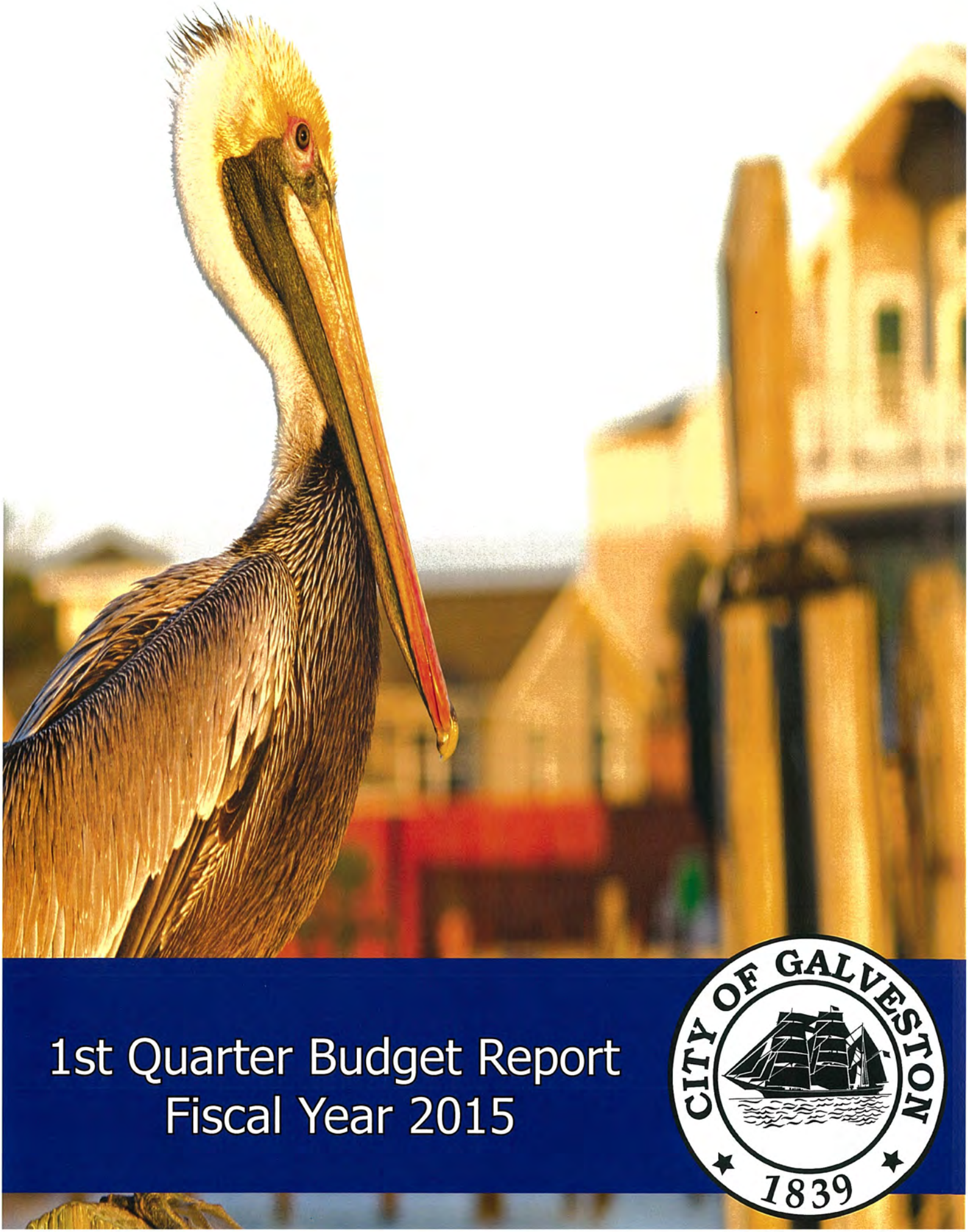

1st Quarter Budget Report
Fiscal Year 2015

CITY OF GALVESTON
1839

City of Galveston

Office of the City Manager

P. O. Box 779 / Galveston, Texas 77553-0779 / (409) 797-3520 / Fax (409) 797-3521

January 15, 2015

Honorable Mayor James D. Yarborough and Members of Council

This is to present the subject report with unaudited estimated results for the first quarter of FY 2015 ending December 31, 2014. The City of Galveston's operating budget is addressed in the attached report, showing favorable overall preliminary results. It is estimated that revenue collections for FY 2015 will be $106.7 million, an amount that is $746,000 less than the budget of $107.5 million. At the same time, expenditures for the fiscal year are estimated to be $114 million, approximately $1.4 million less than the $115.4 million budget. Ending fund balances, the City's savings account, are projected to end FY 2015 with a total of $40.6 million, significantly more than the $33.8 million budgeted amount, largely due to larger ending fund balances carried over from FY 2014.

This report includes projected year end results for all operating budget funds, considering current trends and matters known to have an effect on the budget fiscal year to date. Current economic trends in the energy sector are a source of concern because of their potential impact on economic growth in the region and the resulting impact on economically sensitive revenue. Payroll and hiring trends have been used to project year end totals identifying several departments with expected underruns against their personnel budget. Notable variances between projections and budget have been noted and explained on each page of the financial section of this report. In addition, a first amendment to this year's budget will be offered in the near future in response to key items identified through this report.

General Fund Highlights

Property taxes are expected to be approximately $287,000 higher than budgeted, but will be more than offset as court fines and forfeits are trending to come in $400,000 under the FY 2015 Budget and somewhat under last year's actual totals. It appears this is the result of lower numbers of and tickets written with fewer total violations cited than was expected in this year's budget. Sales tax revenue is analyzed in a new format offered as an appendix to this report. Considering trends of the last fifteen years, and statistical analysis of economic and weather trends beginning in 1991, it appears that sales tax revenue could easily come in either higher or lower than budget. Since it is so early in the fiscal year, this report assumes that the budget will be realized. We plan to continue our monthly review of this volatile, important revenue source.

In spite of a cumulative $191,000 projected revenue shortfall, General Fund spending is expected to come in $359,000 under budget at the end of FY 2015. This underrun will provide the means to provide necessary staffing that will lead to improved effective vendor relations and contract compliance in Purchasing, improved long-term planning and capital budgeting in the Budget Office, as well as enhanced project management in the City Manager's office. These added costs in the FY 2015 Budget will be funded through use of savings in the Police and Public Works departments.

You will recall that the FY 2015 budget includes a City Council Contingency of $3.9 million. Unless the general revenue picture improves, these funds could be expended, thereby drawing fund balance down in the process. If this entire amount were expended in FY 2015, the General Fund balance would be reduced to approximately $13.3 million, an amount still $2 million more than the 90 day reserve level of $11.3 million.

Special Revenue Funds

Special revenue funds exist to account and budget for legally dedicated revenue that is not associated with a business-type, enterprise operation. The City's eight special revenue funds are budgeted to spend all or most all of available funding; if funds are not spent, they simply fall to fund balance. Among this fund group, only the Convention Center Surplus Fund appears at this point to require a budget amendment. The recent interlocal agreement with the Parks Board requires a $475,000 payment in FY 2015 that was not budgeted but will need to be included in the Budget prior to payment.

Enterprise Funds

The five enterprise funds are each projected to end FY 2015 with more fund balance than budgeted. As was the case last fiscal year, revenues will be close to budget while expenditures will run under budget, particularly because of personnel savings. The Waterworks Fund will require a budget amendment to cover the $500,000 payment required by a recent settlement agreement. Also, the Sanitation Fund will require amendment to cover the cost of a garbage truck delivered later than expected and paid out of FY 2015 funds. In the latter case, funds are available in the Sanitation Fund balance having been left unspent when the truck was not delivered.

Please let me know if you wish further information.

Brian Maxwell
City Manager

CITY-WIDE SUMMARY
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

		FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate
Beginning Fund Balance					
General Fund		$18,244,324	$16,881,028	$17,801,442	$17,801,442
Special Revenue Funds		3,818,331	6,473,549	6,591,889	6,591,889
Debt Service Fund		3,455,896	3,518,386	3,533,168	3,533,168
Enterprise Funds		13,416,434	11,542,985	13,819,070	13,819,070
	Total	**$38,934,985**	**$38,415,948**	**$41,745,569**	**$41,745,569**
Revenue					
General Fund		$45,991,805	$45,976,972	$11,917,006	$45,785,871
Special Revenue Funds		11,872,263	13,839,995	4,530,373	13,540,891
Debt Service Fund		7,129,785	7,084,251	1,352,020	7,084,251
Enterprise Funds		40,189,605	40,591,754	10,215,429	40,335,916
	Total	**$105,183,458**	**$107,492,972**	**$28,014,828**	**$106,746,929**
Expenditures					
General Fund		$46,434,687	$46,038,822	$9,064,111	$45,679,581
Special Revenue Funds		9,098,705	18,783,613	1,528,306	18,280,398
Debt Service Fund		7,052,513	7,060,130	6,875	7,060,130
Enterprise Funds		39,786,969	43,472,594	10,933,286	43,012,198
	Total	**$102,372,874**	**$115,355,159**	**$21,532,577**	**$114,032,306**
Revenues over/(under) Expenditures					
General Fund		($442,882)	($61,850)	$2,852,895	$106,290
Special Revenue Funds		2,773,558	(4,943,618)	3,002,067	(4,739,507)
Debt Service Fund		77,272	24,121	1,345,145	24,121
Enterprise Funds		402,636	(2,880,840)	(717,857)	(2,676,281)
	Total	**$2,810,584**	**($7,862,187)**	**$6,482,250**	**($7,285,377)**
Appropriation of Fund Balance					
General Fund		$0	$4,629,419	$6,000	$650,000
Special Revenue Funds		0	5,867,108	0	5,867,108
Debt Service Fund		0	0	0	0
Enterprise Funds		0	3,000,000	0	3,000,000
	Total	**$0**	**$13,496,527**	**$6,000**	**$9,517,108**
Ending Fund Balance					
General Fund		$17,801,442	$12,189,759	$20,648,337	$17,257,732
Special Revenue Funds		6,591,889	1,529,931	9,593,956	1,852,382
Debt Service Fund		3,533,168	3,542,507	4,878,313	3,557,289
Enterprise Funds		13,819,070	8,662,145	13,101,213	11,142,789
	Sub-Total	**$41,745,569**	**$25,924,342**	**$48,221,819**	**$33,810,192**
Internal Service Funds		$7,652,083	$7,858,409	$6,939,575	$6,841,688
TOTAL WITH INTERNAL SERVICE FUNDS		**$49,397,652**	**$33,782,751**	**$55,161,394**	**$40,651,880**

Note: The Internal Service Funds revenues and expenses are not included in the totals above to avoid duplication.

GENERAL FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year				
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate		FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$18,244,324**	**$16,881,028**	**$17,801,442**	**$17,801,442**		**$920,414**
Revenues						
Property Taxes	$18,978,853	$18,546,689	$8,858,091	$18,833,964	(1)	$287,275
Sales Taxes	14,623,449	14,608,207	1,062,765	14,608,207	(2)	0
Other Taxes	546,116	715,353	0	715,300		(53)
Franchise Taxes	5,267,085	5,324,415	808,430	5,272,100	(3)	(52,315)
Licenses and Permits	1,226,220	1,043,744	279,336	1,085,500	(4)	41,756
Intergovernmental	764,678	724,678	150,000	724,700		22
Charges for Services	1,789,860	1,825,170	390,481	1,782,500	(3)	(42,670)
Fines and Forfeits	1,870,688	2,211,908	359,342	1,811,600	(3)	(400,308)
Investment Earnings	45,967	69,111	0	50,000		(19,111)
Miscellaneous	878,889	907,697	8,560	902,000		(5,697)
Total Revenues	**$45,991,805**	**$45,976,972**	**$11,917,006**	**$45,785,871**		**($191,101)**
Expenditures						
General Government						
City Secretary	$449,345	$401,771	$90,494	$401,771		$0
Municipal Court	643,337	675,056	162,528	675,056		0
City Manager	1,104,146	687,032	142,284	772,745	(5)	(85,713)
City Auditor	238,606	246,038	49,951	246,038		0
Legal	658,638	769,746	143,387	769,746		0
Human Resources	309,757	337,570	35,756	284,972	(6)	52,598
Transportation	850,000	850,000	187,500	850,000		0
Subtotal	**$4,253,829**	**$3,967,213**	**$811,900**	**$4,000,327**		**($33,114)**
Finance						
Administration	$1,052,481	$283,336	$50,416	$283,336		$0
Accounting	895,816	1,021,788	219,648	1,021,788		0
Purchasing	147,699	159,709	37,018	198,802	(7)	(39,093)
Budget	101,740	115,935	23,760	170,313	(8)	(54,378)
Subtotal	**$2,197,736**	**$1,580,768**	**$330,842**	**$1,674,239**		**($93,471)**
Public Safety						
Police	$16,737,538	$16,883,827	$3,487,288	$16,579,077	(9)	$304,750
Fire	9,832,783	10,000,899	1,980,711	10,000,899		0
Emergency Management	209,625	209,874	50,822	209,874		0
Emergency Medical Service	516,161	566,400	141,527	566,400		0
Special Events	0	0	0	0		0
Subtotal	**$27,296,107**	**$27,661,000**	**$5,660,348**	**$27,356,250**		**$304,750**
Public Works						
Streets	$1,742,121	$1,894,947	$386,875	$1,855,082	(6)	$39,865
Traffic	1,337,657	1,491,761	228,498	1,350,550	(6)	141,211
Subtotal	**$3,079,778**	**$3,386,708**	**$615,373**	**$3,205,632**		**$181,076**

GENERAL FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Parks and Recreation					
Administration	$608,644	$651,137	$120,454	$651,137	$0
Parks and Parkways	1,409,145	1,666,390	303,233	1,666,390	0
Subtotal	**$2,017,789**	**$2,317,527**	**$423,687**	**$2,317,527**	**$0**
Planning and Community Development					
Planning	$1,023,709	$1,113,948	$271,930	$1,113,948	$0
Code Enforcement	469,451	588,930	112,844	588,930	0
Building Inspection	552,876	564,328	116,748	564,328	0
Subtotal	**$2,046,036**	**$2,267,206**	**$501,522**	**$2,267,206**	**$0**
Non-Departmental					
Vehicle Purchases	$799,502	$1,000,000	$0	$1,000,000	$0
Governmental Expenditures	156,582	213,158	70,262	213,158	0
Debt Service	1,554,855	18,880	(144,990)	18,880	0
Facility Maintenance	0	1,847,728	395,167	1,847,728	0
Operating Transfers Out	3,032,473	1,778,634	400,000	1,778,634	0
Subtotal	**$5,543,412**	**$4,858,400**	**$720,439**	**$4,858,400**	**$0**
Total Expenditures	**$46,434,687**	**$46,038,822**	**$9,064,111**	**$45,679,581**	**$359,241**
Revenues Over/(Under) Expenditures	**($442,882)**	**($61,850)**	**$2,852,895**	**$106,290**	**$168,140**
Estimated Ending Fund Balance	**$17,801,442**	**$16,819,178**	**$20,654,337**	**$17,907,732**	**$1,088,554**
Less: Appropriation of Fund Balance					
Additional 3 months COLA	$0	$61,850	$0	$0	$61,850
One-Time Capital Outlay	0	650,000	6,000	650,000	0
City Council Budget Contingency	0	3,917,569	0	0 (10)	3,917,569
Subtotal	**$0**	**$4,629,419**	**$6,000**	**$650,000**	**$3,979,419**
Ending Fund Balance	**$17,801,442**	**$12,189,759**	**$20,648,337**	**$17,257,732**	**($2,890,865)**
90 Day Reserve	**11,449,649**	**11,352,038**	**2,234,986**	**11,263,458**	**N/A**
Total General Fund Appropriation	**$46,434,687**	**$50,668,241**	**$9,070,111**	**$46,329,581**	**$4,338,660**

NOTES:

(1) Since the Budget and tax rates were approved, supplemental rolls have added $62 million in taxable property to the 2014 tax rolls.
(2) Current trends are encouraging but caution is advised until more sales tax proceeds are received.
(3) Franchise taxes, charges for service and fines and forfeit revenue are running slightly behind last year's actual collections to date.
(4) Building permits are slightly ahead of last year's actual collections to date.
(5) A Special Project Manager has been hired to assist the City Manager in completing important, unusual projects.
(6) Human Resources, Streets and Traffic projected to underspend personnel budget as of year end.
(7) Includes funds for second professional purchasing staffer to focus on contract compliance and vendor relations.
(8) Includes second budget analyst to provide added capacity for CIP planning and operating budget reporting and forecasting.
(9) Police personnel costs projected through end of year include salary underruns net of overtime of $250,000 and ten vacant officer positions filled as of April 1.
(10) City Council Contingency not yet allocated to projects, so spending projected at zero.

SPECIAL REVENUE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate
Beginning Fund Balance				
Rosenberg Library	($11,078)	$0	($11,078)	($11,078)
Seawall Parking	29,628	338,482	490,187	490,187
Convention Center Surplus	2,458,736	3,176,783	2,815,872	2,815,872
Historical Buildings	623,201	173,220	250,373	250,373
Neighborhood Revitalization	215,229	215,229	310,286	310,286
Infrastructure Fund	431,705	2,301,877	2,519,528	2,519,528
Separation Pay Fund	0	71,366	38,499	38,499
Island Transit	70,910	196,592	178,222	178,222
Total	**$3,818,331**	**$6,473,549**	**$6,591,889**	**$6,591,889**
Revenues				
Rosenberg Library	$2,064,500	$2,144,036	$1,011,134 (1)	$2,174,744
Seawall Parking	502,638	500,000	60,139 (2)	80,185
Convention Center Surplus	1,564,651	1,584,978	1,032,762 (3)	1,584,978
Historical Buildings	197,842	188,406	0	188,406
Neighborhood Revitalization	100,416	2,756,020	0	2,756,020
Infrastructure Fund	2,300,957	1,378,634	1,378,634	1,378,634
Separation Pay Fund	852,397	514,000	514,000	514,000
Island Transit	4,288,862	4,773,921	533,704	4,863,924
Total	**$11,872,263**	**$13,839,995**	**$4,530,373**	**$13,540,891**
Expenditures				
Rosenberg Library	$2,064,500	$2,144,036	$536,009	$2,144,036
Seawall Parking	42,079	151,268	6,724	8,965
Convention Center Surplus	1,207,515	4,761,761	46,559	4,400,850
Historical Buildings	570,670	361,626	821	361,626
Neighborhood Revitalization	5,359	2,971,248	7,673	2,971,248
Infrastructure Fund	213,134	3,105,753	47,756	3,105,753
Separation Pay Fund	813,898	514,000	20,445	514,000
Island Transit	4,181,550	4,773,921	862,320	4,773,921
Total	**$9,098,705**	**$18,783,613**	**$1,528,306**	**$18,280,398**
Appropriation of Fund Balance				
Rosenberg Library	$0	$0	$0	$0
Seawall Parking	0	0	0	0
Convention Center Surplus	0	3,176,783	0	3,176,783
Historical Buildings	0	173,220	0	173,220
Neighborhood Revitalization	0	215,228	0	215,228
Infrastructure Fund	0	2,301,877	0	2,301,877
Separation Pay Fund	0	0	0	0
Island Transit	0	0	0	0
Total	**$0**	**$5,867,108**	**$0**	**$5,867,108**
Ending Balances				
Rosenberg Library	($11,078)	$0	$464,047	$19,630
Seawall Parking	490,187	687,214	543,602	561,407
Convention Center Surplus	2,815,872	0	3,802,075	0
Historical Buildings	250,373	0	249,552	77,153
Neighborhood Revitalization	310,286	1	302,613	95,058
Infrastructure Fund	2,519,528	574,758	3,850,406	792,409
Separation Pay Fund	38,499	71,366	532,054	38,499
Island Transit	178,222	196,592	(150,394)	268,225
Total	**$6,591,889**	**$1,529,931**	**$9,593,956**	**$1,852,382**

NOTES:

(1) Since the Budget and tax rates were approved, supplemental rolls have added $62 million in taxable property to the 2014 tax rolls.

(2) Seawall Parking projections assume transition to Parks Board as of February 1.

(3) First quarter revenue equal to two thirds of FY 2015 Budget. Will review for adjustment after second quarter payment received.

ROSENBERG LIBRARY
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**($11,078)**	**$0**	**($11,078)**	**($11,078)**	**($11,078)**
Revenues					
Property Taxes	$2,025,874	$2,097,795	$998,612	$2,128,503	$30,708
Property Taxes-Delinquent	38,626	46,241	12,522	$46,241	$0
Total Revenues	**$2,064,500**	**$2,144,036**	**$1,011,134**	**$2,174,744**	**$30,708**
Expenditures					
Payments to Library	$2,064,500	$2,144,036	$536,009	$2,144,036	$0
Total Expenditures	**$2,064,500**	**$2,144,036**	**$536,009**	**$2,144,036**	**$0**
Revenues Over/(Under) Expenditures	**$0**	**$0**	**$475,125**	**$30,708**	**$30,708**
Ending Fund Balance	**($11,078)**	**$0**	**$464,047**	**$19,630**	**$19,630**

SEAWALL PARKING
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$29,628**	**$338,482**	**$490,187**	**$490,187**	**$151,705**
Revenues					
Transient Fees	$502,680	$500,000	$60,139	$80,185	($419,815)
Other Revenue	(42)		0	0	0
Total Revenues	**$502,638**	**$500,000**	**$60,139**	**$80,185**	**($419,815)**
Expenditures					
Contractual Charges	$243,485	$102,500	$6,724	$8,965	$93,535
Parking salaries charged back to Police Department	(73,080)	48,768	0	0	48,768
Disallowed by GLO FY13 and FY14	(128,326)	0	0	0	0
Total Expenditures	**$42,079**	**$151,268**	**$6,724**	**$8,965**	**$142,303**
Revenues Over/(Under) Expenditures	**$460,559**	**$348,732**	**$53,415**	**$71,220**	**($277,512)**
Ending Fund Balance	**$490,187**	**$687,214**	**$543,602**	**$561,407**	**($125,807)**

NOTE:
(1) Seawall Parking assumes transfer of responsibility to Parks Board as of February 1.

CONVENTION CENTER SURPLUS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$2,458,736**	**$3,176,783**	**$2,815,872**	**$2,815,872**	**($360,911)**
Revenues					
HOT Surplus Transfer In	$1,564,651	$1,584,978	$1,032,762	$1,584,978	$0
Total Revenues	**$1,564,651**	**$1,584,978**	**$1,032,762**	**$1,584,978**	**$0**
Expenditures					
Restrooms (Operation & Maintenance)	$39,420	$0	$6,020	$60,000	($60,000)
Mardi Gras	326,609	0	0	300,000	(300,000)
Seawall Litter Detail (Park Board)	35,000	0	0 (1)	100,000	(100,000)
West End Beach Access Cans	48,756	0	0 (1)	300,000	(300,000)
Cultural Arts District	15,533	0	0	804	(804)
East End Lagoon (Park Board)	0	0	0 (1)	75,000	(75,000)
Downtown Advertising (Park Board)	100,000	0	0	100,000	(100,000)
Advertising (Park Board)	400,000	0	0	0	0
Shoreline/beach services (Park Board)	19,798	0	0	0	0
Seawall Enhancements	6,715	0	0	0	0
Seawall Parking	172,451	0	36,767	36,767	(36,767)
Special Events (General Fund)	40,000	0	0	40,000	(40,000)
Miscellaneous	3,233	0	3,771	3,772	(3,772)
Available for Appropriations	0	4,761,761	0	3,384,507	1,377,254
Total Expenditures	**$1,207,515**	**$4,761,761**	**$46,559**	**$4,400,850**	**$360,911**
Revenues Over/(Under) Expenditures	**$357,136**	**($3,176,783)**	**$986,203**	**($2,815,872)**	**$360,911**
Ending Fund Balance	**$2,815,872**	**$0**	**$3,802,075**	**$0**	**$0**

NOTE:

(1) Total payment of $475,000 to Parks Board appropriated by City Council in interlocal agreement. Budget amendment to follow.

HISTORICAL BUILDINGS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$623,201**	**$173,220**	**$250,373**	**$250,373**	**$77,153**
Revenues					
HOT-Transfer In	$197,842	$188,406	$0	$188,406	$0
Other Revenue	0	0	0	0	0
Total Revenues	**$197,842**	**$188,406**	**$0**	**$188,406**	**$0**
Expenditures					
City Hall	$32,619	$100,000	$821	$100,000	$0
Garden Verein	500,000	0	0	0	0
Old City Sexton Building	0	0	0	0	0
City Cemeteries	38,051	0	0	0	0
Texas Hero's Monument	0	0	0	0	0
Available for Appropriation	0	261,626	0	261,626	0
Total Expenditures	**$570,670**	**$361,626**	**$821**	**$361,626**	**$0**
Revenues Over/(Under) Expenditures	**($372,828)**	**($173,220)**	**($821)**	**($173,220)**	**$0**
Ending Fund Balance	**$250,373**	**$0**	**$249,552**	**$77,153**	**$77,153**

NEIGHBORHOOD REVITALIZATION
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$215,229**	**$215,229**	**$310,286**	**$310,286**	**$95,057**
Revenues					
Operating Transfer in-IDC	$100,000	$2,756,020	$0	$2,756,020	$0
Other Revenue	416	0	0	0	$0
Total Revenues	**$100,416**	**$2,756,020**	**$0**	**$2,756,020**	**$0**
Expenditures					
Capital Improvements	$5,359	$2,971,248	$7,673 (1)	$2,971,248	$0
Available for Appropriations	0	0	0	0	0
Total Expenditures	**$5,359**	**$2,971,248**	**$7,673**	**$2,971,248**	**$0**
Revenues Over/(Under) Expenditures	**$95,057**	**($215,228)**	**($7,673)**	**($215,228)**	**$0**
Ending Fund Balance	**$310,286**	**$1**	**$302,613**	**$95,058**	**$95,057**

NOTE:
(1) Project lists and priorities being formulated in conjunction with the City Council.

INFRASTRUCTURE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$431,705**	**$2,301,877**	**$2,519,528**	**$2,519,528**	**$217,651**
Revenues					
Operating Transfer in-General Fund	$1,934,548	$1,378,634	$1,378,634	$1,378,634	$0
Other Revenue	366,409	0	0	0	0
Total Revenues	**$2,300,957**	**$1,378,634**	**$1,378,634**	**$1,378,634**	**$0**
Expenditures					
Capital Improvement-Streets	$213,134	$3,105,753	$47,756	$3,105,753	$0
Total Expenditures	**$213,134**	**$3,105,753**	**$47,756**	**$3,105,753**	**$0**
Revenues Over/(Under) Expenditures	**$2,087,823**	**($1,727,119)**	**$1,330,878**	**($1,727,119)**	**$0**
Ending Fund Balance	**$2,519,528**	**$574,758**	**$3,850,406**	**$792,409**	**$217,651**

NOTE:
(1) Budget of $3.1 million allocated to projects in Adopted CIP. Additional $218,000 carried forward from FY 2014.

