

FISCAL YEAR
2015 - 2016
NASSAU BAY
ADOPTED
BUDGET



Charting New Horizons





City of Nassau Bay, Texas
Annual Budget
 October 1, 2015 – September 30, 2016

ADOPTED
SEPTEMBER 14, 2015

This budget will raise less revenue from property taxes than last year’s budget by an amount of \$-912,967, which is a -22.30 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 \$20,512.**

THE MAYOR & CITY COUNCIL RECORD VOTE

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

FOR: Warters, Amdur, Klug, Dollar, Mossman, Denman

AGAINST: n/a

PRESENT & NOT VOTING: n/a

ABSENT: Mahon

Tax Rate Information	Proposed FY16	Adopted FY15
Property Tax Rate	0.742120	0.742120
Effective Tax Rate	0.826413	0.745228
Effective M&O Tax Rate	0.737258	0.672890
Rollback Tax Rate	0.875524	0.795668
I&S Tax Rate	0.079286	0.068947

The total amount of municipal debt obligation secured by property taxes for the City of Nassau Bay is \$6,590,000

** 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

Harry Dollar
Position 1

Sandra Mossman
Mayor Pro Tem, 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

Csilla L. Stiles
Finance Director

Marisela Garcia
City Secretary

Joe Cashiola
Police Chief

Isela Castillo
Human Resources

Jamie Galloway
Emergency Management Coordinator

Stacy Froeschner
Court Administrator

Paul Lopez
Public Works Director

Mark Stelly
Building Official/Floodplain Administrator

Tommy Cones
Fire Marshal/Code Enforcement Officer

Kristi Sykora
Special Events & Communications Director

Tom George
Fire Department Administrator/IT Manager/
Interim EMS Chief

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, 2014

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Nassau Bay, Texas for its annual budget for the fiscal year beginning October 1, 2014. 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 the program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.





Budget for Fiscal Year 2015-2016

General Fund.....	Pages 53-103.....	\$ 5,390,970
Water & Sewer Fund.....	Pages 105-119.....	\$ 2,980,170
Debt Service Fund.....	Pages 121-130.....	\$ 712,590
Tourism Fund.....	Pages 131-139.....	\$ 511,540
Special Revenue & Grants Fund.....	Pages 141-143.....	\$ 3,312,650
Capital Projects Fund.....	Pages 145-146.....	\$ 1,114,640
Street Sales Tax Fund.....	Pages 147-148.....	\$ 350,000
<hr/>		
Total Budget		\$14,372,560

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The Municipal Budget Fiscal Year 2016 ~ 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 FY2016 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 FY2015 Budget achieved all of these items successfully, paving the way for a great FY2016, fully prepared to meet the challenge of Council's newest goals.

FY2015 Achievements – Year End Review

The FY2015 Budget maintained a healthy Reserve Fund and ended the year with approximately 145 days of reserves above our goal of 90 to 120 days. With the Reserve Fund meeting the guidelines set in our Fund Balance Policy, the City implemented a balanced FY2015 Budget that provided a successful framework for the entire fiscal year.

The Council had established several goals for FY2015 as follows: unwavering focus on economic development, continued vigilance in Code Enforcement, ongoing improvement of parks and green spaces, long range infrastructure planning, the creation of a citizen engagement and education program, and the care and compensation of our employees.

In the area of economic development, City Staff pursued many of the same objectives that have been essential to date in Nassau Bay. This included maintaining strong relationships with local profit centers such as Houston Methodist St. John Hospital and the Town Square Development participants. Also, the City worked to establish stronger working relationships with apartment complex owners, local businesses, and economic development groups like BAHEP. Through all these activities, the City made certain that it was an active participant in the economic changes going on in our community.

With the assistance of many employees, the City continued to enforce code improvements throughout the City. An "all hands on deck" approach was adhered to involving many departments such as the Fire Marshal, the Building Official, the Police Department, the Public Works Department,

and the Assistant City Manager. It was a priority in all code activities to improve communication both with the offenders and internally among staff members. Also, tracking and documentation were improved with more photography and better use of the City's software system.

With the goal of improving green spaces, the City completed several capital projects related to our City parks. Lake Nassau Park received most of the City's attention with a new aerator for Lake Nassau, a new roof on the pavilion, a restroom remodel, new playground equipment, and the dredging of Lake Nassau. All of these projects worked to benefit the resident experience in the park as well as address infrastructure issues such as storm sewer drainage in a large part of the City.

The City continued its long range infrastructure planning with additions to its Five-Year Capital Improvement Plan. The entire plan was reviewed and updated with ongoing needs and new projects. Unfortunately at the beginning of FY2015, the City had a largely un-funded Capital Improvement Plan for the year. After a great deal of progress on the planning of items such as replacement decorative solar street lights and the receipt of a grant for a matching funds for new fire pumper truck, the City Council decided to issue Certificates of Obligation to complete many of the proposed projects. This issuance not only paid for the already mentioned park improvements, but also allowed the City to complete several much need public safety projects to include a new pumper truck and new ambulance. Additionally it funded the plan to replace the aging decorative street lights with a solar solution to save the City money on maintenance and electricity in the coming years.

City staff began the process of planning a new citizen engagement platform. This included not only our new Party on the Square events and an expanded National Night Out, but also a City University 101. It was decided that timing for such an 8-week course for interested residents would be most well-received and attended in the early part of the calendar year. The choice was made to plan and create curriculum in FY2015 with the first university taking place starting in January 2016. Also, to better serve our residents and provide greater exposure to City services, a Prescription Drug Take-Back Drop-Off location was established at the Police Department.

City Council and City management addressed the last Council goal with salary survey for various positions in the City. Most specifically recruitment for Police Department vacancies created a problem for continuity of staff. This was addressed with a salary adjustment for police officers starting in October of FY2016.

Finally, the City is delighted to have been honored with several important distinctions in FY2015, including being ranked by the Houston Chronicle in the Top 10 Best Suburbs to Raise a Family, 2015 Playful City USA, Bronze Level Scenic City Certification, the Government Finance Officers' Association Annual Distinguished Budget Presentation Award (3rd Consecutive Year), and the designation of Best and Brightest Places to Work in Houston, Texas.

FY2016 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 have well-maintained, reliable public infrastructure systems that encourage economic growth and enhance community quality of life. This goal speaks to the necessity of prudently planning for, developing, and maintaining those facilities critical to our ability to deliver essential city services. It entails looking to the horizon and anticipating the development, maintenance, and operational costs associated with these community assets. We should use our resources wisely for planning, building, and maintaining infrastructure throughout the community.

Related to the first goal, the biggest areas of concern include the ongoing dredging of Lake Nassau and the aging water and sewer lines. The FY2016 CIP budget responds to this goal with a second consecutive year of funding 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. An in-house update of the Comprehensive Plan will also undertake a review of the CIP as it relates to the Comprehensive Plan Action Plan to allow for cooperation between the City and private developers on infrastructure projects.

Second the City's goal is to provide visionary leadership that delivers responsive municipal services and fosters collaborative partnerships that enhance Nassau Bay's livability. To achieve this goal, the City continues to emphasize Code Enforcement as a major tenant of staff activities. Also, the City is working as previously stated, on an update of the Comprehensive Plan to include Master Parks Plan and Infrastructure. The City is funding City University and will continue to support regional issues that positively impact Nassau Bay.

The Council's third goal is to strengthen relationships with community partners to improve communication and coordination of efforts to enhance 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. Economic development in Nassau Bay is defined as those activities, programs, and initiatives designed to elevate the value of our community by increasing or sustaining private sector investment. This goal speaks to the recognition that this is not achievable without leveraging our relationships with internal and external partners (NASA Area Management District, TIRZ). This goal addresses the need to specifically target our recruitment efforts on businesses that are most likely to succeed in Nassau Bay and add to our quality of life. As part of this third goal, City activities will address and strengthen Nassau Bay's community brand.

Fourth, the Council will continue to provide responsive and responsible government. This goal reinforces the need to be forward-thinking with regards to our management of fiscal resources, recognizing the impacts of today's decisions on future budgets and generations. In so doing, it is also critical that we remain inclusive and transparent so as to merit and keep public trust. It is not only essential that we effectively communicate with residents, but that such communication needs to have at its core the objectives of enlightening, informing, and continuing to build a sense of community as well as promoting volunteerism. Improvements to the Nassau Bay website, newsletter, the funding of the City's website redesign, increased financial transparency on the website, and the planned City University are all ways in which the City is carrying out this goal in FY2016.

Finally, the fifth goal Council prioritized is to preserve, protect, and enhance the lakes and waterways adjacent and connected to our community. This goal voices the desire and ambition to maintain the aesthetic elements of our community in a manner that preserves property values and elevates our quality of life. For the second year in a row, the City is serving as a partner to the Galveston Bay Foundation as the pass-through grant recipient for the Cease the Grease TCEQ grant. Also, the City will continue the Lake Nassau dredging projects.

Outline and Summary of FY2016 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 FY2016 Annual Budget was adopted on September 14, 2015 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, 53.2%, 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, and Retail sectors.

With this budget the City adopted an ad valorem tax rate of 0.742120/\$100 valuation in FY2016. This tax rate is identical to the previous year but represents a decrease from both the effective and the rollback tax rates. For the ninth 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 \$111.2 million in taxable valuation.

General Fund operating revenue is projected overall at a 2.3% decrease compared to the budget in the previous year. There are some projected decreases in Franchise Fees, Court Fines, and Miscellaneous Revenue. Most significantly, the previous year saw increased revenues due to one-time fixed asset sales, such as the sale of the 21-year-old fire pumper truck. These one-time sales are not anticipated in FY2016.

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 healthy reserve fund at the end of FY2015, 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 FY2015 the City issued Certificates of Obligation, Series 2015 to fund projects related to Parks, Public Safety, and Public Works. The Debt Service Fund services six existing issuances and remains below the City's debt ratio guidelines.

The Tourism Fund continued to see growth in revenue in FY2015 and is projected to maintain these increases in FY2016. For the second year in a row, the City collaborated with CCISD to be the Official Lodging Sponsor for all school district events in 2015/2016. Also the Tourism Fund will purchase a passenger shuttle van to assist the City's hotels with event recruitment.

The Special Revenue Fund is budgeted for similar levels as in the previous year due to the ongoing FEMA Elevation Grant and the smaller TCEQ pass-through grant in coordination with the Galveston Bay Foundation. The FEMA Elevation Grant will be used to elevate over 20 severe repetitive loss houses in the community in the hopes of preventing flood damage in the future. The Elevation Grant is projected to expend the remainder of the grant funding in FY2016.

The total expenditures for the FY2016 Annual Budget are allocated to be \$14,372,560. For information on the detail, refer to the funds breakout on pages 41-47.

General Fund: Expenditures are programmed to be about 37% of the City's total expenditures, coming in at \$5,390,970. The expenditure breakout for the sixteen departments is shown on page 60.

All Departments: The FY2016 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 projected increases in wages, corresponding increases can be seen in retirement and FICA.

Due to the transfer for some expenditures from the Tourism Fund to the General Fund, significant increases can be found in wages in the General & Administrative Department and Fire Marshal Department. Also, the Parks Department has a sizeable increase in utilities due to the transfer of these functions between these funds.

In the Water and Sewer Fund, the City has allocated funds to cash flow several capital projects in the Water Department alongside the completion of punch list items for the TWDB bond revenue funded sewer plant improvements. The capital projects in the Water and Sewer Fund total over \$750,000 in FY2016.

In addition to advertising activities, the Tourism Fund allocated \$28,000 toward the arts and entertainment in our community during the coming year. The expenditures are geared toward events that have a tangible impact on our tourism industry here in Nassau Bay. The City will continue allocating 15% of revenues to the Bay Area Houston CVB, 4.6% 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 FY2016 is the capital investment into a passenger shuttle van.

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 FY2016 the City anticipates the completion of over \$300,000 in street repairs in various locations.

FY2016 Capital Improvements: After completing a successful year of infrastructure projects, the FY2016 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, several large projects are funded for FY2016 including the decorative street lights, design for the new Fire & EMS facility and the dredging of Lake Nassau.

Personnel/Salaries: The staffing level for this budget is 42 full-time, 5 part-time, and 30 hourly 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 165 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 update of the City's Comprehensive Master Plan combined with new development will continue to renew 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

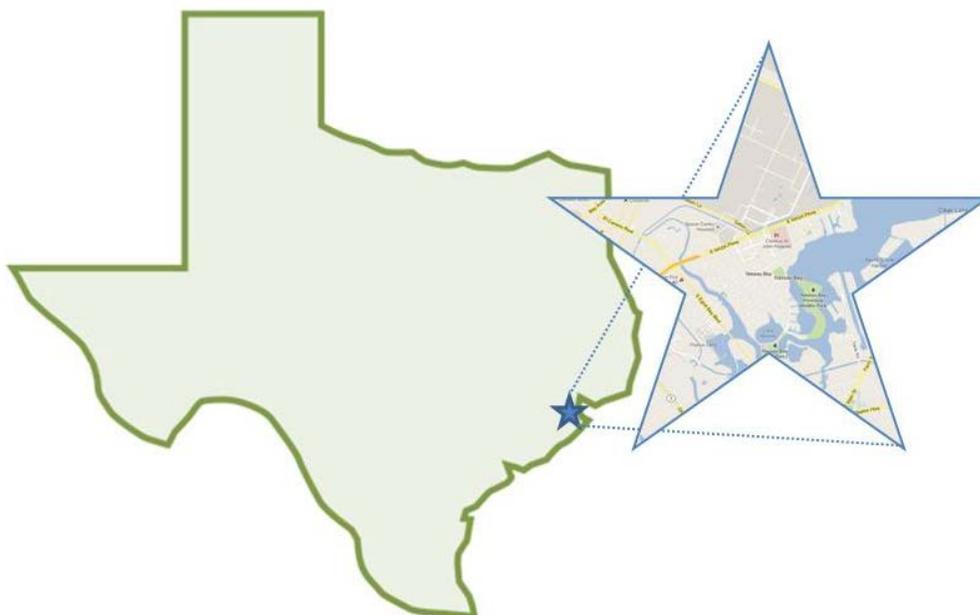
The City of Nassau Bay, Texas was incorporated in 1970 as a Texas General Law City. Eight years later, in 1978, the citizens of Nassau Bay adopted a Charter and reorganized as a Texas Home Rule City with a Council-Manager form of government.

Nassau Bay is located southeast of Houston, Texas within Harris County. Nassau Bay is considered to be part of the Houston-metro area which will surpass the 6 million population mark before the 2020 census placing it in the top ten largest metropolitan areas in the nation.

The Nassau Bay community was originally developed to provide housing opportunities for NASA employees. Being across the street from NASA Lyndon B. 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 1.7 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 4,600 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 41,000 students.



Budget Overview

~ Continued

Community Vision

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

On November 8, 2010, Nassau Bay adopted an updated Comprehensive Plan. This plan directs the activities of the City, 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. During FY2016 the City will once again update this plan to ensure that progress continues to be made and to account for the changes of the past 5 years.

The 2010 Comp Plan highlights several important areas for consideration that were significant for FY2016 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 FY2016 Budget:
 - Phase I of the Surf Court Lift Station Force Main Replacement Project
 - Dredging of Lake Nassau
 - Water and Sewer line replacement throughout the City
 - Paving improvement throughout the City
 - Architecture and Engineering design of the new Fire & EMS Station

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 FY2016 Budget 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. In FY2016 the City will redesign its website for more intuitive use by residents and the public.
 - 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.

Budget Overview

~ Continued

Community Vision

2. Educated, Older, More-Affluent Constituency (continued)
 - 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. Both the current FEMA House Elevation Grant and the update to the Comprehensive Plan continue to consider the housing stock and its various vulnerabilities.

3. Geographic Proximity to Clear Lake & the Gulf Coast – The FY2016 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 staff involvement in the ongoing process of the FEMA Flood Map Updates and current flood plain management issues. Our emergency management and building departments are working with the federal government to help secure grants for the elevating of low-lying properties. The FY2016 Budget includes the second year of funding related to the FEMA Flood Elevation Grant that was awarded for the elevation of severe, repetitive loss homes in Nassau Bay.

4. Geographic Location Inside the Houston Metro Area – The FY2016 Budget takes into account the 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 – cautiously tracking the impact of oil and gas prices on the Houston economy.
 - 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 the best uses of Hotel Occupancy Tax revenues.

Budget Overview

~ Continued

Community Profile

Resident Demographics:

(Data by the Texas Economic Development Division of the Office of the Governor)

- 4,613 Residents, seeing over 8% growth since 2011
- Median income \$72,691, 37% higher than Harris County
- 29.4% of residents have obtained a Graduate or Professional degree, 20% more than the Houston Metro Area; 56.7% have obtained a college degree
- Median age is 46.08 years, over a decade older than the Houston Metro Area

Housing Availability:

(Data provided by Applied Geographic Solutions 2015 and Zillow via Texas Economic Development Corporation)

- 2,365 Housing Units by last available estimates
- 78.52% of the housing stock is Single-Family Detached Dwellings, 19.71% is Condos, remaining housing is Multi-Family
- 61% of housing are owner-occupied dwellings
- Median 3-Bedroom Home Value is \$220,800
- 59.59% of the population owns their home



Budget Overview

~ Continued

Community Profile

Tax Year 2014 Top Ten Property Taxpayers:

(Data provided by the Harris County Tax Assessor Collector)

1. Spacesub Apartments LTD
2. Griffin Partners
3. New Clear Lake Hotel LP
4. Sunbelt CNB LLC
5. BLW Interests LP
6. 1322 SP Investor LP
7. Cambridge Nassau Bay
8. Shamrock Clear Lake V LLC
9. Dojo Bay House LLC
10. Colony Oaks Apts LLC

Major Employers located within City:

- Houston Methodist St. John Hospital – Medical
- 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
- Excellence Health Care, Inc.
- Nassau EPC – Petrochemical Engineering
- 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
- Windsor EMS - Medical
- Preferred Engineering LP – Petrochemical Engineering
- Odyssey Space Research LLC - Aerospace



Budget Overview

~ Continued

Government Structure

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

The 2014-2015 City Council:

- Mayor Mark Denman
- Position 1 Harry Dollar
- Position 2 Sandra Mossman (Mayor Pro Tem)
- 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:

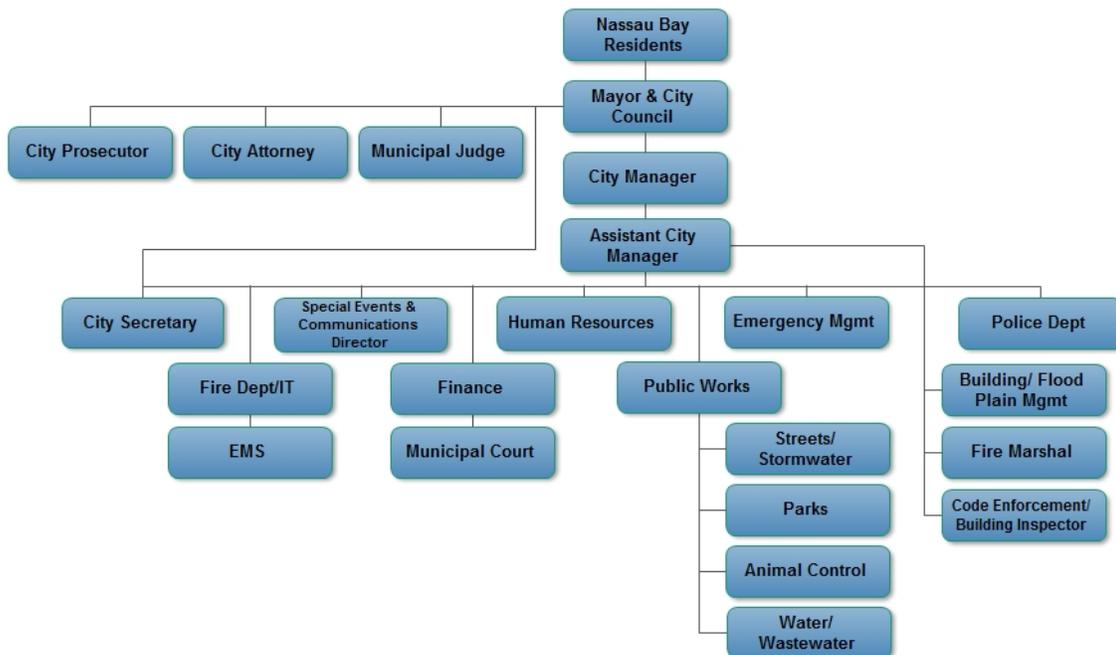
- Chris Reed 2009 - current
- John D. Kennedy 1999 – 2009
- David K. Stall 1992 – 1998
- James A. McFellin 1989 – 1991
- Howard L. Ward 1973 – 1989

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 FY2016, revenue sources benefitting the Debt Service Fund include property taxes and contributions from the General Fund and Water & Sewer Fund.

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 held a tax reauthorization election on November 4, 2014 and voters extended the sales tax from April 1, 2015 to April 1, 2019.

Budget Overview

~ Continued

Organization of the Funds – Fund Structure

Total Budget - All Funds		\$ 14,372,560
Governmental Funds		
General Fund		\$ 5,390,970
Debt Service Fund		\$ 712,590
Special Revenue Funds		
Tourism		\$ 511,540
Special Revenue & Grants Fund		\$ 3,312,650
Street Sales Tax Fund		\$ 350,000
Capital Projects Fund		\$ 1,114,640
Proprietary Fund		
Water & Sewer Fund		\$ 2,980,170
Blended Component Units* (Included in Audited Annual Financial Report)		
Nassau Bay Tax Reinvestment Zone #1		\$ -
Nassau Bay Redevelopment Authority		\$ 832,730
Discrete Component Units* (Not included in Audited Annual Financial Report)		
Nassau Bay Economic Devevelopment Corporation		\$ 351,230
NASA Area Management District		\$ 95,000

* 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		
Planning & Development	X						
Code Enforcement	X						
Conference Center	X						
Water & Sewer		X					
Debt Service	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.

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

March 31, Tuesday	Operating & CIP Budget Kick-Off; Budget Request Guides Distributed; Departments develop FY15 Objectives	Dept. Managers
April 21, 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 2, Tuesday	Completed City Manager's Draft Budget	City Manager
June 8, Monday	Budget Goals Discussion during Regular Meeting - Budget Goals	City Manager & Council
July 13, Monday	Tentative Budget Workshop - Budget Priorities & Goals - 6 pm before Council meeting	City Manager & Council
July 27, Monday	EDC Regular Meeting (approval of Budget) - Present Draft EDC Budget	City Manger & EDC
July 31, 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 10, Monday	Presentation of Budget to City Council and Public Budget Hearing; Schedule Workshop if needed	City Manager at Regular City Council Meeting

Budget Overview

~ Continued

Budget Calendar

August 17, Monday	Budget Workshop - Discussion of City Manager's Proposed Budget	City Manager & Council
August 24 - August 31	Chief Appraiser certifies approved appraisal roll; Calculation of effective and rollback tax rates; 72-hr. notice for budget meeting	Harris County Appraisal District
September	SPENDING FREEZE - all purchases must be approved by Finance; credit cards may not be used without prior authorization by Finance	Finance Department
September 7, Monday	Publicize Budget Public Hearing in local newspaper per Sec. 102.0065 of TX LGC (August 21, 2014 - Citizen)	Finance Director, City Secretary
September 14, Monday	Presentation of Final Budget to City Council and Second Budget Public Hearing; Adopt Budget by Ordinance; Certification of anticipated collection rate; <i>discuss tax rate (record vote for proposed desired tax rate on future agenda; schedule public hearings)</i>	City Manager; City Council; Regular Council Meeting
September 14, Monday	Publish effective and rollback tax rates, schedules and fund balances; Budget submission to Council for adoption by ordinance (September 17, 2014 - Citizen) Post Notice on Website & NBTV16	Finance Director, City Secretary
September 20, Sunday	Nassau Bay Charter Requirement - Final Date to adopt budget	City Council
<i>September 21, Monday</i>	<i>Tentative Special Council Meeting to adopt budget if Certified Roll is received too late</i>	<i>City Council</i>
<i>September 28, Monday</i>	<i>First Public Hearing on Tax Rate Increase (Requires Quorum)</i>	<i>Special City Council Meeting</i>
October 1, Thursday	Fiscal Year 2015 Begins	
<i>October 5, Monday</i>	<i>Second Public Hearing on Tax Rate Increase (Requires Quorum)</i>	<i>Special City Council Meeting</i>
<i>October 5, Monday</i>	<i>Publish 2nd Quarter Page Notice (October 8, 2014 - Citizen); Post Notice on Website & NBTV16</i>	<i>Finance Director, City Secretary</i>
October 12, Monday	Adopt Tax Rate by Ordinance	Regular Council Meeting
Approx October 30	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

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 generally 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 2015 Tax Year was sent by the Harris County Appraisal District on August 28, 2015. The Certified Appraised Value on the appraisal roll for Tax Year 2015 is \$591,906,652. Over-65, Residential Homestead, Disability, and Other Exemptions total \$92,665,907 (or 15.7% of total appraised value). Thus, the Certified Taxable Value on the appraisal roll for Tax Year 2015 is \$499,240,745.

Budgeted Taxable Value for Tax Year 2015 (Fiscal Year 2016) totals \$440,932,784 as follows: Taxable value of \$499,240,745 plus HCAD Uncertified Tax Roll with (including) hearing loss of \$52,860,655 less 90% of TIRZ Increment Valuation [Adjusted Captured Value of \$123,520,684 x 0.90 = \$111,168,616]. This compares with the prior year as follows:

	Tax Year 2014	<i>% of Total Appraised Value</i>	Tax Year 2015	<i>% of Total Appraised Value</i>
Total Appraised Value	548,899,152		591,906,652	
Less All Exemptions [Over-65, Residential Homestead, Disability, & Other Exemptions]	(92,569,956)	-16.9%	(92,665,907)	-15.7%
Taxable Value	456,329,196		499,240,745	
Plus HCAD [Uncertified Tax Roll with (including) Hearing Loss]	64,873,420	12.4%	52,860,655	9.6%
Estimated Final Taxable Value Including TIRZ	521,202,616		552,101,400	
Less 90% of TIRZ Increment Valuation [Captured Value x 0.9]	(91,443,583)	-16.7%	(111,168,616)	-18.8%
City's Budgeted Taxable Value	429,759,033		440,932,784	

- The Tax Year 2015 tax rate adoption date is October 12, 2015. 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 = 66.2834 cents per hundred dollars of value
 Debt Service Rate = 07.9286 cents per hundred dollars of value

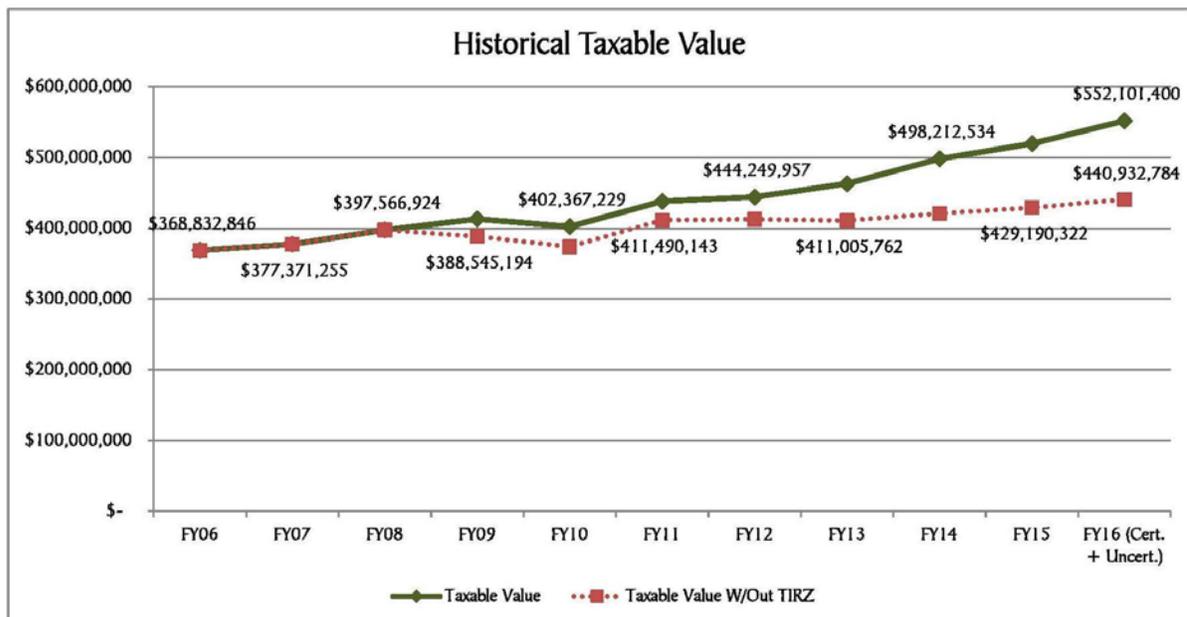
Adding the M&O and the Debt Service rates provides the proposed tax rate of 74.2120 cents per hundred dollar valuation.

