

**NOTICE OF MEETING
CITY COUNCIL OF THE CITY OF GALVESTON
THURSDAY - SEPTEMBER 12, 2019 - 9:00 A.M.
COUNCIL CHAMBERS/ROOM 204 - CITY HALL
823 ROSENBERG, GALVESTON, TEXAS
TELEPHONE: (409) 797-3510**

**THE CITY COUNCIL WILL CONVENE IN COUNCIL CHAMBERS TO CONSIDER AGENDA
ITEMS 1 THROUGH 9, AND WILL MOVE INTO ROOM 204 FOR ITEMS 10 THROUGH 12.**

SPECIAL MEETING AGENDA

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER
2. ROLL CALL
3. CONFLICTS OF INTEREST
4. PRESENTATIONS/REPORTS OF COUNCIL, OFFICER BOARDS, AND CITY MANAGER
 - 4.A. Pursuant To Texas Government Code Section 551.0415, The City Council May Report On Any Of The Following Items:
 1. Expressions of thanks, gratitude, and condolences
 2. Information regarding holiday schedules
 3. Recognition of individuals
 - A. Certificate of Recognition - Opal Lee
 4. Reminders regarding City Council events
 5. Reminders regarding community events
 6. Health and safety announcement
5. PUBLIC HEARINGS
 - 5.A. Conduct A Public Hearing On The FY 2020 Proposed Budget.

Consider for action an ordinance of the City of Galveston, Texas, adopting the annual governmental and proprietary funds budget for the fiscal year beginning October 1, 2019 and ending September 30, 2020; Making appropriations for city operations and capital projects for such fiscal year as reflected in such budget; Authorizing various other transfer; Approving and adopting the FY 2020 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. (M. Loftin)

Documents:

[FY 2020 PROPOSED BUDGET PUBLIC HEARING STAFF REPORT.PDF](#)
[BUDGET ORDINANCE 2020.DOCX](#)
[FY20 BUDGET ORDINANCE DATA ATTACHMENTS.PDF](#)
[CITY OF GALVESTON FY2020 PROPOSED BUDGET.PDF](#)
[FY 2020 BUDGET ORDINANCE STAFF REPORT.DOC.DOCX](#)
 - 5.A.1. Consider For Action A Motion Ratifying The Property Tax Increase Reflected In The

FY 2020 Budget. (M. Loftin)

Documents:

[FY 2020 TAX REVENUE INCREASE RATIFICATION STAFF
REPORT.DOCX](#)

- 5.B. Conduct A Public Hearing On The Proposed Property Tax Rate For Tax Year 2019 And Fiscal Year 2020

Documents:

[FY 2020 PROPERTY TAX RATE PUBLIC HEARING NUMBER ONE STAFF
REPORT.PDF](#)
[2019 CITY OF GALVESTON PROPERTY TAX PUBLIC HEARING NOTICE
ORIGINAL.PDF](#)
[2019 CITY OF GALVESTON PROPERTY TAX PUBLIC HEARING NOTICE
WITH CORRECTED TIME FOR HEARING NUMBER 2.PDF](#)

- 5.C. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Abandoning Property Adjacent To 10702 Schaper Drive And Adjacent Property To The West And South And Adjacent Properties Are Legally Described As The South 1115 Feet Of Lot 397 (397-3); And The North Portion Of Lot 398 (398-2); TRIMBLE AND LINDSEY, SECTION 1; AND LOTS 370-373, 388-395, 406, 408-415, 417, 426-430, 433-436, 448-450, 453, 470 AND PART OF LOTS 368, 369, 374, 375, 398, 399, 405 And Adjacent Right Of Way, Trimble And Lindsey, In The City And County Of Galveston, Texas; Planning Case Number 19P-043; Making Various Findings And Provisions Related To The Subject. (J. Norman)

Documents:

[19P-043 STF - CC PKT 2.PDF](#)

6. PUBLIC COMMENT

- A. Agenda Items
- B. Non-Agenda Items

7. ORDINANCES

- 7.A. Consider For Action An Ordinance Of The City Of Galveston, Texas, Approving And Adopting The Five-Year Capital Improvement Plan For FY 2020-2024; And Making Certain Findings And Containing Certain Provisions Related To The Subject. (M. Loftin)

Documents:

[FY 2020-2024 CIP STAFF REPORT SEPTEMBER 13, 2018.DOCX](#)
[CIP ORDINANCE 2020.DOCX](#)

- 7.B. Consider For Approval An Ordinance Authorizing The Issuance Of City Of Galveston, Texas Public Improvement Bonds, Series 2019; Levying A Tax In Payment Thereof; Providing For The Sale And Award Of Said Bonds In Accordance With Certain Parameters; Approving Certain Agreements Relating To The Bonds; And Enacting Other Provisions Relating Thereto. (M. Loftin)

Documents:

[2019 GENERAL OBLIGATION BONDS STAFF REPORT.DOCX](#)
[2019 GO BOND SALE ORDINANCE.DOC](#)

[MAY 2017 BOND ELECTION PROJECT STATUS REPORT.PDF](#)
[PROSPECTIVE 2019 GO BONDS FINANCIAL AND STATISTICAL RUN AS OF SEPT 3, 2019.PDF](#)
[GO SALE SCHEDULE OF EVENTS.PDF](#)
[UNDERWRITERS FOR CITY OF GALVESTON BOND ISSUES 2015-2019.DOCX](#)
[CITY OF GALVESTON DEBT MANAGEMENT POLICY APPROVED APRIL 25 2019.PDF](#)

- 7.C. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending Section 2-22 "Personnel Rules And Regulations" Of Chapter 2 "Administration" Of "The Code Of The City Of Galveston 1982, As Amended," By Making Changes To Chapter 26 "Sick Leave Pool"; Making Various Findings And Provisions Related To The Subject; And Providing For An Effective Date Of October 1, 2019. (K. Etienne)

Documents:

[STAFF REPORT--EMPLOYEE HANDBOOK, SICK LEAVE POOL.PDF](#)
[ORDINANCE--EMPLOYEE HANDBOOK, CHAPTER 26 SICK LEAVE POOL, MLS.DOCX](#)

- 7.D. Consider For Approval An Ordinance Of The City Of Galveston, Texas, Amending "The Code Of The City Of Galveston 1982, As Amended", Chapter 23, "Nuisances", By Adding Article VII. "Structures Within The Strand/Mechanic Historic Area" To Provide For The Protection, Enhancement And Perpetuation Of The Strand/Mechanic Historic District's Architectural History; Making Various Findings And Provisions Related To The Subject; Providing For An Effective Date. (C. Gorman)

Documents:

[19PA-043 STF RPT WITH ORD.PDF](#)

8. CONSENT ITEMS

The following items shall be considered for action as a whole, unless one or more Council Members objects. The City Manager is authorized to execute all necessary documents upon final approval by the City Attorney.

- 8.A. Consider For Approval The City Auditor's Audit Plan For 2020 (G. Bulgherini)

Documents:

[AUDIT PLAN DRAFT 2020.PDF](#)

- 8.B. Consider For Approval The Award Of RFP # 19-23 To BlueCross BlueShield Of Texas As The Third Party Administrator (TPA) For Employee Health Insurance Including Specific And Aggregate Stop Loss Coverage For A Period Not To Exceed Three Years Effective October 1, 2019. (K. Etienne)

Documents:

[STAFF REPORT--RFP 19-23, TPA FOR HEALTH INSURANCE 2019.PDF](#)

- 8.C. Consider For Approval An Agreement With Boon-Chapman For Administrative Services Related To The Processing Of Run-Out Health Insurance Claims Through September 30, 2020, At A Cost Not To Exceed \$45,000.00. (K. Etienne)

Documents:

[STAFF REPORT--BOON-CHAPMAN, RUN-OUT SERVICES AGREEMENT.PDF](#)

- 8.D. Consider For Approval The First Amendment To The Professional Services Agreement With Arthur J. Gallagher & Co. For Additional Consulting Work Related To The Transition Of Third-Party Administration For Employee Health Insurance From Boon-Chapman To BlueCross BlueShield Of Texas At A Cost Not To Exceed \$45,000.00. (K. Etienne)

Documents:

[STAFF REPORT--AMENDMENT TO PSA WITH GALLAGHER.PDF](#)

- 8.E. Consider A Motion Approving A One-Year Extension Of The Contract With Hutchinson Shockey Erley & Company For Financial Advisory Services. (M. Loftin)

Documents:

[FINANCIAL ADVISOR CONTRACT EXTENSION STAFF REPORT SEPTEMBER 2019.PDF](#)

- 8.F. Consider For Approval, Authorizing The City Manager To Execute The 2020 Texas Department Of Transportation, Routine Airport Maintenance Program (RAMP) Grant, Which Allows The Airport To Be Reimbursed Up To \$50,000.00 In Eligible Airport Maintenance Expenses Upon Final Approval Of The City Attorney (M. Shahan).

Documents:

[STAFF REPORT - 2020 RAMP GRANT.PDF](#)

- 8.G. Consider For Approval A Resolution Of The City Council Of The City Of Galveston, Texas, Authorizing The City Manager To Apply For A Texas Department Of Transportation, Aviation Division, Grant For An Airport Master Plan Update For Fiscal Year 2019; Authorizing The Texas Department Of Transportation As Agent For The City Of Galveston For The Purposes Of Applying For, Receiving, And Disbursing All Funds For These Improvements; Directing The City Manager To Execute All Necessary Documents Relating To The Grant; Directing The City Secretary To Send A Certified Copy Of The Resolution To The Texas Department Of Transportation; Providing For Findings Of Fact And Providing For An Effective Date Upon Final Approval By The City Attorney (M. Shahan).

Documents:

[STAFF REPORT - RESOLUTION FOR AIRPORT MASTER PLAN.PDF](#)

- 8.H. Consider For Approval The Authorization To Purchase Extended Support On Five (5) Power Edge Servers And Two (2) EqualLogic Storage Area Network (SAN) Array Devices From Dell Marketing Through State DIR Contract TSO-3763 For A Total Cost Of \$33,683.21 (H. Dean)

Documents:

[STAFF REPORT SERVER AND SAN SUPPORT EXTENSION.PDF](#)
[CITY OF GALVESTON_3000043137795_1.PDF](#)
[CITY OF GALVESTON_3000043817710_1.PDF](#)

- 8.I. Consider For Approval An Agreement With Avenu Insights And Analytics, LLC For The

Upgrade Of The City's Financial & Human Resources System In An Amount Not To Exceed \$75,000. (H. Dean)

Documents:

[BANNER FINANCE SYSTEM UPGRADE STAFF REPORT.PDF](#)
[GALVESTON BANNER8-9 TECHNICAL MIGRATION AGREEMENT 092019V4.PDF](#)

- 8.J. Consider For Approval The Award A Four-Year Contract For The Lease And Maintenance Of Xerox Copiers And Printers (Multi-Function Devices) To Xerox Business Solutions In The Amount Of \$125,000 Annually, Utilizing Choice Partners Cooperative Contract Number 17/026KH-10. (H.Dean)

Documents:

[XEROX LEASE STAFF REPORT.PDF](#)
[XEROX CONTRACT DOCUMENTS.PDF](#)

- 8.K. Consider Approving The Allocation Of Funds For The Purchase Of Microsoft Windows Server Licenses Using Microsoft Volume Licensing Agreement Through Microsoft Authorized Reseller, SHI Government Solutions, Utilizing DIR-TSO-4092 Contract In An Amount Not To Exceed \$88,542.12 For Three Years. (H.Dean)

Documents:

[STAFF REPORT MICROSOFT SERVER LICENSES.PDF](#)
[SHI QUOTE-17598824.PDF](#)

- 8.L. Consider For Approval A Three-Year Contract, With An Option To Renew For Two (2) One-Year Extensions, With GPS Insight, Buy Board Vendor, To Provide Gps Units, And Other Vehicular Recording Products (I.D. Fobs, Cameras, Etc) And Installation Services For City Vehicles. Funding Source Is Various Department Other Contract Accounts. (C. DeWitt)

Documents:

[GPS INSIGHT - 3 YEAR CONTRACT.PDF](#)

- 8.M. Receive And Accept The Updated Classification And Compensation Study Prepared By Public Sector Personnel Consultants. (K. Etienne)

Documents:

[STAFF REPORT-WITH UPDATEDCLASSIFICATION AND COMPENSATION STUDY 1012019.PDF](#)

9. ACTION ITEMS

- 9.A. Consider For Approval The Award Of RFP # 19-25 To The Standard Life Insurance Company For Employer-Funded Basic Life And Accidental Death And Disability (AD&D) Insurance For Eligible Employees With Guaranteed Rates For A Three-Year Period Effective October 1, 2019 Through September 30, 2022. (K. Etienne)

Documents:

[STAFF REPORT--RFP 19-25, LIFE INSURANCE 2019.PDF](#)

- 9.B. Consider For Approval Confirmation Of Charles Olsen As Interim Fire Chief As Appointed By The City Manager. (B. Maxwell)

10. WORKSHOP ITEMS (ROOM 204)

- 10.A. A Joint Workshop Between The Galveston City Council And The Park Board Of Trustees To Discuss A Draft Interlocal Agreement Between The City And The Park Board (Collins/Yarbrough - 1 Hour)

- 10.B. Interview Applicants For City Boards, Commissions, And Committees

1. Planning Commission
2. Wharves Board

- 10.C. Discussion Of The Closure Of TIRZ 12 And TIRZ 14 (Yarbrough - 30 Minutes)

Documents:

[TIRZ WORKSHOP DISCUSSION SEPTEMBER 12, 2019.PDF](#)

- 10.D. Discuss A Diversity And Inclusion Plan To Increase Female Representation Throughout The City Of Galveston Workforce Focusing On Recruitment And Retention Of Females In The Fire Department, Police Department, Public Works, And Municipal Utilities. (K. Etienne - 15 Minutes)

Documents:

[DIVERSITY ACTION PLAN.PDF](#)

- 10.E. Discussion Of Appointing A Common Board For The Galveston Island Redevelopment Authority, Galveston Housing Finance Corporation, And Galveston Property Finance Authority, And Discussion Of Future Administrative Support (Yarbrough - 30 Minutes)

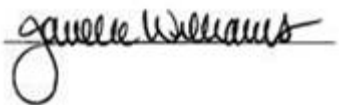
11. EXECUTIVE SESSION

- 11.A. Pursuant To Texas Government Code Section 551.074, "Personnel Matters" To Deliberate The Appointment, Employment, Evaluation, Reassignment, Or Duties Of A Public Officer Or Employee.

- 11.A.1. Annual Review Of City Manager Brian Maxwell

12. ADJOURNMENT

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on September 6, 2019 at 12:00 P.M.



Janelle Williams, City Secretary

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TEXAS 77550 (409-797-3510).



City of Galveston

Finance Department
PO Box 779 | Galveston, TX 77553-0779
| 409-797-3562

August 8, 2019

To: Brian Maxwell, City Manager
Hon. Mayor and City Council

From: Michael W. Loftin, Assistant City Manager for Finance

RE: Conduct a public hearing on September 12, 2019 on the FY 2020 Proposed Budget as required by State law.

I. Background

- A. Chapter 102 of the Local Government Code sets forth procedural and publication requirements for the city Budget including those listed here.
1. Section 102.001(b): The City Manager serves as the budget officer for the city.
 2. Section 102.003(b): "The budget must contain a complete financial statement of the municipality that shows:
 - a. The outstanding obligations of the municipality;
 - b. the cash on hand to the credit of each fund;
 - c. the funds received from all sources during the preceding year;
 - d. the funds available from all sources during the ensuing year;
 - e. the estimated revenue available to cover the proposed budget; and
 - f. the estimated tax rate required to cover the proposed budget."
 3. A public hearing on the budget must be called at least fifteen calendar days after the date the proposed budget is filed with the City Secretary (Section 102.006(b)). This public hearing must be advertised between at least ten days, but not more than 30 days prior to the public hearing.
 4. The adopted budget must be accessible on the city's web page.
 5. A very specific statement must be placed in the advertisement and on the cover page of the budget document (not the cover itself) as outlined in the next section here.
 6. Section 102.009(b) provides, "After final approval of the budget, the governing body may spend municipal funds only in strict compliance with the budget, except in an emergency."
 7. Section 102.010, the law states: "This chapter does not prevent the governing body of the municipality from making changes in the budget for municipal purposes."
 8. Section 102.011 provides, "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."
 9. Section 102.007 provides for the adoption of the budget as follows:
 - 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.”

- B. The City Charter includes provisions under Article VII for Finance that cover the budget as well.
1. Section 5 - The city's fiscal year begins October 1 and ends September 30.
 2. Section 6 – “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:
 - (a) The anticipated revenues and the proposed expenditures for the year, in detail;
 - (b) A statement of all capital projects proposed to be undertaken during the year, and the method of their financing;
 - (c) 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.”
 3. Section 8 - “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.”

II. **Current Situation**

- A. The language that was included in the hearings advertisement and in the budget itself in eighteen-font type as required by Section 102.005 State law is as follows:

"This budget will raise more total property taxes than last year's budget by \$2,965,700 which is a 9.16 percent increase, and of that amount \$419,300 is tax revenue to be raised from new property added to the tax roll this year."

- B. The above budgeted amounts are based on a property tax rate of \$0.579885 per \$100 of taxable value, which is 7.63 percent more than the effective tax rate of \$0.538771 per \$100 taxable value. The rate City Council proposed in its property tax public notice is \$0.582433 which is the same as the Rollback Rate. The Rollback rate, if adopted, would raise \$165,000 more than is budgeted.
- C. The Budget provides for pay adjustments for all city employees including those agreed to for collective bargaining purposes for police and fire, a significant increase in the cost of health benefits for all city employees, no increase in water and sewer rates, continuation of the CIP with an emphasis on streets, drainage, water and sewer projects, and an overall reduction in the number city employees.
- D. Two record votes will be required by City Council to adopt the Budget in September since the Budget includes an increase in property tax revenue. The first will be to adopt the budget itself. The second motion will be “to ratify the property tax increase reflected in the budget.” (Section 102.007(c) of State law).



THIRD PAGE NO LETTERHEAD

ORDINANCE NO. 19-

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, ADOPTING THE ANNUAL GOVERNMENTAL AND PROPRIETARY FUNDS BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019 AND ENDING SEPTEMBER 30, 2020; MAKING APPROPRIATIONS FOR CITY OPERATIONS AND CAPITAL PROJECTS FOR SUCH FISCAL YEAR AS REFLECTED IN SUCH BUDGET; AUTHORIZING VARIOUS OTHER TRANSFERS; APPROVING AND ADOPTING THE FY 2020 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 2020; 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 2020” 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 2020 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. The City Council hereby authorizes the City Manager to transfer budgeted funds from each operating fund’s Health Insurance Contingency to the appropriate department budgets in the same fund,
- d. 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.
- e. 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.

- f. 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.
- g. 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.
- h. 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.
- i. 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 2019 as fully adjusted to reflect the final Comprehensive Annual Financial Report for Fiscal Year 2019 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 2019 for each respective fund. The revised Beginning Fund Balance shall thereafter be used to calculate the Fiscal Year 2020 Ending Fund Balance.

SECTION 5. The City Council hereby approves and adopts the FY 2020 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 2020.
- b. Reports will be provided to City Council quarterly on the status of each project that is a part of the FY 2020 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 2020 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 2020 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 6. Appropriation of capital funds allocated, committed, encumbered and/or expended in accordance with the FY 2020 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 2020. 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 7. The City Council hereby approves and adopts the FY 2020 Operating Budget of the Galveston Industrial Development Corporation (IDC) approved by the Board of Directors of the IDC on August 6, 2019 and included in the budget as Exhibit D.

SECTION 8. Funds shall be allocated to individual projects as approved in the FY 2020 Capital Budget when individual contracts are awarded and/or projects are ready for implementation.

SECTION 9. Funds shall be allocated to individual projects through the normal procurement processes as provided by State Law and City policy.

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. 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 14. 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 12th day of September 2019, 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 _____ day of _____, 2019.

Secretary for the City Council
of the City of Galveston

**FY2020 Proposed Budget Data Sheet
Exhibit "A"**

Fund	FY2020 Proposed Budget	Fund Balance	Total
General Fund			
Police	20,990,147		
Fire	11,583,074		
Emergency Management	138,308		
Emergency Medical Service	615,200		
City Marshal	819,018		
Special Events	0		
Public Works - Streets	1,831,184		
Public Works - Traffic	2,068,600		
Park & Recreation Administration	1,025,332		
Parks & Parkways	1,835,618		
Crockett Park	0		
Building Inspection	696,738		
Developmental Services	1,090,225		
City Secretary	544,646		
Elections	58,500		
Municipal Court	728,352		
City Manager	696,989		
City Auditor	278,551		
City Attorney	833,109		
Human Resources	560,117		
Transportation	800,000		
Finance - Administration	295,784		
Finance - Accounting	809,505		
Finance - Purchasing	206,150		
Finance - Budget	309,330		
Taxation	271,723		
Facility Maintenance Services	1,515,666		
COLA Increases	285,000		
Police Pay Reserve	567,000		
Fire Pay Reserve	275,000		
Contractual Services	70,000		
Group Health Insurance Reserve	1,240,000		
Community Outreach/Public Information	246,534		
Vehicle Purchases	1,000,000		
General Fund Subtotal	54,285,400		
Appropriation of Fund Balance for One-Time Operating Items	100,000		
Appropriation of Fund Balance for Transfer to Hurricane Harvey	15,940		
Operating Transfers to Infrastructure Fund, Separation Fund	5,163,104		
General Fund Total	59,564,444	14,658,535	74,222,979
Debt Service Fund Total	5,543,606	\$1,735,914	\$7,279,520
Special Revenue Funds			
Rosenberg Library	3,052,400	0	3,052,400
Island Transit	4,187,872	55,702	4,243,574
Seawall Parking	1,628,598	0	1,628,598
Convention Center Surplus	4,361,564	0	4,361,564
HOT 1/8 Historical Buildings	1,492,304	0	1,492,304
Council Projects & Initiatives Program	369,596	0	369,596
Infrastructure Fund & Debt Service Fund	8,743,209	0	8,743,209
Separation Pay Fund	474,360	459,994	934,354
PEG Fund	1,182,073	0	1,182,073
Parking Management Fund	1,080,745	0	1,080,745
Lasker Pool Fund	697,728	0	697,728
Pension Reform Fund	881,184	0	881,184
Revenue Producing Parks	276,905	0	276,905
Asset Forfeiture Fund	241,276	0	241,276
Police Special Revenue Fund	86,537	0	86,537
Police Quartermaster Fund	98,730	0	98,730
Alarm Permit Fund	138,123	0	138,123
Fire Special Revenue Fund	166,378	0	166,378
Municipal Court Building Security Fund	49,040	0	49,040
Court Technology Fund	114,195	0	114,195
Juvenile Services Fund	199,756	0	199,756
Recovery and Capital Reserve Fund	1,200,000	0	1,200,000
Technology Improvement Fund	1,102,386	0	1,102,386
Hurricane Harvey Fund	339,014	0	339,014
Special Revenue Fund Total	32,163,973	515,696	32,679,669

**FY2020 Proposed Budget Data Sheet
Exhibit "A"**

Fund	FY2019 Proposed Budget	Fund Balance	Total
Combined Utility System Fund			
Management services	804,332		
Utility billing	2,017,581		
Supply	1,804,146		
Distribution	2,430,704		
Industrial Pretreatment	348,570		
Collection	3,521,242		
Wastewater treatment plant	4,277,745		
Cost of water	10,927,386		
Debt service	8,250,094		
Non-Departmental	3,835,422		
Combined Utility System Fund	38,217,222	12,254,408	50,471,630
Sanitation Fund			
Refuse collection	4,564,208		
Recycling	709,836		
Utility billing	231,960		
Non-Departmental	961,144		
Sanitation Fund Subtotal	6,467,148		
Appropriation of Fund Balance for One-Time Operating Items and FY2020 Capital Budget	490,000		
Sanitation Fund Total	6,957,148	1,794,526	8,751,674
Drainage Fund			
Municipal Drainage Utility	2,319,371		
Utility billing	170,541		
Non-Departmental	191,249		
Drainage Fund Subtotal	2,681,161		
Appropriation of Fund Balance for One-Time Operating Items and FY2020 Capital Budget	253,500		
Drainage Fund Total	2,934,661	1,636,953	4,571,614
Airport Fund			
Operating Expenses	786,713		
Non-Departmental	313,470		
Airport Fund Subtotal	1,100,183		
Airport Fund Total	1,100,183	798,731	1,898,914
Total Operating Budget	146,481,237	33,394,763	179,876,000
Internal Service Funds	23,771,094	3,001,804	26,772,898
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
FY2020 - FY2024
 (Page 1 of 7)

PROJECT NO.	PROJECT NAME	2020	2021	2022	2023	2024	TOTAL
ST1802	16th Street from Broadway to Ave N 1/2	3,150,958	0	0	0	0	3,150,958
IDC27	27th Street Corridor	1,800,000	0	0	0	0	1,800,000
IHST20	Streets Mill & Overlay Rehabilitation	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	6,500,000
ST1604	29th Street - Church to Harborside	0	2,407,380	0	0	0	2,407,380
TR1701	Historic Broadway Lighting Improvements	488,042	0	0	0	0	488,042
ST1701	25th Street from Broadway to Seawall	870,000	0	0	0	0	870,000
ST1702	73rd Street from Heard's Lane to Ave N 1/2	1,342,056	0	0	0	0	1,342,056
STCONT	Program Contingency	1,000,000	0	0	0	0	1,000,000
ST1705	45th Street from Broadway to Seawall	110,000	0	0	0	0	110,000
ST1706	Intersection Improvements for 61st Street and Seawall Boulevard	35,000	243,000	0	0	0	278,000
ST1801	30th Street from Ave O to Seawall Blvd	0	3,782,383	0	0	0	3,782,383
IDCDOW	Downtown Streetscape Improvements	2,100,000	0	0	0	0	2,100,000
ST1901	37th Street from Broadway to Seawall	0	6,829,024	0	0	0	6,829,024
ST2001	29th Street from Ave O to Seawall	0	7,445,005	0	0	0	7,445,005
ST2002	49th Street from Ave P to Ave S 1/2	4,299,606	0	0	0	0	4,299,606
ST2003	35th Street from Postoffice to Broadway	0	2,161,798	0	0	0	2,161,798
ST1503	26th Street from Ave N to Broadway	490,000	0	0	0	0	490,000
IDCSCC	Sidewalk and Concrete Crew	369,000	369,000	369,000	369,000	369,000	1,845,000
ST1805	83rd Street Drainage and Roadway Reconstruction	0	300,000	0	0	0	300,000
Total \$'s by Year		\$ 17,354,662	\$ 24,837,590	\$ 1,669,000	\$ 1,669,000	\$ 1,669,000	\$ 47,199,252

FUND NO.	FUNDING SOURCE	2020	2021	2022	2023	2024	TOTAL
3199	Infrastructure & Debt Service	1,500,000	800,000	500,000	500,000	500,000	3,800,000
3217	2017 G.O. Bonds	4,603,291	0	0	0	0	4,603,291
3191	IDC - Economic Development	0	0	0	0	0	0
3193	IDC - Infrastructure	3,469,293	369,000	369,000	369,000	369,000	4,945,293
1090	Convention Center Surplus	488,042	0	0	0	0	488,042
1708	CDBG	799,707	0	0	0	0	799,707
40117	2017 CO's Water	204,000	0	0	0	0	204,000
40119	2019 CO's Water	2,047,152	0	0	0	0	2,047,152
42117	2017 CO's Sewer	116,000	0	0	0	0	116,000
42119	2019 CO's Sewer	429,373	0	0	0	0	429,373
Future	Revenue Supported Bonds	0	10,123,113	0	0	0	10,123,113
Future	Tax Supported Bonds	3,697,804	13,545,477	800,000	800,000	800,000	19,643,281
Total \$'s by Year		\$ 17,354,662	\$ 24,837,590	\$ 1,669,000	\$ 1,669,000	\$ 1,669,000	\$ 47,199,252

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
DRAINAGE PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2020 - FY2024
(Page 2 of 7)**

PROJECT NO.	PROJECT NAME	2020	2021	2022	2023	2024	TOTAL
D1601	11 Mile Road Drainage Improvements	20,000	0	0	0	0	20,000
D1602	18th Street Drainage Improvements	12,981,915	0	0	0	0	12,981,915
D1604	Church Street Drainage Improvements	0	453,131	0	0	0	453,131
DCONT	Drainage Program Contingency	300,000	0	0	0	0	300,000
D1701	Master Drainage Plan and Feasibility Study	1,750	346,500	0	0	0	348,250
D1801	Drainage System Improvements	0	0	250,000	0	0	250,000
D1901	Pilot Storm Water Pump Station	800,000	31,200,000	0	0	0	32,000,000
Total \$'s by Year		\$ 14,103,665	\$ 31,999,631	\$ 250,000	\$ -	\$ -	\$ 46,353,296

FUND NO.	FUNDING SOURCE	2020	2021	2022	2023	2024	TOTAL
3199	Infrastructure & Debt Service	1,750	346,500	0	0	0	348,250
3217	2017 G.O. Bonds	2,155,671	0	0	0	0	2,155,671
44102	Drainage Improvement	20,000	0	0	0	0	20,000
40119	2019 CO's Water	1,845,532	0	0	0	0	1,845,532
3193	IDC - Infrastructure	0	0	250,000	0	0	250,000
Future	FEMA	0	24,000,000	0	0	0	24,000,000
Future	Tax Supported Bonds	10,080,712	7,653,131	0	0	0	17,733,843
Total \$'s by Year		\$ 14,103,665	\$ 31,999,631	\$ 250,000	\$ -	\$ -	\$ 46,353,296

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
WATERWORKS PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2020 - FY2024**

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PROJECT NO.	PROJECT NAME	2020	2021	2022	2023	2024	TOTAL
W1701	Well Disinfection and Flushing for Water Wells #2A, 6A, 10, 12, 13, 16, 17	0	570,000	0	0	0	570,000
WWELLS	Rehabilitation of Water Wells #9 and 11	0	985,000	0	0	0	985,000
W1610	Pirate's Beach - Lafitte's Cove Loop	0	720,250	0	0	0	720,250
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 Boulevard, 81st Street to 97th Street	0	0	225,000	1,836,750	0	2,061,750
W2001	Water Meter Replacement	0	120,000	12,000,000	0	0	12,120,000
W1605	30 Inch Water Line Causeway	0	9,439,900	0	0	0	9,439,900
W1703	Airport Pump Station Pump and Control Upgrades	2,743,000	0	0	0	0	2,743,000
W1704	30 Inch Water Line - Railroad Bridge to Harborside Drive	0	0	0	2,369,356	0	2,369,356
W1705	Airport Pump Station Pump Tank Upgrades - Phase 1	4,758,000	0	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	0	529,000	4,574,000	5,103,000
W1901	Airport Pump Station Pump Tank Upgrades - Phase 2	0	0	5,282,000	0	0	5,282,000
FD-132	Fire Hydrant Replacement Program	2,000,000	0	0	0	0	2,000,000
WCONT	Program Contingency for Water	1,000,000	0	0	0	0	1,000,000
W1905	Upsize for Fire Flow and Capacity (City Wide)	0	0	80,500	409,000	3,755,000	4,244,500
W1618	Water System Improvements and Water Valve Replacement Program	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	18,500,000
W1601	10 Mile Road Elevated Storage Tank Replacement	0	7,790,000	0	0	0	7,790,000
W1802	Non-revenue Water Mitigation Program	900,000	150,000	150,000	150,000	150,000	1,500,000
ST1806	23RD - Broadway to Seawall Blvd. (County)	1,811,789	0	0	0	0	1,811,789
ST1807	Avenue S - 53rd to Seawall Blvd. (County)	4,443,016	0	0	0	0	4,443,016
W1803	Teichman Road Waterline- 91st to 96th	4,552,750	0	0	0	0	4,552,750
W1903	20" Waterline - 7 Mile to 10 Mile Road	0	5,000	1,341,305	9,922,700	0	11,269,005
W1904	12" WL Upgrade - I-45 Feeder Rd. - 65th to 77th	0	0	50,000	375,000	4,052,200	4,477,200
Total \$'s by Year		\$ 44,184,055	\$ 23,480,150	\$ 23,178,110	\$ 22,504,196	\$ 16,231,200	\$ 129,577,711

FUND NO.	FUNDING SOURCE	2020	2021	2022	2023	2024	TOTAL
40117	2017 CO's Water	12,764,851	0	0	0	0	12,764,851
42117	2017 CO's Sewer	10,563,399	0	0	0	0	10,563,399
40119	2019 CO's Water	20,855,805	0	0	0	0	20,855,805
Future	Revenue Supported Bonds	0	23,480,150	23,178,110	22,504,196	16,231,200	85,393,656
Total \$'s by Year		\$ 44,184,055	\$ 23,480,150	\$ 23,178,110	\$ 22,504,196	\$ 16,231,200	\$ 129,577,711

(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
FY2020 - FY2024
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PROJECT NO.	PROJECT NAME	2020	2021	2022	2023	2024	TOTAL
S1610	Rehabilitation of Main WWTP Sludge Holding Tank	0	0	0	0	8,408,838	8,408,838
S1701	Lift Station Pump and Electrical Improvements	0	5,036,000	2,500,000	2,500,000	2,500,000	12,536,000
S1607	Reconstruction of Pirates' Beach Wastewater Treatment Plant	0	0	0	5,909,545	0	5,909,545
SSEAWO	Seawolf Park WWTP Reconstruction	1,141,907	0	0	0	0	1,141,907
S1902	Replace Pipe at Ferry & 1st	0	0	0	161,200	962,500	1,123,700
S1702	West End Sewer Improvements	0	620,000	3,310,932	0	0	3,930,932
SLINEI	Sanitary Sewer Repair and Rehabilitation Program (Force Mains/Inflow/Infiltration)	825,000	825,000	825,000	825,000	825,000	4,125,000
S1611	Wastewater Master Plan	0	0	0	0	0	0
S1609	Sunny Beach - 8 Mile Road Sanitary Sewer Project	0	0	0	0	0	0
S1901	Harborside - 25th to 29th	0	0	476,675	3,653,125	0	4,129,800
SCONT	Program contingency	750,000	0	0	0	0	750,000
ST1807	Avenue S - 53rd to Seawall Blvd. (County)	423,780	0	0	0	0	423,780
S1903	Terramar Waste Water Treatment Plant Upgrade	0	0	0	2,407,500	12,338,300	14,745,800
ST1806	23RD - Broadway to Seawall Blvd. (County)	1,943,486	0	0	0	0	1,943,486
Total \$'s by Year		\$ 5,084,173	\$ 6,481,000	\$ 7,112,607	\$ 15,456,370	\$ 25,034,638	\$ 59,168,787

FUND NO.	FUNDING SOURCE	2020	2021	2022	2023	2024	TOTAL
42117	2017 CO's SEWER	1,425,000	0	0	0	0	1,425,000
42119	2019 CO's SEWER	3,494,486	0	0	0	0	3,494,486
1214	FEMA Approved (Fire Hydrants)	164,687	0	0	0	0	164,687
Future	Revenue Supported Bonds	0	6,481,000	7,112,607	15,456,370	25,034,638	54,084,615
Total \$'s by Year		\$ 5,084,173	\$ 6,481,000	\$ 7,112,607	\$ 15,456,370	\$ 25,034,638	\$ 59,168,788

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
PARKS & RECREATION PROGRAM
BUDGET SUMMARY
FY2020 - FY2024**

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PROJECT NO.	PROJECT NAME	2020	2021	2022	2023	2024	TOTAL
IDCJP	Jones Park	25,000	0	0	0	0	25,000
IDCSUP	Seawall Urban Park Renourishment	0	0	844,000	0	0	844,000
IDCPP3	Parks Package 3	886,920	0	0	0	0	886,920
IDCSHC	Sandhill Crane Soccer Complex & Park	0	1,740,000	0	1,650,000	0	3,390,000
IDCDELL	Dellanera Park Renourishment	0	422,000	0	0	0	422,000
IDCPOC	Beach Pocket Park Rehabilitation	1,850,000	0	0	0	0	1,850,000
Total \$'s by Year		\$ 2,761,920	\$ 2,162,000	\$ 844,000	\$ 1,650,000	\$ -	\$ 7,417,920

FUND NO.	FUNDING SOURCE	2020	2021	2022	2023	2024	TOTAL
3190	IDC - Beach Nourishment	1,850,000	0	844,000	0	0	2,694,000
3192	IDC - Parks	911,920	2,162,000	0	1,650,000	0	4,723,920
Total \$'s by Year		\$ 2,761,920	\$ 2,162,000	\$ 844,000	\$ 1,650,000	\$ -	\$ 7,417,920

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
FACILITIES PROGRAM
BUDGET SUMMARY
FY2020 - FY2024**

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PROJECT NO.	PROJECT NAME	2020	2021	2022	2023	2024	TOTAL
IDEMO	Demolition of Old Municipal Incinerator	855,545	0	0	0	0	855,545
PWFAC	New Public Works & Utilities Building & Warehouse	64,233	0	0	0	0	64,233
F1801	East Parking Lot - Garage	799,195	0	0	0	0	799,195
SA1701	Parking Lot Improvements at Sanitation (RE-102)	95,000	0	0	0	0	95,000
CH1702	Renovate City Hall & Windows	2,805,965	1,294,000	0	0	0	4,099,965
CGROOF	Central Garage Roof Rehabilitation	346,000	0	0	0	0	346,000
Total \$'s by Year		\$ 4,965,939	\$ 1,294,000	\$ -	\$ -	\$ -	\$ 6,259,939

FUND NO.	FUNDING SOURCE	2020	2021	2022	2023	2024	TOTAL
1090	Convention Center Surplus	500,000	0	0	0	0	500,000
1708	CDBG 2.2	919,778	0	0	0	0	919,778
3199	Infrastructure & Debt Service (ISA)	346,000	1,000,000	0	0	0	1,346,000
5020	Garage Internal Service	799,195	0	0	0	0	799,195
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	1,305,965	294,000	0	0	0	1,599,965
3050	Recovery and Capital Reserves	1,000,000	0	0	0	0	1,000,000
Total \$'s by Year		\$ 4,965,938	\$ 1,294,000	\$ -	\$ -	\$ -	\$ 6,259,939

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
EXHIBIT B
AIRPORT PROGRAM
BUDGET SUMMARY
FY2020 - FY2024
(Page 7 of 7)**

PROJECT NO.	PROJECT NAME	2020	2021	2022	2023	2024	TOTAL
A1901	Rehabilitation of Terminal North Parking Lot & Driveway	32,000	0	0	0	0	32,000
A1701	Hangar Construction Project	726,611	0	0	0	0	726,611
A1802	Airport Warehouse Building	0	150,996	1,100,000	0	0	1,250,996
A2020	Planning - Airport Master Plan Update. Design - Pavement Improvements.	525,000	0	0	0	0	525,000
A2021	Airfield Pavement Improvements Runway 18/36	0	2,272,160	0	0	0	2,272,160
A2022	Airfield Pavement Improvements South Apron & South Ramp	0	0	2,560,360	0	0	2,560,360
H-AP1	Air Traffic Control Tower	563,179	0	0	0	0	563,179
Total \$'s by Year		\$ 1,846,790	\$ 2,423,156	\$ 3,660,360	\$ -	\$ -	\$ 7,930,306

FUND NO.	FUNDING SOURCE	2020	2021	2022	2023	2024	TOTAL
43302	Airport Improvement	1,374,290	357,556	232,760	0	0	1,964,606
n/a	Future Cash: Property Sales	0	0	1,100,000	0	0	1,100,000
n/a	TXDot Funding - Other funding Source	472,500	2,065,600	2,327,600	0	0	4,865,700
Total \$'s by Year		\$ 1,846,790	\$ 2,423,156	\$ 3,660,360	\$ -	\$ -	\$ 7,930,306

CITY OF GALVESTON
PROPOSED CAPITAL IMPROVEMENT PLAN
Exhibit C
FY 2020 - 2024
TOTALS BY FUNDING SOURCE
 (Page 1 of 1)

FUNDING SOURCE	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2020-2024 TOTAL
CITY FUNDS						
INFRASTRUCTURE SET ASIDE	\$ 1,847,750	\$ 1,846,500	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,194,250
GARAGE INTERNAL SERVICE FUND	\$ 799,195	\$ -	\$ -	\$ -	\$ -	\$ 799,195
GARAGE CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IDC - BEACH NOURISHMENT	\$ 1,850,000	\$ -	\$ 844,000	\$ -	\$ -	\$ 2,694,000
IDC - ECONOMIC DEVELOPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CENTRAL SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IDC - PARKS	\$ 25,000	\$ 2,162,000	\$ -	\$ 1,650,000	\$ -	\$ 3,837,000
IDC - INFRASTRUCTURE	\$ 3,469,293	\$ 369,000	\$ 619,000	\$ 369,000	\$ 369,000	\$ 5,195,293
CONVENTION CENTER SURPLUS	\$ 988,042	\$ -	\$ -	\$ -	\$ -	\$ 988,042
ARTS/HISTORICAL (HOT) 1/8	\$ 1,305,965	\$ 294,000	\$ -	\$ -	\$ -	\$ 1,599,965
2006 WATER REVENUE BONDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008 WATER REVENUE BONDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2000 SEWER REVENUE BONDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017 CO'S WATER	\$ 9,262,538					\$ 9,262,538
2017 CO'S SEWER	\$ 12,104,399					\$ 12,104,399
2017 G.O. BONDS	\$ 6,758,962					\$ 6,758,962
2019 CO'S WATER	\$ 17,427,280					\$ 17,427,280
2019 CO'S SEWER	\$ 14,951,381					\$ 14,951,381
ENTERPRISE FUND - WATER IMPROVEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ENTERPRISE FUND - DRAINAGE IMPROVEMENT	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
ENTERPRISE FUND - SANITATION OPERATION	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000
ENTERPRISE FUND - AIRPORT IMPROVEMENT	\$ 887,464	\$ 357,556	\$ 232,760			\$ 1,477,780
SUBTOTAL CITY FUNDS	\$ 71,702,269	\$ 5,029,056	\$ 2,195,760	\$ 2,519,000	\$ 869,000	\$ 82,315,085
OTHER FUNDING SOURCES						
FEMA	\$ 164,687	\$ 24,000,000				\$ 24,164,687
INSURANCE PROCEEDS - IKE	\$ 90,000					\$ 90,000
RECOVERY AND CAPITAL RESERVES	\$ 1,000,000					\$ 1,000,000
TIRZ 14	\$ 486,826	\$ 300,000				\$ 786,826
CDBG ROUND	\$ 1,719,485					\$ 1,719,485
TxDOT GRANTS	\$ 472,500	\$ 2,065,600	\$ 2,327,600			\$ 4,865,700
DONATIONS						\$ -
GRANTS						\$ -
SUBTOTAL OTHER FUNDING SOURCES	\$ 3,933,498	\$ 26,365,600	\$ 2,327,600	\$ -	\$ -	\$ 32,626,698
FUTURE FUNDING SOURCES						
TAX SUPPORTED BONDS -Future	\$ 12,978,516	\$ 21,998,608	\$ 800,000	\$ 800,000	\$ 800,000	\$ 37,377,124
REVENUE SUPPORTED BONDS -Future	\$ -	\$ 40,084,263	\$ 30,290,717	\$ 37,960,566	\$ 41,265,838	\$ 149,601,384
OPERATING CASH - Future	\$ -	\$ -	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
SUBTOTAL FUTURE FUNDING	\$ 12,978,516	\$ 62,082,871	\$ 32,190,717	\$ 38,760,566	\$ 42,065,838	\$ 188,078,508
TOTAL	\$ 88,614,283	\$ 93,477,527	\$ 36,714,077	\$ 41,279,566	\$ 42,934,838	\$ 303,020,291

Exhibit "D"

Proposed IDC Budget FY 2020

				3190 918100	3191 918400	3192 918500	3193 918600
	Total FY 19	YTD FY19	Total FY 20	Beach	ED	Parks	Infra.
Operating Costs:							
Support Staff	50,000	25,000	50,000	12,500	12,500	12,500	12,500
Management	100,000	50,000	100,000	25,000	25,000	25,000	25,000
Legal	50,000	25,000	50,000	12,500	12,500	12,500	12,500
Coastal Resource Manager/Floodplain Admin.	75,672	75,672	75,672	75,672			
Asst. Coastal Resource Manager	65,000	46,527	59,399	59,399			
GIS Analyst/Specialist	73,328	36,664	73,328	18,332	18,332	18,332	18,332
Economic Dev. Coordinator	80,000	49,053	75,327		75,327		
In-House Legislative Liason	0		88,680	22,170	22,170	22,170	22,170
Lasker Pool	400,000	400,000	300,000			300,000	
Concrete Work Crew (Phases I & II)	369,000	134,601	369,000				369,000
Parks Work Crew (Phase III)	260,000	138,225	260,000			160,000	100,000
Total Operating Costs:	1,523,000	980,742	1,501,406	225,573	165,829	550,502	559,502
Contractual Services:							
<u>Consultant Services (531004)</u>							
Legislative and Technical Services*	100,000	14,066	20,000	5,000	5,000	5,000	5,000
Beach Access Plan Consultant*	50,000	1,217	50,000	50,000			
Windstorm Consultant *	15,000	0	0				
<u>Other Contracts (531125)</u>		0					
Beach Profiles/Survey Contract *	165,000	43,000	103,149	103,149			
Park Board Reimbursement for Surveys			-55,230	-55,230			
Post-Storm Survey *	165,000	0	103,149	103,149			
GEDP *	50,000	50,000	50,000		50,000		
Attorney's Fees (531006)	20,000	6,160	20,000	5,000	5,000	5,000	5,000
Total Contractual Services:	565,000	114,443	291,068	211,068	60,000	10,000	10,000
Promotional Expenses: (Capped at 10% of Total 4B Revenue approx. \$500,000)							
<u>Marketing (530014)</u>							
GEDP Developer Conference *	10,000	10,000	10,000		10,000		
Target Marketing Initiatives *	75,000	0	75,000		75,000		
Advertising (Legal Notices)	2,000	613	2,000	500	500	500	500
Total Promotional Expenses:	87,000	10,613	87,000	500	85,500	500	500
Misc. Expenses:							
Meeting Expenditures (544032)	1,000	0	1,000	250	250	250	250
Economic Dev. Operating Expenses (1)	25,000	0	25,000	0	25,000	0	0
Election Expenses	0		60,000	15,000	15,000	15,000	15,000
Investment Expenses	0	0	2,000	500	500	500	500
Banking Service Fees	0	0	500	125	125	125	125
Total Misc. Expenses:	26,000	0	88,500	15,875	40,875	15,875	15,875
Total Fiscal Year IDC Budget	2,201,000	1,105,797	1,967,974	453,016	352,204	576,877	585,877

(1) Economic Dev. Operating Expenses to include: Expenses for conferences, prospect development meetings, and memberships.

* Requires Board approval before expenditure

City of Galveston Proposed Budget

FY 2020





CITY OF GALVESTON, TEXAS

FY 2020 Proposed Budget

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

“This budget will raise more total property taxes than last year’s budget by \$2,965,700 which is a 9.16 percent increase, and of that amount \$419,300 is tax revenue to be raised from new property added to the tax roll this year.”

Proposed Budget

Fiscal Year
October 1, 2019 through September 30, 2020

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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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	Cecil Stroud Jr.
Executive Director of Development Services	Timothy Tietjens
Executive Director of Fleet, Mass Transit, & Spec. Evts	David Smith
Executive Director of Finance, HR & Civil Service	Kent Etienne
Executive Director of Community Outreach	Barbara Sanderson
Chief Information & Technology Officer	Hope Dean
City Controller	Tammy Jacobs
City Engineer	Daniel Christodoss
Director of Capital Projects	Ross Blacketter
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
Interim Director of Grants & Housing	Alice Law
Public Information Officer	Marissa Barnett
Battalion Chief-Emergency Management	Mark Morgan Sr.
Municipal Court Clerk	Gladys Lopez
Facilities Director	Charles Kenworthy
Risk Manager	Robert Simmons

Introduction Section



City of Galveston

August 7, 2019

To: Honorable Mayor James D. Yarbrough and Members of Council
Subject: FY 2020 Proposed Budget

Mayor and Council:

The Proposed Budget for FY2020, beginning October 1, 2019, and ending September 30, 2020 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 Proposed Budget, including maintenance and operating expenditures, one-time appropriations, and the capital budget is \$235.1 million, 5.36 percent less than last year's combined total. The Proposed Budget includes adequate reserves in all funds and allocates additional available resources to meet the City's highest priorities.

FY 2020 PROPOSED BUDGET (\$000's)

Major Category	FY 2019 Budget	FY 2020 Proposed Budget	Percent Difference
Maintenance and Operations	\$150,615	\$145,621	-3.32%
One-Time Appropriations	\$9,310	\$859	-90.77%
Total Operating Budget	\$159,925	\$146,480	-8.41%
Capital Budget	\$88,476	\$88,614	0.16%
Total Budget	\$248,401	\$235,094	-5.36%

The Proposed Budget includes funds for 168 police officers, full funding for the health benefits plan in FY 2020, and full funding for the police pension funds. 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. As the result of the State legislation that passed in the most recent legislative session, the City's contribution to the police pension plan is funded at 18 percent, which is fifty percent higher than the 12 percent rate that was in place until January 2016.

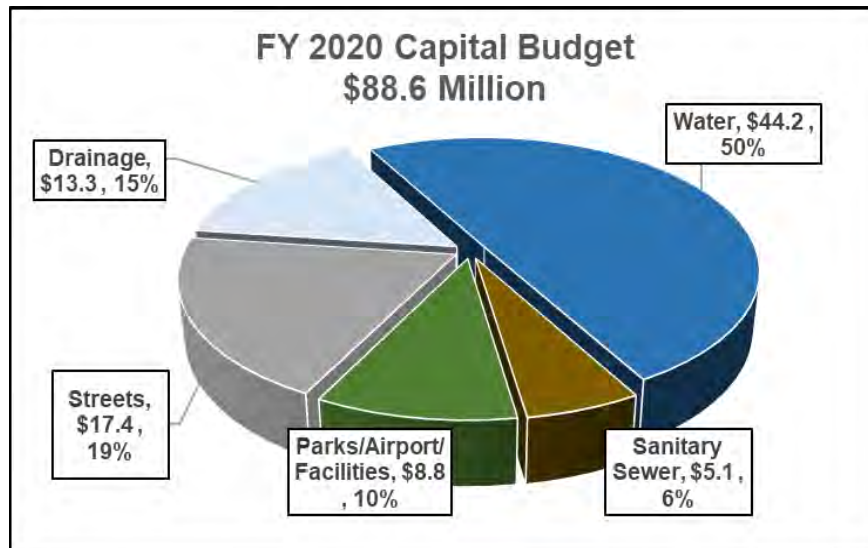




City of Galveston

Approximately \$0.8 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 civilian employee pension plan are our next point of focus in the pension area.

The Proposed 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 draft form in July. The CIP includes plans for \$303 million in projects, with \$88.6 million or 29 percent of the total scheduled for FY 2020.



The Proposed 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. Many of the major projects have already come to City Council for construction award, and virtually all should have received Council approval by the end of FY 2020.

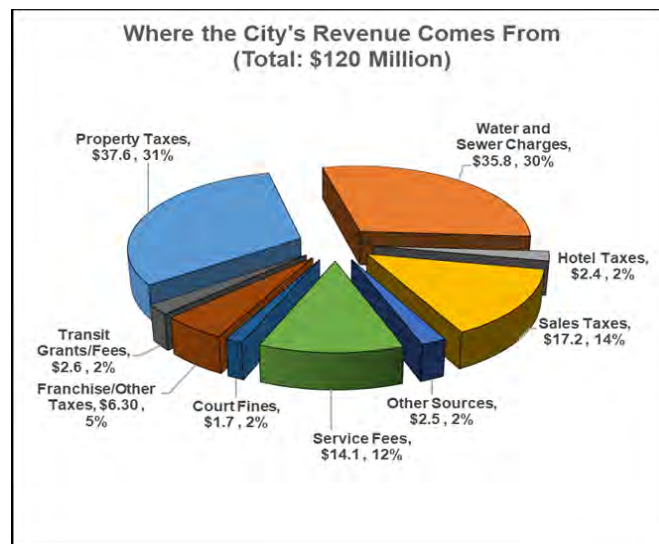
We are addressing funding challenges in this Proposed Budget that require that a tax rate increase be included as a part of the Proposed Budget for public safety pay. A 1.8885 cent property tax rate increase is proposed from \$0.561 to \$0.579885 per \$100 of taxable value.





City of Galveston

Over 4,400 elderly and disabled taxpayers' property tax payments are frozen at the same level as last year, and will pay no tax increase at all. The owner occupant of an average single family home in Galveston appraised at \$235,096 with the basic twenty percent homestead exemption and taxable value of \$188,076 will pay an additional \$37 per year. The tax rate increase is wholly allocated through the General Fund to the pay plans for police (5.8 percent effective January 1, 2020) and fire (3.5 percent effective October 1, 2019). Civilian staff in all city funds would receive a two percent cost of living adjustment effective October 2019.



This year's General Fund budget includes funds for \$2.4 million in new recurring costs for health benefits (\$1.24 million), police pension (\$395,000), the transfer to the Infrastructure and Debt Service fund (\$741,000 at the current tax rate), and ambulance service (\$49,000). These costs cannot and should not be funded with spending reductions that cannot be sustained, and our revenue choices are limited. In addition other necessary adjustments total \$887,000 for General Fund vehicle purchases, Comprehensive Plan updating, Island Transit, and funding for existing staff. At the same time, General Fund departments have generally maintained their budgets at the level established when they were reduced by two percent (\$1 million) last year or even less. The net effect of these cuts in this budget is \$695,000 in reductions from last year that are contained in this proposed budget.





City of Galveston

This includes our central administrative departments which are budgeted at minimum levels so as to maintain their effectiveness and ability to carry out their City Charter responsibilities. Can we reduce budgets further? Further reductions can be achieved over time but all departments are operating at minimum budget levels now. The table below illustrates how low our administrative overhead cost is, including pure central administrative functions that include Mayor and Council, the City Manager, City Attorney, City Secretary, City Auditor, Human Resources, Public Information and Finance including property tax appraisal and collection by County offices. Using the FY 2020 Proposed Budget as our basis, our overhead rate is 3.64 percent of the operating budget and 2.23 percent of the overall capital and operating budget combined. This is lower than in FY 2015 when the rates were 4.04 percent and 2.59 percent.

CITY OF GALVESTON ADMINISTRATIVE OVERHEAD FY 2015-2020

Budget Category	FY 2015 Budget	FY 2016 Budget	FY 2017 Budget	FY 2018 Budget	FY 2019 Budget	FY 2020 Proposed Budget
Administrative Offices						
City Secretary/Council	401,771	418,399	510,774	547,175	536,270	544,646
Elections	0	60,000	60,000	70,000	68,000	58,500
City Manager	707,706	748,821	831,001	762,019	682,997	696,989
City Attorney	769,746	900,442	884,180	919,554	928,227	833,109
City Auditor	277,238	312,289	278,291	278,563	274,851	278,551
Human Resources	285,570	326,647	443,025	557,574	555,375	560,117
Finance	1,674,239	1,888,378	1,948,581	1,807,399	1,863,446	1,620,769
Taxation	213,158	247,073	255,314	265,449	270,000	271,723
Community Outreach/Public Information Office	0	0	0	0	208,502	246,534
Subtotal Administration	4,329,428	4,902,049	5,211,166	5,207,733	5,387,668	5,110,938
Operating Budget						
General Fund	47,642,520	49,746,819	57,003,604	54,190,013	55,896,702	59,336,800
Less Administrative Depts	4,329,428	4,902,049	5,211,166	5,207,733	5,387,668	5,110,938
General Fund Operations	43,313,092	44,844,770	51,792,438	48,982,280	50,509,034	54,225,862
Special Funds	18,783,615	31,112,301	33,857,546	36,503,006	36,653,582	32,164,973
Enterprise Funds	44,072,594	48,632,005	43,552,270	45,608,695	46,845,944	48,465,713
Debt Service Fund	984,758	1,954,517	9,802,702	8,736,372	5,192,812	5,543,606
Total Operating Budget	107,154,059	126,543,593	139,004,956	139,830,353	139,201,372	140,400,154
Capital Budget						
Streets	23,391,331	20,899,424	14,827,920	25,077,860	22,631,633	17,354,682
Drainage	1,884,045	2,531,692	2,493,025	4,038,247	15,084,500	13,303,665
Water	4,605,553	2,933,400	30,535,877	12,689,680	29,191,384	44,184,055
Sewer	6,551,018	7,880,758	20,593,518	23,111,345	15,219,422	5,084,173
Parks	5,177,680	3,850,000	4,212,500	3,295,750	415,000	1,875,000
Other	18,349,453	5,350,000	6,446,039	7,304,303	3,933,880	6,812,729
Subtotal Capital Budget	59,959,080	43,445,274	79,108,879	75,517,185	86,475,819	88,614,304
Total Capital and Operating Budget	167,113,139	169,988,867	218,113,835	215,347,538	225,677,191	229,014,458
Admin as Pct of Op Budget	4.04%	3.87%	3.75%	3.72%	3.87%	3.64%
Admin as Pct of Cap & Op Budget	2.59%	2.88%	2.39%	2.42%	2.39%	2.23%

We also compare favorably to other cities whose budgets vary somewhat from ours, but have the same basic structure: Elected officials, the executive function (be it strong Mayor or City





City of Galveston

Manager), City Secretary, Finance, Internal Audit, Legal, Public Information, and Human Resources. Not all of the cities surveyed had easily identifiable capital budgets so that comparison has been left out of this presentation.

**PEER CITIES ADMINISTRATIVE COST
AS PERCENT OF OPERATING BUDGET
BASED ON THEIR FY 2019 BUDGETS
(Source: City of Galveston Finance Department)**

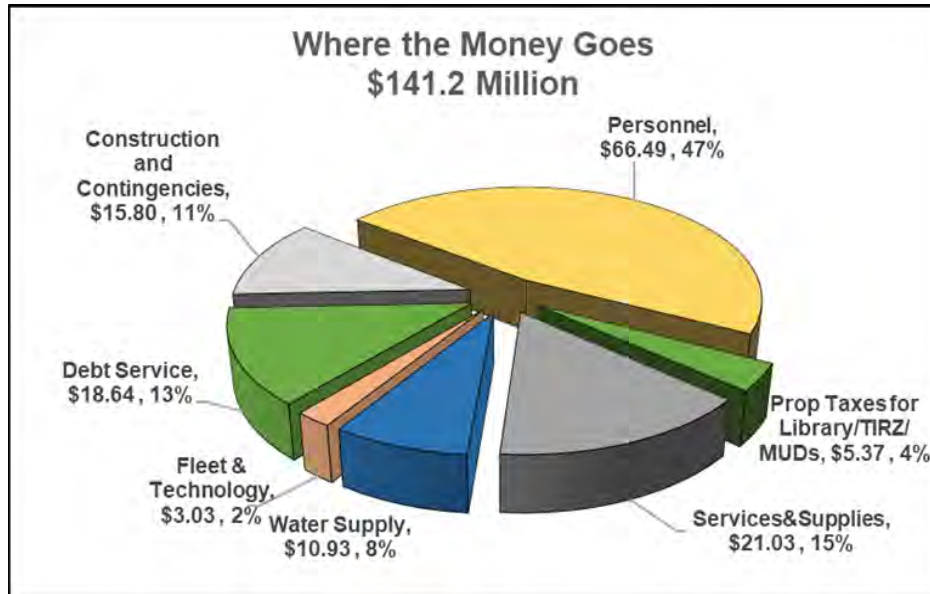
Categories	Pasadena	Texas City	League City	Pearland	Baytown	Beaumont	Friendswood
Administration	0	4,100,232			1,850,758		3,642,527
City Secretary/Council	705,665		599,020	524,849	771,198	420,100	857,272
Elections	67,150						
City Manager/Mayor	640,935		689,352	1,076,495		1,787,200	1,015,737
City Attorney	1,714,886	196,309	557,557	818,855	1,105,867	1,076,300	
City Auditor	0		123,863				
Human Resources	1,087,393		863,977	1,115,248	1,126,959	927,800	
Finance	3,401,983		2,442,864	2,201,814	2,532,773	1,822,100	
Taxation	512,520						
Public Information Office	1,793,496		567,073	568,378			
Subtotal Administration	9,924,028	4,296,541	5,843,706	6,305,639	7,387,555	6,033,500	5,515,536
Operating Budget							
General Fund	116,263,380	54,962,945	76,396,528	80,424,112	108,256,539	126,717,000	28,211,899
Less Administrative Depts	9,924,028	4,296,541	5,843,706	6,305,639	7,387,555	6,033,500	5,515,536
General Fund Operations	106,339,352	50,666,404	70,552,822	74,118,473	100,868,984	120,683,500	22,696,363
Special Funds	13,899,921	2,521,431	3,923,933	3,292,676	11,330,963	19,504,539	380,984
Enterprise Funds	42,448,243	16,498,658	35,924,801	53,416,720	62,780,405	63,432,500	11,811,262
Debt Service Fund	11,764,701	10,320,539	12,475,869	38,806,367	22,190,038	17,153,500	3,217,119
Total Operating Budget	174,452,217	80,007,032	122,877,425	169,634,236	197,170,390	220,774,039	38,105,728
Admin as Pct of Op Budget	5.69%	5.37%	4.76%	3.72%	3.75%	2.73%	14.47%

The City of Galveston's "overhead rate" calculated using Administrative costs as a percent of the FY 2020 Proposed Budget for operations is 3.64 percent. It is lower than all but Beaumont and much lower than other local public agencies can claim.





