

# LEAGUE CITY ADOPTED BUDGET FISCAL YEAR 2012



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# CITY OF LEAGUE CITY, TEXAS



## FY 2012 Adopted Budget

October 1, 2011 through September 30, 2012

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The following language is required by the State of Texas Budget Law, Section 102.005 of the Local Government Code.

“This budget will raise more total property taxes than last year’s budget by \$790,000 or 2.4%, and of that amount \$790,000 is tax revenue to be raised from new property added to the tax roll this year.”

Property taxes from new construction will actually raise a total of \$829,000 this year, meaning that total taxes from last year’s taxable property using this year’s values for that property will be \$39,000 less than last year.

# ORGANIZATIONAL VALUES

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## Promote Trust and Accountability

The City of League City is committed to public accountability through transparency, effective communication and active citizen involvement. Organizational activities will promote full disclosure and open, honest communication with the community, public officials and employees.

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## Plan Responsibly and Act Decisively

The City of League City recognizes that a sustainable future requires actions based upon sound planning. Planning must ensure demand-driven resource acquisition, continuous strengthening of available resources, and the effective and efficient implementation of adopted plans.

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## Maintain “World Class” Customer Service

The City of League City is committed to maintaining both a governing body and professional staff that recognizes, anticipates, and proactively responds to the needs of citizens. This requires a progressive and dynamic organizational culture that delivers “world class” customer service, is results oriented and incorporates innovation and technology to foster the most prudent use of public resources.

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## Promote a “Healthy” Community

The City of League City is focused on a future of physical and fiscal health and wellness that strives for balance and diversity in being an exceptional place to live, work, play, shop and gather. In doing so, the city will take a responsible, strategic approach to growth, economic development, infrastructure and major investments.

# City of League City, Texas

## Mayor and City Council



Dan Becker  
Council Position 1



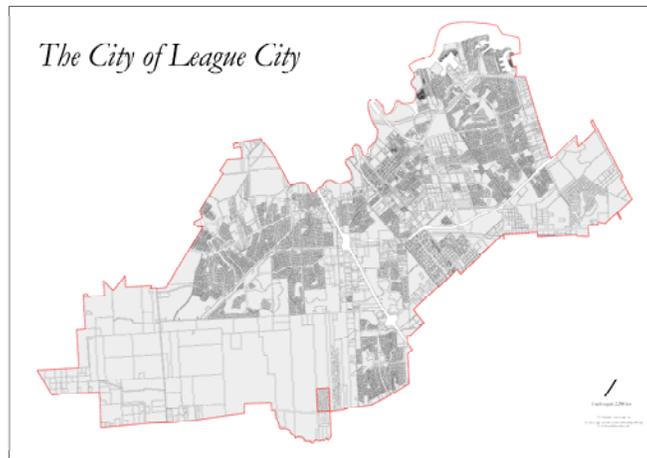
Tim Paulissen  
Mayor



Dennis O'Keeffe  
Council Position 2



Mick Phalen  
Council Position 3



Mike Lee  
Mayor Pro Tem  
Council Position 4



Phyllis Sanborn  
Council Position 5



Andy Mann  
Council Position 6



Joanna Sharp Dawson  
Council Position 7

**CITY OF LEAGUE CITY, TEXAS**  
**PRINCIPAL OFFICIALS**

**MAYOR**

Tim Paulissen

**CITY COUNCIL**

Position 1	Dan Becker
Position 2	Dennis O'Keeffe
Position 3	Mick Phalen
Position 4	Mike Lee
Position 5	Phyllis Sanborn
Position 6	Andy Mann
Position 7	Joanna Sharp Dawson

**ACTING CITY MANAGER**

Rich Oller

**CITY SECRETARY**

Diana Stapp

**CITY ATTORNEY**

Arnold Polanco

**ASST CITY MANAGER,  
MANAGEMENT SERVICES**

Michael Loftin

**ASST CITY MANAGER,  
PUBLIC SAFETY**

Michael Jez,  
Chief of Police

**ASST CITY MANAGER,  
PUBLIC WORKS**

Rich Oller

**DIRECTOR OF COMMUNICATIONS  
AND MEDIA RELATIONS**

Kristi Wyatt

**DIRECTOR OF HUMAN RESOURCES  
AND CIVIL SERVICE**

Brian Hayes

**DIRECTOR OF  
INFORMATION TECHNOLOGY**

Ryan Smith

**DIRECTOR OF PARKS AND  
CULTURAL SERVICES**

Chien Wei

**DIRECTOR OF PLANNING  
AND RESEARCH**

Tony Allender

# Acknowledgements

Special thanks are due to all the City employees who contributed to this project.

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## Parks & Cultural Services Directorate

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Carrol Cribbs  
Lupie Gatica  
Jeannie Kunzinger  
John Orsag

## Administration Directorate

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Laurie Diorio  
Paula Orise  
Jenna Simsen  
Rita Wohrle  
LaShondra Holmes

## Public Works Directorate

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Jeanne Griffin  
Jody Hooks  
Linda Lindquist  
Jack Murphy  
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Chris Svahn  
Mike Tubbs

## Public Safety Directorate

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Asst. Chief Gary Ratliff  
Pat Bittner  
Laural Powell  
Stacy Purser  
James Fisher  
Dena Mahan  
Wanda Martin  
Brian Russell



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of League City  
Texas**

For the Fiscal Year Beginning

**October 1, 2010**

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of League City, Texas for its annual budget for the fiscal year beginning October 1, 2010. 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 communications device.

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

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## GENERAL FUND

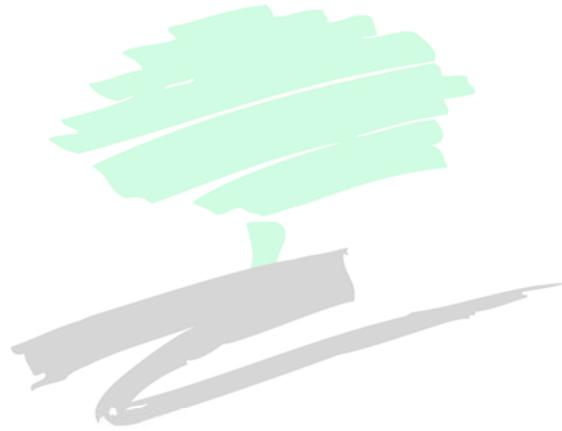
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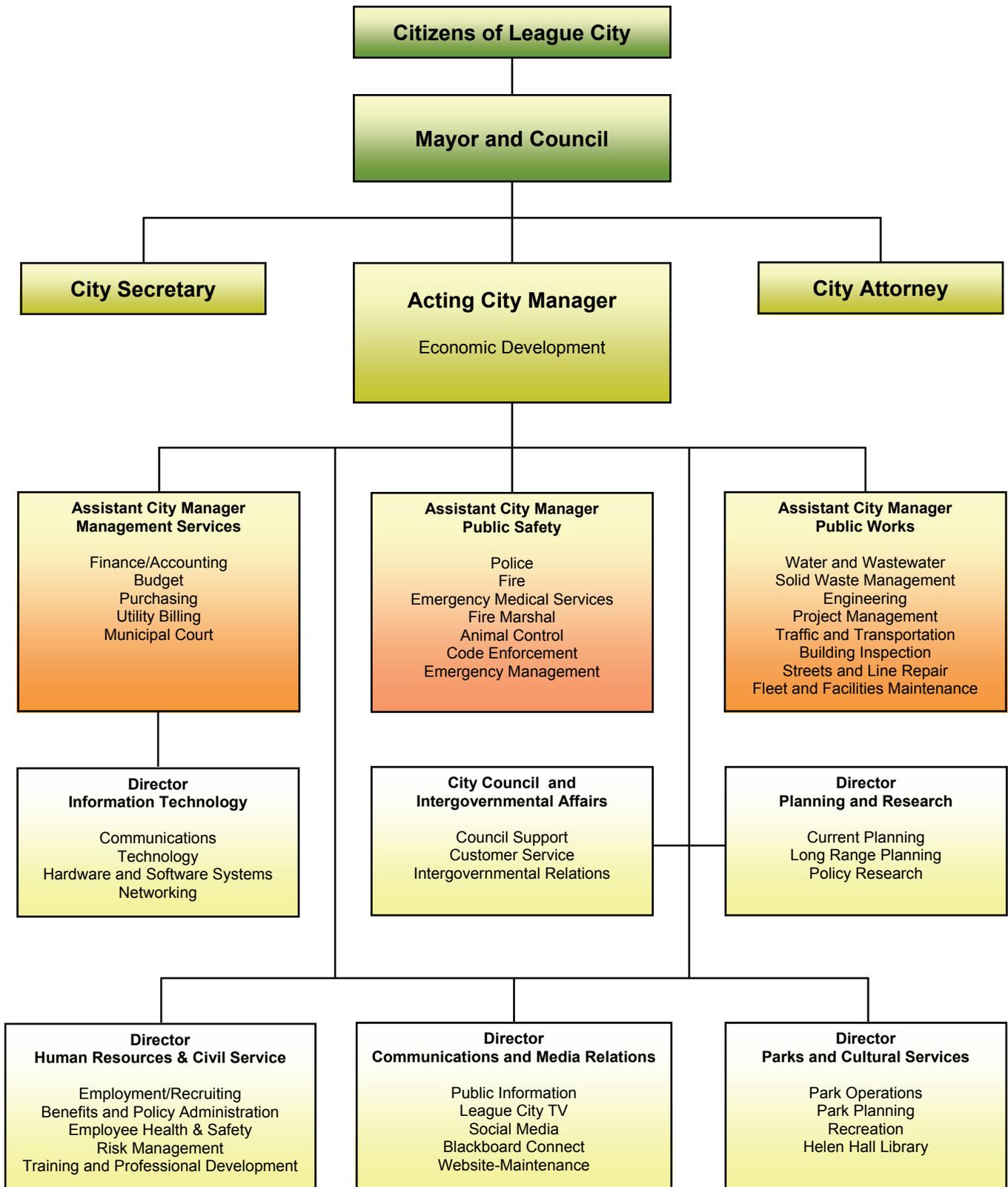
# LEAGUE CITY

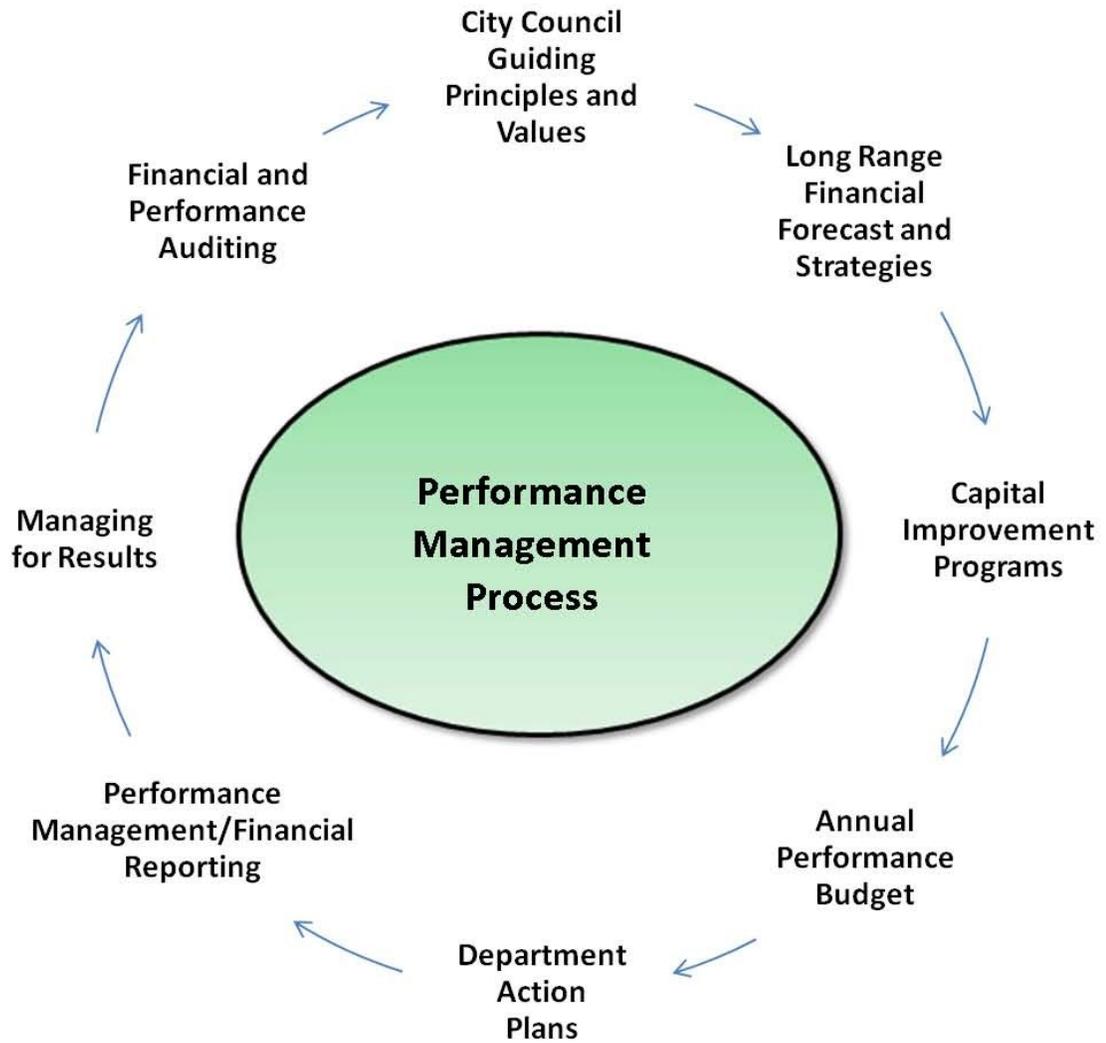
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# City of League City Organizational Chart







October 1, 2011

Honorable Mayor and City Council:

On September 13, 2011, the City of League City Mayor and Council adopted the FY 2012 Budget. In a challenging economic environment, this budget demonstrates fiscal restraint while targeting taxpayers' investment to key improvements that will strengthen our performance and service delivery internally and externally.

The FY 2012 Adopted Budget includes \$91.92 million in proposed operating expenditures, slightly up from the FY 2011 Amended Budget total of \$91.37 million. With the growth driven nearly entirely by special revenue funds, League City's budget is essentially flat for the third straight year with an effective property tax rate of 61.0 cents, a 0.6 cent reduction from last year in which there was a 1.4-cent reduction. Through effective planning and an emphasis on upgrading our performance, this proposal continues a practice of building on success and adhering to the City's four organizational values adopted by Council.

Despite significant ongoing challenges to the national, regional and local economies over the past year, the City remains in a financially healthy position. FY 2011 spending is projected to end the year 2.3 percent below budget, contributing to a projected combined fund balance of nearly \$43.5 million. While displaying fiscal conservatism, the City also posted significant accomplishments:

- Our recently upgraded CRS rating from the National Flood Insurance Program should mean lower flood insurance premiums for property owners.
- Our volunteer fire department, one of this community's greatest assets, is soon to be led by the City's first-ever full-time paid fire chief, establishing a full-time management presence focused on fire safety, EMS and related services.
- The City launched its new sidewalk repair program, using a dedicated crew and our newly acquired concrete batch plant.
- Work began on our new Southwest Wastewater Reclamation Facility, and we started improvements that will extend the useful lifespan and improve the functionality of City Hall at less than half the cost projected by a 2008 study proposing a new building.
- After a well-attended open house in early 2011, we moved ahead with adoption of a new Comprehensive Plan, as well as with the Main Street Implementation Plan, which emphasizes economic development in our community's original core.

**Rich Oller**  
Acting City Manager  
Rich.oller@leaguecity.com

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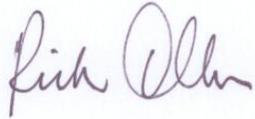
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Despite the progress achieved on numerous fronts, we have far to go. This budget proposes several strategic initiatives focused on major challenges facing our community and/or organization:

- **Water:** As indicated in the Long Range Financial Forecast provided to you earlier this year, we are pursuing a three-pronged approach to addressing the fact that our existing water supplies are not sufficient to accommodate full growth to buildout. Water conservation, water re-use and securing of additional supply through diversified sources are all options over the long term – while our existing resources can meet major immediate needs, we must act soon to address longer-term issues. We are adding 5 million gallons a day with the Beamer line extension and accompanying pump station, supplementing our water supply for west League City. Meanwhile, we continue to pursue additional supply, with the City of Pasadena appearing as a potential source.
- Though League City's growth has slowed in recent years, pressures caused by a still-increasing population and rising demand for many City services contributed to more than \$2 million in supplemental funding requested – but not approved – for personnel in this year's budget process. Rather than hiring additional staff, we are focusing this year on reducing the City's turnover rate and correcting issues highlighted by our recent compensation study. Regarding the latter, we will focus first on ensuring market-competitive compensation for our lowest-paid employees by implementing in phases.
- Our new Technology Special Revenue Fund is established as a source of dedicated funding for major systems to be implemented over the next few fiscal years; it draws from fund balances for one-time expenditures on improvements that will make existing staff more productive while helping the City attract additional quality staff interested in working with current technology. A new citywide financial and performance management system, expanded access to GIS data, improved document imaging capabilities and compliance with Microsoft licensing requirements (while providing updated versions of Microsoft products) are all to be addressed through the new technology fund.
- **Public safety:** As we move to add the City's first full-time paid fire chief, a variety of converging issues add to the traditional importance of focusing on public safety. These issues include a likely reorganization of some public safety services under the new chief, as well as our need for a new public safety complex and possibly new fire/EMS stations.
- **Economic development:** This budget proposes to continue our efforts in the Main Street/Historic District area; the idea of an "entertainment district" in the vicinity of Big League Dreams also remains a priority, with the possibility of giving more attention to the South Shore Harbour area as well.

As we move forward with these key initiatives, we do so under the banner of performance. Our performance measurement push is ongoing – this year's budget features retooled measures for several departments as we emphasize outcomes and begin utilizing "core measures" identified by the International City Management Association's Center for Performance Measurement. These measures, in use by numerous other cities across the country, will position us to compare ourselves against our own performance and against the "competition." On a related note, this year's budget also includes numerous references to the National Citizen Survey conducted in fall 2010; we anticipate using fresh data from this survey in next year's budget to begin demonstrating trends as we focus on lower-rated services for improvement.

On behalf of all the City's staff, we look forward to working with you through adoption and implementation of this Proposed Budget.



Rich Oller  
Acting City Manager



# LEAGUE CITY

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## ADOPTED FY 2012 BUDGET CITYWIDE SUMMARY

### Overview

The FY 2012 Adopted Budget is basically flat as compared with FY 2011. It includes \$91.9 million for expenditure on City services, compared with the FY 2011 Amended Budget that included \$91.3 million in expenditures. The \$550,000 increase is being spent primarily for one-time items. Staffing is being held constant overall with a few strategic reductions and additions. Also, funds are being retained in contingency to address adjustments to low paid city workers' salaries as recommended by the citywide compensation study just now being released. The amount being spent for equipment replacement is level with FY 2011, but \$1.171 million in fund balance is being invested to make a major upgrade in the City's technology.

Total City revenue is \$93.2 million, \$0.3 million less than is estimated to have been collected in FY 2011. Existing property tax rates are decreased to 0.610 while water rates are to remain constant in FY 2012. A general growth rate of 2% is being assumed underlying estimates of water, franchise tax and other revenue. Amounts shown in the ensuing table include interfund transfers with the exception of amounts paid by General and Utility funds for fleet maintenance and replacement to the Motor Pool Internal Service Fund.

### General Fund

The Adopted Budget for the City's largest fund, the General Fund, is \$48.31 million or \$571,000 and 1% less than the FY 2011 Amended Budget. General Fund revenue is based on the overall property tax rate of \$0.616, and a reduction in the maintenance and operations portion of the rate from approximately \$0.395 to \$0.391 per \$100 of taxable value. However, after the budget was adopted, Council passed an effective tax rate of \$0.610 which is anticipated to be approximately \$330,000 less than the revenues projected in the Adopted Budget. Actual revenues will be monitored over the next fiscal.

The Adopted General Fund budget uses current revenues to fund operating costs and includes an appropriation from fund balance for \$1.52 million in technology, cash funded CIP projects, and one time supplemental purchases. The General Fund is projected to end FY 2012 with 144.6 days of working capital.

### Utility Fund

The Utility Fund is the primary focus of this year's Adopted Budget because of the need to make substantial improvements to the water and wastewater system over the next several years. The Adopted Budget includes a recommendation to restate and reclassify the Utility Fund balance to recognize revenue bond covenant requirements and reduce the reserve requirement from 120 to 90 working days.

The Utility Fund budget includes \$27.5 million in expenditures as compared with the FY 2011 Budget of \$27.3 million. Water revenue jumped to \$29.2 million in FY 2011 because of extreme drought conditions and high water usage, but is expected conservatively to return to a more normal level in FY 2012 of \$27.1 million. After providing \$6 million for the revenue bond debt reserve, and setting \$3.9 million aside (e.g. 90 days of working capital) for an operating reserve, the Utility Fund is estimated to end FY 2012 with \$6.4 million in unassigned fund balance which equates to 149.3 days

of working capital from an operating standpoint. The Adopted CIP includes a sale of \$53 million in revenue bonds and the Adopted Utility Fund budget for debt service includes the first year of debt service for this sale.

**Debt Service Fund**

The Debt Service Fund is projected to end FY 2012 with a \$3.4 million fund balance. A sale of \$4.5 million in new tax-supported bonds is anticipated in early 2012, based on actual CIP-approved project cash flow needs. However, the Debt Service Fund includes no planned debt service for this sale, because if any is due, it will likely be interest only and a minimal amount. The Adopted Budget includes \$3 million in rebates to Municipal Utility Districts, and \$4.98 million in principal payments alone on City-issued debt.

**Special Revenue Funds**

Special revenue funds provide the means to document and demonstrate that legally dedicated revenue is being used for its required statutory purpose. These funds are not considered as normal operating funds of the city and as such are not intended to carry large ending fund balances. Therefore, the FY 2012 Adopted Budget for these funds includes recommendations to spend \$4.3 million of the current year revenue of \$4.5 million; \$1.2 million of the beginning fund balances in order to meet special resource needs of city departments. Two new special revenue funds in FY 2012 are being established. The Technology Fund with a budget of \$1.2 million will provide for one-time system costs. The 4B Maintenance and Operations Fund will provide tracking for sales tax monies paid by the 4B Corporation to the City for operation and debt service for Eastern Regional Park.

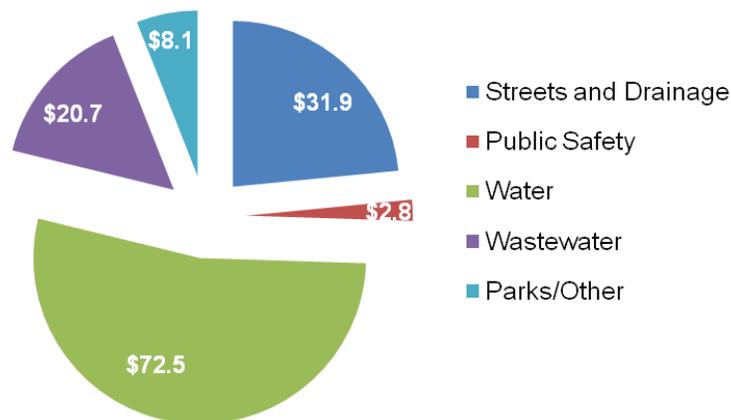
**Motor Pool Fund**

Revenue and expenditures in the Motor Pool Internal Service Fund are not shown as a part of the total operating budget because they are financed through payments made by the General and Utility funds for vehicle maintenance and replacements. The Motor Pool Fund balance, however, is considered a part of the City’s operating fund reserves.

**Capital Budget**

The first year of the FY 2012-2016 Adopted Capital Improvement Plan includes \$342.5 million in projects, the vast majority of which is infrastructure and public safety.

**FY 2012 CIP BY PROGRAM (\$Millions)**



**FY 2012 ADOPTED BUDGET  
FUND SUMMARY BY YEAR**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>BEGINNING FUND BALANCE</b>				
General Fund	20,554,414	21,281,642	21,281,642	19,935,726
Utility Fund	16,474,794	17,903,332	17,903,332	17,628,782
Debt Service Fund	2,463,899	2,128,323	2,128,323	2,711,952
Special Revenue Funds	1,034,115	1,667,635	1,667,635	2,556,294
<b>TOTAL</b>	<b>40,527,222</b>	<b>42,980,933</b>	<b>42,980,933</b>	<b>42,832,755</b>
<b>REVENUE</b>				
General Fund	47,668,768	48,341,400	48,550,200	49,037,500
Utility Fund	25,847,114	26,051,000	29,178,600	27,141,000
Debt Service Fund	11,668,800	12,599,400	12,454,300	12,542,500
Special Revenue Funds	2,348,566	2,163,585	3,350,363	4,473,960
<b>TOTAL</b>	<b>87,533,248</b>	<b>89,155,385</b>	<b>93,533,463</b>	<b>93,194,960</b>
<b>EXPENDITURES</b>				
General Fund	46,441,540	48,884,686	47,774,091	48,313,614
Utility Fund	23,418,576	27,319,760	27,132,150	27,511,537
Debt Service Fund	12,004,376	11,888,455	11,870,671	11,809,900
Special Revenue Funds	1,715,046	3,279,485	2,461,704	4,293,528
<b>TOTAL</b>	<b>83,579,537</b>	<b>91,372,386</b>	<b>89,238,616</b>	<b>91,928,579</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>				
General Fund	1,227,228	(543,286)	776,109	723,886
Utility Fund	2,428,538	(1,268,760)	2,046,450	(370,537)
Debt Service Fund	(335,576)	710,945	583,629	732,600
Special Revenue Funds	633,520	(1,115,900)	888,659	180,432
<b>TOTAL</b>	<b>3,953,711</b>	<b>(2,217,001)</b>	<b>4,294,847</b>	<b>1,266,381</b>
<b>APPROPRIATION OF FUND BALANCE</b>				
General Fund	500,000	2,122,025	2,122,025	1,518,500
Utility Fund	1,000,000	2,321,000	2,321,000	1,000,000
<b>TOTAL</b>	<b>1,500,000</b>	<b>4,443,025</b>	<b>4,443,025</b>	<b>2,518,500</b>
<b>ENDING FUND BALANCE</b>				
General Fund	21,281,642	18,616,331	19,935,726	19,141,112
Utility Fund	17,903,332	14,313,572	17,628,782	16,258,245
Debt Service Fund	2,128,323	2,839,268	2,711,952	3,444,552
Special Revenue Funds	1,667,635	551,735	2,556,294	2,736,726
<b>SUBTOTAL</b>	<b>42,980,933</b>	<b>36,320,907</b>	<b>42,832,755</b>	<b>41,580,636</b>
Motor Pool Fund	1,077,612	778,203	657,837	1,991,797
<b>TOTAL WITH MOTOR POOL FUND BALANCE</b>	<b>44,058,545</b>	<b>37,099,110</b>	<b>43,490,592</b>	<b>43,572,433</b>

**OPERATING AND CAPITAL BUDGET SUMMARY**

<b>OPERATING BUDGET</b>	<b>91,928,579</b>
<b>APPROPRIATION OF FUND BALANCE</b>	<b>2,518,500</b>
<b>CAPITAL BUDGET</b>	<b>123,931,775</b>
<b>GRAND TOTAL FY 2012 BUDGET</b>	<b>218,378,854</b>

**NOTE:** The Motor Pool Internal Service Fund revenue and expense are not included in the totals above to avoid duplication of the \$2,887,987 included as part of the General and Utility Fund budgets that are transfers to the Motor Pool Fund for services. Motor Pool Fund balances, however, can be considered a part of the City's reserves and are shown as part of the Ending Fund Balance section above.

## FY 2012 BUDGETARY INFORMATION

### **Budgetary Basis of Accounting**

Budgets for the General, Special Revenue and Debt Service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgetary basis of accounting is different than the basis of accounting for auditing purposes. We do not budget for component units as they are accounted for in the Comprehensive Annual Financial Report (CAFR).

### **General Budget Policies**

The budget for the City shall present a complete financial plan for the ensuing fiscal year. It shall set forth all proposed expenditures for administration, operation and maintenance of all departments and agencies of the City for which appropriations are required to be made or taxes levied by the City. The budget shall also include (1) the revenues and expenses of the water and sewer system, and such system may be shown in the budget as a self-supporting enterprise; (2) all expenditures for capital projects to be undertaken or executed during the fiscal year; and (3) all deficits from prior fiscal years. In addition, the budget shall set forth the anticipated income and other means of financing the total proposed expenditures of the city government for the fiscal year.

Prior to the first of August of each year, the departments and agencies of the city shall transmit estimates of their budgetary requirements to the City Manager. The Council may revise, alter, increase or decrease the items of the budget, provided that when it shall increase the total proposed expenditures, it shall also increase the total anticipated revenue so that the total means of financing the budget shall at least equal in the amount to the aggregated proposed expenditures. When the Council shall make such changes, it shall issue a statement setting forth clearly its action in the budget. At least ten (10) days before the beginning of the fiscal year, the Council shall approve the budget plan and shall enact the appropriation ordinance. As soon thereafter as possible, the Council shall pass the tax levy ordinance and other such ordinances as may be required to make the budget effective.

The legal level of control is at the department/function level for the General Fund. Debt Service and Special Revenue funds legal level of control is at the total fund level. However, modifications to the budget may be made by the Council through transfers of any unencumbered appropriation balance or portion thereof from one office, department or agency to another, at any time. The City Manager shall have the authority, without Council authority, to transfer appropriation balances from one expenditure account to another within a single office, department or agency.

No money shall be drawn from the treasury of the city, nor shall any obligation for the expenditure of the money be incurred, except in the pursuance of the annual appropriation ordinance or of such ordinance when changed as authorized by the Charter. At the close of each fiscal year any unencumbered balance of an appropriation shall revert to the fund from which appropriated and shall be subject to re-appropriation; but appropriations may be made by the Council, to be paid out of the income of the current year, in furtherance of improvements or other objects or works which will not be completed within such year, and any such appropriation shall continue in force until the purpose for which it was made shall have been accomplished or abandoned. The City does not prepare budgets for the component units of the City.

## HOW TO USE THIS BUDGET DOCUMENT A READER'S GUIDE

The City of League City Budget Document provides comprehensive information about city policies, goals, objectives, financial structure, operations, and an organizational framework for the City. It provides the reader with estimates of revenue or resources available and appropriations or expenditures for the fiscal year 2012.

The budget process starts many months before the adoption of the annual budget. The process begins with the estimate of revenues and expenditures for the current fiscal year and the estimation of ending fund balances for the current year. These steps help us to determine what our current resources will be for the coming year so that we may appropriately allocate those resources to the various departments and/or capital improvement projects.

Once the financial resources are determined the departments request what is absolutely necessary to run their department, along with any supplemental items that they feel are necessary. These items are reviewed by the City Manager, the Deputy City Managers, Directors and budget office before they are brought to the Mayor and City Council.

This budget document includes missions, summaries, accomplishments, objectives and staffing levels for each department. This document also summarizes the expenditures by category, directorate and fund.

### **BUDGET FORMAT**

The document is divided into 10 sections: Introduction, Summaries, General Fund, Utility Fund, Internal Service Fund, Debt Service Fund, Special Revenue Funds, Capital Improvement Plan, Financial Policies and the Appendices.

The Introduction Section includes the Budget Message which explains the major policies and issues along with the budget process and long range plans for the city.

The Summary Section contains various summaries of the budget and explanations of the economic assumptions behind the budget. The city budget is organized into funds. Each fund is a separate accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities, residual equities and the changes therein are segregated and recorded.

The next three sections are the Fund Sections and are organized as follows: Fund Summary, Statement of Revenues, Expenditures by Directorate and Department. The Debt Service Fund section includes the fund summary and scheduled payments for outstanding debt.

The Special Revenue Funds section consists of designated revenues. These revenues can only be used for specific purposes some of which are mandated by state or federal regulations and/or laws.

The Capital Improvement section comes from the 5 Year CIP plan adopted by City Council.

The Financial Policies section includes long standing financial policies and practices enforced by the city relating to various financial aspects of City operations.

The Appendices section includes reference items such as the basis of accounting and budgeting, the pay scales for civilian and non-civilian employees and a glossary of terms.

If you need additional information you may contact the Assistant City Manager of Management Services or the Budget Office at 281-554-1000.

## Fund Structure

**Fund** - A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

### **General Government**

General Fund – This fund is the general operating fund of the city.

Special Revenue Fund – These funds are used to account for proceeds of specific revenue sources or legally restricted funds.

Debt Service Fund – These funds are used for the payment of principal and interest on debt issued by the City as well as other fees associated with the issuance of debt.

Capital Project Funds – These funds are used to account for resources for the use of major capital improvement projects.

### **Proprietary Funds**

Enterprise Fund (Utility Fund) – These funds are used to account for operations that are to be financed as a business-like activity.

Internal Service Fund (Motor Pool Fund) – These funds are used to account for operations that are financed by the users of the fund.

## FY 2012 Budget Calendar

April 17	Distribution of Budget Manual to Departments
April 25 – 29	City Manager, Directors and Department Heads identify budget mandates for incorporation into FY2012-16 Long Range Financial Forecast
May 4 – 7	Budget Office to meet with each department as necessary to complete re-estimates for FY2011 and begin process for submission of departmental FY 2012 budget requests
May 15	Deadline for submittal of departmental request for projects for inclusion in the FY 2012-16 Capital Improvement Plan (CIP)
June 6 – 10	Public Works and Budget Office to review and prioritize CIP projects and determine financial capacity for submission to Mayor and City Council
July 12	Presentation of FY 2012-16 Long Range Financial Forecast to Mayor and City Council
July 15	Deadline for submission of the FY 2012 departmental budget requests to the Budget Office including priorities, goals and performance measures
July 25 – 29	Acting City Manager and Budget Office review and meet with departments as necessary regarding FY2012 departmental budget requests
August 1 – 14	Acting City Manager, Directors and Budget Office finalize proposed budget
August 9	City Council to set the date for the public hearing of the FY 2012 Proposed Budget
August 15	Deliver FY2012 Proposed Budget and CIP to Mayor and City Council, City Secretary, and Library
August 16	Special Meeting – Budget Workshop with City Council
August 23	Budget Workshop with City Council
August 30	Special Meeting – Budget Workshop with City Council
September 6	Budget Workshop with City Council if needed
September 13	Public Hearing and 1 <sup>st</sup> and final Reading to adopt the FY2012 Budget
September 27	Public Hearing to adopt Tax Rate on 1 <sup>st</sup> and final reading
December 1	Submit Budget to GFOA – Deadline December 12

## THE HISTORY OF LEAGUE CITY

### Establishing League City

For more than a hundred years following 1854, Willis Butler and his descendants ran cattle on the vast salt grass prairies of northern Galveston County. In the early 1870s, Willis Butler's son George Washington established the Butler Ranch on the site of present-day League City. In the 1920s, his son Milby Butler began a program to save the dying breed of Texas longhorns. His work led to the development of a distinctive sub-breed of cattle—the Butler Longhorn—which are now raised across the nation. It all began right here in League City. Col. George Washington Butler born in 1845, father of Milby Butler, built his first home east of the G.H. & H railroad in League City, which operated the fastest trains on American soil. G. W. Butler had vision enough not to stand in the way of urban growth. In the early 1890s, during the heart of a cattle market slump, he encouraged a Galveston investor John Charles League to buy property and establish a town. Soon the little community had a school, post office, depot, general stores, and a saloon. Its first settlers raised cattle or became small-acreage farmers. Fair weather and good land attracted people from around the world. Italian families arrived in the 1920s and began raising vegetables to supply markets at Galveston and Houston. League City's key location along several rail routes insured its future. The cattle ranches, citrus, fruit and vegetable farms began to prosper and growth continued, making League City an attractive place to live.

### The Live Oaks of League City

Although little evidence remains of the historic Butler Ranch, the beautiful live oak trees that line the streets of League City serve as an important link to the past. The Butler family brought acorns from Louisiana in 1854 and planted them at their home sites. In 1872, George Washington Butler placed trees around his ranch headquarters, and in the early 1900s, he and his son Milby Butler helped to set out trees along the streets of League City. Today these century-old majestic trees bear testimony to the heritage and vision of the Butler family.

### League City Today

The City of League City is located near the Texas Gulf Coast, just 20 miles south east of Houston in northern Galveston County and the southernmost part of Harris County. The city is situated on the south shore of Clear Lake and directly on Interstate Highway 45 (Gulf Freeway). The city has a population of approximately 83,000 and encompasses an area of 55 square miles.

League City has experienced tremendous growth in the last 10 years and is still experiencing growth however, at a slightly slower pace over the past two years. We continue to see new subdivisions and retail opening each year. Our sales tax revenues have continually increased despite the recession that the rest of the country is experiencing.

The major sectors of the area's economic base include aerospace (NASA), petrochemicals, health care, upscale commercial, boating and visitor attractions. The area is home to the third largest concentration of pleasure boats in the United States. Although League City lies within the Houston metropolitan area, League City distinguishes itself within the region demographically. The household income levels and education profiles are well above the average for the Houston area and the Clear Creek Independent School District is the largest school district in the State of Texas to receive the Texas Education Agency "Recognized Rating."

## ADOPTED FY 2012 BUDGET ECONOMIC OUTLOOK

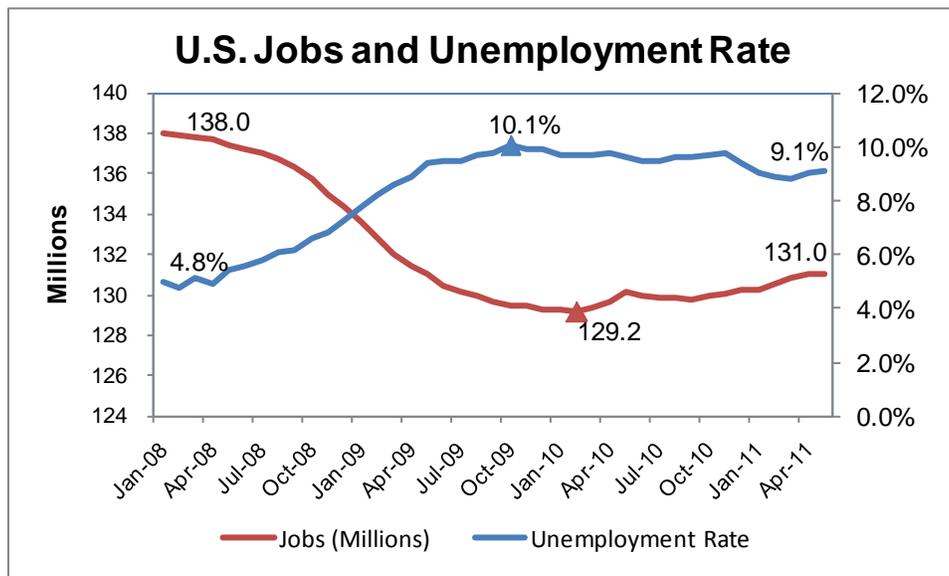
### Economic Overview

League City, like the area in which it is located, has been characterized by steady long-term growth, resilient economic performance in the face of national economic downturn, and a climate and geography considered attractive to families and businesses. In recent years, League City experienced growth significantly above its historical trend that coincided with the national housing boom and regional energy boom. Our growth during this most recent period of League City’s history has outstripped that of the metropolitan area.

League City continues to show stability, for the time being, in the face of ongoing job losses at NASA. Since the summer of 2010, the City has experienced growth in the 2% range as measured by water customers and new home construction permits. Beyond local concerns about NASA, the overriding concern is the potential for a second downturn or “double-dip” recession that could result from the ongoing debate about federal government’s deficit and debt as well as the Federal Reserve Board’s handling of monetary policy and the unusual amount of mortgage backed assets in its current portfolio. While a deal has been struck to raise the debt ceiling and reduce federal spending, the economy is fragile showing signs of stagnation and is vulnerable to a second significant downturn in the next twelve to eighteen months. If this occurs, it would have a negative effect on the League City region and the City itself.

### National Economy

The national economy declined in 2008 and 2009, largely because of massive issuance and financial packaging of sub-prime mortgage debt to individuals who could not afford it as well as the over commitment of consumer lending in general. The recession at its worst was characterized by high home mortgage foreclosure rates, falling real estate prices, constricting credit and bank financing, dramatic losses in the stock market and 401K retirement plans and pensions, and high unemployment reaching 10.3%.



Since 2008, the Federal government in an effort to stem the economic slide downward has injected over \$3 trillion in stimulus funds, bailouts, and consumer incentives to prop-up the economy. In 2010 and 2011, a recovery has been in statistical evidence, with six quarters of growth in Gross Domestic Product

since the fourth quarter of 2009. However, the recovery is very weak with little or no job growth and continued high unemployment.

In January 2008, the national unemployment rate was 4.8% and 138 million Americans were working in non-agricultural jobs (Source: U.S. Bureau of Labor Statistics and University of Houston Institute for Regional Forecasting). Unemployment peaked at 10.1% in October 2009 and the number of jobs bottomed out at 129.2 million in February 2010. Now, almost two years later, in spite of growth in GDP, only 1.8 million more Americans are working and the unemployment rate stands at 9.1%. At this rate, recovering all of the 8.8 million jobs lost will take another four to five years, not to mention the additional millions of new jobs needed to provide continued growth commensurate with the growth in the nation's population.

Most recently, federal legislation has passed with bipartisan support that raises the federal debt ceiling, reduces federal spending, requires a vote on a joint resolution to propose a balanced budget amendment to the U.S. Constitution, and provides additional mechanisms to reduce federal spending. It is not a panacea, but has protected the U.S. economy in the near term from the disastrous consequences of default by the federal government. In the meantime, the recovery remains fragile and serious questions remain about the future direction of the economy.

When will the Federal government withdraw from the economy and can the economy sustain a recovery? Will continued deficit spending lead to inflation and rising interest rates? How will the national debt ceiling and deficit debates be resolved permanently and what impact will deficit reduction have on any sustained recovery? As answers continue to emerge in the immediate future, caution and vigilance are required especially in light of recent GDP and stock market performance.

Outside of the employment picture, signs of national recovery continue to emerge, but the improvement is gradual and the results are mixed:

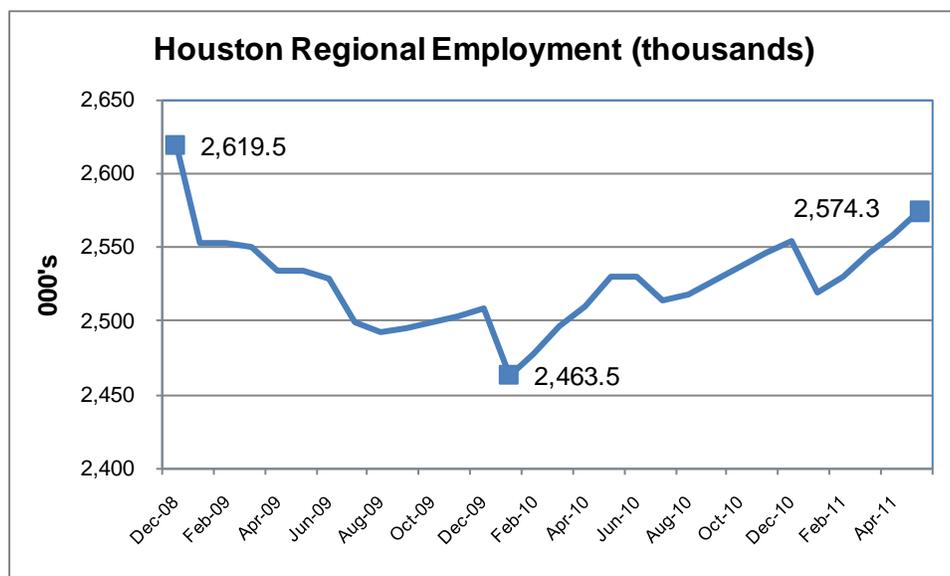
- Second quarter economic growth as measured by U.S. Gross Domestic Product grew at an estimated rate of 1.3% on an annual basis, and first quarter GDP grew at 0.4%, both slower than hoped for;
- The stock market's Dow Jones Industrial Average has recently dropped to 11,300, falling over 4% in one day on August 4, losses attributed to news of financial setbacks here, in Europe, and around the world;
- Corporate earnings continue to be healthy as the result of improvements in productivity and cost reduction;
- Oil prices have moderated somewhat, but gasoline prices remain high, affecting the cost of consumer goods across the board;
- Consumer confidence has worsened recently in the face of rising prices and continuing difficulty in finding a job;
- Interest rates remain low, but are expected to increase gradually in the next twelve months;
- Home prices have stabilized in many regional markets but foreclosure and delinquency rates remain high; and
- U.S. exports and industrial production are strong, aided in large part by the historically low value of the U.S. dollar.

In light of the sluggish rate of job growth, the size of the federal deficit, and the apparent unwillingness in Washington to come to an acceptable long-term solution, the prospects for anything better than a long (e.g. seven-ten years) recovery are poor.

## State and Regional Economy

Texas and the Houston metropolitan area have fared better in recent decades during recessions than the rest of the country. This is due to our reasonably priced housing markets and the resiliency of energy as our economic engine. Because of our economic strength, we also tend to enter recessions late. This time, we may be facing a longer recovery period like the rest of the nation, but there are encouraging signs that the region has recovered more quickly already than the nation as a whole.

Employment is the key measurement of local economic activity for businesses and individuals. This time one year ago, the Houston metropolitan area was near the bottom (January 2010 when the area had 2,463,500 jobs) of its most significant economic downturn since the mid 1980's. The metropolitan area lost almost 100,000 jobs in calendar year 2009 (see graph below), a 3.9% drop, ending the year at 8.2% unemployment. As of May 2011, the area had regained all but 45,000 jobs from its December 2008 high. Despite this impressive performance, prominent local economists believe that full recovery is heavily dependent on national factors, many of which are less than encouraging (see previous section).



The region's economic base is largely responsible for strong overall employment growth in the last eighteen months. Upstream energy has led the way with jobs in this sector having grown 6% in the first four months of 2011 as compared with the same period in 2010. Between 2004 and 2008, natural gas exploration became the most important portion of the metropolitan area's upstream energy sector as high natural gas prices drove this portion of the upstream energy employment engine. This stopped abruptly in 2009 as prices were at their lowest point since 2002 (\$2.92 in September 2009), contributing to a 4.8% drop in upstream energy employment for the calendar year. Natural gas prices have been in the \$3.60 to \$4.30 range throughout 2010 and 2011, and are now expected to rise gradually over a five year period to the \$7.00 range. So it appears that natural gas exploration is not solely responsible for the dramatic growth in upstream energy.

After a slight rebound in worldwide petroleum demand in 2010, the so-called "Arab spring" has seen unprecedented instability in oil-producing nations in the Middle East. The combined effect of these trends caused oil prices to again climb past the \$100 mark and they currently range around \$90 per barrel. Short-term volatility in oil prices no longer drives energy employers in our area to boost hiring. They have become conservative in managing employment levels and are reluctant to make sudden changes in their skilled workforce (Source: Greater Houston Partnership). So if neither natural gas nor oil prices are driving the recent surge in energy employment, what is the cause of this sudden resurgence?

Some local economists attribute it to our emphasis on international trading partners in South America and Asia where certain countries are showing remarkable economic growth (Source: Greater Houston Partnership). Supporting this theory are recent foreign trade numbers from the Houston-Galveston Customs District showing a 27% increase in foreign trade in the first quarter of 2011 over the same period in 2010. The District saw \$60.7 billion in foreign trade, including imports and exports, compared with \$47.8 billion last year.

Overall business conditions have been very good in the 2010 recovery by the metropolitan economy. A significant indicator of local business expectations, the Houston Purchasing Managers Index, has improved steadily since March 2009. The Index, a “short-term leading indicator of regional Production...is based on a survey of some 80 purchasing executives in key Houston industries - oil and gas exploration and production, manufacturing, engineering and construction, chemicals, distribution, health care, and business and financial services. It measures over-the-month changes in sales (new orders), production, employment, purchases of new equipment, prices paid for major purchases, lead times from sellers, purchased materials inventory and finished goods inventory” (Source: Greater Houston Partnership). Index “readings below 50 signal likely contraction within the next three or four months.”



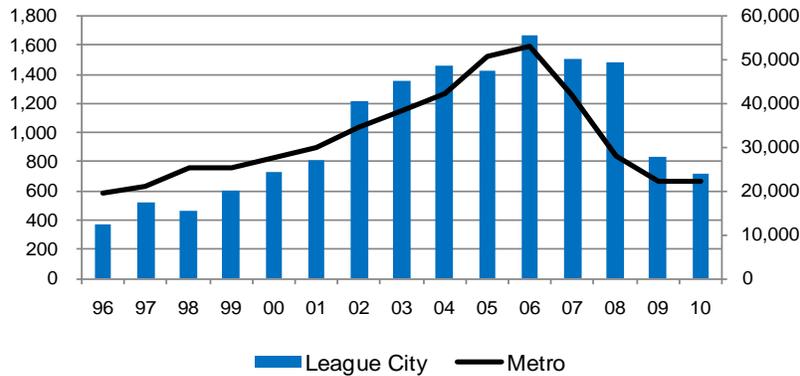
This interesting measure served as a leading indicator in 2009 of the area’s strong employment recovery in 2010. After reaching a low point measuring 39.0 in March 2009, the Index showed improvement throughout the rest of the year. Not until early 2010 did employment numbers begin to respond to the positive business environment measured by the Index. The May 2011 Index measure stood at 61.4, its highest level since October 2007. While this trend bodes well for continued strong employment performance in the coming months, the Index bears watching for signs of a downturn or leveling out of growth.

Local real estate markets in the metropolitan area slowed considerably in 2009 and 2010. However, home prices never became overstated, so values have remained constant instead of dropping precipitously. As of December 2010, the local inventory of for-sale homes stood at 7.2 months of sales as compared with 9.5 nationally. Foreclosures remain low in the 10-13,000 range and median prices have held. In 2010, the commercial market improved due to increased sales volume and reduced vacancy rates (Source: Harris County Appraisal District). After dropping in 2009, rental rates stabilized and developers moderated the amount of new construction.

### The League City Economy

League City’s population grew from 45,400 in 2000 to 83,560 in 2010, according to the U.S Census. This rapid growth is illustrated by the rapid growth in single family housing units in the middle of the previous decade (see graph on previous page). As a result of this rapid residential growth, local retail stores had major additions in the Interstate 45/SH 646 corridor. Major stores opened between late 2007 and early 2009, including Lowe’s, Best Buy, Home Depot, Target, JC Penney, HEB, and Kohl’s. This, and a number of smaller retail stores, added jobs to our workforce and attracted commerce to the City from travelers on Interstate 45.

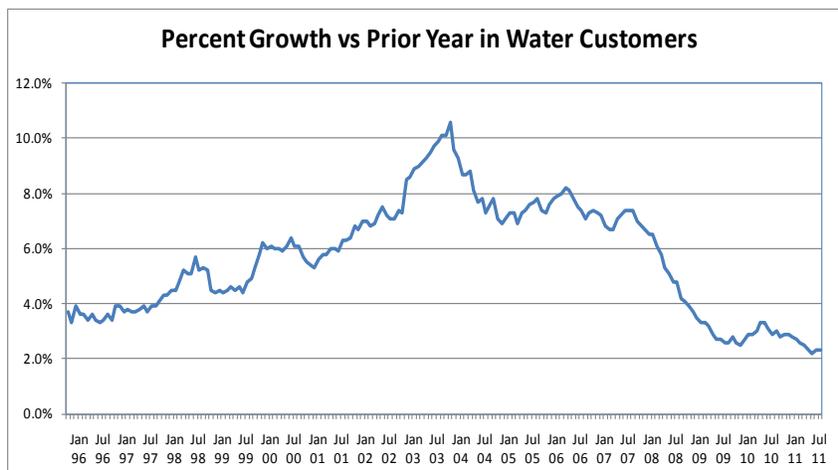
**Single Family Housing Permits  
League City vs Metro Area**



Since 2009, the University of Texas Medical Branch (UTMB) has doubled the number of its facilities in the City with ten separate sites total. After Hurricane Ike, UTMB acquired 64 acres in Victory Lakes, just north of Interstate 45 and FM646, and at the beginning of 2010, UTMB completed the first phase of development by opening an 110,000 square feet, “state-of-the-art,” Specialty Care Center. As UTMB continues to expand on this site the City’s workforce will grow as well. (Source: The University of Texas Medical Branch). These retail and health care developments undoubtedly kept our employment figures from showing the same downward effect as seen in the metropolitan area as a whole. They also helped diversify our tax base by increasing commercial and personal property taxes as well as sales taxes.

The growth in water customers seen below paralleled League City’s growth in housing units and population over the last two years. The percent change in this important monthly leading indicator has dropped below 3% for the first time in the fifteen years for which records are available.

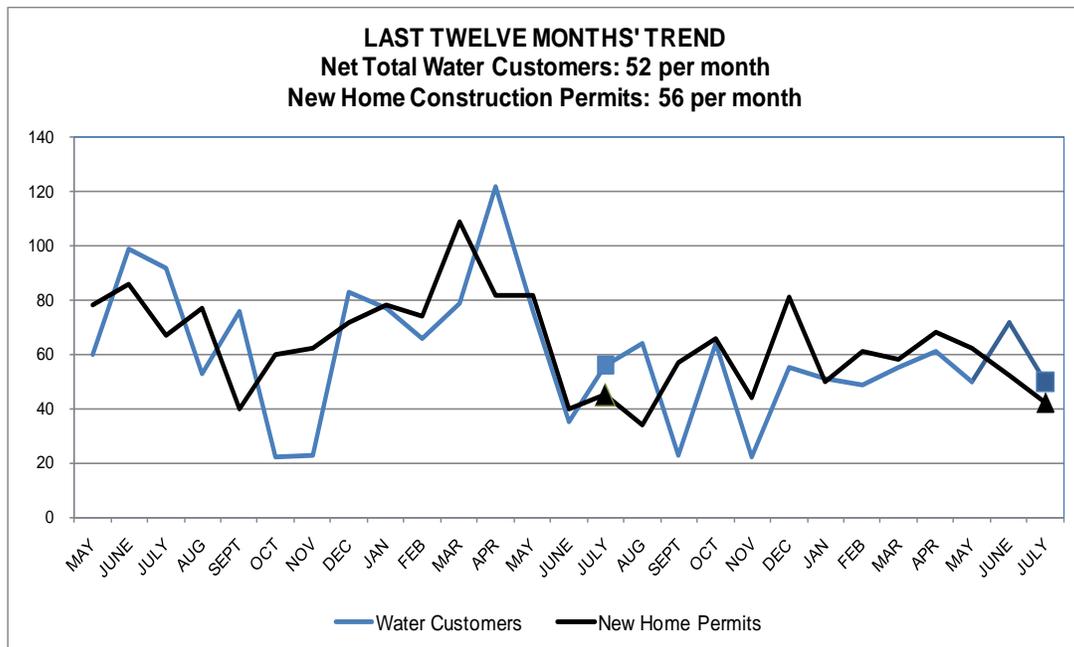
**Percent Growth vs Prior Year in Water Customers**



The recession and slowed growth in the metropolitan area explain this to some extent. But a more local explanation has to be considered: job losses at NASA’s Johnson Space Center occurring as a result of the end of the shuttle and Constellation programs. While JSC is not in League City itself, many League City residents work for NASA and its numerous contractors. Likewise, League City businesses serve the wider bay area, which includes the majority of the NASA community. The question is: how much impact will League City feel directly from these cuts and how long will this impact last?

The number of potential job losses varies from 4,000 to 6,000, including layoffs and positions left open after retirement or resignation. Statistics gathered locally indicate that one-sixth of NASA’s workforce lives in League City. This could mean as many as 650 to 1,000 residents are in the process of losing their jobs. Knowledgeable observers doubt that more than half of these residents would relocate, and that process would take some time. Since the job losses started in 2010, and have continued into 2011, it is likely that League City is already experiencing loss of population to the NASA cuts. With 2-3,000 cuts remaining beginning in the summer of 2011 when the last shuttle flight ends, the losses could easily continue for some time.

The next graph demonstrates what has happened to two important leading indicators since mid-2010. Since the homebuyers tax credit program ended in June 2010, League City has seen an average growth of 52 more total water customers per month, net of losses and disconnections. During this same period, the City has issued permits for an average of 56 new homes to be constructed per month. Again, this 2.2% growth rate for water customers is the lowest in fifteen years, and can easily be construed to be evidence of at least partial impact from the NASA job cuts.



During the last year, the League City housing market has experienced setbacks apparently due to the NASA cuts. A Houston Chronicle article dated August 1, 2011, (“Shuttle era’s end clouds Clear Lake home market”) cites statistics from the Houston Association of Realtors’ Multiple Listing Service for the Llear Lake, Friendswood, League City and Webster areas. League City is the only one of the four areas with an increase in the numbers of homes sold in June this year as compared with June of last year; however, League City’s average number of days a home remains on the market is also the highest of the four areas at 141 days.

**LEAGUE CITY AREA HOUSING MARKET JUNE 2010 VS JUNE 2011**

Area	Sales			Average Price (\$000's)			Median Price (\$000's)			Average Days on the Market		
	2010	2011	Chg	2010	2011	Chg	2010	2011	Chg	2010	2011	Chg
Clear Lake	42	29	-31%	\$258	\$214	-17%	\$193	\$177	-8%	\$64	\$51	-20%
Friendswood	66	57	-14%	\$223	\$225	1%	\$166	\$226	36%	\$69	\$96	39%
League City	114	130	14%	\$241	\$228	-5%	\$219	\$186	-15%	\$74	\$141	91%
Webster	11	8	-27%	\$146	\$133	-9%	\$135	\$125	-7%	\$63	\$44	-30%

Source: Houston Association of Realtors' Multiple Listing Service, Houston Chronicle article dated August 1, 2011, "Shuttle era's end clouds Clear Lake home market"

The continued slow but steady growth in the water customer base and new homes built has occurred during the time the League City housing market has seen a clear downward impact from the NASA budget reductions. We will continue to watch the new homes and customer counts every month through next year for further effects on League City's growth rate.

**General Economic Outlook for FY 2012**

The economic outlook for FY 2012 is for a flat League City economy, with 2% growth in housing units, population and water customers. Largely because of higher gasoline prices, inflation is expected to remain in the 3% range through 2012. Finally, interest rates are expected to begin to climb in 2012 by a modest amount. These assumptions are based on year one of the Long Range Financial Forecast.

