

Fiscal Year 2014-2015 Adopted Budget September 22, 2014

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, 2014 – September 30, 2015

ADOPTED
SEPTEMBER 22, 2014

This budget will raise less revenue from property taxes than last year's budget by an amount of \$592,103, which is a 15.98 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 \$21,407.**

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, John Mahon, Bryce Klug, Jonathan Amdur, Bob Warters

AGAINST: n/a

PRESENT & NOT VOTING: n/a

ABSENT: Sandra Mossman

Tax Rate Information	Adopted FY15	Adopted FY14
Property Tax Rate	0.742120	0.732120
Effective Tax Rate	0.745228	0.757910
Effective M&O Tax Rate	0.672890	0.709630
Rollback Tax Rate	0.795668	0.834861
I&S Tax Rate	0.068947	0.060000

The total amount of municipal debt obligation secured by property taxes for the City of Nassau Bay is \$5,625,000

** 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

Bryce Klug
Position 4

Jonathan Amdur
Position 5

Bob Warters
Position 6

Administration

Chris Reed
City Manager

Mary Chambers
Assistant City Manager

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/Interim EMS Chief

Larry Boles
Building Official/Floodplain Administrator

Tommy Cones
Fire Marshal

Stacy Froeschner
Court Administrator

Mark Stelly
Code Enforcement Officer/Building Inspector

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, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Nassau Bay, Texas for its annual budget for the fiscal year beginning October 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.





Budget for Fiscal Year 2014-2015

General Fund.....	Pages 47-93.....	\$ 5,099,720
Water & Sewer Fund.....	Pages 95-107.....	\$ 3,214,640
Debt Service Fund.....	Pages 109-118.....	\$ 631,270
Tourism Fund.....	Pages 119-127.....	\$ 561,730
Special Revenue & Grants Fund.....	Pages 129-131.....	\$ 3,097,800
Capital Projects Fund.....	Pages 133-134.....	\$ 20,000
Street Sales Tax Fund.....	Pages 135-136.....	\$ 30,000
<hr/> Total Budget		\$12,655,160

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To return to the Table of Contents click on any page number at the bottom of any page.*

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The Municipal Budget Fiscal Year 2015 ~ Budget Message

Each spring the City begins its budget process looking forward to the challenges that the new fiscal year will bring. Each budget gives the City opportunity to re-evaluate goals and programs to ensure that our many activities continue to allocate resources innovatively and effectively. Especially after a year of big projects and changes, the planning for FY2015 focused attention on the efficiency of our day-to-day processes.

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 FY2014 Budget achieved all of these items successfully, paving the way for a great FY2015, fully prepared to meet the challenge of Council's newest goals.

FY2014 Achievements – Year End Review

The FY2014 Budget maintained a healthy Reserve Fund and ended the year with approximately 100 days of reserves within our goal of 90 to 120 days. This was achieved even as the City utilized Reserve Funds to help with the construction of City Hall. With the Reserve Fund meeting the guidelines set in our Fund Balance Policy, the City implemented a balanced FY2014 Budget that provided a successful framework for the entire fiscal year.

Completing the construction of the new City Hall ranked highest among Council's goals for FY2014. This goal was met when City Hall was occupied on May 2, 2014. The new City Hall replaced the old City Hall which was demolished as part of the new Town Square development. It provides nearly 2,000 square feet of additional space for City Hall than was provided in the old structure. The location of the new City Hall is 1800 Space Park Drive, Suite 200, just east of the Courtyard by Marriott. The building is home to City Hall, the Police Department and the Council Chambers all located on the second floor. This includes the General Administrative Department, Finance & Utility Billing, the Municipal Court, Building & Code Enforcement, Fire Marshal, and the Police & Emergency Management departments. The building also has conference center space on the first floor which is leased to a single tenant for the next six years and a small one-office space on the second floor which is leased to a credit union.

Among the many infrastructure goals the City had for FY2014, stabilization of the erosion along the east and north side of Lake Nassau was a very high priority. This project was funded by Tax

Note 2013 and was completed in March 2014. This project provided a concrete honeycomb structure along a portion of the eastern and northern shorelines of Lake Nassau 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.

The City completed over \$300,000 in street paving projects. In addition to the many City funded projects the City saw 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 Basilan/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 completed in FY2014.

Finally, the City is delighted to have been honored with several important distinctions in FY2014, including the Texas State Comptroller's Platinum Leadership Circle Transparency Award, the Government Finance Officers' Association Annual Distinguished Budget Presentation Award, and the designation of Best and Brightest Places to Work in Houston, Texas.

FY2015 Annual Budget – Goals

As part of the annual budget process the City Council provides goals for the coming fiscal year. In a small city like Nassau Bay, sometimes these goals may seem repetitive from year to year but they serve as an ongoing reminder to staff and residents of the values and guiding principles by which the City is governed.

First and foremost, the City Council has reiterated its unwavering goal to continue to focus on economic development. The goal encompasses diversity of the tax base, diversity of commercial residents, a healthy commercial real estate market, and an expanded service industry with a focus on restaurants and retail establishments. The City will continue to work towards this goal with ongoing participation in BAHEP and its many economic development activities. The City has also hired a new position this year, the Special Events and Communications Director. This position will provide marketing and communications related to Tourism Fund, Economic Development Corporation, the Nassau Bay website, television station, Facebook page, and newsletter. Through all of these outlets, the City hopes to generate more attention and recognition for the City, drawing in commercial investment.

The second ongoing goal that Council has established for FY2015 is continued vigilance in Code Enforcement with the end result of improved quality of life throughout the community. Especially in consideration of the aging housing stock, the City must be committed to monitoring properties that have been abandoned or are in disrepair. The City strives to work with residents to best resolve code issues and violations.

As many residents will attest, one of the greatest assets of Nassau Bay is the many green spaces. Council has again asserted that the parks and public green spaces must continue to be improved to create the vibrant community atmosphere which is so valued by the residents. Improvement of amenities like playgrounds, ball fields, gazebos, tennis courts, non-motorized water activities, trails, bird-watching, and fishing are essential to this goal. The FY2015 CIP addresses this

goal with the proposed improvements to the playground and restrooms at Lake Nassau Park. While these projects have not yet been funded as part of the budget, should the funds become available during the course of the year, these projects are the highest priority.

The long range plan for City infrastructure continues to be among the Council highest priorities. The biggest areas of concern include the dredging of Lake Nassau and the aging water and sewer lines. The FY2015 CIP budget responds to this goal with the engineering for the Lake Nassau dredging project. Also, the CIP allocates funds from the Water and Sewer fund to replace both water and sewer lines in various locations throughout the City.

A new goal stated in this year's budget process was the creation of a "Nassau Bay 101 – City University" program which will familiarize residents with their city government. This program can include interactive sessions and lectures with various staff members as well as tours of the City. Nassau Bay is beginning to see a transition as many longtime residents are retiring and moving away, opening the neighborhoods up to new residents with no previous knowledge of the City. In order to maintain the strong sense of pride in the community, new residents need to become acquainted with the government, services, community activities, and many ways in which they can get involved. Nassau Bay 101 is one way in which the City can ensure an engaged community.

The final goal that Council charged staff with is to ensure that compensation and care of our employees continues to be at the forefront of our financial planning. City Council's goal includes the maintaining of competitive wages and the preservation of meaningful benefits. Starting in FY2015 employees with enough time on the book will be eligible to participate in a new sick leave conversion benefit. Employee loyalty and morale are seen as fundamental to an enthusiastic, flexible, and committed staff. Without such a group of employees, the City is unable to achieve the rest of its goals.

Outline and Summary of FY2015 Budget

As always the City's annual budget puts a strong emphasis on providing services that improve the quality of life for residents in Nassau Bay. The FY2015 Annual Budget was adopted on September 22, 2014 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, 56.0%, 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. FY2015 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 adopted an ad valorem tax rate of 0.742120/\$100 valuation in FY2015. This tax rate is a penny higher than the previous year but represents a decrease from both the effective and the rollback tax rates. For the eighth 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 \$91.4 million in taxable valuation.

General Fund operating revenue is projected overall at an increase compared to the budget in the previous year. Three 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. The City has budgeted a 10% increase in both Franchise Fees and Sales Tax revenue in FY2015. Finally, due to the FEMA Elevation Grant that begins in FY2015, it is anticipated that building permit fees will see a temporary increase for a period of two years.

The Water & Sewer Fund revenues are projected to be flat as compared to last 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 FY2014, the Council elected to cash flow several important projects such as water and sewer line rehabilitation projects.

The Debt Service Fund continues to service the City's existing debt through property tax revenue. In FY2014 a 2002 Tax Note was retired just as the 2013 Tax Note and Certificates of Obligation were issued. The Debt Service Fund services five existing issuances and remains well below the City's debt ratio guidelines.

The Tourism Fund saw significant growth in revenue in FY2014 and is projected to maintain these increases in FY2015. In FY2015 the Tourism Fund will contribute to the debt service on the 2013 Certificates of Obligation for the construction of the new conference center. Also, for the first time ever, the City collaborated with CCISD to be the Official Lodging Sponsor for all school district events in 2014/2015.

The Special Revenue Fund is budgeted to see a sharp increase in revenue and expenditures in FY2015 due to the FEMA Elevation Grant and a small TCEQ pass-through grant in coordination with the Galveston Bay Foundation. The FEMA Elevation Grant will be used to elevate 36 severe repetitive loss houses in the community in the hopes of preventing flood damage in the future. This grant is projected to expend approximately \$3 million in FY2015 and the remainder of the grant will occur in FY2016.

The total expenditures for the FY2015 Annual Budget are allocated to be \$12,655,160. For information on the detail, refer to the funds breakout on pages 38-41.

General Fund: Expenditures are programmed to be about 40.3% of the City's total expenditures, coming in at \$5,099,720. The expenditure breakout for the seventeen departments is shown on page 52.

All Departments: The FY2015 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. Additionally, due to new GAAP (Generally Accepted Accounting Principles) requirements on the reporting of pensions, corresponding actuarial methods are being used to calculate the City retirement and this has caused an adjustment in contributions in FY2015.

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. FY2015 will be the first complete year of activity in this department, establishing a baseline for future spending trends.

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 \$1.0 million in FY2015.

In addition to advertising activities, the Tourism Fund allocated \$24,500 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, 4.4% 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 FY2015 is a portion of the debt service costs associated with the new conference center.

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 FY2015 the City anticipates to only complete joint sealing projects in preparation for significant paving projects in FY2016.

FY2015 Capital Improvements: After completing a successful year of infrastructure projects, the FY2015 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 FY2015 pending the availability of funding.

Personnel/Salaries: The staffing level for this budget is 43 full-time, 5 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 150 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 Comprehensive Master Plan combined with 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

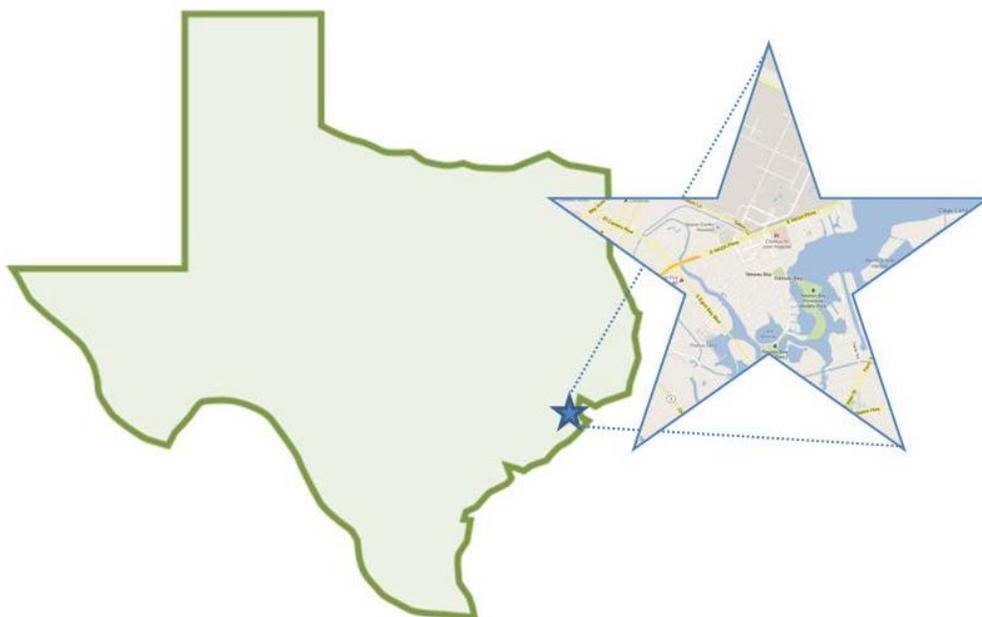
The City of Nassau Bay, Texas was incorporated in 1970 as a Texas General Law City. Eight years later, in 1978, the citizens of Nassau Bay adopted a Charter and reorganized as a Texas Home Rule City with a Council-Manager form of government.

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 Houston Methodist 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 by water on its west, south and east boundaries. 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

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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 FY2015 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 FY2015 Budget:
 - Improvements to the Wastewater Plant, including the construction of additional capacity
 - Preliminary engineering for dredging of Lake Nassau
 - 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 FY2015 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 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

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Community Vision

3. Geographic Proximity to Clear Lake & the Gulf Coast – The FY2015 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. The FY2015 Budget includes the first year of funding related to the FEMA Flood Elevation Grant that was awarded for the elevation of 36 severe, repetitive loss homes in Nassau Bay.

4. Geographic Location Inside the Houston Metro Area – The FY2015 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 new Houston Methodist St. John Hospital expanding medical services offered by our local hospital and also potentially impacting 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 after the recession and the last two years have seen marked improvement in tourism industry related activity as well. The recovery of the Tourism sector is of tangible significance as the City determines what the best use of it Hotel Occupancy Tax revenues.

Budget Overview

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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

Tax Year 2014 Top Ten Property Taxpayers:

1. Spacesub Apartments LTD
2. Griffin Partners
3. New Clear Lake Hotel LP
4. BLW Interests LP
5. AP Nassau Bay Funding Company Inc.
6. Sunbelt CNB LLC
7. Cambridge Nassau Bay
8. SJH Medical Office Partners
9. JLW Real Estate LTD
10. Houston Methodist St. John Hospital

Major Employers located within City:

- Houston Methodist St. John Hospital – Medical
- UTC Space System – Aerospace
- Keller Williams – Real Estate
- 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
- Gary Greene Realtors – Real Estate
- HOYER Global (USA), Inc. - Transportation

Budget Overview

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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 2014-2015 City Council:

- Mayor Mark Denman
- Position 1 David Braun (Mayor Pro Tem)
- Position 2 Sandra Mossman
- Position 3 John Mahon
- Position 4 Bryce Klug
- 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:

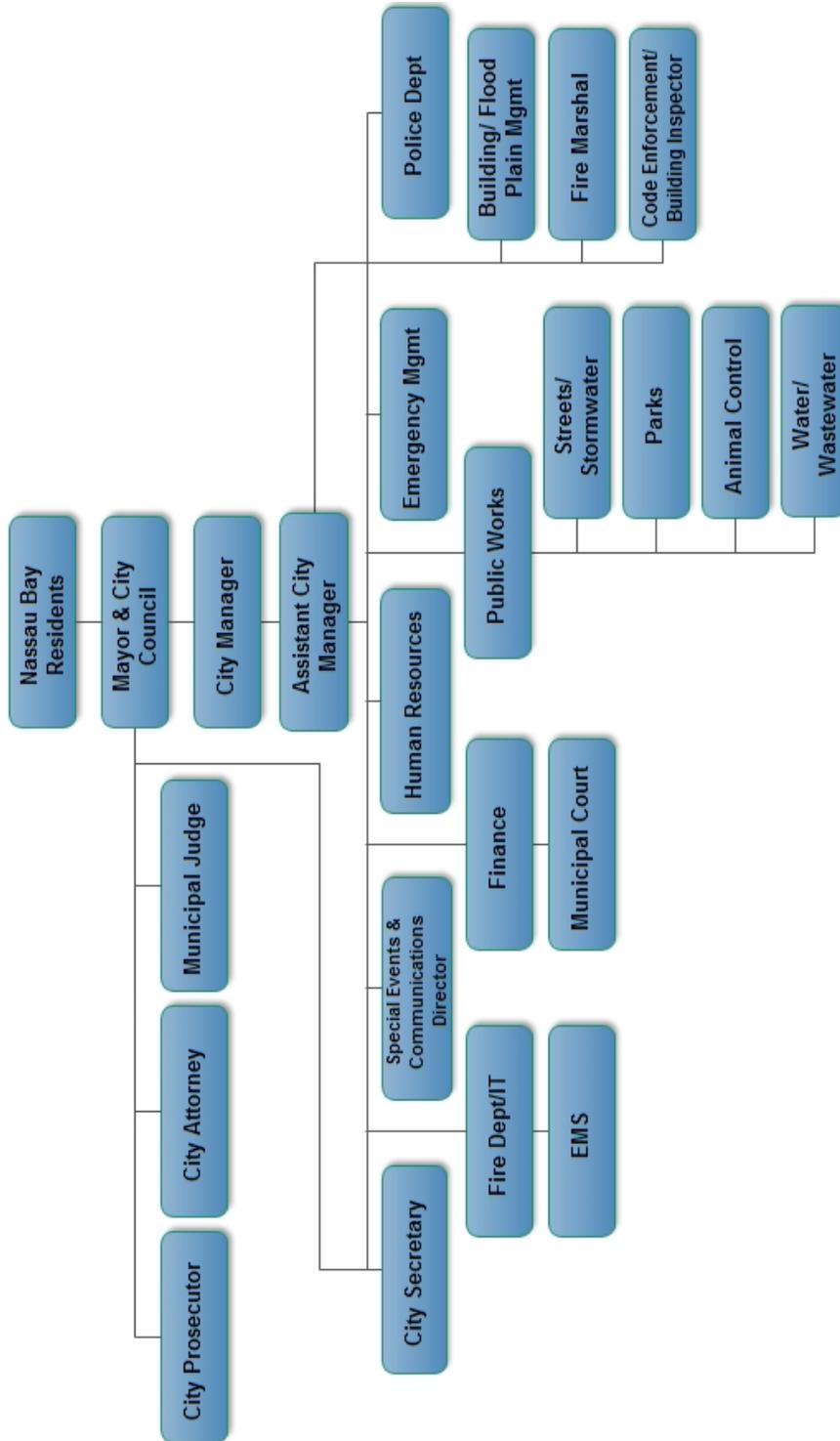
- Chris Reed 2009 - current
- John D. Kennedy 1999 – 2009
- David K. Stall 1992 – 1998
- James A. McFellin 1989 – 1991
- Howard L. Ward 1973 – 1989

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

Citywide Organizational Chart



Budget Overview

~ Continued

Organization of the Funds

The Annual City Budget appropriates 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 FY2015, 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. 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 will hold a tax reauthorization election on November 4, 2014, with the intention of extending the sales tax from April 1, 2015 to April 1, 2019. The current budget assumes this reauthorization will pass. A budget amendment may be necessary if the proposition fails.

Budget Overview

~ Continued

Organization of the Funds – Fund Structure

Total Budget - All Funds	\$ 12,655,160
Governmental Funds	
General Fund	\$ 5,099,720
Debt Service Fund	\$ 631,270
Special Revenue Funds	
Tourism	\$ 561,730
Special Revenue & Grants Fund	\$ 3,097,800
Street Sales Tax Fund	\$ 30,000
Capital Projects Fund	\$ 20,000
Proprietary Fund	
Water & Sewer Fund	\$ 3,214,640
Blended Component Units* (Included in Audited Annual Financial Report)	
Nassau Bay Tax Reinvestment Zone #1	\$ -
Nassau Bay Redevelopment Authority	\$ 691,200
Discrete Component Units* (Not included in Audited Annual Financial Report)	
Nassau Bay Economic Devevelopment Corporation	\$ 180,930
NASA Area Management District	\$ 75,285

* Component Unit budgets are included for informational purposes only and are not adopted or appropriated as part of the Annual City Budget.

Budget Overview

~ Continued

Organization of the Funds – Function/Fund Relationship

Funding Sources for City Departments and Activities

FUNCTIONS	FUNDS						
	General Fund	Water & Sewer Fund	Debt Service Fund	Tourism Fund	Special Revenue & Grants Fund	Capital Projects Fund	Street Sales Tax Fund
General & Administrative	X	X		X	X		
Building Department	X						
Emergency Management	X				X		
Fire Department	X				X		
Public Works	X	X			X	X	X
Parks Department	X			X	X	X	
Police Department	X				X		
Sanitation & Recycling	X						
Animal Control	X				X		
Contingency	X						
Information Services	X				X		
Municipal Court	X				X		
Emergency Medical Service	X				X		
Fire Marshal	X			X	X		
Planning & Development	X						
Code Enforcement	X						
Conference Center	X						
Water & Sewer		X					
Debt Service	X	X	X	X			
Tourism Activities				X			

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 28-29).

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 must 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 Budgeting and Accounting

The basis of budgeting for all funds is modified accrual. The basis of accounting for all funds except the Water and Sewer Fund (Proprietary Fund) is also modified accrual. The Water and Sewer Fund accounting is done on accrual basis. Audited financials for the City utilize accrual basis for the government-wide statements and modified accrual for the fund financials.

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

~ Continued

Budget Calendar

April 1, Tuesday	Operating & CIP Budget Kick-Off; Budget Request Guides Distributed; Departments develop FY15 Objectives	Dept. Managers
April 22, Tuesday	Department FY14 projections, capital outlay detail, funding sources & justification due; Preliminary Operating & CIP Budget request deadline	Dept. Managers
April 30, Wednesday	Receive Preliminary Tax Roll [certified estimate of total appraised value]	HCAD
May 1 - 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 3, Tuesday	Completed City Manager's Draft Budget	City Manager
June 23, Monday	Budget Workshop - Budget Priorities & CIP Funding (cancelled)	City Manager & Council
August 1, 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 4, Monday	EDC Regular Meeting & Budget Workshop - Present Draft Budget for Council Review	Special City Council Meeting, City Manger & EDC
August 11, Monday	Presentation of Budget to City Council and Public Budget Hearing; Schedule Workshop if needed	City Manager at Regular City Council Meeting
August 18, Monday	Publicize Budget Public Hearing in local newspaper per Sec. 102.0065 of TX LGC (August 21, 2014 - Citizen)	Finance Director, City Secretary
August 25 - September 3	Chief Appraiser certifies approved appraisal roll; Calculation of effective and rollback tax rates; 72-hr. notice for budget meeting	Harris County Appraisal District

Budget Overview

~ Continued

Budget Calendar

September	SPENDING FREEZE - all purchases must be approved by Finance; credit cards may not be used without prior authorization by Finance	Finance Department
September 8, Monday	Second Budget Public Hearing; Set Third Public Hearing for October 13, 2014; Acceptance of Certified Roll; Presentation of ETR, RTR; Certification of anticipated collection rate; <i>discuss tax rate</i>	City Manager; City Council; Regular Council Meeting
September 8, Monday	Publish effective and rollback tax rates, schedules and fund balances; submission to Council (September 11, 2014 - Citizen)	Finance Director, City Secretary
September 20, Saturday	Nassau Bay Charter Requirement - Final Date to adopt budget	City Council
September 22, Monday	3rd Budget Public Hearing; Adopt Budget by Ordinance	Special City Council Meeting
September 15, Monday	Publish tax increase public hearing notice (September 18, 2014 - Citizen); Post Notice on Website & NBTV16	Finance Director, City Secretary
September 29, Monday	First Public Hearing on Tax Rate Increase (Requires Quorum)	Special City Council Meeting
October 1, Tuesday	Fiscal Year 2015 Begins	
October 6, Monday	Second Public Hearing on Tax Rate Increase (Requires Quorum)	Special City Council Meeting
October 6, Monday	Publish 2nd Quarter Page Notice (October 9, 2014 - Citizen); Post Notice on Website & NBTV16	Finance Director, City Secretary
October 13, Monday	Adopt Tax Rate by Ordinance	Regular Council Meeting
October 21, 2014	Last Day to Adopt Tax Rate (based on 60th Day after receipt of Certified Roll)	

* *Italicized items are necessary for timeline planning but are contingent on decisions related to the tax rate.*

***Items that have been struck were cancelled during the budget process.*

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. The policy is in compliance with the Public Funds Investment Act's legal requirements and limitations and 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 2014 Tax Year was sent by the Harris County Appraisal District on August 22, 2014. The Certified Appraised Value on the appraisal roll for Tax Year 2014 is \$548,899,152. Over-65, Residential Homestead, Disability, and Other Exemptions total \$92,569,956 (or 16.9% of total appraised value). Thus, the Certified Taxable Value on the appraisal roll for Tax Year 2014 is \$456,329,196.

Budgeted Taxable Value for Tax Year 2014 (Fiscal Year 2015) totals \$429,759,033 as follows: Taxable value of \$456,329,196 plus HCAD Uncertified Tax Roll with (including) hearing loss of \$64,873,420 less 90% of TIRZ Increment Valuation [Adjusted Captured Value of \$101,603,981 x 0.90 = \$91,443,583]. This compares with the prior year as follows:

	Tax Year 2013	<i>% of Total Appraised Value</i>	Tax Year 2014	<i>% of Total Appraised Value</i>
Total Appraised Value	546,504,259		548,899,152	
Less All Exemptions [Over-65, Residential Homestead, Disability, & Other Exemptions]	(92,373,734)	-16.9%	(92,569,956)	-16.9%
Taxable Value	454,130,525		456,329,196	
Plus HCAD [Uncertified Tax Roll with (including) Hearing Loss]	43,602,762	8.8%	64,873,420	12.4%
Estimated Final Taxable Value Including TIRZ	497,733,287		521,202,616	
Less 90% of TIRZ Increment Valuation [Captured Value x 0.9]	(84,680,045)	-15.5%	(91,443,583)	-16.7%
City's Budgeted Taxable Value	413,053,242		429,759,033	

- The Tax Year 2014 tax rate adoption date is October 13, 2014. The proposed tax rate of 74.2120 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 74.2120 cents is comprised of:

M&O Rate = 67.3173 cents per hundred dollars of value
 Debt Service Rate = 06.8947 cents per hundred dollars of value

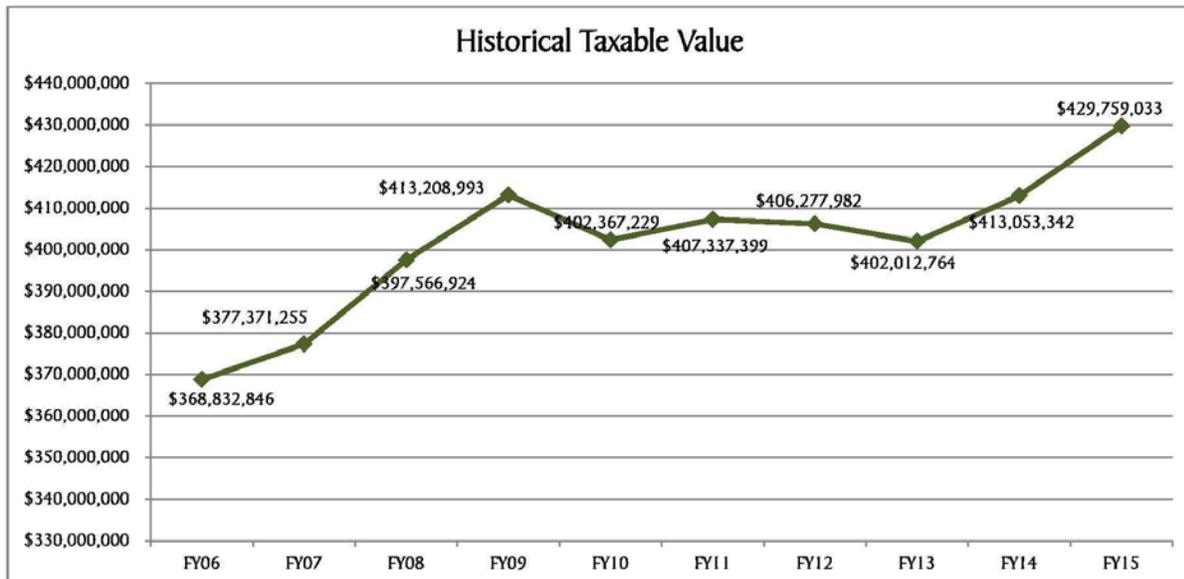
Adding the M&O and the Debt Service rates provides the proposed tax rate of 74.2120 cents per hundred dollar valuation.

