

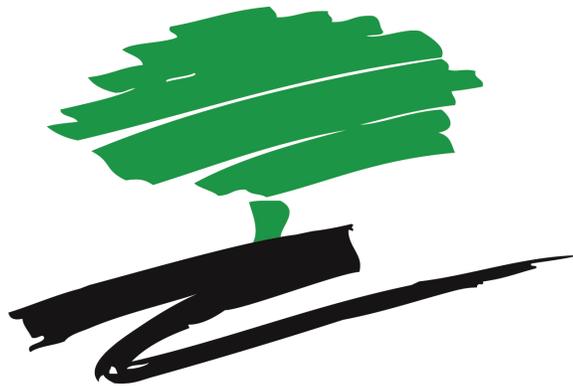


ADOPTED BUDGET FISCAL YEAR 2013



300 WEST WALKER
LEAGUE CITY, TEXAS
LEAGUE CITY.COM

CITY OF LEAGUE CITY, TEXAS



LEAGUE CITY

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FY 2013 Adopted Budget

October 1, 2012 through September 30, 2013

City of League City

ORGANIZATIONAL VALUES

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.

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.

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.

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



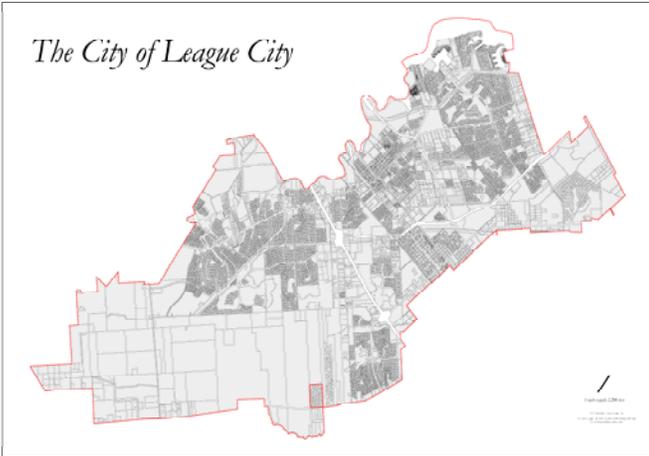
Tim Paulissen
Mayor



Dennis O'Keeffe
Council Position 2



Mick Phalen
Council Position 3



Mike Lee
Mayor Pro Tem



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

CITY MANAGER

Mike Loftin

CITY SECRETARY

Diana Stapp

CITY ATTORNEY

Arnold Polanco

**ASST CITY MANAGER,
PUBLIC WORKS**

John Baumgartner

CHIEF OF STAFF

David Benson

ACTING POLICE CHIEF

Doug Wologo

FIRE CHIEF

Brad Goudie

DIRECTOR OF FINANCE

Rebecca Underhill

**DIRECTOR OF COMMUNICATIONS
AND MEDIA RELATIONS**

Kristi Wyatt

**DIRECTOR OF HUMAN RESOURCES
AND CIVIL SERVICE**

Ilisha Patterson

**DIRECTOR OF
INFORMATION TECHNOLOGY**

Ryan Smith

**DIRECTOR OF PARKS AND
CULTURAL SERVICES**

Chien Wei

**DIRECTOR OF PLANNING
AND DEVELOPMENT**

Tony Allender

Acknowledgements

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

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James Spencer
Stacy Purser
James Fisher
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Dena Mahan
Jack Helton

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Paula Orise
Rebecca Siemens
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Planning & Development Directorate

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Kenneth Farrow
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Suzanne Bucher
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John Lothrop
Angie Steelman
Chris Svahn
Linda Lindquist



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of League City
Texas**

For the Fiscal Year Beginning

October 1, 2011

Linda C. Dandson Jeffrey R. Egan

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, 2011. 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

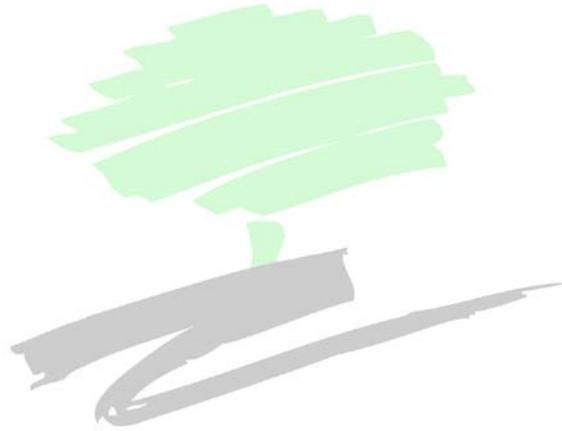
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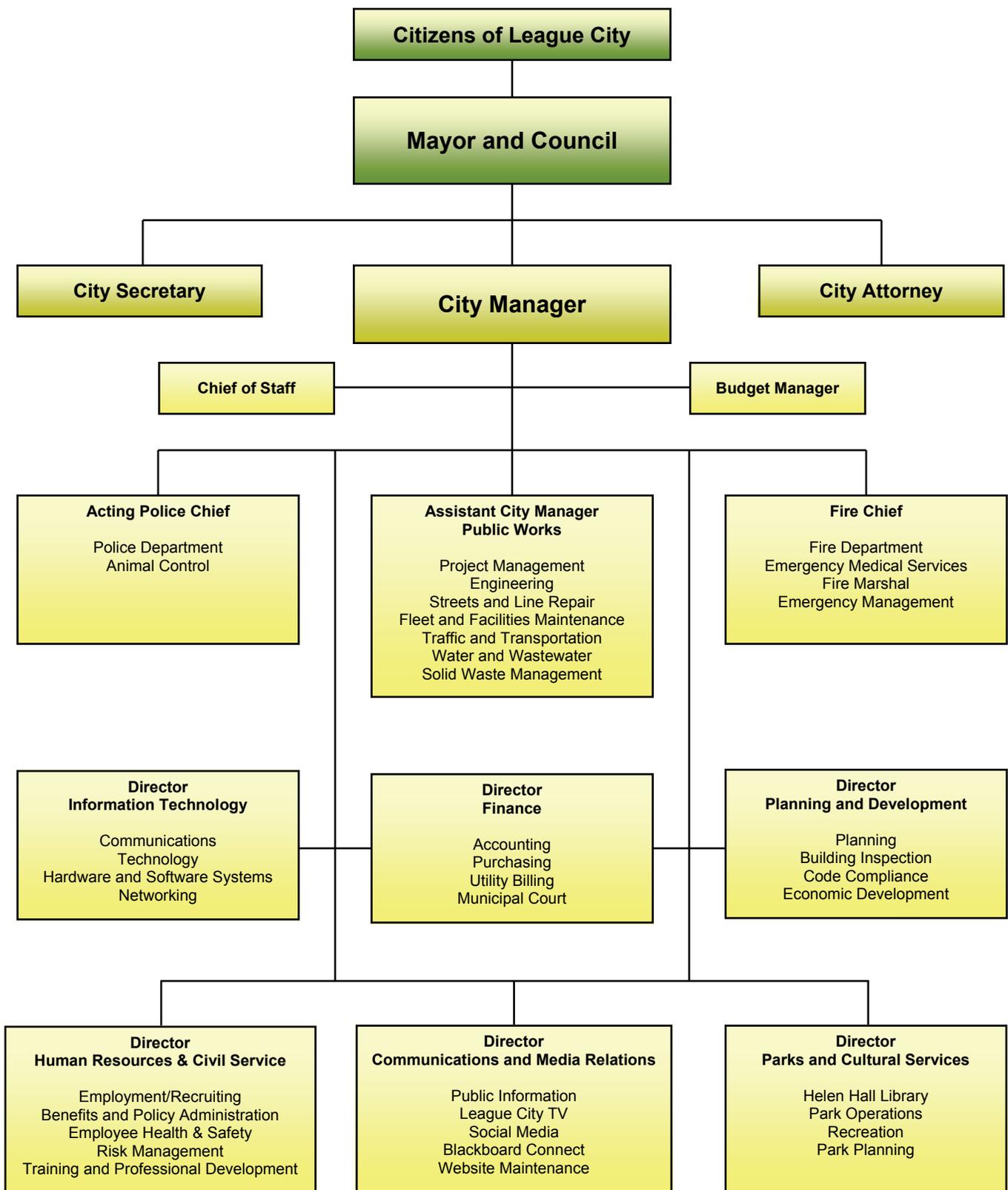


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City of League City Organizational Chart





October 1, 2012

Honorable Mayor and City Council
League City, Texas

Dear Mayor Paulissen and City Council:

The Adopted Budget for FY 2013 is hereby submitted for your review and consideration. It is largely the product of 11 City Council workshops with City staff to identify needs for the coming fiscal year. The priorities you set at the end of that process are preserved in the Adopted Budget. I trust it meets your approval.

The Adopted Budget includes more than \$205 million of investment in City services and infrastructure: including \$96.8 million for operations, \$3.5 million for one-time items funded with excess fund balance (our savings account), and \$105.3 million for capital projects. The Adopted Budget is based on principles reflected in the City's values and Council's goals (for more on this document's alignment with Council goals, please see the chart following this letter):

- **Minimize the financial burden on the City's taxpayers**
 - The Adopted Budget includes a 1.3 cent property tax rate cut, the third year in a row this rate has been reduced. In FY 2011, the rate was reduced from \$0.63 to \$0.616; last year, it was again reduced to \$0.61. This Budget is based on a \$0.597 rate per \$100 of taxable value. The cumulative effect of these reductions will be to have reduced taxes a total of \$102 over three years for the owner of a \$170,000 home.
 - The Budget also holds water and wastewater rates at 2008 levels for the fifth straight year, and demonstrates the City's ability to continue addressing priority water and wastewater system needs within existing and projected revenues.
 - The Budget incorporates anticipated savings for refunding City bonds at lower interest rates; outside of this Budget, we also still have plans to proceed in the near future with refunding of Public Improvement District developer debt that will save property owners substantial amounts on their remaining annual assessments.
 - Economic development is also addressed to diversify the City's tax base with more quality commercial properties that will generate tax revenues and reduce homeowners' tax burden. Working with Council and the Growth and Development Advisory

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Committee, we plan to formulate economic development policy that ensures incentives are market-driven and protect League City taxpayers from undue cost and risk.

- Most importantly, the Budget includes a net gain over FY 2012 of one additional position. This maintains the City's position on a per capita basis as one of the leanest staffed city governments in the area. It also recognizes the quality of City staff and their capacity to meet a growing City's needs without automatic annual increases in every department.

- **Provide a balanced program of quality service**
 - The Adopted Budget provides quantitative measures of performance that allow readers to gauge the City's progress and success in various operating areas. For the third year in a row, departments are providing performance measures as a part of the Budget. These will be monitored throughout the year along with revenue and expenditures.
 - Infrastructure is a key portion of the service delivery formula. This Budget includes funds for \$105.3 million in capital projects that address water, traffic, streets, drainage, police, fire, EMS, parks and libraries. If we do not continue to renew and add to the City's capital stock, then our service delivery will suffer in every major basic service area. The Adopted Budget accomplishes this while minimizing taxpayers' financial burden.
 - Customer service will be a primary focus across the City in FY 2013. This will include creation of new employee recognition opportunities, increased emphasis on the 311 system as a means of tracking and resolving constituent concerns, and implementation of guidelines for interactions with customer, whether by phone or e-mail or in the field. We must continue to develop courtesy and responsiveness as fundamentals of our approach while setting a foundation for healthy, productive communications between the City and its customers.

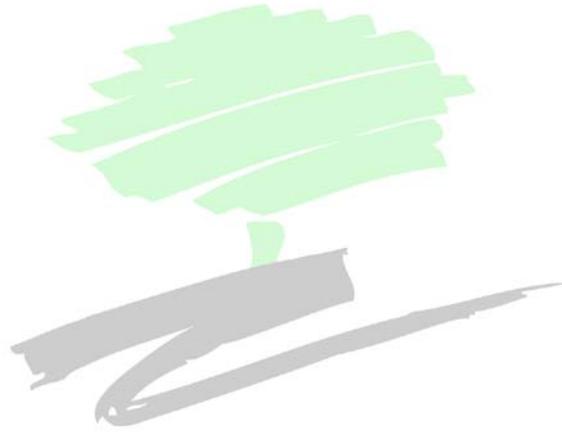
- **Make annual decisions that can be sustained over the long term**
 - This is the "do no harm" principle: This Adopted Budget addresses needs in major areas that could become a problem if left unaddressed.
 - Water supply, our most critical issue, is addressed with a strategy of adding incrementally to this most basic element of our existence at a rate we can afford.
 - Employee compensation is adjusted, providing salary increases in line with market conditions while scaling back portions of the health benefits plan to more closely mirror packages offered by neighboring cities and the surrounding labor market.
 - Financial reserves are maintained at levels that provide a necessary cushion against the likelihood that we will face another major tropical storm or comparable emergency at some point in the foreseeable future. Operating reserves are maintained to cover 90 days of operations and Debt Service reserves meet legal requirements.
 - We continue to care for existing City assets: City facilities, technology, and fleet renewal and replacement are addressed so as to support efficiency of City operations now and in the future.
 - Long-term debt is planned and structured for affordability and annual review. As our long-term financial planning considers local and national economic factors, the annual budget that derives from this long-term plan allows the Council to re-evaluate the City's position each year and ensure that the City continues to live within its means.

We are creating a customer friendly, responsive, innovative and financially responsible government. This is a marathon, not a sprint. The City's management team is committed to seeing this effort through. Thank you for your assistance in the preparation of this budget for fiscal year 2013.

Sincerely,



Michael W. Loftin
City Manager



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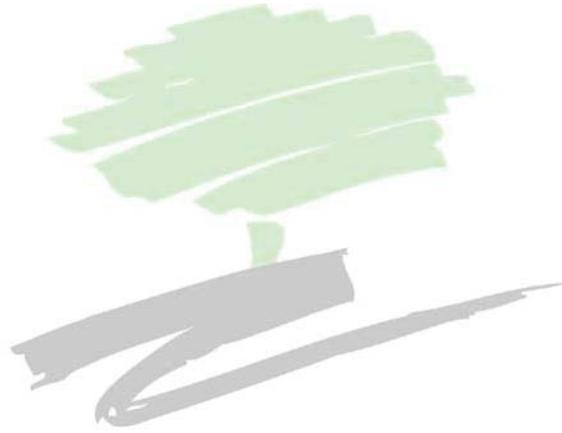
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**FY 2013 ADOPTED BUDGET
COUNCIL GOALS**

STRATEGIC AREA/GOALS	BUDGET INITIATIVES
<i>Sustainable Growth and Economic Development</i>	
Encourage desired retail and office development with incentives that are performance-based and provide a clear return on the City's investment	The operating budget includes funds for economic development research, marketing and recruitment. The CIP includes funding for infrastructure improvements to be financed with revenue streams from new development
Embrace the recreational lifestyle brand, building and marketing the community to attract and retain residents, businesses and visitors	The Hotel Occupancy Tax budget is based largely upon strategic and focused promotion of brand and tourism activities, promotion of events with a regional draw; the CIP includes physical improvements, such as trails, that build the brand
Accommodate moderate growth in line with infrastructure capacity	The CIP includes strategic investment in infrastructure with particular emphasis on building water capacity. New Capital Recovery Fees are anticipated that complement the Water and Wastewater Master Plans. Steps will be taken in accordance with Council efforts to confirm/establish strategies for growth
Promote development of "catalyst projects" in the vicinity of Main Street, the *-45 corridor (Entertainment District) and South Shore Harbor	The CIP includes design and construction of a first phase of catalyst projects recommended in the Main Street Implementation Plan and proposes improvements in the Entertainment District through development financed funding
<i>Community Services</i>	
Provide police, fire, EMS and emergency management services in a manner that protects lives and property while establishing a community sense of safety -- people should be safe and feel safe	The CIP includes major investment in a new public safety building, as well as upgrades to fire and EMS stations. The operating budget includes a full year of funding for 10 public safety personnel first approved in FY 2012, along with dispatchers and paramedics for a third ambulance, and funding for an EMS training officer
Ensure a safe, reliable and sustainable supply of potable water that meets projected demand	The CIP includes funding for the City's share of the Highway 3 water line replacement with the City of Houston as well as a major water reuse project in coordination with GCWA for an additional five million gallons per day; completion of the Beamer water line to capture the already-available 5 MGD is also slated for FY 2013 completion in the CIP
Create a well-connected system of streets, trails and sidewalks that moves people and goods in a safe, efficient and convenient manner	The CIP includes an ongoing street and stormwater maintenance program, and continues extensive street and trail improvements in accordance with the Master Mobility Plan and the Master Trails Plan
Develop stormwater management systems that protect natural resources and safeguard lives and property against flooding	Neighborhood drainage concerns are addressed in "hot spot" areas including the Historic District and Shellside; the operating budget also includes funds for routine maintenance of ditches and storm sewers
Promote public health and safety by encouraging and facilitating compliance with City codes and ordinances	Funding is increased for removal of dangerous structures, as well as for training of front-line staff engaged in code compliance and issuance of building-related permits
Support the educational needs of families through partnerships with educational institutions and by establishing the library as a center that promotes lifelong learning	Physical improvements to Helen Hall Library will allow for renovation of existing space to better accommodate library users
Utilize the parks system to enhance and support the recreational lifestyle brand	The operating budget includes full funding for operation of the Eastern Regional Park as well as expansion of trails identified in Phase 1 of the Trails Master Plan

**FY 2013 ADOPTED BUDGET
COUNCIL GOALS**

STRATEGIC AREA/GOALS	BUDGET INITIATIVES
<i>Organizational Development and Culture</i>	
Increase public participation in City and community affairs by expanding public awareness and understanding of key City issues and initiatives	The operating budget includes funding for a new staff position in Animal Control focused on outreach, pet adoption and volunteer engagement
Create a culture in which the right things are done the right way the first time and every time, and in which employees are empowered to do their jobs without fear of undermining or unwarranted criticism	"World class customer service" is emphasized through expanded training, as well as rewards in the form of performance-based incentives for operating groups and individuals
Attract and retain a skilled and diverse workforce by providing a competitive, market-based and performance-driven package of compensation and benefits that promote financial security and control costs	Salaries, benefits and the overall compensation package are ADOPTED to be adjusted in line with the market while continuing to maintain participation in the TMRS at the current rate
Promote effective two-way communication between the City and constituents, sharing information in a manner that is easy to understand and use while making it easy for citizens to provide feedback that makes a difference	Improved communications activities include plans for a website redesign, City responsibility for economic development and tourism sites, and funding for digital signage to be placed in high-visibility areas; Performance measurement and management system are to be highlighted as a means of describing progress for Council and constituents
<i>Fiscal Responsibility and Stewardship</i>	
Plan and fund long-term capital improvements that anticipate and accommodate economic growth and community needs	The Capital Improvements Plan and the Operating Budget have been developed based upon an extensive Long Range Financial Forecast and long term projections to support debt
Emphasize best value in budgetary decision-making	The Capital Improvements Plan and the Operating Budget represent the will and priorities of City Council while also placing emphasis on both qualitative and quantitative means of making budgetary decisions. The result has effectively reduced cost without reducing services
Make short-term budgetary choices that are sustainable and affordable in light of long-term income estimates	The Capital Improvements Plan and the Operating Budget successfully addressed compensation and benefits, staffing, facilities and infrastructure renewal and replacement, as well as technology and fleet management. At the same time, it utilizes \$3 million in general fund balance to pay down debt and effect a 0.03 cent reduction in the tax rate
Pursue efficiencies through technology, resource conservation, and partnerships that reduce costs and/or improve services	The budget proposes to complete projects funded in the Technology Fund and also retools the methodology for long term projections of fleet replacement



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FY 2013 ADOPTED BUDGET CITYWIDE SUMMARY

Overview

The \$204.6 million FY 2013 Adopted Budget includes \$95.8 million for expenditure on City services, \$105.3 million for capital projects, and \$3.5 million for one-time uses of fund balance. [Note: The Adopted Budget is a document specifically required by State law that of necessity includes some transfers among City funds that therefore represent double counting of the same items. Examples include the appropriation of fund balance for one-time CIP items that end up in both parts of the FY 2013 Adopted Budget.]

Operations are being increased by \$4.9 million from the FY 2012 Adopted Budget of \$91.9 million and \$4.1 million from the estimated final spending amount for FY 2012 of \$91.7 million. Significant reasons for this include the net cost of opening the Eastern Regional Park (\$295,000), increased debt service payments, net of savings from refunding old debt (\$2.6 million), compensation increases for City employees (\$1.3 million), and the net cost of new positions versus eliminated positions and/or positions vacant for a significant portion of FY 2012 (\$1.6 million).

Total City revenue is \$94.3 million, \$0.3 million less than is estimated to have been collected in FY 2012. The Adopted Budget includes a 1.3 cent property tax decrease that reduces revenue by \$728,000 with new construction in the City bringing in \$711,000 property tax. Water rates are adopted to remain constant in FY 2013, the fifth year the current rates have been in effect. A general growth rate of 2.3% 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 \$49.35 million or \$313,000 and 0.6% more than the FY 2012 Amended Budget. Adopted General Fund revenue is based on the reduced overall property tax rate of \$0.597, and a reduction in the maintenance and operations portion of the rate from approximately \$0.385 to \$0.375 per \$100 of taxable value. The Adopted General Fund budget uses no fund balance to fund operating costs, includes an adopted appropriation from fund balance for \$2.5 million for cash funded CIP projects (\$2.06 million) and one-time operating needs in accordance with priorities preliminarily agreed to by City Council. The FY 2013 ending fund balance for the General Fund is projected at \$12.85 million or 95 days of operating expenses. The General Fund is projected to end FY 2012 with 115.6 days of working capital after an anticipated appropriation of \$3 million from General Fund balance to pay down debt via an August sale of refunding bonds.

Utility Fund

The FY 2013 Adopted Budget for the Utility Fund is \$30.4 million, including operations, debt service for bonds used to build water and wastewater project, and appropriation of fund balance for capital projects. This is \$1.6 million larger than the FY 2012 Budget and Estimated, or a 5.5% increase. Roughly 65% of this increase, or \$1.05 million, is attributable to an increase in debt service payments to new bonds to be issued in support of the FY 2013 water and wastewater CIP. The Utility Fund is expected to end FY 2013 with a \$17.3 million fund balance, \$9.2 million of which is required to cover legally required debt service reserves and 90 days of operating expenses. The

excess fund balance of \$8.1 million can provide the means to avoid future water rate increases for several years as demonstrated in five year projections shown in the Budget and CIP.

Debt Service Fund

The Debt Service Fund's FY 2013 Adopted Budget for expenditures is \$13.28 million, a \$1,540,000 increase over FY 2012. This increase is attributable to new bonds anticipated to be sold in August 2012 for the new public safety building and other tax-supported capital projects. The ending fund balance of \$2.7 million is \$800,000 less than FY 2012, but this has been anticipated for several years by a build-up of reserves to ease the transition to paying the aforementioned bonds in FY 2013. Because of the refunding mentioned earlier, and the inclusion of the \$3 million fund balance in that refunding, the Adopted Budget features a three-tenths of one cent reduction in the debt service portion of the property tax rate. The FY 2013 adopted property tax rate is \$0.222 compared with last year's \$0.225 per \$100 of taxable value.

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. Total spending in the FY 2013 Adopted Budget for the Special Revenue Funds is \$3.7 million, \$1.1 million more than in FY 2012. The 4B Maintenance and Operations Fund includes \$400,000 of this increase as the direct result of the opening and full year's operations of the Eastern Regional Park in FY 2013. Projects funded in the FY 2012 Budget from the General and Utility Funds are expected to be implemented in FY 2013, accounting for \$309,000 of the increase. The balance of the increase includes \$100,000 in the Hotel Occupancy Tax Fund, \$138,000 in the Emergency Response Fund, and \$100,000 for a new special fund established to provide a means of collecting payments from other jurisdictions who are members of the city's public safety system consortium.

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 2013-2017 Adopted Capital Improvement Plan includes \$105.2 million in projects, the vast majority of which is infrastructure and public safety.

FY 2013 CIP BY PROGRAM (\$Millions)



**FY 2013 ADOPTED BUDGET
FUND SUMMARY BY YEAR**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
BEGINNING FUND BALANCE				
General Fund	21,281,645	20,342,175	20,342,175	15,364,299
Utility Fund	17,903,333	19,421,509	19,421,509	18,805,812
Debt Service Fund	2,128,323	2,733,383	2,733,383	3,517,383
Special Revenue Funds	1,531,567	2,403,850	2,403,850	3,075,506
TOTAL	42,844,868	44,900,918	44,900,918	40,763,001
REVENUE				
General Fund	48,543,246	49,037,500	49,637,350	49,382,450
Utility Fund	30,791,024	27,141,000	28,182,900	28,911,900
Debt Service Fund	12,470,579	12,542,500	12,528,000	12,481,000
Special Revenue Funds	3,385,036	4,292,010	4,366,245	3,528,330
TOTAL	95,189,885	93,013,010	94,714,495	94,303,680
EXPENDITURES				
General Fund	47,360,691	52,038,214	48,500,406	49,351,698
Utility Fund	29,272,848	28,847,237	28,798,597	29,385,517
Debt Service Fund	11,865,519	11,809,900	11,744,000	13,281,000
Special Revenue Funds	1,481,693	4,127,888	2,640,884	3,696,260
TOTAL	89,980,751	96,823,239	91,683,887	95,714,475
REVENUES OVER/(UNDER) EXPENDITURES				
General Fund	1,182,555	(3,000,714)	1,136,944	30,752
Utility Fund	1,518,176	(1,706,237)	(615,697)	(1,473,617)
Debt Service Fund	605,060	732,600	784,000	(800,000)
Special Revenue Funds	1,903,343	164,122	1,725,361	(167,930)
TOTAL	5,209,135	(3,810,229)	3,030,608	(2,410,795)
APPROPRIATION OF FUND BALANCE				
General Fund	2,122,025	3,114,820	6,114,820	2,543,900
Utility Fund	2,321,000	1,000,000	1,000,000	1,000,000
TOTAL	4,443,025	4,114,820	7,114,820	3,543,900
ENDING FUND BALANCE				
General Fund	20,342,175	14,226,641	15,364,299	12,851,151
Utility Fund	19,421,509	17,715,272	18,805,812	17,332,195
Debt Service Fund	2,733,383	3,465,983	3,517,383	2,717,383
Special Revenue Funds	3,434,910	2,567,972	4,129,211	2,907,576
SUBTOTAL	45,931,978	37,975,869	41,816,706	35,808,306
Motor Pool Fund	728,196	1,839,156	1,840,783	2,174,143
TOTAL WITH MOTOR POOL FUND BALANCE	46,660,174	39,815,025	43,657,489	37,982,449

OPERATING AND CAPITAL BUDGET SUMMARY

	FY 2012 ADOPTED BUDGET	FY 2013 ADOPTED
OPERATING BUDGET	91,928,579	95,714,475
APPROPRIATION OF FUND BALANCE	2,518,500	3,543,900
CAPITAL BUDGET	107,273,000	105,334,049
GRAND TOTAL FY 2013 BUDGET	201,720,079	204,592,424

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 2013 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, operations 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 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 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 and Utility 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 2013.

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, each department requests what is necessary to run their department, along with any new requests that they feel are necessary. These items are reviewed by the city manager, directors, and budget office before they are brought to the Mayor and City Council.

This budget document includes missions, summaries, accomplishments, objectives, performance measures and staffing levels for each department. It 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 as well as 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 City Manager or 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.

FY2013 Budget Calendar

January	Mayor and Council set Council Goals
March	CIP Team compares Master Plans to FY2012-2016 CIP and note changes needed in FY2013-2017 CIP
March 26 – April 2	Project Management Office meets with individual departments to determine FY2012 project status and FY2013-2017 project needs
April 12	Distribution of Budget Manual/Schedule to departments
April 13	CIP Project information due to Project Management Office
April 16 -27	Budget Office meets with each department individually to complete re-estimates for FY2012 and begin submission of departmental FY2013 budget requests
April 16 – 27	Budget Office compiles and prepares FY2013-2017 Long Range Financial Forecast
April 30	Departments request forms for additional personnel, equipment, vehicles, and IT related items from the Budget Office
May	CIP team presents citywide priority to Budget Office for financing and meets with City Manager to set citywide priority
May 10	FY2013-2017 LRFF presented to Council
May 7 -25	Departments prepare and compile FY2013 Budget Request Forms along with FY2013 Performance Measures and FY2012 Achievements/FY2013 Goals
May15 – July 2	Department CIP and Budget Workshops with Council
May 18	Requests for additional personnel, equipment, vehicles, and IT related items due to Budget Office
May 25	FY2013 Budget Request Forms, FY2013 Performance Measures and FY2012 Achievements/FY2013 Goals due to Budget Office
May 28 – June 8	Budget Office compiles FY2013 Budget Request Forms and prepares FY2013 Proposed Budget
June 11-22	City Manager and Budget Office review and meet with individual departments on FY2013 budget requests
June 25 –July 31	City Manager and Budget Office finalize FY2013 Proposed Budget
June 25	CIP priorities packet provided to Council
July 9	Budget priorities packet provided to Council
July 17-18	CIP and Budget priorities workshop with Council
August 6 th	FY2013 Proposed Budget Delivered to Council
August 21-22	CIP and Budget workshops with council as requested and if needed
August 28 th	FY2013 Proposed Budget Public Hearing and first reading to adopt the FY2013 Operating and Capital Budget
September 11 th	Second and final reading to adopt the FY2013 Operating and Capital Budget and first reading to adopt the tax rate
September 28 th	Second and final reading to adopt the tax rate
December 1	Submit budget to GFOA – deadline of December 11

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."

FY2013 ADOPTED BUDGET ECONOMIC OUTLOOK

Economic Overview

League City's economy, 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 surpassed that of the Houston metropolitan area.

Most recently in 2010, the job losses at NASA's Johnson Space Center have become a primary concern for League City's economy. Those losses began in the spring of 2010 and continued through 2011, with an apparent effect on League City's annual growth rate. Since the summer of 2010, the City has experienced annual growth between 2.2-2.3%, as measured by water customers, and new home construction permits. This annual rate of growth is the primary economic assumption for the FY 2013 Adopted Budget.

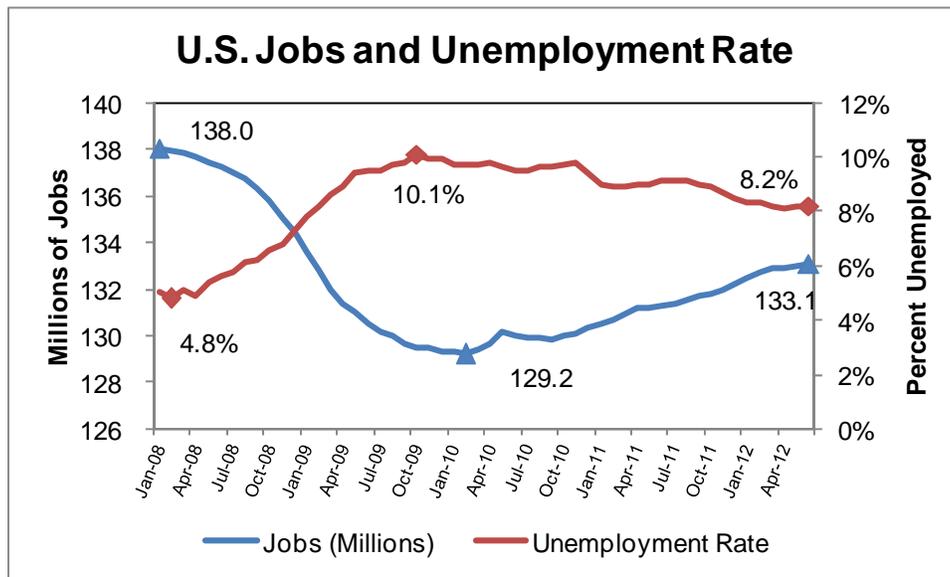
Beyond local concerns about NASA, the overriding concern is the potential for major economic downturns in Europe and Asia that could affect the U.S. economy, and impact the region. The national recovery is far from robust, but is maintaining a slow pace of job creation. Regional job growth has recovered all of the jobs lost to the 2008-2009 downturn. Local prospects for growth are bright, at least in the near term, with continued sluggishness apparently resulting from the lingering effects of the NASA cuts.

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%.

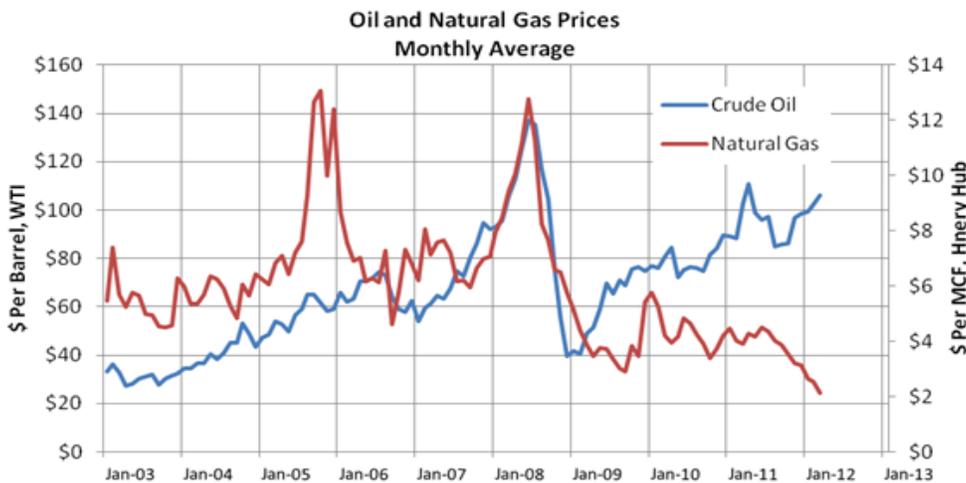
In January 2008, the national unemployment rate was 4.8%, and 138 million Americans were working in non-agricultural jobs (Source: U.S. Bureau of Labor Statistics and University of Houston Institute for Regional Forecasting). Unemployment peaked at 10.1% in October 2009, and the number of jobs bottomed out at 129.2 million in February 2010. Now, the recovery has produced 3.6 million jobs, less than half of the 8.8 million jobs lost in the national recession, and the rate of the recovery is a major source of concern.

The Federal budget and trade deficits are also continuing sources of concern. Hopes for a solution to the budget deficit rest with the outcome of the fall elections as neither side appears to be willing to compromise on a bipartisan solution. At the same time, the Federal Reserve Board's continued incursion into the economy with the acquisition and holding of questionable assets remains a cloud over the national economy. Interest rates are low, but the benefits that should result from such low rates are not being realized. Businesses are reluctant to expand using credit in part because of lack of confidence, and individuals are unwilling or unable to buy first-time or larger homes.



Outside of the employment picture, signs of national recovery have weakened recently. Improvement continues to be slight and the results are mixed:

- Economic growth as measured by U.S. Gross Domestic Product grew at an estimated rate of 1.7% in 2011, slower than the 3.0% rate for 2010;
- The stock market’s Dow Jones Industrial Average has recently grown back to the 13,000 level after dropping in June to 12,200;
- Oil prices recently have dropped to the low \$80’s but gasoline prices remain high, affecting the cost of consumer goods across the board;
- Interest rates have fallen to historically low levels, but are expected to increase gradually over time;
- Home prices continue to show instability, a significant portion of home owners nationally remain “upside-down” with mortgage loan balances greater than the market value of their home, and foreclosures remain at high levels; and
- In spite of continuing trade deficits, U.S. exports and industrial production remain strong, aided in large part by the historically low value of the U.S dollar.



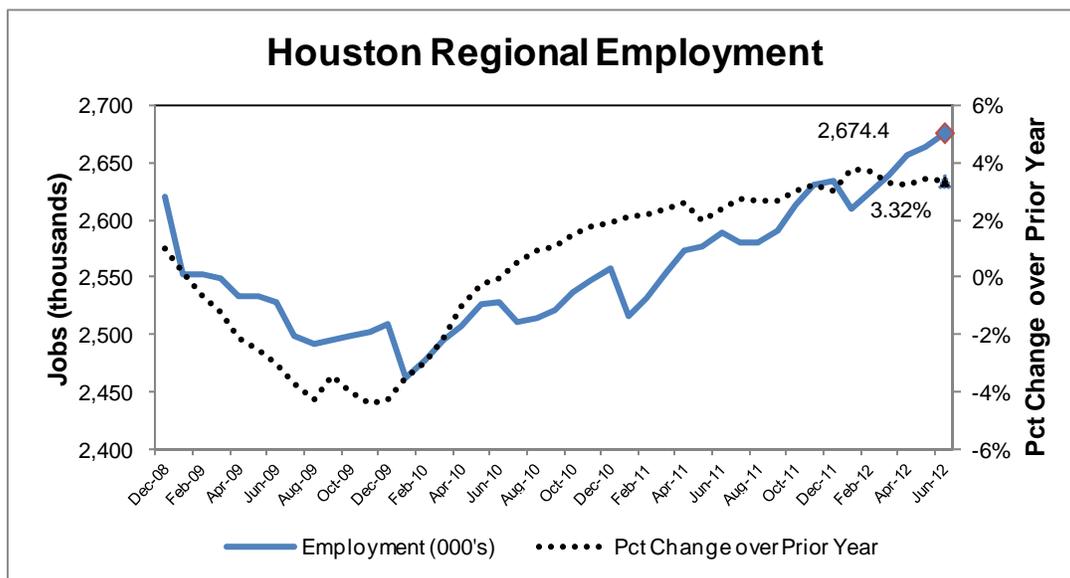
Source: U.S. Energy Information Administration

Several factors continue to dominate the national economic outlook. In light of the sluggish rate of job growth, the size of the federal deficit, and the continued difficulty in Washington to come to a bipartisan long-term solution, the prospects for anything better than a long (e.g. seven-ten years) recovery remain 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 rebounded in impressive fashion.

Employment is the key measurement of local economic activity for businesses and individuals. In January of 2010, the Houston area had 2,463,500 jobs, losing 156,000 jobs from the peak of 2,619,500 reached in December of 2008. After this loss, the largest since the mid-1980's recession, the area rebounded by adding 210,900 jobs in thirty months through June 2012. At the present time, area employment has been growing at an annula rate of over 3% since January of 2012.

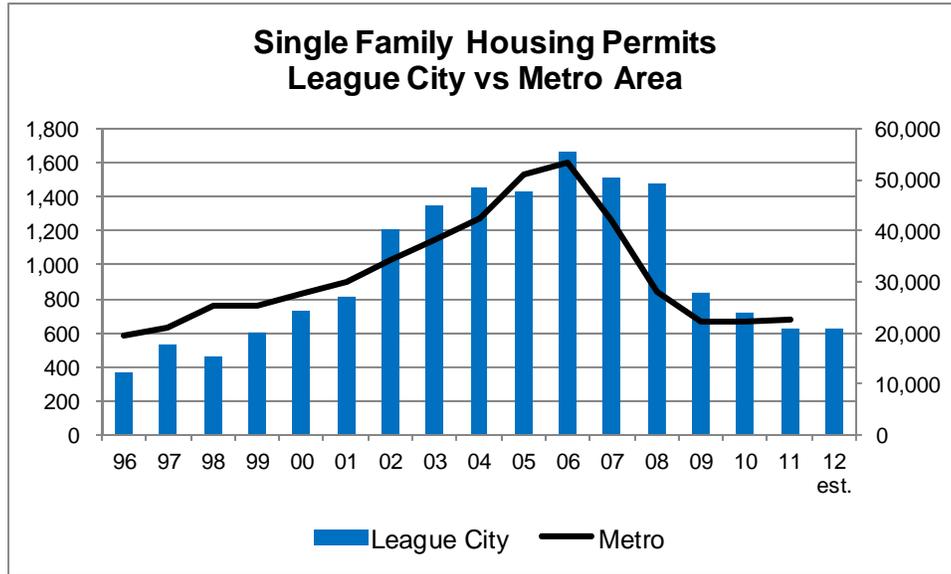


Local economists predicted that 2012 would be a year of expansion for the Houston region's economy. The energy portion of the region's economic base grew over 10% in 2011, making it the fastest growing sector. Construction employment is growing slowly, regaining the jobs lost during the downturn at a tepid pace. This is due to the significantly smaller number of homes built since 2008 in the region. Manufacturing jobs lost in the recession are also being recovered at a slower rate, but there are indications that the rate of recovery should continue.

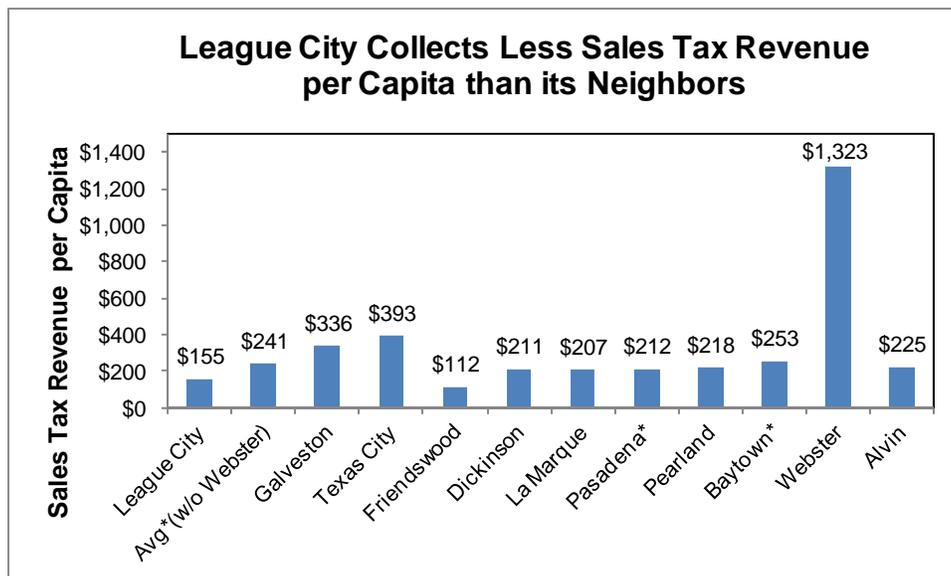
Since oil prices have driven the local economic recovery with prices in the \$90-\$100 range throughout 2011, it is time for some caution with prices now hovering the \$80 to \$90 range. The region's share of foreign trade through the Houston-Galveston Customs District also continues to grow, reaching the \$268 billion total for imports and exports in 2011, a 27% increase over 2010. Given these strong economic conditions, and mild climate, the region continues to grow, adding 125,000 in population a year on the average. GHP's outlook for 2012 is for another year of job growth in the 3% range or 84,600 jobs as occurred in 2011.

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. Based on city estimates, we now believe League City’s population to be nearing the 89,000 level. This rapid growth is illustrated by the change in single family housing units in the middle of the previous decade (see graph below). After the height of this growth (2002-2007), new housing unit counts moderated. Currently, calendar year 2012 is on pace to equal and perhaps slightly exceed the 623 units built in League City in 2011.



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. In spite of this growth, League City continues to be underserved by commercial, sales tax producing properties, when compared with our neighbors.



Between 2010 and 2011, the League City housing market experienced setbacks apparently due to the NASA cuts. Prices dropped and houses stayed on the market longer as seen in the chart below. This pattern influenced values as of January 1, 2012 that became a part of the 2012 tax roll and the FY 2013 property tax revenue estimate.

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"

Recent data provided through the Houston Chronicle's April 2012 annual home price survey offers a view of League City housing values that reflect the effects of the statistics seen above. Of 32 area subdivisions identified in the survey, 23 experienced drops in median price per foot of homes sold in 2011 versus 2010 median prices. This will likely affect the FY 2014 tax roll.

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, and maintain a conservative approach to estimating home values in League City.

General Economic Outlook for FY 2013

The economic outlook for FY 2013 is for a slow growth but recovering League City economy, with 2.3% growth in housing units, population, and water customers. Largely because of higher gasoline prices, inflation is expected to remain in the 2-3% range through 2012. Finally, interest rates are expected to begin to climb by a modest amount.

BASELINE ECONOMIC ASSUMPTIONS

Area/Indicator	FY 2012 Est.	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast
Metropolitan Area						
Employment Annual Growth Rate	3.2%	2.0%	2.0%	2.0%	2.0%	2.0%
Inflation Rate	2.4%	2.0%	2.0%	2.0%	2.0%	2.0%
Fuel Prices	-1.0%	0.0%	5.0%	5.0%	5.0%	5.0%
Health Care Inflation	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
90 Day T-Bill Rate	0.1%	0.2%	1.0%	1.5%	2.0%	2.5%
League City						
Population Growth Rate	2.2%	2.3%	2.5%	3.0%	3.0%	3.0%
City Water Customers Growth Rate	2.3%	2.3%	2.5%	3.0%	3.0%	3.0%
Population	87,200	89,200	91,400	94,100	96,900	99,800
New Homes (Prior CY)	792	623	600	650	700	750
New Construction (\$Mil - Prior CY)	\$176	\$106	\$112	\$123	\$138	\$136
Tax Supported Bonds Interest Rate	3.50%	3.25%	3.75%	4.50%	4.88%	5.06%

FY2013 ADOPTED BUDGET REVENUE OVERVIEW

Total Revenues

The FY 2013 Adopted Budget includes \$92.1 million in anticipated revenue from outside sources, which is 0.5% more than is estimated to be received in FY 2012. 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 considered part of the total Adopted Budget that includes all funds budgeted in support of operations for FY 2013. (See discussion of interfund transfers at the end of this "Revenue Overview.")

CITYWIDE OPERATING BUDGET REVENUES (\$Thousands)

	FY 2011 ACTUAL	FY 2012 BUDGET	FY2012 ESTIMATED	FY2013 ADOPTED	FY13 VS FY12 EST	PCT OF TOTAL
Property Tax	33,108	33,971	33,427	33,497	0.2%	36.4%
Water & Wastewater Sales	29,602	26,100	27,202	27,931	2.6%	30.3%
Sales Tax	11,051	10,971	11,875	11,520	-3.1%	12.5%
Franchise & Other Taxes	5,688	5,133	5,304	5,418	2.1%	5.9%
Charges for Services	5,196	5,581	5,476	5,735	4.5%	6.2%
Fines and Forfeits	3,426	3,610	3,386	3,374	-0.4%	3.7%
License and Permits	1,784	1,721	1,982	1,948	-1.8%	2.1%
Miscellaneous	1,540	1,304	1,435	1,279	-12.2%	1.4%
Intergovernmental Proceeds	1,081	1,342	1,319	1,189	-11.0%	1.3%
Investment Earnings	124	126	153	166	8.0%	0.2%
TOTAL REVENUE	92,600	89,858	91,559	92,056	0.5%	100%

The City's three largest revenue sources, property taxes, water and wastewater revenue, and sales taxes, provide \$73 million, or seventy-nine percent of total revenue.

Property Taxes

The FY 2013 Adopted Budget is based on a property tax rate cut and less property tax revenue than last year. Like the last two years, taxable values have grown only because of new construction. Low interest rates, spending restraint, and the use of fund balance to pay off debt are responsible for the third property tax rate cut in three years.

The FY 2013 Budget for property taxes is based on the 2012 certified tax roll from the Galveston County Appraisal District, and an estimate of the 2012 certified tax roll from the Harris County Appraisal District. The estimate of taxable value is \$5.593 billion, an increase of \$127 million or 2.3% from the FY 2012 Tax Levy of \$5.466 billion. Included in the tax roll is an estimated \$118 million in estimated new construction without which the total roll would have gone up by \$9 million in taxable value.

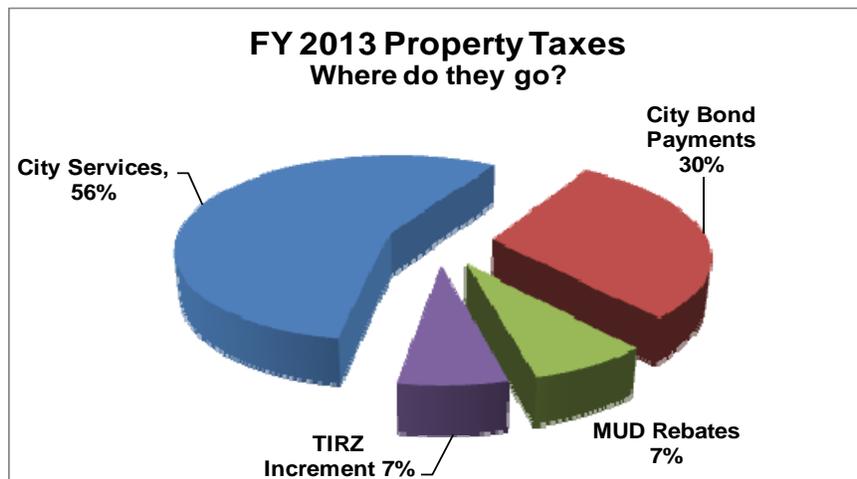
The Adopted Budget is based on a property tax rate of \$0.597 per \$100 of taxable value, or 1.3 cents less than last year's \$0.61 rate. The rate used in FY 2013 to support the General Fund (maintenance and operations) is being reduced from \$0.385 to \$0.375 or one cent. Furthermore, the rate set aside for debt service (interest and sinking fund) is being reduced from \$0.225 to \$0.222 or three-tenths of one cent. The latter reduction is being accomplished through the use of \$3 million in excess General Fund balance to retire debt as a part of a general refunding being implemented during August and September.

Because of this rate cut and a slightly lower collection rate (100.5% versus 101%) total revenue is estimated to decrease \$119,000. If new revenue totaling \$711,000 from new construction is not included in this calculation, taxes on last year's properties are being reduced \$830,000 or 2.5%. This brings the three-year reduction in the property tax rate to 3.3 cents from its FY 2010 level of \$0.63 to the FY 2013 level of \$0.597. In FY 2013, the owner of a \$170,000 home with the standard 10% homestead exemption will save approximately \$20. That same homeowner is also seeing a net savings from his FY 2010 tax bill when the rate was \$0.63 of \$50. Cumulative savings for the three year period for this typical homeowner will total \$102.

As you can see below, (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 2013 Adopted Budget includes \$33,497,000 in total tax collections, with \$21,079,000 going to the General Fund, and \$12,418,000 going to the Debt Service Fund. Likewise, an estimated \$2,303,200 is the FY 2012 tax increment payment to the city's remaining three TIRZ's (Saddle Creek, Centerpointe and West Oaks), with \$1,447,000 paid by the General Fund, and \$856,000 paid by the Debt Service Fund.

