.0%
3705 Miscellaneous	-	316	310	400	300	-3.2%
3915 TWDB Investment Accretion	-	330	-	-	-	0.0%
3920 TWDB Investment Amortization	-	(65,118)	-	-	-	0.0%
3930 TWDB Interest Income	-	29,270	-	-	-	0.0%
3935 TWDB Bond Proceeds	1,265,000	-	1,150,530	1,150,530	-	-100.0%
TOTAL - CURRENT REVENUE	3,381,600	2,179,297	3,270,840	3,515,500	2,138,300	-34.6%
9520 Prior Year Balance	538,197	-	1,041,374	1,198,684	2,421,224	132.5%
9525 End of Year Fund Reserve	(443,614)	-	(687,674)	(2,421,224)	(453,564)	-34.0%
9526 Transfer To(From) Capital Proj	-	-	-	-	-	0.0%
9528 Transfer To(From) General Fund	-	-	-	-	-	0.0%
9530 Transfer To(From) Special Rev	-	129,500	-	-	-	0.0%
GRAND TOTAL	3,476,183	2,308,797	3,624,540	2,292,960	4,105,960	13.3%

(1) 3005

(2) 3010

(3) 3015, 3020, 3305, 3310, 3705, 3915, 3920, 3930, 3935

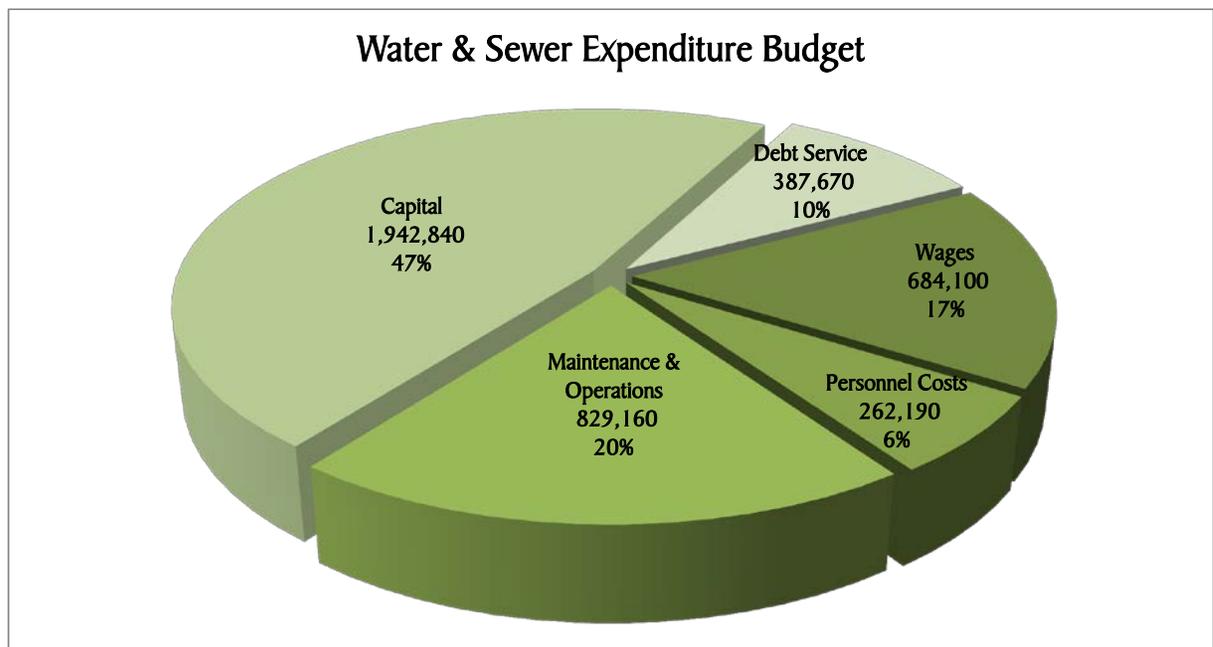
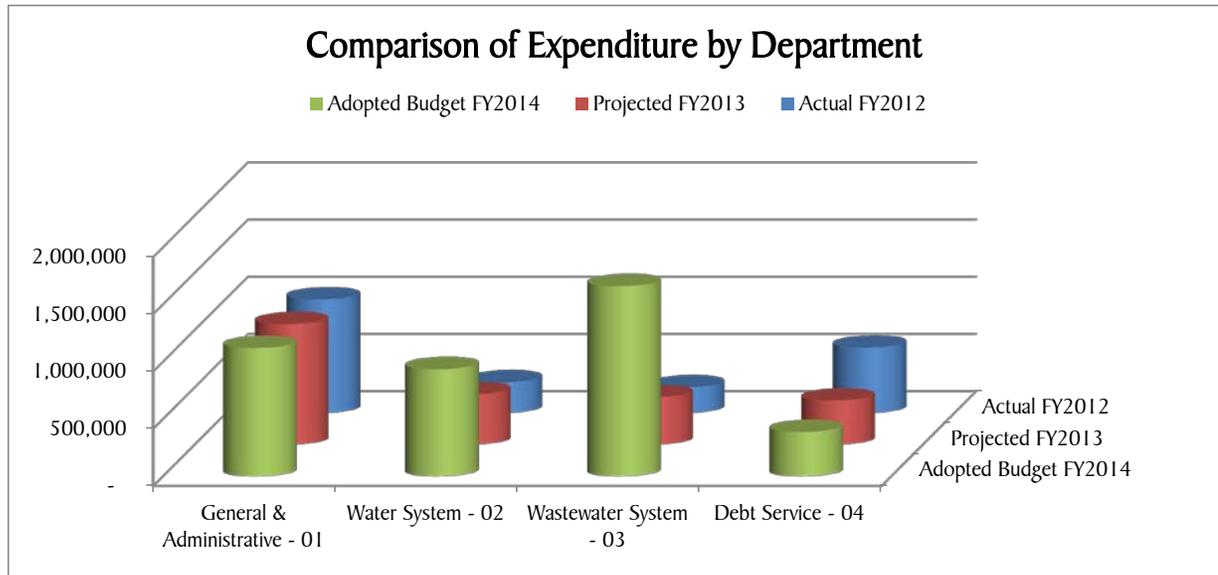




Water & Sewer Fund Expenditures

~ Expenditures by Department

Expenditures by Department	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
General & Administrative - 01	1,039,440	992,810	1,062,100	1,052,640	1,120,530	58,430
Water System - 02	421,700	269,352	892,440	440,700	936,440	44,000
Wastewater System - 03	1,596,722	225,269	1,283,820	413,440	1,661,320	377,500
Debt Service - 04	418,321	571,603	386,180	386,180	387,670	1,490
TOTAL	3,476,183	2,059,034	3,624,540	2,292,960	4,105,960	481,420



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 Accounts Receivable
- Regulatory Compliance & Record-keeping
- Planning, Managing, and Implementing System Maintenance & Improvements
- Project Management for CIP

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 ^{FTE}
- 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 in the Public Works Building and at the Sewer Plant for administrative use. Water and wastewater plants as well as lift-stations and other infrastructure as located throughout the City.

Vehicles

- 1998 John Deere 310E Backhoe
- 1995 Ford F450
- 2007 Chevrolet C1500 Pickup
- 2008 Chevrolet C1500 Pickup
- 2010 Hunter Water Pump/Jet Trailer
- 2013 John Deer 2520 Kubota Tractor
- 2013 Ford F150 Pickup

Water & Sewer Fund Expenditures

01 ~ General & Administrative

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	664,967	644,571	659,300	653,770	684,100	24,800
Personnel Expenses	232,373	228,431	245,410	245,410	262,190	16,780
Maintenance & Operations	142,100	119,808	157,390	153,460	174,240	16,850
Capital Outlays	-	-	-	-	-	-
TOTAL	1,039,440	992,810	1,062,100	1,052,640	1,120,530	58,430

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees & Subscriptions	400	225	400	200	400	0.0%
4045 Printing - Documents/Forms	500	302	500	500	500	0.0%
4056 Credit Card Program	7,000	6,615	13,140	12,330	13,100	-0.3%
4057 License & Permit Fees	14,000	13,633	14,000	14,000	14,000	0.0%
4060 Contract Services - Engineering	30,000	11,914	35,000	22,000	35,000	0.0%
4105 Maintenance - Facilities	2,000	426	2,000	6,590	4,000	100.0%
4120 Maintenance - Vehicles	5,500	3,110	5,500	1,670	5,500	0.0%
4210 Supplies - Postage	12,000	13,818	16,000	16,000	16,000	0.0%
4220 Supplies - Uniforms	1,500	868	1,500	1,000	1,500	0.0%
4240 Supplies - Building	100	-	100	100	100	0.0%
4245 Supplies - Gas & Oil	10,000	9,745	10,080	8,000	10,080	0.0%
4304 Wages - On Call Duty Pay	7,280	6,002	10,870	7,000	7,000	-35.6%
4305 Wages	598,457	600,886	629,770	629,770	656,530	4.2%
4306 Overtime	18,560	20,483	18,660	17,000	20,570	10.2%
4308 Wages - Pay Plan/Merit	40,670	17,200	-	-	-	0.0%
4309 Accrued Vacation & Sick	-	2,364	-	-	-	0.0%
4310 Social Security	50,660	47,559	49,960	49,960	52,270	4.6%
4410 Insurance - General	28,000	27,581	15,540	29,020	30,570	96.7%
4415 Insurance - Medical & Dental	103,737	102,567	111,800	111,800	118,610	6.1%
4420 Insurance - Unemployment	300	-	300	300	300	0.0%
4425 Insurance - Workers' Comp	11,300	11,280	9,430	7,450	8,290	-12.1%
4430 Retirement - Contribution	77,977	75,942	83,650	83,650	91,310	9.2%
4440 Insurance - LT Disability	2,000	2,161	2,000	2,000	2,000	0.0%
4505 Utilities	16,000	15,291	16,000	17,000	17,000	6.3%
4605 Training & Travel	1,500	759	1,500	900	1,500	0.0%
4810 G&A Overhead	-	-	14,400	14,400	14,400	0.0%
4940 Bad Debt Expense	-	2,080	-	-	-	0.0%
TOTAL	1,039,440	992,810	1,062,100	1,052,640	1,120,530	5.5%

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

In FY2014, the Water Department plans to cash-flow over \$550,000 worth of significant Capital Improvements Projects:

- Engineering for the replacement of 12-inch diameter Surface Water Supply Pipeline between CLCWA and Nassau Bay
- Piping Improvements at Water Plant No. 1 to Improve Elevated Tank Fill and Drain Operations
- Elevated Water Storage Tank and Ground Water Storage Tank at Plant #1 Painting, Repair, and Upgrading
- Well #2 - Water Plant Back-Up Well
- Water Line Rehabilitation

Staffing

All Water & Sewer Fund employees are expensed in the General & Administrative Department (see page 97).

Facilities

Water Plant No. 1 (18120 Point Lookout Dr.)

Water & Sewer Fund Expenditures

02 ~ Water Department

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	421,700	269,352	385,820	290,700	378,820	(7,000)
Capital Outlays	-	-	506,620	150,000	557,620	51,000
TOTAL	421,700	269,352	892,440	440,700	936,440	44,000

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4025 SEWPP Enhancements	83,000	(308)	47,120	25,000	47,120	0.0%
4035 Water Purchase	255,000	222,995	255,000	200,000	255,000	0.0%
4060 Contract Services - Lab Services	1,900	1,736	1,900	1,900	1,900	0.0%
4070 Contract Services & Meter Reading	9,500	-	9,500	-	2,500	-73.7%
4110 Maintenance - Equipment	2,500	848	2,500	2,500	2,500	0.0%
4150 Maintenance - Water Plant	11,000	5,348	11,000	11,000	11,000	0.0%
4155 Maintenance - Water Lines	25,000	23,657	25,000	20,000	25,000	0.0%
4165 Maintenance - Water Tower	5,000	-	5,000	5,000	5,000	0.0%
4230 Supplies - Tools/Safety	800	745	800	800	800	0.0%
4235 Supplies - Water Meters	4,500	2,878	4,500	3,500	4,500	0.0%
4505 Utilities - Plants	20,000	11,454	20,000	20,000	20,000	0.0%
4605 Training & Travel	3,500	-	3,500	1,000	3,500	0.0%
4907 Capital Outlays	-	-	506,620	150,000	557,620	10.1%
TOTAL	421,700	269,352	892,440	440,700	936,440	4.9%

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 Quality Monitoring
- Enforcement of City Wastewater Regulations
- Sludge Disposal
- Regulatory Compliance
- Wastewater Pumping Station Maintenance & Operation

In FY2014 the Wastewater Department will complete the construction and rehabilitation of the Sewer Plant that is funded by Texas Water Development Board proceeds. Also the department will also cash-flow several important projects. The list of all planned projects includes:

Texas Water Development Board – Bond Revenue

- SBR Facilities to Divert/Store Flow
- Install Screen at Plant Headworks & Grit Removal Improvements
- Replace Existing Diffusers with Fine Bubble System
- Clarifier Center Well Repair

Cash-Flow

- Install New Liquid Chemical Feed System
- Installation of SCADA for efficiency of sewer lift station coordination
- Sewer Line Rehabilitation

Staffing

All Water & Sewer Fund employees are expensed in the General & Administrative Department (see page 97).

