

## MEMORANDUM

---

**TO: Mayor and Council Members**

**FROM: Brian Maxwell, City Manager**

**DATE: March 8, 2015**

**SUBJ: City Manager's Report**

---

Attached for your review and information is the subject report for the period ending January 31, 2016. The report provides key operational results and project updates. Initiatives and projects continue to advance, as detailed below:

1. Contractors continue to make progress on the 43<sup>rd</sup> and 53<sup>rd</sup> Street reconstruction projects including the completion of water line tie-ins, road base preparations, and concrete pours at multiple intersections; both are progressing on schedule;
2. TCEQ began review of an environmental study completed by AECOM concerning the former municipal incinerator at #3 Lennox; the first public meeting is scheduled for March 8<sup>th</sup> to discuss the City's proposed Municipal Setting Designation (MSD) to restrict groundwater use;
3. Numerous projects are set to move forward with engineering design including the construction of a new Fire Station No. 1; the renovation and upgrades to the Airport Wastewater Treatment Plant; the rehabilitation of water storage tanks at the 30<sup>th</sup> and 59<sup>th</sup> Street pump stations; a new elevated storage tank at 59<sup>th</sup> Street; and neighborhood improvements to the infrastructure around the new Cedars community at 30<sup>th</sup> Street and Sealy;
4. The repaving of Seawall Boulevard from Ferry Road to 39<sup>th</sup> Street is awaiting confirmation from TXDOT; it is anticipated the City will receive approval in March 2016;
5. Rehabilitation of a portion of Market Street downtown is awaiting completion of additional environmental studies; once complete, the City will bid the project;
6. City crews began work for the TxDOT approved lane shift providing a designated turn lane on Broadway at 51<sup>st</sup> Street that will not impact the historic medians; target date of completion is March 8<sup>th</sup>;
7. Through a partnership with GISD, Galveston Career Connect, and the HFD, GFD continues to support the Casey Fire Ops program with 45 students participating in the EMS/paramedic career path curriculum at BHS; training classes were held to introduce students to the field and provide an opportunity to shadow Firefighters;
8. The EOC has initiated a new emergency notification system that offers more efficient and expeditious methods of notifying the public in the event of an emergency including a public app and online portal as well as a toll free hotline in addition to notification via text, voice call, and email; and
9. In conjunction with the Port of Galveston, the new Galveston Transit Terminal officially opened on February 23<sup>rd</sup> and is now the main hub for public transit on the Island.

If any of the report's contents raise questions, or if you seek clarification on any of the discussion items, please contact me directly.

## **CITY MANAGER’S REPORT – JANUARY 2016**

### **IDC NEIGHBORHOOD IMPROVEMENT PROJECTS IN PROGRESS**

#### *27th Street Corridor Master Plan (District 1, 2):*

Design team is working to finalize the construction drawings; a coordination meeting with the consultant (PBK), GISD, and staff is planned for February. PBK is expecting to provide cost estimates by March 2016.

---

#### *5301 Avenue S and Sandhill Crane Soccer Complex – Park Improvements (District 4, District 5, District 6):*

Consultant (Burditt) has gathered input from a number of stakeholders with GISD, Chamber, CVB, other organizations, and the general public. Burditt will incorporate all input into a draft design.

---

#### *Downtown Streetlights (District 3):*

CenterPoint and AECOM are coordinating the timing of light installation and roadway reconstruction.

---

#### *Future Lee and Joe Jamail Bay Park, aka Washington Park (District 5):*

Park has been fenced off and construction is underway; construction is expected to be complete 270 days from NTP.

#### *Offatt’s Point (aka Robert Cohen) Neighborhood traffic diverters at Broadway and 62<sup>nd</sup>, 63<sup>rd</sup>, & 64<sup>th</sup> Streets (District 5):*

Contractor (J.W. Kelso) began work the second week of January; construction is nearing completion.

---

#### *Harborside Drive Design Project:*

A stakeholder meeting is being coordinated.

---

#### *Beach Renourishment:*

The Park Board is working to secure private property easements with the plan to begin construction by September 2016.

---

#### *Additional Approved Projects as of January 28, 2016:*

- District 1 - Sidewalks, alleys, and a community garden.
- District 2 - Silk Stocking neighborhood sign and Menard Park and San Jacinto Park improvements.
- District 5 - Repairs to remaining sidewalks and curbs in Colony Park neighborhood.

### **SCHOLES INTERNATIONAL AIRPORT**

#### *South Hangar Taxiway Access*

Work continues on this project with an anticipated completion date in February 2016. The final walk through inspection is scheduled for February 19<sup>th</sup> at 11 AM. Work completed in January includes:

- 11,475 SY of Rebar was installed.
- 11,475 SY of 6.5” concrete pavement pours were completed.

- 11,475 SY of concrete sawing and sealing was completed.
- 194 SY of slope paving was completed.
- 746 LF of mandrel sanitary lines were completed.

#### *Fair Market Appraisal of Airport Property*

City Council approved the new ground lease rates for nine parcels of property on January 28, 2016.

---

#### *Airport Staff Training*

The American Association of Airport Executives (AAAE) with an ANTN Digicast Excellence in Airport Training Award recognized Scholes International Airport and its maintenance staff for its educational efforts in 2015. Only 25 general aviation airports qualified for this award in 2015.

The award signifies that airport employees and others working at each facility have completed a certain amount of federally- mandated, airport-specific and continuing-education training using [ANTN Digicast’s Web-based training system](#). The award levels are based on total training programs watched and total number of employees trained at each airport. Levels vary based on the airport’s size.

*TIRZ 14 and RDA Board Discussions of Airport Projects*

- Attended both the TIRZ 14 and RDA Boards to discuss the proposed 5-Year Airport Capital Improvement Program. Briefed both Boards on a proposed plan to use existing TIRZ 14 funds, which were given to the Airport to cover the cost of three projects that have been put on hold by TxDOT Aviation due to reduced FAA funding.
- Staff proposed the use of existing funding to hire a company to design and engineer several of the proposed projects. TxDOT Aviation has already agreed that they would apply the money the City spends on design and engineering toward the required 10 percent match, when the projects are funded.
- Both Boards approved the use of the funds to be applied towards the design and engineering of the proposed projects and any remaining money be applied toward future TxDOT Aviation grants.

---

*Ground Lease and Access Card Policies*

The Airport Advisory Committee reviewed the draft Ground Lease Policy and the Access Card Policy at its regular meeting on January 12, 2016. Working with City staff and the Airport Advisory Committee, staff anticipates completing both documents within the next two months. Once completed, staff will present to Council requesting approval.

---

*Airport Operational Statistics for January*

- January Fuel Flowage is 104,783 gallons of fuel, a 46.67% increase over last January fuel flowage and a 32.07% increase in fuel flowage year to date over last year.
- January Air Traffic Operations when the tower is open were at 2,194 operations. For January, traffic is down 8.26% from last January and down 2.52% for year-to-day operations.

**BUILDING DIVISION**

- During the month of January, 375 permits were issued with a job value of \$13,487,348.42 and a permit fee collection of \$89,987.03.

*Please see Appendix I.*

**CODE ENFORCEMENT DEPARTMENT**

The Code Enforcement Division continues to work with other City Departments with the Beautification and Compliance Initiative educating property owners of municipal codes/ordinances and encourage voluntary compliance. Staff are currently performing voluntary site visits along Harborside Drive.

Below are the stats for January:

- 43 Court Cases
- 29 properties were cleaned by the City
- 2 unsafe structures were demolished

**DISASTER RECOVERY PROGRAM**

*PROGRESS ON FEMA PROJECTS:*

- City staff made progress in January with closing out many small Project Worksheets and moving others out of the Finance Department and into the audit queue at the Texas Division of Emergency Management. Progress was made as well on two critical issues dependent upon FEMA to resolve: the approval of an "Improved Project" for the Main Wastewater Treatment Plant on Harborside Drive, which is tying up the closeout of 15 Project Worksheets and adjustments to insurance deductions that are tying up about a dozen more.
- FEMA is working to resolve the Wastewater Treatment Plant PW's by late February. The City and FEMA are working, as well, to resolve the insurance issues in February.
- As of late January 2016, 393 of the City's 518 PW's have been closed by the City, 44 are in Finance awaiting final budget reconciliation, 35 are pending collection of additional documentation and field verification, and 22 are awaiting resolution of FEMA issues. (These 22 include the 15 associated with the Main Wastewater Treatment Plant.) There also are 24 PW's in various stages of construction.
- Work continued in January on construction of the new Police Property Storage Building at 418 32<sup>nd</sup>

Street and major upgrades to Fire Station 7 in Pirates Beach and Fire Station 8 in Sea Isle.

- City staff continued in January to collect documentation for submitting a reimbursement

of approximately \$1.5 million from FEMA for previously completed fire hydrant repairs or replacements. The funding is being sought to help offset the cost of new repairs and replacements scheduled during 2016.

---

*PROGRESS ON CDBG ROUND 1:*

- A change order was approved by City Council in January for the Main Wastewater Treatment Plant. Work at the plant continues and is expected to be completed in late spring 2016. This is the final CDBG Round 1 project still under construction.

---

*PROGRESS ON CDBG ROUND 2.1:*

- Water line tie-ins, road base preparation and concrete pours continued on 43<sup>rd</sup> Street and 53<sup>rd</sup> Street throughout the month of January. The third Round 2.1 project – rehabilitation of a portion of Market Street downtown – is awaiting completion of additional environmental studies before the City can bid the project.

---

*PROGRESS ON CDBG ROUND 2.2:*

- The Texas General Land Office has begun issuing work orders to engineering firms that will assist the City with the Round 2.2 projects. The work orders allow the engineers to begin formal design leading to bid packages and construction.
- These work orders will allow the following projects to move forward with engineering design in February: Construction of a new Fire Station No. 1; renovation and upgrades to the Airport Wastewater Treatment Plant; rehabilitation of water storage tanks at the 30<sup>th</sup> and 59<sup>th</sup> Street pump stations; a new elevated storage tank at 59<sup>th</sup> Street; and a host of improvements to the infrastructure around the new Cedars mixed-income housing project at 30<sup>th</sup> Street and Sealy. This includes sidewalks, streetlights, two new transit shelters, ornamental fencing, landscaping, and other improvements.
- The Texas Commission on Environmental Quality in January began review of an environmental study completed by the engineering firm AECOM concerning the old municipal incinerator at #3 Lennox. This review will continue through the spring of 2016 and will include at least one local public meeting and public hearing before City Council. The study will help determine the City's path forward in terms of demolishing the old incinerator and addressing contaminated soils in the vicinity. No work can begin until TCEQ approves the demolition and cleanup process.

---

*DEEPWATER HORIZON FUNDING:*

- The City hosted several public meetings in January to discuss the Deepwater Horizon Spill funds. The meetings were well-attended and were a reflection of the interest in these new sources of money aimed at restoring the Texas Coast, building a more resilient island, and helping to boost the community's economy. The City will continue to host meetings monthly to ensure collaboration, communication, and some consensus on the types of projects that have the strongest chance of getting funded.

**EMERGENCY OPERATIONS CENTER**

- The EOC finalized a three year contract with SwiftReach911 for mass notification. This system will help the City notify citizens within minutes of an emergency situation or alert.
- The EOC conducted a Winter Weather Tabletop Exercise with partners within the county. The purpose of this exercise is to solidify winter weather plans in the event of severe winter weather in our area.
- The EOC also submitted the City's application for the Emergency Management Performance Grant (EMPG) this grant allows the city to expand on its Emergency Management program.

## **FACILITIES**

- Completed the City Hall Annex exterior painting project
- Re-lamped the Traffic Building
- Completed the renovations to the Texas Heroes Monument
- Managing the ongoing remodeling project for Fire Station's 7 & 8
- Handled and closed 278 work orders
- Remodeled Human Resources office
- Renovated the City Hall Elevator including new wall panels, flooring, and lighting
- Painted the men's and women's restrooms on the 4<sup>th</sup> floor of City Hall
- Installed new light fixtures in the men's and women's restroom on the 4<sup>th</sup> floor of City Hall

## **FINANCE DEPARTMENT**

- **The Finance Department** successfully completed a refinancing of the Water Works and Sewer System Revenue & Refunding Bonds, Series 2006 and Combination Tax & Revenue Certificates of Obligation, Series 2008 in January. This transaction was originally thought to save the City \$1.49 million on a net present value (NPV) basis. The final result was NPV savings of \$2.06 million or 10.54 percent of the principal amounts refinanced.
  - As a part of the same transaction, approximately \$1.6 million in excess cash in the Debt Service Fund was used to pay off the remaining principal balance of \$1.58 million due on the General Obligation and Refunding Bonds, Series 2005. The excess cash in the Debt Service Fund was identified and confirmed through a joint effort with the City Auditor's office that reviewed and reconciled financial records from 1994 to 2016. This effort also resulted in \$1.16 million being returned to the Industrial Development Corporation for overpayments of sales tax secured debt from 2012 and prior. Many thanks go to the City Auditor for pointing out the need for the reconciliation effort and the potential that the IDC might be due some kind of refund as a result of it.
  - Sales tax projections are updated through February including the most recent information from the State Comptroller's Office. And the new Sales Tax Area Reports are updated through January.
- **The Purchasing Division** opened bids for Bulk Fuel, Pipes & Parts, and Street Materials. Bids for Heavy Equipment Rental, Junk Vehicle Towing, and Fleet Facility's Driveway Repairs were prepared and opened an RFP for a Branding and Marketing Strategy.
  - Purchasing assisted various departments with purchasing items through Purchasing Cooperative Contracts with other governmental entities; assisted Fleet Services in locating a trailer vendor on HGAC Purchasing Cooperative that met the specifications of their needs and assisted Public Works in locating a State Cooperative Purchasing Contract for paint.
  - Staff completed 218 requisitions into purchase orders, processed nine print shop work orders, and processed and reviewed December purchase card transactions for forty-three purchase card users.
- **The Accounting Division** continued progress on the preparation of the schedules for the 2015 Comprehensive Annual Financial Report and the auditors, Whitley Penn, completed fieldwork testing.
  - Effective 1/27/2016, the Finance and Accounting team successfully transitioned to an automated system for tracking fixed assets, which have been managed in disparate independent spreadsheets. The implementation included conversion of all existing asset data through year end FY15 as well as assets acquired the current fiscal year; FY16 YTD 129 unique invoices totaling 181 potential assets. This implementation provides substantial value to the operations, including improved communication and visibility while providing accurate, timely and complete asset management information for all levels in the organization. Overall, the value of the implementation reduces cost and increases operational efficiencies to the City. Documentation and training are underway and ongoing.
  - The Grants staff completed the close out of fifteen FEMA project worksheets bringing the overall total to 408. Work continues on the remaining project worksheets in the

Finance Department portion of the Ike closeout queue.

- **The Budget Office** prepared the fiscal year 2016 First Quarter Budget Report, including projections for FY 2016 year end (September 30, 2016) revenue and expenditures for each of thirty two operating funds and cash flow analysis for twenty capital project funds. Also, supported agenda item processing and analytical support for Accounting and Debt Service reconciliations. To view the report, visit the City's website at <http://cityofgalveston.org/DocumentCenter/Home/View/4149>.
- **The Utility Customer Service Division** Effective January 20<sup>th</sup>, checks from customers for water bill payments are being scanned into the payment billing system. Posting payments electronically increases both the efficiency and the accuracy of posting customer payments. Customer's payment files are transmitted to the bank electronically daily resulting in the City of Galveston receiving same day credit for checks submitted.
  - As of January 31, Customer Service has received over 1,600 requests from water customers for refunds of overpayments they made while responsible for a water account. Over two hundred have been processed on a first received, first processed basis, but much work remains. Additional personnel and management attention will be focused on this project with the goal of

completion by March 31. Please bear in mind that it is a claims process requiring that every request must be reviewed to ensure that the customer was/is current for payment purposes in all accounts before any refund can be processed.

- Customers choosing to pay their water bill online using a credit card effective February 1st will no longer be required to pay a \$2.75 convenience fee. This saves current credit card-paying customers approximately \$50,000 a year. With this fee lifted, hopefully the number of credit card paying customers will increase.
- Customers that are signed up for autopay that use their credit card as the method of payment were contacted by letter, email, and phone informing them that they would be required to re-register their autopay information in order to continue using autopay after February 1.
- Utility Billing continued to update the billing system for new meter endpoints numbers that are being changed out by public works that totaled 1,396.
- **Municipal Courts** January and FY 2016 to date production reports also are attached. Through January, trends in traffic fine collections are on budget. Parking revenue is running somewhat behind budget, however.

**Please see Appendix II** (Refunding Presentation), **Appendix III** (Sales Tax Overview), **Appendix IV** (Galveston Area Sales Tax Summary), and **Appendix V** (Municipal Courts History).

## **FIRE DEPARTMENT (GFD)**

### *Statistical*

During the month of January, GFD responded to 480 incidents. Personnel conducted 189 commercial business inspections, issued 55 permits for a total of \$5,590.00. Personnel also completed 3,609 hours of training.

---

### *Emergency Operations*

Of those 480 incidents, personnel dealt with \$7,442,050.00 of property with a recorded fire loss of \$107,050.00 while personnel saved \$7,335,000.00. On January 19, GFD responded to Santa Fe to assist with a large house fire. On January 24, GFD responded to a vehicle accident at 53<sup>rd</sup> & Broadway where two people were trapped in the wrecked vehicle. Both were successfully rescued after an extensive extrication operation.

---

### *New Firefighters*

Four new Firefighters (Austin Brinkley, Thomas Hoff, Jeremy Progner & Mark Flanagan) were hired on January 11, 2016. GFD welcomes them to the department and look forward to many good years with them.

### CASEY Fire Ops

Through the partnership with Ball High, Career Connect and the Houston Fire Department, GFD continues to support the Casey Fire Ops program with 45 students at BHS. These students have expressed an interest in becoming Firefighters and/or Paramedics. GFD will be holding various training classes and the Juniors & Seniors will have an opportunity to shadow Firefighters in the next few months. The goal is to motivate and assist some of these students so they can receive the needed education and start a career with GFD once they graduate from High School.

### **HUMAN RESOURCES**

- Received and processed **1046** new applications
- Hired **13** new employees and **4** new Firefighters
- HR held a safety meeting with utilities-Public Works regarding Harassment Policy.
- Casey Fire Ops/Human Resources and Galveston Community College Coordinator Bob Brundrett held a training along with Houston Firefighters at Ball High School.
- Casey Fire Ops/Human Resources and Galveston Community College Coordinator Bob Brundrett received a Proclamation from City Council.
- The HR Director/City Manager's Office interviewed for the Senior Projects Manager position.
- Discussing continuing education for City leadership with Galveston College; management and leadership training, TCEQ treatment courses and computer training will be available.
- Port employees became part of the City's health plan effective January 1, 2016; staff effectively enrolled Port employees on plan.
- HR Director along with Health board members amended the Boon Chapman Gym incentive program; employees that are on the City medical plan are encouraged to take advantage of the exercise program; employees that attend a gym 9 times per month will be reimbursed monthly.
- HR Director advertised both the City Attorney and Chief of Police positions on various sites.
- HR Administrative Assistant began working on a new program for online on-boarding for current employees and new hires with CivicHR.
- Civil Service Commissioner meeting was held to appoint a new Chairperson and Vice Chair.
- HR staff welcomed new member Theresa Merrill; Theresa's role is to identify training needs and any personnel changes within the department.
- HR staff and Safety Officer Jose Salinas met with the Accident Review Board to discuss every incident in the last few month and to determine whether the accidents were preventable.
- Human Resources/Civil Service Director posted the Driver's test for GFD, which will take place March 3<sup>rd</sup> and 4<sup>th</sup>.
- Director identified gap in employee coverage; worked with agent on acquiring responses for long term disability.

