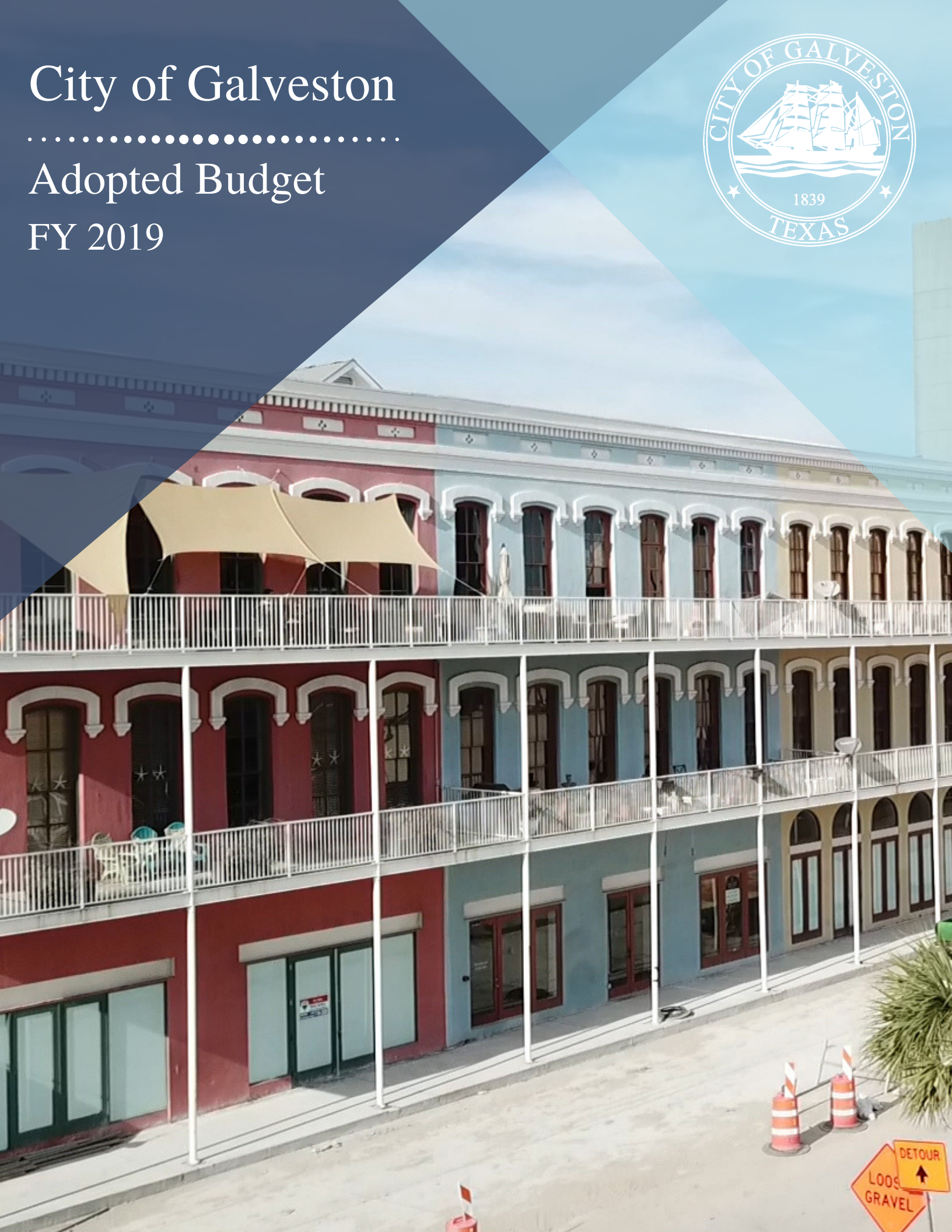
City of Galveston

Adopted Budget

FY 2019



CITY OF GALVESTON, TEXAS
FY 2019 Adopted Budget
October 1, 2018 through September 30, 2019

The following language is required by the State of Texas Budget Law, Section 102.007 of the Local Government Code.

"This budget will raise more revenue from property taxes than last year's budget by an amount of $559,600, which is a 1.74 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is $443,900."

Record vote of each member of the governing body:

James D. Yarbrough	Mayor	Yes
Amy Bly	Council Member, District 1	Yes
Craig Brown	Council Member, District 2	Not present for vote
David Collins	Council Member, District 3	Yes
Jason Hardcastle	Council Member, District 4	Yes
John Listowski	Council Member, District 5	Yes
Jackie Cole	Council Member, District 6	Yes

CITY OF GALVESTON, TEXAS
FY 2019 Adopted Budget
October 1, 2018 through September 30, 2019

Municipal Property Tax Rates:

	FY2018	FY2019
Property Tax Rate	$0.561000	$0.561000
Effective Tax Rate	$0.503175	$0.562658
Effective M&O Tax Rate	$0.563710	$0.510158
Rollback Tax Rate	$0.583361	$0.562658
Debt Tax Rate	$0.070000	$0.052500
Sales Tax Off-set	$0.095445	$0.097671
Tax Rate Cap per Charter	$0.604555	$0.602329

Total amount of municipal debt obligation: $43,110,994

City of Galveston

Vision for the Community

Galveston is a safe, friendly, vibrant, diverse, and innovative community that delivers on a high standard for
quality of life.

Mission Statement

Provide the Best Possible Community in Which to Live, Work, Play, and Stay

Core Values For Achieving Strategic Goals

- Promote the health, safety, and general well-being of the community
- Deliver excellence in City services and emergency preparedness,
- Provide fiscal responsibility and transparency with a long-term vision,
- Encourage citizen engagement,
- Collaborate and cooperate with City stakeholders, and
- Partnership with component units and other government entities, Park Board of Trustees, Port of Galveston, Galveston County, State of Texas, Galveston Community College, University of Texas Medical Branch, Texas A&M University at Galveston, and other community nonprofits organizations.

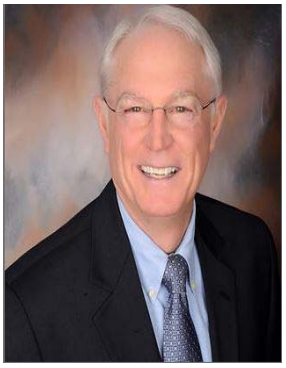
CITY OF GALVESTON, TEXAS
PRINCIPAL OFFICIALS

Mayor
Jim Yarbrough

District 1

Amy Bly

District 2



Craig Brown

District 3

David Collins

District 4

Jason Hardcastle

District 5

John Listowski

District 6

Jackie Cole

City of Galveston, Texas

Incorporated March 1939
Charter Adopted April 19, 1960

Council – Manager Form of Government

City Council Appointees

City Manager	Brian Maxwell
City Secretary	Janelle Williams
City Attorney	Donald Glywasky
Court Judge	Jim Schweitzer
City Auditor	Glenn Bulgherini

Department Directors (City Manager Appointees)

Deputy City Manager	Daniel Buckley
Assistant City Manager Finance	Michael Loftin
Assistant City Manager Grants & Pub. Transportation	Richard Beverlin
Assistant City Manager Development & Muni. Services	Brandon Cook
Police Chief	Vernon Hale
Fire Chief	Michael Wisko
City Marshal	Michael Gray
Executive Director of Development Services	Timothy Tietjens
Executive Director of Fleet, Mass Transit, & Spec. Evts	David Smith
Interim Executive Director of Grants & Housing	Alice Law
Executive Director of Human Resources & Civil Service	Kent Etienne
Executive Director of Community Outreach	Barbara Sanderson
Chief Information & Technology Officer	Hope Dean
City Engineer	Daniel Christodoss
Director of Capital Projects	Ross Blackketter
Director of Administration & Sanitation	Cindy DeWitt
Director of Airport	Michael Shahan
Director of Municipal Utilities	Angelo Grasso
Director of Parks & Recreation	Mario Rabago
Director of Public Works	Kyle Hockersmith
Public Information Officer	Marissa Barnett
Emergency Management Coordinator	Niki Bender
Municipal Court Clerk	Gladys Lopez
Facilities Director	Charles Kenworthy
Risk Manager	Robert Simmons

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Galveston

Texas

For the Fiscal Year Beginning

October 1, 2017

Christopher P. Morrill

Executive Director

Adopted Budget

Fiscal Year
October 1, 2018 through September 30, 2019

Included are
General, Special Revenue, and Proprietary Funds

City Council

James D. Yarbrough, Mayor
Craig Brown, Mayor Pro tem
Amy Bly
David Collins
Jason Hardcastle
John Listowski
Jackie Cole

City Manager
Brian Maxwell

Deputy City Manager
Dan Buckley

Assistant City Manager - Finance
Mike Loftin

Assistant City Manager – Development & Management Services
Brandon Cook

Assistant City Manager – Grants and Public Transportation
Richard Beverlin

CITY OF GALVESTON, TEXAS

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INTRODUCTION SECTION

City of Galveston

OFFICE OF THE CITY MANAGER

PO Box 779| Galveston, TX 77553-0779
www.citymanager@galvestontx.gov |409-797-3520

October 1, 2018

To: Honorable Mayor James D. Yarbrough and Members of Council
Subject: FY 2019 Adopted Budget

Mayor and Council:
The Adopted Budget for FY2019, beginning October 1, 2018, and ending September 30, 2019 is presented so as to meet the needs of our residents and businesses, as well as our visitors within the requirements set by City Charter and State Budget Law. The Adopted Budget, including maintenance and operating expenditures, one-time appropriations, and the capital budget is $230 million, 1.75 percent less than last year's combined total. The Adopted Budget includes adequate reserves in all funds and allocates additional available resources to meet the City's highest priorities.

Major Category	FY 2018 Budget	FY 2019 Adopted Budget	Percent Difference
Maintenance and Operations	$143,345	$144,589	0.87%
One-Time Appropriations	$9,421	$9,139	-2.99%
Total Operating Budget	$152,766	$153,728	0.63%
Capital Budget	$75,517	$86,476	14.51%
Total Budget	**$228,283**	**$240,204**	5.22%

The Adopted Budget includes funds for at least 168 police officers, and a full year of funding increases in the city's contribution to the Police and Fire pension plans. In FY 2018, we increased our contribution from 14 to 17 percent in the Fire pension plan, and agreement was reached that brought the amortization period for the Fire plan's unfunded actuarial accrued liability down to 25 years. Firefighters voted to increase their own contribution from 16 to 18 percent, and eliminated post-retirement COLA's for all future retirees. We are hopeful we can reach agreement with the Police Pension Trustee's in FY 2019-2020 for benefit and funding changes that will ensure the plans viability going forward.

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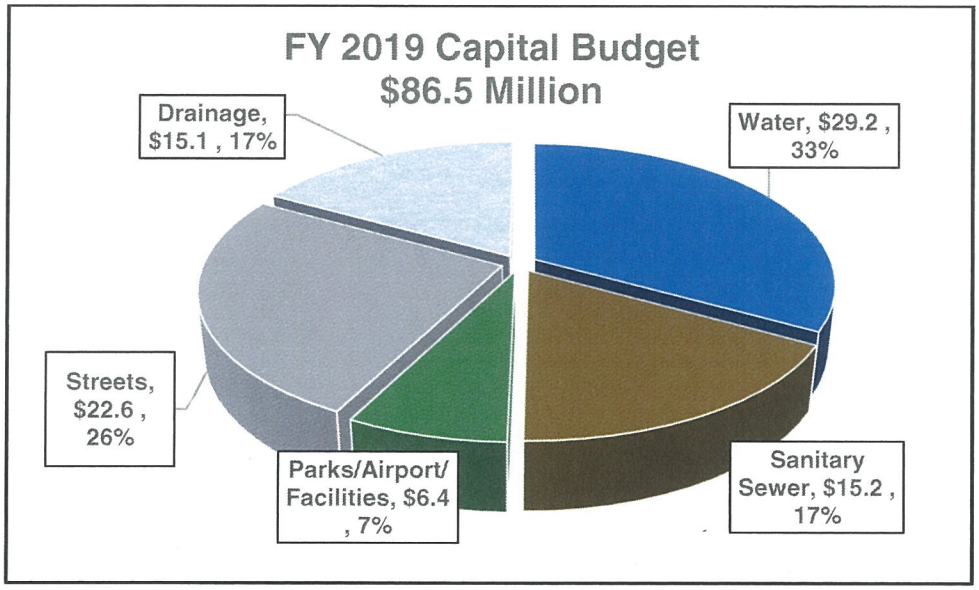
The Collective Bargaining increases approved in 2016 for police and fire are budgeted for the third year at $540,000, increasing police officers' pay an average of 2.75 percent each and fire fighters pay an average of 2.61 percent each. Approximately $1 million is still set aside in the Pension Reform Special Fund to address the pension plan issue. Decisions related to a combination of funding and benefit changes that are needed to address long-term stability of the police pension will be addressed as a separate decision from the Budget itself.

The Adopted Budget also addresses infrastructure needs. The Capital Budget is found in the first year of the Five Year Capital Improvement Plan, the details of which were submitted separately to City Council in July 2018. The CIP includes plans for $251.5 million in projects, with $86.5 million or approximately one-third of the total scheduled for FY 2019.



The Adopted Budget includes additional funding to keep the city's infrastructure program moving forward. First, we continue taking actions to complete the street and drainage programs approved by the voters in the May bond election by FY 2022. These projects are being fast-tracked by accelerating design and funding construction as soon as possible. Second, we are centralizing all design and construction inspection staff, and supplementing that staff with four additional positions to ensure projects are managed and monitored to achieve the desired results and time frames.

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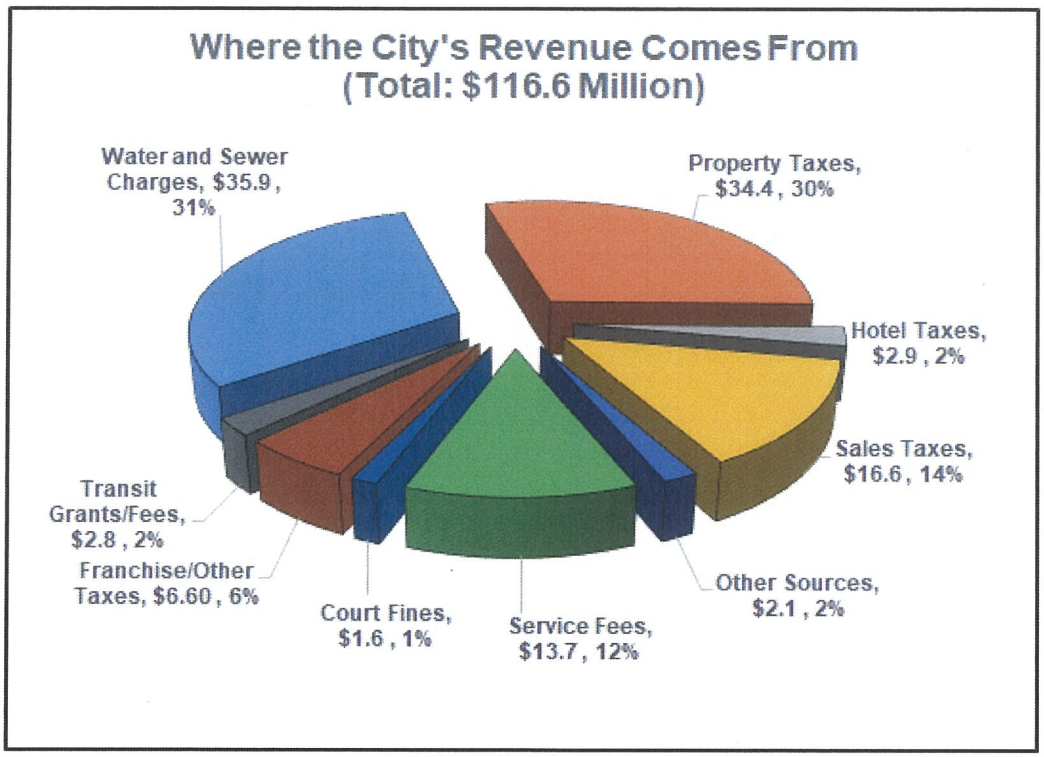
In addition, the Adopted Budget includes $2.1 million for debt service payable in FY 2019 on the two bond sales scheduled for this fiscal year. This includes the $15 million water and sewer CO sale in early 2019 and the $20 million streets and drainage bond sale in October. As required by City Charter, the General Fund contribution to the Infrastructure and Debt Service Fund is being increased to seven percent of the total budget at an increased cost of $638,000 over last year.



The property tax rate is adopted to remain $0.561, which is less than this year's effective tax rate of $0.562658 per $100 of taxable value. As defined by the State law and the Effective Tax Rate calculation, holding the rate constant is actually a tax rate reduction. However, because of new construction and homestead values being released from under the ten percent cap, taxable value will increase. With these changes, the roll is only 2.44 percent greater than last year, the least growth since 2009 when Ike dramatically affected the roll. After subtracting increases in Tax Increment Reinvestment Zone values and in frozen taxes for homesteaders over 65 and

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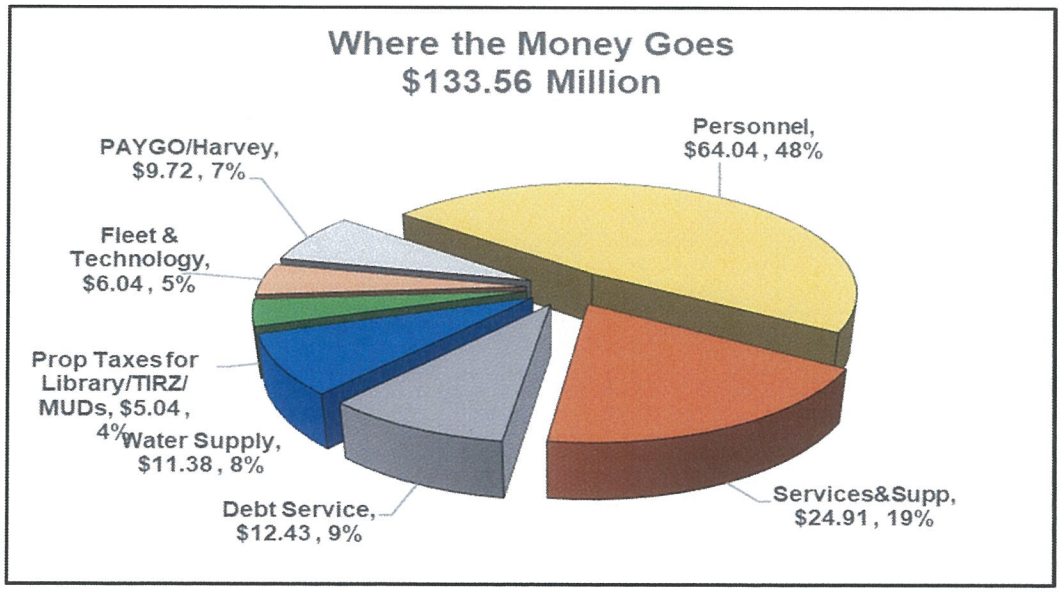
disabled, the net levy retained by the City is only 1.85 percent greater than last year. This is insufficient to meet the fixed cost increases in the General Fund. Therefore, the adopted tax rate includes an increase of 1.75 cents for the maintenance and operations portion of the tax rate to provide $1 million in necessary revenue for the General Fund.

The corresponding reduction in the debt service tax rate is being offset in the Debt Service Fund with a transfer from the Infrastructure and Debt Service Fund of a like amount. The Infrastructure and Debt Service Fund will also transfer an additional $1.13 million as planned to support the debt service payments on bonds authorized by the voters in May 2017 and issued in FY 2018 and 2019.

We continue to review water and sewer rates to ensure they are appropriate in support the five year CIP. The Adopted Budget does not include revenue that would come from a rate increase this year; however, projections currently indicate there will be a need to raise rates in future periods in support of water costs and the water and sewer capital improvement programs. Additional workshop discussions will be held to consider alternatives and the specific impact on ratepayers.



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(Note: The difference in the expenditure total above and the revenue total on the previous page is the $17.4 million budgeted from existing balances in the special revenue funds that carries over until it is spent.)

The FY2018-2019 budget represents the City Council's blueprint of programs and services it will provide to the residents and businesses of our community. The budget process represents not only an exercise of balancing revenues and expenditures but includes a plan for improvements in the years to come. The process seeks to maintain the City's fiscal integrity while addressing the City Council's priorities and service level expectations.

This Adopted Budget is also a communication tool to inform City of Galveston residents and businesses of the issues and challenges confronting the community. Toward this end, the format has been changed in a way that will hopefully enhance understanding of the Budget. Transparency is our goal, and we offer the new format as one more means of reaching that goal.

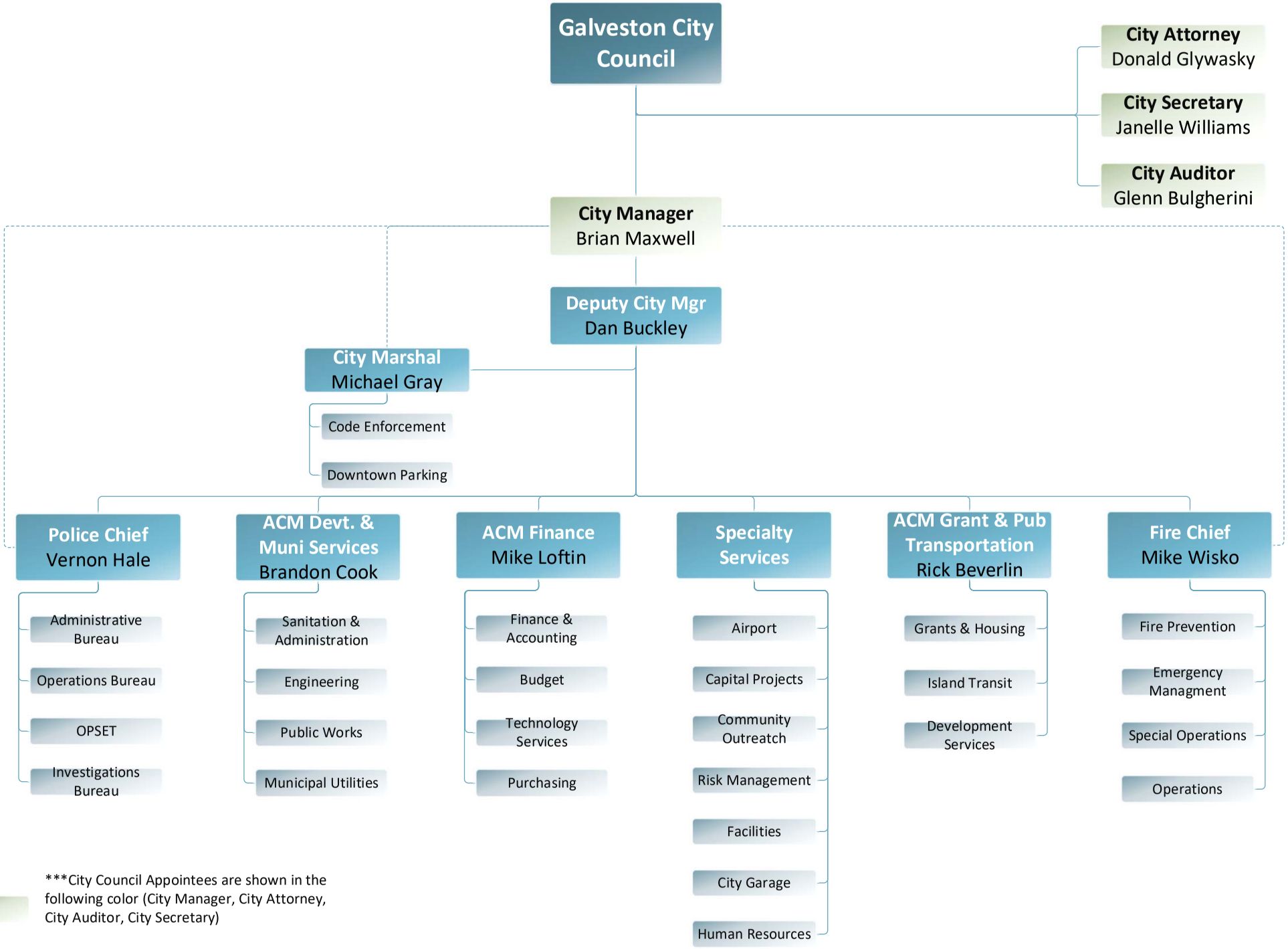
The budget is a result of effort and input from the City Council, citizens, and staff. Areas of focus include: infrastructure, neighborhood improvements, public safety, and beautification. The budget focuses the city's financial resources to improve accountability and efficiency through technology, facilities, fleet, and our most valuable asset, city staff.

I look forward to working with the community and the City Council as the Adopted Budget is reviewed and finalized.

Sincerely,

Brian Maxwell
City Manager

City of Galveston Organizational Chart



GUIDE TO READING THE FY 2019 ADOPTED BUDGET

Reading the Budget

The budget document is a jurisdiction's most important reference document. Budgets record policy-decision outcomes, cite policy priorities as well as program objectives, and delineate government's total service effort.

A budget has four basic dimensions. First, it is a financial tool required by State law and the City Charter that contains all of the city's resources and the plan for spending them in the next year. Second, it is a policy document that embodies the rules and standards set by the State of Texas and the taxpayers and resident of Galveston to guide the allocation of financial resources toward accomplishing specific goals and purposes. Third, it is an operational tool that enables city departments and the City Manager's Office to execute the resource allocations approved in the budget based on the direction and intent embodied in the budget. Fourth, the budget is a communications tool that helps the community, bond rating agencies and other interested financial reviewer and researchers to understand the information contained in it.

Organization of the Budget Document

The terminology and the accounting structure used by local government in the budget is somewhat complicated and can be challenging. Therefore, the budget is laid out in such a manner as to be informative and educational. The summaries and the Manager's transmittal letter describe the priorities and major environmental and economic factors influencing the budget and its implementation. An appendix is included that highlights the history of the City and its mission in serving the citizens as a whole. Citywide revenues and expenditures are depicted in a summary type format and graphs are included to offer the reader an easy assessment of trends within each category.

The City budgets by fund in order to demonstrate compliance with local, state and federal law that mandates compliance with specific legislation that governs the use of each and every revenue source. The general organization of the majority of the budget is as follows:

1. The operating budget including:
    a. Governmental Funds (General, Special Revenue Debt Service), and
    b. Proprietary Funds (Enterprise Funds and Internal Service Funds).

2. The Capital Budget which is comprised of the first fiscal year of the five fiscal year Capital Improvement Plan and is financed from tax supported funds and revenue supported funds.

Within these major fund categories are individual funds, which are designated for specific purposes. All but three city departments (Island Transit, Fleet Management, Rosenberg Library and Public Works) receive operating funding from the General Fund. Public Works operations are funded from the General, Waterworks, Sewer, Sanitation and Drainage funds. Island Transit receives its funds from state and federal transit grants, transit fare income, and a General Fund subsidy of general tax dollars. The Airport operation is funded in its own enterprise fund. The Rosenberg Library, although not a city department, receives a pass-through allocation each year equal to five cents on the tax rate for that year as provided by the city charter. Several city operations, including Fleet Management, Finance (Purchasing and Technology Services) are budgeted Internal Service Funds, and their costs are billed to the departments through the aforementioned operating funds.

The Capital Budget is included in its own section of the budget document and is organized by program and project. Each project has its own cost and financing plan organized by phase and fiscal year.

Financial Information Organization
Generally, each fund section begins with a summary that shows the beginning balance for the fund, estimated revenue for the year, expenditures for the year and the resulting ending fund balance. This information, and the associated detail is presented for the prior fiscal year's actual, the current fiscal year budget (including amendments as approved by Council and/or the City Manager), estimated total revenues and expenditures for each line item, and the proposed budget amount for each line item for the next year. Revenues, presented at the fund level and department budgets then follow the same four columns for expenditures.

Fund summaries are included for Special Funds, Enterprise Funds, and Internal Service Funds using the four columns specified at the fund level. The Special Fund and Enterprise Funds totals are the included in a citywide fund summary that include the General and Debt Service Funds. Only ending fund balances from Internal Service Funds are included in the citywide fund summary to correctly represent the City's operating fund balance totals as of fiscal year end.

Department Budget Format
Each departmental budget section includes a management, program, performance and financial information. The management plan, usually a left facing page, includes a mission statement, accomplishments during the current year and projected goals for the proposed budget year. The next page, usually a right facing page, includes summary expenditure, a "Budget Highlights" section that explains the major variances in the proposed budget from the current year estimate. The Performance Indicators section then includes quantitative measures that depict the department's output, efficiency or effectiveness for the same time periods used for revenue and expenditures. Last is a list of specific positions classifications and the number of employees in each classification in the same four columns used for other information. The immediately following pages include the department's line item budget in the standard four columns and summarized in five categories:

1. Personnel services include payroll compensation (salaries, car allowance, overtime, longevity, employers' social security, employer's Medicare, and employers' pension and insurance.

2. Materials and supplies budgets are intended for the purchase of office supplies, operating supplies and utilities.

3. Contractual services are used for postage, printing, telephones, travel, equipment repairs, maintenance contracts, and so forth. Charges from city departments in Central Service Funds are also categorized here.

4. Other charges identify miscellaneous expenses and expense reimbursements from outside sources. This category is typically included in a non-departmental budget at the fund level and not an operating department's budget.

5. Capital outlay is for the purchase of individual equipment items over $5,000 and has a life greater than one year.

Some departments receive reimbursements from outside agencies, including TxDOT, the Industrial Development Corporation and other for expenses incurred during the year. These reimbursements are then shown in a separate line item included as a credit or negative expenditure.

Budget and Financial Planning Process

The City's budget process is a year-round process involving the preparation and publication of several documents that comprise the financial planning process.

1. The **Long Range Financial Forecast** is prepared in the spring to compare future revenue and expenditure trends in order to identify issues that affect the first year of the forecast as a precursor to the annual budget. The LRFF includes the General, Debt Service, Convention Center Surplus and Island Transit funds as well as the Waterworks and Sewer Enterprise funds. The focus is on projecting financial capacity for the issuance of new bonds in support of capital projects as well as future compensation increases, service expansion, and/or inflation increases in ongoing supplies and supplies. The Budget Office and the City Manager's office are the predominant preparing agencies at the city for the LRFF

2. The **Capital Improvement Plan** then takes the projects selected through the ongoing project selection process involving program master plans, management review, and input from elected officials framing a five-year project and phase specific roadmap for rebuilding the city's infrastructure. The CIP is presented to Mayor and City Council in June-July, discussed in City Council workshops, and passed in the August-September period.

3. The **Annual Budget** is prepared as follows:

    a. The Forecast and current year spending trends are used by the Budget Office to provide projected baseline department expenditure amounts. Each department is provided spreadsheets by the Budget Office using the baseline expenditures and year end estimates for the current year by budget unit and line item.

    b. Department staff then have thirty days to provide alternate numbers for the current year estimate and future year budget.

    c. At the same time Departments provide current narratives (Mission statement, goals and accomplishments) and performance indicators to the Budget Office that correspond to their baseline budget. Requests for supplemental items are also provided by departments at this time.

    d. The City Manager and budget staff meet with departments to identify priorities for the upcoming budget.

    e. The Proposed Budget is presented by the City Manager to Mayor and City Council for review.

    f. After a legislatively required public hearing, and numerous open City Council workshops, the Budget is adopted by City Council as required by law.

4. **Quarterly reports** are prepared and presented for the first (October-December), second (January-March) and fourth quarters (July-September) of the fiscal year to include projected year end revenues and expenditures for all operating funds, as well as status reports for all capital projects and capital funds. The third quarter report is considered to have come from the Proposed Budget for the subsequent year. The quarterly reports are usually presented within forty-five days of the end of the quarter.
5. The **Comprehensive Annual Financial Report** is the final report for the fiscal year. The CAFR is prepared under guidance from the Governmental Accounting Standards Board and is presented to Mayor and Council during March of the year following the close of the fiscal year.

Amending the Budget
The City follows this process in order to amend the budget:

1. The Quarterly Report is published with an eye towards identifying issues in the current budget that may be changed within the total budget adopted by City Council. Issues that can be addressed within a department's total budget are addressed by the City Manager.

2. Budget issues that require a transfer from one department to another are compiled and a revised budget ordinance is presented to City Council for approval. This is accomplished as municipal purpose under the State Budget law.

Accounting Methodology
The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

1. Governmental Funds

   General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

   Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

   Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

2. Proprietary Funds

   Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

   Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governments, on a cost reimbursement basis.

3. Basis of Accounting (used in the Budget)

   All funds are budgeted on modified accrual basis based on financing for transactions that occur in the fiscal year. The Comprehensive Annual Financial Report (CAFR) presents governmental funds (General, Debt Service, Special Revenue) on the modified accrual basis; however, Internal Service funds and Enterprise funds are presented in the CAFR) on a full accrual basis. All fund balances are based on net current assets.

4. Expenditures and Encumbrances

Expenditures are recorded in a specific fiscal year based on the event that generated the expenditure. This includes time worked, contractor's services delivered, as well as supplies and capital outlay delivered and received by the City. Payment for these expenditures is made after the start of the fiscal year, but is recorded as a prior year expenditure in accordance with this accounting standard.

An encumbrance is a management device used to reserve a line item budget to the extent a commitment exists. An encumbrance is not an expense or expenditure but instead represents an estimate of amounts committed for unperformed contracts for goods and services. Encumbrances outstanding at year-end are considered reservations of fund balance to the extent approved by Council action. At year end, encumbrance balances roll forward and budgets are reviewed to determine the necessity for a first quarter adjustment based on the amount and nature of the encumbrance in question.

Galveston's Governance Structure

Like state and federal government, city government is organized to balance the legislative, executive and judicial powers. City Council is the legislative branch, which derives authority from a Charter, granted by the State of Texas; the City Manager is the chief executive officer; and the Courts determine whether or not the requisites of the law are met.

Galveston is a home rule, full service city incorporated in 1839. Galveston has a council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor, who is elected at large, and six council members elected to represent individual districts. The governing council is responsible, among other things, for passing ordinances, adopting the budget, determining policies, appointing committees, and hiring the government's manager, attorney, secretary, internal auditor, and municipal judge. The government's manager is responsible for the day-to-day operations of the government, and for appointing the heads of the various departments. Elections are held every two years. Council members, including the Mayor, are limited to serving three terms.

The City provides a full range of services including police and fire protection, the constructions and maintenance of streets and other infrastructure, water services, sewer services, refuse collection, drainage services, parks and recreational activities, and general administration. Additional services include building inspection, planning, zoning, engineering, and an airport.

Galveston Today

The City of Galveston is located on the upper Texas Coast of the Gulf of Mexico and occupies virtually all of a 32 mile long island located approximately two miles off the Texas mainland 50 miles southeast of Houston, Texas. The Port of Galveston and related interest, the University of Texas Medical Branch at Galveston and other health institutions, financial institutions, tourism and fishing, and a vibrant historic downtown that offers cruising, shopping, arts and entertainment all provide principal economic support.

Galveston has the amenities of a larger city, but small town atmosphere. Island life is enhanced by the absence of traffic congestion and heavy traffic delays. The major thoroughfares are rarely heavily congested, even during peak times, and it takes no more than 15-20 minutes to get anywhere you want to go on the island.

Winter months, when currents deposit rows of shells on the sand, are the best time to comb the beaches for seashells. With average temperatures normally ranging from lows in the 50s (10 Celsius) to highs in the 60s (18 Celsius) December through February, the weather is perfect for enjoying outdoor activities such as fishing, boating and bird watching.

Brief History of Galveston

The City of Galveston was chartered in 1839. The role of Galveston as the principal port and gateway to the Southwest during the 19th Century has placed the entire city in a unique position in relation to the history of Texas. The city furnished shipping, goods, money, and transportation necessary to settle the State, nurture its trade and help accomplish its independence.

In 1836, Michael Menard, bought "one league and a labor of land" from the Republic of Texas. He helped organize the Galveston City Company in 1838. From 1840 to 1870, the city was a major immigration port for over a quarter million Europeans. Texas's secession from the Union and the Civil War halted development temporarily. The mid 1870's to the mid 1890's were the apex of Galveston's prosperity. The Strand area became the Wall Street of the Southwest. Fortunes were made in cotton, mercantile house, banks, publishing and printing, flour and grain mills, railroads, land development and shipping. In 1891, the University of Texas Medical Branch was established.

The boom period of the "Queen City of the Gulf" ended with the great 1900 storm, which killed 6,000 and left 8,000 homeless. After the storm, the 16-foot-high, 17-foot-wide seawall was begun. The first section was completed in 1904. Behind it, 2,200 structures were raised an average of five feet.

In 1914, the Houston Ship Channel was deepened which took much of Galveston's trade. From 1924 to 1957, until a crackdown by the state attorney general's office, Galveston was primarily known as a wide-open port city where gambling and all sorts of amusements could be found. During World War II, the island had an air base where B-17's received their final briefing before leaving for the Pacific.

In the 1960"s and early '70's, there were forward looking innovations in Galveston. The council-manager form of government was adopted in 1961. The Texas Maritime Academy, Galveston College, and the Marine Biomedical Institute were established. The first container terminal opened in 1972. Rosenberg Library was expanded. The Galveston County Cultural Arts Council was founded. A 40 block residential historical district was established in the East End; and the Strand area and a number of notable buildings were placed on the National Register.

DEMOGRAPHIC PROFILE

The City of Galveston

50,497
Population

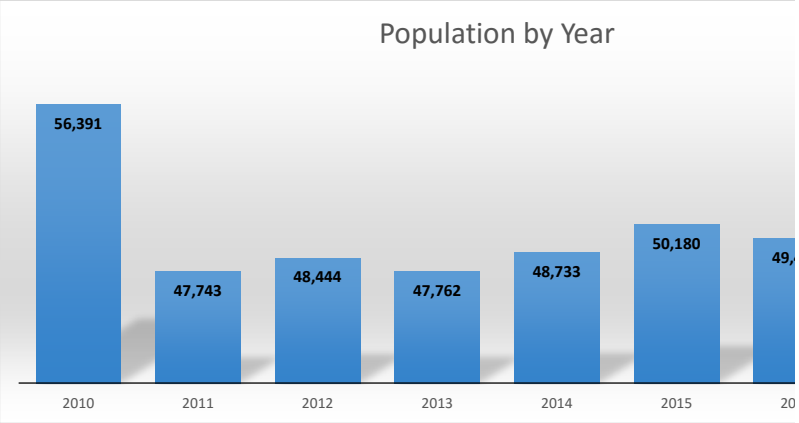
$42,216
Median Household Income

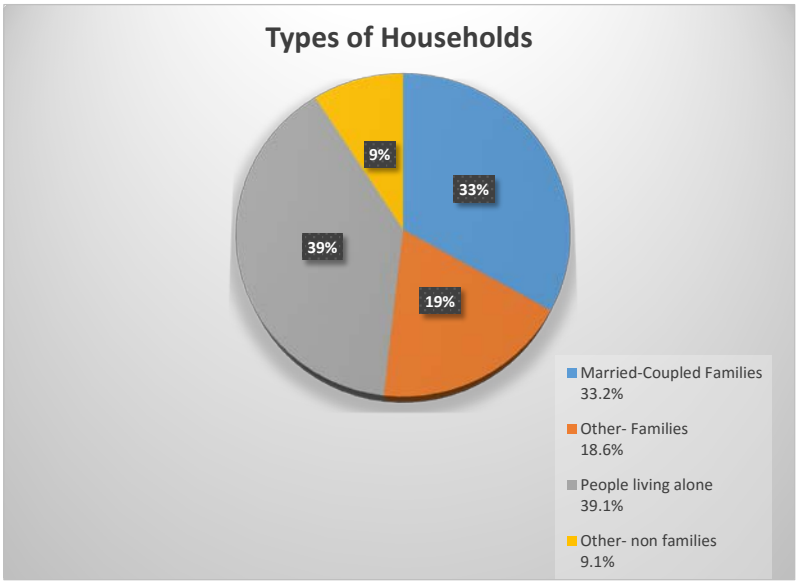
$154,400
Median Value of owner occupied housing units

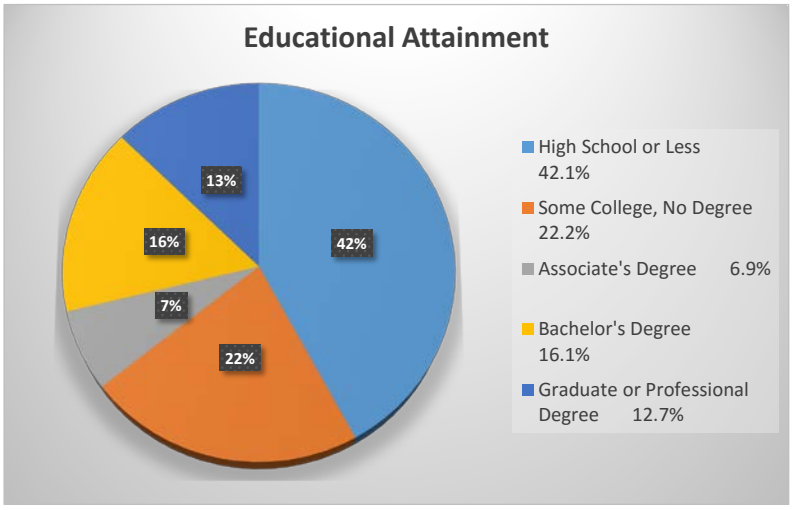
$865
Median gross rent

2.23
Persons per household

20,522
Households



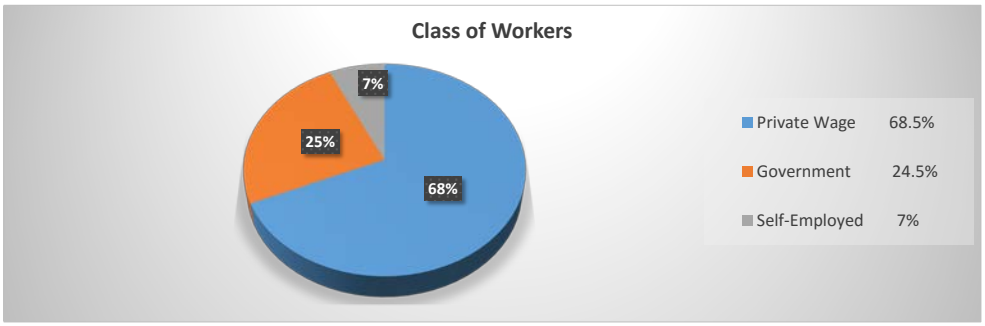


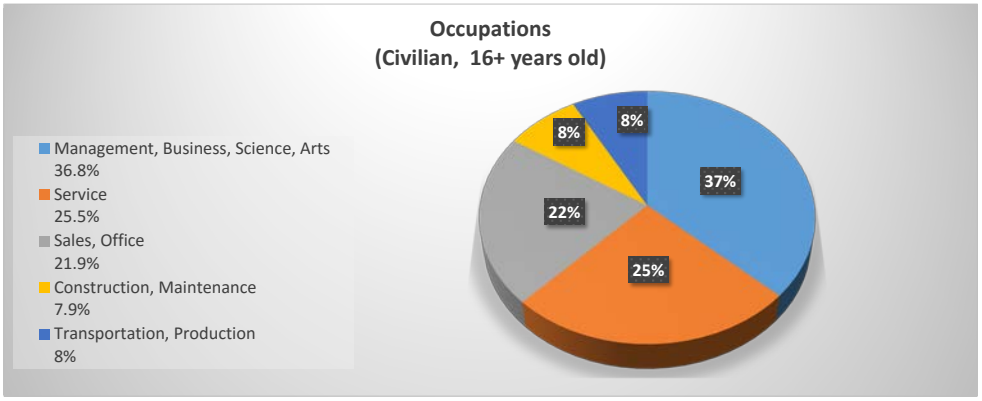


Source:
*U.S. Census Bureau, www.census.gov (2012-2017)
* American Community Survey (2012-2016)

ECONOMIC PROFILE

The City of Galveston



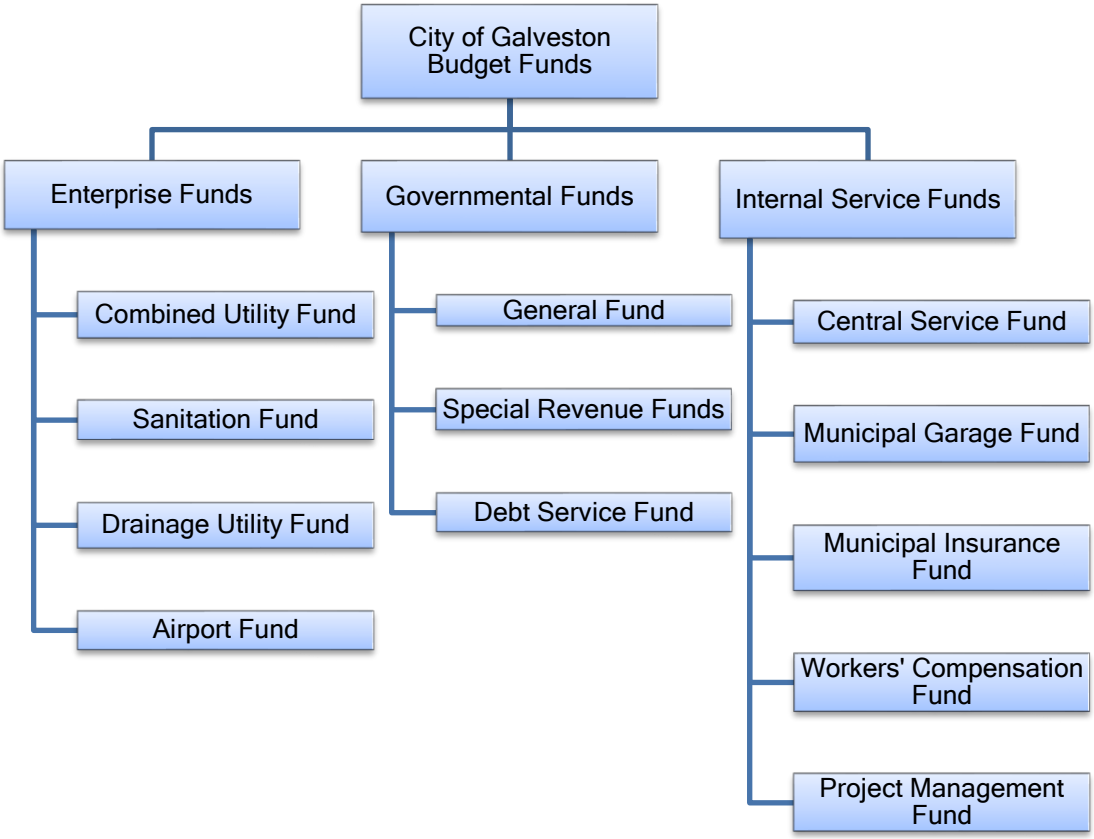


**	Top 10 Employers (2016)	Estimated Employees
1.	University of Texas Medical Branch	8,254
2.	Landry's Restaurants	2,788
3.	Galveston County (on island only)	1,340
4.	Galveston Independent School District	1,100
5.	Moody Gardens	1,027
6.	American National Insurance Company	845
7.	City of Galveston	744
8.	Fertitta Hospitality	566
9.	Galveston College	543
10.	Schlitterbahn	500

**	Top 10 Property Taxpayers (2016)	Total Assessed Value
1.	Centerpoint Energy Inc	45,827,826
2.	Fertitta Hospitality Inc	38,570,690
3.	Willie G's Post Oak Inc	30,077,185
4.	Eighteen Seventy Strand Corp	22,125,280
5.	TFT Galveston Portfolio Ltd.	18,501,120
6.	Silverleaf Resorts Inc	17,711,280
7.	Galveston Island Water Park LP	17,293,370
8.	Galveston Terminals Inc	15,019,290
9.	AET Lighting Services LLC	14,297,132
10.	Island Hospitality	13,991,940

Source:
*U.S. Census Bureau, www.census.gov (2012-2017)
* American Community Survey
**Galveston CAD, 2016 GEDP Developer Profile

BUDGET FUND STRUCTURE



FUND DESCRIPTIONS:

General Fund – Accounts for all financial resources of the general operations except for those required to be accounted for in another fund. The General Fund generates the majority of its revenue from taxes, charges for services and franchise fees.

Debt Service Fund – Used for the payment of principal and interest on debt issue by the City as well as other fees associated with the issuance of debt.

Enterprise Funds – Used to account for operations that are financed and operated in a manner similar to private business. The cost of providing the goods or services are recovered through user charges.

Special Revenue Funds – Used to account for proceeds of specific revenue sources or legally restricted funds.

Internal Service Funds – Used to account for activities in which one or more departments of the City provide goods and services to other departments of the City. The intent of each internal service fund is to recover the cost of providing those services from internal user charges.

DEPARTMENT/FUND RELATIONSHIP

Department	General Fund	Special Revenue Funds	Debt Service Fund	Enterprise Funds	Internal Service Funds
Police Department	X				
Asset Forfeiture		X			
Police Special Revenue		X			
Police Quartermaster		X			
Alarm Permit		X			
Fire Department	X				
Fire Special Revenue		X			
Emergency Management Department	X				
Emergency Medical Services	X				
City Marshal's Office	X				
Code Enforcement	X				
Parking Management		X			
Special Events	X				
Street Department	X				
Traffic Department	X				
Park Recreation	X				
Lasker Pool		X			
Park Operations	X				
Revenue Producing Parks		X			
Building Inspection	X				
Planning and Development	X				
City Secretary	X				
City Council Projects and Initiatives		X			
Elections	X				
Municipal Court	X				
Municipal Court Building Security		X			
Municipal Court Technology		X			
Juvenile Services		X			
City Manager	X				
Pension Reform		X			
City Attorney	X				
City Auditor	X				
Human Resources	X				
Municipal Insurance					X
Health and Life Insurance					X
Workers' Compensation					X
Island Transit		X			
Transportation	X				
Finance Administration	X				
Accounting	X				
Purchasing	X				
Mail					X
Print Shop					X
Budget	X				
Taxation	X				
Facilities Department					X
Facility Maintenance Services	X				
Non-Departmental	X				
Rosenberg Library		X			
Seawall Parking		X			
Convention Center Surplus		X			
Historical Buildings		X			
Infrastructure		X			
Separation Pay		X			
Community Outreach					X
Public Access Channel		X			
Recovery and Capital Reserve		X			
Technology Services					X
Technology Improvement		X			
Hurricane Harvey		X			
Debt Service			X		
Combined Utility				X	
Sanitation				X	
Drainage Utility				X	
Airport				X	
Central Garage					X
Project Management					X

To: All Department Heads
From: Mike Loftin and Debbi Pierce
Date: June 5, 2018
Subject: FY 2019 Budget Directions

The budget season has arrived, and it is time once again to begin the process of setting the city's spending priorities for the coming fiscal year, which begins October 1, 2018. This year's process will parallel that used in the last three years, with one exception. Early indications are that this year's property tax value is expected to be somewhere between no change from last year and potentially two percent growth. Since the major share of the General Fund's revenue comes from property taxes, this means overall growth in revenue is in the one to two percent range.

Accordingly, the spreadsheets being provided to you for the FY 2019 Budget have been reduced by the Budget Office. In addition, the City Manager is asking certain departments to take an additional two percent reduction in the FY 2019 Budget. This reduced FY 2019 Target Budget will be communicated to you via a separate email. The reductions necessary to achieve the reduced targeted amount are ***not a part of your spreadsheet yet. You will be asked to determine which line items are to be reduced to meet the FY 2019 Target total. And the comments fields will be your opportunity to indicate the impact of these potential reductions. The Budget Office team and the City Manager's team stand ready to discuss the impact of any potential reductions with you.***

As before, a separate worksheet is also included to list those items that you would like to add to your FY 2019 budget provided funding is available for improvements or additions to operations and services currently provided.

Otherwise, this year's process will be the same as the previous year.

1. The Budget Office is providing a line item worksheet that includes estimated FY 2018 spending results, with an additional column for you to enter what you plan to spend during FY 2018, including the balance of the fiscal year. There is a comments field to explain any variance you propose for each estimated line item amount proposed by the Budget Office.
2. The same worksheet includes a FY 2019 Budget column with a suggested starting point for your department's spending which should be sufficient to continue current service and operating levels through FY 2019. ***This column does not include any reductions that may be necessary to achieve the reduced budget amount that will be communicated via separate email. Those reductions will need to be provided by you in the FY 2019 Budget column with an accompanying explanation of how the reduction is to be achieved and the impact of each such reduction.***
3. In many departments, the Budget Office has used vacancy rates to develop the FY 2019 Budget that discount or reduce the salary and related fringe benefits by a percentage anticipating that all positions will not be filled throughout the fiscal year. This "vacancy rate" calculation is set at zero percent, anticipating no turnover or vacancies, in the certain departments.
4. The Mission, Accomplishments and Goals page is to be included in the Proposed Budget and provide information that is consistent with the dollar amounts included in the FY 2019 Budget that you provide. Your Mission, Accomplishments and Goals are to be included with your FY1 2019 Budget Request.
5. Similarly, Performance Indicators are to be included in the Proposed Budget as well. They should describe levels of activity that correspond to the current funding level or the FY 2019 Budget. ***Please ensure that the relationship between your reduced FY***

2019 Budget amounts reflect a realistic, rational connection between performance and the FY 2019 Budget level as reduced.

As in prior years, you can access your department's line item budget worksheets (described above) by logging onto:

Sharedfolders on 'fs1.ch.galveston S:\Budgets\Budget 2019

Entries and associated comments for your FY2018 Estimate should be completed no later than June 15, 2018. Your FY 2019 Budget submission, including worksheet amounts and comments, Mission, Accomplishments and Goals, Performance Indicators as well as your Additional Items request is to be completed no later than close of business, Friday, June 29, 2018. If you have any problems with accessing your folder or if you need to provide secure access for additional department staff to access your department's folder please contact Debbi @ ext. 3532.

WORKSHEETS

1. The line item worksheets contain the following information:
   a. Actual FY 2017 Expenditures – *Populated by the Budget Office.*
   b. Estimated FY 2018 Total – *Populated by the Budget Office. Represents projected spending for each line item based on the current and prior year's trends.*
   c. Revised FY 2018 Total – **Populated by department if you believe you will spend a different amount than that shown in the Estimated FY 2018 Total column.**
   d. Comments **– Populated by departments to explain reason for Revised FY 2018 Total amount.**
   e. Amended Budget FY 2018 – *Populated by the Budget Office.*
   f. Base Budget FY 2019 – *Populated by the Budget Office with amounts that constitute a base amount for FY 2019.*
   g. Revised Budget FY 2019 - **Populated by department to reflect any differences with the Base Budget FY 2019 column amount. The total of this column is intended to meet your reduced target amount for FY 2019 to be communicated via separate email.**
   h. Comments **– Populated by departments to explain Revised Budget FY 2019 Budget amount. Include explanations for each difference with the FY 2019 Base Budget amount as well as the impact of the change. Be as specific, stating the impact in quantitative terms as represented in the Performance Indicators also presented.**

2. A copy of your personnel roster (staff listing) as of March 2018 is included which is linked to the regular payroll line item on the aforementioned worksheet. Please review carefully to make sure all employees and probationary increases (if applicable) are included. If an employee or position needs to be added please e-mail the information to Debbi Pierce.

3. Some departments will also have responsibility for developing budgets for special revenue funds. The Budget Office will contact you directly on these funds.

4. Please consider any matching funds that may be required for ongoing grants for FY 2019. If this amount is not in the Base Budget FY 2019 column, please provide the necessary information in the Revised Budget FY 2019 column.

5. Technology requests of all types (computers, computer systems, printers, radios and cell phones) will be handled through Technology Services. After TS receives your requests, they will provide the information to the City Manager's Office and the Budget Office for review and possible inclusion in the Proposed Budget.

6. Requests for new rolling stock should be provided using the “FY 2019 Supplemental” tab in the worksheet, complete with a justification for the quantity, capacity and cost.

7. Also use the “FY 2019 Supplemental” tab for any new initiative, programs, projects or resources that are not necessary to provide the current level of services as depicted in the Base FY 2019 and Revised Budget FY 2019 columns.

GUIDANCE FOR PREPARING NARRATIVE SECIONS OF YOUR SUBMISSION

1. **Accomplishments** should be tangible regarding improvements in operations, completion of major events or projects, or procedures with some significant impact as far as efficiency or effectiveness are concerned. Efficiency is described as the relative time or resources required to complete a task or project and a reduction in same. Effectiveness speaks to the end product and the extent to which it meets needs of the City, the organization and/or customer base.

   Examples:
   - Implemented new invoice management process, reducing processing time for invoices by an estimated ten days and providing a shared network location to identify invoices in process.
   - Implemented new tracking system for identifying customer and citizen complaints, notifying them when service will be provided.
   - Provided service and support including trash removal, post event cleanup and security for five new citywide events in FY 2018.

2. **Goals** should prospectively propose accomplishments, including improvements in operations, completion of major events or projects, or procedures with some significant impact as far as efficiency or effectiveness are concerned. Efficiency and effectiveness should be a factor here as well. *Acquisition of funding for a position or some new resource is not a goal or an accomplishment. The purpose behind the position or new resource is the ultimate goal of acquiring the resource needed.*

   Examples:
   - Implementation of the Banner fixed asset module, including tracking and valuation of capitalized (over $5,000) and non-capitalized (under $5,000) assets.
   - In FY 2019, increase number and quality of potholes repaired using new equipment acquired in FY 2018.
   - Reduce incidence of vehicle accidents from FY 2018 level through improved traffic enforcement.

3. **Performance measures** are quantitative and provide the information below. *Departments are encouraged to use available statistics and think of this as putting their best foot forward. Provide statistics that tell your service story.*
   - Workload – Number of calls received, invoices processed, miles of streets maintained
   - Output – Transactions processed, building permits issued (number and dollar amount)
   - Efficiency – Cost per account managed, response time to answer a call or a request for service
   - Effectiveness – Percent of needed fire inspections completed, percent of owner compliance in demolishing dangerous building

The FY 2019 Budget Calendar is attached for your information.

We look forward to working with you this summer. Please contact us if you have a question about the budget process or your specific process.

Attachment

FY 2019 BUDGET CALENDAR

April – May	Compile and prepare FY 2019-2023 Long Range Financial Forecast.
May 9	Distribute 2nd Quarter Budget Report.
June 4	Release on-line budget to Departments.
June 15	Distribute FY 2019-2023 Long Range Financial Forecast
June 15	Deadline for departments to provide FY 2017 estimates and comments
June 21	Present FY 2019-2023 Long Range Financial Forecast. Ratify existing property tax exemptions.
June 29	Deadline for departments to provide FY 2019 proposed exceptions, comments, supplemental requests and accomplishments, goals and performance measures.
June-July	Budget and CIP Workshops with Council; ad hoc meetings with City Manager and departments.
July	Compile FY 2019 budget request from Departments and prepare FY 2019 Proposed Budget.
July	Finalize FY 2019 Proposed Budget decisions.
End of July	Finalize and present FY 2019-2023 CIP.
August-September	CIP and Budget workshops with City Council.
August 6	File FY 2019 Proposed Budget with City Secretary.
August 9	Present FY 2019 Proposed Budget to City Council. Meeting of governing body to discuss Tax Rate; propose a Tax Rate; take a record vote; and schedule two public hearings.
August 11	Publication of proposed property tax rates and hearing schedule (if applicable); submission to governing body. (By September 1 or 30 days) from the date the appraisal roll is certified).
August 23	Public Hearing on Budget and Public Hearing No. 1 on Tax Rate.
September 13	Adopt the FY 2019 Operating and Capital Budget Adopt Tax Rate.

*Denotes City Council meetings

BUDGET SUMMARY

FY 2019 ADOPTED BUDGET
CITYWIDE BUDGET SUMMARY

Overview

The city maintains a significant number of funds, each created to ensure and demonstrate legal compliance with city ordinance, city charter, state law or federal law. All city revenue carries some form of restriction that governs its use for specific activities and purposes. This page summarizes the City's operating budget.

Total Budget

The Adopted Budget for FY 2019 is $144.6 million for operating expenditures funds, which is $1.2 million or 0.9 percent more than last year's budget. These expenditures ensure that daily city services are provided year round to Galveston residents and visitors. In addition, the Adopted Budget includes $9.1 million for one-time appropriations of fund balance, an amount that is $282,500 or 3 percent less than last year. These funds include $2.3 million for up front funding of Hurricane Harvey recovery and repair which is reimbursable, $2.5 million for emergency appropriation by City Council, approximately $1 million that can be used to address police pension fund reform.

The **General Fund** includes major taxes received directly by the city, and the Adopted Budget for FY 2019 of $55.9 million includes funds primarily for public safety and infrastructure. **Special Funds,** twenty-four in number, are funded with fees, taxes, and other forms of revenue that have been set aside for a specific legal purpose. In spite of their legally restricted nature, as public funds, the City Manager still includes them in the Adopted Budget, as required by State law. In return, the City Council reviews and adopts budgets that ensure they are expended for the legally intended purpose.

The **Debt Service Fund** is used to budget for tax-supported debt payments, including property tax and hotel occupancy tax debt payments. **Enterprise Funds** are intended to **function** as stand-alone business enterprises, operating public services normally run by municipalities.

Legal Compliance

This budget complies with every legal test that applies to the city's budget.

1. It conforms to the State Budget Law (Chapter 102 of the Local Government Code) regarding disclosures, schedules, connection to the annual property tax levy and rate setting process, as well as the form and format of the document itself.
2. Seta sides required by the city charter for contributing property tax revenue to the Rosenberg Library and General Fund revenue to the Infrastructure and Debt Service Fund are a part of the budget.
3. The city charter's seven percent budget increase test has been met. A schedule that demonstrates this is included at the end of this Budget Summary section.
4. The General Fund's actual and projected ending fund balances for FY 2017, 2018 and 2019 are greater than the ninety-day required minimum.
5. All unencumbered appropriations or budgeted balances as of the end of FY 2018 are anticipated in this Budget to return to the fund in which they originate for consideration of appropriation in FY 2019 by the City Council.

6. A complete five year capital improvements project in a separate section of the budget. It draws directly from the FY 2019-2023 Capital Improvement Plan presented in July 2018.
7. The adopted tax rate of $0.561 per $100 of taxable value is less than the state legislated effective rate of $0.562658 and the state defined rollback rate of $0.586744. The adopted rate is also less than the charter maximum rate. For FY 2019, that maximum rate, considering the sales tax reduction factor, is $0.6023.
8. All debt service reserve requirements have been met and sufficient budgeted revenue has been set aside for the payment of debt service in FY 2019, including a transfer from the Infrastructure and Debt Service Fund of $2.1 million. This transfer was anticipated in order to support the continued issuance of the tax supported bonds approved by the voters in May, 2017 for street and drainage projects. It includes approximately $1 million that is replacing property tax revenue needed to provide continued support for the increases in the General Fund for police and fire compensation and the transfer to the Infrastructure fund itself.
9. Every operating fund and capital fund, including the beginning and ending cash balances for FY 2018, is included in this budget. Total operating fund balances are projected to end FY2018 at $65.3 million dollars and FY2019 at $37.7 million dollars a drop of $28.2 million. This is due primarily to the programming of virtually all special revenue fund balances ($20.02 million) and one-time appropriations of fund balance ($9.7 million) that are either reimbursable (Harvey share at $2.3 million) or only to be used at Council's request ($2.5 million).
10. Contractual obligations to the Gulf Coast Water Authority, to the city's three Tax Increment Reinvestment Zones and to MUD 30 are being met.

Highlights

1. Employee compensation increases are funded for police officers (2.75 percent) and firefighters (2.61 percent) agreed upon through collective bargaining and each including a one percent COLA. Also funded is a COLA for all non-classified personnel (2 percent). Other adjustments continue to be made using market salary rates as the basis of comparison.
2. The Adopted Budget for personnel also funds twelve additional positions across the city, including the six additional police officers funded through the COPS grant.
3. The CIP is being implemented with a focus on ensuring the street and drainage projects presented to the voters and approved in the May 2017 bond election will be completed within five years.
4. Water and sewer rates increase are under discussion but no revenue is included in the Adopted Budget in anticipation of any increase.
5. Funding is also provided for the increases in the city's contributions to the Fire Pension Plan (3 percent increase from 14 to 17 percent) and Police Pension Plan (2 percent increase from 12.83 to 14.83 percent) approved midway through FY 2018.
6. Island Transit operations enter into a new phase of service because of its restored status as an urban transit system. Federal funds are being increased, and local underperforming routes and service have been discontinued. However, the FY 2019 Adopted Budget includes a portion of its share of Hotel Occupancy Tax revenue for bus and rail trolley services as a tourist draw.

CITY-WIDE SUMMARY
Summary Schedule of Revenues and Expenditures

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Adopted
Beginning Fund Balance				
General Fund	$20,629,743	$17,757,428	$17,757,428	$18,263,879
Special Revenue Funds	20,831,426	19,632,607	19,632,607	18,141,965
Debt Service Fund	1,518,471	1,678,104	1,678,104	1,597,445
Enterprise Funds	17,986,896	18,811,662	18,811,662	18,079,536
Total	**$60,966,536**	**$57,879,801**	**$57,879,801**	**$56,082,824**
Revenue				
General Fund	$51,728,350	$54,583,500	$54,175,500	$55,896,700
Special Revenue Funds	18,972,873	19,858,691	17,777,899	18,862,629
Debt Service Fund	2,160,028	4,032,400	3,981,800	5,192,812
Enterprise Funds	48,503,325	47,869,696	46,954,459	47,234,314
Total	**$121,364,576**	**$126,344,287**	**$122,889,658**	**$127,186,455**
Expenditures				
General Fund	$51,832,479	$55,081,921	$53,245,847	$55,896,702
Special Revenue Funds	20,171,691	38,426,449	19,268,541	36,653,582
Debt Service Fund	2,000,394	4,062,459	4,062,459	5,192,812
Enterprise Funds	42,127,670	45,773,956	43,528,190	46,845,944
Total	**$116,132,234**	**$143,344,785**	**$120,105,037**	**$144,589,041**
Revenues over/(under) Expenditures				
General Fund	($104,129)	($498,421)	$929,653	$0
Special Revenue Funds	(1,198,818)	(18,567,758)	(1,490,642)	(17,790,953)
Debt Service Fund	159,634	(30,059)	(80,659)	0
Enterprise Funds	6,375,655	2,095,740	3,426,269	388,370
Total	**$5,232,342**	**($17,000,498)**	**$2,784,621**	**($17,402,583)**
One Time Appropriation of Fund Balance				
General Fund	$2,768,186	$4,673,864	$423,202	$4,376,876
Special Revenue Funds	0	0	0	0
Debt Service Fund	0	0	0	0
Enterprise Funds	5,535,152	4,747,223	4,158,396	4,761,700
Total	**$8,303,338**	**$9,421,087**	**$4,581,598**	**$9,138,576**
Ending Fund Balance				
General Fund	$17,757,428	$12,585,143	$18,263,879	$13,887,003
Special Revenue Funds	19,632,607	1,064,849	18,141,964	351,013
Debt Service Fund	1,678,104	1,648,045	1,597,445	1,597,445
Enterprise Funds	18,827,399	16,160,179	18,079,536	13,706,206
Sub-Total	**$57,895,539**	**$31,458,216**	**$56,082,823**	**$29,541,666**
Internal Service Funds	$9,366,220	$8,546,563	$9,258,957	$8,202,456
TOTAL WITH INTERNAL SERVICE FUNDS	**$67,261,758**	**$40,004,779**	**$65,341,781**	**$37,744,122**

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

Charter Budget Growth Limit Compliance Page
Comparative Summary of Expenditures
Total Operating Budget
(Modified Accrual)

Fund	Modified Accrual Budget 2018	Capital Improvement Funds previously appropriated in prior fiscal years	Modified Accrual Budget 2019	Modified Accrual Budget with Capital 2019
General Fund	$53,224,675	$0	$54,352,773	$54,352,773
Special Revenue Funds:				
Rosenberg Library	2,853,700	0	2,874,500	2,874,500
Seawall Parking	1,406,904	1,406,904	51,857	1,458,761
Convention Center Surplus	3,731,719	1,899,992	1,884,736	3,784,728
HOT 1/8 Historical Buildings	982,784	0	1,215,476	1,215,476
Council Projects and Initiatives Program	1,810,323	1,810,323	(1,057,160)	753,163
Infrastructure Fund	7,731,638	7,731,638	(57,018)	7,674,620
Separation Pay Fund	474,360	0	474,360	474,360
PEG Fund	848,228	833,228	208,010	1,041,238
Parking Management Fund	1,026,179	0	1,252,553	1,252,553
Lasker Pool Fund	684,035	0	716,216	716,216
Pension Reform Fund	2,630,194	0	1,003,173	1,003,173
Revenue Producing Parks	142,278	0	241,330	241,330
D.E.A. Asset Forfeiture Fund	247,749	0	135,037	135,037
Police Special Revenue Fund	97,643	0	118,743	118,743
Police Quartermaster Fund	86,660	0	91,010	91,010
Alarm Permit Fund	151,787	0	118,746	118,746
Fire Special Revenue Fund	54,002	0	45,046	45,046
Municipal Court Building Security Fund	74,725	0	49,410	49,410
Court Technology Fund	116,667	0	137,709	137,709
Juvenile Services Fund	161,854	0	179,610	179,610
Recovery and Capital Reserve Fund	4,964,810	3,984,810	1,082,169	5,066,979
Technology Improvement Fund	968,091	968,091	318,347	1,286,438
Total	31,246,330	18,634,986	11,083,859	29,718,845
Debt Service Fund	4,062,459	0	5,192,812	5,192,812
Enterprise Funds:				
Waterworks	22,587,260	0	22,970,138	22,970,138
Sewer	15,856,617	0	15,860,811	15,860,811
Drainage Utility	3,010,237	0	3,537,790	3,537,790
Sanitation	6,887,597	0	7,375,485	7,375,485
Airport	1,758,705	0	1,540,479	1,540,479
Total	50,100,415	0	51,284,703	51,284,703
Grand Total	$138,633,879	$18,634,986	$121,914,148	$140,549,134

Amount of growth remaining under 7% cap	$26,424,102
*Percent increase in the City's operating budget	-12.06%

*City of Galveston Charter (Article VII, Section 19)

Not subject to the 7% budget cap

Capital Improvement Funds previously appropriated in prior fiscal years:	Fiscal Year 2017	Fiscal Year 2018	Increase (Decrease)
Seawall Parking	351,803	1,055,101	1,406,904
Convention Center Surplus	3,050,344	(1,150,352)	1,899,992
HOT 1/8 Historical Buildings	117,608	(117,608)	0
Council Projects and Initiatives Program	2,231,459	(421,136)	1,810,323
Infrastructure Fund	3,418,210	4,313,428	7,731,638
PEG Fund	210,890	622,338	833,228
Recovery & Capital Reserve Fund	0	3,984,810	3,984,810
Technology Improvement Fund	1,601,600	(633,509)	968,091
Totals	10,981,914	7,653,072	18,634,986

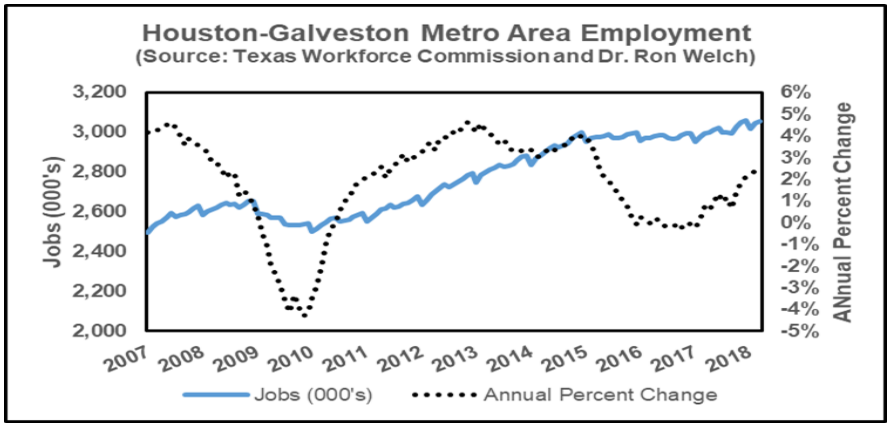
Special Revenue Funds	Fiscal Year 2018	Fiscal Year 2019	Increase (Decrease)
Island Transit	4,387,686	4,423,785	36,099
Hurricane Harvey	2,792,433	2,510,952	(281,481)
Totals	7,180,119	6,934,737	(245,382)

FY 2019 ADOPTED BUDGET
ECONOMIC OUTLOOK

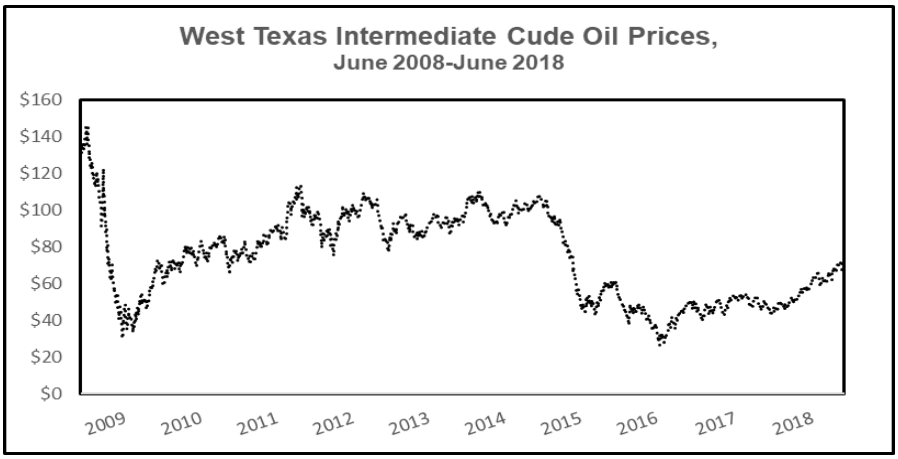
Economic Overview

Galveston is continuing to show signs of economic vibrancy that are connected with gradual regional economic improvement, continued growth in the national economy as well as expansion and improvement of the City's infrastructure and beaches. The economic growth of the region is highly dependent on energy and particularly the price of oil. Galveston's economy is heavily influenced by the region's economic health, but also has strong ties to national economic growth. These connections are based largely on Galveston's tourism industry which continues to grow.

In the last twelve years, employment in the metro area has shown strong growth overall in spite of two economic downturns in 2008-2009 and in 2015-2017. Average annual employment growth for the period shown in the graph below was 1.73 percent, which explains the long-term two percent growth trend assumptions generally used by local forecasters.

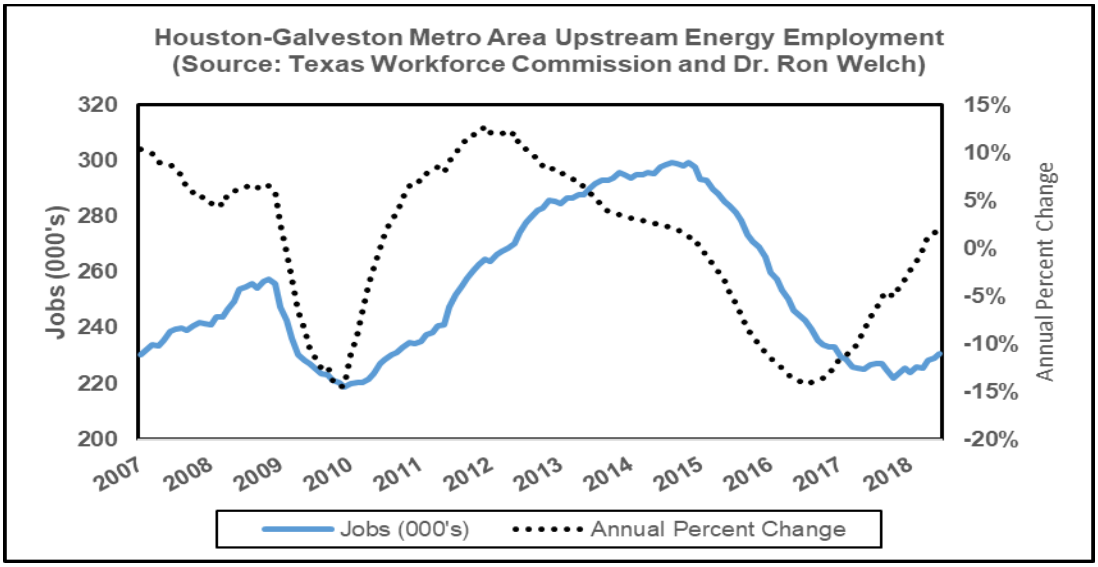


The metro area's economic growth is based largely on two factors: energy and the U.S. economy. Oil prices (West Texas Intermediate crude) have been extremely volatile over the last ten years (see below).



After dropping to the $40 per barrel range at the start of 2009, prices recovered to a peak of $105 per barrel in June, 2014, only to drop again. Since February 11, 2016, when a barrel was priced at $26.21, today's price is in the mid $60's. Experts tell us that worldwide supply and demand drive the

price, making the world economy a third major economic driver of the metro economy. The effect on upstream energy employment has been dramatic, and somewhat inconsistent.



As shown in the graph above, high oil prices in the 2012-2015 period drove upstream energy employment growth to its peak of 300,000 jobs in November 2014. In the 2015 to 2016 period when prices were dropping, upstream energy jobs also dropped. The approximately 75,000 jobs lost since the November 2014 high are beginning to be recovered slowly with energy companies exercising much caution in the way they rebuild their workforce. Increased use of parallel drilling techniques, while much more efficient and productive are likely to slow this upstream energy employment recovery even more.

Until recently, most consensus forecasts of economic growth projected that the national economy could be expected to grow on a “real basis” (adjusted for inflation) in the range of 1.5 to 2.5 percent per year for the next few years. Recent news that the economy posted a 4.1 percent growth rate in the second quarter of 2018 has caused some to reconsider their previous forecasts.

BASELINE ECONOMIC CHANGE ASSUMPTIONS

Area/Indicator	FY 2018 Est.	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
National						
National Inflation Rate (1)	1.8%	2.2%	2.2%	2.2%	2.2%	2.2%
U.S. Real Gross Domestic Product (1)	3.3%	2.4%	1.8%	1.5%	1.6%	1.6%
Ten Year Treasury Note (1)	3.3%	3.9%	4.2%	4.2%	3.9%	3.7%
3-month Treasury Bill (1)	2.3%	3.2%	3.7%	3.7%	3.4%	3.0%
Metropolitan Area						
Employment Annual Growth Rate (2)	1.30%	1.52%	1.87%	2.20%	1.60%	1.60%
Inflation Rate (3)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fuel Prices (3)	15.3%	2.0%	2.0%	2.0%	2.0%	2.0%
Health Care Inflation (3)	1.9%	10.0%	8.0%	8.0%	8.0%	8.0%
City of Galveston						
Population Growth Rate (3)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Population (3)	50,497	51,002	51,512	52,027	52,547	53,073
City Water Customers Growth Rate (3)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Investment Pool Earnings Rate (3)	1.7%	2.2%	3.0%	3.3%	3.4%	3.0%
New Construction ($Millions - Prior CalYr) (3)	$72.6	$75.0	$60.0	$60.0	$60.0	$60.0

SOURCES:
(1) Congressional Budget Office, using calendar year that overlaps nine months of the City's fiscal year
(2) Dr. Robert Gilmer, Bauer College of Business, University of Houston
(3) U.S. Energy Information Administration for 2018-2019 and City of Galveston Finance Department thereafter.

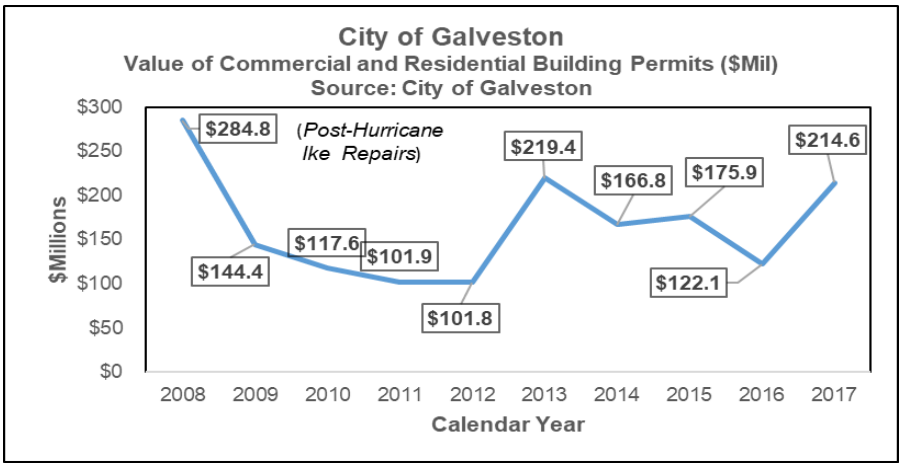
The assumptions used in the revenue estimates that are a part of the Adopted FY 2019 Budget will remain the same and be monitored throughout the fiscal year in keeping with our current practice. The Congressional Budget Office's (CBO) Real Gross Domestic Product annual growth rate is in the lower end of that range, forming a more conservative view of the effect potential fiscal and monetary policy changes will have on economic growth. CBO's other assumptions show interest rates rising steadily and inflation remaining in the 2 to 2.5 percent range.

Local Economic Indicators

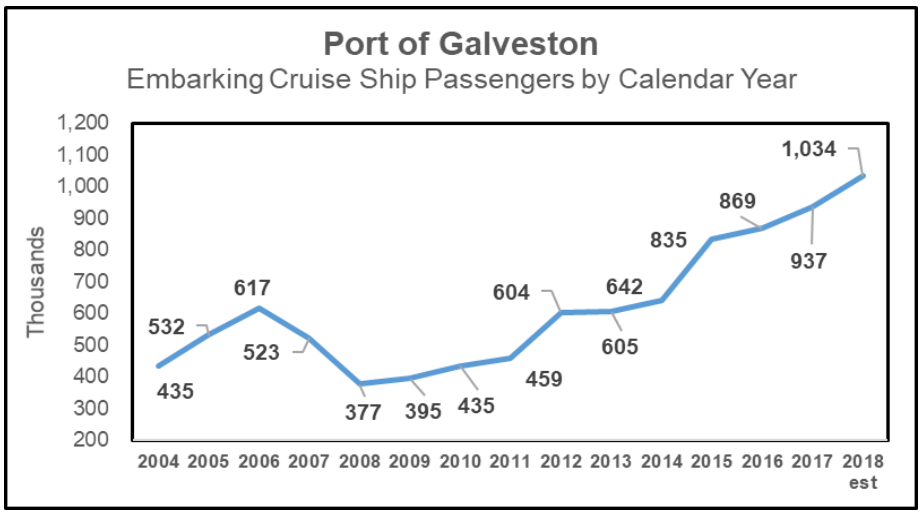
Dr. Robert Gilmer of the University of Houston Institute for Regional Forecasting is projecting a continuing regional recovery and a return to historical employment growth rates. The remainder of the assumptions shown above have been adopted for this forecast based on the regional and national forecasts and Galveston's own recent history. The forecast is based on a one per cent annual growth rate for Galveston in terms of population and the number of water customers.

Galveston continues to have a lower cost of living than the nation in spite of its growing economy. According to the U.S. Department of Labor Statistics, the Consumer Price Index-Urban (CPI-U) for the U.S. as a whole was 249 in February 2018. The CPI-U For the metropolitan area including Galveston was 224.7 for the same period. By this measure, Galveston's cost of living is approximately 10.8 percent less than the nation as a whole.

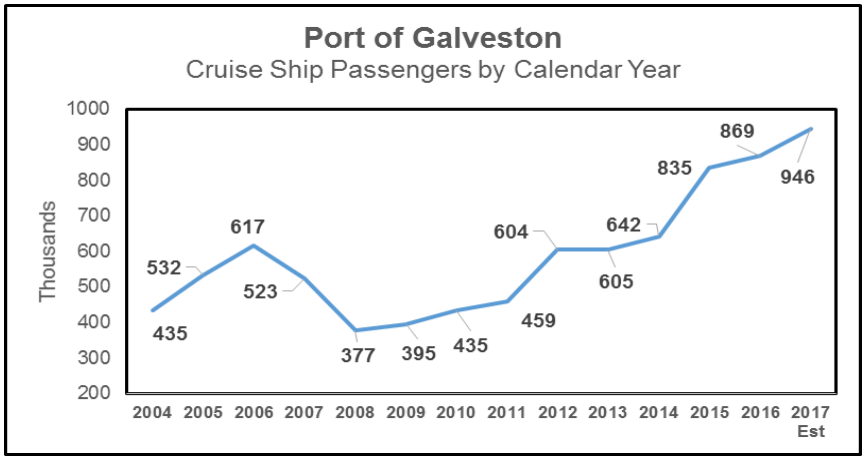
Construction activity in Galveston is continuing at a steady pace after the value of building permits in the immediate aftermath of Hurricane Ike peaked in 2008 at $284.8 million. While the trend has been downward since 2013 in the value of commercial and residential building permits, 2017 produced a $214.6 million total, largely due to $142.2 million in new commercial permits.



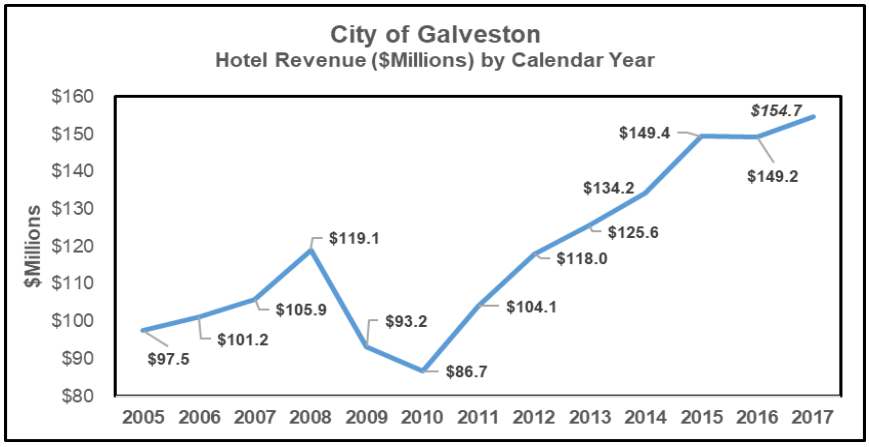
The Port of Galveston is an important contributor to both the Galveston and Texas economies. In calendar year 2016, the Port of Galveston ranked 52nd of all U.S. ports in total cargo volume, 55th in domestic cargo volume, and 44th in export cargo volume. Cruise ship passengers through the port continue to set records each year. After cruise ship traffic was interrupted by Hurricane Ike in 2008 and cruise passengers dipped to 377,000, the Port of Galveston saw 937,000 cruise passengers in 2017, with currently scheduled departures for 2018 expected to total 1,034,000 for the year.



Continuing growth in cruise passengers coming through the Port of Galveston is another tangible indicator of the vibrancy of Galveston's growth.



The City is a popular destination for tourists, including its ample beaches and other attractions. The City's downtown area features The Strand District, which is the home of some of Galveston's most historic commercial buildings, and the centerpiece for the City's active year-round calendar of community and seasonal events. Nearby is the East End Historical District which is on the National Historic Register and the site of many of the City's historic structures. Galveston remains a favored spring break destination with its family-friendly attractions. Like other local and regional indicators, hotel revenue was set back by Hurricane Ike but has rebounded strongly.



Conclusion

The regional and local economic growth rates seen in recent years have been strong but not altogether unpredictable. Galveston experienced a local slump caused by the simultaneous effect of the national recession in 2008-2009 and Hurricane Ike. It is perhaps more realistic to view the growth rate of the 2010-2016 period as a natural rebound and not the start of a new long-term growth trend.

FY 2019 ADOPTED BUDGET
CITYWIDE REVENUE SUMMARY

Overview

The City Budget is structured to provide for revenue collected by and expended through each of a number of funds. This presentation is intended to present the city's operating revenues as though there was only one fund. This is accomplished by leaving out transfers shown as revenue (transfers from one fund from another) between city operating funds.

Total citywide revenue included in the FY 2019 Adopted Budget is $116.6 million or approximately $1 million more than the FY 2018 Estimated total of $115.6 million. This is largely due to one to two percent growth in major revenue sources offset by losses in transit and other revenue.

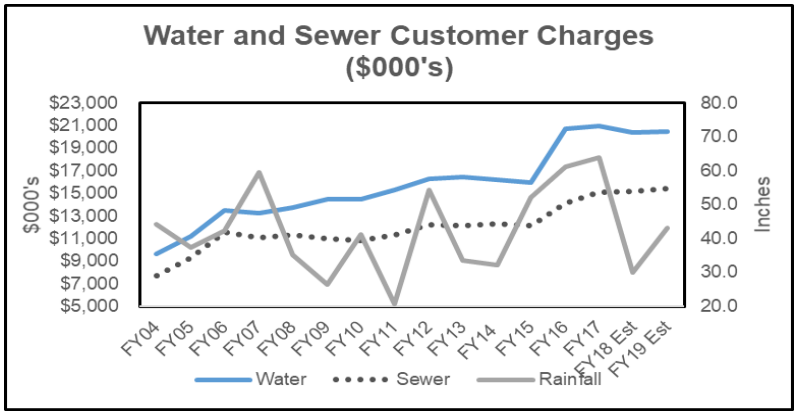
CITYWIDE REVENUE BY CATEGORY ($000's)

Revenue Source	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimated	FY 2019 Adopted	FY18 +/- FY Est	Pct Diff
Water and Sewer Charges	$33,963	$36,110	$36,608	$35,553	$35,932	$379	1.1%
Property Taxes	$27,818	$29,845	$34,144	$33,751	$34,412	$661	1.9%
Sales Taxes	$15,088	$15,197	$16,160	$16,250	$16,600	$350	2.1%
City Service Fees	$12,725	$12,426	$13,789	$13,332	$13,665	$333	2.4%
Franchise and Other General	$6,387	$6,611	$6,735	$6,686	$6,651	($35)	-0.5%
Hotel Occupancy Taxes	$3,500	$2,386	$2,960	$2,562	$2,868	$306	10.7%
Transit Grants/Fees	$3,519	$4,051	$2,974	$3,474	$2,805	($669)	-23.9%
Other Revenue and Sources	$5,326	$3,246	$1,474	$1,814	$1,411	($403)	-28.6%
Court Fines	$1,873	$1,658	$1,791	$1,572	$1,572	$0	0.0%
Investment Earnings	$430	$414	$516	$597	$639	$42	6.6%
Total	**$110,629**	**$111,944**	**$117,151**	**$115,591**	**$116,555**	**$964**	**0.8%**

Water and Sewer Charges

Taken together, water and sewer customer charges provide the city's largest single revenue source. This is the result of rate increases that became effective October 2015. Those rates support an active Capital Improvement Plan (CIP), which in the current FY 2019-2023 period includes $104.2 million in water projects and $59.9 million in sanitary sewer projects. Also, the city's sole water supplier, the Gulf Coast Water Authority, is expected to raise the City's cost of water annually. While these two factors will likely require rate increases, the revenue estimate in the Adopted Budget for FY 2019 includes no revenues from such an increase. Discussions are underway to consider raising rates this fiscal year, but that decision does not have to be made prior to the start of the fiscal year.

The city's water rates are based on a tier structure that assigns higher rates for non-residential and sprinkler systems, thereby protecting smaller users. The capacity of the entire water system is driven by the peaks usage that occurs as a result of tourism and irrigation. This includes transmission lines, pumps, storage tanks and water rights, also. Additional water rate increases were anticipated in FY 2017 and 2018, and those increases have now been avoided. We expect to continue annual reviews that consider the long-term cost of the CIP and the increasing cost of water beginning with the Long Range Financial Forecast. This year's forecast projects the need for annual increases for water and sewer combined in the 4 to 5 percent range.

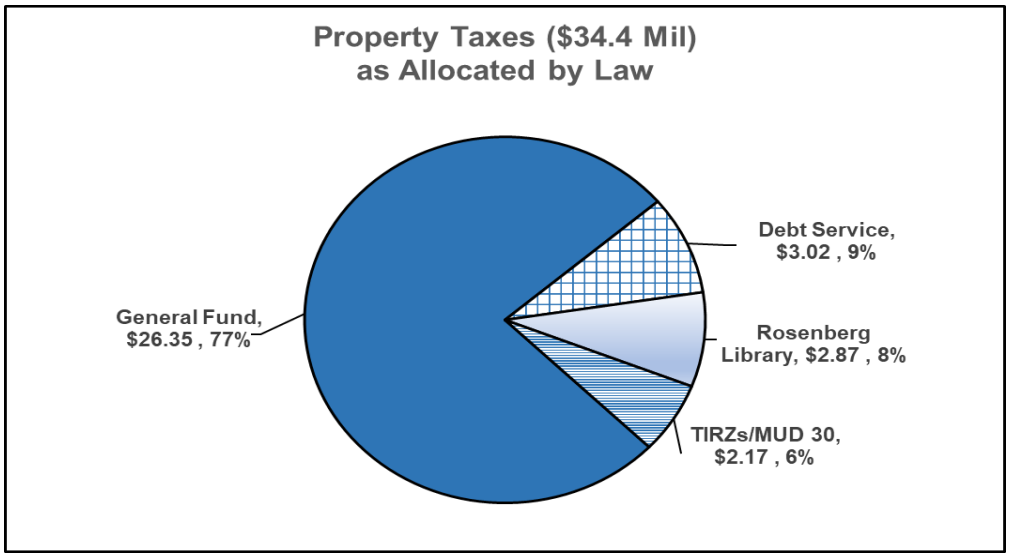


Water and sewer revenue is normally driven by population, tourism, and the amount of rainfall in any given year. This year's growth assumption is one percent based on anticipated population growth.

Property Taxes

Property taxes are the second largest revenue source of the City. Under State law, the Galveston County Appraisal District establishes taxable values, the City approves rates and exemptions and the Galveston County Tax Assessor-Collector (TAC) acts as the city's TAC, collecting taxes and supervising delinquent collection efforts. The FY2019 Adopted Budget estimates property taxes at $34.4 million as shown on the next page but only counts $32.2 million as revenue available for city services.

The Budget includes the General Fund which gets the lion's share of property taxes, $26.35 million or 77 percent of the total. The Debt Service Fund will receive $3 million in FY 2019. The Rosenberg Library receives the equivalent of five cents of the property tax rate each year, regardless of what the overall rate may be from year to year. This amount is levied and collected as a part of that portion of the city's property tax known by law as the Maintenance and Operations tax. It is deposited in the separate Rosenberg Library Special Revenue Fund and paid to the Library. In FY 2019, this amounts to $2.87 million.



The City's three Tax Increment Zones each receive 100 percent of taxes levied on the incremental growth in taxable value that has occurred since the inception of each Zone. MUD 30 receives an amount

equal to 60 percent of the city's property taxes collected inside MUD 30's boundaries or an amount equal to the MUD's annual debt service payment, whichever is less. In FY 2019, this will equate to $2.17 million, which amount is not strictly considered a part of the city budget. Overall the property tax roll (taxable value on that roll) is increasing by 2.4 percent (shown below). After deducting for TIRZs and MUD 30, the overall net revenue increase is 1.74 percent.

City of Galveston Property Tax Rolls
Result of Tax Protest Process

Tax Year	Fiscal Year	Initial Value	Value Lost in Protests	Net taxable Value	Percent Loss in Protests	Net Increase	Initial Increase
2007	2008	$4,173,803,003	($153,530,255)	$4,020,272,748	-3.7%		
2008	2009	$4,397,647,451	($90,707,745)	$4,306,939,706	-2.1%	7.1%	9.4%
2009	2010	$3,867,916,387	($172,881,661)	$3,695,034,726	-4.5%	-14.2%	-10.2%
2010	2011	$4,339,578,504	($295,077,791)	$4,044,500,713	-6.8%	9.5%	17.4%
2011	2012	$4,312,300,922	($118,014,116)	$4,194,286,806	-2.7%	3.7%	6.6%
2012	2013	$4,510,802,981	($187,955,326)	$4,322,847,655	-4.2%	3.1%	7.5%
2013	2014	$4,686,443,571	($151,378,426)	$4,535,065,145	-3.2%	4.9%	8.4%
2014	2015	$4,901,091,851	($138,178,611)	$4,762,913,240	-2.8%	5.0%	8.1%
2015	2016	$5,484,694,099	($189,588,687)	$5,295,105,412	-3.5%	11.2%	15.2%
2016	2017	$6,160,829,855	($315,289,572)	$5,845,540,283	-5.1%	10.4%	16.3%
2017	2018	$6,498,782,493	($325,700,110)	$6,173,082,383	-5.0%	5.6%	11.2%
2018	2019 Forecast	***$6,446,502,802***	***($141,823,000)***	***$6,304,679,802***	-2.2%	2.1%	4.4%
2018	2019 Certified	***$6,446,502,802***	***($122,602,802)***	***$6,323,900,000***	-2.2%	2.4%	3.1%

This historically minimal growth in property tax revenue is insufficient to provide sufficient funding for General Fund cost increases. In FY 2019, that includes increases in public safety salaries and pensions and in the infrastructure set aside, all of which is paid for with property taxes. The FY 2019 Adopted Budget, therefore, includes a adopted shift in the distribution of the tax rate, reducing the debt service rate and increasing the General Fund share of the operations and maintenance rate by a like amount. The net effect is to hold the overall rate constant, and add approximately $1 million to General Fund revenue. The corresponding reduction in Debt Service Fund property tax revenue is proposed to be made up with a transfer from the Infrastructure and Debt Service Fund. Although this is the first year for such use of the Infrastructure and Debt Service Fund, it was forecasted as necessary to support debt service payments for bonds issued in association with the May 2017 bond election.

ADOPTED PROPERTY TAX RATE SHIFT

Property Tax Revenue Allocation Categories	Current Rate Distribution (per $100 of Taxable Value)	Adopted Rate Distribution	Increase/ (Decrease) in Rate	Increase/ (Decrease) in Revenue
General Fund Operations and Maintenance	$0.441	$0.4585	$0.0175	$995,600
Debt Service Interest and Sinking Fund	$0.070	$0.0525	($0.0175)	($995,600)
Rosenberg Library Fund	$0.050	$0.0500	$0.0000	$0
Total Property Tax Rate	**$0.561**	**$0.5610**	**$0.0000**	**$0**

This distribution of the property tax roll is not proposed as permanent. The Debt Service Forecast below demonstrates how the rate can be restored to its $0.07 per $100 of taxable value over a five year period assuming four percent annual growth in values and continued bond sales.

DEBT SERVICE FUND FORECAST ($000s)

	FY2019	FY2020	FY2021	FY2022	FY2023
REVENUE					
Property Taxes	$3,023	$3,294	$3,737	$4,210	$4,716
Infrastructure & Debt Service Fund Transfer	$2,145	$2,778	$2,546	$2,626	$2,315
Interest Income	$40	$45	$48	$42	$45
TOTAL REVENUE	**$5,208**	**$6,117**	**$6,331**	**$6,878**	**$7,076**
EXPENSE					
Current Debt Service (includes 2017 Bonds)					
Principal	$2,356	$2,339	$2,250	$2,543	$2,660
Interest	$1,329	$1,236	$1,146	$1,054	$941
Paying Agent Fees	$5	$5	$5	$5	$5
Subtotal Current Debt Service	**$3,690**	**$3,580**	**$3,401**	**$3,602**	**$3,606**
Projected Future Bonds Debt Service					
Principal	$872	$1,625	$1,647	$1,717	$1,793
Interest	$629	$1,197	$1,173	$1,442	$1,692
Subtotal Future Bonds Debt Service	**$1,501**	**$2,822**	**$2,820**	**$3,159**	**$3,485**
TOTAL EXPENSE	**$5,191**	**$6,402**	**$6,221**	**$6,761**	**$7,091**
Revenue Over/(Under) Expense	**$17**	**($285)**	**$110**	**$117**	**($15)**
Beginning Fund Balance	**$1,653**	**$1,670**	**$1,385**	**$1,495**	**$1,612**
Ending Fund Balance	**$1,670**	**$1,385**	**$1,495**	**$1,612**	**$1,596**
	FY2019	**FY2020**	**FY2021**	**FY2022**	**FY2023**
Taxable Value ($millions)	**$5,787.4**	**$6,018.9**	**$6,259.7**	**$6,510.1**	**$6,770.5**
Debt Service Tax Rate	**$0.052500**	**$0.055000**	**$0.060000**	**$0.065000**	**$0.070000**
Property Tax Growth	**1.8%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Investment Pool Earnings Rate	**1.5%**	**2.1%**	**2.6%**	**2.8%**	**2.8%**
General Fund Transfer to Infrastructure & Debt Service Fund	**$3,900.0**	**$4,629.2**	**$4,629.2**	**$4,774.6**	**$4,629.2**
Percent I&DS Fund transferred to Debt Service Fund	**55.0%**	**60.0%**	**55.0%**	**55.0%**	**50.0%**
Future Bond Issue ($000's) NOTE	**$20,000**	**$17,000**	**$0**	**$8,000**	**$8,000**
Outstanding Principal ($000's) FY End	**$47,903**	**$60,939**	**$57,042**	**$60,782**	**$64,329**

The Property Tax roll, and the distribution of revenue from that roll, is presented on the opposite page. The net levy retained by the City is equivalent to what is actually a part of the FY 2019 Budget. This amount excludes TIRZ incremental value as well as the portion of the levy that is not collectible because it is frozen. This reduces the city's taxable value from $6.3 billion to $5.8 billion.

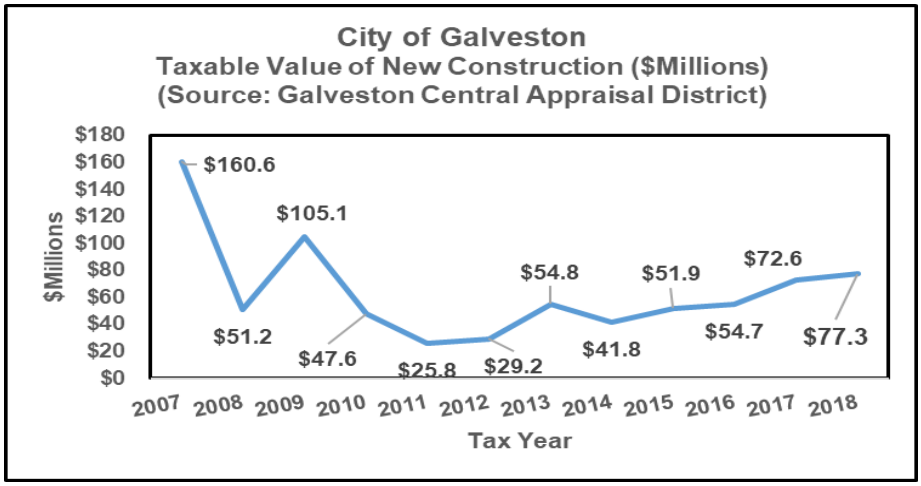
As taxes are collected, the net levy is then distributed among the General, Library and Debt Service Funds. This allocation ensures that principal amounts paid on current or prior years' taxes are shared based on the tax rate for each respective tax/fiscal year. All penalties and interest collected on delinquent taxes are deposited in the General Fund. Total Tax Year 2018/Fiscal Year 2019 collections, including current and delinquent taxes, as well as penalties and interest, are projected to equal 100.4 percent of the net current tax levy.

CITY OF GALVESTON PROPERTY TAX LEVIES AND COLLECTIONS
TAX YEARS 2014-2018 AND FISCAL YEARS 2015-2019

DESCRIPTION	FY15 ACTUAL	FY16 ACTUAL	FY17 ACTUAL	FY18 BUDGETED	FY18 ESTIMATED	FY19 ADOPTED
NET PROPERTY TAX LEVY						
Total Taxable Value ($millions)	$4,755.6	$5,297.6	$5,845.5	$6,201.3	$6,173.1	$6,323.9
Less TIRZ	($380.6)	($247.4)	($300.8)	($309.0)	($304.9)	($321.3)
Less 60% MUD Value	($35.5)	($49.0)	($57.7)	($55.3)	($62.9)	($64.7)
Net Taxable Value	$4,339.5	$5,001.2	$5,487.1	$5,837.0	$5,805.3	$5,937.9
Times Tax Rate per $100 of Taxable Value	$0.533890	$0.529000	$0.526000	$0.561000	$0.561000	$0.561000
Total Tax Levy ($Thousands Revenue)	**$25,389.7**	**$28,024.3**	**$30,747.5**	**$34,789.1**	**$34,631.1**	**$35,477.1**
Less: Freeze Acct Total Value Revenue Equivalent (Over 65 and Disabled)	($2,118.7)	($2,344.1)	($2,658.9)	($3,432.2)	($3,420.1)	($3,810.9)
Plus: Freeze Acct collectible Revenue (Over 65 & Disabled)	$1,825.3	$1,907.4	$2,019.2	$2,413.4	$2,377.1	$2,603.5
Less: Taxes Lost to Tax Freeze	**($293.4)**	**($436.7)**	**($639.8)**	**($1,018.8)**	**($1,043.0)**	**($1,207.4)**
Net Current Year Tax Levy ($000's Revenue)	**$25,096.3**	**$27,587.6**	**$30,107.7**	**$33,770.3**	**$33,588.1**	**$34,269.7**
Effective Taxable Value	**$4,700.6**	**$5,215.0**	**$5,723.9**	**$6,019.7**	**$5,987.2**	**$6,108.7**
Less TIRZ Incremental Values	**($380.6)**	**($247.4)**	**($300.8)**	**($309.0)**	**($304.9)**	**($321.3)**
Effective Taxable Value Retained by City	**$4,320.0**	**$4,967.6**	**$5,423.1**	**$5,710.7**	**$5,682.3**	**$5,787.4**
DISTRIBUTION OF NET LEVY ($THOUSANDS)						
Net Current Year Levy ($000's)	$25,096.3	$27,587.6	$30,107.7	$33,770.3	$33,588.1	$34,269.7
Less TIRZ Increment	**($2,032.0)**	**($1,308.7)**	**($1,581.9)**	**($1,733.5)**	**($1,710.5)**	**($1,802.5)**
Net Current Year Levy Retained by the City	$23,064.3	$26,278.9	$28,525.8	$32,036.8	$31,877.6	$32,467.2
General Fund Share (including MUD 30) of NCL	$18,860.4	$21,557.1	$23,917.4	$25,184.2	$25,058.9	$26,535.2
Debt Service Share of NCL	$2,043.6	$2,237.7	$1,896.7	$3,997.5	$3,977.6	$3,038.4
Library Fund Share of NCL	$2,160.0	$2,483.8	$2,711.6	$2,855.4	$2,841.1	$2,893.7
Net Current Year Levy Retained by the City	**$23,064.0**	**$26,278.6**	**$28,525.7**	**$32,037.1**	**$31,877.6**	**$32,467.3**
COLLECTION OF TAXES ($THOUSANDS)						
Estimated/Actual Collections	**FY15 ACTUAL**	**FY16 ACTUAL**	**FY17 ACTUAL**	**FY18 BUDGETED**	**FY18 ESTIMATED**	**FY19 PROPOSED**
General Fund Net Current Levy Total	$20,466.1	$22,439.1	$24,954.1	$26,648.5	$26,333.1	$27,856.0
General Fund Delinquent Taxes	$337.8	$358.9	$289.6	$330.0	$330.0	$345.0
General Fund Penalty & Interest	$339.3	$312.1	$304.0	$315.0	$315.0	$315.0
Less TIRZ Increment	($1,945.9)	($1,308.1)	($1,487.3)	($1,733.5)	($1,710.5)	($1,802.5)
Less MUD 30 Rebate	($186.2)	($258.0)	($297.0)	($310.2)	($353.1)	($363.2)
General Fund Total	**$19,011.1**	**$21,544.0**	**$23,763.4**	**$25,249.8**	**$24,914.5**	**$26,350.3**
Debt Service Net Current Levy Total	$2,006.4	$2,193.1	$1,865.4	$3,957.5	$3,912.8	$2,986.7
Debt Service Delinquent Taxes	$39.1	$37.2	$30.6	$40.0	$35.0	$35.0
Debt Service Fund Total	**$2,045.5**	**$2,230.3**	**$1,896.0**	**$3,997.5**	**$3,947.8**	**$3,021.7**
Library Net Current Levy Total	$2,121.0	$2,436.8	$2,665.0	$2,826.8	$2,794.8	$2,844.5
Library Delinquent Taxes	$37.7	$41.3	$33.0	$26.3	$30.0	$30.0
Library Fund Total	**$2,158.7**	**$2,478.1**	**$2,698.0**	**$2,853.1**	**$2,824.8**	**$2,874.5**
GRAND TOTAL COLLECTIONS	**$23,215.3**	**$26,252.4**	**$28,357.4**	**$32,100.4**	**$31,687.1**	**$32,246.5**
Estimated Current Collection Rate (of NCL)	**98.0%**	**98.1%**	**97.9%**	**99.0%**	**98.4%**	**98.3%**
Estimated Total Collection Rate (of NCL)	**101.0%**	**100.8%**	**100.1%**	**101.1%**	**100.5%**	**100.4%**
Tax Rate						
General Fund Operations and Maintenance	$0.436584	$0.433955	$0.441025	$0.441000	$0.441000	$0.458500
Debt Service Fund Interest and Sinking	$0.047306	$0.045045	$0.034975	$0.070000	$0.070000	**$0.052500**
Library Fund	$0.050000	$0.050000	$0.050000	$0.050000	$0.050000	$0.050000
Total Rate	**$0.533890**	**$0.529000**	**$0.526000**	**$0.561000**	**$0.561000**	**$0.561000**
	ACTUAL	**ACTUAL**	**ACTUAL**	**BUDGET**	**ESTIMATE**	**ESTIMATE**
Estimated Current Taxes Collection rate	**98.00%**	**98.10%**	**97.90%**	**99.00%**	**98.37%**	**98.30%**
TOTAL COLLECTIONS	**$25,347.4**	**$27,818.5**	**$30,141.7**	**$34,144.1**	**$33,750.7**	**$34,412.2**

The $5.7 billion net levy results in an estimated $32,096,100 in collections for FY 2018, an increase of $3,429,900 over the estimated collections for FY 2017, $28,666,200. This increase is the focus of the

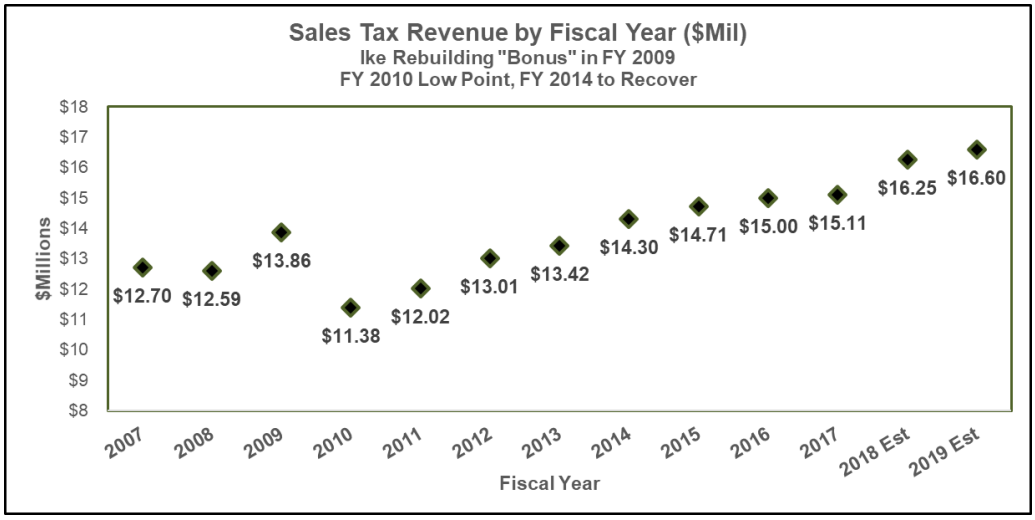
language that appears on the front page of this budget as well as the public hearing notice for the budget.



New construction has been fairly consistent since Tax Year 2013, comprising approximately one percent of the increase in the overall tax roll. This year's increase, $77.3 million, is responsible for $443,900 of the $559,600 in the net growth in property tax revenue available to the city.

Sales Tax

This is the third largest city revenue source, and is the most sensitive to regional and local economic trends. The total two percent tax includes three components. The basic city sales tax is one percent. A second component is a half percent tax for property tax reduction purposes. The third component goes to the Industrial Development Corporation for purposes of economic development defined by the voters in 2009. The numbers shown here do not include the IDC sales tax portion, but only the city's one and one half percent tax that is deposited in the General Fund.



Two collections peculiarities are important in understanding the sales tax. First, taxes are received on a forty day delay. They are collected by merchants one month, paid into the State Comptroller the next month, and forwarded to the City the second week of the month after that. Year to date revenue

received by the City through July includes May sales. Second, the city collects the combined 8.25 percent in sales taxes on its garbage service as required by State sales tax law. The City reports this to the Comptroller, but is allowed to retain the local two percent local share for efficiency.

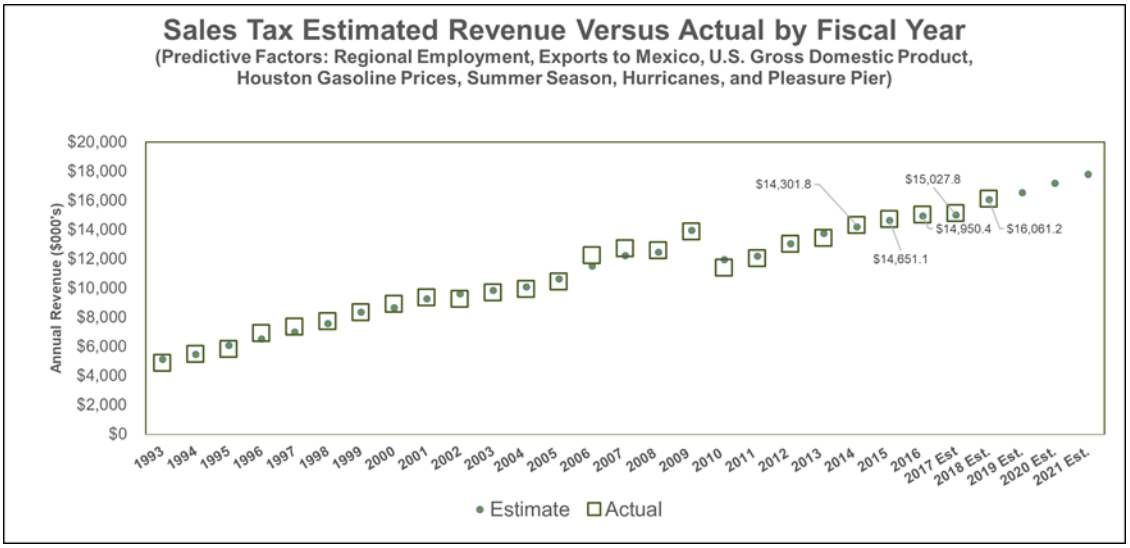
The FY 2018 estimate of $16.25 million is based on trend analysis and a statistical model. Actual taxes are tracked monthly and compared with prior year's trends to project a low, average and high projection or the current fiscal year. Through May sales (July cash received), on average, the year to date total of $13.12 million should equate to 60.83 percent of the final amount for FY 2017 or $16.17 million. Local sales taxes retained on the city's garbage service adds another $90,000 to this amount for the $16.25 million estimate.

The FY 2019 estimate of $16.6 million is based on economic assumptions discussed in the "Economic Overview" section and the sales tax model. The sales tax model is a tool that explaining the economic impact on sales tax revenue through a regression model using sales tax revenue received from the State Comptroller and economic data from FY 1992 until now. Testing shows that 98.5 percent of the change in Galveston sales tax revenue is explained by the following combination variables adjusted as described.

- Houston Metro Area Employment – This is the total jobs for the area as reported by the Bureau of Labor Statistics (BLS) and adjusted by Dr. Ron Welch for local municipalities. The model utilizes the current quarter of this data series. Fully 89 percent of the variation in quarterly sales tax revenue is explained by this single economic variable.
- Houston Metro Area Gasoline Price Index – This statistical series is also maintained by the BLS as a component of the Consumer Price Index for the Houston metro area. It is lagged one quarter in the statistical model and it drives sales tax revenue higher with higher gasoline prices.
- 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 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 venue opened.

Projected sale tax revenue for the forecast period is based on economic growth at slightly higher rates than seen in the last three years based largely on the improvement in regional employment growth forecasted by Dr. Gilmer of the University of Houston. Consensus national forecasts for GDP are the basis for the assumptions in this regard.

The green dots in the graph below represent the model's estimated amount for each fiscal year while the squares represent the actual amount received for that fiscal year.



City Service Fees

The fourth largest category of city revenue is estimated to provide $13.33 million in FY 2018 and $13.67 million in FY 2019, which is a 2.4 percent increase or $333,000. City service fees includes a combination of fees charged by the City for users of specific services including:

1. Monthly sanitation and drainage fees (one percent assumed growth) billed and collected through each water bill;
2. Building permits and business licenses deposited in the General Fund (two percent assumed growth);
3. Airport rentals and services for air industry clientele (3.6 percent growth);
4. Water and sewer special service charges, including connection fees, liquid waste haulers (one percent assumed growth) and late payment penalties ($130,000 increase); and
5. Dedicated fees deposited and budgeted in Special Revenue funds, including parking fees, alarm permits and pool fees (no growth).

Franchise and Other Taxes

This fifth largest category of revenues is almost all budgeted and deposited in the General Fund. This includes electricity, telephone, cable television, natural gas and solid waste hauler franchise tax revenues. Also included is receipts from the mixed beverage tax. This category is assumed to show a slight decline of 0.5 percent or $35,000. This is largely due to declines in electricity (-$50,000) and telephone (-$8,000) franchise tax offset by increases in mixed beverage taxes ($24,100).

Franchise and other tax revenue reflect a pattern of growth similar to that for property and sales taxes. The Island economy suffered a setback from the combined effect of Hurricane Ike and the national recession in FY 2009 and 2010. After that, when the Island was built back to pre-storm standards, utility usage recovered resulting in steady growth in franchise revenue. The mixed drink tax was expanded in 2014 to include a sales tax which resulted in a one-year growth of $181,000 for Galveston. As tourism has flourished in the last few years, mixed beverage revenue have grown faster (4 to 7 percent per year) than have franchise taxes (1 to 3 percent annually).

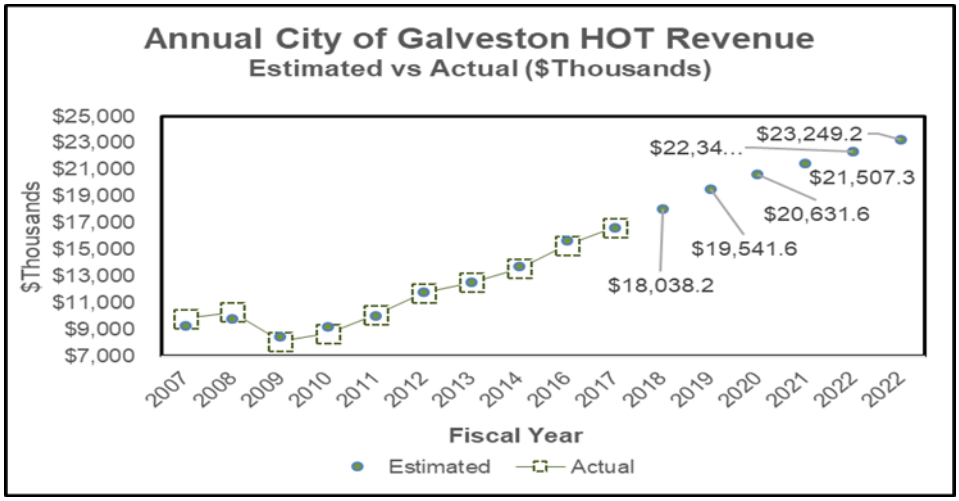
Hotel Occupancy Taxes

The City budget includes a relatively small portion of the total Hotel Occupancy Tax revenue received by the City of Galveston as a whole. Hotel guests in Galveston pay a nine percent local occupancy tax and a two percent state tax as a portion for their hotel bills. Revenue from the taxes are then returned to the City. Receipts are allocated and shared between the Park Board, the Convention and Visitors' Bureau, the Convention Center operator and the City. The amount shown in the city budget is from two sources: the Convention Center Surplus Fund and the Historic Buildings Fund, both of which are special revenue funds.

The complete hotel occupancy tax cash flow is shown in the chart on the next page. The chart shows the dedicated allocations to each of the aforementioned parties. In turn, they each have their own resources in addition to the Hotel Occupancy Tax. The FY 2018 Park Board draft budget includes $12 million in estimated hotel taxes, $5.1 million in admissions revenue, and $9.6 million in other revenues for a total budget of $26.4 million. The City's share of hotel taxes adds up to an even smaller portion of the total city budget than does the Park Board.

The Hotel Occupancy Tax revenue estimates in the chart are based on the model developed for this purpose. As is the case with Sales Tax revenue, the model helps to explain 95.8 percent of the variation of HOT revenue on a quarterly basis. The economic variables used in the HOT model include Real U.S. Gross Domestic Product (which serves to capture the overall health of the national economy and its effect on the tourism industry), as well as data series that capture the effect of the Pleasure Pier and Summer Season. Fiscal Year 2016 HOT revenue flattened out exceeding the previous year by only $20,000, but in FY 2017, HOT revenue returned to form.

The City's FY 2016 tax total was somewhat higher ($3.5 million) due to a one-time adjustment to place HOT receipts on an accrual basis, adding $1 million to the FY 2016 total. The FY 2018 Estimate of total HOT revenue is $18.04 million and the FY 2019 estimate is $19.54 million.



The total HOT revenue forecasted using the model is allocated according to a strict formula that results in the City receiving its "trickle down" allocation $2.3 million in FY 2018 and $2.6 million in FY 2019. In addition the City will receive $251,000 in FY 2018 and $271,000 in FY 2019 for its historic preservation Special Fund. The "trickle down" amount is calculated after all of the other uses shown in the chart below.

LONG RANGE FINANCIAL FORECAST
HOTEL OCCUPANCY TAX PROJECTIONS
FY 2019-2023, ($000'S)

Category	FY 2018 Estimate	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
SOURCES						
Local Hotel Occupancy Taxes	$18,038	$19,542	$20,632	$21,507	$22,344	$23,249
State Hotel Occupancy Taxes (Local Share)	$3,570	$3,863	$4,184	$4,418	$4,604	$4,784
TOTAL SOURCES	**$21,608**	**$23,405**	**$24,816**	**$25,925**	**$26,948**	**$28,033**
USES						
Park Board						
Advertising (1)	$6,013	$6,514	$6,877	$7,169	$7,448	$7,750
Beach Maint/Patrol (2)	$5,867	$6,355	$6,710	$6,994	$7,267	$7,563
Subtotal Parks Board	**$13,174**	**$14,065**	**$14,905**	**$15,694**	**$16,483**	**$16,483**
Convention Center						
Convention Center Operations (3)	$480	$480	$480	$480	$480	$480
CC Operator and Developer Fees (4)	$125	$125	$125	$125	$125	$125
CC Capital Improvements(5)	***$922***	***$1,060***	***$1,090***	***$1,000***	***$900***	***$1,050***
CC Budget for Arts (6)	$251	$271	$287	$299	$310	$323
CC Surplus Allocation (7)	$2,411	$2,697	$2,927	$3,108	$3,295	$3,496
Subtotal CC Operator	**$4,189**	**$4,633**	**$4,909**	**$5,012**	**$5,110**	**$5,474**
City						
Arts Council (8)	$1,503	$1,628	$1,719	$1,792	$1,862	$1,937
Transfer to Historical Bldgs Special Fund (9)	***$251***	***$271***	$287	$299	$310	$323
CC HOT Debt Service (10)	$1,768	$1,788	$1,811	$1,837	$1,866	$1,886
City Surplus Allocation (11)	***$2,311***	***$2,597***	$2,827	$3,008	$3,195	$3,396
Subtotal City	**$4,330**	**$4,656**	**$4,925**	**$5,144**	**$5,371**	**$5,605**
TOTAL USES	**$21,567**	**$23,026**	**$24,399**	**$25,690**	**$26,983**	**$26,983**
HOT Growth Assumption	8.2%	8.3%	5.6%	4.2%	3.9%	4.1%
City Surplus Allocation Growth Percentage	4.5%	12.4%	8.9%	6.4%	6.2%	6.3%
HOT Allocation to Convention Center M&O and Debt Service	**$7,407**	**$8,017**	**$8,685**	**$9,169**	**$9,559**	**$9,931**

Notes:
(1) Equal to 3% of the 9% local tax.
(2) Equal to 1% of the 9% local tax and includes the State tax allocation to the City (2% of the 6% total).
(3) Monthly transfer in the aggregate amount of $40k. (distributed from 4% referenced in #9)
(4) Annual allocation to developer. (distibuted from 4% referenced in #9)
(5) Convention Center Capital Improvements paid by operator and reimbursed from reserves that are then replenished with current year HOT revenue.
(6) Equal to 0.125% of the 9% local tax.
(7) Unexpended balance comprises the majority of the surplus.
(8) Equal to 0.75% of the 9% local tax.
(9) Equal to 0.125% of the 9% local tax.
(10) Bond covenant allocates 4% of the 9% to Debt Service and related reserves. (See last line of chart above.) Debt
(11) Unexpended balance comprises the majority of the surplus.

Transit Grants and Fees

The City experienced population loss precipitated by Hurricane Ike which was published in the 2010 Census. Subsequently Island Transit grants and fees were reduced as a direct result of the City having dropped under 50,000 population. During FY 2018, the City successfully lobbied the U.S. Congress and got the City's urban mass transit system status restored. This coincided with a concerted effort to discontinue undersubscribed transit routes and services, which reduced costs considerably. While FY 2019 will see an increase in transit grant revenue of $400,000, revenue from the discontinuation of the Victory Lakes service (-$511,000), and the reduction in the state's grant to the city for transit (-$323,000) offset the aforementioned gains and result in a net loss of revenue in this category (-$441,000).

Other Revenue and Sources

This category includes certain late payment penalties; operating expense grant reimbursements; federal drug forfeitures; IDC sales tax revenue used for Lasker Park pool operations, as well as administrative, planning and project management; in addition to truly non-recurring revenue or revenue classified as "other." The total for this category is expected to decrease in FY 2019 by $403,000 because of non-recurring revenue received in FY 2018 for Harvey damage ($200,000) and conservative estimates for unexpected recoveries ($203,000). Should the City begin to recover its Harvey costs from FEMA, this area of decline can be quickly turned into an increase.

Court Fines

Court fines include Class "C" misdemeanor fines and fees paid through the City's Municipal Court operation. Also included are parking fines collected for infractions that are ticketed across the city. The City retains approximately 70 percent of court fines collected, paying the balance over to the State of Texas. This category is budgeted to show no growth in FY 2019 over FY 2018.

Investment Earnings

Investment earnings in the operating funds are picking up slightly as we replace government securities with rates under one percent with securities earning over as much as two percent. It is possible that earnings could grow much more significantly in FY 2019 than the $42,000 indicated. Again, conservatism is driving our FY 2019 projection because of market uncertainty. Interest earned on capital construction funds are recorded to the credit of each capital construction fund, including all of the bond funds and the improvement funds derived from deposits of operating cash from the operating budget.

FY 2019 ADOPTED BUDGET
CITYWIDE EXPENDITURE SUMMARY

Overview

The City Budget is structured to provide for revenue collected by and expended through each of a number of funds. This presentation is intended to present the city's operating revenues as though there was only one fund. This is accomplished by leaving out transfers shown as revenue (transfers to one fund from another) between city operating funds.

CITYWIDE EXPENDITURES BY CATEGORY ($000's)

Cost Category	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimated	FY 2019 Adopted	FY19 +/- FY18 Bud	FY19 +/- FY Est
Personnel	$52,481	$56,009	$60,781	$59,852	$64,039	$3,258	$4,187
Debt Service	$6,828	$7,638	$10,743	$10,743	$12,431	$1,688	$1,688
Water Supply	$10,368	$10,674	$11,493	$10,741	$11,376	($117)	$635
Vehicles and Major Technology	$2,687	$3,594	$5,819	$5,080	$6,036	$217	$956
Disaster Recovery (Reimbursable)	$0	$0	$2,792	$194	$2,511	($281)	$2,317
Pay as you go Construction	$4,654	$4,174	$7,569	$3,224	$7,208	($361)	$3,984
Property Taxes forwarded to Rosenberg Library	$2,478	$2,698	$2,854	$2,825	$2,875	$21	$50
Property Taxes paid to TIRZ's and MUD 30	$1,742	$1,784	$2,041	$2,064	$2,166	$125	$102
Contractual Services	$9,438	$8,604	$12,055	$10,534	$11,518	($537)	$984
Supplies	$4,702	$5,669	$6,932	$6,356	$6,952	$20	$596
Utilities	$3,306	$2,430	$3,403	$3,087	$3,240	($163)	$153
Insurance	$1,670	$2,015	$2,516	$2,474	$2,464	($52)	($10)
Other Charges and Special Events	$830	$609	$732	$724	$737	$5	$13
Total	**$101,184**	**$105,898**	**$129,730**	**$117,898**	**$133,553**	**$3,823**	**$15,655**

These amounts include special funds which contain significant fund balances that can only be spent for specific legally defined purposes, and remain in the appropriate fund until they are expended. As such, the special funds carry significant unspent fund balances from one year to the next. In turn, the entire balance of each of these funds is typically budgeted as some form of capital reserve so as to make it available during the year. This makes it appear as though spending is increasing markedly over the prior year's estimate. Compared with the prior year's budget, the increase is not so significant.

The FY 2019 Adopted Budget is $3.8 million more than last year's budget. Increases in the personnel budget ($3.25 million) and debt service budget ($1.7 million) are offset by a net reduction in the budget of $1.1 million across the remaining categories of spending.

Personnel

The FY 2019 Adopted Budget increase of $3.25 million over last year's budget is explained by the following changes.

1. Collective Bargaining Agreement compensation adjustments totaling $540,400 with $333,500 for police and $206,900 for fire, including fringe benefit impacts;
2. Two percent increases for other staff citywide ($663,000);
3. Increased contributions to the Fire ($230,000) and Police ($230,000) pension funds totaling $460,000;
4. Budget for six additional police officers added through the COPS grant and reimbursable (approximately $500,000 including fringe benefits);
5. Six additional civilian positions net growth across the city ($600,000);
6. Market based pay adjustments for approximately sixty staff totaling $256,000; and
7. Various adjustments across the city (approximately $238,000).

BUDGETED POSITIONS
FY 2015 - FY 2019

FUND/DPARTMENT	2015	2016	2017	2018	2019	Diff.
General Fund						
City Secretary	3.00	4.00	4.00	4.00	4.00	0.00
Municipal Court	8.00	8.00	8.00	8.00	8.00	0.00
City Manager	4.40	5.50	5.50	4.50	3.00	(1.50)
City Auditor	2.00	2.00	2.00	2.00	2.00	0.00
City Attorney	6.00	7.00	7.00	7.00	7.00	0.00
Human resources	3.30	4.30	4.78	5.30	5.30	0.00
Finance	15.75	18.50	18.50	18.00	17.00	(1.00)
Police (Unclassified)	37.25	38.25	38.25	41.25	41.25	0.00
Police (Classified)	146.00	146.00	152.00	162.00	168.00	6.00
Fire (Unclassified)	4.00	4.00	4.00	4.00	4.00	0.00
Fire (Classified)	112.00	115.00	116.00	115.00	116.00	1.00
Emergency Management	2.00	2.00	2.00	2.00	1.00	(1.00)
City Marshal	0.00	0.50	0.50	0.50	0.50	0.00
Streets & Traffic	41.75	46.25	50.25	57.55	61.05	3.50
Parks and Recreation	34.00	36.00	39.00	39.50	41.50	2.00
Developmental Services	23.05	22.00	21.03	24.20	25.20	1.00
Total General Fund	**442.50**	**459.30**	**472.80**	**495.00**	**504.80**	**10.000**
Waterworks Fund	40.63	42.56	44.79	44.48	43.88	(0.60)
Sanitary Sewer System Fund	84.13	88.56	87.54	88.48	87.88	(0.60)
Drainage Utility	35.20	27.80	33.00	36.60	36.35	(0.25)
Sanitation Fund	48.30	58.38	58.60	58.60	58.60	0.00
Municipal Airport	8.00	8.00	8.00	8.00	8.00	0.00
Total Enterprise Funds	**216.25**	**225.30**	**231.93**	**236.00**	**234.70**	**(1.45)**
Central Service Fund	15.00	14.00	16.00	22.00	24.00	2.00
Central Garage Fund	22.00	22.00	22.00	22.00	22.00	0.00
Municipal Insurance Fund	1.71	1.71	1.71	1.71	1.70	(0.01)
Project Management	5.00	5.50	14.00	17.00	17.25	0.25
Total Internal Service Funds	**43.71**	**43.21**	**53.71**	**63.00**	**64.95**	**2.25**
Island Transit	57.00	58.00	58.00	57.00	53.00	(4.00)
Parking Management	4.00	3.50	3.50	4.50	4.50	0.00
Lasker Park Pool	0.00	0.00	1.50	1.50	3.50	2.00
Alarm Permit	0.75	0.75	0.75	0.75	0.75	0.00
Total Special Revenue Funds	**61.75**	**62.25**	**63.75**	**63.75**	**61.75**	**(2.00)**
Total All Budgeted positions	**764.00**	**790.00**	**822.00**	**858.00**	**866.00**	**8.79**
GRANT FUNDED POSITIONS						
Recurring Grant Funded Positions	**2015**	**2016**	**2017**	**2018**	**2019**	**Diff.**
CDBG - Parks and Recreation	1.00	0.00	0.00	0.00	0.00	0.00
CDBG - Code Enforcement	3.95	2.88	2.85	1.45	2.80	1.35
CDBG - Program Management	3.70	3.30	3.30	3.30	3.30	0.00
CDBG - Housing Rehab Administration	0.60	0.70	0.70	0.70	0.70	0.00
Industrial Development Corporation (IDC) - City Mgr	1.00	2.00	2.00	0.00	0.00	0.00
IDC - Parks	0.00	0.00	0.00	2.00	2.00	0.00
IDC - Finance	0.50	0.00	0.00	0.00	0.00	0.00
IDC - Coastal Resources	0.00	1.00	1.00	1.00	2.00	1.00
IDC - Economic Development Coordinator	0.00	0.00	0.00	0.00	1.00	1.00
IDC - Technology Services	0.00	0.00	0.00	1.00	1.00	0.00
IDC - Project Management	0.00	2.00	0.00	1.00	1.00	0.00
Island Transit - Finance	0.25	0.00	0.00	0.00	0.00	0.00
Total Recurring Grant Positions	**11.00**	**11.88**	**9.85**	**10.45**	**13.80**	**3.35**
Non-Recurring Grant Funded Positions	**2015**	**2016**	**2017**	**2018**	**2019**	**Diff.**
CDBG Recovery - City Manager	0.10	0.00	0.00	0.00	0.00	0.00
CDBG-R Disaster Recovery Program Management	1.20	0.00	0.00	0.00	0.00	0.00
FEMA - Finance	0.50	0.00	0.00	0.00	0.00	0.00
Total Non-Recurring Grant Positions	**1.80**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
TOTAL BUDGETED AND GRANT FUNDED POSITIONS	**777.00**	**802.00**	**832.00**	**868.00**	**880.00**	**12.00**

Debt Service
Debt Service is expected to be $1.69 million higher in FY 2019 than in last year's budget as the result of a new General Obligation Bond sale ($1.5 million in debt service), a water and sewer bond sale in spring 2019 ($578,000), and reduced payments for existing bonds ($391,000 less).