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 FY2015 at 6.8947 cents per hundred dollar valuation.
- The proposed M&O portion of the property tax rate of 67.3173 allows the City to accomplish a balanced budget and maintain reserve funds per the City's policy in the recommended range of 90 to 120 days. This M&O tax rate raises more for maintenance and operations than last year's tax rate by 0.006%.
- The Tax Year 2014 Effective Tax Rate is 74.5228 cents per hundred dollar valuation and the Tax Year 2014 Rollback Tax Rate is 79.5257 cents per hundred dollar valuation. The proposed tax rate (74.2120) is a \$0.01 increase from last year's tax rate but is lower than both the Effective and Rollback Rates. The average property owner will see an increase of \$9.50 year over year 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
FY15	2014	0.742120	0.673173	0.068947	0.745228	0.672890	0.795668
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

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

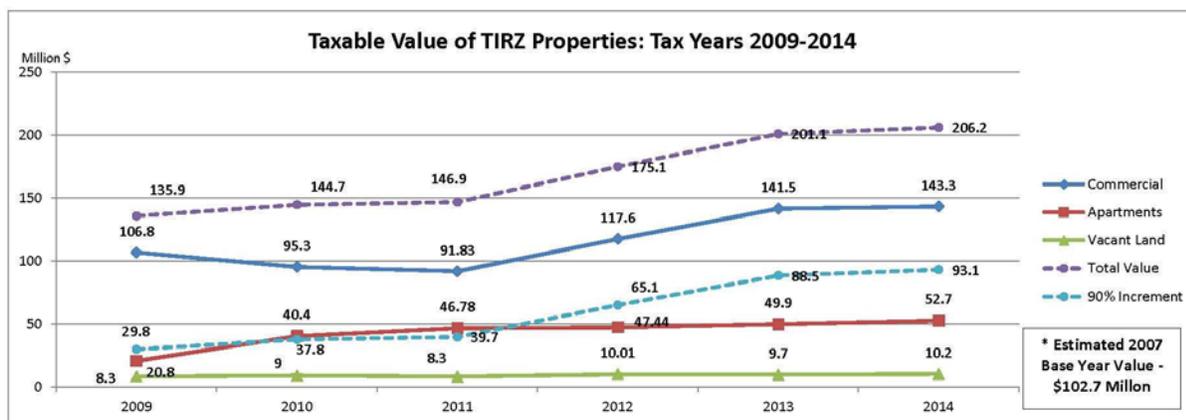
Budgeted Taxable Value & TIRZ Taxable Value

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 \$429,759,033.

	Tax Year 2014 Taxable Value	Total Levy	General Fund	Debt Service Fund
Estimated Final Taxable Value Including TIRZ	521,202,616	3,867,949	3,508,595	359,354
Less 90% of TIRZ Increment Value [Projected Adjusted Captured Value x 0.9]	(91,443,583)	(678,621)	(678,621)	-
City's Budgeted Taxable Value	429,759,033	3,189,328	2,829,974	359,354



Budget Overview

~ Property Taxes Continued

Budgeted Taxable Value

	Tax Year	Taxable Value	Tax Rate	Tax Levy
Assessed Valuation	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
	2013	413,053,342	0.732120	3,024,046
	<i>Budget FY15</i>	2014	429,759,033	0.742120

	Tax Year	M & O Rate	Debt Rate	Total Rate
Rate Distribution	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
	2013	0.672120	0.060000	0.732120
	<i>Budget FY15</i>	2014	0.673173	0.068947

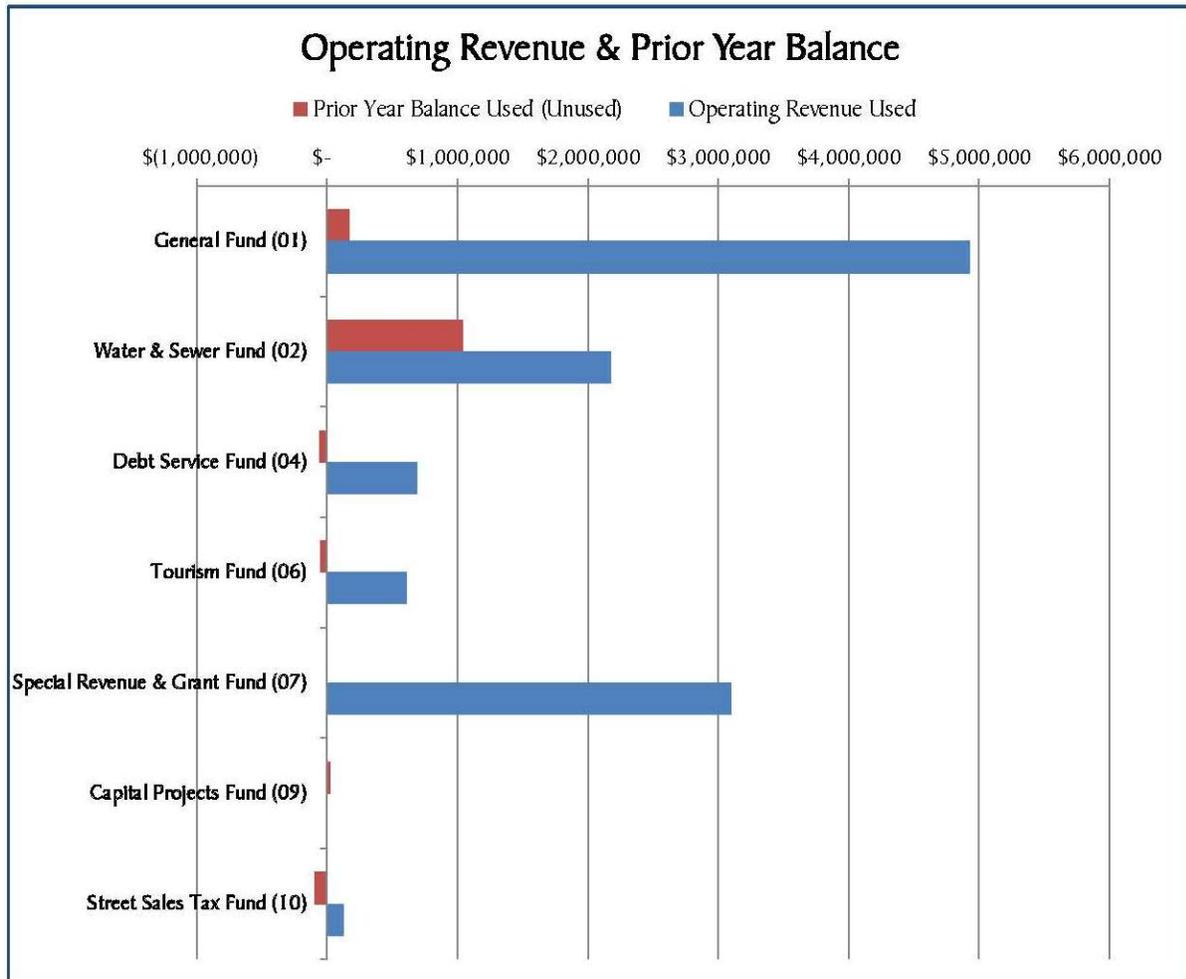
	Tax Year	M & O Levy	Debt Levy	Total Levy
Tax Levy	2005	2,015,450	406,196	2,421,646
	2006	2,018,748	458,959	2,477,706
	2007	1,965,213	547,887	2,513,100
	2008	2,121,250	532,048	2,653,298
	2009	2,170,127	413,553	2,583,680
	2010	2,651,469	167,794	2,819,264
	2011	2,643,732	168,199	2,811,931
	2012	2,750,506	192,710	2,943,216
	2013	2,725,406	298,640	3,024,046
	<i>Budget FY15</i>	2014	2,829,974	359,354

Budget Overview

~ Fund Summaries

Revenue Budget by Fund for Fiscal Year 2015

	Operating Revenue Used	Prior Year Balance Used (Unused)	Total Revenue Used
General Fund (01)	\$ 4,929,820	\$ 169,900	\$ 5,099,720
Water & Sewer Fund (02)	\$ 2,175,800	\$ 1,038,840	\$ 3,214,640
Debt Service Fund (04)	\$ 689,510	\$ (58,240)	\$ 631,270
Tourism Fund (06)	\$ 610,600	\$ (48,870)	\$ 561,730
Special Revenue & Grant Fund (07)	\$ 3,096,200	\$ 1,600	\$ 3,097,800
Capital Projects Fund (09)	\$ 100	\$ 19,900	\$ 20,000
Street Sales Tax Fund (10)	\$ 127,000	\$ (97,000)	\$ 30,000
Total	\$ 11,629,030	\$ 1,026,130	\$ 12,655,160

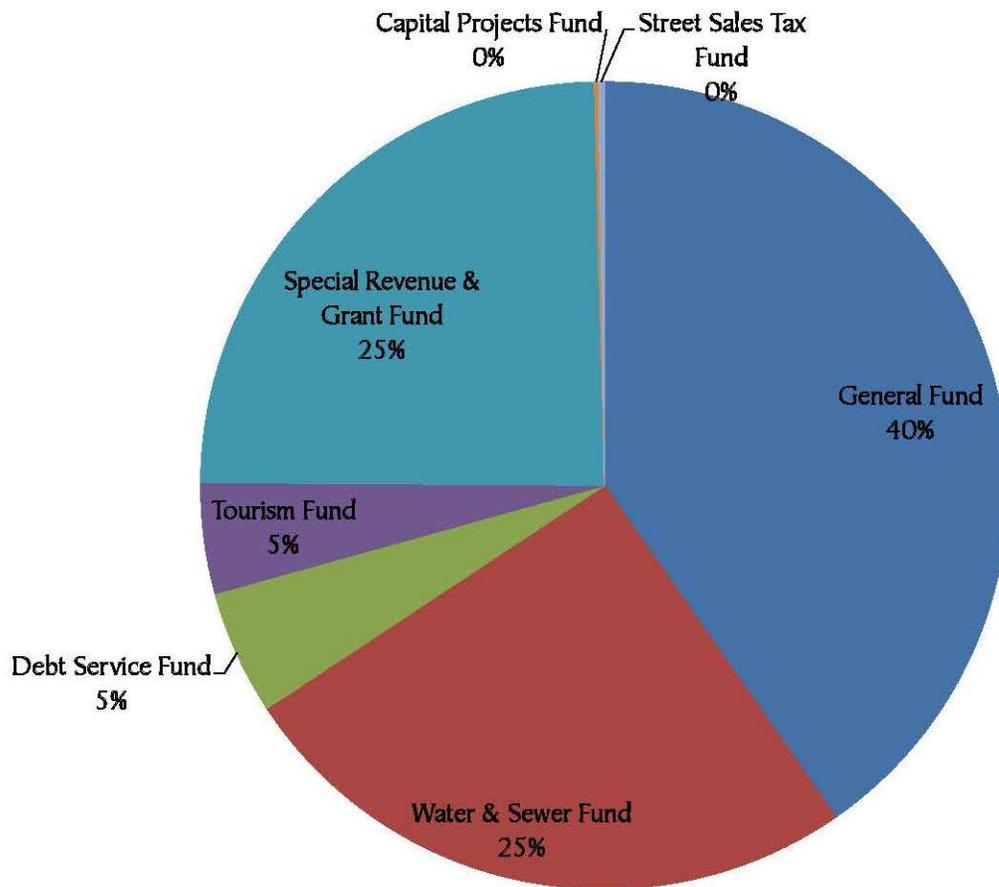


Budget Overview

~ Fund Summaries

Expenditure Budget by Fund for Fiscal Year 2015

	Budgeted Expenditures	% of Total Budget
General Fund	\$ 5,099,720	40.3%
Water & Sewer Fund	\$ 3,214,640	25.4%
Debt Service Fund	\$ 631,270	5.0%
Tourism Fund	\$ 561,730	4.4%
Special Revenue & Grant Fund	\$ 3,097,800	24.5%
Capital Projects Fund	\$ 20,000	0.2%
Street Sales Tax Fund	\$ 30,000	0.2%
Total	\$ 12,655,160	100.0%



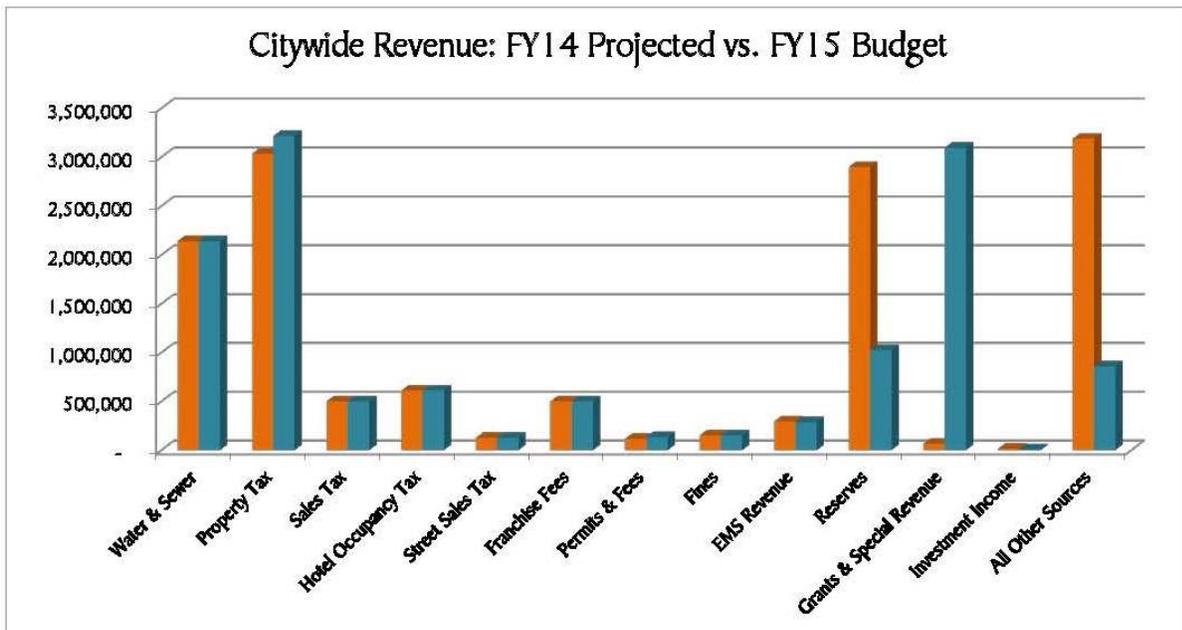
Budget Overview

~ City Wide Summary

Citywide Revenue Summary

Citywide Revenue by Category

Revenue Category	FY13 Actual	FY14 Budget	FY14 Projected	FY15 Budget	% Change Yr/Yr	% of Total
Water & Sewer	2,192,447	2,100,000	2,140,000	2,140,000	0%	17%
Property Tax	2,978,307	3,046,920	3,034,850	3,216,970	6%	25%
Sales Tax	492,397	450,000	500,000	500,000	0%	4%
Hotel Occupancy Tax	606,666	520,000	610,000	610,000	0%	5%
Street Sales Tax	123,099	115,000	126,500	126,500	0%	1%
Franchise Fees	440,416	440,000	500,000	500,000	0%	4%
Permits & Fees	70,460	101,310	116,450	134,800	16%	1%
Fines	163,636	166,230	151,270	151,550	0%	1%
EMS Revenue	295,785	286,000	295,200	286,000	-3%	2%
Reserves	(1,610,182)	3,755,731	2,899,443	1,026,130	-65%	8%
Grants & Special Revenue	576,468	37,400	66,160	3,096,100	4580%	24%
Investment Income	17,650	11,600	14,770	9,100	-38%	0%
All Other Sources	2,018,747	3,175,480	3,188,150	858,010	-73%	7%
Total Revenue	8,365,896	14,205,671	13,642,793	12,655,160	-7%	100.0%



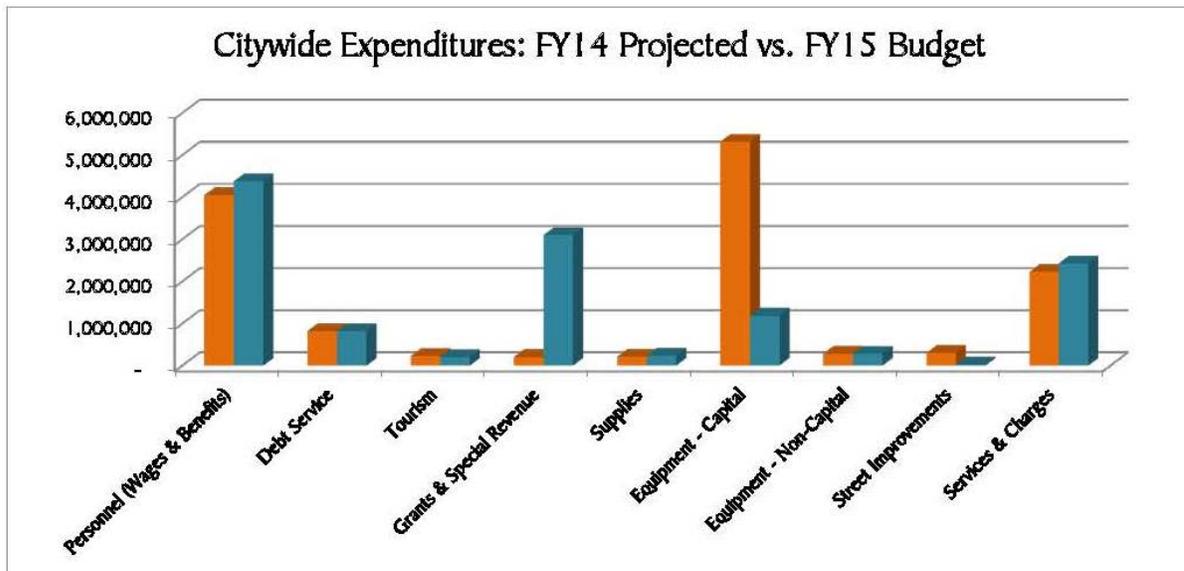
Budget Overview

~ City Wide Summary

Citywide Expenditure Summary

Citywide Expenditures by Category

Expenditure Category	FY13 Actual	FY14 Budget	FY14 Projected	FY15 Budget	% Change Yr/Yr	% of Total
Personnel (Wages & Benefits)	3,789,404	4,073,940	4,047,905	4,376,995	8%	35%
Debt Service	568,848	821,340	821,340	819,390	0%	6%
Tourism	251,746	227,120	227,570	203,160	-11%	2%
Grants & Special Revenue	661,156	217,750	205,848	3,097,800	1405%	24%
Supplies	211,291	237,678	209,470	232,700	11%	2%
Equipment - Capital	660,780	5,613,330	5,314,690	1,183,870	-78%	9%
Equipment - Non-Capital	206,314	256,532	286,530	281,680	-2%	2%
Street Improvements	32,186	392,550	303,020	30,000	-90%	0%
Services & Charges	1,984,172	2,365,431	2,226,420	2,429,565	9%	19%
Expenditure Total	8,365,896	14,205,671	13,642,793	12,655,160	-7%	100%



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 FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
General Fund						
Revenue	4,509,126	4,552,173	4,608,650	4,702,530	4,929,820	321,170
Prior Year Balance Fwd	1,408,730	1,662,905	1,894,325	1,894,325	1,422,510	(471,815)
Expenditures	4,784,600	4,320,753	5,247,761	5,174,345	5,099,720	(148,041)
End of Year Fund Balance	1,133,256	1,894,325	1,255,214	1,422,510	1,252,610	(2,604)
Water & Sewer Fund						
Revenue	3,382,940	2,975,826	2,138,300	2,207,770	2,175,800	37,500
Prior Year Balance Fwd	1,041,374	2,489,416	3,373,109	3,373,109	1,633,039	(1,740,070)
Expenditures	3,647,540	2,092,133	4,405,960	3,947,840	3,214,640	(1,191,320)
End of Year Fund Balance	776,774	3,373,109	1,105,449	1,633,039	594,199	(511,250)
Debt Service Fund						
Revenue	439,450	438,814	613,590	610,970	689,510	75,920
Prior Year Balance Fwd	208,526	208,935	181,175	181,879	162,009	(19,166)
Expenditures	466,160	465,870	630,840	630,840	631,270	430
End of Year Fund Balance	181,816	181,879	163,925	162,009	220,249	56,324
Tourism Fund						
Revenue	606,350	607,248	520,400	611,050	610,600	90,200
Prior Year Balance Fwd	225,607	249,880	224,379	312,621	388,591	164,212
Expenditures	544,540	544,507	520,190	535,080	561,730	41,540
End of Year Fund Balance	287,417	312,621	224,589	388,591	437,461	212,872
Special Rev. & Grants Fund						
Revenue	1,117,500	577,038	37,500	66,930	3,096,200	3,058,700
Prior Year Balance Fwd	303,032	299,534	208,145	215,386	76,468	(131,677)
Expenditures	1,341,780	661,156	217,750	205,848	3,097,800	2,880,050
End of Year Fund Balance	78,752	215,416	27,895	76,468	74,868	46,973
Capital Projects Fund						
Revenue	700,000	700,301	2,416,000	2,416,600	100	(2,415,900)
Prior Year Balance Fwd	416	418	374,768	451,429	22,209	(352,559)
Expenditures	700,400	249,290	2,790,620	2,845,820	20,000	(2,770,620)
End of Year Fund Balance	16	451,429	148	22,209	2,309	2,161
Street Sales Tax Fund						
Revenue	106,600	124,679	115,500	127,500	127,000	11,500
Prior Year Balance Fwd	327,162	331,242	423,735	423,735	248,215	(175,520)
Expenditures	288,380	32,186	392,550	303,020	30,000	(362,550)
End of Year Fund Balance	145,382	423,735	146,685	248,215	345,215	198,530
TOTAL BUDGET						
Revenue	10,861,966	9,976,079	10,449,940	10,743,350	11,629,030	1,179,090
Prior Year Balance Fwd	3,514,847	5,242,330	6,679,636	6,852,484	3,953,041	(2,726,595)
Expenditures	11,773,400	8,365,895	14,205,671	13,642,793	12,655,160	(1,550,511)
End of Year Fund Balance	2,603,413	6,852,514	2,923,905	3,953,041	2,926,911	3,006



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 (56.0%), Franchise Fee (9.8%), and Sales Tax (9.8%) combining for a total of 75.6% 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

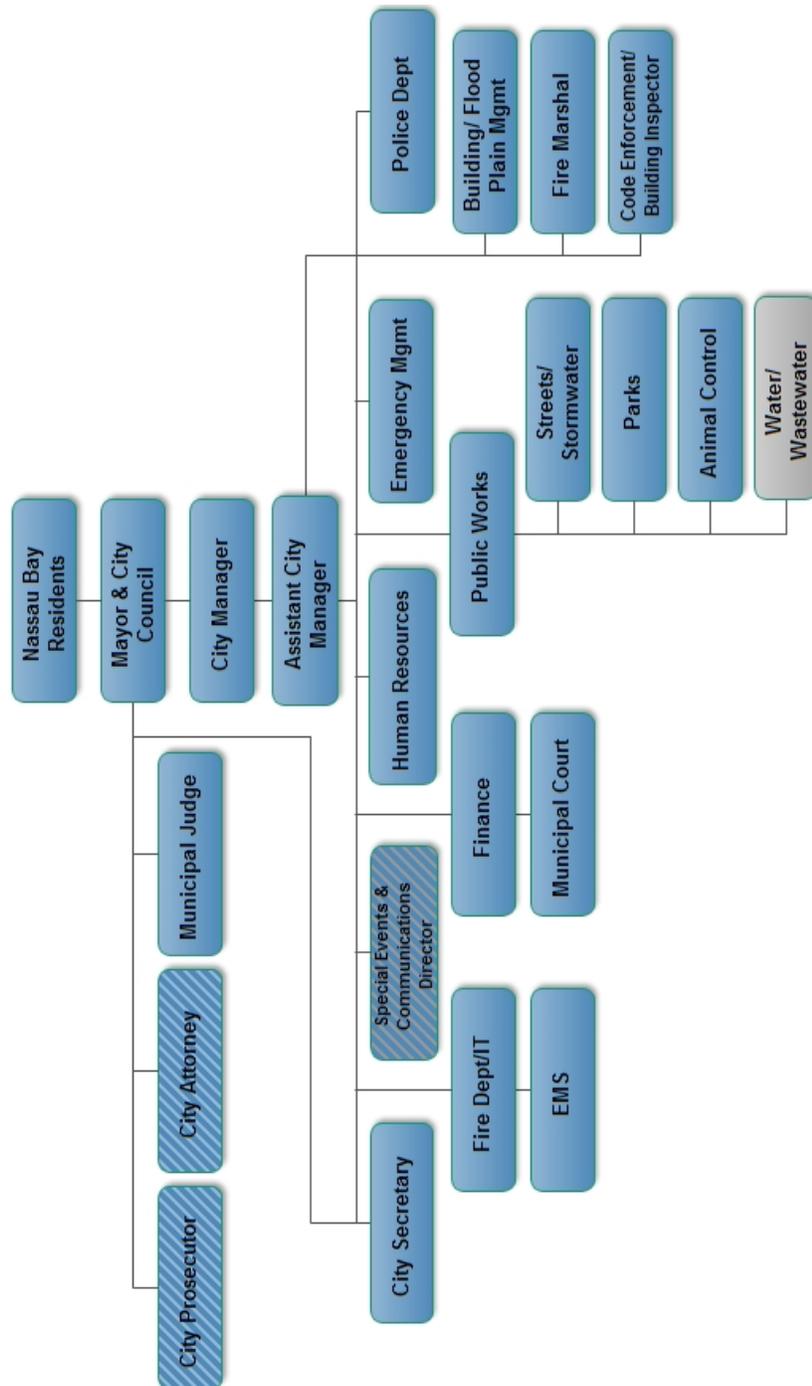
The General Fund is organized into seventeen departments. Each department receives funding and support for the performance of its work.