City of Galveston



(Note: The difference in the expenditure total above and the revenue total on a prior page is the approximate amount budgeted from existing balances in the special revenue funds that carries over until it is spent as well as amounts budgeted for one time uses of fund balance for capital outlay in the Enterprise Funds.)

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 Proposed budget is also a communication tool to inform City of Galveston residents and businesses of the issues and challenges confronting the community. The Budget Summary section addresses many citywide and general concerns and issues that can help the reader in reviewing the detailed information provided for each department and fund. This includes the allocation of key resources since FY 2015, which is heavily weighted toward basic services that affect every resident in Galveston. It also shows how all City revenues are being assigned and allocated for operations and capital programs and projects.

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





City of Galveston

OFFICE OF THE CITY MANAGER

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

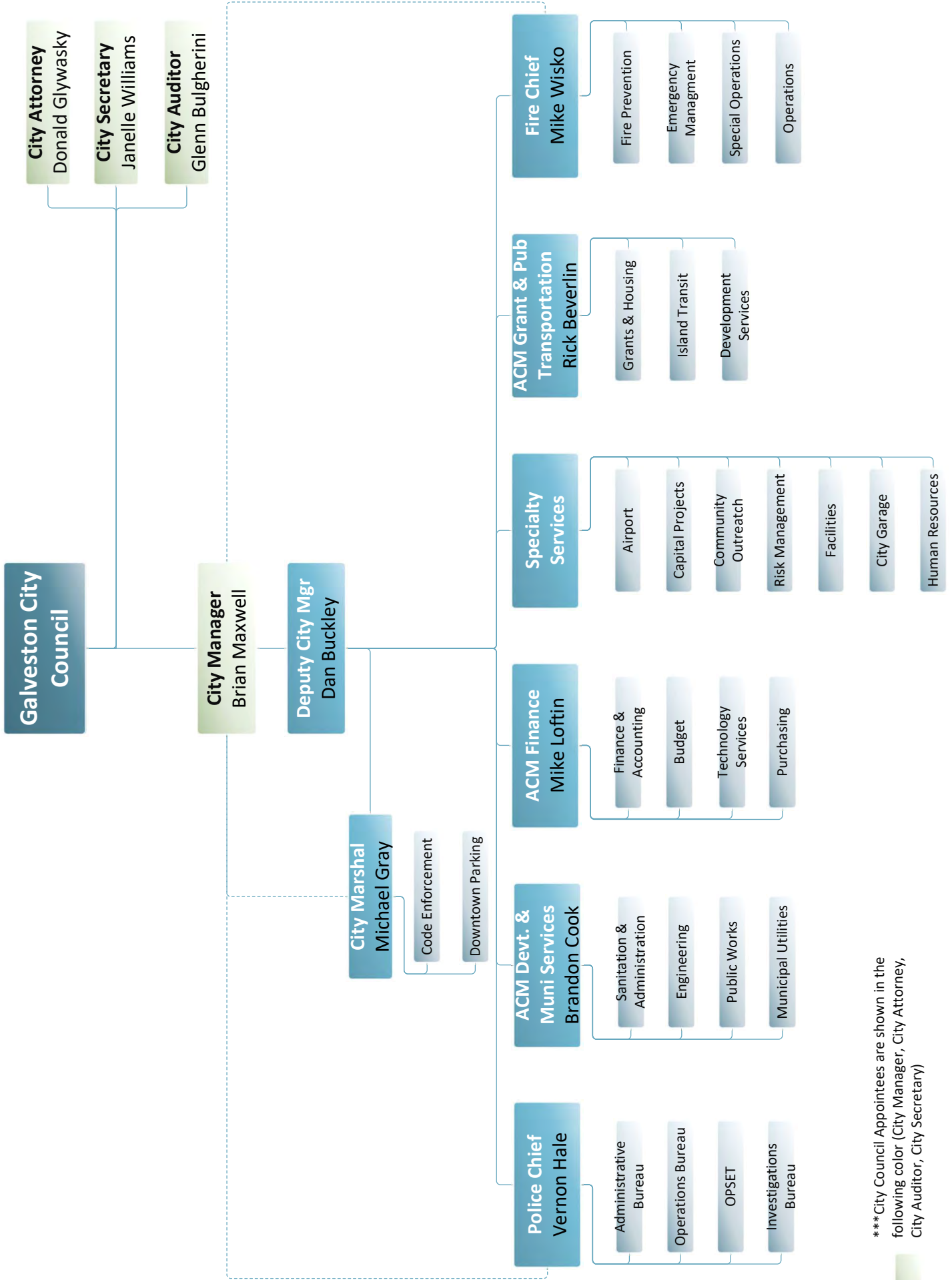
budget focuses the city's financial resources to improve accountability and efficiency through technology, facilities, fleet, and our most valuable asset, city staff.

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

Sincerely,

Brian Maxwell
City Manager





GUIDE TO READING THE FY 2020 PROPOSED 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 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

49,706
Population

\$42,486
Median Household Income

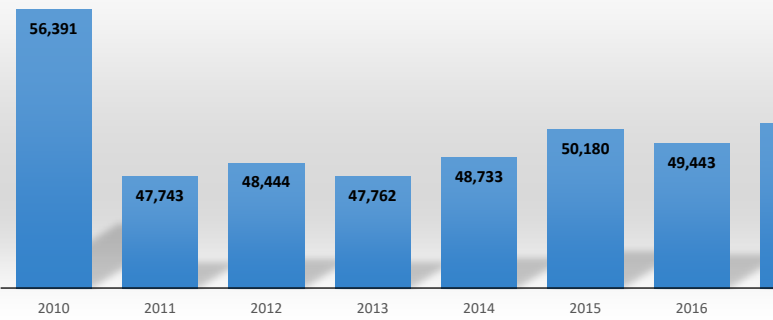
\$163,300
Median Value of owner
occupied housing units

\$884
Median gross rent

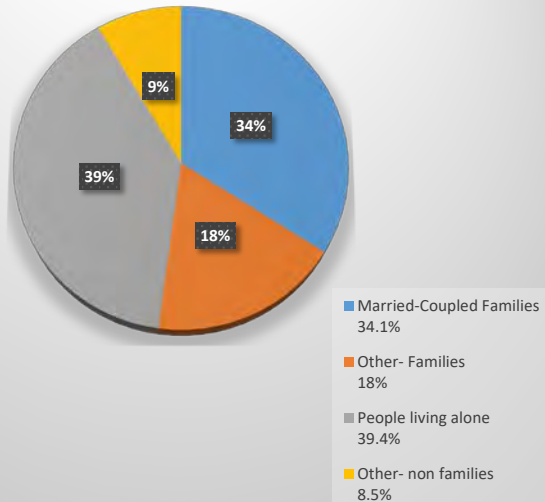
2.24
Persons per household

20,664
Households

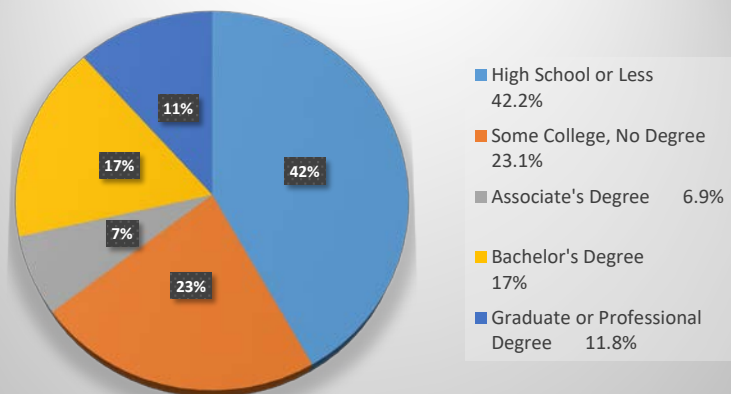
Population by Year



Types of Households



Educational Attainment



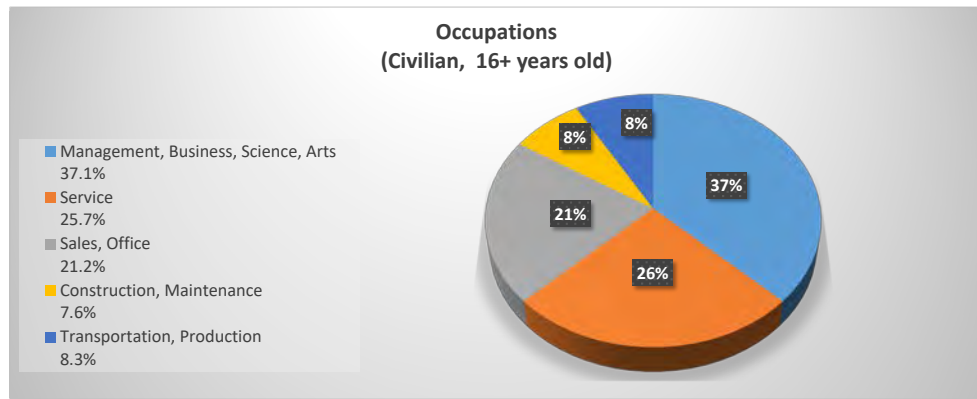
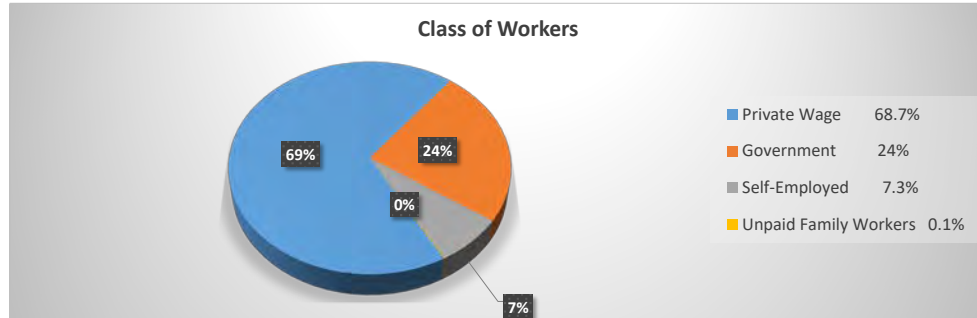
Source:

*U.S. Census Bureau, www.census.gov (2012-2017)

* American Community Survey (2012-2016)

ECONOMIC PROFILE

The City of Galveston

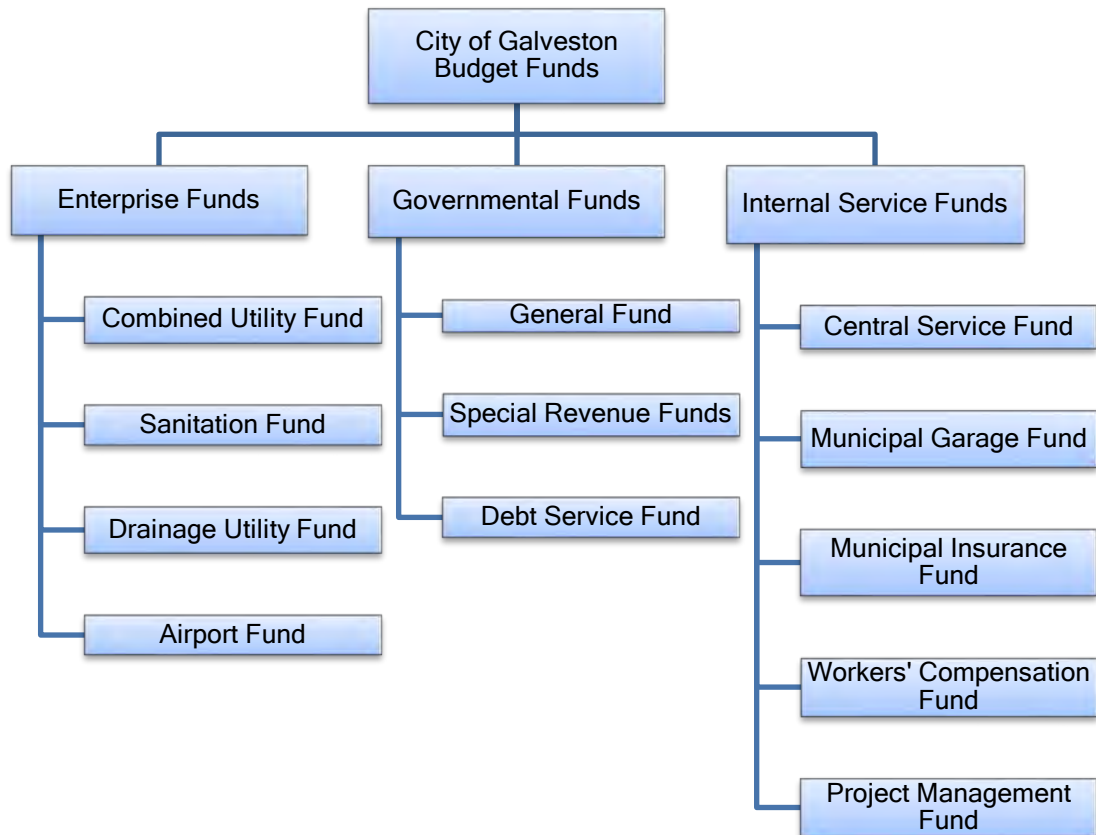


** Top 10 Employers (2018)		Estimated Employees
1.	University of Texas Medical Branch	8398
2.	Landry's Restaurants	1930
3.	Galveston County (on island only)	1247
4.	Galveston Independent School District	1069
5.	Moody Gardens	1034
6.	American National Insurance Company	950
7.	City of Galveston	868
8.	Schlitterbahn	500
9.	International Longshoreman Association	470
10.	Walmart	360

** Top 10 Property Taxpayers (2018)		Total Assessed Value
1.	Centerpoint Energy Inc	46,544,290
2.	Fertitta Hospitality Inc	43,126,250
3.	Beatty Street Properties Inc	22,453,120
4.	TFT Galveston Portfolio Ltd.	19,343,040
5.	Willie G's Post Oak Inc	18,814,125
6.	Silverleaf Resorts Inc	17,993,200
7.	Galveston Island Water Park LP	17,248,090
8.	Eighteen Seventy Strand Corp	16,830,000
9.	Island Hospitality	15,160,090
10.	Galveston Terminals Inc	14,492,704

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			
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			
Alarm Permit		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: May 22, 2019
Subject: FY 2020 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, 2019. This year's process will parallel that used in the last three years. This includes a line item Base Budget which in total is expected to be sufficient for every department to continue services and operations at their current level. A separate worksheet is also included to list those items that you would like to add to your FY20 budget provided funding is available for improvements or additions to operations and services currently provided.

General Fund department heads are also being asked to meet a lower "spending target" by reducing base budget line items of your choice. The target has been developed for each department based on percentage reductions by spending category as follows:

Personnel – 1%
Materials and Supplies – 5%
Contractual Services – 2%

Again, it is not necessary that General Fund departments cut each category by the percentage as shown above. These reduction percentages are simply being used to arrive at a total target amount recognizing the variations in the composition of departmental budgets and the desire to use a more balanced approach.

The Base Budget has been prepared without compensation adjustments, or health benefits cost increases. If these are to be included in the FY 2020 budget proposed to City Council, they will be added by the Budget Office.

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 2019 spending results, with an additional column for you to enter what you expect to spend during the remainder of FY 2019. There is a comments field to explain any variance you suggest for each line item amount proposed by the Budget Office.
2. The same worksheet includes a FY 2020 Base column with a suggested starting point for your department's spending which should be sufficient to continue current service and operating levels through FY 2020.
3. In most departments, the Budget Office has also used vacancy rates to develop the FY 2020 Base that discount or reduce the salary and related fringe benefits by a percentage anticipating that not all positions will be filled throughout the fiscal year. This "vacancy rate" calculation is set at zero percent, anticipating no turnover or vacancies, in the smaller 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 Proposed Budget. We are asking for your Mission, Accomplishments and Goals to be included with your FY20 Budget Request. **Please ensure that this section concise and is comparable in length to last year's information.**
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 2020 Base

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 2020

On line, entry for your FY2019 Estimate should be completed no later than **June 7, 2019**. FY 2020 Revised Base Budget and Additional Items request is to be completed no later than **June 21, 2019**. 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 FY18 Expenditures – *Populated by the Budget Office.*
 - b. Estimated FY19 Total – *Populated by the Budget Office. Represents projected spending for each line item based on the current and prior year's trends.*
 - c. Revised FY19 Total – **Populated by department if you believe you will spend a different amount than that shown in the Estimated FY19 Total column.**
 - d. Comments – **Populated by departments to explain reason for Revised FY19 Total amount.**
 - e. Amended Budget FY19 – *Populated by the Budget Office.*
 - f. Base Budget FY20 – *Populated by the Budget Office. The FY20 Base is intended to provide sufficient funds for the department to operate in FY 2020 at the same level as in FY 2019.*
 - g. Revised Budget FY20 - **Populated by department if you believe you will spend a different amount than that shown in the Estimated FY20 Total column.**
 - h. Comments – **Populated by departments to explain reason for Revised Budget FY20 Total amount.**
2. A copy of your personnel roster (staff listing) as of March 13, 2019 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/and or changed 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 FY20. If this amount is not in the Base Budget FY20 column, please provide the necessary information in the Revised Budget FY20 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 "FY20 Supplemental" tab in the worksheet, complete with a justification for the quantity, capacity and cost.
7. Also, use the "FY20 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 FY20 and Revised Budget FY20 columns.

NARRATIVE

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 2019.

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 2020, increase number and quality of potholes repaired using new equipment acquired in FY 2019.
- Reduce incidence of vehicle accidents from FY 2019 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 2020 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.

Mike Loftin

Debbi Pierce

Attachment

FY 2020 BUDGET CALENDAR

April – May	Compile and prepare FY 2010-2024 Long Range Financial Forecast.
May 20	Distribute 2 nd Quarter Budget Report.
May 28	Release on-line budget to Departments.
June 7	Deadline for departments to provide FY 2019 estimates and comments
June 27	*Present FY 2019-2023 Long Range Financial Forecast. Ratify existing property tax exemptions.
June 21	Deadline for departments to provide FY 2020 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 2020 budget request from Departments and prepare FY 2020 Proposed Budget.
July	Finalize FY 2020 Proposed Budget decisions.
July 25	*Finalize and present FY 2020-2024 CIP.
August-September	CIP and Budget workshops with City Council.
August 7	File FY 2020 Proposed Budget with City Secretary.
August 8	*Present FY 2020 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 22	*Public Hearing on Budget and Public Hearing No. 1 on Tax Rate.
September 12	*Public Hearing No. 2 on Tax Rate.
September 19	*Adopt the FY 2020 Operating and Capital Budget Adopt Tax Rate.

*Denotes City Council meetings



Budget Summary

FY 2020 PROPOSED 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 2020 is \$145.6 million for operating expenditures funds, which is \$5 million or 3.3 percent less than last year's budget. These expenditures ensure that daily city services are provided year round to Galveston residents and visitors. In addition, the Proposed Budget includes \$859,000 for one-time appropriations of fund balance, as compared with \$9.3 million last year. Last year's allocation included \$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, as well as \$5 million for enterprise fund operating cash transfers to improvement funds and major capital equipment purchases.

The **General Fund** includes major taxes received directly by the city, and the Proposed Budget for FY 2020 of \$59.4 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 demonstrates compliance 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. Set asides 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 2018, 2019 and 2020 are greater than the ninety-day required minimum.
5. All unencumbered appropriations or budgeted balances as of the end of FY 2019 are anticipated in this Budget to return to the fund in which they originate for consideration of appropriation in FY 2020 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 2020-2024 Capital Improvement Plan presented in draft form in July 2018.
7. The proposed tax rate of \$0.579885 per \$100 of taxable value is greater than the state legislated effective rate of \$0.538771 and the state defined rollback rate of \$0.582433. The proposed rate is also less than the charter maximum rate. For FY 2020, that maximum overall rate, considering the sales tax reduction factor that is included in the effective tax rate calculation, is \$0.60157.
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 \$2.3 million. This transfer was anticipated in order to support the issuance of the \$37 million unissued balance of the \$62 million in tax supported bonds approved by the voters in May, 2017 for street and drainage projects.
9. Every operating fund and capital fund, including the beginning and projected ending cash balances for FY 2019, is included in this budget. Total operating fund balances are projected to end FY2019 at \$54.3 million dollars and FY2020 at \$36.4 million dollars a difference of \$17.9 million. This is due primarily to the programming of virtually all special revenue fund balances (\$14.9 million in FY 2020) and one-time appropriations of enterprise fund balances for capital equipment and
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 (5.8 percent effective January 1, 2020) and firefighters (3.5 percent effective October 1, 2019). These have been arrived at through collective bargaining. Also funded is a COLA for all non-classified personnel (2 percent effective October 1, 2019). Other adjustments continue to be made using market salary rates as the basis of comparison.
2. The budget also includes a proposed property tax increase from the current tax rate of \$0.561 per \$100 of taxable value to \$0.579885, a 1.8885 cent increase. All of this increase is devoted to public safety pay.
3. The Proposed Budget for personnel also funds 13.45 fewer positions across the city, including a net reduction of 20.75 positions in island Transit and 7.3 additional positions including a six person crew to test, maintain and replace water valves throughout the city.
4. 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.
5. Water and sewer revenue are down from last year in spite of the water rate increase that took effect on February 1, 2019. No rate increase is planned for FY 2020, but a rate study is funded in the FY 2020 budget to review water, sewer, sanitation, recycling and drainage fees as well.
6. This proposed budget includes \$2.08 million (a thirty-three percent increase) in all budgeted funds to provide sufficient funding for the City's self-insured health benefits plan in FY 2020. Fully \$1.24 million is included in the General Fund for this important employee benefit.

CITY-WIDE SUMMARY
Summary Schedule of Revenues and Expenditures

	FY2018 Actual	FY2019 Budget	FY2019 Estimated	FY2020 Proposed
Beginning Fund Balance				
General Fund	\$17,659,927	\$19,711,413	\$19,711,413	\$14,886,180
Special Revenue Funds	19,575,604	17,807,692	17,807,692	15,388,819
Debt Service Fund	1,639,155	1,621,133	1,621,133	1,735,420
Enterprise Funds	20,885,025	22,671,573	22,671,573	19,320,445
Total	\$59,759,710	\$61,811,811	\$61,811,811	\$51,330,864
Revenue				
General Fund	\$54,335,062	\$55,896,700	\$56,588,700	\$59,336,800
Special Revenue Funds	17,790,285	25,140,630	23,349,795	17,290,849
Debt Service Fund	4,039,888	5,192,062	3,804,600	5,544,100
Enterprise Funds	49,459,689	47,234,314	46,430,975	46,373,385
Total	\$125,624,924	\$133,463,706	\$130,174,069	\$128,545,134
Expenditures				
General Fund	\$52,234,850	\$55,896,702	\$54,965,066	\$59,448,504
Special Revenue Funds	19,599,033	41,873,462	25,768,668	32,163,973
Debt Service Fund	4,057,909	5,192,812	3,690,312	5,543,606
Enterprise Funds	43,053,503	47,652,827	49,663,472	48,465,713
Total	\$118,945,294	\$150,615,802	\$134,087,518	\$145,621,796
Revenues over/(under) Expenditures				
General Fund	\$2,100,212	(\$2)	\$1,623,634	(\$111,704)
Special Revenue Funds	(1,808,748)	(16,732,832)	(2,418,873)	(14,873,124)
Debt Service Fund	(18,022)	(750)	114,288	494
Enterprise Funds	6,406,187	(418,513)	(3,232,497)	(2,092,328)
Total	\$6,679,629	(\$17,152,096)	(\$3,913,449)	(\$17,076,662)
One Time Appropriation of Fund Balance				
General Fund	\$47,386	\$4,376,876	\$6,364,877	\$115,940
Enterprise Funds	3,396,929	4,933,750	774,571	743,500
Total	\$3,444,315	\$9,310,626	\$7,139,448	\$859,440
Prior Year Adjustment				
General Fund	(\$1,339)	\$0	(\$83,990)	\$0
Special Revenue Funds	40,836	0	0	0
Enterprise Funds	(1,222,710)	0	655,939	0
Sub-Total	(\$1,183,213)	\$0	\$571,949	\$0
Ending Fund Balance				
General Fund	\$19,711,413	\$15,334,535	\$14,886,180	\$14,658,536
Special Revenue Funds	17,807,692	1,074,859	15,388,819	515,696
Debt Service Fund	1,621,133	1,620,383	1,735,420	1,735,914
Enterprise Funds	22,671,574	17,319,311	19,320,445	16,484,617
Sub-Total	\$61,811,812	\$35,349,088	\$51,330,864	\$33,394,763
Internal Service Funds	\$9,999,810	\$3,663,308	\$2,964,920	\$3,001,804
TOTAL WITH INTERNAL SERVICE FUNDS	\$71,811,622	\$39,012,396	\$54,295,784	\$36,396,567

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 2019	Capital Improvement Funds previously appropriated in prior fiscal years	Modified Accrual Budget 2020	Modified Accrual Budget with Capital 2020
General Fund	\$50,945,545	\$0	\$54,301,900	\$54,301,900
Special Revenue Funds:				
Rosenberg Library	2,874,500	0	3,052,400	3,052,400
Seawall Parking	1,458,761	1,438,631	189,967	1,628,598
Convention Center Surplus	3,784,728	516,685	3,844,879	4,361,564
HOT 1/8 Historical Buildings	1,215,476	1,300,585	191,719	1,492,304
Council Projects and Initiatives Program	759,147	244,109	125,487	369,596
Infrastructure Fund	7,674,620	4,900,831	3,842,378	8,743,209
Separation Pay Fund	474,360	0	474,360	474,360
PEG Fund	1,041,238	1,167,073	15,000	1,182,073
Parking Management Fund	1,250,552	0	1,080,745	1,080,745
Lasker Pool Fund	716,216	0	697,728	697,728
Pension Reform Fund	1,003,173	0	881,184	881,184
Revenue Producing Parks	259,186	0	276,905	276,905
D.E.A. Asset Forfeiture Fund	135,077	0	241,276	241,276
Police Special Revenue Fund	118,743	0	86,537	86,537
Police Quartermaster Fund	91,010	0	98,730	98,730
Alarm Permit Fund	118,746	0	138,123	138,123
Fire Special Revenue Fund	45,046	0	166,378	166,378
Municipal Court Building Security Fund	49,410	0	49,040	49,040
Court Technology Fund	137,709	0	114,195	114,195
Juvenile Services Fund	179,610	0	199,756	199,756
Recovery and Capital Reserve Fund	11,194,979	1,000,000	200,000	1,200,000
Technology Improvement Fund	1,286,437	886,952	215,434	1,102,386
Total	35,868,724	11,454,866	16,182,221	27,637,087
Debt Service Fund	5,192,812	0	5,543,606	5,543,606
Enterprise Funds:				
Combined Utility	39,681,563	0	38,217,222	38,217,222
Sanitation	7,460,115	0	6,957,148	6,957,148
Drainage Utility	3,737,790	0	2,934,661	2,934,661
Airport	1,707,109	0	1,100,183	1,100,183
Total	52,586,577	0	49,209,213	49,209,213
Grand Total	\$144,593,657	\$11,454,866	\$125,236,939	\$136,691,805

Amount of growth remaining under 7% cap \$29,478,274

*Percent increase in the
City's operating budget -13.39%

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

Not subject to the 7% budget cap

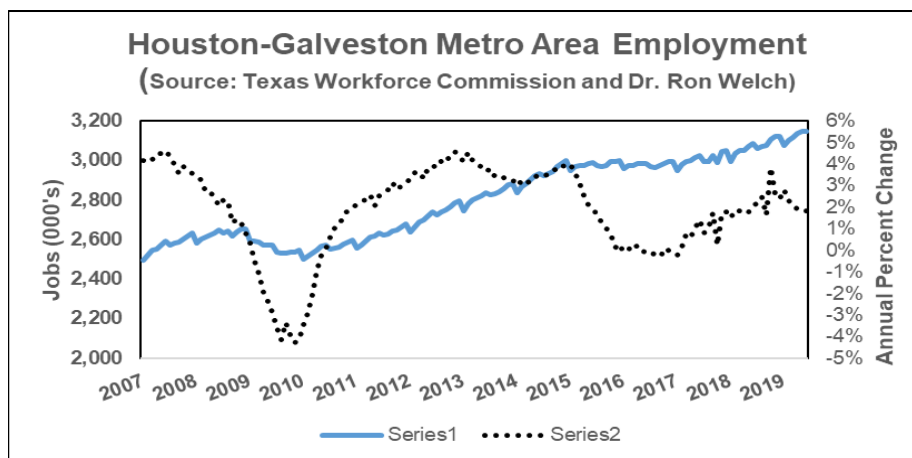
Capital Improvement Funds previously appropriated in prior fiscal years:	Fiscal Year 2018	Fiscal Year 2019	Increase (Decrease)
Seawall Parking	1,055,101	383,530	1,438,631
Convention Center Surplus	(1,150,352)	1,667,037	516,685
HOT 1/8 Historical Buildings	(117,608)	1,418,193	1,300,585
Council Projects and Initiatives Program	(421,136)	665,245	244,109
Infrastructure Fund	4,313,428	587,403	4,900,831
PEG Fund	622,338	544,735	1,167,073
Recovery & Capital Reserve Fund	3,984,810	(2,984,810)	1,000,000
Technology Improvement Fund	(633,509)	1,520,461	886,952
Totals	7,653,072	3,801,794	11,454,866
Special Revenue Funds	Fiscal Year 2019	Fiscal Year 2020	Increase (Decrease)
Island Transit	4,423,785	4,187,872	(235,913)
Hurricane Harvey	1,580,953	339,014	(1,241,939)
Totals	6,004,738	4,526,886	(1,477,851)

FY 2020 PROPOSED BUDGET ECONOMIC OUTLOOK

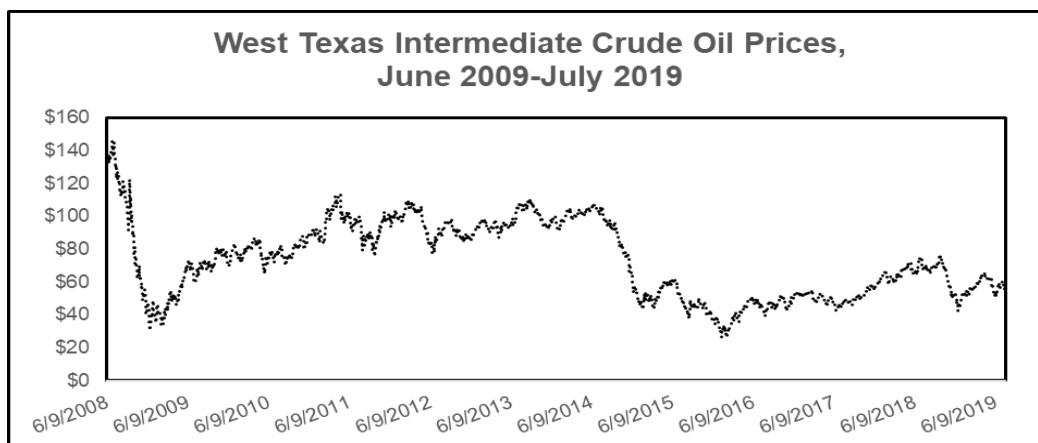
Economic Overview

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 1.86 percent, which explains the long-term two percent growth trend assumptions generally used by local forecasters.

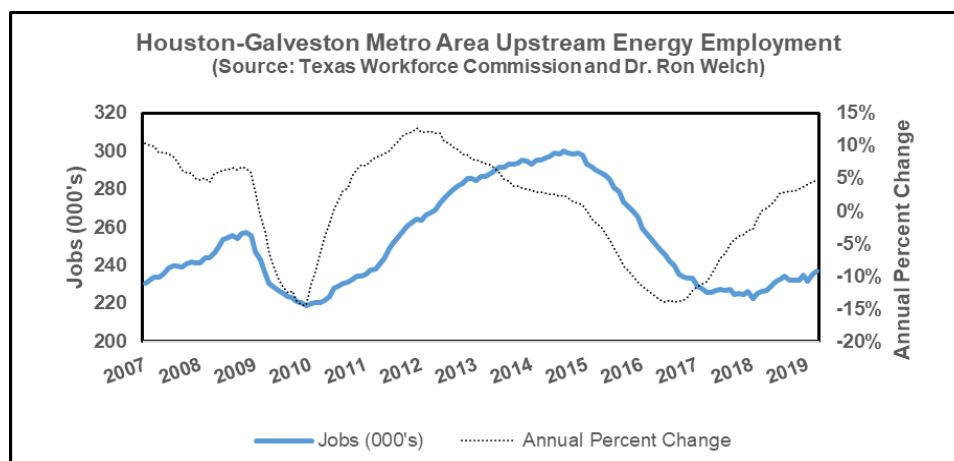


The metro area's economic growth is based largely on two factors: energy and the U.S. economy. Oil prices (West Texas Intermediate crude) have been extremely volatile over the last ten years (see below).



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 \$50'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.

BASELINE ECONOMIC CHANGE ASSUMPTIONS

Area/Indicator	FY 2019 Est.	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast
National						
National Inflation Rate (1)	2.0%	2.2%	2.2%	2.2%	2.2%	2.2%
U.S. Real Gross Domestic Product (1)	2.7%	2.0%	2.0%	2.0%	2.0%	2.0%
Ten Year Treasury Note (1)	2.5%	2.0%	2.1%	2.2%	2.3%	2.4%
3-month Treasury Bill (1)	2.5%	2.3%	2.4%	2.5%	2.6%	2.7%
Metropolitan Area						
Employment Annual Growth Rate (2)	2.23%	1.85%	1.76%	1.94%	2.11%	2.04%
Inflation Rate (3)	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Fuel Prices (3)	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Health Care Cost Trend (Inflation & Utilization) (3)	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%
City of Galveston						
Population Growth Rate (4)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Population (4)	50,497	50,648	50,800	50,953	51,106	51,259
City Water Customers Growth Rate (4)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Investment Pool Earnings Rate (4)	1.7%	1.6%	1.7%	1.8%	2.4%	2.5%
New Construction (\$Millions - Prior CalYr) (4)	\$72.6	\$75.0	\$60.0	\$60.0	\$60.0	\$60.0

SOURCES:

- (1) Congressional Budget Office, adjusted using Kiplinger, Trading Economics
- (2) Dr. Robert Gilmer, Bauer College of Business, University of Houston, May 2019 presentation
- (3) U.S. Energy Information Administration for 2019-2020 and City of Galveston Finance Department thereafter.
- (4) City of Galveston Finance Department

Core economic assumptions have been highly variable in the twelve months since the federal tax cut went into effect in 2018. In particular, U.S. Gross Domestic Product flirted with annual growth in the 3 percent range but has recently fallen back to the 2 percent level that is more indicative of long-term economic trends. Likewise, interest rates were thought to be rising from their historically low level as the Federal Reserve Board of Governors raised the prime lending rate several times. In recent

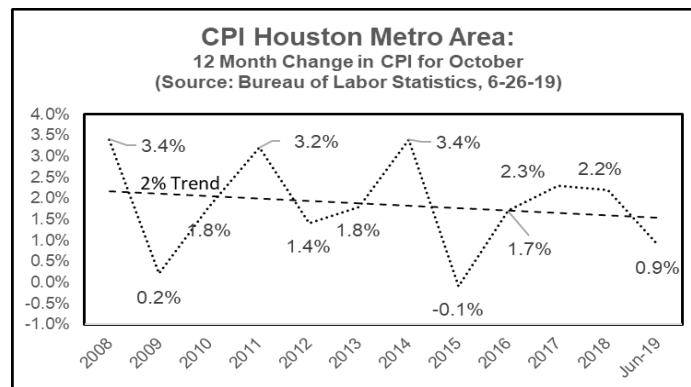
months, however, the Fed has been forced to reverse this trend. This decision by the Fed reflected concern over uncertainty caused by the effect of trade wars on the U.S. economy.

The assumptions used in the revenue estimates that are a part of the Proposed FY 2020 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.

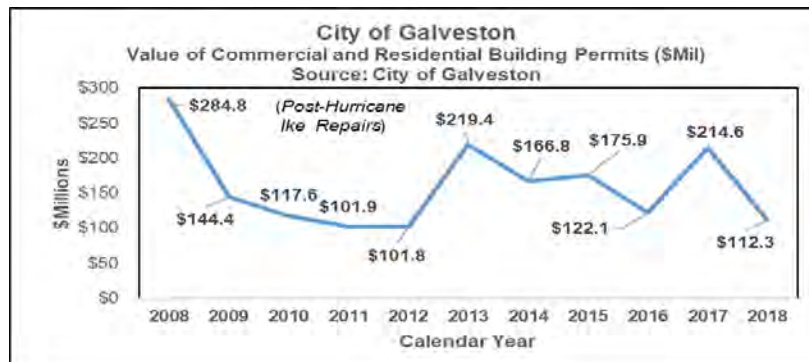
Local Economic Indicators

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.

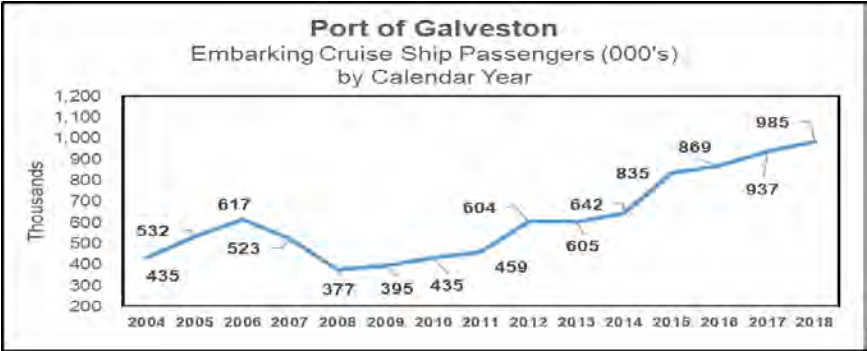
Galveston continues to have a lower cost of living than the nation. According to the U.S. Department of Labor Statistics, the Consumer Price Index-Urban (CPI-U) for the U.S. as a whole was 255.3 in June 2019. The CPI-U for the metropolitan area including Galveston was 229.316 for the same period. By this measure, Galveston's cost of living is approximately 10.2 percent less than the nation as a whole.



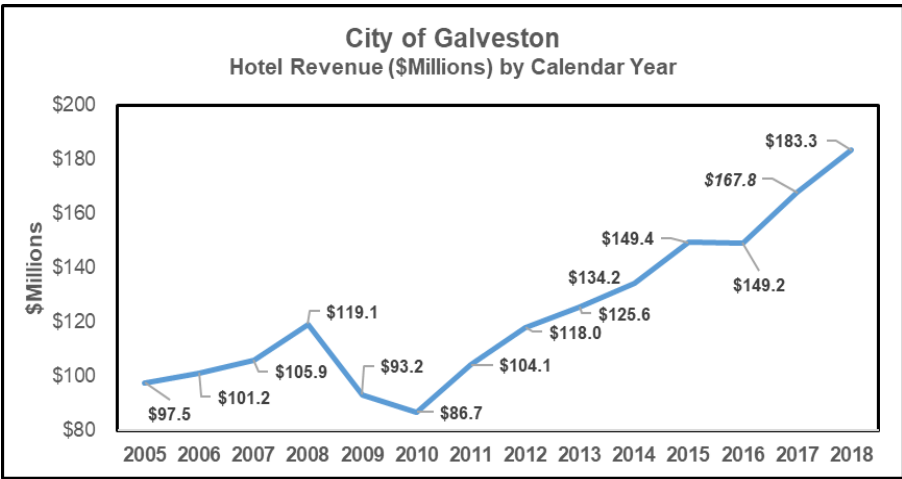
Construction activity in Galveston is continuing at a steady pace after the value of building permits in the immediate aftermath of Hurricane Ike peaked in 2008 at \$284.8 million. Permits in 2018 totaled \$112.3 million, down from \$214.6 million in 2017; however, the Galveston County Appraisal District still placed a representative amount of new construction value on the 2019 property tax roll.



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 985,000 cruise passengers in 2018.



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. Therefore, it is proving to be 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. Actual revenue trends described in the Citywide Revenue Summary bear this out.

FY 2020 PROPOSED BUDGET CITYWIDE REVENUE SUMMARY

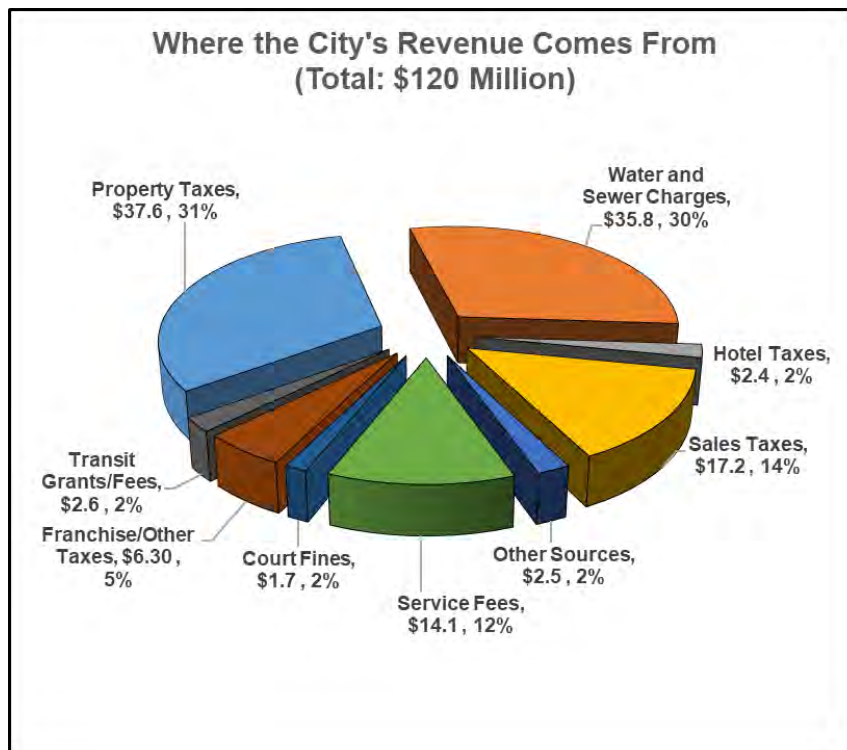
Overview

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 2020 Proposed Budget is \$120.3 million or approximately \$3.4 million more than the FY 2019 Estimated total of \$116.8 million. This is due to \$3.2 million growth in property taxes, and \$575,000 growth in sales taxes, offset by \$0.4 million in net losses for all other sources.

CITYWIDE REVENUE BY CATEGORY (\$000's)

Revenue Source	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimated	FY 2020 Proposed	FY20 +/- FY19 Est	Pct Diff
Property Taxes	\$27,818	\$29,845	\$33,883	\$34,412	\$34,465	\$37,638	\$3,173	8.4%
Water and Sewer Charges	\$33,963	\$36,110	\$37,233	\$35,932	\$35,785	\$35,785	\$0	0.0%
Sales Taxes	\$15,088	\$15,197	\$16,069	\$16,600	\$16,600	\$17,175	\$575	3.3%
City Service Fees	\$12,725	\$12,426	\$14,192	\$13,804	\$14,024	\$14,124	\$100	0.7%
Franchise and Other General	\$6,387	\$6,611	\$6,605	\$6,482	\$6,537	\$6,401	(\$136)	-2.1%
Hotel Occupancy Taxes	\$3,500	\$2,386	\$2,723	\$2,597	\$2,632	\$2,400	(\$232)	-9.7%
Transit Grants/Fees	\$3,519	\$4,051	\$4,221	\$2,905	\$2,524	\$2,562	\$38	1.5%
Other Sources	\$5,326	\$3,246	\$2,258	\$1,560	\$1,413	\$1,633	\$220	13.5%
Court Fines	\$1,873	\$1,658	\$1,649	\$1,602	\$1,801	\$1,701	(\$100)	-5.9%
Investment Earnings	\$430	\$414	\$1,012	\$673	\$1,134	\$866	(\$268)	-30.9%
Total	\$110,629	\$111,944	\$119,845	\$116,567	\$116,915	\$120,285	\$3,370	2.8%



Property Taxes

In FY 2020, property taxes are proposed to generate \$37.6 million for the City and its various affiliated entities that receive a portion of the property tax roll. 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. In FY 2020, the taxable property roll certified by the CAD includes an estimated \$6.70 billion in taxable value, a 5.83 percent increase over last year. Considering losses to frozen accounts, this provides \$1.79 million in new property tax revenue overall, a 5.64 percent increase from FY 2019. The increase in actual revenue is smaller overall because of an above average share of that growth being allocated to the tax freeze accounts (8.4 percent) and Tax Increment Reinvestment Zones (6.5 percent).

CITY OF GALVESTON PROPERTY TAX LEVIES AND COLLECTIONS FISCAL YEARS 2015-2020

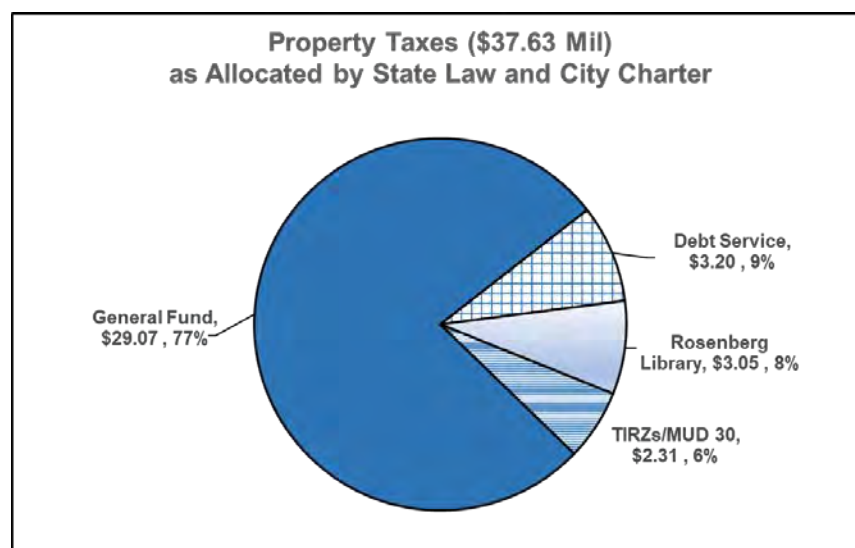
DESCRIPTION	FY15 ACTUAL	FY16 ACTUAL	FY17 ACTUAL	FY18 ACTUAL	FY19 ESTIMATED	FY20 ESTIMATED
NET PROPERTY TAX LEVY						
Total Taxable Value (\$millions)	\$4,755.6	\$5,290.6	\$5,845.5	\$6,173.1	\$6,334.9	\$6,704.0
Less TIRZ	(\$380.6)	(\$247.4)	(\$300.8)	(\$324.2)	(\$310.2)	(\$330.4)
Less 60% MUD Value	(\$35.5)	(\$49.0)	(\$57.7)	(\$63.7)	(\$64.7)	(\$64.7)
Net Taxable Value	\$4,339.5	\$5,001.2	\$5,487.1	\$5,785.2	\$5,960.0	\$6,308.9
Times Tax Rate per \$100 of Taxable Value	\$0.533890	\$0.529000	\$0.526000	\$0.561000	\$0.561000	\$0.579885
Total Tax Levy (\$Thousands Revenue)	\$25,389.7	\$28,024.3	\$30,747.5	\$34,631.1	\$35,538.8	\$38,875.5
Less: Freeze Acct Total Value Revenue Equivalent (Over 65 and Disabled)	(\$2,118.7)	(\$2,333.5)	(\$2,658.9)	(\$3,420.1)	(\$3,732.9)	(\$4,065.8)
Plus: Freeze Acct collectible Revenue (Over 65 & Disabled)	\$1,825.3	\$1,905.6	\$2,019.2	\$2,377.1	\$2,575.8	\$2,792.4
Less: Taxes Lost to Tax Freeze	(\$293.4)	(\$436.7)	(\$639.8)	(\$1,043.0)	(\$1,157.1)	(\$1,273.4)
Net Current Year Tax Levy (\$000's Revenue)	\$25,096.3	\$27,587.6	\$30,107.7	\$33,588.1	\$34,381.7	\$37,602.1
Effective Taxable Value	\$4,700.6	\$5,215.0	\$5,723.9	\$5,987.2	\$6,128.6	\$6,484.4
Effective Freeze Accounts Taxable Value	\$880.4	\$985.8	\$1,088.2	\$1,067.2	\$1,092.4	\$1,189.8
Less TIRZ Incremental Values	(\$380.6)	(\$247.4)	(\$300.8)	(\$324.2)	(\$310.2)	(\$330.4)
Effective Taxable Value Retained by City	\$4,320.0	\$4,967.6	\$5,423.1	\$5,663.0	\$5,818.4	\$6,154.0
DISTRIBUTION OF NET LEVY (\$THOUSANDS)						
Net Current Year Levy (\$000's)	\$25,096.3	\$27,587.6	\$30,107.7	\$33,588.1	\$34,381.7	\$37,602.1
Less TIRZ Increment	(\$2,032.0)	(\$1,308.7)	(\$1,581.9)	(\$1,682.5)	(\$1,740.2)	(\$1,915.8)
Net Current Year Levy Retained by the City	\$23,064.3	\$26,278.9	\$28,525.8	\$31,905.6	\$32,641.5	\$35,686.3
General Fund Share (including MUD 30) of NCL	\$18,860.4	\$21,557.1	\$23,917.4	\$24,973.7	\$26,677.4	\$29,378.4
Debt Service Share of NCL	\$2,043.6	\$2,237.7	\$1,896.7	\$3,964.1	\$3,054.7	\$3,230.9
Library Fund Share of NCL	\$2,160.0	\$2,483.8	\$2,711.6	\$2,831.5	\$2,909.2	\$3,077.0
Net Current Year Levy Retained by the City	\$23,064.0	\$26,278.6	\$28,525.7	\$31,769.3	\$32,641.3	\$35,686.3
COLLECTION OF TAXES (\$THOUSANDS)						
Estimated/Actual Collections	FY15 ACTUAL	FY16 ACTUAL	FY17 ACTUAL	FY18 ACTUAL	FY19 ESTIMATED	FY20 ESTIMATED
General Fund Current Collection Total	\$20,466.1	\$22,439.1	\$24,954.1	\$26,319.5	\$27,792.4	\$30,637.0
General Fund Delinquent Taxes	\$337.8	\$358.9	\$289.6	\$403.4	\$395.0	\$395.0
General Fund Penalty & Interest	\$339.3	\$312.1	\$304.0	\$372.8	\$350.0	\$350.0
Less TIRZ Increment	(\$1,945.9)	(\$1,308.1)	(\$1,487.3)	(\$1,682.5)	(\$1,743.0)	(\$1,915.8)
Less MUD 30 Rebate	(\$186.2)	(\$454.1)	(\$297.0)	(\$344.1)	(\$363.2)	(\$397.2)
General Fund Total	\$19,011.1	\$21,347.9	\$23,763.4	\$25,069.1	\$26,431.2	\$29,069.1
Debt Service Net Current Levy Total	\$2,006.4	\$2,193.1	\$1,865.4	\$3,907.9	\$2,987.5	\$3,163.1
Debt Service Delinquent Taxes	\$39.1	\$37.2	\$30.6	\$43.4	\$51.0	\$40.0
Debt Service Fund Total	\$2,045.5	\$2,230.3	\$1,896.0	\$3,951.3	\$3,038.5	\$3,203.1
Library Net Current Levy Total	\$2,121.0	\$2,436.8	\$2,665.0	\$2,790.0	\$2,845.2	\$3,012.4
Library Delinquent Taxes	\$37.7	\$41.3	\$33.0	\$46.4	\$44.0	\$40.0
Library Fund Total	\$2,158.7	\$2,478.1	\$2,698.0	\$2,836.4	\$2,889.2	\$3,052.4
GRAND TOTAL COLLECTIONS	\$23,215.3	\$26,056.3	\$28,357.4	\$31,856.8	\$32,358.9	\$35,324.6
Estimated Current Collection Rate (of NCL)	97.4%	96.3%	97.1%	97.5%	97.8%	97.9%
Estimated Total Collection Rate (of NCL)	100.7%	99.2%	99.4%	100.3%	99.1%	100.1%
Percent Change in Grand Total Collections		12.2%	8.8%	12.3%	0.4%	9.2%
Tax Rate						
General Fund Operations and Maintenance	\$0.436584	\$0.433955	\$0.441025	\$0.441000	\$0.458500	\$0.477385
Debt Service Fund Interest and Sinking	\$0.047306	\$0.045045	\$0.034975	\$0.070000	\$0.052500	\$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	\$0.579885
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATE	ESTIMATE
Estimated Current Taxes Collection rate	98.00%	98.10%	97.90%	98.30%	97.80%	97.90%
TOTAL COLLECTIONS	\$25,347.4	\$27,818.5	\$30,141.7	\$33,883.4	\$34,465.1	\$37,637.5

Tax Rate Increase - This Budget proposes an increase in the property tax rate from \$0.561 per \$100 of taxable value to \$0.579885, an increase of 1.8885 cents per \$100 of Taxable Value. As allowed by State law, this is greater than the effective rate of \$0.538771 per \$100 of taxable value, and less than the rollback rate of \$0.582433. This increase will generate \$1.17 million in total revenue for the city's General Fund, and \$842,000 in net revenue for the General Fund after necessary amounts have been allocated to the Infrastructure and Debt Service set aside and the General Fund reserve.

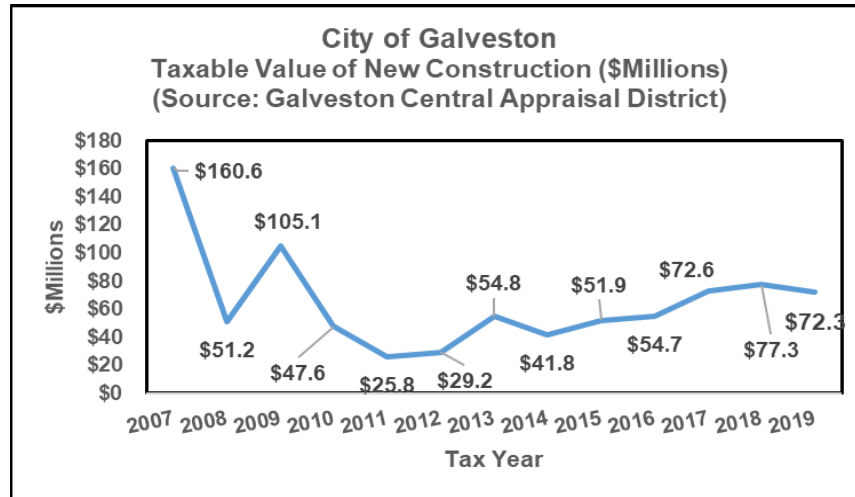
Impact of the Rate Increase - According to the Galveston County Appraisal District, the average residential homestead property in Galveston has a market value of \$235,085, qualifying for the basic twenty percent homestead exemption reducing taxable value by \$47,017. Other exemptions (i.e. Over 65, Disabled Veterans) provide an average of \$12,697 in taxable value relief resulting in an average taxable value of \$175,371. Therefore, at the \$0.57885 rate, the owner of an average home will pay an additional \$33.12 per year.

A significant exception exists for the 4,562 homeowner occupants who are over 65 or who qualify for a disabled exemption. These owner occupants will pay no additional property taxes in FY 2020 because their tax payment is frozen at the amount paid whenever they first qualified for the over 65 or disabled exemption. The amount this group of homeowners will be saving in FY 2020 because of the tax freeze totals \$1,273,400. This is \$279 per year on average for each of the 4,562 over 65 or qualifying disabled homeowner. The average City property tax bill this group of homeowners will pay in FY 2020 is \$612.

Property Tax Distribution - The Budget includes the General Fund which gets the lion's share of property taxes, \$29.07 million or 77 percent of the total. The Debt Service Fund will receive \$3.2 million in FY 2020, 9 percent of total property tax revenue (to be distinguished from the General Fund's 8 percent set aside for the Infrastructure and Debt Service Fund). The City Charter requires that the Rosenberg Library receive 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 five cent amount is levied and collected as a part of the overall Maintenance and Operations tax authorized under State law which is proposed at \$0.529885. It is deposited in the separate Rosenberg Library Special Revenue Fund and paid to the Library. In FY 2020, this amounts to \$3.05 million.



The City's three Tax Increment Reinvestment Zones receive 100 percent of taxes collected 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 2020, this will equate to \$2.31 million, which amount is not strictly considered a part of the city budget.



New construction as classified by the Galveston CAD has been fairly consistent since Tax Year 2014, comprising approximately 1.1 percent of the increase in the overall tax roll. This year's increase, \$72.3 million, is responsible for \$419,300 of the proposed \$2,965,700 in net growth in property tax revenue available to the city.

CITY OF GALVESTON PROPERTY TAX EXEMPTIONS TAX YEAR 2019 AND FISCAL YEAR 2020

Description	Tax Exemption Basis	Tax Exemption Description	Number of Exemptions from Tax Year 2019 Preliminary Roll	Value Exempted from Tax Year 2019 Preliminary Roll	Estimated Tax Break at \$0.579885 Rate	Estimated Tax Break per Exemption
Homestead	20% of Assessed Value or minimum of \$5,000 of Assessed Value	COG at max for % but not minimum amount.	9,436	\$407,765,775	\$2,364,573	\$251
Over 65 Exemption	\$15,000 off Assessed Value	COG at minimum; can be increased	4,540	\$67,078,236	\$388,977	\$86
Disabled Exemption	\$10,000 off Assessed Value	COG at minimum; can be increased	468	\$4,403,400	\$25,535	\$55
Veteran's Exemption	\$5,000 (10%-30%), \$7,500 (30%-50%), \$10,000 (50%-70%), or \$12,000 (70% and over) off Assessed Value based on Disability Rating percentages noted above	COG at what's allowed by State law; no local option to increase exempted amounts	198	\$2,140,590	\$12,413	\$63
Veteran's Exemption	100% Exempt	State Mandated	91	\$18,552,704	\$107,584	\$1,182
Over 65 Freeze	N/A	Taxes paid frozen at amount paid at age 65	4,129	\$232,747,564	\$1,349,668	\$327
Disabled Freeze	N/A	Taxes paid frozen at amount paid once disabled	455	\$19,093,986	\$110,723	\$243
			19,317	\$751,782,255	\$4,359,473	\$226

Water and Sewer Charges

Water and sewer customer charges are expected to total \$35.79 million in FY 2019 and FY 2020. This is less than the \$37.2 million actually collected in the last fiscal year, FY 2018. Also, this decline is in spite of the seven percent increase across the board in water rates that took effect on February 1, 2019. This is largely attributable to the unusual amount of rainfall in FY 2019, and the corresponding effect on water consumption. For Fiscal Year 2019 through June, water purchased from the Gulf Coast Water Authority by the City of Galveston is down 14.8 percent from FY 2018. FY 2018 included only one and a half months of the high consumption caused by the large leak that was identified and fixed in November 2017, so that is not the reason for the drop. The chart below shows the two year trend demonstrating that the current drop in consumption has little if any relationship to the aforementioned leak.

Millions of Gallons of Water Purchased from Gulf Coast Water Authority

FYTD	FY15	FY16	FY17	FY18	FY19
October	503,088	452,592	459,589	437,907	333,151
November	915,165	853,553	877,756	807,405	612,431
December	1,297,771	1,247,194	1,271,673	1,094,455	879,619
January	1,681,524	1,633,897	1,652,534	1,401,087	1,142,200
February	2,032,432	2,002,777	1,993,243	1,657,143	1,387,349
March	2,424,179	2,411,662	2,395,980	1,979,242	1,689,760
April	2,821,589	2,807,714	2,806,753	2,310,854	1,979,926
May	3,261,355	3,221,424	3,263,369	2,707,993	2,311,823
June	3,722,975	3,658,280	3,714,799	3,133,134	2,669,010
July	4,284,666	4,201,925	4,225,420	3,570,373	
August	4,841,500	4,698,718	4,698,380	4,003,472	
September	5,286,142	5,147,598	5,144,993	4,344,675	3,735,363
Annual Rainfall (inches)	52.19	61.16	63.92	51.5	56.1

While the projected rainfall total for FY 2019 is in the range of rainfall for FY 2016 and 2017, consider that the last two years included rain events that added major amounts of rain to the annual total (26 inches in August 2017 from Harvey and 24 inches in September 2018). But the FY 2019 includes no such single month, but is based on significant rain that fell throughout the fiscal year. So it is not surprising that water consumption is down significantly as a direct result of rainfall. Another possible cause of the almost 15 percent drop in consumption, conservation and water usage reduction by individual customers, is under review.