Water Supply
The City of Galveston gets its potable water from the Gulf Coast Water Authority under a contract that covers operation of water purification facilities, maintenance of water supply and transmission lines, as well as water system projects that are constructed by GCWA and finance through the GCWA in the name of the City. This is the third largest category of cost in the FY 2018 Budget at $11.4 million. In spite of the fact that GCWA's costs are increasing over the current year's actual rates by $635,000, the FY 2019 Adopted Budget is $117,000 less than the FY 2018 Budget as the result of savings realized from the water lien leak that was found and stopped last November.

Investment and Spending on Capital Goods
Three categories of spending represent major investments of operating revenues in capital goods and fixed assets: Vehicles and Major Technology, Disaster Recovery (which is ultimately reimbursable from FEMA), and Pays as you go (PAYGO) capital construction projects. The FY 2019 Adopted Budget includes $425,000 less for this combined group of spending categories than last year. Specific vehicle are listed in each operating fund and department's spending highlights.

Property Tax Revenue Passed Through to Others
Property taxes collected by the City as a part of its $0.561 per $100 of taxable value include a total of $5 million for the Rosenberg Library, Tax Increment Reinvestment Zones, and MUD 30. The Library uses the property tax funding for its operating budget, which has a sizable ending balance.

Non-Personnel Budget Items
Services and supplies categories add up to $24.9 million, including contractual services, supplies, insurance and other charges and special events. Combined, these non-personnel operating budget items are $727,000 less than in the FY 2018 Budget. Areas with increasing budgets include:

1. Software maintenance and licensing ($647,000);
2. Vehicle fuel ($146,000);
3. Minor office equipment ($158,600); and
4. Landscaping services ($158,400).

Significant reductions in spending include the following items:

1. Workers' Compensation ($180,000 less);
2. Travel and training ($69,700 less);
3. Building repairs (excluding Harvey related projects - $778,000 less);
4. Refuse disposal ($129,000);
5. Consultant services ($191,700 less);
6. Electricity ($232,700 less); and
7. Minor equipment ($146,900 less).

FY 2019 ADOPTED BUDGET
FINANCIAL AND BUDGET POLICY OVERVIEW

Overview

The City of Galveston's budget and financial management is subject to several authoritative sources that govern the preparation, submission, review, adoption and administration of the Budget. The City Charter, Budget Ordinance, the State Budget Law and the State Property Tax Code comprise a significant body of financial and budgetary requirements, the most significant of which are summarized here.

Budget Preparation Process and Criteria

1. The City Manager is the city's budget officer (Chapter 102.001, Texas Local Government Code). The City Manager requires that information be provided by City officials, departments and boards for use in preparing the budget. (Chapter 102.004, Texas Local Government Code).
2. The proposed budget must include a complete financial statement of the municipality that includes outstanding obligations, cash on hand, all sources of anticipated revenue as well as all expenditures for the prior, current and future year (Chapter 102.005, Texas Local Government Code).
3. The proposed budget must include a one year Capital Budget and a five year Capital Improvement Plan with expenditure estimates for each project and a plan for their financing (City Charter, Article VII Section 6).
4. The General Fund must have a fund balance budgeted to equal at least ninety days of operating cost as of the end of the fiscal year (City Ordinance).
5. The General Fund budget must also include an annual transfer of up to eight percent as defined in the Charter to the Infrastructure and Debt Service Fund for purposes of funding projects at least $100,000 in amount (City Charter, Article VII Section 20).
6. The property tax rate is capped at $0.70 per $100 of taxable value less the adjustment made each tax and fiscal year for the effect of the half cent sales tax that is dedicated to property tax reduction. For FY 2019, this adjustment is $0.0977, making the FY 2019 rate cap $0.6023 per $100 of taxable value (City Charter, Article VIII, Section 2(b)).
7. No general obligation debt limitation is imposed on the City under current State law or the city's Home Rule Charter; however, State law and the City's Charter limit the City's ad valorem tax rate as described above.

Budget Submission and Review

1. The Manager submits the proposed budget to the City Council at least forty five days prior to the start of the fiscal year on October 1 (City Charter, Article VII Section 6).
2. The Council shall not approve a budget that is more than seven percent greater than the prior year's budget, excluding unspent funds already considered in a prior year (Article VII Section 19).
3. The Council shall call a public hearing on the budget to occur at least fifteen days after the budget is submitted, and publicize the meeting with a newspaper advertisement that

appears at least ten days before the date of the hearing (Chapter 102.005 and 102.0065, Texas Local Government Code).

4. The front page of the budget and the newspaper advertisement publicizing the public hearing required for the budget will have language describing and explaining in specific terms how any increase in property taxes is allocated between increased appraisal values provided by the Galveston County Appraisal District and the added value of new construction (Chapter 102.0065 and 102.007, Texas Local Government Code).

Budget Adoption

1. The City Council shall adopt the budget no later than the second or last meeting in September or it will take effect in its then current proposed form (City Charter, Article VII Section 8).
2. The budget is adopted before the property tax rate is adopted by City Council to ensure that the tax levy is in accordance with the budget (Chapter 102.009, Texas Local Government Code).
3. Once adopted, the budget can be amended with approval of the City Council to move funds from one department to another (City Charter, Article VII Section 9) to meet either general municipal purposes (Chapter 102.010, Texas Local Government Code) or unforeseen emergencies (Chapter 102.009, Texas Local Government Code).

Budget Administration

1. No funds shall be expended nor any obligation be incurred unless funds are available in the budget (City Charter, Article VII, Section 9).
2. Any unencumbered balance of budgeted or appropriated funds reverts to and remains in the fund from which it is appropriated (City Charter, Article VII, Section 9).
3. Budgeted beginning operating and capital fund balances are replaced automatically by the actual ending fund balances reflected in the Comprehensive Annual Financial Report once they become know (Budget Ordinance Section 4).
4. The City Manager is authorized to approve budget transfers within each department and fund approved budget (Budget Ordinance Section 3(b)).
5. The Capital Budget is amended only to recognize the addition or deletion or rescheduling of projects to a later year (Budget Ordinance Section 5(c)).
6. The Finance Director is authorized to close capital funds with balances less than $15,000 by charging expenses in accordance with legally restricted uses of funds and prior Council approval of the project charges in question (Budget Ordinance Section5(f)).
7. Quarterly reports are filed to provide the financial and general status of all projects in the adopted capital budget (Budget Ordinance Section 5(b)).
8. Quarterly reports are also filed with City Council for all operating funds in conjunction with the aforementioned project status reports to project year ending revenue, expenditure and balance amounts (Financial Policy).
9. Only City Council can approve an allocation of the General Fund Contingency and then, only after first holding a public hearing on the proposed allocation.

Charter Budget Growth Limit Compliance Page
Comparative Summary of Expenditures
Total Operating Budget
(Modified Accrual)

Fund	Modified Accrual Budget 2018	Capital Improvement Funds previously appropriated in prior fiscal years	Modified Accrual Budget 2019	Modified Accrual Budget with Capital 2019
General Fund	$53,224,675	$0	$54,352,773	$54,352,773
Special Revenue Funds:				
Rosenberg Library	2,853,700	0	2,874,500	2,874,500
Seawall Parking	1,406,904	1,406,904	51,857	1,458,761
Convention Center Surplus	3,731,719	1,899,992	1,884,736	3,784,728
HOT 1/8 Historical Buildings	982,784	0	1,215,476	1,215,476
Council Projects and Initiatives Program	1,810,323	1,810,323	(1,057,160)	753,163
Infrastructure Fund	7,731,638	7,731,638	(57,018)	7,674,620
Separation Pay Fund	474,360	0	474,360	474,360
PEG Fund	848,228	833,228	208,010	1,041,238
Parking Management Fund	1,026,179	0	1,252,553	1,252,553
Lasker Pool Fund	684,035	0	716,216	716,216
Pension Reform Fund	2,630,194	0	1,003,173	1,003,173
Revenue Producing Parks	142,278	0	241,330	241,330
D.E.A. Asset Forfeiture Fund	247,749	0	135,037	135,037
Police Special Revenue Fund	97,643	0	118,743	118,743
Police Quartermaster Fund	86,660	0	91,010	91,010
Alarm Permit Fund	151,787	0	118,746	118,746
Fire Special Revenue Fund	54,002	0	45,046	45,046
Municipal Court Building Security Fund	74,725	0	49,410	49,410
Court Technology Fund	116,667	0	137,709	137,709
Juvenile Services Fund	161,854	0	179,610	179,610
Recovery and Capital Reserve Fund	4,964,810	3,984,810	1,082,169	5,066,979
Technology Improvement Fund	968,091	968,091	318,347	1,286,438
Total	31,246,330	18,634,986	11,083,859	29,718,845
Debt Service Fund	4,062,459	0	5,192,812	5,192,812
Enterprise Funds:				
Waterworks	22,587,260	0	22,970,138	22,970,138
Sewer	15,856,617	0	15,860,811	15,860,811
Drainage Utility	3,010,237	0	3,537,790	3,537,790
Sanitation	6,887,597	0	7,375,485	7,375,485
Airport	1,758,705	0	1,540,479	1,540,479
Total	50,100,415	0	51,284,703	51,284,703
Grand Total	$138,633,879	$18,634,986	$121,914,148	$140,549,134

Amount of growth remaining under 7% cap	$26,424,102
*Percent increase in the City's operating budget	-12.06%

*City of Galveston Charter (Article VII, Section 19)

Not subject to the 7% budget cap

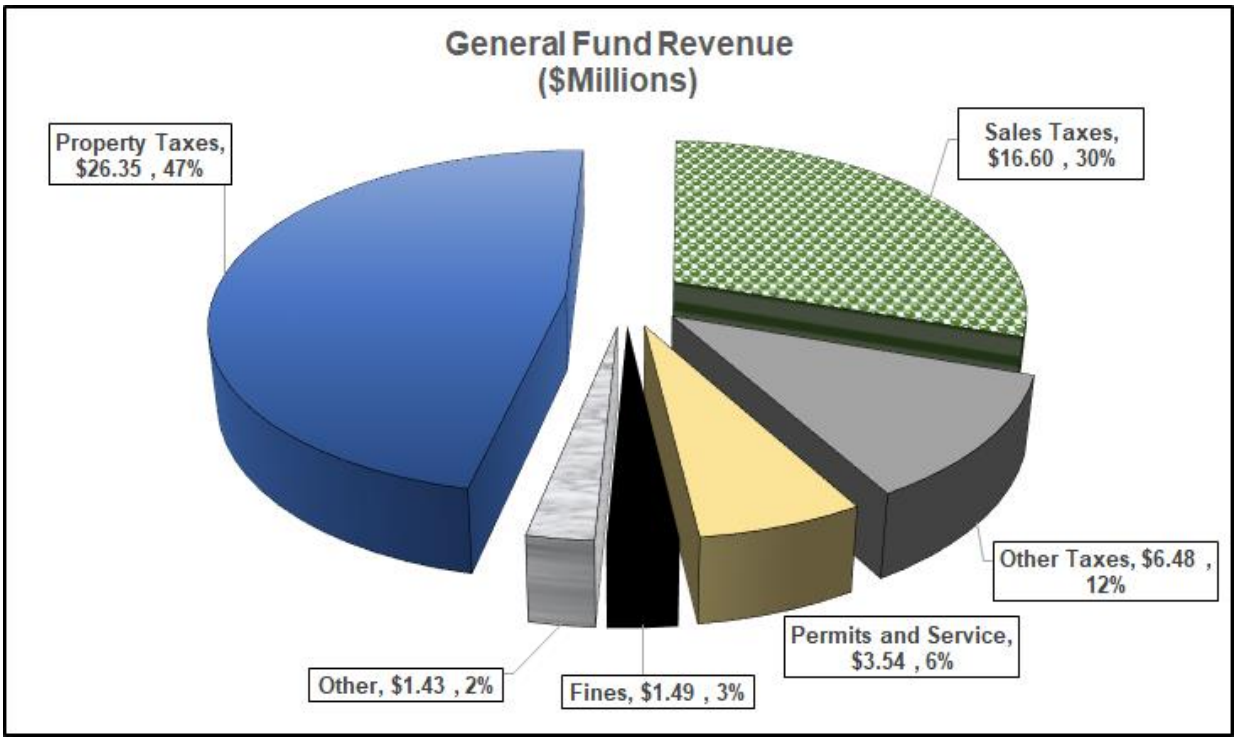
Capital Improvement Funds previously appropriated in prior fiscal years:	Fiscal Year 2017	Fiscal Year 2018	Increase (Decrease)
Seawall Parking	351,803	1,055,101	1,406,904
Convention Center Surplus	3,050,344	(1,150,352)	1,899,992
HOT 1/8 Historical Buildings	117,608	(117,608)	0
Council Projects and Initiatives Program	2,231,459	(421,136)	1,810,323
Infrastructure Fund	3,418,210	4,313,428	7,731,638
PEG Fund	210,890	622,338	833,228
Recovery & Capital Reserve Fund	0	3,984,810	3,984,810
Technology Improvement Fund	1,601,600	(633,509)	968,091
Totals	10,981,914	7,653,072	18,634,986

Special Revenue Funds	Fiscal Year 2018	Fiscal Year 2019	Increase (Decrease)
Island Transit	4,387,686	4,423,785	36,099
Hurricane Harvey	2,792,433	2,510,952	(281,481)
Totals	7,180,119	6,934,737	(245,382)

GENERAL FUND

FY 2019 ADOPTED BUDGET
GENERAL FUND SUMMARY

Overview
The General Fund is the City's primary tax-supported service financial tool, including all major tax revenue and basic city services, including public safety, streets, traffic, parks, planning, planning, inspections and code enforcement. The General Fund retains 77 percent of property taxes collected by the city and 75 percent of sales tax revenues. Other revenues are important but these two sources usually determine whether the General Fund is in good health in any given year.

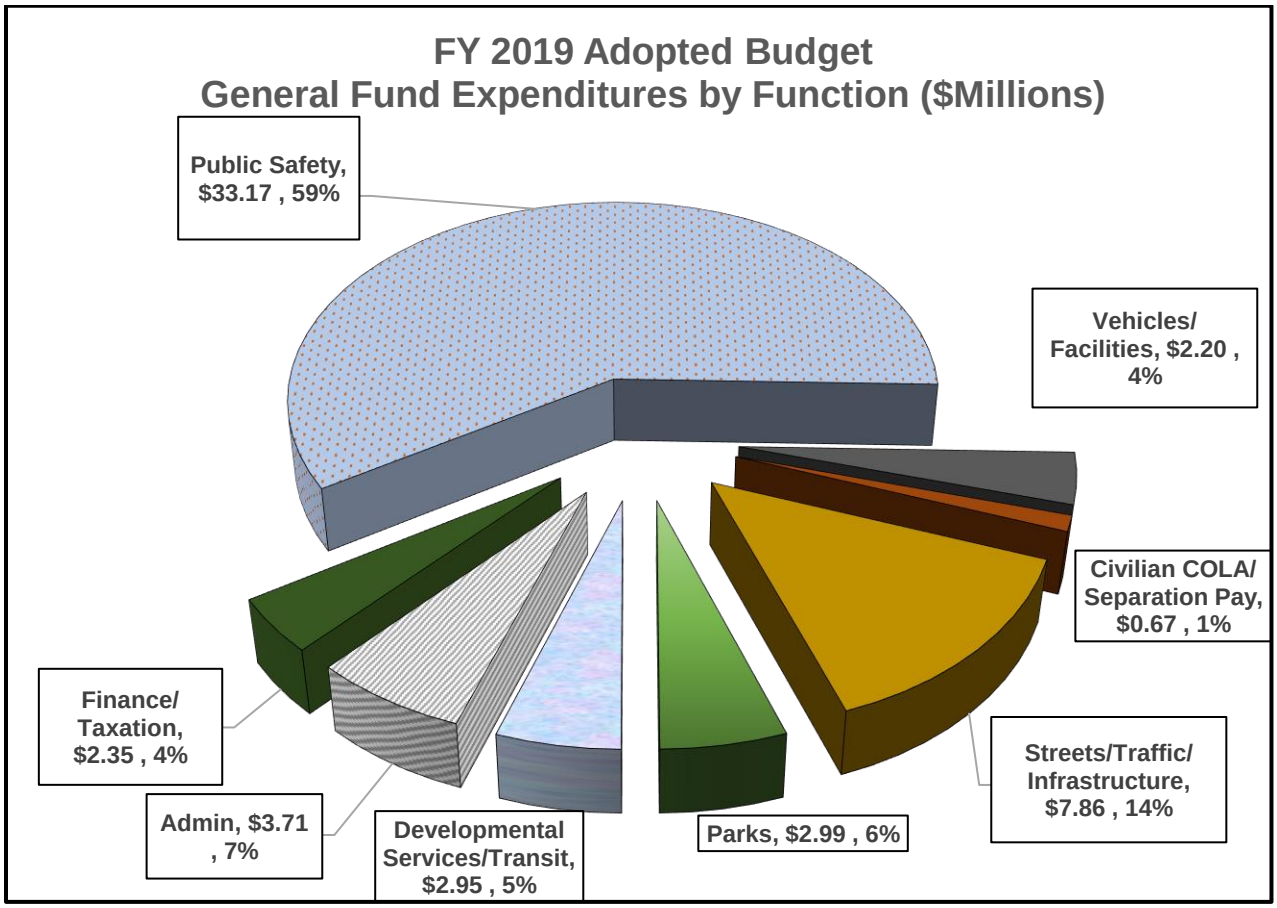


Property and sales tax revenue provides over three-fourths of General Revenue, and both are growing this year. The property tax roll is up 2.4 percent over last year, and sales tax revenues are expected to grow 2.3 percent over FY 2018. Overall revenue growth is projected to be $1.31 million over the FY 2018 Estimate.

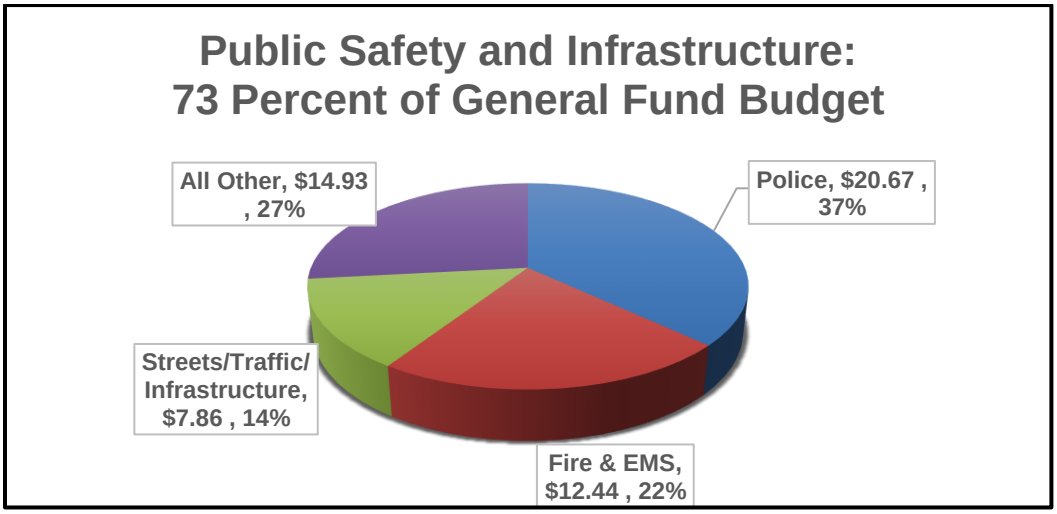
By ordinance, the General Fund must retain an ending balance equal to ninety days of operating expenditures. For strategic budgetary purposes only, the City appropriates in a fund balance contingency an amount sufficient to meet this ending balance requirement. In FY 2019, that contingency is $2.5 million, and is available only through City Council authorization. A transfer of $1.59 million to the Hurricane Harvey Fund is also proposed to provide up front financing for Harvey repairs of General Fund facilities, primarily including City Hall and Broadway street lighting.

Expenditure Priorities
In FY 2013, the city began to set aside a portion of its General Fund budget for infrastructure and debt service. This was approved as a city charter provision by the voters, establishing a progressive contribution from general revenues to improving the city's infrastructure. It began in FY 2013 at one

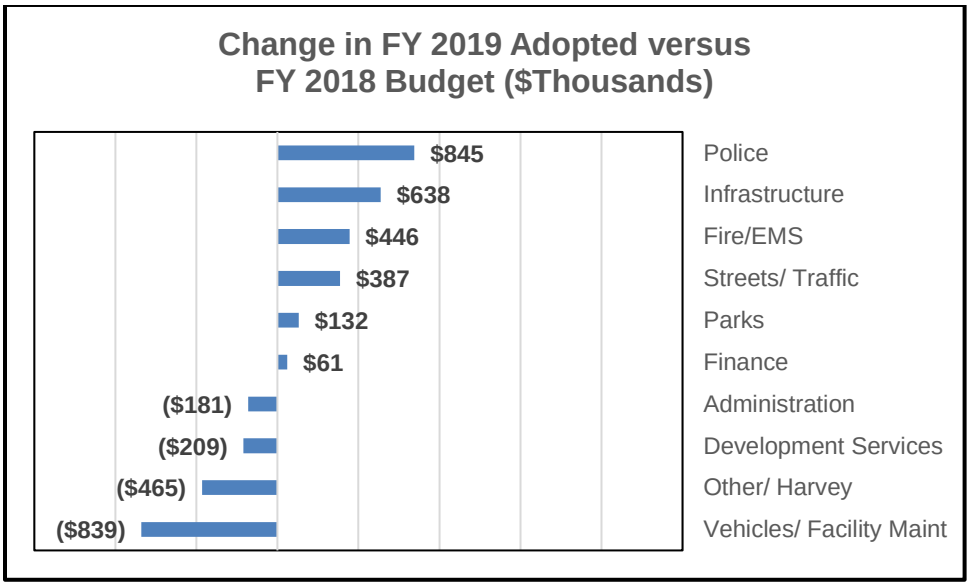
percent of the General Fund budget and is now at seven percent, resulting in a $3.9 million set aside in the Infrastructure and Debt Service Fund special fund. It will increase for one more year until it reaches eight percent in FY 2020. At that time, growth in the transfer will equal growth in the overall budget at the eight percent of total revenues level.



The overall composition of the General Fund is heavily weighted toward public safety and infrastructure. Police, Fire, EMS and the infrastructure components of the General Fund (Streets, Traffic and the Infrastructure and Debt Service Transfer) amount to 73 percent of the General Fund Budget.



Each department is notated to explain the reasons for the changes in that budget by category (see the "Highlights" section). Position lists and line item detail are provided as well.



FY2019 ADOPTED BUDGET
GENERAL FUND SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	**$20,629,743**	**$17,757,428**	**$17,757,428**	**$18,263,879**
Revenues				
Property Taxes	$23,763,467	$25,250,900	$24,914,400	$26,350,400
Sales Taxes	15,197,449	16,160,000	16,250,000	16,600,000
Mixed Beverage Taxes	879,328	927,000	927,000	951,100
Franchise Taxes	5,562,873	5,643,100	5,589,300	5,531,000
Licenses and Permits	1,142,579	1,199,000	1,149,200	1,172,100
Interfund Transfers for Service	2,034,000	2,078,000	2,078,000	2,140,300
Charges for Services	249,934	223,100	270,500	226,900
Fines and Forfeits	1,578,366	1,698,900	1,491,700	1,491,700
Investment Earnings	166,926	250,000	270,000	350,000
Other Revenues	1,103,429	1,028,500	1,110,400	1,033,200
Other Financing Sources	50,000	125,000	125,000	50,000
Total Revenues	**$51,728,350**	**$54,583,500**	**$54,175,500**	**$55,896,700**
Expenditures				
Public Safety				
Police	$18,863,966	$19,823,771	$19,771,997	$20,668,629
Fire	10,843,447	11,180,084	11,419,034	11,627,858
Emergency Management	218,311	249,569	229,410	247,763
Emergency Medical Service	566,452	566,400	566,085	566,200
Civilian Services/City Marshal	54,378	55,687	60,152	63,249
Special Events	0	0	0	0
	$30,546,555	**$31,875,511**	**$32,046,678**	**$33,173,699**
Public Works				
Streets	$1,600,888	$1,418,164	$1,510,949	$1,846,550
Traffic	2,089,554	2,138,584	2,061,152	2,097,682
	$3,690,442	**$3,556,748**	**$3,572,101**	**$3,944,232**
Parks and Recreation				
Administration	$810,442	$864,544	$861,102	$970,971
Parks and Parkways	1,828,693	1,996,277	1,987,383	2,021,725
Crockett Park	0	0	0	0
	$2,639,135	**$2,860,821**	**$2,848,485**	**$2,992,696**
Developmental Services				
Code Enforcement	$669,522	$763,564	$747,477	$758,751
Building Inspection	587,033	616,839	604,262	672,039
Planning	1,016,802	1,173,643	846,891	914,214
	$2,273,357	**$2,554,046**	**$2,198,630**	**$2,345,004**
General Government				
City Secretary	$483,074	$547,175	$523,780	$536,270
Elections	39,489	70,000	20,986	68,000
Municipal Court	656,025	759,670	665,673	667,871
City Manager	741,626	762,019	732,048	682,997
City Auditor	263,867	278,563	268,939	274,851
City Attorney	739,630	919,554	920,462	928,227
Human Resources	490,635	557,574	543,353	555,375
Transportation	916,788	800,000	800,000	600,000
	$4,331,134	**$4,694,555**	**$4,475,240**	**$4,313,590**

FY2019 ADOPTED BUDGET
GENERAL FUND SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Finance				
Administration	$259,757	$295,269	$337,397	$368,569
Accounting	887,759	947,663	913,622	876,023
Purchasing	226,516	271,517	265,470	243,907
Budget	230,268	292,950	320,576	374,947
	$1,604,300	**$1,807,399**	**$1,837,065**	**$1,863,446**
Non-Departmental				
Taxation	$340,181	$265,449	$267,209	$270,000
Facility Maintenance	1,736,277	1,610,041	1,588,381	1,448,170
COLA Increases	0	254,000	0	250,933
Contractual Services	9,762	91,283	11,977	216,002
Lodging/Food Services	109,502	0	0	0
Transfer to Group Health Fund	150,000	0	0	0
Transfer to Pension Plan	0	393,487	0	0
Transfer to Infrastructure Fund	2,604,850	3,275,010	3,275,010	3,912,769
Transfer to Separation Pay Fund	893,160	416,160	416,160	416,160
Vehicle Purchases	855,565	1,427,411	708,911	750,000
	$6,699,297	**$7,732,841**	**$6,267,648**	**$7,264,034**
Total Expenditures	**$51,784,219**	**$55,081,921**	**$53,245,847**	**$55,896,702**
Revenues Over/(Under) Expenditures	**($55,869)**	**($498,421)**	**$929,653**	**$0**
Prior Year Adjustment	**($48,260)**	**$0**	**$0**	**$0**
Ending Fund Balance	**$20,525,614**	**$17,259,007**	**$18,687,081**	**$18,263,879**
Less: Appropriation of Fund Balance				
One-Time Capital Outlay	$0	$235,000	$0	$285,000
Broadway Corridor Streetscape/ Redevelopment Plan	39,136	38,864	38,864	0
Transfer to Pension Reserve Fund	2,292,000	0	0	0
Transfer to Hurricane Harvey	0	2,446,453	88,938	1,591,876
Transfer to Technology Improvement Fund	0	0	295,400	0
Land Acquisition	437,050	0	0	0
Fund Balance Contingency	0	1,953,547	0	2,500,000
	$2,768,186	**$4,673,864**	**$423,202**	**$4,376,876**
Ending Fund Balance	**$17,757,428**	**$12,585,143**	**$18,263,879**	**$13,887,003**
90 Day Reserve	**$12,768,712**	**$13,581,844**	**$13,129,113**	**$13,782,748**
Total General Fund Appropriation	**$54,552,406**	**$59,755,785**	**$53,669,049**	**$60,273,578**

FY 2019 ADOPTED BUDGET
GENERAL FUND REVENUE

ACCOUNT	ACCOUNT TITLE	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimated	FY 2019 Adopted
311100	Real Property Taxes	24,954,080	26,647,000	26,333,100	27,856,000
311107	Real Property Taxes - Due to MUD 30	(296,972)	(314,700)	(353,100)	(363,200)
311110	Delinquent Property Taxes	289,643	330,000	330,000	345,000
311120	Property Tax Penalties and Interest	304,014	315,000	315,000	315,000
311270	Tax Increment Payable to TIRZ 12	(173,430)	(240,200)	(235,800)	(253,000)
311280	Tax Increment Payable to TIRZ 13	(454,509)	(500,600)	(499,600)	(529,600)
311290	Tax Increment Payable to TIRZ 14	(859,359)	(985,600)	(975,200)	(1,019,800)
	PROPERTY TAXES SUBTOTAL	$23,763,467	$25,250,900	$24,914,400	$26,350,400
313020	Sales and Use Taxes	$15,197,449	$16,160,000	$16,250,000	$16,600,000
314040	Mixed Beverage Taxes	$879,328	$927,000	$927,000	$951,100
314050	Bingo Tax	183	100	0	0
318210	Tour Train Franchise	1,166	1,000	1,300	1,000
318250	Electricity Franchise	3,211,294	3,273,000	3,194,000	3,144,000
318260	Natural Gas Franchise	411,765	425,000	431,000	431,000
318270	Cable TV Franchise	816,855	826,000	780,000	780,000
318280	Telephone Franchise	650,258	673,000	673,000	665,000
318300	Refuse Collection Franchise Fees	353,861	350,000	375,000	375,000
318301	Temporary Refuse Collection Franchise Fees	117,491	95,000	135,000	135,000
	FRANCHISE AND OTHER TAXES SUBTOTAL	$5,562,873	$5,643,100	$5,589,300	$5,531,000
	TOTAL TAXES	$45,403,117	$47,981,000	$47,680,700	$49,432,500
321101	Alcoholic Beverage Licenses	30,009	31,500	31,500	32,100
321110	Beer and Wine Licenses	23,303	24,100	24,100	24,600
321120	Late Hour Permits	4,538	5,400	5,400	5,500
321210	Cemetery Permits	275	2,000	2,000	2,000
321310	Fire Permits	128,999	130,000	100,000	102,000
321620	Air Conditioning Contractors' Permits	300	500	500	500
321640	Electricians' Licenses	1,176	2,700	2,700	2,800
321650	Plumbers' Licenses	4,350	4,500	4,500	4,600
321690	Hotel Inspection Fee	24,555	15,000	20,000	20,400
321720	Coin Operated Machine License	7,995	9,000	9,000	9,200
321760	Vending Permits	9,400	10,000	10,000	10,200
322105	Roofing Contractors' Registration Fees	33,000	30,000	30,000	30,600
322110	Building Permits	449,588	475,000	490,000	499,800
322120	Air Conditioning Permits	71,986	75,000	75,000	76,500
322125	Electrical Permits	75,410	100,000	85,000	86,700
322130	Plumbing Permits	114,868	150,000	110,000	112,200
322150	Site Inspections	90,579	65,000	75,000	76,500
322170	Sign Permits	10,457	12,000	12,000	12,200
322210	Parking Permits	4,515	4,800	4,000	4,100
322310	Taxi Cab Operators' Licenses	34,950	30,000	36,000	36,700
322610	Animal Permits	900	1,000	1,000	1,000
322700	Other Non-business Licenses	21,425	21,500	21,500	21,900
	LICENSES AND PERMITS SUBTOTAL	$1,142,579	$1,199,000	$1,149,200	$1,172,100
341610	Water Fund Administrative Services Fee	689,000	710,000	710,000	731,300
339040	Water System Payment in Lieu of Taxes	200,000	200,000	200,000	206,000
341620	Sanitary Sewer Fund Administrative Services Fee	421,000	434,000	434,000	447,000
339050	Sanitary Sewer System Payment in Lieu of Taxes	200,000	200,000	200,000	206,000
341625	Drainage Fund Administrative Services Fee	49,000	50,000	50,000	51,500
341630	Sanitaion Fund Adminsitrative Services Fee	219,000	226,000	226,000	232,800
339060	Sanitation Fund Payment in Lieu of Taxes	200,000	200,000	200,000	206,000
341680	Airport Administrative Services Fee	56,000	58,000	58,000	59,700
	INTERFUND TRANSFERS FOR SERVICE SUBTOTAL	$2,034,000	$2,078,000	$2,078,000	$2,140,300

FY 2019 ADOPTED BUDGET
GENERAL FUND REVENUE

ACCOUNT	ACCOUNT TITLE	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimated	FY 2019 Adopted
341110	Court Cost Collection Fees	37,182	45,000	35,000	30,000
341320	Zoning Fees	137,960	120,000	135,000	140,000
341340	Certification Fees	1,641	1,000	1,000	800
342120	Police Offense Reports	12,326	15,000	12,000	14,000
342130	Motor Carrier Weight Fee	0	0	3,000	0
342125	Golf Cart Registration	20,660	22,000	23,000	22,000
347100	Recreation Fees	2,150	100	1,000	100
348320	Other Revenue	3,393	5,000	5,000	5,000
348565	Sale of Equipment	34,622	15,000	55,500	15,000
	CHARGES FOR SERVICES SUBTOTAL	**$249,934**	**$223,100**	**$270,500**	**$226,900**
351110	Parking Fines	439,271	450,000	450,000	450,000
351130	Class "C" Misdemeanors' Fines	1,092,564	1,200,000	1,000,000	1,000,000
351150	Arrest Fees/Local Court Fees	31,324	33,000	29,000	29,000
351185	Court Time/Payment Fee	14,693	15,000	12,000	12,000
351190	Court Subpoena Fee	169	400	200	200
351195	Police Overtime Fee	345	500	500	500
	FINES AND FORFEITS SUBTOTAL	**$1,578,366**	**$1,698,900**	**$1,491,700**	**$1,491,700**
361110	Interest Earned - Operating Account	166,926	250,000	270,000	350,000
	INVESTMENT EARNINGS SUBTOTAL	**$166,926**	**$250,000**	**$270,000**	**$350,000**
339020	Galveston Wharves Payment in Lieu of Taxes	188,561	188,600	188,800	188,800
363110	Rental of General Property	4,966	4,500	4,500	4,500
363140	Mineral and Gas Royalties	1,492	2,400	2,400	2,400
363200	Miscellaneous	243,898	220,000	220,000	220,000
363208	Moody Gardens	412,992	413,000	417,500	417,500
339070	Moody Gardens Payment in Lieu of Taxes	100,000	50,000	50,000	50,000
363209	Landry's	100,000	100,000	100,000	100,000
378000	Sale of General Fixed Assets	51,520	50,000	127,200	50,000
	OTHER REVENUES SUBTOTAL	**$1,103,429**	**$1,028,500**	**$1,110,400**	**$1,033,200**
379000	Operating Transfers - In	50,000	125,000	125,000	50,000
	OTHER FINANCING SOURCES SUBTOTAL	**$50,000**	**$125,000**	**$125,000**	**$50,000**
	TOTAL - ALL REVENUE	**$51,728,350**	**$54,583,500**	**$54,175,500**	**$55,896,700**

FY2019 ADOPTED BUDGET
GENERAL FUND EXPENDITURE SUMMARY

Expenditure Summaries by Department

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Public Safety	$30,546,555	31,875,511	$32,046,678	$33,173,699
Public Works	3,690,442	3,556,748	3,572,101	3,944,232
Parks and Recreation	2,639,135	2,860,821	2,848,485	2,992,696
Developmental Services	2,273,357	2,554,046	2,198,630	2,345,004
General Government	4,331,134	4,694,555	4,475,240	4,313,590
Finance	1,604,300	1,807,399	1,837,065	1,863,446
Non-Departmental	9,467,483	12,406,705	6,690,850	11,640,910
General Fund Appropriation Total	**$54,552,406**	**$59,755,785**	**$53,669,049**	**$60,273,578**

Expenditures Summaries by Category

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$35,322,027	$37,768,189	$37,453,301	$39,178,932
Materials and Supplies	2,272,995	2,427,838	2,410,021	2,301,550
Contractual Services	8,202,280	8,375,377	8,237,112	8,330,757
Other Charges and Services	255,166	74,101	(170,690)	60,233
Operating Transfers	6,013,010	6,609,110	4,153,508	6,004,305
Capital Outlay	1,715,068	1,832,174	885,063	1,127,800
Special Events and Programs	771,860	2,668,996	700,734	3,270,000
General Fund Appropriation Total	**$54,552,406**	**$59,755,785**	**$53,669,049**	**$60,273,578**

See the following pages for detailed discussions of each budget.

FY2019 ADOPTED BUDGET
PUBLIC SAFETY OPERATIONS

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Police	$18,863,966	$19,823,771	$19,771,997	$20,668,629
Fire	10,843,447	11,180,084	11,419,034	11,627,858
Emergency Management	218,311	249,569	229,410	247,763
Emergency Medical Services	566,452	566,400	566,085	566,200
City Marshal	54,378	55,687	60,152	63,249
Special Events	0	0	0	0
Public Safety Operations Total	**$30,546,555**	**$31,875,511**	**$32,046,678**	**$33,173,699**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$26,104,080	$27,749,311	$27,634,564	$28,560,675
Materials and Supplies	397,415	517,595	502,536	508,037
Contractual Services	3,758,461	3,485,342	3,763,249	3,952,187
Other Charges and Services	(478,815)	(391,500)	(402,171)	(423,500)
Operating Transfers	73,000	78,000	78,000	83,500
Capital Outlay	276,806	86,763	86,974	92,800
Special Programs and Events	415,608	350,000	383,525	400,000
Public Safety Operations Total	**$30,546,555**	**$31,875,511**	**$32,046,678**	**$33,173,699**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Increases ($926,110 total) include funding for collective bargaining salary increases of $343,780 and a 1% cost of living adjustment of $165,250, full year funding for vacant Police positions through FY2018 (+650,072), specialties pays (+43,200), the addition of an Assistant Chief of Police (+117,030), decrease in workers' compensation (-$93,880) to reflect actual costs, increased funding (+$186,770) for Police and Fire Retirement, increase in reimbursements (-$200,000) for COPS Grant. A decrease of (-$295,000) in overtime is anticipated in the Police Department's budget.

Materials and Supplies - Increase (+$23,430) in minor equipment and supplies to purchase Crime Scene and evidence materials and supplies in the Police Department and various decreases (-$17,780) in miscellaneous line items for one-time purchases within the Fire Department.

Contractual Services - Increases in computer charges (+$258,960) include a proportional share for licensing and keeping hardware updated city-wide and decrease (-$81,010) in Garage charges by purchasing newer vehicles, increases in dental insurance (+$6,040) for full year funding for vacant Police positions and miscellaneous increases (+$4,950) in various line items.

Other Charges and Services - Net decrease (-$21,329) for one time purchases made in FY2018.

Operating Transfers -Increase funding (+$5,500) to transfer to Quartermaster Fund for additional officers added to the Police Department.

Capital Outlay - Added funding (+$15,000) for the purchase of a traffic trailer and speed monitoring device for the Traffic Enforcement Unit and decrease (-$9,174) for one-time purchase for a motor for the rescue boat in FY2018.

Special Programs and Events - Slight increase (+$16,475) for funding in Mardi Gras expenses.

Police Department

Department Mission

To provide the best possible police service to the residents and guests of Galveston. The Galveston Police Department is steadfast in assisting and protecting all persons within our jurisdiction. We are committed to improving the quality of life through fairness, compassion and excellence while providing police services, according to law, that meet the needs of all citizens and visitors to our island. It is through this pledge to our residents and guests that we will continue to Protect With Respect.

Accomplishments

- Upgraded patrol officer laptops with Office and Adobe software and replaced thirty (30) outdated laptops to decrease time spent at station.
- Renegotiated contract with the Texas Department of Transportation to fully fund the cost of providing officers for the Ferry Line, thus reducing the City's fiscal obligation.
- Established a fully-trained Commercial Motor Vehicle Enforcement Unit resulting in the improvement of commercial traffic safety.
- Completed the new Property Room, which provides additional secure, acclimatized evidence accommodations for long term retention.
- The Police Chaplain volunteer program swore in five additional police chaplains whose duties provide additional services to persons and families in crisis situations.
- Obtained bullet proof vest grant funding to provide vests to all patrol officers.
- Implemented twelve (12) hour patrol shifts which aids recruitment and team building.
- Purchased body cameras for criminal prosecutions, protection of officers and accountability to the public; requisite policies were implemented.
- Gained efficiency by "Civilianizing" both the Records Division and Property Room.
- Participated in Big Brothers and Big Sisters one-on-one mentoring program to build bonds of trust and relationships between police, children and families.

Goals

- Modify recruiting process to reduce vacancy lapse and increase candidate quality.
- Use grant funding to train officers in mental health issues and de-escalation strategies when dealing with people experiencing crisis issues.
- Develop and deploy an on-line police reporting system for minor incidents to better serve Galveston citizens.
- Establish a "Street Crimes Unit" to focus on crime hotspots and improve quality of life.

FY2019 ADOPTED BUDGET
POLICE

EXPENDITURE SUMMARY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$15,981,116	$17,239,011	$17,006,806	$17,744,667
Materials and Supplies	105,691	188,458	182,006	205,437
Contractual Services	2,604,344	2,285,002	2,448,813	2,562,224
Other Charges and Services	(59,500)	(44,500)	(21,428)	(20,000)
Operating Transfers	73,000	78,000	78,000	83,500
Capital Outlay	159,314	77,800	77,800	92,800
TOTAL	**$18,863,966**	**$19,823,771**	**$19,771,997**	**$20,668,629**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net increases (+$737,860) full year funding ($650,072) for vacant Police positions throughout the FY2018 fiscal year; includes collective bargaining salary increases (+$235,280) with an additional 1% COLA (+$98,220), specialties pay (+$43,200), decrease in overtime (-$295,000), decrease in workers' compensation (-$60,680) increase in reimbursement (-$200,000) for COPS Grant, the addition of an Assistant Chief of Police (+$117,030) and increase of 2% (+$149,740) in Police Retirement beginning in FY2018.

Materials and Supplies - Increase (+$23,430) in minor equipment and supplies to purchase Crime Scene and evidence materials and supplies.

Contractual Services - Increases in computer charges (+$187,160) include a proportional share for licensing and keeping hardware updated city-wide and decrease (-$95,670) in Garage charges by purchasing newer vehicles. Maintenance contracts increased (+$15,300) and dental insurance (+$6,040) for full year funding for vacant Police positions.

Other Charges and Services - Includes a decrease (+$1,730) in the expected amount of reimbursements expected in FY2019.

Operating Transfers -Increase funding (+$5,500) to transfer to Quartermaster Fund for additional officers added to the Police Department.

Capital Outlay - Added funding (+$15,000) for the purchase of a traffic trailer and speed monitoring device for the Traffic Enforcement Unit.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Calls for Service	71,830	79,201	68,560	65,130
Arrests	5,368	5,500	5,000	5,133
Motor Vehicle Accidents	3,948	3,654	3,670	3,590
Avg. Response Time - Priority 1 Calls	8m 6s	8m 8s	8m 2s	8m
Meetings with Community Groups	145	120 (est)	180	185
Training or Presentations to Citizens	362	276	350	360
Community Meeting Attendance (New)	N/A	N/A	N/A	Baseline measure

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Chief of Police	1.00	1.00	1.00	1.00
Assistance Chief of Police	0.00	0.00	0.25	1.00
Police Captain	3.00	3.00	3.00	3.00
Police Lieutenant	5.00	6.00	6.00	6.00
Police Sergeant	26.00	27.00	27.00	27.00
Police Officer	112.00	117.00	117.00	130.00
Police Captain - Civilian	1.00	1.00	1.00	1.00
Records Manager	0.00	0.00	0.00	1.00
Support Services Manager	0.25	0.25	0.25	0.25
Director of Communications	1.00	1.00	1.00	1.00
Communication Shift Leaders	4.00	4.00	4.00	4.00
Telecommunicators	17.00	17.00	17.00	17.00
Telecommunications Call-Takers	0.00	2.00	2.00	2.00
Lead Evidence Technician	1.00	1.00	0.00	0.00
Evidence Technician	1.00	1.00	1.00	1.00
Property Room Technician	0.00	0.00	1.00	1.00
Crimes Analyst	0.00	0.00	1.00	1.00
AFIS/Latent Print Technician	0.00	0.00	1.00	1.00
Ground Transportation Specialist	1.00	1.00	1.00	1.00
Animal Services Supervisor	1.00	1.00	1.00	1.00
Animal Control Officer	2.00	2.00	2.00	2.00
Senior Administrative Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00	2.00
Office Specialist	4.00	6.00	5.00	5.00
TOTAL	**183.25**	**194.25**	**195.50**	**210.25**

FY2019 ADOPTED BUDGET
POLICE

LINE ITEM DETAIL

		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$10,365,165	$11,811,096	$11,355,062	$12,203,269
511002	COLA Increases	0	97,251	0	98,220
511005	Longevity	81,549	91,643	80,924	91,964
511006	Differential Pay	108,516	138,118	124,210	133,819
511007	Vehicle/Motor Allowance	32,815	36,138	26,806	28,910
511008	Dog Handler Allowance	11,631	14,456	9,305	14,456
511009	Overtime	1,125,656	600,000	1,218,912	924,000
511021	Part-Time Payroll	46,200	72,000	24,678	25,000
511026	Ferry Landing Overtime	74,324	130,000	76,064	75,000
511039	Tactical Details - Overtime	29,458	30,000	31,829	30,000
511110	Incentive Pay	294,778	278,199	312,727	317,259
511125	Residency Pay	175,426	184,726	190,711	201,351
511143	Crisis Negotiation Team	5,301	6,024	4,482	4,216
511145	SWAT Pay	17,345	18,071	18,134	18,072
511147	Dive Team Pay	14,333	15,360	13,599	13,550
511148	SRG Team Pay	7,363	8,735	7,326	7,829
511150	Uniform Allowance	99,519	122,504	91,500	110,250
511510	Group Health Insurance - Employer's	1,096,349	1,349,174	1,313,413	1,419,600
511515	Worker's Compensation	174,563	182,850	182,850	122,166
511520	Group Life Insurance	31,452	35,786	44,394	38,671
511530	Social Security - Employer's	754,058	846,567	853,753	886,424

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
511535	Medicare - Employer's	176,352	197,989	199,664	207,309
511542	City Employee Retirement	154,121	152,288	178,380	175,453
511544	Police Retirement	1,345,307	1,498,775	1,674,753	1,824,495
511650	Salary Reimbursements	(240,037)	(820,825)	(927,013)	(876,616)
511655	Salary Reimbursements-Grants	(430)	142,086	(99,656)	(350,000)
Total Personnel Services		**$15,981,116**	**$17,239,011**	**$17,006,806**	**$17,744,667**
Materials and Supplies					
521065	Office Supplies	14,029	20,600	21,814	23,800
521067	Minor Office Equipment	1,136	2,500	2,500	2,500
521073	Printed Materials	2,000	2,000	2,000	2,000
521088	Training Materials	18,124	20,000	24,147	25,000
521095	Petty Cash Charges	10,138	20,300	500	300
522011	Chemicals	70	500	505	500
522013	Clothing	30,410	58,570	58,266	60,287
522055	Minor Tools	1,000	7,000	6,281	2,500
522056	Minor Equipment	12,722	40,788	45,822	67,000
522059	Motor Vehicle Parts	1,610	2,000	1,630	1,800
522099	Other Supplies	4,919	5,500	6,168	9,000
525031	Electricity	8,055	8,000	10,628	9,000
525032	Natural Gas	1,478	700	1,746	1,750
Total Materials and Supplies		**$105,691**	**$188,458**	**$182,006**	**$205,437**
Contractual Services					
531004	Consultant Services	0	5,400	5,400	5,400
531005	Other Services	240,000	240,000	240,000	240,000
531008	Laboratory Testing	27,621	30,000	20,035	25,000
531025	Memberships	672	3,000	1,625	1,800
531124	Towing Payments	4,015	4,000	5,000	5,000
531125	Other Contracts	107	800	800	0
531230	Equipment Repairs	2,427	3,600	3,596	7,500
531240	Maintenance Contracts	232,080	216,300	244,688	260,000
531325	Vehicle Rental	28,417	26,000	35,005	32,000
531345	Justice Center - Jail	674,327	192,599	192,599	195,000
531350	Garage Charges	869,468	864,000	874,704	779,028
531360	Computer Charges	350,694	428,448	558,792	745,950
532062	Postage	7,634	8,700	6,262	6,500
532065	Printing, Duplication	3,793	5,000	6,378	6,300
532066	Print Shop Charges	1,814	4,000	2,090	2,000
532083	Telephone Service	130	500	632	650
532084	Cellular Service	14,341	16,000	18,894	19,000
532085	Pager Service	68	0	53	0
532086	Other Communications	25,438	25,500	26,324	27,000
532087	Aircard Service	36,485	36,000	33,990	33,000
532089	Moving Expenditures	0	0	1,618	0
533083	Travel Expenses	0	25,000	31,792	25,000
533085	Travel/Training	42,968	101,700	94,533	96,000
534030	Surety Bond & Notary Fees	200	1,375	955	500

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
534036 Dental Insurance	40,608	46,080	42,048	48,096
535250 GPD K-9 Unit Expenditures	1,038	1,000	1,000	1,500
Total Contractual Services	**$2,604,344**	**$2,285,002**	**$2,448,813**	**$2,562,224**
Other Charges and Services				
544027 Court Costs And Judgments	2,000	500	500	500
544032 Meeting Expenditures	2,919	3,000	3,997	3,500
544036 Grants & Awards	1,106	2,000	1,808	2,000
544087 Expense Reimbursement	(65,524)	(50,000)	(27,733)	(26,000)
Total Other Charges and Services	**($59,500)**	**($44,500)**	**($21,428)**	**($20,000)**
Operating Transfers				
553013 Transfer To Special Revenue Funds	73,000	78,000	78,000	83,500
Total Operating Transfers	**$73,000**	**$78,000**	**$78,000**	**$83,500**
Capital Outlay				
564008 Data Processing Equipment	9,399	70,000	70,000	70,000
564009 Data Processing -Software	0	7,800	7,800	7,800
564011 PC Software (Non-Capital)	7,760	0	0	0
564015 Data Processing (Non-Capital)	122,175	0	0	0
564117 Machinery & Equipment	19,980	0	0	15,000
Total Capital Outlay	**$159,314**	**$77,800**	**$77,800**	**$92,800**
Total Expenses	**$18,863,966**	**$19,823,771**	**$19,771,997**	**$20,668,629**

Fire Department

Mission Statement

The mission of the Galveston Fire Department is to provide the highest level of public safety services for the community. We will protect lives and property through: Fire Prevention, Public Education, Firefighter safety, Fire & Rescue Operations, Emergency Medical First response and disaster management.

Accomplishments

- Improved our records management by using Firehouse software for all reporting, inventory and documentation.
- Replaced 45 sets of firefighter protective clothing and 45 Self-contained breathing apparatus for firefighting.
- Worked with IT to improve our Communications system by adding site maps and pre-fire plans that are available with dispatching information through the CAD system Freedom App.
- Continued the High School recruitment program with Galveston ISD to aid Junior and Senior High students in becoming Firefighters and potentially applying for positions in Galveston.
- Initiated the construction process for building a New Fire Station #1.
- Worked with Finance and City Auditor to improve false alarm collections process.
- Updated Emergency Management plans and contracts.

Goals

- Complete Construction of new Fire Station #1.
- Enhance Emergency Management preparedness through training of City employees and disaster planning for all City Departments.
- Continue to replace aging Personal Protective Clothing to ensure Firefighter safety.
- Increase water rescue capabilities across the Island.
- Continue the High School recruitment partnership with Galveston ISD.
- Continue finding ways to reduce operating costs
- Continue finding ways to improve response and service delivery

FY2019 ADOPTED BUDGET
FIRE

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$9,930,424	$10,303,193	$10,392,840	$10,566,611
Materials and Supplies	281,959	324,037	315,782	298,000
Contractual Services	503,327	530,891	688,456	756,747
Other Charges and Services	10,245	13,000	12,782	6,500
Capital Outlay	117,492	8,963	9,174	0
TOTAL	**$10,843,447**	**$11,180,084**	**$11,419,034**	**$11,627,858**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net increases include collective bargaining salary increases (+$102,910) an additional 1% COLA (+$67,030); also included is a 2% increase for Firemen's Pension (+$37,030) that began in FY2018 and decreases in workers compensation (-$33,200) to reflect current expenditures.

Materials and Supplies - Various decreases (-$17,780) in miscellaneous line items for one-time purchases.

Contractual Services - Increases in computer charges (+$71,800) include a proportional share for licensing and keeping hardware updated city-wide and (+$14,660) in Garage charges. Miscellaneous decreases (-$18,170) include equipment repairs and printing and duplication.

Other Charges and Services - Net decrease (-$6,280) for one time purchases made in FY2018.

Capital Outlay - Decrease (-$9,174) for one-time purchase for a motor for the rescue boat in FY2018.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Total Responses	6,964	7,337	7,850	8,200
Structure Fires	114	118	125	145
Scheduled Fire Inspections	2,300	2,400	2,400	2,400
Completed Fire Inspections	2,467	2,455	2,400	2,400
Permit Fees Collected	$127,630	$90,350	$75,000	$65,000
Required Firefighter Training	33,522	34,000	34,000	34,000
Training Accomplished	44,145	45,000	45,000	34,000
Response Times	4:00	4:32	4:20	4:20

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Fire Chief	1.00	1.00	1.00	1.00
Assistant Fire Chief	2.00	3.00	3.00	3.00
Battalion Chief	6.00	6.00	6.00	6.00
Captain	21.00	24.00	24.00	24.00
Driver	26.00	24.00	24.00	24.00
Firefighter	57.00	57.00	57.00	58.00
Fire Marshal	1.00	0.00	0.00	0.00
Fire Inspectors	2.00	2.00	2.00	2.00
Senior Administrative Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL	**118.00**	**119.00**	**119.00**	**120.00**

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$6,932,195	$7,185,339	$7,146,184	$7,236,731
511002 COLA Increases	0	66,528	0	67,031
511005 Longevity	76,554	77,703	75,236	84,051
511006 Differential Pay	146,681	90,000	151,865	150,000
511009 Overtime	396,314	358,160	277,390	285,000
511110 Incentive Pay	232,533	236,874	242,271	236,874
511125 Residency Pay	115,842	115,438	120,418	112,929
511510 Group Health Insurance - Employer's	725,437	792,221	785,928	792,960
511515 Worker's Compensation	100,179	100,179	100,179	66,931
511520 Group Life Insurance	21,689	22,434	22,161	22,764
511530 Social Security - Employer's	6,518	11,102	10,023	10,953
511535 Medicare - Employer's	104,218	117,885	116,023	118,510
511542 City Employee Retirement	14,770	10,006	15,165	14,852
511543 Firemen's Retirement	1,057,494	1,119,324	1,329,996	1,367,025
Total Personnel Services	**$9,930,424**	**$10,303,193**	**$10,392,840**	**$10,566,611**
Materials and Supplies				
521065 Office Supplies	15,063	15,000	13,878	8,000
521067 Minor Office Equipment	5,716	4,000	4,655	3,000
521073 Printed Materials	999	1,000	984	1,000
522013 Clothing	70,581	69,000	68,617	69,000
522014 Protective Gear	95,256	139,000	139,000	139,000
522037 Janitorial Supplies	11,036	12,000	11,933	12,000
522055 Minor Tools	44,390	36,037	35,544	30,000
522056 Minor Equipment	0	0	0	0
522099 Other Supplies	4,682	5,000	4,970	0
525031 Electricity	30,412	40,000	31,613	32,000
525032 Natural Gas	3,824	3,000	4,588	4,000
Total Materials and Supplies	**$281,959**	**$324,037**	**$315,782**	**$298,000**
Contractual Services				
531025 Memberships	1,069	1,800	1,800	1,800
531027 Certification & Permit Fees	2,902	16,000	19,224	16,000
531028 Software Licenses	13,128	15,500	15,000	15,000
531116 Hazardous Waste Disposal & Supplies	0	2,500	6,658	3,500
531230 Equipment Repairs	8,906	5,000	4,688	3,000
531245 Compliance Maintenance	29,253	25,000	25,000	25,000
531350 Garage Charges	294,040	295,830	289,790	304,453
531360 Computer Charges	42,205	52,861	214,388	286,194
532062 Postage	1,513	1,800	1,512	1,500
532065 Printing, Duplication	1,054	1,300	1,000	1,000
532066 Print Shop Charges	315	300	1,546	300
532083 Telephone Service	24,313	22,000	26,512	25,000
532084 Cellular Service	2,819	3,000	2,501	2,500
532086 Other Communications	17,191	18,000	17,173	18,000
532087 Aircard Service	8,857	8,500	10,165	10,000

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
533085 Travel/Training	55,763	61,500	51,498	43,500
Total Contractual Services	**$503,327**	**$530,891**	**$688,456**	**$756,747**
Other Charges and Services				
544027 Court Costs And Judgments	0	3,000	1,500	1,500
544099 Miscellaneous Expense	10,245	10,000	11,282	5,000
Total Other Charges and Services	**$10,245**	**$13,000**	**$12,782**	**$6,500**
Capital Outlay				
564099 Other Capital Purchases	0	8,963	9,174	0
564117 Machinery & Equipment	117,492	0	0	0
Total Capital Outlay	**$117,492**	**$8,963**	**$9,174**	**$0**
Total Expenses	**$10,843,447**	**$11,180,084**	**$11,419,034**	**$11,627,858**

Emergency Management

The mission of the Emergency Management Division is to provide a comprehensive all-hazard emergency management program in partnership with City departments, staff, administration, neighboring jurisdictions, and non-governmental organizations in order to save lives, protect property, and safeguard the environment.

Accomplishments

- Maintained all emergency management plans at the Advanced Preparedness Level as recognized by the Texas Division of Emergency Management (TDEM) to ensure Emergency Management Performance Grant (EMPG) eligibility.
- Collaborated with Galveston County Emergency Response Group to review and revise cooperative plans.
- Conducted National Incident Management System (NIMS) and Incident Command System (ICS) training for City staff, volunteers, and other emergency responders.
- Facilitated discussion- and operations- based exercises for City staff, volunteers, and other emergency responders.
- Reviewed, updated, and pursued pre-disaster contracts and interlocal agreements in accordance with the City Charter, State, and Federal procurement laws and policies.
- Reviewed and updated the emergency preparedness planning documents within the five-year cycle as mandated per TDEM and FEMA guidelines.
- Added a Fire Battalion Chief to Emergency Management
- PD assigned a Captain to assist with EMC projects as needed.
- Developed and trained on Finance Disaster Plan

Goals

- Enhance situational awareness and operational coordination by working with internal and external partners.
- Maintain and ensure all planning, training, and exercise requirements recognized by TDEM and FEMA are met to ensure grant eligibility.
- Implement a Training and Exercise Plan (TEP) for City staff assigned functional responsibilities in the Emergency Operations Plan (EOP)
- Allocate the resources provided in the budget for maintenance of Mitigation, Preparedness, Response, and Recovery Activates.
- Improve our service and approach with new and existing ideas to enhance the overall efficiency of Emergency Management.

FY2019 ADOPTED BUDGET
EMERGENCY MANAGEMENT

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$138,163	$151,420	$178,225	$192,735
Materials and Supplies	9,765	5,100	4,748	4,600
Contractual Services	84,337	103,049	56,436	60,428
Other Charges and Services	(13,953)	(10,000)	(10,000)	(10,000)
TOTAL	**$218,311**	**$249,569**	**$229,410**	**$247,763**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Includes an annualized ($14,510) cost of adding a Battalion Chief to head Emergency Management and remove the Deputy Emergency Management Coordinator.

Contractual Services - Increases in computer charges (+$8,800) include a proportional share for licensing and keeping hardware updated city-wide and a decrease (-$4,950) in Garage charges and miscellaneous line items

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Number of City Employees that received ICS/NIMS Training	220	100	100	90
Number of Emergency Management Exercises with participation by EM Staff	4	5	5	5
Number of Hazard Awareness and Preparedness Activities delivered to Citizens	8	10	10	7
Number of Trainings for EM Staff	5	12	12	8

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Battalion Chief - Emergency Mgmt.	0.00	0.00	1.00	1.00
Emergency Management Coordinator	1.00	1.00	1.00	1.00
Deputy EM Coordinator	1.00	1.00	0.00	0.00
TOTAL	**2.00**	**2.00**	**2.00**	**2.00**

FY2019 ADOPTED BUDGET
EMERGENCY MANAGEMENT

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$120,193	$132,274	$147,456	$161,586
511002	COLA Increases	0	0	0	839
511005	Longevity	150	152	1,189	254
511009	Overtime	3,857	0	255	0
511110	Incentive Pay	0	0	3,150	3,900
511125	Residency Pay	2,500	2,500	769	2,500
511510	Group Health Insurance - Employer's	11,845	13,440	12,320	13,440
511515	Worker's Compensation	201	201	201	134
511520	Group Life Insurance	368	389	352	389
511530	Social Security - Employer's	7,683	8,365	9,475	4,781
511535	Medicare - Employer's	1,797	1,956	2,216	2,452
511542	City Employee Retirement	11,403	12,143	13,754	6,949
511543	Firemen's Retirement	0	0	12,088	15,511
511655	Salary Reimbursements-Grants	(21,834)	(20,000)	(25,000)	(20,000)
Total Personnel Services		**$138,163**	**$151,420**	**$178,225**	**$192,735**
Materials and Supplies					
521065	Office Supplies	3,213	2,000	1,500	1,500
522013	Clothing	595	600	600	600
522056	Minor Equipment	5,956	2,500	2,648	2,500
Total Materials and Supplies		**$9,765**	**$5,100**	**$4,748**	**$4,600**
Contractual Services					
531025	Memberships	580	600	670	600
531350	Garage Charges	9,485	9,485	9,542	3,779
531360	Computer Charges	54,264	67,964	26,280	35,082
532066	Print Shop Charges	230	500	250	250
532084	Cellular Service	1,329	1,700	1,192	1,200
532086	Other Communications	6,774	9,500	7,642	8,000
532087	Aircard Service	912	800	836	850
533085	Travel/Training	4,843	8,500	6,008	6,500
533090	Public Education	3,996	3,000	3,015	3,500
533100	Advertising	1,924	1,000	1,000	667
Total Contractual Services		**$84,337**	**$103,049**	**$56,436**	**$60,428**
Other Charges and Services					
544094	Expense Reimbursement-Grants	(13,953)	(10,000)	(10,000)	(10,000)
Total Other Charges and Services		**($13,953)**	**($10,000)**	**($10,000)**	**($10,000)**
Total Expenses		**$218,311**	**$249,569**	**$229,410**	**$247,763**

FY2019 ADOPTED BUDGET
EMERGENCY MEDICAL SERVICES

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Contractual Services				
531125 Other Contracts	$565,000	$565,000	$565,000	$565,000
532083 Telephone Service	1,452	1,400	1,085	1,200
Total Contractual Services	**$566,452**	**$566,400**	**$566,085**	**$566,200**
Total Expenses	**$566,452**	**$566,400**	**$566,085**	**$566,200**

City Marshal

Division Mission

The City Marshal's Office and Code Enforcement Division are dedicated to improving the overall appearance of neighborhoods and quality of life for the Citizens of Galveston, by ensuring compliance with federal, state, and local laws and ordinances.

Accomplishments

- Implemented a training program to increase code officer certification to level II.
- Applied a new update to the tracking system for citizen complaints.
- Compliance Officer continuous training on the new LDR plan.
- There have been sixteen (16) rehabilitation projects performed by owners as a result of the Court of Record.
- There have been nine (9) demolitions performed by the city through the Court of Record program.
- There have been eighty-six (86) Housing Abatement cases from October, 2017 to June, 2018.
- 689 Municipal Court cases have been processed from October, 2017 to June, 2018.
- Cell Phone updates on new tracking system for field work.

Goals

- Purchase laptops and printers for each deputy marshal/code officer to decrease down time and increase productive time by creating a mobile office solution.
- Demolish at least thirty (30) unsafe structures through the Court of Record.
- Increase Zoning Compliance for the island through continually educating the compliance officers and public on the new LDR plan.
- Recalculate administration fee structure for violations to recoup more costs related to enforcement.
- Implement more training programs for development of staff.

FY2019 ADOPTED BUDGET
CITY MARSHAL

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$54,378	$55,687	$56,694	$56,661
TOTAL	**$54,378**	**$55,687**	**$60,152**	**$63,249**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
City Marshal	0.50	0.50	0.50	0.50
TOTAL	**0.50**	**0.50**	**0.50**	**0.50**

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$42,516	$43,516	$44,217	$44,387
511005 Longevity	41	45	66	69
511125 Residency Pay	1,226	1,255	1,250	1,250
511510 Group Health Insurance	3,090	3,090	3,360	3,090
511515 Worker's Compensation	531	124	124	83
511520 Group Life Insurance	96	194	96	172
511530 Social Security - Employment	2,540	2,779	2,823	2,834
511535 Medicare - Employer's	594	650	660	663
511542 City Employee Retirement	3,743	4,034	4,098	4,114
Total Personnel Services	**$54,378**	**$55,687**	**$56,694**	**$56,661**
Contractual Services				
531350 Garage Charges	0	0	0	1,971
531360 Computer Charges	0	0	3,458	4,616
Total Contractual Services	**$0**	**$0**	**$3,458**	**$6,587**
Total Expenses	**$54,378**	**$55,687**	**$60,152**	**$63,249**

FY2019 ADOPTED BUDGET
SPECIAL EVENTS

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Other Charges and Services				
544087 Expense Reimbursements	(415,608)	(350,000)	(383,525)	(400,000)
Total Other Charges and Services	**($415,608)**	**($350,000)**	**($383,525)**	**($400,000)**
Special Events and Programs				
591031 Mardi Gras Expenses	415,608	350,000	383,525	400,000
Total Special Events and Programs	**$415,608**	**$350,000**	**$383,525**	**$400,000**
Total Expenses	**$0**	**$0**	**$0**	**$0**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

This organization budget unit serves as a cost center for City wide operating department's costs for special events (i.e. Mardi Gras) that are reimbursed from another funding source.

FY2019 ADOPTED BUDGET
PUBLIC WORKS OPERATIONS

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Streets	$1,600,888	$1,418,164	$1,510,949	$1,846,550
Traffic	2,089,554	2,138,584	2,061,152	2,097,682
Public Works Operations Total	**$3,690,442**	**$3,556,748**	**$3,572,101**	**$3,944,232**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$2,062,447	$1,986,308	$2,070,460	$2,321,199
Materials and Supplies	1,445,649	1,369,055	1,366,286	1,302,030
Contractual Services	574,813	745,785	856,524	921,926
Other Charges and Services	(439,936)	(544,400)	(721,170)	(600,923)
Capital Outlay	47,468	0	0	0
Public Works Operations Total	**$3,690,442**	**$3,556,748**	**$3,572,101**	**$3,944,232**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Net increases (+$218,485) includes annualized cost of positions that were vacant for a portion of FY2018, promotion of personnel (+42,060) and an increase (-$9,800) in salary reimbursements.
Materials and Supplies - Decreases in concrete and aggregate (-$55,300), electrical hardware (-$13,000) and increases (+$4,100) in miscellaneous supply line items.

Contractual Services - Increases include garage charges (+$50,000) for increase in fleet , increases in computer charges (+$34,280) that include a proportional share for licensing and keeping hardware updated city-wide and a reduction (-$17,080) in miscellaneous contractual line items.
Other Charges and Supply - Includes decreases in reimbursements (+$121,360) for In-House street paving from the Infrastructure and Debt Service Fund and a slight increase (-$1,118) in reimbursement from insurance proceeds.

Street Department

Division Mission

The Street Division of the Public Works Department provides maintenance and responds to citizen inquiries for City roadways in a timely, cost-effective, polite and responsible manner.

Accomplishments

- Milling & Overlay crews repaired 52 road segments totaling 9.51 miles
- Paved alleys at 8 alley locations.
- Continued pothole patching program with the Durapatcher
- Continued crack seal program for street preventative maintenance.
- Continued storm drain rehabilitation & inspection program
- Continued implementation of culvert installation program resulting in the installation of culverts at 67 residential locations on the west end of Galveston.
- Continued the Sidewalk & Curb repair program
- Implemented the West End Ditch Maintenance Program

Goals

- Pave City roadways using available funds.
- Pave alleys as funding becomes available.
- Repair sidewalks as funding becomes available.
- Maintain and grade alleys located within the area behind the Seawall.
- Provide repairs to the City's roadway system.
- Provide utility cuts repairs within City roadways.
- Improve efficiency of utility cut repairs so that no utility cut will be open longer than two weeks.

FY2019 ADOPTED BUDGET
STREETS

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,237,486	$1,181,491	$1,172,543	$1,381,215
Materials and Supplies	328,801	401,300	427,665	372,300
Contractual Services	388,956	369,773	618,030	678,958
Other Charges and Services	(354,356)	(534,400)	(707,289)	(585,923)
Capital Outlay	0	0	0	0
TOTAL	**$1,600,888**	**$1,418,164**	**$1,510,949**	**$1,846,550**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net increase (+$218,485) includes annualized cost of vacant positions, 1.8 new positions that were added in FY2018 and increase (-$9,800) in salary reimbursements for the in-house street program.

Materials and Supplies - Reduction (-$55,300) in the amount of concrete and aggregate needed for FY2019.

Contractual Services - Increases include garage charges (+$50,000) for increase in fleet , increases in computer charges (+$22,900) that include a proportional share for licensing and keeping hardware updated city-wide and a reduction (-$12,000) in equipment rental.

Other Charges and Supply - Includes decreases in reimbursements (+$121,360) for In-House street paving from the Infrastructure and Debt Service Fund.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Inlets Cleared	8,649	9,574	12,000	12,000
Potholes Patched	4,800	5,124	5,500	5,500
Crack Sealed Pavement, LF	25,120	28,520	35,000	35,000
Mill & Overlay Program, Miles	5.06	8.30	9.51	10.5
Utility Cuts Repaired	375	365	420	500

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director of Public Works	0.125	0.125	0.125	0.125
Assistant Director of Public Works	0.50	0.50	0.50	0.50
Superintendent Streets/Drainage	0.50	0.50	1.30	1.30
Supervisor of Streets	1.00	1.00	2.00	2.00
Engineering Technician	1.00	1.00	1.00	1.00
Administrative Service Specialist	1.00	1.00	1.00	1.00
Crew Leader	3.00	4.00	4.00	4.00
Equipment Operator	13.00	15.00	15.00	15.00
Laborer	14.00	18.00	18.00	18.00
TOTAL	**34.125**	**41.125**	**42.925**	**42.925**

FY2019 ADOPTED BUDGET
STREETS

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$1,110,046	$1,311,556	$1,211,027	$1,384,865
511005	Longevity	13,047	15,015	12,678	17,075
511006	Differential Pay	162	500	0	500
511009	Overtime	76,879	50,000	51,389	50,000
511125	Residency Pay	51,686	54,582	55,392	54,582
511510	Group Health Insurance	212,161	270,025	244,759	276,918
511515	Worker's Compensation	61,372	61,372	61,372	41,004
511520	Group Life Insurance	4,043	5,071	4,587	5,351
511530	Social Security - Employment	73,895	88,762	82,490	93,435
511535	Medicare - Employer's	17,282	20,759	19,292	21,852
511542	City Employee Retirement	112,664	128,849	119,744	135,632
511650	Salary Reimbursements	(495,750)	(825,000)	(690,187)	(700,000)
Total Personnel Services		**$1,237,486**	**$1,181,491**	**$1,172,543**	**$1,381,215**
Materials and Supplies					
521065	Office Supplies	2,028	4,000	3,172	3,500
522011	Chemicals	3,350	4,000	3,555	3,000
522013	Clothing	20,296	20,000	19,007	20,000
522015	Concrete And Aggregate	266,493	250,000	290,000	230,000
522037	Janitorial Supplies	996	2,000	3,990	4,000
522038	Safety Supplies	4,123	5,000	4,385	5,000
522045	Electrical Hardware	4,284	0	0	0
522055	Minor Tools	16,161	16,800	13,947	13,800
522056	Minor Equipment	8,795	8,500	6,945	6,500
522065	Paint And Lumber	444	5,000	500	500
522085	Equipment Parts	1,431	1,000	986	1,000
522098	Other Materials	400	85,000	81,149	85,000
522099	Other Supplies	0	0	30	0
Total Materials and Supplies		**$328,801**	**$401,300**	**$427,665**	**$372,300**
Contractual Services					
531005	Other Services	13,500	0	0	0
531028	Software Licenses	0	0	1,081	0
531124	Towing Payments	200	0	0	0
531125	Other Contracts	7,345	0	0	0
531230	Equipment Repairs	0	1,200	1,200	1,200
531240	Maintenance Contracts	22,211	23,000	22,982	23,000
531310	Rental Of Land & Buildings	57,050	62,000	62,000	62,000
531320	Equipment Rental	22,284	30,000	40,925	30,000
531350	Garage Charges	246,840	228,700	408,910	459,290
531360	Computer Charges	9,919	12,423	68,279	91,148
532065	Printing, Duplication	427	1,000	1,000	1,000
532066	Print Shop Charges	240	300	623	500
532083	Telephone Service	1,452	1,400	1,699	1,500
532084	Cellular Service	4,210	3,000	5,520	5,500
532085	Pager Service	68	0	58	60
532086	Other Communications	2,610	2,700	2,700	2,700
532087	Aircard Service	57	50	52	60
533085	Travel/Training	544	4,000	1,000	1,000
Total Contractual Services		**$388,956**	**$369,773**	**$618,030**	**$678,958**

FY2019 ADOPTED BUDGET
STREETS

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Other Charges and Services					
544032	Meeting Expenditures	435	500	1,087	500
544087	Expense Reimbursement	(104,678)	(100,000)	(68,449)	(70,000)
544096	Expense Reimbursement-Project Mgmt.	(242,647)	(350,000)	(563,377)	(431,523)
544097	Expense Reimb - Other	(7,547)	(85,000)	(76,549)	(85,000)
544099	Miscellaneous Expense	81	100	0	100
Total Other Charges and Services		**($354,356)**	**($534,400)**	**($707,289)**	**($585,923)**
Total Expenses		**$1,600,888**	**$1,418,164**	**$1,510,949**	**$1,846,550**

Traffic Department

Division Mission

The Traffic Division of Public Works Department provides maintenance and responds to citizen's inquiries concerning the City's traffic signals, signage and pavement markings in a timely, cost effective, polite, responsible manner. All traffic control devices must be installed according the Texas Manual on Uniform Traffic Control Devices.

Accomplishments

- Reinstalled or replaced missing or faded regulatory, street name and beach access signage.
- Installed Beach Regulation signage for west end beach access roads.
- Provided for the repair of the City's traffic signal system, including pedestrian signals. Provided for the replacement of traffic signal light fixtures with LED light fixtures.
- Worked on restoring/maintaining street lighting on Broadway and IH 45 between 6th Street and the Causeway.
- Worked on maintaining the fiber optic communications system for traffic signal systems on Broadway, Seawall Boulevard, Avenue O and Avenue P.
- Provided traffic control for various special events including, Dickens on the Strand, Mardis Gras and the Lonestar Motorcycle Rally, Iron man, etc.
- Painted curbs and repaired pavement markings citywide.
- Improved Broadway corridor signal timing to include progressive traffic movement.
- Continued traffic signal preventative maintenance and software/hardware upgrades.

Goals

- Continue reinstalling and replacing missing or faded regulatory, street name and beach access signage.
- Continue implementation of Traffic LED Retro Fit Program in accordance with the City's Energy Saving goal.
- Identify poorly striped roadways and intersections.
- Continue providing for the repair of the City's traffic signal system, including pedestrian signals.
- Continue traffic safety training, traffic control and traffic signal repair training for City Traffic Division employees.

FY2019 ADOPTED BUDGET
TRAFFIC

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$824,960	$804,817	$897,918	$939,984
Materials and Supplies	1,116,848	967,755	938,621	929,730
Contractual Services	185,857	376,012	238,495	242,967
Other Charges and Services	(85,580)	(10,000)	(13,882)	(15,000)
Capital Outlay	47,468	0	0	0
TOTAL	**$2,089,554**	**$2,138,584**	**$2,061,152**	**$2,097,682**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increases (+$42,060) include promotion of personnel for full year.

Materials and Supplies - Decreases in electrical hardware (-$13,000) and increases ($4,100) in miscellaneous line items

Contractual Services - Includes increases in computer charges (+$11,380) that include a proportional share for licensing and keeping hardware updated city-wide and a reduction (-$6,900) in various contractual line items.

Other Charges and Supply - Increase (-$1,118) in reimbursements from Insurance proceeds.

PERFORMANCE INDICATORS

INDICATORS	FY2015 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Signal Lights Repaired	790	852	450	500
Signs Erected	696	721	800	800
Street Striping (ft.)	0	65,258	75,214	25,000
Special Events	N/A	62	74	75

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director of Public Works	0.125	0.125	0.125	0.125
Traffic Superintendent	1.00	1.00	1.00	1.00
Traffic Supervisor	0.00	1.00	1.00	1.00
Traffic Foreman/SE Field Coordinator	1.00	1.00	1.00	1.00
Senior Traffic Maint. Tech/ASE Field Coord.	0.00	1.00	1.00	1.00
Senior Traffic Signal Technician	3.00	3.00	3.00	3.00
Crewleader	3.00	3.00	3.00	3.00
Traffic Sign Maintenance Tech	1.00	1.00	1.00	1.00
Traffic Signal Maintenance Tech	2.00	2.00	2.00	2.00
Laborer	5.00	5.00	5.00	5.00
TOTAL	**16.125**	**18.125**	**18.125**	**18.125**

FY2019 ADOPTED BUDGET
TRAFFIC

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$528,891	$562,208	$600,394	$627,364
511005	Longevity	3,569	4,344	4,081	5,214
511006	Differential Pay	0	325	0	325
511009	Overtime	144,008	75,000	120,935	125,000
511125	Residency Pay	20,461	22,962	22,201	22,962
511510	Group Health Insurance	92,667	106,193	112,471	119,364
511515	Worker's Compensation	10,926	10,926	10,926	7,300
511520	Group Life Insurance	1,796	2,163	2,248	2,441
511530	Social Security - Employment	41,747	41,220	46,352	48,414
511535	Medicare - Employer's	9,763	9,640	10,840	11,323
511542	City Employee Retirement	62,724	59,836	67,285	70,278
511650	Salary Reimbursements	(91,592)	(90,000)	(99,816)	(100,000)
Total Personnel Services		**$824,961**	**$804,817**	**$897,918**	**$939,984**
Materials and Supplies					
521065	Office Supplies	7,204	5,000	4,559	5,000
522011	Chemicals	1,170	1,000	3,675	2,000
522013	Clothing	13,596	11,000	12,303	12,500
522015	Concrete and Aggregate	64	0	318	0
522017	Sign Materials	155,144	95,000	99,656	100,000
522037	Janitorial Supplies	12,082	8,000	9,380	9,000
522038	Safety Supplies	4,165	8,905	7,354	8,000
522045	Electrical Hardware	132,599	98,000	98,000	85,000
522055	Minor Tools	16,105	12,000	11,094	12,000
522056	Minor Equipment	65,414	50,000	28,995	30,000
522065	Paint And Lumber	68,485	40,000	18,320	20,000
522075	Pipe and Plumbing Supplies	42	0	301	0
522099	Other Supplies	284	1,730	1,095	1,730
525031	Electricity	638,967	636,000	641,028	642,000
525032	Natural Gas	1,527	1,120	2,544	2,500
Total Materials and Supplies		**$1,116,848**	**$967,755**	**$938,621**	**$929,730**
Contractual Services					
531005	Other Services	0	0	1,800	0
531028	Software Licenses	1,357	0	4,466	0
531115	Refuse Disposal	5,355	4,500	5,828	6,000
531125	Other Contracts	22,957	222,000	52,550	52,000
531230	Equipment Repairs	19,241	12,500	11,099	12,500
531240	Maintenance Contracts	6,179	10,500	8,349	8,500
531320	Equipment Rental	8,148	0	0	0
531350	Garage Charges	83,458	83,460	96,464	94,035
531360	Computer Charges	15,952	19,677	33,977	45,357
532065	Printing, Duplication	80	0	68	100
532083	Telephone Service	9,315	8,300	5,624	5,800
532084	Cellular Service	3,508	3,000	8,245	8,500
532085	Pager Service	68	75	53	75
532086	Other Communications	9,187	8,000	7,921	8,000
532087	Aircard Services	57	0	52	100
533085	Travel/Training	995	4,000	2,000	2,000
Total Contractual Services		**$185,857**	**$376,012**	**$238,495**	**$242,967**

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Other Charges and Services					
544032	Meeting Expenditures	793	0	836	0
544087	Expense Reimbursement	(15,457)	(10,000)	(14,718)	(15,000)
544098	Reimbursable From Insurance Claims	(70,915)	0	0	0
Total Other Charges and Services		**($85,580)**	**($10,000)**	**($13,882)**	**($15,000)**
Capital Outlay					
564117	Machinery & Equipment	47,468	0	0	0
Total Capital Outlay		**$47,468**	**$0**	**$0**	**$0**
Total Expenses		**$2,089,554**	**$2,138,584**	**$2,061,152**	**$2,097,682**

CITY OF GALVESTON

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FY2019 ADOPTED BUDGET
PARKS AND RECREATION OPERATIONS

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Parks Administration	$810,442	$864,544	$861,102	$970,971
Parks and Parkways	1,828,693	1,996,277	1,987,383	2,021,725
Crockett Park	0	0	0	0
Parks and Recreation Operations Total	**$2,639,135**	**$2,860,821**	**$2,848,485**	**$2,992,696**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,854,641	$2,049,475	$2,028,192	$2,144,570
Materials and Supplies	298,941	394,513	392,187	360,433
Contractual Services	433,702	436,223	487,250	546,973
Other Charges and Services	1,617	(102,390)	(148,322)	(59,280)
Capital Outlay	50,235	83,000	89,178	0
Parks and Recreation Operations Total	**$2,639,135**	**$2,860,821**	**$2,848,485**	**$2,992,696**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Added two Assistant Director of Parks Operations (+$116,630). One position will have partial funding from revenue producing park facilities.

Materials and Supplies - Decrease (-$31,750) throughout the department for various materials and supplies to meet requested target budget.

Contractual Services - Increases in computer charges (+$104,805) include a proportional share for licensing and keeping hardware updated city-wide and removing computer charges from the Park and Parkways Department to reflect the correct usage of these items at the recreation centers. Various decreases (-$45,300) can be found throughout he department to meet requested target budget.

Other Charges and Services - An increase in reimbursement (+$89,000) are expected throughout FY2019.

Capital Outlay - Decrease (-$89.178) in Capital Outlay for line items bought in FY2018.

Recreation and Administration

Department Mission

The mission of the Parks and Recreation Department is to create, promote, administer, and maintain exceptional recreational programs, facilities, and parks to the best of our ability. The Parks and Recreation Department strives to enhance the quality of life by continuing improvements in each of these areas, accomplishing our objectives by seeking community input and available resources, while also maintaining fiscal responsibility, often searching for additional funding through grants and donations.

Accomplishments

- Operated a Citywide Summer Recreation Program which served approximately three hundred (300) children per day and employed approximately thirty-seven (37) part-time citizens from the community. In partnership with the Galveston Independent School District, breakfast and lunch were provided for six weeks during the program to many low to moderate-income families.
- Coordinated a Citywide After-School Program, which served an average of two hundred fifty (250) children per day and employed twelve (12) part-time citizens.
- Hosted Local Tennis Tournaments and scheduled numerous Softball and Baseball Tournaments at Galveston Ball fields.
- Welcomed more than three thousand (3,000) new members to the recreation centers and increased participation in pickleball and adult exercise classes.
- Awarded over two hundred (200) medals to designated achievers from nineteen (19) local schools at the Families, Children, and Youth Board Education Fest.
- Chosen as the host for the 2019 Texas Amateur Athletic Federation (T.A.A.F.) Annual Meeting and Conference.
- Staff served and attended the 92nd Annual T.A.A.F. Conference and training, the Texas Recreation & Park Society (TRAPS) East Region Workshop in Baytown, Texas where Barbara Sanderson was named “Director of the Year”, and TRAPS State Institute & Expo in Waco, Texas where Barbara Sanderson was named “At-Large Representative 2” on the TRAPS Executive Board of Directors.
- Partnered with Christina Sullivan Grillo Foundation to bring Adaptive Tennis Program to children and adults with physical and intellectual disabilities.
- Summer Band Concerts increased to over nine hundred (900) participants.
- Issued fifty-six (56) Special Event Permits and processed one hundred ten (110) Loudspeaker Applications and Permits between January 1 and December 31, 2017.

Goals

- Continue to work in accordance with the Parks, Recreation, and Open Space Master Plan, and update the Master Plan as projects are accomplished.
- Continue with the Broadway Beautification Landscaping Plan and ADA compliance.
- Purchase and implement membership software for Recreation facilities; provide training to all staff.
- Implement new programs and increase participation in various initiatives within established budgets.
- Continue working with various advisory boards and committees to ensure community needs are met.
  Continue to foster an environment in which members of the community experience an unmatched level of customer service.

FY2019 ADOPTED BUDGET
PARKS ADMINISTRATION

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$584,821	$592,420	$588,543	$588,285
Materials and Supplies	143,821	189,068	193,518	195,400
Contractual Services	78,544	79,556	75,918	183,786
Other Charges and Services	3,256	3,500	3,123	3,500
TOTAL	**$810,442**	**$864,544**	**$861,102**	**$970,971**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net decrease of (-$258) for annualized cost of positions.

Materials and Supplies - Small increases (+$1,880) needed for items such as janitorial supplies and office supplies.

Contractual Services - Increases in computer charges (+$104,805) include a proportional share for licensing and keeping hardware updated city-wide and removing computer charges from the Park and Parkways Department to reflect the correct usage of these items at the recreation centers. The additional new increases to all line items are (+$3,060).

Other Charges and Services - Small increases (+$375) for meeting expenditures and bank service fees.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Youth Participants	1,275	1,200	1,200	1,200
Adult Participants	17,000	23,000	24,500	26,000
Youth Programs	15	16	17	17
Adult Programs	13	15	16	16
Recreation Centers	2	2	2	2
Number of Special Events	58	56	52	52

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director of Parks	1.00	1.00	1.00	1.00
Superintendent of Recreation	1.00	1.00	1.00	1.00
Sr. Admin. Assist./Special Events Coordinator	1.00	1.00	1.00	1.00
Assistant Superintendent	1.00	1.00	1.00	1.00
Recreation Coordinator	4.00	4.00	4.00	4.00
TOTAL	**8.00**	**8.00**	**8.00**	**8.00**

FY2019 ADOPTED BUDGET
PARKS ADMINISTRATION

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$426,913	$426,542	$423,070	$423,915
511005 Longevity	4,512	4,512	4,490	4,896
511006 Differential Pay	0	0	1,523	1,807
511009 Overtime	2,887	250	400	2,000
511021 Part-Time Payroll	13,408	20,000	14,535	15,000
511125 Residency Pay	11,182	10,038	12,500	10,038
511510 Group Health Insurance	49,492	53,760	53,708	53,760
511515 Worker's Compensation	910	910	910	608
511520 Group Life Insurance	1,333	1,395	1,396	1,411
511530 Social Security - Employment	27,629	28,603	28,304	28,375
511535 Medicare - Employer's	6,462	6,689	6,620	6,636
511542 City Employee Retirement	40,095	39,721	41,087	39,839
Total Personnel Services	**$584,821**	**$592,420**	**$588,543**	**$588,285**
Materials and Supplies				
521065 Office Supplies	7,553	7,668	7,590	12,500
521067 Minor Office Equipment	4,900	4,900	4,826	0
522037 Janitorial Supplies	6,833	10,200	15,000	20,000
522040 Recreation Supplies	9,805	10,200	10,000	10,200
522056 Minor Equipment	0	29,000	28,989	25,000
525031 Electricity	113,056	126,000	125,426	126,000
525032 Natural Gas	1,675	1,100	1,687	1,700
Total Materials and Supplies	**$143,821**	**$189,068**	**$193,518**	**$195,400**
Contractual Services				
531007 Security Service	2,213	2,000	1,706	0
531014 Building Security	1,572	1,650	3,453	4,000
531025 Memberships	1,240	2,500	1,700	2,000
531125 Other Contracts	388	0	0	0
531220 Building Repairs	15,357	7,000	9,000	7,000
531230 Equipment Repairs	0	0	0	3,500
531320 Equipment Rental	0	0	0	3,200
531240 Maintenance Contracts	1,600	1,600	1,200	1,600
531360 Computer Charges	20,947	26,236	17,981	122,786
532062 Postage	342	250	160	200
532065 Printing, Duplication	1,635	2,000	0	3,500
532066 Print Shop Charges	241	2,000	1,600	0
532083 Telephone Service	9,710	10,000	9,700	8,000
532084 Cellular Service	2,885	3,000	2,885	3,000
532086 Other Communications	4,137	4,200	10,000	8,000
533085 Travel/Training	14,992	15,500	15,483	15,500
533100 Advertising	1,288	1,620	1,050	1,500
Total Contractual Services	**$78,544**	**$79,556**	**$75,918**	**$183,786**
Other Charges and Services				
544032 Meeting Expenditures	1,053	1,000	1,100	1,000
544105 Bank Service Fees	2,203	2,500	2,023	2,500
Total Other Charges and Services	**$3,256**	**$3,500**	**$3,123**	**$3,500**
Total Expenses	**$810,442**	**$864,544**	**$861,102**	**$970,971**

CITY OF GALVESTON

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Parks and Parkways

Division Mission

The mission of the Parks and Recreation Department is to create, promote, administer, and maintain exceptional recreational programs, facilities, and parks to the best of our ability. The Parks and Recreation Department strives to enhance the quality of life by continuing improvements in each of these areas, accomplishing our objectives by seeking community input and available resources, while also maintaining fiscal responsibility, often searching for additional funding through grants and donations.

Accomplishments

- Completed construction on the Crockett Park Complex.
- Completed ball field lighting maintenance initiative at Naschke Field, Columbo Field, Hooper Field, and Rotary Field. Repaired lights at the fields along 83rd Street and installed all new lighting at Crockett Park Complex.
- Hosted multiple softball tournaments in conjunction with the Galveston CVB.
- Installed a 2-to-5 year told playground at Lindale Park.
- Replaced windscreens on tennis courts at Menard, Lasker, and Lindale Parks.
- Installed a new roof on the concession stand at Naschke Field.
- Installed new playground equipment and shade structure at Wright Cuney Park.
- Increased mowing and landscaping with the Broadway Beautification Project by trimming trees and replacing plants to improve appearance; continued to repair/replace irrigation on Broadway and work with Flamingo Gardens to maintain the end circles on the medians.
- Maintained the I-45 Right-Of-Ways, Causeway, and the 27th Street Corridor.
- Staff received training from the Texas Recreation and Park Society and participated in both the Regional and State Maintenance Rodeo competitions. They hosted the Regional Rodeo competition in Galveston (in partnership with the Galveston Park Board) taking first place in several categories such as “Irrigation Assembly” and “Zero Turn Mower”, third place in “Backhoe Skills”, and tying for second place Team Overall at the Regional level. At the State competition in Waco, they took first place in “Irrigation Assembly”. They also received training from the Texas Forestry Service and attended the Texas Tree Conference.

Goals

- Complete designs and begin the renovations on Sandhill Crane Soccer Complex.
- Continue to increase litter control and maintain the main thoroughfares and city right-of-ways.
- Continue to replace playground equipment at area parks and update security lighting and signage in all parks.
- Seek additional training and development opportunities for Maintenance Staff.
- Continue to work in accordance with the Parks, Recreation, and Open Space Master Plan, and update the Master Plan as projects are accomplished within budget.
- Continue to foster an environment in which members of the community experience an unmatched level of customer service from our employees and when visiting facilities.

FY2019 ADOPTED BUDGET
PARKS AND PARKWAYS

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,269,820	$1,457,055	$1,439,649	$1,556,285
Materials and Supplies	155,120	183,555	159,910	112,253
Contractual Services	355,157	356,667	411,332	363,187
Other Charges and Services	(1,639)	(1,000)	(23,508)	(10,000)
Capital Outlay	50,235	0	0	0
TOTAL	**$1,828,693**	**$1,996,277**	**$1,987,383**	**$2,021,725**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Added two Assistant Director of Parks Operations (+$116,630). One position will have partial funding from revenue producing park facilities.

Materials and Supplies - Decrease (-$47,650) throughout the department for various materials and supplies to meet requested target budget.

Contractual Services - Move computer charges (-$71,200) to Administration, increase in garage charges (+$38,200) and decreases (-$15,150) in various line items to meet requested target budget.

Other Charges and Services - Increase (+$13,500) in anticipated expenses reimbursed for park operations.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Parks Mowed and Maintained Acreage	49.2	49.2	49.2	49.2
Sports Fields Moved and Maintained Acreage	87.1	87.1	89.9	89.9
Highways Mowed and Maintained Acreage	97.1	97.1	97.1	97.1
Buildings, Parking Lots, other Fields Mowed and Maintained Acreage	27.8	27.8	27.8	27.8
Streets, Roads & Roadways Mowed and Maintained Acreage	291.7	291.7	294.0	294.0
Cemeteries Mowed and Maintained Acreage	22.8	22.8	22.8	22.8
Overall Total Maintained Acreage	575.7	575.7	580.8	580.8

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Assistant Director of Park Operations	0.00	0.00	0.00	2.00
Superintendent of Parks	1.00	1.00	1.00	1.00
Senior Parks Crew Leader	1.00	1.00	1.00	1.00
Parks Crew Leader	3.00	3.00	3.00	3.00
Parks Facility Leader	0.00	0.00	0.00	0.50
Senior Parks Maintenance Worker	6.00	7.00	7.00	7.00
Park Maintenance Worker	17.00	19.00	19.00	19.00
TOTAL	**28.00**	**31.00**	**31.00**	**33.50**

FY2019 ADOPTED BUDGET
PARKS AND PARKWAYS

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$801,141	$902,720	$911,688	$988,300
511005	Longevity	8,478	8,491	9,604	10,003
511006	Differential Pay	0	0	762	900
511009	Overtime	48,544	53,000	51,813	51,000
511021	Part-Time Payroll	8,062	24,000	11,381	24,000
511125	Residency Pay	64,286	65,247	70,911	65,247
511510	Group Health Insurance - Employer's	168,665	211,680	204,397	215,712
511515	Worker's Compensation	16,254	16,254	16,254	10,860
511520	Group Life Insurance	2,853	3,423	3,387	3,544
511530	Social Security - Employer's	56,194	65,314	64,276	70,646
511535	Medicare - Employer's	13,142	15,275	15,032	16,522
511542	City Employee Retirement	83,024	92,651	94,251	102,551
511650	Salary Reimbursements	(823)	(1,000)	(14,107)	(3,000)
Total Personnel Services		**$1,269,820**	**$1,457,055**	**$1,439,649**	**$1,556,285**
Materials and Supplies					
522003	Agriculture Supplies	20,079	39,000	23,000	15,253
522011	Chemicals	4,670	6,000	2,000	0
522012	Park Equipment and Supplies	0	0	0	44,000
522013	Clothing	17,861	20,000	20,000	18,000
522015	Concrete And Aggregate	0	2,000	46	0
522017	Sign Materials	984	2,000	600	0
522025	Fuel And Lubricants	442	400	200	0
522037	Janitorial Supplies	16,955	18,000	18,000	5,000
522038	Safety Supplies	3,559	8,300	4,000	0
522045	Electrical Hardware	34,817	11,680	13,194	10,000
522055	Minor Tools	8,974	13,000	12,939	10,000
522056	Minor Equipment	19,753	23,025	22,931	10,000
522065	Paint And Lumber	8,249	16,000	13,500	0
522075	Pipe And Plumbing Supplies	7,619	12,150	12,000	0
522085	Equipment Parts	11,157	12,000	17,500	0
Total Materials and Supplies		**$155,120**	**$183,555**	**$159,910**	**$112,253**
Contractual Services					
531025	Memberships	453	1,000	850	1,000
531119	Landscaping Services	0	0	0	156,000
531125	Other Contracts	140,174	139,970	121,372	0
531220	Building Repairs	15,809	7,000	7,000	7,000
531230	Equipment Repairs	9,515	12,159	53,000	7,000
531320	Equipment Rental	10,439	10,000	10,975	7,000
531350	Garage Charges	149,595	150,000	146,903	185,187
531360	Computer Charges	29,172	36,538	71,232	0
Total Contractual Services		**$355,157**	**$356,667**	**$411,332**	**$363,187**
Other Charges and Services					
544087	Expense Reimbursement	(1,639)	(1,000)	(23,508)	(10,000)
Total Other Charges and Services		**($1,639)**	**($1,000)**	**($23,508)**	**($10,000)**
Capital Outlay					
564099	Other Capital Purchases	50,235	0	0	0
Total Capital Outlay		**$50,235**	**$0**	**$0**	**$0**
Total Expenses		**$1,828,693**	**$1,996,277**	**$1,987,383**	**$2,021,725**

CITY OF GALVESTON

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FY2019 ADOPTED BUDGET
CROCKETT PARK (Little League Complex)

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$0	$0	$0	$0
Materials and Supplies	0	21,890	38,759	52,780
Other Charges and Services	0	(104,890)	(127,937)	(52,780)
Capital Outlay	0	83,000	89,178	0
TOTAL	**$0**	**$0**	**$0**	**$0**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Includes full year funding (+$68,866) for 50% Parks personnel to maintain grounds with reimbursement (-$68,866) coming from the Industrial Development Corporation Parks silo.

Materials and Supplies - Increases (+$14,021) inculde full year funding.

Other Charges and Services - Increase in reimbursement (+$75,157) from Industial Development Corporation silo for materials and supplies for full fiscal year.

Capital Outlay - Decrease (-$89.178) in Capital Outlay for line items bought in FY2018.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Parks Crew Leader	0.00	0.50	0.50	0.50
Sr. Parks Maintenance	0.00	0.50	0.50	0.50
Maintenance Worker	0.00	0.00	1.00	1.00
TOTAL	**0.00**	**1.00**	**2.00**	**2.00**

FY2019 ADOPTED BUDGET
CROCKETT PARK (Little League Complex)

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$0	$32,496	$11,955	$59,593
511002 Cola Increases	0	0	0	1,192
511005 Longevity	0	0	1,748	119
511006 Differential Pay	0	0	0	0
511009 Overtime	0	0	2,027	8,147
511125 Residency Pay	0	0	865	2,500
511510 Group Health Insurance	0	6,720	2,240	6,720
511515 Worker's Compensation	0	0	0	200
511520 Group Life Insurance	0	63	45	126
511530 Social Security - Employment	0	2,015	1,029	4,436
511535 Medicare - Employer's	0	471	241	1,037
511542 City Employee Retirement	0	2,925	1,494	6,440
511650 Salary Reimbursement	0	(44,690)	(21,644)	(90,510)
Total Personnel Services	**$0**	**$0**	**$0**	**$0**
Materials and Supplies				
521065 Office Supplies	0	0	1,000	1,500
522013 Clothing	0	0	0	10,000
522037 Janitorial Supplies	0	2,500	2,000	0
522040 Recreation Supplies	0	10,000	4,000	5,000
522056 Minor Equipment	0	0	11,459	7,500
522065 Paint and Lumber	0	890	10,000	1,780
525031 Electricity	0	8,500	5,000	6,000
525032 Natural Gas	0	0	5,000	20,000
522065 Paint and Lumber	0	0	300	1,000
Total Materials and Supplies	**$0**	**$21,890**	**$38,759**	**$52,780**
Other Charges and Services				
544087 Expense Reimbursement	0	(104,890)	(127,937)	(52,780)
Total Other Charges and Services	**$0**	**($104,890)**	**($127,937)**	**($52,780)**
Capital Outlay				
564003 Vehicle Capital Outlay	0	20,000	26,178	0
564117 Machinery and Equipment	0	63,000	63,000	0
Total Capital Outlay	**$0**	**$83,000**	**$89,178**	**$0**
Total Expenses	**$0**	**$0**	**$0**	**$0**

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FY2019 ADOPTED BUDGET
DEVELOPMENTAL SERVICES OPERATIONS

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Code Enforcement	$669,522	$763,564	$747,477	$758,751
Building Inspection	587,033	616,839	604,262	672,039
Planning	1,016,802	1,173,643	846,891	914,214
Developmental Services Total	**$2,273,357**	**$2,554,046**	**$2,198,630**	**$2,345,004**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,566,567	$1,648,104	$1,602,875	$1,729,411
Materials and Supplies	20,486	27,300	26,471	25,400
Contractual Services	720,344	864,642	555,581	576,693
Other Charges and Services	(34,041)	14,000	13,704	13,500
Developmental Services Total	**$2,273,357**	**$2,554,046**	**$2,198,630**	**$2,345,004**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Net increases (+$126,500) include the additional of an Assistant Director of Developmental Services that was added in FY2018 and annualized cost of positions.

Materials and Supplies - Net decreases (-$1,070) in office supplies and minor equipment.

Contractual Services - Includes decreases (-$8,980) in various line items and Increases in computer charges (+$30,100) include a proportional share for licensing and keeping hardware updated city-wide.

Other Charges and Services - Slight decrease in bank service charges (-$200).

Code Enforcement

Division Mission

The City Marshal's Office and Code Enforcement Division are dedicated to improving the overall appearance of neighborhoods and quality of life for the Citizens of Galveston, by ensuring compliance with federal, state, and local laws and ordinances.

Accomplishments

- Implemented a training program to increase code officer certification to level II.
- A new tracking system for citizen complaints has been updated.
- Compliance Officer continuous training on the new LDR plan.
- There have been sixteen (16) rehabilitation projects performed by owners as a result of the Court of Record.
- There have been nine (9) demolitions performed by the city through the Court of Record program.
- Neighborhood Association meetings have been attended and information disseminated on various codes and the new online reporting process.
- There have been eight six (86) Housing Abatement cases from October, 2017 to June, 2018.
- 689 Municipal Court cases have been processed from October, 2017 to June, 2018.
- Cell Phone updates on new tracking system for field work.

Goals

- Purchase laptops and printers for each deputy marshal/code officer to decrease down time and increase productive time by creating a mobile office solution.
- Demolish at least thirty (30) unsafe structures through the Court of Record
- Increase Zoning Compliance for the island through continually educating the compliance officers and public on the new LDR plan.
- Purchase radios for code officers/deputy marshals to facilitate communication with other officers and dispatch.
- Recalculate administration fee structure for violations to recoup more costs related to enforcement.
- Implement more training programs.

FY2019 ADOPTED BUDGET
CODE ENFORCEMENT

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$511,022	$519,244	$514,383	$527,038
Materials and Supplies	2,632	10,700	10,708	10,700
Contractual Services	199,521	233,620	222,386	221,013
TOTAL	**$669,522**	**$763,564**	**$747,477**	**$758,751**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net increase (+$12,650) includes annualized cost of positions.

Contractual Services - Overall changes in line items result in a net decrease (-$1,370).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Demolitions by the City	24	25	25	25
Structures Secured	20	15	15	15
Public Nuisances Cleaned	425	425	425	425
Municipal Court Cases	695	700	750	850
Coin Machines Issued	608	550	N/A	N/A
Temporary Concessions	25	25	N/A	N/A
Hotel/Motel Permits	36	36	N/A	N/A
Temporary Parking Lots	10	14	N/A	N/A
Motor Vending	4	4	N/A	N/A
Beach Rentals	11	10	N/A	N/A
Housing Abatement Cases/Court of Record	N/A	N/A	100	100

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Assistant Director of Developmental Services	1.00	1.00	1.00	1.00
Code Enforcement Supervisor	0.50	0.50	0.50	0.70
Deputy Marshals	0.00	0.00	3.00	3.00
Code Enforcement Officer	5.375	5.375	2.375	2.500
Office Assistant III	1.00	1.00	1.00	1.00
TOTAL	**7.875**	**7.875**	**7.875**	**8.200**

FY2019 ADOPTED BUDGET
CODE ENFORCEMENT

LINE ITEM DETAIL

		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$352,482	$372,549	$373,249	$377,683
511005	Longevity	4,677	4,654	4,731	5,048
511006	Differential Pay	900	904	900	904
511009	Overtime	26,615	0	35,000	0
511021	Part-Time Payroll	0	8,736	0	8,736
511125	Residency Pay	11,250	11,293	11,528	11,293
511510	Group Health Insurance - Employer's	46,974	54,573	54,152	54,573
511515	Worker's Compensation	368	368	368	246
511520	Group Life Insurance	1,201	1,332	1,268	1,345
511530	Social Security - Employer's	24,176	24,143	26,375	25,027
511535	Medicare - Employer's	5,654	5,646	6,168	5,853
511542	City Employee Retirement	35,633	35,046	38,287	36,330
511650	Salary Reimbursements	(10,584)	0	(37,643)	0
511655	Salary Reimbursements-Grants	11,676	0	0	0
Total Personnel Services		**$511,022**	**$519,244**	**$514,383**	**$527,038**
Materials and Supplies					
521065	Office Supplies	106	7,200	7,200	7,200
522013	Clothing	2,526	3,500	3,508	3,500
Total Materials and Supplies		**$2,632**	**$10,700**	**$10,708**	**$10,700**
Contractual Services					
531025	Memberships	50	50	50	50
531027	Certification & Permit Fees	625	500	550	600
531111	Asbestos Testing	750	1,000	1,000	750
531120	Lot Maintenance	34,834	41,264	40,800	41,264
531121	Lot Demolition	96,519	92,641	93,246	95,000
531124	Towing Payments	0	1,500	1,500	1,000
531129	Graffiti Removal	0	375	375	375
531240	Maintenance Contracts	0	7,859	7,358	7,500
531350	Garage Charges	36,466	36,831	33,452	28,474
532062	Postage	0	7,600	6,500	6,500
532065	Printing, Duplication	0	2,000	1,000	2,000
532066	Print Shop Charges	0	2,000	1,000	2,000
532083	Telephone Service	10,885	10,000	10,603	10,500
532084	Cellular Service	4,289	4,000	3,819	4,000
532086	Other Communications	9,107	10,000	9,916	10,000
533085	Travel/Training	4,404	6,000	6,217	6,000
533100	Advertising	1,593	10,000	5,000	5,000
Total Contractual Services		**$199,521**	**$233,620**	**$222,386**	**$221,013**
Other Charges and Services					
543033	Filing And Releasing Fees	26,817	32,000	25,416	32,000
544087	Expense Reimbursement	(70,470)	(32,000)	(25,416)	(32,000)
Total Other Charges and Services		**($43,653)**	**$0**	**$0**	**$0**
Total Expenses		**$669,522**	**$763,564**	**$747,477**	**$758,751**

CITY OF GALVESTON

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Building Inspection

Division Mission

The mission of the Building Division is to ensure that all structures are built, maintained, and enhanced to specific standards in accordance with codes and ordinances of the City to protect the health, safety, and welfare of the general public, visitors and businesses.

Accomplishments

- Hired an Assistant Director to manage and create efficiencies within the division.
- Updated our current website to be more improved and user friendly.
- Provided a high standard of technical expertise for department staff through regular training and awareness of new legislation and innovative construction techniques.
- Implemented Internal permit tracking system to create a more expeditious permit turnaround as well as to help identify areas where improvement is needed.
- Provided additional training for inspectors to acquire training in their respective fields by attending classes through the Building Professional Institute.
- Provided additional training for inspectors to acquire training in their respective fields by attending classes through the Building Professional Institute. One of our Building Inspectors obtained ICC residential HVAC certification.
- Provided Outreach Letters for Flood Hazard Awareness to citizens two times annually for Community Rating System (CRS) credits.
- Building Division since June 27, 2017 issued a total of 5,064 permits.

Goals

- Implement new floodplain maps.
- Adopt 2018 International Codes.
- Evaluate effectiveness of electronic plan review and modify as needed; implement to increase efficiency and reduce the amount of paper being used.
- Create and/or adopt ordinances specific to Substantial Improvement, Storage Containers, and Accessory buildings under 50 square feet.
- Implement the recommendations of the Permit Division Process Audit.
- Provided a high standard of technical expertise for department staff through regular training and awareness of new legislation and innovative construction techniques.
- Hire and develop Combination Inspectors to meet the needs of the community.
- Reduce the number of positions necessary to meet permitting and inspection volume through the cross-training of inspectors.
- Provide continuous full-service coverage at permit desk through the cross-training of inspectors to issue permits in the absence of the technicians.

FY2019 ADOPTED BUDGET
BUILDING INSPECTION

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2019 ADOPTED
Personnel Services	$550,651	$570,633	$560,320	$631,284
Materials and Supplies	0	3,600	3,763	2,700
Contractual Services	36,392	42,606	40,178	38,054
TOTAL	**$587,033**	**$616,839**	**$604,262**	**$672,039**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Added a Assistant Director of Developmental Services (+$70,964) during FY2018.
Materials and Supplies - Reduction is office supplies (-$1,606).
Contractual Services - Overall changes in line items result in a net decrease (-$2,120).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2019 ESTIMATED	FY2019 ADOPTED
Total Permits Issued	4,732	4,579	5,014	5,200
Total Inspections	7,578	8,973	8,275	9,200
Inspections per day per FTE	6	4	5	6
Average days from application to permit issuance	7	12	9	7

PERSONNEL

POSITION	FY2017 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2019 ADOPTED
Assistant Director of Developmental Services	0.00	0.00	1.00	1.00
Chief Building Official	1.00	1.00	1.00	1.00
Senior Building Inspector	4.00	4.00	4.00	4.00
Building Inspector	1.00	1.00	1.00	1.00
Plans Examiner	1.00	1.00	1.00	1.00
Permit Technician	2.00	2.00	2.00	2.00
TOTAL	**9.00**	**9.00**	**10.00**	**10.00**

FY2019 ADOPTED BUDGET
BUILDING INSPECTION

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$410,583	$420,863	$412,434	$470,202
511005 Longevity	4,292	4,299	4,576	4,731
511006 Differential Pay	900	904	1,662	904
511125 Residency Pay	10,000	10,038	10,000	12,548
511510 Group Health Insurance	53,303	59,875	58,240	59,875
511515 Worker's Compensation	487	487	487	325
511520 Group Life Insurance	1,424	1,556	1,548	1,383
511530 Social Security - Employment	25,415	27,038	26,578	30,280
511535 Medicare - Employer's	5,917	6,324	6,216	7,082
511542 City Employee Retirement	38,330	39,249	38,580	43,955
Total Personnel Services	**$550,651**	**$570,633**	**$560,320**	**$631,284**
Materials and Supplies				
521065 Office Supplies	0	3,600	3,585	2,500
522013 Clothing	0	0	178	200
Total Materials and Supplies	**$0**	**$3,600**	**$3,763**	**$2,700**
Contractual Services				
531004 Consultant Services	2,600	2,600	2,600	0
531025 Memberships	555	650	640	650
531027 Certification & Permit Fees	0	200	90	200
531350 Garage Charges	19,356	19,356	20,902	18,454
532062 Postage	0	3,800	0	1,500
532065 Printing, Duplication	1,491	2,000	1,500	1,000
532066 Print Shop Charges	0	0	463	250
532083 Telephone Service	5,442	5,000	6,983	7,000
533085 Travel/Training	6,948	9,000	7,000	9,000
Total Contractual Services	**$36,392**	**$42,606**	**$40,178**	**$38,054**
Other Charges and Services				
544087 Expense Reimbursement	(10)	0	0	0
Total Other Charges and Services	**($10)**	**$0**	**$0**	**$0**
Total Expenses	**$587,033**	**$616,839**	**$604,262**	**$672,039**

CITY OF GALVESTON

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Planning and Development Division

Department Mission

The mission for the City of Galveston Development Services Department is to provide the general public and city with information and guidance, in order to lead to effective and responsible future land development and economic growth, through coastal management, disaster mitigation and recovery, economic development, historic preservation, neighborhood revitalization, as well as long range and comprehensive planning.

Accomplishments

- Obtained approval of the LDR revisions and managed public engagement process with interested groups
- Proposed and obtained approval for 18" freeboard requirement for additional flood resilience
- Managed the Community Rating System 2017 cycle visit and response
- Facilitated the Broadway Ad Hoc Committee draft Broadway Corridor Streetscape/Redevelopment Plan review. Intermediary for consultant work with BAHC. Awarded a RFP for a survey of potential new historic districts along the Broadway corridor.
- Developed a draft program to address vacant structures
- Worked with the Cedar Lawn Neighborhood to designate the area as a Neighborhood Conservation District
- Transitioned all permitted processes from Code Enforcement to the Planning and Development Division
- The Coastal Development Manager:
    - Continued to work on evenly distributing free parking along the Seawall Urban Park and Stewart Beach
    - Developed a Request for Proposal for the coastal survey
    - Coordinated and permitted beach nourishment projects along the Seawall.
- Continued to implement the Land Development Regulations (LDR). Worked on a special project of revisions to the LDR.

Goals

- Continue assisting the Galveston Roundtable of Foundations with Visioning Plan
- Perform a five-year update of the Comprehensive Plan based upon Visioning Plan results.
- Begin implementing the Broadway Corridor Streetscape/Redevelopment Plan
- Continue to enhance and expand the Historic Preservation Program.
- Fully implement the Electronic Plan Review Program and increased information access for field staff.
- Revise the Beach Access and Dune Plan within the Coastal Resource Management program.
- Continue to provide administrative support to the Planning Commission, Landmark Commission and Zoning Board of Adjustment.
- Continue to support the City Manager and City Council with special projects related to land development and community planning.

FY2019 ADOPTED BUDGET
PLANNING

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$504,895	$558,227	$528,171	$571,089
Materials and Supplies	17,854	13,000	12,000	12,000
Contractual Services	484,431	588,416	293,016	317,625
Other Charges and Services	9,622	14,000	13,704	13,500
TOTAL	**$1,016,802**	**$1,173,643**	**$846,891**	**$914,214**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase (+$42,900) for annualized cost of positions that were vacant for a portion of FY2018.

Contractual Services - Includes decreases (-$5,500) in various line items and Increases in computer charges (+$30,100) include a proportional share for licensing and keeping hardware updated city-wide.
Other Charges and Services - Slight decrease in bank service charges (-$200).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Percentage of Landmark Commission cases completed within 60 days	100%	100%	100%	100%
Percentage of Planning Commission cases completed within 90 days	100%	100%	98%	100%
Percentage of Zoning Board of Adjustment cases completed within 60 days	100%	100%	100%	100%
Percentage of Administrative License-to-Use reviewed within 15 days	100%	100%	100%	100%
Number of cases for the Financial Incentives for Historic Properties Program	30	35	15	15

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director of Developmental Services	1.00	1.00	1.00	1.00
Assistant Director of Dev. Services	1.00	1.00	1.00	1.00
Senior Project Manager	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00
Planner	1.00	1.00	1.00	1.00
Planning Technician	1.00	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00	1.00
TOTAL	**7.00**	**7.00**	**7.00**	**7.00**

FY2019 ADOPTED BUDGET
PLANNING

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$391,534	$427,323	$405,398	$438,042
511005 Longevity	1,398	1,400	1,232	1,736
511006 Differential Pay	900	904	900	904
511009 Overtime	793	0	0	0
511125 Residency Pay	6,827	7,528	8,990	7,529
511510 Group Health Insurance	35,793	46,570	40,600	46,570
511515 Worker's Compensation	609	609	609	407
511520 Group Life Insurance	1,053	1,107	1,091	1,274
511530 Social Security - Employment	24,200	27,103	25,824	27,789
511535 Medicare - Employer's	5,660	6,339	6,040	6,499
511542 City Employee Retirement	36,131	39,344	37,487	40,339
Total Personnel Services	**$504,895**	**$558,227**	**$528,171**	**$571,089**
Materials and Supplies				
521065 Office Supplies	14,830	7,200	7,200	7,200
521067 Minor Office Equipment	2,243	4,000	4,000	4,000
521073 Printed Materials	781	1,800	800	800
Total Materials and Supplies	**$17,854**	**$13,000**	**$12,000**	**$12,000**
Contractual Services				
531004 Consultant Services	41,846	75,000	55,000	58,500
531025 Memberships	3,883	3,000	2,173	3,500
531028 Software Licenses	62,121	62,000	62,000	62,000
531350 Garage Charges	3,768	3,768	5,297	4,009
531360 Computer Charges	297,119	361,348	89,904	120,016
531400 Water Service	6,739	5,500	3,539	5,000
532062 Postage	16,151	7,600	7,600	7,500
532065 Printing, Duplication	7,475	10,000	7,767	8,000
532066 Print Shop Charges	2,594	4,000	5,571	3,500
532083 Telephone Service	14,513	16,000	13,326	14,500
532084 Cellular Service	11,334	10,000	10,661	11,000
532086 Other Communications	162	200	179	100
532087 Aircard Service	0	5,000	0	0
533085 Travel/Training	5,165	15,000	15,000	10,000
533100 Advertising	11,562	10,000	15,000	10,000
Total Contractual Services	**$484,431**	**$588,416**	**$293,016**	**$317,625**
Other Charges and Services				
544032 Meeting Expenditures	297	1,000	585	500
544105 Bank Service Charges	9,275	13,000	13,119	13,000
547025 Over/Short	50	0	0	0
Total Other Charges and Services	**$9,622**	**$14,000**	**$13,704**	**$13,500**
Total Expenses	**$1,016,802**	**$1,173,643**	**$846,891**	**$914,214**

FY2019 ADOPTED BUDGET
COASTAL RESOURCE MANAGEMENT

EXPENDITURE SUMMARY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$0	$0	$0	$0
Contractual Services	0	0	0	0
Other Charges and Services	0	0	0	0
TOTAL	**$0**	**$0**	**$0**	**$0**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - All funding for this position is currently be allocated directly to the Industrial Development Corporation Beach Remediation Silo.

PERSONNEL POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Coastal Resource Manager	1.00	0.00	0.00	0.00
TOTAL	**1.00**	**0.00**	**0.00**	**0.00**

FY2019 ADOPTED BUDGET
COASTAL RESOURCE MANAGEMENT

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$38,080	$0	$0	$0
511005 Longevity	43	0	0	0
511006 Differential Pay	606	0	0	0
511009 Overtime	0	0	0	0
511125 Residency Pay	0	0	0	0
511510 Group Health Insurance	4,378	0	0	0
511515 Worker's Compensation	76	0	0	0
511520 Group Life Insurance	128	0	0	0
511530 Social Security - Employment	2,376	0	0	0
511535 Medicare - Employer's	556	0	0	0
511542 City Employee Retirement	3,486	0	0	0
511650 Salary Reimbursements	(49,727)	0	0	0
Total Personnel Services	**$0**	**$0**	**$0**	**$0**
Total Expenses	**$0**	**$0**	**$0**	**$0**

CITY OF GALVESTON

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FY2019 ADOPTED BUDGET
GENERAL GOVERNMENT OPERATIONS

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
City Secretary	$483,074	$547,175	$523,780	$536,270
Elections	39,489	70,000	20,986	68,000
Municipal Court	656,025	759,670	665,673	667,871
City Manager	741,626	762,019	732,048	682,997
City Auditor	263,867	278,563	268,939	274,851
City Attorney	739,630	919,554	920,462	928,227
Human Resources	490,635	557,574	543,353	555,375
Transportation	916,788	800,000	800,000	600,000
General Government Operations Total	**$4,331,134**	**$4,694,555**	**$4,475,240**	**$4,313,590**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$2,504,884	$2,764,272	$2,729,043	$2,711,003
Materials and Supplies	88,742	94,950	99,560	84,100
Contractual Services	1,607,594	1,638,983	1,500,821	1,322,227
Other Charges and Services	66,055	96,350	95,817	96,260
Capital Outlay	47,788	0	0	0
Special Programs and Events	16,071	100,000	50,000	100,000
General Government Operations Total	**$4,331,134**	**$4,694,555**	**$4,475,240**	**$4,313,590**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Net decrease includes reallocation of salaries (-$80,830) in the City Manager's and full year funding (+$62,790) for all other departments.

Materials and Supplies - Decrease purchases to various line items (-$15,460).

Contractual Services - Net decrease includes increases of City wide charges for technology services (+$37,660), restructure of media related expenses to new internal service fund (-$24,000), miscellaneous line item increases throughout the departments (+$7,750) and a reduction in funding of local match (-$200,000) transferred to Island Transit for Operations.

Other Charges and Services - Increase to various line items (+$443).

Special Programs and Events - Maintain City Manager's FY2018 level of contingency ($+50,000).

City Secretary

Department Mission

It is the mission of the City Secretary's Office to manage and preserve the official records of the City; to ensure transparency in government by assisting the public in accessing public documents and information; and to provide support services to the City Council, City Staff, and the public in a manner that values honesty, integrity, and trust.

Accomplishments

- Utilizing an automated contract management process to review contract dates; auto-notifications set up to remind department staff of upcoming dates; resulting in the reduced risk of overlooking contract expiration, termination, or renewal dates.
- Maintain shared City Council calendar to automatically push meeting dates/times and event reminders to the City Council on their electronic devices in order to keep the Council better informed.
- Continued the "green" initiative by reducing printed Council packet materials – the current process includes printing only the staff reports. A link to the online html version of agenda packets are provided for the Council's online review of additional supporting documentation.
- Assisting Port staff during transition of relocating Wharves Board meetings to City Hall and providing training and guidance during the transition of the Port agendas to html format to support increased transparency.

Goals

- Assist with implementing an electronic forms process for submission and approval of certain City forms – this process would replace paper forms with electronic workflow that collects and routes information digitally.
- Continue the effort of digitizing City records, focusing on those that are considered permanent by statute. The City Secretary's office will focus on assisting other departments.
- Expand the electronic contract management process to include electronic signatures for City staff, with the goal of improving contract approval times and supporting the "green" initiative.
- Collaborate with other departments to implement an electronic process for contracts not requiring City Council approval, but requiring City Manager approval, with the goal of increasing efficiency and ensuring all documents are filed with the City Secretary's office in the official records of the city.

FY2019 ADOPTED BUDGET
CITY SECRETARY

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$330,610	$359,175	$347,696	$350,082
Materials and Supplies	14,821	11,700	10,494	11,300
Contractual Services	114,964	141,050	132,419	139,638
Other Charges and Services	22,679	35,250	33,171	35,250
TOTAL	**$483,074**	**$547,175**	**$523,780**	**$536,270**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase of (+$2,386) for annualized cost of positions.
Materials and Supplies - A small increase (+$800) is needed for office supplies and printed materials.

Contractual Services - Increases in computer charges (+$7,200) include a proportional share for licensing and keeping hardware updated city-wide.

Other Charges and Services - Increase meeting expenditures (+$5,060) and funding (-$2,980) for Protocol and Niigata Sister City visitation in November.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Ordinances Processed	87	79	95	90
Resolutions Processed	51	45	70	60
Claims	150	120	180	150
Subpoenas	36	25	20	20
TABC	40	42	50	50
Boards & Committee Agendas	295	300	420	400
City Council Agendas Prepared and Posted	40	38	52	50
City Council Minutes	38	30	52	50
Proclamations	78	102	150	150
Contracts	N/A	220	240	250
Public Information Requests	860	931	1,190	1,150

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
City Secretary	1.00	1.00	1.00	1.00
Assist. City Secretary/Records Mgmt. Coord.	1.00	1.00	1.00	1.00
Records Management Specialist	1.00	1.00	1.00	1.00
Senior Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL	**4.00**	**4.00**	**4.00**	**4.00**

FY2019 ADOPTED BUDGET
CITY SECRETARY

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$252,894	$273,248	$261,721	$265,806
511005 Longevity	1,527	1,521	1,745	1,713
511006 Differential Pay	1,662	1,814	1,800	1,814
511009 Overtime	1,384	1,000	4,169	2,000
511110 Incentive Pay	0	1,500	0	0
511125 Residency Pay	4,615	5,000	5,000	5,000
511510 Group Health Insurance	24,462	26,880	26,880	26,880
511515 Worker's Compensation	201	201	201	134
511520 Group Life Insurance	669	712	719	726
511530 Social Security - Employment	15,891	17,613	16,827	17,133
511535 Medicare - Employer's	3,717	4,119	3,935	4,007
511542 City Employee Retirement	23,588	25,567	24,699	24,870
Total Personnel Services	**$330,610**	**$359,175**	**$347,696**	**$350,082**
Materials and Supplies				
521065 Office Supplies	8,523	8,000	7,377	8,000
521067 Minor Office Equipment	6,032	2,500	2,350	2,500
521073 Printed Materials	266	1,200	767	800
Total Materials and Supplies	**$14,821**	**$11,700**	**$10,494**	**$11,300**
Contractual Services				
531012 Records Management	26,688	29,500	36,608	34,100
531020 Codification Charges	3,468	9,800	10,298	10,300
531025 Memberships	14,931	19,050	19,350	19,400
531360 Computer Charges	24,117	30,205	22,130	29,543
532062 Postage	881	850	524	850
532065 Printing, Duplication	9,366	8,600	9,856	10,000
532083 Telephone Service	8,862	8,000	8,240	8,500
532084 Cellular Service	5,484	5,000	4,554	5,000
532086 Other Communications	404	500	392	500
532087 Aircard Service	1,356	2,000	1,243	1,400
533084 Council Members Travel/Training	9,696	10,500	7,967	9,000
533085 Travel/Training	6,749	10,000	7,324	7,000
533100 Advertising	2,929	7,000	3,900	4,000
534030 Surety Bond & Notary Fees	33	45	33	45
Total Contractual Services	**$114,964**	**$141,050**	**$132,419**	**$139,638**
Other Charges and Services				
544032 Meeting Expenditures	17,178	25,000	19,939	25,000
544034 Commemoration	0	500	500	500
544035 Protocol	5,501	8,250	8,178	8,250
544037 Sister City Expenditures	0	1,500	4,554	1,500
Total Other Charges and Services	**$22,679**	**$35,250**	**$33,171**	**$35,250**
Total Expenses	**$483,074**	**$547,175**	**$523,780**	**$536,270**

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Contractual Services				
531125 Other Contracts	$31,568	$62,000	$20,986	$60,000
533100 Advertising	7,921	8,000	0	8,000
Total Contractual Services	**$39,489**	**$70,000**	**$20,986**	**$68,000**
Total Expenses	**$39,489**	**$70,000**	**$20,986**	**$68,000**

Municipal Court

Department Mission

The mission of the Municipal Court Division is to provide those we serve with high quality customer service that is effective, efficient and delivered in a professional environment, while accomplishing the duties incumbent upon it by the Galveston City Charter and the laws of the State of Texas, thereby earning and maintaining the public's respect, confidence, and satisfaction.

Accomplishments

- Participated in the statewide warrant round-up; encouraged defendants to voluntarily appear to resolve outstanding cases, clearing 897 warrants by the end of the initiative.
- Effectively implemented a process for providing notice of alternatives to full payment and an explanation of consequences for failure to appear to all violators as required and implemented a process in compliance with Senate Bill 1913, Section 8.
- Implemented the now codified "best practice" of holding show cause hearings prior to the issuance of a capias pro fine for a defendant's failure to satisfy a judgment.
- Successfully implemented a process for the filing of petitions for expunction of criminal records under the authority created by House Bill 557.
- Added 150+ new offense codes to the case management system for processing Commercial Vehicle Enforcement citations.
- Continued accepting and processing "live" online payments and extensions, deferred dispositions, and driver safety course requests, disposing of 7,128 cases in FY 2018.
- Court Clerk, Chief Deputy Court Clerk, and three Deputy Court Clerks attended a Texas Municipal Courts Education Center conference to continue professional development.

Goals

- Promote staff development and increase team performance by cross training, participating in established training programs, and attending certification courses; obtain various certifications and increase expertise as needed through respective associations.
- Eliminate printed dockets for the judge and utilize court users' e-mail addresses in lieu of regular mail when available in an effort to reduce the costs.
- Implement a process of submitting cases to Omnibase prior to the issuance of Failure to Appear charges and warrants in an effort to reduce the increased cost of paper, other related office supplies, and postage as a result of Senate Bill 1913 compliance.
- Continue efforts to reach case disposition prior to issuance of warrants by contacting defendants via phone and/or e-mail with court date and due date reminders.
- Complete a procedures manual to promote consistency in all matters before the court and a training manual to accomplish the goal of cross-training all employees.
- Continue to foster an environment in which members of the community experience an unmatched level of customer service.

FY2019 ADOPTED BUDGET
MUNICIPAL COURT

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$359,253	$414,072	$408,896	$415,951
Materials and Supplies	5,938	7,500	7,500	5,000
Contractual Services	276,481	318,098	234,172	231,920
TOTAL	**$656,025**	**$759,670**	**$665,673**	**$667,871**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net increase (+$7,055) for annualized cost of positions that were vacant for a portion of FY2018.
Materials and Supplies - Decreases include funding for office supplies and equipment. (-$2,500).
Contractual Services -Net decrease include additional cost in computer charges (+11,580) that include a proportional share for licensing and keeping hardware updated city-wide. Decreases include funding for maintenance contracts, printing and training (-$13,830).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Traffic Tickets				
Number of Traffic Tickets Issued	20,890	16,016	14,492	14,782
$ Value of Traffic Tickets Issued	$4,938,868	$3,932,496	$3,502,513	$3,572,563
Number of Traffic Tickets Paid	18,188	14,502	12,378	12,626
$ Amount Paid for Traffic Tickets	$2,363,788	$1,748,341	$1,812,809	$1,849,065
Parking Tickets				
Number of Parking Tickets Issued	15,453	18,896	20,183	20,587
$ Value of Parking Tickets Issued	$621,730	$683,515	$746,178	$761,102
Number of Parking Tickets Paid	6,975	11,020	10,998	11,218
$ Amount Paid for Parking Tickets	$275,497	$481,041	$430,303	$438,909
Warrants Served				
Number of Warrants Served	12,916	11,085	9,124	9,306
$ Value of Warrants Served	$3,199,751	$2,775,303	$2,339,297	$2,386,083
Number Warrants Satisfied on Non-Cash	4,845	4,346	3,556	3,627
$ Value Community Service/Jail Time Served	$1,661,479	$1,622,131	$2,437,607	$2,486,359
Number Warrants Paid	2,344	2,819	0	0
$ Amount Warrants Paid	$846,340	$822,343	$0	$0
Statistics				
$ Amount of Tickets Issued	$5,560,599	$4,616,011	$4,248,691	$4,333,665
$ Amount of Tickets Paid	$2,639,285	$2,229,382	$2,243,112	$2,287,974
Percent $ Amount of Tickets Paid	47.5%	48.3%	52.8%	52.8%

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Clerk of Municipal Court	1.00	1.00	1.00	1.00
Chief Deputy Court Clerk	1.00	1.00	1.00	1.00
Deputy Court Clerk/Interpreter	1.00	1.00	1.00	1.00
Deputy Court Clerk	5.00	5.00	5.00	5.00
TOTAL	**8.00**	**8.00**	**8.00**	**8.00**

FY2019 ADOPTED BUDGET
MUNICIPAL COURT

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$266,923	$285,204	$287,245	$290,904
511005 Longevity	3,305	3,274	3,617	3,999
511006 Differential Pay	1,800	1,800	2,648	2,700
511009 Overtime	5,615	7,000	2,500	1,500
511021 Part-Time Payroll	29,371	32,500	25,480	32,500
511125 Residency Pay	6,250	7,500	7,500	7,500
511510 Group Health Insurance	44,033	53,760	53,480	53,760
511515 Worker's Compensation	805	805	805	538
511520 Group Life Insurance	918	1,058	1,057	1,075
511530 Social Security - Employment	18,226	20,911	19,884	21,024
511535 Medicare - Employer's	4,263	4,891	4,650	4,917
511542 City Employee Retirement	25,545	30,355	27,459	30,519
511650 Salary Reimbursements	(47,800)	(34,986)	(27,429)	(34,986)
Total Personnel Services	**$359,253**	**$414,072**	**$408,896**	**$415,951**
Materials and Supplies				
521065 Office Supplies	5,938	6,000	6,000	5,000
521067 Minor Office Equipment	0	1,500	1,500	0
Total Materials and Supplies	**$5,938**	**$7,500**	**$7,500**	**$5,000**
Contractual Services				
531018 Contractual Labor	68,875	73,500	73,475	73,500
531025 Memberships	0	200	180	80
531125 Other Contracts	6,446	6,000	6,773	7,000
531240 Maintenance Contracts	36,984	44,700	44,700	40,181
531350 Garage Charges	6,452	6,452	538	0
531360 Computer Charges	94,230	118,022	34,579	46,160
532062 Postage	18,007	15,500	19,898	17,999
532065 Printing, Duplication	3,443	8,500	8,500	4,000
532066 Print Shop Charges	2,388	2,500	2,500	2,500
532086 Other Communications	488	624	573	0
532084 Cellular Service	38,607	38,600	38,956	39,000
533085 Travel/Training	562	3,500	3,500	1,500
Total Contractual Services	**$276,481**	**$318,098**	**$234,172**	**$231,920**
Other Charges and Services				
544105 Bank Service Charges	14,341	20,000	15,000	15,000
547025 Over/Short	12	0	105	0
Total Other Charges and Services	**$14,353**	**$20,000**	**$15,105**	**$15,000**
Total Expenses	**$656,025**	**$759,670**	**$665,673**	**$667,871**

CITY OF GALVESTON

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City Manager

Department Mission

The mission of the City Manager's Department is to provide policy direction and executive leadership over all City operations. The department provides advice and guidance to the Mayor and City Council on legislative and political issues and serves as a liaison to the public and private sectors in fostering partnerships and initiatives to better the entire city.

Accomplishments

- Restructured the building division to improve compliance, responsiveness and customer service;
- Completed phase one of the City asset review;
- Greatly improved the visitors experience in Galveston by improving streets and streetscape, beaches, and accessibility;
- Oversaw 17 capital improvement projects;
- Assisted Galveston County, Galveston Parks Board and the Port of Galveston with automated monitoring of their fleet operations;
- Completed renovations of Garage and Island Transit Administration Offices;
- Established a Community Outreach Department which educates the public and civic organizations of City operations, initiatives, and proposed projects;
- Restructured the Development Services Department, bringing focus to economic development and Flood Plain management;
- Instigated the review and approval of pre-disaster contracts, city policies, and interlocal agreements;
- Reorganized the Finance Department to include a new executive management structure and broader goals for city staff;
- Supported the establishment of the City's first training and development program through Galveston College;
- Secured an agreement with American National providing for a Disaster Recover site; and
- Significantly reduced Island Transit expenses through changes in the route structure and the elimination of unprofitable services.

Goals

- Foster an environment where staff development and training provide a basis for career development within the City;
- Reduce the City's environmental foot print through more efficient operation and utilization of the City fleet;
- Increase the City's community outreach through greater involvement of City leadership and staff;
- Improve oversight and management of traffic flow during special events and busy weekends;
- Enhance the walkability and accessibility of the downtown business district;
- Increase oversight and control of all City owned assets; and
- Stimulate and encourage participation in the development of the City's updated comprehensive plan.

FY2019 ADOPTED BUDGET
CITY MANAGER

EXPENDITURE SUMMARY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$616,659	$551,935	$583,164	$502,332
Materials and Supplies	17,373	18,500	16,536	17,000
Contractual Services	67,891	68,584	67,907	47,165
Other Charges and Services	22,632	23,000	14,441	16,500
Special Programs and Events	16,071	100,000	50,000	100,000
TOTAL	**$741,626**	**$762,019**	**$732,048**	**$682,997**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net decrease in payroll (-$80,830) is from allocating 25% of the Assistant City Manager of Development and Municipal Services to the Drainage Utility Fund and by allocation of 50% of the salaries of the Communications Director and Communications Specialist to new Community Outreach Internal Service Fund.