Facilities

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

Water & Sewer Fund Expenditures

03 ~ Sewer Department

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	286,500	225,269	273,600	263,440	276,100	2,500
Capital Outlays	1,310,222	-	1,010,220	150,000	1,385,220	-
TOTAL	1,596,722	225,269	1,283,820	413,440	1,661,320	377,500

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4060 Contract Services - Lab Services	32,000	27,434	27,000	32,100	27,000	0.0%
4110 Maintenance - Equipment	2,000	1,722	2,000	2,000	4,500	125.0%
4140 Maintenance - Sewer Lines	38,000	11,273	35,000	30,000	35,000	0.0%
4145 Maintenance - Sewer Plant	35,000	31,923	30,000	30,000	30,000	0.0%
4146 Maintenance - Chemical/Lab Supply	30,000	31,684	30,000	30,000	30,000	0.0%
4147 Maintenance - Sludge Removal	27,000	26,400	27,000	20,000	27,000	0.0%
4150 Maintenance - Lift Stations	12,000	9,033	12,000	11,000	12,000	0.0%
4230 Supplies - Tools/Safety	500	562	600	600	600	0.0%
4505 Utilities - Plants	110,000	85,238	110,000	107,740	110,000	0.0%
4907 Capital Improvements	1,310,222	-	1,010,220	150,000	1,385,220	37.1%
TOTAL	1,596,722	225,269	1,283,820	413,440	1,661,320	29.4%

Water & Sewer Fund Expenditures

~ Department 04

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
FY2014**

Fiscal Year	Interest Rate	Principal Due 02/12	Interest Due 02/12	Interest Due 08/12	Total Interest	Annual Requirement	Principal Outstanding
TWDB Tax & Revenue Certificates of Obligation							
Series 2011		Date of Issue - 3/24/2011					Term - 30 Years
2011	0.00%	-	-	37,093	37,093	37,093	2,445,000
2012	1.94%	85,000	52,573	51,748	104,321	189,321	2,360,000
2013	2.24%	85,000	51,748	50,796	102,545	187,545	2,275,000
2014	2.44%	90,000	50,796	49,698	100,495	190,495	2,185,000
2015	2.84%	90,000	49,698	48,420	98,119	188,119	2,095,000
2016	3.09%	95,000	48,420	46,953	95,373	190,373	2,000,000
2017	3.34%	95,000	46,953	45,366	92,319	187,319	1,905,000
2018	3.49%	100,000	45,366	43,621	88,987	188,987	1,805,000
2019	3.74%	105,000	43,621	41,658	85,279	190,279	1,700,000
2020	4.14%	110,000	41,658	39,381	81,038	191,038	1,590,000
2021	4.34%	115,000	39,381	36,885	76,266	191,266	1,475,000
2022	4.49%	115,000	36,885	34,303	71,188	186,188	1,360,000
2023	4.64%	125,000	34,303	31,403	65,707	190,707	1,235,000
2024	4.69%	130,000	31,403	28,355	59,758	189,758	1,105,000
2025	4.89%	135,000	28,355	25,054	53,409	188,409	970,000
2026	4.99%	140,000	25,054	21,561	46,615	186,615	830,000
2027	5.09%	150,000	21,561	17,744	39,305	189,305	680,000
2028	5.14%	155,000	17,744	13,760	31,504	186,504	525,000
2029	5.19%	165,000	13,760	9,478	23,238	188,238	360,000
2030	5.24%	175,000	9,478	4,893	14,372	189,372	185,000
2031	5.29%	185,000	4,893	-	4,893	189,893	-
		2,445,000			1,371,819	3,816,819	

Water & Sewer Fund Expenditures

04 ~ Debt Service Department

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Debt Service	418,321	571,603	386,180	386,180	387,670	1,490
TOTAL	418,321	571,603	386,180	386,180	387,670	1,490

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4825 Transfer Interest-Debt Service	37,650	37,650	26,050	26,050	19,040	-26.9%
4826 Transfer Principal-Debt Servic	191,350	191,334	172,580	172,580	178,130	3.2%
4915 TWDB Interest Expense	104,321	105,391	102,550	102,550	100,500	-2.0%
4916 TWDB Principal Expense	85,000	-	85,000	85,000	90,000	5.9%
4917 TWDB Issuance Costs	-	3,864	-	-	-	0.0%
4995 Depreciation Expense	-	233,364	-	-	-	0.0%
TOTAL	418,321	571,603	386,180	386,180	387,670	0.4%



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 Debt Service Fund obligations beyond FY2020. In FY2013 the City issued a Tax Note for term of seven years in the amount of \$700,000 for various capital projects. The debt service payments related to this issue represent the first addition to the General Debt Service Fund debt since 2008 and are funded by the property tax revenue.

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 extend through 2031 and are appropriated through the Water & Sewer Fund.

The City anticipates the issuance of bonded debt in early FY2014 for the construction of the new City Hall building. The issue is anticipated for a term of 15 years in the amount of \$2.0 million. Debt service for this planned issue will be partially funded by lease revenue from the leasing of the adjoining conference center. The estimated 2014 debt service related to this anticipated issue is included in the budget with no revenue being derived from property taxes. However, since the issue has not been closed at the time of budget approval, no schedules are included relating to this issue.

During the past year, reductions in outstanding prior year debt issues appropriated out of the Debt Service Fund totaled \$465,370. The aggregate of the outstanding General Debt principal (\$1,981,698) and interest payments (\$132,565) at October 1, 2013 is \$2,114,263.

To get a complete picture of all City debt obligations, the combining of the Water & Sewer Fund debt and General debt appropriated through the Debt Service Fund results in a total outstanding obligation of \$5,517,123 at October 1, 2013.

The City budgets each year such that the ratio of annual Debt Service Fund payments to the General Fund operating expenditures (total expenditures less capital outlay) shall not exceed 20%. The ratio budgeted for FY2014 is 10.0% and remains below the 20% guideline.

Debt Service Fund

~ *Continued*

Bond Repayment Schedule

The figures and chart shown on page 107 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 a total combined outstanding principal obligation of \$5,517,123 at October 1, 2013.

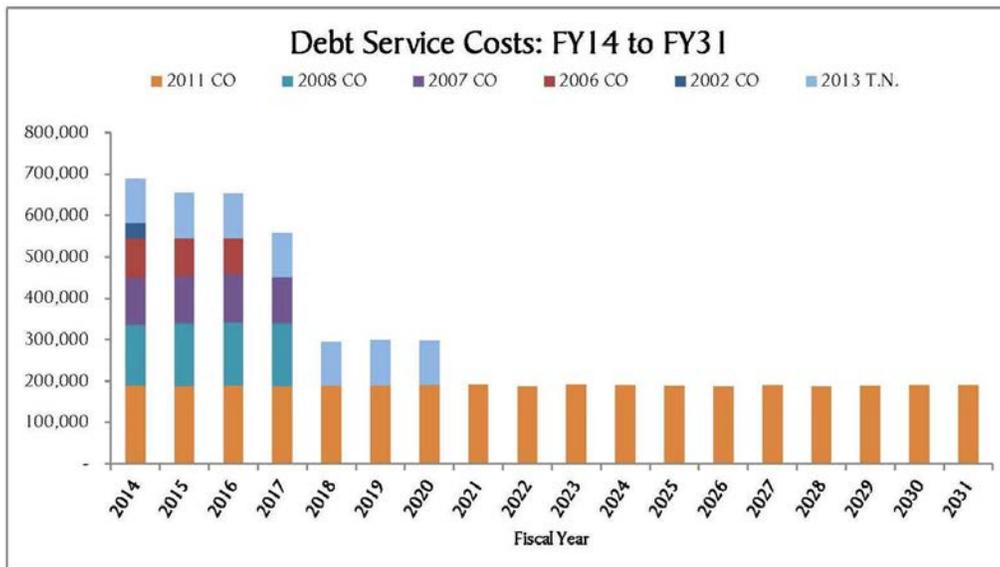
1. The **2002 Certificates of Obligation** for \$1,240,000 were issued for \$768,000 Equipment, Storm Drainage, and Streets; \$472,000 for additional water capacity at the Southeast Water Purification Plant; and improvements at the Waste Water Treatment Plant. This issue will retire February 1, 2014. The current balance is \$37,579, 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 \$271,520, including principal and interest.
3. 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 \$460,134, including principal and interest.
4. 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 \$600,921, including principal and interest.
5. 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 is allocated in the Water & Sewer Fund. The current balance is \$3,402,861 including principal and interest.
6. The **2013 Tax Note** for \$700,000 was issued for \$264,000 for General Government Projects, \$160,715 for Public Safety, \$167,000 for Parks, and \$78,000 for Public Works. This issue will retire February 1, 2020. The current balance is \$744,109, including principal and interest.

Debt Service Fund

~ Bond Repayment Schedule

Bond Repayment Schedule – All Funds

FY	Principal & Interest							TOTAL
	2002 CO	2006 CO	2006 T.N.	2007 CO	2008 CO	2011 CO	2013 T.N.	
2013	37,579	97,805	71,474	114,136	144,390	187,545	-	652,929
2014	37,579	94,167	-	115,188	145,450	190,495	104,139	687,017
2015	-	90,512	-	116,036	151,279	188,119	109,072	655,018
2016	-	86,840	-	116,683	151,875	190,373	107,452	653,223
2017	-	-	-	112,228	152,318	187,319	105,832	557,696
2018	-	-	-	-	-	188,987	104,212	293,199
2019	-	-	-	-	-	190,279	107,552	297,830
2020	-	-	-	-	-	191,038	105,851	296,889
2021	-	-	-	-	-	191,266	-	191,266
2022	-	-	-	-	-	186,188	-	186,188
2023	-	-	-	-	-	190,707	-	190,707
2024	-	-	-	-	-	189,758	-	189,758
2025	-	-	-	-	-	188,409	-	188,409
2026	-	-	-	-	-	186,615	-	186,615
2027	-	-	-	-	-	189,305	-	189,305
2028	-	-	-	-	-	186,504	-	186,504
2029	-	-	-	-	-	188,238	-	188,238
2030	-	-	-	-	-	189,372	-	189,372
2031	-	-	-	-	-	189,893	-	189,893
Total	37,579	271,520	-	460,134	600,921	3,402,861	744,109	5,517,123



Debt Service Fund

~Continued

CITY OF NASSAU BAY
GENERAL LONG TERM DEBT
SCHEDULE OF FISCAL YEAR 2014 REQUIREMENTS

Series	Obligation	Amount of Issue	Principal Outstanding 10/01/13	Principal & Interest Requirements for FY2014			Principal Outstanding 09/30/14
				Principal	Interest	Total	
2002	Tax & Revenue COs	1,240,000	36,698	36,698	881	37,579	-
2006	Tax & Revenue COs	850,000	255,000	85,000	9,167	94,167	170,000
2007	Tax & Revenue COs	945,000	425,000	100,000	15,188	115,188	325,000
2008	Tax & Revenue COs	1,030,000	565,000	130,000	15,450	145,450	435,000
2011	Tax & Revenue COs	2,445,000	2,275,000	90,000	100,495	190,495	2,185,000
2013	Tax Anticipation Notes	700,000	700,000	90,000	14,139	104,139	610,000
TOTAL			4,256,698	531,698	155,319	687,017	3,725,000

CURRENT & PROJECTED REVENUE SOURCES

FY	Taxes	EDC	W&S Fund	Gen Fund	Interest	Reserves	TOTAL
2013	195,269	71,480	386,180	-	-	-	\$ 652,929
2014	299,520	-	386,855	-	600	-	\$ 687,017
2015	305,876	-	349,141	-	-	-	\$ 655,018
2016	302,921	-	350,302	-	-	-	\$ 653,223
2017	251,331	-	306,365	-	-	-	\$ 557,696
2018	104,212	-	188,987	-	-	-	\$ 293,199
2019	107,552	-	190,279	-	-	-	\$ 297,830
2020	105,851	-	191,038	-	-	-	\$ 296,889
2021	-	-	191,266	-	-	-	\$ 191,266
2022	-	-	186,188	-	-	-	\$ 186,188
2023	-	-	190,707	-	-	-	\$ 190,707
2024	-	-	189,758	-	-	-	\$ 189,758
2026	-	-	186,615	-	-	-	\$ 186,615
2027	-	-	189,305	-	-	-	\$ 189,305
2028	-	-	186,504	-	-	-	\$ 186,504
2029	-	-	188,238	-	-	-	\$ 188,238
2030	-	-	189,372	-	-	-	\$ 189,372
2031	-	-	189,893	-	-	-	\$ 189,893

Debt Service Fund

~ Continued

GENERAL DEBT SERVICE FUND STATEMENT OF BONDED INDEBTEDNESS Fiscal Year 2014

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	-
Total		\$ 1,240,000	\$ 122,808	\$ 68,683	\$ 191,490	\$ 1,431,490	
Remaining		\$ 36,698	\$ 881	\$ -	\$ 881	\$ 37,579	

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	-
Total		\$ 850,000	\$ 99,675	\$ 101,571	\$ 201,246	\$ 1,051,246	
Remaining		\$ 255,000	\$ 11,008	\$ 5,512	\$ 16,520	\$ 271,520	

Debt Service Fund

~ Continued

GENERAL DEBT SERVICE FUND STATEMENT OF BONDED INDEBTEDNESS Fiscal Year 2014

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	-
Total		\$ 945,000	\$ 111,476	\$ 108,631	\$ 220,107	\$ 1,165,107	
Remaining		\$ 425,000	\$ 21,870	\$ 13,264	\$ 35,134	\$ 460,134	

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	-
Total		\$ 1,030,000	\$ 91,619	\$ 85,695	\$ 177,314	\$ 1,207,314	
Remaining		\$ 565,000	\$ 22,325	\$ 13,596	\$ 35,921	\$ 600,921	