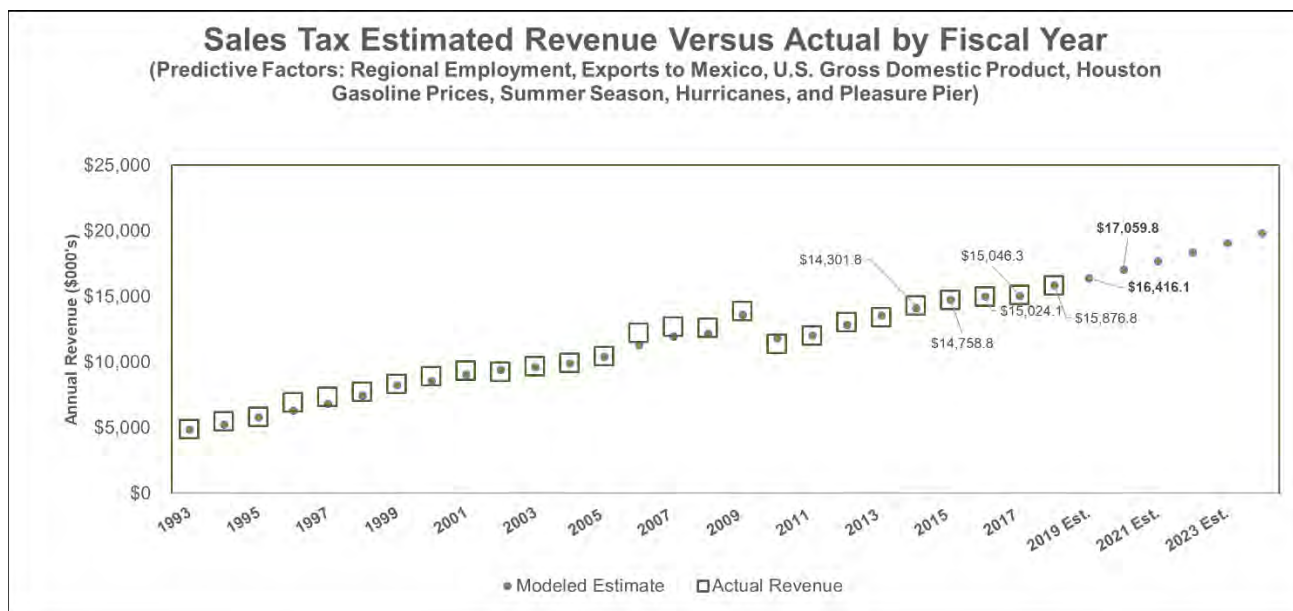
WATER REVENUE FISCAL YEAR TO DATE BASED ON MONTH OF CONSUMPTION

Consumption Month	FY08 (1)	FY09	FY17 (7)	FY18 (8)	FY19 (9)	FY19 Over/(Under) FY18	Monthly Budget FY 2019	Estimated FY End
October	1,026,266	1,103,484	1,798,033	1,822,567	1,736,241	-4.7%	1,966,300	20,861,000
November	1,267,637	1,016,879	1,735,283	1,671,082	1,664,169	-0.4%	1,454,194	21,161,000
December	933,029	932,044	1,713,271	1,402,614	1,327,839	-5.3%	1,638,606	20,246,000
January	1,068,960	923,329	1,448,479	1,470,569	1,281,167	-12.9%	1,556,600	19,723,000
February	888,484	987,761	1,288,374	1,206,586	1,390,858	15.3%	1,290,400	19,926,000
March	917,690	1,007,157	1,577,075	1,384,404	1,476,295	6.6%	1,454,200	19,996,000
April	1,209,989	1,139,332	1,519,366	1,661,344	1,612,466	-2.9%	1,577,100	20,053,000
May	1,119,457	1,193,925	1,819,959	1,912,776	1,727,472	-9.7%	1,536,100	20,025,000
June	1,257,551	1,629,747	2,008,489	2,477,920			1,638,600	
July	1,673,163	1,715,539	1,821,316	2,340,423			2,294,000	
August	1,037,331	1,489,421	2,179,099	2,458,505			2,232,500	
September	1,377,121	1,310,263	1,788,294	1,826,993			1,843,400	
FY TOTALS	13,776,680	14,448,883	20,697,037	21,635,782	12,216,508		20,482,000	

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. It is entirely possible that some significant effects on consumption are beginning to be seen as the result of the progressive water and sewer rate structure. In the meantime, the intention is to assume for the FY 2020 budget that water and sewer revenue will stay at their current level. No rate increase is planned for FY 2020, but the FY 2020 Proposed Budget includes funds for a rate study in FY 2020.

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. The General Fund share of sales tax revenue is projected to be \$17.175 million, \$575,000 higher than in FY 2019.



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 2019 estimate of \$16.6 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 \$13.74 million should equate to 61.46 percent of the final amount for FY 2019 or \$16.77 million. Local sales taxes retained on the city's garbage service adds another \$90,000 to this total.

The FY 2020 estimate of \$17.175 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 sales tax revenue for the forecast period is based on economic growth at historical rates based on 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. Likewise the FY 2020 sales tax revenue estimate of \$17.175 million is derived from the model and current consensus economic forecasts.

City Service Fees

The fourth largest category of city revenue is estimated to provide \$14.02 million in FY 2019 and \$14.12 million in FY 2020, which is a 0.7 percent increase or \$100,000. 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

- Dedicated fees deposited and budgeted in Special Revenue funds, including parking fees, alarm permits and pool fees (no growth).

Slight increases are expected in several areas, including one percent growth in sanitation and recycling fees (\$61,000), drainage fees (\$18,000) and facility rentals at the Airport (\$41,000).

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 net decline of 2.1 percent or \$133,000. This is largely due to loss of \$202,500 in telecommunication franchise fees beginning in January 2020 as the direct result of State legislation passed in the 2019 Texas legislative session. Under this law, companies like Comcast and AT&T will be exempt from paying franchise fees on the lesser of their services, including cable television or telecommunications. Mixed drink tax receipts are expected to show slight growth in FY 2020 of \$50,000. Electricity franchise is projected to show a slight \$19,000 increase as well.

HOTEL OCCUPANCY TAX MONTHLY COLLECTIONS AND FISCAL YEAR TO DATE TOTALS

Month of Occupancy	FY2011	FY2012	FY2017	FY2018	FY2019	Month Over/ (Under) Same Month Last Yr		
October	\$566,603.98	\$649,601.76	\$1,015,895.74	\$1,107,179.49	\$1,027,935.51	-7.2%		
November	\$474,036.48	\$584,677.19	\$816,077.11	\$1,058,984.58	\$955,802.18	-9.7%		
December	\$358,869.95	\$370,422.69	\$902,418.26	\$987,874.60	\$936,819.57	-5.2%		
January	\$385,821.19	\$416,526.68	\$726,111.74	\$742,164.89	\$760,945.59	2.5%		
February	\$463,624.03	\$556,338.30	\$928,371.67	\$846,191.38	\$794,281.23	-6.1%		
March	\$879,705.14	\$1,112,272.85	\$1,527,514.96	\$1,781,668.66	\$1,700,724.97	-4.5%		
April	\$811,548.49	\$908,341.22	\$1,279,130.86	\$1,320,636.41	\$1,269,496.25	-3.9%		
May	\$812,563.94	\$1,005,816.52	\$1,384,806.34	\$1,567,006.88	\$1,497,510.52	-4.4%		
June	\$1,478,676.42	\$1,756,462.71	\$2,369,703.73	\$2,812,512.76				
July	\$1,891,503.23	\$1,847,095.93	\$2,639,528.58	\$2,910,435.05				
August	\$1,249,302.15	\$1,725,676.56	\$1,563,148.58	\$1,976,794.44				
September	\$727,916.77	\$825,373.66	\$1,513,221.44	\$1,569,116.27				
Totals	\$10,100,171.77	\$11,758,606.07	\$16,665,929.01	\$18,680,565.41				
	15.9%	16.4%	8.9%	12.1%				
Amt per Penny	\$1,122,241.31	\$1,306,511.79	\$1,851,769.89	\$2,075,618.38				
YTD Totals	FY2011	FY2012	FY2017	FY2018	FY2019	YTD Over/(Under)	FY19 Estimate wh 5 Year Avg	FY19 Est per Penny of HOT
October	\$566,603.98	\$649,601.76	\$1,015,895.74	\$1,107,179.49	\$1,027,935.51	-7.2%	\$17,644,000	\$1,960,000
November	\$1,040,640.46	\$1,234,278.95	\$1,831,972.85	\$2,166,164.07	\$1,983,737.69	-8.4%	\$17,872,000	\$1,986,000
December	\$1,399,510.41	\$1,604,701.64	\$2,734,391.11	\$3,154,038.67	\$2,920,557.26	-7.4%	\$18,705,000	\$2,078,000
January	\$1,785,331.60	\$2,021,228.32	\$3,460,502.85	\$3,896,203.56	\$3,681,502.85	-5.5%	\$18,680,000	\$2,076,000
February	\$2,248,955.63	\$2,577,566.62	\$4,388,874.52	\$4,742,394.94	\$4,475,784.08	-5.6%	\$17,815,000	\$1,979,000
March	\$3,128,660.77	\$3,689,839.47	\$5,916,389.48	\$6,524,063.60	\$6,176,509.05	-5.3%	\$18,207,000	\$2,023,000
April	\$3,940,209.26	\$4,598,180.69	\$7,195,520.34	\$7,844,700.01	\$7,446,005.30	-5.1%	\$18,033,000	\$2,004,000
May	\$4,752,773.20	\$5,603,997.21	\$8,580,326.68	\$9,411,706.89	\$8,943,515.82	-5.0%	\$17,865,000	\$1,985,000
June	\$6,231,449.62	\$7,360,459.92	\$10,950,030.41	\$12,224,219.65				
July	\$8,122,952.85	\$9,207,555.85	\$13,589,558.99	\$15,134,654.70				
August	\$9,372,255.00	\$10,933,232.41	\$15,152,707.57	\$17,111,449.14				
September	\$10,100,171.77	\$11,758,606.07	\$16,665,929.01	\$18,680,565.41				

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 by a trustee bank 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 special funds: the Convention Center Surplus Fund and the Historic Building Fund.

**LONG RANGE FINANCIAL FORECAST
HOTEL OCCUPANCY TAX PROJECTIONS
FY 2019-2024, (\$000'S)**

Category	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast
SOURCES						
Local Hotel Occupancy Taxes	\$17,800	\$17,800	\$18,512	\$19,253	\$20,023	\$20,824
State Hotel Occupancy Taxes (Local Share)	\$4,000	\$4,000	\$4,152	\$4,318	\$4,491	\$4,670
TOTAL SOURCES	\$21,800	\$21,800	\$22,664	\$23,570	\$24,513	\$25,494
USES						
Park Board						
Advertising (1)	\$5,933	\$5,933	\$6,171	\$6,417	\$6,674	\$6,941
Beach Maint/Patrol (2)	\$5,970	\$5,970	\$6,209	\$6,457	\$6,715	\$6,984
Subtotal Parks Board	\$11,903	\$11,903	\$12,380	\$12,874	\$13,389	\$13,925
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)	\$650	\$1,090	\$1,000	\$900	\$1,050	\$1,050
CC Budget for Arts (6)	\$247	\$247	\$257	\$267	\$278	\$289
CC Surplus Allocation (7)	\$2,485	\$2,253	\$2,442	\$2,608	\$2,779	\$2,957
Subtotal CC Operator	\$3,987	\$4,195	\$4,304	\$4,380	\$4,712	\$4,901
City						
Arts Council (8)	\$1,483	\$1,483	\$1,543	\$1,604	\$1,668	\$1,735
Transfer to Historical Bldgs Special Fund (9)	\$247	\$247	\$257	\$267	\$278	\$289
CC HOT Debt Service (10)	\$1,788	\$1,811	\$1,837	\$1,866	\$1,886	\$1,886
City Surplus Allocation (11)	\$2,385	\$2,153	\$2,342	\$2,508	\$2,679	\$2,857
Subtotal City	\$5,903	\$5,694	\$5,979	\$6,245	\$6,511	\$6,767
TOTAL USES	\$21,793	\$21,792	\$22,663	\$23,499	\$24,612	\$25,593
HOT Growth Assumption	-4.7%	0.0%	4.0%	4.0%	4.0%	4.0%
City Surplus Allocation Growth Percentage	-13.0%	-9.7%	8.8%	7.1%	6.8%	6.6%
HOT Allocation to Convention Center M&O and Debt Service	\$8,302	\$7,911	\$7,911	\$8,228	\$8,556	\$8,899

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. (distributed 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.

Year to date HOT revenue is 5 percent behind last fiscal year which is not in accord with the model developed two years ago. The model is based on the same principles and methodology as the sales tax model, using local and national data in an attempt to anticipate actual collections for what can be a

volatile revenue source. In FY 2019, the trend is being followed closely by Park Board and City staff analysts, with the city's analyst forecasting no growth from this year's number. Excessive rainfall is the best, if not the only identifiable reason that HOT is so far behind budget and last year. In any event, the City's FY 2020 Budget assumes no growth over FY 2019 in order to be conservative with this important revenue source. The resulting allocation shown above leaves the City with less revenue in FY 2020 than in FY 2019.

The complete hotel occupancy tax cash flow is shown in the chart on the previous page. Using the no-growth approach in the overall tax revenue amount (\$17.8 million for both FY 2019 and 2020), the City's share is \$232,000 less. This is due to the convention Center Surplus amount being the last "trickle down" bucket in the cash flow, and the increased projection of capital improvement spending by the Convention Center in FY 2020.

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. FY 2020 transit system revenue is slightly more (\$38,000) than in FY 2019 due to the net effect of an overall increase in FTA funding.

Other Revenue and Sources

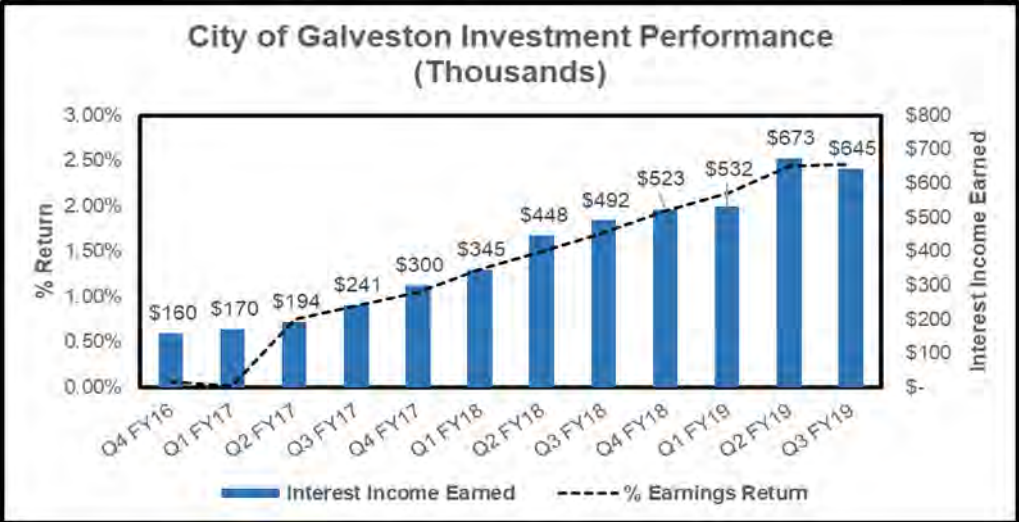
This category includes payments in lieu of taxes from the Port, Moody Gardens, and the Convention Center Operator (Landry's). The only change has to do with a prior year adjustment related to Hurricane Harvey and the Harvey Special Fund.

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 at \$1.8 million which is approximately \$100,000 more in FY 2019 because of the expected receipts that will result from the amnesty period in September. The last amnesty in 2015 garnered over \$130,000 so this is a conservative estimate.

Investment Earnings

The City's operating and capital fund cash is invested in a pool governed by an investment policy approved by City Council. Investment earnings have risen slightly from FY 2016 to FY 2019 as the direct result of increases in the prime rate by the Federal Reserve Board. Recently, due to concern about recession and/or inflation caused by volatile forces in the economy, the Fed has begun reversing its prior increases. This will serve to reduce the City's earnings as is demonstrated in the earnings graph on the next page. Additionally, the city has committed to transferring its full year's police pension contribution on October 1 to assist the police pension fund in building its reserves and assisting its overall funding status. The City will benefit because the pension fund can generally be expected to earn 5 to 6 percent at the average which is more than the City's rate earned on government instruments.





FY 2020 PROPOSED BUDGET CITYWIDE EXPENDITURE SUMMARY

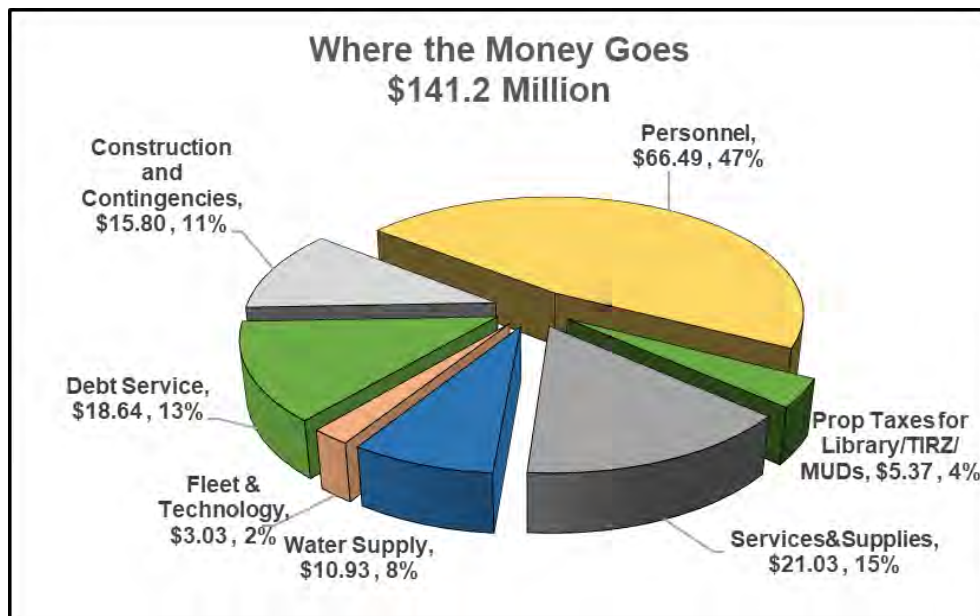
Overview

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 Actual	FY 2019 Amended Budget	FY 2019 Estimated	FY 2020 Proposed	FY20 +/- FY19 Bud	FY20 +/- FY19 Est
Personnel	\$52,481	\$56,009	\$57,438	\$62,127	\$61,190	\$66,485	\$4,358	\$5,295
Debt Service	\$6,828	\$7,638	\$15,515	\$17,368	\$15,798	\$18,643	\$1,275	\$2,845
Water Supply	\$10,368	\$10,674	\$10,600	\$11,376	\$11,025	\$10,927	(\$449)	(\$98)
Vehicles and Technology	\$2,687	\$3,594	\$2,461	\$6,311	\$5,598	\$3,029	(\$3,282)	(\$2,569)
Pay as you go construction, and Contingencies	\$4,654	\$4,174	\$6,278	\$15,126	\$3,759	\$15,763	\$637	\$12,004
Property Taxes forwarded to Rosenberg Library	\$2,478	\$2,698	\$2,836	\$2,875	\$2,889	\$3,052	\$177	\$163
Property Taxes paid to TIRZ's and MUD 30	\$1,742	\$1,784	\$2,027	\$2,166	\$2,106	\$2,313	\$147	\$207
Contractual Services	\$9,438	\$8,604	\$8,981	\$9,492	\$8,443	\$8,684	(\$808)	\$241
Supplies	\$4,702	\$5,669	\$6,326	\$7,124	\$6,234	\$6,800	(\$324)	\$566
Utilities	\$3,306	\$2,430	\$3,142	\$3,211	\$3,250	\$3,121	(\$90)	(\$129)
Liability Insurance	\$1,670	\$2,015	\$2,156	\$2,487	\$2,461	\$2,426	(\$61)	(\$35)
Subtotal Recurring Expenses	\$100,354	\$105,289	\$117,760	\$139,663	\$122,753	\$141,243	\$1,580	\$18,490
Settlements	\$0	\$0	\$0	\$16,460	\$16,460	\$0	(\$16,460)	(\$16,460)
Total Expenses	\$0	\$0	\$117,760	\$156,123	\$139,213	\$141,243	(\$14,880)	\$2,030

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 \$1 million overall increase is insignificant.



The FY 2020 Proposed Budget is \$1.6 million more than last year's budget, not including legal settlements. Increases in the overall budget include (\$4.36 million increase), debt service (\$1.28 million), and planned payments of property taxes to the Rosenberg Library, Tax Increment Zones and MUDs (\$324,000 more). These increases are offset by a net reductions in the budget for vehicles and technology of \$3.3 million, and water supply payments to Gulf Coast Water Authority (\$449,000). Other categories are down a net \$646,000 overall.

Personnel Cost

The FY 2020 Proposed Budget increase of \$4.6 million over FY 2019 estimated spending for citywide personnel is explained by (1) \$1.44 million in pay adjustments/COLAS including Collective Bargaining Agreements plans for police and fire civil service and non-civil service as well, (2) \$2.29 million for the increased cost of health benefits, (3) net increase of \$165,000 to completely fund the new 18 percent pension contribution after advancing funds in FY 2019 to begin paying for it, (4) \$1.27 million for positions in non-General Fund areas for reduced personnel vacancies in FY 2020 to provide more consistent services, (5) \$660,000 to fund partially filled General Fund position in FY 2019, (6) reduced spending on positions eliminated (\$622,000) and (7) \$95,000 net change in all personnel accounts citywide.

MAJOR CHANGES IN FY 2020 PERSONNEL BUDGET AS COMPARED WITH FY 2019 ESTIMATE

Personnel Cost Category	FY 2020 Over/ (Under) FY19 Estimate
Pay Adjustments/COLA's (benefits included)	
Police	\$567,000
Fire	\$275,000
Non-Civil Service (Citywide)	\$601,033
Pay Adjustments Subtotal	\$1,443,033
Health insurance cost increase	\$2,285,327
Net Police Pension Contribution (17% contributed beginning in January 2019; 18% in FY 2020)	\$165,155
Reduced Vacancy Rates for FY 2020	
Waterworks (6 positions for water valve crew)	\$292,325
Wastewater (6 positions out of 87)	\$313,570
Sanitation (2.5 vacant and one new position)	\$127,012
Drainage (4 vacant positions)	\$172,099
Technology Services (2 positions)	\$165,014
Construction Management (2 positions)	\$134,938
Garage (1 position)	\$62,920
Non-General Fund Subtotal	\$1,267,878
Increase in filled police positions (approx.5)	\$367,039
Planning (1 professional and 0.5 managerial positions moved back to General Fund from special funds)	\$183,814
Municipal Courts (2 Clerk positions filled late in FY2019)	\$108,705
General Fund Subtotal	\$659,558
Reduced Vacancy Rates Subtotal	\$1,927,436
Positions Eliminated	
Island Transit (20 positions)	(\$423,263)
Emergency Manager (8 months savings)	(\$49,235)
Public Works Asst Director (50-50 Streets and Drainage, 6 months savings)	(\$51,298)
Purchasing Specialist (6 months saving)	(\$23,290)
Budget Admin/Coordinator (Parks)	(\$74,959)
Positions Eliminated Subtotal	(\$622,045)
Net effect of other personnel accounts citywide	\$95,368
Total Increase in FY 2020 Proposed Personnel Budget over FY 2019 Estimated Amount	\$5,294,275

**CITY OF GALVESTON BUDGETED POSITIONS
FY 2015 - FY 2020**

FUND/DEPARTMENT	2015	2016	2017	2018	2019	2020	FY20 vs FY19	FY20 vs FY15
General Fund								
City Secretary	3.00	4.00	4.00	4.00	4.00	4.00	0.00	1.00
Municipal Court	8.00	8.00	8.00	8.00	8.00	10.00	2.00	2.00
City Manager	4.40	5.50	5.50	4.50	3.00	3.00	0.00	(1.40)
City Auditor	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00
City Attorney	6.00	7.00	7.00	7.00	7.00	7.00	0.00	1.00
Human resources	3.30	4.30	4.78	5.30	5.30	5.30	0.00	2.00
Finance	15.75	18.50	18.50	18.00	17.00	15.00	(2.00)	(0.75)
Police (Unclassified)	37.25	38.25	38.25	41.25	41.25	41.00	(0.25)	3.75
Police (Classified)	146.00	146.00	152.00	162.00	168.00	168.00	0.00	22.00
Fire (Unclassified)	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00
Fire (Classified)	112.00	115.00	115.00	115.00	115.00	115.00	0.00	3.00
Emergency Management	2.00	2.00	2.00	2.00	2.00	1.00	(1.00)	(1.00)
City Marshal	0.00	0.50	0.50	0.50	0.50	7.85	7.35	7.85
Streets & Traffic	41.75	46.25	50.25	57.55	61.05	60.25	(0.80)	18.50
Parks and Recreation	34.00	36.00	39.00	39.50	41.50	42.60	1.10	8.60
Developmental Services	23.05	24.88	24.88	24.20	25.20	19.50	(5.70)	(3.55)
Total General Fund	442.50	462.18	475.66	495.00	504.80	505.50	0.70	63.00
Waterworks Fund	40.63	42.56	44.79	44.48	43.88	49.96	6.08	9.33
Sanitary Sewer System Fund	84.13	88.56	90.04	88.48	87.88	86.96	(0.92)	2.83
Drainage Utility*	25.20	27.80	33.00	36.60	36.35	36.23	(0.12)	11.03
Sanitation Fund*	58.30	58.38	58.60	58.60	58.60	59.60	1.00	1.30
Municipal Airport	8.00	8.00	8.00	8.00	8.00	7.00	(1.00)	(1.00)
Total Enterprise Funds	216.25	225.30	234.43	236.00	234.70	239.75	5.05	23.50
Central Service Fund	15.00	14.00	16.00	22.00	24.00	26.00	2.00	11.00
Central Garage Fund	22.00	22.00	22.00	22.00	22.00	24.00	2.00	2.00
Municipal Insurance Fund	1.70	1.70	1.70	1.70	1.70	1.70	0.00	0.00
CIP Project Management	5.00	5.50	14.00	17.00	17.25	16.00	(1.25)	11.00
Total Internal Service Funds	43.70	43.20	53.70	63.00	64.95	67.70	2.75	24.00
Island Transit	57.00	58.00	58.00	57.00	53.00	32.25	(20.75)	(24.75)
Parking Management	4.00	3.50	3.50	4.50	4.50	4.50	0.00	0.50
Lasker Park Pool	0.00	0.00	1.50	1.50	3.50	4.10	0.60	4.10
Alarm Permit	0.75	0.75	0.75	0.75	0.75	0.75	0.00	0.00
Revenue Producing Parks	0.00	0.00	0.00	0.00	0.30	0.30	0.00	0.30
Total Special Revenue Funds	61.75	62.25	63.75	63.75	62.05	41.90	(20.15)	(19.85)
Total All Budgeted positions	764.00	793.00	828.00	858.00	866.50	855.00	(11.65)	90.65
GRANT FUNDED POSITIONS								
Recurring Grant Funded Positions	2015	2016	2017	2018	2019	2020	FY20 vs FY19	FY20 vs FY15
CDBG - Code Enforcement	3.95	2.88	2.85	2.85	2.80	3.00	0.20	(0.95)
CDBG - Planning	0.00	0.00	0.00	2.85	0.00	0.00	0.00	0.00
CDBG - Program Management	3.70	3.30	3.30	3.30	3.30	2.55	(0.75)	(1.15)
CDBG - Housing Rehab Administration	0.60	0.70	0.70	0.70	0.70	0.45	(0.25)	(0.15)
Industrial Development Corporation (IDC) - City Mgr	1.00	2.00	2.00	0.00	0.00	0.00	0.00	(1.00)
IDC - Parks	0.00	0.00	0.00	2.00	4.00	4.00	0.00	4.00
IDC - Finance	0.50	0.00	0.00	0.00	0.00	0.00	0.00	(0.50)
IDC - Coastal Resources	0.00	1.00	1.00	1.00	2.00	2.00	0.00	2.00
IDC - Economic Development Coordinator	0.00	0.00	0.00	0.00	1.00	1.00	0.00	1.00
IDC - Technology Services	0.00	0.00	0.00	1.00	1.00	1.00	0.00	1.00
Neighborhood - Project Management	0.00	2.00	1.00	1.00	1.00	0.00	(1.00)	0.00
Island Transit - Finance	0.25	0.00	0.00	0.00	0.00	0.00	0.00	(0.25)
Total Recurring Grant Positions	11.00	11.88	10.85	14.70	15.80	14.00	(1.80)	4.00
TOTAL BUDGETED AND GRANT FUNDED POSITIONS	777.00	805.00	839.00	873.00	882.30	869.00	(13.45)	94.65

*The Recycling Division was actually funded and moved from the Drainage Fund to the Sanitation Fund in FY2016. This chart reflects the change occurring in FY2015 for comparison purposes only.

Budgeted Position Change

The FY 2020 Proposed Budget includes a total of 869 positions, 13.45 less than in FY 2019. Island Transit's position count is down 20.75, and all other departments taken together are budgeted for 7.3 additional positions in FY 2020. The additions and reductions cross a number of departments, and it is important to note the reorganization of the budget that is recognizing

the positions that report to the City Marshal. This includes 4.25 positions moved from Code Enforcement, two civilian positions moved from Police, and the City Marshal position itself. Half of the City Marshal's position is still budgeted under the Parking Management special fund.

The budgeted positions chart points out that there has been a net gain in budgeted positions of 94.65 between FY 2015 and FY 2020. Close analysis of the chart reveals that the lion's share of the growth in positions net of the Island Transit losses occurred in five areas:

**Growth in Budgeted Positions
Critical Needs Areas FY15-20**

Public Works	43.0
Public Safety	28.8
Parks	17.0
CIP Project Mgt.	11.0
Technology Services	6.0
Critical Need Areas	105.7

Public Works growth included crews that are implementing preventive maintenance and reconstruction of city streets, ongoing programs to upgrade street signage and signalization, to replace curbs and gutters, to clear drainage ways as well as test and replace fire hydrants and water line valves. Public Safety additions included 22 police officers and three firefighters. Parks Department position included the four positions for the Lasker Pool as well as crews to mow and maintain rights of way, the new ballpark complex and newly acquired pocket parks. Minimal additions were made in administrative areas, including two positions in Human Resources and one each in the City Secretary and City Attorney's offices. Finance department staff is at the same general staffing level as in FY 2015.

Debt Service

Debt Service is expected to be \$2.8 million higher in FY 2020 than in last year's budget as the result of a new General Obligation Bond sale (\$1.9 million in debt service) and a net increase in water and sewer system debt of \$1.4 million for water and sewer bonds sold in spring 2019. Other principal and interest payments for previously existing debt are scheduled to drop \$0.5 million from last year. The City's \$18.6 million in planned debt service payments includes \$7.9 million in principal payments on prior years' bond sales and \$1 million on the new General Obligation sale this year.

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 financed through the GCWA in the name of the City. The Budget for the City's payments to GCWA is dropping \$449,000 from last year's budget and \$98,000 from the actual amount estimated to be paid in FY 2019. This is due to unusually wet conditions and the City's water purchases running fifteen percent behind last year. Furthermore, the City made its last payment on one of three debt issuances made by GCWA on the City's behalf last year which also contributed to this reduced budget.

Vehicles and Technology

The Proposed Budget includes \$2.8 million less for vehicles and equipment than was expended in the FY 2019 budget. Technology improvements will be funded at approximately \$250,000 more than the same level to continue improving the city's customer service and operational capabilities.

Investment and Spending on Capital Goods

Included in this category are funds set aside in the Infrastructure and Debt Service fund, and in special funds that are used for specifically limited purposes. The latter include the Convention Center Surplus fund, the Recovery and Capital Reserve fund, the Hurricane Harvey fund and the Public Access Channel fund. The FY 2019 Estimated spending reflects that the majority of these funds will not be spent but will carry over in the fund in which they originate.

Property Tax Revenue Passed Through to Others

Property taxes collected by the City as a part of its \$0.579885 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

Contractual Services (\$8.7 million), supplies (\$6.8 million) and utilities (\$3.1 million) add up to \$18.6 million in the Proposed FY 2020 Budget. Combined, these non-personnel operating budget items are \$1.2 million less than in the FY 2019 Budget, but \$678,000 more than is projected to have been spent by the end of this fiscal year. Significant areas of change include:

1. Electricity charges down \$242,000 from last year's budget due to the reduced kilowatt hour rate (3.9 cents down from approximately 5 cents per Kwh) that took effect on January 1, 2019.
2. Software maintenance and licensing down \$75,000 from last year's budget;
3. Vehicle fuel up \$190,000 from FY 2019 spending;
4. Concrete and aggregate up \$105,000 from FY 2019 spending;
5. Minor equipment \$198,000 down from the FY 2019 Budget ; and
6. Attorney's fees down \$900,000 from the FY 2019 Budgeted level.

Settlements

In FY 2019, the city settled a major court case that dated to the early Ike recovery days. While the plaintiffs asked for a significantly larger sum, the court awarded a \$15.7 million sum which would accrue post judgement interest until the case would be resolved. Rather than continue to incur legal fees and judgement interest, the City settled by paying \$13.5 million to fully close the case. The second settlement prevented an issue from going to court with a payment of \$2.96 million that kept a vital federally funded construction project going. The City expects to recover some of this settlement payment.

FY 2020 PROPOSED 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 known (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 Section 5(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.



General Fund

FY 2020 PROPOSED BUDGET GENERAL FUND SUMMARY

Overview

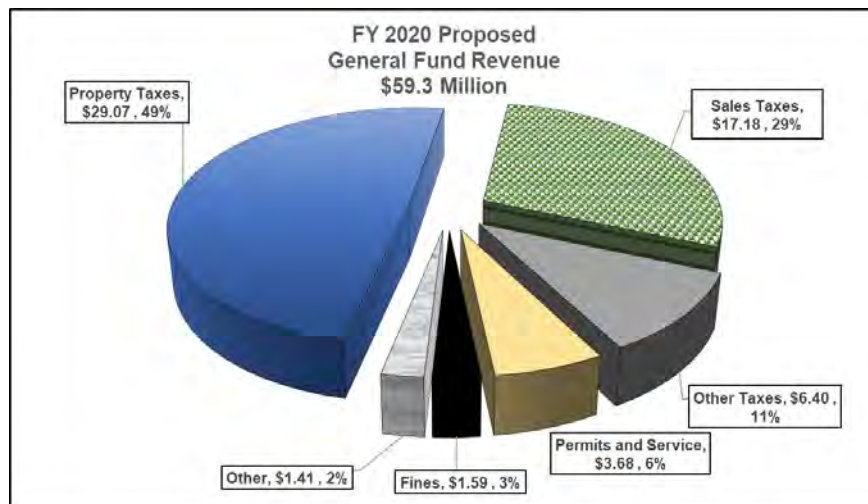
The General Fund is financed with the City's two major revenue resources, property and sales taxes. These revenues are used to provide public safety services and street and traffic maintenance services. The General Fund is also the largest single fund in the City budget and it houses the city's central administrative departments' budgets as well.

The FY 2020 Proposed Budget includes \$2.42 million for recurring cost increases that are unavoidable and not optional. The Proposed Budget includes funding for these commitments, \$887,000 for needed items and a pay raise for all General Fund employees. The overall funding proposal is made possible by last year's department expenditures reduction of over \$1 million. The pay adjustments are based on labor market averages in the case of Police (5.8 percent effective January 1, 2020) and Fire (3.5 percent effective October 1, 2019). Civilian employees are proposed to receive a two percent cost of living adjustment (COLA) effective October 1, 2020 as well. The revenue budget includes funding for the Police and Fire pay plans that will come from a proposed increase in the property tax rate of 1.8885 cents. This generates \$842,000 net for the General Fund after funding the increased reserves and Infrastructure set aside that are required by a larger General Fund Budget.

General Fund Baseline Revenue

General Fund revenue is largely comprised of major taxes that also provide the majority of revenue growth in the fund. In the FY 2020 Proposed Budget, Property Taxes, Sales Taxes, and Other Taxes, including franchise fees, and mixed drink taxes, add up to 89 percent of General Fund revenue. Historically, these sources provide all of the annual recurring revenue growth in the General Fund. Baseline FY 2020 revenue totals \$57,930,100, and is up \$2,270,400 from the FY 2019 Adopted Budget.

1. Baseline Property taxes – Up \$1,548,900 due to 5.88 percent growth in taxable value over the FY 2019 Adopted Budget. The proposed tax rate increase will generate \$1,169,700 more in property taxes bringing the General Fund property tax revenue total to \$29.07 million as shown in the chart below.
2. Sales taxes - Up \$575,000 due to 2 percent annual growth in the regional and national economies.



3. Franchise and Mixed Drink Taxes – The FY 2020 total for Other Taxes (not property or sales taxes) is down from the FY 2019 Adopted Budget by \$94,500, including a reduction in Franchise fees of \$193,400 and an increase in Mixed Drink Taxes of \$111,900. A subset of Franchise fees, telecommunications franchise fees are down from the FY 2019 Adopted Budget by \$202,500 due to new State law exempting telecomm companies (e.g. Comcast and AT&T) from paying the smaller of the two types of franchise taxes paid for cable TV and telecommunications service. This new law takes effect January 1, 2020, and full effect will be felt in FY 2021 (next fiscal year).
4. Other sources – All categories are up \$228,000 from the FY 2019 Adopted Budget, including a \$25,000 reduction in Interest income being the only category that is down from last year's budget. Court fines are up \$99,000 from a year ago along with internal charges for administrative services provided by central executive and administrative departments to enterprise funds.

FY 2020 General Fund Baseline Expense Commitments

The table below and the explanation to follow provide a basic design as to how the FY 2020 General Budget was built.

FY 2020 PROPOSED BUDGET BASELINE GENERAL FUND CHANGES

General Fund Budget Category	FY 2019 Adopted Budget	Increase/ (Decrease)	FY 2020 Proposed Budget
Baseline Revenue	\$55,896,700		
Net FY 2020 Baseline Revenue Growth		\$2,270,400	
Carryover Funding Prior Years		\$345,828	
Subtotal FY 2020 Baseline Revenue	\$55,896,700	\$2,616,228	\$58,512,928
Adopted FY 2019 Expenditures Budget	\$55,896,702	\$0	\$55,896,702
Subtotal FY 2020 Baseline for Department FY 2019 Budget Cuts	\$55,896,700	\$0	\$55,896,700
Revenue Over/ (Under) Expense	\$0	\$2,616,228	\$2,616,228
Changes Required, Needed and Reduction Made			Baseline Allocations
FY 2020 Required Expenditure Increases			
Infrastructure Transfer		\$740,599	
Health Insurance		\$1,240,000	
Police Pension Contribution		\$395,028	
EMS Ambulance service		\$49,000	
Subtotal Mandatory Increases		\$2,424,627	\$2,424,627
FY 2020 General Fund Increases Needed			
Vehicle Purchases		\$250,000	
Comprehensive Plan Update		\$100,000	
Island Transit Subsidy		\$200,000	
Code Enforcement Reorg		(\$2,982)	
Economic Development 380 Agreement Payments		\$47,500	
Planning Department Personnel		\$183,814	
Municipal Court Clerks		\$108,705	
Subtotal FY 2020 Needs		\$887,037	\$887,037
Net Other Budget Increases/(Decreases)			
Public Safety		(\$227,749)	
Public Works		(\$44,448)	
Parks and Recreation		(\$131,746)	
Development Services		(\$83,104)	
General Government		(\$122,032)	
Finance		(\$240,954)	
Non-Departmental		\$154,594	
Subtotal FY 2020 Other Budget Changes		(\$695,438)	(\$695,438)
Total Department Expenditure Changes			\$2,616,226

The comparison with FY 2019 Adopted Budget demonstrates how every General Fund Department received some kind of reorganization or reduction in order to make the funding for major commitments possible.

1. The FY 2020 Proposed Budget for the General Fund must first provide in its baseline \$2,424,627 in recurring funds for major funding commitments that start in FY 2020 and continue for the foreseeable future.
 - a. Transfer to the Infrastructure and Debt Service Fund – Required by City Charter, this transfer takes eight percent of General Fund total revenues and sets them aside every year. In FY 2020, the transfer is \$4,634,408 is included as budgeted expense based on eight percent of the baseline revenue total without any tax increase. Last year, the transfer was only seven percent amounting to \$3,912,769. This is a \$740,599 increase in recurring expenditures with no property tax rate increase that would cause the Infrastructure set aside to increase by eight percent of the corresponding revenue increase amount.
 - b. Increased City contributions to employee health insurance – This is to raise the city contribution in this essential benefit for city employees. Every budget includes \$6,720 per budgeted position for the year, and this amount is being increased by thirty-three percent (\$2,220 per position for the year) in the special reserve account set up at the fund level. This is based on the difference current year plan costs (including claims and administration) and contributions, and an 8 percent expected increase in next year's costs. The General Fund share of this increase is \$1,240,000 while the total increase in cost is \$2.08 million citywide. This increase is thought to be sufficient but may need to be increased in order to secure a minimum fund balance in FY 2020. The bid process underway for alternatives to our current plan and administrator can impact this funding proposal with more cost effective plan provisions. Also, it does not provide added funds likely needed in the Health Benefits fund in FY 2019 that must be identified and shared with the Park Board and the Port after the exact amount of the FY 2019 funding need is known.
 - c. Police pension contribution – This Proposed Budget includes \$2,243,060 to fund an 18% contribution to the police pension fund in FY 2020 in accordance with the compromise solution passed into State law earlier this summer. The contribution would have 14.83 percent without the legislative compromise, and the budget would have been \$1,848,032, or \$395,028 less than required. Bear in mind that the FY 2019 Budget and Estimated amounts include approximately \$200,000 to fund early implementation of this change with a one-time, non-recurring transfer from the Pension Reform Special Fund.
 - d. Emergency Medical Service – The Galveston County Health Department has notified us that the annual cost is going up by \$49,000 for the first time in many years.
2. Seven General Fund budgeted needs includes items that do not all increase costs in FY 2020 but add up to a net increase of \$887,037.
 - a. Vehicle Purchases- General Fund vehicle purchases are proposed at \$1 million instead of \$750,000, a \$250,000 increase. Consider that all police and fire public safety vehicles must be purchased from this annual allocation. Also consider that this account was budgeted at \$1 million in Fiscal Years 2015, 2016 and 2018, and \$1.28 million in FY 2017, and has been adequate to renew and maintain the General Fund fleet in good working order.
 - b. The Comprehensive Plan Update is included in the Planning Department budget at \$100,000.

- c. Island Transit Subsidy – This budgeted line item in the General Fund is \$200,000 more than in the FY 2019 Adopted Budget based on a stable operating budget for Island Transit given the shedding of services that were non-basic to the mission of IT as well as the need to maintain sufficient local funds to provide a match for our newly established Urban System Federal Transit Administration grants.
 - d. The consolidated Code Enforcement budget is here, recognizing the City Marshal's important mission while demonstrating its almost zero impact (decrease of \$2,982 showing) without considering the budget transferred from Police for two personnel working code related issues.
 - e. The City Council has approved several economic development “380 Agreements” with agreed upon payments that will be made once a developer meets certain development targets. The estimated cost in FY 2020 is \$47,500 for these payments.
 - f. Planning Department Budget Adjustment – This budget is increasing \$183,814 to reflect transfer of the Neighborhood Improvements project manager and fifty percent of the ACM's salary and benefits for Economic Development and Planning back to the General Fund from the special funds they manage
 - g. Two Municipal Court Clerks were hired in May, 2019 to assist in processing the increasing caseload regarding code enforcement case. The full year's cost of this necessary action is \$108,705.
3. Other expenditure budget increases and decreases in FY 2020 add up to a net decrease of \$695,438 from their FY 2019 Adopted Budget levels including:
- a. Positions eliminated in Finance, Parks, Public Works, Emergency Management and Island Transit;
 - b. Reorganization of the Community Outreach/Public Information area into one budget line charged by the Central Service Fund; and
 - c. Normal budget underruns and overruns.

The Proposed Property Tax Increase

The proposed property tax increase of 1.8885 cents brings the total overall rate to \$0.579885 which is greater than the effective rate of \$0.538771 and less than the Rollback Rate of \$0.582433. If the Effective Rate were adopted, it would generate \$419,300 in new revenue growth total over last year's total. This loss of revenue would not only eliminate the possibility of any raise for city employees, it would necessitate significantly damaging cuts in all departments, given the \$2.4 million needed for the four mandatory increases.

Allocation of Tax Rate Increase	\$Amount
Revenue from 1.8885 cent per \$100 taxable value	\$1,169,700
Eight percent for Infrastructure and Debt Service setaside	\$93,576
Increase 90 day reserve	\$234,124
Remainder Available for Public Safety Pay adjustment	\$842,000

General Fund 90 Day Reserve Requirement

By city charter and by ordinance, the General Fund must retain an ending balance equal to ninety days of operating expenditures. The FY 2020 Proposed General Fund Budget includes an ending fund balance of \$14,658,535, which is 90 days of the \$59,448,504 proposed for departmental and general spending. In the recent past, the City had amassed a substantial fund balance, which allowed the City to accomplish and resolve some long-standing issues.

In FY 2017, the City received \$2.2 million as its share of cash on hand when TIRZ 15 was closed. At the City Manager's recommendation and with full City Council approval, this sum was set aside in a Pension Reform Special Fund. This special fund then was utilized to come to an agreement with the firefighters on a long-term funding solution to more firmly establishing their pension fund's solvency. Both parties increased their recurring contributions and the City provided \$1 million in cash from the Pension Reform Special Fund to help secure the agreement.

In FY 2018, it was necessary to appropriate \$2.44 million from General Fund balance for Hurricane Harvey recovery. The General Fund did not bear this load alone, as every other major operating fund contributed funds for match and up front financing so that the city would not be dependent on FEMA for Harvey funding should that funding become unreliable. These funds are now being recovered; beginning with the Sanitation Fund's cost for debris removal, which was recently recovered in the amount of \$920,000. The General Fund incurred a substantial cost in the \$400,000 range for Protective Measures, all of which is expected to be recovered soon.

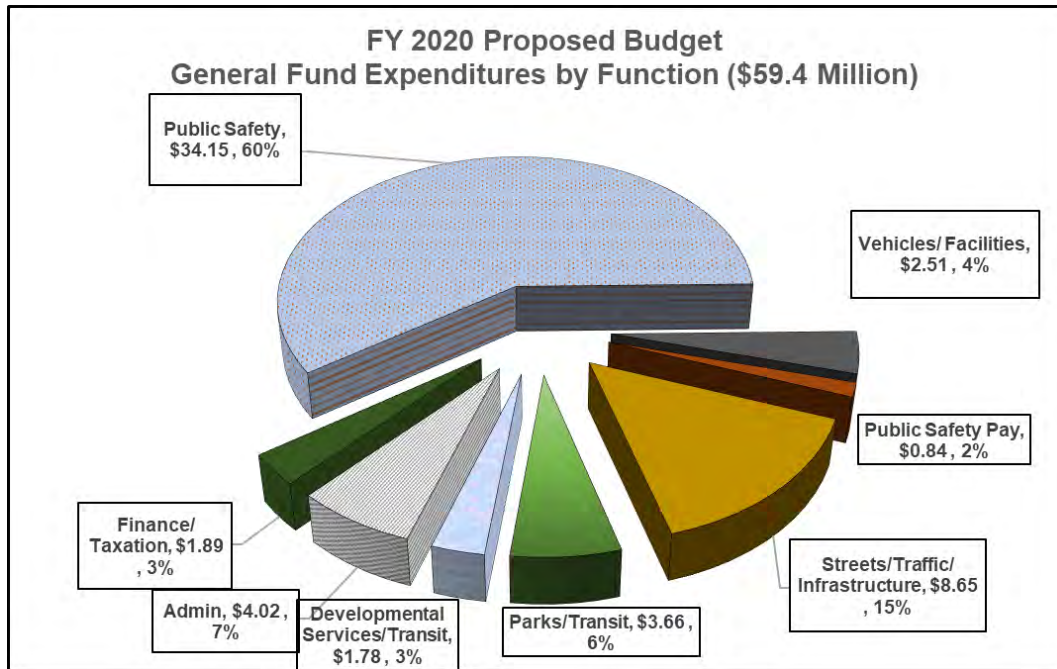
In FY 2019, the City had to address the CDM Smith settlement with \$13.5 million from its general reserves shown below. The General Fund balance excess was committed to this settlement along with funds generated from cuts in department budgets as well as large balances that were being maintained in the liability insurance central services funds. This funding plan, shown below, enabled the City to avoid multiyear payment schedules while resolving the matter full.

FY 2019 Budget Reductions by Fund	Recommended Amounts Available
Insurance Internal Service Funds	
Casualty and Liability Fund Balance in excess of 90 days	\$2,893,200
Workers Compensation Fund Balance in excess of 90 Days - Transfer to Casualty and Liability Fund	\$2,386,800
Insurance Internal Service Fund Subtotal	\$5,280,000
General Fund FY 2019 Budget Transfer to Settlements Fund	
Departmental Budget Reductions - Allow Unspent amounts to go to fund General Fund balance	\$1,091,319
Reduce Transfer from General Fund to Hurricane Harvey fund	\$1,300,000
Use Excess Fund Balance over 90 Days	\$1,236,681
Use General Fund Balance Contingency	\$2,500,000
General Fund Transfer to Settlement Fund Subtotal	\$6,128,000
Settlement and Capital Reserve Fund	
Reallocate Capital Reserve to pay settlement	\$2,092,000
Recovery and Capital Reserve Fund Subtotal	\$2,092,000
GRAND TOTAL	\$13,500,000

In FY 2020, the General Fund is being utilized as a funding source to address the needs discussed in the previous section. A total of \$111,704 is being utilized as interim financing pending receipt of the Hurricane Harvey funds with other fund balance building options available to the City during FY 2020.

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 eight percent, resulting in a \$4.7 million set aside in the Infrastructure and Debt Service Fund special fund. It will continue to grow as the General Fund grows in an expected range of three percent annually.



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.

GENERAL FUND BUDGETED POSITIONS
FY 2015 - FY 2020

FUND/DEPARTMENT	2015	2016	2017	2018	2019	2020	FY20 vs FY19	FY20 vs FY15
General Fund								
City Secretary	3.00	4.00	4.00	4.00	4.00	4.00	0.00	1.00
Municipal Court	8.00	8.00	8.00	8.00	8.00	10.00	2.00	2.00
City Manager	4.40	5.50	5.50	4.50	3.00	3.00	0.00	(1.40)
City Auditor	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00
City Attorney	6.00	7.00	7.00	7.00	7.00	7.00	0.00	1.00
Human resources	3.30	4.30	4.78	5.30	5.30	5.30	0.00	2.00
Finance	15.75	18.50	18.50	18.00	17.00	15.00	(2.00)	(0.75)
Police (Unclassified)	37.25	38.25	38.25	41.25	41.25	41.00	(0.25)	3.75
Police (Classified)	146.00	146.00	152.00	162.00	168.00	168.00	0.00	22.00
Fire (Unclassified)	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00
Fire (Classified)	112.00	115.00	115.00	115.00	115.00	115.00	0.00	3.00
Emergency Management	2.00	2.00	2.00	2.00	2.00	1.00	(1.00)	(1.00)
City Marshal	0.00	0.50	0.50	0.50	0.50	7.85	7.35	7.85
Streets & Traffic	41.75	46.25	50.25	57.55	61.05	60.25	(0.80)	18.50
Parks and Recreation	34.00	36.00	39.00	39.50	41.50	42.60	1.10	8.60
Developmental Services	23.05	24.88	24.88	24.20	25.20	19.50	(5.70)	(3.55)
Total General Fund	442.50	462.18	475.66	495.00	504.80	505.50	0.70	63.00



**FY2020 PROPOSED BUDGET
GENERAL FUND SUMMARY**

	FY2018 ACTUAL	FY2019 ADOPTED BUDGET	FY2019 AMENDED BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	\$17,659,927	\$19,711,413	\$19,711,413	\$19,711,413	\$14,886,180
Revenues					
Property Taxes	\$25,068,939	\$26,350,400	\$26,350,400	\$26,443,100	\$29,069,000
Sales Taxes	16,068,519	16,600,000	16,600,000	16,600,000	17,175,000
Mixed Beverage Taxes	933,147	951,100	951,100	1,016,000	1,063,000
Franchise Taxes	5,671,489	5,531,000	5,531,000	5,521,100	5,337,600
Licenses and Permits	1,196,240	1,172,100	1,172,100	1,243,100	1,243,100
Interfund Transfers for Service	2,093,885	2,140,300	2,140,300	2,145,000	2,207,700
Charges for Services	291,454	226,900	226,900	214,700	233,700
Fines and Forfeits	1,528,690	1,491,700	1,491,700	1,691,200	1,591,200
Investment Earnings	319,693	350,000	350,000	425,000	325,000
Other Revenues	1,038,006	1,033,200	1,033,200	1,041,500	1,041,500
Other Financing Sources	125,000	50,000	50,000	248,000	50,000
Total Revenues	\$54,335,062	\$55,896,700	\$55,896,700	\$56,588,700	\$59,336,800
Expenditures					
Public Safety					
Police	\$19,315,976	\$20,668,629	\$20,460,371	\$20,350,082	\$20,990,148
Fire	11,146,620	11,627,858	11,469,269	11,502,697	11,583,074
Emergency Management	256,682	247,763	242,732	212,306	138,308
Emergency Medical Service	566,110	566,200	566,200	566,097	615,200
Civilian Services/City Marshal	58,996	63,249	63,249	65,563	819,018
	\$31,344,384	\$33,173,699	\$32,801,821	\$32,696,745	\$34,145,747
Public Works					
Streets	\$1,803,739	\$1,846,550	\$1,834,363	\$1,773,067	\$1,831,185
Traffic	2,101,837	2,097,682	2,030,740	2,053,598	2,068,600
	\$3,905,577	\$3,944,232	\$3,865,103	\$3,826,664	\$3,899,784
Parks and Recreation					
Recreation Programs	\$857,364	\$970,971	\$1,043,104	\$1,156,925	\$1,025,333
Parks and Parkways	1,849,467	2,021,725	1,886,034	1,703,119	1,835,618
	\$2,706,831	\$2,992,696	\$2,929,138	\$2,860,044	\$2,860,950
Developmental Services					
Code Enforcement	\$634,621	\$758,751	\$758,143	\$692,400	\$0
Building Inspection	632,724	672,039	611,935	606,984	696,738
Planning	1,139,330	914,214	914,134	856,592	1,090,225
	\$2,406,675	\$2,345,004	\$2,284,212	\$2,155,975	\$1,786,963
General Government					
City Secretary	\$521,835	\$536,270	\$525,271	\$533,429	\$544,646
Elections	20,986	68,000	67,000	58,545	58,500
Municipal Court	741,765	667,871	654,870	638,723	728,353
City Manager	696,411	682,997	668,997	704,235	696,989
City Auditor	269,118	274,851	269,352	271,217	278,551
City Attorney	788,627	928,227	909,227	906,136	833,109
Human Resources	494,664	555,375	555,375	565,003	560,117
Transportation	915,000	600,000	586,374	893,470	800,000
	\$4,448,406	\$4,313,591	\$4,236,466	\$4,570,758	\$4,500,264

**FY2020 PROPOSED BUDGET
GENERAL FUND SUMMARY**

	FY2018 ACTUAL	FY2019 ADOPTED BUDGET	FY2019 AMENDED BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Finance					
Administration	\$297,099	\$368,569	\$295,219	\$301,626	\$295,784
Accounting	771,566	876,023	793,352	811,857	809,506
Purchasing	231,354	243,907	243,907	246,604	206,150
Budget	272,797	374,947	296,874	300,638	309,330
	\$1,572,816	\$1,863,446	\$1,629,352	\$1,660,725	\$1,620,769
Non-Departmental					
Taxation	\$268,458	\$270,000	\$270,000	\$200,624	\$271,723
Facility Maintenance	1,594,346	1,448,170	1,448,170	1,449,958	1,515,665
COLA and Target Increases	0	250,933	250,933	0	285,000
Police Pay Reserve	0	0	0	0	567,000
Fire Pay Reserve	0	0	0	0	275,000
Contractual Services	7,077	216,002	22,500	28,294	70,000
Group Health Insurance Reserve	0	0	0	0	1,240,000
Community Outreach/Public Info	0	0	208,502	208,502	246,534
Transfer to Infrastructure Fund	3,275,010	3,912,769	3,912,769	3,912,769	4,746,944
Transfer to Separation Pay Fund	416,160	416,160	416,160	596,160	416,160
Vehicle Purchases	291,611	750,000	750,000	750,000	1,000,000
Grant Administration Cost	0	0	23,873	23,873	0
Salary Compensation Study	(2,500)	0	23,975	23,975	0
	\$5,850,161	\$7,264,034	\$7,326,882	\$7,194,155	\$10,634,026
Total Expenditures	\$52,234,850	\$55,896,702	\$55,072,974	\$54,965,066	\$59,448,504
Prior Year Adjustment	(\$1,339)	\$0	\$0	(\$83,990)	\$0
Ending Fund Balance	\$19,758,800	\$19,711,413	\$20,535,140	\$21,251,057	\$14,774,476
Less: Appropriation of Fund Balance					
One-Time Capital Outlay	\$0	\$285,000	\$285,000	\$234,798	\$100,000
Broadway Corridor Streetscape/ Redevelopment Plan	36,652	0	0	0	0
Transfer to Hurricane Harvey	10,734	1,591,876	229,028	2,080	15,940
Fund Balance Contingency	0	2,500,000	0	0	0
Transfer to Settlement and Recovery Fund	0	0	6,128,000	6,128,000	0
	\$47,386	\$4,376,876	\$6,642,028	\$6,364,877	\$115,940
Ending Fund Balance	\$19,711,413	\$15,334,537	\$13,893,112	\$14,886,180	\$14,658,535
90 Day Reserve Requirement	\$12,879,826	\$13,782,748	\$13,579,637	\$13,553,030	\$14,658,535
Fund Balance Over/(Under) 90 Day Reserve Requirement	\$6,831,587	\$1,551,789	\$313,474	\$1,333,150	\$0
Total General Fund Appropriation	\$52,282,236	\$60,273,578	\$61,715,002	\$61,329,943	\$59,564,444

**FY 2020 PROPOSED BUDGET
GENERAL FUND REVENUE**

ACCOUNT	ACCOUNT TITLE	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimated	FY 2020 Proposed
311100	Real Property Taxes	26,319,469	27,856,000	27,759,300	30,637,000
311107	Real Property Taxes - Due to MUD 30	(344,147)	(363,200)	(363,200)	(397,200)
311110	Delinquent Property Taxes	403,445	345,000	440,000	395,000
311120	Property Tax Penalties and Interest	372,625	315,000	350,000	350,000
311270	Tax Increment Payable to TIRZ 12	(196,022)	(253,000)	(213,000)	(226,400)
311280	Tax Increment Payable to TIRZ 13	(495,437)	(529,600)	(515,000)	(593,500)
311290	Tax Increment Payable to TIRZ 14	(990,994)	(1,019,800)	(1,015,000)	(1,095,900)
PROPERTY TAXES SUBTOTAL		\$25,068,939	\$26,350,400	\$26,443,100	\$29,069,000
313020	Sales and Use Taxes	\$16,068,519	\$16,600,000	\$16,600,000	\$17,175,000
314040	Mixed Beverage Taxes	\$933,147	\$951,100	\$1,016,000	\$1,063,000
314050	Bingo Tax	124	0	100	100
318210	Tour Train Franchise	1,204	1,000	1,000	1,000
318250	Electricity Franchise	3,186,046	3,144,000	3,097,000	3,116,000
318260	Natural Gas Franchise	437,675	431,000	438,000	438,000
318270	Cable TV Franchise	778,964	780,000	780,000	780,000
318280	Telephone Franchise	636,396	665,000	625,000	422,500
318300	Refuse Collection Franchise Fees	429,162	375,000	320,000	320,000
318301	Temporary Refuse Collection Franchise Fees	201,918	135,000	260,000	260,000
FRANCHISE AND OTHER TAXES SUBTOTAL		\$5,671,489	\$5,531,000	\$5,521,100	\$5,337,600
TOTAL TAXES		\$47,742,094	\$49,432,500	\$49,580,200	\$52,644,600
321101	Alcoholic Beverage Licenses	43,588	32,100	35,000	35,000
321110	Beer and Wine Licenses	29,320	24,600	29,000	29,000
321120	Late Hour Permits	6,300	5,500	5,500	5,500
321210	Cemetery Permits	550	2,000	500	500
321310	Fire Permits	120,511	102,000	120,000	120,000
321325	Burglar Alarm Permits	0	0	0	0
321620	Air Conditioning Contractors' Permits	600	500	500	500
321640	Electricians' Licenses	178	2,800	2,800	2,800
321650	Plumbers' Licenses	4,725	4,600	4,600	4,600
321690	Hotel Inspection Fee	22,615	20,400	20,000	20,000
321720	Coin Operated Machine License	8,745	9,200	9,200	9,200
321760	Vending Permits	10,343	10,200	14,000	14,000
322105	Bldg. Permits/Contractors' Reg. Roofing	31,527	30,600	30,600	30,600
322110	Building Permits	509,373	499,800	550,000	550,000
322120	Bldg. Permits/Air Conditioning	69,179	76,500	70,000	70,000
322125	Bldg. Permits/Electrical	71,754	86,700	78,000	78,000
322130	Plumbing Permits	123,363	112,200	123,000	123,000
322150	Site Inspections	82,448	76,500	86,000	86,000
322170	Sign Permits	12,658	12,200	14,500	14,500
322210	Parking Permits	3,386	4,100	4,100	4,100
322310	Taxi Cab Operators' Licenses	23,705	36,700	25,000	25,000
322610	Animal Permits	1,075	1,000	1,000	1,000
322700	Other Non-business Licenses	20,300	21,900	19,800	19,800
LICENSES AND PERMITS SUBTOTAL		\$1,196,240	\$1,172,100	\$1,243,100	\$1,243,100
341610	Water Fund Administrative Services Fee	710,000	731,300	731,300	753,000
339040	Water System Payment in Lieu of Taxes	200,000	206,000	206,000	212,000
341620	Sanitary Sewer Fund Administrative Services Fee	434,000	447,000	447,000	460,000
339050	Sanitary Sewer System Payment in Lieu of Taxes	200,000	206,000	206,000	212,000
341625	Drainage Fund Administrative Services Fee	50,000	51,500	51,500	53,000
341630	Sanitation Fund Administrative Services Fee	226,000	232,800	232,800	240,000
339060	Sanitation Fund Payment in Lieu of Taxes	200,000	206,000	206,000	212,000
341635	Pocket Park Administrative Services Fee	15,885	0	4,700	4,700
341680	Airport Administrative Services Fee	58,000	59,700	59,700	61,000
INTERFUND TRANSFERS FOR SERVICE SUBTOTAL		\$2,093,885	\$2,140,300	\$2,145,000	\$2,207,700

**FY 2020 PROPOSED BUDGET
GENERAL FUND REVENUE**

ACCOUNT	ACCOUNT TITLE	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimated	FY 2020 Proposed
341110	Court Cost Collection Fees	37,815	30,000	30,000	30,000
341320	Zoning Fees	153,282	140,000	135,000	135,000
341340	Certification Fees	1,250	800	1,000	1,000
342120	Police Offense Reports	12,327	14,000	11,000	11,000
342130	Motor Carrier Weight Fee	1,314	0	8,500	8,500
342125	Golf Cart Registration	24,050	22,000	25,000	25,000
347100	Recreation Fees	4,135	100	0	0
347300	Rentals (Parks & Rec)	0	0	2,200	2,200
348320	Other Revenue	1,042	5,000	1,000	1,000
348565	Sale of Equipment	56,239	15,000	1,000	20,000
CHARGES FOR SERVICES SUBTOTAL		\$291,454	\$226,900	\$214,700	\$233,700
351110	Parking Fines	462,005	450,000	450,000	450,000
351130	Class "C" Misdemeanors' Fines	1,023,767	1,000,000	1,200,000	1,100,000
351150	Arrest Fees/Local Court Fees	32,827	29,000	33,000	33,000
351185	Court Time/Payment Fee	9,940	12,000	8,000	8,000
351190	Court Subpoena Fee	151	200	200	200
351195	Police Overtime Fee	0	500	0	0
FINES AND FORFEITS SUBTOTAL		\$1,528,690	\$1,491,700	\$1,691,200	\$1,591,200
361110	Interest Earned - Operating Account	319,693	350,000	425,000	325,000
INVESTMENT EARNINGS SUBTOTAL		\$319,693	\$350,000	\$425,000	\$325,000
339020	Galveston Wharves Payment in Lieu of Taxes	66,921	188,800	148,500	148,500
363110	Rental of General Property	1,650	4,500	4,500	4,500
363140	Mineral and Gas Royalties	1,183	2,400	2,400	2,400
363200	Miscellaneous	225,314	220,000	230,000	230,000
363208	Moody Gardens	417,510	417,500	426,100	426,100
339070	Moody Gardens Payment in Lieu of Taxes	100,000	50,000	100,000	100,000
363209	Landry's	100,000	100,000	100,000	100,000
378000	Sale of General Fixed Assets	125,428	50,000	30,000	30,000
OTHER REVENUES SUBTOTAL		\$1,038,006	\$1,033,200	\$1,041,500	\$1,041,500
379000	Operating Transfers - In	125,000	50,000	248,000	50,000
OTHER FINANCING SOURCES SUBTOTAL		\$125,000	\$50,000	\$248,000	\$50,000
TOTAL - ALL REVENUE		\$54,335,062	\$55,896,700	\$56,588,700	\$59,336,800

**FY2020 PROPOSED BUDGET
GENERAL FUND EXPENDITURE SUMMARY**

Expenditure Summaries by Department

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Public Safety	\$31,344,384	\$32,801,821	\$32,696,745	\$34,145,747
Public Works	3,905,577	3,865,103	3,826,664	3,899,784
Parks and Recreation	2,706,831	2,929,138	2,860,044	2,860,950
Developmental Services	2,406,675	2,284,212	2,155,975	1,786,963
General Government	4,448,406	4,236,466	4,570,758	4,500,264
Finance	1,572,816	1,629,352	1,660,725	1,620,769
Non-Departmental	5,897,548	13,968,910	13,559,032	10,749,966
General Fund Appropriation Total	\$52,282,236	\$61,715,002	\$61,329,943	\$59,564,444

Expenditures Summaries by Category

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$36,753,756	\$38,457,128	\$38,328,511	\$41,409,058
Materials and Supplies	\$2,395,667	\$2,331,385	\$2,122,994	\$2,256,295
Contractual Services	\$8,414,241	\$8,269,915	\$8,439,767	\$8,670,594
Other Charges and Services	(\$103,381)	\$57,142	(\$78,696)	\$14,480
Operating Transfers	\$3,779,904	\$10,769,457	\$10,722,509	\$5,262,544
Capital Outlay	\$369,695	\$1,050,000	\$1,084,511	\$1,179,750
Special Events and Programs	\$672,352	\$779,975	\$710,349	\$771,723
General Fund Appropriation Total	\$52,282,236	\$61,715,002	\$61,329,943	\$59,564,444

See the following pages for detailed discussions of each budget.