Contractual Services - Move Media services (-$14,000), Training Expenses (-$4,100) and communication equipment ($-5,880) to the Community Outreach Internal Service Fund. Increases in computer charges (+$3,240) include a proportional share for licensing and keeping hardware updated city-wide.

Other Charges and Services - Slight increase needed (+$2,050) for Meeting Expenses and Employee Appreciation line items.

Special Programs and Events - Maintain FY2018 level of contingency ($+50,000).

PERSONNEL POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
City Manager	1.00	1.00	1.00	1.00
Deputy City Manager	1.00	1.00	1.00	1.00
ACM Development & Municipal Services	0.00	0.25	0.25	0.00
Chief of Staff	1.00	0.00	0.00	0.00
Senior Project Manager	2.00	0.00	0.00	0.00
GIS Analyst	1.00	0.00	0.00	0.00
Public Information Officer	0.50	0.50	0.50	0.00
Communication Specialist	1.00	0.50	0.50	0.00
Senior Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL	**8.50**	**4.25**	**4.25**	**3.00**

FY2019 ADOPTED BUDGET
CITY MANAGER

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$655,676	$467,672	$521,393	$439,385
511005	Longevity	1,332	1,669	982	1,669
511007	Vehicle/Motor Allowance	6,127	9,000	9,000	9,000
511009	Overtime	15,577	500	682	500
511002	Summer Employee's Payroll	8,463	0	0	0
511125	Residency Pay	10,715	13,000	5,784	5,000
511510	Group Health Insurance	41,519	26,880	29,118	20,160
511515	Worker's Compensation	568	568	852	379
511520	Group Life Insurance	1,213	754	786	389
511530	Social Security - Employment	35,209	30,494	26,871	28,244
511535	Medicare - Employer's	9,936	7,132	7,799	6,606
511542	City Employee Retirement	62,676	44,266	48,406	41,000
511650	Salary Reimbursements	(232,353)	(50,000)	(68,509)	(50,000)
Total Personnel Services		**$616,659**	**$551,935**	**$583,164**	**$502,332**
Materials and Supplies					
521065	Office Supplies	13,413	14,000	13,536	14,000
521067	Minor Office Equipment	2,022	3,000	1,500	1,500
521073	Printed Materials	1,938	1,500	1,500	1,500
Total Materials and Supplies		**$17,373**	**$18,500**	**$16,536**	**$17,000**
Contractual Services					
531013	Media Services	12,786	14,000	14,159	0
531025	Memberships	3,512	4,000	3,876	3,800
531360	Computer Charges	10,335	12,584	9,682	12,925
532062	Postage	396	400	1,395	1,400
532065	Printing, Duplication	4,195	4,000	3,692	4,000
532066	Print Shop Charges	1,781	1,800	1,770	1,800
532083	Telephone Service	8,648	8,000	9,927	10,000
532084	Cellular Service	4,066	6,500	6,664	1,680
532086	Other Communications	501	600	571	600
532087	Aircard Service	1,896	1,700	1,483	960
533085	Travel/Training	16,546	15,000	14,689	10,000
533100	Advertising	3,230	0	0	0
Total Contractual Services		**$67,891**	**$68,584**	**$67,907**	**$47,165**
Other Charges and Services					
544032	Meeting Expenditures	2,457	3,000	6,059	6,500
544038	Employee Appreciation	20,175	20,000	8,382	10,000
Total Other Charges and Services		**$22,632**	**$23,000**	**$14,441**	**$16,500**
Capital Outlay					
564285	Acquisition of Property	1,000	0	0	0
Total Capital Outlay		**$1,000**	**$0**	**$0**	**$0**
Special Events and Programs					
592001	General Fund Contingency	16,071	100,000	50,000	100,000
Total Special Events and Programs		**$16,071**	**$100,000**	**$50,000**	**$100,000**
Total Expenses		**$741,626**	**$762,019**	**$732,048**	**$682,997**

CITY OF GALVESTON

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City Auditor

Department Mission

The mission of the City Auditor's office is to assist the Mayor and City Council by providing independent, objective and auditing consulting services designed to add value while improving controls and City of Galveston operations.

Accomplishments

- The City Auditor performed Sales Tax audits on ten entities. The City received approximately $150,000 in Audit Collections February 2018 and $100,000 in Accounts Receivable.
- The City Auditor evaluated the design and operating effectiveness of the Hotel Occupancy Audits.
- The City Auditor evaluated the design and operating effectiveness of the Internal Controls over the False Fire Alarms in the Fire Department. Proposed $12,000 in increased revenue.
- The City Auditor evaluated the design and operating effectiveness of the Internal Controls over the Equipment Inventory in the Police Department. Estimated savings of $500,000.
- The City Auditor evaluated the design and operating effectiveness of the Internal Controls over Parking at the Port of Galveston. Up to date increase of $1,800,000 and estimated at $600,000.

Goals

- Financial Goal:
  1. By implementing a Sales Tax Monitoring System Increase Audit Sales Tax Revenue by $500,000 annually.

- Operational Goals:
  Analysis and Recommendations of Administrative, Accounting and Reporting Internal Controls for:
  1. The Police Department.
  2. Work Order System in Public Works.
  3. Human Resources Payroll Documentation Process.
  4. Citywide Asset Review.

- Personnel Training and Growth:
  1. Increase the number of certifications obtained by staff.
  2. Increase the number of Continuing Education Classes.
  3. Complete the electronic work papers.
  4. Prepare documentation for a Peer Review.

- Customer Service:
  1. Strengthen communication between the Auditor's Office and the public.

Note: The City Auditor's Office is no longer conducting Hotel Occupancy Tax Audits. The Park Board is now handling the Audits.

FY2019 ADOPTED BUDGET
CITY AUDITOR

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$233,322	$234,386	$236,366	$238,825
Materials and Supplies	2,367	4,500	3,200	3,600
Contractual Services	28,177	39,677	29,373	32,426
TOTAL	**$263,867**	**$278,563**	**$268,939**	**$274,851**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase of (+$2,459) for annualized cost of positions.

Materials and Supplies - Increase for needed office supplies (+$400).

Contractual Services - Added funding ($+1,200) needed for copier rental associated with new office location and increases in computer charges (+$1,850) that include a proportional share for licensing and keeping hardware updated city-wide.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Percent of Output (Work Completed vs. Planned)	95%	95%	95%	95%
Percent of Audit Plan approved by City Council	100%	100%	100%	100%
Revenue generated from HOT Audits	$0	$50,000	$30,000	$50,000
Revenue generated - Compliance Audits	$1,160,000	$0	$0	$1,000,000
Revenue generated - Operational Audits	$0	$0	$0	$1,000,000
Revenue generated - Sales Tax Revenue	$0	$250,200	$750,000	$1,000,000
Revenue generated - Franchise Fees	$150,000	$100,000	$50,000	$0

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
City Auditor	1.00	1.00	1.00	1.00
Internal Auditor	1.00	1.00	1.00	1.00
TOTAL	**2.00**	**2.00**	**2.00**	**2.00**

FY2019 ADOPTED BUDGET
CITY AUDITOR

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$186,848	$188,348	$190,158	$192,115
511005 Longevity	545	556	624	652
511009 Overtime	2,077	0	0	0
511510 Group Health Insurance	12,360	13,440	13,440	13,440
511515 Worker's Compensation	201	201	201	134
511520 Group Life Insurance	384	389	386	389
511530 Social Security - Employment	11,229	11,712	11,659	11,952
511535 Medicare - Employer's	2,626	2,739	2,727	2,795
511542 City Employee Retirement	17,052	17,001	17,170	17,349
Total Personnel Services	**$233,322**	**$234,386**	**$236,366**	**$238,825**
Materials and Supplies				
521065 Office Supplies	666	1,000	600	1,000
521067 Minor Office Equipment	1,435	1,000	1,000	1,000
525031 Electricity	266	2,500	1,200	1,200
525032 Natural Gas	0	0	400	400
Total Materials and Supplies	**$2,367**	**$4,500**	**$3,200**	**$3,600**
Contractual Services				
531005 Other Services	9,000	10,000	2,000	5,000
531310 Rental Of Land & Buildings	3,242	8,904	10,400	10,400
531320 Equipment Rental	0	0	2,000	1,200
531360 Computer Charges	9,919	12,423	5,533	7,386
532062 Postage	0	50	50	50
532065 Printing, Duplication	384	300	350	350
532066 Print Shop Charges	40	0	40	40
532083 Telephone Service	907	3,000	1,500	1,500
532084 Cellular Service	236	0	0	0
533085 Travel/Training	4,449	5,000	7,500	6,500
Total Contractual Services	**$28,177**	**$39,677**	**$29,373**	**$32,426**
Total Expenses	**$263,867**	**$278,563**	**$268,939**	**$274,851**

Legal Department

Department Mission

The mission of the City Attorney's office is to ensure the City Council, its appointees and city departments are provided superior professional legal services and representation while ensuring compliance with all state, federal, and local laws.

Accomplishments

- Housing Abatement cases. There were 32 properties in which 8 Original Petitions were filed. There are 22 cases in pending status, 2 dismissed cases and 8 total properties demolished by the City.
- Provided legal services in approximately 855 Code Enforcement cases.
- Provided legal services in approximately 288 Juvenile cases.
- Participated in revising the Employee Handbook for the City of Galveston, sound ordinance (currently pending council final action); drafted an ordinance and procedures regulating network nodes.
- Participated in and drafted the changes to the City's purchasing policy.
- Successfully resolved lawsuits involving land use issues and Open Meetings Act matters.
- Filed five Hotel Occupancy Tax collection cases and successfully defended two bills of review challenging final judgment into prior tax collection cases.
- Filed an Amicus Curiae brief in the Texas Supreme Court supporting the City of Laredo's plastic bag ban ordinance.
- Issued numerous opinions related to matters of interest to the City Council and its officials. The Office drafted opinions relative to HOT Tax, interpretations of the City Charter, membership on Boards and Commissions, and other matters.
- Successfully guaranteed passage of federal legislation to remedy the City's urbanized area formula grant program status for future transit funding.

Goals

- Review and track state and federal legislation and regulations and determine their impact on the City. Continued legislative support on the federal and state level for flood reform, surge protection, beach nourishment, and transportation planning.
- Enhance strategic support including professional development, training, and modernization of document management systems.
- Expand staff expertise through additional training not confined to Texas Municipal League (TML) sponsored courses.
- Training for City Attorney staff to handle civil litigation in house, including acquisition of needed support materials.
- Continue reduction in litigation costs through early assessment of disputes to determine where settlement could reduce costs and payouts; examining the use of outside counsel.
- Identify issues with LDR's and City Ordinances and redraft them to eliminate vagueness.
- The Acquisition of twenty-one real estate parcels in anticipation of the City's Incinerator Project.

FY2019 ADOPTED BUDGET
CITY ATTORNEY

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$580,665	$740,400	$726,242	$743,934
Materials and Supplies	19,096	18,500	17,500	18,500
Contractual Services	137,172	155,154	156,220	145,293
Other Charges and Services	2,698	5,500	20,500	20,500
TOTAL	**$739,630**	**$919,554**	**$920,462**	**$928,227**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Includes proposed increase for staff members (+$17,600).
Materials and Supplies - Increase needed for printed materials (+$1,000).

Contractual Services - Decrease (-$15,500) in Attorney Fee's for outside assistance, decrease in contractual services and postage (-$2,820) and increases in computer charges (+$7,400) that include a proportional share for licensing and keeping hardware updated city-wide.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Ordinances	87	79	95	90
Resolutions	51	45	70	60
Consent Items	280	290	291	320
Action Items	93	39	48	53
Civil Service Grievances	N/A	N/A	3	3
Housing Abatement	N/A	N/A	85	94
Code Enforcement	N/A	N/A	855	950
Juvenile	N/A	N/A	288	320
Pre-Trial	N/A	N/A	4,787	5,319
Bench Trials	N/A	N/A	91	101
Jury Trials	N/A	N/A	19	21
Bonds	N/A	N/A	1,236	1,373
Public Information Act (PIA) Requests	12	21	53	93
Public Information Act Briefs	9	40	92	161

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
City Attorney	1.00	1.00	1.00	1.00
Sr. Assistant City Attorney	1.00	1.00	0.00	0.00
Assistant City Attorney	2.00	2.00	3.00	3.00
Entry Level Attorney	1.00	1.00	1.00	1.00
Legislative Specialist/Paralegal	1.00	1.00	1.00	1.00
Records Coordinator/Office Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL	**7.00**	**7.00**	**7.00**	**7.00**

FY2019 ADOPTED BUDGET
CITY ATTORNEY

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$504,609	$599,629	$601,847	$616,241
511005 Longevity	809	774	1,010	1,110
511006 Differential Pay	0	0	727	900
511009 Overtime	399	100	210	100
511021 Part-Time Payroll	0	30,000	15,000	5,000
511125 Residency Pay	4,086	5,000	5,000	2,500
511510 Group Health Insurance	36,838	47,040	47,024	47,040
511515 Worker's Compensation	705	705	705	471
511520 Group Life Insurance	1,102	1,341	4,684	1,361
511530 Social Security - Employment	29,086	39,401	36,546	38,803
511535 Medicare - Employer's	7,140	9,215	8,899	9,075
511542 City Employee Retirement	32,201	28,152	40,986	42,290
511547 ICMA-401A Governmental Money Plan	13,690	29,043	13,604	29,043
511650 Salary Reimbursements	(50,000)	(50,000)	(50,000)	(50,000)
511655 Salary Reimbursements-Grants	0	0	0	0
Total Personnel Services	**$580,665**	**$740,400**	**$726,242**	**$743,934**
Materials and Supplies				
521065 Office Supplies	1,011	3,000	2,000	2,000
521067 Minor Office Equipment	3,490	5,000	5,000	5,000
521073 Printed Materials	14,596	10,500	10,500	11,500
Total Materials and Supplies	**$19,096**	**$18,500**	**$17,500**	**$18,500**
Contractual Services				
531006 Attorney's Fees	76,860	83,000	85,000	69,500
531018 Contractual Labor	2,320	5,000	2,500	0
531025 Memberships	3,144	4,000	4,000	4,000
531360 Computer Charges	16,080	20,139	22,130	29,543
532062 Postage	679	1,000	1,850	950
532065 Printing, Duplication	3,002	3,000	2,500	3,000
532066 Print Shop Charges	276	400	390	400
532083 Telephone Service	7,447	7,500	7,500	7,500
532084 Cellular Service	1,302	2,000	1,350	1,400
532086 Other Communications	56	115	0	0
533085 Travel/Training	26,005	29,000	29,000	29,000
Total Contractual Services	**$137,172**	**$155,154**	**$156,220**	**$145,293**
Other Charges and Services				
544027 Court Costs And Judgment	2,698	5,500	20,500	20,500
544032 Meeting Expenditures	0	0	0	0
544087 Expense Reimbursement	0	0	0	0
544099 Miscellaneous Expense	0	0	0	0
Total Other Charges and Services	**$2,698**	**$5,500**	**$20,500**	**$20,500**
Total Expenses	**$739,630**	**$919,554**	**$920,462**	**$928,227**

CITY OF GALVESTON

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Human Resources

Department Mission

The mission of the Human Resources Department is to deliver the highest quality customer service and expertise in all personnel matters to our employees, City Officials, affiliate governmental entities and the community, thus ensuring equal opportunities for progress and professional growth.

Accomplishments

- Staff obtained Professional Certifications in Human Resources through International Public Management Association.
- Successfully Implemented a sustainable and growing training and development program for aspiring managers and executives within the City.
- Developed common Personnel policies and procedures for all City, Port and Park Board employees.
- Revised the Galveston Drug & Alcohol Testing & Prevention Program in compliance with TxDot and FTA regulations and mandates.
- Oversaw the recruitment and placement of paid interns within the City.
- Implemented a job shadowing program for Galveston ISD students with Engineering and Information Technology career paths.
- Provided expert guidance in reorganizing City departments and recruitment of executive staff.
- Revised the civilian leave policies in an effort to retain and reward tenured employees while providing incentives for municipal professionals during recruitment.

Goals

- Implement a pay for performance tool for managers in an effort to influence performance and retain valued employees.
- Invest additional time and resources in the training and development programs currently in place to stimulate a thriving culture and working environment.
- Identify market comparators and enhance the City's benefits.
- Begin training workshops on timekeeping, policies and best practices ensuring efficiency and transparency.
- Host customer service training tailored specific to departmental needs.

FY2019 ADOPTED BUDGET
HUMAN RESOURCES

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$384,375	$464,304	$426,679	$459,880
Materials and Supplies	29,146	34,250	44,330	28,700
Contractual Services	73,419	46,420	59,744	57,785
Other Charges and Services	3,695	12,600	12,600	9,010
TOTAL	**$490,635**	**$557,574**	**$543,353**	**$555,375**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase includes full year funding for an Administrative Assistant (+$33,200).

Materials and Supplies - Decreases in printed materials (-$8,000) and training materials (-$7,600).

Contractual Services - Decreases (-$8,050) in various contractual accounts and increases in computer charges (+$6,100) that include a proportional share for licensing and keeping hardware updated city-wide.

Other Charges and Services - Decrease meeting expenditures (-$2,100) and employee appreciation (-$1,500) line items.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Processed Applications (on-line)	8,570	7,906	6,700	7,200
New Hires	130	203	107	100
Turnover rate	N/A	N/A	16.8% est.	15%
Civil Service Exams	4	3	3	3

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director of Human Resources & Civil Service	1.00	1.00	1.00	1.00
Assistant Human Resources Director	1.00	1.00	1.00	1.00
Human Resource Analyst	0.50	1.00	0.00	0.00
HR Administrative Assistant	0.00	0.00	1.00	1.00
Human Resources Specialist	1.899	1.899	1.899	1.899
Administrative Assistant	0.40	0.40	0.40	0.40
TOTAL	**4.799**	**5.299**	**5.299**	**5.299**

FY2019 ADOPTED BUDGET
HUMAN RESOURCES

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$297,308	$337,876	$300,251	$335,104
511005 Longevity	1,535	1,439	1,439	1,693
511006 Differential Pay	900	900	900	900
511009 Overtime	747	0	0	0
511021 Part-time Payroll	0	20,000	20,000	20,000
511125 Residency Pay	3,245	5,750	5,750	5,000
511510 Group Health Insurance	29,735	35,609	35,609	35,609
511515 Worker's Compensation	331	331	331	221
511520 Group Life Insurance	829	1,466	1,466	964
511530 Social Security - Employment	18,162	22,690	22,690	22,487
511535 Medicare - Employer's	4,247	5,306	5,306	5,259
511542 City Employee Retirement	27,336	32,937	32,937	32,643
Total Personnel Services	**$384,375**	**$464,304**	**$426,679**	**$459,880**
Materials and Supplies				
521065 Office Supplies	9,157	7,000	7,000	6,500
521067 Minor Office Equipment	7,816	5,250	5,250	5,000
521073 Printed Materials	1,932	2,000	10,000	2,000
521088 Training Materials	10,241	20,000	22,000	15,000
522013 Clothing	0	0	80	200
Total Materials and Supplies	**$29,146**	**$34,250**	**$44,330**	**$28,700**
Contractual Services				
531015 Temporary Employee Services	12,710	0	0	0
531025 Memberships	3,652	3,650	3,650	3,000
531125 Other Contracts	18,776	4,900	4,900	3,500
531360 Computer Charges	8,040	10,070	18,394	24,555
532062 Postage	3,102	3,500	3,500	3,500
532065 Printing, Duplication	96	4,500	4,500	250
532066 Print Shop Charges	1,230	1,400	1,400	1,000
532083 Telephone Service	5,666	4,000	5,000	7,500
532084 Cellular Service	1,408	1,200	1,200	1,300
532086 Other Communications	162	200	200	200
532087 Aircard Service	0	0	0	480
533085 Travel/Training	10,841	9,000	13,000	9,000
533100 Advertising	7,737	4,000	4,000	3,500
Total Contractual Services	**$73,419**	**$46,420**	**$59,744**	**$57,785**
Other Charges and Services				
544032 Meeting Expenditures	482	3,600	3,600	1,500
544038 Employee Appreciation	3,212	9,000	9,000	7,510
Total Other Charges and Services	**$3,695**	**$12,600**	**$12,600**	**$9,010**
Total Expenses	**$490,635**	**$557,574**	**$543,353**	**$555,375**

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Contractual Services				
531030 Transit Operation	$870,000	$800,000	$800,000	$600,000
531125 Other Contracts	0	0	0	0
Total Contractual Services	**$870,000**	**$800,000**	**$800,000**	**$600,000**
Capital Outlay				
564003 Vehicle Capital Outlay	46,788	0	0	0
Total Capital Outlay	**$46,788**	**$0**	**$0**	**$0**
Total Expenses	**$916,788**	**$800,000**	**$800,000**	**$600,000**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Contractual Services - Includes a decrease in local match of funding transferred to Island Transit for Operations (-$200,000).

CITY OF GALVESTON

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FY2019 ADOPTED BUDGET
FINANCE OPERATIONS

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Administration	$259,757	$295,269	$337,397	$368,569
Accounting	887,759	947,663	913,622	876,023
Purchasing	226,516	271,517	265,470	243,907
Budget	230,268	292,950	320,576	374,947
Finance Operations Total	**$1,604,300**	**$1,807,399**	**$1,837,065**	**$1,863,446**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,229,407	$1,316,719	$1,388,167	$1,461,141
Materials and Supplies	21,762	24,425	22,981	21,550
Contractual Services	377,328	473,655	443,906	403,255
Other Charges and Services	(24,353)	(7,400)	(17,989)	(22,500)
Captial Outlay	156	0	0	0
Finance Operations Total	**$1,604,300**	**$1,807,399**	**$1,837,065**	**$1,863,446**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Net increase includes the addition of an Executive Director of Finance for (+$146,700) and a decrease (-$73,780) in salaries in the Accounting Department as a result of redistributing duties among staff.
Materials and Supplies - Net changes throughout finance (-$1,431).

Contractual Services - Net decrease in consultant services (-$58,930) for arbitrage, investments and bond council. A porportional amount will be charged to the Water and Sewer Funds. $10,000 of these savings are from a discount from the external auditors for in-house preparation of the annual CAFR and increases in computer charges (+$18,280) that include a proportional share for licensing and keeping hardware updated city-wide.
Other Services - Net changes throughout finance (-$4,500).

Finance Administration

Department Mission

The mission of the Finance Department is to supply timely, accurate and transparent financial information to key stakeholders, while ensuring the City Council, its appointees and established departments are provided excellent financial support in compliance with local, state and federal laws.

Accomplishments

- Oversaw the completion of the FY 2017 Comprehensive Annual Financial Report by the City Controller and Accounting division's city staff for the first time in the city's history.
- Provided guidance and support for the revision of the FY 2018 Budget document leading to the receipt of the Government Finance Officers Association's Budget Award for the first time since 1995.
- Completed the fourth Long Range Financial Forecast for major funds and budget issues and the fourth Five Year Capital Improvement Plan.
- Directed the continued improvement of the Quarterly Budget Report.
- Managed and kept updated revenue tracking and estimation models for property, sales and hotel occupancy tax revenue and for water and sewer revenue.
- Oversaw and directed revisions to the city's Purchasing policy that improved compliance with state and federal laws as well as efficiency in general purchasing procedures.
- Directed the reorganization of the Finance Department including a new executive management structure and broader goals for city staff.

Goals

- Direct the development of the City's Finance Department webpage to secure the State Comptroller's Fiscal Transparency Award.
- Streamline administrative processes and otherwise improve Finance Department responsiveness to City operating departments thereby enhancing efficiency and effectiveness of city services.
- Develop and implement specific career development goals for all staff in the Finance Department.

FY2019 ADOPTED BUDGET
FINANCE ADMINISTRATION

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$164,954	$165,204	$210,202	$256,632
Materials and Supplies	4,014	525	372	150
Contractual Services	134,052	174,540	171,822	156,787
Other Charges and Services	(43,419)	(45,000)	(45,000)	(45,000)
Capital Outlay	156	0	0	0
TOTAL	**$259,757**	**$295,269**	**$337,397**	**$368,569**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net increase of (+$46,500) includes the addition of 50% of Executive Director of Finance salary added in FY2018.

Contractual Services - Net decrease of (-$15,000) in contractual services with discount of $10,000 for Audit Fees to allow for in-house CAFR work.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Assistant City Manager/Director of Finance	1.00	1.00	1.00	1.00
Executive Director of Finance	0.00	0.00	0.50	0.50
TOTAL	**1.00**	**1.00**	**1.50**	**1.50**

FY2019 ADOPTED BUDGET
FINANCE ADMINISTRATION

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$132,500	$133,010	$170,206	$208,298
511005 Longevity	101	100	228	172
511009 Overtime	1,601	0	0	0
511125 Residency Pay	2,500	2,500	2,519	2,500
511510 Group Health Insurance	6,180	6,720	8,120	10,080
511515 Worker's Compensation	101	101	101	67
511520 Group Life Insurance	192	194	232	389
511530 Social Security - Employment	7,496	8,408	10,723	13,080
511535 Medicare - Employer's	1,980	1,966	2,508	3,059
511542 City Employee Retirement	12,303	12,205	15,566	18,987
Total Personnel Services	**$164,954**	**$165,204**	**$210,202**	**$256,632**
Materials and Supplies				
521065 Office Supplies	134	150	0	150
521067 Minor Office Equipment	3,880	375	372	0
Total Materials and Supplies	**$4,014**	**$525**	**$372**	**$150**
Contractual Services				
531004 Consultant Services	2,041	8,500	7,664	5,000
531025 Memberships	200	200	199	200
531125 Other Contracts	122,775	155,000	155,000	140,000
531360 Computer Charges	4,962	6,215	4,841	6,462
532083 Telephone Service	4,103	4,000	3,156	4,000
532087 Aircard Service	190	0	456	500
533085 Travel/Training	(219)	625	507	625
Total Contractual Services	**$134,052**	**$174,540**	**$171,822**	**$156,787**
Other Charges and Services				
544087 Expense Reimbursement	(45,000)	(45,000)	(45,000)	(45,000)
544099 Miscellaneous Expenses	1,581	0	0	0
Total Other Charges and Services	**($43,419)**	**($45,000)**	**($45,000)**	**($45,000)**
Total Expenses	**$259,757**	**$295,269**	**$337,397**	**$368,569**

CITY OF GALVESTON

1839

Accounting Division

Division Mission

The mission of the Accounting Division is to provide timely, accurate, and transparent financial information to departments and the community while managing and analyzing data in the City's financial accounting systems, including payroll, accounts payable and receivable, and grants.

Accomplishments

- Received Certificate of Achievement for Excellence in Financial Reporting for the CAFR for fiscal year ended September 30, 2016 and submitted an application for the award for the fiscal year 2017 CAFR.
- Received the Government Treasurers' Organization of Texas (GTOT) Investment Policy certification for the two-year period ending August 31, 2019.
- Completed implementation of the Gravity software to produce the FY 2017 Comprehensive Annual Financial Report by the Accounting division's city staff for the first time in the City's history.

Goals

- Obtain the Certificate of Achievement for Excellence in Financial Reporting for the CAFR for fiscal year ended September 30, 2018.
- Obtain the Texas Comptroller Leadership Circle Award for Texas transparency.
- Develop and implement career development goals for the accounting staff.
- Provide quality and timely service and reduce average time for resolving issues.
- Provide guidance on how the division will improve the quality of basic services Ensure all team members are accurately trained.

FY2019 ADOPTED BUDGET
FINANCE ACCOUNTING

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$676,007	$682,055	$668,224	$663,953
Materials and Supplies	12,171	18,000	16,741	16,000
Contractual Services	180,514	214,608	206,246	173,570
Other Charges and Services	19,066	33,000	22,411	22,500
TOTAL	**$887,759**	**$947,663**	**$913,622**	**$876,023**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net decrease (-$4,270) by eliminating a Accounting Supervisor position and adding Accountant position.
Materials and Supplies -Decrease Minor Office Equipment line item (-$740).

Contractual Services - Includes decrease in Consultant Services (-$44,100) and increases in computer charges (+$11,580) that include a proportional share for licensing and keeping hardware updated city-wide.
Other Services - Maintain current level of funding for Bank Service Fees (+$90).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Number of vendor payments completed	8,430	5,768	5,300	6,000
Number of checks as percent of total vendor payments	98.70%	96.83%	95.81%	95.00%
Number of funds managed	270	274	280	285
Investment Portfolio (Millions)	$103	$153	$150	$200
Interest Earned (Thousands)	$644	$867	$1,700	$2,000
Average Rate of Interest earned on Investments	0.42%	1.05%	1.57%	1.57%
Number so FEMA PW's closed out	87	10	25	5
Number of bank accounts reconciled	27	30	30	30

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
City Controller	0.00	0.00	1.00	1.00
Assistant Director of Finance	1.00	1.00	0.00	0.00
Finance Business Analyst	1.00	0.00	0.00	0.00
Accounting Manager	0.00	1.00	1.00	1.00
Accounting Supervisor	2.00	1.00	1.00	1.00
Accountant	3.00	3.00	3.00	3.00
Payroll Administrator	1.00	0.00	0.00	0.00
Sr. Accounting Specialist	1.00	0.00	0.00	0.00
Accounting Specialist	3.00	4.00	4.00	4.00
Administrative Assistant	0.50	0.00	0.00	0.00
TOTAL	**12.50**	**10.00**	**10.00**	**10.00**

FY2019 ADOPTED BUDGET
FINANCE ACCOUNTING

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$554,970	$537,842	$553,413	$546,875
511005 Longevity	1,201	1,882	723	1,155
511009 Overtime	6,469	7,000	3,602	4,000
511125 Residency Pay	5,625	6,000	4,933	6,000
511510 Group Health Insurance	63,440	73,920	61,120	60,480
511515 Worker's Compensation	1,208	1,208	1,208	807
511520 Group Life Insurance	1,630	2,175	1,450	1,724
511530 Social Security - Employment	32,572	34,269	34,039	34,598
511535 Medicare - Employer's	7,748	8,014	7,961	8,091
511542 City Employee Retirement	51,144	49,745	50,640	50,223
511650 Salary Reimbursements	(50,000)	(40,000)	(50,000)	(50,000)
511655 Salary Reimbursements-Grants	0	0	(864)	0
Total Personnel Services	**$676,007**	**$682,055**	**$668,224**	**$663,953**
Materials and Supplies				
521065 Office Supplies	9,334	12,000	11,991	12,000
521067 Minor Office Equipment	2,150	5,000	3,750	3,000
521073 Printed Materials	687	1,000	1,000	1,000
Total Materials and Supplies	**$12,171**	**$18,000**	**$16,741**	**$16,000**
Contractual Services				
531004 Consultant Services	66,095	75,000	128,177	86,000
531007 Security Service	708	2,500	0	0
531025 Memberships	3,350	2,000	2,395	2,100
531125 Other Contracts	(9,500)	0	0	0
531360 Computer Charges	70,906	88,808	34,579	46,160
532062 Postage	6,410	12,000	6,256	6,500
532065 Printing, Duplication	6,825	6,000	6,730	6,800
532066 Print Shop Charges	3,701	3,000	2,400	2,500
532083 Telephone Service	12,908	14,000	13,438	14,000
532084 Cellular Service	674	500	573	600
532086 Other Communications	41	0	104	110
532087 Aircard Service	687	800	754	800
533085 Travel/Training	17,709	10,000	10,840	8,000
Total Contractual Services	**$180,514**	**$214,608**	**$206,246**	**$173,570**
Other Charges and Services				
544032 Meeting Expenditures	0	500	500	500
544099 Miscellaneous Expense	(10)	0	0	0
544105 Bank Service Charges	19,076	32,500	21,911	22,000
Total Other Charges and Services	**$19,066**	**$33,000**	**$22,411**	**$22,500**
Total Expenses	**$887,759**	**$947,663**	**$913,622**	**$876,023**

CITY OF GALVESTON

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Purchasing Division

Division Mission

The mission of the Purchasing Division is to ensure the City Charter, State and Federal Purchasing laws are applied with ethics, open accountability, and integrity to inspire confidence from the City Departments and citizens; demonstrate professional and timely assistance and guidance to all departments in the procurement process for goods and services; establish a fair process for suppliers of goods and services to partner with the City of Galveston; encourage and equip suppliers in providing quality goods and services, excellent performance, best value for citizens, and exceptional support.

Accomplishments

- Purchasing Buyer completed training for and is now a Certified Texas Purchasing Manager.
- Purchasing Specialist completed training for and will soon become a Certified Texas Purchaser.
- Developed a training module for Purchasing 101 to educate user departments on the city's Purchasing Policy and Procedures.

Goals

- Implement the developed Purchasing 101 training module by hosting user training sessions for user departments.
- Develop a survey for user departments to evaluate vendors to improve levels of service and products.
- Assist departments in lowering costs to the tax payers by effectively using contracts for supplies and services.
- Purchasing staff to begin coursework to become certified by the State of Texas in Contract Management.

FY2019 ADOPTED BUDGET
FINANCE PURCHASING

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$183,350	$214,669	$216,996	$195,536
Materials and Supplies	1,201	1,400	1,568	1,400
Contractual Services	41,965	50,848	42,306	46,971
Other Charges and Services	0	4,600	4,600	0
TOTAL	**$226,516**	**$271,517**	**$265,470**	**$243,907**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net decrease (-$21,360) for funding set aside in the FY2018 budget for market based adjustments for two staff members.

Contractual Services - Maintain current level of funding for Advertising (+$960) and increases in computer charges (+$3,700) that include a proportional share for licensing and keeping hardware updated city-wide.

Other Services - Remove funding for Bank Service Charges (-$4,600).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Purchase Orders Issued	2,783	2,349	2,600	2,500
Purchase Order Expenditures	$75,060,369	$177,013,765	$136,000,000	$110,000,000
Seal Bids/RFP Solicited	63	72	68	75

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Purchasing Supervisor	1.00	1.00	1.00	1.00
Purchasing Specialist	1.00	1.00	1.00	1.00
Buyer	1.00	1.00	1.00	1.00
TOTAL	**3.00**	**3.00**	**3.00**	**3.00**

FY2019 ADOPTED BUDGET
FINANCE PURCHASING

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$138,799	$161,747	$168,985	$146,306
511005 Longevity	292	285	192	429
511009 Overtime	13	1,500	312	500
511125 Residency Pay	2,308	2,500	0	2,500
511510 Group Health Insurance	18,025	20,160	18,760	20,160
511515 Worker's Compensation	302	302	302	202
511520 Group Life Insurance	476	531	460	508
511530 Social Security - Employment	8,436	10,294	10,317	9,284
511535 Medicare - Employer's	1,973	2,407	2,413	2,171
511542 City Employee Retirement	12,727	14,943	15,254	13,476
Total Personnel Services	**$183,350**	**$214,669**	**$216,996**	**$195,536**
Materials and Supplies				
521065 Office Supplies	600	900	1,068	900
521067 Minor Office Equipment	601	500	500	500
Total Materials and Supplies	**$1,201**	**$1,400**	**$1,568**	**$1,400**
Contractual Services				
531025 Memberships	841	250	650	650
531360 Computer Charges	12,693	15,898	11,065	14,771
532062 Postage	728	1,400	764	800
532065 Printing, Duplication	3,292	2,700	3,023	3,000
532083 Telephone Service	2,945	2,500	2,764	2,700
532084 Cellular Service	674	700	520	550
533085 Travel/Training	3,181	5,000	3,497	3,500
533100 Advertising	17,611	22,400	20,023	21,000
Total Contractual Services	**$41,965**	**$50,848**	**$42,306**	**$46,971**
Other Charges and Services				
544105 Bank Service Charges	0	4,600	4,600	0
Total Other Charges and Services	**$0**	**$4,600**	**$4,600**	**$0**
Total Expenses	**$226,516**	**$271,517**	**$265,470**	**$243,907**

CITY OF GALVESTON

1839

Budget Division

Division Mission

The mission of the Budget Division is to provide assistance and technical expertise to the City Council, City Manager and departments on the allocation of resources through and established budget process, resulting in an accurate and transparent budget document that accomplishes the goals and objectives of the City.

Accomplishments

- Produced the Annual Budget for the fiscal year 2017-2018.
- Assisted with the Long-Range Financial Forecast for the City including the General Fund, Debt Service Fund, Water Fund, Sewer Fund, Island Transit, Hotel Occupancy Tax and Convention Center Surplus Fund.
- Produced Quarterly Budget Reports including fiscal year end projections of expenditures and revenues for all budgeted funds.
- Produced the Five-Year Capital Improvement Plan for FY2018-FY2022.
- Obtained the Certificate for Excellence in Budgeting for FY2018.
- Assisted the Accounting Division and Finance Director with year end close.

Goals

- Improve technical aspect of the budgeting document to improve efficiency.
- Conduct In-house budgeting workshops for city departments.
- Ensure all financial documents are placed onto the City's Financial Transparency web page in a timely manner to encourage citizen feedback.

FY2019 ADOPTED BUDGET
FINANCE BUDGET

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$205,095	$254,791	$292,745	$345,020
Materials and Supplies	4,375	4,500	4,300	4,000
Contractual Services	20,798	33,659	23,532	25,927
TOTAL	**$230,268**	**$292,950**	**$320,576**	**$374,947**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net increase (+52,350) Includes the addition of 50% of Executive Director of Finance salary added in FY2018 and restructure of department.

Materials and Supplies -Realign expenses to include software renewals. (-$300).

Contractual Services - Decrease in various line items (-$600) and increases in computer charges (+$3,000) that include a proportional share for licensing and keeping hardware updated city-wide. .

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Department and Fund Budgets Reviewed	83	95	98	100
Percent of General Fund Revenue Over/(Under)	1.0%	0.7%	1.2%	1.6%
Percent of General Fund Expenses Over/(Under)	0.3%	7.5%	6.6%	1.0%
Budget Transfers	499	423	400	400
Requisitions Approved	2,986	2,569	2,500	2,500

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Executive Director of Finance	0.00	0.00	0.50	0.50
Budget Manager	1.00	1.00	1.00	1.00
Sr. Budget Analyst	1.00	1.00	1.00	1.00
Budget Analyst	0.00	1.00	1.00	1.00
TOTAL	**2.00**	**3.00**	**3.50**	**3.50**

FY2019 ADOPTED BUDGET
FINANCE BUDGET

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$158,650	$196,110	$227,011	$270,301
511005 Longevity	1,900	1,844	2,261	2,025
511009 Overtime	221	0	0	0
511125 Residency Pay	2,500	2,510	2,500	2,500
511510 Group Health Insurance	14,163	20,160	21,560	23,520
511515 Worker's Compensation	206	206	206	138
511520 Group Life Insurance	432	583	616	778
511530 Social Security - Employment	9,992	12,429	14,370	17,039
511535 Medicare - Employer's	2,337	2,907	3,361	3,985
511542 City Employee Retirement	14,694	18,042	20,860	24,734
Total Personnel Services	**$205,095**	**$254,791**	**$292,745**	**$345,020**
Materials and Supplies				
521065 Office Supplies	1,356	2,000	1,605	1,500
521067 Minor Office Equipment	695	2,500	2,500	1,500
521071 PC Hardware	1,460	0	0	0
521072 PC Software	864	0	195	1,000
Total Materials and Supplies	**$4,375**	**$4,500**	**$4,300**	**$4,000**
Contractual Services				
531025 Memberships	198	400	199	400
531360 Computer Charges	9,919	12,423	8,990	12,002
532062 Postage	0	0	19	25
532065 Printing, Duplication	0	500	0	500
532066 Print Shop Charges	8,274	16,136	11,000	9,000
532083 Telephone Service	1,814	2,400	2,274	2,400
533085 Travel/Training	0	1,000	450	1,000
533100 Advertising	593	800	600	600
Total Contractual Services	**$20,798**	**$33,659**	**$23,532**	**$25,927**
Total Expenses	**$230,268**	**$292,950**	**$320,576**	**$374,947**

FY2019 ADOPTED BUDGET
GOVERNMENTAL EXPENDITURES

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Taxation	$340,181	$265,449	$267,209	$270,000
Facilities	1,736,277	1,610,041	1,588,381	1,448,170
Non-Departmental	7,391,025	10,531,215	4,835,260	9,922,740
Governmental Expenditures Total	**$9,467,483**	**$12,406,705**	**$6,690,850**	**$11,640,910**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$0	$254,000	$0	$250,933
Contractual Services	730,038	730,747	629,781	607,496
Other Charges and Services	1,164,638	1,009,441	1,009,441	1,056,676
Operating Transfers	5,940,010	6,531,110	4,075,508	5,920,805
Capital Outlay	1,292,615	1,662,411	708,911	1,035,000
Special Programs and Events	340,181	2,218,996	267,209	2,770,000
Governmental Expenditures Total	**$9,467,483**	**$12,406,705**	**$6,690,850**	**$11,640,910**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Includes a 2% COLA for civilian employees.

Contractual Services - Maintain current level of funding for Justice Center Lease and Utilities (+$21,050) and decreases (-$43,340) for one time expenses for consultants moved to Hurricane Harvey fund. Maintains current membership to Gulf Coast Coalition of Cities.

Other Charges and Services - Includes an decrease in the General Fund portion of Insurance polices (-$153,800). The decrease of (-$7,475) for the General Fund portion of Facilities maintenance overall line items. It also includes General Fund portion for Community Outreach and Public Information (+208,500) new Internal Service Fund.

Operating Transfers - Includes a increase (+$637,759) for additional 1% increase in transfer to infrastructure/debt service fund, transfer of (+$1,502,938) for local match needed for governmental expenditures in the Hurricane Harvey fund in FY2019 and the decrease (-$295,400) for a one time transfer in FY2018 to the Technology Improvement Fund.

Capital Outlay - Includes funding for furniture and fixtures for the new fire station (+$235,000), Streets & Traffic portion of the new Public Works (+$50,000) facility and a net increase in funding for Vehicle Capital Outlay (+41,090).

Special Programs and Events - Increase in allocated portion of Tax Collection Fee and Galveston Central Appraisal District proposed operating budget (+$2,790) and funding for General Fund Contingency (+$2,500,000).

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Special Events and Programs				
591004 Tax Collection Fee	$8,990	$10,000	$9,029	$10,000
591005 Central Appraisal District	331,191	255,449	258,180	260,000
Total Special Events and Programs	**$340,181**	**$265,449**	**$267,209**	**$270,000**
Total Expenses	**$340,181**	**$265,449**	**$267,209**	**$270,000**

FY2019 ADOPTED BUDGET
FACILITIES MAINTENANCE SERVICES

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Contractual Services				
531340 Justice Center - Lease	$311,131	$320,000	$318,147	$320,000
531343 Justice Center - Utilities	263,719	280,600	260,793	279,996
Total Contractual Services	**$574,851**	**$600,600**	**$578,940**	**$599,996**
Other Charges and Services				
547070 Insurance Expense	677,806	688,395	688,395	534,605
547075 Facilities Maintenance	483,620	321,046	321,046	313,569
Total Other Charges and Services	**$1,161,426**	**$1,009,441**	**$1,009,441**	**$848,174**
Total Expenses	**$1,736,277**	**$1,610,041**	**$1,588,381**	**$1,448,170**

FY2019 ADOPTED BUDGET
NON-DEPARTMENTAL EXPENDITURES

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$0	$254,000	$0	$250,933
Materials and Supplies	0	0	0	0
Contractual Services	155,188	130,147	50,841	7,500
Other Charges and Services	3,212	0	0	208,502
Operating Transfers	5,940,010	6,531,110	4,075,508	5,920,805
Capital Outlay	1,292,615	1,662,411	708,911	1,035,000
Debt Service	0	0	0	0
Special Programs and Events	0	1,953,547	0	2,500,000
TOTAL	**$7,391,025**	**$10,531,215**	**$4,835,260**	**$9,922,740**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Includes a 2% COLA for civilian employees.

Contractual Services - Decrease (-$43,340) for one time expenses for consultants moved to Hurricane Harvey fund. Maintains current membership to Gulf Coast Coalition of Cities.

Other Charges and Services - Includes General Fund portion for Community Outreach and Public Information (+208,500) new Internal Service Fund.

Operating Transfers - Includes a increase (+$637,759) for additional 1% increase in transfer to infrastructure/debt service fund, transfer of (+$1,502,938) for local match needed for governmental expenditures in the Hurricane Harvey fund in FY2019 and the decrease (-$295,400) for a one time transfer in FY2018 to the Technology Improvement Fund.

Capital Outlay - Includes funding for furniture and fixtures for the new fire station (+$235,000), Streets & Traffic portion of the new Public Works (+$50,000) facility and a net increase in funding for Vehicle Capital Outlay (+41,090).

Special Programs and Events - Includes funding for General Fund Contingency (+$2,500,000).

FY2019 ADOPTED BUDGET
NON-DEPARTMENTAL EXPENDITURES

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511002 COLA Increases	$0	$254,000	$0	$250,933
Total Personnel Services	**$0**	**$254,000**	**$0**	**$250,933**
Contractual Services				
531004 Consultant Services	41,671	130,147	43,764	0
531025 Memberships	4,014	0	7,077	7,500
531328 Lodging	46,710	0	0	0
533200 Food Services	62,792	0	0	0
Total Contractual Services	**$155,188**	**$130,147**	**$50,841**	**$7,500**
Other Charges and Services				
544038 Employee Appreciation	3,212	0	0	0
544095 Community Outreach/Public Info	0	0	0	208,502
Total Other Charges and Services	**$3,212**	**$0**	**$0**	**$208,502**
Operating Transfers				
553022 Transfer to Tech Imprvt Fund	0	0	295,400	0
553024 Insurance Transfer Out	150,000	0	0	0
553025 Pension Plan Transfer Out	2,292,000	393,487	0	0
553030 Transfer to Infrastructure Fund	2,604,850	3,275,010	3,275,010	3,912,769
553035 Transfer to Separation Pay Fund	893,160	416,160	416,160	416,160
553050 Transfer to Hurricane Harvey Fund	0	2,446,453	88,938	1,591,876
Total Operating Transfers	**$5,940,010**	**$6,531,110**	**$4,075,508**	**$5,920,805**
Capital Outlay				
564003 Vehicle Capital Outlay	855,565	1,427,411	708,911	750,000
564005 Capital Outlay-Improvements	0	235,000	0	285,000
564285 Land Acquisition	437,050	0	0	0
Total Capital Outlay	**$1,292,615**	**$1,662,411**	**$708,911**	**$1,035,000**
Special Events and Programs				
591090 Fund Balance Contingency	0	1,953,547	0	2,500,000
Total Special Events and Programs	**$0**	**$1,953,547**	**$0**	**$2,500,000**
Total Expenses	**$7,391,025**	**$10,531,215**	**$4,835,260**	**$9,922,740**

CITY OF GALVESTON

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SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS
Summary Schedule of Revenues and Expenditures

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
Beginning Fund Balance				
Rosenberg Library	$0	$0	$0	$0
Seawall Parking	1,056,744	1,212,904	1,212,904	1,334,261
Convention Center Surplus	3,373,395	1,066,318	1,066,318	1,187,728
Historical Buildings	623,784	752,965	752,965	944,476
Council Projects and Initiatives Program	2,839,543	1,790,323	1,790,323	738,163
Infrastructure Fund	3,504,066	4,393,781	4,393,781	3,714,851
Separation Pay Fund	172,067	206,708	206,708	282,961
Public Access Channel Fund	564,458	693,767	693,767	864,538
Parking Management Fund	23,859	361,841	361,841	528,553
Lasker Pool Fund	250,000	395,635	395,635	395,216
Pension Reform Fund	0	2,255,558	2,255,558	981,873
Revenue Producing Parks	0	0	0	83,329
Asset Forfeiture Fund	138,165	196,849	196,849	107,937
Police Special Revenue Fund	101,556	103,942	103,942	61,643
Police Quartermaster Fund	47,387	8,385	8,385	7,410
Alarm Permit Fund	119,635	69,268	69,268	55,846
Fire Special Revenue Fund	56,866	29,952	29,952	21,231
Municipal Court Building Security Fund	66,593	49,425	49,425	27,710
Municipal Court Technology Fund	70,627	79,184	79,184	108,459
Juvenile Services Fund	114,905	129,254	129,254	147,360
Recovery and Capital Reserve Fund	6,398,369	5,033,176	5,033,176	5,066,979
Technology Improvement Fund	1,491,600	968,091	968,091	1,281,438
Hurricane Harvey	0	0	0	200,000
Island Transit	(182,193)	(164,718)	(164,718)	6
Total	**$20,831,426**	**$19,632,607**	**$19,632,607**	**$18,141,965**
Revenues				
Rosenberg Library	$2,698,029	$2,853,700	$2,824,800	$2,874,500
Seawall Parking	158,373	194,000	123,858	124,500
Convention Center Surplus	2,154,105	2,713,000	2,311,000	2,597,000
Historical Buildings	231,490	247,000	251,000	271,000
Council Projects and Initiatives Program	17,877	20,000	14,311	15,000
Infrastructure Fund	3,783,557	3,292,510	3,321,577	3,959,769
Separation Pay Fund	1,018,730	541,730	541,730	541,730
Public Access Channel Fund	173,041	166,800	177,146	176,700
Parking Management Fund	727,518	710,725	728,224	724,000
Lasker Pool Fund	258,395	288,400	320,500	321,000
Pension Reform Fund	2,302,471	396,487	21,365	21,300
Revenue Producing Parks	0	192,200	161,501	158,001
Asset Forfeiture Fund	122,465	50,900	42,750	27,100
Police Special Revenue Fund	116,895	55,025	46,997	57,100
Police Quartermaster Fund	73,447	78,275	78,594	83,600
Alarm Permit Fund	73,501	82,600	62,907	62,900
Fire Special Revenue Fund	170,754	24,050	23,829	23,815
Municipal Court Building Security Fund	21,579	25,300	21,773	21,700
Municipal Court Technology Fund	28,755	35,270	29,275	29,250
Juvenile Services Fund	30,833	32,600	32,249	32,250
Recovery and Capital Reserve Fund	50,282	35,000	1,000,000	0
Technology Improvement Fund	116,009	0	660,673	5,000
Hurricane Harvey	0	2,792,433	394,073	2,310,952
Island Transit	4,644,767	5,030,686	4,587,765	4,424,462
Total	**$18,972,873**	**$19,858,691**	**$17,777,899**	**$18,862,629**

SPECIAL REVENUE FUNDS
Summary Schedule of Revenues and Expenditures

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
Expenditures				
Rosenberg Library	$2,698,029	$2,853,700	$2,824,800	$2,874,500
Seawall Parking	2,214	1,406,904	2,500	1,458,761
Convention Center Surplus	4,461,182	3,731,719	2,189,590	3,784,728
Historical Buildings	102,309	982,784	59,490	1,215,476
Council Projects and Initiatives Program	1,067,096	1,810,323	1,066,472	753,163
Infrastructure Fund	2,893,843	7,731,638	4,000,507	7,674,620
Separation Pay Fund	984,089	474,360	465,477	474,360
Public Access Channel Fund	43,732	848,228	6,375	1,041,238
Parking Management Fund	389,535	1,026,179	561,513	1,252,553
Lasker Pool Fund	112,760	684,035	320,919	716,216
Pension Reform Fund	46,913	2,630,194	1,295,051	1,003,173
Revenue Producing Parks	0	142,278	78,172	241,330
Asset Forfeiture Fund	63,781	247,749	131,663	135,037
Police Special Revenue Fund	114,509	97,643	89,296	118,743
Police Quartermaster Fund	112,449	86,660	79,569	91,010
Alarm Permit Fund	123,868	151,787	76,330	118,746
Fire Special Revenue Fund	197,669	54,002	32,550	45,046
Municipal Court Building Security Fund	38,747	74,725	43,488	49,410
Municipal Court Technology Fund	20,197	116,667	0	137,709
Juvenile Services Fund	16,484	161,854	14,144	179,610
Recovery and Capital Reserve Fund	1,415,475	4,964,810	966,197	5,066,979
Technology Improvement Fund	639,518	968,091	347,326	1,286,438
Hurricane Harvey	0	2,792,433	194,073	2,510,952
Island Transit	4,627,292	4,387,686	4,423,041	4,423,785
Total	**$20,171,691**	**$38,426,449**	**$19,268,541**	**$36,653,582**
Ending Balances				
Rosenberg Library	$0	$0	$0	$0
Seawall Parking	1,212,904	0	1,334,261	0
Convention Center Surplus	1,066,318	47,599	1,187,728	0
Historical Buildings	752,965	17,181	944,476	0
Council Projects and Initiatives Program	1,790,323	0	738,163	0
Infrastructure Fund	4,393,781	(45,347)	3,714,851	0
Separation Pay Fund	206,708	274,078	282,961	350,331
Public Access Channel Fund	693,767	12,339	864,538	0
Parking Management Fund	361,841	46,387	528,553	0
Lasker Pool Fund	395,635	0	395,216	0
Pension Reform Fund	2,255,558	21,851	981,873	0
Revenue Producing Parks	0	49,922	83,329	0
Asset Forfeiture Fund	196,849	0	107,937	0
Police Special Revenue Fund	103,942	61,324	61,643	0
Police Quartermaster Fund	8,385	0	7,410	0
Alarm Permit Fund	69,268	81	55,846	0
Fire Special Revenue Fund	29,952	0	21,231	0
Municipal Court Building Security Fund	49,425	0	27,710	0
Municipal Court Technology Fund	79,184	(2,213)	108,459	0
Juvenile Services Fund	129,254	0	147,360	0
Recovery and Capital Reserve Fund	5,033,176	103,366	5,066,979	0
Technology Improvement Fund	968,091	0	1,281,438	0
Hurricane Harvey	0	0	200,000	0
Island Transit	(164,718)	478,282	6	684
Total	**$19,632,607**	**$1,064,849**	**$18,141,964**	**$351,013**

FY2019 PROPOSED BUDGET
EXPENDITURE OVERVIEW

Expenditure Summary

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
Rosenberg Library	$2,698,029	$2,853,700	$2,824,800	$2,874,500
Seawall Parking	0	1,406,904	2,500	1,458,761
Convention Center Surplus	4,461,182	3,731,719	2,189,590	3,784,728
Historical Buildings	102,309	982,784	59,490	1,215,476
Council Projects and Initiatives Prograr	1,061,790	1,810,323	1,066,472	753,163
Infrastructure Fund	2,881,922	7,731,638	4,000,507	7,674,620
Separation Pay Fund	984,089	474,360	465,477	474,360
Public Access Channel Fund	42,108	848,228	6,375	1,041,238
Parking Management Fund	388,680	1,026,179	561,513	1,252,553
Lasker Pool Fund	112,760	684,035	320,919	716,216
Pension Reform Fund	41,024	2,630,194	1,295,051	1,003,173
Revenue Producing Parks	0	142,278	78,172	241,330
Asset Forfeiture Fund	63,129	247,749	131,663	135,037
Police Special Revenue Fund	114,341	97,643	89,296	118,743
Police Quartermaster Fund	112,322	86,660	79,569	91,010
Alarm Permit Fund	123,558	151,787	76,330	118,746
Fire Special Revenue Fund	197,473	54,002	32,550	45,046
Municipal Court Building Security Fund	38,627	74,725	43,488	49,410
Municipal Court Technology Fund	20,000	116,667	0	137,709
Juvenile Services Fund	16,125	161,854	14,144	179,610
Recovery and Capital Reserve Fund	1,409,672	4,964,810	966,197	5,066,979
Technology Improvement Fund	636,406	968,091	347,326	1,286,438
Hurricane Harvey	0	2,792,433	194,073	2,510,952
Island Transit	4,627,292	4,387,686	4,423,041	4,423,785
TOTAL	$20,132,837	$38,426,449	$19,268,541	$36,653,582

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
Personnel Services	$5,028,828	$5,500,090	$4,791,555	$5,009,598
Materials and Supplies	711,411	1,062,252	869,440	1,048,114
Contractual Services	1,902,873	3,657,381	2,696,174	3,565,981
Other Charges and Services	3,384,895	14,894,440	4,276,174	13,364,017
Operating Transfers	4,374,737	999,836	1,093,245	4,286,773
Capital Outlay	4,730,094	8,219,651	4,511,452	6,618,121
Debt Service	0	1,000	0	0
Special Programs and Events	0	4,091,799	1,030,500	2,760,978
TOTAL	$20,132,837	$38,426,449	$19,268,541	$36,653,582

Personnel Services

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
Parking Management	3.50	3.50	4.50	4.50
Lasker Pool	1.50	1.50	3.50	3.50
Alarm Permit Fund	0.75	0.75	0.75	0.75
Island Transit Fund	58.00	58.00	56.00	53.00
TOTAL	63.75	63.75	64.75	61.75

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - ROSENBERG LIBRARY

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
311100 Real Property	$2,664,989	$2,827,400	$2,794,800	$2,844,500
311110 Real Property - Delinquent	33,040	26,300	30,000	30,000
TOTAL REVENUES	**$2,698,029**	**$2,853,700**	**$2,824,800**	**$2,874,500**
EXPENDITURES				
Other Charges and Services				
544028 Contributions	2,698,029	2,853,700	2,824,800	2,874,500
Total Other Charges and Services	**$2,698,029**	**$2,853,700**	**$2,824,800**	**$2,874,500**
TOTAL EXPENDITURES	**$2,698,029**	**$2,853,700**	**$2,824,800**	**$2,874,500**
REVENUES OVER/(UNDER) EXPENDITURES	**$0**	**$0**	**$0**	**$0**
BEGINNING FUND BALANCE-RESTRICTED	**$0**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-RESTRICTED	**$0**	**$0**	**$0**	**$0**

FUND HIGHLIGHTS

Rosenberg Library Fund (1040) - To account for ad valorem taxes collected and transferred to the library, to be used for library purposes, as authorized by City Charter.

Highlights - Includes an increase of additional $13,100 based on .05 cents of the Ad Valorem tax collections and paid monthly to the Rosenberg Library per the City Charter.

Property tax amounts are based on $0.05 per $100 of taxable value which does not change when the City's rate overall increases or decreases.

As of September 30, 2017, the Rosenberg Library reported to the city via its annual audit that it had $4.55 million in net unrestricted assets in its operating fund, a $952,000 increase over the prior year.

For the twelve month period ending September 30, 2017, the Library reported $3.4 million in recurring revenues for operations, including the City's $2.7 million property tax payment shown above.

FY2019 PROPOSED BUDGET
SPECIAL REVENUE FUND - ROSENBERG LIBRARY
ROSENBERG LIBRARY OPERATIONS BUDGET - FOR INFORMATIONAL PURPOSES ONLY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	CITY SUPPORT FY2019
REVENUE, GAINS, AND OTHER SUPPORT				
City of Galveston Property Taxes	2,698,000	2,853,700	2,824,800	2,874,500
Total Revenue, Gains and Other Support	**$2,698,000**	**$2,853,700**	**$2,824,800**	**$2,874,500**
EXPENDITURES				
Salaries & Wages	1,554,300	1,644,000	1,627,400	1,656,000
Fringe Benefits	378,300	400,100	396,000	403,000
Personnel Subtotal	**$1,932,600**	**$2,044,100**	**$2,023,400**	**$2,059,000**
Programs and Promotions	61,000	64,500	63,900	65,000
Cons. Acquis. & Exhibits	2,300	2,500	2,500	2,500
Supplies	54,400	57,600	57,000	58,000
Direct Program Expense Subtotal	**$117,700**	**$124,600**	**$123,400**	**$125,500**
Book Purchases	32,900	34,700	34,400	35,000
Materials & Periodicals	96,200	101,800	100,700	102,500
Books and Periodicals Subtotal	**$129,100**	**$136,500**	**$135,100**	**$137,500**
Professional Fees	22,500	23,800	23,600	24,000
Service and Professional Fees Subtotal	**$22,500**	**$23,800**	**$23,600**	**$24,000**
Building Maintenance	94,000	99,500	98,500	100,200
Computer Maintenance	97,000	102,600	101,500	103,300
Utilities	154,900	163,800	162,100	165,000
Facility Insurance	150,200	158,800	157,200	160,000
Office and Occupancy Subtotal	**$496,100**	**$524,700**	**$519,300**	**$528,500**
Total Functional Expenses	**$2,698,000**	**$2,853,700**	**$2,824,800**	**$2,874,500**
Revenue Over/(Under) Expenditures	**$0**	**$0**	**$0**	**$0**

1 The Rosenberg Library ending balance in FY2017 was $4,549,000, which included City funds and other revenue sources.

2 All columns are proportionally determined based on FY2019 submissions.

3 Expenditures as presented are specific to City Supported allocations.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - SEAWALL PARKING FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
348230 Seawall Parking-Transient Fees	$152,284	$190,000	$114,195	$115,000
361110 Interest Earned-Operating	6,089	4,000	9,663	9,500
TOTAL REVENUES	**$158,373**	**$194,000**	**$123,858**	**$124,500**
EXPENDITURES				
Contractual Services				
531112 Debris Removal	0	0	2,500	0
Total Contractual Services	**$0**	**$0**	**$2,500**	**$0**
Other Charges and Services				
544125 Capital Reserve	0	1,406,904	0	1,458,761
Total Other Charges and Services	**$0**	**$1,406,904**	**$0**	**$1,458,761**
TOTAL EXPENDITURES	**$0**	**$1,406,904**	**$2,500**	**$1,458,761**
REVENUES OVER/(UNDER) EXPENDITURES	**$158,373**	**($1,212,904)**	**$121,358**	**($1,334,261)**
BEGINNING FUND BALANCE-RESTRICTED	**$1,056,744**	**$1,212,904**	**$1,212,904**	**$1,334,261**
PRIOR YEAR ADJUSTMENT	**($2,214)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-RESTRICTED	**$1,212,904**	**$0**	**$1,334,261**	**$0**

FUND HIGHLIGHTS

Seawall Parking Fund (1095) - To account for receipts of Seawall Parking revenue and expenditures related to the operation and capital improvement of the Seawall. Effective January 2016 this program is turned over to the Galveston Park Board for operations.

Highlights - The Park Board remits on a quarterly basis to the City 15% of gross revenue to be held in reserves for the replacement of capital improvements.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - CONVENTION CENTER SURPLUS

SUMMARY

REVENUES:	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Convention Center Surplus	$2,154,105	$2,713,000	$2,311,000	$2,597,000
Total revenues	**$2,154,105**	**$2,713,000**	**$2,311,000**	**$2,597,000**
EXPENDITURES:				
Special Events (City)				
Special Events General Fund	$50,000	$50,000	$50,000	$50,000
Summer Band Concert	29,117	29,117	29,117	29,117
Christmas Decorations	0	14,845	64,845	50,000
Mardi Gras	251,661	250,000	250,873	251,000
Subtotal Special Events (City)	**$330,778**	**$343,962**	**$394,835**	**$380,117**
Seawall and Related Activities (City)				
Seawall Police Services (GPD)	0	437,868	245,764	491,476
Restrooms (Operations & Maintenance)	4,500	20,000	19,090	20,000
Economic Study	8,677	0	0	0
Subtotal Seawall (City)	**$13,177**	**$457,868**	**$264,854**	**$511,476**
Park Board				
East End Lagoon	75,000	0	0	0
Seawall Litter Detail	100,000	100,000	100,000	100,000
West End Beach Access Cans	300,000	300,000	300,000	300,000
Subtotal Park Board	**$475,000**	**$400,000**	**$400,000**	**$400,000**
Island Transit				
Bus Trolley Operations	200,000	563,686	593,570	665,473
Rail Trolley Operations	0	0	0	429,560
Transportation Study	54,120	0	112,880	0
Trolley System Track Repair Project	237,600	0	0	0
Trolley Car Buses	810,386	0	0	0
Trolley Car Restoration Project	1,978,277	0	0	0
Trolley Rail Car Air-conditioning	0	101,150	101,150	0
Trolley Maintenance Building	161,844	0	0	0
Trolley System Reserve	200,000	200,000	200,000	200,000
Subtotal Island Transit	**$3,642,227**	**$864,836**	**$1,007,600**	**$1,295,033**
Historic Preservation/Promotion Activities				
Historic Broadway Lighting Improvements	0	485,155	84,800	500,000
Historic Broadway Beautification	0	1	0	0
Historic City Hall Remodeling	0	500,000	11,501	500,000
Subtotal Historic Preservation	**$0**	**$985,156**	**$96,301**	**$1,000,000**
Trolley Car Repair Reserve	0	653,897	0	198,103
Grant Contingency	0	26,000	26,000	0
TOTAL EXPENDITURES	**$4,461,182**	**$3,731,719**	**$2,189,589**	**$3,784,729**
REVENUES OVER/(UNDER) EXPENDITURES	**($2,307,076)**	**($1,018,719)**	**$121,411**	**($1,187,729)**
BEGINNING FUND BALANCE-RESTRICTED	**$3,373,395**	**$1,066,318**	**$1,066,318**	**$1,187,729**
ENDING FUND BALANCE-RESTRICTED	**$1,066,318**	**$47,600**	**$1,187,729**	**$0**

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - CONVENTION CENTER SURPLUS

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
314060 Hotel Occupancy Tax	$2,154,105	$2,713,000	$2,311,000	$2,597,000
TOTAL REVENUES	**$2,154,105**	**$2,713,000**	**$2,311,000**	**$2,597,000**
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	0	453,868	261,764	507,476
Total Personnel Services	**$0**	**$453,868**	**$261,764**	**$507,476**
Materials and Supplies				
522037 Janitorial Supplies	4,500	0	0	0
522099 Other Supplies	0	14,845	64,845	50,000
Total Materials and Supplies	**$4,500**	**$14,845**	**$64,845**	**$50,000**
Contractual Services				
530020 Planning	54,120	0	0	0
531005 Other Services	8,677	0	0	0
531125 Other Contracts	504,117	429,117	429,117	429,117
531320 Equipment Rental	0	4,000	3,090	4,000
Total Contractual Services	**566,914**	**433,117**	**432,207**	**433,117**
Other Charges and Services				
544125 Trolley Car Repair Reserve	0	653,897	0	198,102
543099 Project Management Costs	0	0	20,000	0
548010 Special Events	251,661	250,000	300,873	301,000
Total Other Charges and Services	**$251,661**	**$903,897**	**$320,873**	**$499,102**
Operating Transfers				
553021 Surplus Transfer Out	0	0	0	0
553550 HOT Tax Transfer Out	3,638,107	914,836	1,007,600	1,295,033
Total Operating Transfers	**$3,638,107**	**$914,836**	**$1,007,600**	**$1,295,033**
Capital Outlay				
564005 Capital Outlay - Improvements	0	985,156	76,301	1,000,000
Total Capital Outlay	**$0**	**$985,156**	**$76,301**	**$1,000,000**
Special Events and Programs				
591092 Grant Contingency	0	26,000	26,000	0
Total Special Events and Programs	**$0**	**$26,000**	**$26,000**	**$0**
TOTAL EXPENDITURES	**$4,461,182**	**$3,731,719**	**$2,189,590**	**$3,784,728**
REVENUES OVER/(UNDER) EXPENDITURES	**($2,307,077)**	**($1,018,719)**	**$121,410**	**($1,187,728)**
BEGINNING FUND BALANCE-RESTRICTED	**$3,373,395**	**$1,066,318**	**$1,066,318**	**$1,187,728**
ENDING FUND BALANCE-RESTRICTED	**$1,066,318**	**$47,600**	**$1,187,728**	**$0**

FUND HIGHLIGHTS

Convention Center Surplus Fund (1090) - To account for local hotel occupancy tax, to be used to enhance and promote tourism and the convention and hotel industry.

Highlights - Includes funding for Seawall District Police Services, Mardi Gras, Summer Band Concerts, maintenance of restrooms on the Seawall, Seawall Litter Pickup, West End Beach cleaning, Rail and Trolley Cars expenses and funding for Historic Broadway lighting and renovation of City Hall.

Mardi Gras Budget and Expense

	FY17 ACTUAL	FY18 BUDGET	FY18 ESTIMATE	FY19 ADOPTED
General Fund				
Police	$138,423	$125,500	$116,702	$126,500
Fire	14,125	10,000	9,600	10,000
Public Works (1)	64,970	57,000	56,186	57,000
Code Enforcement	11,653	10,000	11,346	10,000
Parks	5,736	10,000	10,173	10,000
Emergency Management	1,768	1,500	1,331	1,500
Contract Public Safety (2)	90,490	90,000	92,814	90,000
Subtotal General Fund	**$327,165**	**$304,000**	**$298,152**	**$305,000**
Other Funds				
Water - Public Works	$4,562	$3,000	$2,892	$3,000
Sewer - Public Works	12,207	9,000	7,421	9,000
Sanitation - Public Works (1)	41,263	39,000	45,205	39,000
Drainage - Public Works	20,144	20,000	22,625	20,000
Garage	3,597	-	-	-
Construction	4,414	5,000	7,230	5,000
Airport	1,895	-	-	-
Subtotal Other Funds	**$88,082**	**$76,000**	**$85,373**	**$76,000**
Total Expense	**$415,248**	**$380,000**	**$383,525**	**$381,000**
Expense Reimbursement				
Fees Received ($1 per participant)	$63,587	$30,000	$32,652	$30,000
Reimbursement from Event Promoter	100,000	100,000	100,000	100,000
Expense Reimbursement Total	**$163,587**	**$130,000**	**$132,652**	**$130,000**
Total	**$251,661**	**$250,000**	**$250,873**	**$251,000**

NOTES:

(1) Totals for General Fund Public Works and Sanitation Public Works include labor and equipment costs.

(2) Contract Public Safety totals include outside agencies' police security, equipment rentals, and EMS.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - HOT 1/8 PENNY HISTORICAL BUILDING FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
314060 Hotel Occupancy Tax	$231,490	$247,000	$251,000	$271,000
TOTAL REVENUES	**$231,490**	**$247,000**	**$251,000**	**$271,000**
EXPENDITURES				
Contractual Services				
531220 Building Repairs	86,551	982,784	49,210	196,511
Total Contractual Services	**$86,551**	**$982,784**	**$49,210**	**$196,511**
Operating Transfers				
553550 HOT Tax Transfer Out	0	0	0	0
Total Operating Transfers	**$0**	**$0**	**$0**	**$0**
Capital Outlay				
564003 Vehicle Capital Outlay	0	0	0	0
564005 Capital Outlay - Improvements	15,758	0	10,280	1,018,965
Total Capital Outlay	**$15,758**	**$0**	**$10,280**	**$1,018,965**
TOTAL EXPENDITURES	**$102,309**	**$982,784**	**$59,490**	**$1,215,476**
REVENUES OVER/(UNDER) EXPENDITURES	**$129,181**	**($735,784)**	**$191,510**	**($944,476)**
BEGINNING FUND BALANCE-ASSIGNED	**$623,784**	**$752,965**	**$752,965**	**$944,476**
ENDING FUND BALANCE-ASSIGNED	**$752,965**	**$17,181**	**$944,476**	**$0**

FUND HIGHLIGHTS

Historical Buildings Fund (1093) – To account for receipts of 1/8 hotel occupancy tax, to be used for advertisement and capital repairs to historical buildings and statues.

Highlights - Funding of City Hall and maintenance and repairs to various city owned historic buildings and renovate Historic City Hall to correct code issues and preserve the building.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - COUNCIL PROJECTS AND INITIATIVES PROGRAM

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
361110 Interest Earned-Operating	$17,877	$20,000	$14,311	$15,000
TOTAL REVENUES	**$17,877**	**$20,000**	**$14,311**	**$15,000**
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	$209,558	$185,747	$123,065	$125,000
Total Personnel Services	**$209,558**	**$185,747**	**$123,065**	**$125,000**
Other Charges and Services				
544087 Expense Reimbursement	8,668	6,804	8,333	0
543099 Project Management Capital	0	0	0	60,000
544097 Expense Reimbursement-Other	136,101	3,496	58,420	0
Total Other Charges and Services	**$144,769**	**$10,300**	**$66,753**	**$60,000**
Capital Outlay				
564005 Capital Outlay - Improvements	707,463	1,579,463	876,654	175,941
Total Capital Outlay	**$707,463**	**$1,579,463**	**$876,654**	**$175,941**
Special Events and Programs				
592002 Construction Contingency	0	34,813	0	392,222
Total Special Events and Programs	**$0**	**$34,813**	**$0**	**$392,222**
TOTAL EXPENDITURES	**$1,061,790**	**$1,810,323**	**$1,066,472**	**$753,163**
REVENUES OVER/(UNDER) EXPENDITURES	**($1,043,913)**	**($1,790,323)**	**($1,052,161)**	**($738,163)**
BEGINNING FUND BALANCE-ASSIGNED	**$2,839,543**	**$1,790,323**	**$1,790,323**	**$738,163**
PRIOR YEAR ADJUSTMENT	**($5,306)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-ASSIGNED	**$1,790,323**	**$0**	**$738,163**	**$0**

FUND HIGHLIGHTS

City Council Projects & Initiatives Program Fund (1098) - To account for funds to enhance neighborhood resources, economic development, public services, and the quality of life for residents.

Highlights - Districts within the City have made several improvements such as shade structures and playground equipment, neighborhood entry signs, and improved lighting. Contributions were made to the costs of overtime for code enforcement; as well as to the in house streets mill and overlay projects.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - INFRASTRUCTURE FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
361110 Interest Earned-Operating	28,879	17,500	46,567	47,000
370000 Other Funding Sources	1,149,828	0		0
379000 Operating Transfer In	2,604,850	3,275,010	3,275,010	3,912,769
TOTAL REVENUES	**$3,783,557**	**$3,292,510**	**$3,321,577**	**$3,959,769**
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	36,914	241,598	13,213	15,000
Total Personnel Services	**$36,914**	**$241,598**	**$13,213**	**$15,000**
Contractual Services				
531004 Consultant Services	0	0	19,235	0
531121 Lot Demolition	0	14,850	14,850	0
Total Contractual Services	**$0**	**$14,850**	**$34,085**	**$0**
Other Charges and Services				
543099 Project Management Cost	117,046	522,354	299,136	800,007
544097 Expense Reimbursement - Other	106,546	500,000	497,836	578,954
544125 Capital Reserve	0	1,232,684	0	331,959
Total Other Charges and Services	**$223,592**	**$2,255,038**	**$796,972**	**$1,710,920**
Operating Transfers				
553033 Transfer to Debt Service Fund	0	0	0	2,130,362
553050 Transfer to Hurricane Harvey	0	0	0	861,378
Total Operating Transfers	**$0**	**$0**	**$0**	**$2,991,740**
Capital Outlay				
564003 Vehicle Capital Outlay	(74,923)	0	0	0
564005 Capital Outlay - Improvements	2,380,889	2,541,240	1,661,103	1,408,585
564006 Land Acquisition	0	0	0	0
564117 Machinery & Equipment	0	221,594	1,024,344	0
565506 Engineering Services	315,450	1,026,783	470,790	555,993
567055 Traffic Signals	0	0	0	0
Total Capital Outlay	**$2,621,416**	**$3,789,617**	**$3,156,237**	**$1,964,578**
Debt Service				
571130 Investment Fees	0	1,000	0	0
Total Debt Service	**$0**	**$1,000**	**$0**	**$0**
Special Events and Programs				
592002 Construction Contingency	0	1,429,535	0	992,382
Total Special Events and Programs	**$0**	**$1,429,535**	**$0**	**$992,382**
TOTAL EXPENDITURES	**$2,881,922**	**$7,731,638**	**$4,000,507**	**$7,674,620**
REVENUES OVER/(UNDER) EXPENDITURES	**$901,635**	**($4,439,128)**	**($678,930)**	**($3,714,851)**
BEGINNING FUND BALANCE-RESTRICTED	**$3,504,066**	**$4,393,781**	**$4,393,781**	**$3,714,851**
PRIOR YEAR ADJUSTMENT	**($11,920)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-RESTRICTED	**$4,393,781**	**($45,347)**	**$3,714,851**	**$0**

FUND HIGHLIGHTS

Infrastructure Fund (3199) - To account for funds for capital improvement and/or debt service allocating 1% of the General Fund Operating Budget beginning in FY 2013 and an additional 1% in each successive fiscal year thereafter until the cumulative annual allocation reaches a minimum of 8% of the total General Fund Operating Budget.

Highlights - Streets mill and overlay rehabilitation performed by city crews to bring less than satisfactory streets up to standard after the 2012 - 2013 street assessment. The cumulative annual allocation will reach 7% of the total General Fund Operating Budget in FY19.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - SEPARATION PAY FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
379000 Operating Transfers - In	20,000	20,000	20,000	20,000
379100 Waterworks - Transfer In	22,440	22,440	22,440	22,440
379200 Sewer System - Transfer In	40,800	40,800	40,800	40,800
379300 Sanitation Transfer In	35,700	35,700	35,700	35,700
379400 General Fund	893,160	416,160	416,160	416,160
379700 Airport - Transfer In	6,630	6,630	6,630	6,630
TOTAL REVENUES	**$1,018,730**	**$541,730**	**$541,730**	**$541,730**
EXPENDITURES				
Personnel Services				
511410 Separation Vacation	$350,695	$217,180	$168,101	$217,180
511420 Separation Sick Pay	445,577	237,180	219,071	237,180
511430 Separation Compensatory Time	29,655	20,000	15,226	20,000
511530 Social Security - Employer's	51,203	0	20,148	0
511535 Medicare - Employer's	11,770	0	5,018	0
511542 City Employee Retirement	17,518	0	12,156	0
511543 Firemen's Retirement	37,615	0	2,961	0
511544 Police Retirement	40,057	0	22,797	0
Total Personnel Services	**$984,089**	**$474,360**	**$465,477**	**$474,360**
TOTAL EXPENDITURES	**$984,089**	**$474,360**	**$465,477**	**$474,360**
REVENUES OVER/(UNDER) EXPENDITURES	**$34,641**	**$67,370**	**$76,253**	**$67,370**
BEGINNING FUND BALANCE-ASSIGNED	**$172,067**	**$206,708**	**$206,708**	**$282,961**
ENDING FUND BALANCE-ASSIGNED	**$206,708**	**$274,078**	**$282,961**	**$350,331**

FUND HIGHLIGHTS

Separation Pay Fund (1099) - To account for funds from the General, Waterworks, Sewer System, Sanitation, Drainage and Airport for accrued benefits paid to an employee who terminates employment from the City.

Highlights - Maintain current level of funding for separation from service with the City.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - PUBLIC ACCESS CHANNEL FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
342420 P.E.G. Fees	168,730	165,200	169,401	169,000
361110 Interest Earned - Operating	4,310	1,600	7,745	7,700
TOTAL REVENUES	**$173,041**	**$166,800**	**$177,146**	**$176,700**
EXPENDITURES				
Materials and Supplies				
521067 Minor Office Equipment	$0	$0	$2,822	$0
522056 Minor Equipment	9,818	15,000	3,554	15,000
Total Materials and Supplies	**$9,818**	**$15,000**	**$6,375**	**$15,000**
Capital Outlay				
564003 Vehicle Capital Outlay	0	0	0	0
564005 Capital Outlay - Improvements	32,290	833,228	0	1,026,238
564006 Land Acquisition	0	0	0	0
564117 Machinery & Equipment	0	0	0	0
Total Capital Outlay	**$32,290**	**$833,228**	**$0**	**$1,026,238**
TOTAL EXPENDITURES	**$42,108**	**$848,228**	**$6,375**	**$1,041,238**
REVENUES OVER/(UNDER) EXPENDITURES	**$130,933**	**($681,428)**	**$170,771**	**($864,538)**
BEGINNING FUND BALANCE-RESTRICTED	**$564,458**	**$693,767**	**$693,767**	**$864,538**
PRIOR YEAR ADJUSTMENT	**($1,624)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-RESTRICTED	**$693,767**	**$12,339**	**$864,538**	**$0**

FUND HIGHLIGHTS

Public Access Channel Fund (1092) – To account for funds used for improvements and equipment related to the City's public access channel. The revenues from this fund come from Comcast. It is a legal requirement that the funds be spent to improve the public access channel.

CITY OF GALVESTON

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Parking Management

Division Mission

The mission of the Parking Management Division is to provide support and enforcement of parking ordinances in the city's downtown area, Seawall, residential, and other areas as directed by the City Council. To facilitate payment for parking in locations where required. Furthermore, to provide any additional support as requested by City Council and City Management to any public service that may be requested.

Accomplishments

- The Parking Management Division has increased compliance in the Seawall Parking District, Downtown Paid Parking Zone, and Residential areas.

Goals

- Continue to provide the highest level of service to the citizens and visitors of Galveston.
- Continue to increase compliance in the Downtown and Seawall Parking District.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - PARKING MANAGEMENT FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
342510 Parking Meter Fees	725,691	710,000	723,924	720,000
361110 Interest Earned-Operating	1,826	725	4,300	4,000
TOTAL REVENUES	**$727,518**	**$710,725**	**$728,224**	**$724,000**
EXPENDITURES				
Personnel Services				
511001 Regular Payroll	$140,224	$187,614	$151,571	$183,792
511002 COLA Increases	0	3,752	0	3,676
511005 Longevity	263	172	411	429
511009 Overtime	2,330	5,000	187	5,000
511125 Residency Pay	7,860	8,783	8,817	8,783
511510 Group Health Insurance	19,750	30,240	23,469	30,240
511515 Worker's Compensation	1,656	1,656	1,656	1,106
511520 Group Life Insurance	450	700	506	586
511530 Social Security - Employment	9,135	12,730	9,981	12,504
511535 Medicare - Employer's	2,136	2,977	2,334	2,924
511542 City Employee Retirement	13,759	18,480	14,489	18,151
511650 Salary Reimbursements	0	145,956	140,044	176,778
Total Personnel Services	**$197,564**	**$418,060**	**$353,465**	**$443,970**
Materials and Supplies				
521067 Minor Office Equipment	0	30,000	10,000	30,000
522013 Clothing	0	1,900	1,200	1,900
522017 Sign Materials	1,395	2,500	600	2,500
522056 Minor Equipment	0	0	0	0
522085 Equipment Parts	2,194	13,500	0	13,500
Total Materials and Supplies	**$3,589**	**$47,900**	**$11,800**	**$47,900**
Contractual Services				
531026 Transaction Fees	99,898	95,000	95,000	95,000
531028 Software Licenses	36,089	39,000	39,000	39,000
531240 Maintenance Contracts	18,341	25,500	25,500	25,500
531350 Garage Charges	16,234	26,234	17,479	18,932
531360 Computer Charges	0	0	6,224	8,309
532084 Cellular Service	2,232	2,496	1,800	2,496
532087 Aircard Service	(266)	456	600	456
533085 Travel/Training	0	1,500	0	1,500
533100 Advertising	0	2,000	0	2,000
Total Contractual Services	**$172,528**	**$192,186**	**$185,603**	**$193,193**
Other Charges and Services				
544125 Capital Reserve	0	328,033	0	567,490
Total Other Charges and Services	**$0**	**$328,033**	**$0**	**$567,490**
Operating Transfers				
553050 Transfer to Hurricane Harvey Fund	0	10,000	10,645	0
Total Operating Transfers	**$0**	**$10,000**	**$10,645**	**$0**
Capital Outlay				
564003 Vehicle Capital Outlay	0	30,000	0	0
564099 Other Capital Purchases	14,999	0	0	0
Total Capital Outlay	**$14,999**	**$30,000**	**$0**	**$0**
TOTAL EXPENDITURES	**$388,680**	**$1,026,179**	**$561,513**	**$1,252,553**

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - PARKING MANAGEMENT FUND

SUMMARY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
REVENUES OVER/(UNDER) EXPENDITURES	$338,838	($315,454)	$166,712	($528,553)
BEGINNING FUND BALANCE-RESTRICTED	$23,859	$361,841	$361,841	$528,553
PRIOR YEAR ADJUSTMENT	($856)	$0	$0	$0
ENDING FUND BALANCE-RESTRICTED	$361,841	$46,387	$528,553	$0

FUND HIGHLIGHTS

Parking Management Fund (1096) - To account for collection of parking revenue and fees around the downtown

Personnel Services -Includes the full year funding (+$48,775)) for a Parking Enforcement Officer, increase in overtime (+$5,000) and CBA increases (+$36,730) for two Police Officers assigned to the Downtown area.

Materials and Supplies - Net increase of (+$36,100) to maintain current level of funding in line items.

Contractual Services - Net increase in computer charges (+$2,085) include a proportional share for licensing and keeping hardware updated city-wide. Additional increases (+$5,500) are to maintain current level of funding for various line items.

Other Charges and Services - Increase (+$567,490) set aside as capital reserve.

Operating Transfers - Decrease (-$10,645) for local match needed for Hurricane Harvey in FY2018.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
City Marshal	0.50	0.50	0.50	0.50
Parking Enforcement Supervisor	1.00	1.00	1.00	1.00
Parking Enforcement Officer	2.00	2.00	3.00	3.00
TOTAL	3.50	3.50	4.50	4.50

CITY OF GALVESTON

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Community Pool

Division Mission

The Parks and Recreation Department mission is to create, promote, administer, and maintain exceptional recreational programs, facilities, and parks to the best of our ability. The Parks and Recreation Department strives to enhance the quality of life by continuing improvements in each of these areas, accomplishing our objectives by seeking community input and available resources, while also maintaining fiscal responsibility, often searching for additional funding through grants and donations.

Accomplishments

- Completed the first operational year of Galveston's first ever community swimming pool at Lasker Park (2016 43rd Street).
- Hired two (2) Senior Lifeguards and additional part-time lifeguards and staff to aide in the daily operations of the pool.
- Offered swimming lessons and programs for beginner swimmers.
- Began hosting water aerobics classes.

Goals

- Continue to maintain and promote a safe and healthy environment for all children, adults and families visiting the pool facility.
- Continue to offer swimming lessons and programs for beginner swimmers.
- Continue to provide a safe place for rescue teams and life guards to train.
- Continue to host swimming competitions and water aerobics classes.
- Offer the facility as a rental opportunity to the community.
- Create a community outreach program that teaches children and adults about water safety.
- Teach basic first aid and CPR to the community.
- Write/Develop an in-house, comprehensive learn-to-swim program specifically for Galveston/Lasker Pool population.
- Implement membership software that can be used across all Parks and Recreation facilities, beginning at Lasker Pool.
- Write and submit/apply for at least four (4) grants, pertaining to the Learn-to-Swim program (goggles, equipment, sponsorship).
- Continue marketing via Facebook, and develop other marketing strategies.
- Increase swim lesson classes by 15%.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - LASKER PARK POOL FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
347200 Pool Access Fees	$6,150	$38,400	$60,000	$60,000
347400 Park & Recreation Concessions	1,195	0	3,000	3,000
347420 Pool Rental Fees	0	0	4,500	5,000
361110 Interest Earned - Operating	0	0	0	0
363250 Donations	1,050	0	3,000	3,000
379660 I.D.C. Transfer In	250,000	250,000	250,000	250,000
TOTAL REVENUES	**$258,395**	**$288,400**	**$320,500**	**$321,000**
EXPENDITURES				
Personnel Services				
511001 Regular Payroll	20,221	68,262	79,302	123,915
511002 COLA Increases	0	1,365	0	2,478
511005 Longevity	14	48	133	313
511009 Overtime	209	2,000	817	2,000
511021 Part-time Payroll	26,295	200,000	53,135	60,000
511125 Residency Pay	913	2,500	2,404	2,500
511510 Group Health Insurance	2,318	10,080	9,240	23,520
511515 Workers' Compensation	0	115	115	77
511520 Group Life Insurance	73	264	289	480
511530 Social Security - Employment	2,934	17,322	8,419	11,855
511535 Medicare - Employer's	686	4,051	1,969	2,772
511542 City Employee Retirement	1,908	6,677	7,439	11,809
511650 Salary Reimbursements	0	0	0	0
Total Personnel Services	**$55,572**	**$312,684**	**$163,262**	**$241,719**
Materials and Supplies				
521065 Office Supplies	2,311	2,000	2,200	5,000
521067 Minor Office Equipment	14,122	2,000	2,000	0
522011 Chemicals	4,565	35,000	25,000	40,000
522013 Clothing	4,420	2,000	4,500	5,000
522037 Janitorial Supplies	2,489	10,000	4,000	8,000
522038 Safety Supplies	3,527	10,000	8,000	10,000
522040 Recreation Supplies	4,254	5,000	5,000	6,000
522055 Minor Tools	1,846	2,000	1,650	2,000
525031 Electricity	5,892	100,000	45,000	50,000
525032 Natural Gas	111	15,000	15,000	15,000
Total Materials and Supplies	**$43,536**	**$183,000**	**$112,350**	**$141,000**
Contractual Services				
531007 Security Service	886	2,200	887	0
531012 Records Management	0	0	0	2,000
531014 Building Security	5,569	15,000	1,000	9,000
531025 Memberships	0	500	1,200	1,500
531028 Software Licenses	0	0	10,000	10,000
531125 Other Contracts	0	1,600	0	0
531220 Building Repairs	1,851	5,000	2,000	5,000
531240 Maintenance Contracts	559	5,000	0	0
531360 Computer Charges	0	5,000	6,224	8,309
532065 Printing, Duplication	0	200	300	500
532066 Print Shop Charges	0	200	0	0
532083 Telephone Service	0	4,600	0	1,800
532084 Cellular Service	291	500	636	800

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - LASKER PARK POOL FUND

SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
532086 Other Communications	0	2,000	7,500	3,000
533085 Travel/Training	4,496	6,000	5,500	8,000
533100 Advertising	0	300	300	600
533200 Food Services	0	0	0	5,000
Total Contractual Services	**$13,652**	**$48,100**	**$35,547**	**$55,509**
Other Charges and Services				
544087 Expense Reimbursement	0	0	(100)	(100)
547070 Insurance Expenses	0	30,000	0	30,702
Total Other Charges and Services	**$0**	**$30,000**	**($100)**	**$30,602**
Capital Outlay				
564005 Capital Outlay - Improvements	0	0	5,360	0
Total Capital Outlay	**$0**	**$0**	**$5,360**	**$0**
Special Events and Programs				
592002 Contingency Reserve	0	110,251	4,500	247,386
Total Special Events and Programs	**$0**	**$110,251**	**$4,500**	**$247,386**
TOTAL EXPENDITURES	**$112,760**	**$684,035**	**$320,919**	**$716,216**
REVENUES OVER/(UNDER) EXPENDITURES	**$145,635**	**($395,635)**	**($419)**	**($395,216)**
BEGINNING FUND BALANCE-ASSIGNED	**$250,000**	**$395,635**	**$395,635**	**$395,216**
ENDING FUND BALANCE-ASSIGNED	**$395,635**	**$0**	**$395,216**	**$0**

FUND HIGHLIGHTS

Lasker Pool Fund (1094) - To account for funds received through donations, grants and IDC funding to be used for the first community pool in the City of Galveston.

Highlights - Completed construction of the first community pool which opened in August 2017. Plans to maintain and promote a safe and healthy environment for families visiting the pool facility. Also to offer swimming lessons, host swimming competitions, and water aerobics classes.

Personnel Services - Net increase (+$78,450) includes addition of two full time senior life guards.

Materials and Supplies - Net increase (+$28,650) includes increases for office supplies, chemicals, janitorial and safety supplies.

Contractual Services - Includes increase (+$8,000) for building security and funding (+$5,000) to sell items in concession area. includes a full operational year of the operation of the Lasker pool facility. Additional increases (+$6,960) needed for various contractual items.

Other Charges and Services - Includes funding (+$30,700) for causality and liability insurance.

Capital Outlay - Decrease (-$5,360) in capital outlay for FY2019.

Special Events and Programs - Set aside (+$242,880) of Capital Reserve for contingency.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Aquatics Manager	1.00	1.00	1.00	1.00
Pool Maintenance Technician	0.50	0.50	0.50	0.50
Senior Lifeguard	0.00	0.00	2.00	2.00
TOTAL	1.50	1.50	3.50	3.50

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - PENSION REFORM FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
379500 Pension Fund	2,292,000	393,487	0	0
361110 Interest Earned-Operating	10,471	3,000	21,365	21,300
TOTAL REVENUES	**$2,302,471**	**$396,487**	**$21,365**	**$21,300**
EXPENDITURES				
Contractual Services				
531004 Consultant Services	41,024	100,000	70,051	50,000
531006 Attorney's Fees	0	0	150,000	150,000
Total Contractual Services	**$41,024**	**$100,000**	**$220,051**	**$200,000**
Operating Transfers				
553025 Operating Transfer Out	0	75,000	75,000	0
Total Operating Transfers	**$0**	**$75,000**	**$75,000**	**$0**
Special Events and Programs				
592000 Contingency Reserve	0	2,455,194	1,000,000	803,173
Total Special Events and Programs	**$0**	**$2,455,194**	**$1,000,000**	**$803,173**
TOTAL EXPENDITURES	**$41,024**	**$2,630,194**	**$1,295,051**	**$1,003,173**
REVENUES OVER/(UNDER) EXPENDITURES	**$2,261,447**	**($2,233,707)**	**($1,273,685)**	**($981,873)**
BEGINNING FUND BALANCE-ASSIGNED	**$0**	**$2,255,558**	**$2,255,558**	**$981,873**
PRIOR YEAR ADJUSTMENT	**($5,889)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-ASSIGNED	**$2,255,558**	**$21,851**	**$981,873**	**$0**

FUND HIGHLIGHTS

Pension Reform Fund (1020) - To account for funds set aside to be used for reforming the City of Galveston Police, Fire and Civilian Pension Plan.

Highlights - Funds are spent based on the recommendations of the City Manager and as approved by City Council. An Actuary was hired by the City as recommended and approved by City Council.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - REVENUE PRODUCING PARKS

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
347150 Beach User Fees	$0	$169,200	$128,300	$95,000
347152 Season Pass	0	10,000	6,000	6,000
347156 Pavilion Rental/Weddings	0	6,000	27,201	57,001
348211 Concession Stand Operations	0	7,000	0	0
TOTAL REVENUES	**$0**	**$192,200**	**$161,501**	**$158,001**
EXPENDITURES				
Personnel Services				
511001 Regular Payroll	0	40,000	0	24,000
511002 COLA Increases	0	0	0	480
511005 Longevity	0	0	0	0
511021 Part-time Payroll	0	55,336	32,240	17,856
511125 Residency Pay	0	0	0	0
511510 Group Health Insurance	0	0	0	3,360
511515 Workers' Compensation	0	300	0	150
511520 Group Life Insurance	0	100	0	50
511530 Social Security - Employment	0	5,910	1,999	2,625
511535 Medicare - Employer's	0	1,382	468	614
511542 City Employee Retirement	0	3,600	0	2,203
Total Personnel Services	**$0**	**$106,628**	**$34,707**	**$51,338**
Materials and Supplies				
521073 Printed Materials	0	2,500	2,400	1,500
522013 Clothing	0	250	0	250
522017 Sign Materials	0	1,200	3,000	6,500
522037 Janitorial Supplies	0	2,500	600	400
522056 Minor Equipment	0	6,000	6,000	1,000
525031 Electricity	0	6,000	5,750	750
Total Materials and Supplies	**$0**	**$18,450**	**$17,750**	**$10,400**
Contractual Services				
531014 Building Security	0	0	0	5,000
531026 Transaction fees	0	0	3,000	3,000
531119 Landscaping Services	0	0	800	2,400
531220 Building Repairs	0	6,500	6,500	2,500
531230 Equipment Repairs	0	3,500	3,500	1,500
531320 Equipment Rental	0	6,000	4,000	4,000
531360 Garage Charges	0	0	0	20,500
532083 Telephone Service	0	800	800	400
532084 Cellular Service	0	400	400	200
Total Contractual Services	**$0**	**$17,200**	**$19,000**	**$39,500**
Other Charges and Services				
544105 Bank Service Charges	0	0	6,715	5,050
544125 Capital Reserve	0	0	0	
Total Other Charges and Services	**$0**	**$0**	**$6,715**	**$5,050**

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - REVENUE PRODUCING PARKS

SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Special Events and Programs				
592002 Contingency Reserve	0	0	0	135,042
Total Special Events and Programs	**$0**	**$0**	**$0**	**$135,042**
TOTAL EXPENDITURES	**$0**	**$142,278**	**$78,172**	**$241,330**
REVENUES OVER/(UNDER) EXPENDITURES	**$0**	**$49,922**	**$83,329**	**($83,329)**
BEGINNING FUND BALANCE-RESTRICTED	**$0**	**$0**	**$0**	**$83,329**
ENDING FUND BALANCE-RESTRICTED	**$0**	**$49,922**	**$83,329**	**$0**

FUND HIGHLIGHTS

Revenue Producing Parks (1031) - To account for the collections of fees at Beach Pocket Parks, Seawall/Fort Crockett Park, McAllis Point and Ostermayer Bayou.

Highlights - Beginning January 1, 2018 and ending ten (10) years after commencement date the County shall charge no rent to the City for operations of the above named Parks. Public recreational uses include but are not limited to recreation, special events, an RV Park, overnight camping and specialty parks such as dog parks.

Personnel Services - Net increase (+$16,630) includes 40% funding of a Assistant Director of Parks for a full year.
Materials and Supplies - Net decrease (-$7,350) for various supply line items
Other Charges and Services - Net decrease (-$1,665) for bank service fees.
Capital Outlay - Includes funding (+$20,500) to purchase a vehicle.
Special Events and Programs - Includes funding (+$135,040) for a contingency reserve.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Assistant Director of Parks	0.00	0.00	0.40	0.40
TOTAL	**0.00**	**0.00**	**0.40**	**0.40**

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - ASSET FORFEITURE FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
332110 Drug Enforcement Agency	$119,733	$50,000	$40,586	$25,000
361110 Interest Earned-Operating	1,625	900	2,164	2,100
378000 Sale of General Fixed Assets	1,107	0	0	0
TOTAL REVENUES	**$122,465**	**$50,900**	**$42,750**	**$27,100**
EXPENDITURES				
Materials and Supplies				
522013 Clothing	0	0	300	0
522014 Protective Gear	20,725	0	86,143	25,000
522025 Fuel and Lubricants	0	0	160	0
522056 Minor Equipment	0	133,749	0	60,000
Total Materials and Supplies	**$20,725**	**$133,749**	**$86,603**	**$85,000**
Contractual Services				
531028 Software Licenses	0	0	0	0
531230 Equipment Repairs	0	22,000	23,060	8,700
533085 Travel/Training	8,267	50,000	0	28,337
Total Contractual Services	**$8,267**	**$72,000**	**$23,060**	**$37,037**
Operating Transfers				
553025 Operating Transfer Out	22,184	0	0	0
Total Operating Transfers	**$22,184**	**$0**	**$0**	**$0**
Capital Outlay				
564009 Data Processing - Software	11,953	20,000	0	0
564117 Machinery and Equipment	0	22,000	22,000	13,000
Total Capital Outlay	**$11,953**	**$42,000**	**$22,000**	**$13,000**
TOTAL EXPENDITURES	**$63,129**	**$247,749**	**$131,663**	**$135,037**
REVENUES OVER/(UNDER) EXPENDITURES	**$59,336**	**($196,849)**	**($88,913)**	**($107,937)**
BEGINNING FUND BALANCE-RESTRICTED	**$138,165**	**$196,849**	**$196,849**	**$107,937**
PRIOR YEAR ADJUSTMENT	**($652)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-RESTRICTED	**$196,849**	**$0**	**$107,937**	**$0**

FUND HIGHLIGHTS

Asset Forfeiture Funds (1811) - To account for the equitable sharing of assets received from federal and state agencies to be used for law enforcement purposes. Funds are used to enhance and supplement, not supplant or replace the Police Department's appropriated budget.

Highlights - Includes funding for med kits for S.W.A.T., Dive gear/hazmat suits LPR's, Cameras, hostage robot (S.W.A.T.) and training for Procedural justice, Leadership development and Legal liability.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - POLICE SPECIAL REVENUE FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
334030 TX Dept. of Public Safety	$9,202	$9,500	$10,874	$11,000
335005 Local Forfeiture Receipts	95,617	40,000	20,000	30,000
361110 Interest Earned-Operating	611	525	1,094	1,100
363270 Towed/Abandoned Vehicles	11,465	5,000	15,028	15,000
TOTAL REVENUES	**$116,895**	**$55,025**	**$46,997**	**$57,100**
EXPENDITURES				
Materials and Supplies				
521095 Petty Cash	6,972	20,000	16,830	20,000
522025 Fuel and Lubricants	542	7,000	7,774	6,500
522056 Minor Equipment	57,309	55,643	51,372	78,743
Total Materials and Supplies	**$64,823**	**$82,643**	**$75,976**	**$105,243**
Contractual Services				
531230 Equipment Repairs	87	0	0	0
533085 Travel/Training	49,431	15,000	13,320	13,500
Total Contractual Services	**$49,518**	**$15,000**	**$13,320**	**$13,500**
TOTAL EXPENDITURES	**$114,341**	**$97,643**	**$89,296**	**$118,743**
REVENUES OVER/(UNDER) EXPENDITURES	**$2,554**	**($42,618)**	**($42,299)**	**($61,643)**
BEGINNING FUND BALANCE-RESTRICTED	**$101,556**	**$103,942**	**$103,942**	**$61,643**
PRIOR YEAR ADJUSTMENT	**($168)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-RESTRICTED	**$103,942**	**$61,324**	**$61,643**	**$0**

FUND HIGHLIGHTS

Police Special Revenue Fund (1812) - To account for funds donated from the community to be used for Police Department needs.

Highlights - Funds used for buy money for Narcotic officers, purchase of body cameras and training expenses as needed.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - POLICE QUARTERMASTER FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
361110 Interest Earned-Operating	$447	$275	$594	$600
379000 Operating Transfer In	73,000	78,000	78,000	83,000
TOTAL REVENUES	**$73,447**	**$78,275**	**$78,594**	**$83,600**
EXPENDITURES				
Materials and Supplies				
522013 Clothing	75,197	86,660	79,569	91,010
Total Materials and Supplies	**$75,197**	**$86,660**	**$79,569**	**$91,010**
Operating Transfers				
553025 Operating Transfers Out	37,125	0	0	0
Total Operating Transfers	**$37,125**	**$0**	**$0**	**$0**
TOTAL EXPENDITURES	**$112,322**	**$86,660**	**$79,569**	**$91,010**
REVENUES OVER/(UNDER) EXPENDITURES	**($38,875)**	**($8,385)**	**($975)**	**($7,410)**
BEGINNING FUND BALANCE-RESTRICTED	**$47,387**	**$8,385**	**$8,385**	**$7,410**
PRIOR YEAR ADJUSTMENT	**($127)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-RESTRICTED	**$8,385**	**$0**	**$7,410**	**$0**

FUND HIGHLIGHTS

Police Quartermaster Fund (1813) - To account for funds to maintain and purchase clothing and equipment as determined by the Police Administration for all full time paid police officers

Highlights - Funding of $750 per Officer annually transferred from the Police Department.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - ALARM PERMIT FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
321325 Alarm Permit	$72,640	$82,000	$62,000	$62,000
361110 Interest Earned-Operating	861	600	907	900
TOTAL REVENUES	**$73,501**	**$82,600**	**$62,907**	**$62,900**
EXPENDITURES				
Personnel Services				
511001 Regular Payroll	$33,174	$32,612	$33,264	$33,929
511005 Longevity	345	394	381	417
511006 Differential Pay	675	678	675	675
511009 Overtime	3,076	2,300	4,437	4,000
511125 Residency Pay	1,875	1,882	1,859	1,892
511510 Group Health Insurance	4,635	5,040	5,040	5,040
511520 Group Life Insurance	124	124	128	128
511530 Social Security - Employment	2,164	2,668	2,518	2,537
511535 Medicare - Employer's	506	663	589	593
511542 City Employee Retirement	3,523	4,172	3,655	3,682
511650 Salary Reimbursements	16,000	16,000	16,000	16,000
Total Personnel Services	**$66,097**	**$66,533**	**$68,546**	**$68,893**
Materials and Supplies				
521065 Office Supplies	1,283	2,000	784	2,000
522056 Minor Equipment	33,930	0	0	0
Total Materials and Supplies	**$35,213**	**$2,000**	**$784**	**$2,000**
Contractual Services				
531028 Software Licenses	4,594	0	4,824	4,825
532065 Printing, Duplication	45	500	0	0
533085 Travel/Training	2,609	5,000	2,176	2,500
Total Contractual Services	**$7,248**	**$5,500**	**$7,000**	**$7,325**
Other Charges and Services				
544125 Capital Reserve	0	77,754	0	40,528
Total Other Charges and Services	**$0**	**$77,754**	**$0**	**$40,528**
Operating Transfers				
553022 Transfer to Tech Improvement Fund	15,000	0	0	0
Total Operating Transfers	**$15,000**	**$0**	**$0**	**$0**
TOTAL EXPENDITURES	**$123,558**	**$151,787**	**$76,330**	**$118,746**
REVENUES OVER/(UNDER) EXPENDITURES	**($50,057)**	**($69,187)**	**($13,423)**	**($55,846)**
BEGINNING FUND BALANCE-RESTRICTED	**$119,635**	**$69,268**	**$69,268**	**$55,846**
PRIOR YEAR ADJUSTMENT	**($310)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-RESTRICTED	**$69,268**	**$81**	**$55,846**	**$0**

FUND HIGHLIGHTS

Alarm Permit Fund (1814) - To account for fees paid by permit holders for annual alarm system permits issued by the city. Fees shall be used for the general administration and enforcement of the city alarm systems program as required by Local Government Code, Section 214.194.

Highlights - Funds are used to cover 75% of personnel costs for alarm permits.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Police Administrative Services Manager	0.75	0.75	0.75	0.75
TOTAL	**0.75**	**0.75**	**0.75**	**0.75**

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - FIRE SPECIAL REVENUE FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
334030 TX Dept. of Public Safety	$919	$920	$911	$915
361110 Interest Earned-Operating	728	630	417	400
363200 Other Revenues	22,500	22,500	22,500	22,500
370024 Insurance - Transfer In	146,608	0	0	0
TOTAL REVENUES	**$170,754**	**$24,050**	**$23,829**	**$23,815**
EXPENDITURES				
Materials and Supplies				
521067 Minor Office Equipment	1,696	0	5,151	0
522014 Protective Gear	41,928	0	0	0
522056 Minor Equipment	10,234	0	0	44,131
Total Materials and Supplies	**$53,858**	**$0**	**$5,151**	**$44,131**
Contractual Services				
533088 Training Expenses	104	900	190	915
Total Contractual Services	**$104**	**$900**	**$190**	**$915**
Other Charges and Services				
544087 Expense Reimbursement	(3,097)	0	0	0
Total Other Charges and Services	**($3,097)**	**$0**	**$0**	**$0**
Capital Outlay				
564117 Machinery and Equipment	146,608	53,102	27,209	0
Total Capital Outlay	**$146,608**	**$53,102**	**$27,209**	**$0**
TOTAL EXPENDITURES	**$197,473**	**$54,002**	**$32,550**	**$45,046**
REVENUES OVER/(UNDER) EXPENDITURES	**($26,718)**	**($29,952)**	**($8,721)**	**($21,231)**
BEGINNING FUND BALANCE-RESTRICTED	**$56,866**	**$29,952**	**$29,952**	**$21,231**
PRIOR YEAR ADJUSTMENT	**($196)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-RESTRICTED	**$29,952**	**$0**	**$21,231**	**$0**

FUND HIGHLIGHTS

Fire Special Revenue Fund (1816) - To account for funds donated from the community to be used for Fire Department needs.
Highlights - Funds used to purchase safety equipment for the Fire Department.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - MUNICIPAL COURT BUILDING SECURITY FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
351170 Building Security Funding Fee	$21,187	$25,000	$21,238	$21,200
361110 Interest Earned-Operating	391	300	535	500
TOTAL REVENUES	**$21,579**	**$25,300**	**$21,773**	**$21,700**
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	31,675	34,986	34,986	34,986
Total Personnel Services	**$31,675**	**$34,986**	**$34,986**	**$34,986**
Materials and Supplies				
521067 Minor Office Equipment	0	32,117	0	5,754
522013 Clothing	1,260	3,000	2,000	2,000
Total Materials and Supplies	**$1,260**	**$35,117**	**$2,000**	**$7,754**
Contractual Services				
531007 Security Service	4,966	4,200	5,859	6,000
532086 Other Communications	270	270	270	270
532087 Aircard Service	456	152	373	400
Total Contractual Services	**$5,692**	**$4,622**	**$6,502**	**$6,670**
TOTAL EXPENDITURES	**$38,627**	**$74,725**	**$43,488**	**$49,410**
REVENUES OVER/(UNDER) EXPENDITURES	**($17,049)**	**($49,425)**	**($21,715)**	**($27,710)**
BEGINNING FUND BALANCE-ASSIGNED	**$66,593**	**$49,425**	**$49,425**	**$27,710**
PRIOR YEAR ADJUSTMENT	**($120)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-ASSIGNED	**$49,425**	**$0**	**$27,710**	**$0**

FUND HIGHLIGHTS

Municipal Court Building Security Fund (1821) – To account for a fee of $3.00 per misdemeanor conviction and is collected for future improvements to the security of the court facilities.

Highlights - Reimburse salaries for bailiff, armored truck services and minor equipment replacement as needed.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - MUNICIPAL COURT TECHNOLOGY FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
351172 Municipal Court Technology Fee	$28,251	$35,000	$28,318	$28,300
361110 Interest Earned-Operating	504	270	958	950
TOTAL REVENUES	**$28,755**	**$35,270**	**$29,275**	**$29,250**
EXPENDITURES				
Materials and Supplies				
521067 Minor Office Equipment	0	6,740	0	62,709
Total Materials and Supplies	**$0**	**$6,740**	**$0**	**$62,709**
Contractual Services				
531028 Software Licenses	0	75,000	0	75,000
531240 Maintenance Contracts	0	34,927	0	0
Total Contractual Services	**$0**	**$109,927**	**$0**	**$75,000**
Operating Transfers				
553022 Transfer to Tech Improvement Fund	20,000	0	0	0
Total Operating Transfers	**$20,000**	**$0**	**$0**	**$0**
TOTAL EXPENDITURES	**$20,000**	**$116,667**	**$0**	**$137,709**
REVENUES OVER/(UNDER) EXPENDITURES	**$8,755**	**($81,397)**	**$29,275**	**($108,459)**
BEGINNING FUND BALANCE-ASSIGNED	**$70,627**	**$79,184**	**$79,184**	**$108,459**
PRIOR YEAR ADJUSTMENT	**($197)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-ASSIGNED	**$79,184**	**($2,213)**	**$108,459**	**$0**

FUND HIGHLIGHTS

Municipal Court Technology Fund (1822) – To account for a fee of $4.00 per misdemeanor conviction and is collected for future improvements to technology of the court facilities.

Highlights - Funding (+$62,700) for minor office equipment as needed and software upgrades (+75,000) as needed.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - MUNICIPAL COURT JUVENILE SERVICES FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
351176 Juvenile Case Manager Fees	$29,877	$32,000	$30,774	$30,775
361110 Interest Earned-Operating	956	600	1,475	1,475
TOTAL REVENUES	**$30,833**	**$32,600**	**$32,249**	**$32,250**
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	16,125	15,000	14,144	15,000
Total Personnel Services	**$16,125**	**$15,000**	**$14,144**	**$15,000**
Materials and Supplies				
521073 Printed Material	0	5,000	0	0
522040 Recreation Supplies	0	0	0	0
Total Materials and Supplies	**$0**	**$5,000**	**$0**	**$0**
Contractual Services				
533085 Travel/Training	0	2,000	0	0
535140 Juvenile Case Manager Expenses	0	0	0	0
Total Contractual Services	**$0**	**$2,000**	**$0**	**$0**
Other Charges and Services				
544125 Capital Reserve	0	139,854	0	164,610
Total Other Charges and Services	**$0**	**$139,854**	**$0**	**$164,610**
TOTAL EXPENDITURES	**$16,125**	**$161,854**	**$14,144**	**$179,610**
REVENUES OVER/(UNDER) EXPENDITURES	**$14,708**	**($129,254)**	**$18,106**	**($147,360)**
BEGINNING FUND BALANCE-ASSIGNED	**$114,905**	**$129,254**	**$129,254**	**$147,360**
PRIOR YEAR ADJUSTMENT	**($359)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-ASSIGNED	**$129,254**	**$0**	**$147,360**	**$0**

FUND HIGHLIGHTS

Municipal Court Juvenile Services Fund (1823) – To account for a fee of $6.00 per misdemeanor conviction (90% State, 10% City) to promote the efficient operation of the court and the investigation, prosecution, and enforcement of the offenses within the court's jurisdiction.

FY2018 ADOPTED BUDGET
SPECIAL REVENUE FUND - RECOVERY AND CAPITAL RESERVE FUND

SUMMARY

REVENUES	FY2016 ACTUAL	FY2017 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
348645 Insurance Proceeds	$18,804	$0	$0	$0
361110 Interest Earned-Operating	31,478	35,000	0	0
363200 Other Revenues	0	0	1,000,000	0
TOTAL REVENUES	**$50,282**	**$35,000**	**$1,000,000**	**$0**
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	643	0	0	0
Total Personnel Services	**$643**	**$0**	**$0**	**$0**
Contractual Services				
531004 Consultant Services	31,707	50,000	0	0
531006 Attorney's Fees	205,779	930,000	950,000	950,000
Total Contractual Services	**$237,486**	**$980,000**	**$950,000**	**$950,000**
Other Charges and Services				
543099 Project Mgmt. Costs (Capital Projects)	709	0	290	0
544027 Court Costs and Judgements	0	0	0	0
544087 Expense Reimbursement	(14,688)	0	4,000	0
544097 Expense Reimbursement - Other	0	0	(455)	
544125 Capital Reserve	0	3,984,810	0	3,362,164
Total Other Charges and Services	**($13,979)**	**$3,984,810**	**$3,835**	**$3,362,164**
Operating Transfers				
553024 Insurance - Transfer Out	642,321	0	0	0
Total Operating Transfers	**$642,321**	**$0**	**$0**	**$0**
Capital Outlay				
564005 Capital Outlay - Improvements	543,201	0	12,362	754,815
Total Capital Outlay	**$543,201**	**$0**	**$12,362**	**$754,815**
TOTAL EXPENDITURES	**$1,409,672**	**$4,964,810**	**$966,197**	**$5,066,979**
REVENUES OVER/(UNDER) EXPENDITURES	**($1,359,390)**	**($4,929,810)**	**$33,803**	**($5,066,979)**
BEGINNING FUND BALANCE-COMMITTED	**$6,398,369**	**$5,033,176**	**$5,033,176**	**$5,066,979**
PRIOR YEAR ADJUSTMENT	**($5,803)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-COMMITTED	**$5,033,176**	**$103,366**	**$5,066,979**	**$0**

FUND HIGHLIGHTS

Recovery and Capital Reserve Fund (3050) - To account for funds collected through the legal department.

Highlights - Includes funding ($4,116,979) to renovate Historic City Hall to correct code issues and preserve the building and $950,000 for attorney fees.

FY2018 ADOPTED BUDGET
SPECIAL REVENUE FUND - TECHNOLOGY IMPROVEMENT FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY20198 ESTIMATED	FY2019 ADOPTED
General Fund	$0	$0	$295,400	$0
Waterworks Fund	0	0	58,700	0
Sewer System Fund	0	0	58,700	0
Sanitation Fund	0	0	35,500	0
Drainage Fund	75,000	0	20,200	0
Airport Fund	0	0	6,500	0
Central Service Fund	0	0	170,000	0
Alarm Permit Fund	15,000	0	0	0
Municipal Court Technology Fund	20,000	0	0	0
Interest Earned	6,009	0	15,673	5,000
TOTAL REVENUES	$116,009	$0	$660,673	$5,000
EXPENDITURES				
Capital Outlay				
Technology Projects:				
Accela Software Upgrade	0	311,497	198,379	113,118
Public Works work order system	0	286,999	320	106,081
Drainage Fee billing project	0	75,000	0	75,000
False Alarm Permitting software	0	15,000	0	15,000
Utility System upgrade	0	50,000	0	50,000
Technology Infrastructure Expansion	310,807	98,194	0	100,916
CAFR Solution Implementation	0	25,000	22,277	0
Electronic Document Management Implementation	325,599	106,401	126,350	160,650
Kronos Upgrade/HR Software Project	0	0	0	300,000
Banner Financial System Upgrade	0	0	0	75,000
Mobile Based Service Request System	0	0	0	100,000
Technology Acquisition Reserve	0	0	0	190,673
Total Capital Outlay	$636,406	$968,091	$347,326	$1,286,438
TOTAL EXPENDITURES	$636,406	$968,091	$347,326	$1,286,438
REVENUES OVER/(UNDER) EXPENDITURES	($520,397)	($968,091)	$313,347	($1,281,438)
BEGINNING FUND BALANCE-ASSIGNED	$1,491,600	$968,091	$968,091	$1,281,438
PRIOR YEAR ADJUSTMENTS	($3,112)	$0	$0	$0
ENDING FUND BALANCE-ASSIGNED	$968,091	$0	$1,281,438	$0

FUND HIGHLIGHTS

Technology Improvement Fund (1097) - To account for projects that emphasize basic city services and improving efficiency and accountability. To include permitting and inspections, business licensing, infrastructure maintenance, drainage fee collections, document imaging, inventory and fixed asset management and control.

Highlights - The City's data storage requirements have doubled in the last year and is expected to continue to grow over the next 3 to 5 years with implementation and expansion of multiple department software solutions. The purchase of a storage network to keep up with current demands was approved in FY17.

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - TECHNOLOGY IMPROVEMENT FUND

SUMMARY

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
379100 Waterworks - Transfer In	0	0	58,700	0
379200 Sewer System - Transfer In	0	0	58,700	0
379300 Sanitation - Transfer In	0	0	35,500	0
379325 Drainage - Transfer In	75,000	0	20,200	0
379400 General Fund	0	0	295,400	0
379700 Airport - Transfer In	0	0	6,500	0
379755 Alarm Permit Fund-Transfer In	15,000	0	0	0
379760 Court Technology Fund-Transfer In	20,000	0	0	0
379820 Central Services - Transfer In	0	0	170,000	0
379825 Infrastructure/Debt-Transfer In	0	0	0	0
361110 Interest Earned-Operating	6,009	0	15,673	5,000
TOTAL REVENUES	**$116,009**	**$0**	**$660,673**	**$5,000**
EXPENDITURES				
Contractual Services				
531028 Software Licenses	0	25,000	22,277	431,081
Total Contractual Services	**$0**	**$25,000**	**$22,277**	**$431,081**
Capital Outlay				
563015 Technology Improvements	310,807	644,360	198,379	0
564008 Data Processing Equipment	0	15,000	320	50,408
564009 Data Processing - Software	325,599	226,791	126,350	15,000
564012 Professional Services (Projects)	0	20,934	0	599,176
Total Capital Outlay	**$636,406**	**$907,085**	**$325,049**	**$664,584**
Special Events and Programs				
592002 Construction Contingency	0	36,006	0	190,773
Total Special Events and Programs	**$0**	**$36,006**	**$0**	**$190,773**
TOTAL EXPENDITURES	**$636,406**	**$968,091**	**$347,326**	**$1,286,438**
REVENUES OVER/(UNDER) EXPENDITURES	**($520,397)**	**($968,091)**	**$313,347**	**($1,281,438)**
BEGINNING FUND BALANCE-ASSIGNED	**$1,491,600**	**$968,091**	**$968,091**	**$1,281,438**
PRIOR YEAR ADJUSTMENT	**($3,112)**	**$0**	**$0**	**$0**
ENDING FUND BALANCE-ASSIGNED	**$968,091**	**$0**	**$1,281,438**	**$0**

FUND HIGHLIGHTS

Technology Improvement Fund (1097) - To account for projects that emphasize basic city services and improving efficiency and accountability. To include permitting and inspections, business licensing, infrastructure maintenance, drainage fee collections, document imaging, inventory and fixed asset management and control.

Highlights - The City's data storage requirements have doubled in the last year and is expected to continue to grow over the next 3 to 5 years with implementation and expansion of multiple department software solutions. The purchase of a storage network to keep up with current demands was approved in FY17.

TECHNOLOGY SPECIAL FUND SYSTEM PROJECTS FOR FY 2019

Project Description	Project Benefits	Allocation Statistic	Project Cost
Kronos Upgrade/Human Resource Software Project: Combine existing employee data bases from Kronos timekeeping system, Banner payroll and other employee information and Civic HR used for processing employment applications.	A unified employee and HR data system, providing efficiency in processing, better improving control over time reporting and payroll, while taking advantage of Kronos' current technology.	FY 2018 Budgeted Positions	$300,000
Banner/Financial System Upgrade Project: The City's financial system is twenty years old and ultimately in need of replacement. The current version of the software has reached end of life, will not be maintained by the vendor any longer, and must be upgraded to a more recent version.	Continued operation of purchasing, payables, budget, project and grant accounting for $240 million a year in financial activity.	FY 2018 Operating Budget	$75,000
Mobile Device-Based Service Request System: A unified system t enable citizens and businesses to communicate issues and other needs to City officials and track the status of their request.	New service for the general public based on the most current technology available.	FY 2018 Operating Budget	$100,000
		TOTAL	**$475,000**

TECHNOLOGY SPECIAL FUND SYSTEM PROJECTS FOR FY 2019

Allocation Measure	**General Fund**	**Combined Utility Fund**	**Drainage Fund**	**Sanitation Fund**	**Airport Fund**	**Totals**
FY 2018 Budgeted Positions	498.3	133.4	36.9	58.6	8.0	735.2
FY2018 Budget ($000's)	$55,082.0	$37,689.5	$3,030.2	$6,923.3	$1,905.6	$104,630.6
Allocated Costs	**General Fund**	**Combined Utility Fund**	**Drainage Fund**	**Sanitation Fund**	**Airport Fund**	**Totals**
Kronos/HR	$203,300	$54,400	$15,100	$23,900	$3,300	$300,000
Banner/Financial System	$39,500	$27,000	$2,200	$5,000	$1,400	$75,000
Mobile Device Service Requests Project	$52,600	$36,000	$2,900	$6,600	$1,800	$100,000
Totals by Fund	**$295,400**	**$117,400**	**$20,200**	**$35,500**	**$6,500**	**$475,000**

FY2019 ADOPTED BUDGET
SPECIAL REVENUE FUND - HURRICANE HARVEY

SUMMARY				
REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Transfer In (Reimbursable at 90%)				
379400 General Fund	$0	$2,200,807	$80,044	$1,364,293
379625 Island Transit	0	0	0	0
379000 Parking Management	0	9,000	9,581	0
379100 Water	0	8,962	8,377	0
379200 Sewer	0	130,521	63,630	33,634
379300 Sanitation	0	0	0	0
379800 Central Garage	0	36,706	9,000	19,535
379700 Airport	0	126,194	4,034	144,000
379555 Convention Center Surplus Fund	0	0	0	450,000
371600 Local Contributions	0	0	200,000	0
Reimbursable Subtotal	**$0**	**$2,512,190**	**$374,666**	**$2,011,461**
Transfer In (Local Match 10%)				
379400 General Fund	$0	$245,645	$8,894	$227,583
379625 Island Transit	0	0	0	0
379000 Parking Management	0	1,000	1,065	0
379100 Water	0	996	931	0
379200 Sewer	0	14,502	7,070	3,737
379300 Sanitation	0	0	0	0
379800 Central Garage	0	4,078	1,000	2,171
379700 Airport	0	14,022	448	16,000
379555 Convention Center Surplus Fund	0	0	0	50,000
Local Match Subtotal	**$0**	**$280,243**	**$19,408**	**$299,491**
TOTAL REVENUES	**$0**	**$2,792,433**	**$394,073**	**$2,310,952**
EXPENDITURES				
Other Charges and Services				
547055 General Fund				
Executive Management	$0	$0	$0	$0
Fire	0	61,760	0	0
Police	0	0	0	0
Streets	0	1,250,425	36,790	1,212,853
Traffic	0	13,350	13,350	0
Parks	0	188,820	16,369	162,973
Subtotal - General Fund	**$0**	**$1,514,355**	**$66,509**	**$1,375,826**
547055 Island Transit	0	32,100	0	16,050
547055 Parking Management	0	10,000	10,645	0
547055 Water	0	9,958	9,308	0
547055 Sewer	0	145,022	70,700	37,371
547055 Sanitation	0	0	0	0
547055 Central Garage	0	40,783	10,000	21,705
547055 Airport	0	140,215	4,482	160,000
547055 Facilities (City Hall)	0	900,000	22,429	900,000
Total Other Charges and Services	**$0**	**$1,278,078**	**$127,564**	**$1,135,126**
TOTAL EXPENDITURES	**$0**	**$2,792,433**	**$194,073**	**$2,510,952**

SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
REVENUES OVER/(UNDER) EXPENDITURES	$0	$0	$200,000	($200,000)
BEGINNING FUND BALANCE-COMMITTED	$0	$0	$0	$200,000
ENDING FUND BALANCE-COMMITTED	$0	$0	$200,000	$0

FUND HIGHLIGHTS

Hurricane Harvey Fund – A Major Disaster Declaration for the State of Texas (FEMA-4332-DR) was issued August 25, 2017 for Hurricane Harvey, qualifying all Harvey eligible expenses for reimbursement with federal funds. The City worked with FEMA to identify $3,818,564 in the cost of response and repair to damages from the event. The Hurricane Harvey Fund is funded with 100% local funds in recognition of the fact that the City is required to fund each project first and then seek reimbursement. Each affected fund that contributes to repair of its own facilities or the cost of its own force account labor and equipment will receive reimbursement for whatever portion of its own costs originally expended.

Highlights -. In FY 2017, the city's operating funds bore the full cost of responding to Harvey and making small repairs. This included the General Fund ($457,273), Island Transit ($3,169), Sewer ($29,229), Sanitation ($931,392), Central Garage ($8,453), Airport ($8,453) and Facilities Management ($2,100). These costs will not be reflected in the Harvey Fund until and unless the City receives its anticipated 90 percent reimbursement from FEMA.

The Hurricane Harvey Fund is providing the budget for all current and future repairs to damage caused by Harvey. When such repairs are made and charged here, the appropriate operating fund's interfund transfer to Harvey account will be charged to provide cash to the Harvey fund to cover the budgeted cost.

The Harvey Fund also include $200,000 provided by the Galveston County Recovery Fund, administered by the United Way of Galveston that will be used to defray the City's costs in its Harvey recovery effort.

Island Transit

Department Mission

The mission of Island Transit is to build, establish and operate a safe, efficient and effective transportation system that provides mobility for residents and visitors and improving the quality of life in Galveston.

Accomplishments

- Eliminated weekday evening service, and revised weekend service
- Renewed Harris County Rides contract to reduce operational cost for Demand Response through subsidized taxi services
- Rail Trolley cars transported to Ida Grove for restoration
- Island Express- Connecting Houston to Galveston kicked off after Hurricane Harvey
- Implemented Trolley Marketing Campaign with Galveston.com
- Acquired 4 Type XI Cutaway Vehicles via TIGER Funds
- Reduce overtime hours through elimination of contracts detrimental to Island Transit
- Transferred League City Park & Ride operations to Gulf Coast Center
- Transferred Cruise Shuttle service to Port of Galveston
- Acquired 5th rubber tire trolley for seawall service operations
- Assisted in the sheltering & evacuation of North County residents during Hurricane Harvey

Goals

- Receive Rail Trolley's from Ida Grove, Iowa, for testing Rail Trolley Service
- Establish public-private partnerships to enhance transit ridership and promote Economic Development, including serving high density tourist origins & destinations
- Implement technology upgrades including consideration of mobile app for fare collection
- Continue to find ways for Island Transit to become more efficient
- Monitor & refine Seawall Rubber Tire Trolley operations for continued in 2019, with an emphasis on trying to reduce vehicle headways from 30 minutes down to 15-20 minutes.

FY2019 ADOPTED BUDGET
ISLAND TRANSIT SPECIAL FUND SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	($182,193)	($164,718)	($164,718)	$6
Revenues:				
FTA-Operating Grant	$813,610	$1,611,000	$1,611,615	$2,012,094
FTA-Job Access Grant	0	0	0	0
Gulf Coast Center Supplement	0	0	0	0
Victory Lakes	722,959	736,000	510,450	0
State DOT Grants	916,378	550,000	554,050	431,335
D & R Preventive Maintenance	20,000	0	0	0
HGAC Preventive Maintenance	500,000	0	0	0
Fare Box Revenues	253,540	260,000	247,560	245,000
UTMB Shuttles	160,000	160,000	53,333	0
UTMB Performance Evaluation	5,000	0	0	0
Port Cruise Shuttles	183,055	150,000	173,734	0
Sale of equipment	0	0	0	0
Other Revenue	225	200,000	58,156	41,000
HOT Transfer In	200,000	563,686	578,867	1,095,033
General Fund	870,000	800,000	800,000	600,000
Total Revenues	$4,644,767	$5,030,686	$4,587,765	$4,424,462
Expenditures:				
Administration	$588,044	$448,220	$529,653	$398,976
Transit System	2,571,149	2,050,827	2,221,108	1,770,715
FTA Maintenance	1,293,755	1,324,953	1,213,768	1,159,061
Bus Trolley System	174,345	563,686	458,512	665,473
Rail Trolley System	0	0	0	429,560
Total Expenditures	$4,627,292	$4,387,686	$4,423,041	$4,423,785
Excess (deficiency) of revenues over (under) expenditures	$17,475	$643,000	$164,724	$677
Ending Fund Balance - Committed	($164,718)	$478,282	$6	$684

Personnel summary	2017 Actual	2018 Budget	2019 Budget	Salary Costs
Administration	4.00	4.00	3.00	$297,566
Transit System	37.00	31.50	22.00	1,146,471
FTA Maintenance	17.00	15.00	15.00	896,133
Bus Trolley System	0.00	6.50	10.50	553,354
Rail Trolley System	0.00	0.00	2.50	154,332
Totals	58.00	57.00	53.00	$2,340,170

CITY OF GALVESTON

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FY2019 ADOPTED BUDGET
ISLAND TRANSIT FUND
EXPENDITURE SUMMARY

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Administration	588,044	448,220	529,653	398,976
Transit System	2,571,149	2,050,827	2,221,108	1,770,715
FTA Maintenance	1,293,755	1,324,953	1,213,768	1,159,061
Bus Trolley System	174,345	563,686	458,512	665,473
Rail Trolley System	0	0	0	429,560
TOTAL	**$4,627,292**	**$4,387,686**	**$4,423,041**	**$4,423,785**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$3,430,591	$3,206,626	$3,274,927	$3,047,857
Materials and Supplies	398,892	431,148	406,237	385,967
Contractual Services	713,889	638,195	679,624	910,623
Other Charges and Services	83,920	111,717	62,253	79,338
TOTAL	**$4,627,292**	**$4,387,686**	**$4,423,041**	**$4,423,785**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Net reduction of $227,070 includes reduction in overtime and related benefits.

Materials and Supplies -Reduction of $20,270 attributable to net savings from reduced fuel and parts for buses used on discontinued, underutilized routes in excess of cost of bus trolley service..

Contractual Services - Included are increases (+$73,188) for Harris County Rides Program, miscellaneous contractual line items (+$5,890), increase in computer charges (+$10,260) include a proportional share for licensing and keeping hardware updated city-wide and six month operational cost (+$141,659) for Rail Trolley System.

Other Charges and Services - Includes a reduction ($-11,980) in Island Transit's portion of Casualty and Liability and Net decrease of (+$29,275) for reimbursements from insurance claims.

FY2019 ADOPTED BUDGET
ADMINISTRATION

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$418,199	$343,347	$393,460	$297,566
Materials and Supplies	34,789	45,200	39,837	41,100
Contractual Services	134,776	59,273	96,144	94,113
Other Charges and Services	281	400	212	(33,803)
TOTAL	**$588,044**	**$448,220**	**$529,653**	**$398,976**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Reclassify Public Transportation Manager (-$38,248), transfer 10% administrative fees (-37,646) to Rubber wheel and Rail Trolley System and add salary reimbursement (-$20,000) from Industrial Development Corporation for Assistant City Manager of Grants and Public Transportation.

Materials and Supplies - Net increase (+$1,260) in miscellaneous material and supply line items.

Contractual Services - Decrease of (-$2,030) for miscellaneous contractual line items.

Other Charges and Services - Includes a 25% reimbursement (-$33,803) from HOT expenditures for non-personnel items.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Assistant City Manager/Grants & Public Transportation	1.00	1.00	1.00	0.75
Public Transportation General Manager	1.00	1.00	1.00	0.75
Accountant	1.00	1.00	1.00	0.75
Senior Administrative Assistant	1.00	1.00	1.00	0.75
TOTAL	**4.00**	**4.00**	**4.00**	**3.00**

FY2019 ADOPTED BUDGET
ADMINISTRATION

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$322,663	$326,310	$270,085	$234,996
511002 COLA Increases	0	6,430	0	8,225
511005 Longevity	1,866	1,836	1,492	1,507
511009 Overtime	2,703	0	0	0
511125 Residency Pay	5,000	5,019	3,037	5,019
511410 Separation Vacation	2,048	0	11,752	0
511420 Separation Sick Pay	5,031	0	30,316	0
511510 Group Health Insurance	22,124	26,880	22,912	25,200
511515 Worker's Compensation	387	387	388	259
511520 Group Life Insurance	709	584	910	778
511530 Social Security - Employment	20,366	21,055	19,144	15,484
511535 Medicare - Employer's	4,763	4,924	4,573	3,621
511542 City Employee Retirement	30,538	30,564	28,851	22,477
511650 Salary Reimbursements	0	(80,642)	0	(20,000)
Total Personnel Services	**$418,199**	**$343,347**	**$393,460**	**$297,566**
Materials and Supplies				
521065 Office Supplies	2,702	2,000	2,000	1,000
521073 Printed Materials	889	700	400	400
522037 Janitorial Supplies	6,848	7,700	6,995	6,800
522059 Motor Vehicle Parts	174	0	0	0
522099 Other Supplies	100	800	100	400
525031 Electricity	21,876	30,000	26,342	29,000
525032 Natural Gas	2,200	4,000	4,000	3,500
Total Materials and Supplies	**$34,789**	**$45,200**	**$39,837**	**$41,100**
Contractual Services				
531004 Consultant Services	66,954	0	0	0
531007 Security Service	6,216	6,000	9,000	6,000
531025 Memberships	2,770	2,000	1,970	2,000
531116 Hazardous Waste Disposal & Supplies	0	1,000	0	500
531125 Other Contracts	22,386	15,000	50,000	50,000
531220 Building Repairs	124	500	250	500
531360 Computer Charges	9,520	11,923	9,336	12,463
532062 Postage	1,286	650	650	650
532065 Printing, Duplication	4,219	4,000	3,500	4,000
532083 Telephone Service	15,966	15,000	15,748	15,000
532084 Cellular Service	2,206	2,200	2,839	2,000
533085 Travel/Training	3,129	1,000	2,851	1,000
Total Contractual Services	**$134,776**	**$59,273**	**$96,144**	**$94,113**
Other Charges and Services				
544087 Expense Reimbursement	(60)	0	0	(33,803)
544105 Bank Service Charges	341	400	212	0
Total Other Charges and Services	**$281**	**$400**	**$212**	**($33,803)**
Total Expenses	**$588,044**	**$448,220**	**$529,653**	**$398,976**

FY2019 ADOPTED BUDGET
TRANSIT SYSTEM

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$2,027,320	$1,497,786	$1,680,744	$1,146,471
Materials and Supplies	34,175	44,700	33,200	39,700
Contractual Services	401,901	397,024	395,847	485,206
Other Charges and Services	107,753	111,317	111,317	99,338
TOTAL	**$2,571,149**	**$2,050,827**	**$2,221,108**	**$1,770,715**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net reduction of $534,273 includes reduction in overtime and related benefit costs (-$134,148) and moving eight drivers personnel costs (-$400,125) to the rubber wheel and trolley routes.