**BASELINE ECONOMIC ASSUMPTIONS**

Area/Indicator	FY 2011 Est.	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast
<b>Metropolitan Area</b>						
Employment Annual Growth Rate	1.2%	1.5%	1.5%	2.0%	2.0%	2.0%
Energy Employment Growth Rate	2.8%	2.7%	0.5%	1.0%	2.0%	2.0%
Inflation Rate	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%
Fuel Prices	50.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Health Care Inflation	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
90 Day T-Bill Rate	0.3%	1.1%	2.5%	3.5%	4.5%	4.5%
<b>League City</b>						
Population Growth Rate	2.0%	2.0%	2.5%	3.0%	3.0%	3.0%
City Water Customers Growth Rate	2.0%	2.0%	2.5%	3.0%	3.0%	3.0%
New Homes (Prior CY)	762	792	631	586	747	871
New Construction (\$Mil - Prior CY))	\$159	\$176	\$125	\$117	\$150	\$177
Tax Supported Bonds Total Interest Cost	4.20%	4.50%	4.75%	5.00%	5.25%	5.50%

The 2.0% growth rate assumptions if realized would result in an average growth rate in FY 2012 of 46 water customers per month, somewhat less than the current twelve month average of 52 per month.

**ADOPTED FY 2012 BUDGET  
REVENUE OVERVIEW**

**Total Revenues**

The FY 2012 Adopted Budget includes \$88.7 million in anticipated revenue from outside sources, which is 1.1% less than is estimated to be received in FY 2011. Interfund transfers are not included in this total or in the table below because that would overstate the City's external revenue. Interfund transfers, are, however, considered part of the total Adopted Budget that includes all funds budgeted in support of operations for FY 2012. (See discussion of interfund transfers at the end of this "Revenue Overview.")

**CITYWIDE OPERATING BUDGET REVENUES  
(\$Thousands)**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>	<b>FY12 VS FY11 EST</b>	<b>PCT OF TOTAL</b>
Property Taxes	33,192	33,181	33,111	33,971	2.5%	38.3%
Water & Wastewater Sales	10,238	10,577	10,989	10,971	-0.2%	12.4%
Sales Taxes	25,677	25,965	29,071	27,038	-7.5%	30.5%
Franchise & Other Taxes	5,356	5,248	5,196	5,308	2.1%	6.0%
Charges for Services	2,078	2,062	1,721	1,721	0.0%	1.9%
Fines and Forfeits	675	509	259	213	-21.6%	0.2%
License and Permits	4,373	4,410	4,391	4,644	5.4%	5.2%
Miscellaneous	3,349	3,180	3,512	3,610	2.7%	4.1%
Grant Proceeds	139	129	127	127	0.0%	0.1%
Investment Earnings	1,515	1,254	1,294	1,144	-13.1%	1.3%
<b>TOTAL REVENUE</b>	<b>86,592</b>	<b>86,515</b>	<b>89,671</b>	<b>88,747</b>	<b>-1.0%</b>	<b>100.0%</b>

The City's three largest revenue sources, property taxes, water and wastewater revenue, and sales taxes, provide \$72 million or eighty-one percent of total revenue.

**Property Taxes**

The FY 2012 Budget for property taxes is based on the 2011 certified tax roll from the Galveston County Appraisal District and an estimate of the 2011 certified tax roll from the Harris County Appraisal District. The estimate of taxable value is \$5.470 billion, an increase of \$127 million or 2.4% from the FY 2011 Adopted Budget tax roll of \$5.343 billion. Included in the tax roll is an estimated \$133 million in new construction without which the total roll would have gone down by \$6 million in taxable value. Total revenue is estimated to increase \$790,000 over last year's Budgeted revenue, while \$829,000 in revenue is expected from the value placed on additional newly constructed properties. The Adopted Budget is based on a property tax rate of \$0.616 per \$100 of taxable value. After the budget was adopted Council passed an effective tax rate of \$0.610 per \$100 of taxable value. The lower rate is estimated to be approximately a \$330,000 reduction in revenues. The actual revenues collected will be monitored over the course of the next fiscal year.

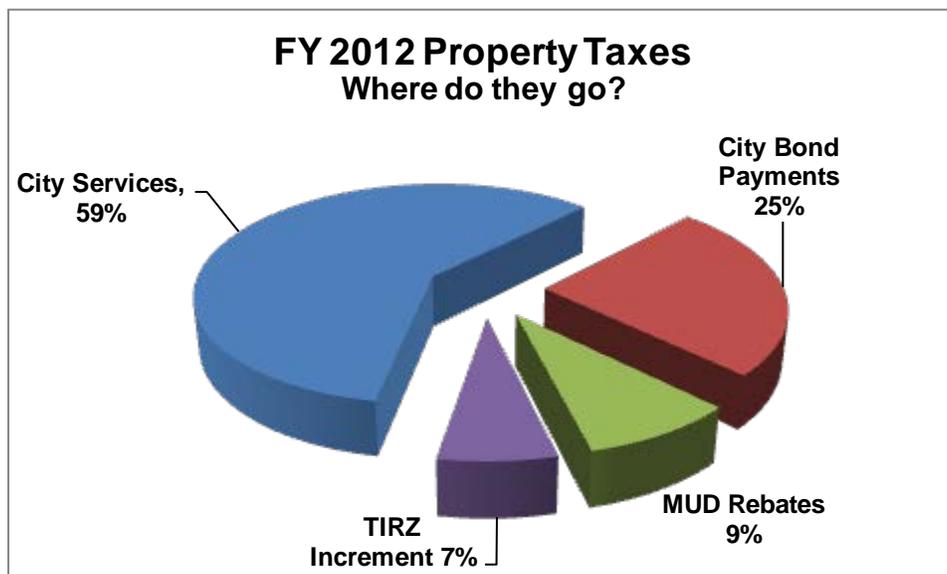
As you can see on the next page, (1) total property tax revenue is split between the General and Debt Service Funds and (2) each fund must then share a portion of its property tax revenue with the City's Tax Increment Reinvestment Zones. The chart also shows that the FY 2012 Adopted Budget includes \$33,971,600 in total tax collections, with \$21,602,000 going to the General Fund and \$12,370,000 going to the Debt Service Fund. Likewise, an estimated \$2,256,400 is estimated as the FY 2012 tax increment

payment to the city's remaining three TIRZ's (Saddle Creek, Centerpointe and West Oaks), with \$1,432,200 paid by the General Fund and \$824,200 paid by the Debt Service Fund.

**PROPERTY TAX BUDGET SUMMARY**

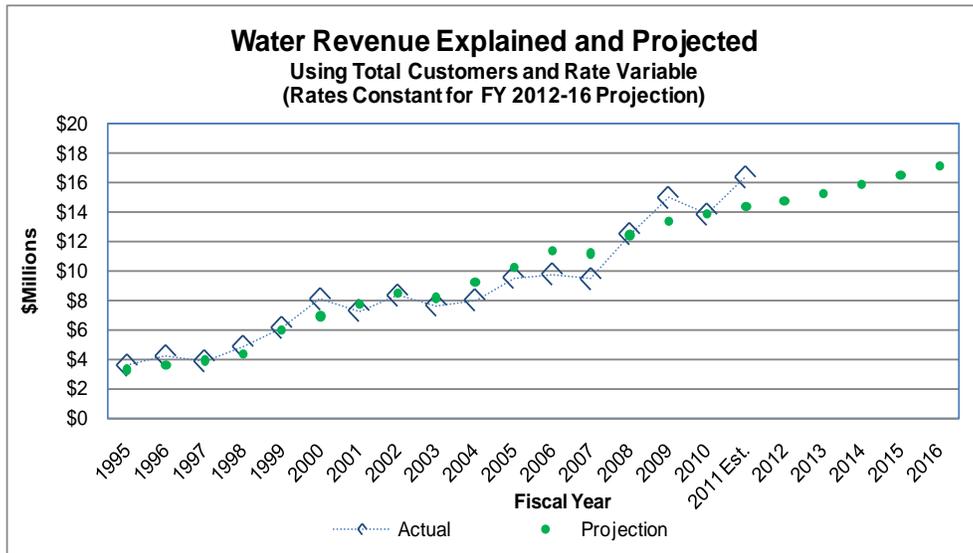
Description	FY 2011 Adopted			FY 2012 Proposed		
	General Fund (M&O)	Debt Service (I&S)	Total	General Fund (M&O)	Debt Service (I&S)	Total
Est. Total Taxable Value (\$millions)	\$5,343.0	\$5,343.0	\$5,343.0	\$5,466.1	\$5,466.1	\$5,466.1
Less: Est. TIRZ Incremental TV (\$millions)	\$348.1	\$348.1	\$348.1	\$376.0	\$376.0	\$376.0
Est. Net City Taxable Value (\$millions)	\$4,994.9	\$4,994.9	\$4,994.9	\$5,090.1	\$5,090.1	\$5,090.1
Tax Rate per \$100 of Taxable Value	\$0.394874	\$0.221126	\$0.616000	\$0.377000	\$0.225000	\$0.602000
Est. Total Tax Levy (\$000's)	\$21,059.7	\$11,793.2	\$32,852.9	\$20,607.1	\$12,238.7	\$32,845.8
Less Est. TIRZ Incremental Levy (\$000's)	\$1,374.6	\$769.7	\$2,144.3	\$1,417.5	\$846.0	\$2,263.5
Est. Net City Tax Levy (\$000's)	\$19,685.1	\$11,023.5	\$30,708.6	\$19,189.6	\$11,392.7	\$30,582.3
Est. Collection Rate (Total)	101.0%	101.0%	101.0%	101.0%	101.0%	101.0%
Est. TIRZ Tax Collection Rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Est. City Net Tax Collection Rate	101.1%	101.1%	101.1%	101.1%	101.1%	101.1%
<b>Est. Total Tax Collections (\$000's)</b>	<b>\$21,270.3</b>	<b>\$11,911.1</b>	<b>\$33,181.4</b>	<b>\$20,813.2</b>	<b>\$12,361.1</b>	<b>\$33,174.3</b>
<b>Less Est. TIRZ Incremental Taxes (\$000's)</b>	<b>\$1,374.6</b>	<b>\$769.7</b>	<b>\$2,144.3</b>	<b>\$1,417.5</b>	<b>\$846.0</b>	<b>\$2,263.5</b>
Est. Net City Tax Collections (\$000's)	\$19,895.7	\$11,141.4	\$31,037.1	\$19,395.7	\$11,515.1	\$30,910.8

It is important to understand how and why property taxes are budgeted the way they are. The General Fund gets 59% of total property tax revenue for City services (public safety, public works, parks and library). The General Debt Service Fund gets 25% of property tax revenue for payments of principal and interest on City issued bonds. The City passes through 7% of its property tax revenue to the City's three Tax Increment Revitalization Zones ("TIRZ's"), and the remaining 9% of property tax revenue is rebated to seven Municipal Utility Districts ("MUD's") for debt service issued by the MUD's used originally to build City streets, water lines and sewers in those MUD's.



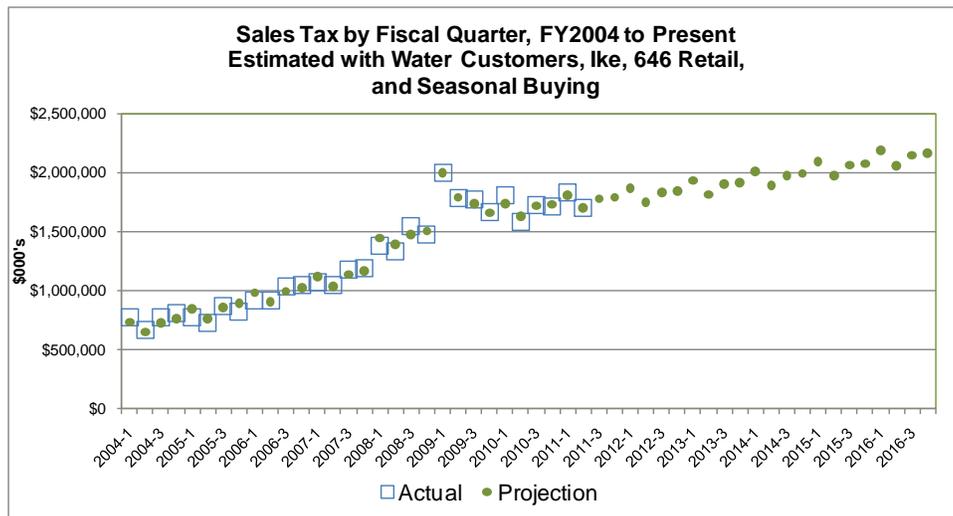
**Water and Wastewater Revenue**

The FY 2012 Adopted Budget includes \$27 million in water and wastewater fees and charges for service. This is approximately \$2 million less than the \$29.1 million that is estimated to be collected in FY 2011, an amount heavily influenced by this year’s drought conditions. The FY 2012 Adopted Budget reflects revenue that would be more typical of an average or normal year as far as rainfall is concerned. The projection is derived using the water revenue model that projects revenue using the total number of water customers and a factor that represents water rates. The Adopted Budget assumes (1) 2% growth in total water customers and (2) the current water and wastewater rate structure is kept in place.



**Sales Taxes**

The Adopted Budget includes a sales tax estimate of \$10.97 million for FY 2012 that is \$18,000 or 0.2% less than the FY 2011 estimated revenue amount. FY 2011 receipts included \$250,000 from a single audit conducted by the State Comptroller, which amount is not expected to be received again. Therefore, the FY 2012 sales tax estimate is actually \$232,000 or 2.2% higher than the true base revenue estimate of sales tax for FY 2011.



Sales taxes can be extremely volatile even in stable economic times, making it especially difficult to project revenue from this large important revenue source. In recent fiscal years, receipts from Hurricane Ike repairs and the emergence of the major retail center at IH45 and SH646 provided new revenues that have to be considered in any trend analysis of sales tax receipts. The FY 2012 revenue estimate has been developed using the sales tax revenue model which uses total League City water customers, estimated this fiscal year at 2%, to project tax revenue. The model also adjusts for Ike and SH646 retail sales benefits in prior periods, while using a seasonal adjustment to arrive at anticipated Christmas sales and the related drop off in sales that follow Christmas.

### **Franchise & Other Taxes**

This revenue category, which is reflecting 2.2% growth overall, includes several General Fund franchise and mixed drink taxes, as well as hotel occupancy taxes. The FY 2012 Adopted Budget anticipates only a slight increase in electricity franchise revenue (\$19,000 or 0.6%) over FY 2011 because of strong revenue performance as a result of the extreme heat. Also, after a mild winter that caused natural gas franchise revenue to slump in FY 2011, more normal winter weather is expected to result in \$275,000 in natural gas franchise revenue, a \$47,000 increase over FY 2011. Cable television franchise tax General Fund revenue is expected to grow \$31,000 as the result of 2% growth in cable customers. Telephone franchise revenue and hotel tax income are both expected to remain at the FY 2011 revenue level in FY 2012.

### **Charges for Service**

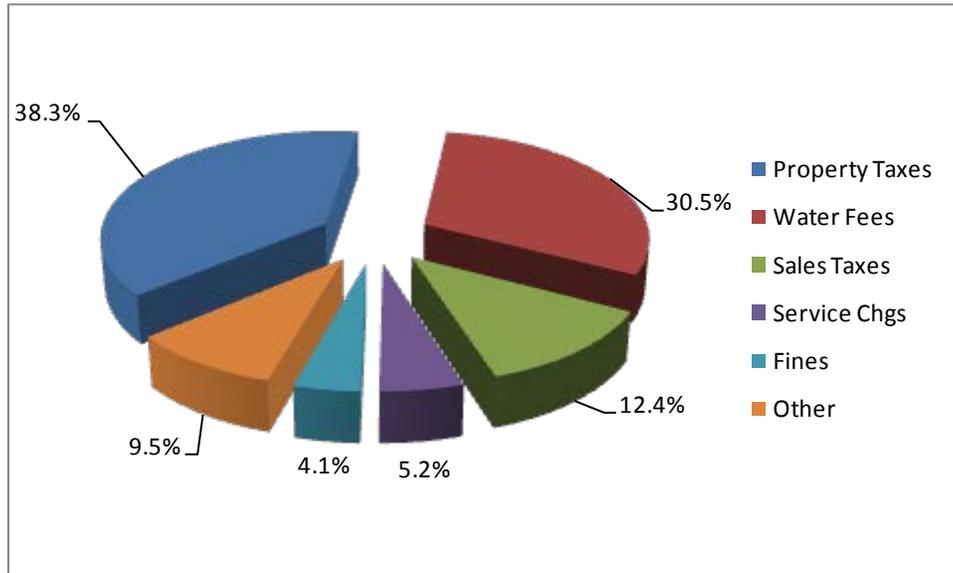
While this category includes all user fees that offset the cost of providing service, two such types of fees account for of the total from charges for service. The City's user fees charged for solid waste pickup and disposal are projected to grow by 2% or \$58,000 to a total of almost \$3 million. Ambulance fees (\$875,000 total) are projected to grow by \$50,000 in FY 2012. Recreation program fees will be recommended to be increased by approximately \$100,000 in FY 2012 through the passage of a new fee schedule (see Appendix for more information on the potential proposed fees). This recommendation will be presented separately to City Council for approval in ordinance form. Also, the opening of the Eastern Regional Park is expected to generate \$45,000 in recreation program revenues with the opening of the park in calendar 2012.

### **Other Revenues**

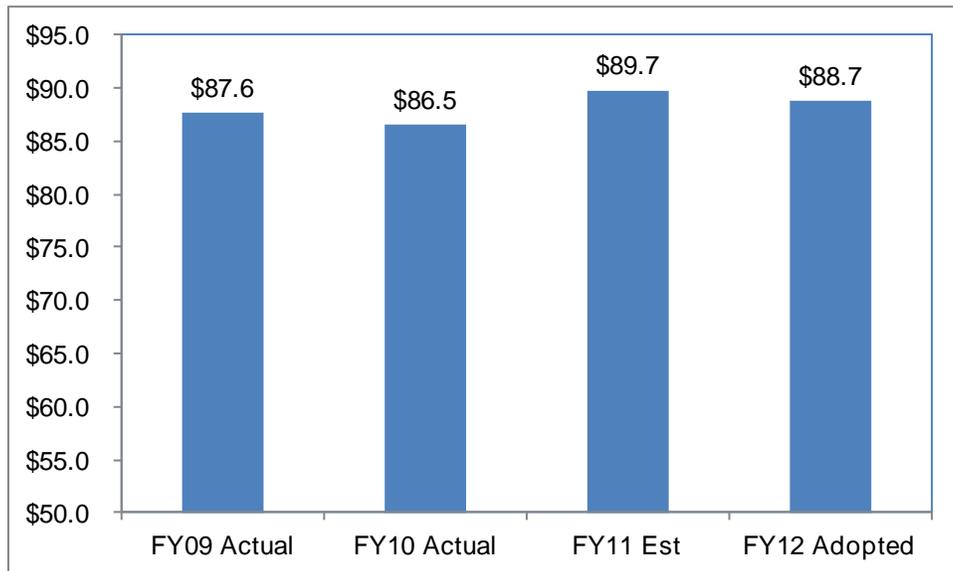
Fines and forfeits includes municipal court revenue, including general moving violations revenue that are deposited in the General Fund and Safelight Program revenues that are segregated in a special fund to demonstrate compliance with State law. Fines and Forfeits are expected to grow approximately \$98,000 in FY 2012, primarily as the result of implementing an outside collection contract in FY 2011 for traffic violations. Safelight Program revenue, which accounts for \$1.49 million of the \$3.6 million in this category, is expected to remain at FY 2011 levels.

License and permits collections are expected to stay at the same level as in FY 2011, largely as the result of building permit revenue remaining stagnant as caused by the flat economy. Miscellaneous revenues will be \$149,000 less than in FY 2011 because of lower administrative fees charged by the General Fund to public improvement districts (\$46,600) and generally less revenue in other miscellaneous categories. Grant revenue is expected to be \$212,000 more than in FY 2012 as the net result of greater Community Development Block Grant revenue (\$292,000), \$43,000 in additional anticipated recoveries from drug seizures and \$124,000 less in grants that fund General Fund-type operations. Investment earnings are expected to stay at FY 2011 levels in all funds.

**CITYWIDE REVENUE SOURCES FY 2012  
PERCENT OF TOTAL BY CATEGORY**



**CITYWIDE REVENUE TOTALS (\$MILLIONS)  
FY 2009-2012**



**ADOPTED FY 2012 BUDGET  
EXPENDITURE OVERVIEW**

**Expenditure Summary**

The FY 2012 Adopted Budget includes \$89.4 million in expenses, which is \$4.03 million or 4.3% less than the FY 2011 Budget and \$2.04 million or 2.2% less than the FY 2011 estimate of expenditures (see table below). Interfund transfers, representing expenditures in two funds, are a part of the Adopted Budget but are not shown in this presentation to avoid double counting of expenditures.

**CITYWIDE EXPENDITURES BY CATEGORY (\$000's)**

EXPENDITURE CATEGORY	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED	FY12 VS FY11 EST	FY12 VS FY11 BUD	PCT OF TOTAL
Personnel Services	\$33,572	\$36,379	\$35,418	\$36,444	2.8%	0.2%	40.7%
Debt Service	\$17,542	\$18,970	\$20,206	\$20,580	1.8%	7.8%	23.0%
Services and Charges	\$15,568	\$17,603	\$16,946	\$16,545	-2.4%	-6.4%	18.5%
Supplies	\$3,959	\$4,287	\$3,762	\$4,112	8.5%	-4.3%	4.6%
Payments to MUD's	\$3,580	\$3,290	\$3,046	\$3,002	-1.5%	-9.6%	3.4%
Repairs and Maintenance	\$2,706	\$2,631	\$2,376	\$2,504	5.1%	-5.1%	2.8%
Payments to TIRZ's	\$3,025	\$2,144	\$2,154	\$2,256	4.5%	5.0%	2.5%
Capital Outlay	\$2,887	\$3,303	\$2,716	\$1,936	-40.3%	-70.6%	2.2%
CIP Cash Projects	\$1,500	\$4,443	\$4,443	\$1,424	-212.0%	-212.0%	1.6%
Special Programs and Events	\$530	\$423	\$419	\$641	34.6%	34.0%	0.7%
<b>TOTAL</b>	<b>\$84,869</b>	<b>\$93,473</b>	<b>\$91,486</b>	<b>\$89,444</b>	<b>-2.3%</b>	<b>-4.5%</b>	<b>100.0%</b>

**Personnel Services**

The single largest category of expense for the city is Personnel Services, comprising 41% of the total cost of the FY 2012 Adopted Budget. The FY 2012 Adopted budget includes \$36.4 million for personnel services, which is approximately \$1 million more than the FY 2011 estimate. This can be accounted for as follows:

Reason	Amount
Compensation Reserve	\$400,000
Classified Personnel Steps	\$170,000
Annualized cost of filling positions	\$1,655,000
Separation Pay in FY 2011	(360,000)
One-time mert pay in FY 2011	(\$500,000)
Five percent reduction in health insurance	(\$215,000)
Workers compensation increase	150,000
Reduction in Overtime	(300,000)
<b>Total</b>	<b>\$1,000,000</b>

Staffing is being held level in FY 2012 at 532 budgeted positions, 2.5 positions more than the FY 2011 Budget (see table on next two pages.)

**FY 2012 ADOPTED BUDGET  
POSITION TOTALS BY DEPARTMENT**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>PUBLIC SAFETY DIRECTORATE</b>				
<b>General Fund</b>				
Police	148.00	148.00	148.00	148.00
Animal Control	9.00	9.00	9.00	9.00
Code Enforcement	4.50	4.50	4.50	5.00
Fire Department	1.00	2.00	2.00	2.00
Emergency Medical Services	24.50	24.50	24.50	24.50
Fire Marshal	5.00	5.00	5.00	5.00
Emergency Management	4.00	4.00	4.00	4.00
<b>Subtotal General Fund</b>	<b>196.00</b>	<b>197.00</b>	<b>197.00</b>	<b>197.50</b>
<b>Safelight Program Fund</b>				
Safelight Program Fund	1.00	1.00	1.00	1.00
<b>Subtotal Safelight Program Fund</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>197.00</b>	<b>198.00</b>	<b>198.00</b>	<b>198.50</b>
<b>PUBLIC WORKS DIRECTORATE</b>				
<b>General Fund</b>				
Public Works Administration	1.00	1.00	6.00	7.00
Engineering	14.00	16.00	11.00	7.00
Streets & Stormwater	44.00	44.00	44.00	44.00
Building	13.00	13.00	13.00	13.00
Facilities Maintenance	10.00	12.00	12.00	12.00
Traffic and Transportation	0.00	0.00	2.00	3.00
Butler Longhorn Museum	3.00	0.00	0.00	0.00
<b>Subtotal General Fund</b>	<b>85.00</b>	<b>86.00</b>	<b>88.00</b>	<b>86.00</b>
<b>Utility Fund</b>				
Public Works Administration	1.00	1.00	1.00	1.00
Water Production	19.00	20.00	20.00	20.00
Wastewater Production	19.00	22.00	22.00	22.00
Line Repair	35.00	35.00	35.00	35.00
<b>Subtotal Utility Fund</b>	<b>74.00</b>	<b>78.00</b>	<b>78.00</b>	<b>78.00</b>
<b>Internal Service Fund</b>				
Vehicle Maintenance	10.00	10.00	10.00	10.00
<b>Subtotal Internal Service Fund</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
<b>TOTAL PUBLIC WORKS</b>	<b>169.00</b>	<b>174.00</b>	<b>176.00</b>	<b>174.00</b>
<b>PARKS AND CULTURAL SERVICES DIRECTORATE</b>				
<b>General Fund</b>				
Helen Hall Library	33.00	33.00	33.00	33.00
Park Operations	14.00	14.00	14.00	14.00
Parks Recreation	14.00	14.00	14.00	14.00
SportsPlex Operations	6.00	6.00	6.00	6.00
SportsPlex Recreation	1.50	1.50	1.50	1.50
Parks Planning & Tourism	3.00	3.00	2.00	2.00
<b>TOTAL PARKS &amp; CULTURAL SVCS</b>	<b>71.50</b>	<b>71.50</b>	<b>70.50</b>	<b>70.50</b>

**FY 2012 ADOPTED BUDGET  
POSITION TOTALS BY DEPARTMENT**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>MANAGEMENT SERVICES DIRECTORATE</b>				
<b>General Fund</b>				
Budget Office	3.50	3.50	3.50	3.50
Accounting	9.50	9.50	9.75	9.00
Municipal Court	8.00	8.00	9.00	9.00
Purchasing	3.00	3.00	3.00	3.00
Information Technology	7.00	7.00	7.00	11.00
<b>Subtotal General Fund</b>	<b>31.00</b>	<b>31.00</b>	<b>32.25</b>	<b>35.50</b>
<b>Utility Fund</b>				
Utility Billing	14.00	14.00	14.75	13.50
<b>Subtotal Utility Fund</b>	<b>14.00</b>	<b>14.00</b>	<b>14.75</b>	<b>13.50</b>
<b>Municipal Court Building Security Fund</b>				
Court Building Security Fund	1.00	1.00	1.00	1.00
<b>Subtotal Court Bldg Security FD</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>TOTAL MANAGEMENT SERVICES</b>	<b>46.00</b>	<b>46.00</b>	<b>48.00</b>	<b>50.00</b>
<b>ADMINISTRATION DIRECTORATE</b>				
<b>General Fund</b>				
City Manager	5.00	5.00	6.00	6.00
City Secretary	4.00	4.00	4.00	4.00
Mayor and Council	8.00	8.00	8.00	8.00
Planning	13.00	13.00	13.00	11.00
Economic Development	3.00	2.00	2.00	2.00
Human Resources	8.00	8.00	8.00	8.00
<b>TOTAL ADMINISTRATION</b>	<b>41.00</b>	<b>40.00</b>	<b>41.00</b>	<b>39.00</b>
<b>TOTAL ALL FUNDS</b>	<b>524.50</b>	<b>529.50</b>	<b>533.50</b>	<b>532.00</b>
<b>FUND TOTALS</b>				
General Fund	424.50	425.50	428.75	428.50
Utility Fund	88.00	92.00	92.75	91.50
Internal Service Fund	10.00	10.00	10.00	10.00
Municipal Court Bldg Security Fd	1.00	1.00	1.00	1.00
Safelight Program Fund	1.00	1.00	1.00	1.00
<b>TOTAL ALL FUNDS</b>	<b>524.50</b>	<b>529.50</b>	<b>533.50</b>	<b>532.00</b>

**NOTE: This table includes each full-time position as 1.00 position, Part-time positions are included as 0.25 or 0.50 position.**

**Debt Service**

Adopted payments for Debt Service total \$20.58 million, including tax supported and revenue supported debt. Also, \$11.9 million of the total payment in FY 2012 will retire principal. Planned debt service is slightly higher than in FY 2011 as the result of annualizing debt service for the 2011 revenue bond sale and the planned sale of \$53 million in revenue bonds in FY 2012.

**Services and Charges**

The net decrease in this category over the FY 2011 Estimated amount is \$400,000. This savings is mainly attributed to the reduction in electricity costs as a result of the new contract that takes effect November provide the balance of the change (-\$425,000).

**Supplies**

The Adopted Budget for Supplies is \$350,000 higher than was spent in FY 2011, but still approximately \$175,000 lower than in the FY 2011 Budget. The primary differences in this category are in fuel and gasoline (+\$85,000) citywide and in various special fund accounts (+\$150,000) where funds are to be spent for restricted purposes. The balance of the increase in this category (\$115,000) can be traced largely to one-time tools and equipment items planned to be purchased by water and wastewater personnel for operation of the system.

**Capital Outlay**

This category includes the purchase of vehicles and equipment through the Motor Pool Fund, totaling \$384,000 in FY 2012. The Adopted Budget also includes \$345,000 from Safelight Program monies for public safety vehicles and equipment as well as \$945,000 for Technology Fund purchase and installation of software and WiFi equipment. The balance is accounted for by \$80,000 of cable television municipal channel special funds for equipment and building improvements related to the municipal channel.

**Payments to Municipal Utility Districts (MUD's) and Tax Increment Reinvestment Zones (TIRZ's)**

These payments, budgeted as expenditures, represent property taxes that are "passed through" the City's expenditure budget. Payments to MUD's represent a share of the total real estate taxes collected by the City in each district (taxes on personal property are not included in this calculation) less 3% retained by the City to cover administrative costs. MUD payments are declining slightly because property tax rolls are down slightly while TIRZ payments are up due to Saddle Creek TIRZ's aggregate taxable value having increased slightly.

**CIP Cash Projects**

Spending in this category was up in FY 2011 because of the General Fund's infusion of \$2.1 million into major maintenance and renewal of existing facilities. In FY 2012, only \$424,000 is needed in addition to last year's funding to address similar needs. Also, the Utility Fund contributed \$1,321,000 in FY 2011 to fund the balance of a design agreement overlooked in the CIP. This is not being repeated in FY 2012.

**Special Programs and Events**

Spending in this category is to fund outreach through the Police Activity Special Fund (\$39,700) and to cover the increased cost (\$19,000) tied to population of the City's participation in Harris County's NPDES program.



# LEAGUE CITY

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T E X A S  
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**ADOPTED FY 2012 BUDGET  
GENERAL FUND SUMMARY**

**OVERVIEW**

The General Fund provides financing for all of the City's basic services except water and wastewater, which are accounted for through the Utility Fund. General Fund services include all public safety (police, fire, EMS). Street, drainage and parks maintenance are also provided through the General Fund as are recreation and library programs. The City's main governmental buildings are maintained and operated through the General Fund, and all of the City's main governmental functions, including Mayor and City Council, the City Manager's office, finance, purchasing and information technology, are operated through the General Fund.

General Fund revenues come primarily from broad based taxes, including property, sales and franchise taxes. The General Fund's largest expenditure category is compensation – salaries and benefits – paid to the staff that provides the basic services described above.

**FY 2012 ADOPTED BUDGET  
GENERAL FUND**

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>BEGINNING FUND BALANCE</b>	<b>20,554,414</b>	<b>21,281,642</b>	<b>21,281,642</b>	<b>19,935,726</b>
REVENUES	47,668,768	48,341,400	48,550,200	49,037,500
EXPENDITURES	46,441,540	48,884,686	47,774,091	48,313,614
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>1,227,228</b>	<b>(543,286)</b>	<b>776,109</b>	<b>723,886</b>
LESS: APPROPRIATION OF FUND BALANCE	500,000	2,122,025	2,122,025	1,518,500
<b>ENDING FUND BALANCE</b>	<b>21,281,642</b>	<b>18,616,331</b>	<b>19,935,726</b>	<b>19,141,112</b>
<b>DAYS OF WORKING CAPITAL</b>	<b>167.3</b>	<b>139.0</b>	<b>152.3</b>	<b>144.6</b>

**FINANCIAL OUTLOOK**

The FY 2012 Adopted Budget for the General Fund addresses basic services at a funding level for expenditures approximately the same as the FY 2011 Budgeted amount (using the amended budget shown). This Adopted Budget assumed that the property tax rate in FY 2012 would remain the same as in FY 2011; \$0.616 per \$100 of taxable value. However, after the budget was adopted, Council passed an effective tax rate of \$0.610 which is anticipated to be approximately \$330,000 less than the revenues projected in the Adopted Budget. Actual revenues will be monitored over the next fiscal. The Adopted Budget ending fund balance would leave 144.6 days of working capital in the Fund.

**FY 2012 ADOPTED BUDGET  
GENERAL FUND EXPENDITURE SUMMARY  
EXPENDITURES BY CATEGORY**

<b>CATEGORY</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Personnel Services	27,843,561	29,877,171	29,448,758	30,170,329
Supplies	3,014,055	2,976,989	2,717,939	2,877,543
Repairs & Maintenance	2,073,522	1,815,712	1,928,457	1,808,047
Services & Charges	10,171,663	11,498,799	10,906,559	10,811,595
Special Programs & Events	365,346	322,235	308,535	524,400
Capital Outlay	478,174	374,380	428,943	189,500
Transfer to Debt Service	175,513	644,800	644,800	500,000
Payments to TIRZ's	1,963,429	1,374,600	1,390,100	1,432,200
Capital Projects	356,277	0	0	0
<b>GENERAL FUND OPERATING TOTAL</b>	<b>46,441,540</b>	<b>48,884,686</b>	<b>47,774,091</b>	<b>48,313,614</b>
Transfers to CIP/Technology Fund	500,000	2,122,025	2,122,025	1,518,500
<b>TOTAL GENERAL FUND APPROPRIATION</b>	<b>46,941,540</b>	<b>51,006,711</b>	<b>49,896,116</b>	<b>49,832,114</b>

**CATEGORY HIGHLIGHTS (FY 2012 Adopted versus FY 2011 Estimated)**

- Personnel Services – Net \$720,000 increase explained by reserve for compensation plan-derived increases (+\$306,000); full year's effect of steps for classified personnel (+\$170,000); net annual cost of budgeting for vacant positions (+\$1.2 million); increase in workers compensation (+\$80,000); one-time cost of FY2011 merit pay (-\$407,000); decrease from separation pay paid in FY2011 (-\$342,000); group insurance rates reduction in FY2012 (-\$132,000); and reduction in overtime (-\$155,000).
- Supplies – Increase of \$159,600 largely due to gasoline (+\$53,000) and one time purchases (+\$82,600) with the balance of the increase in a variety of accounts.
- Repairs and Maintenance - Decrease of \$120,000 due to reduction in anticipated radio replacements with complete change out of radios in FY 2011.
- Services & Charges – Net decrease of \$95,000; increase for first time payment of water fees by General Fund departments (+\$120,000); and decrease in electricity costs (-\$215,000).
- Special Programs & Events – Increase of \$216,000 due to Volunteer Fire Department longevity and performance pay (+\$175,000), public awareness (+\$19,000); employee training (+\$10,000); special events (+\$8,000); and employee activities (+\$4,000).
- Capital Outlay – The \$189,500 includes onetime purchases for EMS and Library.
- Transfer to Debt Service – Decrease of \$144,800 due to lessened funding requirements in Debt Service Fund.
- Payments to TIRZ's – Increase (\$42,000) due to growth of Saddle Creek TIRZ tax roll.
- Transfer to CIP and Technology Fund – \$1.5 million towards technology project funding needs (\$931,000), one bucket truck (\$163,000), and to cash fund CIP (\$424,000).

**FY 2012 ADOPTED BUDGET  
GENERAL FUND EXPENDITURE SUMMARY  
EXPENDITURES BY DIRECTORATE**

<b>DIRECTORATE</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Public Safety	18,580,697	20,319,012	20,070,753	20,328,992
Public Works	12,089,520	12,054,070	11,891,003	11,748,700
Parks & Cultural Services	4,630,744	4,809,990	4,670,229	4,538,509
Management Services	3,696,419	3,863,548	3,888,184	4,124,420
Administration	4,470,682	4,210,088	4,073,506	4,028,344
Non-Departmental	2,973,479	3,627,978	3,180,416	3,544,649
<b>GENERAL FUND OPERATING TOTAL</b>	<b>46,441,540</b>	<b>48,884,686</b>	<b>47,774,091</b>	<b>48,313,614</b>
Appropriation of Fund Balance: Transfer to CIP/Technology Fund	500,000	2,122,025	2,122,025	1,518,500
<b>TOTAL GENERAL FUND APPROPRIATION</b>	<b>46,941,540</b>	<b>51,006,711</b>	<b>49,896,116</b>	<b>49,832,114</b>

**DIRECTORATE HIGHLIGHTS**

- Public Safety – See Public Safety directorate highlights.
- Public Works – Decrease of \$143,000 largely due to transfer of Geographic Information System technical support group to Information Technology Department in Management Services Directorate.
- Parks and Cultural Services – Decrease of \$132,000 because of one-time purchases in FY 2011 (-\$50,000) and one-time merit/separation pay in FY 2011.
- Management Services – Increase of \$236,000 due to transfer of GIS group from Engineering to IT and transfer of Police system software and staff to IT as well.
- Administration – See Administration department highlights.
- Non-Departmental - Net increase of \$364,000 due compensation reserve (+\$306,000), increase in Workers Compensation (+\$85,000) and net effect of professional services account and transfers to TIRZ and Debt Service Fund (see Non-Departmental Highlights).

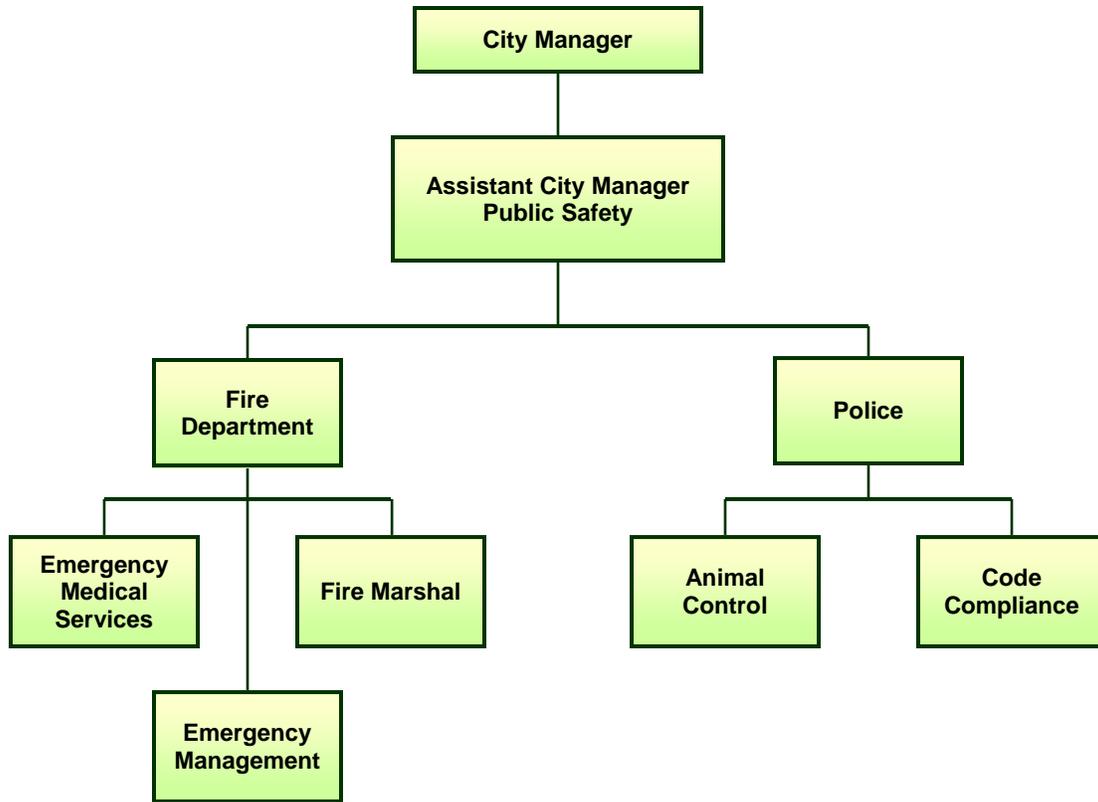
## FY 2012 ADOPTED BUDGET GENERAL FUND SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>REVENUES</b>				
Property Taxes	21,547,463	21,270,300	21,325,000	21,602,000
Sales Taxes	10,237,923	10,577,000	10,989,000	10,971,000
Franchise & Other Taxes	4,736,524	4,747,600	4,753,600	4,863,000
License and Permits	2,078,492	2,062,000	1,720,500	1,720,500
Grant Proceeds	521,602	227,600	224,100	134,500
Charges for Services	4,373,112	4,409,700	4,390,500	4,598,500
Fines and Forfeits	1,844,046	1,835,000	1,933,000	2,037,000
Investment Earnings	74,006	50,000	52,000	52,000
Miscellaneous	1,227,306	1,162,200	1,162,500	1,059,000
Transfers	1,028,294	2,000,000	2,000,000	2,000,000
<b>TOTAL REVENUES</b>	<b>\$47,668,768</b>	<b>\$48,341,400</b>	<b>\$48,550,200</b>	<b>\$49,037,500</b>
<b>EXPENDITURES</b>				
<b>Public Safety Directorate</b>				
Police	14,382,149	14,974,127	14,908,379	14,885,676
Animal Control	548,695	557,829	556,235	578,222
Code Enforcement	0	497,630	415,667	473,594
Fire Department	817,687	1,100,315	1,027,886	1,297,833
Emergency Management	276,139	342,115	344,254	334,755
Fire Marshal	455,896	493,021	492,781	482,877
Emergency Medical Services	2,071,840	2,295,225	2,284,801	2,219,635
Drill Field	28,291	58,750	40,750	56,400
<b>Subtotal</b>	<b>18,580,697</b>	<b>20,319,012</b>	<b>20,070,753</b>	<b>20,328,992</b>
<b>Public Works Directorate</b>				
Public Works and Project Mgmt	136,417	421,340	416,178	633,940
Engineering	1,627,187	1,142,299	1,095,495	710,670
Street & Stormwater	4,390,154	4,499,585	4,607,347	4,381,573
Building Inspections	1,342,335	1,048,430	1,032,414	966,400
Facilities Maintenance	1,881,504	1,758,416	1,617,964	1,621,237
Traffic and Transportation	0	372,000	331,605	589,880
Solid Waste	2,711,922	2,812,000	2,790,000	2,845,000
<b>Subtotal</b>	<b>12,089,520</b>	<b>12,054,070</b>	<b>11,891,003</b>	<b>11,748,700</b>
<b>Parks &amp; Cultural Svcs Directorate</b>				
Helen Hall Library	2,097,954	2,185,181	2,179,542	2,024,643
Parks Operations	1,021,818	1,129,842	1,018,707	1,075,999
Parks Recreation	628,318	697,551	700,557	652,570
SportsPlex Operations	355,054	369,154	358,085	364,157
SportsPlex Recreation	144,486	173,480	165,507	170,550
Parks Planning & Tourism	296,251	254,782	247,831	250,590
Butler Museum	86,863	0	0	0
<b>Subtotal</b>	<b>4,630,744</b>	<b>4,809,990</b>	<b>4,670,229</b>	<b>4,538,509</b>

## FY 2012 ADOPTED BUDGET GENERAL FUND SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>Management Services Directorate</b>				
Budget Office	442,813	409,740	400,879	386,230
Accounting	1,141,469	1,217,810	1,212,631	1,116,010
Municipal Court	579,807	572,393	568,936	583,680
Purchasing	270,796	234,040	229,552	262,900
Information Technology	1,261,533	1,429,565	1,476,186	1,775,600
<b>Subtotal</b>	<b>3,696,419</b>	<b>3,863,548</b>	<b>3,888,184</b>	<b>4,124,420</b>
<b>Administration Directorate</b>				
City Manager	643,244	672,310	664,648	654,410
City Secretary	335,647	414,910	410,136	362,720
City Attorney	494,483	545,000	600,000	550,000
Mayor & Council	142,263	188,150	162,930	188,160
Planning	1,421,831	1,136,528	1,061,706	988,750
Economic Development	319,944	163,730	129,660	190,020
Human Resources	1,034,134	1,015,860	994,926	1,015,254
Civil Service	79,136	73,600	49,500	79,030
<b>Subtotal</b>	<b>4,470,682</b>	<b>4,210,088</b>	<b>4,073,506</b>	<b>4,028,344</b>
<b>Non-Departmental</b>				
<b>Non Departmental Other</b>	2,926,848	3,627,978	3,180,416	3,544,649
Hurricane Ike	46,631	0	0	0
<b>Subtotal</b>	<b>2,973,479</b>	<b>3,627,978</b>	<b>3,180,416</b>	<b>3,544,649</b>
<b>TOTAL EXPENDITURES</b>	<b>46,441,540</b>	<b>48,884,686</b>	<b>47,774,091</b>	<b>48,313,614</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>1,227,228</b>	<b>(543,286)</b>	<b>776,109</b>	<b>723,886</b>
<b>Beginning Fund Balance</b>	<b>20,554,414</b>	<b>21,281,642</b>	<b>21,281,642</b>	<b>19,935,726</b>
<b>Est. Ending Fund Balance</b>	<b>21,781,642</b>	<b>20,738,356</b>	<b>22,057,751</b>	<b>20,659,612</b>
<b>Less: Appropriation of Fund Balance</b>	<b>500,000</b>	<b>2,122,025</b>	<b>2,122,025</b>	<b>1,518,500</b>
<b>Budgeted Ending Fund Balance</b>	<b>21,281,642</b>	<b>18,616,331</b>	<b>19,935,726</b>	<b>19,141,112</b>
<b>Days of Working Capital</b>	<b>167.3</b>	<b>139.0</b>	<b>152.3</b>	<b>144.6</b>
<b>TOTAL GENERAL FUND APPROPRIATION</b>	<b>46,941,540</b>	<b>51,006,711</b>	<b>49,896,116</b>	<b>49,832,114</b>

### PUBLIC SAFETY DIRECTORATE



## FY 2012 ADOPTED BUDGET PUBLIC SAFETY DIRECTORATE

DIRECTORATE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
Police	14,382,149	14,974,127	14,908,379	14,885,676
Animal Control	548,695	557,829	556,235	578,222
Code Compliance	0	497,630	415,667	473,594
Fire Department	817,687	1,100,315	1,027,886	1,297,833
Fire Drill Field	28,291	58,750	40,750	56,400
Emergency Medical Services	2,071,840	2,295,225	2,284,801	2,219,635
Fire Marshal	455,896	493,021	492,781	482,877
Emergency Management	276,139	342,115	344,254	334,755
<b>Public Safety Directorate Total</b>	<b>18,580,697</b>	<b>20,319,012</b>	<b>20,070,753</b>	<b>20,328,992</b>

CATEGORY	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
Personnel Services	14,853,501	16,016,954	15,880,176	16,149,260
Supplies	1,310,537	1,385,399	1,262,324	1,293,923
Repairs & Maintenance	866,919	913,967	905,107	781,564
Services & Charges	1,162,979	1,735,412	1,700,296	1,761,145
Special Programs & Events	169,174	170,400	170,950	343,100
Capital Outlay	217,587	96,880	151,900	-
<b>Public Safety Directorate Total</b>	<b>18,580,697</b>	<b>20,319,012</b>	<b>20,070,753</b>	<b>20,328,992</b>

### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Personnel Services - Net increase of \$269,000 includes decreases in overtime (-\$157,000), one-time merit pay in FY2011 (-\$167,000), and FY2011 separation pay (-\$97,100), as well as an increase due to the annualized cost of vacant positions (\$454,700), annualized cost of FY2011 and FY2012 STEPS (+\$170,400) for qualified civil service personnel, and the addition of a Social Worker position (+\$65,000).
- Repairs & Maintenance - Decrease of \$123,500 due to the FY2011 purchase of new radios thru the CIP thus making an FY2012 purchase unnecessary.
- Services & Charges - Increase of \$60,800 due to the first time payment by the general fund departments for water and wastewater.
- Capital Outlay - Decrease of \$151,900 due to the one-time FY2011 purchase of auto pulse machines, vehicles, and infrastructure.

## **PUBLIC SAFETY DIRECTORATE POLICE DEPARTMENT**

### **MISSION STATEMENT**

The League City Police Department is devoted to protecting life, property and individual liberties while enhancing the quality of life. To achieve these ends we are committed to forming and promoting practical partnerships with each other and those we serve.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Selected PGAL as architecture firm for new public safety facility, staying on pace to meet goal of finalizing site selection and design by end of FY11.
- Established CAM initiatives in all LCPD beats.
- Continued expansion of OSSI network, improving interaction with other area agencies by adding Galveston PD and completing negotiations with Texas City and Galveston County.
- Purchased and deployed an observation tower, helping reduce crime levels in business areas while also being used at local events such as Village Fair.
- The League City Citizens Police Academy Alumni Association has had a total of 187.5 volunteer hours with the Police Department through the second quarter of FY2011 with involvement in programs such as the Disabled Parking Enforcement Program, the Citizens on Patrol Program, the Canvassing Program, and the Code Enforcement Program.
- Two telecommunicators recognized for exemplary job performance by Commission on State Emergency Communications and Greater Harris County E-911.
- The jail improved paperwork handling and quality control by designing a new jail jacket system that identified key booking components by offense category.
- Began work on jail renovations.
- Improved processing of paperwork by implementing a system of operations for all documents entering and exiting the records division each day.
- Secured grant funding for gas masks with communication system (\$82,040 among three CART cities) and shotguns for patrol officers (\$6,900).

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Complete jail renovations by 1<sup>st</sup> Quarter of FY2012
- By the 2<sup>nd</sup> Quarter of FY2012 have the Interlocal Agreement for implementation and operation of the GRID System (OSSI System Integration) completed and approved by all governing bodies
- By the 1st Quarter of FY2012 take the conceptual designs for the new Public Safety facility to City Council for consideration and approval.
- By the 2<sup>nd</sup> Quarter of FY2012 have the funding process determined and a timeline developed for design and development

## FY 2012 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>POLICE</b>				
Personnel Services	12,172,327	12,733,540	12,738,552	12,845,430
Supplies	714,736	760,869	690,109	674,725
Repairs & Maintenance	551,663	574,228	574,228	444,425
Services & Charges	742,351	883,690	883,690	898,996
Special Programs & Events	16,435	21,800	21,800	22,100
Capital Outlay	184,637	0	0	0
<b>TOTAL</b>	<b>14,382,149</b>	<b>14,974,127</b>	<b>14,908,379</b>	<b>14,885,676</b>
<b>POSITIONS</b>	148.0	148.0	148.0	148.0

### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Personnel Services - Net increase of \$107,000 due to (1) the annualized cost of FY2011 STEP raises (+\$90,100) and FY2012 STEP raises (+\$82,000) for qualified Civil Service personnel; (2) decrease in overtime (-\$85,000); (4) one-time merit pay in FY2011 (-\$173,000); (5) decrease in insurance rate for calendar year 2012 (-\$53,000); (5) IT Specialist position transferring to Information Technology (-\$62,100) (6) the cost of filling vacant positions (+\$340,000); (7) decrease in separation pay in FY 2011 (-\$97,000); and (8) an addition of a Social Worker Position (+\$65,000).
- Supplies - Net decrease of \$15,000 due to an increase in the cost of ammunition (+\$10,000), gasoline (+\$20,000), and investigation supplies (+\$9,000) and a decrease in software cost (-\$29,000) being moved to Information Technology, and (-\$25,000) due to the purchase of new radios in FY2011 thru the CIP thus making FY2012 purchases unnecessary.
- Repairs & Maintenance - Decrease of \$129,800 due to the FY2011 purchase of new radios thru the CIP thus making a FY2012 purchase unnecessary.
- Services & Changes - Increase of \$15,300 due to an increase in the number of door hangers printed for CAMSTAT (+\$5,200); increase in the number of junk vehicles (+\$3,000); purchase of additional air cards for laptops (+\$3,600); and the first time payment by the general fund departments for water and wastewater (+\$3,500).

### PERFORMANCE INDICATORS

INDICATORS	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ESTIMATED	FY 2012 ADOPTED
Annual Meetings with Community Groups	N/A	N/A	25	24
Formal Training or Presentations to Citizens	N/A	N/A	77	70
Calls for Service	35,514	35,493	36,775	37,394
Arrests	2,826	3,319	3,349	3,550
Motor Vehicle Accidents	1,688	1,559	1,360	1,323
Response Time Averages Priority 1 Calls	5:40	4:53	4:57	4:56

### NATIONAL CITIZEN SURVEY

QUESTION	% EXCELLENT/GOOD	VERSUS BENCHMARK
Police services	86	Much above
Crime prevention	76	Much above
Traffic enforcement	66	Similar
Overall impression among those having contact with LCPD in past 12 months	78	Much above

## **PUBLIC SAFETY DIRECTORATE ANIMAL CONTROL**

### **MISSION STATEMENT**

To provide humane education to the public, promoting responsible pet ownership and humane treatment of all animals. To provide the enforcement of City ordinances and State laws pertaining to animals and the welfare of the citizens of League City.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Worked with Task Force, made up of concerned citizens, volunteers and staff, to research and make recommendations on the length of stay and disposition of animals.
- Revised City Ordinance Sec. 18-10 Disposition of Animals, and developed an ordinance to expand the Animal Shelter Advisory Committee.
- Decreased the surplus in animal inventory created in 2009 & 2010, through increasing placement efforts and a minimal increase in euthanasia.
- In continuing staff's professional development four officer attended the Texas Unites for Animals Training Conference and four others attended the Texas Animal Control Association Conference. Animal Control Supervisor Sammy Garza was also named Regional Coordinator for the Texas Animal Control Association.

### **GOALS FOR FISCAL YEAR 2012**

- Work with the Animal Shelter Advisory Committee to develop new policies and guidelines for the advisory committee, animal housing, foster care, and disposition of animals, around the industries best practices standards.
- Increase the placement rate through additional community outreach, placement promotions, and microchipping owned animals at community events.
- Continue staff's professional development in order to continue providing the highest level of customer service possible, decrease the effects of compassion fatigue, and increase retention.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>ANIMAL CONTROL</u></b>				
Personnel Services	417,853	434,855	436,897	443,430
Supplies	58,106	48,450	41,850	49,113
Repairs & Maintenance	20,818	20,557	20,897	21,407
Services & Charges	51,919	53,967	56,591	64,272
<b>TOTAL</b>	<b>548,695</b>	<b>557,829</b>	<b>556,235</b>	<b>578,222</b>

<b>POSITIONS</b>	9.0	9.0	9.0	9.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$6,500 includes an increase in salaries and benefits (+\$13,500) due to filling a vacancy for an Animal Control Officer and a decrease in overtime (-\$7,000) due to filling the vacancy.
- Supplies - Increase of \$7,000 includes an increase in the cost of gas and oil (+\$2,500), an increase in chemicals/drugs caused by an increase in the intake of animals at the shelter (+\$2,500), and an increase in small tools again due to an increase in the intake of animals (+\$2,000).
- Services & Charges - Increase of \$7,000 due to the first time payment by the general fund departments for water and wastewater.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Calls for Service ( <i>Calls Animal Control Officers respond to from the public and self initiated.</i> )	5,426	3,973	4,274	4,000
Animal Intake ( <i>Total number of animals brought into the shelter by the Animal Control Officers</i> )	1,500	1,323	1,251	1,300
Animal Live Release ( <i>This includes adoptions, animals claimed by their owners and animals transferred to other shelters.</i> )	1,100	932	1,041	1,040
Animals Euthanized	328	270	330	260

**NATIONAL CITIZEN SURVEY**

<b>QUESTION</b>	<b>% EXCELLENT/GOOD</b>	<b>VERSUS BENCHMARK</b>
Animal control	73	Much above

## **PUBLIC SAFETY DIRECTORATE CODE COMPLIANCE**

### **MISSION STATEMENT**

The mission of the Code Compliance Division is to promote and maintain a safe and desirable living and working environment by administering fair and unbiased education and enforcement programs to ensure compliance with municipal codes and land use requirements.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Defined Code Compliance as a separate division under the command of the Police Department
- Created an Action Plan to guide the department into the future
- Successfully provided employee software training with SunGard to utilize software available on the current City AS400 system allowing Code Compliance to measure performance and efficiency
- Reassigned tasks among employees to improve efficiency and accountability
- Created informative pamphlets to provide to the community in an effort to improve voluntary compliance with code enforcement-related ordinances
- Purged 5 years of files utilizing volunteers thus creating greater office space
- Purchased 2 MDT for trucks allowing officers to enter data directly to the AS400 Code Compliance program. This results in more efficient use of time thus increasing productivity.
- Compelled the owners of Snug Harbor Apartments to bring the property into compliance by demolishing the dilapidated buildings.
- Refined methods to measure productivity through the use of technology.

### **PRIORITIES AND GOALS FOR 2012**

- Assign Code Officers to zoned areas, in doing so, the officer becomes more efficient in nuisance investigations and productivity.
- Increase inspections for substandard structures for both occupied and vacant buildings.
- Restructure the way junk vehicles are processed by working in conjunction with Police Department, District Attorney, and the assigned Municipal Judge to these hearings.
- Cross train with the Building Department and the Fire Marshal Department to assist in identifying and making good decisions with substandard and dangerous structures.
- Institute radio communication for officers in the field for safety measures and office dispatcher to better manage response time on violation verification and assistance from police department.
- Continue to restructure our data program to ensure efficient calculation of nuisance cases and our workload output in aiding with the ICMA measures.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>CODE COMPLIANCE</u></b>				
Personnel Services	0	297,500	234,287	283,750
Supplies	0	7,650	17,400	19,300
Repairs & Maintenance	0	11,680	11,680	11,680
Services & Charges	0	180,800	152,300	158,864
<b>TOTAL</b>	<b>0</b>	<b>497,630</b>	<b>415,667</b>	<b>473,594</b>

**POSITIONS** 4.5 4.5 4.5 5.0

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Increase of \$50,000 due to the annualization of filling the Code Enforcement Official position.
- Supplies - Net increase of \$2,000 due to an increase in the cost of gas and oil (+\$6,000) and one-time purchase of computers (-\$4,000).
- Services & Charges - Increase of \$6,500 due to increase of advertising costs for condemned buildings.