PROPERTY TAX BUDGET SUMMARY

Description	FY 2012 Tax Levy			FY 2012 Estimate			FY 2013 Adopted		
	General Fund (M&O)	Debt Service (I&S)	Total	General Fund (M&O)	Debt Service (I&S)	Total	General Fund (M&O)	Debt Service (I&S)	Total
Est. Total Taxable Value (\$millions)	\$5,466.1	\$5,466.1	\$5,466.1	\$5,466.1	\$5,466.1	\$5,466.1	\$5,593.0	\$5,593.0	\$5,593.0
Less: Est. TIRZ Incremental TV (\$millions)	\$376.0	\$376.0	\$376.0	\$368.3	\$368.3	\$368.3	\$385.8	\$385.8	\$385.8
Est. Net City Taxable Value (\$millions)	\$5,090.1	\$5,090.1	\$5,090.1	\$5,097.8	\$5,097.8	\$5,097.8	\$5,207.2	\$5,207.2	\$5,207.2
Tax Rate per \$100 of Taxable Value	\$0.385001	\$0.224999	\$0.610000	\$0.385001	\$0.224999	\$0.610000	\$0.375000	\$0.222000	\$0.597000
Est. Total Tax Levy (\$000's)	\$21,044.4	\$12,238.7	\$33,283.1	\$21,044.5	\$12,298.7	\$33,343.2	\$20,973.8	\$12,356.4	\$33,330.2
Less Est. TIRZ Incremental Levy (\$000's)	\$1,447.6	\$846.0	\$2,293.6	\$1,418.0	\$828.7	\$2,246.7	\$1,446.8	\$856.4	\$2,303.2
Est. Net City Tax Levy (\$000's)	\$19,596.8	\$11,392.7	\$30,989.5	\$19,626.5	\$11,470.0	\$31,096.5	\$19,527.0	\$11,500.0	\$31,027.0
Est. Collection Rate (Total)	101.0%	101.0%	101.0%	100.2%	100.2%	100.2%	100.5%	100.5%	100.5%
Est. TIRZ Tax Collection Rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Est. City Net Tax Collection Rate	101.1%	101.1%	101.1%	100.3%	100.3%	100.3%	100.6%	100.6%	100.6%
Est. Total Tax Collections (\$000's)	\$21,254.8	\$12,361.1	\$33,615.9	\$21,095.0	\$12,328.0	\$33,423.0	\$21,078.7	\$12,418.2	\$33,496.9
Less Est. TIRZ Incremental Taxes (\$000's)	\$1,447.6	\$846.0	\$2,293.6	\$1,418.0	\$828.7	\$2,246.7	\$1,441.0	\$849.0	\$2,290.0
Est. Net City Tax Collections (\$000's)	\$19,807.2	\$11,515.1	\$31,322.3	\$19,677.0	\$11,499.3	\$31,176.3	\$19,637.7	\$11,569.2	\$31,206.9

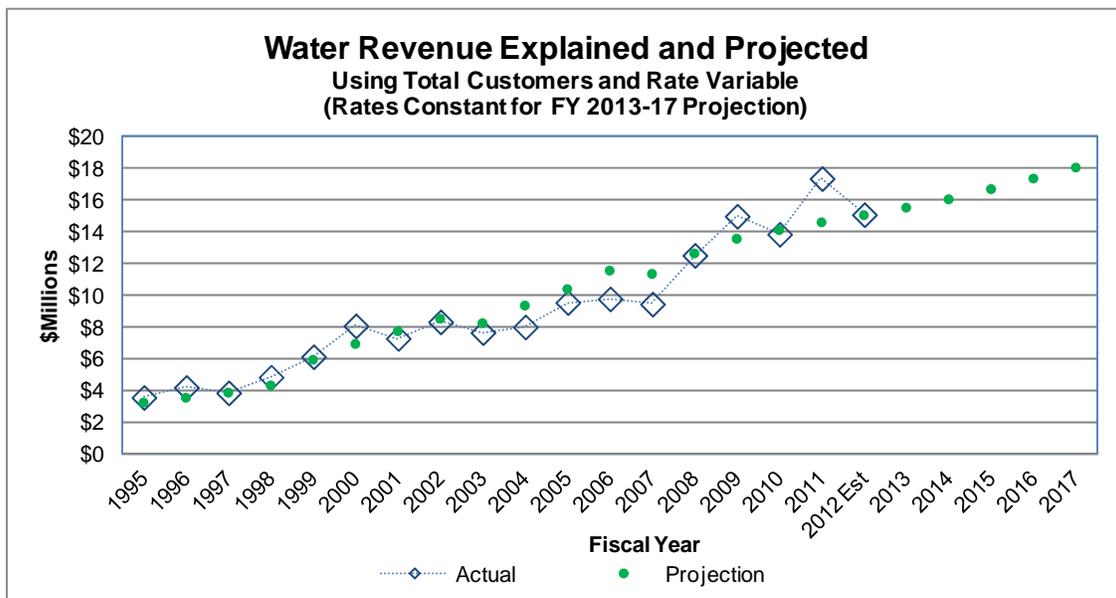


It is important to understand how and why property taxes are budgeted the way they are. The General Fund gets 56% of total property tax revenue for City services (public safety, public works, parks and library). The General Debt Service Fund gets 30% of property tax revenue for payments of principal and interest on bonds issued by the City and bonds originally issued by MUD’s dissolved by the City. The City passes through 7% of its property tax revenue to the City’s three Tax Increment Revitalization Zones (“TIRZ’s”), and the remaining 7% of property tax revenue is rebated to six 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

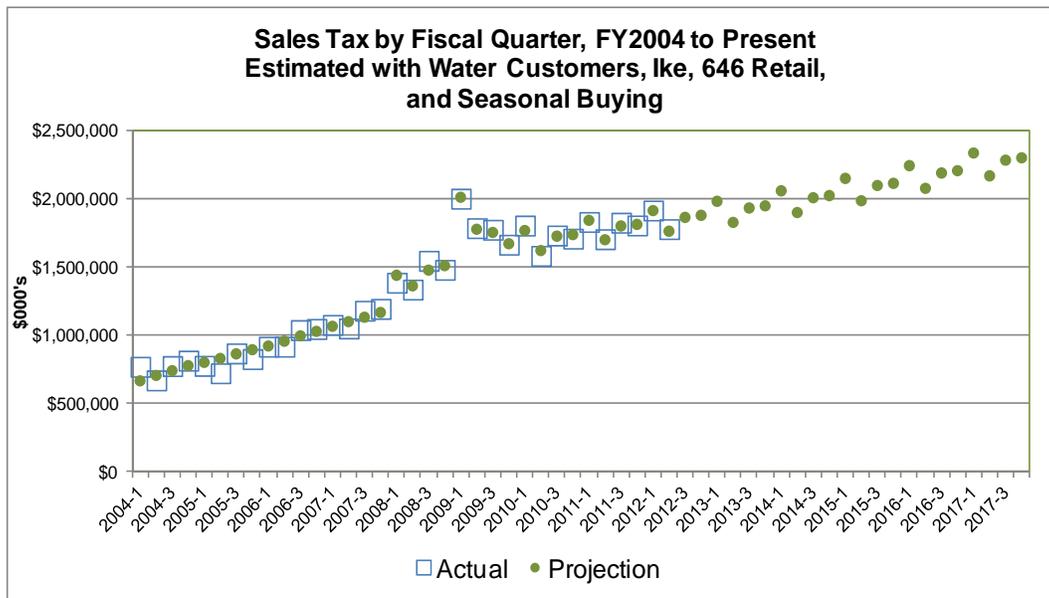
The FY 2013 Adopted Budget includes \$27.9 million in water and wastewater fees. This is approximately \$1.8 million more than the FY 2012 Budget, and \$729,000 more than the amount estimated to be collected in FY 2012. As you can see in the graph below, League City’s recent two years of drought (2009 and 2011) caused actual revenues to exceed revenue in a year with “normal” rainfall by a significant degree. FY 2009 and 2011 saw significantly more revenue because of dry conditions and higher than normal water usage.

The FY 2013 Adopted Budget reflects revenue that would be 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) 2.3% 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 \$11.52 million for FY 2013 that is \$355,000 or 3.1% less than the FY 2012 estimated revenue amount. FY 2012 receipts included \$589,000 from a single audit conducted by the State Comptroller; this amount is not expected to be received again. Without this audit windfall, the FY 2012 sales tax estimate is actually \$11.29 million, and the FY 2013 Adopted amount of \$11.52 million is 2.1% higher than the true base revenue estimate of sales tax for FY 2012.



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 2013 revenue estimate has been developed using the sales tax revenue model which assumes total League City water customers will continue to grow at the current 2.3% annual rate through FY 2013. The model also adjusts for Hurricane 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 2.1% growth overall, includes several General Fund franchise and mixed drink taxes, as well as hotel occupancy taxes. The FY 2013 Adopted Budget anticipates a 2.2% increase in electricity franchise revenue over FY 2012 in accordance with the underlying growth rate of 2.3% assumed for the City in FY 2013. Also, after a very mild winter that caused natural gas franchise revenue to slump in FY 2012, more normal winter weather in FY 2013 is expected to result in \$16,000 added natural gas franchise revenue. Cable television franchise tax General Fund revenue is expected to grow \$30,000 as the result of 2.3% growth in cable customers. Hotel Occupancy Tax revenue, having rebounded in FY 2012 to show a \$36,000 increase over the prior fiscal year is budgeted to remain flat in FY 2013. Telephone franchise revenue also is expected to remain at the FY 2012 revenue level in FY 2013.

Charges for Service

While this category includes all user fees that offset the cost of providing service, two such types of fees account for the majority of the total from charges for service. The City's user fees charged for solid waste pickup and disposal are projected to grow by 2.1% or \$65,000 to a total of \$3.1 million. Ambulance fees (\$925,000 total) are expected to remain flat in FY 2013.

Recreation program fee revenue is expected to increase by \$193,000 in FY 2013 with the opening of Eastern Regional Park. A \$248,000 increase will be realized in the 4B Maintenance and Operations

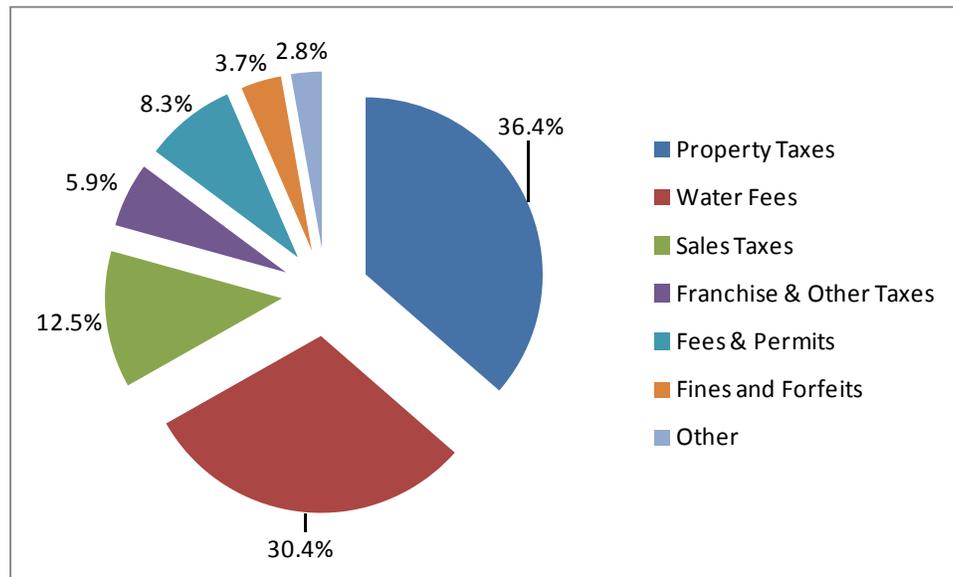
Special Revenue Fund, while General Fund recreation program income and related expense will be \$55,000 less due to the move of programs from other facilities to the new park.

Other Revenues

Fines and forfeits is comprised of (1) general moving violations revenue that is collected by the Municipal Courts and deposited in the General Fund, as well as (2) Safelight Program revenues that are segregated in a special fund to demonstrate compliance with State law. Fines and Forfeits are expected to be basically the same as in FY 2012, declining \$12,000 or 0.4%.

License and permits collections are expected to stay at the same level as in FY 2012, largely as the result of building permit revenue remaining stagnant as caused by the flat economy. Miscellaneous revenues will be \$186,000 less than in FY 2012 because of the non-recurrence of special easement payments and other similar miscellaneous one-time payments made in FY 2012. Intergovernmental revenue is expected to be \$120,000 less than in FY 2012 due to the non-recurrence of grants awarded in FY 2012. Investment earnings are expected to stay at FY 2012 levels in all funds.

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



Interfund Transfers

The Adopted Budget also includes interfund transfers that are not included in the summary of outside revenue sources. Such a transfer constitutes expenditures in the transferring fund and revenue in the receiving fund. The Utility Fund includes an Adopted Budget transfer of \$2.25 million to the General Fund for its fair share of overhead and administrative costs borne by the General Fund. See the Appendices for a chart supporting this allocation, which is a \$250,000 increase from FY 2012. Also excluded from these totals is the revenue received by the Motor Pool Fund from the General and Utility Funds as payment for (1) lease of vehicles owned by the Motor Pool Fund and (2) repairs and maintenance of those same vehicles.

FY 2013 ADOPTED BUDGET EXPENDITURE OVERVIEW

Expenditure Summary

The FY 2013 Adopted Budget includes \$96.7 million in expenses, which is \$4.5 million or 4.7% more than the FY 2012 Budget and \$6.7 million or 6.9% more than the FY 2012 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.

The major sources of the increase in the FY 2013 Budget are (1) net new debt service (\$2.6 million) to support the furtherance of the FY 2013 projects in the capital improvement plan; (2) increased compensation costs including salary and related benefits (\$1.27 million); and (3) the net cost of personnel from adding and deleting positions as well as filling previously vacant positions (\$1.8 million).

CITYWIDE EXPENDITURES BY CATEGORY (\$000's)

EXPENDITURE CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED	FY13 VS FY12 EST	FY13 VS FY12 BUD	PCT OF TOTAL
Personnel Services	\$35,455	\$36,219	\$35,426	\$38,556	8.1%	6.1%	39.9%
Debt Service	\$20,259	\$20,583	\$21,542	\$24,111	10.7%	14.6%	24.9%
Services and Charges	\$15,263	\$16,783	\$16,047	\$16,657	3.7%	-0.8%	17.2%
Supplies	\$3,730	\$4,311	\$4,055	\$4,114	1.4%	-4.8%	4.3%
Payments to MUD's	\$3,033	\$3,002	\$2,534	\$2,476	-2.3%	-21.2%	2.6%
Repairs and Maintenance	\$2,414	\$2,979	\$2,900	\$2,575	-12.6%	-15.7%	2.7%
Payments to TIRZs	\$2,161	\$2,256	\$2,256	\$2,290	1.5%	1.5%	2.4%
Capital Outlay	\$2,752	\$2,770	\$2,056	\$2,357	12.8%	-17.5%	2.4%
CIP Cash Projects	\$4,443	\$2,748	\$2,748	\$3,055	10.0%	10.0%	3.2%
Special Programs and Events	\$368	\$466	\$410	\$472	13.1%	1.3%	0.5%
TOTAL	\$89,878	\$92,117	\$89,974	\$96,663	6.9%	4.7%	100.0%

Personnel Services

The single largest category of expense for the city is Personnel Services, comprising 39.9% of the total cost of the FY 2013 Adopted Budget. The FY 2013 Adopted Budget includes \$38.6 million for personnel services, which is approximately \$3.1 million more than the FY 2012 estimate. This can be explained as follows and as shown in the accompanying chart on the next page.

The increase in personnel cost is the combined result of (1) absorbing a full year's cost for pay increases and new positions created and filled for only part of last fiscal year and (2) additional staff added in this Adopted Budget as well as base and one-time compensation increases planned for FY 2013. In FY 2012, City Council approved budget changes that authorized funding to add personnel in three key basic service areas: four emergency services dispatchers, six paramedics and seven positions for the new Eastern Regional Park. Eight positions were

eliminated administratively last year, so the net gain in positions as of the end of FY 2012, also considering public works staff additions during FY 2012, stood at 13.25 positions.

Five new positions are included in this Adopted Budget to meet priority needs as identified by departments. Four positions will be eliminated to offset this increase in staff and **keep the increase in the FY 2013 Budget to one position.**

**FY 2013 ADOPTED BUDGET VERSUS FY 2012 ESTIMATED
PERSONNEL COSTS EXPLAINED**

Reason	Amount
Compensation Increases	
2% merit/across the board increase	
Civilians merit increase	\$318,000
Civil Service across the board increase	\$106,000
Classified Personnel Steps	\$175,000
1% one-time performance pay	\$270,000
Net Annualized cost of the FY 2012 Compensation Study	\$397,000
Subtotal Compensation Increases	\$1,266,000
Added Positions	
Net additional costs of added positions in FY 2012	
Public Safety (10.0 positions)	\$255,000
Public Works (4.0 positions)	\$124,000
Eastern Regional Park (7.25 positions)	\$229,000
New Positions added in FY 2013 (5.0 positions)	\$491,000
Subtotal added positions	\$1,099,000
Net Savings From Staff Eliminated Positions	
Positions eliminated in FY 2012 (8.0 positions)	(\$210,000)
Positions eliminated in FY 2013 (4.0 positions)	(\$343,000)
Subtotal Net Savings From Staff Eliminated Positions	(\$553,000)
Other	
Annualized cost of filling positions vacant for part of FY 2012	\$1,473,000
Separation Pay in FY 2012	(\$33,000)
Reduction in Overtime	(\$119,000)
Subtotal Other	\$1,321,000
TOTAL	\$3,133,000

Notably absent from this list is an increase in health benefit costs. We have been notified that our most recent two years of benefit costs have been sufficiently high to cause a 16% increase in the City's costs (approximately \$500,000) if our benefit plan is left unchanged. In accordance with prior discussions, the City's benefits advisors are going to develop a benefits plan, probably including a dual option that will hold this cost to the FY 2012 Budget level. If approved by City Council, plan changes that increase deductibles and employee out of pocket costs would then take effect on January 1 at the same time the 2% pay plan will be affected.

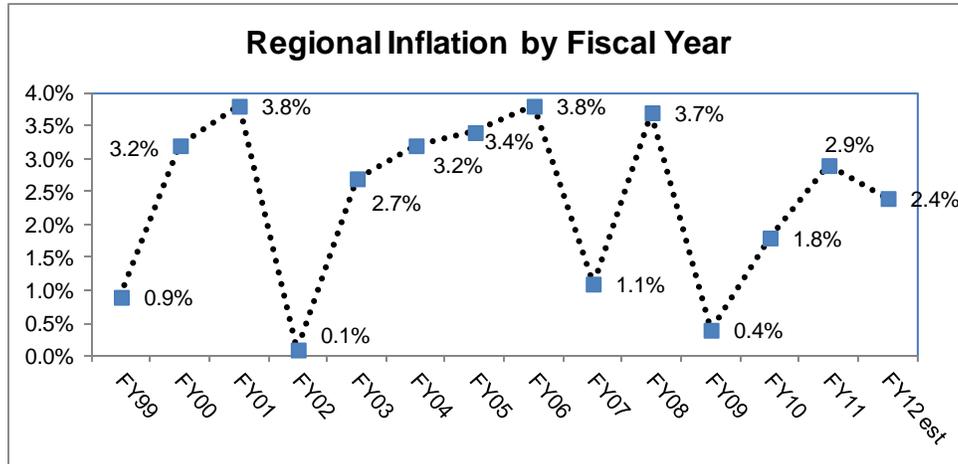
**FY 2013 ADOPTED BUDGET
POSITION TOTALS BY DEPARTMENT**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
PUBLIC SAFETY DIRECTORATE				
General Fund				
Police	148.00	148.00	152.00	152.00
Animal Control	9.00	9.00	9.00	10.00
Fire Department	2.00	2.00	2.00	2.00
Emergency Medical Services	24.50	24.50	30.50	31.00
Fire Marshal	5.00	5.00	5.00	5.00
Emergency Management	4.00	4.00	4.00	3.00
Subtotal General Fund	192.50	192.50	202.50	203.00
Safelight Program Fund				
Safelight Program Fund	1.00	1.00	1.00	1.00
Subtotal Safelight Program Fund	1.00	1.00	1.00	1.00
TOTAL PUBLIC SAFETY	193.50	193.50	203.50	204.00
PUBLIC WORKS DIRECTORATE				
General Fund				
Public Works Administration	6.00	7.00	7.00	1.00
Engineering	11.00	7.00	6.00	14.00
Streets & Stormwater	44.00	44.00	44.00	44.00
Facilities Maintenance	12.00	12.00	13.00	13.00
Traffic and Transportation	2.00	3.00	4.00	3.00
Subtotal General Fund	75.00	73.00	74.00	75.00
Utility Fund				
Public Works Administration	1.00	1.00	1.00	1.00
Water Production	20.00	20.00	19.00	18.50
Wastewater Production	22.00	22.00	22.00	22.50
Line Repair	35.00	35.00	34.00	39.00
Subtotal Utility Fund	78.00	78.00	76.00	81.00
Internal Service Fund				
Vehicle Maintenance	10.00	10.00	10.00	10.00
Subtotal Internal Service Fund	10.00	10.00	10.00	10.00
TOTAL PUBLIC WORKS	163.00	161.00	160.00	166.00
PARKS AND CULTURAL SERVICES DIRECTORATE				
General Fund				
Helen Hall Library	33.00	33.00	33.00	31.50
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	0.50	0.50
Parks Planning & Tourism	2.00	2.00	2.00	2.00
Subtotal General Fund	70.50	70.50	69.50	68.00
Eastern Regional Park				
Park Operations	0.00	0.00	4.00	4.00
Parks Recreation	0.00	0.00	3.25	3.25
Subtotal Eastern Regional Park	0.00	0.00	7.25	7.25
TOTAL PARKS AND CULTURAL SVC	70.50	70.50	76.75	75.25

**FY 2013 ADOPTED BUDGET
POSITION TOTALS BY DEPARTMENT**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
PLANNING AND DEVELOPMENT DIRECTORATE				
General Fund				
Planning	13.00	11.00	10.00	9.00
Building	13.00	13.00	13.00	13.00
Code Enforcement	4.50	5.00	5.00	5.00
Economic Development	2.00	2.00	2.00	2.00
TOTAL PLANNING AND DEV	32.50	31.00	30.00	29.00
FINANCE DIRECTORATE				
General Fund				
Accounting	9.75	9.00	9.00	10.00
Municipal Court	9.00	9.00	9.00	9.00
Purchasing	3.00	3.00	3.00	3.00
Subtotal General Fund	21.75	21.00	21.00	22.00
Utility Fund				
Utility Billing	14.75	13.50	13.00	8.00
Subtotal Utility Fund	14.75	13.50	13.00	8.00
Municipal Court Building Security Fund				
Court Building Security Fund	1.00	1.00	1.00	1.00
Subtotal Court Bldg Security FD	1.00	1.00	1.00	1.00
TOTAL FINANCE	37.50	35.50	35.00	31.00
ADMINISTRATION DIRECTORATE				
General Fund				
City Manager	6.00	6.00	6.00	4.00
City Secretary	4.00	4.00	4.00	4.00
Mayor and Council	8.00	8.00	8.00	8.00
Budget Office	3.50	3.50	3.00	3.00
Information Technology	7.00	11.00	11.00	11.00
Communications Office	0.00	0.00	0.00	3.00
Human Resources	8.00	8.00	8.00	8.00
TOTAL ADMINISTRATION	36.50	40.50	40.00	41.00
TOTAL ALL FUNDS	533.50	532.00	545.25	546.25
FUND TOTALS				
General Fund	428.75	428.50	437.00	438.00
Utility Fund	92.75	91.50	89.00	89.00
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
Easter Regional Park	0.00	0.00	7.25	7.25
TOTAL ALL FUNDS	533.50	532.00	545.25	546.25

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

Payments for debt service total \$24.1 million, \$667,000 of which is being paid with sales tax revenue paid to the City by the 4B Corporation for bonds sold to construct Eastern Regional Park. As you can see in the chart below, \$13.2 million or 55% of the FY 2013 budget for debt service goes to retire principal. Also, the \$2.6 million increase in total debt service over the FY 2012 estimate of \$21.6 million is the net result of reduced payments for prior debt of \$1 million and \$3.6 million in new debt service payments. As demonstrated in the long range economic and debt service projections, the new debt service payments for FY 2013 are sustainable under the reduced debt service tax rate and current water rates given current economic and CIP assumptions. See the Appendices for further detail.

Category/Fiscal Year	General Debt Service Fund	Utility Fund	4b Corp Special Revenue Fund	Totals
Existing Debt FY12				
Principal	\$5,381	\$7,156	\$335	\$12,872
Interest	\$3,006	\$5,327	\$337	\$8,670
Existing FY12 Subtotal	\$8,387	\$12,483	\$672	\$21,542
Existing Debt FY13				
Principal	\$5,054	\$6,561	\$340	\$11,955
Interest	\$2,773	\$5,498	\$327	\$8,598
Existing FY13 Subtotal	\$7,827	\$12,059	\$667	\$20,553
New Debt FY13				
Principal	\$659	\$619	\$0	\$1,278
Interest	\$1,470	\$810	\$0	\$2,280
New FY13 Subtotal	\$2,129	\$1,429	\$0	\$3,558
Total Debt FY13				
Principal	\$5,713	\$7,180	\$340	\$13,233
Interest	\$4,243	\$6,308	\$327	\$10,878
New FY13 Subtotal	\$9,956	\$13,488	\$667	\$24,111

Services and Charges

The net increase in this category over the FY 2012 Estimated amount is \$610,000. This increase is mainly attributed to the creation of the Public Service Technology Special Revenue Fund (\$100,000), an increase in Water Contract Purchases (\$190,000), an increase in electricity for Water and Wastewater (\$55,000), and an increase in insurance in Non-Departmental (\$94,000).

Supplies

The Adopted Budget of \$4.1 million for Supplies is \$59,000 higher than the estimated amount in FY 2012 due to an increase in Concrete, Asphalt, and Aggregate of \$70,000. In many if not most cases, City vendors for supplies are holding prices constant allowing the FY 2012 Budget to remain flat overall for supplies.

Repairs and Maintenance

The Adopted Budget for Repairs and Maintenance is \$325,000 lower than the FY 2012 Estimated. This is primarily due to the one time funding of \$225,000 for repairs to Landing Boulevard.

Capital Outlay

This category includes the purchase of vehicles and equipment through the Motor Pool Fund. The FY 2013 Adopted Budget shows a net increase of \$301,000 due to a greater number of heavy equipment vehicles being scheduled to be replaced in FY 2013 than were replaced in FY 2012.

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 flat inside the MUD's and the property tax rate is being reduced. TIRZ payments are up slightly as the net result of the property tax rate reduction and increases in the taxable values for the Saddle Creek and Centerpointe TIRZ's.

CIP Cash Projects

Excess fund balances in the General and Utility Funds annually are used to provide pay as you go funding for CIP projects. As adopted for FY 2013, this amounts to \$3.06 million, including \$2.06 million from the General Fund and \$1 million from the Utility Fund. Detail for these allocations can be found in the Capital Budget section of the Adopted Budget.

Special Programs and Events

Special Programs and Events is made up of Public Awareness Campaigns, Volunteer Benefits, Special Events for Police activities for community outreach, Employee Activities, Employee Training, Election Expenses, and Blackboard Connect. The Adopted Budget for FY 2013 for this account is higher than the FY 2012 Estimated amount by \$62,000. This is due to the Hotel/Motel Special Revenue Fund increasing the Project Committee funding by \$44,000 and adding \$ 20,000 in funding for Staff Consulting support.

**ADOPTED FY 2013 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) along with street, drainage and parks maintenance and 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 2013 ADOPTED BUDGET
GENERAL FUND**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
BEGINNING FUND BALANCE	21,281,645	20,342,175	20,342,175	15,364,299
REVENUES	48,543,246	49,037,500	49,637,350	49,382,450
EXPENDITURES	47,360,691	52,038,214	48,500,406	49,351,698
REVENUES OVER/(UNDER) EXPENDITURES	1,182,555	(3,000,714)	1,136,944	30,752
LESS: APPROPRIATION OF FUND BALANCE	2,122,025	3,114,820	6,114,820	2,543,900
ENDING FUND BALANCE	20,342,175	14,226,641	15,364,299	12,851,151
DAYS OF WORKING CAPITAL	156.8	99.8	115.6	95.0

FINANCIAL OUTLOOK

The FY 2013 Adopted Budget for the General Fund is based on a one cent reduction in the property tax rate and a recommended change in the City's reserve policy to 90 days of operating expenses from 120 days of expenses. This recommendation is to support the use of \$3 million in FY 2012 to pay down debt. This enables an additional reduction in the property tax rate of three-tenths of one cent used to pay down debt, bringing the total tax rate reduction to 1.3 cents, reducing the rate from \$0.61 to \$0.597 per \$100 of taxable value. Adopted revenue for FY 2013 exceeds proposed expenditures by \$30,752 (see above). Also the Adopted Budget includes an ending fund balance that is 5 days or \$680,000 more than the 90 day minimum.

**FY 2013 ADOPTED BUDGET
GENERAL FUND SUMMARY**

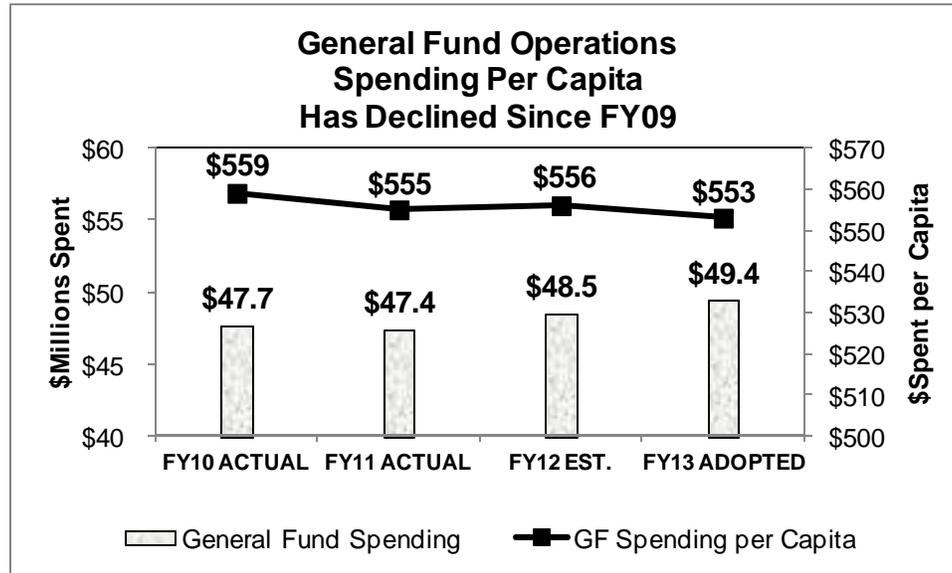
	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES				
Property Taxes	21,320,464	21,602,000	21,099,000	21,079,000
Sales Taxes	11,050,539	10,971,000	11,875,000	11,520,000
Franchise Fees	4,657,634	4,728,000	4,698,900	4,807,900
Other Taxes	117,386	135,000	105,000	110,000
License and Permits	1,784,078	1,720,500	1,981,800	1,947,700
Grant Proceeds	232,948	134,500	246,050	134,500
Charges for Services	4,210,976	4,598,500	4,573,700	4,584,250
Fines and Forfeits	1,871,106	2,037,000	1,817,000	1,817,000
Investment Earnings	47,085	52,000	52,000	52,000
Miscellaneous	1,251,030	1,059,000	1,188,900	1,080,100
Transfers	2,000,000	2,000,000	2,000,000	2,250,000
TOTAL REVENUES	\$48,543,246	\$49,037,500	\$49,637,350	\$49,382,450
EXPENDITURES				
Public Safety Directorate				
Police	14,810,963	14,875,276	14,861,630	14,962,050
Animal Control	579,954	548,222	510,905	645,990
Fire Department	977,895	1,387,483	1,386,883	1,185,850
Fire Marshal	481,542	487,377	485,461	493,880
Emergency Medical Services	2,266,803	2,418,235	2,407,120	2,792,540
Emergency Management	341,871	354,256	353,844	262,900
Fire Department Drill Field	37,230	97,400	85,000	0
Subtotal	19,496,257	20,168,249	20,090,843	20,343,210
Public Works Directorate				
Public Works Administration	411,137	603,940	622,558	132,160
Engineering/Project Management Office	1,109,235	710,670	669,598	1,514,270
Streets and Stormwater	4,519,132	4,456,573	4,334,152	4,384,883
Facilities Maintenance	1,695,343	1,656,235	1,678,410	1,674,250
Traffic and Transportation	361,141	848,680	738,433	572,245
Solid Waste	2,787,378	2,805,000	2,845,000	2,845,000
Subtotal	10,883,366	11,081,098	10,888,151	11,122,808
Parks & Cultural Services Directorate				
Helen Hall Library	2,161,766	2,016,243	1,971,908	1,839,416
Park Operations	1,028,333	1,077,999	1,064,723	1,196,530
Park Recreation	633,541	670,570	639,117	562,240
Sportsplex Operations	341,448	359,057	366,146	422,628
Sportsplex Recreation	146,503	130,550	125,126	89,010
Park Planning	242,216	246,590	244,245	257,630
Subtotal	4,553,808	4,501,009	4,411,265	4,367,454
Finance Directorate				
Accounting	1,196,796	1,136,510	1,082,905	1,287,270
Municipal Court	560,049	599,681	598,481	582,000
Purchasing	231,125	262,900	262,426	262,330
Subtotal	1,987,970	1,999,091	1,943,812	2,131,600

**FY 2013 ADOPTED BUDGET
GENERAL FUND SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Planning and Development Directorate				
Planning	1,101,652	913,750	905,736	874,950
Building Inspections	1,027,643	1,075,400	1,081,399	1,075,871
Code Compliance	372,337	473,594	441,877	621,640
Economic Development	124,745	175,420	183,330	374,300
Subtotal	2,626,376	2,638,164	2,612,342	2,946,761
Administration Directorate				
City Manager	657,403	667,410	665,604	554,070
City Secretary	393,416	342,720	324,892	350,500
City Attorney	607,167	975,000	975,000	735,000
Mayor and Council	144,027	188,160	165,260	168,470
Budget Office	381,313	316,230	305,009	264,170
Information Technology	1,428,901	1,780,600	1,782,536	1,987,555
Communications Office	0	0	0	349,940
Human Resources	940,417	1,015,254	984,385	940,160
Civil Service	45,276	79,030	78,930	78,000
Subtotal	4,597,920	5,364,404	5,281,616	5,427,865
Non Departmental	3,214,995	3,286,199	3,272,377	3,012,000
TOTAL EXPENDITURES	47,360,691	49,038,214	48,500,406	49,351,698
Revenues Over/(Under) Expenditures	1,182,555	(714)	1,136,944	30,752
Beginning Fund Balance	21,281,645	20,342,175	20,342,175	15,364,299
Est. Ending Fund Balance	22,464,200	20,341,461	21,479,119	15,395,051
Less: Appropriation of Fund Balance				
Debt	0	3,000,000	3,000,000	0
One-Time Operating Items	0	272,100	272,100	488,900
Cash CIP Projects	2,122,025	2,842,720	2,842,720	2,055,000
Subtotal	2,122,025	6,114,820	6,114,820	2,543,900
Budgeted Ending Fund Balance	20,342,175	14,226,641	15,364,299	12,851,151
Days of Working Capital	156.8	105.9	115.6	95.0
TOTAL GENERAL FUND APPROPRIATION	49,482,716	55,153,034	54,615,226	51,895,598

RECENT SPENDING TREND

The chart below demonstrates the operational budget discipline displayed over the last four years. During this time, League City's population has grown from 83,560 in the 2010 U.S. Census to an estimated 89,200 in 2013. On a per capita basis, spending has actually dropped from \$559 per capita in FY 2010 to \$553 per capita in FY 2013.



CITY COUNCIL PRIORITIES

Following a series of eleven workshops, City Council provided priorities for General Fund operational spending and use of General Fund Balance. The charts that follow demonstrate how the Adopted Budget addresses those priorities. The only variations from the priorities approved by City Council for General Fund operations are as follows:

1. Several new positions were budgeted for nine months instead of twelve, allowing for lag time in filling these new positions.
2. City Council also tabled approving any specific amount to be reduced from the Adopted Budget and left that to the City Manager's discretion. The reductions arrived at and shown in the chart total \$585,660, more than 1% of the total budget. These reductions were largely made in non-personnel accounts and were accomplished without hampering or negatively affecting basic services.

The General Fund Budget was finalized as follows:

- Adding \$1 million to reflect City Council priorities
- Cutting \$585,000 from departmental budgets and eliminating three positions at a savings of \$219,000;
- Eliminating the Traffic Engineer position to provide funds to move the NPDES program from the CIP to the operating budget;
- Adjusting the Utility Fund transfer to the General Fund by \$250,000; and
- Moving the Blackboard Connect annual subscription to the General Fund from the Emergency Management Fund.

**FY 2013 ADOPTED BUDGET
CITY COUNCIL PRIORITIES
OPERATING BUDGET**

LIST OF COUNCIL PRIORITIES FOR FY 2013 ADOPTED BUDGET	COUNCIL PRIORITIES	FY 2013 ADOPTED BUDGET	REASON FOR VARIANCES
PERSONNEL			
2% merit increase effective January 1st	\$ 393,000	\$ 393,000	
Community Outreach and Adoption Specialist - Animal Control	67,500	68,655	Cell Phone allowance of \$1,200 included in the Proposed Budget
EMS Training Officer - Emergency Medical Services	67,600	67,600	
Reclassify Admin to EM Specialist - Emergency Management	17,000	17,000	
Construction Inspector with Vehicle - Engineering/Project Management	98,940	48,212	Position budgeted for 9 months
Part-time Circulation Clerk - Library	11,400	11,400	
Park Maintenance Worker Upgrade to Senior Park Maintenance Worker - Park Ops	12,750	12,750	
Budget Analyst - Budget Office	62,300	43,499	Position budgeted for 9 months
SUBTOTAL Personnel	\$ 730,490	\$ 662,116	
SERVICES			
EMS First Responder Program - Fire Department	\$ 20,000	\$ 20,000	
Emergency and Disaster Exercise Program - Emergency Management	5,000	5,000	
Abatement of dilapidated structures - Code Compliance	145,000	145,000	
Business Development and Brand Awareness Marketing - Economic Development	130,000	130,000	
Research and Data Acquisition - Economic Development	20,000	20,000	
SUBTOTAL Services	\$ 320,000	\$ 320,000	
OTHER			
Property tax cut (\$.01 reduction)	\$ 560,000	\$ 560,000	
1% Cut in Department Budgets	-	(585,660)	Administrative reductions exceed 1%, not including deleted positions
SUBTOTAL Other	\$ 560,000	\$ (25,660)	
TOTAL	1,610,490	956,456	

GENERAL FUND BALANCE ALLOCATIONS

As a second exercise, City Council provided priorities for allocation of General Fund Balance, including \$1,967,500 for CIP projects and \$467,200 for one-time operating items. The Adopted Budget includes two changes from this list.

First, it became necessary to swap funding for the Renovation of Fire Station #4 and the Public Works Facilities Expansion. In the priorities session, Station #4 was allocated monies from fund balance and the facility expansion was funded through the CIP. Unfortunately, the Public Works facility expansion was not included in the Certificate of Obligation public notice and could not, therefore, be funded with CO proceeds through the CIP. The Adopted Budget proposes that fund balance instead be used for the Public Works facilities expansion and the CIP includes proposed funding from CO's for the Fire Station #4 renovation.

FY 2013 ADOPTED BUDGET CITY COUNCIL PRIORITIES GENERAL FUND BALANCE

LIST OF COUNCIL PRIORITIES FOR FY 2013 ADOPTED BUDGET	COUNCIL PRIORITIES	FY 2013 ADOPTED BUDGET	REASON FOR VARIANCES
CAPITAL IMPROVEMENT PLAN ITEMS			
Relocate Fire Station #3 - land purchase only	\$ 650,000	\$ 650,000	
Fire Station #6 - land purchase only	350,000	350,000	
Renovate Fire Station #4	412,500	-	PW Facilities land purchase was left out of the CO public notice and had to be funded with Fund Balance. Fire Station #4 was funded with CO's.
Public Works Facility Expansion	-	500,000	
Facilities Modernization	300,000	300,000	
Park Facilities Renewal	255,000	255,000	
SUBTOTAL Capital Improvement Plan Items	\$ 1,967,500	\$ 2,055,000	
OPERATING BUDGET ITEMS			
1% compensation one-time performance pay	\$ 226,000	\$ 226,000	
SSPS Modeler - Police	43,600	43,600	
Gear Lockers - Fire Department	60,000	60,000	
Personal Protective Equipment - Fire Department	35,000	35,000	
Air Bottle Fill Station - Fire Department	10,000	10,000	
Conflict Monitors - Traffic	12,600	12,600	
City Websites Redesign - Communications Office	25,000	25,000	
LED Signs	55,000	55,000	
Potential Tax Rebate	-	3,000,000	Proposed to pay down debt and allow a \$0.003 tax rate reduction.
Subtotal Operating Budget Items	\$ 467,200	\$ 3,467,200	
TOTAL CIP AND OPERATING BUDGET ITEMS	\$ 2,434,700	\$ 5,522,200	

As the priorities were being considered by the City Council at its work session on Wednesday, July 18th, discussion ensued of a possible use of fund balance not included on the list previously. That idea would have entailed the rebating or refunding of \$3 million to League City property tax payers. This \$3 million would only be considered available if the City Council was willing to reduce its General Fund balance to as low as 95 days of operating expenses. This idea was tabled after discussion that covered the possibility of using the \$3 million to pay down debt.

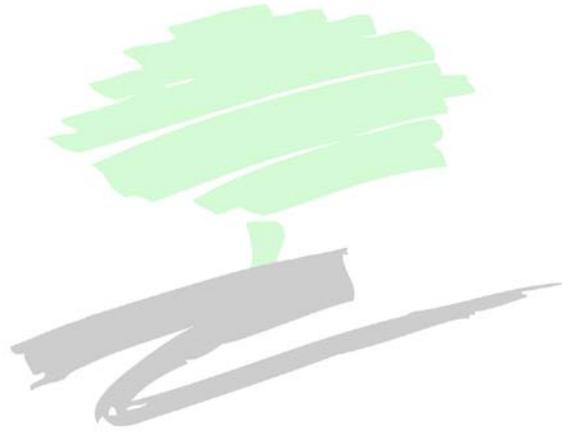
Subsequently, at the July 25th City Council meeting, it was announced that the Proposed Budget, and the related bond sales planned to be considered on the August 14th City Council agenda, would be based on the use of the \$3 million to retire debt. The Adopted Budget has been so designed and presented.

BUDGET REORGANIZATION

Several department budgets have been reorganized in the Adopted Budget. They reflect actual responsibilities, more appropriate budgeting for what should or should not be stand alone budgets, and the transfer of personnel in recent months. These reorganizations make budget variations look severe when comparing the FY 2013 Adopted and FY 2012 Estimated amounts. The explanations on the following page address these variances for better understanding of the Adopted Budget in each case.

**FY2013 ADOPTED BUDGET
GENERAL FUND BUDGET REORGANIZATION
Explanation of Variances**

	FY2011 Actual	FY2012 Amended Budget	FY2012 Budget Projection	FY2013 Adopted Budget
Fire	\$ 977,895	\$ 1,387,483	\$ 1,386,883	\$ 1,185,850
Fire Dept. Drill Field	37,230	97,400	85,000	-
Total	1,015,125	1,484,883	1,471,883	1,185,850
<p>The Fire Department Drill Field budget will be combined within the Fire Department budget in FY2013. The variance between the FY2012 Amended Budget and Projection compared to the FY2013 Adopted Budget is due largely to a decrease in Motor Pool Lease Fees in FY2013 (\$150,000) and one-time items in the FY2012 Fire Department budget (\$130,000).</p>				
Public Works Administration	\$ 411,137	\$ 603,940	\$ 622,558	\$ 132,160
Engineering/Project Management	1,109,235	710,670	669,598	1,514,270
Total	1,520,371	1,314,610	1,292,156	1,646,430
<p>The budget for the Project Management Office was moved to Public Works Administration in FY2011, in FY2013 it will be moved back to being combined with the Engineering budget and the department name changed to Engineering & Project Management. The variance between the FY2012 Amended Budget and Projection compared to the FY2013 Adopted Budget is due largely to the addition of a construction inspector (\$70,000) and compliance with the NPDES Stormwater Management Plan program in FY2013 (\$172,800).</p>				
City Manager	\$ 657,403	\$ 667,410	\$ 665,604	\$ 554,070
Communications Office	-	-	-	349,940
Total	657,403	667,410	665,604	904,010
<p>The Communications Office will be moved out of the City Manager's budget to a stand alone budget in FY2013. The variance between the FY2012 Amended Budget and Projection compared with the FY2013 Adopted is due to the City Manager position being budgeted and funded for only a portion of the year in FY2012 (\$89,000), moving the blackboard connect from the Emergency Management Fund to the Communications Office budget (\$65,000), and moving the grant writer position from Emergency Management to the City Manager's budget and reclassifying it to a senior management analyst (\$86,000).</p>				
Accounting	\$ 1,196,796	\$ 1,136,510	\$ 1,082,905	\$ 1,287,270
Budget Office	381,313	316,230	305,009	264,170
Total	1,578,108	1,452,740	1,387,914	1,551,440
<p>The Assistant City Manager, Management Services position was reclassified to a Director of Finance position and moved from the Budget Office to the Accounting budget in FY2013. The variance between the FY2012 Amended Budget and Projection compared with the FY2013 Adopted Budget is due to a decrease in the annual salary as a result of the position being reclassified and the director of finance position being vacant for a portion of FY2012.</p>				
Utility Billing	\$ 1,474,689	\$ 1,540,545	\$ 1,337,278	\$ 922,728
Line Repair	2,914,343	2,798,710	2,719,750	3,149,215
Total	4,389,032	4,339,255	4,057,028	4,071,943
<p>The Customer Service Technician positions will be moved from the Utility Billing budget to the Line Repair budget in FY2013.</p>				



LEAGUE CITY

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**FY 2013 ADOPTED BUDGET
GENERAL FUND EXPENDITURE SUMMARY
EXPENDITURES BY CATEGORY**

CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Personnel Services	29,476,707	29,972,079	29,455,965	31,971,420
Supplies	2,718,861	3,059,583	3,056,779	2,733,525
Repairs & Maintenance	1,844,044	1,913,047	1,869,099	1,888,161
Services & Charges	10,644,206	11,770,405	11,692,217	11,109,692
Special Programs & Events	256,773	349,400	311,935	374,400
Capital Outlay	384,613	313,600	454,311	322,400
Transfer to Debt Service	644,800	500,000	500,000	-
Payments to TIRZ's	1,390,687	1,432,200	1,432,200	1,441,000
Capital Projects	-	-	-	-
GENERAL FUND OPERATING TOTAL	47,360,691	49,310,314	48,772,506	49,840,598
Transfers to CIP	2,122,025	2,842,720	2,842,720	2,055,000
Debt	-	3,000,000	3,000,000	-
TOTAL GENERAL FUND APPROPRIATION	49,482,716	55,153,034	54,615,226	51,895,598

CATEGORY HIGHLIGHTS (FY 2013 Adopted versus FY 2012 Estimated)

- Personnel Services – Net increase of \$2.5 million as a result of a full year's effect of STEPS for classified personnel (+\$174,700) ; annualized cost of the FY2012 compensation study (+\$219,050), positions that were vacant for a portion of FY2012 (+\$889,550), and new positions in FY2012 (+\$262,450) and FY2013 (+\$273,900); general fund portion of compensation reserve (+\$561,000 – see Non-Departmental highlights); increase in worker's compensation (+\$30,500); separation pay in FY2012 (-\$29,500); and decrease in overtime (-\$32,250).
- Supplies – Decrease of \$323,250 due to one-time purchases in FY2012 (-\$198,900), relocating operating supplies to other funds (-\$72,200), and decreases in a variety of other accounts.
- Services & Charges – Decrease of \$517,900 due to a decrease in Motor Pool Lease Fees (-\$168,100); relocating services and charges to other funds (-\$148,300), anticipated decreases in use of temporary personnel in the Animal Control Shelter (-\$64,000), and in attorney services in FY2013 (-\$240,000).
- Special Programs & Events – Increase of \$62,500 due largely to moving Blackboard Connect from the Emergency Management Fund.
- Capital Outlay – Net decrease of \$131,400 due to the one-time item purchases in FY2012 (-\$366,000) as well as the purchase of one-time items in FY2013 (+\$234,000).
- Transfer to Debt Service – Transfer unnecessary to support FY2013 as well as future debt service payments.
- Transfer to CIP - \$2.1 million to cash fund the CIP.