**FY2020 PROPOSED BUDGET
PUBLIC SAFETY OPERATIONS**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Police	\$19,315,976	\$20,460,371	\$20,350,082	\$20,990,148
Fire	11,146,620	11,469,269	11,502,697	11,583,074
Emergency Management	256,682	242,732	212,306	138,308
Emergency Medical Services	566,110	566,200	566,097	615,200
City Marshal	58,996	63,249	65,563	819,018
Public Safety Operations Total	\$31,344,384	\$32,801,821	\$32,696,745	\$34,145,747

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$27,231,936	\$28,263,598	\$28,275,287	\$29,331,352
Materials and Supplies	520,226	562,837	539,496	589,850
Contractual Services	3,538,402	3,916,986	3,812,925	4,168,995
Other Charges and Services	(430,909)	(440,100)	(444,212)	(449,000)
Operating Transfers	78,000	83,500	83,500	83,500
Capital Outlay	23,204	15,000	10,000	21,050
Special Programs and Events	383,525	400,000	419,750	400,000
Public Safety Operations Total	\$31,344,384	\$32,801,821	\$32,696,745	\$34,145,747

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Net increases (+\$1,056,066) include full funding for Public Safety Positions, the relocating of the Code Enforcement personnel from the Community Services Department, increases in specialties pays, decreases in overtime, increase in salary reimbursements, and an increase of 1% for a total of 18% in Police Retirement beginning in FY2020.

Materials and Supplies - Net increases (+\$50,355) includes minor equipment and supplies to purchase Crime Scene and evidence materials and supplies for the Police Department (+\$31,660), miscellaneous increase within the Fire Department (+\$8,695) and the relocation of Code Enforcement personnel (+\$10,000) .

Contractual Services - Net increases (+\$356,070) in Garage charges and Maintenance contracts to add analyst investigative software in the Police Department (\$89,720), increases in garage charges and miscellaneous line items within the Fire Department (+\$12,025), Increase of 8.6% (+\$49,000) requested by the Galveston County Health District and the relocating of Code Enforcement contractual items (+\$208,500) from the Developmental Services Department.

Other Charges and Services - Net decrease (-\$4,788) for miscellaneous line items.

Capital Outlay - Added funding (+\$11,050) for the purchase of PureAir Chem Workstations and Duplex Drying Cabinet for the Police Department.

Special Programs and Events - Maintain current level of funding for Mardi Gras expenses (\$19,750).

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

- Produced rolling recruitment video played at various waiting areas in police headquarters.
- Conducted a total of 4 civil service exams including one targeting lateral transfers.
- Began the process of de-escalation training for ALL police officers.
- Deployed online complaint form to enhance accountability and transparency.
- Created and partially staffed Street Crimes Unit.
- Hired 1st full time police Chaplain in partnership with the Moody Foundation (non-sworn).
- Hired 1st non-sworn Crime analyst to enhance intelligence led policing and transparency.
- From yearly comparisons from June 2017 through June 2019, the department has reduced preventable fleet accidents by 10.5%.
- Reduced crash incidents at the intersection of 61st and Broadway in partnership with Public Works.
- Acquired to electronic speed signs as a force multiplier.
- Completed 1st external City Auditor process.
- Created 501-C3 enhancing fiscal accountability of Blue Santa and other Departmental Programs.
- Hired Evidence technician to enhance customer service and efficiencies in the property room.

Goals

- Enhance efficiency through further civilianization of positions.
- Multiply forces through technology including license plate recognition at ingress and egress points on island and portable pole cameras for events and hotspots.
- Increase core training hours from a minimum of 32 to 56 hours (24 month training cycle).
- Create inter-agency communication among detectives in the County
- Enrichment program to enhance career development, job training, networking and teamwork between bureaus.

**FY2020 PROPOSED BUDGET
POLICE**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$16,750,740	\$17,551,991	\$17,537,206	\$18,069,400
Materials and Supplies	182,351	279,237	255,734	287,400
Contractual Services	2,334,466	2,550,643	2,468,577	2,558,298
Other Charges and Services	(29,581)	(20,000)	(20,041)	(29,500)
Operating Transfers	78,000	83,500	83,500	83,500
Capital Outlay	0	15,000	10,000	21,050
Special Programs and Events	0	0	15,106	0
TOTAL	\$19,315,976	\$20,460,371	\$20,350,082	\$20,990,148

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increases (+\$502,437) include full funding (+\$510,793) for vacant Police positions throughout fiscal year, specialties pay (+\$19,380), decrease in overtime (-\$139,669), increase in salary reimbursements (-\$23,523) and increase of 1% (+\$165,155) to a total of 18% in Police Retirement beginning in FY2020.

Materials and Supplies - Increase (+\$31,660) in minor equipment and supplies to purchase Crime Scene and evidence materials and supplies.

Contractual Services - Net increases (+89,720) in Garage charges and Maintenance contracts to add analyst investigative software.

Other Charges and Services - Includes an increase (-\$9,460) in the expected amount of reimbursements expected in FY2020.

Capital Outlay - Added funding (+\$11,050) for the purchase of PureAir Chem Workstations and Duplex Drying Cabinet.

Special Programs and Events - Net decrease (-\$15,106) not expected in FY2020 due to more efficient monitoring of departmental grants.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Calls for Service	79,201	70,270	65,130	62,000
Arrests	5,500	4,794	4,689	4,550
Motor Vehicle Accidents	3,654	3,893	3,550	3,400
Avg. Response Time - Priority 1 Calls	8m 8s	8m 9 s	8 m 8s	8 m
Meetings with Community Groups	120*	170	195	200
Training or Presentations to Citizens	276	350	324	300
Community Meeting Attendance (New)	XXX	XXX	4,885	5,100

PERSONNEL				
POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Chief of Police	1.00	1.00	1.00	1.00
Assistant Chief of Police	0.25	1.00	1.00	1.00
Police Captain	3.00	3.00	3.00	3.00
Police Lieutenant	6.00	6.00	6.00	6.00
Police Sergeant	27.00	27.00	27.00	27.00
Police Officer	117.00	130.00	130.00	130.00
Director of Support Services	1.00	1.00	0.50	0.00
Police Asset Coordinator	0.00	0.00	0.50	1.00
Records Manager	0.00	1.00	1.00	1.00
Police Admin. Services Manager	0.25	0.25	0.25	1.00
Director of Communications	1.00	0.00	0.00	0.00
Public Safety Communications Manager	0.00	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	2.00	2.00	2.00	2.00
Property Room Supervisor	0.00	1.00	1.00	1.00
Evidence Technician	1.00	1.00	1.00	1.00
Property Room Technician	1.00	0.00	0.00	0.00
Crimes Analyst	1.00	1.00	1.00	1.00
AFIS/Latent Print Technician	1.00	1.00	1.00	1.00
Ground Transportation Inspector	1.00	1.00	1.00	0.00
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	1.00	1.00	1.00
Office Specialist	5.00	5.00	5.00	5.00
TOTAL	195.50	209.25	209.25	209.00

**FY2020 PROPOSED BUDGET
POLICE**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$11,358,520	\$11,933,656	\$11,862,814	\$12,219,536
511002 COLA Increases	0	98,221	0	0
511005 Longevity	79,714	91,963	78,836	89,703
511006 Differential Pay	117,212	133,820	121,408	122,307
511007 Vehicle/Motor Allowance	26,584	28,910	29,686	28,910
511008 Dog Handler Allowance	9,600	14,456	14,567	14,456
511009 Overtime	1,117,151	924,000	1,126,569	968,000
511021 Part-Time Payroll	23,762	25,000	13,660	25,000
511026 Ferry Landing Overtime	93,547	75,000	78,542	98,000
511039 Tactical Details - Overtime	11,809	30,000	30,597	30,000
511110 Incentive Pay	310,983	317,258	325,272	327,454
511125 Residency Pay	182,157	201,352	149,768	156,109
511143 Crisis Negotiation Team	4,454	4,216	4,235	4,212
511145 SWAT Pay	18,002	18,073	16,098	15,357
511147 Dive Team Pay	13,363	13,550	14,160	14,447
511148 SRG Team Pay	7,363	7,829	8,526	8,433
511150 Uniform Allowance	91,500	110,250	105,001	123,750
511510 Group Health Insurance - Employer's	1,304,877	1,352,400	1,334,290	1,422,240
511515 Worker's Compensation	182,850	122,166	128,322	122,166
511520 Group Life Insurance	34,870	38,670	35,688	38,495
511530 Social Security - Employer's	815,584	869,708	861,951	883,232

**FY2020 PROPOSED BUDGET
POLICE**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
511535 Medicare - Employer's	190,733	203,399	201,605	206,562
511542 City Employee Retirement	166,497	175,454	159,443	173,227
511544 Police Retirement	1,629,522	1,989,256	2,077,905	2,243,060
511650 Salary Reimbursements	(911,976)	(876,616)	(888,621)	(905,258)
511655 Salary Reimbursements-Grants	(127,940)	(350,000)	(353,115)	(360,000)
Total Personnel Services	\$16,750,740	\$17,551,991	\$17,537,206	\$18,069,400
Materials and Supplies				
521065 Office Supplies	19,243	23,800	23,762	23,300
521067 Minor Office Equipment	2,270	80,300	77,342	80,300
521073 Printed Materials	1,520	2,000	1,000	0
521088 Training Materials	24,324	25,000	23,500	25,000
521095 Petty Cash Charges	314	300	150	0
522011 Chemicals	505	500	500	500
522013 Clothing	48,818	55,287	38,362	15,000
522025 Fuel and Lubricants	54	0	0	0
522055 Minor Tools	6,473	1,500	1,000	0
522056 Minor Equipment	57,653	69,000	68,363	121,500
522059 Motor Vehicle Parts	2,677	1,800	1,480	1,800
522098 Other Materials	800	0	0	0
522099 Other Supplies	5,928	9,000	8,971	7,500
525031 Electricity	10,077	9,000	10,015	11,000
525032 Natural Gas	1,695	1,750	1,289	1,500
Total Materials and Supplies	\$182,351	\$279,237	\$255,734	\$287,400
Contractual Services				
531004 Consultant Services	7,750	5,400	5,400	5,400
531005 Other Services	240,000	245,000	244,200	245,000
531008 Laboratory Testing	31,233	25,000	19,500	20,000
531025 Memberships	1,625	1,800	1,974	2,000
531124 Towing Payments	5,460	5,000	4,000	4,000
531125 Other Contracts	1,044	0	1,336	0
531230 Equipment Repairs	4,045	7,500	6,750	7,400
531240 Maintenance Contracts	263,177	260,000	259,867	286,000
531250 Vehicle Repairs	145	0	0	0
531325 Vehicle Rental	35,005	32,000	30,000	32,000
531345 Justice Center - Jail	180,310	195,000	190,000	195,000
531350 Garage Charges	872,381	763,447	702,469	777,306
531360 Computer Charges	428,448	745,950	745,950	728,284
532062 Postage	5,819	6,500	6,459	6,500
532065 Printing, Duplication	4,238	6,300	8,000	8,600
532066 Print Shop Charges	1,704	2,000	0	0
532083 Telephone Service	277	650	(2)	0
532084 Cellular Service	18,817	19,000	19,967	20,000
532085 Pager Service	63	0	85	0
532086 Other Communications	25,851	27,000	17,804	18,000
532087 Aircard Service	33,673	33,000	37,188	37,000
532089 Moving Expenditures	1,618	0	0	0
533083 Travel Expenses	34,698	25,000	24,929	25,000
533085 Travel/Training	90,117	95,000	94,888	91,000
534030 Surety Bond & Notary Fees	632	500	497	500

**FY2020 PROPOSED BUDGET
POLICE**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
534036 Dental Insurance	43,992	48,096	45,816	47,808
535250 GPD K-9 Unit Expenditures	2,345	1,500	1,500	1,500
Total Contractual Services	\$2,334,466	\$2,550,643	\$2,468,577	\$2,558,298
	\$0	\$0		
Other Charges and Services				
544027 Court Costs And Judgments	357	500	429	500
544032 Meeting Expenditures	4,013	3,500	3,500	4,000
544035 Protocol	212	0	0	0
544036 Grants & Awards	1,010	2,000	1,030	1,000
544087 Expense Reimbursement	(35,173)	(26,000)	(25,000)	(35,000)
Total Other Charges and Services	(\$29,581)	(\$20,000)	(\$20,041)	(\$29,500)
Operating Transfers				
553013 Transfer To Special Revenue Funds	78,000	83,500	83,500	83,500
Total Operating Transfers	\$78,000	\$83,500	\$83,500	\$83,500
Capital Outlay				
564099 Other Capital Purchases	0	0	0	11,050
564117 Machinery & Equipment	0	15,000	10,000	10,000
Total Capital Outlay	\$0	\$15,000	\$10,000	\$21,050
Special Events and Programs				
610000 Prior Period Revenue Adjustment	0	0	(22,019)	0
620000 Prior Period Expenditures	0	0	37,125	0
Total Special Events and Programs	\$0	\$0	\$15,106	\$0
Total Expenses	\$19,315,976	\$20,460,371	\$20,350,082	\$20,990,148



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

- Continued required records management using Firehouse software for all reporting, inventory and documentation.
- Replaced forty-five sets of firefighter protective clothing
- 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.
- Completed Construction of new Fire Station #1.
- Updated Emergency Management plans and contracts.

Goals

- 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.
- Continue the High School recruitment partnership with Galveston ISD.
- Increase Hands on Training on Basic skills for Firefighters

FY2020 PROPOSED BUDGET
FIRE

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$10,253,540	\$10,462,210	\$10,514,220	\$10,573,859
Materials and Supplies	331,057	279,000	279,162	287,850
Contractual Services	543,261	738,159	718,842	730,865
Other Charges and Services	(4,442)	(10,100)	(9,527)	(9,500)
Capital Outlay	23,204	0	0	0
TOTAL	\$11,146,620	\$11,469,269	\$11,502,697	\$11,583,074

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+\$59,638) include annualized cost of positions filled in the Fire Department.

Materials and Supplies - Various increases (+\$8,685) in miscellaneous line items.

Contractual Services - Net increases (+\$12,025) in garage charges and miscellaneous line items.

Other Charges and Services - Net increase (+\$25) for miscellaneous supplies.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Total Responses	7,337	7,850	8,200	8,200
Structure Fires	118	125	145	145
Scheduled Fire Inspections	2,400	2,400	2,400	2,000
Completed Fire Inspections	2,455	2,400	2,400	2,000
Permit Fees Collected	\$90,350	\$75,000	\$65,000	\$65,000
Required Firefighter Training	34,000	34,000	34,000	30,000
Training Accomplished	45,000	45,000	34,000	30,000
Response Times	4:32	4:20	4:20	4:20

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Fire Chief	1.00	1.00	1.00	1.00
Assistant Fire Chief	2.00	2.00	2.00	2.00
Fire Marshal	1.00	1.00	1.00	1.00
Battalion Chief	6.00	6.00	6.00	6.00
Captain	24.00	24.00	24.00	24.00
Driver	24.00	24.00	24.00	24.00
Firefighter	57.00	57.00	57.00	57.00
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	119.00	119.00	119.00	119.00

FY2020 PROPOSED BUDGET
FIRE

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$7,114,893	\$7,236,731	\$7,336,925	\$7,375,663
511002 COLA Increases	0	67,031	0	0
511005 Longevity	75,656	84,051	79,813	86,161
511006 Differential Pay	135,343	150,000	126,515	120,267
511009 Overtime	239,327	285,000	302,429	243,000
511110 Incentive Pay	296,267	236,874	326,367	323,481
511125 Residency Pay	120,553	112,929	118,657	115,438
511510 Group Health Insurance - Employer's	788,041	792,960	792,960	792,960
511515 Worker's Compensation	89,605	66,931	66,931	66,931
511520 Group Life Insurance	21,955	22,764	22,265	21,608
511530 Social Security - Employer's	9,805	10,953	8,789	9,594
511535 Medicare - Employer's	111,030	118,510	118,247	119,829
511542 City Employee Retirement	14,905	14,852	13,324	14,960
511543 Firemen's Retirement	1,258,145	1,367,024	1,388,306	1,383,966
511650 Salary Reimbursements	(21,984)	(104,400)	(187,308)	(100,000)
Total Personnel Services	\$10,253,540	\$10,462,210	\$10,514,220	\$10,573,859
Materials and Supplies				
521065 Office Supplies	12,050	8,000	9,489	10,000
521067 Minor Office Equipment	2,994	3,000	2,709	3,000
521073 Printed Materials	632	1,000	738	7,750
522013 Clothing	74,185	69,000	68,978	69,000
522014 Protective Gear	149,692	120,000	120,000	120,000
522037 Janitorial Supplies	11,829	12,000	11,931	12,000
522055 Minor Tools	36,783	30,000	29,980	30,000
522099 Other Supplies	5,005	0	0	0
525031 Electricity	33,407	32,000	31,249	32,000
525032 Natural Gas	4,478	4,000	4,087	4,100
Total Materials and Supplies	\$331,057	\$279,000	\$279,162	\$287,850
Contractual Services				
531025 Memberships	1,154	1,800	1,803	1,800
531027 Certification & Permit Fees	27,054	16,000	15,988	16,000
531028 Software Licenses	5,860	15,000	11,860	12,000
531116 Hazardous Waste Disposal & Supplies	3,329	3,500	3,500	3,500
531230 Equipment Repairs	5,020	3,000	2,563	3,000
531245 Compliance Maintenance	18,955	25,000	20,000	25,000
531350 Garage Charges	291,522	298,365	286,509	300,251
531360 Computer Charges	52,861	286,194	286,194	291,314
532062 Postage	1,222	1,500	1,078	1,200
532065 Printing, Duplication	0	1,000	0	0
532066 Print Shop Charges	2,234	300	0	0
532083 Telephone Service	26,388	25,000	27,789	10,000
532084 Cellular Service	2,295	2,500	2,785	7,000
532086 Other Communications	17,708	18,000	17,051	17,800
532087 Aircard Service	10,599	10,000	10,766	11,000

FY2020 PROPOSED BUDGET
FIRE

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
533085 Travel/Training	77,062	31,000	30,957	31,000
Total Contractual Services	\$543,261	\$738,159	\$718,842	\$730,865
Other Charges and Services				
544027 Court Costs And Judgments	0	500	0	500
544099 Miscellaneous Expense	15,558	5,000	6,073	5,000
Total Other Charges and Services	(\$4,442)	(\$10,100)	(\$9,527)	(\$9,500)
Capital Outlay				
564099 Other Capital Purchases	23,204	0	0	0
Total Capital Outlay	\$23,204	\$0	\$0	\$0
Total Expenses	\$11,146,620	\$11,469,269	\$11,502,697	\$11,583,074

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.
- Coordinated and developed Mutual Aid Agreement with UTMB.
- 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.

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.
- Develop and implement a system that will enhance responses to all hazards by making the emergency operations center portable.
- Develop and plan for responding to Catastrophic Emergencies and continue to enhance the overall efficiency of Emergency Management Operations.

**FY2020 PROPOSED BUDGET
EMERGENCY MANAGEMENT**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$171,010	\$192,735	\$165,973	\$95,253
Materials and Supplies	4,468	4,600	4,600	4,600
Contractual Services	94,565	55,397	51,733	48,455
Other Charges and Services	(13,361)	(10,000)	(10,000)	(10,000)
TOTAL	\$256,682	\$242,732	\$212,306	\$138,308

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net decrease (-\$70,720) reflects elimination of the Emergency Management Coordinator as the duties are being absorbed by Fire Department personnel.

Contractual Services - Decreases (-\$3,280) in miscellaneous contractual line items.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Number of City Employees that received ICS/NIMS Training	100	90	90	100
Number of Emergency Management Exercises with participation by EM Staff	5	5	5	5
Number of Hazard Awareness and Preparedness Activities delivered to Citizens	10	5	7	7
Number of Trainings for EM Staff	12	8	8	4

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Battalion Chief - Emergency Mgmt.	1.00	1.00	1.00	1.00
Emergency Management Coordinator	1.00	1.00	1.00	0.00
TOTAL	2.00	2.00	2.00	1.00

**FY2020 PROPOSED BUDGET
EMERGENCY MANAGEMENT**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$147,456	\$161,586	\$133,349	\$85,854
511002 COLA Increases	0	839	0	0
511005 Longevity	1,214	254	9,226	1,658
511009 Overtime	255	0	261	0
511110 Incentive Pay	3,150	3,900	3,915	3,900
511125 Residency Pay	144	2,500	0	0
511510 Group Health Insurance - Employer's	12,320	13,440	13,440	6,720
511515 Worker's Compensation	201	134	134	134
511520 Group Life Insurance	368	389	304	192
511530 Social Security - Employer's	4,910	4,781	2,944	0
511535 Medicare - Employer's	2,127	2,452	2,422	1,325
511542 City Employee Retirement	7,248	6,949	4,341	0
511543 Firemen's Retirement	11,657	15,511	15,638	15,470
511655 Salary Reimbursements-Grants	(20,041)	(20,000)	(20,000)	(20,000)
Total Personnel Services	\$171,010	\$192,735	\$165,973	\$95,253
Materials and Supplies				
521065 Office Supplies	1,823	1,500	1,500	1,500
522013 Clothing	718	600	600	600
522056 Minor Equipment	1,928	2,500	2,500	2,500
Total Materials and Supplies	\$4,468	\$4,600	\$4,600	\$4,600
Contractual Services				
531025 Memberships	190	600	340	350
531350 Garage Charges	10,454	3,703	2,339	2,732
532062 Postage	67,964	35,082	35,082	32,773
532066 Print Shop Charges	315	250	0	0
532084 Cellular Service	1,192	1,200	1,285	650
532086 Other Communications	6,158	8,000	8,045	8,500
532087 Aircard Service	839	850	942	950
533085 Travel/Training	7,195	3,500	3,200	2,000
533100 Advertising	258	2,212	500	500
Total Contractual Services	\$94,565	\$55,397	\$51,733	\$48,455
Other Charges and Services				
544094 Expense Reimbursement-Grants	(13,361)	(10,000)	(10,000)	(10,000)
Total Other Charges and Services	(\$13,361)	(\$10,000)	(\$10,000)	(\$10,000)
Total Expenses	\$256,682	\$242,732	\$212,306	\$138,308

**FY2020 PROPOSED BUDGET
EMERGENCY MEDICAL SERVICES**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services	566,110	566,200	566,097	615,200
TOTAL	\$566,110	\$566,200	\$566,097	\$615,200

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Contractual Services - Increase of 8.6% (+\$49,000) requested by the Galveston County Health District. The main factor contributing to the request for additional funding is the decrease in revenue for non-emergency transfers services.

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services				
531125 Other Contracts	\$565,000	\$565,000	\$565,000	\$614,000
532083 Telephone Service	1,110	1,200	1,097	1,200
Total Contractual Services	\$566,110	\$566,200	\$566,097	\$615,200
Total Expenses	\$566,110	\$566,200	\$566,097	\$615,200

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

- Code Officers got their Code Enforcement II Certifications
- Purchased radios for Code officers/deputy marshals to facilitate communication with other officers and dispatch.
- A new tracking system for citizen complaints has been updated.
- Compliance Officer continuous training on the new LDR plan.
- There have been ten (10) rehab projects performed by owners as a result of the Court of Record.
- There have been nine (6) demolitions performed by the city through the Court of Record program.
- There have been seventy one (71) Housing Abatement cases from October 2018 to May 2019.
- 482 Municipal Court cases have been processed from October 2018 to May 2019.
- Cell Phone updates on new tracking system for field work.
- Body Cameras for the Deputy Marshals

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 fifteen (15) 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.
- Design and implement new graphics for the Marshals vehicle for easy identification by the public.
- Design and implement new uniforms so the Marshals can be easily identified.
- Implement a Municipal Court Bailiff / Warrant officer to start collecting outstanding municipal warrants.
- Transfer the Ground Transportation / Wrecker inspector from the Police Department to the Marshals office.

**FY2020 PROPOSED BUDGET
CITY MARSHAL**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$56,646	\$56,662	\$57,887	\$592,841
Materials and Supplies	2,350	0	0	10,000
Contractual Services	0	6,587	7,677	216,177
TOTAL	\$58,996	\$63,249	\$65,563	\$819,018

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increases (+\$534,934) includes relocating Code Enforcement personnel from the Development Services Department to the City's Marshal's Department.

Materials and Supplies - Net increases (+\$10,000) includes relocating Code Enforcement materials and supplies from the Development Services Department to the City's Marshal's Department.

Contractual Services - Net increases (+\$216,177) includes relocating Code Enforcement contractual services from the Development Services Department to the City's Marshal's Department.

PERFORMANCE INDICATORS

INDICATORS	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Demolitions by the City	25	25	25	15
Structures Secured	15	15	15	15
Public Nuisances Cleaned	425	425	425	350
Municipal Court Cases	700	750	850	850
Coin Machines Issued	550	N/A	N/A	N/A
Temporary Concessions	25	N/A	N/A	N/A
Hotel/Motel Permits	36	N/A	N/A	N/A
Temporary Parking Lots	14	N/A	N/A	N/A
Motor Vending	4	N/A	N/A	N/A
Beach Rentals	10	N/A	N/A	N/A
Housing Abatement Cases/Court of Record	N/A	100	100	100

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
City Marshal	0.50	0.50	0.50	0.50
Deputy City Marshal	0.00	0.00	0.00	1.00
Assistant Director of Developmental Services	0.00	0.00	0.00	1.00
Code Enforcement Supervisor	0.00	0.00	0.00	0.70
Ground Transportation Inspector	0.00	0.00	0.00	1.00
Deputy Marshal	0.00	0.00	0.00	1.00
Code Enforcement Officer	0.000	0.000	0.000	1.65
Administrative Assistant	0.00	0.00	0.00	1.00
TOTAL	0.50	0.50	0.50	7.85

**FY2020 PROPOSED BUDGET
CITY MARSHAL**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$44,217	\$44,387	\$45,275	\$421,886
511005 Longevity	66	69	90	5,849
511006 Differential Pa	0	0	0	900
511009 Overtime	0	0	0	15,000
511510 Incentive Pay	0	0	0	14,400
511125 Residency Pay	1,250	1,250	1,250	3,404
511510 Group Health Insurance	3,360	3,090	3,360	52,752
511515 Worker's Compensation	124	83	83	371
511520 Group Life Insurance	96	172	96	1,451
511530 Social Security - Employment	2,785	2,834	2,867	28,609
511535 Medicare - Employer's	651	663	670	6,691
511542 City Employee Retirement	4,098	4,114	4,195	41,529
Total Personnel Services	\$56,646	\$56,662	\$57,887	\$592,841
Materials and Supplies				
521065 Office Supplies	0	0	0	6,500
522013 Clothing	0	0	0	3,500
522057 Radio Equipment	2,350	0	0	0
Total Materials and Supplies	\$2,350	\$0	\$0	\$10,000
Contractual Services				
531027 Certification & Permit Fees	0	0	0	550
531111 Asbestos Testing	0	0	0	500
531120 Lot Maintenance	0	0	0	35,000
531121 Lot Demolition	0	0	0	75,000
531124 Towing Payments	0	0	0	500
531129 Graffiti Removal	0	0	0	375
531240 Maintenance Contracts	0	0	0	990
531350 Garage Charges	0	1,971	1,251	28,832
531360 Computer Charges	0	4,616	4,616	21,120
532062 Postage	0	0	0	3,000
532065 Printing, Duplication	0	0	0	1,000
532083 Telephone Service	0	0	1,810	16,310
532084 Cellular Service	0	0	0	5,000
532086 Other Communications	0	0	0	20,000
533085 Travel/Training	0	0	0	3,000
533100 Advertising	0	0	0	5,000
Total Contractual Services	0	6,587	7,677	216,177
Other Charges and Services				
543033 Filing and Releasing Fees	0	0	0	32,000
544087 Expense Reimbursement	0	0	0	(32,000)
Total Other Charges and Services	\$0	\$0	\$0	\$0
Total Expenses	\$58,996	\$63,249	\$65,563	\$819,018

**FY2020 PROPOSED BUDGET
SPECIAL EVENTS**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Other Charges and Services				
544087 Expense Reimbursements	(383,525)	(400,000)	(404,644)	(400,000)
Total Other Charges and Services	(\$383,525)	(\$400,000)	(\$404,644)	(\$400,000)
Special Events and Programs				
591031 Mardi Gras Expenses	383,525	400,000	404,644	400,000
Total Special Events and Programs	\$383,525	\$400,000	\$404,644	\$400,000
Total Expenses	\$0	\$0	\$0	\$0

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 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.



**FY2020 PROPOSED BUDGET
PUBLIC WORKS OPERATIONS**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Streets	\$1,803,739	\$1,834,363	\$1,773,067	\$1,831,185
Traffic	2,101,837	2,030,740	2,053,598	2,068,600
Public Works Operations Total	\$3,905,577	\$3,865,103	\$3,826,664	\$3,899,784

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$2,243,366	\$2,256,138	\$2,375,012	\$2,338,995
Materials and Supplies	1,387,520	1,281,740	1,126,884	1,229,700
Contractual Services	896,226	928,648	1,044,568	986,191
Other Charges and Services	(621,536)	(601,423)	(719,799)	(713,802)
Capital Outlay	0	0	0	58,700
Public Works Operations Total	\$3,905,577	\$3,865,103	\$3,826,664	\$3,899,784

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Net decrease (-\$15,250) includes annualized cost of vacant positions with reduction in overtime (-\$20,760) for filled positions.

Materials and Supplies - Net increases include funding for concrete and aggregate (+\$64,640). street materials (+\$52,580) and traffic equipment (+\$43,770).

Contractual Services - Overall reduction in charges (-\$58,375) is a result of the purchase of new vehicles and equipment.

Other Charges and Supply - Decrease (+\$5,997) in reimbursements from Insurance proceeds.

Capital Outlay - Includes funding (+\$58,700) for the replacement of four traffic cabinets and one Latex printer.

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 40 road segments
- Paved alleys at two alley locations.
- Continued pothole patching program with the Durapatcher
- Continued crack seal program for street preventative maintenance and added one additional crack seal crew.
- Continued storm drain rehabilitation & inspection program
- Major road reconstruction project completed at 65th Street.
- Continued implementation of culvert installation program resulting in the installation of culverts at 55 residential locations on the west end of Galveston.
- Continued the Sidewalk & Curb repair program
- Implemented the West End Ditch Maintenance Program
- Provided street sweeping for City roadways, 3,272 miles of city streets were swept.
- Cleaned and recut 26,596 feet of drainage ditch lines.

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.

**FY2020 PROPOSED BUDGET
STREETS**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,356,312	\$1,381,214	\$1,382,991	\$1,367,735
Materials and Supplies	389,424	379,150	303,381	420,600
Contractual Services	647,562	660,422	773,497	729,652
Other Charges and Services	(589,559)	(586,423)	(686,802)	(686,802)
Capital Outlay	0	0	0	0
TOTAL	\$1,803,739	\$1,834,363	\$1,773,067	\$1,831,185

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net decrease (-\$15,250) includes annualized cost of vacant positions with reduction in overtime for filled positions.

Materials and Supplies - Net increases include funding for concrete and aggregate (+\$64,640) and other street materials (+\$52,580) needed for FY2020.

Contractual Services - Overall reduction in charges (-\$43,845) is a result of the purchase of new vehicles and equipment in this department.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Potholes Patched	5,124	5,147	4,370	5,500
Crack Sealed Pavement, LF	28,520	35,710	37,000	35,000
Mill & Overlay Program, Miles	8.30	9.51	9.70	10.0
Utility Cuts Repaired	365	423	657	650

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Director of Public Works	0.125	0.125	0.125	0.125
Assistant Director of Public Works	0.50	0.50	0.00	0.00
Public Works Superintendent	1.30	1.30	1.00	1.00
Public Works Supervisor	2.00	2.00	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	4.00	4.00	4.00	4.00
Equipment Operator	15.00	15.00	15.00	15.00
Laborer	18.00	18.00	18.00	18.00
TOTAL	42.925	42.925	42.125	42.125

**FY2020 PROPOSED BUDGET
STREETS**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$1,195,580	\$1,384,865	\$1,320,223	\$1,346,707
511005 Longevity	12,729	17,075	12,226	14,248
511006 Differential Pay	0	500	730	900
511009 Overtime	51,155	50,000	97,030	50,000
511125 Residency Pay	55,998	54,582	57,331	56,841
511510 Group Health Insurance	242,303	276,918	276,918	283,080
511515 Worker's Compensation	61,372	41,004	41,004	41,004
511520 Group Life Insurance	4,531	5,351	4,854	5,418
511530 Social Security - Employment	77,658	93,435	92,227	91,059
511535 Medicare - Employer's	18,162	21,852	21,569	21,296
511542 City Employee Retirement	118,380	135,632	133,879	132,183
511650 Salary Reimbursements	(481,556)	(700,000)	(675,000)	(675,000)
Total Personnel Services	\$1,356,312	\$1,381,214	\$1,382,991	\$1,367,735
Materials and Supplies				
521065 Office Supplies	1,616	3,500	1,464	2,500
522011 Chemicals	2,172	3,000	170	2,100
522013 Clothing	24,018	25,000	24,676	25,000
522015 Concrete And Aggregate	324,192	228,350	215,358	280,000
522037 Janitorial Supplies	9,976	4,000	2,224	0
522038 Safety Supplies	5,939	5,000	3,563	3,000
522055 Minor Tools	11,322	13,800	10,189	9,000
522056 Minor Equipment	7,049	6,500	7,435	6,000
522065 Paint And Lumber	1,720	2,000	3,074	3,000
522075 Pipe and Plumbing Supplies	0	0	67	0
522085 Equipment Parts	1,211	3,000	3,442	5,000
522098 Other Materials	180	85,000	31,717	85,000
522099 Other Supplies	30	0	0	0
Total Materials and Supplies	\$389,424	\$379,150	\$303,381	\$420,600
Contractual Services				
531027 Certification & Permit Fees	0	940	1,065	500
531028 Software Licenses	1,561	1,090	1,331	250
531125 Other Contracts	55,789	0	0	0
531124 Towing Payments	0	1,250	1,250	750
531230 Equipment Repairs	1,275	2,200	2,291	3,000
531240 Maintenance Contracts	17,582	8,345	13,474	14,000
531310 Rental Of Land & Buildings	62,000	62,000	62,000	62,000
531320 Equipment Rental	47,233	31,000	41,788	30,000
531350 Garage Charges	437,110	450,104	544,459	514,056
531360 Computer Charges	12,961	91,148	91,148	90,436
532065 Printing, Duplication	0	1,000	50	100
532066 Print Shop Charges	536	500	80	200
532083 Telephone Service	1,851	1,500	2,715	2,800
532084 Cellular Service	6,141	5,500	8,344	7,800
532085 Pager Service	63	85	85	0
532086 Other Communications	2,610	2,700	2,610	2,700
532087 Aircard Service	53	60	65	60
533085 Travel/Training	798	1,000	743	1,000
Total Contractual Services	\$647,562	\$660,422	\$773,497	\$729,652

**FY2020 PROPOSED BUDGET
STREETS**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Other Charges and Services				
544032 Meeting Expenditures	1,123	0	0	0
544087 Expense Reimbursement	(223,287)	(70,000)	(330,593)	(330,593)
544097 Expense Reimbursement-Grants	(7,244)	0	0	0
544096 Expense Reimbursement-Project Mgmt.	(358,255)	(431,523)	(331,209)	(331,209)
544097 Expense Reimb - Other	(1,896)	(85,000)	(25,000)	(25,000)
544099 Miscellaneous Expense	0	100	0	0
Total Other Charges and Services	(\$589,559)	(\$586,423)	(\$686,802)	(\$686,802)
Total Expenses	\$1,803,739	\$1,834,363	\$1,773,067	\$1,831,185

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.
- Completed Citywide LED retrofit project for energy savings.
- 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.
- Completed restoring/maintaining street lighting on Broadway and IH 45 between 6th Street and the Causeway.
- Repaired 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.
- Continued to improve 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.
- Identify poorly striped roadways and intersections and restripe for safety of roadways and pedestrian traffic.
- 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.
- Add communications to existing traffic signals in the system and link to the traffic management center for more dynamic control and improved response time for repairs.

**FY2020 PROPOSED BUDGET
TRAFFIC**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$887,055	\$874,924	\$992,021	\$971,261
Materials and Supplies	998,096	902,590	823,503	809,100
Contractual Services	248,664	268,226	271,070	256,539
Other Charges and Services	(31,976)	(15,000)	(32,997)	(27,000)
Capital Outlay	0	0	0	58,700
TOTAL	\$2,101,837	\$2,030,740	\$2,053,598	\$2,068,600

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Decreases (-\$20,760) include reduction in overtime usage.

Materials and Supplies - Decreases in sign materials (-\$8,835) and hardware needs (-\$5,560) in miscellaneous line items.

Contractual Services - Includes decreases in equipment repairs (-\$13,560) and a net reduction (-\$970) in various contractual line items.

Other Charges and Supply - Decrease (+\$5,997) in reimbursements from Insurance proceeds.

Capital Outlay - Includes funding (+\$58,700) for the replacement of four traffic cabinets and one Latex printer.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Signal Lights Repaired	852	451	515	500
Signs Erected	721	821	942	800
Street Striping (ft.)	65,258	75,214	24,150	25,000
Special Events	62	74	67	75

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Director of Public Works	0.125	0.125	0.125	0.125
Traffic Superintendent	1.00	1.00	1.00	1.00
Traffic Supervisor	1.00	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.	1.00	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	18.125	18.125	18.125	18.125

**FY2020 PROPOSED BUDGET
TRAFFIC**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$594,883	\$577,350	\$654,363	\$652,216
511005 Longevity	3,843	5,214	4,575	5,445
511006 Differential Pay	0	325	0	0
511009 Overtime	120,752	125,000	144,943	125,000
511125 Residency Pay	22,201	22,962	22,193	22,874
511510 Group Health Insurance	111,728	112,644	119,467	121,800
511515 Worker's Compensation	10,926	7,300	14,600	7,300
511520 Group Life Insurance	2,202	2,441	2,272	2,504
511530 Social Security - Employment	44,059	45,313	51,217	49,943
511535 Medicare - Employer's	10,304	10,598	11,978	11,680
511542 City Employee Retirement	66,751	65,777	74,347	72,498
511650 Salary Reimbursements	(100,595)	(100,000)	(107,933)	(100,000)
Total Personnel Services	\$887,055	\$874,924	\$992,021	\$971,261
Materials and Supplies				
521065 Office Supplies	4,963	5,000	4,129	5,000
522011 Chemicals	8,758	2,000	4,377	3,000
522013 Clothing	16,436	14,000	14,202	14,000
522015 Concrete and Aggregate	362	0	0	0
522017 Sign Materials	152,603	102,000	108,835	100,000
522037 Janitorial Supplies	12,489	10,600	10,564	10,500
522038 Safety Supplies	7,502	9,400	8,305	8,000
522045 Electrical Hardware	49,628	90,200	96,804	90,000
522055 Minor Tools	14,885	12,000	12,000	12,000
522056 Minor Equipment	17,740	20,000	11,458	12,000
522065 Paint And Lumber	34,097	20,000	19,349	20,000
522085 Equipment Parts	4,202	0	0	0
522099 Other Supplies	1,236	2,330	4,872	2,100
525031 Electricity	671,087	612,560	526,786	530,000
525032 Natural Gas	2,107	2,500	1,823	2,500
Total Materials and Supplies	\$998,096	\$902,590	\$823,503	\$809,100
Contractual Services				
531005 Other Services	1,800	0	0	0
531028 Software Licenses	1,256	1,090	1,081	0
531115 Refuse Disposal	7,668	6,500	8,156	8,300
531125 Other Contracts	42,846	52,000	52,000	43,000
531230 Equipment Repairs	29,106	3,000	16,568	3,000
531240 Maintenance Contracts	6,349	12,500	8,837	9,000
531320 Equipment Rental	23,170	28,550	28,550	30,000
531350 Garage Charges	92,763	92,154	82,444	86,596
531360 Computer Charges	19,677	45,357	45,357	46,738
532065 Printing, Duplication	0	2,500	1,042	2,500
532066 Print Shop Charges	82	100	40	80
532083 Telephone Service	5,447	5,800	5,477	5,000
532084 Cellular Service	8,572	8,500	10,552	12,200
532085 Pager Service	63	75	85	0
532086 Other Communications	9,013	8,000	8,485	8,500
532087 Aircard Services	53	100	693	625
533085 Travel/Training	798	2,000	1,704	1,000
Total Contractual Services	\$248,664	\$268,226	\$271,070	\$256,539

FY2020 PROPOSED BUDGET
TRAFFIC

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Other Charges and Services				
544032 Meeting Expenditures	1,104	0	0	0
544087 Expense Reimbursement	(17,766)	(15,000)	(17,967)	(17,000)
544096 Expense Reimb.-Equipment	0	0	(12,026)	(10,000)
544097 Expense Reimb. - Other	264	0	0	0
544098 Reimbursable From Insurance Claims	(15,578)	0	(3,004)	0
Total Other Charges and Services	(\$31,976)	(\$15,000)	(\$32,997)	(\$27,000)
Capital Outlay				
564005 Capital Outlay - Improvements	0	0	0	0
564099 Other Capital Purchases	0	0	0	0
564117 Machinery & Equipment	0	0	0	58,700
Total Capital Outlay	\$0	\$0	\$0	\$58,700
Total Expenses	\$2,101,838	\$2,030,740	\$2,053,598	\$2,068,600



**FY2020 PROPOSED BUDGET
PARKS AND RECREATION OPERATIONS**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Recreation and Administration	\$857,364	\$1,043,104	\$1,156,925	\$1,025,333
Parks and Parkways	1,849,467	1,886,034	1,703,119	1,835,618
Parks and Recreation Operations Total	\$2,706,831	\$2,929,138	\$2,860,044	\$2,860,950

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,935,646	\$2,093,230	\$1,984,904	\$2,040,636
Materials and Supplies	346,252	356,894	344,457	333,200
Contractual Services	448,534	538,294	496,757	553,414
Other Charges and Services	(78,481)	(59,280)	(55,787)	(66,300)
Capital Outlay	54,881	0	89,713	0
Parks and Recreation Operations Total	\$2,706,831	\$2,929,138	\$2,860,044	\$2,860,950

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Net increase (+\$55,730) is the result of moving the Special Events Coordinator to the Community Outreach department and annualized cost of vacant positions remaining filled in FY2020..

Materials and Supplies - Decrease (-\$11,255) throughout the department for various materials and supplies to meet requested target budget.

Contractual Services - Increases include (+\$36,000) for contracted landscape services for the Broadway corridor and (+\$20,650) for various contractual line items.

Other Charges and Services - Increase (-\$10,513) in anticipated expense reimbursement for park operations for the Industrial Development Corporation.

Capital Outlay - Decrease (-\$89,173) in Capital Outlay for line items bought in FY2019.

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 that 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.
- Purchased new fitness equipment for McGuire-Dent with funding help from IDC.
- Staff implemented new recreation software for memberships at McGuire-Dent and Wright Cuney. McGuire-Dent welcomed 653 paid Adult memberships, and offered free memberships to 311 seniors, 26 military, and 355 youth.
- Chosen as the host for the 2019 Texas Amateur Athletic Federation (T.A.A.F.) and the 2020 Texas Recreation and Park Society Annual Institute & Expo.
- Staff served and attended the 93rd Annual T.A.A.F. Conference and training, the Texas Recreation & Park Society (TRAPS) East Region Workshop in Conroe, , and TRAPS State Institute & Expo in El Paso, Texas where Chris Saddler graduated from the TRAPS Leadership Academy.
- Collaborated with Christina Sullivan Grillo Foundation to host 2nd Annual Land and See Challenge to children and adults with physical and intellectual disabilities.
- Worked with IDC Board to get Park Package #3 approved for McGuire-Dent and Wright Cuney.

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.
- Introduce Adaptive programs at McGuire-Dent Recreation Center
- Implement new Adult fitness programs for members at both recreation centers 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 from employees when visiting our facilities.

**FY2020 PROPOSED BUDGET
RECREATION AND ADMINISTRATION**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$582,746	\$669,893	\$674,048	\$611,199
Materials and Supplies	186,325	190,900	200,700	195,200
Contractual Services	84,166	178,811	205,542	215,234
Other Charges and Services	4,127	3,500	3,100	3,700
Capital Outlay	0	0	73,535	0
TOTAL	\$857,364	\$1,043,104	\$1,156,925	\$1,025,333

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net decrease is the result of moving the Special Events Coordinator (-\$62,850) to the Community Outreach department.

Materials and Supplies - Net decreases (-\$5,500) for minor equipment needs for FY2020.

Contractual Services - Net increase (+\$9,690) attributed to increase in computer charges due to the addition of laptop computers.

Other Charges and Services - Small increases (+\$600) for meeting expenditures and bank service fees.

Capital Outlay - Purchase of additional equipment (-\$73,535) not needed for FY2020.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Youth Participants	1,200	1,200	1,200	1,300
Adult Participants	23,000	24,500	16,000	28,000
Youth Programs	16	17	17	23
Adult Programs	15	16	16	20
Recreation Centers	2	2	2	2

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Director of Parks and Recreation	1.00	1.00	1.00	1.00
Assistant Director of Parks & Recreation	1.00	0.60	0.60	0.60
Superintendent of Recreation	1.00	1.00	1.00	1.00
Sr. Admin. Assist./Special Events Coordinator	1.00	1.00	1.00	0.00
Assistant Superintendent	1.00	1.00	1.00	1.00
Recreation Coordinator	4.00	4.00	4.00	4.00
TOTAL	9.00	8.60	8.60	7.60

**FY2020 PROPOSED BUDGET
RECREATION AND ADMINISTRATION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$421,175	\$470,115	\$484,959	\$426,460
511005 Longevity	4,505	4,896	4,024	4,388
511006 Differential Pay	1,523	1,807	1,807	1,800
511009 Overtime	423	2,000	429	1,000
511021 Part-Time Payroll	14,246	37,000	24,435	35,000
511125 Residency Pay	12,211	10,038	12,548	12,500
511510 Group Health Insurance	53,200	57,792	57,792	51,072
511515 Worker's Compensation	910	608	608	608
511520 Group Life Insurance	1,382	1,411	1,531	1,410
511530 Social Security - Employment	27,220	32,603	31,991	29,831
511535 Medicare - Employer's	6,366	7,626	7,482	6,977
511542 City Employee Retirement	39,585	43,997	46,443	40,153
Total Personnel Services	\$582,746	\$669,893	\$674,048	\$611,199
Materials and Supplies				
521065 Office Supplies	7,293	10,000	15,000	10,000
521067 Minor Office Equipment	4,854	0	0	0
522013 Clothing	0	0	3,700	3,500
522037 Janitorial Supplies	10,517	20,000	30,000	30,000
522040 Recreation Supplies	10,415	10,200	10,200	20,000
522056 Minor Equipment	28,989	25,000	20,000	0
525031 Electricity	122,420	124,000	120,000	130,000
525032 Natural Gas	1,836	1,700	1,800	1,700
Total Materials and Supplies	\$186,325	\$190,900	\$200,700	\$195,200
Contractual Services				
531007 Security Service	1,715	0	0	0
531014 Building Security	3,453	3,000	3,000	3,500
531025 Memberships	1,609	2,000	1,400	1,600
531220 Building Repairs	11,777	7,000	15,000	15,000
531230 Equipment Repairs	0	2,000	15,000	10,000
531240 Maintenance Contracts	1,304	1,600	4,000	3,500
531320 Equipment Rental	0	3,175	3,159	3,159
531360 Computer Charges	26,236	122,786	122,786	135,825
532062 Postage	160	150	30	150
532065 Printing, Duplication	0	2,000	1,500	2,000
532066 Print Shop Charges	1,426	0	0	0
532083 Telephone Service	7,744	8,000	10,355	8,000
532084 Cellular Service	2,649	3,000	3,312	3,500
532086 Other Communications	10,812	8,000	11,000	12,500
533085 Travel/Training	14,831	15,500	14,000	15,500
533100 Advertising	450	600	1,000	1,000
Total Contractual Services	\$84,166	\$178,811	\$205,542	\$215,234
Other Charges and Services				
544032 Meeting Expenditures	1,044	1,000	700	1,200
544105 Bank Service Fees	3,082	2,500	2,400	2,500
Total Other Charges and Services	\$4,127	\$3,500	\$3,100	\$3,700
Capital Outlay				
564003 Vehicle Capital Outlay	0	0	0	0
564099 Other Capital Purchases	0	0	73,535	0
Total Capital Outlay	\$0	\$0	\$73,535	\$0
Total Expenses	\$857,364	\$1,043,104	\$1,156,925	\$1,025,333



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

- Revised scheduling and made improvements to litter control and restroom cleaning activities at all parks and athletic fields.
- Converted splash pad recycle systems to “pump and dump” systems which significantly reduced the amount of automatic shut downs
- Assisted in an Eagle Scout Project by Collin Somerville to build the Lindale Dog Park Agility Couse
- Installed new drinking fountains and assisted in replacing playground equipment with equipment donated by the Better Parks for Galveston organization
- 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 outsourced vendors to maintain the end circles on the medians.
- Maintained the I-45 Right-of-Ways, Causeway and the 27th Street Corridor

Goals

- Development and implementation of a Revised Organizational Structure that influences and further supports employee ownership, recognition and accountability.
- Seek additional training and development opportunities for departmental staff.
- Development and implementation of updated Standard Operating Procedures
- Continued improvement to operational standards and efficiencies in maintaining park grounds and facilities, major thoroughfares and city right-of-ways.
- Development and implementation of PMP, regular maintenance and capital plans for department facilities, parks, playgrounds and athletic fields.
- Complete park maintenance and improvement projects funded by IDC Parks Package #3, CDBG grant monies, Better Parks for Galveston donations and other funding sources.
- Improve the access and availability of cemetery records to staff and the public by working to locate and implement software capable of creating a new database using older, historical records and enabling that information to be more readily available.

**FY2020 PROPOSED BUDGET
PARKS AND PARKWAYS**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,352,900	\$1,423,337	\$1,310,856	\$1,429,438
Materials and Supplies	155,707	113,214	126,048	138,000
Contractual Services	364,368	359,483	291,215	338,180
Other Charges and Services	(23,508)	(10,000)	(25,000)	(70,000)
TOTAL	\$1,849,467	\$1,886,034	\$1,703,119	\$1,835,618

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+\$118,580) includes annualized cost of vacant positions remaining filled in FY2020.

Materials and Supplies - Increase (+\$11,950) throughout the department for various materials and supplies to meet budget needs.

Contractual Services - Increases include (+\$36,000) for contracted landscape services for the Broadway corridor and (+\$10,965) for various contractual line items.

Other Charges and Services - Increase (-\$45,000) in anticipated expense reimbursement for park operations for the Industrial Development Corporation.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Parks Mowed and Maintained Acreage	49.2	49.2	49.2	49.2
Sports Fields Mowed and Maintained Acreage	87.1	89.9	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	294.0	294.0	294.0
Cemeteries Mowed and Maintained Acreage	22.8	22.8	22.8	22.8
Overall Total Maintained Acreage	575.7	580.8	580.8	580.8

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Assistant Director of Park Operations	0.00	1.00	1.00	1.00
Parks Supervisor	0.00	1.00	1.00	1.00
Superintendent of Parks	1.00	1.00	0.00	0.00
Parks Crew Leader	4.00	4.00	4.00	4.00
Parks Facility Leader	0.00	0.50	0.00	0.00
Senior Parks Maintenance Worker	7.00	7.00	8.00	8.00
Park Maintenance Worker	19.00	19.00	21.00	21.00
TOTAL	31.00	33.50	35.00	35.00

**FY2020 PROPOSED BUDGET
PARKS AND PARKWAYS**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$897,335	\$921,700	\$935,138	\$1,043,213
511005 Longevity	9,126	10,003	8,983	10,663
511006 Differential Pay	762	900	904	904
511009 Overtime	55,066	51,000	47,932	51,000
511021 Part-Time Payroll	8,096	0	0	0
511125 Residency Pay	69,007	65,247	69,680	70,266
511510 Group Health Insurance - Employer's	198,380	208,290	208,290	235,200
511515 Worker's Compensation	16,254	10,860	10,860	10,860
511520 Group Life Insurance	3,343	3,544	3,473	3,748
511530 Social Security - Employer's	62,677	65,029	64,803	72,915
511535 Medicare - Employer's	14,658	15,207	15,156	17,053
511542 City Employee Retirement	92,817	96,557	95,637	105,844
511650 Salary Reimbursements	(74,621)	(25,000)	(150,000)	(192,228)
Total Personnel Services	\$1,352,900	\$1,423,337	\$1,310,856	\$1,429,438
Materials and Supplies				
522003 Agriculture Supplies	16,102	15,000	15,000	20,000
522011 Chemicals	731	0	0	0
522012 Park Equipment and Supplies	0	44,000	50,000	55,000
522013 Clothing	21,463	19,214	21,100	22,000
522015 Concrete And Aggregate	45	0	0	0
522025 Fuel And Lubricants	380	0	0	0
522037 Janitorial Supplies	22,353	5,000	4,948	6,000
522038 Safety Supplies	5,324	0	0	0
522045 Electrical Hardware	16,918	10,000	15,000	15,000
522055 Minor Tools	11,058	10,000	10,000	10,000
522056 Minor Equipment	24,203	10,000	10,000	10,000
522065 Paint And Lumber	12,907	0	0	0
522075 Pipe And Plumbing Supplies	11,414	0	0	0
522085 Equipment Parts	12,810	0	0	0
Total Materials and Supplies	\$155,707	\$113,214	\$126,048	\$138,000
Contractual Services				
531025 Memberships	750	1,000	1,351	1,000
531119 Landscaping Services	107,049	156,000	120,000	156,000
531220 Building Repairs	8,128	7,000	2,000	6,000
531230 Equipment Repairs	54,819	7,000	16,000	14,000
531320 Equipment Rental	9,325	7,000	7,000	6,000
531350 Garage Charges	147,759	181,483	143,664	150,180
531360 Computer Charges	36,538	0	0	0
533085 Travel and Training	0	0	1,200	5,000
Total Contractual Services	\$364,368	\$359,483	\$291,215	\$338,180
Other Charges and Services				
544087 Expense Reimbursement	(23,508)	(10,000)	(25,000)	(70,000)
544099 Miscellaneous Expense	0	0	0	0
Total Other Charges and Services	(\$23,508)	(\$10,000)	(\$25,000)	(\$70,000)
Capital Outlay				
564005 Capital Outlay - Improvements	0	0	0	0
564099 Other Capital Purchases	0	0	0	0
Total Capital Outlay	\$0	\$0	\$0	\$0
Total Expenses	\$1,849,467	\$1,886,034	\$1,703,119	\$1,835,618

**FY2020 PROPOSED BUDGET
IDC REIMBURSEMEABLE (PARKS)**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Materials and Supplies	4,219	52,780	17,709	0
Other Charges and Services	(59,100)	(52,780)	(33,887)	0
Capital Outlay	54,881	0	16,178	0
TOTAL	\$0	\$0	\$0	\$0

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Funding and subsequent salary reimbursement moved to Parks and Parkways.