- 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



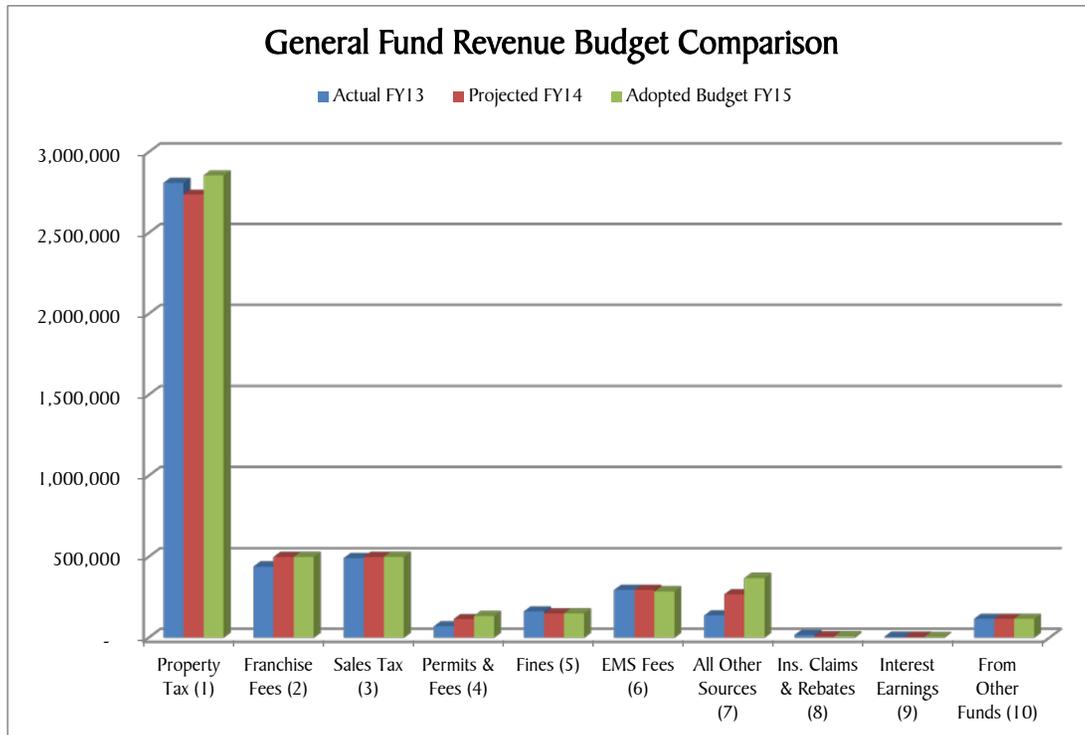
*A guide to the organizational charts presented throughout the budget document can be found on page 165.

General Fund Revenue

~ Revenue Summary

Revenue Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
Property Tax (1)	2,799,406	2,810,166	2,747,400	2,737,700	2,855,970	4.0%
Franchise Fees (2)	440,000	440,416	440,000	500,000	500,000	13.6%
Sales Tax (3)	491,000	492,397	450,000	500,000	500,000	11.1%
Permits & Fees (4)	63,750	70,460	101,310	116,450	134,800	33.1%
Fines (5)	163,050	163,636	166,230	151,270	151,550	-8.8%
EMS Fees (6)	288,000	295,785	286,000	295,200	286,000	0.0%
All Other Sources (7)	99,500	138,355	277,310	268,610	369,100	33.1%
Ins. Claims & Rebates (8)	18,000	17,238	18,000	9,900	10,000	-44.4%
Interest Earnings (9)	3,020	6,321	5,000	6,000	5,000	0.0%
From Other Funds (10)	143,400	117,400	117,400	117,400	117,400	0.0%
TOTAL	4,509,126	4,552,173	4,608,650	4,702,530	4,929,820	7.0%
Prior Year Balance Forward	1,408,730	-	1,894,325	1,894,325	1,422,510	-24.9%
End of Year Fund Balance	(1,133,256)	-	(1,255,214)	(1,422,510)	(1,252,610)	-0.2%
GRAND TOTAL	4,784,600	4,552,173	5,247,761	5,174,345	5,099,720	-2.8%

Property Tax (1) 3005, 3010, 3015
 Franchise Fees (2) 3105
 Sales Tax (3) 3110
 Permits & Fees (4) 3115, 3205, 3206, 3305, 3306, 3307
 (4) 3308, 3310, 3312, 3315, 3405
 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
 Ins. Claims & Rebates (8) 3905
 Interest Earnings (9) 3020, 3025, 3990
 From Other Funds (10) 4910, 4915, 4920, 4922, 4923
 (10) 9526

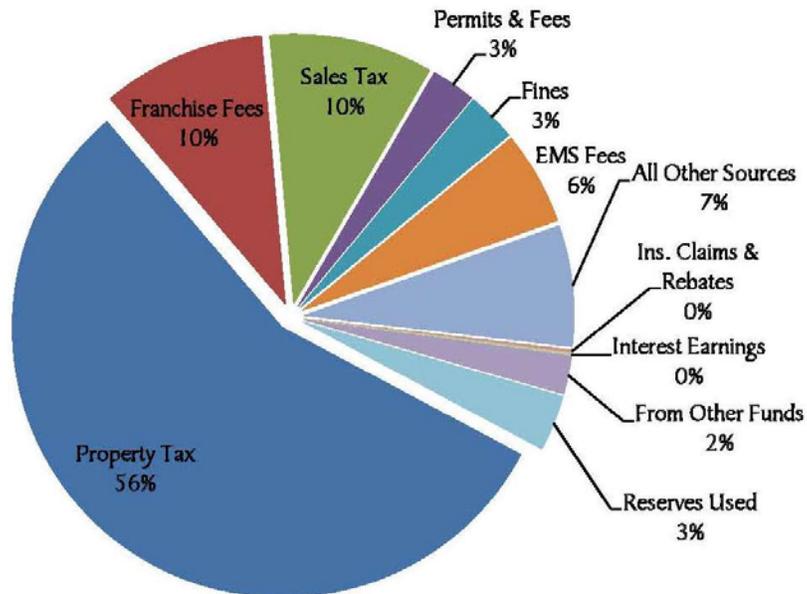


General Fund Revenue

~Fund 01

Revenue Types as a % of Total General Fund Revenue

Revenue Summary	Adopted	%
	Budget FY15	Total
Property Tax	2,855,970	56.0%
Franchise Fees	500,000	9.8%
Sales Tax	500,000	9.8%
Permits & Fees	134,800	2.6%
Fines	151,550	3.0%
EMS Fees	286,000	5.6%
All Other Sources	369,100	7.2%
Ins. Claims & Rebates	10,000	0.2%
Interest Earnings	5,000	0.1%
From Other Funds	117,400	2.3%
TOTAL	4,929,820	96.7%
Prior Year Balance Forward	1,422,510	
Reserves Used	169,900	3.3%
End of Year Fund Balance	(1,252,610)	
GRAND TOTAL	5,099,720	100.0%

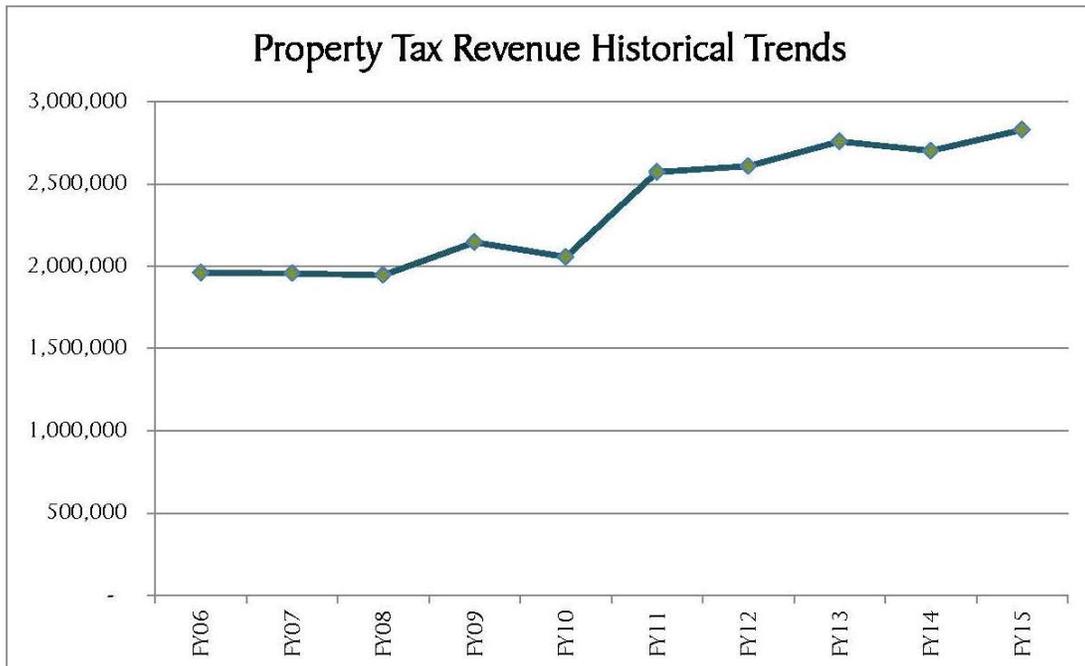


General Fund Revenue

~Fund 01

Property Tax Revenue Historical Trends

Fiscal Year	Taxable Property Value	M&O Tax Rate	General Fund Property Tax Revenue
FY06 Actual	368,832,846	0.546440	1,960,655
FY07 Actual	377,371,255	0.534950	1,956,123
FY08 Actual	397,566,924	0.494310	1,946,076
FY09 Actual	413,208,993	0.513360	2,146,283
FY10 Actual	402,367,229	0.539340	2,056,513
FY11 Actual	407,337,399	0.650927	2,572,636
FY12 Actual	406,277,982	0.650720	2,609,133
FY13 Actual	402,012,764	0.690788	2,758,286
FY14 Projected	413,053,342	0.672120	2,702,000
FY15 Budgeted	429,759,033	0.673173	2,829,970



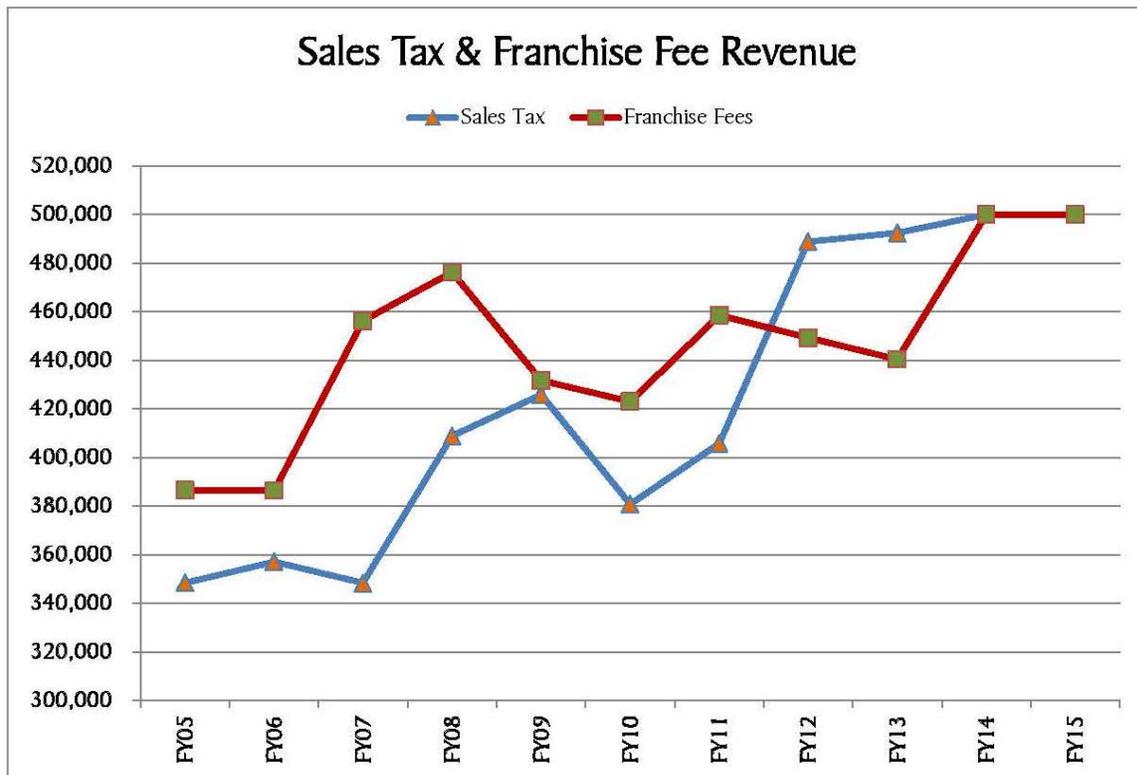
General Fund Revenue

~Fund 01

Sales Tax & Franchise Fee Historical Trends

Sales Tax	Year	Revenue
	FY05	348,439
	FY06	357,075
	FY07	348,326
	FY08	408,881
	FY09	425,823
	FY10	380,786
	FY11	405,728
	FY12	488,872
	FY13	492,397
Projected	FY14	500,000
Budget	FY15	500,000

Franchise Fees	Year	Revenue
	FY05	386,566
	FY06	386,372
	FY07	456,327
	FY08	476,237
	FY09	431,624
	FY10	423,030
	FY11	458,496
	FY12	449,273
	FY13	440,416
Projected	FY14	500,000
Budget	FY15	500,000



General Fund Revenue

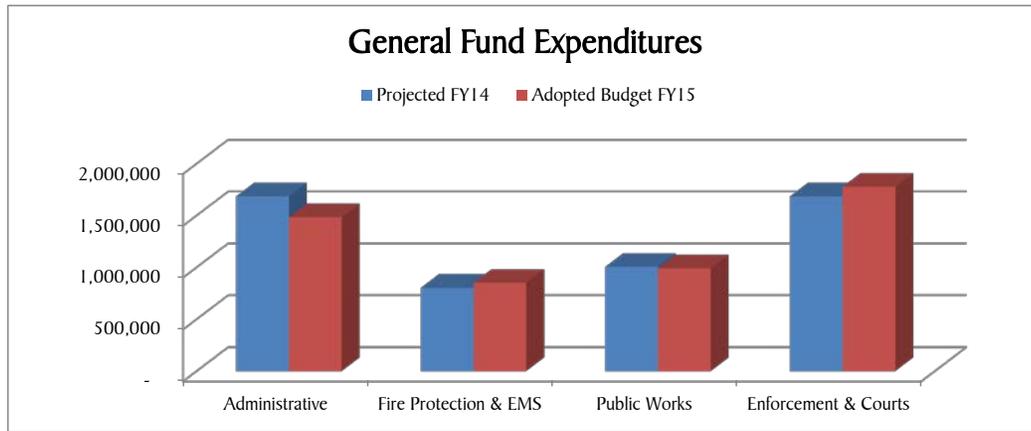
~ Fund 01

Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	%
	FY13	FY13	FY14	FY14	FY15	Change
3005 Property Tax - Current	2,750,506	2,758,286	2,725,400	2,702,000	2,829,970	3.8%
3010 Property Tax - Prior Years	34,900	34,907	8,000	19,100	10,000	25.0%
3015 Penalty & Interest	14,000	16,973	14,000	16,600	16,000	14.3%
3020 Interest on Investment	3,000	6,320	5,000	6,000	5,000	0.0%
3025 Cash Discounts Taken	20	1	-	-	-	0.0%
3030 Conf. Center Lease Revenue	-	-	78,770	46,990	205,000	160.3%
3105 Franchise Fees	440,000	440,416	440,000	500,000	500,000	13.6%
3110 Sales Tax	491,000	492,397	450,000	500,000	500,000	11.1%
3115 Alcoholic Beverage Tax	8,000	11,168	8,000	13,000	12,000	50.0%
3116 Child Passenger Safety	150	124	150	70	150	0.0%
3205 Animal Licenses	450	1,247	200	950	600	200.0%
3206 Animal Pound Fee	700	1,800	860	1,700	1,000	16.3%
3305 Building Permits	35,000	34,056	75,000	80,000	105,000	40.0%
3307 Fire Code Permits	9,000	7,854	9,000	6,200	5,000	-44.4%
3308 Planning & Zoning Fees	1,000	450	1,000	2,450	1,000	0.0%
3309 Ambulance Permits	8,000	5,800	6,000	6,200	6,000	0.0%
3310 Building & Craft Licenses	3,000	4,800	3,000	5,300	4,000	33.3%
3312 Business Licenses	400	1,300	900	1,200	900	0.0%
3315 Alcohol Licenses	2,200	4,135	3,000	3,750	3,500	16.7%
3405 Government Service Fees	4,000	3,650	350	1,900	1,800	414.3%
3505 Fines	160,000	161,466	163,000	150,000	150,000	-8.0%
3506 Court Time Pay Fees - Local	2,200	1,238	2,200	700	800	-63.6%
3507 Court TLFTA3 - Local	700	808	880	500	600	-31.8%
3605 Ambulance Fees	280,000	289,985	280,000	289,000	280,000	0.0%
3705 Miscellaneous	3,000	3,194	3,000	5,300	2,000	-33.3%
3710 Fixed Asset Sale Proceeds	-	9,323	-	500	60,000	0.0%
3715 Recyclable Material Sales	-	4,166	-	1,650	-	0.0%
3720 Lien Revenue	-	4,096	-	-	-	0.0%
3800 Commercial Waste Collection	21,000	25,648	21,000	24,000	24,000	14.3%
3810 Rent/Lease Revenue	50,000	58,629	146,040	156,000	49,100	-66.4%
3815 Donations for City Programs	1,500	5,250	1,500	2,320	2,000	33.3%
3830 Emrg Mgnt Grant Reimbursement	24,000	28,050	27,000	31,850	27,000	0.0%
3905 Insurance Claims & Rebates	18,000	17,238	18,000	9,900	10,000	-44.4%
3910 Loan Proceeds - General Fund	-	-	-	-	-	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	14,400	14,400	0.0%
4922 G&A Overhead - Tourism	-	-	-	-	-	0.0%
4923 G&A Overhead - EDC	100,000	100,000	100,000	100,000	100,000	0.0%
TOTAL - Current Revenue	4,483,126	4,552,173	4,608,650	4,702,530	4,929,820	7.0%
9520 Prior Year Balance	1,408,730	-	1,894,325	1,894,325	1,422,510	-24.9%
9525 End of Year Fund Reserve	(1,133,256)	-	(1,255,214)	(1,422,510)	(1,252,610)	-0.2%
9526 Transfer from Capital Project Fund	26,000	-	-	-	-	0.0%
GRAND TOTAL	4,784,600	4,552,173	5,247,761	5,174,345	5,099,720	-2.8%

General Fund Expenditures

~ Fund 01

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Administrative (1)	1,293,410	1,147,482	1,740,021	1,684,960	1,482,540	(257,481)
Fire Protection & EMS (2)	807,080	770,504	798,550	801,690	849,700	51,150
Public Works (3)	1,037,440	852,645	994,550	1,004,910	990,540	(4,010)
Enforcement & Courts (4)	1,646,670	1,550,124	1,714,640	1,682,785	1,776,940	62,300
TOTAL	4,784,600	4,320,754	5,247,761	5,174,345	5,099,720	(148,041)



Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
1 General & Administrative	805,730	726,816	1,171,141	1,168,300	758,220	-35.3%
2 Building Department	127,530	115,020	128,610	122,330	130,190	1.2%
3 Emergency Management	138,070	134,539	144,030	146,130	147,870	2.7%
4 Fire Department	380,200	345,316	363,690	366,170	364,150	0.1%
5 Public Works	465,580	339,456	424,580	422,710	398,140	-6.2%
6 Parks Department	336,810	277,248	333,640	346,110	356,070	6.7%
7 Police Department	1,192,940	1,124,462	1,232,980	1,213,940	1,275,600	3.5%
8 Sanitation & Recycling	235,050	235,941	236,330	236,090	236,330	0.0%
9 Animal Control	39,230	35,134	38,320	40,270	38,240	-0.2%
10 Contingency Department	100,000	70,130	100,000	50,000	100,000	0.0%
11 Information Services	229,610	210,326	231,080	237,620	256,450	11.0%
12 Municipal Court	116,810	115,999	125,950	121,510	129,300	2.7%
13 Emergency Medical Service	426,880	425,188	434,860	435,520	485,550	11.7%
14 Fire Marshal	110,160	97,245	113,935	112,085	112,855	-0.9%
15 Planning & Development	20,000	5,670	15,000	10,000	15,000	0.0%
16 Code Enforcement	60,000	62,263	74,845	72,650	90,755	21.3%
17 Conference Center	-	-	78,770	72,910	205,000	160.3%
TOTAL	4,784,600	4,320,754	5,247,761	5,174,345	5,099,720	-2.8%

Over/(Under) Budget	(73,416)	(148,041)	Inc./(Decr.)
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(1) General & Admin., Emergency Mgmt., Contingency, Information Services, Planning & Development, Conference Center

(2) Fire Department, Emergency Medical Service

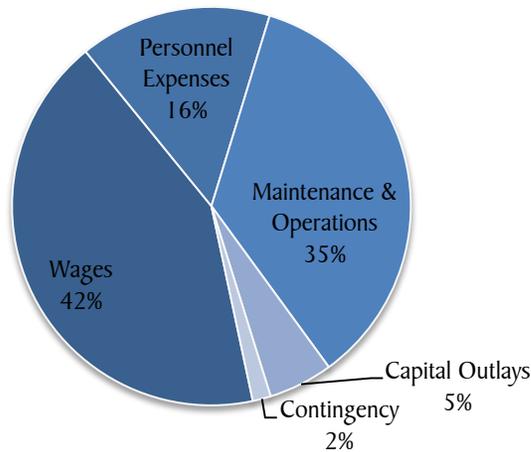
(3) Public Works, Parks Department, Sanitation & Recycling

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

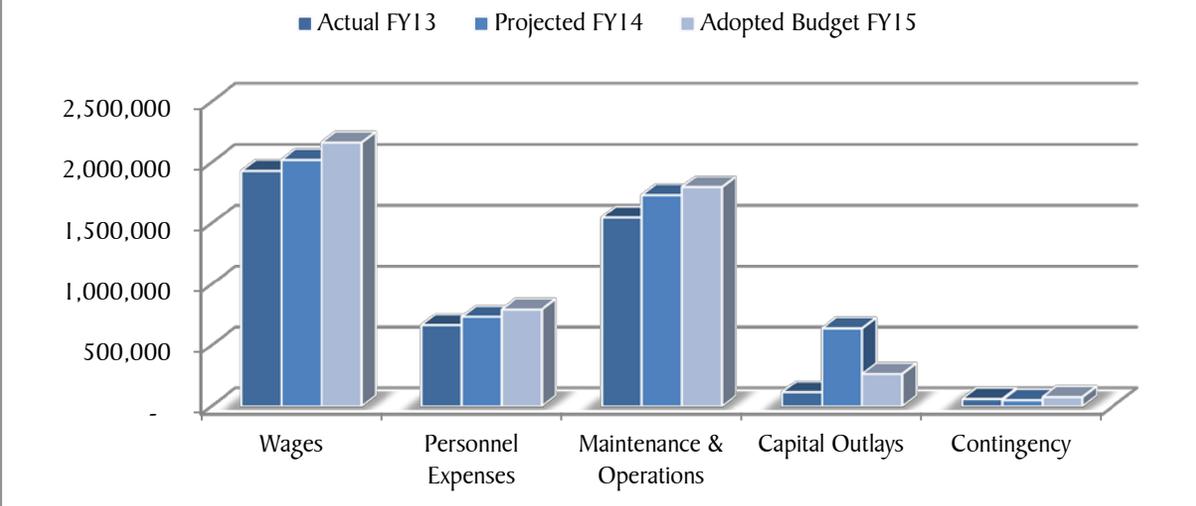
General Fund Expenditures

~ Fund 01

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	1,998,230	1,931,725	2,048,700	2,021,730	2,165,650	116,950
Personnel Expenses	688,410	665,719	721,370	733,230	795,260	73,890
Maintenance & Operations	1,811,090	1,549,315	1,764,991	1,731,685	1,797,440	32,449
Capital Outlays	211,870	113,865	637,700	637,700	266,370	(371,330)
Contingency	75,000	60,130	75,000	50,000	75,000	-
TOTAL	4,784,600	4,320,754	5,247,761	5,174,345	5,099,720	(148,041)



General Fund Expenditures Historical Comparison



General Fund Expenditures

~ Department 01

General & Administrative

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

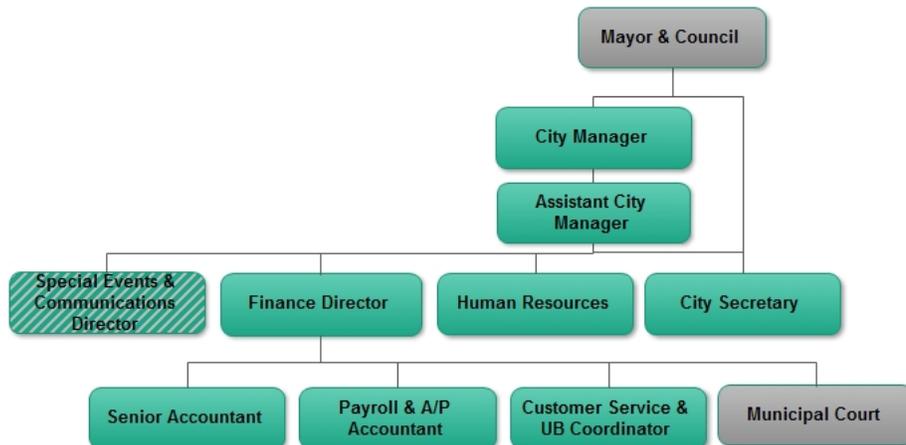
- Planning
- Economic Development
- Risk Management
- Intergovernmental Relations
- Legal
- Issuance of Licenses & Permits
- Records Management
- Public Information
- Accounting
- Budget Preparation
- Budget Administration
- Debt Management
- Finance Administration Tax Reconciliation
- Purchasing
- Payroll
- Personnel
- Personnel Benefit Administration
- 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
- Assistant City Manager
- City Secretary
- Finance Director
- Human Resources Administrator
- Senior Accountant
- Payroll & A/P Accountant
- Customer Service/Utility Billing Coordinator
- Special Events & Communications Director