Materials and Supplies - Increases to minor office equipment ($1,500) and fuel and lubricants ($5,000).

Contractual Services - Included are increases (+$73,188) for Harris County Rides Program, miscellaneous contractual line items (+$5,900) and in computer charges (+$10,260) include a proportional share for licensing and keeping hardware updated city-wide.

Other Charges and Services - Includes a reduction ($-11,980) in Island Transit's portion of Casualty and Liability.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Ridership	792,486	744,382	604,381	450,000

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Public Transportation Operations Manager	1.00	1.00	1.00	0.00
Public Transportation Supervisors	3.00	2.50	2.50	2.00
Public Transportation Dispatcher	1.00	1.00	1.00	1.00
Rail Safety Officer	0.00	1.00	1.00	0.50
Transit Operators	32.00	26.00	26.00	18.50
TOTAL	**37.00**	**31.50**	**31.50**	**22.00**

FY2019 ADOPTED BUDGET
TRANSIT SYSTEM

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$1,187,609	$927,861	$1,033,417	$723,688
511002 COLA Increases	0	18,557	0	14,474
511005 Longevity	8,656	8,627	10,164	10,256
511006 Differential Pay	1,462	904	942	904
511009 Overtime	237,139	50,000	140,000	25,000
511021 Part-time Payroll	35,630	2,440	11,000	7,500
511125 Residency Pay	38,527	40,000	40,000	40,000
511410 Separation Vacation	3,147	400	1,081	0
511420 Separation Sick Pay	1,560	300	560	0
511510 Group Health Insurance	219,202	200,828	195,059	154,560
511515 Workers' Compensation	44,418	39,618	39,618	26,469
511520 Group Life Insurance	4,430	4,355	3,905	2,992
511530 Social Security - Employment	91,100	76,232	76,704	52,701
511535 Medicare - Employer's	21,306	17,827	17,939	12,325
511542 City Employee Retirement	133,134	109,837	110,355	75,602
511655 Salary Reimbursements-Grants	0	0	0	0
Total Personnel Services	**$2,027,320**	**$1,497,786**	**$1,680,744**	**$1,146,471**
Materials and Supplies				
521065 Office Supplies	2,211	2,200	2,200	2,200
521067 Minor Office Equipment	0	2,500	1,000	2,500
522025 Fuel And Lubricants	31,963	40,000	30,000	35,000
Total Materials and Supplies	**$34,175**	**$44,700**	**$33,200**	**$39,700**
Contractual Services				
530025 Harris County Rides Program	0	0	80,000	153,188
531220 Building Repairs	718	5,000	3,600	5,000
531350 Garage Charges	374,438	353,626	254,017	253,626
531360 Computer Charges	12,693	15,898	45,132	55,392
532065 Printing, Duplication	2,000	3,000	1,000	3,000
532066 Print Shop Charges	162	2,000	75	1,000
533085 Travel/Training	583	2,000	0	1,000
533301 Cleaning Service	11,307	15,500	12,023	13,000
Total Contractual Services	**$401,901**	**$397,024**	**$395,847**	**$485,206**
Other Charges and Services				
547070 Insurance Expense	107,753	111,317	111,317	99,338
Total Other Charges and Services	**$107,753**	**$111,317**	**$111,317**	**$99,338**
Total Expenses	**$2,571,149**	**$2,050,827**	**$2,221,108**	**$1,770,715**

FY2019 ADOPTED BUDGET
FTA MAINTENANCE

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$888,478	$922,055	$829,856	$896,133
Materials and Supplies	323,941	310,000	328,200	178,500
Contractual Services	105,449	92,898	104,988	104,428
Other Charges and Services	(24,114)	0	(49,276)	(20,000)
TOTAL	**$1,293,755**	**$1,324,953**	**$1,213,768**	**$1,159,061**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increases (+$61,850) include staffing for the full fiscal year, a 2% cost of living adjustment (+11,520), reduction in workers' compensation (-$7,100)

Materials and Supplies - Decreases include (-$151,700) for less spending on motor vehicle parts and funding for minor equipment (+$2,000) related to undersubscribed routes..

Other Charges and Services - Net decrease of (+$29,275) for reimbursements from insurance claims.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Fleet Maintenance Supervisor	2.00	2.00	2.00	2.00
Automotive Mechanic	7.00	7.00	7.00	7.00
Automotive Parts Technician	2.00	2.00	2.00	2.00
Bus Service Attendant	6.00	4.00	4.00	4.00
TOTAL	**17.00**	**15.00**	**15.00**	**15.00**

FY2019 ADOPTED BUDGET
FTA MAINTENANCE

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$579,091	$585,582	$547,600	$576,212
511002	COLA Increases	0	11,539	0	20,167
511005	Longevity	7,563	7,607	8,117	8,177
511006	Differential Pay	(68)	0	0	0
511009	Overtime	58,217	55,000	37,529	40,000
511125	Residency Pay	20,288	23,000	22,576	23,000
511410	Separation Vacation	285	0	0	0
511420	Separation Sick Pay	136	0	0	0
511510	Group Health Insurance	90,700	100,800	92,382	100,800
511515	Worker's Compensation	21,408	21,408	21,408	14,303
511520	Group Life Insurance	2,146	2,280	2,165	2,325
511530	Social Security - Employment	39,563	42,763	36,029	41,389
511535	Medicare - Employer's	9,253	10,001	8,427	9,680
511542	City Employee Retirement	59,897	62,075	53,623	60,080
511655	Salary Reimbursements-Grants	0	0	0	0
Total Personnel Services		**$888,478**	**$922,055**	**$829,856**	**$896,133**
Materials and Supplies					
522055	Minor Tools	2,886	4,000	1,500	3,000
522059	Motor Vehicle Parts	298,002	279,000	310,700	159,000
522099	Other Supplies	23,053	27,000	16,000	16,500
Total Materials and Supplies		**$323,941**	**$310,000**	**$328,200**	**$178,500**
Contractual Services					
531125	Other Contracts	14,438	15,000	18,000	17,500
531220	Building Repairs	1,017	1,000	1,189	1,000
531250	Vehicle Repairs	63,765	45,000	45,000	35,000
531360	Computer Charges	12,693	15,898	27,663	36,928
533301	Cleaning Service	13,536	16,000	13,136	14,000
Total Contractual Services		**$105,449**	**$92,898**	**$104,988**	**$104,428**
Other Charges and Services					
544098	Reimbursable From Insurance Claims	(24,114)	0	(49,276)	(20,000)
Total Other Charges and Services		**($24,114)**	**$0**	**($49,276)**	**($20,000)**
Total Expenses		**$1,293,755**	**$1,324,953**	**$1,213,768**	**$1,159,061**

FY2019 ADOPTED BUDGET
BUS TROLLEY SYSTEM

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$96,595	$443,438	$370,867	$553,354
Materials and Supplies	5,987	31,248	5,000	10,000
Contractual Services	71,763	89,000	82,645	85,217
Other Charges and Services	0	0	0	16,902
TOTAL	**$174,345**	**$563,686**	**$458,512**	**$665,473**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase of $182,480 attributed to full year's operation and expansion of the for bus trolley system.

Materials and Supplies - Total increase of $5,000 for motor vehicle parts.

Contractual Services - Included is an increase in computer charges (+$4,920) include a proportional share for licensing and keeping hardware updated city-wide and decrease (-$2,350) in garage charges.

Other Charges and Services - Includes a 12.5% reimbursement (+$16,900) to Transit Administration for HOT expenditures for non-personnel items.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Assistant City Manager/Grants & Public Transportation	0.00	0.00	0.00	0.125
Grants Manager	0.00	0.00	0.00	0.125
Senior Administrative Assistant	0.00	0.00	0.00	0.125
Public Transportation Manager	0.00	0.50	0.50	0.125
Transit Operators	0.00	6.00	6.00	10.00
Rail Safety Officer	0.00	0.00	0.00	0.00
TOTAL	**0.00**	**6.50**	**6.50**	**10.50**

FY2019 ADOPTED BUDGET
BUS TROLLEY SYSTEM

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$64,112	$272,779	$236,890	$367,075
511002	COLA Increases	0	5,456	0	7,342
511005	Longevity	0	100	100	48
511009	Overtime	5,345	25,000	30,000	30,000
511125	Residency Pay	4,330	37,560	1,000	0
511410	Separation Vacation	673	2,500	2,500	2,500
511510	Group Health Insurance	10,477	47,812	47,812	71,400
511515	Workers' Compensation	0	4,800	4,800	1,200
511520	Group Life Insurance	214	416	750	252
511530	Social Security - Employment	4,339	18,541	18,541	27,383
511535	Medicare - Employer's	1,015	4,338	4,338	6,404
511542	City Employee Retirement	6,091	24,136	24,136	39,750
Total Personnel Services		**$96,595**	**$443,438**	**$370,867**	**$553,354**
Materials and Supplies					
522059	Motor Vehicle Parts	5,476	31,248	5,000	10,000
522099	Other Supplies	511	0	0	0
Total Materials and Supplies		**$5,987**	**$31,248**	**$5,000**	**$10,000**
Contractual Services					
531250	Vehicle Repairs	0	25,000	10,000	10,000
531350	Garage Charges	71,763	64,000	57,942	55,590
531360	Computer Charges	0	0	14,703	19,627
Total Contractual Services		**$71,763**	**$89,000**	**$82,645**	**$85,217**
Other Charges and Services					
544087	Expense Reimbursement	0	0	0	16,902
Total Other Charges and Services		**$0**	**$0**	**$0**	**$16,902**
Total Expenses		**$174,345**	**$563,686**	**$458,512**	**$665,473**

FY2019 ADOPTED BUDGET
RAIL TROLLEY SYSTEM

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$0	$0	$0	$154,332
Materials and Supplies	0	0	0	116,667
Contractual Services	0	0	0	141,659
Other Charges and Services	0	0	0	16,902
TOTAL	**$0**	**$0**	**$0**	**$429,560**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase of $154,332 attributed to a six month operation and funding for rail trolley system.

Materials and Supplies - Total increase of $116,667 for a six month operation of rail trolley system.

Contractual Services - Total increase of $141,659 for a six month operation of rail trolley system.

Other Charges and Services - Total increase of $16,902 for a six month operation of rail trolley system.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
ACM-Grants & Public Transportation	0.00	0.00	0.00	0.125
Public Transportation Manager	0.00	0.00	0.00	0.125
Grants Manager	0.00	0.00	0.00	0.125
Senior Administrative Assistant	0.00	0.00	0.00	0.125
Transit Operators	0.00	0.00	0.00	1.50
Rail Safety Officer	0.00	0.00	0.00	0.50
TOTAL	**0.00**	**0.00**	**0.00**	**2.500**

FY2019 ADOPTED BUDGET
RAIL TROLLEY SYSTEM

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$0	$0	$0	$119,198
511002	COLA Increases	0	0	0	2,384
511005	Longevity	0	0	0	48
511009	Overtime	0	0	0	5,000
511125	Residency Pay	0	0	0	2,500
511510	Group Health Insurance	0	0	0	8,820
511515	Workers' Compensation	0	0	0	600
511520	Group Life Insurance	0	0	0	62
511530	Social Security - Employment	0	0	0	5,854
511535	Medicare - Employer's	0	0	0	1,369
511542	City Employee Retirement	0	0	0	8,497
Total Personnel Services		**$0**	**$0**	**$0**	**$154,332**
Materials and Supplies					
522025	Fuel And Lubricants	0	0	0	16,667
522059	Motor Vehicle Parts	0	0	0	66,667
522099	Other Supplies	0	0	0	33,333
Total Materials and Supplies		**$0**	**$0**	**$0**	**$116,667**
Contractual Services					
531350	Garage Charges	0	0	0	136,803
531360	Computer Charges	0	0	0	4,856
Total Contractual Services		**$0**	**$0**	**$0**	**$141,659**
Other Charges and Services					
544099	Miscellaneous Expense	0	0	0	16,902
Total Other Charges and Services		**$0**	**$0**	**$0**	**$16,902**
Total Expenses		**$0**	**$0**	**$0**	**$429,560**

CITY OF GALVESTON

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DEBT SERVICE FUND

FY2019 ADOPTED BUDGET
DEBT SERVICE FUND

Overview

The Debt Service fund is used to capture debt service payments and corresponding revenue for all tax supported debt. This includes (1) General Obligation bonds approved by the voters and payable with property tax revenue, (2) General Obligation Refunding bonds issued under state law and the city charter to reduce interest costs on outstanding bonds of all types, and (3) Tax-supported revenue bonds payable with revenue streams from other sources. This includes

Not included in the Debt Service fund is principal and interest paid on revenue supported Water and Sewer bonds. Those payments are budgeted in the Waterworks and Sewer funds, respectively. Refer to the Capital Improvements section for a detailed discussion of tax supported and revenue bond debt service.

Debt Limitation

No general obligation debt limitation is imposed on the City under current State law or the city's Home Rule Charter; however, State law and the City's Charter limit the City's ad valorem tax rate.

OUTSTANDING DEBT AS OF OCTOBER 1, 2018			
Debt and Funding Source	**Principal**	**Interest**	**Total**
Debt Service Fund (Property Taxes)			
General Obligation Bonds	$21,315,000	$10,023,500	$31,338,500
General Obligation Refunding Bonds	$9,816,276	$1,956,218	$11,772,494
Certificate of Obligations	$0	$0	$0
Subtotal Property Tax Supported Debt Service	**$31,131,276**	**$11,979,718**	**$43,110,994**
Hotel Occupancy Tax Revenue Bonds	**$22,605,000**	**$7,298,856**	**$29,903,856**
Wharves Authority Revenue Bonds	**$2,873,672**	**$3,446,328**	**$6,320,000**
Water Fund Debt Service			
Certificate of Obligations	$17,458,200	$13,079,826	$30,538,026
GO Refunding Bonds	$6,779,230	$2,282,813	$9,062,043
Revenue Bonds	$8,691,800	$3,076,450	$11,768,250
Subtotal Water Fund Debt Service	**$32,929,230**	**$18,439,089**	**$51,368,319**
Sewer Fund Debt Service			
Certificate of Obligations	$14,871,800	$11,142,074	$26,013,874
GO Refunding Bonds	$6,719,495	$2,278,269	$8,997,764
Revenue Bonds	$11,563,200	$3,158,950	$14,722,150
Subtotal Sewer Fund Debt Service	**$33,154,495**	**$16,579,293**	**$49,733,788**
Total Outstanding Debt	**$122,693,673**	**$57,743,284**	**$180,436,957**

As of October 1, 2018, the City of Galveston will have a total outstanding bonded indebtedness of $180.4 million, including $122.7 in principal and $57.7 million in interest. Property taxes support payments for $43.1 million of this total, including $31.1 million in principal and $12.0 million in interest.

FY2019 ADOPTED BUDGET
DEBT SERVICE FUND BY LINE ITEM

REVENUES	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
311100 Property Taxes - Current	$1,865,436	$3,958,400	$3,912,800	$2,986,700
311110 Property Taxes - Delinquent	30,626	40,000	35,000	35,000
361110 Interest Earned-Operating	30,916	34,000	34,000	40,750
379820 Central Services - Transfer In	233,049	0	0	0
379825 Infrastructure/Debt - Transfer In	0	0	0	2,130,362
TOTAL REVENUES	**$2,160,028**	**$4,032,400**	**$3,981,800**	**$5,192,812**
DEBT SERVICE PAYMENTS				
571010 Interest Expenditure	545,684	1,237,239	1,237,239	1,957,521
571040 Agent Fees	12,190	7,050	7,050	7,300
571050 Principal Expenditure	1,441,770	2,818,170	2,818,170	3,227,991
571070 Other Expenditures	750	0	0	0
Total Debt Service	**$2,000,394**	**$4,062,459**	**$4,062,459**	**$5,192,812**
TOTAL EXPENDITURES	**$2,000,394**	**$4,062,459**	**$4,062,459**	**$5,192,812**
REVENUES OVER/(UNDER) EXPENDITURES	**$159,633**	**($30,059)**	**($80,659)**	**$0**
BEGINNING FUND BALANCE-RESTRICTED	**$1,518,471**	**$1,678,104**	**$1,678,104**	**$1,597,445**
ENDING FUND BALANCE-RESTRICTED	**$1,678,104**	**$1,648,045**	**$1,597,445**	**$1,597,445**

HIGHLIGHTS

Property Tax Rate - This year's proposed debt service property tax rate is $0.0525 per $100 of taxable value. This is $0.0175 per $100 of taxable value and $995,600 in property tax revenues less than last year's $0.07 rate would have generated.

Infrastructure and Debt Service Fund Transfer In - This transfer includes: (1) An estimated $1.5 million in new debt service for the $20 million sale being conducted this fall to provide funding for streets and drainage projects approved in the May 2017 bond election, (2) the reduction in the current debt service payment schedule (-$366,000), and (3) the net amount needed to replace the revenue tied to the reduced debt service tax rate (+$997,600).

Other debt service amounts paid from non-tax revenue are shown below:

Self-Supporting Debt	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Hotel Occupancy Tax	1,761,426	1,788,013	1,788,013	1,811,212
Galveston Wharves	2,968,200	2,886,900	2,886,900	3,160,750
Self-Supporting Debt Subtotal	**$4,729,626**	**$4,674,913**	**$4,674,913**	**$4,971,962**

ENTERPRISE FUNDS

FY 2019 ADOPTED BUDGET
ENTERPRISE FUNDS SUMMARY

Overview

The City has maintained for some time five funds as enterprise funds which is to say they are operated like a business enterprise. This year's Adopted Budget consolidates the Waterworks and Sewer Fund budgets into the Combined Utility System Fund. This will make accounting and reporting more efficient, and follow the industry standards and best practices as far as water and sewer utility systems are concerned.

The funds in this section are accounted for on a full accrual basis and budgeted on a modified accrual basis. The difference is to recognize that the purpose of the budget is to adequately plan, manage and control the use of enterprise fund cash. Further, the role of the City Council in approving a modified accrual budget is to control how enterprise fund cash is used during the course of the fiscal year.

FY 2019 Enterprise Fund Highlights

The **Combined Utility System Fund (**including the Waterworks and Sewer system funds) is primarily funded through customer charges that are tied to water usage. The new Combined Utility Fund Adopted Budget includes $37.1 million in operating expenditures, a $1 million increase over the total budgets for FY 2018 for water and sewer. The Budget also includes planned transfers to water and sewer improvement funds of an additional $1.87 million, with an ending fund balance of $10.4 million. The Budget assumes no rate increase for FY 2019 although discussions are underway to consider the need for such an increase in FY 2019 given the future plans for bond sales to support the CIP.

The **Sanitation Fund** provides funding through fees charged to customers for the City's garbage collection and disposal services as well as its recycling center operation. The Adopted Budget for FY 2019 of $7.4 million includes $1.39 million to replace 2 litter trucks ($400,000), two garbage packers ($256,000), two rear end loaders ($380,000); one automated truck ($300,000) and provide $50,000 toward a new recycling building.

The **Drainage fund** is financed through fees charged through the water bill specifically for drainage. Drainage fund personnel perform maintenance on the City's storm sewer and open ditch drainage systems. The FY 2019 Adopted Budget includes $3.56 million, $1.1 million of which will replace a crew cab pickup truck (+$27,300), a Godwin pump ($38,100), a wheel loader ($48,300) and buy a new large vacuum truck ($431,000), a new tracked excavator ($265,000), and a new Gradall ($240,000). The budget also includes $25,000 for drainage area staff furniture in the new Public Works building.

The **Airport fund** is funded through income from Scholes Airport tenants and customers. The Airport proposes to continue enhancing the airport facilities and improving its business practices in FY 2019.

Additional information on Enterprise Fund revenue, particularly water and sewer customer charges, can be found in the Citywide Revenue Summary. Detailed explanations of every Enterprise Fund budget, including the associated line item detail can be found in the appropriate section for that budget.

ENTERPRISE FUNDS
Summary Schedule of Revenues and Expenditures

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Adopted
Beginning Fund Balance				
Combined Utility System Fund	$11,602,597	$11,877,662	$11,877,662	$12,358,343
Sanitation Fund	3,301,761	3,328,925	3,328,925	2,460,379
Drainage Utility Fund	1,757,888	2,062,063	2,062,063	2,272,420
Scholes Airport Fund	1,324,650	1,543,012	1,543,012	988,394
Total	**$17,986,896**	**$18,811,662**	**$18,811,662**	**$18,079,536**
Revenues				
Combined Utility System Fund	$37,406,381	$37,689,420	$36,600,882	$36,938,500
Sanitation Fund	5,515,525	6,166,067	6,197,830	6,326,213
Drainage Utility Fund	2,881,143	2,908,480	2,805,865	2,856,440
Scholes Airport Fund	2,700,276	1,105,729	1,349,882	1,113,161
Total	**$48,503,325**	**$47,869,696**	**$46,954,459**	**$47,234,314**
Expenditures				
Combined Utility System Fund	$32,696,170	$36,129,462	$34,176,395	$37,065,561
Sanitation Fund	5,314,114	5,802,434	5,945,513	6,020,185
Drainage Utility Fund	2,340,755	2,596,237	2,161,508	2,483,090
Scholes Airport Fund	1,776,630	1,245,824	1,244,775	1,277,109
Total	**$42,127,670**	**$45,773,956**	**$43,528,190**	**$46,845,944**
Revenues over/(under) Expenditures				
Combined Utility System Fund	$4,710,212	$1,559,959	$2,424,488	($127,061)
Sanitation Fund	201,410	363,634	252,317	306,028
Drainage Utility Fund	540,388	312,244	644,357	373,350
Scholes Airport Fund	923,645	(140,095)	105,108	(163,948)
Total	**$6,375,655**	**$2,095,740**	**$3,426,269**	**$388,370**
Transfer to improvement account/Capital outlay				
Combined Utility System Fund	$4,419,410	$2,532,634	$1,943,807	$1,866,000
Sanitation Fund	174,246	1,120,863	1,120,863	1,391,000
Drainage Utility Fund	236,213	434,000	434,000	1,074,700
Scholes Airport Fund	705,283	659,726	659,726	430,000
Total	**$5,535,152**	**$4,747,223**	**$4,158,396**	**$4,761,700**
Appropriation of Fund Balance				
Combined Utility System Fund	$290,802	($972,676)	$480,681	($1,993,061)
Sanitation Fund	27,164	(757,230)	0	(1,084,972)
Drainage Utility Fund	304,175	(121,757)	210,357	(701,350)
Scholes Airport Fund	0	0	(554,618)	(593,948)
Total	**$622,141**	**($1,851,662)**	**$136,420**	**($4,373,330)**
Ending Fund Balances				
Combined Utility System Fund	$11,893,399	$10,904,986	$12,358,343	$10,365,282
Sanitation Fund	3,328,925	2,571,696	2,460,379	1,375,408
Drainage Utility Fund	2,062,063	1,940,307	2,272,420	1,571,071
Scholes Airport Fund	1,543,012	743,191	988,394	394,446
Total	**$18,827,399**	**$16,160,179**	**$18,079,536**	**$13,706,206**

FY 2019 ADOPTED BUDGET
ENTERPRISE FUNDS EXPENDITURE OVERVIEW

Expenditure Summaries by Fund

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Combined Utility System Fund	35,789,198	38,662,096	36,120,201	38,931,561
Sanitation	5,486,214	6,923,297	7,066,376	7,411,185
Drainage Utility	2,574,186	3,030,237	2,595,508	3,557,790
Airport	2,444,388	1,905,550	1,904,501	1,707,109
Enterprise Fund Total	**$46,293,986**	**$50,521,179**	**$47,686,586**	**$51,607,644**

Expenditure Summaries by Category

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$11,729,494	$12,885,745	$12,335,205	$13,496,306
Materials and Supplies	2,022,407	3,464,925	2,891,845	3,115,864
Contractual Services	4,906,609	5,792,262	5,338,821	5,809,002
Other Charges and Services	14,303,433	15,460,287	14,684,925	15,483,842
Operating Transfers	5,951,888	3,613,124	3,133,408	2,618,941
Capital Outlay	1,182,716	2,608,392	2,607,838	3,828,500
Debt Service	6,197,440	6,696,444	6,694,545	7,255,189
Enterprise Fund Total	**$46,293,986**	**$50,521,179**	**$47,686,586**	**$51,607,644**

See the following pages for detailed discussions of each budget.

FY2019 ADOPTED BUDGET
COMBINED UTILITY SYSTEM FUND SUMMARY

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	**11,602,597**	**11,877,662**	**11,877,662**	**12,358,343**
Revenues:				
Metered customers	$36,110,133	$36,608,000	$35,553,000	$35,932,000
Service connections	515,594	530,460	501,447	520,500
Waste hauler fees	113,610	104,000	110,730	110,000
Interest earned	81,298	89,360	78,904	54,000
Penalties on account	410,716	351,600	279,000	316,000
Other revenues	175,030	6,000	77,801	6,000
Total revenues	**$37,406,381**	**$37,689,420**	**$36,600,882**	**$36,938,500**
Expenses:				
Management services	$2,100,071	$913,573	$806,454	$779,446
Utility Billing	1,214,809	2,113,540	1,719,028	1,907,015
Supply	1,496,137	1,747,386	1,622,271	1,757,729
Distribution	2,339,868	2,009,724	1,791,623	2,159,138
Industrial Pretreatment	266,690	365,846	315,112	337,594
Collection	2,808,801	3,209,370	3,376,897	4,027,601
Wastewater Treatment Plant	2,925,022	4,405,546	3,987,035	4,136,185
Cost of Water	10,674,698	11,493,433	10,741,081	11,376,200
Debt Service	6,197,439	6,695,244	6,694,045	7,254,689
Transfer to Tech. Improvement Fund	0	0	117,400	0
Other Expenses	2,658,097	3,175,800	3,005,449	3,329,964
Total expenses	**$32,681,633**	**$36,129,462**	**$34,176,395**	**$37,065,561**
Net income (loss)	$4,724,749	$1,559,959	$2,424,488	($127,061)
Transfer to improvement funds	**4,419,410**	**2,532,634**	**1,943,807**	**1,866,000**
Prior year adjustment	($14,537)	$0	$0	$0
Ending balance	**$11,893,399**	**$10,904,986**	**$12,358,343**	**$10,365,282**
90 Day Reserve	*$8,058,485*	*$8,908,634*	*$8,427,056*	*$9,139,453*
120 Day Reserve	*$10,744,646*	*$11,878,179*	*$11,236,075*	*$12,185,938*

Personnel summary	FY2017 ACTUAL	FY2018 BUDGET	FY2019 BUDGET	FY2019 ADOPTED
Management Services	5.45	5.45	4.25	$572,914
Utility Billing	20.63	20.50	20.50	1,098,282
Supply	11.25	11.50	11.50	770,621
Distribution	20.50	20.00	20.00	1,089,889
Industrial Pretreatment	4.00	4.00	4.00	240,495
Collections	41.25	39.00	39.00	2,119,302
Wastewater Treatment Plant	29.25	32.50	32.50	1,916,007
Totals	132.33	132.95	131.75	$7,807,511

BUDGET HIGHLIGHTS

• The Waterworks fund does not include an increase to the water rate in FY2019. A 2% growth rate increase has been factored into the revenue.

• The Budget also reflects a $635,000 increase in costs for Gulf Coast Water Authority (GCWA).

• Also, included is an increase of $560,000 in debt service for the scheduled payments for the water and sewer bond sale planned for early 2019.

CITY OF GALVESTON

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FY2019 ADOPTED BUDGET

WATERWORKS FUND SUMMARY

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	**5,629,260**	**4,831,887**	**4,831,887**	**5,147,105**
Revenues:				
Metered customers	$21,008,671	$21,486,000	$20,400,000	$20,482,000
Service connections	411,869	422,460	405,760	412,500
Interest earned	41,115	35,000	27,682	0
Penalties on account	204,176	180,000	143,008	180,000
Other revenues	21,948	6,000	55,722	6,000
Total revenues	**$21,687,780**	**$22,129,460**	**$21,032,172**	**$21,080,500**
Expenses:				
Management services	$401,071	$456,786	$404,760	$389,756
Utility Billing	605,881	1,056,770	865,420	953,365
Supply	1,496,137	1,747,386	1,622,271	1,757,729
Distribution	2,339,868	2,009,724	1,791,623	2,159,138
Cost of Water	10,674,698	11,493,433	10,741,081	11,376,200
Debt Service	2,828,957	3,096,729	3,095,530	3,661,994
Transfer to Technology Improvement Fund	0	0	58,700	0
Other Expenses	1,403,593	1,581,175	1,548,742	1,732,396
Total expenses	**$19,750,206**	**$21,442,003**	**$20,128,127**	**$22,030,578**
Net income (loss)	$1,937,574	$687,457	$904,045	($950,078)
Transfer to improvement account	**2,720,410**	**1,177,655**	**588,828**	**962,000**
Prior year adjustment	($14,537)	$0	$0	$0
Ending balance	**$4,831,887**	**$4,341,689**	**$5,147,105**	**$3,235,027**
90 Day Reserve	*$4,869,914*	*$5,287,069*	*$4,963,100*	*$5,432,197*
120 Day Reserve	*$6,493,218*	*$7,049,426*	*$6,617,466*	*$7,242,930*

Personnel summary	2017 Actual	2018 Budget	2019 Budget	Salary Costs
Water - Management Services	2.725	2.725	2.125	$286,490
Water - Utility Billing	10.313	10.250	10.250	548,999
Water - Supply	11.25	11.50	11.50	770,621
Water - Distribution	20.50	20.00	20.00	1,089,889
Totals	**44.788**	**44.475**	**43.875**	**$2,695,999**

BUDGET HIGHLIGHTS

• The Waterworks fund does not include an increase to the water rate in FY2019. Consumption is down due to conservation.

• The Budget also reflects a $635,000 increase in costs for Gulf Coast Water Authority (GCWA). This increase is attributable for the Thomas Mackey WTP for the Distribution line south and causeway capital costs.

• Also, included is an increase of $566,500 in debt service for six months of payments for a $15 million revenue bond sale in spring of 2019.

• An increase of $675,000 is programmed for transfer to the Water Improvement Account for FY 2019 CIP projects.

WATERWORKS FUND
EXPENDITURE SUMMARY

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Management Services	$401,071	$456,786	$404,760	$389,756
Utility Billing	605,881	1,056,770	865,420	953,365
Supply	1,496,137	1,747,386	1,622,271	1,757,729
Distribution	2,339,868	2,009,724	1,791,623	2,159,138
Cost of Water	10,674,698	11,493,433	10,741,081	11,376,200
Debt Service	2,828,957	3,096,729	3,095,530	3,661,994
Other expenses	1,403,593	1,581,175	1,548,742	1,732,396
Transfer to Technology Improvement Fund	0	0	58,700	0
Subtotal	**19,750,206**	**21,442,003**	**20,128,127**	**22,030,578**
Transfer to Improvement Fund	2,720,410	1,177,655	588,828	962,000
Waterworks Fund Total	**$22,470,616**	**$22,619,658**	**$20,716,955**	**$22,992,578**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$2,332,419	$2,740,547	$2,514,713	$2,734,792
Materials and Supplies	890,387	1,021,110	892,170	993,810
Contractual Services	1,168,170	1,408,209	1,093,278	1,261,994
Other Charges and Services	12,104,295	13,043,010	12,341,988	13,068,249
Operating Transfers	2,755,850	1,210,053	679,276	984,440
Capital Outlay	390,537	100,000	100,000	287,300
Debt Service	2,828,957	3,096,729	3,095,530	3,661,994
Special Programs and Events	0	0	0	0
Waterworks Fund Total	**$22,470,616**	**$22,619,658**	**$20,716,955**	**$22,992,578**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel services - Net increase (+$220,100) for the addition of Assistant Director of Municipal Utilities ($53,000 for water share), 2% COLA ($38,800), filling positions at a higher rate than in FY 2018 ($213,000), less overtime and related benefits (-$35,000), reduction (-$34,600) to reflect portions of positions for Public Information Office moved to Community Relations budget in Central Service Internal Service Fund in FY 2019.

Materials and Supplies - Increase ($101,600) due to increasing cost of electricity and maintenance supplies as new facilities are put into operation.

Contractual Services - Increase ($168,700) attributed to increase in citywide charges for technology services ($31,000), garage charges (+18,000), maintenance contracts (+$50,000), communications ($16,500), grounds maintenance (+$15,000)

Other Charges and Services - Increase ($726,300) largely due to increased cost of water provided by and charged from Gulf Coast Water Authority ($635,000); also, increased bank charges ($13,700), and Water fund share of Community Outreach/Public Information internal service fund ($84,500) net of reduction in insurance charges and City Hall maintenance (-$29,800).

Capital Outlay - Total ($287,300) includes $126,500 for new vehicles, $88,000 for replacement vehicles, and $62,500 for water staff share of furnishings in new Public Works Building.

Operating Transfers - Increase ($627,000) explained by increased cash needs for water CIP cash projects in FY 2019.

Debt Service - Includes an increase (+$560,680) for FY 2019 debt service for water bonds to be sold in spring 2019.

Management Services Division
(Waterworks Share)

Division Mission

The mission of the Management Services Division is to provide excellent leadership and administrative support for the Public Works and Municipal Utilities Department in pursuit of the Departmental Goal of "…efficiency, effectiveness, and customer service…"

Accomplishments

- Implementation of new work-order system.
- Issued Annual Water Quality Report.
- Managed Public Works payment processing.
- Oversaw the installation of GPS units in various City vehicles.
- Oversaw and reported Public Works activities related to Hurricane Harvey Recovery.

Goals

- Initiation of the Capital Improvement Project Management Program.
- Become fully operational with the new work-order system.
- Issue EPA mandated Annual Water Quality Report (Consumer Confidence Report).
- Complete installation of GPS units in all vehicles within the department.
- Continue providing excellent customer service while functioning as the community's first point of contact on public works matters.
- Continue staff development for staff through the Galveston Leadership Development program.

FY2019 ADOPTED BUDGET
MANAGEMENT SERVICES (WATERWORKS SHARE)

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$302,275	$340,946	$321,106	$286,490
Materials and Supplies	11,225	15,560	14,423	15,560
Contractual Services	87,571	100,280	69,231	75,706
Capital Outlay	0	0	0	12,000
TOTAL	**$401,071**	**$456,786**	**$404,760**	**$389,756**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Reduction of $34,600 to reflect portions of position for Public Information Office moved to Community Relations budget in Central Service Internal Service Fund in FY 2019.
Materials and Supplies - Minor increase for office supplies (+$1,100).

Contractual Services - Increase over FY 2018 Estimate in allocated City wide charges for technology services (+$6,400).
Capital Outlay - Purchase a service van in FY 2019

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Service Request Reported	26,034	28,442	30,258	32,145
Design Projects Managed	30	45	40	40

Note: Performance measures are for Management Services overall.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
ACM Development & Muni Service	0.35	0.35	0.25	0.25
Director of Public Works	0.125	0.125	0.125	0.125
Director of Administration & Sanitation	0.25	0.25	0.25	0.25
Chief Surveyor	0.50	0.50	0.50	0.50
Safety Officer	0.50	0.50	0.50	0.50
Communications Director/PIO	0.25	0.25	0.25	0.00
Communications Specialist	0.25	0.25	0.25	0.00
Administrative Assistant	0.50	0.50	0.50	0.50
TOTAL	**2.725**	**2.725**	**2.625**	**2.125**

FY2019 ADOPTED BUDGET
MANAGEMENT SERVICES (WATERWORKS SHARE)

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$200,634	$182,050	$169,777	$145,035
511005 Longevity	557	495	610	619
511006 Differential Pay	464	452	462	452
511009 Overtime	2,247	0	498	0
511125 Residency Pay	1,782	1,355	1,077	1,355
511510 Group Health Insurance	17,689	25,032	18,602	14,280
511515 Worker's Compensation	226	226	226	151
511520 Group Life Insurance	513	642	471	47
511530 Social Security - Employment	12,589	11,430	10,754	9,143
511535 Medicare - Employer's	2,958	2,673	2,535	2,138
511542 City Employee Retirement	18,652	16,591	16,009	13,271
511650 Salary Reimbursements	52,867	100,000	100,085	100,000
511655 Salary Reimbursements-Grants	(8,901)	0	0	0
Total Personnel Services	**$302,275**	**$340,946**	**$321,106**	**$286,490**
Materials and Supplies				
521065 Office Supplies	7,242	10,500	9,632	10,500
522013 Clothing	1,552	1,560	1,494	1,560
522038 Safety Supplies	0	0	64	0
522055 Minor Tools	0	0	277	0
525031 Electricity	2,431	3,500	2,956	3,500
Total Materials and Supplies	**$11,225**	**$15,560**	**$14,423**	**$15,560**
Contractual Services				
531005 Other Services	270	1,120	500	1,000
531025 Memberships	222	1,120	350	1,000
531028 Software Licenses	494	2,000	4,500	5,475
531240 Maintenance Contracts	6,534	8,960	7,688	8,960
531350 Garage Charges	18,906	17,418	10,813	6,756
531360 Computer Charges	25,347	31,747	11,847	15,815
532062 Postage	5,534	5,100	4,321	5,100
532065 Printing, Duplication	9,006	10,000	8,881	10,000
532066 Print Shop Charges	1,218	200	2,161	200
532083 Telephone Service	11,280	11,615	8,328	10,500
532084 Cellular Service	1,627	1,500	1,430	1,400
532086 Other Communications	4,916	7,500	4,915	7,500
532087 Air card Service	744	500	660	500
533085 Travel/Training	1,476	1,500	2,837	1,500
Total Contractual Services	**$87,571**	**$100,280**	**$69,231**	**$75,706**
Capital Outlay				
564003 Vehicle Capital Outlay	0	0	0	12,000
Total Capital Outlay	**$0**	**$0**	**$0**	**$12,000**
Total Expenses	**$401,071**	**$456,786**	**$404,760**	**$389,756**

CITY OF GALVESTON

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Utility Billing
(Waterworks Share)

Division Mission

The Utility Billing Division is responsible for setting up services for new water customers and accurately billing for utility services provided by the City. It is also responsible for the prompt posting of payments received and being responsive to concerns raised by citizens.

Accomplishments

- Re-sequenced water meter account locations into the proper routes for more efficient meter readings.
- Processed over 2,100 adjustments to customer's billing charges as a result of the winter freeze.
- Reduced the number of unread meters to 200 per month.
- Answered 92% of all customer calls on their first attempt.
- Reduced the number of outstanding unresolved customer concerns by 220; only 25 concerns previously submitted remaining open.

Goals

- Re-design the utility billing statement to make it easier for customers to understand.

FY2019 ADOPTED BUDGET
UTILITY BILLING (WATERWORKS SHARE)

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$341,219	$534,753	$512,333	$548,999
Materials and Supplies	19,151	207,800	142,371	155,100
Contractual Services	168,700	218,592	128,762	153,641
Other Charges and Services	76,811	95,625	81,954	95,625
TOTAL	**$605,881**	**$1,056,770**	**$865,420**	**$953,365**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

*Utility Billing office operations allocation is 37.5% Water, 37.5% Sewer, 15% Sanitation, 10% Drainage. The Meter Service Group allocation is 50% Water and 50% Sewer.

Personnel Services - Increase of $36,700 due to filling Accountant position at 50% of cost ($33,000) and slight adjustments in other accounts.

Materials and Supplies - Increase in several supply accounts based on year of experience with meter field group as a part of this organization ($13,100).

Contractual Services - Increase in City wide charges for technology services (+$6,700), maintenance contracts (+$14,600) for software, garage charges (+$16,600) for meter services group.

Other Charges and Supply - Increase in bank service charges (+$11,500) for online credit cards and phone payments.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Number of Customers	20,242	22,266	23,780	23,900
Field investigations and follow up	11,204	10,643	8,522	9,720
Average number of meters not transmitting consumption accurately monthly	850	600	200	150
No. of pre-billing consumption adjustments	121	3,432	3,613	2,472
Amount of pre-billing consump. adjustments	$105,459	$117,312	$90,517	$75,000
Active customers delinquent over 90 days	1,474	120	900	700
Over 90 day balances for active customers	$603,143	$482,514	$579,403	$550,000
Customers paying monthly by auto payment	3,627	3,989	4,200	4,500
Number of e-bill customers monthly	3,039	3,342	4,509	4,700
Customers with active payment arrangements	339	380	50	200
Funds under active payment arrangements	$12,992	$16,000	$6,500	$15,000

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Utility Customer Service Manager	0.375	0.375	0.375	0.375
Collections Specialist	0.375	0.375	0.375	0.375
Utility Billing Supervisor	0.375	0.375	0.375	0.375
Customer Service Supervisor	0.375	0.375	0.375	0.375
Sr. Utility Customer Service Specialist	0.750	0.375	0.375	0.375
Utility Customer Service Specialist	3.375	3.375	3.375	3.375
Accountant	0.000	0.500	0.500	0.500
Administrative Assistant	0.188	0.000	0.000	0.000
Meter Services Supervisor	0.500	0.500	0.500	0.500
Meter Service Technician	3.500	3.500	3.500	3.500
Sr. Meter Service Technician	0.500	0.500	0.500	0.500
TOTAL	**10.313**	**10.250**	**10.250**	**10.250**

FY2019 ADOPTED BUDGET
UTILITY BILLING (WATERWORKS SHARE)

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$218,922	$357,906	$341,481	$370,688
511005 Longevity	1,465	1,575	2,097	2,100
511006 Differential Pay	1,195	1,355	1,368	1,355
511009 Overtime	34,060	28,125	26,406	28,125
511125 Residency Pay	3,677	6,573	6,600	6,573
511510 Group Health Insurance	38,231	68,880	68,989	68,880
511515 Worker's Compensation	415	3,138	3,138	2,097
511520 Group Life Insurance	743	1,345	1,286	2,083
511530 Social Security - Employment	15,500	24,523	22,080	24,986
511535 Medicare - Employer's	3,625	5,735	5,163	5,843
511542 City Employee Retirement	23,387	35,598	33,725	36,269
Total Personnel Services	**$341,219**	**$534,753**	**$512,333**	**$548,999**
Materials and Supplies				
521065 Office Supplies	4,979	8,000	4,943	8,000
521067 Minor Office Equipment	434	3,750	500	3,750
521073 Printed Materials	12,378	9,750	9,500	9,750
522011 Chemicals	0	113	0	0
522013 Clothing	335	2,850	353	2,850
522037 Janitorial supplies	0	340	610	500
522038 Safety Supplies	0	1,050	0	1,050
522055 Minor Tools	0	3,400	415	3,400
522056 Minor Equipment	1,026	151,125	75,000	75,000
522065 Paint and Lumber	0	150	0	150
522075 Pipe and Plumbing Supplies	0	26,622	51,000	50,000
522085 Equipment Parts	0	650	50	650
Total Materials and Supplies	**$19,151**	**$207,800**	**$142,371**	**$155,100**
Contractual Services				
531004 Consultant Services	0	0	0	0
531007 Security Service	1,088	1,125	3,764	3,800
531015 Temporary Employee Services	10,080	4,781	5,000	4,781
531124 Towing Payments	0	50	0	50
531125 Other Contracts	(23)	1,000	543	1,000
531230 Equipment Repairs	0	750	200	750
531240 Maintenance Contracts	15,537	30,375	15,749	30,375
531320 Equipment Rental	4,685	5,250	4,685	5,250
531350 Garage Charges	0	16,566	15,855	16,566
531360 Computer Charges	72,176	94,399	20,056	26,773
532062 Postage	58,635	48,750	43,351	48,750
532065 Printing, Duplication	150	1,450	150	1,450
532066 Print Shop Charges	525	1,400	11,893	1,400
532083 Telephone Service	5,531	7,150	6,590	7,150
532084 Cellular Service	212	876	494	876
532086 Other Communications	68	795	132	795
533085 Travel/Training	37	3,875	300	3,875
Total Contractual Services	**$168,700**	**$218,592**	**$128,762**	**$153,641**
Other Charges and Services				
544105 Bank Service Charges	76,811	95,625	81,954	95,625
Total Other Charges and Services	**$76,811**	**$95,625**	**$81,954**	**$95,625**
Total Expenses	**$605,881**	**$1,056,770**	**$865,420**	**$953,365**

CITY OF GALVESTON

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Supply Division

Division Mission

The mission of the Supply Division is to maintain and operate all water pump stations and water storage facilities in accordance with EPA and TCEQ regulations in order to protect the health of the City of Galveston's citizens and visitors.

Accomplishments

- Implemented a Water System Leak Detection Study resulting in the reduction of water loss. Maintained regulatory compliant system meeting TCEQ and EPA drinking water regulations.
- Continued construction on the 59th Street Water Pump Station.
- Initiated the design and installation of a disinfection systems for Water Wells 2A, 6A, 10, 12, 13, 16 and 17.
- Designed and initiated the rehabilitation of well numbers 9 & 11.
- Commenced the design of the 30 Inch Causeway Water Line Project.
- Completed the 30th Street Ground Storage Tank Rehabilitation Project.
- Updated the City of Galveston Drinking Water Master Plan.

Goals

- Maintain regulatory compliance with the Safe Drinking Water Act as implemented by the TCEQ and EPA.
- Complete the construction on the 59th Street Water Pump Station.
- Complete the rehabilitation for Water Wells 2A, 6A, 9, 10, 11, 12, 13, 16 and 17.
- Complete the installation of a disinfection systems for Water Wells 2A, 6A, 10, 12, 13, 16 and 17.
- Commence the design of the Pirate's Beach – Lafitte's Cove Water Loop System.
- Complete the design and begin construction of the Airport Pump Station Pump, Control and Tank Upgrades.
- Complete the 59th Street Ground Storage Tank Rehabilitation Project.
- Commence the design of 10 Mile Rd Elevated Storage Tank Rehabilitation Project.
- Continue staff development through established training programs.

FY2019 ADOPTED BUDGET
SUPPLY

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$684,507	$756,576	$762,852	$770,621
Materials and Supplies	418,306	507,350	446,383	506,350
Contractual Services	349,430	483,460	413,036	480,757
Capital Outlay	43,895	0	0	0
TOTAL	**$1,496,137**	**$1,747,386**	**$1,622,271**	**$1,757,729**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Overall increase (+$7,800) expected to reflect filling of Assistant Director of Utilities position ($26,500 for 25% of salary and benefits) net of reduced overtime including benefits ($20,300).

Materials and Supplies - Increase largely due to anticipated increase in electricity charges ($51,500) and chemicals ($5,200) as new facilities come on line.

Contractual Services - Increases expected for maintenance contracts ($49,500), equipment repairs ($14,200), and increased computer charges as a part of overall citywide increase ($8,300), partially offset by a reduction in garage charges ($9,000).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Water purchased from GCWA, Millions of Gallons	5,148	4,966	4,356	4,243

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director - Municipal Utilities	0.25	0.25	0.25	0.25
Assistant Director for Municipal Utilities	0.00	0.25	0.25	0.25
Water Supply Superintendent	0.00	1.00	1.00	1.00
Water Plant Lead Operator	1.00	1.00	1.00	1.00
Water Plant Operator	8.00	7.00	7.00	7.00
Laborer	2.00	2.00	2.00	2.00
TOTAL	**11.25**	**11.50**	**11.50**	**11.50**

FY2019 ADOPTED BUDGET
SUPPLY

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$447,267	$501,401	$482,921	$514,254
511005 Longevity	6,512	6,144	7,260	7,306
511006 Differential Pay	288	0	626	0
511009 Overtime	49,864	45,000	65,186	45,000
511021 Part-Time Payroll	10,995	11,000	10,977	11,000
511110 Incentive Pay	4,120	5,723	7,800	5,723
511125 Residency Pay	5,627	5,621	8,154	5,621
511510 Group Health Insurance	66,539	77,280	78,647	77,280
511515 Worker's Compensation	7,008	7,008	7,008	4,682
511520 Group Life Insurance	1,576	1,680	1,730	1,703
511530 Social Security - Employment	31,212	35,643	34,118	36,512
511535 Medicare - Employer's	7,300	8,336	7,979	8,539
511542 City Employee Retirement	46,199	51,740	50,446	53,001
Total Personnel Services	**$684,507**	**$756,576**	**$762,852**	**$770,621**
Materials and Supplies				
521065 Office Supplies	2,877	5,000	2,890	5,000
522011 Chemicals	41,989	30,500	37,753	43,000
522013 Clothing	6,870	8,350	6,337	8,350
522015 Concrete and Aggregate	0	0	52	0
522037 Janitorial Supplies	781	1,000	5,292	4,000
522038 Safety Supplies	737	4,000	1,593	2,500
522055 Minor Tools	3,610	3,000	2,860	3,000
522056 Minor Equipment	932	8,000	9,012	8,000
522065 Paint And Lumber	130	450	145	450
522085 Equipment Parts	661	2,050	1,901	2,050
525031 Electricity	359,718	445,000	378,548	430,000
Total Materials and Supplies	**$418,306**	**$507,350**	**$446,383**	**$506,350**
Contractual Services				
531003 Engineering Services	0	500	0	500
531004 Consultant Services	0	0	18,490	0
531005 Other Services	2,466	1,000	500	1,000
531006 Attorney's Fees	1,251	3,000	56	3,000
531008 Laboratory Testing	17,417	18,000	24,900	24,000
531025 Memberships	1,618	1,310	1,200	1,350
531027 Certification & Permit Fees	13,248	15,000	13,695	15,000
531028 Software Licenses	0	1,800	0	1,800
531120 Lot Maintenance	45,000	75,000	41,250	50,000
531125 Other Contracts	989	7,000	800	2,000
531220 Building Repairs	(1,099)	1,500	0	1,000
531230 Equipment Repairs	55,553	75,000	55,815	70,000
531240 Maintenance Contracts	75,671	150,000	80,462	130,000
531350 Garage Charges	23,127	23,127	50,975	41,932
531360 Computer Charges	9,919	12,423	24,814	33,125

FY2019 ADOPTED BUDGET
SUPPLY

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
532065	Printing, Duplication	120	500	120	250
532066	Print Shop Charges	1,265	5,000	1,300	2,500
532083	Telephone Service	89,613	80,000	87,893	90,000
532084	Cellular Service	1,518	2,000	1,720	2,000
532086	Other Communications	3,955	3,500	1,963	3,500
533085	Travel/Training	7,798	7,800	7,083	7,800
Total Contractual Services		**$349,430**	**$483,460**	**$413,036**	**$480,757**
Capital Outlay					
564003	Vehicle Capital Outlay	43,895	0	0	0
Total Capital Outlay		**$43,895**	**$0**	**$0**	**$0**
Total Expenses		**$1,496,137**	**$1,747,386**	**$1,622,271**	**$1,757,729**

Water Distribution Division

Division Mission

The mission of the Water Distribution Division is to ensure effective preventative maintenance and rehabilitation of the City's water distribution system including fire hydrants, valves, water mains, and metering system in accordance with EPA and TCEQ regulations. The ultimate goal of the division is to reduce water loss and deliver safe drinking water to citizens and visitors to the City of Galveston.

Accomplishments

- Repaired or replaced malfunctioning water meter register units.
- Repaired or replaced fire hydrants throughout the City as needed.
- Coordinated and aided contractors on the Avenue S, Saladia Avenue, Market Street, 33rd Street and Sealy roadway projects.
- Installed an 8-inch water line in the 30th Street and Market Street area.
- Completed the construction of the 6-inch Gulf Drive Water Line Project.

Goals

- Replace or repair all damaged fire hydrants remaining in the city.
- Provide coordination and assistance to the 65th Street and 69th Street Roadway project contractors and future CDBG 2.2 roadway projects.
- Commence construction of the 24 Inch water line system between the 59th Street Pump Station to the Airport Pump Station.
- Begin construction of the looped water system in Pirates' Beach and Lafitte's Cove.
- Commence the design of the 30 Inch water line system between the Galveston Railroad Bridge and Harborside Drive.
- Establish a water valve crew to exercise, repair, and/or replace existing water valve systems.
- Continue staff development through established training programs.
- Installation of 8-inch water line in the 30th Street and Market Street area.
- Identify areas of efficiency by streamlining operations, reducing water loss through leak detection, and repairing or replacing malfunctioning water meter register units.

FY2019 ADOPTED BUDGET
DISTRIBUTION

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,004,418	$1,074,989	$918,422	$1,089,889
Materials and Supplies	441,705	290,400	288,993	316,800
Contractual Services	508,644	518,835	395,207	454,149
Other Charges and Services	38,460	25,500	89,001	85,500
Capital Outlay	346,642	100,000	100,000	212,800
TOTAL	**$2,339,868**	**$2,009,724**	**$1,791,623**	**$2,159,138**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net increase (+$171,500) to fund an average of 4.2 field crew positions vacant for the year ($180,000), to fill Assistant Director of Public Utilities ($26,500 for 25% of salary and benefits), net of reduction in overtime and affected benefits (-$35,000).

Materials and Supplies - Increase of $27,800 to fund maintenance supply budget at historical level.

Contractual Services - Increase of $58,900, due to increases in garage charges ($27,000), equipment rental ($7,500), communications ($4,500), and computer charges as part of citywide increase ($12,200).

Capital Outlay - Includes vehicle replacements, splitting the cost with Sewer Collection (Backhoe/loader, $49,100; Trailer $19,000), replacement fuel trailer ($18,200); also new equipment (Godwin pump ($50,000) and two F350s (64,500).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Mains installed & replaced (feet)	1,505	1,186	1,680	1,457
Fire Hydrants repaired	702	422	570	565
Taps installed	328	227	213	256
Line repairs made	546	639	658	614

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director - Municipal Utilities	0.25	0.25	0.25	0.25
Assistant Director for Municipal Utilities	0.25	0.25	0.25	0.25
Chief Plumbing Inspector	0.50	0.50	0.50	0.50
Plumbing Inspector	1.00	1.00	1.00	1.00
Meter Services Supervisor	0.50	0.00	0.00	0.00
Crewleader	7.00	7.00	7.00	7.00
Concrete Finisher	1.00	1.00	1.00	1.00
Laborer	10.00	10.00	10.00	10.00
TOTAL	**20.50**	**20.00**	**20.00**	**20.00**

FY2019 ADOPTED BUDGET
DISTRIBUTION

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$621,150	$622,793	$508,139	$639,188
511005 Longevity	4,148	4,428	4,067	4,147
511006 Differential Pay	1,071	904	902	904
511009 Overtime	100,398	97,000	127,054	97,000
511110 Incentive Pay	866	904	831	904
511125 Residency Pay	21,097	20,793	16,433	20,793
511510 Group Health Insurance	114,293	134,400	99,379	134,400
511515 Worker's Compensation	14,657	11,934	11,934	7,973
511520 Group Life Insurance	2,373	2,487	1,711	2,552
511530 Social Security - Employment	44,460	46,303	37,366	47,302
511535 Medicare - Employer's	10,398	10,829	8,739	11,063
511542 City Employee Retirement	67,226	67,214	57,097	68,664
511650 Salary Reimbursements	69,418	55,000	44,770	55,000
511655 Salary Reimbursements-Grants	(67,135)	0	0	0
Total Personnel Services	**$1,004,418**	**$1,074,989**	**$918,422**	**$1,089,889**
Materials and Supplies				
521065 Office Supplies	5,379	2,000	2,213	3,000
522011 Chemicals	1,426	750	535	750
522013 Clothing	18,048	12,150	11,912	15,000
522015 Concrete And Aggregate	9,348	27,500	35,053	35,000
522037 Janitorial Supplies	3,579	1,650	1,963	4,000
522038 Safety Supplies	3,492	4,950	3,429	6,000
522055 Minor Tools	24,798	10,000	17,525	20,000
522056 Minor Equipment	187,608	50,000	36,296	50,000
522065 Paint And Lumber	5,874	3,000	2,438	4,000
522075 Pipe And Plumbing Supplies	178,574	175,000	173,230	175,000
522085 Equipment Parts	3,493	3,350	4,347	4,000
522099 Other Supplies	20	0	52	0
525031 Electricity	66	50	0	50
Total Materials and Supplies	**$441,705**	**$290,400**	**$288,993**	**$316,800**
Contractual Services				
531005 Other Services	3,375	0	0	0
531008 Laboratory Testing	268	0	0	0
531025 Memberships	5,273	2,500	2,083	2,500
531027 Certification & Permit Fees	87,878	80,000	79,046	80,000
531028 Software Licenses	11,000	11,000	11,000	11,000
531124 Towing Payments	0	200	0	200
531125 Other Contracts	150	0	2,175	0
531131 Demolition Cost	3,400	0	0	0
531220 Building Repairs	1,165	1,000	500	1,000
531230 Equipment Repairs	4,096	6,250	4,267	7,000
531240 Maintenance Contracts	12,546	19,079	19,050	20,000
531310 Rental Of Land & Buildings	28,356	28,356	28,356	28,356
531320 Equipment Rental	(13,509)	11,000	0	7,500
531350 Garage Charges	332,674	329,172	192,957	220,324
531360 Computer Charges	11,879	10,878	36,570	48,819
532062 Postage	0	50	0	50
532065 Printing, Duplication	1,897	800	758	800
532066 Print Shop Charges	0	3,000	0	1,000
532083 Telephone Service	6,713	5,250	3,768	6,500
532084 Cellular Service	1,742	1,200	6,147	8,000
532085 Pager Service	97	100	82	100

FY2019 ADOPTED BUDGET
DISTRIBUTION

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
532086	Other Communications	3,428	2,000	3,323	2,000
533085	Travel/Training	6,215	7,000	5,125	9,000
Total Contractual Services		**$508,644**	**$518,835**	**$395,207**	**$454,149**
Other Charges and Services					
544087	Expense Reimbursement	59,498	25,500	89,001	85,500
544098	Reimbursable From Insurance Claims	(21,039)	0	0	0
Total Other Charges and Services		**$38,460**	**$25,500**	**$89,001**	**$85,500**
Capital Outlay					
564003	Vehicle Capital Outlay	170,942	100,000	100,000	212,800
564117	Machinery & Equipment	175,700	0	0	0
Total Capital Outlay		**$346,642**	**$100,000**	**$100,000**	**$212,800**
Total Expenses		**$2,339,869**	**$2,009,724**	**$1,791,623**	**$2,159,138**

FY2019 ADOPTED BUDGET
OTHER EXPENSES

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$0	$33,283	$0	$38,792
Contractual Services	53,825	87,042	87,042	97,740
Other Charges and Services	11,989,025	12,921,885	12,171,033	12,887,124
Operating Transfers	2,755,850	1,210,053	679,276	984,440
Debt Service	2,828,957	3,096,729	3,095,530	3,661,994
TOTAL	**$17,627,657**	**$17,348,992**	**$16,032,881**	**$17,732,590**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Allowance for 2% cost of living adjustment for Waterworks staff.

Contractual Services - Increase (+$10,000) for professional services, including annual water rate reviews.

Other Charges and Services - Increase of $716,000 primarily comprised of increase in GCWA water charges to the City ($635,000). Also includes share of new Community Outreach internal services program ($84,000).

Operating Transfers - Increase of $566,600 from FY 2018 reflects projects schedules that require appropriations in FY 2019 rather than FY 2018.

Debt Service - Includes an increase (+$560,680) for FY 2019 debt service for water bonds to be sold in spring 2019.

Capital Outlay - Furnishings for Water staff in new Public Works building ($62,500).

FY2019 ADOPTED BUDGET
OTHER EXPENSES

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511002 COLA Increases	$0	$33,283	$0	$38,792
Total Personnel Services	**$0**	**$33,283**	**$0**	**$38,792**
Contractual Services				
531004 Consultant Services	0	30,000	30,000	30,000
531125 Other Contracts	16,825	20,042	20,042	30,000
531310 Rental Of Land & Buildings	37,000	37,000	37,000	37,740
Total Contractual Services	**$53,825**	**$87,042**	**$87,042**	**$97,740**
Other Charges and Services				
544105 Bank Service Charges	2,012	0	1,500	0
547011 Surface Water Purchase	4,617,863	5,053,317	2,107,657	2,434,164
547012 Debt Service - Surface Water	3,836,841	3,535,237	3,304,545	3,216,997
547013 Surface Water - Capital	2,219,993	2,904,879	2,904,879	2,801,950
547014 Surface Water - Main. & Operations	0	0	2,424,000	2,923,089
547040 Administrative Service Charge	689,000	710,000	710,000	731,300
547050 Payment In Lieu Of Taxes	200,000	200,000	200,000	206,000
547070 Insurance Expense	184,870	197,406	197,406	175,068
547075 City Hall Maintenance	238,445	321,046	321,046	313,569
547095 Community Outreach/Public Info	0	0	0	84,987
Total Other Charges and Services	**$11,989,025**	**$12,921,885**	**$12,171,033**	**$12,887,124**
Operating Transfers				
553010 Waterworks - Transfer Out	2,720,410	1,177,655	588,828	962,000
553022 Transfer To Tech Impart Fund	0	0	58,700	0
553024 Insurance - Transfer Out	13,000	0	0	0
553035 Transfer To Separation Pay Fund	22,440	22,440	22,440	22,440
555350 Transfer To Hurricane Harvey	0	9,958	9,308	0
Total Operating Transfers	**$2,755,850**	**$1,210,053**	**$679,276**	**$984,440**
564005 Capital Outlay - Improvements	0	0	0	62,500
Total Capital Outlay	**$0**	**$0**	**$0**	**$62,500**
Debt Service				
571010 Interest Expense	529,998	1,082,691	1,082,692	1,049,879
571020 Revenue Bond Interest	771,219	455,598	455,598	434,590
571040 Agent Fees	625	2,125	2,125	2,700
571050 Principal Expenditure	1,527,115	1,555,115	1,555,115	1,595,125
571090 New Debt Service	0	0	0	578,500
571130 Investment Fees	0	1,200	0	1,200
Total Debt Service	**$2,828,957**	**$3,096,729**	**$3,095,530**	**$3,661,994**
Total Expenses	**$17,627,658**	**$17,348,992**	**$16,032,881**	**$17,732,590**

FY2019 ADOPTED BUDGET
SEWER SYSTEM FUND

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	**5,973,337**	**7,045,774**	**7,045,774**	**7,211,238**
Revenues:				
Metered customers	$15,101,462	$15,122,000	$15,153,000	$15,450,000
Service connections	103,725	108,000	95,687	108,000
Waste hauler fees	113,610	104,000	110,730	110,000
Penalties on account	206,540	171,600	135,992	136,000
Interest earned	40,183	54,360	51,222	54,000
Other revenues	153,082	0	22,079	0
Total revenues	**$15,718,601**	**$15,559,960**	**$15,568,710**	**$15,858,000**
Expenses:				
Management services	$1,699,000	$456,787	$401,694	$389,690
Utility Billing	608,928	1,056,770	853,608	953,650
Industrial Pretreatment	266,690	365,846	315,112	337,594
Collection	2,808,801	3,209,370	3,376,897	4,027,601
Wastewater Treatment Plant	2,925,022	4,405,546	3,987,035	4,136,185
Debt Service	3,368,481	3,598,515	3,598,515	3,592,695
Transfer to Tech Improvement Fund	0	0	58,700	0
Other Expenses	1,254,504	1,594,625	1,456,707	1,597,568
Total expenses	**$12,931,427**	**$14,687,459**	**$14,048,268**	**$15,034,982**
Net income/(loss)	$2,787,174	$872,502	$1,520,443	$823,018
Transfer to improvement account	**1,699,000**	**1,354,979**	**1,354,979**	**904,000**
Prior year adjustment	($15,737)	$0	$0	$0
Ending balance	**$7,045,774**	**$6,563,297**	**$7,211,238**	**$7,130,255**
90 Day Reserve	*$3,188,571*	*$3,621,565*	*$3,463,956*	*$3,707,256*
120 Day Reserve	*$4,251,428*	*$4,828,753*	*$4,618,608*	*$4,943,008*

Personnel summary	FY2017 ACTUAL	FY2018 BUDGET	FY2019 BUDGET	FY2019 ADOPTED
Sewer - Management Services	2.725	2.725	2.125	$286,424
Sewer - Utility Billing	10.313	10.250	10.250	549,284
Sewer - Industrial Pretreatment	4.000	4.000	4.000	240,495
Sewer - Collections	41.250	39.000	39.000	2,119,302
Sewer - Wastewater Treatment Plant	29.250	32.500	32.500	1,916,007
Totals	**87.538**	**88.475**	**87.875**	**$5,111,512**

BUDGET HIGHLIGHTS

• Sewer System revenue estimates reflect no increase in sewer rates in FY 2019. A 2% growth rate increase has been factored into the revenue.

• The $1.17 million increase in total expenses is largely the result of Collections ($527,000) and Wastewater Treatment Plant Operations ($454,000) increases.

• The total Sewer budget includes $1.1 million for equipment, $910,000 of which is new.

SANITARY SEWER SYSTEM FUND
EXPENDITURE SUMMARY

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Management Services	$387,155	$456,787	$401,694	$389,690
Utility Billing	608,928	1,056,770	853,608	953,650
Industrial Pretreatment	266,690	365,846	315,112	337,594
Collection	2,808,801	3,209,370	3,376,897	4,027,601
Wastewater Treatment Plant	2,925,022	4,405,546	3,987,035	4,136,185
Debt Service	3,368,481	3,598,515	3,598,515	3,592,695
Transfer to Technology Improvement Fund	0	0	58,700	0
Other Expenses	1,254,504	1,594,625	1,456,707	1,597,568
Subtotal	**11,619,582**	**14,687,459**	**14,048,268**	**15,034,982**
Transfer to Improvement account	1,699,000	1,354,979	1,354,979	904,000
Sewer System Fund Total	**$13,318,582**	**$16,042,438**	**$15,403,247**	**$15,938,982**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$4,376,485	$4,739,495	$4,733,267	$5,186,655
Materials and Supplies	908,404	2,121,815	1,701,414	1,802,954
Contractual Services	1,483,184	1,810,350	1,603,316	1,935,528
Other Charges and Services	1,209,880	1,327,934	1,344,737	1,424,479
Operating Transfers	1,766,800	1,540,800	1,525,179	982,171
Capital Outlay	205,347	903,529	896,819	1,014,500
Debt Service	3,368,481	3,598,515	3,598,515	3,592,695
Sewer System Fund Total	**$13,318,582**	**$16,042,438**	**$15,403,247**	**$15,938,982**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel services - Net increase (+$453,400) for the addition of Assistant Director of Municipal Utilities ($53,000 for sewer share), 2% COLA ($75,100), filling positions at a higher rate than in FY 2018 ($391,000), and less overtime and related benefits (-$78,000).

Materials and supplies - Net increase (+$197,000) due almost strictly t o increased supplies for field crews in Sewer Collection in their effort to increase production in repairing and maintaining aging sanitary sewer lines.

Contractual Services - Net increase ($332,200) includes increase in citywide charges for technology service ($60,000), increased overall costs for wastewater treatment plant operations ($195,000 net of computer charge increase),

Other Charges and services - Net increase (+$79,700) for administrative service charges ($19,000), bank service charges ($11,000), payments for inhouse repair of street cuts related to sewer line repairs ($33,000), Sewer fund share of Community Outreach/Public Information internal service fund ($60,300), net of reductions in insurance charges (-$36,800) and City Hall maintenance (-$7,500)..

Operating Transfers - Increase (+$307,400) attributable to increased transfer to Sewer Improvement fund for Proposed FY2018 CIP Sewer Program.

Capital Outlay - Total ($1,100,800) includes $124,300 for fleet replacement, $914,000 for new vehicles and equipment and $62,500 for sewer share of furnishings in new Public Works building..

Debt Service - No new debt service related to sewer projects in FY 2019.

Management Services Division
(Sewer Share)

Division Mission

The mission of the Management Services Division is to provide excellent leadership and administrative support for the Public Works and Municipal Utilities Department in pursuit of the Departmental Goal of "…efficiency, effectiveness, and customer service…"

Accomplishments

- Implementation of new work-order system.
- Issued Annual Water Quality Report.
- Managed Public Works payment processing.
- Oversaw the installation of GPS units in various City vehicles.
- Oversaw and reported Public Works activities related to Hurricane Harvey Recovery.

Goals

- Initiation of the Capital Improvement Project Management Program.
- Become fully operational with the new work-order system.
- Issue EPA mandated Annual Water Quality Report (Consumer Confidence Report).
- Complete installation of GPS units in all vehicles within the department.
- Continue providing excellent customer service while functioning as the community's first point of contact on public works matters.
- Continue staff development for staff through the Galveston Leadership Development program.

FY2019 ADOPTED BUDGET
MANAGEMENT SERVICES (SEWER SHARE)

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$288,411	$340,947	$320,193	$286,424
Materials and Supplies	11,223	15,560	14,424	15,560
Contractual Services	87,521	100,280	67,077	75,706
Capital Outlay	0	0	0	12,000
TOTAL	**$387,155**	**$456,787**	**$401,694**	**$389,690**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Reduction of $33,800 to reflect portions of Public Information Office positions funded in FY 2018 moved to Community Relations budget in Central Service Internal Service Fund in FY 2019.

Materials and Supplies - Minor increase for office supplies (+$1,100).

Contractual Services - Increase over FY 2018 Estimate in allocated City wide charges for technology services (+$4,000) and communications and telephone ($4,800).

Capital Outlay - Purchase a service van in FY 2019

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Service Request Reported	26,034	28,442	30,258	32,145
Design Projects Managed	30	45	40	40

Note: Performance measures are for Management Services overall.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
ACM Development & Muni service	0.35	0.35	0.25	0.25
Director of Public Works	0.125	0.125	0.125	0.125
Director of Administration & Sanitation	0.25	0.25	0.25	0.25
Chief Surveyor	0.50	0.50	0.50	0.50
Safety Officer	0.50	0.50	0.50	0.50
Communications Director/PIO	0.25	0.25	0.25	0.00
Communications Specialist	0.25	0.25	0.25	0.00
Administrative Assistant	0.50	0.50	0.50	0.50
TOTAL	2.725	2.725	2.625	2.125

FY2019 ADOPTED BUDGET
MANAGEMENT SERVICES (SEWER SHARE)

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$200,638	$182,050	$169,777	$145,035
511005	Longevity	557	495	609	562
511006	Differential Pay	464	452	462	452
511009	Overtime	2,253	0	474	0
511125	Residency Pay	1,789	1,355	1,069	1,355
511510	Group Health Insurance	17,690	25,032	18,602	14,280
511515	Worker's Compensation	226	226	226	151
511520	Group Life Insurance	513	642	471	47
511530	Social Security - Employment	12,689	11,430	10,754	9,139
511535	Medicare - Employer's	2,859	2,673	2,535	2,137
511542	City Employee Retirement	18,653	16,592	16,008	13,266
511650	Salary Reimbursements	38,984	100,000	99,206	100,000
511655	Salary Reimbursements-Grants	(8,901)	0	0	0
Total Personnel Services		**$288,411**	**$340,947**	**$320,193**	**$286,424**
Materials and Supplies					
521065	Office Supplies	7,240	10,500	9,632	10,500
522013	Clothing	1,552	1,560	1,494	1,560
522038	Safety Supplies	0	0	64	0
522055	Minor Tools	0	0	277	0
525031	Electricity	2,431	3,500	2,957	3,500
Total Materials and Supplies		**$11,223**	**$15,560**	**$14,424**	**$15,560**
Contractual Services					
531005	Other Services	270	1,120	500	1,000
531025	Memberships	222	1,120	350	1,000
531028	Software Licenses	494	2,000	4,500	5,475
531240	Maintenance Contracts	6,534	8,960	7,688	8,960
531350	Garage Charges	18,906	17,418	10,813	6,756
531360	Computer Charges	25,347	31,747	11,847	15,815
532062	Postage	5,534	5,100	4,321	5,100
532065	Printing, Duplication	8,886	10,000	8,881	10,000
532066	Print Shop Charges	1,338	200	2,161	200
532083	Telephone Service	11,280	11,615	8,328	10,500
532084	Cellular Service	1,627	1,500	1,430	1,400
532086	Other Communications	4,910	7,500	4,915	7,500
532087	Aircard Service	699	500	660	500
533085	Travel/Training	1,476	1,500	683	1,500
Total Contractual Services		**$87,521**	**$100,280**	**$67,077**	**$75,706**
Capital Outlay					
564003	Vehicle Capital Outlay	0	0	0	12,000
Total Capital Outlay		**$0**	**$0**	**$0**	**$12,000**
Total Expenses		**$387,155**	**$456,787**	**$401,694**	**$389,690**

CITY OF GALVESTON

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Utility Billing
(Sewer Share)

Division Mission

The Utility Billing Division is responsible for setting up services for new water customers and accurately billing for utility services provided by the City. It is also responsible for the prompt posting of payments received and being responsive to concerns raised by citizens.

Accomplishments

- Re-sequenced water meter account locations into the proper routes for more efficient meter readings.
- Processed over 2,100 adjustments to customer's billing charges as a result of the winter freeze.
- Reduced the number of unread meters to 200 per month.
- Answered 92% of all customer calls on their first attempt.
- Reduced the number of outstanding unresolved customer concerns by 220; only 25 concerns previously submitted remaining open.

Goals

- Re-design the utility billing statement to make it easier for customers to understand.

FY2019 ADOPTED BUDGET
UTILITY BILLING (SEWER SHARE)

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$340,732	$534,753	$508,686	$549,284
Materials and Supplies	19,151	207,800	141,966	155,100
Contractual Services	169,254	218,592	118,869	153,641
Other Charges and Services	79,790	95,625	84,087	95,625
TOTAL	**$608,928**	**$1,056,770**	**$853,608**	**$953,650**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

*Utility Billing office operations allocation is 37.5% Water, 37.5% Sewer, 15% Sanitation, 10% Drainage. The Meter Service Group allocation is 50% Water and 50% Sewer.

Personnel Services - Increase of $40,600 due to filling Accountant position at 50% of cost ($33,000) and slight adjustments in other accounts.

Materials and Supplies - Increase in several supply accounts based on year of experience with meter field group as a part of this organization ($13,100).

Contractual Services - Increase in City wide charges for technology services (+$6,700), maintenance contracts for software (+$14,600), and garage charges (+$16,600) for full year of meter services group.

Other Charges and Supply - Increase in bank service charges (+$11,500) for online credit cards and phone payments.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Number of Customers	20,242	22,266	23,780	23,900
Field investigations and follow up	11,204	10,643	8,522	9,720
Average number of meters not transmitting consumption accurately monthly	850	600	200	150
No. of pre-billing consumption adjustments	121	3,432	3,613	2,472
Amount of pre-billing consump. adjustments	$105,459	$117,312	$90,517	$75,000
Active customers delinquent over 90 days	1,474	120	900	700
Over 90 day balances for active customers	$603,143	$482,514	$579,403	$550,000
Customers paying monthly by auto payment	3,627	3,989	4,200	4,500
Number of e-bill customers monthly	3,039	3,342	4,509	4,700
Customers with active payment arrangements	339	380	50	200
Funds under active payment arrangements	$12,992	$16,000	$6,500	$15,000

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Utility Customer Service Manager	0.375	0.375	0.375	0.375
Collections Specialist	0.375	0.375	0.375	0.375
Utility Billing Supervisor	0.375	0.375	0.375	0.375
Customer Service Supervisor	0.375	0.375	0.375	0.375
Sr. Utility Customer Service Specialist	0.750	0.375	0.375	0.375
Utility Customer Service Specialist	3.375	3.375	3.375	3.375
Accountant	0.000	0.500	0.500	0.500
Administrative Assistant	0.188	0.000	0.000	0.000
Meter Services Supervisor	0.500	0.500	0.500	0.500
Senior Meter Service Technician	0.500	0.500	0.500	0.500
Meter Service Technician	3.500	3.500	3.500	3.500
TOTAL	**10.313**	**10.250**	**10.250**	**10.250**

FY2019 ADOPTED BUDGET
UTILITY BILLING (SEWER SHARE)

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$218,860	$357,906	$341,481	$370,688
511003	Phase II Compensation Study	$0	$0	$0	$0
511005	Longevity	1,465	1,575	2,097	2,100
511006	Differential Pay	1,105	1,355	1,260	1,355
511009	Overtime	34,047	28,125	23,211	28,125
511125	Residency Pay	3,479	6,573	6,387	6,573
511510	Group Health Insurance	38,168	68,880	68,917	68,880
511515	Worker's Compensation	415	3,138	3,138	2,097
511520	Group Life Insurance	742	1,345	1,278	1,394
511530	Social Security - Employment	15,478	24,523	22,061	25,348
511535	Medicare - Employer's	3,620	5,735	5,160	5,928
511542	City Employee Retirement	23,355	35,598	33,696	36,796
Total Personnel Services		**$340,732**	**$534,753**	**$508,686**	**$549,284**
Materials and Supplies					
521065	Office Supplies	4,979	8,000	4,943	8,000
521067	Minor Office Equipment	434	3,750	500	3,750
521073	Printed Materials	12,378	9,750	9,500	9,750
522011	Chemicals	0	113	0	0
522013	Clothing	335	2,850	353	2,850
522037	Janitorial Supplies	0	340	610	500
522038	Safety Supplies	0	1,050	0	1,050
522055	Minor Tools	0	3,400	10	3,400
522056	Minor Equipment	1,026	151,125	75,000	75,000
522065	Paint and Lumber	0	150	0	150
522075	Pipe and Plumbing Supplies	0	26,622	51,000	50,000
522085	Equipment Parts	0	650	50	650
Total Materials and Supplies		**$19,151**	**$207,800**	**$141,966**	**$155,100**
Contractual Services					
531007	Security Service	1,450	1,125	3,764	3,800
531015	Temporary Employee Services	10,080	4,781	5,000	4,781
531124	Towing Payments	0	50	0	50
531125	Other Contracts	169	1,000	543	1,000
531230	Equipment Repairs	0	750	200	750
531240	Maintenance Contracts	15,537	30,375	15,749	30,375
531320	Equipment Rental	4,685	5,250	4,685	5,250
531350	Garage Charges	0	16,566	15,855	16,566
531360	Computer Charges	72,176	94,399	20,056	26,773
532062	Postage	58,635	48,750	43,351	48,750
532065	Printing, Duplication	150	1,450	150	1,450
532066	Print Shop Charges	525	1,400	2,000	1,400
532083	Telephone Service	5,531	7,150	6,590	7,150
532084	Cellular Service	212	876	494	876
532086	Other Communications	68	795	132	795
533085	Travel/Training	37	3,875	300	3,875
Total Contractual Services		**$169,254**	**$218,592**	**$118,869**	**$153,641**
Other Charges and Services					
544105	Bank Service Charges	79,790	95,625	84,087	95,625
Total Other Charges and Services		**$79,790**	**$95,625**	**$84,087**	**$95,625**
Total Expenses		**$608,928**	**$1,056,770**	**$853,608**	**$953,650**

Industrial Pretreatment Division

Division Mission

The mission of the Industrial Pretreatment Division is to provide inspection services for the protection of the internal condition of wastewater collection mains and the protection of wastewater treatment processes in accordance with EPA and TCEQ mandates and the City Code.

Accomplishments

- 100% Compliance with Grease Trap Ordinance.
- Initiated the State mandated revision to the Pretreatment Ordinance.

Goals

- Implementation of the new Pretreatment Ordinance as per TCEQ requirement.
- 100% Compliance with Grease Trap Ordinance.
- Continue staff development through established training programs and other educational seminars.
- Maintain professional relationships with members of the community, thus ensuring compliance with ordinances and TCEQ mandates.

FY2019 ADOPTED BUDGET
INDUSTRIAL PRETREATMENT

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$228,433	$236,405	$212,371	$240,495
Materials and Supplies	6,491	18,500	12,545	18,500
Contractual Services	31,767	60,941	46,906	78,599
Capital Outlay	0	50,000	43,290	0
TOTAL	**$266,690**	**$365,846**	**$315,112**	**$337,594**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase of $28,100 largely due to overtime budget ($20,000) that went unspent in FY 2018.
Materials & Supplies - $6,000 total increase with minor growth in all supply accounts.

Contractual Services - Overall increase ($31,700) includes increase in City wide charges for technology services (+$7,600), Increase in attorney's fees (+$15,000), garage charges ($3,400) and printing ($2,000).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Food establishments inspected	1,683	1,352	1,470	1,500
Inspections performed (Industrial & waster haulers)	1,151	1,089	1,162	1,200
Waster haulers gallons received	2,547,230	2,938,902	2,663,750	2,800,000

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Pretreatment Coordinator	1.00	1.00	1.00	1.00
Pretreatment Technician	2.00	2.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL	**4.00**	**4.00**	**4.00**	**4.00**

FY2019 ADOPTED BUDGET
INDUSTRIAL PRETREATMENT

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$150,837	$148,572	$151,338	$152,903
511005 Longevity	1,305	1,321	1,497	1,513
511009 Overtime	17,753	20,000	0	20,000
511125 Residency Pay	7,500	7,529	6,726	7,529
511510 Group Health Insurance	24,720	26,880	28,000	26,880
511515 Worker's Compensation	1,987	1,987	1,987	1,328
511520 Group Life Insurance	561	575	588	49
511530 Social Security - Employment	9,914	11,000	8,689	11,281
511535 Medicare - Employer's	2,319	2,573	2,032	2,638
511542 City Employee Retirement	15,965	15,968	14,305	16,375
511650 Salary Reimbursements	(4,427)	0	(2,791)	0
Total Personnel Services	**$228,433**	**$236,405**	**$212,371**	**$240,495**
Materials and Supplies				
521065 Office Supplies	2,963	5,000	2,844	5,000
522011 Chemicals	0	3,500	2,480	3,500
522013 Clothing	2,126	4,000	3,391	4,000
522037 Janitorial Supplies	102	500	2,151	500
522038 Safety Supplies	91	500	274	500
522055 Minor Tools	1,209	5,000	1,405	5,000
Total Materials and Supplies	**$6,491**	**$18,500**	**$12,545**	**$18,500**
Contractual Services				
531006 Attorney's Fees	11,714	30,000	15,000	30,000
531008 Laboratory Testing	38	0	0	0
531025 Memberships	150	0	0	0
531027 Certification & Permit Fees	0	250	225	250
531028 Software Licenses	0	1,900	1,500	1,900
531350 Garage Charges	2,193	2,193	3,000	6,394
531360 Computer Charges	14,312	15,898	22,739	30,355
532062 Postage	0	200	0	200
532065 Printing, Duplication	1,175	4,000	2,000	4,000
532066 Print Shop Charges	101	0	0	0
532083 Telephone Service	0	1,500	664	1,000
532084 Cellular Service	622	2,000	578	1,500
533085 Travel/Training	1,462	3,000	1,200	3,000
Total Contractual Services	**$31,767**	**$60,941**	**$46,906**	**$78,599**
Capital Outlay				
564003 Vehicle Capital Outlay	0	50,000	43,290	0
Total Capital Outlay	**$0**	**$50,000**	**$43,290**	**$0**
Total Expenses	**$266,690**	**$365,846**	**$315,112**	**$337,594**

CITY OF GALVESTON

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Collections Division

Division Mission

The mission of the Collections Division is to provide for the effective collection of wastewater flows from the Citizens of Galveston in a customer service-oriented manner, and in accordance with EPA and TCEQ mandates.

Accomplishments

- Coordinated and provided assistance to contractor on the 33rd Street, Sealy Street, Market Street, Saladia Avenue, and Avenue S Roadway projects.
- Provided smoke testing to the sanitary sewer system in the Terramar Wastewater Treatment Plant drainage area to identify infiltration and inflow (I & I) problem areas.
- Minimized sanitary sewer overflows.

Goals

- Pending approval from City Council, commence the construction of the West End Sanitary Sewer Projects.
- Continue replacement of deteriorated gravity sewer and force main sanitary sewer systems.
- Continue providing smoke testing of the sanitary sewer system where needed to identify infiltration and inflow (I & I) problem areas.
- Focus on staff development; provide opportunities for staff to obtain dual certification for succession planning in collections and other divisions.
- Foster an environment that promotes professional growth, customer service and efficiency.

FY2019 ADOPTED BUDGET
COLLECTION

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,910,571	$1,680,804	$1,889,823	$2,119,302
Materials and Supplies	441,327	389,255	273,672	459,794
Contractual Services	341,930	365,782	412,989	454,505
Other Charges and Services	23,685	20,000	46,884	80,000
Capital Outlay	91,288	753,529	753,529	914,000
TOTAL	**$2,808,801**	**$3,209,370**	**$3,376,897**	**$4,027,601**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net increase (+$229,500) to fund approximately 7 field crew positions vacant for portion of the year ($297,000), to fill Assistant Director of Public Utilities ($26,500 for 25% of salary and benefits), to fund full year of equipment operator market based adjustments (+$37,500) net of reduction in overtime and affected benefits (-$131,800).

Materials and Supplies - Overall increase of $186,100 due to minor tools and pipe and plumbing supplies to be used by field crews in increasing production (see performance measures below).

Contractual Services - Increase ($41,500) due to increases in City wide charges for technology services (+$21,000) and garage charges ($19,800).

Other Charges and Services - Increase (+$33,100) due to reimbursement for repair of street cuts to repair sewers.

Capital Outlay - Total i$914,000 includes vehicle replacements, splitting the cost with Water Distribution (Backhoe loader, $49,100; Trailer $19,000), replacement fuel trailer ($18,200); also new equipment (sewer camera, $50,000; small dump truck ($79,000); Front End Loader with rock screening bucket ($340,000); Trackhoe excavator ($148,000), rolloff container ($210,000) and Freightliner Crew Truck ($75,000).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Mains installed/replaced (feet) inhouse	568	2,150	2,800	3,000
Stoppages cleared	235	852	718	800
Taps installed	220	130	213	215
Point repairs made	91	125	94	100

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director of Municipal Utilities	0.25	0.25	0.25	0.25
Assistant Director of Municipal Utilities	0.00	0.25	0.25	0.25
City Engineer	0.50	0.00	0.00	0.00
Assistant City Engineer	0.50	0.00	0.00	0.00
Public Information Officer	0.50	0.00	0.00	0.00
Superintendent-Water Dist. & Sewer Collection	1.00	1.00	1.00	1.00
Construction Project Coordinator	0.50	0.00	0.00	0.00
Utilities Inspector	1.00	0.00	0.00	0.00
Chief Plumbing Inspector	0.50	0.50	0.50	0.50
Administrative Service Manager	1.00	1.00	1.00	1.00
Utility Supervisor	3.00	3.00	3.00	3.00
TV Truck Operator	1.00	1.00	1.00	1.00
Plumbing Inspectors @ 50%	1.00	1.00	1.00	1.00
Senior Crewleader	4.00	4.00	4.00	4.00
Senior Meter Technician	0.50	0.00	0.00	0.00
Equipment Operators	10.00	10.00	10.00	10.00
Payroll Records Specialist	1.00	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00	2.00
Concrete Finisher	1.00	1.00	1.00	1.00
Laborer	12.00	12.00	12.00	12.00
Office Assistant	0.00	1.00	1.00	1.00
TOTAL	**41.25**	**39.00**	**39.00**	**39.00**

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$1,324,853	$867,030	$1,071,345	$1,306,570
511005 Longevity	7,824	8,733	6,493	6,649
511006 Differential Pay	1,468	904	903	904
511009 Overtime	181,066	175,000	288,026	175,000
511021 Part-Time Payroll	0	18,000	7,560	18,000
511110 Incentive Pay	1,108	3,012	1,715	3,012
511125 Residency Pay	46,035	44,558	40,479	44,558
511510 Group Health Insurance	222,835	262,080	212,698	262,080
511515 Worker's Compensation	21,961	19,238	19,238	12,853
511520 Group Life Insurance	4,643	4,929	3,928	5,820
511530 Social Security - Employment	92,896	93,957	83,459	96,391
511535 Medicare - Employer's	21,726	21,974	19,518	22,543
511542 City Employee Retirement	141,423	136,389	126,459	139,922
511650 Salary Reimbursements	(143,365)	25,000	8,002	25,000
511655 Salary Reimbursements-Grants	(13,903)	0	0	0
Total Personnel Services	**$1,910,571**	**$1,680,804**	**$1,889,823**	**$2,119,302**
Materials and Supplies				
521065 Office Supplies	6,688	4,000	3,663	6,000
522011 Chemicals	4,112	3,500	768	1,500
522013 Clothing	18,956	15,745	13,455	18,594
522015 Concrete And Aggregate	11,139	40,000	34,846	40,000
522037 Janitorial Supplies	4,692	1,660	1,976	2,000
522038 Safety Supplies	3,759	4,950	3,338	6,000
522045 Electrical Hardware	0	0	0	0
522055 Minor Tools	23,666	10,000	17,102	15,000
522056 Minor Equipment	178,998	165,000	86,848	200,000
522059 Motor Vehicle Parts	2,677	0	0	0
522065 Paint And Lumber	4,834	3,000	1,441	3,500
522075 Pipe And Plumbing Supplies	176,348	137,000	102,653	163,200
522085 Equipment Parts	5,106	4,000	7,530	4,000
522099 Other Supplies	20	0	52	0
525032 Natural Gas	334	400	0	0
Total Materials and Supplies	**$441,327**	**$389,255**	**$273,672**	**$459,794**
Contractual Services				
531005 Other Services	409	0	6	0
531008 Laboratory Testing	268	0	0	0
531025 Memberships	4,639	3,757	3,373	3,757
531027 Certification & Permit Fees	240	1,000	0	1,000
531028 Software Licenses	13,059	10,500	16,400	10,500
531124 Towing Payments	0	300	0	0
531125 Other Contracts	525	0	0	0
531131 Demolition Costs	3,400	0	0	0
531220 Building Repairs	1,165	1,725	0	1,725
531230 Equipment Repairs	1,870	16,500	15,951	2,500
531240 Maintenance Contracts	17,364	16,972	16,850	16,972
531310 Rental Of Land & Buildings	33,551	34,356	33,705	34,356
531320 Equipment Rental	0	13,000	2,524	13,000
531350 Garage Charges	213,226	213,227	236,354	256,169
531360 Computer Charges	26,843	29,620	62,850	83,901
532062 Postage	0	25	0	25
532065 Printing, Duplication	1,901	1,600	958	2,000
532066 Print Shop Charges	440	200	223	200
532083 Telephone Service	7,198	5,850	5,211	7,000
532084 Cellular Service	6,498	4,500	12,670	8,000

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
532085 Pager Service	159	250	109	0
532086 Other Communications	2,895	1,000	899	2,000
532087 Aircard Service	1,780	1,400	1,672	1,400
533085 Travel/Training	4,498	10,000	3,234	10,000
Total Contractual Services	**$341,930**	**$365,782**	**$412,989**	**$454,505**
Other Charges and Services				
544087 Expense Reimbursement	30,958	20,000	46,884	80,000
544099 Miscellaneous Expense	(7,273)	0	0	0
Total Other Charges and Services	**$23,685**	**$20,000**	**$46,884**	**$80,000**
Capital Outlay				
564003 Vehicle Capital Outlay	34,635	753,529	753,529	914,000
564005 Capital Outlay - Improvements	56,653	0	0	0
Total Capital Outlay	**$91,288**	**$753,529**	**$753,529**	**$914,000**
Total Expenses	**$2,808,801**	**$3,209,370**	**$3,376,897**	**$4,027,601**

Wastewater Treatment Division

Division Mission

The mission of the Wastewater Treatment Division is to treat all of the City's wastewater and to discharge treated wastewater effluent into the waters of Texas that exceeds TCEQ and EPA standards, thus protecting the health and safety of the citizens, visitors, and environment.

Accomplishments

- Commenced construction of the Airport Waste Water Treatment Plant.
- Commenced the Pirates Beach Waste Water Treatment Plant reconstruction project.

Goals

- Begin construction of the Seawolf Waste Water Treatment Plant.
- Commence the design, rehabilitation and installation of a SCADA system for various lift stations.
- Commence design of the rehabilitation of the sludge holding tank at the Main WWTP.
- Commence the design of the Main WWTP Effluent Filtration system.
- Continue the rehabilitation of the lift stations across the City.
- Commence the update the City of Galveston Wastewater Master Plan.
- Reduce infiltration and inflow to all wastewater treatment plants.
- Reduce non-compliance, setting "zero violations" as our goal.
- Ensure staff is provided opportunities to obtain additional licenses through established City of Galveston training programs.

FY2019 ADOPTED BUDGET
WASTEWATER TREATMENT PLANT

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,608,338	$1,882,989	$1,802,194	$1,916,007
Materials and Supplies	430,211	1,490,700	1,258,807	1,154,000
Contractual Services	771,188	929,755	822,475	1,036,578
Other Charges and Services	1,226	2,102	3,559	3,600
Operating Transfers	0	0	0	0
Capital Outlay	114,059	100,000	100,000	26,000
TOTAL	**$2,925,023**	**$4,405,546**	**$3,987,035**	**$4,136,185**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net increase (+$113,800) to fund approximately 1.5 plant operator positions vacant for portion of the year ($61,000), to fill Assistant Director of Public Utilities ($26,500 for 25% of salary and benefits), and increase in overtime and affected benefits ($26,400).

Materials and supplies - New plant operating efficiently.

Contractual Services - Net increase (+$214,100) due to increased cost of managing new plant (Consultant Services, +$28,000), increased maintenance (sludge removal, +$42,000; maintenance contracts +$23,000;and lot maintenance, +$24,000); also garage charges (+$42,000) and computer charges increasing citywide (+$20,600).

Capital Outlay - Includes replacing F150 ($26,000).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Main WWTP, million gallons treated	2,239	1,745	1,616	1,867
Airport WWTP, million gallons treated	843	738	641	741
Terramar Beach WWTP, million gallons treated	8.63	6.02	8.92	7.86
Pirates Beach WWTP, million gallons treated	3.28	7.43	3.22	4.64

PERSONNEL

`	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director - Municipal Utilities	0.25	0.25	0.25	0.25
Assistant Director of Municipal Utilities	0.00	0.25	0.25	0.25
Superintendent-WWTP	2.00	2.00	2.00	2.00
WW Plant Maintenance Supervisor	1.00	1.00	1.00	1.00
Main WWTP Chief Operator	1.00	1.00	1.00	1.00
Wastewater Plant Mechanic	3.50	4.00	4.00	4.00
WWTP Operator	14.00	16.00	16.00	16.00
Laboratory Technician	1.00	1.00	1.00	1.00
Equipment Operator	2.00	2.00	2.00	2.00
Office Assistant	1.00	1.00	1.00	1.00
Parts & Supply Coordinator	1.00	1.00	1.00	1.00
Laborer	2.50	3.00	3.00	3.00
TOTAL	**29.25**	**32.50**	**32.50**	**32.50**

FY2019 ADOPTED BUDGET
WASTEWATER TREATMENT PLANT

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$1,057,550	$1,226,081	$1,198,739	$1,258,055
511005 Longevity	8,395	8,839	8,960	9,090
511006 Differential Pay	305	0	0	0
511009 Overtime	115,744	125,000	102,330	125,000
511110 Incentive Pay	10,648	13,854	16,536	13,854
511125 Residency Pay	39,497	38,270	39,156	38,270
511510 Group Health Insurance	160,744	218,400	204,540	218,400
511515 Worker's Compensation	12,677	12,677	12,677	8,470
511520 Group Life Insurance	3,692	4,245	4,377	4,397
511530 Social Security - Employment	72,033	87,547	80,471	89,545
511535 Medicare - Employer's	16,847	20,475	18,820	20,942
511542 City Employee Retirement	110,892	127,084	122,915	129,984
511650 Salary Reimbursements	(685)	517	(4,084)	0
511655 Salary Reimbursements-Grants	0	0	(3,243)	0
Total Personnel Services	**$1,608,338**	**$1,882,989**	**$1,802,194**	**$1,916,007**
Materials and Supplies				
521065 Office Supplies	5,721	9,200	1,613	6,000
522011 Chemicals	62,866	166,000	81,626	86,000
522013 Clothing	16,865	17,500	14,139	17,500
522015 Concrete And Aggregate	89	0	200	0
522025 Fuel and Lubricants	0	0	200	0
522037 Janitorial Supplies	4,633	6,000	5,440	6,000
522038 Safety Supplies	3,181	1,500	67,796	1,500
522055 Minor Tools	13,557	5,000	3,771	5,000
522056 Minor Equipment	27,198	60,000	66,000	60,000
522065 Paint And Lumber	661	2,000	38,187	2,000
522075 Pipe And Plumbing Supplies	5,563	3,000	1,985	5,000
522085 Equipment Parts	18,866	292,000	235,847	210,000
522099 Other Supplies	2,755	3,000	2,271	3,000
525031 Electricity	266,606	925,000	737,892	750,000
525032 Natural Gas	1,650	500	1,840	2,000
Total Materials and Supplies	**$430,211**	**$1,490,700**	**$1,258,807**	**$1,154,000**
Contractual Services				
531004 Consultant Services	0	46,000	18,490	46,000
531005 Other Services	2,500	0	7,500	0
531008 Laboratory Testing	66,764	85,000	80,867	85,000
531025 Memberships	1,320	4,000	111	4,000
531027 Certification & Permit Fees	119,377	90,000	110,801	100,000
531028 Software License	0	0	974	0
531110 Sludge Removal	191,688	185,000	158,774	200,000
531120 Lot Maintenance	45,000	75,000	36,250	60,000
531124 Towing Payments	0	100	0	0
531125 Other Contracts	31,133	30,000	12,476	20,000
531220 Building Repairs	1,446	1,500	0	1,500
531230 Equipment Repairs	92,347	95,000	87,329	110,000
531240 Maintenance Contracts	7,804	75,000	16,986	40,000
531320 Equipment Rental	14,670	40,000	24,337	35,000
531350 Garage Charges	78,556	78,556	110,243	152,563
531360 Computer Charges	19,361	24,249	61,550	82,165
532062 Postage	98	0	35	0
532065 Printing, Duplication	323	300	0	300

FY2019 ADOPTED BUDGET
WASTEWATER TREATMENT PLANT

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
532083	Telephone Service	65,806	70,000	66,493	70,000
532084	Cellular Service	3,339	3,500	2,994	3,500
532085	Pager Service	68	50	62	50
532086	Other Communications	16,960	16,500	16,765	16,500
533085	Travel/Training	12,627	10,000	9,438	10,000
Total Contractual Services		**$771,188**	**$929,755**	**$822,475**	**$1,036,578**
Other Charges and Services					
544087	Expense Reimbursement	1,226	2,102	3,559	3,600
Total Other Charges and Services		**$1,226**	**$2,102**	**$3,559**	**$3,600**
Capital Outlay					
564003	Vehicle Capital Outlay	25,968	100,000	43,860	26,000
564005	Capital Outlay - Improvements	6,206	0	0	0
564117	Machinery & Equipment	81,885	0	56,140	0
Total Capital Outlay		**$114,059**	**$100,000**	**$100,000**	**$26,000**
Total Expenses		**$2,925,022**	**$4,405,546**	**$3,987,035**	**$4,136,185**

FY2019 ADOPTED BUDGET
OTHER EXPENSES

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$0	$63,597	$0	$75,143
Contractual Services	81,526	135,000	135,000	136,500
Other Charges and Services	1,105,178	1,210,207	1,210,207	1,245,254
Operating Transfers	1,766,800	1,540,800	1,525,179	982,171
Capital Outlay	0	0	0	62,500
Debt Service	3,368,481	3,598,515	3,598,515	3,592,695
TOTAL	**$6,321,985**	**$6,548,119**	**$6,468,901**	**$6,094,263**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Includes allowance for 2% COLA for Sewer System employees.
Other Charges and Services - Increase of $35,000 includes share of new citywide Community Outreach internal services program ($60,300), reduction in insurance expense ($37,000) and increase in administrative service charge from General Fund ($13,000).

Operating Transfers - Increase due primarily to increase in transfer to Sewer capital improvements fund ($400,000) as programmed in the Proposed CIP for FY 2019.

Capital Outlay - Purchase furniture for sewer staff areas in new Public Works building.

FY2019 ADOPTED BUDGET
OTHER EXPENSES

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511002 COLA Increases	$0	$63,597	$0	$75,143
Total Personnel Services	**$0**	**$63,597**	**$0**	**$75,143**
Contractual Services				
531004 Consultant Services	0	30,000	30,000	30,000
531125 Other Contracts	6,525	30,000	30,000	30,000
531310 Rental Of Land & Buildings	75,000	75,000	75,000	76,500
Total Contractual Services	**$81,526**	**$135,000**	**$135,000**	**$136,500**
Other Charges and Services				
544105 Bank Service Charges	2,003	0	0	0
547040 Administrative Service Charge	421,000	434,000	434,000	447,000
547050 Payment In Lieu Of Taxes	200,000	200,000	200,000	206,000
547070 Insurance Expense	243,720	255,161	255,161	218,366
547075 City Hall Maintenance	238,455	321,046	321,046	313,569
547095 Community Outreach/Public Info	0	0	0	60,319
Total Other Charges and Services	**$1,105,178**	**$1,210,207**	**$1,210,207**	**$1,245,254**
Operating Transfer				
553011 Sewer - Trnsf to Improvement Fund	1,699,000	1,354,979	1,354,979	904,000
553022 Transfer To Tech Imprvt Fund	0	0	58,700	0
553024 Insurance - Transfer Out	27,000	0	0	0
553035 Transfer To Separation Pay Fund	40,800	40,800	40,800	40,800
553050 Transfer To Hurricane Harvey	0	145,021	70,700	37,371
Total Operating Transfers	**$1,766,800**	**$1,540,800**	**$1,525,179**	**$982,171**
564005 Capital Outlay - Improvements	0	0	0	62,500
Total Capital Outlay	**$0**	**$0**	**$0**	**$62,500**
Debt Service				
571010 Interest Expense	501,939	969,273	969,273	938,100
571020 Revenue Bond Interest	809,802	533,002	533,002	500,710
571040 Agent Fees	625	2,525	2,525	3,000
571050 Principal Expenditure	2,056,115	2,091,715	2,091,715	2,148,885
571130 Investment Fees	0	2,000	2,000	2,000
Total Debt Service	**$3,368,481**	**$3,598,515**	**$3,598,515**	**$3,592,695**
Total Expenses	**$6,321,986**	**$6,548,119**	**$6,468,901**	**$6,094,263**

FY2019 ADOPTED BUDGET
MUNICIPAL SANITATION SUMMARY

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	**3,301,761**	**3,328,925**	**3,328,925**	**2,460,379**
Revenues:				
Collection fees	$4,794,279	$5,450,000	$5,539,000	$5,594,390
Dumpster fees	24,128	24,000	25,208	26,000
Trash pick-up	2,118	0	807	0
Recycling fees	496,532	496,027	501,706	506,723
Penalties on account	115,526	140,000	72,262	140,000
Other revenue	82,942	56,040	58,847	59,100
Other funding sources	0	0	0	0
Total revenues	**$5,515,525**	**$6,166,067**	**$6,197,830**	**$6,326,213**
Expenses:				
Refuse Collection	$3,938,714	$4,260,322	$4,434,804	$4,389,020
Recycling	525,691	608,105	627,660	614,299
Utility Billing	218,231	242,338	194,089	212,391
Other expenses	629,332	691,669	688,960	804,475
Total expenses	**$5,311,968**	**$5,802,434**	**$5,945,513**	**$6,020,185**
Net income (loss)	**$203,556**	**$363,634**	**$252,317**	**$306,028**
Capital Outlay	**$174,246**	**$1,120,863**	**$1,120,863**	**$1,391,000**
Prior year adjustment	($2,146)	$0	$0	$0
Ending balance	**$3,328,925**	**$2,571,696**	**$2,460,379**	**$1,375,408**
90 Day Reserve	*$1,309,800*	*$1,430,737*	*$1,466,017*	*$1,484,429*
120 Day Reserve	*$1,746,401*	*$1,907,649*	*$1,954,689*	*$1,979,239*

Personnel summary	FY2017 ACTUAL	FY2018 BUDGET	FY2019 BUDGET	FY2019 ADOPTED
Municipal Sanitation - Refuse	46.50	46.50	46.50	$2,618,762
Municipal Sanitation - Recycling	10.00	10.00	10.00	496,043
Municipal Sanitation - Utility billing	2.10	2.10	2.10	123,810
Totals	58.60	58.60	58.60	$3,238,615

BUDGET HIGHLIGHTS

• The FY2019 Adopted Budget for the Sanitation fund includes $1.34 million in capital outlay to replace vehicles and $50,000 for a new building.

• The Adopted Budget also includes $46,000 for 2% COLA adjustments for all personnel.

• A significant reduction in disposal charges (-$106,000) is also anticipated.

• Also included are adjustments to several internal services billings (technology improvements, community outreach and public information, General Fund service charges and insurance expense.

MUNICIPAL SANITATION FUND
EXPENDITURE SUMMARY

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Refuse Collection	$3,938,714	$4,260,322	$4,434,804	$4,389,020
Recycling	525,691	608,105	627,660	614,299
Utility Billing	218,231	242,338	194,089	212,391
Other expenses	629,332	691,669	688,960	804,475
Subtotal	**5,311,968**	**5,802,434**	**5,945,513**	**6,020,185**
Capital Outlay	174,246	1,120,863	1,120,863	1,391,000
Sanitation Fund Total	**$5,486,214**	**$6,923,297**	**$7,066,376**	**$7,411,185**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$2,927,690	$3,177,058	$3,169,921	$3,285,042
Materials and Supplies	89,082	97,550	83,785	99,200
Contractual Services	1,673,724	1,872,052	2,004,418	1,970,949
Other Charges and Services	579,772	619,774	616,190	629,293
Operating Transfers	41,700	35,700	71,200	35,700
Capital Outlay	174,246	1,120,863	1,120,863	1,391,000
Debt Service	0	300	0	0
Sanitation Fund Total	**$5,486,214**	**$6,923,297**	**$7,066,376**	**$7,411,185**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Increase ($115,100) includes $46,400 for 2% COLA for Sanitation fund staff, and $69,000 to keep existing staff positions filled.

Materials & Supplies - Adjustments to a number of small supply accounts (+$15,400)

Contractual Services - Decrease (-$33,500) is net of reduced disposal charges (-$106,000), a decrease in equipment rentals (-$15,000) at the Recycling Center, and an increase (+$87,300) in Sanitation share of citywide allocations for technology services.

Other Charges and Services - Net increase (+$13,100) includes reduced bank fees for online/phone payments (-$5,600), and increases in citywide charges for General Fund administrative fees (+$12,800) and community outreach and public information (+24,000) net of reduction in insurance expense (-$17,700).

Operating Transfers - Decrease (-$35,000) for a one time transfer to Technology Improvements Fund in FY2018.

Capital Outlay - Total ($1,391,000) to replace 2 litter trucks ($400,000), two garbage packers ($256,000), two rear end loaders ($380,000); one automated truck ($300,000); $50,000 toward new building.

Sanitation Division

Division Mission

The mission of the Sanitation Division is to provide a safe and clean community environment for the protection of public health through establishing and maintaining an efficient system of refuse collection with an emphasis on Customer Service.

Accomplishments

- Completed debris pickup for Hurricane Harvey.
- Issued exclusive franchise for commercial accounts.
- Issued new contract for operations of the Transfer Station.
- Continued to modify program of proactive collection of most all residential trash.
- Initiated and completed two (2) citywide cleanups.
- Completed 6th year of diversion of televisions to the Recycling Center.
- Provided sanitation services for the Lone Star Motorcycle Bike Rally, Dickens on the Strand, Mardi Gras and Crawfish Festival.

Goals

- Continue to divert televisions to the Recycling Center.
- Provide two (2) citywide cleanups.
- Provide exceptional sanitation services for special events.
- Complete paving of parking lot.
- Continue staff development for operators and laborers through established training programs as available.

FY2019 ADOPTED BUDGET
REFUSE COLLECTION

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$2,403,523	$2,532,802	$2,584,741	$2,618,762
Materials and Supplies	59,100	63,250	58,691	64,900
Contractual Services	1,495,465	1,679,270	1,805,642	1,720,358
Other Charges and Services	(19,374)	(15,000)	(14,269)	(15,000)
Capital Outlay	0	0	0	5,000
TOTAL	**$3,938,714**	**$4,260,322**	**$4,434,804**	**$4,394,020**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase (+$34,000) to fund filling of an existing budgeted position in FY 2019.

Materials and Supplies - Increase of $6,200 for clothing (+$2,900), minor equipment (+$1,500), and small increases in each of the remaining supply accounts.

Contractual Services - Reduction (-$85,300) due to reduction in refuse disposal costs (-$106,000) and increase in garage charges (+$17,400).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Tons Garbage/Trash collected	29,997.82	29,997.82	30,252.99	31,398.55
Tons received at Transfer Station	96,814.88	96,814.88	95,719.41	96,918.49

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director of Administration & Sanitation	0.50	0.50	0.50	0.50
Sanitation Superintendent	1.00	1.00	1.00	1.00
Supervisor of Sanitation	2.00	2.00	2.00	2.00
Sanitation Compliance Officer	1.00	1.00	1.00	1.00
Senior Crew Leader	0.00	0.00	12.00	12.00
Crew leader	1.00	1.00	1.00	1.00
Equipment Operator	1.00	1.00	0.00	0.00
Automated Truck Driver	8.00	8.00	8.00	8.00
Litter Truck Operator	3.00	3.00	0.00	0.00
Office Assistant	1.00	1.00	1.00	1.00
Sanitation Cart Technician	2.00	2.00	2.00	2.00
Refuse Truck Operators	8.00	8.00	0.00	0.00
Solid Waste Collectors	18.00	18.00	18.00	18.00
TOTAL	**46.50**	**46.50**	**46.50**	**46.50**

FY2019 ADOPTED BUDGET
REFUSE COLLECTION

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$1,476,566	$1,515,004	$1,568,357	$1,601,824
511005 Longevity	18,132	18,096	19,503	19,704
511006 Differential Pay	2,217	3,500	1,689	3,500
511009 Overtime	268,772	300,000	294,693	300,000
511125 Residency Pay	55,065	52,700	61,776	52,700
511510 Group Health Insurance	276,947	312,480	303,408	312,480
511515 Worker's Compensation	49,299	49,299	49,299	32,937
511520 Group Life Insurance	5,348	5,985	5,933	6,326
511530 Social Security - Employment	107,788	117,137	120,653	122,619
511535 Medicare - Employer's	25,208	27,395	28,217	28,677
511542 City Employee Retirement	163,783	170,037	175,142	177,995
511650 Salary Reimbursements	(45,602)	(38,831)	(43,930)	(40,000)
Total Personnel Services	**$2,403,523**	**$2,532,802**	**$2,584,741**	**$2,618,762**
Materials and Supplies				
521065 Office Supplies	4,315	5,200	3,983	4,200
522011 Chemicals	1,775	1,050	1,579	1,600
522013 Clothing	22,604	26,000	25,086	28,000
522037 Janitorial Supplies	5,651	3,000	4,800	5,000
522038 Safety Supplies	4,211	5,000	3,593	3,600
522055 Minor Tools	2,749	4,000	2,741	3,000
522056 Minor Equipment	4,663	3,000	0	1,500
522065 Paint And Lumber	191	1,000	313	500
522075 Pipe and Plumbing Supplies	170	0	229	500
522099 Other Supplies	7,395	7,500	6,529	7,000
525031 Electricity	5,377	7,500	7,349	7,500
Total Materials and Supplies	**$59,100**	**$63,250**	**$58,691**	**$64,900**
Contractual Services				
531027 Certification & Permit Fees	10,932	11,000	10,932	11,000
531111 Asbestos Testing	498,241	695,024	796,493	690,500
531115 Refuse Disposal	0	300	0	0
531124 Towing Payments	122,006	130,000	135,900	135,000
531125 Other Contracts	3,120	5,000	3,100	3,500
531220 Building Repairs	1,615	4,000	3,019	3,500
531230 Equipment Repairs	15,824	15,000	20,762	20,000
531240 Maintenance Contracts	28,599	0	13,600	15,000
531350 Garage Charges	795,872	795,746	804,209	821,608
532062 Postage	6	1,000	541	550
532065 Printing, Duplication	1,566	3,000	1,500	1,600
532066 Print Shop Charges	389	1,000	580	600
532083 Telephone Service	3,389	3,200	1,355	1,500
532084 Cellular Service	3,824	3,500	6,044	6,000
532086 Other Communications	9,322	9,000	6,706	9,000
533085 Travel/Training	759	2,500	900	1,000
Total Contractual Services	**$1,495,465**	**$1,679,270**	**$1,805,642**	**$1,720,358**

FY2019 ADOPTED BUDGET
REFUSE COLLECTION

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Other Charges and Services				
544087 Expense Reimbursement	(19,374)	(15,000)	(14,269)	(15,000)
Total Other Charges and Services	**($19,374)**	**($15,000)**	**($14,269)**	**($15,000)**
Capital Outlay				
564005 Capital Outlay - Improvements	0	0	0	5,000
Total Capital Outlay	**$0**	**$0**	**$0**	**$5,000**
Total Expenses	**$3,938,714**	**$4,260,322**	**$4,434,804**	**$4,394,020**

Recycling Division

Division Mission

The mission of the Recycling division is to reduce the landfill waste stream by providing opportunities for citizens to participate in educational programs and recycling certain wastes through the Recycling Facility.

Accomplishments

- Hosted two (2) shred days.
- Promoted recycling services with the two (2) City Wide Clean Ups.
- Increased residential participation.
- Increased recycling tonnage intake.
- Improved curb side pickup schedule.
- Participated in Earth Day Event at UTMB.

Goals

- Complete new building at site.
- Complete beautification of site.
- Expansion of mulching program.
- Expand commercial recycling program.
- Continue excellent customer service while educating citizens on matters specific to the Recycling Division, regulations and services offered by the City.
- Continue staff development through established training programs and other educational seminars.

FY2019 ADOPTED BUDGET
RECYCLING

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$415,451	$485,957	$478,195	$496,043
Materials and Supplies	22,322	26,050	19,314	26,050
Contractual Services	83,774	91,098	126,851	86,707
Other Charges and Services	4,145	5,000	3,300	5,500
Capital Outlay	0	140,000	140,000	50,000
TOTAL	**$525,691**	**$748,105**	**$767,660**	**$664,299**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase (+$17,800) in salaries due to keeping laborer position filled.

Materials & Supplies - Increase (+6,700) because of increases in office supplies (+$1,200), clothing (+$1,900), and minor equipment (+3,000).

Contractual Services - Decrease (-$40,100) caused by reduction in garage charges to account for more accurate billing of vehicles and equipment (-$29,700) and decrease in equipment rentals (-$15,000).

Other Charges & Services - Reduction in fuel delivery reimbursements (+$2,200).

Capital Outlay - Reduction (-$90,000) to leave funding to furnish new recycling building now underway should it not be completed in FY 2018.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Recyclable tons diverted	2,399	2,399	3,899	4,000
Senior Citizens collections	151	151	139	150

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Recycling Coordinator	1.00	1.00	1.00	1.00
Crewleader	2.00	2.00	2.00	2.00
Equipment Operator	1.00	1.00	1.00	1.00
Laborer	6.00	6.00	6.00	6.00
TOTAL	**10.00**	**10.00**	**10.00**	**10.00**

FY2019 ADOPTED BUDGET
RECYCLING

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$265,442	$303,161	$282,248	$315,631
511005 Longevity	1,574	1,650	1,710	1,750
511006 Differential Pay	71	0	7	0
511009 Overtime	23,001	35,000	41,264	35,000
511125 Residency Pay	9,288	7,529	15,346	7,529
511510 Group Health Insurance	54,567	67,200	64,016	67,200
511515 Worker's Compensation	10,923	10,923	10,923	7,298
511520 Group Life Insurance	981	1,162	1,095	1,210
511530 Social Security - Employment	17,722	21,535	22,148	22,314
511535 Medicare - Employer's	4,145	5,036	5,180	5,219
511542 City Employee Retirement	26,944	31,261	33,702	32,392
511650 Salary Reimbursements	793	1,500	556	500
Total Personnel Services	**$415,451**	**$485,957**	**$478,195**	**$496,043**
Materials and Supplies				
521065 Office Supplies	2,446	3,000	1,720	3,000
522011 Chemicals	19	100	0	100
522013 Clothing	5,512	6,150	4,224	6,150
522015 Concrete And Aggregate	335	400	0	400
522037 Janitorial Supplies	224	400	381	400
522038 Safety Supplies	1,687	3,000	2,398	3,000
522055 Minor Tools	1,020	2,000	1,197	2,000
522056 Minor Equipment	6,410	6,000	3,000	6,000
522065 Paint And Lumber	249	0	605	0
522099 Other Supplies	1,466	2,500	2,015	2,500
525031 Electricity	2,954	2,500	3,774	2,500
Total Materials and Supplies	**$22,322**	**$26,050**	**$19,314**	**$26,050**
Contractual Services				
531003 Engineering Services	1,423	0	0	0
531005 Other Services	480	500	1,160	500
531025 Memberships	270	300	300	300
531027 Certifications / Permits	0	0	125	0
531028 Software Licenses	0	5,000	2,000	2,000
531115 Refuse Disposal	1,132	0	0	0
531125 Other Contracts	10,792	9,000	8,353	9,000
531230 Equipment Repairs	610	10,000	8,161	10,000
531240 Maintenance Contracts	1,207	1,000	1,954	1,000
531250 Vehicle Repairs	1,075	0	0	0
531320 Equipment Rental	7,936	4,500	19,056	4,500
531350 Garage Charges	35,117	35,117	63,487	33,727
531360 Computer Charges	11,960	12,530	12,530	12,530
532065 Printing, Duplication	0	500	0	500
532066 Print Shop Charges	0	100	0	100
532083 Telephone Service	3,038	4,000	693	4,000
532084 Cellular Service	317	550	1,140	550
532086 Other Communications	6,712	7,000	6,704	7,000
533085 Travel/Training	1,703	1,000	1,188	1,000
Total Contractual Services	**$83,774**	**$91,098**	**$126,851**	**$86,707**

FY2018 ADOPTED BUDGET
RECYCLING

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Other Charges and Services				
544087 Expense Reimbursement	4,145	5,000	3,332	5,500
547020 Bad Debt	0	0	(32)	0
Total Other Charges and Services	**$4,145**	**$5,000**	**$3,300**	**$5,500**
Capital Outlay				
564003 Vehicle Capital Outlay	0	5,000	5,000	0
564005 Capital Outlay - Improvements	0	50,000	50,000	50,000
564117 Machinery & Equipment	0	85,000	85,000	0
Total Capital Outlay	**$0**	**$140,000**	**$140,000**	**$50,000**
Total Expenses	**$525,691**	**$748,105**	**$767,660**	**$664,299**

Utility Billing
(Sanitation Share)

Division Mission

The Utility Billing Division is responsible for setting up services for new water customers and accurately billing for utility services provided by the City. It is also responsible for the prompt posting of payments received and being responsive to concerns raised by citizens.

Accomplishments

- Re-sequenced water meter account locations into the proper routes for more efficient meter readings.
- Processed over 2,100 adjustments to customer's billing charges as a result of the winter freeze.
- Reduced the number of unread meters to 200 per month.
- Answered 92% of all customer calls on their first attempt.
- Reduced the number of outstanding unresolved customer concerns by 220; only 25 concerns previously submitted remaining open.

Goals

- Re-design the utility billing statement to make it easier for customers to understand.

FY2019 ADOPTED BUDGET
UTILITY BILLING (SANITATION SHARE)

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$108,716	$120,390	$106,985	$123,810
Materials and Supplies	7,660	8,250	5,780	8,250
Contractual Services	69,938	75,448	45,689	50,331
Other Charges and Services	31,916	38,250	35,635	30,000
TOTAL	**$218,231**	**$242,338**	**$194,089**	**$212,391**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

*Utility Billing office cost allocation is 37.5% Water, 37.5% Sewer, 15% Sanitation, 10% Drainage.

Personnel Services - Net increase (+$16,800) due to net vacancy of less than one FTE in FY 2018.
Materials and Supplies - Increase (+$2,500) due to increase (+$1,400) in printed materials, increase for minor equipment (+$1,000).
Contractual Services - Increase (+$4,600) caused by increase in computer charges ($3,100) and postage (+$3,900) offset by decrease (-$3,600) in print shop charges.
Other Charges and Services - Decrease in Bank service charges (-$5,600).

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Number of Customers	20,242	22,266	23,780	23,900
Field investigations and follow up	11,204	10,643	8,522	9,720
Average number of meters not transmitting consumption accurately	850	600	200	150
No. of pre-billing consumption adjustments	121	3,432	3,613	2,472
Amount of pre-billing consump. adjustment	$105,459	$117,312	$90,517	$75,000
Active customers delinquent over 90 days	1,474	120	900	700
Over 90 day balances for active customers	$603,143	$482,514	$579,403	$550,000
Customers paying monthly by auto	3,627	3,989	4,200	4,500
Number of e-bill customers monthly	3,039	3,342	4,509	4,700
Customers with active payment	339	380	50	200
Funds under active payment arrangements	$12,992	$16,000	$6,500	$15,000

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Utility Customer Service Manager	0.150	0.150	0.150	0.150
Collections Specialist	0.150	0.150	0.150	0.150
Utility Billing Supervisor	0.150	0.150	0.150	0.150
Customer Service Supervisor	0.150	0.150	0.150	0.150
Sr. Utility Customer Service Specialist	0.150	0.150	0.150	0.150
Utility Customer Service Specialist	1.350	1.350	1.350	1.350
Administrative Assistant	0.000	0.000	0.000	0.000
TOTAL	**2.100**	**2.100**	**2.100**	**2.100**

FY2019 ADOPTED BUDGET
UTILITY BILLING (SANITATION SHARE)

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$70,023	$77,279	$71,165	$80,247
511005 Longevity	503	510	576	510
511006 Differential Pay	504	542	576	542
511009 Overtime	10,484	11,250	6,503	11,250
511125 Residency Pay	1,115	1,129	1,200	1,129
511510 Group Health Insurance	12,118	14,112	13,670	14,112
511515 Worker's Compensation	166	166	166	111
511520 Group Life Insurance	240	299	260	311
511530 Social Security - Employment	4,951	5,624	4,651	5,808
511535 Medicare - Employer's	1,158	1,315	1,088	1,358
511542 City Employee Retirement	7,456	8,164	7,130	8,431
Total Personnel Services	**$108,716**	**$120,390**	**$106,985**	**$123,810**
Materials and Supplies				
521065 Office Supplies	1,992	2,400	1,877	2,400
521067 Minor Office Equipment	174	1,500	500	1,500
521073 Printed Materials	4,951	3,900	2,500	3,900
522013 Clothing	134	0	0	0
522056 Minor Equipment	410	450	796	450
522075 Pipe And Plumbing Supplies	0	0	107	0
Total Materials and Supplies	**$7,660**	**$8,250**	**$5,780**	**$8,250**
Contractual Services				
531007 Security Service	1,011	450	1,506	1,506
531015 Temporary Employee Services	4,032	1,913	1,500	1,750
531125 Other Contracts	152	0	234	0
531240 Maintenance Contracts	6,215	11,250	8,116	8,250
531320 Equipment Rental	1,874	2,100	1,876	2,100
531360 Computer Charges	30,591	36,155	8,783	11,725
532062 Postage	23,454	19,500	16,040	20,000
532065 Printing, Duplication	60	450	300	450
532066 Print Shop Charges	210	450	4,637	1,000
532083 Telephone Service	2,212	2,400	1,810	2,400
532084 Cellular Service	85	0	204	300
532086 Other Communications	27	30	83	100
533085 Travel/Training	15	750	600	750
Total Contractual Services	**$69,938**	**$75,448**	**$45,689**	**$50,331**
Other Charges and Services				
544105 Bank Service Charges	31,916	38,250	35,635	30,000
Total Other Charges and Services	**$31,916**	**$38,250**	**$35,635**	**$30,000**
Total Expenses	**$218,231**	**$242,338**	**$194,089**	**$212,391**

CITY OF GALVESTON

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FY2019 ADOPTED BUDGET
OTHER EXPENSES

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$0	$37,909	$0	$46,428
Contractual Services	24,547	26,236	26,236	113,554
Other Charges and Services	563,085	591,524	591,524	608,793
Operating Transfers	41,700	35,700	71,200	35,700
Capital Outlay	174,246	980,863	980,863	1,336,000
Debt Service	0	300	0	0
TOTAL	**$803,578**	**$1,672,532**	**$1,669,823**	**$2,140,475**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Includes funds for 2% COLA for Sanitation fund staff ($+46,400).

Contractual Services - Increase (+$87,300) in Sanitation share of citywide allocations for technology services.

Other Charges and Services - Increase (+$17,300) for General Fund administrative service charge (+$6,800), in payment to General Fund in lieu of taxes (+$6,000), for Sanitation fund's share of citywide allocation for Community Outreach and public information (+$24,000) and reduction in insurance expense (-$17,700).

Operating Transfers - Decrease (-$35,000) for a one time transfer to Technology Improvements Fund in FY2018.

Capital Outlay - Total ($846,000) to replace 2 litter trucks ($400,000), two garbage packers ($256,000), and a rear end loader ($190,000)..

FY2019 ADOPTED BUDGET
OTHER EXPENSES

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511002 COLA Increases	$0	$37,909	$0	$46,428
Total Personnel Services	**$0**	**$37,909**	**$0**	**$46,428**
Contractual Services				
531003 Engineering Services	3,600	0	0	0
531360 Computer Charges	20,947	26,236	26,236	113,554
Total Contractual Services	**$24,547**	**$26,236**	**$26,236**	**$113,554**
Other Charges and Services				
547040 Administrative Service Charge	219,000	226,000	226,000	232,800
547050 Payment In Lieu Of Taxes	200,000	200,000	200,000	206,000
547070 Insurance Expense	82,263	82,290	82,290	64,665
547075 City Hall Maintenance	61,822	83,234	83,234	81,296
547095 Community Outreach/Public Info	0	0	0	24,032
Total Other Charges and Services	**$563,085**	**$591,524**	**$591,524**	**$608,793**
Operating Transfers				
553022 Transfer to Tech Imprvt Fund	0	0	35,500	0
553024 Insurance - Transfer Out	6,000	0	0	0
553035 Transfer To Separation Pay Fund	35,700	35,700	35,700	35,700
Total Operating Transfers	**$41,700**	**$35,700**	**$71,200**	**$35,700**
Capital Outlay				
564003 Vehicle Capital Outlay	174,246	980,863	980,863	1,336,000
Total Capital Outlay	**$174,246**	**$980,863**	**$980,863**	**$1,336,000**
Debt Service				
571130 Investment Fees	0	300	0	0
Total Debt Service	**$0**	**$300**	**$0**	**$0**
Total Expenses	**$803,578**	**$1,672,532**	**$1,669,823**	**$2,140,475**

FY2019 ADOPTED BUDGET
MUNICIPAL DRAINAGE UTILITY FUND

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	**1,757,888**	**2,062,063**	**2,062,063**	**2,272,420**
Revenues:				
Drainage District Charge	$2,808,975	$2,766,240	$2,767,000	$2,795,000
Penalties on account	41,266	55,440	28,075	55,440
Interest earned	7,360	6,000	10,790	6,000
Other revenue	23,543	80,800	0	0
Total revenues	**$2,881,143**	**$2,908,480**	**$2,805,865**	**$2,856,440**
Expenses:				
Municipal Drainage Utility	$2,123,412	$2,440,873	$2,010,824	$2,336,883
Transfer to Technology Improvement Fund	75,000	0	20,200	0
Utility billing	139,560	155,364	130,483	146,207
Total expenses	**$2,337,972**	**$2,596,237**	**$2,161,508**	**$2,483,090**
Operating income (loss)	$543,171	$312,244	$644,357	$373,350
Capital outlay/Transfer to Improvement Fund	**$236,213**	**$434,000**	**$434,000**	**$1,074,700**
Prior year adjustment	($2,783)	$0	$0	$0
Ending balance	**$2,062,063**	**$1,940,307**	**$2,272,420**	**$1,571,071**
90 Day Reserve	*$576,486*	*$640,168*	*$532,974*	*$612,269*
120 Day Reserve	*$768,648*	*$853,557*	*$710,633*	*$816,358*

Personnel summary	FY2017 ACTUAL	FY2018 BUDGET	FY2019 BUDGET	FY2019 ADOPTED
Municipal Drainage Utility	31.50	35.20	34.95	$1,744,255
Utility Billing	1.50	1.40	1.40	81,325
Totals	33.00	36.60	36.35	$1,825,580

BUDGET HIGHLIGHTS

• The FY2019 Adopted Budget for the Drainage fund anticipates that market based compensation adjustments will result in being more fully staffed and increasing production.

• The FY2019 Adopted Budget for the Drainage fund does not include an Operating transfer in to the Improvement fund for capital projects. The amount shown is for equipment.

MUNICIPAL DRAINAGE UTILITY FUND
EXPENDITURE SUMMARY

DEPARTMENT		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Drainage Utility & Inspection		$2,178,412	$2,420,873	$2,011,024	$2,316,883
Utility Billing		139,561	155,364	130,483	146,207
	Subtotal	**2,317,973**	**2,576,237**	**2,141,508**	**2,463,090**
Transfer to Improvement Account		20,000	20,000	20,000	20,000
Capital Outlay		236,213	434,000	434,000	1,074,700
Drainage Utility Total		**$2,574,186**	**$3,030,237**	**$2,595,508**	**$3,557,790**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,645,034	$1,775,241	$1,462,159	$1,825,580
Materials and Supplies	39,300	107,650	110,671	114,700
Contractual Services	390,323	504,705	447,295	433,608
Other Charges and Services	158,317	188,241	101,183	89,201
Operating Transfers	105,000	20,000	40,200	20,000
Capital Outlay	236,213	434,000	434,000	1,074,700
Debt Service	0	400	0	0
Drainage Utility Total	**$2,574,186**	**$3,030,237**	**$2,595,508**	**$3,557,790**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Net increase (+$352,900) Includes 2% COLA (+$25,800) and cost of funding market based adjustments for full year while enabling the retention of employees to remain fully staffed.

Materials and Supplies - Slight overall increase ($3,000).

Contractual Services - Net decrease (-$16,400) includes increase in city wide charges for technology services

Other Charges and Services - Net decrease (-$12,000) includes reduced insurance charges (-$8,100) and City Hall maintenance (-$1,700), reduced expense reimbursements for street and drainage repairs (-$14,300) offset by

Operating Transfers - Net decrease (-$20,200) from FY 2018 transfer to the technology improvements fund.

Capital Outlay - Total ($1,049,700) includes replacing a crew cab pickup truck (+$27,300), replacing a Godwin pump ($38,100), replacing a wheel loader ($48,300) and buying a new large vacuum truck ($431,000), a new tracked excavator ($265,000), a new Gradall ($240,000) . Also includes $25,000 for drainage area staff furniture in new Public Works building.

Municipal Drainage Utility Division

Division Mission

The mission of the Municipal Drainage Utility Division is to effectively and efficiently implement the U. S. Environmental Protection Agency mandated National Pollutant Discharge Elimination System by providing for the conveyance of clean storm water to the maximum extent practicable.

Accomplishments

- Continued the T.P.D.E.S. Storm Water Permit process.
- Provided training to Public Works Staff (distribution and collections, streets, drainage, recycling and refuse) in basic storm water management.
- Continued public information programs to promote and educate public about storm water management.
- Improved drainage in west end communities and throughout the city by repairing/cleaning of culverts, storm drain pipe, and inlets.

Goals

- Continue implementation of T.P.D.E.S. storm water permit.
- Continue with the storm sewer cleaning and maintenance program.
- Continue training program for all Public Works / City Staff on basic storm water management, customer service expectations and City-wide initiatives.
- Provide slope mowing for large drainage ditch systems; re-establish drainage ditch systems in various west end subdivisions.
- Continue providing street sweeping for City roadways located between Ferry Road and Cove View Boulevard.
- Maintain the City's drainage system.

FY2019 ADOPTED BUDGET
DRAINAGE UTILITY & INSPECTION

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,576,925	$1,694,980	$1,391,310	$1,744,255
Materials and Supplies	34,198	102,150	108,200	111,200
Contractual Services	345,251	460,602	413,648	397,226
Other Charges and Services	137,040	162,741	77,667	64,201
Operating Transfers	105,000	20,000	40,200	20,000
Capital Outlay	236,213	434,000	434,000	1,074,700
Debt Service	0	400	0	0
TOTAL	**$2,434,626**	**$2,874,873**	**$2,465,024**	**$3,411,583**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

*Utility Billing office staff allocation is 37.5% Water, 37.5% Sewer, 15% Sanitation, 10% Drainage.

Personnel Services - Net increase (+$352,900) Includes 2% COLA (+$25,800) and cost of funding market based
Materials and Supplies - Slight overall increase ($3,000).
Contractual Services - Net decrease (-$16,400) includes increase in city wide charges for technology services (+$19,200), reduction in garage charges (-$24,800), and decrease for other contracts (-$10,800).
Other Charges and Services - Net decrease (-$13,500) includes reduced insurance charges (-$8,100) and City Hall maintenance (-$1,700), reduced expense reimbursements for street and drainage repairs (-$14,300) offset by Drainage Fund's share of community outreach and public information (+$11,000).
Operating Transfers - Net decrease (-$20,200) from FY 2018 transfer to the technology improvements fund.