Materials and Supplies - Funding and reimbursement moved to Parks and Parkways.

Other Charges and Services - Funding and reimbursement moved to Parks and Parkways.

Capital Outlay - Funding and reimbursement moved to Parks and Parkways.

**FY2020 PROPOSED BUDGET
IDC REIMBURSEMEABLE (PARKS)**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Materials and Supplies				
521065 Office Supplies	0	1,500	1,443	0
522011 Chemicals	0	10,000	1,000	0
522037 Janitorial Supplies	0	5,000	1,000	0
522040 Recreation Supplies	0	7,500	3,000	0
522056 Minor Equipment	2,766	1,780	1,296	0
522065 Paint and Lumber	619	6,000	5,970	0
525031 Electricity	834	20,000	4,000	0
525032 Natural Gas	0	1,000	0	0
Total Materials and Supplies	\$4,219	\$52,780	\$17,709	\$0
Other Charges and Services				
544087 Expense Reimbursement	(59,100)	(52,780)	(33,887)	0
544105 Bank Service Fees	0	0	0	0
Total Other Charges and Services	(\$59,100)	(\$52,780)	(\$33,887)	\$0
Capital Outlay				
564003 Vehicle Capital Outlay	3,760	0	16,178	0
564117 Machinery and Equipment	51,120	0	0	0
Total Capital Outlay	\$54,881	\$0	\$16,178	\$0
Total Expenses	\$0	\$0	\$0	\$0



**FY2020 PROPOSED BUDGET
DEVELOPMENTAL SERVICES OPERATIONS**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Code Enforcement	\$634,621	\$758,143	\$692,400	\$0
Building Inspection	632,724	611,935	606,984	696,738
Planning	1,139,330	914,134	856,592	1,090,225
Developmental Services Total	\$2,406,675	\$2,284,212	\$2,155,975	\$1,786,963

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,616,355	\$1,669,677	\$1,658,561	\$1,356,769
Materials and Supplies	50,621	25,400	25,215	12,900
Contractual Services	765,013	575,635	481,114	404,044
Other Charges and Services	(25,313)	13,500	(8,915)	13,250
Developmental Services Total	\$2,406,675	\$2,284,212	\$2,155,975	\$1,786,963

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Net decreases include moving Code Enforcement to the City Marshals Office in Public Safety (-\$519,553), reclassification of position and annualized cost for vacant positions in Building Inspection(+ \$57,460) and reallocation of funding for Assistant City Manager position and Senior Project Manager position (+\$160,300).

Materials and Supplies - Net decreases (-\$12,315) include moving Code Enforcement (\$10,700) to the City Marshals Office in Public Safety and minor decreases (\$1,615) throughout departments.

Contractual Services - Net decrease (-\$77,071) includes moving Code Enforcement to the City Marshals Office in Public Safety (-\$182,735), reallocation of computer charges from Planning to Building Inspection (-\$15,006), minor increases (+\$20,675) to various line items within the Departments and funding (+\$100,000) added for Comprehensive Plan update.

Other Charges and Services - Net increase (+\$22,165) include moving of Code Enforcement to the City Marshals Office in Public Safety.

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

- Integrated with City Marshal's Office.

Goals

- Integrated with City Marshal's Office.

**FY2020 PROPOSED BUDGET
CODE ENFORCEMENT**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$500,492	\$527,038	\$519,553	\$0
Materials and Supplies	30,577	10,700	10,700	0
Contractual Services	142,938	220,405	182,735	0
Other Charges and Services	(39,386)	0	(20,588)	0
TOTAL	\$634,621	\$758,143	\$692,400	\$0

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net decrease (-\$519,553) in personnel costs for relocating department to City Marshals Office in Public Safety.

Materials and Supplies - Net decrease (-\$10,700) in materials and supplies for relocating department to City Marshals Office in Public Safety.

Contractual Services - Net decrease (-\$182,735) in contractual services for relocating department to City Marshals Office in Public Safety.

Other Charges and Services - Net increase (+\$20,588) in other charges and services for relocating department to City Marshals Office in Public Safety.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Demolitions by the City	25	25	25	N/A
Structures Secured	15	15	15	N/A
Public Nuisances Cleaned	425	425	425	N/A
Municipal Court Cases	700	750	850	N/A
Coin Machines Issued	550	N/A	N/A	N/A
Temporary Concessions	25	N/A	N/A	N/A
Hotel/Motel Permits	36	N/A	N/A	N/A
Temporary Parking Lots	14	N/A	N/A	N/A
Motor Vending	4	N/A	N/A	N/A
Beach Rentals	10	N/A	N/A	N/A
Housing Abatement Cases/Court of Record	N/A	100	100	N/A

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Assistant Director of Developmental Services	1.00	1.00	1.00	0.00
Code Enforcement Supervisor	0.50	0.50	0.50	0.00
Deputy Marshals	0.00	0.00	3.00	0.00
Code Enforcement Officer	5.375	5.375	2.375	0.00
Administrative Assistant	1.00	1.00	1.00	0.00
TOTAL	7.875	7.875	7.875	0.000

**FY2020 PROPOSED BUDGET
CODE ENFORCEMENT**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$356,211	\$377,683	\$372,677	\$0
511005 Longevity	4,709	5,048	4,625	0
511006 Differential Pay	900	904	1,014	0
511009 Overtime	26,092	0	3,530	0
511510 Incentive Pay	0	8,736	4,800	0
511125 Residency Pay	11,230	11,293	11,795	0
511510 Group Health Insurance - Employer's	52,164	54,573	54,573	0
511515 Worker's Compensation	368	246	246	0
511520 Group Life Insurance	1,236	1,345	1,025	0
511530 Social Security - Employer's	24,371	25,027	24,244	0
511535 Medicare - Employer's	5,700	5,853	5,670	0
511542 City Employee Retirement	35,923	36,330	35,428	0
511650 Salary Reimbursements	(26,610)	0	(1,341)	0
511655 Salary Reimbursements-Grants	8,198	0	1,267	0
Total Personnel Services	\$500,492	\$527,038	\$519,553	\$0
Materials and Supplies				
521065 Office Supplies	4,914	7,200	7,200	0
522013 Clothing	2,083	3,500	3,500	0
522056 Minor Equipment	23,344	0	0	0
522065 Paint and Lumber	237	0	0	0
Total Materials and Supplies	\$30,577	\$10,700	\$10,700	\$0
Contractual Services				
531025 Memberships	0	50	50	0
531027 Certification & Permit Fees	485	600	600	0
531111 Asbestos Testing	0	750	0	0
531120 Lot Maintenance	22,800	41,264	35,000	0
531121 Lot Demolition	47,467	95,000	72,618	0
531124 Towing Payments	0	1,000	500	0
531129 Graffiti Removal	0	375	200	0
531240 Maintenance Contracts	7,358	7,500	990	0
531350 Garage Charges	33,452	27,866	19,633	0
531360 Computer Charges	0	0	0	0
532062 Postage	0	6,500	3,500	0
532065 Printing, Duplication	0	2,000	1,500	0
532066 Print Shop Charges	45	2,000	0	0
532083 Telephone Service	12,745	10,500	14,639	0
532084 Cellular Service	4,016	4,000	4,646	0
532086 Other Communications	4,416	10,000	18,747	0
533085 Travel/Training	8,578	6,000	6,000	0
533100 Advertising	1,576	5,000	4,112	0
Total Contractual Services	\$142,938	\$220,405	\$182,735	\$0
Other Charges and Services				
543033 Filing And Releasing Fees	15,888	32,000	20,000	0
544087 Expense Reimbursement	(55,274)	(32,000)	(40,588)	0
544099 Miscellaneous Expense	0	0	0	0
Total Other Charges and Services	(\$39,386)	\$0	(\$20,588)	\$0
Total Expenses	\$634,621	\$758,143	\$692,400	\$0



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

- Moved from trade-specific inspections to combination inspections allowing the Building Division to remove three inspector positions while expanding and improving the services provided.
- Trained and certified 2 commercial plumbing inspectors, 2 residential plumbing inspectors, 2 residential building inspectors, 1 residential mechanical Inspector, 1 residential electrical inspector, 1 commercial electrical Inspector, 1 Backflow Prevention Assembly Tester, 1 Customer Service Inspector, 1 residential combination inspector.
- Absorbed engineering related inspections pertaining to flatwork and SWPPP from the Engineering department.
- Hired a third permit technician to provide full service coverage at the planning counter and improve customer service.
- Consolidated the administrative tasks of the Building and Plumbing Divisions reducing the points of contact to the public.
- Absorbed duties associated with the administration of Construction right of way and fill permits from the engineering department.
- Improved CRS rating from a Class 7 to a Class 6 effective May 1, 2019
- Building Division as of June 21, 2018 issued 5,758 permits to include 186 new residential dwellings and 35 new Commercial buildings.
- As a staff performed 6601 inspections from June 21, 2018 to June 21, 2019.
- Electronic plan review implemented November 1, 2018. Effectiveness is continually evaluated and modified as necessary.
- New floodplain maps adopted and become effective August 15, 2019.

Goals

- Adopt 2018 International Codes.
- Create metrics for time in plan review to establish standards for timeliness of the review process.
- Create and/or adopt ordinances specific to permit deadlines.
- Update fee schedule to comply with state law and through analysis of cost recovery of the services provided.
- Continue the implementation of recommendations made of the Permit Division Process Audit.
- Train and certify three State Plumbing Inspectors, three Residential Combination Inspectors and one Commercial Combination Inspector.
- Create Development and Inspection guidelines for developers and contractors.

**FY2019 PROPOSED BUDGET
BUILDING INSPECTION**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$588,331	\$571,550	\$568,622	\$626,113
Materials and Supplies	4,311	2,700	3,561	2,700
Contractual Services	40,082	37,685	34,801	67,925
TOTAL	\$632,724	\$611,935	\$606,984	\$696,738

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2020 ESTIMATED)

Personnel Services - Net increase (+\$57,460) includes annualized cost of vacant positions and reclassifying Building Inspector position to a Combo Inspector position.

Materials and Supplies - Reduction is office supplies (-\$860).

Contractual Services - Net increase (+\$33,124) includes computer charges (\$16,386) split out from the Planning Department, increases in garage charges (\$6,970) and increase in Travel and Training (\$9,800) line item.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Total Permits Issued	4,579	5,014	5,200	5,507
Total Inspections	8,973	8,275	9,200	6,099
Inspections per day per FTE	4	5	6	5
Average days from application to permit issuance	12	9	7	5

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Assistant Director of Developmental Services	0.00	1.00	1.00	1.00
Chief Building Official	1.00	1.00	1.00	1.00
Senior Building Inspector	4.00	3.00	3.00	3.00
Combo Building Inspector	0.00	0.00	1.00	1.00
Building Inspector	1.00	1.00	0.00	0.00
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	9.00	9.00

**FY2019 PROPOSED BUDGET
BUILDING INSPECTION**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$436,546	\$424,754	\$429,092	\$472,083
511005 Longevity	4,571	4,731	4,032	4,416
511006 Differential Pay	1,402	904	1,461	1,807
511009 Overtime	0	0	14	0
511125 Residency Pay	9,971	12,548	5,779	5,000
511510 Group Health Insurance	59,640	53,155	54,040	60,480
511515 Worker's Compensation	487	325	325	325
511520 Group Life Insurance	1,538	1,383	1,251	1,532
511530 Social Security - Employment	27,111	27,462	26,741	29,965
511535 Medicare - Employer's	6,341	6,423	6,254	7,008
511542 City Employee Retirement	40,724	39,865	39,634	43,497
Total Personnel Services	\$588,331	\$571,550	\$568,622	\$626,113
Materials and Supplies				
521065 Office Supplies	4,133	2,500	2,500	2,500
521067 Minor Office Equipment	0	0	861	0
522013 Clothing	178	200	200	200
Total Materials and Supplies	\$4,311	\$2,700	\$3,561	\$2,700
Contractual Services				
531025 Memberships	380	650	650	385
531027 Certification & Permit Fees	90	200	100	100
531350 Garage Charges	20,902	18,085	14,130	21,104
531360 Computer Charges	0	0	0	16,386
532062 Postage	0	1,500	0	0
532065 Printing, Duplication	537	1,000	1,000	1,000
532066 Print Shop Charges	3,418	250	243	250
532083 Telephone Service	6,928	7,000	8,602	8,700
533085 Travel/Training	7,827	9,000	10,076	20,000
Total Contractual Services	\$40,082	\$37,685	\$34,801	\$67,925
Other Charges and Services				
544087 Expense Reimbursement	0	0	0	0
Total Other Charges and Services	\$0	\$0	\$0	\$0
Total Expenses	\$632,724	\$611,935	\$606,984	\$696,738



Planning and Development

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

- Continued to implement the Land Development Regulations (LDR). Obtained approval of the LDR revisions and managed public engagement process with interested groups
- Hosted 48 Pre-Development Meetings
- Conferences/Training attended: Texas Chapter of the American Planning Association, Galveston College Leadership Pathway, American Shores and Beaches Preservation Association, Texas A&M Annual Historic Preservation Symposium, Navigating a Wetter World: Resilience Planning in Houston & NYC
- In partnership with the GIS Division, developed the Public Meeting Cases Map: <https://galveston.maps.arcgis.com>, which provides the public with information about cases being heard before our commissions.
- City Council designated the 100th Galveston Landmark. Completed the historic survey of Galveston's Mid-Century Modern resources.
- Developed a process for approval of Sightseeing and Tour Franchises
- Worked with the Tree Committee to develop protections for Palms
- Successfully processed the following cases and administrative approvals:
 - o Landmark Commission – 50, Planning Commission – 44, and Zoning Board of Adjustment – 8.
 - o Administrative Plats – 29, Beachfront Construction and Dune Protection Permits – 54, Certificates of Zoning Compliance – 10, License to Use – 21
 - o Sign Permits – 112, Zoning Letters – 13
- The Coastal Development Manager:
 - o Continued to work on evenly distributing free parking along the Seawall Urban Park and Stewart Beach
 - o Developed a Request for Proposal for the coastal survey
 - o Coordinated and permitted beach nourishment projects along the Seawall.

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.
- Work with the Landmark Commission to update the Design Standards for Historic Properties
- 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.

**FY2020 PROPOSED BUDGET
PLANNING**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$527,532	\$571,089	\$570,387	\$730,656
Materials and Supplies	15,732	12,000	10,954	10,200
Contractual Services	581,992	317,545	263,578	336,119
Other Charges and Services	14,073	13,500	11,673	13,250
TOTAL	\$1,139,330	\$914,134	\$856,592	\$1,090,225

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+\$160,270) includes reallocation of funding (\$66,170) for 50% of Assistant City Manager of Grants and Public Transit to handle economic development and moving a Senior Project Manager position (\$94,100) from the Neighborhood Revitalization Special Revenue Fund.

Materials and Supplies - Net decreases (-\$750) in office supplies and minor equipment.

Contractual Services - Net increase includes computer charges split out from the Planning Department and charged to Building Inspection and Code Enforcement Divisions (-\$27,460) and funding (+\$100,000) for the Comprehensive Plan.

Other Charges and Services - Slight increase in bank service charges (+\$1,570).

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Percentage of Landmark Commission cases completed within 60 days	100%	100%	100%	100%
Percentage of Planning Commission cases completed within 90 days	100%	98%	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	35	13	12	15

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Director of Developmental Services	1.00	1.00	1.00	1.00
ACM Grants & Public Transit	0.00	0.00	0.00	0.50
Assistant Director of Dev. Services	1.00	1.00	1.00	1.00
Coastal Res/Flood Plain Manger	0.00	0.00	1.00	1.00
Assistant Coastal Resource Manager	0.00	0.00	1.00	1.00
Senior Project Manager	1.00	1.00	1.00	2.00
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	9.00	10.50

**FY2020 PROPOSED BUDGET
PLANNING**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$405,359	\$438,042	\$601,295	\$743,380
511005 Longevity	1,238	1,736	1,444	1,948
511006 Differential Pay	900	904	904	904
511009 Overtime	66	0	153	0
511125 Residency Pay	8,990	7,529	15,057	15,057
511510 Group Health Insurance	40,600	46,570	46,570	70,560
511515 Worker's Compensation	609	407	407	407
511520 Group Life Insurance	1,091	1,274	1,104	2,044
511530 Social Security - Employment	25,278	27,789	38,013	47,200
511535 Medicare - Employer's	5,912	6,499	8,890	11,039
511542 City Employee Retirement	37,490	40,339	55,697	68,516
511650 Salary Reimbursements	0	0	(199,147)	(230,398)
Total Personnel Services	\$527,532	\$571,089	\$570,387	\$730,656
Materials and Supplies				
521065 Office Supplies	12,946	7,200	7,007	7,200
521067 Minor Office Equipment	2,786	4,000	3,948	3,000
521073 Printed Materials	0	800	0	0
Total Materials and Supplies	\$15,732	\$12,000	\$10,954	\$10,200
Contractual Services				
531004 Consultant Services	65,812	58,500	0	100,000
531025 Memberships	3,506	3,500	3,369	3,500
531028 Software Licenses	62,000	62,000	62,000	70,000
531350 Garage Charges	5,297	3,929	3,289	1,856
531360 Computer Charges	361,348	120,016	115,955	84,663
531400 Water Service	1,704	5,000	2,382	2,400
532062 Postage	15,062	7,500	14,064	15,000
532065 Printing, Duplication	6,273	8,000	9,608	7,000
532066 Print Shop Charges	5,901	3,500	2,304	3,000
532083 Telephone Service	15,145	14,500	17,715	15,500
532084 Cellular Service	10,607	11,000	12,945	13,000
532086 Other Communications	165	100	194	200
533085 Travel/Training	14,943	10,000	9,940	10,000
533100 Advertising	14,229	10,000	9,814	10,000
Total Contractual Services	\$581,992	\$317,545	\$263,578	\$336,119
Other Charges and Services				
544032 Meeting Expenditures	203	500	250	250
544105 Bank Service Charges	13,871	13,000	11,423	13,000
Total Other Charges and Services	\$14,073	\$13,500	\$11,673	\$13,250
Total Expenses	\$1,139,330	\$914,134	\$856,592	\$1,090,225

**FY2020 PROPOSED BUDGET
GENERAL GOVERNMENT OPERATIONS**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
City Secretary	\$521,835	\$525,271	\$533,429	\$544,646
Elections	20,986	67,000	58,545	58,500
Municipal Court	741,765	654,870	638,723	728,353
City Manager	696,411	668,997	704,235	696,989
City Auditor	269,118	269,352	271,217	278,551
City Attorney	788,627	909,227	906,136	833,109
Human Resources	494,664	555,375	565,003	560,117
Transportation	915,000	586,374	1,053,470	800,000
General Government Operations Total	\$4,448,406	\$4,236,466	\$4,730,758	\$4,500,264

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$2,649,066	\$2,696,505	\$2,760,556	\$2,736,038
Materials and Supplies	76,154	82,964	72,236	71,345
Contractual Services	1,631,710	1,284,601	1,733,997	1,491,281
Other Charges and Services	68,607	86,396	97,969	101,600
Special Programs and Events	22,870	86,000	66,000	100,000
General Government Operations Total	\$4,448,406	\$4,236,466	\$4,730,758	\$4,500,264

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Net decrease includes reallocation of salaries (+\$79,750) in Municipal Court, (-\$35,420) in the City Manager's Office, salary reimbursement of (-\$71,600) in the City Attorney's Office and an increase of (+\$3,000) for annualized cost of positions.

Materials and Supplies - Decrease purchases to various line items (-\$891).

Contractual Services - Net decreases include funding of local match (-\$253,400) transferred to Island Transit for Operations and miscellaneous line item increases throughout the departments (+\$10,680).

Other Charges and Services - Increase to various line items (+\$3,631).

Special Programs and Events - Maintain FY2019 adopted budget level of contingency (\$+34,000).

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

- Collaborated with the Purchasing Department on an internal policy with an end goal of faster issuance of Purchase Orders.
- Worked with the unofficial Sister Cities Committee before and during the transition of becoming an official committee of the city. Guided the committee through the process of getting established, electing officers, adopting bylaws, and setting future goals.
- Continued the "green" initiative by reducing printed Council packet materials. A link to the online html version of agenda packets are provided for the Council's and the public's online review of supporting documentation.

Goals

- Continue the effort of digitizing City records, focusing on those that are considered permanent by statute with the goal of increasing transparency and efficiency when searching for older documents.
- Expand the electronic contract management approval process to include electronic signatures for City staff with the goal of saving time and money while supporting the "green" initiative. This goal is contingent on an IT project in the Laserfiche program.
- 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. This goal is contingent on an IT project in the Laserfiche program.
- Continue working with the Sister Cities Program Committee to build on current relationships with our active Sister Cities, and to possibly eliminate some older dormant Sister Cities.

**FY2020 PROPOSED BUDGET
CITY SECRETARY**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$345,388	\$350,083	\$355,389	\$356,910
Materials and Supplies	10,217	11,300	9,535	11,000
Contractual Services	139,883	136,638	143,548	147,986
Other Charges and Services	26,347	27,250	24,957	28,750
TOTAL	\$521,835	\$525,271	\$533,429	\$544,646

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Increase of (+\$1,521) for annualized cost of positions.

Materials and Supplies - A small increase (+\$1,465) is needed for office supplies and printed materials.

Contractual Services - Increases in printing and duplication (+\$1,900), advertising (\$1,000), and increases (+\$1,550) in various miscellaneous line items.

Other Charges and Services - Increase meeting expenditures (+\$2,000) and funding (-\$1,500) for Niigata Sister City Stavanger, Norway visitation.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Ordinances Processed	79	77	88	90
Resolutions Processed	45	56	65	60
Claims	120	115	150	150
Subpoenas	25	8	8	10
TABC	42	42	45	45
Boards & Committee Agendas	300	411	420	410
City Council Agendas Prepared and Posted	38	33	37	38
City Council Minutes	30	33	37	38
Proclamations	102	113	150	150
Contracts	220	186	185	190
Public Information Requests	931	1,290	1,490	1,500

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
CITY SECRETARY**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$261,705	\$265,806	\$271,102	\$271,135
511005 Longevity	1,815	1,713	1,992	2,184
511006 Differential Pay	1,800	1,814	1,807	1,800
511009 Overtime	2,355	2,000	1,168	2,000
511125 Residency Pay	5,000	5,000	5,019	5,000
511510 Group Health Insurance	26,880	26,880	26,880	26,880
511515 Worker's Compensation	201	134	134	201
511520 Group Life Insurance	719	726	737	736
511530 Social Security - Employment	16,511	17,133	17,224	17,491
511535 Medicare - Employer's	3,861	4,007	4,028	4,091
511542 City Employee Retirement	24,541	24,870	25,298	25,391
Total Personnel Services	\$345,388	\$350,083	\$355,389	\$356,910
Materials and Supplies				
521065 Office Supplies	7,592	8,000	7,349	8,000
521067 Minor Office Equipment	2,410	2,500	1,898	2,500
521073 Printed Materials	215	800	288	500
Total Materials and Supplies	\$10,217	\$11,300	\$9,535	\$11,000
Contractual Services				
531012 Records Management	30,538	34,100	37,875	38,000
531020 Codification Charges	15,447	10,300	14,358	15,000
531025 Memberships	18,120	19,400	19,400	19,400
531360 Computer Charges	30,205	29,543	29,543	29,131
532062 Postage	928	850	789	1,000
532065 Printing, Duplication	10,070	10,000	8,063	10,000
532066 Print Shop Charges	225	0	0	0
532083 Telephone Service	9,651	8,500	10,353	10,500
532084 Cellular Service	8,468	5,000	7,033	7,100
532086 Other Communications	412	500	485	500
532087 Aircard Service	1,550	1,400	2,309	2,310
533084 Council Members Travel/Training	4,738	6,000	4,514	5,000
533085 Travel/Training	4,481	7,000	4,781	5,000
533100 Advertising	5,016	4,000	4,000	5,000
534030 Surety Bond & Notary Fees	33	45	45	45
Total Contractual Services	\$139,883	\$136,638	\$143,548	\$147,986
Other Charges and Services				
544032 Meeting Expenditures	13,844	20,000	17,983	20,000
544034 Commemoration	0	500	500	500
544035 Protocol	7,949	5,250	4,977	5,250
544037 Sister City Expenditures	4,554	1,500	1,497	3,000
Total Other Charges and Services	\$26,347	\$27,250	\$24,957	\$28,750
Total Expenses	\$521,835	\$525,271	\$533,429	\$544,646

**FY2020 PROPOSED BUDGET
ELECTIONS**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services	20,986	67,000	58,545	58,500
TOTAL	\$20,986	\$67,000	\$58,545	\$58,500

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Contractual Services -Funding for services billed from Galveston County Elections Office.

**FY2020 PROPOSED BUDGET
ELECTIONS**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services				
531125 Other Contracts	\$20,986	\$59,000	\$58,545	\$58,500
533100 Advertising	0	8,000	0	0
Total Contractual Services	\$20,986	\$67,000	\$58,545	\$58,500
Total Expenses	\$20,986	\$67,000	\$58,545	\$58,500

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 681 warrants by the end of the initiative;
- Implemented new jail docket process to reduce time spent at jail and created new forms for more efficient processing of documentation for inmates;
- Increased team performance by cross-training two Deputy Court Clerks and reorganized job duties to improve workflow;
- Eliminated printed dockets for the judge and utilized court users' e-mail addresses in lieu of regular mail to reduce associated costs;
- Continued adding 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 7,484 cases from October 2018 to June 2019;
- Bailiff completed the Court Security Officer certification course as mandated by S.B. 42; and
- Court Clerk and one Deputy Court Clerk attended a Texas Municipal Courts Education Center conference to continue professional development.

Goals

- Continue to 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;
- 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;
- Review and update standing orders;
- Review and update standard window fine and bond listings;
- Coordinate the execution of an amnesty program to increase disposition of cases on warrant status;
- 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; and
- Continue to foster an environment in which members of the community experience an unmatched level of customer service.

**FY2020 PROPOSED BUDGET
MUNICIPAL COURT**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$391,735	\$415,950	\$414,895	\$494,647
Materials and Supplies	5,520	5,000	5,000	5,000
Contractual Services	326,907	218,920	200,966	210,856
TOTAL	\$741,765	\$654,870	\$638,723	\$728,353

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+79,750) for annualized addition of another Deputy Court Clerk added in FY2019 due to increase work load and additon of full-time Baliff with 50% reimbursement from the Building Security Special Revenue Fund.

Contractual Services -Net increases (\$9,000) for maintenance contracts and (\$890) miscellaneous line items.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Traffic Tickets				
Number of Traffic Tickets Issued	16,016	16,306	18,554	18,925
\$ Value of Traffic Tickets Issued	\$3,932,496	\$3,929,369	\$4,260,693	\$4,345,907
Number of Traffic Tickets Paid	14,502	13,277	15,423	15,731
\$ Amount Paid for Traffic Tickets	\$1,748,341	\$1,957,857	\$2,146,188	\$2,189,112
Parking Tickets				
Number of Parking Tickets Issued	18,896	19,546	21,117	21,539
\$ Value of Parking Tickets Issued	\$683,515	\$719,610	\$763,908	\$779,186
Number of Parking Tickets Paid	11,020	11,451	10,920	11,138
\$ Amount Paid for Parking Tickets	\$481,041	\$462,300	\$437,005	\$445,745
Warrants Served				
Number of Warrants Served	11,085	9,421	8,499	8,669
\$ Value of Warrants Served	\$2,775,303	\$2,470,180	\$2,175,849	\$2,219,366
Number Warrants Satisfied on Non-Cash	4,346	3,742	2,987	3,047
\$ Value Community Service/Jail Time Served	\$1,622,131	\$1,537,971	\$1,210,513	\$1,234,723
Number Warrants Paid	2,819	0	0	0
\$ Amount Warrants Paid	\$822,343	\$0	\$0	\$0
Statistics				
\$ Amount of Tickets Issued	\$4,616,011	\$4,648,979	\$5,024,601	\$5,125,093
\$ Amount of Tickets Paid	\$2,229,382	\$2,420,157	\$2,583,193	\$2,634,857
Percent \$ Amount of Tickets Paid	48%	52%	51%	51%

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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	6.00	6.00
Bailiff	0.00	0.00	0.00	1.00
TOTAL	8.00	8.00	9.00	10.00

**FY2020 PROPOSED BUDGET
MUNICIPAL COURT**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$287,126	\$290,904	\$296,175	\$377,842
511005 Longevity	3,617	3,999	3,808	4,168
511006 Differential Pay	2,648	2,700	2,029	1,800
511009 Overtime	1,918	1,500	1,216	2,000
511021 Part-Time Payroll	24,651	32,500	19,700	0
511125 Residency Pay	7,500	7,500	10,673	12,500
511510 Group Health Insurance	53,480	53,760	54,095	60,480
511515 Worker's Compensation	805	538	538	538
511520 Group Life Insurance	1,057	1,075	1,057	1,089
511530 Social Security - Employment	19,044	21,024	20,683	24,695
511535 Medicare - Employer's	4,454	4,917	4,837	5,775
511542 City Employee Retirement	27,253	30,519	30,024	35,848
511650 Salary Reimbursements	(41,817)	(34,986)	(29,941)	(32,089)
Total Personnel Services	\$391,735	\$415,950	\$414,895	\$494,647
Materials and Supplies				
521065 Office Supplies	5,321	5,000	5,000	5,000
521067 Minor Office Equipment	200	0	0	0
Total Materials and Supplies	\$5,520	\$5,000	\$5,000	\$5,000
Contractual Services				
531018 Contractual Labor	91,781	73,500	69,375	73,500
531025 Memberships	80	80	40	80
531125 Other Contracts	6,038	7,000	6,062	7,000
531240 Maintenance Contracts	40,989	27,181	14,399	23,400
531350 Garage Charges	538	0	0	0
531360 Computer Charges	118,022	46,160	46,160	41,876
532062 Postage	20,293	17,999	20,091	20,000
532065 Printing, Duplication	3,375	4,000	4,000	4,000
532066 Print Shop Charges	2,348	2,500	2,500	2,500
532086 Other Communications	574	0	86	0
532084 Cellular Service	40,319	39,000	36,853	37,000
533085 Travel/Training	2,551	1,500	1,400	1,500
Total Contractual Services	\$326,907	\$218,920	\$200,966	\$210,856
Other Charges and Services				
544105 Bank Service Charges	16,791	15,000	17,762	17,850
547025 Over/Short	811	0	100	0
Total Other Charges and Services	\$17,602	\$15,000	\$17,862	\$17,850
Total Expenses	\$741,765	\$654,870	\$638,723	\$728,353



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.

**FY2020 PROPOSED BUDGET
CITY MANAGER**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$580,861	\$502,332	\$537,495	\$502,074
Materials and Supplies	14,365	17,000	16,146	14,315
Contractual Services	63,394	47,165	52,881	48,100
Other Charges and Services	14,921	16,500	31,712	32,500
Special Programs and Events	22,870	86,000	66,000	100,000
TOTAL	\$696,411	\$668,997	\$704,235	\$696,989

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net decrease in payroll (-\$35,420) is from allocating 25% of the Assistant City Manager of Development and Municipal Services Enterprise funds.

Materials and Supplies - Net decrease (-\$1,830) for office supplies and printed materials.

Contractual Services - Net decrease (-\$4,780) for travel charges for legislative meetings in Austin needed for FY2020.

Other Charges and Services - Net increase (\$780) for department.

Special Programs and Events - Maintain FY2019 adopted budget level of contingency (\$+34,000).

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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	0.00	0.00	0.00
Communication Specialist	1.00	0.00	0.00	0.00
Senior Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL	8.50	3.25	3.25	3.00

**FY2020 PROPOSED BUDGET
CITY MANAGER**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$530,521	\$439,385	\$473,436	\$438,958
511005 Longevity	994	1,669	1,123	1,123
511007 Vehicle/Motor Allowance	0	9,000	9,035	9,000
511009 Overtime	2,423	500	379	500
511002 Summer Employee's Payroll	777	0	0	0
511125 Residency Pay	5,788	5,000	5,629	5,621
511510 Group Health Insurance	29,318	20,160	21,839	20,160
511515 Worker's Compensation	568	379	379	379
511520 Group Life Insurance	786	389	591	542
511530 Social Security - Employment	24,328	28,244	24,038	28,223
511535 Medicare - Employer's	7,624	6,606	6,982	6,600
511542 City Employee Retirement	48,979	41,000	44,064	40,968
511650 Salary Reimbursements	(71,245)	(50,000)	(50,000)	(50,000)
Total Personnel Services	\$580,861	\$502,332	\$537,495	\$502,074
Materials and Supplies				
521065 Office Supplies	12,247	14,000	13,721	12,115
521067 Minor Office Equipment	1,111	1,500	1,425	1,200
521073 Printed Materials	1,007	1,500	1,000	1,000
Total Materials and Supplies	\$14,365	\$17,000	\$16,146	\$14,315
Contractual Services				
531013 Media Services	15,122	0	0	0
531025 Memberships	3,616	3,800	3,722	3,800
531360 Computer Charges	12,673	12,925	12,925	13,200
532062 Postage	818	1,400	751	850
532065 Printing, Duplication	3,397	4,000	3,789	3,800
532066 Print Shop Charges	378	1,800	320	350
532083 Telephone Service	10,761	10,000	11,443	11,000
532084 Cellular Service	5,000	1,680	2,229	3,000
532086 Other Communications	511	600	602	600
532087 Aircard Service	1,524	960	1,482	1,500
533085 Travel/Training	9,593	10,000	15,620	10,000
Total Contractual Services	\$63,394	\$47,165	\$52,881	\$48,100
Other Charges and Services				
544032 Meeting Expenditures	6,540	6,500	12,417	12,500
544038 Employee Appreciation	8,382	10,000	19,295	20,000
Total Other Charges and Services	\$14,921	\$16,500	\$31,712	\$32,500
Special Events and Programs				
592001 General Fund Contingency	22,870	86,000	66,000	100,000
Total Special Events and Programs	\$22,870	\$86,000	\$66,000	\$100,000
Total Expenses	\$696,411	\$668,997	\$704,235	\$696,989



City Auditor

Department Mission

The mission of the City Auditor's Office is to assist City Council by providing independent and objective audit services while improving the efficiency and effectiveness of internal controls for the City of Galveston and its component units.

Accomplishments

- The City Auditor's Office was in charge of determining the costs of debris removal and repairs of infrastructure paid out of insurance proceeds for Hurricane Ike by the Port of Galveston. This led to help the Port determine a more efficient strategy for insurances acquired in the future. This strategy could also lead to a possible savings of \$20 million or more for the Port of Galveston in the advent of another major hurricane.
- The City Auditor's Office took the initiative in evaluating the design and operating effectiveness of the internal controls over FEMA receivables and liabilities for the Port of Galveston. The City Auditor's Office acquired important information that will help to ensure the accuracy and completeness of the Port of Galveston CAFRs in the future.
- The City Auditor's Office is responsible for evaluating the efficiency of the Galveston Island Convention and Visitors Bureau commissions' payout. Recommendations are complete to allow better understanding of these commissions with greater transparency. This will help to ensure greater confidence from the public.

Goals

- Goal:
 1. Implementation by management on at least 85% of recommendations.
 2. Increase Sales Tax Revenues by \$500,000 annually.
 3. Support transparency and accountability to the citizens of Galveston for the City of Galveston, The Park Board of Trustees, and The Port of Galveston.
- Operational Goals:
Analysis and Recommendations of Administrative, Accounting, and Financial Reporting Internal Controls for:
 1. The Police Department.
 2. The Port of Galveston.
 3. The Park Board of Trustees.
- Personnel Training and Growth:
 1. Increase the number of Continuing Education Classes.
 2. Complete the electronic work papers.
 3. Prepare documentation for a Peer Review.
- Customer Service:
 1. Strengthen communication between the Auditor's Office and the Public.

**FY2020 PROPOSED BUDGET
CITY AUDITOR**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$232,754	\$238,826	\$244,877	\$249,352
Materials and Supplies	2,338	3,600	2,210	2,330
Contractual Services	34,026	26,926	24,130	26,869
TOTAL	\$269,118	\$269,352	\$271,217	\$278,551

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Increase of (+\$4,475) for annualized cost of positions.

Materials and Supplies - Increase for needed supplies (+\$120).

Contractual Services - Added funding in computer charges (+\$1,500) for addition of a laptop computer and equipment rental (+\$1,200) for Xerox machine.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Percent of Output (Work Completed vs. Planned)	95%	95%	80%	95%
Percent of Audit Plan approved by City Council	100%	100%	100%	100%
Percent of recommendations implemented	0%	0%	75%	85%
Revenue generated from HOT Audits	\$50,000	\$30,000	\$50,000	\$50,000
Revenue generated - Compliance Audits	\$0	\$0	\$0	\$20,000,000
Revenue generated - Operational Audits	\$0	\$0	\$0	\$0
Revenue generated - Sales Tax Revenue	\$250,200	\$750,000	\$500,000	\$500,000
Revenue generated - Franchise Fees	\$100,000	\$50,000	\$0	\$0

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
CITY AUDITOR**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$187,229	\$192,115	\$197,236	\$200,976
511005 Longevity	639	652	723	819
511510 Group Health Insurance	13,440	13,440	13,440	13,440
511515 Worker's Compensation	201	134	134	134
511520 Group Life Insurance	384	389	384	384
511530 Social Security - Employment	11,309	11,952	12,273	12,511
511535 Medicare - Employer's	2,645	2,795	2,870	2,926
511542 City Employee Retirement	16,908	17,349	17,816	18,162
Total Personnel Services	\$232,754	\$238,826	\$244,877	\$249,352
Materials and Supplies				
521065 Office Supplies	470	1,000	930	1,000
521067 Minor Office Equipment	880	1,000	500	500
525031 Electricity	756	1,200	653	700
525032 Natural Gas	231	400	128	130
Total Materials and Supplies	\$2,338	\$3,600	\$2,210	\$2,330
Contractual Services				
531310 Rental Of Land & Buildings	10,326	9,900	9,765	9,800
531320 Equipment Rental	1,170	1,200	0	1,200
531360 Computer Charges	12,423	7,386	7,386	9,104
532062 Postage	0	50	0	25
532065 Printing, Duplication	451	350	1,080	1,000
532066 Print Shop Charges	197	40	100	40
532083 Telephone Service	1,401	1,500	2,300	2,200
533085 Travel/Training	8,058	6,500	3,500	3,500
Total Contractual Services	\$34,026	\$26,926	\$24,130	\$26,869
Total Expenses	\$269,118	\$269,352	\$271,217	\$278,551



City Attorney

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. 12 Original Petitions were filed. There are 14 cases in pending status, four dismissed cases and six total properties demolished by the City.
- Provided legal services in approximately 365 Code Enforcement cases.
- Provided legal services in approximately 590 Juvenile cases.
- Instituted the Prompt Payment Procedure policy for the City's internal invoicing process to be compliant with State Law.
- Have given substantial guidance to resolution of various construction projects to protect City dollars & enhance the City position on any potential litigation including Ball field and Pump Station.
- Completed 3-4 HOT tax cases, successfully collecting taxes owed to the City. The City will continue these efforts with future HOT Tax cases.
- 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. Progressed code review to submission to City Council.
- Successfully achieved passage of state legislation to address police pension plan issues as well as local governmental immunity associated with state and federally funded disaster recovery contracts.

Goals

- Work on behalf of City management to monitor state and federal legislative actions and advance the City's interest on those issues in line with and supportive of policies adopted by the City Council
- 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.
- Completed work on LDR revisions, and will now look to complete the Comprehensive Code Review.
- The Acquisition of twenty-one real estate parcels in anticipation of the City's Incinerator Project.

**FY2020 PROPOSED BUDGET
CITY ATTORNEY**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$687,972	\$729,434	\$727,755	\$656,166
Materials and Supplies	15,612	17,364	14,749	15,500
Contractual Services	77,880	143,793	145,132	142,943
Other Charges and Services	7,163	18,636	18,500	18,500
TOTAL	\$788,627	\$909,227	\$906,136	\$833,109

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net decrease (-\$71,590) for salary reimbursement from the Industrial Development Corporation for the Legislative Coordinator.

Materials and Supplies - Increases needed for miscellaneous line items (+\$750).

Contractual Services - Increases (+\$4,500) for membership fo Gulf Coast Coalition of Cities, increases in computer charges (+\$5,000) for two laptop computers and decrease (-\$12,000) for FY2020 for travel and training used for Legislative sessions.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Ordinances	79	80	81	82
Resolutions	45	59	60	61
Consent Items	290	358	328	335
Action Items	39	55	36	37
Civil Service Grievances	N/A	5	3	3
Housing Abatement	N/A	112	107	109
Code Enforcement	N/A	728	365	372
Juvenile	N/A	349	590	602
Pre-Trial	N/A	6,506	8,264	8,429
Bench Trials	N/A	100	109	112
Jury Trials	N/A	19	5	6
Bonds	N/A	1,732	1,515	1,545
Public Information Act (PIA) Requests	21	74	57	58
Public Information Act Briefs	40	115	57	58
Administrative Appeals	N/A	N/A	12	12
Internal Civil Cases	N/A	N/A	5	5
HOT Tax Cases	N/A	N/A	5	5
HOT Tax Collections	N/A	N/A	\$30,000	\$30,000
Federal Legislaive Hearings	N/A	N/A	10	13
State Legislative Hearings	N/A	N/A	42	23
Other Legislative Contacts	N/A	N/A	52	39
Legislative Weekly Reports	N/A	36	47	47

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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 Coordinator/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

**FY2020 PROPOSED BUDGET
CITY ATTORNEY**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$589,949	\$616,241	\$616,241	\$634,297
511005 Longevity	1,078	1,110	1,352	1,711
511006 Differential Pay	727	900	900	900
511009 Overtime	446	100	134	100
511021 Part-Time Payroll	630	5,000	3,045	0
511125 Residency Pay	3,365	2,500	2,500	2,500
511510 Group Health Insurance	46,490	47,040	47,040	47,040
511515 Worker's Compensation	705	471	471	471
511520 Group Life Insurance	1,325	1,361	1,361	1,348
511530 Social Security - Employment	34,206	38,803	38,803	39,649
511535 Medicare - Employer's	8,352	9,075	9,075	9,273
511542 City Employee Retirement	39,997	42,290	42,290	43,623
511547 ICMA-401A Governmental Money Plan	13,604	14,543	14,543	13,933
511650 Salary Reimbursements	(52,903)	(50,000)	(50,000)	(138,679)
Total Personnel Services	\$687,972	\$729,434	\$727,755	\$656,166
Materials and Supplies				
521065 Office Supplies	1,741	1,864	1,200	1,500
521067 Minor Office Equipment	2,736	4,000	2,000	2,500
521073 Printed Materials	10,852	11,500	11,500	11,500
522013 Clothing	284	0	49	0
Total Materials and Supplies	\$15,612	\$17,364	\$14,749	\$15,500
Contractual Services				
531006 Attorney's Fees	26,092	69,500	69,140	69,500
531018 Contractual Labor	2,308	0	0	0
531025 Memberships	2,898	3,500	3,000	7,500
531360 Computer Charges	20,139	29,543	29,543	34,593
532062 Postage	2,184	950	1,800	1,800
532065 Printing, Duplication	2,467	3,000	2,800	3,000
532066 Print Shop Charges	240	400	400	350
532083 Telephone Service	7,880	7,500	8,500	9,200
532084 Cellular Service	1,368	1,400	1,949	2,000
533085 Travel/Training	12,306	28,000	28,000	15,000
Total Contractual Services	\$77,880	\$143,793	\$145,132	\$142,943
Other Charges and Services				
544027 Court Costs And Judgment	7,163	18,500	18,500	18,500
544032 Meeting Expenditures	0	136	0	0
Total Other Charges and Services	\$7,163	\$18,636	\$18,500	\$18,500
Total Expenses	\$788,627	\$909,227	\$906,136	\$833,109



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

- Successfully transitioned the workforce to an online benefits platform, providing employees with access to the menu of benefits offered by the City.
- Held five promotional and four entrance exams for civil service departments.
- Additional Staff obtained Professional Certifications in Human Resources through International Public Management Association.
- Hosted training courses on the following topics:
 - o Dealing with Difficult People
 - o Helping the Helpers Self Care
 - o Organization Skills to management work place
 - o Work life balance strategies
 - o Drug & Alcohol
 - o Timekeeping, policies and best practices
 - o EEOC
 - o Wellness
- Trained approximately 100 City of Galveston employees through the established leadership-training course. Employees were trained on Understanding the Human Resources Function: Managing Human Assets and Public Administration: Municipal Regulations
- Partnered with SHRM to conduct an engagement survey for all employees. Utilized the Arthur Gallagher's model in the action planning process.
- Oversaw the recruitment and placement of paid interns within the City.
- Actively sought out opportunities become active in the Galveston community. Participated in, graduated from the Leadership Galveston program, and served as a United Way Galveston Board Member.
- Partnered with the Park Board and Port on updating the classification and compensation study.
- Provided expert guidance in reorganizing City departments and recruitment of executive staff.

Goals

- Implement the City's HRIS system and initiate citywide training on software usage and corresponding policies.
- Partner with City Management on Collective Bargaining matters and ensure successful implantation of contract changes.
- Invest additional time and resources in training and development programs currently in place to stimulate a thriving culture and working environment.

**FY2020 PROPOSED BUDGET
HUMAN RESOURCES**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$410,356	\$459,880	\$480,146	\$476,890
Materials and Supplies	28,102	28,700	24,596	23,200
Contractual Services	53,632	57,785	55,324	56,027
Other Charges and Services	2,573	9,010	4,937	4,000
TOTAL	\$494,664	\$555,375	\$565,003	\$560,117

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Decrease of (-\$3,250) for annualized cost of positions.

Materials and Supplies - Decreases (-\$1,400) in various line items.

Contractual Services - Net increases of (+\$700) for various line items.

Other Charges and Services - Decrease in employee appreciation expenses (-\$937).

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Processed Applications (on-line)	7,906	7,808	8,095	8,095
New Hires	203	150	107	148
Turnover rate	14.7%	15.9%	16.2%	15.6%
Civil Service Exams	3	5	5	5

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
HUMAN RESOURCES**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$309,775	\$335,104	\$352,726	\$365,510
511005 Longevity	1,134	1,693	1,257	1,540
511006 Differential Pay	900	900	904	900
511009 Overtime	0	0	46	100
511021 Part-time Payroll	10,185	20,000	20,000	0
511125 Residency Pay	3,500	5,000	5,661	5,750
511510 Group Health Insurance	31,409	35,609	35,609	39,641
511515 Worker's Compensation	331	221	221	221
511520 Group Life Insurance	825	964	969	990
511530 Social Security - Employment	19,385	22,487	23,088	23,176
511535 Medicare - Employer's	4,534	5,259	5,400	5,420
511542 City Employee Retirement	28,378	32,643	34,266	33,642
Total Personnel Services	\$410,356	\$459,880	\$480,146	\$476,890
Materials and Supplies				
521065 Office Supplies	6,820	6,500	6,444	4,500
521067 Minor Office Equipment	223	5,000	2,208	2,000
521073 Printed Materials	1,197	2,000	1,002	1,500
521088 Training Materials	19,813	15,000	14,742	15,000
522013 Clothing	49	200	200	200
Total Materials and Supplies	\$28,102	\$28,700	\$24,596	\$23,200
Contractual Services				
531025 Memberships	3,912	3,000	2,953	3,000
531125 Other Contracts	4,445	3,500	3,316	3,500
531360 Computer Charges	10,070	24,555	24,702	27,127
532062 Postage	1,214	3,500	3,904	2,500
532065 Printing, Duplication	3,844	250	250	250
532066 Print Shop Charges	812	1,000	932	850
532083 Telephone Service	7,298	7,500	9,457	9,500
532084 Cellular Service	1,533	1,300	1,542	1,600
532086 Other Communications	165	200	194	200
532087 Aircard Service	328	480	513	500
533085 Travel/Training	14,342	9,000	4,569	5,000
533100 Advertising	5,671	3,500	2,992	2,000
Total Contractual Services	\$53,632	\$57,785	\$55,324	\$56,027
Other Charges and Services				
544032 Meeting Expenditures	1,756	1,500	1,164	1,500
544038 Employee Appreciation	817	7,510	3,773	2,500
Total Other Charges and Services	\$2,573	\$9,010	\$4,937	\$4,000
Total Expenses	\$494,664	\$555,375	\$565,003	\$560,117

**FY2020 PROPOSED BUDGET
TRANSPORTATION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services				
531030 Transit Operation	\$915,000	\$586,374	\$893,470	\$800,000
Total Contractual Services	\$915,000	\$586,374	\$893,470	\$800,000
Total Expenses	\$915,000	\$586,374	\$893,470	\$800,000

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Contractual Services - Includes an increase in local match of funding transferred to Island Transit for Operations (+254,000).



**FY2020 PROPOSED BUDGET
FINANCE OPERATIONS**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Administration	\$297,099	\$295,219	\$301,626	\$295,784
Accounting	771,566	793,352	811,857	809,506
Purchasing	231,354	243,907	246,604	206,150
Budget	272,797	296,874	300,638	309,330
Finance Operations Total	\$1,572,816	\$1,629,352	\$1,660,725	\$1,620,769

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,077,387	\$1,227,047	\$1,274,191	\$1,238,267
Materials and Supplies	14,895	21,550	14,705	19,300
Contractual Services	505,723	403,255	400,329	391,402
Other Charges and Services	(25,190)	(22,500)	(28,500)	(28,200)
Finance Operations Total	\$1,572,816	\$1,629,352	\$1,660,725	\$1,620,769

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Net decrease (-\$35,924) includes the elimination of a vacant Buyer position in Purchasing.

Materials and Supplies - Net changes throughout finance (+\$4,595).

Contractual Services - Net decrease (-\$8,925) in changes throughout finance.

Other Services - Net changes throughout finance (+\$300).

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 2018 Comprehensive Annual Financial Report by the City Controller and Accounting division's city staff for the second time in the city's history.
- Provided guidance and support for the revision of the FY 2019 Budget document for submission the Government Finance Officers Association for the Budget Award for the second time since 1995.
- Completed the fifth Long Range Financial Forecast for major funds and budget issues and the fifth 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.
- Led the development and implementation of financial policies pertaining to debt management, prompt payment, the determination of full cost of in house crews for reimbursement purposes from project funds, as well as drafting proposed policy by City Council clarifying the Capital Improvement and Debt Service account described in the City Charter.

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.
- Direct the utility accounts receivable project and the team of City staff and outside law firm personnel to substantially reduce the amounts considered receivable.

**FY2019 PROPOSED BUDGET
FINANCE ADMINISTRATION**

EXPENDITURE SUMMARY

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
Personnel Services	\$164,991	\$183,282	\$190,856	\$186,368
Materials and Supplies	372	150	150	150
Contractual Services	176,736	156,787	155,620	154,266
Other Charges and Services	(45,000)	(45,000)	(45,000)	(45,000)
Capital Outlay	0	0	0	0
TOTAL	\$297,099	\$295,219	\$301,626	\$295,784

BUDGET HIGHLIGHTS (FY2019 PROPOSED OVER/UNDER FY2018 ESTIMATED)

Personnel Services - Net decrease of (-\$4,480) in personnel cost based on usage in FY2019.

Contractual Services - Net decrease of (-\$1,350) in contractual services based on actual usage in FY2019.

PERSONNEL

POSITION	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
Assistant City Manager/Director of Finance	1.00	1.00	1.00	1.00
TOTAL	1.00	1.00	1.00	1.00

**FY2019 PROPOSED BUDGET
FINANCE ADMINISTRATION**

LINE ITEM DETAIL

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
Personnel Services				
511001 Regular Payroll	\$140,871	\$148,298	\$155,736	\$151,029
511005 Longevity	142	172	207	255
511125 Residency Pay	2,500	2,500	2,510	2,500
511510 Group Health Insurance	6,580	6,720	7,000	6,720
511515 Worker's Compensation	101	67	67	67
511520 Group Life Insurance	192	389	200	204
511530 Social Security - Employment	8,147	9,360	8,599	9,535
511535 Medicare - Employer's	2,050	2,189	2,276	2,218
511542 City Employee Retirement	12,916	13,587	14,261	13,841
511650 Salary Reimbursements	(8,509)	0	0	0
Total Personnel Services	\$164,991	\$183,282	\$190,856	\$186,368
Materials and Supplies				
521065 Office Supplies	0	150	150	150
521067 Minor Office Equipment	372	0	0	0
Total Materials and Supplies	\$372	\$150	\$150	\$150
Contractual Services				
531004 Consultant Services	7,664	5,000	5,000	5,000
531025 Memberships	199	200	198	200
531125 Other Contracts	158,311	140,000	139,922	140,000
531360 Computer Charges	6,215	6,462	6,462	3,641
532083 Telephone Service	3,385	4,000	3,057	4,300
532087 Aircard Service	456	500	456	500
533085 Travel/Training	507	625	525	625
Total Contractual Services	\$176,736	\$156,787	\$155,620	\$154,266
Other Charges and Services				
544087 Expense Reimbursement	(45,000)	(45,000)	(45,000)	(45,000)
Total Other Charges and Services	(\$45,000)	(\$45,000)	(\$45,000)	(\$45,000)
Total Expenses	\$297,099	\$295,219	\$301,626	\$295,784



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, 2017 and submitted an application for the award for the fiscal year 2018 CAFR.
- Recertified the Government Treasurers' Organization of Texas (GTOT) Investment Policy certification for the two-year period ending August 31, 2021.
- Documented publications for capital asset policy, electronic funds transfer policy and prompt payment act policy.

Goals

- Obtain the Certificate of Achievement for Excellence in Financial Reporting for the CAFR for fiscal year ended September 30, 2019.
- 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.

**FY2020 PROPOSED BUDGET
FINANCE ACCOUNTING**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$492,395	\$581,282	\$613,186	\$616,439
Materials and Supplies	11,570	16,000	11,756	14,000
Contractual Services	252,941	173,570	170,965	162,817
Other Charges and Services	14,660	22,500	15,950	16,250
TOTAL	\$771,566	\$793,352	\$811,857	\$809,506

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+\$3,250) based on current personnel assigned to this department.

Materials and Supplies - Kept current level funding (+\$1,000) for printing materials at FY2019 level and increases (+\$1,240) for office supplies and equipment.

Contractual Services - Includes decrease in Consultant Services (-\$5,740) and decreases (-\$2,400) in miscellaneous line items.

Other Services - Small increase (+\$300) needed for Bank Service Fees.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Number of vendor payments completed	5,768	5,791	5,500	5,500
Number of checks as percent of total vendor payments	96.83%	95.65%	94.55%	96.36%
Number of funds managed	274	282	284	286
Investment Portfolio (Millions)	\$153	\$142	\$143	\$175
Interest Earned (Thousands)	\$867	\$2,247	\$2,875	\$1,500
Average Rate of Interest earned on Investments	1.05%	1.90%	2.20%	2.02%
Number so FEMA PW's closed out	10	31	8	40
Number of bank accounts reconciled	30	31	32	32

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
City Controller	1.00	1.00	1.00	1.00
Accounting Manager	1.00	1.00	1.00	1.00
Accounting Supervisor	1.00	0.00	0.00	0.00
Accountant	3.00	3.00	3.00	3.00
Accounting Specialist	4.00	4.00	4.00	4.00
TOTAL	10.00	9.00	9.00	9.00

**FY2020 PROPOSED BUDGET
FINANCE ACCOUNTING**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$439,083	\$481,765	\$502,598	\$503,391
511005 Longevity	665	1,155	602	1,034
511009 Overtime	1,053	4,000	3,431	3,000
511125 Residency Pay	5,990	6,000	10,038	10,038
511510 Group Health Insurance	53,200	53,760	59,080	60,480
511515 Worker's Compensation	1,208	807	807	807
511520 Group Life Insurance	1,331	1,724	1,514	1,531
511530 Social Security - Employment	26,089	30,561	31,296	32,083
511535 Medicare - Employer's	6,101	7,147	7,319	7,503
511542 City Employee Retirement	40,211	44,363	46,500	46,572
511650 Salary Reimbursements	(50,000)	(50,000)	(50,000)	(50,000)
511655 Salary Reimbursements-Grants	(32,536)	0	0	0
Total Personnel Services	\$492,395	\$581,282	\$613,186	\$616,439
Materials and Supplies				
521065 Office Supplies	7,804	12,000	9,295	10,000
521067 Minor Office Equipment	3,766	3,000	2,461	3,000
521073 Printed Materials	0	1,000	0	1,000
Total Materials and Supplies	\$11,570	\$16,000	\$11,756	\$14,000
Contractual Services				
531004 Consultant Services	124,522	86,000	77,743	72,000
531025 Memberships	3,324	2,100	3,288	3,500
531360 Computer Charges	88,808	46,160	46,160	43,697
532062 Postage	6,164	6,500	6,458	6,500
532065 Printing, Duplication	7,257	6,800	6,331	6,800
532066 Print Shop Charges	1,533	2,500	1,500	1,600
532083 Telephone Service	14,249	14,000	18,104	18,200
532084 Cellular Service	628	600	700	700
532086 Other Communications	99	110	117	120
532087 Aircard Service	751	800	1,600	1,700
533085 Travel/Training	5,607	8,000	8,964	8,000
Total Contractual Services	\$252,941	\$173,570	\$170,965	\$162,817
Other Charges and Services				
544032 Meeting Expenditures	0	500	250	250
544105 Bank Service Charges	14,660	22,000	15,700	16,000
Total Other Charges and Services	\$14,660	\$22,500	\$15,950	\$16,250
Total Expenses	\$771,566	\$793,352	\$811,857	\$809,506



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 Supervisor completed training for and is now a Certified Texas Contract Manager.
- Purchasing Buyer completed training for and is now a Certified Texas Contract Manager.
- Purchasing Specialist completed training for and is now a Certified Texas Purchaser.
- Hosted Purchasing 101 user training sessions for departments citywide.
- Continued to assist user departments in effectively utilizing existing City contracts for supplies and services, to provide best value and cost savings to the City of Galveston and the taxpayers.
- Developed Customer Service surveys for departments and vendors.

Goals

- Implement customer service surveys for user departments and vendors.
- Develop and implement a “How to do business with the City of Galveston” vendor class.
- Assist City Departments in developing contract management strategies to ensure optimal vendor performance that will reduce costs to the City of Galveston and taxpayers.

**FY2020 PROPOSED BUDGET
FINANCE PURCHASING**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$177,981	\$195,536	\$202,330	\$159,855
Materials and Supplies	1,012	1,400	1,190	1,400
Contractual Services	47,760	46,971	43,084	44,895
Other Charges and Services	4,600	0	0	0
TOTAL	\$231,354	\$243,907	\$246,604	\$206,150

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Decrease (-\$42,475) includes elimination of a vacant Purchasing Buyer position.

Materials and Supplies - Kept current level funding (+\$210) for minor equipment at FY2019 level.