**PERFORMANCE INDICATORS**

The performance indicators for Code Enforcement are being developed and will be reported beginning with the 1st Quarter of Fiscal Year 2012.

**NATIONAL CITIZEN SURVEY**

<b>QUESTION</b>	<b>% EXCELLENT/GOOD</b>	<b>VERSUS BENCHMARK</b>
Code enforcement	55	Much above

## **PUBLIC SAFETY DIRECTORATE FIRE DEPARTMENT**

### **MISSION STATEMENT**

It is the mission of the League City Fire Department to preserve life and property, promote public safety and foster economic growth through leadership, management and actions, as an all-risk life safety response provider that is committed to superior service to our customers, the citizens and visitors of League City.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Worked with Human Resources and ACM for Public Safety in hiring of full-time paid fire chief
- Increased average number of personnel responding per incident
- Lowered response times of the first arriving fire unit to under 9 minutes in accordance with the established performance indicator
- Increased the average number of personnel responding per incident to 24 in accordance with the established performance indicator
- Increased the number of classes and total hours taught at the Fire Department Drill Field by over 10%
- Worked with various City Staff personnel on and within the hiring process of the paid Fire Chief
- Responded to 950 calls for service, which is an increase of 3%
- Responded to 36 building fires, which is an increase from FY2011
- Responded to 220 false alarms, which is an increase from FY2011

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Identify and discuss options to reduce average response time of first arriving unit
- Evaluate mutual aid agreements and relationships
- Conduct full Personal Protection Equipment inspection and identify needs
- Review Departmental Policies and Procedures
- Review Departmental By-laws and establish guidelines between new full time fire chief and fire department operations
- Review and discuss Fire Department organizational structure
- Develop ICS training program based on ICS assessment conducted and implement departmental standard

## FY 2012 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>FIRE DEPARTMENT</b>				
Personnel Services	71,862	127,915	50,556	209,050
Supplies	315,867	303,550	274,240	290,930
Repairs & Maintenance	172,926	176,270	160,770	176,270
Services & Charges	97,553	287,600	281,320	311,583
Special Programs & Events	126,530	135,000	136,000	310,000
Capital Outlay	32,950	69,980	125,000	0
<b>TOTAL</b>	<b>817,687</b>	<b>1,100,315</b>	<b>1,027,886</b>	<b>1,297,833</b>

<b>POSITIONS</b>	1.0	2.0	2.0	2.0
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### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

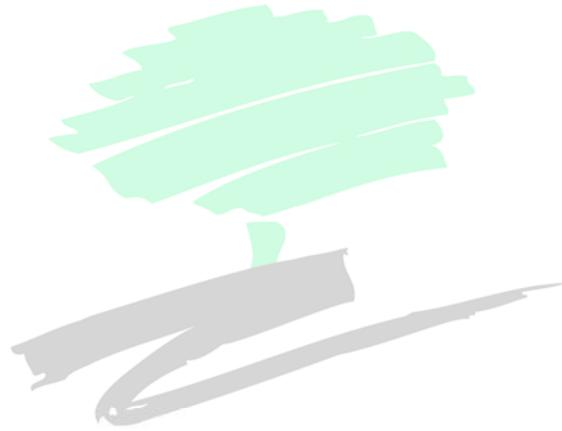
- Personnel Services - Increase of \$158,500 due to filling the paid Fire Chief position in FY2012 that was vacant in FY2011.
- Supplies - Increase of \$16,600 due to the cost of gas and oil (+\$6,000); purchase office furniture and computer for new fire chief (+\$6,600); and the anticipation of an increase in recruits in FY2012 (+\$4,000).
- Repairs & Maintenance - Increase of \$15,500 due to an increase in testing and maintenance of ladders, hose, pumps, and other equipment.
- Services & Charges - Increase of \$30,000 due to the first time payment by the general fund departments for water and wastewater.
- Capital Outlay - Decrease of \$125,000 for the one-time purchases in FY2011 of (1) fire chief vehicle (-\$40,000), (2) district chief vehicle (-\$30,000), and (3) driveway infrastructure for Station 5 (-\$55,000).

### PERFORMANCE INDICATORS

INDICATORS	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ESTIMATED	FY 2012 ADOPTED
Total fire operating expenditures per capita	N/A	\$10.42	\$11.65	\$13.57
Total incidents per 1,000 residents	N/A	11	11	12
Residential structure fire incidents per 1,000 residents	N/A	0.36	0.43	0.40
Hazmat incidents per 10,000 residents	N/A	13	14	15
False alarms and good intent calls as a percentage of total incidents, non-fire incidents and false alarms	N/A	22%	23%	23%
Average response time (first unit on scene)	9:15	9:20	8:45	8:30

### NATIONAL CITIZEN SURVEY

QUESTION	% EXCELLENT/GOOD	VERSUS BENCHMARK
Fire services	93%	Similar
Overall impression of most recent contact with LCFD (if had contact in past year)	98%	Much above



# LEAGUE CITY

T E X A S  
LIVE IT. LOVE IT.

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**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>FIRE DRILL FIELD</u></b>				
Supplies	21,683	28,950	23,750	33,000
Repairs & Maintenance	6,608	13,000	10,000	10,000
Services & Charges	-	16,800	7,000	13,400
<b>TOTAL</b>	<b>28,291</b>	<b>58,750</b>	<b>40,750</b>	<b>56,400</b>

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Overall increase of \$15,500 due to the inability of using the Drill Field burn facility for training purposes; therefore, requiring the Fire Department to rent neighboring cities' facilities for training.

## **PUBLIC SERVICES DIRECTORATE EMERGENCY MEDICAL SERVICES**

### **MISSION STATEMENT**

To improve the quality of life for all citizens; to avoid, prepare and cope with those events which threaten the quality of life, and to deliver the highest quality of health care in the most effective and compassionate manner.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Remounted one Frazer Ambulance, extending lifespan.
- Review and update EMS protocol to reflect current industry standards
- Use CQI-based training and mortality and morbidity review committees to increase successfully performed medical skills by EMS personnel by 12 percent (goal of 15 percent)
- Increased survival rate following cardiac arrests by 8 percent (goal was 10 percent)
- Maintained revenue collection rate at 50 percent
- Evaluated and adjusted EMS billing rates and processes, reducing taxpayers' share of burden for EMS services while ensuring that charges are market-competitive
- Improved residents' preparedness for medical emergencies by providing 500 Life Data Bags to League City citizens
- Assisted citizens with installation of 120 child safety seats
- Provided CPR classes to 500 citizens of League City
- Reduced reliance on other jurisdictions for mutual aid by 50 percent
- Held private ambulance service providers to high standards of safety and care by making at least 150 compliance-related contacts (inspections and code enforcement)
- Added a third ambulance during peak hours using part-time employees
- Successfully implemented new Patient Care Reporting system

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Review and update medical protocols and operating procedures
- Establish full-time staffing for a third ambulance during peak usage hours
- Decrease the number of incoming mutual aid requests by 10 percent
- Increase number of Community outreach contacts to 1300, including car seat installations and classes in CPR, first aid, basic and advanced life support
- Obtain an American Heart Association Advanced Community Training Center certification, allowing (This gives EMS the ability to teach Advanced Cardiac Life Support and Pediatric Life Support Classes)
- Perform 100% Quality Assurance reviews of EMS calls and submit 1 percent of these calls for mortality and morbidity committee review
- Maintain EMS ambulance billing revenue collection rate at 50 percent
- Maintain survival rate following cardiac arrests by 40 percent

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>EMERGENCY MEDICAL SERVICES</u></b>				
Personnel Services	1,575,287	1,725,680	1,722,616	1,690,260
Supplies	163,801	206,430	185,000	198,130
Repairs & Maintenance	77,841	85,595	95,595	85,595
Services & Charges	230,518	237,820	242,190	239,850
Special Programs & Events	24,394	12,800	12,500	5,800
Capital Outlay	-	26,900	26,900	-
<b>TOTAL</b>	<b>2,071,840</b>	<b>2,295,225</b>	<b>2,284,801</b>	<b>2,219,635</b>
<b>POSITIONS</b>	24.5	24.5	24.5	24.5

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net decrease of \$32,000 due to decreases from one-time merit pay in FY2011 (-\$20,000); overtime (-\$65,000); and insurance rate (-\$8,500) and filling positions in FY2012 that were vacant in FY2011 (+\$61,500).
- Supplies - Increase of \$13,000 due to an increase in the cost of gas and oil (+\$3,000), an increase in operating supplies and chemicals and drugs (+\$10,000) due to a rise in the volume of calls for service.
- Repairs & Maintenance - Decrease of \$10,000 due to new radios purchased in FY2011 thru the CIP thus making FY2012 purchases unnecessary.
- Capital Outlay - Decrease of \$26,900 due to one-time purchase of auto pulse machines in FY2011.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
EMS responses per 1,000 population	51	48	49	51
Requests for mutual aid	111	89	55	48
Cardiac arrest save rate	59%	36%	44%	50%
EMS billing collections rate	61%	63%	40%	50%
Community outreach contacts	876	1,052	1,120	1,300
EMS code enforcement contacts	N/A	134	160	190
Response time from dispatch to arrival	6:59	6:25	6:25	6:10

**NATIONAL CITIZEN SURVEY**

<b>QUESTION</b>	<b>% EXCELLENT/GOOD</b>	<b>VERSUS BENCHMARK</b>
Ambulance or EMS	94%	Above

## **PUBLIC SAFETY DIRECTORATE FIRE MARSHAL**

### **MISSION STATEMENT**

The mission of the League City Fire Marshal's office is to ensure a safe environment and prevent the loss of lives and property by fire through effective use of inspections, engineering, modern investigative techniques and public education with an emphasis on world class customer service.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Reviewed and updated vacant property and master business lists in first and third quarters, improving department's ability to identify businesses operating without proper protections and permits.
- Fire Inspections:
  - Primary Inspections: 1102
  - Follow Up Inspections: 657
  - Code violations: 1405
  - Citations Issued for code violations: 11
- Distributed 2,052 fire prevention brochures/materials through 792 businesses.
- Completed 724 fire reports on responses by League City Volunteer Fire Department.

### **PRIORITIES AND GOALS FOR 2012**

- Survey commercial businesses to gauge satisfaction with inspection processes and to measure businesses' perception of their fire safety awareness/preparedness.
- Streamline report generation by implementing a paperless process for inspections and investigations with existing software and new iPads and wireless printers.
- Target fire prevention outreach to senior citizens, new apartment tenants and new businesses, including discussion of fire prevention measures and the use/purpose of passive and active fire protection measures.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>FIRE MARSHAL</u></b>				
Personnel Services	394,980	405,304	405,214	393,910
Supplies	17,280	20,350	20,650	20,370
Repairs & Maintenance	22,147	19,957	19,457	19,957
Services & Charges	21,386	46,810	46,960	48,040
Special Programs & Events	103	600	500	600
<b>TOTAL</b>	<b>455,896</b>	<b>493,021</b>	<b>492,781</b>	<b>482,877</b>

<b>POSITIONS</b>	5.0	5.0	5.0	5.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Decrease of \$11,000 due to one-time merit pay in FY2011 (+\$6,000) and vacancy savings (+\$5,000).
- Services & Charges - Increase of \$1,100 due to increase in the Amegy Building Lease.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Fire Inspections	2,323	2038	2,533	2400
Fire Prevention Programs	525	400	802	625
Citizen Request for Assistance	2,286	1896	2,161	2000
Plans Review	276	306	349	300
Property Loss/Value	NA	22%	36%	20%
Follow-ups as % of Total Inspections	NA	NA	60%	57%

**NATIONAL CITIZEN SURVEY RESULTS**

<b>QUESTION</b>	<b>% EXCELLENT/GOOD</b>	<b>VERSUS BENCHMARK</b>
Fire prevention and education	77%	Above

## **PUBLIC SAFETY DIRECTORATE EMERGENCY MANAGEMENT**

### **MISSION STATEMENT**

The League City Office of Emergency Management promotes citizen and City emergency preparedness through a comprehensive emergency management program that strives to mitigate, prepare for, appropriately respond to, and efficiently recover from natural, technological, and terrorist-related emergencies that may impact the residents of League City.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Enlisted more than 300 hours of service from Emergency Management volunteers, including creation of two radio “go-kits” for use at incident command posts or other emergency operations center locations.
- Improved local businesses’ access to preparedness and recovery information by coordinating on eight seminars with UH Hurricane Business Recovery Center.
- Activated Emergency Operations Center and worked the severe winter weather in February 2011.
- Submitted 15 Emergency Operations Plan annexes to the Texas Division of Emergency Management for approval, staying on track to secure required state approvals for all 22 EOP annexes.
- Incorporated hurricane and emergency preparedness into Helen Hall Library activities for patrons; also moved hurricane preparedness event to library and created new ReadyLC information center.
- Secured TxDOT funding for 60 percent of construction costs on the FM 518 Bypass Bikeway, a \$4.1 million, 2.3-mile long, shared-use path.
- Secured \$665,036 in funding for WaterSmart Park and other water quality projects through U.S. EPA/Texas Commission on Environmental Quality.
- Completed installation of (11) emergency backup generators to COLC lift stations utilizing CDBG-DR (disaster recovery) funds.

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Formalize at least two new partnerships via contract or similar agreement to ensure smooth post-emergency operations and recovery.
- Participate in at least 10 community outreach events.
- Participate and develop after-action reports for 2-4 exercises during FY12.
- Work with City Manager and senior leadership team to develop Continuity of Operations Plan.
- Research and analyze the possibility of funding, partnership or alternative resources for 20 projects or areas of interest identified by city leadership.

## FY 2012 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>EMERGENCY MANAGEMENT</b>				
Personnel Services	221,191	292,160	292,054	283,430
Supplies	19,065	9,150	9,325	8,355
Repairs & Maintenance	14,917	12,680	12,480	12,230
Services & Charges	19,254	27,925	30,245	26,140
Special Programs & Events	1,713	200	150	4,600
<b>TOTAL</b>	<b>276,139</b>	<b>342,115</b>	<b>344,254</b>	<b>334,755</b>
<b>POSITIONS</b>	4.0	4.0	4.0	4.0

### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Personnel Services - Decrease of \$8,500 due to one-time merit pay in FY2011.
- Services & Charges - Decrease of \$4,000 due to the cost of the professional planning services utilized to assist with the annual update to the City's Hazard Mitigation Plan being moved to the Emergency Management Fund.
- Special Programs & Events - Increase of \$4,000 due to anticipated increase in public outreach programs.

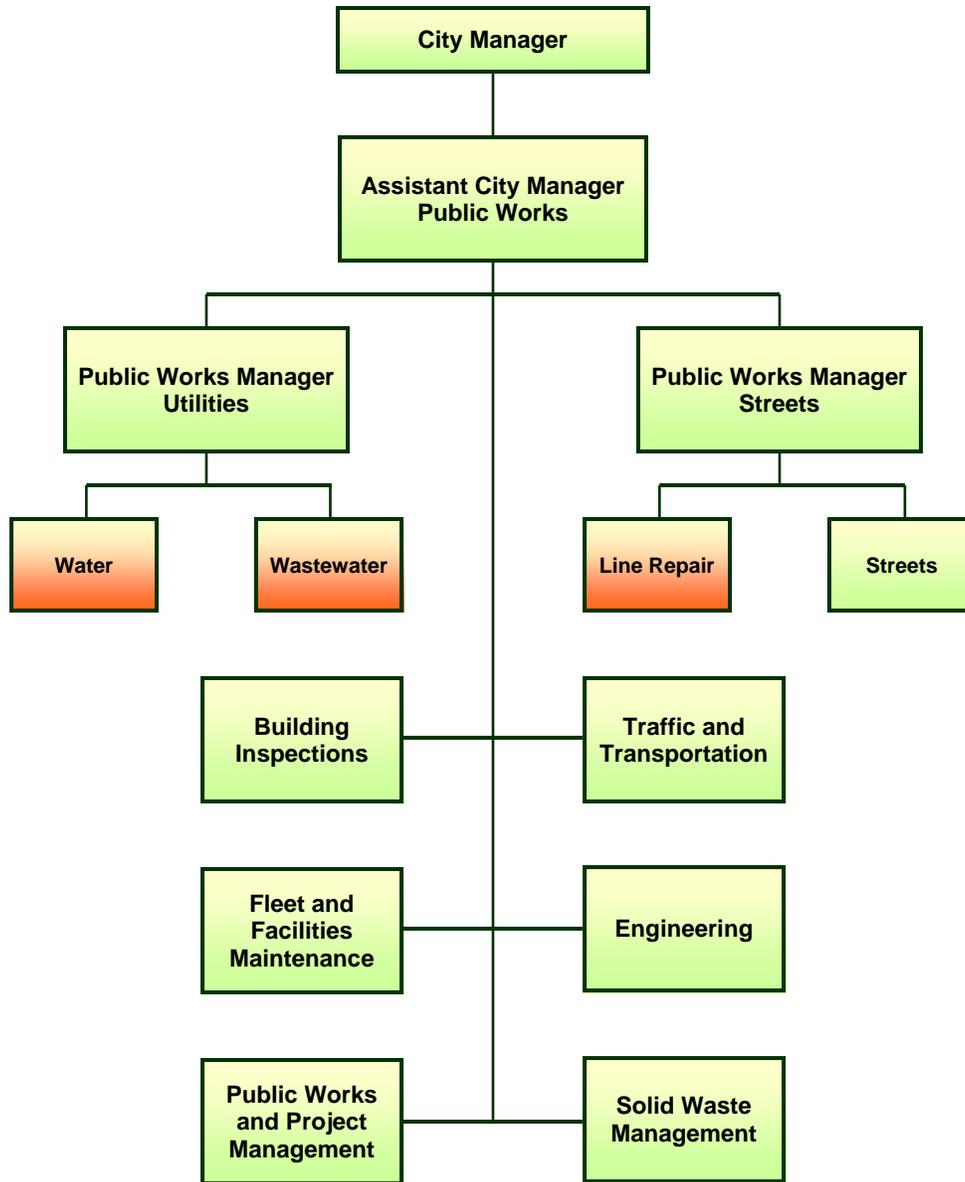
### PERFORMANCE INDICATORS

INDICATORS	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ESTIMATED	FY 2012 ADOPTED
Number of hazard awareness activities delivered to citizens	5	5	12	10
Number of emergency management exercises with participation by EM staff	2	2	4	4
Number of trainings for City staff	8	7	8	10
Number of employees receiving training	110	130	72	150
Number of grant applications submitted	32	10	13	13
Number of grants received	7	13	5	6
Dollar value of grant applications submitted	\$9,255,632	\$4,430,859	\$1,507,994	\$2,500,000
Dollar value of grants received	\$3,771,910	\$6,147,396	\$357,184	\$1,300,000

### NATIONAL CITIZEN SURVEY

QUESTION	% EXCELLENT/GOOD	VERSUS BENCHMARK
Emergency preparedness	79	Much above

### PUBLIC WORKS DIRECTORATE



 Funded by General Fund

 Funded by Utility Fund

## FY 2012 ADOPTED BUDGET PUBLIC WORKS DIRECTORATE

DIRECTORATE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
Public Works and Project Mgmt	136,417	421,340	416,178	633,940
Engineering	1,627,187	1,142,299	1,095,495	710,670
Streets & Stormwater	4,390,154	4,499,585	4,607,347	4,381,573
Building	1,342,335	1,048,430	1,032,414	966,400
Facilities Maintenance	1,881,504	1,758,416	1,617,964	1,621,237
Traffic and Transportation	-	372,000	331,605	589,880
Solid Waste	2,711,922	2,812,000	2,790,000	2,845,000
<b>Public Works Directorate Total</b>	<b>12,089,520</b>	<b>12,054,070</b>	<b>11,891,003</b>	<b>11,748,700</b>

CATEGORY	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
Personnel Services	4,604,897	4,838,158	4,799,260	4,821,970
Supplies	647,022	828,040	757,080	770,660
Repairs & Maintenance	971,454	654,164	790,464	784,182
Services & Charges	5,225,198	5,646,623	5,457,114	5,328,438
Special Programs & Events	24,085	24,085	24,085	43,450
Capital Outlay	260,587	63,000	63,000	-
Capital Projects	356,277	-	-	-
<b>Public Works Directorate Total</b>	<b>12,089,520</b>	<b>12,054,070</b>	<b>11,891,003</b>	<b>11,748,700</b>

### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Services & Charges - Net decrease of \$128,500 due to a decrease in electricity costs resulting from renegotiating the contract (-\$223,000), one-time FY2011 items (-\$91,700), increase in Amegy building lease (+\$34,400), and costs associated with annualizing the contracts for and creating the Traffic and Transportation department (+\$151,800).
- Capital Outlay - Decrease of \$63,000 due to the one-time purchase from concrete plant.

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## **PUBLIC WORKS DIRECTORATE PUBLIC WORKS AND PROJECT MANAGEMENT**

### **MISSION STATEMENT**

To guide and coordinate among all Public Works Directorate departments and functions; to ensure efficient, effective planning, design, construction and maintenance of City infrastructure; and to ensure provision of quality public works services.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Supported first-year implementation of the City's new Capital Improvement Program.
- Established project management office to improve coordination and oversight of capital projects.
- Established and formalized new City design standards for infrastructure.
- Investigated and identified opportunities for acquiring new water supply necessary to City's continued growth.

### **PRIORITIES AND GOALS FOR 2012**

- Improve project schedule and management reporting.
- Work to finalize source(s) of additional water supply.
- Continue improvement of the City image as it relates to provision of public works services.
- Provide in-house design and quality assurance oversight of contract designers for City infrastructure projects.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>PUBLIC WORKS AND PROJECT MANAGEMENT</u></b>				
Personnel Services	136,417	386,300	405,678	598,110
Supplies	-	28,750	7,700	4,000
Services & Charges	-	6,290	2,800	31,830
<b>TOTAL</b>	<b>136,417</b>	<b>421,340</b>	<b>416,178</b>	<b>633,940</b>
<b>POSITIONS</b>	1.0	1.0	6.0	7.0

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$192,500 due to decreases for one-time merit pay in FY2011 (-\$10,000) and separation pay (-\$27,500) and increases due to (1) moving project manager position from Engineering (+\$77,300), (2) annualized cost of transferring 5 employees in creating the Project Management Office in FY2011 (+\$136,700), (3) increase in certificate pay (+\$6,000) and (4) additional pay for acting city manager
- Services and Charges - Increase of \$29,000 due to creating Project Management Office and funding Amegy Building lease for Project Management Office employees housed there.

## **PUBLIC WORKS DIRECTORATE ENGINEERING**

### **MISSION STATEMENT**

To protect the health, safety, and welfare of the citizens of League City by assuring the application of sound engineering principles in the planning, design, construction, and maintenance of the City infrastructure, as provided for in Federal, State and City policy.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Please see Public Works and Project Management.

### **PRIORITIES AND GOALS FOR 2012**

- Please see Public Works and Project Management.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>ENGINEERING</u></b>				
Personnel Services	921,853	819,461	783,476	526,640
Supplies	19,677	36,900	24,000	20,400
Repair & Maintenance	25,223	27,950	23,950	23,950
Services & Charges	260,374	233,903	239,984	96,230
Special Programs & Events	24,085	24,085	24,085	43,450
Capital Outlay	19,698	-	-	-
Capital Projects	356,277	-	-	-
<b>TOTAL</b>	<b>1,627,187</b>	<b>1,142,299</b>	<b>1,095,495</b>	<b>710,670</b>

<b>POSITIONS</b>	14.0	16.0	11.0	7.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net decrease of \$255,000 due to an increase of (+\$33,900) for filling a vacant position in FY2012 that was vacant in FY2011 and decreases of (1) project manager position transferring to Project Management Office in FY2012 (-\$77,300); (2) transferring GIS employees to Information Technology (-\$208,000) in FY2012; and (3) certificate pay (-\$5,400).
- Services & Charges - Decrease of \$143,700 due to (1) one-time master drainage and mobility plans (-\$91,700); (2) decreases associated with transferring employees to other departments which caused decreases in the Amegy Building lease(-\$40,000); and (3) membership dues and training (-\$12,000).
- Special Programs & Events - Increase of \$19,000 due to an increase in population which affects the Harris County Interlocal Agreement for NPDES program payment.

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## **PUBLIC WORKS DIRECTORATE STREETS AND STORMWATER**

### **MISSION STATEMENT**

To provide the highest quality street and drainage maintenance possible, to further enhance and maintain street safety and ride ability, and improve drainage in all areas of the city.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- 3 linear miles of street paved or overlaid.
- 1,000 signs repaired or replaced.
- 51,600 linear feet of ditch cleaned.
- Initiated new sidewalk repair and replacement program.

### **GOALS FOR FISCAL YEAR 2012**

- Rehabilitate and/or convert limestone roadways to paved streets.
- Reshape and grade 50,000 linear feet of roadside ditches, targeting drainage trouble spots.
- Repair /replace 1,200 signs throughout the city.
- Maintain world class service by contacting citizens who have filed a request for service within 48 hours.
- Repair or replace 5,000 linear feet of sidewalk throughout city.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>STREETS &amp; STORMWATER</u></b>				
Personnel Services	1,835,793	1,995,970	1,994,702	2,006,320
Supplies	474,714	639,450	571,180	567,470
Repair & Maintenance	660,303	472,465	620,865	606,483
Services & Charges	1,178,456	1,328,700	1,357,600	1,201,300
Capital Outlay	240,889	63,000	63,000	0
<b>TOTAL</b>	<b>4,390,154</b>	<b>4,499,585</b>	<b>4,607,347</b>	<b>4,381,573</b>
<b>POSITIONS</b>	44.0	44.0	44.0	44.0

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$11,600 due to decreases of one-time merit pay in FY2011 (-\$27,700), separation pay (-\$7,000), and overtime (-\$3,700) and an increase in annualized cost of filling positions in FY2012 that were vacant in FY2011 (+\$50,000).
- Services and Charges - Decrease of \$156,000 in street lights due to renegotiating the electricity contract which resulted in a 25% decrease in cost.
- Capital Outlay - Decrease of \$63,000 due to the one-time purchase of concrete plant in October 2010.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Lane miles of streets resurfaced	N/A	3	3.8	3
Linear feet of sidewalk repaired	N/A	N/A	2,750	5,000
Linear feet of drainage ditches re-graded	N/A	50,000	51,600	50,000
Miles of major outfalls mowed	N/A	N/A	38	38
Number of street signs repaired or replaced	N/A	1,000	1,000	1,200

**NATIONAL CITIZEN SURVEY**

<b>QUESTIONS</b>	<b>% EXCELLENT/GOOD</b>	<b>VERSUS BENCHMARK</b>
Street repair	52	Much above
Sidewalk maintenance	51	Below
Storm drainage	68	Much above

## **PUBLIC WORKS DIRECTORATE BUILDING**

### **MISSION STATEMENT**

To ensure the health, safety and well-being of all people who live, work or visit the City of League City through diligent application of the building codes and City ordinances.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Streamlined operations and improved customer convenience by moving Operations Permits to Building Department, moving plans examiner to the front permit area, cross-training inspectors to staff front permit area, and revising plan check process.
- Revised Residential and Commercial SOP to include code/policy references.
- Updated elevation certificates in flood plain files to meet FEMA requirements.
- Improved National Flood Insurance Program CRS rating from 9 to 8, generating reduced flood insurance rates for League City policyholders.
- Implemented new sign ordinance.
- Attended to 2,922 walk-in customers.
- Implemented contractor registration program to improve contractors' accountability and compliance with codes and ordinances.
- 27 dangerous building cases presented to the Building and Standards Commission, leading to 15 demolition orders and 12 compliance orders for dangerous buildings.

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Revise dangerous building ordinance to comply with State law.
- Revise flood plain ordinance to reflect the latest FEMA standards.
- Implement procedure for converting building files to digital format.
- Organize all FEMA files into a digital filing system accessible citywide.
- Update all policy manuals in the department to reflect the latest changes.
- Review and adopt the 2009 International Building Codes.
- Modify the front building permit area to improve customer service.
- Conduct regular meeting with local builders and contractors.
- Obtain plumbing inspection licenses for two building inspectors.
- Obtain advanced certifications for senior building inspectors.
- Present two cases per month to the Building and Standards Commission.
- Improve the Community Rating System score to 7.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>BUILDING</u></b>				
Personnel Services	1,197,467	889,800	872,984	807,470
Supplies	24,781	27,100	15,100	20,500
Repairs & Maintenance	44,979	34,630	34,530	34,630
Services & Charges	75,107	96,900	109,800	103,800
<b>TOTAL</b>	<b>1,342,335</b>	<b>1,048,430</b>	<b>1,032,414</b>	<b>966,400</b>

<b>POSITIONS</b>	13.0	13.0	13.0	13.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net decrease of \$65,500 due to decreases of one-time merit pay in FY2011 (-\$12,000); separation pay (-\$9,000); overtime (-\$13,500); insurance for calendar year 2012 (-\$3,300); vacant positions funded for only half of FY2012 (-\$37,700); and increase in allowances (+\$10,000).
- Supplies - Increase of \$5,400 due to increased cost of gas and oil.
- Services & Charges - Net decrease of \$6,000 due to anticipated decrease in title searches and advertising for dangerous buildings (-\$10,500) and an increase in the Amegy building lease (+\$4,500).

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Total permits issued	8,486	7,840	7,576	8,408
Permits per 1,000 population	117	94	90	108
Permits per FTE	1,212	1,120	2,525	2,802
Total inspections	30,631	30,612	28,949	31,540
Inspections per 1,000 population	425	368	344	408
Inspections per day per FTE	14	16.5	16.5	17
Average days from application to permit issuance	9	7	7	4.5

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## **PUBLIC WORKS DIRECTORATE FACILITIES MAINTENANCE**

### **MISSION STATEMENT**

To efficiently and effectively maintain City buildings through provision or oversight of contractors providing mechanical, electrical and plumbing services as well as custodial, lighting and similar services to ensure building occupants have a safe, functional work environment.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Completed the replacement of HVAC system at Helen Hall Library.
- Completed the replacement of HVAC system for Animal Control.
- Facilities Maintenance completed 1,139 work orders as of the end of our third quarter and in comparison to last year's total on 740 work orders.
- Civic Center received a facelift with new furniture and accessories.
- Numerous improvements to the outside buildings of our Butler Longhorn Museum.

### **GOALS FOR FISCAL YEAR 2012**

- Complete 90% of all work orders in-house.
- Implement a proactive customer service program that incorporates feedback and performance measurement.
- Administer safety programs and participate in citywide programs.
- Correct the discrepancies in the HVAC/lighting systems at Butler Longhorn Museum during the first quarter of FY2012.
- Develop partnerships with other departments for mutual success.
- Oversee the remodeling of the exterior/interior of City Hall and make ready for staff occupancy during the second quarter of FY2012.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>FACILITIES MAINTENANCE</u></b>				
Personnel Services	513,367	565,247	553,215	608,510
Supplies	127,851	93,220	88,100	95,220
Repairs & Maintenance	240,948	119,119	111,119	119,119
Services & Charges	999,338	980,830	865,530	798,388
<b>TOTAL</b>	<b>1,881,504</b>	<b>1,758,416</b>	<b>1,617,964</b>	<b>1,621,237</b>

<b>POSITIONS</b>	10.0	12.0	12.0	12.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Increase of \$55,000 due to the annualized cost of filling positions in FY2012 that were vacant in FY2011.
- Supplies - Increase of \$7,000 due to anticipated increase in janitorial supplies.
- Repairs and Maintenance - Increase of \$8,000 due to an anticipated increase in equipment repairs and maintenance.
- Services and Charges - Net decrease of \$67,000 due to a decrease in electricity costs resulting from renegotiating the contract (-\$100,000), an increase in cost of gas and oil (+\$15,000) and the first time payment by the general fund departments for water and wastewater (+\$18,000).

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Facilities modernization and energy efficient projects	2	4	6	8
Average time of maintenance request to time of response	N/A	8.5	3.7	2
Internal customer service index	N/A	2	8	8
Number of work orders processed	N/A	323	1,355	1,500
Percentage of repairs & improvements by in-house staff vs. contractors	N/A	35%	60%	75%

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## **PUBLIC WORKS DIRECTORATE TRAFFIC AND TRANSPORTATION**

### **MISSION STATEMENT**

Facilitate the smooth, efficient flow of traffic through and within the City by ensuring quality roadway design and proper timing, maintenance and placement of signals and other traffic devices.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Successfully managed transition of traffic signal operation and maintenance responsibilities from TxDOT to City.
- Initiated monitoring of signal timing and calls for service.
- Adjusted signal timings along major corridors, including Main Street/FM518 for smoother traffic flow.

### **GOALS FOR FISCAL YEAR 2012**

- Reduce the number of traffic signal trouble calls through our routine maintenance and signal timing monitoring.
- Limit response time and fix time of a traffic signal trouble call to less than 1.5 hours.
- Decrease the travel time along the City's major arterials to less than the recorded travel times before signal timings were changed in July, 2011.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>TRAFFIC AND TRANSPORTATION</u></b>				
Personnel Services	-	181,380	189,205	274,920
Supplies	-	2,620	51,000	63,070
Repairs & Maintenance	-	-	-	-
Services & Charges	-	188,000	91,400	251,890
<b>TOTAL</b>	<b>-</b>	<b>372,000</b>	<b>331,605</b>	<b>589,880</b>

<b>POSITIONS</b>	0.0	0.0	2.0	3.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Increase of \$87,000 due to the annualized cost of filling positions that were vacant for part of FY2011 (+\$55,000) and adding a Traffic Control Crewman in FY2012 (+\$32,000).
- Supplies - Net increase of \$12,000 due to the increased cost of gas and oil (+\$10,000), anticipated increase in traffic control supplies (+\$10,000), and decrease due to the one-time costs of creating the department in FY2011 (-\$8,000).
- Services & Charges - Increase of \$169,500 due to department portion of the Amegy building lease (+\$12,300) as well as the annualized costs of the computerized software maintenance for the traffic signals (+\$70,000), traffic signals maintenance contract (+\$50,000), and electricity costs for the traffic signals (+\$28,200).

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Number of trouble calls	N/A	N/A	56/month	650
Response time per trouble call (hours)	N/A	N/A	2	1.5 hrs.
Percentage reduction in average travel time along corridors identified for signal re-timing	N/A	N/A	N/A	10

**NATIONAL CITIZEN SURVEY**

<b>QUESTIONS</b>	<b>% EXCELLENT/GOOD</b>	<b>VERSUS BENCHMARK</b>
Ease of car travel in League City	44	Much below
Traffic flow on major streets	25	Much below
Traffic signal timing	38	Much below

**PUBLIC WORKS DIRECTORATE  
SOLID WASTE****MISSION STATEMENT**

To ensure provision of outstanding waste collection, disposal, and environmental services that enhances the quality of life in our community through superior stewardship.

**PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Begin preparations for expiration of existing solid waste collection contract.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>SOLID WASTE</b>				
Personnel Services	-	-	-	-
Supplies	-	-	-	-
Repairs & Maintenance	-	-	-	-
Services & Charges	2,711,922	2,812,000	2,790,000	2,845,000
<b>TOTAL</b>	<b>2,711,922</b>	<b>2,812,000</b>	<b>2,790,000</b>	<b>2,845,000</b>

**POSITIONS**

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Services & Charges - Increase of \$55,000 due to anticipated increase in the sanitation contract based on projected growth.

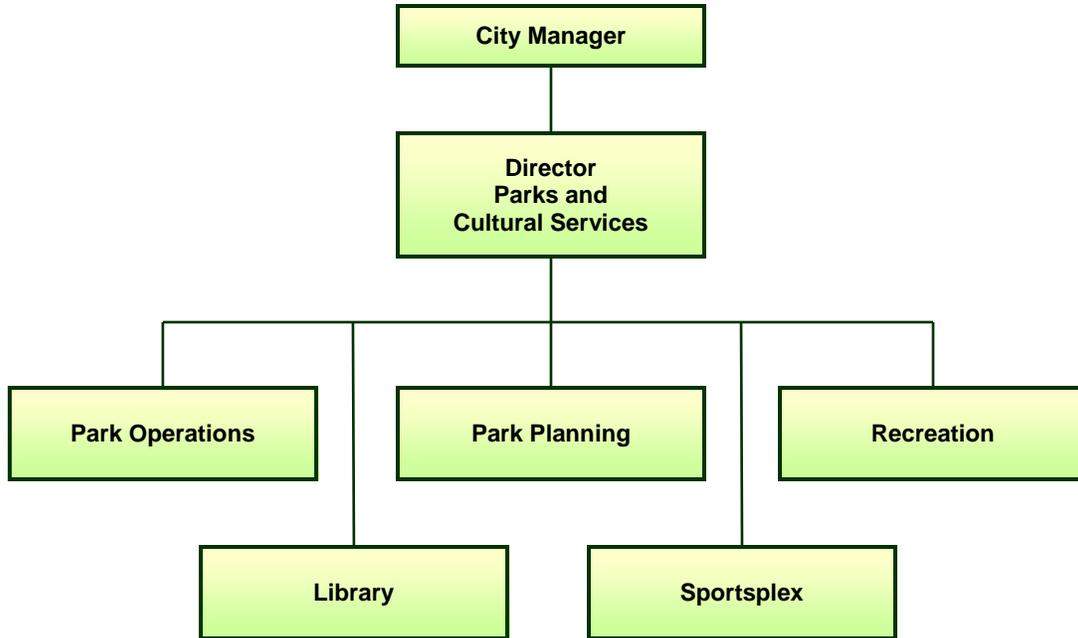
**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Average Tons of Refuse Collected per Refuse Collection Account	N/A	N/A	3.51	3.47
Average Tons of Recyclable Material Collected per Account	N/A	N/A	0.16	0.2
Tons of Recyclable Material Collected as a Percent of All Material Collected	N/A	N/A	4.2%	5.2%

**NATIONAL CITIZEN SURVEY**

<b>QUESTIONS</b>	<b>% EXCELLENT/GOOD</b>	<b>VERSUS BENCHMARK</b>
Yard waste pick-up	80	Much above
Recycling	83	Much above
Garbage collections	89	Much above

**PARKS AND CULTURAL SERVICES DIRECTORATE**



**FY 2012 ADOPTED BUDGET  
PARKS & CULTURAL SERVICES DIRECTORATE**

<b>DIRECTORATE</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Library	2,097,954	2,185,181	2,179,542	2,024,643
Park Operations	1,021,818	1,129,842	1,018,707	1,075,999
Park Recreation	628,318	697,551	700,557	652,570
SportsPlex Operations	355,054	369,154	358,085	364,157
SportsPlex Recreation	144,486	173,480	165,507	170,550
Park Planning	296,251	254,782	247,831	250,590
Butler Museum	86,863	0	0	0
<b>Parks &amp; Cultural Services Directorate</b>	<b>4,630,744</b>	<b>4,809,990</b>	<b>4,670,229</b>	<b>4,538,509</b>

<b>CATEGORY</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Personnel Services	3,355,048	3,439,314	3,423,143	3,239,460
Supplies	562,485	606,460	556,820	556,640
Repairs & Maintenance	213,812	184,341	182,276	184,941
Services & Charges	420,819	527,475	454,590	553,318
Special Programs & Events	78,578	2,900	2,900	4,150
Capital Outlay	-	49,500	50,500	-
<b>Parks &amp; Cultural Services Directorate</b>	<b>4,630,744</b>	<b>4,809,990</b>	<b>4,670,229</b>	<b>4,538,509</b>

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Decrease of \$183,500 due to one-time merit pay in FY2011 (-\$88,500) and separation pay in FY2011 (-\$95,000).
- Services & Charges - Increase of \$98,500 due to first time payment by the general fund departments for water and wastewater (+\$59,000), increase in renting school facilities and recreation program participants (+\$30,500) and an increase in Amegy building lease (+\$9,000).
- Capital Outlay - Decrease of \$50,500 due to one-time purchases in FY2011 for a self check-out system at the library and on-line registration software for Park Recreation programs.

## **PARKS AND CULTURAL SERVICES DIRECTORATE LIBRARY**

### **MISSION STATEMENT**

The mission of the Helen Hall Library is to provide comprehensive information resources and services to link the League City community to the world of ideas.

### **ACCOMPLISHMENTS FOR FISCAL YEAR 2011**

- Through aggressive promotion and use of registration/reminder calling we achieved maximum capacity at Adult Computer Classes.
- Replaced retiring Assistant Librarian with Electronic Services Librarian to initiate one-on-one Computer tutoring.
- Addressed overcrowding and increased participation in early literacy programs by hiring an Outreach Librarian to provide off-site programming.
- Increased attendance at in-building story times by 3%.
- Expanded youth programming to include a preschool program Fit 'n' Fun, Mother Goose Rhyming Time, and Bilingual Story Time.
- Publicized readers' advisory services by creating new bibliographies to assist users in locating materials of interest.
- Shortened wait times at checkout by streamlining Circulation Desk operations three different ways:
  - Improved patron services by consolidating patrons' points of contact for holds, requests and interlibrary loans.
  - Improved patron experience by shortening wait time at circulation desk through addition of grant-funded staff and self-checkout station.
  - Changed packaging and processing for patron holds, thus further shortening wait time at circulation desk.
- Deployed a new web site compatible with the City web site – partially funded by The Friends of Helen Hall Library.
- Expanded library's online offerings by granting patron requests to add Ancestry.com, and increased library brand's visibility to off-site patrons by conducting book club discussions through Facebook.

### **GOALS FOR FISCAL YEAR 2012**

- Aid citizens of League City in making informed decisions by contacting community partners and vendor representatives to provide programs and user training on health, wealth, and other life choices.
- Expand the use of digital technology with a network environment that links customers to programs by promoting registration and participation.
- Ensure that children will enter school ready to learn by providing 10% more materials on parenting and education topics; and featuring these in the youth section of the library on a rotating basis.
- Proactively respond to the needs of citizens by decreasing delivery time on DVDs.

## FY 2012 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b><u>HELEN HALL LIBRARY</u></b>				
Personnel Services	1,704,480	1,790,811	1,785,342	1,669,860
Supplies	273,380	258,100	258,100	231,100
Repairs & Maintenance	28,954	2,100	2,000	2,100
Services & Charges	87,661	114,770	114,700	118,683
Special Programs & Events	3,478	2,900	2,900	2,900
Capital Outlay	0	16,500	16,500	0
<b>TOTAL</b>	<b>2,097,954</b>	<b>2,185,181</b>	<b>2,179,542</b>	<b>2,024,643</b>
<b>POSITIONS</b>	33.0	33.0	33.0	33.0

### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Personnel Services - Decrease of \$115,500 due to one-time merit pay in FY2011 (-\$23,000); separation pay (-\$85,000) not repeated in FY2012; and decrease in insurance rate for calendar year 2012 (-\$7,500).
- Supplies - Decrease of \$27,000 due to anticipation of not receiving the Lone Star Grant in FY2012 (-\$24,000) and a decrease on Adult and Audio Visual Materials (-\$3,000)
- Capital Outlay - Decrease of \$16,500 due to one-time purchase of self-checkout system.

### PERFORMANCE INDICATORS

INDICATORS	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ESTIMATED	FY 2012 ADOPTED
(Active in current fiscal year) registered borrowers as a percent of service area population	N/A	N/A	20.62	20.75
Total circulation	714,260	776,647	753,981	755,450
Circulation rates per capita	10.24	10.64	10.33	10.35
Circulation rates per registered borrower	N/A	N/A	50.1	50.2
Operating and maintenance expenditures per item circulated	\$1.68	\$2.79	\$2.78	\$2.68
Internet user sessions per terminal	N/A	2,125	1,815	1,860

### NATIONAL CITIZEN SURVEY

QUESTION	% EXCELLENT/GOOD	VERSUS BENCHMARK
Public library services	86	Much above

## **PARKS AND CULTURAL SERVICES DIRECTORATE PARK OPERATIONS**

### **MISSION STATEMENT**

To make positive contributions to the quality of life in the community by providing the highest degree of service to our patrons and provide clean, safe, and aesthetically pleasing parks and facilities for the enjoyment of the entire community.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Removed 50+ tree stumps residual from Hurricane Ike at Countryside Park.
- Cleared brush to create maintainable easements where subdivisions border park properties at Rustic Oaks Park, Davis Road/Nature Center Property and Dick Benoit Prairie Preserve.
- Built greenhouse and installed irrigation for the Butler Oak Acorn Project.
- Rebuilt arbor/pergola at Heritage Park.
- Replaced and re-painted siding on garage and walkway/awning pillars at Butler Longhorn Museum/Heritage Park.
- Repaired driveway, re-mulched and installed crushed granite to areas around Butler Longhorn Museum/Heritage Park.
- Renovated bathroom at Helen's Garden and installed ramp to make public accessible and ADA compliant.
- Relocated League Park playground equipment to Countryside Park and oversaw installation of Boundless Playground at League Park.
- Implemented a recycling program at parks to include signage, receptacles and pet waste stations.
- Completed numerous infrastructure updates/renewal projects to include roofing, insulation, fencing, lighting fixtures, bathroom fixtures, court resurfacing, scoreboard replacements, pool pumps, bird netting, landscaping replacements and stump grinding in existing & older facilities.

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Improve restrooms and main awning area at Municipal Pool.
- Renovate concession stand and improve restrooms, parking area and picnic area at Countryside Park.
- Re-level of Recreation Office Building (Burd House) at League Park.
- Staff and begin operations/maintenance of Eastern Regional Park.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>PARK OPERATIONS</u></b>				
Personnel Services	727,489	713,540	690,430	693,100
Supplies	110,592	156,130	125,270	125,330
Repairs & Maintenance	93,855	122,807	122,807	123,407
Services & Charges	89,882	137,365	80,200	134,162
<b>TOTAL</b>	<b>1,021,818</b>	<b>1,129,842</b>	<b>1,018,707</b>	<b>1,075,999</b>

<b>POSITIONS</b>	14.0	14.0	14.0	14.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Increase of \$2,600 due to annualized cost of filling positions in FY2012 that were vacant for part of FY2011.
- Services & Charges - Increase of \$54,000 due to the first time payment by the general fund departments for water and wastewater.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Estimated program/event attendance	N/A	687,801	687,801+	700,000+
Number of parks in the city	11	11	11	13
Acreage developed and maintained	333.68	333.68	333.68	365.39
Miles of walking trail maintained	3.59	4.1	4.1	7.63

## **PARKS AND CULTURAL SERVICES DIRECTORATE PARK RECREATION**

### **MISSION STATEMENT**

To make positive contributions to the quality of life in the community by providing the highest degree of service and quality through our social, mental, and physical developmental recreation programs.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Began implementation of RecTrac/WebTrac recreation software to improve customer service and convenience as well as office and department efficiency.
- Hosted the 2011 TAAF Region 1 Youth Basketball Tournament (44 teams from all over Southeast Texas participated).
- Increased participant numbers and revenue in numerous youth recreation programs (soccer, basketball, flag football, and volleyball) from the previous year.
- Expanded the Senior Citizen program to include additional sessions of several programs/classes.

### **GOALS FOR FISCAL YEAR 2012**

- Implement additional opportunities for League City residents to participate in our recreation programs by providing environmental and nature programs at the Dudney Nature Center and Eastern Regional Park, including nature walks.
- Provide recreation opportunities for individuals and families that support physical fitness and health, including:
  - Community Health/Wellness Fair
  - Programs to encourage fitness and health, such as a fun run/walk or boot camp workout program.
  - Develop new recreation programs specifically for Eastern Regional Park
- Develop new evaluation avenues and criteria for recreation programs, as well as for the department, by expanding opportunities for public feedback and input
- Build and strengthen relationships community groups and organizations including CCISD, League City Lions Club and Knights of Columbus to help promote Park Recreation programs while leveraging volunteer participation

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>PARK RECREATION</u></b>				
Personnel Services	371,884	411,571	424,707	368,960
Supplies	77,171	80,130	77,550	87,010
Repairs & Maintenance	14,892	15,350	14,850	15,350
Services & Charges	164,371	168,500	160,450	180,000
Special Programs & Events	-	-	-	1,250
Capital Outlay	-	22,000	23,000	-
<b>TOTAL</b>	<b>628,318</b>	<b>697,551</b>	<b>700,557</b>	<b>652,570</b>
<b>POSITIONS</b>	14.0	14.0	14.0	14.0

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Decrease of \$56,000 due to one-time merit pay in FY2011 (-\$5,000), separation pay (-\$26,000), and hiring replacement Recreation Specialist at lower rate than retired Recreation Specialist (-\$25,000).
- Supplies - Increase of \$9,500 due to anticipated increase in recreation program participation.
- Services & Charges - Increase of \$19,500 due to increase in renting CCISD school gyms and buses as well as increase in recreation program participation.
- Capital Outlay - Decrease of \$23,000 due to one-time purchase in FY2011 of on-line registration software.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Total Revenue Earned from Parks & Recreation Activities (Program Fees and Charges)	\$499,547	\$476,817	\$477,100	\$477,100
Total Paid Full-Time Equivalent Staff (all Parks and Recreation Activities Excluding Golf)	15.5	15.5	15.5	15.5
Total Recreation Expenditures (General Operating and Maintenance Expenditures only)	\$741,823	\$772,804	\$821,744	\$825,300
Number of Recreation Programs Offered	58	58	58	59
Number of Social/Civic/Private Group Relationships	2	2	2	3
Number of Recreation Program Participants (League City Residents)	12,700	12,860	12,870	12,870
Number of Recreation Program Participants (Non-Residents)	1,730	1,750	1,430	1,430
Number of Special Event Participants	5,180	4,730	5,270	5,270
Total Number of Participants	19,610	19,340	19,570	19,570

## **PARKS AND CULTURAL SERVICES DIRECTORATE SPORTSPLEX OPERATIONS**

### **MISSION STATEMENT**

To make positive contributions to the quality of life in the community by providing the highest degree of service to our patrons and provide clean, safe and aesthetically pleasing parks and facilities for the enjoyment of the entire community.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Oversee contractor on the Phase Two replacement of scoreboards with the installation of 5 new LED Scoreboards on the girls ASA softball and Pony/Colt baseball fields.
- Replaced booster pump for irrigation system.
- Renovated and made drainage improvements behind Pony/Colt baseball fields.
- Replaced degraded wooden/Formica countertops in all bathrooms with fabricated stainless steel for longevity.
- Improved entrance appearance and visibility with new signage and surrounding flower bed at the I-45 entrance.
- Installed bird netting to all pavilions and roosting deterrent spike strips in all restrooms.
- Re-lamped all ball field lighting outages and replaced several ballasts/fuses.
- Replaced unserviceable lighting in red pavilion with updated fixture consistent in all pavilions.
- Replaced degraded insulation in Maintenance Building/Shop.
- Performed annual concrete/curb repairs and parking lot repainting.
- Hosted numerous events including the Cancer Walk and Police Memorial Event.

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Replace picnic tables in pavilions.
- Install new signage at sports fields.
- Repair concrete in driveways and other areas.
- Improve drainage around bullpens and warm-up areas at ball fields.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>SPORTSPLEX OPERATIONS</u></b>				
Personnel Services	232,316	252,480	247,976	242,330
Supplies	46,962	58,200	45,700	56,300
Repairs & Maintenance	60,776	40,584	40,119	40,584
Services & Charges	15,001	17,890	24,290	24,943
<b>TOTAL</b>	<b>355,054</b>	<b>369,154</b>	<b>358,085</b>	<b>364,157</b>

<b>POSITIONS</b>	6.0	6.0	6.0	6.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Decrease of \$5,500 due to one-time merit pay in FY2011 (-\$3,000) and a decrease in insurance rates for calendar year 2012 (-\$2,500).
- Supplies - Increase of \$10,600 due to numerous maintenance updates to Sportsplex being funded through CIP in FY2011 as improvement to the park; maintenance operations will be funded in operating budget in FY2012.

**PERFORMANCE INDICATORS**

Refer to Park Operations budget for performance indicators.

## **PARKS AND CULTURAL SERVICES DIRECTORATE SPORTSPLEX RECREATION**

### **MISSION STATEMENT**

To make positive contributions to the quality of life in the community by providing the highest degree of service and quality through our social, mental, and physical developmental recreation programs.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Began implementation of RecTrac/WebTrac recreation software to improve customer service and convenience as well as office and department efficiency.
- Hosted the 2011 TAAF Region 1 Youth Basketball Tournament (44 teams from all over Southeast Texas participated).
- Increased participant numbers and revenue in numerous youth recreation programs (soccer, basketball, flag football, and volleyball) from the previous year.
- Expanded the Senior Citizen program to include additional sessions of several programs/classes.

### **GOALS FOR FISCAL YEAR 2012**

- Implement additional opportunities for League City residents to participate in our recreation programs by providing environmental and nature programs at the Dudney Nature Center and Eastern Regional Park, including nature walks.
- Provide recreation opportunities for individuals and families that support physical fitness and health, including:
  - Community Health/Wellness Fair
  - Programs to encourage fitness and health, such as a fun run/walk or boot camp workout program.
  - Develop new recreation programs specifically for Eastern Regional Park
- Develop new evaluation avenues and criteria for recreation programs, as well as for the department, by expanding opportunities for public feedback and input
- Build and strengthen relationships community groups and organizations including CCISD, League City Lions Club and Knights of Columbus to help promote Park Recreation programs while leveraging volunteer participation

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>SPORTSPLEX RECREATION</u></b>				
Personnel Services	51,422	65,330	68,907	65,400
Supplies	51,659	51,500	47,500	54,500
Repairs & Maintenance	3,660	3,500	2,500	3,500
Services & Charges	37,745	42,150	35,600	47,150
Capital Outlay	-	11,000	11,000	-
<b>TOTAL</b>	<b>144,486</b>	<b>173,480</b>	<b>165,507</b>	<b>170,550</b>
<b>POSITIONS</b>	1.5	1.5	1.5	1.5

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Decrease of \$3,500 due to one-time merit pay in FY2011 (-\$500) and hiring replacement Recreation Specialist at lower rate (-\$3,000).
- Supplies - Increase of \$7,000 due to anticipated increase in recreation program participation.
- Services & Charges - Increase of \$11,500 due to anticipated increase in recreation program participants thus resulting in an increase in umpires, referees and sanction fees.
- Capital Outlay - Decrease of \$11,000 due to one-time purchase in FY2011 of on-line registration software.

**PERFORMANCE INDICATORS**

Refer to Park Recreation budget for performance indicators.

## **PARKS AND CULTURAL SERVICES DIRECTORATE PARK PLANNING**

### **MISSION STATEMENT**

To provide the community with a world-class park system that will be the end product of maintaining controls over the planning, development, and implementation of new park projects.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Moved forward with design, awarding of bid and groundbreaking for Eastern Regional Park.
- Coordinated design for landings along Clear Creek Paddle Trail.
- Assisted with opening ceremonies for Boundless Playground and maintained records of all donations in support of the playground, including memorial bricks.
- Finalized new lease with Union Pacific Railroad for League Park.
- Working with city arborists, created Butler Oak Project to grow replacement oak trees for city properties and coordinated resident volunteers for project.
- Provided research and analysis of recreation program fee structure compared to other Texas cities to ensure market-competitive fee structure that achieves appropriate sharing of cost between program users and all taxpayers.
- Increase our presence on trails and parks websites including Texas Trails Network.

### **OBJECTIVES FOR 2012**

- Support Project Management Office in development of Eastern Regional Park and Clear Creek Paddle Trail.
- Ensure compliance with Parks and Open Space Master Plan and Trails Master Plan.
- Improve availability of information regarding League City parks and programming through increased online presence, including updates on current projects and information regarding future projects.
- Increase public awareness of League City parks and trails, including placement of Dudley Nature Center on the Great Texas Coastal Birding Trail.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>PARK PLANNING</u></b>				
Personnel Services	267,456	205,582	205,781	199,810
Supplies	2,722	2,400	2,700	2,400
Services & Charges	26,073	46,800	39,350	48,380
<b>TOTAL</b>	<b>296,251</b>	<b>254,782</b>	<b>247,831</b>	<b>250,590</b>

<b>POSITIONS</b>	3.0	3.0	2.0	2.0
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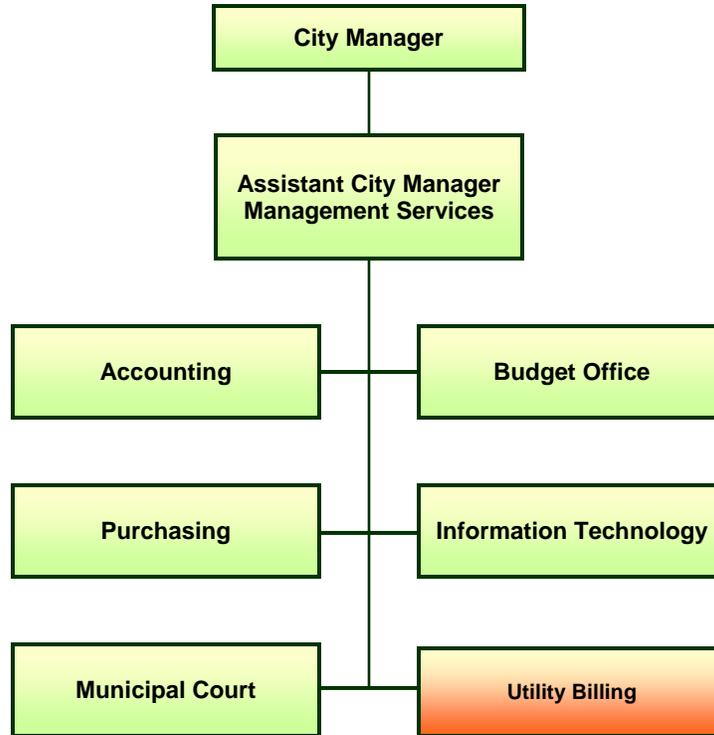
**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Decrease of \$6,000 due to one-time merit pay in FY2011.
- Services & Charges - Increase of \$9,000 in Amegy Building lease.