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



General Fund Expenditures

01 ~ General & Administrative

Expenditures Summary		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget	FY13	Budget	FY14	Budget	FY15
		FY13	FY13	FY14	FY14	FY15	Change
Wages		249,710	241,205	260,950	260,400	276,150	15,200
Personnel Expenses		82,320	81,387	88,370	95,450	107,370	19,000
Maintenance & Operations		473,700	404,224	405,821	396,450	374,700	(31,121)
Capital Outlays		-	-	416,000	416,000	-	(416,000)
TOTAL		805,730	726,816	1,171,141	1,168,300	758,220	(412,921)
Line Item Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget	FY13	Budget	FY14	Budget	FY15
		FY13	FY13	FY14	FY14	FY15	Change
4005	Audit	40,000	39,510	40,000	40,000	40,000	0.0%
4010	Tax Collector-Assessor & HCAD	28,000	26,139	26,000	26,000	26,000	0.0%
4030	Dues, Fees & Subscriptions	8,440	12,453	8,440	8,650	8,440	0.0%
4040	Advertising	6,500	5,878	6,500	5,000	6,000	-7.7%
4042	Publications	8,640	6,702	8,640	8,640	8,640	0.0%
4045	Printing	6,000	2,065	6,000	5,000	5,000	-16.7%
4055	Legal Fees	115,500	115,191	85,000	97,000	88,000	3.5%
4060	Contract Services	36,050	30,030	36,050	36,000	36,000	-0.1%
4061	Fixed Asset Management	3,000	2,950	3,000	3,000	3,000	0.0%
4062	City Programs	15,200	14,415	15,200	15,200	15,200	0.0%
4105	Maintenance - Facilities	-	-	2,000	2,000	2,000	0.0%
4110	Maintenance - Equipment	1,000	-	1,000	1,000	1,000	0.0%
4205	Supplies - Office	13,500	14,664	13,500	12,000	13,500	0.0%
4210	Supplies - Postage	5,100	6,911	5,500	5,500	6,000	9.1%
4220	Supplies - Uniforms	-	-	450	450	800	77.8%
4225	Supplies - Computers/Copiers	4,040	5,169	4,040	4,400	-	-100.0%
4240	Supplies - Building	3,800	4,126	3,800	4,050	5,000	31.6%
4305	Wages	245,510	240,538	259,800	259,800	275,350	6.0%
4306	Overtime	4,200	666	1,150	600	800	-30.4%
4310	Social Security	19,260	18,126	20,470	20,470	21,760	6.3%
4390	Expense of City Officials	22,500	15,255	22,500	20,000	22,500	0.0%
4396	Phone Allowance	4,800	5,000	4,800	5,400	5,400	12.5%
4405	Insurance - Bonds	750	-	750	-	750	0.0%
4410	Insurance - General	3,850	4,300	3,340	11,300	7,410	121.9%
4415	Insurance - Medical & Dental	26,040	25,569	27,360	33,840	36,750	34.3%
4420	Insurance - Unemployment	5,000	-	5,000	1,000	5,000	0.0%
4425	Insurance - Workers' Comp	2,030	1,606	2,320	2,300	2,470	6.5%
4430	Retirement - Contribution	32,220	32,692	35,740	35,740	43,460	21.6%
4440	Insurance - LT Disability	6,000	6,597	6,000	6,000	6,200	3.3%
4505	Utilities	77,009	76,787	65,000	65,000	30,000	-53.8%
4605	Training & Travel	15,330	8,525	15,330	12,000	15,330	0.0%
4710	Election Expense	15,000	-	15,000	500	15,000	0.0%
4904	Lease Purchase	2,460	1,872	2,460	2,460	2,460	0.0%
4917	Issuance Costs	26,000	-	-	-	-	0.0%
4925	Transfer to Capital Projects Fund	-	-	416,000	416,000	-	-100.0%
4930	Exams & Drug Testing	3,000	3,078	3,000	2,000	3,000	0.0%
TOTAL		805,730	726,816	1,171,141	1,168,300	758,220	-35.3%

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. Additionally, the Code Enforcement officer may also assist in Building Inspections.

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



The functions of Health Officer are performed by Harris County.

Facilities

Office space is provided within City Hall for this department.

Vehicles

- 2010 Ford Expedition

General Fund Expenditures

02 ~ Building Department

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	80,900	77,029	81,450	81,400	83,040	1,590
Personnel Expenses	32,170	29,623	32,480	32,480	34,830	2,350
Maintenance & Operations	14,460	8,368	14,680	8,450	12,320	(2,360)
Capital Outlays	-	-	-	-	-	-
TOTAL	127,530	115,020	128,610	122,330	130,190	1,580

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees & Subscriptions	700	543	700	700	700	0.0%
4045 Printing	1,300	1,069	1,000	700	700	-30.0%
4060 Contract Services	5,000	990	5,000	1,500	3,500	-30.0%
4120 Maintenance - Vehicles	1,500	1,911	1,500	400	1,500	0.0%
4220 Supplies - Uniforms	200	139	200	200	200	0.0%
4235 Small Equipment & Tools	-	-	100	100	100	0.0%
4245 Supplies - Gas & Oil	950	598	950	660	950	0.0%
4305 Wages	80,800	76,961	81,150	81,150	82,870	2.1%
4306 Overtime	100	68	300	250	170	-43.3%
4310 Social Security	6,230	5,780	6,440	6,440	6,580	2.2%
4396 Phone Allowance	1,800	1,567	1,800	1,800	1,800	0.0%
4410 Insurance - General	2,590	2,446	3,030	2,990	2,450	-19.1%
4415 Insurance - Medical & Dental	13,700	12,328	12,990	12,990	13,320	2.5%
4425 Insurance - Workers' Comp	220	172	200	200	220	10.0%
4430 Retirement - Contribution	10,440	9,948	11,250	11,250	13,130	16.7%
4605 Training & Travel	2,000	500	2,000	1,000	2,000	0.0%
TOTAL	127,530	115,020	128,610	122,330	130,190	1.2%

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 FY2015. This year the department will work with the Building Department to oversee the implementation of a FEMA Elevation Grant assisting 36 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.

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 FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	90,230	88,813	93,830	93,830	96,640	2,810
Personnel Expenses	29,050	28,741	31,070	31,070	30,920	(150)
Maintenance & Operations	18,790	16,985	19,130	21,230	20,310	1,180
Capital Outlays	-	-	-	-	-	-
TOTAL	138,070	134,539	144,030	146,130	147,870	3,840

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees & Subscriptions	620	535	620	620	620	0.0%
4045 Printing	700	350	700	750	700	0.0%
4110 Maintenance - Equipment	5,000	5,601	5,000	7,050	6,600	32.0%
4230 Supplies - Emergency Operations	800	800	800	800	800	0.0%
4245 Supplies - Gas & Oil	4,500	1,396	4,500	4,500	4,500	0.0%
4305 Wages	90,230	88,813	93,830	93,830	96,640	3.0%
4308 Wages - Pay Plan/Merit	-	-	-	-	-	0.0%
4310 Social Security	6,940	6,875	7,320	7,320	7,530	2.9%
4396 Phone Allowance	1,200	1,200	1,200	1,200	1,200	0.0%
4410 Insurance - General	1,820	1,715	2,160	2,160	1,740	-19.4%
4415 Insurance - Medical & Dental	9,270	9,269	9,770	9,770	7,150	-26.8%
4430 Retirement - Contribution	11,640	11,397	12,780	12,780	15,040	17.7%
4605 Training & Travel	5,350	6,589	5,350	5,350	5,350	0.0%
4705 Miscellaneous	-	-	-	-	-	0.0%
TOTAL	138,070	134,539	144,030	146,130	147,870	2.7%

General Fund Expenditures

~ Department 04

Fire Department

Volunteer Staffing

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

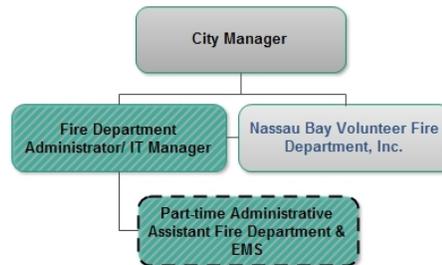
The City contracts with Nassau Bay Volunteer Fire Department, Inc. for fire & rescue services. The structure of the contract is such that the City provides equipment and an operating budget (Resolution No. R95-1269). No cash payment is made for services rendered.

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 FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	45,800	43,012	46,440	46,440	47,590	1,150
Personnel Expenses	46,460	42,231	47,600	47,600	47,500	(100)
Maintenance & Operations	174,070	146,208	155,780	158,260	155,190	(590)
Capital Outlays	113,870	113,865	113,870	113,870	113,870	-
TOTAL	380,200	345,316	363,690	366,170	364,150	460

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees & Subscriptions	3,850	3,719	4,140	4,140	4,150	0.2%
4060 Contract Services	2,900	2,805	2,900	2,900	2,900	0.0%
4105 Maintenance - Facilities	3,390	4,061	3,890	6,000	3,890	0.0%
4110 Maintenance - Equipment	11,830	6,004	12,330	12,330	12,330	0.0%
4120 Maintenance - Vehicles	41,550	41,368	29,400	36,000	29,400	0.0%
4125 Maintenance - Marine	4,000	2,782	4,000	4,000	4,000	0.0%
4215 Supplies - Medical	1,500	1,683	1,500	1,500	1,500	0.0%
4220 Supplies - Uniforms	3,900	2,359	3,900	3,500	3,900	0.0%
4221 Supplies - Protective Clothing	15,000	6,064	15,000	13,000	15,000	0.0%
4230 Supplies - Miscellaneous	3,500	1,696	3,500	3,000	3,500	0.0%
4235 Supplies - Tools	14,000	14,245	3,000	3,500	3,000	0.0%
4245 Supplies - Gas & Oil	7,500	5,589	7,500	6,500	7,500	0.0%
4305 Wages	45,800	43,012	46,440	46,440	47,590	2.5%
4310 Social Security	3,520	3,336	3,760	3,760	3,840	2.1%
4396 Phone Allowance	2,400	2,300	2,400	2,400	2,400	0.0%
4410 Insurance - General	16,200	16,184	17,540	17,590	16,390	-6.6%
4415 Insurance - Medical & Dental	4,630	4,635	4,880	4,880	3,580	-26.6%
4425 Insurance - Workers' Comp	3,900	(817)	4,130	4,090	4,680	13.3%
4430 Retirement - Contribution	5,910	5,521	6,560	6,560	7,680	17.1%
4435 Retirement - Volunteers	30,000	26,439	30,000	30,000	30,000	0.0%
4505 Utilities	6,850	6,529	6,850	6,500	6,850	0.0%
4605 Training & Travel	16,000	13,951	18,000	16,000	18,000	0.0%
4904 Lease Purchase	113,870	113,865	113,870	113,870	113,870	0.0%
4905 Capital Outlays	-	-	-	-	-	0.0%
4910 Annual Banquet	7,200	6,860	7,200	7,410	7,200	0.0%
4911 Awards - Response & Incentive	9,000	9,217	9,000	8,000	9,000	0.0%
4912 Social Events	2,000	1,909	2,000	2,300	2,000	0.0%
TOTAL	380,200	345,316	363,690	366,170	364,150	0.1%

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	\$
	FY13	FY13	FY14	FY14	FY15	Change
Wages	158,080	152,990	162,200	163,660	168,380	6,180
Personnel Expenses	63,830	65,797	70,190	71,190	73,580	3,390
Maintenance & Operations	145,670	120,669	142,190	137,860	156,180	13,990
Capital Outlays	98,000	-	50,000	50,000	-	(50,000)
TOTAL	465,580	339,456	424,580	422,710	398,140	(26,440)

Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	%
	FY13	FY13	FY14	FY14	FY15	Change
4030 Dues, Fees & Subscriptions	250	77	100	100	100	0.0%
4070 Engineering	15,000	6,906	15,000	10,000	15,000	0.0%
4075 Mosquito Control	5,000	4,987	5,000	5,000	5,000	0.0%
4105 Maintenance - Facilities	2,500	2,642	2,500	4,000	2,500	0.0%
4110 Maintenance - Equipment/Safety	2,000	2,045	3,000	4,900	10,000	233.3%
4111 Maintenance - Storm Sewer	13,500	13,243	7,000	9,500	7,000	0.0%
4112 Maintenance - Storm Sewer LS	4,000	620	5,000	2,500	5,000	0.0%
4120 Maintenance - Vehicles	6,500	8,323	6,500	8,500	6,500	0.0%
4125 Maintenance - Street Lights	11,500	11,211	7,000	4,500	7,000	0.0%
4130 Maintenance - Streets & Curbs	2,500	2,790	2,500	7,000	10,000	300.0%
4131 Maintenance - Equipment Rental	6,000	3,348	6,000	6,500	6,000	0.0%
4135 Maintenance - Street Sweeping	4,000	4,154	4,000	4,000	4,000	0.0%
4220 Supplies - Uniforms	3,200	2,904	3,200	3,000	3,200	0.0%
4235 Supplies - Tools	2,000	1,394	2,000	2,000	2,000	0.0%
4245 Supplies - Gas & Oil	25,000	22,866	25,000	23,000	25,000	0.0%
4305 Wages	145,500	145,489	154,060	154,060	159,800	3.7%
4306 Overtime	12,580	7,501	8,140	9,600	8,580	5.4%
4310 Social Security	11,540	11,672	12,770	12,770	13,380	4.8%
4396 Phone Allowance	6,000	6,733	6,000	7,000	6,000	0.0%
4410 Insurance - General	9,250	8,584	12,170	12,250	11,120	-8.6%
4415 Insurance - Medical & Dental	26,940	27,622	29,110	29,110	27,670	-4.9%
4425 Insurance - Workers' Comp	7,470	5,898	10,220	10,110	10,760	5.3%
4430 Retirement - Contribution	19,350	19,770	22,310	22,310	26,530	18.9%
4505 Utilities (Street Lights/Pumps)	21,000	17,094	21,000	19,000	21,000	0.0%
4605 Training & Travel	5,000	1,583	5,000	2,000	5,000	0.0%
4907 Capital Outlays	98,000	-	50,000	50,000	-	-100.0%
TOTAL	465,580	339,456	424,580	422,710	398,140	-6.2%

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.

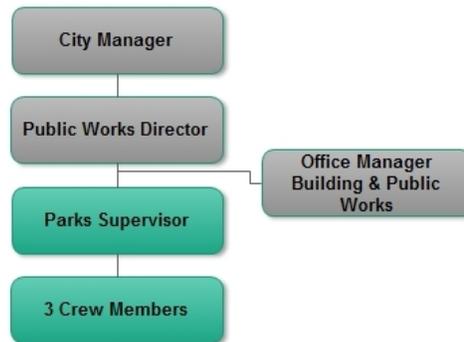
Some of the primary functions are:

- 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 Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	126,240	112,982	117,240	120,710	128,190	10,950
Personnel Expenses	51,240	48,970	50,690	54,070	62,570	11,880
Maintenance & Operations	159,330	115,297	165,710	171,330	165,310	(400)
Capital Outlays	-	-	-	-	-	-
TOTAL	336,810	277,248	333,640	346,110	356,070	22,430

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees & Subscriptions	100	-	100	-	100	0.0%
4105 Maintenance - Facilities	16,000	8,240	16,000	11,000	16,000	0.0%
4110 Maintenance - Equipment	3,000	3,422	3,000	2,500	3,000	0.0%
4115 Maintenance - Grounds	93,630	64,429	100,000	100,000	100,000	0.0%
4129 Maintenance - Park Lighting	3,000	1,943	3,000	1,300	3,000	0.0%
4135 Maintenance - Holiday Decorations	1,000	514	1,000	200	1,000	0.0%
4140 Maintenance - Lake Nassau	5,000	5,815	5,000	10,500	5,000	0.0%
4145 Maintenance - Channels/Buoys	1,500	889	1,500	7,500	1,500	0.0%
4228 Supplies - Mut Mits	3,000	2,872	3,000	3,000	3,000	0.0%
4305 Wages	115,640	104,876	108,710	108,710	118,190	8.7%
4306 Overtime	10,600	8,106	8,530	12,000	10,000	17.2%
4310 Social Security	9,730	8,463	9,070	9,070	9,910	9.3%
4410 Insurance - General	6,000	5,997	5,530	5,420	4,900	-11.4%
4415 Insurance - Medical & Dental	25,220	25,953	27,360	29,000	32,870	20.1%
4425 Insurance - Workers' Comp	3,100	2,446	3,580	3,550	3,810	6.4%
4430 Retirement - Contribution	16,290	14,554	14,260	16,000	19,790	38.8%
4505 Utilities	8,000	5,112	8,000	7,300	8,000	0.0%
4910 Special Events Committee	10,000	8,367	10,000	10,000	10,000	0.0%
4912 Beautification Day & Projects	2,000	1,252	2,000	5,060	2,000	0.0%
4913 Environmental Restoration	4,000	4,000	4,000	4,000	4,000	0.0%
TOTAL	336,810	277,248	333,640	346,110	356,070	6.7%

General Fund Expenditures

~ Department 07

Police Department

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

- 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 1800 Space Park Dr., Suite 200 within the City Hall building.

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	\$
	FY13	FY13	FY14	FY14	FY15	Change
Wages	694,640	685,809	716,350	716,350	748,990	32,640
Personnel Expenses	268,330	261,335	280,800	280,800	298,430	17,630
Maintenance & Operations	229,970	177,317	235,830	216,790	228,180	(7,650)
Capital Outlays	-	-	-	-	-	-
TOTAL	1,192,940	1,124,462	1,232,980	1,213,940	1,275,600	42,620

Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	%
	FY13	FY13	FY14	FY14	FY15	Change
4030 Dues, Fees & Subscriptions	1,100	654	1,100	1,000	1,020	-7.3%
4040 Advertising	200	-	200	200	200	0.0%
4045 Printing	500	1,114	500	300	500	0.0%
4060 Contract Services	2,840	5,597	2,840	4,850	2,840	0.0%
4061 Dispatch Contract	60,000	59,165	62,000	60,000	62,000	0.0%
4062 Jail Contract	60,000	24,970	60,000	50,000	60,000	0.0%
4064 Investigation Funds	1,000	-	1,000	1,080	1,000	0.0%
4070 Professional Services	600	600	600	400	600	0.0%
4110 Maintenance - Equipment	1,800	193	1,800	1,800	3,350	86.1%
4120 Maintenance - Vehicles	13,000	11,711	9,000	12,000	9,000	0.0%
4220 Supplies - Uniforms	6,250	4,187	6,250	4,500	6,250	0.0%
4225 Supplies - Computers/Printers	2,600	4,479	2,600	2,600	-	-100.0%
4226 Supplies - Police	1,630	172	7,750	7,750	3,490	-55.0%
4245 Supplies - Gas & Oil	40,000	31,927	40,000	30,000	40,000	0.0%
4305 Wages	686,640	679,316	708,350	708,350	741,990	4.7%
4306 Overtime	8,000	6,493	8,000	8,000	7,000	-12.5%
4310 Social Security	53,480	51,511	55,520	55,520	58,040	4.5%
4396 Phone Allowance	4,800	4,600	4,800	4,800	4,800	0.0%
4410 Insurance - General	17,780	16,713	18,430	18,700	15,270	-17.1%
4415 Insurance - Medical & Dental	120,460	118,259	123,480	123,480	119,740	-3.0%
4425 Insurance - Workers' Comp	13,170	10,408	14,260	14,110	15,160	6.3%
4430 Retirement - Contribution	89,590	86,965	97,000	97,000	115,850	19.4%
4605 Training & Travel	7,500	5,428	7,500	7,500	7,500	0.0%
TOTAL	1,192,940	1,124,462	1,232,980	1,213,940	1,275,600	3.5%

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 FY2015, 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 FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	235,050	235,941	236,330	236,090	236,330	-
Capital Outlays	-	-	-	-	-	-
TOTAL	235,050	235,941	236,330	236,090	236,330	-

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	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	3,330	3,330	3,330	0.0%
4230 Supplies - Miscellaneous	500	129	500	260	500	0.0%
TOTAL	235,050	235,941	236,330	236,090	236,330	0.0%

General Fund Expenditures

~ Department 09

Animal Control

The Animal Control Department is responsible for the following functions:

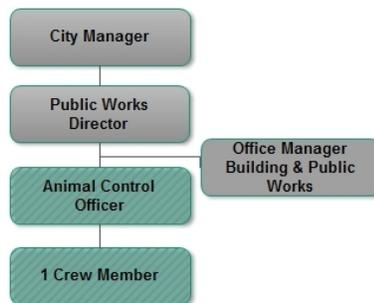
- Animal Code Enforcement
- Control of Dangerous and/or Vicious Animals
- Impoundment of Animals Found at Large
- Wildlife Management
- Providing Humane Animal Traps for Resident Use
- Removal of Trapped Varmints
- Collection of Animal Carcasses

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 FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	21,040	19,532	19,750	20,750	20,400	650
Personnel Expenses	7,580	7,376	7,600	7,600	7,220	(380)
Maintenance & Operations	10,610	8,226	10,970	11,920	10,620	(350)
Capital Outlays	-	-	-	-	-	-
TOTAL	39,230	35,134	38,320	40,270	38,240	(80)

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees & Subscriptions	100	-	100	100	100	0.0%
4060 Contract Services	2,600	2,744	2,600	2,700	2,600	0.0%
4105 Maintenance - Facilities	2,800	963	2,800	2,800	2,800	0.0%
4230 Supplies	2,400	2,343	2,400	3,400	2,400	0.0%
4305 Wages	18,330	17,505	18,250	18,250	18,650	2.2%
4306 Overtime	2,710	2,027	1,500	2,500	1,750	16.7%
4310 Social Security	1,620	1,558	1,520	1,520	1,570	3.3%
4410 Insurance - General	1,990	1,886	2,280	2,280	1,850	-18.9%
4415 Insurance - Medical & Dental	3,240	3,244	3,420	3,420	2,520	-26.3%
4425 Insurance - Workers' Comp	370	291	440	440	520	18.2%
4430 Retirement - Contribution	2,720	2,574	2,660	2,660	3,130	17.7%
4605 Training & Travel	350	-	350	200	350	0.0%
TOTAL	39,230	35,134	38,320	40,270	38,240	-0.2%

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 FY2015 General Fund Budget includes expenditures of \$5,099,720 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>
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	70,130
2013/14	100,000	50,000*
2014/15	100,000	

*Projected

General Fund Expenditures

10 ~ Contingency Department

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	25,000	10,000	25,000	-	25,000	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Contingency	75,000	60,130	75,000	50,000	75,000	-
TOTAL	100,000	70,130	100,000	50,000	100,000	-

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4070 Grant Matches	25,000	19,975	25,000	-	25,000	0.0%
4160 City Charter Contingency	50,000	40,155	50,000	50,000	50,000	0.0%
4305 Reserve - Wages	25,000	10,000	25,000	-	25,000	0.0%
TOTAL	100,000	70,130	100,000	50,000	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 has seen an expansion of responsibilities with the additional technology in the new building. In FY2015 the department will continue 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 76-77.

Staffing

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

The functions of the Information Services Department are performed by:

- City Manager ^{FTE}
- Information Technology Manager FTE
- Finance Director FTE
- Police Department Office Manager FTE



Facilities

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

Vehicles

This department has no vehicles.

General Fund Expenditures

11 ~ Information Services

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	33,020	31,180	32,910	32,910	33,770	0
Personnel Expenses	11,430	11,089	11,840	11,840	11,370	(470)
Maintenance & Operations	185,160	168,057	186,330	192,870	211,310	24,980
Capital Outlays	-	-	-	-	-	-
TOTAL	229,610	210,326	231,080	237,620	256,450	25,370

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees & Subscriptions	18,150	14,493	19,800	19,800	19,800	0.0%
4070 Contract Computer Services	73,750	64,238	73,250	73,250	96,910	32.3%
4072 Maintenance - Software	4,500	2,435	4,500	5,950	4,500	0.0%
4110 Maintenance - Equipment	16,000	15,482	13,000	18,100	13,000	0.0%
4225 Supplies - Computers/Printers	2,500	779	2,500	2,500	2,500	0.0%
4305 Wages	33,020	31,180	32,910	32,910	33,770	2.6%
4310 Social Security	2,540	2,431	2,530	2,530	2,600	2.8%
4410 Insurance - General	1,820	1,715	2,160	2,170	1,740	-19.4%
4415 Insurance - Medical & Dental	4,630	4,635	4,880	4,880	3,580	-26.6%
4430 Retirement - Contribution	4,260	4,023	4,430	4,430	5,190	17.2%
4510 Telecommunications	66,840	68,916	69,520	69,520	71,260	2.5%
4605 Training & Travel	1,600	-	1,600	1,580	1,600	0.0%
4905 Capital Outlays	-	-	-	-	-	0.0%
TOTAL	229,610	210,326	231,080	237,620	256,450	11.0%

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.

Tourism reimbursements are charged to line item 4050 – Information Services and credited to General Fund revenue line item 4910 – Reimbursement Other Funds.

General Fund Expenditures

11 ~ Information Services Reimbursement Schedule

Line Item Detail	Adopted	General		W & S		Tourism	
	Budget FY15	Fund	%	Fund	%	Fund	%
4070 Contract Computer Services	96,910	87,989	90.8%	7,370	7.6%	1,551	1.6%
4072 Maintenance - Software	4,500	4,069	90.5%	370	8.2%	61	1.4%
4110 Maintenance - Equipment	13,000	11,782	90.6%	1,010	7.8%	208	1.6%
4225 Supplies - Computers/Printers	2,500	2,270	90.8%	190	7.6%	40	1.6%
4510 Telecommunications	71,260	64,780	90.9%	5,340	7.5%	1,140	1.6%
4605 Training & Travel	1,600	1,480	92.4%	120	7.6%	-	0.0%
TOTAL	189,770	172,370	91.0%	14,400	7.7%	3,000	1.3%

General Fund Expenditures

~ Department 12

Municipal Court

This is the third fiscal year that the court administrative functions are back 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

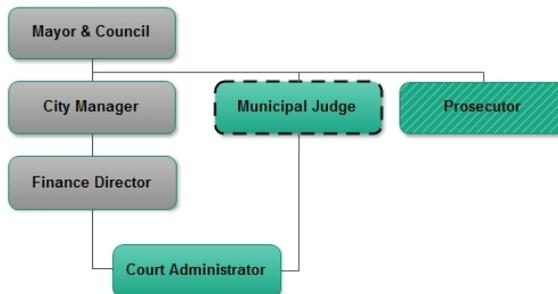
This department is staffed with one (1) full-time Court Administrator, a Presiding Judge, an Associate Judge, and a relief Judge.

- 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.