SEPARATION PAY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$0**	**$71,366**	**$38,499**	**$38,499**	**($32,867)**
Revenues					
Operating Transfer In					
General Fund	$727,925	$400,000	$400,000	$400,000	$0
Waterworks Fund	22,000	22,000	22,000	22,000	0
Sewer System Fund	40,000	40,000	40,000	40,000	0
Sanitation Fund	35,000	35,000	35,000	35,000	0
Drainage Fund	20,957	10,500	10,500	10,500	0
Airport Fund	6,500	6,500	6,500	6,500	0
Interest Earned	15	0	0	0	0
Total Revenues	**$852,397**	**$514,000**	**$514,000**	**$514,000**	**$0**
Expenditures					
General Fund	$727,925	$411,882	$6,737	$411,882	$0
Waterworks Fund	21,918	19,707	0	19,707	0
Sewer System Fund	29,071	35,831	6,572	35,831	0
Sanitation Fund	14,027	31,352	0	31,352	0
Drainage Fund	20,957	9,406	7,136	9,406	0
Airport Fund	0	5,822	0	5,822	0
Total Expenditures	**$813,898**	**$514,000**	**$20,445**	**$514,000**	**$0**
Revenues Over/(Under) Expenditures	**$38,499**	**$0**	**$493,555**	**$0**	**$0**
Ending Fund Balance	**$38,499**	**$71,366**	**$532,054**	**$38,499**	**($32,867)**

ISLAND TRANSIT
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$70,910**	**$196,592**	**$178,222**	**$178,222**	**($18,370)**
Revenues					
FTA-Operating Grant	$648,994	$779,828	$0	$984,589	$204,761
FTA-Job Access Grant	216,000	465,000	0	298,073	(166,927)
Gulf Coast Center Supplement	213,617	204,000	49,267	209,000	5,000
Victory Lakes	549,325	516,000	126,720	624,000	108,000
State DOT Grants	779,828	708,955	0	635,000	(73,955)
D & R Preventive Maintenance	74,276	35,138	0	35,724	586
HGAC Preventive Maintenance	329,862	500,000	0	670,138	170,138
Fare Box Revenue	294,073	420,000	72,407	300,000	(120,000)
UTMB Shuttles	173,333	160,000	40,000	160,000	0
UTMB Performance Evaluation	57,000	60,000	25,000	50,000	(10,000)
Port Cruise Shuttles	164,002	160,000	32,029	115,000	(45,000)
Sale of Equipment	0	10,000	0	0	(10,000)
Other Revenue	38,552	5,000	781	32,400	27,400
General Fund	750,000	750,000	187,500	750,000	0
Total Revenues	**$4,288,862**	**$4,773,921**	**$533,704 (1)**	**$4,863,924**	**$90,003**
Expenditures					
Administration	$340,765	$489,536	$75,899	$489,536	$0
Transit System	2,599,836	2,786,725	499,191	2,786,725	(0)
FTA Maintenance	1,240,949	1,497,660	287,230	1,497,660	0
Total Expenditures	**$4,181,550**	**$4,773,921**	**$862,320**	**$4,773,921**	**$0**
Revenues Over/(Under) Expenditures	**$107,312**	**$0**	**($328,616)**	**$90,003**	**$90,003**
Ending Fund Balance	**$178,222**	**$196,592**	**($150,394)**	**$268,225**	**$71,633**

NOTE:

(1) Revenue projections for FY 2015 compiled by city staff with assistance from the Goodman Corporation.

DEBT SERVICE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$3,455,896**	**$3,518,386**	**$3,533,168**	**$3,533,168**	**$14,782**
Revenues					
Property Taxes - Current	$1,980,855	$1,984,758	$944,687	$1,984,758	$0
Property Taxes - Delinquent	38,992	23,120	12,938	23,120	0
Hotel Occupancy Tax	1,424,525	1,720,512	143,140	1,720,512	0
Interest Earnings	5,836	1,000	14	1,000	0
Waterworks - Transfer In	194,723	191,493	0	191,493	0
Sewer System - Transfer In	194,723	191,493	0	191,493	0
Galveston Wharves	3,290,132	2,971,875	251,242	2,971,875	0
Total Revenues	**$7,129,785**	**$7,084,251**	**$1,352,020**	**$7,084,251**	**$0**
Expenditures					
Principal Retirement	$5,030,000	$5,155,000	$0	$5,155,000	$0
Interest payment	2,013,353	1,895,230	0	1,895,230	0
Fiscal Agent Fees	6,075	9,900	6,875	9,900	0
Investment Fees	3,085	0	0	0	0
Cost of Issuance	0	0	0	0	0
Pymt. to Refunded Bond Escrow Agent	0	0	0	0	0
Total Expenditures	**$7,052,513**	**$7,060,130**	**$6,875**	**$7,060,130**	**$0**
Revenues Over/(Under) Expenditures	**$77,272**	**$24,121**	**$1,345,145**	**$24,121**	**$0**
Estimated Ending Fund Balance	**$3,533,168**	**$3,542,507**	**$4,878,313**	**$3,557,289**	**$14,782**

ENTERPRISE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate
Beginning Fund Balance				
Waterworks Fund	$7,420,900	$5,132,374	$6,122,684	$6,122,684
Sewer System Fund	3,457,871	4,008,770	4,642,908	4,642,908
Sanitation Fund	695,707	597,006	1,063,314	1,063,314
Drainage Utility Fund	1,187,055	1,074,134	1,165,375	1,165,375
Scholes Airport Fund	654,901	730,701	824,789	824,789
Total	**$13,416,434**	**$11,542,985**	**$13,819,070**	**$13,819,070**
Revenues				
Waterworks Fund	$17,528,624	$18,031,733	$4,486,043	$18,026,568
Sewer System Fund	13,101,391	13,054,000	3,461,944	13,126,720
Sanitation Fund	5,645,676	5,330,587	1,355,573	5,209,576
Drainage Utility Fund	2,668,920	2,848,663	680,190	2,712,261
Scholes Airport Fund	1,244,994	1,326,771	231,679	1,260,791
Total	**$40,189,605**	**$40,591,754**	**$10,215,429**	**$40,335,916**
Expenditures				
Waterworks Fund	$18,826,840	$19,531,733	$6,315,541	$19,833,882
Sewer System Fund	11,916,354	14,554,000	2,644,207	14,070,950
Sanitation Fund	5,278,069	5,330,587	1,179,655	5,362,451
Drainage Utility Fund	2,690,600	2,848,663	593,496	2,525,009
Scholes Airport Fund	1,075,106	1,207,611	200,386	1,219,906
Total	**$39,786,969**	**$43,472,594**	**$10,933,286**	**$43,012,198**
Appropriation of Fund Balance				
Waterworks Fund	$0	$1,500,000	$0	$1,500,000
Sewer System Fund	0	1,500,000	0	1,500,000
Sanitation Fund	0	0	0	0
Drainage Utility Fund	0	0	0	0
Scholes Airport Fund	0	0	0	0
Total	**$0**	**$3,000,000**	**$0**	**$3,000,000**
Ending Fund Balances				
Waterworks Fund	$6,122,684	$3,632,374	$4,293,185	$4,315,370
Sewer System Fund	4,642,908	2,508,770	5,460,645	3,698,678
Sanitation Fund	1,063,314	597,006	1,239,232	910,440
Drainage Utility Fund	1,165,375	1,074,134	1,252,068	1,352,627
Scholes Airport Fund	824,789	849,861	856,082	865,674
Total	**$13,819,070**	**$8,662,145**	**$13,101,213**	**$11,142,789**

WATERWORKS FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$7,420,900**	**$5,132,374**	**$6,122,684**	**$6,122,684**	**$990,310**
Revenues					
Metered Customers	$16,971,871	$17,500,000	$4,343,952	$17,545,952	$45,952
Service Connections	379,528	275,000	96,312	275,000	0
Interest Earned	12,310	23,000	0	12,310	(10,690)
Penalties on Account	98,608	170,000	32,586	132,586	(37,414)
Other Revenues	66,307	63,733	13,193	60,720	(3,013)
Total Revenues	**$17,528,624**	**$18,031,733**	**$4,486,043 (1)**	**$18,026,568**	**($5,165)**
Expenditures					
Management Services	$310,229	$301,741	$62,396	$301,741	$0
Utility Billing	423,085	468,981	98,729	445,307	23,674
Supply	1,390,543	1,679,793	233,380	1,679,793	(0)
Distribution	1,611,186	2,159,548	473,379 (2)	1,985,372	174,176
Cost of Water	7,840,115	9,214,508	2,438,185	9,214,508	0
Debt Service	2,494,584	2,514,309	149,935	2,514,309	0
Transfer to CIP	3,194,723	1,691,493	1,500,000	1,691,493	0
Non-Departmental	1,562,375	1,501,360	1,359,539 (3)	2,001,360	(500,000)
Total Expenditures	**$18,826,840**	**$19,531,733**	**$6,315,541**	**$19,833,882**	**($302,149)**
Revenues Over/(Under) Expenditures	**($1,298,216)**	**($1,500,000)**	**($1,829,499)**	**($1,807,314)**	**($307,314)**
Estimated Ending Fund Balance	**$6,122,684**	**$3,632,374**	**$4,293,185 (4)**	**$4,315,370**	**$682,996**
WATERWORKS FUND RESERVES					
90 Day Reserve	**$4,642,235**	**$4,816,044**	**$1,557,257**	**$4,890,546**	

NOTES:

(1) Year to date revenue trends are very close to Adopted Budget in total.

(2) Personnel account underruns projected using current payroll through end of year.

(3) Budget adjustment will be necessary to cover lawsuit settlement payment previously approved by City Council..

(4) Ending fund balance projected $683,000 over Budget due to higher beginning fund balance ($990,000) net of FY 2015 Expenditures over Revenues.

SEWER SYSTEM FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$3,457,871**	**$4,008,770**	**$4,642,908**	**$4,642,908**	**$634,138**
Revenues					
Metered Customers	$12,682,353	$12,650,000	$3,354,368	$12,754,368	$104,368
Service Connections	124,096	125,000	51,138	125,000	0
Waster Hauler Fees	110,962	100,000	17,486	100,000	0
Interest Earned	7,345	20,000	7,400	14,800	(5,200)
Penalties on Account	97,603	158,000	31,639	131,639	(26,361)
Operating Transfer from Sewer Improvement Account	75,456	0	0	0	0
Other Revenues	3,576	1,000	(87)	913	(87)
Total Revenues	**$13,101,391**	**$13,054,000**	**$3,461,944 (1)**	**$13,126,720**	**$72,720**
Expenditures					
Management Services	$308,861	$301,741	$61,486	$301,741	$0
Utility Billing	411,961	468,981	98,862	445,307	23,674
Industrial Pretreatment	235,290	331,392	45,913	216,741	114,651
Collection	2,718,898	3,354,784	667,785	3,216,979	137,805
Wastewater Treatment Plant	3,075,606	3,407,458	641,860	3,200,537	206,921
Debt Service	3,297,422	3,317,644	149,935	3,317,644	0
Transfer to CIP	194,723	2,112,816	640,441	2,112,816	0
Non-Departmental	1,673,593	1,259,184	337,925	1,259,184	0
Total Expenditures	**$11,916,354**	**$14,554,000**	**$2,644,207 (2)**	**$14,070,950**	**$483,050**
Revenues Over/(Under) Expenditures	**$1,185,037**	**($1,500,000)**	**$817,737**	**($944,230)**	**$555,770**
Estimated Ending Fund Balance	**$4,642,908**	**$2,508,770**	**$5,460,645**	**$3,698,678**	**$1,189,908**

SEWER SYSTEM FUND RESERVES

90 Day Reserve	**$2,938,279**	**$3,588,658**	**$651,996**	**$3,469,549**

NOTES:

(1) Year to date revenue trends are projected to be slightly higher than Adopted Budget in total.

(2) Personnel account underruns projected using current payroll through end of year.

(3) Projected ending fund balance is $1.19 million higher than Budget due to higher balance carried forward from FY 2014 ($634,000 higher).

SANITATION FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$695,707**	**$597,006**	**$1,063,314**	**$1,063,314**	**$466,308**
Revenues					
Collection Fees	$5,494,483	$5,110,387	$1,315,242	$5,115,242	$4,855
Dumpster Fees	21,800	21,000	20,925	21,000	0
Penalties on Account	51,347	105,000	19,134	69,134	(35,866)
Operating Transfers In	48,881	90,000	0	0	(90,000)
Other Revenues	29,165	4,200	272	4,200	0
Total Revenues	**$5,645,676**	**$5,330,587**	**$1,355,573 (1)**	**$5,209,576**	**($121,011)**
Expenditures					
Refuse Collection	$3,720,101	$3,919,556	$783,076 (2)	$3,784,903	$134,653
Utility Billing	166,445	187,593	39,574	174,486	13,107
Non-Departmental	1,391,523	1,223,438	357,005 (2)	1,403,062	(179,624)
Total Expenditures	**$5,278,069**	**$5,330,587**	**$1,179,655**	**$5,362,451**	**($31,864)**
Revenues Over/(Under) Expenditures	**$367,607**	**$0**	**$175,918**	**($152,874)**	**($152,874)**
Ending Fund Balance	**$1,063,314**	**$597,006**	**$1,239,232 (3)**	**$910,440**	**$313,434**

SANITATION FUND RESERVES

90 Day Reserve	**$1,301,442**	**$1,314,391**	**$290,874**	**$1,322,248**

NOTES:

(1) FY 2015 Revenue projected to be $121,011 under Budget because Sanitation no longer handling West End Beach trash can collection and less revenue from late penalties on garbage fee payments.

(2) Refuse Collection expenditures projected to be over by a net amount of $32,000 because of payroll being under budget and one garbage truck delivered late for FY 2014 and paid out of FY 2015.

(3) Ending fund balance projected to be $313,000 higher for FY 2015 primarily because of larger fund balance carried forward from FY 2014 ($466,000), including $179,000 for garbage truck delivered in FY 2015 and paid in 2015.

DRAINAGE UTILITY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$1,187,055**	**$1,074,134**	**$1,165,375**	**$1,165,375**	**$91,241**
Revenues					
Drainage District Charge	$2,562,091	$2,605,000	$659,806	$2,608,806	$3,806
Penalties on Account	$21,665	51,000	8,155	23,455	(27,545)
Interest Earned	$2,347	3,000	0	0	(3,000)
Other Revenues	$82,817	189,663	12,229 (1)	80,000	(109,663)
Total Revenues	**$2,668,920**	**$2,848,663**	**$680,190**	**$2,712,261**	**($136,402)**
Expenditures					
Municipal Drainage Utility	$1,632,981	$2,159,975	$384,192 (2)	$1,843,099	$316,876
Utility Billing	110,475	125,062	26,400	118,283	6,779
Transfer to CIP	788,335	411,633	137,031	411,633	0
Non-Departmental	158,809	151,993	45,873	151,993	(0)
Total Expenditures	**$2,690,600**	**$2,848,663**	**$593,496**	**$2,525,009**	**$323,654**
Revenues Over/(Under) Expenditures	**($21,680)**	**$0**	**$86,693**	**$187,252**	**$187,252**
Estimated Ending Fund Balance	**$1,165,375**	**$1,074,134**	**$1,252,068 (3)**	**$1,352,627**	**$278,493**

DRAINAGE UTILITY FUND RESERVES

90 Day Reserve	**$663,436**	**$702,410**	**$146,342**	**$622,605**

NOTES:

(1) Other Revenues projected to be under budget as recycling revenue is expected to equal last year's total and the pending approval of a HGAC grant for $142,000.

(2) Drainage Utility expenditures projected to be under budget due to salary lapses through end of year.

(3) Ending fund balance projected $278,000 higher than Budgeted due to current year expenditure underrun ($324,000) net of revenue underrun ($136,400).

SCHOLES AIRPORT FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$654,901**	**$730,701**	**$824,789**	**$824,789**	**$94,088**
Revenues					
Building Rentals	$53,839	$54,538	$11,821	$54,538	$0
Hangar Rentals	9,984	10,403	1,678	10,403	0
Terminal Space Rental	47,319	48,424	15,615	48,424	0
Land Rentals	558,299	576,631	121,593	576,631	0
Other Rentals	0	1,000	0	1,000	0
Municipal Utilities	99,022	104,034	27,078	104,034	0
Golf Course	74,142	75,996	18,687	75,996	0
General Fund Rental	55,654	57,046	14,263	57,046	0
Fuel Flowage Fees	14,178	48,424	8,367	15,867	(32,557)
Interest Earned	1,638	275	0	275	0
TXDOT Grant	12,899	50,000	12,572	16,572	(33,429)
Other Revenue	318,020	300,000	6	300,006	6
Total Revenues	**$1,244,994**	**$1,326,771**	**$231,679**	**$1,260,791**	**($65,980)**
Expenditures					
Airport Operations	$615,720	$643,757	$129,548	$656,052	($12,295)
Capital Improvements	178,212	300,000	0	300,000	0
Non-Departmental	281,174	263,854	70,838	263,854	0
Total Expenditures	**$1,075,106**	**$1,207,611**	**$200,386**	**$1,219,906**	**($12,295)**
Revenues Over/(Under) Expenditures	**$169,888**	**$119,160**	**$31,293**	**$40,885**	**($78,275)**
Ending Fund Balance	**$824,789**	**$849,861**	**$856,082**	**$865,674**	**$15,813**

SCHOLES AIRPORT FUND RESERVES

90 Day Reserve	**$265,095**	**$297,767**	**$49,410**	**$300,799**

INTERNAL SERVICE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate
Beginning Fund Balance				
Central Service Fund	$2,013,431	$2,058,139	$2,070,322	$2,070,322
Municipal Garage Fund	1,983,424	2,502,232	1,928,153	1,928,153
Casualty and Liability Fund	1,308,479	1,736,330	1,770,402	1,770,402
Workers' Compensation Fund	360,456	518,027	589,842	589,842
Health and Life Insurance Fund	1,247,214	2,014,091	1,295,774	1,295,774
Capital Projects Fund	(2,410)	(2,410)	(2,410)	(2,410)
Total	**$6,910,594**	**$8,826,409**	**$7,652,083**	**$7,652,083**
Revenues				
Central Service Fund	$2,568,025	$2,701,026	$623,049	$2,700,026
Municipal Garage Fund	4,993,709	5,439,121	1,028,229	5,432,388
Casualty and Liability Fund	2,136,648	2,176,971	535,697	2,176,971
Workers' Compensation Fund	717,775	704,900	181,543	704,900
Health and Life Insurance Fund	5,800,572	5,916,000	806,306	5,916,000
Capital Projects Fund	89,159	483,960	1,340	115,355
Total	**$16,305,888**	**$17,421,978**	**$3,176,165**	**$17,045,641**
Expenditures				
Central Service Fund	$2,511,134	$2,700,026	$500,045	$2,635,865
Municipal Garage Fund	5,048,980	6,439,121	1,858,831	6,337,945
Casualty and Liability Fund	1,674,725	2,176,971	634,930	2,176,971
Workers' Compensation Fund	488,389	704,900	50,575	704,900
Health and Life Insurance Fund	5,752,012	5,885,000	828,888	5,885,000
Capital Projects Fund	89,159	483,960	15,404	115,355
Total	**$15,564,399**	**$18,389,978**	**$3,888,674**	**$17,856,036**
Appropriation of Fund Balance				
Central Service Fund	$0	$0	$0	$0
Municipal Garage Fund	0	1,000,000	0	1,000,000
Casualty and Liability Fund	0	0	0	0
Workers' Compensation Fund	0	0	0	0
Health and Life Insurance Fund	0	0	0	0
Capital Projects Fund	0	0	0	0
Total	**$0**	**$1,000,000**	**$0**	**$1,000,000**
Ending Fund Balances				
Central Service Fund	$2,070,322	$2,059,139	$2,193,326	$2,134,483
Municipal Garage Fund	1,928,153	1,502,232	1,097,551	1,022,597
Casualty and Liability Fund	1,770,402	1,736,330	1,671,169	1,770,402
Workers' Compensation Fund	589,842	518,027	720,810	589,842
Health and Life Insurance Fund	1,295,774	2,045,091	1,273,193	1,326,774
Capital Projects Fund	(2,410)	(2,410)	(16,474)	(2,410)
Total	**$7,652,083**	**$7,858,409**	**$6,939,575**	**$6,841,688**

CENTRAL SERVICE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$2,013,431**	**$2,058,139**	**$2,070,322**	**$2,070,322**	**$12,183**
Revenues					
Sales to Departments					
Data Processing	$1,420,163	$1,443,993	$355,557	$1,443,993	$0
Central Mail Charges	69,625	139,652	16,033	139,652	0
Print Shop Charges	73,923	138,658	7,029	138,658	0
Public Building Maintenance	1,003,055	977,723	244,431	977,723	0
Other Revenue	1,259	1,000	0	0	(1,000)
Total Revenues	**$2,568,025**	**$2,701,026**	**$623,049**	**$2,700,026**	**($1,000)**
Expenditures					
Mail	$101,685	$139,652	$10,497	$139,652	$0
Information Technology	1,292,616	1,443,993	300,033 (1)	1,385,355	58,638
Public Building Maintenance	1,002,689	977,723	161,852	977,723	0
Print Shop	114,144	138,658	27,663	133,135	5,523
Total Expenditures	**$2,511,134**	**$2,700,026**	**$500,045**	**$2,635,865**	**$64,161**
Revenues Over/(Under) Expenditures	**$56,891**	**$1,000**	**$123,004**	**$64,161**	**$63,161**
Estimated Ending Fund Balance	**$2,070,322**	**$2,059,139**	**$2,193,326**	**$2,134,483**	**$75,344**

NOTES:
(1) Information Technology spending projected to be under Budget because of salary lapses through end of year.

CENTRAL GARAGE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$1,983,424**	**$2,502,232**	**$1,928,153 (1)**	**$1,928,153**	**($574,079)**
Revenues					
Motor Vehicle Charges	$4,209,245	$4,561,648	$969,122	$4,561,648	$0
Outside Agency Revenue	712,166	838,164	58,840	838,164	0
Other Revenues	69,155	38,000	267	32,267	(5,733)
Sale of Equipment	0	1,000	0	0	(1,000)
Interest Earned	3,143	309	0	309	0
Total Revenues	**$4,993,709**	**$5,439,121**	**$1,028,229**	**$5,432,388**	**($6,733)**
Expenditures					
Administration	$221,082	$234,006	$43,693	$234,006	$0
Operations	4,410,671	5,787,888	1,710,831 (2)	5,686,712	101,176
Insurance	417,227	417,227	104,307	417,227	0
Total Expenditures	**$5,048,980**	**$6,439,121**	**$1,858,831**	**$6,337,945**	**$101,176**
Revenues Over/(Under) Expenditures	**($55,271)**	**($1,000,000)**	**($830,602)**	**($905,556)**	**$94,444**
Estimated Ending Fund Balance	**$1,928,153**	**$1,502,232**	**$1,097,551**	**$1,022,597**	**($479,635)**

NOTES:

(1) Beginning fund balance is $593,000 less than estimated in the Budget largely due to less Garage charges and outside agency fees collected in FY14.

(2) Operations expenditures projected to be under Budget because low fuel prices are projected to continue through rest of the year.

CASUALTY AND LIABILITY INSURANCE
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$1,308,479**	**$1,736,330**	**$1,770,402**	**$1,770,402**	**$34,072**
Revenues					
Charges for Services					
Waterworks Fund	$205,987	$207,625	$51,497	$207,625	$0
Sewer System Fund	234,520	232,666	58,630	232,666	0
Drainage Utility Fund	49,952	51,288	12,488	51,288	0
Sanitation Fund	85,368	83,519	21,342	83,519	0
Capital Projects Fund	10,208	10,134	2,552	10,134	0
Central Services	33,857	33,889	8,464	33,889	0
Central Garage	417,227	462,227	104,307	462,227	0
Airport Fund	203,704	203,812	50,926	203,812	0
Federal/state grants	124,697	123,293	32,733	123,293	0
General Fund	771,032	768,518	192,758	768,518	0
Other Revenues	96	0	0	0	0
Total Revenues	**$2,136,648**	**$2,176,971**	**$535,697**	**$2,176,971**	**$0**
Expenditures					
Administration	$166,932	$181,071	$33,582	$181,071	$0
Insurance Polices	1,242,617	1,503,900	574,298	1,503,900	0
Other Expenses	265,176	492,000	27,050	492,000	0
Total Expenditures	**$1,674,725**	**$2,176,971**	**$634,930**	**$2,176,971**	**$0**
Revenues Over/(Under) Expenditures	**$461,923**	**$0**	**($99,233)**	**$0**	**$0**
Ending Fund Balance	**$1,770,402**	**$1,736,330**	**$1,671,169**	**$1,770,402**	**$34,072**

WORKERS' COMPENSATION FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$360,456**	**$518,027**	**$589,842**	**$589,842**	**$71,815**
Revenues					
Charges for Services	$715,186	$704,900	$181,543	$704,900	$0
Interest Earned	2,589	0	0	0	0
Total Revenues	**$717,775**	**$704,900**	**$181,543**	**$704,900**	**$0**
Expenditures					
Insurance Policies	$488,389	$704,900	$50,575	$704,900	$0
Total Expenditures	**$488,389**	**$704,900**	**$50,575**	**$704,900**	**$0**
Revenues Over/(Under) Expenditures	**$229,386**	**$0**	**$130,968**	**$0**	**$0**
Ending Fund Balance	**$589,842**	**$518,027**	**$720,810**	**$589,842**	**$71,815**

HEALTH AND LIFE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$1,247,214**	**$2,014,091**	**$1,295,774 (1)**	**$1,295,774**	**($718,317)**
Revenues					
Medical insurance - retiree & cobra	$285,137	$240,000	$39,651	$240,000	$0
Medical insurance - contributions-city	4,323,883	4,553,000	586,364	4,553,000	0
Medical insurance - contributions-E'ees	1,074,919	1,000,000	168,960	1,000,000	0
Premiums - life insurance	107,490	122,000	11,332	122,000	0
Interest Earned	9,143	1,000	0	1,000	0
Total Revenues	**$5,800,572**	**$5,916,000**	**$806,306**	**$5,916,000**	**$0**
Expenditures					
Insurance Policies	$5,090,461	$5,185,000	$675,795	$5,185,000	$0
Health Clinic Operating Expenses	661,551	700,000	153,092	700,000	0
Total Expenditures	**$5,752,012**	**$5,885,000**	**$828,888**	**$5,885,000**	**$0**
Revenues Over/(Under) Expenditures	**$48,560**	**$31,000**	**($22,581)**	**$31,000**	**$0**
Ending Fund Balance	**$1,295,774**	**$2,045,091**	**$1,273,193 (1)**	**$1,326,774**	**($718,317)**

(1) Beginning fund balance is $718,000 less than estimated in the Budget however the ending fund balance is comparable to the ending balances of FY2013 and FY2014.