### **ISLAND TRANSIT**

Island Transit had 57,397 total passengers boarding for the month of January.

*Please see Appendix VI.*

### **MUNICIPAL GARAGE / FLEET SERVICES**

The Fleet Facility is a day-to-day service operation that includes the Municipal Garage and the Island Transit Garage:

- Mechanics worked on 400 vehicle work orders within the month and performed:
  - General Repairs - 633
  - Accident Repairs - 13
  - Recall Repairs - 3
  - PM's - 111
  - Repairs from PM's - 173
  - Road Calls - 63
  - Other Repairs - 0
- Provided 59,906 gallons of fuel for city and outside organizations.
- Re-decating older fleet vehicles with newly designed decals.
- Provided follow up fleet support for the Port of Galveston and Galveston County repair shops.

---

#### *Trolley Service Revitalization*

- Moving forward with the repairs to the Galveston Trolley System
- HDR Engineers are updating the track plans before merging with the drainage plans to go out to bid

- HDR Engineers are to evaluate the building for needed repairs, then compile the construction documents

*Construction Projects*

- The Transit Terminal continues in final phase of construction.

- The Island Transit Bus Wash continues with the construction.
- Seawall Improvements have been awarded and are in the permitting process.

**GRANTS & HOUSING DEPARTMENT**

- Staff successfully processed a drawdown of \$80,631.85 in CDBG/HOME funds to reimburse the City for eligible expenditures. **(HUD Regulatory Requirement)**
- Staff conducted five (5) desk audits on CDBG funded City Department Projects to ensure that the activities and expenditures are eligible, allowable, and conforming to the grant.
- Staff successfully entered all CDBG/HOME project accomplishments into HUD’s IDIS System. **(HUD Regulatory Requirement)**
- Staff attended a Pre-construction conference for the Hollywood Heights Sidewalk Project and led the discussion regarding Section 3 compliance and Davis Bacon Requirements with the contractor and City staff. **(HUD Regulatory Requirement)**
- Staff facilitated a Pre-Construction Conference and Contract Signing Meeting with a homeowner who will be receiving housing rehabilitation services.
- Approved 2 low-moderate income families for the City’s Homebuyer Assistance Program, where they are eligible to receive up to \$14,500 in down payment and closing cost assistance under the HOME Investment Partnership Program. **(HUD Regulatory Requirement)**

- Staff is currently working on 2016 CDBG and HOME Planning efforts in the development of a list of projects for funding consideration. Coordinated and met with Public Works staff for a possible infrastructure project. **(HUD Regulatory Requirement)**
- Completed the Environmental Review elements of the 2015 Sidewalk Project and submitted the Historical 106 Review to TX Historical Commission. **(HUD Regulatory Requirement)**
- City’s HOME Community Housing Development Org. (CHDO) currently has 1 single-family housing unit under rehabilitation to be completed and offered for sale to a low-moderate income homebuyer. **(HUD Regulatory Requirement)**
- Staff met with architect and 2 low-moderate income homeowners to finalize and sign off on work-write-ups to be bid out for rehabilitation assistance and 1 low-moderate income homeowner to review plans and initiate final changes for the reconstruction of the housing unit.
- Staff provided technical assistance to the City of Baytown and provided them with the City’s Housing Rehabilitation Guidelines as a future model.

**PARKS & RECREATION**

*McGuire Dent Recreation Center*

- Attendance: Adults – 5,630; Youth – 1,460
- Adult activities included general workouts, kardio kickboxing, aerobox, pickle ball, badminton, and pick-up basketball
- Youth activities included after school program, homework help, Monday through Thursday free

- healthy snack program, arts and crafts, karate, and football
- In addition, 5 community meetings and 3 trainings were held at the recreation center

*Wright Cuney Recreation Center*

- Attendance: Adults – 458; Youth – 1,885
- Adult activities included parenting classes, and support group meetings, Latin dance, pick-up basketball, and Senior Citizens Bingo
- Youth Activities included After School Program, homework help, Mondays and Wednesdays free

- healthy snack program, arts and crafts, and basketball
- 2 new Precor treadmills and 1 new Precor recumbent bike were purchased

*Maintenance*

- Crews continue to mow and maintain esplanades on Broadway/IH-45 from 59<sup>th</sup> Street to Causeway
- Crews continue to mow and maintain all City parks, ball fields, esplanades, and cemeteries
- Trimmed palm trees on Central City Blvd.
- Completed installation of new playground at Schreiber Park

---

*TRAPS (Texas Recreation and Park Society) Convention Planning*

- Barbara Sanderson and John Armstrong continue meeting with Dr. Michael Anne Lord, Executive Director of TRAPS, concerning the 2016 Conference in Galveston

**DEVELOPMENT SERVICES DEPARTMENT**

*Please see Appendix VII.*

**POLICE DEPARTMENT**

- 793 reports taken
- 459 arrests made
- 5,645 total calls made

**PUBLIC WORKS DEPARTMENT**

**Projects in Design:**

Market Street CDBG Round 2.1 between 14th and 33rd Street: *95% in final review \**  
Engineer: AECOM

65<sup>th</sup> Street CDBG Round 2.2 Project (Golf Crest to Heards Lane): *95% complete \**  
Engineer: Costello, Inc.

Saladia Street CDBG Round 2.2 Project (Stewart Road to Heards Lane): *95% complete \**  
Engineer: Costello, Inc.

69<sup>th</sup> Street CDBG Round 2.2 Project (Seawall to Stewart Road): *90% complete \**  
Engineer: Binkley & Barfield

Avenue S CDBG Round 2.2 Project (53<sup>rd</sup> Street to 61<sup>st</sup> Street): *90% complete \**  
Engineer: Binkley & Barfield

Sealy Street CDBG Round 2.2 Project (25<sup>th</sup> Street to 33<sup>rd</sup> Street): *90% complete \**  
Engineer: AWC Engineers

51<sup>st</sup> Street CDBG Round 2.2 Project (Broadway to Post Office Street): *90% complete \**  
Engineer: AWC Engineers

***\*All the current CDBG-funded street projects are delayed due to the need to complete environmental assessments for each project.***

Bay Harbor Sanitary Sewer System: *95% complete*  
Engineer: HDR

Indian Beach Sanitary Sewer System: *92% complete (TXDOT comment received and in review)*  
Engineer: HDR

Sea Isle Drainage: *95% complete (awaiting USCOE permit confirmation)*  
Engineer: HDR

Bridgeblock Alternative Study: *100% complete (initiating Phase 2 for specific locations)*  
Engineer: Dannenbaum

CIP Harborside Drive and Post Office Street Storm Sewer System Repair Projects  
Projects 1, 2, 3, 4, & 6: *100% complete* (Preparing to bid)  
Project 5: *95% complete*  
Engineer: Dannenbaum Engineering

Traffic Study of the 61st Street and Seawall Boulevard intersection: *100% complete (under review)*  
Engineer: Kimley-Horn and Associates

25<sup>th</sup> Street Drainage Project: *95% complete*  
Engineer: HDR

Trolley Track Rehabilitation Project: *95% complete*  
Engineer: HDR

26th Street from Church Street to Avenue N, 95% complete (scope being assessed due to high cost estimate)

Engineer: ARKK Engineering

(Environmental Assessment completed and under review by FEMA)

Engineer: LJA Engineering

Reconstruction and Expansion of the Seawolf Park Wastewater Treatment Plant: 95% complete

Avenue L Drainage Improvements at 62<sup>nd</sup> and 63<sup>rd</sup> Streets: 95% complete

Engineer: Shelmark Engineering

---

### **Bids Received**

Stewart Road Sidewalk (81<sup>st</sup> St to Sand Hill Crane Complex) TIRZ 14 Project: *Bids Opened*

Engineer: Halff Associates

Low Bidder: J. W. Kelso

Awaiting Council Approval

Roadway Rehabilitation 19<sup>th</sup> Street: *Bids Opened*

Engineer: LJA Engineering

**Project being rebid.**

Roadway Rehabilitation 41<sup>st</sup> Street: *Bids Opened*

Engineer: LJA Engineering

**Project being rebid.**

---

### **Contracts Being Processed**

Bermuda Beach Sanitary Sewer Improvements

Engineer: Carollo Engineers

**Being re-awarded to next lowest bidder.**

Seawall Boulevard Paving Project (Ferry Road to 39<sup>th</sup> Street)-Awaiting confirmation from TXDOT

Low bidder: Angel Brothers

Award Date: July 2015 (by TxDOT)

Anticipated Start: March 2016

### **Projects Under Construction:**

Fire Station 7 & 8

Low bidder: Building Galveston, Inc.  
(Building Solutions)

Scheduled Completion: June 2016

% Complete: 55%

43<sup>rd</sup> Street Reconstruction Broadway to Avenue U CDBG Project

Low bidder: Main Lane Industries Ltd.

Scheduled completion: May 2016

% Complete: 75%

59<sup>th</sup> Street Pump Station Reconstruction

Low Bidder: Cardinal Contractors

Scheduled Completion: October 2017

% Complete: 35%

53<sup>rd</sup> Street Reconstruction Broadway to Seawall CDBG Project

Low bidder: Webber, LLC.

Scheduled completion: June 2016

% Complete: 80%

New Freedom Grant ADA Ramp Project

Low bidder: J.W. Kelso

Scheduled Completion: February 2016

% Complete: 97%

81<sup>st</sup> Street & Stewart Road Traffic Signal Project

Low bidder: Midasco

Scheduled Completion: February 2016

% Complete: 60%

Main WWTP Reconstruction

Contractor: Balfour Beatty Infrastructure, Inc.

Scheduled completion: May 2016

% Complete: 91%

Broadway Pedestrian Signal Project

Low bidder: Midasco

Scheduled Completion: February 2016

% Complete: 99%

Galveston Police Property Storage Room  
Low bidder: J. W. Kelso  
Scheduled Completion: June 2016  
% Complete: 55%

Sanitary Sewer Rehabilitation Project  
Low bidder: T-Con  
Scheduled Completion: Annual Contract  
% Complete: 95%

Fire Hydrants  
Low bidder: T-Con  
Scheduled Completion: Annual Contract  
% Complete: 20%

Offatt's Point Neighborhood Improvements  
Low bidder: J.W. Kelso  
Scheduled completion: June 2016  
% complete: 95%

Lift Station #57 Reconstruction in Spanish Grant  
Low bidder: Boyer, Inc.  
Award Date: December 2015  
Anticipated Start: February 2016

Hollywood Heights CDBG Sidewalks Project (61<sup>st</sup>  
Street to 74<sup>th</sup> Street and Heards Lane to Jones Drive)  
Low bidder: J. W. Kelso  
Scheduled completion: March 2016  
% complete: 5%

14<sup>th</sup> Street Storm Drain Repair (located within the  
Port of Galveston)  
Low bidder: Texas Gulf Construction  
Scheduled completion: February 2016  
% complete: 45%

29<sup>th</sup> Street Storm Drain Repair (located within the  
Port of Galveston)  
Low bidder: Webber, LLC  
Scheduled completion: April 2016  
% complete: 0%

---

**COMPLIMENTS FOR PUBLIC WORKS**

**Sent:** Friday, December 11, 2015 3:58 PM

**Subject:** Compliment on Charlie

I just wanted to give Charlie Baldwin a compliment. We had some missed carts that I called out to Charlie a little earlier that I thought the morning crew could possibly get tomorrow morning. Charlie just called me back and said that he went back to the yard and got a truck and him and a crew member went out and picked up those missed carts. I feel like Charlie went above and beyond to get those missed carts taken care of before heading into the weekend, and I really appreciated it.

---

**Sent:** Thursday, January 14, 2016 6:59 PM

**To:** Paul Booth <[BoothPau@cityofgalveston.org](mailto:BoothPau@cityofgalveston.org)>

**Subject:** Re: Alley at 1311 18th

Paul,

I just wanted to say thank you for the big improvement to my alley. The crew was courteous and the job well done! Thank you and the City of Galveston.

---

**Sent:** Thursday, January 14, 2016 10:16 AM

Good Morning,

The resident from 22517 Bay Point Dr called to compliment Jeremy & his crew for a job well done. Bernard authorized a one-time pick up of items from a trailer and the resident said Jeremy & the crew went above and beyond his expectations. It was pouring down rain and they were out there picking up items and went to clean the area around the trailer. The resident said that was not necessary. If we could let them know the resident's gratitude for their service today.

---

**Sent:** Wednesday, January 27, 2016 10:07 AM

Good Morning,

Helen Mills called yesterday from 2709 Palm Cir W regarding a stoppage they were experiencing. She called back this morning to say thank you to the crew that came out to her mother's home. She said the crew was very courteous and they made sure to explain everything to them. They were also help with an issue on the city's side. If we could pass this along to the crew that was at their home yesterday please.

**Sent:** Tuesday, January 12, 2016 1:12 PM

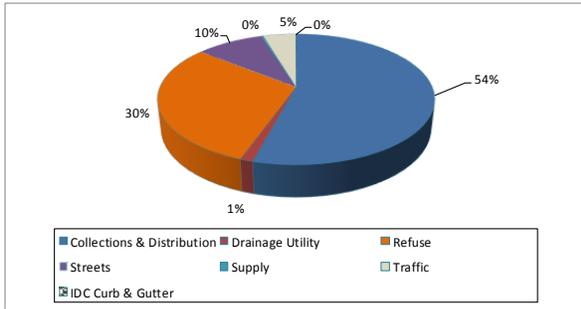
Hi this is -----, I live on Mendocino Drive in Pointe San Luis subdivision and I like to compliment your City Water people works, folks they been working out here. They got here on Thursday and they stayed until about 11 o'clock Thursday night to make sure we got water and that was really nice of them and I just wanted to call you and tell you that they are doing a good job. I think Dan was the construction superintendent on that job and 2 or 3 other guys were with him. it was real nice and it is a pleasure to have them taking care of the City of Galveston, taking care that was water out here, so thank you so much and just let him know, let them know of the compliment please, thank you, bye bye. **(Crew: Howard Hudson, Rondy Smith, Aby Rivera, Daniel Lancaster, Royal Norwood, Paul Brown)**

---

## SERVICE REQUESTS YEAR TO DATE (FY 2016)

### OVERALL

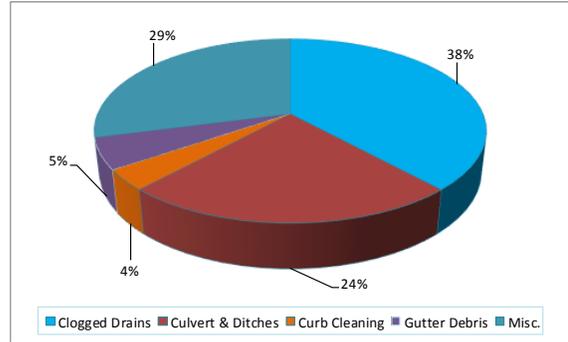
Collections & Distribution	Drainage Utility	Refuse	Streets	Supply	Traffic	IDC Curb & Gutter
4,364	102	2,438	754	23	366	5



Total Request for Service YTD: 8,052

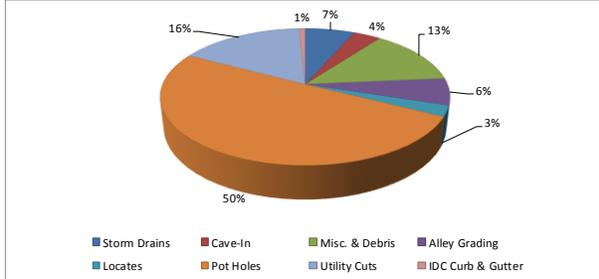
### DRAINAGE

Clogged Drains	Culvert & Ditches	Curb Cleaning	Gutter Debris	Misc.
36	27	3	6	30



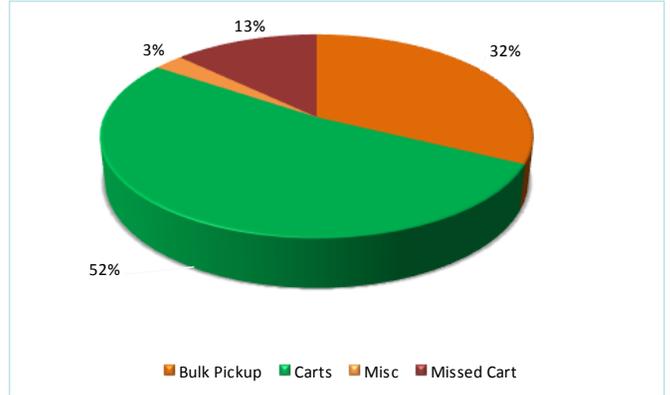
### STREETS

Storm Drains	Cave-In	Misc. & Debris	Alley Grading	Locates	Pot Holes	Utility Cuts	IDC Curb & Gutter
42	23	84	40	16	318	104	5



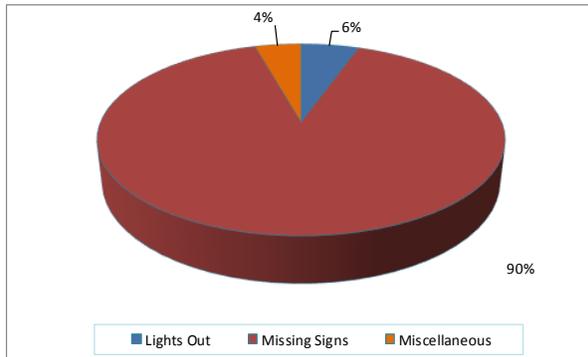
### SANITATION

Bulk Pickup	Carts	Misc	Missed Cart
818	1239	64	317



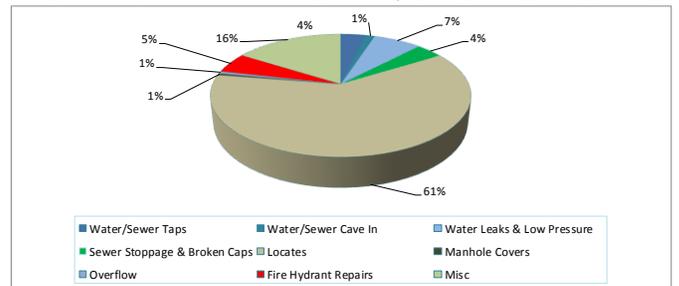
### TRAFFIC

Lights Out	Missing Signs	Miscellaneous
35	319	12



### WATER DISTRIBUTION & SEWER COLLECTION

Water/Sewer Taps	Water/Sewer Cave In	Water Leaks & Low Pressure	Sewer Stoppage & Broken Caps	Locates	Manhole Covers	Manhole Overflows	Fire Hydrant Repairs	Misc
157	58	300	170	2,601	19	26	226	682