Vehicles

This department has no vehicles

General Fund Expenditures

12 ~ Municipal Court

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	71,200	73,103	76,010	74,710	76,560	550
Personnel Expenses	22,390	22,485	24,480	25,680	28,000	3,520
Maintenance & Operations	23,220	20,411	25,460	21,120	24,740	(720)
Capital Outlays	-	-	-	-	-	-
TOTAL	116,810	115,999	125,950	121,510	129,300	3,350

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees & Subscriptions	500	-	800	200	500	-37.5%
4045 Printing	200	-	800	1,250	500	-37.5%
4060 Contract Services	17,700	16,968	17,700	15,000	18,000	1.7%
4305 Wages	71,200	73,103	74,510	74,510	76,410	2.5%
4306 Overtime	-	-	1,500	200	150	-90.0%
4310 Social Security	5,480	5,482	5,940	5,940	5,990	0.8%
4396 Phone Allowance	-	-	-	1,200	1,200	0.0%
4410 Insurance - General	1,820	1,715	2,160	2,170	1,740	-19.4%
4415 Insurance - Medical & Dental	9,270	9,269	9,770	9,770	10,700	9.5%
4430 Retirement - Contribution	7,640	7,734	8,770	8,770	10,110	15.3%
4605 Training & Travel	3,000	1,728	4,000	2,500	4,000	0.0%
TOTAL	116,810	115,999	125,950	121,510	129,300	2.7%

General Fund Expenditures

~ Department 13

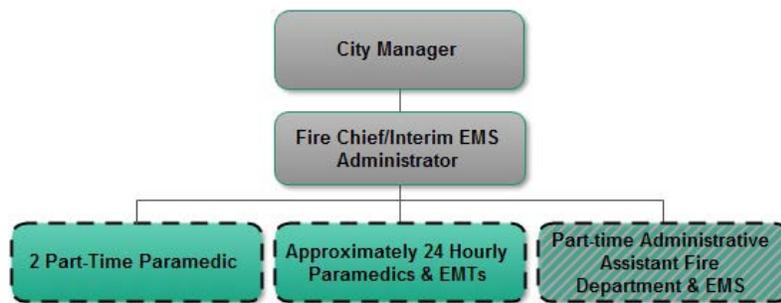
Emergency Medical Service

The Nassau Bay EMS provides 24-hour emergency medical services to the community. The Nassau Bay EMS works closely with Houston Methodist St. John 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 FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	290,490	292,714	298,480	292,480	335,370	(0)
Personnel Expenses	38,900	32,982	38,410	37,610	45,570	7,160
Maintenance & Operations	97,490	99,491	97,970	105,430	104,610	6,640
Capital Outlays	-	-	-	-	-	-
TOTAL	426,880	425,188	434,860	435,520	485,550	50,690

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees & Subscriptions	370	670	690	1,120	690	0.0%
4045 Printing	1,000	352	1,000	1,000	1,000	0.0%
4056 Contract Billing	36,750	36,577	35,000	38,000	35,000	0.0%
4057 Licenses	890	715	890	890	890	0.0%
4105 Maintenance - Facilities	1,700	1,606	1,700	1,150	1,700	0.0%
4110 Maintenance - Equipment	1,000	403	1,500	800	3,000	100.0%
4120 Maintenance - Vehicles	8,000	7,430	8,500	19,000	15,000	76.5%
4215 Supplies - Medical	23,000	25,123	21,000	18,500	20,000	-4.8%
4220 Supplies - Uniforms	3,500	6,158	4,000	3,500	4,000	0.0%
4245 Supplies - Gas & Oil	6,500	7,132	7,000	6,000	7,000	0.0%
4305 Wages	274,490	271,748	272,480	272,480	320,870	17.8%
4306 Overtime	16,000	20,966	26,000	20,000	14,500	-44.2%
4310 Social Security	22,360	22,515	22,990	22,990	25,920	12.7%
4396 Phone Allowance	1,200	500	1,200	400	1,200	0.0%
4410 Insurance - General	3,900	3,716	5,290	5,160	4,400	-16.8%
4425 Insurance - Workers' Comp	7,880	6,227	8,400	8,310	8,930	6.3%
4430 Retirement - Contribution	15,340	9,967	14,220	14,220	18,450	29.7%
4605 Training & Travel	3,000	3,382	3,000	2,000	3,000	0.0%
4905 Capital Outlays	-	-	-	-	-	0.0%
TOTAL	426,880	425,188	434,860	435,520	485,550	11.7%

General Fund Expenditures

~ Department 14

Fire Marshal

The Fire Marshal Department is responsible for a wide variety of inspection, permit, and enforcement activities. In FY2015, 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.

Vehicles

- 2013 Chevy Suburban

General Fund Expenditures

14 ~ Fire Marshal

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	71,320	61,256	73,720	73,720	72,930	(0)
Personnel Expenses	17,090	15,253	18,500	18,500	19,780	1,280
Maintenance & Operations	21,750	20,737	21,715	19,865	20,145	(1,570)
Capital Outlays	-	-	-	-	-	-
TOTAL	110,160	97,245	113,935	112,085	112,855	(1,080)

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees & Subscriptions	3,800	3,768	3,500	3,500	3,500	0.0%
4045 Printing	380	150	540	540	540	0.0%
4060 Contract Services	1,560	750	1,750	1,000	1,300	-25.7%
4063 Property Liens Expense	600	54	300	300	300	0.0%
4120 Maintenance - Vehicles	3,000	1,148	1,152	400	400	-65.3%
4220 Supplies - Uniforms	1,000	889	1,000	1,000	1,000	0.0%
4227 Supplies - Photographic	300	18	-	-	460	0.0%
4226 Supplies - Fire Prevention	-	-	500	500	500	0.0%
4230 Supplies - Fire & Equipment	1,250	921	958	1,250	1,250	30.5%
4245 Supplies - Gas & Oil	1,900	2,305	1,900	1,300	1,300	-31.6%
4305 Wages	71,320	61,256	73,720	73,720	72,930	-1.1%
4310 Social Security	5,490	4,842	5,860	5,860	5,800	-1.0%
4396 Phone Allowance	2,400	2,400	2,400	2,400	2,400	0.0%
4410 Insurance - General	2,590	2,446	3,030	2,990	2,450	-19.1%
4425 Insurance - Workers' Comp	870	688	810	810	870	7.4%
4430 Retirement - Contribution	9,200	8,011	10,240	10,240	11,580	13.1%
4605 Training & Travel	4,500	7,502	6,275	6,275	6,275	0.0%
4705 Supplies - Office & Misc	-	98	-	-	-	0.0%
4905 Capital Outlays	-	-	-	-	-	0.0%
TOTAL	110,160	97,245	113,935	112,085	112,855	-0.9%

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

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	20,000	5,670	15,000	10,000	15,000	-
Capital Outlays	-	-	-	-	-	-
TOTAL	20,000	5,670	15,000	10,000	15,000	-

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4005 Audit	-	-	-	-	-	0.0%
4060 Contract Services	20,000	5,670	15,000	10,000	15,000	0.0%
TOTAL	20,000	5,670	15,000	10,000	15,000	0.0%

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:

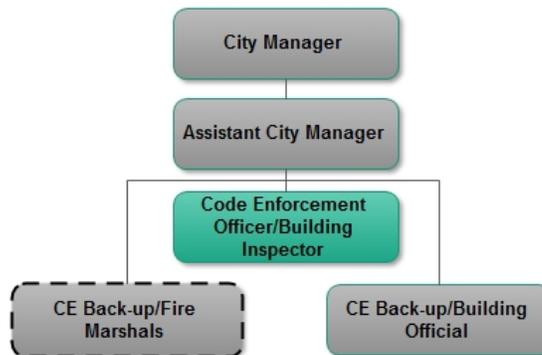
- Enforcement of some Health & Safety and Zoning Ordinances
- Enforcement of some Sign & Housing Codes
- Building Abatement
- Nuisance Violation enforcement
- Abandoned and Junk Vehicle enforcement with Police Department coordination

The Code Enforcement Officer may also assist with building inspections.

Staffing

This department is staffed by 1 full-time employee.

- Code Enforcement Officer/Building Inspector ^{FTE}



Facilities

Office space is provided within City Hall for this department.

Vehicles

- 2012 Ford Expedition

General Fund Expenditures

16 ~ Code Enforcement

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	40,560	42,100	44,370	44,370	52,640	8,270
Personnel Expenses	17,620	18,449	19,340	19,340	28,120	8,780
Maintenance & Operations	1,820	1,715	11,135	8,940	9,995	(1,140)
Capital Outlays	-	-	-	-	-	-
TOTAL	60,000	62,263	74,845	72,650	90,755	15,910

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees, & Subscriptions	-	-	800	600	345	-56.9%
4045 Printing - Documents/Forms	-	-	200	150	200	0.0%
4060 Contract Services	-	-	1,500	700	1,500	0.0%
4063 Property Liens Expense	-	-	300	200	300	0.0%
4120 Maintenance - Vehicles	-	-	750	1,100	1,000	33.3%
4220 Supplies - Uniforms	-	-	300	200	300	0.0%
4227 Supplies - Photographic	-	-	300	300	300	0.0%
4230 Supplies - Code Enf. Equipment	-	-	300	200	300	0.0%
4245 Supplies - Gas & Oil	-	-	1,500	1,000	1,500	0.0%
4305 Wages	40,560	42,100	44,370	44,370	52,640	18.6%
4310 Social Security	3,120	3,301	3,510	3,510	4,150	18.2%
4396 Phone Allowance	-	1,200	1,200	1,200	1,200	0.0%
4410 Insurance - General	1,820	1,715	3,030	2,990	2,450	-19.1%
4415 Insurance - Medical & Dental	9,270	8,464	8,500	8,500	14,500	70.6%
4430 Retirement - Contribution	5,230	5,484	6,130	6,130	8,270	34.9%
4605 Training	-	-	2,155	1,500	1,800	-16.5%
TOTAL	60,000	62,263	74,845	72,650	90,755	21.3%

General Fund Expenditures

~ Department 17

Conference Center

Department 17 was created as a new department in the General Fund in FY2014. This department captures the expenditures related to the maintenance and operations of the new conference center facility. Expenditures in department 17 will be offset by revenues from the leasing of this conference space. FY2015 will be the first year to see 12 months of activity in this department since expenses did not begin until the completion of City Hall in May 2014. This first full year will start a foundation for the anticipated expenditure trends for this new activity.

The conference center is located on the first floor of the new City Hall building at 1800 Space Park. The conference center is leased out to a single tenant for 6.5 years through the end of September 2020. The tenant utilizes the space for conferences, training, and education within their organization. The single tenant lease not only provides revenue to cover the cost of maintaining and operating the facility but also pays a majority portion of the debt service related to the new City Hall building.

In addition to the conference center lease, approximately 2.5% of the expenditures in this department are related to a second lease of a small space on the 2nd floor of City Hall to a credit union.

Staffing

This department has no employees.

Vehicles

This department has no vehicles.

General Fund Expenditures

17 ~ Conference Center

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	-	-	20,940	15,080	52,500	31,560
Transfer to Debt Service	-	-	57,830	57,830	152,500	94,670
Capital Outlays	-	-	-	-	-	-
TOTAL	-	-	78,770	72,910	205,000	126,230

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4105 Maintenance - Facilities	-	-	660	4,580	20,190	2959.1%
4240 Supplies - Building	-	-	2,000	500	6,800	240.0%
4410 Insurance - General	-	-	7,030	2,000	4,510	-35.8%
4505 Utilities	-	-	11,250	8,000	21,000	86.7%
4924 Transfer to Debt Service	-	-	57,830	57,830	152,500	163.7%
TOTAL	-	-	78,770	72,910	205,000	160.3%

General Fund Expenditures

~ Capital Outlay Requests

FY2015 Capital Outlay Request Summary

Department	Total Amount of Requests	Total Added to FY15 CIP	Total Funded
Administration	\$ 2,500	\$ 0	\$ 0
Fire Department	\$ 80,000	\$ 40,000	\$ 0
Public Works	\$ 132,430	\$ 76,950	\$ 50,000
Parks	\$ 166,000	\$ 146,000	\$ 35,000
Police Department	\$ 82,910	\$ 82,910	\$ 0
Animal Control	\$ 80,480	\$ 0	\$ 0
Information Technology	\$ 21,000	\$ 6,000	\$ 0
EMS	\$ 155,000	\$ 155,000	\$ 0
Fire Marshal	\$ 2,580	\$ 900	\$ 0
Code Enforcement	\$ 2,040	\$ 0	\$ 0
Total General Fund Capital Outlay Requests	\$ 724,940	\$ 507,760	\$ 85,000

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 FY2015 budget, three requests were funded and seventeen requests were prioritized if funding were to become available. Totals for the categories are as follows:

Funded	Prioritized	Pending (Unfunded)
\$ 85,000	\$ 422,760	\$ 422,760

General Fund Expenditures

~ Capital Outlay Requests

FY2015 Capital Outlay Request Detail

Department	Outlay Description	Amount	Status
Fire Department			
	Carport or Garage for protect apparatus	\$ 40,000	Pending
Public Works			
	Upper Bay Boardwalk Staining	\$ 6,000	Pending
	Public Works/EMS Roof Repairs	\$ 10,950	Pending
	Golf Cart	\$ 10,000	Pending
	Relocation of 24" Storm Sewer Line	\$ 20,000	Funded-Tax Note
	Street Joint Sealing	\$ 30,000	Funded-Sales Tax
Parks Department			
	Replace aerator at Lake Nassau	\$ 10,000	Pending
	Public Restroom Remodel	\$ 20,000	Pending
	Playground Equipment	\$ 13,000	Pending
	Park Pavilion Floor Repairs	\$ 9,500	Pending
	Park Pavilion Roof Replacement	\$ 58,500	Pending
	Lake Nassau – engineering for dredging	\$ 35,000	Funded - EDC
Police Department			
	(6) Mobile Data Terminal Replacement	\$ 30,000	Pending
	(2) Replace Chief & Sergeant Vehicles	\$ 52,910	Pending
Information Services			
	(6) Replacement Computers	\$ 6,000	Pending
EMS			
	Replace Primary EMS Unit	\$155,000	Pending
Fire Marshal			
	Body Camera	\$ 900	Pending



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 or proprietary 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 FY2015.

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. With the assistance of funding through the Texas Water Development Board, many of the major projects that were started in the last 3 years will be completed in FY2015. 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

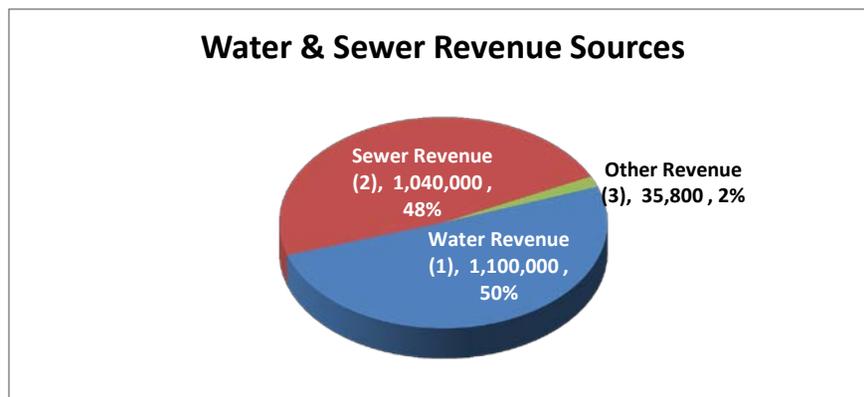
Revenue Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Water Revenue (1)	1,122,600	1,122,630	1,100,000	1,100,000	1,100,000	-
Sewer Revenue (2)	1,069,500	1,069,818	1,000,000	1,040,000	1,040,000	40,000
Other Revenue (3)	1,190,840	45,931	38,300	67,770	35,800	(2,500)
TOTAL	3,382,940	2,238,378	2,138,300	2,207,770	2,175,800	37,500
Prior Year Balance Forward	1,041,374	-	3,373,109	3,373,109	1,633,039	(1,740,070)
End of Year Fund Balance	(776,774)	-	(1,105,449)	(1,633,039)	(594,199)	511,250
Transfer To(From) Capital Projects	-	-	-	-	-	-
Transfer To(From) General Fund	-	-	-	-	-	-
Transfer To(From) Special Rev	-	737,448	-	-	-	-
GRAND TOTAL	3,647,540	2,975,826	4,405,960	3,947,840	3,214,640	(1,191,320)

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
3005 Water Sales	1,122,600	1,122,630	1,100,000	1,100,000	1,100,000	0.0%
3010 Sewer Service Charges	1,069,500	1,069,818	1,000,000	1,040,000	1,040,000	4.0%
3015 Penalties	33,000	33,658	30,000	30,000	30,000	0.0%
3020 Interest on Investments	2,500	7,734	5,000	5,000	2,500	-50.0%
3305 Water Tap Fees	1,500	2,950	1,500	1,250	1,500	0.0%
3310 Sewer Tap Fees	3,000	850	1,500	-	1,500	0.0%
3705 Miscellaneous	310	739	300	31,520	300	0.0%
3915 TWDB Investment Accretion	-	-	-	-	-	0.0%
3920 TWDB Investment Amoritization	-	-	-	-	-	0.0%
3930 TWDB Interest Income	-	-	-	-	-	0.0%
3935 TWDB Bond Proceeds	1,150,530	-	-	-	-	0.0%
TOTAL - CURRENT REVENUE	3,382,940	2,238,378	2,138,300	2,207,770	2,175,800	1.8%
9520 Prior Year Balance	1,041,374	-	3,373,109	3,373,109	1,633,039	-51.6%
9525 End of Year Fund Reserve	(776,774)	-	(1,105,449)	(1,633,039)	(594,199)	-46.2%
9526 Transfer To(From) Capital Proj	-	-	-	-	-	0.0%
9528 Transfer To(From) General Fund	-	-	-	-	-	0.0%
9530 Transfer To(From) Special Rev	-	737,448	-	-	-	0.0%
GRAND TOTAL	3,647,540	2,975,826	4,405,960	3,947,840	3,214,640	-27.0%

(1) 3005

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

(2) 3010

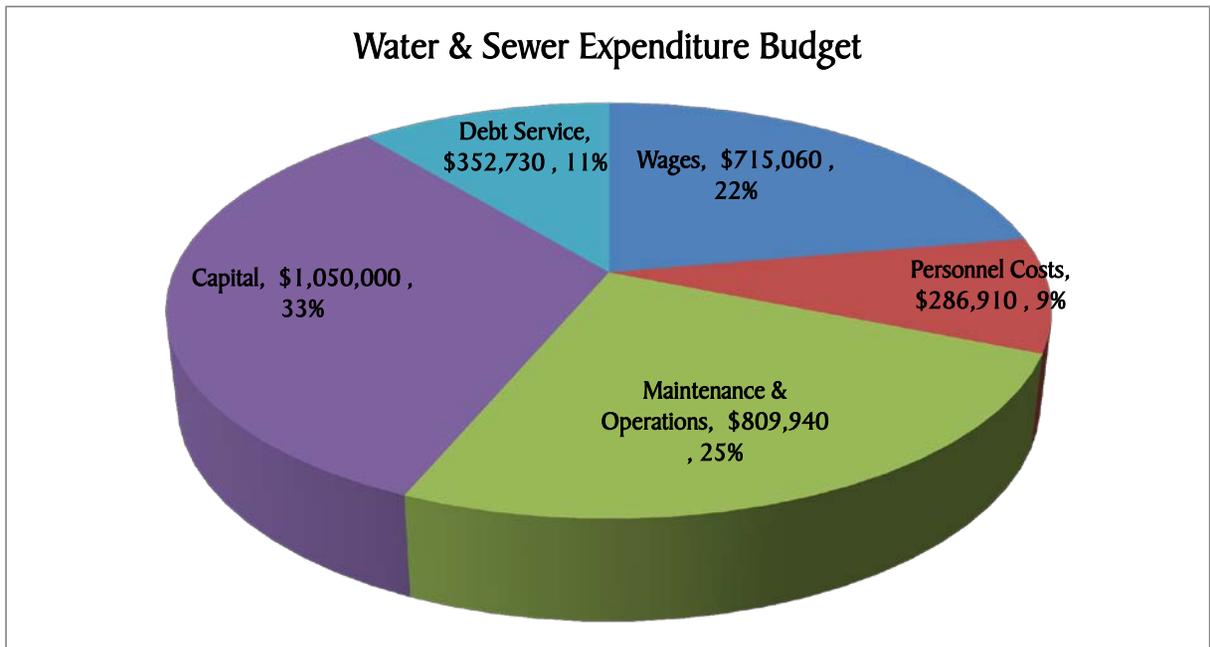
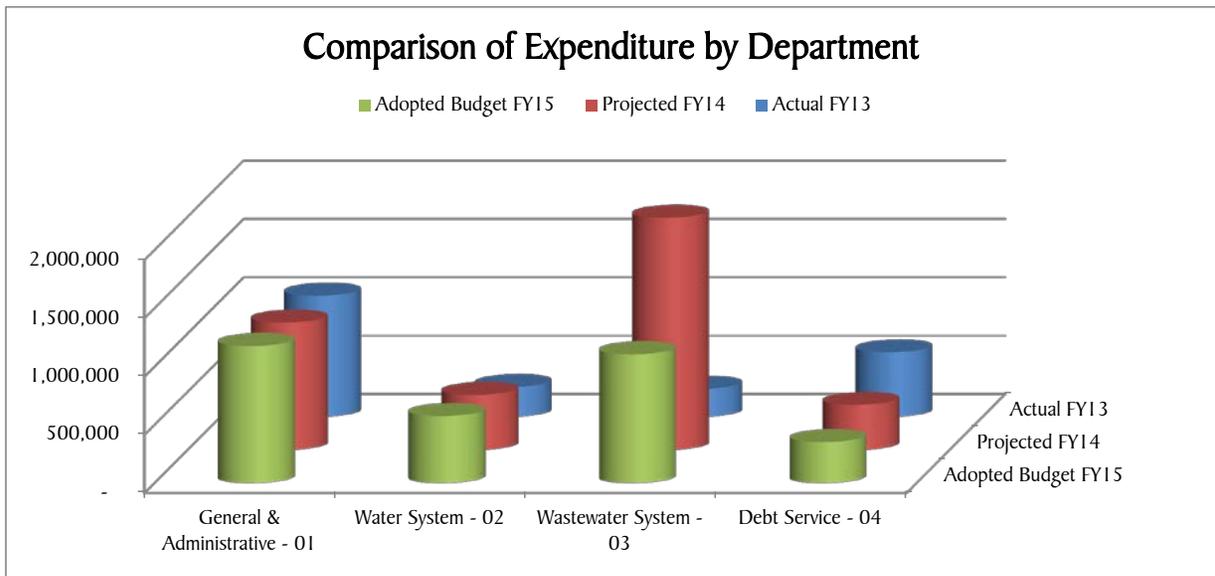




Water & Sewer Fund Expenditures

~ Expenditures by Department

Expenditures by Department	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
General & Administrative - 01	1,075,600	1,040,160	1,120,530	1,094,420	1,178,110	57,580
Water System - 02	892,440	257,096	1,086,440	473,950	576,700	(509,740)
Wastewater System - 03	1,293,320	240,715	1,811,320	1,991,800	1,107,100	(704,220)
Debt Service - 04	386,180	554,162	387,670	387,670	352,730	(34,940)
TOTAL	3,647,540	2,092,132	4,405,960	3,947,840	3,214,640	(1,191,320)



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 ^{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 are 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 FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	659,300	654,318	684,100	690,530	715,060	30,960
Personnel Expenses	245,410	243,338	262,190	262,190	286,910	24,720
Maintenance & Operations	170,890	142,503	174,240	141,700	176,140	1,900
Capital Outlays	-	-	-	-	-	-
TOTAL	1,075,600	1,040,160	1,120,530	1,094,420	1,178,110	57,580

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030 Dues, Fees & Subscriptions	400	-	400	400	400	0.0%
4045 Printing - Documents/Forms	500	252	500	300	500	0.0%
4056 Credit Card Program	13,140	12,476	13,100	13,000	12,000	-8.4%
4057 License & Permit Fees	14,000	13,975	14,000	18,000	18,000	28.6%
4060 Contract Services - Engineering	35,000	23,662	35,000	7,000	30,000	-14.3%
4105 Maintenance - Facilities	2,000	3,685	4,000	2,400	4,000	0.0%
4120 Maintenance - Vehicles	5,500	2,960	5,500	3,600	5,500	0.0%
4210 Supplies - Postage	16,000	13,311	16,000	15,400	16,000	0.0%
4220 Supplies - Uniforms	1,500	1,486	1,500	1,500	1,500	0.0%
4240 Supplies - Building	100	72	100	100	100	0.0%
4245 Supplies - Gas & Oil	10,080	7,622	10,080	7,750	10,000	-0.8%
4304 Wages - On Call Duty Pay	10,870	6,162	7,000	7,000	6,500	-7.1%
4305 Wages	629,770	629,836	656,530	656,530	684,260	4.2%
4306 Overtime	18,660	18,321	20,570	27,000	24,300	18.1%
4309 Accrued Vacation & Sick	-	665	-	-	-	0.0%
4310 Social Security	49,960	47,331	52,270	52,270	54,700	4.6%
4410 Insurance - General	29,040	29,022	30,570	37,460	33,520	9.6%
4415 Insurance - Medical & Dental	111,800	112,296	118,610	118,610	123,030	3.7%
4420 Insurance - Unemployment	300	-	300	300	300	0.0%
4425 Insurance - Workers' Comp	9,430	7,449	8,290	8,130	8,820	6.4%
4430 Retirement - Contribution	83,650	83,047	91,310	91,310	109,180	19.6%
4440 Insurance - LT Disability	2,000	2,199	2,000	2,460	2,600	30.0%
4505 Utilities	16,000	11,144	17,000	8,500	17,000	0.0%
4605 Training & Travel	1,500	436	1,500	1,000	1,500	0.0%
4810 G&A Overhead	14,400	14,400	14,400	14,400	14,400	0.0%
4940 Bad Debt Expense	-	(1,648)	-	-	-	0.0%
TOTAL	1,075,600	1,040,160	1,120,530	1,094,420	1,178,110	5.1%

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 FY2015, the Water Department plans to cash-flow over \$220,000 worth of significant Capital Improvements Projects:

- Piping Improvements at Water Plant No. 1 to Improve Elevated Tank Fill and Drain Operations
- Well #2 - Water Plant Back-Up Well engineering
- Water Line Rehabilitation on Queens Court and Carriage Lane

Staffing

All Water & Sewer Fund employees are expensed in the General & Administrative Department (see page 98-99).