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 Fund and Water & Sewer Fund as well as other sources, have established the Debt Service rate for FY2016 at 7.9286 cents per hundred dollar valuation.
- The proposed M&O portion of the property tax rate of 66.2834 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.
- The Tax Year 2015 Effective Tax Rate is 82.6413 cents per hundred dollar valuation and the Tax Year 2015 Rollback Tax Rate is 87.5524 cents per hundred dollar valuation. The proposed tax rate (74.2120) is the same as last year's tax rate but is lower than both the Effective and Rollback Rates. The average property owner will not see an increase 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
FY16	2015	0.742120	0.662834	0.079286	0.826413	0.737258	0.875524
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

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

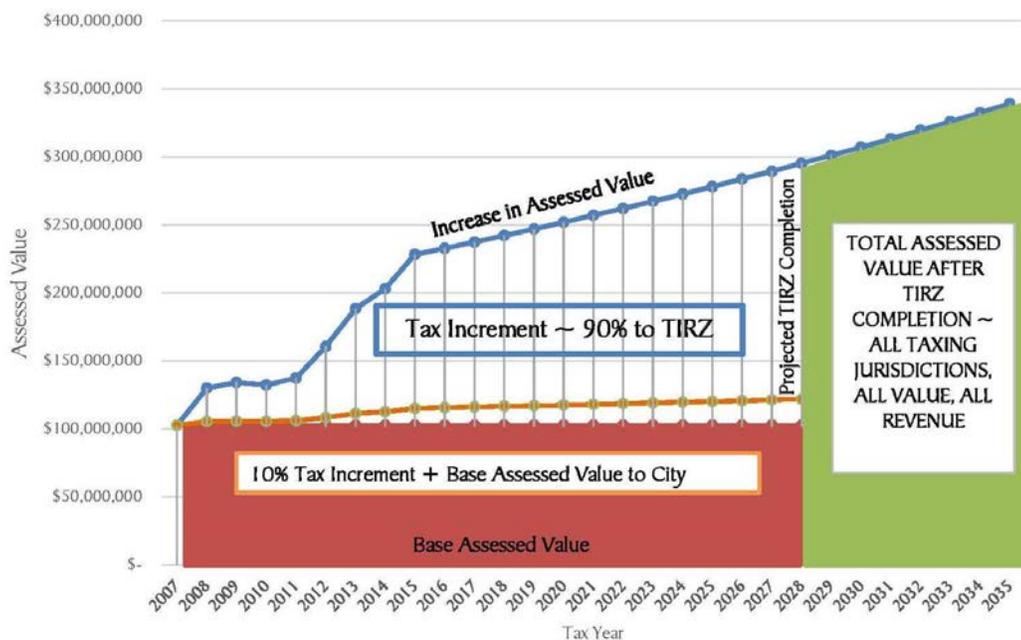
Budgeted Taxable Value & TIRZ Taxable Value

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 \$440,932,784.

	Tax Year 2015 Taxable Value	Total Levy	General Fund	Debt Service Fund
Estimated Final Taxable Value Including TIRZ	552,101,400	4,097,255	3,659,516	437,739
Less 90% of TIRZ Increment Value [Projected Adjusted Captured Value x 0.9]	(111,168,616)	(825,005)	(825,005)	-
City's Budgeted Taxable Value	440,932,784	3,272,250	2,834,511	437,739



Budget Overview

~ Property Taxes Continued

Budgeted Taxable Value

	Tax Year	Taxable Value	Tax Rate	Tax Levy
Assessed Valuation	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
	2014	429,759,033	0.742120	3,189,328
	<i>Budget FY16</i>	2015	440,932,784	0.742120

	Tax Year	M & O Rate	Debt Rate	Total Rate
Rate Distribution	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
	2014	0.673173	0.068947	0.742120
	<i>Budget FY16</i>	2015	0.662834	0.079286

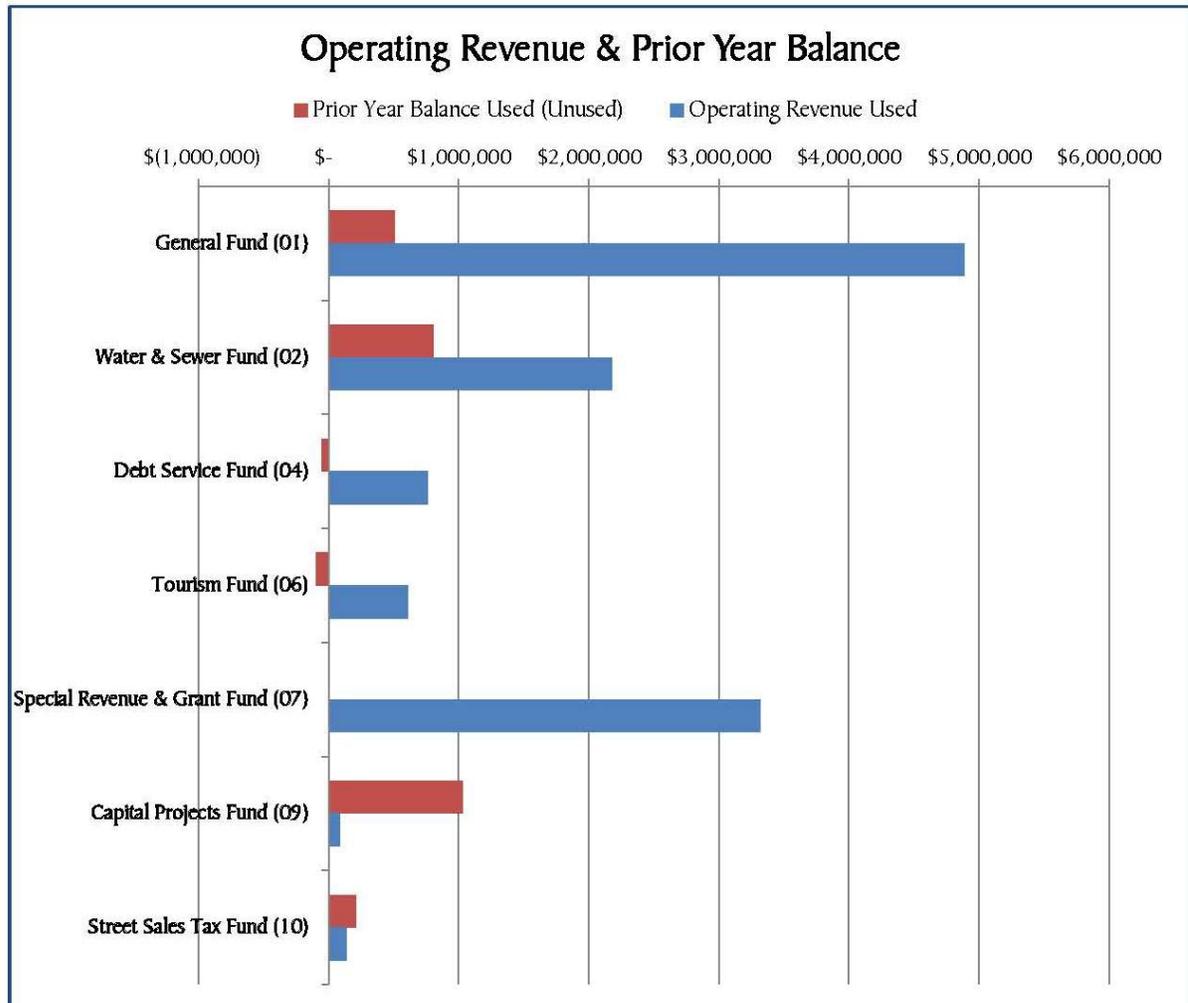
	Tax Year	M & O Levy	Debt Levy	Total Levy
Tax Levy	2006	2,018,748	458,959	2,477,706
	2007	1,965,213	547,887	2,513,100
	2008	2,121,250	532,048	2,653,298
	2009	2,170,127	413,553	2,583,680
	2010	2,651,469	167,794	2,819,264
	2011	2,643,732	168,199	2,811,931
	2012	2,750,506	192,710	2,943,216
	2013	2,725,406	298,640	3,024,046
	2014	2,829,974	359,354	3,189,328
	<i>Budget FY16</i>	2015	2,834,511	437,739

Budget Overview

~ Fund Summaries

Revenue Budget by Fund for Fiscal Year 2016

	Operating Revenue Used	Prior Year Balance Used (Unused)	Total Revenue Used
General Fund (01)	\$ 4,885,290	\$ 505,680	\$ 5,390,970
Water & Sewer Fund (02)	\$ 2,175,300	\$ 804,870	\$ 2,980,170
Debt Service Fund (04)	\$ 762,920	\$ (50,330)	\$ 712,590
Tourism Fund (06)	\$ 610,600	\$ (99,060)	\$ 511,540
Special Revenue & Grant Fund (07)	\$ 3,314,010	\$ (1,360)	\$ 3,312,650
Capital Projects Fund (09)	\$ 84,450	\$ 1,030,190	\$ 1,114,640
Street Sales Tax Fund (10)	\$ 138,500	\$ 211,500	\$ 350,000
Total	\$ 11,971,070	\$ 2,401,490	\$ 14,372,560

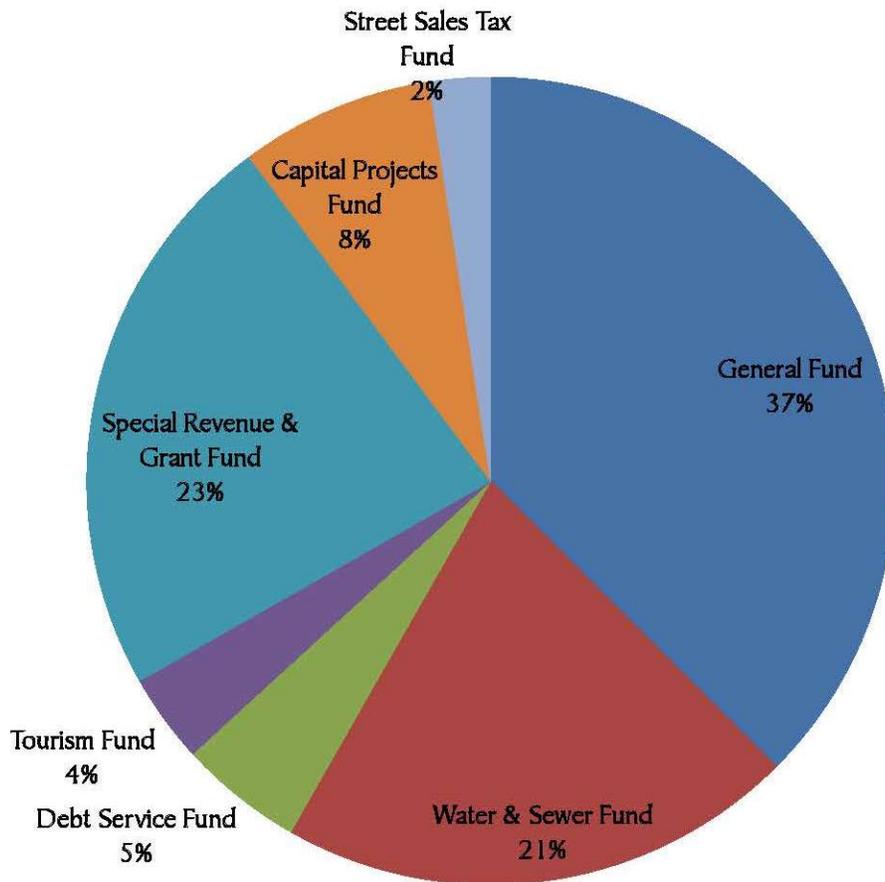


Budget Overview

~ Fund Summaries

Expenditure Budget by Fund for Fiscal Year 2016

	Budgeted Expenditures	% of Total Budget
General Fund	\$ 5,390,970	37.5%
Water & Sewer Fund	\$ 2,980,170	20.7%
Debt Service Fund	\$ 712,590	5.0%
Tourism Fund	\$ 511,540	3.6%
Special Revenue & Grant Fund	\$ 3,312,650	23.0%
Capital Projects Fund	\$ 1,114,640	7.8%
Street Sales Tax Fund	\$ 350,000	2.4%
Total	\$ 14,372,560	100.0%



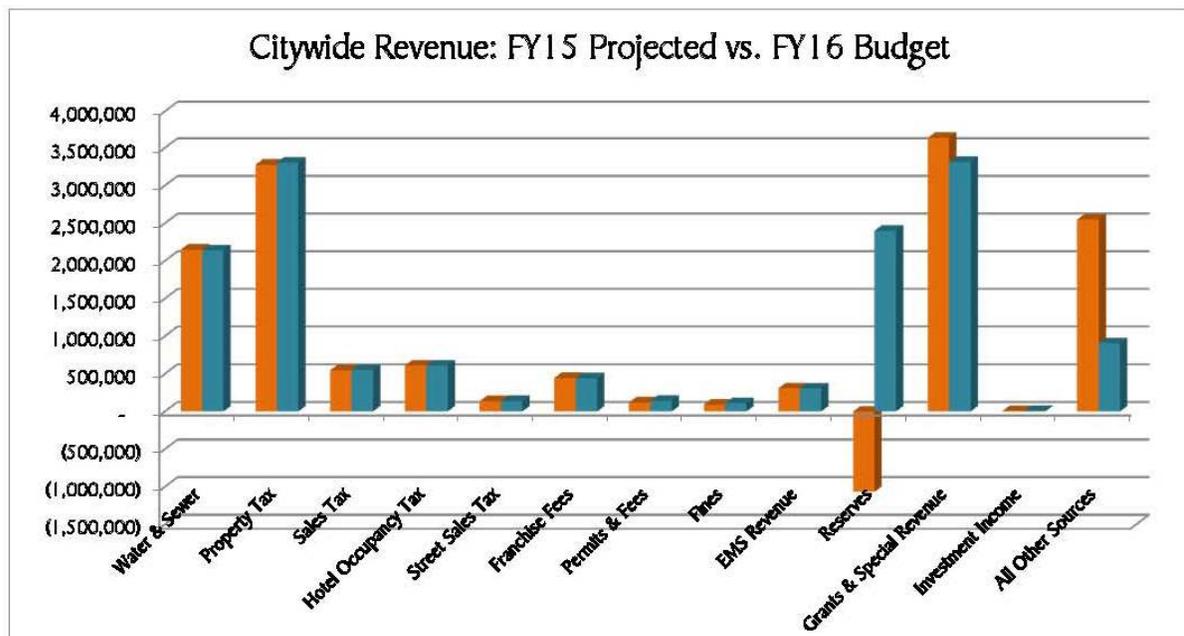
Budget Overview

~ City Wide Summary

Citywide Revenue Summary

Citywide Revenue by Category

Revenue Category	FY14 Actual	FY15 Budget	FY15 Projected	FY16 Budget	% Change Yr/Yr	% of Total
Water & Sewer	2,144,272	2,140,000	2,150,000	2,140,000	0%	15%
Property Tax	3,037,504	3,216,970	3,275,860	3,305,960	1%	23%
Sales Tax	523,660	500,000	547,000	552,500	1%	4%
Hotel Occupancy Tax	669,711	610,000	610,000	610,000	0%	4%
Street Sales Tax	130,915	126,500	136,700	138,100	1%	1%
Franchise Fees	443,101	500,000	445,000	440,000	-1%	3%
Permits & Fees	120,748	134,800	122,090	140,840	15%	1%
Fines	137,943	151,550	91,150	111,120	22%	1%
EMS Revenue	303,915	286,000	307,650	306,000	-1%	2%
Reserves	671,485	790,380	(1,066,010)	2,400,490	-325%	17%
Grants & Special Revenue	65,879	3,658,597	3,633,830	3,313,910	-9%	23%
Investment Income	15,373	9,100	7,090	7,600	7%	0%
All Other Sources	3,194,822	2,526,010	2,550,060	906,040	-64%	6%
Total Revenue	11,459,327	14,649,907	12,810,420	14,372,560	12%	100.0%



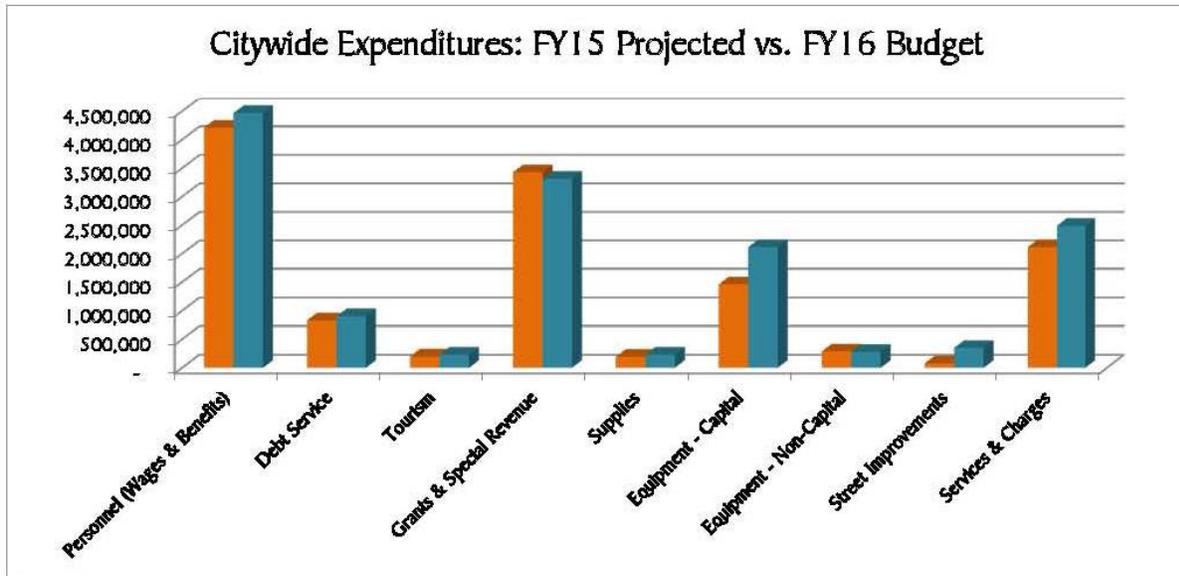
Budget Overview

~ City Wide Summary

Citywide Expenditure Summary

Citywide Expenditures by Category

Expenditure Category	FY14 Actual	FY15 Budget	FY15 Projected	FY16 Budget	% Change Yr/Yr	% of Total
Personnel (Wages & Benefits)	3,821,011	4,407,845	4,210,185	4,467,690	6%	31%
Debt Service	731,455	831,540	831,540	902,960	9%	6%
Tourism	222,995	203,160	199,660	227,900	14%	2%
Grants & Special Revenue	197,647	3,335,967	3,426,170	3,312,650	-3%	23%
Supplies	192,434	232,700	195,710	230,060	18%	2%
Equipment - Capital	3,712,805	2,854,910	1,463,160	2,116,910	45%	15%
Equipment - Non-Capital	260,762	306,680	288,595	278,480	-4%	2%
Street Improvements	307,148	80,000	80,000	350,000	338%	2%
Services & Charges	2,013,070	2,397,105	2,115,400	2,485,910	18%	17%
Expenditure Total	11,459,327	14,649,907	12,810,420	14,372,560	12%	100%



Budget Overview

~ City Wide Summary

Citywide Revenue Projections and Financial Forecasting

In order to best plan for the City's long term future, there must be a detailed understanding of the anticipated revenue streams for many years to come. Nassau Bay is not unique in that most of its operating revenue is derived from property taxes, however it must prepare appropriately for the implications of this funding structure.

Impacting both the General Fund and Debt Service Fund, Property Tax Revenue is a fairly steady and dependable source of funding; however its overuse can result in frustration on the part of taxpayers and it can prevent commercial investment in a community. Nassau Bay is an older community that has made it a priority to redevelop commercial areas over the last decade. A tool that has been used in that redevelopment is Nassau Bay TIRZ #1. When TIRZ #1 was created, it received an exception from the state legislature allowing it overlay the entire commercial district. The end result of this geographic designation is that TIRZ #1 will grow adequately to fund the planned infrastructure improvements; however during the life of the TIRZ, the City will see limited growth in revenues related to commercial property values which typically offset the reliance on residential property values for funding City operations. Essentially, for the life of TIRZ #1, the residents will continue to see a heavier property tax burden for City operations. It is projected that the TIRZ will could possibly meet all its debt obligations by 2023, permitting its dissolution and returning all the property value to the City. When this change becomes possible, it could provide significant property tax relief for the City's residential and commercial property tax payers.

In the General Fund, there are several other significant sources of revenue the merit mention. Sales Tax and Franchise Fees both represent close to 10% of the City's operating revenues. While Franchise Fees tend to be fairly steady from year to year with less than a 1% average variation over the last eight years, Sales Tax revenues are more fickle, being sensitive to national and regional economic conditions. In the past eight years, Nassau Bay has seen an average annual rise of 6% in sales tax revenue. Taking into account various economic factors for FY2016 such as the low price of oil impacting the Houston economy but also the new businesses planning to make their homes in Nassau Bay in the coming year, the City chose to budget a conservative 1% revenue increase for Sales Tax in FY2016. These projections impact not just the General Fund, but also the Street Sales Tax Fund and the Economic Development Corporation component unit.

Water and Sewer utility revenues are the second largest form of funding the City receives. These revenues benefit the Water and Sewer Fund, its operations, maintenance, and capital projects exclusively. The City's utility rate update in 2011 placed the fund in a secure position for operations over the past few years. The City does not currently anticipate rate changes unless a larger scale capital program is planned that would require additional debt service capacity.

Budget Overview

~ *City Wide Summary*

Citywide Revenue Projections and Financial Forecasting

The Hotel Occupancy Tax (HOT) Revenue is the third largest single source of consistent revenue being received by the City. Like Sales Tax Revenue, HOT revenue is greatly impacted by prevailing economic conditions; it especially mirrors trends in the statewide tourism and hospitality industry. Due to its restricted uses, HOT revenue is generally projected conservatively and with awareness of existing trends. The impacts of fluctuations in HOT revenue do not typically have significant bearing on the general operations of the City.

Other important revenues that help offset operational costs are the City's Special Revenues and Grants. This category groups together all those revenue sources that are dedicated and restricted to certain purposes. Often each revenue source is limited in duration to the length of the grant or project. The City works to increase the amount of this sort of funding but only budgets these amounts based on known, awarded contracts and grants.

All other revenues in the City supplement these primary sources. Some of them are fairly steady, other sources have less predictable trends. Generally, the City projects these revenues based on historical trends combined with anticipated future changes and gravitates toward more conservative numbers.

Budget Overview

~ City Wide Summary

Citywide Expenditure Projections and Financial Forecasting

As with all organizations, the City's planning of its operational activities as well as its capital planning impact the projections for expenditures throughout the year. The City works to allocate resources to the greatest possible benefit to all residents and taxpayers, providing the best possible services within the available funding.

Since a great deal of the City's operations are service-related, the largest expense across all funds and departments is for personnel (including wages and benefits). While this expenditure is sizeable, it is generally easy to project and budget. Each year the City Council discusses merit increases, changes to medical insurance, and retirement benefits as a part of the budget process. The outcome of these discussions is captured in the budgeted expenditures. In FY2016 the budget allocated an average of 3% for merit increases as well as a 2% wage contingency in each department. Corresponding projections are included in all personnel line items with additional consideration given to cost changes in medical insurance and employer retirement contributions.

Also significant in budgeting for expenditures is the City's debt service obligations. Not only are these expenditures inflexible, but they impact the tax rate setting process. The City budgets to pay all the annual debt services payments out of either the Debt Service or the Water and Sewer Fund. These costs are easily projected into the future, capturing all anticipated debt service costs (principal and interest) for the life of each obligation. The Debt Service Fund portion of the budget document presents all the obligations in their entirety for the duration of each obligation compiling them to determine all the known annual debt requirements into the future.

Expenditures related to Special Revenues, Grants, and Capital projects often make up a significant portion of the total budget. In FY2016 these items make up 38% of all budgeted expenditures. The projections related to this portion of the budget are driven by the approved contracts, grants, and projects that are scheduled for the coming year. Often the most difficult part of projecting these costs is accurately determining the timeline for completion. For all of these expenditures, any delay in projects simply defers the expenditures in time. All unexpended funds continue to be expended to the originally designated purposes at a later time or fiscal year. These overall costs do not typically impact City operational activities directly.

Services and Charges and Supplies make up the final large segment of City expenditures. These expenditures have historical trends that are heavily used to project future costs. That said as program goals change, technology changes, and economy-driven prices change, these expenditures are projected to reflect these variations. Often the adjustment made to these line items from year to year are contingent on discussions with staff, City Council goals, and known economic pressures.

Budget Overview

~ Fund Balance

Fund Balance Definitions

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 FY14	Projected FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change	Budget % Change
General Fund							
Revenue	4,608,650	4,702,530	4,997,820	5,019,630	4,885,290	(112,530)	-2.3%
Prior Year Balance Fwd	320,729	320,729	1,422,510	1,728,292	1,917,162	494,652	34.8%
Expenditures	5,247,761	5,174,345	5,169,150	4,830,760	5,390,970	221,820	4.3%
End of Year Fund Balance	(318,382)	1,422,510	1,251,180	1,917,162	1,411,482	160,302	12.8%
Water & Sewer Fund							
Revenue	2,138,300	2,207,770	2,175,800	2,183,690	2,175,300	(500)	0.0%
Prior Year Balance Fwd	77,954	77,954	1,633,039	1,813,454	1,314,954	(318,085)	-19.5%
Expenditures	4,405,960	3,947,840	3,239,640	2,682,190	2,980,170	(259,470)	-8.0%
End of Year Fund Balance	(2,189,706)	(1,662,116)	569,199	1,314,954	510,084	(59,115)	-10.4%
Debt Service Fund							
Revenue	613,590	610,970	689,510	690,710	762,920	73,410	10.6%
Prior Year Balance Fwd	181,175	181,879	162,009	162,598	209,888	47,879	29.6%
Expenditures	630,840	630,840	643,420	643,420	712,590	69,170	10.8%
End of Year Fund Balance	163,925	162,009	208,099	209,888	260,218	52,119	25.0%
Tourism Fund							
Revenue	520,400	611,050	610,600	610,600	610,600	-	0.0%
Prior Year Balance Fwd	224,379	185,945	388,591	478,315	533,685	145,094	37.3%
Expenditures	520,190	535,080	561,730	555,230	511,540	(50,190)	-8.9%
End of Year Fund Balance	224,589	261,915	437,461	533,685	632,745	195,284	44.6%
Special Rev. & Grants Fund							
Revenue	37,500	66,930	3,658,697	3,634,270	3,314,010	(344,687)	-9.4%
Prior Year Balance Fwd	208,145	215,386	76,468	84,439	292,539	216,071	282.6%
Expenditures	217,750	205,848	3,335,967	3,426,170	3,312,650	(23,317)	-0.7%
End of Year Fund Balance	27,895	76,468	399,198	292,539	293,899	(105,299)	-26.4%
Capital Projects Fund							
Revenue	2,416,000	2,416,600	1,600,100	1,600,430	85,450	(1,514,650)	-94.7%
Prior Year Balance Fwd	374,768	(18,276)	22,209	22,294	1,030,074	1,007,865	4538.1%
Expenditures	2,790,620	2,845,820	1,620,000	592,650	1,114,640	(505,360)	-31.2%
End of Year Fund Balance	148	(447,496)	2,309	1,030,074	884	(1,425)	-61.7%
Street Sales Tax Fund							
Revenue	115,500	127,500	127,000	137,100	138,500	11,500	9.1%
Prior Year Balance Fwd	-	423,735	248,215	248,548	305,648	57,433	23.1%
Expenditures	392,550	303,020	80,000	80,000	350,000	270,000	337.5%
End of Year Fund Balance	(277,050)	248,215	295,215	305,648	94,148	(201,067)	-68.1%
TOTAL BUDGET							
Revenue	10,449,940	10,743,350	13,859,527	13,876,430	11,972,070	(1,887,457)	-13.6%
Prior Year Balance Fwd	1,387,150	1,387,352	3,953,041	4,537,940	5,603,950	1,650,909	41.8%
Expenditures	14,205,671	13,642,793	14,649,907	12,810,420	14,372,560	(277,347)	-1.9%
End of Year Fund Balance	(2,368,581)	(1,512,091)	3,162,661	5,603,950	3,203,460	40,799	1.3%

Budget Overview

~ Fund Summaries and Fund Balance (Continued)

Budgeted Fund Balance Changes

All the City funds maintain fund balances that ensure the viability of City operations through any interruptions or changes in revenue stream. It is important to have a good understanding of the reasons for fund balance change from year to year if the change is of a significant nature. Understanding the reasons for fund balance changes provides a clearer picture of the financial goals of the City.