Capital Outlay - Total ($1,049,700) includes replacing a crew cab pickup truck (+$27,300), replacing a Godwin pump ($38,100), replacing a wheel loader ($48,300) and buying a new large vacuum truck ($431,000), a new tracked excavator ($265,000), a new Gradall ($240,000) . Also includes $25,000 for drainage area staff furniture in new Public Works building.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Storm pipes cleaned (feet)	33,230	0	422	45,000
Blocks cleaned (linear feet)	2,341	2,374	777,652	1,020,000
Total yards of dirt, leaves and debris	1,310	884	331	450

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
ACM Development & Muni Service	0.30	0.30	0.30	0.25
Director of Infrastructure	0.00	0.00	0.00	0.00
City Engineer	0.50	0.00	0.00	0.00
DR Program Specialist	0.00	0.00	0.00	0.00
Assistant City Engineer	0.50	0.00	0.00	0.00
Director of Public Works	0.50	0.50	0.50	0.50
Assistant Director of Public Works	0.50	0.50	0.50	0.50
Superintendent of Streets/Drainage	0.50	0.20	0.50	0.70
Superintendent of Drainage	0.00	1.00	0.00	0.00
Drainage Supervisor	1.00	2.00	1.00	2.00
GIS Technician	1.00	0.00	1.00	0.00
GIS Field Technician	2.00	2.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00
Equipment Operator	11.00	13.00	9.00	13.00
Crewleader	2.00	2.00	2.00	2.00
Laborer	11.00	13.00	11.00	13.00
TOTAL	**31.50**	**35.20**	**28.50**	**34.95**

FY2019 ADOPTED BUDGET
DRAINAGE UTILITY & INSPECTION

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$1,132,855	$1,201,593	$995,909	$1,236,085
511002 COLA Increases	0	24,886	0	25,752
511005 Longevity	4,322	5,859	4,634	6,054
511006 Differential Pay	944	904	900	904
511009 Overtime	56,050	50,000	42,447	50,000
511125 Residency Pay	36,581	24,970	39,067	38,270
511510 Group Health Insurance - Employer's	179,781	226,632	188,662	222,936
511515 Worker's Compensation	13,690	13,690	13,690	9,146
511520 Group Life Insurance	3,745	3,629	3,689	4,156
511530 Social Security - Employer's	73,572	81,109	67,143	84,138
511535 Medicare - Employer's	17,223	18,969	15,703	19,677
511542 City Employee Retirement	110,767	117,739	97,466	122,136
511650 Salary Reimbursements	(34,803)	(75,000)	(78,000)	(75,000)
511655 Salary Reimbursements-Grants	(17,802)	0	0	0
Total Personnel Services	**$1,576,925**	**$1,694,980**	**$1,391,310**	**$1,744,255**
Materials and Supplies				
521065 Office Supplies	8,847	9,500	7,500	7,500
522011 Chemicals	832	200	7,500	7,500
522013 Clothing	13,648	24,000	22,000	25,000
522015 Concrete And Aggregate	1,766	50,000	50,000	50,000
522037 Janitorial Supplies	212	450	500	500
522038 Safety Supplies	657	1,000	2,500	2,500
522055 Minor Tools	5,585	7,000	6,500	6,500
522056 Minor Equipment	2,531	8,000	10,000	10,000
522065 Paint And Lumber	37	1,500	500	500
522075 Pipe And Plumbing Supplies	0	0	200	200
522085 Equipment Parts	82	0	800	800
522099 Other Supplies	0	500	200	200
Total Materials and Supplies	**$34,198**	**$102,150**	**$108,200**	**$111,200**
Contractual Services				
531003 Engineering Services	800	0	0	0
531005 Other Services	190	200	200	200
531025 Memberships	492	800	800	800
531027 Certification & Permit Fees	300	400	200	200
531028 Software Licenses	11,628	12,000	12,000	1,200
531125 Other Contracts	13,714	125,000	125,000	125,000
531230 Equipment Repairs	0	0	500	500
531240 Maintenance Contracts	5,187	4,000	5,500	5,500
531320 Equipment Rental	8,151	5,000	15,000	15,000
531350 Garage Charges	282,880	281,794	185,000	160,203
531360 Computer Charges	14,298	17,908	57,248	76,423
532065 Printing, Duplication	253	500	500	500
532066 Print Shop Charges	0	0	0	0
532084 Cellular Service	2,205	4,000	4,000	4,000
532086 Other Communications	1,865	2,500	1,500	1,500
532087 Aircard Service	543	500	700	700
533085 Travel/Training	2,746	6,000	5,500	5,500
Total Contractual Services	**$345,251**	**$460,602**	**$413,648**	**$397,226**

FY2019 ADOPTED BUDGET
DRAINAGE UTILITY & INSPECTION

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Other Charges and Services				
544032 Meeting Expenditures	774	900	1,500	1,200
544087 Expense Reimbursement	0	0	(23,192)	0
544096 Expense Reimbursement (Equip.)	0	0	(62,482)	(100,000)
547040 Administrative Service Charge	49,000	50,000	50,000	50,000
547070 Insurance Expense	34,276	40,497	40,497	32,327
547075 City Hall Maintenance	52,990	71,344	71,344	69,682
547095 Community Outreach/Public Info	0	0	0	10,992
Total Other Charges and Services	**$137,040**	**$162,741**	**$77,667**	**$64,201**
Operating Transfers				
553022 Transfer To Tech Imprvt Fund	75,000	0	20,200	0
553024 Insurance - Transfer Out	10,000	0	0	0
553035 Transfer To Separation Pay Fund	20,000	20,000	20,000	20,000
Total Operating Transfers	**$105,000**	**$20,000**	**$40,200**	**$20,000**
Capital Outlay				
564003 Vehicle Capital Outlay	185,648	377,860	377,860	1,049,700
564005 Capital Outlay - Improvements	0	0	0	25,000
564099 Other Capital Purchases	50,565	0	0	0
564117 Machinery And Equipment	0	56,140	56,140	0
Total Capital Outlay	**$236,213**	**$434,000**	**$434,000**	**$1,074,700**
Debt Service				
571130 Investment Fees	0	400	0	0
Total Debt Service	**$0**	**$400**	**$0**	**$0**
Total Expenses	**$2,434,625**	**$2,874,873**	**$2,465,024**	**$3,411,583**

Utility Billing
(Drainage Utility Share)

Division Mission

The Utility Billing Division is responsible for setting up services for new water customers and accurately billing for utility services provided by the City. It is also responsible for the prompt posting of payments received and being responsive to concerns raised by citizens.

Accomplishments

- Re-sequenced water meter account locations into the proper routes for more efficient meter readings.
- Processed over 2,100 adjustments to customer's billing charges as a result of the winter freeze.
- Reduced the number of unread meters to 200 per month.
- Answered 92% of all customer calls on their first attempt.
- Reduced the number of outstanding unresolved customer concerns by 220; only 25 concerns previously submitted remaining open.

Goals

- Re-design the utility billing statement to make it easier for customers to understand.

FY2019 ADOPTED BUDGET
UTILITY BILLING (DRAINAGE UTILITY SHARE)

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$68,109	$80,261	$70,849	$81,325
Materials and Supplies	5,102	5,500	2,471	3,500
Contractual Services	45,073	44,103	33,647	36,382
Other Charges and Services	21,277	25,500	23,516	25,000
TOTAL	**$139,561**	**$155,364**	**$130,483**	**$146,207**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

*Utility Billing allocation is 37.5% Water, 37.5% Sewer, 15% Sanitation, 10% Drainage.

Personnel Services - Net increase (+$10,500) includes 2% COLA and keeping positions filled in FY 2019
Materials and Supplies - Net increase (+$1,000) for minor office equipment and printed materials.
Contractual Services - Increase (+$2,700) in citywide charges for technology services.

Other Charges and Supply - Increase in bank service charges (+$1,500) for online credit cards and phone payments.

PERFORMANCE INDICATORS

INDICATORS	FY2016 ACTUAL	FY2017 ACTUAL	FY2018 ESTIMATED	FY2019 ADOPTED
Number of Customers	20,242	22,266	23,780	23,900
Field investigations and follow up	11,204	10,643	8,522	9,720
Average number of meters not transmitting consumption accurately monthly	850	600	200	150
No. of pre-billing consumption adjustments	121	3,432	3,613	2,472
Amount of pre-billing consump. adjustments	$105,459	$117,312	$90,517	$75,000
Active customers delinquent over 90 days	1,474	120	900	700
Over 90 day balances for active customers	$603,143	$482,514	$579,403	$550,000
Customers paying monthly by auto payment	3,627	3,989	4,200	4,500
Number of e-bill customers monthly	3,039	3,342	4,509	4,700
Customers with active payment arrangements	339	380	50	200
Funds under active payment arrangements	$12,992	$16,000	$6,500	$15,000

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Utility Customer Service Manager	0.10	0.10	0.10	0.10
Collections Specialist	0.10	0.10	0.10	0.10
Utility Billing Supervisor	0.10	0.10	0.10	0.10
Customer Service Supervisor	0.00	0.10	0.10	0.10
Sr. Utility Customer Service Specialist	0.20	0.10	0.10	0.10
Utility Customer Service Specialist	0.90	0.90	0.90	0.90
Administrative Assistant	0.10	0.00	0.00	0.00
TOTAL	**1.50**	**1.40**	**1.40**	**1.40**

FY2019 ADOPTED BUDGET
UTILITY BILLING (DRAINAGE UTILITY SHARE)

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$43,811	$51,519	$47,270	$52,457
511005 Longevity	300	340	382	340
511006 Differential Pay	346	361	396	361
511009 Overtime	6,400	7,500	4,288	7,500
511125 Residency Pay	768	753	825	753
511510 Group Health Insurance	7,728	9,408	9,093	9,408
511515 Worker's Compensation	126	111	111	74
511520 Group Life Insurance	152	200	173	207
511530 Social Security - Employment	3,095	3,749	3,003	3,807
511535 Medicare - Employer's	724	877	702	890
511542 City Employee Retirement	4,659	5,443	4,606	5,527
Total Personnel Services	**$68,109**	**$80,261**	**$70,849**	**$81,325**
Materials and Supplies				
521065 Office Supplies	1,328	1,600	1,152	1,300
521067 Minor Office Equipment	116	1,000	50	500
521073 Printed Materials	3,301	2,600	500	1,000
522013 Clothing	84	0	0	0
522056 Minor Equipment	274	300	697	500
522075 Pipe and Plumbing Supply	0	0	72	200
Total Materials and Supplies	**$5,102**	**$5,500**	**$2,471**	**$3,500**
Contractual Services				
531007 Security Service	280	300	245	300
531015 Temporary Employee Services	2,688	1,275	500	1,000
533125 Other Contracts	101	0	23	100
531240 Maintenance Contracts	4,143	7,500	6,244	6,500
531320 Equipment Rental	1,249	1,400	1,325	1,400
531360 Computer Charges	19,246	17,908	7,815	10,432
532062 Postage	15,636	13,000	12,694	13,000
532065 Printing, Duplication	40	300	50	100
532066 Print Shop Charges	140	300	3,092	1,500
532083 Telephone Service	1,475	1,600	1,205	1,300
532084 Cellular Service	56	0	134	150
532086 Other Communications	18	20	70	100
533085 Travel/Training	0	500	250	500
Total Contractual Services	**$45,073**	**$44,103**	**$33,647**	**$36,382**
Other Charges and Services				
544105 Bank Service Charges	21,277	25,500	23,516	25,000
Total Other Charges and Services	**$21,277**	**$25,500**	**$23,516**	**$25,000**
Total Expenses	**$139,561**	**$155,364**	**$130,483**	**$146,207**

CITY OF GALVESTON

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FY2019 ADOPTED BUDGET
SCHOLES INTERNATIONAL AIRPORT AT GALVESTON

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	**1,324,650**	**1,543,012**	**1,543,012**	**988,394**
Revenues:				
TXDOT grant	$251,276	$50,000	$250,784	$50,000
Building rentals	43,732	$52,772	$54,787	$35,115
Hangar rentals	22,200	$73,500	$43,920	$68,100
Terminal space rental	56,214	$48,000	$44,388	$45,521
Land rentals	457,404	$616,273	$651,895	$638,533
Municipal Utilities	112,000	$78,341	$112,004	$80,300
Golf Course	80,124	$79,843	$80,996	$84,049
General Fund Rental	57,050	$60,000	$62,002	$64,543
Fuel flowage fees	34,387	$40,000	$37,013	$35,000
Interest earned	8,819	$7,000	$11,525	$0
Other revenue	1,577,070	0	569	12,000
Total operating revenue	**$2,700,276**	**$1,105,729**	**$1,349,882**	**$1,113,161**
Expenses:				
Airport Operations	$1,544,270	$1,038,840	$1,037,791	$1,082,844
Insurance	138,835	148,984	148,984	134,565
Administrative Service	56,000	58,000	58,000	59,700
Total expenses	**$1,739,104**	**$1,245,824**	**$1,244,775**	**$1,277,109**
Operating income (loss)	$961,171	($140,095)	$105,108	($163,948)
Transfer to improvement account	**$705,283**	**$659,726**	**$659,726**	**$430,000**
Prior year adjustment	($37,526)	$0	$0	$0
Ending balance	**$1,543,012**	**$743,191**	**$988,394**	**$394,446**

90 Day Reserve	*$428,820*	*$307,190*	*$306,931*	*$314,904*
120 Day Reserve	*$571,760*	*$409,586*	*$409,241*	*$419,871*

Personnel summary	FY2017 ACTUAL	FY2018 BUDGET	FY2019 BUDGET	FY2019 ADOPTED
Scholes International Airport	8.00	8.00	8.00	$464,237

BUDGET HIGHLIGHTS

• The FY2019 Adopted Budget for the Airport fund includes a transfer from Operations in to the Improvement fund for a warehouse building to provide housing for City owned equipment.

AIRPORT FUND
EXPENDITURE SUMMARY

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Airport Operations	$1,544,270	$1,038,840	$1,037,791	$1,082,844
Insurance	138,835	148,984	148,984	134,565
Administrative Service Charge	56,000	58,000	58,000	59,700
Subtotal	**1,739,104**	**1,245,824**	**1,244,775**	**1,277,109**
Transfer to improvement account	705,283	659,726	659,726	430,000
Airport Total	**$2,444,388**	**$1,905,550**	**$1,904,501**	**$1,707,109**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$447,865	$453,404	$455,145	$464,237
Materials and Supplies	95,237	116,800	103,805	105,200
Contractual Services	191,208	196,947	190,514	206,922
Other Charges and Services	251,167	281,328	280,828	272,620
Operating Transfers	1,282,539	806,571	817,553	596,630
Capital Outlay	176,371	50,000	56,156	61,000
Debt Service	0	500	500	500
Airport Total	**$2,444,388**	**$1,905,550**	**$1,904,501**	**$1,707,109**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Increase (+$5,900) includes 2% COLA for Airport employees.

Contractual Services - Increase (+$16,400) includes increased garage charges (+8,500) and Airport's share of citywide increase in computer charges (+$5,100).

Other Charges and Services - Reduction (-$8,200) is net of increased General Fund administrative charge (+$1,700), Airport's share of community outreach and public information ($5,700) and reduced insurance expense (-$14,400).

Operating Transfers - Decreasing (-$220,900) due to net adjustments in Airport CIP projects, including Airport warehouse building.

Capital Outlay - Net increase (+$4,800) for grounds maintenance equipment.

Scholes International Airport

Department Mission

The mission of the Scholes International Airport is to promote and operate the Airport in a safe and efficient manner, to be responsive to the needs of the community, and to keep the community informed of the economic impact of the Airport.

Accomplishments

- Provided recommendation to City Council resulting in the adoption of a written Ground Lease Policy, which will allow the Airport to update most of the existing hangar leases, adjust the lease rates to the new adopted rates, while giving the existing lease holders options, should their hangar receive damage during a natural disaster.
- Purchased a 4-unit T-Hangar, resulting in an estimated net increase in revenue of $551,000 over a 30-year period.
- Completed the engineering and construction of a 3.8 mile fence around the Airport, thus reducing unauthorized access to the secured areas of the property.
- In partnership with Public Works, completed a new Hangar Access Road at Gate 4.
- Installed underground electrical service lines to the new hangar sites located on the north side of the Hangar Access Ramp.
- In partnership with Facilities Maintenance, completed interior LED lighting upgrades in Hangar 28, as well as the installation of 21 LED Security Lights at the North Ramp Hangar Area.
- Received recognition from TxDOT Aviation as the 2018 Reliever Airport of the Year.

Goals

- Complete various capital improvement projects within established budgets.
- Increase development and revenues to the Airport in order to match Federal and State grants and cover airport-related expenses.
- Continue to work with partners to promote and attract new aviation-related businesses to the Airport.
- Continue staff development through established training programs, educational seminars and conferences specific to aviation.
- Foster an environment in which potential clients, the community and partners alike are supportive of and drawn to an unmatched experience at our Airport.

FY2019 ADOPTED BUDGET
AIRPORT OPERATIONS

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$447,865	$453,404	$455,145	$464,237
Materials and Supplies	95,237	116,800	103,805	105,200
Contractual Services	191,208	196,947	190,514	206,922
Other Charges and Services	251,167	281,328	280,828	272,620
Operating Transfers	1,282,539	806,571	817,553	596,630
Capital Outlay	176,371	50,000	56,156	61,000
Debt Service	0	500	500	500
TOTAL	**$2,444,388**	**$1,905,550**	**$1,904,501**	**$1,707,109**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase (+$5,900) includes 2% COLA for Airport employees.
Contractual Services - Increase (+$16,400) includes increased garage charges (+8,500) and Airport's share of citywide increase in computer charges (+$5,100).

Other Charges and Services - Reduction (-$8,200) is net of increased General Fund administrative charge (+$1,700), Airport's share of community outreach and public information ($5,700) and reduced insurance expense (-$14,400).

Operating Transfers - Decreasing (-$220,900) due to net adjustments in Airport CIP projects, including Airport warehouse building.
Capital Outlay - Net increase (+$4,800) for grounds maintenance equipment.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Take offs and landings	33,363	34,000	31,000	34,000
Fuel Flowage (gallons)	954,049	1,204,900	780,000	1,000,000

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director of Airport	1.00	1.00	1.00	1.00
Senior Administrative Assistant	1.00	1.00	1.00	1.00
Airport Maintenance Crew Leader	1.00	1.00	1.00	1.00
Office Specialist	1.00	1.00	1.00	1.00
Airport Maintenance Technician	4.00	4.00	4.00	4.00
TOTAL	**8.00**	**8.00**	**8.00**	**8.00**

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$322,396	$319,117	$324,224	$326,751
511002 COLA Increases	0	6,393	0	6,535
511005 Longevity	4,818	4,760	4,896	4,928
511009 Overtime	6,306	3,000	521	1,000
511125 Residency Pay	10,000	10,038	10,000	10,000
511510 Group Health Insurance - Employer's	48,710	49,440	55,958	53,760
511515 Worker's Compensation	2,529	2,529	2,529	1,690
511520 Group Life Insurance	1,011	1,080	1,725	1,096
511530 Social Security - Employer's	20,358	22,360	20,057	21,775
511535 Medicare - Employer's	4,761	5,229	4,691	5,093
511542 City Employee Retirement	30,917	32,458	30,544	31,609
511650 Salary Reimbursements	(3,940)	(3,000)	0	0
Total Personnel Services	**$447,865**	**$453,404**	**$455,145**	**$464,237**
Materials and Supplies				
521065 Office Supplies	1,452	1,800	1,500	1,500
522003 Agriculture Supplies	4,776	4,000	3,000	3,000
522013 Clothing	2,303	4,000	3,000	3,500
522037 Janitorial Supplies	4,760	5,500	4,500	5,000
522045 Electrical Hardware	8,916	21,500	16,500	20,000
522055 Minor Tools	2,081	1,500	1,500	1,500
522056 Minor Equipment	18,376	3,000	3,000	3,000
522065 Paint And Lumber	38	500	765	700
522099 Other Supplies	10,814	20,000	20,000	16,000
525031 Electricity	41,722	55,000	50,040	51,000
Total Materials and Supplies	**$95,237**	**$116,800**	**$103,805**	**$105,200**
Contractual Services				
531025 Memberships	2,875	3,800	2,975	3,000
531027 Certifications and Permit Fess	0	0	35	100
531125 Other Contracts	42,185	25,000	25,000	25,000
531220 Building Repairs	4,294	8,000	7,000	7,000
531230 Equipment Repairs	18,236	35,000	32,000	30,000
531240 Maintenance Contracts	20,493	25,000	22,000	25,000
531320 Equipment Rental	467	800	600	800
531350 Garage Charges	44,014	40,994	39,321	47,861
531360 Computer Charges	6,031	7,553	15,215	20,311
532062 Postage	117	600	600	500
532065 Printing, Duplication	467	800	500	500
532066 Printshop Charges	0	0	45	100
532083 Telephone Service	38,901	32,000	30,341	32,000
532084 Cellular Service	743	800	578	750
532086 Other Communications	7,127	7,600	7,304	7,500
533085 Travel/Training	3,169	6,000	5,000	4,000
533100 Advertising	2,090	3,000	2,000	2,500
Total Contractual Services	**$191,208**	**$196,947**	**$190,514**	**$206,922**

LINE ITEM DETAIL

		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Other Charges and Services					
544032	Meeting Expenditures	818	1,000	1,000	1,000
544099	Miscellaneous Expense	2,524	2,000	1,500	2,000
547040	Administrative Service Charge	56,000	58,000	58,000	59,700
547070	Insurance Expense	138,835	148,984	148,984	134,565
547075	Facilities Maintenance	52,990	71,344	71,344	69,682
547095	Community Outreach/Public Info	0	0	0	5,673
Total Other Charges and Services		**$251,167**	**$281,328**	**$280,828**	**$272,620**
Operating Transfers					
553015	Airport - Transfer Out	705,283	659,726	659,726	430,000
553022	Transfer to Tech Imprvt Fund	0	0	6,500	0
553050	Transfer To Hurricane Harvey Fund	0	140,215	140,215	0
553024	Insurance - Transfer Out	570,626	0	4,482	160,000
553035	Transfer To Separation Pay Fund	6,630	6,630	6,630	6,630
Total Operating Transfers		**$1,282,539**	**$806,571**	**$817,553**	**$596,630**
564005	Capital Outlay - Improvements	115,981	50,000	56,156	50,000
564007	Construction Improvement (TxDot)	50,639	0	0	0
564117	Machinery & Equipment	9,751	0	0	11,000
Total Capital Outlay		**$176,371**	**$50,000**	**$56,156**	**$61,000**
Debt Service					
571130	Investment Fees	0	500	500	500
Total Special Events and Programs		**$0**	**$0**	**$0**	**$0**
Total Expenses		**$2,444,388**	**$1,905,550**	**$1,904,501**	**$1,707,109**

CITY OF GALVESTON

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INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS
Summary Schedule of Revenues and Expenditures

	FY2017 Actual	FY2018 Budget	FY2018 Estimated	FY2019 Adopted
Beginning Fund Balance				
Central Services	$642,210	$827,545	$827,545	$824,077
Central Garage Fund	732,046	1,134,202	1,134,202	1,430,088
Casualty & Liability Insurance	2,199,033	2,450,150	2,450,150	2,505,008
Workers' Compensation Fund	1,774,114	1,983,536	1,983,536	2,059,598
Health & Life Insurance Fund	3,900,754	2,966,607	2,966,607	2,436,006
Project Management Fund	5,745	4,179	4,179	4,179
Total	**$9,253,902**	**$9,366,220**	**$9,366,220**	**$9,258,957**
Revenues				
Central Services	$2,821,079	$3,371,435	$3,361,056	$4,434,204
Central Garage Fund	4,758,964	4,458,293	4,737,068	4,672,842
Casualty & Liability Insurance	1,940,945	2,045,399	2,049,406	1,790,266
Workers' Compensation Fund	605,286	606,554	618,916	425,619
Health & Life Insurance Fund	9,643,509	8,790,000	9,100,200	9,060,000
Project Management Fund	224	0	0	0
Total	**$19,770,007**	**$19,271,681**	**$19,866,647**	**$20,382,931**
Expenditures				
Central Services	$2,635,744	$3,367,436	$3,364,524	$4,429,705
Central Garage Fund	4,356,808	5,297,949	4,441,182	5,373,842
Casualty & Liability Insurance	1,689,828	2,030,399	1,994,548	2,150,266
Workers' Compensation Fund	395,864	606,554	542,854	425,619
Health & Life Insurance Fund	10,577,656	8,789,000	9,630,801	9,060,000
Project Management Fund	1,790	0	0	0
Total	**$19,657,690**	**$20,091,338**	**$19,973,910**	**$21,439,432**
Ending Fund Balances				
Central Services	$827,545	$831,544	$824,077	$828,576
Central Garage Fund	1,134,202	294,546	1,430,088	729,088
Casualty & Liability Insurance	2,450,150	2,465,150	2,505,008	2,145,008
Workers' Compensation Fund	1,983,536	1,983,536	2,059,598	2,059,598
Health & Life Insurance Fund	2,966,607	2,967,607	2,436,006	2,436,006
Project Management Fund	4,179	4,179	4,179	4,179
Total	**$9,366,220**	**$8,546,563**	**$9,258,957**	**$8,202,456**

OVERVIEW

The Internal Service Funds provide a means of sharing the cost of specific support costs and services across the city through a series of direct charges throughout the year. While they operate like enterprise funds and are considered similar to the, they can actually be considered an extension of the City's General Fund.

Casualty & Liability Insurance Fund - After reviewing the charges and allocation methodologies for the various funds, it was determined that this has been overcharging operating departments over a five year period. Between FY 2013 and FY 2018, that fund had overcharged for insurance service and policies an average of $379,000 per year. As of the end of FY 2018, the balance is estimated to be $2.5 million, or the equivalent of 126 percent of FY 2018 expenditures. The Adopted Budget will reduce billing to departments in FY 2019 for the insurance fund such that the ending balance next year will be equal to the budgeted expenditures for the year, a 100 percent reserve.

Central Services Fund: Technology Services - The City has systematically underfunded its technology are for some time. The FY 2019 Adopted Budget for Technology Services is proposing a $2.62 million budget for FY 2019 for this important area including adding staff with project management skills and additional funding for software licensing and maintenance, and the city's technology infrastructure. Allocation statistics have been updated and the cost increase is being allocated equitably across funds and departments.

Central Services Fund: Community Outreach - This organization is being funded for the first time as an internal service in FY 2019. It includes costs formerly charged to the General Fund for the public information function.

Expenditure Summaries by Fund

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Central Service	$2,635,744	$3,367,436	$3,364,524	$4,429,705
Central Garage	4,356,808	5,297,949	4,441,182	5,373,842
Casualty & Liability	1,689,829	2,030,399	1,994,548	2,150,266
Workers' Compensation	395,864	606,554	542,854	425,619
Health & Life Insurance	10,376,873	8,789,000	9,485,801	0
Project Management	1,790	0	0	0
Internal Service Fund Total	**$19,456,907**	**$20,091,338**	**$19,828,909**	**$12,379,433**

Expenditure Summaries by Category

CATEGORY	FY2016 ACTUAL	FY2017 BUDGET	FY2017 ESTIMATED	FY2019 ADOPTED
Personnel Services	$3,248,588	$4,624,694	$3,970,596	$5,066,865
Materials and Supplies	2,370,866	2,601,043	2,470,326	2,857,897
Contractual Services	13,471,436	12,661,022	13,477,512	4,385,893
Other Charges and Services	(3,803)	(1,053,456)	(710,140)	(1,163,341)
Operating Transfers	233,049	0	180,000	21,705
Capital Outlay	107,037	1,117,937	299,876	1,070,318
Debt Service	29,733	140,098	140,739	140,096
Special Programs and Events	0	0	0	0
Internal Service Fund Total	**$19,456,907**	**$20,091,338**	**$19,828,910**	**$12,379,433**

BUDGET HIGHLIGHTS

• Personnel Services - Net increase (+$1,600,000). The Central Service fund includes a reorganization of personnel for the Technology Service group (+$331,000). (See Technology Service section, page IF-9). The Project Management fund includes a reorganization for personnel involved with the Capital Improvement Plan which includes for the planning, engineering, and inspecting of capital projects (+$1,131,000).

• Other Charges and Services - Net decrease (-$1,171,00). These are reimbursable costs incurred by the Project Management group for the planning, engineering, and inspecting of capital projects per the Capital Improvement Plan FY2018 (See Project Management section).

See the following pages for detailed discussions of each budget.

FY2019 ADOPTED BUDGET
CENTRAL SERVICE FUND SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	$642,210	$827,545	$827,545	$824,077
Revenues:				
Sales to Departments				
Technology charges	$1,550,046	$1,923,091	$1,923,091	$2,620,002
Central mail charges	107,995	121,185	106,863	118,667
Print shop charges	29,306	134,100	138,007	134,100
Facilities charges	1,128,332	1,189,059	1,189,059	1,161,366
Communications and Engagement	0	0	0	395,570
Other revenue	5,399	4,000	4,037	4,500
Total revenues	$2,821,079	$3,371,435	$3,361,056	$4,434,204
Expenses:				
Mail	$121,601	$121,186	$107,839	$118,667
Information technology	1,425,335	1,724,598	1,826,117	2,347,002
Facilities Department	998,361	1,151,274	1,109,711	1,123,582
Print shop	52,662	134,100	138,007	134,100
Community Outreach	0	0	48,532	363,570
Total expenses	$2,597,959	$3,131,158	$3,230,206	$4,086,920
Net income (loss)	$223,120	$240,277	$130,850	$347,284
Capital Outlay	$37,785	$236,278	$134,318	$342,785
Ending Fund Balance	$827,545	$831,544	$824,077	$828,576

Personnel summary	2017 Actual	2018 Budget	2019 Budget	Salary Costs
Mail	1.00	1.00	1.00	$54,607
Technology Services	12.00	16.00	16.00	1,342,964
Facilities Department	3.00	5.00	5.00	381,820
Print Shop	0.00	0.00	0.00	0
Community Outreach	0.00	1.00	3.00	222,133
Totals	16.00	23.00	25.00	$1,779,391

FY2019 ADOPTED BUDGET
CENTRAL SERVICE FUND
EXPENDITURE SUMMARY

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Technology Services	$1,425,335	$1,923,091	$1,925,773	$2,620,002
Facilities	1,036,146	1,189,059	1,144,373	1,161,367
Community Outreach	0	0	48,532	395,570
Mail	121,601	121,186	107,839	118,667
Print Shop	52,662	134,100	138,007	134,100
Central Service Fund Total	**$2,635,744**	**$3,367,436**	**$3,364,524**	**$4,429,705**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,452,100	$1,667,662	$1,468,058	$2,063,983
Materials and Supplies	210,990	363,817	378,549	506,188
Contractual Services	616,809	930,125	1,043,354	1,343,142
Other Charges and Services	55,277	30,656	30,656	33,511
Operating Transfers	233,049	0	170,000	0
Capital Outlay	37,785	236,278	134,318	342,785
Debt Service	29,733	138,898	139,589	140,096
Central Service Fund Total	**$2,635,744**	**$3,367,436**	**$3,364,524**	**$4,429,705**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Increase includes for the reorganization of personnel and addition Executive Director position for Community Outreach (+$221,282), annualized costs for personnel and 2% COLA for Mail room department (+$35,646), salary increases for personnel (+ $7,818) for Facilities, and annualized cost for personnel (+ $235,886) and addition of IT Support Service Manager (+ $69,450) in Technology Services.

Materials and Supplies - Increase includes desktop and equipment replacement (+ $133,563) in Technology, decrease in fuel and lubricants (- $5,000) in Facilities, decrease in inventory supplies for resale (- $8,983) in the Print Shop, and and increase for office supplies and general materials (+ $8,000) for Community Outreach.

Contractual Services - Increase includes Facilites department (+ $10,100) for various services, decrease in Mail (- $23,800), Technology Services (+ $246,900) for various services, Community Outreach (+ $53,906), and Print Shop (+$5,076).

Other Charges and Services - Minor overall increase (+ $2,800).

Capital Outlay - Increase includes increase (+ $35,000) in vehicle capital outlay for Community Outreach and Facilities and an increase (+$173,000) for PC's and related equipment in Technology Services.

CITY OF GALVESTON

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Information Technology

Department Mission

The mission of the Information Technology Department is to increase the availability of usable information and technology to the parties that need it, when they need it; creating efficiency of operations, allowing more to be done with less. Major responsibilities of the department include the planning and maintenance of network, servers, personal computers and laptops, as well as the City's telephone system. This department provides technology tools and services to the Citizens of Galveston and City Staff. Core to the mission of the department is the maintaining of technology infrastructure to maximize uptime, reducing system redundancy, and speed disaster recovery.

Accomplishments

- Implemented a disaster recovery site.
- Upgraded the City's enterprise content management solution.
- Upgraded the Accela Automation software, implemented and deployed the electronic plan review solution for the Development Services Department.
- Upgraded the Utility Billing software solution.
- Completed network redesign to support dynamic multi-datacenter routing topology, thus enhancing network performance.
- Deployed upgrades to existing server equipment.
- Replaced the City's primary firewall equipment.
- Deployed solution that allows users unassisted password reset capabilities.

Goals

- Provide citywide innovation and leadership in the utilization and deployment of information technology service and applications.
- Ensure high-quality, effective and efficient production and support services for Galveston and its employees by ensuring a skilled, responsive and innovative workforce that keeps current with evolving business critical technologies is maintained.
- Maintain a secure information technology environment, ensuring the confidentiality, integrity and high availability of critical information and systems.
- Deploy modern and adaptable software for better collaboration and communication within City departments, and between the City and its residents and businesses.
- Educate city staff on the use of technology thereby creating greater efficiencies in overall operations.
- Maintain infrastructure that is resilient, scalable, agile, and secure from cyber-threats and natural disasters by refreshing aging technology.
- Educate and promote the use of Geographic Information Systems (GIS) and related technologies as a tool to more effectively and efficiently address problems, develop plans, and manage the natural, cultural, economic and infrastructure resources of the City.
- Maximize budget to ensure departmental needs are met.
- Work with City Departments to review, revise and develop IT service level agreements to be implemented in future budget years.

FY2019 ADOPTED BUDGET
TECHNOLOGY SERVICES

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,072,268	$1,257,190	$1,037,628	$1,342,964
Materials and Supplies	31,027	33,317	33,825	167,388
Contractual Services	276,305	422,484	573,057	819,958
Other Charges and Services	45,734	11,607	11,607	15,492
Capital Outlay	0	198,493	99,656	273,000
Debt Service	0	0	0	1,200
TOTAL	**$1,425,335**	**$1,923,091**	**$1,925,773**	**$2,620,002**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Includes an annualized cost for personnel (+ $235,886) and addition of IT Support Service Manager (+ $69,450)

Materials and Supplies - Includes desktop and other equipment replacement (+ $133,563).

Contractual Services - Net increase (+$246,900) includes increases in consultant services (+ $40,000), software maintenance contracts (+ $84,950), equipment repairs (+ $6,500), maintenance contracts (+ $70,000), telephone service (+ $13,000), other communications (+ $17,000), and travel/training (+ $15,000)

Capital Outlay - Net increase (+ $ 173,344) - Decrease in data processing equipment (- $ 96,907) and an increase in PC's & related equipment (+ $273,000) for data center upgrades, wireless access points, and Citrix.

Operating Transfers - An estimated $170,000 budgeted underrun is projected for transfer to the Technology Improvement Special Fund at the end of FY 2018. This will help fund continuing citywide technology and system improvements.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Service tickets closed	6,273	4,298	4,249	4,300
Major projects	4	6	5	7
Other projects	8	13	8	6

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Chief Information & Technology Officer	1.00	1.00	1.00	1.00
Director of Technology Services	1.00	0.00	1.00	0.00
Infrastructure Architect	1.00	0.00	1.00	0.00
DB/Application Administrator	1.00	1.00	1.00	1.00
Assistant Director of Technology Services	1.00	1.00	1.00	1.00
Senior Developer/Program Analyst	1.00	1.00	1.00	1.00
GIS Supervisor	0.00	1.00	0.00	1.00
Network Administrator	1.00	1.00	1.00	1.00
GIS Analyst	0.00	1.00	0.00	1.00
Public Safety System Administrator	1.00	1.00	1.00	1.00
Infrastructure Technician	0.00	1.00	0.00	1.00
Business Systems Analyst	0.00	1.00	0.00	1.00
GIS Technician	0.00	1.00	0.00	1.00
Applications Analyst	2.00	2.00	2.00	2.00
Desktop Support Specialist	2.00	2.00	2.00	2.00
Administrative Assistant	0.00	1.00	0.00	1.00
TOTAL	**12.00**	**16.00**	**12.00**	**16.00**

FY2019 ADOPTED BUDGET
TECHNOLOGY SERVICES

LINE ITEM DETAIL		FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services					
511001	Regular Payroll	$822,572	$995,583	$829,700	$1,062,983
511002	COLA Increases	0	19,912	0	21,026
511005	Longevity	5,002	4,626	5,650	5,585
511009	Overtime	24,245	20,000	19,784	20,000
511021	Part Time Payroll	0	0	1,554	0
511125	Residency Pay	3,846	5,019	5,000	5,019
511410	Separation Vacation	1,434	0	4,077	0
511420	Separation Sick Pay	145	0	12,683	0
511430	Separation Compensatory Time	865	0	0	0
511510	Group Health Insurance	69,927	107,520	82,572	114,240
511515	Worker's Compensation	906	906	906	605
511520	Group Life Insurance	2,059	2,934	2,769	3,199
511530	Social Security - Employment	51,900	64,799	54,464	68,380
511535	Medicare - Employer's	12,138	15,155	12,737	15,992
511542	City Employee Retirement	77,230	94,063	79,060	99,262
511650	Salary Reimbursements	0	(73,327)	(73,327)	(73,327)
Total Personnel Services		**$1,072,268**	**$1,257,190**	**$1,037,628**	**$1,342,964**
Materials and Supplies					
521065	Office Supplies	2,492	2,500	2,469	2,500
521067	Minor Office Equipment	28,535	30,817	30,630	164,888
521088	Training Materials	0	0	726	0
Total Materials and Supplies		**$31,027**	**$33,317**	**$33,825**	**$167,388**
Contractual Services					
531004	Consultant Services	14,500	15,000	15,000	55,000
531025	Memberships	152	200	200	800
531028	Software Licenses	7,702	18,000	19,063	20,000
531029	Software Maintenance Contracts	666	0	150,000	234,952
531230	Equipment Repairs	4,902	20,000	3,920	10,000
531240	Maintenance Contracts	211,496	330,184	330,716	400,693
531250	Vehicle Repairs	977	1,000	750	1,000
531350	Garage Charges	2,092	5,500	5,435	4,313
532065	Printing, Duplication	40	100	0	100
532066	Print Shop	80	0	0	0
532083	Telephone Service	10,438	10,000	12,282	25,000
532084	Cellular Service	5,784	4,000	5,799	6,000
531085	Pager Service	68	0	58	100
532086	Other Communications	3,556	2,500	13,084	30,000
532087	Aircard Service	1,223	1,000	1,650	2,000
533085	Travel/Training	12,430	15,000	15,100	30,000
533088	Training Expense	200	0	0	0
Total Contractual Services		**$276,305**	**$422,484**	**$573,057**	**$819,958**
Other Charges and Services					
547030	Compensated Absences	34,306	0	0	0
547070	Insurance Charges	11,428	11,607	11,607	15,492
Total Other Charges and Services		**$45,734**	**$11,607**	**$11,607**	**$15,492**

FY2019 ADOPTED BUDGET
TECHNOLOGY SERVICES

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Operating Transfers				
553022 Transfer to Tech Impvt Fund	0	0	170,000	0
Total Operating Transfers	**$0**	**$0**	**$170,000**	**$0**
Capital Outlay				
564002 Office Furniture	0	0	2,749	0
564008 Data Processing Equipment	0	54,019	96,907	0
564010 PC's & Related Equipment	0	124,471	0	273,000
564011 PC Software	0	20,003	0	0
Total Capital Outlay	**$0**	**$198,493**	**$99,656**	**$273,000**
Debt Service				
571130 Investment Fees	0	0	0	1,200
Total Debt Service	**$0**	**$0**	**$0**	**$1,200**
Total Expenses	**$1,425,335**	**$1,923,091**	**$1,925,773**	**$2,620,002**

FY2019 ADOPTED BUDGET
TECHNOLOGY SERVICES
ALLOCATION OF COSTS TO DEPARTMENTS

Fund	Division	People Plus Computing Devices	FY2018 Allocation	FY 2019 Allocation
General Fund				
	City Secretary	16.00	30,205	29,543
	Courts	25.00	118,022	46,160
	City Manager	7.00	12,584	12,925
	City Auditor	4.00	12,423	7,386
	Finance-Administration	3.50	6,215	6,462
	Finance-Accounting	25.00	88,808	46,160
	Finance-Purchasing	8.00	15,898	14,771
	Finance-Budget	6.50	12,423	12,002
	City Attorney	16.00	20,139	29,543
	Human Resources	6.00	10,070	24,555
	Police Department	404.00	428,448	745,950
	Fire Department	155.00	52,861	286,194
	Emergency Management	19.00	67,964	35,082
	Public Works-Streets	49.38	12,423	91,148
	Public Works-Traffic	24.58	19,677	45,357
	Parks Department	66.50	62,774	122,786
	Developmental Services	59.78	361,348	115,955
	City Marshal	2.50	0	4,616
Special Revenue Funds				
	Revenue Producing Parks	0.00	0	0
	Lasker Pool	4.50	0	8,309
	Parking Management	4.50	0	8,309
	Island Transit	30.00	15,898	55,392
	FTA Maintainence	20.00	15,898	36,928
	Island Transit Administration	6.75	11,923	12,463
	Seawall Transportation Route	10.63	0	19,627
	Rail Trolley System	2.63	0	4,856
	CDBG Program Management	8.00	12,423	14,771
	CDBG Housring Rehab Adminis	1.00	12,423	1,846
	CDBG Code Enforcement Staff	2.20	0	4,062
	CDBG Demolition & Maint	0.00	0	0
	CDBG Youth Activities	0.00	0	0
Combined Utility System Fund: Waterworks Fund				
	Public Works- Administration	8.57	31,747	15,815
	Finance-Utility Billing	14.50	90,399	26,773
	Public Works - Supply	17.94	12,423	33,125
	Public Works-Distribution	26.44	14,878	48,819
Combined Utility System Fund: Sanitary Sewer Fund				

FY2019 ADOPTED BUDGET
TECHNOLOGY SERVICES
ALLOCATION OF COSTS TO DEPARTMENTS

	Public Works- Administration	8.57	31,747	15,815
	Finance-Utility Billing	14.50	90,399	26,773
	Public Works-Pretreatment	16.44	15,898	30,355
	Public Works-Collection	45.44	33,620	83,901
	Public Works Main - WWTP	44.50	24,249	82,165
Sanitation Fund				
	Public Works-Sanitation	61.50	26,236	113,554
	Public Works-Recycling	0.00	0	0
	Finance-Utility Billing	6.35	36,155	11,725
Drainage Utility Fund				
	Public Works-Drainage Utility	41.39	17,908	76,423
	Finance-Utility Billing	5.65	24,105	10,432
Airport Fund				
	Airport	11.00	7,553	20,311
Internal Service Funds				
	Information Technology	0.00	0	0
	Facilities	12.00	0	22,157
	Mailroom	1.00	0	1,846
	Community Outreach	8.00	0	14,771
	Garage Admin	13.00	39,994	24,003
	Garage Operations	22.00	0	40,621
	Insurance Admin (Risk Mgmt)	5.70	9,940	10,526
	Construction Management	36.25	14,992	66,932
TOTAL		1,409	1,923,091	2,620,002

Facilities Department

Division Mission

The mission of the Facilities Department is to provide the highest quality services while managing resources effectively, efficiently and with accountability. We also strive to continually evaluate and improve our methods and processes in order to expedite services in a timely manner.

Accomplishments

- Completed the Crockett Battery Park Shade Structure repainting.
- Remodeled the City Council Meeting Room
- Completed the installation of a wall in the Purchasing Department
- Completed the Island Transit Administration Remodeling Project
- Initiated and successfully completed the renovations of the City Garage Administration Offices.
- Installed new flooring in the City Manager and City Attorney's Suits.
- Completed the installation of 20 LED light fixtures for Scholes International Airport
- Replaced the light fixtures at Fire Station #4 with LED High Bay fixtures
- Repainted the pipes in the apparatus bay at Fire Station#4
- Completed the installation of the Apparatus Bay roll up doors at Fire Station #8
- Completed the Chiller Coil replacement at McGuire Dent Recreation Center
- Completed the Stanley Best hardware upgrades at City Hall, Island Transit, McGuire Dent and Wright Cuney Recreation Centers
- Initiated and closed 5,100 work orders

Goals

- Continue to expedite service calls and seek efficient, less costly methods of repairs.
- Window lentil and stone work repairs at City Hall, during the 1st and 2nd quarters of FY2019.
- Commence minor interior remodeling and painting of Fire Station's 2 and 5.
- Continue to refine our repair techniques in order to improve open repair requests.
- Continue to take advantage of City internal training classes to stay current with law and policy updates.

FY2019 ADOPTED BUDGET
FACILITIES DEPARTMENT

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$327,969	$380,545	$374,002	$381,820
Materials and Supplies	164,485	231,700	237,000	232,000
Contractual Services	246,760	386,804	345,793	363,504
Other Charges and Services	(3,635)	13,327	13,327	7,362
Operating Transfers	233,049	0	0	0
Capital Outlay	37,785	37,785	34,662	37,785
Debt Service	29,733	138,898	139,589	138,896
TOTAL	**$1,036,146**	**$1,189,059**	**$1,144,373**	**$1,161,367**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Includes salary increases for personnel (+$7,818).

Materials and Supplies - Maintain current level of funding for minor building supplies with a reduction in fuel and lubricants (-$5,000).

Contractual Services - Includes a decrease to other services (- $32,900), an increase to building repairs (+ $25,000), garage charges for additional service vehicle (+$18,000), and city wide increase to technology services (+ $5,559).

Other Charges and Services - Decreases in portioned cost of city wide insurance (- $7,362).

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Work orders	6,273	4,298	4,800	5,800
Preventive maintenance	4	6	50	500

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Facilities Director	1.00	1.00	1.00	1.00
LEAD Facilities Maintenance Specialist	0.00	1.00	1.00	1.00
Senior Facilities Technician	1.00	1.00	1.00	1.00
Facilities Technician	1.00	2.00	2.00	2.00
TOTAL	**3.00**	**5.00**	**5.00**	**5.00**

FY2019 ADOPTED BUDGET
FACILITIES DEPARTMENT

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$244,087	$267,494	$264,858	$269,347
511002 COLA Increases	0	5,350	0	5,387
511005 Longevity	1,632	1,634	1,534	1,554
511009 Overtime	7,619	15,000	15,000	15,000
511125 Residency Pay	4,759	5,019	7,505	5,019
511510 Group Health Insurance - Employer's	24,205	33,600	33,600	33,600
511515 Worker's Compensation	2,517	2,517	2,517	1,682
511520 Group Life Insurance	820	897	887	896
511530 Social Security - Employer's	15,481	18,259	17,912	18,371
511535 Medicare - Employer's	3,620	4,270	4,189	4,296
511542 City Employee Retirement	23,229	26,505	26,001	26,668
Total Personnel Services	**$327,969**	**$380,545**	**$374,002**	**$381,820**
Materials and Supplies				
521065 Office Supplies	939	500	500	500
521067 Minor Office Equipment	3,276	20,000	20,000	20,000
522011 Chemicals	32	500	500	500
522013 Clothing	1,538	2,000	2,000	2,000
522014 Protective Gear	60	500	500	500
522025 Fuel And Lubricants	2,887	5,000	10,000	5,000
522037 Janitorial Supplies	13,680	17,500	17,500	17,500
522045 Electrical Hardware	8,045	8,000	10,000	10,000
522055 Minor Tools	1,480	3,000	1,500	1,500
522056 Minor Equipment	587	2,700	2,500	2,500
522065 Paint And Lumber	5,748	5,000	5,000	5,000
522075 Pipe And Plumbing Supplies	1,248	5,000	5,000	5,000
522099 Other Supplies	2,933	5,000	5,000	5,000
525031 Electricity	112,955	145,000	145,000	145,000
525032 Natural Gas	9,079	12,000	12,000	12,000
Total Materials and Supplies	**$164,485**	**$231,700**	**$237,000**	**$232,000**
Contractual Services				
531005 Other Services	2,500	45,000	42,900	10,000
531010 Inspection Fees	480	1,500	1,500	1,500
531014 Building Security	0	2,000	2,000	2,000
531115 Refuse Disposal	3,552	10,000	3,400	4,000
531119 Landscape Services	0	5,000	5,000	5,000
531120 Lot Maintenance	(16)	0	70	0
531220 Building Repairs	126,026	130,000	120,000	145,000
531230 Equipment Repairs	275	24,412	24,000	25,247
531240 Maintenance Contracts	55,055	78,000	70,000	70,000
531250 Vehicle Repairs	0	0	31	0
531350 Garage Charges	7,986	26,000	7,994	26,000
531360 Computer Charges	0	0	16,598	22,157
532065 Printing, Duplication	1,847	1,592	1,500	1,800
532083 Telephone Service	3,690	3,800	3,800	3,800
532084 Cellular Service	3,738	4,500	4,000	4,000

FY2018 ADOPTED BUDGET
FACILITIES DEPARTMENT

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
532086 Other Communications	4,278	10,000	5,000	5,000
533301 Cleaning Service	37,350	45,000	38,000	38,000
Total Contractual Services	**$246,760**	**$386,804**	**$345,793**	**$363,504**
Other Charges and Services				
544098 Reimbursable From Insurance Claims	(15,030)	0	0	0
547030 Compensated Absences	4,143	0	0	0
547070 Insurance Expense	7,252	13,327	13,327	7,362
Total Other Charges and Services	**($3,635)**	**$13,327**	**$13,327**	**$7,362**
Operating Transfers				
553033 Transfer To Debt Service Fund	233,049	0	0	0
Total Operating Transfers	**$233,049**	**$0**	**$0**	**$0**
Capital Outlay				
564003 Vehicle Capital Outlay	37,785	37,785	34,662	37,785
Total Capital Outlay	**$37,785**	**$37,785**	**$34,662**	**$37,785**
Debt Service				
571010 Interest Expenditure	29,733	24,581	25,272	19,793
571050 Principal Expenditure	0	114,182	114,182	118,968
571070 Other Expenditures	0	135	135	135
Total Debt Service	**$29,733**	**$138,898**	**$139,589**	**$138,896**
Total Expenses	**$1,036,146**	**$1,189,059**	**$1,144,373**	**$1,161,367**

Community Outreach

Department Mission

The mission of the Department of Community Outreach is to inform and educate the public of City operations, its initiatives, and to implement the community's vision for Galveston through the use of a variety of traditional and contemporary outreach tools.

Accomplishments

- Established Community Outreach Department, its Mission, and vision, which also applies to Public Information Office and Parks and Recreation.
- Became a member of the Rotary Club, the Galveston Morning Kiwanis, the League of United Latin American Citizens (LULAC) Council, and the National Association for the Advancement of Colored People (NAACP).

Goals

- Improve all communications with the public and civic organizations by establishing an ongoing dialogue via various communication outlets.
- Continue and improve "Waves of Information" campaign to help keep the public safe, informed, and engaged on events happening in the community.
- Continue and improve "Employee Spotlight" interviews and videos to showcase City personnel and their responsibilities, highlighting their passion(s) and commitment to the community.
- Provide high quality and professional public services that address community needs while enhancing the quality of life.
- Continue staff development through established training programs and educational seminars.
- Accomplish communication and development objectives within established budgets as approved.

FY2019 ADOPTED BUDGET
COMMUNITY OUTREACH

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$0	$0	$37,467	$284,593
Materials and Supplies	0	0	0	8,000
Contractual Services	0	0	11,065	64,971
Other Charges and Services	0	0	0	6,006
Capital Outlay	0	0	0	32,000
TOTAL	**$0**	**$0**	**$48,532**	**$395,570**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Addition of Executive Director of Community Outreach (+ $110,000), Public Information Officer (+ $66,300), and Communications Specialist (+ $44,982).
Materials and Supplies - Increase for general office supplies (+ $8,000).

Contractual Services - Net increase (+ $53,906) due to restructuring of Community Outreach and Communications.
Other Charges and Services - Increase to insurance expenses (+ $6,006)
Capital Outlay - Increase to vehicle capital outlay for new vehicle (+ $32,000) for Executive Director.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Waves of Information Videos	N/A	N/A	47	50
Employee Spotlight Videos	N/A	N/A	40	40
Feature Videos	N/A	N/A	48	50
Press Releases / Community News	N/A	N/A	45	50
Informational videos (other)	N/A	N/A	60	60
Community Meetings	N/A	N/A	N/A	100

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Executive Director of Community Outreach	0.00	1.00	1.00	1.00
Communications Director / PIO	0.00	0.00	0.00	1.00
Communications Specialists	0.00	0.00	0.00	1.00
TOTAL	**0.00**	**1.00**	**1.00**	**3.00**

FY2019 ADOPTED BUDGET
COMMUNITY OUTREACH

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$0	$0	$29,615	$222,133
511005 Longevity	0	0	336	644
511009 Overtime	0	0	0	500
511125 Residency Pay	0	0	673	2,500
511510 Group Health Insurance - Employer's	0	0	1,680	20,160
511515 Worker's Compensation	0	0	0	500
511520 Group Life Insurance	0	0	64	564
511530 Social Security - Employer's	0	0	1,899	13,998
511535 Medicare - Employer's	0	0	444	3,274
511542 City Employee Retirement	0	0	2,756	20,320
Total Personnel Services	**$0**	**$0**	**$37,467**	**$284,593**
Materials and Supplies				
521065 Office Supplies	0	0	0	5,000
521067 Minor Office Equipment	0	0	0	3,000
Total Materials and Supplies	**$0**	**$0**	**$0**	**$8,000**
Contractual Services				
531013 Media Services	0	0	0	13,000
531025 Memberships	0	0	0	3,000
531350 Garage Charges	0	0	0	7,200
531360 Computer Charges	0	0	11,065	14,771
532062 Postage	0	0	0	400
532065 Printing, Duplications	0	0	0	8,000
532083 Telephone Service	0	0	0	2,400
532084 Cellular Service	0	0	0	5,000
532086 Other Communications	0	0	0	1,000
532087 Aircard Service	0	0	0	1,700
533085 Travel/Training	0	0	0	7,500
533100 Advertising	0	0	0	1,000
Total Contractual Services	**$0**	**$0**	**$11,065**	**$64,971**
Other Charges and Services				
547070 Insurance Expense	0	0	0	6,006
Total Other Charges and Services	**$0**	**$0**	**$0**	**$6,006**
Capital Outlay				
564003 Vehicle Capital Outlay	0	0	0	32,000
Total Capital Outlay	**$0**	**$0**	**$0**	**$32,000**
Total Expenses	**$0**	**$0**	**$48,532**	**$395,570**

FY2019 ADOPTED BUDGET
MAIL SERVICES

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$51,863	$29,927	$18,961	$54,607
Materials and Supplies	791	1,300	1,240	1,300
Contractual Services	61,059	84,237	81,916	58,109
Other Charges and Services	7,889	5,722	5,722	4,651
TOTAL	**$121,601**	**$121,186**	**$107,839**	**$118,667**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Includes an annualized cost for personnel and a 2% COLA (+ $35,646).
Contractual Services - Includes a decrease in temporary employment services (- $23,800).

Other Charges and Services - Includes a decrease in the Mail Services portion of liability insurance costs (- $1,100).

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Support Services	1.00	1.00	1.00	1.00
TOTAL	**1.00**	**1.00**	**1.00**	**1.00**

FY2019 ADOPTED BUDGET
MAIL SERVICES

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$36,439	$12,926	$12,927	$37,527
511002 COLA Increase	0	736	0	751
511005 Longevity	24	96	17	67
511009 Overtime	304	0	453	0
511125 Residency Pay	2,500	2,510	865	2,510
511510 Group Health Insurance - Employer's	6,180	6,720	2,240	6,720
511515 Worker's Compensation	101	129	153	86
511520 Group Life Insurance	127	128	48	145
511530 Social Security - Employer's	2,153	2,488	790	2,533
511535 Medicare - Employer's	503	582	185	592
511542 City Employee Retirement	3,534	3,612	1,284	3,677
Total Personnel Services	**$51,863**	**$29,927**	**$18,961**	**$54,607**
Materials and Supplies				
521065 Office Supplies	315	300	240	300
521067 Minor Office Equipment	476	1,000	1,000	1,000
Total Materials and Supplies	**$791**	**$1,300**	**$1,240**	**$1,300**
Contractual Services				
531015 Temporary Employee Services	0	23,865	23,864	0
531240 Maintenance Contracts	1,777	5,000	1,900	2,000
531350 Garage Charges	3,834	3,372	3,834	3,263
531360 Computer Charges	0	0	1,383	1,846
532062 Postage	54,541	50,000	50,000	50,000
532083 Telephone Service	907	1,000	934	1,000
533085 Travel/Training	0	1,000	0	0
Total Contractual Services	**$61,059**	**$84,237**	**$81,916**	**$58,109**
Other Charges and Services				
547030 Compensated Absences	2,600	0	0	0
547070 Insurance Expense	5,289	5,722	5,722	4,651
Total Other Charges and Services	**$7,889**	**$5,722**	**$5,722**	**$4,651**
Total Expenses	**$121,601**	**$121,186**	**$107,839**	**$118,667**

FY2019 ADOPTED BUDGET
PRINT SHOP

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Materials and Supplies	14,686	97,500	106,483	97,500
Contractual Services	32,686	36,600	31,524	36,600
Other Charges and Services	5,289	0	0	0
TOTAL	**$52,662**	**$134,100**	**$138,007**	**$134,100**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Materials and Supplies - Decrease in inventory supplies for resale (- $8,983).

Contractual Services - Maintain current level of funding for maintenance contracts and cellular service (+$5,076).

FY2019 ADOPTED BUDGET
PRINT SHOP

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Materials and Supplies				
521065 Office Supplies	507	500	500	500
521067 Minor Office Equipment	754	2,000	1,149	2,000
524001 Inventory Supplies For Resale	13,310	95,000	104,834	95,000
525032 Natural Gas	115	0	0	0
Total Materials and Supplies	**$14,686**	**$97,500**	**$106,483**	**$97,500**
Contractual Services				
531240 Maintenance Contracts	30,882	35,000	30,379	35,000
532084 Cellular Service	1,129	1,600	1,145	1,600
533085 Travel/Training	675	0	0	0
Total Contractual Services	**$32,686**	**$36,600**	**$31,524**	**$36,600**
547070 Insurance Expense	5,289	0	0	0
Total Other Charges and Services	**$5,289**	**$0**	**$0**	**$0**
Total Expenses	**$52,662**	**$134,100**	**$138,007**	**$134,100**

CITY OF GALVESTON

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FY2019 ADOPTED BUDGET
CENTRAL GARAGE FUND SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	$732,046	$1,134,202	$1,134,202	$1,430,088
Revenues				
Motor vehicle charges	$4,085,099	$4,000,000	$4,197,502	$4,216,114
Outside agency revenue	390,558	407,293	461,738	402,728
Other revenue	133,754	28,000	65,391	27,000
Sale of equipment	27,977	15,000	169	15,000
Interest earned	10,238	8,000	12,268	12,000
Operating transfer in	111,337	0	0	0
Total revenues	$4,758,964	$4,458,293	$4,737,068	$4,672,842
Expenses				
Administration	$662,614	$1,586,989	$710,538	$1,422,582
Operations	3,624,942	2,829,301	3,565,086	3,223,727
Total expenses	$4,287,556	$4,416,290	$4,275,624	$4,646,309
Net income (loss)	$471,408	$42,003	$461,444	$26,533
Capital Outlay	$69,252	$881,659	$165,558	$727,533
Ending Fund Balance	$1,134,202	$294,546	$1,430,088	$729,088

Personnel summary	2017 Actual	2018 Budget	2019 Budget	Salary Costs
Garage Administration	2.00	2.00	2.00	$204,892
Garage Operations	20.00	20.00	20.00	1,158,055
Totals	22.00	22.00	22.00	$1,362,947

FY2019 ADOPTED BUDGET
CENTRAL GARAGE FUND
EXPENDITURE SUMMARY

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Garage Administration	$662,614	$1,586,989	$710,538	$1,422,582
Garage Operations	3,694,194	3,710,960	3,730,644	3,951,260
Central Garage Fund Total	**$4,356,808**	**$5,297,949**	**$4,441,182**	**$5,373,842**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,231,964	$1,338,832	$1,244,527	$1,362,947
Materials and Supplies	2,154,130	2,226,726	2,083,668	2,339,909
Contractual Services	488,913	384,254	471,001	488,884
Other Charges and Services	412,548	466,278	466,278	432,864
Operating Transfers	0	0	10,000	21,705
Capital Outlay	69,252	881,659	165,558	727,533
Debt Service	0	200	150	0
Special Programs and Events	0	0	0	0
Central Garage Fund Total	**$4,356,808**	**$5,297,949**	**$4,441,182**	**$5,373,842**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Increases include the annualized cost of two Fleet Service Attendants of ($91,030), a 2% COLA (+$17,390) and salary increase for $10,000.

Materials and Supplies - Maintain current level of funding for fuel and lubricants (+ $175,000) and motor vehicle parts (+ $80,100)

Contractual Services - Increases in computer charges (+$16,190) include a proportional share for licensing and keeping hardware updated city-wide and decreases (-$1,690) in miscellaneous line items.

Other Charges and Services - Decrease in Garage portion of auto and damage liability insurance (-$33,400).

Operating Transfers - Additional funding (+$11,700) needed for repairs from Hurricane Harvey.

Capital Outlay - Net increase (+561,975) is for funding for installation of concrete east parking lot, replacement of forklift, service truck, and service SUV.

City Garage

Department Mission

The mission of the Municipal Garage Facilities is to meet city operational equipment needs by maintaining over five hundred city vehicles and equipment in a safe, operable condition and to assist in prolonging the equipment's life span.

Accomplishments

- Installed an improved preventative maintenance system for fleet vehicles.
- Assisted Galveston County, Galveston Parks Board and the Port of Galveston with automated monitoring of their fleet operations.
- Completed 3,839 general repairs and 1,150 Preventative Maintenance programs resulting in 220 additional repairs from PM findings and 586 road calls services.
- Increased auction sales revenue dramatically by utilizing on-line auction systems and improving procedures.

Goals

- Continue improving operations at the Municipal Garage Facility while providing support and working in harmony with user departments.
- Continue staff development and training for mechanics and the supporting staff.
- Monitor and manage the reduction of fleet downtime and fuel usage.
- Continue implementation of the Vehicle Replacement Program and to consider better fuel efficient and "greener" vehicles.

FY2019 ADOPTED BUDGET
GARAGE ADMINISTRATION

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$192,346	$192,527	$192,227	$204,892
Materials and Supplies	1,472	2,330	1,204	2,330
Contractual Services	56,446	70,954	45,679	54,963
Other Charges and Services	412,350	466,278	466,278	432,864
Capital Outlay	0	854,700	5,000	727,533
Debt Service	0	200	150	0
TOTAL	**$662,614**	**$1,586,989**	**$710,538**	**$1,422,582**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increases a 2% COLA (+$2,900) and salary increase (+$10,000).

Contractual Services - Increase in city wide charges for technology services (+$6,000).
Other Charges and Services - Decrease in Garage portion of Auto and damage liability insurance (-$33,400).

Capital Outlay - Funding for installation of concrete east parking lot (+$630,000), replacement of service vehicles: forklift ($38,000), service truck ($24,000), service SUV ($35,000).

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Director of Fleet, Mass Transit & Special Events	1.00	1.00	1.00	1.00
Senior Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL	**2.00**	**2.00**	**2.00**	**2.00**

FY2018 ADOPTED BUDGET
GARAGE ADMINISTRATION

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$145,637	$145,444	$148,978	$156,141
511002 COLA Increases	0	2,909	0	3,123
511005 Longevity	2,352	2,340	2,404	2,412
511009 Overtime	5,913	2,000	1,375	2,000
511510 Group Health Insurance - Employer's	12,360	13,440	13,440	13,440
511515 Worker's Compensation	201	258	258	172
511520 Group Life Insurance	339	349	378	352
511530 Social Security - Employer's	9,477	9,602	9,439	10,148
511535 Medicare - Employer's	2,216	2,246	2,207	2,373
511542 City Employee Retirement	13,851	13,939	13,748	14,731
Total Personnel Services	**$192,346**	**$192,527**	**$192,227**	**$204,892**
Materials and Supplies				
521065 Office Supplies	1,472	2,330	1,204	2,330
Total Materials and Supplies	**$1,472**	**$2,330**	**$1,204**	**$2,330**
Contractual Services				
531025 Memberships	1,008	1,000	1,019	1,000
531125 Other Contracts	0	2,000	1,000	2,000
531240 Maintenance Contracts	19,275	21,000	20,195	21,000
531360 Computer Charges	31,932	39,994	17,981	24,003
532062 Postage	19	60	30	60
532083 Telephone Service	3,205	3,200	3,054	3,200
532084 Cellular Service	994	1,500	916	1,500
532085 Pager Service	185	200	0	200
533085 Travel/Training	(172)	2,000	1,484	2,000
Total Contractual Services	**$56,446**	**$70,954**	**$45,679**	**$54,963**
Other Charges and Services				
544097 Expense Reimbursement - Other	(1,940)	0	0	0
547070 Insurance Expense	414,290	466,278	466,278	432,864
571070 Other Expenditures	0	200	0	0
Total Other Charges and Services	**$412,350**	**$466,278**	**$466,278**	**$432,864**
Capital Outlay				
564005 Capital Outlay - Improvements	0	854,700	5,000	727,533
Total Capital Outlay	**$0**	**$854,700**	**$5,000**	**$727,533**
Debt Service				
571130 Investment Fees	0	200	150	0
Total Debt Service	**$0**	**$200**	**$150**	**$0**
Total Expenses	**$662,614**	**$1,586,989**	**$710,538**	**$1,422,582**

FY2019 ADOPTED BUDGET
GARAGE OPERATIONS

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$1,039,619	$1,146,305	$1,052,300	$1,158,055
Materials and Supplies	2,152,658	2,224,396	2,082,464	2,337,579
Contractual Services	432,467	313,300	425,322	433,921
Other Charges and Services	198	0	0	0
Operating Transfers	0	0	10,000	21,705
Capital Outlay	69,252	26,959	160,558	0
TOTAL	**$3,694,194**	**$3,710,960**	**$3,730,644**	**$3,951,260**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increases include the annualized cost of two Fleet Service Attendants of ($91,030) and a 2% COLA (+$14,724).
Materials and Supplies - Maintain current level of funding for fuel and lubricants (+ $175,000) and motor vehicle parts (+ $80,100)
Contractual Services - Increases in computer charges (+$10,190) include a proportional share for licensing and keeping hardware updated city-wide and decreases (-$1,590) in miscellaneous line items.

Operating Transfers - Additional funding (+$11,700) needed for repairs from Hurricane Harvey.

Capital Outlay - Decrease (-$160,588) for items ordered in FY2017 but not arrived until FY2018.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Downtime full fleet	7.71%	7.32%	7.09%	7.05%
Number of work orders	1,919	1,641	1,913	1,950
Number of PM services	862	940	1,168	1,170

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Fleet Maintenance Supervisor	1.00	1.00	1.00	1.00
Automotive Mechanic	6.00	6.00	6.00	6.00
Automotive Parts Specialist	1.00	1.00	1.00	1.00
Automotive Parts Technician	1.00	1.00	1.00	1.00
Fleet Service Technician	2.00	2.00	2.00	2.00
Automotive Tire Repairer	2.00	2.00	2.00	2.00
Fleet Service Technician/Station Attendant	1.00	1.00	1.00	1.00
Fleet Service Writer	1.00	1.00	1.00	1.00
Parts Runner	1.00	1.00	1.00	1.00
Garage Security Attendant	3.00	3.00	3.00	3.00
Custodian	1.00	1.00	1.00	1.00
TOTAL	20.00	20.00	20.00	20.00

FY2019 ADOPTED BUDGET
GARAGE OPERATIONS

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$664,255	$735,134	$678,595	$736,206
511002 COLA Increases	0	14,703	0	14,724
511005 Longevity	8,470	8,451	8,708	8,788
511009 Overtime	64,763	60,000	50,000	60,000
511125 Residency Pay	37,787	37,500	38,133	37,500
511410 Separation Vacation	762	0	395	0
511420 Separation Sick Pay	3,038	0	890	0
511430 Separation Compensatory Time	0	0	112	0
511510 Group Health Insurance	119,047	134,400	132,638	147,840
511515 Worker's Compensation	10,951	10,951	10,951	7,317
511520 Group Life Insurance	2,427	2,677	2,535	2,953
511530 Social Security - Employment	46,979	53,059	48,164	53,148
511535 Medicare - Employer's	10,987	12,409	11,264	12,430
511542 City Employee Retirement	70,117	77,021	69,915	77,150
511650 Salary Reimbursements	36	0	0	0
Total Personnel Services	**$1,039,619**	**$1,146,305**	**$1,052,300**	**$1,158,055**
Materials and Supplies				
521065 Office Supplies	2,036	5,000	3,810	5,000
521067 Minor Office Equipment	2,730	6,000	5,970	6,000
522013 Clothing	12,345	14,500	12,692	14,500
522025 Fuel And Lubricants	1,532,206	1,570,030	1,464,708	1,640,000
522037 Janitorial Supplies	8,098	7,500	8,907	7,500
522055 Minor Tools	21,953	16,500	21,590	16,500
522059 Motor Vehicle Parts	555,909	579,866	543,700	623,079
525031 Electricity	14,424	21,000	14,799	21,000
525032 Natural Gas	2,957	4,000	6,288	4,000
Total Materials and Supplies	**$2,152,658**	**$2,224,396**	**$2,082,464**	**$2,337,579**
Contractual Services				
531005 Other Services	0	0	325	0
531125 Other Contracts	59,202	55,000	55,000	55,000
531220 Building Repairs	7,588	9,700	8,767	9,700
531230 Equipment Repairs	5,130	6,000	5,180	6,000
531250 Vehicle Repairs	322,807	200,000	280,191	280,000
531350 Garage Charges	25,800	30,000	32,043	30,000
531360 Computer Charges	0	0	30,429	40,621
532083 Telephone Service	11,485	12,000	12,766	12,000
532087 Aircard Service	456	600	621	600
Total Contractual Services	**$432,467**	**$313,300**	**$425,322**	**$433,921**
Other Charges and Services				
544087 Expense Reimbursement	198	0	0	0
Total Other Charges and Services	**$198**	**$0**	**$0**	**$0**
Operating Transfers				
553050 Transfer to Hurricane Harvey	0	0	10,000	21,705
Total Operating Transfers	**$0**	**$0**	**$10,000**	**$21,705**

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Capital Outlay				
564003 Vehicle Capital Outlay	62,427	0	135,305	0
564008 Data Processing Equipment	6,825	6,825	5,119	0
564117 Machinery & Equipment	0	20,134	20,134	0
Total Capital Outlay	**$69,252**	**$26,959**	**$160,558**	**$0**
Total Expenses	**$3,694,194**	**$3,710,960**	**$3,730,644**	**$3,951,260**

FY2019 ADOPTED BUDGET
CASUALTY & LIABILITY INSURANCE FUND

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	$2,199,033	$2,450,150	$2,450,150	$2,505,008
Revenues:				
Charges for services				
Waterworks Fund	$184,870	$197,406	$197,406	$175,068
Sewer System Fund	243,720	255,161	255,161	218,366
Drainage Utility Fund	34,276	40,497	40,497	32,327
Sanitation Fund	82,263	82,290	82,290	64,665
Capital Projects Fund	9,215	9,415	9,415	15,259
Central Services	29,258	30,656	30,656	33,510
Central Garage	414,290	466,278	466,278	432,864
Airport Fund	138,835	148,984	148,984	134,565
Federal/state grants	107,753	111,317	111,317	99,338
Community Pool	0	0	0	30,702
General Fund	677,806	688,395	688,395	534,602
Other revenue	18,659	15,000	19,007	19,000
Total revenues	$1,940,945	$2,045,399	$2,049,406	$1,790,266
Expenses:				
Administration	$167,720	$183,399	$173,857	$185,666
Insurance polices	1,182,937	1,372,000	1,395,355	1,474,600
Other expenses	339,171	475,000	425,336	490,000
Total expenses	$1,689,828	$2,030,399	$1,994,548	$2,150,266
Net income (loss)	$251,117	$15,000	$54,858	($360,000)
Ending Fund Balance	$2,450,150	$2,465,150	$2,505,008	$2,145,008

Personnel summary	2017 Actual	2018 Budget	2019 Budget	Salary Costs
Insurance Fund - Administration	1.710	1.710	1.701	$151,439
Totals	1.710	1.710	1.701	$151,439

FY2019 ADOPTED BUDGET
CASUALTY AND LIABILITY FUND
EXPENDITURE SUMMARY

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Insurance Administration	$167,720	$183,399	$173,857	$185,666
Policies In Force	1,182,937	1,372,000	1,395,355	1,474,600
Other Operating Expenses	339,171	475,000	425,336	490,000
Casualty and Liability Total	**$1,689,829**	**$2,030,399**	**$1,994,548**	**$2,150,266**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$136,842	$149,074	$146,524	$151,439
Materials and Supplies	1,302	4,000	2,110	3,300
Contractual Services	1,608,331	1,892,325	1,913,763	2,020,527
Other Charges and Services	(56,648)	(15,000)	(67,849)	(25,000)
Casualty and Liability Total	**$1,689,829**	**$2,030,399**	**$1,994,548**	**$2,150,266**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Personnel Services - Increase includes a 2% COLA

Contractual Services - Includes increases in insurance policies (+ $76,060) and maintaining current level of funding (+ $25,000) for uninsured damage claims.

Municipal Insurance

Division Mission

The mission of the City's municipal insurance program is to coordinate, monitor and supervise the fringe benefit program for City employees while identifying risks, providing policy guidance, and insurance expertise through efforts of the Risk Manager and Human Resources Department.

Accomplishments

- Provided insurance expertise on flood and windstorm insurance to assist in closing out FEMA project worksheets related to Hurricane IKE damage to City facilities.
- Reviewed and updated insurance coverage for City owned vehicles and mobile equipment.
- Reviewed and updated building value and contents insurance limits for all City owned and leased properties.
- Assisted with the management of FEMA funded PW projects for City facilities and equipment replacement.
- Monitored and assisted employees with the City self-insured Workers Compensation plan including modified duty assignments and return to work issues. Participate in benefit review and appeal hearings with the TPA.
- In FY 07-08, the Health Board of Trustees approved an interlocal agreement with the County to provide for an eligible employee/dependent primary health care clinic administered by CareHere, LLC. The program has now expanded to include Galveston County, Galveston ISD, City of League City and Dickinson ISD. The Port of Galveston is now included on the City of Galveston Health program and are eligible for the CareHere clinic benefits. The program will continue into FY19 and will include continuation of Pharmacy program.

Goals

- Achieve a better understanding of risk with cost savings through better management of resources.
- Build and improve capabilities to respond effectively to low probability, catastrophic risks.
- Continue to Identify and assess risks. Review risk management efforts in risk control and financing measures.
- Continue to review all city properties and personnel for safety compliance; educate all employees on safety policies and expectations.
- Continue safety inspections and work site-specific courses for employees throughout the City operations.

FY2019 ADOPTED BUDGET
INSURANCE ADMINISTRATION

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$136,842	$149,074	$146,524	$151,439
Materials and Supplies	1,302	4,000	2,110	3,300
Contractual Services	29,575	30,325	25,223	30,927
Other Charges and Services	0	0	0	0
TOTAL	**$167,720**	**$183,399**	**$173,857**	**$185,666**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Increase includes a 2% COLA.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Risk Manager	1.00	1.00	1.00	1.00
Human Resources Specialist	0.110	0.110	0.101	0.101
Administrative Assistant	0.60	0.60	0.60	0.60
TOTAL	**1.710**	**1.710**	**1.701**	**1.701**

FY2019 ADOPTED BUDGET
INSURANCE ADMINISTRATION

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$107,364	$113,085	$113,496	$116,543
511002 COLA Increases	0	2,262	0	2,331
511005 Longevity	498	488	533	540
511009 Overtime	454	0	0	0
511125 Residency Pay	697	1,500	1,501	0
511410 Separation Vacation	21	0	0	0
511420 Separation Sick Pay	11	0	0	0
511510 Group Health Insurance - Employer's	9,405	11,431	11,431	11,431
511515 Worker's Compensation	229	229	229	153
511520 Group Life Insurance	247	543	284	559
511530 Social Security - Employer's	6,567	7,275	7,013	7,404
511535 Medicare - Employer's	1,536	1,701	1,640	1,731
511542 City Employee Retirement	9,814	10,560	10,398	10,747
Total Personnel Services	**$136,842**	**$149,074**	**$146,524**	**$151,439**
Materials and Supplies				
521065 Office Supplies	588	2,000	1,110	1,800
522055 Minor Tools	714	2,000	1,000	1,500
Total Materials and Supplies	**$1,302**	**$4,000**	**$2,110**	**$3,300**
Contractual Services				
531005 Other Services	1,645	2,000	1,529	2,000
531025 Memberships	0	500	500	500
531350 Garage Charges	7,425	7,425	7,426	7,501
531360 Computer Charges	10,000	10,000	7,885	10,526
532062 Postage	220	300	177	300
532083 Telephone Service	2,782	2,500	1,880	2,500
532084 Cellular Service	2,036	2,000	1,670	2,000
532087 Aircard Service	456	500	418	500
533085 Travel/Training	5,012	5,100	3,738	5,100
Total Contractual Services	**$29,575**	**$30,325**	**$25,223**	**$30,927**
Total Expenses	**$167,720**	**$183,399**	**$173,857**	**$185,666**

FY2019 ADOPTED BUDGET
POLICIES IN FORCE

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Contractual Services	1,223,766	1,372,000	1,408,540	1,484,600
Other Charges and Services	(40,829)	0	(13,185)	(10,000)
TOTAL	**$1,182,937**	**$1,372,000**	**$1,395,355**	**$1,474,600**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Contractual Services - Includes increases in Windstorm (+ $34,742), Automobile Physical Damage (+ $18,080), Flood (+ $9,455), Auto Liability (+ $4,612).

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Contractual Services				
534013 Automobile Physical Damage	$143,911	$180,000	$161,920	$180,000
534014 Windstorm	396,584	410,000	450,258	485,000
534015 Contractor's Equip & Val. Papers	23,066	23,500	26,070	27,000
534016 Flood	171,688	172,000	162,545	172,000
534017 Airport Liability	2,198	3,000	1,990	3,000
534018 Police Liability	78,773	80,000	102,958	105,000
534019 Public Official Liability	68,865	70,000	70,157	71,500
534021 Fire & Ext. Coverage	71,827	76,000	76,558	78,100
534026 Auto Liability	167,997	180,000	225,388	230,000
534027 General Liability	33,575	35,000	40,169	41,000
534028 Employee Blanket Bond	2,882	4,000	2,882	4,000
534029 Unemployment Insurance	41,356	118,000	60,503	60,500
534037 Vehicle - Catastrophic Insurance	15,222	15,500	15,222	15,500
534039 Pollution Control Policy	5,818	5,000	11,920	12,000
Total Contractual Services	**$1,223,766**	**$1,372,000**	**$1,408,540**	**$1,484,600**
Other Charges and Services				
544087 Expense Reimbursement	(40,829)	0	(13,185)	(10,000)
Total Other Charges and Services	**($40,829)**	**$0**	**($13,185)**	**($10,000)**
Total Expenses	**$1,182,937**	**$1,372,000**	**$1,395,355**	**$1,474,600**

FY2019 ADOPTED BUDGET
OTHER OPERATING EXPENSES

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Contractual Services	354,990	490,000	480,000	505,000
Other Charges and Services	(15,819)	(15,000)	(54,664)	(15,000)
TOTAL	**$339,171**	**$475,000**	**$425,336**	**$490,000**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Contractual Services - Increase of $25,000 includes maintaining current level of funding for uninsured damage claims.

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Contractual Services				
534032 Preventive Health Program	75,064	60,000	75,000	75,000
534033 Uninsured Damage Claims	177,133	250,000	225,000	250,000
534034 Uninsured Legal Fees	94,212	170,000	170,000	170,000
534035 Employee Assistance Program	8,580	10,000	10,000	10,000
Total Contractual Services	**$354,990**	**$490,000**	**$480,000**	**$505,000**
Other Charges and Services				
544087 Expense Reimbursement	(15,819)	(15,000)	(54,664)	(15,000)
Total Other Charges and Services	**($15,819)**	**($15,000)**	**($54,664)**	**($15,000)**
Total Expenses	**$339,171**	**$475,000**	**$425,336**	**$490,000**

CITY OF GALVESTON

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FY2019 ADOPTED BUDGET
WORKERS' COMPENSATION FUND

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	$1,774,114	$1,983,536	$1,983,536	$2,059,598
Revenues:				
Charges for services				
Workers' compensation	$594,554	$594,554	$602,543	$409,619
Interest	10,732	12,000	16,373	16,000
Total revenues	$605,286	$606,554	$618,916	$425,619
Expenses:				
Insurance polices	$395,864	$606,554	$542,854	$425,619
Total expenses	$395,864	$606,554	$542,854	$425,619
Net income (loss)	$209,422	$0	$76,062	$0
Ending Fund Balance	$1,983,536	$1,983,536	$2,059,598	$2,059,598

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Contractual Services	395,864	606,554	542,854	425,619
TOTAL	**$395,865**	**$606,554**	**$542,854**	**$425,619**

BUDGET HIGHLIGHTS (FY2019 ADOPTED OVER/UNDER FY2018 ESTIMATED)

Contractual Services - Decreased Worker's Compensation (- $118,406) to reflect actual cost of plan, and an increase in Administrative and Stop Loss (+ $1,170) costs.

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Contractual Services				
534023 Workers' Compensation	$331,511	$520,054	$458,406	$340,000
534054 Administrative & Stop Loss	64,353	86,500	84,449	85,619
Total Contractual Services	**$395,864**	**$606,554**	**$542,854**	**$425,619**
Total Expenses	**$395,864**	**$606,554**	**$542,854**	**$425,619**

FY2019 ADOPTED BUDGET
HEALTH AND LIFE INSURANCE FUND SUMMARY

OVERVIEW

The Health and Life Insurance Fund accounts for the City's self-insurance for health benefits for City, Park Board, and Wharves employees, their dependents and retirees.

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	$3,900,754	$2,966,607	$2,966,607	$2,436,006
Revenues:				
Medical Insurance Contributions	7,306,178	7,886,000	8,248,100	8,401,000
Stop Loss Reimbursements	1,989,860	750,000	700,000	500,000
Life Insurance	118,743	119,000	126,800	129,000
Interest	19,728	35,000	25,300	30,000
Operating Transfer In	209,000	0	0	0
Total revenues	**$9,643,509**	**$8,790,000**	**$9,100,200**	**$9,060,000**
Expenses:				
Claims and Expenses	$8,235,208	$6,387,700	$6,784,001	$6,157,000
Plan Administration	$2,342,448	$2,401,300	$2,846,800	$2,903,000
Total expenses	$10,577,656	$8,789,000	$9,630,801	$9,060,000
Net income (loss)	**($934,147)**	**$1,000**	**($530,601)**	**$0**
Ending Fund Balance	**$2,966,607**	**$2,967,607**	**$2,436,006**	**$2,436,006**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

Contributions - Net increase of $153,000 due to an employee (City and Wharves) contribution increase from $40/month to $50/month for individual plans and from $290/month to $330/month on family plans. Park Board employee contributions increased from $50/monthly to $60/monthly for individuals, $100/monthly to $110/monthly for employee + child, $150/monthly to $160/monthly for employee + spouse, and $290/monthly to $300/monthly for employee + family. City contribution remains at the current rate of $560/monthly per employee.

Claims - Decrease due to plan changes increasing PPO deductibles ($217,250), PPO out of pocket max ($55,830), ER deductibles ($7,320), office visit copay ($30,053) and prescription copays ($75,024).

Plan Administration - Net increase of $56,000 due to increase in Stop-Loss premiums after unusally high year for catastrophic claims, and slight increase in administrative and clinic expenses.

FY2019 ADOPTED BUDGET
HEALTH AND LIFE INSURANCE FUND SUMMARY

Category	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimated	FY 2019 Adopted
Contributions				
Employer Contributions - City	4,772,239	5,192,000	5,324,000	5,433,000
Employee Contributions - City	1,212,784	1,233,000	1,398,000	1,450,000
Park Board Employer Contributions	370,285	404,000	522,800	535,000
Park Board Employee Contributions	93,205	94,000	126,800	92,000
Wharves Employer Contributions	513,046	565,000	527,000	531,000
Wharves Employee Contributions	142,200	1,420,000	146,000	156,600
Retiree & Cobra - Wharves	0	0	0	0
Retiree & Cobra - City	202,419	256,000	203,500	203,400
Interest on Investments	19,728	35,000	25,300	30,000
Operating Transfer In - City	209,000	0	0	0
Life Insurance	118,743	119,000	126,800	129,000
Refunds & Stop Loss Reimbursements	1,989,860	750,000	700,000	500,000
Total Contributions	**7,653,649**	**9,318,000**	**9,100,200**	**9,060,000**
City of Galveston Medical Claims	5,526,266	4,336,700	4,338,220	3,861,000
City Medical Claims Subtotal	**5,526,266**	**4,336,700**	**4,338,220**	**3,861,000**
Port of Galveston Medical Claims	305,601	176,000	667,930	569,000
Park Board of Trustees Medical Claims	270,037	132,000	217,851	186,000
TOTAL MEDICAL CLAIMS	**6,101,904**	**4,644,700**	**5,224,001**	**4,616,000**
Prescriptions				
Prescriptions - City	1,614,920	1,410,000	1,131,000	1,120,000
Prescriptions - Port	326,754	281,000	278,000	272,000
Prescriptions - Park Board	191,630	52,000	151,000	149,000
TOTAL PRESCRIPTIONS	**2,133,304**	**1,743,000**	**1,560,000**	**1,541,000**
TOTAL CLAIMS	**8,235,208**	**6,387,700**	**6,784,001**	**6,157,000**
Plan Administration				
Administration - Plan Administrator	463,031	472,000	512,000	522,000
Stop Loss Premium	720,880	834,000	1,110,000	1,132,000
Investment fees	0	1,000	1,000	1,000
Transitional Reinsurance Fee	51,565	62,000	62,000	63,000
Health Clinics Operating Expense	988,837	916,000	1,035,000	1,056,000
Life Insurance	118,135	116,300	126,800	129,000
Plan Administration Subtotal	**2,342,448**	**2,401,300**	**2,846,800**	**2,903,000**
Expenses Total	**10,577,656**	**8,789,000**	**9,630,801**	**9,060,000**
Contributions Over/(Under) Expense	**(2,924,007)**	**529,000**	**(530,601)**	**0**
Beginning Fund Balance	**6,270,776**	**3,346,769**	**3,346,769**	**2,816,168**
Ending Fund Balance	**3,346,769**	**3,875,769**	**2,816,168**	**2,816,168**

FY2019 ADOPTED BUDGET
PROJECT MANAGEMENT FUND SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Beginning Fund Balance	$5,745	$4,179	$4,179	$4,179
Revenues:				
Capital Projects - Transfer in	$0	$0	$0	$0
Interest Earned-Operating	224	0	0	0
Total revenues	$224	$0	$0	$0
Expenses:				
Project Management	$1,790	$0	$0	$0
Total expenses	$1,790	$0	$0	$0
Net income (loss)	($1,566)	$0	$0	$0
Net assets at end of year	$4,179	$4,179	$4,179	$4,179

Personnel summary	2017 Actual	2018 Budget	2019 Budget	Salary Costs
Project Management	14.00	17.00	17.25	$1,488,495
Totals	14.00	17.00	17.25	$1,488,495

FY2019 ADOPTED BUDGET
PROJECT MANAGEMENT FUND
EXPENDITURE SUMMARY

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Project Management	$1,790	$0	$0	$0
Project Management Total	**$1,790**	**$0**	**$0**	**$0**

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$427,682	$1,469,126	$1,111,486	$1,488,495
Materials and Supplies	4,444	6,500	6,000	8,500
Contractual Services	36,210	121,764	83,739	107,722
Other Charges and Services	(466,545)	(1,597,390)	(1,201,225)	(1,604,716)
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
Project Management Total	**$1,790**	**$0**	**$0**	**$0**

HIGHLIGHTS (FY2019 Adopted Over/Under FY2018 Estimated)

*These costs will be allocated per the Capital Improvement Plan FY2018.

Personnel Services - Includes an annualized cost for personnel (+ $162,986), maintain current level of overtime (+ $10,000), and a 2% COLA (+ $26,971). Reduction of expected salary reimbursements FY19 (+ $126,766).

Materials and Supplies - Includes increase (+$2500) for safety and office supplies.

Contractual Services - Includes increase (+$17,000) for technology services. And an increase in rental of land and buildings (+ $6,804).

Project Management

Division Mission

The mission of the Construction Management Division is to assist all City departments with construction related activity and to ensure communication between City departments, design professionals and consultants, both during design/development phase and construction phase of projects while monitoring all city projects in the field for quality. The Construction Division monitors progress payments with relation to completion, processing and tracking changes to the contracts and overseeing dispute resolution. Additionally, the Division oversees real property acquisition needs for the City's construction projects.

Accomplishments

- Completed inspection of the multiuse field as part of the Crocket Park project.
- Commencement of the Harborside Dr. improvements to enhance the tourist gateway to the City.
- Completed phase 1 of the 27th Street scenic corridor project.
- Competed the Seawall enhancements improving the island experience for tourists visiting the Seawall.
- Completed construction of 28.6 million dollars of capital improvement projects.

Goals

- Provide engineering, construction management and grant administration services towards the completion of all projects currently under construction as shown in the adopted Capital Improvement Plan.
- Achievement of Public Infrastructure Inspector certification for all construction inspectors.
- Ensure engagement and correspondence between design staff, consultants and various City departments thereby increasing efficiency among all.
- Maintain oversight of council approved projects ensuring budgets are met and not exceeded, ensuring quality of projects.
- Improve coordination with public franchise utilities in the accomplishment of City projects.

FY2019 ADOPTED BUDGET
PROJECT MANAGEMENT

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services	$427,682	$1,469,126	$1,111,486	$1,488,495
Materials and Supplies	4,444	6,500	6,000	8,500
Contractual Services	36,210	121,764	83,739	107,722
Other Charges and Services	(466,545)	(1,597,390)	(1,201,225)	(1,604,716)
TOTAL	**$1,790**	**$0**	**$0**	**$0**

BUDGET HIGHLIGHTS (FY2018 ADOPTED OVER/UNDER FY2017 ESTIMATED)

*These costs will be allocated per the Capital Improvement Plan FY2018.

Personnel Services - Includes an annualized cost for personnel (+ $162,986), maintain current level of overtime (+ $10,000), and a 2% COLA (+ $26,971). Reduction of expected salary reimbursements FY19 (+ $126,766).

Materials and Supplies - Includes increase (+$2500) for safety and office supplies.

Contractual Services - Includes increase (+$17,000) for technology services. And an increase in rental of land and buildings (+ $6,804).

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
ACM Development & Muni Services	1.00	0.00	0.00	0.25
Director of Capital Projects	1.00	1.00	1.00	1.00
City Engineer	1.00	1.00	1.00	1.00
Senior Assistant City Engineer	0.00	1.00	1.00	1.00
Assistant City Engineer	1.00	1.00	1.00	1.00
Senior Projects Manager	1.00	1.00	1.00	1.00
Construction Manager	1.00	1.00	1.00	1.00
Senior Construction Inspector	1.00	1.00	1.00	1.00
Construction Inspector	4.00	4.00	4.00	4.00
Construction Project Coordinator	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
FEMA Public Asst. Program Mgr.	0.00	1.00	1.00	1.00
Special Project Manager	1.00	1.00	1.00	1.00
Project Manager	0.00	1.00	1.00	1.00
Project Scheduler	0.00	1.00	1.00	1.00
TOTAL	**14.00**	**17.00**	**17.00**	**17.25**

FY2019 ADOPTED BUDGET
PROJECT MANAGEMENT

LINE ITEM DETAIL	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 ADOPTED
Personnel Services				
511001 Regular Payroll	$396,410	$1,229,698	$1,177,586	$1,348,525
511002 Salary Increases	0	24,594	0	26,971
511005 Longevity	2,744	2,299	4,471	3,980
511006 Differential Pay	195	0	794	0
511009 Overtime	21,572	40,000	30,000	40,000
511125 Residency Pay	4,365	0	11,735	8,000
511410 Separation Vacation Pay	1,948	0	0	0
511420 Separation Sick Pay	2,429	0	0	0
511510 Group Health Insurance - Employer's	40,652	114,240	101,793	115,920
511515 Worker's Compensation	4,371	4,371	4,371	4,371
511520 Group Life Insurance	1,130	3,041	3,610	2,920
511530 Social Security - Employer's	25,890	80,389	75,924	88,553
511535 Medicare - Employer's	6,055	18,801	17,756	20,710
511542 City Employee Retirement	38,670	116,693	110,213	128,545
511650 Salary Reimbursements	(90,761)	(150,000)	(171,595)	(150,000)
511655 Salary Reimbursements-Grants	(27,989)	(15,000)	(255,171)	(150,000)
Total Personnel Services	**$427,682**	**$1,469,126**	**$1,111,486**	**$1,488,495**
Materials and Supplies				
521065 Office Supplies	2,378	2,000	2,149	4,000
522013 Clothing	1,427	4,000	3,400	3,000
522038 Safety Supplies	541	0	76	1,000
522055 Minor Tools	99	500	375	500
Total Materials and Supplies	**$4,444**	**$6,500**	**$6,000**	**$8,500**
Contractual Services				
531025 Memberships	0	1,000	1,000	1,000
531027 Certifications	0	1,000	750	1,000
531240 Maintenance Contracts	2,277	2,500	2,930	2,500
531310 Rental Of Land & Buildings	0	6,804	0	6,804
531350 Garage Charges	13,592	20,400	13,596	13,986
531360 Computer Charges	11,970	68,000	50,139	66,932
532065 Printing, Duplication	210	500	0	500
532066 Printshop Charges	3,436	0	240	0
532083 Telephone Service	968	8,160	4,001	5,000
532084 Cellular Service	3,666	5,400	5,083	5,000
533085 Travel & Training	91	8,000	6,000	5,000
Total Contractual Services	**$36,210**	**$121,764**	**$83,739**	**$107,722**
Other Charges and Services				
543099 Project Mgmt Costs (Capital)	(482,382)	($1,606,805)	($1,210,640)	($1,619,975)
544087 Expense Reimbursement	(49,868)	0	0	0
547030 Compensated Absences	56,490	0	0	0
547070 Insurance expense	9,215	9,415	9,415	15,259
Total Other Charges and Services	**($466,545)**	**($1,597,390)**	**($1,201,225)**	**($1,604,716)**
Total Expenses	**$1,790**	**$0**	**$0**	**$0**

CAPITAL IMPROVEMENTS

City of Galveston

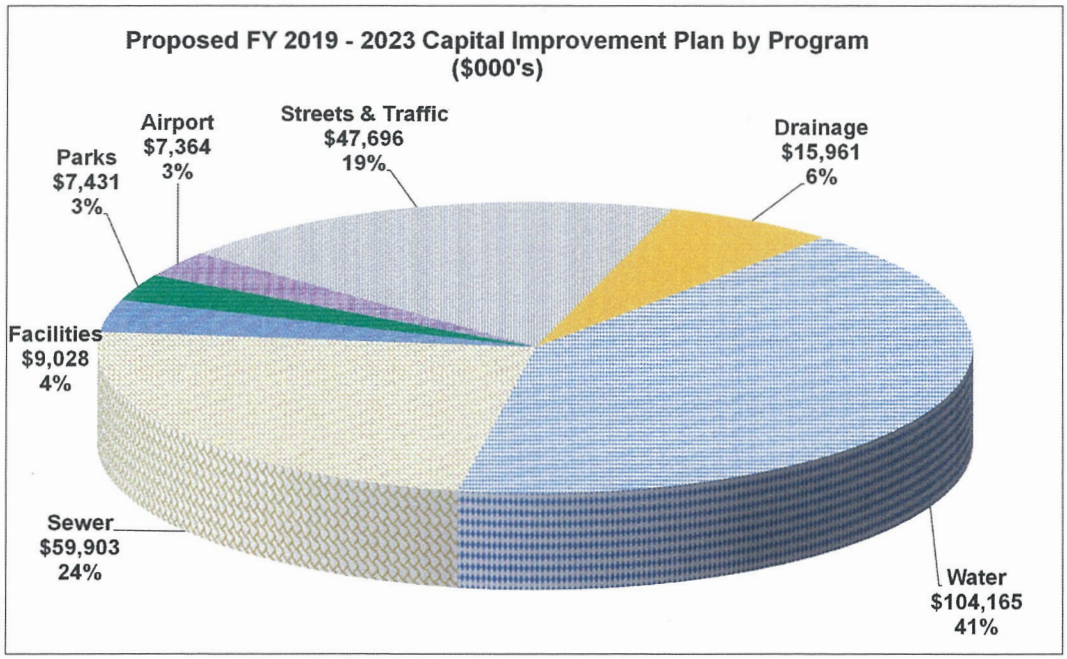
OFFICE OF THE CITY MANAGER

PO Box 779| Galveston, TX 77553-0779
www.citymanager@galvestontx.gov |409-797-3520

July 17, 2018

To: Honorable Mayor James D. Yarborough and Members of City Council
Subject: Adopted FY 2019-2023 Capital Improvement Plan

Attached please find the Adopted FY 2019-2023 Capital Improvement Plan (CIP) for the City of Galveston. The CIP will also be included in summary form in the Adopted FY2019 Budget. The CIP provides project level detail for $251.5 million in projects in seven program areas (see below). The Water ($104.2 million), Streets ($47.7 million), Sewer ($59.9 million) and Drainage ($16 million) programs include 91 percent of the projects in the Adopted CIP.



CIP highlights include:

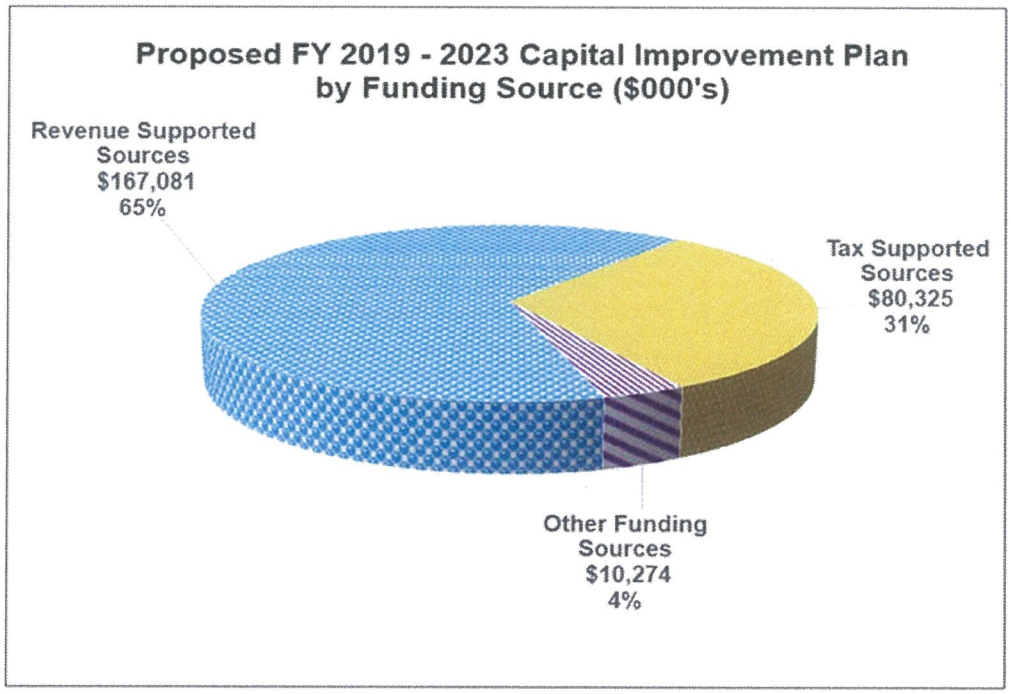
1. Implementation of the May 2017 bond election, designing and constructing $62 million in bond funded street and drainage projects;
2. Resurfacing and replacing streets that are in deteriorated condition;
3. Renovation and preservation of Galveston's historic City Hall;
4. Construction of additional water storage capacity; and
5. Major renewal and replacement programs for sanitary and storm sewers citywide.

All street and drainage projects presented as priorities in the May 2017 bond election are proposed to be underway by FY 2021 and completed by the end of FY 2022.

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
TOTALS BY PROGRAM
FY 2019 - 2023

PROGRAM NAME	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	TOTAL
STREETS & TRAFFIC	$22,631,633	$15,613,000	$3,031,200	$3,191,600	$3,229,000	$47,696,433
DRAINAGE	15,064,500	646,500	250,000	0	0	15,961,000
WATER	29,191,384	14,141,500	25,400,705	15,668,445	19,762,745	104,164,779
SEWER	15,219,422	11,610,188	6,051,933	6,706,375	20,314,925	59,902,843
FACILITIES	3,163,780	3,475,800	2,388,561	0	0	9,028,141
PARKS & RECREATION	415,000	3,022,000	844,000	3,150,000	0	7,431,000
AIRPORT	790,000	1,741,510	2,272,160	2,560,360	0	7,364,030
TOTAL	**$86,475,719**	**$50,250,498**	**$40,238,559**	**$31,276,780**	**$43,306,670**	**$251,548,226**

Federally funded projects are almost complete and the Hurricane Ike recovery period is being closed. We are now focused on those needs that could not be addressed with federal funds including the replacement and improvement of aging infrastructure.



FY 2019-2023 CAPITAL IMPROVEMENT PLAN
SOURCES OF FUNDS ($000s)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	TOTAL
TAX SUPPORTED FUNDS						
2017 G.O. BONDS (PROPERTY TAX SUPPORTED)	7,258	0	0	0	0	7,258
FUTURE PROPERTY TAX SUPPORTED BONDS	25,010	11,939	579	672	546	38,746
SUBTOTAL PROPERTY TAX SUPPORTED BONDS	**$32,267**	**$11,939**	**$579**	**$672**	**$546**	**$46,003**
BEACH NOURISHMENT (SALES TAX)	0	1,500	844	1,850	0	4,194
PARKS & RECREATION (SALES TAX)	415	1,522	0	1,300	0	3,237
INFRASTRUCTURE (SALES TAX)	3,169	2,469	619	369	369	6,995
SUBTOTAL SALES FUNDS (INDUSTRIAL DEVELOPMENT CORP)	**$3,584**	**$5,491**	**$1,463**	**$3,519**	**$369**	**$14,426**
INFRASTRUCTURE & DEBT SERVICE FUND (GENERAL FUND)	1,760	1,851	2,083	2,151	2,314	10,159
ARTS/HISTORICAL SPECIAL FUND (HOTEL OCCUPANCY TAX)	1,019	287	299	0	0	1,605
CONVENTION CENTER SURPLUS FUND (HOTEL OCCUPANCY TAX)	1,000	0	0	0	0	1,000
SUBTOTAL CASH FUNDS	**$3,779**	**$2,138**	**$2,382**	**$2,151**	**$2,314**	**$12,764**
TOTAL TAX SUPPORTED FUNDS	**$39,630**	**$19,569**	**$4,424**	**$6,342**	**$3,229**	**$73,193**
REVENUE SUPPORTED FUNDS						
2017 CERTIFICATES OF OBLIGATION WATER	12,882	0	0	0	0	12,882
FUTURE WATER REVENUE SUPPORTED BONDS	15,046	12,682	24,216	15,058	19,153	86,155
2017 CERTIFICATES OF OBLIGATION SEWER	13,281	2,464	0	0	0	15,745
FUTURE SEWER REVENUE SUPPORTED BONDS	0	6,646	3,552	4,206	17,815	32,219
SUBTOTAL REVENUE SUPPORTED BONDS	**$41,209**	**$21,792**	**$27,768**	**$19,265**	**$36,968**	**$147,002**
WATER IMPROVEMENT FUND	1,264	1,460	1,184	610	610	5,128
SEWER IMPROVEMENT FUND	1,754	2,500	2,500	2,500	2,500	11,754
DRAINAGE IMPROVEMENT FUND	0	0	0	0	0	0
AIRPORT IMPROVEMENT FUND	790	57	207	233	0	1,287
FUTURE CASH: PROPERTY SALES	0	1,110	0	0	0	1,110
SANITATION OPERATIONS	5	0	0	0	0	5
GARAGE INTERNAL SERVICE FUND	795	0	0	0	0	795
SUBTOTAL CASH FUNDED SOURCES	**$4,608**	**$5,127**	**$3,891**	**$3,343**	**$3,110**	**$20,079**
TOTAL REVENUE SUPPORTED FUNDS	**$45,817**	**$26,919**	**$31,659**	**$22,608**	**$40,078**	**$167,081**
OTHER FUNDING SOURCES						
FEMA	184	0	0	0	0	184
INSURANCE PROCEEDS - IKE	90	0	0	0	0	90
RECOVERY AND CAPITAL RESERVES	755	3,189	2,090	0	0	6,033
TXDOT GRANTS	0	574	2,066	2,328	0	4,967
TOTAL OTHER FUNDING SOURCES	**$1,028**	**$3,763**	**$4,155**	**$2,328**	**$0**	**$11,274**
GRAND TOTAL - ALL SOURCES	**$86,476**	**$50,250**	**$40,239**	**$31,277**	**$43,307**	**$251,548**

CIP ADMINISTRATION

The CIP is required by City Charter to include all capital funds and projects for a five year period. It is updated annually to show planned and actual allocations approved by City Council for each project phase as well as the specific funding source or sources used for each phase. If funds are not appropriated for a contract to implement design, construction or another project phase, those funds must be allocated again in the subsequent year's budget according to the City Charter.

Project status reports are provided quarterly for each project included in the current fiscal year's Budget and the first year of the CIP. Also, every project fund is reported quarterly to show cash balances, allocations of cash by City Council, as well as planned and/or committed uses of available cash. The project status and cash status reports for the quarter ending June 30, 2018, are included as Appendices to this CIP. The other three quarterly reports are provided in the first, second and fourth quarterly Budget Status reports published each fiscal year.

CIP FINANCING PLAN: TAX SUPPORTED PROJECTS

Note: The following financing plan for tax supported projects is largely excerpted from the FY 2019-2023 Long Range Financial Forecast released in June 2018.

Tax-Supported Project Financing

The Adopted FY 2019-2023 CIP includes three major funding sources totalling $73.2 million for tax-supported projects:

1. $46 million in property tax supported General Obligation Bonds presented on an election ballot and approved by the voters;
2. $14.4 million in sales tax revenue reserved for projects that are sponsored by and through the Industrial Development Corporation; and
3. $12.8 million in cash from other sources, with $10.2 million from the Infrastructure and Debt Service Fund and $2.6 million from Hotel Occupancy Tax funds maintained by the City.

The G.O Bonds and Infrastructure and Debt Service Fund amounts are being used for streets and drainage projects as requried by the May 2017 bond election. General facility projects and parks and recreation facility projects are also being financed with sales and hotel occupancy tax revenues.

General Obligation Bond Funding Assumptions

The General Debt Service Fund is the depository of property tax revenue collected to make all payments of principal and interest for purely property tax supported bonds. The Fund also includes transfers from the Infrastructure and Debt Service Fund as revenue to be used for tax supported debt service payments as required to stabilize property tax rates. The Infrastructure and Debt Service Fund transfer amounts incorporated in the five year CIP financing Plan below are based on a sufficient portion of each year's set aside of General Fund revenue to meet the goal of completing all projects in five years.

The property tax rate dedicated to the payment of debt service is assumed to begin the period at $0.05 per $100 of taxable value, two cents less than in FY 2018. As discussed in the General Fund Forecast, this "worst case scenario" compensates for what is expected to be the lack of normal growth in this year's property tax roll. It is also under review and will be finalized in the Adopted Budget for FY 2019 when presented.

GENERAL DEBT SERVICE FUND FORECAST

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
REVENUE						
Property Taxes	$3,960	$2,867	$3,280	$3,722	$4,193	$4,696
Infrastructure & Debt Service Fund Transfer	$0	$1,902	$3,240	$2,778	$2,387	$2,315
Interest Income	$35	$40	$45	$48	$49	$46
TOTAL REVENUE	**$3,995**	**$4,809**	**$6,565**	**$6,548**	**$6,629**	**$7,057**
EXPENSE						
Current Debt Service (includes 2017 Bonds)						
Principal	$2,818	$2,356	$2,339	$2,250	$2,543	$2,660
Interest	$1,232	$1,329	$1,236	$1,146	$1,054	$941
Paying Agent Fees	$5	$5	$5	$5	$5	$5
Subtotal Current Debt Service	**$4,055**	**$3,690**	**$3,580**	**$3,401**	**$3,602**	**$3,606**
Projected Future Bonds Debt Service						
Principal	$0	$872	$1,625	$1,647	$1,717	$1,793
Interest	$0	$629	$1,197	$1,172	$1,441	$1,691
Subtotal Future Bonds Debt Service	**$0**	**$1,501**	**$2,822**	**$2,819**	**$3,158**	**$3,484**
TOTAL EXPENSE	**$4,055**	**$5,191**	**$6,402**	**$6,220**	**$6,760**	**$7,090**
Revenue Over/(Under) Expense	**($60)**	**($382)**	**$163**	**$328**	**($131)**	**($33)**
Beginning Fund Balance	**$1,713**	**$1,653**	**$1,271**	**$1,435**	**$1,762**	**$1,632**
Ending Fund Balance	**$1,653**	**$1,271**	**$1,435**	**$1,762**	**$1,632**	**$1,598**
	FY2018	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**
Taxable Value ($millions)	**$5,686.1**	**$5,763.8**	**$5,994.4**	**$6,234.2**	**$6,483.6**	**$6,742.9**
Debt Service Tax Rate	**$0.070000**	**$0.050000**	**$0.055000**	**$0.060000**	**$0.065000**	**$0.070000**
Property Tax Growth	**6.0%**	**1.4%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Investment Pool Earnings Rate	**1.0%**	**1.5%**	**2.1%**	**2.6%**	**2.8%**	**2.8%**
General Fund Transfer to Infrastructure & Debt Service Fund	**$3,266.5**	**$3,805.0**	**$4,629.2**	**$4,629.2**	**$4,774.6**	**$4,629.2**
Percent I&DS Fund transferred to Debt Service Fund	**0.0%**	**50.0%**	**70.0%**	**60.0%**	**50.0%**	**50.0%**
Future Bond Issue ($000's) NOTE	**$0**	**$20,000**	**$17,000**	**$0**	**$8,000**	**$8,000**
Outstanding Principal ($000's) FY End	**$33,949**	**$50,721**	**$63,757**	**$59,860**	**$63,600**	**$67,147**
Overall Interest Rate	**3.09%**	**3.84%**	**4.09%**	**4.09%**	**4.09%**	**4.09%**
Interest Rate Diff with FY18 Rates	**0.00%**	**0.75%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**

2017 Bond Election and Future Bond Sales

In May 2017, the voters approved the issuance of $62 million for street and drainage projects. In July 2017, the City sold the first $25 million towards the bond election authorization, and these bond proceeds are expected to be fully appropriated for projects by the end of October, 2018. Plans are underway, pending City Council approval, to sell an additional $20 million in October to keep the bond election project list on schedule. The first principal and interest payments for the October issue will be due in FY 2019, and the schedule above reflects those payments.

There are apparent differences between the five year CIP schedules and the Debt Service Service Fund for the annual amount of bonds being sold and/or appropriated. This is due to timing differences and the policy being followed of selling bonds only when new bond fund proceeds are actually needed for project appropriations.

Given current project schedules, and the goal of having all projects finished in five years, the remaining bond election authorization of $17 million would need to be sold in the fall of 2019, at the start of FY 2020. The first payments for that sale are also reflected in the forecast for FY 2020. The forecast anticipates the transfer from the Infrastructure and Debt Service Fund will

need to be increased from 50 percent in FY 2019 to 70 percent in FY 2020 to pay the debt service required by these back to back sales. The transfer can then be reduced to 60 percent in FY 2021 and 50 percent in FY 2022 as the property tax rate returns to its current level of $0.07 per $100 of taxable value.

After the May 2017 authorized bonds are sold, the forecast illustrates the effect of additional sales beginning in FY 2022. These sales, estimated at $8 million per year, are to assure the reader that the city's capacity for tax supported debt service will not be exhausted by the issuance of the May 2017 voter authorized bonds. Also, please bear in mind that the five year forecast includes projected payments of bond principal each year in the $4 million range, totalling $19.8 million for the FY 2019-2023 period. This steady repayment of borrowed funds will offset the anticipated sales of $37 million already authorized and an additional $16 million in potential issuance as described from a future bond election.

CIP FINANCING PLAN: REVENUE SUPPORTED PROJECTS

The Adopted CIP includes two major funding sources totalling $167.1 million for revenue supported water and sewer projects:

1. $147 million in revenue supported long-term water and sewer bonds that require City Council approval; and
2. $20.1 million in enterprise fund cash set aside for water ($5.1 million), sewer ($11.8 million), Airport ($1.3 million), and other ($1.9 million) projects.

Water and sewer project comprise the major portion ($163.9 million of $167.1 million) of revenue supported projects. The Airport CIP is largely supported by $5 million in grants from TxDOT. The historic City Hall preservation project will be supported by $6.1 million in recovery and capital reserves and $2.1 million in hotel occupancy tax funds, $1.6 million of which is from HOT funds dedicated to historic preservation.

WATER AND SEWER SYSTEM PROJECT FINANCING

The plan to finance necessary water and sewer system improvements is based on revenue collected from customers that is used to pay debt service on long-term bonds and to provide cash for some projects. The last water and sewer rate increase on October 1, 2015, was largely responsible for a $4.7 million increase in water revenue and a $2 million increase in sewer revenue in FY 2016 over FY 2015. A new rate structure was also put in place to encourage conservation by customers that consumed more water and protect small users of water from the significant overall increase needed to support the FY 2016-2020 water and sewer CIP.

In 2015, annual increases were projected in water and sewer rates every year, but we emphasized that rates would be reviewed annually and increases would be avoided if possible. In the following year, we avoided any increase in water or sewer rates and projected no future increases in sewer rates to support the five year CIP. We still projected annual water rate

increases to support the increasing cost of water supplied through the Gulf Coast Water Authority.

At the time of the release of this Adopted CIP for FY 2019-2023, final rate analyses are not complete, but we expect to have a full presentation on the issue of rates by staff and the City's rate consultants in the July 26th City Council workshop. The following section is heavily excerpted from the FY 2019-2023 Long Range Financial Forecast on the overall financial structure of the water and sewer systems, and the poential impact of rates in FY 2019 only.

Overview of the Water and Sewer System Financial Structure

We are now preparing to consolidate the Waterworks and Sewer System Enterprise Funds into one Combined Utility System Fund. This consolidation will include segregated record keeping for water and sewer revenue and costs for rate setting purposes.

Combining the two major utility funds is advantageous for several reasons:

1. It is consistent with the sale of long-term bonds that are most commonly purposed to fund capital improvements to both systems. The City of Galveston's water and wastewater bond sales are conducted in this fashion, requiring rating agencies, city staff and interested investors to review two sets of financial records in determining how to rate and whether to purchase the bonds. The City's financial advisors, Hutchinson Shockey Erley & Co. support the funds consolidation recommendation.
2. A single set of financial records from a consolidated fund will make for more efficiency in accounting and auditing as well. The City's auditors, Whitley Penn, support the consolidation.
3. Records for water and sewer system revenue and expense will be maintained separately, to support cost allocation and rate studies. This will continue to make rate setting and financial reporting transparent to system customers and the general public.
4. Consolidated utility systems funds are a "best practice" in use in the following local cities: Pearland, Pasadena, La Marque, League City, Alvin, Angleton, Beaumont, Rosenberg, Seabrook, Sugar Land, Baytown and Friendswood. Of the cities surveyed who run their own water and wastewater systems, only one, Texas City maintains separate funds for each system like the City of Galveston does.

The need for rate increases has been reviewed annually and the water and sewer rate structure that was implemented effective October 1, 2015, is still in place today. The principle behind the 2015 increase was to cover price increases passed through by Gulf Coast Water Authority and the cost of implementing the CIP, including principal and interest on new bonds. That principle is still in place today. The projected increases in revenue that would cover increases in GCWA's cost and new bonds require some form of rate or fee increase can be deferred or funded in several ways.

1. An across-the-board increase in all fees and charges to all classes of customers;
2. Increases to certain classes of customers;
3. Adjustments to base charges alone, that cover the cost of access to the system;

4. Increases in special fees and charges based on the cost of the service involved (i.e. meter installation, later payment fees, et al);
5. Cancellation or rescheduling of specific CIP projects;
6. Reductions in the City's cost of maintaining and operating the system;
7. Improved collections of receivables; or
8. Some combination of any or all of the above.

The table below presents the impact of stopping the water leak found by city staff last November. GCWA's $11.5 million budgeted cost to the City is 50.8 percent of the FY 2019 Waterworks Fund Budget, and $8.5 million of that amount is fixed. The impact of the leak having been stopped affects only one GCWA cost category shown below.

FY 2018 Budget Cost Analysis

Contract Category	FY 2018 Budget	FY 2018 Budget Estimate	Costs Unaffected by the Loss	Costs Affected by the Loss	Comment	Rate per 1000 Gallons
Contract Bond Payments						
GCWA Bonds 2011A (1998)	$2,443,518	$2,443,518	$2,443,518	$0	Fixed payment schedule	
GCWA Bonds 2012 (2002)	$861,027	$861,027	$861,027	$0	Fixed payment schedule	
GCWA Bonds 2016A	$230,711	$230,711	$230,711	$0	Fixed payment schedule	
Subtotal - GCWA Bond Payments	**$3,535,256**	**$3,535,256**	**$3,535,256**	**$0**	Fixed payment schedule	
Water Purchase (Note)						
Raw water	$2,107,657	$2,107,657	$2,107,657	$0	COG rights to 20.99 MGD	$0.27510
Capital Outlay & Replacements	$1,592,411	$1,592,411	$1,592,411	$0	Plant improvements & repairs	$0.20785
Maintenance and Operations	$2,945,660	$2,424,000	$0	$2,424,000	Based on 14.125 MGD per day versus 11.625 MGD since November	$0.57135
Subtotal M&O	**$6,645,728**	**$6,124,068**	**$3,700,068**	**$2,424,000**		
Other Costs						
Distribution TMWTP South Line	$602,699	$602,699	$602,699	$0	COG rights to 20.99 MGD	$0.07867
Causeway M&O	$69,769	$69,769	$69,769	$0		
Causeway Capital	$640,000	$640,000	$640,000	$0		
Subtotal- Other Costs	**$1,312,468**	**$1,312,468**	**$1,312,468**	**$0**		
TOTALS	**$11,493,452**	**$10,971,792**	**$8,547,792**	**$2,424,000**		
	Savings	**($521,660)**				

The year-over-year difference in consumption has been between 2 and 3 million gallons per day. Assuming 2.5 million fewer gallons are purchased from GCWA per day, the savings is estimated at $521,660 annually.

Conclusion

The Adopted FY 2019-2023 Capital Improvement Plan is comprehensive, including all major programs. It addresses the city's major needs in improving its infrastructure, and it is fully funded. We look forward to a successful year of making progress with this Capital Improvement Plan.

Brian Maxwell, City Manager

CITY OF GALVESTON

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City of Galveston
FY2019 – FY2023
Capital Improvement Plan
Streets Program Overview

The Street Program includes projects totaling $87 million for Street projects for the FY2018-2023 period, $43 million of which has been initiated in FY2017 & FY2018. Streets identified for funding in the May 2017 bond election are underway so they will be finished by the end of FY 2022. Street projects comprise $27.5 million of the 2017 G.O. Bonds.

The $44 million street program for the FY 2019-2023 period also is proposed to be funded with $10.1 million from the General Fund Infrastructure and Debt Service set aside and $4.5 million from sales tax revenue provided through the Industrial Development Corporation. Six street reconstruction projects totaling $15 million are being completed with CDBG Disaster Recovery grants in FY 2017-2018.

In addition to the City funded projects, we are entering into a partnership with Galveston County to provide pavement and drainage improvements for Avenue S from 53rd Street eastward to Seawall Boulevard and 23rd Street from Broadway to Seawall, utilizing the 2017 County bond election funds.

In 2017, the City of Galveston performed a Streets Assessment and prepared a priority list of streets in need of repairs or reconstructions. This effort followed on the first such assessment performed in 2012. These assessments provided a scoring of the city streets based on the following scale:

Rating	Assessment
86-100	Good
71-85	Satisfactory
56-70	Fair
41-55	Poor
26-40	Very Poor
11-25	Serious
0-10	Failed

This information has been used as the basis for the adopted CIP starting in FY2016, and continuing in the FY2019-2023 Streets CIP plan. The streets identified as most in need of repair or replacement made up the Street list used to support the public improvement bond proposition approved by the voters in in May 2017.

The objective of the Streets program is to correct all streets scoring below 70 (ranging from “Failed” to “Fair”) within the five fiscal years. The initial effort involved repaving or totally reconstructing 23.7 percent of the streets within the City, amounting to 67.3 miles of roadway. This has been reduced by the completion of sections of 69th Street, 51st

Street, Saladia Avenue, Market Street, Avenue S, 65th Street, Sealy, and other projects throughout the island.

The initial effort was aimed at those streets without significant base failures or associated underground utility issues. Based on the 2017 assessment and repair records, City staff is continually evaluating and prioritizing projects requiring both surface reconstruction and utility replacement.

Street projects will be accomplished by utilizing a combination of City crews and outside contractors. City crews will perform work associated with milling and laying hot-mix asphaltic concrete (HMAC) utilizing existing equipment on existing HMAC surfaced streets. Crews will also place HMAC overlays as needed on existing concrete streets in order to extend the service life of these roadways.

Outside contractors will be utilized for total reconstruction projects since these projects will include water, sewer, and drainage improvements in addition to the street repaving. In FY 2019, these projects include:

1. Reconstruction of 45th Street from Broadway to Seawall,
2. 25th Street from Broadway to Seawall,
3. 73rd Street from Heards Lane to Avenue N ½,
4. Continuing the 27th Street corridor project,
5. 16th Street from Broadway to Avenue N ½,
6. 30th Street from Avenue O to Seawall,
7. 35th Street from Postoffice to Broadway, and
8. 29th Street from Church to Harborside.

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
STREETS & TRAFFIC PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2019 - FY2023

STATUS	#	PROJECT NAME	PROJECT NO.	PRIOR ENCUMBERED	2019	2020	2021	2022	2023	TOTAL FY 19 - 23	PROJECT CIP TOTAL
	1	16th Street from Broadway to Ave N 1/2	ST1802	217,600	1,242,500	0	0	0	0	1,242,500	1,460,100
IDC Infrastructure	2	27th Street Corridor	IDC27	3,132,000	2,600,000	0	0	0	0	2,600,000	5,732,000
IHST19	3	Streets Mill & Overlay Rehabilitation	IHST19	2,626,261	2,310,783	2,481,000	2,662,200	2,822,600	2,860,000	13,136,583	15,762,844
	4	26th Street from Ave N to Broadway	ST1503	539,800	0	0	0	0	0	0	539,800
	5	26th Street from Church Broadway (Phase 2)	ST1503-2	5,000	564,100	0	0	0	0	564,100	569,100
Contingency	6	Program Contingency	STCONT	0	1,500,000	0	0	0	0	1,500,000	1,500,000
CDBG 2.2	7	Saladia Street from Heards Lane to Stewart Road	ST1509	2,008,807	0	0	0	0	0	0	2,008,807
Convention Center Surplus	8	Historic Broadway Lighting Improvements	TR1701	0	500,000	0	0	0	0	500,000	500,000
CDBG 2.2	9	Avenue S from 61st Street to 53rd Street	ST1511	3,114,253	0	0	0	0	0	0	3,114,253
CDBG 2.2	10	51st Street from Broadway to Postoffice Street	ST1512	2,064,609	0	0	0	0	0	0	2,064,609
CDBG 2.2	11	Sealy Street from 25th Street to 33rd Street	ST1513	2,763,702	0	0	0	0	0	0	2,763,702
	12	25th Street from Broadway to Seawall	ST1701	575,250	4,105,750	0	0	0	0	4,105,750	4,681,000
	13	73rd Street from Heards Lane to Ave N 1/2	ST1702	175,000	1,319,750	0	0	0	0	1,319,750	1,494,750
	14	Replacement of Strand Pavers	ST1704	0	430,000	0	0	0	0	430,000	430,000
	15	45th Street from Broadway to Seawall	ST1705, IDC45	11,495,000	0	0	0	0	0	0	11,495,000
	16	Intersection Improvements for 61st Street and Seawall Boulevard	ST1706	4,000	35,000	243,000	0	0	0	278,000	282,000
	17	30th Street from Ave O to Seawall Blvd	ST1801	176,500	1,306,500	0	0	0	0	1,306,500	1,483,000
	18	22nd Street from Harborside to Broadway	ST1803	510,000	0	0	0	0	0	0	510,000
	19	37th Street from Broadway to Seawall	ST1901	13,750	808,750	5,907,500	0	0	0	6,716,250	6,730,000
	20	29th Street from Ave O to Seawall	ST2001	15,000	620,000	4,512,500	0	0	0	5,132,500	5,147,500
	21	49th Street from Ave P to Ave S 1/2	ST2002	282,750	1,983,050	0	0	0	0	1,983,050	2,265,800
	22	35th Street from Postoffice to Broadway	ST2003	310,000	2,145,500	0	0	0	0	2,145,500	2,455,500
	23	Roadway reconstruction / repair	RDWYP	2,018,234	0	0	0	0	0	0	2,018,234
TIRZ 14	24	Sidewalk 81st to Sand Hill & Stewart	SR81SH	1,128,302	0	0	0	0	0	0	1,128,302
IDC Infrastructure	25	Sidewalk and Concrete Crew	IDCSCC	1,313,074	369,000	369,000	369,000	369,000	369,000	1,845,000	3,158,074
TIRZ 14	26	Travel Air Bridge Improvements	ST1620	1,058,000	0	0	0	0	0	0	1,058,000
TIRZ 14	27	83rd Street Drainage and Roadway Reconstruction	ST1805	85,443	0	0	0	0	0	0	85,443
	28	33rd Street - Broadway to Harborside	ST1605	391,995	0	0	0	0	0	0	391,995
	29	29th Street - Church to Harborside	ST1604	26,100	590,950	0	0	0	0	590,950	617,050
IDC Economic Development	30	West Market Street - 25th to 33rd	WEMA	1,366,575	0	0	0	0	0	0	1,366,575
TXDOT	31	Seawall Paving Improvements (local match)	ST1709	570,000	0	0	0	0	0	0	570,000
IDC Economic Development	32	Harborside Drive - 33rd and 20th Street	IDCHAR	2,900,000	0	0	0	0	0	0	2,900,000
	33	29th Street - Broadway to Sealy	ST1603	13,200	0	0	0	0	0	0	13,200
New	34	Downtown Streetscape Improvements	IDCDOW	0	200,000	2,100,000	0	0	0	2,300,000	2,300,000
	Total $'s by Year			**$ 40,900,205**	**$ 22,631,633**	**$ 15,613,000**	**$ 3,031,200**	**$ 3,191,600**	**$ 3,229,000**	**$ 47,696,433**	**$ 88,596,638**

CITY OF GALVESTON

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City of Galveston
FY2019 – FY2023
Capital Improvement Plan
Drainage Program

The Drainage Program includes constructing new facilities to increase capacity and providing repairs to existing systems, with $19.4 million in projects scheduled for the FY 2019-2023 period. Drainage projects identified in the May 2017 bond election will be under construction by FY 2021 so they might be finished by the end of FY 2022. Drainage projects are being funded with $4.4 million of the $25 million in public improvement bond proceeds (identified herein as 2017 G.O. Bonds) received from the sale completed in July 2017.

City crews will be implementing a ditch regrading program to improve the roadside ditches in the West End. We are also coordinating with the Texas Department of Transportation (TxDOT) for improvements to the drainage for the area of 11 Mile Road south of FM 3005 to be completed in FY2019.

In addition to the City funded projects, we will be utilizing the 2017 County bond election funds to provide drainage improvements for Avenue S from 53rd Street eastward to Seawall Boulevard and 23rd Street from Broadway to Seawall by partnering with Galveston County.

We will also be continuing a program to remove the sediment and debris from the existing below ground drainage infrastructure. Future improvements to existing systems include:

1. Replacing and upsizing the storm drain in Church Street from 35th Street to 37th Street;
2. Performing a major drainage study for the drainage area centered on 18th Street to include replacing the failing storm main in 18th Street from Market Street to the Galveston Ship Channel, cross connecting the entire drainage area into a single, and evaluating the feasibility of a mechanical pumping system to improve the drainage in that area (providing the basis for other, similar projects); and
3. Replacing inlets and undersized laterals in conjunction with street improvement projects.

In addition, the City will be conducting a Master Drainage Study to research alternate technologies and recommend cost effective drainage improvements that we will be looking to implement in the future.

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
DRAINAGE PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2019 - FY2023

STATUS	#	PROJECT NAME	PROJECT NO.	PRIOR ENCUMBERED	2019	2020	2021	2022	2023	TOTAL FY 19 - 23	PROJECT CIP TOTAL
	1	11 Mile Road Drainage Improvements	D1601	0	20,000	0	0	0	0	20,000	20,000
	2	18th Street Drainage Improvements	D1602	1,200,861	12,948,296	0	0	0	0	12,948,296	14,149,157
	3	Avenue L Storm System at 62nd St and 63rd St	DAVENL	238,875	0	0	0	0	0	0	238,875
	4	Church Street Drainage Improvements	D1604	137,386	998,674	0	0	0	0	998,674	1,136,060
Contingency	5	Drainage Program Contingency	DCONT	0	798,780	0	0	0	0	798,780	798,780
	6	Master Drainage Plan and Feasibility Study	D1701	1,750	1,750	346,500	0	0	0	348,250	350,000
	7	Storm Sewer Rehabilitation & Inspection Program	D1608	1,800,000	0	0	0	0	0	0	1,800,000
Evaluation	8	Evaluation of Storm Sewer System Outfalls	D1702	250,000	0	0	0	0	0	0	250,000
Evaluation	9	West End Drainage Rehabilitation Program	D1703	3,000	297,000	300,000	0	0	0	597,000	600,000
	10	33rd Street - Broadway to Harborside	ST1605	500,000	0	0	0	0	0	0	500,000
Compliance	11	Storm Water Management (TCEQ)	DSTORM	440,238	0	0	0	0	0	0	440,238
IDC Infrastructure	12	Drainage System Improvements	D1801	0	0	0	250,000	0	0	250,000	250,000
		Total $'s by Year		**$ 4,572,110**	**$ 15,064,500**	**$ 646,500**	**$ 250,000**	**$ -**	**$ -**	**$ 15,961,000**	**$ 20,533,110**

City of Galveston
FY2019 – FY2023
Capital Improvement Plan
Water Program

The Water Program includes projects totaling $154.2 million intended to improve the quality and quantity of drinking water provided to the citizens of Galveston. This includes rehabilitating existing infrastructure and constructing new facilities to increase capacity and available pressure. A total of $50 million in projects have already been initiated in FY2017-2018 to improve the water system with $24.7 million from CDBG Disaster Recovery grant funds being used for five projects.

Rehabilitation and replacement projects for the FY2019–2023 period include:

1. Rehabilitating the groundwater supply wells located on the mainland,
2. Replacing the original 1894 waterline with a new supply main on the causeway,
3. Renovating the existing tanks at the 59th Street pump station site,
4. Replacing sections of the main supply line on the island to our pump stations,
5. Replacing the water lines and infrastructure in conjunction with the County bond projects for Avenue S and 23rd Street
6. Continued replacement of substandard fire hydrants throughout the city, and
7. Complete reconstruction of the 59th Street Pump Station.

Proposed new construction for the water system by FY 2023 includes:

1. A 7.5 million gallon ground storage tank (GST) at the 59th Street pump station site,
2. A 24 inch waterline from the 59th Street Pump Station to the Airport, and
3. Installation of a 12 inch waterline along a portion of Seawall Boulevard to provide increased pressure and better service.

Future projects may include constructing a new elevated storage tank (EST) on the east end, a 20 inch waterline from Holiday Drive to east beach, and a new 20 inch waterline from the 30th Street pump station to the east end. These projects will provide greater capacity and pressure to the east end and the area located along the route of the new line. Other future work will include new looped systems to improve pressure and reliability in the Laffite's Cove and Spanish Grant (bayside) subdivisions and upgrading the capacity and operations of the Airport Pump Station.

Other projects will include replacing old waterlines in conjunction with street improvements in order to provide for improved traffic circulation and prevent impacts to both the roadway and water systems by performing major construction without coordinating work appropriately.

Funding will be a combination of the Water Improvement Fund and 2017 Water revenue bonds. This combination of cash and financing is an effective approach to fund projects utilizing a balance of short- and long-term funding.

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
WATERWORKS PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2019 - FY2023

STATUS	#	PROJECT NAME	PROJECT NO.	PRIOR ENCUMBERED	2019	2020	2021	2022	2023	TOTAL FY 19 - 23	PROJECT CIP TOTAL
	1	Well Disinfection and Flushing for Water Wells #2A, 6A, 10, 12, 13, 16, 17	W1701	56,700	570,000	0	0	0	0	570,000	626,700
Finalizing Accounting	2	8" Water Line - 30th St ROW and Market Street	W1706	41,000	279,100	0	0	0	0	279,100	320,100
Awaiting TCEQ approval	3	Rehabilitation of Water Wells #9 and 11	WWELLS	496,682	250,000	635,000	0	0	0	885,000	1,381,682
	4	Pirate's Beach - Lafitte's Cove Loop	W1610	107,250	702,250	0	0	0	0	702,250	809,500
	5	20 Inch Water Line - TAMUG to Seawolf Parkway to Bradner Street	W1702	14,305	0	0	349,305	3,212,390	0	3,561,695	3,576,000
	6	12 Inch Water Line - Seawall Boulveard, 81st Street to 97th Street	W1902	0	0	0	225,000	1,836,750	0	2,061,750	2,061,750
	7	61st Street Bridge Waterline	W1709	313,500	0	0	0	0	0	0	313,500
	8	30 Inch Water Line Causeway	W1605	824,930	0	0	9,439,900	0	0	9,439,900	10,264,830
	9	Airport Pump Station Pump and Control Upgrades	W1703	240,000	24,000	2,028,000	0	0	0	2,052,000	2,292,000
	10	30 Inch Water Line - Railroad Bridge to Harborside Drive	W1704	308,000	0	0	0	2,310,000	0	2,310,000	2,618,000
	11	Airport Pump Station Pump Tank Upgrades - Phase 1	W1705	733,750	0	4,758,000	0	0	0	4,758,000	5,491,750
	12	24" Water Line - 59th St Pump Station to Airport Pump Station	W1707	1,837,500	18,275,500	0	0	0	0	18,275,500	20,113,000
	13	30 Inch Water Line - 71st Street to 59th Street Pump Station	W1801	0	0	0	529,000	4,574,000	0	5,103,000	5,103,000
	14	Airport Pump Station Pump Tank Upgrades - Phase 2	W1901	0	12,500	850,000	5,282,000	0	0	6,144,500	6,144,500
	15	Rehabilitation of Water Tanks at the 59th Street Pump Station	W1603	6,837,881	0	0	0	0	0	0	6,837,881
	16	Construction of a New 7.5 Million Gallon Water Tank at the 59th Street Pump Station	W1612	7,583,074	0	0	0	0	0	0	7,583,074
	17	Rehabilitation of Water Tanks at the 30th Street Pump Station	W1617	975,743	0	0	0	0	0	0	975,743
	18	59th St Pump Station Reconstruction	W59PMP	21,106,263	0	0	0	0	0	0	21,106,263
Ongoing	19	Fire Hydrant Replacement Program	FD-132	4,812,785	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	6,300,000	11,112,785
Finalizing Accounting	20	6 Inch Water Line - Gulf Drive	W1608	1,350,771	0	0	0	0	0	0	1,350,771
Contingency	21	Program Contingency for Water	WCONT	800,000	1,000,000	0	0	0	0	1,000,000	1,800,000
	22	Water Master Plan	W1615	105,328	0	0	0	0	0	0	105,328
Ongoing	23	Water System Improvements and Water Valve Replacement Program	W1618	368,379	712,000	350,000	350,000	350,000	350,000	2,112,000	2,480,379
New	24	10 Mile Road Elevated Storage Tank Replacement	W1601	0	250,000	1,487,500	7,790,000	0	0	9,527,500	9,527,500
Ongoing	25	Non-revenue Water Mitigation Program	W1802	196,000	104,000	0	0	0	0	104,000	300,000
COUNTY pending	26	23RD - Broadway to Seawall Blvd. (County)	ST1806	215,130	1,596,659	0	0	0	0	1,596,659	1,811,789
COUNTY pending	27	Avenue S - 53rd to Seawall Blvd. (County)	ST1807	667,391	3,775,625	0	0	0	0	3,775,625	4,443,016
New	28	Teichman Road Waterline- 91st to 96th	W1803	0	379,750	2,773,000	0	0	0	3,152,750	3,152,750
New	29	20" Waterline - 7 Mile to 10 Mile Road	W1903	0	0	0	45,000	1,341,305	10,345,545	11,731,850	11,731,850
New	30	12" WL Upgrade - I-45 Feeder Rd. - 65th to 77th	W1904	0	0	0	50,000	375,000	4,052,200	4,477,200	4,477,200
New	31	Upsize for Fire Flow and Capacity (City Wide)	W1905	0	0	0	80,500	409,000	3,755,000	4,244,500	4,244,500
		Total $'s by Year		**$ 49,992,362**	**$ 29,191,384**	**$ 14,141,500**	**$ 25,400,705**	**$ 15,668,445**	**$ 19,762,745**	**$ 104,164,779**	**$ 154,157,141**

City of Galveston
FY2019 – FY2023
Capital Improvement Plan
Sewer Program

The Sewer Program includes $77.6 million in projects that will improve existing system infrastructure and extend sanitary sewer to the west end of the island.