CAPITAL PROJECTS FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	($2,410)	($2,410)	($2,410)	($2,410)	$0
Revenues					
Operating Transfers In	$89,159	$483,960	$1,340	$115,355	($368,605)
Total Revenues	$89,159	$483,960	$1,340	$115,355	($368,605)
Expenditures					
Construction Management	$89,159	$483,960	$15,404	$115,355	$368,605
Total Expenditures	$89,159	$483,960	$15,404	$115,355	$368,605
Revenues Over/(Under) Expenditures	$0	$0	($14,064)	$0	$0
Ending Fund Balance	($2,410)	($2,410)	($16,474)	($2,410)	$0

CITY OF GALVESTON POSITION TOTALS BY DEPARTMENT
As of December 31, 2014
Fiscal Year 2015 - December Report

	Budgeted Positions	Vacant Positions	Filled Positions
GENERAL FUND			
City Secretary	3.00	0.00	3.00
Municipal Court	8.00	0.00	8.00
City Manager*	4.50	0.00	4.50
City Auditor	2.00	0.00	2.00
Finance*	17.00	0.00	17.00
Legal	6.00	0.00	6.00
Human resources	3.30	(1.00)	2.30
Police (including Seawall Parking)	184.00	(10.00)	174.00
Fire	115.00	(4.00)	111.00
Emergency Management	2.00	0.00	2.00
Streets & Traffic	41.75	(7.00)	34.75
Parks and Recreation	34.00	0.00	34.00
Planning & Community Development	22.05	0.00	22.05
Total General Fund	442.60	(22.00)	420.60
ENTERPRISE FUNDS			
Waterworks Fund	40.625	(4.50)	36.125
Sewer System Fund	84.625	(10.50)	74.125
Drainage Utility	35.200	(9.00)	26.200
Sanitation Fund	48.300	0.00	48.300
Municipal Airport	8.00	0.00	8.00
Total Enterprise Funds	216.750	(24.00)	192.740
INTERNAL SERVICE FUNDS			
Central Service Fund	15.00	(1.00)	14.00
Central Garage Fund	22.00	0.00	22.00
Municipal Insurance Fund	1.70	0.00	1.70
Construction Management	5.00	(1.00)	4.00
Total Internal Service Funds	43.70	(2.00)	41.70
SPECIAL REVENUE FUNDS			
Island Transit	52.00	(5.00)	47.00
Neighborhood Revitalization	1.00	(1.00)	0.00
Total Special Revenue Funds	53.00	(6.00)	47.00
RECURRING GRANT POSITIONS			
CDBG - Parks and Recreation	1.00	0.00	1.00
CDBG - Code Enforcement	3.95	(1.00)	2.95
CDBG - Program Management	3.00	0.00	3.00
CDBG - Housing Rehab Administration	1.00	0.00	1.00
Industrial Development Corporation - City Manager	1.00	0.00	1.00
Total Recurring Grant Positions	9.95	(1.00)	8.95
NON-RECURRING GRANT POSITIONS			
CDBG-R Disaster Recovery Program Management	1.00	0.00	1.00
Total Non-Recurring Grant Positions	1.00	0.00	1.00
Total of all FTE'S	767.00	(55.00)	712.00

*This report does not reflect the new positions that are discussed in the management letter.

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CITY OF GALVESTON SALES TAX MODEL
JANUARY 2015

FY 2015 Sales Tax Estimate Overview

Based on the current trend underway, it appears that sales tax revenue would be approximately $14.75 million as of the end of FY 2015, $142,000 more than the $14,608,000 budget for the fiscal year. However, with only two months' sales tax receipts actually received for FY 2015, it is more prudent to consider the potential impact of oil prices on Galveston and the region as 2015 moves forward. The FY 2015 estimated sales tax revenue is established at $14.6 million, equal to the budget for the fiscal year.

Problem Statement

Sales tax revenue is the most volatile revenue source for the City of Galveston. It reflects economic and weather related extremes almost immediately resulting in sudden unexpected overruns or shortfalls that confound budgetary planning and management. The model has been developed to solve the practical problem of how to apply economic and seasonal trends to understand and interpret sales tax revenue fluctuations. This enables City forecasters to anticipate revenue trends based upon current sales tax revenue. Trend analysis is also used as a counterbalance to potentially overcomplicating what might otherwise be a simple process.

Overview of Methodology

The City of Galveston sales tax model is used to develop a statistical relationship between sales tax revenue and economic and seasonal variables. The history of sales tax revenue is explained using revenue for the 1991-2015 period aggregated on a quarterly basis so as to account for the normal variations in sales taxes between totals received in the first two months of a quarter that only include monthly filers and the third month of a quarter when revenue from smaller quarterly tax filers are added to total revenue paid. The total revenue by quarter takes into the account the two month lag between actual sales and the receipt of taxes by the City of Galveston.

Variables used in the model are limited to those statistical series that exist for the 1991-2015 period that are available on a monthly or quarterly basis. This includes regional employment, energy prices and national economic data series available from governmental agencies. Galveston-centric data series, or dummy variables, have been developed to account for the effect of major storms, the summer tourist season, and the recent addition of the Pleasure Pier to the City's sales tax base.

An Excel plugin, Analyse-It is used to assemble revenue, economic and seasonal data and perform successive statistical tests using multiple regression to identify the combination of variables that best explain the variance in Galveston's sales tax revenue.

City of Galveston Model Variables

The sales tax model uses the following variables adjusted as described.

- Houston Metro Area Employment – This is the total jobs for the area as reported by the Bureau of Labor Statistics and adjusted by Dr. Ron Welch for local municipalities. The model utilizes a two quarter moving average of this series.
- Houston Metro Area Base Employment – This is the total number of base jobs in the region, including primarily energy, medicine and space. This series is lagged four quarter to measure its greatest effect on revenue.
- U.S. Exports to Mexico – This is the value of exports as reported by the Federal Reserve Bank of St. Louis. The previous quarter's export values are used to explain sales tax revenues in the model.
- U.S. Real Gross Domestic Product – Also provided through the Federal Reserve Bank of St. Louis, this series is lagged three quarters and measured on a two month moving average to gauge the most effect on Galveston's revenue.
- 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.

FY 2015 Sales Tax Estimate

Two methods are used for estimating sales tax:

1. Trend analysis that is based on a thirteen year of trends that consider whether sales tax revenue performs more or less strongly throughout the fiscal year.
2. Modeled revenue that considers trends in economic variables that are demonstrated to have a historical impact on sales tax revenue.

Trend Analysis – Sales tax revenue in the first two months of FY 2015 (December and January cash collections) are approximately 4.1% ahead of last year. Using the simplest form of trend analysis, year over year trend extrapolated through the end of the fiscal year, FY 2015 revenue would be projected to total $14.9 million. Using two months of revenue to project year end results can be hazardous, however. Using the thirteen year trend that considers what an average year would produce, $14.7 million is a more reasonable number. This is based on using the year to date total of $1.99 million and assuming it will constitute 13.6% of the final total for the year as have the previous thirteen years on average.

It is important to note, however, that this approach also offers two additional trends: the worst year of the last thirteen, FY 2009 when the financial crisis hit, saw the economy take a nosedive after the first of the calendar year. The pattern of collections from FY 2009, if replicated in FY 2015 would produce a total of $12.9 million, $1.7 million under budget. Conversely, the best in-year growth pattern occurred in FY 2012, as a combined effect of the energy boom and the

opening of the Pleasure Pier. However unlikely it might be, the same pattern extrapolated to the current ear would produce $18.2 million, $3.6 million over budget. *Clearly, trend analysis alone cannot be used at this point in the fiscal year to project sales tax results for the fiscal year.*

Modeled Results – The Galveston Sales Tax model described above depends to a large extent on regional employment and national economic growth. The plummeting value of oil can be expected to affect employment in a negative way, but Houston are economists are still reacting to the rapid change in price, and adjusting their employment growth numbers down. Dr. Bill Gilmer of the University of Houston and Patrick Jankowski of the Greater Houston Partnership have projected employment growth in calendar year 2015 around 2.3% or 60,000 to 70,000 jobs. If this growth scenario were to hold up, and national economic growth continued at the pace projected by the Congressional Budget Office and Office of Management and Budget, sales tax revenue could be expected to land in the $14.7 million range.

However, should the price of oil remain in the $50 range, employment would be affected, reducing the rate of growth overall and causing cutbacks in the very important upstream energy sector. Should total job growth fall to the 50,000 range this year for the metro Houston area, or 1.7%, sales tax revenue would fall to $14.6 million in the current fiscal year. A greater effect would be seen in FY 2016 as a result of the delayed effect of lower prices on the services part of the metro Houston economy.

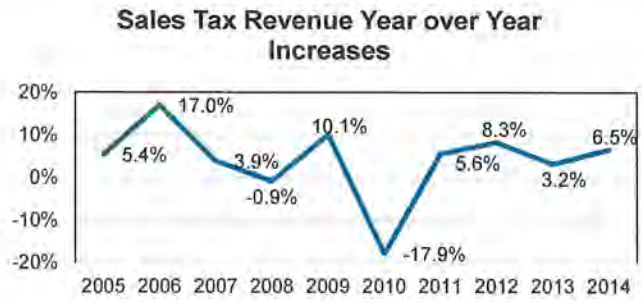
Recommended Estimate – For the present, the estimated of sales tax receipts for FY 15 is $14,608,000. This is equal to Budget, and an amount 2.1% greater than the actual for FY 2014. It is somewhat less than either trends to date or modeled projections might produce out of concern for the current economic climate.

	2013 (Full 2% Receipts)	2014 (Full 2% Receipts)	2015	Pct Over Same Mo Last FY
DEC	1,259,799.43	1,291,651.32	1,394,471.33	7.96%
JAN	1,140,069.77	1,206,491.83	1,271,065.03	5.35%
FEB	1,503,560.37	1,580,661.09		
MAR	1,248,434.02	1,196,353.19		
APR	1,183,430.49	1,306,266.44		
MAY	1,702,991.96	1,673,131.09		
JUN	1,341,757.16	1,543,703.81		
JUL	1,464,185.50	1,571,501.29		
AUG	1,901,816.89	2,017,138.85		
SEP	1,867,947.38	2,131,203.89		
OCT	1,702,391.19	1,908,135.36		
NOV	1,583,462.97	1,642,812.02		
	17,899,847.13	19,069,050.18		
	3.2%	6.5%		
YTD Totals		14301787.64		
DEC	1,259,799.43	1,291,651.32	1,394,471.33	7.96%
JAN	2,399,869.20	2,498,143.15	2,665,536.36	6.70%
FEB	3,903,429.57	4,078,804.24		
MAR	5,151,863.59	5,275,157.43		
APR	6,335,294.08	6,581,423.87		
MAY	8,038,286.04	8,254,554.96		
JUN	9,380,043.20	9,798,258.77		
JUL	10,844,228.70	11,369,760.06		
AUG	12,746,045.59	13,386,898.91		
SEP	14,613,992.97	15,518,102.80		
OCT	16,316,384.16	17,426,238.16		
NOV	17,899,847.13	19,069,050.18		
	13,424,885.35	14,301,787.64		

FY14 ACTUAL	14,301,788
FY14 ESTIMAT	13,912,000
BUDGET	14,608,000

	GENERAL FUND PROJECTIONS (1.5%)			FULL 2% PROJECTIONS		
	LOW	AVERAGE	HIGH	LOW	AVERAGE	HIGH
DEC	14,057,000	15,056,000	16,291,000	18,743,000	20,075,000	21,721,000
JAN	12,890,000	14,715,000	18,241,000	17,186,000	19,620,000	24,321,000

Percent of Yearend Totals			Highest Percent YTD	Average Percent YTD	Lowest Percent YTD
DEC	7.04%	6.77%	7.44%	6.95%	6.42%
JAN	13.41%	13.10%	15.51%	13.59%	10.96%
FEB	21.81%	21.39%	25.23%	22.86%	20.53%
MAR	28.78%	27.66%	32.66%	29.63%	27.18%
APR	35.39%	34.51%	40.02%	36.37%	33.19%
MAY	44.91%	43.29%	49.33%	45.90%	42.40%
JUN	52.40%	51.38%	57.04%	53.40%	49.93%
JUL	60.58%	59.62%	65.00%	61.47%	58.17%
AUG	71.21%	70.20%	76.16%	72.39%	69.80%
SEP	81.64%	81.38%	86.81%	82.16%	80.35%
OCT	91.15%	91.38%	92.78%	90.78%	89.87%
NOV	100.00%	100.00%	100.00%	100.00%	100.00%



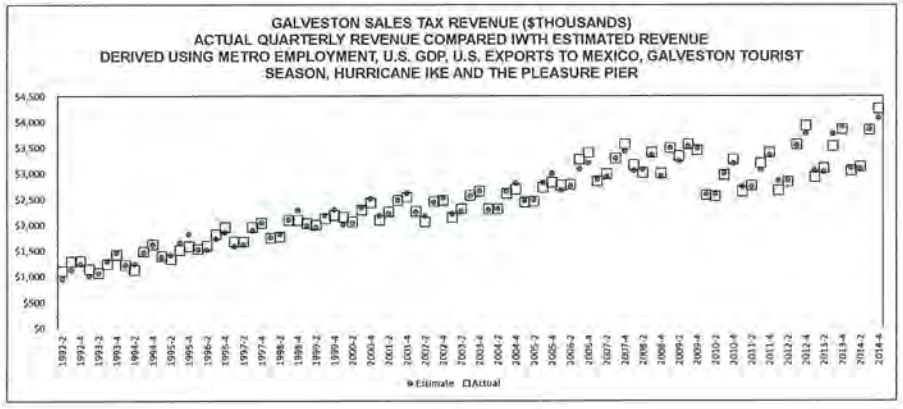
Sales Tax Econometric Forecast
Date: 1/12/2015

			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		U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average					
	COEFFICIENTS		3.079		-0.01551		1.64		-4.889		526.4		284.7		0.2031					
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
1992	1992-2	(3,975)	1,780.3	5,481.5	$9,188.9	(142.5)	0.00	0.0	453.40	(2,216.7)	0.0	0.0	0.00	0.00	$8,900.00	1,807.6	$954.9	$1,106.6	$151.7	13.7%
1992	1992-3	(3,975)	1,777.5	5,472.8	$9,789.5	(151.8)	129.10	211.7	460.29	(2,250.4)	0.0	0.0	0.00	0.00	$8,955.85	1,818.9	$1,126.2	$1,292.8	$166.6	12.9%
1992	1992-4	(3,975)	1,785.6	5,497.9	$10,391.3	(161.2)	181.90	298.3	459.58	(2,246.9)	0.0	0.0	0.00	0.00	$8,996.85	1,827.3	$1,240.4	$1,300.2	$59.8	4.6%
1993	1993-1	(3,975)	1,795.3	5,527.7	$10,204.4	(158.3)	0.00	0.0	456.10	(2,229.9)	0.0	0.0	0.00	0.00	$9,069.70	1,842.1	$1,006.6	$1,142.6	$136.0	11.9%
1993	1993-2	(3,975)	1,797.4	5,534.0	$10,207.1	(158.3)	0.00	0.0	450.77	(2,203.8)	0.0	0.0	0.00	0.00	$9,173.25	1,863.1	$1,060.0	$1,070.7	$10.7	1.0%
1993	1993-3	(3,975)	1,800.8	5,544.7	$10,235.6	(158.8)	132.40	217.1	453.95	(2,219.4)	0.0	0.0	0.00	0.00	$9,268.35	1,882.4	$1,291.0	$1,235.5	($55.5)	-4.5%
1993	1993-4	(3,975)	1,820.4	5,605.0	$10,765.7	(167.0)	186.20	305.4	451.41	(2,207.0)	0.0	0.0	0.00	0.00	$9,359.85	1,901.0	$1,462.4	$1,420.4	($42.0)	-3.0%
1994	1994-1	(3,975)	1,836.6	5,654.7	$9,825.6	(152.4)	0.00	0.0	453.06	(2,215.0)	0.0	0.0	0.00	0.00	$9,415.30	1,912.2	$1,224.5	$1,222.8	($1.7)	-0.1%
1994	1994-2	(3,975)	1,837.1	5,656.4	$10,753.7	(166.8)	0.00	0.0	448.72	(2,193.8)	0.0	0.0	0.00	0.00	$9,452.10	1,919.7	$1,240.5	$1,127.4	($113.1)	-10.0%
1994	1994-3	(3,975)	1,844.5	5,679.2	$11,859.3	(183.9)	137.10	224.8	453.55	(2,217.4)	0.0	0.0	0.00	0.00	$9,503.20	1,930.1	$1,457.8	$1,487.0	$29.2	2.0%
1994	1994-4	(3,975)	1,866.2	5,745.9	$12,620.1	(195.7)	194.90	319.6	455.46	(2,226.7)	0.0	0.0	0.00	0.00	$9,589.90	1,947.7	$1,615.8	$1,626.9	$11.1	0.7%
1995	1995-1	(3,975)	1,887.4	5,811.3	$13,043.3	(202.3)	0.00	0.0	458.16	(2,239.9)	0.0	0.0	0.00	0.00	$9,700.85	1,970.2	$1,364.3	$1,393.5	$29.2	2.1%
1995	1995-2	(3,975)	1,898.4	5,845.2	$13,320.8	(206.6)	0.00	0.0	458.92	(2,243.7)	0.0	0.0	0.00	0.00	$9,814.80	1,993.4	$1,413.3	$1,335.3	($78.0)	-5.8%
1995	1995-3	(3,975)	1,905.7	5,867.5	$11,594.2	(179.8)	139.00	228.0	470.02	(2,297.9)	0.0	0.0	0.00	0.00	$9,910.55	2,012.8	$1,655.6	$1,514.5	($141.1)	-9.3%
1995	1995-4	(3,975)	1,925.1	5,927.2	$10,867.7	(168.6)	196.10	321.6	473.90	(2,316.9)	0.0	0.0	0.00	0.00	$9,996.10	2,030.2	$1,818.5	$1,585.5	($233.0)	-14.7%
1996	1996-1	(3,975)	1,943.5	5,984.0	$11,715.2	(181.7)	0.00	0.0	480.48	(2,349.1)	0.0	0.0	0.00	0.00	$10,069.70	2,045.2	$1,523.4	$1,529.7	$6.3	0.4%
1996	1996-2	(3,975)	1,946.4	5,992.8	$12,115.0	(187.9)	0.00	0.0	483.71	(2,364.9)	0.0	0.0	0.00	0.00	$10,104.50	2,052.2	$1,517.2	$1,595.5	$78.3	4.9%
1996	1996-3	(3,975)	1,950.7	6,006.2	$13,000.4	(201.6)	143.00	234.5	491.98	(2,405.3)	0.0	0.0	0.00	0.00	$10,165.45	2,064.6	$1,723.4	$1,818.1	$94.7	5.2%
1996	1996-4	(3,975)	1,969.3	6,063.5	$13,659.5	(211.9)	199.90	327.8	497.52	(2,432.4)	0.0	0.0	0.00	0.00	$10,245.00	2,080.8	$1,852.8	$1,957.3	$104.5	5.3%
1997	1997-1	(3,975)	1,993.6	6,138.1	$14,347.2	(222.5)	0.00	0.0	501.24	(2,450.5)	0.0	0.0	0.00	0.00	$10,314.95	2,095.0	$1,585.1	$1,675.2	$90.1	5.4%
1997	1997-2	(3,975)	2,009.3	6,186.5	$15,784.5	(244.8)	0.00	0.0	504.92	(2,468.5)	0.0	0.0	0.00	0.00	$10,439.05	2,120.2	$1,618.4	$1,670.1	$51.7	3.1%
1997	1997-3	(3,975)	2,023.5	6,230.4	$15,671.8	(243.1)	145.00	237.8	512.76	(2,506.9)	0.0	0.0	0.00	0.00	$10,578.10	2,148.4	$1,891.6	$1,958.4	$66.8	3.4%
1997	1997-4	(3,975)	2,052.1	6,318.3	$17,053.3	(264.5)	203.60	333.9	519.48	(2,539.8)	0.0	0.0	0.00	0.00	$10,682.95	2,169.7	$2,042.6	$2,036.7	($5.9)	-0.3%
1998	1998-1	(3,975)	2,085.2	6,420.3	$18,581.2	(288.2)	0.00	0.0	529.31	(2,587.8)	0.0	0.0	0.00	0.00	$10,780.00	2,189.4	$1,758.7	$1,745.7	($13.0)	-0.7%
1998	1998-2	(3,975)	2,108.1	6,490.7	$20,082.2	(311.5)	0.00	0.0	532.07	(2,601.3)	0.0	0.0	0.00	0.00	$10,902.55	2,214.3	$1,817.2	$1,767.0	($50.2)	-2.8%
1998	1998-3	(3,975)	2,128.0	6,552.1	$19,566.7	(303.5)	146.40	240.1	543.44	(2,656.9)	0.0	0.0	0.00	0.00	$11,054.10	2,245.1	$2,101.9	$2,094.6	($7.3)	-0.3%
1998	1998-4	(3,975)	2,159.7	6,649.7	$19,253.2	(298.6)	206.40	338.5	552.37	(2,700.5)	0.0	0.0	0.00	0.00	$11,167.15	2,268.0	$2,282.1	$2,094.9	($187.2)	-8.9%
1999	1999-1	(3,975)	2,185.8	6,730.1	$19,219.3	(298.1)	0.00	0.0	565.00	(2,762.3)	0.0	0.0	0.00	0.00	$11,265.75	2,288.1	$1,982.8	$2,030.1	$47.3	2.3%
1999	1999-2	(3,975)	2,186.7	6,732.8	$20,733.4	(321.6)	0.00	0.0	571.94	(2,796.2)	0.0	0.0	0.00	0.00	$11,376.10	2,310.5	$1,950.5	$1,999.7	$49.2	2.5%
1999	1999-3	(3,975)	2,177.4	6,704.2	$18,947.4	(293.9)	148.30	243.2	579.41	(2,832.7)	0.0	0.0	0.00	0.00	$11,505.80	2,336.8	$2,182.6	$2,121.1	($61.5)	-2.9%
1999	1999-4	(3,975)	2,186.6	6,732.5	$20,375.6	(316.0)	208.50	341.9	584.07	(2,855.5)	0.0	0.0	0.00	0.00	$11,675.65	2,371.3	$2,299.2	$2,183.9	($115.3)	-5.3%
2000	2000-1	(3,975)	2,205.3	6,790.1	$22,400.4	(347.4)	0.00	0.0	585.37	(2,861.9)	0.0	0.0	0.00	0.00	$11,817.70	2,400.2	$2,006.0	$2,150.1	$144.1	6.7%
2000	2000-2	(3,975)	2,213.1	6,814.1	$25,185.5	(390.6)	0.00	0.0	578.57	(2,828.6)	0.0	0.0	0.00	0.00	$11,913.60	2,419.7	$2,039.6	$2,057.3	$17.7	0.9%
2000	2000-3	(3,975)	2,223.6	6,846.3	$26,069.9	(404.3)	153.40	251.6	577.07	(2,821.3)	0.0	0.0	0.00	0.00	$12,037.80	2,444.9	$2,342.2	$2,285.1	($57.1)	-2.5%
2000	2000-4	(3,975)	2,245.0	6,912.4	$27,594.8	(428.0)	216.20	354.6	580.12	(2,836.2)	0.0	0.0	0.00	0.00	$12,218.20	2,481.5	$2,509.3	$2,428.5	($80.8)	-3.3%
2001	2001-1	(3,975)	2,263.7	6,969.8	$29,289.1	(454.3)	0.00	0.0	587.26	(2,871.1)	0.0	0.0	0.00	0.00	$12,341.20	2,506.5	$2,175.9	$2,094.2	($81.7)	-3.9%
2001	2001-2	(3,975)	2,270.8	6,991.6	$28,395.2	(440.4)	0.00	0.0	590.93	(2,889.1)	0.0	0.0	0.00	0.00	$12,475.80	2,533.8	$2,220.9	$2,253.3	$32.4	1.4%
2001	2001-3	(3,975)	2,276.4	7,008.9	$26,688.3	(413.9)	159.60	261.7	605.99	(2,962.7)	0.0	0.0	0.00	0.00	$12,600.10	2,559.1	$2,478.1	$2,476.4	($1.7)	-0.1%
2001	2001-4	(3,975)	2,286.9	7,041.4	$25,252.5	(391.7)	222.00	364.1	610.98	(2,987.1)	0.0	0.0	0.00	0.00	$12,643.50	2,567.9	$2,619.6	$2,532.2	($87.4)	-3.5%
2002	2002-1	(3,975)	2,288.6	7,046.4	$24,399.0	(378.4)	0.00	0.0	616.66	(3,014.8)	0.0	0.0	0.00	0.00	$12,661.30	2,571.5	$2,249.7	$2,262.9	$13.2	0.6%
2002	2002-2	(3,975)	2,279.0	7,017.0	$24,956.7	(387.1)	0.00	0.0	626.24	(3,061.7)	0.0	0.0	0.00	0.00	$12,676.80	2,574.7	$2,167.9	$2,060.3	($107.6)	-5.2%
2002	2002-3	(3,975)	2,274.5	7,003.2	$22,607.9	(350.6)	158.60	260.1	629.73	(3,078.8)	0.0	0.0	0.00	0.00	$12,690.20	2,577.4	$2,436.3	$2,449.9	$13.6	0.6%
2002	2002-4	(3,975)	2,279.1	7,017.2	$24,875.7	(385.8)	224.10	367.5	629.63	(3,078.2)	0.0	0.0	0.00	0.00	$12,687.70	2,576.9	$2,522.6	$2,478.9	($43.7)	-1.8%
2003	2003-1	(3,975)	2,280.3	7,021.0	$24,805.1	(384.7)	0.00	0.0	621.79	(3,039.9)	0.0	0.0	0.00	0.00	$12,763.80	2,592.3	$2,213.7	$2,145.5	($68.2)	-3.2%
2003	2003-2	(3,975)	2,272.2	6,995.9	$25,181.4	(390.6)	0.00	0.0	608.90	(2,976.9)	0.0	0.0	0.00	0.00	$12,857.65	2,611.4	$2,264.8	$2,309.0	$44.2	1.9%
2003	2003-3	(3,975)	2,263.3	6,968.5	$22,677.8	(351.7)	162.50	266.5	607.63	(2,970.7)	0.0	0.0	0.00	0.00	$12,924.40	2,624.9	$2,562.5	$2,573.9	$11.4	0.4%
2003	2003-4	(3,975)	2,261.3	6,962.4	$23,909.5	(370.8)	229.70	376.7	606.22	(2,963.8)	0.0	0.0	0.00	0.00	$12,959.90	2,632.2	$2,661.7	$2,655.3	($6.4)	-0.2%
2004	2004-1	(3,975)	2,262.6	6,966.4	$24,379.3	(378.1)	0.00	0.0	605.63	(2,960.9)	0.0	0.0	0.00	0.00	$12,997.60	2,639.8	$2,292.2	$2,308.7	$16.5	0.7%
2004	2004-2	(3,975)	2,263.9	6,970.5	$26,445.1	(410.2)	0.00	0.0	599.19	(2,929.4)	0.0	0.0	0.00	0.00	$13,091.65	2,658.9	$2,314.8	$2,308.3	($6.5)	-0.3%
2004	2004-3	(3,975)	2,267.2	6,980.6	$25,869.5	(401.2)	169.50	278.0	598.41	(2,925.6)	0.0	0.0	0.00	0.00	$13,262.25	2,693.6	$2,650.4	$2,611.7	($38.7)	-1.5%
2004	2004-4	(3,975)	2,276.6	7,009.7	$27,729.9	(430.1)	236.70	388.2	596.39	(2,915.7)	0.0	0.0	0.00	0.00	$13,450.55	2,731.8	$2,808.9	$2,687.7	($121.2)	-4.5%
2005	2005-1	(3,975)	2,290.3	7,051.8	$27,854.7	(432.0)	0.00	0.0	598.99	(2,928.5)	0.0	0.0	0.00	0.00	$13,567.60	2,755.6	$2,471.9	$2,440.5	($31.4)	-1.3%
2005	2005-2	(3,975)	2,299.5	7,080.2	$29,277.2	(454.1)	0.00	0.0	602.03	(2,943.3)	0.0	0.0	0.00	0.00	$13,656.35	2,773.6	$2,481.4	$2,457.1	($24.3)	-1.0%
2005	2005-3	(3,975)	2,313.5	7,123.1	$28,141.6	(436.5)	174.60	286.3	608.13	(2,973.2)	0.0	0.0	0.00	0.00	$13,768.50	2,796.4	$2,821.1	$2,726.1	($95.0)	-3.5%
2005	2005-4	(3,975)	2,339.8	7,204.2	$29,882.8	(463.5)	245.70	402.9	612.08	(2,992.5)	0.0	0.0	0.00	0.00	$13,890.60	2,821.2	$2,997.3	$2,825.3	($172.0)	-6.1%
2006	2006-1	(3,975)	2,364.1	7,278.9	$30,111.5	(467.0)	0.00	0.0	616.42	(3,013.7)	0.0	0.0	0.00	0.00	$14,024.75	2,848.4	$2,671.6	$2,769.6	$98.0	3.5%
2006	2006-2	(3,975)	2,399.1	7,386.8	$32,111.6	(498.1)	0.00	0.0	619.80	(3,030.2)	0.0	0.0	0.00	0.00	$14,135.90	2,871.0	$2,754.5	$2,780.7	$26.2	0.9%
2006	2006-3	(3,975)	2,420.5	7,452.7	$32,483.1	(503.8)	181.80	298.2	629.65	(3,078.4)	0.0	0.0	0.00	0.00	$14,232.25	2,890.6	$3,084.3	$3,268.7	$184.4	5.6%