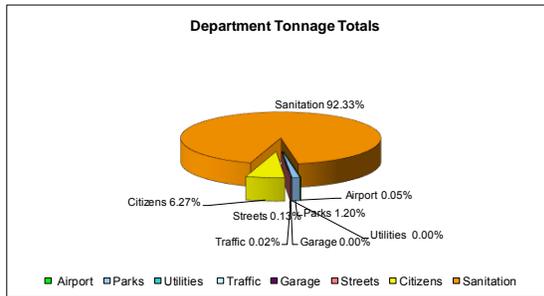
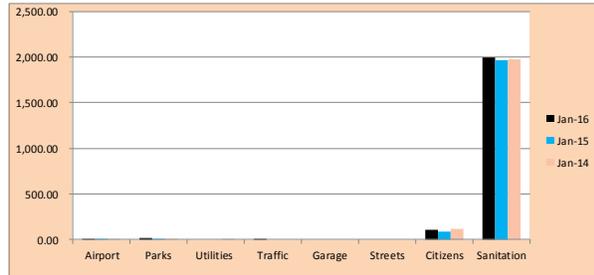


## SANITATION

Service Type: Bulk Pickup: 214  
 Carts (Delivery, Repair, Pickup) 262

### TRANSFER STATION

	Airport	Parks	Utilities	Traffic	Garage	Streets	Citizens	Sanitation
Jan-16	2.78	20.76	0.00	1.73	0.00	0.00	108.87	1,995.37
Jan-15	0.56	7.64	0.00	0.00	0.00	0.00	90.04	1,968.48
Jan-14	6.65	10.23	0.67	0.00	0.00	0.00	118.85	1,974.76



## PUBLIC WORKS January 2016

Traffic Division	
Signs Installed	32
Traffic Lights Repaired	90
Pedestrian Signals Installed	1
Special Events Worked	2
Streets Division	
Pot Holes Repaired	26
Pot Holes Repaired by DuraPatcher	417
Utility Cuts Repaired	31
Large Projects	0
Culvert Installations	4
Alleys Graded	23
Street Sweeping (miles)	224
Ditch Clearing (feet)	0
Ditchline Mowing (feet)	0
Drainage Division	
Curblin Cleaning (blocks)	12
Storm Sewer Cleaning (feet)	3,774
Environmental Spills	0

## Eco Center Activity Report December 2015

Materials	Tons
Paper	36.2
Cardboard	34.9
Glass	23.7
Aluminum	0.6
Scrap Metal	14.3
Plastic	13.2
Brush	59.0
E Waste	9.5
Styrofoam	0.3
<b>Total for Month</b>	<b>191.6</b>

Materials	
Tires (each)	182
Batteries (each)	10
Used Oil (gallons)	400

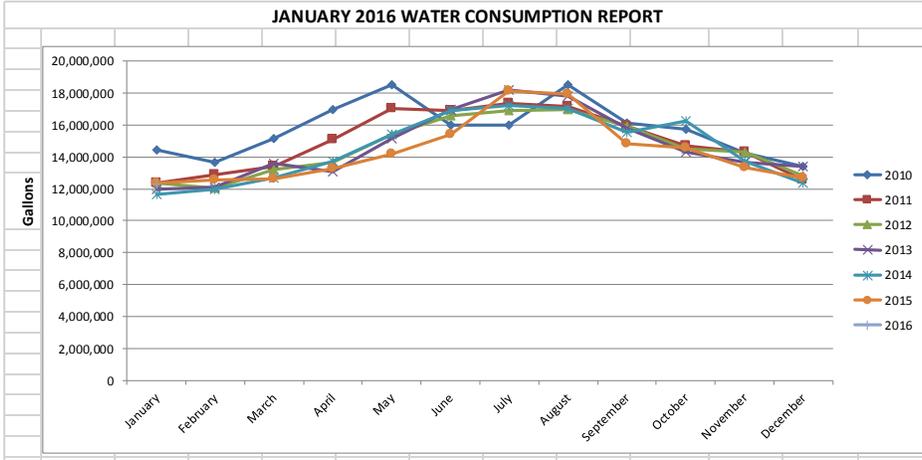
Materials	Cubic Yards
Mulch Produced	0

Customers	Total Customers
Senior Services	113
Cars Using Drop Off Recycling	10,022
Brush Trucks	236
Residents Receiving Mulch	14
<b>Total for Month</b>	<b>10,385</b>

# UTILITY OPERATIONS

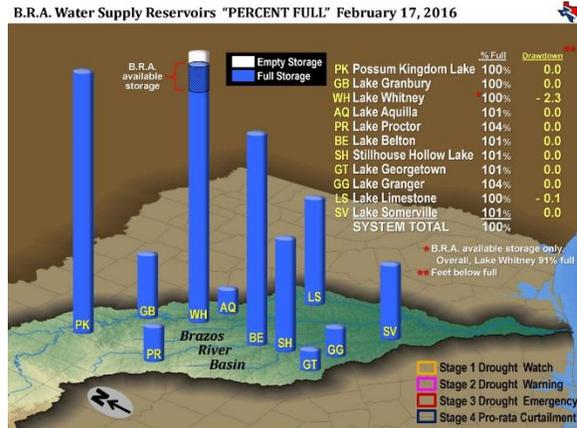
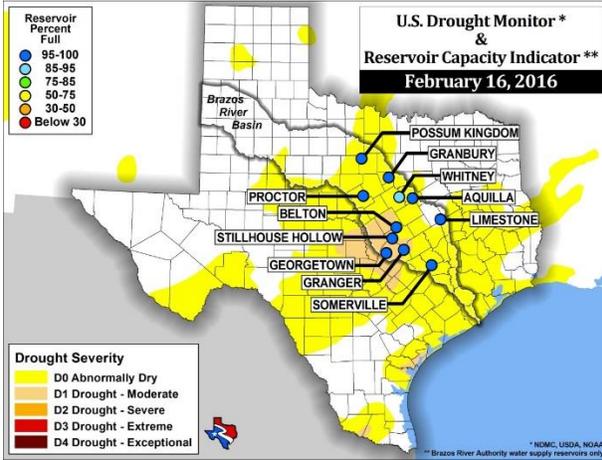
## SUPPLY DIVISION:

### JANUARY 2016 WATER CONSUMPTION REPORT



Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	14,441,613	13,685,536	15,130,000	16,994,500	18,557,977	15,986,757	16,008,370	18,558,133	16,121,867	15,757,548	14,232,667	13,397,097
2011	12,361,290	12,871,929	13,405,355	15,093,828	17,021,355	16,900,241	17,388,613	17,175,968	15,961,067	14,724,379	14,278,333	12,578,258
2012	12,353,548	12,050,000	13,190,161	13,677,300	15,405,323	16,587,367	16,897,871	16,951,935	15,943,167	14,509,355	14,329,300	12,810,387
2013	12,005,677	12,078,750	13,597,667	13,091,767	15,122,581	16,965,833	18,214,452	17,797,968	15,827,900	14,289,452	13,649,500	13,370,903
2014	11,678,774	11,978,607	12,715,065	13,738,100	15,415,806	16,879,567	17,201,484	17,045,935	15,531,567	16,228,645	13,735,900	12,342,129
2015	12,379,129	12,532,429	12,637,000	13,247,000	14,186,000	15,387,333	18,119,065	17,962,387	14,821,400	14,599,742	13,365,367	12,698,097
2016	12,273,290											

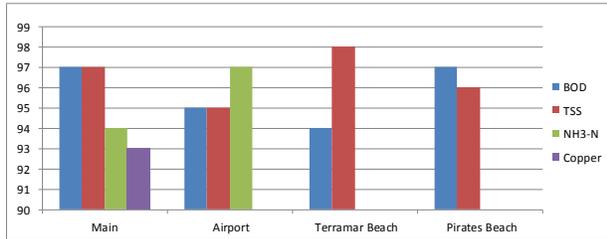
### BRAZOS RIVER CONDITIONS



## WASTEWATER

Monthly Report January 2016							
Million Gallons Per Day			Average Mg/L				
Plant Flow	Average	2 Hr Peak	Copper	Entero	BOD	TSS	NH3N
Main	5.445	12,586	0.002	11.2	2.7	2.7	0.138
Airport	2.271	7,500	0.022	12.5	4.0	2.9	0.022
Terramar	0.018	0.030	N/A	10	2.7	2.0	N/A
Pirates	0.004	0.0200	N/A	10	2.2	2.9	N/A
Seawolf Park Under Design							
Permit Limits							
Plant Flow	Average	2 Hr Peak	Copper	Entero	BOD	TSS	NH3N
Main	Report	18,840	0.051	35	10	15	2
Airport	Report	7,812	0.0121	35	20	20	N/A
Terramar	Report	1,042	N/A	N/A	10	15	N/A
Pirates	Report	1,300	N/A	35	20	20	N/A

*Pirates Beach Plant flow splits according to flow demand for the Golf Course. When demand is met the remaining flow is discharged into the Bayou. This flow is reported and mailed to T.C.E.Q on a MER - Monthly Effluent Report.*



\* **BOD - Biochemical Oxygen Demand**

\* **TSS - Total Suspended Solids**

\* **Copper**

**NH3-N - Ammonia as Nitrogen**

These are permitted parameters set by the Texas Commission on Environmental Quality removed by the Wastewater Treatment Plants.

Main Wastewater Treatment Plant Progress:

1. SBR 4 has been pressure tested.
2. SBR 4 will be brought online this Month.
3. SBR 5 & 6 constructed and Diffusers being installed to date.
4. OPS 2 still under construction with tile installed and Laboratory equipment being installed.
5. Weekly meetings with Contractor discussing seeding and training for SBR 4,5,6.

### INDUSTRIAL PRETREATMENT

Notices of Violation	1
Verbal Warnings	1
Denial Letters on Exemptions/Extensions	0
Consent Orders	0
Show Cause Orders	0
Emergency Water Suspension	0
Food Service establishment inspections	42
Food Service establishment inspections follow-up	0
Industrial inspections	0
Waste hauler inspections	83
Hauled waste received at main plant (gallons)	142,175
Total waste hauler bill	\$6,230.00
Sanitary Sewer Overflows (SSO's ) Inspections made	1
Witness pumping event	0
UTMB Ph Testing	0

Other activities included:

Data entry for pretreatment software. Data entry for FOG software. Investigation of sanitary sewer complaints. Wastehauler billing. Inspected sewer mains. Tracking SSO's. Reconciling waste hauler tickets. Meeting with Restaurant Owners. Show Cause Hearings.

## DISTRIBUTION, COLLECTION, & METER DIVISIONS

DISTRIBUTION DIVISION	Monthly Total	FYTD
New water taps installed	20	125
Water main installed	700	790
Killed Tap	1	3
Distribution system leaks repairs	63	158
Transmission line leaks repairs	0	56
Meter box installed	21	129
Valves installed / replaced	1	2
Valve repaired	0	2
Fire hydrant installed/ repaired	21	188
Property owners Leak	6	43
Low water pressure	17	55

COLLECTION DIVISION	Monthly Total	FYTD
New sewer taps installed	11	56
Repaired / replace sewer taps	6	39
Sewer taps / cleanout located	23	97
Collection point repairs	8	44
Cleanouts installed	42	104
Main line stoppages	86	386
Residential stoppages	85	272
Sewer line installed	22	230
Manhole installed	0	0
Manhole repaired / rebuilt	0	20
Manhole cover / rim replaced	1	14
Vaccum lift station	2	20
Clean outs cleared	26	88
Manhole Cleaned	31	174
Total Mains Cleaned	26	101
Total Footage Cleaned	7,275	26,918

METER DIVISION	Monthly Total	FYTD
Meter turn on	108	425
meter turn off	124	378
Delinquent off	9	97
Door notice left	0	13
Re-reads	577	2,363
Register Changes	1577	1890
Replace meter boxes / covers	43	119
T-Stop Repairs / Leaks	80	335
Installed New Meter	4	35
Pulled Meter	5	13
Large Meter- Surveys	27	199
Large Meter- Repairs	0	0
Large Meter- Re-Reads	0	112
Large Meter- Reg. Changes out	0	143

**43RD STREET PROJECT:** Called out to turn off of check valves for the contractor 12 times in January

**53RD STREET PROJECT:** Called out to turn off of check valves for the contractor 16 times in January

**5TH STREET & GALCERAN:** Installed 6 Inch water line on 5th Street north of Galceran in the Bay Harbor Subd.

## **SPECIAL EVENTS**

The City had two special events during the month, which included:

- Dr. Martin Luther King Jr. Parade
- Yaga's ChiliQuest

## **PUBLIC INFORMATION OFFICE**

- 324 new users "liked" the City of Galveston Facebook Page, increasing the followers from 4,963 to 5,287.
- A total of 14 press releases were sent to media contacts and posted to the "News Flash" portion of the City website, as well as City social media outlets and municipal TV channel 16 when applicable.
- Staff is working to feature each City department on Channel 16 highlighting department heads and employees; each video will include one-on-one interviews, an explanation of what role the department plays in the overall operations of the City, and footage of day-to-day activities.
- In conjunction with Technology Services and Facilities, staff is preparing to upgrade all municipal channel 16 equipment to improve audio/video output and enhance the channel's overall appearance to increase viewership; AT&T Uverse customers will have access to channel 16 once the upgrade is complete; the formal request will be presented to City Council in March.
- With an upcoming redesign, staff continues to research organizational and layout changes/updates that will aid in making the website more user-friendly, interactive, and less daunting.

## **TECHNOLOGY SERVICES**

- Fixed Assets Module for Banner – Technology Services worked with the Finance Department and an outside consultant to implement the Fixed Assets module in Banner. Technology Services provided technical guidance and supported the team on implementing this system. This is positive change in the way that the City does business.
- Focus Payment Processor for Water Payments – Technology Services worked with Customer Service, Finance, and the software manufacturer on the implementation of a new online merchant service for water payments. When UMS by CUSI was originally implemented, the City opted to go with the manufacturer's recommended online merchant service, First Data. The online merchant serves as the "middle man" by taking the payment information from the water payment software and verifying the customer's payment information to ensure it is valid. The payment is then formatted and sent to the City's back-end processor (the bank). First Data imposed high transaction fees assessed not just on the City but on the customer as well. Finance initiated an RFP to find an online merchant who could handle all merchant services needs across all software systems that handle credit card or online payments. As a result of this RFP, a new merchant services provider, Focus, was selected. UMS was chosen as the first software system to be converted to the new online merchant. After a testing period the changes were made to the live system and put in place. This has now dropped the charges down to a few cents per transaction and water customers no longer pay a convenience fee for using the online payment services.
- Barracuda SPAM Filter – Technology Services has completed the initiation of a new SPAM filter provided by Barracuda to increase the percentage of SPAM messages that get blocked by the filter. Previously the City had utilized software manufactured by GFI. This system will also allow the user more control over what gets tagged as SPAM.
- Water Refunds – Technology Services, Customer Service, Finance, and the software vendor have all worked together to complete the process of calculating and processing water refunds.
- Laserfiche – Technology Services, City Secretary, and MCCi have completed the process of implementing the new SQL version of Laserfiche. This is a much more capable version of the software that can be developed further with the addition of other departments. In addition, the creation of work flows within the system will greatly aid departments in the generation and routing of work documents.
- Facilities Dude Work Order System – Technology Services worked with the Facilities department and software vendor to implement a new work order tracking system that allows for the reporting of problems directly to the Facilities department by City staff. Staff can also check the status of and receive updates on the call placed. The Facilities department can route, update, and

monitor work orders using this system and keep complete records on the City's facilities including: details of facilities and related equipment; purchase dates, last date of maintenance, number of work orders related to a piece of equipment, and the costs associated with the maintenance of equipment.

- Patrol Monitoring Tools – Technology Services worked with City Manager and GPD on the implementation of real time tools for the

monitoring of emergency services vehicles including their location and status.

- Annual Banner Tax Upgrade – Every year the City performs a necessary update to the Banner system in preparation for the processing of taxes. The laws change annually and the system is updated to reflect these changes. This is a large task completed by the City's Database Team.
- New Interview Rooms in GPD – Technology Services worked with GPD to set up new interview rooms with recording equipment.

### **TXDOT – FERRY ROAD TRAFFIC**

The Galveston – Port Bolivar Ferries completed 1,469 trips, transported 99,180 vehicles, and held 314,446 passengers during the month of January.

***Please see Appendix VII.***

## **LIST OF APPENDICES**

- Appendix I: Building Division Permit Report
- Appendix II: Refunding Presentation
- Appendix III: Sales Tax Overview
- Appendix IV: Galveston Area Sales Tax Summary
- Appendix V: Municipal Courts History
- Appendix VI: Island Transit Ridership
- Appendix VII: Development Services Report
- Appendix VIII: TxDOT Ferry Traffic Report

## Number Permits Issued for period

from: 01-JAN-16To: 31-JAN-16

	Total#:	Job value:	Fee Total:	Payments:
<b>Building</b>	<b>375</b>	<b>\$13,487,348.42</b>	<b>\$89,987.03</b>	<b>\$89,987.03</b>
<b>Construction</b>	<b>121</b>	<b>\$12,784,972.42</b>	<b>\$66,367.03</b>	<b>\$66,367.03</b>
<u>Commercial Building Permit</u>	<b>18</b>	<b>\$7,658,185.00</b>	<b>\$40,224.75</b>	<b>\$40,224.75</b>
<u>Addition</u>	<b>2</b>	<b>\$3,762,000.00</b>	<b>\$18,189.00</b>	<b>\$18,189.00</b>
<u>New</u>	<b>3</b>	<b>\$3,661,935.00</b>	<b>\$17,873.25</b>	<b>\$17,873.25</b>
<u>Repair/Remodel</u>	<b>13</b>	<b>\$234,250.00</b>	<b>\$4,162.50</b>	<b>\$4,162.50</b>
<u>Residential Building Permit</u>	<b>103</b>	<b>\$5,126,787.42</b>	<b>\$26,142.28</b>	<b>\$26,142.28</b>
<u>Addition</u>	<b>22</b>	<b>\$320,870.82</b>	<b>\$6,370.00</b>	<b>\$6,370.00</b>
<u>Elevation</u>	<b>1</b>	<b>\$30,000.00</b>	<b>\$300.25</b>	<b>\$300.25</b>
<u>New</u>	<b>18</b>	<b>\$4,020,670.00</b>	<b>\$12,165.78</b>	<b>\$12,165.78</b>
<u>Repair/Remodel</u>	<b>62</b>	<b>\$755,246.60</b>	<b>\$7,306.25</b>	<b>\$7,306.25</b>
<b>Misc Construction</b>	<b>90</b>	<b>\$702,376.00</b>	<b>\$7,932.25</b>	<b>\$7,932.25</b>
<u>Demolition Permit</u>	<b>11</b>	<b>\$0.00</b>	<b>\$550.00</b>	<b>\$550.00</b>
	<b>11</b>	<b>\$0.00</b>	<b>\$550.00</b>	<b>\$550.00</b>
<u>Fence Permit</u>	<b>14</b>	<b>\$43,900.00</b>	<b>\$523.00</b>	<b>\$523.00</b>
<u>Repair</u>	<b>14</b>	<b>\$43,900.00</b>	<b>\$523.00</b>	<b>\$523.00</b>
<u>Roof Permit</u>	<b>56</b>	<b>\$504,176.00</b>	<b>\$4,018.00</b>	<b>\$4,018.00</b>
<u>Repair</u>	<b>56</b>	<b>\$504,176.00</b>	<b>\$4,018.00</b>	<b>\$4,018.00</b>
<u>Sign Permit</u>	<b>7</b>	<b>\$55,300.00</b>	<b>\$1,825.00</b>	<b>\$1,825.00</b>
	<b>7</b>	<b>\$55,300.00</b>	<b>\$1,825.00</b>	<b>\$1,825.00</b>
<u>Swimming Pool Permit</u>	<b>2</b>	<b>\$99,000.00</b>	<b>\$1,016.25</b>	<b>\$1,016.25</b>
	<b>2</b>	<b>\$99,000.00</b>	<b>\$1,016.25</b>	<b>\$1,016.25</b>
<b>Trade Permits</b>	<b>164</b>	<b>\$0.00</b>	<b>\$15,687.75</b>	<b>\$15,687.75</b>
<u>Electrical Permit</u>	<b>91</b>	<b>\$0.00</b>	<b>\$10,502.00</b>	<b>\$10,502.00</b>
<u>New</u>	<b>8</b>	<b>\$0.00</b>	<b>\$1,320.00</b>	<b>\$1,320.00</b>
<u>Retrofit</u>	<b>83</b>	<b>\$0.00</b>	<b>\$9,182.00</b>	<b>\$9,182.00</b>
<u>Mechanical Permit</u>	<b>73</b>	<b>\$0.00</b>	<b>\$5,185.75</b>	<b>\$5,185.75</b>
<u>Retrofit</u>	<b>73</b>	<b>\$0.00</b>	<b>\$5,185.75</b>	<b>\$5,185.75</b>
<b>PublicWorks</b>	<b>87</b>	<b>\$0.00</b>	<b>\$9,663.50</b>	<b>\$9,626.50</b>
<b>Permit</b>	<b>87</b>	<b>\$0.00</b>	<b>\$9,663.50</b>	<b>\$9,626.50</b>
<u>Irrigation Commercial</u>	<b>1</b>	<b>\$0.00</b>	<b>\$131.50</b>	<b>\$131.50</b>
	<b>1</b>	<b>\$0.00</b>	<b>\$131.50</b>	<b>\$131.50</b>
<u>Irrigation Residential Permit</u>	<b>5</b>	<b>\$0.00</b>	<b>\$225.00</b>	<b>\$225.00</b>