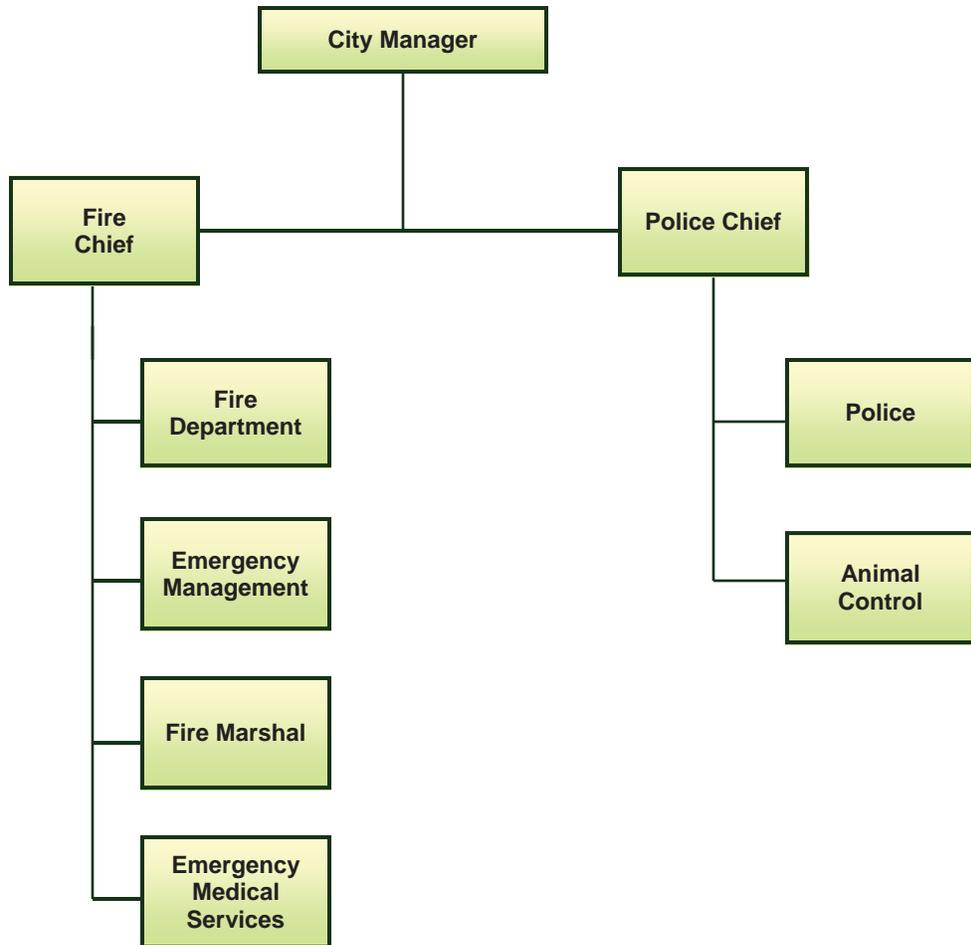
**FY 2013 ADOPTED BUDGET
GENERAL FUND EXPENDITURE SUMMARY
EXPENDITURES BY DIRECTORATE**

DIRECTORATE	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Public Safety	19,496,257	20,168,249	20,090,843	20,343,210
Public Works	10,883,366	11,081,098	10,888,151	11,122,808
Parks and Cultural Services	4,553,808	4,501,009	4,411,265	4,367,454
Finance	1,987,970	1,999,091	1,943,812	2,131,600
Administration	4,597,920	5,364,404	5,281,616	5,427,865
Planning and Development	2,626,376	2,638,164	2,612,342	2,946,761
Non-Departmental	3,214,995	3,286,199	3,272,377	3,012,000
GENERAL FUND OPERATING TOTAL	47,360,691	49,038,214	48,500,406	49,351,698
Appropriation of Fund Balance	2,122,025	3,114,820	6,114,820	2,543,900
TOTAL GENERAL FUND APPROPRIATION	49,482,716	52,153,034	54,615,226	51,895,598

DIRECTORATE HIGHLIGHTS

- Public Safety – See Public Safety directorate highlights.
- Public Works – See the Public Works directorate highlights.
- Parks and Cultural Services – See Parks & Cultural Services directorate highlights.
- Finance – Increase of \$287,000 due to the annualized affect of the FY2012 compensation study and moving the Finance Director from the Administration Directorate.
- Planning and Development – Increase of \$334,400 due largely to increase in the expenses associated with abandoned buildings (+\$233,000) and increases in economic development for business development and brand awareness marketing (+\$101,400).
- Administration – Increase of \$146,250 due to moving computer related items from other directorates to the IT budget within the Administration Directorate.
- Non-Departmental – Decrease of \$3.8 million due largely to a decrease in transfers to cash fund CIP projects and the Debt Service Fund (see Non-Departmental Highlights).

PUBLIC SAFETY DIRECTORATE



FY 2013 ADOPTED BUDGET PUBLIC SAFETY DIRECTORATE

DIRECTORATE	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Police	\$ 14,810,963	\$ 14,875,276	\$ 14,861,630	\$ 14,962,050
Animal Control	579,954	548,222	510,905	645,990
Fire Department	977,895	1,387,483	1,386,883	1,185,850
Fire Marshal	481,542	487,377	485,461	493,880
Emergency Medical Services	2,266,803	2,418,235	2,407,120	2,792,540
Emergency Management	341,871	354,256	353,844	262,900
Drill Field	37,230	97,400	85,000	-
Public Safety Directorate Total	\$ 19,496,257	\$ 20,168,249	\$ 20,090,843	\$ 20,343,210

CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Personnel Services	\$ 15,687,001	\$ 15,938,211	\$ 15,739,000	\$ 16,916,700
Supplies	1,204,479	1,376,363	1,399,715	1,195,735
Repairs & Maintenance	856,303	775,884	736,014	716,510
Services & Charges	1,499,784	1,799,591	1,827,514	1,346,665
Special Programs & Events	153,508	168,100	168,300	167,600
Capital Outlay	95,181	110,100	220,300	-
Public Safety Directorate Total	\$ 19,496,257	\$ 20,168,249	\$ 20,090,843	\$ 20,343,210

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

Personnel Services - Net increase of \$1,177,700 due to the cost of the STEP raises for qualified Civil Service personnel (+\$174,700); annualized cost of FY2012 compensation study (+\$219,050); annualized cost of positions vacant for a portion of FY2012 (+\$416,500); certification pay (+\$4,800); annualized cost of adding four dispatchers (\$121,950) and six paramedics (\$140,500) in FY2012; Community Outreach/Adoption Specialist (+\$70,000) and Training Officer (+\$75,000) in FY2013; separation pay in FY2012 (-\$12,000); and decrease in overtime in FY2013 (-\$32,850).

Supplies - Decrease of \$204,000 due to expenses for one-time items related to grant revenue (-\$130,600); consolidating computer technology related items in the IT budget (-\$22,200); one-time purchase of radios (-\$10,300) and supplies for EMS substation at 600 West Walker (-\$8,000); expected decrease in cost of gasoline in FY2013 (-\$15,000); and relocating operating supplies to the Emergency Management Fund (-\$19,200).

Services & Charges - Decrease of \$480,850 due to a decrease in Motor Pool Lease Fees (-\$317,150); moving the crossing guard contract to the Safelight Fund (-\$55,000); moving the charges for Sprint air cards to the IT budget (-\$48,700); and an anticipated decrease in use of temporary personnel in FY2013 in Animal Control (-\$60,000).

Capital Outlay - Decrease of \$220,300 due to the following one-time items purchased in FY2012: fingerprint station and video image evidence enhancer (-\$75,000); lights for fire chief's and assistant fire chief's vehicles (-\$32,700); driveway infrastructure for Fire Station #5 (-\$69,100); and compressor and air fill station for the Fire Department Drill Field (-\$43,500).

PUBLIC SAFETY DIRECTORATE POLICE DEPARTMENT

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 2012

- Jail renovations were completed
- Submitted a conceptual design for a new Public Safety Building during the 2nd quarter of FY 2012
- Developed and implemented a Community Response Coordinator position funded primarily through a grant
- Expanded the License Plate Recognition program to three vehicles
- Added four dispatcher positions raising minimum staffing to three in response to recommendations related to the City's most recent ISO audit
- The Department's Training Unit has provided 695 hours of course instruction this fiscal year and is on pace to achieve a 35% increase in the number of in-house training hours over FY2011
- Received two grants
 - \$128,000 for CART specialty equipment from UASI; and
 - Funding for 12 shotguns for Patrol from the Friends of the NRA

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Begin construction of new Public Safety building
- Modify our Police Delivery Model and complete reorganization
- Continue with and expand our involvement with the Chinese Cadet exchange program
- Maintain quality in-house instruction hours for all department employees throughout FY2013
- Bring in quality instructors for in-house training at cost effective rates to maximize the training budget for FY2013. In addition, the Training Unit wants to host more training courses by outside training cadre in the City
- By the 1st Quarter of 2013 have all TCLEOSE mandated training completed for the current training cycle and ensure all employees are in compliance

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
POLICE				
Personnel Services	12,742,591	12,750,430	12,677,012	13,254,820
Supplies	622,142	759,325	760,295	652,440
Repairs & Maintenance	560,475	444,425	444,425	398,090
Services & Charges	869,014	898,996	882,798	634,100
Special Programs & Events	16,741	22,100	22,100	22,600
Capital Outlay	-	-	75,000	-
TOTAL	14,810,963	14,875,276	14,861,630	14,962,050
POSITIONS	148.0	148.0	152.0	152.0

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$577,800 due to annualized cost of adding four dispatchers midyear in FY2012 (+\$121,950); annualized cost of FY2012 STEP raises (+\$99,700); FY2013 STEP raises for qualified Civil Service personnel (+\$75,000); annualized cost of FY2012 compensation study for both civil service and non-civil service personnel (+\$179,000); and the annualized cost of positions that were vacant for a portion of FY2012 (+\$102,150).
- Supplies - Decrease of \$107,800 due to a one-time grant in FY2012 to purchase small tools for the Combined Agency Reponse Team (-\$85,600) and computer technology related items moved to the Information Technology Budget (-\$22,200).
- Repairs & Maintenance - Decrease of \$46,300 due to a decrease in the payment to the Motor Pool Fund for vehicle repairs.
- Services & Charges - Decrease of \$248,700 due to a decrease in the Motor Pool Lease fees (-\$145,000), moving the Crossing Guard contract with CCISD to the Safelight Fund (-\$55,000), and moving the charges for the Sprint air cards to the Information Technology Budget (-\$48,700).
- Capital Outlay - Decrease of \$75,000 as a result of the one-time purchase in FY2012 of a fingerprint station and video, image, and evidence enhancer.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Annual Meetings with Community Groups	N/A	49	12	12
Formal Training or Presentations to Citizens	N/A	107	70	70
Calls for Service	35,493	36,775	35,000	35,167
Arrests	3,319	3,349	3,000	3,365
Motor Vehicle Accidents	1,559	1,360	1,400	1,405
Response Time Averages for Priority 1 Calls	4:53	4:57	4:52	4:50

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 2012

- Worked with Animal Shelter Advisory Committee to develop a new staffing plan for the Animal Control Department.
- Filled the vacancies for Animal Control Officers created by the new staffing plan in order to continue to provide the highest level of customer service possible.
- Two Animal Control Officers continued their professional development by receiving their advanced animal control certificates thus giving them, as well as the Animal Control department, the ability to offer a higher level of service to the public.
- Twenty-one new feline holding pens were purchased increasing the Animal Shelter's capability to humanely house animals awaiting adoption.

GOALS FOR FISCAL YEAR 2013

- Continue to work with the Animal Shelter Advisory Committee to develop policies and guidelines for the care and disposition of animals according to the industries best practice standards.
- Increase the placement rate of animals through additional community outreach placement promotions.
- Hire an Outreach Coordinator to build and manage a volunteer program and increase adoption efforts.
- Hire an Animal Control Superintendent to oversee the professional development of staff, maintain the highest level of customer service to the citizens of League City, and ensure the humane treatment of all animals.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
ANIMAL CONTROL				
Personnel Services	449,366	413,430	321,073.00	492,920
Supplies	54,422	49,113	43,700.00	51,000
Repairs & Maintenance	20,377	21,407	21,407.00	16,240
Services & Charges	55,789	64,272	124,725.00	85,830
TOTAL	579,954	548,222	510,905	645,990

POSITIONS	9.0	9.0	9.0	10.0
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net increase of \$171,850 due to the annualized effect of the compensation study (+\$8,500); addition of a Community Outreach and Adoption Specialist position in FY2013 (+\$70,000); annualized affect of filling positions that were vacant in FY2012 (+\$138,400); decrease in separation pay (-\$12,000); and a decrease in overtime (-\$32,850) as a result of staff positions that were vacant in FY2012.
- Supplies - Increase of \$7,300 due to an increase in chemicals and drugs as a result of an expected increase in animal intake in FY2013.
- Repairs & Maintenance - Decrease of \$5,000 due to a decrease in the payment to the Motor Pool Fund for vehicle repairs.
- Services & Charges - Net decrease of \$38,900 includes an expected increase in the need for veterinary services in FY2013 as a result of an expected increase in animal intake (+\$21,300) and a decrease in the use of temporary personnel as the shelter is staffed in FY2013 (-\$60,200).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Calls for Service (<i>Calls Animal Control Officers respond to from the public and self initiated</i>)	3,973	4,047	4,100	4,300
Animal Intake (<i>Total number of animals brought into the shelter by the Animal Control Officers</i>)	1,323	981	1,200	1,251
Animal Live Release (<i>This includes adoptions, animals claimed by their owners and animals transferred to other shelters.</i>)	932	697	1,010	1,064
Animals Euthanized	270	196	190	187

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 2012

- Implemented Day Time staffing program at fire station #1. Early evidence shows a reduction in average response time by approximately 1 minute.
- All mutual aid agreements are current.
- As of May 31, 50% of all personal protection equipment has been inspected and should be 100% by the end of July
- Reviews are currently underway and priorities for updates are being established.
- Departmental By-laws have been updated to reflect the current organizational structure.
- Appropriate adjustments have been implemented and a volunteer assistant chief has been appointed to oversee operations.
- Existing ICS training program has been modified to appropriately reflect our organizational structure. Personnel deficiencies have been identified and a plan implemented to ensure we are fully National Incident Management Systems(NIMS) compliant with federal guidelines.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Increase the number of trained emergency medical personnel within the volunteer fire department by 25% and implement fire department EMS first responder program.
- Maintain an average response time for first arriving unit under 8 minutes
- Enhance duty officer program leadership development program to ensure all responder and citizen's safety.

**FY 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>FIRE DEPARTMENT</u>				
Personnel Services	55,219	209,050	186,483	200,190
Supplies	285,699	289,170	319,120	287,545
Repairs & Maintenance	146,347	176,270	142,000	202,720
Services & Charges	290,807	508,893	501,480	360,395
Special Programs & Events	131,518	135,000	136,000	135,000
Capital Outlay	68,306	69,100	101,800	-
TOTAL	977,895	1,387,483	1,386,883	1,185,850

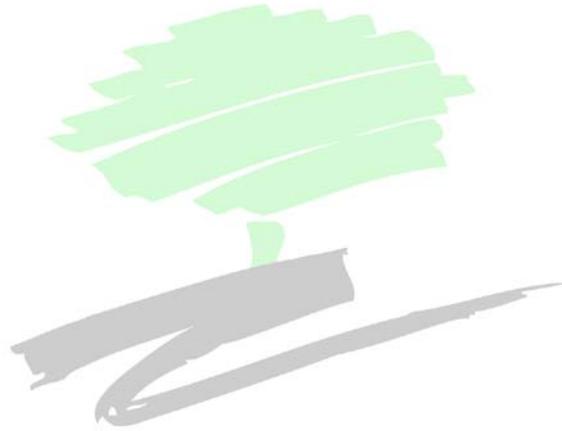
POSITIONS 2.0 2.0 2.0 2.0

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$13,700 due to an increase in certification pay (+\$4,800) and the annualized effect of the compensation study (+\$8,200).
- Supplies - Decrease of \$31,500 due to a one-time grant received in FY2012 to replace tools and minor equipment lost or damaged in the 2011 wildfires (\$20,500) and a decrease in the cost of gasoline (\$10,000).
- Repairs & Maintenance - Increase of \$60,700 due to an increase in building (+\$28,600) and contract (\$32,000) maintenance both as a result of combining the Drill Field budget within the Fire Department budget in FY2013.
- Services & Charges - Decrease of \$141,000 due to a decrease in the Motor Pool Lease Fees for FY2013.
- Capital Outlay - Decrease of \$101,800 as a result of the one-time purchase in FY2012 of lights for the fire chief's and district chief's vehicles (-\$32,700) and driveway infrastructure for Fire Station #5 (-\$69,100); both of which were carryovers from FY2011.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Total fire operating expenditures per capita	\$10.42	\$11.65	\$13.45	\$14.00
Total incidents per 1,000 residents	11	12	11.5	13
Residential structure fire incidents per 1,000 residents	0.36	0.43	0.53	0.50
Hazmat incidents per 10,000 residents	13	14	13	15
False alarms and good intent calls as a percentage of total incidents, non-fire incidents and false alarms	22%	23%	35%	30%
Average response time (first unit on scene)	9:20	8:30	7:30	7:30



LEAGUE CITY

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**FY 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATE	FY 2013 ADOPTED
<u>FIRE DRILL FIELD</u>				
Supplies	26,574	33,000	28,000	-
Repairs & Maintenance	10,656	10,000	10,000	-
Services & Charges	-	13,400	3,500	-
Capital Outlay	-	41,000	43,500	-
TOTAL	37,230	97,400	85,000	-

HIGHLIGHTS (*FY 2013 Adopted Over/Under FY 2012 Estimated*)

The Fire Department Drill Field budget will be combined with the Fire Department budget in FY2013.

PUBLIC SAFETY DIRECTORATE EMERGENCY MEDICAL SERVICES

MISSION STATEMENT

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

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Updated the EMS medical protocols. These updates included both new treatment modalities and new medications caused by the nationwide medication shortages
- Began staffing the 3rd ambulance on a full time basis in April
- Established new district boundaries in an effort to reduce response time
- Reduced reliance on other jurisdictions by decreasing the number of incoming mutual aids by 15%
- Performed quality assurance on 100% of the EMS calls and over 1% of these calls were submitted to the Mortality and Morbidity review committee
- 12 additional AEDs were placed in City buildings and over 150 City employees were trained in their use
- EMS maintained a revenue collection rate of 50%
- Increased survival rate following cardiac arrest by 5%
- Successfully transitioned from Lifepak 12 to Lifepak 15
- Established an EMS safety committee in an effort to reduce on the job injuries
- Utilizing grant funding implemented the Lifenet transmission program; this allows EMS to transmit critical EKGs to local Emergency Rooms.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Increase Oral intubation success rate on the first attempt by 10 %
- Obtain an American Heart Association Advanced Community Training Center certification. This will give the EMS the ability to teach Advanced Cardiac Life Support and Pediatric Advance Life Support Classes (This goal was moved forward from FY 2012)
- Establish an EMS Training Officer Position
- Increase the EMS internal training hours by 50 hours per employee annually
- Establish a City Ordinance that regulates Personal Care Homes that are located in the City
- Survey at least 25% of our Patients and obtain at least a 90% approval rating

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
EMS				
Personnel Services	1,738,855	1,880,460	1,868,245	2,332,980
Supplies	191,016	200,530	205,550	181,200
Repairs & Maintenance	86,990	91,595	86,475	72,860
Services & Charges	218,088	239,850	241,850	200,700
Special Programs & Events	4,978	5,800	5,000	4,800
Capital Outlay	26,875	-	-	-
TOTAL	2,266,803	2,418,235	2,407,120	2,792,540
POSITIONS	24.50	24.50	30.50	31.00

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$464,500 due to annualized effect of the FY2012 compensation study (+\$73,000); annualized effect of the additional six paramedics in FY2012 (+\$140,500); adding a Training Officer in FY2013 (+\$75,000); and annualized effect of filling positions in FY2013 that were vacant in FY2012 (+\$176,000).
- Supplies - Decrease of \$24,350 as a result of the one-time purchase of radios in FY2012 (-\$10,300); one-time purchase of operating supplies for the EMS substation at 600 West Walker (-\$8,000); and decrease in the cost of gasoline (-\$5,000).
- Repairs & Maintenance - Decrease of \$13,600 due to a decrease in the payment to the Motor Pool Fund for vehicle repairs.
- Services & Charges - Decrease of \$41,150 due to a decrease in the Motor Pool Lease Fees.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
EMS responses per 1,000 population	48	49	49	51
Requests for mutual aid	89	55	45	40
Cardiac arrest save rate	36%	44%	45%	45%
EMS billing collections rate	63%	40%	50%	50%
Community outreach contacts	1,052	1,120	1,300	1,350
EMS code enforcement contacts	134	160	220	275
Response time from dispatch to arrival (minutes)	6:25	6:25	6:30	6:20

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 2012

- Reviewed and updated vacant property and master businesses lists with current contact information. (+/-1,700 properties)
- Fire Inspections:
 - Primary Inspections: 792
 - Follow Up Inspections: 406
 - Code Violations: 1,130
 - Citations issued: 25
- Distributed 1,622 fire prevention brochures/materials to 711 businesses.
- Completed 619 fire reports on responses by League City Fire Department.
- Upgraded two Ford Crown Victoria fleet vehicles for two newer model Ford pickups which are better suited for fire investigations and response during natural or manmade disasters.
- Upgraded FireHouse Software to include the inspections package to facilitate the move to a paperless process in compliance with City Council's "going green" policy. This will also allow for easier retrieval of needed documents and eliminate filing time for office staff.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Complete the integration of the updated FireHouse Software into daily use.
- Increasing visibility and inspection process with "big box" stores and other larger facilities to ensure that they are in compliance with codes and ordinances regarding access to entry and exit ways.
- Focus on a team effort between Fire Marshal, Building, and Code Enforcement staff in the inspection and remediation projects for older apartment communities.
- Partner with State of Texas Elderly and Child Care Licensing Agencies to monitor the increase in single family homes being used for day care or senior group homes. This partnership will ensure compliance with local rules and regulations, and protect some of our most vulnerable citizens.
- Implement new fire prevention program targeting Spanish speaking employees in local businesses.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
FIRE MARSHAL				
Personnel Services	406,340	398,410	399,194	406,750
Supplies	15,625	20,370	18,970	18,700
Repairs & Maintenance	19,457	19,957	19,457	11,770
Services & Charges	40,011	48,040	47,240	56,060
Special Programs & Events	109	600	600	600
TOTAL	481,542	487,377	485,461	493,880

POSITIONS	5.0	5.0	5.0	5.0
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$7,500 due to the annualized effect of the FY2012 compensation study.
- Repairs & Maintenance - Decrease of \$7,700 due to a decrease in the payment to the Motor Pool Fund for vehicle repairs.
- Services & Charges - Increase of \$8,800 due to an increase in the Motor Pool Lease Fees.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Fire Inspections	2,038	2,533	2,317	2,500
Fire Prevention Programs	400	802	1,026	1,100
Citizen Request for Assistance	1,896	2,161	1,550	1,850
Plans Review	306	349	200	300
Property Loss/Value	22%	36%	19%	25%
Follow-ups as % of Total Inspections	NA	60%	57%	55%

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 2012

- Coordinated or conducted 17 public outreach and education events reaching more than 1,400 residents and local businesses.
- Secured a mutual aid agreement with the Johnson Space Center that allows us to utilize one another's emergency operations centers and sheltering facilities.
- Entered into an emergency standby contract with Ceres Environmental for debris removal services.
- Conducted three emergency exercises with League City departments and participated in five other jurisdictional and state-held exercises.
- Enlisted more than 600 hours of service from Emergency Management amateur radio volunteers.
- Provided 11 emergency management training and education opportunities to City staff.
- Completed the departmental assessments for the Continuity of Operations Plan.
- Utilizing the new Oil and Gas Ordinance, successfully permitted and conducted oversight of the Langley Well #1 drilling project.
- Researched, analyzed, and presented grant opportunities for 21 projects or areas of interest identified by City leadership.
- Managed the FEMA Severe Repetitive Loss grant-funded elevations of six homes out of the floodplain, resulting in significantly lowering the residents' flood insurance rate and increasing the property values.
- Secured funding for and managed a Texas Criminal Justice Grant to create the first Crime Victim Services social worker position for the Police Department.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Finalize and implement the Continuity of Operations Plan and provide training to staff and elected officials.
- Approve and implement a National Incident Management System (NIMS) training program for City staff. NIMS will allow the city to effectively and efficiently respond to emergencies and disasters.
- Update Oil and Gas ordinance using lessons learned from recent drilling and pipeline projects.
- Plan and conduct a full-scale emergency exercise.

**FY 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>EMERGENCY MANAGEMENT</u>				
Personnel Services	294,630	286,431	286,993	229,040
Supplies	9,001	24,855	24,080	4,850
Repairs & Maintenance	12,001	12,230	12,250	14,830
Services & Charges	26,076	26,140	25,921	9,580
Special Programs & Events	163	4,600	4,600	4,600
TOTAL	341,871	354,256	353,844	262,900

POSITIONS	4.00	4.00	4.00	3.00
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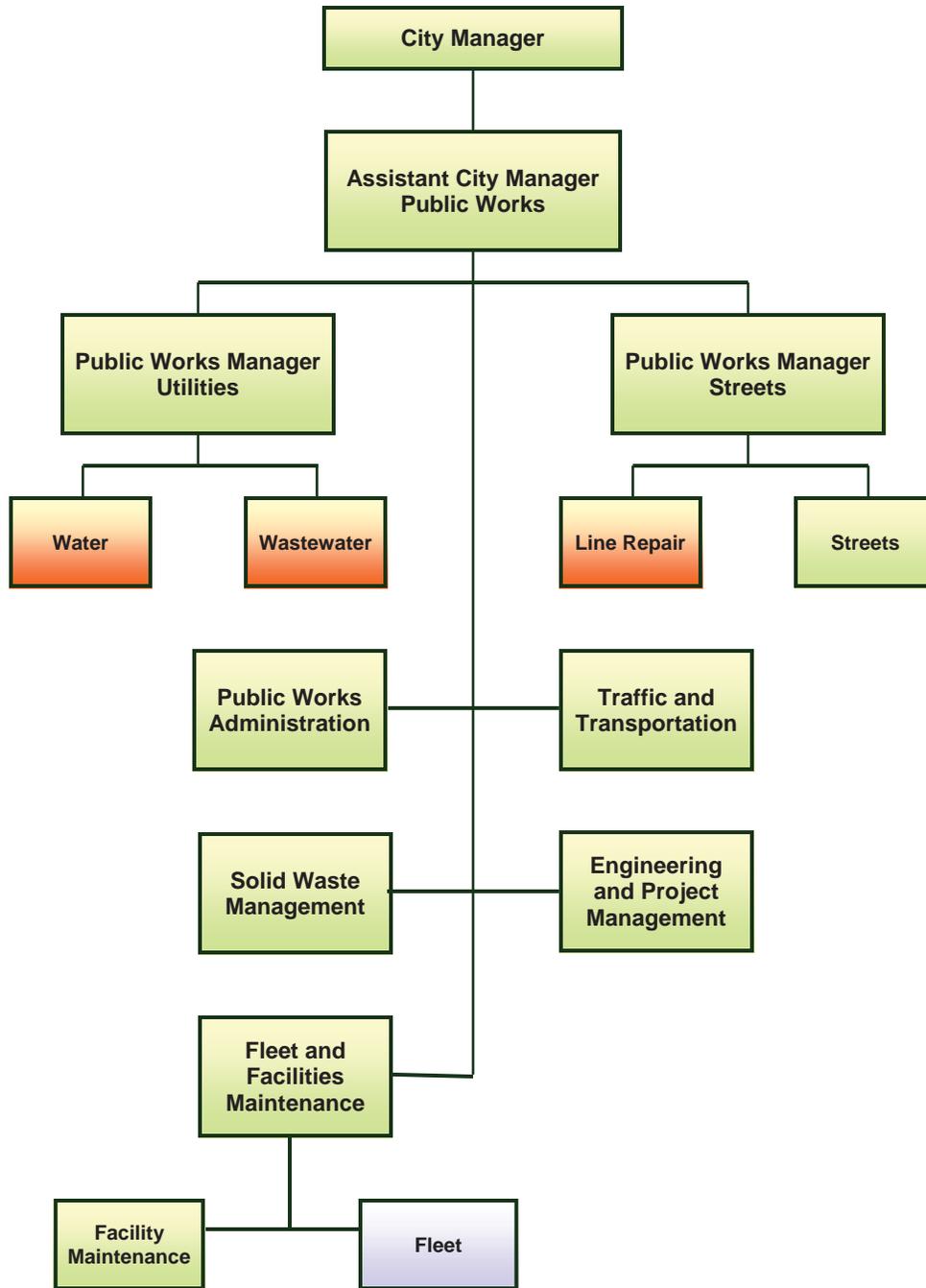
HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Decrease of \$58,000 as a result of moving the Grant Specialist position to the City Manager's budget.
- Supplies - Decrease of \$19,200 as a result of moving minor equipment and operating supplies to the Emergency Management Fund.
- Services & Charges - Decrease of \$16,300 as a result of moving the Sprint air cards to the IT budget (-\$2,600); moving travel and training to the Emergency Management Fund (-\$8,000); and not renewing the Impact Weather subscription in FY2013 (-\$5,700).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Number of hazard awareness activities delivered to citizens	5	12	15	13
Number of emergency management exercises with participation by EM staff	2	4	8	5
Number of trainings for City staff	7	8	11	10
Number of employees receiving training	130	72	150	150

PUBLIC WORKS DIRECTORATE



- Funded by Motor Pool Fund
- Funded by General Fund
- Funded by Utility Fund

FY 2013 ADOPTED BUDGET PUBLIC WORKS DIRECTORATE

DIRECTORATE	FY 2011 ACTUAL	FY 2012 BUDGET	FY2012 ESTIMATED	FY2013 ADOPTED
Public Works Admin	411,137	603,940	622,558	132,160
Engineering	1,109,235	710,670	669,598	1,514,270
Streets and Stormwater	4,519,132	4,456,573	4,334,152	4,384,883
Facilities Maintenance	1,695,343	1,656,235	1,678,410	1,674,250
Traffic and Transportation	361,141	848,680	738,433	572,245
Solid Waste	2,787,378	2,805,000	2,845,000	2,845,000
Total	10,883,366	11,081,098	10,888,151	11,122,808

CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Personnel Services	3,940,305	4,086,998	4,021,009	4,334,400
Supplies	749,316	826,460	801,380	765,790
Repairs & Maintenance	747,365	849,552	848,874	848,158
Services & Charges	5,383,379	5,274,638	5,192,803	5,038,510
Special Programs & Events	-	43,450	24,085	43,450
Capital Outlay	63,000	-	-	92,500
Total	10,883,366	11,081,098	10,888,151	11,122,808

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$313,350 as a result of adding a Construction Inspector and Engineering Technician position in FY2013 (+\$108,600); anticipated increase in overtime in FY2013 (+\$18,250); and the annualized cost of filling positions vacant for a portion of FY2012 (+\$186,500).
- Supplies - Decrease of \$35,590 due to moving computer technology related items to the IT budget (-\$20,700) and an anticipated decrease in building maintenance and operating supplies in FY2013 (-\$14,890).
- Services & Charges - Net decrease of \$154,300 due to a decrease in motor pool lease fees (-\$135,000); equipment rentals (-\$32,300), traffic signal maintenance (-\$17,000); and an anticipated increase in the cost of electricity (+\$17,000).
- Capital Outlay - Increase of \$92,500 for design and drainage construction as a result of the NPDES storm water management program.

PUBLIC WORKS DIRECTORATE PUBLIC WORKS ADMINISTRATION

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 2012

- Identified source(s) for additional water supply
- Implemented revised Drought Contingency Plan
- Compiled FY2012-FY2016 CIP plan and presented to Council for adoption
- Implemented FY2012 CIP projects from Adopted Plan including the following:
 - Began design of Public Safety Facility
 - Purchased replacement fire apparatus
 - Began design of Fire Station #2 expansion for EMS
 - Moved the Ghirardi Compton Oak
 - Began design of Bayou Bank Stabilization
 - Substantial completion of Eastern Regional Park
 - Started construction of SH 3 pump station upgrades
 - Completed construction of new Southwest Water Reclamation Facility
 - Completed the remodel of City Hall

PRIORITIES AND GOALS FOR 2013

- Identify and secure contracts for additional water supply
- Secure quality solid waste and recycling services for the community at a reasonable and affordable cost
- Implement FY 2013 CIP plan including reporting and scheduling tools for major phases of the projects
- Work to ensure the timely completion of the new public safety facility in 2014
- Develop a proposed FY 2014 CIP that continues City progress related to infrastructure maintenance and construction, addresses community growth and needs, and aligns with City's funding capabilities
- Increase consistency and effectiveness in contract management and administration with development and implementation of a standardized professional services agreement for project design
- Develop and implement a plan to facilitate the conclusion of Amegy lease and relocate employees to City facilities, reducing City's financial obligations and making best use of City-owned space

**FY 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>PUBLIC WORKS ADMINISTRATION</u>				
Personnel Services	402,114	568,110	580,108	132,160
Supplies	7,587	4,000	2,550	-
Services & Charges	1,436	31,830	39,900	-
TOTAL	411,137	603,940	622,558	132,160
POSITIONS	6.0	7.0	7.0	1.0

HIGHLIGHTS (*FY 2013 Adopted Over/Under FY 2012 Estimated*)

Total decrease of \$490,400 is a result of moving all expenses (salaries and benefits, supplies, and services) associated with the Project Management Office to the Engineering Budget in FY2013.

PUBLIC WORKS DIRECTORATE ENGINEERING AND PROJECT MANAGEMENT

MISSION STATEMENT

To manage development and maintenance of City infrastructure in a manner that provides the best value to the City and promotes the health, safety and welfare of its citizens.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Assisted with the implementation of the 5 year CIP.
- Modified and implemented RFQ process for selection of professional service providers.
- Assisted in adoption of the Updated Master Drainage Plan – Existing Conditions.
- Continued efforts to identify and develop opportunities to acquire long-term water supply rights.
- Assisted in the moving of the Ghirardi Compton Oak.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Continue to work to secure additional water supply.
- Develop industry standard performance measures for both engineering and project management.
- Refine the RFQ process.
- Standardize the City's professional services agreement.
- Adoption of the updated Master Drainage Plan – Phase 2, Master Water Plan, Master Wastewater Plan, and Impact Fees.
- Finalize design and construction of critical water and wastewater projects.
- Reorganize and update information on City website.
- Identify existing infrastructure not entered into GIS data base and provide to GIS personnel.
- Develop street and sidewalk conditions survey.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
ENGINEERING AND PROJECT MANAGEMENT				
Personnel Services	856,061	526,640	517,533	1,173,950
Supplies	29,145	20,400	9,500	30,640
Repairs & Maintenance	22,950	23,950	22,950	18,400
Services & Charges	201,079	96,230	95,530	155,330
Special Programs & Events	-	43,450	24,085	43,450
Capital Outlay	-	-	-	92,500
TOTAL	1,109,235	710,670	669,598	1,514,270
POSITIONS	11.0	7.0	6.0	14.0

HIGHLIGHTS (*FY 2013 Adopted Over/Under FY 2012 Estimated*)

- Personnel Services - Increase of \$656,450 due to the addition of a Construction Inspector and Engineering Technician (both funded for 9 months) in FY2013 (+\$108,600); expected increase in overtime in FY2013 (+\$18,250); and moving the Project Management Office from Public Works Administration in FY2013 (+\$529,600).
- Supplies - Increase of \$21,100 due to an increase in supplies (+\$10,000) and gasoline (+\$11,100) as a result of moving the Project Management Office from Public Works Administration in FY2013.
- Services & Charges - Increase of \$59,800 due to an increase in the Amegy building lease (+\$16,450), motor pool lease fees (+\$8,700), and contractual services (+\$24,550) for an environmental study and surveys all as a result of moving the Project Management Office from Public Works Administration in FY2013.
- Special Programs & Events - Increase of \$19,300 as a result of an increase for the NPDES program payment to Harris County which is based on the increase in the population.
- Capital Outlay - Increase of \$92,500 for design and drainage construction as a result of the NPDES storm water management program.

PERFORMANCE INDICATORS

The performance indicators for Engineering and Project Management are being developed and will be reported beginning with the Midyear Financial Report for Fiscal Year 2013.

PUBLIC WORKS DIRECTORATE STREETS AND STORMWATER

MISSION STATEMENT

To serve the Community of League City by providing 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 2012

- 3 Linear Miles of Street Paved or Overlaid
- 1,000 Signs Repaired or Replaced
- 51,600 Linear Feet of Ditch Cleaned

GOALS FOR FISCAL YEAR 2013

- Re-habilitate and/or convert limestone roadways to paved streets. Performance Objectives: Identify 3 linear miles of streets
- Reshape and grade 50,000 linear feet of roadside ditches Performance Objectives: Identify areas that have potential in creating drainage problems/service orders
- Repair /Replace 1,200 signs throughout the City. Performance Objective: To continuously monitor all subdivisions and local streets for proper signage
- Maintain world class service. Performance Objective: Contact Citizens (who have filed a request for service) within a 48-Hour time frame
- Sidewalk repair. Objective: 7,500 linear feet of sidewalk throughout City

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>STREETS AND STORMWATER</u>				
Personnel Services	1,993,965	1,981,320	1,952,817	2,117,270
Supplies	554,369	567,470	494,490.00	561,965
Repairs & Maintenance	618,808	706,483	679,805.00	667,958
Services & Charges	1,288,990	1,201,300	1,207,040.00	1,037,690
Capital Outlay	63,000	-	-	-
TOTAL	4,519,132	4,456,573	4,334,152	4,384,883
POSITIONS	44.0	44.0	44.0	44.0

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$164,500 due to the annualized effect of the FY2012 compensation study (+\$70,000) as well as the annualized affect of filling positions in FY2013 that were vacant in FY2012 (+\$94,500).
- Supplies - Net increase of \$67,500 due to moving computer technology related items to the IT budget (-\$15,000); increase in expected gasoline consumption in FY2013 (+\$7,500); and increase in concrete and asphalt (+\$75,000).
- Repairs & Maintenance - Increase of \$11,900 due to an increase of the payment to the Motor Pool fund for vehicle repairs and maintenance.
- Services & Charges - Net decrease of \$169,400 due to a decrease in Motor Pool Lease Fees (-\$145,000); anticipated increase in electricity for street lights (+\$25,000); a decrease in water/wastewater analysis (-\$16,600); and an anticipated decrease in equipment rentals (-\$32,600).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Lane miles of streets resurfaced	3	4	3	3
Linear feet of sidewalk repaired	N/A	2,500	6,500	7,000
Linear feet of drainage ditches re-graded	50,000	51,600	30,000	50,000
Miles of major outfalls mowed	N/A	38	38	38
Number of street signs repaired or replaced	1,000	1,000	1,100	1,200

PUBLIC WORKS DIRECTORATE FACILITIES MAINTENANCE

MISSION/PURPOSE STATEMENT

To provide clean, safe, and secure City facilities for visitors and City employees in a cost effective and efficient manner.

ACCOMPLISHMENTS FOR FISCAL YEAR 2012

- Partnered with other departments and contractor in the demolition and renovation of City Hall.
- Completed 21 facilities modernization and energy efficient lighting upgrade projects throughout the city.
- Completed 19 capital improvement projects.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Remain at 90% of all work orders in-house.
- Implement a proactive customer service program that incorporates feedback and performance measurement.
- Enhance preventive maintenance scheduling for A/C filters and HVAC control settings.
- Work with Street Department to add additional parking on the Walker Street complex.
- Set up purchasing contracts for various outside contract services.
- Complete the energy efficient lighting upgrade on remaining City buildings.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>FACILITIES MAINTENANCE</u>				
Personnel Services	550,185	643,508	668,263	667,860
Supplies	136,412	95,220	132,990	122,050
Repairs & Maintenance	105,608	119,119	146,119	153,350
Services & Charges	903,138	798,388	731,038	730,990
TOTAL	1,695,343	1,656,235	1,678,410	1,674,250

POSITIONS	12.0	12.0	13.0	13.0
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Supplies - Decrease due to a decrease in building maintenance supplies (-\$5,500) and operating supplies (-\$5,400).
- Repairs & Maintenance - Net increase of \$7,200 due to a decrease in AC and Heating repairs (-\$12,000) and building maintenance (-\$10,000) as a result of the repairs completed with the Facility Renewal in the FY2012 CIP and an increase in the payment to the Motor Pool Fund for vehicle repairs (+\$15,000) and equipment repairs (+\$14,200).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Facilities modernization and energy efficient projects	4	7	21	10
Average time of maintenance request to time of response	8.5	4	2	2
Internal customer service index	2	8	8	9
Number of work orders processed	323	1,021	2,000	2,000
Percentage of repairs & improvements by in-house staff vs. contractors	35%	55%	91%	92%

PUBLIC WORKS DIRECTORATE TRAFFIC AND TRANSPORTATION

MISSION STATEMENT

Facilitate the safe, 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 control devices.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Since taking over 78 intersections from the state, outdated equipment has been replaced or repaired in order to bring the system up to minimum operating standards
- Installed 42 flashing yellow arrows at intersections, 62 new traffic signal controllers, 62 new traffic signal conflict monitors, 21 new traffic signal cabinets, 18 new vehicle detection cameras, 2 new vehicle detection systems, and 1 pan/tilt/zoom traffic camera
- Placed 6 wireless radios with antennas on the South Shore Water Tower
- Placed 4 wireless radios at intersections along SH 96
- Installed 14 new hard wire modems along FM 518
- Installed 12 solar school zone flashers
- Constructed a new traffic signal at the intersection of Lawrence and Village Way (CCISD Education Village)
- Reconstructed the traffic signals at FM 2094 and CCISD Stadium Entrance, and FM 2094/FM 518 and FM 270
- Retimed traffic signals at FM 518 from Columbia Memorial Parkway on the east side to Country Lane on the west side, FM 2094 from Admiralty Way to FM 270; SH 36 from Marbella Parkway on the east side to Hobbs Road on the west side; and FM 646 from South Shore Boulevard on the east side to Bay Creek Drive on the west side
- Launched maintenance of high mast and freeway lighting along IH-45 within the League City city limits
- Striping and restriping projects within the city
 - FM 518 from east of Magnolia Estates/Claremont to west of Palomino Road
 - League City Parkway from Maple Leaf to West Bay Area Boulevard
 - Link Road between SH 96 and IH-45 northbound Frontage Road
 - Inner portion of the five-corners intersection
 - Intersection of Landing Boulevard and FM 518 with minor signal modifications
- Activated the League City Adaptive Traffic Signal System, which will respond directly to the amount of traffic, and reduce travel times in the adaptive corridor.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Reduce the number of traffic signal trouble calls through routine maintenance and signal timing monitoring. Trouble calls average out to 34 calls per month for the first six months of Fiscal Year 2012.
- Limit response time and reduce time of a traffic signal trouble call to less than 0.75 hours.
- Decrease the travel time along the City's major arterials below those in July 2011. Travel times should be equal to or less than the travel times for Fiscal Year 2012.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>TRAFFIC AND TRANSPORTATION</u>				
Personnel Services	137,980	367,420	302,288	243,160
Supplies	21,803	139,370	161,850	51,135
Repairs & Maintenance	-	-	-	8,450
Services & Charges	201,359	341,890	274,295	269,500
TOTAL	361,141	848,680	738,433	572,245

POSITIONS	2.0	3.0	4.0	3.0
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net decrease of \$59,000 due to eliminating the Traffic Engineer position in FY2013 (-\$148,000) and the annualized effect of positions filled for only a portion of FY2012 (+\$89,000).
- Supplies - Decrease of \$110,700 due to a decrease in traffic control supplies (-\$105,000) and computer software (-\$5,700) as a result of a stock of these items purchased in the FY2012 CIP.
- Repairs & Maintenance - Increase of \$8,450 as a result of beginning to make payments to the Motor Pool Fund for vehicle repairs and maintenance.
- Services & Charges - Net decrease of \$5,000 due to an increase in Motor Pool Lease fees (+\$10,000) as a result of beginning to make payments to the Motor Pool Fund, an increase in electricity of traffic lights (+\$5,000) and an anticipated decrease in traffic signal maintenance (-\$20,000) in FY2013 with the replacement of most traffic signal components in FY2012.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Number of trouble calls	N/A	56/month	402 (34/month)	400
Response time per trouble call (hours)	N/A	2.0	0.75	0.75
Percentage reduction in average travel time along corridors identified for signal re-timing	N/A	N/A	12	12

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.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Provided requested information to all citizens in a timely manner
- Provided quality service to our residents in collection of solid waste and recycling

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Finalize solicitation for new solid waste/recycling contract that provides quality service at a reasonable cost
- Increase participation in recycling programs.
- Investigate transfer of management and oversight of the recycling center in order to relieve the current burden on facilities/maintenance staff, and increase efficiency in the maintenance and care of the recycling facility.

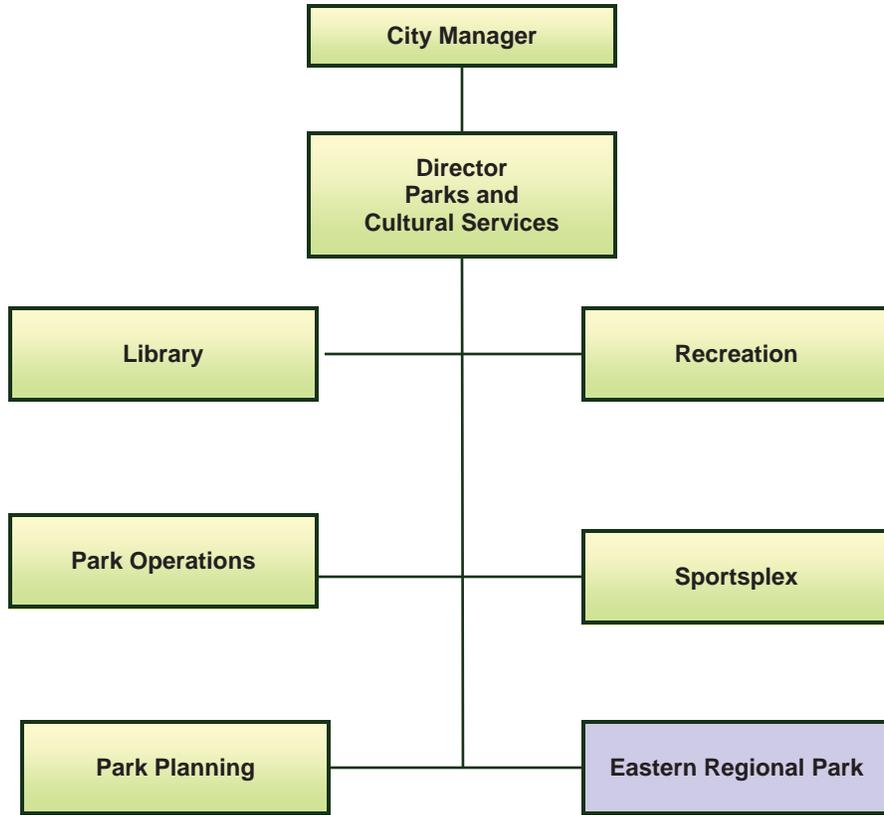
FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
SOLID WASTE				
Services & Charges	2,787,378	2,805,000	2,845,000	2,845,000
TOTAL	2,787,378	2,805,000	2,845,000	2,845,000

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Average Tons of Refuse Collected per Refuse Collection Account	N/A	3.51	3.1	3.5
Average Tons of Recyclable Material Collected per Account	N/A	0.16	0.2	0.25
Tons of Recyclable Material Collected as a Percent of All Material Collected	N/A	4.2%	5.5%	6.0%

PARKS AND CULTURAL SERVICES DIRECTORATE



-  Funded by General Fund
-  Funded by 4B Funds

FY 2013 ADOPTED BUDGET PARKS AND CULTURAL SERVICES DIRECTORATE

DIRECTORATE	FY 2011 ACTUAL	FY 2012 BUDGET	FY2012 ESTIMATED	FY2013 ADOPTED
Library	\$ 2,161,766	\$ 2,016,243	\$ 1,971,908	\$ 1,839,416
Park Operations	1,028,333	1,077,999	1,064,723	1,196,530
Park Recreation	633,541	670,570	639,117	562,240
Sportsplex Operations	341,448	359,057	366,146	422,628
Sportsplex Recreation	146,503	130,550	125,126	89,010
Park Planning	242,216	246,590	244,245	257,630
Parks and Cultural Services Directorate Total	\$ 4,553,808	\$ 4,501,009	\$ 4,411,265	\$ 4,367,454

CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY2012 ESTIMATED	FY2013 ADOPTED
Personnel Services	\$ 3,355,296	\$ 3,201,960	\$ 3,147,365	\$ 3,101,480
Supplies	529,532	550,640	549,921	479,270
Repairs & Maintenance	177,302	183,941	183,941	227,453
Services & Charges	441,274	546,318	512,888	555,201
Special Programs & Events	2,779	4,150	3,150	4,050
Capital Outlay	47,625	14,000	14,000	-
Parks and Cultural Services Directorate Total	\$ 4,553,808	\$ 4,501,009	\$ 4,411,265	\$ 4,367,454

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net decrease of \$45,500 due to eliminating one position in the library and moving another position to the IT budget (-\$146,400); separation pay in FY2012 (-\$9,500); anticipated decrease in overtime (-\$9,500); annualized effect of the FY2012 compensation study (+\$101,900); and adding a part-time circulation clerk in the Library in FY2013 (+\$12,300).
- Supplies - Decrease of \$70,600 due to moving computer technology items to the IT budget (-\$15,000); transferring recreation supplies to the 4B/Eastern Regional Park Fund (-\$55,600).
- Repairs & Maintenance - Increase of \$43,500 due to an increase in the payment to the Motor Pool Fund for vehicle maintenance and repairs in FY2013.
- Services & Charges - Net increase of \$42,300 due to an increase in motor pool lease fees in FY2013 (+\$100,700); increase in miscellaneous services (+\$25,000); and the transfer of professional services for recreation programs to the 4B/Eastern Regional Park Fund (-\$82,900).