Facilities

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

Water & Sewer Fund Expenditures

02 ~ Water Department

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	385,820	257,096	378,820	284,950	356,700	(22,120)
Capital Outlays	506,620	-	707,620	189,000	220,000	(487,620)
TOTAL	892,440	257,096	1,086,440	473,950	576,700	(509,740)

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4025 SEWPP Enhancements	47,120	3,113	47,120	24,000	25,000	-46.9%
4035 Water Purchase	255,000	197,098	255,000	200,000	255,000	0.0%
4060 Contract Services - Lab Services	1,900	1,259	1,900	1,500	1,900	0.0%
4070 Contract Services & Meter Reading	9,500	125	2,500	2,500	2,500	0.0%
4110 Maintenance - Equipment	2,500	2,490	2,500	3,650	2,500	0.0%
4150 Maintenance - Water Plant	11,000	6,871	11,000	3,000	11,000	0.0%
4155 Maintenance - Water Lines	25,000	23,760	25,000	24,000	25,000	0.0%
4165 Maintenance - Water Tower	5,000	110	5,000	1,000	5,000	0.0%
4230 Supplies - Tools/Safety	800	357	800	800	800	0.0%
4235 Supplies - Water Meters	4,500	6,114	4,500	3,500	4,500	0.0%
4505 Utilities - Plants	20,000	15,799	20,000	17,500	20,000	0.0%
4605 Training & Travel	3,500	-	3,500	3,500	3,500	0.0%
4907 Capital Outlays	506,620	-	707,620	189,000	220,000	-68.9%
TOTAL	892,440	257,096	1,086,440	473,950	576,700	-46.9%

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 FY2015 the Wastewater Department will complete the construction and rehabilitation of the Sewer Plant that is funded by Texas Water Development Board bond proceeds. Also the department will also cash-flow several important projects. The list of all planned projects includes:

Texas Water Development Board – Bond Revenue (\$360,000)

- Replace Existing Diffusers with Fine Bubble System
- Clarifier Center Well Repair – Replace Existing Clarifier; Painting; Releveling; Replace Corroded Metal
- Repairs to Electrical Conduit and Walkways

Cash-Flow (\$470,000)

- Replace Existing Gas Feed System; Add Covered Area
- Install New Liquid Chemical Feed System
- Installation of SCADA for efficiency of sewer lift station coordination
- Sewer Line Rehabilitation
- Backhoe
- Sewer Line Camera

Staffing

All Water & Sewer Fund employees are expensed in the General & Administrative Department (see page 98-99).

Facilities

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

Water & Sewer Fund Expenditures

03 ~ Sewer Department

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	283,100	195,644	276,100	291,800	277,100	1,000
Capital Outlays	1,010,220	45,070	1,535,220	1,700,000	830,000	-
TOTAL	1,293,320	240,715	1,811,320	1,991,800	1,107,100	(704,220)

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4060 Contract Services - Lab Services	36,500	36,495	27,000	36,000	36,000	33.3%
4110 Maintenance - Equipment	2,000	747	4,500	6,500	4,500	0.0%
4140 Maintenance - Sewer Lines	35,000	17,664	35,000	45,000	35,000	0.0%
4145 Maintenance - Sewer Plant	30,000	8,181	30,000	30,000	30,000	0.0%
4146 Maintenance - Chem/Lab Supply	30,000	28,329	30,000	30,000	30,000	0.0%
4147 Maintenance - Sludge Removal	27,000	22,000	27,000	33,700	34,000	25.9%
4150 Maintenance - Lift Stations	12,000	5,899	12,000	15,000	12,000	0.0%
4230 Supplies - Tools/Safety	600	194	600	600	600	0.0%
4505 Utilities - Plants	110,000	76,135	110,000	95,000	95,000	-13.6%
4907 Capital Improvements	1,010,220	45,070	1,535,220	1,700,000	830,000	-45.9%
TOTAL	1,293,320	240,715	1,811,320	1,991,800	1,107,100	-38.9%

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 FY2015

Fiscal Year	Interest Rate	Principal Due 2/15	Interest Due 2/15	Interest Due 8/15	Total Interest	Annual Requirement	Principal Outstanding
TWDB Tax & Revenue Certificates of Obligation							
Series 2011							Term - 20 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 FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Debt Service	386,180	554,162	387,670	387,670	352,730	(34,940)
TOTAL	386,180	554,162	387,670	387,670	352,730	(34,940)

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4825 Transfer Interest-Debt Service	26,050	26,050	19,040	19,040	12,560	-34.0%
4826 Transfer Principal-Debt Service	172,580	172,580	178,130	178,130	152,050	-14.6%
4915 TWDB Interest Expense	102,550	102,977	100,500	100,500	90,000	-10.4%
4916 TWDB Principal Expense	85,000	-	90,000	90,000	98,120	9.0%
4917 TWDB Issuance Costs	-	-	-	-	-	0.0%
4995 Depreciation Expense	-	252,554	-	-	-	0.0%
TOTAL	386,180	554,162	387,670	387,670	352,730	-9.0%



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 FY2028. In FY2014 the City retired the 2002 Certificates of Obligation. Also, in FY2014 the City issued \$2,000,000 in Certificates of Obligation for a term of 15 years for the construction of the City Hall & Conference Center. The debt service on the Certificates of Obligation is funded predominantly by Conference Center lease revenue through 2020. Depending on the terms of future lease agreements on the Conference Center, the debt service may continue to be funded by lease revenue through 2028.

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.

During the past year, reductions in outstanding prior year debt issues appropriated out of the Debt Service Fund totaled \$630,840. Of this amount \$197,170 was funded through the Water and Sewer Fund. The aggregate of the outstanding General Debt principal (\$3,440,000) and interest payments (\$449,613) at October 1, 2014 is \$3,889,613.

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 \$7,101,980 at October 1, 2014.

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 FY2015 is 12.0% and remains below the 20% guideline.

Debt Service Fund

~ Continued

Bond Repayment Schedule

The figures and chart shown on page 109 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 \$7,101,980 at October 1, 2014.

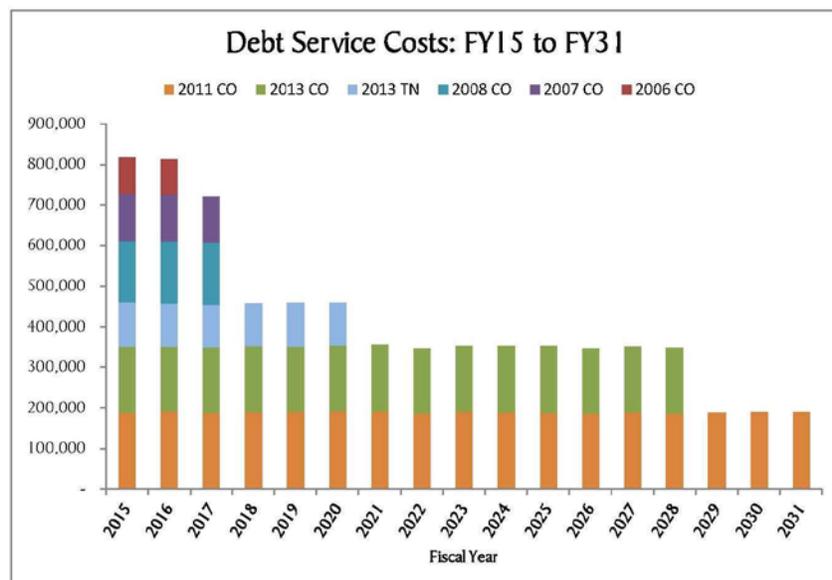
1. The **2006 Certificates of Obligation** for \$850,000 were issued for \$325,000 Water, \$300,000 for Sewer, \$25,000 Parks, \$112,000 Street and Drainage, and \$88,000 for General Government Projects. This issue will retire February 1, 2016. The current balance is \$177,353, including principal and interest.
2. 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 \$344,946, including principal and interest.
3. 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 \$455,471, including principal and interest.
4. 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 \$285,000 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 \$3,212,365 including principal and interest.
5. The **2013 Certificates of Obligation** for \$2,000,000 were issued for the construction of the new City Hall complex. This issue will retire on February 1, 2028. The current balance is \$2,271,873, 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, \$78,000 for Public Works, and \$30,285 for Cost of Issuance. This issue will retire February 1, 2020. The current balance is \$639,970 including principal and interest.

Debt Service Fund

~ Bond Repayment Schedule

Bond Repayment Schedule – All Funds

FY	Principal & Interest						TOTAL
	2006 CO	2007 CO	2008 CO	2011 CO	2013 TN	2013 CO	
2014	94,167	115,188	145,450	190,495	104,139	133,554	820,571
2015	90,512	116,036	151,279	188,119	109,072	163,594	818,612
2016	86,840	116,683	151,875	190,373	107,452	160,561	813,784
2017	-	112,228	152,318	187,319	105,832	162,462	720,158
2018	-	-	-	188,987	104,212	164,231	457,430
2019	-	-	-	190,279	107,552	160,935	458,765
2020	-	-	-	191,038	105,851	162,572	459,460
2021	-	-	-	191,266	-	164,077	355,343
2022	-	-	-	186,188	-	160,517	346,705
2023	-	-	-	190,707	-	161,890	352,597
2024	-	-	-	189,758	-	163,132	352,890
2025	-	-	-	188,409	-	164,242	352,651
2026	-	-	-	186,615	-	160,286	346,901
2027	-	-	-	189,305	-	161,264	350,568
2028	-	-	-	186,504	-	162,110	348,613
2029	-	-	-	188,238	-	-	188,238
2030	-	-	-	189,372	-	-	189,372
2031	-	-	-	189,893	-	-	189,893
Total	177,353	344,946	455,471	3,212,366	639,970	2,271,873	7,101,980



Debt Service Fund

~Continued

Schedule of Debt Service Requirements – Fiscal Year 2015

Series	Obligation	Amount of Issue	Principal Outstanding 10/01/14	Principal & Interest Requirements for FY2015			Principal Outstanding 09/30/15
				Principal	Interest	Total	
2006	Tax & Revenue COs	850,000	170,000	85,000	5,512	90,512	85,000
2007	Tax & Revenue COs	945,000	325,000	105,000	11,036	116,036	220,000
2008	Tax & Revenue COs	1,030,000	435,000	140,000	11,279	151,279	295,000
2011	Tax & Revenue COs	2,445,000	2,185,000	90,000	98,119	188,119	2,095,000
2013	Tax & Revenue COs	2,000,000	1,900,000	115,000	48,594	163,594	1,785,000
2013	Tax Anticipation Notes	700,000	610,000	100,000	9,072	109,072	510,000
TOTAL			5,625,000	635,000	183,612	818,612	4,990,000

Current and Projected Revenue Sources

FY	Taxes	EDC	W&S Fund	Gen Fund	Tourism	Reserves	TOTAL
2014	496,523	-	190,495	57,830	58,470	17,254	820,571
2015	302,289	-	352,729	152,500	11,094	-	818,612
2016	300,083	-	353,140	152,500	8,061	-	813,784
2017	264,246	-	293,450	152,500	9,962	-	720,158
2018	104,212	-	188,987	152,500	11,731	-	457,430
2019	107,552	-	190,279	152,500	8,435	-	458,765
2020	105,851	-	191,038	152,500	10,072	-	459,460
2021	147,000	-	191,266	-	17,077	-	355,343
2022	147,000	-	186,188	-	13,517	-	346,705
2023	147,000	-	190,707	-	14,890	-	352,597
2024	147,000	-	189,758	-	16,132	-	352,890
2025	147,000	-	188,409	-	17,242	-	352,651
2026	147,000	-	186,615	-	13,286	-	346,901
2027	147,000	-	189,305	-	14,264	-	350,568
2028	147,000	-	186,504	-	15,110	-	348,613
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 2015

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							\$ 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		\$ 170,000	\$ 5,512	\$ 1,840	\$ 7,353	\$ 177,353	

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		\$ 325,000	\$ 13,264	\$ 6,683	\$ 19,946	\$ 344,946	

Debt Service Fund

~ Continued

General Debt Service Fund Statement of Bonded Indebtedness Fiscal Year 2015

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							\$ 1,030,000
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		\$ 435,000	\$ 13,596	\$ 6,875	\$ 20,471	\$ 455,471	

Series	2013	Date of Issue 12/2/2013		Term - 15 Years			
2014	2.64%	\$ 100,000	\$ 8,498	\$ 25,055	\$ 33,554	\$ 133,554	\$ 1,900,000
2015	2.64%	115,000	25,055	23,539	48,594	163,594	1,785,000
2016	2.64%	115,000	23,539	22,022	45,561	160,561	1,670,000
2017	2.64%	120,000	22,022	20,440	42,462	162,462	1,550,000
2018	2.64%	125,000	20,440	18,791	39,231	164,231	1,425,000
2019	2.64%	125,000	18,791	17,143	35,935	160,935	1,300,000
2020	2.64%	130,000	17,143	15,429	32,572	162,572	1,170,000
2021	2.64%	135,000	15,429	13,649	29,077	164,077	1,035,000
2022	2.64%	135,000	13,649	11,868	25,517	160,517	900,000
2023	2.64%	140,000	11,868	10,022	21,890	161,890	760,000
2024	2.64%	145,000	10,022	8,110	18,132	163,132	615,000
2025	2.64%	150,000	8,110	6,132	14,242	164,242	465,000
2026	2.64%	150,000	6,132	4,154	10,286	160,286	315,000
2027	2.64%	155,000	4,154	2,110	6,264	161,264	160,000
2028	2.64%	160,000	2,110	-	2,110	162,110	-
Total		\$ 2,000,000	\$ 206,963	\$ 198,464	\$ 405,427	\$ 2,405,427	
Remaining		\$ 1,900,000	\$ 198,464	\$ 173,409	\$ 371,873	\$ 2,271,873	

Debt Service Fund

~ Continued

General Debt Service Fund Statement of Bonded Indebtedness Fiscal Year 2015

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	-
		\$ 700,000	\$ 26,654	\$ 17,456	\$ 44,109	\$ 744,109	
Remaining		\$ 610,000	\$ 17,456	\$ 12,515	\$ 29,970	\$ 639,970	

Debt Service Fund

~ Continued

Long Term Debt Principal & Interest Requirements

General Debt Long Term Debt
As of October 1, 2014

Fiscal Year	Principal	Interest Due 2/1	Interest Due 8/1	Total Interest	Total
2014	541,698	41,408	46,970	88,378	630,076
2015	545,000	46,970	38,523	85,493	630,493
2016	555,000	38,523	29,888	68,411	623,411
2017	480,000	29,888	22,951	52,839	532,839
2018	225,000	22,951	20,492	43,443	268,443
2019	230,000	20,492	17,994	38,486	268,486
2020	235,000	17,994	15,429	33,422	268,422
2021	135,000	15,429	13,649	29,077	164,077
2022	135,000	13,649	11,868	25,517	160,517
2023	140,000	11,868	10,022	21,890	161,890
2024	145,000	10,022	8,110	18,132	163,132
2025	150,000	8,110	6,132	14,242	164,242
2026	150,000	6,132	4,154	10,286	160,286
2027	155,000	4,154	2,110	6,264	161,264
2028	160,000	2,110	-	2,110	162,110
	3,440,000	248,292	201,322	449,613	3,889,613

Debt Service Fund

~ Continued

Long Term Debt Principal & Interest Requirements

General Debt + Water & Sewer Long Term Debt
As of October 1, 2014

Fiscal Year	Principal	Interest Due 2/1	Interest Due 8/1	Interest	Total
2014	631,698	92,204	96,669	188,873	820,571
2015	635,000	96,669	86,943	183,612	818,612
2016	650,000	86,943	76,841	163,784	813,784
2017	575,000	76,841	68,317	145,158	720,158
2018	325,000	68,317	64,113	132,430	457,430
2019	335,000	64,113	59,651	123,765	458,765
2020	345,000	59,651	54,809	114,460	459,460
2021	250,000	54,809	50,534	105,343	355,343
2022	250,000	50,534	46,172	96,705	346,705
2023	265,000	46,172	41,425	87,597	352,597
2024	275,000	41,425	36,465	77,890	352,890
2025	285,000	36,465	31,186	67,651	352,651
2026	290,000	31,186	25,715	56,901	346,901
2027	305,000	25,715	19,853	45,568	350,568
2028	315,000	19,853	13,760	33,613	348,613
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
	5,625,000	786,824	690,156	1,476,980	7,101,980

Debt Service Fund

~ Fund 04

Revenue

Revenue Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget		Budget		Budget	%
		FY13	FY13	FY14	FY14	FY15	Change
3005	Property Tax - Current	165,010	165,037	298,470	294,000	359,350	-20.4%
3010	Property Tax - Prior Years	1,000	2,089	450	1,700	650	-44.4%
3015	Penalty & Interest	3,000	1,016	600	1,450	1,000	-66.7%
3020	Interest on Investment	330	563	600	350	300	50.0%
4920	Transfer from W&S Fund	198,630	198,630	197,170	197,170	164,610	16.5%
4922	Transfer from Tourism Fund	-	-	58,470	58,470	11,100	81.0%
4924	Transfer from General Fund	-	-	57,830	57,830	152,500	-163.7%
4929	Transfer from EDC	71,480	71,480	-	-	-	0.0%
TOTAL		439,450	438,814	613,590	610,970	689,510	-12.4%
9520	Prior Year Balance	208,526	-	181,175	181,879	162,009	10.6%
9525	End of Year Fund Reserve	(181,816)	-	(163,925)	(162,009)	(220,249)	-34.4%
9529	Transfer to TIRZ	-	-	-	-	-	0.0%
GRAND TOTAL		466,160	438,814	630,840	630,840	631,270	-0.1%

Expenditures

Expenditure Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget		Budget		Budget	\$
		FY13	FY13	FY14	FY14	FY15	Change
4040	Market/Base Fees	750	500	750	750	750	0.0%
4816	Principal - 2002 C.O.	34,980	34,978	36,700	36,700	-	-100.0%
4817	Interest - 2002 C.O.	2,610	2,587	880	880	-	-100.0%
4824	Principal - 2006 C.O.	85,000	85,000	85,000	85,000	85,000	0.0%
4825	Interest - 2006 C.O.	12,810	12,805	9,170	9,170	5,520	-39.8%
4826	Principal - 2006 Tax Notes	70,000	70,000	-	-	-	0.0%
4827	Interest - 2006 Tax Notes	1,480	1,474	-	-	-	0.0%
4828	Principal - 2007 C.O.	95,000	95,000	100,000	100,000	105,000	5.0%
4829	Interest - 2007 C.O.	19,140	19,136	15,190	15,190	11,040	-27.3%
4830	Principal - 2008 C.O.	125,000	125,000	130,000	130,000	140,000	7.7%
4831	Principal - 2008 C.O.	19,390	19,390	15,450	15,450	11,280	-27.0%
4834	Principal - 2013 Tax Notes	-	-	90,000	90,000	100,000	11.1%
4835	Interest - 2013 Tax Notes	-	-	14,140	14,140	9,080	-35.8%
4836	Principal - 2013 C.O.	-	-	100,000	100,000	115,000	15.0%
4837	Interest - 2013 C.O.	-	-	33,560	33,560	48,600	44.8%
GRAND TOTAL		466,160	465,870	630,840	630,840	631,270	0.1%

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.

As the economy has strengthened in the past 3 years, the tourism and hospitality industry in the Houston area has also finally began to recover. The Tourism Fund has seen an increase in revenues partially attributed to these economic trends. In 2011 the City saw the addition of a Marriott hotel. The Marriott was given a 85% rebate of Hotel Occupancy Tax through February 2017 (R2011-1905), at which time this fund will see a significant increase in revenue. In March 2014 the Barrios International Space Station Conference Center began its lease of the first floor of the new municipal building. The location of this conference space directly across the street from the Marriott is thought to be having an impact on the hotel occupancy as there has been an average of a 35% increase year over year in the Marriott's hotel occupancy revenue. Due to the impact of the conference center on the local tourism industry, in FY15 3% of HOT expenditures are being used to assist in the payment of debt related to the construction of the municipal conference facility.

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

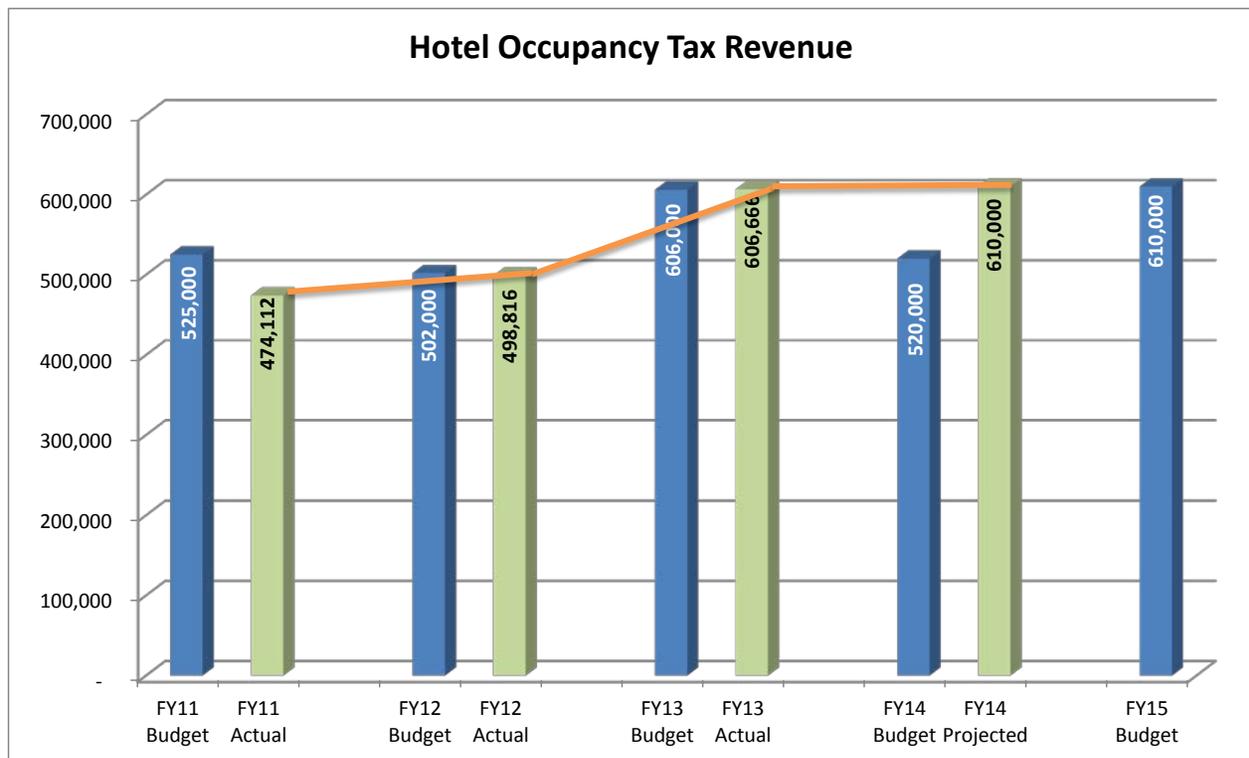
The Tourism Fund is supported solely by Hotel Occupancy Taxes and earned interest. Our hotels presently collect and remit 7% of their taxable receipts. The City adopted a 2% increase in the hotel occupancy tax rate to 7% effective January 1, 2006 with Ordinance No. O2005-597.



Tourism Fund Revenue

~ Fund 06

Revenue Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
3020 Interest on Investments	350	581	400	1,050	600	-50.0%
3120 Hotel Occupancy Tax	606,000	606,666	520,000	610,000	610,000	-17.3%
TOTAL	606,350	607,248	520,400	611,050	610,600	-17.3%
9520 Prior Year Balance	225,607	-	224,379	312,621	388,591	-73.2%
9525 End of Year Fund Reserve	(287,417)	-	(224,589)	(388,591)	(437,461)	-94.8%
GRAND TOTAL	544,540	607,248	520,190	535,080	561,730	-8.0%



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

In FY2015, the 3% contribution to the payment of debt service related to the conference center facility is appropriated out of this department.

Staffing

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

The functions of the Tourism Department are performed predominantly by:

- City Manager
- Assistant City Manager
- City Secretary
- Finance Director
- Special Events & Communications Director
- Human Resources Administrator
- 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 FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages		170,590	166,868	179,680	180,020	215,310	35,630
Personnel Expenses		58,920	58,010	63,390	63,990	80,260	16,870
Maintenance & Operations		3,150	3,000	3,150	3,000	3,150	-
Transfer to Debt Service		-	-	58,470	58,470	16,600	(41,870)
Capital Outlays		-	-	-	-	-	-
TOTAL		232,660	227,879	304,690	305,480	315,320	10,630

Line Item Detail		Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4030	Dues, Fees & Subscriptions	150	-	150	-	150	0.0%
4050	Information Services	3,000	3,000	3,000	3,000	3,000	0.0%
4305	Wages	167,090	163,866	176,420	176,420	212,190	20.3%
4306	Overtime	3,500	3,003	3,260	3,600	3,120	-4.3%
4310	Social Security	13,130	12,225	13,830	13,830	16,560	19.7%
4415	Insurance - Medical & Dental	23,780	23,946	25,400	25,400	30,000	18.1%
4425	Insurance - Workers' Comp	-	-	-	-	-	0.0%
4430	Retirement - Contribution	22,010	21,839	24,160	24,160	33,100	37.0%
4440	Insurance - LT Disability	-	-	-	600	600	0.0%
4920	G&A Overhead	-	-	-	-	-	0.0%
4922	Transfer to Debt Service	-	-	58,470	58,470	16,600	-71.6%
TOTAL		232,660	227,879	304,690	305,480	315,320	3.5%

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.

In FY2015, the City has teamed up with Clear Creek Independent School District, to achieve a unique and cooperative investment of Hotel Occupancy Funds. The City was chosen as the school district's Official Lodging Sponsor in July 2014 and this designation will carry through until July 2015. With this designation, the City Tourism Fund provides a financial sponsorship to CCISD and in return CCISD links to the Nassau Bay website and hotel information on all of its promotional information related events that it hosts. With events like graduation and multi-day athletic events, the school district puts many heads in beds throughout the school year. For this fiscal year, the City's tourism sector will hopefully see a benefit from this investment.