**NATIONAL CITIZEN SURVEY**

<b>QUESTION</b>	<b>% EXCELLENT/GOOD</b>	<b>VERSUS BENCHMARK</b>
City parks	85	Above
Recreation programs/classes	78	Above
Recreation opportunities	62	Similar

**MANAGEMENT SERVICES DIRECTORATE**



 Funded by General Fund

 Funded by Utility Fund

## FY 2012 ADOPTED BUDGET MANAGEMENT SERVICES DIRECTORATE

DIRECTORATE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
Budget Office	442,813	409,740	400,879	386,230
Accounting	1,141,469	1,217,810	1,212,631	1,116,010
Municipal Court	579,807	572,393	568,936	583,680
Purchasing	270,796	234,040	229,552	262,900
Information Technology	1,261,533	1,429,565	1,476,186	1,775,600
<b>Management Services Directorate Total</b>	<b>3,696,419</b>	<b>3,863,548</b>	<b>3,888,184</b>	<b>4,124,420</b>

CATEGORY	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
Personnel Services	2,313,167	2,488,218	2,461,807	2,753,340
Supplies	368,761	104,750	94,615	119,880
Repairs & Maintenance	16,322	24,780	18,610	19,360
Services & Charges	998,170	1,145,800	1,149,609	1,231,840
Capital Outlay	0	100,000	163,543	0
<b>Management Services Directorate Total</b>	<b>3,696,419</b>	<b>3,863,548</b>	<b>3,888,184</b>	<b>4,124,420</b>

### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Personnel - Net increase of \$292,000 includes (1) a transfer from Engineering of 3 GIS positions and the Police Department IT Specialist to Information Technology (+\$270,000); (2) fill positions in FY 2012 that were vacant during part of FY 2011 (+\$130,000); (3) salary adjustments for Court Judges and Budget Analyst (+\$28,000); (4) certificate pay and cell phone allowances (+\$10,000); (5) overtime (+\$1,000); (6) salary savings (-\$75,000); (7) one time merit (-\$30,000); (8) removal of 75% of an Accounts Receivable Clerk (-\$26,000), (9) removal of intern position (-\$10,000); and (10) termination pay (-\$6,000).
- Services and charges - Net increase of \$82,000 includes (1) transfer from Engineering and the Police Department to Information Technology Budget (+\$166,000); (2) fiber network and internet (+\$20,000); (3) auditing fees (+\$9,000); (4) memberships and dues for Information Technology (+\$1,600); (5) Galveston County Appraisal District charges (-\$35,000); (6) expired financial services contracts (-\$21,600); (7) one time purchases related to the server consolidation project (-\$46,000); and (8) for printing more documents in house (-\$12,000).
- Capital outlay - Decrease of \$163,500 due to the one time purchase of server consolidation equipment and software.

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## **MANAGEMENT SERVICES DIRECTORATE BUDGET OFFICE**

### **MISSION STATEMENT**

To provide fiscal control and guidance for all city funds while complying with applicable local, state and federal regulations.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Updated the second Long Range Financial Forecast for the city.
- Updated the Five Year Capital Improvement Plan for both the General and Utility Funds.
- Included performance indicators and related information into budget, improving the budget's utility for allocation of resources according to measurable performance outcomes.
- Developed quarterly performance reporting for operations and capital projects that provides for accountability by departments in achieving budgeted goals and project milestones.
- Obtained the Government Finance Officers Association's Distinguished Budget Presentation Award for the 4th consecutive year.

### **PRIORITIES AND GOALS FOR FISCAL YEAR 2012**

- Meet changing professional standards so as to receive the Government Finance Officers Association Distinguished Budget Award for FY 2012.
- Generate, store and make available all reports and financial plans in electronic form.
- Systematically review cash investments to ensure reasonable revenue gains within the City's Investment Policy.
- Enhance and improve financial modeling using economic and demographic factors.
- Participate in the configuration, testing and implementation of the new citywide business management system.
- Strengthen monitoring and controls on appropriation and spending of capital funds.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>BUDGET OFFICE</u></b>				
Personnel Services	391,858	367,570	348,842	362,820
Supplies	6,964	3,250	3,310	3,250
Services & Charges	43,991	38,920	48,727	20,160
<b>TOTAL</b>	<b>442,813</b>	<b>409,740</b>	<b>400,879</b>	<b>386,230</b>

<b>POSITIONS</b>	3.5	3.5	3.5	3.5
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$14,000 includes an increase due to filling a vacancy for a Budget Analyst position (+\$26,300); adjustment to a Budget Analyst position (+\$6,300); removal of intern position in FY 2012 (-\$10,400); salary savings applied to FY 2012 (-\$3,700); and one time merit in FY2011 (-\$4,500).
- Services & Charges - Decrease of \$28,500 includes expired financial services contracts (-\$22,500) and decrease for printing and binding due to printing more documents in house versus outsourcing (-\$6,000).

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Department and Funds Budgets Reviewed	54	54	65	66
Percent of General Fund Revenue Over/(Under) Budget	0.7%	0.7%	0.3%	1.0%
Percent of General Fund Expenditures (Over)/Under Budget	1.8%	1.8%	2.3%	-1.0%
Investment Portfolio (Millions)	\$129	\$139	\$160	\$160
Interest Earned (Thousands)	\$833	\$415	\$330	\$736
Average Rate of Interest Earned	0.6%	0.3%	0.2%	0.5%

## **MANAGEMENT SERVICES DIRECTORATE ACCOUNTING**

### **MISSION STATEMENT**

To maximize the use of financial resources by creating a more efficient system to facilitate the transactions involving the collection, disbursement, and reporting of City funds; and to maintain an efficient system of billing and collecting of City funds.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Receipt of the Certificate of Achievement for Excellence in Financial Reporting for the 28<sup>th</sup> consecutive year.
- Receipt of the Texas Comptroller Leadership Circle Gold Award for financial transparency on the city's website for the second consecutive year.
- Achieved 100% direct deposit of all employee payments.
- Developed a procedure and associated documents for dissolution of South Shore Harbour Municipal Utility District #3.

### **PRIORITIES AND GOALS FOR FISCAL YEAR 2012**

- Provide an annual financial report that fully discloses the City's financial condition and contains an unqualified audit opinion.
- Meet changing professional standards so as to receive the Governmental Finance Officer's Association award for the Comprehensive Annual Financial Report.
- Maximize the number of automated vendor payments.
- Review the City's procedures and its system of internal controls to preserve and protect resources and identify means of improving those controls and revising procedures as required, with a specific focus on fixed assets.
- Improve training for employees, including cross training in multiple jobs, and encouraging and supporting them in achieving additional education and certifications.
- Review of property tax rebate agreements with seven Municipal Utility Districts, three Tax Incremental Reinvestment Zones, and four Public Improvement Districts and implement cost savings opportunities as identified.
- Participate in the configuration, testing and implementation of the new citywide business management system.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>ACCOUNTING</u></b>				
Personnel Services	674,008	736,230	739,984	668,470
Supplies	56,932	8,000	7,095	8,000
Repairs & Maintenance	0	420	0	0
Services & Charges	410,530	473,160	465,552	439,540
<b>TOTAL</b>	<b>1,141,469</b>	<b>1,217,810</b>	<b>1,212,631</b>	<b>1,116,010</b>

<b>POSITIONS</b>	9.5	9.5	9.75	9.00
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net decrease of \$71,500 includes removing 75% of Accounts Receivable Clerk in FY 2012 (-\$27,000); salary savings in FY 2012 (-\$21,500); reclassifying positions to fill positions vacant in FY 2012 at a lower rate (-\$13,500); one time merit (-\$10,700); termination pay (-\$5,700); certificate pay (+\$4,800); and overtime (+\$2,100).
- Supplies - Increase of \$900 for supplies.
- Services & Charges - Net decrease of \$26,000 includes auditing fees (+\$9,000) and reduction in the payment to Galveston County Appraisal District in FY 2012 (-\$35,000).

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Number of vendor payments completed	8,561	7,288	6,100	5,500
Number of checks as percent of total vendor payments	98%	97%	86%	72%
Number of electronic payments as a percent of total vendor payments	2%	3%	14%	28%
Number of funds managed	43	48	53	56

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## **MANAGEMENT SERVICES DIRECTORATE MUNICIPAL COURT**

### **MISSION STATEMENT**

To provide League City an expeditious, equitable, and impartial court system which will administer the laws that govern its citizens while adhering to the established philosophies of integrity and justice in order to preserve the high quality of life by ensuring compliance with city ordinances, penal and traffic laws.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Implemented the contract for collection of outstanding warrants.
- Created Warrant Officer/Bailiff position to improve court security and warrant enforcement.
- All Court staff attended training through the Texas Municipal Courts Education Center.
- Began accepting payments for City water/sewer/refuse collection bills at all customer service windows.

### **PRIORITIES AND GOALS FOR FISCAL YEAR 2012**

- Improve staff skill levels, cross train Court staff in all functions of Court duties and encourage court certification.
- Update Court procedures manuals to reflect changes in new software to assist in training of existing and new employees.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>MUNICIPAL COURT</u></b>				
Personnel Services	501,394	544,563	540,856	555,850
Supplies	60,669	11,500	11,500	11,500
Repairs & Maintenance	215	750	-	750
Services & Charges	17,529	15,580	16,580	15,580
<b>TOTAL</b>	<b>579,807</b>	<b>572,393</b>	<b>568,936</b>	<b>583,680</b>
<b>POSITIONS</b>	8.0	8.0	9.0	9.0

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$15,000 includes salary increases for Municipal Court Judge's (+\$22,100); filling a position in FY 2012 that was vacant for part of FY 2011 (+\$9,000); overtime (+\$2,400); cell phone allowances (+\$2,200); certificate pay (+\$2,100); salary savings (-\$17,300); and one time merit (-\$5,500).
- Repairs & Maintenance - Increase of \$750 for equipment repair.
- Services & Charges - Decrease of \$1,000 due to decreased number of jury trials anticipated in FY 2012.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Violations filed	13,874	19,438	17,533	18,500
Disposed violations	13,003	18,486	18,999	19,250
Warrants issued	9,576	6,637	5,589	6,000
Warrants cleared	10,511	7,430	8,100	7,800
Outstanding warrants at year end	10,370	9,630	7,089	5,330

## **MANAGEMENT SERVICES DIRECTORATE PURCHASING**

### **MISSION STATEMENT**

To procure goods and services that provides the best value to the City of League City within legal guidelines established by the City Council and the State of Texas.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Developed a Contract Management Program which includes performance and legal compliance review, and monthly invoice audits of contracts.
- Expanded the growth of the Purchasing Card Program by increasing card dollar volume by 43%.
- Secured a new contract for electricity for a 24 month period saving an estimated 30% on the current rate.
- Organized two internal office supply events which promoted the re-distribution and recycling of surplus supplies and introduced green and cost saving initiatives.
- Introduced follow-up and outreach program for vendors expressing interest in doing business with the City.

### **PRIORITIES AND GOALS FOR FISCAL YEAR 2012**

- Implement an E Procurement Program by eliminating the printing of purchase orders and accepting formal bids and proposals electronically.
- Establish a more detailed audit program for the purchasing card to ensure compliance with City policies and State purchasing laws.
- Continue to expand the purchasing card program to reduce overhead and maximize bank rebates.
- Apply for the National Purchasing Institute's Achievement of Excellence in Procurement Award.
- Establish evaluation criteria for bids and proposals for goods and services to ensure best value to the City.
- Participate in the configuration, testing and implementation of the new citywide business management system.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>PURCHASING</u></b>				
Personnel Services	243,545	213,840	210,542	243,870
Supplies	14,899	6,000	6,710	5,000
Services & Charges	12,352	14,200	12,300	14,030
<b>TOTAL</b>	<b>270,796</b>	<b>234,040</b>	<b>229,552</b>	<b>262,900</b>

<b>POSITIONS</b>	3.0	3.0	3.0	3.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$33,400 includes filling a vacant position in FY 2012 that was vacant for part of FY 2011 (+\$38,300); salary savings (-\$2,500); and one time merit (-\$2,400).
- Supplies - Decrease of \$1,700 due to transfer from supplies to services and charges.
- Services & Charges - Increase of \$1,700 due to transfer from supplies to services and charges.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Purchase Orders Issued	2,306	2,015	1,437	1,200
Purchase Orders Issued (Millions)	\$23.5	\$50.5	\$49.0	\$47.0
Request for Qualifications	5	2	2	3
Request for Proposals	6	5	9	5
Sealed Bids	18	22	20	20
Number of Purchasing Card Transactions	8,085	9,005	11,368	12,500
Purchasing Card Transactions (Millions)	\$1.4	\$1.8	\$3.2	\$4.2

## **MANAGEMENT SERVICES DIRECTORATE INFORMATION TECHNOLOGY**

### **MISSION STATEMENT**

To provide timely and efficient systems support to all departments through the maximization of technological capabilities. To provide effective training and standardization of hardware and software components, and provide strategic planning for future systems directions and support.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Implementation of server virtualization and consolidation, avoiding the cost of replacement of up to 40 servers over the next 5 years.
- Completed move of City Hall to temporary office location in a compressed time frame with minimal downtime or loss of service.
- Relocation of services and infrastructure at City Hall in preparation for building renovation.
- Installed parks & recreation software in an effort to go paperless and accept online program registrations and payments for improved organizational efficiency and customer service.
- Development of plans for city-wide connectivity and networking to include the new waste water plant, city-managed traffic signals and select city facilities, reducing or eliminating recurring charges for fiber connectivity.
- Consolidated or eliminated unused City telephone lines for annual estimated savings of \$30,000.
- Introduced online “employee self-serve” option, allowing employees to access payroll and benefits information without HR assistance.
- Secured interim software upgrade for Utility Billing, saving \$88,000 on improvements to support department until introduction of new system.
- Added American Express to list of credit cards accepted for payments to City.

### **PRIORITIES AND GOALS FOR FISCAL YEAR 2012**

- Advertise RFP for fiber optic cabling and connectivity and begin the first phases of that project.
- Facilitate completion of City Hall remodeling and improvements and support return of staff to City Hall.
- Acquire and implement citywide business management system, improving financial and operational record-keeping, data-sharing and coordination.
- Initiate use of “virtual desktops” to replace existing desktops scheduled for replacement, saving an estimated \$1,000 per replacement
- Purchase and deploy Enterprise GIS Mapping, making GIS data available to all City departments and the public.
- Issue RFP for single-source provider for acceptance of credit card payments to City, streamlining process and potentially reducing costs to City.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>INFORMATION TECHNOLOGY</u></b>				
Personnel Services	502,361	626,015	621,583	922,330
Supplies	229,297	76,000	66,000	92,130
Repairs & Maintenance	16,107	23,610	18,610	18,610
Services & Charges	513,768	603,940	606,450	742,530
Capital Outlay	0	100,000	163,543	0
<b>TOTAL</b>	<b>1,261,533</b>	<b>1,429,565</b>	<b>1,476,186</b>	<b>1,775,600</b>
<b>POSITIONS</b>	7.0	7.0	7.0	11.0

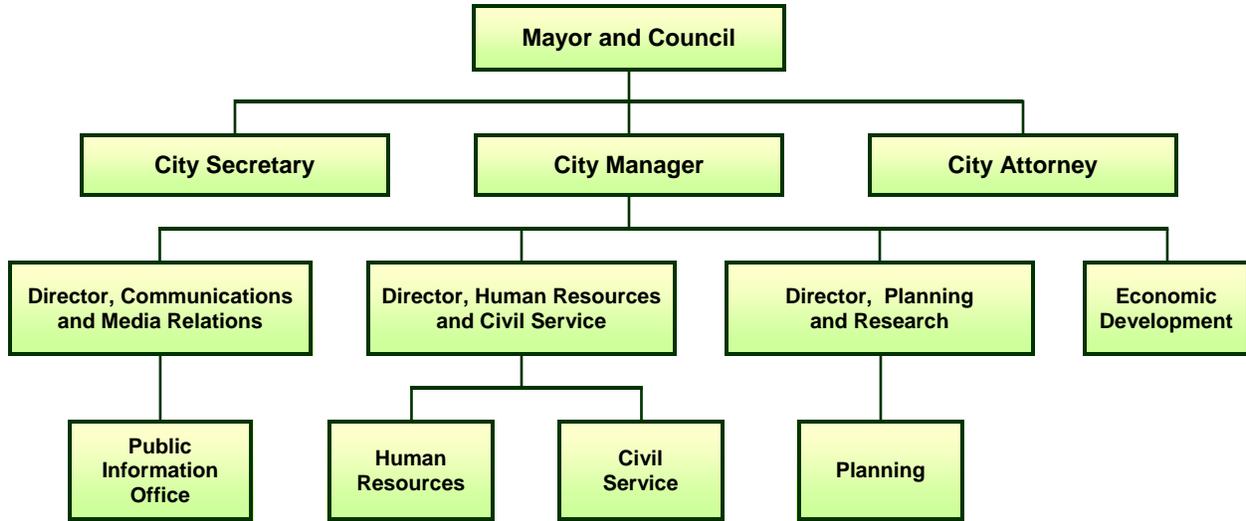
**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$300,700 includes a transfer of three GIS positions from Engineering to Information Technology (+\$208,000); transfer of one position from the Police Department to Information Technology (+\$62,100); filling and reclassifying a vacant position in FY 2012 that was vacant for part of FY 2011 (+\$71,100); salary savings (-\$28,700), overtime in FY 2011 due to the move from city hall (-\$4,000); and one time merit pay (-\$7,800).
- Supplies - Increase of \$26,000 includes an increase in computer replacements (+\$25,000) and an increase related to the transfer of three GIS positions from Engineering to Information Technology (+\$1,000).
- Services & Charges - Net increase of \$136,000 includes a transfer from the Police Department to Information Technology for the OSSI and Stratus software (+\$140,000); an increase related to the transfer of three GIS positions from Engineering to Information Technology (+\$26,300); fiber network and internet charge increases (+\$20,000); memberships and dues (+\$1,600); one time items related to the server consolidation project (-\$46,400); and reduction to training and travel (-\$5,500).
- Capital Outlay - Decrease of \$163,500 due to server consolidation paid in FY 2011.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Documented Work Orders per Technician	605	872	1,032	900
Workstations per technician	48	48	47	50
Servers	35	40	47	40
Workstations	380	390	368	370

**ADMINISTRATION DIRECTORATE**



## FY 2012 ADOPTED BUDGET ADMINISTRATION DIRECTORATE

DIRECTORATE	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
City Manager	643,244	672,310	664,648	654,410
City Secretary	335,647	414,910	410,136	362,720
City Attorney	494,483	545,000	600,000	550,000
Mayor and Council	142,263	188,150	162,930	188,160
Planning	1,421,831	1,136,528	1,061,706	988,750
Economic Development	319,944	163,730	129,660	190,020
Human Resources	1,034,134	1,015,860	994,926	1,015,254
Civil Service	79,136	73,600	49,500	79,030
<b>Administration Directorate Total</b>	<b>4,470,682</b>	<b>4,210,088</b>	<b>4,073,506</b>	<b>4,028,344</b>

CATEGORY	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
Personnel Services	2,468,748	2,691,218	2,675,956	2,606,950
Supplies	75,573	50,840	44,600	52,340
Repairs & Maintenance	3,449	1,000	0	1,000
Services & Charges	1,835,127	1,349,330	1,247,350	1,284,354
Special Programs & Events	87,786	117,700	105,600	83,700
<b>Administration Directorate Total</b>	<b>4,470,682</b>	<b>4,210,088</b>	<b>4,073,506</b>	<b>4,028,344</b>

## **ADMINISTRATION DIRECTORATE CITY MANAGER**

### **MISSION STATEMENT**

To provide support and direction to staff; evaluate and ensure smooth, efficient and effective delivery of City services; assist the City Council in establishing a vision for the City; and improve communications between the City and community.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Drafted new Economic Development Strategic Plan for Council adoption and initiated economic development implementation plan for Main Street/Historic District area.
- Produced annual report of City accomplishments for 2010 calendar year.
- Improved performance measurement implementation through active participation in the International City-County Management Association's Center for Performance Measurement, including staff training and revision of measures to allow benchmarking against other communities.
- Began citizen surveying to identify community satisfaction with various City services.
- Improved municipal television channel broadcast quality with acquisition of new equipment.

### **PRIORITIES AND GOALS FOR 2012**

- Build on economic development plan by comparing assets against other communities to determine League City's economic development "fit" in a regional context; add to progress on Main Street/Historic District area by placing greater emphasis on leveraging opportunities related to Big League Dreams and the South Shore Harbor area.
- Expand performance measurement activities to include ongoing review of missions and measures, as well as performance audits to identify opportunities for improved policies and processes leading to better service delivery, quality assurance and customer satisfaction across the organization.
- Improve community relations by increasing staff presence at community functions and events.
- Add new and improved content to municipal television channel.
- Achieve greater budgetary and operating efficiency through more strategic deployment of human resources, with a particular focus on incorporating a more streamlined, team-focused approach for support staff.

## FY 2012 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>CITY MANAGER</b>				
Personnel Services	352,349	577,290	600,848	559,390
Supplies	16,285	7,590	4,400	7,590
Repairs & Maintenance	0	0	0	0
Services & Charges	273,058	87,330	58,400	87,330
Special Programs & Events	1,552	100	1,000	100
<b>TOTAL</b>	<b>643,244</b>	<b>672,310</b>	<b>664,648</b>	<b>654,410</b>
<b>POSITIONS</b>	5.0	5.0	6.0	6.0

### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Personnel Services - Net decrease of \$41,500 due to decrease of one-time merit pay in FY2011 (-\$11,500), City Manager funded for only 75% of FY2012 (-\$50,400), and certificate pay (-\$7,200); and increases of insurance (+\$13,000) due to anticipation of future City Manager utilizing City insurance and annualized cost of adding a Communication Specialist position in FY2011 (+\$14,600).
- Services & Charges - Increase of \$29,000 due to an increase in costs of producing and mailing City Matters (+\$22,000) and increase in anticipated travel for City Manager (+\$7,000).

### PERFORMANCE INDICATORS

INDICATORS	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ESTIMATED	FY 2012 ADOPTED
Value of City-initiated news media coverage	N/A	N/A	\$260,800	\$120,000
Website visits	N/A	530,000	701,000	806,000

### NATIONAL CITIZEN SURVEY

QUESTIONS	% EXCELLENT/GOOD	VERSUS BENCHMARK
Cable Television	64	Much above
Public Information Services	79	Much above
Economic Development	63	Much above
Ratings of City Employees (among those having contact)		
* Knowledge	88	Much above
* Responsiveness	85	Much above
* Courtesy	86	Much above
* Overall Impression	92	Much above

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## **ADMINISTRATION DIRECTORATE CITY SECRETARY**

### **MISSION STATEMENT**

Provide quality agendas, organized and accurate election processes, timely processing of open records requests and responsible assistance to the Mayor, City Council members, staff and the citizens of League City.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Reduced in-house records by assisting staff in identifying and eliminating unnecessary documents during temporary City Hall relocation.
- Worked with IT to hold on-site purge-and-shred event at the storage facility to destroy records that met their retention period.
- Achieved smooth transition of leadership with retirement of City Secretary.

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Identify methods for increasing electronic storage of documents and records.
- Advise and assist City Departments in achieving compliance with the State Library Retention Schedules specific to their records.
- Improve the on-line agenda process by expediting and streamlining flow of information among and between staff and Council.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>CITY SECRETARY</u></b>				
Personnel Services	275,775	335,910	352,436	283,720
Supplies	18,722	20,000	20,500	20,000
Repairs & Maintenance	3,449	1,000	0	1,000
Services & Charges	37,701	58,000	37,200	58,000
<b>TOTAL</b>	<b>335,647</b>	<b>414,910</b>	<b>410,136</b>	<b>362,720</b>

<b>POSITIONS</b>	4.0	4.0	4.0	4.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Decrease of \$68,700 due to one-time merit pay in FY2011 (-\$8,000); separation pay (-\$58,000); and anticipated decrease in overtime (-\$2,700).
- Services & Charges - Increase of \$20,000 expected from having a run-off election in FY2012 that was not necessary in FY2011.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Agenda Items Processed	790	631	609	620
Public Meetings	54	46	55	50
Records Requested External	496	533	426	480
Ordinances Adopted	50	46	71	70
Resolutions Adopted	43	48	37	45

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## **ADMINISTRATION DIRECTORATE CITY ATTORNEY**

### **MISSION STATEMENT**

To provide legal advice to the City Council, the City Manager and staff; to represent the City in all legal matters; and to oversee outside law firms handling City legal matters.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Provided proper legal guidance to Council and staff by preparing and reviewing ordinances, contracts, documents and policies for compliance with all applicable laws and for the City's protection against potential liability.
- Provided counsel regarding specific City projects or initiatives.
- Provided best possible counsel during litigation.
- Advised staff to ensure compliance with state laws governing open records and public information.

### **PRIORITIES AND GOALS FOR 2012**

- Participate in review and improvement of the agenda process.
- Provide legal representation and counsel to Council, staff and City boards and commissions.
- Provide support for the biennial review of the City Charter.
- Coordinate with outside counsel as appropriate to protect and advance the City's interests.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>CITY ATTORNEY</u></b>				
Services & Charges	494,483	545,000	600,000	550,000
<b>TOTAL</b>	<b>494,483</b>	<b>545,000</b>	<b>600,000</b>	<b>550,000</b>

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Decrease of \$50,000 due to anticipated decrease in attorney services.

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## **ADMINISTRATION DIRECTORATE MAYOR AND COUNCIL**

### **MISSION STATEMENT**

To serve the citizens of League City; to provide direction to the City Manager and staff to achieve service level objectives; and to set long-range vision of the City.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Participated in annual retreat focused on definition of staff and Council roles and responsibilities in council-manager form of government.
- Approved 1.4-cent reduction in property taxes as part of FY 2011 adopted budget.
- Selected new City Secretary to fill opening left by retirement of longtime incumbent.
- Provided policy direction and guidance to City Manager on issues of community interest and importance.

### **PRIORITIES AND GOALS FOR 2012**

- Review and revise (as needed) the City's strategic priorities and direction in an annual retreat with senior staff
- Adopt policies in line with community needs and priorities while maintaining open lines of communication with a diverse range of community groups and individuals.
- Review quarter financial and performance reports to help ensure productive discussions with the City Manager and staff regarding progress in addressing community issues and service needs.
- Adopt a budget that demonstrates a continued commitment to world-class customer service and financial health for the City and its taxpayers.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>MAYOR AND COUNCIL</u></b>				
Personnel Services	6,734	6,700	6,580	6,710
Supplies	4,409	6,750	1,950	6,750
Services & Charges	110,236	145,600	134,400	145,600
Special Programs & Events	20,885	29,100	20,000	29,100
<b>TOTAL</b>	<b>142,263</b>	<b>188,150</b>	<b>162,930</b>	<b>188,160</b>
<b>POSITIONS</b>	8.0	8.0	8.0	8.0

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Supplies - Increase of \$4,800 due to replacing computers for two council members.
- Services & Charges - Increase of \$11,200 due to anticipated use of facilitator for council retreat (+\$8,000) and anticipated increase in travel for mayor and council members (+\$3,200).

**NATIONAL CITIZEN SURVEY**

<b>Question</b>	<b>% Excellent/ Good</b>	<b>Vs. Benchmark</b>
Overall quality of life in League City	87	Much above
League City as a place to live	93	Much above
Your neighborhood as a place to live	86	Much above
Likelihood resident would recommend living in League City to someone	94	Much above
Likelihood resident will remain in League City for the next five years	88	Above
Value of services for taxes paid to League City	57	Much above
Overall direction that League City is taking	66	Much above
Job League City government does at welcoming citizen involvement	55	Much above
Overall image or reputation of League City	81	Much above

## **PLANNING AND RESEARCH DIRECTORATE PLANNING**

### **MISSION STATEMENT**

To provide excellent customer service and consistent policy recommendations that guide the physical, economic, and social growth of League City to achieve a better quality of life as established by citizens' vision of the community.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Completed and obtained approval of the 2035 Comprehensive Plan.
- Established more customer-friendly web presence, including new development permit web page and new online customer satisfaction survey.
- Created GIS database of Special Use Permits and zoning cases, allowing easier public access to data with planned installation of new permit tracking and interactive GIS software.
- Began Main Street Implementation Plan with Sustainable Communities grant.
- Made major updates to regulations for pipelines and oil and gas well drilling.
- Increased research focus with introduction of quarterly report highlighting key demographics and growth indicators.
- Established maintenance program for historic Butler Oaks along Main Street and started tree farm to develop acorns into next generation of Butler Oaks.
- Created "Bee Green" page for landscaping and conservation tips.
- Improved public notifications of new zoning and SUP requests by requiring applicants to meet with property owners within 500' radius prior to submitting application, and by instituting notification of homeowners' associations within 500 feet of applicants' location.
- Revised Zoning Ordinance to enhance notification requirements for zoning and special use permit requests by requiring applicants to meet with property owners in 500-foot buffer area prior to submitting application.
- Completed and obtained approval of major revisions to the Sign Ordinance.

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Improve coordination between development and permit application review processes.
- Enable submittal of online applications for permits.
- Begin updating of codes and zoning map for conformance with the approved 2035 Comprehensive Plan.
- Inform and educate property and business owners on the benefits of low-impact design.
- Expand and enhance availability of data and technical assistance, focusing on small business growth and development.

## FY 2012 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>PLANNING DEPARTMENT</b>				
Personnel Services	992,604	1,006,328	968,356	880,800
Supplies	18,138	7,200	7,650	7,700
Services & Charges	411,089	123,000	85,700	100,250
<b>TOTAL</b>	<b>1,421,831</b>	<b>1,136,528</b>	<b>1,061,706</b>	<b>988,750</b>
<b>POSITIONS</b>	13.0	13.0	13.0	11.0

### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Personnel Services - Decrease of \$87,500 due to the elimination of two vacant positions in FY2012 (Planner and Permit Coordinator).
- Services and Charges - Increase of \$14,500 due to increase in Amegy Building lease (+\$4,000) and anticipated increase in postage due to notifying property owners of zoning changes (+\$10,500).

### PERFORMANCE INDICATORS

INDICATORS	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ESTIMATED	FY 2012 ADOPTED
Number of development plans, administrative plats, and P&Z plats reviewed	86	97	92	90
Number of development plan, administrative plat, and P&Z plat reviews conducted	N/A	163	139	140
Average number of reviews per development plan or P&Z plat submittal	N/A	1.6	1.6	1.6
Average time from development plan or P&Z plat submittal to approval (calendar days)	N/A	N/A	N/A	45
Average overall satisfaction score from online survey regarding Development Review Committee	N/A	N/A	60%	70%

### NATIONAL CITIZEN SURVEY

QUESTION	% EXCELLENT/GOOD	VERSUS BENCHMARK
Land use, planning and zoning	51	Much above
Overall quality of business and service establishments in League City	73	Much above



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**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>ECONOMIC DEVELOPMENT</u></b>				
Personnel Services	237,687	113,530	81,810	155,820
Supplies	979	1,500	500	1,500
Services & Charges	81,278	48,700	47,350	32,700
<b>TOTAL</b>	<b>319,944</b>	<b>163,730</b>	<b>129,660</b>	<b>190,020</b>
<b>POSITIONS</b>	3.0	2.0	2.0	2.0

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Increase of \$74,000 due to filling Economic Development Manager position for nine months in FY2012 that was vacant in FY2011.
- Services & Charges - Decrease of \$14,650 due to this department moving out of the Amegy Building.

## **ADMINISTRATION DIRECTORATE HUMAN RESOURCES**

### **MISSION STATEMENT**

As a strategic partner within League City leadership, we develop and deliver innovative human resource programs and services designed to support the mission of the City and its organizational values. Our core services and competencies include, but are not limited to, recruitment and staffing, employee relations, organizational and employee development, risk management, compensation and benefits administration, HR information management, and regulatory compliance.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Annualized turnover rate held flat at 15 percent.
- Successfully negotiated a 5 percent decrease in employee health care vendor costs; no increase to employee premium rates for five consecutive years.
- Initiated City-wide total compensation, benefits and classification study; review of initial survey data underway.
- Successfully administered entry level police officer exam to over 200 applicants.
- Implemented Performance Management Software; successfully completed 426 performance evaluations on-line as a result.
- Conducted Civil Treatment Training for Managers for executive-level personnel as well as managers and supervisors; Harassment and Non-Discrimination Policy rewritten to boost harassment awareness and prevention, supervisory development and cultural transformation that directly supports the City's organizational values.
- Worked with Public Safety to recruit and select City's first full-time paid fire chief.

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Finalize City-wide total compensation, benefits and classification study; begin initial steps to implement compensation study recommendations.
- Identify, develop and implement risk management and safety programs to control, minimize and eliminate loss exposure for the City.
- Review, update and redesign City's Personnel Policies and develop Employee Handbook.
- Continue rollout of Civil Treatment Training for Managers and Employees to support harassment awareness and prevention, supervisory development, and cultural transformation that directly supports the City's organizational values.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>HUMAN RESOURCES</u></b>				
Personnel Services	603,334	651,460	665,326	718,080
Supplies	14,507	7,700	6,600	7,700
Services & Charges	350,944	268,200	238,400	234,974
Special Programs & Events	65,349	88,500	84,600	54,500
<b>TOTAL</b>	<b>1,034,134</b>	<b>1,015,860</b>	<b>994,926</b>	<b>1,015,254</b>

<b>POSITIONS</b>	8.0	8.0	8.0	8.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$52,700 due to the cost of filling a vacant position in FY2012 with a risk and insurance specialist (+\$76,700) and decreases of one-time merit pay in FY2011 (-\$9,000) and unemployment benefits (-\$15,000).
- Special programs & Events - Decrease of \$30,000 due to moving the employee events budget (Christmas Party, Employee Picnic, Open House, and Thanksgiving Luncheon) to the Non-Departmental budget.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Total number of new hires	133	82	90	80
Total number of termination	97	66	75	65
Turnover rate (Percent)	8%	15%	15%	10%
Total number of work related injuries	35	46	35	0
Performance evaluations completed	476	495	426	450

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>CIVIL SERVICE</u></b>				
Personnel Services	266	0	600	2,430
Supplies	2,533	100	3,000	1,100
Services & Charges	76,338	73,500	45,900	75,500
<b>TOTAL</b>	<b>79,136</b>	<b>73,600</b>	<b>49,500</b>	<b>79,030</b>

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Increase of \$1,800 due to anticipated overtime charges associated with administering the Civil Service exams.
- Services & Charges - Increase of \$29,600 due to an increase in the number of Civil Service exams and assessment centers in FY2012.

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>NON-DEPARTMENTAL</u></b>				
Personnel Services	248,202	403,309	208,416	599,349
Supplies	49,677	1,500	2,500	84,100
Repairs & Maintenance	1,566	37,460	32,000	37,000
Services & Charges	529,370	1,094,159	897,600	652,500
Special Programs & Events	5,722	7,150	5,000	50,000
Capital Outlay	-	65,000	-	189,500
Payment to TIRZ's	1,963,429	1,374,600	1,390,100	1,432,200
Transfers To Other Funds	675,513	2,766,825	2,766,825	2,018,500
<b>TOTAL</b>	<b>3,473,479</b>	<b>5,750,003</b>	<b>5,302,441</b>	<b>5,063,149</b>

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Increase of \$390,000 due to an anticipated increase of 55% in worker's compensation (+\$85,000) and expected cost to fund the general fund percentage of the compensation study (+\$305,000).
- Supplies - Increase of \$81,600 includes the following one-time items in FY2012: training equipment for EMS (\$16,000); replacement of laptop computers for EMS (\$36,000); AED's for city buildings (\$24,600); and IPAD's for Fire Marshal's (\$5,000).
- Services and Charges - Net decrease of \$245,000 due to an increase in liability insurance (+\$33,000) and decreases for General Fund portion of citywide classification and salary study in FY2011 (-\$48,000); Drainage Capital Recovery Fee study in FY2011 (-\$44,000); regional transit site (-\$49,000); funding for Butler Museum in FY2011 that will not continue in FY2012 (-\$56,000); City's portion for one-time Livable Center Grant (-\$56,000); and council retreat facilitator (-\$25,000).
- Special Programs & Events - Increase of \$45,000 due to moving the employee events budget (Christmas Party, Employee Picnic, Open House, and Thanksgiving Luncheon) from the Human Resources budget.
- Capital Outlay - Adopted budget of \$189,000 includes one-time purchases for monitors/defibrillators for ambulances (\$175,000) and a second self-checkout machine for the library (\$14,500).
- Transfers To - Adopted budget of \$2 million includes \$931,000 for the Technology Fund, \$424,000 for cash funded CIP projects, \$163,500 to the Motor Pool Fund; and \$500,000 Debt Service Fund.



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**FY 2012 ADOPTED BUDGET  
UTILITY FUND SUMMARY**

**OVERVIEW**

The Utility Fund is an enterprise fund that provides funding for water and wastewater operations and system improvements. Its primary source of income is water and wastewater fees paid by water system customers most of whom are residential. The FY 2012 Adopted Budget for the Utility Fund is based on the current water and wastewater rate schedule, providing funds to meet the growing needs of the City.

**FY 2012 ADOPTED BUDGET  
UTILITY FUND**

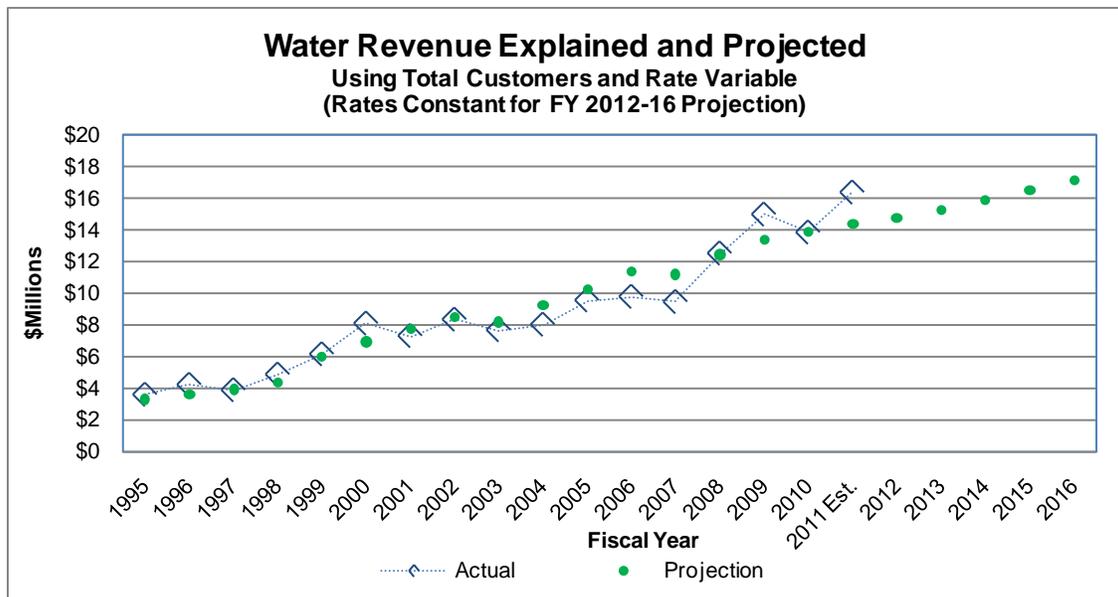
	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>BEGINNING FUND BALANCE</b>	<b>16,474,794</b>	<b>17,903,332</b>	<b>17,903,332</b>	<b>17,628,782</b>
REVENUE	25,847,114	26,051,000	29,178,600	27,141,000
EXPENDITURES				
OPERATING EXPENDITURES	13,236,989	16,175,606	15,419,310	15,584,786
DEBT SERVICE	10,181,587	11,144,154	11,712,840	11,926,751
TRANSFER TO CIP	1,000,000	2,321,000	2,321,000	1,000,000
SUBTOTAL EXPENDITURES	24,418,576	29,640,760	29,453,150	28,511,537
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>1,428,538</b>	<b>(3,589,760)</b>	<b>(274,550)</b>	<b>(1,370,537)</b>
<b>ENDING FUND BALANCE</b>	<b>17,903,332</b>	<b>14,313,572</b>	<b>17,628,782</b>	<b>16,258,245</b>
<b>UTILITY FUND RESERVES</b>				
EXISTING DEBT SERVICE (AVERAGE ANNUAL REVENUE BOND DEBT SERVICE) - COMMITTED	5,196,265	6,006,553	6,006,553	6,041,283
90 DAYS OF OPERATING EXPENDITURES AS WORKING CAPITAL - COMMITTED	3,263,915	3,988,506	3,802,022	3,842,824
TOTAL RESERVE REQUIRED	8,460,180	9,995,059	9,808,575	9,884,107
<b>EXCESS RESERVE</b>	<b>9,443,152</b>	<b>4,318,514</b>	<b>7,820,208</b>	<b>6,374,138</b>
<b>DAYS OF WORKING CAPITAL OVER/(UNDER) 90 DAYS</b>	<b>260.4</b>	<b>97.4</b>	<b>185.1</b>	<b>149.3</b>

**FINANCIAL OUTLOOK**

The Utility Fund's financial health as shown here is critical to the City meeting the challenge of rapid growth and shortage of water supply. The Adopted Capital Improvement Plan for FY 2012-2016 includes plans to finance and construct \$195 million in water and wastewater projects over the next five years. This is necessary to implement projects under design and in the planning stages to provide sufficient water for anticipated growth in the City over the next fifteen years.

The reserves shown on the previous page reflect a adopted change in City policy, including recognition debt service reserves required by bond covenants and City ordinances as a portion of the Utility Fund balance. In turn, the policy of having 120 days of “Working Capital” has been reduced to 90 days and a calculation that bases that calculation on the operating portion of the Utility Fund. The adopted “Working Days” calculation excludes debt service because of the aforementioned debt service reserve policy proposal. The effect is to increase the excess days of reserve to 149.3 from the 80.7 days under the prior policy, while increasing the amount of the reserve required in total from \$9.49 million to the \$9.98 million shown in the table.

Water revenue in FY 2011 is estimated to be over budget by approximately \$3 million, and all of this excess can be attributed to the extreme heat and drought conditions this year. Water consumption has been at or near peak levels since the late spring, causing an unusual amount of water revenue to be billed and collected. This is borne out by the graph below.



The blue diamonds indicate actual revenue collections by year, while the green dots show the amount of estimated revenue that should have been collected had the year in question had a normal amount of rainfall. As you can see, actual revenues in FY 2009 and 2011 exceed expected revenue significantly. FY 2010 revenue was just as expected due to more normal weather conditions for the year. The FY 2012 Budget assumes a normal year for weather conditions, relying on the water revenue model results. The model includes the number of total water customers and a variable that adjusts over time for changes in rates. A two percent increase in total water customers is expected in FY 2012 over FY 2011, and current rates are expected to remain constant. Wastewater revenue is estimated as a proportion of water revenue.

**FY 2012 ADOPTED BUDGET  
UTILITY FUND REVENUE DETAIL**

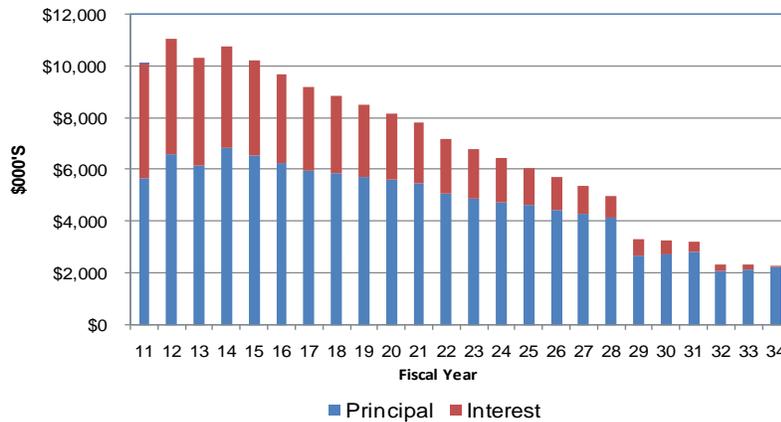
<b>CATEGORY</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>Charges for Service</b>				
541-00-00 Water Sales	13,772,838	13,895,000	16,411,000	14,600,000
542-00-00 Wastewater Sales	10,826,544	11,052,000	11,700,000	11,500,000
543-01-00 Tap Fees	378,750	360,000	320,000	300,000
543-02-00 New Connection Fees	66,995	65,000	62,000	60,000
543-03-00 Reconnection Fees	52,987	50,000	62,000	60,000
544-00-00 Late Fees	348,169	325,000	300,000	300,000
<b>Charges for Service Subtotal</b>	<b>25,446,283</b>	<b>25,747,000</b>	<b>28,855,000</b>	<b>26,820,000</b>
<b>Other Revenues</b>				
545-01-00 Meter Sales	214,988	200,000	200,000	200,000
545-02-00 Water Well Permits	50	100	100	100
545-04-00 Reimb for Services	2,920	5,000	3,000	5,000
545-05-00 Miscellaneous Income	12,948	12,500	12,500	12,500
<b>Other Revenues Subtotal</b>	<b>230,906</b>	<b>217,600</b>	<b>215,600</b>	<b>217,600</b>
<b>Interest Income</b>				
555-00-00 Interest Income	16,292	16,000	30,000	30,000
555-05-05 Interest Income Investments	9,325	1,000	-	-
555-05-80 Interest Income TxPool Reserve	552	4,000	500	500
555-09-00 Interest Income TxStar	9,246	8,500	8,500	8,500
555-08-00 Interest Income - CD	381	-	7,000	7,000
555-09-00 Interest Income TxStar Reserve	-	-	500	500
<b>Interest Income Subtotal</b>	<b>35,796</b>	<b>29,500</b>	<b>46,500</b>	<b>46,500</b>
<b>Miscellaneous:</b>				
425-01-00 Surplus Property Sales	17,807	1,000	2,000	1,000
425-09-00 Proceeds from Lease	54,431	55,900	55,900	55,900
427-05-00 Bond Proceeds				
429-28-00 Reimbursements	46,943	-	3,600	-
429-28-40 Reimb from insurance	-	-	-	-
558-00-00 Gain on Sale of Bonds	14,948	-	-	-
581-24-00 Transfer from CDBG (041)		-	-	-
<b>Miscellaneous Subtotal</b>	<b>134,129</b>	<b>56,900</b>	<b>61,500</b>	<b>56,900</b>
<b>Total Utility Fund Revenue</b>	<b>25,847,114</b>	<b>26,051,000</b>	<b>29,178,600</b>	<b>27,141,000</b>

**UTILITY FUND REVENUE SUPPORTED DEBT**

Fiscal Year	Principal	Interest	Total
2012	6,591,161	4,429,702	11,020,863
2013	6,151,703	4,162,590	10,314,293
2014	6,848,629	3,919,455	10,768,084
2015	6,555,465	3,674,791	10,230,256
2016	6,250,102	3,440,118	9,690,219
2017	5,954,002	3,213,123	9,167,125
2018	5,840,196	2,989,270	8,829,466
2019	5,712,790	2,764,279	8,477,070
2020	5,599,938	2,538,989	8,138,927
2021	5,478,912	2,312,990	7,791,902
2022	5,086,349	2,087,634	7,173,983
2023	4,895,000	1,875,653	6,770,653
2024	4,750,000	1,668,127	6,418,127
2025	4,605,000	1,459,452	6,064,452
2026	4,455,000	1,249,053	5,704,053
2027	4,305,000	1,040,764	5,345,764
2028	4,155,000	834,706	4,989,706
2029	2,660,000	665,250	3,325,250
2030	2,735,000	530,375	3,265,375
2031	2,815,000	391,625	3,206,625
2032	2,080,000	269,250	2,349,250
2033	2,140,000	163,750	2,303,750
2034	2,205,000	55,125	2,260,125
<b>TOTALS</b>	<b>107,869,247</b>	<b>45,736,071</b>	<b>153,605,318</b>

**NOTE:** As of September 30, 2010, the City of League City held business activity-type (i.e. water and wastewater lines and plants) capital assets valued at \$163,068,860 after accounting for depreciation (Source: Comprehensive Annual Financial Report, October 1, 2009 to September 30, 2010).

**Current Utility Debt Service Declines after Peaking in FY 2012 and 2014**



**THE FOLLOWING SECTION IS EXCERPTED FROM THE PROPOSED FY 2012-2016 CAPITAL IMPROVEMENT PLAN TO PROVIDE A CONTEXT FOR CONSIDERATION OF THE ADOPTED FY 2012 UTILITY FUND BUDGET.**

**REVENUE SUPPORTED PROJECT FINANCING**

The Utility Fund debt service outlook is similar to the General Fund in that its debt structure declines over time, providing some capacity to issue new bonds. Unlike the General Fund, however, there is no dedicated funding source for debt service as a part of water and wastewater revenues. So the impact of the debt issuance contemplated in this CIP is shown in terms of Utility Fund revenue and expense in total. The potential bond issues here assume that current water and wastewater rates remain constant throughout the FY 2012-2016 period.

However, the City's current and future water supply needs and the cost of projects that are necessary to meet those needs require careful consideration. This CIP includes several recommended changes in existing financial policies. First, this CIP financing plan recommends that the City adopt a level debt structure for its water and wastewater revenue debt, provide for current debt service reserves from its operating fund balance, and begin to issue a form of municipal debt, Certificates of Obligation that require no specific debt service reserve. The latter recommendation will enable the City to finance more needed water supply projects over the next several years without having to provide debt service reserves equal to future average annual debt service payments. These recommendations are based on having considered the long-term impact on Utility Fund financial operations.

***The projections summarized here also point out the difficulty of meeting all of the costs associated with the anticipated projects that must be considered to support current water supply and projected water supply. Existing rates, last changed in 2009, would be seven years old in FY 2016 if left at current levels until that time. The following discussion emphasizes how important it is for City Council to consider the policy choices that arise from these projections.***

**Proposed Sales**

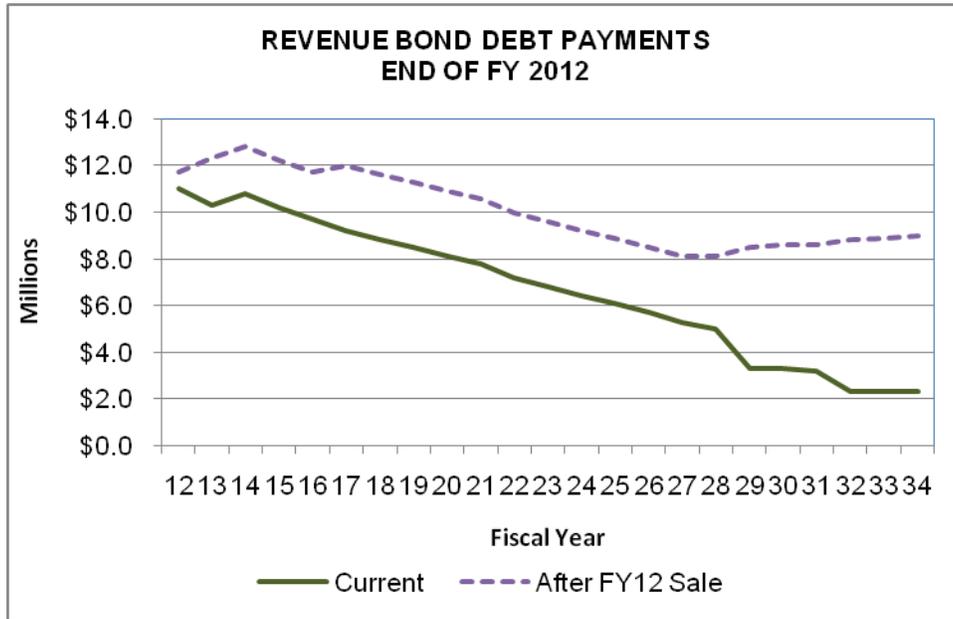
The Proposed CIP includes future revenue supported bonds to be sold in support of water and wastewater projects as follows:

FY 2012 -	\$53,036,000
FY 2013 -	\$42,779,000
FY 2014 -	\$16,794,000
FY 2015 -	\$11,980,000
FY 2016 -	<u>\$14,381,000</u>
TOTAL	\$138,970,000

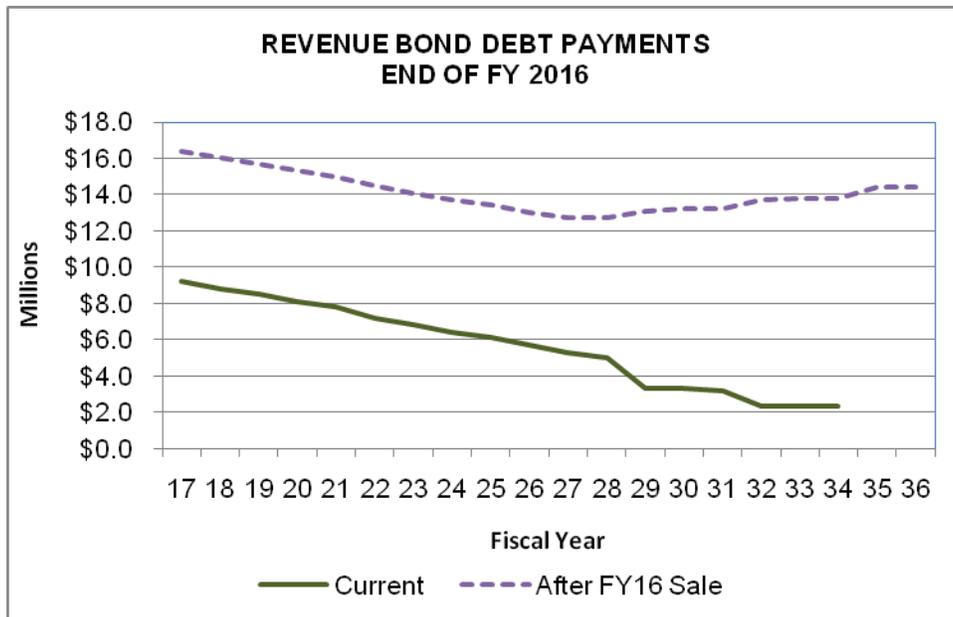
This does not include bonds for the anticipated cost of the City of Houston replacing League City's main supply line down State Highway 3. They do, however, include funding for an additional water supply of upwards of 10 MGD and a line to convey that water.

**Proposed Debt Structure**

The first of the proposed sales in FY 2012 is recommended to be structured so as to flatten out the utility fund debt structure to provide more debt capacity for the proposed CIP program. The graph at below depicts how the City's revenue supported debt structure will look after the recommended FY 2012 sale takes place.



After all five sales will have taken place by the beginning of FY 2017 the new debt structure would look as follows:



### Cost Impact of Proposed Bonds

The five year debt service cost of the proposed bond sales is shown in the table below. Not shown is the effect of restructuring certain existing bonds in the next five years

#### PROPOSED BONDS DEBT SERVICE PAYMENTS

		\$Thousands					
Bonds FY	\$Millions	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Totals
2012	\$41.6	\$724	\$1,976	\$1,975	\$1,975	\$1,972	\$8,622
2013	\$60.9		\$883	\$1,766	\$1,766	\$2,834	\$7,249
2014	\$11.8			\$253	\$506	\$506	\$1,265
2015	\$7.0				\$153	\$306	\$459
2016	\$9.4					\$206	\$206
	<b>\$130.7</b>	<b>\$724</b>	<b>\$2,859</b>	<b>\$3,994</b>	<b>\$4,400</b>	<b>\$5,824</b>	<b>\$17,801</b>

### Utility Fund Projections with New Debt

The table below updates the Utility Fund forecast for FY 2012-2016 using the proposed FY 2012 Budget as the basis for projections. A key part of this forecast is a recommended restatement of Utility Fund balance that will better meet legal obligations and provide a more reasonable operating reserve requirement. Also, the revenue projections reflect a return to wetter, more normal years that would produce less revenue than has been the case in FY 2011, when \$29.2 million in revenue has been received.

#### UTILITY FUND FORECAST BASELINE PROJECTIONS - EFFECT OF NEW DEBT SHOWN (\$THOUSANDS)

	FY 2012 Budget	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast
<b>Beginning Balance</b>	\$17,629	\$17,161	\$18,138	\$19,235	\$21,652
<b>Revenue</b>	\$27,141	\$28,154	\$29,335	\$30,620	\$31,752
<b>Baseline Expenditures</b>					
<b>Operating Expenditures</b>	\$15,585	\$15,863	\$16,470	\$16,973	\$17,643
<b>Current Debt Service</b>	\$11,024	\$10,314	\$10,768	\$10,230	\$9,690
<b>Transfer to CIP</b>	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>Subtotal Expenditures</b>	\$27,609	\$27,177	\$28,238	\$28,203	\$28,333
<b>Revenue Over/(Under) Expenditures</b>	(\$468)	\$977	\$1,097	\$2,417	\$3,419
<b>Ending Balance</b>	<b>\$17,161</b>	<b>\$18,138</b>	<b>\$19,235</b>	<b>\$21,652</b>	<b>\$25,071</b>
<b>Existing Debt Service Reserve (Average Annual Revenue Bond Debt Service)</b>	<b>\$6,041</b>	<b>\$6,045</b>	<b>\$5,968</b>	<b>\$5,785</b>	<b>\$5,600</b>
<b>90 Days of Working Capital Operating Reserve</b>	<b>\$3,843</b>	<b>\$3,911</b>	<b>\$4,061</b>	<b>\$4,185</b>	<b>\$4,350</b>
<b>Total Reserve Required</b>	<b>\$9,884</b>	<b>\$9,956</b>	<b>\$10,029</b>	<b>\$9,970</b>	<b>\$9,950</b>
<b>Baseline Excess Reserve</b>	<b>\$7,277</b>	<b>\$8,182</b>	<b>\$9,206</b>	<b>\$11,682</b>	<b>\$15,121</b>
<b>Cumulative New Debt Total</b>	<b>\$724</b>	<b>\$3,583</b>	<b>\$7,577</b>	<b>\$11,977</b>	<b>\$17,801</b>
<b>Adjusted Excess Reserve</b>	<b>\$6,553</b>	<b>\$4,599</b>	<b>\$1,629</b>	<b>(\$295)</b>	<b>(\$2,680)</b>

The Baseline Forecast:

1. Starts with the FY 2012 Adopted Budget.
2. Assumes no new debt – only current debt obligations are included;
3. Projects costs including inflation, operating expenditures for new facilities and for servicing new growth of the city;
4. Includes a restatement of the Utility Fund Balance to reflect the need to maintain a debt service reserve equal to the annual average debt service due on revenue supported bonds; and
5. Includes a restatement of the “Working Capital Reserve” from 120 days to 90 days.