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 2012

- Presented a series of four workshops on Internet income opportunities. Also hosted a five-part in-depth job search skills workshop series (presented by Texas WorkSource).
- Aided citizens of League City in making informed decisions by introducing eight new information finding aids.
- Celebrated Helen Hall Library's 40th Birthday with a timeline featuring images and clippings
- Worked to ensure that children will enter school ready to learn by increasing science programming, hosting a Back to School Open House (featuring library resources and activities for students), and creating an adult-level parenting and education collection within the children's section.
- Teens designed and hosted a "Haunted Theater" for children in K-5th grade and hosted a life size Monopoly game
- Expanded the use of digital technology to provide online library card registration, a mobile application for the library catalog, and access to e-book records.
- Worked to plan responsively, act decisively, and deliver world class customer service by participating in the City's initiative "Lean Clean and Green:"
- Increased efficiency and self-reliance among library patrons by creating a self-service *Holds* pick-up area and locating a second Self Check station in the Children's area
- Transitioning from telephone/mail to email-based holds and overdue notification system, this aims to reduce office supply and postage costs, and increase efficiency and retention of overdue items.
- Proactively responded to the needs of citizens by decreasing delivery time on DVDs, cross-training staff to minimize backlogs, and by re-classing the adult and juvenile biographies
- Coordinated with other city departments and committees to host National Drinking Water Week, the Hurricane workshop, and the Ladies of Wilshire. Also staffed a booth at the League City 50th Community Party and the City Benefits Fair

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Continue programs and resources begun in FY2012 that aid citizens of League City in making informed decisions, while increasing services that support adult learners applying to or attending institutions of higher education.
- Utilize request and feedback forms to maintain demand driven service through recognition, anticipation, and proactive response to the needs of citizens.
- Assisting parents in creating young children will enter school ready to learn to read by offering classes to teach parents reading preparation skills, and by updating the Early Readers collection.
- Decrease wait time for interlibrary loan items (ILL) by cross training technical services staff while transitioning to the new ILL system.
- Purge inactive data from bibliographic and patron database.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
LIBRARY				
Personnel Services	1,767,968	1,661,460	1,612,263	1,510,110
Supplies	259,116	231,100	229,000	211,400
Repairs & Maintenance	1,089	2,100	2,100	200
Services & Charges	114,330	118,683	125,645	114,656
Special Programs & Events	2,779	2,900	2,900	3,050
Capital Outlay	16,484	-	-	-
TOTAL	2,161,766	2,016,243	1,971,908	1,839,416
POSITIONS	33.0	33.0	33.0	31.5

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net decrease of \$102,100 as a result of eliminating senior librarian position (-\$69,000); moving an IT position to the IT Budget (-\$77,400); annualized cost of the FY2012 compensation study (+\$32,000); and the addition of a part-time circulation clerk (+\$12,300).
- Supplies - Decrease due to moving computer software to the IT budget (-\$15,000) and a decrease in minor equipment and operating supplies (-\$2,600)
- Services & Charges - Decrease of \$11,000 as a result of a decrease in travel and training (-\$3,300), decrease in professional services due to an expected decrease in consultation and collection development services (-\$5,500) and a decrease in subscriptions (-\$2,200).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Registered borrowers as a percent of service area population(active in current fiscal year)	N/A	20.62	24.25	20.43
Total circulation	776,647	753,981	776,999	780,548
Circulation rates per capita	10.64	10.33	10.65	8.8
Circulation rates per registered borrower (Active user in current fiscal year)	N/A	50.1	43.9	43.4
Operating and maintenance expenditures per item circulated	\$2.79	\$2.78	\$2.61	\$2.62
Internet user sessions per terminal	2,125	1,815	1,975	2,087

PARKS AND CULTURAL SERVICES DIRECTORATE PARK OPERATIONS

MISSION STATEMENT

To improve the quality of life in the community by providing clean, safe, and aesthetically pleasing parks and facilities for the enjoyment of the entire community.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Made numerous improvements at the Municipal Pool to include new plumbing fixtures, bathroom partitions, pool replaster, diving board retexture and food court deck retexture.
- Replaced all parking blocks and picnic tables at Countryside Park pavilion
- Renovated concession stand in pavilion at Countryside Park to make usable for Football league and rentals.
- Re-leveled Recreation Office Building (Burd House) at League Park
- Staff began Operations and Maintenance of Eastern Regional Park
- Replaced roofing on pavilion at Rustic Oaks Park
- Replaced fencing mesh on backstop at Bayridge Park

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Replace lighting in pavilion at Countryside Park
- Continue improvements at Municipal Pool to include simmer replacements, filter enhancements and deck repairs.
- Continue concrete repairs due to recent drought damages
- Staff to begin operations and maintenance of the Water Smart Park

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>PARK OPERATIONS</u>				
Personnel Services	714,853	695,100	711,312	697,950
Supplies	114,568	125,330	130,824	130,930
Repairs & Maintenance	124,623	123,407	123,407	160,868
Services & Charges	74,289	134,162	99,180	206,782
TOTAL	1,028,333	1,077,999	1,064,723	1,196,530

POSITIONS	14.0	14.0	14.0	14.0
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Decrease of \$13,300 due to separation pay in FY2012 (-\$9,500); expected decrease in overtime in FY2013 (-\$2,000); and a decrease in certification pay (-\$1,800).
- Repair & Maintenance - Increase due to increase in the payment to Motor Pool Fund for vehicle repairs and maintenance (+\$37,500).
- Services & Charges - Increase due to an increase in the Motor Pool Lease Fees (+\$73,000) and an increase in miscellaneous services (+\$25,000).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Estimated program/event attendance	687,801	687,801+	700,000+	750,000+
Number of parks in the city	11	12	12	14
Acreage developed and maintained	333.68	363.31	363.31	392.47
Miles of walking trail maintained	4.1	5.26	5.26	5.39

PARKS AND CULTURAL SERVICES DIRECTORATE PARK RECREATION

MISSION STATEMENT

Provide a diverse menu of quality recreation programs that address citizen needs, encourage community health and wellness, and promote a lifelong recreational lifestyle.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Transitioned to new online activity registration software which greatly improved office efficiency
- Implemented new recreation program opportunities at the Dr. Ned & Fay Dudney Clear Creek Nature Center
- Developed new recreation programs that focus on health and physical fitness for Eastern Regional Park
 - Yoga, Pilates, Zumba, Kickboxing, Boot Camp Training, Night Club Cardio, etc.
- Attended several PTA/Public School functions in CCISD and DISD in order to increase public awareness of our programs

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Continue to develop new programs for Eastern Regional Park
 - Adult Basketball, Adult Volleyball, Adult Dodgeball, Scrapbooking Class, Etiquette Class, etc.
- Create new opportunities for the Senior Program so that it can continue to expand
 - The opening of Eastern Regional Park will allow the Senior Program to utilize the indoor gyms and outdoor garden area. This will give them the ability to branch out into sports and outdoor programming.
- Continue to develop relationships in the community to help increase our awareness
 - Visit local schools as a way to increase our publicity
- Develop ways to improve recreation program feedback
 - Use our online registration software to create program specific evaluation forms for each program and email them out to all of our participants

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>PARK RECREATION</u>				
Personnel Services	369,104	386,960	360,020	409,080
Supplies	68,505	83,510	80,397	48,180
Repairs & Maintenance	14,501	15,350	15,350	5,930
Services & Charges	160,332	175,600	175,200	98,050
Special Programs & Events	-	1,250	250	1,000
Capital Outlay	21,100	7,900	7,900	-
TOTAL	633,541	670,570	639,117	562,240

POSITIONS	14.0	14.0	14.0	14.0
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$49,000 due to the annualized effect of the FY2012 compensation study.
- Supplies - Decrease of \$32,200 in recreation supplies as a result of transferring recreation programs to the 4B/Eastern Regional Park Fund.
- Repairs & Maintenance - Decrease of \$9,400 due to a decrease in the payment to the Motor Pool Fund for vehicle repairs and maintenance.
- Services and Charges - Decrease of \$77,000 in professional services as a result of transferring recreation programs to the 4B/Eastern Regional Park Fund.
- Capital Outlay - Decrease of \$7,900 due to the one-time purchase in FY2012 of an additional module to the on-line registration software.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Total Revenue Earned from Parks & Recreation Activities (Program Fees and Charges)	\$476,817	\$475,581	\$477,100	\$480,000
Total Paid Full-Time Equivalent Staff (all Parks and Recreation Activities)	15.5	16	15	15
Total Recreation Expenditures (General Operating and Maintenance Expenditures only)	\$772,804	\$780,039	\$795,500	\$825,300
Number of Recreation Programs Offered	58	59	61	63
Number of Social/Civic/Private Group Relationships	2	2	2	3
Number of Recreation Program Participants (League City Residents)	12,860	12,850	12,900	13,000
Number of Recreation Program Participants (Non-Residents)	1,750	1,620	1,300	1,300
Number of Special Event Participants	4,730	5,300	5,400	5,600
Total Number of Participants	19,340	19,770	19,600	19,900

PARKS AND CULTURAL SERVICES DIRECTORATE SPORTSPLEX OPERATIONS

MISSION STATEMENT

To improve the quality of life in the community by providing clean, safe and aesthetically pleasing parks and facilities for the enjoyment of the entire community.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Replaced picnic tables in pavilions
- Completed many concrete repairs on walking trails and other areas
- Replaced hot water heaters in pavilions
- Replaced showers at Blue Pavilion by volleyball courts
- Installed new signage at sports fields
- Received donations from Little League and installed shade structures over bleachers at Little League fields
- Hosted numerous events that include Relay for Life

PRIORITIES, GOALS AND OBJECTIVES FOR 2013

- Replace skylights in pavilions
- Continue concrete repairs
- Install shade structures at ASA girls softball fields to match Little League structures
- Retrofit existing batting cages to a warm up area for use by ASA girls and Little League and construct separate area for use by Pony/Colt

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>SPORTSPLEX OPERATIONS</u>				
Personnel Services	243,666	237,230	242,829	255,190
Supplies	38,037	56,300	56,200	55,510
Repairs & Maintenance	35,387	40,584	40,584	57,635
Services & Charges	24,359	24,943	26,533	54,293
TOTAL	341,448	359,057	366,146	422,628

POSITIONS 6.0 6.0 6.0 6.0

HIGHLIGHTS *(FY 2013 Adopted Over/Under FY 2012 Estimated)*

- Personnel Services - Increase of \$12,300 due to the annualized effect of the FY2012 compensation study.
- Repair & Maintenance - Increase of \$17,000 due to an increase in the payment to the Motor Pool Fund for vehicle repairs and maintenance.
- Services & Charges - Increase of \$27,700 due to an increase in the Motor Pool Lease Fees in FY 2013.

PERFORMANCE INDICATORS

Please see the Park Operations budget for performance indicators.

PARKS AND CULTURAL SERVICES DIRECTORATE SPORTSPLEX RECREATION

MISSION STATEMENT

Provide a diverse menu of quality recreation programs that address citizen needs, encourage community health and wellness, and promote a lifelong recreational lifestyle.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Transitioned to new online activity registration software which greatly improved office efficiency
- Implemented new recreation program opportunities at the Dr. Ned & Fay Dudney Clear Creek Nature Center
- Developed new recreation programs that focus on health and physical fitness for Eastern Regional Park
 - Yoga, Pilates, Zumba, Kickboxing, Boot Camp Training, Night Club Cardio, etc.
- Attended several PTA/Public School functions in CCISD and DISD in order to increase public awareness of our programs

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Continue to develop new programs for Eastern Regional Park
- Create new opportunities for the Senior Program so that it can continue to expand
- Continue to develop relationships in the community to help increase our awareness
 - Visit local schools as a way to increase our publicity
- Develop ways to improve recreation program feedback

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>SPORTSPLEX RECREATION</u>				
Personnel Services	52,876	25,400	19,976	19,560
Supplies	46,610	52,000	52,000	30,800
Repairs & Maintenance	1,703	2,500	2,500	-
Services & Charges	35,275	44,550	44,550	38,650
Capital Outlay	10,041	6,100	6,100	-
TOTAL	146,503	130,550	125,126	89,010
POSITIONS	1.5	1.5	0.5	0.5

HIGHLIGHTS (*FY 2013 Adopted Over/Under FY 2012 Estimated*)

- Supplies - Decrease of \$21,200 in recreation supplies due to the transfer of recreation programs to the 4B/Eastern Regional Park Fund.
- Repairs & Maintenance - Decrease of \$2,500 in equipment maintenance as a result of the batting cages scheduled for an overhaul and upgrade in the FY2013 CIP and therefore not expected to need maintenance in FY2013.
- Services & Charges - Decrease of \$5,900 in professional services due to the transfer of recreation programs to the 4B/Eastern Regional Park Fund.
- Capital Outlay - Decrease of \$6,100 due to the one-time purchase in FY2012 of an additional module to the on-line registration software.

PERFORMANCE INDICATORS

Please see the 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 planning, development, and implementation of new park projects.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Began Phase 1 of Eastern Regional Park
- Increased public awareness of League City parks and trails through online resources
- Added Ned and Fay Dudney Clear Creek Nature Center to the Great Texas Coastal Birding Trail
- Became a recognized system on the Texas Trails Network
- Continued to grow replacement Butler Oaks
- Ensured compliance with Parks and Open Space Master Plan and Trails Master Plan
- Held a public meeting regarding expansion of the skate park as per our action plan
- Maintained updated parks information on city website
- Completed construction of Clear Creek Paddle Trail
- Construction of WaterSmart Park

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Continue design and construction of Phase 1 of Hike and Bike Trail
- Construction of WaterSmart Park
- Design and construction of skate park addition
- Purchase park land on the southwest side of League City as included in the CIP

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

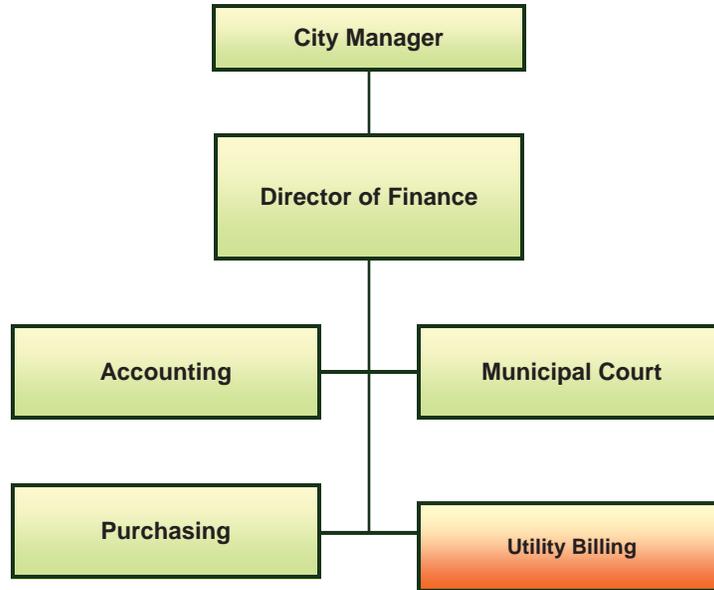
	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>PARK PLANNING</u>				
Personnel Services	206,830	195,810	200,965	209,590
Supplies	2,697	2,400	1,500	2,450
Repairs & Maintenance	-	-	-	2,820
Services & Charges	32,689	48,380	41,780	42,770
TOTAL	242,216	246,590	244,245	257,630

POSITIONS	2.0	2.0	2.0	2.0
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HIGHLIGHTS (*FY 2013 Adopted Over/Under FY 2012 Estimated*)

- Personnel Services - Increase of \$8,600 due to the annualized effect of the FY2012 compensation study.
- Repair & Maintenance - Increase of \$2,800 as a result of payment to the Motor Pool Fund for vehicle repairs and maintenance.

FINANCE DIRECTORATE



 Funded by General Fund

 Funded by Utility Fund

FY 2013 ADOPTED BUDGET FINANCE DIRECTORATE

DIRECTORATE	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Accounting	\$ 1,196,796	\$ 1,136,510	\$ 1,082,905	\$ 1,287,270
Municipal Court	560,049	599,681	598,481	582,000
Purchasing	231,125	262,900	262,426	262,330
TOTAL	1,987,970	1,999,091	1,943,812	2,131,600

CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Personnel Services	\$ 1,469,052	\$ 1,486,191	\$ 1,465,152	\$ 1,633,240
Supplies	24,064	24,500	17,043	18,930
Repairs & Maintenance	-	750	750	750
Services & Charges	494,853	487,650	460,867	478,680
TOTAL	\$ 1,987,970	\$ 1,999,091	\$ 1,943,812	\$ 2,131,600

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net increase of \$168,000 due to the annualized affect of the FY2012 compensation study (+\$41,200); moving the Director of Finance position from the Budget Office to Accounting (+\$146,000); anticipated decrease in overtime in FY2013 (-\$6,700); and vacancy savings in FY2012 (-10,600).
- Services & Charges - Increase of \$17,000 due to an expected increase in payment to the Galveston County Appraisal District in FY2013.

FINANCE 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 2012

- Receipt of the Certificate of Achievement for Excellence in Financial Reporting for the 29th consecutive year.
- Receipt of the Texas Comptroller Leadership Circle Gold Award for financial transparency on the city's website for the third consecutive year.
- Developed a procedure and associated documents for dissolution of South Shore Harbor Municipal Utility District #2
- As of September 30, 2012, facilitated the early payoff of developers for Public Improvement Districts and reduction of the assessments for homeowners in each District.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- 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 by encouraging current and new vendors to sign up for direct deposits.
- 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.
- Review of property tax rebate agreements with six Municipal Utility Districts and two Tax Incremental Reinvestment Zones and implement cost savings opportunities as identified.
- Participate in the configuration, testing and implementation of the new citywide business management system.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
ACCOUNTING				
Personnel Services	729,450	670,470	646,018	833,300
Supplies	4,484	8,000	5,000	5,000
Services & Charges	462,862	458,040	431,887	448,970
TOTAL	1,196,796	1,136,510	1,082,905	1,287,270
POSITIONS	9.8	9.0	9.0	10.0

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$187,200 as a result of moving the Director of Finance position from the Budget Office (+\$146,000) as well as the annualized effect of the FY2012 compensation study (+\$41,200).
- Services & Charges - Increase of \$17,000 due to an expected increase in payment to the Galveston County Appraisal District in FY2013.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Number of vendor payments completed	7,288	6,471	6,300	6,000
Number of checks as percent of total vendor payments	97%	83%	68%	65%
Number of electronic payments as a percent of total vendor payments	3%	17%	32%	35%
Number of funds managed	48	54	58	58
Investment Portfolio (Millions)	\$139	\$160	\$210	\$178
Interest Earned (Thousands)	\$415	\$330	\$270	\$240
Average Rate of Interest Earned	0.3%	0.2%	0.1%	0.15%

FINANCE 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 2012

- Implemented paperless environment where all documents are scanned or saved in court software and readily available. This resulted in savings in office supplies, as well as increased efficiency in retrieving documents for the staff.
- Improved staff level skills by cross training and rotation of Court duties.
- Professional development and educational growth was encouraged resulting in the Deputy Court clerk obtaining level I Court Clerk certification.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Continue staff's professional development in areas such as authority and duties, ethics, statutory law, proper processes, reporting requirements, and management, in order to continue providing the highest level of customer service to the citizens of League City
- Expand and enhance availability of data on Court website giving citizens access to more information, and access to online requests and deferred dispositions, thus increasing efficiency and reducing wait time.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
MUNICIPAL COURT				
Personnel Services	529,433	571,851	573,551	556,240
Supplies	14,279	11,500	9,000	9,430
Repairs & Maintenance	-	750	750	750
Services & Charges	16,336	15,580	15,180	15,580
TOTAL	560,049	599,681	598,481	582,000

POSITIONS 9.0 9.0 9.0 9.0

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Decrease of \$17,300 due to expected decrease in overtime in FY2013 (-\$6,700) and vacancy savings (-\$10,600).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Violations filed	19,438	17,533	15,948	16,500
Disposed violations	18,486	18,999	18,034	19,200
Warrants issued	6,637	5,589	5,520	5,445
Warrants cleared	7,430	8,100	5,832	6,200
Outstanding warrants at year end	9,630	7,089	6,857	6,102

FINANCE 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 2012

- Received the Agency Certification Award for 2012 from the Universal Public Procurement Certification Council for the recognition of the purchasing department staff being 100% certified.
- Established an evaluation criterion for all bids for goods and services to ensure best value to the City.
- Implemented electronic submittal of cardholders Purchasing Card Statements that reduced paperwork and staff time.
- Conducted internal customer service training on multiple Purchasing topics.
- Applied and received the National Purchasing Institute's Achievement of Excellence in Procurement Award. We were just notified we received this award so I would like to change as noted above.
- Increased the P card dollar volume by 59%, which saved the city around \$30.00 per transaction, and increased the city's eligibility on purchases. The P card dollar volume is how much money we have spent using a P card to make purchases. The use of a P card versus Purchase Order saves about \$30.00 per transaction. The City also receives a rebate on our purchases so it will also increase with the increase in volume.
- Established a more detailed audit program for P cards.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Increase annual contracts from 15% to 20% of the city's total dollar commodity and services purchases.
- Expand the E Procurement Program to include acceptance of formal bids and proposals electronically via the internet.
- Establish a program to reduce the city's office supply purchases.
- Continue and improve annual training on purchasing related topics.
- Continue to expand and increase use of the purchasing card program and maximize bank rebates.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
PURCHASING				
Personnel Services	210,169	243,870	245,583	243,700
Supplies	5,301	5,000	3,043	4,500
Services & Charges	15,655	14,030	13,800	14,130
TOTAL	231,125	262,900	262,426	262,330
POSITIONS	3.0	3.0	3.0	3.0

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Purchase Orders Issued	2,015	1,437	1,100	1,000
Purchase Orders Issued (Millions)	\$50.5	\$49.0	\$32.0	\$40.0
Request for Qualifications	2	2	5	4
Request for Proposals	5	9	10	7
Sealed Bids	22	20	12	15
Number of Purchasing Card Transactions	9,005	11,368	13,000	13,500
Purchasing Card Transactions (Millions)	\$1.8	\$3.2	\$4.2	\$5.0

PLANNING AND DEVELOPMENT DIRECTORATE



**FY 2013 ADOPTED BUDGET
PLANNING AND DEVELOPMENT DIRECTORATE**

DIRECTORATE	FY 2011 ACTUAL	FY 2012 BUDGET	FY2012 ESTIMATED	FY2013 ADOPTED
Planning	\$ 1,101,652	\$ 913,750	\$ 905,736	\$ 874,950
Building	1,027,643	1,075,400	1,081,399	1,075,871
Code Compliance	372,337	473,594	441,877	621,640
Economic Development	124,745	175,420	183,330	374,300
Planning and Research Directorate Total	\$ 2,626,376	\$ 2,638,164	\$ 2,612,342	\$ 2,946,761

CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY2012 ESTIMATED	FY2013 ADOPTED
Personnel Services	\$ 2,174,174	\$ 2,135,240	\$ 2,104,257	\$ 2,155,770
Supplies	80,844	49,000	42,390	69,060
Repairs & Maintenance	45,910	46,310	45,910	34,200
Services & Charges	325,449	407,614	419,785	687,731
Planning and Research Directorate Total	\$ 2,626,376	\$ 2,638,164	\$ 2,612,342	\$ 2,946,761

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net increase of \$52,200 due to separation pay in FY2012 (-\$8,000); anticipated decrease in overtime (-\$7,400) and dependent insurance in FY2013 (-\$4,500); vacancy savings in FY2012 (-\$9,600); and the annualized effect of filling positions for a portion of FY2012 (+\$80,700).
- Supplies - Increase of \$26,700 due to an increase in the acquisition of research and data.
- Services and Charges - Net increase of \$268,000 due to a decrease in professional services (-\$10,400) and the allocation for the Amegy lease (-\$5,700) as well as increases in motor pool lease fees (+\$32,600), abatement of abandoned buildings (+\$145,000), travel and training (+\$6,500), mowing contract for abandoned structures (+\$12,000), and business development and brand awareness marketing (+\$88,000).

PLANNING AND DEVELOPMENT DIRECTORATE PLANNING

MISSION STATEMENT

To provide excellent customer service and consistent policy recommendations that manage growth in line with citizens' vision of the community.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Completed and obtained approval of the Main Street Implementation Plan.
- Implemented GIS software throughout the Planning Department to better assist the public with information request.
- Assisted in the successful relocation of the Girardi Oak.
- Revised the Residential Neighborhood Conservation Overlay to meet the goals of the 2035 Comprehensive Plan.
- Created a water smart plant list to encourage water conservation in new commercial developments.
- Received an increase of applicants for Community Block Development Grant program by sixty-five percent.
- Increased seedling collection from the Butler Oaks acorn program by 80 seedlings.
- Successfully completed federal monitoring visit by the Department of Housing and Urban Development in regards to our Community Block Development Grant program.
- Updated Chapter 56 of the Code of Ordinances related to Historic Preservation and the Preservation Plan to clarify goals and procedures as they relate to the Historic District Commission.
- Teamed up with Texas Coastal Watershed to install the City's first rain garden at Heritage Park as a way to promote water conservation and low-impact design.
- Implemented new regulations for pipelines and oil and gas well drilling.
- Sponsored a workshop to educate property and business owners on the benefits of low-impact design.
- Established a partnership with Clear Creek Independent School District to make improvements to League City Elementary playground equipment.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Improve coordination between development related city departments to provide better customer service to the development community.
- Continue updating of codes and zoning map for conformance with the approved 2035 Comprehensive Plan.
- Begin design and construction phase of improvements outlined in the Main Street Implementation Plan.
- Utilize new technology and mapping software to improve processes within the Department.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
PLANNING				
Personnel Services	970,565	805,800	793,476	785,460
Supplies	44,952	7,700	8,010	7,550
Repairs & Maintenance	-	-	-	2,820
Services & Charges	86,134	100,250	104,250	79,120
TOTAL	1,101,652	913,750	905,736	874,950

POSITIONS	13.0	11.0	10.0	9.0
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Decrease of \$8,000 due to separation pay in FY2012.
- Services & Charges - Decrease of \$25,100 due to a decrease in memberships and dues (-\$1,000), professional services (-\$9,400), the allocation of the Amegy lease (-\$11,700); and travel and training (-\$3,000).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Number of applications (development plans, administrative plats, and P&Z plats) received	97	92	93	95
Number of reviews per application conducted	163	139	140	145
Average number of reviews per development plan or P&Z plat submittal	1.6	1.6	1.6	1.6
Average time from development plan or P&Z plat submittal to approval (calendar days)	N/A	N/A	45	45

PLANNING AND DEVELOPMENT DIRECTORATE BUILDING

MISSION STATEMENT

To ensure the health, safety, and well-being of all people who live, work, or visit the City by ensuring compliance with adopted building codes and City ordinances.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Improved the Community Rating System score from an 8 to a 6, placing League City in the top 11% of communities in the state of Texas.
- Revised floodplain ordinance to reflect latest FEMA standards.
- Revised dangerous building procedures to comply with new State requirements.
- Organized FEMA files into a digital filing system accessible citywide.
- Created and implemented procedure for converting building files to digital format.
- Updated all policy manuals to reflect the latest changes.
- Conducted regular meetings with builders and contractors.
- Established an "Inspector of the Day" to assist with technical questions.
- Two plumbing inspection certifications were obtained to meet job requirements.
- Presented the 2009 ICC codes to Council for adoption.
- Sorted through 200 boxes of old building files to comply with document retention requirements.
- Expanded the Building Department website to include floodplain information for residents, builders, and the general public.
- Completed modification of the front building permit area

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Create procedures for Code Compliance to process dangerous buildings.
- Complete sorting of old building documents to prepare for scanning.
- Utilize new CRS manual to maintain a 6 rating for League City.
- Update all policy manuals in the department to reflect changes.
- Revise and improve the Building Department website to make it more concise and user friendly. Improvements to the website will also reduce staff's time explaining procedures and provide citizens with greater access to procedures and requirements
- Implement new permit software to improve process.
- Obtain additional certifications for inspection staff. New certifications will be required in the areas of medical gas and energy code.
- Train clerical staff on new software necessary for permits and reports.
- Implement career path for building inspectors, which will offer incentives to existing staff, create separation between different levels of inspectors, and enable the attraction of a higher level of employee
- Create brochures to better inform citizens and contractors about permit requirements and inspection procedures.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
BUILDING				
Personnel Services	862,240	916,470	919,389	897,900
Supplies	17,037	20,500	17,000	22,050
Repairs & Maintenance	34,430	34,630	34,430	22,730
Services & Charges	113,936	103,800	110,580	133,191
TOTAL	1,027,643	1,075,400	1,081,399	1,075,871

POSITIONS	13.0	13.0	13.0	13.0
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Decrease of \$21,500 due to an expected decrease in overtime (-\$7,400) and dependent insurance (-4,500) in FY2013 as well as vacancy savings in FY2012 (-\$9,600).
- Repairs & Maintenance - Decrease of \$11,700 as a result of a decrease in the payment to the Motor Pool Fund for vehicle repairs and maintenance.
- Services & Charges - Increase of \$22,600 due to an increase in the motor pool lease fees in FY2013.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Total permits issued	8,576	7,955	7,224	7,946
Permits per 1,000 population	103.3	98.2	83.0	91.3
Permits per FTE	2,858.1	2,651.60	2,408	2,649
Total inspections	28,565	30,617	25,936	28,530
Inspections per 1,000 population	344.1	360.2	298.0	327.8
Inspections per day per FTE	15.6	16.7	28.5	31.4
Average days from application to permit issuance	4.1	4.5	4.4	4.2

PLANNING AND DEVELOPMENT DIRECTORATE CODE COMPLIANCE

MISSION STATEMENT

To promote and maintain a safe and desirable living and working environment by ensuring compliance with City ordinances and land use requirements.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Created digitized map with grids outlining zones to assign and assist officers with a systematic approach in developing, abating and documenting cases to the map and improving case development/inspections totals.
- Instituted 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
- Installed QREP catalog software to produce efficient calculations of nuisance cases and workload output and improved performance reporting in aiding the ICMA Core Measures
- Implemented alternative measures for demolishing dangerous buildings with the Galveston County Tax Agency and Galveston County Nuisance Abatement Program.
- Mitigated with owners of the UTMB Laundry Facility to voluntarily demolish the dilapidated structure and apartment unit.
- Initiated 12 voluntary compliances with demolishing dangerous building/dilapidated structures by property owners and 6 properties owned by Galveston County.
- Revised the Standard Operation Procedure and Flow Chart for abating code violations
- Provided survey assistance for the new Drainage and Retention Pond for Shell Side Community.
- Organized and volunteered with clean-up project with Landscape Art (local Business) for a local senior citizen and assisted with forming community organization to assist others.
- Coordinated local businesses and organizations to donate and volunteer time and material to assist seniors in need.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Continue to restructure the way junk vehicles are processed by working in conjunction with the Police Department, and institute database that provides access to public records aiding in supplying data for processing/abating junk vehicles.
- Request additional code officer to increase case development for Dangerous Buildings/Substandard Structures, while maintaining increased growth of developed cases of other violations, and to help facilitate the increase of complaint generated cases.
- Restructure and reassign the Dangerous Buildings/Substandard Structures procedure to Code Compliance to improve case development and Hearing case files to legally and effectively administer compliance.
- Continue cross training with the Building Department and the Fire Marshal Department to assist with identifying and inspecting substandard and dangerous structures.
- Continue education and training to develop skills of officers that will enhance the welfare and public safety of community, give better understanding of state laws and ordinances, and will help preserve a safe and desirable living and working environment in our city.
- Continue to restructure our data program to ensure efficient calculation of nuisance cases and our workload output in aiding with the ICMA measures.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
CODE COMPLIANCE				
Personnel Services	259,549	283,750	290,362	289,710
Supplies	18,274	19,300	16,380	17,960
Repairs & Maintenance	11,480	11,680	11,480	8,650
Services & Charges	83,034	158,864	123,655	305,320
TOTAL	372,337	473,594	441,877	621,640

POSITIONS	4.50	5.00	5.00	5.00
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

Services & Charges - Increase of \$181,600 due to an anticipated increase in abatement of dilapidated structures in FY2013 (+\$145,000); postage as a result of an increase in violation notices (+\$3,000); allocation for the Amegy lease (+\$6,000); motor pool lease fees (+\$10,000); travel and training (+\$5,000); and in the mowing contract for abandoned structures (+\$12,000).

PERFORMANCE INDICATORS

INDICATORS	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ESTIMATED	FY2013 ADOPTED
Total number of cases opened	N/A	1,173	3,500	4,200
Total number of cases closed	N/A	1,173	3,625	4,350
Total number of inspections	N/A	2,865	4,800	5,250
Percentage of cases resolved through voluntary compliance	N/A	41%	38%	43%
Percentage of cases resolved through forced compliance	N/A	45%	56%	52%
Percentage of cases resolved through invalid complaint	N/A	14%	6%	5%
Total number of bandit signs removed	N/A	1,448	3,800	4,200

PLANNING AND DEVELOPMENT DIRECTORATE ECONOMIC DEVELOPMENT

MISSION STATEMENT

To foster a diverse and robust economic base that capitalizes on the identity and assets of League City.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Increased marketing/recognition of events such as the League City Christmas Boat Lane Parade and the Clear Lake Triathlon.
- Promotion and initial design of an entertainment district for League City.
- Main Street Implementation Plan complete.
- Created the Hotel Occupancy Tax Advisory Board and took initial steps toward an aggressive tourism marketing campaign focusing on local events and the recreational lifestyle brand.
- Negotiated with the Chamber of Commerce to manage the League City Visitor Center.
- Crafted a model to measure the cost and impact of incentives.
- Offered incentive package to one business and prepared packages for two additional businesses.
- Initiated in-house data acquisition, economic analysis and economic development support

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Facilitate the creation of new jobs in the community by assisting the construction of new retail, office and industrial space with the aid of incentives.
- Focus on developing 380 agreements with developers for new construction
- Create a program to assist entrepreneurs and start up businesses, including development of business plans, identification of funding sources, and network support
- Improve the data available to Economic Development in order to assist local businesses with the aid of databases such as: ESRI Community Analysis, BizMiner and LoopNet
- Investigate and potentially establish a Micro Loan program and/or a Revolving Loan Fund in coordination with local financial institutions
- Develop a marketing plan and materials for purposes of general and targeted marketing campaigns along with a new and more robust Economic Development website
- Advertise in targeted area and trade magazines along with personal visits and trade shows to assist in retaining particular employees/employers/investors
- Develop a business retention and expansion program to assist in rebuilding public/private partnerships and to identify the needs of the businesses in League City
- Complement strategic marketing efforts, including personal visits and trade shows/conferences
- Research and possible purchase of a database to track projects, prospects, and business clients.
- Continue to focus on the development in the Harbourside District, Creekside District and the Entertainment District.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>ECONOMIC DEVELOPMENT</u>				
Personnel Services	81,820	129,220	101,030	182,700
Supplies	580	1,500	1,000	21,500
Services & Charges	42,345	44,700	81,300	170,100
TOTAL	124,745	175,420	183,330	374,300
POSITIONS	2.0	2.0	2.0	2.0

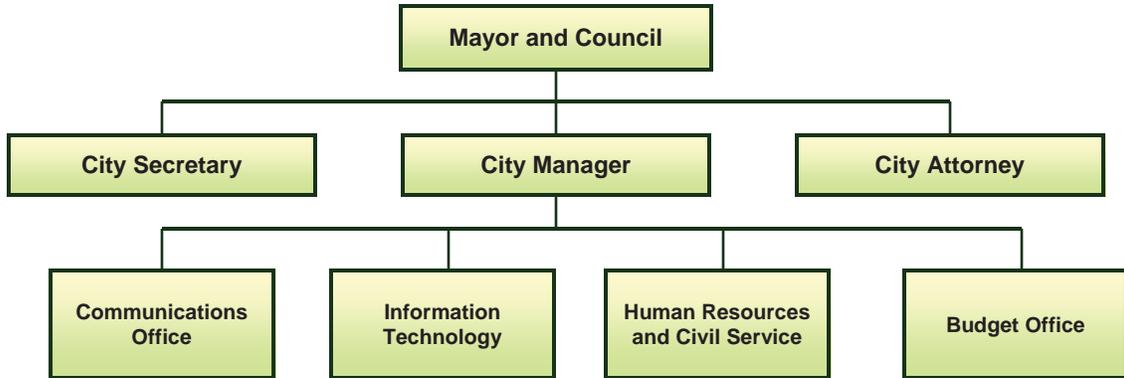
HIGHLIGHTS (*FY 2013 Adopted Over/Under FY 2012 Estimated*)

- Personnel Services - Increase of \$81,700 due to the annualized affect of filling the Economic Development Manager position for a portion of FY2012.
- Supplies - Increase of \$20,500 due to an increase in the acquisition of research and data.
- Services & Charges - Increase of \$88,800 due to an expected increase in business development and brand awareness marketing.

PERFORMANCE INDICATORS

The performance indicators for Economic Development are being developed and will be reported beginning with the Midyear Financial Report for Fiscal Year 2013.

ADMINISTRATION DIRECTORATE



FY 2013 ADOPTED BUDGET ADMINISTRATION DIRECTORATE

DIRECTORATE	FY 2011 ACTUAL	FY 2012 BUDGET	FY2012 ESTIMATED	FY 2013 ADOPTED
City Manager	\$ 657,403	\$ 667,410	\$ 665,604	\$ 554,070
City Secretary	393,416	342,720	324,892	350,500
City Attorney	607,167	975,000	975,000	735,000
Mayor and Council	144,027	188,160	165,260	168,470
Budget Office	381,313	316,230	305,009	264,170
Information Technology	1,428,901	1,780,600	1,782,536	1,987,555
Communications Office	-	-	-	349,940
Human Resources	940,417	1,015,254	984,385	940,160
Civil Service	45,276	79,030	78,930	78,000
Administration Directorate Total	\$ 4,597,920	\$ 5,364,404	\$ 5,281,616	\$ 5,427,865

CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY2012 ESTIMATED	FY2013 ADOPTED
Personnel Services	\$ 2,518,816	\$ 2,735,480	\$ 2,621,705	\$ 2,880,830
Supplies	128,235	148,520	172,730	166,740
Repairs & Maintenance	14,456	19,610	16,610	24,090
Services & Charges	1,662,523	2,377,094	2,373,660	2,216,905
Special Programs & Events	95,082	83,700	66,400	139,300
Capital Outlay	178,807	-	30,511	-
Administration Directorate Total	\$ 4,597,920	\$ 5,364,404	\$ 5,281,616	\$ 5,427,865

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net increase of \$260,000 due to the annualized effect of the FY2012 compensation study (+\$23,000); positions filled that were vacant for a portion of FY2012 (+\$187,000); positions added in FY2013 (+\$77,000); and downgrading positions in FY2013 (-\$27,000).
- Services & Charges - Net decrease of \$156,000 due to the one-time expense of attorney services in FY2012 (-\$240,000); decreases in postage and freight (-\$20,000), printing and binding (-\$47,000), training and travel (-\$10,000), and contractual services (-\$16,000); and moving computer technology related items to the IT budget from numerous other departments (+\$148,000).
- Special Programs - Net increase of \$72,900 due to moving Blackboard Connect from the Emergency Management Fund (+\$64,600), and increases in employee training (+\$5,000) and special events (+\$3,000)

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 2012

- Increased organizational capacity with successful recruitment of new Assistant City Manager for Public works; initiated new recruitment process for Chief of Police and also hired a Director of Finance.
- Established and led an extended 11-workshop pre-budget preparation process for the FY 2013 Budget and Capital Improvement Plan with Mayor and City Council.
- Identified and began developing alternatives for the City to expand its water supply, including short-term and long-term solutions.
- Improved the City Council agenda process with higher quality information to support proposed Council actions and initiation of a pre-agenda workshop as a forum to discuss Council agenda items prior to their formal consideration and Council action.
- Supported and assisted the Animal Control Advisory Group and the Police Department in reviewing alternatives to service delivery while developing recommendations to improve the City's existing organization and operations.
- Expanded the City Manager's Update for City Council to a weekly format with communications sent more frequently if needed.
- Began active participation in ICMA Center for Performance Measurement data collection process, providing quantitative information about City services for purposes of comparison with other participating cities across Texas and the nation; incorporated measures into pre-budget presentations.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Develop and establish a revamped employee recognition process to replace the Employee of the Month program that ended in January 2012.
- Establish new customer service procedures and standards that instill responsiveness, respect, and professionalism in the City's handling of citizen complaints and inquiries.
- Improve performance measurement by selective replacement of measures with more meaningful measures, by retooling data collection processes, and by building on Council's interest in data-driven decision-making.
- Improve the City's performance-based pay program for individual civilian employees to align current salary with current performance based on work product.
- Develop and implement team performance and one-time compensation award system at the Department level using quantitative goals set in October 2012, performance against which will be reviewed in October 2013 before awards are granted.
- Revise key City policies regarding issues including gifts, employee travel, timekeeping, and outside employment to promote good stewardship of public funds and public confidence in the City's decision-making processes.
- Develop sound methodology consistent with Council policies and goals for reviewing and making infrastructure and economic development recommendations to the Council.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>CITY MANAGER</u>				
Personnel Services	577,482	559,390	543,474	532,720
Supplies	5,852	7,590	10,500	3,250
Services & Charges	73,111	100,330	110,330	18,000
Special Programs & Events	958	100	1,300	100
TOTAL	657,403	667,410	665,604	554,070

POSITIONS	6.00	6.00	6.00	4.00
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HIGHLIGHTS (*FY 2013 Adopted Over/Under FY 2012 Estimated*)

Personnel Services - Net decrease of \$10,700 due to a decrease in creating the Communications Office and moving the related personnel expenses (-\$198,700) and increases as a result of the annualized effect of the

- FY2012 compensation study (+\$7,500), annualized effect of the City Manager position being filled for a portion of FY2012 (+\$162,000), and the net affect of upgrading a position to a Senior Management Analyst (+\$18,500).
- Supplies - Decrease of \$7,250 due to creation of the Communications Office and transferring the expenses related to this to the Communications Office budget in FY2013.
- Services & Charges - Decrease of \$92,300 due to a decrease in travel and training (-\$10,000) and transferring expenses related to the Communications Office to that budget in FY2013 (-\$82,300).

ADMINISTRATION DIRECTORATE CITY SECRETARY

MISSION STATEMENT

To provide quality agendas and meeting packets, accurate minutes, timely responses to open records requests and responsible assistance to the Mayor, City Council members, staff and the citizens of League City.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Purchased Laserfiche electronic document imaging program which allows for records to be scanned into an electronic database. Once scanned those original records can be destroyed, reducing the amount of stored records and creating a document retrieval system for staff.
- Implemented a chain-of-custody process for departmental archiving of records to the off-site storage facility.
- Reduced off-site storage records with purge-and-shred events to destroy records that met their retention period.
- Provided staff support and guidance to City Departments in compiling agenda items for the electronic agenda.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Scan permanent records into Laserfiche electronic document imaging program.
- Work with City Departments to assign departmental records liaisons and provide training for compliance with State Library retention schedules.
- Work with IT to set up remote file retrieval servers for transmittal of large files and documents.
- Improve timeline for preparation of meeting minutes.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
CITY SECRETARY				
Personnel Services	336,869	263,720	246,892	271,910
Supplies	20,063	30,000	30,000	30,650
Repairs & Maintenance	-	1,000	-	-
Services & Charges	36,484	48,000	48,000	47,940
TOTAL	393,416	342,720	324,892	350,500

POSITIONS 4.0 4.0 4.0 4.0

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$25,000 due to the annualized effect of positions filled for only a portion of FY2012.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Agenda Items Processed	631	609	620	661
Public Meetings	46	53	50	51
Records Requested External	533	427	480	459
Ordinances Adopted	46	68	45	50
Resolutions Adopted	48	37	45	44

ADMINISTRATION DIRECTORATE CITY ATTORNEY

MISSION STATEMENT

To provide legal advice to the City Council, the City Manager and staff; to take proactive steps to identify and resolve potential legal complications for the City; to represent the City in all legal matters; and to oversee outside law firms handling City legal matters.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Coordinated the negotiated resolution of Glen Cove litigation without trial
- Drafted of instruments to secure MUD and TIRZ dissolutions
- Assisted staff in preparation and administration of Forza drilling permits
- Developed ballot propositions to implement Charter Review Advisory Committee recommendations
- Assisted Council with personnel related legal issues
- Drafted of agreements for acquisition of new water supply from Pasadena and South Houston

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Monitor the 2013 state legislative session and keep Council and administration abreast of potentially significant legislation
- Proactively provide legal recommendations in advance of actual or perceived conflicts
- Manage delivery of services within budgetary limits without sacrificing standards of care
 - Unanticipated events, Council initiatives or legal actions affect the ability to remain within budgetary limits
- Secure successful resolution of MALDEF lawsuit
- Assist in conducting November 2012 charter election and implementation of voter-approved propositions

**FY 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>CITY ATTORNEY</u>				
Services & Charges	607,167	975,000	975,000	735,000
TOTAL	607,167	975,000	975,000	735,000

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Services & Charges - Decrease of \$240,000 due to the one-time expense of attorney services in FY2012.

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 2012

- Established prioritized Council goals to link Council values to operational priorities and goals.
- Approved second consecutive reduction in property tax rate as part of FY 2012 adopted budget.
- Conducted successful recruitment and selection of new city manager.
- Provided policy direction and guidance to City Manager on issues of community interest and importance.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Review and revise (as needed) the City's strategic priorities and direction with assistance and support from City 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 quarterly 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 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>MAYOR AND COUNCIL</u>				
Personnel Services	6,495	6,710	6,710	5,420
Supplies	3,423	6,750	3,450	2,250
Services & Charges	118,871	145,600	126,000	129,200
Special Programs & Events	15,238	29,100	29,100	31,600
TOTAL	144,027	188,160	165,260	168,470
 POSITIONS	 8.0	 8.0	 8.0	 8.0

ADMINISTRTION 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 2012

- Expanded monitoring and analysis of financial reports and performance statistics to achieve budget goals.
- Established tighter controls on position and fiscal monitoring.
- Completed Cost Allocation Plan for Park recreation programs.
- Completed cost of services analysis for Animal Control
- Updated budget preparation process to increase Council's opportunity to provide meaningful feedback to the budget as it's being conceived and assembled.
- Updated the third Long Range Financial Forecast for the city.
- Updated 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 5th consecutive year.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Meet changing professional standards so as to receive the Government Finance Officers Association Distinguished Budget Award for FY 2013.
- Ensure budget and Council goals are met through:
 - Annual reviews of fiscal and position controls
 - Review and improvement of financial modeling and trending
 - Review of performance measurement and statistics
- Generate, store and make available all reports and financial plans in electronic form.
- 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 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
BUDGET OFFICE				
Personnel Services	347,820	292,820	281,609	242,720
Supplies	10,098	3,250	5,250	3,250
Services & Charges	23,395	20,160	18,150	18,200
TOTAL	381,313	316,230	305,009	264,170
POSITIONS	3.5	3.5	3.0	3.0

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net decrease of \$38,900 due to the elimination of the Assistant City Manager for Management Services for a portion of FY2012 (-\$115,900) as well as the addition of Budget Analyst position in FY2013 (+\$77,000).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Department and Funds Budgets Reviewed	54	65	66	68
Percent of General Fund Revenue Over/(Under) Budget	0.7%	3.0%	1.2%	1.0%
Percent of General Fund Expenditures (Over)/Under Budget	1.8%	2.3%	1.1%	1.0%

ADMINISTRATION DIRECTORATE INFORMATION TECHNOLOGY

MISSION STATEMENT

To maximize City resources through the application of technologies that support open and transparent government, achievement of City goals and delivery of top quality internal and external customer service.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Began the transition to fiber optic cabling, successfully completed 300 West Walker street renovations and infrastructure.
- Successfully completed Eastern Regional Park audio/video and structured cabling.
- Successfully completed SWWRF audio/video and structured cabling
- Introduced GovNow customer portal for Utility Payment, Employee Self Serve and Building Permit
- Completed programming on RecTrac recreation program management software
 - Point of Sale at Pool
 - Electronic participant registration
 - Electronic Pool Tag Management
- Successfully programmed Laserfiche document imaging system
- Completed Network infrastructure replacements on
 - Helen Hall Library
 - All Fire Stations
 - Public Works
- Continued desktop computer replacement to refresh aging computers with new technology
- Continued maintenance, repair and monitoring of ancillary equipment and systems used throughout the City.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Continuation of network infrastructure replacements.
- Address Technology needs for Fire Station 2 / EMS station expansion.
- Planning and addressing technology needs for Public Safety building construction
- Upgrade of Sungard Navaline to Sungard OneSolution ERP software which will enhance workflow, improve functionality, and facilitate better work performance by employees
- Install Virtual Desktop (VDI) pilot project.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>INFORMATION TECHNOLOGY</u>				
Personnel Services	631,213	892,330	856,855	961,400
Supplies	76,708	92,130	85,630	106,630
Repairs & Maintenance	14,456	18,610	16,610	21,270
Services & Charges	527,717	777,530	792,930	898,255
Capital Outlay	178,807	-	30,511	-
TOTAL	1,428,901	1,780,600	1,782,536	1,987,555

POSITIONS	7.0	11.0	11.0	11.0
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$104,500 due to the annualized effect of the FY2012 compensation study (+\$15,500), transferring a position from the Library budget (+\$84,000), and an expected increase in dependent insurance in FY2013 (+\$5,000).
- Supplies - Increase of \$21,000 in computer equipment and software due to transferring items from numerous other departments to the IT budget in an effort to consolidate all technology related functions within the IT budget.
- Services & Charges - Increase of \$105,300 due to an increase in technology maintenance and services (+\$75,300) and Sprint air cards (+\$30,000) as a result of transferring these items from numerous other departments to the IT budget in an effort to consolidate all technology related functions.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Documented Work Orders per Technician	872	1,032	920	950
Workstations per technician	48	47	73	78
Servers	40	47	66	63
Workstations	390	368	511	546

ADMINISTRATION DIRECTORATE COMMUNICATIONS OFFICE

MISSION STATEMENT

To be the driving force in openly and effectively communicating information about the City of League City, providing dynamic, creative and comprehensive communications services to our internal and external customers, and engaging the citizens of League City in the government process.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Began working with Hotel Occupancy Tax Board and economic development department to create advertisements in-house, in order to increase quality and decrease cost of advertising.
- Texas Association of Municipal Information Officer Award for League City Linked Campaign for Most Creative marketing Campaign with Least Dollars.
- Texas Association of Municipal Information Officer Award for League City social media sites.
- Implemented Pinterest page for City of League City as new social media forum for residents and visitors.
- Worked with "Today in America" to create a national television advertisement for League City.
- Created dialogue with citizens during the drought of 2011 using social media, website and Blackboard Connect and press releases, which contributed to the City's Texas Water Utilities Association Public Education Award for 2011.
- Increased readership of Facebook posts by 71%.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Refresh city's websites with a redesign by the end of the fiscal year.
- Increase citizen engagement by hosting quarterly Home Owners' Association meetings with City staff.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY2011 ACTUAL	FY2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
COMMUNICATIONS OFFICE				
Personnel Services	-	-	-	198,970
Supplies	-	-	-	6,910
Repairs & Maintenance	-	-	-	2,820
Services & Charges	-	-	-	75,140
Special Programs & Events	-	-	-	66,100
TOTAL	-	-	-	349,940

POSITIONS 0.0 0.0 0.0 3.0

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

Communications Office created in FY2013 and all expenses related to this office transferred from the City Manager's budget.