This includes the construction of sanitary sewer to serve Sunny Beach and the development along 8 Mile Road south of Stewart Road, and, potentially, a sanitary sewer along 11 Mile Road from the beach to Stewart Road. In addition, the City is looking into various means of providing sanitary sewer to the remaining unserved areas in a cost effective manner, including researching alternate technologies and programs.

Included in the CIP is the ongoing work of bringing the old infrastructure of the existing sanitary sewer system up to day. This includes:

1. Upgrading lift stations throughout the City to provide for resiliency,
2. Rebuilding the Airport Wastewater Treatment Plant (WWTP),
3. Reconstructing and upgrading the Pirate's Beach WWTP,
4. Rebuilding the Seawolf Park WWTP,
5. Reducing inflow and infiltration (I & I) by pipe bursting and sliplining old sewer lines throughout the City,
6. Replacing the aged sewer lines and infrastructure in conjunction with the County bond projects for Avenue S and 23rd Street, and
7. Rehabilitating sanitary sewer force mains at various locations.

Future projects will include improving the City's ability to provide sanitary sewer to the east end and relocating the sanitary sewers that are under homes in the Cedar Lawn subdivision.

CITY OF GALVESTON
CAPITAL IMPI CAPITAL IMPROVEMENT PLAN
SEWER PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2019 - FY2023

STATUS	#	PROJECT NAME	PROJECT NO.	PRIOR ENCUMBERED	2019	2020	2021	2022	2023	TOTAL FY 19 - 23	PROJECT CIP TOTAL
	1	Rehabilitation of Main WWTP Sludge Holding Tank	S1610	0	904,000	5,575,188	0	0	0	6,479,188	6,479,188
	2	Lift Station Pump and Electrical Improvements	S1701	2,036,000	2,286,000	2,536,000	2,536,000	2,536,000	2,536,000	12,430,000	14,466,000
	3	Reconstruction of Pirates' Beach Wastewater Treatment Plant	S1607	660,167	6,559,400	0	0	0	0	6,559,400	7,219,567
Awaiting TCEQ	4	Seawolf Park WWTP Reconstruction	SSEAWO	259,618	1,200,986	0	0	0	0	1,200,986	1,460,604
	5	Airport Wastewater Treatment Plant Final Mitigation & Recovery	SWPPT/SW-159	7,928,289	0	0	0	0	0	0	7,928,289
Ongoing	6	Replace Pipe at Ferry & 1st	S1902	0	0	0	0	161,200	962,500	1,123,700	1,123,700
	7	West End Sewer Improvements	S1702	25,000	595,000	0	2,690,933	0	0	3,285,933	3,310,933
Ongoing	8	Sanitary Sewer Repair and Rehabilitation Program (Force Mains/Inflow/Infiltration)	SLINEI	5,772,374	825,000	825,000	825,000	825,000	825,000	4,125,000	9,897,374
	9	Wastewater Master Plan	S1611	124,616	0	0	0	0	0	0	124,616
	10	Sunny Beach - 8 Mile Road Sanitary Sewer Project	S1609	332,000	20,000	2,674,000	0	0	0	2,694,000	3,026,000
NEW	11	Harborside - 25th to 29th	S1901	0	0	0	0	526,675	3,653,125	4,179,800	4,179,800
Contingency	12	Program contingency	SCONT	225,000	750,000	0	0	0	0	750,000	975,000
NEW	13	Avenue S - 53rd to Seawall Blvd. (County)	ST1807	61,180	362,600	0	0	0	0	362,600	423,780
NEW	14	Terramar Waste Water Treatement Plant Upgrade	S1903	0	0	0	0	2,657,500	12,338,300	14,995,800	14,995,800
NEW	15	23RD - Broadway to Seawall Blvd. (County)	ST1806	227,050	1,716,436	0	0	0	0	1,716,436	1,943,486
		Total $'s by Year		**$ 17,651,294**	**$ 15,219,422**	**$ 11,610,188**	**$ 6,051,933**	**$ 6,706,375**	**$ 20,314,925**	**$ 59,902,843**	**$ 77,554,137**

City of Galveston
FY2018 – FY2022
Capital Improvement Plan
Parks and Recreation Program

The Parks and Recreation Program includes $21.3 million in projects that serve to implement the Parks, Recreation, and Open Space Master Plan. Sale tax revenue provided through the Industrial Development Corporation are proposed to provide $18 million for this program, while $3.3 million in grants and private donations provide the balance.

The highest priority in the Master Plan was a community pool, which is being completed in Lasker Park and opened during FY 2017. Operating costs will be funded from IDC sale tax revenues and pool operating revenue. The Program also includes two projects, which support specific objectives in the Master Plan:

1. 53rd Street Baseball and Softball Complex and Park at 53rd and Avenue S ($5.2 million in IDC funding), and
2. The Sandhill Crane Soccer Complex and Park at 7 Mile and Stewart Road ($4.5 million in IDC funding.).

Both projects involve plans that coincide with priority numbers two (2) Repair/ Rehabilitation of Existing Parks, three (3) Increased Shade Opportunities at Existing Parks, four (4) Continued Pursuit of a Comprehensive Trail and Bikeway Master Plan and six (6) Tournament Facilities in our Parks, Recreation, and Open Space Master Plan. Other priorities also include the acquisition of park acreage in areas of need, and public bay access for fishing and recreation.

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
PARKS & RECREATION PROGRAM
BUDGET SUMMARY
FY 2019-2023

STATUS		PROJECT NAME	PROJECT NO.	PRIOR ENCUMBERED	2019	2020	2021	2022	2023	TOTAL FY 19 - 23	PROJECT CIP TOTAL
Phase 1, 2	1	53rd Street Little League Complex & Park	IDCLLC	4,761,575	0	0	0	0	0	0	4,761,575
Beach	2	Babe's Beach Preservation	IDCBBP	1,500,000	0	1,500,000	0	0	0	1,500,000	3,000,000
Local Match	3	Jones Park	IDCJP	0	25,000	0	0	0	0	25,000	25,000
Beach	4	Seawall Urban Park Renourishment	IDCSUP	0	0	0	844,000	0	0	844,000	844,000
	5	McGuire Dent Recreation Center	IDCMDP	0	150,000	0	0	0	0	150,000	150,000
Phase 1, 2, 3	6	Sandhill Crane Soccer Complex & Park	IDCSHC	75,000	240,000	1,100,000	0	1,300,000	0	2,640,000	2,715,000
Local Match	7	Dellanera Park Renourishment	IDCDELL	0	0	422,000	0	0	0	422,000	422,000
New	8	Beach Pocket Park Rehabilition	IDCPOC	0	1,850,000	0	0	0	0	1,850,000	1,850,000
		Total $'s by Year		**$ 6,336,575**	**$ 2,265,000**	**$ 3,022,000**	**$ 844,000**	**$ 1,300,000**	**$ -**	**$ 7,431,000**	**$ 13,767,575**

City of Galveston
FY2019 – FY2023
Capital Improvement Plan
Facilities Program

The Facilities Program includes $40.5 million for demolition, rehabilitation and/or improvement of city facilities with $29.8 million coming from CDBG Disaster Recovery grant funds, which were started in FY2018. These projects will remove blight, provide or foster neighborhood improvements, and upgrade facilities important to the provision of city services. No City bond funds are proposed for Facilities Program projects.

Projects include the demolition of the Old Municipal Incinerator, renovating the old 30th Street Pump Station to provide community activities in this historic structure, and improvements to the lighting along Broadway.

Two major facility projects are being funded with CDBG Disaster Recovery funds including a new operations facility for Public Works and Utility personnel ($9.0 million in CDBG funding) and construction of a new Fire Station #1 adjacent to City Hall ($9.1 million in CDBG Disaster Recovery funds). These projects will include demolition of the current Public Safety Annex and the Bersinger Building. Other facility projects include paving the parking area for Sanitation vehicles to reduce wear and tear on the equipment, as well as renovations to the City's historic City Hall to help preserve our history and improve service to the citizens of Galveston.

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CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
FACILITIES PROGRAM
BUDGET SUMMARY
FY2019 - FY2023

STATUS		PROJECT NAME	PROJECT NO.	Prior Encumbered	2019	2020	2021	2022	2023	TOTAL FY 19-23	PROJECT CIP TOTAL
CDBG 2.2	1	Demolition of Old Municipal Incinerator	IDEMO	5,480,243	0	0	0	0	0	0	5,480,243
CDBG 2.2	2	Cedars Area Neighborhood Improvements	CWALK	618,806	0	0	0	0	0	0	618,806
CDBG 2.2	3	New Public Works & Utilities Building & Warehouse	PWFAC	11,124,092	0	0	0	0	0	0	11,124,092
CDBG 2.2	4	Historic 30th Street Pump Station Rehabilitation	CREHAB	2,549,797	0	0	0	0	0	0	2,549,797
CDBG 2.2	5	New Central Fire Station (Fire Station No. 1)	FS1	9,812,568	0	0	0	0	0	0	9,812,568
CDBG 2.2	6	Demo Existing Central Fire Station / Annex (Fire Station No. 1)	DFS1	237,353	0	0	0	0	0	0	237,353
CDBG 2.2	7	30th St. Tank Demolition	CTDEMO	215,373	0	0	0	0	0	0	215,373
Planning	8	East Parking Lot - Garage	F1801	5,000	795,000	0	0	0	0	795,000	800,000
Insurance Proceeds	9	Parking Lot Improvements at Sanitation (RE-102)	SA1701	2,000	95,000	0	0	0	0	95,000	97,000
FEMA and Insurance Proceeds	10	Replacement of Recycling Building at Eco-Center	SW-171	202,639	0	0	0	0	0	0	202,639
Complete	11	City Hall Roof Repair Project	CH1701	660,000	0	0	0	0	0	0	660,000
Planning	12	Renovate City Hall & Windows	CH1702	20,000	2,273,780	3,475,800	2,388,561	0	0	8,138,141	8,158,141
	Total $'s by Year			**$ 30,927,871**	**$ 3,163,780**	**$ 3,475,800**	**$ 2,388,561**	**$ -**	**$ -**	**$ 9,028,141**	**$ 39,956,012**

City of Galveston
FY2019 – FY2023
Capital Improvement Plan
Airport Program

The Airport Program includes approximately $11.6 million to improve Scholes International Airport operations and to upgrade or build new facilities for airport users. The majority of this program ($9 million) is to be funded with grants through the Texas Department of Transportation (TxDOT).

The Airport Capital Improvement Program includes construction of three hangars and an office/warehouse facility, rehabilitation of the majority of airfield pavement, and updating our Airport Master Plan.

The following is the list of specific projects:

1. Construction of an eight-unit nested T-hangar and two, 3,600 sq. ft. box hangars.
2. Construction of a commercial office/warehouse space.
3. Rehabilitation of Runway 14/32, Taxiways A, B, C, D & E and Phase 3 & 4 of the North Apron (FY2019).
4. Airport Master Plan update and design and engineering for the planned FY 2021-22 projects (FY2020),
5. Rehabilitation of Runway 18/36 (FY2021).
6. Rehabilitation of Phases 1-3 of the South Apron and South Ramp (FY2022).

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
AIRPORT PROGRAM
BUDGET SUMMARY
FY2019 - FY2023

STATUS		PROJECT NAME	PROJECT NO.	PRIOR ENCUMBERED	2019	2020	2021	2022	2023	TOTAL FY 19 - 23	PROJECT CIP TOTAL
	1	Design FY 17, 18, 19 and 21 Projects & Fencing Improvements	A1603	0	0	0	0	0	0	0	0
	2	Hangar Construction Project	A1701	0	0	0	0	0	0	0	0
TxDot	3	Airfield Pavement Improvements Phase 3	A1801	0	0	0	0	0	0	0	0
	4	Airport Warehouse Building	A1802	0	0	0	0	0	0	0	0
TxDot	5	Planning - Airport Master Plan Update. Design - Pavement Imprv.	A2001	0	0	0	0	0	0	0	0
TxDot	6	Airfield Pavement Improvements Runway 18/36	A2101	0	0	0	0	0	0	0	0
TxDot	7	Airfield Pavement Improvements South Apron & South Ramp	A2201	0	0	0	0	0	0	0	0
TxDot	8	Fencing Improvements	A1604	0	0	0	0	0	0	0	0
		Total $'s by Year		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2018 - 3rd QUARTER - 6/30/2018

STREETS & TRAFFIC PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
ST1503	26TH - BROADWAY TO CHURCH (phase 2)	Replace approx. 1,282 feet milling and overlay and upgrading of the drainage system.	$ 569,100	$ 1,950	Construction Subsequent to ST1503 Phase 1	Design Complete, Construction Subsequent to ST1503 Phase 1 in FY 2019. Phase 1 is in Construction.
ST1603	29TH ST - BROADWAY to SEALY	Replace storm sewer inlets and inlet leads. Mill and asphalt overlay 48 foot wide	$ 133,490	$ 11,120	Construction Simultaneously with ST1604	Design Complete, Construction Simultaneously with ST1604 in FY 2019
ST1802	16TH - BROADWAY TO AVE N 1/2	Approximately 1,945 feet to include milling and replacement of asphalt surface and replace of drainage inlets and laterals, replace and upsize old water and sewer utilities.	$ 1,460,100	$ 600	Design	Project in the planning phase awaiting 18th Street Drainage Area Modeling results.
ST1803	22ND - HARBORSIDE TO BROADWAY	Approximately 2,935 feet to include milling and replacement of asphalt surface and replace of drainage inlets and laterals, replace and upsize old water and sewer utilities.	$ 4,495,000	$ 916	Design	Project in the planning phase awaiting 18th Street Drainage Area Modeling results.
ST1901	37TH - BROADWAY TO SEAWALL	Approximately 5,830 feet to include milling and replace asphalt surface, extension of storm sewer main to provide for future expansion of drainage system and replace and upsize old water and sewer utilities.	$ 6,730	$ 225	Design	Project is in the planning phase.
ST2001	29TH - AVE O TO AVE R 1/2	Approximately 2,275 feet to include milling and replace asphalt surface, extension of storm sewer main to provide for future expansion of drainage system and replace and upsize old water and sewer utilities.	$ 5,147,500	$ 225	Design	If negotiations and cost reduction on proposal is achieved, design proposal could go to July council meeting for award.
ST1706	INTERSECTION OF 61ST and SEAWALL BLVD.	Creation of dual right turn lanes from 61st to Seawall by relocating the median to the east. Redesign traffic signal to provide for turning and better facilities for pedestrians crossing.	$ 282,000	$ -	**Study complete**	Recommendations under staff review; Will need to be implemented along with a comprehensive Seawall Blvd median and intersection evaluation
TR1701	BROADWAY LIGHTING IMPROVEMENTS	Improvements to lighting on Broadway.	$ 500,000	$ -	Design	Project complete
ST1801	30TH - AVENUE O TO SEAWALL	Approximately 2,550 feet to include milling and replacement of asphalt surface and replace and upsize old water and sewer utilities.	$ 1,483,000	$ 4,475	Design	Design 15% with inhouse Surveying and Geotech in progress.
ST2002	49TH - AVE P TO AVE S 1/2	Approximately 2,275 feet to include milling and replace asphalt surface, replace and upsize old water and sewer utilities.	$ 2,265,800	$ 98,300	Design at 10%	Surveying and Geotech in progress.
ST2003	35TH - POST OFFICE TO BROADWAY	Approximately 1,600 feet to include milling and replace asphalt surface, extension of storm sewer main to provide for future expansion of drainage system and replace and upsize old water and sewer utilities.	$ 2,455,500	$ 5,429	Design at 10%	Surveying and Geotech in progress. Concept design completed.
ST1805	83RD - DRAIN & ROADWAY (TIRZ14)	Reconstruct 83rd Street from the segment of South of Cessna to Stewart Road.	$ 85,443	$ 17,198	Design at 30%	Design being reviewed by City.

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2018 - 3rd QUARTER - 6/30/2018

STREETS & TRAFFIC PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
ST1701	25TH ST - BROADWAY to SEAWALL	Repaving of approx. 4,154 feet and replace and upsize old water and sewer utilities. To begin after completion of trolley track rehab.	$ 4,681,000	$ 201,900	Design at 55%	Construction anticipated February 2019.
ST1705 (IDC45)	45TH ST - BROADWAY to SEAWALL (IDC Econ Dev silo for design)	Repaving of approx. 6,740 feet and replace and upsize old water and sewer utilities. To be constructed in 3 phases.	$ 11,495,000	$ 556,250	Design at 60%	Construction anticipated August 2018.
ST1604	29TH ST - CHURCH to HARBORSIDE	Replace storm sewer inlets and inlet leads. Mill and asphalt overlay 48 foot wide	$ 528,950	$ 18,690	Design at 90%	Construction anticipated FY 2019
ST1702	73RD ST - HEARDS LANE to AVENUE N 1/2	Repaving of approx. 1,265 feet and replace and upsize old water and sewer utilities.	$ 1,494,750	$ 161,780	Design at 95%	Project delayed due to new route and conflicts. Design amendment in review and expected to City Council in August.
ST1709	SEAWALL (TXDOT LOCAL SHARE)	Ferry Road East to the End of the Seawall.	$ 400,000	$ 186,915	Design at 90%	Construction anticipated Spring 2019. Awaiting final AFA and funding from TXDOT.
ST1704	STRAND & INTERSECTIONS OF 21ST, 22ND, 23RD, 24TH	Reinstall brick pavers to provide sufficient support to traffic loads.	$ 530,000	$ 76,278	**Design complete**	Project being prepared for bids to advertise after Market Street Completion.
ST1605	33RD ST - BROADWAY to HARBORSIDE	Replace storm sewer inlets and inlet leads. Mill and asphalt overlay 48 foot wide	$ 877,046	$ 343,680	Construction	Construction 90% complete
ST1503	26TH - AVENUE N to BROADWAY (phase 1)	Replace approx. 1,612 feet milling and overlay and upgrading of the drainage system.	$ 539,800	$ 484,400	Construction	Final walkthrough and TDLR inspection upcoming
RRMARK	MARKET STREET (CDBG 2.1)	ReConstruct Street between 19th and 25th Streets	$ 5,049,425	$ 3,292,325	Construction	Construction 95% complete.
ST1509	SALADIA ST (CDBG 2.2)	ReConstruct Saladia Street between Heards Lane and Stewart Road	$ 1,858,532	$ 1,753,472	Construction	Construction complete.
ST1511	AVENUE S (CDBG 2.2)	ReConstruct Avenue S between 53rd Street and 61st Street	$ 3,114,253	$ 2,149,379	Construction	Final walkthrough scheduled.
ST1512	51ST STREET (CDBG 2.2)	ReConstruct 51st Street between Post Office Street and Broadway	$ 2,142,159	$ 1,026,167	Construction	Project closeout in process.
ST1513	SEALY STREET (CDBG 2.2)	ReConstruct Sealy Street between 35th Street and 33rd Street	$ 2,806,638	$ 478,484	Construction	AT&T conflicts being resolved, project 90% complete.
ST1631	VARIOUS INTERSECTIONS LOCATED IN THE CITY (City Wide)	Milling and asphalt overlay at various intersections that are degraded due to traffic volumes and turning movements.	$ 115,000	$ -	Ongoing	Ongoing
IHST18	FY18 IN HOUSE STREETS	Milling and overlay project for city streets identified as les than "Satisfactory" in the 2017 Streets Assessment.	$ 2,162,000	$ 427,650	Ongoing	Ongoing

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
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STREETS & TRAFFIC PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
ST1620	TRAVEL AIR BRIDGE PROJECT (TIRZ 14)	Replacement of deteriorated existing bridge.	$ 1,290,272	$ 1,051,583	**Complete**	Construction complete
STINHO	STREETS & OVERLAY BY CITY FORCES (In House Streets FY2017)	Correcting streets identified as less than Satisfactory by 2013 Street Assessment by LJA Engineering.	$ 2,750,209	$ 264,000	**Complete**	Completed the schedule of milling and overlay streets for FY 2017. The remaining budget was made available in FY 2018 (IHST18).
TR1702	CAUSEWAY LIGHTING REHABILITATION	Restore full functionality and provide energy efficient LED lighting to the street.	$ 270,000	$ 222,310	**Complete**	Complete Spring 2018
SR81SH	SIDEWALK 81ST to SAND HILL & STEWART	Installation of sidewalk system. Funded by Tirz 14.	$ 1,050,127	$ 957,328	**Construction Complete**	Construction Complete

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DRAINAGE IMPROVEMENT PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
D1601	11 MILE ROAD DRAINAGE IMPROVEMENTS	To alleviate drainage concerns, culvert replacement and ditch regrading needed. Drainage improvement along FM 3005 will require coordination with TXDOT.	$ 147,500	$ -	Planning	Awaiting TXDOT final design so outfall ditches can be designed accordingly.
D1703	WEST END DRAINAGE REHABILITAITON PROGRAM	Restoration of surface and open channel drainage in the west end communities. Inspection, survey, & rehabilitaiton of existing and propolsed ditches and culvert systems.	$ 600,000	$ -	Planning	Design anticipated FY 2019. We will be running models internally in FY 2019 to subsequently make recommendations on rehabilitations and upgrades
D1602	18TH STREET DRAINAGE IMPROVEMENTS	Replace and upgrade the existing vitrified clay storm sewer system per recommendations in the Master Drainage Study.	$ 10,164,157	$ 34,826	Pre-Engineering	Design is in progress and flood reduction/ponding elevation maps with new infrastructure for 25 year storm has been provided showing significant reduction in flooding. 100 year storm modeling in progress
D1604	CHURCH STREET DRAINAGE IMPROVEMENTS	Replace and upgrade the existing vitrified clay storm sewer system per recommendations in the Master Drainage Study.	$ 1,136,060	$ 6,285	Design at 1%	Design is 15% complete.
DAVENL	62ND& 63RD AVENUE L IMPROVEMENTS	Storm sewer to be replaced due to deterioration.	$ 238,875	$ 6,900	Construction	Contractor addressing punch list items to reach final completion
D1701	MASTER DRAINAGE PLAN and FEASIBILITY STUDY	Engineering study of current drainage system throughout City with recommendation as to the feasibility of various alternatives to improve drainage.	$ 350,000	$ -	Subsequent to D1608	To follow D1608 findings and in-house cleaning and contracted rehabilitation. Anticipated to begin Fall 20189
D1801	DRAINAGE SYSTEM IMPROVEMENTS (IDC Infrastructure silo)	Improvement to City's drainage outflows that includes but not limited to the installation of drainage back flow valves and the maintenance of the same.	$ 3,100,000	$ -	Ongoing	Ongoing
D1608	STORM SEWER REHABILITATION & INSPECTION PROGRAM	Three year program to rehab and inspect existing storm sewer city wide. Project will provide debris removal and inspection of existing system.	$ 2,100,000	$ 71,500	Annual	Annual Recurring Project. In progress. Performed in house.
DSTORM	STORM WATER MANAGEMENT	Annual reporting and monitoring of Municipal Separate Storm Sewer System (MS4) Permit to TCEQ	$ 558,497	$ 387,250	Annual	Annual Recurring Project. In progress. March 2018 annual report for the City of Galveston Phase II MS4 has been approved by TCEQ on June 18, 2018
D1702	EVALUATION OF STORM SEWER OUTFALLS	Evaluation of the 42 storm sewer outfalls. Majority of these outfalls are submerged and their condition is unknown.	$ 250,000	$ 240,600	**Field work completed**	Report provided for City Review. Comments provided requesting concept design and cost estimate and alternate technology evaluation and presentations to the team.

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WATERWORKS PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
WWELLS	REHABILITATION OF WATER WELLS # 9 AND #11	To provide alternate source of drinking water for the City.	$ 510,000	$ -	Evaluation	Planning Phase.
W1802	NON-REVENUE WATER MITIGATION PROGRAM	Mitigate the amount of water that is not sold at retail price. Areas such as leak detection, improvements, meter replacements.	$ 300,000	$ 2,910	Evaluation	30" Offfats Bayou Waterline City Council Award anticipated 4.26.2018. Major waterleak identified in the Saladia Storm Box Area and Mitigated (non-revenue loss reduction of 3 million gallons per day). Yacht 24" basin water leak detection in progress.
W1801	30" WATERLINE - 71ST STREET TO 59TH STREET PUMP STATION	Replace approx. 4,300 feet of 30" water line.	$ 3,618,000	$ 225	Delay until 59th Street Pump Sation and Tank complete	Team suggested delaying this project until 59th Street PS and Tank is complete. Alternate initiation of design and awaiting connection until 59th Street PS is complete is being discussed.
W1702	20" WATERLINE - TAMUG TO SEAWOLF PARKWAY TO BRADNER STREET	Replace approx. 5,250 feet of existing 20" water line that serves a major portion of Pelican Island. Old bar wrapped concrete cylinder pipe with multiple failure points and expensive to repair.	$ 3,196,000	$ -	Planning	Design anticipated FY 2021
W1902	12" WATERLINE - SEAWALL BLVD., 81ST TO 97TH STREET	Construction of approx. 3,650 ft. of 12" water line. To complete the loop providing water to the west end and improve the water qualify and pressure available to the properties located in this stretch of seawall.	$ 2,019,000	$ -	Planning	Design anticipated FY 2021.
W1707	24" WATERLINE - 59TH ST. PUMP STATION to AIRPORT PUMP STATION	Construction to provide redundancy of supply and pressure to potable water in the event of failure of either pump station.	$ 20,025,000	$ 1,258,000	Design at 30%	Construction anticipated Winter 2019.
W1612	NEW GROUND STORAGE TANK @ 59th Street (CDBG 2.2)	Construct new elevated water tank at 59th Street Pump Station	$ 7,583,074	$ 3,146	Design at 60%	7.5 MG tank project being prepared for bid advertisement
W1704	30" WATERLINE - RAILROAD BRIDGE TO HARBORSIDE DR	Replace approx. 2,100 feet of waterline.	$ 2,023,000	$ 146,509	Design at 60%	Team suggested delaying this project until 59th Street PS and Tank is complete. Alternate construction of the entire line and awaiting connection until 59th Street PS is complete is being discussed
W1701	WELL DISINFECTION / FLUSHING (2A, 6A, 10, 12, 13, 16, 17)	Installation of a disinfection system and flush valve for each of the previously rehabilitated Alta Loma Wells. This allows for the use of these wells without contamination the water system.	$ 490,000	$ 35,276	Design at 90%	Electrical added to project and 100% design submitted to TCEQ for review and comments. GCWA has indicated their main line cannot handle high pressures from well and evaluation is in progress. Construction planned Spring 2019.
W1605	30" CAUSEWAY WATERLINE	Construction of a 36" waterline along the causeway to provide additional redundancy for island water.	$ 10,231,500	$ 691,186	Design at 95%	Construction anticipated in FY 2021

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WATERWORKS PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
W1615	WATER MASTER PLAN	Update existing water master plan. Needs to be accomplished in FY 2017.	$ 203,534	$ 102,749	100% Plan in review. Recommendations being implemented.	Model provided to AWC for other CIP water projects evaluation.
W1703	AIRPORT PUMP STATION / CONTROL UPGRADES	Expand controls building and upgrade electronics and controls, replace pumps. Preliminary to construction of new ground storage tanks at pump station.	$ 1,914,000	$ 2,360	Construction	Project at 15%
W1601	10 MILE ROAD ELEVATED STORAGE TANK REHABILITION	Rehab of EST is vital as the coating is severely degraded and the tank needs to be recoated. Update tank from "flow by" to "flow through" to preserve water quality.	$ 2,402,000	$ 3,500	Construction	Project at 25%
W1610	PIRATE'S BEACH - LAFITTE'S COVE LOOP	Installation of approx. 1,500 feet of 8" water line to provide a looped system to provide for greater water quality and improved pressure for this area.	$ 797,500	$ 3,000	Construction	Project at 15%
W1705	AIRPORT PUMP STATION TANK UPGRADES PHASE 1	Construction of a new 5 million gallon water ground storage tank (GST) at the Airport Pump Station. This is needed to protect water supply from risk of contamination from flood waters and ensure the proper water quality and pressure to the west end.	$ 5,088,750	$ -	Construction	Project at 15%
W1603	59th St. TANK REHABILITATION (CDBG 2.2)	Replace four existing water storage tanks at 59th Street Pump Station	$ 6,837,881	$ 3,086,000	Construction	Constructon 50% complete.
W1709	61ST STREET BRIDGE WATERLINE	Replacement of a 12" water line at the 61st Street bridge.	$ 225,560	$ 157,800	Construction	Constructon substantially complete and punch list in progress.
W1617	30th St PUMP STATION TANK REHAB (CDBG 2.2)	Rehabilitate four existing water storage tanks at 59th Street Pump Station	$ 975,743	$ 621,100	Construction	Constructon 100% complete. Project being closed out.
W59PMP	HMPG - 59th Street Pump Station (CDBG 2.2 and IKE)	Construct new operations building at 59th Street Pump Station	$ 21,106,262	$ 17,266,077	Construction	Constructon 95% complete.
W1708	METER REGISTERS (WATER / SEWER)	Updating meter registers that are failing.	$ 700,000	$ 670,600	Recurring Project	Recurring Project.
W1618	WATER SYSTEM IMPROVEMENTS	Continued rehab of water distribution system through City.	$ 922,970	$ 372,400	Recurring Project	Recurring Project.
FD-132	FIRE HYDRANTS REPLACEMENT PROGRAM	Continue to replacement or repair non or poorly functioning fire hydrants (Portion possible reimbursement from FEMA)	$ 1,870,000	$ 203,105	Recurring Project	This is a new contract with T Construction, November 2017. A portion of this contract will be charged to the Hurricane Ike fund.

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WATERWORKS PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
FD-132 (WFIRHY)	FIRE HYDRANT REPLACEMENT PROGRAM (Hurricane Ike portion)	Continue to replacement or repair non or poorly functioning fire hydrants (FEMA reimbursement)	$ 4,812,784	$ 3,577,860	**Complete portion** (ongoing)	This is the completed portion of the fire hydrants that have been repaired/replaced and have been posted to the Hurricane Ike fund.
W1608	GULF DRIVE 6 INCH WATER LINE PROJECT	Installation of 6" waterline to replace existing 2" and 3" water lines on Gulf Drive in Sea Isle and Terramar Beach subdivisions	$ 1,350,380	$ 866,281	**Complete**	Construction complete Spring 2018. Accounting to finalize.
W1706	8" WATER LINE - 30TH ST. ROW and MARKET ST	Replace 6" cast iron waterline and provide increased pressure and improved fire protection.	$ 320,100	$ 32,190	**Complete**	Construction complete Spring 2018. Accounting to finalize.

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SEWER PROGRAM

PROJECT CODE	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
S1701	LIFT STATION PUMP and ELECTRICAL UPDGRADES	Upgrading the existing pumps and electrical systems for lift stations located throughout the City.	$ 8,144,000	$ 55,801	Evaluation	Field Evaluation and Asessment Completed and Design is in progress.
S1604	LIFT STATION SCADA	System to monitor and collect data from lift stations city wide. 20 lift stations @ $7,000 ea.	$ -	$ -	Planning	Planning and internal discussion.
S1610	SLUDGE and GRIT REMOVAL FROM MAIN WWTP SLUDGE HOLDING TANK	Remove approx. 6,700 cubic yards of wastewater sludge, grit and associated materials from Main WWTP	$ 1,007,000	$ -	Planning	NTP for design initiation being processed
S1702	WEST END IMPROVEMENTS	Researching alternatives for the West End unserved areas.	$ 2,579,933	$ 16,300	Design	Developer Sweetwater Lift Station Design is in progress. STEP system Design to be initiated FY 2019 Construction anticipated FY 2021
SW-165 SSEAWO	SEAWOLF PARK WWTP Reconstruction & Expansion	Construction of wastewater package plant due to damage of existing plant by Hurricane Ike. FEMA, COG, Park Board.	$ 1,460,678	$ 192,530	Design	TCEQ approval on preliminary concept and location received
S1607	PIRATES BEACH WWTP	Nearing its lifetime. Design and replace to be in compliance with TCEQ.	$ 7,070,810	$ 247,000	Design at 25%	Design 30% in City review
S1611	WASTEWATER MASTER PLAN	Updating the existing wastewater master plan. Previous plan was performed in 1999.	$ 124,275	$ 66,400	Design at 95%	Design 95% complete.
SW-159 SWWPT	AIRPORT WWTP (CDBG 2.2 and Hurricane Ike)	Refurbish Airport Wastewater Treatment Plant at Sky Master Road and Mustang Drive	$ 6,370,289	$ 329,297	Bid Phase	Contract completion and execution in process
S1609	SUNNY BEACH 8 MILE ROAD SANITARY SEWER	Installation of sanitary sewer along 8 mile from Sunny Beach subdivision to Stewart Road	$ 3,242,000	$ 266,215	Design at 95%	Construction anticipated FY 2020
S1603	REHABILITATION OF SANITARY SEWER FORCE MAINS	Rehabilitation of existing sanitary force mains	$ 760,200	$ 755,734	Construction	As needed, improvements are being made periodically on this project.
SLINEI	SANITARY SEWER REHABILITATION INFLOW & INFILTRATION	Reduce inflow and infiltration to existing sanitary sewer system through rehab of collection system.	$ 10,463,113	$ 2,945,649	Construction	Ongoing evaluations. As needed, improvements are being made periodically on this project.

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ISLAND TRANSIT CAPITAL PROJECTS

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
IT1701	ISLAND TRANSIT TECHNOLOGY UPGRADE (STUDY)	Via the Galveston County Transit District, COG has been selected for a technology upgrade project. Install Automatic Vehicle Locators, passenger counter, Wi-Fi, electronic fare media, electronic fareboxes in all Fixed route vehicles.	$ 167,000	$ 55,230	Planning	Still in investigative stage. Looking to see if better alternative exists.
19063	SEAWALL TRANSPORTATION STUDY	To conduct analysis, work with stakeholders, and develop a master parking and pedestrian safety plan to improve operations of Seawall Blvd; including but not limited to federal funding, public private partnerships, joint-use facilities, pedestrian crossings, etc.	$ 200,000	$ 200,000	Design	Currently, waiting on consultant draft report and presentation to Council. Anticipating for June 28, 2018.
DWNPED 3501	DOWNTOWN LCI II (PEDESTRIAN TRANSIT CONNECT)	To install street furniture, sidewalks, pedestrian scale lighting paid by FTA. Companion TxDOT -TAP project will cover ADA ramps and sidewalk reconstruction/repair.	$ 172,500	$ 12,000	Design	Delayed by TxDOT until 2019.
IT-104	TROLLEY BARN	Maintenance and Hazard Mitigation - improvements, design, and project management.	$ 161,844	$ 161,844	Construction	Temporary water wall up, in case of storm. Expected to be complete in 2019. Permanent wall on back side of building could take longer.
IT-113	TROLLEY CARS (Railcars)	Purchase of Trolley rail cars for Seawall.	$ 1,978,277	$ 895,915	Construction	Trolleys have been sent off to Iowa for repair.
TRTRAC	TROLLEY TRACK	Rehabilitation of Trolley tracks - testing, inspection, design / project management.	$ 477,821	$ 322,113	Construction	Completed TxDOT audit, estimated 6 months from being able to provide service (December 2018)
SBIPH2 IT1703	SEAWALL BLVD PHASE 2 IMPROVENTS (City's local share)	ADA Compliant, restrooms, landscaping, signage, lighting.	$ 466,000	$ 411,522	Construction	99% complete
TRCARS	TROLLEY CARS (Buses)	Purchase of Trolley buses for Seawall. This will serve as an interim for downtown operations until the rail trolley is repaired.	$ 815,285	$ 815,286	**Complete**	All buses delivered and in service. Accounting to finalize.

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FACILITIES

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
CH1702	CITY HALL REMODELING	Develop plans to remodel floors in City Hall.	$ 200,000	$ 6,527	Measurements and Concept Design	Field Measurements and design in progress.
SA1701	PARKING LOT IMPROVEMENTS AT SANITATION	Improvement to existing parking area at the sanitation building by placing concrete pavement in areas of high traffic to protect City equipment and personnel. (FEMA project RE-102. City portion $95,000.)	$ 95,000	$ -	Design	Project delayed due to construction inspections, staff permit support and surveying/GIS field work. Design expected to be completed in Fall 2019.
SW-171	REPLACEMENT OF RECYCLING BUILDING AT ECO-CENTER	Replacement of recycling building damaged by Ike. New office, employee facilities, covered operating area for recycling equipment. Fema funds and Insurance proceeds.	$ 202,639	$ -	Design	Project delayed due to construction inspections, staff permit support and surveying/GIS field work. Design expected to be completed in Fall 2019.
F1801	GARAGE - EAST END PARKING LOT	Instalaltiono f concrete for the East Parking Lot, 502 32nd Street, Galveston.	$ 800,000	$ -	Design	Project delayed due to construction inspections, staff permit support and surveying/GIS field work. Design expected to be completed in Fall 2019.

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CDBG - NON HOUSING (Outside the 2018 CIP)

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
CTDEMO	30th Street Demo	Demolish two old water tanks at 30th and Ball	$ 636,816	$ 3,812	Construction	Bid awarded and construction began in June 2018.
CREHAB	Cedars - Pump Station Rehab	Rehabilitate historic Water & Electric Works Building, 30th and Ball	$ 2,549,797	$ 2,750	Bidding	Design Complete. Bid award scheduled for Summer 2018
IDEMO	Municipal Incinerator - Demolition	Demolish old municipal incinerator, #3 Lennox Avenue	$ 5,480,243	$ 2,826	Bidding	Design complete; project being prepared for bids
ISTUDY	Municipal Incinerator - Study	Develop cleanup plan for incinerator site and surrounding properties on Lennox Avenue	$ 8,861	$ 1,495	**Complete**	Project involves TCEQ required study for required clean up for the Response Action plan.
PWFAC	Public Works Facilities (Bersinger)	Demolish Bersinger Building, Construct new Public Works Facility at same location, 30th & Market Street	$ 10,925,000	$ 675,370	Construction	Construction Contract Awarded. Preconstruction meeting held in February 2018. Construction 5% complete. Pile foundation re-design performed by City Engineering and City Architect to save $300K
FS1	Fire Station #1 - with parking	Construct new Fire Station #1 at 26th and Sealy	$ 9,612,568	$ 1,337,750	Construction	Construction 30% complete
CWALK	Cedar - Walkways	Construct new sidewalks, street lights, cross walks, and transit stops in Cedars area neighborhood	$ 618,806	$ 605,500	Construction	Punch list completed and final closeout in process
DFS1	Fire Station #1 - Demolition	Demolish current Fire Station #1 after new station is Constructed	$ 237,353	$ 8,300	Construction	Existing Fire Station #1 will remain until new Fire Stastion #1 is built and is in service

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PARKS AND RECREATION PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
IDCSHC	Parks Pkg#2 -SANDHILL COMPLEX	Permanent restroom facilities, general improvements, landscaping.	$ 3,615,000	$ 74,572	Planning	Awaiting design and funding, upon completion of the Little League Complex.
IDCLLC	Parks Pkg#2 -LITTLE LEAGUE COMPLEX (53RD & S)	Clear property for public park purpose and events. Amateur/Professional sports, etc.	$ 5,125,000	$ 2,874,592	Construction	Construction underway, anticpated project completion, June 2018.
IDCPPM	PARKS PROJECT MANAGEMENT	Payroll for management of projects - ongoing cost by year	$ 75,000	$ 35,882	Project Mgmt.	Payroll allocated to projects as project manager continues to work on projects throughout the year.

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IDC - BEACH NOURISHMENT, ECONOMIC DEVELOPMENT & INFRASTRUCTURE PROGRAM

PROJECT NO. (Beaches)	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
IDCBBP	BABE'S BEACH PRESERVATION	Hot spot maintanence as described in the San Management Plan.	$ 1,500,000	$ -	Planning	Council Approved 3/22/18.
IDCLTR	LONG TERM RESTORATION STRATEGIES	Restoration strategy to support beach remediation along the Gulf of Mexico	$ 25,000	$ -	Planning	Council Approved 3/22/18.
IDCSS	STRUCTURAL SOLUTIONS	Structural solutions to support beach remediation along the Gulf of Mexico	$ 75,000	$ -	Planning	Council Approved 3/22/18.
IDCBPN	BACK PASSING NOURISHMENT	In support of beach remediaion along the Gulf of Mexico	$ 75,000	$ -	Planning	Council Approved 3/22/18.
IDCDEL	DELLANERA BEACH REMEDIATION	Hot spot maintanence as described in the San Management Plan.	$ 150,000	$ -	Awaiting funding	awaiting RESTORE grant funding for match.

PROJECT NO. (EconDev)	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
IDCLB	LAND BANK	Infill Redevelopment project	$ 250,000	$ -	Planning	Ongoing meetings with IDC on Landbank Concept.
ST1705 (IDC45)	45th STREET CORRIDOR	Repaving 45th Street from Broadway to Seawall Boulevard. Engineering.	$ 1,100,000	$ 550,000	Design at 30%	Construction anticipated Fall 2018.
WEMA	WEST MARKET - 25TH to 33RD	Improvements to West Market Street. Engineering.	$ 1,043,500	$ 39,000	Bid Phase	Council Approved 6/21/18
IDCHAR	HARBORSIDE DRIVE IMPROVEMENTS PROJECT (Construction)	Pedestrian Safety and beautification project	$ 2,200,000	$ 1,750	Construction	Council Approved 6/21/18

PROJECT NO. (Infrastr.)	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
IDCHAR	HARBORSIDE DR IMPROVEMENT PROJECT (Design)	Pedestrian Safety and beautification project	$ 350,000	$ 300,550	Design at 95%	Council Approved 6/21/18
IDC27	27TH CORRIDOR	Redevelopment. Improve infrastructure, pedestrian safety, bicycle, streets, parking, etc.	$ 3,132,000	$ 2,913,000	Construction	Final Completion expected 7/2018
IDCSCC	SIDEWALK & CURB CREW	Improvements to Sidewalks/Curbs. Residents to pay for materials.	$ 1,228,000	$ 1,098,100	Construction	Recurring and Ongoing. Phase 3 has begun In-house Construction.

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SCHOLES INTERNATIONAL AIRPORT

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2018 STATUS
A1604	AIRPORT FENCING PROJECT	Construction of Airport Perimeter Fence. 90/10 TxDOT Aviation Grant (1812 GLVST)	$ 690,000	$ 69,000	Construction	Construction of the fence is 20% complete.
A1603	ARCHITECTURAL & ENGINEERING SERVICES FOR SCHOLES INTERNATIONAL AIRPORT (RFQ 16-02)	Design FY 17, 18, 19 Projects. All Taxiways, Runway 14/32 and North Aprons 3 & 4. This is a TxDOT reimbursable project. (Garver LLC)	$ 300,000	$ 223,640	Design at 97%	Design 97% complete. FY 2017 Fencing Design 100% complete; FY 2018 Taxiway & North Apron 3 Design and 2019 Runway 14/32 & North Apron 4 Design, have been combined into one project and is 95% complete. The only remaining item is the review and bidder recommendation, once the project has gone out to bid.
A1701	HANGAR CONSTRUCTION PROJECT	Construction of three hangars, consisting of a 9-unit nested T-hangar and two, 60' x 60' box hangars.	$ 800,000	$ 43,350	Bid Phase	Anticipate bidding 2nd quarter of 2018.
A1801	AIRFIELD PAVEMENT IMPROVEMENTS PHASE 3 (City's local share, TIRZ14)	Rehabilitation of Taxiways and North Apron Phase 3. Rehabilitation of Runway 14/32 and Apron Phase 4.	$ 400,000	$ 400,000	Bid Phase	Anticipate bidding Summer 2018. Council approved 3/22/18.
A1802	AIRPORT WAREHOUSE BUILDING	New warehouse building to provide housing for municpal equipment.	$ 367,690	$ -	Bid Phase	Anticipate bidding 3rd quarter of 2018.

CITY OF GALVESTON
CASH RECONCILIATION REPORT
per ADOPTED BUDGET 2018
AS OF July 30, 2018
(2 pages)

Department:	COUNCIL	IDC				PUBLIC IMPROVEMENT	STREETS / TRAFFIC	DRAINAGE
Fund Description:	PROJECTS & INITIATIVES PRG.	BEACHES	ECON DEV	PARKS	INFRAST	2017 G.O. Bonds	ISA & DS	Drainage Improve
Fund #:	1098	3190	3191	3192	3193	3217	3199	44102
Page #:	Page 3	Page 4	Page 5	Page 6	Page 7	Page 8	Page 9	Page 10
CASH RECONCILIATION								
Beginning Balance, Oct 1, 2017	**$1,822,696**	**$3,620,254**	**$5,228,955**	**$4,452,803**	**$4,180,603**	**$25,060,204**	**$5,021,658**	**$386,337**
Add: Interest FY 2018	$9,541	$28,244	$38,044	$17,458	$24,129	$177,436	$31,045	$2,287
Add: FY 2018 Transfers / Revenues / Other Sources	$0	$825,541	$825,541	$825,541	$825,541	$0	$2,456,258	$0
CASH, TOTAL RESOURCES	**$1,832,237**	**$4,474,039**	**$6,092,539**	**$5,295,802**	**$5,030,273**	**$25,237,640**	**$7,508,960**	**$388,624**
Less: YTD Expenditures	($1,045,308)	($307,897)	($708,138)	($2,480,649)	($1,616,610)	($1,965,350)	($3,313,315)	($103,394)
Less: Payables, Due from	($32,373)	$205,004	$40,281	($102,810)	($223,679)	$0	($644,421)	($6,817)
CASH, ENDING BALANCE	**$754,556**	**$4,371,146**	**$5,424,682**	**$2,712,342**	**$3,189,984**	**$23,272,290**	**$3,551,224**	**$278,413**

BUDGET RECONCILIATION								
CASH, ENDING BALANCE	**$754,556**	**$4,371,146**	**$5,424,682**	**$2,712,342**	**$3,189,984**	**$23,272,290**	**$3,551,224**	**$278,413**
Add: FY 2018 Outstanding Estimated Revenue, Other Funding Sources, Transfers	$0	$0	$0	$0	$0	$0	$818,753	$0
Less: Encumbered	($142,014)	($74,239)	($4,043,627)	($1,798,324)	($225,254)	($2,403,750)	($1,356,442)	($194,798)
Less: Unencumbered	($165,738)	($2,195,213)	($564,566)	($272,698)	($363,855)	($17,262,890)	($2,979,143)	($64,955)
AVAILABLE FY 2018	**$446,803**	**$2,101,694**	**$816,489**	**$641,320**	**$2,600,875**	**$3,605,651**	**$34,392**	**$18,661**

CITY OF GALVESTON
CASH RECONCILIATION REPORT
per ADOPTED BUDGET 2018
AS OF July 30, 2018
(2 pages)

Department:	AIRPORT	WATER				SEWER			TOTAL
Fund Description:	Airport Improve	Water Improve	2006 Bonds	2008 Bonds	2017 CO Bonds	Sewer Improve	2008 Bonds	2017 CO Bonds	
Fund #:	43302	40102	40111	40115	40117	42102	42115	42117	ALL FUNDS
Page #:	Page 11	Page 12	Page 13	Page 14	Page 15	Page 16	Page 17	Page 18	
CASH RECONCILIATION									
Beginning Balance, Oct 1, 2017	**$893,389**	**$3,864,066**	**$44,754**	**$164,822**	**$18,574,064**	**$3,357,790**	**$3,958,421**	**$16,174,293**	**$96,805,110**
Add: Interest FY 2018	$7,402	$28,016	$0	$0	$125,665	$26,369	$29,250	$116,323	$661,209
Add: FY 2018 Transfers / Revenues / Other Sources	$399,971	$588,828	$0	$0	$0	$750,000	$0	$0	$7,497,219
CASH, TOTAL RESOURCES	**$1,300,762**	**$4,480,910**	**$44,754**	**$164,822**	**$18,699,729**	**$4,134,159**	**$3,987,672**	**$16,290,616**	**$104,963,538**
Less: YTD Expenditures	($520,320)	($879,036)	($21,662)	($73,381)	($1,093,071)	($1,035,652)	($56,145)	($22,780)	($15,242,710)
Less: Payables, Due from	($19,306)	($66,953)	($14,319)	($48,466)	($680,271)	($94,029)	$0	$0	($1,688,159)
CASH, ENDING BALANCE	**$761,135**	**$3,534,921**	**$8,773**	**$42,976**	**$16,926,386**	**$3,004,478**	**$3,931,527**	**$16,267,836**	**$88,032,669**

BUDGET RECONCILIATION									
CASH, ENDING BALANCE	**$761,135**	**$3,534,921**	**$8,773**	**$42,976**	**$16,926,386**	**$3,004,478**	**$3,931,527**	**$16,267,836**	**$88,032,669**
Add: FY 2018 Outstanding Estimated Revenue, Other Funding Sources, Transfers	$399,971	$588,828	$0	$0	$0	$604,979	$0	$0	$2,412,530
Less: Encumbered	($50,577)	($1,239,988)	($8,772)	($14,458)	($1,432,648)	($1,736,992)	($1,242,238)	($663,675)	($16,627,798)
Less: Unencumbered	($1,100,961)	($2,321,450)	$0	($28,518)	($10,812,926)	($1,129,889)	($1,806,498)	($14,934,817)	($56,004,116)
AVAILABLE FY 2018	**$9,568**	**$562,310**	**$0**	**$0**	**$4,680,813**	**$742,576**	**$882,791**	**$669,344**	**$17,813,285**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
COUNCIL PROJECTS & INITIATIVE FUND 1098
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	$	**1,822,696.02**
FY 2018: Interest	$	9,540.99
FY 2018: Transfers	$	-
Total Cash Resources	**$**	**1,832,237.01**
Less: Expenditures	$	(1,045,308.46)
Less: Accounts Payable as of 10/1/2017	$	(32,372.54)
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**754,556.01**

Budget Reconciliation		
Cash, Ending 7/30/18	$	754,556.01
FY 2018: Transfers	$	-
FY 2018: Other	$	-
Total Cash/Budget	**$**	**754,556.01**
Less: Encumbered	$	(142,014.44)
Less: Unencumbered	$	(165,738.35)
Available FY 2018		**446,803**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS BY DISTRICT							
D1 - STREET IMPROVEMENTS	2017	19301	7,775	500	800	1,300	6,475
D1 - CENTRAL MIDDLE SCHOOL SIDEWALKS	DEC 2017	D11702	25,535	26,519	3,035	29,554	(4,019)
D1 - SIDEWALK 2800 AVENUE M	DEC 2017	D11801	40,000	24,891	7,585	32,477	7,523
D2 - 27th STREET ENGINEERING	2017	19302	53,417	9,070	9,535	18,605	34,813
D2 - CODE ENFORCEMENT OVERTIME	2017	D21704	25,929	26,355	0	26,355	(426)
D2 - BANNER SILK STOCKING	2017	D21707	20,000	0	0	0	20,000
D3 - LINDALE PARK WALKING TRAIL	DEC 2017	D31701	179,751	101,257	78,494	179,751	0
D3 - LINDALE PARK SHADE STRUCTURE	2017	D31702	22,183	0	22,182	22,182	1
D5 - CHANNELVIEW SIDEWALK/CURBS	DEC 2017	D51701	122,184	112,327	14,395	126,722	(4,539)
D5 - COLONY PARK SIDEWALK/CURBS	DEC 2017	D51702	45,687	40,047	5,092	45,139	548
D6 - STREET IMPROVEMENTS	2017	19306	857	778	0	778	79
PROJECT MANANGEMENT (5%)	2017	1930PM	162,756	56,577	897	57,474	105,281
CLOSED PROJECT 2018 (Finalizing Accounting)							
D1 - WRIGHT CUNEY SHADE STRUCTURE	2017	D11701	146,860	146,859	0	146,859	0
D2 - MENARD PARK TABLES	2017	D21706	7,953	7,952	0	7,952	0
D3 - LINDALE PARK PLAYGROUND EQUIP	2017	19303	27,307	27,307	0	27,307	0
D3 - CHURCH/SEALY STREET LIGHTS	NOV 2017	D31703	190,000	190,000	0	190,000	0
D3 - LINDALE PARK CONCESSION STAND	2017	D31801	14,640	14,640	0	14,640	0
D4 - STREET IMPROVEMENTS	2017	19304	233,947	233,947	0	233,947	0
D5 - 77TH STREET LIGHTS	2017	D51703	7,064	7,064	0	7,064	0
D5 - ROBERT COHEN LIGHTING	2017	D51801	17,220	17,220	0	17,220	0
DE - ROBERT COHEN SIGN (TOPPERS)	2017	D51802	999	999		999	0
D5 - GULF VILLAGE SIGNAGE	7/10/1905	D51803	999	999		999	0
		TOTAL BUDGET (established)	**$1,353,061**	**$1,045,308**	**$142,014**	**$1,187,323**	**$165,738**

Note: This fund includes the Old IDC funding.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
IDC BEACH NOURISHMENT FUND 3190
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	**$**	**3,620,254.13**
FY 2018: Interest	$	28,243.57
FY 2018: 4B Sales Tax ($1,346,936)	$	825,540.85
Total Cash Resources	**$**	**4,474,038.55**
Less: Expenditures	$	(307,896.68)
Less: Accounts Payable 10/1/17, Due from State	$	205,004.15
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**4,371,146.02**

Budget Reconciliation		
Cash, Ending 7/30/18	$	4,371,146.02
FY 2018: Transfers	$	-
FY 2018: 4B Sales Tax	$	-
Total Cash/Budget	**$**	**4,371,146.02**
Less: Encumbered	$	(74,239.38)
Less: Unencumbered	$	(2,195,212.74)
Available FY 2018		**2,101,694**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
REIMBURSEMENTS							
REIM - ATKINS SURVEY (POG & JAMAICA BEACH)				(22,460)	0	(22,460)	0
OPERATING							
OPERATING EXPENDITURES	2018	OPEXP	774,809	330,357	74,239	404,596	370,213
PROJECTS							
DELLANERA BEACH REMEDIATION	*pending approval*	IDCDEL	150,000	0	0	0	150,000
BABES BEACH PRESERVATION	MAR 2018	IDCBBP	1,500,000	0	0	0	1,500,000
STRUCTURAL SOLUTIONS	MAR 2018	IDCSS	75,000	0	0	0	75,000
BACK PASSING NOURISHMENT	MAR 2018	IDCBPN	75,000	0	0	0	75,000
LONG TERM RESTORATION STRATEGIES	MAR 2018	IDCLTR	25,000	0	0	0	25,000
TOTAL BUDGET (established)			**$2,599,809**	**$307,897**	**$74,239**	**$382,136**	**$2,195,213**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
IDC ECONOMIC DEVELOPMENT FUND 3191
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	**$**	**5,228,954.73**
FY 2018: Interest	$	38,043.50
FY 2018: 4B Sales Tax ($1,346,936)	$	825,540.85
Total Cash Resources	**$**	**6,092,539.08**
Less: Expenditures	$	(708,138.33)
Less: Accounts Payable 10/1/17, Due from State	$	40,281.44
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**5,424,682.19**

Budget Reconciliation		
Cash, Ending 7/30/18	$	5,424,682.19
FY 2018: Transfers	$	-
FY 2018: 4B Sales Tax	$	-
Total Cash/Budget	**$**	**5,424,682.19**
Less: Encumbered	$	(4,043,627.49)
Less: Unencumbered	$	(564,566.18)
Available FY 2018		**816,489**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
OPERATING							
OPERATING EXPENDITURES	2018	OPEXP	237,832	171,287	18,373	189,660	48,172
PROJECTS							
45TH ST - BROADWAY TO SEAWALL	APR 2017	ST1705	935,000	495,000	440,000	935,000	0
WEST MARKET 25TH to 33RD (1)	APR 2017	WEMA	1,593,500	40,109	1,311,860	1,351,969	241,531
HARBORSIDE DRIVE --33RD to 20TH (CONSTRUCTION)	FEB 2018	IDCHAR	2,300,000	1,742	2,273,394	2,275,136	24,864
INFILL REDEVELOPMENT PROJECT	AUG 2015	IDCLB	250,000	0	0	0	250,000
TOTAL BUDGET (established)			**$5,316,332**	**$708,138**	**$4,043,627**	**$4,751,766**	**$564,566**

(1) IDC approved $150,000 for design. WEMA

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
IDC PARKS & RECREATION FUND 3192
AS OF July 30, 2018

Cash Reconciliation	
Cash, Beginning Balance Oct 1, 2017	**$ 4,452,803.14**
FY 2018: Interest	$ 17,458.05
FY 2018: 4B Sales Tax ($1,346,936)	$ 825,540.85
Total Cash Resources	**$ 5,295,802.04**
Less: Expenditures	$ (2,480,649.47)
Less: Accounts Payable 10/1/17, Due from State	$ (102,810.31)
CASH, ENDING BALANCE AS OF 7/30/18	**$ 2,712,342.26**

Budget Reconciliation	
Cash, Ending 7/30/18	$ 2,712,342.26
FY 2018: Transfers	$ -
FY 2018: 4B Sales Tax	$ -
Total Cash/Budget	**$ 2,712,342.26**
Less: Encumbered	$ (1,798,324.41)
Less: Unencumbered	$ (272,698.06)
Available FY 2018	**641,320**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
OPERATING							
OPERATING EXPENDITURES	2018	OPEXP	95,332	78,533	6,364	84,897	10,435
LITTLE LEAGUE COMPLEX (1)	2018	IDCLLC	150,000	4,772	16,178	20,950	129,050
LASKER COMMUNITY POOL (2)	2018	LASKER	250,000	250,000	0	250,000	0
IDC PROJECTS (Parks Crew Maintenance) (1)	MAR 2018	*various*	110,000	1,968	0	1,968	108,032
PROJECTS							
PARKS PROJECT MGMT	MAY 2012	IDCPPM	17,345	0	0	0	17,345
PARKS PACKAGE #2							
LITTLE LEAGUE COMPLEX - 53RD & AVE S	FEB 2015	IDCLLC	3,756,346	1,987,741	1,775,357	3,763,098	(6,751)
SANDHILL CRANE SOCCER PROJECT	FEB 2015	IDCSHC	3,729	0	426	426	3,303
CLOSED PROJECTS 2018 (Finalizing accounting)							
LASKER COMMUNITY POOL	JUN 2016	LASKER	168,920	157,636	0	157,636	11,284
TOTAL BUDGET (established)			**$4,382,752**	**$2,480,649**	**$1,798,324**	**$4,278,974**	**$272,698**

(1) Reimburse General Fund for maintenance expenditures as incurred.
(2) Transfer of funds to the Lasker Pool fund.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
IDC INFRASTRUCTURE FUND 3193
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	**$**	**4,180,602.92**
FY 2018: Interest	$	24,129.25
FY 2018: 4B Sales Tax ($1,346,936)	$	825,540.85
Total Cash Resources	**$**	**5,030,273.02**
Less: Expenditures	$	(1,616,610.21)
Less: Accounts Payable 10/1/17, Due from State	$	(223,678.71)
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**3,189,984.10**

Budget Reconciliation		
Cash, Ending 7/30/18	$	3,189,984.10
FY 2018: Transfers	$	-
FY 2018: 4B Sales Tax		
Total Cash/Budget	**$**	**3,189,984.10**
Less: Encumbered	$	(225,254.04)
Less: Unencumbered	$	(363,855.42)
Available FY 2018		**2,600,875**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
OPERATING							
OPERATING EXPENDITURES	2018	OPEXP	95,332	70,729	6,364	77,094	18,238
PROJECTS							
PROJECT MGMT		IDCNRP	29,025	0	0	0	29,025
HARBORSIDE DRIVE --33RD to 20TH (DESIGN)	MAY 2012	IDCHAR	113,170	63,680	5,800	69,480	43,690
27TH CORRIDOR	SEP 2014	IDC27	1,570,030	1,301,316	193,807	1,495,123	74,907
DRAINAGE SYSTEM IMPROVEMENTS	*pending approval*	D1801	100,000	0	0	0	100,000
CURB CREW PROGRAM							
SIDEWALK CURB CREW - salary reim	AUG 2015	IDCSCC	253,935	155,795	0	155,795	98,140
SIDEWALK CURB CREW - vehicle	AUG 2015	IDCSCC	6,228	0	0	0	6,228
SIDEWALK CURB CREW - materials	AUG 2015	IDCSCC	85,000	66,766	19,283	86,048	(1,048)
SIDEWALK CURB CREW - resident reim	AUG 2015	IDCSCC	(85,000)	(41,676)	0	(41,676)	(43,324)
NEIGHBORHOOD REVITALIZATION PROGRAM		***Program#***					
DISTRICT #2	*(1)*	451152	13,000	0	0	0	13,000
MAYOR	*(1)*	451150	25,000	0	0	0	25,000
		TOTAL BUDGET (established)	**$2,205,720**	**$1,616,610**	**$225,254**	**$1,841,864**	**$363,855**

(1) Council approved 7/11/2013. Funding is IDC Infrastructure silo of $1.4M. (6 Districts + Mayor)

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
2017 GO BONDS FUND 3217
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	$	**25,060,204.18**
FY 2018: Interest	$	177,435.97
FY 2018: Other	$	-
Total Cash Resources	**$**	**25,237,640.15**
Less: Expenditures	$	(1,965,350.28)
Less: Accounts Payable as of 10/1/2017	$	-
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**23,272,289.87**

Budget Reconciliation		
Cash, Ending 7/30/18	$	23,272,289.87
FY 2018: Transfers	$	-
FY 2018: Other	$	-
Total Cash/Budget	**$**	**23,272,289.87**
Less: Encumbered	$	(2,403,749.57)
Less: Unencumbered	$	(17,262,889.77)
Available FY 2018		**3,605,650.53**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
DRAINAGE PROJECTS							
18TH ST DRAIN IMPROVEMENTS	FEB 2018	D1602	1,200,861	194,869	788,572	983,441	217,420
CHURCH ST DRAIN IMPROVEMENTS	DEC 2017	D1604	137,386	47,679	58,848	106,527	30,859
STORM DRAIN REHAB & INSPECTION	AUG 2017	D1608	1,800,000	151,303	143,380	294,683	1,505,317
62ND & 63RD AVENUE L IMPROVEMENTS	NOV 2017	DAVENL	223,025	6,860	211,202	218,062	4,963
33RD - DRAINAGE (BROADWAY TO HARBOR	OCT 2017	ST1605	558,365	332,388	220,728	553,116	5,249
DRAINAGE CONTINGENCY	*pending*	DCONT	441,346	0	0	0	441,346
STREET PROJECTS							
IN HOUSE STREETS (MATERIALS COST)	OCT 2017	INST18	899,220	546,785	352,435	899,220	0
26TH - AVE N TO BROADWAY	SEP 2017	ST1503	538,986	508,818	9,342	518,160	20,826
29TH - BROADWAY TO SEALY	*planning*	ST1603	80,840	69	0	69	80,771
29TH - CHURCH TO HARBORSIDE	*planning*	ST1604	590,950	420	0	420	590,530
73RD - HEARDS LANE TO AVE N 1/2	*planning*	ST1702	1,319,750	4,280	0	4,280	1,315,470
REPLACEMENT OF STRAND PAVERS	*planning*	ST1704	430,000	353	0	353	429,647
45TH - BROADWAY TO SEAWALL	*planning*	ST1705	10,395,000	6,247	0	6,247	10,388,753
61ST & SEWALL - INTERSECTION		ST1706	247,000	0	0	0	247,000
30TH - AVE O TO SEAWALL	*planning*	ST1801	177,660	4,471	177,660	182,131	(4,471)
16TH - BROADWAY TO AVE N 1/2	*planning*	ST1802	1,460,100	593	0	593	1,459,507
22ND - HARBORSIDE TO BROADWAY	*planning*	ST1803	510,000	916	0	916	509,084
37TH - BROADWAY TO SEAWALL	*planning*	ST1901	13,750	222	0	222	13,528
29TH - AVE O TO AVE R 1/2	*planning*	ST2001	15,000	215	0	215	14,785
49TH - AVE P TO AVE S 1/2	DEC 2017	ST2002	282,750	98,291	188,405	286,696	(3,946)
35TH - POST OFFICE TO BROADWAY	DEC 2017	ST2003	310,000	60,573	253,178	313,750	(3,750)
TOTAL BUDGET (established)			**$21,631,990**	**$1,965,350**	**$2,403,750**	**$4,369,100**	**$17,262,890**

CITY OF GALVESTON

CASH & BUDGET RECONCILIATION REPORT
INFRASTRUCTURE & DEBT SERVICE FUND 3199
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	$	**5,021,658.00**
FY 2018: Interest	$	31,044.63
FY 2018: Other	$	-
FY 2018: Transfer from GF*	$	2,456,257.50
Total Cash Resources	**$**	**7,508,960.13**
Less: Expenditures	$	(3,313,314.70)
Less: Accounts Payable as of 10/1/2017	$	(644,421.11)
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**3,551,224.32**

Budget Reconciliation			
Cash, Ending 7/30/18	$	3,551,224.32	
FY 2018: Transfer In GF*	$	818,752.50	***(to be transferred)***
FY 2018: Other	$	-	
FY 2018: TIRZ14 A/F	$	-	
Total Cash/Budget	**$**	**4,369,976.82**	
Less: Encumbered	$	(1,356,442.00)	
Less: Unencumbered	$	(2,979,142.60)	
Available FY 2018		**34,392**	

**Adopted Budget 2018 - Transfer from General Fund to Infrastructure Set Aside is $3,275,010. Transfers are posted on a quarterly basis.

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
DRAINAGE PROJECTS							
MASTER DRAINAGE PLAN and FEASIBILITY STUDY		D1701	1,750	0	0	0	1,750
INSPECTION OF STORM SEWER OUTFALLS	DEC 2016	D1702	202,783	192,971	9,886	202,857	(74)
WEST END DRAINAGE REHAB		D1703	3,000	0	0	0	3,000
DRAINAGE CONTINGENCY		DCONT	295,250	0	0	0	295,250
STREET PROJECTS							
IN HOUSE STREETS - (labor+equip) 2018	OCT 2017	INST18	1,262,780	401,321	0	401,321	861,459
26TH - AVE N TO BROADWAY		ST1503	5,000	1,935	0	1,935	3,065
29TH ST - BROADWAY to SEALY	JAN 2016	ST1603	41,954	346	2,640	2,986	38,968
29TH ST - CHURCH to HARBORSIDE (design)	FEB 2016	ST1604	7,830	0	7,830	7,830	0
33RD ST - BROADWAY to HARBORSIDE	JAN 2016	ST1605	346,458	225,002	130,533	355,535	(9,078)
25TH - BROADWAY TO SEAWALL	JUL 2017	ST1701	508,955	209,453	92,050	301,504	207,451
73RD - HEARDS LANE TO AVE N 1/2	MAY 2017	ST1702	70,386	61,636	8,750	70,386	0
REPLACEMENT OF STRAND PAVERS	DEC 2016	ST1704	24,201	124	22,201	22,325	1,876
61ST & SEAWALL - INTERSECTION IMPROVEMENTS		ST1706	35,000	0	0	0	35,000
SEAWALL (TxDot) Local Share	JUL 2017	ST1709	364,624	322,399	23,074	345,473	19,152
SEAWALL (TxDot) Local Share	pending	ST1709	170,000			0	170,000
30TH - AVE O TO SEAWALL		ST1801	12,660	197	0	197	12,463
IN HOUSE STREETS - EQUIPMENT PURCHASES	FEB 2018	ST18EQ	1,024,344	749,004	275,339	1,024,343	1
INELIGIBLE CDBG Round 2.2 Payroll	FY18	NA	35,000	25,171	0	25,171	9,829
CAPITAL PROJECTS MANAGEMENT SERVICES	FY18	NA	65,000	39,737	0	39,737	25,263
BROADWAY CORRIDOR (Harvey)	pending		861,378	0	0	0	861,378
STREETS CONTINGENCY		STCONT	74,439	0	0	0	74,439
TRAFFIC PROJECTS							
CAUSEWAY LIGHTING REHABILITATION	DEC 2016	TR1702	56,759	9,069	2,690	11,759	45,000
GRANTS, FEMA, TIRZ, TXDOT							
ROADWAY RECONSTRUCTION / REPAIR	NOV 2013	RDWYP	17,624	9,899	7,725	17,624	0
SIDEWALK 81ST TO SAND HILL - STEWART (TIRZ14)	AUG 2014	SR81SH	163,231	188	5,430	5,618	157,613
83RD ST - DRAIN & ROADWAY (TIRZ14)	2017	ST1805	85,555	51,445	34,183	85,629	(74)
TRAVEL AIR BRIDGE PROJECT (TIRZ 14)	CM 9/10/15	ST1620	917,023	740,121	16,256	756,377	160,646
FIRE HYDRANTS (IKE) (1)	SEP 2017	FD-132	900,000	182,146	717,854	900,000	0
CLOSED PROJECT 2018 (Finalizing Accounting)							
SEA ISLE DRAINAGE	SEP 2016	DRSEAD	0	0	0	0	0
DEMOLITION OF POCKET PARK #3	CM 2018	PK1701	14,850	14,850	0	14,850	0
IN HOUSE STREETS - ROLLOVER 2017	OCT 2016	STINHO	34,064	34,064	0	34,064	0
EMERGENCY UNDERGROUND STORAGE TANK (26TH/AVE	CM 2/5/18	STEM01	24,000	19,235	0	19,235	4,765
REHAB OF FORCE MAINS - 23RD	MAR 2017	S1603	23,002	23,002	0	23,002	0
		TOTAL BUDGET (established)	**$7,648,899**	**$3,313,315**	**$1,356,442**	**$4,669,757**	**$2,979,143**

(1) FEMA has approved expenditures for the improvement of the City's fire hydrants as FEMA eligible; however, it is not likely that FEMA will approve grant cash being drawn to cover the project until other FEMA funding issues are resolved. In the interim, local funds will have to be apropriated to fund this project in the amount shown.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
DRAINAGE IMPROVEMENT FUND 44102
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	**$**	**386,336.79**
FY 2018: Interest	$	2,287.22
FY 2018: Transfers	$	-
Total Cash Resources	**$**	**388,624.01**
Less: Expenditures	$	(103,393.72)
Less: Accounts Payable as of 10/1/2017	$	(6,817.17)
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**278,413.12**

Budget Reconciliation		
Cash, Ending 7/30/18	$	278,413.12
FY 2018: Other	$	-
FY 2018: Transfers	$	-
Total Cash/Budget	**$**	**278,413.12**
Less: Encumbered	$	(194,797.63)
Less: Unencumbered	$	(64,954.56)
Available FY 2018		**18,661**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
STORM DRAINAGE REHAB & INSPECTION	JUL 2016	D1608	37,453	0	0	0	37,453
62ND & 63RD AVENUE L IMPROVEMENTS	JAN 2014	DAVENL	1,770	1,770	0	1,770	0
HARBORSIDE DRIVE OUTFALL	SEP 2013	DHDOUT	163,615	0	141,511	141,511	22,103
SEA ISLE DRAINAGE - ENGINEERING	APR 2015	DRSEAD	286	0	286	286	0
DRAINAGE - STORM WATER MANAGEMENT (tceq)	2008	DSTORM	60,139	5,623	53,000	58,623	1,516
41ST - AVE L TO SEAWALL	1/28/2016	ST1502	0	0	0	0	0
CLOSED PROJECT 2018 (Finalizing accounting)						0	0
TEMPORARY POWER POLES	CMA JUN 2018	POLES	2,000	2,000	0	2,000	0
EMERGENCY - BACKFLOW PREVENTION PROJECT	DEC 17	D18EM1	97,884	94,001	0	94,001	3,883
TOTAL BUDGET (established)			**$363,146**	**$103,394**	**$194,798**	**$298,191**	**$64,955**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
AIRPORT IMPROVEMENT FUND 43302
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	**$**	**893,389.25**
FY 2018: Interest	$	7,402.07
FY 2018: Transfer In from Operating**	$	399,970.50
Total Cash Resources	**$**	**1,300,761.82**
Less: Expenditures	$	(520,320.38)
Less: Accounts Payable as of 10/1/2017	$	(19,306.32)
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**761,135.12**

Budget Reconciliation		
Cash, Ending 7/30/18	$	761,135.12
FY 2018: Due from TXDot	$	-
FY 2018: Transfers**	$	399,970.50
Total Cash/Budget	**$**	**1,161,105.62**
Less: Encumbered	$	(50,577.30)
Less: Unencumbered	$	(1,100,960.79)
Available FY 2018		**9,568**

**Adopted Budget 2018 - Transfer from Operations to Improvement $799,941..

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
GRANT - Due from TXDot							
TXDOT - DESIGN FOR TAXI / RUN WAYS, FENCE (Garver)	2016	A1603	52,685	27,620	25,065	52,685	0
PROJECTS							
HANGAR IMPROVEMENTS (TIRZ14)	MAR 2017	A1701	774,799	18,142	25,512	43,654	731,145
TERMINAL ROOF (INS)	FEB 2017	A1703	3,685	0	0	0	3,685
AIRFIELD PAVING IMPROVEMENTS PHASE 3 & 4 (local match)	MAR 2018	A1801	400,000	400,000	0	400,000	0
AIRPORT WAREHOUSE BUILDING	*pending*	A1802	367,690	1,559	0	1,559	366,131
CLOSED PROJECT 2018 (Finalizing Accounting)							
PURCHASE HANGAR (GRAY)	JAN 2018	A1803	73,000	73,000	0	73,000	0
TOTAL BUDGET (established)			**$1,671,858**	**$520,320**	**$50,577**	**$570,898**	**$1,100,961**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS IMPROVEMENT FUND 40102
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	$	**3,864,066.43**
FY 2018: Interest	$	28,016.40
FY 2018: Transfers**	$	588,827.50
Total Cash Resources	**$**	**4,480,910.33**
Less: Expenditures	$	(879,035.96)
Less: Accounts Payable as of 10/1/2017	$	(66,953.14)
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**3,534,921.23**

Budget Reconciliation			
Cash, Ending 7/30/18	$	3,534,921.23	
FY 2018: Other	$	-	
FY 2018: Transfers**	$	588,827.50	***(to be transferred)***
Total Cash/Budget	**$**	**4,123,748.73**	
Less: Encumbered	$	(1,239,988.28)	
Less: Unencumbered	$	(2,321,450.19)	
Available FY 2018		**562,310**	

**Adopted Budget 2018 - Transfer from Operations to Improvement $1,177,655. Transfers are posted on a quarterly basis.

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
10 MI ELEVATED STORAGE TANK REHAB	DEC 2017	W1601	273,500	3,476	16,190	19,666	253,834
REHAB - 30" 1890 WATERLINE (CAUSEWAY)	AUG 2016	W1605	158,404	76,365	45,152	121,517	36,888
GULF DRIVE - 6" WATERLINE	JAN 2016	W1608	5,966	3,100	2,866	5,966	0
PIRATES BEACH LAFFITTE COVE LOOP	DEC 2017	W1610	107,250	2,992	49,630	52,622	54,628
WATER MASTER PLAN	MAR 2016	W1615	2,579	0	2,579	2,579	0
WATER SYSTEM IMPROVEMENTS / VALVES	CIP 2016	W1618	1,000,000	292,019	0	292,019	707,981
WELL DISINFECTING / FLUSHING	MAY 2017	W1701	454,800	9,765	11,810	21,575	433,225
20" WL - TAMUG TO SEAWOLF TO BRADNER	pending	W1702	14,305	0	0	0	14,305
AIRPORT PS AND CONTROLS UPGRADE	DEC 2017	W1703	240,000	259	240,000	240,259	(259)
8" WL - 30TH ST ROW & MARKET	InHouse	W1706	285,911	0	10,227	10,227	275,684
METER REGISTERS	FEB 2017	W1708	86,127	78,202	1,925	80,127	6,000
61st STREET BRIDGE WATERLINE	JUN 2017	W1709	213,236	145,458	69,980	215,439	(2,203)
12" WL - SEAWALL, 81ST-97TH	pending	W1902	7,250	0	0	0	7,250
FIRE HYDRANTS (HURRICANE IKE) (1)	SEP 2017	FD-132	999,780	202,885	772,676	975,560	24,220
HMPG - 59TH STREET PUMP STATION	FEB 2014	W59PMP	46,642	15,000	16,954	31,954	14,688
REHAB - WELLS - 9, 11	pending	WWELLS	510,000	0	0	0	510,000
Ineligible payroll for CDBG Round 2.2		various	0	13,942	0	13,942	(13,942)
CLOSED PROJECTS 2018 (Finalizing accounting)							
TEMPORARY POWER POLES (PWFAC)	CMA JUN 2018	POLES	2,000	2,848	0	2,848	(848)
EMERGENCY - JANUARY FREEZE/WATERLINES		FREEZE	32,725	32,725	0	32,725	0
		TOTAL BUDGET (established)	**$4,440,474**	**$879,036**	**$1,239,988**	**$2,119,024**	**$2,321,450**

(1) FEMA has approved expenditures for the improvement of the City's fire hydrants as FEMA eligible; however, it is not likely that FEMA will approve grant cash being drawn to cover the project until other FEMA funding issues are resolved. In the interim, local funds will have to be apropriated to fund this project in the amount shown.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS REVENUE BONDS, SERIES 2006 FUND 40111
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	**$**	**44,754.30**
FY 2018: Interest	$	-
FY 2018: Transfers	$	-
Total Cash Resources	**$**	**44,754.30**
Less: Expenditures	$	(21,662.36)
Less: Accounts Payable as of 10/1/2017	$	(14,319.36)
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**8,772.58**

Cash, Ending 7/30/18			
Cash, Ending 7/15/2016	$	8,772.58	
FY 2018: Transfers	$	-	
FY 2018: Other	$	-	
Total Cash/Budget	**$**	**8,772.58**	
Less: Encumbered	$	(8,772.20)	
Less: Unencumbered	$	-	
Available FY 2018		**0**	***FINAL, no funds available***

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET		CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
REHAB - 30" 1890 WATERLINE (CAUSEWAY)	***AUG 2016***	W1605	30,435		21,662	8,772	30,435	0
TOTAL BUDGET (established)			**$ 30,435**		**$ 21,662**	**$ 8,772**	**$ 30,435**	**$ -**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS REVENUE BONDS, SERIES 2008 FUND 40115
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	$	**164,822.30**
FY 2018: Interest	$	-
Total Cash Resources	**$**	**164,822.30**
Less: Expenditures	$	(73,381.22)
Less: Accounts Payable as of 10/1/2017	$	(48,465.53)
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**42,975.55**

Budget Reconciliation			
Cash, Ending 7/30/18	$	42,975.55	
FY 2018: Transfers	$	-	
Total Cash/Budget	**$**	**42,975.55**	
Less: Encumbered	$	(14,458.10)	
Less: Unencumbered	$	(28,517.56)	
Available FY 2018		**0**	***FINAL, no funds available***

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
REHAB - 30" 1890 WATERLINE (CAUSEWAY)	**AUG 2016**	W1605	116,357	73,381	14,458	87,839	28,518
TOTAL BUDGET (established)			**$116,357**	**$73,381**	**$14,458**	**$87,839**	**$28,518**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS CO 2017 BONDS FUND 40117
AS OF July 30, 2018

Cash Reconciliation	
Cash, Beginning Balance Oct 1, 2017	**$ 18,574,063.81**
FY 2018: Interest	$ 125,665.35
FY 2018: Other	$ -
Total Cash Resources	**$ 18,699,729.16**
Less: Expenditures	$ (1,093,071.32)
Less: Accounts Payable as of 10/1/2017	$ (680,271.37)
CASH, ENDING BALANCE AS OF 7/30/18	**$ 16,926,386.47**

Budget Reconciliation	
Cash, Ending 7/30/18	$ 16,926,386.47
FY 2018: Transfers	$ -
FY 2018: Other	$ -
Total Cash/Budget	**$ 16,926,386.47**
Less: Encumbered	$ (1,432,647.91)
Less: Unencumbered	$ (10,812,926.06)
Available FY 2018	**4,680,812.50**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
GULF DRIVE - 6" WL	APR 2017	W1608	701,395	219,887	56,576	276,463	424,932
AIRPORT PUMP STATION (PUMPS&CONTROLS)		W1703	1,674,000	2,352	0	2,352	1,671,648
30" WL - RAILROAD BRIDGE / HARBORSIDE	JAN 2017	W1704	1,923,000	63,562	60,000	123,562	1,799,438
AIRPORT PUMP STATION (TANK UPGRADE PH	DEC 2017	W1705	733,750	0	660,159	660,159	73,591
24" WL - 59TH ST PS TO AIRPORT PUMP STAT	JAN 2017	W1707	1,300,500	720,980	537,000	1,257,980	42,520
61ST ST BRIDGE WATERLINE	NOV 2017	W1709	101,300	68,377	32,923	101,300	0
30" WL - 71ST TO 59TH PUMP STATION		W1801	474,000	223	0	223	473,777
NON REVENUE WATER MITIGATION PROGRAM	2017	W1802	300,000	17,690	85,990	103,680	196,320
WATER CONTINGENCY - CAPITAL PROJECTS		WCONT	898,700	0	0	0	898,700
COUNTY - AVENUE S WATERLINE	*pending*	ST1807	3,855,800	0	0	0	3,855,800
COUNTY - 23RD WATERLINE	*pending*	ST1806	1,376,200	0	0	0	1,376,200
TOTAL BUDGET (established)			**$13,338,645**	**$1,093,071**	**$1,432,648**	**$2,525,719**	**$10,812,926**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
SEWER IMPROVEMENT FUND 42102
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	**$**	**3,357,789.51**
FY 2018: Interest	$	26,369.18
FY 2018: Transfer from Operations**	$	750,000.00
Total Cash Resources	**$**	**4,134,158.69**
Less: Expenditures	$	(1,035,651.53)
Less: Accounts Payable as of 10/1/2017	$	(94,029.04)
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**3,004,478.12**

Budget Reconciliation			
Cash, Ending 7/30/18	$	3,004,478.12	
FY 2018: Transfers**	$	604,979.00	***(to be transferred)***
FY 2018: Other	$	-	
Total Cash/Budget	**$**	**3,609,457.12**	
Less: Encumbered	$	(1,736,992.06)	
Less: Unecumbered	$	(1,129,889.14)	
Available FY 2018		**742,576**	

**Adopted Budget 2018 - Transfer from Operations to Improvement $1,500,000. Transfers are posted on a quarterly basis. Budget Amendment #1 CA 2/22/18 provided a Transfer to Hurriance Harvey $145,021 from the original Adopted Budget FY2018 transfer amount.

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
PIRATES BEACH WWTP	FEB 2016	S1607	502,167	80,349	421,817	502,167	0
SUNNY BEACH 8 MILE RD SANITARY SEWER	FEB 2016	S1609	99,600	33,200	66,400	99,600	0
WASTEWATER MASTER PLAN	2017	S1611	84,849	26,883	58,608	85,491	(642)
METER REGISTERS	JAN 2017	W1708	86,127	78,202	1,925	80,127	6,000
BERMUDA BEACH SANITARY SEWER IMPRV	2014	SBBSSI	36,717	0	0	0	36,717
SANITARY SEWER REHABILITATION PROGRAM	2015	SLINEI	2,830,319	821,953	1,151,019	1,972,971	857,348
SEAWOLF WWTP RECON & EXPANSION	2015	SSEAWO	52,915	15,691	37,223	52,915	0
CONTINGENCY		SCONT	225,000	0	0	0	225,000
CLOSED PROJECT 2018 (Finalizing Accounting)							
TEMPORARY POWER POLES	CMA JUN 2018	POLES	3,000	2,000	0	2,000	1,000
REHAB OF SANITARY SEWER FORCE MAINS	MAY 2016	S1603	(18,160)	(22,626)	0	(22,626)	4,466
		TOTAL BUDGET (established)	**$3,902,533**	**$1,035,652**	**$1,736,992**	**$2,772,644**	**$1,129,889**

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
SEWER REVENUE BONDS, SERIES 2008 FUND 42115
AS OF July 30, 2018

Cash Reconciliation	
Cash, Beginning Balance Oct 1, 2017	**$ 3,958,421.12**
FY 2018: Interest	$ 29,250.48
Total Cash Resources	**$3,987,671.60**
Less: Expenditures	$ (56,145.05)
Less: Accounts Payable as of 10/1/2017	$ -
CASH, ENDING BALANCE AS OF 7/30/18	**$3,931,526.55**

Budget Reconciliation		
Cash, Ending 7/30/18	$	3,931,526.55
FY 2018: Transfers	$	-
Total Cash/Budget	**$**	**3,931,526.55**
Less: Encumbered	$	(1,242,238.17)
Less: Unencumbered	$	(1,806,497.78)
Available FY 2018		**882,791**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS (1)							
L/S PUMP & ELECTRICAL UPGRADES	2017	S1701	2,036,000	56,145	194,318	250,463	1,785,537
AIRPORT WWTP	2018	SW-159	1,068,881	0	1,047,920	1,047,920	20,961
ALTERNATE FUNDING SOURCE (2)							
8 MI SUNNY SEWER	*to 42117*	S1609	551,000	0	0	0	0
WWTP - SLUDGE/GRIT REMOVAL	to 42117	S1610	1,007,000	0	0	0	0
TOTAL BUDGET (established)			**4,662,881**	**56,145**	**1,242,238**	**1,298,383**	**1,806,498**

(1) Projects are funded utilitizing the First In First Out method of resources available.
(2) Project budgets will be funded with an alternate funding source.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
SEWER CO 2017 BONDS FUND 42117
AS OF July 30, 2018

Cash Reconciliation		
Cash, Beginning Balance Oct 1, 2017	**$**	**16,174,293.17**
FY 2018: Interest	$	116,322.73
FY 2018: CO Bonds, 2017 - Sewer	$	-
Total Cash Resources	**$**	**16,290,615.90**
Less: Expenditures	$	(22,780.20)
Less: Accounts Payable as of 10/1/2017	$	-
CASH, ENDING BALANCE AS OF 7/30/18	**$**	**16,267,835.70**

Budget Reconciliation		
Cash, Ending 7/30/18	$	16,267,835.70
FY 2018: Transfers	$	-
FY 2018: Other	$	-
Total Cash/Budget	**$**	**16,267,835.70**
Less: Encumbered	$	(663,674.70)
Less: Unencumbered	$	(14,934,817.10)
Available FY 2018		**669,343.90**

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
PIRATES BEACH WWTP	*planning*	S1607	6,405,000	2,872	0	2,872	6,402,128
8 MI SUNNY SEWER -design & construction	*planning*	S1609	2,910,000	3,024	0	3,024	2,906,976
WEST END (UNSERVED AREAS)	*planning*	S1702	2,579,933	16,296	0	16,296	2,563,637
SEAWOLF WWTP RECONSTRUCTION	JAN 2016	SSEAWO	750,939	339	0	339	750,600
WWTP - SLUDGE/GRIT REMOVAL	*pending*	S1610	1,007,000	249	663,675	663,924	343,076
COUNTY - AVENUE S WATERLINE	*pending*	ST1807	367,100	0	0	0	367,100
COUNTY - 23RD WATERLINE	*pending*	ST1806	1,601,300	0	0	0	1,601,300
				0	0	0	
TOTAL BUDGET (established)			**15,621,272**	**22,780**	**663,675**	**686,455**	**14,934,817**

CITY OF GALVESTON

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FINANCIAL POLICIES

ARTICLE VII. - FINANCE

Section 1. Department of Finance. There shall be a Department of Finance, the head of which shall be the Director of Finance, who shall be appointed by the city manager. The Director of Finance shall have knowledge of municipal accounting and finance and shall be otherwise qualified by experience or training for this position.

(Ord. No. 96-59, § 10, 6-16-96)

Section 2. Director of Finance. The Director of Finance shall supervise the Department of Finance and administer all the financial affairs of the City other than the assessment and collection of taxes. The Director of Finance shall be responsible for the receipt, disbursement and safe-keeping of all City funds, establish the accounting procedures to be used in all departments, and approve all expenditures to ensure that legal requirements have been met and the budget appropriations are not exceeded.

(Ord. No. 91-95, § 4(10), 11-14-91; Ord. No. 96-59, § 10, 6-16-96)

Section 3. Reserved.

Editor's note— Ord. No. 16-035, § 8, adopted May 17, 2016 , repealed § 3, in its entirety. Former § 3 pertained to " City Auditor," and was derived from Ord. No. 91-95, § 4(11), adopted November 14, 1991; Ord. No. 96-59, § 10, adopted June 16, 1996 and Ord. No. 98-33, § 18, adopted June 3, 1998.

Section 4. Accounting. Complete and accurate financial records and accounts shall be kept for every department, office and agency of the City and covering every receipt and expenditure of municipal funds. Such records and accounts shall be established and maintained according to standard and approved systems of accounting, and shall be designed to reflect as nearly as possible the cost of each service provided by the City, including the capital expenditures properly to be included therein.

(Ord. No. 96-59, § 10, 6-16-96)

Section 5. Fiscal Year. The fiscal year of the City shall begin on the first day of each October, and end on the last day of September in the succeeding calendar year.

(Ord. No. 96-59, § 10, 6-16-96)

Section 6. Preparation of the Budget. At least forty-five (45) days prior to the beginning of each fiscal year the City Manager shall submit to the Council a proposed budget, which shall include:

(1) The anticipated revenues and the proposed expenditures for the year, in detail;

(2) A statement of all capital projects proposed to be undertaken during the year, and the method of their financing;

(3) A statement of the capital projects planned for the next succeeding five (5) fiscal years, with estimates of their costs. The budget shall be accompanied by a report from the City Manager, with supporting schedules and exhibits, setting forth a complete financial plan for operation of the City during the coming fiscal year, with suitable explanation of any major changes in the cost of operation or the financial policy.
(Ord. No. 89-17, § 3(8), 1-26-89; Ord. No. 96-59, § 10, 6-16-96)

Section 7. Public Hearings on Budget. When submitted to the Council the proposed budget and the budget message shall become a public record and sufficient copies shall be available for distribution to interested persons. A time and place for a public hearing on the budget shall be set by the Council and notice thereof shall be published in accordance with State law. The public hearing shall be held as required by State law. At such hearings, all interested persons shall be given the opportunity to be heard for or against any items of income or expenditure in the proposed budget, including the capital projects proposed to be undertaken.

(Ord. No. 89-17, § 3(9), 1-26-89; Ord. No. 96-59, § 10, 6-16-96; Ord. No. 98-33, § 19, 6-3-98; Ord. No. 98-66, § 6, 7-30-98)

Section 8. Approval of the Budget. After the public hearing thereon the Council shall approve and adopt the budget by the second regularly scheduled Council meeting in September, either in the same form as submitted by the City Manager or with such changes as the Council may find to be necessary or desirable. No budget shall be adopted or appropriation made unless the anticipated revenues for the fiscal year equal or exceed the authorized expenditures. The adoption of the budget shall require a favorable vote of at least a majority of all the members of the Council. In the event the budget has not been adopted by the beginning of the fiscal year, the latest budget proposed by the City Manager shall take and remain in effect until the budget is finally adopted by the Council.

(Ord. No. 89-17, § 3(9), 1-26-89; Ord. No. 96-59, § 10, 6-16-96; Ord. No. 16-035, § 8, 5-17-16)

Section 9. Appropriations. No funds of the City shall be expended nor shall any obligation for the expenditure of money be incurred unless there is an appropriation therefor in the budget as duly adopted. Expenditures appropriated in anticipation of revenues from sale of capital assets or legal settlements shall be made only after actual receipt of those revenues. At the close of each fiscal year any unencumbered balance of an appropriation shall revert to the fund from which appropriated and may be re-appropriated by the Council. During the fiscal year the Council shall have the power to transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another, at any time, and the City Manager shall have authority, without Council approval, to transfer appropriation, balances from one expenditure account to another within a single office, department, or agency of the City.

(Ord. No. 96-59, § 10, 6-16-96)

Section 10. Emergency Appropriations. ;ol0; (1)\At any time in any fiscal year, the Council may, pursuant to this section, make emergency appropriations only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have

been included in the original budget through the use of reasonably diligent thought and attention. Such appropriations shall be by ordinance adopted by the favorable vote of five members of the Council and shall be made only upon recommendation of the City Manager. The total amount of such emergency appropriations made in any fiscal year shall not exceed ten per centum of the tax levy for general purposes in that fiscal year. Should the unappropriated and unencumbered revenues, income and available funds of the City for such fiscal year be not sufficient to meet the expenditures under the appropriation authorized by this section, thereby creating a deficit, it shall be the duty of the Council to include the amount of such deficit in its budget and said deficit shall be paid off and discharged not later than thirty-six (36) months from the date the appropriation was made. If the Council amends the budget to meet an emergency, the Council shall file a copy of its ordinance in accordance with State law.

(2)
At any time in any fiscal year, where the City has experienced a natural or man-made disaster that results in the issuance of a Proclamation of Public Disaster by the President of the United States or Governor of the Great State of Texas, the Council may make emergency appropriations to alleviate the effects of the natural or man-made disaster, and the limitations on the total amount of emergency expenditures set out in the preceding section shall not apply.

(Ord. No. 96-59, § 10, 6-16-96; Ord. No. 98-33, § 20, 6-3-98; Ord. No. 02-033, § 2, 5-4-02; Ord. No. 04-028, § 2, 2-26-04; Ord. No. 16-035, § 8, 5-17-16)

Section 11. Borrowing to Meet Emergency Appropriations. In the absence of unappropriated available revenues or other funds to meet emergency appropriations under the provision of the next preceding section, the Council may by resolution authorize the borrowing of money to meet such deficit by the issuance of notes, secured by ad valorem taxes which the City is authorized to levy in payment thereof, each of which shall be designated "Emergency Note" and may be renewed from time to time, but all such notes and any renewals thereof shall mature and be payable not later than thirty-six (36) months after which the emergency appropriation's debt was incurred, as provided in the last preceding section.

(Ord. No. 96-59, § 10, 6-16-96; Ord. No. 04-028, § 2, 2-26-04)

Section 12. Borrowing in Anticipation of Taxes. Except for borrowing to meet emergency appropriations, no loan shall be authorized or made to pay any deficiency arising from a failure to realize sufficient income from taxation to meet the amounts provided for in the budget, but the Council, during any fiscal year, may borrow money for its use in anticipation of the receipt of taxes collected or to be collected during such fiscal year, and pledge, as security, the uncollected taxes for such fiscal year; provided, that any notes or other obligations issued hereunder shall mature and be payable not later than the end of the fiscal year in which issued.

(Ord. No. 96-59, § 10, 6-16-96; Ord. No. 04-028, § 2, 2-26-04)

Section 13. Depository and Withdrawals. All monies received by any person, department, or agency of the City for or in connection with affairs of the City shall be

deposited promptly in the City depository or depositories, which shall be designated by the Council in accordance with such regulations and subject to such requirements as to security for deposits and interest thereon as may be established by ordinance. All checks, vouchers or warrants for the withdrawal of money from the City depositories shall be signed by the Director of Finance and countersigned by the City Manager or their designees. Provided, that the Council, under such regulations and limitations as it may prescribe, may by ordinance authorize the use of machine-imprinted facsimile signatures of said Directors of Finance and City Manager on such checks, vouchers, or warrants.

(Ord. No. 91-95, § 4(12), 11-14-91; Ord. No. 96-59, § 10, 6-16-96)

Section 14. General Obligation Bonds. The City shall have the power to borrow money on the credit of the City and to issue general obligation bonds for permanent public improvements or for any other public purpose not prohibited by the Constitution and Laws of the State of Texas, and to issue refunding bonds to refund outstanding bonds of the City previously issued. All such bonds shall be authorized and issued in conformity with the Laws of the State of Texas.

(Ord. No. 96-59, § 10, 6-16-96)

Section 15. Revenue Bonds. The City shall have power to borrow money for the purpose of constructing, purchasing, improving, extending or repairing public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the Constitution and Laws of the State of Texas, and to issue revenue bonds to evidence the obligation created thereby. Such bonds shall be a charge upon and payable solely from the properties, or interest therein, pledged, or the income therefrom, or both, and shall never be a debt of the City. All such bonds shall be authorized and issued in conformity with the Laws of the State of Texas.

(Ord. No. 96-59, § 10, 6-16-96)

Section 15a. Limitation on Borrowing. The City shall not borrow, or issue general obligation bonds, or any other instrument, or series of instruments to evidence the obligation created thereby unless first submitted to all of the qualified voters in the City for their approval at an election duly called and held for such purposes. This section shall not apply to borrowing to meet a natural or man-made disaster resulting in the declaration of a Proclamation of Public Disaster by the President of the United States or the Governor of the Great State of Texas, emergency appropriations, borrowing in anticipation of taxes, or borrowing as otherwise provided by the City Charter. This section shall not apply to refunding bonds of the City previously issued, so long as the issuance of refunding bonds does not result in a higher total expenditure by the City. This section shall not apply to revenue bonds or certificates of obligation which shall be issued in accordance with State law. Six (6) or more members of the Council must approve the issuance of revenue bonds or certificates of obligation.

(Ord. No. 89-17, § 3(10), 1-26-89; Ord. No. 96-59, § 10, 6-16-96; Ord. No. 98-33, § 21, 6-3-98; Ord. No. 02-033, § 3, 5-4-02; Ord. No. 16-035, § 8, 5-17-16)

Editor's note— Section 15a was created by an amendment approved by the electorate on January 20, 1979. The election results were confirmed by Ord. No. 79-2, adopted January 22, 1979.

Section 16. Sale of Bonds. All bonds shall be sold in accordance with the laws of the State of Texas.

(Ord. No. 96-59, § 10, 6-16-96; Ord. No. 16-035, § 8, 5-17-16)

Section 17. Purchase Procedure.

(1) All purchases made by the City, and contracts executed which will require the expenditure of City funds, shall be made pursuant to a requisition from the head of the office or department whose appropriation will be charged. No order shall be given, nor contract made, and neither shall be binding upon the City, unless the Director of Finance, or designee, shall have certified that there is to the credit of the budget appropriation to be charged a sufficient unencumbered balance to pay therefor.

(2) It shall be the policy of the City to obtain written competitive bids on purchases or contracts involving the expenditure of City funds, and such bidding shall be required when the amount involved is more than One Thousand Dollars ($1,000.00). When bids are received the purchase or contract shall be awarded to the lowest and best bid excepting that the City shall reserve the right to reject any and all bids for cause stated.

(3) The Council may by ordinance confer upon the City Manager the power and authority to enter upon such purchases and contracts without further action of the Council where the expenditure is provided in the budget and does not exceed Fifteen Thousand Dollars ($15,000.00). All other expenditures must have the express approval of the Council, in advance. In the event of a declared local state of disaster or emergency, the City Manager shall have the authority to enter upon purchases and contracts in an amount not to exceed ten (10) percent of the City's current annual budget in accordance with state and federal procurement laws, provided a quorum of Council is unable to be present at a meeting.

(4) Contracts for supplies, equipment or contractual services to be furnished the City shall only be made upon competitive bidding and the period of such contracts may not exceed thirty-six (36) months unless a longer term, not to exceed 60 months, is approved by five members of City Council.

(5) The requirement of competitive bidding shall not extend to contracts for personal or professional services.

(6) The requirement of competitive bidding shall not apply to purchases made at publicly advertised auctions if the items purchased do not exceed Ten Thousand Dollars ($10,000.00) each, and items may be purchased at such auctions for amounts in excess of Ten Thousand Dollars ($10,000.00) with the prior approval of the Council.

(Ord. No. 89-17, § 3(11), 1-26-89; Ord. No. 96-59, § 10, 6-16-96; Ord. No. 98-33, §§ 22, 23, 6-3-98; Ord. No. 02-033, § 4, 5-4-02; Ord. No. 12-009, § 2, 2-23-12)

Section 18. Independent Audit. At the close of each fiscal year the Council shall cause an independent audit to be made of all accounts of the City by a Certified Public Accountant. Upon completion of this audit it shall be filed in the office of the City Secretary as a public record.

(Ord. No. 96-59, § 10, 6-16-96; Ord. No. 98-33, § 24, 6-3-98)

Section 19. Limitation on Expenditures. The Council shall not approve a budget that exceeds more than seven (7) per cent of the budget of the prior fiscal year as to total expenditures for any and all purposes excluding expenditures related to bond funded projects, grant funded programs, trust and agency funds, internal services fund expenditures, and any capital improvement funds appropriated in the previous fiscal year that have not been expended.

(Ord. No. 96-59, § 10, 6-16-96; Ord. No. 04-028, § 2, 2-26-04; Ord. No. 12-009, § 2, 2-23-12)

Editor's note— Section 19 was created by an amendment approved by the electorate on January 20, 1979. The election results were confirmed by Ord. No. 79-2, adopted January 22, 1979.

Section 20. Capital Improvement and/or Debt Service Account. The City shall create a "Capital Improvement and/or Debt Service Account" allocating an equivalent of 1% of the General Fund Operating Budget ("annual allocation") to such an account beginning in fiscal year 2013 and an additional 1% in each successive fiscal year thereafter until the cumulative annual allocation to the account reaches a minimum of 8% of the total General Fund Operating Budget, for either Capital Improvements or Debt Service in every year, and each year thereafter allocate at least 8% of the total General Fund Operating Budget to such account, subordinate to any deficiency in the emergency 90-day minimum reserve. For purposes of this section "Capital Improvements" shall be defined as projects above $100,000.00.

(Ord. No. 12-009, § 2, 2-23-12)

- **ARTICLE VIII. - TAXATION**

Section 1. Department of Taxation. There may be a department of taxation, the head of which shall be the City Collector of Taxes. The Collector of Taxes shall be appointed by the Council and shall be responsible for the collection of all taxes levied by the City of Galveston. In addition the Collector of Taxes may be made responsible for the assessment and collection of taxes levied by a School District, Navigation District, Water Control and Improvement District or other political subdivisions, if the Council has by contract with such other political subdivision so provided. Instead of creating a department of taxation and appointing a City Collector of Taxes, the City may contract to have another government entity or agency, who is qualified to perform either the collection and appraisal functions, assess or collect taxes hereunder in accordance with the requirements of the Texas Tax Code and other applicable laws.

(Ord. No. 89-17, § 3(12), 1-26-89; Ord. No. 91-95, § 4(13), 11-14-91; Ord. No. 96-59, § 11, 6-16-96)

Section 2. Powers of Taxation. In order to carry out its municipal purposes, the City shall have the power to levy, assess, and collect taxes of every character and type as now or hereafter authorized by the Constitution and Laws of the State of Texas. Provided, however, that until otherwise authorized by the amendment of this Charter the power of the City to levy an annual ad valorem tax upon taxable property situated within its corporate limits shall include only the following:

(1) A tax at a rate not to exceed Seventy Cents ($0.70) on each $100.00 of assessed valuation for general operating expenses; and for the City's contributions toward the retirement or disability pensions of City employees; and for payment on the interest on and provide for the sinking fund required by law for all outstanding general obligation bonds of the City; and at the discretion of City Council for the employment of a municipal band.

(2) Effective January 1, 1979, for the conduct, maintenance, improvement and extension of Rosenberg Library, a tax rate which will yield that amount which would be derived by the levy of a Five Cent ($0.05) tax, or at the discretion of the City Council, an additional amount up to a maximum total of an Eight Cent ($0.08) tax, per $100.00 of assessed valuation based upon a one hundred (100) per cent assessment ratio.

(Ord. No. 75-18, § 3, 4-10-75; Ord. No. 79-24, § 3, 4-9-79; Ord. No. 89-17, § 3(13), 1-26-89; Ord. No. 96-59, § 11, 6-16-96; Ord. No. 98-33, § 25, 6-3-98; Ord. No. 98-66, § 7, 7-30-98)

State Constitution reference— Tax rate limited, Const., art. 8, § 9, art. 11, § 5; license fees limited, Const., art. 8, § 1.

Editor's note— The property subject to taxation is now controlled by V.A.T.C., Property Tax Code, § 11.01.

State Law reference— Tax for airport purposes, Vernon's Ann. Civ. St. art. 46d-8.

Section 2(a) Tax on Occupants of Hotel Rooms. The City Council may impose on the occupants of hotels, as that term is defined by State law, a tax as permitted by State law on the amount paid for rooms; and may provide for the collection, on behalf of the City, of such tax by the operator of the hotel from the occupant of the room, and transmittal of the proceeds of the tax to the City. The proceeds of any such tax levied at the rate of 3%, after the expense of collection, shall be appropriated by the city for the use by the beach park board of trustees for the purpose of advertising and promoting the city's recreational advantages and advertising and promoting recreational facilities under the board's supervision and control; provided, however, that no portion of the tax levied at the rate of 3% for advertising and promoting the city's recreational advantages and advertising and promoting recreational facilities shall be used by the beach park board of trustees for capital improvements nor shall such proceeds ever be pledged as security for a bond issue.

(Ord. No. 96-59, § 11, 6-16-96; Ord. No. 98-33, § 26, 6-3-98; Ord. No. 98-66, § 8, 7-30-98)

Editor's note— Section 2(a) of Article VIII of the Charter was adopted at a regular city election held April 11, 1967. The election results were confirmed by Ord. No. 67-23, § 3, adopted April 20, 1967.

Section 2(b) Limitation on Taxation. The City Council shall not make, permit, or approve any increase in ad valorem taxes on any taxable property in the City in any one year exceeding five (5) per cent of the City's immediate prior year's ad valorem tax, subject, however, to the total tax limitation in the City Charter. Such five (5) per cent limitation shall not prevent increased market valuation and taxation of taxable property when subsequent improvements are made. Provided further; that the proceeds of the one-half of one per cent (½%) sales tax adopted by the City shall be used to reduce the ad valorem tax rate on the basis of one dollar for each dollar received from the additional sales tax based on the sales tax received by the City from the most recent twelve month period that ends on June 30 th to the extent required by Article VIII, Section I and Article VII, Section 19, of this Charter. This limitation shall not prevent increased market valuation and taxation of taxable property when subsequent improvements are made.

(Ord. No. 89-17, § 3(14), 1-26-89; Ord. No. 96-59, § 11, 6-16-96; Ord. No. 02-033, § 6, 5-4-02)

Editor's note— Section 2(b) was created by an amendment approved by the electorate on January 20, 1979. The election results were confirmed by Ord. No. 79-2, adopted January 22, 1979.

Section 3. Appraisal of Property for Tax Purposes. All property real, personal or mixed, having a situs within the corporate limits of the City of Galveston on January 1st of each year, not expressly exempted by law, shall be subject to taxation by the City of Galveston for such year. If the State requires appraisals of property, those appraisals will be made in accordance with State laws.

(Ord. No. 89-17, § 3(15), 1-26-89; Ord. No. 96-59, § 11, 6-16-96)

State Law reference— Tax assessment, Vernon's Ann. Civ. St., art. 7181a et seq.; listing of property for taxation, Vernon's Ann. Civ. St., art. 7151.

Section 4. Tax Payments. All taxes due the City of Galveston shall be payable at the office of the City Tax Collector in accordance with State law. The City shall assess penalties and interest in accordance with State law.

(Ord. No. 89-17, § 3(17), 1-26-89; Ord. No. 96-59, § 11, 6-16-96)

Section 5. Tax Liens and Liabilities. All property, real, personal and mixed, situated in the City of Galveston on the 1st day of January of each year shall stand charged with a special lien in favor of the City from said date for the taxes due thereon. The liens provided herein shall be superior to all other liens, excepting where otherwise provided by law, regardless of when such other liens were created. All persons purchasing any of said property after the 1st day of January of any year shall take the same subject to the

liens herein provided. In addition to the liens against property as herein provided, the owner on the 1st day of January of any year of property subject to taxation by the City shall be personally liable for taxes due thereon for such year. The City shall have the power to sue for and recover personal judgement for taxes without foreclosure, or to foreclosure its lien or liens, or to recover both personal judgement and foreclosure. In any such suit where it appears that the description of any property in the City tax rolls is insufficient to identify such property, the City shall have the right to plead a good description of the property intended to be assessed, to prove the same, and to have its judgement foreclosing the tax lien or for personal judgement against the owner for such taxes.

(Ord. No. 89-17, § 3(18), 1-26-89; Ord. No. 96-59, § 11, 6-16-96)

Sections 6 and 7. Reserved.

Editor's note— Former § 6, tax liens and liabilities, has been amended and renumbered as § 5. Former § 7, joint interest in property, has been repealed in its entirety. The aforesaid amendments were enacted by Ord. No. 89-17, § 3(18), (19), adopted January 26, 1989.

Section 8. Arrears of Taxes Offset to Debt Against City. The City shall be entitled to counterclaim and offset against any debt, claim, demand or account owed by the City to any person, firm or corporation that is in arrears to the City of Galveston for taxes, in the amount of taxes so in arrears, and no assignment or transfer of such debt, claim, demand or account after the said taxes are due, shall affect the right of the City to so offset the said taxes against the same.

(Ord. No. 96-59, § 11, 6-16-96)

Section 9. Disposition of Unappropriated Delinquent Taxes. The Council shall be authorized to appropriate all delinquent taxes against which no demands are outstanding, and after the purposes for which said taxes were levied have been fulfilled and satisfied, to any proper municipal purpose, and the Council shall be empowered at the end of the fiscal year to declare such residue of all said delinquent taxes a surplus fund, and to direct that the same when collected be carried as a surplus account subject to the further appropriation by said Council for proper municipal purposes.

(Ord. No. 96-59, § 11, 6-16-96)

LOCAL GOVERNMENT CODE

TITLE 4. FINANCES

SUBTITLE A. MUNICIPAL FINANCES

CHAPTER 102. MUNICIPAL BUDGET

Sec. 102.001. BUDGET OFFICER. (a) The mayor of a municipality serves as the budget officer for the governing body of the municipality except as provided by Subsection (b).

(b) If the municipality has the city manager form of government, the city manager serves as the budget officer.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.002. ANNUAL BUDGET REQUIRED. The budget officer shall prepare each year a municipal budget to cover the proposed expenditures of the municipal government for the succeeding year.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.003. ITEMIZED BUDGET; CONTENTS. (a) The budget officer shall itemize the budget to allow as clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes made for the preceding year. The budget must show as definitely as possible each of the projects for which expenditures are set up in the budget and the estimated amount of money carried in the budget for each project.

(b) The budget must contain a complete financial statement of the municipality that shows:

(1) the outstanding obligations of the municipality;

(2) the cash on hand to the credit of each fund;

(3) the funds received from all sources during the preceding year;

(4) the funds available from all sources during the ensuing year;

(5) the estimated revenue available to cover the proposed budget; and

(6) the estimated tax rate required to cover the proposed budget.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.004. INFORMATION FURNISHED BY MUNICIPAL OFFICERS AND BOARDS. In preparing the budget, the budget officer may require any municipal officer or board to furnish information necessary for the budget officer to properly prepare the budget.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.005. PROPOSED BUDGET FILED WITH MUNICIPAL CLERK; PUBLIC INSPECTION. (a) The budget officer shall file the proposed budget with the municipal clerk before the 30th day before the date the governing body of the municipality makes its tax levy for the fiscal year.

(b) A proposed budget that will require raising more revenue from property taxes than in the previous year must contain a cover page with the following statement in 18-point or larger type: "This budget will raise more total property taxes than last year's budget by (insert total dollar amount of increase and percentage increase), and of that amount (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll) is tax revenue to be raised from new property added to the tax roll this year."

(c) The proposed budget shall be available for inspection by any person. If the municipality maintains an Internet website, the municipal clerk shall take action to ensure that the proposed budget is posted on the website.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 1, eff. September 1, 2007.

Sec. 102.006. PUBLIC HEARING ON PROPOSED BUDGET. (a) The governing body of a municipality shall hold a public hearing on the proposed budget. Any person may attend and may participate in the hearing.

(b) The governing body shall set the hearing for a date occurring after the 15th day after the date the proposed budget is filed with the municipal clerk but before the date the governing body makes its tax levy.

(c) The governing body shall provide for public notice of the date, time, and location of the hearing. The notice must include, in type of a size at least equal to the type used for other items in the notice, any statement required to be included in the proposed budget under Section 102.005(b).

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 2, eff. September 1, 2007.

Sec. 102.0065. SPECIAL NOTICE BY PUBLICATION FOR BUDGET HEARING. (a) The governing body of a municipality shall publish notice before a public hearing relating to a budget in at least one newspaper of general circulation in the county in which the municipality is located.

(b) Notice published under this section is in addition to notice required by other law, except that if another law requires the governing body to give notice, by publication, of a hearing on a budget this section does not apply.

(c) Notice under this section shall be published not earlier than the 30th or later than the 10th day before the date of the hearing.

(d) Notice under this section must include, in type of a size at least equal to the type used for other items in the notice, any statement required to be included in the proposed budget under Section 102.005(b).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 24, eff. Sept. 1, 1993. Amended by Acts 2001, 77th Leg., ch. 402, Sec. 9, eff. Sept. 1, 2001.
Amended by:
Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 3, eff. September 1, 2007.

Sec. 102.007. ADOPTION OF BUDGET. (a) At the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget. A vote to adopt the budget must be a record vote.

(b) The governing body may make any changes in the budget that it considers warranted by the law or by the best interest of the municipal taxpayers.

(c) Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law.

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the

proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)";

(2) the record vote of each member of the governing body by name voting on the adoption of the budget;

(3) the municipal property tax rates for the preceding fiscal year, and each municipal property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the effective tax rate;

(C) the effective maintenance and operations tax rate;

(D) the rollback tax rate; and

(E) the debt rate; and

(4) the total amount of municipal debt obligations.

(e) In this section, "debt obligation" means an issued public security as defined by Section 1201.002, Government Code, secured by property taxes.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 4, eff. September 1, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 1329 (S.B. 656), Sec. 1, eff. September 1, 2013.

Sec. 102.008. APPROVED BUDGET FILED WITH MUNICIPAL CLERK: POSTING ON INTERNET. (a) On final approval of the budget by the governing body of the municipality, the governing body shall:

(1) file the budget with the municipal clerk; and

(2) if the municipality maintains an Internet website, take action to ensure that:

(A) a copy of the budget, including the cover page, is posted on the website; and

(B) the record vote described by Section 102.007(d)(2) is posted on the website at least until the first anniversary of the date the budget is adopted.

(b) The governing body shall take action to ensure that the cover page of the budget is amended to include the property tax rates required by Section 102.007(d)(3) for the current fiscal year if the rates are not included on the cover page when the budget is filed with the municipal clerk. The governing body shall file an amended cover page with the municipal clerk and take action to ensure that the amended cover page is posted on the municipality's website.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 5, eff. September 1, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 1329 (S.B. 656), Sec. 2, eff. September 1, 2013.

Sec. 102.009. LEVY OF TAXES AND EXPENDITURE OF FUNDS UNDER BUDGET; EMERGENCY EXPENDITURE. (a) The governing body of the municipality may levy taxes only in accordance with the budget.

(b) After final approval of the budget, the governing body may spend municipal funds only in strict compliance with the budget, except in an emergency.

(c) The governing body may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. If the governing body amends the original budget to meet an emergency, the governing body shall file a copy of its order or resolution amending the budget with the municipal clerk, and the clerk shall attach the copy to the original budget.

(d) After the adoption of the budget or a budget amendment, the budget officer shall provide for the filing of a true copy of the approved budget or amendment in the office of the county clerk of the county in which the municipality is located.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.010. CHANGES IN BUDGET FOR MUNICIPAL PURPOSES. This chapter does not prevent the governing body of the municipality from making changes in the budget for municipal purposes.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 102.011. CIRCUMSTANCES UNDER WHICH CHARTER PROVISIONS CONTROL. If a municipality has already adopted charter provisions that require the preparation of an annual budget covering all municipal expenditures and if the municipality conducts a public hearing on the budget as provided by Section 102.006 and otherwise complies with the provisions of this chapter relating to property tax increases, the charter provisions control. After the budget has been finally prepared

and approved, a copy of the budget and the amendments to the budget shall be filed with the county clerk, as required for other budgets under this chapter.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 924 (H.B. 3195), Sec. 6, eff. September 1, 2007.

RESOLUTION NO. 11-053

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, ADOPTING A FUND BALANCE POLICY TO ESTABLISH OPERATING AND REPORTING GUIDELINES FOR THE CITY OF GALVESTON'S GOVERNMENTAL FUND BALANCES; PROVIDING FOR FINDINGS OF FACT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Governmental Accounting Standards Board (GASB) issued Statement 54 for fund balance reporting. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance categories; and,

WHEREAS, these new classifications can be more consistently applied and will clarify the existing governmental fund type definitions. This Statement establishes fund balance classifications that are based primarily on the extent to which the City is bound to observe restrictions imposed upon the use of the resources reported in governmental funds. It is important to note that this does not apply to enterprise (business) type funds; and,

WHEREAS, the governmental fund financial statements of the city will present bund balances based on classifications including a hierarchy that is based primarily on the extent to which the City is bound to honor restrictions on the specific purposes for which amounts in a particular governmental fund can be spent as identified in Exhibit "A"; and,

WHEREAS, the Fund Balance Policy further identifies the order of spending and minimum fund balances; and,

WHEREAS, the City Council deems it in the best interest of the City of Galveston to adopt a Fund Balance Policy to establish operating and reporting guidelines for the City of Galveston's governmental fund balances;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston, Texas here adopts the "Fund Balance Policy" to establish operating and reporting guidelines for the City of Galveston's governmental fund balances as shown in "Exhibit A", attached hereto and incorporated herein.

SECTION 3. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

SUSIE GREEN
CITY ATTORNEY

I, Douglas Godnich, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its regular meeting held on the 22nd day of September, 2011, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 22nd day of September, 2011.

CITY OF GALVESTON * 1839 *

Secretary for the City Council
of the City of Galveston

EXHIBIT "A"

FUND BALANCE POLICY

Introduction and Purpose: The Governmental Accounting Standards Board (GASB) issued Statement 54 for fund balance reporting. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance categories. These new classifications can be more consistently applied and will clarify the existing governmental fund type definitions. This Statement establishes fund balance classifications that are based primarily on the extent to which a government is bound to observe restrictions imposed upon the use of the resources reported in governmental funds. It is important to note that this does not apply to enterprise (business) type funds. Prior to this standard, fund balance categories were primarily reserved or unreserved.

The purpose of this policy is to establish operating and reporting guidelines for the City of Galveston's governmental fund balances.

First and foremost, distinctions need to be made in identifying amounts that are considered *nonspendable,* such as fund balance associated with inventories or prepaid expenses. These balances by their very nature can never be spent. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on whether the resources can be spent but <u>not yet</u> because of timing, such as long-term receivables, or resources that can be spent, but <u>not at the City's discretion,</u> for example the principal of an endowment that legally must be kept intact.

Fund Balance Classification: The governmental fund financial statements of the City will present fund balances based on classifications including a hierarchy that is based primarily on the extent to which the City is bound to honor restrictions on the specific purposes for which amounts in a particular governmental fund can be spent. The five classifications used in the governmental fund financial statements will be as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. These amounts would include inventories and prepaid items as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. These guidelines are used for restricted net assets.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council (ordinance or resolution).[1] These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or

resolution) that was employed when the funds were initially committed. The action must be taken by close of the reporting period. The amount of the commitment can be determined and approved by the council at a later date.

- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or by the City Council's designee, for example mayor, city manager or finance director. The assigned fund balance is similar to the prior unreserved/designated fund balance in that it implies the intent of the government. The Council has the opportunity to designate one or more persons to assign fund balances in an operational manner. The City's budgetary policy should list the council's designated person. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

- Unassigned: This classification includes the residual fund balance for the General Fund.

In summary the components of fund balance can be categorized as follows:

Nonspendable	Form or legal limitation
Restricted	Externally enforceable limitations
Committed	Self-imposed limitations
Assigned	Intended use
Unassigned	Residual

Order of Spending: The City would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Minimum Fund Balances: The City will strive to maintain fund balances in the following ranges for the following funds:

- General Fund: unassigned fund balance to be used for unanticipated emergencies of approximately 90 days of the annual budgeted expenditures of the general fund of the following year.

- Debt Service Fund: Restricted fund balance to be used for debt service payments of approximately 100% of the following year's debt service requirements.

THE CITY OF GALVESTON

INVESTMENT POLICY

SEPTEMBER 2018

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Investment Policy
City of Galveston, Texas

Policy Statement

The Investment Policy, known as "The Investment Policy of the City of Galveston" (the "Investment Policy") complies with and incorporates the Public Funds Investment Act, (the "Act"), Chapter 2256, Texas Government Code and the Public Funds Collateral Act, Chapter 2257, Texas Government Code.

All applicable provisions of the Act, as amended, are adopted by incorporation of Appendix A, the Act, in its entirety.

In the event of a conflict with these investment policies and the Act, the more restrictive of the two shall control.

All participants in the investment process shall act responsibly as custodians of the public trust.

It is the policy of the City of Galveston (the "City") that the administration and investment of its funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal through risk management and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state and local statues, rules and regulations governing the investment of public funds.

The Investment Policy is based on standards of prudent money management. Effective cash flow management and cash investment practices are recognized as essential to good fiscal management and have been incorporated into the investment program.

I. Scope

The Investment Policy shall apply to all financial assets and pooled funds of the City and govern the management of Investments by the Finance Department of the City of Galveston. The Investment Policy shall govern the investment management process with respect to investments managed by the Finance Department of the City of Galveston for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds and Enterprise Funds. The investments will meet the cash flow requirements of the City as established by City Council and City management. These funds are defined in the City's Comprehensive Annual Financial Report (CAFR). This Investment Policy applies to any new fund created by the City unless specifically exempted by the City Council and this Investment Policy.

II. General Objectives

(1) The emphasis of all investment activity shall be safety, liquidity, diversification and yield.

a. **Safety.** The primary objective shall be on safety and preservation of principal. Adherence to the permitted investments listed in the Investment Policy will maximize safety. Whenever practical, assets held in the common investment portfolio shall be diversified to minimize the risk of loss resulting from one concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Whenever possible, the City will purchase non-callable securities in order to best ensure the laddering of maturities and balancing of classes of securities. The City's investments shall be reviewed and rebalanced with respect to diversification at least once per calendar quarter. The emphasis shall be on maintaining a prudent level of cash (money market and investment pool) balances, relative to security types and maturities.

b. **Liquidity.** The goal of liquidity is to maintain available cash balances sufficient to cover anticipated and unexpected cash demands. The City's investment portfolio will remain sufficiently liquid to meet all daily operating requirements.

c. **Diversification.** Whenever practical, assets held in the portfolio(s) shall be diversified to minimize the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer, or a specific market sector. The City's investments shall be reviewed and rebalanced with respect to diversification at least once per calendar quarter.

d. **Yield.** Yield considerations shall be subordinate to safety and liquidity requirements, but shall be maximized within those constraints through prudent and active management.

(2) **Loss of Required Ratings**. The Investment Officers shall take all prudent measures consistent with this Investment Policy to liquidate an investment that does not meet any minimum specified rating. Investment Officers or the Advisor will monitor the credit ratings of all rated investments at all times. Should any investment requiring minimum ratings be placed on market watch, downgraded or placed on credit watch by any nationally recognized rating agency, Investment Officers shall notify the Finance Director immediately. Liquidation of the security may, but need not be, effected. Evaluation of the cause of the action, the maturity of the security, and the position of the security in the portfolio will be considered and prudent measures taken to protect City funds.

(3) **Prudent Person Rule.** The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall

be applied in the context of managing the overall portfolio. This standard states:

> "Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

In determining whether investment personnel exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

a. the investment of all funds over which investment personnel had responsibility rather than a consideration as to the prudence of a single investment, and
b. whether the investment decision was consistent with the written Investment Policy.

Investment personnel involved in investment decisions, when acting in accordance with this Investment Policy and exercising due diligence, shall not be held responsible for a change in a specific investment's credit risk or market price, provided deviation from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

III. Investment Strategy

The City commingles its operating and reserve funds into one investment portfolio for investment purposes of efficiency, accurate distribution of interest, and maximum investment opportunity. Bond funds are managed separately in accordance with their anticipated expenditure schedule. Although commingled, the City recognizes the unique characteristics and needs of the individual funds in its strategy statement and management of the funds. The maximum dollar weighted average maturity of the entire portfolio shall be no greater than 18 months.

(1) **Operating Funds.** The investment strategy for operating funds has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. This may be accomplished by purchasing high quality, short- to medium-term maturity securities, which will complement each other in a laddered maturity structure permitting some extension for yield enhancement.
(2) **Debt Service Funds**. The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before extension.

(3) **Bond Reserve Funds.** The investment strategy for bond reserve funds shall have as its primary objective the ability to generate a revenue stream to the bond reserve funds from high quality securities with a low degree of volatility. Securities should be high credit quality and, except as may be required by a bond ordinance specific to an individual issue, of short to intermediate-term maturities. Reserve portfolios will utilize securities with a maximum maturity of five years and have a maximum weighted average maturity, if managed as a separate portfolio, not to exceed three years.

(4) **Capital Project Funds**. The investment strategy for capital project funds will have as its primary objective assurance that anticipated expenditures are matched with maturing investments for adequate liquidity. The stated final maturity dates of securities held may not exceed the estimated project completion date.

Separately managed portfolios are to be managed with the specific expenditure schedules and legal requirements of those funds. The portfolios will be guided by the provisions of this Investment Policy.

Cash Management

Effective cash management is recognized as essential to a prudent investment strategy and overall fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and use. The City shall maintain a comprehensive cash management program, which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

As a part of this comprehensive cash management program, the City recognizes that there is the potential need for unexpected cash drawdowns during the hurricane season which commences in June and concludes in November of each year. The portfolio should be structured so that adequate investments mature during this period.

IV. Suitable and Authorized Investments

Authorized investments shall be limited to the following, as further defined by the Act:

(1) Obligations of the United States or its agencies and instrumentalities to include obligations in which the principal and interest are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (“FDIC”), National Credit Union Share Insurance Fund (“NCUSIF”)

or by the explicit full faith and credit of the United States per Texas State Code 2256.009

(2) Obligations of the Federal Home Loan Bank (FHLB) per Texas State Code 2256.009
(3) Municipal Securities per Texas State Code 2256.009
(4) Fully insured or collateralized certificates of deposit at commercial banks, savings banks and credit unions per Texas State Code 2256.010
(5) Repurchase agreements collateralized by U.S. Treasury or U.S. Government Agency securities per Texas State Code 2256.011
(6) Securities and Exchange Commission (the "SEC") registered, no load money market funds as permitted by Texas State Code 2256.014
(7) Texas local government investment pools per Texas State Code 2256.016. Although this Investment Policy does not permit direct purchase of commercial paper, investment pools that contain commercial paper as well as any investment specifically authorized within the Act are permitted.

Exemption of Existing Investments

The City is not required to liquidate investments that were authorized investments at the time of purchase. Any investments held that do not meet the guidelines of the Investment Policy shall be reviewed to determine ability to liquidate. If the security cannot be liquidated because of material adverse changes in value since the time of purchase, and holding the security to maturity does not negatively affect disbursement or cash flow, a recommendation of holding the security to maturity is acceptable. At all times, liquidations shall be effected taking into account the prudent person standard.

Senate Bill (SB) 253: Certain Prohibited Investments

The City is prohibited from investing in companies that do business in Sudan, Iran, or with Foreign Terrorist Organizations (collectively known as "Listed Companies").

V. Incorporation of the Public Funds Investment Act

(1) **Competitive Bidding.** All individual security transactions shall require at least three competitive bids/offers where practicable.
(2) **Delivery versus Payment**. Transactions must be settled on a delivery-versus-payment (DVP) basis to a City approved depository except for transactions involving mutual funds or investment pool funds. This assures City control of all its funds and assets. No securities shall be held by transaction counterparty.
(3) **Independent Third Party Safekeeping**. Collateral provided for bank time and demand deposits as well as repurchase agreements will be held by an independent third-party safekeeping agent approved by the

City and providing the City with original safekeeping receipts. Authorized collateral will include:

a. Obligations of the U.S. Government and its agencies and instrumentalities, including mortgage-backed securities.
b. Municipal obligations of any state or subdivision, rated no less than AA or equivalent by a Nationally Recognized Statistical Rating Organization ("NRSRO").

All City-owned securities will be registered and held in the name of the City in a segregated third-party safekeeping account through the City's contracted depository. Financial institutions serving as City depositories will be required to sign a tri-party depository agreement with the City and the independent safekeeping agent (custodian) in compliance with the Financial Institutions reform, Recover, and Enforcement Act ("FIRREA"). The agreement shall define the collateral and City rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, which require that:

a. The Agreement be in writing;
b. The Agreement be approved by the Board of Directors or the Loan Committee of the Depository and a copy of the meeting minutes or resolution reference must be delivered to the City; and
c. No listing of pledged collateral shall be part of the written agreement.

(4) **Collateral Policy**. Collateralization is required for all uninsured collected balances. Collateral will be equal to or exceed 102% of the total deposit amount, with accrued interest, if any. Substitution will be granted with prior City approval. Counterparties will be contractually liable for monitoring and maintaining the required margin levels on all collateral at all times. The City will value the collateral securities monthly unless market conditions warrant more frequent valuation. If the market value of collateral is deficient, additional collateral must be requested.

VI. Diversification and Maximum Maturities

(1) **Diversification**. Diversification will be used to minimize risk of loss by over-investment in a particular market sector, maturity or security. The City will strive for portfolios with laddered maturities and securities in accordance with the authorized investments and maximum maturity constraints. To assure diversification in the portfolio the following limits will be imposed:

Investment Type	Max. % in Portfolio
US Treasury Obligations	100%
US Agency and Instrumentality Obligations	80%
SEC Registered Money Market Funds	50%
Repurchase Agreements	50%
Flex Repurchase (Bond Funds)	50%
Municipal Securities	20%
Local Government Investment Pools	100%
Participation per pool	10% of pool
Commercial paper pools	20%
Collateralized, FDIC or NCUSIF-insured CDs	50%

(2) **Maximum Maturities.** The maximum maturity for investments designated for operations, current debt service, and construction funds shall not exceed 36 months. The maturity for debt service reserve holdings can be extended to the life of the bond maturity or five years, whichever is less.

(3) **Weighted Average Maturity for Pooled Fund Groupings.** The maximum dollar weighted average maturity of the entire portfolio shall be no greater than 18 months based on the stated maturity date.

VII. Investment Advisory Committee

An Investment Advisory Committee (the "Committee") is created. Voting members of the Committee will consist of the City Manager or designee, and two residents, one appointed by the City Council and one appointed by the Mayor. The Director of Finance shall be a non-voting member of the Committee. The appointees shall serve the same term as the City Council or Mayor who appointed them.

The Committee is responsible for:

(1) reviewing and updating the Investment Policy annually,
(2) reviewing investment strategies,
(3) reviewing investment reports,
(4) overseeing the City's portfolio to ensure compliance with State law,
(5) adopting a list of qualified brokers authorized to engage in investment transactions, and
(6) approving the independent source providing state mandated investment training.

VIII. Designation of Investment Officers

(1) **Delegation of Investment Authority**. The Assistant City Manager of Finance, Executive Director of Finance/City Controller and Accounting Manager shall be designated as Investment Officers to execute the investment management process of local revenues. Investments of five (5) million or more will require authorization by two investment officers. The Director of Finance may temporarily designate another qualified staff individual to function as Investment Officer in his or her place if and when necessary. That individual will also attend the state mandated training described below.

The Investment Officers shall review investment positions at least once per quarter for conformance to this Investment Policy and the needs of the City.

The Investment Officers shall develop and maintain written administrative procedures for the operation of the investment program, which are consistent with this Investment Policy. Procedures will include safekeeping, settlement, documentation, agreements, contracts, and other investment related activities.

(2) **Investment Training**. In order to ensure the quality and capability of investment management, the Investment Officers shall attend 10 hours of investment training within 12 months of assuming duties, and subsequently shall attend ten (10) hours of training within every succeeding two-year period as required by the Act. The training sessions shall be provided by the Texas Municipal League, the Government Finance Officers Association of Texas (GFOAT), the Government Treasurers Organization of Texas (GTOT), the University of North Texas Center for Public Management, the Texas Society of Certified Public Accountants, or any other independent source approved by the Committee.

Professional services may be used to provide expertise in the areas of Investments, cash management, bonded indebtedness, and other areas deemed appropriate by Council and Management. State law pertaining to these services shall apply. These services shall be subordinate to City Management and this Investment Policy, as applicable.

The City may contract with an Investment Advisor, who shall adhere to the spirit, philosophy and specific term of this Investment Policy and shall invest within the same standard of prudence. The Investment Advisor must be registered with the SEC under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board. Advisors may assist the City with the management of its funds and other responsibilities including, but not limited to: review of investment

policy, development of appropriate investment strategies, security analysis, trade execution, security clearance, broker dealer compliance, investment reporting and security documentation.

(3) **Ethics Disclosure and Conflicts of Interest.** If an Investment Officer has a personal business relationship as defined in the Act, with a business organization engaging in investment transactions with the City or, the officer is related within the second degree by affinity or consanguinity to an individual seeking to transact with the City, the Investment Officer must disclose the relationship and file a disclosure with the City Secretary and the Texas Ethics Commission.

IX. Financial Counter-parties

Establishment and Annual Review of Qualified Bidders list. Investments shall be executed through broker/dealers and/or banks only. The Committee will review, revise and approve the list of authorized broker/dealers annually. The Investment Officers or investment advisor will obtain and maintain information on each authorized broker/dealer.

Securities broker/dealers must meet certain criteria as determined by the Investment Officers. The following criteria must be met by firms on the list:

- provision of an audited financial statement for the most recent period,
- proof of registration with the Financial Industry Regulatory Authority (FINRA), and
- proof of current registration with the Texas State Securities Commission.

If the City has contracted with an Investment Advisor, the Advisor shall be responsible for performing due diligence on broker/dealers and shall provide a list of approved broker/dealers to the City no less than annually. The Investment Advisor shall meet the requirements of Texas State Code 2256.003.

X. Investment Policy Certification

The City shall present a copy of this Investment Policy to any business organization offering to engage in an investment transaction with the City. An authorized representative of an investment pool or Investment Advisory firm acting in a discretionary capacity shall execute the City's Policy Certification (Attachment A) substantially to the effect that the representative has received and thoroughly reviewed the Investment Policy, and acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by this Investment Policy, except to the extent that the authorization is dependent on an analysis of the makeup of the City's primary commingled portfolio or requires an interpretation of subjective investment standards.

XI. Investment Reporting

The Investment Officers and Investment Advisor shall provide to City Council, not less than quarterly, a written report of investment positions and activity in accordance with Section 2256.023 of the Act.

Marking to Market. The quarterly investment report shall include the market value of the portfolio. Market values shall be obtained from the Investment Advisor or other independent sources such as a safekeeping institution or industry publications. If market values are unavailable from independent sources, the City may obtain market values from its authorized brokers, provided the broker providing the market price is not the same broker that sold the security to the City.

XII. Internal Controls

The Finance Director shall establish a system of internal controls designed to prevent losses due to fraud, employee error, negligence, collusion, third party misrepresentation, and unanticipated market changes as well as other foreseeable circumstances arising in the investment function. The controls are to safeguard City assets and securities throughout the investment process. The internal control structure shall be designed to provide reasonable assurance that these Investment Policy objectives are met and controls shall be reviewed annually with the independent auditor of the City.

Transactions shall, in all cases, comply with established internal controls especially as regards the transfer of funds.

The concept of reasonable assurance recognizes that:

a. The cost of a control should not exceed the benefits likely to be derived, and
b. The valuation of costs and benefits requires estimates and judgments by management.