The most important of the fund balances is the one in the General Fund, as this fund provides for the majority of the maintenance and operations for the City. Having sufficient reserves in this fund ensures that daily operations can continue if there is an interruption, such as a hurricane, in the revenue stream. City policy requires that the City budgets to maintain 90 to 120 days (3 to 4 months) of reserves in the General Fund fund balance. Days of fund balance are calculated by dividing the non-capital expenditures in the General Fund by the 365 days of the year. The FY2016 budget provides for 97 days of reserves in fund balance. In dollars, the budgeted fund balance is increasing by 12.8% from the FY2015 budget. This increase is largely due to savings from the FY2015 budget year, a portion of which was driven by salary savings related to turnover in the Police Department and Public Works.

The Water and Sewer Fund is a functioning enterprise fund that is self-sufficient in the funding of its operations. This fund must have fund balance to provide coverage for its debt obligations as well as reserves to cover non-capital maintenance and operations. After accounting for debt service coverage and removing capital expenditures from the calculation, this fund is budgeting 149 days of reserves. The fund balance is decreasing by 10.4% from the previous budget due to the completion of the Texas Water Development Board projects and the Council's goal of completing infrastructure projects. Several one-time capital projects were cash flowed out of reserves drawing down the balance.

The Debt Service Fund does not currently have any debt covenants that require it to maintain a certain sized fund balance; however it maintains a small fund balance in case of revenue interruptions. In FY2016 this fund balance is increasing by 25% due to the additional debt service that was issued in FY2015 and the related tax rate increase.

The Tourism Fund is not an operating fund nor does it have debt obligations. That said, this fund has many restrictions on the types of expenditures that can be funded out of the Hotel Occupancy Tax revenue. In FY2016 there is a 44.6% increase in fund balance due to a multi-year increase in revenues combined with selective funding of tourism related projects and savings towards larger projects in the future.

The Special Revenue and Grants Fund contains all the financial activity that is limited by legal, designated, or grant restrictions. The fund balance for this fund is decreasing by 26.4% from last year's budget due to projected grant timelines. The anticipated completion of the FEMA Elevation grant decreases the projected fund balance at year end.

Budget Overview

~ Fund Summaries and Fund Balance (Continued)

Budgeted Fund Balance Changes

The Capital Projects Fund is used to receive and expend debt issuance revenue and well as other designated revenue for capital project investments. In FY2015 the City issued Certificates of Obligation, Series 2015 for \$1.6 million in capital projects. Only about half of this revenue was expending during the previous fiscal year. The FY2016 budget projects that much of the remainder of this funding will be expending during the fiscal year, significantly decreasing the fund balance by 61.7%

The Street Sales Tax Fund derives its revenue from legislatively designated sales tax collected in Nassau Bay. Due to the limited flow of funds, the City's policy is to expend this funding on street repairs bi-annually, thereby saving up revenues to have a larger sum available for bigger projects every other year. FY2016 is a big street project year. In this year the City is drawing down the fund balance by 68.1% in order to complete several big street paving projects.

Overall, the City feels the budgeted fund balance position in all funds accurately reflects the goals of completing infrastructure projects throughout the City while providing a reserve that protects the City's operations in the case of revenue interruptions or changes. Especially in the General Fund, the City continues to be vigilant that budgeted fund balance does not fall below the 90 day policy requirement.



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 (53.2%), Franchise Fee (8.2%), and Sales Tax (10.2%) combining for a total of 71.6% 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 36 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)
- .0025% Streets Sales Tax Fund (Fund 10)
- .0050% Economic Development Corporation (Component Unit)
- .0025% NASA Area Management District (Component Unit)

Departments

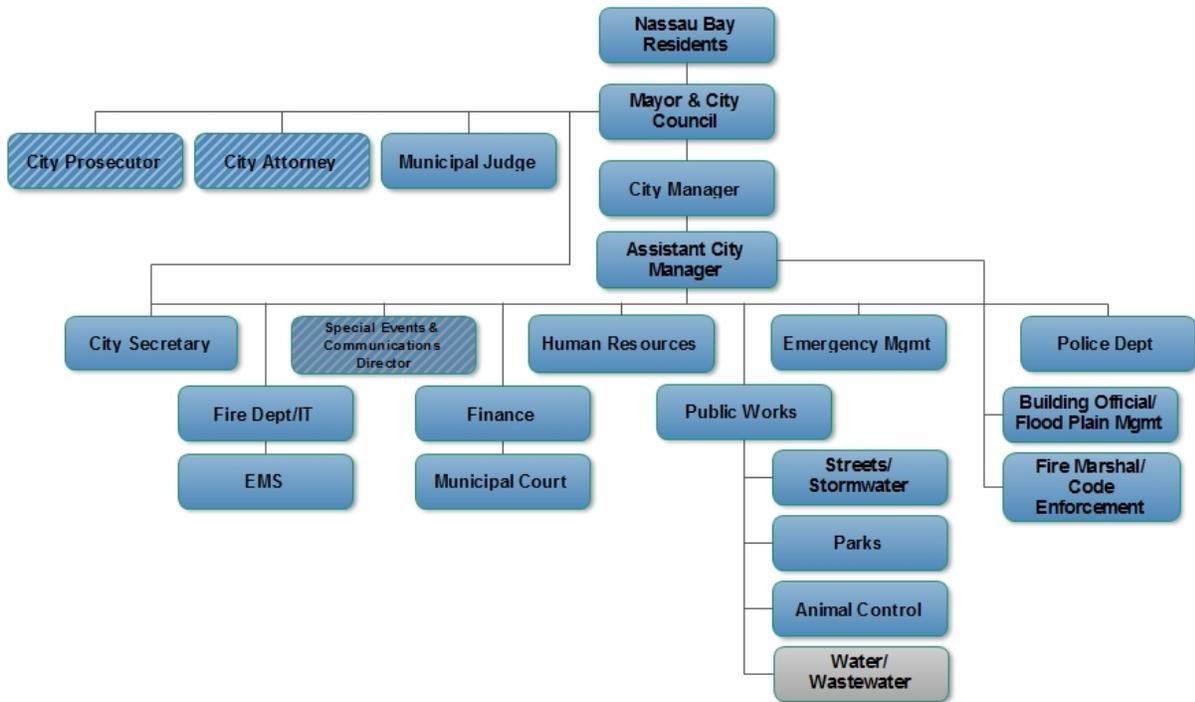
The General Fund is organized into sixteen departments. Each department receives funding and support for the performance of its work.

- 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 17 - Conference Center

General Fund

~Organizational Chart

General Fund



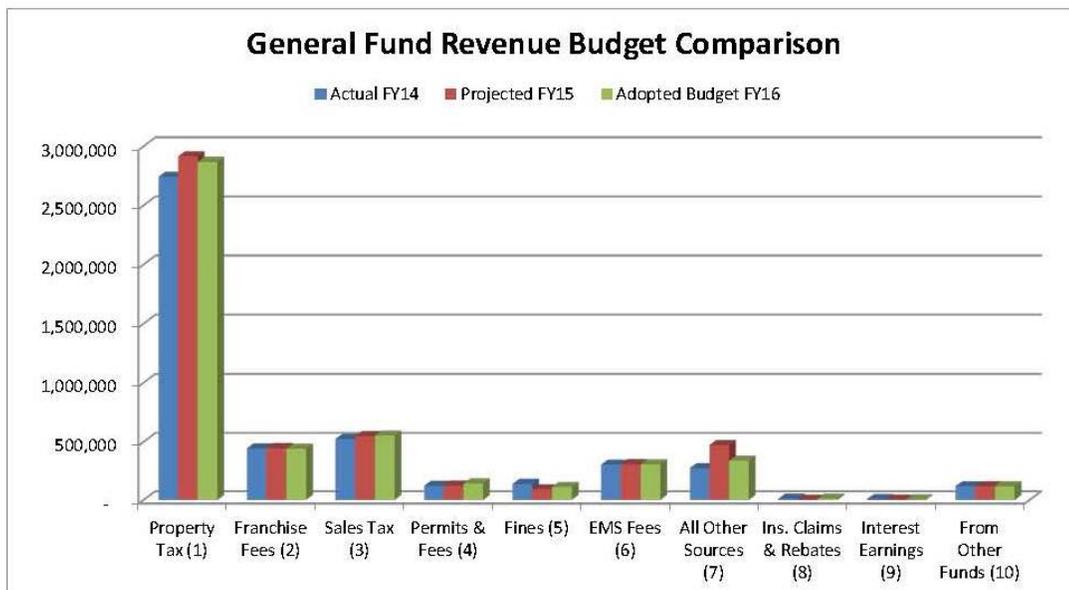
*A guide to the organizational charts presented throughout the budget document can be found on page 180.

General Fund Revenue

~Fund 01

Revenue Summary	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	%
	FY 14	FY 14	FY 15	FY 15	FY 16	Change
Property Tax (1)	2,737,000	2,740,046	2,855,970	2,913,560	2,866,570	0.4%
Franchise Fees (2)	440,000	443,101	500,000	445,000	440,000	-12.0%
Sales Tax (3)	523,600	523,660	500,000	547,000	552,500	10.5%
Permits & Fees (4)	101,310	120,748	134,800	122,090	140,840	4.5%
Fines (5)	139,730	137,943	151,550	91,150	111,120	-26.7%
EMS Fees (6)	303,700	303,915	286,000	307,650	306,000	7.0%
All Other Sources (7)	255,700	272,065	437,100	470,580	336,860	-22.9%
Ins. Claims & Rebates (8)	18,000	9,939	10,000	2,180	10,000	0.0%
Interest Earnings (9)	5,000	6,275	5,000	3,020	4,000	-20.0%
From Other Funds (10)	117,400	117,400	117,400	117,400	117,400	0.0%
TOTAL	4,641,440	4,675,092	4,997,820	5,019,630	4,885,290	-2.3%
Prior Year Balance Forward	1,894,325	-	1,422,510	1,728,292	1,917,162	34.8%
End of Year Fund Balance	(1,242,644)	-	(1,251,180)	(1,917,162)	(1,411,482)	12.8%
GRAND TOTAL	5,293,121	4,675,092	5,169,150	4,830,760	5,390,970	4.3%

Property Tax (1) 3005, 3010, 3015
 Franchise Fees (2) 3105
 Sales Tax (3) 3110
 Permits & Fees (4) 3115, 3205, 3206, 3305, 3306,
 (4) 3307, 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

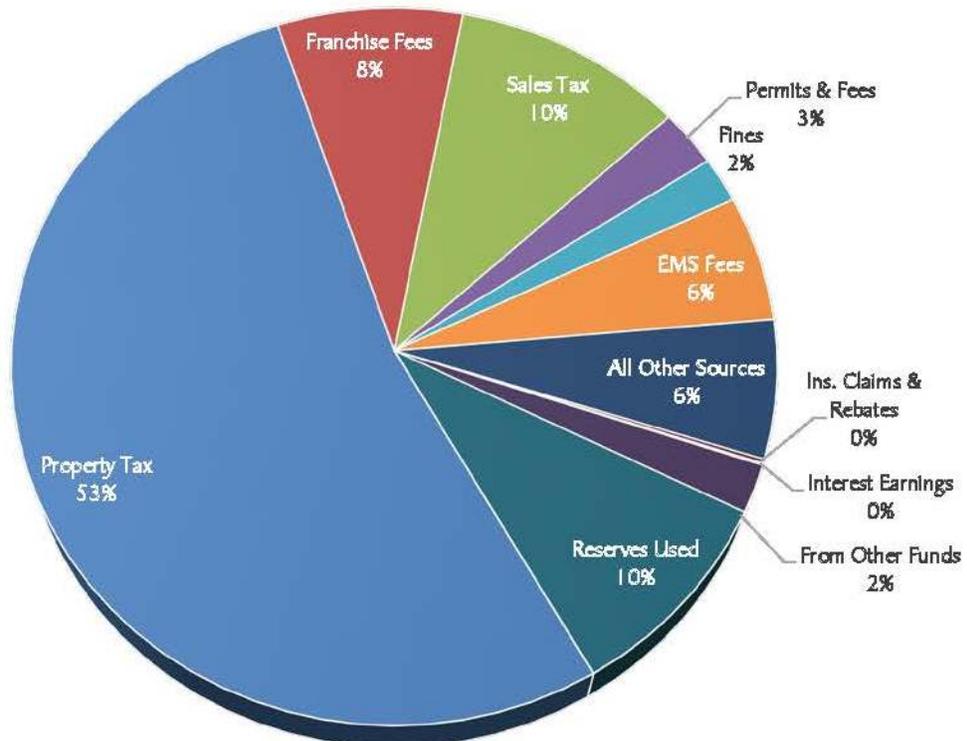


General Fund Revenue

~Fund 01

Revenue Type as a % of Total General Fund Revenue

Revenue Summary	Adopted	%
	Budget FY16	Total
Property Tax (1)	2,866,570	53.2%
Franchise Fees (2)	440,000	8.2%
Sales Tax (3)	552,500	10.2%
Permits & Fees (4)	140,840	2.6%
Fines (5)	111,120	2.1%
EMS Fees (6)	306,000	5.7%
All Other Sources (7)	336,860	6.2%
Ins. Claims & Rebates (8)	10,000	0.2%
Interest Earnings (9)	4,000	0.1%
From Other Funds (10)	117,400	2.2%
TOTAL	4,885,290	90.6%
Prior Year Balance Forward	1,917,162	
Reserved Used	505,680	9.4%
End of Year Fund Balance	(1,411,482)	
GRAND TOTAL	5,390,970	100.0%

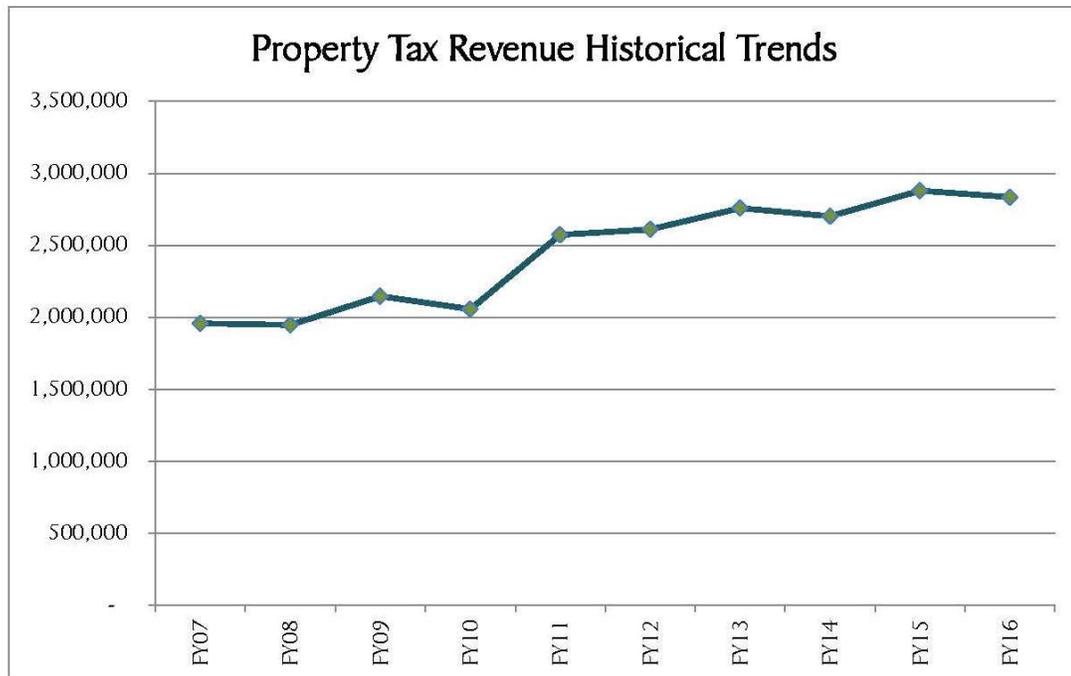


General Fund Revenue

~Fund 01

Property Tax Revenue Historical Trends

Fiscal Year	Taxable Property Value	M&O Tax Rate	General Fund Property Tax Revenue
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 Actual	413,053,342	0.672120	2,701,663
FY15 Projected	429,759,033	0.673173	2,879,000
FY16 Budgeted	440,932,784	0.662834	2,834,570



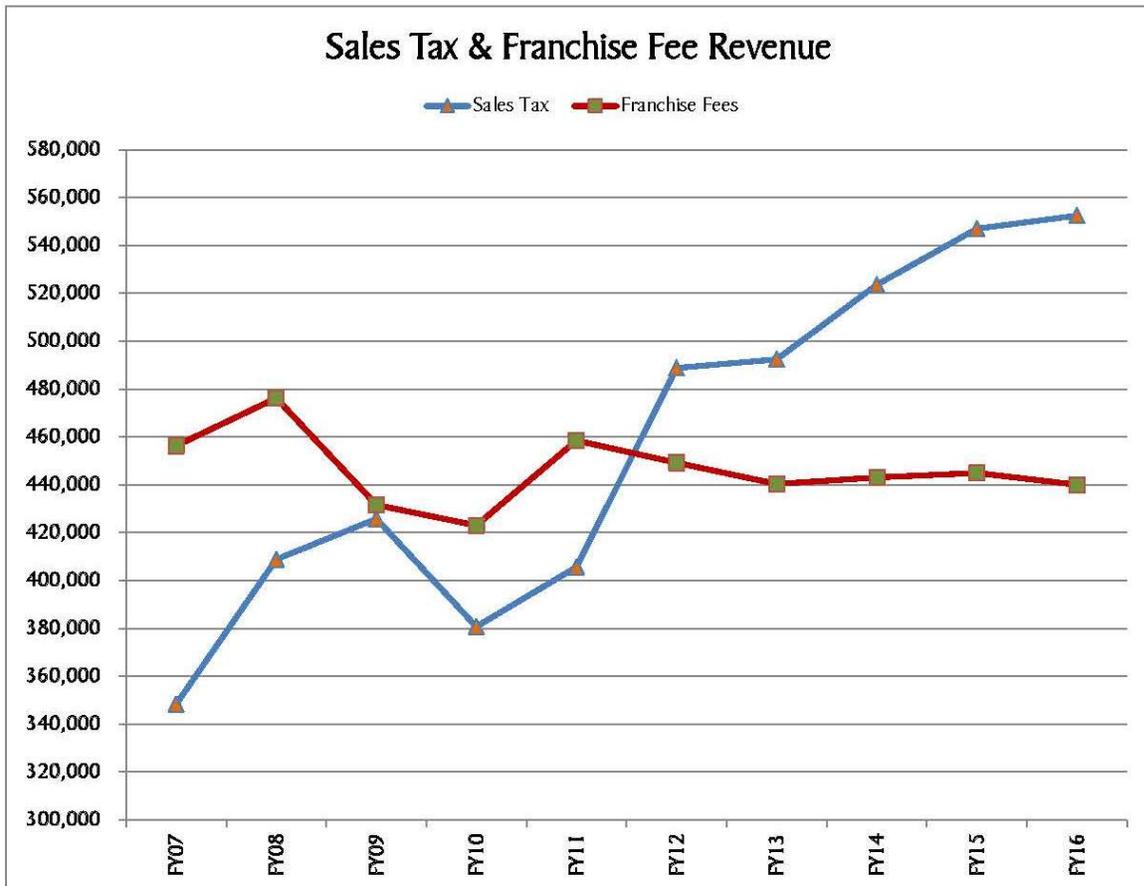
General Fund Revenue

~Fund 01

Sales Tax & Franchise Fee Historical Trends

Sales Tax	Year	Revenue
	FY07	348,326
	FY08	408,881
	FY09	425,823
	FY10	380,786
	FY11	405,728
	FY12	488,872
	FY13	492,397
	FY14	523,660
Projected	FY15	547,000
Budget	FY16	552,500

Franchise Fees	Year	Revenue
	FY07	456,327
	FY08	476,237
	FY09	431,624
	FY10	423,030
	FY11	458,496
	FY12	449,273
	FY13	440,416
	FY14	443,101
Projected	FY15	445,000
Budget	FY16	440,000



General Fund Revenue

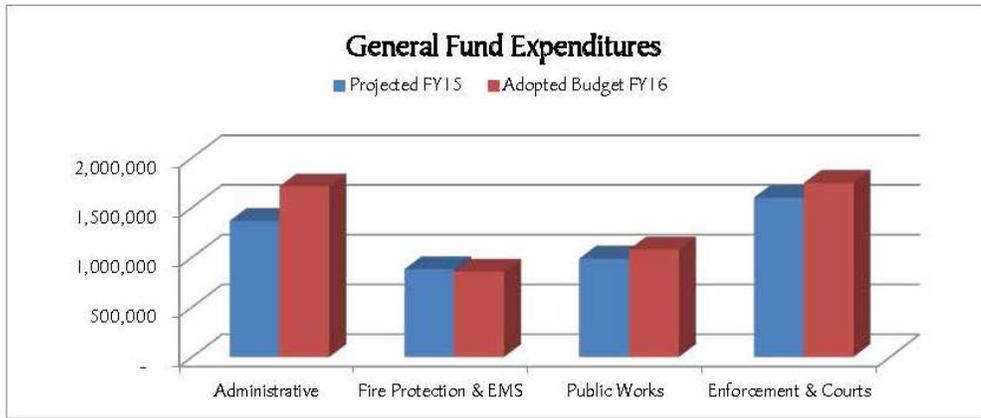
~ Fund 01

Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	
	FY14	FY14	FY15	FY15	FY16	%
						Change
3005 Property Tax - Current	2,701,600	2,701,663	2,829,970	2,879,000	2,834,570	0.2%
3010 Property Tax - Prior Years	21,400	21,482	10,000	11,120	16,000	60.0%
3015 Penalty & Interest	14,000	16,901	16,000	23,440	16,000	0.0%
3020 Interest on Investment	5,000	6,274	5,000	3,020	4,000	-20.0%
3025 Cash Discounts Taken	-	1	-	-	-	0.0%
3030 Conf. Center Lease Revenue	46,900	46,997	205,000	219,080	219,060	6.9%
3105 Franchise Fees	440,000	443,101	500,000	445,000	440,000	-12.0%
3110 Sales Tax	523,600	523,660	500,000	547,000	552,500	10.5%
3115 Alcoholic Beverage Tax	8,000	15,015	12,000	13,000	15,000	25.0%
3116 Child Passenger Safety	150	-	150	120	120	-20.0%
3205 Animal Licenses	200	979	600	800	600	0.0%
3206 Animal Pound Fee	860	1,720	1,000	2,790	1,500	50.0%
3305 Building Permits	75,000	81,385	105,000	81,470	105,000	0.0%
3307 Fire Code Permits	9,000	6,241	5,000	10,660	6,000	20.0%
3308 Planning & Zoning Fees	1,000	2,450	1,000	110	1,000	0.0%
3309 Ambulance Permits	6,000	6,200	6,000	6,950	6,000	0.0%
3310 Building & Craft Licenses	3,000	5,600	4,000	5,550	4,500	12.5%
3312 Business Licenses	900	1,300	900	900	1,300	44.4%
3315 Alcohol Licenses	3,000	4,140	3,500	4,260	4,140	18.3%
3405 Government Service Fees	350	1,918	1,800	2,550	1,800	0.0%
3505 Fines	136,500	136,579	150,000	90,000	110,000	-26.7%
3506 Court Time Pay Fees - Local	2,200	780	800	500	500	-37.5%
3507 Court TLFTA3 - Local	880	583	600	530	500	-16.7%
3605 Ambulance Fees	297,700	297,715	280,000	300,700	300,000	7.1%
3705 Miscellaneous	3,000	5,459	12,000	12,000	2,000	-83.3%
3710 Fixed Asset Sale Proceeds	-	500	118,000	118,000	1,000	-99.2%
3715 Recyclable Material Sales	-	1,656	-	1,600	-	0.0%
3800 Commercial Waste Collection	21,000	26,961	24,000	30,000	30,000	25.0%
3810 Rent/Lease Revenue	156,300	156,323	49,100	58,700	52,800	7.5%
3815 Donations for City Programs	1,500	2,318	2,000	-	2,000	0.0%
3830 Emrg Mgnt Grant Reimbursement	27,000	31,851	27,000	31,200	30,000	11.1%
3905 Insurance Claims & Rebates	18,000	9,939	10,000	2,180	10,000	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%
4923 G&A Overhead - EDC	100,000	100,000	100,000	100,000	100,000	0.0%
TOTAL - Current Revenue	4,641,440	4,675,092	4,997,820	5,019,630	4,885,290	-2.3%
9520 Prior Year Balance	1,894,325	-	1,422,510	1,728,292	1,917,162	34.8%
9525 End of Year Fund Reserve	(1,242,644)	-	(1,251,180)	(1,917,162)	(1,411,482)	12.8%
GRAND TOTAL	5,293,121	4,675,092	5,169,150	4,830,760	5,390,970	4.3%

General Fund Expenditures

~Fund 01

Expenditures Summary	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Administrative (1)	1,750,861	1,602,133	1,482,540	1,364,140	1,711,960	229,420
Fire Protection & EMS (2)	821,770	771,314	899,700	879,920	853,760	(45,940)
Public Works (3)	1,005,850	962,952	1,009,120	986,770	1,078,480	69,360
Enforcement & Courts (4)	1,714,640	1,504,725	1,777,790	1,599,930	1,746,770	(31,020)
TOTAL	5,293,121	4,841,125	5,169,150	4,830,760	5,390,970	221,820



Expenditures Summary	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
1 General & Administrative	1,181,981	1,114,311	758,220	725,960	942,880	24.4%
2 Building Department	128,610	116,307	130,190	122,605	128,820	-1.1%
3 Emergency Management	144,030	133,755	147,870	145,910	151,310	2.3%
4 Fire Department	363,690	341,606	414,150	411,790	364,830	-11.9%
5 Public Works	424,580	387,739	416,720	411,280	415,920	-0.2%
6 Parks Department	344,940	339,151	356,070	339,160	426,230	19.7%
7 Police Department	1,232,980	1,083,610	1,275,600	1,180,610	1,312,820	2.9%
8 Sanitation & Recycling	236,330	236,063	236,330	236,330	236,330	0.0%
9 Animal Control	38,320	36,964	39,090	39,000	38,670	-1.1%
10 Contingency Department	100,000	48,292	100,000	25,000	100,000	0.0%
11 Information Services	231,080	222,881	256,450	253,710	284,140	10.8%
12 Municipal Court	125,950	118,458	129,300	126,630	131,600	1.8%
13 Emergency Medical Service	458,080	429,708	485,550	468,130	488,930	0.7%
14 Fire Marshal	113,935	92,484	112,855	112,865	134,860	19.5%
15 Planning & Development	15,000	9,693	15,000	13,960	15,000	0.0%
16 Code Enforcement	74,845	56,901	90,755	18,220	-	-100.0%
17 Conference Center	78,770	73,201	205,000	199,600	218,630	6.6%
TOTAL	5,293,121	4,841,125	5,169,150	4,830,760	5,390,970	4.3%

Over/(Under) Budget	(338,390)	221,820	Inc./(Decr.)
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(1) General & Admin., Emergency Mgmt., Contingency, Information Services, Planning & Development, Conference Center