Debt Service Fund

~ Continued

GENERAL DEBT SERVICE FUND STATEMENT OF BONDED INDEBTEDNESS Fiscal Year 2014

Fiscal Year	Interest Rate	Principal Due 02/01	Interest Due 02/01	Interest Due 08/01	Total Interest	Annual Requirement	Principal Outstanding
Tax Anticipation Notes							\$ 700,000
Series	2013	Date of Issue		4/1/2013	Term - 7 Years		
2014	1.62%	90,000	9,198	4,941	14,139	104,139	\$ 610,000
2015	1.62%	100,000	4,941	4,131	9,072	109,072	\$ 510,000
2016	1.62%	100,000	4,131	3,321	7,452	107,452	\$ 410,000
2017	1.62%	100,000	3,321	2,511	5,832	105,832	\$ 310,000
2018	1.62%	100,000	2,511	1,701	4,212	104,212	\$ 210,000
2019	1.62%	105,000	1,701	851	2,552	107,552	\$ 105,000
2020	1.62%	105,000	851	-	851	105,851	\$ -
Total		\$ 700,000	\$ 26,654	\$ 17,456	\$ 44,109	\$ 744,109	
Remaining		\$ 700,000	\$ 26,654	\$ 17,456	\$ 44,109	\$ 744,109	

Debt Service Fund

~ Continued

Long Term Debt Principal & Interest Requirements

GENERAL DEBT LONG TERM DEBT

As of October 1, 2013

Fiscal Year	Principal	Interest Due 2/1	Interest Due 8/1	Interest	Total
2014	\$ 441,698	\$ 32,910	\$ 21,915	\$ 54,825	496,523
2015	\$ 430,000	\$ 21,915	\$ 14,984	\$ 36,899	466,899
2016	\$ 440,000	\$ 14,984	\$ 7,866	\$ 22,850	462,850
2017	\$ 360,000	\$ 7,866	\$ 2,511	\$ 10,377	370,377
2018	\$ 100,000	\$ 2,511	\$ 1,701	\$ 4,212	104,212
2019	\$ 105,000	\$ 1,701	\$ 851	\$ 2,552	107,552
2020	\$ 105,000	\$ 851	\$ -	\$ 851	105,851
	<u>\$ 1,981,698</u>	<u>\$ 82,737</u>	<u>\$ 49,828</u>	<u>\$ 132,565</u>	<u>\$ 2,114,263</u>

GENERAL DEBT + WATER & SEWER LONG TERM DEBT

As of October 1, 2013

Fiscal Year	Principal	Interest Due 2/1	Interest Due 8/1	Interest	Total
2014	\$ 531,698	\$ 83,706	\$ 71,613	155,319	687,017
2015	\$ 520,000	\$ 71,613	\$ 63,404	135,018	655,018
2016	\$ 535,000	\$ 63,404	\$ 54,819	118,223	653,223
2017	\$ 455,000	\$ 54,819	\$ 47,877	102,696	557,696
2018	\$ 200,000	\$ 47,877	\$ 45,322	93,199	293,199
2019	\$ 210,000	\$ 45,322	\$ 42,508	87,830	297,830
2020	\$ 215,000	\$ 42,508	\$ 39,381	81,889	296,889
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
	<u>\$ 4,256,698</u>	<u>\$ 672,066</u>	<u>\$ 588,360</u>	<u>\$ 1,260,425</u>	<u>\$ 5,517,123</u>

Debt Service Fund

~ Fund 04

Revenue

Revenue Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
3005 Property Tax - Current	166,470	179,507	192,710	165,040	298,470	-54.9%
3010 Property Tax - Prior Years	1,000	457	1,000	1,770	450	55.0%
3015 Penalty & Interest	3,000	1,327	3,000	950	600	80.0%
3020 Interest on Investment	330	503	330	530	600	-81.8%
4920 Transfer from W&S Fund	228,984	228,984	198,630	198,630	197,170	0.7%
4920 Transfer from Tourism Fund	-	-	-	-	58,470	0.0%
4920 Transfer from General Fund	-	-	-	-	97,500	0.0%
4929 Transfer from EDC	69,283	69,283	71,480	71,480	-	100.0%
TOTAL	469,067	480,061	467,150	438,400	653,260	-39.8%
9520 Prior Year Balance	195,915	-	208,526	208,935	181,175	13.1%
9525 End of Year Fund Reserve	(199,885)	-	(209,516)	(181,175)	(134,195)	35.9%
9529 Transfer to TIRZ	-	-	-	-	-	0.0%
GRAND TOTAL	465,097	480,061	466,160	466,160	700,240	-50.2%

Expenditures

Expenditure Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
4040 Market/Base Fees	750	750	750	750	750	0.0%
4816 Principal - 2002 C.O.	33,339	33,339	34,980	34,980	36,700	4.9%
4817 Interest - 2002 C.O.	4,241	4,236	2,610	2,610	880	-66.3%
4824 Principal - 2006 C.O.	85,000	85,000	85,000	85,000	85,000	0.0%
4825 Interest - 2006 C.O.	16,426	16,426	12,810	12,810	9,170	-28.4%
4826 Principal - 2006 Tax Notes	65,000	65,000	70,000	70,000	-	-100.0%
4827 Interest - 2006 Tax Notes	4,283	4,283	1,480	1,480	-	-100.0%
4828 Principal - 2007 C.O.	90,000	90,000	95,000	95,000	100,000	5.3%
4829 Interest - 2007 C.O.	22,883	22,883	19,140	19,140	15,190	-20.6%
4830 Principal - 2008 C.O.	120,000	120,000	125,000	125,000	130,000	4.0%
4831 Principal - 2008 C.O.	23,175	23,175	19,390	19,390	15,450	-20.3%
4834 Principal - 2013 Tax Notes	-	-	-	-	90,000	0.0%
4835 Interest - 2013 Tax Notes	-	-	-	-	14,140	0.0%
4836 Principal - 2013 C.O.	-	-	-	-	135,000	0.0%
4837 Interest - 2013 C.O.	-	-	-	-	67,960	0.0%
GRAND TOTAL	465,097	465,091	466,160	466,160	700,240	50.2%



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 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 conventions. 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 limited to spending no 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 Occupancy 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.

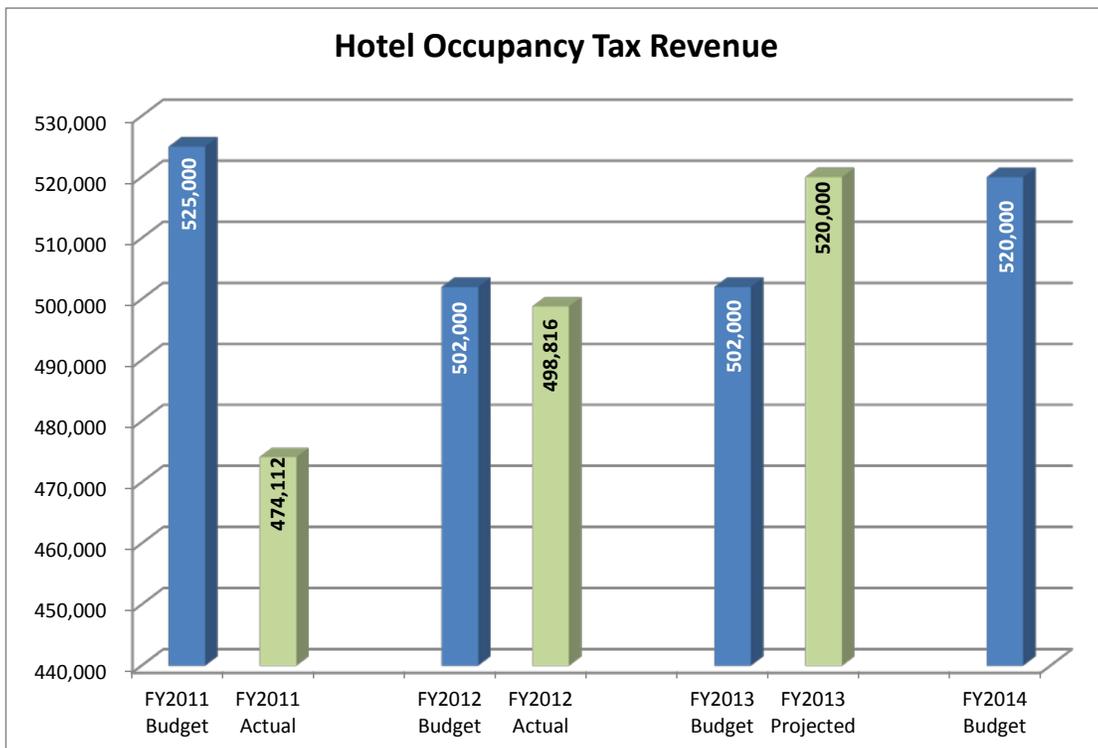
The City adopted a 2% increase in the hotel occupancy tax rate to 7% effective January 1, 2006 with Ordinance No. O2005-597.



Tourism Fund Revenue

~ Fund 06

Revenue Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
3020 Interest on Investments	350	567	350	520	400	-14.3%
3120 Hotel Occupancy Tax	502,000	498,816	502,000	520,000	520,000	-3.6%
TOTAL	502,350	499,383	502,350	520,520	520,400	-3.6%
9520 Prior Year Balance	232,770	-	225,607	249,879	224,379	0.5%
9525 End of Year Fund Reserve	(196,460)	-	(205,017)	(224,379)	(224,589)	-9.5%
GRAND TOTAL	538,660	499,383	522,940	546,020	520,190	0.5%



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 predominantly by:

- City Manager
- Community Development Director
- 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

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	183,090	159,650	170,590	170,090	179,680	9,090
Personnel Expenses	66,240	53,384	58,920	58,920	63,390	4,470
Maintenance & Operations	9,050	8,350	3,150	3,150	3,150	-
Transfer to Debt Service	-	-	-	-	58,470	58,470
Capital Outlays	-	-	-	-	-	-
TOTAL	258,380	221,384	232,660	232,160	304,690	72,030

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4030 Dues, Fees & Subscriptions	150	150	150	150	150	0.0%
4050 Information Services	3,000	3,000	3,000	3,000	3,000	0.0%
4305 Wages	154,580	152,120	167,090	167,090	176,420	5.6%
4306 Overtime	3,500	3,168	3,500	3,000	3,260	-6.9%
4308 Wages - Pay Plan/Merit	25,010	4,362	-	-	-	0.0%
4310 Social Security	14,120	11,990	13,130	13,130	13,830	5.3%
4415 Insurance - Medical & Dental	30,410	21,797	23,780	23,780	25,400	6.8%
4425 Insurance - Workers' Comp	700	-	-	-	-	0.0%
4430 Retirement - Contribution	21,710	19,597	22,010	22,010	24,160	9.8%
4920 G&A Overhead	5,200	5,200	-	-	-	0.0%
4922 Transfer to Debt Service	-	-	-	-	58,470	0.0%
TOTAL	258,380	221,384	232,660	232,160	304,690	31.0%

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 prior year Hotel Occupancy Tax Revenue to the Bay Area Convention & Visitors Bureau.

Tourism Fund Expenditures

02 ~ Advertising & Promotion

Expenditures Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	218,280	218,586	218,280	241,860	178,500	(39,780)
Capital Outlays	-	-	-	-	-	-
TOTAL	218,280	218,586	218,280	241,860	178,500	(39,780)

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4014 July Fourth	18,000	17,046	18,000	21,800	20,000	11.1%
4015 Bay Area Houston CVB	71,180	69,790	71,180	71,180	78,000	9.6%
4018 Holiday Boat Parade	6,000	4,126	6,000	8,110	6,500	8.3%
4040 Advertising/Printing	60,000	61,207	50,000	59,150	14,000	-72.0%
4060 Artwork/Agency Fees	600	250	600	640	1,000	66.7%
4073 Promotions	-	-	10,000	8,480	7,500	-25.0%
4074 Reindeer Run Advertising/Promotion	1,500	1,500	1,500	1,500	1,500	0.0%
4115 Maintenance - Entrance Highway	11,000	11,939	11,000	11,000	-	-100.0%
4505 Utilities - Electrical	50,000	52,728	50,000	60,000	50,000	0.0%
TOTAL	218,280	218,586	218,280	241,860	178,500	-18.2%

Tourism Fund

~ Department 03

Arts & Special Events

In FY2014, the Arts & Special Events that are funded were selected by the Appropriations Subcommittee 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 local 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 FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	62,000	62,000	72,000	72,000	37,000	(35,000)
Capital Outlays	-	-	-	-	-	-
TOTAL	62,000	62,000	72,000	72,000	37,000	(35,000)

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
4015 Arts Alliance Ctr Clear Lake	9,000	9,000	4,000	4,000	-	-100.0%
4016 Bay Area Houston Ballet	1,000	1,000	1,000	1,000	1,000	0.0%
4017 Clear Creek Community Theatre	1,000	1,000	-	-	-	0.0%
4022 Houston Symphony League Bay Area	-	-	1,000	1,000	1,000	0.0%
4025 Clear Lake Symphony	1,000	1,000	1,000	1,000	1,000	0.0%
4026 Keels & Wheels	7,500	7,500	8,500	8,500	8,000	-5.9%
4028 IHFC Earth Angels	-	-	2,000	2,000	2,000	0.0%
4029 Bay Access	-	-	2,000	2,000	-	-100.0%
4030 Butler Courtyard	-	-	-	-	1,000	0.0%
4031 Clear Creek HS Tennis Boosters	-	-	-	-	5,000	0.0%
4032 Offshore Thunder Productions	-	-	-	-	2,500	0.0%
4070 Ballunar Festival	20,000	20,000	30,000	30,000	2,000	-93.3%
4071 Wings Over Houston	20,000	20,000	20,000	20,000	12,500	-37.5%
4072 Houston Livestock Show & Rodeo	2,500	2,500	2,500	2,500	1,000	-60.0%
TOTAL	62,000	62,000	72,000	72,000	37,000	-48.6%



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 FY2014 there are no new anticipated sources of grant revenue. Many of the large grants the City had received post-Hurricane Ike have been fully closed out. The City anticipates a relatively slow year of activity in this fund during this budget year.