PERFORMANCE INDICATORS

INDICATORS	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ESTIMATED	FY2013 ADOPTED
Value of City-initiated news media	N/A	\$260,800	\$165,000	\$170,000
Website visits	530,000	701,000	806,000	900,000

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 2012

- Finalized City-wide total compensation, benefits and classification study; implemented first phase of compensation study recommendations
- Implemented more efficient and robust Applicant Tracking System (NEOGOV)
- Implemented new Performance Management System which resulted in the completion of performance evaluations for 100% of all active full time and part time employees
- Offered enhanced employee benefits which included long term and short term disability, lenses and frames every 12 months instead of 24 months, supplemental dependent life insurance, increase in flexible spending account limits, and no lifetime maximum with medical insurance
- Introduced several risk and safety policies designed to control, minimize and eliminate loss exposure for the City

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Conduct comprehensive I-9 Audit
- Implement measures to reduce turnover to a rate of 10% or less
- Continue to identify, develop and implement risk management and safety programs to control, minimize and eliminate loss exposure for the City; implement measures to reduce the number of work-related injuries by 50%
- Identify and implement measures to help curb anticipated increase in health care costs
- Identify and rollout pertinent training for managers and employees to support supervisory development and cultural transformation that directly supports the City's organizational values
- Continue to review, update and redesign City's Personnel Policies

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
HUMAN RESOURCES				
Personnel Services	618,526	718,080	683,735	665,260
Supplies	9,566	7,700	34,600	12,700
Services & Charges	233,439	234,974	231,050	221,700
Special Programs & Events	78,887	54,500	35,000	40,500
TOTAL	940,417	1,015,254	984,385	940,160

POSITIONS 8.00 8.00 8.00 8.00

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Decrease of \$18,400 as a result of downgrading the Human Resources Manager position to a Human Resources Generalist.
- Supplies - Decrease of \$21,900 as a result of transferring computer software related expenses to the IT budget.
- Services & Charges - Decrease of \$9,350 due to a decrease in the use of professional services in FY2013.
- Special Programs & Events - Increase of \$5,500 due to an increase in employee training.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Total number of new hires	82	83	75	70
Total number of termination	66	75	70	60
Turnover rate (Percent)	15%	16%	14%	12%
Total number of work related injuries	46	34	54	30
Performance evaluations completed	495	426	515	480

**FY 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

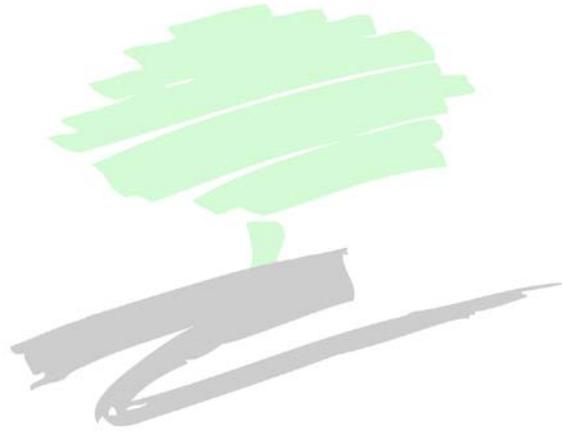
	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>CIVIL SERVICE</u>				
Personnel Services	411	2,430	2,430	2,430
Supplies	2,525	1,100	3,300	1,100
Services & Charges	42,339	75,500	72,200	73,470
Special Programs & Events	-	-	1,000	1,000
TOTAL	45,276	79,030	78,930	78,000

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY2011 ACTUAL	FY2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>NON-DEPARTMENTAL</u>				
Personnel Services	332,062	387,999	357,477	949,000
Supplies	2,391	84,100	73,600	38,000
Repairs & Maintenance	2,707	37,000	37,000	37,000
Services & Charges	836,944	877,500	904,700	786,000
Special Programs & Events	5,403	50,000	50,000	20,000
Capital Outlay	-	189,500	189,500	229,900
Transfers	4,157,512	7,774,920	7,774,920	3,496,000
TOTAL	5,337,020	9,401,019	9,387,197	5,555,900

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$591,500 due to an anticipated increase of 25% in worker's compensation (+\$30,500), expected cost to fund the general fund percentage of the 2% merit increase (+\$335,000) as well as the 1% one-time performance pay (+\$226,000).
- Supplies - Net decrease of \$35,600 includes increase for the following one items in FY2013: personal protective equipment for the fire department (+\$30,000) and computer/phone for the construction inspector (+\$3,000); as well as decreases for the following one-time items in FY2012: training equipment for EMS (-\$4,000), replacement laptop computers for EMS (-\$35,000), AED's for city buildings (-\$24,600), and iPad's for Fire Marshal's office (-\$5,000).
- Services & Charges - Net decrease of \$118,000 due to a decrease as a result of a one-time payment in FY2012 for the Glen Cove lawsuit settlement (-\$225,000) and increases for National Citizen Survey (+\$15,000), maintenance for the transit site (+\$60,000), and return the funding for three events celebrating League City to a total of \$70,000 (+\$32,000).
- Special Programs & Events - Decrease of \$30,000 as a result of decreasing the number of employee events to one event for the year and budgeting the event at the actual cost of the event.
- Capital Outlay - Net increase of \$40,400 as a result of the following one-time items in FY2012: self-checkout machine for the library (-\$14,500) and monitors/defibrillators for ambulances (-\$175,000); as well as the following one-time items in FY2013: Statistical Package for Social Sciences (SSPS) modeler for the Police Department (+\$40,000), one LED sign (+\$25,000), air bottle fill station for Fire Station #5 (+\$10,000), gear lockers for fire stations (+\$60,000), conflict monitors for traffic (+\$12,600), City website redesign (+\$55,000), and a vehicle for the construction inspector (+\$27,300).
- Transfers To - Adopted budget of \$3.5 million includes \$2.1 million for cash funded CIP projects and \$1.4 million for debt service.



LEAGUE CITY

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**FY 2013 ADOPTED BUDGET
UTILITY FUND SUMMARY**

OVERVIEW

The Utility Fund is an enterprise fund that provides funding for water and wastewater operations as well as system improvements. Its primary source of income is water and wastewater fees paid by water system customers most of whom are residential. The FY 2013 Proposed 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 2013 ADOPTED BUDGET
UTILITY FUND**

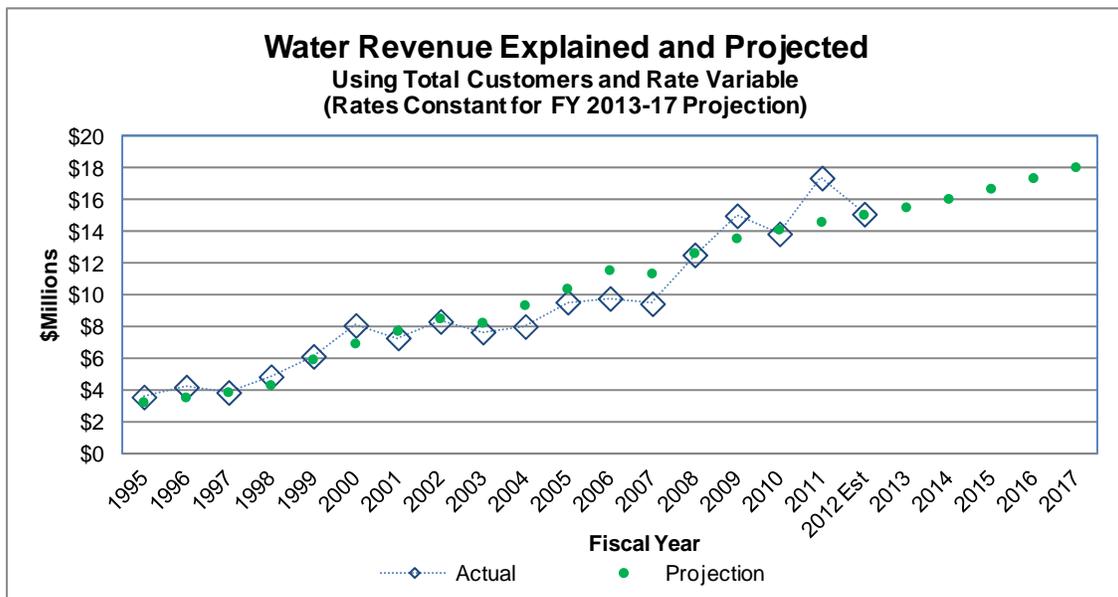
	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
BEGINNING FUND BALANCE	17,903,333	19,421,509	19,421,509	18,805,812
REVENUE	30,791,024	27,141,000	28,182,900	28,911,900
EXPENDITURES				
OPERATING EXPENDITURES	15,190,239	15,920,486	15,315,597	15,897,517
DEBT SERVICE	11,761,609	11,926,751	12,483,000	13,488,000
TRANSFER TO CIP	2,321,000	1,000,000	1,000,000	1,000,000
SUBTOTAL EXPENDITURES	29,272,848	28,847,237	28,798,597	30,385,517
REVENUES OVER/(UNDER) EXPENDITURES	1,518,176	(1,706,237)	(615,697)	(1,473,617)
ENDING FUND BALANCE	19,421,509	17,715,272	18,805,812	17,332,195
UTILITY FUND RESERVES				
EXISTING DEBT SERVICE (AVERAGE ANNUAL REVENUE BOND DEBT SERVICE) - COMMITTED	6,006,553	5,813,110	5,364,648	5,367,660
90 DAYS OF OPERATING EXPENDITURES AS WORKING CAPITAL - COMMITTED	3,745,538	3,925,599	3,776,449	3,919,936
TOTAL RESERVE REQUIRED	9,752,091	9,738,709	9,141,097	9,287,596
EXCESS RESERVE	9,669,418	7,976,563	9,664,716	8,044,600
DAYS OF WORKING CAPITAL OVER/(UNDER) 90 DAYS	232.3	182.9	230.3	184.7

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 Proposed Capital Improvement Plan for FY 2013-2017 includes plans to finance and construct \$130.9 million in water and wastewater projects over the next five years. The FY 2013 Proposed Budget for Debt Service includes principal and interest payments for bonds to be sold in August 2012 in support of the FY 2013 Capital Budget for Water and Wastewater projects.

The reserves shown on the previous page reflect current City policy, including recognition of debt service reserves required by bond covenants and City ordinances as a portion of the Utility Fund balance. In turn, the City maintains 90 days of reserves to meet operating expenditures for that period of time in an extended emergency. The proposed “Working Days” calculation excludes debt service because of the aforementioned debt service reserve policy proposal.

Water revenue in FY 2012 is estimated to be slightly over budget, with this difference attributed to a slightly faster growth rate than anticipated. FY 2012 has also turned out to be more of a “normal” year from a rainfall standpoint. The water revenue model shown below is based on projecting what a normal or average year for rainfall should produce, as opposed to an extremely dry or wet year. It provides the basis for the FY 2013 water and wastewater revenue estimate.



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 exceeded expected revenue significantly. FY 2010 and FY 2012 revenue was just as expected due to more normal weather conditions for the year.

The FY 2013 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 2.3% increase in total water customers is expected in FY 2013 over FY 2012, and current rates are expected to remain constant. Wastewater revenue is estimated as a proportion of water revenue. The net effect is a Proposed Budget for Utility Fund revenue that is 2.6% higher than FY 2012.

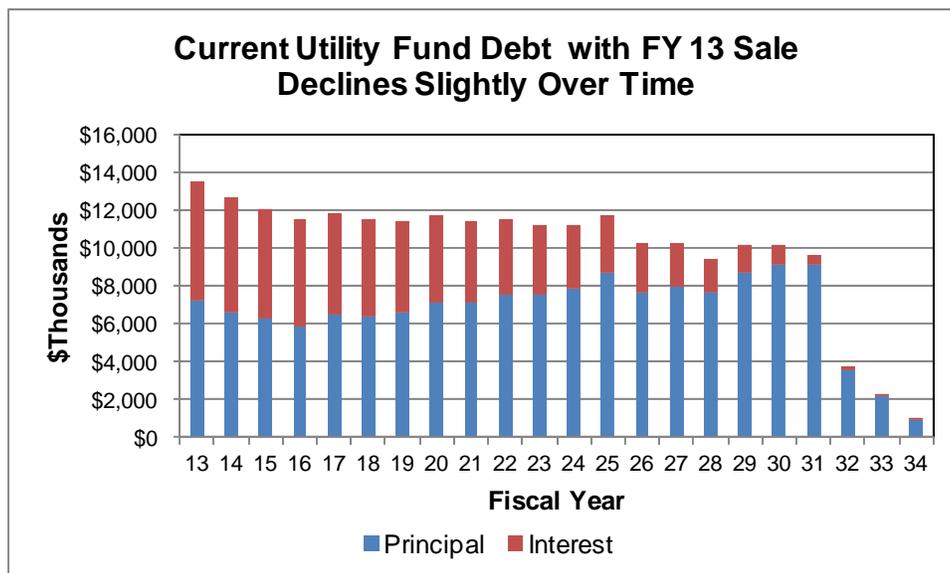
**FY 2013 PROPOSED BUDGET
UTILITY FUND REVENUE DETAIL**

CATEGORY		FY 2011	FY 2012	FY 2012	FY 2013
		ACTUAL	BUDGET	ESTIMATED	ADOPTED
Charges for Service					
541-00-00	Water Sales	17,387,707	14,600,000	15,112,000	15,517,000
542-00-00	Wastewater Sales	12,214,105	11,500,000	12,090,000	12,414,000
543-01-00	Tap Fees	302,750	300,000	250,000	250,000
543-02-00	New Connection Fees	62,639	60,000	60,000	60,000
543-03-00	Reconnection Fees	65,345	60,000	55,000	55,000
544-00-00	Late Fees	328,299	300,000	300,000	300,000
	Charges for Service Subtotal	30,360,845	26,820,000	27,867,000	28,596,000
Other Revenues					
545-01-00	Meter Sales	193,314	200,000	175,000	175,000
545-02-00	Water Well Permits	25	100	100	100
545-04-00	Reimb for Services	4,208	5,000	5,000	5,000
545-05-00	Miscellaneous Income	14,214	12,500	12,500	12,500
550-02-00	Southeast Texas Housing	13,737	-	-	-
545-13-00	CC Ave WL Recovery Fees	527	-	-	-
	Other Revenues Subtotal	226,025	217,600	192,600	192,600
Interest Income					
555-00-00	Interest Income	32,079	30,000	30,000	30,000
555-05-05	Interest Income Investments			-	-
555-05-80	Interest Income TxPool Reserve	372	500		
555-08-00	Interest Income - CD	8,873	7,000	7,000	7,000
555-08-85	Interest Income - 2005 Bond	737	-	-	-
555-05-88	Int - Rev Bond Reserve			1,300	1,300
555-09-00	Interest Income TxStar Reserve	7,755	8,500	8,500	8,500
555-09-50	Interest Income - Texstar Reserve	608	500	500	500
	Interest Income Subtotal	50,424	46,500	47,300	47,300
Miscellaneous:					
425-01-00	Surplus Property Sales	1,632	1,000	20,000	20,000
425-09-00	Proceeds from Lease	56,056	55,900	56,000	56,000
427-05-00	Bond Proceeds				
429-28-00	Reimbursements	-	-	-	-
429-28-40	Reimb from insurance	3,641	-	-	-
558-00-00	Gain on Sale of Bonds	92,402	-		-
581-24-00	Transfer from CDBG (041)		-	-	-
	Miscellaneous Subtotal	153,731	56,900	76,000	76,000
	Total Utility Fund Revenue	30,791,024	27,141,000	28,182,900	28,911,900

**UTILITY FUND REVENUE SUPPORTED DEBT
PRE-FY2013 SALE**

Fiscal Year	Principal	Interest	Total
2013	6,060,066	6,305,600	12,365,666
2014	6,739,428	6,084,548	12,823,976
2015	6,435,503	5,853,011	12,288,514
2016	6,125,204	5,625,937	11,751,141
2017	6,513,204	5,390,199	11,903,403
2018	6,414,101	5,143,361	11,557,462
2019	6,654,999	4,887,506	11,542,505
2020	6,886,999	4,613,463	11,500,462
2021	7,176,000	4,319,838	11,495,838
2022	7,478,000	4,007,632	11,485,632
2023	7,566,000	3,690,427	11,256,427
2024	7,903,000	3,372,974	11,275,974
2025	8,276,000	3,010,565	11,286,565
2026	7,763,000	2,600,899	10,363,899
2027	8,124,000	2,249,995	10,373,995
2028	8,541,000	1,844,597	10,385,597
2029	8,686,000	1,447,763	10,133,763
2030	9,104,000	1,035,325	10,139,325
2031	9,561,000	596,225	10,157,225
2032	2,661,000	301,250	2,962,250
2033	2,140,000	163,750	2,303,750
2034	2,205,000	55,125	2,260,125
Totals	149,013,504	72,599,988	221,613,491

NOTE: As of September 30, 2011, the City of League City held business activity-type (i.e. water and wastewater lines and plants) liquid and capital assets valued at \$270,065,846 after accounting for depreciation (Source: Comprehensive Annual Financial Report, October 1, 2010 to September 30, 2011).



**THE FOLLOWING SECTION IS EXCERPTED FROM THE PROPOSED FY 2013-2017
CAPITAL IMPROVEMENT PLAN**

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 capacity to issue new bonds as needed. However, unlike the General Fund – where the property tax rate is divided between debt service and maintenance and operations – there is no dedicated funding source for debt service as a part of water and wastewater revenues. Thus 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 through FY2016.

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 continues the application of several financial policies adopted by Council with prior CIPs; these are generally intended to balance near-term and long-term priorities and ensure that decisions positively affecting one outlook do not exert undue or unwanted negative influences on the other.

Proposed Sales

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

FY 2013 -	\$20,896,000
FY 2014 -	\$24,855,000
FY 2015 -	\$20,734,000
FY 2016 -	\$14,379,000
FY 2017 -	<u>\$19,801,000</u>
TOTAL	\$100,665,000

This includes bonds for the anticipated cost of the City of Houston replacing League City's main supply line down State Highway 3. It also includes funds to recycle approximately 5 million gallons per day of re-use water for treatment to potable water standards by the Gulf Coast Water Authority.

Utility Fund Projections with New Financing Supported by Utility Revenues

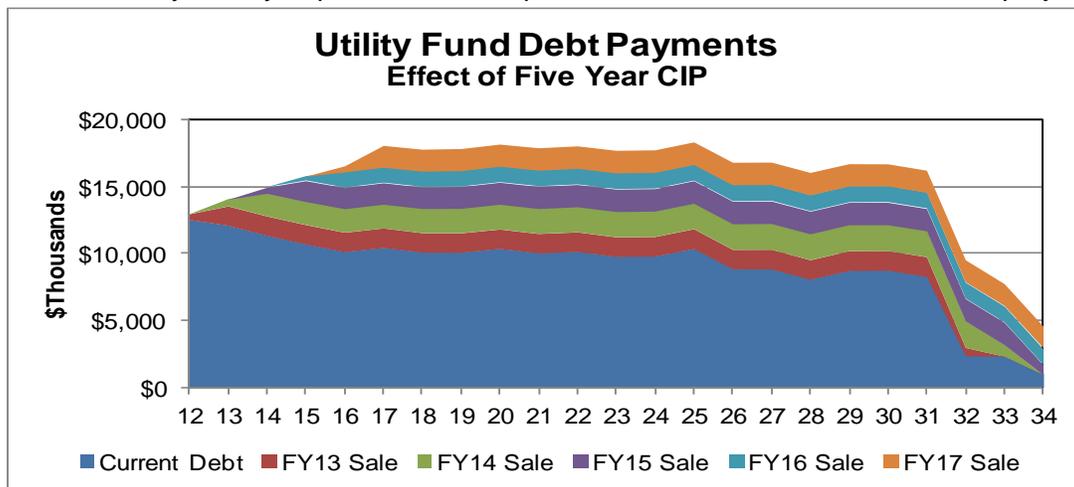
The table on the next page updates the Utility Fund forecast for FY 2013-2017 using the proposed FY 2013 Budget as the basis for projections. The forecast includes (1) revenue projections based on a normal year for rainfall, such as how FY 2010 turned out and FY 2012 appears to be; (2) expenditures included in the FY 2013 Proposed Budget with one-time expenditures removed, the budgeted expenditures are carried forward to serve as the FY2014 base); (3) allowances in the FY 2014-2017 period for inflation and population growth; and (4) reserves required to meet revenue bond covenants and operating reserve requirements. Given the aforementioned assumptions, it appears that current water rates will be sufficient to support projected expenses in the Utility Fund, including new debt service associated projects in the Proposed CIP, through the end of FY 2016.

The City’s cost of service study for water and wastewater is nearing kickoff. It is expected to yield recommendations for a revenue-neutral restructuring of the City’s water rates to incentivize conservation. In the years ahead, the City will have a chance to gauge the effects of any changes Council chooses to make to encourage conservation and reduce demand. These projections will be updated annually as a part of the forecasting and capital programming process.

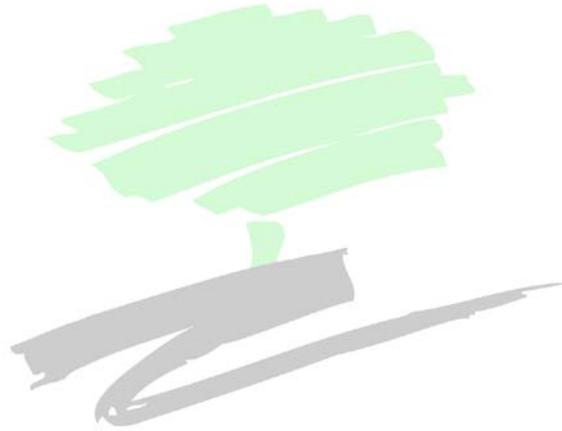
**FY 2013-2017 PROJECTIONS
UTILITY FUND WITH NEW DEBT INCLUDED
(\$THOUSANDS)**

	FY 2013 Budget	FY 2014 Base	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast
Beginning Balance	\$18,806	\$17,332	\$17,332	\$15,072	\$12,622	\$10,292
Revenue	\$28,912	\$30,244	\$30,244	\$31,587	\$32,973	\$34,247
Current Expense	\$15,898	\$15,589	\$17,049	\$17,655	\$18,302	\$18,985
Current Debt Service & CIP	\$13,059	\$12,304	\$12,304	\$11,664	\$11,098	\$11,409
New Debt Service	\$1,429	\$3,152	\$3,152	\$4,718	\$5,903	\$7,577
Subtotal Expense	\$30,386	\$31,045	\$32,505	\$34,037	\$35,303	\$37,971
Revenue Over/(Under) Expenditures	(\$1,474)	(\$801)	(\$2,261)	(\$2,450)	(\$2,330)	(\$3,724)
Ending Balance	\$17,332	\$16,531	\$15,072	\$12,622	\$10,292	\$6,567
Utility Fund Reserves						
Debt Service (Average Annual Revenue Bond Debt Service)	\$5,368	\$5,309	\$5,309	\$5,156	\$5,004	\$4,862
90 Days of Operating Expenditures as Working Capital	\$3,920	\$3,844	\$4,204	\$4,353	\$4,513	\$4,681
Total Reserve Required	\$9,288	\$9,153	\$9,513	\$9,509	\$9,517	\$9,543
Excess Working Capital	\$8,044	\$7,378	\$5,559	\$3,113	\$775	(\$2,976)
Days Working Capital Over/(Under) 90	183	172	118	65	15	(57)

The graph below shows the anticipated debt service payments for the five years’ worth of bond sales necessary to fully implement the Proposed CIP for water and wastewater projects.



Keep in mind that these sales will be decided and approved by City Council one year at a time depending upon potentially fluid circumstances including the economy, water revenues (which can be expected to grow during this same period) and projects identified as necessary in the CIP.

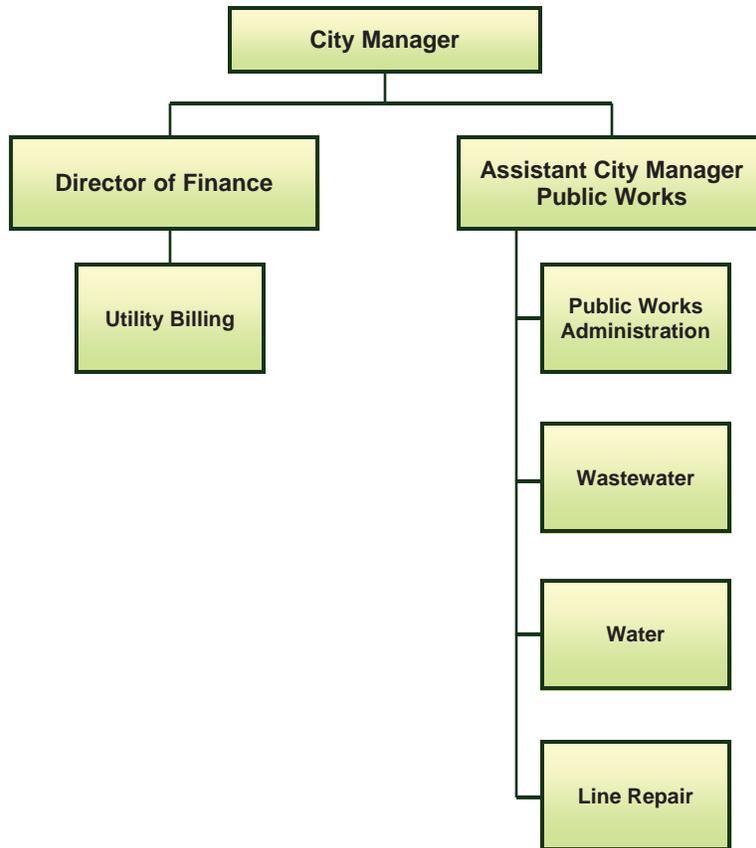


LEAGUE CITY

T E X A S
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UTILITY FUND



**FY 2013 ADOPTED BUDGET
UTILITY FUND
EXPENDITURE SUMMARY**

DIRECTORATE	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Public Works Administration	\$ 162,691	\$ 177,260	\$ 130,450	\$ 161,720
Water	4,649,979	5,313,523	5,184,756	5,409,120
Wastewater	3,811,819	3,487,240	3,444,674	3,614,744
Line Repair	2,914,343	2,798,710	2,719,750	3,149,215
Subtotal PW Directorate	11,538,833	11,776,733	11,479,630	12,334,799
Utility Billing	1,474,689	1,540,545	1,337,278	922,728
Subtotal Finance Directorate	1,474,689	1,540,545	1,337,278	922,728
Non-Departmental	4,497,717	3,603,208	3,498,689	3,639,990
Debt Service	11,761,609	11,926,751	12,483,000	13,488,000
FUND TOTAL	\$ 29,272,848	\$ 28,847,237	\$ 28,798,597	\$ 30,385,517

CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Personnel Services	\$ 5,251,357	\$ 5,425,958	\$ 5,141,063	\$ 5,448,640
Supplies	739,663	858,815	676,795	645,728
Repairs & Maintenance	1,163,429	1,560,980	1,550,315	1,364,903
Service & Charges	5,873,505	5,792,733	5,671,324	5,910,446
Special Programs & Events	10,450	12,000	12,000	12,000
Capital Outlay	151,836	30,000	24,100	265,800
Transfers To	4,321,000	3,240,000	3,240,000	3,250,000
Principal	5,827,700	6,594,160	5,327,000	6,308,000
Interest	5,933,909	5,332,591	7,156,000	7,180,000
Fund Total	\$ 29,272,848	\$ 28,847,237	\$ 28,798,597	\$ 30,385,517

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net increase of \$307,500 due to annualized effect of the FY2012 compensation study (+\$54,740), anticipated increase in certification pay in FY2013 (+\$4,500), annualized effect of filling positions for a portion of FY2012 (+\$236,330), utility fund percentage of the 2% merit increase in FY2013 (+\$87,800), utility fund percentage of 1% performance pay in FY2013 (+\$43,500), anticipated decrease in overtime in FY2013 (-\$88,470) and separation pay in FY2012 (-\$30,900).
- Supplies - Net decrease of \$31,000 due the anticipated decrease in water meters and parts as a result of the Water Meter Replacement Project in the FY2013 CIP (-\$75,000) and the anticipated increase in concrete and aggregate (+\$42,000).
- Repairs & Maintenance - Net decrease of \$185,000 due to one-time expense in FY2012 for the rehabilitation of three water wells (-\$300,000) and an increase in the payment to the Motor Pool Fund for vehicle repair and maintenance (+\$115,000).
- Services & Charges - Net increase of \$239,200 as a result an anticipated increase of 5% in water pumpage/usage in FY2013 (+\$181,000), increase in Motor Pool Lease Fees (+\$30,700), electricity (+\$68,000), inspection fees for ground and elevated storage tanks (+441,500), and an anticipated decrease in meter installations (-\$82,000).
- Capital Outlay - Net increase of \$241,700 due to the following one-time items in FY2013: ultrasonic flow meter (+\$6,800), two Conex storage buildings (+\$14,000), tank mixer (+\$92,000), Dickinson storage tank repair (+\$100,000), SCADA remote terminal unit (+\$44,000), and 4x4 utility vehicle (+\$9,000) as well as the decrease due to the one-time purchase of a storm sewer inspection camera in FY2012 (-\$24,000).
- Transfers - Net increase of \$10,000 due to the one-time utility fund portion of the payment to the Technology Fund in FY2012 (-\$240,000) and an increase in the transfer to the General Fund (+\$250,000).
- Net increase of \$1.0 million due to the net result of reduced payments for prior debt of \$1 million and \$3.6 million in new debt service payments.

PUBLIC WORKS DIRECTORATE PUBLIC WORKS ADMINISTRATION

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 2012

- Identified source(s) for additional water supply
- Implemented revised Drought Contingency Plan
- Compiled FY2012-FY2016 CIP plan and presented to Council for adoption
- Implemented FY2012 CIP projects from Adopted Plan including the following:
 - Began design of Public Safety Facility
 - Purchased replacement fire apparatus
 - Began design of FS #2 expansion for EMS
 - Moved the Compton Oak
 - Began Design of Bayou Bank Stabilization
 - Substantial completion of Eastern Regional Park
 - Started Construction of SH 3 pump station upgrades
 - Completed construction of new Southwest Water Reclamation Facility
 - Completed the remodel of City Hall

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Contract for additional water supply
- Secure solid waste services for the community
- Implement FY 2013 CIP plan including reporting and scheduling tools for major phases of the projects
- Work to ensure the timely completion of the new public safety facility in 2014
- Development of the proposed FY 2014 CIP
- Development of a standardized professional services agreement
- Develop and implementation of a plan to facilitate the ending of Amegy Lease and relocate employees to city facilities

**FY 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>PUBLIC WORKS ADMINISTRATION</u>				
Personnel Services	148,633	147,210	107,210	132,600
Supplies	2,057	5,000	1,650	4,000
Services & Charges	12,002	25,050	21,590	25,120
TOTAL	162,691	177,260	130,450	161,720
POSITIONS	1.00	1.00	1.00	1.00

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$25,390 due to the annualized effect of filling the Assistant City Manager of Public Works in FY2013.

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.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Improved water quality by purchasing and implementing multiple auto flushers throughout the city.
- Expanded Water Conservation program to include new mascot, library event and display, new banner at BLD, conservation videos and new promotional items.
- Awarded Public Education Program Award for year 2011 from Texas Water Utilities.
- Performed fire flow tests and maintenance on 789 fire hydrants to insure public safety during fire emergencies. Implemented color coding hydrants for gpm identification.
- Implemented uni-directional flushing program to improve water quality throughout the city.
- Evaluated and rehabilitated Third Street, Walker Street, and Countryside Well Stations to insure a reliable groundwater supply to supplement current surface water demands and for emergencies.
- Installed SCADA at Meadowbend Water Plant to remotely monitor the plant for faster response times during high demand.
- Cross training program continued and three personnel received Wastewater licenses.
- Cleaned and made repairs on tanks at Bayridge and Countryside Pump Stations.
- Installed new gate valves and meters at Bayridge, Calder, and Third Street Pump Stations.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Continue to purchase and implement auto flushers to maintain water quality throughout the city.
- Expand Water Conservation Program to include school visits, water facility tours, residential workshops, and work on development of rebate program.
- Continue fire flow tests, maintenance, and color-coding fire hydrants
- Continue uni-directional flushing and implement Quality Assurance/Quality Control flushing program for a proactive approach to water quality.
- Maintain Superior Water Rating – paint pumps, piping, and buildings to keep up aesthetic appeal.
- Rehabilitate ground storage tank at Dickinson Pump Station.
- Install tank mixer at Walker Street ground storage tank and South Shore Harbour elevated storage tank.
- Install SCADA and upgrade control panel at Third Street Well Station.
- Implement Quality Assurance-Quality Control program, taking a proactive approach to water quality.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
WATER				
Personnel Services	1,120,339	1,245,660	1,155,353	1,204,700
Supplies	82,822	122,500	123,900	123,633
Repairs & Maintenance	162,348	621,790	648,790	344,650
Services & Charges	3,238,552	3,323,573	3,256,713	3,530,337
Capital Outlay	45,919	-	-	205,800
Transfers	45,919	-	-	-
TOTAL	4,695,898	5,313,523	5,184,756	5,409,120

POSITIONS	20.0	20.0	19.0	18.5
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$49,340 due to the annualized cost of the FY2012 compensation study (+\$14,840), anticipated increase in certification pay in FY2013 (+\$4,500), and the annualized cost of filling positions that were vacant for a portion of FY2012 (+\$30,000).
- Repairs & Maintenance - Decrease of \$300,000 due to the one-time expense in FY2012 for the rehabilitation of three water wells.
- Services & Charges - Increase of \$273,600 due to an expected 5% increase in water pumpage/usage in FY2013 (+\$181,000), motor pool lease fees (+\$30,700), electricity (+\$11,000), travel and training (+\$4,000), and inspections fees for ground and elevated storage tanks (+\$46,500).
- Capital Outlay - Net increase of \$205,800 due to the following one-time items in FY2013: ultrasonic flow meter (+\$6,800), Conex building (+\$7,000), tank mixer (+\$92,000) and Dickinson ground storage tank repair (+\$100,000).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Water Pressure Calls	11	15	20	20
Water Quality Calls	405	298	190	150
Monthly Regulatory Samples (Annual Total)	962	1,057	1,140	1,140
Water Quality/New Line Samples	34	380	100	100
Quality Assurance/Quality Control Samples	N/A	N/A	N/A	170
Uni-directional Flushing Program-Subdivisions	N/A	2	15	10
Flow Test Hydrants	N/A	10	789	800

PUBLIC WORKS DIRECTORATE WASTEWATER

MISSION STATEMENT

To protect human health and the local environment by operating and maintaining the City's collection and treatment facilities in compliance with applicable regulatory requirements, and to contribute to water conservation by promoting utilization of reclaimed wastewater effluent.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Increased pretreatment inspection frequency of local businesses from 400 to 500.
- Improved preventive maintenance program from 500 to 1610, resulting in further reduction of callouts and demand for work orders.
- Completed program development for implementation of an Oil & Grease sampling Program for businesses with pretreatment devices.
- Completed 1st draft of the Fats, Oils, and Grease (FOG) Ordinance.
- Submitted plan to the Texas Commission on Environmental Quality (TCEQ) to participate in the Sanitary Sewer Overflow Initiative Program (SSOI).
- Development procedures for flow and pressure calibrations for Dallas Salmon Wastewater Treatment Plant (DSWWTP). Performed in-house, saving approximately \$10,000 annually.
- Performed in-house improvements of the electrical controls at four (4) lift stations, improving reliability issues.
- Completed start-up of the Southwest Water Reclamation Facility.
- Completed improvement projects for Butler Rd and W. Main lift stations.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Develop and Implement General Operating Procedures (GOP's) for Dallas Salmon Wastewater Treatment Plant (DSWWTP) based on the completion of the plant expansion.
- Continue to improve Equipment, Maintenance, and Operational Preventive Maintenance (PM) Program.
- Complete Oil & Grease sampling of 36 businesses.
- Obtain four (4) Class D Water Operator Licenses with completion of crossing training and Texas Commission on Environmental Quality's (TCEQ) requirements.
- Perform 32 instrument calibrations for both Dallas Salmon Wastewater Treatment Plant (DSWWTP) and Southwest Water Reclamation Facility (SWWRF).
- Complete Media Replacement of Biocube at Smith Ln Lift Station, Electrical Control Improvements at Smith Ln and Waterford 1 Lift Stations, Riser Replacement at Woodcock Lift Station, and Valve Replacement for Harbor Park 2.

**FY 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>WASTEWATER</u>				
Personnel Services	1,325,864	1,366,350	1,381,953	1,419,630
Supplies	194,726	210,795	205,795	200,070
Repairs & Maintenance	315,340	333,625	333,625	354,285
Services & Charges	1,869,972	1,576,470	1,523,301	1,580,759
Capital Outlay	105,917	-	-	60,000
TOTAL	3,811,819	3,487,240	3,444,674	3,614,744

POSITIONS	22.00	22.00	22.00	22.50
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net increase of \$37,670 as a result of an anticipated decrease in overtime in FY2013 (-\$41,170) and increases due to the annualized effect of the FY2012 compensation study (+\$17,000) as well as the annualized effect of filling positions for a portion of FY2012 (+\$61,840).
- Repairs & Maintenance - Increase of \$20,600 due to an anticipated increase in FY2013 of equipment maintenance and repair.
- Services & Charges - Increase of \$57,000 due to an anticipated increase in electricity in FY2013.
- Capital Outlay - Increase of \$60,000 due to the following one-time items in FY2013: SCADA remote terminal unit (+\$44,000), Conex storage container (+\$7,000) and 4x4 Utility Vehicle (+\$9,000).

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Equipment and Operational PM's	256	1,324	1,610	1,800
General Operating Procedures	N/A	1,100	1,200	8
Sampling of Businesses	N/A	N/A	N/A	36
Class D Water Operator Licenses	N/A	N/A	N/A	4
Instrument Calibrations (DSWWTP & SWWRF)	N/A	N/A	N/A	32
Lift Station Electrical Control Improvements	2	7	4	5

PUBLIC WORKS DIRECTORATE LINE REPAIR

MISSION STATEMENT

To protect the public health by ensuring safe, efficient potable water distribution and reliable wastewater collection services.

ACHIEVEMENTS FOR FISCAL YEAR 2012

- Responded to 1300 water leaks
- Repaired 79 water main leaks
- Responded to 392 backed up sewer calls
- Cleaned and televised 26,000 linear ft of sewer line
- Inspected 650 water taps
- Repaired 50 manholes
- Installed 10 two inch flushing devices

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Rehab 41,000 ft of sanitary sewer line as part of the current CIP Program
- Clean and televise 30,000 ft of sewer lines
- Continue to respond to calls for service in a timely manner

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
LINE REPAIR				
Personnel Services	1,876,066	1,833,390	1,815,300	2,074,880
Supplies	183,796	172,520	139,950	212,625
Repairs & Maintenance	647,945	555,500	530,500	650,700
Services & Charges	206,537	207,300	209,900	211,010
Capital Outlay	-	30,000	24,100	-
TOTAL	2,914,343	2,798,710	2,719,750	3,149,215

POSITIONS	35.0	35.0	34.0	39.0
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Net increase of \$259,500 due to increases as a result of moving the customer service technicians from Utility Billing to Line Repair in FY2013 (+\$218,600) and the annualized effect of filling positions for only a portion of FY2012 (+\$119,100) and decreases as a result of separation pay in FY2012 (-\$30,900) and an anticipated decrease in overtime in FY2013 (-\$47,300).
- Supplies - Increase of \$72,600 due to an anticipated increase in gasoline as a result of moving the customer service technicians (+\$29,600) and an anticipated increase in concrete and aggregate (+\$43,000) in FY2013.
- Repairs & Maintenance - Increase of \$120,200 as a result of an increase in the payment to the Motor Pool Fund for vehicle maintenance and repairs (+\$20,200) and an expected increase in utility repair and maintenance in FY2013 (+\$100,000).
- Capital Outlay - Decrease of \$24,100 due to the one-time purchase of a storm sewer inspection camera in FY2012.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Number of backed up sewer calls	300	626	450	500
Number of water leak calls	1,200	2,431	2,000	1,500
Water tap inspections	950	675	560	600
Sewer tap inspections	20	20	20	25
Final utility inspections	764	820	675	700
Total number of work orders performed	10,873	11,646	9,000	8,000
Meter leak service orders completed same day as requested	82%	75%	N/A	N/A

FINANCE 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 2012

- Increased number of Eco-billing customers from 2,165 to 2,601, with the intent of reducing office supply and postage costs
- Improved standardized billing (28 to 30 day billing cycle) above 80% of billed customers with the failing AMR system. (Increase in manual reads of 21% (from September 2011 at 5,420 to April 2012 at 6,886) as well as an increase in total water customers of 410 (from September 2011 at 27,698 to April 2012 at 28,079).
- 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.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Complete 85% or greater of meter re-read service orders on the next business day.
- Increase 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 95%
- Maintain an efficient transition to the new Automated Metering Infrastructure (AMI) system through an effective communication between the City and our water account customers. The New AMI system will result in a reduction of meter misreads, billing adjustments, and billing delays.

FY 2013 ADOPTED BUDGET EXPENDITURE SUMMARY

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
UTILITY BILLING				
Personnel Services	747,535	690,960	643,378	447,660
Supplies	276,263	348,000	205,500	105,400
Repairs & Maintenance	37,795	50,065	37,400	15,268
Services & Charges	402,736	439,520	439,000	342,400
Special Programs & Events	10,360	12,000	12,000	12,000
TOTAL	1,474,689	1,540,545	1,337,278	922,728

POSITIONS	14.75	13.50	13.00	8.00
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HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Decrease of \$195,710 as a result of moving the utility billing technicians to the Line Repair budget in FY2013.
- Supplies - Decrease of \$100,000 in water meters and water meter parts and supplies as a result of the Water Meter Replacement Project in the FY2013 CIP.
- Repairs & Maintenance - Decrease of \$22,100 due to a decrease in the payment to the Motor Pool fund for vehicle repairs and maintenance as a result of moving the utility billing technicians to the Line Repair budget in FY2013.
- Services & Charges - Decrease of \$96,600 due to a decrease in meter installation (-\$82,000) and Motor Pool Lease Fees (-\$14,600) as a result of moving the utility billing technicians to Line Repair.

PERFORMANCE INDICATORS

INDICATORS	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ESTIMATED	FY 2013 ADOPTED
Total number of manual meter reads (annually)	22,757	46,668	49,551	25
Total number of customers at FY end (water, sewer, and refuse)	27,092	27,698	28,379	29,060
Percentage of cycles (6 total cycles) read within 28-32 days.	73%	70%	85%	95%
Automated Meter Reading Percentage at FY end	93%	84%	81%	N/A
Eco-billing customers at FY end	200	2,165	2,911	3,640
Re-read service orders completed by end of next working day	88%	66%	80%	N/A

**FY 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

	FY2011 ACTUAL	FY2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>NON-DEPARTMENTAL</u>				
Personnel Services	32,920	142,388	37,869	169,170
Services & Charges	143,706	220,820	220,820	220,820
Special Programs & Events	90	-	-	-
Transfers To	4,321,000	3,240,000	3,240,000	3,250,000
TOTAL	4,497,717	3,603,208	3,498,689	3,639,990

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

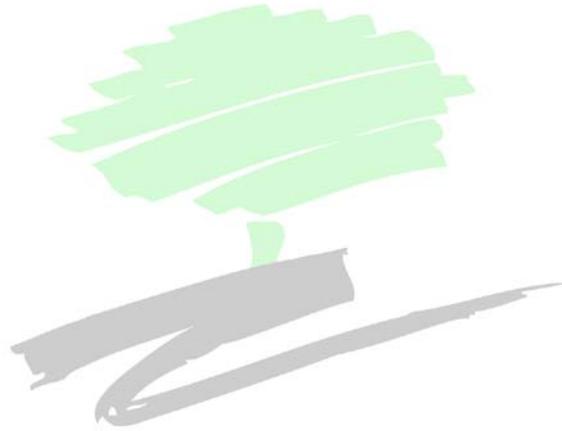
- Personnel Services - Increase of \$131,300 due to the expected cost to fund the utility fund percentage of the 2% merit increase (+\$87,800) as well as the 1% one-time performance pay (+\$43,500).
- Transfers - Net increase of \$10,000 due to the one-time utility fund portion of the payment to the Technology Fund in FY2012 (-\$240,000) and an increase in the transfer to the General Fund (+\$250,000).

**FY 2013 ADOPTED BUDGET
EXPENDITURE SUMMARY**

	FY2011 ACTUAL	FY2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
<u>DEBT SERVICES</u>				
Fees	2,441	3,000	3,000	3,000
Principal	5,827,700	6,591,160	7,153,000	7,177,000
Interest	5,931,468	5,332,591	5,327,000	6,308,000
TOTAL	11,761,609	11,926,751	12,483,000	13,488,000

HIGHLIGHTS (*FY 2013 Adopted Over/Under FY 2012 Estimated*)

- Net increase of \$1.0 million due to the net result of reduced payments for prior debt of \$1 million and \$3.6 million in new debt service payments.



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**FY 2013 ADOPTED BUDGET
MOTOR POOL INTERNAL SERVICE 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 2013 ADOPTED BUDGET
MOTOR POOL FUND**

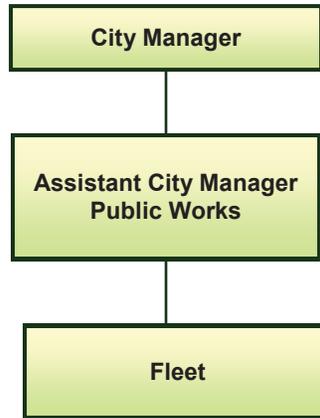
	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
BEGINNING FUND BALANCE	1,077,612	728,196	728,196	1,840,783
REVENUES	2,903,443	2,976,077	2,976,077	2,630,600
EXPENDITURES	3,252,860	1,865,117	1,863,490	2,297,240
REVENUES OVER/(UNDER) EXPENDITURES	(349,416)	1,110,960	1,112,587	333,360
ENDING FUND BALANCE - ASSIGNED *	728,196	1,839,156	1,840,783	2,174,143

* Intended use established by City Council.

The most significant aspect of the Adopted Budget is the combined motor pool lease fees from the General Fund, Utility Fund, and a few special revenue funds for vehicle replacement. The FY2012 Budget included \$1.66 million in motor pool lease fees; the FY2013 Adopted Budget includes \$1.4 million, a \$267,000 decrease. The Adopted budget also includes \$1.07 million in vehicle and equipment replacements in city departments; \$521,300 for vehicle replacements and \$542,000 for major equipment replacements. All vehicle and equipment included for replacement are necessary to provide basic services (see the Vehicle Purchase Program list at the end of this section.)

The methodology changed in FY2013 for both the calculation of motor pool lease fees for user departments as well as the decision process for determining which vehicles will be replaced for the fiscal year. The methodology for both of these items will continue to be analyzed in FY2013 and applied to the long-term for future fiscal years.

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



**FY 2013 ADOPTED BUDGET
MOTOR POOL INTERNAL SERVICE FUND
EXPENDITURE SUMMARY**

DIRECTORATE	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Fleet	3,252,860	1,865,117	1,863,490	2,297,240
Fund Total	3,252,860	1,865,117	1,863,490	2,297,240

CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Personnel Services	651,545	639,930	648,903	651,480
Supplies	42,608	49,700	50,560	34,700
Repairs & Maintenance	552,513	630,150	615,250	518,250
Service & Charges	39,171	51,337	44,277	29,510
Capital Outlay	1,967,022	494,000	504,500	1,063,300
Fund Total	3,252,860	1,865,117	1,863,490	2,297,240

PUBLIC WORKS DIRECTORATE FLEET

MISSION/PURPOSE STATEMENT

To provide City departments with safe, reliable and economically sound transportation and related support services while conserving vehicle value and equipment investment.

ACCOMPLISHMENTS FOR FISCAL YEAR 2012

- Assisted the Police Department by performing 227 golf cart inspections.
- Expanded the east and west side fuel point locations at Fire Stations 3 and 4.
- Assisted the Fire Department in placing four new fire apparatus in service.
- Began to revise the methodology used to identify vehicles and heavy equipment for replacement.

PRIORITIES AND GOALS FOR FISCAL YEAR 2013

- Complete 95% of all work orders in-house.
- Optimize the capital replacement purchases by analyzing how the vehicles in each department are used.
- Develop a driver's guide for non-emergency vehicles.
- Expand the use of alternative fuel vehicles.
- Complete the vehicle and equipment replacement methodology, applying new decision rules to long-term replacement schedules.

**FY 2013 ADOPTED BUDGET
MOTOR POOL EXPENDITURE SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
FLEET				
Personnel Services	651,545	639,930	648,903	651,480
Supplies	42,608	49,700	50,560	34,700
Repairs & Maintenance	552,513	630,150	615,250	518,250
Service & Charges	39,171	51,337	44,277	29,510
Capital Outlay	1,967,022	494,000	504,500	1,063,300
TOTAL	3,252,860	1,865,117	1,863,490	2,297,240
POSITIONS	10.00	10.00	10.00	10.00

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Supplies - Decrease of \$15,800 as a result of change in allocation of gasoline charges to user departments.
- Repairs & Maintenance - Decrease of \$97,000 due to an expected decrease in vehicle repairs in FY2013.
- Services & Charges - Decrease of \$15,500 due to a decrease in the Motor Pool Lease fees for Fleet for FY2013.
- Capital Outlay - Increase of \$558,800 due to a greater number of vehicles and equipment scheduled to be replaced in FY2013 than was replaced in FY2012.