(2) Fire Department, Emergency Medical Service

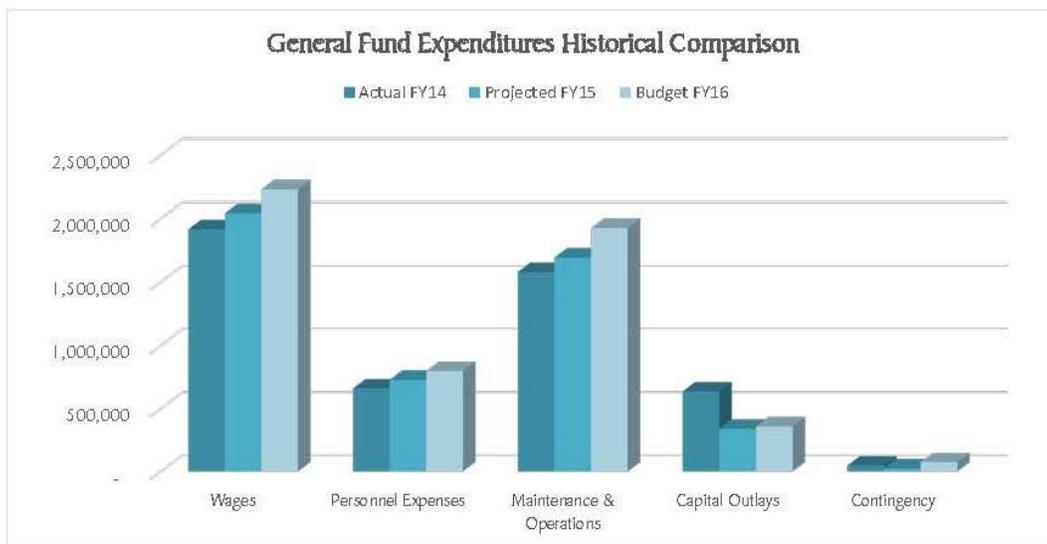
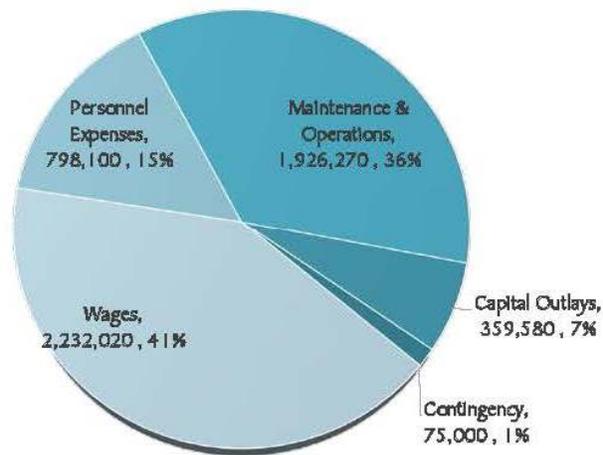
(3) Public Works, Parks Department, Sanitation & Recycling

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

General Fund Revenue

~Fund 01

Expenditures Summary	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Wages	2,058,720	1,915,338	2,166,500	2,042,380	2,232,020	65,520
Personnel Expenses	721,370	660,454	795,260	729,920	798,100	2,840
Maintenance & Operations	1,800,331	1,579,346	1,797,440	1,693,220	1,926,270	128,830
Capital Outlays	637,700	637,695	334,950	340,240	359,580	24,630
Contingency	75,000	48,292	75,000	25,000	75,000	-
TOTAL	5,293,121	4,841,125	5,169,150	4,830,760	5,390,970	221,820



General Fund Expenditures

~ Department 01

General & Administrative

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

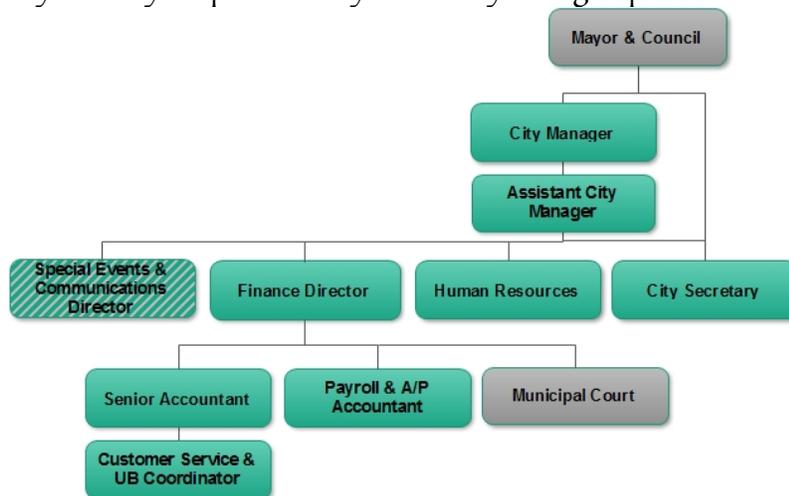
- Planning
- Economic Development
- Risk Management
- Intergovernmental Relations
- Legal
- Issuance of Licenses & Permits
- Records Management
- Public Information
- Accounting
- Budget Preparation
- Budget Administration
- Debt Management
- Finance Administration Tax Reconciliation
- Purchasing
- Payroll
- 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 9 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		Budget		Budget	\$
	FY14	FY14	FY15	FY15	FY16	Change
Wages	260,950	249,612	276,150	265,400	333,370	57,220
Personnel Expenses	88,370	91,740	107,370	104,970	137,220	29,850
Maintenance & Operations	416,661	356,959	374,700	355,590	387,140	12,440
Capital Outlays	416,000	416,000	-	-	85,150	85,150
TOTAL	1,181,981	1,114,311	758,220	725,960	942,880	184,660
Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget	FY14	Budget	FY15	Budget	%
	FY14	FY14	FY15	FY15	FY16	Change
4005 Audit	40,000	30,970	40,000	30,000	40,000	0.0%
4010 Tax Collector-Assessor & HCAD	26,000	25,808	26,000	26,000	26,000	0.0%
4030 Dues, Fees & Subscriptions	8,440	9,055	8,440	13,000	10,540	24.9%
4040 Advertising	6,500	4,321	6,000	6,000	6,000	0.0%
4042 Publications	8,640	6,640	8,640	8,400	8,600	-0.5%
4045 Printing	6,000	2,183	5,000	5,000	5,000	0.0%
4055 Legal Fees	85,000	88,142	88,000	70,000	80,000	-9.1%
4060 Contract Services	36,050	26,930	36,000	48,000	44,750	24.3%
4061 Fixed Asset Management	3,000	4,675	3,000	3,850	3,850	28.3%
4062 City Programs	15,200	13,750	15,200	24,000	19,100	25.7%
4105 Maintenance - Facilities	2,000	1,193	2,000	7,600	5,000	150.0%
4110 Maintenance - Equipment	1,000	118	1,000	500	1,000	0.0%
4205 Supplies - Office	13,500	13,202	13,500	12,750	13,500	0.0%
4210 Supplies - Postage	5,500	5,211	6,000	5,200	6,000	0.0%
4220 Supplies - Uniforms	450	60	800	800	1,040	30.0%
4225 Supplies - Computers/Copiers	4,040	5,190	-	-	-	0.0%
4240 Supplies - Building	3,800	4,212	5,000	4,200	5,000	0.0%
4305 Wages	259,800	249,304	275,350	265,000	333,010	20.9%
4306 Overtime	1,150	308	800	400	360	-55.0%
4310 Social Security	20,470	18,076	21,760	18,500	26,240	20.6%
4390 Expense of City Officials	22,500	16,995	22,500	16,700	22,500	0.0%
4396 Phone Allowance	4,800	5,400	5,400	7,300	7,200	33.3%
4405 Insurance - Bonds	750	-	750	-	750	0.0%
4410 Insurance - General	14,180	14,173	7,410	7,060	7,070	-4.6%
4415 Insurance - Medical & Dental	27,360	34,179	36,750	40,100	51,380	39.8%
4420 Insurance - Unemployment	5,000	665	5,000	4,800	5,000	0.0%
4425 Insurance - Workers' Comp	2,320	2,294	2,470	2,350	2,600	5.3%
4430 Retirement - Contribution	35,740	34,085	43,460	39,070	52,400	20.6%
4440 Insurance - LT Disability	6,000	6,048	6,200	6,250	6,040	-2.6%
4505 Utilities	65,000	56,801	30,000	30,000	30,000	0.0%
4605 Training & Travel	15,330	12,365	15,330	14,000	17,930	17.0%
4710 Election Expense	15,000	2,819	15,000	5,820	15,000	0.0%
4904 Lease Purchase	2,460	1,872	2,460	1,870	1,870	-24.0%
4925 Transfer to Capital Projects Fund	416,000	416,000	-	-	85,150	0.0%
4930 Exams & Drug Testing	3,000	1,265	3,000	1,440	3,000	0.0%
TOTAL	1,181,981	1,114,311	758,220	725,960	942,880	24.4%

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
- City Hall and Conference Center Building Manager

Staffing

This department is staffed with 2 full-time employees; however the Office Manager (50%) is a shared position with the Public Works Department.

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



The functions of Health Officer are performed by Harris County.

Facilities

Office space is provided within City Hall for this department.

Vehicles

- 2010 Ford Expedition

General Fund Expenditures

02 ~ Building Department

Expenditures Summary	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	81,450	79,017	83,040	78,070	81,780	(1,260)
Personnel Expenses	32,480	30,857	34,830	28,130	28,320	(6,510)
Maintenance & Operations	14,680	6,432	12,320	16,405	18,720	6,400
Capital Outlays	-	-	-	-	-	-
TOTAL	128,610	116,307	130,190	122,605	128,820	(1,370)

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	700	543	700	730	700	0.0%
4045 Printing	1,000	308	700	200	700	0.0%
4060 Contract Services	5,000	769	3,500	8,700	7,000	100.0%
4120 Maintenance - Vehicles	1,500	105	1,500	1,500	2,000	33.3%
4220 Supplies - Uniforms	200	120	200	200	250	25.0%
4235 Small Equipment & Tools	100	55	100	75	100	0.0%
4245 Supplies - Gas & Oil	950	712	950	400	950	0.0%
4305 Wages	81,150	78,850	82,870	77,900	81,530	-1.6%
4306 Overtime	300	168	170	170	250	47.1%
4310 Social Security	6,440	5,894	6,580	5,870	6,480	-1.5%
4396 Phone Allowance	1,800	1,600	1,800	1,800	1,600	-11.1%
4410 Insurance - General	3,030	2,990	2,450	2,390	2,050	-16.3%
4415 Insurance - Medical & Dental	12,990	12,621	13,320	8,630	7,290	-45.3%
4425 Insurance - Workers' Comp	200	201	220	210	170	-22.7%
4430 Retirement - Contribution	11,250	10,742	13,130	11,830	12,950	-1.4%
4605 Training & Travel	2,000	630	2,000	2,000	4,800	140.0%
TOTAL	128,610	116,307	130,190	122,605	128,820	-1.1%

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
- Grant Pursuit and Administration

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 FY2016. This year the department continues to work with the Building Department to oversee the implementation of a FEMA Elevation Grant assisting over 20 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 & Mobile Equipment

- Tradewinds Generator for City Hall
- 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	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	93,830	91,917	96,640	96,640	99,540	2,900
Personnel Expenses	31,070	27,478	30,920	28,900	31,780	860
Maintenance & Operations	19,130	14,359	20,310	20,370	19,990	(320)
Capital Outlays	-	-	-	-	-	-
TOTAL	144,030	133,755	147,870	145,910	151,310	3,440

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	620	610	620	700	585	-5.6%
4045 Printing	700	750	700	750	875	25.0%
4110 Maintenance - Equipment	5,000	7,049	6,600	6,600	6,600	0.0%
4230 Supplies - Emergency Operations	800	-	800	800	800	0.0%
4245 Supplies - Gas & Oil	4,500	-	4,500	4,500	4,500	0.0%
4305 Wages	93,830	91,917	96,640	96,640	99,540	3.0%
4310 Social Security	7,320	7,089	7,530	7,530	7,760	3.1%
4396 Phone Allowance	1,200	1,200	1,200	1,200	1,200	0.0%
4410 Insurance - General	2,160	2,163	1,740	1,670	1,280	-26.4%
4415 Insurance - Medical & Dental	9,770	6,779	7,150	7,130	7,330	2.5%
4430 Retirement - Contribution	12,780	12,410	15,040	13,040	15,490	3.0%
4605 Training & Travel	5,350	3,788	5,350	5,350	5,350	0.0%
TOTAL	144,030	133,755	147,870	145,910	151,310	2.3%

General Fund Expenditures

~ Department 04

Fire Department

Volunteer Staffing

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

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

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

Notable Fiscal Year Activities

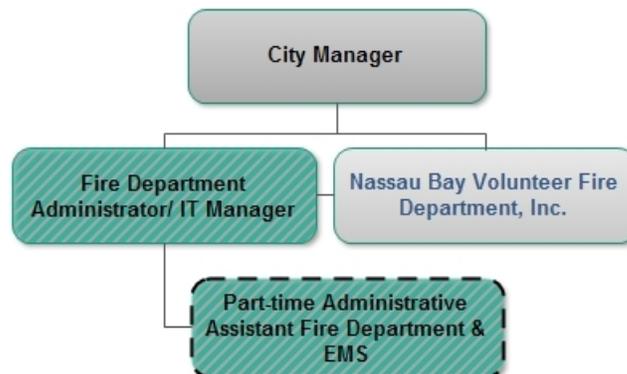
In FY2015 the Fire Department was awarded a \$200,000 cost-share Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program Grant to purchase a replacement tanker/pumper. The City sold the 1994 Pierce Pumper truck to offset the remaining cost of the new truck. The City will take possession of the new pumper truck in FY2016.

In FY2016 the City will begin the process of designing the new Fire Station with the assistance of the Economic Development Corporation. Funding has been provided to complete the architectural design of the building with the goal of construction starting in early FY2017.

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}



General Fund Expenditures

~ Department 04 (continued)

Fire Department

Facilities

- Fire Station (120 Surf Court) with emergency generator

Vehicles & Mobile Equipment

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)
- 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
- 2007 Polaris Ranger Utility Vehicle
- 2009 Zodiac Inflatable Rescue Boat
- 2009 Pierce Quantum Type I Fire Truck (rescue pumper)
- 2010 Ford Expedition

General Fund Expenditures

04 ~ Fire Department

Expenditures Summary	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	46,440	40,493	47,590	47,590	48,450	860
Personnel Expenses	47,600	43,754	47,500	45,500	47,840	340
Maintenance & Operations	155,780	143,494	155,190	154,830	154,670	(520)
Capital Outlays	113,870	113,865	163,870	163,870	113,870	-
TOTAL	363,690	341,606	414,150	411,790	364,830	(49,320)

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	4,140	3,589	4,150	4,150	4,150	0.0%
4060 Contract Services	2,900	2,773	2,900	2,900	2,900	0.0%
4105 Maintenance - Facilities	3,890	6,143	3,890	5,370	3,890	0.0%
4110 Maintenance - Equipment	12,330	5,910	12,330	11,830	13,330	8.1%
4120 Maintenance - Vehicles	29,400	35,728	29,400	29,400	26,900	-8.5%
4125 Maintenance - Marine	4,000	5,342	4,000	4,000	4,000	0.0%
4215 Supplies - Medical	1,500	1,422	1,500	1,500	1,500	0.0%
4220 Supplies - Uniforms	3,900	3,068	3,900	3,900	4,900	25.6%
4221 Supplies - Protective Clothing	15,000	12,689	15,000	14,000	15,000	0.0%
4230 Supplies - Miscellaneous	3,500	2,949	3,500	3,000	3,500	0.0%
4235 Supplies - Tools	3,000	3,510	3,000	5,380	3,000	0.0%
4245 Supplies - Gas & Oil	7,500	4,859	7,500	6,500	7,500	0.0%
4305 Wages	46,440	40,493	47,590	47,590	48,450	1.8%
4310 Social Security	3,760	3,132	3,840	3,840	3,910	1.8%
4396 Phone Allowance	2,400	2,400	2,400	2,400	2,400	0.0%
4410 Insurance - General	17,540	17,583	16,390	16,280	17,180	4.8%
4415 Insurance - Medical & Dental	4,880	3,389	3,580	3,580	3,720	3.9%
4425 Insurance - Workers' Comp	4,130	94	4,680	3,800	3,870	-17.3%
4430 Retirement - Contribution	6,560	5,480	7,680	7,680	7,810	1.7%
4435 Retirement - Volunteers	30,000	29,353	30,000	28,000	30,000	0.0%
4505 Utilities	6,850	6,455	6,850	6,850	6,850	0.0%
4605 Training & Travel	18,000	12,016	18,000	18,000	18,000	0.0%
4904 Lease Purchase	113,870	113,865	113,870	113,870	113,870	0.0%
4905 Capital Outlays	-	-	50,000	50,000	-	-100.0%
4910 Annual Banquet	7,200	7,406	7,200	7,970	7,200	0.0%
4911 Awards - Response & Incentive	9,000	9,358	9,000	8,000	9,000	0.0%
4912 Social Events	2,000	2,279	2,000	2,000	2,000	0.0%
4915 Child Safety Programs	-	320	-	-	-	0.0%
TOTAL	363,690	341,606	414,150	411,790	364,830	-11.9%



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
- Fire Hydrant Maintenance

Notable Fiscal Year Activities

In FY2016 the City will complete the first year of dredging of Lake Nassau to assist with proper storm water drainage in many parts of the City and to better maintain appropriate depths of the lake. The dredging will remove silt from the northern most corner of the lake where much of the storm water enters the lake.

The department will also oversee the completion of bi-annual paving projects totaling over \$300,000. The projects will focus on areas of the city that are designated as needed the most imminent paving overhaul.

Also in FY2016 the department will oversee the City's solar light project construction and implementation. The first phase of this project will include the installation of 50 decorative solar street lights throughout the City.

Finally, in anticipation of the construction of the new Fire & EMS Station at the current location of the Public Works facility, the Public Works department will relocate their operations to a temporary facility near the end of FY2016. During the construction of the new Fire & EMS Station, Public Works will operate from a temporary building and then move to the City facility at 120 Surf Court when the Fire & EMS relocate to their new facility at 18295 Upper Bay Road.

General Fund Expenditures

~ Department 05 (Continued)

Public Works

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 & Mobile Equipment

- 1990 Alumacraft 16' Boat
- 1993 Ford Dump Truck
- 1997 Ford F350 Pickup
- 1998 John Deere Backhoe
- 2003 Ford F650 Pickup
- (2) 2003 Ford F150 Pickup
- 2006 Ford F350 1T Bucket Truck
- 2006 Enclosed Trailer
- 2007 Chevrolet Silverado
- 2011 Tradewinds Generator
- 2012 Sun S48 Golf Cart
- 2013 Ford F150 Pickup

General Fund Expenditures

05 ~ Public Works

Expenditures Summary	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	162,200	150,037	168,380	168,380	168,220	(160)
Personnel Expenses	70,190	65,391	73,580	80,650	81,050	7,470
Maintenance & Operations	142,190	122,311	156,180	143,670	166,650	10,470
Capital Outlays	50,000	50,000	18,580	18,580	-	(18,580)
TOTAL	424,580	387,739	416,720	411,280	415,920	(800)

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	100	60	100	100	100	0.0%
4070 Engineering	15,000	6,489	15,000	13,000	15,000	0.0%
4075 Mosquito Control	5,000	1,595	5,000	4,620	5,000	0.0%
4105 Maintenance - Facilities	2,500	4,107	2,500	2,600	7,500	200.0%
4110 Maintenance - Equipment/Safety	3,000	5,079	10,000	11,000	10,000	0.0%
4111 Maintenance - Storm Sewer	7,000	10,029	7,000	6,500	7,000	0.0%
4112 Maintenance - Storm Sewer LS	5,000	349	5,000	3,000	5,000	0.0%
4120 Maintenance - Vehicles	6,500	8,414	6,500	5,000	6,500	0.0%
4125 Maintenance - Street Lights	7,000	2,386	7,000	6,000	5,000	-28.6%
4130 Maintenance - Streets & Curbs	2,500	6,510	10,000	13,000	15,000	50.0%
4131 Maintenance - Equipment Rental	6,000	8,298	6,000	8,900	6,000	0.0%
4135 Maintenance - Street Sweeping	4,000	2,500	4,000	5,000	5,000	25.0%
4220 Supplies - Uniforms	3,200	2,101	3,200	2,500	3,200	0.0%
4235 Supplies - Tools	2,000	2,341	2,000	2,000	2,000	0.0%
4245 Supplies - Gas & Oil	25,000	21,607	25,000	15,000	25,000	0.0%
4305 Wages	154,060	140,552	159,800	159,800	159,640	-0.1%
4306 Overtime	8,140	9,484	8,580	8,580	8,580	0.0%
4310 Social Security	12,770	11,272	13,380	13,380	13,280	-0.7%
4396 Phone Allowance	6,000	7,150	6,000	7,550	7,700	28.3%
4410 Insurance - General	12,170	12,244	11,120	12,220	12,140	9.2%
4415 Insurance - Medical & Dental	29,110	26,469	27,670	33,190	33,560	21.3%
4425 Insurance - Workers' Comp	10,220	10,107	10,760	11,230	11,210	4.2%
4430 Retirement - Contribution	22,310	20,499	26,530	26,530	26,510	-0.1%
4505 Utilities (Street Lights/Pumps)	21,000	17,275	21,000	21,000	21,000	0.0%
4605 Training & Travel	5,000	819	5,000	1,000	5,000	0.0%
4907 Capital Outlays	50,000	50,000	18,580	18,580	-	-100.0%
TOTAL	424,580	387,739	416,720	411,280	415,920	-0.2%



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 both Annual Holiday Events and Quarterly Town Square Events

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

Notable Fiscal Year Activities

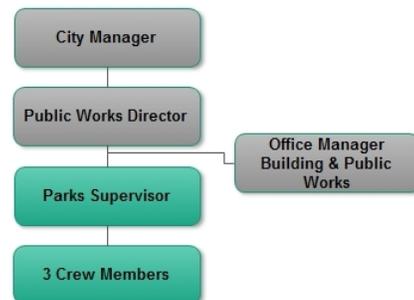
After a busy year, in FY2016 the Parks Department will complete the installation of the new playground equipment at Lake Nassau Park.

Additionally, the City will continue to look for grant opportunities to carry out the Park Master Plan and improve our public spaces. The extension of the Peninsula Trail through the remainder of Lake Nassau Park remains at the top of the list of projects for grant funding. Other park improvements will include smaller scale changes at the Pocket Park at Lake Nassau.

Staffing

This department is staffed with 4 full-time employees.

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



General Fund Expenditures

~ Department 06 (Continued)

Parks & Recreation

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 & Mobile Equipment

- 2005 John Deere Gator Utility
- 2013 Ford F150 Pickup
- 2015 Vantage X1000

General Fund Expenditures

06 ~ Parks Department

Expenditures Summary	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	117,240	118,077	128,190	128,190	124,520	(3,670)
Personnel Expenses	50,690	56,122	62,570	57,700	60,010	(2,560)
Maintenance & Operations	177,010	164,951	165,310	153,270	241,700	76,390
Capital Outlays	-	-	-	-	-	-
TOTAL	344,940	339,151	356,070	339,160	426,230	70,160

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	100	-	100	-	100	0.0%
4105 Maintenance - Facilities	16,000	3,171	16,000	6,000	16,000	0.0%
4110 Maintenance - Equipment	3,000	2,667	3,000	3,260	3,000	0.0%
4115 Maintenance - Grounds	100,000	103,024	100,000	100,000	100,000	0.0%
4129 Maintenance - Park Lighting	3,000	464	3,000	3,000	16,100	436.7%
4135 Maintenance - Holiday Decorations	1,000	34	1,000	1,420	1,000	0.0%
4140 Maintenance - Lake Nassau	10,500	10,458	5,000	5,000	5,000	0.0%
4145 Maintenance - Channels/Buoys	7,300	7,306	1,500	1,000	1,500	0.0%
4228 Supplies - Mut Mits	3,000	3,565	3,000	3,000	3,500	16.7%
4305 Wages	108,710	106,327	118,190	118,190	114,520	-3.1%
4306 Overtime	8,530	11,751	10,000	10,000	10,000	0.0%
4310 Social Security	9,070	8,826	9,910	9,910	9,640	-2.7%
4410 Insurance - General	5,530	5,415	4,900	4,900	4,660	-4.9%
4415 Insurance - Medical & Dental	27,360	31,243	32,870	28,000	31,130	-5.3%
4425 Insurance - Workers' Comp	3,580	3,544	3,810	3,850	3,840	0.8%
4430 Retirement - Contribution	14,260	16,053	19,790	19,790	19,240	-2.8%
4505 Utilities	8,000	6,743	8,000	5,500	71,000	787.5%
4910 Special Events Committee	10,000	9,503	10,000	10,000	10,000	0.0%
4912 Beautification Day & Projects	2,000	5,059	2,000	3,340	2,000	0.0%
4913 Environmental Restoration	4,000	4,000	4,000	3,000	4,000	0.0%
TOTAL	344,940	339,151	356,070	339,160	426,230	19.7%



General Fund Expenditures

~ Department 07

Police Department

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

- 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 & Mobile Equipment

- 2015 Ford Interceptor
- 2014 Chevrolet Tahoe
- (3) 2013 Chevrolet Tahoe
- 2009 Dodge Charger
- 2007 Boston Whaler Marine Patrol/Fire Boat
- 2012 Trailer Mounted Speed Monitor

General Fund Expenditures

07 ~ Police Department

Expenditures Summary	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	716,350	668,152	748,990	707,000	778,900	29,910
Personnel Expenses	280,800	242,575	298,430	279,100	293,490	(4,940)
Maintenance & Operations	235,830	172,884	228,180	191,800	240,430	12,250
Capital Outlays	-	-	-	2,710	-	-
TOTAL	1,232,980	1,083,610	1,275,600	1,180,610	1,312,820	37,220

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	1,100	921	1,020	900	920	-9.8%
4040 Advertising	200	-	200	200	200	0.0%
4045 Printing	500	-	500	100	500	0.0%
4060 Contract Services	2,840	4,842	2,840	2,840	4,150	46.1%
4061 Dispatch Contract	62,000	39,020	62,000	60,000	62,000	0.0%
4062 Jail Contract	60,000	36,590	60,000	40,000	60,000	0.0%
4064 Investigation Funds	1,000	1,078	1,000	1,000	1,000	0.0%
4070 Professional Services	600	200	600	800	600	0.0%
4110 Maintenance - Equipment	1,800	430	3,350	1,500	3,350	0.0%
4120 Maintenance - Vehicles	9,000	10,380	9,000	9,000	9,000	0.0%
4220 Supplies - Uniforms	6,250	1,399	6,250	6,000	6,250	0.0%
4225 Supplies - Computers/Printers	2,600	2,894	-	-	-	0.0%
4226 Supplies - Police	7,750	6,292	3,490	3,490	5,820	66.8%
4245 Supplies - Gas & Oil	40,000	29,187	40,000	25,000	35,000	-12.5%
4305 Wages	708,350	661,685	741,990	700,000	771,900	4.0%
4306 Overtime	8,000	6,467	7,000	7,000	7,000	0.0%
4310 Social Security	55,520	50,194	58,040	58,040	60,360	4.0%
4396 Phone Allowance	4,800	4,800	4,800	4,800	4,800	0.0%
4410 Insurance - General	18,430	18,695	15,270	15,210	13,920	-8.8%
4415 Insurance - Medical & Dental	123,480	100,020	119,740	114,000	107,810	-10.0%
4425 Insurance - Workers' Comp	14,260	14,104	15,160	14,760	16,780	10.7%
4430 Retirement - Contribution	97,000	87,560	115,850	102,260	120,520	4.0%
4605 Training & Travel	7,500	6,853	7,500	6,000	7,500	0.0%
4904 Lease Purchase	-	-	-	5,000	13,440	0.0%
4905 Capital Outlays	-	-	-	2,710	-	0.0%
TOTAL	1,232,980	1,083,610	1,275,600	1,180,610	1,312,820	2.9%

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 FY2016, 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 FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	236,330	236,063	236,330	236,330	236,330	-
Capital Outlays	-	-	-	-	-	-
TOTAL	236,330	236,063	236,330	236,330	236,330	-

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
4090 Solid Waste Collection	232,500	232,485	232,500	232,500	232,500	0.0%
4091 Contract - Bayfront	3,330	3,326	3,330	3,330	3,330	0.0%
4230 Supplies - Miscellaneous	500	251	500	500	500	0.0%
TOTAL	236,330	236,063	236,330	236,330	236,330	0.0%

General Fund Expenditures

~ Department 09

Animal Control

The Animal Control Department is responsible for the following functions:

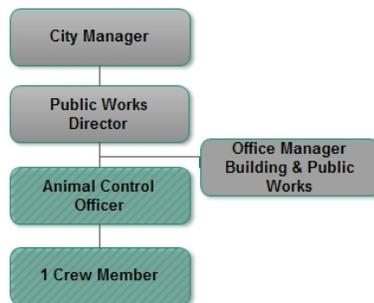
- Animal Code Enforcement
- Control of Dangerous and/or Vicious Animals
- Impoundment of Animals Found at Large
- Wildlife Management
- Providing Humane Animal Traps for Resident Use
- Removal of Trapped Varmints
- Collection of Animal Carcasses

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	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	19,750	20,085	21,250	21,250	21,120	(130)
Personnel Expenses	7,600	6,741	7,220	7,220	7,310	90
Maintenance & Operations	10,970	10,138	10,620	10,530	10,240	(380)
Capital Outlays	-	-	-	-	-	-
TOTAL	38,320	36,964	39,090	39,000	38,670	(420)

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	100	-	100	100	100	0.0%
4060 Contract Services	2,600	2,695	2,600	2,600	2,600	0.0%
4105 Maintenance - Facilities	2,800	1,066	2,800	2,800	2,800	0.0%
4230 Supplies	2,400	3,667	2,400	2,400	2,400	0.0%
4305 Wages	18,250	17,944	18,650	18,650	19,120	2.5%
4306 Overtime	1,500	2,141	2,600	2,600	2,000	-23.1%
4310 Social Security	1,520	1,567	1,570	1,570	1,610	2.5%
4410 Insurance - General	2,280	2,274	1,850	1,780	1,400	-24.3%
4415 Insurance - Medical & Dental	3,420	2,390	2,520	2,520	2,490	-1.2%
4425 Insurance - Workers' Comp	440	437	520	500	590	13.5%
4430 Retirement - Contribution	2,660	2,784	3,130	3,130	3,210	2.6%
4605 Training & Travel	350	-	350	350	350	0.0%
TOTAL	38,320	36,964	39,090	39,000	38,670	-1.1%

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 FY2016 General Fund Budget includes expenditures of \$5,390,970 and a contingency budget of \$100,000 (approximately 1.9%).