Special Revenue & Grants Fund

~ Fund 07

Revenues

Revenue Summary		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Special Revenue		35,550	45,982	37,500	40,460	37,500	-
Grant Revenue		1,502,118	621,675	1,080,000	528,530	-	(1,080,000)
TOTAL		1,537,668	667,657	1,117,500	568,990	37,500	(1,080,000)
Prior Year Balance Forward		233,825	-	303,032	299,495	207,070	(95,962)
End of Year Fund Balance		(82,335)	-	(78,752)	207,070	(26,820)	51,932
GRAND TOTAL		1,689,158	667,657	1,341,780	1,075,555	217,750	(1,124,030)

Line Item Detail		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
7021-01	Interest On Investments	100	717	100	500	100	0.0%
7022-01	Admin. Special Revenue - Int.	-	3,398	-	600	-	0.0%
7025-01	Grant Revenue - Police Department	7,000	750	-	-	-	0.0%
7026-01	Grant Revenue - Fire Department	8,000	7,958	-	-	-	0.0%
7027-01	Grant Revenue - Info. Tech	-	-	50,000	50,000	-	-100.0%
7031-01	Child Safety Revenue	4,500	4,746	4,500	4,510	4,500	0.0%
7041-01	Court Security Revenue	2,500	2,912	2,500	2,320	2,500	0.0%
7051-01	Court Technology Revenue	3,550	3,882	3,500	3,100	3,500	0.0%
7061-01	Comcast 1% Franchise Fee - NBTV	14,900	15,953	14,900	16,400	14,900	0.0%
7071-01	TX P&W - Peninsula Grant	160,000	88,376	140,000	71,620	-	-100.0%
7091-01	Fire/EMS Equip. Fund Revenue	10,000	12,839	12,000	12,000	12,000	0.0%
7109-01	Donations - Animal Control	-	395	-	1,030	-	0.0%
7111-01	Donations - EMS	-	700	-	-	-	0.0%
7321-01	Court Asset Forfeitures Revenue	-	440	-	-	-	0.0%
7421-01	LEOSE GRANT - Police	900	-	-	-	-	0.0%
7431-01	LEOSE GRANT - Fire Marshal	700	-	-	-	-	0.0%
7761-01	FEMA - 09 Ike Revenue	-	(95)	-	-	-	0.0%
7763-01	CDBG Round 1: Post-Ike Recovery	761,068	281,236	620,000	406,730	-	-100.0%
7764-01	SECO EECBG	23,030	-	-	-	-	0.0%
7765-01	TDEM Hazard Mitigation Grant	213,750	116,955	-	-	-	0.0%
7771-01	EDA - 09 Grant Revenue	327,670	126,495	270,000	180	-	-100.0%
TOTAL		1,537,668	667,657	1,117,500	568,990	37,500	-96.6%
7999	Prior Year Balance Forward	233,825	-	303,032	299,495	207,070	-31.7%
9525	End of Year Fund Balance	(82,335)	-	(78,752)	(207,070)	(26,820)	-65.9%
GRAND TOTAL		1,689,158	667,657	1,341,780	661,415	217,750	-83.8%

Special Revenue & Grants Fund

~ Fund 07

Expenditures

Expenditure Summary	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget \$ Change
Special Revenue - Expenditures	203,050	32,270	191,280	84,640	211,850	20,570
Grant Revenue - Expenditures	1,486,108	639,757	1,150,500	566,450	5,900	(1,144,600)
GRAND TOTAL	1,689,158	672,026	1,341,780	651,090	217,750	(1,124,030)

Line Item Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
7022-02 Admin. Expense - Special Revenue	3,350	1,700	5,530	1,600	6,000	8.5%
7031-03 Child Safety Expense - Admin.	6,000	-	4,500	460	5,000	11.1%
7032-03 Child Safety Expense - Police	4,150	184	4,500	-	5,000	11.1%
7033-03 Child Safety Expense - Fire Dept.	4,150	568	4,500	1,320	5,000	11.1%
7041-04 Court Security Expenses	12,020	216	12,000	90	16,500	37.5%
7051-05 Court Technology Expense	8,820	10,417	3,500	590	3,000	-14.3%
7109-08 Animal Control Projects	-	-	350	280	850	142.9%
7092-09 Fire Dept. Donations - Equipment	10,310	3,527	12,000	7,860	17,000	41.7%
7093-09 EMS Donations - Equipment	10,310	748	12,000	7,490	17,000	41.7%
7101-10 Donations - Designated - Parks	1,500	-	1,500	-	1,500	0.0%
7321-32 Court Asset Forfeitures	7,050	-	7,000	7,500	-	-100.0%
7025-40 Grant Revenue - Police Department	7,000	-	750	760	-	-100.0%
7026-40 Grant Revenue - Fire Department	8,000	7,958	-	-	-	0.0%
7027-40 Grant Revenue - Info. Tech	-	-	50,000	49,380	-	-100.0%
7071-40 TX P&W - Peninsula Grant	160,000	92,028	140,000	64,240	-	-100.0%
7763-40 CDBG Round 1: Post-Ike Recovery	678,748	281,236	620,000	406,730	-	-100.0%
7764-40 SECO EECBG	23,030	-	-	-	-	0.0%
7765-40 TDEM Hazard Mitigation Grant	213,750	116,955	-	-	-	0.0%
7421-42 LEOSE GRANT - Police	5,010	1,343	3,330	100	2,690	-19.2%
7431-43 LEOSE GRANT - Fire Marshal	3,520	2,819	-	-	-	0.0%
7451-45 Grant-EMS-SE Tex Trauma R.A.C.	3,210	-	3,210	-	3,210	0.0%
7061-61 Comcast 1% Franchise Fee - NBTV	25,490	14,910	14,000	4,970	30,000	114.3%
7762-62 TMLIRP - Ike	109,900	-	109,900	52,480	105,000	-4.5%
7761-76 FEMA - 09 Ike Revenue	56,170	10,923	45,240	45,240	-	-100.0%
7771-77 EDA - 09 Grant Revenue	327,670	126,494	287,970	-	-	-100.0%
TOTAL	1,689,158	672,026	1,341,780	651,090	217,750	-83.8%



Capital Projects Fund

~ Fund 09

Capital Projects Fund

The Capital Projects Fund provides funding for the acquisition and construction of municipal public improvements and infrastructure. These funds are spent in accordance with the City's Capital Improvement Plan (see pages 137-147). The FY2014 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.

In 2011 the City issued bonded debt through the Texas Water Development Board to fund Water & Sewer Capital Improvements. These TWDB projects will be completed in FY2014 and are expensed out of the Water & Sewer Fund.

In FY2013 the City Council issued debt in the form of a Tax Note to fund timely capital outlays and projects. Many of the projects approved as part of this issuance were completed in FY2013. The remaining projects, such as Lake Nassau stabilization and new City Hall Furniture, Fixtures, and Equipment will be completed in FY2014.

In FY2014 the City will receive a one-time lump sum of cell tower rent revenue that represents the first five years of a new cell tower lease. This one-time lump sum revenue is being transferred to the Capital Projects Fund to assist with the cost of the new City Hall construction.

Finally, the proposed 2013 Certificate of Obligation issuance that is likely to occur in early FY2014 to fund the construction of the new City Hall will be allocated to the Capital Projects Fund. Issuance proceeds along with the corresponding expenditures will be captured in this fund.

It is important to note, that in addition to many City funded projects, the City will see the completion of two large Harris County Precinct #2 funded paving projects. The re-paving of the Harbour/Grenada/Windward area (\$761,144) and the drainage/street improvements on Basilain/Barbuda (\$499,969) are projects that Harris County offered to fund for the taxpayers of Nassau Bay. This funding was a welcome addition to the smaller paving projects the City will complete in FY2014.

Capital Projects Fund

~ Fund 09

Revenues

Revenue Detail		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
3020	Interest on Investments	-	12	-	260	-	0.0%
6308	FY13 Tax Note - Capital Projects	-	-	674,000	674,090	-	100.0%
4920	Transfer From General Fund	35,000	35,000	-	-	96,000	0.0%
TOTAL		35,000	35,012	674,000	674,350	96,000	-85.8%
9520	Prior Year Balance	5,507	-	416	418	374,768	-89988.5%
9525	End of Year Reserve	(7)	-	(16)	(374,768)	(148)	-825.0%
GRAND TOTAL		40,500	35,012	674,400	300,000	470,620	30.2%

Expenditures

Expenditure Detail		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
6133-09	FY07 Street Lights (07CO)	2,500	2,500	-	-	-	0.0%
6232-10	FY07 Eng - Drain/UB Pump St. #2	3,000	3,000	-	-	-	0.0%
6308-11	FY13 Tax Note - Capital Projects	-	-	674,000	300,000	374,000	44.5%
6400-11	Fiscal Year Capital Projects	35,000	34,600	400	-	96,620	-24055.0%
GRAND TOTAL		40,500	40,100	674,400	300,000	470,620	30.2%

Street Sales Tax Fund

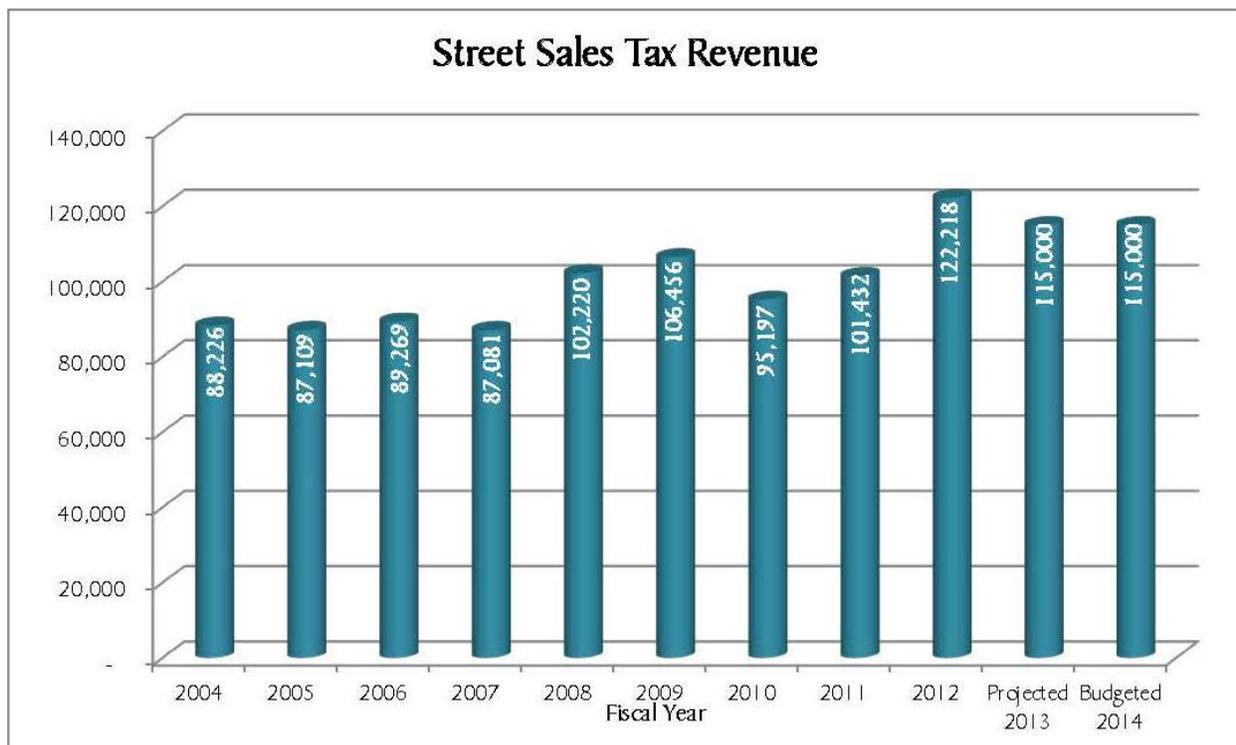
~ Fund 10

Street Sales Tax Fund

In 2001 the Texas Legislature passed House Bill 445 allowing 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 built 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 \$1,039,900, all dedicated to improving and maintaining Nassau Bay's municipal streets.



Street Sales Tax Fund

~ Fund 10

Revenues

Revenue Detail		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
3020	Interest on Investments	500	1,142	500	1,440	500	0.0%
3110	Sales Tax Revenue	106,100	122,218	106,100	115,000	115,000	-8.4%
	TOTAL	106,600	123,360	106,600	116,440	115,500	-8.3%
9520	Prior Year Balance	248,082	-	327,162	331,242	266,552	18.5%
9525	End of Year Reserve	(131,802)	-	(145,382)	(266,552)	(146,682)	-0.9%
	GRAND TOTAL	222,880	123,360	288,380	181,130	235,370	18.4%

Expenditures

Expenditure Detail		Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
5207-02	FY10 Street Projects	59,980	14,469	27,850	27,850	-	100.0%
5208-02	FY11 Street Projects	92,900	-	101,430	101,430	-	100.0%
5209-02	FY12 Street Projects	70,000	-	106,100	50,000	72,220	31.9%
5210-02	FY13 Street Projects	-	-	53,000	1,850	113,150	-113.5%
5211-02	FY14 Street Projects	-	-	-	-	50,000	0.0%
	GRAND TOTAL	222,880	14,469	288,380	181,130	235,370	18.4%

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 Council, 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. In FY2014, the Council approved a merit compensation budget averaging to 3% per department.