**Number Permits Issued for period**

from: 01-JAN-16

To: 31-JAN-16

<b>PublicWorks</b>	<b>87</b>	<b>\$0.00</b>	<b>\$9,663.50</b>	<b>\$9,626.50</b>
<b>Permit</b>	<b>87</b>			
<u>Irrigation Residential Permit</u>	<b>5</b>			
	<b>5</b>	<b>\$0.00</b>	<b>\$225.00</b>	<b>\$225.00</b>
<u>Plumbing Permit</u>	<b>81</b>	<b>\$0.00</b>	<b>\$9,307.00</b>	<b>\$9,270.00</b>
<u>Retrofit</u>	<b>81</b>	<b>\$0.00</b>	<b>\$9,307.00</b>	<b>\$9,270.00</b>



# **CITY OF GALVESTON**

## **REFUNDING PRESENTATION**

### **FINAL RESULTS**

---

**Hutchinson, Shockey, Erley & Co.**  
January 2016

**Jim Niederle**  
Senior Vice President  
jniederle@hsemuni.com  
Phone: (713) 429-5898

# EXECUTIVE SUMMARY

Hutchinson, Shockey, Erley and Company, as Financial Advisor, has analyzed the outstanding debt of the City of Galveston (“City”). We identified three issues that could be refunded to produce debt service savings to the City. The issues were as follows:

- General Obligation and Refunding Bonds, Series 2005
- Water Works & Sewer System Revenue & Refunding Bonds, Series 2006
- Combination Tax & Revenue Certificates of Obligation, Series 2008

We analyzed one method for refinancing the above mentioned bonds. Our recommendation was to issue bonds to refund the Series 2006 and 2008 Bonds and take a cash contribution from the City to pay off the smaller Series 2005 Bonds. We assumed the issuance of General Obligation Bonds even though the Series 2006 Bonds have only a Utility System revenue pledge. This approach is allowable under State law and has been used by the City in the past. The table below summarizes the preliminary analysis presented to the City in November of last year and the final results.

<b>City of Galveston – Summary of Refunding Analysis</b>		
	<b><u>Preliminary Analysis</u></b>	<b><u>Final Results</u></b>
Par Amount of Bonds Refunded	\$19,575,000	\$19,575,000
Par Amount of Refunding Bonds	\$17,010,000	\$17,365,000
Total Gross Savings	\$3,307,245	\$4,227,658
Net Present Value (PV) Savings	\$1,485,258	\$2,063,141
Net PV Savings as % of Bonds Refunded	7.86%	10.54%
Average Annual Savings	\$183,735	\$234,870
Average Coupon of Refunding Bonds	5.06%	5.06%
All-In Yield	3.11%	2.83%
Amount of Negative Arbitrage	\$625,132	\$442,212

# SAVINGS SUMMARY: REFUNDING SERIES 2006 & 2008, CASH DEFEASE SERIES 2005

Fiscal Year	Prior Debt Service	New Debt Service	Savings
2016	\$ 1,307,826	\$ 1,007,513	\$ 300,313
2017	\$ 1,773,538	\$ 1,422,500	\$ 351,038
2018	\$ 1,774,125	\$ 1,422,100	\$ 352,025
2019	\$ 2,442,500	\$ 2,061,100	\$ 381,400
2020	\$ 2,441,705	\$ 2,058,100	\$ 383,605
2021	\$ 1,516,180	\$ 1,266,850	\$ 249,330
2022	\$ 1,749,530	\$ 1,266,600	\$ 482,930
2023	\$ 1,750,949	\$ 1,269,600	\$ 481,349
2024	\$ 1,391,804	\$ 1,270,600	\$ 121,204
2025	\$ 1,389,804	\$ 1,264,600	\$ 125,204
2026	\$ 1,390,804	\$ 1,266,850	\$ 123,954
2027	\$ 1,388,398	\$ 1,266,850	\$ 121,548
2028	\$ 1,388,685	\$ 1,264,600	\$ 124,085
2029	\$ 1,391,410	\$ 1,265,100	\$ 126,310
2030	\$ 1,389,435	\$ 1,263,100	\$ 126,335
2031	\$ 1,389,545	\$ 1,264,950	\$ 124,595
2032	\$ 1,391,475	\$ 1,265,400	\$ 126,075
2033	\$ 1,389,960	\$ 1,263,600	\$ 126,360
<b>Total</b>	<b>\$ 28,657,671</b>	<b>\$ 24,430,013</b>	<b>\$ 4,227,658</b>

## Details of Refunding Analysis

### PV Analysis Summary

Net Present Value Savings	\$ 2,063,141
Net PV Savings / \$19,575,000 Refunded Principal	10.54%

# ELIGIBLE BONDS & MATURITIES: REFUNDING SERIES 2006 & 2008, CASH DEFEASE SERIES 2005

GO & Ref Bds  
Series 2005

Date	Principal	Current Coupon
5/1/2016	\$ 150,000	3.700%
5/1/2017	\$ 155,000	3.750%
5/1/2018	\$ 160,000	3.800%
5/1/2019	\$ 170,000	3.850%
5/1/2020	\$ 175,000	3.900%
5/1/2021	\$ 95,000	4.000%
5/1/2022	\$ 330,000	4.000%
5/1/2023	\$ 345,000	4.100%
	<u>\$ 1,580,000</u>	

WW&SS Rev  
Ref Bds  
Series 2006

Date	Principal	Current Coupon	Proj. New Rates	Difference
5/1/2016	\$ 690,000	3.850%	0.400%	3.45%
5/1/2017	\$ 715,000	4.000%	0.730%	3.27%
5/1/2018	\$ 745,000	4.100%	0.940%	3.16%
5/1/2019	\$ 775,000	4.000%	1.070%	2.93%
5/1/2020	\$ 805,000	4.000%	1.250%	2.75%
	<u>\$ 3,730,000</u>			

Comb Tax  
& Rev C/O  
Series 2008

Date	Principal	Current Coupon	Proj. New Rates	Difference
5/1/2019	\$ 665,000	5.000%	1.070%	3.93%
5/1/2020	\$ 700,000	4.500%	1.250%	3.25%
5/1/2021	\$ 730,000	4.500%	1.380%	3.12%
5/1/2022	\$ 765,000	4.625%	1.550%	3.08%
5/1/2023	\$ 800,000	5.000%	1.740%	3.26%
5/1/2024	\$ 840,000	5.000%	1.930%	3.07%
5/1/2025	\$ 880,000	5.000%	2.120%	2.88%
5/1/2026	\$ 925,000	5.125%	2.250%	2.88%
5/1/2027	\$ 970,000	5.125%	2.360%	2.77%
5/1/2028	\$ 1,020,000	5.125%	2.440%	2.69%
5/1/2029	\$ 1,075,000	5.300%	2.530%	2.77%
5/1/2030	\$ 1,130,000	5.300%	3.000%	2.30%
5/1/2031	\$ 1,190,000	5.300%	3.000%	2.30%
5/1/2032	\$ 1,255,000	5.300%	3.020%	2.28%
5/1/2033	\$ 1,320,000	5.300%	3.080%	2.22%
	<u>\$ 14,265,000</u>			

# City of Galveston, Texas

## General Obligation Refunding Bonds New Issue Report

### Ratings

#### New Issue

General Obligation Refunding Bonds,  
Series 2016 AA-

#### Outstanding Debt

General Obligation Debt AA-  
Hotel Occupancy Tax Bonds A

### Rating Outlook

Positive<sup>a</sup>

<sup>a</sup>Revised from Stable on Jan. 5, 2016.

### New Issue Details

**Sale Information:** \$17,895,000 General Obligation Refunding Bonds, Series 2016, the week of Jan. 25 via negotiated sale.

**Security:** An annual property tax levy, limited to \$2.50 per \$100 of taxable assessed valuation (TAV).

**Purpose:** Refunding for debt service savings of the city's outstanding obligations.

**Final Maturity:** May 1, 2033.

### Key Rating Drivers

**Sound Financial Profile:** The Positive Rating Outlook recognizes the city of Galveston's history of consistent operating performance, healthy reserves and more recent enhancements to planning and forecasting practices. The city's strong reserve position is an important rating factor given its coastal location and exposure to economically sensitive sales taxes.

**Moderate Debt:** Fitch Ratings expects the city's debt burden to remain moderate based on current issuance plans and a rapid amortization rate. Carrying costs associated with outstanding debt and retiree liabilities are manageable.

**Growing Regional Economy:** Galveston benefits from its participation in the diverse and growing Houston-area economy. The city's low unemployment rate reflects an expanding local employment base driven by commercial and industrial growth.

### Rating Sensitivities

**Sound Finances; Moderate Debt:** Maintenance of sound finances and a moderate long-term liability burden could lead to positive rating action.

### Related Research

[Fitch Rates Galveston, TX GO Rfdg Bonds 'AA-'; Outlook Revised to Positive \(January 2016\)](#)

### Analysts

Rebecca Meyer  
+1 512 215-3733  
[rebecca.meyer@fitchratings.com](mailto:rebecca.meyer@fitchratings.com)

Steve Murray  
+1 512 215-3729  
[steve.murray@fitchratings.com](mailto:steve.murray@fitchratings.com)

**Rating History — GO Bonds**

Rating	Action	Outlook/ Watch	Date
AA-	Affirmed	Positive	1/5/16
AA-	Affirmed	Stable	9/18/14
AA-	Affirmed	Stable	3/6/13
AA-	Assigned	Stable	10/2/12

**Credit Profile**

The city of Galveston is located on Galveston Island, approximately 45 miles from Houston in southeast Texas. With a population of approximately 50,104, the city is the county seat of Galveston County (rated AA+/Stable by Fitch).

**Sound Financial Profile**

Galveston has a history of conservative forecasting, and operations are expected to remain structurally balanced over the near term. Strong revenue recovery and cost controls in the wake of widespread flood damage caused by Hurricane Ike in September 2008 demonstrate the city's financial resilience.

**General Fund History**

(\$000, Audited Fiscal Years Ended Sept. 30)

	2010	2011	2012	2013	2014
Total Revenues	36,625	40,085	42,608	43,315	45,305
Total Expenditures	43,366	41,917	41,574	42,344	44,687
<b>Operating Surplus/(Deficit)</b>	<b>(6,741)</b>	<b>(1,832)</b>	<b>1,034</b>	<b>971</b>	<b>618</b>
Transfers In/Other Sources	2,121	749	5,610	1,103	1,761
Transfers Out/Other Uses	(350)	(182)	(307)	(115)	(1,230)
<b>Net Operating Surplus/(Deficit)</b>	<b>(4,970)</b>	<b>(1,265)</b>	<b>6,337</b>	<b>1,959</b>	<b>1,149</b>
Total Fund Balance	11,707	10,442	16,778	18,737	19,886
As a % of Expenditures, Transfers Out and Other Uses	26.8	24.8	40.1	44.1	43.3
Unreserved Fund Balance	8,580	10,354	16,365	18,326	17,281
As a % of Expenditures, Transfers Out and Other Uses	19.6	24.6	39.1	43.2	37.6

Note: Numbers may not add due to rounding.

Galveston realized surplus results over the past four years through fiscal 2015, benefiting from a leaner cost structure and strong ad valorem and sales tax trends. The city completed fiscal 2014 with unrestricted reserves of \$17.3 million, a healthy 37.6% of spending. An unaudited fiscal 2015 operating surplus (after transfers) of \$0.9 million maintains the city's strong financial cushion, and its fiscal 2016 budget is structurally balanced.

The city has maintained healthy reserves for an extended period, with a recent low in fiscal 2010 equaling a still solid 19.6% of spending. Fitch views Galveston's healthy fund balance level as a mitigating factor to its exposure to economically sensitive sales tax revenue (31.8% of fiscal 2015 general fund revenues) and its tourism-centered economy. Subsequent to a 14% post-Hurricane Ike decline, the city's sales tax revenues have averaged five-year annual growth of 4.4%. The city's long-term financial plan reflects its policy goal for 90 days of general fund working capital.

**Moderate Debt; Manageable Retiree Costs**

Fitch expects the city's debt burden, 2.9% of fiscal 2016 market value, to remain moderate based on current issuance plans and a rapid 69% 10-year amortization rate. The city's \$273.6 million five-year capital plan will be funded primarily with grant moneys (23%), future revenue and tax-supported bond sales (44%) and operating revenue/cash (17%). Management anticipates seeking up to \$30 million in GO authorization in spring 2016.

Fitch recently published an exposure draft of state and local government tax-supported criteria (Exposure Draft: U.S. Tax-Supported Rating Criteria, dated Sept. 10, 2015). The draft includes a number of proposed revisions to existing criteria. If applied in the proposed form, Fitch estimates the revised criteria would result in changes to fewer than 10% of existing tax-supported ratings. Fitch expects that final criteria will be approved and published by Jan. 20, 2016. Once approved, the criteria will be applied immediately to any new issue and surveillance rating review. Fitch anticipates the criteria to be applied to all ratings that fall under the criteria within a 12-month period from the final approval date.

**Related Criteria**

[Tax-Supported Rating Criteria \(August 2012\)](#)

[U.S. State Government Tax-Supported Rating Criteria \(August 2012\)](#)

[Exposure Draft: U.S. Tax-Supported Rating Criteria \(September 2015\)](#)

The city sponsors three single-employer defined benefit pension plans: Galveston Employees Retirement Plan for City Employees; Galveston Firefighters Pension Plan; and Galveston Employees Retirement Plan for Police. The city also acts as a conduit for the provision of retiree healthcare benefits (at the retiree's cost).

Under GASB 67 and 68, the city reports a fiscal 2015 net pension liability (NPL) of \$11.1 million for the employee plan, with fiduciary assets covering 80.1% of total pension liabilities at the plan's 8% investment return assumption (approximately 72.2% based on a lower 7% investment return assumption). The NPLs for the city's fire and police plans are \$18.1 million and \$25.3 million, respectively. Fiduciary assets cover 69.6% and 47.0% of total pension liabilities for fire and police, respectively, at the plans' 8% return assumption (approximately 62.7% and 42% for fire and police, respectively, based on a lower 7% rate assumption).

The NPLs of the plans represent a modest 1% of the city's fiscal 2015 market value. City officials anticipate exploring plan design changes during fiscal 2016 to achieve long-term plan sustainability. The city's carrying costs, including annual debt service, pension and other post-employment benefit contributions, represent a moderate 13.2% of fiscal 2014 governmental spending.

### Growing Texas Coastal Community

Galveston benefits from its participation in the diversified and growing Houston-area economy. Galveston's local economy is centered in healthcare, maritime and tourism industries. The University of Texas Medical Branch (UTMB) anchors the city's health and education service sector and serves as a teaching hospital and hub for medical research. UTMB is nearing completion of a \$438 million, 13-story hospital to replace a facility damaged by Hurricane Ike. UTMB reports total fiscal 2014 personnel at 11,534, representing about 7.5% of the county's total employment base and a likely higher proportion of the city's base. The city's improved unemployment rate of 4.9% as of October 2015 reflects new job growth, but continues to trail the average Texas rate of 4.5% for the same period.

The Port of Galveston and nearby Pelican Island support growing industrial operations, cargo transportation and petroleum support services. Recent and near-term infrastructure improvements, including a new bridge to Pelican Island, bode well for growth in the island's maritime trade.

### Infrastructure Improvements Contribute to Thriving Tourism Trade

Hurricane Ike hit the upper Texas coast in September 2008, resulting in widespread flood damage across the island. The city's population and tourism declined subsequent to the storm, but 90% of the city's hotel stock was undamaged due to proximity to the seawall, which extends along the city's beachfront.

### Debt Statistics

(\$000)	
This Issue	17,895
GO Bonds (Net of Refunding)	22,499
Special Obligation Bonds	25,200
Notes Payable	836
Due to Developer	11,885
<b>Direct Debt</b>	<b>78,315</b>
Less: Self-Supporting Debt	28,508
<b>Net Direct Debt</b>	<b>49,807</b>
Plus: Overlapping Debt	105,326
<b>Overall Debt</b>	<b>155,133</b>
<b>Debt Ratios</b>	
Net Direct Debt per Capita <sup>a</sup>	994
As % of Market Value <sup>b</sup>	0.9
Overall Debt per Capita <sup>a</sup>	3,096
As % of Market Value <sup>b</sup>	2.9

<sup>a</sup>Population: 50,104 (2015 estimate). <sup>b</sup>Market value: \$5,424,970,385 (fiscal 2016). Note: Numbers may not add due to rounding.

Texas' strong economic growth and over \$2 billion in disaster recovery moneys have continued to expand the island's tourism trade, as measured by visitors to the island, hotel spending and cruise passenger trends. Evidence of the recovery is found in the city's 32.4% post-hurricane tax base growth (TAV suffered a 14% storm-related decline, and upward adjustments are limited to 10% annually), as well as sales tax growth averaging over 4.4% in the past five years.