PERFORMANCE INDICATORS

INDICATORS	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ESTIMATED	FY2013 ADOPTED
Repair work orders	3,559	3,594	3,350	3,000
Average repair turn around (hours)	6.5	6	6	6
Hybrid vehicles as percentage of fleet	12%	16%	16%	16%
Percent of fleet accidents	4%	5%	5%	5%
Internal customer service index (scale of 1-10, 10 highest)	N/A	8	8	9

**FISCAL YEAR 2013 ADOPTED BUDGET
VEHICLE PURCHASE PROGRAM**

ASSET DESCRIPTION	FUND	DEPARTMENT	UNIT USE	COST
FLEET REPLACEMENTS				
Vehicles				
2007 Ford Crown Victoria ⁽¹⁾	General	Police	Patrol Unit	49,500
2007 Ford Crown Victoria ⁽¹⁾	General	Police	Patrol Unit	49,500
2007 Ford Crown Victoria ⁽¹⁾	General	Police	Patrol Unit	49,500
2007 Ford Crown Victoria ⁽¹⁾	General	Police	Patrol Unit	49,500
2007 Ford Crown Victoria ⁽¹⁾	General	Police	Patrol Unit	49,500
2003 Ford F250 Truck - Remount Only	General	Animal Control	Patrol Unit	27,900
2002 Chevrolet Tahoe 4x4 ⁽²⁾	General	Streets	Public Works Supervisor	25,000
2001 Dodge Ram 1500 Truck ⁽²⁾	General	Facilities	Facilities Maintenance Crew	22,500
1995 Ford F450 Truck with Crane	General	Fleet	Fleet Field Repairs	75,000
2001 Dodge Ram 2500 Truck ⁽³⁾	General	Fleet	Fleet Road Calls	26,900
2002 Ford F150 Truck	Utility	Water	Water Service Truck	22,500
2002 Ford F150 Truck	Utility	Water	Water Service Truck	22,500
2002 Dodge Ram 2500 Truck Extended Cab ⁽³⁾	Utility	Water	Water Crew Truck	25,000
2002 Dodge Ram 2500 Truck ⁽³⁾	Utility	Line Repair	Line Repair Crew Truck	26,500
Vehicles Subtotal				\$ 521,300
Equipment				
2000 Gradall Excavator	General	Streets	Digging and Lifting	305,000
2004 Boom Mower	General	Streets	Mow Steep Banks	97,000
2001 Pot Hole Patch Truck	General	Streets	Pothole Repairs	140,000
Equipment Subtotal				\$ 542,000
FY2013 Fleet Replacements Subtotal				\$ 1,063,300
NEW VEHICLE PURCHASES				
General Fund				
Ford F-150 Truck	General	Engineering/Project Mgmt.	CIP Project Inspection	27,000
FY2013 New Vehicle Purchases Subtotal				\$ 27,000
Total Vehicle Purchases - Motor Pool Operating Fund				\$ 1,063,300
Total Vehicle Purchase - General Fund				\$ 27,000
GRAND TOTAL VEHICLE PURCHASES				\$ 1,090,300

(1) Will be replaced with Dodge Chargers.

(2) Will be replaced with Ford F150s.

(3) Will be replaced with Ford F250s.

**ADOPTED FY 2013 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 2013 ADOPTED BUDGET
DEBT SERVICE FUND SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
BEGINNING FUND BALANCE	2,128,323	2,733,383	2,733,383	3,517,383
REVENUES	12,470,579	12,542,500	12,528,000	12,481,000
EXPENDITURES	11,865,519	11,809,900	11,744,000	13,281,000
REVENUES OVER/(UNDER) EXPENDITURES	605,060	732,600	784,000	(800,000)
ENDING FUND BALANCE	2,733,383	3,465,983	3,517,383	2,717,383

BUDGET HIGHLIGHTS

- FY 2013 property tax revenue estimate is based on taxable value of \$5.59 billion, a debt service tax rate of \$0.222 per \$100 taxable value (a reduction of \$0.003 from the FY 2012 rate), and 100.5% collection rate for all taxes including penalty and interest.
- Property tax rebates to MUD's are budgeted at \$2,476,000, \$58,000 less than the FY 2012 Estimated. This is attributable to the reduced debt service tax rate (\$10,000), and slightly reduced taxable values (\$48,000).
- Tax increments paid to the City's two Tax Increment Reinvestment Zones are up due to growth primarily in the Saddle Creek TIRZ's taxable value.
- Debt service payments include prior debt (\$8.1 million), savings from the refunding of prior debt (\$261,000), and payments on new bonds being sold to finance the \$37.7 million in projects included in the Adopted FY 2013-2017 Capital Improvement Plan (\$2.13 million):

Budget Category	Prior Debt	August 2012 Refunding	August 2012 New Bond Sale	Adopted Budget
Principal	5,205,000	(156,000)	659,000	5,708,000
Interest	2,878,000	(105,000)	1,470,000	4,243,000
Total Debt Service	8,083,000	(261,000)	2,129,000	9,951,000

**FY 2013 ADOPTED BUDGET
DEBT SERVICE FUND**

- The ending fund balance has been built up over the last few fiscal years in anticipation of the significant bond sale proposed for FY 2013, largely to provide funding for the construction of the new public safety building. The long term Debt Service Fund projections included in the Adopted FY 2013-2017 are included at the back of this section to demonstrate that the Debt Service Fund balance remains at safe levels (\$1.3 million or more) over the next ten years.

DEBT SERVICE REVENUE

CATEGORY	FY2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Property Taxes:				
401-01-00 Current Taxes	11,578,324	12,102,000	12,062,000	12,150,000
401-02-00 Delinquent Taxes	106,607	155,000	154,000	155,000
401-03-00 Penalty & Interest	96,561	112,000	112,000	113,000
401-06-00 Tax Rebates	6,332	0	0	0
Property Taxes Subtotal	11,787,824	12,369,000	12,328,000	12,418,000
Interest Income:				
555-00-00 Interest Income	23,063	23,000	40,000	50,000
555-09-00 Interest Income - Texstar	463	500	10,000	13,000
Interest Income Subtotal	23,526	23,500	50,000	63,000
Transfers:				
599-00-00 Transfer from General Fund	644,800	150,000	150,000	0
Other Income	14,429	0	0	0
Transfers Subtotal	659,229	150,000	150,000	0
DEBT SERVICE FUND REVENUE DETAIL	12,470,579	12,542,500	12,528,000	12,481,000

DEBT SERVICE EXPENDITURES

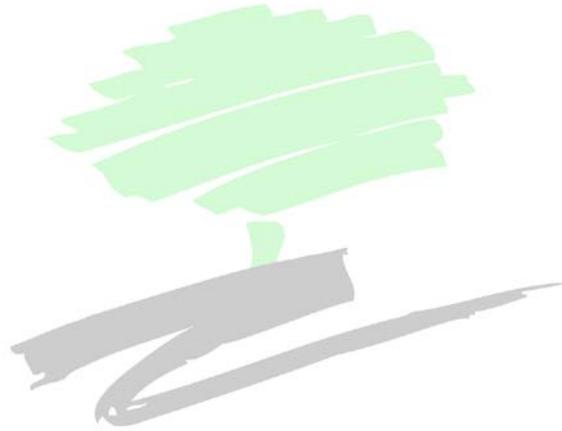
EXPENDITURE CATEGORY	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Tax Rebates to MUD's	3,032,590	3,002,000	2,534,000	2,476,000
Incremental Taxes Paid to TIRZ	770,209	824,200	824,000	849,000
Fees	6,039	5,000	5,000	5,000
Principal on City-Issued Debt	5,048,159	4,980,300	5,375,000	5,708,000
Interest on City-Issued Debt	3,008,522	2,998,400	3,006,000	4,243,000
TOTAL	11,865,519	11,809,900	11,744,000	13,281,000

**CITY OF LEAGUE CITY
SCHEDULE OF TAX SUPPORTED DEBT PAYMENTS
INCLUDING EXISTING, REFUNDING, AND NEW BONDS
FOR FY 2013**

Fiscal Year	Principal	Interest	Total
2013	5,758,934	4,192,345	9,951,279
2014	5,733,572	3,987,542	9,721,114
2015	4,877,497	3,792,964	8,670,461
2016	5,323,796	3,619,602	8,943,398
2017	5,103,796	3,419,460	8,523,257
2018	5,887,899	3,209,785	9,097,683
2019	6,047,001	2,978,336	9,025,336
2020	5,907,001	2,733,420	8,640,421
2021	5,500,000	2,499,029	7,999,029
2022	5,670,000	2,267,932	7,937,932
2023	5,680,000	2,025,365	7,705,365
2024	5,310,000	1,777,001	7,087,001
2025	5,460,000	1,528,106	6,988,106
2026	5,030,000	1,285,181	6,315,181
2027	4,825,000	1,054,737	5,879,737
2028	4,950,000	826,788	5,776,788
2029	4,910,000	592,794	5,502,794
2030	3,835,000	384,020	4,219,020
2031	2,645,000	225,578	2,870,578
2032	2,765,000	92,890	2,857,890
2033	525,000	12,156	537,156
	101,744,496	42,505,030	144,249,526

NOTES:

As of September 30, 2011, the City of League City held governmental activity-type (i.e. cash proceeds from bond sales, streets, storm sewers, general government buildings) capital assets valued at \$289,124,222 after accounting for depreciation (Source: Comprehensive Annual Financial Report, October 1, 2010 to September 30, 2011). No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter.



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**ADOPTED FY 2013 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 2013 BUDGET
SPECIAL FUNDS SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
BEGINNING FUND BALANCES	1,531,567	2,403,850	2,403,850	3,075,506
REVENUES	3,385,036	4,292,010	4,366,245	3,528,330
EXPENDITURES	1,481,693	4,127,888	2,640,884	3,696,260
REVENUES OVER/(UNDER) EXPENDITURES	1,903,343	164,122	1,725,361	(167,930)
ENDING FUND BALANCES	3,434,910	2,567,972	4,129,211	2,907,576

HIGHLIGHTS

- 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. This fund provides expenses for a full year of operations with some recreation programs moving from the General Fund. See the highlights on the summary page for further information
- The Safelight fund received a detailed audit in FY 2012; as a result some expenditures were moved to the Police operating budget in the General Fund. This fund is now in full compliance with the law. See the summary page for further information.
- A new Public Safety Technology Fund was set-up to provide the means of collecting payments from other jurisdictions who are members of the city's public safety consortium. These funds will be used to replace public safety system hardware.
- No city policies address special fund balances; they are intended to be spent for the legally determined purpose.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUNDS
BALANCES, REVENUES AND EXPENDITURES BY FISCAL YEAR**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
BEGINNING BALANCES				
Safelight Program Fund	285,570	432,048	432,048	225,193
Police Activity Fund	108,124	116,539	116,539	136,679
Animal Control Donation Fund	65,617	66,351	66,351	35,301
Emerg. Mgmt Response Fund	402,250	335,506	335,506	265,995
4B Maint. & Operations/Debt Fund	0	346,127	346,127	518,207
Library Gift Fund	33,313	39,450	39,450	18,500
Municipal Court Bldg Security Fund	235,056	151,526	151,526	86,613
Municipal Court Technology Fund	40,290	35,125	35,125	16,200
Technology Fund	0	0	0	815,000
Public Safety Technology Fund	0	0	0	0
Hotel/Motel Tax Fund	14,240	455,708	455,708	499,608
Public Access Channel Fund	347,107	425,470	425,470	458,210
TOTAL	1,531,567	2,403,850	2,403,850	3,075,506
REVENUES				
Safelight Program Fund	1,465,967	1,488,700	1,480,700	1,480,800
Police Activity Fund	115,912	93,140	70,140	85,150
Animal Control Donation Fund	5,801	5,550	5,050	5,540
Emergency Mgmt Response Fund	435	400	300	400
4B Maint. & Operations Fund	780,869	1,174,530	1,048,480	1,277,450
Library Gift Fund	9,220	3,050	550	1,050
Municipal Court Bldg Security Fund	39,437	40,400	40,250	32,100
Municipal Court Technology Fund	53,560	45,040	49,075	45,040
Technology Fund	0	1,171,000	1,171,000	0
Public Safety Technology Fund	0	0	0	100,000
Hotel/Motel Tax Fund	721,609	250,400	305,400	305,400
Public Access Channel Fund	192,226	19,800	195,300	195,400
TOTAL	3,385,036	4,292,010	4,366,245	3,528,330

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUNDS
BALANCES, REVENUES AND EXPENDITURES BY FISCAL YEAR**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
EXPENDITURES				
Safelight Program	288,429	852,605	633,850	391,270
Police Activity Fund	107,497	141,830	50,000	166,700
Animal Control Donation Fund	5,067	40,000	36,100	30,000
Emergency Mgmt Response Fund	67,179	331,007	69,811	143,200
4B Maint. & Operations Fund	434,742	876,400	876,400	1,284,800
Library Gift Fund	3,083	36,000	21,500	14,000
Municipal Court Bldg Security Fund	122,967	120,046	105,163	109,950
Municipal Court Technology Fund	58,725	69,000	68,000	54,500
Technology Fund	0	1,171,000	356,000	815,000
Public Safety Technology Fund	0	0	0	100,000
Hotel/Motel Tax Fund	280,141	256,000	261,500	366,840
Public Access Channel Fund	113,863	234,000	162,560	220,000
TOTAL	1,481,693	4,127,888	2,640,884	3,696,260
ENDING BALANCES				
Safelight Program Fund	1,463,108	1,068,143	1,278,898	1,314,723
Police Activity Fund	116,539	67,849	136,679	55,129
Animal Control Donation Fund	66,351	31,901	35,301	10,841
Emergency Mgmt Response Fund	335,506	4,899	265,995	123,195
4B Maint. & Operations/Debt Fund	346,127	644,257	518,207	510,857
Library Gift Fund	39,450	6,500	18,500	5,550
Municipal Court Bldg Security Fund	151,526	71,880	86,613	8,763
Municipal Court Technology Fund	35,125	11,165	16,200	6,740
Technology Fund	0	0	815,000	0
Public Safety Technology Fund	0	0	0	0
Hotel/Motel Tax Fund	455,708	450,108	499,608	438,168
Public Access Channel Fund	425,470	211,270	458,210	433,610
TOTAL	3,434,910	2,567,972	4,129,211	2,907,576

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES:				
Police Activity Fund	115,912	93,140	70,140	85,150
Safelight Program Fund	1,465,967	1,488,700	1,480,700	1,480,800
Animal Control Donation Fund	5,801	5,550	5,050	5,540
Municipal Court Bldg Security Fund	39,437	40,400	40,250	32,100
Municipal Court Technology Fund	53,560	45,040	49,075	45,040
Emerg. Mgmt Response Fund	435	400	300	400
Public Service Server Fund	0	0	0	100,000
Library Gift Fund	9,220	3,050	550	1,050
4B Maint. & Operations/Debt Fund	780,869	1,174,530	1,048,480	1,277,450
Hotel/Motel Tax Fund	721,609	250,400	305,400	305,400
Technology Fund	0	1,171,000	1,171,000	0
Public Access Channel Fund	192,226	19,800	195,300	195,400
TOTAL	3,385,036	4,292,010	4,366,245	3,528,330
EXPENDITURES:				
Police Activity Fund	107,497	141,830	50,000	166,700
Safelight Program Fund	288,429	852,605	633,850	391,270
Animal Control Donation Fund	5,067	40,000	36,100	30,000
Municipal Bldg Security Fund	122,967	120,046	105,163	109,950
Municipal Ct. Technology Fund	58,725	69,000	68,000	54,500
Emerg. Mgmt Response Fund	67,179	331,007	69,811	143,200
Public Service Server Fund	0	0	0	100,000
Library Gift Fund	3,083	36,000	21,500	14,000
4B Maint. & Operations/Debt Fund	434,742	876,400	876,400	1,284,800
Hotel/Motel Tax Fund	280,141	256,000	261,500	366,840
Technology Fund	0	1,171,000	356,000	815,000
Public Access Channel Fund	113,863	234,000	162,560	220,000
TOTAL	1,481,693	4,127,888	2,640,884	3,696,260
REVENUES OVER/(UNDER) EXPENDITURES	1,903,343	164,122	1,725,361	(167,930)

**FY2013 ADOPTED BUDGET
EXPENDITURE SUMMARY
SAFELIGHT FUND SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES	1,465,967	1,488,700	1,480,700	1,480,800
ADMINISTRATIVE COSTS	598,562	632,810	626,710	605,900
BALANCE OF REVENUES	867,405	855,890	853,990	874,900
TRANSFER TO STATE TRAUMA FUND	432,498	429,370	426,995	437,450
CITY PUBLIC SAFETY PROJECTS	288,429	852,605	633,850	391,270
REVENUES OVER/(UNDER) EXPENDITURES	146,478	(426,085)	(206,855)	46,180
BEGINNING FUND BALANCE - RESTRICTED	285,570	432,048	432,048	225,193
ENDING FUND BALANCE - RESTRICTED	432,048	5,963	225,193	271,373
POSITIONS	1.00	1.00	1.00	1.00

BUDGET OVERVIEW

The Safelight Fund is used to account for funds collected from red light cameras as well as detailing the amount remitted to the State Trauma Fund, the cost of administering the program and expenditures for public safety projects. These funds are legally restricted to be spent on traffic safety programs, including pedestrian safety programs, public safety programs, intersection improvements, and traffic enforcement and improvements.

A detailed audit of expenditures was completed on this fund in April and determined that some expenditures charged to this fund were not within the legal limit. These expenditures were moved to the Police Department operating budget in the General Fund; in doing so, some expenditures that were expensed from the Police operating budget that could legally be expensed in this fund were moved to the Safelight fund. This fund is now in full compliance with the law.

HIGHLIGHTS

The Safelight fund provides the funding source for one police officer whose primary focus is to be the point of contact for all items related to this fund including fielding questions or concerns from the public. In FY2012 these funds were primarily used for traffic control improvements including the GPS Opticom system which allows the appropriate traffic lights to turn green as emergency vehicles approach the intersections. The FY2013 Adopted Budget includes expenditures for the following: funding for the Safelight Fund police officer, crossing guards contract with CCISD, traffic safety programs including seatbelt and drunken driving education, as well as additional traffic control improvements.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - SAFELIGHT PROGRAM FUND**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES					
421-08-00	Red Light Camera Fines	1,465,242	1,488,000	1,480,000	1,480,000
555-00-00	Interest Income	725	700	700	800
	TOTAL REVENUES	1,465,967	1,488,700	1,480,700	1,480,800
ADMINISTRATIVE COSTS					
5002	Salaries	1,600	116,440	116,440	103,330
5123	Minor Equipment	951	2,850	750	0
5312	Banking Fees	41,523	46,000	42,000	35,050
5349	Contractor Fees	467,520	467,520	467,520	467,520
5478	Administrative costs	86,968	0	0	0
	TOTAL ADMINISTRATIVE COSTS	598,562	632,810	626,710	605,900
BALANCE OF REVENUES		867,405	855,890	853,990	874,900
TRANSFER TO STATE TRAUMA FD		432,498	429,370	426,995	437,450
CITY PUBLIC SAFETY PROJECTS					
Personnel					
5050	Overtime	0	0	0	75,000
	Personnel Total	0	0	0	75,000
Supplies					
5110	Books & Periodicals	859	0	3,800	0
5123	Training Supplies	3,317	0	0	0
5123	Minor Equipment	18,074	54,150	14,250	0
5125	Operating Supplies	42,178	0	6,800	0
5165	Traffic Control Supplies	92,713	120,640	100,000	250,000
5181	Uniform Expense	546	0	0	0
5194	Computer Equip & Softwr	28,478	5,000	4,000	0
	Supplies Total	186,165	179,790	128,850	250,000
Services and Charges					
5344	Training & Travel	19,688	5,200	5,000	0
5349	Contractual Services - Crossing Guards	0	0	0	66,270
	Services and Charges Total	19,688	5,200	5,000	66,270
Capital Outlay					
5573	Equipment	82,576	667,615	500,000	0
	Capital Outlay Total	82,576	667,615	500,000	0
	TOTAL PUBLIC SAFETY PROJECTS	288,429	852,605	633,850	391,270
REVENUES OVER/(UNDER) EXPENDITURES		146,478	(426,085)	(206,855)	46,180
BEGINNING FUND BALANCE - RESTRICTED		285,570	432,048	432,048	225,193
ENDING FUND BALANCE - RESTRICTED		432,048	5,963	225,193	271,373

**SAFELIGHT PROGRAM FUND
DETAIL OF CITY TRAFFIC SAFETY PROJECTS**

	FY2010 ACTUAL	FY2011 ACTUAL	FY2012 ESTIMATE	FY2013 ADOPTED	TOTAL
TRAFFIC SYSTEM IMPROVEMENTS					
Solar Powered School Zone Lighting	70,640		70,640		141,280
Solar Tech Silent Messenger Boards with Radar	33,000	2,654			35,654
Speed Monitor Signs		20,979			20,979
LED Stop Signs		6,061			6,061
GPS Emergency Traffic Control Systems			403,285		403,285
Traffic Analyzer/Counter to monitor traffic flow conditions			10,275		10,275
School Zone Flashers in the Traffic Operations Office			48,990		48,990
Traffic System Improvements				250,000	250,000
SUBTOTAL	103,640	29,694	533,190	250,000	916,524
PUBLIC EDUCATION PROGRAMS					
Teen Crash Avoidance Training	17,539	17,185			34,724
SUBTOTAL	17,539	17,185	-	-	34,724
TRAFFIC ENFORCEMENT PROGRAMS					
Total Station Accident Unit	25,813				25,813
Tactical Observation Platform		71,994			71,994
Commercial Motor Vehicle Truck Scales		34,560			34,560
K-9 Unit		28,234			28,234
Emergency Medical Dispatch Software		24,656			24,656
Airbag Crash Data Analyzer Upgrade		3,822			3,822
Accelerometer/Advanced Reconstructionist Pkg		6,661			6,661
Crime Scene Imager		52,275			52,275
Traffic Law Books		859	3,714		4,573
Traffic Training		3,317	4,816		8,133
Traffic Equipment		15,172	6,348		21,520
Traffic Hand Held Ticket Writers			769		769
Traffic Bicycle Equipment			6,595		6,595
License Plate Readers			39,116		39,116
Reflective Raingear for Traffic Control			11,660		11,660
Selective Traffic Enforcement Programs				75,000	75,000
Crossing Guards			27,642	66,270	93,912
SUBTOTAL	25,813	241,550	100,660	141,270	509,293
TOTAL	146,992	288,429	633,850	391,270	1,460,541

During the FY2012 audit and City Attorney's review, certain items were determined to be non-traffic related charges for safety (including fingerprint station; video, image, & evidence enhancer; and repeater/receiver). These items were reversed and charged to the Police Department General Fund operating budget.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - POLICE ACTIVITY FUND**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES					
427-04-00	Seizure Proceeds	67,303	78,000	70,000	70,000
555-00-00	Investment Earnings	218	140	140	150
571-00-00	Donations	48,391	15,000	0	15,000
TOTAL REVENUES		115,912	93,140	70,140	85,150
EXPENDITURES					
Services & Charges:					
5325	Police Investigation Cost	100,611	73,310	25,000	125,720
Services & Charges Total		100,611	73,310	25,000	125,720
Special Programs & Events:					
5427	Community Outreach	6,886	39,700	15,000	15,980
Special Projects Total		6,886	39,700	15,000	15,980
Capital Outlay					
5573	Equipment	0	28,820	10,000	25,000
Capital Outlay Total		0	28,820	10,000	25,000
TOTAL EXPENDITURES		107,497	141,830	50,000	166,700
REVENUES OVER/(UNDER) EXPENDITURES		8,415	(48,690)	20,140	(81,550)
BEGINNING FUND BALANCE - RESTRICTED		108,124	116,539	116,539	136,679
ENDING FUND BALANCE - RESTRICTED		116,539	67,849	136,679	55,129

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 are obtained through small donations and proceeds from the annual golf tournament; these funds are used to support projects and operations in the community.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - ANIMAL CONTROL DONATION FUND**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES					
555-00-00	Interest Income	88	50	50	40
571-00-00	Donations	5,713	5,500	5,000	5,500
TOTAL REVENUES		5,801	5,550	5,050	5,540
EXPENDITURES					
Supplies:					
5123	Small Tools & Minor Equipment	4,193	36,000	36,100	30,000
Supplies Total		4,193	36,000	36,100	30,000
Services & Charges:					
5305	Professional Fees	874	4,000	0	0
Services and Charges Total		874	4,000	0	0
TOTAL EXPENDITURES		5,067	40,000	36,100	30,000
REVENUES OVER/(UNDER) EXPENDITURES		734	(34,450)	(31,050)	(24,460)
BEGINNING FUND BALANCE - RESTRICTED		65,617	66,351	66,351	35,301
ENDING FUND BALANCE - RESTRICTED		66,351	31,901	35,301	10,841

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 with this donation to be specifically used for to purchase the cat kennels for the animal shelter. These kennels were anticipated to be purchased in FY 2011 but were not actually purchased until FY2012. The FY2013 budget include the purchase of small tools for use in the Animal Shelter.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - EMERGENCY MANAGEMENT RESPONSE FUND**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES					
427-02-00	Grant Revenue	0	0	0	0
555-00-00	Interest Income	435	400	300	400
	TOTAL REVENUES	435	400	300	400
EXPENDITURES					
Supplies:					
5123	Small Tools & Minor Equipment	0	0	0	0
5125	Small Tools & Operating	0	5,100	5,503	1,000
5194	Computer Equipment and Software	831	0	0	2,000
5196	Hurricane Supplies	0	0	0	50,000
	Supplies Total	831	5,100	5,503	53,000
Repair & Maintenance					
5215	Building Repair & Maint	0	0	0	0
	Repair & Maintenance Total	0	0	0	0
Services & Charges					
5305	Professional Fees	0	261,600	0	0
5317	Equipments Rental	0	0	0	40,000
5344	Training and Travel	0	0	0	10,200
5349	Contractual Services	2,041	0	0	40,000
	Services & Charges Total	2,041	261,600	0	90,200
Special Projects					
5460	Blackboard Connect CTY	64,307	64,307	64,308	0
5462	EOC Enhancements	0	0	0	0
	Special Programs Total	64,307	64,307	64,308	0
Capital Outlay					
5592	Generators	0	0	0	0
	Capital Outlay Total	0	0	0	0
	TOTAL EXPENDITURES	67,179	331,007	69,811	143,200
	REVENUES OVER/(UNDER) EXPENDITURES	(66,744)	(330,607)	(69,511)	(142,800)
	BEGINNING FUND BALANCE - COMMITTED	402,250	335,506	335,506	265,995
	ENDING FUND BALANCE - COMMITTED	335,506	4,899	265,995	123,195

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 FY2013 Adopted Budget includes moving some of the operating expenses for Emergency Management from the General Fund to this fund, including small tools, computer equipment, and travel and training. The Blackboard Connect costs were moved back to the General Fund in FY2013.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - LIBRARY GIFT FUND**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES					
555-00-00	Interest Income	48	50	50	50
571-00-00	Donations	9,172	3,000	500	1,000
	TOTAL REVENUES	9,220	3,050	550	1,050
EXPENDITURES					
Supplies:					
5110	Books & Periodicals	3,083	36,000	21,500	14,000
	Supplies Total	3,083	36,000	21,500	14,000
	TOTAL EXPENDITURES	3,083	36,000	21,500	14,000
	REVENUES OVER/(UNDER) EXPENDITURES	6,137	(32,950)	(20,950)	(12,950)
	BEGINNING FUND BALANCE - RESTRICTED	33,313	39,450	39,450	18,500
	ENDING FUND BALANCE - RESTRICTED	39,450	6,500	18,500	5,550

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. Donations to the library have decreased over the past few years and are anticipated to continue to do so in FY2013 as well.

**FY 2013 ADOPTED BUDGET
4B PARK MAINTENANCE AND OPERATIONS FUND SUMMARY**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Personnel Services	0	88,300	88,300	317,300
Supplies	0	53,650	53,650	179,880
Repairs & Maintenance	0	11,300	11,300	32,000
Services & Charges	0	16,700	16,700	88,620
Special Programs & Events	0	0	0	0
Capital Outlay	0	33,950	33,950	0
Debt Service	434,742	672,500	672,500	667,000
TOTAL	434,742	876,400	876,400	1,284,800

POSITIONS 0.00 0.00 7.25 7.25

HIGHLIGHTS (FY 2013 Adopted Over/Under FY 2012 Estimated)

- Personnel Services - Increase of \$229,000 due to staffing the Eastern Regional Park for the entire year.
- Supplies - Increase of \$126,200 due to an increase in recreation supplies as a result of moving soccer and basketball to Eastern Regional Park from the Park Operations and Sportsplex Operations budget (+\$60,200) as well as the expense for janitorial services to clean the 32,225 square foot Community Center for an entire year (+\$54,000).
- Repairs & Maintenance - Increase of \$20,700 due to minor repairs expected to be needed for the full year of operation of the park.
- Services & Charges - Increase of \$72,000 due to electricity for the soccer fields and community center (+\$37,000) as well as professional fees associated with moving the soccer and basketball programs from the Park Operations and Sportsplex Operations budgets (+\$35,000).
- Capital Outlay - Decrease of \$33,950 due to the one-time purchase of a vehicle for the park in FY2012.

PERFORMANCE INDICATORS

The performance indicators for the 4B Maintenance and Operations fund will be developed and included in the Midyear Financial Report for FY 2013.

BUDGET OVERVIEW

This fund includes maintenance and support for the Eastern Regional Park and has funding for maintenance and operations of the community center as well as the park and soccer fields for FY 2013. Funding includes ground maintenance, recreational supplies for the programs offered at the facility as well as printing and binding of program schedules. Most of the soccer and basketball program expenses were moved to this budget from the budgets for Park Operations and Sportsplex Operations. The revenues expected to be generated by these programs is also reflected here. This fund also shows the payment of the debt service of the 4B Certificate of Obligation Bonds. Sales tax from debt services is used to subsidize operations at Eastern Regional Park.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - 4B PARK MAINTENANCE AND OPERATIONS**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES					
	Community Center	0	45,000	45,000	173,250
	Park/Soccer Fields	0	0	0	119,450
555-00-00	Interest Income	90	30	250	250
598-00-00	Sales Tax Transfer from 4B Corp.	780,779	1,129,500	1,003,230	984,500
	TOTAL REVENUES	780,869	1,174,530	1,048,480	1,277,450
EXPENDITURES					
Personnel					
	5002 Salaries	0	57,400	57,400	219,280
	5014 Retirement	0	9,600	9,600	27,030
	5015 Longevity	0	0	0	270
	5016 FICA Taxes	0	5,300	5,300	17,040
	5018 Employee Insurance	0	11,300	11,300	37,900
	5020 Employee Allowance	0	0	0	1,200
	5025 Dependent Insurance	0	0	0	12,580
	5050 Overtime	0	4,700	4,700	2,000
	Personnel Total	0	88,300	88,300	317,300
Supplies					
	5101 Office Supplies	0	500	500	2,000
	5105 Janitorial	0	4,700	4,700	74,180
	5116 Building & Ground Maint.	0	1,300	1,300	3,000
	5123 Small Tools & Minor Equipment	0	2,400	2,400	3,000
	5145 Gas & Oil	0	5,000	5,000	0
	5152 Concession Supplies	0	0	0	5,000
	5153 Agricultural Supplies	0	10,000	10,000	20,000
	5154 Recreation Supplies	0	29,350	29,350	68,700
	5181 Uniforms	0	400	400	4,000
	Supplies Total	0	53,650	53,650	179,880
Repair & Maintenance					
	5215 Building & Ground Maint	0	10,000	10,000	25,000
	5240 Equipment Repair & Maint	0	1,300	1,300	7,000
	Repair and Maintenance Total	0	11,300	11,300	32,000
Services and Charges					
	5305 Professional Fees - Other	0	12,000	12,000	32,020
	5311 Postage	0	200	200	1,000
	5313 Printing and Binding	0	2,500	2,500	12,000
	5329 Computer Maint & Services	0	1,500	1,500	0
	5344 Training and Travel	0	500	500	3,000
	5350 Utilities - Electricity	0	0	0	37,000
	5368 Field Lease Fees	0	0	0	3,600
	Services and Charges Total	0	16,700	16,700	88,620
Capital Outlay					
	5552 Autos & Trucks	0	20,000	20,000	0
	5573 Equipment	0	13,950	13,950	0
	Capital Outlay Total	0	33,950	33,950	0
Debt Service					
	4B 2011 Certificate of Oblig	434,742	672,500	672,500	667,000
	Debt Service Total	434,742	672,500	672,500	667,000
	TOTAL EXPENDITURES	434,742	876,400	876,400	1,284,800
REVENUES OVER/(UNDER) EXPENDITURES		346,127	298,130	172,080	(7,350)
BEGINNING FUND BALANCE - RESTRICTED		0	346,127	346,127	518,207
ENDING FUND BALANCE - RESTRICTED		346,127	644,257	518,207	510,857

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.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - MUNICIPAL COURT BUILDING SECURITY FUND**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES					
421-01-00	Municipal Court Fines	39,162	40,000	40,000	32,000
555-00-00	Miscellaneous Income	275	400	250	100
	TOTAL REVENUES	39,437	40,400	40,250	32,100
EXPENDITURES					
Personnel:					
5002	Salaries	50,969	59,154	59,154	61,910
5009	Certificate Pay	3,600	3,600	3,600	3,600
5014	TMRS (Retirement)	7,595	9,460	9,460	9,900
5015	Longevity	824	920	920	1,020
5016	FICA	3,940	5,169	5,169	5,410
5018	Employee Insurance	5,530	7,147	7,147	6,370
5020	Employee Allowance	723	900	900	1,200
5025	Dependent Insurance	2,346	3,263	3,263	-
5050	Overtime	-	3,000	2,000	3,000
	Personnel Total	75,527	92,613	91,613	92,410
Supplies:					
5123	Small Tools & Minor Equip	394	4,000	0	5,000
5145	Gasoline	976	1,200	3,000	3,050
5194	Computer Equip & Software	0	1,200	0	0
	Supplies Total	1,370	6,400	3,000	8,050
Repair & Maintenance					
5215	Building & Ground Maint.	0	10,000	0	0
5230	Vehicle Repair & Maint	0	1,200	1,200	2,820
	Repair & Maintenance Total	0	11,200	1,200	2,820
Services & Charges					
5327	Motor Pool Lease Fees	0	8,333	8,350	4,670
5344	Training & Travel	0	1,500	1,000	2,000
	Services & Charges Total	0	9,833	9,350	6,670
Capital Outlay					
5552	Autos and Trucks	46,070	0	0	0
	Capital Outlay Total	46,070	0	0	0
	TOTAL EXPENDITURES	122,967	120,046	105,163	109,950
	REVENUES OVER/(UNDER) EXPENDITURES	(83,530)	(79,646)	(64,913)	(77,850)
	BEGINNING FUND BALANCE - RESTRICTED	235,056	151,526	151,526	86,613
	ENDING FUND BALANCE - RESTRICTED	151,526	71,880	86,613	8,763
POSITIONS		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. Revenue is anticipated to decrease in FY2013 by about 20% or \$8,000, therefore, the only items expensed in this fund in FY2013 will be the salary, benefits and training for the Warrant Officer as well as the maintenance costs associated with the vehicle for the Warrant Officer.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - MUNICIPAL COURT TECHNOLOGY**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES					
421-05-00	Fines-Technology Fund	50,739	45,000	49,000	45,000
555-00-00	Interest Income	71	40	75	40
	Donations	2,750	0	0	0
	TOTAL REVENUES	53,560	45,040	49,075	45,040
Expenditures					
Supplies:					
5123	Small Tools & Minor Equipment	-	6,000	8,000	
5194	Computer Equip. & Software	23,515	20,100	6,000	40,000
	Supplies Total	23,515	26,100	14,000	40,000
Services & Charges:					
5305	Professional Fees	4,869	5,000	4,500	0
5317	Equipment Rental	2,663	6,000	2,000	0
5329	Technology Maint & Services	8,356	5,400	25,000	0
5344	Training & Travel	4,322	4,500	3,500	14,500
	Services & Charges Total	20,210	20,900	35,000	14,500
Capital Outlay					
5571	Data Processing Hardware	15,000	-	-	0
5573	Equipment	-	22,000	19,000	0
	Capital Outlay	15,000	22,000	19,000	0
	TOTAL EXPENDITURES	58,725	69,000	68,000	54,500
REVENUES OVER/(UNDER) EXPENDITURES		(5,165)	(23,960)	(18,925)	(9,460)
BEGINNING FUND BALANCE - RESTRICTED		40,290	35,125	35,125	16,200
ENDING FUND BALANCE - RESTRICTED		35,125	11,165	16,200	6,740

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 FY2012 Estimated includes the purchase of a license plate reader for the warrant officer as well as two additional hand-held ticket writers. The FY2013 budget includes the maintenance costs for the Encode software as well as training for personnel on additional modules.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - TECHNOLOGY FUND**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES				
Transfer from Utility Fund	0	931,000	931,000	0
Transfer from General Fund	0	240,000	240,000	0
TOTAL REVENUES	0	1,171,000	1,171,000	0
EXPENDITURES				
Services and Charges				
5344 Training & Travel	0	0	0	0
5349 Contract Services	0	225,000	0	225,000
5380 Contingency	0	0	0	0
Service and Charges Total	0	225,000	0	225,000
Capital Outlay				
5572 Data Processing Hardware	0	600,000	173,000	427,000
5573 Equipment	0	346,000	183,000	163,000
Capital Outlay	0	946,000	356,000	590,000
TOTAL EXPENDITURES	0	1,171,000	356,000	815,000
REVENUES OVER/(UNDER) EXPENDITURES	0	0	815,000	(815,000)
BEGINNING FUND BALANCE - COMMITTED	0	0	0	815,000
ENDING FUND BALANCE - COMMITTED	0	0	815,000	0

Project	FY2012 BUDGET	FY2012 ESTIMATED	FY2013 ADOPTED
Citywide Management System	400,000	0	400,000
Geographic Information System	150,000	50,000	100,000
Document Imaging	100,000	98,000	2,000
Microsoft Licensing	150,000	25,000	125,000
Cisco switches and routers	265,000	175,000	90,000
Fiber Optic Termination Equipment	45,000	0	45,000
Cameras for Fire Stations	36,000	8,000	28,000
Network Security Assessment	25,000	0	25,000
TOTALS	1,171,000	356,000	815,000

Technology Fund - This fund is used for the one time purchase of technology related hardware, software and other services. This fund was funded by the General and Utility funds in FY2012 at an 80/20% split.

Highlights - This fund was designed in FY2012 to fund the projects listed in the table above. The same table details the amount estimated to be expensed in FY2012 for each project along with the corresponding amount for FY2013.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - PUBLIC SAFETY TECHNOLOGY FUND**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES				
555-00-00 Miscellaneous Income	0	0	0	100,000
TOTAL REVENUES	0	0	0	100,000
EXPENDITURES				
Services and Charges				
5329 Technology Maintenance	0	0	0	100,000
Services and Charges Total	0	0	0	100,000
TOTAL EXPENDITURES	0	0	0	100,000
REVENUES OVER/(UNDER) EXPENDITURES	0	0	0	0
BEGINNING FUND BALANCE - RESTRICTED	0	0	0	0
ENDING FUND BALANCE - RESTRICTED	0	0	0	0

Public Safety Technology Fund - This fund is established to provide a means of collecting payments from other jurisdictions who are members of the city's public safety system consortium. The member cities include: League City, Alvin, Deer Park, Friendswood, LaPorte, Morgans Point, Nassau Bay, Webster, and Galveston.

Highlights - This fund will be used to replace public safety system hardware.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - HOTEL/MOTEL FUND**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES					
408-00-00	Hotel & Motel Tax	269,339	250,000	305,000	305,000
555-00-00	Interest Income	508	400	400	400
581-45-00	Operating Transfer In DLC	451,762	0	0	0
	TOTAL REVENUES	721,609	250,400	305,400	305,400
EXPENDITURES					
Services & Charges					
5332	Visitors Center and Other Contracts	164,542	150,000	150,000	117,100
5335	Advertising	85,697	105,000	105,000	94,740
5338	Activities and Promotions	0	0	0	85,000
	Services & Charges Total	250,239	255,000	255,000	296,840
Special Projects					
5446	Executive Committee	700	1,000	500	0
5447	Projects Committee and Projects	29,202	0	6,000	50,000
	Staff Consulting Support	0	0	0	20,000
	Special Projects Total	29,902	1,000	6,500	70,000
	TOTAL EXPENDITURES	280,141	256,000	261,500	366,840
REVENUES OVER/(UNDER) EXPENDITURES		441,468	(5,600)	43,900	(61,440)
BEGINNING FUND BALANCE - RESTRICTED		14,240	455,708	455,708	499,608
ENDING FUND BALANCE - RESTRICTED		455,708	450,108	499,608	438,168

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

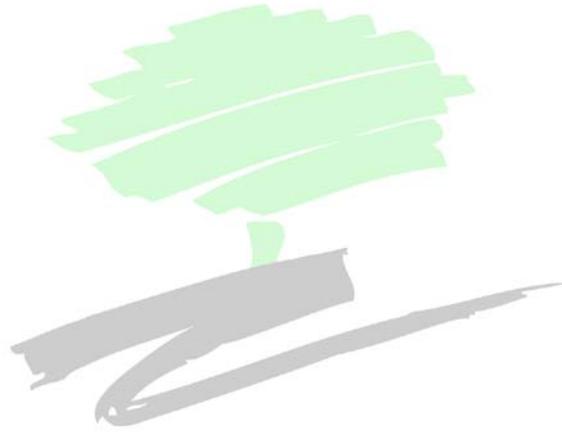
- Revenues from Hotel Occupancy Tax have grown steadily (funds increased by nearly 27% between FY2010 and FY2011 and look to continue to increase in FY2012). To remain conservative, staff is projecting an increased tax of \$305,000 (consistent with a conservative projection for FY2012).
- Contract with the Chamber of Commerce is expected to decrease from \$85,000 to \$65,000.
- Advertising is very slightly less than the FY2012 but with much stronger focus.
- Activities and Promotions include events that create awareness and draw individuals to League City such as the Boogie, Blues and Brews Festival.
- Projects category includes \$50,000 that could be used to complement general fund revenue for gateway signage, if appropriately programmed and located.
- Staff Consulting Support provides funding to support in-house design of advertisements and publications.

**FY 2013 ADOPTED BUDGET
SPECIAL REVENUE FUND - PUBLIC ACCESS CHANNEL**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
REVENUES					
403-03-00	Franchise Fees	191,740	19,500	195,000	195,000
555-00-00	Interest Income	486	300	300	400
TOTAL REVENUES		192,226	19,800	195,300	195,400
EXPENDITURES					
Supplies					
5123	Small Tools & Minor Equipment	0	0	8,560	50,000
5194	Computer Equipment & Software	9,212	0	0	75,000
Supplies Total		9,212	0	8,560	125,000
Repairs & Maintenance					
5215	Building & Ground Maintenance	0	0	0	0
Repairs & Maintenance Total		0	0	0	0
Services and Charges					
5327	Motor Pool Lease Fees	0	0	0	5,000
Services and Charges Total		0	0	0	5,000
Capital Outlay					
5552	Autos	13,500			
5573	Equipment	91,151	80,000	0	65,000
5590	Building Improvements	0	154,000	154,000	25,000
Capital Outlay Total		104,651	234,000	154,000	90,000
Transfers					
5602	Transfer to General Fund	0	0	0	0
Transfers Total		0	0	0	0
TOTAL EXPENDITURES		113,863	234,000	162,560	220,000
REVENUES OVER/(UNDER) EXPENDITURES		78,363	(214,200)	32,740	(24,600)
BEGINNING FUND BALANCE - RESTRICTED		347,107	425,470	425,470	458,210
ENDING FUND BALANCE - RESTRICTED		425,470	211,270	458,210	433,610

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 only 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. In FY2012 this fund was used to cover expenses associated with the City Hall renovation that directly impact the Communications Office, specifically for the studio related expenses. The FY2013 budget includes funds to improve lighting and projection along with other building improvements in the Council chambers.



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ADOPTED CAPITAL IMPROVEMENT PLAN FY 2013-2017 OVERVIEW

PLAN FORMAT

The Adopted FY 2013-2017 Capital Improvement Plan (CIP) is organized by major funding source (e.g. Tax Supported or Revenue Supported), program within major funding source (for instance, Police, Streets and Drainage within Tax Supported), and individual projects within the program. Each project funded 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 will be part of the ordinance adopting the plan.

PROGRAM FUNDING OVERVIEW

The Adopted FY 2013-2017 Capital Improvement Plan (CIP) includes \$245.7 million in projects expected to be implemented over the next five fiscal years. Tax supported programs provide \$114.82 million, or 47% of the total, and water and wastewater revenue supported programs provide the \$130.9 million, or 53% of the total, balance of the five year program.

Tax supported programs in the FY 2013-2017 period are primarily composed of core infrastructure and essential functions including streets (\$29.85 million or 26 percent of tax supported total); drainage (\$13.15 million, 11.5 percent); and traffic (\$11.25 million, 9.8 percent). Economic Development, which includes potential debt carried by the private sector rather than the City, is 9.1 percent (\$10.41 million) of the total and the Park program represents another 8.4 percent (\$9.65 million). The Police category comprises the largest share of the tax supported investments, representing 27.4 percent and \$31.37 million of the tax supported total; this is driven by the planned construction of a new public safety building to house police, fire administration and emergency management. Fire and EMS combine for another 6.9 percent of the total, or \$7.84 million.

On the revenue supported side, water is the City's single largest in the five years covered by this CIP. With a five-year investment of \$110.69 million, water projects approach the value of the entire tax supported program and make up nearly 85 percent of the revenue supported program total. Wastewater's \$20.21 million program is the other 15.4 percent of the total.

CIP PRIORITIES

The Mayor and City Council participated in a series of nine workshops that began on May 15 and ended on July 2 involving presentations by every City department on Budget and CIP needs. On July 17th, the City Council met in a workshop and voted on specific project priorities to guide the inclusion of projects in the tax-supported portion of the Proposed CIP. Those priorities addressed projects to be included in the FY 2013-2017 period, with the specific schedule for each project to be provided through the Proposed CIP itself.

The Proposed CIP reflected the project priorities as voted on by City Council in the July 17th workshop with a few minor exceptions. The new burn building was reduced by \$100K after the estimated cost was updated. The land purchase for the Public Works Facilities Expansion was added at \$500K. The funding sources were swapped between the Renovate Station 4 project and the purchase of land for the Public Works Facilities Expansion. This moved cash funding from General Fund Reserves to the Public Works facilities expansion because the land location was not included in the intent to sell CO's notice.

Funding was added for the Parks Facilities Renewal project in FY2013 based on Council feedback at the July 18th budget workshop. While this process did not specifically address water and wastewater projects, the Proposed CIP primarily carried forward projects from last year's CIP, and incorporated updated cost estimates and schedules for each of those projects.

On August 28th, Council approved first reading to adopt the Proposed FY2013-2017 CIP with one addition, the Skate Park Addition project totaling \$180,000 to be funded by 4B. Council approved second reading to adopt the 5-year plan on September 11, 2012 by Ordinance No. 2012-24. The FY2013 Capital Budget was approved by Ordinance No. 2012-21.

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TABLE 1
CIP TOTALS BY PROGRAM ('000s)

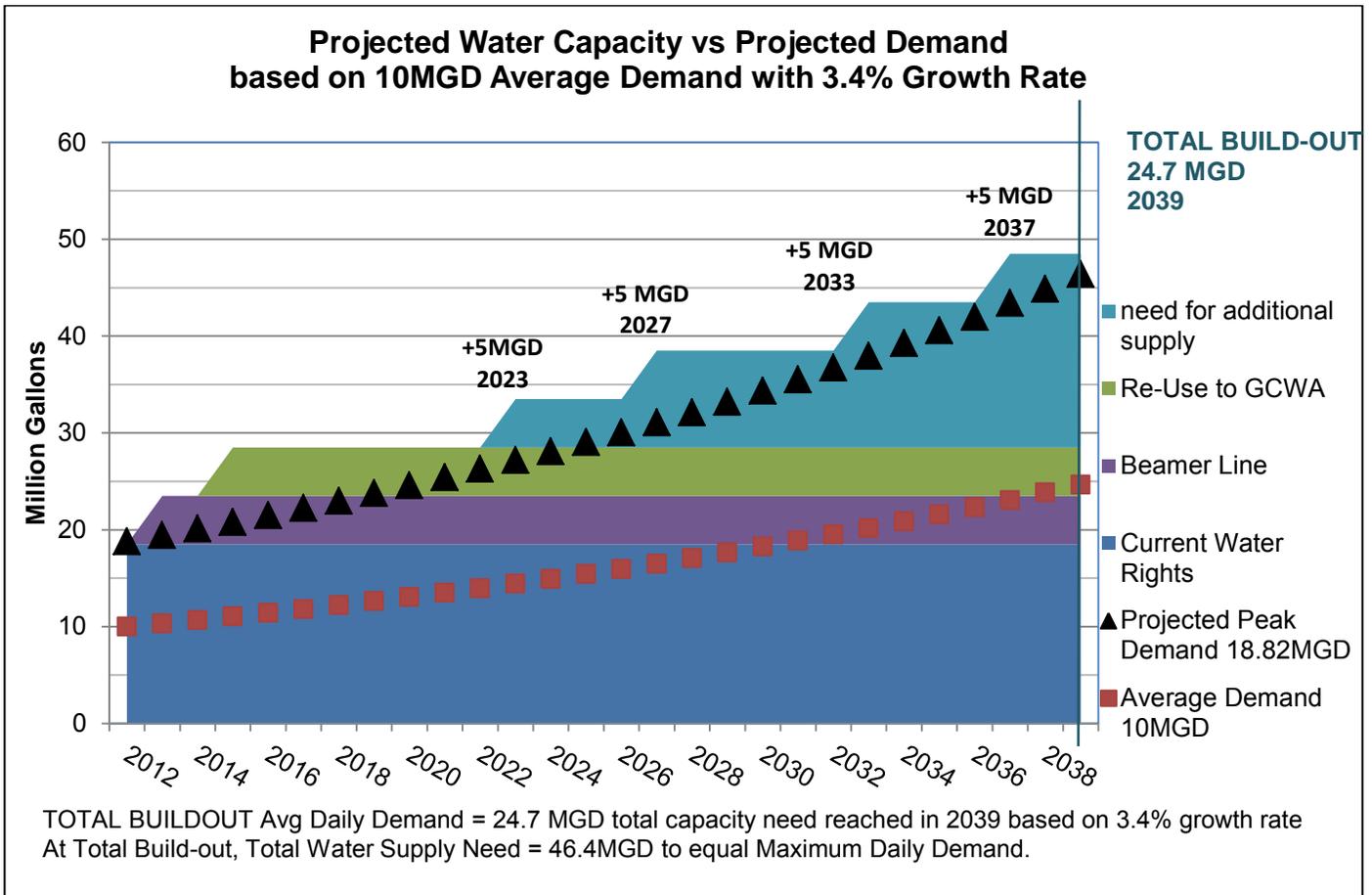
PROGRAM	FY2013	FY2014	FY2015	FY2016	FY2017	FY2013-2017 TOTAL
Streets	7,300	14,290	650	4,290	3,320	29,850
Traffic	5,750	0	5,500	0	0	11,250
Drainage	7,460	0	1,910	1,890	1,890	13,150
Police	28,930	2,440	0	0	0	31,370
Fire	2,160	0	390	3,150	0	5,700
EMS	2,140	0	0	0	0	2,140
Facilities	830	470	0	0	0	1,300
Parks	5,710	1,190	1,900	850	0	9,650
Economic Development	4,600	2,810	220	600	2,180	10,410
Subtotal Tax Supported Programs	64,880	21,200	10,570	10,780	7,390	114,820
Water	26,940	26,610	20,230	15,410	21,500	110,690
Wastewater	13,520	1,750	1,500	500	2,940	20,210
Subtotal Revenue Supported Programs	40,460	28,360	21,730	15,910	24,440	130,900
TOTAL	105,340	49,560	32,300	26,690	31,830	245,720

CIP HIGHLIGHTS BY PROGRAM

Water

Water system improvements represent the single largest program category with \$110.69 million in projects to be funded during the FY 2013-2017 period. These projects focus on improvements to the distribution and renewal of the existing water system and address obtaining new supply and its distribution. New bond financing over five years is required for \$89 million of this total. Key projects in FY 2013, with a total of \$33.2 million in funding, include design and construction of water wells, completion of the Beamer Road water line extension, reconstruction of the South Shore Harbour pump station, and the design and reconstruction of the Calder Rd pump station.