			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		U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average					
	COEFFICIENTS		3.079		-0.01551		1.64		-4.889		526.4		284.7		0.2031					
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	(3,975)	2,433.7	7,493.2	$34,056.7	(528.2)	255.50	419.0	638.27	(3,120.5)	0.0	0.0	0.00	0.00	$14,332.60	2,911.0	$3,199.5	$3,405.2	$205.7	6.0%
2007	2007-1	(3,975)	2,464.8	7,589.1	$33,103.7	(513.4)	0.00	0.0	644.08	(3,148.9)	0.0	0.0	0.00	0.00	$14,459.75	2,936.8	$2,888.6	$2,850.4	($38.2)	-1.3%
2007	2007-2	(3,975)	2,484.5	7,649.8	$34,078.3	(528.6)	0.00	0.0	648.43	(3,170.2)	0.0	0.0	0.00	0.00	$14,567.85	2,958.7	$2,934.7	$2,988.6	$53.9	1.8%
2007	2007-3	(3,975)	2,508.6	7,724.0	$32,157.0	(498.8)	184.30	302.3	660.23	(3,227.9)	0.0	0.0	0.00	0.00	$14,596.10	2,964.5	$3,289.1	$3,292.4	$3.3	0.1%
2007	2007-4	(3,975)	2,541.3	7,824.5	$34,410.4	(533.7)	257.20	421.8	671.87	(3,284.8)	0.0	0.0	0.00	0.00	$14,659.75	2,977.4	$3,430.2	$3,566.1	$135.9	3.8%
2008	2008-1	(3,975)	2,565.8	7,899.9	$34,836.2	(540.3)	0.00	0.0	679.97	(3,324.4)	0.0	0.0	0.00	0.00	$14,721.45	2,989.9	$3,050.1	$3,165.6	$115.5	3.6%
2008	2008-2	(3,975)	2,574.0	7,925.2	$34,514.4	(535.3)	0.00	0.0	682.97	(3,339.0)	0.0	0.0	0.00	0.00	$14,782.35	3,002.3	$3,078.2	$3,014.3	($63.9)	-2.1%
2008	2008-3	(3,975)	2,581.4	7,948.0	$35,745.6	(554.4)	191.20	313.6	694.57	(3,395.7)	0.0	0.0	0.00	0.00	$14,888.60	3,023.9	$3,360.4	$3,406.4	$46.0	1.4%
2008	2008-4	(3,975)	2,594.2	7,987.4	$38,174.1	(592.1)	269.80	442.5	701.63	(3,430.3)	(1.0)	(526.4)	0.00	0.00	$14,965.15	3,039.4	$2,945.5	$3,000.6	$55.1	1.8%
2009	2009-1	(3,975)	2,598.8	8,001.6	$40,339.7	(625.7)	0.00	0.0	708.77	(3,465.2)	1.0	526.4	0.00	0.00	$14,940.65	3,034.4	$3,496.5	$3,496.6	$0.1	0.0%
2009	2009-2	(3,975)	2,581.6	7,948.7	$36,960.7	(573.3)	0.00	0.0	707.70	(3,459.9)	0.5	263.2	0.00	0.00	$14,926.45	3,031.6	$3,235.3	$3,339.2	$103.9	3.1%
2009	2009-3	(3,975)	2,545.5	7,837.6	$29,068.3	(450.8)	191.00	313.2	714.90	(3,495.1)	0.5	263.2	0.00	0.00	$14,927.50	3,031.8	$3,524.9	$3,568.9	$44.0	1.2%
2009	2009-4	(3,975)	2,516.7	7,755.2	$29,515.9	(457.8)	268.40	440.2	722.80	(3,533.8)	0.5	263.2	0.00	0.00	$14,734.30	2,992.5	$3,484.5	$3,452.6	($31.9)	-0.9%
2010	2010-1	(3,975)	2,507.8	7,721.6	$33,779.8	(523.9)	0.00	0.0	729.10	(3,564.6)	0.0	0.0	0.00	0.00	$14,476.00	2,940.1	$2,598.2	$2,580.7	($17.5)	-0.7%
2010	2010-2	(3,975)	2,496.6	7,687.0	$36,528.0	(566.5)	0.00	0.0	709.10	(3,466.8)	0.0	0.0	0.00	0.00	$14,365.30	2,917.6	$2,596.3	$2,558.2	($38.1)	-1.5%
2010	2010-3	(3,975)	2,494.0	7,679.0	$37,439.1	(580.7)	194.40	318.8	686.97	(3,358.6)	0.0	0.0	0.00	0.00	$14,379.05	2,920.4	$3,003.9	$2,969.8	($34.1)	-1.1%
2010	2010-4	(3,975)	2,518.0	7,752.9	$40,419.8	(626.9)	273.20	448.0	684.50	(3,346.5)	0.0	0.0	0.00	0.00	$14,472.20	2,939.3	$3,191.8	$3,271.6	$79.8	2.4%
2011	2011-1	(3,975)	2,530.8	7,792.2	$41,341.3	(641.2)	0.00	0.0	694.70	(3,396.4)	0.0	0.0	0.00	0.00	$14,573.35	2,959.8	$2,739.4	$2,646.2	($93.2)	-3.5%
2011	2011-2	(3,975)	2,539.1	7,817.9	$44,464.5	(689.6)	0.00	0.0	693.50	(3,390.5)	0.0	0.0	0.00	0.00	$14,675.35	2,980.6	$2,743.4	$2,764.0	$20.6	0.7%
2011	2011-3	(3,975)	2,555.5	7,868.2	$46,096.9	(715.0)	201.50	330.5	705.90	(3,451.1)	0.0	0.0	0.00	0.00	$14,795.70	3,005.0	$3,062.6	$3,200.0	$137.4	4.3%
2011	2011-4	(3,975)	2,582.4	7,951.2	$49,637.2	(769.9)	283.40	464.8	684.36	(3,345.9)	0.0	0.0	0.00	0.00	$14,892.25	3,024.6	$3,349.8	$3,406.7	$56.9	1.7%
2012	2012-1	(3,975)	2,603.6	8,016.5	$50,904.9	(789.5)	0.00	0.0	699.31	(3,418.9)	0.0	0.0	0.00	0.00	$14,910.15	3,028.3	$2,861.4	$2,671.3	($190.1)	-7.1%
2012	2012-2	(3,975)	2,621.4	8,071.1	$51,649.6	(801.1)	0.00	0.0	707.04	(3,456.7)	0.0	0.0	0.00	0.00	$14,935.45	3,033.4	$2,871.7	$2,844.2	($27.5)	-1.0%
2012	2012-3	(3,975)	2,648.0	8,153.2	$52,957.2	(821.4)	205.50	337.0	711.33	(3,477.7)	0.0	0.0	1.00	284.70	$15,005.35	3,047.6	$3,548.4	$3,564.9	$16.5	0.5%
2012	2012-4	(3,975)	2,682.5	8,259.3	$53,135.7	(824.1)	285.50	468.2	716.42	(3,502.6)	0.0	0.0	1.00	284.70	$15,105.70	3,068.0	$3,778.5	$3,928.4	$149.9	3.8%
2013	2013-1	(3,975)	2,713.8	8,355.8	$54,218.4	(840.9)	0.00	0.0	732.63	(3,581.8)	0.0	0.0	0.00	0.00	$15,232.65	3,093.8	$3,051.9	$2,927.6	($124.3)	-4.2%
2013	2013-2	(3,975)	2,733.7	8,417.1	$55,595.8	(862.3)	0.00	0.0	748.37	(3,658.8)	0.0	0.0	0.00	0.00	$15,305.85	3,108.6	$3,029.6	$3,101.1	$71.5	2.3%
2013	2013-3	(3,975)	2,752.7	8,475.4	$53,702.6	(832.9)	207.70	340.6	757.06	(3,701.3)	0.0	0.0	1.20	341.60	$15,384.00	3,124.5	$3,772.9	$3,530.8	($242.1)	-6.9%
2013	2013-4	(3,975)	2,776.6	8,549.0	$57,014.4	(884.3)	292.00	478.9	763.39	(3,732.2)	0.0	0.0	1.20	341.60	$15,432.50	3,134.3	$3,912.3	$3,865.4	($46.9)	-1.2%
2014	2014-1	(3,975)	2,797.1	8,612.3	$56,873.1	(882.1)	0.00	0.0	776.19	(3,794.8)	0.0	0.0	0.00	0.00	$15,486.05	3,145.2	$3,105.6	$3,059.1	($46.5)	-1.5%
2014	2014-2	(3,975)	2,814.9	8,667.1	$58,489.2	(907.2)	0.00	0.0	789.12	(3,858.0)	0.0	0.0	0.00	0.00	$15,572.50	3,162.8	$3,089.7	$3,131.8	$42.1	1.3%
2014	2014-3	(3,975)	2,840.6	8,746.1	$57,392.0	(890.1)	214.00	351.0	797.46	(3,898.8)	0.0	0.0	1.20	341.60	$15,693.25	3,187.3	$3,862.1	$3,849.3	($12.8)	-0.3%
2014	2014-4	(3,975)	2,878.8	8,863.7	$60,940.3	(945.2)	299.70	491.5	799.71	(3,909.8)	0.0	0.0	1.20	341.60	$15,848.05	3,218.7	$4,085.5	$4,261.6	$176.1	4.1%
2015	***2015-1***	***(3,975)***	***2,895.0***	***8,913.7***	$61,125.8	(948.1)	-	***0.0***	807.98	(3,950.2)	***0.0***	0.0	***0.0***	***0.00***	$15,873.95	3,224.0	***$3,264.4***			
2015	***2015-2***	***(3,975)***	***2,888.1***	***8,892.5***	***60,243.9***	***(934.4)***	-	***0.0***	815.70	(3,988.0)	***0.0***	0.0	***0.0***	***0.00***	$15,921.05	3,233.6	***$3,228.7***			
2015	***2015-3***	***(3,975)***	***2,914.4***	***8,973.4***	***59,113.8***	***(916.9)***	***218.30***	***358.0***	826.40	(4,040.3)	***0.0***	0.0	***1.2***	***341.60***	$16,087.25	3,267.3	***$4,008.1***			
2015	***2015-4***	***(3,975)***	***2,953.6***	***9,094.1***	***62,768.5***	***(973.5)***	***305.70***	***501.3***	833.30	(4,074.0)	***0.0***	0.0	***1.2***	***341.60***	***$16,355.20***	***3,321.7***	***$4,236.2***			

			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		U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average					
	COEFFICIENTS		3.079		-0.01551		1.64		-4.889		526.4		284.7		0.2031					
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
2016	2016-1	(3,975)	2,970.3	9,145.6	62,959.6	(976.5)	-	0.0	829.00	(4,053.0)	0.0	0.0	0.0	0.00	$16,381.90	3,327.2	$3,468.3			
2016	2016-2	(3,975)	2,963.2	9,123.7	62,051.2	(962.4)	-	0.0	836.90	(4,091.6)	0.0	0.0	0.0	0.00	$16,430.50	3,337.0	$3,431.7			
2016	2016-3	(3,975)	2,990.2	9,206.8	60,887.2	(944.4)	222.70	365.2	847.90	(4,145.4)	0.0	0.0	1.2	341.60	$16,602.00	3,371.9	$4,220.7			
2016	2016-4	(3,975)	3,030.4	9,330.6	64,651.6	(1,002.7)	311.80	511.4	855.00	(4,180.1)	0.0	0.0	1.2	341.60	$16,927.60	3,438.0	$4,463.8			
2017	2017-1	(3,975)	3,050.5	9,392.5	64,848.4	(1,005.8)	-	0.0	850.60	(4,158.6)	0.0	0.0	0.0	0.00	$16,955.30	3,443.6	$3,696.7			
2017	2017-2	(3,975)	3,043.2	9,370.0	63,912.7	(991.3)	-	0.0	858.70	(4,198.2)	0.0	0.0	0.0	0.00	$17,005.60	3,453.8	$3,659.3			
2017	2017-3	(3,975)	3,070.9	9,455.3	62,713.8	(972.7)	227.20	372.6	869.90	(4,252.9)	0.0	0.0	1.2	341.60	$17,183.10	3,489.9	$4,458.8			
2017	2014-4	(3,975)	3,112.2	9,582.5	66,591.1	(1,032.8)	318.00	521.5	877.20	(4,288.6)	0.0	0.0	1.2	341.60	$17,435.40	3,541.1	$4,690.3			
2018	2018-1	(3,975)	3,132.9	9,646.2	66,793.9	(1,036.0)	-	0.0	873.60	(4,271.0)	0.0	0.0	0.0	0.00	$17,464.00	3,546.9	$3,911.1			
2018	2018-2	(3,975)	3,125.4	9,623.1	65,830.1	(1,021.0)	-	0.0	881.90	(4,311.6)	0.0	0.0	0.0	0.00	$17,515.80	3,557.5	$3,873.0			
2018	2018-3	(3,975)	3,153.8	9,710.6	64,595.2	(1,001.9)	231.70	380.0	893.40	(4,367.8)	0.0	0.0	1.2	341.60	$17,698.60	3,594.6	$4,682.1			
2018	2018-4	(3,975)	3,196.2	9,841.1	68,588.8	(1,063.8)	324.40	532.0	900.90	(4,404.5)	0.0	0.0	1.2	341.60	$17,819.00	3,619.0	$4,890.4			
2019	2019-1	(3,975)	3,217.5	9,906.7	68,797.7	(1,067.1)	-	0.0	897.20	(4,386.4)	0.0	0.0	0.0	0.00	$17,848.20	3,625.0	$4,103.2			
2019	2019-2	(3,975)	3,209.8	9,883.0	67,805.0	(1,051.7)	-	0.0	905.70	(4,428.0)	0.0	0.0	0.0	0.00	$17,901.10	3,635.7	$4,064.0			
2019	2019-3	(3,975)	3,239.0	9,972.9	66,533.1	(1,031.9)	236.30	387.5	917.50	(4,485.7)	0.0	0.0	1.2	341.60	$18,088.00	3,673.7	$4,883.1			
2019	2019-4	(3,975)	3,282.5	10,106.8	70,646.5	(1,095.7)	330.90	542.7	925.20	(4,523.3)	0.0	0.0	1.2	341.60	$18,211.00	3,698.7	$5,095.8			

	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	3.5%							
2015	2.3%	FY 2015	2.6%	2.6%	3.2%	3.0%	2.0%	$0.00
2016	2.7%	FY 2016	2.6%	2.6%	3.5%	3.0%	2.0%	$0.00
2017	2.7%	FY 2017	2.7%	2.7%	3.0%	3.0%	2.0%	$0.00
2018	2.7%	FY 2018	2.7%	2.7%	2.2%	3.0%	2.0%	$0.00
2019	2.7%	FY 2019	2.7%	2.7%	2.2%	3.0%	2.0%	$0.00



Fiscal Year	Model Total	Total Actual Tax	Actual Over/ (Under)
1992	$2,504.9	$4,809.8	$2,304.9
1993	$4,820.0	$4,869.2	$49.2
1994	$5,538.6	$5,464.1	($74.5)
1995	$6,251.7	$5,828.8	($422.9)
1996	$6,616.8	$6,900.6	$283.8
1997	$7,137.7	$7,340.4	$202.7
1998	$7,959.9	$7,702.2	($257.7)
1999	$8,415.1	$8,334.8	($80.3)
2000	$8,897.1	$8,921.0	$23.9
2001	$9,494.5	$9,356.1	($138.4)
2002	$9,376.5	$9,252.0	($124.5)
2003	$9,702.7	$9,683.7	($19.0)
2004	$10,066.3	$9,916.4	($149.9)
2005	$10,771.7	$10,449.0	($322.7)
2006	$11,709.9	$12,224.2	$514.3
2007	$12,542.6	$12,697.5	$154.9
2008	$12,434.2	$12,586.9	$152.7
2009	$13,741.2	$13,857.3	$116.1
2010	$11,390.2	$11,380.3	($9.9)
2011	$11,895.2	$12,016.9	$121.7
2012	$13,060.0	$13,008.8	($51.2)
2013	$13,766.7	$13,424.9	($341.8)
2014	$14,142.9	$14,301.8	$158.9
2015 Est	$14,737.4		
2016 Est	$15,584.5		
2017 Est	$16,505.1		
2018 Est.	$17,356.6		
2019 Est.	$18,146.1		

Fit: COG Tax

Analyse-it v3.80

Model Data FY90 to Present A1:DU104

Last updated 12 January 2015 at 17:06 by Mike Loftin

Fit

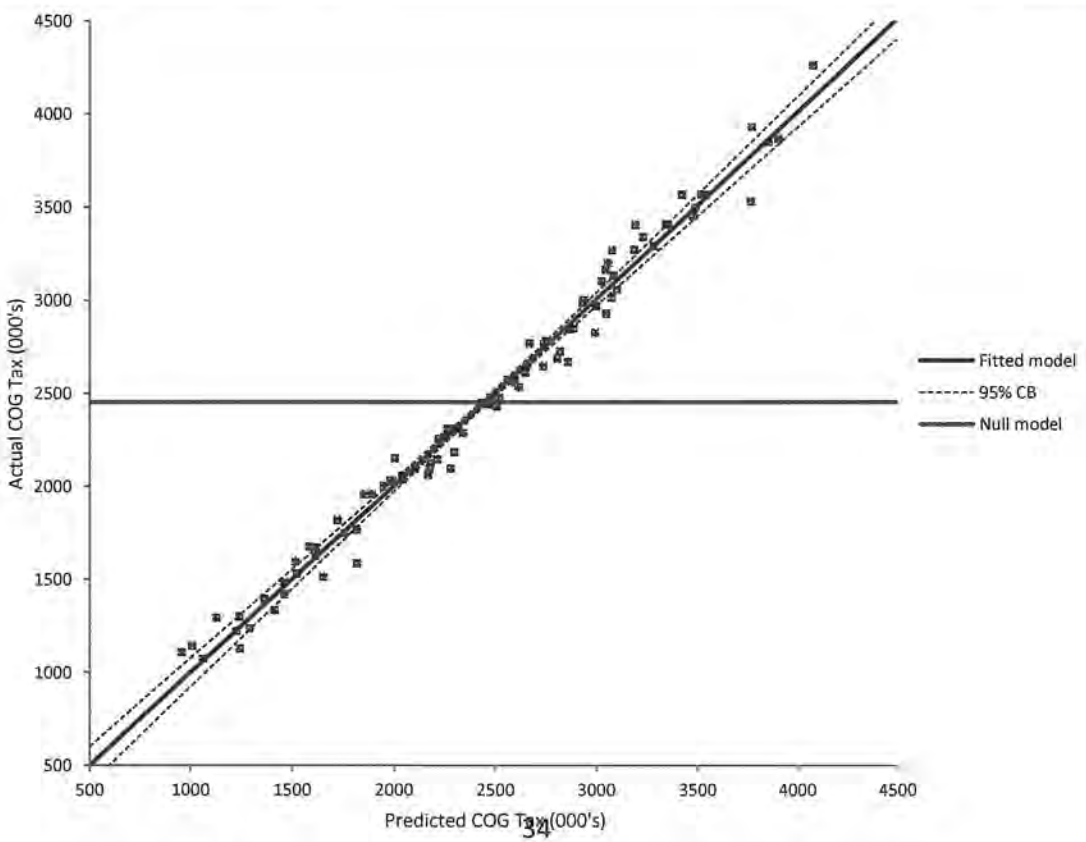
N	91
Equation	COG Tax (000's) = -3975 + 526.4 Galveston Storm Variable + 1.64 Summer Season Adjustment Var + 3.079 SMSA Empl 2 Qtr Mvg Avg - 0.01551 Exports to Mexico FAS + 1 Qtr - 4.889 SMSA Base Empl + 4 Qtrs + 284.7 Pleasure Pier Adjustment + 0.2031 U.S. Real GDP + 3 Qtr 2 Qtr Mvg Avg

R^2	0.986
R^2 adjusted	0.984
SE of fit (RMSE)	95.641

Parameter	Estimate	95% CI	SE	VIF	p-value
Constant	-3975	-4580 to -3370	304.15	-	<0.0001
Galveston Storm Variable	526.4	406.1 to 646.7	60.476	1.09	<0.0001
Summer Season Adjustment Var	1.640	1.430 to 1.851	0.10581	1.26	<0.0001
SMSA Empl 2 Qtr Mvg Avg	3.079	2.326 to 3.833	0.37886	123.61	<0.0001
Exports to Mexico FAS + 1 Qtr	-0.01551	-0.02120 to -0.009808	2.8648 E-03	16.11	<0.0001
SMSA Base Empl + 4 Qtrs	-4.889	-6.324 to -3.454	0.72141	49.71	<0.0001
Pleasure Pier Adjustment	284.7	184.8 to 384.6	50.236	2.00	<0.0001
U.S. Real GDP + 3 Qtr 2 Qtr Mvg Avg	0.2031	0.1480 to 0.2583	0.027710	34.28	<0.0001

H0: $\beta = 0$
The parameter is equal to 0.
H1: $\beta \neq 0$
The parameter is not equal to 0.

Effect of Model



Source	SS	DF	MS	F	p-value

Difference	51962334.20	7	7423190.60	811.52	<0.0001
Error	759223.52	83	9147.27		
Null model	52721557.73	90	585795.09		

H0: $E(Y|X=x) = \mu$

The model is no better than a null model $Y=\mu$.

H1: $E(Y|X=x) = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \ldots$

The model is better than the null model.

Effect of Terms

Term	SS	DF	MS	F	p-value
Galveston Storm Variable	693018.24	1	693018.24	75.76	<0.0001
Summer Season Adjustment Var	2197930.43	1	2197930.43	240.28	<0.0001
SMSA Empl 2 Qtr Mvg Avg	604360.72	1	604360.72	66.07	<0.0001
Exports to Mexico FAS + 1 Qtr	267966.97	1	267966.97	29.29	<0.0001
SMSA Base Empl + 4 Qtrs	420139.91	1	420139.91	45.93	<0.0001
Pleasure Pier Adjustment	293857.76	1	293857.76	32.13	<0.0001
U.S. Real GDP + 3 Qtr 2 Qtr Mvg Avg	491577.03	1	491577.03	53.74	<0.0001

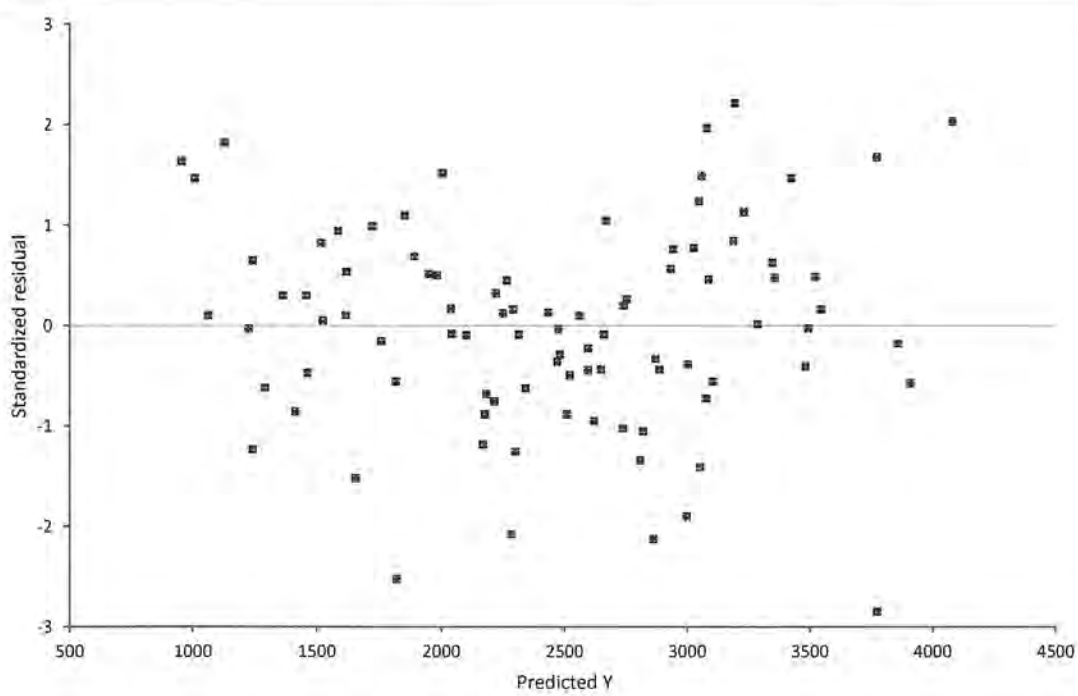
H0: $\beta_{Term} = 0$

The term does not contribute to the model.