The Port of Galveston is home to three year-round cruise ships, contributing to the port's ranking among the largest home ports by embarkations. The city's recent beachfront pier redevelopment and ongoing improvements further contribute to the growing tourism trade. Fiscal 2014 HOT collections represent the fifth consecutive year of post-Hurricane Ike growth, gaining a total of 64.2% after dropping 21.3% in fiscal 2009, immediately after the storm.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2016 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings, Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion is based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at anytime for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

Appendix II (Pg. 8 of 15)

## CREDIT OPINION

12 January 2016

### New Issue

#### Contacts

Ryan Hazlett 214-979-6852  
Associate Analyst MIS  
ryan.hazlett@moodys.com

Roger S Brown 214-979-6840  
VP-Senior Analyst  
roger.brown@moodys.com

## Galveston, TX

New Issue: Moody's assigns Aa3 to Galveston TX's \$17.9M Ser. 2016 GOs

### Summary Rating Rationale

Moody's Investors Service has assigned a Aa3 rating to the City of Galveston, TX's \$17.9 million General Obligation Refunding Bonds, Series 2016. Moody's affirms the Aa3 rating on \$44.9 million of outstanding parity debt. The Aa3 rating reflects the city's large tax base that has grown steadily over the past five years, a healthy financial position and manageable debt burden. The rating also reflects a below average socioeconomic profile, plans for additional debt and ongoing litigation relating to a substantial law suit.

### Credit Strengths

- » Steady growth in taxable values over the last five years
- » Healthy financial reserves

### Credit Challenges

- » Reliance on sales tax and tourism
- » Below average socioeconomic profile
- » Substantial future debt plans

### Rating Outlook

The stable outlook reflects our expectation that the city's tax base will continue to grow moderately and management will maintain a healthy financial position.

### Factors that Could Lead to an Upgrade

- » Continuation of stable financial operations and maintenance of healthy reserves
- » Strengthened socioeconomic profile

### Factors that Could Lead to a Downgrade

- » Erosion of reserves below planned draws
- » Trend of tax base declines

## Key Indicators

Galveston (City of) TX	2010	2011	2012	2013	2014
Economy/Tax Base					
Total Full Value (\$000)	\$ 3,717,738	\$ 4,081,293	\$ 4,243,231	\$ 4,335,675	\$ 4,558,201
Full Value Per Capita	\$ 73,900	\$ 72,375	\$ 88,876	\$ 89,499	\$ 95,436
Median Family Income (% of US Median)	73.2%	73.2%	77.1%	77.1%	77.1%
Finances					
Operating Revenue (\$000)	\$ 42,232	\$ 46,429	\$ 50,354	\$ 53,780	\$ 51,895
Fund Balance as a % of Revenues	38.4%	38.9%	46.1%	46.3%	46.1%
Cash Balance as a % of Revenues	40.4%	24.2%	36.6%	43.7%	49.7%
Debt/Pensions					
Net Direct Debt (\$000)	\$ 43,811	\$ 42,388	\$ 45,629	\$ 39,651	\$ 42,071
Net Direct Debt / Operating Revenues (x)	1.0x	0.9x	0.9x	0.7x	0.8x
Net Direct Debt / Full Value (%)	1.2%	1.0%	1.1%	0.9%	0.9%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	N/A	N/A	1.8x	2.1x	2.5x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	N/A	N/A	2.1%	2.6%	2.8%

Source: Moody's Investors Service

## Detailed Rating Considerations

### ECONOMY AND TAX BASE: LARGE COASTAL TAX BASE CONTINUES TO STABILIZE

The city's large tax base is expected to grow over the medium term given continued residential development and reconstruction. The City of Galveston is located about 50 miles southeast of Houston (GOLT Aa2, negative) along Interstate Highway 45. The local economy is driven by tourism, healthcare and education. There are over 5,000 hotel rooms, condominiums, and vacation rentals within the city. The coastal location is susceptible to hurricanes and the city suffered significant damage from Hurricane Ike in late 2008. Hurricane damage drove a sharp 14.9% decline in the tax base in fiscal 2010. Favorably, the tax base and labor force has steadily rebounded and both exceeded pre-storm levels by fiscal 2014. Full value has grown an average of 5.2% annually over the last five years to \$5.3 billion in fiscal 2016, driven by continued reconstruction and development. Assessed values consist primarily of single family homes (70.2% of fiscal 2016 AV), commercial and industrial (10.6%), and tangible business property (7.2%). Major employers in the area include the University of Texas Medical Branch (8,284 employees) and Landry's Restaurants (2,788). Resident wealth and income levels remain below average. Median family income of \$49,780 is equal to 77% of the U.S. median according to the 2012 American Community Survey. The city's October 2015 unemployment rate of 4.9% was higher than the state rate (4.5%), but comparable to the national rate (4.8%) for the same period.

### FINANCIAL OPERATIONS AND RESERVES: HEALTHY FINANCIAL OPERATIONS AND RESERVE LEVELS

The city drew upon reserves in the years following Hurricane Ike, but operations have since stabilized and the city's financial position is expected to remain healthy going forward. The city primarily funds operations through property tax (36.6% of fiscal 2014 operating revenues) and sales tax (29.2%). Revenue fell sharply after Hurricane Ike due to reduced tourism and the loss of taxable value. Sales tax revenue fell 14.7% and property tax revenue declined 6.6% between fiscal 2009 and fiscal 2010. The loss of revenue, coupled with increased expenditures related to storm recovery, resulted in structurally imbalanced operations for fiscal 2010 and fiscal 2011. General Fund balance fell to \$10.4 million or 25.6% of revenues in fiscal 2011 from \$16.7 million or 40.1% in fiscal 2009. Favorably, revenues have more than recovered since then. Sales tax and property tax revenue were greater in fiscal 2014 than prior to the storm. Strengthening revenues have contributed to recent surpluses that have rebuilt the financial reserves. Over the last several years, available General Fund balance has grown to \$17.2 million or 37.8% of revenues in fiscal 2014 from \$8.6 million or 22.1% in fiscal 2010. Officials target a minimum General Fund balance equal to 90 days of expenditures. Incorporating the debt service fund, fiscal 2014 available operating reserves are \$23.9 million, a healthy 52.7% of revenues.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

Through unaudited financials, officials report favorable revenue growth for fiscal 2015 and anticipate increasing reserves by approximately \$900,000 to approximately \$18.2 million, or 39% of fiscal 2015 revenues. The fiscal 2016 budget includes a planned draw on reserves leading to a budgeted ending General Fund balance of \$12.4 million, or 25% of budgeted General Fund revenues. Of the planned draws on reserves, \$2.9 million is contingent on receipt of cash from the dissolution of TIRZ 11, which was voted on in December 2015 by City Council. Despite planned draws on reserves, we expect the city will continue to maintain healthy reserves, which helps mitigate risks associated with hurricanes and the overall economic reliance on tourism.

The city is a defendant in various lawsuits including a breach of contract lawsuit which seeks up to \$15 million in damages. While the City denies liability and is defending the case, the outcome cannot be predicted but could impact the financial operations of the City. Though the City believes this will be resolved, a sizeable draw on reserves may put pressure on the credit. Future reviews will assess the status of the ongoing litigation.

#### LIQUIDITY

The city's reserves are highly liquid with cash balances slightly below overall fund balance. At fiscal year-end 2014, the city's General Fund held \$18 million in cash and investments, a strong 39.2% of revenues. Including \$7.7 million held in the debt service fund, the operating funds have a combined cash position of \$25.8 million or 56.9% of operating revenues.

#### MANAGEABLE DEBT BURDEN

Post sale, the city's direct debt burden at 0.35% (1.1% overall) of 2016 full value is below the median national debt burden. Payout of principal is slightly above average with 81.7% of principal retired in 10 years. Management expects to approach voters and issue approximately \$28-30 million of debt beginning in fiscal 2017.

#### DEBT STRUCTURE

All of the city's debt is fixed rate and amortizes over the long-term with a final maturity of 2033.

#### DEBT-RELATED DERIVATIVES

The city is not party to any interest rate swaps or other derivative agreements.

#### PENSIONS AND OPEB

Galveston has a moderately high employee pension burden based on the unfunded liabilities of three single employer pension plans. Reported unfunded pension liabilities of the city's employees, police, and firefighters pension plans are \$58.6 million as of the January 1, 2014 valuation. Moody's adjusted net pension liability (ANPL) for the city, under our methodology for adjusting reported pension data, was a total \$133.7 million or a moderate 2.58 times fiscal 2014 operating revenues. The three year average of ANPL to operating revenues is 2.46 times. Moody's ANPL reflects certain adjustments we make to improve comparability of reported pension liabilities. The adjustments are not intended to replace the town's reported contribution information, or the reported liability information of the statewide cost-sharing plans, but to improve comparability with other rated entities.

For more information on Moody's insights on employee pensions and the related credit impact on companies, governments, and other entities across the globe please visit Moody's on Pensions at [www.moody.com/pensions](http://www.moody.com/pensions).

#### MANAGEMENT AND GOVERNANCE

Texas cities have an institutional framework score of "Aa" or strong. Cities rely on moderately stable property taxes (30% - 40%) as well as economically sensitive sales taxes (25% -35%) for their operating revenues. Texas cities do maintain ample flexibility under the state mandated cap to raise property taxes. Expenditures are largely predictable and cities do have great flexibility in reducing expenditures given no union presence.

#### Legal Security

The bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the City.

#### Use of Proceeds

Proceeds from the current offering will refund certain maturities of the district's 2005, 2006 and 2008 bonds for an approximate 9% present value savings, with no extension of maturity.

## Obligor Profile

The City of Galveston, occupying the 32 miles long Galveston Island is two miles off the Gulf Coast and is the county seat of Galveston County located on I-45 approximately 50 miles southeast of the City of Houston (Aa2/negative). The city is an industrial, recreational, and shipping center. The city's 2010 population was 47,743.

## Methodology

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

## Ratings

Exhibit 2

### GALVESTON (CITY OF) TX

Issue	Rating
General Obligation Refunding Bonds, Series 2016	Aa3
Rating Type	Underlying LT
Sale Amount	\$17,895,000
Expected Sale Date	01/13/2016
Rating Description	General Obligation Limited Tax

Source: Moody's Investors Service

© 2016 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody's.com](http://www.moody's.com) under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be reckless and inappropriate for retail investors to use MOODY'S credit ratings or publications when making an investment decision. If in doubt you should contact your financial or other professional adviser.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER 1011207

## Contacts

Roger S Brown  
VP-Senior Analyst  
roger.brown@moodys.com

214-979-6840

Ryan Hazlett  
Associate Analyst  
ryan.hazlett@moodys.com

214-979-6852  
MIS

## CLIENT SERVICES

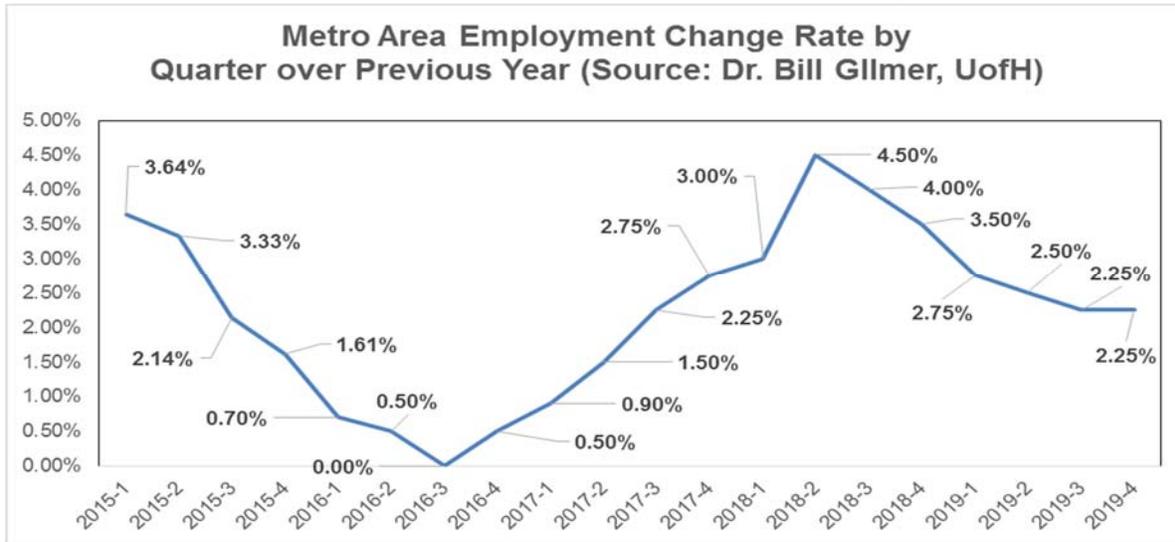
Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

# HSE &CO

**CITY OF GALVESTON SALES TAX MODEL  
FEBRUARY 2016**

**FY 2016 Sales Tax Estimate Overview**

February’s sales tax received by the City from the State Comptroller’s Office totaled \$1,775,748 for the full two percent revenue amount. The City’s share, net of the IDC one-half percent reserved for specific economic development project categories, was \$1,331,811, 2.8 percent more than the amount received in February 2015. Three months into FY 2016, the City’s sales tax collections are 2.18% ahead of last fiscal year. On a pure trend basis, if FY 2016 turns out to be like the last fifteen years, excluding 2007 and 2008 when sales tax revenue underperformed the longer term trend in the latter part of the year, FY 2016 would see \$15,141,000 total sales tax revenue. This would be \$124,000 under Budget.



Modeled sales tax projections depend on metro area employment as the key driver of revenue. Since the FY 2016 Budget estimate for sales tax was formulated in July, 2015, Houston’s 2016 employment picture has worsened. Dr. Robert Gilmer of the University of Houston has adjusted his employment forecast to account for the mainstream energy sector forecast which does not project recovering oil prices and drilling activity until 2017. The Greater Houston Partnership’s 2016 employment forecast is very close to Dr. Gilmer’s. It is significant, however, that Dr. Gilmer’s employment forecast anticipates a strong recovery in 2017 and beyond.

Fiscal Year	July 2015 Revenue Forecast (\$000's)	February 2015 Forecast (\$000's)	Current Forecast Over/ (Under July '15)	Percent Difference
FY 2016	\$15,264.6	\$15,135.8	(\$128.8)	-0.84%
FY 2017	\$16,014.4	\$16,398.4	\$384.0	2.40%
FY 2018	\$16,794.1	\$17,847.6	\$1,053.5	6.27%
FY 2019	\$17,503.9	\$18,679.2	\$1,175.3	6.71%

As shown in the table above, FY 2016 sales tax revenue is modeled to be \$128,800 under budget at \$15,135,800. This is very close to the trend of \$15,141,000 mentioned above.



- Summer Season Adjustment Variable – Based on historical observation, this series applies weighted factors to the third (April to June) and fourth (July through September) fiscal quarters to explain the increased revenue during tourist season. Houston area inflation is used to adjust the series over time.
- Galveston Storm Variable – Based on historical observation, this series applies weighted factors to explain the effect of Hurricane Ike on sales tax revenues from immediately prior and following the storm.
- Pleasure Pier Adjustment – Based on historical observation, this series helps explain the large variation between revenue during tourist season and winter since 2012 when the Pier opened.

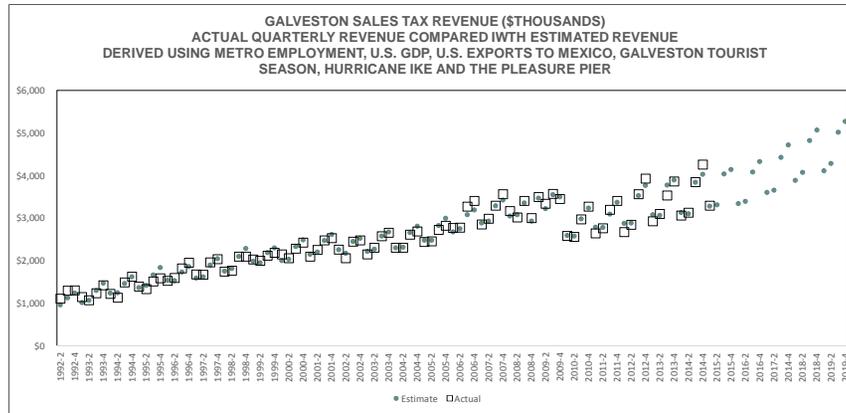
Sales Tax Econometric Forecast  
Date: 2/10/2016