Tourism Fund Expenditures

02 ~ Advertising & Promotion

Expenditures Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	239,880	244,628	178,500	194,600	221,910	43,410
Capital Outlays	-	-	-	-	-	-
TOTAL	239,880	244,628	178,500	194,600	221,910	43,410

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4014 July Fourth	18,000	21,732	20,000	22,020	21,800	9.0%
4015 Bay Area Houston CVB	71,180	71,180	78,000	78,000	90,000	15.4%
4018 Holiday Boat Parade	6,000	8,110	6,500	7,330	7,110	9.4%
4040 Advertising/Printing	59,500	59,148	14,000	14,000	14,000	0.0%
4060 Artwork/Agency Fees	600	633	1,000	750	1,000	0.0%
4073 Promotions	10,000	8,473	7,500	7,500	23,500	213.3%
4074 Reindeer Run Ad./Promotion	1,500	1,500	1,500	1,500	1,500	0.0%
4115 Maintenance - Entrance Highway	11,000	5,970	-	-	-	0.0%
4505 Utilities - Electrical	62,100	67,882	50,000	63,500	63,000	26.0%
TOTAL	239,880	244,628	178,500	194,600	221,910	24.3%

Tourism Fund

~ Department 03

Arts & Special Events

In FY2015, the Arts & Special Events that are funded were selected by the Appropriations Sub-Committee within the guidelines of the City of Nassau Bay Hotel Occupancy Tax Revenue Policy. All applicants submitted proposals detailing their event and its projected impact on 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 FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Wages		-	-	-	-	-	-
Personnel Expenses		-	-	-	-	-	-
Maintenance & Operations		72,000	72,000	37,000	35,000	24,500	(12,500)
Capital Outlays		-	-	-	-	-	-
TOTAL		72,000	72,000	37,000	35,000	24,500	(12,500)

Line Item Detail		Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
4013	Gulf Coast Film Expo	-	-	-	-	1,000	0.0%
4015	Arts Alliance Ctr Clear Lake	4,000	4,000	-	-	-	0.0%
4016	Bay Area Houston Ballet	1,000	1,000	1,000	1,000	1,000	0.0%
4022	Houston Symphony League B. A.	1,000	1,000	1,000	1,000	2,000	100.0%
4025	Clear Lake Symphony	1,000	1,000	1,000	1,000	-	-100.0%
4026	Keels & Wheels	8,500	8,500	8,000	8,000	10,000	25.0%
4028	IHFC Earth Angels	2,000	2,000	2,000	2,000	-	-100.0%
4029	Bay Access	2,000	2,000	-	-	-	0.0%
4030	Butler Courtyard	-	-	1,000	1,000	-	-100.0%
4031	Clear Creek HS Tennis Boosters	-	-	5,000	5,000	-	-100.0%
4032	Offshore Thunder Productions	-	-	2,500	2,500	2,500	0.0%
4070	Ballunar Festival	30,000	30,000	2,000	-	-	-100.0%
4071	Wings Over Houston	20,000	20,000	12,500	12,500	8,000	-36.0%
4072	Houston Livestock Show & Rodeo	2,500	2,500	1,000	1,000	-	-100.0%
TOTAL		72,000	72,000	37,000	35,000	24,500	-33.8%



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. There are two new grants in FY2015 that are of significance.

In FY2015 the City and several of its residents will see the impact of a new Flood Mitigation Assistance Program Elevation Grant which is administered by the Texas Water Development Board on behalf of the Federal Emergency Management Agency. The City is the local pass-through recipient/administrator. Via the City, 36 repetitive loss residential properties in Nassau Bay applied and were approved to receive this grant assistance in raising their homes two feet above current base flood elevation to be in compliance with FEMA and City requirements. The City anticipates receiving and expending the first \$3 Million of this grant in FY2015. The remainder of the total \$5,879,742.05 award is expected to be allocated in FY2016.

The City, in collaboration with the Galveston Bay Foundation, was awarded a \$50,000 pass through grant from the Texas Commission on Environmental Quality. The grant was awarded for the Cease the Grease Galveston Bay Public Awareness Campaign for Fats, Oils, and Grease: Phase I. As a governmental entity, the City was awarded this grant on behalf of the Galveston Bay Foundation. All activities and expenses are incurred by the GBF and reimbursed to them, but all funding is passed-through the City to meet federal and state requirements. The City benefits from the work of Galveston Bay Foundation to keep our waterways and shorelines clean.

Special Revenue & Grants Fund

~ Fund 07

Revenues

Revenue Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Special Revenue	37,500	42,202	37,500	59,060	44,200	6,700
Grant Revenue	1,080,000	534,836	-	7,870	3,052,000	3,052,000
TOTAL	1,117,500	577,038	37,500	66,930	3,096,200	3,058,700
Prior Year Balance Forward	303,032	-	208,145	215,386	76,468	(131,677)
End of Year Fund Balance	(78,752)	-	(27,895)	(76,468)	(74,868)	(46,973)
GRAND TOTAL	1,341,780	577,038	217,750	205,848	3,097,800	2,880,050

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
7021-01 Interest On Investments	100	570	100	770	100	0.0%
7022-01 Admin. Special Revenue - Int.	-	599	-	1,090	100	0.0%
7025-01 Grant Revenue - Police Dept	-	-	-	4,350	-	0.0%
7026-01 Grant Revenue - Fire Dept	-	-	-	1,400	-	0.0%
7027-01 Grant Revenue - Info. Tech	50,000	49,377	-	-	-	0.0%
7031-01 Child Safety Revenue	4,500	4,792	4,500	4,730	4,000	-11.1%
7041-01 Court Security Revenue	2,500	2,532	2,500	2,000	2,000	-20.0%
7051-01 Court Technology Revenue	3,500	3,376	3,500	2,900	2,700	-22.9%
7061-01 Comcast 1% Franchise Fee - NBTV	14,900	16,763	14,900	17,000	17,000	14.1%
7071-01 TX Park & Wildlife-Peninsula Grant	140,000	71,624	-	-	-	0.0%
7091-01 Fire/EMS Equip. Fund Revenue	12,000	12,535	12,000	12,000	12,000	0.0%
7101-01 Donations-Designated	-	-	-	800	100	0.0%
7108-01 Town Square Events	-	-	-	14,500	4,000	0.0%
7109-01 Donations - Animal Control	-	1,030	-	2,020	100	0.0%
7110-01 Beautification Day	-	-	-	800	2,000	0.0%
7111-01 Donations - EMS	-	-	-	450	100	0.0%
7321-01 Court Asset Forfeitures Revenue	-	5	-	-	-	0.0%
7421-01 LEOSE GRANT - Police	-	-	-	1,350	1,300	0.0%
7431-01 LEOSE GRANT - Fire Marshal	-	-	-	770	700	0.0%
7763-01 CDBG Round 1: Post-Ike Recovery	620,000	414,012	-	-	-	0.0%
7766-01 FEMA Elevation Grant-R&E	-	-	-	-	3,000,000	0.0%
7767-01 TCEQ-GBF CTG Grant R&E	-	-	-	-	50,000	0.0%
7771-01 EDA - 09 Grant Revenue	270,000	(176)	-	-	-	0.0%
TOTAL	1,117,500	577,038	37,500	66,930	3,096,200	8156.5%
7999 Prior Year Balance Forward	303,032	-	208,145	215,386	76,468	-63.3%
9525 End of Year Fund Balance	(78,752)	-	(27,895)	(76,468)	(74,868)	168.4%
GRAND TOTAL	1,341,780	577,038	217,750	205,848	3,097,800	1322.6%

Special Revenue & Grants Fund

~ Fund 07

Expenditures

Expenditure Summary	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget \$ Change
Special Revenue - Expenditures	191,280	87,433	211,850	198,960	46,000	(165,850)
Grant Revenue - Expenditures	1,150,500	573,723	5,900	6,888	3,051,800	3,045,900
GRAND TOTAL	1,341,780	661,156	217,750	205,848	3,097,800	2,880,050

Line Item Detail	Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
7022-02 Admin. Expense - Special Revenue	5,530	1,698	6,000	3,000	2,000	-66.7%
7031-.03 Child Safety Expense - Admin.	4,500	456	5,000	2,000	2,000	-60.0%
7032-03 Child Safety Expense - Police	4,500	1,307	5,000	2,000	2,000	-60.0%
7033-03 Child Safety Expense - Fire Dept.	4,500	2,079	5,000	2,000	2,000	-60.0%
7041-04 Court Security Expenses	12,000	90	16,500	14,000	2,000	-87.9%
7051-05 Court Technology Expense	3,500	583	3,000	3,000	4,000	33.3%
7108-10 Town Square Events	-	-	-	5,070	18,000	0.0%
7109-08 Animal Control Projects	350	273	850	150	500	-41.2%
7110-10 Beautification Day	-	-	-	-	2,000	0.0%
7092-09 Fire Dept. Donations - Equipment	12,000	8,352	17,000	10,040	5,000	-70.6%
7093-09 EMS Donations - Equipment	12,000	7,481	17,000	22,700	-	-100.0%
7101-10 Donations - Designated - Parks	1,500	-	1,500	-	1,500	0.0%
7321-32 Court Asset Forfeitures	7,000	7,504	-	-	-	0.0%
7025-40 Grant Revenue - Police Dept	750	756	-	4,710	-	0.0%
7026-40 Grant Revenue - Fire Dept	-	-	-	1,400	-	0.0%
7027-40 Grant Revenue - Info. Tech	50,000	49,377	-	-	-	0.0%
7071-40 TX Park & Wildlife-Peninsula Grant	140,000	64,236	-	-	-	0.0%
7763-40 CDBG Round 1: Post-Ike Recovery	620,000	414,012	-	-	-	0.0%
7766-40 FEMA Elevation Grant-R&E	-	-	-	-	3,000,000	0.0%
7767-40 TCEQ-GBF CTG Grant R&E	-	-	-	-	50,000	0.0%
7421-42 LEOSE GRANT - Police	3,330	102	2,690	1,010	1,000	-62.8%
7431-43 LEOSE GRANT - Fire Marshal	-	-	-	-	800	0.0%
7451-45 Grant - EMS - SE Tex Trauma R.A.C.	3,210	-	3,210	-	-	-100.0%
7061-61 Comcast 1% Franchise Fee - NBTV	14,000	5,133	30,000	30,000	5,000	-83.3%
7762-62 TMLIRP - Ike	109,900	52,478	105,000	105,000	-	-100.0%
7761-76 FEMA - 09 Ike Revenue	45,240	45,240	-	(232)	-	0.0%
7771-77 EDA - 09 Grant Revenue	287,970	-	-	-	-	0.0%
TOTAL	1,341,780	661,156	217,750	205,848	3,097,800	1322.6%



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 139-149). The FY2015 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 FY2011 the City issued bonded debt through the Texas Water Development Board to fund Water & Sewer Capital Improvements. These TWDB projects will be completed in FY2015 and are expensed out of the Water & Sewer Fund. Additionally there are other Water & Sewer Fund capital projects that will be cash-flowed out of that fund including a new backhoe and sewer line camera.

In FY2013 the City issued a Tax Note for various projects throughout the City. One project from this Tax Note remains for completion in FY2015. This project is the relocation of a 24" sewer line.

Capital Projects Fund

~ Fund 09

Revenues

Revenue Detail		Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
3020	Interest on Investments	-	301	-	600	100	0.0%
6308	FY13 Tax Note - Capital Projects	700,000	700,000	-	-	-	0.0%
6400	FY14 CO Series 2013-City Hall	-	-	2,000,000	2,000,000	-	100.0%
4920	Transfer From General Fund	-	-	416,000	416,000	-	100.0%
TOTAL		700,000	700,301	2,416,000	2,416,600	100	-100.0%
9520	Prior Year Balance	416	-	374,768	451,429	22,209	94.1%
9525	End of Year Reserve	(16)	-	(148)	(22,209)	(2,309)	-1460.1%
GRAND TOTAL		700,400	700,301	2,790,620	2,845,820	20,000	99.3%

Expenditures

Expenditure Detail		Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
5424-11	Transfer To General Fund	26,000	-	-	-	-	0.0%
6308-11	FY13 Tax Note - Capital Projects	674,000	223,382	374,000	429,200	20,000	94.7%
6309-11	FY13 TN 2013-Issuance	-	25,908	-	-	-	0.0%
6400-11	Fiscal Year Capital Projects	400	-	2,373,680	2,373,680	-	100.0%
6401-11	FY14 CO Series 2013-Issuance	-	-	42,940	42,940	-	100.0%
GRAND TOTAL		700,400	249,290	2,790,620	2,845,820	20,000	99.3%

Street Sales Tax Fund

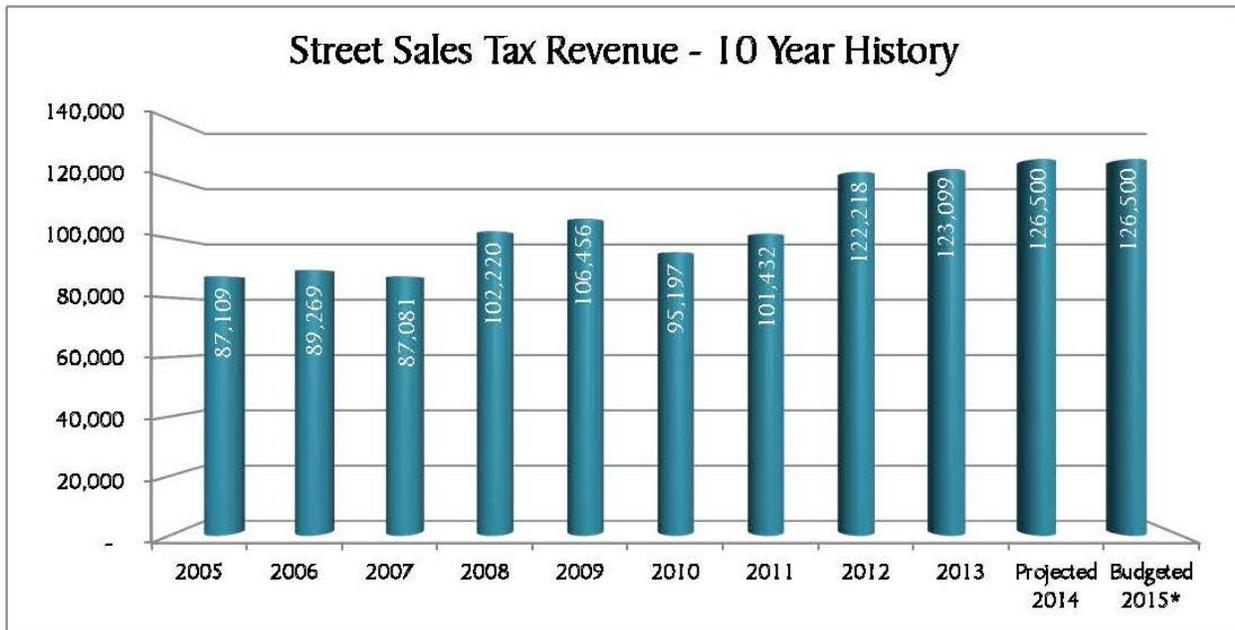
~ Fund 10

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. The City will hold its next election to renew this tax on November 4, 2014. This budget currently assumes that funding will continue after April 2015. Since the tax became effective in 2003, the City has collected over \$1,174,500, all dedicated to improving and maintaining Nassau Bay's municipal streets.



Street Sales Tax Fund

~ Fund 10

Revenues

Revenue Detail		Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
3020	Interest on Investments	500	1,580	500	1,000	500	0.0%
3110	Sales Tax Revenue	106,100	123,099	115,000	126,500	126,500	-10.0%
TOTAL		106,600	124,679	115,500	127,500	127,000	-10.0%
9520	Prior Year Balance	327,162	-	423,735	423,735	248,215	41.4%
9525	End of Year Reserve	(145,382)	-	(146,685)	(248,215)	(345,215)	-135.3%
GRAND TOTAL		288,380	124,679	392,550	303,020	30,000	92.4%

Expenditures

Expenditure Detail		Amended Budget FY13	Actual FY13	Amended Budget FY14	Projected FY14	Adopted Budget FY15	Budget % Change
5207-02	FY10 Street Projects	27,850	18,197	-	-	-	0.0%
5208-02	FY11 Street Projects	101,430	12,139	-	-	-	0.0%
5209-02	FY12 Street Projects	106,100	-	72,220	72,220	-	100.0%
5210-02	FY13 Street Projects	53,000	1,850	113,150	113,150	-	100.0%
5211-02	FY14 Street Projects	-	-	207,180	117,650	30,000	85.5%
GRAND TOTAL		288,380	32,186	392,550	303,020	30,000	92.4%

Personnel

~ All Funds

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 FY2015, the Council approved a merit compensation budget averaging to 3% per department.

Staffing

The City is projecting an overall 7.64% increase in the Personnel Budget, including both wages and benefits. This percent increase is driven by the budgeted 3% merit increase, increases in the cost of health insurance, and increases in the retirement contribution related to updated actuarial methods.

The staffing level for this budget is 43 full-time (FTE), 4.5 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	214,400	335,490	388,250	938,140	33.61%	3,729,680	40	6	29
FY14	2,887,480	223,800	361,820	405,530	991,150	34.33%	3,878,630	42	6	30
FY15	3,064,520	238,330	440,490	425,410	1,104,230	36.03%	4,168,750	43	6	30

FY15 Increase (Decrease)

	Wages	Social Security	Pension	Health Insurance	Total Benefits	Total Wages & Benefits
\$ Change	177,040	14,530	78,670	19,880	113,080	290,120
% Change	6.13%	6.49%	21.74%	4.90%	11.41%	7.48%

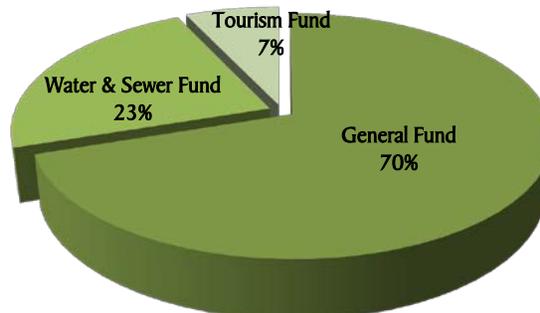
* Not reported in previous budgets

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
FY15	2,140,650	708,560	215,310	3,064,520	177,040

Total Five Year Increase 553,968
 Five Year Average Increase 110,794

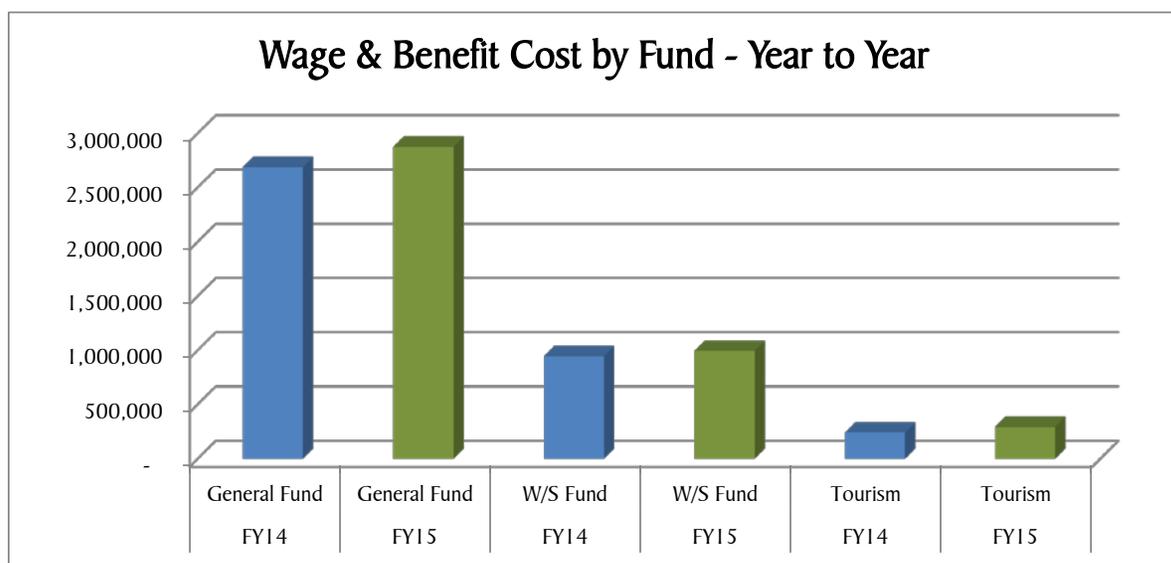
FY2015 Wage Split by Fund



Departmental Allocations

Wage & Benefit Costs as Allocated by Department & Fund - Year to Year Comparison						
	FY14	FY15	FY14	FY15	FY14	FY15
	General Fund	General Fund	W/S Fund	W/S Fund	Tourism	Tourism
	Wages & Benefits					
General Fund						
General & Administrative	344,520	378,120	325,741	348,100	170,385	216,922
Building	112,130	116,070	-	-	-	-
Emergency Management	123,700	126,360	-	-	-	-
Fire Department	61,640	62,690	-	-	-	-
Public Works	226,390	235,960	317,921	333,650	-	-
Parks Department	167,930	190,760	-	-	53,668	59,134
Police Department	992,350	1,042,620	-	-	-	-
Animal Control	27,350	27,620	-	-	-	-
Information Service	44,750	45,140	-	-	-	-
Municipal Court	100,490	103,360	-	-	-	-
EMS	335,690	379,740	-	-	-	-
Fire Marshal	89,820	90,310	-	-	19,017	18,854
Code Enforcement	62,510	79,560	-	-	-	-
Water & Sewer Fund						
General & Administrative	-	-	302,628	313,780	-	-
TOTALS	2,689,270	2,878,310	946,290	995,530	243,070	294,910

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



Personnel

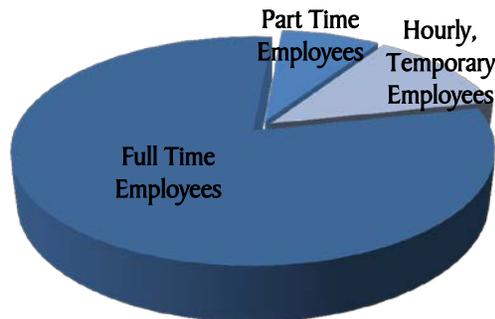
~ All Funds

Budgeted Personnel Data by Department

Budgeted Positions by Classification Per Department - Year to Year Comparison									
	FY13	FY14	FY15	FY13	FY14	FY15	FY13	FY14	FY15
	FTE*	FTE*	FTE*	PTE*	PTE*	PTE*	HE*	HE*	HE*
General Fund									
General & Administrative	8	8	9	-	-	-	-	-	-
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	2.5	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	43	6	6	5	30	30	30

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

Budgeted Hours of Work		
Full Time Employees	89,440	80%
Part Time Employees	8,944	8%
Hourly, Temporary Employees	13,776	12%
Total Budgeted Hours	112,160	
Total Full-Time Equivalents	53.9	



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 2015-2019 includes proposals totaling \$14.4 million, with about \$12.5 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 FY14 as part of the FY15 Budget and CIP. They total approximately \$4.4 million and are depicted on the following two pages (140-141).

Capital Improvement Plan

~ Continued

Projects Completed from FY2014 CIP

Water and Sewer Fund

Project	Status	Estimated Cost	Actual Cost YTD	Funding Source
Elevated Water Storage Tank painting, repair, and upgrade	Completed	\$103,000	\$103,000	Water & Sewer Cash Flow
Queens Court Water Line Rehab	Construction Started	\$150,000	\$100,000	Water & Sewer Cash Flow
SBR – Facilities to Divert Flow	Construction Started	\$850,000	\$850,000	TWDB
Screen at Plant Headworks & Grit Removal Improvements	Completed	\$330,000	\$330,000	TWDB
Sewer Rehabilitation (Nassau Bay Drive, Hereford, Basilan)	Completed	\$240,000	\$240,000	TWDB
TOTALS		\$1,623,000	\$1,623,000	

Capital Improvement Plan

~ Continued

Projects Completed from FY2014 CIP (continued)

General Government

Project	Status	Estimated Cost	Actual Cost YTD	Funding Source
Annual Paving Improvements	Completed	\$300,000	\$303,020	Street Sales Tax Fund
Harbour Dr. & Basilan paving improvements	Completed	\$0	\$0	Fund by Harris County
Lake Nassau Park shoreline erosion restoration and erosion protection (including canoe launch area)	Completed	\$86,260	\$86,260	2013 Tax Note
Public Works/EMS Roof Repair – Phase I	Completed	\$5,790	\$5,790	2013 Tax Note
Street Sign Repair	Construction Started	\$1,000	\$1,000	Contingency
Peninsula Trail Sign	Completed	\$3,500	\$3,500	TP&W Grant 80%, General Fund 20%
City Hall Conference Center	Completed	\$2,762,000	\$2,762,000	2013 Certificates of Obligation, One-Time Revenue, and Reserves
EMS Lifepak 15 Heart Monitor & Defibrillator	Completed	\$35,800	\$35,800	2013 Tax Note & Water Donation Money
EMS Fleet Used Expedition	Completed	\$6,500	\$6,500	2013 Tax Note
TOTALS		\$3,200,850	\$3,203,870	
Total Capital Investment (Water & Sewer plus General Government)			\$4,826,870	

Capital Improvement Plan

~ Continued

FY2014 CIP - Impacts

Water and Sewer Fund

FY2014 projects continue to extend the life of the Sewer Plant with the new Sequential Batch Reactor (SBR) and facilities to divert and store flow. This improvement provides for adequate and safe infrastructure to allow staff to properly maintain the primary plant. In coordination with this project, a new Grit King screen was installed at the headworks helping to decrease the solids that enter the plant. This change protects the pump and its many moving parts from seizing up or wearing out prematurely. Both of these projects extend the life of current infrastructure, allow the plant to function more efficiently, and increase the safe operations of the facility.

The elevated water storage tank painting, repair, and upgrading are a necessary investment approximately each decade. This maintenance ensures the structural integrity of the primary water storage facility long into the future. Properly repairing corrosion and resealing and painting the water tower are essential for the water provision of our community.

The water and sewer line rehabilitation projects focused on known areas of concern in the distribution and reclamation systems. Much of the in-ground infrastructure in the City is several decades old and beginning to corrode and deteriorate with regular wear and tear. Often small leaks and breaks are repaired with a patch, but when large sections begin to show increase signs of failure, they are added to our long-term rehabilitation list. The sewer line replacement on Basilan, Hereford, and Nassau Bay Drive and the water line replacement on Queens Court update aging infrastructure and provide for better, more dependable, safe provision of water and sewer services to our residents.

General Government

The paving projects on Harbour Dr. and Basilan were funded by Harris County and replaced roadways that had deteriorated. These projects include complete or partial repaving of Harbour Drive, Grenada, Windward Lane, Basilan Lane, and Barbuda Lane. While these projects did not have a direct monetary impact on the City's financial position, they were partially funded by Harris County tax dollars and their completion also relieved the City's CIP of these expensive capital projects. These paving projects helped improve mobility in these parts of the community.

In addition to these paving projects, the City funded the 2013 Street Paving projects including the partially repaving of the following streets: St. Johns Blvd., Upper Bay, San Sebastian, Vinland, Saxony, Space Park Drive, Cape Bahamas, Kingstree, Capetown, and Nassau Bay Drive. Also, there were several smaller repairs on Prince William, Leeward, Upper Bay, Saxony, Cape Bahamas, and Space Park.

The Lake Nassau shoreline protection project placed articulating concrete block along a portion of the north and eastern lake shorelines. These waffled concrete blocks stabilize the shoreline and prevent further erosion and damage from wildlife like nutria. Additionally, it provides an aesthetically pleasing finish covered in grass and an incline that makes the lake easily approachable by kayakers.