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>
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	48,292
2014/15	100,000	*25,000
2015/16	100,000	

*Projected

General Fund Expenditures

10 ~ Contingency Department

Expenditures Summary	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget	FY14	Budget	FY15	Budget	\$
	FY14	FY14	FY15	FY15	FY16	Change
Wages	25,000	-	25,000	-	25,000	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Contingency	75,000	48,292	75,000	25,000	75,000	-
TOTAL	100,000	48,292	100,000	25,000	100,000	-

Line Item Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget	FY14	Budget	FY15	Budget	%
	FY14	FY14	FY15	FY15	FY16	Change
4070 Grant Matches	25,000	-	25,000	-	25,000	0.0%
4160 City Charter Contingency	50,000	48,292	50,000	25,000	50,000	0.0%
4305 Reserve - Wages	25,000	-	25,000	-	25,000	0.0%
TOTAL	100,000	48,292	100,000	25,000	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.

The Information Services Department provides services that are reimbursed by the departments and funds that receive the benefit. See Information Services - Reimbursed Expenses, pages 89 and 91.

Notable Fiscal Year Activities

In FY2016 the Information Services department will continue to monitor the transition of the radio system to meet the new digital requirements of the Harris County radio system.

Additionally, in the second quarter of FY2016, the cost of participation in the Harris County radio system will increase by over 300%. Due to the nature of emergency communications as implemented through Homeland Security, it is essential for the City to have communication interoperability with all the regional agencies. This additional cost is absorbed into the General Fund in order to provide the best possible Public Safety services to the community.

General Fund Expenditures

~ Department 11 (Continued)

Information Services

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.

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

Expenditures Summary	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	32,910	32,269	33,770	33,770	34,290	0
Personnel Expenses	11,840	10,273	11,370	11,370	11,630	260
Maintenance & Operations	186,330	180,339	211,310	208,570	238,220	26,910
Capital Outlays	-	-	-	-	-	-
TOTAL	231,080	222,881	256,450	253,710	284,140	27,690

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	19,800	14,875	19,800	19,800	43,150	117.9%
4070 Contract Computer Services	73,250	65,807	96,910	96,000	101,930	5.2%
4072 Maintenance - Software	4,500	6,570	4,500	3,500	4,500	0.0%
4110 Maintenance - Equipment	13,000	17,703	13,000	15,000	12,000	-7.7%
4225 Supplies - Computers/Printers	2,500	1,315	2,500	1,000	2,500	0.0%
4305 Wages	32,910	32,269	33,770	33,770	34,290	1.5%
4310 Social Security	2,530	2,503	2,600	2,600	2,640	1.5%
4410 Insurance - General	2,160	2,163	1,740	1,670	1,280	-26.4%
4415 Insurance - Medical & Dental	4,880	3,389	3,580	3,580	3,720	3.9%
4430 Retirement - Contribution	4,430	4,380	5,190	5,190	5,270	1.5%
4510 Telecommunications	69,520	70,335	71,260	70,000	71,260	0.0%
4605 Training & Travel	1,600	1,572	1,600	1,600	1,600	-
TOTAL	231,080	222,881	256,450	253,710	284,140	10.8%

General Fund Expenditures

11 ~ Information Services Reimbursement Schedule

Line Item Detail	Adopted	General		W & S		Tourism	
	Budget FY16	Fund	%	Fund	%	Fund	%
4070 Contract Computer Services	101,930	92,769	91.0%	7,570	7.4%	1,591	1.6%
4072 Maintenance - Software	4,500	4,100	91.0%	330	7.4%	70	1.6%
4110 Maintenance - Equipment	12,000	10,923	91.0%	890	7.4%	187	1.6%
4225 Supplies - Computers/Printers	2,500	2,271	91.0%	190	7.4%	39	1.6%
4510 Telecommunications	71,260	64,848	91.0%	5,300	7.4%	1,112	1.6%
4605 Training & Travel	1,600	1,480	92.6%	120	7.4%	-	0.0%
TOTAL	193,790	176,390	91.3%	14,400	7.4%	3,000	1.3%

General Fund Expenditures

~ Department 12

Municipal Court

This is the fourth 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

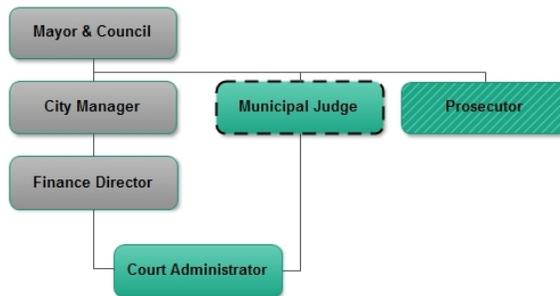
This department is staffed with one (1) full-time Court Administrator, a Presiding Judge, an Associate Judge, and a relief Judge.

- 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	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	76,010	74,497	76,560	76,560	78,520	1,960
Personnel Expenses	24,480	25,466	28,000	28,000	28,800	800
Maintenance & Operations	25,460	18,495	24,740	22,070	24,280	(460)
Capital Outlays	-	-	-	-	-	-
TOTAL	125,950	118,458	129,300	126,630	131,600	2,300

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	800	160	500	500	500	0.0%
4045 Printing	800	1,219	500	400	500	0.0%
4060 Contract Services	17,700	13,890	18,000	17,000	18,000	0.0%
4305 Wages	74,510	74,497	76,410	76,410	78,370	2.6%
4306 Overtime	1,500	-	150	150	150	0.0%
4310 Social Security	5,940	5,621	5,990	5,990	6,140	2.5%
4396 Phone Allowance	-	1,200	1,200	1,200	1,200	0.0%
4410 Insurance - General	2,160	2,163	1,740	1,670	1,280	-26.4%
4415 Insurance - Medical & Dental	9,770	10,159	10,700	10,700	11,040	3.2%
4430 Retirement - Contribution	8,770	8,486	10,110	10,110	10,420	3.1%
4605 Training & Travel	4,000	1,064	4,000	2,500	4,000	0.0%
TOTAL	125,950	118,458	129,300	126,630	131,600	1.8%

General Fund Expenditures

~ Department 13

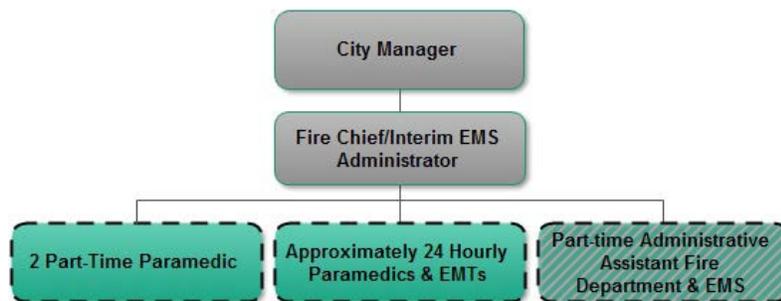
Emergency Medical Service

The Nassau Bay EMS provides 24-hour emergency medical services to the community. The Nassau Bay EMS works closely with 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	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	308,500	292,475	335,370	335,370	342,370	0
Personnel Expenses	38,410	30,439	45,570	34,120	47,170	1,600
Maintenance & Operations	111,170	106,795	104,610	96,060	99,390	(5,220)
Capital Outlays	-	-	-	2,580	-	-
TOTAL	458,080	429,708	485,550	468,130	488,930	3,380

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	690	1,295	690	1,570	1,200	73.9%
4045 Printing	1,000	-	1,000	500	1,000	0.0%
4056 Contract Billing	35,000	37,329	35,000	25,000	35,000	0.0%
4057 Licenses	890	542	890	890	890	0.0%
4105 Maintenance - Facilities	1,700	3,023	1,700	2,000	1,700	0.0%
4110 Maintenance - Equipment	1,500	690	3,000	3,000	2,000	-33.3%
4120 Maintenance - Vehicles	21,700	21,694	15,000	14,220	9,500	-36.7%
4215 Supplies - Medical	21,000	19,332	20,000	21,970	20,000	0.0%
4220 Supplies - Uniforms	4,000	3,469	4,000	4,000	4,000	0.0%
4245 Supplies - Gas & Oil	7,000	5,849	7,000	6,000	6,000	-14.3%
4305 Wages	282,500	282,406	320,870	320,870	327,870	2.2%
4306 Overtime	26,000	10,068	14,500	14,500	14,500	0.0%
4310 Social Security	22,990	22,451	25,920	25,920	26,460	2.1%
4396 Phone Allowance	1,200	300	1,200	1,200	1,200	0.0%
4410 Insurance - General	5,290	5,158	4,400	4,310	4,140	-5.9%
4425 Insurance - Workers' Comp	8,400	8,306	8,930	9,600	9,960	11.5%
4430 Retirement - Contribution	14,220	7,687	18,450	7,000	19,510	5.7%
4605 Training & Travel	3,000	109	3,000	3,000	4,000	33.3%
4905 Capital Outlays	-	-	-	2,580	-	0.0%
TOTAL	458,080	429,708	485,550	468,130	488,930	0.7%

General Fund Expenditures

~ Department 14

Fire Marshal

The Fire Marshal Department is responsible for a wide variety of inspection, permit, and enforcement activities. In FY2016, 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	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	73,720	62,139	72,930	72,930	88,920	0
Personnel Expenses	18,500	15,820	19,780	19,780	23,480	3,700
Maintenance & Operations	21,715	14,525	20,145	20,155	22,460	2,315
Capital Outlays	-	-	-	-	-	-
TOTAL	113,935	92,484	112,855	112,865	134,860	22,005

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	3,500	2,753	3,500	3,500	3,500	0.0%
4045 Printing	540	357	540	540	500	-7.4%
4060 Contract Services	1,750	-	1,300	1,490	1,800	38.5%
4063 Property Liens Expense	300	175	300	100	300	0.0%
4120 Maintenance - Vehicles	1,152	789	400	800	600	50.0%
4220 Supplies - Uniforms	1,000	746	1,000	1,000	1,000	0.0%
4227 Supplies - Photographic	-	-	460	460	2,400	421.7%
4226 Supplies - Fire Prevention	500	-	500	500	500	0.0%
4230 Supplies - Fire & Equipment	958	958	1,250	1,250	1,250	0.0%
4245 Supplies - Gas & Oil	1,900	1,393	1,300	1,000	1,300	0.0%
4305 Wages	73,720	62,139	72,930	72,930	88,920	21.9%
4310 Social Security	5,860	4,871	5,800	5,800	7,030	21.2%
4396 Phone Allowance	2,400	2,400	2,400	2,400	2,400	0.0%
4410 Insurance - General	3,030	2,990	2,450	2,390	2,050	-16.3%
4425 Insurance - Workers' Comp	810	805	870	850	680	-21.8%
4430 Retirement - Contribution	10,240	8,549	11,580	11,580	14,050	21.3%
4605 Training & Travel	6,275	3,560	6,275	6,275	6,580	4.9%
TOTAL	113,935	92,484	112,855	112,865	134,860	19.5%

General Fund Expenditures

~ Department 15

Planning & Development

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

Notable Fiscal Year Activities

The City's current Comprehensive Master Plan was approved on November 8, 2010 with the help of Kendig Keast Collaborative. The City's Charter Section 10.03 requires that the Comprehensive Master Plan be updated every five years. The City will begin the process to review and update the plan at the start of FY2016. For this current update of the plan, the City will utilize in-house long-range planning staff and Planning and Zoning Commission members. It is anticipated that the updated plan will be completed and adopted by the City Council during the course of the fiscal year.

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 FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	15,000	9,693	15,000	13,960	15,000	-
Capital Outlays	-	-	-	-	-	-
TOTAL	15,000	9,693	15,000	13,960	15,000	-

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
4060 Contract Services	15,000	9,693	15,000	13,500	14,500	-3.3%
4605 Training & Travel	-	-	-	460	500	0.0%
TOTAL	15,000	9,693	15,000	13,960	15,000	0.0%

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. FY2016 will be the second year to see 12 months of activity in this department since expenses did not begin until the completion of City Hall in May 2014. The cost projections become more accurate with the cumulative experience of each year.

The conference center is located on the first floor of the 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 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. The second lease is for a term of five year through May 2019.

Notable Fiscal Year Activities

Several smaller projects are planned for FY2016 including the possible installation of awnings over the entrances to the building. This addition should help diminish water intrusion during heavy rain events.

Also, based on the current progression of wear on the conference center facilities, a capital program is being established to ensure the long term quality of the conference spaces.

Staffing

This department has no employees.

Vehicles

This department has no vehicles.

General Fund Expenditures

17 ~ Conference Center

Expenditures Summary	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Wages	-	-	-	-	7,020	7,020
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	20,940	15,371	52,500	47,100	51,050	(1,450)
Transfer to Debt Service	57,830	57,830	152,500	152,500	160,560	8,060
Capital Outlays	-	-	-	-	-	-
TOTAL	78,770	73,201	205,000	199,600	218,630	13,630

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
4105 Maintenance - Facilities	660	4,582	20,190	15,000	20,000	-0.9%
4240 Supplies - Building	2,000	887	6,800	6,800	6,000	-11.8%
4305 Wages	-	-	-	-	7,020	0.0%
4410 Insurance - General	7,030	1,996	4,510	4,300	4,050	-10.2%
4505 Utilities	11,250	7,907	21,000	21,000	21,000	0.0%
4924 Transfer to Debt Service	57,830	57,830	152,500	152,500	160,560	5.3%
TOTAL	78,770	73,201	205,000	199,600	218,630	6.6%

General Fund Expenditures

~ Capital Outlay Requests

FY2016 Capital Outlay Request Summary

Department	Total Amount of Requests	Total Added to FY16 CIP	Total Funded
Administration	\$ 103,450	\$ 53,150	\$ 53,150
Building Department	\$ 20,000	\$ 0	\$ 0
Fire Department	\$ 230,000	\$ 200,000	\$ 200,000
Public Works	\$ 913,240	\$ 647,240	\$ 647,240
Parks	\$ 263,100	\$ 4,500	\$ 0
Police Department	\$ 0	\$ 0	\$ 0
Animal Control	\$ 0	\$ 0	\$ 0
Information Technology	\$ 102,600	\$ 178,600	\$ 0
EMS	\$ 0	\$ 0	\$ 0
Fire Marshal	\$ 15,000	\$ 0	\$ 0
Total General Fund Capital Outlay Requests	\$ 1,647,390	\$ 1,083,490	\$ 900,390

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 FY2016 budget, seven (7) requests were funded and two (2) requests were prioritized if funding were to become available. Totals for the categories are as follows:

Funded	Prioritized	Pending (Unfunded)
\$ 900,390	\$ 1,083,490	\$ 183,100

General Fund Expenditures

~ Capital Outlay Requests

FY2016 Capital Outlay Request Detail

Department	Outlay Description	Amount	Status
General & Administrative / All Departments			
	Fleet Replacement Transfer	\$ 45,800	Partially Funded
	CivicPlus Website Redesign	\$ 17,150	Funded
	Tourism Van	\$ 36,000	Funded-HOT Fund
	Golf Cart	\$ 4,500	Delayed
Building Department			
	Scanning Project	\$ 20,000	Delayed
Fire Department			
	Replace Utility 88 Expedition	\$ 30,000	Delayed
	Architect Plans for New Fire/EMS Facility	\$ 200,000	Funded-EDC
Public Works			
	Temporary Housing - Fire/EMS Construct.	\$ 42,000	Delayed
	Dredging of Lake Nassau	\$ 50,000	Funded
	NASA Pkwy – LED lighting	\$ 224,000	Delayed
	Relocation of 24" Storm Sewer Line	\$ 20,000	Funded-Tax Note
	Annual Paving Improvements	\$ 350,000	Funded-Sales Tax
	Solar Decorative Street Lights	\$ 227,240	Funded-COs
Parks Department			
	Install LED Bulbs along Upper Bay Palms	\$ 13,100	Funded-as M&O
	Lake Nassau Peninsula Park Trail, Phase II	\$ 250,000	Delayed
Information Services			
	Replace two-way radios to digital	\$ 102,600	Pending
Fire Marshal			
	Fire Investigation Trailer/Arson Unit	\$ 15,000	Delayed



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 FY2016.

The City serves approximately 1,507 non-governmental water and sewer customers. Of these approximately 1,354 are residential customers and 153 are commercial customers.

The City's Five-Plus-Year Capital Improvement Plan has been updated and includes several upgrade or replacement 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 4 years will be completed in FY2016. The CIP calls for additional projects to maintain the integrity of aging water and sewer lines; some 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

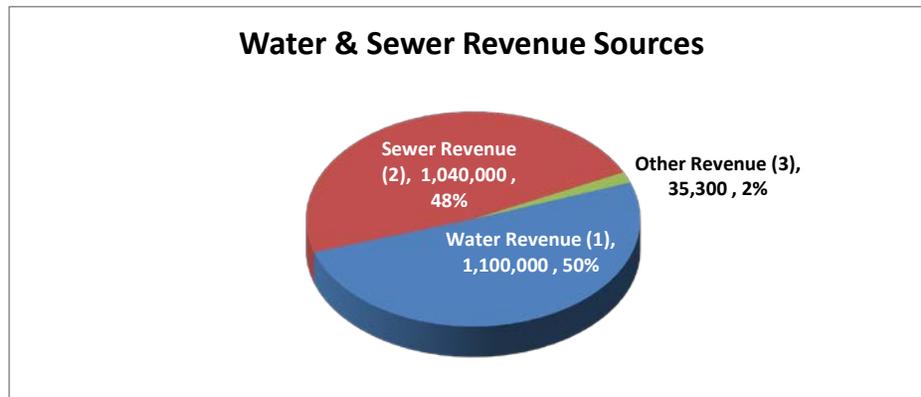
Revenue Summary	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Water Revenue (1)	1,100,000	1,093,367	1,100,000	1,100,000	1,100,000	-
Sewer Revenue (2)	1,050,000	1,050,905	1,040,000	1,050,000	1,040,000	-
Other Revenue (3)	69,500	71,120	35,800	33,690	35,300	(500)
TOTAL	2,219,500	2,215,392	2,175,800	2,183,690	2,175,300	(500)
Prior Year Balance Forward	3,373,109	-	1,633,039	1,813,454	1,314,954	(318,085)
End of Year Fund Balance	(889,169)	-	(569,199)	(1,314,954)	(510,084)	59,115
GRAND TOTAL	4,703,440	2,215,392	3,239,640	2,682,190	2,980,170	(259,470)

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
3005 Water Sales	1,100,000	1,093,367	1,100,000	1,100,000	1,100,000	0.0%
3010 Sewer Service Charges	1,050,000	1,050,905	1,040,000	1,050,000	1,040,000	0.0%
3015 Penalties	30,000	33,158	30,000	30,000	30,000	0.0%
3020 Interest on Investments	5,000	5,172	2,500	2,000	2,000	-20.0%
3305 Water Tap Fees	1,500	1,250	1,500	850	1,500	0.0%
3310 Sewer Tap Fees	1,500	-	1,500	-	1,500	0.0%
3705 Miscellaneous	31,500	31,540	300	320	300	0.0%
3905 Insurance Claims & Rebates	-	-	-	520	-	0.0%
TOTAL - CURRENT REVENUE	2,219,500	2,215,392	2,175,800	2,183,690	2,175,300	0.0%
9520 Prior Year Balance	3,373,109	-	1,633,039	1,813,454	1,314,954	-19.5%
9525 End of Year Fund Reserve	(889,169)	-	(569,199)	(1,314,954)	(510,084)	-10.4%
GRAND TOTAL	4,703,440	2,215,392	3,239,640	2,682,190	2,980,170	-8.0%

(1) 3005

(3) 3015, 3020, 3305, 3310, 3705, 3905, 3915, 3920, 3930, 3935

(2) 3010

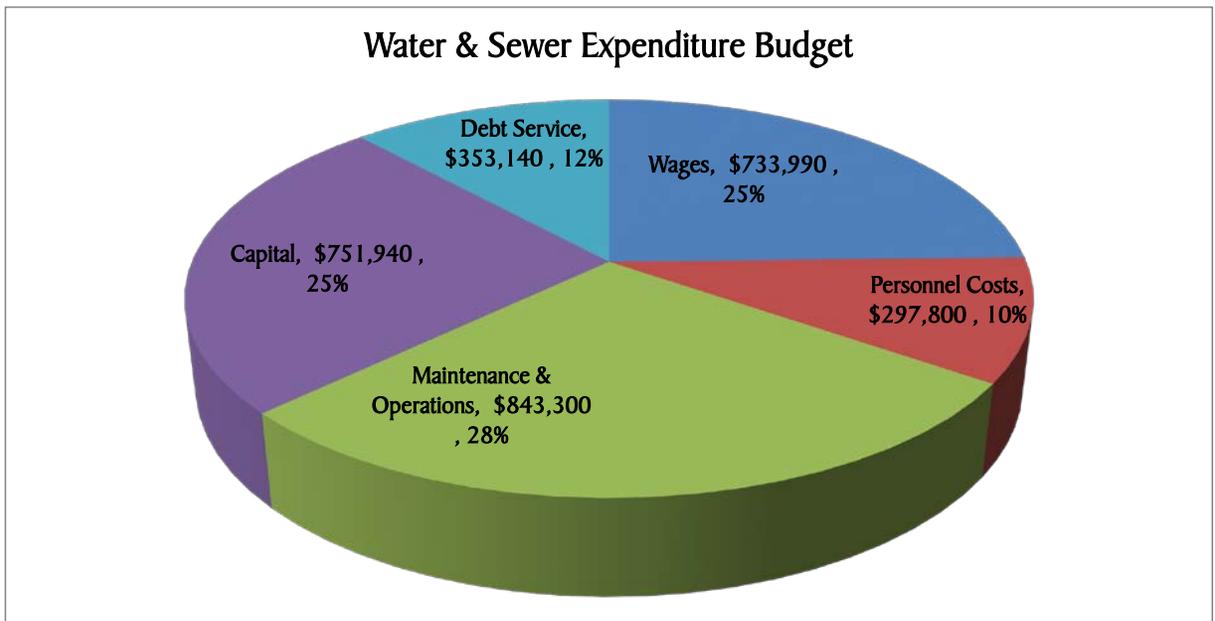
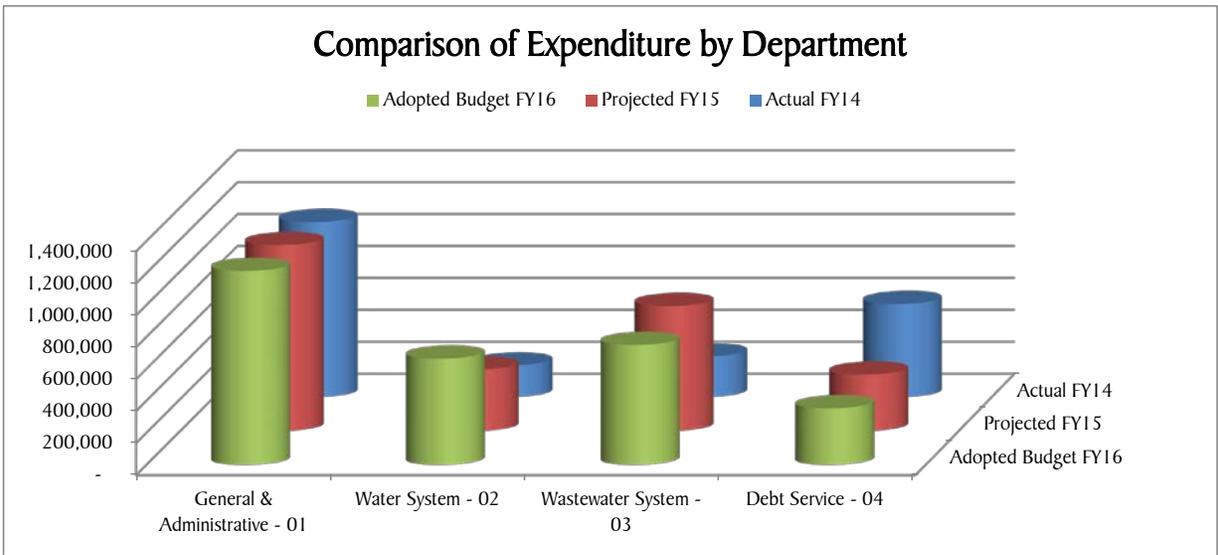




Water & Sewer Fund Expenditures

~ Expenditures by Department

Expenditures by Department	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
General & Administrative - 01	1,120,530	1,096,972	1,178,110	1,163,790	1,213,460	35,350
Water System - 02	1,086,440	197,630	576,700	383,700	664,030	87,330
Wastewater System - 03	2,108,800	253,970	1,132,100	781,970	749,540	(382,560)
Debt Service - 04	387,670	583,388	352,730	352,730	353,140	410
TOTAL	4,703,440	2,131,960	3,239,640	2,682,190	2,980,170	(259,470)



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
- City Secretary
- Finance Director
- HR Administration
- Senior Accountant
- Accountant
- Customer Service/Utility Billing Coordinator
- Special Events & Communications Director

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

Water & Sewer Fund Expenditures

~ Department 01 (Continued)

General & Administrative

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 & Mobile Equipment

- 1995 Ford F450
- 2005 Chevrolet C1500 Pickup
- 2007 Chevrolet C1500 Pickup
- 2008 Chevrolet C1500 Pickup
- 2010 Hunter Water Pump/Jet Trailer
- 2013 John Deer 2520 Kubota Tractor
- 2013 Ford F150 Pickup
- 2015 Caterpillar Backhoe

Water & Sewer Fund Expenditures

01 ~ General & Administrative

Expenditures Summary	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	684,100	661,820	715,060	718,760	733,990	18,930
Personnel Expenses	262,190	250,246	286,910	286,910	297,800	10,890
Maintenance & Operations	174,240	184,906	176,140	158,120	181,670	5,530
Capital Outlays	-	-	-	-	-	-
TOTAL	1,120,530	1,096,972	1,178,110	1,163,790	1,213,460	35,350

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	400	379	400	400	400	0.0%
4045 Printing - Documents/Forms	500	87	500	500	500	0.0%
4056 Credit Card Program	13,100	11,405	12,000	14,000	13,500	12.5%
4057 License & Permit Fees	14,000	18,916	18,000	18,000	18,000	0.0%
4060 Contract Services - Engineering	35,000	4,814	30,000	15,000	30,000	0.0%
4105 Maintenance - Facilities	4,000	2,361	4,000	3,200	4,000	0.0%
4120 Maintenance - Vehicles	5,500	4,892	5,500	5,500	5,500	0.0%
4210 Supplies - Postage	16,000	14,781	16,000	16,000	16,500	3.1%
4220 Supplies - Uniforms	1,500	845	1,500	2,130	1,500	0.0%
4240 Supplies - Building	100	-	100	100	100	0.0%
4245 Supplies - Gas & Oil	10,080	7,732	10,000	7,000	10,000	0.0%
4304 Wages - On Call Duty Pay	7,000	6,410	6,500	6,500	6,450	-0.8%
4305 Wages	656,530	628,296	684,260	684,260	703,280	2.8%
4306 Overtime	20,570	27,113	24,300	28,000	24,260	-0.2%
4309 Accrued Vacation & Sick	-	(2,408)	-	-	-	0.0%
4310 Social Security	52,270	47,828	54,700	54,700	56,200	2.7%
4410 Insurance - General	30,570	37,455	33,520	33,520	34,980	4.4%
4415 Insurance - Medical & Dental	118,610	116,329	123,030	123,030	125,650	2.1%
4420 Insurance - Unemployment	300	-	300	300	300	0.0%
4425 Insurance - Workers' Comp	8,290	8,124	8,820	10,470	11,030	25.1%
4430 Retirement - Contribution	91,310	88,498	109,180	109,180	115,950	6.2%
4440 Insurance - LT Disability	2,000	2,480	2,600	2,600	2,460	-5.4%
4505 Utilities	17,000	8,723	17,000	14,000	17,000	0.0%
4605 Training & Travel	1,500	797	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	-	46,714	-	-	-	0.0%
TOTAL	1,120,530	1,096,972	1,178,110	1,163,790	1,213,460	3.0%



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 FY2016, the Water Department plans to cash-flow over \$260,500 worth of significant Capital Improvements Projects:

- Piping Improvements at Water Plant No. 1 to Improve Elevated Tank Fill and Drain Operations
- Three (3) Mobile Radios
- Water Line Rehabilitation on Queens Court and Carriage Lane

Staffing

All Water & Sewer Fund employees are expensed in the General & Administrative Department (see page 110-112).