The projects in the Adopted FY 2012-2016 CIP associated with potential major new secondary water supply provided through the City of Pasadena are not in the Adopted FY 2013-2017 CIP. This Adopted CIP advocates a shift in focus to a more incremental approach whereby water supply is augmented with acquisition of smaller amounts, including \$19.63 million for a planned 5 MGD in reclaimed water generated by the City's wastewater facilities and treated to potable status by the Gulf Coast Water Authority. The City also expects to secure an additional 1 MGD in supply through GCWA and the City of South Houston; this is not included in the CIP discussion as it does not require capital funding. A graph showing projected water capacity versus projected demand by year is located on the following page (the planned South Houston acquisition is not on the chart; again, this is because the acquisition is still in negotiation).



Also included in the adopted CIP is League City’s proportional share (estimated at \$32.1 million) of the expected construction by the City of Houston of a replacement for the 42” water line down State Highway 3. This line provides the majority of League City’s current water supply and will be relocated from the current route on SH3 and will be upsized from the current 42”. The location of the replacement line has yet to be finalized. The ultimate size of the line is still being negotiated with Houston and is to address the possibility of securing additional water supply. The schedule for this project reflected in this plan is based on Houston’s adopted FY2012 CIP. The timing for payments by League City and other cities who receive water through this line is not yet defined.

Streets

The Streets program totals \$29.84 million over the five year period with 22.6% from Galveston County and Grant funds, 18% funded from prior bond proceeds or dedicated funds, and 59% from future bond sales. The FY 2013 projects total \$7.3 million including \$1.7 million for permits and right-of-way for the Five Corners Realignment project, \$2 million for the construction of Phase 1 of Texas Avenue (FM518 to Webster St), \$986K for resurfacing Columbia Memorial Parkway, and \$922K for extending Butler Road. The streets program also includes \$1.6 million to design and construct League City Parkway and Bay Area Boulevard extensions so as to complete the projects planned as part of the now dissolved Magnolia Creek TIRZ #1 using funds absorbed by the City from TIRZ#1 at the time of dissolution.

Also included in the five year plan are the design and construction to enclose the open drainage in the center of League City Parkway, design and construction of Webster and Beaumont streets, and the design of both Wesley Drive and W. Galveston from Interurban to State Highway 3.

Traffic

This new program is to upgrade components on existing signals, developing timing plans, and construct intersection improvements to improve mobility throughout the city. The Traffic Systems Improvement project has \$1.41 million in FY 2013, including \$448K in prior bond funds to install new time clocks and wireless radios in existing school zone flashers to allow remote programming; fiber installation for traffic signal communication; infrastructure improvements at various traffic signals; and \$964K in grant funds to install battery backup and surge protection systems for 33 traffic signals and install LED signal heads and luminaires and pan/tilt/zoom cameras and fiber/wireless communication at 59 traffic signals. Also included in five years are the construction of Hobbs/League City Parkway intersection improvements; construction of FM518 Access Management project; design and reconstruction of Landing Boulevard; design of FM270 from FM 518 to FM646; and design of street projects whose construction may qualify for HGAC/TIP funding in the future.

Drainage

While drainage improvements are part of most street projects, there are other projects that are intended solely to address drainage issues. The FY 2013-2017 program includes an Annual Stormwater Improvement project which outlines storm water improvements in five neighborhoods, including the Historic District from FY 2012 to FY 2015. Also addressed in FY 2013 are the Brown Pelican Storm Sewer Rehab project and aeration of the Genco Canal to address the seasonal algae growth. The grant funded project for Shellside Stormwater Management System is included in the plan as well.

Police

The Police program includes an allocation of \$31.37 million to construct, furnish and equip a new 71,000 square foot police station and jail complex that will also office Fire and EMS Administration and Emergency Management. The scope of the project has decreased from 101,700 square foot estimated at \$54.27 million adopted in the FY 2012-2016 CIP. The reduction includes less square footage overall and includes the removal of new court facilities. The project design was funded in FY 2011 funds totaling \$1.77 million.

Fire

In FY 2011 and FY 2012, the Fire program addressed critical needs for major apparatus with the purchase of 4 pumpers, a vacuum freightliner and a 100' Aerial Quint. FY 2013 funding totaling \$2.16 million is included to replace the existing burn building, purchase land for relocating Station 3 and a new Public Safety Annex Station 6, and make renovations to Station 4.

Further, the five year program provides funding for the design and construction of a relocated Station 3. This is in response to ISO standards on coverage area. To improve the City's ISO rating, a more northern station location is required in the eastern half of the City. These standards can affect property insurance rates for homeowners and businesses. The plan also contemplates that all new stations primarily built for Fire will include living quarters and will also be used as police substations and may also serve to house EMS vehicles and personnel as well.

EMS

The CIP includes funding in FY 2013 to expand and renovate Fire Station #2 to allow space for EMS.

Facilities

This program in the CIP addresses general building and facility improvements across the City. Total funds in the CIP for this category include \$834K in FY 2013 to purchase land for expanding the Public Works facilities on Dickinson Avenue, as well as funding for the third year of facilities modernization and energy efficiency updates and for design of an interior renovation of the Helen Hall Library. Also included in the five years is an additional \$465,500 to construct the planned library renovations.

Library

Major improvements and repairs to the Helen Hall Library's electric system and fire panel are being addressed through the Facilities program. Also included in the Facilities program is the interior renovation of the Helen Hall Library Building to better utilize space and increase the theater seating capacity.

Parks

FY 2013 funding is provided for improvements to park facilities citywide as well as the Clear Creek Paddle Trail and Ghirardi WaterSmart Park. The park facilities renewal will be funded with cash from the General Fund as it was in FY 2011 and FY 2012. The non-grant portion of the Ghirardi WaterSmart Park is to be funded with Park Dedication Funds. FY 2013 includes \$3.85 million for the TxDOT FM518 Bypass Hike & Bike Trail (\$1.7 million of this cost is to be provided by TxDOT). Phase 1 of the 2012 Hike & Bike project totals \$4.8 million over the five year period and is to be funded with 4B funds. Last year's CIP included plans to construct a pool at Eastern Regional Park in FY 2013. This project is not included in the five year CIP pending further project discussions involving the 4B Corporation Board and City Council.

Economic Development

This program provides a CIP category for major projects specifically targeted to support the City's economic development. These are expected to reflect a new approach to financial analysis and development-related incentives, one that focuses on shielding taxpayers from risk and protecting the City's investments. FY 2013 includes \$462K from prior bond funds to design improvements to League Park that will allow the park to serve as a greater draw. Entertainment District Improvements include the extension to Jag Hollow; designed in FY 2012, this project and other improvements along the west side of I-45 around Big League Dreams are included in the five year plan.

Two other street projects were added to the Economic Development program, those being the I-45 ramp reversal south of FM518 and the Brookport extension. Both of these, along with the completion of the Entertainment District Improvements are to be funded with development financed bonds. Development financed bonds may be issued by the City or the developer. If issued by the City, these bonds would be retired with property tax revenue generated by the development directly related to the City improvements being financed. The anticipated value of the development is not included in the FY 2013 baseline property value growth assumption for the FY 2013-2017 period, as this component of the CIP is to be primarily market-driven. The amount of debt issued, as well as the issuer (City and/or developer), are to be determined by Council action. It is expected that Council's decision-making will be guided by recommendations from the City's newly formed Growth and Development Advisory Committee.

Wastewater

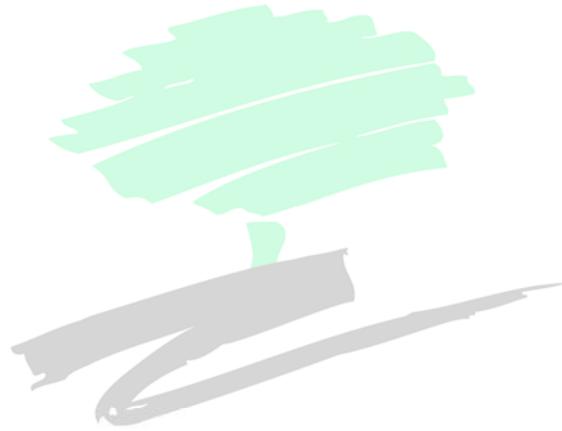
With the new Southwest Water Reclamation Facility expected to be in operation before the start of FY 2013, the City's major investment in its wastewater system will decline somewhat in the FY 2013-2017 CIP period. Wastewater's total program for the five year CIP period includes \$20.2 million for lines and lift station improvements. FY 2013 projects (funded at \$13.5 million total) include construction of the re-routed force main to service the SWWRF; improvements to the re-use utility system; construction of a new 30" gravity sewer line on Calder Road; East Main Lift Station Rehab; construction of Hobbs Road Lift Station/Force Main/Gravity Sewer and construction of a force main upgrade from Bay Colony Lift Station to Ervin Street. This category also includes Sanitary Sewer Rehab, an ongoing project with \$4.5 million allocated in FY 2013-2015 for ongoing as-needed improvements to the City's sanitary sewer system.

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. Please note that 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 are reviewed annually. 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.

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TABLE 2 - OTHER IDENTIFIED UNFUNDED PROJECTS	
Streets	<ul style="list-style-type: none"> - Dickinson Ave - Calder Rd South of Ervin to FM517 - Construct Wesley Dr - Construct W. Galveston - Palomino Lane (ST0504)
Traffic	<ul style="list-style-type: none"> - Construct FM270 (FM5198 to FM646) - Ervin/Hobbs Connector
Police	<ul style="list-style-type: none"> - Firing Range
Fire	<ul style="list-style-type: none"> - Construction Public Safety Annex Station 6 - Land for Public Safety Annex Station 7
Buildings & Facilities	<ul style="list-style-type: none"> - Renovate old PD (500 W Walker) - Renovate Council Chambers/Court Building - Demolition of 600 W Walker - Parking Garage - New Helen Hall Library Building
Parks	<ul style="list-style-type: none"> - Eastern Regional Park - Pool - 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
Economic Development	<ul style="list-style-type: none"> - Remainder of Main Street Implementation Plan - Amphitheater
Water	<ul style="list-style-type: none"> - SH 3 Pump Station Improvements - additional ground storage (WT1108) - TxDOT FM646 Widening - SH3 to SH146 (WT1106) - Water Main Rehab on Main Street from SH3 to I45 - Trunk Lines along Bay Area Blvd - Water Line Upgrades South of Main St - Water Line Upgrades North of Main St
Wastewater	<ul style="list-style-type: none"> - 15" Gravity Sewer Trunk Extending South from SWWRF to FW6

Table 2A (see page 10) summarizes in a single chart by program the fiscal year in which construction would take place for projects included in the CIP.



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TABLE 2A - CIP PROJECT CONSTRUCTION SCHEDULE

PROGRAM	Project Start		
	Under Construction / Completed FY 2012	FY 2013	FY 2014
Streets	<ul style="list-style-type: none"> - Coryell/270 to Wisconsin (ST0901) - 2009 Storm Sewer (ST0906) - Houston Ave (ST0904) - Louisiana Phase 1-3 (ST0902) - NPDES Stormwater Management Plan Yr 5 (EN0018) - Austin/LA to FM270 (ST0903) - TxDOT FM646 Widening 	<ul style="list-style-type: none"> - Texas Ave - Phases 1 - Right-of-way Purchase - Sidewalk Project - Columbia Memorial Pkwy - Butler Rd Extension - League City Pkwy / Bay Area Blvd Extension 	<ul style="list-style-type: none"> - Calder Rd - Ervin to LC Pkwy (ST1002) - Texas Ave - Phases 2 - Five Corners Realignment (ST1101)
Traffic	<ul style="list-style-type: none"> - Traffic Systems Improvement Yr 2 - HGAC/TIP Design Projects Yr 1 	<ul style="list-style-type: none"> - Traffic Systems Improvement Yr 3 - Hobbs/LC Pkwy Intersection Improvements - HGAC/TIP Design Projects Yr 2 - FM518 Access Management 	
Drainage	<ul style="list-style-type: none"> - Robinson Bayou Bank Stabilization (DR1101) - Master Drainage Plan Ph 2 	<ul style="list-style-type: none"> - Annual Stormwater Improvements - Shellside Stormwater Improvements - Brown Pelican Storm Sewer Rehab - Genco Canal 	
Police	<ul style="list-style-type: none"> - Motorola Radios (PD1102) - Public Safety Facility and Jail (PD1101) - Communications Equipment Upgrade (PD1103) 		
Fire	<ul style="list-style-type: none"> - 100' Aerial Quint for West side of City (FR1202) - Replace 1993 Pumper, Unit 51 - Replace 1995 Vacuum Freightliner 	<ul style="list-style-type: none"> - New Burn Building - Land for Relocating Fire Station 3 - Land for Public Safety Annex Station 6 - Renovate Station 4 	
EMS		<ul style="list-style-type: none"> - Fire Station #2 EMS Expansion & Renovations (ES0302) 	
Buildings & Facilities	<ul style="list-style-type: none"> - City Hall Renovation - Jail Repair - Facilities HVAC & Roof Replacement Program Yr 2 - Facilities Modernization & Energy Efficiency Yr 2 	<ul style="list-style-type: none"> - Facilities Modernization & Energy Efficiency Yr 3 - Public Works Facilities Expansion 	<ul style="list-style-type: none"> - Renovate Helen Hall Library
Parks	<ul style="list-style-type: none"> - Parks Facilities Renewal Yr 2 - Eastern Regional Park Phase I (PK0903) - Clear Creek Paddle Trail - Land for Western Regional Park 	<ul style="list-style-type: none"> - Parks Facilities Renewal Yr 3 - Ghirardi WaterSmart Park (PK1103) - TxDOT FM518 Bypass Hike & Bike - Countryside - Magnolia Creek Trail (PK0904) - Skate Park Addition - 2012 Hike & Bike, Ph 1 	
Economic Development		<ul style="list-style-type: none"> - Entertainment District Improvements 	<ul style="list-style-type: none"> - I45 Ramp Reversal South of FM518 - Main Street Initiative
Water	<ul style="list-style-type: none"> - Facilities Access Control & Security - Beamer Waterline Extension (24" Transmission Line) (WT1002) - Northside Water Booster Station (WT1003) - Water Meter Replacement Program (WT1104) - Southeast Service Area Trunks (WT1105) - FM646 Widening - I45 to SH3 (WT1106) - SH 3 Pump Station 	<ul style="list-style-type: none"> - South Shore Harbour Pump Station (WT1102) - New Water Wells - 24" Distribution Line from FM518 to Alderwood - Water System Improvements - Countryside Pump Station & Well - Waterline Upgrades & Replacement Yr 1 - SEWPP Planned Maintenance Yr 1 - Relocation and Resize 42" Line on SH3 - Storz Hydro-Connectors 	<ul style="list-style-type: none"> - Calder Rd Pump Station Improvements - 24" Water Lines Parallel with LC Pkwy and Maple Leaf Drive - 36" WL SH3 to SSH Booster Plant (WT1109) - SEWPP Planned Maintenance Yr 2
Wastewater	<ul style="list-style-type: none"> - FW10 FM to SWWRF & Countryside #2 LS FM Diversion (WW1003) - Southwest Water Reclamation Facility 4MGD (WW0103) - Butler Rd LS/FM Upgrade (WW1004) - West Main LS/FM Upgrade (WW1005) - Sanitary Sewer Annual Rehabilitation 2012-2015 	<ul style="list-style-type: none"> - Northservice Area LS/FM/GS (WW1001) - Re-use Improvements Phase 1 - Re-use Utility System - 30" Gravity Sewer on Calder (WW0407) - Countryside & FW11 LS/FM Upgrades & Demo (WW1002) - Sanitary Sewer Annual Rehabilitation 2012-2015 - Force Main Upgrade Bay Colony Lift Station to Ervin St - Autumn Lakes LS/FM Re-route - Hobbs Rd Lift Station/Force Main/Gravity Sewer - East Main Lift Station Rehab Project 	<ul style="list-style-type: none"> - Sanitary Sewer Annual Rehabilitation 2012-2015 - MUD #6 Lift Station Rehab

TABLE 2A - CIP PROJECT CONSTRUCTION SCHEDULE

PROGRAM	Project Start		
	FY 2015	FY 2016	FY 2017
Streets		- League City Parkway Drainage Enclosure	- Webster St - FM270 to Texas - Walker Street Bridge - Beaumont Street
Traffic	- HGAC/TIP Design Projects Yr 3 - Landing Blvd - Design FM270 (FM518 to FM646)		
Drainage			
Police			
Fire		- Construction New Station #3	
EMS			
Buildings & Facilities			
Parks			
Economic Development		- ROW for Brookport Extension	- Construction Brookport Extension
Water	- Waterline Upgrades & Replacement Yr 2 - East Main Parallel 12" Water Line SH3 to FM270 - SEWPP Planned Maintenance Yr 3 - New East Side Elevated Water Tower (WT1101) - Design Expansion of TMWTP	- New West Side Elevated Water Tower - New Water Lines to West Side - Waterline Upgrades & Replacement Yr 3 - DSWWTP Reclaimed Water Pump Station - Design New West Side Elevated Tank - Design New Water Lines to the West Side	- Supplemental 24" Water Supply from Calder Rd to SH 3 - Trunk Line from Walker WP to Louisiana - Reclaimed Water Pipelines - Land for New West Side Elevated Tank - ROW New Water Lines to the West Side - Design Supplemental 24" Line from Calder Rd to Walker - Design Trunk Line from Walker WP to Louisiana
Wastewater	- Sanitary Sewer Annual Rehabilitation 2012-2015	- Design 54" Gravity Sewer Trunk Extending South from SSWWRF to FW6	- Design 36" Gravity Sewer Trunk Extending North from SSWWRF to FW6 - Design 36" Gravity Sewer Trunk Extending South from SSWWRF to FW8&9 - Design 30" Gravity Sewer Trunk Ext South from SSWWRF - FW3 to SSWWRF - Design 27" & 24" Gravity Sewer Trunk Ext South from SSWWRF - FW2 & FW3 to SSWWRF - Design 27" & 24" Gravity Sewer Trunk Ext North from SSWWRF - FW4 & FW5 to SSWRF - Design FW4 Lift Station/Force Main to SSWWRF - Design 42" Gravity Sewer Trunk Extending South from SSWWRF to FW6 - Design FW8 Lift Station/Force Main to SSWWRF - Design FW9 Lift Station/Force Main to SSWWRF - Design FW5 Lift Station/Force Main to SSWWRF

FUNDING SOURCES

CIP funding sources are detailed in Table 3 for Tax Supported programs and projects, while Table 4 lists all funding sources for the 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.

TABLE 3						
TAX SUPPORTED PROJECT FUNDING REQUIRED ('000s)						
FUNDING SOURCE	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
Previously Sold Certificates of Obligations (Available 9/30/12)						
2003A Cert of Obligation Fund 230	0	0	0	0	0	0
2006A Cert of Obligation Fund 236	0	0	0	0	0	0
2008A Cert of Obligation Fund 237	960	0	0	0	0	960
2009 Cert of Obligation Fund 238	4,660	0	0	0	0	4,660
2011 Cert of Obligation Fund 239	460	0	0	0	0	460
Subtotal Prior COs	6,080	0	0	0	0	6,080
Miscellaneous Funds						
Miscellaneous Capital Project Fund 075	2,110	0	0	0	0	2,110
Park Facilities & Maint Fees Fund 071	170	0	0	0	0	170
Sidewalk Fund 076	50	40	0	0	0	90
Right-of-Way Fund	50	0	0	0	0	50
Magnolia Creek TIRZ 1 Fund 062	1,600	0	0	0	0	1,600
Walker St Bridge Fund	0	0	0	0	180	180
MUD Fund 250	150	0	0	0	0	150
Subtotal of Misc. Funds	4,130	40	0	0	180	4,350
Other Funding Sources						
Galveston County Funds	0	2,240	0	0	0	2,240
4B Corporation - Cash	2,930	1,190	1,900	850	0	6,870
Potential Grant Funding	9,880	4,520	0	0	0	14,401
Subtotal Other Funding	12,810	7,950	1,900	850	0	23,511
Total Existing Funds	23,020	7,990	1,900	850	180	33,941
Future Bonds Needed						
Future COs / Bonds Needed	37,710	12,440	8,450	9,330	5,030	72,960
Future Development Financed Bonds	4,140	770	220	600	2,180	7,910
Total Future Bonds Needed	41,850	13,210	8,670	9,930	7,210	80,870
TOTAL FUNDING	64,870	21,200	10,570	10,780	7,390	114,810

The Tax Supported CIP funding sources include \$80.87 million.

- \$6.08 million in available Certificate of Obligation funds,
- \$170 thousand in Park Dedication fees,
- \$90 thousand in Sidewalk Fees, and
- \$2.11 million in miscellaneous capital project funds left from FY 2012 and the amount to be transferred from the General Fund in FY 2013 of \$2.055 million.

Dedicated capital funds totaling approximately \$1.78 million are also set aside and programmed for street and water line improvements in what was previously the Magnolia Creek TIRZ #1 (\$1.6 million – see page 278) and for completion of Walker Street Bridge (\$175,000 – see page 281). These projects will be completed as priority and time allows, and the funds will stay in reserve until that time. In this Adopted CIP, the Magnolia Creek TIRZ # 1 street extensions (League City Parkway/Bay Area Boulevard) are scheduled in FY 2013 and Walker Street Bridge is scheduled for FY 2017.

The 5 year plan also includes \$170 thousand from park dedication fees for the non-grant portion of the Ghirardi WaterSmart Park. Grants from the County and other sources, along with funding from the 4B Corporation, provide an additional \$23.5 million in cash from non-City funding sources for projects included in the FY 2013-2017 period. Total 4B Corporation funds during the five year CIP include approximately \$6.69 million from the quarter percent sales tax dedicated to 4B projects.

FUNDING SOURCE	FY2013	FY2014	FY2015	FY2016	FY2017	TOTAL
Previously Sold Bonds (Available 9/30/12)						
2004 Revenue Bonds Fund 083	10	0	0	0	0	10
2008 Revenue Bonds Fund 122	380	0	0	0	0	380
2009 Revenue Bonds Fund 123	500	0	0	0	0	500
2011 Revenue Bonds Fund 124	260	0	0	0	0	260
2011 Certificates of Obligation Fund 125	8,430	0	0	0	0	8,430
Subtotal Prior Bonds	9,580	0	0	0	0	9,580
Other Funding Sources						
Capital Project Fund 084	2,430	1,000	1,000	900	1,100	6,430
Water Capital Improvement - CRF Fund 023	2,610	2,510	0	280	600	6,000
Wastewater Capital Improvement - CRF Fund 024	2,570	0	0	350	2,940	5,860
Bayridge Utility District Fund 027	0	0	0	0	0	0
Potential Grant Funding	2,360	0	0	0	0	2,360
Subtotal Other Funding	9,970	3,510	1,000	1,530	4,640	20,650
Total Existing Funds	19,550	3,510	1,000	1,530	4,640	30,230
Future Bonds Needed	20,900	24,850	20,730	14,380	19,800	100,660
Total Revenue Supported Funding	40,450	28,360	21,730	15,910	24,440	130,890

The Revenue Supported CIP funding sources include \$30.23 million as follows:

- \$9.58 million in available bond funds,
- \$6 million in Water Capital Recovery fees,
- \$5.86 million in Wastewater Capital Recovery fees, and
- \$6.43 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 \$5 million at the current transfer level of \$1 million per fiscal year. Also, given the projected growth rate of the City identified in the FY13-FY17 Long Range Financial Forecast, capital recovery fees would provide additional CIP funds for water (\$5 million) and wastewater (\$8 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 \$100.66 million in water and wastewater revenue supported bonds during the FY 2013-2017 period. (See “project financing” for a further discussion of future bonds.)

Tables 5 and 6 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.

TABLE 5 LEGAL PURPOSE OF TAX SUPPORTED FUNDS	
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
SSH MUD #3 Fund 250	Funds remaining after close of MUD to be spent on that area

As the tables illustrate, bond proceeds are available for a diverse menu of projects, including many highlighted in this CIP. This allows City Council the flexibility to allocate funds annually to priority projects that are eligible to receive previously issued bonds.

TABLE 6
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
2011A Certificate of Obligation Fund 125	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

Property tax collections – past, current and projected -- are the primary means of financing capital improvements; these are the security against which bonds are issued, allowing the City to spread the cost of long-life projects over time and among users. The CIP anticipates that bonds – whether certificates of obligation approved by Council or general obligation bonds approved by voters – will be sold to support the FY 2013-2017 CIP, including \$73 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.

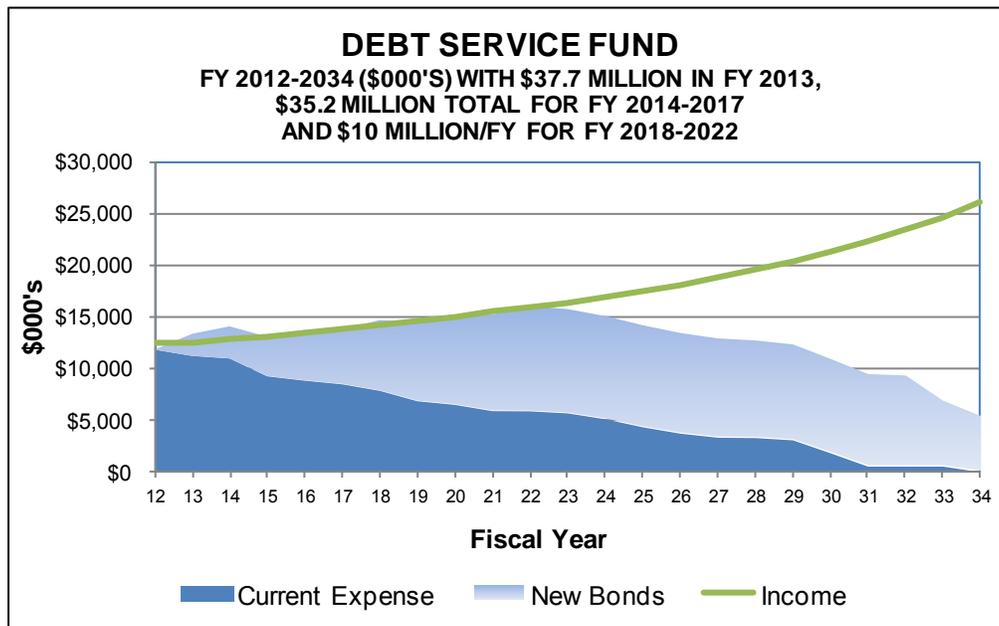
The Adopted CIP anticipates a reduction of the current tax rate devoted to retiring tax-supported debt. This, along with the City's declining debt structure and projected annual growth rate of 2.3 to 2.8 percent, are primary influencers of the City's debt issuance capacity. The Adopted CIP and the FY 2013 Adopted Budget include a reduction in the debt service tax rate from \$0.224999 to \$0.222 per \$100 of taxable value. This is due to the use of \$3 million in General Fund Balance proceeds to retire debt as a part of a general debt service refunding.

Table 7 (page 13) shows projected cash flow for the Debt Service Fund over the FY 2013-2017 CIP period; the table reflects bond sales expected to be needed for CIP projects during that time. The actual amount of future sales may vary based on actual project cash flow and scheduling. The sale amounts used for this debt service projection correspond to the total project amounts shown in the tax-supported project schedules.

After FY 2013, the bond sales are proposed to be structured on a declining payment schedule. Payments are to be managed conservatively. The City's approach to retiring debt will be based on a combination of two standard repayment strategies: level principal payments (equal principal paid every year, similar to many automobile loans) and level payments overall (principal amounts are smaller at the beginning of the debt schedule and increase over time, much like a mortgage). A detailed schedule (page 290)

includes the principal and interest payments on each year's anticipated sale. The City's debt issuance plans do not include balloon notes, adjustable interest rates, or other such financing techniques.

Debt issuance will be an annual City Council 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 below depicts the long-range prospect for the City's debt capacity for tax supported projects.



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**TABLE 7
GENERAL DEBT SERVICE FUND PROJECTION**

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
REVENUE						
Property Taxes	\$12,328	\$12,418	\$12,737	\$13,055	\$13,421	\$13,796
TIRZ #1 Revenue Gain	\$150	\$0	\$0	\$0	\$0	\$0
Interest Income	\$50	\$63	\$82	\$62	\$75	\$68
TOTAL REVENUE	\$12,528	\$12,481	\$12,819	\$13,117	\$13,496	\$13,864
EXPENSE						
Transfers						
MUD Property Tax Rebates	\$2,534	\$2,476	\$2,438	\$1,773	\$1,316	\$1,329
TIRZ Property Tax Increment	\$824	\$849	\$877	\$900	\$926	\$954
Subtotal MUD's/TIRZ's	\$3,358	\$3,325	\$3,315	\$2,673	\$2,242	\$2,283
Current Debt Service						
Interest	\$3,006	\$2,878	\$2,676	\$2,489	\$2,340	\$2,172
Principal	\$5,375	\$5,205	\$5,174	\$4,297	\$4,464	\$4,239
Subtotal Current Debt Service	\$8,381	\$8,083	\$7,850	\$6,786	\$6,804	\$6,411
Net Refunding Savings						
Interest		(\$105)	(\$115)	(\$120)	(\$130)	(\$135)
Principal		(\$156)	(\$150)	(\$140)	(\$134)	(\$127)
Subtotal Net Savings	\$0	(\$261)	(\$265)	(\$260)	(\$264)	(\$262)
Subtotal Current Expense	\$11,739	\$11,147	\$10,900	\$9,199	\$8,782	\$8,432
Projected Future Debt Service						
Interest	\$0	\$1,470	\$1,911	\$2,235	\$2,619	\$2,799
Principal	\$0	\$659	\$1,185	\$1,565	\$2,251	\$2,490
Subtotal Future Debt Service	\$0	\$2,129	\$3,096	\$3,800	\$4,870	\$5,289
TOTAL EXPENSE	\$11,739	\$13,276	\$13,996	\$12,999	\$13,652	\$13,721
Revenue Over/(Under) Expense	\$789	(\$795)	(\$1,177)	\$118	(\$156)	\$143
Beginning Fund Balance	\$2,733	\$3,522	\$2,727	\$1,550	\$1,668	\$1,512
Ending Fund Balance	\$3,522	\$2,727	\$1,550	\$1,668	\$1,512	\$1,655
ASSUMPTIONS						
Assessed Value (\$millions)	\$5,466.1	\$5,592.0	\$5,720.6	\$5,863.6	\$6,027.8	\$6,196.6
Debt Service Tax Rate	\$0.224999	\$0.222000	\$0.222000	\$0.222000	\$0.222000	\$0.222000
Over 65 Tax Freeze Pct Loss	0.200%	0.202%	0.204%	0.206%	0.208%	0.210%
Property Tax Growth	2.0%	2.3%	2.3%	2.5%	2.8%	2.8%
TIRZ Increment Growth	7.9%	3.0%	3.3%	2.6%	2.9%	3.0%
90 Day T-Bill Rate%	1.1%	2.5%	3.5%	4.5%	4.5%	4.5%
Future Bond Issue		\$37,712	\$12,438	\$8,451	\$9,325	\$5,030
Overall Interest Rate		3.25%	3.75%	4.50%	4.88%	5.06%
Interest Rate Diff with Current Rates		0.00%	0.50%	1.00%	1.50%	1.75%

[NOTE: A more detailed schedule can be found on page 290.]

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 capacity to issue new bonds as needed. However, unlike the General Fund – where the property tax rate is divided between debt service and maintenance and operations – there is no dedicated funding source for debt service as a part of water and wastewater revenues. Thus, 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 through FY 2016.

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 continues the application of several financial policies adopted by Council with prior CIPs; these are generally intended to balance near-term and long-term priorities and ensure that decisions positively affecting one outlook do not exert undue or unwanted negative influences on the other.

Proposed Sales

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

FY 2013 -	\$20,896,000
FY 2014 -	\$24,855,000
FY 2015 -	\$20,734,000
FY 2016 -	\$14,379,000
FY 2017 -	<u>\$19,801,000</u>
TOTAL	\$100,665,000

This includes bonds for the anticipated cost of the City of Houston replacing League City's main supply line down State Highway 3. It also includes funds to recycle approximately 5 million gallons per day of re-use water for treatment to potable water standards by the Gulf Coast Water Authority.

Utility Fund Projections with New Financing Supported by Utility Revenues

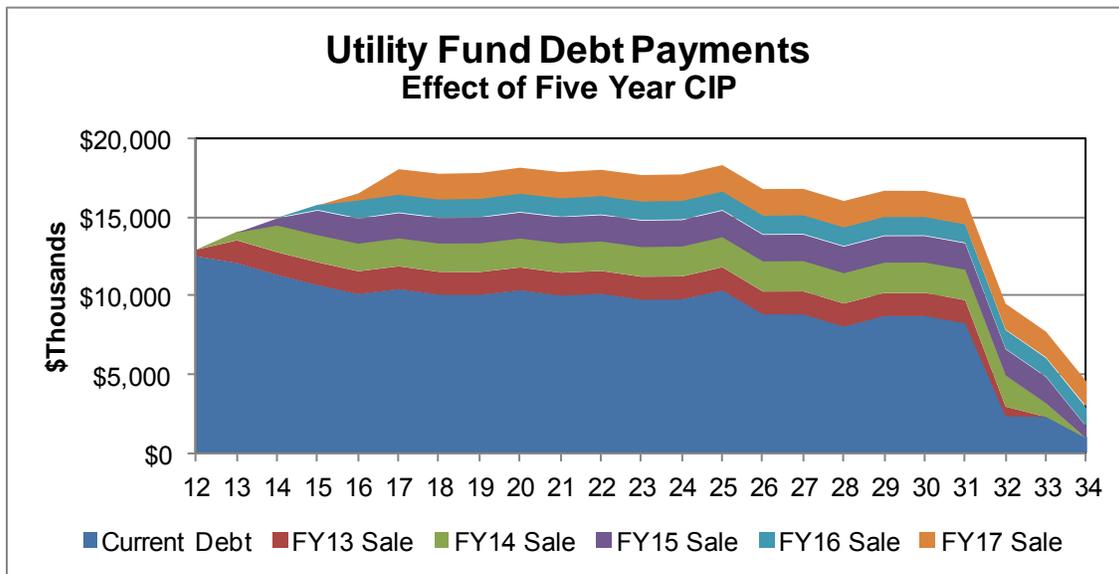
The table on the next page updates the Utility Fund forecast for FY 2013-2017 using the Adopted FY 2013 Budget as the basis for projections. The forecast includes (1) revenue projections based on a normal year for rainfall, such as FY 2010 turned out and FY 2012 appears to be; (2) expenditures included in the FY 2013 Adopted Budget (with one-time expenditures removed, the budgeted expenditures are carried forward to serve as the FY 2014 base); (3) allowances in the FY 2014-2017 period for inflation and population growth; and (4) reserves required to meet revenue bond covenants and operating reserve requirements. Given the aforementioned assumptions, it appears that current water rates will be sufficient to support projected expenses in the Utility Fund, including new debt service associated projects in the Adopted CIP, through the end of FY 2016.

The City's cost of service study for water and wastewater is nearing kickoff. It is expected to yield recommendations for a revenue-neutral restructuring of the City's water rates to incentivize conservation. In the years ahead, the City will have a chance to gauge the effects of any changes Council chooses to make to encourage conservation and reduce demand. These projections will be updated annually as a part of the forecasting and capital programming process.

**FY 2013-2017 PROJECTIONS
UTILITY FUND WITH NEW DEBT INCLUDED
(\$THOUSANDS)**

	FY 2013 Budget	FY 2014 Base	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast
Beginning Balance	\$18,806	\$17,332	\$17,332	\$15,072	\$12,622	\$10,292
Revenue	\$28,912	\$30,244	\$30,244	\$31,587	\$32,973	\$34,247
Current Expense	\$15,898	\$15,589	\$17,049	\$17,655	\$18,302	\$18,985
Current Debt Service & CIP	\$13,059	\$12,304	\$12,304	\$11,664	\$11,098	\$11,409
New Debt Service	\$1,429	\$3,152	\$3,152	\$4,718	\$5,903	\$7,577
Subtotal Expense	\$30,386	\$31,045	\$32,505	\$34,037	\$35,303	\$37,971
Revenue Over/(Under) Expenditures	(\$1,474)	(\$801)	(\$2,261)	(\$2,450)	(\$2,330)	(\$3,724)
Ending Balance	\$17,332	\$16,531	\$15,072	\$12,622	\$10,292	\$6,567
Utility Fund Reserves						
Debt Service (Average Annual Revenue Bond Debt Service)	\$5,368	\$5,309	\$5,309	\$5,156	\$5,004	\$4,862
90 Days of Operating Expenditures as Working Capital	\$3,920	\$3,844	\$4,204	\$4,353	\$4,513	\$4,681
Total Reserve Required	\$9,288	\$9,153	\$9,513	\$9,509	\$9,517	\$9,543
Excess Working Capital	\$8,044	\$7,378	\$5,559	\$3,113	\$775	(\$2,976)
Days Working Capital Over/(Under) 90	183	172	118	65	15	(57)

The graph below shows the anticipated debt service payments for the five years' worth of bond sales necessary to fully implement the Adopted CIP for water and wastewater projects.



Keep in mind that these sales will be decided and approved by City Council one year at a time depending upon potentially fluid circumstances including the economy, water revenues (which can be expected to grow during this same period) and projects identified as necessary in the CIP.

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 2013.
2. Individual projects with specific phases planned for FY 2013 will constitute the capital work plan for FY 2013.
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 2013 will constitute an amendment to the CIP and require approval by City Council.
4. Bond sales for FY 2013 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 2013 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.

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 2013 Capital Improvement Plan which comprises the FY 2013 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 Table 6A / 6B on pages 10 and 11, "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 2013. 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 practice detailed 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 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.

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 ADOPTED CIP PROJECTS
CURRENT UNINFLATED DOLLARS**

PROGRAM	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL
TAX SUPPORTED						
Streets	0	0	0	0	0	\$0
Traffic	0	0	0	0	0	\$0
Drainage	0	0	0	0	0	\$0
Police	0	0	339,000	339,000	339,000	\$1,017,000
Fire	0	0	0	0	17,680	\$17,680
EMS	0	0	0	0	0	\$0
Facilities	0	0	0	0	0	\$0
Parks	620,400	655,500	655,500	655,500	878,700	\$3,465,600
Economic Development	0	0	0	0	0	\$0
Subtotal Tax Supported	\$620,400	\$655,500	\$994,500	\$994,500	\$1,235,380	\$4,500,280
REVENUE SUPPORTED						
Water	38,000	414,500	463,500	475,750	476,500	\$1,868,250
Wastewater	86,500	90,200	90,200	90,200	90,200	\$447,300
Subtotal Revenue Supported	\$124,500	\$504,700	\$553,700	\$565,950	\$566,700	\$2,315,550
TOTAL M&O COSTS	\$744,900	\$1,160,200	\$1,548,200	\$1,560,450	\$1,802,080	\$6,815,830

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.

**FY 2013 ADOPTED BUDGET
FINANCIAL POLICIES****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.
- IV. **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.

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.**Expenditures**

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.**Fund Balance/Working Capital/Retained Earnings****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 100 days of current year operating 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-term 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 annual 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.

Internal Controls

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.

Risk Management

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.

Operating Budget

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.

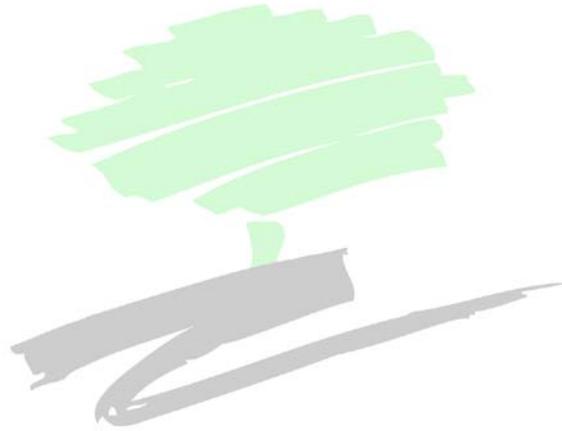
Five Year Financial Plans

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.



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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 measure-

ment 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**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.

TOP TEN PRINCIPAL TAXPAYERS

Property Taxpayer	2011 Assessed Valuation	% of 2011 Assessed Valuation
A-S 85 Victory Lakes	36,615,900	0.67%
Texas-New Mexico Power Co.	23,839,640	0.43%
League City Town Center LTD	21,337,970	0.39%
Haven at South Shore LP	20,085,920	0.37%
Sunstone Broadstone LP	17,161,070	0.31%
GS Beacon Lakes LP	17,034,150	0.31%
MB League City Bay Colony	16,462,790	0.30%
MF/WM Tuscan Land LTD	16,404,660	0.30%
Target Corporation	15,919,437	0.29%
Rovello Partners LLC	15,300,090	0.28%
	\$ 200,161,627	3.64%

TOP TEN EMPLOYERS

Employer	2011 Employees	(1) % of 2011 of Total City Employment
Clear Creek Independent School District	5,000	12.47%
American National Insurance	675	1.68%
City of League City	525	1.31%
Krogers	377	0.94%
Walmart	335	0.84%
Devereaux Texas Treatment Network	274	0.68%
H.E.B.	230	0.57%
Harborview Care Center	189	0.47%
Randall's	91	0.23%
	\$ 7,696	19.19%

(1) Percent of total employment is based on total employment of 40,094

**FY 2013 ADOPTED BUDGET
REVENUE DETAIL
GENERAL FUND**

		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Property Taxes:					
401-01-00	Current Taxes	20,948,766	21,165,000	20,854,000	21,079,000
401-02-00	Delinquent Taxes	196,123	234,000	142,000	0
401-03-00	Penalty & Interest	175,576	203,000	103,000	0
401-04-00	Attorney Fees	0	0	0	0
Property Taxes Subtotal		21,320,464	21,602,000	21,099,000	21,079,000
Sales Tax:					
402-01-00	Sales Tax	7,367,026	7,314,000	7,937,500	7,620,000
402-04-00	Sales Tx - Prop Tax Reduct.	3,683,513	3,657,000	3,937,500	3,900,000
Sales Tax Subtotal		11,050,539	10,971,000	11,875,000	11,520,000
Franchise Fees:					
403-01-00	Texas/New Mexico Electric	2,886,561	2,844,000	2,872,000	2,935,000
403-02-00	GTE Telephone	347,011	358,000	358,000	358,000
403-03-00	Cable TV Companies	958,700	1,001,000	1,009,000	1,039,000
403-04-00	Entex Natural Gas	220,707	275,000	219,000	235,000
403-05-00	Centerpointe Energy	57,567	60,000	60,900	60,900
403-07-00	Waste Management	187,089	190,000	180,000	180,000
Franchise Fees Subtotal		4,657,634	4,728,000	4,698,900	4,807,900
Other Taxes					
402-02-00	Mixed Drink Tax	117,386	135,000	105,000	110,000
Other Taxes Subtotal		117,386	135,000	105,000	110,000
Licenses & Permits:					
411-02-00	Pipeline Permits	0	0	0	0
411-03-00	Miscellaneous Permits	3,508	3,000	2,000	2,000
411-04-00	Sign Permits	16,321	12,000	15,000	15,000
411-05-00	Gas Permits	41,075	40,000	40,000	40,000
411-06-00	Demolition Permits	1,850	1,200	1,500	1,500
411-07-00	Wrecker Permits	6,650	7,000	7,000	7,000
411-09-00	Alarm Permits	151,880	155,000	155,000	160,000
411-13-00	False Alarm Fees	18,625	18,000	19,000	19,000
411-13-00	Drainage Permit Fees	8,474	9,000	6,000	6,000
411-14-00	Ambulance Permit Fees	4,040	4,100	4,100	4,100
411-1600	Golf Cart Permit Fees	6,650		4,700	4,700
412-01-00	Package Store Permits	250	1,100	1,100	1,100
412-02-00	Beer Licenses	6,905	5,000	5,000	5,000
413-01-00	Building Permits	739,005	750,000	850,000	850,000
413-02-00	Electrical Permits	185,228	150,000	200,000	200,000
413-03-00	Plumbing Permits	105,861	100,000	105,000	105,000
413-04-00	Swimming Pool Permits	46,584	40,000	55,000	55,000
413-05-00	Air Conditioning Permits	87,175	85,000	95,000	95,000
414-01-00	Occupational Licenses	115,350	115,000	120,000	120,000
415-01-00	Animal Licenses	1,680	1,500	1,500	1,500
415-02-00	Pound Fees	7,585	8,000	5,000	5,000
415-03-00	Adoption Fees	49,339	45,000	30,000	30,000
415-04-00	Microchip Fees	500		3,000	3,000
416-02-00	Re-Inspection Fee	9,800	9,000	5,000	5,000

416-05-00	Operation Permits	1,250	3,500	1,000	1,000
416-11-00	Kiosk Fees	18,565	25,000	30,000	30,000
416-12-00	Breath Alcohol Prog Fee	68,142	68,100	77,800	77,800
416-14-00	Code Enforcement Lien Fee	19,766		40,000	40,000
424-08-00	Plan/Plat Review Fee	38,247	35,000	45,000	45,000
424-09-00	Variance Request Fee	1,975	2,500	2,000	2,000
424-10-00	Rezoning Application Fee	5,100	6,500	3,000	3,000
424-11-00	Cell Tower App/Renewal	12,000	16,000	12,000	12,000
424-12-00	Special Use Permit/Zoning	4,700	5,000	41,100	2,000
Licenses & Permits Subtotal		1,784,078	1,720,500	1,981,800	1,947,700
Grant Proceeds					
425-07-00	Emer. Mgmt. Reimbursement	58,683	50,000	50,000	50,000
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	7,403	7,500	7,500	7,500
427-23-00	Tobacco Compliance Grant	0	0	0	0
427-25-06	Lone Star Library Grant	24,002	0	0	0
427-30-00	Bulletproof Vest Grant	7,095	0	0	0
427-42-00	DEA Overtime Reimb	21,818	15,000	15,000	15,000
427-44-00	FBI OT Reimbursements	0	0	0	0
427-47-00	FEMA Reimb - Hurricane	95,320	0	0	0
427-48-00	Fire Dept. Assistance Grant	6,318	5,000	46,450	5,000
427-50-00	Fire Dept Grant Insurance	0	0	0	0
	Special Traffic Enforcement	0	0	0	0
427-52-00	Texas Reads Grant	5,819	0	0	0
427-57-00	Emerg Watershed Program	0	0	0	0
	Victims Assistance Grant				0
	Justice Assistance Center	0	0	0	0
	Liveable Centers Grant	0	0	0	0
427-62-00	TSLAC Library Software Grant	6,490	0	0	0
427-63-00	Victims Assistance Grant	0	57,000	25,000	57,000
	Emergency Management Grant			16,500	
	UASDI Grant for CART supplies			84,600	
427-66-0	NPS Watersmart Park Grant	0	0	1,000	0
Grant Proceeds Subtotal		232,948	134,500	246,050	134,500
Charges for Services:					
418-01-00	Refuse Collection Fee	2,912,394	2,978,000	2,978,000	3,043,000
418-02-00	Tax on Refuse	(1,226)	0	0	0
418-03-00	Refuse Collection Penalty	44,037	45,000	45,000	45,000
422-01-00	Civic Center Rental Fees	36,260	35,000	50,000	50,000
422-02-00	City Pool Rental Fees	1,490	1,500	500	500
422-03-00	Pavilion Rental Fees	13,501	12,500	15,000	15,000
422-04-00	Field Rental Fees	18,218	17,500	20,000	20,000
422-05-00	Rec Center Rental Fees	10,623	12,000	12,000	12,000
422-06-00	Pool Fees - Non Resident	7,435	7,000	7,000	7,000
422-07-00	Pool Season Pass Fees	4,079	3,400	4,000	4,000
422-08-00	Recreation Program Fees	329,409	415,000	330,000	275,550
422-09-00	Drill Field Rental	6,700	6,000	6,000	6,000
422-10-00	Summer Camp Fees	56,820	60,000	57,000	57,000
422-12-00	EMS Training Class Fees	2,458	2,100	3,500	3,500
423-01-00	Concessions - Parks	11,273	8,000	11,200	11,200
423-02-00	Vending Machine Sales	226	200	200	200
423-04-00	Swimming Lessons	33,297	40,000	35,000	35,000
424-01-00	Filing Fees	350	300	300	300
424-02-00	Plat Filing Fees	250	0	0	0
424-04-00	Ambulance Fees	643,991	875,000	925,000	925,000
424-05-00	Non-Resident Fees	0	0	0	0