The controls shall address, at a minimum, the functions of documentation; competitive bidding practices; delivery and custody of securities; perfected ownership; collateralization; timely reconciliation of transactions, receipts and statements; required audits; and financial counter-parties. The controls shall address these functions with attention to potential collusion, separation of duties, and clear delegation of authority.

XIII. Review by Independent Auditor

The City's audit engagement shall include a compliance audit of management controls on investments and adherence to the City's established investment policies. The compliance audit shall be performed annually in conjunction with the City's financial audit and will include a review of the quarterly reports.

XIV. Annual Review and Adoption of Investment Policy and Strategies

The City Council of the City of Galveston shall review and adopt this Investment Policy and its incorporated investment strategies not less than annually. The approving resolution will list all changes being made to the Policy.

APPENDICES

CITY OF GALVESTON PROPERTY TAX COLLECTIONS
MONTHLY AND YEAR TO DATE TOTALS FY 2001-2018
INCLUDING TAXES PASSED THROUGH TO TAX INCREMENT ZONES AND MUDS

MONTHLY PROPERTY TAX COLLECTION TOTALS												
Fiscal Year	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**
2001	787,825.87	1,180,230.78	3,034,365.48	3,241,440.50	466,468.38	581,638.87	130,105.29	288,877.96	519,134.21	285,510.57	94,264.80	197,138.66
2002	751,814.67	1,190,757.11	2,030,894.32	4,658,653.81	1,475,947.37	158,229.62	146,960.81	296,916.96	725,872.42	260,766.70	94,882.88	58,542.51
2003	541,761.51	883,462.58	2,516,716.78	4,901,540.05	1,690,711.18	209,512.29	182,300.22	165,804.04	702,100.22	451,102.01	90,913.22	69,799.27
2004	545,559.91	726,004.97	2,247,751.99	4,892,878.85	3,460,870.63	339,050.13	224,463.27	220,117.51	260,845.06	145,964.86	148,383.14	76,902.32
2005	318,694.08	1,044,425.62	3,119,177.92	4,392,435.91	3,059,616.36	1,184,353.79	253,964.48	203,980.34	237,276.32	281,125.73	149,855.48	74,236.02
2006	249,647.97	1,086,704.01	2,691,382.26	5,201,874.01	4,209,818.91	1,314,480.23	247,130.47	304,917.96	231,280.50	299,228.01	116,647.19	104,763.33
2007	81,892.35	873,501.30	2,447,900.61	9,040,744.94	2,985,713.01	446,983.62	246,559.35	243,989.66	443,778.66	267,909.47	127,570.61	115,800.89
2008	95,989.77	871,935.25	3,841,038.00	10,259,362.16	3,040,369.56	437,809.17	391,382.19	283,065.96	316,961.02	312,456.24	87,740.68	40,624.46
2009	237,091.46	573,291.64	4,411,061.67	9,968,805.14	2,895,853.58	1,072,345.07	512,264.90	355,989.08	444,948.45	380,407.63	193,310.10	84,059.74
2010	113,485.20	1,988,051.57	5,992,362.38	7,053,547.43	3,182,849.21	883,974.42	277,390.37	410,380.57	325,826.61	187,608.61	152,264.16	62,864.65
2011	96,974.35	1,698,932.92	7,297,951.54	6,477,364.21	4,937,057.69	579,777.98	347,847.74	308,698.88	341,432.63	220,337.51	189,774.99	114,282.30
2012	133,094.40	2,315,531.59	5,738,318.27	8,765,207.46	3,829,476.69	733,352.94	368,230.26	337,271.17	502,887.33	385,508.95	173,258.09	84,010.18
2013	568,708.27	2,310,809.14	6,095,486.25	8,590,115.69	3,561,183.93	611,729.89	423,407.73	398,529.19	774,840.36	407,645.70	154,076.93	97,458.99
2014	153,256.92	2,736,129.65	7,543,885.32	6,537,213.76	5,005,794.47	1,151,319.17	279,017.80	309,910.52	661,582.36	488,155.24	111,661.34	111,330.19
2015	169,888.49	2,683,715.51	8,274,453.01	6,681,300.75	4,815,928.25	652,116.02	343,979.83	284,433.23	599,863.00	615,405.54	127,765.94	98,593.98
2016	125,450.76	2,308,589.39	9,991,483.24	8,280,842.27	3,500,614.68	1,062,987.33	344,712.13	384,931.06	846,836.59	678,021.90	192,588.96	101,432.48
2017	423,460.29	3,403,255.33	10,096,330.16	9,497,387.52	3,773,411.95	747,398.19	278,797.27	455,229.12	794,204.79	585,206.49	109,372.46	74,277.26
2018	238,607.73	3,784,907.42	11,504,770.93	10,905,734.30	3,703,564.59	734,126.51	597,565.52	584,086.96	698,363.34			

YEAR TO DATE PROPERTY TAX COLLECTION TOTALS												
	October	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**
2001	787,825.87	1,968,056.65	5,002,422.13	8,243,862.63	8,710,331.01	9,291,969.88	9,422,075.17	9,710,953.13	10,230,087.34	10,515,597.91	10,609,862.71	10,807,001.37
2002	751,814.67	1,942,571.78	3,973,466.10	8,632,119.91	10,108,067.28	10,266,296.90	10,413,257.71	10,710,174.67	11,436,047.09	11,696,813.79	11,791,696.67	11,850,239.18
2003	541,761.51	1,425,224.09	3,941,940.87	8,843,480.92	10,534,192.10	10,743,704.39	10,926,004.61	11,091,808.65	11,793,908.87	12,245,010.88	12,335,924.10	12,405,723.37
2004	545,559.91	1,271,564.88	3,519,316.87	8,412,195.72	11,873,066.35	12,212,116.48	12,436,579.75	12,656,697.26	12,917,542.32	13,063,507.18	13,211,890.32	13,288,792.64
2005	318,694.08	1,363,119.70	4,482,297.62	8,874,733.53	11,934,349.89	13,118,703.68	13,372,668.16	13,576,648.50	13,813,924.82	14,095,050.55	14,244,906.03	14,319,142.05
2006	249,647.97	1,336,351.98	4,027,734.24	9,229,608.25	13,439,427.16	14,753,907.39	15,001,037.86	15,305,955.82	15,537,236.32	15,836,464.33	15,953,111.52	16,057,874.85
2007	81,892.35	955,393.65	3,403,294.26	12,444,039.20	15,429,752.21	15,876,735.83	16,123,295.18	16,367,284.84	16,811,063.50	17,078,972.97	17,206,543.58	17,322,344.47
2008	95,989.77	967,925.02	4,808,963.02	15,068,325.18	18,108,694.74	18,546,503.91	18,937,886.10	19,220,952.06	19,537,913.08	19,850,369.32	19,938,110.00	19,978,734.46
2009	237,091.46	810,383.10	5,221,444.77	15,190,249.91	18,086,103.49	19,158,448.56	19,670,713.46	20,026,702.54	20,471,650.99	20,852,058.62	21,045,368.72	21,129,428.46
2010	113,485.20	2,101,536.77	8,093,899.15	15,147,446.58	18,330,295.79	19,214,270.21	19,491,660.58	19,902,041.15	20,227,867.76	20,415,476.37	20,567,740.53	20,630,605.18
2011	96,974.35	1,795,907.27	9,093,858.81	15,571,223.02	20,508,280.71	21,088,058.69	21,435,906.43	21,744,605.31	22,086,037.94	22,306,375.45	22,496,150.44	22,610,432.74
2012	133,094.40	2,448,625.99	8,186,944.26	16,952,151.72	20,781,628.41	21,514,981.35	21,883,211.61	22,220,482.78	22,723,370.11	23,108,879.06	23,282,137.15	23,366,147.33
2013	568,708.27	2,879,517.41	8,975,003.66	17,565,119.35	21,126,303.28	21,738,033.17	22,161,440.90	22,559,970.09	23,334,810.45	23,742,456.15	23,896,533.08	23,993,992.07
2014	153,256.92	2,889,386.57	10,433,271.89	16,970,485.65	21,976,280.12	23,127,599.29	23,406,617.09	23,716,527.61	24,378,109.97	24,866,265.21	24,977,926.55	25,089,256.74
2015	169,888.49	2,853,604.00	11,128,057.01	17,809,357.76	22,625,286.01	23,277,402.03	23,621,381.86	23,905,815.09	24,505,678.09	25,121,083.63	25,248,849.57	25,347,443.55
2016	125,450.76	2,434,040.15	12,425,523.39	20,706,365.66	24,206,980.34	25,269,967.67	25,614,679.80	25,999,610.86	26,846,447.45	27,524,469.35	27,717,058.31	27,818,490.79
2017	423,460.29	3,826,715.62	13,923,045.78	23,420,433.30	27,193,845.25	27,941,243.44	28,220,040.71	28,675,269.83	29,469,474.62	30,054,681.11	30,164,053.57	30,238,330.83
2018	238,607.73	4,023,515.15	15,528,286.08	26,434,020.38	30,137,584.97	30,871,711.48	31,469,277.00	32,053,363.96	32,751,727.30			

CITY OF GALVESTON PROPERTY TAX COLLECTIONS
MONTHLY AND YEAR TO DATE TOTALS FY 2001-2018
INCLUDING TAXES PASSED THROUGH TO TAX INCREMENT ZONES AND MUDS

YTD PROPERTY TAX COLLECTION TOTALS AS PERCENT OF YEAREND TOTAL												
	October	November	December	January	February	March	April	May	June	July	August	September
2001	7.3%	18.2%	46.3%	76.3%	80.6%	86.0%	87.2%	89.9%	94.7%	97.3%	98.2%	100.0%
2002	6.3%	16.4%	33.5%	72.8%	85.3%	86.6%	87.9%	90.4%	96.5%	98.7%	99.5%	100.0%
2003	4.4%	11.5%	31.8%	71.3%	84.9%	86.6%	88.1%	89.4%	95.1%	98.7%	99.4%	100.0%
2004	4.1%	9.6%	26.5%	63.3%	89.3%	91.9%	93.6%	95.2%	97.2%	98.3%	99.4%	100.0%
2005	2.2%	9.5%	31.3%	62.0%	83.3%	91.6%	93.4%	94.8%	96.5%	98.4%	99.5%	100.0%
2006	1.6%	8.3%	25.1%	57.5%	83.7%	91.9%	93.4%	95.3%	96.8%	98.6%	99.3%	100.0%
2007	0.5%	5.5%	19.6%	71.8%	89.1%	91.7%	93.1%	94.5%	97.0%	98.6%	99.3%	100.0%
2008	0.5%	4.8%	24.1%	75.4%	90.6%	92.8%	94.8%	96.2%	97.8%	99.4%	99.8%	100.0%
2009	1.1%	3.8%	24.7%	71.9%	85.6%	90.7%	93.1%	94.8%	96.9%	98.7%	99.6%	100.0%
2010	0.6%	10.2%	39.2%	73.4%	88.9%	93.1%	94.5%	96.5%	98.0%	99.0%	99.7%	100.0%
2011	0.4%	7.9%	40.2%	68.9%	90.7%	93.3%	94.8%	96.2%	97.7%	98.7%	99.5%	100.0%
2012	0.6%	10.5%	35.0%	72.6%	88.9%	92.1%	93.7%	95.1%	97.2%	98.9%	99.6%	100.0%
2013	2.4%	12.0%	37.4%	73.2%	88.0%	90.6%	92.4%	94.0%	97.3%	99.0%	99.6%	100.0%
2014	0.6%	11.5%	41.6%	67.6%	87.6%	92.2%	93.3%	94.5%	97.2%	99.1%	99.6%	100.0%
2015	0.7%	11.3%	43.9%	70.3%	89.3%	91.8%	93.2%	94.3%	96.7%	99.1%	99.6%	100.0%
2016	0.5%	8.7%	44.7%	74.4%	87.0%	90.8%	92.1%	93.5%	96.5%	98.9%	99.6%	100.0%
2017	1.4%	12.7%	46.0%	77.5%	89.9%	92.4%	93.3%	94.8%	97.5%	99.4%	99.8%	100.0%
2001-17 Avg	**2.1%**	**10.1%**	**34.8%**	**70.6%**	**87.2%**	**90.9%**	**92.5%**	**94.1%**	**96.9%**	**98.8%**	**99.5%**	**100.0%**
5 Yrs Max Rev	**0.5%**	**8.7%**	**37.4%**	**67.6%**	**87.0%**	**90.6%**	**92.1%**	**93.5%**	**96.5%**	**98.9%**	**99.6%**	**100.0%**
5 Yrs Min Rev	**2.4%**	**12.7%**	**46.0%**	**77.5%**	**89.9%**	**92.4%**	**93.3%**	**94.8%**	**97.5%**	**99.4%**	**99.8%**	**100.0%**
5 Yrs Avg	**1.1%**	**11.2%**	**42.7%**	**72.6%**	**88.4%**	**91.6%**	**92.9%**	**94.2%**	**97.0%**	**99.1%**	**99.6%**	**100.0%**
FY 2018 Projected (Trends only - Partial Payment Plan Considerations not included)												
2001-17 Avg	**$11,524,000**	**$39,675,000**	**$44,674,000**	**$37,442,000**	**$34,554,000**	**$33,945,000**	**$34,034,000**	**$34,069,000**	**$33,814,000**			
5 Yrs Max Rev	**$47,722,000**	**$46,247,000**	**$41,519,000**	**$39,104,000**	**$34,641,000**	**$34,075,000**	**$34,169,000**	**$34,282,000**	**$33,940,000**			
5 Yrs Min Rev	**$9,942,000**	**$31,681,000**	**$33,757,000**	**$34,108,000**	**$33,523,000**	**$33,411,000**	**$33,729,000**	**$33,812,000**	**$33,592,000**			
5 Yrs Avg	**$21,304,000**	**$35,796,000**	**$36,349,000**	**$36,410,000**	**$34,108,000**	**$33,717,000**	**$33,889,000**	**$34,020,000**	**$33,751,000**			
2018 Budgeted	**$34,144,100**	**$34,144,100**	**$34,144,101**	**$34,144,101**	**$34,144,101**	**$34,144,101**	**$34,144,102**	**$34,144,103**	**$34,144,104**			
2018 Estimated	**$34,144,100**	**$34,144,100**	**$33,709,600**	**$33,709,600**	**$33,709,600**	**$33,717,000**	**$33,889,000**	**$34,020,000**	**$33,751,000**			
	Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Aug**

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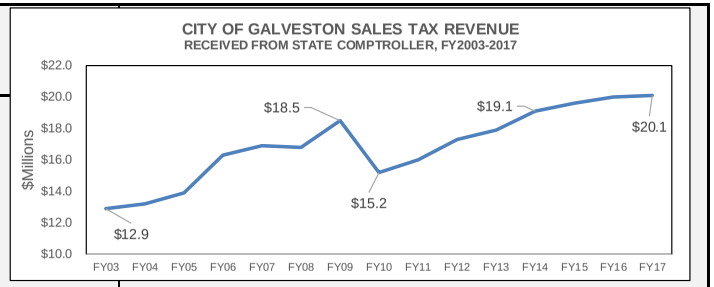
CITY OF GALVESTON SALES TAX COLLECTIONS RESULTS FOR FULL 2% TAX (1.5% TO CITY, 0.5% TO IDC)
APRIL 2018 MERCHANTS' COLLECTIONS, PAID INTO STATE COMPTROLLER IN MAY, RECEIVED BY CITY IN JUNE 2018

MONTH TAX COLLECTED BY RETAILER	2013 (Full 2% Receipts)	2014 (Full 2% Receipts)	2015 (Full 2% Receipts)	2016 (Full 2% Receipts)	2017 (Full 2% Receipts)	2018 (Full 2% Receipts)	Pct Over Same Mo Last FY	General Fund Share (75% of Total Receipts
October	1,259,799.43	1,291,651.32	1,394,471.33	1,366,645.51	1,453,825.27	1,583,869.29	8.94%	1,187,901.97
November	1,140,069.77	1,206,491.83	1,271,065.03	1,346,250.59	1,409,900.59	1,508,187.73	6.97%	1,131,140.80
December	1,503,560.37	1,580,661.09	1,727,234.37	1,775,748.53	1,743,007.96	1,898,024.07	8.89%	1,423,518.05
January	1,248,434.02	1,196,353.19	1,267,941.59	1,345,136.83	1,365,509.84	1,338,215.41	-2.00%	1,003,661.56
February	1,183,430.49	1,306,266.44	1,326,316.48	1,287,680.31	1,512,079.09	1,355,370.24	-10.36%	1,016,527.68
March	1,702,991.96	1,673,131.09	1,883,450.03	1,918,408.51	1,805,353.93	2,016,199.59	11.68%	1,512,149.69
April	1,341,757.16	1,543,703.81	1,521,566.83	1,520,201.92	1,597,398.76	1,628,106.23	1.92%	1,221,079.67
May	1,464,185.50	1,571,501.29	1,608,255.60	1,728,972.75	1,707,408.24	1,790,834.04	4.89%	1,343,125.53
June	1,901,816.89	2,017,138.85	2,108,830.18	2,109,070.02	2,142,210.36			
July	1,867,947.38	2,131,203.89	1,932,921.75	1,840,685.72	2,072,163.35			
August	1,702,391.19	1,908,135.36	1,754,317.72	1,970,226.10	1,541,184.53			
September	1,583,462.97	1,642,812.02	1,811,499.15	1,792,464.01	1,795,376.55			
	17,899,847.13	19,069,050.18	19,607,870.06	20,001,490.80	20,145,418.47	13,118,806.60		9,839,104.95
	3.2%							



FY17 ACTUAL	15,109,064
FY18 ESTIMATE	16,160,000
FY18 BUDGET	16,160,000

								GENERAL FUND PROJECTIONS (1.5%)				FULL 2% PROJECTIONS		
YTD Totals								**LOW**	**AVERAGE**	**HIGH**	**AVG FY10-16**	**LOW**	**AVERAGE**	**HIGH**
October	1,259,799.43	1,291,651.32	1,394,471.33	1,366,645.51	1,453,825.27	1,583,869.29	8.94%	16,453,000	17,174,000	18,503,000	14,844,000	21,937,000	22,898,000	24,671,000
November	2,399,869.20	2,498,143.15	2,665,536.36	2,712,896.10	2,863,725.86	3,092,057.02	7.97%	16,308,000	17,373,000	21,159,000	15,395,000	21,744,000	23,164,000	28,212,000
December	3,903,429.57	4,078,804.24	4,392,770.73	4,488,644.63	4,606,733.82	4,990,081.09	8.32%	16,022,000	16,774,000	18,230,000	15,290,000	21,362,000	22,365,000	24,306,000
January	5,151,863.59	5,275,157.43	5,660,712.32	5,833,781.46	5,972,243.66	6,328,296.50	5.96%	15,445,000	16,351,000	17,462,000	15,294,000	20,593,000	21,801,000	23,283,000
February	6,335,294.08	6,581,423.87	6,987,028.80	7,121,461.77	7,484,322.75	7,683,666.74	2.66%	15,512,000	16,136,000	17,363,000	15,169,000	20,683,000	21,515,000	23,151,000
March	8,038,286.04	8,254,554.96	8,870,478.83	9,039,870.28	9,289,676.68	9,699,866.33	4.42%	15,521,000	16,080,000	17,158,000	15,179,000	20,695,000	21,440,000	22,877,000
April	9,380,043.20	9,798,258.77	10,392,045.66	10,560,072.20	10,887,075.44	11,327,972.56	4.05%	15,638,000	16,105,000	17,016,000	15,159,000	20,850,000	21,473,000	22,688,000
May	10,844,228.70	11,369,760.06	12,000,301.26	12,289,044.95	12,594,483.68	13,118,806.60	4.16%	15,737,000	16,174,000	16,915,000	15,241,000	20,983,000	21,565,000	22,553,000
June	12,746,045.59	13,386,898.91	14,109,131.44	14,398,114.97	14,736,694.04									
July	14,613,992.97	15,518,102.80	16,042,053.19	16,238,800.69	16,808,857.39									
August	16,316,384.16	17,426,238.16	17,796,370.91	18,209,026.79	18,350,041.92									
September	17,899,847.13	19,069,050.18	19,607,870.06	20,001,490.80	20,145,418.47									
COG 1.5%	13,424,885.35	14,301,787.64	14,705,902.55	15,001,118.10	15,109,063.85									

Percent of Year						**Highest Percent YTD**	**Average Percent YTD**	**Lowest Percent YTD**	**Average Percent YTD FY11-17**
October	7.04%	6.77%	7.11%	6.83%	7.22%	7.22%	6.92%	6.42%	6.91%
November	13.41%	13.10%	13.59%	13.56%	14.22%	14.22%	13.35%	10.96%	13.22%
December	21.81%	21.39%	22.40%	22.44%	22.87%	23.36%	22.31%	20.53%	22.02%
January	28.78%	27.66%	28.87%	29.17%	29.65%	30.73%	29.03%	27.18%	28.61%
February	35.39%	34.51%	35.63%	35.60%	37.15%	37.15%	35.71%	33.19%	35.21%
March	44.91%	43.29%	45.24%	45.20%	46.11%	46.87%	45.24%	42.40%	44.67%
April	52.40%	51.38%	53.00%	52.80%	54.04%	54.33%	52.75%	49.93%	52.25%
May	60.58%	59.62%	61.20%	61.44%	62.52%	62.52%	60.83%	58.17%	60.48%
June	71.21%	70.20%	71.96%	71.99%	73.15%	73.15%	71.71%	69.80%	71.40%
July	81.64%	81.38%	81.81%	81.19%	83.44%	83.44%	81.50%	80.35%	81.56%
August	91.15%	91.38%	90.76%	91.04%	91.09%	91.38%	90.57%	89.87%	90.76%
September	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL. REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 6/15/2018

			Employment + 1 Quarter		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #1		Houston Gasoline Price Index + 1 Qtr		Galveston Storm Variable		Pleasure Pier Adjustment		U.S. Real GDP + 2 Qtrs 2 Qtr Moving Average			
	COEFFICIENTS		1.317		-0.02076		1.504		1.192		479.6		277.1		0.2185			
FY	Fiscal Year	DATA	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)
1992	1992-2	(3,150)	1,795.0	2,364.0	$9,188.9	(190.8)	0.00	0.0	106.07	126.4	0.0	0.0	0.00	0.00	$8,955.85	1,956.9	**$1,106.5**	**$1,106.6**
1992	1992-3	(3,150)	1,765.6	2,325.3	$9,789.5	(203.2)	129.10	194.2	100.00	119.2	0.0	0.0	0.00	0.00	$8,996.85	1,965.8	**$1,251.3**	**$1,292.8**
1992	1992-4	(3,150)	1,789.3	2,356.5	$10,391.3	(215.7)	188.40	283.4	102.67	122.4	0.0	0.0	0.00	0.00	$9,069.70	1,981.7	**$1,378.3**	**$1,300.2**
1993	1993-1	(3,150)	1,781.9	2,346.8	$10,204.4	(211.8)	0.00	0.0	106.33	126.7	0.0	0.0	0.00	0.00	$9,173.25	2,004.4	**$1,116.1**	**$1,142.6**
1993	1993-2	(3,150)	1,808.7	2,382.1	$10,207.1	(211.9)	0.00	0.0	102.77	122.5	0.0	0.0	0.00	0.00	$9,268.35	2,025.1	**$1,167.8**	**$1,070.7**
1993	1993-3	(3,150)	1,786.0	2,352.2	$10,235.8	(212.5)	132.40	199.1	98.33	117.2	0.0	0.0	0.00	0.00	$9,359.85	2,045.1	**$1,351.1**	**$1,235.5**
1993	1993-4	(3,150)	1,815.6	2,391.1	$10,765.7	(223.5)	192.90	290.1	101.77	121.3	0.0	0.0	0.00	0.00	$9,415.30	2,057.2	**$1,486.2**	**$1,420.4**
1994	1994-1	(3,150)	1,825.2	2,403.8	$9,825.6	(204.0)	0.00	0.0	99.50	118.6	0.0	0.0	0.00	0.00	$9,452.10	2,065.3	**$1,233.7**	**$1,222.8**
1994	1994-2	(3,150)	1,847.9	2,433.7	$10,753.7	(223.2)	0.00	0.0	97.73	116.5	0.0	0.0	0.00	0.00	$9,503.20	2,076.4	**$1,253.4**	**$1,127.4**
1994	1994-3	(3,150)	1,826.3	2,405.2	$11,859.3	(246.2)	137.10	206.2	93.13	111.0	0.0	0.0	0.00	0.00	$9,589.90	2,095.4	**$1,421.6**	**$1,487.0**
1994	1994-4	(3,150)	1,862.7	2,453.2	$12,620.1	(262.0)	201.80	303.5	97.77	116.5	0.0	0.0	0.00	0.00	$9,700.85	2,119.6	**$1,580.8**	**$1,626.9**
1995	1995-1	(3,150)	1,869.6	2,462.3	$13,043.3	(270.8)	0.00	0.0	104.33	124.4	0.0	0.0	0.00	0.00	$9,814.80	2,144.5	**$1,310.4**	**$1,393.5**
1995	1995-2	(3,150)	1,905.2	2,509.1	$13,320.8	(276.5)	0.00	0.0	101.67	121.2	0.0	0.0	0.00	0.00	$9,910.55	2,165.5	**$1,369.3**	**$1,335.3**
1995	1995-3	(3,150)	1,891.6	2,491.2	$11,594.2	(240.7)	139.00	209.1	98.03	116.9	0.0	0.0	0.00	0.00	$9,996.10	2,184.1	**$1,610.6**	**$1,514.5**
1995	1995-4	(3,150)	1,919.7	2,528.2	$10,867.7	(225.6)	203.10	305.5	103.50	123.4	0.0	0.0	0.00	0.00	$10,069.70	2,200.2	**$1,781.7**	**$1,585.5**
1996	1996-1	(3,150)	1,930.4	2,542.3	$11,715.2	(243.2)	0.00	0.0	101.87	121.4	0.0	0.0	0.00	0.00	$10,104.50	2,207.8	**$1,478.3**	**$1,529.7**
1996	1996-2	(3,150)	1,956.6	2,576.8	$12,115.0	(251.5)	0.00	0.0	94.90	113.1	0.0	0.0	0.00	0.00	$10,165.45	2,221.2	**$1,509.6**	**$1,595.5**
1996	1996-3	(3,150)	1,936.1	2,549.8	$13,000.4	(269.9)	143.00	215.1	99.00	118.0	0.0	0.0	0.00	0.00	$10,245.00	2,238.5	**$1,701.5**	**$1,818.1**
1996	1996-4	(3,150)	1,965.3	2,588.3	$13,659.5	(283.6)	207.10	311.5	110.67	131.9	0.0	0.0	0.00	0.00	$10,314.95	2,253.8	**$1,851.9**	**$1,957.3**
1997	1997-1	(3,150)	1,973.3	2,598.8	$14,347.2	(297.8)	0.00	0.0	103.63	123.5	0.0	0.0	0.00	0.00	$10,439.05	2,280.9	**$1,555.4**	**$1,675.2**
1997	1997-2	(3,150)	2,013.8	2,652.2	$15,784.5	(327.7)	0.00	0.0	105.87	126.2	0.0	0.0	0.00	0.00	$10,578.10	2,311.3	**$1,612.0**	**$1,670.1**
1997	1997-3	(3,150)	2,004.7	2,640.2	$15,671.8	(325.3)	145.00	218.1	104.63	124.7	0.0	0.0	0.00	0.00	$10,682.95	2,334.2	**$1,841.9**	**$1,958.4**
1997	1997-4	(3,150)	2,042.3	2,689.7	$17,053.3	(354.0)	210.80	317.0	101.57	121.1	0.0	0.0	0.00	0.00	$10,780.00	2,355.4	**$1,979.2**	**$2,036.7**
1998	1998-1	(3,150)	2,061.8	2,715.4	$18,581.2	(385.7)	0.00	0.0	104.70	124.8	0.0	0.0	0.00	0.00	$10,902.55	2,382.2	**$1,686.7**	**$1,745.7**
1998	1998-2	(3,150)	2,108.6	2,777.0	$20,082.2	(416.9)	0.00	0.0	100.73	120.1	0.0	0.0	0.00	0.00	$11,054.10	2,415.3	**$1,745.5**	**$1,767.0**
1998	1998-3	(3,150)	2,107.5	2,775.6	$19,566.7	(406.2)	146.40	220.2	92.73	110.5	0.0	0.0	0.00	0.00	$11,167.15	2,440.0	**$1,990.1**	**$2,094.6**
1998	1998-4	(3,150)	2,148.5	2,829.6	$19,253.2	(399.7)	213.70	321.4	92.17	109.9	0.0	0.0	0.00	0.00	$11,265.75	2,461.6	**$2,172.8**	**$2,094.9**
1999	1999-1	(3,150)	2,170.9	2,859.1	$19,219.3	(399.0)	0.00	0.0	90.33	107.7	0.0	0.0	0.00	0.00	$11,376.10	2,485.7	**$1,903.5**	**$2,030.1**
1999	1999-2	(3,150)	2,200.7	2,898.3	$20,733.4	(430.4)	0.00	0.0	88.97	106.0	0.0	0.0	0.00	0.00	$11,505.80	2,514.0	**$1,937.9**	**$1,999.7**
1999	1999-3	(3,150)	2,172.7	2,861.4	$18,947.4	(393.3)	148.30	223.0	84.03	100.2	0.0	0.0	0.00	0.00	$11,675.65	2,551.1	**$2,192.4**	**$2,121.1**
1999	1999-4	(3,150)	2,182.1	2,873.8	$20,375.6	(423.0)	215.90	324.7	95.53	113.9	0.0	0.0	0.00	0.00	$11,817.70	2,582.2	**$2,321.6**	**$2,183.9**
2000	2000-1	(3,150)	2,191.1	2,885.7	$22,400.4	(465.0)	0.00	0.0	102.33	122.0	0.0	0.0	0.00	0.00	$11,913.60	2,603.1	**$1,995.8**	**$2,150.1**
2000	2000-2	(3,150)	2,219.5	2,923.1	$25,185.5	(522.9)	0.00	0.0	109.07	130.0	0.0	0.0	0.00	0.00	$12,037.80	2,630.3	**$2,010.5**	**$2,057.3**
2000	2000-3	(3,150)	2,206.7	2,906.2	$26,069.9	(541.2)	153.40	230.7	120.17	143.2	0.0	0.0	0.00	0.00	$12,218.20	2,669.7	**$2,258.6**	**$2,285.1**
2000	2000-4	(3,150)	2,240.4	2,950.6	$27,594.8	(572.9)	223.90	336.7	131.13	156.3	0.0	0.0	0.00	0.00	$12,341.20	2,696.6	**$2,417.3**	**$2,428.5**
2001	2001-1	(3,150)	2,249.6	2,962.7	$29,289.1	(608.0)	0.00	0.0	133.90	159.6	0.0	0.0	0.00	0.00	$12,475.80	2,726.0	**$2,090.3**	**$2,094.2**
2001	2001-2	(3,150)	2,277.7	2,999.7	$28,395.2	(589.5)	0.00	0.0	124.97	149.0	0.0	0.0	0.00	0.00	$12,600.10	2,753.1	**$2,162.3**	**$2,253.3**
2001	2001-3	(3,150)	2,263.8	2,981.4	$26,688.3	(554.0)	159.60	240.0	120.80	144.0	0.0	0.0	0.00	0.00	$12,643.50	2,762.6	**$2,424.0**	**$2,476.4**
2001	2001-4	(3,150)	2,288.9	3,014.5	$25,252.5	(524.2)	230.00	345.9	139.07	165.8	0.0	0.0	0.00	0.00	$12,661.30	2,766.5	**$2,618.5**	**$2,532.2**
2002	2002-1	(3,150)	2,284.9	3,009.2	$24,399.0	(506.5)	0.00	0.0	120.67	143.8	0.0	0.0	0.00	0.00	$12,676.80	2,769.9	**$2,266.4**	**$2,262.9**
2002	2002-2	(3,150)	2,292.2	3,018.8	$24,956.7	(518.1)	0.00	0.0	100.57	119.9	0.0	0.0	0.00	0.00	$12,690.20	2,772.8	**$2,243.4**	**$2,060.3**
2002	2002-3	(3,150)	2,265.8	2,984.1	$22,607.9	(469.3)	158.60	238.5	95.97	114.4	0.0	0.0	0.00	0.00	$12,687.70	2,772.3	**$2,490.0**	**$2,449.9**
2002	2002-4	(3,150)	2,283.2	3,007.0	$24,875.7	(516.4)	232.10	349.1	119.23	142.1	0.0	0.0	0.00	0.00	$12,763.80	2,788.9	**$2,620.7**	**$2,478.9**
2003	2003-1	(3,150)	2,274.9	2,996.0	$24,805.1	(515.0)	0.00	0.0	115.93	138.2	0.0	0.0	0.00	0.00	$12,857.65	2,809.4	**$2,278.6**	**$2,145.5**
2003	2003-2	(3,150)	2,285.7	3,010.3	$25,181.4	(522.8)	0.00	0.0	119.27	142.2	0.0	0.0	0.00	0.00	$12,924.40	2,824.0	**$2,303.7**	**$2,309.0**
2003	2003-3	(3,150)	2,258.6	2,974.6	$22,677.8	(470.8)	162.50	244.4	132.47	157.9	0.0	0.0	0.00	0.00	$12,959.90	2,831.7	**$2,587.8**	**$2,573.9**
2003	2003-4	(3,150)	2,267.9	2,986.8	$23,909.5	(496.4)	237.90	357.8	124.33	148.2	0.0	0.0	0.00	0.00	$12,997.60	2,840.0	**$2,686.4**	**$2,655.3**
2004	2004-1	(3,150)	2,254.6	2,969.3	$24,379.3	(506.1)	0.00	0.0	128.27	152.9	0.0	0.0	0.00	0.00	$13,091.65	2,860.5	**$2,326.6**	**$2,308.7**
2004	2004-2	(3,150)	2,270.5	2,990.2	$26,445.1	(549.0)	0.00	0.0	120.90	144.1	0.0	0.0	0.00	0.00	$13,262.25	2,897.8	**$2,333.1**	**$2,308.3**
2004	2004-3	(3,150)	2,257.3	2,972.9	$25,869.5	(537.1)	169.50	254.9	133.97	159.7	0.0	0.0	0.00	0.00	$13,450.55	2,938.9	**$2,639.3**	**$2,611.7**
2004	2004-4	(3,150)	2,277.0	2,998.8	$27,729.9	(575.7)	245.20	368.8	154.23	183.8	0.0	0.0	0.00	0.00	$13,567.60	2,964.5	**$2,790.2**	**$2,687.7**
2005	2005-1	(3,150)	2,276.2	2,997.8	$27,854.7	(578.3)	0.00	0.0	151.93	181.1	0.0	0.0	0.00	0.00	$13,656.35	2,983.9	**$2,434.5**	**$2,440.5**
2005	2005-2	(3,150)	2,304.4	3,034.9	$29,277.2	(607.8)	0.00	0.0	157.63	187.9	0.0	0.0	0.00	0.00	$13,768.50	3,008.4	**$2,473.4**	**$2,457.1**
2005	2005-3	(3,150)	2,294.6	3,022.0	$28,141.6	(584.2)	174.60	262.6	155.03	184.8	0.0	0.0	0.00	0.00	$13,890.60	3,035.1	**$2,770.3**	**$2,726.1**
2005	2005-4	(3,150)	2,332.3	3,071.6	$29,882.8	(620.4)	254.50	382.8	178.07	212.3	0.0	0.0	0.00	0.00	$14,024.75	3,064.4	**$2,960.7**	**$2,825.3**
2006	2006-1	(3,150)	2,347.3	3,091.4	$30,111.5	(625.1)	0.00	0.0	211.00	251.5	0.0	0.0	0.00	0.00	$14,135.90	3,088.7	**$2,656.5**	**$2,769.6**
2006	2006-2	(3,150)	2,380.8	3,135.5	$32,111.6	(666.6)	0.00	0.0	207.97	247.9	0.0	0.0	0.00	0.00	$14,232.25	3,109.7	**$2,676.5**	**$2,780.7**

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL. REGIONAL AND NATIONAL FACTORS

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2006	2006-3	(3,150)	2,417.4	3,183.7	$32,483.1	(674.3)	181.80	273.4	197.70	235.7	0.0	0.0	0.00	0.00	$14,332.60	3,131.7	**$3,000.2**	**$3,268.7**
2006	2006-4	(3,150)	2,423.6	3,191.9	$34,056.7	(707.0)	264.60	398.0	247.40	294.9	0.0	0.0	0.00	0.00	$14,459.75	3,159.5	**$3,187.3**	**$3,405.2**
2007	2007-1	(3,150)	2,443.7	3,218.4	$33,103.7	(687.2)	0.00	0.0	236.70	282.1	0.0	0.0	0.00	0.00	$14,567.85	3,183.1	**$2,846.4**	**$2,850.4**
2007	2007-2	(3,150)	2,485.9	3,273.9	$34,078.3	(707.5)	0.00	0.0	183.47	218.7	0.0	0.0	0.00	0.00	$14,596.10	3,189.2	**$2,824.3**	**$2,988.6**
2007	2007-3	(3,150)	2,483.1	3,270.2	$32,157.0	(667.6)	184.30	277.2	192.60	229.6	0.0	0.0	0.00	0.00	$14,659.75	3,203.2	**$3,162.6**	**$3,292.4**
2007	2007-4	(3,150)	2,534.1	3,337.4	$34,410.4	(714.4)	266.40	400.7	250.16	298.2	0.0	0.0	0.00	0.00	$14,721.45	3,216.6	**$3,388.5**	**$3,566.1**
2008	2008-1	(3,150)	2,548.4	3,356.2	$34,836.2	(723.2)	0.00	0.0	236.56	282.0	0.0	0.0	0.00	0.00	$14,782.35	3,229.9	**$2,994.9**	**$3,165.6**
2008	2008-2	(3,150)	2,583.1	3,401.9	$34,514.4	(716.5)	0.00	0.0	242.61	289.2	0.0	0.0	0.00	0.00	$14,888.60	3,253.2	**$3,077.8**	**$3,014.3**
2008	2008-3	(3,150)	2,564.8	3,377.8	$35,745.6	(742.1)	191.20	287.6	259.83	309.7	0.0	0.0	0.00	0.00	$14,965.15	3,269.9	**$3,352.9**	**$3,406.4**
2008	2008-4	(3,150)	2,597.9	3,421.4	$38,174.1	(792.5)	279.40	420.2	312.79	372.8	(1.0)	(479.6)	0.00	0.00	$14,940.65	3,264.5	**$3,056.8**	**$3,000.6**
2009	2009-1	(3,150)	2,590.4	3,411.6	$40,339.7	(837.5)	0.00	0.0	318.52	379.7	1.0	479.6	0.00	0.00	$14,926.45	3,261.4	**$3,544.8**	**$3,496.6**
2009	2009-2	(3,150)	2,607.1	3,433.6	$36,960.7	(767.3)	0.00	0.0	190.92	227.6	0.5	239.8	0.00	0.00	$14,927.50	3,261.7	**$3,245.4**	**$3,339.2**
2009	2009-3	(3,150)	2,556.1	3,366.4	$29,068.3	(603.5)	191.00	287.3	154.24	183.9	0.5	239.8	0.00	0.00	$14,734.30	3,219.4	**$3,543.3**	**$3,568.9**
2009	2009-4	(3,150)	2,534.9	3,338.5	$29,515.9	(612.8)	277.90	418.0	191.69	228.5	0.5	239.8	0.00	0.00	$14,476.00	3,163.0	**$3,625.0**	**$3,452.6**
2010	2010-1	(3,150)	2,502.5	3,295.8	$33,779.8	(701.3)	0.00	0.0	212.28	253.0	0.0	0.0	0.00	0.00	$14,365.30	3,138.8	**$2,836.3**	**$2,580.7**
2010	2010-2	(3,150)	2,513.1	3,309.8	$36,528.0	(758.3)	0.00	0.0	212.12	252.8	0.0	0.0	0.00	0.00	$14,379.05	3,141.8	**$2,796.1**	**$2,558.2**
2010	2010-3	(3,150)	2,480.1	3,266.3	$37,439.1	(777.2)	194.40	292.4	223.55	266.5	0.0	0.0	0.00	0.00	$14,472.20	3,162.2	**$3,060.2**	**$2,969.8**
2010	2010-4	(3,150)	2,559.9	3,371.3	$40,419.8	(839.1)	283.00	425.6	235.53	280.8	0.0	0.0	0.00	0.00	$14,573.35	3,184.3	**$3,272.9**	**$3,271.6**
2011	2011-1	(3,150)	2,556.1	3,366.4	$41,341.3	(858.2)	0.00	0.0	222.38	265.1	0.0	0.0	0.00	0.00	$14,675.35	3,206.6	**$2,829.9**	**$2,646.2**
2011	2011-2	(3,150)	2,583.8	3,402.8	$44,464.5	(923.1)	0.00	0.0	235.55	280.8	0.0	0.0	0.00	0.00	$14,795.70	3,232.9	**$2,843.4**	**$2,764.0**
2011	2011-3	(3,150)	2,570.6	3,385.4	$46,096.9	(957.0)	201.50	303.1	272.97	325.4	0.0	0.0	0.00	0.00	$14,892.25	3,254.0	**$3,160.9**	**$3,200.0**
2011	2011-4	(3,150)	2,620.8	3,451.6	$49,637.2	(1,030.5)	293.50	441.4	326.26	388.9	0.0	0.0	0.00	0.00	$14,910.15	3,257.9	**$3,359.3**	**$3,406.7**
2012	2012-1	(3,150)	2,629.4	3,462.9	$50,904.9	(1,056.8)	0.00	0.0	306.67	365.6	0.0	0.0	0.00	0.00	$14,935.45	3,263.4	**$2,885.1**	**$2,671.3**
2012	2012-2	(3,150)	2,660.9	3,504.4	$51,649.6	(1,072.2)	0.00	0.0	278.18	331.6	0.0	0.0	0.00	0.00	$15,005.35	3,278.7	**$2,892.5**	**$2,844.2**
2012	2012-3	(3,150)	2,660.8	3,504.3	$52,954.0	(1,099.3)	205.50	309.1	303.36	361.6	0.0	0.0	1.00	277.10	$15,105.70	3,300.6	**$3,503.4**	**$3,564.9**
2012	2012-4	(3,150)	2,718.8	3,580.7	$53,111.5	(1,102.6)	295.70	444.7	318.76	380.0	0.0	0.0	1.00	277.10	$15,240.65	3,330.1	**$3,760.0**	**$3,928.4**
2013	2013-1	(3,150)	2,736.7	3,604.2	$54,216.3	(1,125.5)	0.00	0.0	303.71	362.0	0.0	0.0	0.00	0.00	$15,326.70	3,348.9	**$3,039.6**	**$2,927.6**
2013	2013-2	(3,150)	2,781.2	3,662.9	$55,593.2	(1,154.1)	0.00	0.0	287.53	342.7	0.0	0.0	0.00	0.00	$15,371.60	3,358.7	**$3,060.2**	**$3,101.1**
2013	2013-3	(3,150)	2,776.0	3,656.0	$53,698.4	(1,114.8)	207.70	312.4	299.70	357.2	0.0	0.0	1.20	332.50	$15,382.55	3,361.1	**$3,754.4**	**$3,530.8**
2013	2013-4	(3,150)	2,823.9	3,719.1	$57,007.1	(1,183.5)	302.40	454.8	301.63	359.5	0.0	0.0	1.20	332.50	$15,438.10	3,373.2	**$3,905.6**	**$3,865.4**
2014	2014-1	(3,150)	2,832.7	3,730.6	$56,795.9	(1,179.1)	0.00	0.0	300.73	358.5	0.0	0.0	0.00	0.00	$15,506.75	3,388.2	**$3,148.2**	**$3,059.1**
2014	2014-2	(3,150)	2,872.9	3,783.6	$58,452.9	(1,213.5)	0.00	0.0	272.83	325.2	0.0	0.0	0.00	0.00	$15,581.45	3,404.5	**$3,149.8**	**$3,131.8**
2014	2014-3	(3,150)	2,863.1	3,770.7	$57,650.5	(1,196.8)	214.00	321.9	284.62	339.3	0.0	0.0	1.20	332.50	$15,717.60	3,434.3	**$3,851.9**	**$3,849.3**
2014	2014-4	(3,150)	2,918.8	3,844.1	$61,111.3	(1,268.7)	310.40	466.8	308.23	367.4	0.0	0.0	1.20	332.50	$15,770.45	3,445.8	**$4,037.9**	**$4,261.6**
2015	2015-1	(3,150)	2,932.9	3,862.6	$61,351.5	(1,273.7)	0.00	0.0	296.31	353.2	0.0	0.0	0.00	0.00	$15,823.90	3,457.5	**$3,249.6**	**$3,294.6**
2015	2015-2	(3,150)	2,985.4	3,931.8	$60,894.0	(1,264.2)	0.00	0.0	242.67	289.3	0.0	0.0	0.00	0.00	$15,997.65	3,495.5	**$3,302.4**	**$3,358.3**
2015	2015-3	(3,150)	2,964.9	3,904.8	$57,171.2	(1,186.9)	213.20	320.7	183.93	219.2	0.0	0.0	1.20	332.50	$16,140.60	3,526.7	**$3,967.0**	**$3,929.0**
2015	2015-4	(3,150)	2,982.3	3,927.7	$60,182.7	(1,249.4)	311.20	468.0	216.05	257.5	0.0	0.0	1.20	332.50	$16,227.85	3,545.8	**$4,132.1**	**$4,124.1**
2016	2016-1	(3,150)	2,972.0	3,914.1	$60,225.4	(1,250.3)	0.00	0.0	212.31	253.1	0.0	0.0	0.00	0.00	$16,321.60	3,566.3	**$3,333.2**	**$3,366.5**
2016	2016-2	(3,150)	2,994.0	3,943.1	$58,624.7	(1,217.0)	0.00	0.0	170.99	203.8	0.0	0.0	0.00	0.00	$16,414.55	3,586.6	**$3,366.5**	**$3,413.4**
2016	2016-3	(3,150)	2,967.8	3,908.5	$55,397.6	(1,150.1)	216.40	325.5	147.74	176.1	0.0	0.0	1.20	332.50	$16,472.80	3,599.3	**$4,041.8**	**$4,018.7**
2016	2016-4	(3,150)	2,983.6	3,929.4	$57,692.8	(1,197.7)	314.00	472.3	180.71	215.4	0.0	0.0	1.20	332.50	$16,507.85	3,607.0	**$4,208.9**	**$4,202.5**
2017	2017-1	(3,150)	2,968.6	3,909.6	$57,897.6	(1,202.0)	0.0	0.0	180.02	214.6	0.0	0.0	0.00	0.00	$16,617.55	3,630.9	**$3,403.1**	**$3,455.1**
2017	2017-2	(3,150)	2,991.0	3,939.2	$58,713.7	(1,218.9)	0.0	0.0	180.11	214.7	0.0	0.0	0.00	0.00	$16,720.80	3,653.5	**$3,438.5**	**$3,512.2**
2017	2017-3	(3,150)	2,974.2	3,917.0	$58,702.5	(1,218.7)	221.00	332.4	189.15	225.5	0.0	0.0	1.20	332.50	$16,814.75	3,674.0	**$4,112.7**	**$4,085.3**
2017	2014-4	(3,150)	3,012.2	3,967.1	$60,090.9	(1,247.5)	323.70	486.8	198.61	236.7	(0.5)	(239.8)	1.20	332.50	$16,877.40	3,687.7	**$4,073.5**	**$4,056.5**
2018	2018-1	(3,150)	2,995.9	3,945.6	$60,693.9	(1,260.0)	0.0	0.0	200.06	238.5	0.5	239.8	0.00	0.00	$16,967.63	3,707.4	**$3,721.3**	**$3,742.6**
2018	2018-2	(3,150)	3,044.4	4,009.5	$63,501.2	(1,318.3)	0.0	0.0	202.55	241.4	0.0	0.0	0.00	0.00	$17,097.88	3,735.9	***$3,518.5***	**$3,532.3**
2018	***2018-3***	***(3,150)***	***3,051.4***	***4,018.7***	***$58,702.5***	***(1,218.7)***	***225.40***	***339.0***	***222.55***	***265.3***	0.0	0.0	***1.20***	***332.50***	$17,225.20	3,763.7	***$4,350.5***	
2018	***2018-4***	***(3,150)***	***3,034.8***	***3,996.8***	***$60,090.9***	***(1,247.5)***	***330.20***	***496.6***	***222.55***	***265.3***	0.0	0.0	***1.20***	***332.50***	$17,287.00	***3,777.2***	***$4,470.9***	
2019	***2019-1***	***(3,150)***	***3,065.6***	***4,037.4***	***$60,693.9***	***(1,260.0)***	***0.0***	***0.0***	***202.55***	***241.4***	0.0	0.0	***0.00***	***0.00***	***$17,527.56***	***3,829.8***	***$3,698.6***	

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL. REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 6/15/2018

			Employment + 1 Quarter		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #1		Houston Gasoline Price Index + 1 Qtr		Galveston Storm Variable		Pleasure Pier Adjustment		U.S. Real GDP + 2 Qtrs 2 Qtr Moving Average			
	COEFFICIENTS		1.317		-0.02076		1.504		1.192		479.6		277.1		0.2185			
FY	Fiscal Year	DATA	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)
2019	2019-2	(3,150)	3,054.1	4,022.2	$63,501.2	(1,318.3)	0.0	0.0	202.55	241.4	0.0	0.0	0.00	0.00	$17,682.11	3,863.5	$3,658.8	
2019	2019-3	(3,150)	3,094.1	4,074.9	$58,702.5	(1,218.7)	229.90	345.8	222.55	265.3	0.0	0.0	1.20	332.50	$17,777.80	3,884.4	$4,534.2	
2019	2019-4	(3,150)	3,080.9	4,057.5	$60,090.9	(1,247.5)	336.80	506.5	222.55	265.3	0.0	0.0	1.20	332.50	$17,852.78	3,900.8	$4,665.1	
2020	2020-1	(3,150)	3,115.6	4,103.2	$60,693.9	(1,260.0)	0.0	0.0	202.55	241.4	0.0	0.0	0.00	0.00	$17,948.22	3,921.7	$3,856.3	
2020	2020-2	(3,150)	3,107.5	4,092.6	$63,501.2	(1,318.3)	0.0	0.0	202.55	241.4	0.0	0.0	0.00	0.00	$18,086.00	3,951.8	$3,817.5	
2020	2020-3	(3,150)	3,149.8	4,148.3	$58,702.5	(1,218.7)	234.50	352.7	222.55	265.3	0.0	0.0	1.20	332.50	$18,150.99	3,966.0	$4,696.1	
2020	2020-4	(3,150)	3,138.5	4,133.4	$60,090.9	(1,247.5)	343.50	516.6	222.55	265.3	0.0	0.0	1.20	332.50	$18,174.14	3,971.0	$4,821.3	
2021	2021-1	(3,150)	3,175.4	4,182.0	$60,693.9	(1,260.0)	0.0	0.0	202.55	241.4	0.0	0.0	0.00	0.00	$18,271.29	3,992.3	$4,005.7	
2021	2021-2	(3,150)	3,169.7	4,174.5	$63,501.2	(1,318.3)	0.0	0.0	202.55	241.4	0.0	0.0	0.00	0.00	$18,411.55	4,022.9	$3,970.5	
2021	2021-3	(3,150)	3,219.1	4,239.6	$58,702.5	(1,218.7)	239.20	359.8	222.55	265.3	0.0	0.0	1.20	332.50	$18,450.49	4,031.4	$4,859.9	
2021	2021-4	(3,150)	3,207.5	4,224.3	$60,090.9	(1,247.5)	350.40	527.0	222.55	265.3	0.0	0.0	1.20	332.50	$18,446.75	4,030.6	$4,982.2	

ASSUMPTIONS

Cal Year	*Calendar Year Employment Growth*	*Fiscal Year*	*Fiscal Year Employment Growth*	*U.S. Real GDP Growth*	*Exports to Mexico*	*CPI*	*Projected COG Sales Tax ($Millions)*
2016	-0.10%	FY 2016	-0.11%	1.00%	-1.24%	1.32%	$14.95
2017	1.18%	FY 2017	0.92%	2.09%	0.00%	2.02%	$15.03
2018	1.30%	FY 2018	1.30%	2.40%	0.00%	2.00%	$16.06
2019	1.63%	FY 2019	1.52%	2.55%	0.00%	2.00%	$16.56
2020	1.92%	FY 2020	1.87%	2.23%	0.00%	2.00%	$17.19
2021	2.20%	FY 2021	2.20%	2.03%	0.00%	2.00%	$17.82

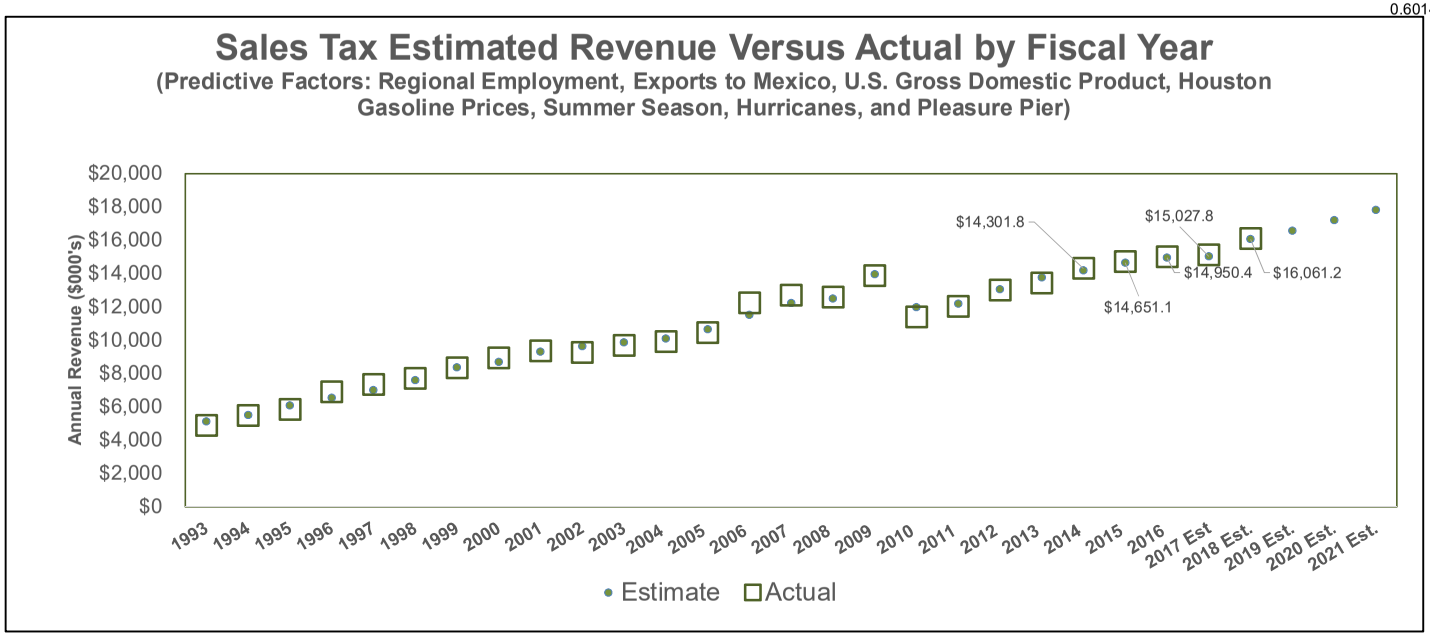
Fiscal Year	Model Total ($000's)	Total Actual Tax ($000's)	Actual Over/ (Under) Model	Pct Actual Over/Under Model	Pct Change
1993	$5,121.2	$4,869.2	($252.0)	-5.18%	
1994	$5,489.5	$5,464.1	($25.4)	-0.46%	12.22%
1995	$6,072.0	$5,828.8	($243.2)	-4.17%	6.67%
1996	$6,541.3	$6,900.6	$359.3	5.21%	18.39%
1997	$6,988.5	$7,340.4	$351.9	4.79%	6.37%
1998	$7,595.1	$7,702.2	$107.1	1.39%	4.93%
1999	$8,355.4	$8,334.8	($20.6)	-0.25%	8.21%
2000	$8,682.2	$8,921.0	$238.8	2.68%	7.03%
2001	$9,295.1	$9,356.1	$61.0	0.65%	4.88%
2002	$9,620.5	$9,252.0	($368.5)	-3.98%	-1.11%
2003	$9,856.5	$9,683.7	($172.8)	-1.78%	4.67%
2004	$10,089.2	$9,916.4	($172.8)	-1.74%	2.40%
2005	$10,638.9	$10,449.0	($189.9)	-1.82%	5.37%
2006	$11,520.5	$12,224.2	$703.7	5.76%	16.99%
2007	$12,221.8	$12,697.5	$475.7	3.75%	3.87%
2008	$12,482.4	$12,586.9	$104.5	0.83%	-0.87%
2009	$13,958.5	$13,857.3	($101.2)	-0.73%	10.09%
2010	$11,965.5	$11,380.3	($585.2)	-5.14%	-17.88%
2011	$12,193.5	$12,016.9	($176.6)	-1.47%	5.59%
2012	$13,041.0	$13,008.8	($32.2)	-0.25%	8.25%
2013	$13,759.8	$13,424.9	($334.9)	-2.49%	3.20%
2014	$14,187.8	$14,301.8	$114.0	0.80%	6.53%
2015	$14,651.1	$14,706.0	$54.9	0.37%	2.83%
2016	$14,950.4	$15,001.1	$50.7	0.34%	2.01%
2017 Est	$15,027.8	$15,109.1	$81.3	0.54%	0.72%
2018 Est.	$16,061.2	$16,096.3	$35.1	0.22%	6.30%
2019 Est.	$16,556.7				3.09%
2020 Est.	$17,191.2				3.83%
2021 Est.	$17,818.3				3.65%

CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL. REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 6/15/2018

			Employment + 1 Quarter		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #1		Houston Gasoline Price Index + 1 Qtr		Galveston Storm Variable		Pleasure Pier Adjustment		U.S. Real GDP + 2 Qtrs 2 Qtr Moving Average			
	COEFFICIENTS		1.317		-0.02076		1.504		1.192		479.6		277.1		0.2185			
FY	Fiscal Year	DATA	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)
																	0.51%	

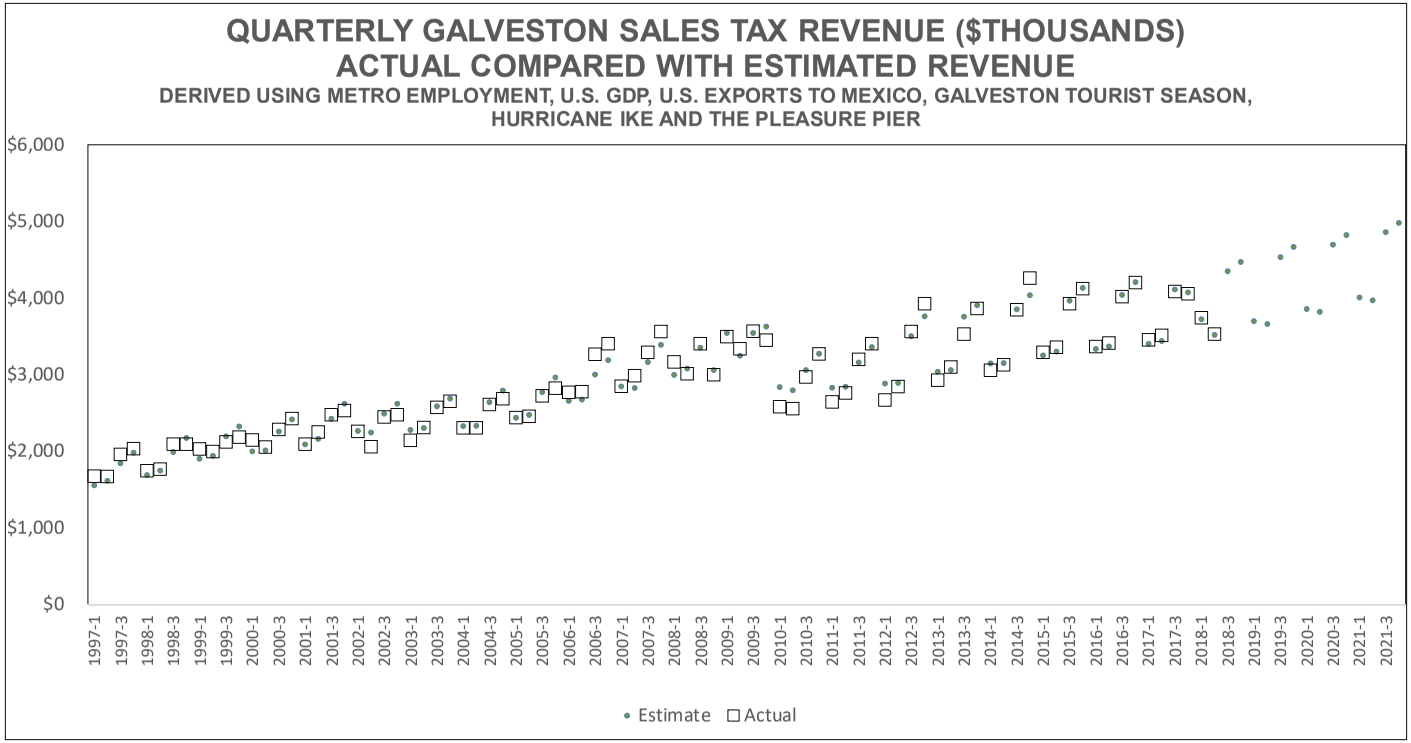
32218
0.6014524



CITY OF GALVESTON SALES TAX MODEL
QUARTERLY TAX REVENUE EXPLAINED USING LOCAL. REGIONAL AND NATIONAL FACTORS

Sales Tax Econometric Forecast
Date: 6/15/2018

			Employment + 1 Quarter		Exports to Mexico FAS + 1 Qtr		Summer Season Adjustment Var #1		Houston Gasoline Price Index + 1 Qtr		Galveston Storm Variable		Pleasure Pier Adjustment		U.S. Real GDP + 2 Qtrs 2 Qtr Moving Average			
	COEFFICIENTS		1.317		-0.02076		1.504		1.192		479.6		277.1		0.2185			
FY	Fiscal Year	DATA	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)



CITY OF GALVESTON HOTEL OCCUPANCY TAX MODEL
QUARTERLY REVENUE EXPLAINED BY U.S. REAL GDP, PLEASURE PIER AND TOURISM SEASONAL ADJUSTMENT

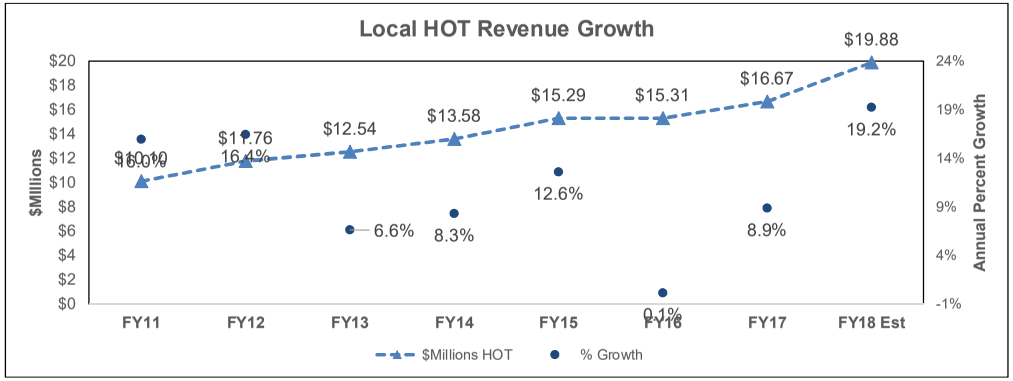
Hotel Occupancy Tax Model

DATE 6/15/2018

			U.S. Real GDP		Summer Season Adjustment Var #2		Pleasure Pier Adjustment with CPI					
	COEFFICIENTS		0.6445		5.592		206.7					
National	Fiscal Year	CONSTANT = A	DATA	PRODUCT OF DATA AND COEFFICIENT = B	DATA	PRODUCT OF DATA AND COEFFICIENT = D	DATA	PRODUCT OF DATA AND COEFFICIENT = D	MODEL ESTIMATE ($000's) = C+E+G	ACTUAL ($000's)	ACTUAL OVER/ (UNDER) ESTIMATE ($000'S)	
2007	2007-1	-8027	14,716.9	9,485.0	0.00	0.0	0.00	0.0	$1,458.0	$1,474.3	$16.3	23.5%
2007	2007-2	-8027	14,726.0	9,490.9	36.00	201.3	0.00	0.0	$1,665.2	$1,757.2	$92.0	5.0%
2007	2007-3	-8027	14,838.7	9,563.5	202.70	1,133.5	0.00	0.0	$2,670.0	$3,034.6	$364.6	12.0%
2007	2007-4	-8027	14,938.5	9,627.9	339.80	1,900.2	0.00	0.0	$3,501.1	$3,550.4	$49.3	1.4%
2008	2008-1	-8027	14,991.8	9,662.2	0.00	0.0	0.00	0.0	$1,635.2	$1,694.8	$59.6	3.5%
2008	2008-2	-8027	14,889.5	9,596.3	37.10	207.5	0.00	0.0	$1,776.8	$1,984.1	$207.3	10.4%
2008	2008-3	-8027	14,963.4	9,643.9	210.30	1,176.0	0.00	0.0	$2,792.9	$3,190.0	$397.1	12.4%
2008	2008-4	-8027	14,891.6	9,597.6	356.50	1,993.5	0.00	0.0	$3,564.1	$3,416.0	($148.1)	-4.3%
2009	2009-1	-8027	14,577.0	9,394.9	0.00	0.0	0.00	0.0	$1,367.9	$1,288.8	($79.1)	-6.1%
2009	2009-2	-8027	14,375.0	9,264.7	37.70	210.8	0.00	0.0	$1,448.5	$1,928.5	$480.0	24.9%
2009	2009-3	-8027	14,355.6	9,252.2	210.10	1,174.9	0.00	0.0	$2,400.1	$2,104.3	($295.8)	-14.1%
2009	2009-4	-8027	14,402.5	9,282.4	354.60	1,982.9	0.00	0.0	$3,238.3	$2,769.2	($469.1)	-16.9%
2010	2010-1	-8027	14,541.9	9,372.3	0.00	0.0	0.00	0.0	$1,345.3	$1,216.5	($128.8)	-10.6%
2010	2010-2	-8027	14,604.8	9,412.8	38.30	214.2	0.00	0.0	$1,600.0	$1,503.4	($96.6)	-6.4%
2010	2010-3	-8027	14,745.9	9,503.7	213.80	1,195.6	0.00	0.0	$2,672.3	$2,668.5	($3.8)	-100.1%
2010	2010-4	-8027	14,845.5	9,567.9	361.10	2,019.3	0.00	0.0	$3,560.2	$3,325.1	($235.1)	-107.1%
2011	2011-1	-8027	14,939.0	9,628.2	0.00	0.0	0.00	0.0	$1,601.2	$1,399.5	($201.7)	-114.4%
2011	2011-2	-8027	14,881.3	9,591.0	39.00	218.1	0.00	0.0	$1,782.1	$1,729.2	($52.9)	-103.1%
2011	2011-3	-8027	14,989.6	9,660.8	221.60	1,239.2	0.00	0.0	$2,873.0	$3,102.8	$229.8	7.4%
2011	2011-4	-8027	15,021.1	9,681.1	374.50	2,094.2	0.00	0.0	$3,748.3	$3,868.7	$120.4	3.1%
2012	2012-1	-8027	15,190.3	9,790.1	0.00	0.0	0.00	0.0	$1,763.1	$1,604.7	($158.4)	-9.9%
2012	2012-2	-8027	15,291.0	9,855.0	40.20	224.8	0.00	0.0	$2,052.8	$2,085.1	$32.3	1.5%
2012	2012-3	-8027	15,362.4	9,901.1	226.00	1,263.8	2.05	423.7	$3,561.6	$3,670.6	$109.0	3.0%
2012	2012-4	-8027	15,380.8	9,912.9	377.30	2,109.9	2.04	421.7	$4,417.5	$4,398.1	($19.4)	-0.4%
2013	2013-1	-8027	15,384.3	9,915.2	0.00	0.0	0.00	0.0	$1,888.2	$1,797.8	($90.4)	-5.0%
2013	2013-2	-8027	15,491.9	9,984.5	40.70	227.6	0.00	0.0	$2,185.1	$2,280.5	$95.4	4.2%
2013	2013-3	-8027	15,521.6	10,003.7	228.50	1,277.8	2.49	514.7	$3,769.2	$3,473.9	($295.3)	-8.5%
2013	2013-4	-8027	15,641.3	10,080.8	385.90	2,158.0	2.50	516.8	$4,728.6	$4,985.7	$257.1	5.2%
2014	2014-1	-8027	15,793.9	10,179.2	0.00	0.0	0.00	0.0	$2,152.2	$2,250.1	$97.9	4.4%
2014	2014-2	-8027	15,757.6	10,155.8	41.80	233.7	0.00	0.0	$2,362.5	$2,101.8	($260.7)	-12.4%
2014	2014-3	-8027	15,935.8	10,270.6	235.40	1,316.4	2.57	531.2	$4,091.2	$3,490.3	($600.9)	-17.2%

CITY OF GALVESTON - LOCAL HOTEL OCCUPANCY TAX - GROSS COLLECTIONS REPORT
MAY OCCUPANCY AND JUNE COLLECTIONS BY PARK BOARD

Month of Occupancy	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Month Over/ (Under) Same Month Last Yr		
October	$566,603.98	$649,601.76	$639,696.99	$858,676.11	$1,273,005.15	$892,938.06	$1,015,895.74	$1,107,179.49	9.0%		
November	$474,036.48	$584,677.19	$685,798.10	$861,261.82	$838,200.99	$872,362.01	$816,077.11	$1,058,984.58	29.8%		
December	$358,869.95	$370,422.69	$472,320.24	$530,191.42	$635,474.94	$730,641.58	$902,418.26	$987,874.60	9.5%		
January	$385,821.19	$416,526.68	$489,796.45	$477,859.59	$573,936.66	$691,506.50	$726,111.74	$742,164.89	2.2%		
February	$463,624.03	$556,338.30	$662,290.02	$611,617.14	$815,772.67	$783,600.85	$928,371.67	$846,191.38	-8.9%		
March	$879,705.14	$1,112,272.85	$1,128,453.40	$1,012,287.24	$1,167,060.11	$1,444,396.17	$1,527,514.96	$1,781,668.66	16.6%		
April	$811,548.49	$908,341.22	$902,403.03	$944,120.47	$1,120,372.30	$1,213,005.59	$1,279,130.86	$1,320,636.41	3.2%		
May	$812,563.94	$1,005,816.52	$1,059,210.25	$1,398,247.05	$1,334,699.85	$1,324,156.41	$1,384,806.34	$1,567,006.88	13.2%		
June	$1,478,676.42	$1,756,462.71	$1,512,258.09	$1,147,935.08	$1,949,550.21	$2,159,510.89	$2,369,703.73				
July	$1,891,503.23	$1,847,095.93	$2,476,120.72	$3,109,028.17	$2,596,952.83	$2,304,051.16	$2,639,528.58				
August	$1,249,302.15	$1,725,676.56	$1,849,894.39	$1,681,498.78	$1,809,908.82	$1,492,338.64	$1,563,148.58				
September	$727,916.77	$825,373.66	$659,731.22	$952,144.67	$1,172,423.31	$1,399,092.70	$1,513,221.44				
Totals	**$10,100,171.77**	**$11,758,606.07**	**$12,537,972.90**	**$13,584,867.54**	**$15,287,357.84**	**$15,307,600.56**	**$16,665,929.01**	**$9,411,706.89**			
	15.9%	**16.4%**	**6.6%**	**8.3%**	**12.5%**	**0.1%**	**8.9%**				
Amt per Penny	**$1,122,241.31**	**$1,306,511.79**	**$1,393,108.10**	**$1,509,429.73**	**$1,698,595.32**	**$1,700,844.51**	**$1,851,769.89**				
YTD Totals	**FY2011**	**FY2012**	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**YTD Over/(Under)**	**FY18 Estimate wh 3 Year Avg**	**FY18 Est per Penny of HOT**
October	$566,603.98	$649,601.76	$639,696.99	$858,676.11	$1,273,005.15	$892,938.06	$1,015,895.74	$1,107,179.49	9.0%	$16,395,000	$1,822,000
November	$1,040,640.46	$1,234,278.95	$1,325,495.09	$1,719,937.93	$2,111,206.14	$1,765,300.07	$1,831,972.85	$2,166,164.07	18.2%	$17,887,000	$1,987,000
December	$1,399,510.41	$1,604,701.64	$1,797,815.33	$2,250,129.35	$2,746,681.08	$2,495,941.65	$2,734,391.11	$3,154,038.67	15.3%	$18,667,000	$2,074,000
January	$1,785,331.60	$2,021,228.32	$2,287,611.78	$2,727,988.94	$3,320,617.74	$3,187,448.15	$3,460,502.85	$3,896,203.56	12.6%	$18,465,000	$2,052,000
February	$2,248,955.63	$2,577,566.62	$2,949,901.80	$3,339,606.08	$4,136,390.41	$3,971,049.00	$4,388,874.52	$4,742,394.94	8.1%	$17,934,000	$1,993,000
March	$3,128,660.77	$3,689,839.47	$4,078,355.20	$4,351,893.32	$5,303,450.52	$5,415,445.17	$5,916,389.48	$6,524,063.60	10.3%	$18,540,000	$2,060,000
April	$3,940,209.26	$4,598,180.69	$4,980,758.23	$5,296,013.79	$6,423,822.82	$6,628,450.76	$7,195,520.34	$7,844,700.01	9.0%	$18,314,000	$2,035,000
May	$4,752,773.20	$5,603,997.21	$6,039,968.48	$6,694,260.84	$7,758,522.67	$7,952,607.17	$8,580,326.68	$9,411,706.89	9.7%	$18,313,000	$2,035,000
June	$6,231,449.62	$7,360,459.92	$7,552,226.57	$7,842,195.92	$9,708,072.88	$10,112,118.06	$10,950,030.41				$0
July	$8,122,952.85	$9,207,555.85	$10,028,347.29	$10,951,224.09	$12,305,025.71	$12,416,169.22	$13,589,558.99				$0
August	$9,372,255.00	$10,933,232.41	$11,878,241.68	$12,632,722.87	$14,114,934.53	$13,908,507.86	$15,152,707.57				$0
September	$10,100,171.77	$11,758,606.07	$12,537,972.90	$13,584,867.54	$15,287,357.84	$15,307,600.56	$16,665,929.01				$0



WATER BILLED BY MONTH
FY 2004-2018
(ADJUSTED FOR RATE OVERCHARGES IN FY 2013-2015 PERIOD)

PERIOD	Consumption Month	FY08 (1)	FY09	FY10	FY11	FY12 (2)	FY13 (6)	FY14 (3) (6)	FY15 (4) (6)	FY16	FY17 (7)	FY18 (8)	FY18 Over/(Under) FY17	Monthly Budget FY 2018
1	October	1,026,266	1,103,484	1,208,674	1,062,315	1,370,651	1,462,953	1,406,416	1,531,876	1,980,495	1,798,033	1,822,567	1.4%	2,062,700
2	November	1,267,637	1,016,879	948,211	1,169,355	1,202,275	1,172,268	1,105,351	1,201,595	1,472,169	1,735,283	1,671,082	-3.7%	1,525,462
3	December	933,029	932,044	1,147,118	1,025,036	1,193,222	1,187,989	1,220,912	1,130,961	1,661,710	1,713,271	1,402,429	-18.1%	1,718,838
4	January	1,068,960	923,329	1,040,955	915,744	1,168,942	1,191,141	1,090,597	1,290,354	1,572,610	1,448,479	1,470,569	1.5%	1,633,000
5	February	888,484	987,761	888,149	1,137,213	1,097,829	1,192,587	1,052,712	971,541	1,293,101	1,288,374	1,213,156	-5.8%	1,353,600
6	March	917,690	1,007,157	841,597	1,151,092	1,142,824	1,203,169	1,299,312	1,090,198	1,464,200	1,577,075	1,384,379	-12.2%	1,525,500
7	April	1,209,989	1,139,332	1,365,231	1,228,110	1,259,938	1,199,872	2,000,757	1,182,676	1,601,530	1,519,366	1,661,458	9.4%	1,654,400
8	May	1,119,457	1,193,925	1,330,843	1,508,009	1,557,077	1,540,987	1,627,127	1,134,449	1,556,558	1,819,959	1,912,776	5.1%	1,611,500
9	June	1,257,551	1,629,747	1,500,336	1,518,666	1,616,019	1,662,271	1,481,916	1,461,962	1,643,370	2,008,489			1,718,900
10	July	1,673,163	1,715,539	1,480,708	1,650,726	1,660,664	1,644,346	969,975	1,763,127	2,334,289	1,821,316			2,406,400
11	August	1,037,331	1,489,421	1,417,067	1,476,042	1,584,469	1,526,923	1,548,922	1,732,325	2,245,392	2,179,099			2,342,000
12	September	1,377,121	1,310,263	1,294,547	1,438,046	1,451,898	1,462,720	1,409,943	1,471,078	1,860,832	1,788,294			1,933,700
	FY TOTALS	**13,776,680**	**14,448,883**	**14,463,436**	**15,280,354**	**16,305,808**	**16,447,225**	**16,213,940**	**15,962,142**	**20,686,256**	**20,697,037**			**21,486,000**

PERIOD	YTD Totals	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY18 Over/(Under) FY17	YTD Budget FY 2018
1	October	1,026,266	1,103,484	1,208,674	1,062,315	1,370,651	1,462,953	1,406,416	1,531,876	1,980,495	1,798,033	1,822,567	1.4%	2,062,700
2	November	2,293,904	2,120,364	2,156,884	2,231,670	2,572,926	2,635,221	2,511,767	2,733,471	3,452,664	3,533,316	3,493,649	-1.1%	3,588,162
3	December	3,226,933	3,052,408	3,304,002	3,256,705	3,766,148	3,823,210	3,732,679	3,864,432	5,114,374	5,246,587	4,896,078	-6.7%	5,307,000
4	January	4,295,894	3,975,737	4,344,957	4,172,449	4,935,090	5,014,351	4,823,276	5,154,786	6,686,983	6,695,065	6,366,647	-4.9%	6,940,000
5	February	5,184,378	4,963,498	5,233,106	5,309,662	6,032,918	6,206,938	5,875,988	6,126,327	7,980,085	7,983,440	7,579,803	-5.1%	8,293,600
6	March	6,102,068	5,970,655	6,074,703	6,460,754	7,175,743	7,410,107	7,175,301	7,216,524	9,444,285	9,560,515	8,964,182	-6.2%	9,819,100
7	April	7,312,057	7,109,987	7,439,934	7,688,863	8,435,681	8,609,979	9,176,057	8,399,201	11,045,815	11,079,880	10,625,640	-4.1%	11,473,500
8	May	8,431,514	8,303,912	8,770,777	9,196,873	9,992,758	10,150,966	10,803,184	9,533,650	12,602,373	12,899,839	12,538,416	-2.8%	13,085,000
9	June	9,689,066	9,933,659	10,271,113	10,715,539	11,608,776	11,813,237	12,285,100	10,995,612	14,245,743	14,908,328			14,803,900
10	July	11,362,228	11,649,198	11,751,822	12,366,266	13,269,441	13,457,582	13,255,075	12,758,739	16,580,032	16,729,644			17,210,300
11	August	12,399,559	13,138,619	13,168,889	13,842,308	14,853,909	14,984,505	14,803,998	14,491,064	18,825,424	18,908,743			19,552,300
12	September	13,776,680	14,448,883	14,463,436	15,280,354	16,305,808	16,447,225	16,213,940	15,962,142	20,686,256	20,697,037			21,486,000

WATER BILLED BY MONTH
FY 2004-2018
(ADJUSTED FOR RATE OVERCHARGES IN FY 2013-2015 PERIOD)

PERIOD	% YTD of Actual	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18 Projected (Using Avg)	Average FY04-17 w/o FY09, FY14
1	October	7.4%	7.6%	8.4%	7.0%	8.4%	8.9%	8.7%	9.6%	9.6%	8.7%	21,915,000	8.3%
2	November	16.7%	14.7%	14.9%	14.6%	15.8%	16.0%	15.5%	17.1%	16.7%	17.1%	21,745,000	16.1%
3	December	23.4%	21.1%	22.8%	21.3%	23.1%	23.2%	23.0%	24.2%	24.7%	25.3%	20,909,000	23.4%
4	January	31.2%	27.5%	30.0%	27.3%	30.3%	30.5%	29.7%	32.3%	32.3%	32.3%	20,834,000	30.6%
5	February	37.6%	34.4%	36.2%	34.7%	37.0%	37.7%	36.2%	38.4%	38.6%	38.6%	20,312,000	37.3%
6	March	44.3%	41.3%	42.0%	42.3%	44.0%	45.1%	44.3%	45.2%	45.7%	46.2%	20,080,000	44.6%
7	April	53.1%	49.2%	51.4%	50.3%	51.7%	52.3%	56.6%	52.6%	53.4%	53.5%	20,210,000	52.6%
8	May	61.2%	57.5%	60.6%	60.2%	61.3%	61.7%	66.6%	59.7%	60.9%	62.3%	20,465,000	61.3%
9	June	70.3%	68.8%	71.0%	70.1%	71.2%	71.8%	75.8%	68.9%	68.9%	72.0%	-	70.9%
10	July	82.5%	80.6%	81.3%	80.9%	81.4%	81.8%	81.8%	79.9%	80.1%	80.8%	-	81.0%
11	August	90.0%	90.9%	91.0%	90.6%	91.1%	91.1%	91.3%	90.8%	91.0%	91.4%	-	91.5%
12	September	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	100.0%

Notes

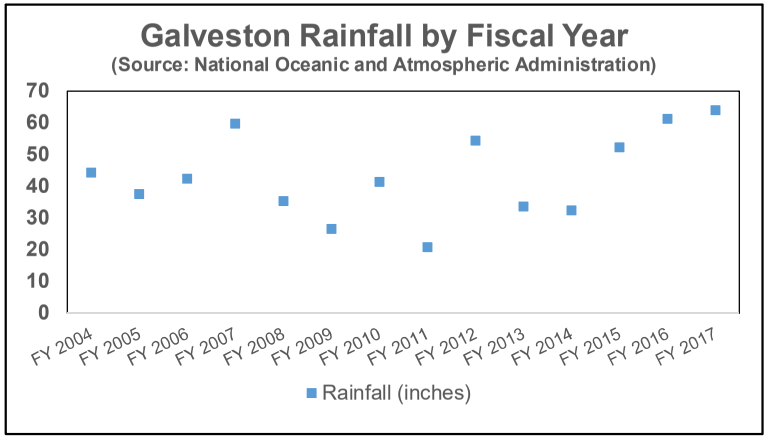
(1) Hurricane Ike effect in September 2008.
(2) Council Approved Rate Increase of 1.5% (October 1, 2012).
(3) Implementation of new Utility Billing Software (CUSI).
(4) Credits issued in the amount of $1.71M (August 2015).
(5) Adopted Budget FY16 (Burton & Associates).
(6) Fiscal Years 2013 to July 2015 were adjusted to reflect Council Approved rate increase Oct 1, 2012. The rebate program began in August 2015.
(7) The monthly revenues stated do not include accruals recorded at year-end.
(8) Galveston experienced a hard freeze event January 18-19, 2018. Galveston was under a water conservation mandate due to bursting pipes and water leaks.

GALVESTON RAINFALL IN INCHES BY FISCAL YEAR
(SOURCE: NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AND WEATHER UNDERGROUND)

Actual Rainfall (inches)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 (1)	FY 2018	FY18 Over/ (Under) FY17	FY04-17 14 Yr Avg	FY18 Over/ (Under) 14 Yr Avg
October	4.38	4.70	2.51	11.62	3.24	1.37	6.76	0.11	4.60	0.51	6.85	1.75	9.80	1.52	2.28	0.76	4.27	(1.99)
November	1.58	7.78	3.86	0.47	1.98	3.37	3.97	6.90	2.36	0.86	2.45	3.91	5.55	1.26	0.43	(0.83)	3.31	(2.05)
December	5.71	2.55	2.36	2.68	0.83	1.82	6.53	2.13	4.41	2.87	0.65	3.87	3.19	11.08	7.14	(3.94)	3.85	7.23
January	4.78	2.16	0.57	5.37	6.04	0.34	2.27	3.86	3.01	7.18	1.36	5.44	3.07	0.89	3.32	2.43	3.31	(2.42)
February	4.18	2.76	0.67	0.03	1.32	1.05	3.47	0.67	7.32	2.24	1.69	0.70	0.89	3.38	0.84	(2.54)	2.08	1.30
March	2.41	3.92	1.35	9.10	1.88	3.73	1.41	2.70	4.96	0.72	1.82	7.69	3.16	1.27	1.34	0.07	3.16	(1.89)
April	2.50	1.85	1.34	3.84	0.66	5.23	0.94	0.12	1.99	3.46	0.10	5.30	5.75	1.36	1.89	0.53	2.46	(1.10)
May	3.66	2.63	3.24	2.21	0.02	0.19	3.66	0.38	4.22	1.12	3.72	3.02	7.66	3.98	0.73	(3.25)	2.84	1.14
June	10.99	0.24	5.37	3.37	1.06	0.32	2.37	0.94	4.10	3.26	1.53	2.75	7.93	10.24	2.58	(7.66)	3.89	6.35
July	0.86	4.02	9.39	8.03	2.10	2.72	4.76	1.11	5.60	2.40	1.08	0.23	3.40	2.66	2.27	(0.39)	3.45	(0.79)
August	0.77	1.00	5.24	4.77	7.68	1.08	0.52	0.10	6.14	3.85	4.95	6.40	8.82	25.96			5.52	
September	2.44	3.88	6.41	8.15	8.48	5.24	4.60	1.70	5.63	5.06	6.11	11.13	1.94	0.32			5.08	
Totals (inches)	**44.26**	**37.49**	**42.31**	**59.64**	**35.29**	**26.46**	**41.26**	**20.72**	**54.34**	**33.53**	**32.31**	**52.19**	**61.16**	**63.92**	**22.82**	**(14.82)**	**43.21**	**5.78**

YTD Totals (inches)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY18 Over/ (Under) FY17	FY18 Over/ (Under) 14 Yr Avg	FY18 Est wh 14 Yr Avg
October	4.38	4.70	2.51	11.62	3.24	1.37	6.76	0.11	4.60	0.51	6.85	1.75	9.80	1.52	2.28	0.76	4.27	24.17
November	5.96	12.48	6.37	12.09	5.22	4.74	10.73	7.01	6.96	1.37	9.30	5.66	15.35	2.78	2.71	(0.07)	7.57	14.56
December	11.67	15.03	8.73	14.77	6.05	6.56	17.26	9.14	11.37	4.24	9.95	9.53	18.54	13.86	9.85	(4.01)	11.19	36.84
January	16.45	17.19	9.30	20.14	12.09	6.90	19.53	13.00	14.38	11.42	11.31	14.97	21.61	14.75	13.17	(1.58)	14.50	37.49
February	20.63	19.95	9.97	20.17	13.41	7.95	23.00	13.67	21.70	13.66	13.00	15.67	22.50	18.13	14.01	(4.12)	16.67	34.83
March	23.04	23.87	11.32	29.27	15.29	11.68	24.41	16.37	26.66	14.38	14.82	23.36	25.66	19.40	15.35	(4.05)	19.97	31.98
April	25.54	25.72	12.66	33.11	15.95	16.91	25.35	16.49	28.65	17.84	14.92	28.66	31.41	20.76	17.24	(3.52)	22.43	32.06
May	29.20	28.35	15.90	35.32	15.97	17.10	29.01	16.87	32.87	18.96	18.64	31.68	39.07	24.74	17.97	(6.77)	25.26	30.02
June	40.19	28.59	21.27	38.69	17.03	17.42	31.38	17.81	36.97	22.22	20.17	34.43	47.00	34.98	20.55	(14.43)	29.15	30.20
July	41.05	32.61	30.66	46.72	19.13	20.14	36.14	18.92	42.57	24.62	21.25	34.66	50.40	37.64	22.82	(14.82)	32.61	30.00
August	41.82	33.61	35.90	51.49	26.81	21.22	36.66	19.02	48.71	28.47	26.20	41.06	59.22	63.60			38.13	0.00
September	44.26	37.49	42.31	59.64	35.29	26.46	41.26	20.72	54.34	33.53	32.31	52.19	61.16	63.92			43.21	

(1) Hurricane Harvey, August 18, 2017



SEWER BILLED BY MONTH
FY 2004-2018
(ADJUSTED FOR RATE OVERCHARGES IN FY 2013-2015 PERIOD)

PERIOD	Consumption Month	FY08 (1)	FY09	FY10	FY11	FY12 (2)	FY13 (6)	FY14 (3) (6)	FY15 (4) (6)	FY16	FY17 (7)	FY18 (8)	FY18 Over/(Under) FY17	Monthly Budget FY 2018
1	October	865,245	960,266	906,107	760,341	957,079	1,081,810	1,077,646	1,177,037	1,255,861	1,163,205	1,251,166	7.6%	1,209,760
2	November	1,034,013	816,119	735,318	875,522	872,020	919,724	835,742	923,386	1,020,359	1,159,339	1,189,764	2.6%	1,209,760
3	December	783,080	737,924	953,431	757,647	913,367	931,277	924,075	883,472	1,156,091	1,206,249	1,086,617	-9.9%	1,240,004
4	January	918,770	765,165	824,147	713,154	889,759	974,020	901,192	1,013,899	1,117,668	1,102,726	1,161,656	5.3%	1,149,272
5	February	776,096	790,109	645,695	909,127	868,193	859,201	860,106	780,149	992,412	1,011,493	1,037,586	2.6%	1,058,540
6	March	798,741	799,495	742,150	864,582	888,106	915,089	1,000,981	812,036	1,130,585	1,205,061	1,136,495	-5.7%	1,255,126
7	April	1,004,610	859,831	937,843	880,160	995,885	873,167	967,599	941,364	1,138,186	1,093,401	1,220,794	11.7%	1,134,150
8	May	908,674	880,529	953,956	1,123,964	1,137,558	1,128,822	1,206,430	884,914	1,147,865	1,194,918	1,248,638	4.5%	1,240,004
9	June	1,011,646	1,165,207	1,073,377	1,088,993	1,246,681	1,221,575	412,190	1,130,599	1,209,374	1,374,260			1,421,468
10	July	1,306,123	1,226,650	1,109,919	1,238,984	1,238,184	1,193,203	1,982,664	1,256,796	1,362,298	1,279,550			1,330,736
11	August	795,784	1,068,508	1,019,560	1,019,041	1,167,198	942,245	1,133,011	1,235,798	1,369,124	1,496,221			1,557,566
12	September	1,116,050	954,440	943,341	1,054,688	1,042,362	1,064,360	1,016,904	1,066,429	1,245,600	1,267,306			1,315,614
	FY TOTALS	**11,318,833**	**11,024,246**	**10,844,845**	**11,286,202**	**12,216,392**	**12,104,494**	**12,318,540**	**12,105,879**	**14,145,423**	**14,553,730**			**15,122,000**
PERIOD	**YTD TOTALS**	**FY08**	**FY09**	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**	**FY18 Over/(Under) FY17**	**YTD Budget FY 2018**
1	October	865,245	960,266	906,107	760,341	957,079	1,081,810	1,077,646	1,177,037	1,255,861	1,163,205	1,251,166	7.6%	1,209,760
2	November	1,899,258	1,776,385	1,641,425	1,635,863	1,829,099	2,001,534	1,913,388	2,100,423	2,276,220	2,322,544	2,440,930	5.1%	2,419,520
3	December	2,682,338	2,514,310	2,594,856	2,393,510	2,742,467	2,932,811	2,837,463	2,983,895	3,432,311	3,528,793	3,527,547	0.0%	3,659,524
4	January	3,601,109	3,279,475	3,419,003	3,106,664	3,632,225	3,906,831	3,738,655	3,997,794	4,549,979	4,631,519	4,689,203	1.2%	4,808,796
5	February	4,377,205	4,069,584	4,064,698	4,015,791	4,500,418	4,766,032	4,598,761	4,777,944	5,542,391	5,643,012	5,726,789	1.5%	5,867,336
6	March	5,175,946	4,869,079	4,806,849	4,880,372	5,388,524	5,681,121	5,599,742	5,589,980	6,672,976	6,848,073	6,863,284	0.2%	7,122,462
7	April	6,180,556	5,728,910	5,744,692	5,760,532	6,384,409	6,554,289	6,567,341	6,531,344	7,811,162	7,941,475	8,084,078	1.8%	8,256,612
8	May	7,089,230	6,609,440	6,698,648	6,884,497	7,521,967	7,683,111	7,773,772	7,416,258	8,959,027	9,136,393	9,332,716	2.1%	9,496,616
9	June	8,100,876	7,774,647	7,772,025	7,973,489	8,768,648	8,904,686	8,185,961	8,546,857	10,168,401	10,510,653			10,918,084
10	July	9,407,000	9,001,297	8,881,944	9,212,473	10,006,832	10,097,888	10,168,625	9,803,652	11,530,699	11,790,203			12,248,820
11	August	10,202,783	10,069,805	9,901,504	10,231,514	11,174,030	11,040,133	11,301,637	11,039,450	12,899,823	13,286,424			13,806,386
12	September	11,318,833	11,024,246	10,844,845	11,286,202	12,216,392	12,104,494	12,318,540	12,105,879	14,145,423	14,553,730			**15,122,000**

SEWER BILLED BY MONTH
FY 2004-2018
(ADJUSTED FOR RATE OVERCHARGES IN FY 2013-2015 PERIOD)

PERIOD	% YTD of Actual	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18 Projected (Using Avg)	Average FY04-17 w/o FY14	
1	October	7.6%	8.7%	8.4%	6.7%	7.8%	8.9%	8.7%	9.7%	8.9%	8.0%	15,344,000	8.2%	
2	November	16.8%	16.1%	15.1%	14.5%	15.0%	16.5%	15.5%	17.4%	16.1%	16.0%	15,464,000	15.8%	
3	December	23.7%	22.8%	23.9%	21.2%	22.4%	24.2%	23.0%	24.6%	24.3%	24.2%	15,115,000	23.3%	
4	January	31.8%	29.7%	31.5%	27.5%	29.7%	32.3%	30.3%	33.0%	32.2%	31.8%	15,255,000	30.7%	
5	February	38.7%	36.9%	37.5%	35.6%	36.8%	39.4%	37.3%	39.5%	39.2%	38.8%	15,169,000	37.8%	
6	March	45.7%	44.2%	44.3%	43.2%	44.1%	46.9%	45.5%	46.2%	47.2%	47.1%	15,153,000	45.3%	
7	April	54.6%	52.0%	53.0%	51.0%	52.3%	54.1%	53.3%	54.0%	55.2%	54.6%	15,189,000	53.2%	
8	May	62.6%	60.0%	61.8%	61.0%	61.6%	63.5%	63.1%	61.3%	63.3%	62.8%	15,053,000	62.0%	
9	June	71.6%	70.5%	71.7%	70.6%	71.8%	73.6%	66.5%	70.6%	71.9%	72.2%		71.0%	
10	July	83.1%	81.7%	81.9%	81.6%	81.9%	83.4%	82.5%	81.0%	81.5%	81.0%		81.4%	
11	August	90.1%	91.3%	91.3%	90.7%	91.5%	91.2%	91.7%	91.2%	91.2%	91.3%		91.7%	
12	September	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	

Notes: The monthly revenues stated to do not include accruals recorded at year-end.
(1) Hurricane Ike September 2008
(2) Council Approved Rate Increase of 1.5% (October 1, 2012)
(3) Implementation of new Utility Billing Software (CUSI)
(4) Credits issued in the amount of $1.72 M (August 2015)
(5) Adopted Budget FY15 (Burton & Associates)
(6) Fiscal Years 2013 to July 2015 were adjusted to reflect Council Approved rate increase Oct 1, 2012. The rebate program began in August 2015.
(7) The monthly revenues stated do not include accruals recorded at year-end.
(8) Galveston hard freeze event January 18-19, 2018. Galveston was under a water conservation mandate due to bursting pipes and water leaks.

City of Galveston

OFFICE OF THE CITY MANAGER
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citymanager@galvestontx.gov | 409-797-3520

June 15, 2018

Honorable Mayor James D. Yarborough and Members of Council

This is to provide you with the FY 2019-2023 Long Range Financial Forecast. The Forecast includes the General, Debt Service, a Utilities Fund consolidated to include the current Waterworks and Sewer funds, and the Convention Center Surplus Fund. The purpose is to highlight and provide information on some of the major issues that will be a part of this year's budget process. When setting the budget for next year, it is important for the City to make best strategic use of its available funds. For that reason, I urge this Forecast be used as the starting point for discussing those issues with policy makers, city staff, and elected officials.

The premise is to show the implications from using a set of baseline projections to help frame the issues for the upcoming budget and Capital Improvement Plan. The baseline projections are based upon current economic conditions and include commitments previously made in the budget process or by other action of the City Council. The FY 2019 Budget and FY 2019-2023 CIP are being prepared to address the issues and implications of the projections in the forecast.

Citywide Highlights

Major revenue sources are showing continued, steady growth. Based on preliminary information received from the Galveston County Appraisal District, values are showing little or perhaps no growth. We are preparing to address this situation while maintaining basic service levels and keeping the Capital Improvement Plan on schedule. This is proposed to be accomplished through a different temporary use of the Infrastructure and Debt Service Fund set aside that will comprise seven percent of the General Fund in FY 2019.

Employee compensation is a priority with increases for classified personnel in police and fire budgeted as outlined in the collective bargaining agreements through FY 2019. Likewise, two percent increases are budgeted for non-classified personnel citywide in FY 2019. A general allowance for annual increases of two percent for all employees' pay is included in the remaining four years of the forecast.

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This forecast presents a Combined Utility System fund that encompasses the Waterworks and Sewer System funds. This is in keeping with best practices by the cities in our area, and has the support of the city's external auditor and financial advisor. The forecast indicates that an overall rate adjustment in the range of four percent will be necessary to (1) fund new bonds required to keep the water and sewer CIP projects on schedule; and (2) cover the expected increase in the Gulf Coast Water Authority's cost of water paid by the City. The analysis provided includes an accounting for the estimated savings achieved by repairing the major leak discovered last November. We expect to have a full discussion of water and sewer rates and options associated with those rates at the July Council workshop.

Hotel Occupancy Tax revenues that flow or "trickle down" to the city through its Convention Center Surplus Fund are proposed to be used to operate the trolley systems, and the new Seawall police district. A newly recognized portion of the five year HOT revenue forecasts includes a $5 million Convention Center capital improvements program that will reduce the City's "trickle down" revenue by approximately $500,000 per year. The Convention Center Surplus Fund presents a full commitment of the city's Convention Center Surplus Fund revenues for current tourism related projects and programs.

We look forward to discussing these issues, and invite your comments, suggestions and recommendations for the FY2019 Budget and CIP. Please let me know if I can provide further information.

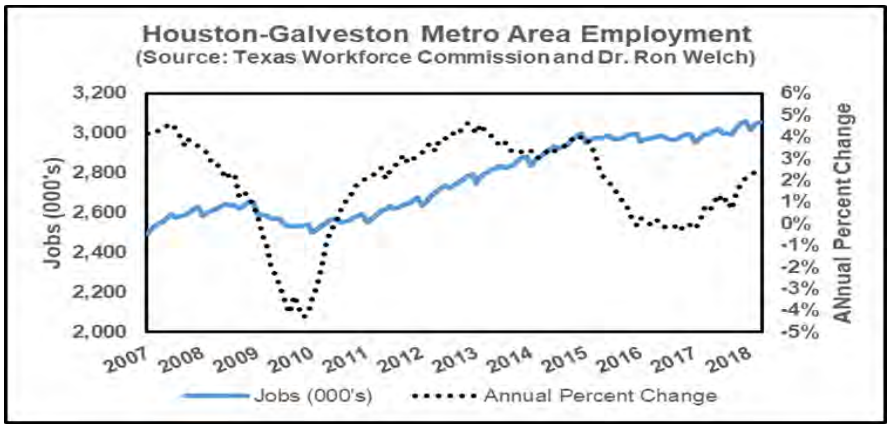
Brian Maxwell, City Manager

FY 2019-2023 LONG RANGE FINANCIAL FORECAST
ECONOMIC OUTLOOK AND
MAJOR REVENUE FORECAST

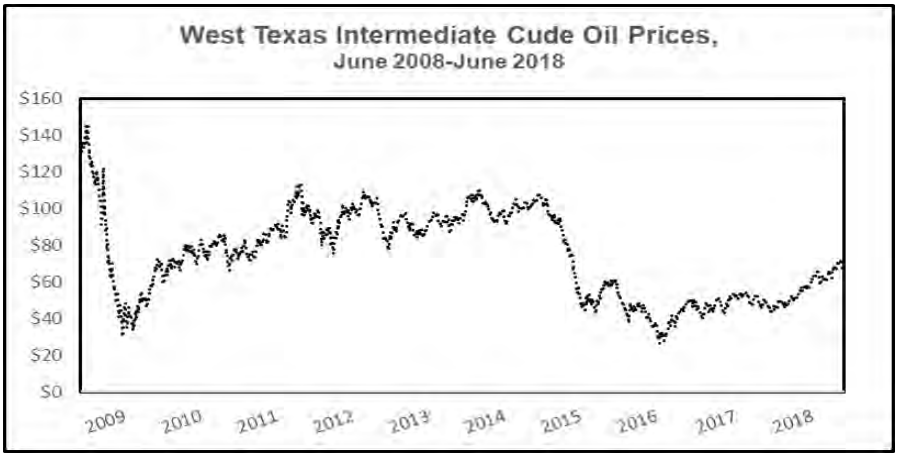
Economic Overview

Galveston is continuing to show signs of economic vibrancy that are connected with gradual regional economic improvement, continued growth in the national economy as well as expansion and improvement of the City's infrastructure and beaches. The economic growth of the region is highly dependent on energy and particularly the price of oil. Galveston's economy is heavily influenced by the region's economic health, but also has strong ties to national economic growth. These connections are based largely on Galveston's tourism industry which continues to grow.

In the last twelve years, employment in the metro area has shown strong growth overall in spite of two economic downturns in 2008-2009 and in 2015-2017. Average annual employment growth for the period shown in the graph below was 1.73 percent, which explains the long-term two percent growth trend assumptions generally used by local forecasters.

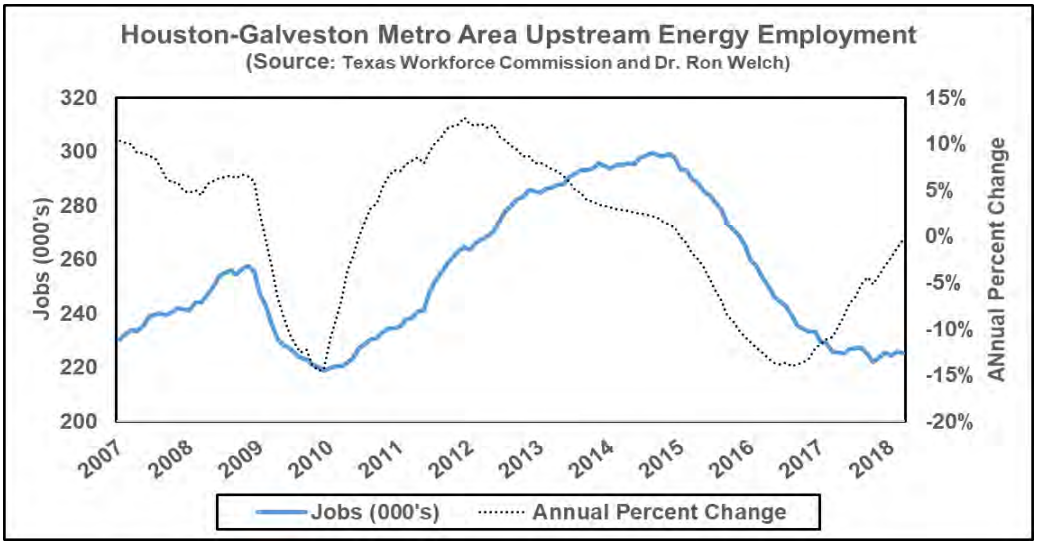


The metro area's economic growth is based largely on two factors: energy and the U.S. economy. Oil prices (West Texas Intermediate crude) have been extremely volatile over the last ten years (see below).



After dropping to the $40 per barrel range at the start of 2009, prices recovered to a peak of $105 per barrel in June, 2014, only to drop again. Since February 11, 2016, when a barrel was priced at

$26.21, today's price is in the mid $60's. Experts tell us that worldwide supply and demand drive the price, making the world economy a third major economic driver of the metro economy. The effect on upstream energy employment has been dramatic, and somewhat inconsistent.



As shown in the graph above, the high oil prices in the 2012-2015 period drove upstream energy employment growth to its peak of 300,000 jobs in November 2014. In the 2015 to 2016 period when prices were dropping, upstream energy jobs also dropped. The approximately 75,000 jobs lost since the November 2014 high have yet to begin being recovered. Today, that trend is just beginning to reverse itself with energy companies exercising much caution in the way they rebuild their workforce. Increased use of parallel drilling techniques, while much more efficient and productive are likely to slow this upstream energy employment recovery even more.

Currently, according to Dr. Robert Gilmer of the University of Houston's Institute for Regional Forecasting, the national economy is the critical source of support for the metro area's growth now. The U.S economy is expected by many forecasters (i.e. Kiplinger, The Conference Board) to grow for the near term on a "real basis" (adjusted for inflation) in the range of 2.5 to 3 percent in 2018 and 2019, largely due to the federal tax cuts and an overall healthy U.S. economy. The Congressional Budget Office's (CBO) Real Gross Domestic Product annual growth rate is a bit higher for 2018 and lower after that period. CBO's other assumptions show interest rates rising steadily and inflation remaining in the 2 to 2.5 percent range.

Dr. Gilmer is projecting a continuing regional recovery and a return to historical employment growth rates in the 2 percent range. The 2018-2019 forecast for gasoline prices is based on the Energy Information Agency's numbers. The remainder of the assumptions shown on the next page have been adopted for this forecast based on the regional and national forecasts and Galveston's own recent history. The forecast is based on a one percent annual growth rate for Galveston in terms of population and the number of water customers.

BASELINE ECONOMIC CHANGE ASSUMPTIONS

Area/Indicator	FY 2018 Est.	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
National						
National Inflation Rate (1)	1.8%	2.2%	2.2%	2.2%	2.2%	2.2%
U.S. Real Gross Domestic Product (1)	3.3%	2.4%	1.8%	1.5%	1.6%	1.6%
Ten Year Treasury Note (1)	3.3%	3.9%	4.2%	4.2%	3.9%	3.7%
3-month Treasury Bill (1)	2.3%	3.2%	3.7%	3.7%	3.4%	3.0%
Metropolitan Area						
Employment Annual Growth Rate (2)	1.30%	1.52%	1.87%	2.20%	1.60%	1.60%
Inflation Rate (3)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fuel Prices (3)	15.3%	2.0%	2.0%	2.0%	2.0%	2.0%
Health Care Inflation (3)	1.9%	10.0%	8.0%	8.0%	8.0%	8.0%
City of Galveston						
Population Growth Rate (3)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Population (3)	50,497	51,002	51,512	52,027	52,547	53,073
City Water Customers Growth Rate (3)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Investment Pool Earnings Rate (3)	1.7%	2.2%	3.0%	3.3%	3.4%	3.0%
New Construction ($Millions - Prior CalYr) (3)	$72.6	$75.0	$60.0	$60.0	$60.0	$60.0

SOURCES:

(1) Congressional Budget Office, using calendar year that overlaps nine months of the City's fiscal year

(2) Dr. Robert Gilmer, Bauer College of Business, University of Houston

(3) U.S. Energy Information Administration for 2018-2019 and City of Galveston Finance Department thereafter.

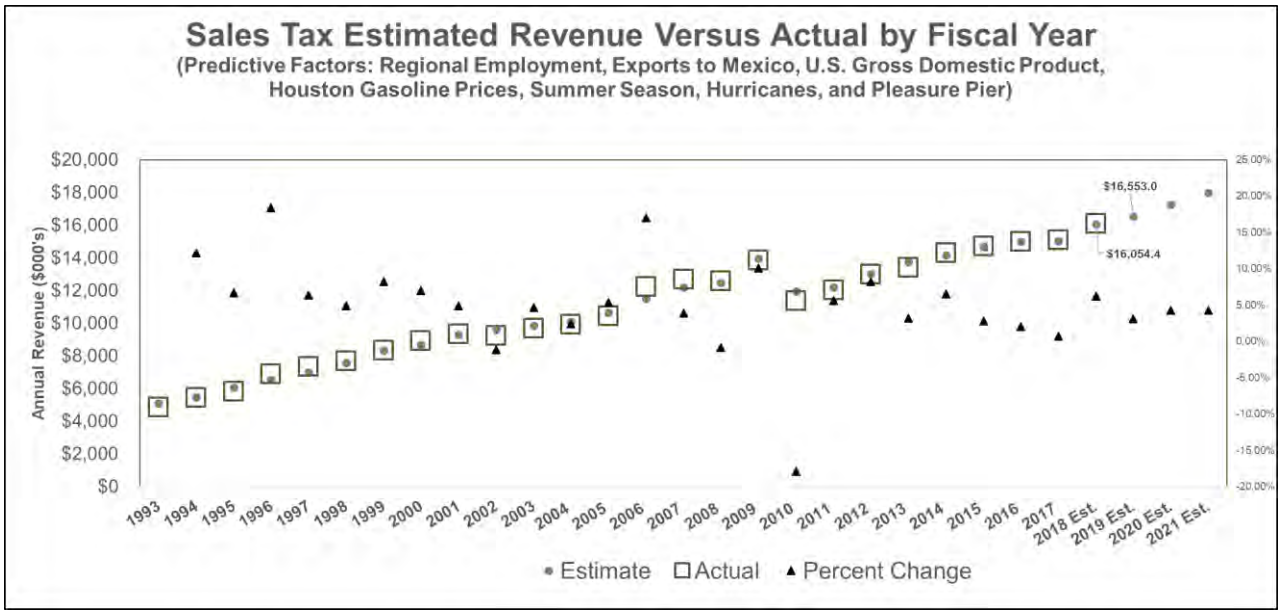
Sales tax is the primary revenue source that is impacted by regional employment and national economic trends. After three years of slow growth in FY 2015-2017, FY 2018 sales tax receipts are estimated to have grown six percent by the end of the fiscal year. This is the result of the surge in metro area jobs resulting from Hurricane Harvey and the growth in Real U.S. Gross Domestic Product.

The sales tax model used to produce the estimates above is a tool that helps to explain the economic impact on sales tax revenue through a regression model using sales tax revenue and economic variables from FY 1992 forward. Testing shows that 98.5 percent of the change in Galveston sales tax revenue is explained by 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 (BLS) and adjusted by Dr. Ron Welch for local municipalities. The model utilizes a two quarter moving average of this series. Fully 89 percent of the variation in sales tax revenue is explained by this single economic variable.
- Houston Metro Area Gasoline Price Index – This statistical series is also maintained by the BLS as a component of the Consumer Price Index for the Houston metro area. It is lagged one quarter in the statistical model and it drives sales tax revenue higher with higher gasoline prices.
- 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 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 venue opened.

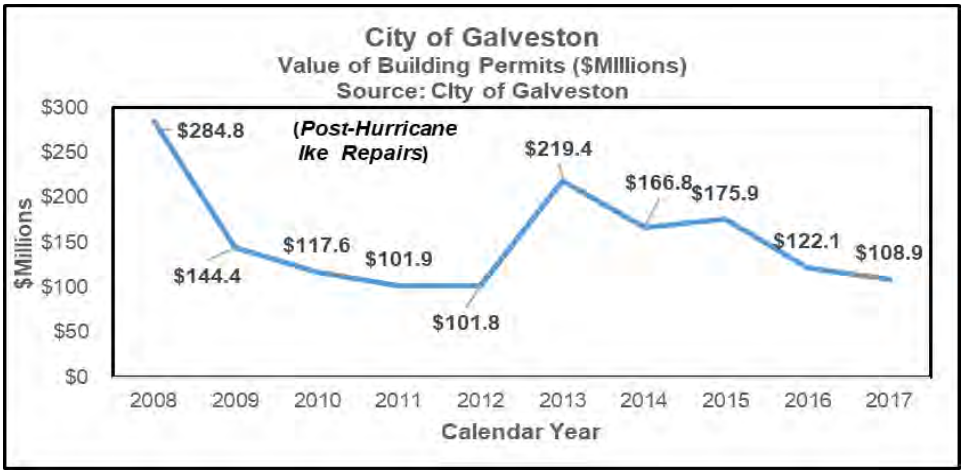


Projected sale tax revenue for the forecast period is based on slightly higher economic growth rates than seen in the 2015-2017 period based largely on the improvement in regional employment growth forecasted by Dr. Gilmer of the University of Houston.

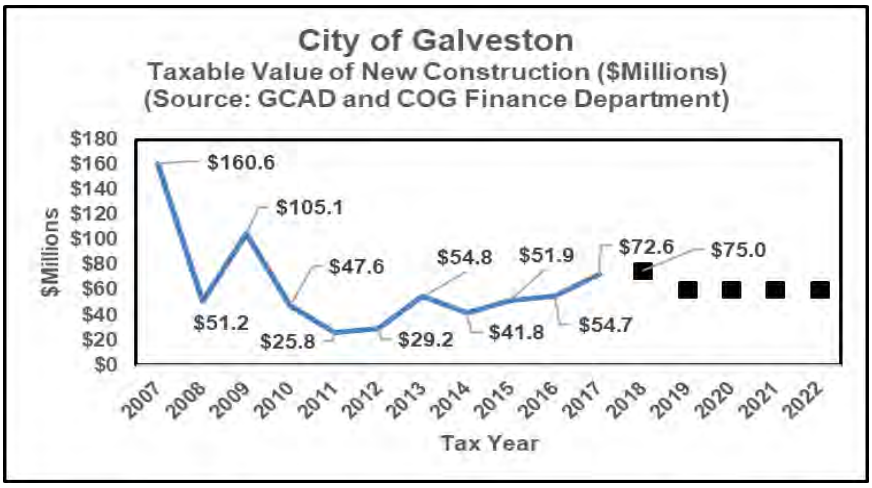
Property tax revenue is driven by taxable values which in turn are derived from updated valuations of the current property tax base by the Galveston County Appraisal District (GCAD). Changes in market value and the addition of new construction and improvements are the basis for GCAD's valuations. Property owners of a substantial portion of properties on the tax roll appeal initial values and GCAD adjusts total value appropriately according to the results of this appeal process. GCAD also adds the value of new construction completed and/or underway as of January 1 each year. Building permits issued by the City of Galveston provide a leading indicator of the new construction value increase each year.

The tax roll is based on the value of property as of January 1 of each year. So the connection between the economy and City revenue is delayed by what amounts to two years. Using the current fiscal year as the example, here is the real estate/tax roll/fiscal year cycle:

- Economic activity (Real estate market and new construction) occurred in calendar year 2017;
  - January 1 values in 2018 form the basis for the 2018 tax roll and
    - The 2018 tax roll will be certified in late July, forming the basis for tax revenue being received between October 1, 2018 and September 30 2019, FY 2019.



While the value of building permits in total has dropped off since 2013 when it peaked at $219.4 million, new construction related taxable value as set by GCAD (see below) has remained relatively constant. For this reason, new construction is expected to add approximately one percent to the tax roll as it has the last several years.



In most years, the total percent increase in the taxable roll is largely comprised of increases in value, whatever they happen to be in a given tax year. As of May 2018, the preliminary tax roll for Tax Year 2018/Fiscal Year 2019 is 4.4 percent higher than the current roll for Tax Year 2017/FY 2018. As the protest process moves forward, GCAD is providing updates for the outcome of the protest process.

This year's initial roll ($6.45 billion in taxable value) is actually less than last year's initial value ($6.50 billion), and is the smallest increase over the prior year in the twelve years shown in the chart. The increase over last year (approximately $270 million) is primarily composed of new construction ($75 billion estimated) and the net reduction in homestead property taxable value protected by the cap on taxable value increases (approximately $90 million). Of the remaining increase in value, some taxable value will be lost to an increase in the number of taxpayers eligible for the tax freeze.

Approximately $2 billion in value is currently involved in the protest process and is assumed to lose seven percent as a result of that process. This is a lower loss ratio than has been experienced in

prior years, but is not out of the ordinary for a year in which values are largely stable. The result is retention of 2.1 percent of the 4.4 percent initial increase in the overall roll.

CITY OF GALVESTON PROPERTY TAX ROLLS
PRE-PROTEST AND FINAL TAXABLE VALUE

Tax Year	Fiscal Year	Initial Value	Value Lost in Protests	Net taxable Value	Percent Loss in Protests	Net Increase	Initial Increase
2007	2008	$4,173,803,003	($153,530,255)	$4,020,272,748	-3.7%		
2008	2009	$4,397,647,451	($90,707,745)	$4,306,939,706	-2.1%	7.1%	9.4%
2009	2010	$3,867,916,387	($172,881,661)	$3,695,034,726	-4.5%	-14.2%	-10.2%
2010	2011	$4,339,578,504	($295,077,791)	$4,044,500,713	-6.8%	9.5%	17.4%
2011	2012	$4,312,300,922	($118,014,116)	$4,194,286,806	-2.7%	3.7%	6.6%
2012	2013	$4,510,802,981	($187,955,326)	$4,322,847,655	-4.2%	3.1%	7.5%
2013	2014	$4,686,443,571	($151,378,426)	$4,535,065,145	-3.2%	4.9%	8.4%
2014	2015	$4,901,091,851	($138,178,611)	$4,762,913,240	-2.8%	5.0%	8.1%
2015	2016	$5,484,694,099	($189,588,687)	$5,295,105,412	-3.5%	11.2%	15.2%
2016	2017	$6,160,829,855	($315,289,572)	$5,845,540,283	-5.1%	10.4%	16.3%
2017	2018	$6,498,782,493	($322,149,985)	$6,176,632,508	-5.0%	5.7%	11.2%
2018	2019	***$6,446,502,802***	***($141,823,000)***	***$6,304,679,802***	-2.2%	2.1%	4.4%

Estimates shown in bold and italics

Because of recent years' experience with significant net increases in the tax roll, the forecast is based on a 2.1 percent increase in taxable value for each fiscal year after FY 2018. As you can see from the table above, this is a conservative assumption in all but the most unusual of years.

The chart on the next page illustrates the effect of the projected tax roll on FY 2019 property tax revenue. At the current tax rate allocation, and using a 98.3 percent collection rate, the General Fund would realize about $194,000 in revenue growth over FY 2018. Combined with other revenues, the total increase in General Fund revenues would not be sufficient to cover mandatory cost increases in FY 2019. For reasons to be discussed in the next chapter, an alternate scenario is presented here that holds the overall tax rate constant, but reduces the portion of the tax rate allocated to debt service from $0.07 to $0.05 per $100 of taxable value.

The approximately $1.1 million difference required to pay anticipated General Obligation bond debt service in FY 2019 would then be made up with either (1) a transfer from the Infrastructure and Debt Service Fund to the Debt Service Fund itself, (2) a reduction in departmental expenditures and/or (3) a combination of the two. A four percent annual average growth rate in taxable property value is assumed for the FY 2020-2023 period. This would enable the change in the composition of the property tax rate to be restored one-half cent per fiscal year, reaching $0.07 for debt service in FY 2023. This is discussed in greater detail in the next two chapters of the Forecast.

Charter Property Tax Cap

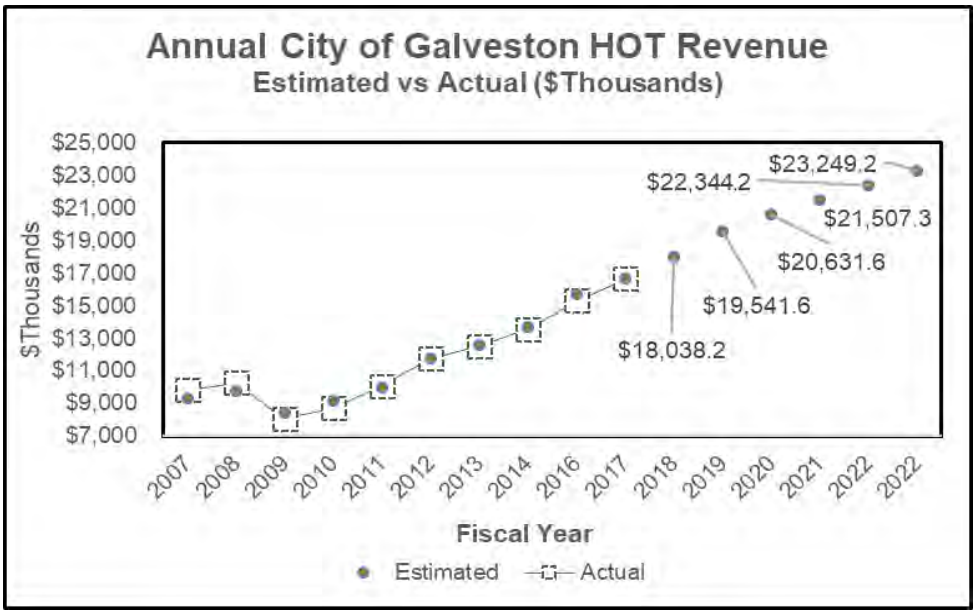
The Forecast does not propose or contemplate any increase in the overall property tax rate. But it is important to understand how it is derived. Article VIII Section 2 provides for a seventy cent total tax rate per $100 of taxable value. Article VIII Section 2(b) also provides that one half of one percent of the two percent sales tax rate goes to reduce the effective property tax rate that can be set by City Council. This is approximately $5 million that in any given year reduces the $0.70 property tax rate cap by approximately 9.5 to 11.8 cents. Years in which the sales tax grows faster than the tax roll, the reduction is greater. Using this year's adjustment ($0.095), the cap is $0.605 per $100 of taxable

value. This is $0.044 greater than the current $0.561 tax rate. This leaves an additional $2.59 million available in property tax revenue if the City chose to raise the total rate to the charter cap. Of course, existing State restrictions regarding the rollback and effective rates would apply.

PROPERTY TAX ROLL PRELIMINARY ESTIMATES
JUNE 2018 (FOR BUDGETARY PLANNING PURPOSES ONLY)

DESCRIPTION	FY15 ACTUAL	FY16 ACTUAL	FY17 ACTUAL	FY18 BUDGETED	FY18 EST MAY	FY19 EST MAY CURRENT RATE	FY19 EST MAY ADJUSTED RATE
NET PROPERTY TAX LEVY							
Total Taxable Value ($millions)	$4,755.6	$5,297.6	$5,845.5	$6,201.3	$6,176.6	$6,300.0	$6,300.0
Less TIRZ	($380.6)	($247.4)	($300.8)	($309.0)	($304.8)	($323.8)	($323.8)
Less 60% MUD Value	($35.5)	($49.0)	($57.7)	($55.3)	($62.9)	($64.3)	($64.3)
Net Taxable Value	$4,339.5	$5,001.2	$5,487.1	$5,837.0	$5,808.8	$5,911.9	$5,911.9
Times Tax Rate per $100 of Taxable Value	$0.533890	$0.529000	$0.526000	$0.561000	$0.561000	$0.561000	$0.561000
Total Tax Levy ($Thousands Revenue)	**$25,389.7**	**$28,024.3**	**$30,747.5**	**$34,789.1**	**$34,650.7**	**$35,343.0**	**$35,343.0**
Less: Freeze Acct Total Value Revenue Equivalent (Over 65 and Disabled)	($2,118.7)	($2,344.1)	($2,658.9)	($3,432.2)	($3,417.9)	($3,806.3)	($3,806.3)
Plus: Freeze Acct collectible Revenue (Over 65 & Disabled)	$1,825.3	$1,907.4	$2,019.2	$2,413.4	$2,376.2	$2,614.9	$2,614.9
Less: Taxes Lost to Tax Freeze	**($293.4)**	**($436.7)**	**($639.8)**	**($1,018.8)**	**($1,041.7)**	**($1,191.4)**	**($1,191.4)**
Net Current Year Tax Levy ($000's Revenue)	**$25,096.3**	**$27,587.6**	**$30,107.7**	**$33,770.3**	**$33,609.0**	**$34,151.6**	**$34,151.6**
Effective Taxable Value	**$4,700.6**	**$5,215.0**	**$5,723.9**	**$6,019.7**	**$5,990.9**	**$6,087.6**	**$6,087.6**
Less TIRZ Incremental Values	**($380.6)**	**($247.4)**	**($300.8)**	**($309.0)**	**($304.8)**	**($323.8)**	**($323.8)**
Effective Taxable Value Retained by City	**$4,320.0**	**$4,967.6**	**$5,423.1**	**$5,710.7**	**$5,686.1**	**$5,763.8**	**$5,763.8**
DISTRIBUTION OF NET LEVY ($THOUSANDS)							
Net Current Year Levy ($000's)	$25,096.3	$27,587.6	$30,107.7	$33,770.3	$33,609.0	$34,151.6	$34,151.6
Less TIRZ Increment	**($2,032.0)**	**($1,308.7)**	**($1,581.9)**	**($1,733.5)**	**($1,710.0)**	**($1,816.5)**	**($1,816.5)**
Net Current Year Levy Retained by the City	$23,064.3	$26,278.9	$28,525.8	$32,036.8	$31,899.0	$32,335.1	$32,335.1
General Fund Share (including MUD 30) of NCL	$18,860.4	$21,557.1	$23,917.4	$25,184.2	$25,075.6	$25,418.4	$26,571.2
Debt Service Share of NCL	$2,043.6	$2,237.7	$1,896.7	$3,997.5	$3,980.3	$4,034.7	$2,881.9
Library Fund Share of NCL	$2,160.0	$2,483.8	$2,711.6	$2,855.4	$2,843.0	$2,881.9	$2,881.9
Net Current Year Levy Retained by the City	**$23,064.0**	**$26,278.6**	**$28,525.7**	**$32,037.1**	**$31,898.9**	**$32,335.0**	**$32,335.0**
COLLECTION OF TAXES ($THOUSANDS)							
Estimated/Actual Collections	**FY15 ACTUAL**	**FY16 ACTUAL**	**FY17 ACTUAL**	**FY18 BUDGETED**	**FY18 EST MAY**	**FY19 EST MAY**	**FY19 EST MAY**
General Fund Net Current Levy Total	$20,466.1	$22,439.1	$24,954.1	$26,648.5	$26,464.2	$26,771.9	$27,905.1
General Fund Delinquent Taxes	$337.8	$358.9	$289.6	$330.0	$330.0	$330.0	$330.0
General Fund Penalty & Interest	$339.3	$312.1	$304.0	$315.0	$315.0	$315.0	$315.0
Less TIRZ Increment	($1,945.9)	($1,308.1)	($1,487.3)	($1,733.5)	($1,710.0)	($1,816.5)	($1,816.5)
Less MUD 30 Rebate	($186.2)	($258.0)	($297.0)	($310.2)	($353.1)	($360.5)	($360.5)
General Fund Total	**$19,011.1**	**$21,544.0**	**$23,763.4**	**$25,249.8**	**$25,046.1**	**$25,239.9**	**$26,373.1**
Debt Service Net Current Levy Total	$2,006.4	$2,193.1	$1,865.4	$3,957.5	$3,932.5	$3,966.1	$2,832.9
Debt Service Delinquent Taxes	$39.1	$37.2	$30.6	$40.0	$35.0	$35.0	$35.0
Debt Service Fund Total	**$2,045.5**	**$2,230.3**	**$1,896.0**	**$3,997.5**	**$3,967.5**	**$4,001.1**	**$2,867.9**
Library Net Current Levy Total	$2,121.0	$2,436.8	$2,665.0	$2,826.8	$2,808.9	$2,832.9	$2,832.9
Library Delinquent Taxes	$37.7	$41.3	$33.0	$26.3	$30.0	$30.0	$30.0
Library Fund Total	**$2,158.7**	**$2,478.1**	**$2,698.0**	**$2,853.1**	**$2,838.9**	**$2,862.9**	**$2,862.9**
GRAND TOTAL COLLECTIONS	**$23,215.3**	**$26,252.4**	**$28,357.4**	**$32,100.4**	**$31,852.5**	**$32,103.9**	**$32,103.9**
Estimated Current Collection Rate (of NCL)	**98.0%**	**98.1%**	**97.9%**	**99.0%**	**98.8%**	**98.5%**	**98.5%**
Estimated Total Collection Rate (of NCL)	**101.0%**	**100.8%**	**100.1%**	**101.1%**	**100.9%**	**100.4%**	**100.4%**
Tax Rate							
General Fund Operations and Maintenance	$0.436584	$0.433955	$0.441025	$0.441000	$0.441000	$0.441000	$0.461000
Debt Service Fund Interest and Sinking	$0.047306	$0.045045	$0.034975	$0.070000	$0.070000	**$0.070000**	**$0.050000**
Library Fund	$0.050000	$0.050000	$0.050000	$0.050000	$0.050000	$0.050000	$0.050000
Total Rate	**$0.533890**	**$0.529000**	**$0.526000**	**$0.561000**	**$0.561000**	**$0.561000**	**$0.561000**
			ESTIMATE	**BUDGET**	**ESTIMATE**	**ESTIMATE**	**ESTIMATE**
Estimated Current Taxes Collection rate	**98.00%**	**98.10%**	**97.90%**	**99.00%**	**98.80%**	**98.30%**	**98.30%**
TOTAL COLLECTIONS	**$25,347.4**	**$27,818.5**	**$30,141.7**	**$34,144.1**	**$33,915.6**	**$34,280.9**	**$34,280.9**

Hotel Occupancy Tax revenue reached an all-time high in 2017 of $16.7 million raised from the local nine percent tax rate. As is the case with Sales Tax revenue, a statistical model has been developed that explains 96.4 percent of the variation of HOT revenue on a quarterly basis.



The economic variables used in the HOT model include U.S. Real Gross Domestic Product (which serves to capture the overall health of the national economy and its effect on the tourism industry), as well as data series that capture the effect of the Pleasure Pier and Summer Season. The source of the GDP forecast is the Congressional Budget Office's April 2018 quarterly forecast. Fiscal Year 2018 HOT revenue is projected to end the year at $18.0 million, driven primarily by the strong U.S. economy and growth in Real GDP.

GENERAL FUND OVERVIEW, FY 2019-2023
LONG RANGE REVENUE FORECAST ($000's)

Revenue Sources	FY 2018 Estimate	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
Property Taxes	$25,026	$26,373	$27,130	$27,906	$28,701	$29,514
Sales Taxes	$16,160	$16,553	$17,260	$18,006	$18,744	$19,513
Other Taxes	$927	$976	$1,016	$1,058	$1,101	$1,146
Franchise Taxes	$5,559	$5,451	$5,560	$5,671	$5,784	$5,900
Licenses and Permits	$1,124	$1,170	$1,193	$1,217	$1,241	$1,266
Intragovernmental	$2,078	$2,205	$2,271	$2,339	$2,409	$2,481
Charges for Services	$226	$308	$314	$320	$326	$329
Fines and Forfeits	$1,442	$1,471	$1,500	$1,530	$1,561	$1,592
Investment Earnings	$250	$376	$508	$523	$539	$555
Miscellaneous	$1,158	$1,113	$1,113	$1,113	$1,113	$1,113
Total Revenue	**$53,950**	**$55,996**	**$57,865**	**$59,683**	**$61,519**	**$63,409**
		GROWTH RATE ASSUMPTIONS				
Property Taxes		5.4%	2.9%	2.9%	2.8%	2.8%
Sales Taxes		2.4%	4.3%	4.1%	4.1%	4.1%
Mixed Drink/Other Taxes		2.6%	4.1%	4.1%	4.1%	4.1%
Franchise Taxes		0.0%	2.0%	2.0%	2.0%	2.0%
Licenses and Permits		2.0%	2.0%	2.0%	2.0%	2.0%
Intragovernmental		3.0%	3.0%	3.0%	3.0%	3.0%
Charges for Services		2.0%	2.0%	2.0%	2.0%	1.0%
Fines and Forfeits		2.0%	2.0%	2.0%	2.0%	2.0%
Investment Earnings		20.0%	35.0%	3.0%	3.0%	3.0%
Miscellaneous		0.0%	0.0%	0.0%	0.0%	0.0%

Other Taxes is primarily mixed drink taxes that grow at approximately the same rate as sales taxes. **Franchise taxes** are paid to the city by privately owned utilities, and the decline projected for FFY 2019 is due to reduced revenues from the electricity and cable TV franchise holders. **Licenses and permits** are largely comprised of building permit and inspection fees. **Intragovernmental** revenues are payments from the City's five enterprise funds for administrative support provided by the General Fund as well as payments in lieu of taxes for use of the general rights of way maintained with General Fund monies. **Charges for Service** include zoning fees and other administrative or special district fees. Fines and Forfeits include moving and parking violations as well as fines paid for violation of city ordinances collected by the Municipal Courts. This category does not include such fees that are remitted directly to the State nor special fees set aside in Special Revenue funds for court technology, security and juvenile services. **Investment Earnings** come from the interest earned by the city's investment pool based on the General Fund's share of that pool. **Miscellaneous** revenues include payments in lieu of taxes by the Port, Moody Gardens, and the convention center operator, payments for city administrative costs for TIRZ's and Waterman's PID, as well as sales proceeds from General Fund equipment.

As a general rule, other revenue sources are based on population growth (assumed to be one percent now) or their historical trends over the last ten years. **Water and Sewer revenue** collected for metered services are assumed to grow at the one percent rate.

FY 2019-2023 LONG RANGE FINANCIAL FORECAST
GENERAL FUND SUMMARY

General Fund Balanced Budget Overview

Total General Fund projected revenue exceeds projected expenditures in every fiscal year of the Forecast period. This is based on the proposed balancing of the General Fund budget utilizing a combination of expenditure reductions from the "base" for FY 2019 and use of Infrastructure and Debt Service fund monies to pay some portion of debt service. The latter step will enable the property tax rate to be distributed differently with a larger portion going to the General Fund.

LONG RANGE FINANCIAL FORECAST
SUMMARY GENERAL FUND BASELINE PROJECTIONS
($THOUSANDS)

	FY 2018 Estimate(1)	FY 2019 Base	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
Beginning Balance	$17,757	$17,452	$17,452	$17,220	$17,286	$17,510	$17,913
Revenue	$53,951	$55,785	$55,996	$57,865	$59,683	$61,519	$63,409
Expenditures	$53,817	$55,685	$55,988	$57,799	$59,459	$61,115	$62,621
Revenues Over/(Under) Expenditures	$133	$99	$8	$66	$224	$404	$788
Subtotal	$17,890	$17,551	$17,460	$17,286	$17,510	$17,913	$18,701
Transfer to One-Time Projects	$439	$235	$240	$0	$0	$0	$0
Ending Balance	$17,451	$17,316	$17,220	$17,286	$17,510	$17,913	$18,701
Policy Goal - 90 Days of Working Capital	$13,270	$13,731	$13,805	$14,252	$14,661	$15,070	$15,441

(1) FY 2018 Estimate is taken from Second Quarter Budget Status Report.