Contractual Services - Net increase (+\$1,810) for computer charges with the eliminate of one position and increase for advertising needed for formal bids.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Purchase Orders Issued	2,349	2,030	2,000	2,200
Purchase Order Expenditures	\$177,013,765	\$220,677,283	\$169,000,000	\$150,000,000
Seal Bids/RFP Solicited	72	62	50	70

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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	0.50	0.00
TOTAL	3.00	3.00	2.50	2.00

**FY2020 PROPOSED BUDGET
FINANCE PURCHASING**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$135,899	\$146,306	\$155,230	\$124,427
511005 Longevity	233	429	337	337
511009 Overtime	137	500	250	250
511125 Residency Pay	0	2,500	0	0
511510 Group Health Insurance	18,760	20,160	20,160	13,440
511515 Worker's Compensation	302	202	202	202
511520 Group Life Insurance	481	508	515	384
511530 Social Security - Employment	8,028	9,284	9,411	7,751
511535 Medicare - Employer's	1,877	2,171	2,201	1,813
511542 City Employee Retirement	12,264	13,476	14,024	11,251
Total Personnel Services	\$177,981	\$195,536	\$202,330	\$159,855
Materials and Supplies				
521065 Office Supplies	867	900	900	900
521067 Minor Office Equipment	146	500	290	500
Total Materials and Supplies	\$1,012	\$1,400	\$1,190	\$1,400
Contractual Services				
531025 Memberships	847	650	791	850
531360 Computer Charges	15,898	14,771	14,771	12,745
532062 Postage	823	800	774	800
532065 Printing, Duplication	3,659	3,000	3,226	3,500
532083 Telephone Service	3,464	2,700	4,301	4,300
532084 Cellular Service	574	550	1,300	1,300
533085 Travel/Training	4,240	3,500	3,421	2,900
533100 Advertising	18,255	21,000	14,500	18,500
Total Contractual Services	\$47,760	\$46,971	\$43,084	\$44,895
Other Charges and Services				
544105 Bank Service Charges	4,600	0	0	0
Total Other Charges and Services	\$4,600	\$0	\$0	\$0
Total Expenses	\$231,354	\$243,907	\$246,604	\$206,150



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 2018-2019.
- 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 FY2019-FY2023.
- 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.
- Obtain the Certificate for Excellence in Budgeting for FY2020.

**FY2020 PROPOSED BUDGET
FINANCE BUDGET**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$242,020	\$266,947	\$267,820	\$275,606
Materials and Supplies	1,940	4,000	1,609	3,750
Contractual Services	28,286	25,927	30,660	29,424
TOTAL	\$272,797	\$296,874	\$300,638	\$309,330

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+7,785) reflects current staffing levels within the department.

Materials and Supplies - Net increase (+\$2,140) to maintain FY2019 levels for minor equipment and PC software.

Contractual Services - Decrease in various line items (-\$1,235) to reflect current level of spending.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Department and Fund Budgets Reviewed	150	158	161	161
Percent of General Fund Revenue Over/(Under)	-0.8%	-0.5%	0.6%	0.5%
Percent of General Fund Expenses Over/(Under)	-5.7%	-14.3%	-0.2%	-0.5%
Budget Transfers	423	292	265	250
Requisitions Approved	2,569	2,107	2,100	2,100

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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	3.00	3.00

**FY2020 PROPOSED BUDGET
FINANCE BUDGET**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$186,733	\$206,889	\$207,478	\$213,521
511005 Longevity	2,135	2,025	2,220	2,342
511125 Residency Pay	2,500	2,500	2,500	2,510
511510 Group Health Insurance	18,620	19,600	19,600	20,160
511515 Worker's Compensation	206	138	138	138
511520 Group Life Insurance	528	778	552	576
511530 Social Security - Employment	11,407	13,061	13,156	13,539
511535 Medicare - Employer's	2,668	3,047	3,077	3,166
511542 City Employee Retirement	17,223	18,909	19,098	19,654
Total Personnel Services	\$242,020	\$266,947	\$267,820	\$275,606
Materials and Supplies				
521065 Office Supplies	1,746	1,500	1,414	1,500
521067 Minor Office Equipment	0	1,500	0	1,400
521072 PC Software	195	1,000	195	850
Total Materials and Supplies	\$1,940	\$4,000	\$1,609	\$3,750
Contractual Services				
531025 Memberships	199	400	198	200
531360 Computer Charges	12,423	12,002	12,002	10,924
532062 Postage	19	25	0	0
532065 Printing, Duplication	0	9,500	12,528	12,000
532066 Print Shop Charges	12,108	0	0	0
532083 Telephone Service	2,433	2,400	3,600	3,600
533085 Travel/Training	450	1,000	1,631	2,000
533100 Advertising	655	600	700	700
Total Contractual Services	\$28,286	\$25,927	\$30,660	\$29,424
Other Charges and Services				
544036 Grants & Awards	550	0	550	550
Total Other Charges and Services	\$550	\$0	\$550	\$550
Total Expenses	\$272,797	\$296,874	\$300,638	\$309,330

**FY2020 PROPOSED BUDGET
GOVERNMENTAL EXPENDITURES**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Taxation	\$268,458	\$270,000	\$200,624	\$271,723
Facilities	1,594,346	1,448,170	1,449,958	1,515,665
Non-Departmental	4,034,744	12,250,740	11,908,450	8,962,578
Governmental Expenditures Total	\$5,897,548	\$13,968,910	\$13,559,032	\$10,749,966

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$0	\$250,933	\$0	\$2,367,000
Contractual Services	628,634	622,496	630,078	675,267
Other Charges and Services	1,009,441	1,080,549	1,080,549	1,156,932
Operating Transfers	3,701,904	10,685,957	10,639,009	5,179,044
Capital Outlay	291,611	1,035,000	984,798	1,100,000
Special Programs and Events	265,958	293,975	224,599	271,723
Governmental Expenditures Total	\$5,897,548	\$13,968,910	\$13,559,032	\$10,749,966

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Includes funding (+\$567,000) for Police 5.8% pay increase beginning January 1, 2020, funding (\$275,000) for Fire 3.5% pay increase beginning October 1, 2019 and funding (+\$258,000) for a 2% COLA and target increases for Civilians employees. Also included is funding of \$185 per month per employee (+\$1,240,000) for general fund employees to the Health Insurance Fund

Contractual Services - Includes increases (+\$45,190) are for expenses related to Justice Center Lease and Utilities, consultants if needed for recovery efforts in the event of a storm event and funding for 380's and landmark improvements.

Other Charges and Services - Includes General Fund portions related to Insurance Policies (+\$62,250) and Community Outreach and Public Information (+\$14,160)

Operating Transfers - Includes an increase (+\$834,175) for additional 1% increase in transfer to infrastructure/debt service fund, transfer of (+\$13,860) for local match needed for governmental expenditures in the Hurricane Harvey fund in FY2020, maintain original level of funding (-\$180,000) for transfer to separation pay fund, and the decrease (-\$6,128,000) for a one time transfer in FY2019 to Settlement and Recovery Fund for the CDM legal settlement.

Capital Outlay - Includes funding (+\$50,000) for furniture and fixtures for the Streets & Traffic portion of the new Public Works facility, funding (+\$50,000) for furniture and fixtures for the new Community Center and a decrease (-\$234,800) for furniture and fixtures for the new Fire Station that opened in FY2019 and a net increase in funding for Vehicle Capital Outlay (+\$250,000).

Special Programs and Events - Decrease in funding (-\$23,975) for salary compensation study for FY2020 and increase allocated portion of Tax Collection Fee and Galveston Central Appraisal District proposed operating budget (+\$71,100).

**FY2020 PROPOSED BUDGET
TAXATION**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Special Programs and Events	\$268,458	\$270,000	\$200,624	\$271,723
TOTAL	\$268,458	\$270,000	\$200,624	\$271,723

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Special Programs and Events - Increase in allocated portion of Tax Collection Fee and Galveston Central Appraisal District proposed operating budget (+\$71,100).

**FY2020 PROPOSED BUDGET
TAXATION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Special Events and Programs				
591004 Tax Collection Fee	\$9,024	\$10,000	\$7,403	\$8,000
591005 Central Appraisal District	259,434	260,000	193,221	263,723
Total Special Events and Programs	\$268,458	\$270,000	\$200,624	\$271,723
Total Expenses	\$268,458	\$270,000	\$200,624	\$271,723

**FY2020 PROPOSED BUDGET
FACILITIES MAINTENANCE SERVICES**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services	584,905	599,996	601,783	605,267
Other Charges and Services	1,009,441	848,174	848,174	910,398
TOTAL	\$1,594,346	\$1,448,170	\$1,449,958	\$1,515,665

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Contractual Services - Maintain current level of funding for Justice Center Lease and Utilities (+\$3,480).

Other Charges and Services - Includes an increase in the General Fund portion of Insurance policies (+\$65,100). The decrease of (-\$2,875) for the General Fund portion of Facilities maintenance overall line items.

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services				
531340 Justice Center - Lease	\$318,147	\$320,000	\$318,147	\$320,000
531343 Justice Center - Utilities	266,758	279,996	283,636	285,267
Total Contractual Services	\$584,905	\$599,996	\$601,783	\$605,267
Other Charges and Services				
547070 Insurance Expense	688,395	534,605	534,605	599,677
547075 Facilities Maintenance	321,046	313,569	313,569	310,721
Total Other Charges and Services	\$1,009,441	\$848,174	\$848,174	\$910,398
Total Expenses	\$1,594,346	\$1,448,170	\$1,449,958	\$1,515,665

**FY2020 PROPOSED BUDGET
NON-DEPARTMENTAL EXPENDITURES**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$0	\$250,933	\$0	\$2,367,000
Contractual Services	43,729	22,500	28,294	70,000
Other Charges and Services	0	232,375	232,375	246,534
Operating Transfers	3,701,904	10,685,957	10,639,009	5,179,044
Capital Outlay	291,611	1,035,000	984,798	1,100,000
Special Programs and Events	(2,500)	23,975	23,975	0
TOTAL	\$4,034,744	\$12,250,740	\$11,908,450	\$8,962,578

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Includes funding (+\$567,000) for Police 5.8% pay increase beginning January 1, 2020, funding (\$275,000) for Fire 3.5% pay increase beginning October 1, 2019 and funding (+258,000) for a 2% COLA and target increases for Civilians employees. Also included is funding of \$185 per month per employee (+\$1,240,000) for general fund employees to the Health Insurance Fund

Contractual Services - Net increases (+\$41,705) include funding for consultants if needed for recovery efforts in the event of a storm event and funding for property tax incentives (380's).

Other Charges and Services - Includes General Fund portion for Community Outreach and Public Information (+14,160)

Operating Transfers - Includes an increase (+\$834,175) for additional 1% increase in transfer to infrastructure/debt service fund, transfer of (+\$13,860) for local match needed for governmental expenditures in the Hurricane Harvey fund in FY2020, maintain original level of funding (-\$180,000) for transfer to separation pay fund, and the decrease (-\$6,128,000) for a one time transfer in FY2019 to Settlement and Recovery Fund for the CDM legal settlement.

Capital Outlay - Includes funding (+\$50,000) for furniture and fixtures for the Streets & Traffic portion of the new Public Works facility, funding (+\$50,000) for furniture and fixtures for the new Community Center and a decrease (-\$234,800) for furniture and fixtures for the new Fire Station that opened in FY2019 and a net increase in funding for Vehicle Capital Outlay (+\$250,000).

Special Programs and Events - Decrease in funding (-\$23,975) for salary compensation study for FY2020.

**FY2020 PROPOSED BUDGET
NON-DEPARTMENTAL EXPENDITURES**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511002 COLA Increases	\$0	\$250,933	\$0	\$285,000
511004 CBA Increases	0	0	0	842,000
511512 Group Health Insurance Reserve	0	0	0	1,240,000
Total Personnel Services	\$0	\$250,933	\$0	\$2,367,000
Contractual Services				
531004 Consultant Services	36,652	15,000	5,261	20,000
531025 Memberships	7,077	7,500	3,033	0
531125 Other Contracts	0	0	20,000	50,000
Total Contractual Services	\$43,729	\$22,500	\$28,294	\$70,000
Other Charges and Services				
544076 Appraisal Refund	0	23,873	23,873	0
544095 Community Outreach/Public Info	0	208,502	208,502	246,534
Total Other Charges and Services	\$0	\$232,375	\$232,375	\$246,534
Operating Transfers				
553021 Surplus Transfer Out	0	1,236,681	1,236,681	0
553025 Operating Transfer Out	0	4,891,319	4,891,319	0
553030 Transfer to Infrastructure Fund	3,275,010	3,912,769	3,912,769	4,746,944
553035 Transfer to Separation Pay Fund	416,160	416,160	596,160	416,160
553050 Transfer to Hurricane Harvey Fund	10,734	229,028	2,080	15,940
Total Operating Transfers	\$3,701,904	\$10,685,957	\$10,639,009	\$5,179,044
Capital Outlay				
564003 Vehicle Capital Outlay	291,611	750,000	750,000	1,000,000
564005 Capital Outlay-Improvements	0	285,000	234,798	100,000
Total Capital Outlay	\$291,611	\$1,035,000	\$984,798	\$1,100,000
Special Events and Programs				
591024 Salary Compensation Study	(2,500)	23,975	23,975	0
Total Special Events and Programs	(\$2,500)	\$23,975	\$23,975	\$0
Total Expenses	\$4,034,744	\$12,250,740	\$11,908,450	\$8,962,578



Special Revenue Funds

FY2020 PROPOSED BUDGET

SPECIAL REVENUE FUNDS
Summary Schedule of Revenues and Expenditures

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance				
Rosenberg Library	\$0	\$0	\$0	\$0
Seawall Parking	1,212,904	1,358,515	1,358,515	1,483,598
Convention Center Surplus	1,066,318	1,877,700	1,877,700	2,208,564
Historical Buildings	752,965	999,744	999,744	1,245,304
Council Projects and Initiatives Program	1,790,323	667,942	667,942	359,595
Infrastructure Fund	4,393,781	3,504,762	3,504,762	3,946,265
Separation Pay Fund	206,708	316,758	316,758	392,624
Public Access Channel Fund	693,767	834,331	834,331	1,008,073
Parking Management Fund	361,841	639,254	639,254	343,746
Lasker Pool Fund	395,635	331,890	331,890	280,028
Pension Reform Fund	2,255,558	1,053,616	1,053,616	859,184
Revenue Producing Parks	0	116,733	116,733	132,705
Asset Forfeiture Fund	196,849	208,651	208,651	188,277
Police Special Revenue Fund	103,941	114,221	114,221	49,037
Police Quartermaster Fund	8,385	8,758	8,758	15,430
Alarm Permit Fund	69,268	79,386	79,386	71,123
Fire Special Revenue Fund	29,952	133,944	133,944	141,328
Municipal Court Building Security Fund	49,425	36,933	36,933	27,340
Municipal Court Technology Fund	79,184	102,759	102,759	84,895
Juvenile Services Fund	129,254	148,091	148,091	168,256
Recovery and Capital Reserve Fund	5,033,176	3,716,393	3,716,393	1,200,000
Technology Improvement Fund	968,091	1,126,568	1,126,568	1,087,386
Hurricane Harvey	0	424,778	424,778	85,315
Island Transit	(221,721)	5,967	5,967	10,749
Total	\$19,575,604	\$17,807,692	\$17,807,692	\$15,388,819
Revenues				
Rosenberg Library	\$2,836,405	\$2,874,500	\$2,889,200	\$3,052,400
Seawall Parking	148,111	124,500	145,212	145,000
Convention Center Surplus	2,722,706	2,597,000	2,385,000	2,153,000
Historical Buildings	259,473	271,000	247,000	247,000
Council Projects and Initiatives Program	17,008	15,000	11,950	10,000
Infrastructure Fund	3,350,091	3,959,769	3,991,015	4,796,944
Separation Pay Fund	541,730	541,730	721,730	541,730
Public Access Channel Fund	167,560	176,700	174,572	174,000
Parking Management Fund	811,609	724,000	737,270	737,000
Lasker Pool Fund	354,353	471,000	497,534	417,700
Pension Reform Fund	26,305	21,300	22,771	22,000
Revenue Producing Parks	195,665	158,001	128,014	144,200
Asset Forfeiture Fund	119,864	27,100	54,326	53,000
Police Special Revenue Fund	41,248	57,100	38,559	37,500
Police Quartermaster Fund	78,547	83,600	81,850	83,300
Alarm Permit Fund	70,650	62,900	66,772	67,000
Fire Special Revenue Fund	24,150	23,815	25,112	25,050
Municipal Court Building Security Fund	22,400	21,700	22,060	21,700
Municipal Court Technology Fund	30,315	29,250	30,317	29,300
Juvenile Services Fund	34,026	32,250	34,019	31,500
Recovery and Capital Reserve Fund	0	6,128,000	6,128,000	0
Technology Improvement Fund	482,838	5,000	311,984	15,000
Hurricane Harvey	715,268	2,310,953	797,072	253,700
Island Transit	4,739,963	4,424,462	3,808,454	4,232,825
Total	\$17,790,285	\$25,140,630	\$23,349,795	\$17,290,849

FY2020 PROPOSED BUDGET

SPECIAL REVENUE FUNDS
Summary Schedule of Revenues and Expenditures

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Expenditures				
Rosenberg Library	\$2,836,405	\$2,874,500	\$2,889,200	\$3,052,400
Seawall Parking	2,500	1,458,761	20,130	1,628,598
Convention Center Surplus	1,911,325	3,784,728	2,054,135	4,361,564
Historical Buildings	12,695	1,215,476	1,440	1,492,304
Council Projects and Initiatives Program	1,139,388	759,147	320,297	369,596
Infrastructure Fund	4,239,110	7,674,620	3,549,513	8,743,209
Separation Pay Fund	431,680	474,360	645,864	474,360
Public Access Channel Fund	26,996	1,041,238	830	1,182,073
Parking Management Fund	534,197	1,250,552	1,032,778	1,080,745
Lasker Pool Fund	418,098	716,216	549,396	697,728
Pension Reform Fund	1,228,246	1,003,173	217,204	881,184
Revenue Producing Parks	78,932	259,186	112,042	276,905
Asset Forfeiture Fund	108,062	135,077	74,700	241,276
Police Special Revenue Fund	30,969	118,743	103,743	86,537
Police Quartermaster Fund	78,174	91,010	75,178	98,730
Alarm Permit Fund	60,532	118,746	75,036	138,123
Fire Special Revenue Fund	(79,842)	45,046	17,728	166,378
Municipal Court Building Security Fund	34,892	49,410	31,653	49,040
Municipal Court Technology Fund	6,740	137,709	48,181	114,195
Juvenile Services Fund	15,190	179,610	13,854	199,756
Recovery and Capital Reserve Fund	1,316,782	11,194,979	8,644,394	1,200,000
Technology Improvement Fund	324,360	1,286,437	351,166	1,102,386
Hurricane Harvey	290,491	1,580,953	1,136,535	339,014
Island Transit	4,553,111	4,423,785	3,803,672	4,187,872
Total	\$19,599,033	\$41,873,462	\$25,768,668	\$32,163,973
Ending Balances				
Rosenberg Library	\$0	\$0	\$0	\$0
Seawall Parking	1,358,515	24,254	1,483,598	0
Convention Center Surplus	1,877,700	689,972	2,208,564	0
Historical Buildings	999,744	55,268	1,245,304	0
Council Projects and Initiatives Program	667,942	(76,205)	359,595	0
Infrastructure Fund	3,504,762	(210,089)	3,946,265	0
Separation Pay Fund	316,758	384,128	392,624	459,994
Public Access Channel Fund	834,331	(30,207)	1,008,073	0
Parking Management Fund	639,254	112,702	343,746	0
Lasker Pool Fund	331,890	86,674	280,028	0
Pension Reform Fund	1,053,616	71,743	859,184	0
Revenue Producing Parks	116,733	15,548	132,705	0
Asset Forfeiture Fund	208,651	100,674	188,277	0
Police Special Revenue Fund	114,221	52,578	49,037	0
Police Quartermaster Fund	8,758	1,348	15,430	0
Alarm Permit Fund	79,386	23,540	71,123	0
Fire Special Revenue Fund	133,944	112,713	141,328	0
Municipal Court Building Security Fund	36,933	9,223	27,340	0
Municipal Court Technology Fund	102,759	(5,700)	84,895	0
Juvenile Services Fund	148,091	731	168,256	0
Recovery and Capital Reserve Fund	3,716,393	(1,350,586)	1,200,000	0
Technology Improvement Fund	1,126,568	(154,869)	1,087,386	0
Hurricane Harvey	424,778	1,154,778	85,314	0
Island Transit	5,967	6,644	10,749	55,702
Total	\$17,807,692	\$1,074,859	\$15,388,819	\$515,696

**FY2020 PROPOSED BUDGET
EXPENDITURE OVERVIEW**

Expenditure Summary

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Rosenberg Library	\$2,836,405	\$2,874,500	\$2,889,200	\$3,052,400
Seawall Parking	2,500	1,458,761	20,130	1,628,598
Convention Center Surplus	1,911,325	3,784,728	2,054,135	4,361,564
Historical Buildings	12,695	1,215,476	1,440	1,492,304
Council Projects and Initiatives Program	1,139,388	759,147	320,297	369,596
Infrastructure Fund	4,239,110	7,674,620	3,549,513	8,743,209
Separation Pay Fund	431,680	474,360	645,864	474,360
Public Access Channel Fund	26,996	1,041,238	830	1,182,073
Parking Management Fund	534,197	1,250,552	1,032,778	1,080,745
Lasker Pool Fund	418,098	716,216	549,396	697,728
Pension Reform Fund	1,228,246	1,003,173	217,204	881,184
Revenue Producing Parks	78,932	259,186	112,042	276,905
Asset Forfeiture Fund	108,062	135,077	74,700	241,276
Police Special Revenue Fund	30,969	118,743	103,743	86,537
Police Quartermaster Fund	78,174	91,010	75,178	98,730
Alarm Permit Fund	60,532	118,746	75,036	138,123
Fire Special Revenue Fund	(79,842)	45,046	17,728	166,378
Municipal Court Building Security Fund	34,892	49,410	31,653	49,040
Municipal Court Technology Fund	6,740	137,709	48,181	114,195
Juvenile Services Fund	15,190	179,610	13,854	199,756
Recovery and Capital Reserve Fund	1,316,782	11,194,979	8,644,394	1,200,000
Technology Improvement Fund	324,360	1,286,437	351,166	1,102,386
Hurricane Harvey	290,491	1,580,953	1,136,535	339,014
Island Transit	4,553,111	4,423,785	3,803,672	4,187,872
TOTAL	\$19,599,033	\$41,873,462	\$25,768,668	\$32,163,973

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$4,950,053	\$5,180,332	\$5,033,924	\$5,049,336
Materials and Supplies	804,019	1,020,261	633,915	883,104
Contractual Services	3,023,592	3,309,790	2,018,306	2,311,290
Other Charges and Services	4,209,791	9,433,349	4,783,606	10,579,083
Operating Transfers	851,272	4,541,516	1,616,865	4,182,880
Capital Outlay	4,730,381	9,000,847	3,462,062	7,138,681
Debt Service	0	0	0	0
Special Programs and Events	1,029,926	9,387,368	8,219,991	2,019,598
TOTAL	\$19,599,033	\$41,873,462	\$25,768,668	\$32,163,973

Personnel Services

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Parking Management	3.50	4.50	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	56.00	31.00	40.50
TOTAL	63.75	62.75	39.75	49.25

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - ROSENBERG LIBRARY**

SUMMARY

REVENUES	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
311100 Real Property	\$2,790,012	\$2,844,500	\$2,845,200	\$3,012,400
311110 Real Property - Delinquent	46,393	30,000	44,000	40,000
TOTAL REVENUES	\$2,836,405	\$2,874,500	\$2,889,200	\$3,052,400
EXPENDITURES				
Other Charges and Services				
544028 Contributions	2,836,405	2,874,500	2,889,200	3,052,400
Total Other Charges and Services	\$2,836,405	\$2,874,500	\$2,889,200	\$3,052,400
TOTAL EXPENDITURES	\$2,836,405	\$2,874,500	\$2,889,200	\$3,052,400
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 the date of this publication information for the period ending September 20, 2018 has not been received.

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.



**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - SEAWALL PARKING FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
348230 Seawall Parking-Transient Fees	\$133,787	\$115,000	\$125,022	\$125,000
361110 Interest Earned-Operating	14,324	9,500	20,190	20,000
TOTAL REVENUES	\$148,111	\$124,500	\$145,212	\$145,000
EXPENDITURES				
Materials and Supplies				
522012 Parks Supplies & Equipment	\$0	\$6,778	\$6,778	\$0
522017 Sign Materials	0	400	400	0
522045 Electrical Hardware	0	401	401	0
522056 Minor Equipment	0	5,500	5,500	0
Total Materials and Supplies	\$0	\$13,080	\$13,080	\$0
Contractual Services				
531112 Debris Removal	2,500	0	0	0
531222 Masonary Repairs	0	7,050	7,050	0
Total Contractual Services	\$2,500	\$7,050	\$7,050	\$0
Other Charges and Services				
544125 Capital Reserve	0	1,438,631	0	1,628,598
Total Other Charges and Services	\$0	\$1,438,631	\$0	\$1,628,598
TOTAL EXPENDITURES	\$2,500	\$1,458,761	\$20,130	\$1,628,598
REVENUES OVER/(UNDER) EXPENDITURES	\$145,611	(\$1,334,261)	\$125,083	(\$1,483,598)
BEGINNING FUND BALANCE- RESTRICTED	\$1,212,904	\$1,358,515	\$1,358,515	\$1,483,598
ENDING FUND BALANCE-RESTRICTED	\$1,358,515	\$24,254	\$1,483,598	\$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.

FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - CONVENTION CENTER SURPLUS

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES:				
Convention Center Surplus	\$2,722,706	\$2,597,000	\$2,385,000	\$2,153,000
Total revenues	\$2,722,706	\$2,597,000	\$2,385,000	\$2,153,000
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	28,469	0	0	0
Mardi Gras	250,873	251,000	255,578	255,000
Subtotal Special Events (City)	\$358,458	\$330,117	\$334,695	\$334,117
Seawall and Related Activities (City)				
Seawall Police Services (GPD)	247,513	491,476	499,398	514,351
Restrooms (Operations & Maintenance)	374	14,350	1,620	2,000
Economic Study	0	0	0	0
Subtotal Seawall (City)	\$247,887	\$505,826	\$501,018	\$516,351
Park Board				
East End Lagoon	0	0	0	50,000
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	\$400,000	\$400,000	\$400,000	\$450,000
Island Transit				
Bus Trolley Operations	372,407	665,473	518,865	516,462
Rail Trolley Operations	0	429,560	0	474,040
Transportation Study	80,930	31,950	31,950	0
Trolley System Track Repair Project	51,650	0	0	0
Trolley Rail Car Air-conditioning	101,150	0	0	0
Trolley System Reserve	200,000	200,000	200,000	1,553,909
Subtotal Island Transit	\$806,137	\$1,326,983	\$750,815	\$2,544,411
Historic Preservation/Promotion Activities				
Galveston Causeway Murals	0	55,650	55,650	0
Historic Broadway Lighting Improvements	72,842	500,000	11,958	16,685
Historic City Hall Remodeling	0	500,000	0	500,000
Subtotal Historic Preservation	\$72,842	\$1,055,650	\$67,608	\$516,685
Trolley Car Repair Reserve	0	166,152	0	0
Grant Contingency	26,000	0	0	0
TOTAL EXPENDITURES	\$1,911,325	\$3,784,728	\$2,054,135	\$4,361,564
REVENUES OVER/(UNDER) EXPENDITURES	\$811,381	(\$1,187,728)	\$330,865	(\$2,208,564)
BEGINNING FUND BALANCE-RESTRICTED	\$1,066,318	\$1,877,700	\$1,877,700	\$2,208,564
ENDING FUND BALANCE-RESTRICTED	\$1,877,700	\$689,972	\$2,208,564	\$0

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - CONVENTION CENTER SURPLUS**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
314060 Hotel Occupancy Tax	\$2,722,706	\$2,597,000	\$2,385,000	\$2,153,000
TOTAL REVENUES	\$2,722,706	\$2,597,000	\$2,385,000	\$2,153,000
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	247,513	501,826	499,398	514,351
Total Personnel Services	\$247,513	\$501,826	\$499,398	\$514,351
Materials and Supplies				
522037 Janitorial Supplies	180	0	0	0
522056 Minor Equipment	194	0	0	0
522099 Other Supplies	28,469	0	0	0
Total Materials and Supplies	\$28,843	\$0	\$0	\$0
Contractual Services				
530020 Planning	80,930	31,950	31,950	0
531016 Professional Services	0	42,620	42,620	0
531125 Other Contracts	429,117	429,117	429,117	479,117
531320 Equipment Rental	0	17,030	14,650	2,000
Total Contractual Services	510,047	520,717	518,337	481,117
Other Charges and Services				
544125 Trolley Car Repair Reserve	0	166,152	0	1,553,909
548010 Special Events	250,873	251,000	255,578	255,000
Total Other Charges and Services	\$250,873	\$417,152	\$255,578	\$1,808,909
Operating Transfers				
553021 Surplus Transfer Out	0	0	0	0
553550 HOT Tax Transfer Out	775,207	1,345,033	768,865	1,040,502
Total Operating Transfers	\$775,207	\$1,345,033	\$768,865	\$1,040,502
Capital Outlay				
564005 Capital Outlay - Improvements	72,842	1,000,000	11,958	516,685
Total Capital Outlay	\$72,842	\$1,000,000	\$11,958	\$516,685
Special Events and Programs				
591092 Grant Contingency	26,000	0	0	0
Total Special Events and Programs	\$26,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,911,325	\$3,784,728	\$2,054,135	\$4,361,564
REVENUES OVER/(UNDER) EXPENDITURES	\$811,381	(\$1,187,728)	\$330,865	(\$2,208,564)
BEGINNING FUND BALANCE- RESTRICTED	\$1,066,318	\$1,877,700	\$1,877,700	\$2,208,564
ENDING FUND BALANCE- RESTRICTED	\$1,877,700	\$689,972	\$2,208,564	\$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

	FY18 ACTUAL	FY19 BUDGET	FY19 ESTIMATE	FY20 PROPOSED
General Fund				
Police	\$116,702	\$125,500	\$142,296	\$150,500
Fire	9,600	10,000	13,391	14,000
Public Works (1)	56,186	57,000	63,946	57,000
Code Enforcement	11,346	10,000	5,264	6,000
Parks	10,173	10,000	6,402	7,000
Emergency Management	1,331	1,500	1,377	1,400
Contract Public Safety (2)	92,814	90,000	66,248	70,000
Subtotal General Fund	\$298,152	\$304,000	\$298,925	\$305,900
Other Funds				
Water - Public Works	\$2,892	\$3,000	\$6,764	\$3,000
Sewer - Public Works	7,421	9,000	12,580	9,000
Sanitation - Public Works (1)	45,205	40,000	50,462	45,400
Drainage - Public Works	22,625	20,000	27,433	20,000
Garage	0	0	0	0
Construction	7,230	5,000	6,770	5,000
Airport	0	0	0	0
Facilities	0	0	1,710	1,700
Subtotal Other Funds	\$85,372	\$77,000	\$105,719	\$84,100
Total Expense	\$383,525	\$381,000	\$404,644	\$390,000
Expense Reimbursement				
Fees Received (\$1 per participant)	\$34,093	\$30,000	\$49,066	\$35,000
Reimbursement from Event Promoter	100,000	100,000	100,000	100,000
Expense Reimbursement Total	\$134,093	\$130,000	\$149,066	\$135,000
Total	\$249,432	\$251,000	\$255,578	\$255,000

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.

FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - HOT 1/8 PENNY HISTORICAL BUILDING FUND

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
314060 Hotel Occupancy Tax	\$259,473	\$271,000	\$247,000	\$247,000
TOTAL REVENUES	\$259,473	\$271,000	\$247,000	\$247,000
EXPENDITURES				
Contractual Services				
531220 Building Repairs	12,695	196,511	1,440	191,719
Total Contractual Services	\$12,695	\$196,511	\$1,440	\$191,719
Capital Outlay				
564005 Capital Outlay - Improvements	0	1,018,965	0	1,300,585
Total Capital Outlay	\$0	\$1,018,965	\$0	\$1,300,585
TOTAL EXPENDITURES	\$12,695	\$1,215,476	\$1,440	\$1,492,304
REVENUES OVER/(UNDER) EXPENDITURES	\$246,778	(\$944,476)	\$245,560	(\$1,245,304)
BEGINNING FUND BALANCE- ASSIGNED	\$752,965	\$999,744	\$999,744	\$1,245,304
ENDING FUND BALANCE-ASSIGNED	\$999,744	\$55,268	\$1,245,304	\$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.

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - COUNCIL PROJECTS AND INITIATIVES PROGRAM**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
361110 Interest Earned-Operating	\$17,008	\$15,000	\$11,950	\$10,000
TOTAL REVENUES	\$17,008	\$15,000	\$11,950	\$10,000
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	\$131,874	\$100,000	\$78,547	\$78,550
Total Personnel Services	\$131,873	\$100,000	\$78,547	\$78,550
Materials and Supplies				
525031 Electricity	140	0	0	0
525032 Natural Gas	154	0	0	0
Total Materials and Supplies	\$295	\$0	\$0	\$0
Contractual Services				
531310 Rental of Land & Buildings	0	0	449	0
Total Contractual Services	\$0	\$0	\$449	\$0
Other Charges and Services				
543099 Project Management Capital	57,552	46,837	232	5,000
544087 Expense Reimbursement	8,644	0	0	0
544097 Expense Reimbursement-Other	58,420	2,691	0	0
544125 Capital Reserve	0	103,123	0	41,937
Total Other Charges and Services	\$124,617	\$152,651	\$232	\$46,937
Capital Outlay				
564003 Vehicle Capital Outlay	0	0		
564005 Capital Outlay - Improvements	882,604	471,683	241,071	244,109
Total Capital Outlay	\$882,604	\$471,683	\$241,071	\$244,109
Special Events and Programs				
592002 Construction Contingency	0	34,813	0	0
Total Special Events and Programs	\$0	\$34,813	\$0	\$0
TOTAL EXPENDITURES	\$1,139,388	\$759,147	\$320,297	\$369,596
REVENUES OVER/(UNDER) EXPENDITURES	(\$1,122,381)	(\$744,147)	(\$308,347)	(\$359,596)
BEGINNING FUND BALANCE-ASSIGNED	\$1,790,323	\$667,942	\$667,942	\$359,595
ENDING FUND BALANCE-ASSIGNED	\$667,942	(\$76,205)	\$359,595	\$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.

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - INFRASTRUCTURE FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
361110 Interest Earned-Operating	65,081	47,000	78,246	50,000
370000 Other Funding Sources	10,000	0	0	0
379000 Operating Transfer In	3,275,010	3,912,769	3,912,769	4,746,944
TOTAL REVENUES	\$3,350,091	\$3,959,769	\$3,991,015	\$4,796,944
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	144,267	182,896	300,000	300,000
Total Personnel Services	\$144,267	\$182,896	\$300,000	\$300,000
Contractual Services				
531004 Consultant Services	19,235	94,400	94,400	0
531121 Lot Demolition	14,850	0	0	0
531320 Equipment Rental	0	33,000	16,961	0
Total Contractual Services	\$34,085	\$127,400	\$111,361	\$0
Other Charges and Services				
543099 Project Management Cost	332,529	340,125	91,000	100,000
544097 Expense Reimbursement - Other	354,161	145,839	300,000	300,000
544125 Capital Reserve	0	0	0	2,053,081
Total Other Charges and Services	\$686,690	\$485,964	\$391,000	\$2,453,081
Operating Transfers				
553033 Transfer to Debt Service Fund	0	2,130,362	650,000	2,281,000
553050 Transfer to Hurricane Harvey	0	861,378	0	861,378
Total Operating Transfers	\$0	\$2,991,740	\$650,000	\$3,142,378
Capital Outlay				
564005 Capital Outlay - Improvements	1,833,322	2,142,386	897,256	1,347,750
564117 Machinery & Equipment	1,024,343	1,007,558	1,007,558	0
565506 Engineering Services	516,402	456,932	192,338	500,000
Total Capital Outlay	\$3,374,067	\$3,606,876	\$2,097,151	\$1,847,750
Special Events and Programs				
592002 Construction Contingency	0	279,745	0	1,000,000
Total Special Events and Programs	\$0	\$279,745	\$0	\$1,000,000
TOTAL EXPENDITURES	\$4,239,110	\$7,674,620	\$3,549,513	\$8,743,209
REVENUES OVER/(UNDER) EXPENDITURES	(\$889,019)	(\$3,714,851)	\$441,502	(\$3,946,265)
BEGINNING FUND BALANCE-RESTRICTED	\$4,393,781	\$3,504,762	\$3,504,762	\$3,946,265
ENDING FUND BALANCE-RESTRICTED	\$3,504,762	(\$210,089)	\$3,946,265	\$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 8% of the total General Fund Operating Budget in FY2020.

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - SEPARATION PAY FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
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	416,160	416,160	596,160	416,160
379700 Airport - Transfer In	6,630	6,630	6,630	6,630
TOTAL REVENUES	\$541,730	\$541,730	\$721,730	\$541,730

EXPENDITURES

Personnel Services

511410 Separation Vacation	\$140,213	\$217,180	\$170,438	\$217,180
511420 Separation Sick Pay	201,155	237,180	342,140	237,180
511430 Separation Compensatory Time	23,003	20,000	22,764	20,000
511530 Social Security - Employer's	21,197	0	27,524	0
511535 Medicare - Employer's	5,283	0	7,759	0
511542 City Employee Retirement	10,069	0	16,614	0
511543 Firemen's Retirement	3,147	0	15,495	0
511544 Police Retirement	27,613	0	43,130	0
Total Personnel Services	\$431,680	\$474,360	\$645,864	\$474,360

TOTAL EXPENDITURES	\$431,680	\$474,360	\$645,864	\$474,360
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REVENUES OVER/(UNDER) EXPENDITURES	\$110,050	\$67,370	\$75,866	\$67,370
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BEGINNING FUND BALANCE- ASSIGNED	\$206,708	\$316,758	\$316,758	\$392,624
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ENDING FUND BALANCE-ASSIGNED	\$316,758	\$384,128	\$392,624	\$459,994
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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.



**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - PUBLIC ACCESS CHANNEL FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
342420 P.E.G. Fees	155,793	169,000	155,884	156,000
361110 Interest Earned - Operating	11,767	7,700	18,688	18,000
TOTAL REVENUES	\$167,560	\$176,700	\$174,572	\$174,000
EXPENDITURES				
Materials and Supplies				
521067 Minor Office Equipment	3,283	0	830	0
522056 Minor Equipment	5,108	15,000	0	15,000
Total Materials and Supplies	\$8,391	\$15,000	\$830	\$15,000
Contractual Services				
531028 Software Licenses	52	0	0	0
Total Contractual Services	\$52	\$0	\$0	\$0
Capital Outlay				
564005 Capital Outlay - Improvements	18,553	1,026,238	0	1,167,073
Total Capital Outlay	\$18,553	\$1,026,238	\$0	\$1,167,073
TOTAL EXPENDITURES	\$26,996	\$1,041,238	\$830	\$1,182,073
REVENUES OVER/(UNDER) EXPENDITURES	\$140,563	(\$864,538)	\$173,742	(\$1,008,073)
BEGINNING FUND BALANCE- RESTRICTED	\$693,767	\$834,331	\$834,331	\$1,008,073
PRIOR YEAR ADJUSTMENT	\$0	\$0	\$0	\$0
ENDING FUND BALANCE-RESTRICTED	\$834,331	(\$30,207)	\$1,008,073	\$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.

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.
- Continue to increase compliance in the UTMB district.
- The implementation of a vehicle immobilization device program to collect past due parking fines.
- The replacement of one of the Parking Enforcement vehicles.
- Renew or establish a new contract for the ALPR and Pay By Phone systems which will include new technology and equipment.
- Expand the ALPR system to include the residential parking enforcement to allow for more efficient enforcement.

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - PARKING MANAGEMENT FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
342510 Parking Meter Fees	803,066	720,000	720,000	720,000
361110 Interest Earned-Operating	8,544	4,000	17,270	17,000
TOTAL REVENUES	\$811,609	\$724,000	\$737,270	\$737,000
EXPENDITURES				
Personnel Services				
511001 Regular Payroll	\$147,617	\$183,792	\$183,430	\$189,430
511002 COLA Increases	0	3,676	0	3,772
511005 Longevity	403	429	700	718
511009 Overtime	2,154	5,000	1,500	2,000
511125 Residency Pay	8,654	8,783	7,000	7,000
511510 Group Health Insurance	23,267	30,240	22,882	30,240
511512 Group Health Insurance Reserve	0	0	0	9,990
511515 Worker's Compensation	1,656	1,106	1,106	1,106
511520 Group Life Insurance	495	586	505	724
511530 Social Security - Employment	9,410	12,504	11,943	12,581
511535 Medicare - Employer's	2,201	2,924	2,793	2,942
511542 City Employee Retirement	14,295	18,151	17,337	18,263
511650 Salary Reimbursements	135,492	176,778	115,552	182,979
Total Personnel Services	\$345,644	\$443,969	\$364,748	\$461,745
Materials and Supplies				
521065 Office Supplies	0	0	280	0
521067 Minor Office Equipment	4,189	30,000	20,000	15,000
522013 Clothing	943	1,900	992	1,000
522017 Sign Materials	263	2,500	500	500
522085 Equipment Parts	0	13,500	5,000	5,000
Total Materials and Supplies	\$5,395	\$47,900	\$26,772	\$21,500
Contractual Services				
531026 Transaction Fees	116,840	95,000	120,000	120,000
531028 Software Licenses	20,622	39,000	25,000	39,000
531240 Maintenance Contracts	0	25,500	32,000	32,000
531350 Garage Charges	17,614	18,932	17,839	17,106
531360 Computer Charges	0	8,309	8,309	8,193
532084 Cellular Service	0	0	1,551	3,600
532087 Aircard Service	2,399	2,496	3,914	4,000
533085 Travel/Training	418	456	532	600
533100 Advertising	0	1,500	811	1,500
Total Contractual Services	\$157,893	\$191,193	\$209,956	\$225,999
Other Charges and Services				
543099 Project Management Cost	5,272	0	1,842	0
544125 Capital Reserve	0	567,490	0	371,501
Total Other Charges and Services	\$5,272	\$567,490	\$1,842	\$371,501
Operating Transfers				
553050 Transfer to Hurricane Harvey Fund	1,065	0	0	0
Total Operating Transfers	\$1,065	\$0	\$0	\$0
Capital Outlay				
564003 Vehicle Capital Outlay	18,928	0	0	0
564005 Capital Outlay - Improvements	0	0	429,460	0
Total Capital Outlay	\$18,928	\$0	\$429,460	\$0
TOTAL EXPENDITURES	\$534,197	\$1,250,552	\$1,032,778	\$1,080,745

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - PARKING MANAGEMENT FUND**

SUMMARY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2019 PROPOSED
REVENUES OVER/(UNDER) EXPENDITURES	\$277,413	(\$526,552)	(\$295,508)	(\$343,746)
BEGINNING FUND BALANCE- RESTRICTED	\$361,841	\$639,254	\$639,254	\$343,746
ENDING FUND BALANCE-RESTRICTED	\$639,254	\$112,702	\$343,746	\$0

FUND HIGHLIGHTS

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

Personnel Services - Increases include annualized cost for personnel (+\$87,008) and increases (+\$9,990) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Net decreases of (-\$5,275) in office supplies and minor equipment.

Contractual Services - Increases include maintaining current level of funding for software licenses (+\$14,000) and increases (+\$2,045) to miscellaneous line items.

Other Charges and Services - Net increases (+\$369,659) set aside as capital reserve.

Capital Outlay - Decrease (-\$429,460) for Downtown Gas Lamp Replacement Project that should be completed in FY2019.

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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	3.00	3.00	3.00
TOTAL	3.50	4.50	4.50	4.50



Community Pool

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 the second operational year of Galveston's first ever community swimming pool at Lasker Park (2016 43rd Street).
- Offered swimming lessons and programs for beginner swimmers.
- Chosen to host the 2021 Texas Public Pool Council Annual Meeting and Conference.
- Created a Subcommittee on the Parks & Recreation Advisory Board for a City of Galveston Recreation Swim team.
- Awarded 2018 Class II Agency of the year from Texas Public Pool Council (TPPC).
- Hosted seven Lifeguard tryouts for future guards.
- Offered over 100 water fitness classes throughout the year.
- Erica Peace was appointed to serve as Chair of the Athletics and Aquatics Committee for Texas Recreation & Park Society (TRAPS) East Region.
- Karris Harrison was appointed to At Large position for Texas Public Pool Council Region 4.
- Staff attended eight (8) job fairs and career days at local area schools.
- Pool Staff taught and trained Recreation Center Staff in CPR and First Aid.
- Increased swim lessons taught by 10% over last year.
- Implemented membership software across all Parks and Recreation facilities, and Lasker Pool.

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, host swimming competitions, and water aerobics classes.
- Provide a safe place for rescue teams and life guards to train and develop.
- Create any outreach program to teach children and adults about water safety.
- Create a City Recreation Swim Team for the City of Galveston Parks and Recreation Department.
- Create a Master Swim class offered to the community.
- Implement pool party rentals during operational hours.
- Offer additional classes to the public on basic first aid and CPR.
- Write / Develop an in-house, comprehensive learn-to-swim program specifically for Galveston / Lasker Pool population.
- 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 10%.

FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - LASKER PARK POOL FUND

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
347100 Recreation Fees	\$0	\$0	\$4,000	\$5,000
347200 Memberships/Admissions	88,984	60,000	80,000	90,000
347300 Rentals	0	0	0	7,000
347400 Concessions	5,169	3,000	5,000	6,000
347420 Training/Education	4,504	5,000	1,000	1,000
361110 Interest Earned - Operating	5,697	0	7,534	8,700
363250 Donations	0	3,000	0	0
379660 I.D.C. Transfer In	250,000	400,000	400,000	300,000
TOTAL REVENUES	\$354,353	\$471,000	\$497,534	\$417,700

EXPENDITURES

Personnel Services

511001 Regular Payroll	92,311	123,915	150,122	167,565
511002 COLA Increases	0	2,478	0	0
511005 Longevity	152	313	51	337
511009 Overtime	1,990	2,000	2,000	2,000
511021 Part-time Payroll	105,022	60,000	110,000	110,000
511125 Residency Pay	3,413	2,500	7,384	7,500
511410 Separation Vacation	449	0	0	0
511420 Separation Sick Pay	1,651	0	0	0
511430 Separation Compensatory Time	192	0	0	0
511510 Group Health Insurance	13,100	23,520	24,392	27,552
511512 Group Health Insurance Reserve	0	0	0	9,102
511515 Workers' Compensation	115	77	77	77
511520 Group Life Insurance	344	480	490	610
511530 Social Security - Employment	12,587	11,855	16,713	17,819
511535 Medicare - Employer's	2,944	2,772	3,909	4,167
511542 City Employee Retirement	9,014	11,809	14,360	15,966
Total Personnel Services	\$243,285	\$241,719	\$329,498	\$362,695

Materials and Supplies

521065 Office Supplies	4,969	5,000	11,000	11,000
521067 Minor Office Equipment	1,455	0	0	0
522011 Chemicals	26,622	40,000	30,000	30,000
522013 Clothing	7,616	5,000	5,500	5,500
522037 Janitorial Supplies	4,920	8,000	7,500	7,500
522038 Safety Supplies	8,237	10,000	6,000	6,000
522040 Recreation Supplies	3,803	6,000	5,000	7,000
522055 Minor Tools	1,731	2,000	3,000	3,000
522056 Minor Equipment	8,341	0	16,288	0
525031 Electricity	30,602	50,000	25,000	35,000
525032 Natural Gas	8,083	15,000	14,000	14,000
Total Materials and Supplies	\$106,379	\$141,000	\$123,288	\$119,000

Contractual Services

531007 Security Service	600	0	0	0
531012 Records Management	0	2,000	1,000	750
531014 Building Security	360	9,000	2,500	2,500
531025 Memberships	699	1,500	1,000	1,000
531028 Software Licenses	5,000	10,000	7,000	7,000
531220 Building Repairs	3,817	5,000	12,000	5,000
531360 Computer Charges	5,000	8,309	8,309	14,748
532065 Printing, Duplication	162	500	1,200	1,200
532083 Telephone Service	1,204	1,800	1,120	1,200
532084 Cellular Service	574	800	1,400	1,400

FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - LASKER PARK POOL FUND

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
532086 Other Communications	6,913	3,000	7,000	6,500
533085 Travel/Training	4,434	8,000	6,000	8,000
533100 Advertising	411	600	1,500	1,500
533200 Food Services	0	5,000	5,000	5,000
Total Contractual Services	\$29,173	\$55,509	\$55,029	\$55,798
Other Charges and Services				
544087 Expense Reimbursement	(90)	(100)	0	0
544105 Bank Service Fees	65	0	300	0
547070 Insurance Expenses	30,000	30,702	30,702	39,403
Total Other Charges and Services	\$29,975	\$30,602	\$31,002	\$39,403
Capital Outlay				
564003 Vehicle Capital Outlay	0	10,588	10,588	0
564005 Capital Outlay - Improvements	5,360	0	0	0
Total Capital Outlay	\$5,360	\$10,588	\$10,588	\$0
Special Events and Programs				
592002 Contingency Reserve	3,926	236,798	(9)	120,832
Total Special Events and Programs	\$3,926	\$236,798	(\$9)	\$120,832
TOTAL EXPENDITURES	\$418,098	\$716,216	\$549,396	\$697,728
REVENUES OVER/(UNDER) EXPENDITURES	(\$63,745)	(\$245,216)	(\$51,862)	(\$280,028)
BEGINNING FUND BALANCE-ASSIGNED	\$395,635	\$331,890	\$331,890	\$280,028
ENDING FUND BALANCE-ASSIGNED	\$331,890	\$86,674	\$280,028	\$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 - Increases include annualized cost for personnel (+\$24,095) and increases (+\$9,102) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Net decreases (-\$4,285) includes decreases for minor equipment and increases allowed for electrical costs.

Contractual Services - Net increase (+\$770) include a decrease for building repairs and increases for computer charges.

Other Charges and Services - Net increase (+\$8,400) for causality and liability insurance.

Capital Outlay - Decrease (-\$10,588) in capital outlay for FY2020.

Special Events and Programs - Set aside (+\$220,832) of Capital Reserve for contingency.

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - PENSION REFORM FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
361110 Interest Earned-Operating	26,305	21,300	22,771	22,000
TOTAL REVENUES	\$26,305	\$21,300	\$22,771	\$22,000
EXPENDITURES				
Contractual Services				
531004 Consultant Services	75,195	50,000	19,204	0
531006 Attorney's Fees	78,052	150,000	0	0
Total Contractual Services	\$153,246	\$200,000	\$19,204	\$0
Operating Transfers				
553025 Operating Transfer Out	75,000	204,743	198,000	0
Total Operating Transfers	\$75,000	\$204,743	\$198,000	\$0
Special Events and Programs				
592000 Contingency Reserve	1,000,000	598,430	0	881,184
Total Special Events and Programs	\$1,000,000	\$598,430	\$0	\$881,184
TOTAL EXPENDITURES	\$1,228,246	\$1,003,173	\$217,204	\$881,184
REVENUES OVER/(UNDER) EXPENDITURES	(\$1,201,942)	(\$981,873)	(\$194,432)	(\$859,184)
BEGINNING FUND BALANCE- ASSIGNED	\$2,255,558	\$1,053,616	\$1,053,616	\$859,184
ENDING FUND BALANCE-ASSIGNED	\$1,053,616	\$71,743	\$859,184	\$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.

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - REVENUE PRODUCING PARKS**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
347150 Beach User Fees	\$163,094	\$95,000	\$92,724	\$95,000
347152 Season Pass	10,745	6,000	4,320	4,000
347154 Vendor/Concessions	21,134	57,001	29,267	44,200
347156 Pavilion Rental/Weddings	0	0	0	1,000
361110 Interest Earned - Operating	691	0	1,703	0
TOTAL REVENUES	\$195,665	\$158,001	\$128,014	\$144,200

EXPENDITURES

Personnel Services

511001 Regular Payroll	13,838	24,000	24,762	24,000
511002 COLA Increases	0	480	0	0
511005 Longevity	0	17,856	0	0
511009 Overtime	0	0	0	0
511021 Part-time Payroll	21,686	17,856	19,939	20,000
511125 Residency Pay	0	0	0	10,000
511510 Group Health Insurance	0	3,360	1,974	3,360
511515 Workers' Compensation	0	150	150	150
511520 Group Life Insurance	0	50	58	58
511530 Social Security - Employment	1,374	2,625	1,910	1,910
511535 Medicare - Employer's	321	614	447	450
511542 City Employee Retirement	0	1,836	2,229	2,229
Total Personnel Services	\$37,219	\$68,827	\$51,468	\$62,157

Materials and Supplies

521073 Printed Materials	2,973	1,867	725	800
522003 Agriculture Supplies	907	0	0	0
522013 Clothing	0	250	208	500
522017 Sign Materials	1,220	6,500	601	800
522037 Janitorial Supplies	1,166	400	50	400
522056 Minor Equipment	525	1,000	3,406	3,500
522075 Pipe and Plumbing Supplies	55	0	0	0
525031 Electricity	2,322	750	3,290	3,500
Total Materials and Supplies	\$9,169	\$10,767	\$8,280	\$9,500

Contractual Services

531014 Building Security	0	5,000	425	450
531026 Transaction Fees	0	3,000	0	0
531119 Landscaping Services	0	2,400	0	1,500
531220 Building Repairs	11,411	2,500	7,044	3,850
531230 Equipment Repairs	0	1,500	260	1,500
531320 Equipment Rental	2,994	4,000	4,754	5,000
532083 Telephone Service	0	400	0	0
532084 Cellular Service	464	200	476	500
533083 Travel Expenses	222	0	121	200
Total Contractual Services	\$15,092	\$19,000	\$13,079	\$13,000

Other Charges and Services

544105 Bank Service Charges	1,566	5,050	722	800
544125 Capital Reserve	0	135,042	0	186,748
547040 Administrative Service Charge	15,885	0	4,705	4,700
Total Other Charges and Services	\$17,451	\$140,092	\$5,427	\$192,248

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - REVENUE PRODUCING PARKS**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Capital Outlay				
564003 Vehicle Capital Outlay	0	20,500	33,787	0
Total Capital Outlay	\$0	\$20,500	\$33,787	\$0
TOTAL EXPENDITURES	\$78,932	\$259,186	\$112,042	\$276,905
REVENUES OVER/(UNDER) EXPENDITURES	\$116,733	(\$101,185)	\$15,972	(\$132,705)
BEGINNING FUND BALANCE- RESTRICTED	\$0	\$116,733	\$116,733	\$132,705
ENDING FUND BALANCE-RESTRICTED	\$116,733	\$15,548	\$132,705	\$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 (+\$10,690) includes funding for residency pay.

Materials and Supplies - Net increase (+\$1,220) for various supply line items

Contractual Services - Net decreases (-\$80) includes adjustments to various line items.

Other Charges and Services - Net increase (+186,821) includes funding of \$186,478 for capital reserve.

Capital Outlay - No funding (-\$33,787) needed for capital purchases in FY2020.

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2019 PROPOSED
Assistant Director of Parks	0.00	0.00	0.40	0.40
TOTAL	0.00	0.00	0.40	0.40

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - ASSET FORFEITURE FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
332110 Drug Enforcement Agency	\$116,757	\$25,000	\$50,000	\$50,000
361110 Interest Earned-Operating	3,107	2,100	4,326	3,000
378000 Sale of General Fixed Assets	0	0	0	0
TOTAL REVENUES	\$119,864	\$27,100	\$54,326	\$53,000
EXPENDITURES				
Materials and Supplies				
522014 Protective Gear	0	25,000	0	15,000
522025 Fuel and Lubricants	160	0	0	0
522056 Minor Equipment	71,585	60,000	50,000	75,000
522085 Equipment Parts	28,039	8,700	0	0
Total Materials and Supplies	\$99,783	\$93,700	\$50,000	\$90,000
Contractual Services				
531230 Equipment Repairs	0	0	0	10,000
533085 Travel/Training	0	28,377	10,000	20,000
Total Contractual Services	\$0	\$28,377	\$10,000	\$30,000
Other Charges and Services				
544125 Capital Reserve	0	0	0	91,276
Total Other Charges and Services	\$0	\$0	\$0	\$91,276
Capital Outlay				
563015 Technology Improvements	0	0	0	15,000
564117 Machinery and Equipment	8,279	13,000	14,700	15,000
Total Capital Outlay	\$8,279	\$13,000	\$14,700	\$30,000
TOTAL EXPENDITURES	\$108,062	\$135,077	\$74,700	\$241,276
REVENUES OVER/(UNDER) EXPENDITURES	\$11,802	(\$107,977)	(\$20,374)	(\$188,276)
BEGINNING FUND BALANCE- RESTRICTED	\$196,849	\$208,651	\$208,651	\$188,277
ENDING FUND BALANCE- RESTRICTED	\$208,651	\$100,674	\$188,277	\$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.

FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - POLICE SPECIAL REVENUE FUND

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
334030 TX Dept. of Public Safety	\$10,874	\$11,000	\$11,315	\$11,000
335005 Local Forfeiture Receipts	9,566	30,000	10,000	10,000
361110 Interest Earned-Operating	1,655	1,100	2,244	1,500
363270 Towed/Abandoned Vehicles	19,153	15,000	15,000	15,000
TOTAL REVENUES	\$41,248	\$57,100	\$38,559	\$37,500
EXPENDITURES				
Materials and Supplies				
521095 Petty Cash	7,079	20,000	5,000	6,537
522025 Fuel and Lubricants	8,225	6,500	7,272	8,000
522056 Minor Equipment	9,091	78,743	85,243	60,000
Total Materials and Supplies	\$24,395	\$105,243	\$97,515	\$74,537
Contractual Services				
533085 Travel/Training	6,575	13,500	6,228	12,000
Total Contractual Services	\$6,575	\$13,500	\$6,228	\$12,000
TOTAL EXPENDITURES	\$30,969	\$118,743	\$103,743	\$86,537
REVENUES OVER/(UNDER) EXPENDITURES	\$10,279	(\$61,643)	(\$65,184)	(\$49,037)
BEGINNING FUND BALANCE- RESTRICTED	\$103,941	\$114,221	\$114,221	\$49,037
PRIOR YEAR ADJUSTMENT	\$0	\$0	\$0	\$0
ENDING FUND BALANCE- RESTRICTED	\$114,221	\$52,578	\$49,037	\$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.

FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - POLICE QUARTERMASTER FUND

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
361110 Interest Earned-Operating	\$547	\$600	\$350	\$300
379000 Operating Transfer In	78,000	83,000	81,500	83,000
TOTAL REVENUES	\$78,547	\$83,600	\$81,850	\$83,300
EXPENDITURES				
Materials and Supplies				
522013 Clothing	78,174	91,010	75,178	98,730
Total Materials and Supplies	\$78,174	\$91,010	\$75,178	\$98,730
TOTAL EXPENDITURES	\$78,174	\$91,010	\$75,178	\$98,730
REVENUES OVER/(UNDER) EXPENDITURES	\$373	(\$7,410)	\$6,672	(\$15,430)
BEGINNING FUND BALANCE- RESTRICTED	\$8,385	\$8,758	\$8,758	\$15,430
PRIOR YEAR ADJUSTMENT	\$0	\$0	\$0	\$0
ENDING FUND BALANCE- RESTRICTED	\$8,758	\$1,348	\$15,430	\$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.