**As you can see in the last line in the table on the previous page, using the assumptions stated, the Utility Fund appears to have sufficient funds to meet current obligations and new debt issuances through FY 2014 given the City’s current water and wastewater rate structure. However, the situation is highly complex with many variable costs so the following caveats are offered for the readers benefit.**

1. Remember that decisions are to be made each year on the size and financing of each bond sale. This is not a five year plan of action that must be approved now and cannot be changed in the future.
2. Understand that the debt service projections assume twenty five year payoff schedules and interest rates that may change.
3. ***Given all of these variables, it is still important to initiate in FY 2012 a water and wastewater rate study that reforms the current structure to provide incentives for conservation, including higher rates for higher levels of water usage. Use this same study to consider the size, timing and degree of the future water and wastewater rate changes that may be needed to fund the full capital construction schedule considered here.***

## CIP ADOPTION AND MANAGEMENT

The CIP is intended to enable project financing and planning on an annual basis. The CIP is prepared and updated annually to reflect changing project estimates and schedules, as well as different economic and financial assumptions. After review by City Council, an ordinance was passed adopting the CIP with the following control provisions:

1. The first fiscal year of the CIP shall serve as the City’s Capital Budget for FY 2012.  
[NOTE: The Capital Budget was adopted as a part of the Budget by City Council on September 13, 2011.]
2. Individual projects with specific phases planned for FY 2012 will constitute the capital work plan for FY 2012.
3. After the CIP is adopted, rescheduling any project by delaying it to a later year or bringing one from a later year into FY 2012 will constitute an amendment to the CIP and require approval by City Council.
4. Bond sales for FY 2012 will be conducted in accordance with and in the furtherance of the adopted CIP.

5. Reports will be provided to City Council quarterly on the status of each project that is a part of the FY 2012 Capital Budget which is the first year of the adopted CIP. This will include financial, design, and construction status information or other information as required to keep the Council apprised.
6. Appropriations will be made at the capital fund level, with allocations of already appropriated funds according to State law, City Charter and local purchasing policy.

### Maintenance and Operations Impact of CIP

Construction of major city facilities has a direct, continuing impact on the maintenance and operating budget of the City. In some cases, replacing or renovating an existing facility with more modern design and energy-saving materials and features can reduce costs. Most of the time, however, construction of a facility involves permanent additions to the City's annual operating costs. This should be a factor considered when planning and including a project in the CIP.

<b>TABLE 9</b>						
<b>CUMULATIVE MAINTENANCE AND OPERATING COSTS</b>						
<b>OF PROPOSED CIP PROJECTS</b>						
<b>CURRENT UNINFLATED DOLLARS</b>						
<b>PROGRAM</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>TOTAL</b>
<b>GENERAL FUND</b>						
Police	0	0	0	339,000	339,000	<b>\$678,000</b>
Fire	0	0	0	0	0	<b>\$0</b>
EMS	0	0	32,740	32,740	32,740	<b>\$98,220</b>
Buildings & Facilities	0	0	0	0	0	<b>\$0</b>
Economic Development	0	0	0	0	0	<b>\$0</b>
Streets	0	0	0	0	0	<b>\$0</b>
Drainage	0	0	0	0	0	<b>\$0</b>
Parks	169,900	381,880	886,586	865,352	865,352	<b>\$3,169,070</b>
Traffic	0	0	0	0	0	<b>\$0</b>
<b>Subtotal General Fund</b>	<b>\$169,900</b>	<b>\$381,880</b>	<b>\$919,326</b>	<b>\$1,237,092</b>	<b>\$1,237,092</b>	<b>\$3,945,290</b>
<b>UTILITY FUND</b>						
Water	38,000	115,500	28,500	30,500	32,500	<b>\$245,000</b>
Wastewater	37,750	105,500	109,200	123,200	136,400	<b>\$512,050</b>
<b>Subtotal Utility Fund</b>	<b>\$75,750</b>	<b>\$221,000</b>	<b>\$137,700</b>	<b>\$153,700</b>	<b>\$168,900</b>	<b>\$757,050</b>
<b>TOTAL M&amp;O COSTS</b>	<b>\$245,650</b>	<b>\$602,880</b>	<b>\$1,057,026</b>	<b>\$1,390,792</b>	<b>\$1,405,992</b>	<b>\$4,702,340</b>

The schedule above shows the net increases to annual operating costs by program for the facilities included in this Adopted CIP. While a number of projects might be expected to generate savings in annual operating costs, no savings are shown.

## HOW THE PLAN IS ADMINISTERED

- **Capital funds are appropriated at the fund level at the start of the fiscal year, and then applied to fund project costs included in the first year of the FY 2012 Capital Improvement Plan which comprises the FY 2012 Capital Budget.**

This ensures full disclosure of the City's available, unencumbered capital funds at the start of the fiscal year. The individual fund schedules in the Capital Funds Reconciliation section of the CIP provide the basis for this appropriation action.

As budgeted projects are placed under contract or incur expenses, the City's procurement rules apply. Contracts or expenses under \$50,000 may be approved by the City Manager or his designee. Contracts over \$50,000 are placed on the Council Agenda for City Council approval. Funds are applied on a first-need, first-fund basis for projects that meet the test of legal purpose as provided by each bond sale's official statement (see page CFR-1, "Legal Purpose of Bond Funds").

Most importantly, with few exceptions, bond funds will not be held in reserve for future years' appropriations because a particular project is not yet ready to go under construction. Instead, existing funds will be exhausted before new bonds are sold.

- **Projects will continue to be funded by project phase according to the approved Capital Improvement Plan in order to maximize the efficient use of funds.**

This is a departure from the previous practice of funding entire projects, including design, construction, and land acquisition at the start of what could be a three to five year process. The previous process was based on the idea that projects are approved by City Council one at a time based on a total budget, the amount of which is included in a single bond sale. This appears to prevent decisions that cancel projects for which some funds have already been spent. However, the practice encourages overstatement of project budgets and is very costly.

The previous practice often provided millions in funding for a particular project design or scope that is not fully defined. This leads to funding adjustments after final design is finished and before construction commences. It also encourages project planners to pad project funding in order to ensure sufficient funds are available to cover unforeseen contingencies identified through the design phase.

The prior practice also is very costly to the City. We currently have tens of millions in cash on hand borrowed in prior fiscal years that is reserved for major projects which may not even begin construction in FY 2012. The City is paying interest on these funds in the range of 4% per year and we are earning a mere 0.2% through investing the idle cash. The net cost to the City includes this difference between what we are paying and what we are earning, as well as the opportunity cost of not being able to implement other projects that could address

high priority needs. In periods of higher interest rates, the practice also exposes the City to potential arbitrage regulations, which supports the idea that there is not a good time from a cash flow standpoint to continue the prior practice.

The proposed practice in this CIP is that project costs and schedules will be reviewed annually and included in the CIP. Once the CIP is adopted, the specific phases of projects that are ready for implementation in the first year of the five year CIP become the City's capital budget for the year. And the total amount of funds needed for project phases in the first year of the CIP become the basis for bond sales made in that fiscal year. This will rarely include all of the funds necessary to cover design and construction for the same project in a single year because design usually takes a year to complete. This proposed approach will reduce the amount of idle borrowed cash balances on hand and cut the City's interest costs on idle funds significantly.

- **Currently available funds will be allocated to projects based on priority and project phase.**

This will ensure that new bond issuances will be for those project phases that must commence in the current fiscal year. It also ensures that project funding decisions can be made as a part of the annual CIP process and amended only by City Council as provided in the ordinance that will adopt the CIP. All current project funds have been reconciled and are a part of this CIP.

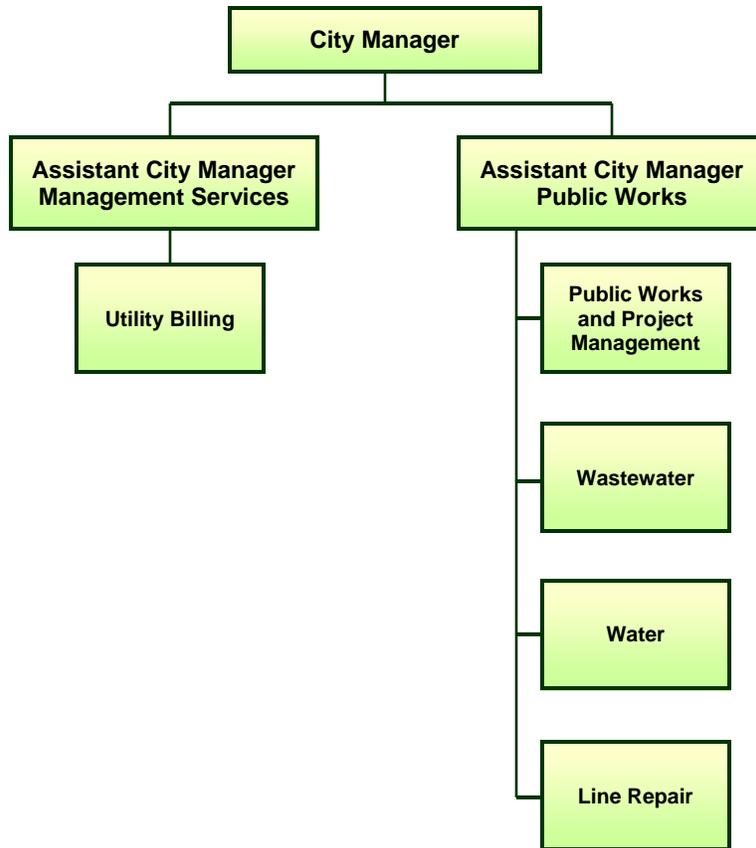
- **Operating budget impact will be considered when the CIP is reviewed and approved and before a project is under design.**

Recurring maintenance and operating costs are included in the CIP by dollar amount and are a part of the City's Long Range Financial Forecast. This is to identify the impact of new facilities and infrastructure on the City's operating budget.

- **Project funding is being approached in a comprehensive manner, with strategic use of existing funding sources, capacity to issue future debt, and excess working capital.**

The two basic principles applied in the CIP are to (1) include all funding sources and (2) use the most restricted source of funds first in funding projects and the most flexible source of funds last. Also, if a project is CIP-worthy, but has a shorter useful life, it is preferable to fund such a project with excess working capital from the General and Utility funds, if possible. The purpose is to make best use of all of the City's resources in its capital planning.

**UTILITY FUND**



**FY 2012 ADOPTED BUDGET  
UTILITY FUND  
EXPENDITURE SUMMARY**

<b>DIRECTORATE</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Public Works and Project Management	176,762	162,750	155,263	177,260
Water Production	3,975,040	5,008,081	4,746,428	4,977,823
Wastewater	3,557,173	4,054,760	3,773,680	3,487,240
Line Repair	2,859,089	2,926,180	2,829,032	2,798,710
Subtotal PW Directorate	10,568,063	12,151,771	11,504,403	11,441,033
Utility Billing	1,516,698	1,487,830	1,555,219	1,540,545
Subtotal Management Svcs Directorate	1,516,698	1,487,830	1,555,219	1,540,545
Non-Departmental	2,152,228	4,857,005	4,680,688	3,603,208
Debt Service	10,181,587	11,144,154	11,712,840	11,926,751
<b>Fund Total</b>	<b>24,418,576</b>	<b>29,640,760</b>	<b>29,453,150</b>	<b>28,511,537</b>

<b>CATEGORY</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Personnel Services	5,116,179	5,682,192	5,158,360	5,425,958
Supplies	781,039	743,928	766,080	858,815
Repairs & Maintenance	1,146,178	1,250,460	1,090,600	1,225,280
Services & Charges	5,186,447	6,385,079	6,283,270	5,795,733
Special Programs & Events	9,520	12,000	12,000	12,000
Capital Outlay	-	104,947	112,000	30,000
Transfers To	2,000,000	4,321,000	4,321,000	3,240,000
Principal	5,668,563	6,362,699	6,944,110	6,591,160
Interest	4,510,650	4,778,455	4,765,730	5,332,591
<b>Fund Total</b>	<b>24,418,576</b>	<b>29,640,760</b>	<b>29,453,150</b>	<b>28,511,537</b>

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$267,598 due to one-time merit pay in FY2011 (-\$63,600); eliminating positions in FY2012 (-\$49,400); separation pay (-\$22,700); overtime (-\$142,700); upgrading positions in FY2012 (+\$27,600); annualized cost of filling positions in FY2012 (+\$415,610); worker's compensation (+\$63,000); and compensation study (+\$39,800).
- Supplies - Increase of \$92,000 due to the increased cost of gas (+\$25,000) and increase in small tools, operating supplies, and minor equipment (+\$67,000).
- Repairs & Maintenance - Net increase of \$134,500 due to an increase in building and grounds maintenance (+\$51,300) and equipment and utility system repair and maintenance (+\$183,200) as well as a decrease in street repair and maintenance resulting from creating an in-house concrete crew (-\$100,000).
- Services & Charges - Net Decrease of \$487,500 due to decrease in the cost of electricity (-\$210,000); non-recurring FY2011 items (-\$440,900); water contract purchases (+\$205,300); meter reading assistance due to failing electronic meters (+\$87,000); an increase in water/wastewater analysis and sludge removal (+\$71,100); and removal of contingency (-\$200,000).
- Capital Outlay - Net decrease of \$82,000 due to the one-time purchase in FY2011 of vehicles and equipment (-\$112,000) and equipment in FY2012 (+\$30,000)
- Transfers To - Net decrease of \$1,081,000 due to the Utility Fund's percentage to fund the Technology Fund (+\$240,000) and a decrease in the transfer to Capital Project Fund (-\$1,321,000).
- Principal and Interest - Net increase of \$214,000 includes \$794,000 debt service for FY2011 issue of \$13 million, \$902,900 for debt service on a sale of \$38 million in FY2012, increase of \$157,000 in debt service for previous issues and one-time deposit into interest and sinking fund of \$1.64 million in FY2011.

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## **PUBLIC WORKS DIRECTORATE PUBLIC WORKS AND PROJECT MANAGEMENT**

### **MISSION STATEMENT**

To guide and coordinate among all Public Works Directorate departments and functions; to ensure efficient, effective planning, design, construction and maintenance of City infrastructure; and to ensure provision of quality public works services.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Supported first-year implementation of the City's new Capital Improvement Program.
- Established project management office to improve coordination and oversight of capital projects.
- Established and formalized new City design standards for infrastructure.
- Investigated and identified opportunities for acquiring new water supply necessary to City's continued growth.

### **PRIORITIES AND GOALS FOR 2012**

- Improve project schedule and management reporting.
- Work to finalize source(s) of additional water supply.
- Continue improvement of the City image as it relates to provision of public works services.
- Provide in-house design and quality assurance oversight of contract designers for City infrastructure projects.

## FY 2012 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b><u>PUBLIC WORKS AND PROJECT MANAGEMENT</u></b>				
Personnel Services	147,228	132,700	140,763	147,210
Supplies	4,481	5,000	3,500	5,000
Services & Charges	25,054	25,050	11,000	25,050
<b>TOTAL</b>	<b>176,762</b>	<b>162,750</b>	<b>155,263</b>	<b>177,260</b>
 <b>POSITIONS</b>	 1.0	 1.0	 1.0	 1.0

### **HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$6,500 due to Utility Fund share of additional pay for acting city manager (+\$10,000) and one-time merit pay in FY2011 (-\$3,500).
- Services and Charges - Increase of \$14,000 due to an increase in anticipated consulting fees.

## **PUBLIC WORKS DIRECTORATE WATER PRODUCTION**

### **MISSION STATEMENT**

To ensure public health by providing the highest quality of drinking water through the purchase, treatment, and delivery of potable water to the citizens of League City and to assure water needs are met while responsibly meeting all federal and state requirements for quality drinking water.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Constructed water lab in-house to allow for in-depth water analysis to improve water quality.
- Entered a cross-training program with Wastewater personnel. Water Production personnel attended classes for licensing upgrades.
- Researched, planned, and executed a water conservation program which included public outreach events, school district poster contest, and website.
- Protected water system during 2010 freeze, keeping valves/pipes thawed; protected system during 42" transmission line shutdown in June 2010 by maintaining pressure and capacity at levels safe for public health and safety.
- Completed annual cleaning of ground storage tanks at Calder, South Shore Harbour, and Dickinson water plants and the Brittany Bay elevated storage tank.
- Took hydropneumatic tanks out of service at Countryside, Dickinson, and Meadowbend water plants and had the hydropneumatic tank inspected at the South Shore Harbour water plant.
- Implemented multiple auto flushers to improve water quality in known water quality problem areas.

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Implement new flushing program based on monthly/bi-monthly/tri-monthly needs to maintain water quality.
- Expand Water Conservation program to include additional outreach and education.
- Develop the annual Consumer Confidence Report to include conservation information and water education.
- Maintain Superior Water Rating by painting pumps, piping, and buildings at all water plants.
- Add manual transfer switch to auxiliary generators at Walker, Third St., and Meadowbend water plants.
- Purchase and implement multiple auto flushers to maintain water quality throughout the city.

## FY 2012 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>WATER PRODUCTION</b>				
Personnel Services	1,049,399	1,287,543	1,108,158	1,245,660
Supplies	61,159	79,568	66,550	122,500
Repairs & Maintenance	213,876	225,060	107,100	286,090
Services & Charges	2,650,605	3,373,667	3,464,620	3,323,573
Capital Outlay	-	42,243	-	-
<b>TOTAL</b>	<b>3,975,040</b>	<b>5,008,081</b>	<b>4,746,428</b>	<b>4,977,823</b>
<b>POSITIONS</b>	19.0	20.0	20.0	20.0

### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Personnel Services - Net increase of \$137,500 due to the upgrade of two positions, Water Quality Technician to a Water Quality/Reporting Supervisor and Crewman to a Senior Plant Operator, (+\$27,600); increase in certification pay (+\$5,400); annualized cost of filling positions in FY2012 that were vacant in FY2011 (+\$156,000); decrease in overtime (-\$37,000); and one-time merit pay in FY2011 (-\$14,500).
- Supplies - Increase of \$55,900 due to increased cost of gas (+\$18,900) automatic fire hydrant flushers (+\$19,500), rolling gates at water plants (+\$5,500), safety supplies (+\$2,500) and EnerNOC program supplies (+\$9,500).
- Repairs & Maintenance - Increase of \$178,900 due to increase in cost of annual landscaping contract (+\$20,000); place signage at water plants to comply with Homeland Security (+\$3,300); equipment repairs and maintenance (+\$15,000); and utility system repair and maintenance (+\$140,600).
- Services & Charges - Net decrease of \$141,000 due to a decrease in the cost of electricity resulting from renegotiating the contract (-\$130,000); anticipated decrease in permits (-\$70,000); one-time Water/Wastewater Master Modeling Plan (-\$146,300); and an increase in water contract purchases (+\$205,300).

### PERFORMANCE INDICATORS

INDICATORS	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ESTIMATED	FY 2012 ADOPTED
Water Pressure Calls	61	11	15	20
Water Quality Calls	288	405	298	200
Monthly Regulatory Samples (Annual Total)	961	962	1,057	1,140
Water Quality/New Line Samples	75	34	380	205
Uni-directional Flushing Program-Subdivisions	N/A	N/A	2	15
Flow Test Hydrants	N/A	N/A	10	240

### NATIONAL CITIZEN SURVEY

QUESTION	% EXCELLENT/GOOD	VERSUS BENCHMARK
Drinking water	70	Above

## **PUBLIC WORKS DIRECTORATE WASTEWATER**

### **MISSION STATEMENT**

To protect human health and the local environment by monitoring businesses discharging into the city's wastewater collection system and by efficiently operating and maintaining the city's wastewater treatment plants and lift stations so as to provide an effluent and sludge that exceeds federal and state regulations and may be re-used to the benefit of the citizens of League City.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Successfully began the construction of the Southwest Water Reclamation Facility (SWWRF).
- Completed the goal of lift station piping rehabs and control panel upgrades at various lift stations.
- Increased pretreatment inspection frequency of local businesses from 250 to 400. Improved Preventive Maintenance Program (PM) by increasing PM's from 250 to 900, resulting in a reduction of callouts and demand for work orders.
- Improved aeration energy consumption by 1,100,000 kWh and solids by 120 dry tons at the Dallas Salmon WWTP, reducing utility and disposal costs.
- Completed Building Improvement Project at Dallas Salmon WWTP's Administration Office, Control Bldg, and Maintenance Shop. Performed in-house at a significant savings.
- Implemented a Cross Training Program to improve overall Water Production and Wastewater operations and staffing.
- Installed emergency generators at 12 of the City's vital lift station sites. Funding was provided through Ike Recovery Grant Funds.
- Entered into ERCOT's Demand Response Program. This program provides revenue to be utilized for water conservation, reuse, and energy conservation projects at Water/Wastewater facilities.

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Educate businesses and apartment complexes on grease control, develop a Fats, Oil, & Grease (FOG) Ordinance, and implement a Sampling Program for businesses.
- Continue to improve Equipment, Maintenance, and Operational Preventive Maintenance (PM) Program.
- Implement TCEQ's (Texas Commission on Environmental Quality) SSO's (Sanitary Sewer Overflow's) Initiative Program.
- Complete construction of the Southwest Wastewater Reclamation Facility.
- Complete the service area diversion required to start the Southwest Wastewater Reclamation Facility (SWWRF).
- Complete improvement projects for Butler Rd, W. Main, and North Service Area lift stations and Force Main.

## FY 2012 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>WASTEWATER</b>				
Personnel Services	1,235,642	1,372,634	1,319,650	1,366,350
Supplies	150,388	198,360	195,330	210,795
Repairs & Maintenance	327,758	327,500	283,500	333,625
Services & Charges	1,843,385	2,093,562	1,863,200	1,576,470
Capital Outlay	-	62,704	112,000	-
<b>TOTAL</b>	<b>3,557,173</b>	<b>4,054,760</b>	<b>3,773,680</b>	<b>3,487,240</b>

<b>POSITIONS</b>	19.0	22.0	22.0	22.0
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### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Personnel Services - Net increase of \$46,700 due to a decrease in overtime (-\$34,000); one-time merit pay in FY2011 (-\$15,500); separation pay (-\$11,200); and the annualized cost of positions filled for part of FY2011 (+\$107,400).
- Repairs and Maintenance - Increase of \$50,000 in equipment repairs and maintenance.
- Services & Charges - Net decrease of \$286,000 due to a decrease in the cost of electricity resulting from renegotiating the contract (-\$80,000); one-time Water/Wastewater Master Modeling Plan (-\$195,000); one-time Re-use Feasibility Study (-\$99,600); as well as an increase in sludge removal (+\$35,000), water/wastewater analysis (+\$12,000) and inspection fees (+\$41,600).
- Capital Outlay - Decrease of \$112,000 due to one-time purchases in FY2011 of two vehicles (-\$60,000), refrigerated auto sampler (-\$6,000), and water pumps (-\$46,000).

### PERFORMANCE INDICATORS

INDICATORS	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ESTIMATED	FY 2012 ADOPTED
Pretreatment Inspections	N/A	266	437	500
Equipment and Operational PM's	N/A	256	1,324	1,610
Annual Aeration Energy Savings ('000s) (in KWh)	N/A	N/A	1,100	1,200
Lift Station Electrical Control Improvements	N/A	2	3	4

### NATIONAL CITIZEN SURVEY

QUESTION	% EXCELLENT/GOOD	VERSUS BENCHMARK
Sewer Services	78	Above

## **PUBLIC WORKS DIRECTORATE LINE REPAIR**

### **MISSION STATEMENT**

To protect the public health by providing safe and potable drinking water and reliable water and sanitary sewer services.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Replaced 33 two inch flushing devices
- Replaced 1,800 feet of Asbestos Cement water line
- Cleaned and televised 40,000 feet of sanitary sewer line
- Repaired 58 fire hydrants
- Installed 4,645 feet of water line
- Added 6 fire hydrants to dead end mains
- Performed 679 utility final inspections
- Repaired 83 manholes

### **PRIORITIES, GOALS AND OBJECTIVES FOR 2012**

- Replace 30 two-inch flushing devices
- Replace 1,500 feet of asbestos cement water line
- Clean and televise 50,000 feet of sanitary sewer line
- Install 5,000 feet of water line

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>LINE REPAIR</u></b>				
Personnel Services	1,968,926	1,955,480	1,790,282	1,833,390
Supplies	127,410	108,000	177,700	172,520
Repairs & Maintenance	562,662	655,500	657,600	555,500
Services & Charges	200,090	207,200	203,450	207,300
Capital Outlay	-	-	-	30,000
<b>TOTAL</b>	<b>2,859,089</b>	<b>2,926,180</b>	<b>2,829,032</b>	<b>2,798,710</b>

<b>POSITIONS</b>	35.0	35.0	35.0	35.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Net increase of \$43,000 due to one-time merit pay in FY2011 (-\$21,500); decrease in overtime (-\$71,700); separation pay (-\$11,500); and the cost of filling positions in FY2012 that were vacant in FY2011 (+\$147,700).
- Repairs & Maintenance - Decrease of \$100,000 due to a decrease in street repairs and maintenance resulting from creating an in-house concrete crew.
- Capital Outlay - Increase of \$30,000 due to one-time purchase of storm sewer inspection camera in FY2012.

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Number of backed up sewer calls	415	300	626	650
Number of water leak calls	994	1,200	2,431	2,450
Water tap inspections	657	950	675	675
Sewer tap inspections	7	20	20	30
Final utility inspections	799	764	820	800

## **MANAGEMENT SERVICES DIRECTORATE UTILITY BILLING**

### **MISSION STATEMENT**

To provide accurate billing for water, sewer and refuse in an efficient manner and to provide the citizens of League City with world class customer service by maintaining a professional, knowledgeable and courteous staff.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Increased number of Eco-billing customers from 200 to 1,844.
- Transitioned to a new vendor for printing and mailing of utility bills.
- Efficiently handled increase in calls and billing adjustments due to the February 2011 freeze and the 2011 drought.
- Monitored utility accounts for compliance with the mandatory drought restrictions for all customers in a team effort with the Water Production Department as well as maintained and serviced accounts in violation of the drought contingency plan.
- Improved transparency and customer convenience with updates to website regarding billing policies, fees and related information.

### **PRIORITIES AND GOALS FOR 2012**

- Complete 85 percent or greater of meter re-read service orders on the next business day.
- Complete 80 percent of meter leak service orders on the same day.
- Maximize compliance for non-payment of utility bills by reviewing and updating ordinances regarding fees for non-payment.
- Continue growth in number of Eco-billing customers.
- Increase percentage of cycles read within 28 to 32 days to 75 percent.
- Begin implementation of new automated meter reading by spring 2012.
- Protect City water system by investigating stronger penalties for unauthorized connections.

## FY 2012 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>UTILITY BILLING</b>				
Personnel Services	673,383	718,330	760,319	690,960
Supplies	437,601	353,000	323,000	348,000
Repairs & Maintenance	41,881	42,400	42,400	50,065
Services & Charges	354,313	362,100	417,500	439,520
Special Programs & Events	9,520	12,000	12,000	12,000
<b>TOTAL</b>	<b>1,516,698</b>	<b>1,487,830</b>	<b>1,555,219</b>	<b>1,540,545</b>

<b>POSITIONS</b>	14.00	14.00	14.75	13.50
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### HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)

- Personnel Services - Decrease of \$69,000 due to eliminating a meter tech and 25% of an accounts receivable clerk position (-\$49,400), one-time merit pay in FY2011 (-\$8,600) and a decrease in the cost of insurance for calendar year 2012 (-\$11,000).
- Supplies - Net increase of \$25,000 includes an increase (+\$30,000) due to meter supplies not purchased in FY 2011 and a decrease (-\$5,000) due to one-time purchases of computer, new tools for meter reader trucks and new task chairs.
- Repairs and Maintenance - Increase of \$7,600 for vehicle repairs and maintenance costs.
- Services and Charges - Net increase of \$22,000 includes an increase and a transfer from personnel (+\$87,000) for meter reading assistance due to failing electronic meters, decrease (-\$39,000) for outsourcing of utility bills, decrease (-\$15,000) due to end of the collections contract with Golman Imani, and a decrease (-\$11,000) due to door knockers not needed to be purchased in FY 2011.

### PERFORMANCE INDICATORS

INDICATORS	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ESTIMATED	FY 2012 ADOPTED
Total number of work orders performed	14,012	10,873	9,500	10,000
Total number of manual meter reads (monthly)	18,985	22,757	35,508	33,130
Total number of customers at FY end (water, sewer, and refuse)	26,368	27,092	26,900	28,200
Percentage of cycles (6 total cycles) read within 28-32 days.	75%	73%	70%	75%
Automated Meter Reading Percentage at FY end	94%	93%	89%	87%
Eco-billing customers at FY end	0	200	1,800	2,500
Re-read service orders completed by end of next working day	76%	88%	80%	85%
Meter leak service orders completed same day as requested	79%	82%	83%	80%

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>NON-DEPARTMENTAL</u></b>				
Personnel Services	41,602	215,505	39,188	142,388
Supplies	0	0	0	0
Services & Charges	110,626	320,500	320,500	220,820
Special Events & Programs	0	0	0	0
Transfers To	2,000,000	4,321,000	4,321,000	3,240,000
<b>TOTAL</b>	<b>2,152,228</b>	<b>4,857,005</b>	<b>4,680,688</b>	<b>3,603,208</b>

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Increase of \$103,000 due to an anticipated increase of 55% in worker's compensation (+\$63,000) and expected cost of \$40,000 to fund the compensation study.
- Services and Charges - Increase of \$100,000 due to audit fees (+\$10,000) and removal of contingency (-\$110,000).
- Transfers To - Net decrease of \$1,081,000 due to the Utility Fund's percentage to fund the Technology Fund (+\$240,000) and a decrease in the transfer to Capital Project Fund (-\$1,321,000); budget includes a transfer to the Utility Fund CIP (+\$1,000,000), to the General Fund for administration, engineering, and sidewalk repair (+\$2,000,000), and to the Technology Fund (+\$240,000).

**FY 2012 ADOPTED BUDGET  
EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>UTILITY DEBT SERVICE FUND</u></b>				
Fees	2,374	3,000	3,000	3,000
Principal	5,668,563	6,362,699	6,944,110	6,591,160
Interest	4,510,650	4,778,455	4,765,730	5,332,591
<b>TOTAL</b>	<b>10,181,587</b>	<b>11,144,154</b>	<b>11,712,840</b>	<b>11,926,751</b>

**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Net increase of \$214,000 includes \$794,000 debt service for FY2011 issue of \$13 million, \$902,900 for debt service on a sale of \$38 million in FY2012, increase of \$157,000 in debt service for previous issues and one-time deposit into interest and sinking fund of \$1.64 million in FY2011.



# LEAGUE CITY

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**FY 2012 ADOPTED BUDGET  
MOTOR POOL FUND SUMMARY**

**OVERVIEW**

The Motor Pool Fund is an internal service fund established to account for the operations and maintenance of the city's fleet. Its customers are city departments and its primary revenue source is payments from those departments for vehicle and equipment maintenance and replacement.

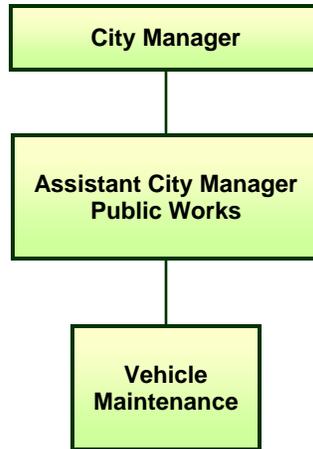
**FY 2012 ADOPTED BUDGET  
MOTOR POOL FUND**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>BEGINNING FUND BALANCE</b>	<b>1,962,779</b>	<b>1,077,612</b>	<b>1,077,612</b>	<b>657,837</b>
REVENUES	2,277,077	2,812,677	2,839,177	2,976,077
EXPENDITURES	3,162,244	3,112,086	3,258,952	1,642,117
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>(885,167)</b>	<b>(299,409)</b>	<b>(419,775)</b>	<b>1,333,960</b>
<b>ENDING FUND BALANCE - ASSIGNED *</b>	<b>1,077,612</b>	<b>778,203</b>	<b>657,837</b>	<b>1,991,797</b>

\* Intended use established by City Council.

The most significant aspect of the Adopted Budget is the combined contributions from the General and Utility funds for vehicle replacement. The vehicle replacement payments of \$1.66 million remain the same in the FY2012 Budget as they were in the FY2011 Adopted Budget. The Adopted Budget includes \$220,500 for vehicle replacements in the Police Department. These purchases will be combined with \$1,614,500 for fire apparatus in the CIP along with \$163,500 for purchase of a new bucket truck to form the city's \$2 million FY2012 vehicle purchase program.

**MOTOR POOL INTERNAL SERVICE FUND  
PUBLIC WORKS DIRECTORATE**



**FY 2012 ADOPTED BUDGET  
MOTOR POOL INTERNAL SERVICE FUND  
EXPENDITURE SUMMARY**

<b>DIRECTORATE</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Vehicle Maintenance	3,162,244	3,112,086	3,258,952	1,642,117
<b>Fund Total</b>	<b>3,162,244</b>	<b>3,112,086</b>	<b>3,258,952</b>	<b>1,642,117</b>

<b>CATEGORY</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Personnel Services	606,310	619,976	649,642	638,930
Supplies	37,459	25,700	40,400	49,700
Repairs & Maintenance	511,577	465,300	500,500	518,150
Services & Charges	37,673	35,310	38,410	51,337
Capital Outlay	1,969,225	1,965,800	2,030,000	384,000
<b>Fund Total</b>	<b>3,162,244</b>	<b>3,112,086</b>	<b>3,258,952</b>	<b>1,642,117</b>

## **PUBLIC WORKS DIRECTORATE VEHICLE MAINTENANCE**

### **MISSION STATEMENT**

To perform preventive maintenance/inspections and repairs with the goal of preventing in-service breakdowns, to create a challenging work environment for our mechanics through continuous training in the latest technology, to empower our mechanics to make decisions that will return vehicles to service status, to identify operator abuse and/or improper equipment utilization to maximize efficiency and reduce operation cost, and to provide whatever support is needed by our customer departments.

### **ACHIEVEMENTS FOR FISCAL YEAR 2011**

- Implemented a more complete work order program and worked toward a more paperless system.
- Obtained a more thorough inventory control system, including fueling program.
- Increased the usage of fuel-economical vehicles and reduced our overall carbon footprint.
- Made city's only 24/7 recycling center more user-friendly.

### **PRIORITIES AND GOALS FOR FISCAL YEAR 2012**

- Complete 95 percent of all work orders in-house.
- Continue removing non-productive vehicles and equipment from the City fleet and purchase more fuel-economical vehicles.
- Administer safety programs and participate in citywide programs.
- Continue to promote environmentally safe disposal of recycled items.
- Add e-waste to our list of accepted items for recycling.
- Educate City employees on an anti-idling program.

**FY 2012 ADOPTED BUDGET  
MOTOR POOL EXPENDITURE SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b><u>VEHICLE MAINTENANCE</u></b>				
Personnel Services	606,310	619,976	649,642	638,930
Supplies	37,459	25,700	40,400	49,700
Repairs & Maintenance	511,577	465,300	500,500	518,150
Services & Charges	37,673	35,310	38,410	51,337
Capital Outlay	1,969,225	1,965,800	2,030,000	384,000
<b>TOTAL</b>	<b>3,162,244</b>	<b>3,112,086</b>	<b>3,258,952</b>	<b>1,642,117</b>

<b>POSITIONS</b>	10.0	10.0	10.0	10.0
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**HIGHLIGHTS (FY 2012 Adopted Over/Under FY 2011 Estimated)**

- Personnel Services - Decrease of \$10,700 due to one-time merit pay in FY2011.
- Supplies - Increase of \$9,300 due to the increased cost of gas and oil.
- Repairs & Maintenance - Increase of \$17,600 due to increase in equipment repairs and maintenance.
- Services & Charges - Increase of \$12,900 due to an increase in utilities and rental fees (+\$3,300) and adding a contingency to include funding for potential compensation adjustments resulting from the compensation study (+\$9,600).
- Capital Outlay - Decrease of \$1,646,000 due to a decrease in the number of vehicles to be replaced in FY2012 (-\$1,581,800) and the one-time replacement of vehicles in FY2011 destroyed in a fire (-\$64,200).

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Repair work orders	3,596	3,559	3,700	3,700
Average repair turn around (hours)	6.9	6.5	6	6
Hybrid vehicles as percentage of fleet	N/A	12	16	19
Percent of fleet accidents	N/A	4	5	5
Internal customer service index (scale of 1-10, 10 highest)	N/A	N/A	8	8

**FISCAL YEAR 2012 ADOPTED BUDGET  
VEHICLE PURCHASE PROGRAM**

ASSET DESCRIPTION	FUND	DEPARTMENT	COST
<b>FLEET REPLACEMENTS</b>			
<b>Motor Pool Operating Fund</b>			
2006 Ford Crown Victoria	General	Police	49,500
2006 Ford Crown Victoria	General	Police	49,500
2006 Ford Crown Victoria	General	Police	49,500
2006 Ford Crown Victoria	General	Police	49,500
2002 Chevrolet Silverado 3/4 Extended Cab	General	Police	22,500
<b>Motor Pool Fund Subtotal</b>			<b>\$ 220,500</b>
<b>CIP Purchases</b>			
1993 Pierce Dash Pumper	General	Fire	604,500
<b>CIP Purchases Subtotal</b>			<b>\$ 604,500</b>
<b>FY2012 Fleet Replacements Subtotal</b>			<b>\$ 825,000</b>
<b>NEW VEHICLE PURCHASES</b>			
<b>Motor Pool Operating Fund</b>			
Bucket Truck	General	Public Works	163,500
<b>Motor Pool Fund Subtotal</b>			<b>\$ 163,500</b>
<b>CIP Purchases</b>			
100' Aerial Quint for West Side	General	Fire	1,010,000
<b>CIP Purchases Subtotal</b>			<b>\$ 1,010,000</b>
<b>FY2012 Fleet New Vehicle Purchases Subtotal</b>			<b>\$ 1,173,500</b>
Total Vehicle Purchases - Motor Pool Operating Fund			\$ 384,000
Total Vehicle Purchase - CIP			\$ 1,614,500
<b>GRAND TOTAL VEHICLE PURCHASES</b>			<b>\$ 1,998,500</b>

**ADOPTED FY 2012 BUDGET  
DEBT SERVICE FUND OVERVIEW**

**OVERVIEW**

The Debt Service Fund is a legally restricted fund utilized to account primarily for property tax revenues levied and budgeted to pay long-term debt principal and interest for the city's general obligation debt. It is also used to account for property taxes rebated to municipal utility districts (MUD's) located inside the city limits of League City, and for the debt-levy portion of incremental property tax revenues paid to the city's Tax Increment Reinvestment Zones. The city has no legal debt limits.

**FY 2012 ADOPTED BUDGET  
DEBT SERVICE FUND SUMMARY**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>BEGINNING FUND BALANCE</b>	<b>2,463,899</b>	<b>2,128,323</b>	<b>2,128,323</b>	<b>2,711,952</b>
REVENUES	11,668,800	12,599,400	12,454,300	12,542,500
EXPENDITURES	12,004,376	11,888,455	11,870,671	11,809,900
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>(335,576)</b>	<b>710,945</b>	<b>583,629</b>	<b>732,600</b>
<b>ENDING FUND BALANCE</b>	<b>2,128,323</b>	<b>2,839,268</b>	<b>2,711,952</b>	<b>3,444,552</b>

**BUDGET HIGHLIGHTS**

- FY 2012 property tax revenue estimate is based on taxable value of \$5.47 billion, a debt service tax rate of \$0.225 per \$100 taxable value, and 101% collection rate for all taxes including penalty and interest.
- Property tax rebates to MUD's are budgeted at \$3,002,000, \$44,000 less than the FY 2011 Estimated. This is because each MUD rebate contract provides that the City's payment may not be used for anything but payments for principal and interest for debt service issued by the MUD. Minor reductions in taxable value for all but one MUD (South Shore MUD #2) account for the drop in the projected tax rebate amount.
- Tax increments paid to the City's three TIRZ's are up due to growth primarily in the Saddle Creek TIRZ's taxable value.
- Principal payments will be made on prior debt in the amount of \$4.98 million.
- No additional principal and interest is included in the FY 2012 Budget for new or additional debt. The Adopted FY 2012-2016 Capital Improvement Plan includes an anticipated sale of tax-supported debt during the second or third quarter of the fiscal year, but no definitive date for this sale has been determined. Should it become necessary to pay interest on such a sale in August 2012, this will be addressed through a reallocation from the Debt Service Fund ending balance as a part of a mid-year budget amendment.

**FY 2012 ADOPTED BUDGET  
DEBT SERVICE FUND**

- The ending fund balance is being strengthened and built up in anticipation that a significant bond sale will take place in FY 2013, largely to provide funding for the construction of the new police station and public safety building.

**DEBT SERVICE REVENUE**

CATEGORY	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>Property Taxes:</b>				
401-01-00 Current Taxes	11,428,786	11,652,900	11,531,000	12,102,000
401-02-00 Delinquent Taxes	116,273	150,000	148,000	155,000
401-03-00 Penalty & Interest	99,674	108,200	107,000	112,000
<b>Property Taxes Subtotal</b>	<b>11,644,733</b>	<b>11,911,100</b>	<b>11,786,000</b>	<b>12,369,000</b>
<b>Interest Income:</b>				
555-00-00 Interest Income	23,161	40,000	23,000	23,000
555-09-00 Interest Income - Texstar	906	3,500	500	500
<b>Interest Income Subtotal</b>	<b>24,067</b>	<b>43,500</b>	<b>23,500</b>	<b>23,500</b>
<b>Transfers:</b>				
599-00-00 Transfer from General Fund	0	644,800	644,800	150,000
<b>Transfers Subtotal</b>	<b>0</b>	<b>644,800</b>	<b>644,800</b>	<b>150,000</b>
<b>DEBT SERVICE FUND REVENUE DETAIL</b>	<b>11,668,800</b>	<b>12,599,400</b>	<b>12,454,300</b>	<b>12,542,500</b>

**DEBT SERVICE EXPENDITURES**

EXPENDITURE CATEGORY	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
Tax Rebates to MUD's	3,579,593	3,289,555	3,046,000	3,002,000
Incremental Taxes Paid to TIRZ	1,061,878	769,700	764,000	824,200
Fees	4,226	7,000	4,000	5,000
Principal on City-Issued Debt	4,526,220	4,626,160	5,048,161	4,980,300
Interest on City-Issued-Debt	2,832,458	3,196,040	3,008,510	2,998,400
<b>TOTAL</b>	<b>12,004,376</b>	<b>11,888,455</b>	<b>11,870,671</b>	<b>11,809,900</b>

## DEBT SERVICE EXPENDITURE DETAIL

EXPENDITURE CATEGORY	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>DEBT SERVICE FUND</b>				
<b>Tax Rebates to MUD's</b>				
5370 Rebate MUD 2 Countryside	440,736	429,289	428,000	427,000
5371 Rebate MUD 3 Meadowbend	604,003	585,732	585,000	582,000
5372 Rebate MUD 6 The Landing	749,690	740,973	740,000	743,000
5373 Rebate MUD 2 South Shore	451,976	457,818	441,000	437,000
5374 Rebate MUD 3 South Shore	445,868	220,285	-	-
5376 Rebate MUD 6 South Shore	475,979	455,025	455,000	452,000
5377 Rebate MUD 13 Brittany Bay	291,658	286,407	283,000	284,000
5378 Rebate - Gal Co MUD #14	986	-	-	-
5379 Rebate - Gal Co MUD #15	118,698	114,026	114,000	77,000
<b>Tax Rebates to MUD's Subtotal</b>	<b>3,579,593</b>	<b>3,289,555</b>	<b>3,046,000</b>	<b>3,002,000</b>
<b>Transfers of Tax Increments to TIRZ's</b>				
5614 Transfer to Tax Increment	1,061,878	769,700	764,000	824,200
<b>Transfers to Subtotal</b>	<b>1,061,878</b>	<b>769,700</b>	<b>764,000</b>	<b>824,200</b>
<b>Fees</b>				
5707 Paying Agent Fees	4,226	7,000	4,000	5,000
<b>Fees Subtotal</b>	<b>4,226</b>	<b>7,000</b>	<b>4,000</b>	<b>5,000</b>
<b>Principal Payments on City Bonds</b>				
5845 Principal - 2002 Refunding	284,033	397,260	397,261	419,000
5852 Principal - 2003 Certificates A	325,000	335,000	335,000	345,000
5854 Principal - 2003 Certificates B	30,000	30,000	30,000	30,000
5856 Principal - 2003 Refunding	656,351	484,060	484,060	471,800
5858 Principal - 2003 Certificates C	280,000	290,000	290,000	300,000
5862 Principal - 2004 Certificates A	170,000	175,000	175,000	185,000
5864 Principal - 2004 Certificates B	220,000	230,000	230,000	240,000
5872 Principal - 2005 Certificates A	30,000	25,000	25,000	25,000
5874 Principal - 2006 A CO	170,000	180,000	180,000	185,000
5876 Principal - 07 Refunding	1,085,836	1,121,840	1,121,840	1,154,500
5880 Principal - 2008 CO	475,000	500,000	500,000	525,000
5882 Principal - 2009 CO	800,000	540,000	540,000	540,000
Principal - SSH MUD Bonds		-	185,000	85,000
5886 Principal - 2011 CO	-	318,000	555,000	475,000
<b>Principal Payments Subtotal</b>	<b>4,526,220</b>	<b>4,626,160</b>	<b>5,048,161</b>	<b>4,980,300</b>
<b>Interest Payments on City Bonds</b>				
5846 Interest - 2002 Refunding	77,220	61,400	61,394	42,100
5853 Interest - 2003 Certificates A	204,900	195,000	195,000	184,800
5855 Interest - 2003 Certificates B	429,325	428,420	428,420	427,500
5857 Interest - 2003 Refunding	248,547	231,440	231,440	217,100
5859 Interest - 2003 Certificates C	64,750	55,120	55,120	44,400
5863 Interest - 2004 Certificates A	205,550	199,510	199,510	192,800
5865 Interest - 2004 Certificates B	194,888	185,330	185,330	175,300
5873 Interest - 2005 Certificates A	16,131	14,930	14,930	13,900
5875 Interest - 2006 A CO	198,785	188,290	188,285	177,300
5877 Interest - 07 Refunding	145,425	101,270	101,271	55,700
5881 Interest - 2008 CO	666,296	646,800	646,796	626,300
5883 Interest - 2009 CO	380,642	426,530	426,530	398,900
Interest - SSH MUD Bonds		-	35,285	26,000
5887 Interest - 2011 CO	-	462,000	239,199	416,300
<b>Interest Payments Subtotal</b>	<b>2,832,458</b>	<b>3,196,040</b>	<b>3,008,510</b>	<b>2,998,400</b>
<b>TOTAL EXPENDITURES</b>	<b>12,004,376</b>	<b>11,888,455</b>	<b>11,870,671</b>	<b>11,809,900</b>

**CITY OF LEAGUE CITY  
SCHEDULE OF TAX SUPPORTED DEBT PAYMENTS**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	4,980,095	2,998,490	7,978,585
2013	4,884,934	2,797,523	7,682,457
2014	4,838,572	2,598,526	7,437,097
2015	3,957,497	2,424,198	6,381,695
2016	3,868,796	2,279,347	6,148,144
2017	3,863,796	2,134,309	5,998,106
2018	3,972,899	1,987,444	5,960,342
2019	4,087,001	1,831,413	5,918,414
2020	4,212,001	1,665,174	5,877,175
2021	3,775,000	1,500,480	5,275,480
2022	3,915,000	1,339,259	5,254,259
2023	4,045,000	1,170,281	5,215,281
2024	3,655,000	1,002,061	4,657,061
2025	3,765,000	836,949	4,601,949
2026	3,310,000	679,884	3,989,884
2027	3,065,000	537,344	3,602,344
2028	3,170,000	397,258	3,567,258
2029	3,060,000	255,888	3,315,888
2030	1,940,000	142,426	2,082,426
2031	720,000	82,906	802,906
2032	750,000	50,750	800,750
2033	785,000	17,172	802,172
<b>TOTALS</b>	<b>74,620,591</b>	<b>28,729,080</b>	<b>103,349,671</b>

**NOTE:** As of September 30, 2010, the City of League City held governmental activity-type (i.e. streets, storm sewers, general government buildings) capital assets valued at \$193,922,421 after accounting for depreciation (Source: Comprehensive Annual Financial Report, October 1, 2009 to September 30, 2010).

**ADOPTED FY 2012 BUDGET  
SPECIAL REVENUE FUNDS OVERVIEW**

**OVERVIEW**

Special revenue funds provide the means to document and demonstrate that legally dedicated revenue is being used for its required statutory purpose. These funds are not considered as normal operating funds of the city and as such are not intended to carry large ending fund balances. The ending fund balances, as shown, are legally restricted and cannot be used for other purposes.

**ADOPTED FY 2012 BUDGET  
SPECIAL FUNDS SUMMARY**

	FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>BEGINNING FUND BALANCES</b>	<b>1,034,115</b>	<b>1,667,635</b>	<b>1,667,635</b>	<b>2,556,294</b>
REVENUES	2,348,566	2,163,585	3,350,363	4,473,960
EXPENDITURES	1,715,046	3,279,485	2,461,704	4,293,528
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>633,520</b>	<b>(1,115,900)</b>	<b>888,659</b>	<b>180,432</b>
<b>ENDING FUND BALANCES</b>	<b>1,667,635</b>	<b>551,735</b>	<b>2,556,294</b>	<b>2,736,726</b>

**HIGHLIGHTS**

- New Technology Fund to provide funds for major systems intended to improve city operations and improve customer service; \$1.171 million from General Fund (\$931,000) and Utility Fund (\$240,000).
- The 4B Maintenance and Operations and Debt Service Fund is budgeted to (1) demonstrate compliance with State law and the City's contract with the 4B Corporation regarding use of 4B sales tax monies paid to the City and (2) capture all income and costs associated with the Eastern Regional Park once it opens in 2012.
- The Butler Museum Fund has been closed out, with the transmission of the remaining balance of approximately \$4,000 in donations having been turned over to the Butler Longhorn Museum this year.
- No city policies address special fund balances; they are intended to be spent for the legally determined purpose.

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUNDS  
BALANCES, REVENUES AND EXPENDITURES BY FISCAL YEAR**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>BEGINNING BALANCES</b>				
Police Activity Fund	69,512	108,125	108,125	49,201
Safelight Program Fund	0	285,570	285,570	494,375
Animal Control Donation Fund	19,024	65,617	65,617	34,539
Municipal Court Bldg Security Fund	212,449	235,056	235,056	154,866
Municipal Court Technology Fund	(1,486)	40,290	40,290	46,775
Emerg. Mgmt Response Fund	503,112	402,250	402,250	338,343
Butler Museum Fund	7,096	3,377	3,377	0
Library Gift Fund	34,640	33,313	33,313	33,363
4B Maint. & Operations/Debt Fund	0	0	0	362,035
Hotel/Motel Tax Fund	73,814	14,240	14,240	449,320
Sidewalk Fund	115,954	132,690	132,690	132,870
Technology Fund	0	0	0	0
Public Access Channel Fund	0	347,107	347,107	460,607
<b>TOTAL</b>	<b>1,034,115</b>	<b>1,667,635</b>	<b>1,667,635</b>	<b>2,556,294</b>
<b>REVENUES</b>				
Police Activity Fund	96,087	45,540	62,840	93,140
Safelight Program Fund	1,412,965	1,259,575	1,490,700	1,488,700
Animal Control Donation Fund	47,592	15,050	5,575	5,550
Municipal Court Bldg Security Fund	40,322	40,400	40,720	40,400
Municipal Court Technology Fund	52,640	45,040	49,075	45,040
Emerg. Mgmt Response Fund	58,322	248,100	400	400
Butler Museum Fund	9	0	6	0
Library Gift Fund	3,939	3,050	9,050	3,050
4B Maint. & Operations Fund	0	0	797,035	1,174,530
Hotel/Motel Tax Fund	217,047	305,080	701,282	250,400
Sidewalk Fund	16,736	6,450	180	6,450
Technology Fund	0	0	0	1,171,000
Public Access Channel Fund	402,907	195,300	193,500	195,300
<b>TOTAL</b>	<b>2,348,566</b>	<b>2,163,585</b>	<b>3,350,363</b>	<b>4,473,960</b>

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUNDS  
BALANCES, REVENUES AND EXPENDITURES BY FISCAL YEAR**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>EXPENDITURES</b>				
Police Activity Fund	57,474	159,000	121,764	141,830
Safelight Program	1,127,395	1,259,575	1,281,895	1,404,145
Animal Control Donation Fund	999	71,000	36,653	40,000
Municipal Court Bldg Security Fund	17,715	260,910	120,910	120,046
Municipal Court Technology Fund	10,864	70,000	42,590	41,000
Emerg. Mgmt Response Fund	159,184	646,000	64,307	331,007
Butler Museum Fund	3,728	0	3,383	0
Library Gift Fund	5,266	31,500	9,000	36,000
4B Maint. & Operations Fund	0	0	435,000	777,500
Hotel/Motel Tax Fund	276,621	253,500	266,202	151,000
Sidewalk Fund	0	127,000	0	0
Technology Fund	0	0	0	1,171,000
Public Access Channel Fund	55,800	401,000	80,000	80,000
<b>TOTAL</b>	<b>1,715,046</b>	<b>3,279,485</b>	<b>2,461,704</b>	<b>4,293,528</b>
<b>ENDING BALANCES</b>				
Police Activity Fund	108,125	(5,335)	49,201	511
Safelight Program Fund	285,570	285,570	494,375	578,930
Animal Control Donation Fund	65,617	9,667	34,539	89
Municipal Court Bldg Security Fund	235,056	14,546	154,866	75,220
Municipal Court Technology Fund	40,290	15,330	46,775	50,815
Emerg. Mgmt Response Fund	402,250	4,350	338,343	7,736
Butler Museum Fund	3,377	3,377	0	0
Library Gift Fund	33,313	4,863	33,363	413
4B Maint. & Operations/Debt Fund	0	0	362,035	759,065
Hotel/Motel Tax Fund	14,240	65,820	449,320	548,720
Sidewalk Fund	132,690	12,140	132,870	139,320
Technology Fund	0	0	0	0
Public Access Channel Fund	347,107	141,407	460,607	575,907
<b>TOTAL</b>	<b>1,667,635</b>	<b>551,735</b>	<b>2,556,294</b>	<b>2,736,726</b>

**FY 2012 ADOPTED BUDGET  
REVENUE SUMMARY  
SPECIAL REVENUE FUNDS**

<b>REVENUE CATEGORY</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Franchise & Other Taxes	619,728	500,000	442,000	445,000
Grant Proceeds	153,351	280,900	35,000	78,000
Services & Charges	0	0	0	45,000
Fines and Forfeits	1,505,031	1,344,575	1,579,400	1,573,000
Investment Earnings	2,511	3,090	3,051	3,940
Miscellaneous	67,945	35,020	42,150	28,520
Transfers	0	0	1,248,762	2,300,500
<b>TOTAL</b>	<b>2,348,566</b>	<b>2,163,585</b>	<b>3,350,363</b>	<b>4,473,960</b>

**EXPENDITURE SUMMARY  
SPECIAL REVENUE FUNDS**

<b>EXPENDITURE CATEGORY</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
Personnel Services	5,731	199,571	161,195	209,053
Supplies	126,302	540,633	237,614	326,250
Repair & Maintenance	86,611	245,700	3,000	98,200
Services & Charges	1,234,321	1,347,281	1,381,644	1,550,083
Special Programs & Events	154,656	88,300	98,009	105,007
Capital Outlay	83,076	858,000	145,242	1,332,435
Transfers	24,349	0	0	0
Debt Service	0	0	435,000	672,500
<b>TOTAL</b>	<b>1,715,046</b>	<b>3,279,485</b>	<b>2,461,704</b>	<b>4,293,528</b>

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - POLICE ACTIVITY FUND**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>					
427-04-00	Seizure Proceeds	95,860	33,400	35,000	78,000
554-00-00	Dare Program	31	0	0	0
554-02-00	Int Inc-Community Outreach	19	20	50	20
554-04-00	Interest-Seizure Proceeds	51	40	50	40
555-00-00	Interest Income	126	80	140	80
571-00-00	Donations	0	0	12,600	0
571-05-00	Community Outreach Donations	0	12,000	15,000	15,000
<b>TOTAL REVENUES</b>		<b>96,087</b>	<b>45,540</b>	<b>62,840</b>	<b>93,140</b>
<b>EXPENDITURES</b>					
Services & Charges:					
5325	Police Investigation Cost	29,266	151,000	113,764	73,310
Special Programs & Events:					
5427	Community Outreach	3,944	8,000	8,000	39,700
Capital Outlay					
5573	Equipment	24,264	0	0	28,820
<b>TOTAL EXPENDITURES</b>		<b>57,474</b>	<b>159,000</b>	<b>121,764</b>	<b>141,830</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>					
		<b>38,613</b>	<b>(113,460)</b>	<b>(58,924)</b>	<b>(48,690)</b>
<b>BEGINNING FUND BALANCE - RESTRICTED</b>		<b>69,512</b>	<b>108,125</b>	<b>108,125</b>	<b>49,201</b>
<b>ENDING FUND BALANCE - RESTRICTED</b>		<b>108,125</b>	<b>(5,335)</b>	<b>49,201</b>	<b>511</b>

Police Activity Fund - This fund consists of two accounts, the Chapter 59 Asset Seizures and the Community Outreach account. The Chapter 59 Asset Seizure account is regulated by state law and is used for various purchases including supplies, equipment and other services related to investigation costs. The Community Outreach account is used for funds donated for the Community Outreach program. The League City Police Department administers the funds of these programs.

Highlights - The seizure account can be used to purchase items related to investigations such as cameras, guns, ammunition and other supplies. The community outreach funds obtained through small donations and proceeds from the annual golf tournament. These funds are used to support projects and operations in the community. There was a donation received in FY 2011 in the amount of \$12,600 that was not anticipated from the NRA for the purchase of shotguns for the police department.