424-06-00	Child Safety Fee	19,298	20,000	14,000	14,000
427-01-00	Recycling Proceeds	60,093	60,000	60,000	60,000
Charges for Services Subtotal		4,210,976	4,598,500	4,573,700	4,584,250
Fines & Forfeits:					
421-01-00	Municipal Court Fines	1,469,950	1,650,000	1,350,000	1,350,000
421-02-00	Taxes on Fines	219,571	200,000	300,000	300,000
421-03-00	Library Fines	65,093	67,000	67,000	67,000
421-06-00	Motor Carrier Violations	116,492	120,000	100,000	100,000
421-08-00	Red Light Camera Fines	0	0	0	0
Fines & Forfeits Subtotal		1,871,106	2,037,000	1,817,000	1,817,000
Investment Earnings:					
555-00-00	Interest Income	14,181	16,000	16,000	16,000
555-05-00	Interest Income - Investments	0	0	0	0
555-07-00	Interest Income - EMS/Fire	80	0	0	0
555-08-00	Interest Income - CD	19,571	20,000	20,000	20,000
555-09-00	Interest Income Texstar	13,253	16,000	16,000	16,000
Investment Earnings Subtotal		47,085	52,000	52,000	52,000
Miscellaneous:					
425-01-00	Surplus Property Sales	4,985	20,000	10,000	10,000
425-02-00	Tax Certificates	0	0	0	0
425-03-00	Map Sales	30	100	100	100
425-04-00	Copy Machine Sales	24,060	25,000	25,000	25,000
425-05-00	Library Book Sales	7,122	7,000	7,000	7,000
425-09-00	Proceeds from Lease	35,213	30,000	35,200	35,200
425-11-00	Sale of Right of Way	0	0	0	0
425-13-00	Zoning Verification Letter	700	500	500	500
425-14-00	Butler Mueseum Lease Fees	100		300	300
425-17-00	Easement Agreements			103,000	0
427-55-00	Big League Dreams	251,772	250,000	250,000	250,000
428-02-00	Miscellaneous Income	94,565	50,000	151,000	50,000
428-05-00	TIRZ Bookkeeping Fees	316,978	240,000	240,000	240,000
429-02-10	Donations - Park Patrons	0	0	0	0
429-12-00	TNMO Energy Eff Rebate	6,228	0	10,000	10,000
429-13-00	Donations Employee Events	3,000	0	0	0
429-17-00	Donations - Senior Citizens	2,235	2,000	2,000	2,000
429-21-00	Donations - Patrons/Parks	70,169	0	0	0
429-22-00	Donations - EMS Lifepak	4,500	0	0	0
429-28-00	Reimbursements	5,604	35,000	35,000	35,000
429-28-40	Reimbursements Insurance	3,110	10,000	10,000	10,000
429-28-60	Reimb for Hurricane IKE	0	0	0	0
429-28-70	Public Safety Reimbursement	260,700	276,900	154,800	250,000
429-28-90	Reimb - Rebate Programs	40,927	30,000	40,000	40,000
429-28-91	Reimb - Safelight Fund Admin	101,111	75,000	100,000	100,000
571-03-00	Donations - EMS/Fire	17,921	7,500	15,000	15,000
Miscellaneous Subtotal		1,251,030	1,059,000	1,188,900	1,080,100
Transfers:					
581-02-00	Transfer From W/WW	2,000,000	2,000,000	2,000,000	2,250,000
	Trsfr from W/WW - Engineering Svc	0	0	0	0
	Trsfr from W/WW - Concrete Repair	0	0	0	0
581-17-00	Transfer from Special Park	0	0	0	0
581-32-00	Transfer from Sportsplex	0	0	0	0
Operating Transfer In Subtotal		2,000,000	2,000,000	2,000,000	2,250,000
TOTAL GENERAL FUND REVENUES		48,543,246	49,037,500	49,637,350	49,382,450

**FY 2013 ADOPTED BUDGET
REVENUE DETAIL
UTILITY FUND**

CATEGORY		FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Charges for Service					
541-00-00	Water Sales	17,387,707	14,600,000	15,112,000	15,517,000
542-00-00	Wastewater Sales	12,214,105	11,500,000	12,090,000	12,414,000
543-01-00	Tap Fees	302,750	300,000	250,000	250,000
543-02-00	New Connection Fees	62,639	60,000	60,000	60,000
543-03-00	Reconnection Fees	65,345	60,000	55,000	55,000
544-00-00	Late Fees	328,299	300,000	300,000	300,000
Charges for Service Subtotal		30,360,845	26,820,000	27,867,000	28,596,000
Other Revenues					
545-01-00	Meter Sales	193,314	200,000	175,000	175,000
545-02-00	Water Well Permits	25	100	100	100
545-04-00	Reimb for Services	4,208	5,000	5,000	5,000
545-05-00	Miscellaneous Income	14,214	12,500	12,500	12,500
550-02-00	Southeast Texas Housing	13,737	-	-	-
545-13-00	CC Ave WL Recovery Fees	527	-	-	-
Other Revenues Subtotal		226,025	217,600	192,600	192,600
Interest Income					
555-00-00	Interest Income	32,079	30,000	30,000	30,000
555-05-05	Interest Income Investments			-	-
555-05-80	Interest Income TxPool Reserve	372	500		
555-08-00	Interest Income - CD	8,873	7,000	7,000	7,000
555-08-85	Interest Income - 2005 Bond	737	-	-	-
555-05-88	Int - Rev Bond Reserve			1,300	1,300
555-09-00	Interest Income TxStar Reserve	7,755	8,500	8,500	8,500
555-09-50	Interest Income - Texstar Reserve	608	500	500	500
Interest Income Subtotal		50,424	46,500	47,300	47,300
Miscellaneous:					
425-01-00	Surplus Property Sales	1,632	1,000	20,000	20,000
425-09-00	Proceeds from Lease	56,056	55,900	56,000	56,000
427-05-00	Bond Proceeds				
429-28-00	Reimbursements	-	-	-	-
429-28-40	Reimb from insurance	3,641	-	-	-
558-00-00	Gain on Sale of Bonds	92,402	-	-	-
581-24-00	Transfer from CDBG (041)		-	-	-
Miscellaneous Subtotal		153,731	56,900	76,000	76,000
Total Utility Fund Revenue		30,791,024	27,141,000	28,182,900	28,911,900

**FY 2013 ADOPTED BUDGET
REVENUE DETAIL
INTERNAL SERVICE FUND (MOTOR POOL)**

	FY 2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Misc. Donations				
425-01-00 Surplus Property Sales	40,330	0	0	0
429-28-00 Reimbursements	13,599	0	0	0
429-28-91 Reimb from Safelight Fund	1,456	1,000	1,000	1,000
Misc. Donations Subtotal	55,384	1,000	1,000	1,000
Other Revenues:				
545-11-03 Vehicle Maintenance Chgs - GF	898,140	898,167	898,167	977,380
545-11-04 Vehicle Maint. Chgs - W/WW	248,000	248,000	248,000	250,690
545-11-05 Vehicle Maint. Chgs - Muni Court	0	0	0	2,820
545-11-20 Motor Pool Lease Fees	1,687,870	1,663,910	1,663,910	1,397,210
Other Revenues Subtotal	2,834,010	2,810,077	2,810,077	2,628,100
Interest Income:				
555-00-00 Interest Income	318	1,000	1,000	1,000
555-09-00 Interest Income - Tx Star	133	500	500	500
Interest Income Subtotal	451	1,500	1,500	1,500
Gain/Loss-Asset Disposal				
557-00-00 Gain/Loss-Asset Disposal	13,598	0	0	0
Gain/Loss-Asset Disposal Subtotal	13,598	0	0	0
Operating Transfers In:				
Transfer from General Fund	0	163,500	163,500	0
Trnsf from Capital Replacement	0	0	0	0
Operating Transfers In Subtotal	0	163,500	163,500	0
TOTAL INTERNAL SERVICE REVENUE FUND	2,903,443	2,976,077	2,976,077	2,630,600

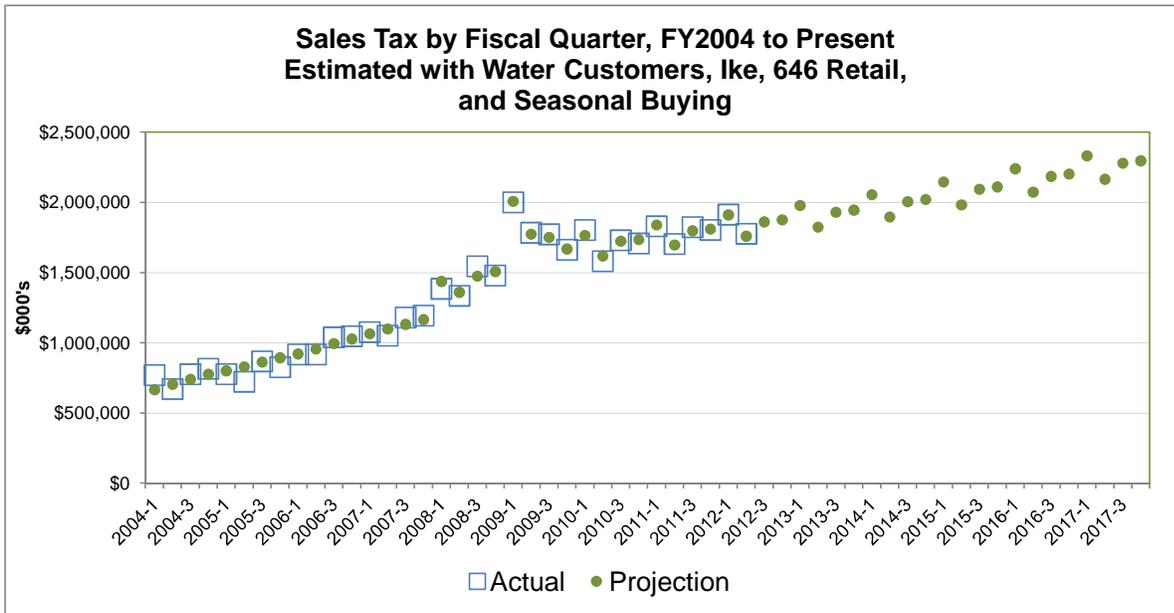
**FY 2012 ADOPTED BUDGET
REVENUE DETAIL
DEBT SERVICE FUND**

CATEGORY		FY2011 ACTUAL	FY 2012 BUDGET	FY 2012 ESTIMATED	FY 2013 ADOPTED
Property Taxes:					
401-01-00	Current Taxes	11,578,324	12,102,000	12,062,000	12,150,000
401-02-00	Delinquent Taxes	106,607	155,000	154,000	155,000
401-03-00	Penalty & Interest	96,561	112,000	112,000	113,000
401-06-00	Tax Rebates	6,332	0	0	0
Property Taxes Subtotal		11,787,824	12,369,000	12,328,000	12,418,000
Interest Income:					
555-00-00	Interest Income	23,063	23,000	40,000	50,000
555-09-00	Interest Income - Texstar	463	500	10,000	13,000
Interest Income Subtotal		23,526	23,500	50,000	63,000
Transfers:					
599-00-00	Transfer from General Fund	644,800	150,000	150,000	0
	Other Income	14,429	0	0	0
Transfers Subtotal		659,229	150,000	150,000	0
DEBT SERVICE FUND REVENUE DETAIL		12,470,579	12,542,500	12,528,000	12,481,000

**FY 2013 ADOPTED BUDGET
SALES TAX MODEL CALCULATIONS
JULY 2012**

<i>Multipliers</i>	-873309	87.62	42318	162919	1302		
Fiscal Year-Quarter	Actual COLC Sales Tax on 1% Base	Total COLC Water Customers+ 3 Quarters	Christmas Season Adjustment Variable #2	646 Retail Corridor Variable #2	Allison/Ike Variable #2	Model's Estimated Tax	Est (Over)/ Under Actual
2004-1	\$770,971	17,573	0.00	0.0	0.00	\$666,437	\$104,534
2004-2	\$671,849	18,023	0.00	0.0	0.00	\$705,866	(\$34,017)
2004-3	\$776,547	18,421	0.00	0.0	0.00	\$740,739	\$35,808
2004-4	\$816,185	18,837	0.00	0.0	0.00	\$777,189	\$38,996
2005-1	\$777,990	19,111	0.00	0.0	0.00	\$801,197	(\$23,207)
2005-2	\$723,932	19,439	0.00	0.0	0.00	\$829,936	(\$106,004)
2005-3	\$868,759	19,820	0.00	0.0	0.00	\$863,319	\$5,440
2005-4	\$827,671	20,169	0.00	0.0	0.00	\$893,899	(\$66,228)
2006-1	\$918,225	20,480	0.00	0.0	0.00	\$921,149	(\$2,924)
2006-2	\$917,923	20,881	0.00	0.0	0.00	\$956,284	(\$38,361)
2006-3	\$1,039,629	21,330	0.00	0.0	0.00	\$995,626	\$44,003
2006-4	\$1,047,792	21,700	0.00	0.0	0.00	\$1,028,045	\$19,747
2007-1	\$1,077,378	22,126	0.00	0.0	0.00	\$1,065,371	\$12,007
2007-2	\$1,051,507	22,512	0.00	0.0	0.00	\$1,099,192	(\$47,685)
2007-3	\$1,181,340	22,885	0.00	0.0	0.00	\$1,131,875	\$49,465
2007-4	\$1,194,700	23,281	0.00	0.0	0.00	\$1,166,572	\$28,128
2008-1	\$1,385,982	23,616	1.87	1.00	0.00	\$1,437,979	(\$51,997)
2008-2	\$1,336,077	24,139	(1.87)	1.22	0.00	\$1,361,377	(\$25,300)
2008-3	\$1,546,038	24,541	0.00	1.22	0.00	\$1,475,735	\$70,303
2008-4	\$1,480,261	24,839	0.00	1.26	0.00	\$1,508,362	(\$28,101)
2009-1	\$2,000,723	25,063	1.87	1.63	262.00	\$2,008,528	(\$7,805)
2009-2	\$1,784,770	25,356	(1.87)	1.68	178.00	\$1,774,709	\$10,061
2009-3	\$1,773,439	25,613	0.00	1.73	76.00	\$1,751,704	\$21,735
2009-4	\$1,663,690	25,761	0.00	1.75	0.00	\$1,668,978	(\$5,288)
2010-1	\$1,803,943	25,885	1.91	1.78	0.00	\$1,765,558	\$38,385
2010-2	\$1,582,075	26,061	(1.91)	1.78	0.00	\$1,619,324	(\$37,249)
2010-3	\$1,731,034	26,300	0.00	1.80	0.00	\$1,724,351	\$6,683
2010-4	\$1,708,230	26,433	0.00	1.80	0.00	\$1,736,005	(\$27,775)
2011-1	\$1,830,429	26,643	1.95	1.82	0.00	\$1,840,183	(\$9,754)
2011-2	\$1,704,205	26,902	(1.95)	1.82	0.00	\$1,697,837	\$6,368
2011-3	\$1,824,950	27,057	0.00	1.85	0.00	\$1,798,825	\$26,125
2011-4	\$1,804,927	27,191	0.00	1.85	0.00	\$1,810,567	(\$5,640)
2012-1	\$1,913,960	27,337	2.00	1.87	0.00	\$1,911,253	\$2,707
2012-2	\$1,777,759	27,508	(2.00)	1.89	0.00	\$1,760,223	\$17,536
2012-3		27,663	0.00	1.91	0.00	\$1,861,698	
2012-4		27,799	0.00	1.93	0.00	\$1,876,873	
2013-1		27,934	2.06	1.95	0.00	\$1,979,135	
2013-2		28,125	(2.06)	1.97	0.00	\$1,824,779	
2013-3		28,299	0.00	1.99	0.00	\$1,930,458	
2013-4		28,438	0.00	2.01	0.00	\$1,945,896	
2014-1		28,632	2.12	2.03	0.00	\$2,055,867	
2014-2		28,828	(2.12)	2.05	0.00	\$1,896,870	
2014-3		29,006	0.00	2.07	0.00	\$2,005,439	
2014-4		29,149	0.00	2.09	0.00	\$2,021,227	
2015-1		29,491	2.18	2.11	0.00	\$2,146,705	
2015-2		29,693	(2.18)	2.13	0.00	\$1,983,156	
2015-3		29,876	0.00	2.15	0.00	\$2,094,702	
2015-4		30,023	0.00	2.17	0.00	\$2,110,840	
2016-1		30,376	2.24	2.19	0.00	\$2,239,821	
2016-2		30,584	(2.18)	2.21	0.00	\$2,074,259	
2016-3		30,772	0.00	2.23	0.00	\$2,186,243	
2016-4		30,924	0.00	2.25	0.00	\$2,202,820	
2017-1		31,287	2.24	2.27	0.00	\$2,332,676	
2017-2		31,502	(2.24)	2.29	0.00	\$2,165,188	
2017-3		31,695	0.00	2.31	0.00	\$2,280,150	
2017-4		31,852	0.00	2.33	0.00	\$2,297,165	

FY 2013 ADOPTED BUDGET SALES TAX MODEL CALCULATIONS JULY 2012



SALES TAX BY FISCAL YEAR AND CONVERTED FROM 1% TO 1.5%

Fiscal Year	1% Tax (\$000's)		1.5% Tax (\$000's)		
	Actual	Estimate	Actual	Estimate	Est (Over)/Under Actual
2004	\$3,036	\$2,890	\$4,553	\$4,335	\$218
2005	\$3,198	\$3,388	\$4,798	\$5,083	(\$285)
2006	\$3,924	\$3,901	\$5,885	\$5,852	\$33
2007	\$4,505	\$4,463	\$6,757	\$6,695	\$62
2008	\$5,748	\$5,783	\$8,623	\$8,675	(\$52)
2009	\$7,223	\$7,204	\$10,834	\$10,806	\$28
2010	\$6,825	\$6,845	\$10,238	\$10,268	(\$30)
2011	\$7,165	\$7,147	\$10,747	\$10,721	\$26
2012		\$7,430		\$11,145	
2013		\$7,680		\$11,520	
2014		\$7,979		\$11,969	
2015		\$8,335		\$12,503	
2016		\$8,703		\$13,055	
2017		\$9,075		\$13,613	

FY2013 ADOPTED BUDGET
SALES TAX STATISTICS



Test **Regression - Linear**

Performed by City Sales Tax v Allison/Ike Variable #2, Seasonal Adjustment Var #2, 646 #2, Wcust + 3 Qtr
mike.loftin

Date 29 July 2012

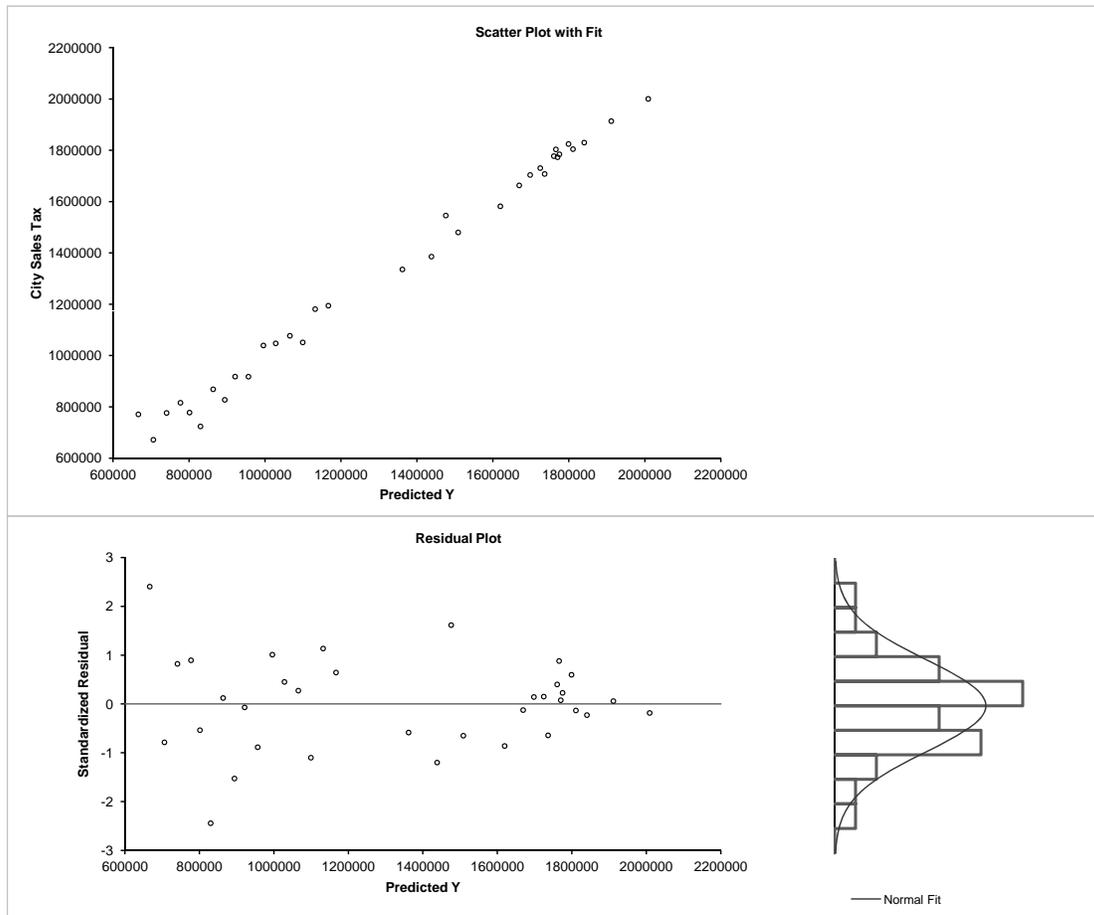
n 34 (cases excluded: 22 due to missing values)

R² 0.99114
Adjusted R² 0.98992
SE \$43,415.0

Term	Coefficient	95% CI	SE	t statistic	DF	p
Intercept	-873309	-1129639 to -616778	125429	-6.96	29	<0.0001
Allison/Ike Variable #2	1302	1006 to 1599	145.0	8.98	29	<0.0001
Seasonal Adjustment Var #2	42318	27637 to 57000	7178	5.90	29	<0.0001
646 #2	162919	116235 to 209603	22826	7.14	29	<0.0001
Wcust + 3 Qtr	87.62	75.09 to 100.16	6.128	14.30	29	<0.0001

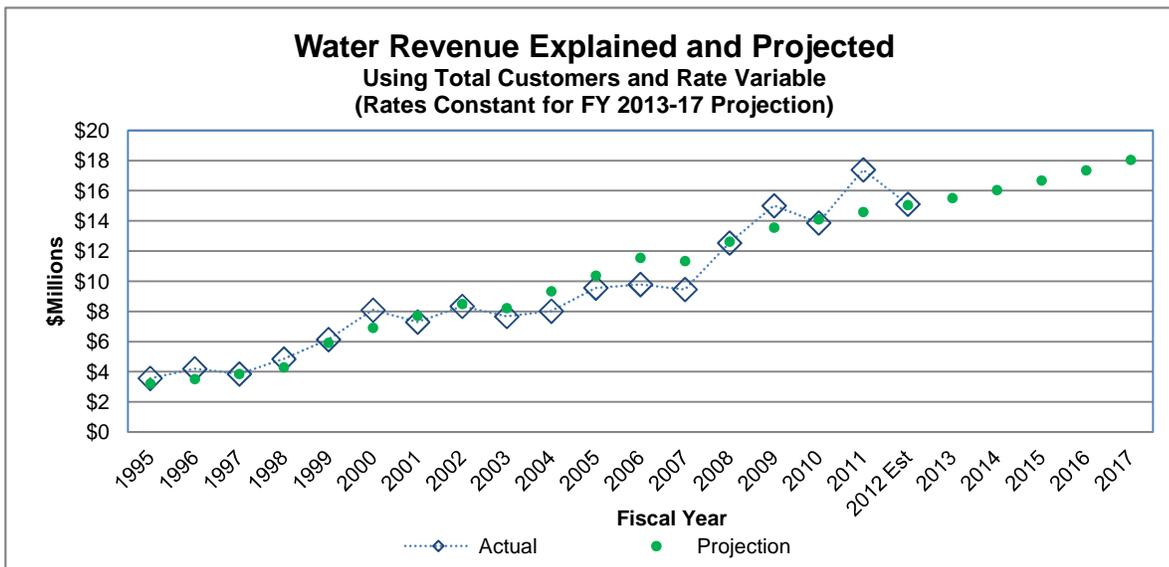
City Sales Tax = -873309 + 1302Allison/Ike Variable #2 + 42318Seasonal Adjustment Var #2 + 162919646 #2 + 87.62Wcust + 3 Qtr

Source of variation	Sum squares	DF	Mean square	F statistic	p
Model	\$6,114,913,521,091.3	4	\$1,528,728,380,272.8	811.06	<0.0001
Residual	\$54,660,985,970.3	29	\$1,884,861,585.2		
Total	\$6,169,574,507,061.5	33			



FY 2013 ADOPTED BUDGET WATER REVENUE MODEL CALCULATIONS

FY	Actual Water Revenue	Total Water Customers FY	Water Rate Factor	Estimated Water revenue	Estimate (Over)/ Under Actual
1995	3,571,039	11,492	1.00	\$3,223,000	\$348,039
1996	4,198,839	11,894	1.00	\$3,519,000	\$679,839
1997	3,864,342	12,350	1.00	\$3,854,000	\$10,342
1998	4,852,428	12,961	1.00	\$4,303,000	\$549,428
1999	6,140,107	13,560	1.26	\$5,917,000	\$223,107
2000	8,093,527	14,379	1.35	\$6,917,000	\$1,176,527
2001	7,295,072	15,222	1.39	\$7,719,000	(\$423,928)
2002	8,342,438	16,297	1.39	\$8,509,000	(\$166,562)
2003	7,668,143	17,792	1.08	\$8,229,000	(\$560,857)
2004	8,020,733	19,302	1.08	\$9,338,000	(\$1,317,267)
2005	9,559,073	20,715	1.08	\$10,377,000	(\$817,927)
2006	9,793,462	22,306	1.08	\$11,546,000	(\$1,752,538)
2007	9,460,441	23,894	0.78	\$11,344,000	(\$1,883,559)
2008	12,535,654	25,218	0.85	\$12,634,000	(\$98,346)
2009	15,013,544	26,002	0.93	\$13,556,000	\$1,457,544
2010	13,869,506	26,759	0.93	\$14,113,000	(\$243,494)
2011	17,387,708	27,425	0.93	\$14,602,000	\$2,785,708
2012 Est	15,112,000	28,030	0.93	\$15,047,000	\$65,000
2013		28,670	0.93	\$15,517,000	
2014		29,390	0.93	\$16,046,000	
2015		30,270	0.93	\$16,693,000	
2016		31,180	0.93	\$17,362,000	
2017		32,120	0.93	\$18,053,000	
Constant/ Correlation Coefficients	-9739196	735	4515507		



FY2013 ADOPTED BUDGET
WATER REVENUE MODEL STATISTICS

Analyse-it v2.26

Test	Regression - Linear	
Performed by	Water Rev v Water Rates, Total Customers Fiscal Year caron.park	Date 27 July 2012

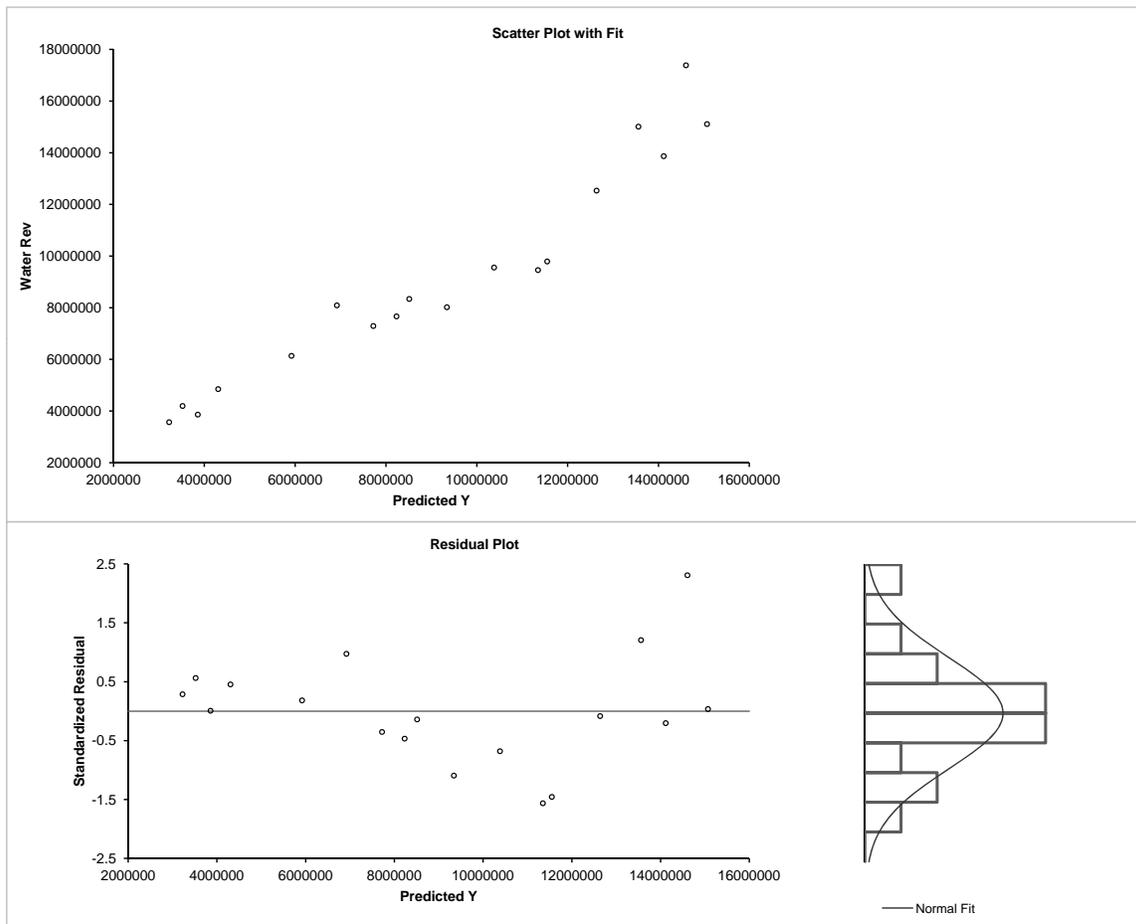
n | 18 (cases excluded: 3 due to missing values)

R² | 0.93
Adjusted R² | 0.92
SE | 1,206,260.5

Term	Coefficient	95% CI	SE	t statistic	DF	p
Intercept	-9739196	-15770986 to -3707407	2829900	-3.44	15	0.0036
Water Rates	4515507	395885 to 8635130	1932780	2.34	15	0.0338
tal Customers Fiscal Year	735	610 to 860	58.5	12.56	15	<0.0001

Water Rev = -9739196 + 4515507Water Rates + 735Total Customers Fiscal Year

Source of variation	Sum squares	DF	Mean square	F statistic	p
Model	270,160,019,812,417.0	2	135,080,009,906,208.0	92.83	<0.0001
Residual	21,825,966,574,226.7	15	1,455,064,438,281.8		
Total	291,985,986,386,643.0	17			



Utility Fund Payment to General Fund

General Fund Overhead Departments	FY 2013 Proposed Budget	Allocation Basis	Allocation Percent	Amount of Allocation
Mayor and Council	\$180,090	Utility Fund share of FY 2013 Proposed Budget	26.9%	\$48,440
City Manager	\$554,070	Utility Fund share of FY 2013 Proposed Budget	26.9%	\$149,040
City Secretary	\$350,500	Utility Fund share of FY 2013 Proposed Budget	26.9%	\$94,280
City Attorney	\$735,000	Utility Fund share of FY 2013 Proposed Budget	26.9%	\$197,720
Human Resources	\$954,000	# Employees	16.3%	\$155,720
Budget Office	\$283,330	Utility Fund share of FY 2011 Expense per Annual Financial Report (CAFR)	24.0%	\$67,880
Accounting	\$1,287,270	Utility Fund share of FY 2011 Expense per Annual Financial Report (CAFR)	24.0%	\$308,410
Purchasing	\$262,330	# Purchase Orders	9.1%	\$23,910
Information Technology (Users)	\$993,628	Utility Fund share of FY 2013 Proposed Budget	26.9%	\$267,290
Information Technology (Budget)	\$993,628	# Users	12.0%	\$119,240
Engineering	\$1,540,970	Utility Fund share of FY 2013 Proposed Budget	40.0%	\$616,390
Communications	\$285,340	Utility Fund share of FY 2013 Proposed Budget	26.9%	\$76,760
Planning	\$874,950	Utility Fund share of FY 2013 Proposed Budget	26.9%	\$235,360
Total Support Budget	\$9,295,105			\$2,360,440

BASED ON FY2013 PROPOSED BUDGET

General Fund	\$49,256,803
Less: Transfers to TIRZ and 4B	(\$1,432,200)
Subtotal General Fund	\$47,824,603
Utility Fund	\$29,791,930
Less: Transfers to General Fund	\$2,200,000
Less: UF Debt Service	(\$12,555,333)
Subtotal Utility Fund	\$19,436,597
Special Funds	\$4,923,528
Total Citywide Operating Budget	\$72,184,728
Utility Fund as Percent of Total Operating Budget	26.9%
Utility Fund Share of Overhead Budget	\$2,500,000

ORDINANCE NO. 2012-21

AN ORDINANCE APPROVING AND ADOPTING THE CITY OF LEAGUE CITY, TEXAS, ANNUAL GOVERNMENTAL AND PROPRIETARY FUNDS BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2012 AND ENDING SEPTEMBER 30, 2013; 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 2013 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 2013; 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 2013" 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 FY2013 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 2012 as fully adjusted to reflect the final Comprehensive Annual Financial Report for Fiscal Year 2012 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 2012 for each respective fund. The revised Beginning Fund Balance shall thereafter be used to calculate the Fiscal Year 2013 Ending Fund Balance.

Section 5. Approve and adopt the FY 2013 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 2013.
- b. Bond sales for FY 2013 will be conducted and proceeds there from will be appropriated in accordance with and in the furtherance of the FY 2013 Capital Budget.
- c. Reports will be provided to City Council quarterly on the status of each project that is a part of the FY 2013 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 2013 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 2013 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 2013 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 2013. 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 2013 Capital Budget when individual contracts are awarded and/or projects are ready for implementation.

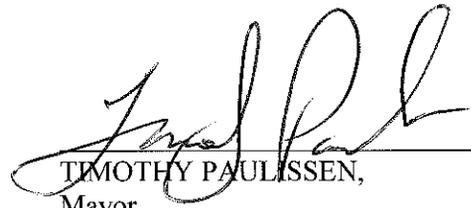
Section 8. Funds shall be allocated to individual projects through the normal procurement processes as provided by State Law and City policy.

Section 9. All ordinances and resolutions, and parts of ordinances and resolutions in conflict herewith, are hereby repealed.

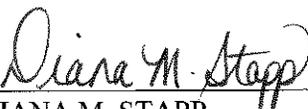
PASSED first reading the 28th day of August, 2012.

PASSED second reading the 11th day of September, 2012.

PASSED AND ADOPTED the 11th day of September, 2012.


TIMOTHY PAULISSEN,
Mayor

ATTEST:


DIANA M. STAPP,
City Secretary

Ordinance No. 2012-21
Exhibit "A"
Page 1 of 2
FY2013 Budget Summary
September 11, 2012

Fund	FY2013 Proposed Budget	Fund Balance	Total
GENERAL FUND			
Police	14,962,050		
Animal Control	645,990		
Fire Department	1,185,850		
EMS	493,880		
Emergency Management	2,792,540		
Fire Marshal	262,900		
Public Works Administration	132,160		
Engineering/Project Management Office	1,514,270		
Streets & Stormwater	4,384,883		
Facilities Maintenance	1,674,250		
Traffic and Transportation	572,245		
Solid Waste	2,845,000		
Library	1,839,415		
Parks Operations	1,196,530		
Parks Recreation	562,240		
SportsPlex Operations	422,628		
SportsPlex Recreation	89,010		
Park Planning	257,630		
Accounting	1,287,270		
Municipal Court	582,000		
Purchasing	262,330		
Planning	874,950		
Building	1,075,871		
Code Compliance	621,640		
Economic Development	374,300		
City Manager	554,070		
City Secretary	350,500		
City Attorney	735,000		
Mayor and Council	168,470		
Budget Office	264,170		
Information Technology	1,987,555		
Communications Office	349,940		
Human Resources	940,160		
Civil Service	78,000		
Non-Departmental	3,012,000		
General Fund Departments Subtotal	49,351,697		
Appropriation of Fund Balance for Debt, One-Time Operating Items, and FY 2013 Capital Budget	2,543,900		
General Fund Balance		12,851,151	
General Fund Total	51,895,597	12,851,151	64,746,748

Ordinance No. 2012-21
Exhibit "A"
Page 2 of 2
FY2013 Budget Summary
September 11, 2012

Fund	FY2013 Proposed Budget	Fund Balance	Total
UTILITY FUND			
Public Works Administration	161,720		
Water Production	5,409,120		
Wastewater	3,614,744		
Line Repair	3,149,215		
Utility Billing	922,728		
Non-Departmental	3,639,990		
Debt Service	13,488,000		
Utility Fund Departments Subtotal	30,385,517		
Utility Fund Balance		17,332,195	
Utility Fund Total	30,385,517	17,332,195	47,717,712
OTHER FUNDS			
Debt Service Fund	13,281,000	2,717,383	15,998,383
Safelight Program Fund	391,270	1,314,723	1,705,993
Police Activity Fund	166,700	55,129	221,829
Animal Control Donation Fund	30,000	10,841	40,841
Emerg. Mgmt Response Fund	143,200	123,195	266,395
4B Maint. & Operations Fund	1,284,800	510,857	1,795,657
Library Gift Fund	14,000	5,550	19,550
Municipal Building Security Fund	109,950	8,763	118,713
Municipal Court Technology Fund	54,500	6,740	61,240
Technology Fund	815,000	0	815,000
Public Safety Technology Fund	100,000	0	100,000
Hotel/Motel Tax Fund	366,840	438,168	805,008
Public Access Channel Fund	220,000	433,610	653,610
Other Funds Subtotal	16,977,260	5,624,959	22,602,219
Total Operating Budget	99,258,374	35,808,305	135,066,679
Motor Pool Fund	2,297,240	2,174,143	4,471,383

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 \$2,056,830, the Utility Fund Transfer totals \$559,110, and transfers from other funds totals \$12,160.

Ordinance No. 2012-21
Exhibit "B"
Page 1 of 2
FY2013 Proposed Capital Budget
September 11, 2012

Program	Project	Total Project Cost	FY2013 Proposed Capital Budget	Phase
TAX SUPPORTED PROGRAMS				
Streets	Five Corners Realignment	\$8,392,908	\$1,692,748	ROW/Permits
	Texas Ave - Phases 1 & 2	\$5,125,000	\$2,000,000	Construction
	Right-of-Way Purchase	\$113,899	\$51,059	ROW
	Sidewalk Project	\$139,274	\$50,000	Construction
	Columbia Memorial Parkway	\$986,050	\$986,050	Design/Construction
	Butler Rd Extension	\$922,000	\$922,000	ROW/Construction
	LC Pkwy / Bay Area Blvd Extension	\$1,600,000	\$1,600,000	Design/Construction
	Streets Subtotal	\$17,279,131	\$7,301,857	
Traffic	Traffic System Improvements	\$3,711,198	\$1,411,897	Design/Equipment
	Hobbs/LC Parkway Intersection Improvements	\$1,442,500	\$580,925	Construction
	FM518 Access Management	\$2,690,464	\$2,398,560	Construction
	HGAC/TIP Design Projects	\$2,500,000	\$800,000	Design
	Landing Blvd	\$4,271,100	\$557,100	Design
	Traffic Subtotal	\$14,615,262	\$5,748,482	
Drainage	Annual Stormwater Improvements	\$8,294,233	\$2,000,000	Design/Construction
	Shellside Stormwater Improvements	\$4,637,762	\$4,637,762	Design/Construction
	Brown Pelican Storm Sewer Rehab	\$672,000	\$672,000	Design/Construction
	Genco Canal	\$146,000	\$146,000	Design/Construction
	Drainage Subtotal	\$13,749,995	\$7,455,762	
Police	New Public Safety Facility and Jail	\$33,142,100	\$28,927,000	Design/Construction
	Police Subtotal	\$33,142,100	\$28,927,000	
Fire	New Burn Building	\$750,000	\$750,000	Construction
	Relocate Station 3	\$4,191,300	\$650,000	Land Acquisition
	Public Safety Annex Station 6 w/Engine	\$350,000	\$350,000	Land Acquisition
	Renovate Station 4	\$412,500	\$412,500	Construction
	Fire Subtotal	\$5,703,800	\$2,162,500	
EMS	Fire Station #2 EMS Expansion and Renovations	\$2,658,904	\$2,139,500	Construct / Equip
	EMS Subtotal	\$2,658,904	\$2,139,500	
Buildings and Facilities	Public Works Facilities Expansion	\$500,000	\$500,000	Land Acquisition
	Facilities Modernization & Energy Efficiency	\$1,039,308	\$300,000	Construction
	Renovate Helen Hall Library Building	\$500,000	\$34,500	Design
	Buildings and Facilities Subtotal	\$2,039,308	\$834,500	
Parks	Parks Facilities Renewal	\$726,679	\$255,000	Construction
	Clear Creek Paddle Trail	\$369,600	\$154,986	Construction
	Ghirardi Water Smart Park	\$814,697	\$407,000	Construction
	TxDOT FM 518 Bypass Hike and Bike	\$4,122,317	\$3,851,088	Design/Construction
	2012 Hike and Bike, Ph 1	\$4,997,750	\$864,100	Design/Construction
	Skate Park Addition	\$180,000	\$180,000	Design/Construction
	Parks Subtotal	\$11,211,043	\$5,712,174	
Economic Development	Main Street Econ Dev Initiative	\$2,500,000	\$462,155	Design/Construction
	Entertainment District Improvements	\$4,300,000	\$3,885,500	Construction
	I45 Ramp Reversal South of FM518	\$1,020,000	\$250,000	Design
	Economic Development Subtotal	\$7,820,000	\$4,597,655	
TAX SUPPORTED TOTAL		\$108,219,543	\$64,879,430	

Ordinance No. 2012-21
Exhibit "B"
Page 2 of 2
FY2013 Proposed Capital Budget
September 11, 2012

Program	Project	Total Project Cost	FY2013 Proposed Capital Budget	Phase
REVENUE SUPPORTED				
Water	State Hwy 3 Pump Station	\$19,652,300	\$175,000	Land Acquisition
	New Water Wells	\$16,915,255	\$8,175,000	Design/Construction
	Beamer Rd 24" Waterline Extension	\$4,658,136	\$2,350,818	Land/Construction
	South Shore Harbour Pump Station	\$6,753,800	\$6,100,000	Construction
	Calder Rd Pump Station	\$9,631,000	\$250,000	Land/ROW
	Countryside Pump Station & Well	\$1,711,150	\$1,532,650	Construction
	Water System Improvements	\$2,363,228	\$2,363,228	Design/Construction
	36" Waterline SH3 to SSH Pump Station	\$8,363,347	\$250,000	Land/ROW
	Southeast Service Area Trunks	\$4,112,477	\$873,530	Design/Construction
	24" Lines Parallel with LC Pkwy & Maple Leaf Dr	\$1,579,810	\$80,000	Land/ROW
	Waterline Upgrades & Replacements	\$6,170,000	\$2,000,000	Design/Construction
	SEWPP Treatment Improvements	\$1,461,463	\$216,333	Construction
	Relocation and Resize 42" Line on SH3	\$32,100,000	\$2,318,750	Design/Construction
	Storz Hydro-Connectors	\$1,009,500	\$252,375	Equipment
	Water Subtotal	\$116,481,466	\$26,937,684	
Wastewater	Countryside and FW11 LS/FM Upgrade	\$3,337,150	\$3,100,000	Construction
	Re-use Utility System	\$4,722,288	\$2,681,875	Construction
	30" Gravity Sewer on Calder Rd	\$3,982,500	\$3,806,864	Design/Construction
	Sanitary Sewer Rehab	\$8,996,700	\$1,500,000	Design/Construction
	East Main Lift Station Rehab Project	\$482,338	\$410,988	Construction
	Hobbs Lift Station/Force Main/Gravity Sewer	\$610,500	\$550,000	Construction
	Force Main Upgrade Bay Colony LS to Ervin	\$1,461,000	\$1,160,500	Construction
	Autumn Lakes LS/FM Re-route	\$421,716	\$306,708	Construction
	Wastewater Subtotal	\$24,014,192	\$13,516,935	
REVENUE SUPPORTED TOTAL		\$140,495,658	\$40,454,619	
FY2013 CAPITAL BUDGET TOTALS		\$248,715,201	\$105,334,049	

PROGRAM TOTALS BY FUNDING SOURCE	
TAX SUPPORTED PROGRAMS	
New Bond Funds Needed	\$37,712,451
Prior Bond Funds	\$6,089,466
Development Financed Bonds	\$4,135,500
Subtotal Bond Funds	\$47,937,417
Cash Funded from General Fund Reserves	\$2,107,509
Grant Funds - Galveston Co / State of Texas / CDBG-DR	\$9,881,868
Dedicated Funds	\$4,952,636
Subtotal Other Funds	\$16,942,013
TOTAL TAX SUPPORTED PROGRAMS	\$64,879,430
REVENUE SUPPORTED PROGRAMS	
New Bond Funds Needed	\$20,895,634
Prior Bond Funds	\$9,581,366
Subtotal Bond Funds	\$30,477,000
Cash Funded from Utility Fund Reserves	\$2,433,281
Grant Funds - CDBG-DR	\$2,363,228
Capital Recovery Fees	\$5,181,110
Subtotal Other Funds	\$9,977,619
TOTAL REVENUE SUPPORTED PROGRAMS	\$40,454,619
FY2013 CAPITAL BUDGET TOTALS	\$105,334,049

Ordinance No. 2012-21
Exhibit "C"
Page 1 of 1

FY2013 CIP APPROPRIATIONS BY FUND

FUND	FY2013
2012A Certificates of Obligation	\$ 37,712,451
2011 Certificate of Obligation	\$ 464,422
2009 Certificate of Obligation	\$ 4,664,908
2008A Certificate of Obligation	\$ 962,403
2006A Certificate of Obligation	\$ 129
2003A Certificate of Obligation	\$ 55
Miscellaneous Capital Projects Fund	\$ 2,263,387
Park Facilities & Maintenance Fees Fund	\$ 535,994
Magnolia Creek TIRZ #1 Fund	\$ 2,440,884
Sidewalk Fund	\$ 89,274
Right-of-Way Fund	\$ 51,059
Walker Street Bridge Funds	\$ 171,608
Subtotal Tax Supported Programs	\$ 49,356,574
2012B Certificate of Obligation	\$ 20,895,634
2011A Certificate of Obligation	\$ 8,429,549
2011 Revenue Bond	\$ 259,360
2009 Revenue Bond	\$ 499,205
2008 Revenue Bond	\$ 378,742
2004 Revenue Bond	\$ 14,510
Utility Capital Projects Fund	\$ 2,433,281
Water Capital Recovery Fee Fund	\$ 4,398,635
Wastewater Capital Recovery Fee Fund	\$ 3,856,858
Bayridge Utility Fund	\$ 19,111
Subtotal Revenue Supported Programs	\$ 41,184,886
TOTAL APPROPRIATIONS	\$ 90,541,459

ORDINANCE NO. 2012-26

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, 2013; 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 11, 2012; and

WHEREAS, the effective tax was published in the City's official newspaper on September 10, 2012; and

WHEREAS, the components of the tax rate are:

- (1) \$0.222001 on each one hundred dollars (\$100) of valuation on all property, real, personal, or mixed for the City's debt service fund, and
- (2) \$0.374999 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 \$0.597 on each one hundred dollars (\$100) of valuation on all property, real, personal or mixed with the component for debt service at \$0.222001 and for maintenance and operation at \$0.374999 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. The combined tax rate for the City of League City is \$0.597 on each one hundred dollars (\$100) of valuation on all property, real, personal, or mixed.

Section 3. The component of the combined tax rate that will be used to pay debt service is \$0.222001 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 fund maintenance and operation expenditures is \$0.374999 on each one hundred dollars (\$100) of valuation on all property, real, personal, or mixed.

Section 5. 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, 2012 and ending September 30, 2013 of \$0.597 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 2012.

Section 6. 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 7. 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 8. 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 9. 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 10. 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 11. This Ordinance shall be in effect from and after its final adoption.

Section 12. All ordinances and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

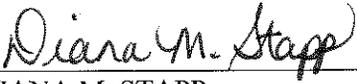
APPROVED first reading the 25th day of September, 2012.

APPROVED second reading the _____ day of _____, 2012.

PASSED AND ADOPTED the 25th day of September, 2012.

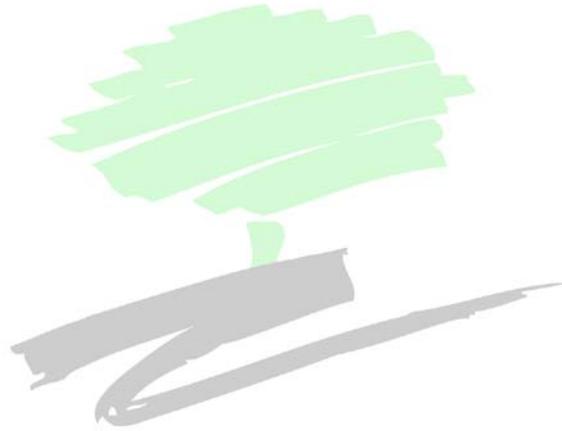

TIMOTHY PAULISSEN
Mayor

ATTEST:



DIANA M. STAPP
City Secretary

SUSPENDED THE RULE AND ADOPTED ON FIRST AND FINAL READING



LEAGUE CITY

T E X A S
LIVE IT. LOVE IT.

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