H1: $\beta_{Term} \neq 0$

The term contributes to the model.

Residuals



City of Galveston
823 Rosenberg - Galveston, Texas - 77550
(409) 797-3500 - www.cityofgalveston.org

City of Galveston

Office of the City Manager

P. O. Box 779 / Galveston, Texas 77553-0779 / (409) 797-3520 / Fax (409) 797-3521

January 15, 2015

Honorable Mayor James D. Yarborough and Members of Council

This is to present the subject report with unaudited estimated results for the first quarter of FY 2015 ending December 31, 2014. The City of Galveston's operating budget is addressed in the attached report, showing favorable overall preliminary results. It is estimated that revenue collections for FY 2015 will be $106.7 million, an amount that is $746,000 less than the budget of $107.5 million. At the same time, expenditures for the fiscal year are estimated to be $114 million, approximately $1.4 million less than the $115.4 million budget. Ending fund balances, the City's savings account, are projected to end FY 2015 with a total of $40.6 million, significantly more than the $33.8 million budgeted amount, largely due to larger ending fund balances carried over from FY 2014.

This report includes projected year end results for all operating budget funds, considering current trends and matters known to have an effect on the budget fiscal year to date. Current economic trends in the energy sector are a source of concern because of their potential impact on economic growth in the region and the resulting impact on economically sensitive revenue. Payroll and hiring trends have been used to project year end totals identifying several departments with expected underruns against their personnel budget. Notable variances between projections and budget have been noted and explained on each page of the financial section of this report. In addition, a first amendment to this year's budget will be offered in the near future in response to key items identified through this report.

General Fund Highlights

Property taxes are expected to be approximately $287,000 higher than budgeted, but will be more than offset as court fines and forfeits are trending to come in $400,000 under the FY 2015 Budget and somewhat under last year's actual totals. It appears this is the result of lower numbers of and tickets written with fewer total violations cited than was expected in this year's budget. Sales tax revenue is analyzed in a new format offered as an appendix to this report. Considering trends of the last fifteen years, and statistical analysis of economic and weather trends beginning in 1991, it appears that sales tax revenue could easily come in either higher or lower than budget. Since it is so early in the fiscal year, this report assumes that the budget will be realized. We plan to continue our monthly review of this volatile, important revenue source.

In spite of a cumulative $191,000 projected revenue shortfall, General Fund spending is expected to come in $359,000 under budget at the end of FY 2015. This underrun will provide the means to provide necessary staffing that will lead to improved effective vendor relations and contract compliance in Purchasing, improved long-term planning and capital budgeting in the Budget Office, as well as enhanced project management in the City Manager's office. These added costs in the FY 2015 Budget will be funded through use of savings in the Police and Public Works departments.

You will recall that the FY 2015 budget includes a City Council Contingency of $3.9 million. Unless the general revenue picture improves, these funds could be expended, thereby drawing fund balance down in the process. If this entire amount were expended in FY 2015, the General Fund balance would be reduced to approximately $13.3 million, an amount still $2 million more than the 90 day reserve level of $11.3 million.

Special Revenue Funds

Special revenue funds exist to account and budget for legally dedicated revenue that is not associated with a business-type, enterprise operation. The City's eight special revenue funds are budgeted to spend all or most all of available funding; if funds are not spent, they simply fall to fund balance. Among this fund group, only the Convention Center Surplus Fund appears at this point to require a budget amendment. The recent interlocal agreement with the Parks Board requires a $475,000 payment in FY 2015 that was not budgeted but will need to be included in the Budget prior to payment.

Enterprise Funds

The five enterprise funds are each projected to end FY 2015 with more fund balance than budgeted. As was the case last fiscal year, revenues will be close to budget while expenditures will run under budget, particularly because of personnel savings. The Waterworks Fund will require a budget amendment to cover the $500,000 payment required by a recent settlement agreement. Also, the Sanitation Fund will require amendment to cover the cost of a garbage truck delivered later than expected and paid out of FY 2015 funds. In the latter case, funds are available in the Sanitation Fund balance having been left unspent when the truck was not delivered.

Please let me know if you wish further information.

Brian Maxwell
City Manager

CITY-WIDE SUMMARY
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

		FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate
Beginning Fund Balance					
General Fund		$18,244,324	$16,881,028	$17,801,442	$17,801,442
Special Revenue Funds		3,818,331	6,473,549	6,591,889	6,591,889
Debt Service Fund		3,455,896	3,518,386	3,533,168	3,533,168
Enterprise Funds		13,416,434	11,542,985	13,819,070	13,819,070
	Total	**$38,934,985**	**$38,415,948**	**$41,745,569**	**$41,745,569**
Revenue					
General Fund		$45,991,805	$45,976,972	$11,917,006	$45,785,871
Special Revenue Funds		11,872,263	13,839,995	4,530,373	13,540,891
Debt Service Fund		7,129,785	7,084,251	1,352,020	7,084,251
Enterprise Funds		40,189,605	40,591,754	10,215,429	40,335,916
	Total	**$105,183,458**	**$107,492,972**	**$28,014,828**	**$106,746,929**
Expenditures					
General Fund		$46,434,687	$46,038,822	$9,064,111	$45,679,581
Special Revenue Funds		9,098,705	18,783,613	1,528,306	18,280,398
Debt Service Fund		7,052,513	7,060,130	6,875	7,060,130
Enterprise Funds		39,786,969	43,472,594	10,933,286	43,012,198
	Total	**$102,372,874**	**$115,355,159**	**$21,532,577**	**$114,032,306**
Revenues over/(under) Expenditures					
General Fund		($442,882)	($61,850)	$2,852,895	$106,290
Special Revenue Funds		2,773,558	(4,943,618)	3,002,067	(4,739,507)
Debt Service Fund		77,272	24,121	1,345,145	24,121
Enterprise Funds		402,636	(2,880,840)	(717,857)	(2,676,281)
	Total	**$2,810,584**	**($7,862,187)**	**$6,482,250**	**($7,285,377)**
Appropriation of Fund Balance					
General Fund		$0	$4,629,419	$6,000	$650,000
Special Revenue Funds		0	5,867,108	0	5,867,108
Debt Service Fund		0	0	0	0
Enterprise Funds		0	3,000,000	0	3,000,000
	Total	**$0**	**$13,496,527**	**$6,000**	**$9,517,108**
Ending Fund Balance					
General Fund		$17,801,442	$12,189,759	$20,648,337	$17,257,732
Special Revenue Funds		6,591,889	1,529,931	9,593,956	1,852,382
Debt Service Fund		3,533,168	3,542,507	4,878,313	3,557,289
Enterprise Funds		13,819,070	8,662,145	13,101,213	11,142,789
	Sub-Total	**$41,745,569**	**$25,924,342**	**$48,221,819**	**$33,810,192**
Internal Service Funds		$7,652,083	$7,858,409	$6,939,575	$6,841,688
TOTAL WITH INTERNAL SERVICE FUNDS		**$49,397,652**	**$33,782,751**	**$55,161,394**	**$40,651,880**

Note: The Internal Service Funds revenues and expenses are not included in the totals above to avoid duplication.

GENERAL FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year				
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate		FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$18,244,324**	**$16,881,028**	**$17,801,442**	**$17,801,442**		**$920,414**
Revenues						
Property Taxes	$18,978,853	$18,546,689	$8,858,091	$18,833,964	(1)	$287,275
Sales Taxes	14,623,449	14,608,207	1,062,765	14,608,207	(2)	0
Other Taxes	546,116	715,353	0	715,300		(53)
Franchise Taxes	5,267,085	5,324,415	808,430	5,272,100	(3)	(52,315)
Licenses and Permits	1,226,220	1,043,744	279,336	1,085,500	(4)	41,756
Intergovernmental	764,678	724,678	150,000	724,700		22
Charges for Services	1,789,860	1,825,170	390,481	1,782,500	(3)	(42,670)
Fines and Forfeits	1,870,688	2,211,908	359,342	1,811,600	(3)	(400,308)
Investment Earnings	45,967	69,111	0	50,000		(19,111)
Miscellaneous	878,889	907,697	8,560	902,000		(5,697)
Total Revenues	**$45,991,805**	**$45,976,972**	**$11,917,006**	**$45,785,871**		**($191,101)**
Expenditures						
General Government						
City Secretary	$449,345	$401,771	$90,494	$401,771		$0
Municipal Court	643,337	675,056	162,528	675,056		0
City Manager	1,104,146	687,032	142,284	772,745	(5)	(85,713)
City Auditor	238,606	246,038	49,951	246,038		0
Legal	658,638	769,746	143,387	769,746		0
Human Resources	309,757	337,570	35,756	284,972	(6)	52,598
Transportation	850,000	850,000	187,500	850,000		0
Subtotal	**$4,253,829**	**$3,967,213**	**$811,900**	**$4,000,327**		**($33,114)**
Finance						
Administration	$1,052,481	$283,336	$50,416	$283,336		$0
Accounting	895,816	1,021,788	219,648	1,021,788		0
Purchasing	147,699	159,709	37,018	198,802	(7)	(39,093)
Budget	101,740	115,935	23,760	170,313	(8)	(54,378)
Subtotal	**$2,197,736**	**$1,580,768**	**$330,842**	**$1,674,239**		**($93,471)**
Public Safety						
Police	$16,737,538	$16,883,827	$3,487,288	$16,579,077	(9)	$304,750
Fire	9,832,783	10,000,899	1,980,711	10,000,899		0
Emergency Management	209,625	209,874	50,822	209,874		0
Emergency Medical Service	516,161	566,400	141,527	566,400		0
Special Events	0	0	0	0		0
Subtotal	**$27,296,107**	**$27,661,000**	**$5,660,348**	**$27,356,250**		**$304,750**
Public Works						
Streets	$1,742,121	$1,894,947	$386,875	$1,855,082	(6)	$39,865
Traffic	1,337,657	1,491,761	228,498	1,350,550	(6)	141,211
Subtotal	**$3,079,778**	**$3,386,708**	**$615,373**	**$3,205,632**		**$181,076**

GENERAL FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Parks and Recreation					
Administration	$608,644	$651,137	$120,454	$651,137	$0
Parks and Parkways	1,409,145	1,666,390	303,233	1,666,390	0
Subtotal	**$2,017,789**	**$2,317,527**	**$423,687**	**$2,317,527**	**$0**
Planning and Community Development					
Planning	$1,023,709	$1,113,948	$271,930	$1,113,948	$0
Code Enforcement	469,451	588,930	112,844	588,930	0
Building Inspection	552,876	564,328	116,748	564,328	0
Subtotal	**$2,046,036**	**$2,267,206**	**$501,522**	**$2,267,206**	**$0**
Non-Departmental					
Vehicle Purchases	$799,502	$1,000,000	$0	$1,000,000	$0
Governmental Expenditures	156,582	213,158	70,262	213,158	0
Debt Service	1,554,855	18,880	(144,990)	18,880	0
Facility Maintenance	0	1,847,728	395,167	1,847,728	0
Operating Transfers Out	3,032,473	1,778,634	400,000	1,778,634	0
Subtotal	**$5,543,412**	**$4,858,400**	**$720,439**	**$4,858,400**	**$0**
Total Expenditures	**$46,434,687**	**$46,038,822**	**$9,064,111**	**$45,679,581**	**$359,241**
Revenues Over/(Under) Expenditures	**($442,882)**	**($61,850)**	**$2,852,895**	**$106,290**	**$168,140**
Estimated Ending Fund Balance	**$17,801,442**	**$16,819,178**	**$20,654,337**	**$17,907,732**	**$1,088,554**
Less: Appropriation of Fund Balance					
Additional 3 months COLA	$0	$61,850	$0	$0	$61,850
One-Time Capital Outlay	0	650,000	6,000	650,000	0
City Council Budget Contingency	0	3,917,569	0	0 (10)	3,917,569
Subtotal	**$0**	**$4,629,419**	**$6,000**	**$650,000**	**$3,979,419**
Ending Fund Balance	**$17,801,442**	**$12,189,759**	**$20,648,337**	**$17,257,732**	**($2,890,865)**
90 Day Reserve	**11,449,649**	**11,352,038**	**2,234,986**	**11,263,458**	**N/A**
Total General Fund Appropriation	**$46,434,687**	**$50,668,241**	**$9,070,111**	**$46,329,581**	**$4,338,660**

NOTES:

(1) Since the Budget and tax rates were approved, supplemental rolls have added $62 million in taxable property to the 2014 tax rolls.
(2) Current trends are encouraging but caution is advised until more sales tax proceeds are received.
(3) Franchise taxes, charges for service and fines and forfeit revenue are running slightly behind last year's actual collections to date.
(4) Building permits are slightly ahead of last year's actual collections to date.
(5) A Special Project Manager has been hired to assist the City Manager in completing important, unusual projects.
(6) Human Resources, Streets and Traffic projected to underspend personnel budget as of year end.
(7) Includes funds for second professional purchasing staffer to focus on contract compliance and vendor relations.
(8) Includes second budget analyst to provide added capacity for CIP planning and operating budget reporting and forecasting.
(9) Police personnel costs projected through end of year include salary underruns net of overtime of $250,000 and ten vacant officer positions filled as of April 1.
(10) City Council Contingency not yet allocated to projects, so spending projected at zero.

SPECIAL REVENUE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate
Beginning Fund Balance				
Rosenberg Library	($11,078)	$0	($11,078)	($11,078)
Seawall Parking	29,628	338,482	490,187	490,187
Convention Center Surplus	2,458,736	3,176,783	2,815,872	2,815,872
Historical Buildings	623,201	173,220	250,373	250,373
Neighborhood Revitalization	215,229	215,229	310,286	310,286
Infrastructure Fund	431,705	2,301,877	2,519,528	2,519,528
Separation Pay Fund	0	71,366	38,499	38,499
Island Transit	70,910	196,592	178,222	178,222
Total	**$3,818,331**	**$6,473,549**	**$6,591,889**	**$6,591,889**
Revenues				
Rosenberg Library	$2,064,500	$2,144,036	$1,011,134 (1)	$2,174,744
Seawall Parking	502,638	500,000	60,139 (2)	80,185
Convention Center Surplus	1,564,651	1,584,978	1,032,762 (3)	1,584,978
Historical Buildings	197,842	188,406	0	188,406
Neighborhood Revitalization	100,416	2,756,020	0	2,756,020
Infrastructure Fund	2,300,957	1,378,634	1,378,634	1,378,634
Separation Pay Fund	852,397	514,000	514,000	514,000
Island Transit	4,288,862	4,773,921	533,704	4,863,924
Total	**$11,872,263**	**$13,839,995**	**$4,530,373**	**$13,540,891**
Expenditures				
Rosenberg Library	$2,064,500	$2,144,036	$536,009	$2,144,036
Seawall Parking	42,079	151,268	6,724	8,965
Convention Center Surplus	1,207,515	4,761,761	46,559	4,400,850
Historical Buildings	570,670	361,626	821	361,626
Neighborhood Revitalization	5,359	2,971,248	7,673	2,971,248
Infrastructure Fund	213,134	3,105,753	47,756	3,105,753
Separation Pay Fund	813,898	514,000	20,445	514,000
Island Transit	4,181,550	4,773,921	862,320	4,773,921
Total	**$9,098,705**	**$18,783,613**	**$1,528,306**	**$18,280,398**
Appropriation of Fund Balance				
Rosenberg Library	$0	$0	$0	$0
Seawall Parking	0	0	0	0
Convention Center Surplus	0	3,176,783	0	3,176,783
Historical Buildings	0	173,220	0	173,220
Neighborhood Revitalization	0	215,228	0	215,228
Infrastructure Fund	0	2,301,877	0	2,301,877
Separation Pay Fund	0	0	0	0
Island Transit	0	0	0	0
Total	**$0**	**$5,867,108**	**$0**	**$5,867,108**
Ending Balances				
Rosenberg Library	($11,078)	$0	$464,047	$19,630
Seawall Parking	490,187	687,214	543,602	561,407
Convention Center Surplus	2,815,872	0	3,802,075	0
Historical Buildings	250,373	0	249,552	77,153
Neighborhood Revitalization	310,286	1	302,613	95,058
Infrastructure Fund	2,519,528	574,758	3,850,406	792,409
Separation Pay Fund	38,499	71,366	532,054	38,499
Island Transit	178,222	196,592	(150,394)	268,225
Total	**$6,591,889**	**$1,529,931**	**$9,593,956**	**$1,852,382**

NOTES:

(1) Since the Budget and tax rates were approved, supplemental rolls have added $62 million in taxable property to the 2014 tax rolls.

(2) Seawall Parking projections assume transition to Parks Board as of February 1.

(3) First quarter revenue equal to two thirds of FY 2015 Budget. Will review for adjustment after second quarter payment received.

ROSENBERG LIBRARY
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**($11,078)**	**$0**	**($11,078)**	**($11,078)**	**($11,078)**
Revenues					
Property Taxes	$2,025,874	$2,097,795	$998,612	$2,128,503	$30,708
Property Taxes-Delinquent	38,626	46,241	12,522	$46,241	$0
Total Revenues	**$2,064,500**	**$2,144,036**	**$1,011,134**	**$2,174,744**	**$30,708**
Expenditures					
Payments to Library	$2,064,500	$2,144,036	$536,009	$2,144,036	$0
Total Expenditures	**$2,064,500**	**$2,144,036**	**$536,009**	**$2,144,036**	**$0**
Revenues Over/(Under) Expenditures	**$0**	**$0**	**$475,125**	**$30,708**	**$30,708**
Ending Fund Balance	**($11,078)**	**$0**	**$464,047**	**$19,630**	**$19,630**

SEAWALL PARKING
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$29,628**	**$338,482**	**$490,187**	**$490,187**	**$151,705**
Revenues					
Transient Fees	$502,680	$500,000	$60,139	$80,185	($419,815)
Other Revenue	(42)		0	0	0
Total Revenues	**$502,638**	**$500,000**	**$60,139**	**$80,185**	**($419,815)**
Expenditures					
Contractual Charges	$243,485	$102,500	$6,724	$8,965	$93,535
Parking salaries charged back to Police Department	(73,080)	48,768	0	0	48,768
Disallowed by GLO FY13 and FY14	(128,326)	0	0	0	0
Total Expenditures	**$42,079**	**$151,268**	**$6,724**	**$8,965**	**$142,303**
Revenues Over/(Under) Expenditures	**$460,559**	**$348,732**	**$53,415**	**$71,220**	**($277,512)**
Ending Fund Balance	**$490,187**	**$687,214**	**$543,602**	**$561,407**	**($125,807)**

NOTE:

(1) Seawall Parking assumes transfer of responsibility to Parks Board as of February 1.

CONVENTION CENTER SURPLUS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$2,458,736**	**$3,176,783**	**$2,815,872**	**$2,815,872**	**($360,911)**
Revenues					
HOT Surplus Transfer In	$1,564,651	$1,584,978	$1,032,762	$1,584,978	$0
Total Revenues	**$1,564,651**	**$1,584,978**	**$1,032,762**	**$1,584,978**	**$0**
Expenditures					
Restrooms (Operation & Maintenance)	$39,420	$60,000	$6,020	$60,000	$0
Mardi Gras	326,609	300,000	0	300,000	0
Seawall Litter Detail (Park Board)	35,000	0	0 (1)	100,000	(100,000)
West End Beach Access Cans	48,756	0	0 (1)	375,000	(375,000)
Cultural Arts District	15,533	804	0	804	0
East End Lagoon (Park Board)	0	75,000	0	75,000	0
Downtown Advertising (Park Board)	100,000	100,000	0	100,000	0
Advertising (Park Board)	400,000	0	0	0	0
Shoreline/beach services (Park Board)	19,798	0	0	0	0
Seawall Enhancements	6,715	0	0	0	0
Seawall Parking	172,451	36,767	36,767	36,767	0
Special Events (General Fund)	40,000	40,000	0	40,000	0
Miscellaneous	3,233	3,772	3,771	3,772	0
Available for Appropriations	0	4,145,418	0	3,309,507	835,911
Total Expenditures	**$1,207,515**	**$4,761,761**	**$46,559**	**$4,400,850**	**$360,911**
Revenues Over/(Under) Expenditures	**$357,136**	**($3,176,783)**	**$986,203**	**($2,815,872)**	**$360,911**
Ending Fund Balance	**$2,815,872**	**$0**	**$3,802,075**	**$0**	**$0**

NOTE:

(1) Total payment of $475,000 to Parks Board appropriated by City Council in interlocal agreement. Budget amendment to follow.

HISTORICAL BUILDINGS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$623,201**	**$173,220**	**$250,373**	**$250,373**	**$77,153**
Revenues					
HOT-Transfer In	$197,842	$188,406	$0	$188,406	$0
Other Revenue	0	0	0	0	0
Total Revenues	**$197,842**	**$188,406**	**$0**	**$188,406**	**$0**
Expenditures					
City Hall	$32,619	$100,000	$821	$100,000	$0
Garden Verein	500,000	0	0	0	0
Old City Sexton Building	0	0	0	0	0
City Cemeteries	38,051	0	0	0	0
Texas Hero's Monument	0	0	0	0	0
Available for Appropriation	0	261,626	0	261,626	0
Total Expenditures	**$570,670**	**$361,626**	**$821**	**$361,626**	**$0**
Revenues Over/(Under) Expenditures	**($372,828)**	**($173,220)**	**($821)**	**($173,220)**	**$0**
Ending Fund Balance	**$250,373**	**$0**	**$249,552**	**$77,153**	**$77,153**

NEIGHBORHOOD REVITALIZATION
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$215,229**	**$215,229**	**$310,286**	**$310,286**	**$95,057**
Revenues					
Operating Transfer in-IDC	$100,000	$2,756,020	$0	$2,756,020	$0
Other Revenue	416	0	0	0	$0
Total Revenues	**$100,416**	**$2,756,020**	**$0**	**$2,756,020**	**$0**
Expenditures					
Capital Improvements	$5,359	$2,971,248	$7,673 (1)	$2,971,248	$0
Available for Appropriations	0	0	0	0	0
Total Expenditures	**$5,359**	**$2,971,248**	**$7,673**	**$2,971,248**	**$0**
Revenues Over/(Under) Expenditures	**$95,057**	**($215,228)**	**($7,673)**	**($215,228)**	**$0**
Ending Fund Balance	**$310,286**	**$1**	**$302,613**	**$95,058**	**$95,057**

NOTE:

(1) Project lists and priorities being formulated in conjunction with the City Council.

INFRASTRUCTURE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$431,705**	**$2,301,877**	**$2,519,528**	**$2,519,528**	**$217,651**
Revenues					
Operating Transfer in-General Fund	$1,934,548	$1,378,634	$1,378,634	$1,378,634	$0
Other Revenue	366,409	0	0	0	0
Total Revenues	**$2,300,957**	**$1,378,634**	**$1,378,634**	**$1,378,634**	**$0**
Expenditures					
Capital Improvement-Streets	$213,134	$3,105,753	$47,756	$3,105,753	$0
Total Expenditures	**$213,134**	**$3,105,753**	**$47,756**	**$3,105,753**	**$0**
Revenues Over/(Under) Expenditures	**$2,087,823**	**($1,727,119)**	**$1,330,878**	**($1,727,119)**	**$0**
Ending Fund Balance	**$2,519,528**	**$574,758**	**$3,850,406**	**$792,409**	**$217,651**

NOTE:

(1) Budget of $3.1 million allocated to projects in Adopted CIP. Additional $218,000 carried forward from FY 2014.

SEPARATION PAY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$0**	**$71,366**	**$38,499**	**$38,499**	**($32,867)**
Revenues					
Operating Transfer In					
General Fund	$727,925	$400,000	$400,000	$400,000	$0
Waterworks Fund	22,000	22,000	22,000	22,000	0
Sewer System Fund	40,000	40,000	40,000	40,000	0
Sanitation Fund	35,000	35,000	35,000	35,000	0
Drainage Fund	20,957	10,500	10,500	10,500	0
Airport Fund	6,500	6,500	6,500	6,500	0
Interest Earned	15	0	0	0	0
Total Revenues	**$852,397**	**$514,000**	**$514,000**	**$514,000**	**$0**
Expenditures					
General Fund	$727,925	$411,882	$6,737	$411,882	$0
Waterworks Fund	21,918	19,707	0	19,707	0
Sewer System Fund	29,071	35,831	6,572	35,831	0
Sanitation Fund	14,027	31,352	0	31,352	0
Drainage Fund	20,957	9,406	7,136	9,406	0
Airport Fund	0	5,822	0	5,822	0
Total Expenditures	**$813,898**	**$514,000**	**$20,445**	**$514,000**	**$0**
Revenues Over/(Under) Expenditures	**$38,499**	**$0**	**$493,555**	**$0**	**$0**
Ending Fund Balance	**$38,499**	**$71,366**	**$532,054**	**$38,499**	**($32,867)**

ISLAND TRANSIT
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$70,910**	**$196,592**	**$178,222**	**$178,222**	**($18,370)**
Revenues					
FTA-Operating Grant	$648,994	$779,828	$0	$984,589	$204,761
FTA-Job Access Grant	216,000	465,000	0	298,073	(166,927)
Gulf Coast Center Supplement	213,617	204,000	49,267	209,000	5,000
Victory Lakes	549,325	516,000	126,720	624,000	108,000
State DOT Grants	779,828	708,955	0	635,000	(73,955)
D & R Preventive Maintenance	74,276	35,138	0	35,724	586
HGAC Preventive Maintenance	329,862	500,000	0	670,138	170,138
Fare Box Revenue	294,073	420,000	72,407	300,000	(120,000)
UTMB Shuttles	173,333	160,000	40,000	160,000	0
UTMB Performance Evaluation	57,000	60,000	25,000	50,000	(10,000)
Port Cruise Shuttles	164,002	160,000	32,029	115,000	(45,000)
Sale of Equipment	0	10,000	0	0	(10,000)
Other Revenue	38,552	5,000	781	32,400	27,400
General Fund	750,000	750,000	187,500	750,000	0
Total Revenues	**$4,288,862**	**$4,773,921**	**$533,704 (1)**	**$4,863,924**	**$90,003**
Expenditures					
Administration	$340,765	$489,536	$75,899	$489,536	$0
Transit System	2,599,836	2,786,725	499,191	2,786,725	(0)
FTA Maintenance	1,240,949	1,497,660	287,230	1,497,660	0
Total Expenditures	**$4,181,550**	**$4,773,921**	**$862,320**	**$4,773,921**	**$0**
Revenues Over/(Under) Expenditures	**$107,312**	**$0**	**($328,616)**	**$90,003**	**$90,003**
Ending Fund Balance	**$178,222**	**$196,592**	**($150,394)**	**$268,225**	**$71,633**

NOTE:

(1) Revenue projections for FY 2015 compiled by city staff with assistance from the Goodman Corporation.