Staffing

The City is projecting an overall 4.28% increase in the Personnel Budget, including both salary and benefits. This percent increase is driven by the budgeted 3% merit increase and increases in the cost of health insurance impacting the cost of personnel year over year.

The staffing level for this budget is 42 full-time (FTE), 6 part-time (PTE) and 30 hourly (HE) (temporary, 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	Employee Assistance Program

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	Benefits as % of Salary	Total Wages & Benefits	No. FT	No. PT	No. Hourly
FY08	2,253,234	167,926	217,227	272,475	657,629	29.19%	2,910,863	39	6	*
FY09	2,418,458	199,166	236,057	287,238	722,460	29.87%	3,140,919	39	10	*
FY10	2,510,552	189,313	252,697	296,361	738,371	29.41%	3,248,923	40	11	*
FY11	2,531,890	189,927	248,119	319,374	757,420	29.92%	3,289,309	39	12	*
FY12	2,668,212	200,179	283,647	338,415	822,241	30.82%	3,490,454	40	6	*
FY13	2,791,540	211,280	335,490	378,980	925,750	33.16%	3,717,290	40	6	29
FY14	2,887,480	220,290	361,820	397,030	979,140	33.91%	3,866,620	42	6	29

FY14 Increase (Decrease)

	Wages	Social Security	Pension	Health Insurance	Total Benefits	Total Wages & Benefits
\$ Change	95,940	9,010	26,330	18,050	53,390	149,330
% Change	3.60%	4.50%	9.28%	5.33%	6.49%	4.28%

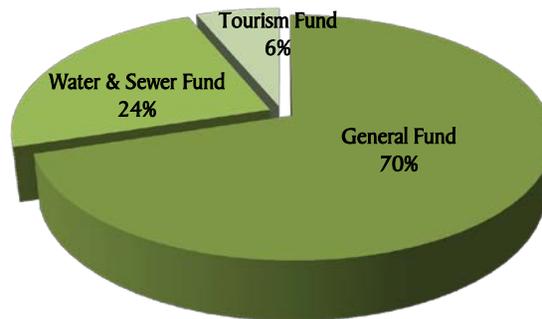
* Not reported in previous budgets

Historical Wage Comparison

Fiscal Year	General Fund	Water & Sewer Fund	Tourism Fund	Total Wages	Total Increase
FY08	1,670,745	497,538	84,951	2,253,234	173,754
FY09	1,662,778	631,181	124,499	2,418,458	165,225
FY10	1,685,135	672,362	153,056	2,510,552	92,094
FY11	1,776,134	602,928	152,828	2,531,890	21,338
FY12	1,863,991	644,571	159,650	2,668,212	136,323
FY13	1,967,680	653,770	170,090	2,791,540	123,328
FY14	2,023,700	684,100	179,680	2,887,480	95,940

Total Five Year Increase 469,022
Five Year Average Increase 93,804

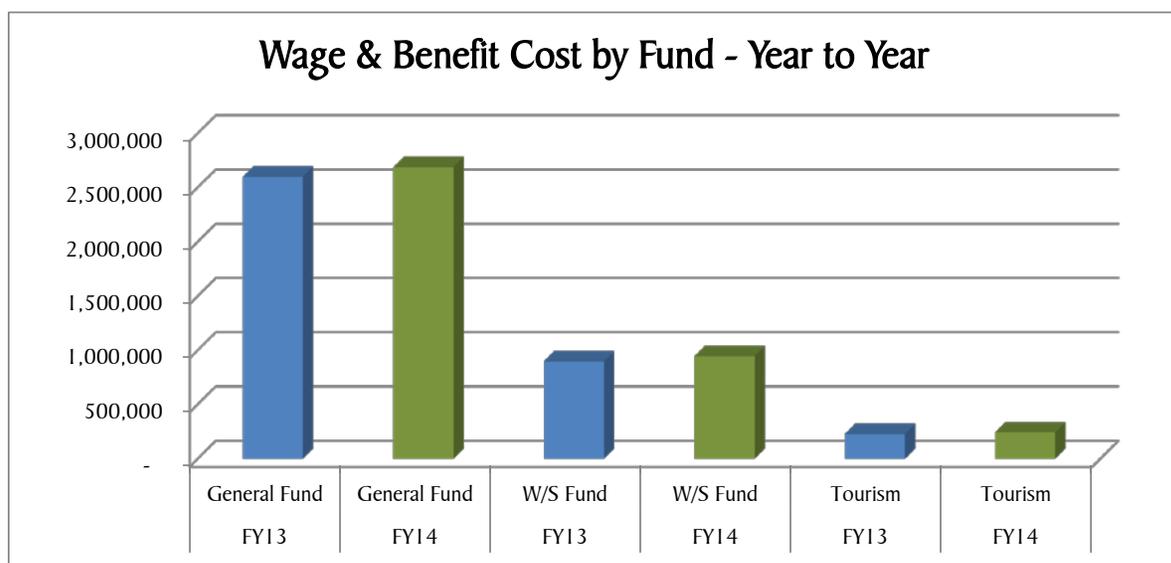
FY2014 Wage Split by Fund



Departmental Allocations

Wage & Benefit Costs as Allocated by Department & Fund - Year to Year Comparison						
	FY13	FY14	FY13	FY14	FY13	FY14
	General Fund	General Fund	W/S Fund	W/S Fund	Tourism	Tourism
	Wages & Benefits					
General Fund						
General & Administrative	323,780	344,520	309,510	325,741	161,560	170,385
Building	111,270	112,130	-	-	-	-
Emergency Management	118,080	123,700	-	-	-	-
Fire Department	59,860	61,640	-	-	-	-
Public Works	207,810	226,390	285,040	317,921	-	-
Parks Department	177,480	167,930	17,020	-	49,090	53,668
Police Department	958,170	992,350	-	-	-	-
Animal Control	28,620	27,350	-	-	-	-
Information Service	44,450	44,750	-	-	-	-
Municipal Court	93,590	100,490	-	-	-	-
EMS	334,190	335,690	-	-	-	-
Fire Marshal	86,010	89,820	-	-	18,360	19,017
Code Enforcement	58,180	62,510	-	-	-	-
Water & Sewer Fund						
General & Administrative	-	-	287,610	302,628	-	-
TOTALS	2,601,490	2,689,270	899,180	946,290	229,010	243,070

Wages & Benefits include: Wages, Overtime, Standby Pay, 3% Merit Budget, Health Insurance, Retirement, FICA



Personnel

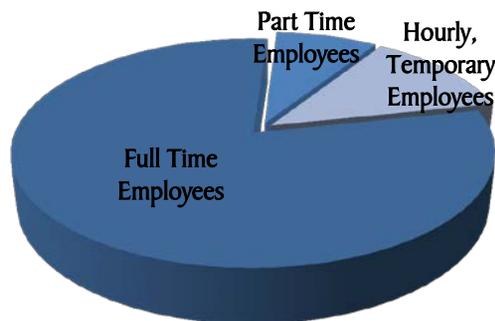
~ All Funds

Budgeted Personnel Data by Department

Budgeted Positions by Classification Per Department - Year to Year Comparison									
	FY12	FY13	FY14	FY12	FY13	FY14	FY12	FY13	FY14
	FTE*	FTE*	FTE*	PTE*	PTE*	PTE*	HE*	HE*	HE*
General Fund									
General & Administrative	8	8	8	-	-	-	-	-	-
Building	1.5	1.5	1.5	-	-	-	-	-	-
Emergency Management	1	1	1	-	-	-	-	-	-
Fire Department	0.5	0.5	0.5	0.5	0.5	0.5	-	-	-
Public Works	7	7	7	-	-	-	-	-	-
Parks Department	4	4	4	-	-	-	-	-	-
Police Department	13	13	13	-	-	-	-	-	-
Animal Control	0.5	0.5	0.5	-	-	-	-	-	-
Information Service	0.5	0.5	0.5	-	-	-	-	-	-
Municipal Court	-	1	1	-	-	-	1	1	1
EMS	-	-	-	3.5	3.5	3.5	24	24	25
Fire Marshal	-	-	-	2	2	2	5	5	4
Code Enforcement	-	1	1	-	-	-	-	-	-
Water & Sewer Fund									
General & Administrative	4	4	4	-	-	-	-	-	-
TOTALS	40	42	42	6	6	6	30	30	30

*FTE - Full Time Employee, PTE - Part Time Employee, HE - Hourly, Temporary Employee

Budgeted Hours of Work		
Full Time Employees	87,360	79%
Part Time Employees	8,944	8%
Hourly, Temporary Employees	13,776	13%
Total Budgeted Hours	110,080	
Total Full-Time Equivalents	52.9	



Capital Improvement Plan

~ All Funds

Summary & Description

The capital planning process and Capital Improvement Plan (CIP) were 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 plan 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 (statutory) 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 generally has a value of at least \$5,000.

The Five-Year Capital Improvement Plan for 2014-2018 includes proposals totaling nearly \$18 million, with about \$13.5 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 delay projects or issue debt in order to complete some of them. 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 FY13 as part of the FY14 Budget and CIP. They total approximately \$1.5 million and are depicted on the following page.

Capital Improvement Plan

~ Continued

Projects Completed from FY2013 CIP

Water and Sewer Fund

Project	Status	Estimated Cost	Actual Cost YTD	Funding Source
Surface Water Supply Bypass Vault & ClaValve Installation	Completed	\$71,620	\$71,620	Water & Sewer Cash Flow
Replace 12" diameter surface water supply pipeline	Construction Started	\$800,096	\$28,380	Water & Sewer Cash Flow
Piping Improvements Water Plant #1	Construction Started	\$50,000	\$35,000	Water & Sewer Cash Flow
Painting and Repair of Elevated Water Storage Tank	Construction Started	\$100,000	\$15,000	Water & Sewer Cash Flow
Repair Sewer Plant Electrical Conduit and Walkways	Completed	\$30,000	\$30,000	TWDB
Lift Pump Replacements to Improve Solid Waste Handling	Completed	\$250,000	\$250,000	CDBG
Install Emergency Power Generator on Elevated Platform	Completed	\$450,000	\$450,000	CDBG
SBR – Facilities to Divert Flow	Construction Started	\$850,000	\$23,500	TWDB
All Lift Stations – Install Mobile Pump Hookups & Generator Quick Connects	Completed	\$14,500	\$14,500	Water & Sewer Cash Flow
Sewer Rehabilitation	Construction Started	\$240,000	\$40,000	Water & Sewer Cash Flow
Kubota Backhoe	Completed	\$25,000	\$25,000	Water & Sewer Cash Flow
Water & Sewer Fleet (1) Pickup Truck	Completed	\$17,000	\$17,000	Water & Sewer Cash Flow

Capital Improvement Plan

~ Continued

Projects Completed from FY2013 CIP (continued)

General Government

Project	Status	Estimated Cost	Actual Cost YTD	Funding Source
Annual Paving Improvements	Construction Started	\$751,130	\$151,130	Street Sales Tax Fund
Street Joint Sealing	Completed	\$30,000	\$30,000	Street Sales Tax Fund
Public Works Fleet (1) Pick-up Truck	Completed	\$17,000	\$17,000	2013 Tax Note
Public Works/EMS Roof Repair	Completed	\$5,790	\$5,790	TMLIRP
Peninsula Trail	Completed	\$200,000	\$200,000	TP&W Grant 80%, General Fund 20%
Rebuild Boardwalk	Completed	\$35,000	\$35,000	2013 Tax Note
Police Department Fleet (3) Tahoe	Completed	\$61,500	\$61,500	2013 Tax Note
Fire Marshal Fleet (1) Tahoe	Completed	\$35,000	\$35,000	2013 Tax Note
EMS Fleet Used Expedition	Completed	\$6,040	\$6,040	2013 Tax Note
Total Capital Investment (Water & Sewer plus General Government)			\$1,541,460	

Capital Improvement Plan

~ *Continued*

FY2013 CIP - Impacts

Water and Sewer Fund

The completed FY2013 projects have had enormous impact on the City operations. Projects related to the Water and Sewer utility infrastructure dominated the capital investments of the City.

Of the many substantial improvements to the system, the installation of that natural gas generator and the lift station quick connects will provide the City necessary back-up options during any crisis, especially those related to hurricanes and flooding in the low lying areas.

Safety improvements to the Sewer Plant improve the working conditions of the employees as well as lower the City's liabilities related to working conditions.

The painting and repair of the Elevated Water Storage Tank ensure the viability of the infrastructure for many years to come.

The Lift Pump Replacements at the Sewer Plant provide for more dependable pumping capabilities, especially during heavy rain events.

The purchase of the Kubota tractor has enabled the City to complete work in City easements with less damage to property and a more limited impact on areas close to easements.

General Government

The project to reconstruct the boardwalk along Upper Bay Road has enabled to the City revive one of the most attractive green spaces in the City. Reclaiming the space that was damaged by Hurricane Ike has allowed this water front area to be safely passable to all residents again.

The roof repair at the Public Works and EMS Building was also addressing damage caused by Hurricane Ike. Repairs to this building ensure that our staff has appropriate work and storage space related to the provision of essential City services.

Paving and joint sealing projects throughout the City provide for safe and efficient travel for drivers, bikers, and pedestrians.

Several fleet purchases were made with the 2013 Tax Note. These vehicles were purchased as part of replacement program that identifies shortfalls or weaknesses in the fleet and reassigns or disposes of such vehicles. The City's hardest-used, most essential vehicles are in our Police Fleet. This year's investments allow this public safety fleet to be more "high-water" friendly. Vehicles that were too worn to be reliable police vehicles were reassigned to the Building Department and Code Enforcement departments. These changes to the city-wide fleet properly resource City employees for the services they are responsible for providing.