Facilities

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

Water & Sewer Fund Expenditures

02 ~ Water Department

Expenditures Summary	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	378,820	197,630	356,700	207,800	403,530	46,830
Capital Outlays	707,620	-	220,000	175,900	260,500	40,500
TOTAL	1,086,440	197,630	576,700	383,700	664,030	87,330

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
4025 SEWPP Enhancements	47,120	13,417	25,000	25,000	101,830	307.3%
4035 Water Purchase	255,000	124,009	255,000	120,000	225,000	-11.8%
4060 Contract Services - Lab Services	1,900	1,634	1,900	1,900	1,900	0.0%
4070 Contract Services & Meter Reading	2,500	1,730	2,500	1,500	2,500	0.0%
4110 Maintenance - Equipment	2,500	3,653	2,500	2,500	2,500	0.0%
4150 Maintenance - Water Plant	11,000	5,385	11,000	10,000	11,000	0.0%
4155 Maintenance - Water Lines	25,000	25,091	25,000	20,000	25,000	0.0%
4165 Maintenance - Water Tower	5,000	-	5,000	2,000	5,000	0.0%
4230 Supplies - Tools/Safety	800	957	800	800	800	0.0%
4235 Supplies - Water Meters	4,500	2,173	4,500	2,000	4,500	0.0%
4505 Utilities - Plants	20,000	18,880	20,000	20,000	20,000	0.0%
4605 Training & Travel	3,500	700	3,500	2,100	3,500	0.0%
4907 Capital Outlays	707,620	-	220,000	175,900	260,500	18.4%
TOTAL	1,086,440	197,630	576,700	383,700	664,030	15.1%

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 FY2016 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 (Retainage)

- Punch List Items

Cash-Flow (\$491,440)

- Replace Existing Gas Feed System; Add Covered Area
- Installation of SCADA for efficiency of sewer lift station coordination
- Surf Court Lift Station – Force Main Replacement
- Sewer Line Rehabilitation

Staffing

All Water & Sewer Fund employees are expensed in the General & Administrative Department (see page 110-112).

Facilities

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

Water & Sewer Fund Expenditures

03 ~ Sewer Department

Expenditures Summary	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	293,800	253,970	302,100	281,970	258,100	(44,000)
Capital Outlays	1,815,000	-	830,000	500,000	491,440	-
TOTAL	2,108,800	253,970	1,132,100	781,970	749,540	(382,560)

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
4060 Contract Services - Lab Services	35,800	35,773	36,000	36,000	36,000	0.0%
4110 Maintenance - Equipment	4,500	6,402	4,500	5,370	4,500	0.0%
4140 Maintenance - Sewer Lines	43,900	43,843	35,000	30,000	25,000	-28.6%
4145 Maintenance - Sewer Plant	30,000	10,401	55,000	53,000	30,000	-45.5%
4146 Maintenance - Chem/Lab Supply	30,000	32,833	30,000	30,000	30,000	0.0%
4147 Maintenance - Sludge Removal	27,000	30,698	34,000	20,000	25,000	-26.5%
4150 Maintenance - Lift Stations	12,000	18,004	12,000	12,000	12,000	0.0%
4230 Supplies - Tools/Safety	600	187	600	600	600	0.0%
4505 Utilities - Plants	110,000	75,829	95,000	95,000	95,000	0.0%
4907 Capital Improvements	1,815,000	-	830,000	500,000	491,440	-40.8%
TOTAL	2,108,800	253,970	1,132,100	781,970	749,540	-33.8%

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 FY2016

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			Date of Issue - 3/24/2011				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	-
Total		2,445,000	693,650	678,170	1,371,819	3,816,819	
Remaining		2,095,000	488,834	440,414	929,248	3,024,248	

Water & Sewer Fund Expenditures

04 ~ Debt Service Department

Expenditures Summary	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Debt Service	387,670	583,388	352,730	352,730	353,140	410
TOTAL	387,670	583,388	352,730	352,730	353,140	410

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
4825 Transfer Interest-Debt Service	19,040	19,040	12,560	12,560	6,670	-46.9%
4826 Transfer Principal-Debt Service	178,130	178,130	152,050	152,050	156,100	2.7%
4915 TWDB Interest Expense	100,500	100,879	90,000	90,000	95,370	6.0%
4916 TWDB Principal Expense	90,000	-	98,120	98,120	95,000	-3.2%
4995 Depreciation Expense	-	285,340	-	-	-	0.0%
TOTAL	387,670	583,388	352,730	352,730	353,140	0.1%



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 FY2015 the City issued \$1,600,000 in Certificates of Obligation for a term of 12 years for various capital projects. The debt service on the Certificates of Obligation, Series 2015 is funded with property tax revenue.

In FY2016 the City will retire Certificates of Obligation, Series 2006 and in FY2017 the City will retire Certificates of Obligation, Series 2007 & 2008.

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 principal and interest for prior year debt issues appropriated out of the Debt Service Fund totaled \$630,493. Of this amount \$164,610 was funded through the Water and Sewer Fund. The aggregate of the outstanding General Debt principal (\$4,495,000) and interest payments (\$622,760) at October 1, 2015 is \$5,117,760.

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 \$8,142,008 at October 1, 2015.

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 FY2016 is 13.4% and remains below the 20% guideline.

Debt Service Fund

~ Continued

Bond Repayment Schedule

The figures and chart shown on page 123 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 \$8,142,008 at October 1, 2015.

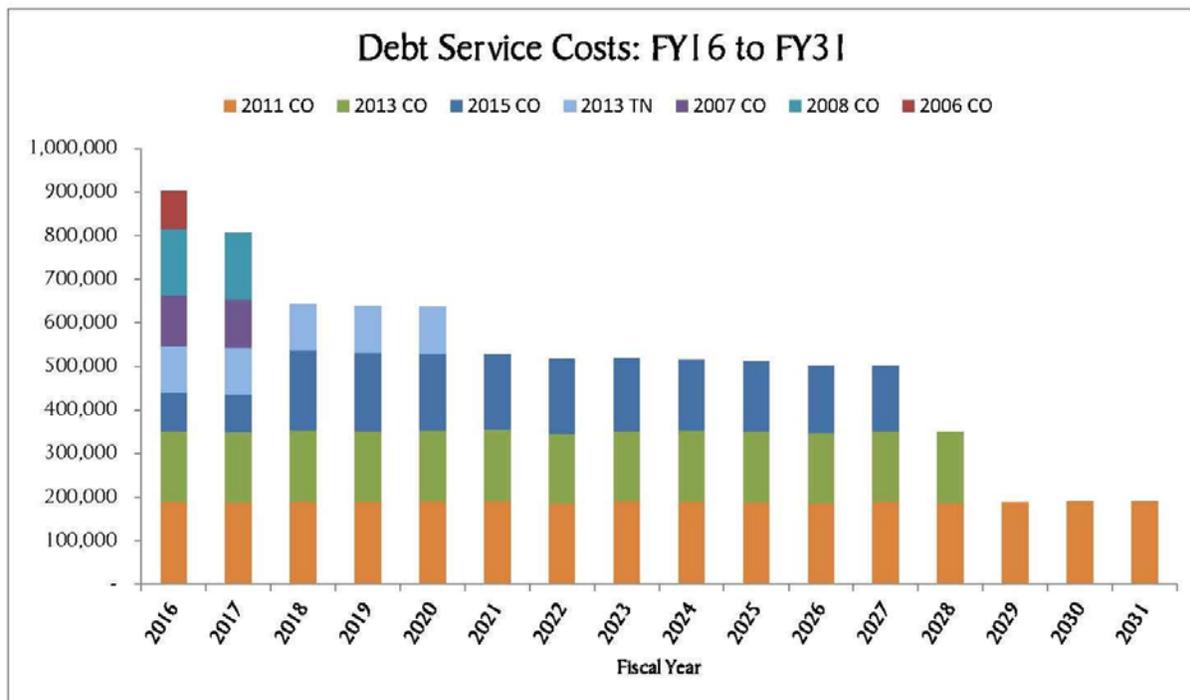
1. The **2006 Certificates of Obligation** for \$850,000 were issued for \$325,000 Water, \$300,000 for Sewer, \$25,000 Parks, \$112,000 Street and Drainage, and \$88,000 for General Government Projects. This issue will retire February 1, 2016. The current balance is \$86,840, including principal and 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 \$228,910, 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 \$304,193, 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 \$3,024,248 including principal and interest.
5. The **2013 Certificates of Obligation** for \$2,000,000 were issued for the construction of the City Hall complex. This issue will retire on February 1, 2028. The current balance is \$2,108,279, 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 \$530,898 including principal and interest.
7. The **2015 Certificates of Obligation** for \$1,600,000 was issued for \$400,670 for Public Safety, \$924,130 for Public Works, \$155,000 for Parks, \$83,640 for contingency, and \$36,560 for Cost of Issuance. This issue will retire February 1, 2027. The current balance is \$1,858,640 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	2015 CO	
2015	90,512	116,036	151,279	188,119	109,072	163,594	12,146	830,757
2016	86,840	116,683	151,875	190,373	107,452	160,561	88,430	902,214
2017	-	112,228	152,318	187,319	105,832	162,462	87,210	807,368
2018	-	-	-	188,987	104,212	164,231	184,770	642,200
2019	-	-	-	190,279	107,552	160,935	181,110	639,875
2020	-	-	-	191,038	105,851	162,572	177,450	636,910
2021	-	-	-	191,266	-	164,077	173,790	529,133
2022	-	-	-	186,188	-	160,517	170,130	516,835
2023	-	-	-	190,707	-	161,890	166,470	519,067
2024	-	-	-	189,758	-	163,132	162,810	515,700
2025	-	-	-	188,409	-	164,242	159,150	511,801
2026	-	-	-	186,615	-	160,286	155,490	502,391
2027	-	-	-	189,305	-	161,264	151,830	502,398
2028	-	-	-	186,504	-	162,110	-	348,613
2029	-	-	-	188,238	-	-	-	188,238
2030	-	-	-	189,372	-	-	-	189,372
2031	-	-	-	189,893	-	-	-	189,893
Total	86,840	228,910	304,193	3,024,248	530,898	2,108,279	1,858,640	8,142,008



Debt Service Fund

~Continued

Schedule of Debt Service Requirements – Fiscal Year 2016

Series	Obligation	Amount of Issue	Principal Outstanding 10/01/15	Principal & Interest Requirements for FY2016			Principal Outstanding 09/30/16
				Principal	Interest	Total	
2006	Tax & Revenue COs	850,000	85,000	85,000	1,840	86,840	-
2007	Tax & Revenue COs	945,000	220,000	110,000	6,683	116,683	110,000
2008	Tax & Revenue COs	1,030,000	295,000	145,000	6,875	151,875	150,000
2011	Tax & Revenue COs	2,445,000	2,095,000	95,000	95,373	190,373	2,000,000
2013	Tax & Revenue COs	2,000,000	1,785,000	115,000	45,561	160,561	1,670,000
2013	Tax Anticipation Notes	700,000	510,000	100,000	7,452	107,452	410,000
2015	Tax & Revenue COs	1,600,000	1,600,000	50,000	38,430	88,430	1,550,000
TOTAL			6,590,000	700,000	202,214	902,214	5,890,000

Current and Projected Revenue Sources

FY	Taxes	EDC	W&S Fund	Gen Fund	Tourism	Reserves	TOTAL
2015	314,434	-	352,729	152,500	11,094	-	830,757
2016	388,514	-	353,140	160,560	-	-	902,214
2017	353,358	-	293,450	160,560	-	-	807,368
2018	292,653	-	188,987	160,560	-	-	642,200
2019	289,036	-	190,279	160,560	-	-	639,875
2020	285,312	-	191,038	160,560	-	-	636,910
2021	320,790	-	191,266	-	17,077	-	529,133
2022	317,130	-	186,188	-	13,517	-	516,835
2023	313,470	-	190,707	-	14,890	-	519,067
2024	309,810	-	189,758	-	16,132	-	515,700
2025	306,150	-	188,409	-	17,242	-	511,801
2026	302,490	-	186,615	-	13,286	-	502,391
2027	298,830	-	189,305	-	14,264	-	502,398
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 2016

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		\$ 85,000	\$ 1,840	\$ -	\$ 1,840	\$ 86,840	

Fiscal Year	Interest Rate	Principal Due 02/01	Interest Due 02/01	Interest Due 08/01	Total Interest	Annual Requirement	Principal Outstanding
Tax & Revenue Certificates of Obligation							\$ 945,000
Series	2007	Date of Issue -		3/13/2007	Term - 10 Years		
2007	6.00%	\$ -	\$ -	\$ 14,671	\$ 14,671	\$ 14,671	\$ 945,000
2008	6.00%	80,000	19,136	17,516	36,653	116,653	865,000
2009	6.00%	80,000	17,516	17,516	35,033	115,033	785,000
2010	6.00%	85,000	15,896	14,175	30,071	115,071	700,000
2011	6.00%	90,000	14,175	12,353	26,528	116,528	610,000
2012	6.00%	90,000	12,353	10,530	22,883	112,883	520,000
2013	6.00%	95,000	10,530	8,606	19,136	114,136	425,000
2014	5.55%	100,000	8,606	6,581	15,188	115,188	325,000
2015	5.15%	105,000	6,581	4,455	11,036	116,036	220,000
2016	5.20%	110,000	4,455	2,228	6,683	116,683	110,000
2017	5.25%	110,000	2,228	-	2,228	112,228	-
Total		\$ 945,000	\$ 111,476	\$ 108,631	\$ 220,107	\$ 1,165,107	
Remaining		\$ 220,000	\$ 6,683	\$ 2,228	\$ 8,910	\$ 228,910	

Debt Service Fund

~ Continued

General Debt Service Fund Statement of Bonded Indebtedness Fiscal Year 2016

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		\$ 295,000	\$ 6,875	\$ 2,318	\$ 9,193	\$ 304,193	

Tax & Revenue Certificates of Obligation							\$ 2,000,000
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		\$ 1,785,000	\$ 173,409	\$ 149,870	\$ 323,279	\$ 2,108,279	

Debt Service Fund

~ Continued

General Debt Service Fund Statement of Bonded Indebtedness Fiscal Year 2016

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		\$ 510,000	\$ 12,515	\$ 8,384	\$ 20,898	\$ 530,898	

Tax & Revenue Certificates of Obligation							\$ 1,600,000
Series	2015	Date of Issue		4/1/2015	Term - 12 Years		
2015	2.44%	\$ -	\$ -	\$ 12,146	\$ 12,146	\$ 12,146	\$ 1,600,000
2016	2.44%	50,000	19,520	18,910	38,430	88,430	1,550,000
2017	2.44%	50,000	18,910	18,300	37,210	87,210	1,500,000
2018	2.44%	150,000	18,300	16,470	34,770	184,770	1,350,000
2019	2.44%	150,000	16,470	14,640	31,110	181,110	1,200,000
2020	2.44%	150,000	14,640	12,810	27,450	177,450	1,050,000
2021	2.44%	150,000	12,810	10,980	23,790	173,790	900,000
2022	2.44%	150,000	10,980	9,150	20,130	170,130	750,000
2023	2.44%	150,000	9,150	7,320	16,470	166,470	600,000
2024	2.44%	150,000	7,320	5,490	12,810	162,810	450,000
2025	2.44%	150,000	5,490	3,660	9,150	159,150	300,000
2026	2.44%	150,000	3,660	1,830	5,490	155,490	150,000
2027	2.44%	150,000	1,830	-	1,830	151,830	-
Total		\$ 1,600,000	\$ 139,080	\$ 131,706	\$ 270,786	\$ 1,870,786	
Remaining		\$ 1,600,000	\$ 139,080	\$ 119,560	\$ 258,640	\$ 1,858,640	

Debt Service Fund

~ Continued

Long Term Debt Principal & Interest Requirements

General Debt Long Term Debt
As of October 1, 2015

Fiscal Year	Principal	Interest Due 2/1	Interest Due 8/1	Total Interest	Total
2015	545,000	46,970	50,669	97,639	642,639
2016	605,000	58,043	48,798	106,841	711,841
2017	530,000	48,798	41,251	90,049	620,049
2018	375,000	41,251	36,962	78,213	453,213
2019	380,000	36,962	32,634	69,596	449,596
2020	385,000	32,634	28,239	60,872	445,872
2021	285,000	28,239	24,629	52,867	337,867
2022	285,000	24,629	21,018	45,647	330,647
2023	290,000	21,018	17,342	38,360	328,360
2024	295,000	17,342	13,600	30,942	325,942
2025	300,000	13,600	9,792	23,392	323,392
2026	300,000	9,792	5,984	15,776	315,776
2027	305,000	5,984	2,110	8,094	313,094
2028	160,000	2,110	-	2,110	162,110
	4,495,000	340,402	282,359	622,760	5,117,760

Debt Service Fund

~ Continued

Long Term Debt Principal & Interest Requirements

General Debt + Water & Sewer Long Term Debt
As of October 1, 2015

Fiscal Year	Principal	Interest Due 2/1	Interest Due 8/1	Interest	Total
2015	635,000	96,669	99,089	195,757	830,757
2016	700,000	106,463	95,751	202,214	902,214
2017	625,000	95,751	86,617	182,368	807,368
2018	475,000	86,617	80,583	167,200	642,200
2019	485,000	80,583	74,291	154,875	639,875
2020	495,000	74,291	67,619	141,910	636,910
2021	400,000	67,619	61,514	129,133	529,133
2022	400,000	61,514	55,322	116,835	516,835
2023	415,000	55,322	48,745	104,067	519,067
2024	425,000	48,745	41,955	90,700	515,700
2025	435,000	41,955	34,846	76,801	511,801
2026	440,000	34,846	27,545	62,391	502,391
2027	455,000	27,545	19,853	47,398	502,398
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
	6,590,000	829,236	722,773	1,552,008	8,142,008

Debt Service Fund

~ Fund 04

Revenue

Revenue Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	%
	FY14	FY14	FY15	FY15	FY16	Change
3005 Property Tax - Current	298,470	294,032	359,350	359,350	437,740	-21.8%
3010 Property Tax - Prior Years	450	1,918	650	600	650	0.0%
3015 Penalty & Interest	600	1,509	1,000	2,350	1,000	0.0%
3020 Interest on Investment	600	366	300	200	200	33.3%
4920 Transfer from W&S Fund	197,170	197,170	164,610	164,610	162,770	1.1%
4922 Transfer from Tourism Fund	58,470	58,470	11,100	11,100	-	100.0%
4924 Transfer from General Fund	57,830	57,830	152,500	152,500	160,560	-5.3%
4929 Transfer from EDC	-	-	-	-	-	0.0%
TOTAL	613,590	611,295	689,510	690,710	762,920	-10.6%
9520 Prior Year Balance	181,175	-	162,009	162,598	209,888	-29.6%
9525 End of Year Fund Reserve	(163,925)	-	(208,099)	(209,888)	(260,218)	-25.0%
GRAND TOTAL	630,840	611,295	643,420	643,420	712,590	-10.8%

Expenditures

Expenditure Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14	FY14	FY15	FY15	FY16	Change
4040 Market/Base Fees	750	500	750	750	750	0.0%
4816 Principal - 2002 C.O.	36,700	36,698	-	-	-	0.0%
4817 Interest - 2002 C.O.	880	881	-	-	-	0.0%
4824 Principal - 2006 C.O.	85,000	85,000	85,000	85,000	85,000	0.0%
4825 Interest - 2006 C.O.	9,170	9,167	5,520	5,520	1,840	-66.7%
4828 Principal - 2007 C.O.	100,000	100,000	105,000	105,000	110,000	4.8%
4829 Interest - 2007 C.O.	15,190	15,188	11,040	11,040	6,680	-39.5%
4830 Principal - 2008 C.O.	130,000	130,000	140,000	140,000	145,000	3.6%
4831 Principal - 2008 C.O.	15,450	15,450	11,280	11,280	6,880	-39.0%
4834 Principal - 2013 Tax Notes	90,000	90,000	100,000	100,000	100,000	0.0%
4835 Interest - 2013 Tax Notes	14,140	14,139	9,080	9,080	7,450	-18.0%
4836 Principal - 2013 C.O.	100,000	100,000	115,000	115,000	115,000	0.0%
4837 Interest - 2013 C.O.	33,560	33,554	48,600	48,600	45,560	-6.3%
4838 Principal - 2015 C.O.	-	-	-	-	50,000	0.0%
4839 Interest - 2015 C.O.	-	-	12,150	12,150	38,430	216.3%
GRAND TOTAL	630,840	630,576	643,420	643,420	712,590	10.8%

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, the tourism and hospitality industry in the Houston area has also 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 an 85% rebate of Hotel Occupancy Tax through February 2017 (R2011-1905). 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 appears to be having an impact on the hotel occupancy as there was a 30% increase in the Marriott's hotel occupancy tax revenue.

In FY2015 the City worked with consultants to request a bill at the 84th Session of the Texas State Legislature expanding our use of Hotel Occupancy Tax funds. The final outcome was House Bill Number 1585 (H.B. No. 1585) effective September 1, 2015 permitting certain limited jurisdictions, including Nassau Bay, to utilize HOTA revenue not to exceed 3% of room prices for various infrastructure and event related expenses. Specific timeline and reporting limitations may apply to these new uses. These legislative changes are codified as Texas Tax Code Section 351.101 and Section 351.1071.

Tourism Fund

~ Fund 06 (Continued)

Tourism Fund

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. O2005-597.1

Capital Investment

In FY2016 the City has budgeted to spend HOT funds to purchase a shuttle van. The purpose of this investment is to assist our local hotels in attracting conference events that can benefit from having local transportation. The City is working to leverage funds to draw greater tourism and convention traffic to the City.

Tourism Fund Revenue

~ Fund 06

Revenue Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
3020 Interest on Investments	400	1,126	600	600	600	0.0%
3120 Hotel Occupancy Tax	669,000	669,711	610,000	610,000	610,000	0.0%
TOTAL	669,400	670,837	610,600	610,600	610,600	0.0%
9520 Prior Year Balance	224,379	-	388,591	478,315	533,685	-37.3%
9525 End of Year Fund Reserve	(369,089)	-	(437,461)	(533,685)	(632,745)	-44.6%
GRAND TOTAL	524,690	670,837	561,730	555,230	511,540	8.9%

Tourism Fund

~ Department 01

General & Administrative

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

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

Staffing

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

The functions of the Tourism Department are performed predominantly by:

- City Manager
- Assistant City Manager
- Special Events & Communications Director
- City Secretary
- Finance Director
- Human Resources Administrator
- Senior Accountant
- Customer Service/Utility Billing Coordinator
- Payroll & A/P Accountant

Facilities

Office space is provided within City Hall.

Vehicles

At this time this department has no vehicles, however a capital purchase of a shuttle van is proposed for this fiscal year.

Tourism Fund Expenditures

01 ~ General & Administrative

Expenditures Summary	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	\$
	FY14		FY15		FY16	Change
Wages	179,680	167,945	215,310	215,310	177,430	(37,880)
Personnel Expenses	63,390	61,763	80,260	80,260	65,930	(14,330)
Maintenance & Operations	3,150	3,000	3,150	3,150	7,830	4,680
Transfer to Debt Service	58,470	58,470	16,600	11,100	-	(16,600)
Capital Outlays	-	-	-	-	36,000	-
TOTAL	304,690	291,178	315,320	309,820	287,190	(28,130)

Line Item Detail	Amended	Actual FY14	Amended	Projected FY15	Adopted	Budget
	Budget		Budget		Budget	%
	FY14		FY15		FY16	Change
4030 Dues, Fees & Subscriptions	150	-	150	150	550	266.7%
4050 Information Services	3,000	3,000	3,000	3,000	3,000	0.0%
4305 Wages	176,420	164,311	212,190	212,190	174,310	-17.9%
4306 Overtime	3,260	3,634	3,120	3,120	3,120	0.0%
4310 Social Security	13,830	12,338	16,560	16,560	13,660	-17.5%
4415 Insurance - Medical & Dental	25,400	25,710	30,000	30,000	24,390	-18.7%
4430 Retirement - Contribution	24,160	23,123	33,100	33,100	27,280	-17.6%
4440 Insurance - LT Disability	-	592	600	600	600	0.0%
4605 Training & Travel	-	-	-	-	4,280	0.0%
4905 Capital Outlays	-	-	-	-	36,000	0.0%
4922 Transfer to Debt Service	58,470	58,470	16,600	11,100	-	-100.0%
TOTAL	304,690	291,178	315,320	309,820	287,190	-8.9%

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
- Direct and indirect assistance to Hotels in recruitment of events and tourism
- Promotion of events that increase hotel stays in Nassau Bay

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

In FY2016, the City has once again 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 2015 and this designation will carry through until July 2016. 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 FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	183,000	178,965	221,910	220,910	196,350	(25,560)
Capital Outlays	-	-	-	-	-	-
TOTAL	183,000	178,965	221,910	220,910	196,350	(25,560)

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
4014 July Fourth	22,000	22,017	21,800	21,800	21,800	0.0%
4015 Bay Area Houston CVB	78,000	78,000	90,000	90,000	100,450	11.6%
4018 Holiday Boat Parade	6,500	7,323	7,110	8,610	8,600	21.0%
4040 Advertising/Printing	14,000	13,140	14,000	14,000	15,500	10.7%
4060 Artwork/Agency Fees	1,000	250	1,000	1,000	1,000	0.0%
4073 Promotions	7,500	4,295	23,500	24,000	47,500	102.1%
4074 Reindeer Run Ad./Promotion	1,500	1,500	1,500	1,500	1,500	0.0%
4505 Utilities - Electrical	52,500	52,440	63,000	60,000	-	-100.0%
TOTAL	183,000	178,965	221,910	220,910	196,350	-11.5%

Tourism Fund

~ Department 03

Arts & Special Events

In FY2016, the Arts & Special Events that are funded were selected by the Appropriations Subcommittee within the guidelines of the City of Nassau Bay Hotel Occupancy Tax Revenue Policy. All applicants submitted proposals detailing their event and its projected impact on local tourism. Applicants were selected for funding based on their ability to meet the guidelines set forth in the Texas Tax Code Chapter 351.101 and City policy.