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - ALARM PERMIT FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
321325 Alarm Permit	\$69,305	\$62,000	\$65,000	\$65,000
361110 Interest Earned-Operating	1,345	900	1,772	2,000
TOTAL REVENUES	\$70,650	\$62,900	\$66,772	\$67,000
EXPENDITURES				
Personnel Services				
511001 Regular Payroll	\$33,264	\$33,929	\$34,061	\$31,070
511005 Longevity	381	417	418	400
511006 Differential Pay	675	675	678	0
511009 Overtime	4,117	4,000	2,332	1,000
511125 Residency Pay	1,875	1,892	1,882	1,882
511510 Group Health Insurance	5,040	5,040	5,040	6,705
511520 Group Life Insurance	128	128	131	120
511530 Social Security - Employment	2,234	2,537	2,441	2,130
511535 Medicare - Employer's	523	593	571	498
511542 City Employee Retirement	3,628	3,682	3,543	3,092
511650 Salary Reimbursements	0	16,000	16,000	16,000
Total Personnel Services	\$51,865	\$68,893	\$67,097	\$62,897
Materials and Supplies				
521065 Office Supplies	1,604	2,000	1,600	2,000
Total Materials and Supplies	\$1,604	\$2,000	\$1,600	\$2,000
Contractual Services				
531025 Memberships	175	0	0	0
531028 Software Licenses	4,824	4,825	5,936	6,000
532065 Printing, Duplication	0	0	0	0
533085 Travel/Training	2,064	2,500	402	500
Total Contractual Services	\$7,063	\$7,325	\$6,338	\$6,500
Other Charges and Services				
544125 Capital Reserve	0	40,528	0	66,726
Total Other Charges and Services	\$0	\$40,528	\$0	\$66,726
TOTAL EXPENDITURES	\$60,532	\$118,746	\$75,036	\$138,123
REVENUES OVER/(UNDER) EXPENDITURES	\$10,118	(\$55,846)	(\$8,264)	(\$71,123)
BEGINNING FUND BALANCE-RESTRICTED	\$69,268	\$79,386	\$79,386	\$71,123
PRIOR YEAR ADJUSTMENT	\$0	\$0	\$0	\$0
ENDING FUND BALANCE-RESTRICTED	\$79,386	\$23,540	\$71,123	\$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

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
POSITION				
Police Administrative Services Manager	0.75	0.75	0.75	0.00
Code Enforcement Officer	0.00	0.00	0.00	0.75
TOTAL	0.75	0.75	0.75	0.75

FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - FIRE SPECIAL REVENUE FUND

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
334030 TX Dept. of Public Safety	\$911	\$915	\$853	\$850
361110 Interest Earned-Operating	740	400	1,760	1,700
363200 Other Revenues	22,500	22,500	22,500	22,500
TOTAL REVENUES	\$24,150	\$23,815	\$25,112	\$25,050
EXPENDITURES				
Materials and Supplies				
522056 Minor Equipment	511	44,131	20,000	20,000
Total Materials and Supplies	\$511	\$44,131	\$20,000	\$20,000
Contractual Services				
533088 Training Expenses	315	915	853	850
Total Contractual Services	\$315	\$915	\$853	\$850
Other Charges and Services				
544087 Expense Reimbursement	(107,876)	0	(3,125)	0
Total Other Charges and Services	(\$107,876)	\$0	(\$3,125)	\$0
Capital Outlay				
564117 Machinery and Equipment	27,209	0	0	145,528
Total Capital Outlay	\$27,209	\$0	\$0	\$145,528
TOTAL EXPENDITURES	(\$79,842)	\$45,046	\$17,728	\$166,378
REVENUES OVER/(UNDER) EXPENDITURES	\$103,992	(\$21,231)	\$7,384	(\$141,328)
BEGINNING FUND BALANCE-RESTRICTED	\$29,952	\$133,944	\$133,944	\$141,328
PRIOR YEAR ADJUSTMENT	\$0	\$0	\$0	\$0
ENDING FUND BALANCE-RESTRICTED	\$133,944	\$112,714	\$141,328	\$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.

FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - MUNICIPAL COURT BUILDING SECURITY FUND

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
351170 Building Security Funding Fee	\$21,610	\$21,200	\$21,200	\$21,200
361110 Interest Earned-Operating	790	500	860	500
TOTAL REVENUES	\$22,400	\$21,700	\$22,060	\$21,700
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	26,627	34,986	21,082	32,089
Total Personnel Services	\$26,627	\$34,986	\$21,082	\$32,089
Materials and Supplies				
521067 Minor Office Equipment	0	5,754	4,463	10,181
522013 Clothing	1,427	2,000	0	0
Total Materials and Supplies	\$1,427	\$7,754	\$4,463	\$10,181
Contractual Services				
531007 Security Service	6,148	6,000	5,838	6,500
532086 Other Communications	270	270	270	270
532087 Aircard Service	419	400	0	0
Total Contractual Services	\$6,837	\$6,670	\$6,108	\$6,770
TOTAL EXPENDITURES	\$34,892	\$49,410	\$31,653	\$49,040
REVENUES OVER/(UNDER) EXPENDITURES	(\$12,492)	(\$27,710)	(\$9,593)	(\$27,340)
BEGINNING FUND BALANCE-ASSIGNED	\$49,425	\$36,933	\$36,933	\$27,340
PRIOR YEAR ADJUSTMENT	\$0	\$0	\$0	\$0
ENDING FUND BALANCE-ASSIGNED	\$36,933	\$9,223	\$27,340	\$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.

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - MUNICIPAL COURT TECHNOLOGY FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
351172 Municipal Court Technology Fee	\$28,813	\$28,300	\$28,300	\$28,300
361110 Interest Earned-Operating	1,502	950	2,017	1,000
TOTAL REVENUES	\$30,315	\$29,250	\$30,317	\$29,300
EXPENDITURES				
Materials and Supplies				
521067 Minor Office Equipment	6,740	62,709	8,000	29,856
Total Materials and Supplies	\$6,740	\$62,709	\$8,000	\$29,856
Contractual Services				
531028 Software Licenses	0	75,000	40,181	0
531240 Maintenance Contracts	0	0	0	23,682
Total Contractual Services	\$0	\$75,000	\$40,181	\$23,682
Other Charges and Services				
544125 Capital Reserve	0	0	0	60,657
Total Other Charges and Services	\$0	\$0	\$0	\$60,657
TOTAL EXPENDITURES	\$6,740	\$137,709	\$48,181	\$114,195
REVENUES OVER/(UNDER) EXPENDITURES	\$23,575	(\$108,459)	(\$17,864)	(\$84,895)
BEGINNING FUND BALANCE-ASSIGNED	\$79,184	\$102,759	\$102,759	\$84,895
PRIOR YEAR ADJUSTMENT	\$0	\$0	\$0	\$0
ENDING FUND BALANCE-ASSIGNED	\$102,759	(\$5,700)	\$84,895	\$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.

FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - MUNICIPAL COURT JUVENILE SERVICES FUND

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
351176 Juvenile Case Manager Fees	\$31,752	\$30,775	\$30,775	\$30,000
361110 Interest Earned-Operating	2,274	1,475	3,244	1,500
TOTAL REVENUES	\$34,026	\$32,250	\$34,019	\$31,500
EXPENDITURES				
Personnel Services				
511650 Salary Reimbursements	15,190	15,000	13,854	15,000
Total Personnel Services	\$15,190	\$15,000	\$13,854	\$15,000
Other Charges and Services				
544125 Capital Reserve	0	164,610	0	184,756
Total Other Charges and Services	\$0	\$164,610	\$0	\$184,756
TOTAL EXPENDITURES	\$15,190	\$179,610	\$13,854	\$199,756
REVENUES OVER/(UNDER) EXPENDITURES	\$18,836	(\$147,360)	\$20,165	(\$168,256)
BEGINNING FUND BALANCE-ASSIGNED	\$129,254	\$148,091	\$148,091	\$168,256
PRIOR YEAR ADJUSTMENT	\$0	\$0	\$0	\$0
ENDING FUND BALANCE-ASSIGNED	\$148,091	\$731	\$168,256	\$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.

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - RECOVERY AND CAPITAL RESERVE FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
379000 Operating Transfer In	0	6,128,000	6,128,000	0
TOTAL REVENUES	\$0	\$6,128,000	\$6,128,000	\$0
EXPENDITURES				
Contractual Services				
531006 Attorney's Fees	1,250,108	950,000	146,406	200,000
Total Contractual Services	\$1,250,108	\$950,000	\$146,406	\$200,000
Other Charges and Services				
543099 Project Mgmt. Costs (Capital Projects)	21,528	5,806	5,806	0
544097 Expense Reimbursement - Other	(455)	0	0	0
544125 Capital Reserve	4,000	1,264,358	0	0
Total Other Charges and Services	\$25,072	\$1,270,164	\$5,806	\$0
Capital Outlay				
564005 Capital Outlay - Improvements	41,602	754,815	272,181	1,000,000
Total Capital Outlay	\$41,602	\$754,815	\$272,181	\$1,000,000
Special Events and Programs				
591065 CDM Settlement	0	8,220,000	8,220,000	0
Total Special Events and Programs	\$0	\$8,220,000	\$8,220,000	\$0
TOTAL EXPENDITURES	\$1,316,782	\$11,194,979	\$8,644,394	\$1,200,000
REVENUES OVER/(UNDER) EXPENDITURES	(\$1,316,782)	(\$5,066,979)	(\$2,516,394)	(\$1,200,000)
BEGINNING FUND BALANCE-COMMITTED	\$5,033,176	\$3,716,393	\$3,716,393	\$1,200,000
ENDING FUND BALANCE-COMMITTED	\$3,716,393	(\$1,350,586)	\$1,200,000	\$0

FUND HIGHLIGHTS

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



**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - TECHNOLOGY IMPROVEMENT FUND**

SUMMARY

REVENUES	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
General Fund	\$0	\$0	\$0	\$0
Waterworks Fund	58,700	0	0	0
Sewer System Fund	58,700	0	0	0
Sanitation Fund	35,500	0	0	0
Drainage Fund	20,200	0	0	0
Airport Fund	6,500	0	0	0
Central Service Fund	290,000	0	290,000	0
Interest Earned	13,238	5,000	21,984	15,000
TOTAL REVENUES	\$482,838	\$5,000	\$311,984	\$15,000

EXPENDITURES

Capital Outlay

Technology Projects:				
Accela Software Upgrade	154,266	113,118	46,841	66,276
Public Works work order system	320	106,081	31,000	75,081
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	0	100,916	260,852	0
CAFR Solution Implementation	43,425	0	0	0
Electronic Document Management Implementation	126,350	160,650	12,473	148,177
Kronos Upgrade/HR Software Project	0	300,000	0	300,000
Banner Financial System Upgrade	0	75,000	0	75,000
Mobile Based Service Request System	0	100,000	0	100,000
Technology Acquisition Reserve	0	190,673	0	197,852
Total Capital Outlay	\$324,360	\$1,286,437	\$351,166	\$1,102,386
TOTAL EXPENDITURES	\$324,360	\$1,286,437	\$351,166	\$1,102,386

REVENUES OVER/(UNDER) EXPENDITURES	\$158,478	(\$1,281,437)	(\$39,182)	(\$1,087,386)
BEGINNING FUND BALANCE-ASSIGNED	\$968,091	\$1,126,568	\$1,126,568	\$1,087,386
PRIOR YEAR ADJUSTMENTS	\$0	\$0	\$0	\$0
ENDING FUND BALANCE-ASSIGNED	\$1,126,568	(\$154,869)	\$1,087,386	\$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.

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - TECHNOLOGY IMPROVEMENT FUND**

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
379000 Operating Transfers - In	290,000	0	290,000	0
379100 Waterworks - Transfer In	58,700	0	0	0
379200 Sewer System - Transfer In	58,700	0	0	0
379300 Sanitation - Transfer In	35,500	0	0	0
379325 Drainage - Transfer In	20,200	0	0	0
379700 Airport - Transfer In	6,500	0	0	0
361110 Interest Earned-Operating	13,238	5,000	21,984	15,000
TOTAL REVENUES	\$482,838	\$5,000	\$311,984	\$15,000
EXPENDITURES				
Contractual Services				
531028 Software Licenses	43,425	0	0	0
Total Contractual Services	\$43,425	\$0	\$0	\$0
Other Charges and Services				
544125 Capital Reserve	0	190,673	0	197,852
Total Other Charges and Services	\$0	\$190,673	\$0	\$197,852
Capital Outlay				
563015 Technology Improvements	154,266	467,128	268,523	246,586
564008 Data Processing Equipment	320	14,680	0	14,680
564009 Data Processing - Software	126,350	100,441	43,473	168,922
564012 Professional Services (Projects)	0	495,934	39,170	456,763
Total Capital Outlay	\$280,935	\$1,078,182	\$351,166	\$886,952
Special Events and Programs				
592002 Construction Contingency	0	17,582	0	17,582
Total Special Events and Programs	\$0	\$17,582	\$0	\$17,582
TOTAL EXPENDITURES	\$324,360	\$1,286,437	\$351,166	\$1,102,386
REVENUES OVER/(UNDER) EXPENDITURES	\$158,478	(\$1,281,437)	(\$39,182)	(\$1,087,386)
BEGINNING FUND BALANCE-ASSIGNED	\$968,091	\$1,126,568	\$1,126,568	\$1,087,386
PRIOR YEAR ADJUSTMENT	\$0	\$0	\$0	\$0
ENDING FUND BALANCE-ASSIGNED	\$1,126,568	(\$154,869)	\$1,087,386	\$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.

**FY2020 PROPOSED BUDGET
SPECIAL REVENUE FUND - HURRICANE HARVEY**

SUMMARY

REVENUES	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Transfer In (Reimbursable at 90%)				
379400 General Fund	\$186,700	\$1,364,293	\$14,302	\$0
379000 Special Revenue Funds	33,980	450,000	0	150,161
379100 Water	8,377	0	0	0
379200 Sewer	80,752	33,634	36,611	7,207
379300 Sanitation	0	0	920,167	0
379800 Central Garage	20,950	19,535	0	0
379700 Airport	4,034	144,000	17,859	61,636
Reimbursable Subtotal	\$334,792	\$2,011,462	\$988,940	\$219,004
Transfer In (Local Match 10%)				
379400 General Fund	10,734	227,583	3,731	7,611
379000 Special Revenue Funds	2,670	50,000	0	17,680
379100 Water	931	0	0	0
379200 Sewer	8,972	3,737	2,416	801
379300 Sanitation	0	0	0	0
379800 Central Garage	2,328	2,171	0	0
379700 Airport	448	16,000	1,984	8,604
Local Match Subtotal	\$26,083	\$299,491	\$8,132	\$34,695
Insurance Proceeds/Donations				
348645 General Fund	122,701	0	0	0
348645 Central Garage	3,687	0	0	0
348645 Airport	28,005	0	0	0
371600 Local Contributions	200,000	0	(200,000)	0
TOTAL REVENUES	\$715,268	\$2,310,953	\$797,072	\$253,700
EXPENDITURES				
Other Charges and Services				
547055 General Fund				
Disaster Consulting	\$90,091	\$0	(\$4,415)	\$0
Fire	0	0	0	7,813
Streets	30,670	282,853	57,352	134,914
Traffic	0	0	0	0
Parks	32,983	162,973	4,006	160,310
Subtotal - General Fund	\$153,744	\$445,826	\$56,942	\$303,037
547055 Island Transit	0	16,050	0	16,050
547055 Parking Management	10,645	0	0	0
547055 Water	9,308	0	0	0
547055 Sewer	70,700	37,371	60,952	6,759
547055 Sanitation	0	0	920,167	0
547055 Central Garage	18,587	21,705	0	8,379
547055 Airport	17,552	160,000	98,473	4,789
547055 Facilities (City Hall)	9,954	900,000	0	0
Total Other Charges and Services	\$136,746	\$1,135,126	\$1,079,593	\$35,977
TOTAL EXPENDITURES	\$290,491	\$1,580,953	\$1,136,535	\$339,014

SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES OVER/(UNDER) EXPENDITURES	\$424,778	\$730,001	(\$339,463)	(\$85,315)
BEGINNING FUND BALANCE-COMMITTED	\$0	\$424,778	\$424,778	\$85,315
ENDING FUND BALANCE-COMMITTED	\$424,778	\$1,154,778	\$85,315	\$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

- Harris County Rides has assumed ALL Demand Response service responsibilities to reduce operational cost for Demand Response through subsidized taxi services
- Successfully applied for and received 5310 funding for FY20/21, which will be utilized specifically to help reduce the costs of the Harris County RIDES Program.
- Successfully completed, and made final payment in regards to the Phase II of the Seawall Enhancements Project.
- Livable Communities Phase II improvements gone out for bid and construction underway.

Goals

- Receive Rail Trolleys 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

**FY2020 PROPOSED BUDGET
ISLAND TRANSIT SPECIAL FUND SUMMARY**

	FY2018 ACTUAL	FY2020 BUDGET	FY2020 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	(\$221,721)	\$5,967	\$5,967	\$10,749
Revenues:				
FTA-Operating Grant	\$1,811,281	\$2,012,094	\$1,612,669	\$1,500,000
FTA E & D Grant	511,534	0	0	0
Victory Lakes	0	0	30,000	120,000
State DOT Grants	481,287	431,335	431,335	445,000
Fare Box Revenues	310,652	245,000	258,477	300,000
UTMB Shuttles	110,000	41,000	61,106	40,000
Port Cruise Shuttles	150,914	0	0	0
Sale of equipment	13,595	0	0	0
Other Revenue	63,293	0	66,437	73,200
HOT Transfer In	372,407	1,095,033	454,960	954,625
General Fund	915,000	600,000	893,470	800,000
Total Revenues	\$4,739,963	\$4,424,462	\$3,808,454	\$4,232,825
Expenditures:				
Administration	\$520,444	\$398,976	\$414,637	\$312,156
Transit System	2,344,768	1,770,715	1,885,828	1,892,507
FTA Maintenance	1,241,428	1,159,061	984,342	1,028,584
Bus Trolley System	446,472	665,473	518,865	498,523
Rail Trolley System	0	429,560	0	456,102
Total Expenditures	\$4,553,111	\$4,423,785	\$3,803,672	\$4,187,872
Excess (deficiency) of revenues over (under) expenditures	\$186,852	\$677	\$4,782	\$44,953
Prior Year Adjustment	\$40,836	\$0	\$0	\$0
Ending Fund Balance - Committed	\$5,967	\$6,644	\$10,749	\$55,702

	2018 Actual	2019 Budget	2020 Budget	Salary Costs
Personnel summary				
Administration	4.00	3.00	1.75	\$168,049
Transit System	37.00	31.50	19.95	1,213,317
FTA Maintenance	17.00	15.00	12.00	811,632
Bus Trolley System	0.00	6.50	6.80	416,597
Rail Trolley System	0.00	0.00	0.00	75,897
Totals	58.00	56.00	40.50	\$2,192,998

**FY2020 PROPOSED BUDGET
ISLAND TRANSIT FUND
EXPENDITURE SUMMARY**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Administration	520,444	398,976	414,637	312,156
Transit System	2,344,768	1,770,715	1,885,828	1,892,507
FTA Maintenance	1,241,428	1,159,061	984,342	1,028,584
Bus Trolley System	446,472	665,473	518,865	498,523
Rail Trolley System	0	429,560	0	456,102
TOTAL	\$4,553,111	\$4,423,785	\$3,803,672	\$4,187,872

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$3,274,890	\$3,047,856	\$2,662,369	\$2,685,492
Materials and Supplies	432,913	385,967	204,910	392,800
Contractual Services	794,487	910,623	866,285	1,063,855
Other Charges and Services	50,822	79,339	70,108	45,725
TOTAL	\$4,553,111	\$4,423,785	\$3,803,672	\$4,187,872

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Net increase of \$23,123 includes reduction in staff and overtime and related benefit costs (-\$66,787) and an increase (+\$89,910) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Net increase of \$187,890 includes (+\$175,000) for a six month operation of rail trolley system and miscellaneous increases (+\$12,890) throughout the Department.

Contractual Services - Total increase of \$197,570 includes (+\$205,205) for a six month operation of rail trolley system and miscellaneous decreases (-\$7,635) throughout the Department.

Other Charges and Services - Includes a reduction (\$-24,213) in Island Transit's portion of Casualty and Liability and miscellaneous decreases (-\$170) throughout the Department.



**FY2020 PROPOSED BUDGET
ADMINISTRATION**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$371,699	\$297,566	\$277,974	\$168,049
Materials and Supplies	39,596	41,100	27,969	33,300
Contractual Services	108,841	94,113	108,150	110,207
Other Charges and Services	307	(33,803)	544	600
TOTAL	\$520,444	\$398,976	\$414,637	\$312,156

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net decrease (-\$109,925) includes transfer of 10% administrative fees (-\$18,530) to Rubber wheel and Rail Trolley System and move 50% of Assistant City Manager's salary to Community Services in the General Fund.

Materials and Supplies - Net increase (+\$5,330) in miscellaneous material and supply line items.

Contractual Services - Net increase of (+\$2,060) for miscellaneous contractual line items.

Other Charges and Services - Increase in bank service fees (+\$56).

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Assistant City Manager/Grants & Public Transportation	1.00	1.00	1.00	0.25
Public Transportation General Manager	1.00	0.00	0.00	0.00
Grants & Federal Compliance Officer	1.00	1.00	1.00	0.75
Senior Administrative Assistant	1.00	1.00	1.00	0.75
TOTAL	4.00	3.00	3.00	1.75

**FY2020 PROPOSED BUDGET
ADMINISTRATION**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$268,790	\$234,996	\$233,955	\$120,137
511002 COLA Increases	0	4,700	0	0
511005 Longevity	1,505	3,525	1,322	1,329
511009 Overtime	0	1,507	0	0
511125 Residency Pay	5,000	5,019	5,000	5,019
511410 Separation Vacation	11,752	0	0	0
511420 Separation Sick Pay	30,316	0	0	0
511510 Group Health Insurance	21,693	25,200	18,271	15,855
511512 Group Health Insurance Reserve	0	0	0	3,885
511515 Worker's Compensation	387	259	259	259
511520 Group Life Insurance	586	778	489	505
511530 Social Security - Employment	18,651	15,484	13,648	7,842
511535 Medicare - Employer's	4,458	3,621	3,405	1,834
511542 City Employee Retirement	28,563	22,477	21,625	11,384
511650 Salary Reimbursements	(20,000)	(20,000)	(20,000)	0
Total Personnel Services	\$371,699	\$297,566	\$277,974	\$168,049
Materials and Supplies				
521065 Office Supplies	1,946	1,000	500	1,000
521073 Printed Materials	395	400	200	200
522037 Janitorial Supplies	7,492	6,800	4,012	5,000
522099 Other Supplies	704	400	618	700
525031 Electricity	25,330	29,000	21,976	25,000
525032 Natural Gas	3,729	3,500	663	1,400
Total Materials and Supplies	\$39,596	\$41,100	\$27,969	\$33,300
Contractual Services				
531007 Security Service	7,802	6,000	6,921	7,000
531025 Memberships	1,970	2,000	1,496	1,500
531116 Hazardous Waste Disposal & Supplies	0	500	0	500
531125 Other Contracts	60,321	50,000	55,574	60,000
531220 Building Repairs	180	500	250	250
531360 Computer Charges	11,923	12,463	12,463	8,557
532062 Postage	789	650	387	400
532065 Printing, Duplication	3,538	4,000	2,711	3,000
532083 Telephone Service	17,980	15,000	24,807	25,000
532084 Cellular Service	2,170	2,000	2,869	3,000
533085 Travel/Training	2,169	1,000	671	1,000
Total Contractual Services	\$108,841	\$94,113	\$108,150	\$110,207
Other Charges and Services				
544087 Expense Reimbursement	0	(33,803)	0	0
544105 Bank Service Charges	307	0	544	600
Total Other Charges and Services	\$307	(\$33,803)	\$544	\$600
Total Expenses	\$520,444	\$398,976	\$414,637	\$312,156

**FY2020 PROPOSED BUDGET
TRANSIT SYSTEM**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,692,449	\$1,146,471	\$1,184,832	\$1,213,317
Materials and Supplies	17,615	39,700	22,128	23,500
Contractual Services	523,387	485,206	579,530	580,565
Other Charges and Services	111,317	99,338	99,338	75,125
TOTAL	\$2,344,768	\$1,770,715	\$1,885,828	\$1,892,507

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase of \$28,485 includes reduction in staff and overtime and related benefit costs (- \$15,804) and an increase (+\$44,289) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Net increase (+\$1,375) for office supplies and fuel and lubricants.

Contractual Services - Included are increases (+\$74,974) for Harris County Rides Program and reductions (- \$73,940) in garage charges and computer charges.

Other Charges and Services - Includes a reduction (\$-24,213) in Island Transit's portion of Casualty and Liability.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Ridership	744,382	635,362	400,000	400,000

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Public Transportation Operations Manager	1.00	1.00	1.00	0.75
Public Transportation Supervisors	3.00	2.50	2.50	2.00
Public Transportation Dispatcher	1.00	1.00	1.00	1.00
Bus & Rail Safety Officer	0.00	1.00	1.00	0.20
Transit Operators	32.00	26.00	16.00	16.00
TOTAL	37.00	31.50	21.50	19.95

**FY2020 PROPOSED BUDGET
TRANSIT SYSTEM**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$1,024,058	\$723,688	\$718,377	\$698,347
511002 COLA Increases	0	14,474	0	0
511005 Longevity	9,474	10,256	9,470	9,550
511006 Differential Pay	1,007	904	904	904
511009 Overtime	158,207	25,000	88,220	75,000
511021 Part-time Payroll	11,155	7,500	8,272	7,500
511125 Residency Pay	38,643	40,000	30,699	31,369
511410 Separation Vacation	1,399	0	2,130	0
511420 Separation Sick Pay	992	0	98	0
511510 Group Health Insurance	200,005	154,560	154,848	180,747
511512 Group Health Insurance Reserve	0	0	0	44,289
511515 Workers' Compensation	39,618	26,469	26,469	26,469
511520 Group Life Insurance	3,923	2,992	3,204	2,726
511530 Social Security - Employment	75,051	52,701	53,207	51,049
511535 Medicare - Employer's	17,552	12,325	12,443	11,939
511542 City Employee Retirement	111,365	75,602	76,491	73,428
Total Personnel Services	\$1,692,449	\$1,146,471	\$1,184,832	\$1,213,317
Materials and Supplies				
521065 Office Supplies	2,023	2,200	2,931	3,000
521067 Minor Office Equipment	724	2,500	2,500	2,500
522025 Fuel And Lubricants	14,868	35,000	16,698	18,000
Total Materials and Supplies	\$17,615	\$39,700	\$22,128	\$23,500
Contractual Services				
530025 Harris County Rides Program	194,149	153,188	325,026	400,000
531220 Building Repairs	2,909	5,000	3,284	4,000
531350 Garage Charges	294,891	253,626	167,109	130,000
531360 Computer Charges	15,898	55,392	55,392	39,965
532065 Printing, Duplication	761	3,000	1,528	1,600
532066 Print Shop Charges	833	1,000	609	1,000
533085 Travel/Training	411	1,000	965	1,000
533301 Cleaning Service	11,627	13,000	2,717	3,000
Total Contractual Services	\$523,387	\$485,206	\$579,530	\$580,565
Other Charges and Services				
547070 Insurance Expense	111,317	99,338	99,338	75,125
Total Other Charges and Services	\$111,317	\$99,338	\$99,338	\$75,125
Total Expenses	\$2,344,768	\$1,770,715	\$1,885,828	\$1,892,507

**FY2020 PROPOSED BUDGET
FTA MAINTENANCE**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$830,675	\$896,133	\$764,437	\$811,632
Materials and Supplies	375,868	178,500	149,080	151,000
Contractual Services	92,582	104,428	100,600	95,952
Other Charges and Services	(57,698)	(20,000)	(29,774)	(30,000)
TOTAL	\$1,241,428	\$1,159,061	\$984,342	\$1,028,584

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Increases include (+\$20,556) for annualized cost for personnel and an increase (+\$26,640) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Net increase (+\$1,920) for minor tools and other supplies.

Contractual Services - Net decrease (-\$4,650) includes reduction in computer charges.

Other Charges and Services - Net decrease of (-\$226) for reimbursements from insurance claims.

PERSONNEL				
POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Fleet Maintenance Supervisor	2.00	2.00	2.00	2.00
Automotive Mechanic	7.00	7.00	6.00	6.00
Automotive Parts Technician	2.00	2.00	2.00	2.00
Bus Service Attendant	6.00	4.00	2.00	2.00
TOTAL	17.00	15.00	12.00	12.00

**FY2020 PROPOSED BUDGET
FTA MAINTENANCE**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$536,694	\$576,212	\$524,210	\$511,907
511002 COLA Increases	0	11,524	0	0
511005 Longevity	7,859	8,643	8,103	8,151
511006 Differential Pay	0	8,177	0	8,192
511009 Overtime	45,722	40,000	21,447	25,000
511125 Residency Pay	19,682	23,000	12,596	12,554
511410 Separation Vacation	3,085	0	0	0
511420 Separation Sick Pay	2,083	0	0	0
511510 Group Health Insurance	91,842	100,800	87,455	108,720
511512 Group Health Insurance Reserve	0	0	0	26,640
511515 Worker's Compensation	21,408	14,303	14,303	14,303
511520 Group Life Insurance	2,074	2,325	2,025	1,958
511530 Social Security - Employment	36,356	41,389	35,114	35,080
511535 Medicare - Employer's	8,503	9,680	8,212	8,204
511542 City Employee Retirement	55,369	60,080	50,972	50,922
Total Personnel Services	\$830,675	\$896,133	\$764,437	\$811,632
Materials and Supplies				
521065 Office Supplies	0	0	1,025	1,000
522037 Janitorial Supplies	0	0	2,000	2,000
522055 Minor Tools	2,534	3,000	13,062	14,000
522059 Motor Vehicle Parts	359,271	159,000	125,779	126,000
522099 Other Supplies	14,063	16,500	7,215	8,000
Total Materials and Supplies	\$375,868	\$178,500	\$149,080	\$151,000
Contractual Services				
531125 Other Contracts	14,799	17,500	14,852	15,000
531220 Building Repairs	1,189	1,000	649	1,000
531250 Vehicle Repairs	48,269	35,000	34,171	35,000
531360 Computer Charges	15,898	36,928	36,928	30,952
533301 Cleaning Service	12,428	14,000	14,000	14,000
Total Contractual Services	\$92,582	\$104,428	\$100,600	\$95,952
Other Charges and Services				
544098 Reimbursable From Insurance Claims	(57,698)	(20,000)	(29,774)	(30,000)
Total Other Charges and Services	(\$57,698)	(\$20,000)	(\$29,774)	(\$30,000)
Total Expenses	\$1,241,428	\$1,159,061	\$984,342	\$1,028,584

**FY2020 PROPOSED BUDGET
BUS TROLLEY SYSTEM**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$380,066	\$553,354	\$435,127	\$416,597
Materials and Supplies	(166)	10,000	5,733	10,000
Contractual Services	69,676	85,217	78,006	71,926
Other Charges and Services	(3,105)	16,902	0	0
TOTAL	\$446,472	\$665,473	\$518,865	\$498,523

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Decreases include (-\$33,625) for annualized cost for personnel and an increase (+\$15,096) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Net increase (+\$4,267) for motor vehicle parts.

Contractual Services - Included is a decrease in computer charges (-\$7,700) and increases (+\$1,620) in miscellaneous line items.

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Assistant City Manager/Grants & Public Transportation	0.00	0.00	0.00	0.25
Grants & Federal Compliance Officer	0.00	0.00	0.00	0.25
Senior Administrative Assistant	0.00	0.00	0.00	0.25
Public Transportation Manager	0.00	0.50	0.50	0.25
Public Transportation Supervisors	0.00	0.00	0.00	1.00
Transit Operators	0.00	6.00	4.00	4.00
Bus & Rail Safety Officer	0.00	0.00	0.00	0.80
TOTAL	0.00	6.50	4.50	6.80

**FY2020 PROPOSED BUDGET
BUS TROLLEY SYSTEM**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$247,270	\$367,075	\$305,360	\$279,933
511002 COLA Increases	0	7,342	0	0
511005 Longevity	15	48	3,663	3,989
511006 Differential Pay	49	0	0	0
511009 Overtime	31,530	30,000	15,214	16,000
511021 Part-time Payroll	498	0	0	0
511125 Residency Pay	4,615	2,500	4,245	3,764
511410 Separation Vacation	0	0	207	0
511420 Separation Sick Pay	0	0	294	0
511510 Group Health Insurance	44,766	71,400	49,612	45,696
511512 Group Health Insurance Reserve	0	0	0	15,096
511515 Workers' Compensation	4,800	1,200	1,200	1,200
511520 Group Life Insurance	872	252	1,027	354
511530 Social Security - Employment	16,584	27,383	20,017	18,829
511535 Medicare - Employer's	3,879	6,404	4,681	4,403
511542 City Employee Retirement	25,189	39,750	29,605	27,332
Total Personnel Services	\$380,066	\$553,354	\$435,127	\$416,597
Materials and Supplies				
522059 Motor Vehicle Parts	(166)	10,000	5,733	10,000
Total Materials and Supplies	(\$166)	\$10,000	\$5,733	\$10,000
Contractual Services				
531240 Maintenance Contracts	1,657	0	0	0
531250 Vehicle Repairs	0	10,000	9,846	10,000
531350 Garage Charges	68,020	55,590	48,533	50,000
531360 Computer Charges	0	19,627	19,627	11,926
Total Contractual Services	\$69,676	\$85,217	\$78,006	\$71,926
Other Charges and Services				
544087 Expense Reimbursement	0	16,902	0	0
544098 Reimbursable from Insurance	(3,105)	0	0	0
Total Other Charges and Services	(\$3,105)	\$16,902	\$0	\$0
Total Expenses	\$446,472	\$665,473	\$518,865	\$498,523

**FY2020 PROPOSED BUDGET
RAIL TROLLEY SYSTEM**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$0	\$154,332	\$0	\$75,897
Materials and Supplies	0	116,667	0	175,000
Contractual Services	0	141,659	0	205,205
Other Charges and Services	0	16,902	0	0
TOTAL	\$0	\$429,560	\$0	\$456,102

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Increase of \$75,897 attributed to a six month operation and funding for rail trolley system.

Materials and Supplies - Total increase of \$175,000 for a six month operation of rail trolley system.

Contractual Services - Total increase of \$205,205 for a six month operation of rail trolley system.

**FY2020 PROPOSED BUDGET
RAIL TROLLEY SYSTEM**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$0	\$119,198	\$0	\$0
511002 COLA Increases	0	2,384	0	0
511005 Longevity	0	48	0	0
511009 Overtime	0	5,000	0	64,700
511125 Residency Pay	0	2,500	0	0
511510 Group Health Insurance	0	8,820	0	0
511515 Workers' Compensation	0	600	0	0
511520 Group Life Insurance	0	62	0	0
511530 Social Security - Employment	0	5,854	0	4,169
511535 Medicare - Employer's	0	1,369	0	975
511542 City Employee Retirement	0	8,497	0	6,052
511650 Salary Reimbursements	0	0	0	0
Total Personnel Services	\$0	\$154,332	\$0	\$75,897
Materials and Supplies				
522025 Fuel And Lubricants	0	16,667	0	25,000
522059 Motor Vehicle Parts	0	66,667	0	100,000
522099 Other Supplies	0	33,333	0	50,000
Total Materials and Supplies	\$0	\$116,667	\$0	\$175,000
Contractual Services				
531350 Garage Charges	0	136,803	0	205,205
531360 Computer Charges	0	4,856	0	0
Total Contractual Services	\$0	\$141,659	\$0	\$205,205
Other Charges and Services				
544099 Miscellaneous Expense	0	16,902	0	0
Total Other Charges and Services	\$0	\$16,902	\$0	\$0
Total Expenses	\$0	\$429,560	\$0	\$456,102



Debt Service Fund

FY2020 PROPOSED BUDGET DEBT SERVICE FUND

Overview

The Debt Service fund is used to record dedicated revenue and debt service for tax supported debt. This includes (1) General Obligation bonds approved by the voters and payable with property tax revenue as well as (2) General Obligation Refunding bonds issued under state law and the city charter to reduce interest costs on outstanding bonds of all types. The unissued \$37 million balance of the \$62 million in property tax supported bonds approved by the voters in May 2017 is expected to be issued in FY 2020.

It does not include tax-supported revenue bonds payable with revenue streams from other sources. This debt, primarily issued for water and sewer projects is paid from the Combined Utility System Fund and the two sub funds for Water and Sewer. 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. In order to comply with State law regarding disclosure of all debt service of the City of Galveston, all of the City's various debt is reflected below.

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 total ad valorem tax rate.

OUTSTANDING DEBT AS OF OCTOBER 1, 2019			
Debt and Funding Source	Principal	Interest	Total
Debt Service Fund (Property Taxes)			
General Obligation Bonds	\$20,550,000	\$9,130,700	\$29,680,700
General Obligation Refunding Bonds	\$8,225,285	\$1,520,497	\$9,745,782
Subtotal Property Tax Supported Debt Service	\$28,775,285	\$10,651,197	\$39,426,482
Hotel Occupancy Tax Revenue Bonds	\$21,625,000	\$6,467,644	\$28,092,644
Wharves Authority Revenue Bonds	\$1,390,621	\$1,769,379	\$3,160,000
Consolidated Utility System Fund Debt Service (Water Portion)			
Certificate of Obligations	\$33,563,200	\$26,023,630	\$59,586,830
GO Refunding Bonds	\$6,000,105	\$1,967,280	\$7,967,385
Revenue Bonds	\$8,145,800	\$2,641,860	\$10,787,660
Subtotal Water Fund Debt Service	\$47,709,105	\$30,632,770	\$78,341,875
Consolidated Utility System Fund Debt Service (Sewer Portion)			
Certificate of Obligations	\$31,016,800	\$24,194,670	\$55,211,470
GO Refunding Bonds	\$5,969,610	\$1,965,723	\$7,935,333
Revenue Bonds	\$10,394,200	\$2,658,240	\$13,052,440
Subtotal Sewer Fund Debt Service	\$47,380,610	\$28,818,633	\$76,199,243
Total Outstanding Debt	\$146,880,621	\$78,339,623	\$225,220,244

As of October 1, 2019, the City of Galveston will have total outstanding bonded indebtedness of \$225.2 million, including \$146.9 in principal and \$78.3 million in interest. Property taxes support payments for \$39.4 million of this total, including \$29.7 million in principal and \$9.7 million in interest.

**FY2020 PROPOSED BUDGET
DEBT SERVICE FUND BY LINE ITEM**

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
REVENUES				
311100 Property Taxes - Current	\$3,907,895	\$2,986,700	\$2,987,500	\$3,163,100
311110 Property Taxes - Delinquent	43,450	35,000	51,100	40,000
361110 Interest Earned-Operating	88,543	40,000	116,000	60,000
379825 Infrastructure/Debt - Transfer In	0	2,130,362	650,000	2,281,000
TOTAL REVENUES	\$4,039,888	\$5,192,062	\$3,804,600	\$5,544,100
DEBT SERVICE PAYMENTS				
571010 Interest Expenditure	1,237,239	1,957,521	1,328,521	2,198,371
571040 Agent Fees	2,500	7,300	5,800	6,550
571050 Principal Expenditure	2,818,170	3,227,991	2,355,991	3,338,685
571070 Other Expenditures	0	0	0	0
Total Debt Service	\$4,057,909	\$5,192,812	\$3,690,312	\$5,543,606
TOTAL EXPENDITURES	\$4,057,909	\$5,192,812	\$3,690,312	\$5,543,606
REVENUES OVER/(UNDER) EXPENDITURES	(\$18,022)	(\$750)	\$114,288	\$494
BEGINNING FUND BALANCE- RESTRICTED	\$1,639,155	\$1,621,133	\$1,621,133	\$1,735,420
ENDING FUND BALANCE-RESTRICTED	\$1,621,133	\$1,620,383	\$1,735,420	\$1,735,914

HIGHLIGHTS

Property Tax Rate - This year's proposed debt service property tax rate is \$0.0525 per \$100 of taxable value, the same as last year's debt service rate.

Infrastructure and Debt Service Fund Transfer In - This transfer includes: (1) An estimated \$1,962,000 in new debt service for the \$37 million sale being conducted this fall to provide funding for streets and drainage projects approved in the May 2017 bond election, and (2) the amount necessary to pay existing debt not covered by property taxes or interest income (\$319,000).

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

Self-Supporting Debt	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Hotel Occupancy Tax	1,788,012	1,811,212	1,811,212	1,837,014
Galveston Wharves	2,885,900	3,160,000	3,160,000	3,160,000
Self-Supporting Debt Subtotal	\$4,673,912	\$4,971,212	\$4,971,212	\$4,997,014

Enterprise Funds

FY 2020 PROPOSED 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 2020 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 Combined Utility System Fund Proposed Budget includes \$38.2 million in operating expenditures, a \$1.5 million decrease from the FY 2019 Budget. The Budget also includes planned transfers to water and sewer improvement funds of an additional \$1.87 million, with an ending fund balance of \$12.25 million. The Budget assumes no rate increase for FY 2020 or bond sales in FY 2020. However, a rate study is planned for FY 2020 to consider likely rate changes in FY 2021 in order to continue the water and sewer 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. In FY 2019, FEMA reimbursement was received (\$920,167) as reimbursement for debris removal after Hurricane Harvey in 2017. After several major equipment purchases in FY 2019 totaling \$1,293,542, the purchase of two pieces of heavy equipment (\$195,000 for a litter truck and \$200,000 for a new automated sanitation truck) are budgeted along with \$70,000 to help furnish the new Public Works facility.

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 system. The FY 2020 Proposed Budget includes \$183,500 for a tandem dump truck. The budget also includes \$70,000 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 increase its revenue production potential through improved facilities and improved business practices in FY 2020.

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 portion of this Enterprise fund section for that budget.

FY2020 PROPOSED BUDGET

ENTERPRISE FUNDS
Summary Schedule of Revenues and Expenditures

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance				
Combined Utility System Fund	\$13,951,027	\$16,859,258	\$16,859,258	\$14,570,129
Sanitation Fund	3,328,923	2,487,094	2,487,094	2,315,318
Drainage Utility Fund	2,062,063	2,355,641	2,355,641	1,645,273
Scholes Airport Fund	1,543,012	969,580	969,580	789,724
Total	\$20,885,025	\$22,671,573	\$22,671,573	\$19,320,445
Revenues				
Combined Utility System Fund	\$38,496,704	\$36,938,500	\$36,064,505	\$35,901,500
Sanitation Fund	6,311,098	6,326,213	6,345,299	6,436,356
Drainage Utility Fund	2,853,600	2,856,440	2,923,519	2,926,340
Scholes Airport Fund	1,798,288	1,113,161	1,097,652	1,109,189
Total	\$49,459,689	\$47,234,314	\$46,430,975	\$46,373,385
Expenditures				
Combined Utility System Fund	\$33,331,236	\$37,815,563	\$39,958,561	\$38,217,222
Sanitation Fund	6,088,905	6,077,065	6,143,700	6,467,148
Drainage Utility Fund	2,061,583	2,483,090	2,391,204	2,681,161
Scholes Airport Fund	1,571,778	1,277,109	1,170,008	1,100,183
Total	\$43,053,503	\$47,652,827	\$49,663,472	\$48,465,713
Revenues over/(under) Expenditures				
Combined Utility System Fund	\$5,165,467	(\$877,063)	(\$3,894,055)	(\$2,315,722)
Sanitation Fund	222,193	249,148	201,599	(30,792)
Drainage Utility Fund	792,016	373,351	532,315	245,179
Scholes Airport Fund	226,510	(163,948)	(72,356)	9,006
Total	\$6,406,187	(\$418,513)	(\$3,232,497)	(\$2,092,328)
Transfer to improvement account/Capital outlay				
Combined Utility System Fund	\$1,500,000	\$1,866,000	(\$1,869,155)	\$0
Sanitation Fund	786,276	1,383,050	1,293,542	490,000
Drainage Utility Fund	310,712	1,254,700	1,242,683	253,500
Scholes Airport Fund	799,941	430,000	107,500	0
Total	\$3,396,929	\$4,933,750	\$774,571	\$743,500
Appropriation of Fund Balance				
Combined Utility System Fund	\$3,665,467	(\$2,743,063)	(\$2,024,901)	(\$2,315,722)
Sanitation Fund	(564,083)	(1,133,902)	0	(520,792)
Drainage Utility Fund	481,304	(881,350)	(710,368)	(8,321)
Scholes Airport Fund	0	0	(179,856)	9,006
Total	\$3,582,689	(\$4,758,315)	(\$2,915,125)	(\$2,835,828)
Prior Year Adjustments				
Combined Utility System Fund	(\$757,237)	\$0	(\$264,228)	\$0
Sanitation Fund	(277,746)	0	920,167	0
Drainage Utility Fund	(187,726)	0	0	0
Scholes Airport Fund	0	0	0	0
Total	(\$1,222,710)	\$0	\$655,939	\$0
Ending Fund Balances				
Combined Utility System Fund	\$16,859,259	\$14,116,195	\$14,570,129	\$12,254,407
Sanitation Fund	2,487,094	1,353,192	2,315,318	1,794,526
Drainage Utility Fund	2,355,641	1,474,291	1,645,273	1,636,953
Scholes Airport Fund	969,580	375,632	789,724	798,731
Total	\$22,671,574	\$17,319,311	\$19,320,445	\$16,484,617

**FY 2020 PROPOSED BUDGET
ENTERPRISE FUNDS EXPENDITURE OVERVIEW**

Expenditure Summaries by Fund

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Combined Utility System Fund	34,831,236	39,681,563	38,089,406	38,217,222
Sanitation	6,875,180	7,460,115	7,437,242	6,957,148
Drainage Utility	2,372,296	3,737,790	3,633,887	2,934,661
Airport	2,371,719	1,707,109	1,277,508	1,100,183
Enterprise Fund Total	\$46,450,431	\$52,586,577	\$50,438,043	\$49,209,213

Expenditure Summaries by Category

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$12,167,560	\$13,476,309	\$13,199,020	\$14,778,005
Materials and Supplies	2,623,932	3,235,863	3,201,378	3,017,013
Contractual Services	5,412,322	5,845,883	8,714,384	6,048,266
Other Charges and Services	14,629,529	15,483,842	15,188,628	15,288,348
Operating Transfers	2,615,013	2,618,941	(1,489,827)	125,987
Capital Outlay	2,357,568	4,862,550	4,626,614	1,701,500
Debt Service	6,644,508	7,063,189	6,997,847	8,250,094
Enterprise Fund Total	\$46,450,431	\$52,586,577	\$50,438,043	\$49,209,213

See the following pages for detailed discussions of each budget.

**FY2020 PROPOSED BUDGET
COMBINED UTILITY SYSTEM FUND SUMMARY**

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	13,951,027	16,859,259	16,859,259	14,570,130
Revenues:				
Metered customers	\$37,232,915	\$35,932,000	\$34,785,000	\$34,785,000
Service connections	539,639	520,500	528,207	532,500
Waste hauler fees	103,720	110,000	108,635	110,000
Interest earned	208,018	54,000	225,429	105,000
Penalties on account	337,692	316,000	368,220	363,000
Other revenues	74,720	6,000	49,014	6,000
Total revenues	\$38,496,704	\$36,938,500	\$36,064,505	\$35,901,500
Expenses:				
Management services	\$746,010	\$779,447	\$736,828	\$804,332
Utility Billing	1,786,092	1,987,015	2,014,964	2,017,581
Supply	1,599,599	1,767,858	1,762,242	1,804,146
Distribution	1,786,046	2,301,009	2,351,848	2,430,704
Industrial Pretreatment	304,731	337,595	318,308	348,570
Collection	3,258,347	4,737,601	4,611,186	3,521,242
Wastewater Treatment Plant	3,760,975	4,136,185	4,016,070	4,277,745
Cost of Water	10,599,534	11,376,200	11,025,111	10,927,386
Debt Service	6,644,507	7,062,689	6,997,847	8,250,094
Other Expenses	2,845,395	3,329,964	6,124,157	3,835,422
Total expenses	\$33,331,237	\$37,815,563	\$39,958,561	\$38,217,222
Net income (loss)	\$5,165,468	(\$877,063)	(\$3,894,055)	(\$2,315,722)
Transfer to improvement funds	1,500,000	1,866,000	(1,869,155)	0
Prior year adjustment	(\$757,237)	\$0	(\$264,228)	\$0
Ending balance	\$16,859,259	\$14,116,196	\$14,570,130	\$12,254,408
90 Day Reserve	\$8,218,661	\$9,324,385	\$9,852,796	\$9,423,425
120 Day Reserve	\$10,958,215	\$12,432,514	\$13,137,061	\$12,564,566

Personnel summary	FY2018 ACTUAL	FY2019 BUDGET	FY2020 BUDGET	FY2020 PROPOSED
Management Services	13.04	12.98	12.46	\$875,534
Utility Billing	14.31	14.25	14.25	829,156
Supply	11.25	11.50	11.50	785,288
Distribution	20.50	20.00	26.00	1,379,189
Industrial Pretreatment	41.25	39.00	38.00	2,179,886
Collections	29.25	32.50	32.50	1,962,379
Wastewater Treatment Plant	87.54	88.48	86.96	5,262,475
Totals	217.14	218.70	221.67	\$13,273,906

BUDGET HIGHLIGHTS

- The Waterworks fund does not include an increase to the water rate in FY2020.
- Also, included is an increase of \$1.252M in debt service for the scheduled payments for the water and sewer bond sale that took place in early 2019.
- Other Expenses reflects a \$2.96 million payment approved midyear from operating revenues and applied to a capital project otherwise funded with CDBG Round 2.2 funding. It is expected that some if not all will be recovered.
- Overall water and sewer revenue is down \$1.2 million and reflects none of the seven percent increase approved effective February 1, 2019. This is apparently due to extremely wet conditions that are also reflected in year to date water purchases being down 15 percent (see Citywide Revenue Summary).
- Because of the aforementioned revenue shortage, budgeted transfers from the operating fund to the Improvement Funds were not made, and unused cash balances were returned to the Water fund totaling \$1.9 million.

**FY2020 PROPOSED BUDGET
WATERWORKS FUND SUMMARY**

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	4,831,887	7,358,653	7,358,653	5,385,180
Revenues:				
Metered customers	\$21,920,681	\$20,482,000	\$20,025,000	\$20,025,000
Service connections	434,004	412,500	407,715	412,500
Interest earned	62,040	0	48,087	30,000
Penalties on account	176,040	180,000	192,503	188,000
Other revenues	49,252	6,000	26,935	6,000
Total revenues	\$22,642,017	\$21,080,500	\$20,700,240	\$20,661,500
Expenses:				
Management services	\$374,974	\$389,757	\$387,091	\$402,216
Utility Billing	904,510	993,365	1,005,602	1,009,087
Supply	1,599,599	1,767,858	1,762,242	1,804,146
Distribution	1,786,046	2,301,009	2,351,848	2,430,704
Cost of Water	10,599,534	11,376,200	11,025,111	10,927,386
Debt Service	3,074,009	3,469,994	3,407,152	3,869,042
Transfer to Technology Improvement Fund	58,700	0	0	0
Other Expenses	1,457,134	1,732,396	4,581,549	1,953,436
Total expenses	\$19,854,506	\$22,030,579	\$24,520,594	\$22,396,017
Net income (loss)	\$2,787,512	(\$950,079)	(\$3,820,354)	(\$1,734,517)
Transfer (from) improvement account	0	962,000	(1,869,155)	0
Prior year adjustment	(\$260,746)	\$0	(\$22,273)	\$0
Ending balance	\$7,358,653	\$5,446,574	\$5,385,180	\$3,650,662
90 Day Reserve	\$4,895,631	\$5,432,198	\$6,046,174	\$5,522,306
120 Day Reserve	\$6,527,509	\$7,242,930	\$8,061,565	\$7,363,074

Personnel summary	2018 Actual	2019 Budget	2020 Budget	Salary Costs
Water - Management Services	2.725	2.725	2.208	\$291,647
Water - Utility Billing	10.313	10.250	10.250	584,480
Water - Supply	11.25	11.50	11.50	785,288
Water - Distribution	20.50	20.00	26.00	1,379,189
Totals	44.788	44.475	49.958	\$3,040,604

BUDGET HIGHLIGHTS

- The Waterworks fund includes an increase to the water rate in FY2019. Consumption is down due to conservation and unusually rainy year.
- Also, included is an increase of \$461,900 in debt service for payments for the revenue bond sale in spring of 2019.
- Other Expenses reflects a \$2.96 million payment approved midyear from operating revenues and applied to a capital project otherwise funded with CDBG Round 2.2 funding. It is expected that some if not all will be recovered.
- Overall water revenue is down and reflects none of the seven percent increase approved effective February 1, 2019. This is apparently due to extremely wet conditions that are also reflected in year to date water purchases being down 15 percent (see Citywide Revenue Summary).
- Because of the aforementioned revenue shortage, budgeted transfers from the operating fund to the Improvement Funds were not made, and unused cash balances were returned to the Water fund totaling \$1.9 million.

FY2020 PROPOSED BUDGET

ENTERPRISE FUNDS
Summary Schedule of Revenues and Expenditures

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance				
Combined Utility System Fund	\$13,951,027	\$16,859,258	\$16,859,258	\$14,570,129
Sanitation Fund	3,328,923	2,487,094	2,487,094	2,315,318
Drainage Utility Fund	2,062,063	2,355,641	2,355,641	1,645,273
Scholes Airport Fund	1,543,012	969,580	969,580	789,724
Total	\$20,885,025	\$22,671,573	\$22,671,573	\$19,320,445
Revenues				
Combined Utility System Fund	\$38,496,704	\$36,938,500	\$36,064,505	\$35,901,500
Sanitation Fund	6,311,098	6,326,213	6,345,299	6,436,356
Drainage Utility Fund	2,853,600	2,856,440	2,923,519	2,926,340
Scholes Airport Fund	1,798,288	1,113,161	1,097,652	1,109,189
Total	\$49,459,689	\$47,234,314	\$46,430,975	\$46,373,385
Expenditures				
Combined Utility System Fund	\$33,331,236	\$37,815,563	\$39,958,561	\$38,217,222
Sanitation Fund	6,088,905	6,077,065	6,143,700	6,467,148
Drainage Utility Fund	2,061,583	2,483,090	2,391,204	2,681,161
Scholes Airport Fund	1,571,778	1,277,109	1,170,008	1,100,183
Total	\$43,053,503	\$47,652,827	\$49,663,472	\$48,465,713
Revenues over/(under) Expenditures				
Combined Utility System Fund	\$5,165,467	(\$877,063)	(\$3,894,055)	(\$2,315,722)
Sanitation Fund	222,193	249,148	201,599	(30,792)
Drainage Utility Fund	792,016	373,351	532,315	245,179
Scholes Airport Fund	226,510	(163,948)	(72,356)	9,006
Total	\$6,406,187	(\$418,513)	(\$3,232,497)	(\$2,092,328)
Transfer to improvement account/Capital outlay				
Combined Utility System Fund	\$1,500,000	\$1,866,000	(\$1,869,155)	\$0
Sanitation Fund	786,276	1,383,050	1,293,542	490,000
Drainage Utility Fund	310,712	1,254,700	1,242,683	253,500
Scholes Airport Fund	799,941	430,000	107,500	0
Total	\$3,396,929	\$4,933,750	\$774,571	\$743,500
Appropriation of Fund Balance				
Combined Utility System Fund	\$3,665,467	(\$2,743,063)	(\$2,024,901)	(\$2,315,722)
Sanitation Fund	(564,083)	(1,133,902)	0	(520,792)
Drainage Utility Fund	481,304	(881,350)	(710,368)	(8,321)
Scholes Airport Fund	0	0	(179,856)	9,006
Total	\$3,582,689	(\$4,758,315)	(\$2,915,125)	(\$2,835,828)
Prior Year Adjustments				
Combined Utility System Fund	(\$757,237)	\$0	(\$264,228)	\$0
Sanitation Fund	(277,746)	0	920,167	0
Drainage Utility Fund	(187,726)	0	0	0
Scholes Airport Fund	0	0	0	0
Total	(\$1,222,710)	\$0	\$655,939	\$0
Ending Fund Balances				
Combined Utility System Fund	\$16,859,259	\$14,116,195	\$14,570,129	\$12,254,407
Sanitation Fund	2,487,094	1,353,192	2,315,318	1,794,526
Drainage Utility Fund	2,355,641	1,474,291	1,645,273	1,636,953
Scholes Airport Fund	969,580	375,632	789,724	798,731
Total	\$22,671,574	\$17,319,311	\$19,320,445	\$16,484,617



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

- Continued improvements of VueWorks work-order system.
- Issued temporary hauler permits.
- Managed Public Works payment processing.

Goals

- .
- Become fully operational with the new work-order system.
- 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.

**FY2020 PROPOSED BUDGET
MANAGEMENT SERVICES (WATERWORKS SHARE)**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$269,013	\$286,491	\$291,037	\$291,647
Materials and Supplies	13,948	16,560	16,660	23,160
Contractual Services	92,013	74,706	79,394	87,409
TOTAL	\$374,974	\$389,757	\$387,091	\$402,216

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Materials and Supplies - Increase for electricity charges for new building (+\$6,500).

Contractual Services - Increase (\$8,078) over all services due to temporary housing while awaiting completion of construction on new PW Facility; also increases of utilities for once moved into new facility.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Service Request Reported	28,442	24,096	30,495	31,250
Design Projects Managed	45	65	67	66

Note: Performance measures are for Management Services overall.

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
ACM Development & Muni Service	0.35	0.35	0.25	0.33
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	2.208

**FY2020 PROPOSED BUDGET
MANAGEMENT SERVICES (WATERWORKS SHARE)**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$167,462	\$145,035	\$148,629	\$148,629
511005 Longevity	628	619	569	684
511006 Differential Pay	462	452	452	452
511009 Overtime	761	0	0	0
511125 Residency Pay	1,096	1,355	1,355	1,355
511510 Group Health Insurance	17,590	14,280	14,343	14,840
511515 Worker's Compensation	226	151	151	226
511520 Group Life Insurance	464	47	377	300
511530 Social Security - Employment	10,393	9,143	9,369	9,369
511535 Medicare - Employer's	2,451	2,138	2,191	2,191
511542 City Employee Retirement	15,504	13,271	13,601	13,601
511650 Salary Reimbursements	51,975	100,000	100,000	100,000
Total Personnel Services	\$269,013	\$286,491	\$291,037	\$291,647
Materials and Supplies				
521065 Office Supplies	9,401	10,500	10,000	10,000
522013 Clothing	1,494	1,560	1,560	1,560
522038 Safety Supplies	157	500	800	800
522055 Minor Tools	369	500	800	800
525031 Electricity	2,527	3,500	3,500	10,000
Total Materials and Supplies	\$13,948	\$16,560	\$16,660	\$23,160
Contractual Services				
531005 Other Services	74	1,000	1,000	1,000
531025 Memberships	498	2,500	1,000	1,000
531027 Certificate & Permit Fees	0	65	63	0
531028 Software Licenses	6,476	5,475	6,000	6,000
531240 Maintenance Contracts	5,188	8,960	10,000	10,000
531310 Rental of Land & Buildings	0	0	0	3,000
531350 Garage Charges	11,431	6,756	7,856	7,142
531360 Computer Charges	31,747	15,815	15,815	17,607
532062 Postage	4,754	5,100	5,000	5,000
532065 Printing, Duplication	9,033	10,000	10,000	10,000
532066 Print Shop Charges	2,683	200	500	500
532083 Telephone Service	9,426	10,500	12,500	12,500
532084 Cellular Service	1,451	1,400	1,560	1,560
532086 Other Communications	5,001	4,900	6,000	10,000
532087 Air card Service	642	500	500	500
533085 Travel/Training	3,607	1,435	1,500	1,500
533100 Advertising	0	100	100	100
Total Contractual Services	\$92,013	\$74,706	\$79,394	\$87,409
Capital Outlay				
564003 Vehicle Capital Outlay	0	12,000	0	0
Total Capital Outlay	\$0	\$12,000	\$0	\$0
Total Expenses				
	\$374,974	\$389,757	\$387,091	\$402,216



Utility Billing Division (Waterworks Share)

Division Mission

The mission of the Utility Billing Division is to ensure accuracy and efficiency in the billing and collection of utility services, while providing excellent customer service to new and existing customers, responding to inquiries, and promptly posting payments.

Accomplishments

- Answered 92% of all customer calls on their first attempt.
- Re-designed the utility billing statement to make it easier for customers to understand and to provide useful data.
- Outsourced the mailing of customer utility bills.
- Re-established the meter testing program.

Goals

- Increase the customer usage of electronic online payment methods.
- Raise customer awareness of the enhancements provided in the new customer web portal 2.0.
- Increase the number of customers choosing e-bill.
- Customers with multiple accounts receive their monthly bill on one statement.
- Complete customer adjustment requests within a thirty day period.

**FY2020 PROPOSED BUDGET
UTILITY BILLING (WATERWORKS SHARE)**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$511,069	\$548,999	\$529,197	\$584,480
Materials and Supplies	90,318	195,100	226,044	150,150
Contractual Services	213,403	153,641	159,408	178,832
Other Charges and Services	89,720	95,625	90,953	95,625
TOTAL	\$904,510	\$993,365	\$1,005,602	\$1,009,087

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 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 - Includes an annualized cost for personnel (+\$55,283).

Materials and Supplies - Net Decrease (\$75,894) Decrease in meter inventory (-\$81,484), increase/decrease in several supply accounts based on year of experience with meter field group as a part of this organization net increase (\$5,590).

Contractual Services - Net increase (\$19,424) largely due to an increase of other contracts..