Capital Improvement Plan

~ Continued

FY2014 CIP Budget

The City of Nassau Bay is proposing a FY2014 Capital Improvement Plan totaling over 4.2 million dollars. Projects include facilities and infrastructure, transportation systems, and utility systems.

2014 Capital Budget Summary

# of Projects	Category	Cost
12	General Government	\$1,474,000
1	Parks & Recreation	\$9,500
12	Utility Systems	\$2,312,500
Various	Transportation	\$235,370

The Table below indicates the 2014 Capital Budget and Funding Detail.

Water and Sewer Fund

Project Description	FY14 Budget	Funding Source
Replace 12-inch diameter Surface water supply pipeline b/w CLCWA and Nassau Bay	\$81,000	TBD
Piping Improvements at Water Plant No. 1 to Improve Elevated Tank Fill and Drain Operations	\$15,000	Cash Flow W/S
Elevated water storage tank and ground water storage tank at Plant #1 painting, repair, and upgrading	\$85,000	Cash Flow W/S
Well #2 - Water Plant Back-Up Well	\$20,000	Cash Flow W/S
Water Line Rehabilitation	\$100,000	Cash Flow W/S
Install New Liquid Chemical Feed System on Elevated Platform	\$310,000	Cash Flow W/S
Clarifier Center Well Repair - Replace existing Clarifier - Painting, Releveling, Replace Corroded Metal	\$230,000	TWDB Fund
SBR - Facilities to divert flow or store flow to allow process units to be isolated for inspection, repair, and replacement	\$826,500	TWDB Fund
Install Screen at Plant Headworks & Grit Removal Improvements	\$330,000	TWDB Fund
Replace Existing diffusers with Fine Bubble System	\$100,000	TWDB Fund
Installation of SCADA to provide more effective and energy efficient operation of sewer lift stations	\$15,000	Cash Flow W/S
Sewer Rehabilitation [Nassau Bay Drive Rear Easement; Hereford Lane; Basilan Lane]	\$200,000	Cash Flow W/S

Capital Improvement Plan

~ Continued

FY2014 CIP Budget (continued)

General Government

Relocation of 24" city storm sewer line @ 18518 Upper Bay	\$20,000	Tax Note
Annual Paving Improvements	\$235,370	Street Fund
Harbour Dr. - Paving Improvements	\$0	Harris County
Basilan - Paving Improvements	\$0	Harris County
Lake Nassau Park shoreline erosion restoration and erosion protection (includes Canoe Launch area)	\$150,000	Tax Note
Dredging of Lake Nassau	\$35,000	EDC
Street Sign Replace/Repair	\$12,000	TBD
Pavilion - Maintenance and Repairs to include drainage and pavilion floor	\$9,500	TMLIRP
Four (4) Mobile Data Terminal	\$20,000	Cash Flow
Five (5) Personal Video Camera (Sgts., Chief, Back-ups)	\$5,200	Cash Flow
One (1) Ipad	\$850	TBD
Six (6) Replacement Self Contained Breathing Apparatus	\$37,000	Cash Flow
LifePak 15 Heart Monitor & Defibrilator	\$32,000	Cash Flow
One (1) Personal Video Camera	\$1,040	Cash Flow
Bulletproof Vest	\$850	TBD
City Hall/Conference Center	\$1,419,000	2013 Cos
Total FY2014 CIP Budget	\$4,290,310	

Capital Improvement Plan

~ Continued

FY2014 CIP – Anticipated Impacts

Water and Sewer Fund

The completion of the various substantial utility projects is scheduled for FY2014. First and foremost the Texas Water Development Boards projects will be closed during the coming year. This will involve the rehabilitation and expansion of the SBR, providing facilities to divert the flow of wastewater. The benefits of this project are two-fold. During heavy rain events, the City will now have the ability to contain more wastewater than previously, meeting the requirements of state and federal regulations. Also, this facility will allow the clarifier to be drained with relative ease, finally providing a way to perform much needed regular maintenance on this part of the plant.

This project will also see the installation of a screen and grit removal system at the Wastewater Plant Headworks. Essentially, this infrastructure will remove and/or pulverize any items of sizeable mass that find their way into the Wastewater system. This improvement will protect the plant from damage and obstructions that have historically wreaked havoc on plant operations.

The new liquid chemical feed system will provide Wastewater plant Operators better tools for monitoring and treating plant effluent.

Finally, the scheduled repairs and rehab to water and sewer lines throughout the City will continue to improve the quality of utilities in the City and also ensure their viability into the future.

General Government

Continuing to work toward the goals of the Comp Plan, the planned erosion control for Lake Nassau and the improvements to the pavilion both impact the usability of the City green spaces. The improvements to Lake Nassau will not only help keep the lake in proper upkeep, but will also provide kayakers easy launch sites into the lake. The pavilion repairs will help keep the foundation of the structure stable for many years to come.

Paving projects throughout the City, both Harris County funded and city projects are anticipated to greatly improve the ease of passage in some areas. Most importantly, Harbour Dr. will finally be paved to city-wide standards.

Many of the planned capital investments relate to Public Safety equipment and technology: mobile data terminals (PD), personal video cameras (PD), self-contained breathing apparatus (FD), and the LifePak Heart Monitor (EMS). All these items provide ways for public safety personnel to better respond to life safety situations throughout the city.

Capital Improvement Plan

~ *Continued*

FY2014 CIP – Anticipated Impacts

General Government – continued

Last but not least, the construction of the new City Hall will finally replace the City Hall that was demolished to allow for the Town Square development. For the last five years, City services have largely been housed in a temporary location at 18100 Upper Bay Rd. This space was provided to the City as a temporary home until a new facility could be built. After a year of intense planning, the City and the developer agreed to a plan that is anticipated to benefit the community. City Hall will be in the center of Town Square development, not far from its original location. It will be on the second floor of the structure, allowing the first floor to be utilized for conference space. The City will own and maintain the facility and control the lease related to the conference center on the first floor of the building. City hall will house Administration, Finance & Utility Billing, Human Resources, Municipal Court, Police Department, Building Department, Code Enforcement, Fire Marshal, and the Council Chambers. The City anticipates that the construction of this new facility will provide staff with additionally resources to service the community as well as a building that residents are proud to embrace as their new government building.

Overall CIP Rank	Proj ID	Project Description	Project Budget	FY13 COMPLETED	FY14	Funding Source	FY15	FY16	FY17	FY18	FY19 & Beyond	Current Phase	Next Phase	Special Notes & Justification
WATER SYSTEM														
Water Production and Transmission														
	WP1001	Surface Water Supply Bypass Vault and ClaValve Installation	\$71,620	\$71,620		Cash Flow W/S						Completed	Completed	Improves water system reliability; Allows for bypass of City Water Plant for Maintenance.
10	WP1002	Replace 12-inch diameter Surface water supply pipeline b/w CLCWA and Nassau Bay	\$800,096	\$28,380	\$81,000	TBD	\$690,716					Grant Planning	Design	Historic maintenance problem. Pipe is brittle AC-pipe, breaks often. Primary water supply to City - May 2012 PRV Installed.
	WP1003	Piping Improvements at Water Plant No. 1 to Improve Elevated Tank Fill and Drain Operations	\$50,000	\$35,000	\$15,000	Cash Flow W/S						Completed	Completed	Improves Fire Protection and reduces number of water line breaks by allowing full tank concurrent with lower system pressure.
	WP1011	Elevated water storage tank and ground water storage tank at Plant #1 painting, repair, and upgrading	\$100,000	\$15,000	\$85,000	Cash Flow W/S						Construction	Completed	Needed to extend life of water storage tanks
	WP1004	Replace Emergency Power System at Water Plant No. 1 w/ Natural Gas Generator				TDEM						Completed	Completed	Replaces existing aging equipment, needed to provide back up power for water plant
16	WP1005	Rehabilitate and Restore Water Well at Swan Lagoon Water Plant; Includes Hydrotank	\$405,950			TBD					\$405,950	Planning	Design	Improves water system reliability; Improves Fire protection in Swan Lagoon Area.
7	WP1012	Well #2 - Water Plant Back-Up Well	\$520,000		\$20,000	Cash Flow W/S	\$500,000					Maintenance/Pl	Design and Rebuild	
Water Distribution														
9	WD1001	Water Line Rehabilitation	\$300,000		\$100,000	Cash Flow W/S	\$100,000	\$100,000				Design	Construction	Replace deteriorating water lines
WASTEWATER SYSTEM														
Wastewater Treatment Plant														
1	WWT1019	Repairs to Electrical Conduit and Walkways [Railings, Safety]	\$30,000	\$30,000		TWDB Fund						Construction	Completed	Outdoor Wiring Needs Repair; Need repairs and rails on certain walkways
	WWT1002	Lift Pump Replacements to Improve Solids Handling - Phase 1, Single Pump				Cash Flow W/S						Completed	Completed	Improves the ability of the WWTP to treat the full 5 million gallon per day design capacity. [Matching Funds Shown]
	WWT1003	Lift Pump Replacements to Improve Solids Handling - Phase 2, Remaining Two Pumps + Installation	\$250,000	\$250,000		CDBG						Completed	Completed	Improves the ability of the WWTP to treat the full 5 million gallon per day design capacity.
	WWT1004	Install Emergency Power Generator on Elevated Platform	\$450,000	\$450,000		CDBG						Completed	Completed	Provides back up power during emergency, allows wastewater plant to operate during times of power outage
6	WWT1005	Install New Liquid Chemical Feed System on Elevated Platform	\$310,000		\$310,000	Cash Flow W/S						Bidding/Award	Construction	Replaces aging equipment; More safe installation compare to existing chlorine gas; flood proofs the disinfection system.
4	WWT1007	Clarifier Center Well Repair - Replace existing Clarifier - Painting, Releveling, Replace Corroded Metal	\$230,000		\$230,000	TWDB Fund						Construction	Completed	Repairs damaged equipment. Eliminates clear water from mixing with thickened sludge as sludge is wasted to digester.
2	WWT1009	SBR - Facilities to divert flow or store flow to allow process units to be isolated for inspection, repair, and replacement	\$850,000	\$23,500	\$826,500	TWDB Fund						Construction	Completed	Develop plan to allow for the plant to be bypassed for maintenance. Current configuration allows for only 24 hours of down time.
3	WWT1012	Install Screen at Plant Headworks & Grit Removal Improvements	\$330,000		\$330,000	TWDB Fund						Construction	Completed	Reduces chance of plant clogging and overflows at the plant; improves operations.
5	WWT1013	Replace Existing diffusers with Fine Bubble System	\$100,000		\$100,000	TWDB Fund						Construction	Completed	Reduces chance of plant spillage due to turbulent liquid in the aeration basin.
12	WWT1016	Sand Filter - Upgrade System to Modern Unit which will be Flood Proof.	\$700,000			TBD	\$700,000					Bidding/Award	Construction	Replaces aging and obsolete sand filter unit. (Add Alternate to Bid)
Wastewater Lift Stations and Force Mains														
	WWL1005	All Lift Stations - Installation of piping to allow for quick mobile pump hookup (bypass piping) (in-house)	\$7,000	\$7,000		Cash Flow W/S						Completed	Completed	Allows for quick connection of a mobile diesel trash pump
	WWL1006	All Lift Stations - Installation of Generator quick connections and transfer switches (in-house)	\$7,500	\$7,500		Cash Flow W/S						Completed	Completed	Allows for quick connection of a mobile generator
13	WWL1007	Surf Court Lift Station - Force Main Replacement	\$1,000,000			TBD	\$1,000,000					Grant Planning	Design	Replaces aging and deteriorated infrastructure; pipe is brittle AC, frequent breaks historically.
15	WWL1008	Surf Court Lift Station - Odor Control Improvements	\$75,000			TBD			\$75,000			None	Design	Improves odor condition at Surf Court cul-de-sac.
11	WWL1009	Installation of SCADA to provide more effective and energy efficient operation of sewer lift stations	\$15,000		\$15,000	Cash Flow W/S								
Wastewater Collection System														
8	WWC1002	Sewer Rehabilitation [Nassau Bay Drive Rear Easement; Hereford Lane; Basilan Lane]	\$240,000	\$40,000	\$200,000	Cash Flow W/S						Bidding	Construction	Repairs deteriorated infrastructure - Ahead of Schedule - Current emergency repairs applied to TWDB
14	WWC1006	Wastewater Lines and Manhole Rehabilitation - Various Areas	\$3,700,000			TBD	\$300,000	\$300,000	\$300,000	\$300,000	\$2,800,000	Planning	Design	Replaces deteriorated Infrastructure.
Water/Wastewater Equipment														
	PW1001	Backhoe Kubota	\$25,000	\$25,000		Cash Flow W/S						Completed	Completed	
	PW1005	Pick-Up Truck B (Water & Sewer)	\$17,000	\$17,000		Cash Flow W/S						Completed	Completed	
WATER & WASTEWATER UTILITY TOTALS			\$10,542,166	\$1,000,000	\$2,312,500	\$0	\$3,290,716	\$400,000	\$375,000	\$300,000	\$3,205,950			