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - SAFELIGHT PROGRAM FUND**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>				
421-08-00 Red Light Camera Fines	1,412,563	1,259,575	1,490,000	1,488,000
555-00-00 Interest Income	402	0	700	700
<b>TOTAL REVENUES</b>	<b>1,412,965</b>	<b>1,259,575</b>	<b>1,490,700</b>	<b>1,488,700</b>
<b>ADMINISTRATIVE COSTS</b>				
5002 Salaries	0	90,085	98,000	116,440
5123 Minor Equipment	2,099	15,300	0	0
5312 Banking Fees	39,531	35,052	45,800	46,000
5349 Contractor Fees	431,074	467,520	467,520	467,520
5478 Administrative costs	75,540	0	0	0
<b>TOTAL ADMINISTRATIVE COSTS</b>	<b>548,244</b>	<b>607,957</b>	<b>611,320</b>	<b>629,960</b>
<b>BALANCE OF REVENUES</b>	<b>864,721</b>	<b>651,618</b>	<b>879,380</b>	<b>858,740</b>
<b>TRANSFER TO STATE TRAUMA FD</b>	<b>432,160</b>	<b>325,809</b>	<b>439,690</b>	<b>429,370</b>
<b>CITY PUBLIC SAFETY PROJECTS</b>				
5017 Assignment Pay	0	2,400	0	0
5050 Overtime	0	22,176	0	0
5110 Books & Periodicals	0	3,750	1,000	0
5123 Minor Equipment	0	29,086	19,000	57,000
5125 Operating Supplies	0	179,434	14,000	0
5121 Training Supplies	0	8,120	1,500	0
5165 Traffic Control Supplies	70,640	180,440	88,626	0
5181 Uniform Expense	0	400	0	0
5194 Computer Equip & Softwr	0	53,648	41,000	5,000
5305 Professional Services	0	200	0	0
5344 Training & Travel	17,539	6,200	3,900	5,200
5380 Contingency	0	0	0	0
5552 Autos	0	0	0	0
5573 Equipment	58,812	125,525	61,859	277,615
<b>TOTAL PUBLIC SAFETY PROJECTS</b>	<b>146,991</b>	<b>611,379</b>	<b>230,885</b>	<b>344,815</b>
<b>REVENUES OVER/(UNDER)</b>				
<b>EXPENDITURES</b>	<b>285,570</b>	<b>(285,570)</b>	<b>208,805</b>	<b>84,555</b>
<b>BEGINNING FUND BALANCE - RESTRICTED</b>	<b>0</b>	<b>285,570</b>	<b>285,570</b>	<b>494,375</b>
<b>ENDING FUND BALANCE - RESTRICTED</b>	<b>285,570</b>	<b>0</b>	<b>494,375</b>	<b>578,930</b>

Safelight Program Fund - This fund is used to account for the fees received from red light ticket cameras. These funds are to be used for public safety related items.

Highlights - These funds are used to purchase public safety items such as solar powered school zone lights as well as provide autos and equipment for the police department.

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - ANIMAL CONTROL DONATION FUND**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>					
555-00-00	Interest Income	68	50	75	50
571-00-00	Donations	47,524	15,000	5,500	5,500
<b>TOTAL REVENUES</b>		<b>47,592</b>	<b>15,050</b>	<b>5,575</b>	<b>5,550</b>
<b>EXPENDITURES</b>					
Supplies:					
5125	Small Tools & Oper Supplies	999	11,000	36,653	8,000
5194	Computer Equip & Software	0	0	0	0
Services & Charges:					
5305	Professional Fees	0	60,000	0	32,000
5344	Training & Travel	0	0	0	0
5399	Miscellaneous	0	0	0	0
<b>TOTAL EXPENDITURES</b>		<b>999</b>	<b>71,000</b>	<b>36,653</b>	<b>40,000</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>		<b>46,593</b>	<b>(55,950)</b>	<b>(31,078)</b>	<b>(34,450)</b>
<b>BEGINNING FUND BALANCE - RESTRICTED</b>		<b>19,024</b>	<b>65,617</b>	<b>65,617</b>	<b>34,539</b>
<b>ENDING FUND BALANCE - RESTRICTED</b>		<b>65,617</b>	<b>9,667</b>	<b>34,539</b>	<b>89</b>

Animal Control Donation Fund - This fund is used to account for funds donated specifically for the support of the Animal Shelter. Donated funds would typically be used for veterinary services, food for animals, and educational materials.

Highlights - These funds are used to purchase items in providing veterinarian services for animals at the shelter. There was a large donation in FY 2010 from the sale of a condominium through an estate, these funds are to be used to purchase the cat kennels for the animal shelter and are anticipated to be purchased in FY 2011.

**FY 2012 ADOPTED BUDGET**  
**SPECIAL REVENUE FUND - MUNICIPAL COURT BUILDING SECURITY FUND**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>					
421-01-00	Municipal Court Fines	39,880	40,000	40,400	40,000
555-00-00	Interest Income	442	400	320	400
	<b>TOTAL REVENUES</b>	<b>40,322</b>	<b>40,400</b>	<b>40,720</b>	<b>40,400</b>
<b>EXPENDITURES</b>					
Personnel:					
5002	Salaries	5,731	59,000	43,096	59,154
5009	Certificate Pay	0	2,400	2,400	3,600
5014	TMRS (Retirement)	0	8,260	6,264	9,460
5015	Longevity	0	100	864	920
5016	FICA	0	4,510	3,389	5,169
5018	Employee Insurance	0	6,530	3,890	7,147
5020	Employee Allowance	0	4,110	675	900
5025	Dependent Insurance	0	0	2,617	3,263
5050	Overtime	0	0	0	3,000
Supplies:					
5123	Small Tools & Minor Equip	11,984	5,000	3,945	4,000
5145	Gasoline	0	0	0	1,200
5194	Computer Equip & Softwr	0	10,000	1,200	1,200
Repair & Maintenance					
5215	Building & Ground Maint.	0	160,000	3,000	10,000
5230	Vehicle Repair & Maint	0	0	0	1,200
Services & Charges					
5327	Motor Pool Lease Fees	0	0	0	8,333
5344	Training & Travel	0	1,000	500	1,500
5550	Autos	0	0	49,070	0
	<b>TOTAL EXPENDITURES</b>	<b>17,715</b>	<b>260,910</b>	<b>120,910</b>	<b>120,046</b>
<b>REVENUES OVER/(UNDER)</b>					
<b>EXPENDITURES</b>		<b>22,607</b>	<b>(220,510)</b>	<b>(80,190)</b>	<b>(79,646)</b>
<b>BEGINNING FUND BALANCE</b>					
<b>- RESTRICTED</b>		<b>212,449</b>	<b>235,056</b>	<b>235,056</b>	<b>154,866</b>
<b>ENDING FUND BALANCE -</b>					
<b>RESTRICTED</b>		<b>235,056</b>	<b>14,546</b>	<b>154,866</b>	<b>75,220</b>
<b>POSITIONS</b>		1.0	1.0	1.0	1.0

Municipal Court Building Security Fund - This fund is used to account for a fee of \$3 per misdemeanor conviction and is collected for future improvements to the security of the court facilities.

Highlights - This fund provides security to the courts through funding of a Bailiff/Warrant Officer including salary, benefits, training, supplies and vehicle charges and any building improvements for the security of the municipal courts.

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - MUNICIPAL COURT TECHNOLOGY**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>					
421-05-00	Fines-Technology Fund	52,588	45,000	49,000	45,000
555-00-00	Interest Income	52	40	75	40
	<b>TOTAL REVENUES</b>	<b>52,640</b>	<b>45,040</b>	<b>49,075</b>	<b>45,040</b>
<b>Expenditures</b>					
Supplies:					
5194	Computer Equip. & Software	2,734	33,000	21,690	20,100
Services & Charges:					
5305	Professional Fees	5,199	6,000	5,000	5,000
5317	Equipment Rental	2,931	3,000	6,000	6,000
5329	Technology Maint & Services	0	23,000	5,400	5,400
5344	Training & Travel	0	5,000	4,500	4,500
	<b>TOTAL EXPENDITURES</b>	<b>10,864</b>	<b>70,000</b>	<b>42,590</b>	<b>41,000</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>					
		<b>41,776</b>	<b>(24,960)</b>	<b>6,485</b>	<b>4,040</b>
	<b>BEGINNING FUND BALANCE - RESTRICTED</b>	<b>(1,486)</b>	<b>40,290</b>	<b>40,290</b>	<b>46,775</b>
	<b>ENDING FUND BALANCE - RESTRICTED</b>	<b>40,290</b>	<b>15,330</b>	<b>46,775</b>	<b>50,815</b>

Municipal Court Technology Fund - This fund is used to account for a fee of \$4 per misdemeanor conviction and is collected for future improvements to the technology of the court facilities.

Highlights - The FY 2012 budget includes the purchase of computers for security purposes and court personnel, copier rental fees, Encode Software maintenance costs and training for court personnel.

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - EMERGENCY MANAGEMENT RESPONSE FUND**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>					
427-02-00	Grant Revenue	57,491	247,500	0	0
555-00-00	Interest Income	831	600	400	400
	<b>TOTAL REVENUES</b>	<b>58,322</b>	<b>248,100</b>	<b>400</b>	<b>400</b>
<b>EXPENDITURES</b>					
Supplies:					
5125	Small Tools & Operating	3,429	50,000	0	50,000
5196	Hurricane Supplies	0	90,000	0	100,000
Repair & Maintenance					
5215	Building Repair & Maint	84,311	85,700	0	85,700
Services & Charges					
5317	Equipment Rental	0	21,000	0	21,000
5349	Contractual Services	0	5,000	0	10,000
Special Projects					
5460	Blackboard Connect CTY	65,307	64,300	64,307	64,307
5462	EOC Enhancements	6,137	0	0	0
Capital Outlay					
5592	Generators	0	330,000	0	0
	<b>TOTAL EXPENDITURES</b>	<b>159,184</b>	<b>646,000</b>	<b>64,307</b>	<b>331,007</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>					
		<b>(100,862)</b>	<b>(397,900)</b>	<b>(63,907)</b>	<b>(330,607)</b>
	<b>BEGINNING FUND BALANCE - COMMITTED</b>	<b>503,112</b>	<b>402,250</b>	<b>402,250</b>	<b>338,343</b>
	<b>ENDING FUND BALANCE - COMMITTED</b>	<b>402,250</b>	<b>4,350</b>	<b>338,343</b>	<b>7,736</b>

Emergency Management Response Fund - This fund is specifically used for the preparation for and the response to a major storm and is under the direction of the City Manager.

Highlights - The FY 2012 budget includes the purchase of ready to eat meals to replace the soon to be expired meals we keep on hand in the event of a storm, the Blackboard Connect CTY services to notify residents in the event of an emergency and other supplies and equipment necessary when our area is threatened by a disaster, hurricane supplies if a storm should hit the area and remediation costs in the event of a clean up of toxic chemicals.

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - BUTLER MUSEUM/HERITAGE PARK FUND**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>					
555-00-00	Interest Income	2	0	0	0
555-12-00	Interest Inc-Heritage Pk	7	0	6	0
	<b>TOTAL REVENUES</b>	<b>9</b>	<b>0</b>	<b>6</b>	<b>0</b>
<b>EXPENDITURES</b>					
Special Projects					
5436	Butler Museum Project	3,728	0	0	0
Capital Projects					
5983	Butler Longhorn Museum	0	0	0	0
6069	Heritage Park	0	0	3,383	0
	<b>TOTAL EXPENDITURES</b>	<b>3,728</b>	<b>0</b>	<b>3,383</b>	<b>0</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>					
		<b>(3,719)</b>	<b>0</b>	<b>(3,377)</b>	<b>0</b>
	<b>BEGINNING FUND BALANCE - RESTRICTED</b>	<b>7,096</b>	<b>3,377</b>	<b>3,377</b>	<b>0</b>
	<b>ENDING FUND BALANCE - RESTRICTED</b>	<b>3,377</b>	<b>3,377</b>	<b>0</b>	<b>0</b>

Butler Longhorn Museum Donation Fund - This fund was used to account for funds donated specifically for the support of the Butler Longhorn Museum and Heritage Park. This fund is no longer being used to accept donations for this purpose. All donations related to the Butler Longhorn Museum are made to the Friends of the Museum.

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - LIBRARY GIFT FUND**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>					
555-00-00	Interest Income	68	50	50	50
571-00-00	Donations	3,871	3,000	9,000	3,000
	<b>TOTAL REVENUES</b>	<b>3,939</b>	<b>3,050</b>	<b>9,050</b>	<b>3,050</b>
<b>EXPENDITURES</b>					
Supplies:					
5110	Books & Periodicals	5,266	25,000	8,000	28,000
5123	Minor Equipment	0	6,500	1,000	8,000
	<b>TOTAL EXPENDITURES</b>	<b>5,266</b>	<b>31,500</b>	<b>9,000</b>	<b>36,000</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>					
		<b>(1,327)</b>	<b>(28,450)</b>	<b>50</b>	<b>(32,950)</b>
	<b>BEGINNING FUND BALANCE - RESTRICTED</b>	<b>34,640</b>	<b>33,313</b>	<b>33,313</b>	<b>33,363</b>
	<b>ENDING FUND BALANCE - RESTRICTED</b>	<b>33,313</b>	<b>4,863</b>	<b>33,363</b>	<b>413</b>

Library Gift Fund - This fund is used to account for donated funds to be used specifically for the purchase of special items not covered by the Library's general operating budget.

Highlights - This fund is primarily used to purchase items such as books and periodicals for the library but may be used to purchase other items to support the library. The budget for FY 2012 was placed primarily in purchasing of books and periodicals. There were unanticipated donations to the library in FY 2011.

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - 4B PARK MAINTENANCE AND OPERATIONS**

		FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>REVENUES</b>					
	Community Center	0	0	0	20,000
	Park/Soccer Fields	0	0	0	25,000
555-00-00	Interest Income	0	0	35	30
598-00-00	Transfer from 4B Corp	0	0	797,000	1,129,500
	<b>TOTAL REVENUES</b>	<b>0</b>	<b>0</b>	<b>797,035</b>	<b>1,174,530</b>
<b>EXPENDITURES</b>					
Supplies					
	5101 Office Supplies	0	0	0	500
	5105 Janitorial	0	0	0	2,200
	5116 Building & Ground Maint.	0	0	0	11,950
	5153 Agricultural Supplies	0	0	0	10,000
	5154 Recreation Supplies	0	0	0	18,700
	5181 Uniforms	0	0	0	400
Repair & Maintenance					
	5240 Equipment Repair & Maint	0	0	0	1,300
Services and Charges					
	5311 Postage	0	0	0	200
	5313 Printing and Binding	0	0	0	2,500
	5329 Computer Maint & Services	0	0	0	1,500
	5344 Training and Travel	0	0	0	500
	5349 Contract Fees	0	0	0	55,250
Debt Service					
	4B 2011 Certificate of Oblig	0	0	435,000	672,500
	<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>435,000</b>	<b>777,500</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>					
		<b>0</b>	<b>0</b>	<b>362,035</b>	<b>397,030</b>
<b>BEGINNING FUND BALANCE - RESTRICTED</b>					
		<b>0</b>	<b>0</b>	<b>0</b>	<b>362,035</b>
<b>ENDING FUND BALANCE - RESTRICTED</b>					
		<b>0</b>	<b>0</b>	<b>362,035</b>	<b>759,065</b>

4B Park Maintenance and Operations - This fund is used to segregate funds received from the 4B Industrial Development Corporation. The use of these funds is governed by state law and the inter-local agreement between the City and the 4B Industrial Development Corporation. This is a new fund that was created in FY 2011 and FY 2012 will be the first budget year for this fund.

Highlights - This fund includes maintenance and support for the soon to be constructed Eastern Regional Park and has funding for maintenance and operations of the Community Center as well as the Park and Soccer Field for FY 2012. Funding includes ground maintenance, recreational supplies for the programs offered at the facility including printing and binding of program schedules. This fund also shows the payment of the debt service of the 4B Certificate of Obligation Bonds.

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - HOTEL/MOTEL FUND**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>					
408-00-00	Hotel & Motel Tax	216,949	305,000	249,000	250,000
555-00-00	Interest Income	95	80	340	200
555-09-00	Interest Income Texstar	3	0	180	200
581-45-00	Operating Transfer In DLC	0	0	451,762	0
	<b>TOTAL REVENUES</b>	<b>217,047</b>	<b>305,080</b>	<b>701,282</b>	<b>250,400</b>
<b>EXPENDITURES</b>					
Services & Charges					
5332	Visitors Center	0	143,000	146,000	123,000
5335	Advertising	0	94,500	94,500	27,000
5338	Destination League City	276,621	0	0	0
Special Projects					
5446	Executive Committee	0	1,000	1,000	1,000
5447	Projects Committee	0	15,000	24,702	0
	<b>TOTAL EXPENDITURES</b>	<b>276,621</b>	<b>253,500</b>	<b>266,202</b>	<b>151,000</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>					
		<b>(59,574)</b>	<b>51,580</b>	<b>435,080</b>	<b>99,400</b>
	<b>BEGINNING FUND BALANCE - RESTRICTED</b>	<b>73,814</b>	<b>14,240</b>	<b>14,240</b>	<b>449,320</b>
	<b>ENDING FUND BALANCE - RESTRICTED</b>	<b>14,240</b>	<b>65,820</b>	<b>449,320</b>	<b>548,720</b>

Hotel/Motel Occupancy Tax Fund - This fund is used to account for the hotel/motel occupancy tax revenues and must be spent in accordance with state law. These funds were managed by Destination League City and are now being managed by the City.

Highlights - These funds are used to fund a visitors center, advertising, and special projects that will promote tourism to League City.

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - SIDEWALK FUND**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>					
416-08-00	Sidewalk Fees	16,500	5,000	0	5,000
555-00-00	Interest Income	236	1,450	180	1,450
	<b>TOTAL REVENUES</b>	<b>16,736</b>	<b>6,450</b>	<b>180</b>	<b>6,450</b>
<b>EXPENDITURES</b>					
Capital Outlay					
5513	Sidewalk Construction	0	127,000	0	0
	<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>127,000</b>	<b>0</b>	<b>0</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>		<b>16,736</b>	<b>(120,550)</b>	<b>180</b>	<b>6,450</b>
<b>BEGINNING FUND BALANCE - RESTRICTED</b>		<b>115,954</b>	<b>132,690</b>	<b>132,690</b>	<b>132,870</b>
<b>ENDING FUND BALANCE - RESTRICTED</b>		<b>132,690</b>	<b>12,140</b>	<b>132,870</b>	<b>139,320</b>

Sidewalk Fund - This fund is used to account for fees paid by developers in lieu of building or installing sidewalks. Funds collected within this fund are to be used specifically for sidewalk improvement at the discretion of the City Council.

Highlights - This fund is specifically for the construction of new sidewalks.

## TECHNOLOGY FUND

Staff has identified several major system projects necessary to bring the City's customer service and operations into the 21st Century. These systems address a core organizational value adopted by the City Council and its desire to "maintain 'world class' customer service."

"The City of League City is committed to maintaining both a governing body and professional staff that recognizes, anticipates, and proactively responds to the needs of citizens. ***This requires a progressive and dynamic organizational culture that delivers 'world class' customer service, is results oriented and incorporates innovation and technology to foster the most prudent use of public resources.***"

Technology has transformed our lives through the power afforded to individuals to access and manipulate information quickly and easily. Organizations are using this same capability to revolutionize the way they transact business, interface with their customers, and provide goods and services. The workforce that understands how to use current technology is smarter, more effective, and more marketable from an individual standpoint. Conversely, organizations that have not yet fully availed themselves of current technology are hurting their employees, their customers and the future of their organization.

The City of League City is at a crossroads in its history. After a decade of unparalleled growth, the City finds itself in the midst of a slow growth period that can allow the City to catch up in a number of ways. However, the City also finds itself in every area but one - public safety - with a total lack of technology or reliance on a technology that is twenty years old. Also, as the result of growth combined with good fiscal practices, the City has built financial reserves that provide an opportunity to modernize our technology and achieve dramatic improvements in customer service and operational efficiency.

The funding approach used should provide accountability to Council through the annual budget process and ongoing monitoring review through quarterly budget reports. The systems proposed to be funded can be implemented in a 24-36 month time frame, and will each require separate City Council approval as the cost exceeds the \$50,000 threshold for such approval. Each system proposed includes information on one-time and recurring budget cost impact, some of which are increases in cost and others that save on current expenditures. All represent good business practice, current technology and opportunities not previously seized by the City.

**Recommendation: Establish a Technology Special Revenue Fund with a one-time infusion of dollars from the General and Utility Fund balances on an 80-20 cost sharing approach. The systems described here will require a \$1,171,000 one-time investment of City funds.**

### **Citywide Financial and Performance Management System**

This system will include modules that provide operational systems for Public Works departments where none exist and simultaneously upgrade the City's existing financial system from the 1980's "green screen" (e.g. not Windows or point and click) that is still in use. This system will enable the City to improve customer service by upgrading access and functionality for citizens in online water billing and payment, provide for electronic submission and review of building permits and plans. The new system will also provide automated field inspection reporting for inspectors, work order intake and tracking for Public Works crews, and will integrate GIS data with business systems as needed (i.e. addresses, property legal descriptions, etc.). On the business system side, human resources, budget and finance will be fully integrated (e.g. single data entry) in budgeting, posting, processing, and hiring employees. All documents will be stored as scanned images, and data will be more readily accessible through "point and click" to "drill down" and then will be able to be downloaded as needed to spreadsheet form. The new system will also interface with Microsoft Exchange email and will be web based.

This proposal would upgrade the City's existing SunGard Public Sector NAVILINE system, originally purchased in 1988, to SunGard's ONESolution product. The City's estimated one-time cost of \$400,000 includes professional services and training on-site for city employees. Recurring costs build on the City's current \$120,000 annual payment for little functionality by providing a quantum leap in functionality (approximately \$80,000 more annually) and added security for the City's data (approximately \$50,000 annually).

The ONESolution contract as anticipated includes a proposal for SunGard to provide the host computer for the City's system and all of our data. This involves SunGard's three processing centers, the primary of which is located in Atlanta with backups in Florida and/or California. This recommendation reduces the City's risk and cost in providing its own computer storage, backup and recovery in the event of an emergency.

### **GIS Enterprise System**

Digital mapping is critical to management and delivery of every service the City provides. Delivery of this data over the internet and through wireless transmission is essential if such data is to be used timely by citizens and city departments alike. The City has built a geographic database that needs to be expanded to include more departments. Most importantly, the current GIS data needs to be provided through the City's network and over the internet, but is currently limited to desktop access by five city employees with each individual license costing \$4,000.

The funding proposal will cover citywide licensing and the web enabled version of ArcGis for \$50,000 annually for three years. It will provide an unlimited number of licenses so every city department can have access to the data already assembled for their own operational use. Enterprise GIS also comes with extensions that allow departments to look at fleet routing, crime analysis, and water modeling. It will also allow for interactive maps on the webpage for citizens, developers and others to identify their trash pickup days, police patrol district, zoning classification and location of parks, fire stations or other city facilities.

### **Document Imaging**

The City has had a contract through the City Secretary's Office since 2007 with LaserFiche for scanning of ordinances, minutes and resolutions. There is no centrally managed and organized database of scanned images, and the scope of City documents so organized is not comprehensive. Space is at a premium for storing paper records and the City needs to recognize that the current use of its water tower located on South Shore Harbour Drive as an archiving storage facility is makeshift at best and ill advised at worst. This recommendation will provide a system that can store new documents in imaged form as they are created at the desktop level. Imaging of archives would be undertaken with City resources, potentially adding part-time or temporary staff for that purpose.

This software includes security specific to the type of document, provides compliance with state standards for archiving, can be used to implement a citywide classification and management approach, provides for intelligent search and web access to imaged documents, as well as document routing for review and approval purposes. The \$100,000 cost is a one-time cost to acquire the software, and annual maintenance would be \$18,000.

### **Microsoft Licensing**

This project will ensure compliance with Microsoft licensing requirements and provide current versions of Microsoft Office 2010, Microsoft Exchange and Email 2010, Windows 7, Microsoft Server 2008 compliant and Microsoft SQL Server 2008 at a cost of \$150,000 per year for three years, dropping significantly thereafter.

**ADOPTED FY 2012 BUDGET  
TECHNOLOGY FUND**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>				
Transfer from Utility Fund	0	0	0	240,000
Transfer from General Fund	0	0	0	931,000
<b>TOTAL REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,171,000</b>
<b>EXPENDITURES</b>				
Services and Charges				
5344 Training & Travel	0	0	0	0
5349 Contract Services	0	0	0	225,000
5380 Contingency	0	0	0	0
Capital Outlay				
5572 Computer Software	0	0	0	600,000
5590 Building Improvements	0	0	0	346,000
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,171,000</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>BEGINNING FUND BALANCE - COMMITTED</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ENDING FUND BALANCE - COMMITTED</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Project</b>	<b>Contract Services</b>	<b>Comp Software</b>	<b>Bldg Improv</b>	<b>Contingency</b>
Citywide Management System	200,000	200,000	0	0
Geographic Information System	0	150,000	0	0
Document Imaging	0	100,000	0	0
Microsoft Licensing	0	150,000	0	0
Cisco switches and routers	0	0	265,000	0
Fiber Optic Termination Equipment	0	0	45,000	0
Cameras for Fire Stations	0	0	36,000	0
Network Security Assessment	25,000	0	0	0
<b>Totals</b>	<b>225,000</b>	<b>600,000</b>	<b>346,000</b>	<b>0</b>

Technology Fund - This fund is used for the one time purchase of technology related hardware, software and other services. This fund is funded by the General and Utility funds at an 80/20% split.

Highlights - This fund is new for FY 2012 and is to fund the above projects.

## ADOPTED TECHNOLOGY FUND PROJECTS ONE-TIME AND RECURRING COSTS

SYSTEM	ONE-TIME COST	NET NEW RECURRING COST	RECURRING COST START DATE	COMMENT
<b>Citywide Management System (ONESolution)</b>	\$400,000	\$130,000	October 2012 (FY 2013)	Current annual maintenance cost is \$120,000 for 1980's technology
<b>Geographic Information System Enterprise</b>	\$150,000	\$50,000	October 2014 (FY 2015)	
<b>Document Imaging</b>	\$100,000	\$18,000	October 2012 (FY 2013)	Currently using Laserfiche through contract to slowly image City Secretary's archives.
<b>Microsoft Licensing</b>	\$150,000	\$150,000	October 2012 (FY 2013)	Fund first of three years through Technology Fund, then from operating budget.
<b>Cisco switches and routers</b>	\$265,000	\$0		
<b>Fiber Optic Termination Equipment</b>	\$45,000	\$0		
<b>Cameras for Fire Stations</b>	\$36,000	\$0		
<b>Network Security Assessment</b>	\$25,000	\$0		
	<b>\$1,171,000</b>	<b>\$348,000</b>		

**FY 2012 ADOPTED BUDGET  
SPECIAL REVENUE FUND - PUBLIC ACCESS CHANNEL**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>REVENUES</b>					
403-03-00	Franchise Fees	402,779	195,000	193,000	195,000
555-00-00	Interest Income	128	300	500	300
	<b>TOTAL REVENUES</b>	<b>402,907</b>	<b>195,300</b>	<b>193,500</b>	<b>195,300</b>
<b>EXPENDITURES</b>					
Supplies					
5123	Small Tools & Minor Equipment	24,255	0	0	0
5194	Computer Equipment & Software	4,896	0	0	0
Repairs & Maintenance					
5215	Building & Ground Maintenance	2,300	0	0	0
Capital Outlay					
5573	Equipment	0	206,000	80,000	80,000
5590	Building Improvements	0	195,000	0	0
Transfers					
5602	Transfer to General Fund	24,349	0	0	0
	<b>TOTAL EXPENDITURES</b>	<b>55,800</b>	<b>401,000</b>	<b>80,000</b>	<b>80,000</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>					
		<b>347,107</b>	<b>(205,700)</b>	<b>113,500</b>	<b>115,300</b>
<b>BEGINNING FUND BALANCE - RESTRICTED</b>					
		<b>0</b>	<b>347,107</b>	<b>347,107</b>	<b>460,607</b>
<b>ENDING FUND BALANCE - RESTRICTED</b>					
		<b>347,107</b>	<b>141,407</b>	<b>460,607</b>	<b>575,907</b>

Public Access Channel Fund - This fund is used to account for fees received from cable television franchise fees received by the city. These funds are used for improvements and equipment related to the city's public access channel. It is a legal requirement that these funds be spent to improve the city's public access channel.

Highlights - These funds are used to purchase items such as computers, cameras, video equipment or other items related specifically to League City's public access channel. FY 2012 budget includes funding for future broadcast capabilities of the municipal channel.

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## PROPOSED CAPITAL IMPROVEMENT PLAN FY 2012-2016 OVERVIEW

### PLAN FORMAT

The FY 2012-2016 Capital Improvement Plan (CIP) is organized by major funding source (e.g. General Fund and Utility Fund), program within major funding source (i.e. Police, Streets and Drainage within General Fund), and individual projects within the program. Each project proposed for funding in the CIP has its own detailed description page organized as follows:

- Project title, department, contact person, and program priority;
- Cost by fiscal year and project phase;
- Funding source by fiscal year to correspond with phase;
- Project description with justification; and
- Additional considerations, including the amount of recurring Maintenance and Operating Cost that would be incurred when construction is complete.

Also included in the CIP are:

- Reconciliation schedules for each existing funding source;
- Descriptions of each funding source, including the legally required use of bond funds as provided by bond covenants and official statements;
- Projected debt service schedules and projections for General Fund and Utility Fund that show anticipated income, current and planned debt service;
- Maps for each funded project;
- Citywide maps for each program that show the projects color-coded by fiscal year;
- A single chart showing all projects according to the fiscal year planned for construction to commence; and
- The budgetary rules for administration and management of the CIP that are part of the ordinance adopting the plan.

### PROGRAM FUNDING OVERVIEW

The FY 2012-2016 Capital Improvement Plan (CIP) includes \$342.5 million in projects expected to be implemented over the next five fiscal years. Tax-supported programs comprise \$146.7 million, or 43% of the total, and water and wastewater revenue supported programs provide the \$195.8 million, or 57% of the total, balance of the five year program.

Tax-supported programs in the FY 2012-2016 period are largely made up of streets and drainage (\$54.7 million or 38% of the total) and police (\$53.4 million or 37% of the total). Water projects comprise approximately three-fourths of the total revenue-supported programs.

TABLE 1 CIP TOTALS BY PROGRAM ('000s)						
PROGRAM	FY2012	FY2013	FY2014	FY2015	FY2016	FY2012-2016 TOTAL
Police	940	48,262	4,240	0	0	53,442
Fire	1,615	0	0	1,113	887	3,615
EMS	225	2,025	0	0	0	2,250
Buildings & Facilities	2,191	0	250	2,000	0	4,441
Economic Development	3,000	2,000	0	0	0	5,000
Streets	21,800	14,057	1,683	4,550	3,119	45,209
Drainage	2,990	272	615	1,885	3,775	9,537
Parks	2,906	8,778	1,191	1,900	850	15,625
Traffic	7,105	448	0	0	0	7,553
<b>Total Tax-Supported Programs</b>	<b>42,772</b>	<b>75,842</b>	<b>7,979</b>	<b>11,448</b>	<b>8,631</b>	<b>146,672</b>
Water	72,521	38,951	12,342	12,110	9,500	145,424
Wastewater	20,692	5,761	10,072	4,435	9,423	50,383
<b>Total Revenue Supported Programs</b>	<b>93,213</b>	<b>44,712</b>	<b>22,414</b>	<b>16,545</b>	<b>18,923</b>	<b>195,807</b>
<b>CIP TOTAL</b>	<b>135,985</b>	<b>120,554</b>	<b>30,393</b>	<b>27,993</b>	<b>27,554</b>	<b>342,479</b>

## CIP HIGHLIGHTS BY PROGRAM

### Water

Water supply is the most important issue addressed in this CIP. Funding in the CIP for water system improvements comprise the single largest program category with \$145.4 million in projects to be funded during the FY 2012-2016 period. New bond financing is required for \$110.3 million of this total. Key projects in FY 2012, with a total of \$72.5 million in funding, include design of Water Wells, design of a Secondary Water Transmission Line, completion of the Beamer Road water line extension, construction of the Northside water booster station, design and reconstruction of the South Shore Harbour pump station, and the design and reconstruction of the Highway 3 pump station. The Secondary Water Transmission Line is proposed to begin design in FY 2012 and will provide access to major new secondary water supply provided through the City of Pasadena. These measures are intended to provide sufficient water supply for the next fifteen to twenty years given the City's current growth rate.

**Not included in this CIP is League City's proportional share (est. \$53 million) of the expected construction by the City of Houston of a new 60" water line down State Highway 3. This line would replace the 42" line currently in place that provides the vast majority of League City's current water supply. The schedule for this project is uncertain, and the timing for payments by League City and other cities is not yet defined. The CIP will be updated as soon as this information is available.**

**Police**

The Police program includes an allocation of \$54.3 million for construction of a new 101,700 square foot police station and jail complex. Discussions with the County are ongoing with respect to some form of shared facility particularly with regard to the jail. FY 2011 funds, \$1.8 million were used to fund the design of the project. The use of these funds and the rest of the budget for this high priority project will be clarified as the joint facility discussions with the County progress.

**Fire**

The Fire program addresses critical needs for major apparatus and facilities. FY 2012 funding is proposed to replace one pumper that is at the end of its intended useful life and add a new 100 foot aerial fire apparatus to serve the west side of the city.

Further, the five year program provides funding for the land acquisition and design of two new Public Safety Annex Stations in the southeast portion of the City, one of which will serve as a replacement for Station #3. This is in response to ISO standards that require better placement of firefighting equipment in the eastern half of the City. It also contemplates that all new stations primarily built for Fire will also be used as a police substation and can potentially serve to house EMS vehicles and personnel as well.

**EMS**

The CIP includes funding in FY 2012 to expand and renovate Fire Station #2 to allow space for EMS.

**Facilities**

This is a new program in the CIP addressing general building and facility improvements across the City. Total funds in the CIP for this category include \$2.2 million in FY 2012 for the renovation and structural bracing of City Hall, Facilities Modernization and Energy Efficiency, and expansion of the Public Works Facilities. The \$691,000 budget for the proposed City Hall project includes \$225,000 to cover remaining lease space expense and move, \$200,000 for furniture and equipment and \$266,000 in construction contingency. Also, \$500 thousand is proposed for a systematic replacement program of roofs and HVAC systems citywide. The FY 2012 program also includes \$1,000,000 for land acquisition next to the current Public Works Facility to provide for additional storage and growth. Funds have also been proposed in FY2014 and 2015 to renovate the existing Police building for staff currently at the Amegy building on FM518.

**Economic Development**

This program provides a CIP category for major projects that will come from the City's economic development efforts. The FY 2012 CIP includes a preliminary reservation of \$1 million for the Main Street Economic Development Initiative that is proposed to use funding from prior bond sales. The Infrastructure project intended to service and support development of the 19 acres east of Big League Dreams is also slated for funding with \$2 million in FY 2012 and an additional \$2 million in FY 2013.

**Library**

Major improvements and repairs to the Library roof and HVAC are being addressed through the Facilities program.

**Streets**

The Streets program includes \$45.2 million total, with \$21.8 million scheduled for FY 2012. Half of the FY 2012 funds (\$10 million) come from bond sales already conducted in previous years, including the

Five Corners Realignment, Louisiana Avenue, Calder Road, and Houston Avenue. Projects funded during the FY 2012-2016 period include Austin, Kansas, Texas, and Webster. There is also \$1.25 million budgeted to provide a ramp reversal along I45 south of FM518 in order to provide direct access to Big League Dreams and the surrounding area.

### **Drainage**

While drainage improvements are almost always a part of every street project, there are projects that are primarily intended to address drainage issues. The FY 2012-2016 program includes construction of the first phase of Robinson Bayou stabilization in FY 2012, storm water improvements in four neighborhoods from FY 2012 to FY 2015, and improvements to the Phillips-Conoco watershed in FY 2016.

### **Parks**

FY 2012 funding is provided for improvements to park facilities citywide as well as the Eastern Regional Park, Clear Creek Paddle Trail and Meadows WaterSmart Park. The park facilities renewal will be funded with cash from the General Fund as it was in FY 2011. The Western Regional Park is proposed to be funded by park maintenance fees. The remainder of the projects (Eastern Regional Park, Clear Creek Paddle Trail, and Phase One Hike) are proposed to be funded by the 4B Corporation. There is also a total of \$4 million budgeted in FY2012-2013 for the TxDOT FM518 Bypass Hike & Bike Trail, \$2.2 million of this cost will be provided by TxDOT.

### **Traffic**

This new program is to upgrade components on existing signal, developing timing plans, and construct intersection improvements to improve mobility throughout the city. The Traffic Systems Improvement project has \$500,000 proposed in FY 2012 to install battery backups and LED lights at 36 traffic signals. There is also money proposed in FY 2012 for the design and construction of improvements to the intersection of Hobbs Road and League City Parkway. The FM518 Access Management project will design and construct a median to replace the existing continuous left turn lane on FM518 from Bay Area Blvd to FM2094 and is mostly funded by a State Grant. There is also a project to develop design plans for traffic projects that will qualify for HGAC/TIP construction funds.

### **Wastewater**

With completion of the Dallas Salmon Wastewater Treatment Plant and commencement of construction of the new Southwest Water Reclamation Facility, the City's major investment in its wastewater system will decline somewhat in the FY 2012-2016 CIP period. Wastewater's total program for the five year CIP period includes \$50.38 million for lines and lift station improvements. FY 2012 projects (funded at \$20.7 million total) feature improvements to the Butler Road and West Main lift stations, as well as construction of a new 24" gravity sewer line on Calder Road. The Sanitary Sewer Rehab is an ongoing project with \$6 million allocated in the FY 2012-2015 period to make ongoing improvements to the city's sanitary sewer system as necessary.

Certain projects are shown as eligible for "Future Years" funding. This includes projects whose current disposition and timing is yet to be determined for funding or implementation reasons. See Table 2 on the next page for a complete list.

<b>TABLE 2 - OTHER IDENTIFIED UNFUNDED PROJECTS*</b>	
Fire	- Land for Public Safety Annex Station 7
Buildings & Facilities	- Parking Garage
Economic Development	- Amphitheater
Library	- New Helen Hall Library Building
Streets	- Palomino Lane (ST0504)
Parks	- Dick Benoit LC Prairie Preserve - Heritage Park - Ghirardi House - Williams/Myrtle Park (PK0203) - Clear Creek Nature Park, Phase 2 - Dog Park (PK0901) - Davis/Kilgore Tract
Water	- Bayou Brae & Clear Creek Village Water Line Replacements & Upgrades - Relocate & Resize 42" Transmission Line from SWEPP/SH3 - Hwy 3 Pump Station Improvements - Ph2 - Water Main Rehab on Main Street from SH3 to I45 - Trunk Lines along Bay Area Blvd - Glen Cove Water Line Replacements and Upgrades - Water Line Upgrades South of Main St - Water Line Upgrades North of Main St
Wastewater	- 15" Gravity Sewer Trunk Extending South from SWWRF to FW6

\*The above listed projects are not included in the funded CIP but have been identified as those that may be worthy of consideration for funding as community needs, priorities, and circumstances (i.e., economy, NASA jobs, growth) change. There is no representation nor obligation by the City of League City to fund these projects at any time in the future; however, the listing of these projects is important for the purposes of communicating to the public that the projects have been identified and discussed by City Council. By necessity, some projects (i.e., water line replacements) may be moved up to the current fiscal year capital budget due to faster than expected damage or failure to achieve full life expectancy.

Table 2A (see next page) summarizes in a single chart by program the fiscal year in which construction would take place for proposed projects included in the CIP.

## FUNDING SOURCES

CIP funding sources are detailed in Table 3 for General Fund or tax-supported programs and projects, while Table 4 lists all funding sources for the Utility Fund or revenue supported projects and programs. Both tables show funds required to support the 5 year program considering (1) cash balances and (2) unspent appropriations by City Council for specific contracts or project expenditures.

<b>TABLE 3</b>						
<b>TAX SUPPORTED PROJECT FUNDING REQUIRED ('000s)</b>						
<b>FUNDING SOURCE</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>TOTAL</b>
<b>Previously Sold Certificates of Obligations (Available 9/30/11)</b>						
2003A Cert of Obligation Fund 230	1	0	0	0	0	1
2006A Cert of Obligation Fund 236	377	0	0	0	0	377
2008A Cert of Obligation Fund 237	5,663	67	0	0	0	5,730
2009 Cert of Obligation Fund 238	9,807	278	0	0	0	10,085
2011 Cert of Obligation Fund 239	3,253	0	0	0	0	3,253
2011 Cert of Obligation Fund 306	0	0	0	0	0	0
<b>Subtotal Prior COs</b>	<b>19,101</b>	<b>345</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,446</b>
<b>Miscellaneous Funds</b>						
Miscellaneous Capital Project Fund 075	2,563	0	0	0	0	2,563
Park Facilities & Maint Fees Fund 071	1,702	177	0	0	0	1,879
Sidewalk Fund 076	50	50	33	0	0	133
Right-of-Way Fund	247	0	0	0	0	247
Magnolia Creek TIRZ 1 (Fund 062)	0	0	0	0	1,355	1,355
Walker St Bridge Fund	0	0	0	0	175	175
<b>Subtotal of Misc. Funds</b>	<b>4,562</b>	<b>227</b>	<b>33</b>	<b>0</b>	<b>1,530</b>	<b>6,352</b>
<b>Other Funding Sources</b>						
Galveston County Funds	6,927	2,238	0	0	0	9,165
4B Corporation	680	6,255	1,191	1,900	850	10,876
Potential Grant Funding	7,003	2,346	0	0	0	9,349
<b>Subtotal Other Funding</b>	<b>14,610</b>	<b>10,839</b>	<b>1,191</b>	<b>1,900</b>	<b>850</b>	<b>29,390</b>
<b>Total Existing Funds</b>	<b>38,273</b>	<b>11,411</b>	<b>1,224</b>	<b>1,900</b>	<b>2,380</b>	<b>55,188</b>
<b>Future Bonds Needed</b>	<b>4,500</b>	<b>64,431</b>	<b>6,755</b>	<b>9,548</b>	<b>6,251</b>	<b>91,485</b>
<b>TOTAL PROPOSED FUNDING</b>	<b>42,773</b>	<b>75,842</b>	<b>7,979</b>	<b>11,448</b>	<b>8,631</b>	<b>146,673</b>

The General Fund CIP funding sources include \$55.2 million.

- \$19.4 million in available Certificate of Obligation funds,
- \$1.9 million in Park Dedication fees,
- \$133 thousand in Sidewalk Fees, and
- \$1.2 million in miscellaneous capital project funds left from FY 2011 and a proposed amount to be transferred from the General Fund in FY 2012 of \$1.35 million.

Dedicated capital funds totaling approximately \$2.6 million are also set aside and programmed for street and water line improvements in what was previously the Magnolia Creek TIRZ #1 and for completion of

Walker Street Bridge. These projects will be completed as priority and time allows, and the funds will stay in reserve until that time. In this Proposed CIP, the water line extension is part of water project WT0604 (24" & 18" Water Lines Parallel with League City Parkway and Maple Leaf Drive) in FY2012. The Magnolia Creek TIRZ # 1 street extensions and Walker Street Bridge are scheduled for FY 2016.

The 5 year plan also includes \$1.9 million from park dedication fees for Countryside – Magnolia Creek Trail, Meadows WaterSmart Park, and land purchase for a Western Regional Park. Grants from the County and other sources, along with funding from the 4B Corporation, provide an additional \$27.2 million in cash from non-City funding sources for projects included in the FY 2012-2016 period. Total 4B Corporation funds during the five year CIP include approximately \$10.8 million from the quarter percent sales tax dedicated to 4B projects.

FUNDING SOURCE	FY2012	FY2013	FY2014	FY2015	FY2016	TOTAL
<b>Previously Sold Bonds (Available 9/30/11)</b>						
2004 Revenue Bonds Fund 083	1,032	0	0	0	0	<b>1,032</b>
2008 Revenue Bonds Fund 122	1,340	0	0	0	0	<b>1,340</b>
2009 Revenue Bonds Fund 123	17,780	0	0	0	0	<b>17,780</b>
2011 Revenue Bonds Fund 124	9,898	0	0	0	0	<b>9,898</b>
<b>Subtotal Prior Bonds</b>	<b>30,050</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,050</b>
<b>Other Funding Sources</b>						
Capital Project Fund 084	3,040	1,000	1,000	1,000	1,000	<b>7,040</b>
Water Capital Improvement - CRF Fund 023	4,281	835	1,065	1,242	1,204	<b>8,628</b>
Wastewater Capital Improv. - CRF Fund 024	2,219	98	3,555	2,323	2,338	<b>10,533</b>
Magnolia Creek TIRZ #1 Fund 062	586	0	0	0	0	<b>586</b>
Bayride Utility District Fund 027	0	0	0	0	0	<b>0</b>
<b>Subtotal Other Funding</b>	<b>10,126</b>	<b>1,933</b>	<b>5,620</b>	<b>4,565</b>	<b>4,542</b>	<b>26,787</b>
<b>Total Existing Funds</b>	<b>40,176</b>	<b>1,933</b>	<b>5,620</b>	<b>4,565</b>	<b>4,542</b>	<b>56,837</b>
<b>Future Bonds Needed</b>	53,036	42,779	16,794	11,980	14,381	<b>138,970</b>
<b>Total Proposed Funding</b>	<b>93,212</b>	<b>44,712</b>	<b>22,414</b>	<b>16,545</b>	<b>18,923</b>	<b>195,807</b>

The Utility Fund CIP funding sources include \$56.8 million as follows:

- \$30 million in available bond funds,
- \$8.7 million in Water Capital Recovery fees,
- \$10.5 million in Wastewater Capital Recovery fees, and
- \$7 million in miscellaneous capital project funds set aside from the Utility Fund.

Future transfers from the Utility Fund to the water and wastewater Capital Project Fund are projected to bring in an additional \$3 million at the current transfer level of \$1 million per fiscal year. Also, given the projected growth rate of the City identified in the FY12-FY16 Long Range Financial Forecast, capital recovery fees would provide additional CIP funds for water (\$8.7 million) and wastewater (\$10.5 million) given the current fee structure and current rate of development. These projections may change later this year when the Capital Recovery fee study is performed and the capital recovery fee ordinance is updated.

Finally, the adopted CIP anticipates the issuance of \$139 million in water and wastewater revenue supported bonds during the FY 2012-16 period. (See “project financing” for a further discussion of future bonds.)

Tables 6a and 6B include the required legal use of bond proceeds for each tax-supported and revenue-supported sale as provided by the covenants that are a part of the Official Statements approved for each bond issue.

<b>TABLE 6A LEGAL PURPOSE OF TAX SUPPORTED FUNDS</b>	
Previously Sold Certificates of Obligations	
2003A Cert of Obligation Fund 230	acquisition, construction and equipping of police safety, street and drainage, and park facilities
2006A Cert of Obligation Fund 236	acquisition, construction, and extension of street improvements and firefighting equipment
2008A Cert of Obligation Fund 237	improvements to streets and drainage
2009 Cert of Obligation Fund 238	improvements to streets and drainage
2011 Cert of Obligation Fund 239	for design, construction, and general improvements including a new police station, renovation of City Hall, park facilities including the Eastern Regional Park, drainage facilities, streets and roads, and firefighting equipment and facilities.
2011 Cert of Obligation Fund 306	for design, construction, and general improvements including a new police station, renovation of City Hall, park facilities including the Eastern Regional Park, drainage facilities, streets and roads, and firefighting equipment and facilities.
Miscellaneous Capital Project Fund 075	to cash fund GF CIP projects as needed
Park Dedication Fees Fund 071	park facilities and maintenance
Sidewalk Fund 076	sidewalk improvements
Right-of-Way Fund 272	to purchase Right-of-Way
Magnolia Creek TIRZ 1 Fund 062	to complete Magnolia Creek TIRZ 1 projects
Walker Street Bridge CD	to contribute to construction of bridge over Magnolia Bayou

As you can see in these tables, the bond proceeds available for the projects in this CIP are eligible to be used on broad categories of projects. This flexibility can be used by City Council to best advantage in allocating funds annually to priority projects that constitute eligible uses of previously issued bonds.

**TABLE 6B  
LEGAL PURPOSE OF REVENUE SUPPORTED FUNDS**

TABLE 6B LEGAL PURPOSE OF REVENUE SUPPORTED FUNDS	
Previously Sold Revenue Bonds	
2004 Revenue Bonds Fund 083	improvements and extensions to the waterworks and sewer system
2008 Revenue Bonds Fund 122	improvements and extensions to the waterworks and sewer system
2009 Revenue Bonds Fund 123	improvements and extensions to the waterworks and sewer system
2011 Revenue Bonds Fund 124	improvements and extensions to the waterworks and sewer system
Capital Project Fund 084	to cash fund selected Line Repair, Water and Wastewater projects
Water Capital Improvement - CRF Fund 023	Water Improvement projects qualified through 2005 CRF study
Wastewater Capital Improvement - CRF Fund 024	Wastewater Improvement projects qualified through 2005 CRF study
Bayridge Utility District Fund 027	projects benefiting Bayridge Utility District

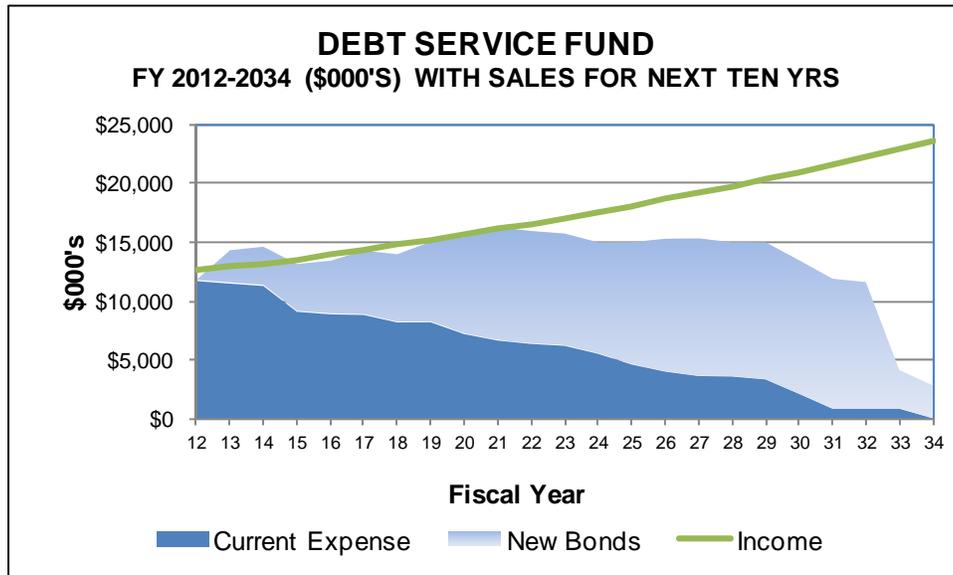
### TAX SUPPORTED PROJECT FINANCING

The CIP anticipates that bonds will be sold to support the FY 2012-2016 CIP, including \$91.5 million in property tax supported bonds. The charts and schedules included here demonstrate the affordability of these bonds using key assumptions from the Long Range Financial Forecast.

The City's debt issuance capacity is based on its current declining debt structure, an expected annual growth of 2-3% per year, and continuation of the current tax rate devoted to retire tax-supported debt. Table 7 (see the opposite page) shows the projected cash flow for the Debt Service Fund over the FY 2012-2016 CIP period using the bond sales expected to be needed for CIP projects during that time. While the amount of future sales may vary based on actual project cash flow and scheduling results, the sale amounts used for this debt service projection correspond to the total project amounts shown in the tax-supported project schedules. They reflect more approximately the amounts to be sold on an as needed basis, when actual project schedules and costs are taken into consideration.

With the exception of the FY 2013 bond sale, the bond sales are proposed to be structured on a declining payment schedule that includes principal payments that are midway between level principal payments (equal principal paid every year) and level payments overall with small principal payments at the onset of the debt schedule. In FY 2013, construction of the public safety complex would commence, providing \$48.3 million of the \$68.9 million funding need for that fiscal year. [NOTE: No sale is planned for FY 2012 until late in the fiscal year. The \$4.5 million for FY 2012 projects is shown as being part of the FY 2013 sale.]

This schedule includes a modified amortization schedule for the FY 2013 sale because of its size. The projected debt service includes interest payments only for the FY 2013-2017 period, and reduces principal payments from FY 2018 through 2020, with higher principal payments scheduled for the last eight years of the 20 year amortization period. Debt issuance will be an annual decision to provide project financing in support of the first year of each five year CIP. Bonds will only be sold after considering the availability of other funds, as well as updating project schedules and costs through the CIP project management process. The graph on the next page depicts the long-range prospect for the City's debt capacity for tax supported projects.



**TABLE 7  
GENERAL DEBT SERVICE FUND PROJECTION**

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
<b>REVENUE</b>						
Property Taxes	\$11,790	\$12,371	\$12,632	\$12,873	\$13,183	\$13,554
TIRZ #1 Revenue Gain	\$645	\$150	\$154	\$157	\$160	\$164
Interest Income	\$25	\$55	\$125	\$175	\$225	\$225
<b>TOTAL REVENUE</b>	<b>\$12,460</b>	<b>\$12,576</b>	<b>\$12,911</b>	<b>\$13,205</b>	<b>\$13,568</b>	<b>\$13,943</b>
<b>EXPENSE</b>						
<b>Transfers</b>						
MUD Property Tax Rebates	\$3,041	\$3,001	\$3,057	\$3,080	\$1,889	\$1,889
TIRZ Property Tax Increment	\$764	\$825	\$843	\$860	\$882	\$907
<b>Subtotal MUD's/TIRZ's</b>	<b>\$3,805</b>	<b>\$3,826</b>	<b>\$3,900</b>	<b>\$3,940</b>	<b>\$2,771</b>	<b>\$2,796</b>
<b>Current Debt Service</b>						
Interest	\$3,009	\$2,998	\$2,798	\$2,599	\$2,424	\$2,279
Principal	\$5,048	\$4,980	\$4,885	\$4,839	\$3,957	\$3,869
<b>Subtotal Current Debt Service</b>	<b>\$8,057</b>	<b>\$7,978</b>	<b>\$7,683</b>	<b>\$7,438</b>	<b>\$6,381</b>	<b>\$6,148</b>
<b>Subtotal Current Expense</b>	<b>\$11,862</b>	<b>\$11,804</b>	<b>\$11,583</b>	<b>\$11,378</b>	<b>\$9,152</b>	<b>\$8,944</b>
<b>Projected Future Debt Service</b>						
Interest	\$0	\$0	\$2,735	\$2,966	\$3,314	\$3,535
Principal	\$0	\$0	\$0	\$277	\$673	\$940
<b>Subtotal Future Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,735</b>	<b>\$3,243</b>	<b>\$3,987</b>	<b>\$4,475</b>
<b>TOTAL EXPENSE</b>	<b>\$11,862</b>	<b>\$11,804</b>	<b>\$14,318</b>	<b>\$14,621</b>	<b>\$13,139</b>	<b>\$13,419</b>
<b>Revenue Over/(Under) Expense</b>	<b>\$598</b>	<b>\$772</b>	<b>(\$1,407)</b>	<b>(\$1,416)</b>	<b>\$429</b>	<b>\$524</b>
<b>Beginning Fund Balance</b>	<b>\$2,128</b>	<b>\$2,726</b>	<b>\$3,498</b>	<b>\$2,091</b>	<b>\$675</b>	<b>\$1,104</b>
<b>Ending Fund Balance</b>	<b>\$2,726</b>	<b>\$3,498</b>	<b>\$2,091</b>	<b>\$675</b>	<b>\$1,104</b>	<b>\$1,628</b>
<b>ASSUMPTIONS</b>						
Assessed Value (\$millions)	\$5,331.0	\$5,470.0	\$5,584.9	\$5,691.0	\$5,827.6	\$5,990.8
Debt Service Tax Rate	\$0.219271	\$0.225000	\$0.225000	\$0.225000	\$0.225000	\$0.225000
Over 65 Tax Freeze Pct Loss	0.202%	0.204%	0.206%	0.208%	0.210%	0.212%
Property Tax Growth		2.6%	2.1%	1.9%	2.4%	2.8%
TIRZ Increment Growth		8.0%	2.2%	2.0%	2.6%	2.8%
90 Day T-Bill Rate%		1.1%	2.5%	3.5%	4.5%	4.5%
Future Bond Issue		\$0	\$68,931	\$6,755	\$9,548	\$6,251
Interest Rate Diff with Current Rates		0.00%	0.25%	0.50%	0.75%	0.75%

## REVENUE SUPPORTED PROJECT FINANCING

The Utility Fund debt service outlook is similar to the General Fund in that its debt structure declines over time, providing some capacity to issue new bonds. Unlike the General Fund, however, there is no dedicated funding source for debt service as a part of water and wastewater revenues. So the impact of the debt issuance contemplated in this CIP is shown in terms of Utility Fund revenue and expense in total. The potential bond issues here assume that current water and wastewater rates remain constant throughout the FY 2012-2016 period.

However, the City's current and future water supply needs and the cost of projects that are necessary to meet those needs require careful consideration. This CIP includes several recommended changes in existing financial policies. First, this CIP financing plan recommends that the City adopt a level debt structure for its water and wastewater revenue debt, provide for current debt service reserves from its operating fund balance, and begin to issue a form of municipal debt, Certificates of Obligation that require no specific debt service reserve. The latter recommendation will enable the City to finance more needed water supply projects over the next several years without having to provide debt service reserves equal to future average annual debt service payments. These recommendations are based on having considered the long-term impact on Utility Fund financial operations.