DEBT SERVICE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$3,455,896**	**$3,518,386**	**$3,533,168**	**$3,533,168**	**$14,782**
Revenues					
Property Taxes - Current	$1,980,855	$1,984,758	$944,687	$1,984,758	$0
Property Taxes - Delinquent	38,992	23,120	12,938	23,120	0
Hotel Occupancy Tax	1,424,525	1,720,512	143,140	1,720,512	0
Interest Earnings	5,836	1,000	14	1,000	0
Waterworks - Transfer In	194,723	191,493	0	191,493	0
Sewer System - Transfer In	194,723	191,493	0	191,493	0
Galveston Wharves	3,290,132	2,971,875	251,242	2,971,875	0
Total Revenues	**$7,129,785**	**$7,084,251**	**$1,352,020**	**$7,084,251**	**$0**
Expenditures					
Principal Retirement	$5,030,000	$5,155,000	$0	$5,155,000	$0
Interest payment	2,013,353	1,895,230	0	1,895,230	0
Fiscal Agent Fees	6,075	9,900	6,875	9,900	0
Investment Fees	3,085	0	0	0	0
Cost of Issuance	0	0	0	0	0
Pymt. to Refunded Bond Escrow Agent	0	0	0	0	0
Total Expenditures	**$7,052,513**	**$7,060,130**	**$6,875**	**$7,060,130**	**$0**
Revenues Over/(Under) Expenditures	**$77,272**	**$24,121**	**$1,345,145**	**$24,121**	**$0**
Estimated Ending Fund Balance	**$3,533,168**	**$3,542,507**	**$4,878,313**	**$3,557,289**	**$14,782**

ENTERPRISE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate
Beginning Fund Balance				
Waterworks Fund	$7,420,900	$5,132,374	$6,122,684	$6,122,684
Sewer System Fund	3,457,871	4,008,770	4,642,908	4,642,908
Sanitation Fund	695,707	597,006	1,063,314	1,063,314
Drainage Utility Fund	1,187,055	1,074,134	1,165,375	1,165,375
Scholes Airport Fund	654,901	730,701	824,789	824,789
Total	**$13,416,434**	**$11,542,985**	**$13,819,070**	**$13,819,070**
Revenues				
Waterworks Fund	$17,528,624	$18,031,733	$4,486,043	$18,026,568
Sewer System Fund	13,101,391	13,054,000	3,461,944	13,126,720
Sanitation Fund	5,645,676	5,330,587	1,355,573	5,209,576
Drainage Utility Fund	2,668,920	2,848,663	680,190	2,712,261
Scholes Airport Fund	1,244,994	1,326,771	231,679	1,260,791
Total	**$40,189,605**	**$40,591,754**	**$10,215,429**	**$40,335,916**
Expenditures				
Waterworks Fund	$18,826,840	$19,531,733	$6,315,541	$19,833,882
Sewer System Fund	11,916,354	14,554,000	2,644,207	14,070,950
Sanitation Fund	5,278,069	5,330,587	1,179,655	5,362,451
Drainage Utility Fund	2,690,600	2,848,663	593,496	2,525,009
Scholes Airport Fund	1,075,106	1,207,611	200,386	1,219,906
Total	**$39,786,969**	**$43,472,594**	**$10,933,286**	**$43,012,198**
Appropriation of Fund Balance				
Waterworks Fund	$0	$1,500,000	$0	$1,500,000
Sewer System Fund	0	1,500,000	0	1,500,000
Sanitation Fund	0	0	0	0
Drainage Utility Fund	0	0	0	0
Scholes Airport Fund	0	0	0	0
Total	**$0**	**$3,000,000**	**$0**	**$3,000,000**
Ending Fund Balances				
Waterworks Fund	$6,122,684	$3,632,374	$4,293,185	$4,315,370
Sewer System Fund	4,642,908	2,508,770	5,460,645	3,698,678
Sanitation Fund	1,063,314	597,006	1,239,232	910,440
Drainage Utility Fund	1,165,375	1,074,134	1,252,068	1,352,627
Scholes Airport Fund	824,789	849,861	856,082	865,674
Total	**$13,819,070**	**$8,662,145**	**$13,101,213**	**$11,142,789**

WATERWORKS FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$7,420,900**	**$5,132,374**	**$6,122,684**	**$6,122,684**	**$990,310**
Revenues					
Metered Customers	$16,971,871	$17,500,000	$4,343,952	$17,545,952	$45,952
Service Connections	379,528	275,000	96,312	275,000	0
Interest Earned	12,310	23,000	0	12,310	(10,690)
Penalties on Account	98,608	170,000	32,586	132,586	(37,414)
Other Revenues	66,307	63,733	13,193	60,720	(3,013)
Total Revenues	**$17,528,624**	**$18,031,733**	**$4,486,043 (1)**	**$18,026,568**	**($5,165)**
Expenditures					
Management Services	$310,229	$301,741	$62,396	$301,741	$0
Utility Billing	423,085	468,981	98,729	445,307	23,674
Supply	1,390,543	1,679,793	233,380	1,679,793	(0)
Distribution	1,611,186	2,159,548	473,379 (2)	1,985,372	174,176
Cost of Water	7,840,115	9,214,508	2,438,185	9,214,508	0
Debt Service	2,494,584	2,514,309	149,935	2,514,309	0
Transfer to CIP	3,194,723	1,691,493	1,500,000	1,691,493	0
Non-Departmental	1,562,375	1,501,360	1,359,539 (3)	2,001,360	(500,000)
Total Expenditures	**$18,826,840**	**$19,531,733**	**$6,315,541**	**$19,833,882**	**($302,149)**
Revenues Over/(Under) Expenditures	**($1,298,216)**	**($1,500,000)**	**($1,829,499)**	**($1,807,314)**	**($307,314)**
Estimated Ending Fund Balance	**$6,122,684**	**$3,632,374**	**$4,293,185 (4)**	**$4,315,370**	**$682,996**

WATERWORKS FUND RESERVES

90 Day Reserve	**$4,642,235**	**$4,816,044**	**$1,557,257**	**$4,890,546**

NOTES:

(1) Year to date revenue trends are very close to Adopted Budget in total.

(2) Personnel account underruns projected using current payroll through end of year.

(3) Budget adjustment will be necessary to cover lawsuit settlement payment previously approved by City Council..

(4) Ending fund balance projected $683,000 over Budget due to higher beginning fund balance ($990,000) net of FY 2015 Expenditures over Revenues.

SEWER SYSTEM FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$3,457,871**	**$4,008,770**	**$4,642,908**	**$4,642,908**	**$634,138**
Revenues					
Metered Customers	$12,682,353	$12,650,000	$3,354,368	$12,754,368	$104,368
Service Connections	124,096	125,000	51,138	125,000	0
Waster Hauler Fees	110,962	100,000	17,486	100,000	0
Interest Earned	7,345	20,000	7,400	14,800	(5,200)
Penalties on Account	97,603	158,000	31,639	131,639	(26,361)
Operating Transfer from Sewer Improvement Account	75,456	0	0	0	0
Other Revenues	3,576	1,000	(87)	913	(87)
Total Revenues	**$13,101,391**	**$13,054,000**	**$3,461,944 (1)**	**$13,126,720**	**$72,720**
Expenditures					
Management Services	$308,861	$301,741	$61,486	$301,741	$0
Utility Billing	411,961	468,981	98,862	445,307	23,674
Industrial Pretreatment	235,290	331,392	45,913	216,741	114,651
Collection	2,718,898	3,354,784	667,785	3,216,979	137,805
Wastewater Treatment Plant	3,075,606	3,407,458	641,860	3,200,537	206,921
Debt Service	3,297,422	3,317,644	149,935	3,317,644	0
Transfer to CIP	194,723	2,112,816	640,441	2,112,816	0
Non-Departmental	1,673,593	1,259,184	337,925	1,259,184	0
Total Expenditures	**$11,916,354**	**$14,554,000**	**$2,644,207 (2)**	**$14,070,950**	**$483,050**
Revenues Over/(Under) Expenditures	**$1,185,037**	**($1,500,000)**	**$817,737**	**($944,230)**	**$555,770**
Estimated Ending Fund Balance	**$4,642,908**	**$2,508,770**	**$5,460,645**	**$3,698,678**	**$1,189,908**

SEWER SYSTEM FUND RESERVES

90 Day Reserve	**$2,938,279**	**$3,588,658**	**$651,996**	**$3,469,549**

NOTES:

(1) Year to date revenue trends are projected to be slightly higher than Adopted Budget in total.

(2) Personnel account underruns projected using current payroll through end of year.

(3) Projected ending fund balance is $1.19 million higher than Budget due to higher balance carried forward from FY 2014 ($634,000 higher).

SANITATION FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$695,707**	**$597,006**	**$1,063,314**	**$1,063,314**	**$466,308**
Revenues					
Collection Fees	$5,494,483	$5,110,387	$1,315,242	$5,115,242	$4,855
Dumpster Fees	21,800	21,000	20,925	21,000	0
Penalties on Account	51,347	105,000	19,134	69,134	(35,866)
Operating Transfers In	48,881	90,000	0	0	(90,000)
Other Revenues	29,165	4,200	272	4,200	0
Total Revenues	**$5,645,676**	**$5,330,587**	**$1,355,573 (1)**	**$5,209,576**	**($121,011)**
Expenditures					
Refuse Collection	$3,720,101	$3,919,556	$783,076 (2)	$3,784,903	$134,653
Utility Billing	166,445	187,593	39,574	174,486	13,107
Non-Departmental	1,391,523	1,223,438	357,005 (2)	1,403,062	(179,624)
Total Expenditures	**$5,278,069**	**$5,330,587**	**$1,179,655**	**$5,362,451**	**($31,864)**
Revenues Over/(Under) Expenditures	**$367,607**	**$0**	**$175,918**	**($152,874)**	**($152,874)**
Ending Fund Balance	**$1,063,314**	**$597,006**	**$1,239,232 (3)**	**$910,440**	**$313,434**

SANITATION FUND RESERVES

90 Day Reserve	**$1,301,442**	**$1,314,391**	**$290,874**	**$1,322,248**

NOTES:

(1) FY 2015 Revenue projected to be $121,011 under Budget because Sanitation no longer handling West End Beach trash can collection and less revenue from late penalties on garbage fee payments.

(2) Refuse Collection expenditures projected to be over by a net amount of $32,000 because of payroll being under budget and one garbage truck delivered late for FY 2014 and paid out of FY 2015.

(3) Ending fund balance projected to be $313,000 higher for FY 2015 primarily because of larger fund balance carried forward from FY 2014 ($466,000), including $179,000 for garbage truck delivered in FY 2015 and paid in 2015.

DRAINAGE UTILITY FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$1,187,055**	**$1,074,134**	**$1,165,375**	**$1,165,375**	**$91,241**
Revenues					
Drainage District Charge	$2,562,091	$2,605,000	$659,806	$2,608,806	$3,806
Penalties on Account	$21,665	51,000	8,155	23,455	(27,545)
Interest Earned	$2,347	3,000	0	0	(3,000)
Other Revenues	$82,817	189,663	12,229 (1)	80,000	(109,663)
Total Revenues	**$2,668,920**	**$2,848,663**	**$680,190**	**$2,712,261**	**($136,402)**
Expenditures					
Municipal Drainage Utility	$1,632,981	$2,159,975	$384,192 (2)	$1,843,099	$316,876
Utility Billing	110,475	125,062	26,400	118,283	6,779
Transfer to CIP	788,335	411,633	137,031	411,633	0
Non-Departmental	158,809	151,993	45,873	151,993	(0)
Total Expenditures	**$2,690,600**	**$2,848,663**	**$593,496**	**$2,525,009**	**$323,654**
Revenues Over/(Under) Expenditures	**($21,680)**	**$0**	**$86,693**	**$187,252**	**$187,252**
Estimated Ending Fund Balance	**$1,165,375**	**$1,074,134**	**$1,252,068 (3)**	**$1,352,627**	**$278,493**

DRAINAGE UTILITY FUND RESERVES

90 Day Reserve	**$663,436**	**$702,410**	**$146,342**	**$622,605**

NOTES:

(1) Other Revenues projected to be under budget as recycling revenue is expected to equal last year's total and the pending approval of a HGAC grant for $142,000.

(2) Drainage Utility expenditures projected to be under budget due to salary lapses through end of year.

(3) Ending fund balance projected $278,000 higher than Budgeted due to current year expenditure underrun ($324,000) net of revenue underrun ($136,400).

SCHOLES AIRPORT FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$654,901**	**$730,701**	**$824,789**	**$824,789**	**$94,088**
Revenues					
Building Rentals	$53,839	$54,538	$11,821	$54,538	$0
Hangar Rentals	9,984	10,403	1,678	10,403	0
Terminal Space Rental	47,319	48,424	15,615	48,424	0
Land Rentals	558,299	576,631	121,593	576,631	0
Other Rentals	0	1,000	0	1,000	0
Municipal Utilities	99,022	104,034	27,078	104,034	0
Golf Course	74,142	75,996	18,687	75,996	0
General Fund Rental	55,654	57,046	14,263	57,046	0
Fuel Flowage Fees	14,178	48,424	8,367	15,867	(32,557)
Interest Earned	1,638	275	0	275	0
TXDOT Grant	12,899	50,000	12,572	16,572	(33,429)
Other Revenue	318,020	300,000	6	300,006	6
Total Revenues	**$1,244,994**	**$1,326,771**	**$231,679**	**$1,260,791**	**($65,980)**
Expenditures					
Airport Operations	$615,720	$643,757	$129,548	$656,052	($12,295)
Capital Improvements	178,212	300,000	0	300,000	0
Non-Departmental	281,174	263,854	70,838	263,854	0
Total Expenditures	**$1,075,106**	**$1,207,611**	**$200,386**	**$1,219,906**	**($12,295)**
Revenues Over/(Under) Expenditures	**$169,888**	**$119,160**	**$31,293**	**$40,885**	**($78,275)**
Ending Fund Balance	**$824,789**	**$849,861**	**$856,082**	**$865,674**	**$15,813**

SCHOLES AIRPORT FUND RESERVES

90 Day Reserve	**$265,095**	**$297,767**	**$49,410**	**$300,799**

INTERNAL SERVICE FUNDS
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate
Beginning Fund Balance				
Central Service Fund	$2,013,431	$2,058,139	$2,070,322	$2,070,322
Municipal Garage Fund	1,983,424	2,502,232	1,928,153	1,928,153
Casualty and Liability Fund	1,308,479	1,736,330	1,770,402	1,770,402
Workers' Compensation Fund	360,456	518,027	589,842	589,842
Health and Life Insurance Fund	1,247,214	2,014,091	1,295,774	1,295,774
Capital Projects Fund	(2,410)	(2,410)	(2,410)	(2,410)
Total	**$6,910,594**	**$8,826,409**	**$7,652,083**	**$7,652,083**
Revenues				
Central Service Fund	$2,568,025	$2,701,026	$623,049	$2,700,026
Municipal Garage Fund	4,993,709	5,439,121	1,028,229	5,432,388
Casualty and Liability Fund	2,136,648	2,176,971	535,697	2,176,971
Workers' Compensation Fund	717,775	704,900	181,543	704,900
Health and Life Insurance Fund	5,800,572	5,916,000	806,306	5,916,000
Capital Projects Fund	89,159	483,960	1,340	115,355
Total	**$16,305,888**	**$17,421,978**	**$3,176,165**	**$17,045,641**
Expenditures				
Central Service Fund	$2,511,134	$2,700,026	$500,045	$2,635,865
Municipal Garage Fund	5,048,980	6,439,121	1,858,831	6,337,945
Casualty and Liability Fund	1,674,725	2,176,971	634,930	2,176,971
Workers' Compensation Fund	488,389	704,900	50,575	704,900
Health and Life Insurance Fund	5,752,012	5,885,000	828,888	5,885,000
Capital Projects Fund	89,159	483,960	15,404	115,355
Total	**$15,564,399**	**$18,389,978**	**$3,888,674**	**$17,856,036**
Appropriation of Fund Balance				
Central Service Fund	$0	$0	$0	$0
Municipal Garage Fund	0	1,000,000	0	1,000,000
Casualty and Liability Fund	0	0	0	0
Workers' Compensation Fund	0	0	0	0
Health and Life Insurance Fund	0	0	0	0
Capital Projects Fund	0	0	0	0
Total	**$0**	**$1,000,000**	**$0**	**$1,000,000**
Ending Fund Balances				
Central Service Fund	$2,070,322	$2,059,139	$2,193,326	$2,134,483
Municipal Garage Fund	1,928,153	1,502,232	1,097,551	1,022,597
Casualty and Liability Fund	1,770,402	1,736,330	1,671,169	1,770,402
Workers' Compensation Fund	589,842	518,027	720,810	589,842
Health and Life Insurance Fund	1,295,774	2,045,091	1,273,193	1,326,774
Capital Projects Fund	(2,410)	(2,410)	(16,474)	(2,410)
Total	**$7,652,083**	**$7,858,409**	**$6,939,575**	**$6,841,688**

CENTRAL SERVICE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$2,013,431**	**$2,058,139**	**$2,070,322**	**$2,070,322**	**$12,183**
Revenues					
Sales to Departments					
Data Processing	$1,420,163	$1,443,993	$355,557	$1,443,993	$0
Central Mail Charges	69,625	139,652	16,033	139,652	0
Print Shop Charges	73,923	138,658	7,029	138,658	0
Public Building Maintenance	1,003,055	977,723	244,431	977,723	0
Other Revenue	1,259	1,000	0	0	(1,000)
Total Revenues	**$2,568,025**	**$2,701,026**	**$623,049**	**$2,700,026**	**($1,000)**
Expenditures					
Mail	$101,685	$139,652	$10,497	$139,652	$0
Information Technology	1,292,616	1,443,993	300,033 (1)	1,385,355	58,638
Public Building Maintenance	1,002,689	977,723	161,852	977,723	0
Print Shop	114,144	138,658	27,663	133,135	5,523
Total Expenditures	**$2,511,134**	**$2,700,026**	**$500,045**	**$2,635,865**	**$64,161**
Revenues Over/(Under) Expenditures	**$56,891**	**$1,000**	**$123,004**	**$64,161**	**$63,161**
Estimated Ending Fund Balance	**$2,070,322**	**$2,059,139**	**$2,193,326**	**$2,134,483**	**$75,344**

NOTES:

(1) Information Technology spending projected to be under Budget because of salary lapses through end of year.

CENTRAL GARAGE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$1,983,424**	**$2,502,232**	**$1,928,153 (1)**	**$1,928,153**	**($574,079)**
Revenues					
Motor Vehicle Charges	$4,209,245	$4,561,648	$969,122	$4,561,648	$0
Outside Agency Revenue	712,166	838,164	58,840	838,164	0
Other Revenues	69,155	38,000	267	32,267	(5,733)
Sale of Equipment	0	1,000	0	0	(1,000)
Interest Earned	3,143	309	0	309	0
Total Revenues	**$4,993,709**	**$5,439,121**	**$1,028,229**	**$5,432,388**	**($6,733)**
Expenditures					
Administration	$221,082	$234,006	$43,693	$234,006	$0
Operations	4,410,671	5,787,888	1,710,831 (2)	5,686,712	101,176
Insurance	417,227	417,227	104,307	417,227	0
Total Expenditures	**$5,048,980**	**$6,439,121**	**$1,858,831**	**$6,337,945**	**$101,176**
Revenues Over/(Under) Expenditures	**($55,271)**	**($1,000,000)**	**($830,602)**	**($905,556)**	**$94,444**
Estimated Ending Fund Balance	**$1,928,153**	**$1,502,232**	**$1,097,551**	**$1,022,597**	**($479,635)**

NOTES:

(1) Beginning fund balance is $593,000 less than estimated in the Budget largely due to less Garage charges and outside agency fees collected in FY14.

(2) Operations expenditures projected to be under Budget because low fuel prices are projected to continue through rest of the year.

CASUALTY AND LIABILITY INSURANCE
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$1,308,479**	**$1,736,330**	**$1,770,402**	**$1,770,402**	**$34,072**
Revenues					
Charges for Services					
Waterworks Fund	$205,987	$207,625	$51,497	$207,625	$0
Sewer System Fund	234,520	232,666	58,630	232,666	0
Drainage Utility Fund	49,952	51,288	12,488	51,288	0
Sanitation Fund	85,368	83,519	21,342	83,519	0
Capital Projects Fund	10,208	10,134	2,552	10,134	0
Central Services	33,857	33,889	8,464	33,889	0
Central Garage	417,227	462,227	104,307	462,227	0
Airport Fund	203,704	203,812	50,926	203,812	0
Federal/state grants	124,697	123,293	32,733	123,293	0
General Fund	771,032	768,518	192,758	768,518	0
Other Revenues	96	0	0	0	0
Total Revenues	**$2,136,648**	**$2,176,971**	**$535,697**	**$2,176,971**	**$0**
Expenditures					
Administration	$166,932	$181,071	$33,582	$181,071	$0
Insurance Polices	1,242,617	1,503,900	574,298	1,503,900	0
Other Expenses	265,176	492,000	27,050	492,000	0
Total Expenditures	**$1,674,725**	**$2,176,971**	**$634,930**	**$2,176,971**	**$0**
Revenues Over/(Under) Expenditures	**$461,923**	**$0**	**($99,233)**	**$0**	**$0**
Ending Fund Balance	**$1,770,402**	**$1,736,330**	**$1,671,169**	**$1,770,402**	**$34,072**

WORKERS' COMPENSATION FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$360,456**	**$518,027**	**$589,842**	**$589,842**	**$71,815**
Revenues					
Charges for Services	$715,186	$704,900	$181,543	$704,900	$0
Interest Earned	2,589	0	0	0	0
Total Revenues	**$717,775**	**$704,900**	**$181,543**	**$704,900**	**$0**
Expenditures					
Insurance Policies	$488,389	$704,900	$50,575	$704,900	$0
Total Expenditures	**$488,389**	**$704,900**	**$50,575**	**$704,900**	**$0**
Revenues Over/(Under) Expenditures	**$229,386**	**$0**	**$130,968**	**$0**	**$0**
Ending Fund Balance	**$589,842**	**$518,027**	**$720,810**	**$589,842**	**$71,815**

HEALTH AND LIFE FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**$1,247,214**	**$2,014,091**	**$1,295,774 (1)**	**$1,295,774**	**($718,317)**
Revenues					
Medical insurance - retiree & cobra	$285,137	$240,000	$39,651	$240,000	$0
Medical insurance - contributions-city	4,323,883	4,553,000	586,364	4,553,000	0
Medical insurance - contributions-E'ees	1,074,919	1,000,000	168,960	1,000,000	0
Premiums - life insurance	107,490	122,000	11,332	122,000	0
Interest Earned	9,143	1,000	0	1,000	0
Total Revenues	**$5,800,572**	**$5,916,000**	**$806,306**	**$5,916,000**	**$0**
Expenditures					
Insurance Policies	$5,090,461	$5,185,000	$675,795	$5,185,000	$0
Health Clinic Operating Expenses	661,551	700,000	153,092	700,000	0
Total Expenditures	**$5,752,012**	**$5,885,000**	**$828,888**	**$5,885,000**	**$0**
Revenues Over/(Under) Expenditures	**$48,560**	**$31,000**	**($22,581)**	**$31,000**	**$0**
Ending Fund Balance	**$1,295,774**	**$2,045,091**	**$1,273,193 (1)**	**$1,326,774**	**($718,317)**

(1) Beginning fund balance is $718,000 less than estimated in the Budget however the ending fund balance is comparable to the ending balances of FY2013 and FY2014.