Overall CIP Rank	Proj ID	Project Description	Project Budget	FY13 COMPLETED	FY14	Funding Source	FY15	FY16	FY17	FY18	FY19 & Beyond	Current Phase	Next Phase	Special Notes & Justification
DRAINAGE														
Drainage Collection														
1	DP1007	Relocation of 24" city sewer line @ 18518 Upper Bay	\$20,000		\$20,000	Tax Note						Construction	Completed	Storm Sewer Line located on private property
23	DC1004	Pipe Installation on Saxony - Connection b/w Point Lookout (6' pipe system thru Park) and Hereford Lane	\$45,000			TBD		\$45,000				Design	Construction	Improves drainage in Herford Lane area by connecting to 6' diameter pipe at Park [Design completed in 2008]
24	DC1005	Large Diameter Storm Sewer Installation on Point Lookout Draining to Lake Nassau	\$448,700			TBD		\$448,700				Planning	Design	Reduce flooding in problem area of Point Lookout at Pirates Cove
28	DC1006	Marina Basin Storm Sewer Phase 1	\$151,595			TBD					\$151,595	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
29	DC1007	Marina Basin Storm Sewer Phase 2	\$168,200			TBD					\$168,200	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
30	DC1008	Marina Basin Storm Sewer Phase 3	\$285,470			TBD					\$285,470	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
31	DC1009	Marina Basin Storm Sewer Phase 4	\$456,190			TBD					\$456,190	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
32	DC1010	Improvements at Basilan Lane Area	\$100,000			TBD					\$100,000	Study	Design	Reduce flooding in problem area of Basilan Lane
Drainage - Pump Stations														
18	DP1001	Upper Bay Road - New Diesel-Driven Stormwater Pump Station No. 2	\$205,500			TBD	\$205,500					Planning	Design	Improves roadway drainage along Upper Bay to allow for evacuation and emergency vehicle access.
PAVING														
Capital Improvements														
2	PCIP1001	Annual Paving Improvements	\$751,130	\$151,130	\$235,370	Street Fund	\$300,000	\$0	\$300,000	\$0		Bidding/Award	Construction	Replaces deteriorated infrastructure
		Harbour Dr. - Paving Improvements				Harris County								
		Basilan - Paving Improvements				Harris County								
Maintenance														
	PM1001	Joint Sealing - City Wide or Large Areas	\$30,000	\$30,000		Street Fund						Construction	Construction	Preventative Maintenance of roadway infrastructure.
DREDGING AND BULKHEADS														
33	DM1003	Removal of High Spot in Lake Nassau Channel at Confluence w/ Clear Creek	\$24,100			TBD					\$24,100	Planning	Construction	Improves navigability and drainage
	DL1004	Lake Nassau Park shoreline erosion restoration and erosion protection (Includes Canoe Launch area)	\$150,000		\$150,000	Tax Note						Bidding/Award	Construction	Improves water quality in Lake and drainage.
3	DL1005	Dredging of Lake Nassau	\$1,650,000		\$35,000	EDC		\$1,615,000				Planning	Design	
PUBLIC WORKS														
	PW1002	Pick-Up Truck A (Parks)	\$17,000	\$17,000		Tax Note						Completed	Completed	
19	PW1003	Backhoe Priority B	\$95,000			TBD	\$95,000					Quoting	Funding/Purchase	
20	PW1006	Pick-Up Truck - Unit 7	\$20,000			TBD	\$20,000					Quoting	Funding/Purchase	
21	PW1006	Pick-Up Truck - Unit 14	\$20,000			TBD	\$20,000					Quoting	Funding/Purchase	
	PW1007	Public Works/EMS Building Roof Repair	\$5,790	\$5,790		TMLIRP						Completed	Completed	
11	PW1008	Street Sign Replace/Repair	\$12,000		\$12,000	TBD								
PARKS														
34	P1004	Lake Nassau Park Trail, Phase II	\$70,000			TBD					\$70,000	Planning	Design	
	P1007	Peninsula Trail	\$200,000	\$200,000		TX P & W Grant						Completed	Completed	Designe contracted with SWA Group - Advertised June 2012
4	P1008	Pavilion - Maintenance and Repairs to include drainage and pavilion floor	\$9,500		\$9,500	TMLIRP						Quoting	Construction	
	P1009	Rebuild Boardwalk	\$35,000	\$35,000		TMLIRP						Completed	Completed	
POLICE DEPARTMENT														
	PD1001	Three (3) Tahoes	\$61,500	\$61,500		Tax Note						Completed	Completed	
8	PD1002	Four (4) Mobile Data Terminal	\$20,000		\$20,000	Cash Flow								
9	PD1003	Five (5) Personal Video Camera (Sgts., Chief, Back-ups)	\$5,200		\$5,200	Cash Flow								
12	PD1004	Fifteen (15) Replacement Tasers	\$15,450			TBD								
13	PD1005	Five (5) Mobile Vision In-Car Video Camera Systems	\$28,200			TBD								
FIRE MARSHAL														
	FM1001	New Expedition (fully equipped) to replace existing Expedition	\$35,000	\$35,000		Tax Note						Completed	Completed	
14	FM1002	One (1) Ipad	\$850		\$850	TBD								
FIRE DEPARTMENT														
27	FD1003	Ladder Truck	\$1,000,000			TBD				\$1,000,000		Quoting	Funding/Purchase	
26	FD1002	Replacement Pumper	\$600,000			TBD			\$600,000			Quoting	Funding/Purchase	
16	FD1001	Command Vehicle	\$30,000			TBD						Quoting	Funding/Purchase	
7	FD1004	Six (6) Replacement Self Contained Breathing Apparatus	\$48,000		\$37,000	Cash Flow	\$11,000							
EMS														
22	ES1001	Remount 2006 F-450 Ambulance	\$100,000			TBD	\$100,000					Quoting	Funding/Purchase	
25	ES1002	Remount 2004 F-350 Reserve Ambulance	\$110,250			TBD		\$110,250				Quoting	Funding/Purchase	
	ES1003	Used Emergency Response Vehicle/Truck	\$6,040	\$6,040		Tax Note						Completed	Completed	
6	ES1004	LifePak 15 Heart Monitor & Defibrillator	\$26,000		\$32,000	Cash Flow								

Overall CIP Rank	Proj ID	Project Description	Project Budget	FY13 COMPLETED	FY14	Funding Source	FY15	FY16	FY17	FY18	FY19 & Beyond	Current Phase	Next Phase	Special Notes & Justification
CODE ENFORCEMENT														
10	CS1001	One (1) Personal Video Camera	\$1,040		\$1,040	Cash Flow								
15	CS1002	Bulletproof Vest	\$850		\$850	TBD								
INFORMATION TECHNOLOGY														
17	IT1001	10 Replacement Computers	\$11,000			TBD								
GENERAL & ADMINISTRATIVE														
	GA1001	City Hall (\$1,300,000)				Griffin Dev.						Construction	Completed	
5	GA1002	Conference Center	\$1,419,000		\$1,419,000	2013 Cos						Construction	Completed	
SPECIAL - GIS SYSTEM														
Mapping Updates														
35	GIS1000	Water System	TBD			TBD						Study	Completion	Improves City operation and public access
36	GIS1001	Wastewater System	TBD			TBD						Study	Completion	Improves City operation and public access
37	GIS1002	Drainage System	TBD			TBD						Study	Completion	Improves City operation and public access
38	GIS1003	Other as Required (Police/Fire)	TBD			TBD						Study	Completion	Improves City operation and public access
SPECIAL - PROJECTS - FEDERAL GRANTS														
ALL OTHER CIP TOTALS			\$8,488,555	\$541,460	\$1,718,870		\$751,500	\$2,218,950	\$900,000	\$1,000,000	\$1,255,555			

	FY13 COMPLETED	FY14		FY15	FY16	FY17	FY18	FY19 & Beyond
\$18,229,441	\$1,541,460	\$4,290,310		\$4,042,216	\$2,618,950	\$1,275,000	\$1,300,000	\$4,461,505



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
 - Taxing Entity collecting Property Tax Increment in the geographic area described as TIRZ # 1
- Nassau Bay Redevelopment Authority
 - Allocation and disbursement entity for the TIRZ # 1 Property Tax Increment 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.

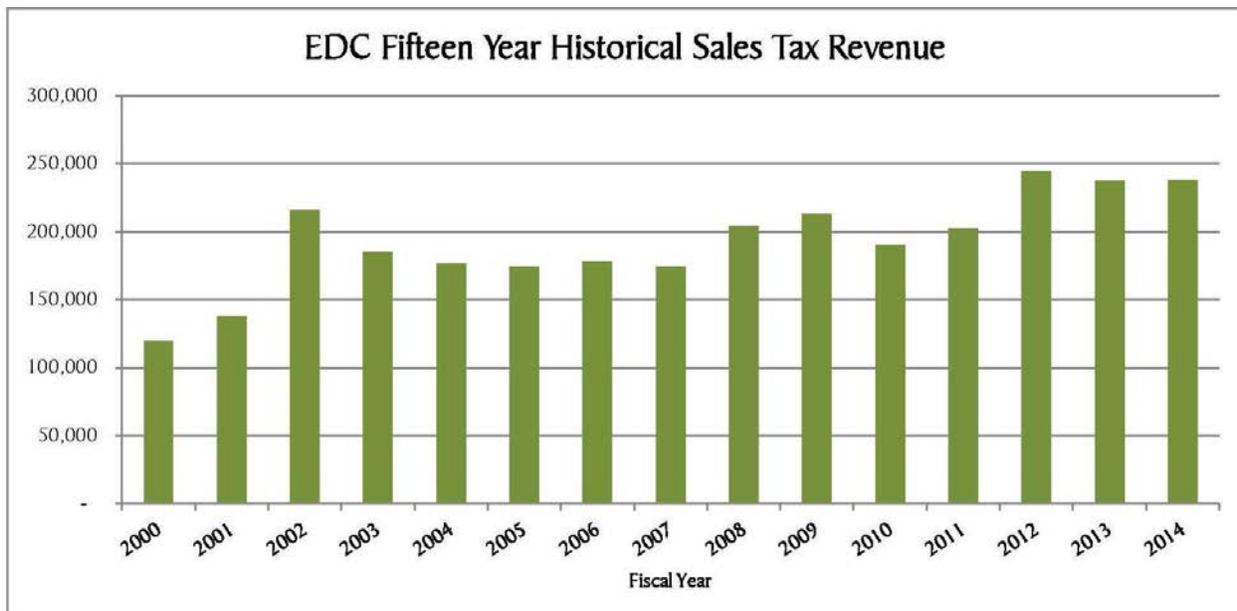
The Economic Development Corporation approves its budget and then submits its budget for City Council approval prior to the Council's approval of the Annual City Budget. The Economic Development Corporation Budget is included in the City's Annual Budget book for information and resource purposes, but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

The following are the FY2014 Board Members for the EDC:

Mark Denman, President
Harry Dollar, Secretary
John Mahon, Director
Vacant, Director

Jonathan Amdur, Vice President
Bryce Klug, Treasurer
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 Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
3020 Interest on Investments	300	203	300	400	400	-33.3%
3110 Sales Tax Revenue	205,200	244,436	213,000	237,580	238,000	-11.7%
TOTAL	205,500	244,639	213,300	237,980	238,400	-11.8%
9520 Prior Year Balance	87,730	-	109,584	144,849	180,355	-64.6%
9525 End of Year Reserve	(67,587)	-	(102,680)	(180,355)	(245,025)	-138.6%
GRAND TOTAL	225,643	244,639	220,204	202,474	173,730	21.1%

Expenditures

Expenditure Detail	Amended Budget FY2012	Actual FY2012	Amended Budget FY2013	Projected FY2013	Adopted Budget FY2014	Budget % Change
5000 Administrative Expense	100,000	100,000	100,000	100,000	100,000	0.0%
5001 Audit	7,730	7,700	7,730	7,640	7,730	0.0%
5005 Legal	2,000	88	2,000	400	2,000	0.0%
5006 Memberships-BAHEP/TEDC	19,000	19,000	19,000	19,000	19,000	0.0%
5100 Economic Dev Proj-Undesignated	10,000	3,283	10,000	4,000	10,000	0.0%
5103 Dredging Projects	-	-	-	-	35,000	0.0%
5108 City Building-Joint Project	7,630	-	-	-	-	0.0%
5110 Debt Service-2006 Tax Notes	69,283	69,283	71,474	71,474	-	100.0%
5113 Lockheed Martin Contract	10,000	-	10,000	-	-	100.0%
GRAND TOTAL	225,643	199,354	220,204	202,514	173,730	21.1%

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 FY2014, the NASA Area Management District will contract to maintain some of the landscaping and water features located in the district's geographic area.

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.

Component Units

~ NASA Area Management District

NASA Area Management District Budget

NASA Area Management District Approved Budget October 2013 through September 2014

	Oct '13 - Sep 14
Income	
6-4380 · Sales Tax Income	93,000.00
6-5380 · Miscellaneous Income	0.00
6-5391 · Interest -	0.00
Total Income	93,000.00
Expense	
6-6320 · Legal Fees	8,000.00
6-6321 · Auditing Fees	1,000.00
6-6324 · Marketing Expense	15,000.00
6-6325 · Community Beautification	1,500.00
6-6327 · Saturn Ln/Space Pk Landscape	10,000.00
6-6328 · Saturn/Space Pk Fountain Maint	6,500.00
6-6334 · Event Sponsorship	10,000.00
6-6334a · Fall Event	15,000.00
6-6330 · Administrator Fee	20,000.00
6-6331 · Management Fee	5,000.00
6-6333 · Bookkeeping	4,800.00
6-6338 · Legal Notices & Other Publicati	0.00
6-6340 · Printing & Office Supplies	0.00
6-6353 · Insurance	2,568.00
6-7395 · Miscellaneous Expense	500.00
Total Expense	99,868.00
Net Income	-6,868.00

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 taxing entity for 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 property tax on 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%.