FY2016 recipients of Hotel Occupancy Tax funds are:

- Bay Area Houston Ballet
- Gulf Coast Film Expo
- Houston Livestock Show & Rodeo
- Houston Symphony League Bay Area
- Keels & Wheels
- Offshore Thunder Productions
- Wings Over Houston

Tourism Fund Expenditures

03 ~ Arts & Special Events

Expenditures Summary	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Wages	-	-	-	-	-	-
Personnel Expenses	-	-	-	-	-	-
Maintenance & Operations	37,000	35,000	24,500	24,500	28,000	3,500
Capital Outlays	-	-	-	-	-	-
TOTAL	37,000	35,000	24,500	24,500	28,000	3,500

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
4013 Gulf Coast Film Expo	-	-	1,000	1,000	1,000	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	2,000	2,000	1,000	-50.0%
4025 Clear Lake Symphony	1,000	1,000	-	-	-	0.0%
4026 Keels & Wheels	8,000	8,000	10,000	10,000	10,000	0.0%
4028 IHFC Earth Angels	2,000	2,000	-	-	-	0.0%
4030 Butler Courtyard	1,000	1,000	-	-	-	0.0%
4031 Clear Creek HS Tennis Boosters	5,000	5,000	-	-	-	0.0%
4032 Offshore Thunder Productions	2,500	2,500	2,500	2,500	2,500	0.0%
4070 Ballunar Festival	2,000	-	-	-	-	0.0%
4071 Wings Over Houston	12,500	12,500	8,000	8,000	10,000	25.0%
4072 Houston Livestock Show & Rodeo	1,000	1,000	-	-	2,500	0.0%
TOTAL	37,000	35,000	24,500	24,500	28,000	14.3%



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 is one large ongoing grant and one smaller pass-through grant in FY2016 that are of significance.

In FY2016 the City and several of its residents will continue to see the impact of the Flood Mitigation Assistance Program Elevation Grant which is administered by the Texas Water Development Board (TWDB) on behalf of the Federal Emergency Management Agency (FEMA). The City is the local pass-through recipient/administrator. Via the City, over 20 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 received and expended approximately \$3.3 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 in FY2014. This grant was amended in FY2015 to include an additional \$106,000 bringing the total grant to \$156,000 through August 2017. The grant was awarded for the Cease the Grease Galveston Bay Public Awareness Campaign for Fats, Oils, and Grease. 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 FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Special Revenue	56,550	58,783	58,852	54,560	63,500	4,648
Grant Revenue	7,100	7,889	3,599,845	3,579,710	3,250,510	(349,335)
TOTAL	63,650	66,671	3,658,697	3,634,270	3,314,010	(344,687)
Prior Year Balance Forward	208,145	-	76,468	84,439	292,539	216,071
End of Year Fund Balance	(24,255)	-	(399,198)	(292,539)	(293,899)	105,299
GRAND TOTAL	247,540	66,671	3,335,967	3,426,170	3,312,650	(23,317)

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
7021-01 Interest On Investments	100	793	100	440	100	0.0%
7022-01 Admin. Special Revenue - Int.	-	1,091	100	-	-	-100.0%
7025-01 Grant Revenue - Police Dept	4,350	4,352	9,965	9,600	122,510	1129.4%
7026-01 Grant Revenue - Fire Dept	1,400	1,400	200,000	200,000	-	-100.0%
7031-01 Child Safety Revenue	4,500	5,150	4,000	4,130	4,000	0.0%
7041-01 Court Security Revenue	2,500	2,154	2,000	1,400	2,000	0.0%
7051-01 Court Technology Revenue	3,500	2,872	2,700	1,870	2,700	0.0%
7061-01 Comcast 1% Franchise Fee - NBTV	17,400	17,469	17,000	16,000	17,500	2.9%
7091-01 Fire/EMS Equip. Fund Revenue	12,000	11,443	12,000	12,000	12,000	0.0%
7101-01 Donations-Designated	-	791	100	-	100	0.0%
7108-01 Town Square Events	14,550	14,550	13,000	12,300	23,000	76.9%
7109-01 Donations - Animal Control	2,000	2,019	3,300	3,570	100	-97.0%
7110-01 Beautification Day	-	-	2,000	1,000	2,000	0.0%
7111-01 Donations - EMS	-	450	712	-	-	-100.0%
7115-01 Donations-Police	-	-	1,840	1,850	-	-100.0%
7421-01 LEOSE GRANT - Police	1,350	1,358	1,300	1,350	1,300	0.0%
7431-01 LEOSE GRANT - Fire Marshal	-	779	700	790	700	0.0%
7766-01 FEMA Elevation Grant-R&E	-	-	3,337,880	3,337,890	3,000,000	-10.1%
7767-01 TCEQ-GBF CTG Grant R&E	-	-	50,000	30,080	126,000	152.0%
TOTAL	63,650	66,671	3,658,697	3,634,270	3,314,010	-9.4%
7999 Prior Year Balance Forward	208,145	-	76,468	84,439	292,539	282.6%
9525 End of Year Fund Balance	(24,255)	-	(399,198)	(292,539)	(293,899)	-26.4%
GRAND TOTAL	247,540	66,671	3,335,967	3,426,170	3,312,650	-0.7%

Special Revenue & Grants Fund

~ Fund 07

Expenditures

Expenditure Summary	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget \$ Change
Special Revenue - Expenditures	232,100	184,298	62,765	59,440	62,340	(425)
Grant Revenue - Expenditures	15,440	13,350	3,273,202	3,366,730	3,250,310	(22,892)
GRAND TOTAL	247,540	197,647	3,335,967	3,426,170	3,312,650	(23,317)

Line Item Detail	Amended Budget FY14	Actual FY14	Amended Budget FY15	Projected FY15	Adopted Budget FY16	Budget % Change
7022-02 Admin. Expense - Special Revenue	6,000	1,683	2,365	1,500	1,000	-57.7%
7031-03 Child Safety Expense - Admin.	5,000	-	2,000	2,000	2,000	0.0%
7032-03 Child Safety Expense - Police	5,000	1,422	2,000	2,000	2,000	0.0%
7033-03 Child Safety Expense - Fire Dept.	5,000	901	2,000	2,000	2,000	0.0%
7041-04 Court Security Expenses	16,500	13,000	2,000	-	2,000	0.0%
7051-05 Court Technology Expense	3,000	(977)	4,000	-	2,000	-50.0%
7108-10 Town Square Events	14,550	7,029	22,000	24,000	23,000	4.5%
7109-08 Animal Control Projects	850	435	2,200	3,050	3,000	36.4%
7110-10 Beautification Day	-	-	2,000	1,000	2,000	0.0%
7115-10 Donations - Police	-	-	-	-	1,340	0.0%
7092-09 Fire Dept. Donations - Equipment	17,000	14,792	5,000	4,690	5,000	0.0%
7093-09 EMS Donations - Equipment	22,700	22,700	-	-	5,000	0.0%
7101-10 Donations - Designated - Parks	1,500	-	1,500	-	2,000	33.3%
7025-40 Grant Revenue - Police Dept	4,800	4,716	9,600	9,600	122,510	1176.1%
7026-40 Grant Revenue - Fire Dept	1,000	1,000	200,000	200,000	-	-100.0%
7071-40 TX Park & Wildlife-Peninsula Grant	3,740	3,737	-	-	-	0.0%
7766-40 FEMA Elevation Grant-R&E	-	-	3,000,000	3,114,260	3,000,000	0.0%
7767-40 TCEQ-GBF CTG Grant R&E	-	-	50,000	30,080	126,000	152.0%
7421-42 LEOSE GRANT - Police	2,690	1,529	1,000	1,000	1,000	0.0%
7431-43 LEOSE GRANT - Fire Marshal	-	-	800	600	800	0.0%
7451-45 Grant - EMS - SE Tex Trauma R.A.C.	3,210	2,600	612	-	-	-100.0%
7061-61 Comcast 1% Franchise Fee - NBTV	30,000	28,882	5,000	8,500	10,000	100.0%
7762-62 TMLIRP - Ike	105,000	94,430	10,700	10,700	-	-100.0%
7761-76 FEMA - 09 Ike Revenue	-	(232)	-	-	-	0.0%
7771-77 EDA - 09 Grant Revenue	-	-	11,190	11,190	-	-100.0%
TOTAL	247,540	197,647	3,335,967	3,426,170	3,312,650	-0.7%



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 153-164). The FY2016 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 FY2016 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 water and waste water line replacements.

In FY2013 the City issued a Tax Note for various projects throughout the City. One project from this Tax Note remains for completion in FY2016. This project is the relocation of a 24" sewer line.

In FY2015 the City issued Certificates of Obligation for various projects throughout the City including public safety, parks, and lighting projects. Portions of these projects remain to be completed in FY2016.

Looking forward to the end of FY2016, the City anticipates the issuance of Certificates of Obligation to finance the construction of a new Fire & EMS Facility. Architecture for this building is being completed with cash flow funding from the EDC in FY2016, with construction planned for FY2017.

Capital Projects Fund

~ Fund 09

Revenues

Revenue Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget		Budget		Budget	%
	FY14	FY14	FY15	FY15	FY16	Change
3020-01 Interest on Investments	-	595	100	430	300	-200.0%
6400-01 FY14 CO Series 2013-City Hall	2,000,000	2,000,000	-	-	-	0.0%
6402-01 FY15 CO Series 2015	-	-	1,600,000	1,600,000	-	100.0%
4920-01 Transfer From General Fund	416,000	416,000	-	-	85,150	0.0%
TOTAL	2,416,000	2,416,595	1,600,100	1,600,430	85,450	-94.7%
9520 Prior Year Balance	374,768	-	22,209	22,294	1,030,074	-4538.1%
9525 End of Year Reserve	54,972	-	(2,309)	(1,030,074)	(884)	61.7%
GRAND TOTAL	2,845,740	2,416,595	1,620,000	592,650	1,114,640	-31.2%

Expenditures

Expenditure Detail	Budget	Actual	Budget	Projected	Budget	%
	FY14	FY14	FY15	FY15	FY16	Change
4905-01 Capital Outlay-Vehicles	-	-	-	-	18,000	0.0%
5303-03 Fiscal Year Prjcts - Info Tech	-	-	-	-	17,150	0.0%
5122-01 Fiscal Year Projects - Parks	-	-	110,980	12,400	98,580	11.2%
5826-05 Fiscal Year Projects - Dredging	-	-	52,850	52,850	50,000	5.4%
6308-11 FY13 Tax Note - Capital Projects	429,120	429,115	20,000	2,100	20,000	0.0%
6400-11 Fiscal Year Capital Projects	2,373,680	2,373,674	-	-	-	0.0%
6400-12 Fiscal Year Projects - Public Works	-	-	976,770	100,000	876,770	10.2%
6400-13 Fiscal Year Projects - Police	-	-	81,590	47,500	34,140	58.2%
6400-14 Fiscal Year Projects - Fire/EMS	-	-	341,910	341,910	-	100.0%
6401-11 FY14 CO Series 2013-Issuance	42,940	42,939	-	-	-	0.0%
6402-11 FY15 CO Series 2015-Issuance	-	-	35,900	35,890	-	100.0%
GRAND TOTAL	2,845,740	2,845,729	1,620,000	592,650	1,114,640	-31.2%

Street Sales Tax Fund

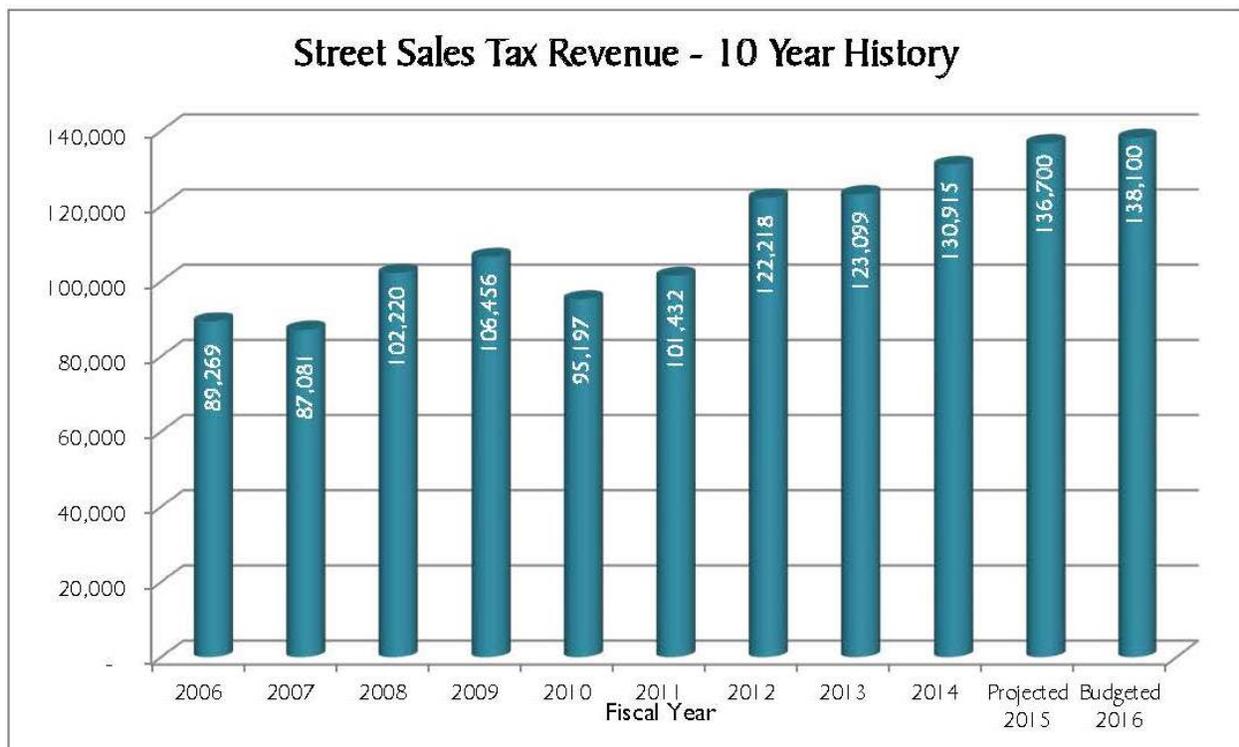
~ Fund 10

Street Sales Tax Fund

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

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

The City held the most recent reauthorization election in November 4, 2014, extending the sales tax to April 1, 2019. The City will hold its next election to renew this tax on November 6, 2018. Since the tax became effective in 2003, the City has collected over \$1.3 million, all dedicated to improving and maintaining Nassau Bay's municipal streets.



Street Sales Tax Fund

~ Fund 10

Revenues

Revenue Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget FY14	FY14	Budget FY15	FY15	Budget FY16	% Change
3020-01 Interest on Investments	500	1,045	500	400	400	20.0%
3110-01 Sales Tax Revenue	130,000	130,915	126,500	136,700	138,100	-9.2%
TOTAL	130,500	131,961	127,000	137,100	138,500	-9.1%
9520 Prior Year Balance	423,735	-	248,215	248,548	305,648	-23.1%
9525 End of Year Reserve	(161,685)	-	(295,215)	(305,648)	(94,148)	68.1%
GRAND TOTAL	392,550	131,961	80,000	80,000	350,000	-337.5%

Expenditures

Expenditure Detail	Amended	Actual	Amended	Projected	Adopted	Budget
	Budget FY14	FY14	Budget FY15	FY15	Budget FY16	% Change
5209-02 FY12 Street Projects	72,220	72,220	-	-	-	0.0%
5210-02 FY13 Street Projects	113,150	117,284	-	-	-	0.0%
5211-02 FY14 Street Projects	207,180	117,643	80,000	80,000	-	100.0%
5212-02 FY15 Street Projects	-	-	-	-	350,000	0.0%
GRAND TOTAL	392,550	307,148	80,000	80,000	350,000	337.5%

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 FY2016, 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 42 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
FY10	2,510,552	189,313	252,697	282,674	724,684	28.9%	3,235,236	40	10	*
FY11	2,537,767	189,927	248,119	319,374	757,420	29.8%	3,295,187	39	11	*
FY12	2,681,609	200,179	283,647	338,415	822,241	30.7%	3,503,850	40	12	*
FY13	2,752,912	205,450	323,527	385,488	914,464	33.2%	3,667,375	40	6	*
FY14	2,745,102	204,522	335,323	377,732	917,577	33.4%	3,662,679	42	6	29
FY15	3,096,870	238,330	440,490	425,410	1,104,230	35.7%	4,201,100	43	6	30
FY16	3,143,440	241,410	450,610	409,510	1,101,530	35.0%	4,244,970	42	6	30

FY16 Increase (Decrease)

	Wages	Social Security	Pension	Health Insurance	Total Benefits	Total Wages & Benefits
\$ Change	46,570	3,080	10,120	(15,900)	(2,700)	43,870
% Change	1.50%	1.29%	2.30%	-3.74%	-0.24%	1.04%

* Not reported in previous budgets

Historical Wage Comparison

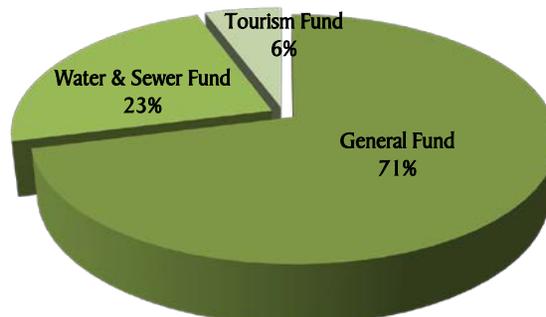
Fiscal Year	General Fund	Water & Sewer Fund	Tourism Fund	Total Wages	Total Increase
FY10	1,685,135	672,362	153,056	2,510,552	92,094
FY11	1,776,134	608,805	152,828	2,537,767	27,215
FY12	1,877,388	644,571	159,650	2,681,609	143,842
FY13	1,931,725	654,318	166,868	2,752,912	71,303
FY14	1,915,338	661,820	167,945	2,745,102	(7,809)
FY15	2,166,500	715,060	215,310	3,096,870	351,768
FY16	2,232,020	733,990	177,430	3,143,440	46,570

Total Five Year Increase 605,673

Five Year Average Increase 121,135

Average Annual Increase as a % of Previous Year Budgeted Wages 3.9%

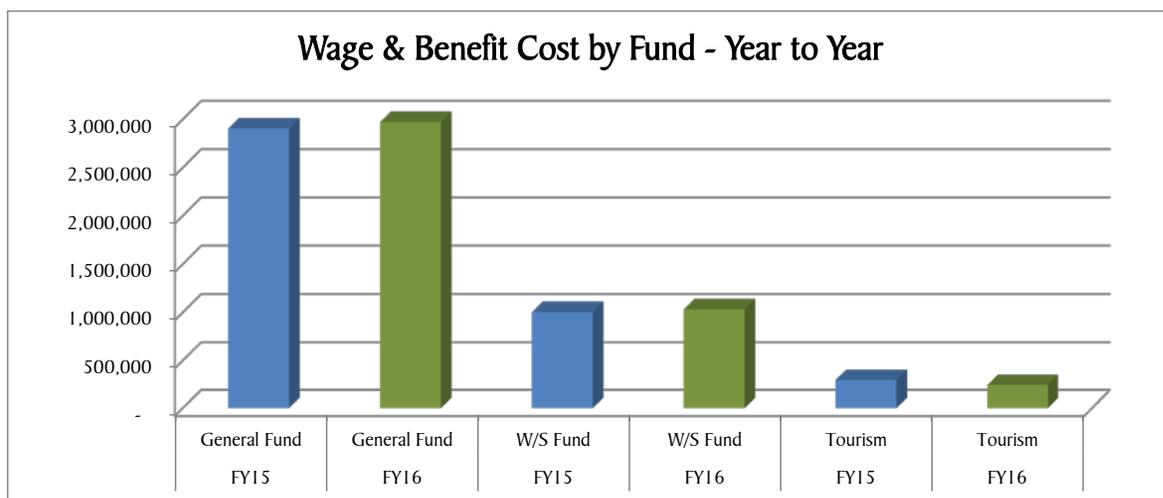
FY2016 Wage Split by Fund



Departmental Allocations

Wage & Benefit Costs as Allocated by Department & Fund - Year to Year Comparison						
	FY15	FY16	FY15	FY16	FY15	FY16
	General Fund	General Fund	W/S Fund	W/S Fund	Tourism	Tourism
	Wages & Benefits					
General Fund						
General & Administrative	403,120	488,390	341,620	362,250	213,650	181,810
Building	116,070	108,500	-	-	-	-
Emergency Management	126,360	130,120	-	-	-	-
Fire Department	62,690	63,890	-	-	-	-
Public Works	235,960	241,570	333,340	340,360	-	-
Parks Department	190,760	184,530	-	-	64,330	60,950
Police Department	1,042,620	1,067,590	-	-	-	-
Animal Control	28,470	28,430	-	-	-	-
Information Service	45,140	45,920	-	-	-	-
Municipal Court	103,360	106,120	-	-	-	-
EMS	379,740	388,340	-	-	-	-
Fire Marshal	90,310	110,000	-	-	16,990	-
Code Enforcement	79,560	-	-	-	-	-
Conference Center	-	7,020	-	-	-	-
Water & Sewer Fund						
General & Administrative	-	-	327,010	329,180	-	-
TOTALS	2,904,160	2,970,420	1,001,970	1,031,790	294,970	242,760

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



Personnel

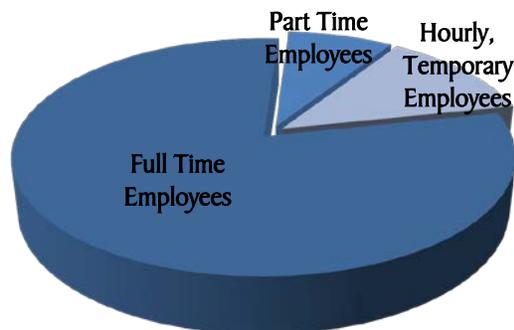
~ All Funds

Budgeted Personnel Data by Department

Budgeted Positions by Classification Per Department - Year to Year Comparison									
	FY14	FY15	FY16	FY14	FY15	FY16	FY14	FY15	FY16
	FTE*	FTE*	FTE*	PTE*	PTE*	PTE*	HE*	HE*	HE*
General Fund									
General & Administrative	8	9	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	2.5	2.5	24	25	25
Fire Marshal	-	-	-	2	2	2	5	4	4
Code Enforcement	-	1	-	-	-	-	-	-	-
Water & Sewer Fund									
General & Administrative	4	4	4	-	-	-	-	-	-
TOTALS	40	43	42	6	5	5	30	30	30

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

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



Capital Improvement Plan

~ All Funds

Summary & Description

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

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

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

In addition, each project meets the City's definition of a capital improvement project: any project or physical public improvement that results in a permanent addition to the City's fixed assets or revitalization/improvement that extends a fixed asset's useful life or increases its usefulness or capacity. A capital improvement has an estimated service life of at least five years and generally has a value of at least \$5,000.

The Five-Year Capital Improvement Plan for 2015-2019 includes proposals totaling \$15.1 million, with about \$11.9 million occurring in the first four of those 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 FY15 as part of the FY16 Budget and CIP. They total approximately \$2.75 million and are depicted on the following pages (154-157).

Capital Improvement Plan

~ Continued

Projects Completed from FY2015 CIP

Water and Sewer Fund

Project	Status	Total Projected Cost	Funding Source
Queens Court Water Line Rehabilitation	Completed	\$157,550	Water & Sewer Cash Flow
SBR – Facilities to Divert Flow	Completed	\$850,000	TWDB
Screen at Plant Headworks & Grit Removal Improvements	98% Complete (Punch List Phase)	\$330,000	TWDB
Sewer Plant Repairs to Electrical Conduit & Walkways	Completed	\$30,000	TWDB
Sewer Plant Clarifier Center Well Repair	Completed	\$230,000	TWDB
Sewer Plant Replace Existing Diffusers with Fine Bubble System	Completed	\$100,000	TWDB
Sewer Rehabilitation	In Design	\$300,000	Water & Sewer Cash Flow
Backhoe	Completed	\$100,000	Water & Sewer Cash Flow
Sewer Line Camera	Completed	\$10,000	Water & Sewer Cash Flow
TOTALS		\$2,107,550	

Capital Improvement Plan

~ Continued

Projects Completed from FY2015 CIP (continued)

General Government

Project	Status	Total Projected Cost	Funding Source
Dredging of Lake Nassau	Started	\$50,000	2015 COs
Vantage X-1000 Extended Truckall	Completed	\$12,130	2015 COs
Lake Nassau Aerator Replacement	Completed	\$9,000	2015 COs
Pavilion Roof Replacement	Completed	\$58,500	2015 COs
Lake Nassau Playground Equipment	Under Construction	\$17,830	2015 COs
Lake Nassau Restroom Remodel	Completed	\$7,500	2015 COs
Police Mobile Data Terminals (6)	Completed	\$29,200	2015 COs
Replace 2 Police Staff Vehicles	Completed	\$56,530	Lease/Purchase
Police (15) Replacement Tasers	Completed	\$19,690	2015 COs
(5) Police Mobile In-Car Video Systems	Completed	\$24,730	2015 COs
Police, Fire Marshal Radios (27)	Completed	\$0	100 Club Grant
Fire Department Carport	Completed	\$12,250	2015 COs
Fire Pumper Truck	Ordered	\$408,500	Grant, Capital Asset Sales, 2015 COs
EMS Ambulance	Ordered	\$154,870	2015 COs
TOTALS		\$860,730	
Total Capital Investment (Water & Sewer plus General Government)		\$2,968,280	

Capital Improvement Plan

~ Continued

FY2015 CIP - Impacts

Water and Sewer Fund

FY2015 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 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 water line replacement on Queens Court updated aging infrastructure and provide for better, more dependable, safe provision of water and sewer services to our residents.

The new backhoe replaces a 17 year old backhoe. The investment increases safety and reliability of our Water and Sewer activities. Also, the City anticipates a significant decrease in maintenance costs and idle time related to these projects. Finally, the purchase of a sewer line camera allows the City to perform our own inspections of sewer lines to determine the conditions of pipes throughout the City. This asset permits the department to perform necessary preventative care without the assistance of contractors or rental equipment.

General Government

The City's issuance of Certificates of Obligation, Series 2015 made it possible for the City to complete a significant number of capital projects and purchases. With this issuance the City began a long-term plan of annual dredging of Lake Nassau. This project was started in August and was on-going at the time of budget adoption.

The City purchased a new light duty truck for Public Works, with the goal of increasing fuel efficiency and decreasing vehicle purchase cost. The impact of this purchase with regard to cost savings, maintenance needs, and project appropriateness is being tested by the Public Works department.

Capital Improvement Plan

~ Continued

FY2015 CIP – Impacts (continued)

The Parks Department enjoyed many of the investments from this issuance. Items at Lake Nassau Park included a new roof for the pavilion, new playground equipment, a restroom remodel, and a new aerator for the Lake Nassau. All of these investments should achieve the goals of greater safety for our park users, increased longevity of the life of existing assets, and a decrease in maintenance of existing facilities.

In addition to the Parks Department improvements, the City selected to allocate a great deal of the issuance to Public Safety projects. The Police Department received six (6) new Mobile Data Terminals that ensure dependable communication and information sharing in their police vehicles. These terminals replaced laptops that were over seven years old and were causing increasing problems with reliability and upgrades to their age and the 24 hour use. The City purchased fifteen (15) replacement Tasers to aging equipment that was no longer supported by the manufacturer and was seeing increasing malfunctions during testing. The Police Department also received five (5) new Mobile Vision In-Car Video Camera Systems. This investment replaced aging and deteriorating equipment that was not functioning reliably. The new equipment is anticipated to provide that all police vehicular activities have dependable video capabilities. In addition to these CO related assets, the City also entered into two lease purchase agreements for the replacement of two Police Staff Vehicles. The fleet additions will aid with decreasing fuel and maintenance costs as well as providing for more dependable transportation for the City's Sergeants and Police Chief.

The City was awarded a 100 Club grant for 27 replacement handheld and mobile radios for the Police and Fire Marshal. This grant purchased this equipment for the City and the radios were issued to the City. No costs were incurred by the City during this purchase and with the assistance of the grant the City now has ensured interoperability with Harris County's new digital radio system.