COEFFICIENTS			Employment 2 Qtr Mvg Avg	Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var		Base Employment + 4 Qtrs		Galveston Storm Variable		Pleasure Pier Adjustment with CPI		U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average		MODEL ESTIMATE (\$000's) = A+B+C+D+E+F+G +H	ACTUAL (\$000's)	ESTIMATE (OVER/ UNDER ACTUAL)	% Difference	
COEFFICIENTS			3.0897	-0.02		1.6308		-4.8998		525.8812		125.3554		0.2201						
FY	Fiscal Year	CONSTANT = A	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G				
1992	1992-2	-4095.78810	1,780.3	5,500.6	\$9,188.9	(183.8)	0.00	0.0	453.40	(2,221.6)	0.0	0.0	0.00	0.00	\$8,900.00	1,958.9	\$958.3	\$1,106.6	\$148.3	13.4%
1992	1992-3	-4095.78810	1,777.5	5,491.8	\$9,789.5	(195.8)	129.10	210.5	460.29	(2,253.3)	0.0	0.0	0.00	0.00	\$8,955.85	1,971.2	\$1,126.6	\$1,292.8	\$166.2	12.9%
1992	1992-4	-4095.78810	1,785.6	5,517.0	\$10,391.3	(207.8)	181.90	296.6	459.58	(2,251.8)	0.0	0.0	0.00	0.00	\$8,996.85	1,980.2	\$1,238.4	\$1,300.2	\$61.8	4.8%
1993	1993-1	-4095.78810	1,795.3	5,546.9	\$10,204.4	(204.1)	0.00	0.0	456.10	(2,234.8)	0.0	0.0	0.00	0.00	\$9,069.70	1,996.2	\$1,008.4	\$1,142.6	\$134.2	11.7%
1993	1993-2	-4095.78810	1,797.4	5,553.3	\$10,207.1	(204.1)	0.00	0.0	450.77	(2,208.7)	0.0	0.0	0.00	0.00	\$9,173.25	2,019.0	\$1,063.7	\$1,070.7	\$7.0	0.7%
1993	1993-3	-4095.78810	1,800.8	5,563.9	\$10,235.8	(204.7)	132.40	215.9	453.95	(2,224.3)	0.0	0.0	0.00	0.00	\$9,268.35	2,040.0	\$1,235.5	\$1,235.5	(\$59.5)	-4.8%
1993	1993-4	-4095.78810	1,820.4	5,624.5	\$10,765.7	(215.3)	186.20	303.7	451.41	(2,211.8)	0.0	0.0	0.00	0.00	\$9,359.85	2,060.1	\$1,465.4	\$1,420.4	(\$45.0)	-3.2%
1994	1994-1	-4095.78810	1,836.6	5,674.4	\$9,825.6	(196.5)	0.00	0.0	453.06	(2,219.9)	0.0	0.0	0.00	0.00	\$9,415.30	2,072.3	\$1,234.5	\$1,222.8	(\$11.7)	-1.0%
1994	1994-2	-4095.78810	1,837.1	5,676.1	\$10,753.7	(215.1)	0.00	0.0	448.72	(2,198.6)	0.0	0.0	0.00	0.00	\$9,452.10	2,080.4	\$1,247.0	\$1,127.4	(\$119.6)	-10.6%
1994	1994-3	-4095.78810	1,844.5	5,699.0	\$11,859.3	(237.2)	137.10	223.6	453.55	(2,222.3)	0.0	0.0	0.00	0.00	\$9,503.20	2,091.7	\$1,459.0	\$1,487.0	\$28.0	1.9%
1994	1994-4	-4095.78810	1,866.2	5,765.8	\$12,620.1	(252.4)	194.90	317.8	455.46	(2,231.7)	0.0	0.0	0.00	0.00	\$9,589.90	2,110.7	\$1,614.4	\$1,626.9	\$12.5	0.8%
1995	1995-1	-4095.78810	1,887.4	5,831.5	\$13,043.3	(260.9)	0.00	0.0	458.16	(2,244.9)	0.0	0.0	0.00	0.00	\$9,700.85	2,135.2	\$1,365.1	\$1,393.5	\$28.4	2.0%
1995	1995-2	-4095.78810	1,898.4	5,865.5	\$13,320.8	(266.4)	0.00	0.0	458.92	(2,248.6)	0.0	0.0	0.00	0.00	\$9,814.80	2,160.2	\$1,414.9	\$1,335.3	(\$79.6)	-6.0%
1995	1995-3	-4095.78810	1,905.7	5,887.9	\$11,594.2	(231.9)	139.00	226.7	470.02	(2,303.0)	0.0	0.0	0.00	0.00	\$9,910.55	2,181.3	\$1,665.2	\$1,514.5	(\$150.7)	-10.0%
1995	1995-4	-4095.78810	1,925.1	5,947.8	\$10,867.7	(217.4)	196.10	319.8	473.90	(2,322.0)	0.0	0.0	0.00	0.00	\$9,996.10	2,200.1	\$1,832.5	\$1,585.5	(\$247.0)	-15.6%
1996	1996-1	-4095.78810	1,943.5	6,004.8	\$11,715.2	(234.3)	0.00	0.0	480.48	(2,354.3)	0.0	0.0	0.00	0.00	\$10,069.70	2,216.3	\$1,536.7	\$1,529.7	(\$7.0)	-0.5%
1996	1996-2	-4095.78810	1,946.4	6,013.6	\$12,115.0	(242.3)	0.00	0.0	483.71	(2,370.1)	0.0	0.0	0.00	0.00	\$10,104.50	2,224.0	\$1,529.4	\$1,595.5	\$66.1	4.1%
1996	1996-3	-4095.78810	1,950.7	6,027.1	\$13,000.4	(260.0)	143.00	233.2	491.98	(2,410.6)	0.0	0.0	0.00	0.00	\$10,165.45	2,237.4	\$1,731.3	\$1,818.1	\$86.8	4.8%
1996	1996-4	-4095.78810	1,969.3	6,084.5	\$13,659.5	(273.2)	199.90	326.0	497.52	(2,437.8)	0.0	0.0	0.00	0.00	\$10,245.00	2,254.9	\$1,858.6	\$1,957.3	\$98.7	5.0%
1997	1997-1	-4095.78810	1,993.6	6,159.5	\$14,347.2	(286.9)	0.00	0.0	501.24	(2,456.0)	0.0	0.0	0.00	0.00	\$10,314.95	2,270.3	\$1,591.1	\$1,675.2	\$84.1	5.0%
1997	1997-2	-4095.78810	2,009.3	6,208.0	\$15,784.5	(315.7)	0.00	0.0	504.92	(2,474.0)	0.0	0.0	0.00	0.00	\$10,439.05	2,297.6	\$1,620.1	\$1,670.1	\$50.0	3.0%
1997	1997-3	-4095.78810	2,023.5	6,252.0	\$15,671.8	(313.4)	145.00	236.5	512.76	(2,512.4)	0.0	0.0	0.00	0.00	\$10,578.10	2,328.2	\$1,895.1	\$1,958.4	\$63.3	3.2%
1997	1997-4	-4095.78810	2,052.1	6,340.2	\$17,053.3	(341.1)	203.60	332.0	519.48	(2,545.4)	0.0	0.0	0.00	0.00	\$10,682.95	2,351.3	\$2,041.2	\$2,036.7	(\$4.5)	-0.2%
1998	1998-1	-4095.78810	2,085.2	6,442.6	\$18,581.2	(371.6)	0.00	0.0	529.31	(2,593.5)	0.0	0.0	0.00	0.00	\$10,780.00	2,372.7	\$1,754.4	\$1,745.7	(\$8.7)	-0.5%
1998	1998-2	-4095.78810	2,108.1	6,513.2	\$20,082.2	(401.6)	0.00	0.0	532.07	(2,607.1)	0.0	0.0	0.00	0.00	\$10,902.55	2,399.7	\$1,808.4	\$1,767.0	(\$41.4)	-2.3%
1998	1998-3	-4095.78810	2,128.0	6,574.9	\$19,566.7	(391.3)	146.40	238.7	543.44	(2,662.8)	0.0	0.0	0.00	0.00	\$11,054.10	2,433.0	\$2,096.7	\$2,094.6	(\$2.1)	-0.1%
1998	1998-4	-4095.78810	2,159.7	6,672.8	\$19,253.2	(385.1)	206.40	336.6	552.37	(2,706.5)	0.0	0.0	0.00	0.00	\$11,167.15	2,457.9	\$2,279.9	\$2,094.9	(\$185.0)	-8.8%
1999	1999-1	-4095.78810	2,185.8	6,753.5	\$19,219.3	(384.4)	0.00	0.0	565.00	(2,768.4)	0.0	0.0	0.00	0.00	\$11,265.75	2,479.6	\$1,984.5	\$2,030.1	\$45.6	2.2%
1999	1999-2	-4095.78810	2,186.7	6,756.2	\$20,733.4	(414.7)	0.00	0.0	571.94	(2,802.4)	0.0	0.0	0.00	0.00	\$11,376.10	2,503.9	\$1,947.2	\$1,999.7	\$52.5	2.6%
1999	1999-3	-4095.78810	2,177.4	6,727.5	\$18,947.4	(378.9)	148.30	241.8	579.41	(2,839.0)	0.0	0.0	0.00	0.00	\$11,505.80	2,532.4	\$2,188.0	\$2,121.1	(\$66.9)	-3.2%
1999	1999-4	-4095.78810	2,186.6	6,755.9	\$20,375.6	(407.5)	208.50	340.0	584.07	(2,861.9)	0.0	0.0	0.00	0.00	\$11,675.65	2,569.8	\$2,300.5	\$2,183.9	(\$116.6)	-5.3%
2000	2000-1	-4095.78810	2,205.3	6,813.7	\$22,400.4	(448.0)	0.00	0.0	585.37	(2,868.2)	0.0	0.0	0.00	0.00	\$11,817.70	2,601.1	\$2,002.8	\$2,150.1	\$147.3	6.9%
2000	2000-2	-4095.78810	2,213.1	6,837.8	\$25,185.5	(503.7)	0.00	0.0	578.57	(2,834.9)	0.0	0.0	0.00	0.00	\$11,913.60	2,622.2	\$2,025.6	\$2,057.3	\$31.7	1.5%
2000	2000-3	-4095.78810	2,223.6	6,870.1	\$26,069.9	(521.4)	153.40	250.2	577.07	(2,827.5)	0.0	0.0	0.00	0.00	\$12,037.80	2,649.5	\$2,325.1	\$2,285.1	(\$40.0)	-1.8%
2000	2000-4	-4095.78810	2,245.0	6,936.4	\$27,594.8	(551.9)	216.20	352.6	580.12	(2,842.4)	0.0	0.0	0.00	0.00	\$12,218.20	2,689.2	\$2,488.1	\$2,428.5	(\$59.6)	-2.5%
2001	2001-1	-4095.78810	2,263.7	6,994.0	\$29,289.1	(585.8)	0.00	0.0	587.26	(2,877.5)	0.0	0.0	0.00	0.00	\$12,341.20	2,716.3	\$2,151.2	\$2,094.2	(\$57.0)	-2.7%
2001	2001-2	-4095.78810	2,270.8	7,015.9	\$28,395.2	(567.9)	0.00	0.0	590.93	(2,895.5)	0.0	0.0	0.00	0.00	\$12,475.80	2,745.9	\$2,202.6	\$2,253.3	\$50.7	2.2%
2001	2001-3	-4095.78810	2,276.4	7,033.2	\$26,688.3	(533.8)	159.60	260.3	605.99	(2,969.2)	0.0	0.0	0.00	0.00	\$12,600.10	2,773.3	\$2,468.0	\$2,476.4	\$8.4	0.3%
2001	2001-4	-4095.78810	2,286.9	7,065.8	\$25,252.5	(505.1)	222.00	362.0	610.98	(2,993.7)	0.0	0.0	0.00	0.00	\$12,643.50	2,782.8	\$2,616.0	\$2,532.2	(\$83.8)	-3.3%
2002	2002-1	-4095.78810	2,288.6	7,070.9	\$24,399.0	(488.0)	0.00	0.0	616.66	(3,021.5)	0.0	0.0	0.00	0.00	\$12,661.30	2,786.8	\$2,252.4	\$2,262.9	\$10.5	0.5%
2002	2002-2	-4095.78810	2,279.0	7,041.4	\$24,956.7	(499.1)	0.00	0.0	626.24	(3,068.4)	0.0	0.0	0.00	0.00	\$12,676.80	2,790.2	\$2,168.3	\$2,060.3	(\$108.0)	-5.2%
2002	2002-3	-4095.78810	2,274.5	7,027.5	\$22,607.9	(452.2)	158.60	258.6	629.73	(3,085.6)	0.0	0.0	0.00	0.00	\$12,690.20	2,793.1	\$2,445.6	\$2,449.9	\$4.3	0.2%
2002	2002-4	-4095.78810	2,279.1	7,041.6	\$24,875.7	(497.5)	224.10	365.5	629.63	(3,086.0)	0.0	0.0	0.00	0.00	\$12,687.70	2,792.6	\$2,521.4	\$2,478.9	(\$42.5)	-1.7%
2003	2003-1	-4095.78810	2,280.3	7,045.4	\$24,805.1	(496.1)	0.00	0.0	621.79	(3,046.6)	0.0	0.0	0.00	0.00	\$12,763.80	2,809.3	\$2,216.2	\$2,145.5	(\$70.7)	-3.3%
2003	2003-2	-4095.78810	2,272.2	7,020.3	\$25,181.4	(503.6)	0.00	0.0	608.90	(2,983.5)	0.0	0.0	0.00	0.00	\$12,857.65	2,830.0	\$2,267.4	\$2,309.0	\$41.6	1.8%
2003	2003-3	-4095.78810	2,263.3	6,992.8	\$22,677.8	(453.6)	162.50	265.0	607.63	(2,977.3)	0.0	0.0	0.00	0.00	\$12,924.40	2,844.7	\$2,575.8	\$2,573.9	(\$1.9)	-0.1%
2003	2003-4	-4095.78810	2,261.3	6,986.6	\$23,909.5	(478.2)	229.70	374.6	606.22	(2,970.4)	0.0	0.0	0.00	0.00	\$12,959.90	2,852.5	\$2,669.3	\$2,655.3	(\$14.0)	-0.5%
2004	2004-1	-4095.78810	2,262.6	6,990.6	\$24,379.3	(487.6)	0.00	0.0	605.63	(2,967.5)	0.0	0.0	0.00	0.00	\$12,997.60	2,860.8	\$2,300.5	\$2,308.7	\$8.2	0.4%
2004	2004-2	-4095.78810	2,263.9	6,994.8	\$26,445.1	(528.9)	0.00	0.0	599.19	(2,935.9)	0.0	0.0	0.00	0.00	\$13,091.65	2,881.5	\$2,315.7	\$2,308.3	(\$7.4)	-0.3%
2004	2004-3	-4095.78810	2,267.2	7,004.8	\$25,869.5	(517.4)	169.50	276.4	598.41	(2,932.1)	0.0	0.0	0.00	0.00	\$13,262.25	2,919.0	\$2,654.9	\$2,611.7	(\$43.2)	-1.7%
2004	2004-4	-4095.78810	2,276.6	7,034.0	\$27,729.9	(554.6)	236.70	386.0	596.39	(2,922.2)	0.0	0.0								