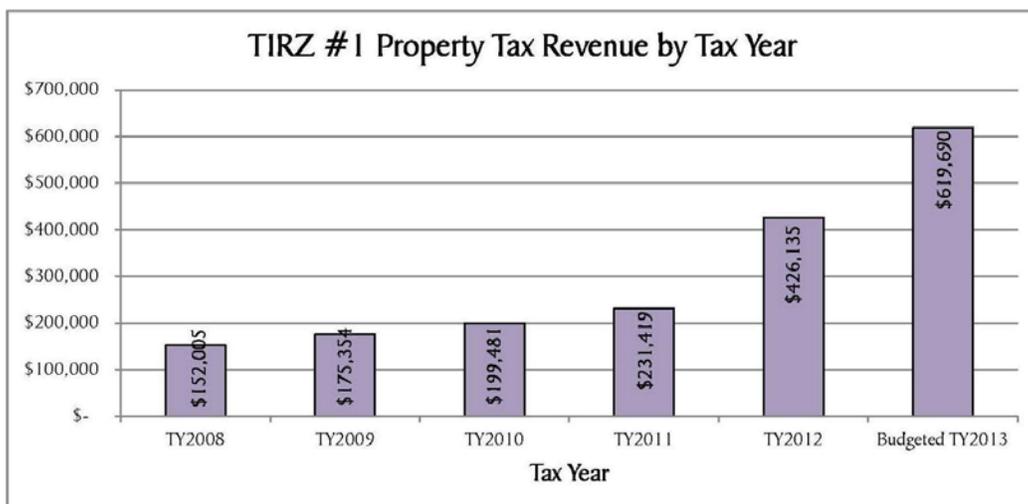
Nassau Bay Redevelopment Authority

The Nassau Bay Redevelopment Authority (RDA) is a Local Government Corporation 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. In FY2013, the TIRZ/RDA issued debt to reimburse the developer for the first phase of public improvements. The issuance was \$3,025,000 over a 20-year term resulting in an annual debt service obligation of approximately \$360,000 per year. During FY2014 the RDA is anticipated to adopt its first official annual budget. The information provided in the City's Annual Budget is only for resource purposes.





Budget Resources

Glossary (Definitions & Acronyms)

Account	Term used to identify an individual expenditure, revenue, or fund balance.
Account Number	A specific expenditure or revenue classification designating the Fund, Purpose, and Department of the activity.
Ad-valorem Taxes	Real estate and personal property taxes. Property taxes are levied as a ¢ per \$100 of taxable value.
Appropriation	An authorization granted by the legislative body to make expenditures or to incur obligations for a specific purpose. An appropriation is limited in amount and the time it may be expended.
Assessed Valuation	A valuation set upon real property or other property by a government as a basis for levying taxes. Assessed value of property is determined by Harris County Appraisal District.
Asset	Property owned by the City government that has monetary value.
Audit	A systematic examination of all the governmental resources concluding in a written report and prepared by a certified public accountant. It is intended to test whether financial statements fairly present financial position and results of operations.
Balanced Budget	The status of a budget whereby expected resources, including the use of accumulated reserves, exceed or are equal to the anticipated expenditures.
Bonded Debt	That portion of indebtedness represented by outstanding bonds.
Bonds Issued	Bonds sold.
Budget (Operating)	A plan of financial operation containing an estimate of the proposed expenditures for a given period and the proposed means of funding them. The term usually in reference to an annual plan.
Budget Calendar	A schedule of key dates which the City Council and staff follow in preparation and adoption of the annual budget and tax rate.
Budget Message	A general discussion of the proposed budget, as presented in writing by the City Manager, addressed towards the Mayor, City Council, and citizens.

Budget Resources

~ *Continued*

Glossary (Definitions & Acronyms)

Budget Ordinance	The official enactment by the City Council establishing the legal authority for the officials to obligate and expend resources.
Capital Assets	Assets of significant value (\$5,000) having a useful life of several year (also call fixed assets).
Capital Improvements Plan	A plan for capital expenditures to be incurred each year over a fixed period of several years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount and the method of financing.
Capital Outlay	Expenditure which results in the acquisition or addition of fixed assets.
Capital Projects Fund	Established to account for all resources, bond proceeds and construction grants, which are used for the acquisition of capital facilities infrastructure.
Central Appraisal District (CAD)	CAD is charged with the responsibility of establishing a consistent property valuation system used by all taxing jurisdictions to levy taxes. Harris County Appraisal District does this for the City.
Compensated Absence	Recorded non-worked benefit hours that will be paid (e.g. vacation, sick, holidays, and compensatory time earned)
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures
Customer Deposits	Deposits made by customers as a prerequisite to receiving utility service and recorded as a liability.
Debt	An obligation resulting from borrowing money or from purchasing goods or services.
Debt Limit	The maximum amount of gross or net debt legally permitted.
Debt Service	The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.
Debt Service Fund	A fund established to finance and account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Also called a sinking fund.

Budget Resources

~ *Continued*

Glossary (Definitions & Acronyms)

EDC	Economic Development Corporation is the City's Section 4B entity. This entity receives its funding from 0.50 percent of the sales in the City. Its mission is to promote and encourage economic growth.
Encumbrances	Obligations in the form of purchase orders, contracts, or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved.
Enterprise Fund	A proprietary fund type established to finance and account for an operation that is financed and operated in a manner similar to private business enterprises – whereby the intent is that the costs (expenses, including depreciation) of providing good or services to external customers on a continuing basis be financed or recovered primarily through user charges. Examples of enterprise funds are those for water and wastewater services.
Expenditures	If the accounts are kept on the accrual basis, this term designates total charges incurred, whether paid or unpaid, including expense, provision for retirement of debt not reported as a liability of the fund from which retired, and capital outlays.
Expenses	Charges incurred, whether paid or unpaid, for operation, maintenance, and interest, and other charges that are presumed to benefit the current fiscal period.
Financial Advisor	A consultant who provides advice on any of a variety of issues related to financial matters, particularly with the issuance of debt. The financial advisor for the City is FirstSouthwest.
Fiscal Policy	The City's policy with respect to revenues, spending and debt management. These govern the ability of the city to provide services, programs, and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programmed of the annual budget.
Fiscal Year (FY)	A designated 12-month accounting period. The fiscal year for the City begins on October 1 and ends on September 30 of the following year.
Franchise Fee	A charge by the city for a special privilege granted by the city permitting the continued use of public right-of-way, usually involving elements of monopoly and regulations (e.g., Comcast, CenterPoint)

Budget Resources

~ Continued

Glossary (Definitions & Acronyms)

Full Faith and Credit	A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).
Full-Time Equivalent	A measure of authorized personnel calculated by dividing total organization-wide hours of work per year by the number of hours worked per year by a full-time employee.
Fund	A fiscal and reporting unit of the city responsible for its own financial resources. A fund is established to carry on certain specific activities or obtain specified objectives in accordance with legal direction (e.g. Water and Sewer or Tourism [Hotel Occupancy Tax] Fund). Funds are broken down into departments, determined by function of that department (e.g. Police, Fire, Administration within the General Fund).
Fund Balance	Money available for contingency situations or in the event of an emergency. Called retained earnings in the proprietary funds. Fund balances may be reserved for specific future use, or may be undesignated. The source of this money is typically when prior years' revenues exceed expenditures resulting in a cash surplus.
Fund Balance (Non-spendable)	The portion of the fund balance that is not available for spending, either now or in the future, because of the form of the asset (e.g. inventories, pre-paid expenses, capital assets) or a permanent legal restriction (e.g. principal portion of an endowment).
Fund Balance (Spendable)	<p>The portion of the fund balance that is available for spending. Spendable fund balance is divided into four categories:</p> <p><u>Restricted fund balance</u> – amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation. Examples of providers are grantors, bondholders, and higher levels of government.</p> <p><u>Committed fund balance</u> – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.</p> <p><u>Assigned fund balance</u> – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority</p>

Budget Resources

~ *Continued*

Glossary (Definitions & Acronyms)

Fund Balance (Spendable) cont.	<u>Unassigned fund balance</u> – amounts that are available for any purpose; these amounts are reported only in the General Fund.
Generally Accepted Accounting Standards (GAAP)	Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP for state and local governments is the Governmental Accounting Standards Board (GASB).
General Fund	The fund that is available for any legally authorized purpose and which is therefore used to account for all revenues and all activities except those required to be accounted for in another fund. The General Fund is used to account for the ordinary operations of the City.
Governmental Fund	The broadest category of fund type which includes those funds that are used to account for tax-supported (governmental) activities.
Grant	A contribution by one governmental unit to another. The contribution is usually made to aid in the support of a specified function.
Internal Control	A plan of organization for purchasing, accounting, other financial activities which, among other things, provides that: the duties of employees are subdivided so that no single employee handles a financial action from beginning to end; proper authorizations from specific responsible officials are obtained before key steps in the processing of transactions are completed; and records and procedures are arranged appropriately to facilitate effective control.
Investments	Securities held for the purpose of income generation in the form of interest or dividends.
Levy (noun)	The total amount of taxes imposed by the City, usually refers to property taxes.
Levy (verb)	To impose taxes.

Budget Resources

~ Continued

Glossary (Definitions & Acronyms)

Maturity	The date on which the principal or state values of investments or debt obligations mature and may be reclaimed.
Modified Accrual Basis of Accounting	An accounting theory whereby a) revenues are recognized in the accounting period in which they become available and measurable and b) expenditures are recognized in the accounting period in which the liability is incurred, if measurable. This differs from the full accrual basis, which recognizes the financial effect of transactions when they occur, regardless of the timing of the related cash flows. Both differ from the cash basis of accounting that recognizes transactions when the related cash amounts are received and disbursed.
NAMD	NASA Area Management District was incorporated by the state legislature to promote commercial sustainability in the community. The District receives its funding from 0.25 percent of sales in its geographic jurisdiction.
NBRDA	Nassau Bay Redevelopment Authority is a Local Government Corporation created with the powers granted to cities in Chapter 431, Subchapter D of the Texas Transportation Code. The Authority is the implementation component for the TIRZ #1 and the City.
Part-time Employee	A part-time employee is one who is scheduled a determined number of hours less than 40 hours per week. Part-time employees may be granted specific benefits such as a prorated amount of sick leave, vacation leave, and holiday hours. Part-time employees participate in the City's retirement plan if they are required to work at least 1,000 hours per year.
Purchase Order (PO)	A document issued to a vendor to deliver specified merchandise or render a specified service for a stated price. Outstanding purchase orders are encumbrances.
Reserve (Fund)	An account used to indicate that a portion of fund equity is legally restricted for a specific purpose or not available for appropriation and spending. Two designations are used throughout the budget: <u>Prior Year Balance Forward</u> - refers to the balance at the end of the prior fiscal year that is being incorporated into the current fiscal year. <u>End of Year Fund Balance</u> - refers to the restricted portion of fund equity that is budgeted to be unspent during the current fiscal year.

Budget Resources

~ *Continued*

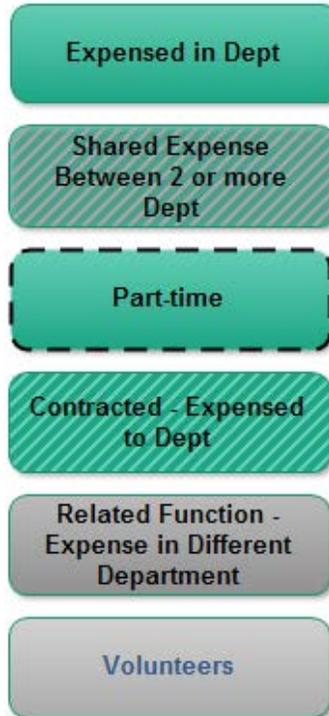
Glossary (Definitions & Acronyms)

Retained Earnings	An ownership account reflecting the accumulated earnings of a proprietary-type fund.
Revenue	The yield of taxes and other sources of income that the city collects and receives into the treasury for public use.
Revenue Bond	A type of bond backed only by revenues generated by a specific project or operation.
Sinking Fund	See Debt Service Fund.
Special Revenue Funds	A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes. Examples are the Tourism Fund (Hotel Occupancy Tax), Special Revenue and Grants Fund, and the Street Sales Tax Fund.
Tax Collection	Property taxes for the City of Nassau Bay are consolidated with and collected by contract with the Harris County Tax Assessor-Collector.
Tax Levy	The total amount to be raised by general property taxes for purposes specified in the tax levy ordinance.
Tax Rate (Adopted)	The amount of tax levied for each \$100 of assessed valuation.
TWDB	Texas Water Development Board is a state agency that helps regulate and fund various water and wastewater activities throughout the state. The City received bond revenue through the TWDB to finance substantial utility improvements in the City.
TIRZ (#1)	Tax Increment Reinvestment Zone #1 was established under Texas Tax Code Chapter 311 to pay for costs of public infrastructure within the designated geographic zone. The zone began in 2007 and receives 90% of the property tax that is levied on the value increases (increment) since its inception.
Transfer	All inter-fund transactions that are not loans, reimbursements, or quasi-external transactions are classified as transfers. The typical operating transfers reflect ongoing operating subsidies between funds.

Budget Resources

~ *Continued*

Departmental Organizational Chart Key



Budget Resources

~ *Continued*

City Contact Information

City Hall – located at 18100 Upper Bay Rd; location to change during second quarter of 2014 to 1800 Space Park Dr.

City Council Meetings – Held on the second Monday of each month at 7 pm in the Council Chambers at City Hall

City Staff (All Departments) – Can be reached through the main line, 281-333-4211.

City Website – www.nassaubay.com

Cover Photo: Sunrise over Lake Nassau taken from the Pocket Park

Budget Notes