CAPITAL PROJECTS FUND
Summary Schedule of Revenues and Expenditures
Fiscal Year 2015 - December Report

	Prior Year	Current Fiscal Year			
	FY2014 Actual	FY2015 Adopted Budget	FY2015 YTD Actual through 12/31/2014	FY2015 Budget Estimate	FY2015 Estimate Favorable/ (Unfavorable) vs. Budget
Beginning Fund Balance	**($2,410)**	**($2,410)**	**($2,410)**	**($2,410)**	**$0**
Revenues					
Operating Transfers In	$89,159	$483,960	$1,340	$115,355	($368,605)
Total Revenues	**$89,159**	**$483,960**	**$1,340**	**$115,355**	**($368,605)**
Expenditures					
Construction Management	$89,159	$483,960	$15,404	$115,355	$368,605
Total Expenditures	**$89,159**	**$483,960**	**$15,404**	**$115,355**	**$368,605**
Revenues Over/(Under) Expenditures	**$0**	**$0**	**($14,064)**	**$0**	**$0**
Ending Fund Balance	**($2,410)**	**($2,410)**	**($16,474)**	**($2,410)**	**$0**

CITY OF GALVESTON POSITION TOTALS BY DEPARTMENT
As of December 31, 2014
Fiscal Year 2015 - December Report

	Filled Positions	Vacant Positions	Total
GENERAL FUND			
City Secretary	3.00	0.00	3.00
Municipal Court	8.00	0.00	8.00
City Manager*	4.50	0.00	4.50
City Auditor	2.00	0.00	2.00
Finance*	17.00	0.00	17.00
Legal	6.00	0.00	6.00
Human resources	3.30	(1.00)	2.30
Police (including Seawall Parking)	184.00	(10.00)	174.00
Fire	115.00	(4.00)	111.00
Emergency Management	2.00	0.00	2.00
Streets & Traffic	41.75	(7.00)	34.75
Parks and Recreation	34.00	0.00	34.00
Planning & Community Development	22.05	0.00	22.05
Total General Fund	442.60	(22.00)	420.60
ENTERPRISE FUNDS			
Waterworks Fund	40.625	(4.50)	36.125
Sewer System Fund	84.625	(10.50)	74.125
Drainage Utility	35.200	(9.00)	26.200
Sanitation Fund	48.300	0.00	48.300
Municipal Airport	8.00	0.00	8.00
Total Enterprise Funds	216.750	(24.00)	192.740
INTERNAL SERVICE FUNDS			
Central Service Fund	15.00	(1.00)	14.00
Central Garage Fund	22.00	0.00	22.00
Municipal Insurance Fund	1.70	0.00	1.70
Construction Management	5.00	(1.00)	4.00
Total Internal Service Funds	43.70	(2.00)	41.70
SPECIAL REVENUE FUNDS			
Island Transit	52.00	(5.00)	47.00
Neighborhood Revitalization	1.00	(1.00)	0.00
Total Special Revenue Funds	53.00	(6.00)	47.00
RECURRING GRANT POSITIONS			
CDBG - Parks and Recreation	1.00	0.00	1.00
CDBG - Code Enforcement	3.95	(1.00)	2.95
CDBG - Program Management	3.00	0.00	3.00
CDBG - Housing Rehab Administration	1.00	0.00	1.00
Industrial Development Corporation - City Manager	1.00	0.00	1.00
Total Recurring Grant Positions	9.95	(1.00)	8.95
NON-RECURRING GRANT POSITIONS			
CDBG-R Disaster Recovery Program Management	1.00	0.00	1.00
Total Non-Recurring Grant Positions	1.00	0.00	1.00
Total of all FTE'S	767.00	(55.00)	712.00

*This report does not reflect the new positions that are discussed in the management letter.

CITY OF GALVESTON SALES TAX MODEL
JANUARY 2015

FY 2015 Sales Tax Estimate Overview

Based on the current trend underway, it appears that sales tax revenue would be approximately $14.75 million as of the end of FY 2015, $142,000 more than the $14,608,000 budget for the fiscal year. However, with only two months' sales tax receipts actually received for FY 2015, it is more prudent to consider the potential impact of oil prices on Galveston and the region as 2015 moves forward. The FY 2015 estimated sales tax revenue is established at $14.6 million, equal to the budget for the fiscal year.

Problem Statement

Sales tax revenue is the most volatile revenue source for the City of Galveston. It reflects economic and weather related extremes almost immediately resulting in sudden unexpected overruns or shortfalls that confound budgetary planning and management. The model has been developed to solve the practical problem of how to apply economic and seasonal trends to understand and interpret sales tax revenue fluctuations. This enables City forecasters to anticipate revenue trends based upon current sales tax revenue. Trend analysis is also used as a counterbalance to potentially overcomplicating what might otherwise be a simple process.

Overview of Methodology

The City of Galveston sales tax model is used to develop a statistical relationship between sales tax revenue and economic and seasonal variables. The history of sales tax revenue is explained using revenue for the 1991-2015 period aggregated on a quarterly basis so as to account for the normal variations in sales taxes between totals received in the first two months of a quarter that only include monthly filers and the third month of a quarter when revenue from smaller quarterly tax filers are added to total revenue paid. The total revenue by quarter takes into the account the two month lag between actual sales and the receipt of taxes by the City of Galveston.

Variables used in the model are limited to those statistical series that exist for the 1991-2015 period that are available on a monthly or quarterly basis. This includes regional employment, energy prices and national economic data series available from governmental agencies. Galveston-centric data series, or dummy variables, have been developed to account for the effect of major storms, the summer tourist season, and the recent addition of the Pleasure Pier to the City's sales tax base.

An Excel plugin, Analyse-It is used to assemble revenue, economic and seasonal data and perform successive statistical tests using multiple regression to identify the combination of variables that best explain the variance in Galveston's sales tax revenue.

City of Galveston Model Variables

The sales tax model uses the following variables adjusted as described.

- Houston Metro Area Employment – This is the total jobs for the area as reported by the Bureau of Labor Statistics and adjusted by Dr. Ron Welch for local municipalities. The model utilizes a two quarter moving average of this series.
- Houston Metro Area Base Employment – This is the total number of base jobs in the region, including primarily energy, medicine and space. This series is lagged four quarter to measure its greatest effect on revenue.
- U.S. Exports to Mexico – This is the value of exports as reported by the Federal Reserve Bank of St. Louis. The previous quarter's export values are used to explain sales tax revenues in the model.
- U.S. Real Gross Domestic Product – Also provided through the Federal Reserve Bank of St. Louis, this series is lagged three quarters and measured on a two month moving average to gauge the most effect on Galveston's revenue.
- 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.

FY 2015 Sales Tax Estimate

Two methods are used for estimating sales tax:

1. Trend analysis that is based on a thirteen year of trends that consider whether sales tax revenue performs more or less strongly throughout the fiscal year.
2. Modeled revenue that considers trends in economic variables that are demonstrated to have a historical impact on sales tax revenue.

Trend Analysis – Sales tax revenue in the first two months of FY 2015 (December and January cash collections) are approximately 4.1% ahead of last year. Using the simplest form of trend analysis, year over year trend extrapolated through the end of the fiscal year, FY 2015 revenue would be projected to total $14.9 million. Using two months of revenue to project year end results can be hazardous, however. Using the thirteen year trend that considers what an average year would produce, $14.7 million is a more reasonable number. This is based on using the year to date total of $1.99 million and assuming it will constitute 13.6% of the final total for the year as have the previous thirteen years on average.

It is important to note, however, that this approach also offers two additional trends: the worst year of the last thirteen, FY 2009 when the financial crisis hit, saw the economy take a nosedive after the first of the calendar year. The pattern of collections from FY 2009, if replicated in FY 2015 would produce a total of $12.9 million, $1.7 million under budget. Conversely, the best in-year growth pattern occurred in FY 2012, as a combined effect of the energy boom and the

opening of the Pleasure Pier. However unlikely it might be, the same pattern extrapolated to the current ear would produce $18.2 million, $3.6 million over budget. *Clearly, trend analysis alone cannot be used at this point in the fiscal year to project sales tax results for the fiscal year.*

Modeled Results – The Galveston Sales Tax model described above depends to a large extent on regional employment and national economic growth. The plummeting value of oil can be expected to affect employment in a negative way, but Houston are economists are still reacting to the rapid change in price, and adjusting their employment growth numbers down. Dr. Bill Gilmer of the University of Houston and Patrick Jankowski of the Greater Houston Partnership have projected employment growth in calendar year 2015 around 2.3% or 60,000 to 70,000 jobs. If this growth scenario were to hold up, and national economic growth continued at the pace projected by the Congressional Budget Office and Office of Management and Budget, sales tax revenue could be expected to land in the $14.7 million range.

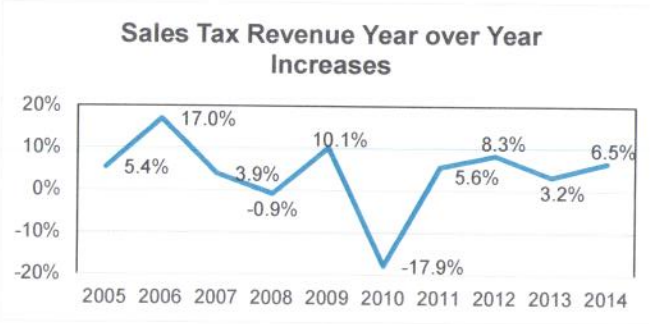
However, should the price of oil remain in the $50 range, employment would be affected, reducing the rate of growth overall and causing cutbacks in the very important upstream energy sector. Should total job growth fall to the 50,000 range this year for the metro Houston area, or 1.7%, sales tax revenue would fall to $14.6 million in the current fiscal year. A greater effect would be seen in FY 2016 as a result of the delayed effect of lower prices on the services part of the metro Houston economy.

Recommended Estimate – For the present, the estimated of sales tax receipts for FY 15 is $14,608,000. This is equal to Budget, and an amount 2.1% greater than the actual for FY 2014. It is somewhat less than either trends to date or modeled projections might produce out of concern for the current economic climate.

	2013 (Full 2% Receipts)	2014 (Full 2% Receipts)	2015	Pct Over Same Mo Last FY
DEC	1,259,799.43	1,291,651.32	1,394,471.33	7.96%
JAN	1,140,069.77	1,206,491.83	1,271,065.03	5.35%
FEB	1,503,560.37	1,580,661.09		
MAR	1,248,434.02	1,196,353.19		
APR	1,183,430.49	1,306,266.44		
MAY	1,702,991.96	1,673,131.09		
JUN	1,341,757.16	1,543,703.81		
JUL	1,464,185.50	1,571,501.29		
AUG	1,901,816.89	2,017,138.85		
SEP	1,867,947.38	2,131,203.89		
OCT	1,702,391.19	1,908,135.36		
NOV	1,583,462.97	1,642,812.02		
	17,899,847.13	19,069,050.18		
	3.2%	6.5%		
YTD Totals		14301787.64		
DEC	1,259,799.43	1,291,651.32	1,394,471.33	7.96%
JAN	2,399,869.20	2,498,143.15	2,665,536.36	6.70%
FEB	3,903,429.57	4,078,804.24		
MAR	5,151,863.59	5,275,157.43		
APR	6,335,294.08	6,581,423.87		
MAY	8,038,286.04	8,254,554.96		
JUN	9,380,043.20	9,798,258.77		
JUL	10,844,228.70	11,369,760.06		
AUG	12,746,045.59	13,386,898.91		
SEP	14,613,992.97	15,518,102.80		
OCT	16,316,384.16	17,426,238.16		
NOV	17,899,847.13	19,069,050.18		
	13,424,885.35	14,301,787.64		

FY14 ACTUAL	14,301,788
FY14 ESTIMAT	13,912,000
BUDGET	14,608,000

GENERAL FUND PROJECTIONS (1.5%)			FULL 2% PROJECTIONS		
LOW	AVERAGE	HIGH	LOW	AVERAGE	HIGH
14,057,000	15,056,000	16,291,000	18,743,000	20,075,000	21,721,000
12,890,000	14,715,000	18,241,000	17,186,000	19,620,000	24,321,000



Percent of Yearend Totals			Highest Percent YTD	Average Percent YTD	Lowest Percent YTD
DEC	7.04%	6.77%	7.44%	6.95%	6.42%
JAN	13.41%	13.10%	15.51%	13.59%	10.96%
FEB	21.81%	21.39%	25.23%	22.86%	20.53%
MAR	28.78%	27.66%	32.66%	29.63%	27.18%
APR	35.39%	34.51%	40.02%	36.37%	33.19%
MAY	44.91%	43.29%	49.33%	45.90%	42.40%
JUN	52.40%	51.38%	57.04%	53.40%	49.93%
JUL	60.58%	59.62%	65.00%	61.47%	58.17%
AUG	71.21%	70.20%	76.16%	72.39%	69.80%
SEP	81.64%	81.38%	86.81%	82.16%	80.35%
OCT	91.15%	91.38%	92.78%	90.78%	89.87%
NOV	100.00%	100.00%	100.00%	100.00%	100.00%

Sales Tax Econometric Forecast
Date: 1/12/2015

			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		U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average					
	COEFFICIENTS		3.079		-0.01551		1.64		-4.889		526.4		284.7		0.2031					
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
1992	1992-2	(3,975)	1,780.3	5,481.5	$9,188.9	(142.5)	0.00	0.0	453.40	(2,216.7)	0.0	0.0	0.00	0.00	$8,900.00	1,807.6	$954.9	$1,106.6	$151.7	13.7%
1992	1992-3	(3,975)	1,777.5	5,472.8	$9,789.5	(151.8)	129.10	211.7	460.29	(2,250.4)	0.0	0.0	0.00	0.00	$8,955.85	1,818.9	$1,126.2	$1,292.8	$166.6	12.9%
1992	1992-4	(3,975)	1,785.6	5,497.9	$10,391.3	(161.2)	181.90	298.3	459.58	(2,246.9)	0.0	0.0	0.00	0.00	$8,996.85	1,827.3	$1,240.4	$1,300.2	$59.8	4.6%
1993	1993-1	(3,975)	1,795.3	5,527.7	$10,204.4	(158.3)	0.00	0.0	456.10	(2,229.9)	0.0	0.0	0.00	0.00	$9,069.70	1,842.1	$1,006.6	$1,142.6	$136.0	11.9%
1993	1993-2	(3,975)	1,797.4	5,534.0	$10,207.1	(158.3)	0.00	0.0	450.77	(2,203.8)	0.0	0.0	0.00	0.00	$9,173.25	1,863.1	$1,060.0	$1,070.7	$10.7	1.0%
1993	1993-3	(3,975)	1,800.8	5,544.7	$10,235.8	(158.8)	132.40	217.1	453.95	(2,219.4)	0.0	0.0	0.00	0.00	$9,268.35	1,882.4	$1,291.0	$1,235.5	($55.5)	-4.5%
1993	1993-4	(3,975)	1,820.4	5,605.0	$10,765.7	(167.0)	186.20	305.4	451.41	(2,207.0)	0.0	0.0	0.00	0.00	$9,359.85	1,901.0	$1,462.4	$1,420.4	($42.0)	-3.0%
1994	1994-1	(3,975)	1,836.6	5,654.7	$9,825.6	(152.4)	0.00	0.0	453.06	(2,215.0)	0.0	0.0	0.00	0.00	$9,415.30	1,912.2	$1,224.5	$1,222.8	($1.7)	-0.1%
1994	1994-2	(3,975)	1,837.1	5,656.4	$10,753.7	(166.8)	0.00	0.0	448.72	(2,193.8)	0.0	0.0	0.00	0.00	$9,452.10	1,919.7	$1,240.5	$1,127.4	($113.1)	-10.0%
1994	1994-3	(3,975)	1,844.5	5,679.2	$11,859.3	(183.9)	137.10	224.8	453.55	(2,217.4)	0.0	0.0	0.00	0.00	$9,503.20	1,930.1	$1,457.8	$1,487.0	$29.2	2.0%
1994	1994-4	(3,975)	1,866.2	5,745.9	$12,620.1	(195.7)	194.90	319.6	455.46	(2,226.7)	0.0	0.0	0.00	0.00	$9,589.90	1,947.7	$1,615.8	$1,626.9	$11.1	0.7%
1995	1995-1	(3,975)	1,887.4	5,811.3	$13,043.3	(202.3)	0.00	0.0	458.16	(2,239.9)	0.0	0.0	0.00	0.00	$9,700.85	1,970.2	$1,364.3	$1,393.5	$29.2	2.1%
1995	1995-2	(3,975)	1,898.4	5,845.2	$13,320.8	(206.6)	0.00	0.0	458.92	(2,243.7)	0.0	0.0	0.00	0.00	$9,814.80	1,993.4	$1,413.3	$1,335.3	($78.0)	-5.8%
1995	1995-3	(3,975)	1,905.7	5,867.5	$11,594.2	(179.8)	139.00	228.0	470.02	(2,297.9)	0.0	0.0	0.00	0.00	$9,910.55	2,012.8	$1,655.6	$1,514.5	($141.1)	-9.3%
1995	1995-4	(3,975)	1,925.1	5,927.2	$10,867.7	(168.6)	196.10	321.6	473.90	(2,316.9)	0.0	0.0	0.00	0.00	$9,996.10	2,030.2	$1,818.5	$1,585.5	($233.0)	-14.7%
1996	1996-1	(3,975)	1,943.5	5,984.0	$11,715.2	(181.7)	0.00	0.0	480.48	(2,349.1)	0.0	0.0	0.00	0.00	$10,069.70	2,045.2	$1,523.4	$1,529.7	$6.3	0.4%
1996	1996-2	(3,975)	1,946.4	5,992.8	$12,115.0	(187.9)	0.00	0.0	483.71	(2,364.9)	0.0	0.0	0.00	0.00	$10,104.50	2,052.2	$1,517.2	$1,595.5	$78.3	4.9%
1996	1996-3	(3,975)	1,950.7	6,006.2	$13,000.4	(201.6)	143.00	234.5	491.98	(2,405.3)	0.0	0.0	0.00	0.00	$10,165.45	2,064.6	$1,723.4	$1,818.1	$94.7	5.2%
1996	1996-4	(3,975)	1,969.3	6,063.5	$13,659.5	(211.9)	199.90	327.8	497.52	(2,432.4)	0.0	0.0	0.00	0.00	$10,245.00	2,080.8	$1,852.8	$1,957.3	$104.5	5.3%
1997	1997-1	(3,975)	1,993.6	6,138.1	$14,347.2	(222.5)	0.00	0.0	501.24	(2,450.5)	0.0	0.0	0.00	0.00	$10,314.95	2,095.0	$1,585.1	$1,675.2	$90.1	5.4%
1997	1997-2	(3,975)	2,009.3	6,186.5	$15,784.5	(244.8)	0.00	0.0	504.92	(2,468.5)	0.0	0.0	0.00	0.00	$10,439.05	2,120.2	$1,618.4	$1,670.1	$51.7	3.1%
1997	1997-3	(3,975)	2,023.5	6,230.4	$15,671.8	(243.1)	145.00	237.8	512.76	(2,506.9)	0.0	0.0	0.00	0.00	$10,578.10	2,148.4	$1,891.6	$1,958.4	$66.8	3.4%
1997	1997-4	(3,975)	2,052.1	6,318.3	$17,053.3	(264.5)	203.60	333.9	519.48	(2,539.8)	0.0	0.0	0.00	0.00	$10,682.95	2,169.7	$2,042.6	$2,036.7	($5.9)	-0.3%
1998	1998-1	(3,975)	2,085.2	6,420.3	$18,581.2	(288.2)	0.00	0.0	529.31	(2,587.8)	0.0	0.0	0.00	0.00	$10,780.00	2,189.4	$1,758.7	$1,745.7	($13.0)	-0.7%
1998	1998-2	(3,975)	2,108.1	6,490.7	$20,082.2	(311.5)	0.00	0.0	532.07	(2,601.3)	0.0	0.0	0.00	0.00	$10,902.55	2,214.3	$1,817.2	$1,767.0	($50.2)	-2.8%
1998	1998-3	(3,975)	2,128.0	6,552.1	$19,566.7	(303.5)	146.40	240.1	543.44	(2,656.9)	0.0	0.0	0.00	0.00	$11,054.10	2,245.1	$2,101.9	$2,094.6	($7.3)	-0.3%
1998	1998-4	(3,975)	2,159.7	6,649.7	$19,253.2	(298.6)	206.40	338.5	552.37	(2,700.5)	0.0	0.0	0.00	0.00	$11,167.15	2,268.0	$2,282.1	$2,094.9	($187.2)	-8.9%
1999	1999-1	(3,975)	2,185.8	6,730.1	$19,219.3	(298.1)	0.00	0.0	565.00	(2,762.3)	0.0	0.0	0.00	0.00	$11,265.75	2,288.1	$1,982.8	$2,030.1	$47.3	2.3%
1999	1999-2	(3,975)	2,186.7	6,732.8	$20,733.4	(321.6)	0.00	0.0	571.94	(2,796.2)	0.0	0.0	0.00	0.00	$11,376.10	2,310.5	$1,950.5	$1,999.7	$49.2	2.5%
1999	1999-3	(3,975)	2,177.4	6,704.2	$18,947.4	(293.9)	148.30	243.2	579.41	(2,832.7)	0.0	0.0	0.00	0.00	$11,505.80	2,336.8	$2,182.6	$2,121.1	($61.5)	-2.9%
1999	1999-4	(3,975)	2,186.6	6,732.5	$20,375.6	(316.0)	208.50	341.9	584.07	(2,855.5)	0.0	0.0	0.00	0.00	$11,675.65	2,371.3	$2,299.2	$2,183.9	($115.3)	-5.3%
2000	2000-1	(3,975)	2,205.3	6,790.1	$22,400.4	(347.4)	0.00	0.0	585.37	(2,861.9)	0.0	0.0	0.00	0.00	$11,817.70	2,400.2	$2,006.0	$2,150.1	$144.1	6.7%
2000	2000-2	(3,975)	2,213.1	6,814.1	$25,185.5	(390.6)	0.00	0.0	578.57	(2,828.6)	0.0	0.0	0.00	0.00	$11,913.60	2,419.7	$2,039.6	$2,057.3	$17.7	0.9%
2000	2000-3	(3,975)	2,223.6	6,846.3	$26,069.9	(404.3)	153.40	251.6	577.07	(2,821.3)	0.0	0.0	0.00	0.00	$12,037.80	2,444.9	$2,342.2	$2,285.1	($57.1)	-2.5%
2000	2000-4	(3,975)	2,245.0	6,912.4	$27,594.8	(428.0)	216.20	354.6	580.12	(2,836.2)	0.0	0.0	0.00	0.00	$12,218.20	2,481.5	$2,509.3	$2,428.5	($80.8)	-3.3%
2001	2001-1	(3,975)	2,263.7	6,969.8	$29,289.1	(454.3)	0.00	0.0	587.26	(2,871.1)	0.0	0.0	0.00	0.00	$12,341.20	2,506.5	$2,175.9	$2,094.2	($81.7)	-3.9%
2001	2001-2	(3,975)	2,270.8	6,991.6	$28,395.2	(440.4)	0.00	0.0	590.93	(2,889.1)	0.0	0.0	0.00	0.00	$12,475.80	2,533.8	$2,220.9	$2,253.3	$32.4	1.4%
2001	2001-3	(3,975)	2,276.4	7,008.9	$26,688.3	(413.9)	159.60	261.7	605.99	(2,962.7)	0.0	0.0	0.00	0.00	$12,600.10	2,559.1	$2,478.1	$2,476.4	($1.7)	-0.1%
2001	2001-4	(3,975)	2,286.9	7,041.4	$25,252.5	(391.7)	222.00	364.1	610.98	(2,987.1)	0.0	0.0	0.00	0.00	$12,643.50	2,567.9	$2,619.6	$2,532.2	($87.4)	-3.5%
2002	2002-1	(3,975)	2,288.6	7,046.4	$24,399.0	(378.4)	0.00	0.0	616.66	(3,014.8)	0.0	0.0	0.00	0.00	$12,661.30	2,571.5	$2,249.7	$2,262.9	$13.2	0.6%
2002	2002-2	(3,975)	2,279.0	7,017.0	$24,956.7	(387.1)	0.00	0.0	626.24	(3,061.7)	0.0	0.0	0.00	0.00	$12,676.80	2,574.7	$2,167.9	$2,060.3	($107.6)	-5.2%
2002	2002-3	(3,975)	2,274.5	7,003.2	$22,607.9	(350.6)	158.60	260.1	629.73	(3,078.8)	0.0	0.0	0.00	0.00	$12,690.20	2,577.4	$2,436.3	$2,449.9	$13.6	0.6%
2002	2002-4	(3,975)	2,279.1	7,017.2	$24,875.7	(385.8)	224.10	367.5	629.63	(3,078.2)	0.0	0.0	0.00	0.00	$12,687.70	2,576.9	$2,522.6	$2,478.9	($43.7)	-1.8%
2003	2003-1	(3,975)	2,280.3	7,021.0	$24,805.1	(384.7)	0.00	0.0	621.79	(3,039.9)	0.0	0.0	0.00	0.00	$12,763.80	2,592.3	$2,213.7	$2,145.5	($68.2)	-3.2%
2003	2003-2	(3,975)	2,272.2	6,995.9	$25,181.4	(390.6)	0.00	0.0	608.90	(2,976.9)	0.0	0.0	0.00	0.00	$12,857.65	2,611.4	$2,264.8	$2,309.0	$44.2	1.9%
2003	2003-3	(3,975)	2,263.3	6,968.5	$22,677.8	(351.7)	162.50	266.5	607.63	(2,970.7)	0.0	0.0	0.00	0.00	$12,924.40	2,624.9	$2,562.5	$2,573.9	$11.4	0.4%
2003	2003-4	(3,975)	2,261.3	6,962.4	$23,909.5	(370.8)	229.70	376.7	606.22	(2,963.8)	0.0	0.0	0.00	0.00	$12,959.90	2,632.2	$2,661.7	$2,655.3	($6.4)	-0.2%
2004	2004-1	(3,975)	2,262.6	6,966.4	$24,379.3	(378.1)	0.00	0.0	605.63	(2,960.9)	0.0	0.0	0.00	0.00	$12,997.60	2,639.8	$2,292.2	$2,308.7	$16.5	0.7%
2004	2004-2	(3,975)	2,263.9	6,970.5	$26,445.1	(410.2)	0.00	0.0	599.19	(2,929.4)	0.0	0.0	0.00	0.00	$13,091.65	2,658.9	$2,314.8	$2,308.3	($6.5)	-0.3%
2004	2004-3	(3,975)	2,267.2	6,980.6	$25,869.5	(401.2)	169.50	278.0	598.41	(2,925.6)	0.0	0.0	0.00	0.00	$13,262.25	2,693.6	$2,650.4	$2,611.7	($38.7)	-1.5%
2004	2004-4	(3,975)	2,276.6	7,009.7	$27,729.9	(430.1)	236.70	388.2	596.39	(2,915.7)	0.0	0.0	0.00	0.00	$13,450.55	2,731.8	$2,808.9	$2,687.7	($121.2)	-4.5%
2005	2005-1	(3,975)	2,290.3	7,051.8	$27,854.7	(432.0)	0.00	0.0	598.99	(2,928.5)	0.0	0.0	0.00	0.00	$13,567.60	2,755.6	$2,471.9	$2,440.5	($31.4)	-1.3%
2005	2005-2	(3,975)	2,299.5	7,080.2	$29,277.2	(454.1)	0.00	0.0	602.03	(2,943.3)	0.0	0.0	0.00	0.00	$13,656.35	2,773.6	$2,481.4	$2,457.1	($24.3)	-1.0%
2005	2005-3	(3,975)	2,313.5	7,123.1	$28,141.6	(436.5)	174.60	286.3	608.13	(2,973.2)	0.0	0.0	0.00	0.00	$13,768.50	2,796.4	$2,821.1	$2,726.1	($95.0)	-3.5%
2005	2005-4	(3,975)	2,339.8	7,204.2	$29,882.8	(463.5)	245.70	402.9	612.08	(2,992.5)	0.0	0.0	0.00	0.00	$13,890.60	2,821.2	$2,997.3	$2,825.3	($172.0)	-6.1%
2006	2006-1	(3,975)	2,364.1	7,278.9	$30,111.5	(467.0)	0.00	0.0	616.42	(3,013.7)	0.0	0.0	0.00	0.00	$14,024.75	2,848.4	$2,671.6	$2,769.6	$98.0	3.5%
2006	2006-2	(3,975)	2,399.1	7,386.8	$32,111.6	(498.1)	0.00	0.0	619.80	(3,030.2)	0.0	0.0	0.00	0.00	$14,135.90	2,871.0	$2,754.5	$2,780.7	$26.2	0.9%
2006	2006-3	(3,975)	2,420.5	7,452.7	$32,483.1	(503.8)	181.80	298.2	629.65	(3,078.4)	0.0	0.0	0.00	0.00	$14,232.25	2,890.6	$3,084.3	$3,268.7	$184.4	5.6%