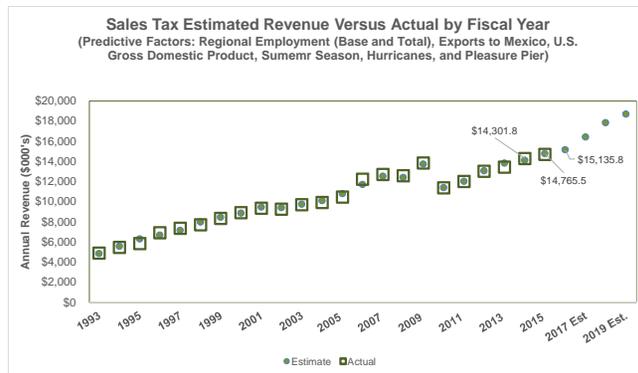
			Employment 2 Qtr Mvg Avg		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var		Base Employment + 4 Qtrs		Galveston Storm Variable		Pleasure Pier Adjustment with CPI		U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average					
COEFFICIENTS			3.0897		-0.02		1.6308		-4.8998		525.8812		125.3554		0.2201					
FY	Fiscal Year	CONSTANT = A	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE (\$000's) = A+B+C+D+E+F+G +H	ACTUAL (\$000's)	ESTIMATE (OVER/ UNDER ACTUAL	% Difference
2006	2006-4	-4095.78810	2,433.7	7,519.2	\$34,056.7	(681.1)	255.50	416.7	638.27	(3,127.4)	0.0	0.0	0.00	0.00	\$14,332.60	3,154.6	\$3,186.2	\$3,405.2	\$219.0	6.4%
2007	2007-1	-4095.78810	2,464.8	7,615.5	\$33,103.7	(662.1)	0.00	0.0	644.08	(3,155.9)	0.0	0.0	0.00	0.00	\$14,459.75	3,182.6	\$2,884.3	\$2,850.4	(\$33.9)	-1.2%
2007	2007-2	-4095.78810	2,484.5	7,676.4	\$34,078.3	(681.6)	0.00	0.0	648.43	(3,177.2)	0.0	0.0	0.00	0.00	\$14,567.85	3,206.4	\$2,928.2	\$2,988.6	\$60.4	2.0%
2007	2007-3	-4095.78810	2,508.6	7,750.8	\$32,157.0	(643.1)	184.30	300.6	660.23	(3,235.0)	0.0	0.0	0.00	0.00	\$14,596.10	3,212.6	\$3,290.1	\$3,292.4	\$2.3	0.1%
2007	2007-4	-4095.78810	2,541.3	7,851.7	\$34,410.4	(688.2)	257.20	419.4	671.87	(3,292.0)	0.0	0.0	0.00	0.00	\$14,659.75	3,226.6	\$3,421.7	\$3,566.1	\$144.4	4.0%
2008	2008-1	-4095.78810	2,565.8	7,927.4	\$34,836.2	(696.7)	0.00	0.0	679.97	(3,331.7)	0.0	0.0	0.00	0.00	\$14,721.45	3,240.2	\$3,043.4	\$3,165.6	\$122.2	3.9%
2008	2008-2	-4095.78810	2,574.0	7,952.7	\$34,514.4	(690.3)	0.00	0.0	682.97	(3,346.4)	0.0	0.0	0.00	0.00	\$14,782.35	3,253.6	\$3,073.8	\$3,014.3	(\$59.5)	-2.0%
2008	2008-3	-4095.78810	2,581.4	7,975.6	\$35,745.6	(714.9)	191.20	311.8	694.57	(3,403.2)	0.0	0.0	0.00	0.00	\$14,888.60	3,277.0	\$3,350.5	\$3,406.4	\$55.9	1.6%
2008	2008-4	-4095.78810	2,594.2	8,015.1	\$38,174.1	(763.5)	269.80	440.0	701.63	(3,437.9)	(1.0)	(525.9)	0.00	0.00	\$14,965.15	3,293.8	\$2,925.8	\$3,000.6	\$74.8	2.5%
2009	2009-1	-4095.78810	2,598.8	8,029.4	\$40,339.7	(806.8)	0.00	0.0	708.77	(3,472.8)	1.0	525.9	0.00	0.00	\$14,940.65	3,288.4	\$3,468.3	\$3,496.6	\$28.3	0.8%
2009	2009-2	-4095.78810	2,581.6	7,976.4	\$36,960.7	(739.2)	0.00	0.0	707.70	(3,467.6)	0.5	262.9	0.00	0.00	\$14,926.45	3,285.3	\$3,222.0	\$3,339.2	\$117.2	3.5%
2009	2009-3	-4095.78810	2,545.5	7,864.9	\$29,068.3	(581.4)	191.00	311.5	714.90	(3,502.9)	0.5	262.9	0.00	0.00	\$14,927.50	3,285.5	\$3,544.7	\$3,568.9	\$24.2	0.7%
2009	2009-4	-4095.78810	2,518.7	7,782.1	\$29,515.9	(590.3)	268.40	437.7	722.80	(3,541.6)	0.5	262.9	0.00	0.00	\$14,734.30	3,243.0	\$3,498.0	\$3,452.6	(\$45.4)	-1.3%
2010	2010-1	-4095.78810	2,507.8	7,748.4	\$33,779.8	(675.6)	0.00	0.0	729.10	(3,572.4)	0.0	0.0	0.00	0.00	\$14,476.00	3,186.2	\$2,590.8	\$2,580.7	(\$10.1)	-0.4%
2010	2010-2	-4095.78810	2,496.6	7,713.7	\$36,528.0	(730.6)	0.00	0.0	709.10	(3,474.4)	0.0	0.0	0.00	0.00	\$14,365.30	3,161.8	\$2,574.7	\$2,558.2	(\$16.5)	-0.6%
2010	2010-3	-4095.78810	2,494.0	7,705.7	\$37,439.1	(748.8)	194.40	317.0	686.97	(3,366.0)	0.0	0.0	0.00	0.00	\$14,379.05	3,164.8	\$2,976.9	\$2,969.8	(\$7.1)	-0.2%
2010	2010-4	-4095.78810	2,544.9	7,863.1	\$40,419.8	(808.4)	273.20	445.5	684.50	(3,353.9)	0.0	0.0	0.00	0.00	\$14,472.20	3,185.3	\$3,235.8	\$3,271.6	\$35.8	1.1%
2011	2011-1	-4095.78810	2,558.5	7,904.9	\$41,341.3	(826.8)	0.00	0.0	694.70	(3,403.9)	0.0	0.0	0.00	0.00	\$14,573.35	3,207.6	\$2,786.0	\$2,646.2	(\$139.8)	-5.3%
2011	2011-2	-4095.78810	2,566.9	7,931.1	\$44,464.5	(889.3)	0.00	0.0	693.50	(3,398.0)	0.0	0.0	0.00	0.00	\$14,675.35	3,230.0	\$2,778.0	\$2,764.0	(\$14.0)	-0.5%
2011	2011-3	-4095.78810	2,583.8	7,983.1	\$46,096.9	(921.9)	201.50	328.6	705.90	(3,458.8)	0.0	0.0	0.00	0.00	\$14,795.70	3,256.5	\$3,091.7	\$3,200.0	\$108.3	3.4%
2011	2011-4	-4095.78810	2,611.9	8,070.0	\$49,637.2	(992.7)	283.40	462.2	684.60	(3,354.4)	0.0	0.0	0.00	0.00	\$14,892.15	3,277.8	\$3,367.1	\$3,406.7	\$39.6	1.2%
2012	2012-1	-4095.78810	2,633.6	8,137.0	\$50,904.9	(1,018.1)	0.00	0.0	699.57	(3,427.8)	0.0	0.0	0.00	0.00	\$14,910.15	3,281.7	\$2,877.0	\$2,671.3	(\$205.7)	-7.7%
2012	2012-2	-4095.78810	2,650.6	8,189.7	\$51,649.6	(1,030.0)	0.00	0.0	706.86	(3,463.5)	0.0	0.0	0.00	0.00	\$14,935.45	3,287.3	\$2,884.7	\$2,844.2	(\$40.5)	-1.4%
2012	2012-3	-4095.78810	2,677.8	8,273.6	\$52,954.0	(1,059.1)	205.50	335.1	711.09	(3,484.2)	0.0	0.0	2.05	257.00	\$15,005.35	3,302.7	\$3,529.3	\$3,564.9	\$35.6	1.0%
2012	2012-4	-4095.78810	2,714.1	8,385.8	\$53,111.5	(1,062.2)	285.50	465.6	716.35	(3,509.9)	0.0	0.0	2.04	255.70	\$15,105.70	3,324.8	\$3,764.0	\$3,928.4	\$164.4	4.2%
2013	2013-1	-4095.78810	2,747.0	8,487.3	\$54,216.3	(1,084.3)	0.00	0.0	732.11	(3,587.2)	0.0	0.0	0.00	0.00	\$15,240.65	3,354.5	\$3,074.5	\$2,927.6	(\$146.9)	-5.0%
2013	2013-2	-4095.78810	2,768.1	8,552.5	\$55,593.2	(1,111.9)	0.00	0.0	746.96	(3,659.9)	0.0	0.0	0.00	0.00	\$15,326.70	3,373.4	\$3,058.3	\$3,101.1	\$42.8	1.4%
2013	2013-3	-4095.78810	2,787.4	8,612.3	\$53,703.0	(1,074.1)	207.70	338.7	755.96	(3,704.1)	0.0	0.0	2.49	312.10	\$15,371.60	3,383.3	\$3,772.4	\$3,530.8	(\$241.6)	-6.8%
2013	2013-4	-4095.78810	2,814.0	8,694.5	\$57,015.2	(1,140.3)	292.00	476.2	762.81	(3,737.6)	0.0	0.0	2.50	313.40	\$15,382.55	3,385.7	\$3,896.1	\$3,865.4	(\$30.7)	-0.8%
2014	2014-1	-4095.78810	2,840.2	8,775.3	\$56,857.5	(1,137.2)	0.00	0.0	776.60	(3,805.2)	0.0	0.0	0.00	0.00	\$15,420.75	3,394.1	\$3,131.2	\$3,059.1	(\$72.1)	-2.4%
2014	2014-2	-4095.78810	2,857.2	8,827.9	\$58,494.6	(1,169.9)	0.00	0.0	789.04	(3,866.1)	0.0	0.0	0.00	0.00	\$15,478.70	3,406.9	\$3,103.0	\$3,131.8	\$28.8	0.9%
2014	2014-3	-4095.78810	2,878.7	8,894.2	\$57,482.9	(1,149.7)	214.00	349.0	797.27	(3,906.4)	0.0	0.0	2.57	322.20	\$15,557.30	3,424.2	\$3,837.7	\$3,849.3	\$11.6	0.3%
2014	2014-4	-4095.78810	2,912.3	8,998.0	\$60,897.6	(1,218.0)	299.70	488.8	800.03	(3,920.0)	0.0	0.0	2.57	322.20	\$15,687.95	3,452.9	\$4,028.1	\$4,261.6	\$233.5	5.5%
2015	2015-1	-4095.78810	2,942.9	9,092.7	\$61,118.2	(1,222.4)	0.00	0.0	808.40	(3,961.0)	0.0	0.0	0.00	0.00	\$15,743.20	3,465.1	\$3,278.6	\$3,294.6	\$16.0	0.5%
2015	2015-2	-4095.78810	2,956.8	9,135.6	\$60,749.9	(1,215.0)	0.00	0.0	815.57	(3,996.1)	0.0	0.0	0.00	0.00	\$15,813.20	3,480.5	\$3,309.2	\$3,358.3	\$49.1	1.5%
2015	2015-3	-4095.78810	2,957.2	9,136.9	\$57,140.2	(1,142.8)	213.20	347.7	826.16	(4,048.0)	0.0	0.0	2.56	320.90	\$15,985.15	3,518.3	\$4,037.2	\$3,929.0	(\$108.2)	-2.8%
2015	2015-4	-4095.78810	2,966.3	9,164.9	\$60,171.5	(1,203.4)	300.60	490.2	833.62	(4,084.6)	0.0	0.0	2.58	323.40	\$16,110.10	3,548.8	\$4,140.5	\$4,124.1	(\$16.4)	-0.4%
2016	2016-1	-4095.78810	2,978.4	9,202.4	\$60,271.4	(1,205.4)	0.00	0.0	841.13	(4,121.4)	0.0	0.0	0.00	0.00	\$16,164.35	3,557.8	\$3,337.6	\$3,366.5	\$28.9	0.9%
2016	2016-2	-4095.78810	2,971.6	9,181.4	\$8,794.4	(1,175.9)	0.00	0.0	836.26	(4,097.5)	0.0	0.0	0.00	0.00	\$16,255.45	3,577.8	\$3,390.0			
2016	2016-3	-4095.78810	2,957.2	9,136.9	\$8,854.4	(1,177.1)	217.50	354.7	830.02	(4,066.9)	0.0	0.0	2.61	327.20	\$16,373.80	3,603.9	\$4,082.9			
2016	2016-4	-4095.78810	2,981.1	9,210.7	\$1,976.6	(1,239.5)	306.60	500.0	822.90	(4,032.0)	0.0	0.0	2.63	329.70	\$16,593.40	3,652.2	\$4,325.3			
2017	2017-1	-4095.78810	3,005.2	9,285.2	\$2,079.5	(1,241.6)	-	0.0	814.60	(3,991.4)	0.0	0.0	0.00	0.00	\$16,568.50	3,646.7	\$3,603.1			
2017	2017-2	-4095.78810	3,016.2	9,319.2	\$6,558.2	(1,211.2)	-	0.0	822.00	(4,027.6)	0.0	0.0	0.00	0.00	\$16,661.80	3,667.3	\$3,651.9			
2017	2017-3	-4095.78810	3,023.7	9,342.3	\$6,620.0	(1,212.4)	221.90	361.9	815.90	(3,997.7)	0.0	0.0	2.66	333.40	\$16,783.10	3,694.0	\$4,425.7			
2017	2017-4	-4095.78810	3,063.1	9,464.1	\$6,835.9	(1,276.7)	312.70	510.0	808.90	(3,963.4)	0.0	0.0	2.68	336.00	\$17,008.20	3,743.5	\$4,717.7			
2018	2018-1	-4095.78810	3,095.4	9,563.9	\$3,941.9	(1,278.8)	-	0.0	822.70	(4,031.1)	0.0	0.0	0.00	0.00	\$16,933.00	3,727.0	\$3,885.2			
2018	2018-2	-4095.78810	3,151.9	9,738.4	\$2,374.9	(1,247.5)	-	0.0	830.20	(4,067.8)	0.0	0.0	0.00	0.00	\$17,028.40	3,748.0	\$4,075.3			
2018	2018-3	-4095.78810	3,144.6	9,715.9	\$2,438.6	(1,248.8)	226.30	369.1	824.10	(4,037.9)	0.0	0.0	2.71	339.70	\$17,152.30	3,775.2	\$4,817.4			
2018	2018-4	-4095.78810	3,170.3	9,795.3	\$5,751.0	(1,315.0)	319.00	520.2	817.00	(4,003.1)	0.0	0.0	2.73	342.20	\$17,382.40	3,825.9	\$5,069.7			
2019	2019-1	-4095.78810	3,180.5	9,826.8	\$5,860.2	(1,317.2)	-	0.0	839.20	(4,111.9)	0.0	0.0	0.00	0.00	\$17,305.50	3,808.9	\$4,110.8			
2019	2019-2	-4095.78810	3,230.7	9,981.9	\$4,246.1	(1,284.9)	-	0.0	846.80	(4,149.2)	0.0	0.0	0.00	0.00	\$17,403.00	3,830.4	\$4,282.4			
2019	2019-3	-4095.78810	3,215.4	9,934.6	\$4,311.8	(1,286.2)	230.80	376.4	840.60	(4,1										

		Employment 2 Qtr Mvg Avg		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var		Base Employment + 4 Qtrs		Galveston Storm Variable		Pleasure Pier Adjustment with CPI		U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average						
COEFFICIENTS		3.0897		-0.02		1.6308		-4.8998		525.8812		125.3554		0.2201						
FY	Fiscal Year	CONSTANT = A	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE (\$000's) = A+B+C+D+E+F+G+H	ACTUAL (\$000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference

ASSUMPTIONS								
Cal Year	Calendar Year Employment Growth	Fiscal Year	Fiscal Year Employment Growth	Base Employment Growth	U.S. Real GDP Growth	Exports to Mexico	CPI	Projected COG Sales Tax (\$Millions)
2014	3.4%							
2015	0.5%	FY 2015	2.2%	2.2%	2.0%	3.0%	2.0%	\$14.77
2016	0.8%	FY 2016	0.3%	-1.7%	3.0%	3.0%	2.0%	\$15.14
2017	3.8%	FY 2017	2.0%	1.0%	2.5%	3.0%	2.0%	\$16.40
2018	3.1%	FY 2018	4.0%	2.0%	2.2%	3.0%	2.0%	\$17.85
2019	2.6%	FY 2019	2.7%	2.7%	2.2%	3.0%	2.0%	\$18.68



Fiscal Year	Model Total	Total Actual Tax	Actual Over/ (Under) Model	Pct Diff
1993	\$4,832.5	\$4,869.2	\$36.7	0.75%
1994	\$5,554.9	\$5,464.1	(\$90.8)	-1.66%
1995	\$6,277.7	\$5,828.8	(\$448.9)	-7.70%
1996	\$6,656.0	\$6,900.6	\$244.6	3.54%
1997	\$7,147.5	\$7,340.4	\$192.9	2.63%
1998	\$7,939.4	\$7,702.2	(\$237.2)	-3.08%
1999	\$8,420.2	\$8,334.8	(\$85.4)	-1.03%
2000	\$8,841.6	\$8,921.0	\$79.4	0.89%
2001	\$9,437.8	\$9,356.1	(\$81.7)	-0.87%
2002	\$9,387.7	\$9,252.0	(\$135.7)	-1.47%
2003	\$9,728.7	\$9,683.7	(\$45.0)	-0.47%
2004	\$10,079.0	\$9,916.4	(\$162.6)	-1.64%
2005	\$10,773.6	\$10,449.0	(\$324.6)	-3.11%
2006	\$11,684.7	\$12,224.2	\$539.5	4.41%
2007	\$12,524.3	\$12,697.5	\$173.2	1.36%
2008	\$12,393.5	\$12,586.9	\$193.4	1.54%
2009	\$13,733.0	\$13,857.3	\$124.3	0.90%
2010	\$11,378.2	\$11,380.3	\$2.1	0.02%
2011	\$12,022.8	\$12,016.9	(\$5.9)	-0.05%
2012	\$13,055.0	\$13,008.8	(\$46.2)	-0.36%
2013	\$13,801.3	\$13,424.9	(\$376.4)	-2.80%
2014	\$14,100.0	\$14,301.8	\$201.8	1.41%
2015	\$14,765.5	\$14,706.0	(\$59.5)	-0.40%
2016 Est	\$15,135.8			
2017 Est	\$16,398.4			
2018 Est	\$17,847.6			
2019 Est	\$18,679.2			



			Employment 2 Qtr Mvg Avg		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var		Base Employment + 4 Qtrs		Galveston Storm Variable		Pleasure Pier Adjustment with CPI		U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average					
COEFFICIENTS			3.0897		-0.02		1.6308		-4.8998		525.8812		125.3554		0.2201					
FY	Fiscal Year	CONSTANT = A	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = F	DATA	PRODUCT OF DATA AND COEFFICIENT = G	DATA	PRODUCT OF DATA AND COEFFICIENT = G	MODEL ESTIMATE (\$000's) = A+B+C+D+E+F+G+H	ACTUAL (\$000's)	ESTIMATE (OVER)/ UNDER ACTUAL	% Difference

FY	FY/Mo	Gilmer Scenario #2 Sept 2015 Upstream Energy	Actual Per BLS & Welch	Modified Gilmer #2 Upstream Energy	Gilmer Scenario #2 Sept 2015 Total Employment	Actual Per BLS & Welch Total Employment	Modified Gilmer #2 Total Employment wh Construction Included	FY/Mo
2015	2015-1	5.00%	3.05%	3.05%	3.40%	3.64%	3.64%	2015-1
2015	2015-2	0.00%	2.07%	2.07%	2.00%	3.33%	3.33%	2015-2
2015	2015-3	-5.00%	-0.90%	-2.50%	0.00%	2.14%	2.14%	2015-3
2015	2015-4	-10.00%	-2.27%	-5.00%	-2.50%	1.61%	1.61%	2015-4
2016	2016-1	-9.00%	-2.28%	-7.50%	-2.80%	0.85%	<b>0.70%</b>	2016-1
2016	2016-2	-8.00%		-5.00%	-2.50%		0.50%	2016-2
2016	2016-3	-7.00%		-4.00%	-1.00%		0.00%	2016-3
2016	2016-4	-6.00%		-3.00%	0.00%		0.50%	2016-4
2017	2017-1	-5.00%		-2.00%	1.00%		<b>0.90%</b>	2017-1
2017	2017-2	0.00%		-1.00%	2.00%		1.50%	2017-2
2017	2017-3	5.00%		0.00%	2.50%		2.25%	2017-3
2017	2017-4	10.00%		5.00%	3.00%		2.75%	2017-4
2018	2018-1	5.00%		10.00%	2.50%		<b>3.00%</b>	2018-1
2018	2018-2	2.50%		5.00%	2.00%		4.50%	2018-2
2018	2018-3	2.50%		2.50%	2.00%		4.00%	2018-3
2018	2018-4	2.50%		2.50%	2.00%		3.50%	2018-4
2019	2019-1	2.50%		2.50%	2.00%		<b>2.75%</b>	2019-1
2019	2019-2	2.50%		2.50%	2.00%		2.50%	2019-2
2019	2019-3	2.50%		2.50%	2.00%		2.25%	2019-3
2019	2019-4	2.50%		2.50%	2.00%		2.25%	2019-4

**MONTHLY SALES TAX BY AREA OF CITY  
DOWNTOWN, PORT AND SEAWALL  
(UPDATED FEBRUARY 9, 2016)**

**OVERVIEW**

The attached chart depicts the result of new reports being provided by the State Comptroller's Office using predefined areas by the City. The three areas for which reporting is being provided monthly are:

- Downtown (as defined by the Planning Department for planning purposes);
- Port of Galveston (basically every sales taxpayer on Harborside Drive); and
- Seawall (every sales taxpayer with a Seawall Boulevard address and those located within one to two blocks of the Seawall)

Using data requested by the City (see Methodology below) and provided by the State Comptroller's Office, the following results are provided. (Note: Timeframes used are based on the month in which the sales tax was collected by merchants. Actual receipts are then reported to the State Comptroller's Office the following month and forwarded to the City the month after that.)

**MONTHLY AVERAGE  
SALES TAX COMPARISON  
OCTOBER 2013-OCTOBER 2015**

Area	Average Monthly Sales Tax Amount	Average Percent of Citywide Total
Downtown	\$94,454	6.13%
Port	\$73,857	4.77%
Seawall	\$347,436	22.12%
Citywide	\$1,520,553	100.00%

Downtown businesses and those along Harborside Drive combine to provide approximately 11% of total sales tax revenue for the City of Galveston. Seawall businesses, including several major retailers, combine to provide approximately 22 percent of sales tax revenue for the City.

**CHANGE IN AREA SALES TAX  
FY15 TOTAL VERSUS FY14 TOTAL**

Area	FY14 Total	FY15 Total	FY15 Over/ (Under FY14)
Downtown	\$1,142,964	\$1,177,689	3.04%
Port	\$859,195	\$917,807	6.82%
Seawall	\$4,645,636	\$4,641,654	-0.09%
Citywide	\$19,069,050	\$19,607,870	2.83%

Based on the data provided, Downtown area sales tax receipts grew 3.04 percent in FY15 as compared with FY14, a slightly faster rate than the 2.83 percent growth at the citywide level.

Seawall sales tax revenue was basically flat while Port area businesses sales tax revenue grew 6 percent in FY15 from the FY14 level.

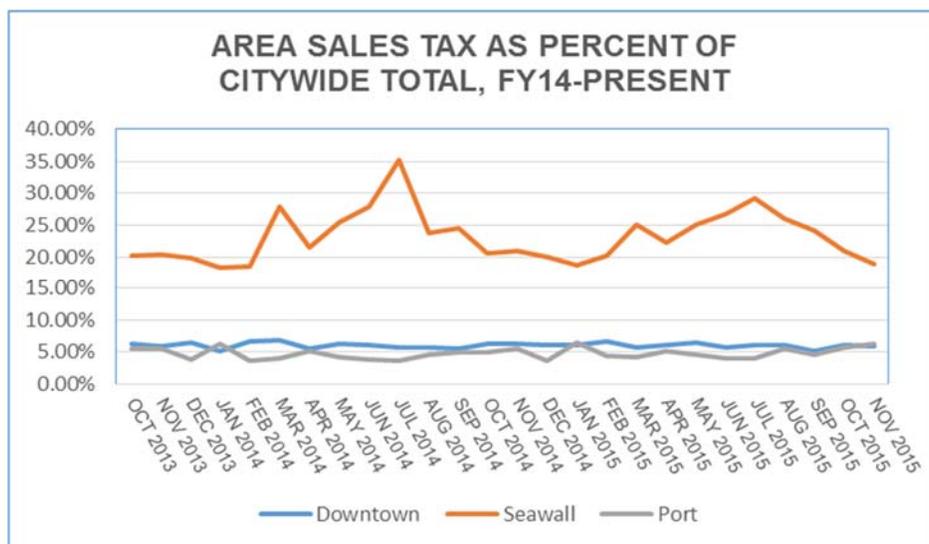
## METHODOLOGY

The State Comptroller's office by law cannot disclose specific sales tax amounts paid by an individual business. The sales tax Confidentiality Report from the State Comptroller provides twenty four months of sales tax payment history for each business owner in town, but the information is not provided by location. Finance is designated by the City Manager to receive this report and is required by the state law to hold the report and the information therein confidential, only using it for forecasting purposes.

The sales tax area reports used in this special report are developed as follows.

1. The State provides a listing of sales tax generating business by address to the City.
2. The City uses this list to manually prepare a list of taxpayers that are located in a specified area or areas.
3. The State then uses this listing of taxpayers to produce a report of the sales taxes generated in total by the list of taxpayers in a given time period as specified and requested by the City.
4. Hard copy of the report is then mailed to the City with a list of the taxpayers included in the report and a total tax payment amount for the entire group of taxpayers.

The sales tax area report is not based on any kind of automated mapping system that might identify new businesses that would need to be added to the report over time. The City will have to update the area taxpayer lists manually as the need arises. It is our intention to update it annually unless a noticeable change with a significant new business in an area is evident.