***The projections summarized here also point out the difficulty of meeting all of the costs associated with the anticipated projects that must be considered to support current water supply and projected water supply. Existing rates, last changed in 2009, would be seven years old in FY 2016 if left at current levels until that time. The following discussion emphasizes how important it is for City Council to consider the policy choices that arise from these projections.***

### Proposed Sales

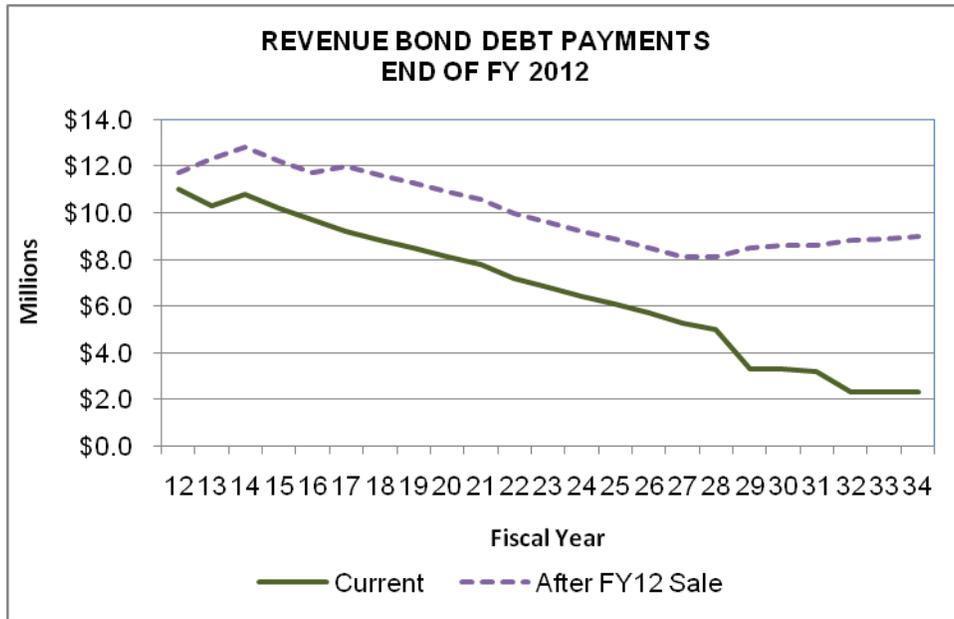
The Proposed CIP includes future revenue supported bonds to be sold in support of water and wastewater projects as follows:

FY 2012 -	\$53,036,000
FY 2013 -	\$42,779,000
FY 2014 -	\$16,794,000
FY 2015 -	\$11,980,000
FY 2016 -	<u>\$14,381,000</u>
TOTAL	\$138,970,000

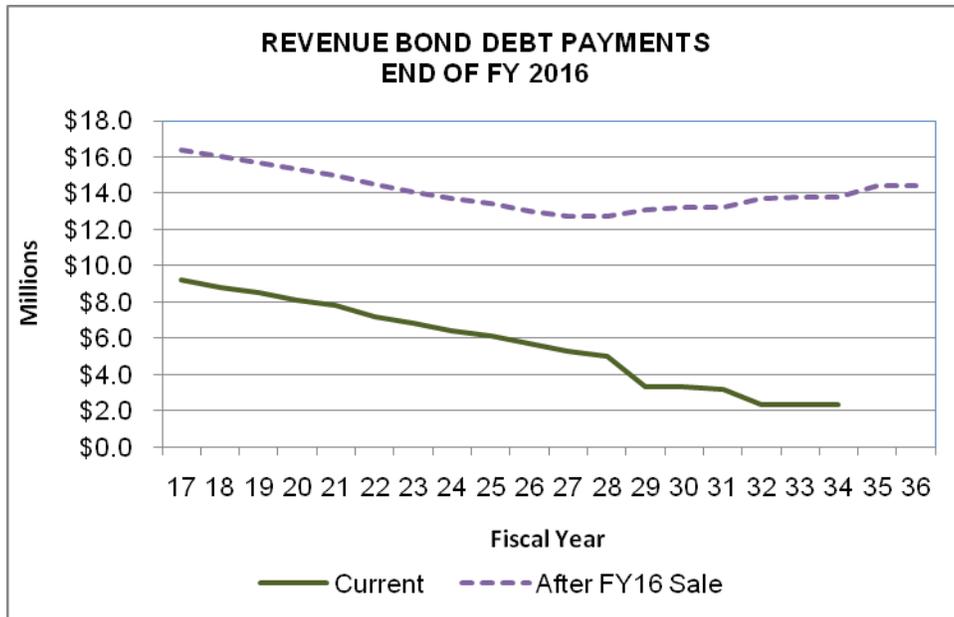
This does not include bonds for the anticipated cost of the City of Houston replacing League City's main supply line down State Highway 3. They do, however, include funding for an additional water supply of upwards of 10 MGD and a line to convey that water.

### Proposed Debt Structure

The first of the proposed sales in FY 2012 is recommended to be structured so as to flatten out the utility fund debt structure to provide more debt capacity for the proposed CIP program. The graph at the top of the next page depicts how the City's revenue supported debt structure will look after the recommended FY 2012 sale takes place.



After all five sales will have taken place by the beginning of FY 2017 the new debt structure would look as follows:



### Cost Impact of Proposed Bonds

The five year debt service cost of the proposed bond sales is shown in the table below. Not shown is the effect of restructuring certain existing bonds in the next five years

#### PROPOSED BONDS DEBT SERVICE PAYMENTS

		\$Thousands					
Bonds FY	\$Millions	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Totals
2012	\$41.6	\$724	\$1,976	\$1,975	\$1,975	\$1,972	\$8,622
2013	\$60.9		\$883	\$1,766	\$1,766	\$2,834	\$7,249
2014	\$11.8			\$253	\$506	\$506	\$1,265
2015	\$7.0				\$153	\$306	\$459
2016	\$9.4					\$206	\$206
	<b>\$130.7</b>	<b>\$724</b>	<b>\$2,859</b>	<b>\$3,994</b>	<b>\$4,400</b>	<b>\$5,824</b>	<b>\$17,801</b>

### Utility Fund Projections with New Debt

The table below updates the Utility Fund forecast for FY 2012-2016 using the proposed FY 2012 Budget as the basis for projections. A key part of this forecast is a recommended restatement of Utility Fund balance that will better meet legal obligations and provide a more reasonable operating reserve requirement. Also, the revenue projections reflect a return to wetter, more normal years that would produce less revenue than has been the case in FY 2011, when \$29.2 million in revenue has been received.

#### UTILITY FUND FORECAST BASELINE PROJECTIONS - EFFECT OF NEW DEBT SHOWN (\$THOUSANDS)

	FY 2012 Budget	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast
<b>Beginning Balance</b>	\$17,629	\$17,161	\$18,138	\$19,235	\$21,652
<b>Revenue</b>	\$27,141	\$28,154	\$29,335	\$30,620	\$31,752
<b>Baseline Expenditures</b>					
<b>Operating Expenditures</b>	\$15,585	\$15,863	\$16,470	\$16,973	\$17,643
<b>Current Debt Service</b>	\$11,024	\$10,314	\$10,768	\$10,230	\$9,690
<b>Transfer to CIP</b>	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>Subtotal Expenditures</b>	\$27,609	\$27,177	\$28,238	\$28,203	\$28,333
<b>Revenue Over/(Under) Expenditures</b>	(\$468)	\$977	\$1,097	\$2,417	\$3,419
<b>Ending Balance</b>	<b>\$17,161</b>	<b>\$18,138</b>	<b>\$19,235</b>	<b>\$21,652</b>	<b>\$25,071</b>
<b>Existing Debt Service Reserve (Average Annual Revenue Bond Debt Service)</b>	<b>\$6,041</b>	<b>\$6,045</b>	<b>\$5,968</b>	<b>\$5,785</b>	<b>\$5,600</b>
<b>90 Days of Working Capital Operating Reserve</b>	<b>\$3,843</b>	<b>\$3,911</b>	<b>\$4,061</b>	<b>\$4,185</b>	<b>\$4,350</b>
<b>Total Reserve Required</b>	<b>\$9,884</b>	<b>\$9,956</b>	<b>\$10,029</b>	<b>\$9,970</b>	<b>\$9,950</b>
<b>Baseline Excess Reserve</b>	<b>\$7,277</b>	<b>\$8,182</b>	<b>\$9,206</b>	<b>\$11,682</b>	<b>\$15,121</b>
<b>Cumulative New Debt Total</b>	<b>\$724</b>	<b>\$3,583</b>	<b>\$7,577</b>	<b>\$11,977</b>	<b>\$17,801</b>
<b>Adjusted Excess Reserve</b>	<b>\$6,553</b>	<b>\$4,599</b>	<b>\$1,629</b>	<b>(\$295)</b>	<b>(\$2,680)</b>

The Baseline Forecast:

1. Starts with the FY 2012 Adopted Budget.
2. Assumes no new debt – only current debt obligations are included;
3. Projects costs including inflation, operating expenditures for new facilities and for servicing new growth of the city;

4. Includes a restatement of the Utility Fund Balance to reflect the need to maintain a debt service reserve equal to the annual average debt service due on revenue supported bonds; and
5. Includes a restatement of the "Working Capital Reserve" from 120 days to 90 days.

**As you can see in the last line in the table above, using the assumptions stated, the Utility Fund appears to have sufficient funds to meet current obligations and new debt issuances through FY 2014 given the City's current water and wastewater rate structure. However, the situation is highly complex with many variable costs so the following caveats are offered for the readers benefit.**

- :
1. Remember that decisions are to be made each year on the size and financing of each bond sale. This is not a five year plan of action that must be approved now and cannot be changed in the future.
  2. Understand that the debt service projections assume twenty five year payoff schedules and interest rates that may change.
  3. ***Given all of these variables, it is still important to initiate in FY 2012 a water and wastewater rate study that reforms the current structure to provide incentives for conservation, including higher rates for higher levels of water usage. Use this same study to consider the size, timing and degree of the future water and wastewater rate changes that may be needed to fund the full capital construction schedule considered here.***

## CIP ADOPTION AND MANAGEMENT

The CIP is intended to enable project financing and planning on an annual basis. The CIP is prepared and updated annually to reflect changing project estimates and schedules, as well as different economic and financial assumptions. After review by City Council, an ordinance was passed adopting the CIP with the following control provisions:

1. The first fiscal year of the CIP shall serve as the City's Capital Budget for FY 2012. **[NOTE: The Capital Budget was adopted as a part of the Budget by City Council on September 13, 2011.]**
2. Individual projects with specific phases planned for FY 2012 will constitute the capital work plan for FY 2012.
3. After the CIP is adopted, rescheduling any project by delaying it to a later year or bringing one from a later year into FY 2012 will constitute an amendment to the CIP and require approval by City Council.
4. Bond sales for FY 2012 will be conducted in accordance with and in the furtherance of the adopted CIP.
5. Reports will be provided to City Council quarterly on the status of each project that is a part of the FY 2012 Capital Budget which is the first year of the adopted CIP. This will include financial, design, and construction status information or other information as required to keep the Council apprised.
6. Appropriations will be made at the capital fund level, with allocations of already appropriated funds according to State law, City Charter and local purchasing policy.

### Maintenance and Operations Impact of CIP

Construction of major city facilities has a direct, continuing impact on the maintenance and operating budget of the City. In some cases, replacing or renovating an existing facility with more modern design and energy-saving materials and features can reduce costs. Most of the time, however, construction of a facility involves permanent additions to the City's annual operating costs. This should be a factor considered when planning and including a project in the CIP.

**TABLE 9  
CUMULATIVE MAINTENANCE AND OPERATING COSTS  
OF PROPOSED CIP PROJECTS  
CURRENT UNINFLATED DOLLARS**

PROGRAM	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	TOTAL
<b>GENERAL FUND</b>						
Police	0	0	0	339,000	339,000	<b>\$678,000</b>
Fire	0	0	0	0	0	<b>\$0</b>
EMS	0	0	32,740	32,740	32,740	<b>\$98,220</b>
Buildings & Facilities	0	0	0	0	0	<b>\$0</b>
Economic Development	0	0	0	0	0	<b>\$0</b>
Streets	0	0	0	0	0	<b>\$0</b>
Drainage	0	0	0	0	0	<b>\$0</b>
Parks	169,900	381,880	886,586	865,352	865,352	<b>\$3,169,070</b>
Traffic	0	0	0	0	0	<b>\$0</b>
<b>Subtotal General Fund</b>	<b>\$169,900</b>	<b>\$381,880</b>	<b>\$919,326</b>	<b>\$1,237,092</b>	<b>\$1,237,092</b>	<b>\$3,945,290</b>
<b>UTILITY FUND</b>						
Water	38,000	115,500	28,500	30,500	32,500	<b>\$245,000</b>
Wastewater	37,750	105,500	109,200	123,200	136,400	<b>\$512,050</b>
<b>Subtotal Utility Fund</b>	<b>\$75,750</b>	<b>\$221,000</b>	<b>\$137,700</b>	<b>\$153,700</b>	<b>\$168,900</b>	<b>\$757,050</b>
<b>TOTAL M&amp;O COSTS</b>	<b>\$245,650</b>	<b>\$602,880</b>	<b>\$1,057,026</b>	<b>\$1,390,792</b>	<b>\$1,405,992</b>	<b>\$4,702,340</b>

The schedule above shows the net increases to annual operating costs by program for the facilities included in this Adopted CIP. While a number of projects might be expected to generate savings in annual operating costs, no savings are shown.

### HOW THE PLAN IS ADMINISTERED

- **Capital funds are appropriated at the fund level at the start of the fiscal year, and then applied to fund project costs included in the first year of the FY 2012 Capital Improvement Plan which comprises the FY 2012 Capital Budget.**

This ensures full disclosure of the City's available, unencumbered capital funds at the start of the fiscal year. The individual fund schedules in the Capital Funds Reconciliation section of the CIP provide the basis for this appropriation action.

As budgeted projects are placed under contract or incur expenses, the City's procurement rules apply. Contracts or expenses under \$50,000 may be approved by the City Manager or his designee. Contracts over \$50,000 are placed on the Council Agenda for City Council approval. Funds are applied on a first-need, first-fund basis for projects that meet the test of legal purpose as provided by each bond sale's official statement (see page CFR-1, "Legal Purpose of Bond Funds").

Most importantly, with few exceptions, bond funds will not be held in reserve for future years' appropriations because a particular project is not yet ready to go under construction. Instead, existing funds will be exhausted before new bonds are sold.

- **Projects will continue to be funded by project phase according to the approved Capital Improvement Plan in order to maximize the efficient use of funds.**

This is a departure from the previous practice of funding entire projects, including design, construction, and land acquisition at the start of what could be a three to five year process. The previous process was based on the idea that projects are approved by City Council one at a time based on a total budget, the amount of which is included in a single bond sale. This appears to prevent decisions that cancel projects for which some funds have already been spent. However, the practice encourages overstatement of project budgets and is very costly.

The previous practice often provided millions in funding for a particular project design or scope that is not fully defined. This leads to funding adjustments after final design is finished and before construction commences. It also encourages project planners to pad project funding in order to ensure sufficient funds are available to cover unforeseen contingencies identified through the design phase.

The prior practice also is very costly to the City. We currently have tens of millions in cash on hand borrowed in prior fiscal years that is reserved for major projects which may not even begin construction in FY 2012. The City is paying interest on these funds in the range of 4% per year and we are earning a mere 0.2% through investing the idle cash. The net cost to the City includes this difference between what we are paying and what we are earning, as well as the opportunity cost of not being able to implement other projects that could address high priority needs. In periods of higher interest rates, the practice also exposes the City to potential arbitrage regulations, which supports the idea that there is not a good time from a cash flow standpoint to continue the prior practice.

The proposed practice in this CIP is that project costs and schedules will be reviewed annually and included in the CIP. Once the CIP is adopted, the specific phases of projects that are ready for implementation in the first year of the five year CIP become the City's capital budget for the year. And the total amount of funds needed for project phases in the first year of the CIP become the basis for bond sales made in that fiscal year. This will rarely include all of the funds necessary to cover design and construction for the same project in a single year because design usually takes a year to complete. This proposed approach will reduce the amount of idle borrowed cash balances on hand and cut the City's interest costs on idle funds significantly.

- **Currently available funds will be allocated to projects based on priority and project phase.**

This will ensure that new bond issuances will be for those project phases that must commence in the current fiscal year. It also ensures that project funding decisions can be made as a part of the annual CIP process and amended only by City Council as provided in the ordinance that will adopt the CIP. All current project funds have been reconciled and are a part of this CIP.

- **Operating budget impact will be considered when the CIP is reviewed and approved and before a project is under design.**

Recurring maintenance and operating costs are included in the CIP by dollar amount and are a part of the City's Long Range Financial Forecast. This is to identify the impact of new facilities and infrastructure on the City's operating budget.

- **Project funding is being approached in a comprehensive manner, with strategic use of existing funding sources, capacity to issue future debt, and excess working capital.**

The two basic principles applied in the CIP are to (1) include all funding sources and (2) use the most restricted source of funds first in funding projects and the most flexible source of funds last. Also, if a project is CIP-worthy, but has a shorter useful life, it is preferable to fund such a project with excess working capital from the General and Utility funds, if possible. The purpose is to make best use of all of the City's resources in its capital planning.

**FY2012 ADOPTED BUDGET  
CAPITAL BUDGET (\$000's)  
GENERAL FUND**

PROGRAM	PROJECT	TOTAL PROJECT COST	FY2012 ADOPTED	PHASE
Police	Communication Equipment	\$1,075	\$1,075	Equipment
	New Police Station and Jail	\$30,100	\$0	Design
	<b>Police Subtotal</b>	<b>\$31,175</b>	<b>\$1,075</b>	
Fire	100' Aerial Quint for West Side	\$1,010	\$1,010	Equipment
	Replace 1993 Pumper, Unit 51	\$605	\$605	Equipment
	<b>Fire Subtotal</b>	<b>\$1,615</b>	<b>\$1,615</b>	
EMS	Facility Expansion and Renovations	\$2,250	\$2,250	Design & Construction
	<b>EMS Subtotal</b>	<b>\$2,250</b>	<b>\$2,250</b>	
Buildings and Facilities	City Hall Renovation	\$5,084	\$666	Construction
	Facilities Modernization & Energy Efficiency	\$784	\$500	Construction
	Public Works Facilities Expansion	\$1,000	\$1,000	Land Acquisition
	<b>Buildings and Facilities Subtotal</b>	<b>\$6,868</b>	<b>\$2,166</b>	
Economic Development	Infrastructure - 19 acres east of BLD	\$4,000	\$2,000	Design & Construction
	Main Street Econ Dev Initiative	\$1,000	\$1,000	Design & Construction
	<b>Economic Development Subtotal</b>	<b>\$5,000</b>	<b>\$3,000</b>	
Streets	Austin - LA to FM270	\$2,113	\$1,688	Construction
	Butler Road Extension	\$1,086	\$0	Design & ROW
	Calder Road - Ervin to LC Parkway	\$4,331	\$834	Design & ROW
	Calder Road - S of Ervin to FM517	\$8,894	\$0	
	Caroline Street	\$277	\$127	ROW/Construction
	Five Corners Realignment	\$7,113	\$1,500	ROW/Construction
	Houston Avenue	\$2,970	\$100	Construction
	I45 Ramp Reversal at FM 518	\$1,250	\$250	Design
	Kansas Avenue - North of FM 518	\$3,510	\$1,012	Construction
	Louisiana Phase 1-3	\$7,096	\$6,525	ROW/Construction
	NPDES Storm Water Plan	\$654	\$204	Year 5
	Right-of-Way Purchase	\$63	\$63	Land Acquisition
	Sidewalk Project	\$133	\$50	Construction
	Texas Avenue - Phase 1 and 2	\$5,125	\$2,319	Construction
	TxDOT FM 646 Widening	\$140	\$140	Construction
	<b>Streets Subtotal</b>	<b>\$44,755</b>	<b>\$14,812</b>	
Drainage	Master Drainage Plan - Phase 2	\$290	\$290	Design
	Robinson Bayou Bank Stabilization	\$2,708	\$2,315	Construction
	Robinson Gully (Shell Side)	\$500	\$85	Land Acquisition
	Stormwater Improvements 2012-2013	\$2,232	\$300	Design
	<b>Drainage Subtotal</b>	<b>\$5,730</b>	<b>\$2,990</b>	
Parks	Clear Creek Paddle Trail	\$165	\$300	Construction
	Compton Oak Tree Relocation	\$300	\$0	Construction
	Countryside - Mag Creek Trail	\$125	\$125	Design & Construction
	Eastern Regional Park	\$16,149	\$29	Construction
	Meadows Water Smart Park	\$1,019	\$407	Construction
	Parks Facilities Renewal	\$472	\$222	Construction
	Phase One Hike and Bike	\$4,998	\$194	Design & Construction
	TxDOT FM 518 Bypass Hike and Bike	\$4,121	\$229	Design & ROW
	Western Regional Park	\$15,385	\$1,400	Land Acquisition
<b>Parks Subtotal</b>	<b>\$42,734</b>	<b>\$2,906</b>		
Traffic	Hobbs/LC Parkway Intersection	\$1,444	\$1,444	Design & Construction
	Traffic System Improvements	\$2,300	\$500	Construction
	Dynamic Message Sign	\$250	\$0	Equipment/Installation
	GPS Opticom System	\$970	\$0	Equipment/Installation
	<b>Traffic Subtotal</b>	<b>\$4,964</b>	<b>\$1,944</b>	
<b>GENERAL FUND TOTAL</b>		<b>\$145,091</b>	<b>\$32,758</b>	

**FY2012 ADOPTED BUDGET  
CAPITAL BUDGET (\$000's)  
UTILITY FUND**

PROGRAM	PROJECT	TOTAL PROJECT COST	FY2012 ADOPTED	PHASE	
Water	24" and 18" WL parallel LC Parkway and Maple Leaf	\$1,635	\$848	Design	
	24" Distribution Line - FM518 to Alderwood	\$1,199	\$1,199	Construction	
	36" WL SH3 to SSH Booster Plant	\$8,535	\$7,400	ROW/Construction	
	Beamer Road 24" Waterline Extension	\$3,933	\$3,436	Construction	
	Calder Road Pump Station	\$8,025	\$8,025	Design & Construction	
	Countryside Pump Station and Well	\$1,600	\$1,600	Design & Construction	
	Facility Access Control and Security	\$100	\$100	Equipment/Installation	
	FM 646 Widening - I45 to FM 1266	\$1,000	\$500	Construction	
	New East Side Elevated #1	\$3,539	\$3,000	Construction	
	Newport Water Lines	\$1,600	\$170	Design	
	Northside Water Booster Station	\$6,535	\$6,188	Construction	
	Raise West Side Elevated	\$216	\$0	Construction	
	Secondary Water Transmission Line	\$17,000	\$1,700	Design	
	South Shore Harbour Pump Station	\$9,110	\$8,515	Construction	
	Southeast Service Area Trunks	\$4,150	\$611	Design	
	State Hwy 3 Pump Station	\$8,170	\$7,210	Construction	
	True Up Cost SEWPP	\$770	\$770		
	Water Meter Replacement Program	\$10,748	\$5,882	Equipment/Installation	
	<b>Water Subtotal</b>		<b>\$87,865</b>	<b>\$57,154</b>	
	Wastewater	2013 LS Odor Control Rehab Project	\$549	\$57	Design
24" Gravity Line on Calder Road		\$5,449	\$5,273	ROW/Construction	
36" Gravity Sewer North from SSWRF to FW6		\$1,076	\$0		
42" Gravity Sewer Trunk Ext. S. SSWRF to FW6		\$3,151	\$0		
54" Gravity Sewer Trunk Ext. S. SSWRF to FW6		\$3,090	\$0		
Autumn Lakes LS/FM Re-route		\$453	\$103	Design	
Butler Road LS/FM Upgrade		\$2,324	\$2,072	Construction	
Countryside and FW11 LS/FM Upgrade		\$1,399	\$1,179	Construction	
FW10 FM to SSWRF & Countryside Diversion		\$828	\$647	Construction	
Hobbs Lift Station/Force Main/Gravity Sewer		\$600	\$50	Design	
N. Service Area Lift Station, Gravity & Service Lines		\$4,200	\$3,829	Construction	
New Force Main - East Main LS to Harbor Park LS		\$136	\$32	Design	
Re-use Improvements - Phase 1		\$678	\$678	Design & Construction	
Sanitary Sewer Rehab		\$11,059	\$1,500	Construction	
SSWRF 4 MGD and Land Acquisition		\$33,062	\$253	Construction	
Upgrade 10" Force Main to 12" BC LS to Ervin		\$1,461	\$301	Design	
West Main LS/FM Upgrade		\$1,579	\$1,387	Construction	
<b>Wastewater Subtotal</b>			<b>\$71,094</b>	<b>\$17,361</b>	
<b>UTILITY FUND TOTAL</b>			<b>\$158,959</b>	<b>\$74,515</b>	
<b>FY 2012 CAPITAL BUDGET TOTALS</b>			<b>\$304,050</b>	<b>\$107,273</b>	



# LEAGUE CITY

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## FY 2012 ADOPTED BUDGET FINANCIAL POLICIES

In the sections that follow, all changes made to the City's financial policies through the adoption of the FY 2012 Adopted Budget are bold and italicized.

### SUMMARY

#### Financial Management Policy Statements

The City of League City has an important responsibility to its citizens to carefully account for public funds, to manage municipal finances wisely, and to plan for the adequate funding of services desired by the public.

The overriding goal of the Financial Management Policy is to enable the City to achieve a long-term stable and positive financial condition. The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The purpose of the Financial Management Policy is to provide guidelines for planning and directing the City's day to day financial affairs and to assist staff in developing recommendations to the Mayor and City Council. Specifically, this policy framework mandates the pursuit of the following fiscal objectives:

- I. ***Revenues:*** Design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.
- II. ***Expenditures:*** Identify priority services, establish and define appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.
- III. ***Fund Balance/Working Capital/Retained Earnings:*** Maintain the fund balance, working capital and retained earnings of the various operating funds at levels sufficient to protect the City's credit worthiness as well as its financial position from emergencies.
- IV. ***Capital Expenditures and Improvements:*** Annually review and monitor the condition of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.
- V. ***Debt Management:*** Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

- VI. **Investments:** Invest the City's operating cash to ensure its safety, provide necessary liquidity and optimize yield.
- VII. **Intergovernmental Relations:** Coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis and support appropriate favorable legislation at the state and federal level.
- VIII. **Grants:** Aggressively investigate, pursue and effectively administer federal, state and foundation grants-in-aid which address the City's current priorities and policy objectives.
- IX. **Economic Development:** Initiate, encourage and participate in economic development efforts to create job opportunities, strengthen the local economy and tax base.
- X. **Fiscal Monitoring:** Prepare and present reports for the current and multi-year periods that analyze, evaluate, and forecast the city's financial performance and economic condition.
- XI. **Accounting, Auditing and Financial Reporting:** Comply with prevailing federal, state and local statutes and regulations. 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).
- XII. **Internal Controls:** Maintain an environment to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition.
- XIII. **Risk Management:** Prevent and/or reduce financial impact to the City due to claims and losses through prevention, through transfer of liability, and/or through a program of self-insuring of the liability.
- XIV. **Budget:** Develop and maintain a balanced budget for operating funds which presents a clear understanding of goals, service levels, and performance standards and shall be to the extent possible "user friendly" for citizens. A balanced budget meaning that revenue and any appropriated fund balance must equal expenditures.
- XV. **Five Year Plans: Long-term financial planning is intended to ensure sustainability of programs and integrate operating and capital financial planning.**

## I.

**Revenues**

The City shall use the following guidelines to design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

**Balance and Diversification in Revenue Sources**

The City shall strive to maintain a balanced diversified revenue system to protect the City from fluctuation in any one source due to changes in economic conditions which adversely impact that source.

**User Fees**

For services that benefit specific users, where possible the City shall establish and collect fees to recover the cost of those services. Where feasible and desirable, the City shall seek to recover full direct and indirect costs whereas not to prohibit economic development. City staff shall review user fees on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary.

**Property Tax Revenues/Tax Rate**

The City shall endeavor to reduce its reliance on property tax revenues by revenue diversification, implementation and continued use of user fees, and economic development. The City shall also strive to minimize tax rate increases.

**Utility/Enterprise Funds User Fees**

Utility rates and enterprise funds user fees shall be set at levels sufficient to cover operating expenditures, meet obligations, provide additional funding for capital improvements, and provide adequate levels of working capital. The City shall seek to eliminate all forms of subsidization to utility/enterprise funds from the General Fund.

**Administrative Service Charges**

The City shall prepare a cost allocation plan annually to determine the administrative service charges due the General Fund from enterprise funds for overhead and staff support. Where appropriate, the enterprise funds shall pay the General Funds for direct services rendered.

**Revenue Estimates for Budgeting**

In order to maintain a stable level of services, the City shall use a conservative, objective, and analytical approach when preparing revenue estimates for current and multi-year period. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and should avoid mid-year service reductions.

## II.

<b>Expenditures</b>
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The City shall use the following guidelines to identify necessary service, establish appropriate service levels, and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

**Current Funding Basis**

The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance accumulated through prior year's savings.

**Avoidance of Operating Deficits**

The City shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue estimates are such that an operating deficit is projected at year-end.

**Maintenance of Capital Assets**

Within the resources available each fiscal year, 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 service levels.

**Periodic Program Reviews**

Periodic program reviews for efficiency and effectiveness shall be performed. Programs not meeting efficiency or effectiveness objectives shall be brought up to required standards or be subject to reduction or elimination. The City shall explore and develop to the extent possible service trends and definitions in an effort to establish a "reward/profit sharing" system.

**Purchasing**

The City shall make every effort to maximize any discounts offered by creditors/vendors. Vendors with balances due the City will have payments due the vendor offset against the amount due the City. The City will follow state law concerning the amount of the purchase requiring formal bidding procedures and approval by the City Council. For purchases where competitive bidding is not required, the City shall obtain the most favorable terms and pricing possible. Every effort will be made to include minority business enterprises in the bidding process.

## III.

<b>Fund Balance/Working Capital/Retained Earnings</b>
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**Fund Balance Definitions**

***In accordance with the requirements of Governmental Accounting Standards Board Statement Number 53, the City shall use the following guidelines to explain***

**and define the purpose of fund balance, working capital and retained earnings of the various operating funds. The city will describe fund balance as follows: (1) Unspendable – portion of net resources that cannot be spent, i.e. assets that will never convert to cash or not convert during the current period, or resources that must be maintained intact pursuant to legal or contractual requirements; (2) Restricted – portion of net resources that are required to be reserved by external legal restrictions such as debt covenants, grantors, contributors or other governments; (3) Committed – portion of fund balance that represents resources whose use is constrained by limitations that the City imposes upon itself by council action and require council action to release; (4) Assigned – portion of fund balance that reflects the City's intended use of resources; and (5) Unassigned – surplus fund balance.**

General Fund Committed Fund Balance.

The City shall strive to maintain the General Fund unassigned fund balance between 90 and 120 days of current year budgeted expenditures.

#### **Utility Fund Balance**

**The Utility Fund Balance may include a committed fund balance in the amount of reserves required to be held by debt covenants. In addition, the minimum assigned working capital in the Water, Wastewater and Sanitation funds shall be 90 days of current year budgeted operating expenditures.**

#### **Fund Balance in Other Operating Funds**

**In other operating funds, the City shall strive to maintain a positive retained earnings position to provide sufficient reserves for emergencies and revenue shortfalls.**

Use of Fund Balance/Retained Earnings

**Except for special revenue funds**, Fund Balance/Retained Earnings shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year savings. Should such use reduce the balance below the appropriate level set as the objective for that fund, recommendations will be made on how to restore it.

## **IV.**

### **Capital Expenditures and Improvements**

The City shall annually review and monitor the condition of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives and availability of resources.

### Capital Improvements Planning Program

The City shall annually review the Capital Improvement Planning Program (“CIP”), the current status of the City’s infrastructure, replacement and renovation needs, and potential new projects and update the program as appropriate. All projects, ongoing and proposed, shall be prioritized based on any analysis of current needs and resource availability. For every project, all operation maintenance and replacement costs shall be fully costed. The CIP shall also present the City’s long-terms borrowing plan, debt payment schedules, and other debt outstanding or planned including general obligation bonds, revenue bonds, certificates of obligation, lease/purchase agreements and certificates of participation.

### Replacement of Capital Assets on a Regular Schedule

The City shall annually prepare a schedule for the replacement of its non-infrastructure capital assets in accordance with the Capital Replacement Fund Policy. Within the resources available each fiscal year, the City shall replace these assets according to this schedule.

### Construction Reserve Fund

It shall be the intent of the City to make an annual contribution to the Construction Reserve Fund. The purpose of this fund is to accumulate funding for smaller capital projects that would otherwise be paid for through the issuance of debt. The balance in the fund will be evaluated annually to determine which if any capital projects may be funded through this reserve. The minimum annual contribution to this fund should be \$160,000 with the target contribution being \$200,000.

### Capital Expenditure Financing

The City recognized that there are several methods of financing capital requirements. It can budget the funds from current revenues; it can take the funds from fund balance/retained earnings as allowed by the Fund Balance/Retained Earnings Policy; it can utilize funds from grants and foundation; or it can borrow money through debt. Debt financing includes general obligation bonds, revenue bonds, certificates of obligation, lease/purchase agreements and certificates of participation. Guidelines for assuming debt are set forth in the Debt Policy Statements.

## V.

### Debt Management

The City shall use the following guidelines for debt financing which will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

### Use of Debt Financing

Debt financing to include general obligation bonds, revenue bonds, certificates of obligation, certificates of participation, and lease/purchase agreements, shall only be used to purchase capital assets.

### Amortization of Debt

Amortization of debt shall be structured in accordance with a multi-year capital improvement plan. The term of a debt issue will never exceed the useful life of the capital asset being financed.

### Affordability Targets

The City shall use an objective analytical approach to determine whether it can afford to assume new debt beyond the amount it retires each year. This process shall compare generally accepted standards of affordability to the current values for the City. These standards shall include debt per capital, debt as a percent of taxable value, debt service payments as a percent of current revenues and current expenditures, and the level of overlapping net debt of all local taxing jurisdictions. The process shall also examine the direct costs and benefits of the proposed expenditures as determined in the City's annually update of the Capital Improvements Planning Program. The decision on whether or not to assume new debt shall be based on these costs and benefits and on the City's ability to afford new debt and determined by the aforementioned standards.

### Bidding Parameters

The notice of sale will be carefully constructed so as to ensure the best possible bid for the City, in light of the existing market conditions and other prevailing factors.

Parameters to be examined include:

- Limits between lowest and highest coupons
- Coupon requirements relative to the yield curve
- Method of underwriter compensation, discount or premium coupons
- Use of True Interest Cost (TIC) vs. Net Interest Cost (NIC)
- Use of bond insurance
- Deep discount bonds
- Variable rate bonds
- Call provisions

### Bond Issuance Advisory Fees and Costs

The City will be actively involved in the selection of all financial advisors, underwriters, paying agents, and bond counsel. The city shall evaluate the merits of rotating professional advisors and consultants as well as the kinds of services and fee structures available from independent financial advisors, investment banking firms, and commercial banks. The City will carefully itemize and scrutinize all costs associated with the issuance of the bonds.

**Sale Process**

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated bid.

**Rating Agencies Presentation**

Full disclosure of operations and open lines of communication shall be made to the rating agencies. City staff, with assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies.

**Continuing Disclosure**

The City is committed to continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities.

**Debt Refunding**

City staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. A proposed refunding of debt should provide a present value benefit as a percent of refunded principal of at least 4%.

**VI.****Investments**

The City's Cash shall be invested in such a manner so as to ensure the absolute safety of principal and interest, to meet the liquidity needs of the City, and to achieve the highest possible yield in accordance with the city's investment policy. Interest earned from investment shall be provided. Cash forecasting models and procedures will be employed to maximize the amount of investment funds.

**VII.****Intergovernmental Relations**

The City shall coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing government services on an equitable basis, and support appropriate favorable legislation at the state and federal levels.

**Interlocal Cooperation in Delivery Services**

In order to promote the effective and efficient delivery of services, the City shall work with other local jurisdictions to share on an equitable basis the costs of services, to share facilities, and to develop joint programs to improve service to its citizens.

**Legislative Program**

The City shall cooperate with other jurisdictions to actively oppose any state or federal regulation or proposal that mandates additional City programs or services and does not provide the funding from implementation.

**VIII.****Grants**

The City shall see, apply for, obtain and effectively administer federal, state and foundation grants-in-aid that address the City's current and future priorities and policy objectives.

**Grant Guidelines**

The City shall seek, apply for, and obtain those grants that are consistent with priority needs and objectives identified by Council.

**Indirect Costs**

The City shall recover indirect costs to the maximum amount allowed by the funding source. The city may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

**Grant Review**

The City shall review all grant submittals for their cash on in-kind match requirement, their potential impact on the operating budget, and the extent to which they meet the City's policy objectives. If there are cash match requirements, the source of funding shall be identified and approved prior to application. An annual report on the status of grant programs and their effectiveness shall also be prepared.

**Grant Program Termination**

The City shall terminate grant-funded programs and associated positions as directed by the City Council when grant funds are no longer available unless alternate funding is identified.

**IX.****Economic Development**

The City shall initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy and tax base.

**Commitment to Expansion and Diversification**

The City shall encourage and participate in economic development efforts to expand League City's economy and tax base, to increase local employment and to invest when there is defined specific long-term return. These efforts shall not only focus on new areas but on inner city areas, and other established sections of League city where development can generate additional jobs and other economic benefits.

**Tax Abatements**

The City shall develop a tax abatement policy to encourage commercial and/or industrial growth and development throughout League City. The City shall balance the long-term benefits of tax abatements with the short-term loss of tax revenues prior to the granting of the abatement. Factors considered in evaluating proposed abatements for development include the location of the project, its size, the number of temporary and permanent jobs created, the costs and benefits for the City and its impact on League City's economy and other factors specified in the City's Guidelines for Tax Abatement.

**Increase Non-Residential Share of Tax Base**

The City's economic development program shall seek to expand the non-residential share of the tax base to decrease the tax burden on residential homeowners.

**Coordinate Efforts with Other Jurisdictions**

The City's economic development program shall encourage close cooperation with other local jurisdictions to promote economic well-being of this area.

**X.****Fiscal Monitoring**

Reports shall be prepared and presented on a regular basis that analyze, evaluate and forecast the City's financial performance and economic condition for the current year and for multi-years.

**Financial Status and Performance Reports**

Monthly reports shall be prepared comparing expenditures and revenues to current budget, for the month and fiscal year-to-date, projecting expenditures and revenues through the end of the year, outlining any remedial actions necessary to maintain the City's financial position.

**Quarterly Reporting System**

A quarterly financial and goal progress reporting system shall be established for submittal to the City Council.

**XI.****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.

## XII.

<b>Internal Controls</b>
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The **chief financial officer** is responsible for developing citywide written guidelines on accounting, cash handling, and other financial matters that will be approved by the Audit Committee. The **chief financial officer** will assist department heads as needed in tailoring these guidelines into detailed written procedures to fit each department's specific requirements.

Each department head is responsible to ensure that good internal controls are followed throughout his or her department, that all finance department guidelines on accounting and internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

## XIII.

<b>Risk Management</b>
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The City will utilize a safety program, an employee health program, and a risk management program to prevent and/or reduce the financial impact to the City due to claims and losses. Transfer of liability for claims through transfer to other entities through insurance and/or by contract will be utilized where appropriate. Prevention of claims through the safety program and the employee health program will be employed. Liabilities will be self-insured where financially feasible.

## XIV.

<b>Operating Budget</b>
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The City shall establish an operating budget that shall link revenues and expenditures to goals and objectives as well as service and performance standards. It will be the City's goal to obtain the distinguished Budget Presentation Award from the Government Finance Officers Association. It is also the City's goal to present a balanced budget meaning that revenues and appropriated fund balance must equal expenditures.

## XV.

<b>Five Year Financial Plans</b>
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**Capital Improvement Plan**

***The City shall prepare annually a five year Capital Improvements Plan that incorporates all capital funds, existing and planned, showing planned projects by phase and by fiscal year. The first year of this CIP shall constitute the City's capital budget for the year.***

**Long Range Financial Forecast**

***The City shall prepare annually a Long Range Financial Forecast that projects revenue and expenditures for the General, Utility, Debt Service and any other major fund for a five year period. The forecast shall attempt to determine the impact on future revenue and expenditures from changes in the economy, population change, and implementation of the CIP including planned bond sales.***

## APPENDIX A

### **BASIS OF ACCOUNTING**

The accounts of the City are organized and operated on the basis of funds and accounts groups. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Debt Service, and Capital Project funds. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to pay liabilities for the current period. Substantially all revenues are considered to be susceptible to accrual. Ad valorem, sales, and franchise revenues recorded in the General fund and ad valorem tax revenues recorded in the Debt Service fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources. The City utilizes encumbrance accounting for its Governmental Fund types, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

The City's Proprietary fund types are accounted for on a flow of economic resources

measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

### **BASIS OF BUDGETING**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds except the capital projects funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year end. Under the City's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be re-appropriated and honored the subsequent fiscal year. The department level is the legal level of control enacted by the City Charter. The City has also adopted a budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the city administrative staff and the City Manager. Transfers between operating departments and transfers between funds must be accomplished by a budget amendment and approved by the City Council. Budget amendments calling for new appropriations must also be approved by the City Council. Budgetary control is maintained at the category level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.

The Comprehensive Annual Report (CAFR) shows the status of the City's finances on the basis of generally accepted accounting principals (GAAP). The CAFR shows fund revenues and expenditures on both a GAAP basis and budgetary basis for comparison purposes. In all but two cases this reporting conforms to the way the City prepares its budget. Compensated absences are not reflected in the budget but are accounted for in the CAFR's long-term debt account group. Depreciation expense is not shown in the budget's proprietary funds.

**APPENDIX B**

**PAY FOR PERFORMANCE**

The Pay for Performance plan is for all non-sworn civilian employees and is a foundation for performance management. The compensation system must reward individual results, foster team work, be equitable to all employees, take into account the total cost of compensation and make wise use of public resources.

The goal is to encourage excellence in service by rewarding achievement of team and departmental goals as well as individual results, doing so in line with priorities outlined above.

The plan will reward outstanding employees for meritorious job performance with a greater increase than lesser performers would merit; and to provide an opportunity for monetary rewards based on performance to all of the employees, including those at the top of their respective salary range. Pay for performance is a single lump-sum payment to employees with one year tenure as of April 1.

Performance evaluations for all employees are completed in March. If the evaluation is not completed on time, increases in pay are made retroactive to April 1<sup>st</sup>. The amount of the pay for performance is tied to performance evaluations.

Department managers and supervisors are responsible for distributing the pay to employee's based on performance evaluations.

The salary scale is reviewed on a regular basis in context with the labor market. Job descriptions are reviewed periodically or as vacancies occur if there appears to be a problem with filling the position. New employees receive their first performance evaluation after 6 months of employment but do not receive a merit increase until they have reached their one year anniversary by April 1 of that year.

**NOTE: Appendix B describes the FY2011 pay for performance program. Pending City Council decision on the compensation policy as well as the outcome of the compensation study, which is currently underway, performance pay will be addressed at a later date in FY2012.**

**WAGE AND SALARY SCALE**  
**NON-EXEMPT POSITIONS**

Grade	Maximum Salary	Minimum Salary
40	\$20,040	\$30,460
41	20,841	31,679
42	21,675	32,946
43	22,542	34,264
44	23,894	36,320
45	25,806	39,225
46	27,871	42,364
47	30,518	46,388
48	33,570	51,027
49	36,927	56,130
50	41,359	62,865

**WAGE AND SALARY SCALE**  
**EXEMPT POSITIONS**

Grade	Maximum Salary	Minimum Salary
79	\$29,719	\$46,956
80	33,285	52,590
81	35,948	56,798
82	38,824	61,341
83	43,482	68,702
84	48,700	76,947
85	60,190	95,100
86	73,374	115,931
87	83,647	132,162

**APPENDIX C****GLOSSARY OF TERMS**

**-A- ACCOUNTS PAYABLE:** A liability account reflecting amounts on open accounts owing to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

**ACCOUNTS RECEIVABLE:** An asset account reflecting amounts owing to open accounts from private persons or organizations for goods and services provided by a government.

**ACCRUAL ACCOUNTING:** The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at the time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).

**AD VALOREM:** Latin for "value of". Refers to the property assessed and tax levied against real (land and buildings) and personal (equipment and furniture) property.

**APPROPRIATION:** A legal authorization granted by a legislative body (City Council) to make expenditures and incur obligations for designated purposes.

**ASSESSED VALUATION:** A valuation set upon real estate or other property by a government as a basis for levying taxes.

**AUDIT:** An examination of an organization's financial statements and the utilization of resources.

**-B- BALANCE SHEET:** The basic financial statement which discloses the assets, liabilities, and equities of an entity at a specified date in conformity with GAAP.

**BALANCED BUDGET:** A balanced budget occurs when the total sum of

money a government collects in a year is equal to the amount it spends on goods, services, and debt interest.

**BASIS OF ACCOUNTING:** The modified accrual basis of accounting is followed by Governmental funds, Expendable Trust funds and Agency funds. Under the modified accrual basis of accounting revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources. Substantially all revenues are considered to be susceptible to accrual. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used for guidance. Intergovernmental revenues are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The City's Proprietary fund types are accounted for using the accrual basis of accounting, under which revenues are recorded when earned and expenses are recorded when liabilities are incurred.

**BOND:** A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified date.

**BUDGET:** A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

**BUDGETARY CONTROL:** The control or management of a government or enterprise in accordance with an

approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available resources.

- C- CDBG:** Community Development Block Grant – An entitlement grant program authorized by the federal government. The entitlement program is based upon a formula, which includes the City's population.

**CAPITAL EXPENDITURES:** Expenditures which result in the acquisition of or addition to fixed assets which are individually priced more than \$5,000.00.

**CAPITAL IMPROVEMENT PROGRAM:** A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount and the method of financing.

**CASH BASIS:** the method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

**CERTIFICATES OF OBLIGATION (CO'S):** Debt instruments secured by the ad valorem taxing power of a city. They do not require voter authorization and usually are issued to obtain short-term financing.

**CONTINGENCY:** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**CREDIT RATING:** The credit worthiness of a government unit as determined by an independent ratings agency.

**CURRENT ASSETS:** Those assets which are available or can be made readily available to finance current operations or to pay current liabilities. Those assets which will be used up or converted into cash within one year. Some examples are cash, temporary

investments, and tax receivables which will be collected within one year.

**CURRENT LIABILITIES:** Debt or other legal obligation arising out of transactions in the past that must be liquidated, renewed, or refunded within one year.

- D- DARE:** Drug Abuse Resistance Education.

**DEBT:** An obligation resulting from borrowing of money or from the purchase of goods or services.

**DEBT LIMIT:** The maximum amount of gross or net debt legally permitted.

**DEBT SERVICE:** A cost category which typically reflects the repayment of short-term (less than 5 years) debt associated with the acquisition of capital equipment.

**DELINQUENT TAXES:** Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

**DEPRECIATION:** (1) Expiration in the service life of a capital asset attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence. (2) that portion of the cost of a capital asset which is charged as an expense during a particular period.

- E- ENCUMBRANCES:** Commitments related to unperformed contracts for goods or services used in budgeting. Encumbrances are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

**ENTERPRISE FUND:** A fund established to finance and account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the

general public on a continuing basis be financed or recovered primarily through user charges.

**EXPENDITURES:** Decrease in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

**-F- FISCAL YEAR:** A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. League City's fiscal year begins each October 1st and ends the following September 30th. The term FY 2007 connotes the fiscal year beginning October 1, 2006 and ending September 30, 2007.

**FIXED ASSETS:** Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

**FRANCHISE:** A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

**FULL TIME EQUIVALENT (FTE):** A quantifiable unit of measure utilized to convert hours worked by part-time, seasonal or temporary employees into hours worked by full time employees. Full time employees work 2080 hours annually. A part-time employee working 1040 hours annually represents a .5 FTE.

**FUND:** A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with

special regulations, restrictions, or limitations.

**FUND BALANCE:** The difference between governmental fund assets and liabilities also referred to as fund equity.

**-G - GAAP – GENERALLY ACCEPTED ACCOUNTING PRINCIPLES:**

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 to state and local governments is the GASB.

**GASB – GOVERNMENTAL ACCOUNTING STANDARDS BOARD:**

The board is a private, nonprofit organization consisting of seven board members and a full-time staff. Like the Financial Accounting Standards Board (FASB) that sets accounting standards for private companies, GASB is funded by the Financial Accounting Foundation, a nonprofit entity that exercises general oversight over the financial reporting of public entities.

**GENERAL FUND:** The fund that is available for any legal authorized purpose and which is therefore used to account for all activities except those required to be accounted for in another fund. Note: The General Fund is used to finance the ordinary operations of a governmental unit.

**GENERAL OBLIGATION BONDS (GO's):** Bonds for the payment of which the full faith and credit of the issuing government are pledged. In issuing its general obligation bonds, the City of League City pledges to levy whatever property tax is needed to repay the bonds for any particular year. Bonds cannot be issued without voter approval

and are usually issued with maturities of between 15 and 25 years.

**GFOA:** Government Finance Officers Association. A professional association of state/provincial and local finance officers in the United States and Canada that has served the public finance profession since 1906.

**GOAL:** A statement that describes the purpose toward which an endeavor is directed.

**GOVERNMENTAL FUNDS:** Those funds through which most governmental functions typically are financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects, and Debt Service Funds).

**GRANT:** A contribution by one governmental unit to another. The contribution is usually made to aid in the support of a specified function.

**-I- INTEREST INCOME:** Revenue associated with the city's cash management activities of investing fund balances.

**INTERFUND TRANSFERS:** Budgeted amounts transferred from one governmental accounting fund to another for work or services provided. As they represent a "double counting" of expenditures, these amounts are deducted from the total operating budget to calculate the "net" budget.

**INTERGOVERNMENTAL REVENUE:** Contributions received from the State and Federal Government in the form of grants and shared revenues.

**INTERNAL SERVICE FUND:** Internal Service Funds are used to account for the financing of goods or services provided by one department of the city to other departments on a cost-reimbursement basis.

**INVESTMENTS:** Securities and real estate held for the production of income in the form of interest, dividends, rentals, or lease payments. The term does not include assets used in city operations.

**-L- LEVY:** To impose taxes, special assessments or service charges for the support of city services.

**LIABILITY:** Debt or other legal obligations, arising out of transactions in the past, which must be liquidated, renewed, or refunded at some future date. Note: the term does not include encumbrances.

**LONG-TERM DEBT:** Debt with a maturity of more than one year after the date of issuance.

**LRFF:** Long Range Financial Forecast

**-M- MATURITIES:** The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

**MAINTENANCE:** The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

**MODIFIED ACCRUAL:** The method of accounting under which revenues are recognized when they are both measurable and available to finance expenditures of the current period. Expenditures are recognized when the liability is incurred.

**-N- NON-RECURRING:** In reference to a supplemental program, that portion of costs or revenues that will only be incurred in the first year of implementation of the program.

**-O- ORDINANCE:** A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it

applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances.

**OPERATING BUDGET:** The plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law.

**ORDINANCES:** A formal legislative enactment by the governing board of a municipality. It is not in conflict with any higher form of law, such as state statute or constitutional provision; it has the full force and effect of law within the boundaries of the municipality to which it applies.

**-P- PERFORMANCE INDICATORS:** Quantitative measures that show demand for services (e.g. calls for service, citizen complaints), efficiency in meeting those demands (e.g. unit cost of service, units per employee or crew), and effectiveness in meeting the total need represented by the service demands (e.g. percent of complaints resolved, percent of citizens satisfied with services provided).

**PERSONNEL SERVICE:** The costs associated with compensating employees for their labor.

**PRINCIPAL OF BONDS:** The face value of the bonds.

**PROPRIETARY FUND:** A fund established to account for a government's continuing business-type organizations and activities. All assets, liabilities, equities, revenues, expenses and transfers pertaining to these business organizations and activities are accounted for through proprietary funds. Both Enterprise and Internal service funds are classified as proprietary funds.

**PROPERTY TAXES:** Taxes are levied on both real and personal property according to the property's valuation and tax rate.

**PURCHASE ORDER:** A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

**-R- RECURRING:** In reference to a supplemental program, that portion of revenues or costs that will occur each year the program is funded.

**REVENUES:** Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers.

**REVENUE BONDS:** Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund.

**-S- SERVICES AND CHARGES:** That grouping of accounts on the general ledger that include such expenditures as professional and contracted services from organizations outside the City, printing and binding costs, utilities, training, etc.

**SPECIAL ASSESSMENT:** A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

**SPECIAL REVENUE FUND:** A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

**SUPPLEMENTAL PROGRAM:** An entirely new program or a significant enhancement to an existing program. Examples are the funding of new positions on staff and the expansion of the softball program from 6 teams to 12 teams. Supplement programs may have both recurring (annual) and/or non-

recurring (one-time) costs and/or revenues associated with them.

- T- TAXES:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

**TAX BASE:** The total property valuations on which each taxing agency levies its tax rate.

**TAX LEVY:** The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

**TAX RATE:** The amount of tax levied for each \$100 of assessed valuation.

**TAX ROLL:** The certification of assessed/taxable values prepared by the Property Appraiser and presented to the taxing authority.

**TAXES:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, for example, sanitation service charges.

**TMRS:** Texas Municipal Retirement System

**TXDOT:** Texas Department of Transportation

- U- USER FEES:** Charges for specific governmental services. These fees cover the cost of providing that service to the user (i.e. building permits). The key to effective utilization of user fees is being able to identify specific

beneficiaries of services and then determine the full cost of the service they are consuming.

- W- WORKING CAPITAL:** The amount by which total current assets exceed total current liabilities.

- Y- YIELD:** The rate earned on an investment based on the price paid for the investment, the interest earned during the period held, and the selling price or redemption value of the investment.