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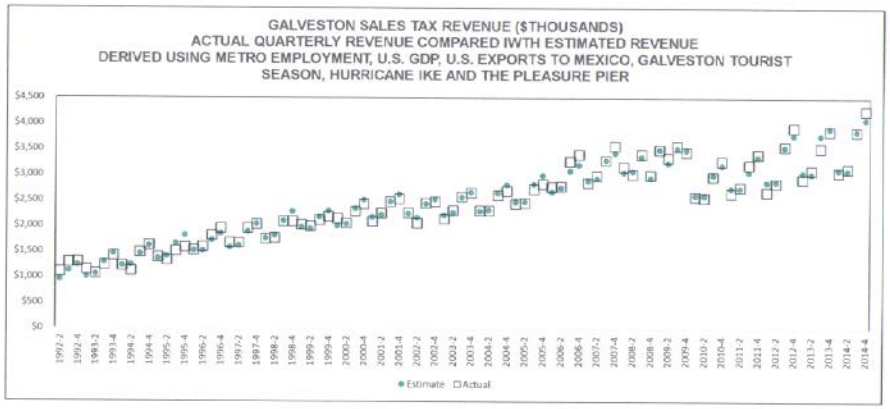
	COEFFICIENTS		3.079		-0.01551		1.64		-4.889		526.4		284.7		0.2031					
FY	Fiscal Year	CONSTANT = A	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = H	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = E	DATA	PRODUCT OF DATA AND COEFFICIENT = 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	(3,975)	2,433.7	7,493.2	$34,056.7	(528.2)	255.50	419.0	638.27	(3,120.5)	0.0	0.0	0.00	0.00	$14,332.60	2,911.0	$3,199.5	$3,405.2	$205.7	6.0%
2007	2007-1	(3,975)	2,464.8	7,589.1	$33,103.7	(513.4)	0.00	0.0	644.08	(3,148.9)	0.0	0.0	0.00	0.00	$14,459.75	2,936.8	$2,888.6	$2,850.4	($38.2)	-1.3%
2007	2007-2	(3,975)	2,484.5	7,649.8	$34,078.3	(528.6)	0.00	0.0	648.43	(3,170.2)	0.0	0.0	0.00	0.00	$14,567.85	2,958.7	$2,934.7	$2,988.6	$53.9	1.8%
2007	2007-3	(3,975)	2,508.6	7,724.0	$32,157.0	(498.8)	184.30	302.3	660.23	(3,227.9)	0.0	0.0	0.00	0.00	$14,596.10	2,964.5	$3,289.1	$3,292.4	$3.3	0.1%
2007	2007-4	(3,975)	2,541.3	7,824.5	$34,410.4	(533.7)	257.20	421.8	671.87	(3,284.8)	0.0	0.0	0.00	0.00	$14,659.75	2,977.4	$3,430.2	$3,566.1	$135.9	3.8%
2008	2008-1	(3,975)	2,565.8	7,899.9	$34,836.2	(540.3)	0.00	0.0	679.97	(3,324.4)	0.0	0.0	0.00	0.00	$14,721.45	2,989.9	$3,050.1	$3,165.6	$115.5	3.6%
2008	2008-2	(3,975)	2,574.0	7,925.2	$34,514.4	(535.3)	0.00	0.0	682.97	(3,339.0)	0.0	0.0	0.00	0.00	$14,782.35	3,002.3	$3,078.2	$3,014.3	($63.9)	-2.1%
2008	2008-3	(3,975)	2,581.4	7,948.0	$35,745.6	(554.4)	191.20	313.6	694.57	(3,395.7)	0.0	0.0	0.00	0.00	$14,888.60	3,023.9	$3,360.4	$3,406.4	$46.0	1.4%
2008	2008-4	(3,975)	2,594.2	7,987.4	$38,174.1	(592.1)	269.80	442.5	701.63	(3,430.3)	(1.0)	(526.4)	0.00	0.00	$14,965.15	3,039.4	$2,945.5	$3,000.6	$55.1	1.8%
2009	2009-1	(3,975)	2,598.8	8,001.6	$40,339.7	(625.7)	0.00	0.0	708.77	(3,465.2)	1.0	526.4	0.00	0.00	$14,940.65	3,034.4	$3,496.5	$3,496.6	$0.1	0.0%
2009	2009-2	(3,975)	2,581.6	7,948.7	$36,960.7	(573.3)	0.00	0.0	707.70	(3,459.9)	0.5	263.2	0.00	0.00	$14,926.45	3,031.6	$3,235.3	$3,339.2	$103.9	3.1%
2009	2009-3	(3,975)	2,545.5	7,837.6	$29,068.3	(450.8)	191.00	313.2	714.90	(3,495.1)	0.5	263.2	0.00	0.00	$14,927.50	3,031.8	$3,524.9	$3,568.9	$44.0	1.2%
2009	2009-4	(3,975)	2,518.7	7,755.2	$29,515.9	(457.8)	268.40	440.2	722.80	(3,533.8)	0.5	263.2	0.00	0.00	$14,734.30	2,992.5	$3,484.5	$3,452.6	($31.9)	-0.9%
2010	2010-1	(3,975)	2,507.8	7,721.6	$33,779.8	(523.9)	0.00	0.0	729.10	(3,564.6)	0.0	0.0	0.00	0.00	$14,476.00	2,940.1	$2,598.2	$2,580.7	($17.5)	-0.7%
2010	2010-2	(3,975)	2,496.6	7,687.0	$36,528.0	(566.5)	0.00	0.0	709.10	(3,466.8)	0.0	0.0	0.00	0.00	$14,365.30	2,917.6	$2,596.3	$2,558.2	($38.1)	-1.5%
2010	2010-3	(3,975)	2,494.0	7,679.0	$37,439.1	(580.7)	194.40	318.8	686.97	(3,358.6)	0.0	0.0	0.00	0.00	$14,379.05	2,920.4	$3,003.9	$2,969.8	($34.1)	-1.1%
2010	2010-4	(3,975)	2,518.0	7,752.9	$40,419.8	(626.9)	273.20	448.0	684.50	(3,346.5)	0.0	0.0	0.00	0.00	$14,472.20	2,939.3	$3,191.8	$3,271.6	$79.8	2.4%
2011	2011-1	(3,975)	2,530.8	7,792.2	$41,341.3	(641.2)	0.00	0.0	694.70	(3,396.4)	0.0	0.0	0.00	0.00	$14,573.35	2,959.8	$2,739.4	$2,646.2	($93.2)	-3.5%
2011	2011-2	(3,975)	2,539.1	7,817.9	$44,464.5	(689.6)	0.00	0.0	693.50	(3,390.5)	0.0	0.0	0.00	0.00	$14,675.35	2,980.6	$2,743.4	$2,764.0	$20.6	0.7%
2011	2011-3	(3,975)	2,555.5	7,868.2	$46,096.9	(715.0)	201.50	330.5	705.90	(3,451.1)	0.0	0.0	0.00	0.00	$14,795.70	3,005.0	$3,062.6	$3,200.0	$137.4	4.3%
2011	2011-4	(3,975)	2,582.4	7,951.2	$49,637.2	(769.9)	283.40	464.8	684.36	(3,345.9)	0.0	0.0	0.00	0.00	$14,892.25	3,024.6	$3,349.8	$3,406.7	$56.9	1.7%
2012	2012-1	(3,975)	2,603.6	8,016.5	$50,904.9	(789.5)	0.00	0.0	699.31	(3,418.9)	0.0	0.0	0.00	0.00	$14,910.15	3,028.3	$2,861.4	$2,671.3	($190.1)	-7.1%
2012	2012-2	(3,975)	2,621.4	8,071.1	$51,649.6	(801.1)	0.00	0.0	707.04	(3,456.7)	0.0	0.0	0.00	0.00	$14,935.45	3,033.4	$2,871.7	$2,844.2	($27.5)	-1.0%
2012	2012-3	(3,975)	2,648.0	8,153.2	$52,957.2	(821.4)	205.50	337.0	711.33	(3,477.7)	0.0	0.0	1.00	284.70	$15,005.35	3,047.6	$3,548.4	$3,564.9	$16.5	0.5%
2012	2012-4	(3,975)	2,682.5	8,259.3	$53,135.7	(824.1)	285.50	468.2	716.42	(3,502.6)	0.0	0.0	1.00	284.70	$15,105.70	3,068.0	$3,778.5	$3,928.4	$149.9	3.8%
2013	2013-1	(3,975)	2,713.8	8,355.8	$54,218.4	(840.9)	0.00	0.0	732.63	(3,581.8)	0.0	0.0	0.00	0.00	$15,232.65	3,093.8	$3,051.9	$2,927.6	($124.3)	-4.2%
2013	2013-2	(3,975)	2,733.7	8,417.1	$55,595.8	(862.3)	0.00	0.0	748.37	(3,658.8)	0.0	0.0	0.00	0.00	$15,305.85	3,108.6	$3,029.6	$3,101.1	$71.5	2.3%
2013	2013-3	(3,975)	2,752.7	8,475.4	$53,702.6	(832.9)	207.70	340.6	757.06	(3,701.3)	0.0	0.0	1.20	341.60	$15,384.00	3,124.5	$3,772.9	$3,530.8	($242.1)	-6.9%
2013	2013-4	(3,975)	2,776.6	8,549.0	$57,014.4	(884.3)	292.00	478.9	763.39	(3,732.2)	0.0	0.0	1.20	341.60	$15,432.50	3,134.3	$3,912.3	$3,865.4	($46.9)	-1.2%
2014	2014-1	(3,975)	2,797.1	8,612.3	$56,873.1	(882.1)	0.00	0.0	776.19	(3,794.8)	0.0	0.0	0.00	0.00	$15,486.05	3,145.2	$3,105.6	$3,059.1	($46.5)	-1.5%
2014	2014-2	(3,975)	2,814.9	8,667.1	$58,489.2	(907.2)	0.00	0.0	789.12	(3,858.0)	0.0	0.0	0.00	0.00	$15,572.50	3,162.8	$3,089.7	$3,131.8	$42.1	1.3%
2014	2014-3	(3,975)	2,840.6	8,746.1	$57,392.0	(890.1)	214.00	351.0	797.46	(3,898.8)	0.0	0.0	1.20	341.60	$15,693.25	3,187.3	$3,862.1	$3,849.3	($12.8)	-0.3%
2014	2014-4	(3,975)	2,878.8	8,863.7	$60,940.3	(945.2)	299.70	491.5	799.71	(3,909.8)	0.0	0.0	1.20	341.60	$15,848.05	3,218.7	$4,085.5	$4,261.6	$176.1	4.1%
2015	***2015-1***	***(3,975)***	**2,895.0**	***8,913.7***	$61,125.8	(948.1)	-	***0.0***	807.98	(3,950.2)	***0.0***	0.0	***0.0***	***0.00***	$15,873.95	3,224.0	***$3,264.4***			
2015	***2015-2***	***(3,975)***	**2,888.1**	***8,892.5***	***60,243.9***	***(934.4)***	-	***0.0***	815.70	(3,988.0)	***0.0***	0.0	***0.0***	***0.00***	$15,921.05	3,233.6	***$3,228.7***			
2015	***2015-3***	***(3,975)***	**2,914.4**	***8,973.4***	***59,113.8***	***(916.9)***	***218.30***	***358.0***	826.40	(4,040.3)	***0.0***	0.0	***1.2***	***341.60***	$16,087.25	3,267.3	***$4,008.1***			
2015	***2015-4***	***(3,975)***	**2,953.6**	***9,094.1***	***62,768.5***	***(973.5)***	***305.70***	***501.3***	833.30	(4,074.0)	***0.0***	0.0	***1.2***	***341.60***	***$16,355.20***	***3,321.7***	***$4,236.2***			

			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		U.S. Real GDP + 3 Qtrs 2 Qtr Moving Average					
	COEFFICIENTS		3.079		-0.01551		1.64		-4.889		526.4		284.7		0.2031					
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
2016	2016-1	(3,975)	2,970.3	9,145.6	62,959.6	(976.5)	-	0.0	829.00	(4,053.0)	0.0	0.0	0.0	0.00	$16,381.90	3,327.2	$3,468.3			
2016	2016-2	(3,975)	2,963.2	9,123.7	62,051.2	(962.4)	-	0.0	836.90	(4,091.6)	0.0	0.0	0.0	0.00	$16,430.50	3,337.0	$3,431.7			
2016	2016-3	(3,975)	2,990.2	9,206.8	60,887.2	(944.4)	222.70	365.2	847.90	(4,145.4)	0.0	0.0	1.2	341.60	$16,602.00	3,371.9	$4,220.7			
2016	2016-4	(3,975)	3,030.4	9,330.6	64,651.6	(1,002.7)	311.80	511.4	855.00	(4,180.1)	0.0	0.0	1.2	341.60	$16,927.60	3,438.0	$4,463.8			
2017	2017-1	(3,975)	3,050.5	9,392.5	64,848.4	(1,005.8)	-	0.0	850.60	(4,158.6)	0.0	0.0	0.0	0.00	$16,955.30	3,443.6	$3,696.7			
2017	2017-2	(3,975)	3,043.2	9,370.0	63,912.7	(991.3)	-	0.0	858.70	(4,198.2)	0.0	0.0	0.0	0.00	$17,005.60	3,453.8	$3,659.3			
2017	2017-3	(3,975)	3,070.9	9,455.3	62,713.8	(972.7)	227.20	372.6	869.90	(4,252.9)	0.0	0.0	1.2	341.60	$17,183.10	3,489.9	$4,458.8			
2017	2014-4	(3,975)	3,112.2	9,582.5	66,591.1	(1,032.8)	318.00	521.5	877.20	(4,288.6)	0.0	0.0	1.2	341.60	$17,435.40	3,541.1	$4,690.3			
2018	2018-1	(3,975)	3,132.9	9,646.2	66,793.9	(1,036.0)	-	0.0	873.60	(4,271.0)	0.0	0.0	0.0	0.00	$17,464.00	3,546.9	$3,911.1			
2018	2018-2	(3,975)	3,125.4	9,623.1	65,830.1	(1,021.0)	-	0.0	881.90	(4,311.6)	0.0	0.0	0.0	0.00	$17,515.80	3,557.5	$3,873.0			
2018	2018-3	(3,975)	3,153.8	9,710.6	64,595.2	(1,001.9)	231.70	380.0	893.40	(4,367.8)	0.0	0.0	1.2	341.60	$17,698.60	3,594.6	$4,682.1			
2018	2018-4	(3,975)	3,196.2	9,841.1	68,588.8	(1,063.8)	324.40	532.0	900.90	(4,404.5)	0.0	0.0	1.2	341.60	$17,819.00	3,619.0	$4,890.4			
2019	2019-1	(3,975)	3,217.5	9,906.7	68,797.7	(1,067.1)	-	0.0	897.20	(4,386.4)	0.0	0.0	0.0	0.00	$17,848.20	3,625.0	$4,103.2			
2019	2019-2	(3,975)	3,209.8	9,883.0	67,805.0	(1,051.7)	-	0.0	905.70	(4,428.0)	0.0	0.0	0.0	0.00	$17,901.10	3,635.7	$4,064.0			
2019	2019-3	(3,975)	3,239.0	9,972.9	66,533.1	(1,031.9)	236.30	387.5	917.50	(4,485.7)	0.0	0.0	1.2	341.60	$18,088.00	3,673.7	$4,883.1			
2019	2019-4	(3,975)	3,282.5	10,106.8	70,646.5	(1,095.7)	330.90	542.7	925.20	(4,523.3)	0.0	0.0	1.2	341.60	$18,211.00	3,698.7	$5,095.8			

	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	3.5%							
2015	2.3%	FY 2015	2.6%	2.6%	3.2%	3.0%	2.0%	$0.00
2016	2.7%	FY 2016	2.6%	2.6%	3.5%	3.0%	2.0%	$0.00
2017	2.7%	FY 2017	2.7%	2.7%	3.0%	3.0%	2.0%	$0.00
2018	2.7%	FY 2018	2.7%	2.7%	2.2%	3.0%	2.0%	$0.00
2019	2.7%	FY 2019	2.7%	2.7%	2.2%	3.0%	2.0%	$0.00



Fiscal Year	Model Total	Total Actual Tax	Actual Over/ (Under)
1992	$2,504.9	$4,809.8	$2,304.9
1993	$4,820.0	$4,869.2	$49.2
1994	$5,538.6	$5,464.1	($74.5)
1995	$6,251.7	$5,828.8	($422.9)
1996	$6,616.8	$6,900.6	$283.8
1997	$7,137.7	$7,340.4	$202.7
1998	$7,959.9	$7,702.2	($257.7)
1999	$8,415.1	$8,334.8	($80.3)
2000	$8,897.1	$8,921.0	$23.9
2001	$9,494.5	$9,356.1	($138.4)
2002	$9,376.5	$9,252.0	($124.5)
2003	$9,702.7	$9,683.7	($19.0)
2004	$10,066.3	$9,916.4	($149.9)
2005	$10,771.7	$10,449.0	($322.7)
2006	$11,709.9	$12,224.2	$514.3
2007	$12,542.6	$12,697.5	$154.9
2008	$12,434.2	$12,586.9	$152.7
2009	$13,741.2	$13,857.3	$116.1
2010	$11,390.2	$11,380.3	($9.9)
2011	$11,895.2	$12,016.9	$121.7
2012	$13,060.0	$13,008.8	($51.2)
2013	$13,766.7	$13,424.9	($341.8)
2014	$14,142.9	$14,301.8	$158.9
2015 Est	$14,737.4		
2016 Est	$15,584.5		
2017 Est	$16,505.1		
2018 Est.	$17,356.6		
2019 Est.	$18,146.1		

Fit: COG Tax

Analyse-it v3.80

Model Data FY90 to Present A1:DU104

Last updated 12 January 2015 at 17:06 by Mike Loftin

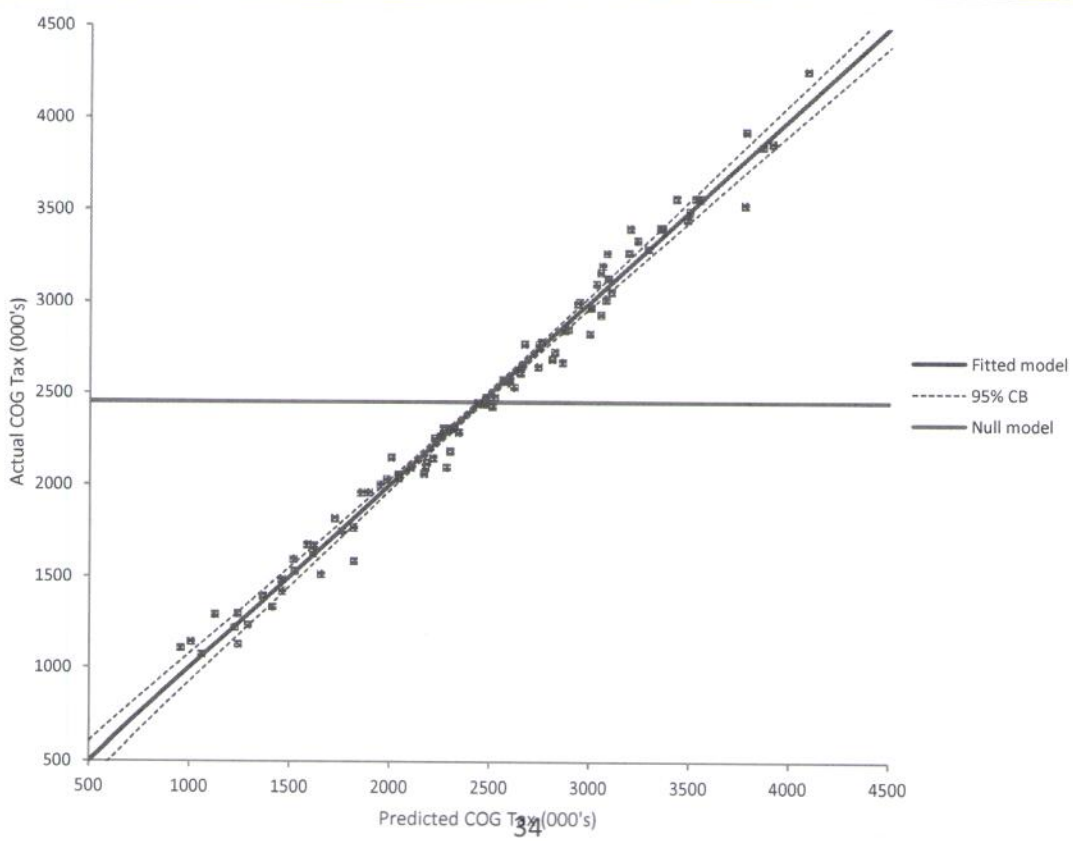
Fit

N	91
Equation	COG Tax (000's) = -3975 + 526.4 Galveston Storm Variable + 1.64 Summer Season Adjustment Var + 3.079 SMSA Empl 2 Qtr Mvg Avg - 0.01551 Exports to Mexico FAS + 1 Qtr - 4.889 SMSA Base Empl + 4 Qtrs + 284.7 Pleasure Pier Adjustment + 0.2031 U.S. Real GDP + 3 Qtr 2 Qtr Mvg Avg
R^2	0.986
R^2 adjusted	0.984
SE of fit (RMSE)	95.641

Parameter	Estimate	95% CI	SE	VIF	p-value
Constant	-3975	-4580 to -3370	304.15	-	<0.0001
Galveston Storm Variable	526.4	406.1 to 646.7	60.476	1.09	<0.0001
Summer Season Adjustment Var	1.640	1.430 to 1.851	0.10581	1.26	<0.0001
SMSA Empl 2 Qtr Mvg Avg	3.079	2.326 to 3.833	0.37886	123.61	<0.0001
Exports to Mexico FAS + 1 Qtr	-0.01551	-0.02120 to -0.009808	2.8648 E-03	16.11	<0.0001
SMSA Base Empl + 4 Qtrs	-4.889	-6.324 to -3.454	0.72141	49.71	<0.0001
Pleasure Pier Adjustment	284.7	184.8 to 384.6	50.236	2.00	<0.0001
U.S. Real GDP + 3 Qtr 2 Qtr Mvg Avg	0.2031	0.1480 to 0.2583	0.027710	34.28	<0.0001

H0: $\beta = 0$
The parameter is equal to 0.
H1: $\beta \neq 0$
The parameter is not equal to 0.

Effect of Model



Source	SS	DF	MS	F	p-value

Difference	51962334.20	7	7423190.60	811.52	<0.0001
Error	759223.52	83	9147.27		
Null model	52721557.73	90	585795.09		

H0: $E(Y|X=x) = \mu$

The model is no better than a null model $Y=\mu$.

H1: $E(Y|X=x) = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \ldots$

The model is better than the null model.

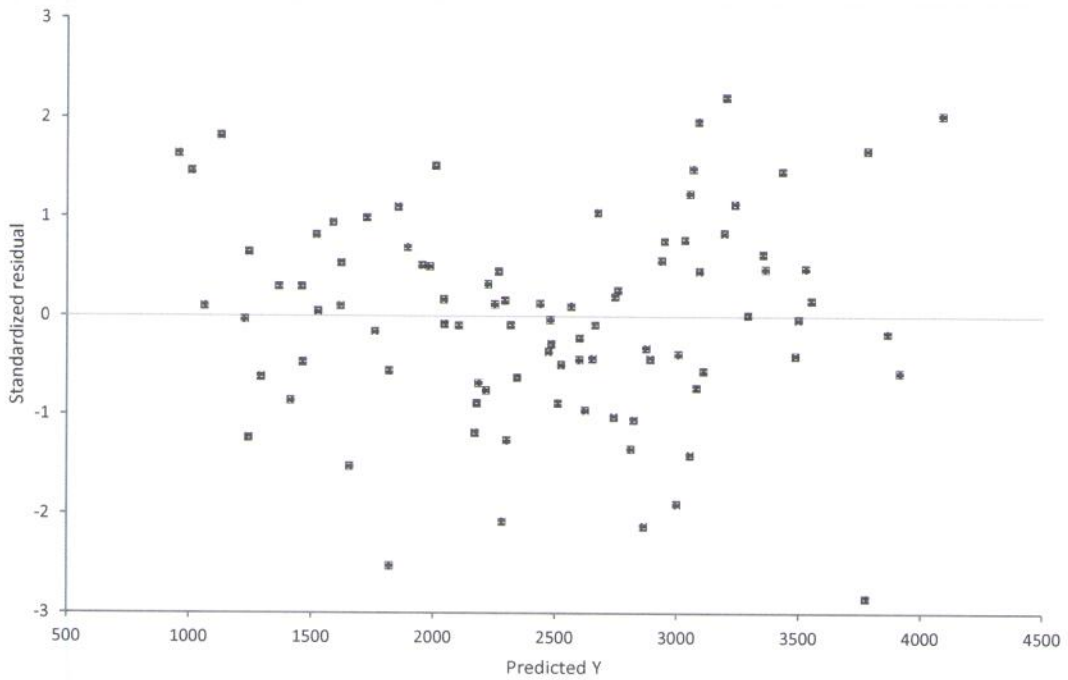
Effect of Terms

Term	SS	DF	MS	F	p-value
Galveston Storm Variable	693018.24	1	693018.24	75.76	<0.0001
Summer Season Adjustment Var	2197930.43	1	2197930.43	240.28	<0.0001
SMSA Empl 2 Qtr Mvg Avg	604360.72	1	604360.72	66.07	<0.0001
Exports to Mexico FAS + 1 Qtr	267966.97	1	267966.97	29.29	<0.0001
SMSA Base Empl + 4 Qtrs	420139.91	1	420139.91	45.93	<0.0001
Pleasure Pier Adjustment	293857.76	1	293857.76	32.13	<0.0001
U.S. Real GDP + 3 Qtr 2 Qtr Mvg Avg	491577.03	1	491577.03	53.74	<0.0001

H0: $\beta_{Term} = 0$

The term does not contribute to the model.

H1: $\beta_{Term} \neq 0$

The term contributes to the model.

Residuals