**State of Texas Comptroller of Public Accounts  
Sales Tax Reporting by Area  
(by month earned)**

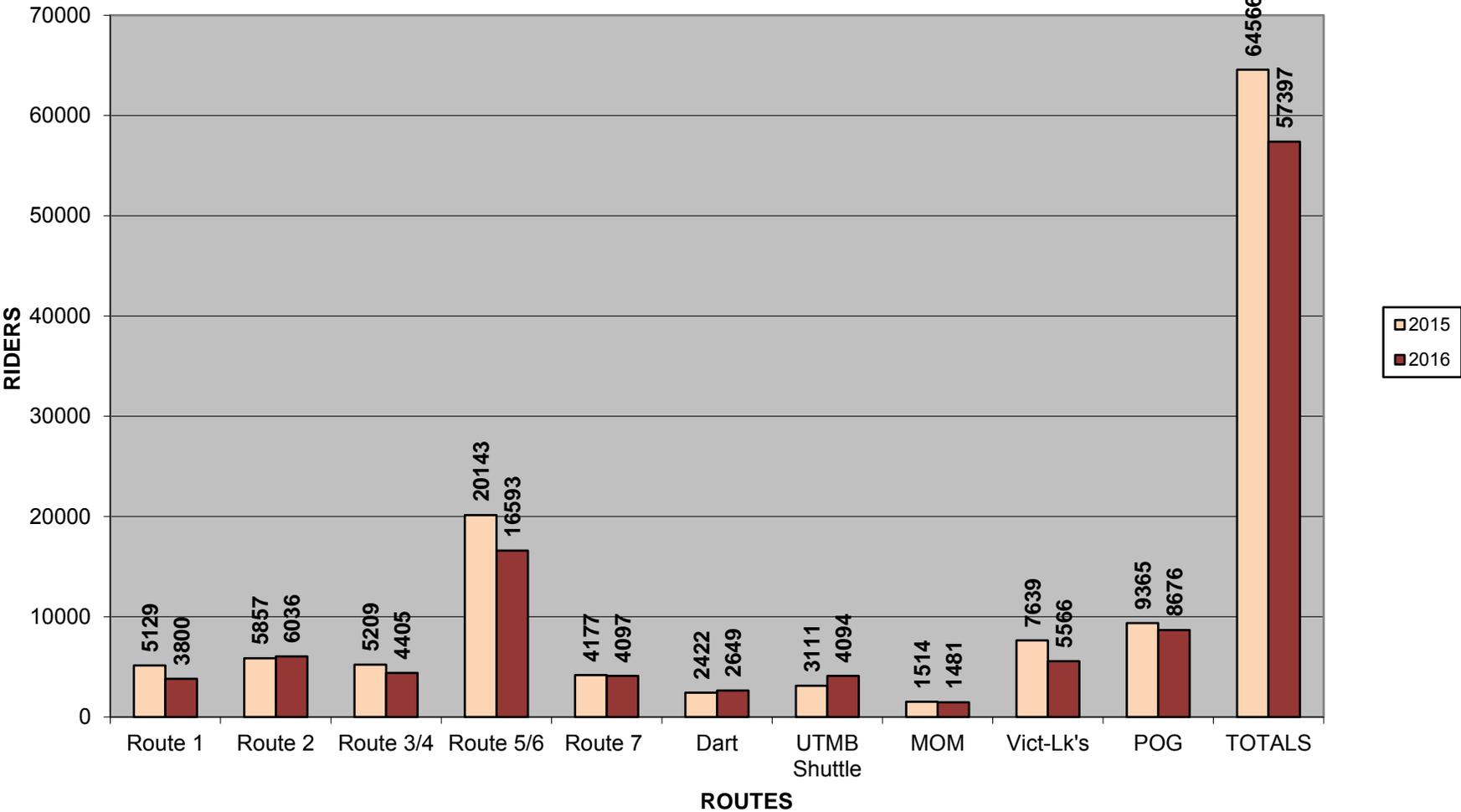
FY14													
AREA	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUN 2014	JUL 2014	AUG 2014	SEP 2014	FY14 TOTALS
Galveston Downtown	79,807.13	71,787.63	102,869.88	61,633.03	85,876.42	114,993.37	85,535.83	98,103.79	123,269.16	119,848.39	109,407.74	89,831.46	1,142,963.83
Galveston Seawall	259,865.71	245,350.99	312,971.93	218,642.32	240,577.58	466,220.83	332,492.85	401,481.32	561,848.64	749,663.01	455,060.62	401,460.11	4,645,635.91
Galveston Port *	72,350.26	66,359.50	61,332.40	74,942.84	46,649.60	67,606.97	80,512.58	64,580.58	78,559.35	76,078.10	88,083.63	82,139.30	859,195.11
<b>TOTAL</b>	<b>412,023.10</b>	<b>383,498.12</b>	<b>477,174.21</b>	<b>355,218.19</b>	<b>373,103.60</b>	<b>648,821.17</b>	<b>498,541.26</b>	<b>564,165.69</b>	<b>763,677.15</b>	<b>945,589.50</b>	<b>652,551.99</b>	<b>573,430.87</b>	<b>6,647,794.85</b>
City Wide Total	1,291,651.32	1,206,491.83	1,580,661.09	1,196,353.19	1,306,266.44	1,673,131.09	1,543,703.81	1,571,501.29	2,017,138.85	2,131,203.89	1,908,135.36	1,642,812.02	19,069,050.18
Downtown %	6.18%	5.95%	6.51%	5.15%	6.57%	6.87%	5.54%	6.24%	6.11%	5.62%	5.73%	5.47%	5.99%
Seawall %	20.12%	20.34%	19.80%	18.28%	18.42%	27.87%	21.54%	25.55%	27.85%	35.18%	23.85%	24.44%	24.36%
Port %	5.60%	5.50%	3.88%	6.26%	3.57%	4.04%	5.22%	4.11%	3.89%	3.57%	4.62%	5.00%	4.51%
FY15													
AREA	OCT 2014	NOV 2014	DEC 2014	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	FY15 TOTALS
Galveston Downtown	86,814.78	80,305.71	103,779.62	77,142.22	89,164.38	106,201.06	91,156.03	104,464.19	120,305.51	117,555.50	106,379.38	94,421.05	1,177,689.43
Galveston Seawall	287,675.79	265,820.91	345,295.60	236,257.47	267,822.74	473,288.31	337,741.85	402,761.32	566,163.67	565,165.22	456,982.70	436,678.73	4,641,654.31
Galveston Port	68,648.28	69,083.48	64,243.76	81,633.93	59,289.00	79,129.56	77,339.15	73,215.16	85,377.76	78,595.56	97,179.57	84,071.52	917,806.73
<b>TOTAL</b>	<b>443,138.85</b>	<b>415,210.10</b>	<b>513,318.98</b>	<b>395,033.62</b>	<b>416,276.12</b>	<b>658,618.93</b>	<b>506,237.03</b>	<b>580,440.67</b>	<b>771,846.94</b>	<b>761,316.28</b>	<b>660,541.65</b>	<b>615,171.30</b>	<b>6,737,150.47</b>
City Wide Total	1,394,471.33	1,271,065.03	1,727,234.37	1,267,941.59	1,326,316.48	1,883,450.03	1,521,566.83	1,608,255.60	2,108,830.18	1,932,921.75	1,754,317.72	1,811,499.15	19,607,870.06
Downtown %	6.23%	6.32%	6.01%	6.08%	6.72%	5.64%	5.99%	6.50%	5.70%	6.08%	6.06%	5.21%	6.01%
Seawall %	20.63%	20.91%	19.99%	18.63%	20.19%	25.13%	22.20%	25.04%	26.85%	29.24%	26.05%	24.11%	23.67%
Port %	4.92%	5.44%	3.72%	6.44%	4.47%	4.20%	5.08%	4.55%	4.05%	4.07%	5.54%	4.64%	4.68%
FY16													
AREA	OCT 2015	NOV 2015	DEC 2015	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUN 2016	JUL 2016	AUG 2016	SEP 2016	
Galveston Downtown	85,207.20	82,997.86											
Galveston Seawall	291,535.79	262,567.10											
Galveston Port	80,609.88	86,917.33											
<b>TOTAL</b>	<b>457,352.87</b>	<b>432,482.29</b>											
City Wide Total	1,394,471.33	1,394,471.33											
Downtown %	6.11%	5.95%											
Seawall %	20.91%	18.83%											
Port %	5.78%	6.23%											

\* Galveston Port area total includes estimated tax for Port itself for the month of November 2013.

**MUNICIPAL COURTS PRODUCTION REPORT  
JANUARY 2016**

CATEGORY	FY 2013	FY 2014	FY 2015	FY 2016 (ESTIMATED)	FY 2016 OCTOBER	FY 2016 NOVEMBER	FY 2016 DECEMBER	FY 2016 JANUARY	FY 2016 YTD
<b>Traffic Tickets</b>									
Number of Traffic Tickets Issued	29,041	22,147	20,207	20,954	2,014	1,522	1,382	1,176	6,094
\$ Value of Traffic Tickets Issued	\$6,891,429.54	\$5,323,112.12	\$4,760,384.43	\$4,996,923.62	\$478,767.60	\$365,745.50	\$328,474.40	\$277,844.40	\$1,450,831.90
Number of Traffic Tickets Paid	12,823	11,249	17,189	13,878	1,634	1,302	1,298	1,282	5,516
\$ Amount Paid for Traffic Tickets	\$3,121,296.31	\$2,694,407.36	\$2,190,415.37	\$2,396,851.39	\$205,108.81	\$175,026.40	\$160,633.38	\$170,306.72	\$711,075.31
<b>Parking Tickets</b>									
Number of Parking Tickets Issued	17,172	25,556	12,404	20,011	1,115	777	889	821	3,602
\$ Value of Parking Tickets Issued (\$30 to \$75 per ticket)	\$291,924.00	\$434,452.00	\$349,802.10	\$417,161.28	\$42,869.50	\$28,928.50	\$43,029.00	\$35,232.75	\$150,059.75
Number Parking Tickets Paid	9,724	14,060	7,021	11,400	576	443	336	301	1,656
\$ Amount Paid for Parking Tickets	\$208,997.47	\$327,762.10	\$223,387.17	\$277,144.76	\$23,230.13	\$15,304.86	\$14,697.70	\$13,679.61	\$66,912.30
<b>Warrants Served</b>									
Number of Warrants Served	14,940	12,501	13,233	13,049	978	833	874	940	3,625
\$ Value of Warrants Served	\$4,713,639.37	\$3,915,766.55	\$3,387,412.68	\$3,662,953.59	\$260,800.85	\$206,499.26	\$216,731.33	\$236,973.33	\$921,004.77
Number Warrants Satisfied on Non-Cash Basis	11,630	10,472	6,416	8,397	420	342	387	368	1,517
\$ Value Community Service/Jail Time Served	\$2,781,634.66	\$2,300,878.50	\$2,055,274.03	\$2,182,378.96	\$147,388.40	\$116,723.90	\$133,080.90	\$129,323.55	\$526,516.75
Number Warrants Paid	3,310	2,029	8,558	5,618	209	157	162	145	673
\$ Amt Warrants Paid	\$1,932,004.71	\$1,614,888.05	\$803,153.12	\$1,219,523.97	\$66,958.10	\$51,081.90	\$55,684.85	\$51,704.00	\$225,428.85
<b>Statistics</b>									
\$ Amt Tickets Issued	\$7,183,353.54	\$5,757,564.12	\$4,642,064.08	\$5,414,084.90	\$521,637.10	\$394,674.00	\$371,503.40	\$313,077.15	\$1,600,891.65
\$ Amt Tickets Paid	\$3,330,293.78	\$3,022,169.46	\$2,178,095.47	\$2,673,996.15	\$228,338.94	\$190,331.26	\$175,331.08	\$183,986.33	\$777,987.61
Percent \$ Amt Tickets Paid	46.4%	52.5%	47%	49.4%	43.8%	48.2%	47.2%	58.8%	48.6%

**Island Transit  
JANUARY 15/16  
RIDERSHIP**





# ACTIVITIES REPORT

*Planning and  
Development Division*

JANUARY  
2016

## **PLANNING COMMISSION:**

**16P-001 (21208 Gulf Drive)** Request for a Beachfront Construction of a new Single Family Home.

## **LANDMARK COMMISSION:**

**16LC-001 (1413 Postoffice/Avenue E)** Request for a Certificate of Appropriateness for alterations to the structure including the installation of new windows.

**16LC-002 (1709 Mechanic)** Request for a Certificate of Appropriateness in order to construct a new single-family-dwelling.

**16LC-003 (1601 Ball/Avenue H)** Request for a Certificate of Appropriateness for the installation of shutters.

**16LC-005 (2111 Strand / Ave B)** Request for a Certificate of Appropriateness for structural stabilization and upper floor masonry reconstruction and selected cast iron parts removal and cast iron repair work.

## **Zoning Board of Adjustment:**

**16Z-001 (4011 Warchest Court)** Request for a variance from the Galveston Land Development Regulations, Article 3, Supplemental Standards for the Residential, Single Family (R-1) zoning district regarding rear yard setback requirements.

## **BEACHFRONT CONSTRUCTION:**

**16BF-001 (18503 East De Vaca)** Request for a Beachfront Construction Dune Protection Permit in order to construct a fence.

**16BF-002 (13102 John Reynolds)** Request for a Beachfront Construction Dune Protection Permit in order to construct a Single Family Home.

**16BF-003 (21606 Kennedy Drive)** Request for a Beachfront Construction Dune Protection Permit in order to

**16BF-006 (11211 Beard Drive)** Request for a Beachfront Construction Dune Protection Permit in order to construct a Single-family home.

**16BF-007 (20819 West Sandhill Drive)** Request for a Beachfront Construction Dune Protection Permit in order to construct a Dune walkover.

**16BF-008 (11205 Bernice)** Request for a Beachfront Construction Dune Protection Permit in order to construct a Dune restoration project.

**16BF-009 (23005 Gulf Drive)** Request for a Beachfront Construction Dune Protection Permit in order to construct a Dune walkover.

**16BF-010 (11851 Sunbather Ln)** Request for a Beachfront Construction Dune Protection Permit in order to construct a Dune restoration project

**16BF-011 (23935 San Luis Pass Rd)** Request for a Beachfront Construction Dune Protection Permit in order to construct a Dune walkover.

**16BF-012 (21810 San Luis Pass Rd)** Request for a Beachfront Construction Dune Protection Permit in order to construct a Single-family home.

**16BF-013 (4210 Sand Piper Ln)** Request for a Beachfront Construction Dune Protection Permit in order to construct a Single-family home.

**16BF-014 (22211 Cantina)** Request for a Beachfront Construction Dune Protection Permit in order to construct a Single-family home.

**16BF-015 (4406 Antigua Drive)** Request for a Beachfront Construction Dune Protection Permit in order to Amend the original permit.

### **ADMINISTRATIVELY REVIEWED:**

**16PA-001 Park Board of Trustees** Staff is requesting a text amendment to the City of Galveston Dune Protection and Beach Access Plan (Chapter 29 Planning – Beach Access Dune Protection & Beach Front Construction) in order to increase Beach User Fee Rate Increases at Park Board Managed Beach and Park Locations and authorize submission to the Texas General Land Office for Certification.

**16PA-002 (7400 Jones Drive)** Request for a zoning verification letter for property at 7400 Jones Drive.

**16PA-003 (301 25<sup>TH</sup> Street, 2508 Market Street)** Request for a Zoning Verification Letter.

**16PA-004 (3819 Las Palmas Blvd.)** Request to decrease the number of lots from three to two and move the property line south approximately 20-feet.

**16PA-005 (802 Avenue L and 801 Avenue K)** Request to avail from Chapter 245 of the Texas Local Government Code to construct a 'Commercial Lodging' development.

**16PA-006 (2528 Broadway Boulevard)** Request for a variance to appeal the Section 4-1(a) of the Galveston City Code in regards to sale of alcoholic beverages within three hundred (300) feet of any church, public or private school, or public hospital in the city.

## **SPECIAL PROJECTS & ANNOUNCEMENTS:**

- *Pre-Development Meetings*

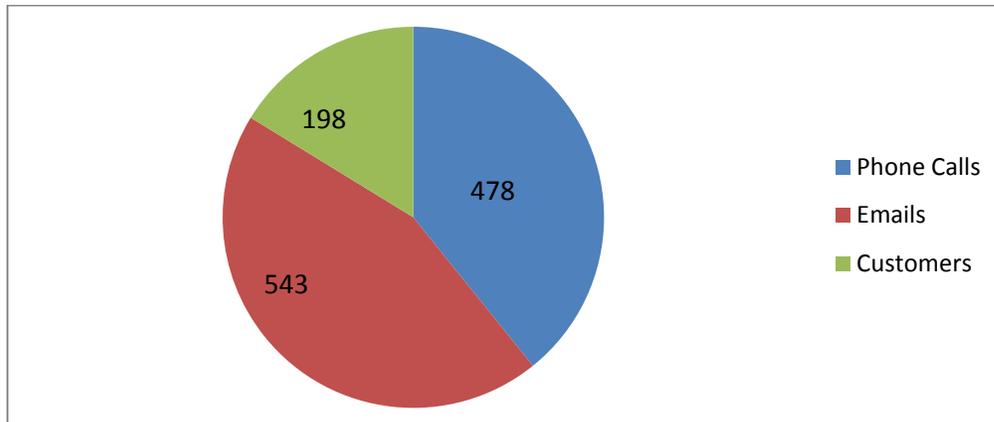
A Pre-Development meeting can be scheduled by anyone contemplating development in the City of Galveston. The meetings are attended by staff from the Building Division, Fire Marshal's Office, Public Works Department, and Planning and Development Division. The Planning & Development Division facilitated four of these meetings throughout the month.

- *Sign Ad Hoc Committee*

Pete Milburn, Senior Planner, and the sign committee continued their work on improving the city's sign regulations.

- Minh Thach, Coastal Resource Manager, worked on the State Legislative Agenda, RESTORE Act Funding Proposal; Access Point 10 Closure Proposal, and Miramar Beach Seasonal Signage.

## **MONTHLY PLANNING**





# Texas Department of Transportation<sup>®</sup>

P.O. BOX 1386 • HOUSTON, TEXAS 77251-1386 • (713) 802-5000

February 16, 2016

The Honorable James D. Yarbrough  
Mayor, City of Galveston  
P.O. Box 779  
Galveston, Tx 77553-0779

Dear Mayor Yarbrough:

The following is a report of traffic over the Galveston - Pt. Bolivar Ferries for the month of

### January, 2016

Number of Trips	M/V Gibb Gilchrist	-	
	M/V Robert C. Lanier	346	
	M/V Dewitt C. Greer	-	
	M/V Ray Stoker, Jr.	313	
	M/V Robert H. Dedman	363	
	M/V John W. Johnson	447	
	Total	<u>1,469</u>	
Vehicles	From Galveston	50,051	
	From Port Bolivar	<u>49,129</u>	
	Total	<u>99,180</u>	
Passengers	From Galveston	158,261	
	From Port Bolivar	<u>156,185</u>	
	Total	<u>314,446</u>	

Sincerely,

William P. Mallini  
Galveston Ferry Operation Manager  
Houston District

WPM:cpl

#### OUR GOALS

MAINTAIN A SAFE SYSTEM • ADDRESS CONGESTION • CONNECT TEXAS COMMUNITIES • BEST IN CLASS STATE AGENCY

An Equal Opportunity Employer