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**TOP TEN PRINCIPAL TAXPAYERS**


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Property Taxpayer	2010 Assessed Valuation	% of 2010 Assessed Valuation
A-S 85 Victory Lakes	31,855,220	0.56%
Texas-New Mexico Power Co.	23,378,840	0.41%
League City Town Center LTD	21,237,070	0.37%
Have at South Shore LP	20,085,920	0.35%
Broadstone Walker Commons LP	18,023,950	0.32%
MF/WM Tuscan Land LTD	17,353,020	0.30%
GS Beacon Lakes LP	17,037,840	0.30%
Target Corporation	16,916,530	0.30%
MB League City Bay Colony	16,635,110	0.29%
Rovello Partners LLC	15,300,090	0.27%
	\$ 197,823,590	3.47%

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**TOP TEN EMPLOYERS**


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Employer	2010 Employees	(1) % of 2010 of Total City Employment
Clear Creek Independent School District	5,040	12.73%
American National Insurance	638	1.61%
City of League City	520	1.31%
Walmart	389	0.98%
Krogers	386	0.97%
Devereaux Texas Treatment Network	273	0.69%
H.E.B.	225	0.57%
Harborview Care Center	190	0.48%
Randall's	90	0.23%
	\$ 7,751	19.57%

(1) Percent of total employment is based on total employment of 39,594

**FY 2012 ADOPTED BUDGET  
REVENUE DETAIL  
GENERAL FUND**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>Property Taxes:</b>				
401-01-00 Current Taxes	21,132,006	20,840,000	20,894,000	21,165,000
401-02-00 Delinquent Taxes	222,361	229,900	230,000	234,000
401-03-00 Penalty & Interest	193,096	200,400	201,000	203,000
401-04-00 Attorney Fees	0	0	0	0
<b>Property Taxes Subtotal</b>	<b>21,547,463</b>	<b>21,270,300</b>	<b>21,325,000</b>	<b>21,602,000</b>
<b>Sales and Other Taxes:</b>				
402-01-00 Sales Tax	6,825,282	7,051,000	7,326,000	7,314,000
402-04-00 Sales Tx - Prop Tax Reduct.	3,412,641	3,526,000	3,663,000	3,657,000
	<b>10,237,923</b>	<b>10,577,000</b>	<b>10,989,000</b>	<b>10,971,000</b>
402-02-00 Mixed Drink Tax	121,606	115,000	125,000	135,000
<b>Other Taxes Subtotal</b>	<b>10,359,529</b>	<b>10,692,000</b>	<b>11,114,000</b>	<b>11,106,000</b>
<b>Franchise Fees:</b>				
403-01-00 Texas/New Mexico Electric	2,756,801	2,746,000	2,825,000	2,844,000
403-02-00 GTE Telephone	361,132	341,000	358,000	358,000
403-03-00 Cable TV Companies	942,785	976,600	970,000	1,001,000
403-04-00 Entex Natural Gas	319,942	310,000	228,000	275,000
403-05-00 Centerpointe Energy	53,938	49,000	57,600	60,000
403-07-00 Waste Management	180,320	210,000	190,000	190,000
<b>Franchise Fees Subtotal</b>	<b>4,614,918</b>	<b>4,632,600</b>	<b>4,628,600</b>	<b>4,728,000</b>
<b>Permits:</b>				
411-02-00 Pipeline Permits	0	0	0	0
411-03-00 Miscellaneous Permits	900	1,000	3,000	3,000
411-04-00 Sign Permits	19,932	21,000	12,000	12,000
411-05-00 Gas Permits	46,609	40,000	40,000	40,000
411-06-00 Demolition Permits	1,400	1,500	1,200	1,200
411-07-00 Wrecker Permits	8,215	8,800	7,000	7,000
411-09-00 Alarm Permits	145,460	140,000	155,000	155,000
411-13-00 False Alarm Fees	17,250	15,000	18,000	18,000
411-13-00 Drainage Permit Fees	10,172	6,000	9,000	9,000
411-14-00 Ambulance Permit Fees	3,495	1,000	4,100	4,100
<b>Permits Subtotal</b>	<b>253,433</b>	<b>234,300</b>	<b>249,300</b>	<b>249,300</b>
<b>Liquor Permits:</b>				
412-01-00 Package Store Permits	1,088	1,100	1,100	1,100
412-02-00 Beer Licenses	4,495	4,500	5,000	5,000
<b>Liquor Permits Subtotal</b>	<b>5,583</b>	<b>5,600</b>	<b>6,100</b>	<b>6,100</b>

**Construction Permits:**

413-01-00	Building Permits	940,408	950,000	750,000	750,000
413-02-00	Electrical Permits	246,902	255,000	150,000	150,000
413-03-00	Plumbing Permits	112,598	120,000	100,000	100,000
413-04-00	Swimming Pool Permits	44,479	45,000	40,000	40,000
413-05-00	Air Conditioning Permits	99,154	100,000	85,000	85,000
<b>Construction Permit Subtotal</b>		<b>1,443,541</b>	<b>1,470,000</b>	<b>1,125,000</b>	<b>1,125,000</b>

**Job Related Permits & Licenses:**

414-01-00	Occupational Licenses	117,450	120,000	115,000	115,000
<b>Job Related Permits Subtotal</b>		<b>117,450</b>	<b>120,000</b>	<b>115,000</b>	<b>115,000</b>

**Animal Licenses & Fees:**

415-01-00	Animal Licenses	2,004	1,500	1,500	1,500
415-02-00	Pound Fees	8,443	7,000	8,000	8,000
415-03-00	Adoption Fees	44,100	38,000	45,000	45,000
<b>Animal Licenses &amp; Fees Subtotal</b>		<b>54,547</b>	<b>46,500</b>	<b>54,500</b>	<b>54,500</b>

**Miscellaneous Fees:**

416-02-00	Re-Inspection Fee	9,850	9,000	9,000	9,000
416-05-00	Operation Permits	3,475	3,500	3,500	3,500
416-11-00	Kiosk Fees	22,590	17,000	25,000	25,000
416-12-00	Breath Alcohol Prog Fee	71,132	71,100	68,100	68,100
<b>Miscellaneous Fees Subtotal</b>		<b>107,047</b>	<b>100,600</b>	<b>105,600</b>	<b>105,600</b>

**Collection Fees:**

418-01-00	Refuse Collection Fee	2,847,894	2,941,000	2,920,000	2,978,000
418-02-00	Tax on Refuse	(736)	0	0	0
418-03-00	Refuse Collection Penalty	53,571	50,000	45,000	45,000
<b>Collection Fees Subtotal</b>		<b>2,900,729</b>	<b>2,991,000</b>	<b>2,965,000</b>	<b>3,023,000</b>

**Fines:**

421-01-00	Municipal Court Fines	1,462,432	1,500,000	1,550,000	1,650,000
421-02-00	Taxes on Fines	196,210	160,000	200,000	200,000
421-03-00	Library Fines	66,837	65,000	65,000	67,000
421-06-00	Motor Carrier Violations	118,567	110,000	118,000	120,000
421-08-00	Red Light Camera Fines	0	0	0	0
<b>Fines Subtotal</b>		<b>1,844,046</b>	<b>1,835,000</b>	<b>1,933,000</b>	<b>2,037,000</b>

**Rental & Admission Fees:**

422-01-00	Civic Center Rental Fees	38,604	28,000	35,000	35,000
422-02-00	City Pool Rental Fees	1,250	2,000	1,500	1,500
422-03-00	Pavilion Rental Fees	13,571	20,000	12,500	12,500
422-04-00	Field Rental Fees	11,630	22,000	17,500	17,500
422-05-00	Rec Center Rental Fees	15,573	18,000	12,000	12,000
422-06-00	Pool Fees - Non Resident	7,019	10,000	7,000	7,000
422-07-00	Pool Season Pass Fees	3,920	6,000	3,400	3,400
422-08-00	Recreation Program Fees	340,514	300,000	325,000	415,000
422-09-00	Drill Field Rental	6,100	3,100	6,000	6,000
422-10-00	Summer Camp Fees	57,890	60,000	60,000	60,000
422-12-00	EMS Training Class Fees	1,609	4,000	2,100	2,100
<b>Rental &amp; Admission Fees Subtotal</b>		<b>497,680</b>	<b>473,100</b>	<b>482,000</b>	<b>572,000</b>

**Sales and Promotions:**

423-01-00	Concessions - Parks	8,162	10,000	8,000	8,000
423-02-00	Vending Machine Sales	308	300	200	200
423-04-00	Swimming Lessons	32,862	30,000	30,000	40,000
<b>Sales &amp; Promotions Subtotal:</b>		<b>41,332</b>	<b>40,300</b>	<b>38,200</b>	<b>48,200</b>

**Filing & Miscellaneous:**

424-01-00	Filing Fees	200	300	300	300
424-02-00	Plat Filing Fees	0	0	0	0
424-04-00	Ambulance Fees	845,817	825,000	825,000	875,000
424-05-00	Non-Resident Fees	540	0	0	0
424-06-00	Child Safety Fee	26,814	20,000	20,000	20,000
424-08-00	Plan/Plat Review Fee	58,466	55,000	35,000	35,000
424-09-00	Variance Request Fee	5,875	5,000	2,500	2,500
424-10-00	Rezoning Application Fee	9,150	8,000	6,500	6,500
424-11-00	Cell Tower App/Renewal	18,000	16,000	16,000	16,000
424-12-00	Special Use Permit/Zoning	5,400	1,000	5,000	5,000
<b>Filing &amp; Miscellaneous Subtotal</b>		<b>970,262</b>	<b>930,300</b>	<b>910,300</b>	<b>960,300</b>

**Other Miscellaneous Income:**

425-01-00	Surplus Property Sales	21,475	15,000	15,000	20,000
425-02-00	Tax Certificates	0	0	0	0
425-03-00	Map Sales	21	100	100	100
425-04-00	Copy Machine Sales	23,081	22,000	24,000	25,000
425-05-00	Library Book Sales	6,521	7,500	6,500	7,000
425-07-00	Emer. Mgmt. Reimbursement	79,032	50,000	67,600	50,000
425-09-00	Proceeds from Lease	34,778	20,000	30,000	30,000
425-11-00	Sale of Right of Way	0	0	0	0
425-13-00	Zoning Verification Letter	450	500	600	500
<b>Other Misc. Income Subtotal</b>		<b>165,358</b>	<b>115,100</b>	<b>143,800</b>	<b>132,600</b>

**Other Miscellaneous Income:**

427-01-00	Recycling Proceeds	60,000	60,000	60,000	60,000
427-12-00	Auto Task Force Proceeds	0	0	0	0
427-21-00	Traffic Enforcement Grant	0	0	0	0
427-22-00	Officer Training Grant	7,798	7,800	7,400	7,500
427-23-00	Tobacco Compliance Grant	0	4,000	0	0
427-25-06	Lone Star Library Grant	29,530	24,000	24,000	0
427-30-00	Bulletproof Vest Grant	0	2,500	0	0
427-42-00	DEA Overtime Reimb	21,662	10,300	20,500	15,000
427-44-00	FBI OT Reimbursements	0	0	0	0
427-47-00	FEMA Reimb - Hurricane	204,346	0	95,300	0
427-48-00	Fire Dept. Assistance Grant	980	4,000	6,300	5,000
427-50-00	Fire Dept Grant Insurance	3,735	0	0	0
	Special Traffic Enforcement	0	0	0	0
427-52-00	Texas Reads Grant	0	0	3,000	0
427-57-00	Emerg Watershed Program	123,840	0	0	0
427-55-00	Big League Dreams	252,534	235,000	250,000	250,000
	Victims Assistance Grant				57,000
	Justice Assistance Center	50,679	0	0	0
	Liveable Centers Grant	0	125,000	0	0
	<b>Miscellaneous Income Subtotal</b>	<b>755,104</b>	<b>472,600</b>	<b>466,500</b>	<b>394,500</b>

**Interest & Gen Misc. Rev:**

428-02-00	Miscellaneous Income	22,945	20,000	85,000	50,000
428-05-00	TIRZ Bookkeeping Fees	324,054	356,000	286,600	240,000
	<b>Interest &amp; Gen Misc Rev Subtotal</b>	<b>346,999</b>	<b>376,000</b>	<b>371,600</b>	<b>290,000</b>

**Miscellaneous Donations:**

429-02-10	Donations - Park Patrons	0	52,500	52,500	0
429-17-00	Donations - Senior Citizens	5,496	1,700	1,500	2,000
429-28-00	Reimbursements	41,256	33,500	10,000	35,000
429-28-40	Reimbursements Insurance	138,247	92,000	1,000	10,000
429-28-60	Reimb for Hurricane IKE	4,027	0	0	0
429-28-70	Public Safety Reimbursement	240,000	260,000	260,700	276,900
429-28-90	Reimb - Rebate Programs	23,085	12,000	24,000	30,000
429-28-91	Reimb - Safelight Fund Admin	78,474	0	75,000	75,000
	<b>Miscellaneous Donations Subtotal</b>	<b>530,585</b>	<b>451,700</b>	<b>424,700</b>	<b>428,900</b>

**Interest Income:**

555-00-00	Interest Income	24,649	50,000	16,000	16,000
555-05-00	Interest Income - Investments	3,878	0	0	0
555-07-00	Interest Income - EMS/Fire	87	0	0	0
555-08-00	Interest Income - CD	24,758	0	20,000	20,000
555-09-00	Interest Income Texstar	20,634	0	16,000	16,000
	<b>Interest Income Subtotal</b>	<b>74,006</b>	<b>50,000</b>	<b>52,000</b>	<b>52,000</b>

**Donations:**

571-03-00	Donations - EMS/Fire	10,862	34,400	40,000	7,500
	<b>Donations Subtotal</b>	<b>10,862</b>	<b>34,400</b>	<b>40,000</b>	<b>7,500</b>

**Operating Transfers In:**

581-02-00	Transfer From W/WW	1,000,000	1,300,000	1,300,000	1,300,000
	Trsfr from W/WW - Engineering Svc	0	500,000	500,000	500,000
	Trsfr from W/WW - Concrete Repair	0	200,000	200,000	200,000
581-17-00	Transfer from Special Park	24,349	0	0	0
581-32-00	Transfer from Sportsplex	3,945	0	0	0
	<b>Operating Transfer In Subtotal</b>	<b>1,028,294</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>

<b>TOTAL GENERAL FUND REVENUES</b>	<b>47,668,768</b>	<b>48,341,400</b>	<b>48,550,200</b>	<b>49,037,500</b>
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**FY 2012 ADOPTED BUDGET  
REVENUE DETAIL  
UTILITY FUND**

		<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>Charges for Service</b>					
541-00-00	Water Sales	13,772,838	13,895,000	16,411,000	14,600,000
542-00-00	Wastewater Sales	10,826,544	11,052,000	11,700,000	11,500,000
543-01-00	Tap Fees	378,750	360,000	320,000	300,000
543-02-00	New Connection Fees	66,995	65,000	62,000	60,000
543-03-00	Reconnection Fees	52,987	50,000	62,000	60,000
544-00-00	Late Fees	348,169	325,000	300,000	300,000
	<b>Charges for Service Subtotal</b>	<b>25,446,283</b>	<b>25,747,000</b>	<b>28,855,000</b>	<b>26,820,000</b>
<b>Other Revenues</b>					
545-01-00	Meter Sales	214,988	200,000	200,000	200,000
545-02-00	Water Well Permits	50	100	100	100
545-04-00	Reimb for Services	2,920	5,000	3,000	5,000
545-05-00	Miscellaneous Income	12,948	12,500	12,500	12,500
	<b>Other Revenues Subtotal</b>	<b>230,906</b>	<b>217,600</b>	<b>215,600</b>	<b>217,600</b>
<b>Interest Income</b>					
555-00-00	Interest Income	16,292	16,000	30,000	30,000
555-05-05	Interest Income Investments	9,325	1,000	-	-
555-05-80	Interest Income TxPool Reserv	552	4,000	500	500
555-09-00	Interest Income TxStar	9,246	8,500	8,500	8,500
555-08-00	Interest Income - CD	381	-	7,000	7,000
555-09-00	Interest Income TxStar Reserve	-	-	500	500
	<b>Interest Income Subtotal</b>	<b>35,796</b>	<b>29,500</b>	<b>46,500</b>	<b>46,500</b>
<b>Miscellaneous:</b>					
425-01-00	Surplus Property Sales	17,807	1,000	2,000	1,000
425-09-00	Proceeds from Lease	54,431	55,900	55,900	55,900
427-05-00	Bond Proceeds				
429-28-00	Reimbursements	46,943	-	3,600	-
429-28-40	Reimb from insurance	-	-	-	-
558-00-00	Gain on Sale of Bonds	14,948	-	-	-
581-24-00	Transfer from CDBG (041)				
	<b>Miscellaneous Subtotal</b>	<b>134,129</b>	<b>56,900</b>	<b>61,500</b>	<b>56,900</b>
	<b>Total Utility Fund Revenue</b>	<b>25,847,114</b>	<b>26,051,000</b>	<b>29,178,600</b>	<b>27,141,000</b>

**FY 2012 ADOPTED BUDGET  
REVENUE DETAIL  
INTERNAL SERVICE FUND (MOTOR POOL)**

	<b>FY 2010 ACTUAL</b>	<b>FY 2011 BUDGET</b>	<b>FY 2011 ESTIMATED</b>	<b>FY 2012 ADOPTED</b>
<b>Misc. Donations</b>				
425-01-00 Surplus Property Sales	69,742	0	0	0
429-28-00 Reimbursements	9,150	0	13,000	0
429-28-91 Reimb from Safelight Fund	0	0	1,000	1,000
<b>Misc. Donations Subtotal</b>	<b>78,892</b>	<b>0</b>	<b>14,000</b>	<b>1,000</b>
<b>Other Revenues:</b>				
545-11-03 Vehicle Maintenance Chgs - GF	890,019	898,167	897,167	898,167
545-11-04 Vehicle Maint. Chgs - W/WW	214,041	248,000	248,000	248,000
545-11-20 Motor Pool Lease Fees	1,084,357	1,663,910	1,663,910	1,663,910
<b>Other Revenues Subtotal</b>	<b>2,188,417</b>	<b>2,810,077</b>	<b>2,809,077</b>	<b>2,810,077</b>
<b>Interest Income:</b>				
555-00-00 Interest Income	2,104	2,000	1,000	1,000
555-09-00 Interest Income - Tx Star	714	600	500	500
<b>Interest Income Subtotal</b>	<b>2,819</b>	<b>2,600</b>	<b>1,500</b>	<b>1,500</b>
<b>Gain/Loss-Asset Disposal</b>				
557-00-00 Gain/Loss-Asset Disposal	6,950	0	13,600	0
<b>Gain/Loss-Asset Disposal Subtotal</b>	<b>6,950</b>	<b>0</b>	<b>13,600</b>	<b>0</b>
<b>Operating Transfers In:</b>				
Transfer from General Fund	0	0	0	163,500
Trnsf from Capital Replacement	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>163,500</b>
<b>TOTAL INTERNAL SERVICE REVENUE FUND</b>	<b>2,277,077</b>	<b>2,812,677</b>	<b>2,838,177</b>	<b>2,976,077</b>

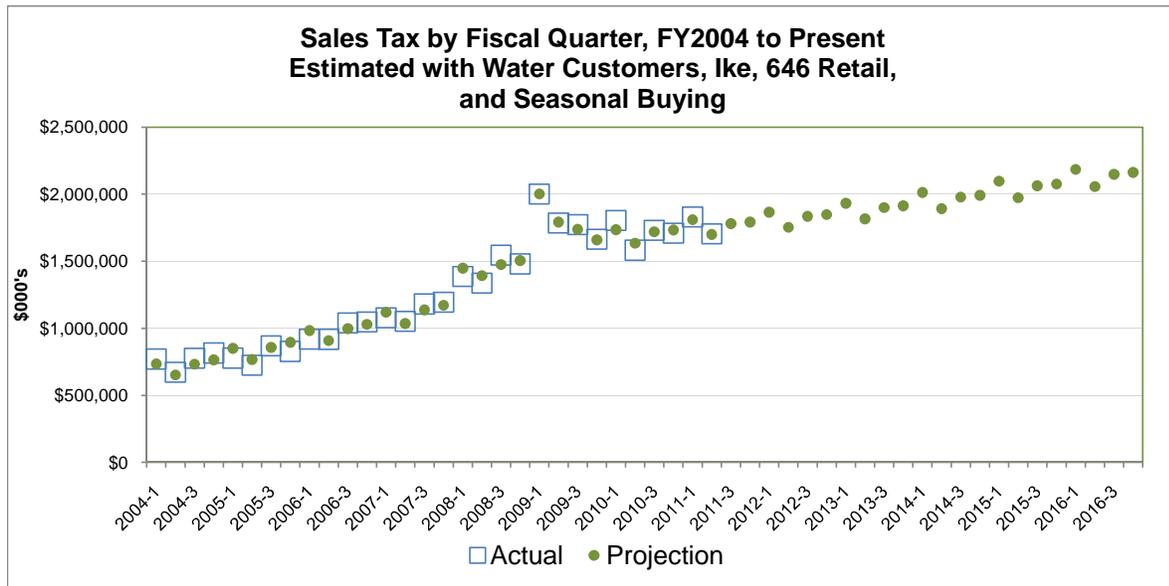
**FY 2012 ADOPTED BUDGET  
REVENUE DETAIL  
DEBT SERVICE FUND**

CATEGORY		FY 2010 ACTUAL	FY 2011 BUDGET	FY 2011 ESTIMATED	FY 2012 ADOPTED
<b>Property Taxes:</b>					
401-01-00	Current Taxes	11,428,786	11,652,900	11,531,000	12,102,000
401-02-00	Delinquent Taxes	116,273	150,000	148,000	155,000
401-03-00	Penalty & Interest	99,674	108,200	107,000	112,000
<b>Property Taxes Subtotal</b>		<b>11,644,733</b>	<b>11,911,100</b>	<b>11,786,000</b>	<b>12,369,000</b>
<b>Interest Income:</b>					
555-00-00	Interest Income	23,161	40,000	23,000	23,000
555-09-00	Interest Income - Texstar	906	3,500	500	500
<b>Interest Income Subtotal</b>		<b>24,067</b>	<b>43,500</b>	<b>23,500</b>	<b>23,500</b>
<b>Transfers:</b>					
599-00-00	Transfer from General Fund	0	644,800	644,800	150,000
<b>Transfers Subtotal</b>		<b>0</b>	<b>644,800</b>	<b>644,800</b>	<b>150,000</b>
<b>DEBT SERVICE FUND REVENUE DETAIL</b>		<b>11,668,800</b>	<b>12,599,400</b>	<b>12,454,300</b>	<b>12,542,500</b>

**FY 2012 ADOPTED BUDGET  
SALES TAX MODEL CALCULATIONS**

Multiplier	-949418	86.46	31468	193625	1331		
Fiscal Year-Quarter	Actual COLC Sales Tax on 1% Base	Total COLC Water Customers	Christmas Season Adjustment Variable	646 Retail Corridor Variable #2	Allison/Ike Related Sales Variable #2	Model's Estimated Tax	Est (Over)/ Under Actual
2004-1	\$770,971	18,837	1.68	0.00	0.00	\$732,095	\$38,876
2004-2	\$671,849	19,111	(1.68)	0.00	0.00	\$650,053	\$21,796
2004-3	\$776,547	19,439	0.00	0.00	0.00	\$731,278	\$45,269
2004-4	\$816,185	19,820	0.00	0.00	0.00	\$764,219	\$51,966
2005-1	\$777,990	20,169	1.74	0.00	0.00	\$849,148	(\$71,158)
2005-2	\$723,932	20,480	(1.74)	0.00	0.00	\$766,528	(\$42,596)
2005-3	\$868,759	20,881	0.00	0.00	0.00	\$855,953	\$12,806
2005-4	\$827,671	21,330	0.00	0.00	0.00	\$894,774	(\$67,103)
2006-1	\$918,225	21,700	1.78	0.00	0.00	\$982,777	(\$64,552)
2006-2	\$917,923	22,126	(1.78)	0.00	0.00	\$907,583	\$10,340
2006-3	\$1,039,629	22,512	0.00	0.00	0.00	\$996,970	\$42,659
2006-4	\$1,047,792	22,885	0.00	0.00	0.00	\$1,029,219	\$18,573
2007-1	\$1,077,378	23,281	1.81	0.00	0.00	\$1,120,414	(\$43,036)
2007-2	\$1,051,507	23,616	(1.81)	0.00	0.00	\$1,035,464	\$16,043
2007-3	\$1,181,340	24,139	0.00	0.00	0.00	\$1,137,640	\$43,700
2007-4	\$1,194,700	24,541	0.00	0.00	0.00	\$1,172,397	\$22,303
2008-1	\$1,385,982	24,839	1.87	1.00	0.00	\$1,450,632	(\$64,650)
2008-2	\$1,336,077	25,063	(1.87)	1.22	0.00	\$1,394,906	(\$58,829)
2008-3	\$1,546,038	25,356	0.00	1.22	0.00	\$1,479,084	\$66,954
2008-4	\$1,480,261	25,613	0.00	1.26	0.00	\$1,509,049	(\$28,788)
2009-1	\$2,000,723	25,761	1.87	1.63	262.00	\$2,001,054	(\$331)
2009-2	\$1,784,770	25,885	(1.87)	1.68	178.00	\$1,791,962	(\$7,192)
2009-3	\$1,773,439	26,061	0.00	1.73	76.00	\$1,739,943	\$33,496
2009-4	\$1,663,690	26,300	0.00	1.75	0.00	\$1,663,324	\$366
2010-1	\$1,803,943	26,433	1.91	1.78	0.00	\$1,740,736	\$63,207
2010-2	\$1,582,075	26,643	(1.91)	1.78	0.00	\$1,638,684	(\$56,609)
2010-3	\$1,731,034	26,902	0.00	1.80	0.00	\$1,725,054	\$5,980
2010-4	\$1,708,230	27,057	0.00	1.80	0.00	\$1,738,455	(\$30,225)
2011-1	\$1,830,429	27,191	1.96	1.82	0.00	\$1,815,591	\$14,838
2011-2	\$1,704,205	27,337	(1.96)	1.82	0.00	\$1,704,859	(\$654)
2011-3	\$1,827,464	27,508	0.00	1.82	0.00	\$1,781,321	\$46,143
2011-4		27,652	0.00	1.84	0.00	\$1,797,644	
2012-1		27,735	2.01	1.84	0.00	\$1,868,071	
2012-2		27,884	(2.01)	1.86	0.00	\$1,758,324	
2012-3		28,058	0.00	1.86	0.00	\$1,836,619	
2012-4		28,205	0.00	1.88	0.00	\$1,853,201	
2013-1		28,394	2.07	1.88	0.00	\$1,934,681	
2013-2		28,546	(2.07)	1.90	0.00	\$1,821,418	
2013-3		28,724	0.00	1.90	0.00	\$1,901,947	
2013-4		28,875	0.00	1.92	0.00	\$1,918,875	
2014-1		29,210	2.13	1.92	0.00	\$2,014,865	
2014-2		29,367	(2.13)	1.94	0.00	\$1,898,258	
2014-3		29,550	0.00	1.94	0.00	\$1,981,108	
2014-4		29,705	0.00	1.96	0.00	\$1,998,381	
2015-1		30,086	2.19	1.96	0.00	\$2,100,237	
2015-2		30,248	(2.19)	1.98	0.00	\$1,980,287	
2015-3		30,437	0.00	1.98	0.00	\$2,065,543	
2015-4		30,596	0.00	2.00	0.00	\$2,083,162	
2016-1		30,989	2.26	2.00	0.00	\$2,188,259	
2016-2		31,155	(2.26)	2.02	0.00	\$2,064,248	
2016-3		31,350	0.00	2.02	0.00	\$2,152,226	
2016-4		31,514	0.00	2.04	0.00	\$2,170,277	

**FY 2012 ADOPTED BUDGET  
SALES TAX MODEL CALCULATIONS**



**SALES TAX BY FISCAL YEAR AND CONVERTED FROM 1% TO 1.5%**

Fiscal Year	1% Tax (\$000's)		1.5% Tax (\$000's)		Est (Over)/Under Actual
	Actual	Estimate	Actual	Estimate	
2004	\$3,036	\$2,878	\$4,553	\$4,316	\$237
2005	\$3,198	\$3,366	\$4,798	\$5,050	(\$252)
2006	\$3,924	\$3,917	\$5,885	\$5,875	\$10
2007	\$4,505	\$4,466	\$6,757	\$6,699	\$58
2008	\$5,748	\$5,834	\$8,623	\$8,751	(\$128)
2009	\$7,223	\$7,196	\$10,834	\$10,794	\$40
2010	\$6,825	\$6,843	\$10,238	\$10,264	(\$26)
2011		<b>\$7,160</b>		<b>\$10,740</b>	
2012		<b>\$7,316</b>		<b>\$10,974</b>	
2013		<b>\$7,577</b>		<b>\$11,365</b>	
2014		<b>\$7,893</b>		<b>\$11,839</b>	
2015		<b>\$8,229</b>		<b>\$12,344</b>	
2016		<b>\$8,575</b>		<b>\$12,863</b>	

\$10,990

**FY 2012 ADOPTED BUDGET  
SALES TAX MODEL STATISTICS**

v2.24

Test **Regression - Linear**

Performed by **City Sales Tax v Total Water Customers, 646 #2, Allison/Ike Variable #2, Seasonal Adjustment Var #1**  
mike.loftin

Date **10 August 2011**

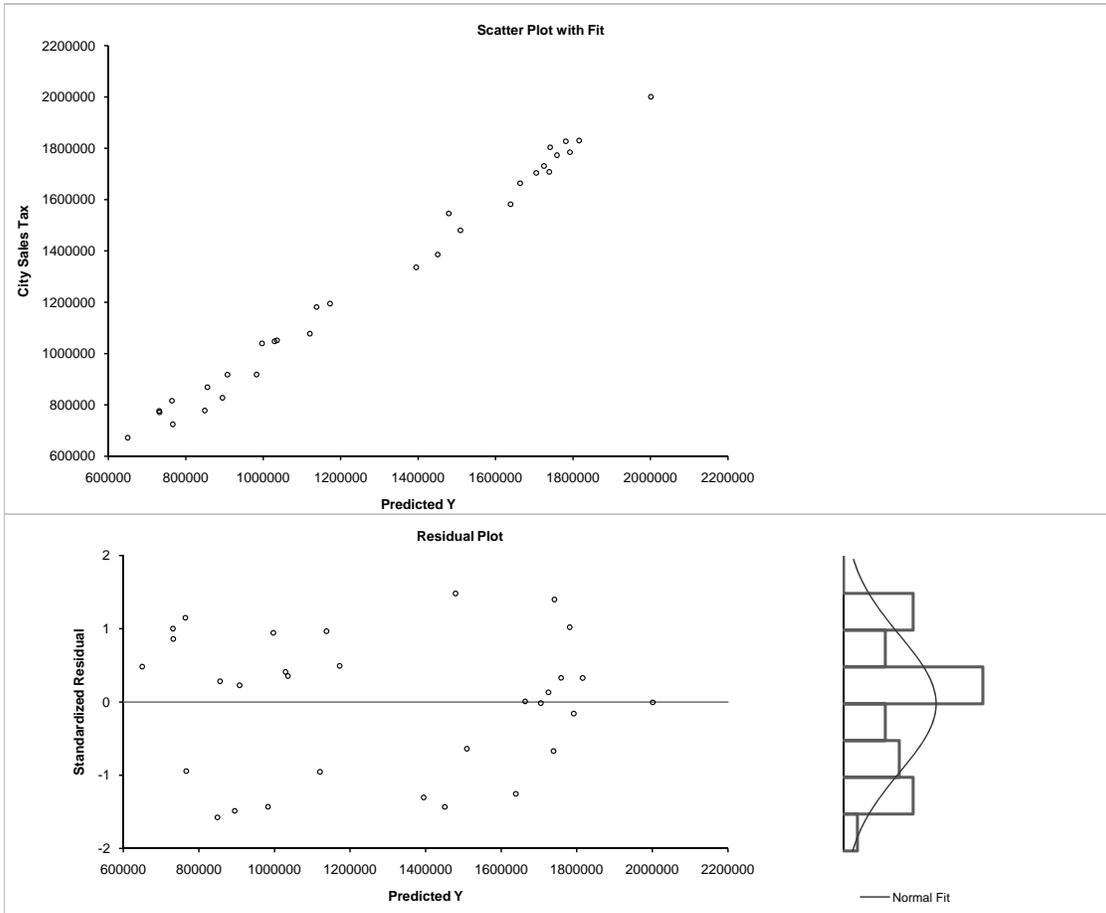
n | 31 (cases excluded: 30 due to missing values)

R<sup>2</sup> | 0.9901  
Adjusted R<sup>2</sup> | 0.9886  
SE | \$45,132.2

Term	Coefficient	95% CI	SE	t statistic	DF	p
Intercept	-949418	-1229014 to -669822	136021	-6.98	26	<0.0001
Total Water Customers	86.46	73.54 to 99.38	6.286	13.75	26	<0.0001
646 #2	193625	149506 to 237744	21464	9.02	26	<0.0001
Allison/Ike Variable #2	1331	1016 to 1645	153.2	8.68	26	<0.0001
Seasonal Adjustment Var #1	31468	18745 to 44190	6189	5.08	26	<0.0001

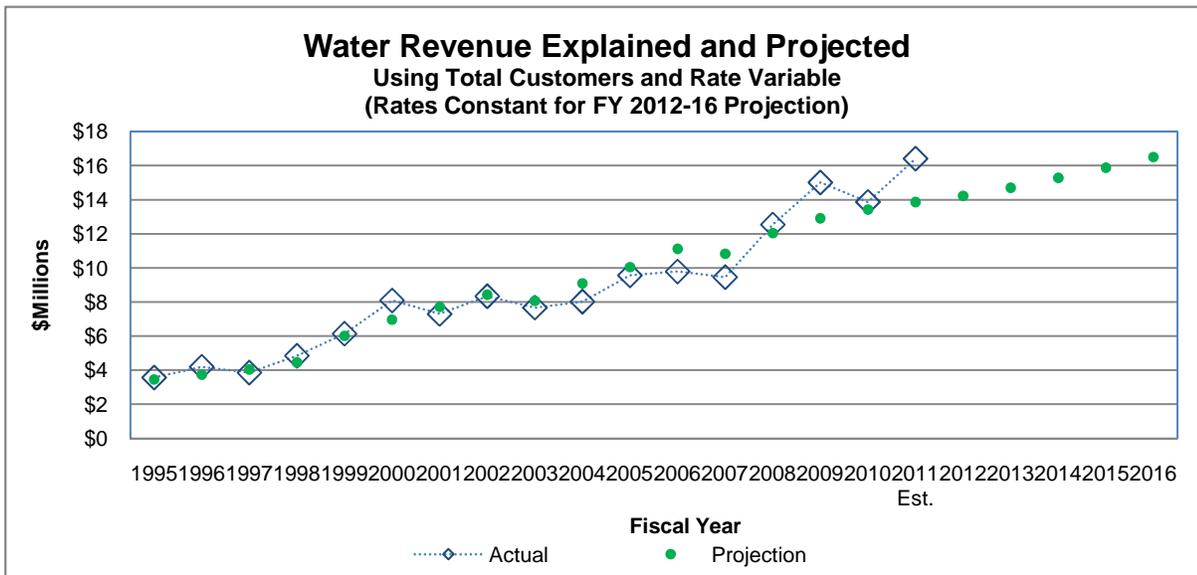
City Sales Tax = -949418 + 86.46Total Water Customers + 193625646 #2 + 1331Allison/Ike Variable #2 + 31468Seasonal Adjustment Var #1

Source of variation	Sum squares	DF	Mean square	F statistic	p
Model	\$5,288,257,976,378.9	4	\$1,322,064,494,094.7	649.05	<0.0001
Residual	\$52,959,904,244.7	26	\$2,036,919,394.0		
Total	\$5,341,217,880,623.6	30			



### FY 2012 PROPOSED BUDGET WATER REVENUE MODEL

FY	Actual Water Revenue	Total Water Customers	Water Rate Factor	Estimated Water revenue	Estimate (Over)/ Under Actual
1995	\$3,571,039	11,492	1.00	\$3,457,000	\$114,039
1996	\$4,198,839	11,894	1.00	\$3,728,000	\$470,839
1997	\$3,864,342	12,350	1.00	\$4,035,000	(\$170,658)
1998	\$4,852,428	12,961	1.00	\$4,447,000	\$405,428
1999	\$6,140,107	13,560	1.26	\$6,012,000	\$128,107
2000	\$8,093,527	14,379	1.35	\$6,958,000	\$1,135,527
2001	\$7,295,072	15,222	1.39	\$7,707,000	(\$411,928)
2002	\$8,342,438	16,297	1.39	\$8,431,000	(\$88,562)
2003	\$7,668,143	17,792	1.08	\$8,073,000	(\$404,857)
2004	\$8,020,733	19,302	1.08	\$9,091,000	(\$1,070,267)
2005	\$9,559,073	20,715	1.08	\$10,043,000	(\$483,927)
2006	\$9,793,462	22,306	1.08	\$11,115,000	(\$1,321,538)
2007	\$9,460,441	23,894	0.78	\$10,830,000	(\$1,369,559)
2008	\$12,535,654	25,218	0.85	\$12,035,000	\$500,654
2009	\$15,013,544	26,002	0.93	\$12,905,000	\$2,108,544
2010	\$13,869,506	26,759	0.93	\$13,416,000	\$453,506
2011 Est.	\$16,411,000	27,420	0.93	\$13,861,000	\$2,550,000
2012		27,970	0.93	\$14,232,000	
2013		28,670	0.93	\$14,703,000	
2014		29,530	0.93	\$15,283,000	
2015		30,420	0.93	\$15,882,000	
2016		31,330	0.93	\$16,496,000	
Constant/ Correlation Coefficients	-8754801	673.8	4468445		



**FY 2012 ADOPTED BUDGET  
WATER REVENUE MODEL STATISTICS**

v2.24

Test | **Regression - Linear**

Water Rev v Total Customers Fiscal Year, Water Rates

Performed by | mike.loftin

Date | 8 August 2011

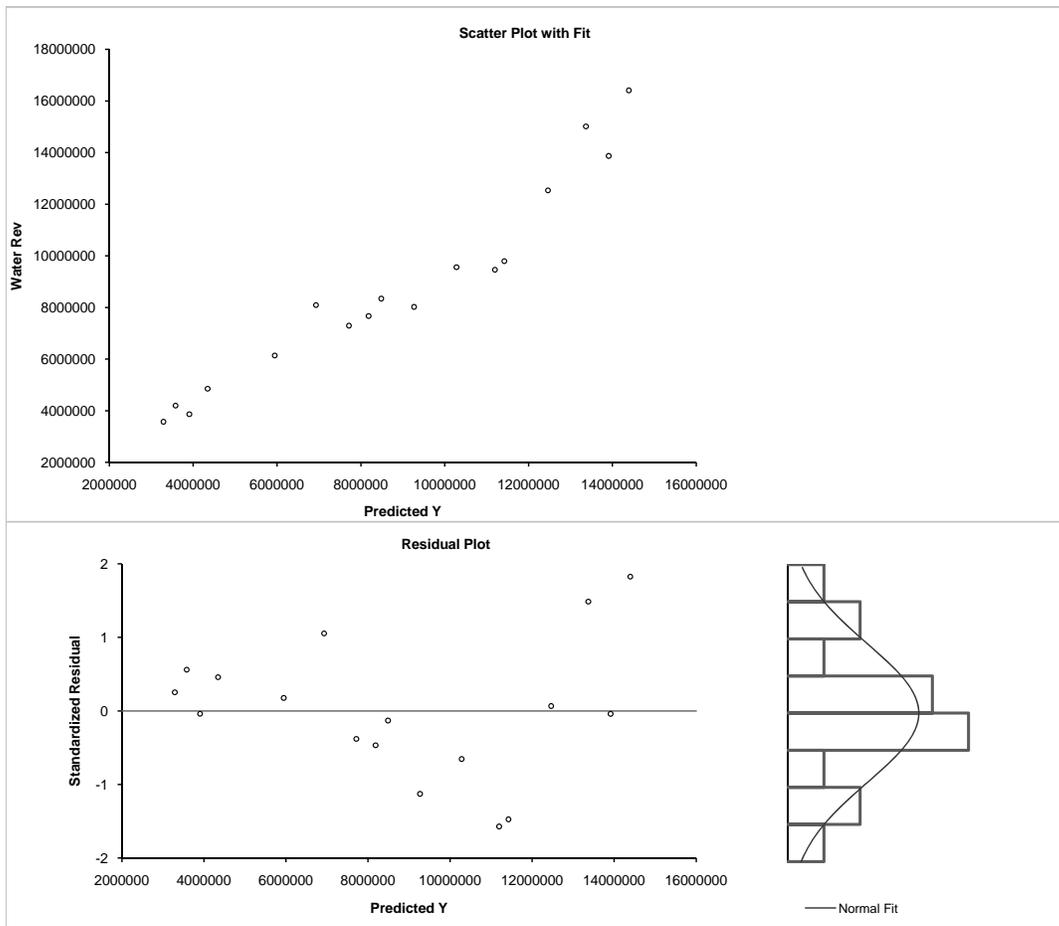
n | 17 (cases excluded: 4 due to missing values)

R<sup>2</sup> | 0.92825  
Adjusted R<sup>2</sup> | 0.91800  
SE | 1,105,675.6

Term	Coefficient	95% CI	SE	t statistic	DF	p
Intercept	-9455383	-15064636 to -3846130	2615297	-3.62	14	0.0028
Total Customers Fiscal Year	717.4	595.6 to 839.3	56.81	12.63	14	<0.0001
Water Rates	4501319	700640 to 8301997	1772055	2.54	14	0.0236

Water Rev = -9455383 + 717.4Total Customers Fiscal Year + 4501319Water Rates

Source of variation	Sum squares	DF	Mean square	F statistic	p
Model	221,419,173,040,409.0	2	110,709,586,520,205.0	90.56	<0.0001
Residual	17,115,258,521,430.6	14	1,222,518,465,816.5		
Total	238,534,431,561,840.0	16			



## ORDINANCE NO. 2011-48

AN ORDINANCE APPROVING AND ADOPTING THE CITY OF LEAGUE CITY, TEXAS, ANNUAL GOVERNMENTAL AND PROPRIETARY FUNDS BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2011 AND ENDING SEPTEMBER 30, 2012; MAKING APPROPRIATIONS FOR CITY OPERATIONS AND CAPITAL PROJECTS FOR SUCH FISCAL YEAR AS REFLECTED IN SUCH BUDGET; AUTHORIZING VARIOUS OTHER TRANSFERS; APPROVING AND ADOPTING THE FY 2012 CAPITAL BUDGET; AND MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the City Manager has presented to the City Council a proposed budget of the expenditures of the City of League City for the fiscal year 2012; and

WHEREAS, pursuant to notice as required by Section 102.006 of the Local Government Code, a public hearing on such budget was held in the Council Chambers, at which hearing all citizens and taxpayers of the City had the right to be present and to be heard, and those who requested to be heard were heard; and

WHEREAS, the City Council has considered the proposed budget and has made such changes therein as in the City Council's judgment were warranted by law and were in the best interest of the citizens and taxpayers of the City; and

WHEREAS, a copy of the budget has been filed with the City Secretary as required by Local Government Code Section 102.005 and 102.008, and the City Council desires to adopt the same.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The facts and opinions in the preamble of this ordinance are true and correct.

Section 2. In accordance with the provisions of Local Government Code Section 102.007, the City Council hereby approves and adopts the budget described above, the same as shown in Exhibit "A" being on file with the City Secretary. The City Secretary is hereby directed to place on such budget and to sign an endorsement reading as follows: "The Original Annual Governmental and Proprietary Funds Budget of the City of League City, Texas, for Fiscal Year 2012" and to keep such budget on file in her office as a public record. In addition, in accordance with Section 102.009 (d), Texas Local Government Code (Vernon's), the City Secretary is hereby directed to file a true copy of the approved Budget in the offices of the county clerks of the counties in which the City is located.

Section 3. The FY2012 Budget for operations shall be administered in accordance with Article VII, Section 5 and 8 of the City Charter as follows:

- a. The Council may transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another, at any time.

- b. The City Manager shall have authority, without Council authority, to transfer appropriation balances from one expenditure account to another within a single office, department, or agency.
- c. At any time in any fiscal year, the Council may, pursuant to Article VII, section 8 of the City Charter, make emergency appropriations to meet a pressing need for public expenditure, for other than regular or recurring requirements, to protect the public health, safety or welfare. Such appropriation shall be by ordinance adopted by the favorable votes of four-fifths (4/5) of the Council members qualified and serving, and shall be made only upon recommendation of the City Manager. The total amount of all emergency appropriations made in any fiscal year shall not exceed two and one-half (2 1/2) per centum of the tax levy for that fiscal year.

Section 4. That the Beginning Fund Balance reflected in the budget for each operating and capital project fund for which a Budget is adopted hereby automatically shall be adjusted to be the amount of the Ending Fund Balance for Fiscal Year 2011 as fully adjusted to reflect the final Comprehensive Annual Financial Report for Fiscal Year 2011 when released, and subsequently automatically shall be adjusted to be the amount of the Ending Fund Balance included in the final Comprehensive Annual Financial Report for Fiscal Year 2011 for each respective fund. The revised Beginning Fund Balance shall thereafter be used to calculate the Fiscal Year 2012 Ending Fund Balance.

Section 5. Approve and adopt the FY 2012 Capital Budget as included in Exhibit B. The Capital Budget will be implemented as follows:

- a. The Capital Budget includes specific projects planned to begin in FY 2012.
- b. Bond sales for FY 2012 will be conducted and proceeds there from will be appropriated in accordance with and in the furtherance of the FY 2012 Capital Budget.
- c. Reports will be provided to City Council quarterly on the status of each project that is a part of the FY 2012 Capital Budget including financial, design, and construction status information.
- d. City Council approval is required to add or delete projects from the Capital Budget as shown in Exhibit B through passage of an ordinance amending the FY 2012 Capital Budget.
- e. Appropriation of capital project funds shall be approved by Council as provided in Attachment C.
- f. Contracts and expenditures for individual projects shall be approved as provided by State law, the City Charter and the City's purchasing policies.
- g. Expenditures of capital funds shall be for projects included in the approved and/or amended FY 2012 Capital Budget.
- h. Funds shall be allocated based on the legal purpose of the capital funds and approval of the responsible party as required under 5(f), provided that the Finance Department shall be authorized to charge expenditures of current projects to older capital funds which expenditures meet the legal purpose of those older capital funds in order to close them out.

Section 6. Appropriation of capital funds to be allocated, committed, encumbered and/or expended in accordance with the FY 2012 Capital Budget is hereby approved as follows:

- a. The capital project funds balances as set forth in Exhibit "C" shall be adjusted automatically as described in and pursuant to Section 4.

- b. By this action, Council hereby appropriates any additional income dedicated by City Council action or state law for capital projects that is received during FY 2012. This includes but is not limited to net proceeds from the sale of municipal bonds as approved and authorized by City Council, interest income, capital recovery fees and additional amounts transferred from City operating funds to be used for capital projects.

Section 7. Funds shall be allocated to individual projects as approved in the FY 2012 Capital Budget when individual contracts are awarded and/or projects are ready for implementation.

Section 8. Funds shall be allocated to individual projects through the normal procurement processes as provided by State Law and City policy.

Section 9. All ordinances and resolutions, and parts of ordinances and resolutions in conflict herewith, are hereby repealed.

PASSED first reading the 13th day of September, 2011.

PASSED second reading the \_\_\_\_ day of \_\_\_\_, 2011.

  
TIMOTHY PAULISSEN  
Mayor

ATTEST:

  
\_\_\_\_\_  
DIANA M. STAPP  
City Secretary

SUSPENDED THE RULE AND ADOPTED ON FIRST AND FINAL READING

**Ordinance No. 2011-048**  
**Exhibit "A"**  
**Page 1 of 2**

**FY2012 Budget Summary**  
**September 13, 2011**

Fund	FY2012 Adopted Expenditures	Fund Balance	Total
<b>General Fund</b>			
Police	14,885,676		
Animal Control	578,222		
Code Enforcement	473,594		
Fire Department	1,297,833		
Emergency Management	334,755		
Fire Marshal	482,877		
EMS	2,219,635		
Fire Drill Field	56,400		
Public Works and Project Management	633,940		
Engineering	710,670		
Streets & Stormwater	4,381,573		
Building	966,400		
Facilities Maintenance	1,621,237		
Traffic System Management	589,880		
Solid Waste Department	2,845,000		
Library	2,024,643		
Parks Operations	1,075,999		
Parks Recreation	652,570		
SportsPlex Operations	364,157		
SportsPlex Recreation	170,550		
Parks Planning & Tourism	250,590		
Budget Office	386,230		
Accounting	1,116,010		
Municipal Court	583,680		
Purchasing	262,900		
Information Technology	1,775,600		
Planning	988,750		
City Manager	654,410		
City Secretary	362,720		
City Attorney	550,000		
Mayor and Council	188,160		
Economic Development	190,020		
Human Resources	1,015,254		
Civil Service	79,030		
Non-Departmental	3,544,649		
<b>General Fund Departments Subtotal</b>	<b>48,313,614</b>		
Appropriation/Transfer of Fund Balance for FY 2012 Capital Budget and Technology Fund	1,518,500		
General Fund Balance		19,141,112	
<b>General Fund Total</b>	<b>49,832,114</b>	<b>19,141,112</b>	<b>68,973,226</b>

**Ordinance No. 2011-048**  
**Exhibit "A"**  
**Page 2 of 2**

**FY2012 Budget Summary**  
**September 13, 2011**

Fund	FY2012 Adopted Expenditures	Fund Balance	Total
<b>Utility Fund</b>			
Public Works and Project Management	177,260		
Water Production	4,977,823		
Wastewater	3,487,240		
Line Repair	2,798,710		
Utility Billing	1,540,545		
Non-Departmental	3,603,208		
Debt Service	11,926,751		
<b>Utility Fund Departments Subtotal</b>	<b>28,511,537</b>		
Utility Fund Balance		16,258,245	
<b>Utility Fund Total</b>	<b>28,511,537</b>	<b>16,258,245</b>	<b>44,769,782</b>
<b>Other Funds</b>			
Debt Service Fund	11,809,900	3,444,552	15,254,452
Police Activity Fund	141,830	511	142,341
Safelight Program Fund	1,404,145	0	1,404,145
Animal Control Donation Fund	40,000	89	40,089
Municipal Building Security Fund	120,046	39,220	159,266
Municipal Court Technology Fund	41,000	815	41,815
Emerg. Mgmt Response Fund	331,007	7,736	338,743
Library Gift Fund	36,000	413	36,413
4B Maint. & Operations Fund	777,500	759,065	1,536,565
Hotel/Motel Tax Fund	151,000	398,720	549,720
Sidewalk Fund	0	320	320
Technology Fund	1,171,000	0	1,171,000
Public Access Channel Fund	80,000	249,907	329,907
<b>Other Funds Subtotal</b>	<b>16,103,428</b>	<b>4,901,348</b>	<b>21,004,776</b>
<b>Total Operating Budget</b>	<b>94,447,079</b>	<b>40,300,705</b>	<b>134,747,784</b>
Motor Pool Fund	1,642,117	1,991,797	3,633,914

NOTE: The Motor Pool Internal Service Fund expense is not included in the Citywide Total above to avoid duplication of the amounts shown as part of the General and Utility Fund budgets that are transfers to the Motor Pool Fund for services. The General Fund Transfer totals \$2,290,177 and the Utility Fund Transfer totals \$519,900.

## Ordinance No. 2011-048

## Exhibit "B"

## Page 1 of 2

FY2012 Approved Capital Budget (\$000's)  
September 13, 2011

Program	Project	Total Project Cost	FY2012 Adopted	Phase
<b>GENERAL FUND</b>				
Police	Communication Equipment	\$1,075	\$1,075	Equipment
	New Police Station and Jail	\$30,100	\$0	Design
	<b>Police Subtotal</b>	<b>\$31,175</b>	<b>\$1,075</b>	
Fire	100' Aerial Quint for West Side	\$1,010	\$1,010	Equipment
	Replace 1993 Pumper, Unit 51	\$605	\$605	Equipment
	<b>Fire Subtotal</b>	<b>\$1,615</b>	<b>\$1,615</b>	
EMS	Facility Expansion and Renovations	\$2,250	\$2,250	Design & Construction
	<b>EMS Subtotal</b>	<b>\$2,250</b>	<b>\$2,250</b>	
Buildings and Facilities	City Hall Renovation	\$5,084	\$666	Construction
	Facilities Modernization & Energy Efficiency	\$784	\$500	Construction
	Public Works Facilities Expansion	\$1,000	\$1,000	Land Acquisition
	<b>Buildings and Facilities Subtotal</b>	<b>\$6,868</b>	<b>\$2,166</b>	
Economic Development	Infrastructure - 19 acres east of BLD	\$4,000	\$2,000	Design & Construction
	Main Street Econ Dev Initiative	\$1,000	\$1,000	Design & Construction
	<b>Economic Development Subtotal</b>	<b>\$5,000</b>	<b>\$3,000</b>	
Streets	Austin - LA to FM270	\$2,113	\$1,688	Construction
	Butler Road Extension	\$1,086	\$0	Design & ROW
	Calder Road - Ervin to LC Parkway	\$4,331	\$834	Design & ROW
	Calder Road - S of Ervin to FM517	\$8,894	\$0	
	Caroline Street	\$277	\$127	ROW/Construction
	Five Corners Realignment	\$7,113	\$1,500	ROW/Construction
	Houston Avenue	\$2,970	\$100	Construction
	I45 Ramp Reversal at FM 518	\$1,250	\$250	Design
	Kansas Avenue - North of FM 518	\$3,510	\$1,012	Construction
	Louisiana Phase 1-3	\$7,096	\$6,525	ROW/Construction
	NPDES Storm Water Plan	\$654	\$204	Year 5
	Right-of-Way Purchase	\$63	\$63	Land Acquisition
	Sidewalk Project	\$133	\$50	Construction
	Texas Avenue - Phase 1 and 2	\$5,125	\$2,319	Construction
	TxDOT FM 646 Widening	\$140	\$140	Construction
	<b>Streets Subtotal</b>	<b>\$44,755</b>	<b>\$14,812</b>	
Drainage	Master Drainage Plan - Phase 2	\$290	\$290	Design
	Robinson Bayou Bank Stabilization	\$2,708	\$2,315	Construction
	Robinson Gully (Shell Side)	\$500	\$85	Land Acquisition
	Stormwater Improvements 2012-2013	\$2,232	\$300	Design
	<b>Drainage Subtotal</b>	<b>\$5,730</b>	<b>\$2,990</b>	
Parks	Clear Creek Paddle Trail	\$165	\$300	Construction
	Compton Oak Tree Relocation	\$300	\$0	Construction
	Countryside - Mag Creek Trail	\$125	\$125	Design & Construction
	Eastern Regional Park	\$16,149	\$29	Construction
	Meadows Water Smart Park	\$1,019	\$407	Construction
	Parks Facilities Renewal	\$472	\$222	Construction
	Phase One Hike and Bike	\$4,998	\$194	Design & Construction
	TxDOT FM 518 Bypass Hike and Bike	\$4,121	\$229	Design & ROW
	Western Regional Park	\$15,385	\$1,400	Land Acquisition
<b>Parks Subtotal</b>	<b>\$42,734</b>	<b>\$2,906</b>		
Traffic	Hobbs/LC Parkway Intersection	\$1,444	\$1,444	Design & Construction
	Traffic System Improvements	\$2,300	\$500	Construction
	Dynamic Message Sign	\$250	\$0	Equipment/Installation
	GPS Opticom System	\$970	\$0	Equipment/Installation
	<b>Traffic Subtotal</b>	<b>\$4,964</b>	<b>\$1,944</b>	
<b>GENERAL FUND TOTAL</b>		<b>\$145,091</b>	<b>\$32,758</b>	

Program	Project	Total Project Cost	FY2012 Adopted	Phase	
<b>UTILITY FUND</b>					
<b>Water</b>	24" and 18" WL parallel LC Parkway and Maple Leaf	\$1,635	\$848	Design	
	24" Distribution Line - FM518 to Alderwood	\$1,199	\$1,199	Construction	
	36" WL SH3 to SSH Booster Plant	\$8,535	\$7,400	ROW/Construction	
	Beamer Road 24" Waterline Extension	\$3,933	\$3,436	Construction	
	Calder Road Pump Station	\$8,025	\$8,025	Design & Construction	
	Countryside Pump Station and Well	\$1,600	\$1,600	Design & Construction	
	Facility Access Control and Security	\$100	\$100	Equipment/Installation	
	FM 646 Widening - I45 to FM 1266	\$1,000	\$500	Construction	
	New East Side Elevated #1	\$3,539	\$3,000	Construction	
	Newport Water Lines	\$1,600	\$170	Design	
	Northside Water Booster Station	\$6,535	\$6,188	Construction	
	Raise West Side Elevated	\$216	\$0	Construction	
	Secondary Water Transmission Line	\$17,000	\$1,700	Design	
	South Shore Harbour Pump Station	\$9,110	\$8,515	Construction	
	Southeast Service Area Trunks	\$4,150	\$611	Design	
	State Hwy 3 Pump Station	\$8,170	\$7,210	Construction	
	True Up Cost SEWPP	\$770	\$770		
	Water Meter Replacement Program	\$10,748	\$5,882	Equipment/Installation	
		<b>Water Subtotal</b>	<b>\$87,865</b>	<b>\$57,154</b>	
	<b>Wastewater</b>	2013 LS Odor Control Rehab Project	\$549	\$57	Design
24" Gravity Line on Calder Road		\$5,449	\$5,273	ROW/Construction	
36" Gravity Sewer North from SWWRF to FW6		\$1,076	\$0		
42" Gravity Sewer Trunk Ext. S. SWWRF to FW6		\$3,151	\$0		
54" Gravity Sewer Trunk Ext. S. SWWRF to FW6		\$3,090	\$0		
Autumn Lakes LS/FM Re-route		\$453	\$103	Design	
Butler Road LS/FM Upgrade		\$2,324	\$2,072	Construction	
Countryside and FW11 LS/FM Upgrade		\$1,399	\$1,179	Construction	
FW10 FM to SWWRF & Countryside Diversion		\$828	\$647	Construction	
Hobbs Lift Station/Force Main/Gravity Sewer		\$600	\$50	Design	
N. Service Area Lift Station, Gravity & Service Lines		\$4,200	\$3,829	Construction	
New Force Main - East Main LS to Harbor Park LS		\$136	\$32	Design	
Re-use Improvements - Phase 1		\$678	\$678	Design & Construction	
Sanitary Sewer Rehab		\$11,059	\$1,500	Construction	
SWWRF 4 MGD and Land Acquisition		\$33,062	\$253	Construction	
Upgrade 10" Force Main to 12" BC LS to Ervin		\$1,461	\$301	Design	
West Main LS/FM Upgrade		\$1,579	\$1,387	Construction	
		<b>Wastewater Subtotal</b>	<b>\$71,094</b>	<b>\$17,361</b>	
		<b>UTILITY FUND TOTAL</b>	<b>\$158,959</b>	<b>\$74,515</b>	
	<b>FY 2012 CAPITAL BUDGET TOTALS</b>	<b>\$304,050</b>	<b>\$107,273</b>		

## Ordinance No. 2011-048

## Exhibit "C"

Page 1 of 1

## FY 2012 CIP APPROPRIATIONS BY FUND

FUND	FY2012
2011 Certificate of Obligation	\$ 20,294,573
2009 Certificate of Obligation	\$ 11,543,337
2008A Certificate of Obligation	\$ 12,712,655
2006A Certificate of Obligation	\$ 929,845
2003A Certificate of Obligation	\$ 861,638
Miscellaneous Capital Project Fund	\$ 5,820,729
Park Facilities & Maintenance Fees Fund	\$ 2,217,163
Right of Way Fund	\$ 246,576
Sidewalk Fund	\$ 132,815
Magnolia Creek TIRZ #1 Fund	\$ 2,440,329
Walker St Bridge Fund	\$ 171,608
<b>Subtotal Tax Supported Programs</b>	<b>\$ 57,371,268</b>
2011 Revenue Bonds	\$ 12,948,970
2009 Revenue Bonds	\$ 35,646,154
2008 Revenue Bonds	\$ 1,443,992
2004 Revenue Bonds	\$ 1,051,503
Utility Capital Project Fund	\$ 5,938,305
Water Capital Recovery Fee Fund	\$ 5,106,641
Wastewater Capital Recovery Fee Fund	\$ 15,914,147
Bayridge Utility Fund	\$ 19,101
<b>Subtotal Revenue Supported Programs</b>	<b>\$ 78,068,813</b>
<b>Total Appropriations</b>	<b>\$ 135,440,081</b>

## ORDINANCE NO. 2011-51

AN ORDINANCE APPROVING AN AD VALOREM TAX RATE FOR THE CITY OF LEAGUE CITY, TEXAS, UPON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012; DIRECTING THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 26.04 of the Texas Tax Code, the City's Tax Assessor/Collector calculated the effective tax rate as described below and submitted the calculations with the appraisal roll to the City Council on September 13, 2011; and

WHEREAS, the effective tax was published in the City's official newspaper on September 6, 2011; and

WHEREAS, the components of the tax rate are:

- (1) \$0.224999 on each one hundred dollars (\$100) of valuation on all property, real, personal, or mixed for the City's debt service fund, and
- (2) \$0.385001 on each one hundred dollars (\$100) of valuation on all property, real, personal, or mixed for maintenance and operations.

WHEREAS, the City Council believes it is in the best interest of the citizens of the City to adopt a combined tax rate of \$0.61 on each one hundred dollars (\$100) of valuation on all property, real, personal or mixed with the component for debt service at \$0.224999 and for maintenance and operation at \$0.385001 and such rates do not exceed the cap of sixty cents (60¢) for operation and maintenance of Article VIII, Section 2A, of the City Charter or the cap under Article VIII, Section 9 of the Texas Constitution.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The facts and opinions in the preamble of this Ordinance are true and correct.

Section 2. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

Section 3. The combined tax rate for the City of League City is \$0.61 on each one hundred dollars (\$100) of valuation on all property, real, personal, or mixed.

Section 4. The component of the combined tax rate that will be used to pay debt service is \$0.224999 on each one hundred dollars (\$100) of valuation on all property, real, personal, or mixed.

Section 5. The component of the combined tax rate that will be used to fund maintenance and operation expenditures is \$0.385001 on each one hundred dollars (\$100) of valuation on all property, real, personal, or mixed.

Section 6. There is hereby levied and there shall be collected for the use and support of the municipal government of the City of League City, Texas a tax for the fiscal year commencing October 1, 2011 and ending September 30, 2012 of \$0.61 on each one hundred dollars (\$100) of valuation on all property, including real estate, personal and mixed, within the territorial limits of the City on the first day of January 2011.

Section 7. Pursuant to Section 11.13 of the Texas Tax Code, an individual who is sixty-five (65) years of age or older, or disabled (which is defined to mean under a disability for the purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance) is entitled to an exemption from the tax levied by this Ordinance upon his residential homestead in the amount of Forty-Five Thousand dollars (\$45,000.00) of the appraised value thereof.

Section 8. Pursuant to Article VIII, Section 1-b of the Constitution of the State of Texas, the City of League City has adopted an ad valorem tax freeze on residence homesteads of the disabled and of individuals age sixty-five (65) years of age or older. Ad valorem tax year 2006 will serve as the base valuation year.

Section 9. Pursuant to Texas Tax Code Section 11.13 (n) and pursuant to the Texas Constitution, all qualified residence homesteads within the City of League City are entitled to a residence homestead exemption in the amount of 10% of the appraised value of the residence for each tax year commencing in tax year 2007.

Section 10. The taxes herein levied shall be a first and prior lien against the property upon which they are assessed and the said first lien shall be superior and prior to all other liens, charges and encumbrances, and this lien shall attach to personal property to the same extent and priorities as to real estate.

Section 11. Should any section, subsection, sentence, provision, clause or phrase be held to be invalid for any reason, such holding shall not render invalid any other section, subsection, sentence, provision, clause or phrase of this Ordinance and the same are deemed severable for this purpose.

Section 12. This Ordinance shall be in effect from and after its final adoption.

Section 13. All ordinances and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

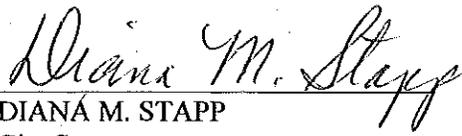
APPROVED first reading the 27th day of September, 2011.

APPROVED second reading the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

PASSED AND ADOPTED the 27th day of September, 2011.

  
TIMOTHY PAULISSEN  
Mayor

ATTEST:

  
DIANA M. STAPP  
City Secretary

SUSPENDED THE RULE AND ADOPTED ON FIRST AND FINAL READING