FY 2019 Baseline and Forecast Changes

The FY 2019 General Fund Baseline for expenditures starts with the FY 2018 Estimate and then is adjusted to include $1.9 million in cost increases over the FY 2018 Estimate for**:**

1. Net adjustments for a full year's cost of current staffing and compensation;
2. Mandated increases in FY 2019, including Collective Bargaining Agreement compensation changes and pension fund contribution changes;
3. A reserved amount for a two percent pay increase for non-civil service personnel, and
4. The $625,000 increase in the transfer to the Infrastructure and Debt Service Fund bringing it to seven percent of General Fund revenue.

The Proposed Budget is expected to maintain the approximately $1 million balance in the Pension Reform Special Revenue Fund as a reserve to address the issue of police pension funding until more specifics are available, including a combination of changes in contributions as well as benefits.

The FY 2019 Forecast then includes estimated potential effects of inflation. Forecast revenue includes $699,000 in natural net growth in non-property tax revenue, or just enough to cover the increase in the transfer to the Infrastructure and Debt Service Fund. The 2.1 percent estimated growth in taxable property value, which is pending the outcome of the value protest process, would produce approximately $194,000 in additional General Fund revenue. Natural revenue growth, totaling $893,000 can be viewed then as approximately half of the mandatory increases shown in the table below.

LONG RANGE FINANCIAL FORECAST

GENERAL FUND BASELINE COSTS

CUMULATIVE CHANGE ($000'S)

Category	FY 2018 Budget	FY 2018 Estimate	FY 2019 Base	FY 2019 Base vs FY 2018 Estimate
Various personnel costs: Annualized cost of salary adjustments and additional positions and longevity pay	$33,727	$33,234	$34,267	$1,034
Civilians 2% COLA	$254	$0	$255	$255
Police Collective Bargaining Increases	$37	$37	$261	$225
COPS Grant Reimbursement	$0	($100)	($350)	($250)
Police Overtime	$600	$1,235	$970	($265)
Police Pension	$1,499	$1,680	$1,787	$107
Fire Collective Bargaining Increases	$175	$175	$309	$135
Fire Overtime	$358	$277	$286	$8
Fire Pension	$1,119	$1,262	$1,382	$121
Personnel Services Subtotal	**37,768**	**37,800**	**39,167**	**$1,368**
Inflation on supplies, services and equipment	$1,587	$1,407	$1,444	$38
Electricity/Gas	$818	$822	$819	($3)
Transit System Operations - Local match	$800	$800	$580	($220)
Garage charges (fuel and repairs)	$1,698	$1,892	$1,875	($17)
Contractual Services	$4,163	$4,136	$3,904	($232)
Technology-Hardware needs and software implementation	$1,332	$1,332	$1,332	$0
Travel/Training	$350	$321	$305	($17)
Other Charges & Services	$888	$522	$781	$259
Vehicle Capital Outlay	$1,427	$459	$1,000	$541
Capital Outlay	$87	$87	$78	($9)
Operating Transfers	$888	$964	$499	($464)
Non Personnel Costs Subtotal	**14,039**	**12,742**	**12,618**	**($125)**
Transfer to Infrastructure and Debt Service Fund	$3,275	$3,275	$3,900	$625
Total Cumulative Increase	**$55,082**	**$53,817**	**$55,685**	**$1,868**

General Fund Targets: Balancing the Budget

As in prior years, General Fund departments have been provided initial spending targets that are equal to the FY 2019 Base (FY 2018 Estimate plus mandatory increases). In addition, each department is being asked to determine how their FY 2019 Base can be reduced two percent. The budget instructions include a supplemental request form that allows each department to justify retention of the funds proposed for reduction to meet their target. The supplemental form can also be used to request funding for other high priority projects and needs. The City Manager's Office, supported by the Budget Office, will review the proposed reductions to determine their viability as well

as the possibility of reductions in other accounts. The result of this process will be the expenditures included in the Proposed Budget presented to Mayor and City Council in August by the City Manager.

GENERAL FUND BASELINE FORECAST
FUND BALANCE, REVENUE AND EXPENDITURES
FY 2019 - FY2023 ($THOUSANDS)

	FY 2018 Budget	FY 2018 Estimate	FY 2019 Base	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
Estimated Beginning Balance	**$17,757**	**$17,757**	**$17,452**	**$17,452**	**$17,220**	**$17,286**	**$17,510**	**$17,913**
Revenue								
Property Taxes	$25,251	$25,026	$26,373	$26,373	$27,130	$27,906	$28,701	$29,514
Sales Taxes	16,160	16,160	16,553	16,553	17,260	18,006	18,744	19,513
Other Taxes	927	927	951	976	1,016	1,058	1,101	1,146
Franchise Taxes	5,643	5,559	5,451	5,451	5,560	5,671	5,784	5,900
Licenses and Permits	1,199	1,124	1,147	1,170	1,193	1,217	1,241	1,266
Intergovernmental	2,078	2,078	2,140	2,205	2,271	2,339	2,409	2,481
Charges for Services	223	226	302	308	314	320	326	329
Fines and Forfeits	1,699	1,442	1,442	1,471	1,500	1,530	1,561	1,592
Investment Earnings	250	250	313	376	508	523	539	555
Miscellaneous	1,154	1,158	1,113	1,113	1,113	1,113	1,113	1,113
Total Revenue	**$54,584**	**$53,951**	**$55,785**	**$55,996**	**$57,865**	**$59,683**	**$61,519**	**$63,409**
Expenditures by Department								
General Government	$4,695	$4,627	$4,504	$4,541	$4,643	$4,746	$4,852	$4,961
Finance	1,807	1,804	1,956	1,967	2,011	2,057	2,103	2,151
Public Safety	31,876	32,186	32,543	32,652	33,597	34,392	35,407	36,240
Public Works	3,557	3,499	3,771	3,813	3,905	3,999	4,096	4,196
Parks and Recreation	2,861	2,822	2,890	2,909	2,981	3,051	3,122	3,195
Planning & Comm. Development	2,554	2,526	2,575	2,593	2,652	2,712	2,774	2,837
Non-Departmental	7,733	6,354	7,447	7,513	8,011	8,502	8,760	9,040
Total Expenditures	**$55,082**	**$53,817**	**$55,685**	**$55,988**	**$57,799**	**$59,459**	**$61,115**	**$62,621**
Revenues Over/(Under) Expenditures	**($498)**	**$133**	**$99**	**$8**	**$66**	**$224**	**$404**	**$788**
Subtotal	**$17,259**	**$17,891**	**$17,551**	**$17,460**	**$17,286**	**$17,510**	**$17,913**	**$18,701**
Transfer to One-Time Projects	**4,674**	**439**	**235**	**240**	**0**	**0**	**0**	**0**
Ending Balance	**$12,585**	**$17,452**	**$17,316**	**$17,220**	**$17,286**	**$17,510**	**$17,913**	**$18,701**
Policy Goal - 90 Days of Working Capital	**$13,582**	**$13,270**	**$13,731**	**$13,805**	**$14,252**	**$14,661**	**$15,070**	**$15,441**

FY 2019 Property Tax Revenue

The reductions in General Fund Departmental budgets that are the result of the target review process are expected to bring General Fund expenditures below the $55.7 million level shown above. The chart above essentially shows a worst case scenario in which no such reductions are possible, and additional revenue is needed. This scenario utilizes an adjustment in the composition of the total current property tax rate to provide this added revenue (shown below). While the final property tax roll presented to the City in late July by the Galveston County Appraisal District cannot be predicted with certainty, it is likely that taxable property value will grow only slightly if at all. Therefore, the FY 2019 Forecast shown above adjusts property tax revenue as shown in the table below:

Property Tax Revenue Allocation Categories	Current Rate Distribution (per $100 of Taxable Value)	Assumed Rate Distribution	Increase/ (Decrease) in Rate	Increase/ (Decrease) in Revenue ($000's)
General Fund Operations and Maintenance	$0.441	$0.461	$0.020	$1,133.2
Debt Service Fund Interest and Sinking	$0.070	$0.050	($0.020)	($1,133.2)
Library Fund	$0.050	$0.050	$0.000	$0.0
Total Property Tax Rate	**$0.561**	**$0.561**	**$0.000**	**$0.0**

The result of this adjustment, reflected in the FY 2019 General Fund Forecast Summary, includes a 5.3 percent increase in property tax revenue, or $2.33 million. This includes 0.8 percent or $194,000 from what is assumed to be the General Fund's share of growth in taxable value, and 4.5 percent or $1,133,000 from the redistribution of the property tax rate as shown in the table above. This is the most net revenue that would be needed if no target reductions could be achieved, and all inflationary increases would be needed.

Reducing the property tax revenue in the Debt Service Fund in FY 2019 would require a larger transfer from the Infrastructure and Debt Service Fund to the Debt Service Fund than originally planned. (Note: Last year's forecast assumed that $967,000 would be needed from the Infrastructure and Debt Service Fund in FY 2019's Debt Service Fund. See the Debt Service Fund chapter for the specifics.) The baseline forecast for the General Fund and Debt Service Fund assumes that the two cent change in the M&O and debt service tax rates would be reversed one-half cent a year until the current rates were restored in FY 2023.

LONG RANGE FINANCIAL FORECAST
GENERAL FUND BASELINE COSTS
CUMULATIVE CHANGE ($000'S) FROM FY 2018 BUDGET

Category	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
Inflation/Growth from FY 2018 Budget					
Allowance for Employee Raises (2 percent)	$845	$1,708	$2,594	$3,504	$4,439
Various costs: Annualized cost of salary adjustments and additional positions and longevity pay	$591	$492	$378	$256	$125
Overtime cost and related fringe benefit cost	$362	$392	$423	$455	$487
Grant reimbursements	($470)	($362)	($404)	($247)	($291)
Health insurance, life insurance, and workers compensation	$96	$274	$461	$657	$859
Personnel Services Subtotal	**$1,424**	**$2,504**	**$3,452**	**$4,625**	**$5,620**
Inflation on supplies, services and equipment	($111)	($79)	($45)	($11)	$23
Electricity/Natural Gas	$19	$37	$56	$75	$95
Transit System Operations - Local match	($207)	($194)	($181)	($167)	($153)
Justice Center - Jail expenses	$7	$11	$16	$20	$25
Garage charges (fuel and repairs)	$219	$261	$304	$348	$393
Contractual Services	($225)	($141)	($55)	$78	$220
Technology-Hardware needs and software implementation	$29	$59	$90	$121	$153
Other Charges & Services	($84)	($55)	($25)	$5	$36
Vehicle Capital Outlay	($405)	($677)	($383)	($360)	($336)
Capital Outlay	($7)	($6)	($4)	($2)	($0)
Operating Transfers	($378)	($376)	($364)	($362)	($351)
Non Personnel Costs Subtotal	**($1,144)**	**($1,159)**	**($592)**	**($256)**	**$104**
Transfer to Capital Improvement and/or Debt Service Account	$625	$1,354	$1,500	$1,647	$1,798
Total Cumulative Increase	**$906**	**$2,699**	**$4,359**	**$6,016**	**$7,521**

Baseline Cost Growth

The chart above captures the cumulative change in baseline costs built into the Forecast. Using the FY 2018 Budget as the starting point, by FY 2023, a total of $7.5 million in expenditures is estimated to have been added to the General Fund budget. Over the next two fiscal years, the transfer to the Infrastructure and Debt Service Fund will add $1.35 Million to the General Fund Budget which is half of the total overall increase of $2.7 million in the Fund for that period. Beginning in FY 2021, the transfer to the Infrastructure and Debt Service Fund will be maintained at 8 percent of what is expected to be a growing General Fund budget. But this annual growth will require much less in the way of available revenue growth annually. The forecast assumes constant staffing, and the 2.9 percent annual increase in the General Fund's share of property tax revenue as mentioned previously.

Over the five year period ending in FY 2023, the largest increase in annual General Fund expenses as compared with FY 2018 is in the pay increase category, a total of $4.4 million. This includes increases already approved for FY 2019 and a general two percent pay allowance for employees for the balance of the forecast period. The second largest cumulative increase in the annual budget for the five year period of the forecast is in the transfer to the Infrastructure and Debt Service fund. That amount will be approximately $1.8 million higher in FY 2023 than in FY 2018 with increases beginning FY 2021 simply tracking to the proportional change in the overall General Fund Budget.

GENERAL FUND BASELINE FORECAST
EXPENDITURES BY DEPARTMENT
FY 2019 - FY2023 ($THOUSANDS)

	FY 2018 Budget	FY 2018 Estimate	FY 2019 Base	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
General Government								
City Secretary	$547	$532	$532	$536	$548	$561	$573	$586
Elections	70	70	68	69	71	73	74	76
Municipal Court	760	755	755	763	781	799	817	837
City Manager	762	760	811	815	833	851	869	888
City Auditor	279	275	279	280	286	292	299	305
Legal	920	914	927	931	952	973	995	1,018
Human Resources	558	521	552	554	566	579	592	605
Transportation	800	800	580	593	606	619	633	647
Subtotal - General Government	**$4,695**	**$4,627**	**$4,504**	**$4,541**	**$4,643**	**$4,746**	**$4,852**	**$4,961**
Finance								
Administration	$295	$294	$378	$381	$389	$398	$406	$415
Accounting	948	941	966	972	994	1,017	1,041	1,065
Purchasing	272	271	245	246	252	257	263	270
Budget	293	297	367	368	376	384	393	402
Subtotal - Finance	**$1,807**	**$1,804**	**$1,956**	**$1,967**	**$2,011**	**$2,057**	**$2,103**	**$2,151**
Public Safety								
Police	$19,824	$19,985	$20,186	$20,248	$20,881	$21,374	$22,079	$22,594
Fire	11,180	11,318	11,446	11,477	11,752	12,033	12,321	12,616
Emergency Management	250	261	288	291	297	304	311	318
Emergency Medical Service	566	566	566	579	592	605	618	632
City Marshal	56	57	57	57	58	59	60	62
Subtotal - Public Safety	**$31,876**	**$32,186**	**$32,543**	**$32,651**	**$33,579**	**$34,374**	**$35,389**	**$36,222**
Public Works								
Streets	$1,418	$1,477	$1,688	$1,694	$1,738	$1,783	$1,829	$1,876
Traffic	2,139	2,022	2,082	2,118	2,167	2,217	2,268	2,320
Subtotal - Public Works	**$3,557**	**$3,499**	**$3,771**	**$3,813**	**$3,905**	**$3,999**	**$4,096**	**$4,196**
Parks and Recreation								
Administration	$865	$872	$883	$889	$911	$931	$952	$974
Parks and Parkways	1,996	1,950	2,007	2,020	2,070	2,119	2,170	2,222
Subtotal - Parks and Recreation	**$2,861**	**$2,822**	**$2,890**	**$2,909**	**$2,981**	**$3,051**	**$3,122**	**$3,195**
Developmental Services								
Planning	$1,174	$1,153	$1,148	$1,161	$1,187	$1,213	$1,240	$1,268
Code Enforcement	764	748	753	758	776	793	812	830
Building Inspection	617	625	673	674	690	706	722	739
Subtotal - Developmental Services	**$2,554**	**$2,526**	**$2,575**	**$2,593**	**$2,652**	**$2,712**	**$2,774**	**$2,837**
Non-Departmental/Central Accounts								
Civilian COLA	$254	$0	$255	$255	$260	$265	$271	$276
Vehicle Purchases	$1,427	$709	$1,000	$1,022	$750	$1,044	$1,067	$1,091
Governmental Expenditures	$357	$276	$265	$271	$277	$283	$290	$296
Facility Maintenance	$1,610	$1,608	$1,610	$1,639	$1,669	$1,700	$1,776	$1,860
Transfer to Separation Pay Fund	$416	$416	$416	$425	$425	$435	$435	$444
Pension setaside	$393	$69	$0	$0	$0	$0	$0	$0
Transfer to Infrastructure and/or Debt Service	$3,275	$3,275	$3,900	$3,900	$4,629	$4,775	$4,922	$5,073
Subtotal - Non-Departmental	**$7,733**	**$6,354**	**$7,447**	**$7,513**	**$8,011**	**$8,502**	**$8,760**	**$9,040**
Total General Fund	**$55,082**	**$53,817**	**$55,685**	**$55,988**	**$57,782**	**$59,441**	**$61,097**	**$62,603**

FY 2019-2023 LONG RANGE FINANCIAL PLAN
GENERAL DEBT SERVICE FUND

Overview of Assumptions

The General Debt Service Fund is the depository of property tax revenue collected to make all payments of principal and interest for purely property tax supported bonds. The Fund also includes as revenue transfers from the Infrastructure and Debt Service Fund to be used for tax supproted debt service payments as required to stabilize property tax rates. The Infrastructure and Debt Service Fund transfer amounts incorporated in the forecast below are based on a sufficient portion of each year's set aside of General Fund revenue to meet the goal of completing all projects in five years.

The property tax rate dedicated to the payment of debt service is assumed to begin the period at $0.05 per $100 of taxable value, two cents less than in FY 2018. As discussed in the General Fund Forecast, this "worst case scenario" compensates for what is expected to be the lack of normal growth in this year's property tax roll. It is expected to be addressed in part by reduced General Fund spending that is not a part of this forecast but is expected to be a part of the Proposed Budget.

GENERAL DEBT SERVICE FORECAST
FY 2018-2023 ($THOUSANDS)

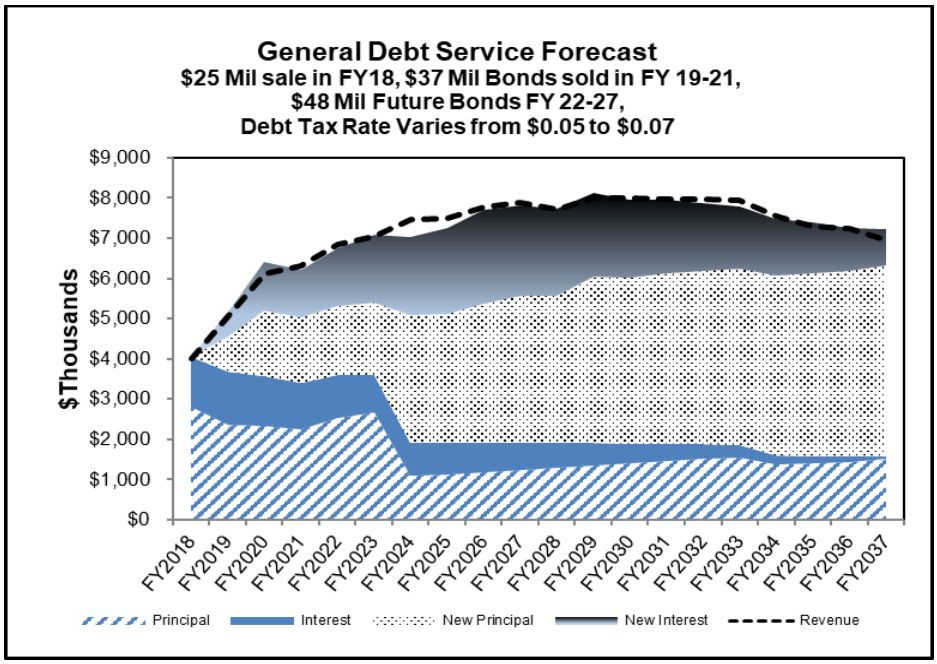
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
REVENUE						
Property Taxes	$3,960	$2,867	$3,280	$3,722	$4,193	$4,696
Infrastructure & Debt Service Fund Transfer	$0	$2,145	$2,778	$2,546	$2,626	$2,315
Interest Income	$35	$40	$45	$48	$37	$39
TOTAL REVENUE	**$3,995**	**$5,052**	**$6,103**	**$6,316**	**$6,856**	**$7,050**
EXPENSE						
Current Debt Service (includes 2017 Bonds)						
Principal	$2,818	$2,356	$2,339	$2,250	$2,543	$2,660
Interest	$1,232	$1,329	$1,236	$1,146	$1,054	$941
Paying Agent Fees	$5	$5	$5	$5	$5	$5
Subtotal Current Debt Service	**$4,055**	**$3,690**	**$3,580**	**$3,401**	**$3,602**	**$3,606**
Projected Future Bonds Debt Service						
Principal	$0	$872	$1,625	$1,647	$1,717	$1,793
Interest	$0	$629	$1,197	$1,172	$1,441	$1,691
Subtotal Future Bonds Debt Service	**$0**	**$1,501**	**$2,822**	**$2,819**	**$3,158**	**$3,484**
TOTAL EXPENSE	**$4,055**	**$5,191**	**$6,402**	**$6,220**	**$6,760**	**$7,090**
Revenue Over/(Under) Expense	**($60)**	**($139)**	**($299)**	**$96**	**$96**	**($40)**
Beginning Fund Balance	**$1,713**	**$1,653**	**$1,514**	**$1,215**	**$1,311**	**$1,407**
Ending Fund Balance	**$1,653**	**$1,514**	**$1,215**	**$1,311**	**$1,407**	**$1,366**
	FY2018	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**
Taxable Value ($millions)	**$5,686.1**	**$5,763.8**	**$5,994.4**	**$6,234.2**	**$6,483.6**	**$6,742.9**
Debt Service Tax Rate	**$0.070000**	**$0.050000**	**$0.055000**	**$0.060000**	**$0.065000**	**$0.070000**
Property Tax Growth	**6.0%**	**1.4%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Investment Pool Earnings Rate	**1.0%**	**1.5%**	**2.1%**	**2.6%**	**2.8%**	**2.8%**
General Fund Transfer to Infrastructure & Debt Service Fund	**$3,266.5**	**$3,900.0**	**$4,629.2**	**$4,629.2**	**$4,774.6**	**$4,629.2**
Percent I&DS Fund transferred to Debt Service Fund	**0.0%**	**55.0%**	**60.0%**	**55.0%**	**55.0%**	**50.0%**
Future Bond Issue ($000's) NOTE	**$0**	**$20,000**	**$17,000**	**$0**	**$8,000**	**$8,000**
Outstanding Principal ($000's) FY End	**$33,949**	**$50,721**	**$63,757**	**$59,860**	**$63,600**	**$67,147**
Overall Interest Rate	**3.09%**	**3.84%**	**4.09%**	**4.09%**	**4.09%**	**4.09%**
Interest Rate Diff with FY18 Rates	**0.00%**	**0.75%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**

2017 Bond Election and Future Bond Sales

In May, 2017, the voters approved the issuance of $62 million for street and drainage projects. In July, the City sold the first $25 million toward the bond election authorization, and these bond proceeds are expected to be fully appropriated for projects by the end of October 2018. Plans are underway, pending City Council approval, to sell an additional $20 million in October to keep the bond election project list on schedule. The first principal and interest payments for this issue will be due in FY 2019, and the schedule above reflects those payments.

Given current project schedules, and the goal of having all projects finished in five years, the remaining bond election authorization of $17 million would need to be sold in the August to October 2019 timeframe, at the start of FY 2020. The first payments for that sale are also reflected in the forecast for FY 2020. The forecast anticipates that the transfer from the Infrastructure and Debt Service Fund will need to be set at 55 percent in FY 2019, 60 percent in FY 2020, and 55 percent in FY 2021 and 2022. It can then be reduced to 50 percent in FY 2023 to pay the debt service required by these back to back sales as the property tax rate returns to its current level of $0.07 per $100 of taxable value.

After the May 2017 authorized bonds are sold, the forecast illustrates the effect of additional sales of $8 million annually beginning in FY 2022. This is to demonstrate that the city's capacity for tax supported debt service will not be exhausted by the issuance of the May 2017 voter authorized bonds.



Notable in the graph above are the following:

- The City's tax-supported debt that predates the May 2017 authorized issuances will be paid off in FY 2024.
- The contribution to debt service paid on future bonds by the Infrastructure and Debt Service Fund in the scenario presented here is set to ensure the ending Debt Service Fund balance is $1.2 to $1.6 million each year.
- The increase in payments for debt service on current debt in FY 2023 and 2024 presents a "spike" when uniform debt service allocations for a series of annual bond sales are layered on top

of the existing debt service payment in those same fiscal years. This has been smoothed by adjusting principal payments for several years' sales prior to the "spike."

- This forecast includes no new bond sales beyond FY 2027 and features how annual debt service payments decline after that time.
- The use of increased Infrastructure and Debt Service Fund monies to pay debt service still leaves a balance of $10.9 million available over the forecast for PAYGO projects, as compared with $12.5 million in last year's forecast.

GENERAL DEBT SERVICE FUND FORECAST
FY2018-2027 ($THOUSANDS)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
REVENUE										
Property Taxes	$3,960	$2,867	$3,280	$3,722	$4,193	$4,696	$4,884	$5,080	$5,283	$5,494
Infrastructure & Debt Service Fund Transfer	$0	$2,145	$2,778	$2,546	$2,626	$2,315	$2,538	$2,353	$2,423	$2,330
Interest Income	$35	$40	$45	$48	$37	$39	$38	$50	$56	$66
TOTAL REVENUE	**$3,995**	**$5,052**	**$6,103**	**$6,316**	**$6,856**	**$7,050**	**$7,460**	**$7,483**	**$7,762**	**$7,890**
EXPENSE										
Current Debt Service (includes 2017 Bonds)										
Principal	$2,818	$2,356	$2,339	$2,250	$2,543	$2,660	$1,093	$1,134	$1,182	$1,240
Interest	$1,232	$1,329	$1,236	$1,146	$1,054	$941	$823	$778	$731	$672
Paying Agent Fees	$5	$5	$5	$5	$5	$5	$5	$5	$5	$5
Subtotal Current Debt Service	**$4,055**	**$3,690**	**$3,580**	**$3,401**	**$3,602**	**$3,606**	**$1,921**	**$1,917**	**$1,918**	**$1,917**
Projected Future Bonds Debt Service										
Principal	$0	$872	$1,625	$1,647	$1,717	$1,793	$3,175	$3,209	$3,151	$3,950
Interest	$0	$629	$1,197	$1,173	$1,442	$1,692	$1,933	$2,141	$2,349	$2,272
Subtotal Future Bonds Debt Service	**$0**	**$1,501**	**$2,822**	**$2,820**	**$3,159**	**$3,485**	**$5,108**	**$5,350**	**$5,500**	**$6,222**
TOTAL EXPENSE	**$4,055**	**$5,191**	**$6,402**	**$6,221**	**$6,761**	**$7,091**	**$7,029**	**$7,267**	**$7,418**	**$8,139**
Revenue Over/(Under) Expense	**($60)**	**($139)**	**($299)**	**$95**	**$95**	**($41)**	**$431**	**$216**	**$344**	**($249)**
Beginning Fund Balance	**$1,713**	**$1,653**	**$1,514**	**$1,215**	**$1,310**	**$1,405**	**$1,363**	**$1,794**	**$2,010**	**$2,354**
Ending Fund Balance	**$1,653**	**$1,514**	**$1,215**	**$1,310**	**$1,405**	**$1,363**	**$1,794**	**$2,010**	**$2,354**	**$2,105**
	FY2018	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**
Taxable Value ($millions)	**$5,686.1**	**$5,763.8**	**$5,994.4**	**$6,234.2**	**$6,483.6**	**$6,742.9**	**$7,012.6**	**$7,293.1**	**$7,584.8**	**$7,888.2**
Debt Service Tax Rate	**$0.070000**	**$0.050000**	**$0.055000**	**$0.060000**	**$0.065000**	**$0.070000**	**$0.070000**	**$0.070000**	**$0.070000**	**$0.070000**
Property Tax Growth	**6.0%**	**1.4%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Investment Pool Earnings Rate	**1.0%**	**1.5%**	**2.1%**	**2.6%**	**2.8%**	**2.8%**	**2.8%**	**2.8%**	**2.8%**	**2.8%**
General Fund Transfer to Infrastructure & Debt Service Fund	**$3,266.5**	**$3,900.0**	**$4,629.2**	**$4,629.2**	**$4,774.6**	**$4,629.2**	**$5,075.8**	**$5,228.1**	**$5,385.0**	**$5,546.5**
Percent I&DS Fund transferred to Debt Service Fund	**0.0%**	**55.0%**	**60.0%**	**55.0%**	**55.0%**	**50.0%**	**50.0%**	**45.0%**	**45.0%**	**42.0%**
Future Bond Issue ($000's) NOTE	**$0**	**$20,000**	**$17,000**	**$0**	**$8,000**	**$8,000**	**$8,000**	**$8,000**	**$8,000**	**$8,000**
Outstanding Principal ($000's) FY End	**$33,949**	**$50,721**	**$63,757**	**$59,860**	**$63,600**	**$67,147**	**$70,879**	**$74,536**	**$78,203**	**$81,013**
Overall Interest Rate	**3.09%**	**3.84%**	**4.09%**	**4.09%**	**4.09%**	**4.09%**	**4.09%**	**4.09%**	**4.09%**	**4.09%**
Interest Rate Diff with FY18 Rates	**0.00%**	**0.75%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**
Future Debt Service Schedules	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**
Principal										
FY2019		$872	$884	$896	$756	$720	$1,082	$1,144	$958	$972
FY2020			$741	$751	$762	$770	$782	$792	$802	$814
FY2021				$0	$0	$0	$0	$0	$0	$0
FY2022					$199	$204	$358	$362	$368	$373
FY2023						$99	$604	$208	$212	$368
FY2024							$349	$354	$108	$362
FY2025								$349	$354	$358
FY2026									$349	$354
FY2027										$349
Subtotal Principal	**$0**	**$872**	**$1,625**	**$1,647**	**$1,717**	**$1,793**	**$3,175**	**$3,209**	**$3,151**	**$3,950**
Interest										
FY2019		$629	$614	$597	$579	$563	$546	$519	$490	$464
FY2020			$583	$576	$562	$546	$528	$508	$486	$461
FY2021				$0	$0	$0	$0	$0	$0	$0
FY2022					$301	$299	$295	$287	$278	$268
FY2023						$284	$283	$272	$268	$263
FY2024							$281	$278	$272	$270
FY2025								$277	$274	$268
FY2026									$281	$278
FY2027										$277
Subtotal Interest	**$0**	**$629**	**$1,197**	**$1,173**	**$1,442**	**$1,692**	**$1,933**	**$2,141**	**$2,349**	**$2,272**
Total by Year										
FY2018										
FY2019		$1,501	$1,498	$1,493	$1,335	$1,283	$1,628	$1,663	$1,448	$1,436
FY2020			$1,324	$1,327	$1,324	$1,316	$1,310	$1,300	$1,288	$1,275
FY2021				$0	$0	$0	$0	$0	$0	$0
FY2022					$500	$503	$653	$649	$646	$641
FY2023						$383	$887	$480	$480	$631
FY2024							$630	$632	$380	$632
FY2025								$626	$628	$626
FY2026									$630	$632
FY2027										$277
Subtotal by Year	**$0**	**$1,501**	**$2,822**	**$2,820**	**$3,159**	**$3,485**	**$5,108**	**$5,350**	**$5,500**	**$6,150**

GENERAL DEBT SERVICE FUND FORECAST
FY2028-2037 ($THOUSANDS)

	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037
REVENUE										
Property Taxes	$5,656	$5,883	$6,118	$6,363	$6,617	$6,882	$7,157	$7,231	$7,188	$6,901
Infrastructure & Debt Service Fund Transfer	$2,000	$2,060	$1,818	$1,561	$1,286	$993	$341	$0	$0	$0
Interest Income	$59	$56	$55	$55	$56	$58	$62	$64	$61	$61
TOTAL REVENUE	**$7,715**	**$7,999**	**$7,991**	**$7,979**	**$7,959**	**$7,933**	**$7,560**	**$7,295**	**$7,249**	**$6,962**
EXPENSE										
Current Debt Service (includes 2017 Bonds)										
Principal	$1,293	$1,352	$1,411	$1,463	$1,516	$1,559	$1,380	$1,410	$1,445	$1,505
Interest	$610	$545	$478	$410	$353	$292	$230	$174	$118	$60
Paying Agent Fees	$5	$5	$5	$5	$5	$5	$5	$5	$5	$5
Subtotal Current Debt Service	**$1,908**	**$1,902**	**$1,894**	**$1,878**	**$1,874**	**$1,856**	**$1,615**	**$1,589**	**$1,563**	**$1,570**
Projected Future Bonds Debt Service										
Principal	$3,755	$4,060	$4,119	$4,249	$4,309	$4,398	$4,463	$4,555	$4,625	$4,747
Interest	$2,172	$2,070	$1,953	$1,829	$1,695	$1,553	$1,402	$1,244	$1,080	$910
Subtotal Future Bonds Debt Service	**$5,927**	**$6,130**	**$6,072**	**$6,078**	**$6,004**	**$5,951**	**$5,865**	**$5,799**	**$5,705**	**$5,657**
TOTAL EXPENSE	**$7,835**	**$8,032**	**$7,966**	**$7,956**	**$7,878**	**$7,807**	**$7,480**	**$7,388**	**$7,268**	**$7,227**
Revenue Over/(Under) Expense	**($120)**	**($33)**	**$25**	**$23**	**$81**	**$126**	**$80**	**($93)**	**($19)**	**($265)**
Beginning Fund Balance	**$2,105**	**$1,984**	**$1,951**	**$1,976**	**$1,998**	**$2,079**	**$2,206**	**$2,286**	**$2,193**	**$2,174**
Ending Fund Balance	**$1,984**	**$1,951**	**$1,976**	**$1,998**	**$2,079**	**$2,206**	**$2,286**	**$2,193**	**$2,174**	**$1,909**
	FY2028	**FY2029**	**FY2030**	**FY2031**	**FY2032**	**FY2033**	**FY2034**	**FY2035**	**FY2034**	**FY2035**
Taxable Value ($millions)	**$8,203.7**	**$8,531.8**	**$8,873.1**	**$9,228.0**	**$9,597.1**	**$9,981.0**	**$10,380.2**	**$10,795.4**	**$11,227.2**	**$11,676.3**
Debt Service Tax Rate	**$0.070000**	**$0.070000**	**$0.070000**	**$0.070000**	**$0.070000**	**$0.070000**	**$0.070000**	**$0.068000**	**$0.065000**	**$0.060000**
Property Tax Growth	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**	**4.0%**
Investment Pool Earnings Rate	**2.8%**	**2.8%**	**2.8%**	**2.8%**	**2.8%**	**2.8%**	**2.8%**	**2.8%**	**2.8%**	**2.8%**
General Fund Transfer to Infrastructure & Debt Service Fund	**$5,712.9**	**$5,884.3**	**$6,060.8**	**$6,242.6**	**$6,429.9**	**$6,622.8**	**$6,821.5**	**$7,026.1**	**$7,236.9**	**$7,454.0**
Percent I&DS Fund transferred to Debt Service Fund	**35.0%**	**35.0%**	**30.0%**	**25.0%**	**20.0%**	**15.0%**	**5.0%**	**0.0%**	**0.0%**	**0.0%**
Future Bond Issue ($000's) NOTE	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Outstanding Principal ($000's) FY End	**$75,965**	**$70,553**	**$65,023**	**$59,311**	**$53,486**	**$47,529**	**$41,686**	**$35,721**	**$29,651**	**$23,399**
Overall Interest Rate	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**	**3.83%**
Interest Rate Diff with FY18 Rates	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**	**1.00%**
Future Debt Service Schedules	**FY2028**	**FY2029**	**FY2030**	**FY2031**	**FY2032**	**FY2033**	**FY2034**	**FY2035**	**FY2036**	**FY2037**
Principal										
FY2019	$986	$1,000	$1,016	$1,030	$1,046	$1,064	$1,080	$1,098	$1,116	$1,134
FY2020	$826	$838	$850	$864	$876	$889	$904	$918	$933	$949
FY2021	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2022	$378	$383	$389	$464	$470	$476	$482	$488	$496	$502
FY2023	$373	$378	$383	$389	$394	$400	$406	$412	$418	$476
FY2024	$368	$373	$378	$383	$389	$419	$425	$431	$437	$443
FY2025	$362	$368	$373	$378	$383	$389	$394	$400	$406	$412
FY2026	$108	$362	$368	$373	$378	$383	$389	$419	$425	$431
FY2027	$354	$358	$362	$368	$373	$378	$383	$389	$394	$400
Subtotal Principal	**$3,755**	**$4,060**	**$4,119**	**$4,249**	**$4,309**	**$4,398**	**$4,463**	**$4,555**	**$4,625**	**$4,747**
Interest										
FY2019	$435	$405	$373	$340	$305	$266	$225	$182	$139	$94
FY2020	$434	$406	$376	$344	$311	$277	$241	$204	$166	$127
FY2021	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2022	$257	$245	$232	$219	$202	$185	$167	$148	$128	$108
FY2023	$253	$242	$230	$217	$204	$190	$175	$159	$143	$126
FY2024	$261	$251	$240	$228	$215	$202	$187	$171	$154	$137
FY2025	$260	$251	$241	$230	$218	$205	$192	$178	$163	$147
FY2026	$272	$270	$261	$251	$240	$228	$215	$202	$187	$171
FY2027	$274	$268	$260	$251	$241	$230	$218	$205	$192	$178
Subtotal Interest	**$2,172**	**$2,070**	**$1,953**	**$1,829**	**$1,695**	**$1,553**	**$1,402**	**$1,244**	**$1,080**	**$910**
Total by Year										
FY2018										
FY2019	$1,421	$1,405	$1,389	$1,370	$1,351	$1,330	$1,305	$1,280	$1,255	$1,228
FY2020	$1,260	$1,244	$1,226	$1,208	$1,187	$1,166	$1,145	$1,122	$1,099	$1,076
FY2021	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FY2022	$635	$628	$621	$683	$672	$661	$649	$636	$624	$610
FY2023	$626	$620	$613	$606	$598	$590	$581	$571	$561	$602
FY2024	$629	$624	$618	$611	$604	$621	$612	$602	$591	$580
FY2025	$622	$619	$614	$608	$601	$594	$586	$578	$569	$559
FY2026	$380	$632	$629	$624	$618	$611	$604	$621	$612	$602
FY2027	$274	$268	$260	$251	$241	$230	$218	$205	$192	$178
Subtotal by Year	**$5,573**	**$5,772**	**$5,710**	**$5,710**	**$5,631**	**$5,573**	**$5,482**	**$5,410**	**$5,311**	**$5,257**

FY 2019-2023 LONG RANGE FINANCIAL FORECAST
COMBINED UTILITY SYSTEM FUND

Overview

As a part of the Proposed FY 2019 Budget, it is recommended that the Waterworks and Sewer System Enterprise Funds be combined into one Combined Utility System Fund. The FY 2019-2023 Forecast presents these two funds as a single fund in which water and sewer revenue and costs will be kept separate for cost accounting purposes. Cash and fund balances will be pooled to meet bond coverage requirements, and the full cost of the closely related systems will be reported in the budget and financial reports as one.

LONG RANGE FINANCIAL FORECAST
COMBINED UTILITY SYSTEM FUND SUMMARY ($000's)

	FY 2018 Estimate	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
Beginning Fund Balance(1)	**$13,190**	**$12,308**	**$11,977**	**$10,567**	**$10,087**	**$9,073**
Water Revenue	$20,712	$21,122	$21,333	$21,756	$22,186	$22,626
Wastewater Revenue	$15,569	$15,882	$16,045	$16,209	$16,376	$16,544
Potential Rate Increase Revenue (2)	$0	$1,554	$3,234	$5,381	$7,026	$6,716
Total Revenue	**$36,281**	**$38,558**	**$40,611**	**$43,346**	**$45,588**	**$45,885**
Operating Expenses:						
City Water M&O	$6,604	$6,856	$7,175	$7,537	$7,853	$8,194
City Wastewater M&O	$10,360	$9,814	$10,144	$10,527	$11,685	$11,434
Cost of Water (2)	$10,972	$11,950	$12,122	$12,564	$13,026	$10,446
Subtotal Operating Expense	**$27,936**	**$28,620**	**$29,440**	**$30,627**	**$32,563**	**$30,074**
Debt Service:						
Existing Debt	$6,694	$6,676	$6,537	$5,946	$5,737	$3,347
New Debt (3)	$0	$577	$2,084	$3,789	$4,972	$7,242
Subtotal Debt Service	**$6,694**	**$7,252**	**$8,621**	**$9,735**	**$10,708**	**$10,589**
Transfer to Water Improvement Fund	$1,178	$1,264	$1,460	$964	$830	$610
Transfer to Wastewater Improvement Fund	$1,355	$1,754	$2,500	$2,500	$2,500	$2,500
Subtotal Transfer to Improvement Funds	**$2,533**	**$3,018**	**$3,960**	**$3,464**	**$3,330**	**$3,110**
Total Expense	**$37,162**	**$38,890**	**$42,021**	**$43,826**	**$46,601**	**$43,772**
Revenue Over/(Under) Expense	**($881)**	**($332)**	**($1,409)**	**($481)**	**($1,014)**	**$2,113**
Ending Fund Balance	**$12,308**	**$11,977**	**$10,567**	**$10,087**	**$9,073**	**$11,186**
90 Day Reserve	**$9,163**	**$9,589**	**$10,361**	**$10,807**	**$11,491**	**$10,793**
Ending Balance Over/(Under) 90 Days	**$3,145**	**$2,387**	**$206**	**($720)**	**($2,418)**	**$393**

Notes;

(1) Combined Waterworks Fund and Sewer Fund Beginning Balances

(2) Rate increases required to pay principal and interest on new bonds and cumulative increases in Cost of Water

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
New Debt	$577	$1,507	$1,705	$1,183	$2,270
Gulf Coast Water Authority (Cost of Water increasing at 5 percent per year)	$978	$172	$442	$462	($2,580)
Net Annual Increase	**$1,554**	**$1,679**	**$2,147**	**$1,645**	**($310)**
Annual Percent Increase in Revenue/Rates	**4.28%**	**4.54%**	**5.74%**	**4.33%**	**-0.80%**
Cumulative Increase	$1,554	$3,234	$5,381	$7,026	$6,716

(3) New bond sales are projected to support the Capital Improvement Plan as follows ($thousands):

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Water Program Projects	$15,046	$12,682	$24,216	$15,058	$19,153
Sewer Program Projects	$0	$6,646	$3,552	$4,206	$17,815
Total Bond Sales	**$15,046**	**$19,328**	**$27,768**	**$19,264**	**$36,968**

Combined Utility System Fund

Combining the two major utility funds is advantageous for several reasons:

1. It is consistent with the sale of long-term bonds for water and wastewater systems that are most commonly purposed to fund capital improvements to both systems. The City of Galveston's water and wastewater bond sales are conducted in this fashion, requiring rating

agencies, city staff and interested investors to review two sets of financial records in determining how to rate and whether to purchase the bonds. The City's financial advisors, Hutchinson Shockey Erley & Co. support the funds consolidation recommendation.

2. A single set of financial records from a consolidated fund will make for more efficiency in accounting and auditing as well. The City's auditors, Whitley Penn, support the consolidation.
3. Records for water and sewer system revenue and expense will be maintained separately, to support cost allocation and rate studies. This will continue to make rate setting and financial reporting transparent to system customers and the general public.
4. Consolidated utility systems funds are a "best practice" in use in the following local cities: Pearland, Pasadena, La Marque, League City, Alvin, Angleton, Beaumont, Rosenberg, Seabrook, Sugar Land, Baytown and Friendswood. Of the cities surveyed who run their own water and wastewater systems, only one, Texas City maintains separate funds for each system like the City of Galveston does.

It is contemplated that the combined fund would be a part of the Proposed FY 2019 Budget, and the Comprehensive Annual Financial Report for FY 2018 would be prepared using the consolidated fund approach as well.

Capital Investments and Rates

In FY 2016, the City began an active program of addressing critical and unmet capital needs in the City's water and wastewater systems. This took the form of additional cash being set aside for "pay as you go" capital project costs as well as additional revenue to pay the cost of debt service on revenue supported bonds. Also in FY 2016, the Gulf Coast Water Authority (GCWA) increased the city's cost of water by $2.2 million for the following reasons.

1. Additional water supply acquired by GCWA - $774,000;
2. Capital renewal (some deferred) in the Thomas Mackey Water Purification Plant that serves the City of Galveston - $445,000;
3. Ongoing Mackey plant operating costs that were funded in prior years with GCWA cash reserves that are no longer available - $495,000; and
4. Review of and capital investment in the City of Galveston water supply lines that come from the mainland - $494,000.

The need for rate increases has been reviewed annually and the water and sewer rate structure that was implemented effective October 1, 2015 is still in place today. The principle behind the 2015 increase was to cover price increases passed through by Gulf Coast Water Authority and the cost of implementing the CIP, including principal and interest on new bonds. The projected increases in revenue that would cover increases in GCWA's cost and new bonds require some form of rate or fee increase can be deferred or funded in several ways.

1. An across-the-board increase in all fees and charges to all classes of customers;
2. Increases to certain classes of customers;
3. Adjustments to base charges alone, that cover the cost of access to the system;
4. Increases in special fees and charges based on the cost of the service involved (i.e. meter installation, later payment fees, et al);
5. Cancellation or rescheduling of specific CIP projects;
6. Reductions in the City's cost of maintaining and operating the system;
7. Improved collections of receivables; or
8. Some combination of any or all of the above.

Included in the projections are savings from the leak discovered last November as shown below:

Contract Category	FY 2018 Budget	FY 2018 Budget Estimate	Unaffected	Affected	Comment
Contract Bond Payments					
GCWA Bonds 2011A (1998)	$2,443,518	$2,443,518	$2,443,518	$0	Fixed payment schedule
GCWA Bonds 2012 (2002)	$861,027	$861,027	$861,027	$0	Fixed payment schedule
GCWA Bonds 2016A	$230,711	$230,711	$230,711	$0	Fixed payment schedule
Subtotal - GCWA Bond Payments	**$3,535,256**	**$3,535,256**	**$3,535,256**	**$0**	Fixed payment schedule
Water Purchase (Note)					
Raw Water	$2,107,657	$2,107,657	$2,107,657		COG rights to 20.99 MGD
Capital Outlay & Replacements	$1,592,411	$1,592,411	$1,592,411		Plant improvements & repairs 20.99 MGD
Maintenance and Operations	$2,945,660	$2,424,000	$0	$2,424,000	Based on 14.125 MGD per day in FY17 versus 11.625 MGD in FY18
Subtotal M&O	**$6,645,728**	**$6,124,068**	**$3,700,068**	**$2,424,000**	
Other Costs					
Distribution TMWTP South Line	$602,699	$602,699	$602,699	$0	COG rights to 20.99 MGD
Causeway M&O	$69,769	$69,769	$69,769	$0	
Causeway Capital	$640,000	$640,000	$640,000	$0	
Subtotal - Other Costs	**$1,312,468**	**$1,312,468**	**$1,312,468**	**$0**	
Totals	**$11,493,452**	**$10,971,792**	**$8,547,792**	**$2,424,000**	

The long-term water loss was stopped immediately, and the year-over-year difference in consumption is estimated at between 2 and 3 million gallons per day based on a daily comparison of GCWA water purchased by the City. The variable cost savings applies to the portion of GCWA's water bill to the City that is based on the volume of water purchased. Almost eighty percent of GCWA's charges to the City is fixed (e.g. debt service payments on bonds issued for the City's share of the system, raw water supply, and capital outlay). Of the remaining one fifth, $2.4 million, approximately $522,000 is estimated to be the annual savings from having stopped the leak. This is based on the assumption that the savings will average 2.5 million gallons per day annually. FY 2019 GCWA costs in the Forecast are based on preliminary information received from GCWA. They are expected to be well within the range of GCWA's final numbers and are presented here for discussion purposes. Final rates, and the proposed CIP will be under discussion and review as we move into July.

Rates and Charges

The City's rate consultant, Stantec, is reviewing the City's cost of service for a variety of special services and will present this information so that it is available along with water and sewer rates themselves. We expect to present alternatives to the tiered rate structure currently in place to relieve rate pressure and still cover the increased costs associated with repair, replacement and improvement of the city's water and sewer capital infrastructure. The following is preliminary information for discussion only.

FY 2019 Impact on
500 Cubic Feet Customer

Service	Current	Forecast	Increase
Water	$17.64	$18.40	$0.76
Sewer	$30.20	$31.49	$1.29
Total	$47.84	$49.89	**$2.05**
	Percent Change		4.28%

FY 2019-2023 LONG RANGE FINANCIAL FORECAST
SPECIAL ISSUE: HOTEL OCCUPANCY TAX AND
THE CONVENTION CENTER SURPLUS FUND
(REVISED JUNE 19, 2018)

The City's "trickle down" funds, deposited in the Convention Center Surplus Fund, is the amount that reverts to the City after key distributions are made to the Park Board, debt service on the convention center bonds, and convention center operations. The distribution of the Hotel Occupancy Tax is well known but the results are rarely seen in a single place. This excerpt from the FY 2019-2023 Long Range Financial Forecast is specifically intended to show that distribution as projected conservatively for the FY 2019-2023 period while demonstrating that the City's share is growing and continual planning is needed to make productive use of these funds. ***This revision shows that the Convention Center Surplus Fund will end FY 2019 with a positive balance, but strategic decisions regarding its use will be required from FY 2020 to FY 2023.***

LONG RANGE FINANCIAL FORECAST
HOTEL OCCUPANCY TAX PROJECTIONS
FY 2019-2023, ($000'S)

Category	FY 2018 Estimate	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
SOURCES						
Local Hotel Occupanct Taxes	$18,038	$19,542	$20,632	$21,507	$22,344	$23,249
State Hotel Occupancy Taxes (Local Share)	$3,570	$3,863	$4,184	$4,418	$4,604	$4,784
TOTAL SOURCES	**$21,608**	**$23,405**	**$24,816**	**$25,925**	**$26,948**	**$28,033**
USES						
Park Board						
Advertising (1)	$6,013	$6,514	$6,877	$7,169	$7,448	$7,750
Beach Maint/Patrol (2)	$5,867	$6,355	$6,710	$6,994	$7,267	$7,563
Subtotal Parks Board	**$13,174**	**$14,065**	**$14,905**	**$15,694**	**$16,483**	**$16,483**
Convention Center						
Convention Center Operations (3)	$480	$480	$480	$480	$480	$480
CC Operator and Developer Fees (4)	$125	$125	$125	$125	$125	$125
CC Capital Improvements(5)	***$922***	***$1,060***	***$1,090***	***$1,000***	***$900***	***$1,050***
CC Budget for Arts (6)	$251	$271	$287	$299	$310	$323
CC Surplus Allocation (7)	$2,411	$2,697	$2,927	$3,108	$3,295	$3,496
Subtotal CC Operator	**$4,189**	**$4,633**	**$4,909**	**$5,012**	**$5,110**	**$5,474**
City						
Arts Council (8)	$1,503	$1,628	$1,719	$1,792	$1,862	$1,937
Transfer to Historical Bldgs Special Fund (9)	***$251***	***$271***	$287	$299	$310	$323
CC HOT Debt Service (10)	$1,768	$1,788	$1,811	$1,837	$1,866	$1,886
City Surplus Allocation (11)	***$2,311***	***$2,597***	$2,827	$3,008	$3,195	$3,396
Subtotal City	**$4,330**	**$4,656**	**$4,925**	**$5,144**	**$5,371**	**$5,605**
TOTAL USES	**$21,567**	**$23,026**	**$24,399**	**$25,690**	**$26,983**	**$26,983**
HOT Growth Assumption	8.2%	8.3%	5.6%	4.2%	3.9%	4.1%
City Surplus Allocation Growth Percentage	4.5%	12.4%	8.9%	6.4%	6.2%	6.3%
HOT Allocation to Convention Center M&O and Debt Service	**$7,407**	**$8,017**	**$8,685**	**$9,169**	**$9,559**	**$9,931**

Notes:
(1) Equal to 3% of the 9% local tax.
(2) Equal to 1% of the 9% local tax and includes the State tax allocation to the City (2% of the 6% total).
(3) Monthly transfer in the aggregate amount of $40k. (distributed from 4% referenced in #9)
(4) Annual allocation to developer. (distibuted from 4% referenced in #9)
(5) Convention Center Capital Improvements paid by operator and reimbursed from reserves that are then replenished with current year HOT revenue.
(6) Equal to 0.125% of the 9% local tax.
(7) Unexpended balance comprises the majority of the surplus.
(8) Equal to 0.75% of the 9% local tax.
(9) Equal to 0.125% of the 9% local tax.
(10) Bond covenant allocates 4% of the 9% to Debt Service and related reserves. (See last line of chart above.) Debt
(11) Unexpended balance comprises the majority of the surplus.

The lion's share of HOT proceeds goes to the Park Board, totaling $14 million in FY 2019. The Convention Center Capital Improvements category is for major maintenance and replacement items that

are authorized by the Convention Center development and operations agreement. Funds for a list of specific qualified projects are approved by the Galveston Island Convention Center oversight committee. The amounts used in the Forecast come from a detailed planning list provided by the committee. The City's share of the HOT proceeds that "trickle down" is growing faster than the total HOT proceeds are for a simple reason: debt service payments on the convention center are basically flat, leaving a progressively larger balance remaining each year. However, with that said, maintenance costs and capital asset sustainability costs are increasing as the building and its fixtures age. These costs introduce unknowns into the City's ability to forecast the net funding that will flow to the City following all associated uses.

LONG RANGE FINANCIAL FORECAST
CONVENTION CENTER SURPLUS FUND HISTORY
FY 2013-2018, ($000'S)

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimate
REVENUE						
Convention Center Surplus (Hotel Occupancy Taxes)	$1,154	$1,565	$1,978	$3,251	$2,154	$2,311
SUBTOTAL - HOT REVENUE	**$1,154**	**$1,565**	**$1,978**	**$3,251**	**$2,154**	**$2,311**
EXPENDITURES						
Special Events (City)						
Mardi Gras	$315	$327	$250	$160	$251	$248
Special Events Services (City)	0	40	40	50	79	94
Subtotal - Special Events (City)	**$315**	**$367**	**$290**	**$210**	**$330**	**$342**
Seawall and Related Activities (City)						
Sawall Police Services	$0	$0	$0	$0	$0	$350
Seawall Parking (Capital Outlay)	470	0	74	0	0	0
Seawall Parking Operations/ Enforcement	96	172	183	19	0	0
Seawall Litter Detail	42	35	0	0	0	0
Seawall Amenities Match	0	7	0	0	0	0
Restrooms Operations & Maintenance	0	39	46	23	4	20
Economic Study	0	0	0	0	9	0
West End Beach Access Cans	2	49	10	0	0	0
Subtotal SeawallActivities (City)	**$610**	**$302**	**$313**	**$42**	**$13**	**$370**
Park Board						
Downtown Advertising	100	100	100	40	0	0
Advertising	0	400	0	0	0	0
West End Beach Trash Removal	0	0	300	300	300	300
Seawall Litter Detail	0	35	100	100	100	100
Cultural Arts District	2	16	0	0	0	0
Shoreline/Beach Services	0	20	10	0	0	0
East End Lagoon Operations & Maintenance	0	0	75	75	75	0
Transportation Study	0	0	30	0	0	0
Subtotal - Park Board Activities	**$102**	**$571**	**$615**	**$515**	**$475**	**$400**
Island Transit						
Trolley Bus Operations	0	0	0	0	200	560
Transportation Study	0	0	0	0	54	113
Seawall Boulevard Improvements Phase II (TxDOT Overlay Project)	0	0	0	466	0	0
Trolley System Track Repair Project	0	0	0	240	238	0
Trolley Car Bus Purchases	0	0	0	0	810	0
Trolley Rail Car Restoration Project	0	0	0	0	1,978	101
Trolley Maintenance Building	0	0	0	0	162	0
Trolley Project Management & Design	0	0	0	0	200	0
Trolley System Reserve	0	0	0	0	200	200
Subtotal Island Transit	**0**	**0**	**0**	**706**	**3,842**	**974**
Historic Preservation/Promotion Activities						
Historic Broadway Median Replanting Project	0	0	0	1,966	0	0
Historic Broadway Lighting Improvements	0	0	0	0	0	0
Historic City Hall Remodeling	0	0	0	0	0	0
Subtotal - Historic Preservation/Promotion Activities	**0**	**0**	**0**	**1,966**	**0**	**0**
Other Costs						
Capital Reserve/Grant Contingency	**0**	**0**	**0**	**0**	**0**	**26**
Revenue Bond/Bank Fees	0	3	4	4	0	0
Subtotal - Other Costs	**0**	**3**	**4**	**4**	**0**	**26**
SUBTOTAL - EXPENDITURES	**$1,027**	**$1,243**	**$1,222**	**$3,443**	**$4,660**	**$2,112**
REVENUE OVER/ (UNDER) EXPENDITURES	**$127**	**$322**	**$756**	**($192)**	**($2,506)**	**$199**
BEGINNING FUND BALANCE	**$2,361**	**$2,488**	**$2,810**	**$3,566**	**$3,374**	**$868**
ENDING FUND BALANCE	**$2,488**	**$2,810**	**$3,566**	**$3,374**	**$868**	**$1,067**

In FY 2016, the City Finance Department made a one-time adjustment to its "trickle down" revenue by changing to a modified accrual basis of accounting for its share of the Hotel Occupancy Tax revenue.

The five year forecast below includes allocations for the program categories deemed eligible for HOT funding through the Convention Center Surplus Fund. This includes spending for special events (including Mardi Gras which is costing less than before), Seawall programs and activities, and Park Board programs and activities total approximately $800,000 per year, leaving residual funds for use in transit, historical preservation and other HOT-eligible projects.

LONG RANGE FINANCIAL FORECAST
CONVENTION CENTER SURPLUS FUND FORECAST
FY 2018-2023, ($000'S)
REVISED JUNE 19, 2018

Category	FY 2018 Estimate	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
REVENUE						
Convention Center Surplus (Hotel Occupancy Taxes)	$2,311	$2,597	$2,827	$3,008	$3,195	$3,396
SUBTOTAL - HOT REVENUE	**$2,311**	**$2,597**	**$2,827**	**$3,008**	**$3,195**	**$3,396**
EXPENDITURES						
Special Events (City)	**$342**	**$342**	**$342**	**$342**	**$342**	**$342**
Seawall Activities (City)	**$20**	**$20**	**$20**	**$21**	**$21**	**$22**
Seawall Police Service (See note below)	**$350**	**$440**	**$449**	**$458**	**$467**	**$476**
Park Board Contract Activities	**$400**	**$300**	**$300**	**$300**	**$300**	**$300**
Island Transit						
Rail Trolley System Operations	0	478	975	995	1,015	1,035
Rail Trolley System Maintenance	301	50	50	50	50	50
Bus Trolley System Operations	560	673	686	700	714	728
Transportation Study	113	0	0	0	0	0
Subtotal - Trolley System	**$974**	**$1,201**	**$1,712**	**$1,745**	**$1,779**	**$1,813**
Historic Preservation						
Historic Broadway Lighting Improvements	0	400	0	0	0	0
Historic City Hall Remodeling	0	400	0	0	0	0
Subtotal - Historic Preservation	**$0**	**$800**	**$0**	**$0**	**$0**	**$0**
Reserves and Other Costs	**$26**	**$125**	**$798**	**$762**	**$919**	**$1,115**
SUBTOTAL - EXPENDITURES	**$2,112**	**$3,228**	**$3,621**	**$3,628**	**$3,828**	**$4,068**
REVENUE OVER/ (UNDER) EXPENDITURES	**$199**	**($631)**	**($794)**	**($620)**	**($633)**	**($672)**
BEGINNING FUND BALANCE	**$868**	**$1,067**	**$436**	**($358)**	**($978)**	**($1,611)**
ENDING FUND BALANCE	**$1,067**	**$436**	**($358)**	**($978)**	**($1,611)**	**($2,283)**

Note: The Seawal Police Services line was inadvertenly excluded from the "SUBTOTAL - EXPENDITURES" line in the original Forecast ocument published on June 15, 2018.

The forecast above demonstrates how the City's "trickle down" monies can be used to fund bus trolley operations for all of FY 2019 and rail trolley operations beginning in spring 2019, as well as a full twelve months of operating the Seawall Police District implemented in January 2018. The allocations above also assume that the City's $100,000 in funding for the Park Board's Seawall litter removal service will be funded from net Seawall parking revenue beginning in FY 2019.

Beginning in FY 2020, given the revenue assumptions used to arrive at the City's "trickle-down" share of the Hotel Occupancy Tax and the HOT allocations to the Park Board, Convention Center and City in this forecast, decisions will have to be made that balance the Convention Center Surplus Fund beginning in FY 2020. This will involve conversations with the Convention Center operator to ensure that the Convention Center capital improvements for the FY 2020-2023 period are adequately supported and that best use is made of available Hotel Occupancy Tax fundds.

FY 2019-2023 LONG RANGE FINANCIAL FORECAST
EXPENDITURE GROWTH ASSUMPTIONS

Expenditure Forecast Approach

Like the revenue forecast, expenditures begin with a base for FY 2019 that is the FY 2018 Estimate adjusted for increases in ongoing costs and deductions for one-time costs.

Expenditure Growth Assumptions

General Fund expenditures are increased in this forecast using the percent change assumptions shown below. They are based on the idea that inflationary effects on supplies and services are largely beyond the City's control. The core Consumer Price Index increase is the basis for the general inflationary increase, and the Congressional Budget Office's CPI assumption has been used here.

EXPENDITURE GROWTH ASSUMPTIONS						
EXPENDITURE CATEGORY	**EXPLANATION**	**FY 2019 Forecast**	**FY 2020 Forecast**	**FY 2021 Forecast**	**FY 2022 Forecast**	**FY 2023 Forecast**
Personnel Services						
Salaries						
Police	Collective Bargaining Agreement	101.85%	102.2%	102.2%	102.2%	102.2%
Fire	Collective Bargaining Agreement	102.60%	102.2%	102.2%	102.2%	102.2%
Civilians	Policy issue for City Council's consideration	100.0%	102.0%	102.0%	102.0%	102.0%
Other Pay		100.0%	102.0%	102.0%	102.0%	102.0%
Social Security	Standard percent of salaries in all but Fire	6.200%	6.200%	6.200%	6.200%	6.200%
Medicare	Standard percent of salaries	1.450%	1.450%	1.450%	1.450%	1.450%
Pension						
Civilians	Based on percent of pay as shown; Required by state law and Collective Bargaining Contract	9.0%	9.0%	9.0%	9.0%	9.0%
Police		14.83%	14.83%	14.83%	14.83%	14.83%
Fire		17.00%	17.00%	17.00%	17.00%	17.00%
Health Insurance	Increase in FY19/Core CPI	100.00%	105.00%	105.00%	105.00%	105.00%
Supplies						
Energy Supplies	Utility CPI	102.20%	102.20%	102.20%	102.20%	102.20%
General Supplies	Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Maintenance Supplies	Influenced by energy CPI	107.70%	107.70%	107.70%	107.70%	107.70%
Small Capital	Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Services						
Maintenance Services	Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Water purchase	GCWA Contract	101.80%	102.00%	102.00%	102.00%	102.00%
Vehicle Maintenance	Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Office Services	Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Technology Services	Increase in FY19/Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Other Services	Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Professional Services	Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Utilities	Electricity contract price	100.00%	100.00%	100.00%	116.09%	116.09%
Utilities for water services	Core CPI	100.00%	100.00%	100.00%	102.20%	102.20%
Refuse Disposal	Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Capital Outlay						
Motor Pool Replacement	Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Vehicles and Equipment	Core CPI	102.20%	102.20%	102.20%	102.20%	102.20%
Transfers						
General Fund to Infrastructure Fund	Increase by 1% of General Fund Budget per year as required by City Charter until maxed out at 8% in FY 2020	7.00%	8.00%	8.00%	8.00%	8.00%

Grants & Housing Department

Mission Statement

The City of Galveston's Grants & Housing Department is committed to empowering low-moderate income (LMI) residents develop effective community development strategies and programs to achieve their vision of a healthy viable community.

Accomplishments

- Expended $1,489,042.04 in CDBG and HOME Program funds during our 2017 Program Year and facilitated the HUD drawdown requests for reimbursement of funds in a timely manner.
- Provided downpayment and closing cost assistance to 2 LMI first-time homebuyers. This activity helps stabilize neighborhoods and assists LMI persons realize the "American Dream" of homeownership.
- Provided for rehabilitation/reconstruction of 5 single-family housing units for LMI households: 2 completed and 3 under construction. All units meet local building codes, TDI Windstorm, Floodplain Management, and Lead-Based Paint requirements to provide safe, decent housing to LMI residents.
- Worked with the Community Housing Development Org. (CHDO) to provide affordable housing projects to acquire, rehabilitate and sell to LMI households; acquired 5 units, 4 units rehabilitated and for sale to LMI homebuyers, 1 unit is under construction, and 2 properties sold to LMI homebuyers.
- Facilitated all necessary federal requirements for the Public Works Department Street Repaving Improvements to Winnie (Ave. G) from 37th to 43rd St., Church (Ave. F) from 38th to 41st St., and 47th St. from Broadway to Ave. L (paved 11 blocks of streets) and Sidewalk Improvements to Ave. L-43rd to 53rd St. and Ave. M-29th to 35th St. (installed 15 blocks of sidewalks both sides and handicap ramps); Code Enforcement Division Demolition / Boardup / Clearance (completed 69 lot clearances and 1 boardup) and Code Compliance Staffing (conducted 5,573 inspections and 1,516 reinspections with 4,054 code violations); and the Parks & Recreation Department Youth Recreation Programs (served 1,046 youth with 42,038 daily units of service). Ensured that all required documentation was obtained, categorized and maintained in project files to justify compliance and meet all HUD low-moderate income requirements. Compliance included procurement, Environmental Review Process, Texas Historical Commission 106 Review, documenting eligibility and subsequent community benefit.
- CDBG & HOME Programs provided a total of $787,104.16 in 31 contracts; $764,693.68 for 18 Minority and Women Owned Businesses and $9,125.00 for 11 Section 3 Businesses (local LMI businesses).
- Provided technical assistance to the Galveston Housing Authority, The Children's Center, WOMAN's Inc., Gulf Coast Center, Salvation Army, Houston Area Urban Community Development Corporation (HAUCDC) in the areas of the HUD mandated Environmental Review Process and Community Housing & Development Organization regulatory requirements and reporting systems.
- Reviewed 6 federal grant applications for local non-profit agencies and completed HUD mandatory Consistency of Consolidated Plan Certifications. This is a mandatory HUD requirement necessary for the agencies to submit a grant application to HUD.
- Received a favorable Year End Assessment Report from HUD for the CDBG and HOME Programs. The review revealed the City exceeded its one-year goals in several areas; the City expended 100% of its funds to benefit low-moderate income persons; and the City met its CDBG Timeliness Ratio for expenditures and its HOME Deadlines for Commitments and Disbursements. The HUD Assessment concluded that the "City carried out its program substantially as described in its Consolidated Plan

submission; the Consolidated Plan submission as implemented generally complies with the requirements of the Housing and Community Development Act and other applicable laws and regulations; and the local government has the continuing capacity to carry out the approved program in a timely manner".

- The Department met all HUD mandatory requirements for Financial compliance. The Department met the CDBG Timeliness Expenditure of funds test for expenditure ratio and the HOME Program's Commitment of Funds and CHDO requirements for the grant year. Failure to meet either requirement may cause the City to repay grant funds or receive a reduced funding allocation.

Goals

- Ensure statutory and regulatory compliance in all CDBG and HOME Program areas. These include project eligibility (beneficiary & financial); financial expenditure ratio, timeliness, commitment and disbursement; Environmental Review (including Texas Historical Commission 106 Review Process) for City and non-profit program activities; Federal Labor Standards Provision and the Davis-Bacon Act for construction projects; homebuyer and rehabilitation activities including Lead-Based Paint compliance; procurement requirements; housing inspections; Fair Housing & Equal Opportunity requirements; and all required project documentation is obtained, categorized and maintained in project files to justify compliance, all HUD low-moderate income requirements, and subsequent community benefit. Non-compliance in the above-mentioned categories may result in grant funds being conditioned, sanctioned, reduced, subject to recapture or repaid from non-federal sources.
- Facilitate the rehabilitation of 6 single-family homes occupied (primary residence) by LMI households to ensure a decent, safe and sanitary living environment built to local building codes and complete 3 projects that are in-progress.
- Provide downpayment and closing cost assistance for 2 low-moderate income (LMI) families to purchase their first home.
- Complete the HAUCDC CHDO affordable housing project to provide 3 units sold to LMI homebuyers.
- Facilitate all necessary federal requirements for the installation of sidewalk and ADA ramps including possible streetscape (curbs, streetlights, and tree plantings) improvements in the street rights-of-way in the LMI area of 27th Street from Broadway to Market and coordinate with the Public Works Department to facilitate engineering and construction contract oversight.
- Collaborate with the Code Enforcement Division and the Parks & Recreation Department to ensure that all federal statutory and regulatory requirements are adhered to for the Demolition / Boardup / Clearance and Code Compliance Staffing and Youth Recreation Programs respectively.

Performance Measures

- Management of the CDBG & HOME Programs for 2018 Grant Year projects totaling $1,508,389 and prior year projects to ensure federal regulatory requirements and City policies and procedures compliance
  - Conduct 2018 Environmental Reviews for 9 projects and HUD Release of Funds
  - Oversight of project implementation by City Departments Community Development and CHDO Affordable Housing Subrecipients to monitor status of 9 projects including timely execution and expenditure of funding, compliance with federal regulations, and meeting goals and objectives
  - HUD drawdown of funds for expenditure reimbursements for 12-monthly draws and ensure the City meets the required HUD CDBG Timeliness ratio of expenditures to funds available on April 2,

2019 and HOME Commitments, Disbursements, and CHDO Reservations Deadline on June 30, 2019 and September 30, 2019

- HUD Reporting Requirements for 9 individual reports and 12-monthly program updates for all active activities in HUD online reporting system (IDIS): Annual Action Plan application narrative for annual projects and goals and objectives, Section 3 Report, Semi-Annual Contractor/Subcontractor Activity Report, Semi-Annual Labor Standards Enforcement Report, M/WBE Report, HOME Match Report, Consolidated Annual Performance and Evaluation Report year-end narrative for project accomplishments and goals and objectives, and activity setups in IDIS with monthly updates of all individual activities
- Coordinate planning and public consultation process for 2019 CDBG and HOME Programs with City Management and City Council for 3-month development timeline with the appropriate City Departments and/or Subrecipients for final presentations to City Council for approval
- Coordination and preparation of the City's 5-Year Consolidated Plan for the period of 2019-2023; HUD required multi-year plan to assess the affordable housing and community development needs, priorities and market conditions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities and set goals that align and focus funding for the 5-year planning for the CDBG and HOME Program to identify projects. Conduct community outreach and meetings for public hearings, stakeholder interviews, agency and group consultations, public surveys, and information gathering.
- Other Housing and Community Development Activities:
  - 150 homeowner consultations on complaints or issues on housing
  - 3 non-profit or outside agency requests for Environmental Review from the City as the Responsible Entity
  - Coordination of April Fair Housing Month Activities
  - Coordination of Section 3 Outreach and Section 3 Business database
  - Technical assistance to 5 non-profit or outside agencies
  - 130 citizen consultations on requests for public service assistance
- The 2018 CDBG and HOME Programs identified the following Community Development and Housing Objectives. Through the implementation of the 2018 approved programs and CDBG and HOME prior-year funding available the following will be provided:
  - To provide and expand the supply of safe, decent, and affordable housing through the rehabilitation of existing residential property and the development of new residential property for low-moderate income persons
  - To provide and expand homeownership opportunities for low-moderate income homebuyers
  - To reduce the number of housing units containing lead-based paint and other lead hazards
  - To identify and eliminate barriers to affordable housing and impediments to fair housing
  - Provide code enforcement and neighborhood revitalization activities to diminish blight, unsafe buildings and lots, and general neighborhood decay in low-moderate income areas
  - Provide infrastructure enhancement to support neighborhood revitalization and new residential development in low-moderate income areas
  - Promote the health and well-being of city residents through the provision of public and supportive services
  - To facilitate neighborhood, comprehensive, and individual project management, planning, and capacity building activities for low/moderate income areas
  - Provide economic development opportunities for low-moderate income and for their employers
  - Assist in the coordination of resources in the community through expansion/enhancement of the homeless Continuum of Care Program

Performance Measurements	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Undetermined
Financial Compliance				
Timeliness Ratio: 1.50% or Less Regulatory Compliance	1.49%	1.45%	1.50%	N-A
Commitment of Funds: 100% Regulatory Compliance	100%	100%	100.00%	N-A
Disbursement of Funds: 100% Regulatory Compliance	100%	100%	100.00%	N-A
Beneficiary Compliance				
% of LMI Benefits: 70% Regulatory Compliance	100%	100%	80.00%	N-A
Overall Regulatory Compliance				
HUD Monitoring: < 7 Findings Standard	City Rated Above Monitoring Requirement - No Findings/No Concerns	City Rated Above Monitoring Requirement - No Findings/No Concerns	City Rated Above Monitoring Requirement - No Findings/No Concerns	N-A
Program Monitoring:				
Monthly Desk Review	92	57	50	N-A
Labor Standards Compliance: Minimize Findings	No Findings/No Concerns	No Findings/No Concerns	No Findings/No Concerns	N-A
Environmental Reviews:	16	15	9	N-A
Fair Housing Compliance:	No Findings	No Findings	No Findings	N-A
F.H. Educational Material	Distribute F.H. Educational Material To 10 Local Agencies Quarterly	Distribute F.H. Educational Material To 10 Local Agencies Quarterly; E-mail agencies and groups information updates	Distribute F.H. Educational Material To 10 Local Agencies Quarterly; E-mail agencies and groups information updates	N-A
Section 3 Compliance: Greatest Extent Possible				
Contracts	16	11	10	N-A
Employees	7	5	5	N-A
Training	Facilitate 2 Semi-Annual Training with CDBG funded City Dept.	Facilitate 2 Semi-Annual Training with CDBG funded City Dept.	Facilitate 2 Semi-Annual Training with CDBG funded City Dept.	N-A
HUD Reporting: Complete, Accurate & Timely	9	9	9	N-A
Homebuyer Downpayment Assistance	2	2	2	N-A
Rehabilitation/Reconstruction Assistance	8	2	8	N-A
CHDO Affordable Housing	5	2	3	N-A
City Dept. Funded Projects	6	7	7	N-A

CITY OF GALVESTON

2018 CDBG and HOME Approved Programs

On April 26, 2018, the City Council approved the 2018 Consolidated Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs for $1,346,427 (CDBG $1,131,617 and HOME $214,810) and Program Income estimate of $60,000 (CDBG $30,000 and HOME $30,000) to meet the Community Development and Housing Objectives to benefit primarily the low-moderate income (LMI) population. The U.S. Dept. of Housing & Urban Development (HUD) administers these programs and had not issued the 2018 Allocations. The 2018 Programs were based on the City's 2017 CDBG and HOME Allocations. In case of any deviations in these amounts upon the issuance of the 2018 Allocations, City Council authorized the amendment of each project's funding per the percent of increase or decrease in the City's 2018 final allocations. The 2018 HUD Allocations were posted on May 1, 2018. The City will receive CDBG funding of $1,211,734 and HOME funding of $296,655. Each project's funding is adjusted per the percent of increase in the City's 2018 CDBG and HOME Program Allocations as follows: CDBG +7.08% and HOME +38.10%.

2018 Community Development & Housing Objectives

The 2018 CDBG and HOME Program of Projects will meet the following 2018 Community Development and Housing Objectives as established by the City's 2013-2018 Consolidated Plan High Priority Needs to primarily benefit Galveston's low-moderate income population.

1. To provide and expand the supply of safe, decent, and affordable housing through the rehabilitation of existing residential property and the development of new residential property for low-moderate income persons;
2. To provide and expand homeownership opportunities for low-moderate income homebuyers;
3. To reduce the number of housing units containing lead-based paint and other lead hazards;
4. To identify and eliminate barriers to affordable housing and impediments to fair housing;
5. Provide code enforcement and neighborhood revitalization activities to diminish blight, unsafe buildings and lots, and general neighborhood decay in low-moderate income areas;
6. Provide infrastructure enhancement to support neighborhood revitalization and new residential development in low-moderate income areas;
7. Promote the health and well-being of city low-moderate income residents through the provision of public and supportive services;
8. To facilitate neighborhood, comprehensive, and individual project management, planning, and capacity building activities for low-moderate income areas;
9. Provide economic development opportunities for low-moderate income and for their employers; and
10. Assist in the coordination of resources in the community through expansion/enhancement of the homeless Continuum of Care Program.

2018 CDBG Program Projects

Project	Description	Objective	2018 Allocations
Public Service Activities			**$ 152,066**
Parks & Recreation Dept. Children & Youth Program	Provide staffing to implement summer and after-school supervised educational / recreational activities at Menard and Wright Cuney Parks and Recreation Centers for primarily LMI (90%) children and youth ages 5-17; Limit of 15% Requirement	900 children and youth	$ 152,066

Public Facility & Improvement Activities			**$**	**297,291**
Public Works Dept. Sidewalk-Streetscape Improvements	Provide sidewalk and ADA ramps including possible streetscape (curbs, streetlights, and tree plantings) improvements in the street rights-of-way used as existing pedestrian walkways in the LMI area of 27th Street from Broadway to Market to assist in safe, accessible routes for pedestrians and enhanced deteriorated streetscape amenities	6 blocks of improvements	$	297,291

Code Enforcement Activities			**$**	**182,479**
City Marshall-Compliance Division Code Compliance Officers	Provide 4 compliance officers to work in LMI neighborhoods to conduct property inspections and reinspection's to enforce local codes and owner notifications and processes for enforcement on non-compliant properties	5,500 inspections and 1,500 reinspection's	$	182,479

Housing Rehabilitation Activities			**$**	**337,552**
Housing Rehabilitation Program	Provide a Housing Rehabilitation Program with CDBG or HOME funding of up to $25,000 for LMI single-family owner-occupied housing units through an RFP process for non-profit housing development providers	8 LMI housing units	$	269,526
Housing Rehabilitation Project Delivery & Management	Provide management and oversight for the housing rehabilitation and affordable housing programs and other housing related issues including projects funded through the CDBG Program, Revolving Loan Fund, HOME Program, and HOME Program Income	Ensure regulatory compliance and building standards	$	68,026

Planning & Program Administration Activities			**$**	**242,346**
CDBG Program Administration	Provide management of the CDBG and HOME Programs to ensure compliance with all regulatory requirements; Limit of 20% Requirement	Ensure regulatory compliance	$	242,346

CDBG TOTAL ALLOCATION			**$**	**1,211,734**

CDBG Program Income (Estimated)	Provide Consolidated Plan Eligible Projects such as code enforcement and housing rehabilitation program from PI received primarily from housing rehabilitation loan payments and payoffs and lot clearance, board up, and demolition lien payoffs	Assist in eligible CDBG projects	$	30,000

2018 HOME Program Projects

Project	Description	Objective	2018 Allocations
Affordable Housing Activities			**$ 266,990**
Community Housing Development Organization (CHDO) Program	Provide a homeownership housing development activity to acquire property and rehabilitate or construct affordable housing to be sold (or rented) to an LMI household through a CHDO RFP process; Mandatory 15% Set-aside Requirement	1 LMI affordable housing unit	$ 44,499
Housing Rehabilitation Program	Provide a Housing Rehabilitation Program with CDBG or HOME funding of up to $25,000 for LMI single-family owner-occupied housing units through an RFP process for non-profit housing development providers	4 LMI housing units	$ 222,491
HOME Program Administration Activities			**$ 29,665**
HOME Program Administration	Provide management of the HOME Program to ensure compliance with all regulatory requirements; Limit of 10% Requirement	Ensure regulatory compliance	$ 29,665
HOME TOTAL ALLOCATION			**$ 296,655**
HOME Program Income (Estimated)	Provide Consolidated Plan Eligible Projects such as housing rehabilitation program and homeownership projects from PI received primarily from housing rehabilitation loan payments	Assist in eligible HOME projects	$ 30,000
TOTAL CONSOLIDATED PROGRAMS			**$ 1,508,389**

The Grants and Housing Department is the lead agency for management and coordination of the implementation of the 2018 CDBG and HOME Programs under the 5-year Consolidated Plan and the 1-year Action Plan for the City of Galveston. The 2018 CDBG and HOME Programs' fiscal year starts on June 1, 2018 and ends on May 31, 2019.

ORDINANCE NO. 18-063

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, ADOPTING THE ANNUAL GOVERNMENTAL AND PROPRIETARY FUNDS BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019; MAKING APPROPRATIONS FOR CITY OPERATIONS AND CAPITAL PROJECTS FOR SUCH FISCAL YEAR AS REFLECTED IN SUCH BUDGET; AUTHORIZING VARIOUS OTHER TRANSFERS; APPROVING AND ADOPTING THE FY 2019 CAPITAL BUDGET; APPROVING AND ADOPTING THE BUDGET OF THE INDUSTRIAL DEVELOPMENT CORPORATION, MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The City Charter, Article VII, section 8, requires City Council of the City of Galveston, Texas, to approve and adopt the City budget no later than the second regularly scheduled September meeting of Council before the beginning of the fiscal year; and

WHEREAS, the City Manager has presented to the City Council a proposed budget of the expenditures of the City of Galveston for the fiscal year 2019; and

WHEREAS, pursuant to notice as required by Section 102.006 of the Local Government Code a public hearing on such budget was held in the Council Chambers, at which hearing all citizens and taxpayers of the City had the right to be present and to be heard, and those who requested to be heard were heard; and

WHEREAS, the City Council has considered the proposed budget and has made such changes therein as in the City Council's judgment were warranted by law and were in the best interest of the citizens and taxpayers of the City; and

WHEREAS, a copy of the budget has been filed with the City Secretary as required by Local Government Code Section 102.005 and 102.008, and the City Council desired to adopt the same.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. In accordance with the provisions of Local Government Code Section 102.007, the City Council hereby approves and adopts the budget described above, the same as shown in Exhibit "A" being on file with the City Secretary. The City Secretary is hereby directed to place on such budget and sign an endorsement reading as follows: "The

Original Annual Government and Proprietary Funds Budget of the City of Galveston, Texas, for Fiscal Year 2019" and to keep such budget on file in her office as a public record. In addition, in accordance with Section 102.009 (d), Texas Local Government Code (Vernon's), the City Secretary is hereby directed to file a true copy of the approved Budget in the offices of the County Clerk of Galveston County.

SECTION 3. The FY 2019 Budget for operations shall be administered in accordance with Article VII, Section 9, 10, 19 and 20 of the City Charter and Section 102.010 of the Texas Local Government Code as follows:

a. The Council may transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another, at any time.

b. The City Manager shall have authority, without Council approval, to transfer appropriation, balances from one expenditure account to another within a single office, department, or agency of the City,

c. At any time in any fiscal year, the Council may, pursuant to this section, make emergency appropriations only in a case of grave public necessity to meet an unusual and unforeseen condition that could have not been included in the original budget through the use of reasonably diligent thought and attention. Such appropriations shall be by ordinance adopted by the favorable vote of five (5) members of the Council and shall be made only upon recommendation of the City Manager. The total amount of such emergency appropriations made in any fiscal year shall not exceed ten per centum of the tax levy for general purposes in the fiscal year. Should the unappropriated and unencumbered revenues, income and available funds of the City for such fiscal year be not sufficient to meet the expenditures under the appropriation authorized by this section, thereby creating a deficit, it shall be the duty of the Council to include the amount of such deficit in its budget and said deficit shall be paid off and discharged not later than thirty-six (36) months from the date the appropriation was made. If the Council amends the budget to meet an emergency, the Council shall file a copy of its ordinance in accordance with State law.

d. At any time in any fiscal year, where the City has experienced a natural or man-made disaster that results in the issuance of a Proclamation of Public Disaster by the President of the United States or Governor of the Great State of Texas, the Council may make emergency appropriations to alleviate the effects of the natural or man-made disaster, and the limitations on the total amount of emergency expenditures set out in the preceding section shall not apply.

e. As provided by Section 102.010 of the Texas Local Government Code, emergency appropriation provisions do not prevent the governing body of the municipality from making changes in the budget for municipal purposes.

f. The Council shall not approve a budget that exceeds more than seven (7) per cent of the budget of the prior fiscal years as to total expenditures for any and all purposes excluding expenditures related to bond funded projects, grant funded programs, trust and agency funds, internal fund expenditures, and any capital improvement funds appropriated in the previous fiscal year that have not been expended.

g. The City shall create a "Capital Improvement and/or Debt Service Account" allocating an equivalent of 1% of the General Fund Operating Budget ("annual allocation") to such an account beginning in fiscal year 2013 and an additional 1% in each successive fiscal year thereafter until the cumulative annual allocation to the account reaches a minimum of 8% of the total General Fund Operating Budget, for either Capital Improvements or Debt Service in every year, and each year thereafter allocate at least 8% of the total General Fund Operating Budget to such account, subordinate to any deficiency in the emergency 90 day minimum reserve. For purposes of this section "Capital Improvements' shall be defined as projects above $100,000.

h. Prior to allocation of the General Fund contingency, the City Council will hold a public hearing and invite comments from the public on the use of these funds.

SECTION 4. That the Beginning Fund Balance reflected in the budget for each operating and capital budget fund for which a Budget is adopted hereby automatically shall be adjusted to be the amount of the Ending Fund Balance for Fiscal Year 2018 as fully adjusted to reflect the final Comprehensive Annual Financial Report for Fiscal Year 2018 when released , and subsequently automatically shall be adjusted to be the amount of the Ending Fund Balance included in the final Comprehensive Annual Financial Report for Fiscal Year 2018 for each respective fund. The revised Beginning Fund Balance shall thereafter be used to calculate the Fiscal Year 2019 Ending Fund Balance.

SECTION 5. That the Waterworks and Sewer System funds previously reflected as separate funds is adopted in this ordinance and is hereby to be known as the Combined Utility System Fund as shown in Exhibit "A." This consolidation shall also be reflected as such in the final Comprehensive Annual Financial Report for Year 2018 when presented.

SECTION 6. The City Council hereby approves and adopts the FY 2019 Capital Budget as included in Exhibit "B". The Capital Budget will be implemented as follows:

a. The Capital Budget includes specific projects planned to begin in FY 2019.

b. Reports will be provided to City Council quarterly on the status of each project that is a part of the FY 2019 Capital Budget including financial, design, and construction status information.

c. City Council approval is required to add or delete projects from the Capital Budget as shown in Exhibit "B" through passage of an ordinance amending the FY 2019 Capital Budget.

d. Appropriation of capital projects funds shall be approved by Council as provided in Attachment "C".

e. Contracts and expenditures for individual projects shall be approved as provided by State law, the City Charter and the City's purchasing policies.

f. Expenditures of capital funds shall be for projects included in the approved and/or amended FY 2019 Capital Budget.

g. Funds shall be allocated based on the legal purpose of the capital funds and approval of the responsible party as required under 5 (e), provided that the Finance Department shall be authorized to charge expenditures of current projects to older capital funds in amounts not to exceed $15,000 and as allowed by the laws governing those capital funds in order to close them out.

SECTION 7. Appropriation of capital funds allocated, committed, encumbered and/or expended in accordance with the FY 2019 Capital Budget is hereby approved as follows:

a. The capital project funds balance as set forth in Exhibit "C" shall be adjusted automatically as described in and pursuant to Section 5.

b. By this action, Council hereby appropriates any additional income dedicated by City Council action or state law for capital projects that is received during FY 2019. This includes but is not limited to net proceeds from the sale of municipal bonds as approved and authorized by City Council, interest income, capital recovery fees and additional amounts transferred from City operating funds to be used for capital projects.

c. At the close of each fiscal year any unencumbered balance of an appropriation shall revert to the fund from which appropriated and may be re-appropriated by the Council.

SECTION 8. The City Council hereby approves and adopts the FY 2019 Operating Budget of the Galveston Industrial Development Corporation (IDC) approved by the Board of Directors of the IDC on September 5, 2018 and included in the budget as Exhibit D.

SECTION 9. Funds shall be allocated to individual projects as approved in the FY 2019 Capital Budget when individual contracts are awarded and/or projects are ready for implementation.

SECTION 10. Funds shall be allocated to individual projects through the normal procurement processes as provided by State Law and City policy.

SECTION 11. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

SECTION 12. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 13. In accordance with the provisions of Sections 12 and 13 of Article II of The City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 14. The City Council officially finds, determines, and declares that sufficient notice of the date, hour, place, and subject of each meeting at which this Ordinance was discussed, considered, or acted upon was given in the manner required by Chapter 551 of the Texas Government Code and Chapter 102 of the Texas Local Government Code, and that each such meeting has been open to the public, as required by law, at all times during such discussion, consideration, and action. The City Council ratifies, approves, and confirms such notices in the contents and posting thereof.

SECTION 15. This Ordinance shall be and become effective from and after its adoption and publication in accordance with the provisions of The City Charter of the City of Galveston.

APPROVED AS TO FORM:

DONALD S. GLYWASKY
CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City

Council of the City of Galveston at a regular meeting held on the 13th day of September, 2018, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 18th day of Sept., 2018.

Secretary for the City Council
of the City of Galveston

FY2019 Proposed Budget Data Sheet
Exhibit "A"

Fund	FY2019 Proposed Budget	Fund Balance	Total
General Fund			
Police	20,668,628		
Fire	11,627,858		
Emergency Management	247,763		
Emergency Medical Service	566,200		
City Marshal	63,249		
Special Events	0		
Public Works - Streets	1,846,549		
Public Works - Traffic	2,097,683		
Park & Recreation Administration	970,971		
Parks & Parkways	2,021,725		
Crockett Park	0		
Code Enforcement	758,751		
Building Inspection	672,039		
Developmental Services	914,214		
City Secretary	536,271		
Elections	68,000		
Municipal Court	667,870		
City Manager	682,997		
City Auditor	274,852		
City Attorney	928,227		
Human Resources	555,375		
Transportation	600,000		
Finance - Administration	368,568		
Finance - Accounting	876,023		
Finance - Purchasing	243,907		
Finance - Budget	374,947		
Taxation	270,000		
Facility Maintenance Services	1,448,170		
COLA Increases	250,933		
Vehicle Purchases	750,000		
Contractual Services	216,002		
General Fund Subtotal	**51,567,772**		
Appropriation of Fund Balance for One-Time Operating Items	285,000		
Appropriation of Fund Balance for Transfer to Hurricane Harvey	1,591,876		
Appropriation of Fund Balance if required and approved by City Council	2,500,000		
Operating Transfers to Infrastructure Fund, Separation Fund	4,328,929		
General Fund Total	**60,273,578**	**13,887,003**	**74,160,581**
Debt Service Fund Total	**5,192,812**	**$1,597,445**	**$6,790,257**
Special Revenue Funds			
Rosenberg Library	2,874,500	0	2,874,500
Island Transit	4,423,785	684	4,424,469
Seawall Parking	1,458,761	0	1,458,761
Convention Center Surplus	3,784,728	0	3,784,728
HOT 1/8 Historical Buildings	1,215,476	0	1,215,476
Council Projects & Initiatives Program	753,163	0	753,163
Infrastructure Fund	7,674,620	0	7,674,620
Separation Pay Fund	474,360	380,331	854,691
PEG Fund	1,041,238	0	1,041,238
Parking Management Fund	1,252,552	0	1,252,552
Lasker Pool Fund	716,216	0	716,216
Pension Reform Fund	1,003,173	0	1,003,173
Revenue Producing Parks	241,330	0	241,330
D.E.A. Asset Forfeiture Fund	135,037	0	135,037
Police Special Revenue Fund	118,743	0	118,743
Police Quartermaster Fund	91,010	0	91,010
Alarm Permit Fund	118,746	0	118,746
Fire Special Revenue Fund	45,046	0	45,046
Municipal Court Building Security Fund	49,410	0	49,410
Court Technology Fund	137,709	0	137,709
Juvenile Services Fund	179,610	0	179,610
Recovery and Capital Reserve Fund	5,066,979	0	5,066,979
Technology Improvement Fund	1,286,438	0	1,286,438
Hurricane Harvey Fund	2,510,952	0	2,510,952
Special Revenue Fund Total	**36,653,582**	**381,015**	**37,034,597**

FY2019 Proposed Budget Data Sheet
Exhibit "A"

Fund	FY2019 Proposed Budget	Fund Balance	Total
Combined Utility System Fund			
Management services	779,446		
Utility billing	1,907,015		
Supply	1,757,729		
Distribution	2,159,138		
Industrial Pretreatment	337,594		
Collection	4,027,601		
Wastewater treatment plant	4,136,185		
Cost of water	11,376,200		
Debt service	7,254,689		
Non-Departmental	3,329,964		
Combined Utility System Fund	**37,065,561**		
Appropriation of Fund Balance for One-Time Operating Items and FY2109 Capital Budget	1,866,000		
Combined Utility System Fund	**38,931,561**	**10,365,282**	**49,296,843**
Sanitation Fund			
Refuse collection	4,389,020		
Recycling	614,300		
Utility billing	212,390		
Non-Departmental	804,475		
Sanitation Fund Subtotal	**6,020,185**		
Appropriation of Fund Balance for One-Time Operating Items and FY2019 Capital Budget	1,391,000		
Sanitation Fund Total	**7,411,185**	**1,375,408**	**8,786,593**
Drainage Fund			
Municipal Drainage Utility	2,153,882		
Utility billing	146,207		
Non-Departmental	183,001		
Drainage Fund Subtotal	**2,483,090**		
Appropriation of Fund Balance for One-Time Operating Items and FY2019 Capital Budget	1,074,700		
Drainage Fund Total	**3,557,790**	**1,571,071**	**5,128,861**
Airport Fund			
Operating Expenses	1,000,859		
Non-Departmental	276,250		
Airport Fund Subtotal	**1,277,109**		
Appropriation of Fund Balance for One-Time Operating Items and FY2019 Capital Budget	430,000		
Airport Fund Total	**1,707,109**	**394,446**	**2,101,555**
Total Operating Budget	**153,727,617**	**29,571,670**	**183,299,287**
Internal Service Funds	21,439,432	8,202,456	29,641,888

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

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
STREETS & TRAFFIC PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2019 - FY2023
(Page 1 of 7)

PROJECT NO.	PROJECT NAME	2019	2020	2021	2022	2023	TOTAL
ST1802	16th Street from Broadway to Ave N 1/2	1,242,500	0	0	0	0	1,242,500
IDC27	27th Street Corridor	2,600,000	0	0	0	0	2,600,000
IHST18	Streets Mill & Overlay Rehabilitation	2,310,783	2,481,000	2,662,200	2,822,600	2,860,000	13,136,583
ST1503-2	26th Street from Ave N to Broadway (Phase 2)	564,100	0	0	0	0	564,100
ST1701	25th Street from Broadway to Seawall	4,105,750	0	0	0	0	4,105,750
ST1702	73rd Street from Heards Lane to Ave N 1/2	1,319,750					1,319,750
ST1704	Replacement of Strand Pavers	430,000					430,000
ST1705, IDC45	45th Street from Broadway to Seawall	0					0
ST1706	Intersection Improvements for 61st Street and Seawall Boulevard	35,000	243,000				278,000
ST1801	30th Street from Ave O to Seawall Blvd	1,306,500	0				1,306,500
ST1803	22nd Street from Harborside to Broadway	0					0
ST1901	37th Street from Broadway to Seawall	808,750	5,907,500				6,716,250
ST2001	29th Street from Ave O to Ave R 1/2	620,000	4,512,500				5,132,500
ST2002	49th Street from Ave P to Ave S 1/2	1,983,050					1,983,050
ST2003	35th Street from Postoffice to Broadway	2,145,500					2,145,500
IDCSCC	Sidewalk and Concrete Crew	369,000	369,000	369,000	369,000	369,000	1,845,000
ST1604	29th Street - Church to Harborside	590,950					590,950
WEMA	West Market Street - 25th to 33rd						0
IDCHAR	Harborside Drive - 33rd and 20th Street						0
ST1603	29th Street - Broadway to Sealy						0
TR1701	Historic Broadway Lighting Improvements	500,000					500,000
IDCDOW	Downtown Streetscape Improvements	200,000	2,100,000				2,300,000
STCONT	Program Contingency	1,500,000	0	0	0	0	1,500,000
	Total $'s by Year	**$ 22,631,633**	**$ 15,613,000**	**$ 3,031,200**	**$ 3,191,600**	**$ 3,229,000**	**$ 47,696,433**

FUND NO.	FUNDING SOURCE	2019	2020	2021	2022	2023	TOTAL
3199	Infrastructure & Debt Service	1,759,943	1,851,200	2,083,200	2,150,600	2,314,200	10,159,143
3217	2017 G.O. Bonds	6,757,688	0	0	0	0	6,757,688
3191	IDC - Economic Development	0	0	0	0	0	0
3193	IDC - Infrastructure	3,169,000	2,469,000	369,000	369,000	369,000	6,745,000
1090	Convention Center Surplus	500,000	0	0	0	0	500,000
Future	Tax Supported Bonds	10,445,002	11,292,800	579,000	672,000	545,800	23,534,602
	Total $'s by Year	**$ 22,631,633**	**$ 15,613,000**	**$ 3,031,200**	**$ 3,191,600**	**$ 3,229,000**	**$ 47,696,433**

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
DRAINAGE PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2019 - FY2023

PROJECT NO.	PROJECT NAME	2019	2020	2021	2022	2023	TOTAL
D1601	11 Mile Road Drainage Improvements	20,000	0	0	0	0	20,000
D1602	18th Street Drainage Improvements	12,948,296	0	0	0	0	12,948,296
DAVENL	Avenue L Storm System at 62nd St and 63rd St	0	0	0	0	0	0
D1604	Church Street Drainage Improvements	998,674	0	0	0	0	998,674
DCONT	Drainage Program Contingency	798,780	0	0	0	0	798,780
D1701	Master Drainage Plan and Feasibility Study	1,750	346,500	0	0	0	348,250
D1608	Storm Sewer Rehabilitation & Inspection Program	0	0	0	0	0	0
D1703	West End Drainage Rehabilitation Program	297,000	300,000	0	0	0	597,000
D1801	Drainage System Improvements	0	0	250,000	0	0	250,000
ST1605	33rd Street - Broadway to Harborside	0	0	0	0	0	0
	Total $'s by Year	**$ 15,064,500**	**$ 646,500**	**$ 250,000**	**$ -**	**$ -**	**$ 15,961,000**

FUND NO.	FUNDING SOURCE	2019	2020	2021	2022	2023	TOTAL
3199	Infrastructure & Debt Service	0	0	0	0	0	0
3217	2017 G.O. Bonds	500,000	0	0	0	0	500,000
3191	IDC - Economic Development	0	0	0	0	0	0
3193	IDC - Infrastructure	0	0	250,000	0	0	250,000
Future	Tax Supported Bonds	14,564,500	646,500	0	0	0	15,211,000
	Total $'s by Year	**$ 15,064,500**	**$ 646,500**	**$ 250,000**	**$ -**	**$ -**	**$ 15,961,000**

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
WATERWORKS PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2019 - FY2023

(Page 3 of 7)

PROJECT NO.	PROJECT NAME	2019	2020	2021	2022	2023	TOTAL
W1701	Well Disinfection and Flushing for Water Wells #2A, 6A, 10, 12, 13, 16, 17	570,000	0	0	0	0	570,000
W1706	8" Water Line - 30th St ROW and Market Street	279,100	0	0	0	0	279,100
WWELLS	Rehabilitation of Water Wells #9 and 11	250,000	635,000	0	0	0	885,000
W1610	Pirate's Beach - Lafitte's Cove Loop	702,250	0	0	0	0	702,250
W1702	20 Inch Water Line - TAMUG to Seawolf Parkway to Bradner Street	0	0	349,305	3,212,390	0	3,561,695
W1902	12 Inch Water Line - Seawall Boulveard, 81st Street to 97th Street	0	0	225,000	1,836,750	0	2,061,750
W1605	36 Inch Water Line to Replace the 30 inch 1890 Water Line	0	0	9,439,900	0	0	9,439,900
W1703	Airport Pump Station Pump and Control Upgrades	24,000	2,028,000	0	0	0	2,052,000
W1704	30 Inch Water Line - Railroad Bridge to Harborside Drive	0	0	0	2,310,000	0	2,310,000
W1705	Airport Pump Station Pump Tank Upgrades - Phase 1	0	4,758,000	0	0	0	4,758,000
W1707	24" Water Line - 59th St Pump Station to Airport Pump Station	18,275,500	0	0	0	0	18,275,500
W1801	30 Inch Water Line - 71st Street to 59th Street Pump Station	0	0	529,000	4,574,000	0	5,103,000
W1901	Airport Pump Station Pump Tank Upgrades - Phase 2	12,500	850,000	5,282,000	0	0	6,144,500
WFIRHY, FD-132	Fire Hydrant Replacement Program	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	6,300,000
W1608	6 Inch Water Line - Gulf Drive	0	0	0	0	0	0
W1618	Water System Improvements and Water Valve Replacement Program	712,000	350,000	350,000	350,000	350,000	2,112,000
W1601	10 Mile Road Elevated Storage Tank Rehabilitation	250,000	1,487,500	7,790,000	0	0	9,527,500
W1802	Non-revenue Water Mitigation Program	104,000	0	0	0	0	104,000
ST1806	23rd - Broadway to Seawall Blvd (County)	1,596,659	0	0	0		1,596,659
ST1807	Avenue S - 53rd to Seawall Blvd (County)	3,775,625	0	0	0		3,775,625
W1803	Teichman Road Waterline - 91st - 96th	379,750	2,773,000	0	0		3,152,750
W1903	20" Waterline - 7 Mile to 10 Mile Road	0	0	45,000	1,341,305	10,345,545	11,731,850
W1904	12" Waterline Upgrade - I-45 Feeder Rd 65th - 77th	0	0	50,000	375,000	4,052,200	4,477,200
W1905	Upsidze for Fire Flow and Capacity (City Wide)	0	0	80,500	409,000	3,755,000	4,244,500
WCONT	Program Contingency for Water	1,000,000	0	0	0	0	1,000,000
	Total $'s by Year	**$ 29,191,384**	**$ 14,141,500**	**$ 25,400,705**	**$ 15,668,445**	**$ 19,762,745**	**$ 104,164,779**

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
WATERWORKS PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2019 - FY2023

(Page 3 of 7)

PROJECT NO.	PROJECT NAME	2019	2020	2021	2022	2023	TOTAL
FUND NO.	**FUNDING SOURCE**	**2019**	**2020**	**2021**	**2022**	**2023**	**TOTAL**
40102	Waterworks Improvement	1,263,600	1,460,000	1,184,305	610,000	610,000	5,127,905
40117	2017 CO's Water	12,882,169	0	0	0	0	12,882,169
1214	FEMA Approved (1)	0	0	0	0	0	0
Future	Revenue Supported Bonds	15,045,615	12,681,500	24,216,400	15,058,445	19,152,745	86,154,705
	Total $'s by Year	**$ 29,191,384**	**$ 14,141,500**	**$ 25,400,705**	**$ 15,668,445**	**$ 19,762,745**	**$ 104,164,779**

(1) FEMA has approved expenditures for the improvement of the City's fire hydrants as FEMA eligible; however, it not likely that FEMA will approve grant cash being drawn to cover the project until other FEMA funding issues are resolved. In the interim, local funds will have to be appropriated to fund this project in the amount shown.

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
SEWER PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2019 - FY2023
(Page 4 of 7)

PROJECT NO.	PROJECT NAME	2019	2020	2021	2022	2023	TOTAL
S1610	Sludge and Grit removal from the Main WWTP Sludge Holding Tank	904,000	5,575,188	0	0	0	6,479,188
S1701	Lift Station Pump and Electrical Improvements	2,286,000	2,536,000	2,536,000	2,536,000	2,536,000	12,430,000
S1607	Reconstruction of Pirates' Beach Wastewater Treatment Plant	6,559,400	0	0	0	0	6,559,400
SSEAWO	Seawolf Park WWTP Reconstruction	1,200,986	0	0	0	0	1,200,986
SWPPT	Airport Wastewater Treatment Plant Final Mitigation & Recovery	0	0	0	0	0	0
SLINEI	Sanitary Sewer Repair and Rehabilitation Program	825,000	825,000	825,000	825,000	825,000	4,125,000
S1609	Sunny Beach - 8 Mile Road Sanitary Sewer Project	20,000	2,674,000	0	0	0	2,694,000
S1702	West End Sewer Improvements	595,000	0	2,690,933	0	0	3,285,933
S1901	Harborside - 25th to 29th	0	0	0	526,675	3,653,125	4,179,800
S1902	Replace Pipe at Ferry Rd & 1st St	0	0	0	161,200	962,500	1,123,700
S1807	Avenue S - 53rd to Seawall Blvd (County)	362,600	0	0	0	0	362,600
S1903	Terramar Waste Water Treatment Plant Upgrade	0	0	0	2,657,500	12,338,300	14,995,800
ST1806	23rd - Broadway to Seawall Blvd (County)	1,716,436	0	0	0	0	1,716,436
SCONT	Program contingency	750,000	0	0	0	0	750,000
	Total $'s by Year	**$ 15,219,422**	**$ 11,610,188**	**$ 6,051,933**	**$ 6,706,375**	**$ 20,314,925**	**$ 59,902,843**

FUND NO.	FUNDING SOURCE	2019	2020	2021	2022	2023	TOTAL
42102	Sewer Improvement	1,754,404	2,500,000	2,500,000	2,500,000	2,500,000	11,754,404
42115	2008 Sewer Revenue Bonds	0	0	0	0	0	0
42117	2017 CO's Water	13,281,343	2,464,121	0	0	0	15,745,464
1214	FEMA Approved (Fire Hydrants)	183,675	0	0	0	0	183,675
1708	CDBG Round 2.2	0	0	0	0	0	0
Future	Revenue Supported Bonds	0	6,646,067	3,551,933	4,206,375	17,814,925	32,219,300
	Total $'s by Year	**$ 15,219,422**	**$ 11,610,188**	**$ 6,051,933**	**$ 6,706,375**	**$ 20,314,925**	**$ 59,902,843**

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
PARKS & RECREATION PROGRAM
BUDGET SUMMARY
FY 2018- FY2019 - FY2023
(Page 5 of 7)

PROJECT NO.	PROJECT NAME	2019	2020	2021	2022	2023	TOTAL
IDCLLC	53rd Street Little League Complex & Park	0	0	0	0	0	0
IDCBBP	Babe's Beach Preservation	0	1,500,000	0	0	0	1,500,000
IDCSUP	Seawall Urban Park Renourishment	0	0	844,000	0	0	844,000
IDCJP	Jones Park	25,000	0	0	0	0	25,000
IDCMDP	McGuire Dent Recreation Center	150,000	0	0	0	0	150,000
IDCPOC	Beach Pocket Park Rehabilitation	1,850,000	0	0	0	0	1,850,000
IDCDELL	Dellanera Park Renourishment	0	422,000	0	0	0	422,000
IDCSHC	Sandhill Crane Soccer Complex & Park	240,000	1,100,000	0	1,300,000	0	2,640,000
	Total $'s by Year	**$ 2,265,000**	**$ 3,022,000**	**$ 844,000**	**$ 1,300,000**	**$ -**	**$ 7,431,000**

FUND NO.	FUNDING SOURCE	2019	2020	2021	2022	2023	TOTAL
3190	IDC - Beach Nourishment	0	1,500,000	844,000	1,850,000	0	4,194,000
3192	IDC - Parks	415,000	1,522,000	0	1,300,000	0	3,237,000
	Total $'s by Year	**$ 415,000**	**$ 3,022,000**	**$ 844,000**	**$ 3,150,000**	**$ -**	**$ 7,431,000**

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
FACILITIES PROGRAM
BUDGET SUMMARY
FY2019 - FY2023

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PROJECT NO.	PROJECT NAME	2019	2020	2021	2022	2023	TOTAL
IDEMO	Demolition of Old Municipal Incinerator	0	0	0	0	0	0
CREHAB	Historic 30th Street Pump Station Rehabilitation	0	0	0	0	0	0
CTDEMO	30th St. Tank Demolition	0	0	0	0	0	0
F1801	East Parking Lot - Garage	795,000	0	0	0	0	795,000
SA1701	Parking Lot Improvements at Sanitation	95,000	0	0	0	0	95,000
SW-171	Replacement of Recycling Building at Eco-Center	0	0	0	0	0	0
CH1702	Historic Preservation of City Hall (Remodeling)	2,273,780	3,475,800	2,388,561	0	0	8,138,141
	Total $'s by Year	**$ 3,163,780**	**$ 3,475,800**	**$ 2,388,561**	**$ -**	**$ -**	**$ 9,028,141**

FUND NO.	FUNDING SOURCE	2019	2020	2021	2022	2023	TOTAL
1090	Convention Center Surplus	500,000	0	0	0	0	500,000
5020	Garage Internal Service	795,000	0	0	0	0	795,000
4320	Sanitation Operations	5,000	0	0	0	0	5,000
n/a	Insurance Proceeds (Hurricane Ike)	90,000	0	0	0	0	90,000
1093	Arts/Historical (HOT) 1/8	1,018,965	287,000	299,000	0	0	1,604,965
3050	Recovery and Capital Reserves	754,815	3,188,800	2,089,561	0	0	6,033,176
	Total $'s by Year	**$ 3,163,780**	**$ 3,475,800**	**$ 2,388,561**	**$ -**	**$ -**	**$ 9,028,141**

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
AIRPORT PROGRAM
BUDGET SUMMARY
FY2018 - FY2019 - FY2023
(Page 7 of 7)

PROJECT NO.	PROJECT NAME	2019	2020	2021	2022	2023	TOTAL
A1603	Design FY 17, 18, 19 and 21 Projects & Fencing Improvements	0	0	0	0	0	0
A1701	Hangar Construction Project	0	0	0	0	0	0
A1801	Airfield Pavement Improvements Phase 3	0	0	0	0	0	0
A1901	Airfiled Pavement Improvements Phase 4	0	0	0	0	0	0
A2001	Planning - Airport Master Plan Update. Design - Pavement Imprv.	0	631,510	0	0	0	631,510
A2101	Airfield Pavement Improvements Runway 18/36	0	0	2,272,160	0	0	2,272,160
A2201	Airfield Pavement Improvements South Apron & South Ramp	0	0	0	2,560,360	0	2,560,360
A1604	Fencing Improvements	0	0	0	0	0	0
A1802	Airport Warehouse Building	790,000	1,110,000	0	0	0	1,900,000
	Total $'s by Year	**$ 790,000**	**$ 1,741,510**	**$ 2,272,160**	**$ 2,560,360**	**$ -**	**$ 7,364,030**

FUND NO.	FUNDING SOURCE	2019	2020	2021	2022	2023	TOTAL
43302	Airport Improvement	790,000	57,410	206,560	232,760	0	1,286,730
n/a	Future Cash: Property Sales	0	1,110,000	0	0	0	1,110,000
n/a	TXDot Funding - Other funding Source	0	574,100	2,065,600	2,327,600	0	4,967,300
	Total $'s by Year	**$ 790,000**	**$ 1,741,510**	**$ 2,272,160**	**$ 2,560,360**	**$ -**	**$ 7,364,030**

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
ISLAND TRANSIT
BUDGET SUMMARY
FY2019 - FY2023

all prior encumbered
no new activity 2019

PROJECT NO.	PROJECT NAME	PRIOR ENCUMBERED	2019	2020	2021	2022	2023	TOTAL FY 2019- 2023	CIP TOTAL
IT1701	Island Transit Technology Upgrade - STUDY	567,000	0	0	0	0	0	0	567,000
TIGER	Island Transit TIGER Grant Bus Replacement/Acquisition (3-Type III Vehicles)	550,000	0	0	0	0	0	0	550,000
IT1703	Phase II Seawall Improvement Program (SBIPH2)	6,330,422	0	0	0	0	0	0	6,330,422
TROLLEY SYSTEM	Island Transit Trolley, Track, and Maintenance System Rehabilitation	7,624,080	0	0	0	0	0	0	7,624,080
		$ 15,071,502	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,071,502

CITY OF GALVESTON
PROPOSED CAPITAL IMPROVEMENT PLAN
Exhibit C
FY 2019 - 2023
TOTALS BY FUNDING SOURCE
(Page 1 of 1)

FUNDING SOURCE	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019-2023 TOTAL
CITY FUNDS						
GENERAL FUND	$ 1,759,943	$ 1,851,200	$ 2,083,200	$ 2,150,600	$ 2,314,200	$ 10,159,143
INFRASTRUCTURE SET ASIDE						$ -
ISLAND TRANSIT	$ -					$ -
GARAGE INTERNAL SERVICE FUND	$ 795,000	$ -	$ -	$ -	$ -	$ 795,000
GARAGE CAPITAL	$ -	$ -	$ -	$ -	$ -	$ -
IDC - BEACH NOURISHMENT	$ -	$ 1,500,000	$ 844,000	$ 1,850,000	$ -	$ 4,194,000
IDC - ECONOMIC DEVELOPMENT	$ -	$ -	$ -	$ -	$ -	$ -
CENTRAL SERVICE	$ -					$ -
IDC - PARKS	$ 415,000	$ 1,522,000	$ -	$ 1,300,000	$ -	$ 3,237,000
IDC - INFRASTRUCTURE	$ 3,169,000	$ 2,469,000	$ 619,000	$ 369,000	$ 369,000	$ 6,995,000
CONVENTION CENTER SURPLUS	$ 1,000,000	$ -	$ -	$ -	$ -	$ 1,000,000
ARTS/HISTORICAL (HOT) 1/8	$ 1,018,965	$ 287,000	$ 299,000	$ -	$ -	$ 1,604,965
2005 GO BONDS	$ -					$ -
2006 WATER REVENUE BONDS	$ -					$ -
2008 WATER REVENUE BONDS	$ -					$ -
2000 SEWER REVENUE BONDS	$ -					$ -
2006 SEWER REVENUE BONDS	$ -					$ -
2008 SEWER REVENUE BONDS	$ -	$ -	$ -	$ -	$ -	$ -
2017 G.O. BONDS	$ 7,257,688					$ 7,257,688
2017 CO'S WATER	$ 12,882,169	$ -	$ -	$ -	$ -	$ 12,882,169
2018 CO'S SEWER	$ 13,281,343	$ 2,464,121				$ 15,745,464
ENTERPRISE FUND - WATER IMPROVEMENT	$ 1,263,600	$ 1,460,000	$ 1,184,305	$ 610,000	$ 610,000	$ 5,127,905
ENTERPRISE FUND - SEWER IMPROVEMENT	$ 1,754,404	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 11,754,404
ENTERPRISE FUND - SANITATION OPERATION	$ 5,000					$ 5,000
ENTERPRISE FUND - AIRPORT IMPROVEMENT	$ 790,000	$ 57,410	$ 206,560	$ 232,760	$ -	$ 1,286,730
SUBTOTAL CITY FUNDS	**$ 45,392,112**	**$ 14,110,731**	**$ 7,736,065**	**$ 9,012,360**	**$ 5,793,200**	**$ 82,044,468**
OTHER FUNDING SOURCES						
FEMA	$ 183,675	$ -	$ -	$ -	$ -	$ 183,675
INSURANCE PROCEEDS - IKE	$ 90,000	$ -	$ -	$ -	$ -	$ 90,000
RECOVERY AND CAPITAL RESERVES	$ 754,815	$ 3,188,800	$ 2,089,561	$ -	$ -	$ 6,033,176
TIRZ 14	$ -	$ -	$ -	$ -	$ -	$ -
CDBG ROUND 2.2	$ -	$ -	$ -	$ -	$ -	$ -
TxDOT GRANTS	$ -	$ 574,100	$ 2,065,600	$ 2,327,600		$ 4,967,300
DONATIONS	$ -	$ -	$ -	$ -	$ -	$ -
GRANTS	$ -	$ -	$ -	$ -	$ -	$ -
SUBTOTAL OTHER FUNDING SOURCES	**$ 1,028,490**	**$ 3,762,900**	**$ 4,155,161**	**$ 2,327,600**	**$ -**	**$ 11,274,151**
FUTURE FUNDING SOURCES						
TAX SUPPORTED BONDS -Future	$ 25,009,502	$ 11,939,300	$ 579,000	$ 672,000	$ 545,800	$ 38,745,602
REVENUE SUPPORTED BONDS -Future	$ 15,045,615	$ 19,327,567	$ 27,768,333	$ 19,264,820	$ 36,967,670	$ 118,374,005
OPERATING CASH - Future	$ -	$ 1,110,000				$ 1,110,000
SUBTOTAL FUTURE FUNDING	**$ 40,055,117**	**$ 32,376,867**	**$ 28,347,333**	**$ 19,936,820**	**$ 37,513,470**	**$ 158,229,607**
TOTAL	**$ 86,475,719**	**$ 50,250,498**	**$ 40,238,559**	**$ 31,276,780**	**$ 43,306,670**	**$ 251,548,226**

Revised: 8/24/15

Exhibit "D"

IDC Budget FY 2019

	Total FY 18	Total FY 19	3190 918100 Beach	3191 918400 ED	3192 918500 Parks	3193 918600 Infra.
Operating Costs:						
Support Staff	50,000	50,000	12,500	12,500	12,500	12,500
Management	100,000	100,000	25,000	25,000	25,000	25,000
Legal	50,000	50,000	12,500	12,500	12,500	12,500
Coastal Resource Manager/Floodplain Admin.	75,672	75,672	75,672			
GIS Analyst/Specialist	73,327	73,327	18,331.75	18,331.75	18,331.75	18,331.75
Economic Dev. Coordinator	42,500	80,000		80,000		
Asst. Coastal Resource Manager	42,500	65,000	65,000			
Lasker Pool	250,000	400,000			400,000	
Little League Park	150,000	150,000			150,000	
Concrete Work Crew (Phases I & II)	369,000	369,000				369,000
Parks Work Crew (Phase III)	110,000	110,000			110,000	
Total Operating Costs:	1,312,999	1,522,999	209,004	148,332	728,332	437,332
Contractural Services:						
Consultant Services (531004)						
Legislative and Technical Services*	85,000	100,000	25,000	25,000	25,000	25,000
Beach Access Plan Consultant*	133,500	50,000	50,000			
Windstorm Consultant *	15,000	15,000		15,000		
Other Contracts (531125)						
Beach Profiles/Survey Contract *	264,500	165,000	165,000			
Post-Storm Survey *	163,305	165,000	165,000			
GEDP *	75,000	50,000		50,000		
Attorney's Fees (531006)	20,000	20,000	5,000	5,000	5,000	5,000
Total Contractual Services:	756,305	565,000	410,000	95,000	30,000	30,000
Promotional Expenses: (Capped at 10% of Total 4B Revenue approx. $500,000)						
Marketing (530014)						
GEDP Developer Conference *	10,000	10,000		10,000		
Target Marketing Initiatives *		75,000		75,000		
Advertising (Legal Notices)	2,000	2,000	500	500	500	500
Total Promotional Expenses:	12,000	87,000	500	85,500	500	500
Misc. Expenses:						
Meeting Expenditures (544032)	1,000	1,000	250	250	250	250
Economic Dev. Operating Expenses (1)		25,000		25,000		
Total Misc. Expenses:	**1,000**	**26,000**	**250**	**25,250**	**250**	**250**
Total Fiscal Year IDC Budget	**2,082,304**	**2,200,999**	619,754	354,082	759,082	468,082

(1) Economic Dev. Operating Expenses to include: Expenses for conferences, prospect development meetings, and memberships.

* Requires Board approval before expenditure

ORDINANCE NO. 18-064

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, LEVYING AD VALOREM TAXES IN THE AMOUNT OF 56 CENTS AND 1 MILLS ($0.561000) UPON EACH ONE HUNDRED DOLLARS ($100.00) OF PROPERTY VALUATION FOR THE CALENDAR YEAR 2018; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, The City Charter, Article VIII, section 2, authorizes the City Council of the City of Galveston, Texas, to levy taxes upon taxable property situated within its corporate limits; and

WHEREAS, the Council deems it in the City's interest to levy a tax rate of 56 Cents and 1 Mill ($0.561000) upon each One Hundred Dollars ($100.00) of property valuation for the calendar year 2018;

WHEREAS, the Galveston County Tax Assessor Collector in her capacity as the Galveston City Tax Assessor Collector published a notice in the newspaper on August 25, 2018 of the City's effective and rollback tax rate calculation for tax year 2018;

WHEREAS, the City Council held a public hearing on the proposed tax rate on August 23, 2018;

WHEREAS, the Council at its meeting on September 20, 2018 adopted the FY 2018 Budget including revenue to be collected from a property tax rate of 56 Cents and 1 Mill ($0.561000) upon each One Hundred Dollars ($100.00) of property valuation for the calendar year 2018;

WHEREAS, Section 26.05(b)(1) of the State Tax Code requires that certain specific language be included in the ordinance adopting the tax rate;

WHEREAS, Section 26.05(b) of the State Tax Code requires that certain specific language be included in the motion to approve the ordinance adopting the tax rate; and

WHEREAS Section 26.05(b)(2) of the State Tax Code requires that certain specific language be included on the home page of the City's website after the ordinance is approved by a record vote of City Council.

WHEREAS the City desires to maintain transparency in its budgeting and taxation policies and practices

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. That the findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. That the City Council of the City of Galveston, Texas, hereby levies a tax rate of 56 Cents and 1 Mill ($0.561000) upon each One Hundred Dollars ($100.00) of property valuation for the calendar year 2018.

SECTION 3. That the tax rate specified in the above Section 2 shall be levied upon all property, real, personal, or mixed that is not otherwise exempt from taxation pursuant to the Constitution or laws of the State of Texas, which is situated within the corporate limits of the City of Galveston, Texas, on January 1, 2018, as ad valorem taxes upon each One Hundred Dollars ($100.00) valuation of such property.

SECTION 4. That the tax rate of ($0.561000) as specified in the above Section 2 shall be applied at the following rates for the specified municipal purposes:

(1) General Purposes – 45 Cents and 85 Mill ($0.458500).
(2) Rosenberg Library Fund – 5 Cents ($0.05); and
(3) Debt Service Fund – 5 Cents and 25 Mill ($0.0525).

SECTION 5. That the Certificate for Ordinance, attached hereto as **Exhibit A** after adoption of the ordinance and incorporated herein for all intents and purposes, satisfies the Record Vote provision required by the Texas Tax Code § 26.05 (b), as amended by Senate Bill 18 adopted during the Regular Session of the 79th Legislature of the State of Texas.

SECTION 6. THE FOLLOWING STATEMENT IS INCLUDED AS REQUIRED BY STATE LAW: **"THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE."**

SECTION 7. "THE TAX RATE FOR MAINTENANCE AND OPERATIONS WILL BE RAISED BY 3.56 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $17.50."

SECTION 8. "THE TAX RATE FOR DEBT SERVICE WILL BE CUT BY 25% AND WILL CUT TAXES FOR DEBT SERVICE ON A $100,000 HOME BY APPROXIMATELY $17.50."

SECTION 8. That the City Manager is hereby directed to post the following notices on the homepage of the City of Galveston's Internet Website: "THE CITY OF GALVESTON, TEXAS, ADOPTED A TAX RATE THAT WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS FOR TAX YEAR 2018. THE TAX RATE FOR MAINTENANCE AND OPERATIONS WILL BE RAISED BY 3.56 PERCENT AND WILL RAISE TAXES FOR

MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $17.50. THE TAX RATE FOR DEBT SERVICE WILL BE CUT BY 25% AND WILL CUT TAXES FOR DEBT SERVICE ON A $100,000 HOME BY APPROXIMATELY $17.50."

SECTION 9. The City Council officially finds, determines, and declares that sufficient notice of the date, hour, place, and subject of each meeting at which this Ordinance was discussed, considered, or acted upon was given in the manner required by Chapter 551 of the Texas Government Code and Chapter 26 of the Texas Tax Code, and that each such meeting has been open to the public, as required by law, at all times during such discussion, consideration, and action. The City Council ratifies, approves, and confirms such notices in the contents and posting thereof.

SECTION 10. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

SECTION 11. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 12. In accordance with the provisions of Sections 12 and 13 of Article II of The City Charter, this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 13. This Ordinance shall be and become effective from and after its adoption and publication in accordance with the provisions of The City Charter of the City of Galveston.

APPROVED AS TO FORM:

DONALD GLYWASKY
CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at a regular meeting held on the 13th day of September, 2018, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 18th day of September, 2018.

Secretary for the City Council
of the City of Galveston

ORDINANCE NO. 18-065

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, APPROVING AND ADOPTING THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN FOR FY 2019-2023; AND MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, The City Charter, Article VII, section 6, requires the City Manager to submit to the City Council of the City of Galveston, Texas, a statement of capital projects planned for the next succeeding five (5) fiscal years, with estimates of their cost; and

WHEREAS, in July 2018, the City Manager presented to the City Council a proposed Capital Improvement Plan (CIP) for Fiscal Years 2018 through 2022: and

WHEREAS, on July 26th, 2018 the City Council of the City of Galveston, Texas, met in open session to receive information concerning the Capital Improvement Plan for Fiscal Year 2019 as a part of its annual budget review;

WHEREAS, the City Council has considered the input of the public and the recommendations of its staff and hereby determines it to be in the public interest to adopt a five-year Capital Improvement Plan for Fiscal Years 2019 through 2023 to service the public health, safety and general welfare of the taxpayers of the City; and

WHEREAS, a copy of the Capital Improvement Plan for Fiscal Years 2019 through 2023 has been made available for public review and comment in the Office of the City Secretary and on the City's web-site, and the City Council desires to adopt the same; and

WHEREAS, the City Council is anticipated to adopt the FY 2019 projects included in the Capital Improvement Plan as part of the City Budget with the passage of Ordinance No. 2018-XXX on September 13, 2018; and

WHEREAS, the FY 2019-2023 Capital Improvement Plan provides a general framework to guide project planning and financing over a five-year period; and

WHEREAS, the FY 2019-2023 Capital Improvement Plan is based on general priorities and available financing as can be anticipated at the present time; and

WHEREAS, the FY 2019-2023 Capital Improvement Plan includes all of the street and drainage projects included in the program presented to the voters and approved in the May 2017 bond election; and

WHEREAS, it is the intention of the City Council that the Capital Improvement Plan will be updated annually and include five years of planned and affordable projects while considering projects that have been completed in the prior fiscal year.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The certain compilation identified as the Proposed Capital Improvement Program for Fiscal Years 2019 through 2023, a copy of which has been and is on file in the Office of the City Secretary for and examination by the public, is hereby incorporated in full by this reference and is hereby adopted as the five-year capital improvement plan for the City of Galveston, Texas.

SECTION 3. The Capital Improvement Plan will be updated each year to recognize changes in the Plan as the result of completed projects, changes in project cost current financing capability of the City and the completion of all of the street and drainage projects presented to the voters in the May 2017 bond election by the end of FY 2023.

SECTION 4. The first year of the Capital Improvement Plan will be adopted each year as the capital budget for the current fiscal year through the annual budget ordinance.

SECTION 5. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

APPROVED AS TO FORM:

DONALD GLYWASKY
CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at a regular meeting held on the 13th day of September, 2018, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 18th day of September, 2018.

Secretary for the City Council
of the City of Galveston

CITY OF GALVESTON ★ 1839 ★

Glossary

ACCOUNTS PAYABLE – A liability account reflecting amounts on open accounts owing to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

ACCOUNTS RECEIVABLE – An asset account reflecting amounts owing to open accounts from private persons or organizations for goods and services provided by a government.

ACCRUAL BASIS – The basis of accounting under which transactions are recognized when they occur regardless of the timing of related cash flows.

ADOPTED BUDGET - The budget approved by City Council and enacted via a budget appropriation ordinance.

AD VALOREM TAX - Tax on property imposed at a rate percent of the value as stated in an invoice (also known as "property tax").

APPRAISED VALUE - To make an estimate of value as related to property.

APPROPRIATION - A specific amount of money authorized by City Council to make expenditures and incur obligations for specific purposes, frequently used interchangeably with "expenditures".

ASSESSED VALUATION - A valuation set upon real estate or other property by a government as a basis for levying taxes. The Galveston Central Appraisal District establishes property valuation.

AUDIT - A comprehensive examination as to the manner in which the government's resources were actually utilized, concluding in a written report. A financial audit is a review of the accounting system and financial information to determine how governmental funds were spent and whether expenditures were in compliance with the legislative body's appropriations. A performance audit consists of a review of how well the government met its stated goals.

BALANCE SHEET – The basic financial statement which discloses the assets, liabilities, and equities of an entity at a specified date in conformity with GAAP.

BALANCED BUDGET - A budget in which estimated revenues equal estimated expenditures.

BOND - A written promise to pay a specific sum of money, called the face value or principal amount, at a specific date or dates in the future, called the maturity date, together with periodic interest at a specific rate.

Glossary

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Prepared for adoption and approval by the City Council. This budget is for the period of October 1 to September 30, which is the same as the fiscal year.

BUDGET CALENDAR - The schedule of the key dates or milestones, which the City departments follow in preparation, adoption, and administration of the budget.

CAPITAL EQUIPMENT - Equipment with a value in excess of $5,000 and an expected life of more than two years.

CAPITAL IMPROVEMENT PROGRAM – A plan for capital expenditures to be incurred each year over a fixed period of several future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount and the method of financing.

CAPITAL OUTLAY - Expenditures, which result in the acquisition of an addition to fixed assets.

CAPITAL PROJECTS FUND - A fund created to account for financial resources to be used for the acquisition or construction of major facilities or equipment.

CASH ACCOUNTING - A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

CASH MANAGEMENT - The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

CDBG – Community Development Block Grant – An entitlement grant program authorized by the federal government. The entitlement program is based upon a formula, which includes the City's population.

CERIFICATES OF OBLIGATION (CO'S) – Debt instruments secured by the ad valorem taxing power of a city. They do not require voter authorization and usually are issued to obtain short term financing.

CODING – The system of numbering to designate funds, departments, divisions, etc. in such a manner that the number quickly reveals certain required information. Example: organization – 151330 – Finance
Administration. The first three numbers (151) are finance and the last three numbers (330) are administration.

Glossary

CONTINGENCY – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

CONTRACTUAL SERVICES – Amounts paid for services rendered by organizations or personnel.

CURRENT ASSETS – Those assets which are available or can be made readily available to finance current operations or to pay current liabilities. Those assets which will be used up or converted into cash within one year.

CURRENT LIABILITIES – Debt or other legal obligation arising out of transactions in the past that must be liquidated, renewed, or refunded within on year.

CURRENT TAXES - Taxes levied and becoming due within one year.

DEBT SERVICE REQUIREMENTS – The amount of revenue, which must be provided for a Debt Service Fund so that all principal and interest payments can be made in full on schedule.

DELINQUENT TAXES – Taxes remaining unpaid on and after the date on which a penalty for nonpayment is attached.

DEPARTMENT – A major administrative division of the City.

DEPRECIATION – The portion of the cost of a fixed asset, which is charged as an expense during the fiscal year. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset and each period is charged with a portion of such cost. The entire cost of the asset is ultimately charged off as an expense through this process.

DIVISION – Functional or activity separation of a department.

ENCUMBRANCES – Commitments related to unperformed (executory) contracts for goods or services.

ENTERPRISE FUND - A fund established to account for operations that are financed and operated in a manner similar to private business enterprise – where the intent is that the costs of providing goods or services to the general public on a continual basis to be financed or recovered primarily through user charges.

ESTIMATED REVENUES – The amount of revenues necessary to fund expenditures based on prior history and analysis of charges and fees assessed.

EXPENDITURE – The outflow of funds paid or to be paid for an asset or goods and services obtained regardless of when the expense is actually paid.

EXPENSE – Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

Glossary

FISCAL YEAR - A period at the end of which and for which financial statements are prepared. The City's fiscal year is October 1 through September 30.

FIXED ASSETS – Assets over $5,000 which are intended to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

FRANCHISE - A special privilege granted by a government permitting the continued use of public property and is usually involvements of monopoly and regulation.

FULL-TIME EQUIVALENT (FTE) A quantifiable unit of measure utilized to convert hours worked by part-time, seasonal or temporary employees into hours worked by full time employees. Full time employees work 2080 hours annually.

FUNCTION – Expenditure classification according to the specific lines of work performed by organization units.

FUND – A fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE – Current assets in excess of current liabilities in all funds.

GAAP – GENERALLY ACCEPTED ACCOUNTING PRINCIPLES – Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

GASB – GOVERNMENTAL ACCOUNTING STANDARDS BOARD – The board is a private, nonprofit organization consisting of seven board members and a full-time staff. GASB is funded by the Financial Accounting Foundations, a nonprofit entity that exercises general oversight over the financial reporting of public entities.

GENERAL FUND – The fund used to account for all financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION BONDS – Bonds that finance a variety of public projects such as streets, buildings and improvements. The repayment of these bonds is usually made from property taxes and is backed by the full faith and credit of the issuing government.

GFOA GOVERNMENT FINANCE OFFICERS ASSOCIATION - A professional association of state and local finance officers in the United States that has served the public finance profession since 1906.

GOVERNMENTAL FUNDS – Funds through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for in the Governmental Funds.

Glossary

GRANTS - Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

INTERNAL SERVICE FUND - A fund used to account for the financing of goods or services provided by one department to other departments of a government on a cost reimbursement basis.

MAJOR FUND - Funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

MATERIALS & SUPPLIES – Purchase of expendable goods.

MODIFIED ACCRUAL – The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period". Expenditures are recognized when the related fund liability is incurred.

NET INCOME – Proprietary fund excess of operating revenues, non-operating revenues, and operating transfers in over operating expenses, non-operating expenses, and operating transfers out.

OPERATING BUDGET – Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. Law usually requires the use of annual operating budgets.

OPERATING TRANSFERS – Legally authorized transfers from a fund receiving revenue to the fund through which the resources are expended.

ORDINANCE – A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges universally require ordinances.

OTHER FINANCING SOURCES – Governmental fund general long-term debt proceeds, operating transfers out, and material proceeds of fixed asset dispositions. Such amounts are classified from revenues.

PAY GRADE – The division of payroll into incremental steps. Special categories include C/A (Council Approved), CMA (City Manager Approved), CS (Civil Service), and C/B (Collective Bargaining).

PERSONAL SERVICES - Payment of payroll services that includes salaries and fringe benefits.

Glossary

PROJECTED EXPENSE – The estimate of the expenditures for the fiscal year based on expenditures through six months for the purpose of obtaining a projected fund balance.

PROPERTY TAX – Taxies levied on both real and personal property according to the property's valuation and the tax rate.

PROPRIETARY FUNDS – Funds accounted for on a flow of economic resources measurement focus. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a Proprietary Fund's activities are included on its balance sheet. Proprietary Fund equity is segregated into contributed capital and retained earnings.

RESERVE – An account used to earmark a portion of fund equity as legally segregated for a specific future use.

RESIDUAL EQUITY TRANSFERS – non-recurring or non-routine transfers of equity between funds.

RETAINED EARNINGS – An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

REVENUE – Increases in governmental fund type net current assets from other than an expenditure refund and/or residual transfer.

REVENUE BONDS - Earnings of an Enterprise Fund pay for interest, principal and related expenditures on these bonds.

SALES TAX – A general "sales tax" is levied on persons and businesses selling merchandise or services in the city limits on a retail basis. State law defines the categories for taxation. Monies collected under administration, operations, maintenance, and financing related debt service.

SPECIAL REVENUE FUND – A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

TAX RATE – The amount of tax stated in terms of a unit of the tax base.

TAX RATE LIMIT - The maximum rate at which a government may levy a tax.

TRADITIONAL BUDGET - The budget of a government wherein expenditures are based entirely or primarily on objects of expenditures.

TRANSMITTAL LETTER – A general discussion of the proposed budget as presented in writing by the City Manager to the City Council, explaining the basis of the budget, management policies, overview, and financial condition of the city, significant changes, and future impact.

UNENCUMBERED BALANCE - The amount of an appropriation that is neither expended, nor encumbered. It is essentially the amount of money still available for future purchases.

WORKING CAPITAL – The amount that total current assets exceed total liabilities.

CITY OF GALVESTON

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