Capital Improvement Plan

~ Continued

FY2014 CIP – Impacts (continued)

The construction of the new municipal building was a jointly funded project with Griffin Partners, the Town Square developer. The City funded the conference center portion of the building and the City Hall portion was largely funded by the Griffin Partners. The new City Hall provides a functional and efficient home for many of the City's departments. The conference center, which is being leased to a single tenant through 2020, provides additional conference space within the City, a positive for our local hotels. With the new City Hall, the City once again bears the responsibility for maintenance and operations of our office facility. Additionally, the City has now also become a landlord and must provide basic building services to our tenants. This requires additional annual funds as well as staff time and newly determined operating procedures. All of these new obligations have been accounted for in the FY2015 budget.

In EMS the addition of a used emergency response vehicle provides for supervisor transportation. The vehicle's age does require additional maintenance, but it serves the purpose of a limited use vehicle without requiring a large investment of funds. Also, the purchase of a new Lifepak for the primary ambulance provides EMS with a much more dependable and technologically advanced tool for aiding heart patients. This new tool allows our EMS to better collaborate with emergency rooms in the diagnosis and care of heart patients in a timely manner.

Capital Improvement Plan

~ Continued

FY2015 CIP Budget

The City of Nassau Bay adopted a FY2015 Capital Improvement Plan totaling over 1.5 million dollars. Projects include facilities and infrastructure, transportation systems, and utility systems.

2015 Capital Budget Summary

# of Projects	Category	Cost
12	General Government	\$396,760
5	Parks & Recreation	\$111,000
12	Utility Systems	\$1,050,000
Various	Transportation	\$30,000

The Table below indicates the 2015 Capital Budget and Funding Detail.

Water and Sewer Fund

Project Description	FY15 Budget	Funding Source
Piping Improvements at Water Plant No. 1 to Improve Elevated Tank Fill and Drain Operations	\$50,000	Cash Flow W/S
Well #2 - Water Plant Back-Up Well	\$20,000	Cash Flow W/S
Water Line Rehabilitation – Queens Court & Carriage Lane	\$150,000	Cash Flow W/S
Repairs to Electrical Conduit and Walkways	\$30,000	TWDB
Replace existing gas feed system; add covered area	\$40,000	Cash Flow W/S
Clarifier Center Well Repair - Replace existing Clarifier - Painting, Releveling, Replace Corroded Metal	\$230,000	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	\$20,000	Cash Flow W/S
Sewer Rehabilitation [various]	\$300,000	Cash Flow W/S
Backhoe	\$100,000	Cash Flow W/S
Sewer Line Camera	\$10,000	Cash Flow W/S
TOTAL FUNDED FY2015 WATER & SEWER CIP	\$1,050,000	

Capital Improvement Plan

~ Continued

FY2015 CIP Budget (continued)

General Government

Relocation of 24" city storm sewer line @ 18518 Upper Bay	\$20,000	Tax Note
Streets – Joint Sealing City-wide (Various Large Areas)	\$30,000	Street Fund
Engineering for the Dredging of Lake Nassau	\$35,000	EDC
TOTAL FUNDED FY2015 CIP	\$85,000	
Public Works – Golf Cart	\$10,000	TBD
Public Works/EMS Roof Repair – Phase 2	\$10,950	TBD
Boardwalk – Stain & Preserve	\$6,000	TBD
Pavilion - Maintenance and Repairs to include drainage and pavilion floor	\$9,500	TBD
Lake Nassau Aerator Replacement	\$10,000	TBD
Pavilion – Roof Replacement	\$58,500	TBD
Lake Nassau Park – Playground Equipment	\$13,000	TBD
Lake Nassau Park – Restroom Remodel	\$20,000	TBD
Six (6) Mobile Data Terminals – PD	\$30,000	TBD
Replace two (2) PD Staff Vehicles	\$52,910	TBD
Body Camera – Fire Marshal	\$900	TBD
Fire Department Carport to protect & cover apparatus	\$40,000	TBD
Remount 2006 F-450 Ambulance	\$155,000	TBD
Five (5) Replacement Computers	\$6,000	TBD
TOTAL UNFUNDED FY2015 CIP	\$422,760	

Capital Improvement Plan

~ Continued

FY2015 CIP – Anticipated Impacts

Water and Sewer Fund

The completion of the various substantial utility projects is scheduled for FY2015. First and foremost the Texas Water Development Boards projects will be closed during the coming year. 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 the primary 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.

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

There are only a few funded projects for FY2015. These projects included the relocation of a 24" storm sewer line, the engineering for the dredging of Lake Nassau, and joint sealing on streets throughout the City.

The engineering for dredging Lake Nassau and the joint sealing are both projects that will help to ensure the long term viability of the City's key infrastructure. The Lake Nassau engineering should provide the City with a good plan for the best solution to remove years of sediment in the lake. Ultimately, the primary goal with the project is to identify the type of maintenance that will allow the lake to continue to receive storm sewer run-off and maintain a healthy ecosystem.

The joint sealing is effective preventative maintenance on the streets, extending the life of existing streets and improving the transportation of experience of the residents. This investment helps decrease the wear and tear the streets experience along the seams in the roadway.

The relocation of the 24" storm sewer line will remove the City infrastructure from the middle of a piece of private property. This change will allow the private property to achieve greater use and will place the infrastructure in the proper City right-of-way.

Additional projects from the FY2015 CIP will be completed if additional funding is found at the discretion of the City Manager and City Council.

Overall CIP Rank	Proj ID	Project Description	Project Budget	FY14 COMPLETED	FY15	Funding Source	FY16	FY17	FY18	FY19	FY20 & Beyond	Current Phase	Next Phase	Special Notes & Justification
WATER SYSTEM														
Water Production and Transmission														
Completed	WP1011	Elevated water storage tank and ground water storage tank at Plant #1 painting, repair, and upgrading	\$103,000	\$103,000		COMPLETED						Completed	Completed	Needed to extend life of water storage tanks
	WP1003	Piping Improvements at Water Plant No. 1 to Improve Elevated Tank Fill and Drain Operations	\$50,000		\$50,000	Cash Flow W/S						Planning/Constr	Completed	Improves Fire Protection and reduces number of water line breaks by allowing full tank concurrent with lower system pressure.
	WP1012	Well #2 - Water Plant Back-Up Well	\$520,000		\$20,000	Cash Flow W/S	\$500,000					Maintenance/Pl	Design and Rebuild	
	WP1002	Replace 12-inch diameter Surface water supply pipeline b/w CLCWA and Nassau Bay	\$800,000			TBD		\$800,000				Grant Planning	Design	Primary water supply to City - May 2012 PRV Installed. Problems have decreased with Bypass Vault. Tracking/watching situation.
	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.
Water Distribution														
	WD1001	Water Line Rehabilitation	\$450,000			Cash Flow W/S	\$100,000	\$100,000				Design	Construction	Replace deteriorating water lines
		Queens Court		\$100,000	\$50,000									
		Carriage Lane			\$100,000									
WASTEWATER SYSTEM														
Wastewater Treatment Plant														
Completed	WWT1009	SBR - Facilities to divert flow or store flow to allow process units to be isolated for inspection, repair, and replacement	\$850,000	\$850,000		COMPLETED						Construction	Completed	Develop plan to allow for the plant to be bypassed for maintenance. Current configuration allows for only 24 hours of down time.
Completed	WWT1012	Install Screen at Plant Headworks & Grit Removal Improvements	\$330,000	\$330,000		COMPLETED						Construction	Completed	Reduces chance of plant clogging and overflows at the plant; improves operations.
	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
	WWT1005	Replace existing gas feed system; add covered area	\$40,000		\$40,000	Cash Flow W/S						Design	Construction	Replaces aging equipment; More safe installation compare to existing chlorine gas; flood proofs the disinfection system.
	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.
	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.
	WWT1016	Sand Filter - Upgrade System to Modern Unit which will be Flood Proof.	\$700,000			TBD		\$700,000				Design	Construction	Replaces aging and obsolete sand filter unit. Current upgrades to plant and maintenance of Sand Filter have had benefit. Watching existing filter.
Wastewater Lift Stations and Force Mains														
	WWL1009	Installation of SCADA to provide more effective and energy efficient operation of sewer lift stations	\$20,000		\$20,000	Cash Flow W/S								
	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.
	WWL1008	Surf Court Lift Station - Odor Control Improvements	\$75,000			TBD			\$75,000			None	Design	Improves odor condition at Surf Court cul-de-sac.
Wastewater Collection System														
Completed	WWC1002	Sewer Rehabilitation [Nassau Bay Drive Rear Easement; Hereford Lane; Basilan Lane]	\$240,000	\$240,000		COMPLETED						Completed	Construction	Repairs deteriorated infrastructure - Ahead of Schedule - Current emergency repairs applied to TWDB
	WWC1006	Wastewater Lines and Manhole Rehabilitation - Various Areas	\$1,800,000		\$300,000	Cash Flow W/S	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	Planning	Design	Replaces deteriorated Infrastructure.
Water/Wastewater Equipment														
	WWE1003	Backhoe	\$100,000		\$100,000	Cash Flow W/S						Completed	Completed	
	WWE1004	Sewer Line Camera	\$10,000		\$10,000	Cash Flow W/S								
WATER & WASTEWATER UTILITY TOTALS			\$7,853,950	\$1,623,000	\$1,050,000		\$1,400,000	\$1,900,000	\$375,000	\$300,000	\$705,950			

Overall CIP Rank	Proj ID	Project Description	Project Budget	FY14 COMPLETED	FY15	Funding Source	FY16	FY17	FY18	FY19	FY20 & Beyond	Current Phase	Next Phase	Special Notes & Justification
DRAINAGE														
Drainage Collection														
	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
	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]
	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
	DC1006	Marina Basin Storm Sewer Phase 1	\$151,600			TBD					\$151,600	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
	DC1007	Marina Basin Storm Sewer Phase 2	\$168,200			TBD					\$168,200	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
	DC1008	Marina Basin Storm Sewer Phase 3	\$285,470			TBD					\$285,470	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
	DC1009	Marina Basin Storm Sewer Phase 4	\$456,190			TBD					\$456,190	Planning	Design	Improves drainage in west Nassau Bay Marina Basin Problem Area
	DC1010	Improvements at Basilan Lane Area	\$100,000			TBD					\$100,000	Study	Design	Reduce flooding in problem area of Basilan Lane
Drainage - Pump Stations														
	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														
Completed		Harbour Dr. - Paving Improvements (Harris County)		Harris Cty		COMPLETED								
Completed		Basilan - Paving Improvements (Harris County)		Harris Cty		COMPLETED								
	PCIP1001	Annual Paving Improvements	\$1,053,020	\$303,020	\$0	Street Fund	\$450,000	\$0	\$300,000	\$0		Design	Construction	Replaces deteriorated infrastructure
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														
Completed	DL1004	Lake Nassau Park shoreline erosion restoration and erosion protection (includes Canoe Launch area)	\$86,260	\$86,260		COMPLETED						Completed	Completed	Improves water quality in Lake and drainage.
	DL1005	Dredging of Lake Nassau	\$1,650,000		\$35,000	EDC		\$1,615,000				Planning	Design	
	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
PUBLIC WORKS														
Completed	PW1007	Public Works/EMS Building Roof Repair - Part 1	\$5,790	\$5,790		COMPLETED						Completed	Completed	
Completed	PW1008	Street Sign Replace/Repair	\$1,000	\$1,000		COMPLETED						Completed	Completed	
	PW1009	Golf Cart	\$10,000		\$10,000	TBD								
	PW1010	Public Works/EMS Building Roof Repair - Part 2	\$10,950		\$10,950	TBD								
	PW1011	Boardwalk - Stain/Preserve	\$6,000		\$6,000	TBD								
PARKS														
Completed	P1007	Peninsula Trail	\$3,500	\$3,500		COMPLETED						Completed	Completed	Designe contracted with SWA Group - Advertised June 2012
	P1008	Pavilion - Maintenance and Repairs to include drainage and pavilion floor	\$9,500		\$9,500	TBD						Quoting	Construction	
	P1009	Aerator replacement	\$10,000		\$10,000	TBD								
	P1010	Pavilion - Roof Replacement	\$58,500		\$58,500	TBD								
	P1011	Lake Nassau Park - playground equipment	\$13,000		\$13,000	TBD								
	P1012	Lake Nassau Park - restroom remodel	\$20,000		\$20,000	TBD								
	P1004	Lake Nassau Park Trail, Phase II	\$70,000			TBD	\$70,000					Planning	Design	
POLICE DEPARTMENT														
	PD1002	Six (6) Mobile Data Terminal	\$30,000		\$30,000	TBD								
	PD1006	Replace 2 Staff Vehicle (Chief, Sergeants)	\$52,910		\$52,910	TBD								
	PD1004	Fifteen (15) Replacement Tasers	\$15,450			TBD	\$15,450							
	PD1005	Five (5) Mobile Vision In-Car Video Camera Systems	\$28,200			TBD	\$28,200							
FIRE MARSHAL														
	FM1002	Body Camera for Fire Marshal	\$900		\$900	TBD								
FIRE DEPARTMENT														
	FD1005	Carport to provide cover for equipment	\$40,000		\$40,000	TBD								
	FD1006	Land for Fire Station	\$500,000			TBD	\$500,000							
	FD1004	25 Replacement Self Contained Breathing Apparatus	\$200,000			TBD		\$200,000						
	FD1007	New Fire Station	\$1,500,000			TBD		\$1,500,000						
	FD1002	Replacement Pumper	\$600,000			TBD			\$600,000			Quoting	Funding/Purchase	
	FD1003	Ladder Truck	\$1,000,000			TBD				\$1,000,000		Quoting	Funding/Purchase	
EMS														
Completed	ES1003	Used Emergency Response Vehicle/Truck	\$6,500	\$6,500		COMPLETED						Completed	Completed	
Completed	ES1004	LifePak 15 Heart Monitor & Defibrilator	\$35,800	\$35,800		COMPLETED								
	ES1001	Remount 2006 F-450 Ambulance	\$155,000		\$155,000	TBD						Quoting	Funding/Purchase	
	ES1002	Remount 2004 F-350 Reserve Ambulance	\$110,250			TBD		\$110,250				Quoting	Funding/Purchase	

Overall CIP Rank	Proj ID	Project Description	Project Budget	FY14 COMPLETED	FY15	Funding Source	FY16	FY17	FY18	FY19	FY20 & Beyond	Current Phase	Next Phase	Special Notes & Justification
INFORMATION TECHNOLOGY														
	IT1001	5 Replacement Computers (1 IT, 1 FD, 3 PD)	\$6,000		\$6,000	TBD								
GENERAL & ADMINISTRATIVE														
Completed	GA1001	City Hall (\$1,300,000)		Griffin Partners		COMPLETED						Construction	Completed	
Completed	GA1002	Conference Center	\$2,762,000	\$2,762,000		COMPLETED						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			\$11,985,290	\$3,203,870	\$507,760		\$1,269,150	\$3,918,950	\$900,000	\$1,000,000	\$1,185,560			

5 Plus Year CIP	FY14 COMPLETED	FY15		FY16	FY17	FY18	FY19	FY20 & Beyond
\$14,512,370	\$4,826,870	\$1,557,760		\$2,669,150	\$5,818,950	\$1,275,000	\$1,300,000	\$1,891,510

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.

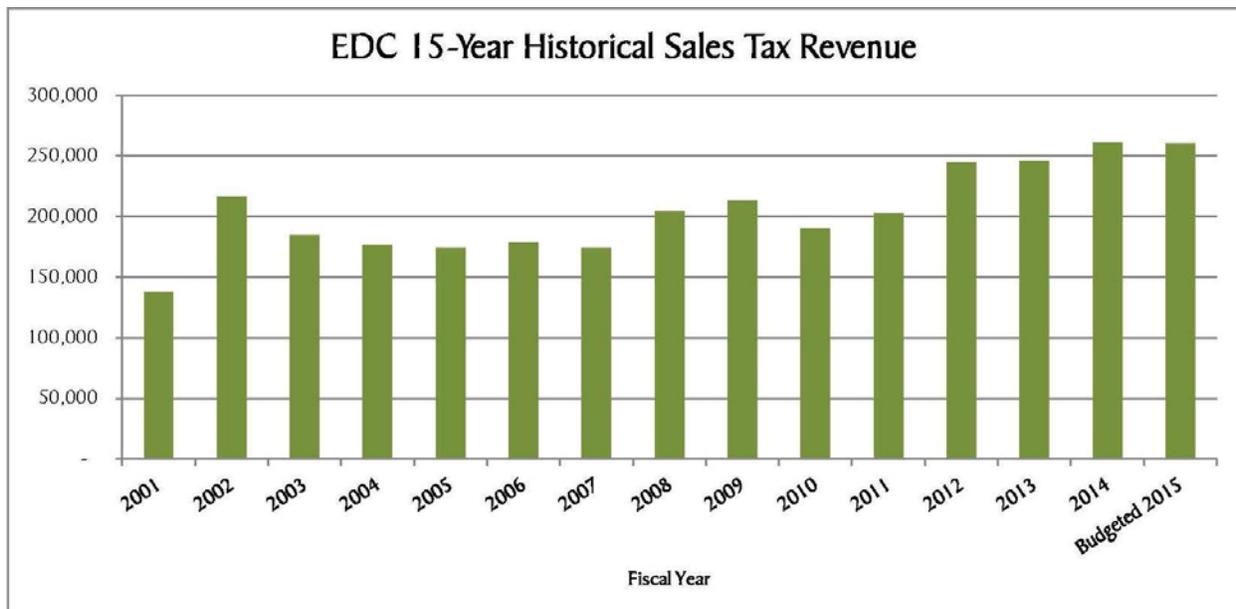
The Economic Development Corporation approves its budget and then submits its budget for City Council approval prior to the Council's approval of the Annual City Budget. The Economic Development Corporation Budget is included in the City's Annual Budget book for information and resource purposes, but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

The following are the FY2015 Board Members for the EDC:

Mark Denman, President
Harry Dollar, Secretary
John Mahon, Director
Bill Quinn, 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	Actual	Amended	Projected	Adopted	Budget
		Budget		Budget		Budget	%
		FY13	FY13	FY14	FY14	FY15	Change
3020	Interest on Investments	300	404	400	150	400	0.0%
3110	Sales Tax Revenue	213,000	246,198	238,000	260,780	260,000	-9.2%
TOTAL		213,300	246,602	238,400	260,930	260,400	-9.2%
9520	Prior Year Balance	109,584	-	-	189,330	315,920	0.0%
9525	End of Year Reserve	(102,680)	-	-	(315,920)	(395,390)	0.0%
GRAND TOTAL		220,204	246,602	238,400	134,340	180,930	24.1%

Expenditures

Expenditure Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget		Budget		Budget	%
		FY13	FY13	FY14	FY14	FY15	Change
5000	Administrative Expense	100,000	100,000	100,000	100,000	100,000	0.0%
5001	Audit	7,730	7,640	7,730	7,730	7,730	0.0%
5002	Promotion/Consulting	-	-	-	-	7,200	0.0%
5005	Legal	2,000	-	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	4,002	10,000	7,210	10,000	0.0%
5103	Dredging Projects	-	-	35,000	-	35,000	0.0%
5110	Debt Service-2006 Tax Notes	71,474	71,480	-	-	-	0.0%
5113	Lockheed Martin Contract	10,000	-	-	-	-	0.0%
GRAND TOTAL		220,204	202,122	173,730	134,340	180,930	-4.1%

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 FY2015, 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 Draft Budget FYE September 30, 2015

	Year to Date (11 Months)			Annual	12 Month	PROPOSED DRAFT
	Actual	Budget	Variance	Budget	Projected	BUDGET FYE 2015
Income						
6-4380 · Sales Tax Income	76,224.72	85,250.00	-9,025.28	93,000.00	83,154.24	95,000.00
6-5380 · Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00
6-5391 · Interest -	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	76,224.72	85,250.00	-9,025.28	93,000.00		95,000.00
Expense						
6-6320 · Legal Fees	3,847.25	7,333.33	-3,486.08	8,000.00	4,197.00	5,000.00
6-6321 · Auditing Fees	750.00	1,000.00	-250.00	1,000.00	818.18	750.00
6-6324 · Marketing Expense	0.00	13,750.00	-13,750.00	15,000.00	0.00	5,000.00
6-6325 · Community Beautification/ Decora	963.00	1,375.00	-412.00	1,500.00	1,050.55	1,500.00
6-6327 · Saturn Ln/Space Pk Landscape	20,808.66	21,083.33	-274.67	23,000.00	22,700.36	10,000.00
6-6328 · Saturn/Space Pk Fountain Maint	6,464.93	12,833.33	-6,368.40	14,000.00	7,052.65	5,000.00
6-6334 · Event Sponsorship	10,947.63	24,166.67	-13,219.04	25,000.00	11,942.87	2,500.00
6-6330 · Administrator Fee	18,049.99	18,333.33	-283.34	20,000.00	19,690.90	20,000.00
6-6331 · Management Fee	0.00	4,583.33	-4,583.33	5,000.00	0.00	5,000.00
6-6333 · Bookkeeping	4,132.28	4,400.00	-267.72	4,800.00	4,507.94	5,400.00
6-6336 · Consultants	0.00	0.00	0.00	0.00		5,000.00
6-6337 · Business/Property Owner Outreac	0.00	0.00	0.00	0.00		7,500.00
6-6353 · Insurance	1,700.34	2,568.00	-867.66	2,568.00		2,635.00
6-7395 · Miscellaneous Expense	24.84	458.33	-433.49	500.00	27.10	0.00
Total Expense	67,688.92	111,884.65	-44,195.73	125,168.00	90,251.89	75,285.00
Net Income	8,535.80	-26,634.65	35,170.45	-32,168.00		19,715.00

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%.

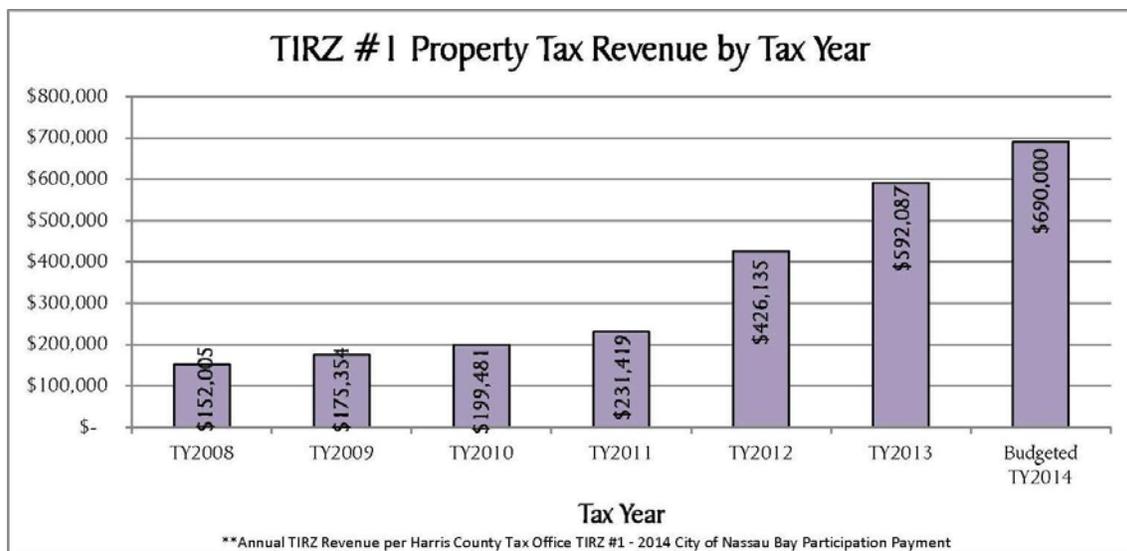
Nassau Bay Redevelopment Authority

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. The RDA adopted its first official annual budget FY2015. The information provided in the City's Annual Budget is only for resource purposes.



Component Units

~ Redevelopment Authority

Redevelopment Authority Budget

Account	Description	FY11 Actual 9/30/2011	FY12 Actual 9/30/2012	FY13 Actual 9/30/2013	FY14 Amended Budget	FY14 YTD Actual	FY14 Projected 9/30/2014	FY15 Adopted Budget
53-9520-99-00	PRIOR YEAR BALANCE FORWARD			-433,286		-788,885	-788,885	-394,285
REVENUE								
53-3005-01-00	TIRZ TRANSFERS	-227,888	-212,328	-392,166		-592,087	-592,080	-690,000
53-3020-01-00	INTEREST ON INVESTMENTS	-604	-1,424	-1,920		-1,145	-1,200	-1,200
53-3905-01-00	INSURANCE CLAIMS AND REBATES		-3					
53-3910-01-00	LOAN PROCEEDS - TIRZ FUND			-3,025,000				
	TOTAL REVENUE	-228,492	-213,755	-3,419,086		-593,232	-593,280	-691,200
EXPENDITURE								
53-4000-01-00	GENERAL EXPENSES**	41,583	76,169	2,923,820		774	627,310	330,000
53-4001-01-00	ISSUANCE COSTS			139,668		-774		
53-4002-01-00	REV. BONDS SERIES 13 PRINCIPAL						255,000	270,000
53-4003-01-00	REV. BONDS SERIES 13 INTEREST						105,570	91,410
53-4827-01-00	TRANSFER TO OTHER FUNDS	51,200						
	TOTAL EXPENDITURES	92,782	76,169	3,063,488		0	987,880	691,410
53-9525-99-00	END OF YEAR FUND BALANCE**		433,286	788,885			394,285	394,075

**DETAIL FY15

53-4000-01-00 GENERAL EXPENSES	
ADMINISTRATOR	8,000
LEGAL	6,000
INSURANCE	1,500
AUDIT	1,500
NASSAU BAY PAYROLL	13,000
DEVELOPER REIMBURSEMENT	300,000
LINE TOTAL	330,000

53-9525-99-00 END OF YEAR FUND BALANCE	
2013 BOND RESTRICTED RESERVE	302,500
UNRESTRICTED RESERVE	91,575
LINE TOTAL	394,075



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 years (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*

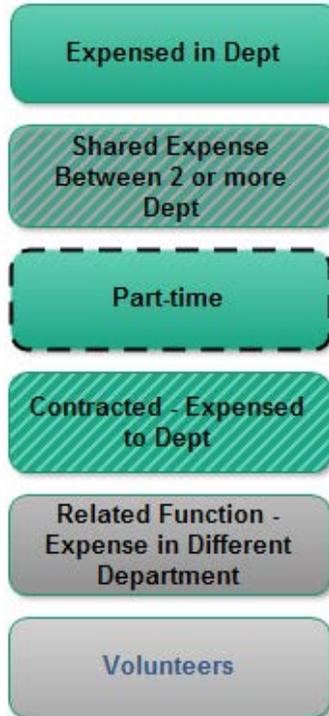
Glossary (Definitions & Acronyms)

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 – 1800 Space Park Dr., Suite 200

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: Sunset in Lake Nassau Park, Andy Hemingway Photography, andyhemingway.com

Budget Notes