The Fire Department was allocated funding for the construction of a carport to provide protection to various equipment and apparatus from the elements. This carport will also serve to cover Public Works equipment when this facility transitions to Public Works in 2017-2018. Also, the Fire Department received a Texas A&M Forest Service grant for assistance with the purchase a new pumper truck. To fund the remainder of this truck, the City sold the 1994 pumper truck and utilized the 2015 COs. This new pumper replaces a 21 year old pumper truck that was experiencing increasing maintenance issues.

Finally, to round out the Public Safety capital investments, the City purchased a new ambulance for the EMS Department. The ambulance will replace the current primary unit and achieves many important goals including: decreasing maintenance costs, improving efficiency, decreasing down time on the primary unit, providing new state of the art medical equipment, and providing improved public health services to our residents.

Capital Improvement Plan

~ Continued

FY2016 CIP Budget

The City of Nassau Bay adopted a FY2016 Capital Improvement Plan totaling over 1.8 million dollars. Projects include facilities and infrastructure, transportation systems, and utility systems.

2016 Capital Budget Summary

# of Projects	Category	Cost
12	General Government	\$728,990
5	Parks & Recreation	\$4,500
12	Utility Systems	\$751,940
Various	Transportation	\$350,000

The Table below indicates the 2016 Capital Budget and Funding Detail.

Water and Sewer Fund

Project Description	FY16 Budget	Funding Source
Piping Improvements at Water Plant No. 1 to Improve Elevated Tank Fill and Drain Operations	\$50,000	Cash Flow W/S
Radios	\$10,500	Cash Flow W/S
Water Line Rehabilitation –Carriage Lane	\$200,000	Cash Flow W/S
Replace existing gas feed system; add covered area	\$40,000	Cash Flow W/S
Installation of SCADA to provide more effective and energy efficient operation of sewer lift stations	\$20,000	Cash Flow W/S
Surf Court Lift Station – Force Main Replacement Phase I	131,440	Cash Flow W/S
Sewer Rehabilitation [various]	\$300,000	Cash Flow W/S
TOTAL FUNDED FY2016 WATER & SEWER CIP	\$ 751,940	

Capital Improvement Plan

~ Continued

FY2016 CIP Budget (continued)

General Government

Relocation of 24" city storm sewer line @ 18518 Upper Bay	\$20,000	2013 Tax Note
Bi-Annual Paving Improvements	\$350,000	Street Fund
Dredging of Lake Nassau	\$50,000	GF Cash Flow
Decorative Street Lights throughout City	\$227,240	2015 COs
Architect/Design for Fire/EMS Facility	\$200,000	EDC
Website Update/Redesign	\$17,150	GF Cash Flow
Passenger Shuttle Van – HOT Fund Activities	\$36,000	Tourism Fund
TOTAL FUNDED FY2016 CIP	\$900,390	
Radios – Public Works, Building Department, Fire Department, EMS, Emergency Management (44)	\$178,600	TBD
Parks – Golf Cart	\$4,500	TBD
TOTAL UNFUNDED FY2016 CIP	\$183,100	

Capital Improvement Plan

~ Continued

FY2016 CIP – Anticipated Impacts

Water and Sewer Fund

After working on the Texas Water Development Board projects since 2011, the punch list items are projected for completion during FY2016 allowing the City to close out these projects during the coming year. The benefits of this project have been two-fold. During heavy rain events, the City now has the ability to contain more wastewater than previously, meeting the requirements of state and federal regulations. Also, this facility allows the clarifier to be drained with relative ease, finally providing a way to perform much needed regular maintenance on the primary plant.

This project also saw the installation of a screen and grit removal system at the Wastewater Plant Headworks. Essentially, this infrastructure removes 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.

Several projects are being cash flowed in FY2016. Piping improvements at Water Plant No. 1 will improve filling and draining operations at the plant. Water line replacement on Carriage Court will replace lines that are thought to currently have the most deterioration city-wide. These two projects will work to increase the overall stability, efficiency, and safety of the water provision system.

Also cash flowed will be the replacement of the existing gas feed system and the addition of a cover to this assembly. This system will help with the waste water processing and handling. It will also provide better protection for the new equipment and the employees as they complete these operations. Also in waste water operations, the City will install a new SCADA system to provide great efficiency of lift station operations throughout the City. Finally, the City will begin design and engineering work for the improvements that are planned for the Surf Court lift station.

Finally, the scheduled sewer line replacement program will continue to ensure the long term viability of the collection system. This project will focus on several areas of the City where the sewer lines are deemed to be most vulnerable to collapse or intrusion.

General Government

There are several funded projects for FY2016. These projects included the relocation of the 24" storm sewer line which 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.

In FY2016 the City will complete approximately \$350,000 in bi-annual paving improvements. The Public Works Department works with the street committee to pinpoint the most deteriorated streets in the City. The focus of these paving improvements will be the complete re-paving of these designated areas.

Capital Improvement Plan

~ Continued

FY2016 CIP – Anticipated Impacts

The City has a second round of Lake Nassau dredging plan for FY2016. This several-year dredging series is intended to improve storm sewer drainage in a large part of the City. Also, it will decrease silt at the bottom of the Lake. Additionally, this dredging will improve the depth of Lake Nassau providing better habitat and improved water quality in the lake.

In late FY2015 the City began a project to replace the existing decorative street lights throughout the City with decorative solar street lights. The goals of this project were to decrease energy costs associated with the hard-wired electrical lights, to improve lighting quality, and to decrease maintenance costs associated with aging lights. The first phase of this project consisting of 50 lights in various locations throughout the City will be completed in FY2016. Based on the success of the first phase of the project that City will move on to the next phase which could include up to another 200 solar lights.

With the assistance of the Economic Development Corporation for funding, the City will complete architectural design for the new Fire EMS Facility in FY2016 with plans to issue obligations and begin construction in FY2017. This facility will replace the public safety facility that was demolished in 2007 to allow for the Town Square Development. The facility is planned for the current location of the Public Works/EMS facility at 18295 Upper Bay Road. The benefits to be expected from this project are a fully equipped Fire and EMS Public Safety Facility with adequate administrative, training, and bay areas to support these important services. This new facility will allow response from a more central location in the City. During the design process the City intends to add many efficiencies to improve current operation levels. Also, the Public Works operation will move to the current Fire facility. Ultimately this project means the demolition of the current Public Works facility, decreasing the increase maintenance costs on this aging building. These improvements will assist all departments in ease of operations and space.

The City has funded a website update & redesign this fiscal year. The current website was completed in 2010. Both technology and innovations have allowed for web design to be ever more intuitive the past five years. Additionally, it is recommended that for branding and maintenance purposes, it is advisable to update a much-used public website on a fairly regular basis. The City expects to see improved user experience, better information flow, increased user traffic, and more user applications on the new website. All these benefits are designed to permit users to more effectively interface with various city departments.

Finally, the Hotel Occupancy Fund was approved for the purchase of a passenger shuttle van. This van will be an asset to attract tourism to the City, providing our local hotels with affordable transportation options when recruiting conferences and other tourism activities to their facilities. The City is considering the operational structure for this use, including the impacts to insurance/liability, maintenance, and required training for this new asset.

FY2016 Approved 5-Year Capital Improvement Program

Overall CIP Rank	Proj ID	Project Description	Project Budget	FY15 COMPLETED	FY16	Funding Source	FY17	FY18	FY19	FY20 & Beyond
WATER SYSTEM										
Water Production and Transmission										
	WP1003	Piping Improvements at Water Plant No. 1 to Improve Elevated Tank Fill and Drain Operations	\$50,000		\$50,000	Cash Flow W/S				
	WP1012	Well #2 - Water Plant Back-Up Well	\$520,000			TBD	\$20,000	\$500,000		
	WP1002	Replace 12-inch diameter Surface water supply pipeline b/w CLCWA and Nassau Bay	\$800,000			TBD		\$800,000		
	WP1005	Rehabilitate and Restore Water Well at Swan Lagoon Water Plant; Includes Hydrotank	\$405,950			TBD				\$405,950
	WP1013	Radios (1 mobile, 2 handheld)	\$10,500		\$10,500	Cash Flow W/S				
Water Distribution	WD1001	Water Line Rehabilitation	\$957,550		\$200,000	Cash Flow W/S	\$200,000	\$200,000	\$200,000	
		Queens Court		\$157,550						
		Carriage Lane								
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				
Completed	WWT1012	Install Screen at Plant Headworks & Grit Removal Improvements	\$330,000	\$330,000		COMPLETED				
	WWT1019	Repairs to Electrical Conduit and Walkways [Railings, Safety]	\$30,000	\$30,000		COMPLETED				
	WWT1005	Replace existing gas feed system; add covered area	\$40,000		\$40,000	Cash Flow W/S				
	WWT1007	Clarifier Center Well Repair - Replace existing Clarifier - Painting, Releveling, Replace Corroded Metal	\$230,000	\$230,000		COMPLETED				
	WWT1013	Replace Existing diffusers with Fine Bubble System	\$100,000	\$100,000		COMPLETED				
	WWT1016	Sand Filter - Upgrade System to Modern Unit which will be Flood Proof.	\$700,000			TBD		\$700,000		
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	\$774,290		\$131,440	Cash Flow W/S	\$40,000	\$67,500	\$535,350	
	WWL1008	Surf Court Lift Station - Odor Control Improvements	\$65,000			TBD	\$65,000			
Wastewater Collection System	WWC1006	Wastewater Lines and Manhole Rehabilitation - Various Areas	\$1,800,000	\$300,000	\$300,000	Cash Flow W/S	\$300,000	\$300,000	\$300,000	\$300,000
Water/Wastewater Equipment	WWE1003	Backhoe	\$100,000	\$100,000		COMPLETED				
	WWE1004	Sewer Line Camera	\$10,000	\$10,000		COMPLETED				
WATER & WASTEWATER UTILITY TOTALS			\$7,793,290	\$2,107,550	\$751,940		\$625,000	\$2,567,500	\$1,035,350	\$705,950

FY2016 Approved 5-Year Capital Improvement Program

Overall CIP Rank	Proj ID	Project Description	Project Budget	FY15 COMPLETED	FY16	Funding Source	FY17	FY18	FY19	FY20 & Beyond
DRAINAGE										
Drainage Collection										
	DP1007	Relocation of 24" city sewer line @ 18518 Upper Bay	\$20,000		\$20,000	Tax Note				
	DC1004	Pipe Installation on Saxony - Connection b/w Point Lookout (6' pipe system thru Park) and Hereford Lane	\$45,000			TBD	\$45,000			
	DC1005	Large Diameter Storm Sewer Installation on Point Lookout Draining to Lake Nassau	\$448,700			TBD	\$448,700			
	DC1006	Marina Basin Storm Sewer Phase 1	\$151,600			TBD				\$151,600
	DC1007	Marina Basin Storm Sewer Phase 2	\$168,200			TBD				\$168,200
	DC1008	Marina Basin Storm Sewer Phase 3	\$285,470			TBD				\$285,470
	DC1009	Marina Basin Storm Sewer Phase 4	\$456,190			TBD				\$456,190
Drainage - Pump Stations										
	DP1001	Upper Bay Road - New Diesel-Driven Stormwater Pump Station No. 2	\$205,500			TBD	\$205,500			
PAVING										
Capital Improvements										
	PCIP1001	Annual Paving Improvements	\$650,000		\$350,000	Street Fund		\$300,000		
Maintenance										
	PM1001	Joint Sealing - City Wide or Large Areas	\$60,000			Street Fund	\$30,000		\$30,000	
DREDGING AND BULKHEADS										
	DL1005	Dredging of Lake Nassau	\$1,650,000	\$50,000	\$50,000	Cash Flow	\$50,000	\$50,000	\$50,000	\$1,400,000
	DM1003	Removal of High Spot in Lake Nassau Channel at Confluence w/ Clear Creek	\$24,100			TBD				\$24,100
PUBLIC WORKS										
	PW1009	Vantage X-1000 Extended Cab Premium Truckall	\$12,130	\$12,130		COMPLETED				
	PW1012	Decorative Street Lights throughout City	\$912,000		\$227,240	FY15 COs	\$684,760			
	PW1013	Radios (3 handheld, 6 mobile)	\$34,200		\$34,200	TBD				
	PW1014	NASA Parkway LED lights (50 lights - Pt. Lookout to St. Johns)	\$162,200			TBD	\$162,200			
PARKS										
	P1009	Aerator replacement	\$9,000			COMPLETED				
	P1010	Pavilion - Roof Replacement	\$58,500			COMPLETED				
	P1011	Lake Nassau Park - playground equipment	\$17,830			COMPLETED				
	P1012	Lake Nassau Park - restroom remodel	\$7,500			COMPLETED				
	P1004	Lake Nassau Park Trail, Phase II	\$70,000			TBD	\$70,000			
	P1013	Golf Cart	\$4,500		\$4,500	TBD				
POLICE DEPARTMENT										
	PD1002	Six (6) Mobile Data Terminal	\$29,200	\$29,200		COMPLETED				
	PD1006	Replace 2 Staff Vehicle (Chief, Sergeants)	\$56,530	\$56,530		COMPLETED				
	PD1004	Fifteen (15) Replacement Tasers	\$19,690	\$19,690		COMPLETED				
	PD1005	Five (5) Mobile Vision In-Car Video Camera Systems	\$24,730	\$24,730		COMPLETED				
	PD1007	Radios (22 - 6 mobile, 16 handheld)	\$73,240			COMPLETED				
	PD1008	Vehicle Replacement	\$156,900			TBD	\$37,340	\$78,400	\$41,160	

FY2016 Approved 5-Year Capital Improvement Program

Overall CIP Rank	Proj ID	Project Description	Project Budget	FY15 COMPLETED	FY16	Funding Source	FY17	FY18	FY19	FY20 & Beyond
BUILDING DEPT & CODE ENFORCEMENT										
	BD1002	Radios (1 handheld)	\$3,800		\$3,800	TBD				
	BD1003	Scanning of all documents	\$20,000			TBD	\$20,000			
FIRE MARSHAL										
	FM1003	Radios (1 mobile, 3 handheld)	\$14,000			COMPLETED				
	FM1004	Fire Investigation Trailer/Arson Unit	\$15,000			TBD	\$15,000			
FIRE DEPARTMENT										
	FD1005	Carport to provide cover for equipment	\$12,250	\$12,250		COMPLETED				
	FD1004	25 Replacement Self Contained Breathing Apparatus	\$188,000			TBD	\$188,000			
	FD1007	New Fire Station @ 18295 Upper Bay	\$2,000,000			TBD	\$2,000,000			
	FD1002	Replacement Pumper	\$408,500	\$408,500		COMPLETED				
	FD1003	Ladder Truck	\$1,000,000			TBD		\$1,000,000		
	FD1008	Architect/Design for Fire Station	\$200,000		\$200,000	EDC				
	FD1009	Replacement Pickup Truck - Utility 88	\$30,000			TBD	\$30,000			
	FD1010	Radios (6 mobile, 23 portable)	\$121,600		\$121,600	TBD				
EMS										
	ES1001	New Dodge 3500 Ambulance	\$154,870	\$154,870		COMPLETED				
	ES1002	Remount 2004 F-350 Reserve Ambulance	\$110,250			TBD	\$110,250			
	ES1005	Radios (1 mobile, 3 handheld)	\$15,200		\$15,200	TBD				
EMERGENCY MANAGEMENT										
	EM1000	Radio	\$3,800		\$3,800	TBD				
INFORMATION TECHNOLOGY										
	IT1002	Ares 1 Server	\$15,000			TBD	\$15,000			
	IT1003	Network Upgrades	\$20,000			TBD	\$20,000			
	IT1004	Telephone System	\$75,000			TBD	\$75,000			
GENERAL & ADMINISTRATIVE										
	GA1003	Golf Cart	\$4,500			TBD	\$4,500			
	GA1004	Re-painting of all walls	\$11,000			TBD		\$11,000		
	GA1005	Flooring Replacement	\$31,000			TBD			\$31,000	
	GA1006	Website Update	\$17,150		\$17,150	Cash Flow				
	GA1007	Passenger Van - HOT Fund activities	\$36,000		\$36,000	Tourism Fund				
CONFERENCE CENTER										
	CC1000	Flooring Replacement	\$35,000			TBD		\$35,000		
	CC1001	Re-painting of all walls	\$11,000			TBD		\$11,000		
ALL OTHER CIP TOTALS			\$10,365,830	\$860,730	\$1,083,490		\$4,101,250	\$595,400	\$1,121,160	\$2,516,560

5 Plus Year CIP	FY15 COMPLETED	FY16	FY17	FY18	FY19	FY20 & Beyond
\$15,103,600	\$2,968,280	\$1,835,430	\$4,726,250	\$3,162,900	\$2,156,510	\$3,222,510

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.

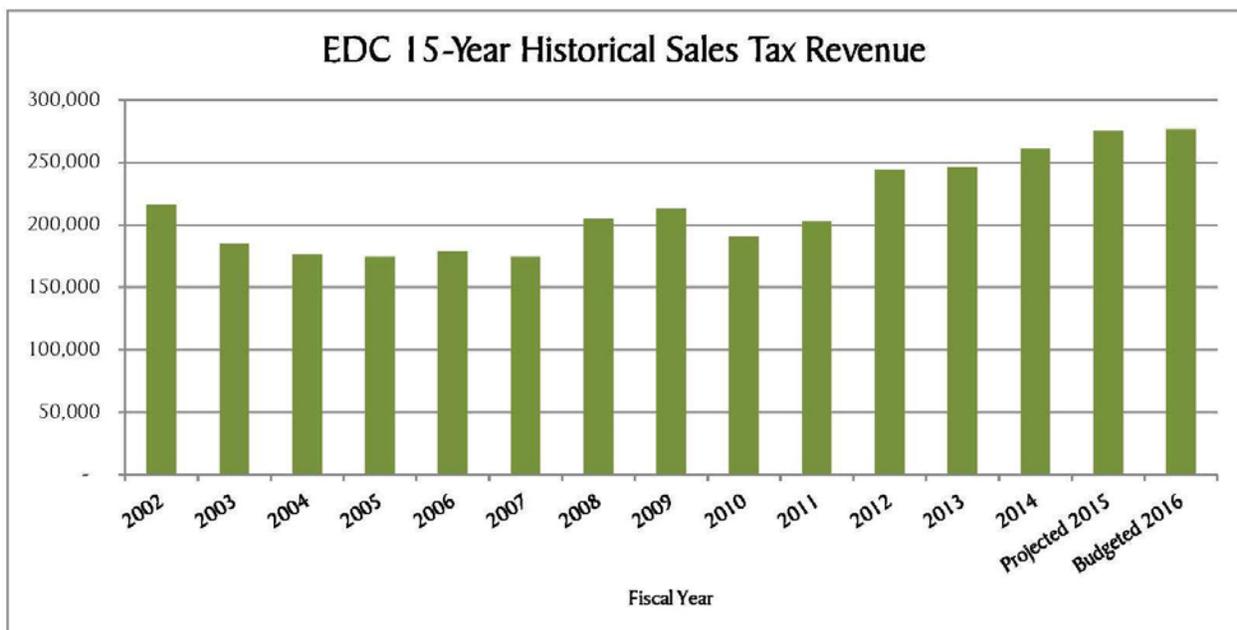
In FY2016 the EDC will fund the architectural design of the new Fire & EMS Facility.

The following are the FY2016 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	FY14	Budget	FY15	Budget	%
		FY14	FY14	FY15	FY15	FY16	Change
3020	Interest on Investments	400	253	400	700	500	-25.0%
3110	Sales Tax Revenue	238,000	261,830	260,000	275,320	276,200	-6.2%
TOTAL		238,400	262,083	260,400	276,020	276,700	-6.3%
9520	Prior Year Balance	180,355	189,330	315,920	316,375	421,105	-33.3%
9525	End of Year Reserve	(245,025)	(316,375)	(395,390)	(421,105)	(346,575)	12.3%
GRAND TOTAL		173,730	135,038	180,930	171,290	351,230	-94.1%

Expenditures

Expenditure Detail		Amended	Actual	Amended	Projected	Adopted	Budget
		Budget	FY14	Budget	FY15	Budget	%
		FY14	FY14	FY15	FY15	FY16	Change
5000	Administrative Expense	100,000	100,000	100,000	100,000	100,000	0.0%
5001	Audit	7,730	7,730	7,730	7,730	7,730	0.0%
5002	Promotion/Consulting	-	-	7,200	11,360	11,500	-59.7%
5005	Legal	2,000	350	2,000	400	2,000	0.0%
5006	Memberships-BAHEP/TEDC	19,000	19,000	19,000	20,000	20,000	-5.3%
5100	Economic Dev Proj-Undesignated	10,000	7,958	10,000	31,800	10,000	0.0%
5103	Dredging Projects	35,000	-	35,000	-	-	100.0%
5114	Fire Department	-	-	-	-	200,000	0.0%
GRAND TOTAL		173,730	135,038	180,930	171,290	351,230	-94.1%

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 FY2016, the NASA Area Management District will continue 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 FY2016 Budget has not been adopted at the time of the City's Annual Budget book publication therefore the most recent year to date report for FY2015 is included for information and resource purposes, but is not considered part of the City's Approved Annual Budget. This information should provide a basic framework for understanding the general size and activities of this unit.

Component Units

~ NASA Area Management District

NASA Area Management District FY2015 YTD Activities

NASA Area Management District Profit & Loss Budget vs. Actual June - August 2015

	June - August			Year to Date (11 Months)			Annual
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
Income							
6-4380 · Sales Tax Income	27,423.69	23,750.01	3,673.68	94,704.32	87,083.33	7,620.99	95,000.00
6-5380 · Miscellaneous Income	0.00	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	0.00
Total Income	27,423.69	23,750.01	3,673.68	94,704.32	87,083.33	7,620.99	95,000.00
Expense							
6-6320 · Legal Fees	369.82	1,250.01	-880.19	1,084.33	4,583.33	-3,499.00	5,000.00
6-6321 · Auditing Fees	0.00	0.00	0.00	750.00	750.00	0.00	750.00
6-6325 · Community Beautification/ Decor	3,894.00	2,874.99	1,019.01	3,894.00	10,541.67	-6,647.67	11,500.00
6-6324 · Marketing Expense	0.00	1,250.01	-1,250.01	0.00	4,583.33	-4,583.33	5,000.00
6-6327 · Saturn Ln/Space Pk Landscape	2,462.49	2,499.99	-37.50	9,029.13	9,166.67	-137.54	10,000.00
6-6328 · Saturn/Space Pk Fountain Maint	1,176.24	1,250.01	-73.77	4,312.88	4,583.33	-270.45	5,000.00
6-6334 · Event Sponsorship							
6-6334a · Fall Event	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6-6334 · Event Sponsorship	0.00	0.00	0.00	0.00	2,500.00	-2,500.00	2,500.00
Total 6-6334 · Event Sponsorship	0.00	0.00	0.00	0.00	2,500.00	-2,500.00	2,500.00
6-6330 · Administrator Fee	2,302.00	5,000.01	-2,698.01	9,628.38	18,333.33	-8,704.95	20,000.00
6-6331 · Management Fee	0.00	1,250.01	-1,250.01	0.00	4,583.33	-4,583.33	5,000.00
6-6333 · Bookkeeping	1,410.00	1,350.00	60.00	5,010.00	4,950.00	60.00	5,400.00
6-6336 · Consultants	0.00	1,250.01	-1,250.01	4,350.00	4,583.33	-233.33	5,000.00
6-6337 · Business/Property Owner Outreac	5,200.00	4,303.74	896.26	5,200.00	15,780.42	-10,580.42	17,215.00
6-6353 · Insurance	2,620.00	2,635.00	-15.00	2,620.00	2,635.00	-15.00	2,635.00
6-7395 · Miscellaneous Expense	0.00	0.00	0.00	82.88	0.00	82.88	0.00
Total Expense	19,517.43	24,913.78	-5,396.35	45,961.60	87,573.74	-41,612.14	95,000.00
Net Income	7,906.26	-1,163.77	9,070.03	48,742.72	-490.41	49,233.13	0.00

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 FY2016 Budget

Account	Description	FY12 Actual 9/30/2012	FY13 Actual 9/30/2013	FY14 Actual 9/30/2014	FY15 Amended Budget	FY15 YTD Actual	FY15 Projected 9/30/2015	FY16 ADOPTED Budget
53-9520-99-00	PRIOR YEAR BALANCE FORWARD		-433,286	-788,885	-394,285	-399,663	-399,663	-307,623
REVENUE								
53-3005-01-00	TIRZ TRANSFERS	-212,328	-392,166	-592,087	-690,000	-567,304	-567,300	-825,000
53-3020-01-00	INTEREST ON INVESTMENTS	-1,424	-1,920	-1,499	-1,200	-1,454	-1,450	-1,200
53-3905-01-00	INSURANCE CLAIMS AND REBATES	-3						
53-3910-01-00	LOAN PROCEEDS - TIRZ FUND		-3,025,000					
	TOTAL REVENUE	-213,755	-3,419,086	-593,586	-691,200	-568,758	-568,750	-826,200
EXPENDITURE								
53-4000-01-00	GENERAL EXPENSES**	76,169	2,923,820	622,240	330,000	0	299,590	465,000
53-4001-01-00	ISSUANCE COSTS		139,668					
53-4002-01-00	REV. BONDS SERIES 13 PRINICIPAL			255,000	270,000	270,000	270,000	280,000
53-4003-01-00	REV. BONDS SERIES 13 INTEREST			105,568	91,410	45,329	91,200	82,730
53-4827-01-00	TRANSFER TO OTHER FUNDS							
	TOTAL EXPENDITURES	76,169	3,063,488	982,809	691,410	315,329	660,790	827,730
53-9525-99-00	END OF YEAR FUND BALANCE**		-788,885	-399,662	-394,075	-653,092	-307,623	-306,093

**DETAIL FY16

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	435,000
LINE TOTAL	465,000
53-9525-99-00 END OF YEAR FUND BALANCE	
2013 BOND RESTRICTED RESERVE	-302,500
UNRESTRICTED RESERVE	-3,593
LINE TOTAL	-306,093

Component Units

~ Redevelopment Authority (Continued)

Statement of Bonded Indebtedness Fiscal Year 2016

Fiscal Year	Interest Rate	Interest Due 02/15	Principal Due 08/15	Interest Due 08/15	Total Interest	Annual Requirement	Principal Outstanding
Tax & Revenue Certificates of Obligation							3,025,000
Series 2013	Date of Issue - 7/13/2013					Term - 10 Years	
2014	3.30%	56,066	255,000	49,502	105,568	360,568	2,770,000
2015	3.30%	46,081	270,000	45,329	91,410	361,410	2,500,000
2016	3.30%	41,589	280,000	41,137	82,726	362,726	2,220,000
2017	3.30%	36,931	290,000	36,329	73,260	363,260	1,930,000
2018	3.30%	32,107	295,000	31,583	63,690	358,690	1,635,000
2019	3.30%	27,199	305,000	26,756	53,955	358,955	1,330,000
2020	3.30%	22,125	315,000	21,885	44,010	359,010	1,015,000
2021	3.30%	16,885	325,000	16,610	33,495	358,495	690,000
2022	3.30%	11,479	340,000	11,291	22,770	362,770	350,000
2023	3.30%	5,822	350,000	5,728	11,550	361,550	-
Total		296,284	3,025,000	286,150	582,435	3,607,435	
Remaining		194,138	2,500,000	191,319	385,456	2,885,456	

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, 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 and 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

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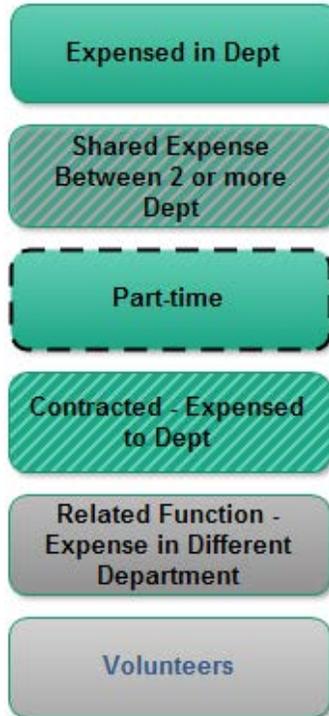
Glossary (Definitions & Acronyms)

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

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Departmental Organizational Chart Key



Budget Resources

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City Contact Information

City Hall – 1800 Space Park Dr., Suite 200, Nassau Bay, TX 77058

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

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Budget Notes