Other Charges and Supply - Slight increase in bank service charges (+\$4,672) for online credit cards and phone payments.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Number of Customers	22,266	20,580	20,718	20,800
Field investigations and follow up	10,643	18,949	21,641	21,800
Average number of meters not transmitting consumption accurately monthly	600	350	300	275
No. of pre-billing consumption adjustments	3,432	40	35	40
Amount of pre-billing consump. adjustments	\$117,312	\$49,016	\$193,850	\$50,000
Active customers delinquent over 90 days	120	1,898	2,149	2,000
Over 90 day balances for active customers	\$482,514	\$522,148	\$623,286	\$550,000
Customers paying monthly by auto payment	3,989	4,764	5,545	5,700
Number of e-bill customers monthly	3,342	3,833	4,324	4,600
Customers with active payment arrangements	380	95	37	100
Funds under active payment arrangements	\$16,000	\$22,261	\$8,020	\$15,000

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
UTILITY BILLING (WATERWORKS SHARE)**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$333,856	\$370,688	\$344,768	\$389,306
511005 Longevity	2,139	2,100	2,372	2,480
511006 Differential Pay	1,368	1,355	1,373	1,374
511009 Overtime	36,830	28,125	36,916	37,000
511125 Residency Pay	6,398	6,573	7,022	7,880
511510 Group Health Insurance	64,040	68,880	68,880	68,880
511515 Worker's Compensation	3,138	2,097	2,097	3,138
511520 Group Life Insurance	1,253	2,083	1,248	1,489
511530 Social Security - Employment	22,528	24,986	23,665	27,158
511535 Medicare - Employer's	5,269	5,843	5,535	6,352
511542 City Employee Retirement	34,250	36,269	35,321	39,424
Total Personnel Services	\$511,069	\$548,999	\$529,197	\$584,480
Materials and Supplies				
521065 Office Supplies	8,030	8,000	5,913	8,000
521067 Minor Office Equipment	833	3,750	1,875	3,750
521073 Printed Materials	31,203	9,750	13,506	4,800
522013 Clothing	2,034	2,850	2,007	2,850
522037 Janitorial supplies	601	500	483	500
522038 Safety Supplies	0	1,050	1,042	1,050
522055 Minor Tools	778	3,400	2,805	3,400
522056 Minor Equipment	5,608	115,000	156,484	75,000
522065 Paint and Lumber	0	150	75	150
522075 Pipe and Plumbing Supplies	41,232	50,000	41,529	50,000
522085 Equipment Parts	0	650	325	650
Total Materials and Supplies	\$90,318	\$195,100	\$226,044	\$150,150
Contractual Services				
531007 Security Service	3,786	3,800	3,808	3,800
531015 Temporary Employee Services	2,252	4,781	6,090	5,000
531124 Towing Payments	0	50	25	50
531125 Other Contracts	84	1,000	9,996	25,000
531230 Equipment Repairs	0	750	375	750
531240 Maintenance Contracts	18,028	30,375	26,303	30,000
531320 Equipment Rental	5,114	5,250	1,959	0
531350 Garage Charges	15,915	16,566	13,339	15,625
531360 Computer Charges	94,399	26,773	26,773	31,407
532062 Postage	47,559	48,750	55,986	50,000
532065 Printing, Duplication	0	1,450	1,088	1,450
532066 Print Shop Charges	15,956	1,400	1,365	1,400
532083 Telephone Service	6,805	7,150	6,043	7,150
532084 Cellular Service	2,811	876	3,136	3,200
532086 Other Communications	694	795	1,185	2,000
533085 Travel/Training	0	3,875	1,938	2,000
Total Contractual Services	\$213,403	\$153,641	\$159,408	\$178,832
Other Charges and Services				
544105 Bank Service Charges	89,508	95,625	90,953	95,625
547025 Over/Short	212	0	0	0
Total Other Charges and Services	\$89,720	\$95,625	\$90,953	\$95,625
Total Expenses	\$904,510	\$993,365	\$1,005,602	\$1,009,087



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

- Maintained regulatory compliant water system meeting TCEQ and EPA drinking water regulations.
- Working with consultant on a Water System Leak Detection Study, which should result in the reduction of water loss.
- Finalize construction on the 59th Street Water Pump Station.
- Commenced the rehabilitation work on ground storage tanks #1, #2, #3 and #4 at the 59th Street Pump Station.
- Commenced the construction of the 7.5-million-gallon storage tank (Tank #5) at the 59th Street Pump Station.
- Completed the design of the Airport Pump Station Pump, Control and Tank Upgrades.

Goals

- Continue maintaining regulatory compliance with the Safe Drinking Water Act as implemented by the TCEQ and EPA.
- Continue working with the consultant on the Water System Leak Detection Study.
- Complete the rehabilitation work on ground storage tanks #1, #2, #3 and #4 at the 59th Street Pump Station.
- Complete the construction of the 7.5-million-gallon storage tank (Tank #5) at the 59th Street Pump Station.
- Commence the construction of the Airport Pump Station Pump, Control and Tank Upgrades.
- Complete the design of 10 Mile Road Elevated Storage Tank.

**FY2020 PROPOSED BUDGET
SUPPLY**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$754,898	\$770,621	\$760,701	\$785,288
Materials and Supplies	450,062	510,960	517,267	459,510
Contractual Services	406,233	486,277	484,275	559,348
Capital Outlay	0	0	0	0
TOTAL	\$1,599,599	\$1,767,858	\$1,762,242	\$1,804,146

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Includes an annualized cost for personnel (+\$24,587).

Materials and Supplies -Decrease largely due to a reduction in electricity charges (\$57,757).

Contractual Services - Overall increase (\$75,000) for maintenance contracts (\$14,000), equipment repairs (\$10,000), increased lot maintenance (\$25,000), and increase to laboratory testing due to a new required test (\$20,000). Other net increases (\$6,000) over all other contractual services.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Water purchased from GCWA, Millions of Gallons	4,966	4,345	3,700	3,850

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
SUPPLY**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$487,971	\$514,254	\$501,566	\$524,112
511005 Longevity	7,363	7,306	7,806	7,852
511006 Differential Pay	274	0	0	0
511009 Overtime	54,833	45,000	43,888	45,000
511021 Part-Time Payroll	10,770	11,000	12,235	11,000
511110 Incentive Pay	7,801	5,723	7,831	5,723
511125 Residency Pay	8,111	5,621	8,193	5,621
511510 Group Health Insurance	75,694	77,280	77,280	77,280
511515 Worker's Compensation	7,008	4,682	4,682	7,008
511520 Group Life Insurance	1,726	1,703	1,779	1,907
511530 Social Security - Employment	34,384	36,512	35,349	37,157
511535 Medicare - Employer's	8,041	8,539	8,267	8,690
511542 City Employee Retirement	50,923	53,001	51,825	53,938
Total Personnel Services	\$754,898	\$770,621	\$760,701	\$785,288
Materials and Supplies				
521065 Office Supplies	2,804	5,000	4,128	4,000
522011 Chemicals	30,369	44,000	45,402	44,000
522013 Clothing	7,775	11,960	11,957	11,960
522015 Concrete and Aggregate	52	0	2,000	0
522037 Janitorial Supplies	1,295	4,000	2,583	4,000
522038 Safety Supplies	3,532	2,500	3,283	3,000
522055 Minor Tools	4,477	3,000	4,678	5,000
522056 Minor Equipment	12,953	8,000	7,492	8,000
522065 Paint And Lumber	45	450	225	2,000
522075 Pipe and Plumbing Supplies	1,582	0	0	500
522085 Equipment Parts	0	2,050	2,050	2,050
525031 Electricity	385,178	430,000	433,469	375,000
Total Materials and Supplies	\$450,062	\$510,960	\$517,267	\$459,510
Contractual Services				
531003 Engineering Services	0	500	250	500
531004 Consultant Services	18,490	0	0	0
531005 Other Services	565	1,000	3,186	2,500
531006 Attorney's Fees	857	3,000	1,672	2,000
531008 Laboratory Testing	19,697	25,000	25,000	44,000
531025 Memberships	1,013	1,350	1,000	1,000
531027 Certification & Permit Fees	7,028	15,000	13,772	14,000
531028 Software Licenses	240	1,800	900	1,000
531120 Lot Maintenance	42,500	27,000	35,175	60,000
531125 Other Contracts	2,675	2,000	1,800	2,000
531220 Building Repairs	950	1,000	951	1,000
531230 Equipment Repairs	31,802	70,000	61,023	70,000
531240 Maintenance Contracts	97,885	157,520	136,969	150,000
531350 Garage Charges	50,441	41,932	34,004	38,315
531360 Computer Charges	12,423	33,125	33,125	34,676

**FY2020 PROPOSED BUDGET
SUPPLY**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
532065 Printing, Duplication	120	250	125	250
532066 Print Shop Charges	0	2,500	1,330	1,500
532083 Telephone Service	103,836	90,000	118,820	120,000
532084 Cellular Service	2,054	2,000	3,605	3,607
532086 Other Communications	4,154	3,500	4,558	5,000
533085 Travel/Training	9,503	7,800	7,009	8,000
Total Contractual Services	\$406,233	\$486,277	\$484,275	\$559,348
Other Charges and Services				
544097 Expense Reimb - Other	(11,594)	0	0	0
Total Other Charges and Services	(\$11,594)	\$0	\$0	\$0
Total Expenses	\$1,599,599	\$1,767,858	\$1,762,242	\$1,804,146

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 fire hydrants throughout the City as required.
- Coordinated and assisted contractors on the Sealy and 45th Street roadway projects.
- Initiated and completed the design for the 24-inch water system between the 59th Street Pump Station and the Airport Pump Station.
- Initiated and completed the design for the replacement of the 10-inch water system on 55th Street between Broadway and Avenue S.
- Completed the design of the Pirate's Beach - Lafitte's Cove Water Loop System.
- Establish a water valve crew to exercise, repair, and/or replace existing water valve systems.
- Commenced the design of the replacement of the water system on Teichman Road west of 91st Street.

Goals

- Continue replacement and/or repair of damaged fire hydrants in the city.
- Water valve crew to exercise, repair, and/or replace existing water valve systems.
- Commence the construction of the Pirate's Beach - Lafitte's Cove Water Loop System.
- Commence construction of the 24 Inch water line system between the 59th Street Pump Station to the Airport Pump Station.
- Commence the construction of the 10-inch water system on 55th Street between Broadway and Avenue S.
- Complete the design and commence the installation of the water system on Teichman Road west of 91st Street.
- Coordinate and assist contractors working on future roadway construction projects.
- Continue staff development through established training programs.
- Identify areas of efficiency by streamlining operations, reducing water loss through leak detection, and repairing or replacing malfunctioning water meter register units.

**FY2020 PROPOSED BUDGET
DISTRIBUTION**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$871,350	\$1,089,890	\$1,115,850	\$1,379,189
Materials and Supplies	312,133	306,670	313,004	385,500
Contractual Services	390,982	454,149	440,678	428,515
Other Charges and Services	161,580	85,500	119,914	100,000
Capital Outlay	50,000	364,800	362,401	137,500
TOTAL	\$1,786,046	\$2,301,009	\$2,351,848	\$2,430,704

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+\$263K) to fund an average of 4 field crew positions vacant for the year (\$233,500), to fill Assistant Director of Public Utilities (\$26,500 for 25% of salary and benefits).

Materials and Supplies - Increase of \$72,500 to fund maintenance supply budget at historical level.

Contractual Services -Net decrease (-12,163) primarily due to a reduction of Rental of Land & Buildings.

Capital Outlay - Includes vehicle replacements, Crew Truck (\$35,000), Skid Steer (\$82,500), and Grapple Truck (\$20,000).

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Mains installed & replaced (feet)	1,186	584	480	600
Fire Hydrants repaired	422	234	432	425
Taps installed	227	346	348	350
Line repairs made	639	572	445	550

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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
Equipment Operator	0.00	0.00	0.00	1.00
Crewleader	7.00	7.00	7.00	8.00
Concrete Finisher	1.00	1.00	1.00	1.00
Laborer	10.00	10.00	10.00	14.00
TOTAL	20.50	20.00	20.00	26.00

**FY2020 PROPOSED BUDGET
DISTRIBUTION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$473,976	\$639,188	\$599,404	\$792,893
511005 Longevity	4,033	4,147	4,135	4,239
511006 Differential Pay	900	904	904	904
511009 Overtime	106,154	97,000	108,266	97,000
511110 Incentive Pay	381	904	0	904
511125 Residency Pay	15,507	20,793	18,665	20,793
511510 Group Health Insurance	91,676	134,400	134,400	174,720
511515 Worker's Compensation	11,934	7,973	7,973	11,934
511520 Group Life Insurance	1,748	2,552	2,037	3,166
511530 Social Security - Employment	35,462	47,302	44,249	56,837
511535 Medicare - Employer's	8,294	11,063	10,349	13,293
511542 City Employee Retirement	54,062	68,664	65,824	82,506
511650 Salary Reimbursements	67,225	55,000	119,645	120,000
Total Personnel Services	\$871,350	\$1,089,890	\$1,115,850	\$1,379,189
Materials and Supplies				
521065 Office Supplies	1,696	3,000	2,517	3,000
522011 Chemicals	728	750	508	7,000
522013 Clothing	10,606	15,000	13,603	19,000
522015 Concrete And Aggregate	36,917	35,000	35,102	75,000
522037 Janitorial Supplies	4,689	4,000	3,567	1,000
522038 Safety Supplies	5,183	6,000	7,464	7,000
522055 Minor Tools	27,341	20,000	23,230	25,000
522056 Minor Equipment	29,682	46,000	42,000	46,000
522065 Paint And Lumber	4,013	4,000	3,695	3,500
522075 Pipe And Plumbing Supplies	177,900	168,870	164,798	180,000
522085 Equipment Parts	13,103	4,000	9,243	9,000
522099 Other Supplies	52	0	6,433	5,000
525031 Electricity	222	50	844	5,000
Total Materials and Supplies	\$312,133	\$306,670	\$313,004	\$385,500
Contractual Services				
531025 Memberships	2,925	2,500	745	1,000
531027 Certification & Permit Fees	76,546	80,000	78,501	77,000
531028 Software Licenses	13,216	11,000	11,000	11,000
531124 Towing Payments	0	200	150	200
531125 Other Contracts	2,175	0	0	0
531131 Demolition Cost	722	1,000	1,334	1,000
531220 Building Repairs	27,491	7,000	5,899	7,000
531230 Equipment Repairs	16,850	20,000	15,603	17,000
531310 Rental Of Land & Buildings	28,356	28,356	28,356	8,000
531320 Equipment Rental	2,854	7,500	3,750	7,500
531350 Garage Charges	192,236	220,324	218,687	206,238
531360 Computer Charges	10,878	48,819	48,819	61,077
532062 Postage	0	50	0	0
532065 Printing, Duplication	558	800	2,236	1,500
532066 Print Shop Charges	153	1,000	548	500
532083 Telephone Service	4,415	6,500	5,310	6,000
532084 Cellular Service	5,820	8,000	7,156	8,500
532085 Pager Service	90	100	107	0

**FY2020 PROPOSED BUDGET
DISTRIBUTION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
532086 Other Communications	2,963	2,000	2,603	5,000
533085 Travel/Training	2,736	9,000	9,875	10,000
Total Contractual Services	\$390,982	\$454,149	\$440,678	\$428,515
Other Charges and Services				
544087 Expense Reimbursement	161,965	85,500	119,914	100,000
544094 Expense Reimb. Grants	(386)	0	0	0
Total Other Charges and Services	\$161,580	\$85,500	\$119,914	\$100,000
Capital Outlay				
564003 Vehicle Capital Outlay	50,000	364,800	362,401	137,500
Total Capital Outlay	\$50,000	\$364,800	\$362,401	\$137,500
Total Expenses	\$1,786,046	\$2,301,009	\$2,351,848	\$2,430,704

**FY2020 PROPOSED BUDGET
OTHER EXPENSES**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$0	\$38,792	\$0	\$160,384
Contractual Services	5,393	97,740	3,048,348	97,000
Other Charges and Services	12,027,904	12,887,124	12,535,872	12,530,998
Operating Transfers	82,071	984,440	(1,846,715)	22,440
Capital Outlay	0	62,500	0	70,000
Debt Service	3,074,009	3,469,994	3,407,152	3,869,042
TOTAL	\$15,189,376	\$17,540,590	\$17,144,657	\$16,749,865

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Increase (+\$135,384) for \$185 per employee per month for Group Health Insurance (+\$110,734) and a 2% COLA (+\$24,651).

Contractual Services - Decrease (-\$2.95M) payment made to Cardinal Construction in FY19.

Other Charges and Services - Net decrease of (-\$4,874) primarily comprised of decrease in GCWA water charges to the City due to water conservation, net an increase in administrative costs.

Debt Service - Includes a net increase (+\$461,891) for FY 2020 debt service for water bonds sold in spring 2019.

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

**FY2020 PROPOSED BUDGET
OTHER EXPENSES**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511002 COLA Increases	\$0	\$38,792	\$0	\$49,651
511512 Group Health Insurance Reserve	0	0	0	110,734
Total Personnel Services	\$0	\$38,792	\$0	\$160,384
Contractual Services				
531004 Consultant Services	7,022	30,000	27,460	30,000
531125 Other Contracts	0	30,000	2,990,000	30,000
531310 Rental Of Land & Buildings	(1,629)	37,740	30,888	37,000
Total Contractual Services	\$5,393	\$97,740	\$3,048,348	\$97,000
Other Charges and Services				
547011 Surface Water Purchase	4,445,467	2,434,164	2,434,164	2,481,072
547012 Debt Service - Surface Water	3,196,793	3,216,997	3,216,997	3,218,490
547013 Surface Water - Capital	2,957,274	2,801,950	2,801,950	2,561,824
547014 Surface Water - Main. & Operations	0	2,923,089	2,572,000	2,666,000
547020 Bad Debts	(82)	0	(163)	0
547040 Administrative Service Charge	710,000	731,300	731,300	753,000
547050 Payment In Lieu Of Taxes	200,000	206,000	206,000	212,000
547070 Insurance Expense	197,406	175,068	175,068	226,482
547075 City Hall Maintenance	321,046	313,569	313,569	310,721
547095 Community Outreach/Public Info	0	84,987	84,987	101,409
Total Other Charges and Services	\$12,027,904	\$12,887,124	\$12,535,872	\$12,530,998
Operating Transfers				
553010 Waterworks - Transfer Out	0	962,000	0	0
553035 Transfer To Separation Pay Fund	22,440	22,440	22,440	22,440
555350 Transfer To Hurricane Harvey	931	0	0	0
Total Operating Transfers	\$82,071	\$984,440	\$22,440	\$22,440
564005 Capital Outlay - Improvements	0	62,500	0	70,000
Total Capital Outlay	\$0	\$62,500	\$0	\$70,000
Debt Service				
571010 Interest Expense	1,069,894	1,049,879	1,063,637	1,005,522
571020 Revenue Bond Interest	446,845	434,590	434,590	407,290
571040 Agent Fees	2,155	2,700	2,700	2,700
571050 Principal Expenditure	1,555,115	1,595,125	1,595,125	1,600,405
571090 New Debt Service	0	386,500	309,900	851,925
571130 Investment Fees	0	1,200	1,200	1,200
Total Debt Service	\$3,074,009	\$3,469,994	\$3,407,152	\$3,869,042
Total Expenses	\$15,189,377	\$17,540,590	\$19,013,812	\$16,749,865

**FY2020 PROPOSED BUDGET
SEWER SYSTEM FUND**

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	9,119,140	9,500,605	9,500,605	9,184,950
Revenues:				
Metered customers	\$15,312,234	\$15,450,000	\$14,760,000	\$14,760,000
Service connections	105,634	108,000	120,492	120,000
Waste hauler fees	103,720	110,000	108,635	110,000
Penalties on account	161,652	136,000	175,717	175,000
Interest earned	145,979	54,000	177,342	75,000
Other revenues	25,468	0	22,079	0
Total revenues	\$15,854,687	\$15,858,000	\$15,364,265	\$15,240,000
Expenses:				
Management services	\$371,036	\$389,690	\$349,737	\$402,116
Utility Billing	881,582	993,650	1,009,362	1,008,494
Industrial Pretreatment	304,731	337,595	318,308	348,570
Collection	3,258,347	4,737,601	4,611,186	3,521,242
Wastewater Treatment Plant	3,760,975	4,136,185	4,016,070	4,277,745
Debt Service	3,570,498	3,592,695	3,590,695	4,381,052
Other Expenses	1,329,561	1,597,568	1,542,608	1,881,985
Total expenses	\$13,476,731	\$15,784,984	\$15,437,966	\$15,821,204
Net income/(loss)	\$2,377,956	\$73,016	(\$73,701)	(\$581,204)
Transfer to improvement account	1,500,000	904,000	0	0
Prior year adjustment	(\$496,491)	\$0	(\$241,955)	\$0
Ending balance	\$9,500,605	\$8,669,621	\$9,184,950	\$8,603,745
90 Day Reserve	\$3,323,030	\$3,892,188	\$3,806,622	\$3,901,119
120 Day Reserve	\$4,430,706	\$5,189,584	\$5,075,496	\$5,201,492

Personnel summary	FY2018 ACTUAL	FY2019 BUDGET	FY2020 BUDGET	FY2020 PROPOSED
Sewer - Management Services	2.725	2.725	2.208	\$291,647
Sewer - Utility Billing	10.313	10.250	10.250	583,888
Sewer - Industrial Pretreatment	4.000	4.000	4.000	244,675
Sewer - Collections	41.250	39.000	38.000	2,179,886
Sewer - Wastewater Treatment Plant	29.250	32.500	32.500	1,962,379
Totals	87.538	88.475	86.958	\$5,262,475

BUDGET HIGHLIGHTS

- Sewer System revenue estimates reflect no increase in sewer rates in FY 2019.
- The \$325,700 increase in total expenses is largely the result of a reduction in capital purchases in Collections (\$1,089,945), increase to Waste Water Treatment Plant due to increase of capital purchases (+\$261,675), increase to debt service for revenue bonds sold in FY19 (+\$790,357), and increases to other organizations totalling (+\$282K). A 2% COLA for employees (+\$80,043)

**SANITARY SEWER SYSTEM FUND
EXPENDITURE SUMMARY**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Management Services	\$371,036	\$389,690	\$349,737	\$402,116
Utility Billing	881,582	993,650	1,009,362	1,008,494
Industrial Pretreatment	304,731	337,595	318,308	348,570
Collection	3,258,347	4,737,601	4,611,186	3,521,242
Wastewater Treatment Plant	3,760,975	4,136,185	4,016,070	4,277,745
Debt Service	3,570,498	3,592,695	3,590,695	4,381,052
Other Expenses	1,329,561	1,597,568	1,542,608	1,881,985
Subtotal	13,476,731	15,784,984	15,437,966	15,821,204
Transfer to Improvement account	1,500,000	904,000	0	0
Sewer System Fund Total	\$14,976,731	\$16,688,984	\$15,437,966	\$15,821,204

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$4,708,108	\$5,186,656	\$5,102,178	\$5,585,391
Materials and Supplies	1,466,140	1,834,398	1,758,060	1,697,093
Contractual Services	1,641,193	1,944,085	1,863,723	1,928,675
Other Charges and Services	1,328,063	1,424,479	1,389,213	1,493,194
Operating Transfers	1,608,472	982,171	114,331	40,800
Capital Outlay	654,255	1,724,500	1,619,765	695,000
Debt Service	3,570,498	3,592,695	3,590,695	4,381,052
Sewer System Fund Total	\$14,976,731	\$16,688,984	\$15,437,966	\$15,821,204

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel services - Net increase (+\$433,213) include annualized cost for personnel with 2% COLA (\$240,339) and (\$192,874) for \$185 per month per employee for Group Health Insurance.

Materials and supplies - Net decrease (-\$60,967) primarily due to the reduction in water meter costs. FY19 water meter costs were high due to including late orders from FY18.

Contractual Services - Net increase (\$64,952) to maintain the services needed for daily operations and maintenance.

Other Charges and services - Net increase (+\$103,981) for administrative service charges (\$13,000), payments for inhouse repair of street cuts related to sewer line repairs (\$16,775), Sewer fund share of Community Outreach/Public Information internal service fund (\$9,980), increased insurance charges (\$41,883), increase to miscellaneous expenses (\$17,000), and (\$6,000) increase to payments in lieu of taxes.

Operating Transfers - Decrease (-\$73,531) primarily attributable to decreased transfer to Hurricane Harvey Fund.

Capital Outlay - Total (\$875,500) includes \$250,000 for equipment and vehicle purchases for the Waste Water Treatment Plant, \$375,000 for Collections, and \$62,500 for the new PW Facility furniture.

Debt Service - New debt service for the 2019 Revenue Bonds.

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

- Continued improvements of VueWorks work-order system.
- Issued temporary hauler permits.
- Managed Public Works payment processing.

Goals

- .
- Become fully operational with the new work-order system.
- 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.

**FY2020 PROPOSED BUDGET
MANAGEMENT SERVICES (SEWER SHARE)**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$267,010	\$286,424	\$256,640	\$291,647
Materials and Supplies	13,845	16,560	14,947	23,160
Contractual Services	89,858	74,706	78,150	87,309
Other Charges and Services	323	0	0	0
Capital Outlay	0	12,000	0	0
TOTAL	\$371,036	\$389,690	\$349,737	\$402,116

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Increase of \$35,008 to reflect an increase to salary reimbursements paid from the sewer system fund.

Materials and Supplies - Increase (\$8,213) primarily due to the additional electricity charged that are expected to incur once moved into the new PW Facility.

Contractual Services - Net increase (\$9,159) to include estimates to increased utilities and other services for the new PW Facility.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Service Request Reported	28,442	24,096	30,495	31,250
Design Projects Managed	45	65	67	66

Note: Performance measures are for Management Services overall.

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
ACM Development & Muni service	0.35	0.35	0.25	0.33
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	2.208

**FY2020 PROPOSED BUDGET
MANAGEMENT SERVICES (SEWER SHARE)**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$167,462	\$145,035	\$148,165	\$148,629
511005 Longevity	628	562	675	684
511006 Differential Pay	462	452	452	452
511009 Overtime	764	0	790	0
511125 Residency Pay	1,088	1,355	998	1,355
511510 Group Health Insurance	17,590	14,280	14,343	14,840
511515 Worker's Compensation	226	151	151	226
511520 Group Life Insurance	464	47	377	300
511530 Social Security - Employment	10,393	9,139	9,121	9,369
511535 Medicare - Employer's	2,450	2,137	2,164	2,191
511542 City Employee Retirement	15,503	13,266	13,597	13,601
511650 Salary Reimbursements	49,978	100,000	65,807	100,000
Total Personnel Services	\$267,010	\$286,424	\$256,640	\$291,647
Materials and Supplies				
521065 Office Supplies	9,401	10,500	9,308	10,000
522013 Clothing	1,390	1,560	1,190	1,560
522038 Safety Supplies	157	500	800	800
522055 Minor Tools	369	500	800	800
525031 Electricity	2,527	3,500	2,849	10,000
Total Materials and Supplies	\$13,845	\$16,560	\$14,947	\$23,160
Contractual Services				
531005 Other Services	74	1,000	600	1,000
531025 Memberships	498	2,500	2,490	1,000
531027 Certification & Permit Fees	0	65	63	0
531028 Software Licenses	6,476	5,475	6,212	6,000
531240 Maintenance Contracts	5,188	8,960	9,985	10,000
531350 Garage Charges	11,431	6,756	0	3,000
531360 Computer Charges	31,747	15,815	7,856	7,142
532062 Postage	4,754	5,100	15,815	17,607
532065 Printing, Duplication	9,033	10,000	5,000	5,000
532066 Print Shop Charges	2,683	200	10,000	10,000
532083 Telephone Service	9,426	10,500	264	500
532084 Cellular Service	1,451	1,400	12,000	12,500
532086 Other Communications	5,001	4,900	1,542	1,560
532087 Aircard Service	642	500	4,920	10,000
533085 Travel/Training	1,453	1,435	262	500
533100 Advertising	0	100	1,142	1,500
Total Contractual Services	\$89,858	\$74,706	\$78,150	\$87,309
Other Charges and Services				
544032 Meeting Expenditures	323	0	0	0
Total Other Charges and Services	\$323	\$0	\$0	\$0
Capital Outlay				
564005 Capital Outlay - Improvements	0	12,000	0	0
Total Capital Outlay	\$0	\$12,000	\$0	\$0
Total Expenses	\$371,036	\$389,690	\$349,737	\$402,116



Utility Billing Division (Sewer Share)

Division Mission

The mission of the Utility Billing Division is to ensure accuracy and efficiency in the billing and collection of utility services, while providing excellent customer service to new and existing customers, responding to inquiries, and promptly posting payments.

Accomplishments

- Answered 92% of all customer calls on their first attempt.
- Re-designed the utility billing statement to make it easier for customers to understand and to provide useful data.
- Outsourced the mailing of customer utility bills.
- Re-established the meter testing program.

Goals

- Increase the customer usage of electronic online payment methods.
- Raise customer awareness of the enhancements provided in the new customer web portal 2.0.
- Increase the number of customers choosing e-bill.
- Customers with multiple accounts receive their monthly bill on one statement.
- Complete customer adjustment requests within a thirty day period.

**FY2020 PROPOSED BUDGET
UTILITY BILLING (SEWER SHARE)**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$510,596	\$549,284	\$538,585	\$583,888
Materials and Supplies	65,726	199,914	226,245	150,150
Contractual Services	211,434	148,827	150,953	178,832
Other Charges and Services	93,827	95,625	93,579	95,625
TOTAL	\$881,582	\$993,650	\$1,009,362	\$1,008,494

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 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 - Includes an annualized cost for personnel (+\$55,283).

Materials and Supplies - Net Decrease (\$76,095) Decrease in meter inventory (-\$81,484), increase/decrease in several supply accounts based on year of experience with meter field group as a part of this organization net increase (\$5,389).

Contractual Services - Net increase (\$27,879) largely due to an increase to maintenance and other contracts..

Other Charges and Supply - Slight increase in bank service charges (+\$2,046) for online credit cards and phone payments.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Number of Customers	20,482	20,580	20,718	20,800
Field investigations and follow up	21,203	18,949	21,641	21,800
Average number of meters not transmitting consumption accurately monthly	600	350	300	275
No. of pre-billing consumption adjustments	3,432	40	35	40
Amount of pre-billing consump. adjustments	\$117,312	\$49,016	\$193,850	\$50,000
Active customers delinquent over 90 days	1,230	1,898	2,149	2,000
Over 90 day balances for active customers	\$482,514	\$522,148	\$623,286	\$550,000
Customers paying monthly by auto payment	3,989	4,764	5,545	5,700
Number of e-bill customers monthly	3,342	3,833	4,324	4,600
Customers with active payment arrangements	380	95	37	100
Funds under active payment arrangements	\$16,000	\$22,261	\$8,020	\$15,000

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
UTILITY BILLING (SEWER SHARE)**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$333,856	\$370,688	\$354,048	\$389,306
511005 Longevity	2,139	2,100	2,439	2,480
511006 Differential Pay	1,260	1,355	1,266	1,374
511009 Overtime	36,832	28,125	36,742	37,000
511125 Residency Pay	6,158	6,573	5,950	7,880
511510 Group Health Insurance	63,968	68,880	68,880	68,880
511515 Worker's Compensation	3,138	2,097	2,097	3,138
511520 Group Life Insurance	1,251	1,394	1,310	1,476
511530 Social Security - Employment	22,509	25,348	24,162	26,943
511535 Medicare - Employer's	5,265	5,928	5,651	6,301
511542 City Employee Retirement	34,219	36,796	36,040	39,110
Total Personnel Services	\$510,596	\$549,284	\$538,585	\$583,888
Materials and Supplies				
521065 Office Supplies	8,030	8,000	5,913	8,000
521067 Minor Office Equipment	833	3,750	1,875	3,750
521073 Printed Materials	6,611	14,564	13,506	4,800
522013 Clothing	2,034	2,850	2,007	2,850
522037 Janitorial Supplies	601	500	483	500
522038 Safety Supplies	0	1,050	1,042	1,050
522055 Minor Tools	778	3,400	2,805	3,400
522056 Minor Equipment	5,607	115,000	156,484	75,000
522065 Paint and Lumber	0	150	113	150
522075 Pipe and Plumbing Supplies	41,232	50,000	41,529	50,000
522085 Equipment Parts	0	650	488	650
Total Materials and Supplies	\$65,726	\$199,914	\$226,245	\$150,150
Contractual Services				
531007 Security Service	3,743	3,800	3,334	3,800
531015 Temporary Employee Services	2,252	4,781	3,805	5,000
531124 Towing Payments	0	50	38	50
531125 Other Contracts	84	20,625	9,996	25,000
531230 Equipment Repairs	0	750	563	750
531240 Maintenance Contracts	15,866	29,836	16,541	30,000
531320 Equipment Rental	5,349	5,250	2,294	0
531350 Garage Charges	15,915	16,566	13,339	15,625
531360 Computer Charges	94,399	26,773	26,773	31,407
532062 Postage	47,559	24,850	55,986	50,000
532065 Printing, Duplication	0	1,450	1,088	1,450
532066 Print Shop Charges	15,956	1,400	1,365	1,400
532083 Telephone Service	6,805	7,150	8,950	7,150
532084 Cellular Service	2,813	876	3,187	3,200
532086 Other Communications	694	795	788	2,000
533085 Travel/Training	0	3,875	2,906	2,000
Total Contractual Services	\$211,434	\$148,827	\$150,953	\$178,832
Other Charges and Services				
544105 Bank Service Charges	93,827	95,625	93,579	95,625
Total Other Charges and Services	\$93,827	\$95,625	\$93,579	\$95,625
Total Expenses	\$881,582	\$993,650	\$1,009,362	\$1,008,494



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.

**FY2020 PROPOSED BUDGET
INDUSTRIAL PRETREATMENT**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$217,207	\$240,496	\$240,441	\$244,675
Materials and Supplies	9,101	18,500	15,973	18,350
Contractual Services	35,133	78,599	61,894	85,545
Capital Outlay	43,290	0	0	0
TOTAL	\$304,731	\$337,595	\$318,308	\$348,570

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Increase of \$4,235 for annualized cost of personnel.

Materials & Supplies - \$2,377 to maintain current level of supplies for daily operations.

Contractual Services - Overall increase (\$23,651) includes increase for technology services (+\$3,411), Increase in attorney's fees (+\$10,208), garage charges (\$7,697), and small increases to other service accounts totalling (\$2,335).

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Food establishments inspected	1,352	1,597	1,667	1,750
Inspections performed (Industrial & waster haulers)	1,089	976	770	850
Waster haulers gallons received	2,938,902	2,336,505	1,548,200	1,780,200

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
INDUSTRIAL PRETREATMENT**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$143,791	\$152,903	\$155,912	\$155,961
511005 Longevity	1,464	1,513	1,457	1,473
511009 Overtime	15,536	20,000	22,216	20,000
511125 Residency Pay	5,529	7,529	5,019	7,529
511510 Group Health Insurance	25,226	26,880	26,880	26,880
511515 Worker's Compensation	1,987	1,328	1,328	1,987
511520 Group Life Insurance	556	49	596	50
511530 Social Security - Employment	9,231	11,281	10,911	11,468
511535 Medicare - Employer's	2,159	2,638	2,552	2,682
511542 City Employee Retirement	14,969	16,375	16,614	16,647
511650 Salary Reimbursements	(3,240)	0	(3,044)	0
Total Personnel Services	\$217,207	\$240,496	\$240,441	\$244,675
Materials and Supplies				
521065 Office Supplies	966	5,000	4,931	5,000
522011 Chemicals	880	3,500	3,148	3,500
522013 Clothing	1,815	4,000	3,262	4,000
522037 Janitorial Supplies	2,693	500	527	750
522038 Safety Supplies	909	500	291	500
522055 Minor Tools	1,839	5,000	3,750	4,500
522085 Equipment Parts	0	0	64	100
Total Materials and Supplies	\$9,101	\$18,500	\$15,973	\$18,350
Contractual Services				
531006 Attorney's Fees	7,711	30,000	19,792	30,000
531008 Laboratory Testing	75	0	0	0
531027 Certification & Permit Fees	125	250	111	250
531028 Software Licenses	0	1,900	1,900	1,900
531350 Garage Charges	9,849	6,394	4,232	11,929
531360 Computer Charges	15,898	30,355	30,355	33,766
532062 Postage	0	200	100	200
532065 Printing, Duplication	0	4,000	2,000	2,000
532083 Telephone Service	742	1,000	1,261	1,500
532084 Cellular Service	574	1,500	643	1,000
533085 Travel/Training	159	3,000	1,500	3,000
Total Contractual Services	\$35,133	\$78,599	\$61,894	\$85,545
Capital Outlay				
564003 Vehicle Capital Outlay	43,290	0	0	0
Total Capital Outlay	\$43,290	\$0	\$0	\$0
Total Expenses	\$304,731	\$337,595	\$318,308	\$348,570



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 45th Street and Sealy Roadway projects.
- Televised the sanitary sewer system where needed to identify deteriorating sanitary sewer systems.
- Replaced deteriorated gravity sewer and force main sanitary sewer systems.
- Provided smoke testing to the sanitary sewer system in the Terramar Wastewater Treatment Plant system area to identify infiltration and inflow (I & I) problem areas.
- Minimized sanitary sewer overflows.

Goals

- Continue replacement of deteriorated gravity sewer and force main sanitary sewer systems.
- Coordinate and assist contractors working on future roadway construction projects.
- Continue providing smoke testing of the sanitary sewer system where needed to identify infiltration and inflow (I & I) problem areas.
- Continue televising the sanitary sewer system where needed to identify deteriorating sanitary sewer systems.
- 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.

**FY2020 PROPOSED BUDGET
COLLECTION**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,928,277	\$2,119,302	\$2,181,510	\$2,179,886
Materials and Supplies	356,415	459,794	407,628	492,240
Contractual Services	390,029	454,505	427,049	394,116
Other Charges and Services	29,425	80,000	63,225	80,000
Capital Outlay	554,200	1,624,000	1,531,775	375,000
TOTAL	\$3,258,347	\$4,737,601	\$4,611,186	\$3,521,242

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net decrease (-\$1,624) due to increase to regular payroll (+\$128,415), decrease to overtime (-\$145,085), and net increase to other payroll accounts (\$16,670)

Materials and Supplies - Overall increase of \$84,612 due to minor tools and pipe and plumbing supplies to be used by field crews in increasing production.

Contractual Services - Decrease (\$32,933) due to antipated savings of moving from a rental to the new PW Facility.

Other Charges and Services - Increase (+\$16,775) due to reimbursement for repair of street cuts to repair sewers.

Capital Outlay - Total \$375,000 includes vehicle replacements including crew trucks (\$175,000), Dozer (\$150,000), and Small Jet Truck (\$50,000).

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Mains installed/replaced (feet) inhouse	2,150	3,624	3,344	600
Stoppages cleared	852	1,060	997	425
Taps installed	130	188	236	350
Point repairs made	125	74	71	550

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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	0.00
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	38.00

**FY2020 PROPOSED BUDGET
COLLECTION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$1,118,672	\$1,306,570	\$1,186,891	\$1,315,306
511005 Longevity	6,645	6,649	7,156	7,308
511006 Differential Pay	903	904	904	904
511009 Overtime	281,619	175,000	320,085	175,000
511021 Part-Time Payroll	0	18,000	13,500	18,000
511110 Incentive Pay	900	3,012	903	3,012
511125 Residency Pay	41,796	44,558	39,836	44,558
511510 Group Health Insurance	214,477	262,080	262,080	255,360
511515 Worker's Compensation	19,238	12,853	12,853	19,238
511520 Group Life Insurance	4,195	5,820	4,534	5,779
511530 Social Security - Employment	85,761	96,391	97,295	96,973
511535 Medicare - Employer's	20,057	22,543	22,754	22,679
511542 City Employee Retirement	130,425	139,922	141,235	140,768
511650 Salary Reimbursements	3,589	25,000	71,484	75,000
Total Personnel Services	\$1,928,277	\$2,119,302	\$2,181,510	\$2,179,886
Materials and Supplies				
521065 Office Supplies	3,148	6,000	6,125	5,000
522011 Chemicals	768	1,500	883	1,500
522013 Clothing	12,164	18,594	17,658	18,000
522015 Concrete And Aggregate	36,015	40,000	38,417	40,040
522037 Janitorial Supplies	3,853	2,000	3,152	1,000
522038 Safety Supplies	5,841	6,000	8,964	8,000
522055 Minor Tools	24,936	15,000	23,844	25,000
522056 Minor Equipment	73,113	200,000	125,437	175,000
522065 Paint And Lumber	2,782	3,500	2,963	3,500
522075 Pipe And Plumbing Supplies	175,749	163,200	162,833	200,000
522085 Equipment Parts	17,770	4,000	10,328	8,000
522099 Other Supplies	52	0	6,172	2,200
525031 Electricity	222	0	853	5,000
Total Materials and Supplies	\$356,415	\$459,794	\$407,628	\$492,240
Contractual Services				
531005 Other Services	6	0	0	0
531025 Memberships	2,925	3,757	2,818	3,000
531027 Certification & Permit Fees	112	1,000	861	1,000
531028 Software Licenses	16,880	10,500	10,750	10,500
531124 Towing Payments	31	0	0	0
531125 Other Contracts	0	0	5,200	0
531220 Building Repairs	722	1,725	1,294	1,500
531230 Equipment Repairs	21,620	2,500	6,854	4,500
531240 Maintenance Contracts	16,850	16,972	17,740	17,000
531310 Rental Of Land & Buildings	33,705	34,356	33,864	7,089
531320 Equipment Rental	2,877	13,000	9,906	10,000
531350 Garage Charges	237,171	256,169	223,302	221,877
531360 Computer Charges	29,620	83,901	83,901	82,925
532062 Postage	0	25	25	25
532065 Printing, Duplication	458	2,000	2,645	2,500
532066 Print Shop Charges	715	200	188	200
532083 Telephone Service	5,155	7,000	6,016	7,000
532084 Cellular Service	12,423	8,000	9,871	10,000

**FY2020 PROPOSED BUDGET
COLLECTION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
532085 Pager Service	147	0	24	0
532086 Other Communications	3,692	2,000	1,567	5,000
532087 Aircard Service	1,505	1,400	942	500
533085 Travel/Training	3,416	10,000	9,280	9,500
Total Contractual Services	\$390,029	\$454,505	\$427,049	\$394,116
Other Charges and Services				
544087 Expense Reimbursement	29,811	80,000	63,225	80,000
544097 Expense Reimbursement-Grants	(386)	0	0	0
Total Other Charges and Services	\$29,425	\$80,000	\$63,225	\$80,000
Capital Outlay				
564003 Vehicle Capital Outlay	554,200	1,624,000	1,531,775	375,000
Total Capital Outlay	\$554,200	\$1,624,000	\$1,531,775	\$375,000
Total Expenses	\$3,258,347	\$4,737,601	\$4,611,186	\$3,521,242

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

- Continued the design of the Pirates Beach Waste Water Treatment Plant replacement project.
- Finalize the design of the lift station rehabilitation project for Lift Station #8 (Clock Tower Lift Station - East Beach Drive), Lift Station #6 (Ferry Road between Mackerel and Harborside Drive) and Lift Station 26 (99th Street and Stewart Road).
- Commenced the design of the Main Wastewater Treatment Plant digester improvements.
- Commenced the construction phase of the Airport Wastewater Treatment Plant 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.
- Complete the construction phase for the Airport Wastewater Treatment Plant project.
- Commence the construction of the Main Wastewater Treatment Plant digester improvements.
- Continue the rehabilitation of the lift stations across the City.
- 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.

**FY2020 PROPOSED BUDGET
WASTEWATER TREATMENT PLANT**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,785,018	\$1,916,007	\$1,885,003	\$1,962,379
Materials and Supplies	1,021,053	1,139,630	1,093,267	1,013,193
Contractual Services	904,619	1,050,948	1,025,014	1,047,873
Other Charges and Services	(6,481)	3,600	(12,704)	4,300
Capital Outlay	56,765	26,000	25,490	250,000
TOTAL	\$3,760,975	\$4,136,185	\$4,016,070	\$4,277,745

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services -Increase (\$77,376) includes annualized cost for personnel.

Materials and supplies - Decrease (\$80,074) mostly attributed to the decreased electricity rate.

Contractual Services - Net increase (+\$22,859) to continue maintaining the cost of managing the plant and new required testing for grit and sludge.

Capital Outlay - Purchase of crane truck (\$199,729), Scissor Lift (\$38,948) and 4 CY Hopper (\$8,500).

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Main WWTP, million gallons treated	1,745	1,738	1,871	1,700
Airport WWTP, million gallons treated	738	826	776	850
Terramar Beach WWTP, million gallons treated	6.02	113	125	125.00
Pirates Beach WWTP, million gallons treated	7.43	118	95	115.00

PERSONNEL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
WASTEWATER TREATMENT PLANT**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$1,201,131	\$1,258,055	\$1,217,326	\$1,293,149
511005 Longevity	9,098	9,090	9,948	10,078
511006 Differential Pay	415	0	904	0
511009 Overtime	93,064	125,000	134,019	125,000
511110 Incentive Pay	15,957	13,854	15,372	13,854
511125 Residency Pay	41,206	38,270	40,955	38,270
511510 Group Health Insurance	196,113	218,400	218,400	218,400
511515 Worker's Compensation	12,677	8,470	8,470	12,677
511520 Group Life Insurance	4,393	4,397	4,266	4,471
511530 Social Security - Employment	80,272	89,545	87,949	91,782
511535 Medicare - Employer's	18,773	20,942	20,569	21,465
511542 City Employee Retirement	122,409	129,984	127,667	133,232
511650 Salary Reimbursements	(7,248)	0	(842)	0
511655 Salary Reimbursements-Grants	(3,243)	0	0	0
Total Personnel Services	\$1,785,018	\$1,916,007	\$1,885,003	\$1,962,379
Materials and Supplies				
521065 Office Supplies	2,769	6,000	5,839	6,000
522011 Chemicals	71,728	90,200	84,122	90,200
522013 Clothing	17,251	21,300	21,278	20,000
522025 Fuel and Lubricants	4,150	0	0	0
522037 Janitorial Supplies	7,230	6,000	6,829	5,000
522038 Safety Supplies	2,952	1,500	3,000	2,300
522055 Minor Tools	5,419	5,000	7,899	5,000
522056 Minor Equipment	81,221	60,000	58,956	60,000
522065 Paint And Lumber	1,935	2,000	2,000	2,000
522075 Pipe And Plumbing Supplies	5,814	11,000	12,320	11,000
522085 Equipment Parts	72,301	181,630	103,326	150,000
522099 Other Supplies	2,879	3,000	2,869	3,000
525031 Electricity	743,667	750,000	782,878	656,593
525032 Natural Gas	1,738	2,000	1,952	2,100
Total Materials and Supplies	\$1,021,053	\$1,139,630	\$1,093,267	\$1,013,193
Contractual Services				
531004 Consultant Services	18,490	46,000	34,500	35,000
531005 Other Services	7,500	0	0	0
531008 Laboratory Testing	66,942	85,000	79,026	85,000
531025 Memberships	3,098	4,000	3,595	3,600
531027 Certification & Permit Fees	112,895	105,000	108,108	110,000
531028 Software License	974	0	0	0
531110 Sludge Removal	187,441	200,000	181,129	190,000
531120 Lot Maintenance	42,500	60,000	52,425	30,000
531125 Other Contracts	31,095	20,000	35,836	51,000
531220 Building Repairs	0	1,500	750	0
531230 Equipment Repairs	128,282	110,000	132,023	130,000
531240 Maintenance Contracts	31,701	49,370	48,730	50,000
531250 Vehicle Repairs	2,682	0	0	0
531320 Equipment Rental	22,337	35,000	17,500	25,000
531350 Garage Charges	110,243	152,563	139,590	150,232
531360 Computer Charges	24,249	82,165	82,165	72,911
532062 Postage	35	0	0	0
532065 Printing, Duplication	116	300	1,037	30

**FY2020 PROPOSED BUDGET
WASTEWATER TREATMENT PLANT**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
532066 Print Shop Charges	779	0	136	100
532083 Telephone Service	78,210	70,000	83,317	85,000
532084 Cellular Service	2,996	3,500	3,336	3,500
532085 Pager Service	63	50	85	0
532086 Other Communications	17,656	16,500	14,868	16,500
533085 Travel/Training	12,006	10,000	6,857	10,000
533100 Advertising	2,330	0	0	0
Total Contractual Services	\$904,619	\$1,050,948	\$1,025,014	\$1,047,873
Other Charges and Services				
543032 Meeting Expenditures	2,086	0	0	0
544087 Expense Reimbursement	4,174	3,600	4,301	4,300
544099 Miscellaneous Expense	(12,742)	0	(17,005)	0
Total Other Charges and Services	(\$6,481)	\$3,600	(\$12,704)	\$4,300
Capital Outlay				
564003 Vehicle Capital Outlay	0	26,000	25,490	250,000
564117 Machinery & Equipment	56,765	0	0	0
Total Capital Outlay	\$56,765	\$26,000	\$25,490	\$250,000
Total Expenses	\$3,760,975	\$4,136,185	\$4,016,070	\$4,277,745

**FY2020 PROPOSED BUDGET
OTHER EXPENSES**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$0	\$75,143	\$0	\$322,916
Materials and Supplies	0	0	0	0
Contractual Services	10,119	136,500	120,663	135,000
Other Charges and Services	1,210,970	1,245,254	1,245,113	1,313,269
Operating Transfers	1,608,472	982,171	114,331	40,800
Capital Outlay	0	62,500	0	70,000
Debt Service	3,570,498	3,592,695	3,590,695	4,381,052
TOTAL	\$6,400,059	\$6,094,263	\$5,133,303	\$6,263,037

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (\$192,874) for \$185 per month per employee for Group Health Insurance.

Other Charges and Services -Net increase of (\$68,000) includes payment in lieu of taxes(\$6,000), insurance expense (\$42,000) and increase in administrative service charge from General Fund (\$13,000), increase to Community Outreach (\$9,980) and a decrease to City Hall Maintenance (-\$2,848)

Operating Transfers - Decrease (-\$73,531) due to the lack of transfers to improvement and Harvey funds.

Capital Outlay - Purchase furniture for sewer staff areas in new Public Works building.

**FY2020 PROPOSED BUDGET
OTHER EXPENSES**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511002 COLA Increases	\$0	\$75,143	\$0	\$130,043
511512 Group Health Insurance Reserve	0	0	0	192,874
Total Personnel Services	\$0	\$75,143	\$0	\$322,916
Contractual Services				
531004 Consultant Services	7,022	30,000	30,971	30,000
531125 Other Contracts	6,525	30,000	22,500	30,000
531310 Rental Of Land & Buildings	(3,428)	76,500	67,192	75,000
Total Contractual Services	\$10,119	\$136,500	\$120,663	\$135,000
Other Charges and Services				
544087 Expense Reimbursement	845	0	0	0
547020 Bad Debts	(83)	0	(141)	0
547040 Administrative Service Charge	434,000	447,000	447,000	460,000
547050 Payment In Lieu Of Taxes	200,000	206,000	206,000	212,000
547070 Insurance Expense	255,161	218,366	218,366	260,249
547075 City Hall Maintenance	321,046	313,569	313,569	310,721
547095 Community Outreach/Public Info	0	60,319	60,319	70,299
Total Other Charges and Services	\$1,210,970	\$1,245,254	\$1,245,113	\$1,313,269
Operating Transfer				
553011 Sewer - Trnsf to Improvement Fund	1,500,000	904,000	0	0
553022 Transfer To Tech Imprvt Fund	58,700	0	0	0
553035 Transfer To Separation Pay Fund	40,800	40,800	40,800	40,800
553050 Transfer To Hurricane Harvey	8,972	37,371	73,531	0
Total Operating Transfers	\$1,608,472	\$982,171	\$114,331	\$40,800
564005 Capital Outlay - Improvements	0	62,500	62,500	70,000
Total Capital Outlay	\$0	\$62,500	\$62,500	\$70,000
Debt Service				
571010 Interest Expense	956,641	938,100	938,100	938,100
571020 Revenue Bond Interest	519,547	500,710	500,710	420,117
571040 Agent Fees	2,595	3,000	3,000	3,000
571050 Principal Expenditure	2,091,715	2,148,885	2,148,885	2,165,910
571090 New Debt Service	0	0	0	851,925
571130 Investment Fees	0	2,000	0	2,000
Total Debt Service	\$3,570,498	\$3,592,695	\$3,590,695	\$4,381,052
Total Expenses	\$6,400,059	\$6,094,263	\$5,133,303	\$6,263,037

**FY2020 PROPOSED BUDGET
MUNICIPAL SANITATION SUMMARY**

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	3,328,923	2,487,094	2,487,094	2,315,318
Revenues:				
Collection fees	\$5,642,643	\$5,594,390	\$5,608,242	\$5,664,324
Dumpster fees	25,523	26,000	27,347	27,000
Trash pick-up	1,762	0	1,723	0
Recycling fees	503,167	506,723	506,677	511,744
Penalties on account	83,707	140,000	125,470	140,000
Sale of Equipment	0	0	0	20,000
Other revenue	53,422	59,100	75,840	73,287
Total revenues	\$6,311,098	\$6,326,213	\$6,345,299	\$6,436,356
Expenses:				
Refuse Collection	\$4,546,928	\$4,437,950	\$4,516,286	\$4,564,208
Recycling	627,364	622,250	646,443	709,836
Utility Billing	225,718	212,390	222,924	231,960
Other expenses	688,895	804,475	758,047	961,144
Total expenses	\$6,088,905	\$6,077,065	\$6,143,700	\$6,467,148
Net income (loss)	\$222,193	\$249,148	\$201,599	(\$30,792)
Capital Outlay	\$786,276	\$1,383,050	\$1,293,542	\$490,000
Prior year adjustment	(\$277,746)	\$0	\$920,167	\$0
Ending balance	\$2,487,094	\$1,353,192	\$2,315,318	\$1,794,526
90 Day Reserve	\$1,501,374	\$1,498,454	\$1,514,885	\$1,594,639
120 Day Reserve	\$2,001,832	\$1,997,939	\$2,019,847	\$2,126,186

Personnel summary	FY2018 ACTUAL	FY2019 BUDGET	FY2020 BUDGET	FY2020 PROPOSED
Municipal Sanitation - Refuse	46.50	46.50	46.50	\$2,731,489
Municipal Sanitation - Recycling	10.00	10.00	11.00	533,938
Municipal Sanitation - Utility billing	2.10	2.10	2.10	125,182
Totals	58.60	58.60	59.60	\$3,390,609

BUDGET HIGHLIGHTS

- The FY2020 Proposed Budget for the Sanitation fund includes \$420,000 in capital outlay to replace a Litter truck, Automated truck and to purchase a baler for recycling.
- The Proposed Budget also includes \$132,312 for \$185 per month per employee for Group Health Insurance.
- The Prior Year Adjustment of \$920,167 shown as part of the FY 2019 Estimate is FEMA reimbursement for city Sanitation staff and equipment having cleaned up debris after Hurricane Harvey.

**MUNICIPAL SANITATION FUND
EXPENDITURE SUMMARY**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Refuse Collection	\$4,546,928	\$4,437,950	\$4,516,286	\$4,564,208
Recycling	627,364	622,250	646,443	709,836
Utility Billing	225,718	212,390	222,924	231,960
Other expenses	688,895	804,475	758,047	961,144
Subtotal	6,088,905	6,077,065	6,143,700	6,467,148
Capital Outlay	786,276	1,383,050	1,293,542	490,000
Sanitation Fund Total	\$6,875,180	\$7,460,115	\$7,437,242	\$6,957,148

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$3,151,668	\$3,285,042	\$3,284,919	\$3,570,010
Materials and Supplies	88,354	148,362	144,523	97,450
Contractual Services	2,160,858	1,978,668	2,038,977	2,102,129
Other Charges and Services	616,825	629,293	639,581	661,859
Operating Transfers	71,200	35,700	35,700	35,700
Capital Outlay	786,276	1,383,050	1,293,542	490,000
Sanitation Fund Total	\$6,875,180	\$7,460,115	\$7,437,242	\$6,957,148

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Includes increases for annualized cost of positions (+\$105,690), funding (+\$47,089) for a 2% COLA and (+\$132,312) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Net decrease (-\$47,075) in minor equipment.

Contractual Services - Increases in garage charges (+\$39,495), computer charges (+\$4,470) and equipment rentals and repairs (+\$19,185).

Other Charges and Services - Net increases (+\$22,280) for Interfund transfers throughout the City.

Capital Outlay - Net decrease (-\$803,540) for equipment needed for FY2020. Includes the purchase of two pieces of heavy equipment (\$195,000) for a litter truck and \$200,000 for a new automated sanitation truck) are budgeted along with \$70,000 to help furnish the new Public Works facility.

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

- Continued with the implementation of VueWorks work-order system with most of the areas.
- Installed cameras in all refuse trash collection vehicles.
- Continued to modify program of proactive collection of most all residential trash.
- Initiated and completed one (1) citywide cleanup.
- Assisted Recycling with the continued beautification of the center.
- Assisted the Park Board with Memorial Day and July 4 trash pickup.
- Provided sanitation services for the Lone Star Motorcycle Bike Rally, Dickens on the Strand, and Mardi Gras.

Goals

- 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.

**FY2020 PROPOSED BUDGET
REFUSE COLLECTION**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$2,572,168	\$2,618,762	\$2,624,788	\$2,731,489
Materials and Supplies	68,580	113,830	114,211	65,000
Contractual Services	1,922,925	1,720,358	1,788,115	1,778,519
Other Charges and Services	(16,744)	(15,000)	(10,829)	(10,800)
TOTAL	\$4,546,928	\$4,442,950	\$4,516,286	\$4,564,208

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+\$106,700) includes annualized cost of vacant positions with reduction in overtime for filled positions.

Materials and Supplies - Net decrease (-\$49,210) in minor equipment.

Contractual Services - Net decrease (-\$9,595) in garage charges and miscellaneous contractual line items.

Other Charges and Services - Increase (+\$30) in Miscellaneous expense line item.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Tons Garbage/Trash collected	30,809.44	31,195.02	30,151.27	31,150.00
Tons received at Transfer Station	99,192.99	100,802.80	99,127.95	99,130.00

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
REFUSE COLLECTION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$1,567,519	\$1,601,824	\$1,610,010	\$1,683,410
511005 Longevity	19,533	19,704	20,276	20,694
511006 Differential Pay	1,689	3,500	24	3,500
511009 Overtime	290,479	300,000	330,004	300,000
511125 Residency Pay	61,055	52,700	58,434	52,700
511510 Group Health Insurance	303,539	312,480	309,409	312,480
511515 Worker's Compensation	49,299	32,937	32,937	49,299
511520 Group Life Insurance	5,944	6,326	6,055	6,365
511530 Social Security - Employment	114,681	122,619	125,162	127,739
511535 Medicare - Employer's	26,821	28,677	29,272	29,874
511542 City Employee Retirement	174,625	177,995	181,687	185,427
511650 Salary Reimbursements	(43,017)	(40,000)	(78,482)	(40,000)
Total Personnel Services	\$2,572,168	\$2,618,762	\$2,624,788	\$2,731,489
Materials and Supplies				
521065 Office Supplies	1,885	4,200	3,182	3,000
522011 Chemicals	5,991	1,600	1,200	1,500
522013 Clothing	30,793	28,000	28,060	28,000
522015 Concrete And Aggregate	0	2,500	1,875	2,000
522037 Janitorial Supplies	6,118	5,000	7,114	6,000
522038 Safety Supplies	4,861	3,600	6,228	4,000
522055 Minor Tools	3,818	3,000	2,250	2,500
522056 Minor Equipment	2,654	50,430	48,599	2,000
522065 Paint And Lumber	640	500	1,184	1,000
522075 Pipe and Plumbing Supplies	1,306	500	0	500
522099 Other Supplies	4,029	7,000	7,374	7,000
525031 Electricity	6,484	7,500	7,145	7,500
Total Materials and Supplies	\$68,580	\$113,830	\$114,211	\$65,000
Contractual Services				
531025 Memberships	360	0	360	360
531027 Certification & Permit Fees	0	0	125	0
531028 Software Licenses	10,932	11,000	11,000	11,500
531115 Refuse Disposal	885,620	690,500	810,000	810,000
531124 Towing Payments	165,992	135,000	160,000	160,000
531125 Other Contracts	0	3,500	3,400	3,400
531220 Building Repairs	3,551	3,500	2,126	2,500
531230 Equipment Repairs	20,261	20,000	21,688	20,000
531240 Maintenance Contracts	13,690	15,000	7,543	10,000
531350 Garage Charges	804,209	821,608	750,485	738,894
532062 Postage	41	550	250	250
532065 Printing, Duplication	995	1,600	2,075	2,075
532066 Print Shop Charges	125	600	48	50
532083 Telephone Service	1,487	1,500	3,040	3,000
532084 Cellular Service	6,080	6,000	6,740	6,740
532086 Other Communications	9,528	9,000	8,485	9,000
533085 Travel/Training	52	1,000	750	750
Total Contractual Services	\$1,922,925	\$1,720,358	\$1,788,115	\$1,778,519

**FY2020 PROPOSED BUDGET
REFUSE COLLECTION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Other Charges and Services				
544099 Miscellaneous Expense	(16,744)	(15,000)	(10,829)	(10,800)
Total Other Charges and Services	(\$16,744)	(\$15,000)	(\$10,829)	(\$10,800)
Capital Outlay				
564005 Capital Outlay - Improvements	0	5,000	0	0
Total Capital Outlay	\$0	\$5,000	\$0	\$0
Total Expenses	\$4,546,928	\$4,442,950	\$4,516,286	\$4,564,208

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 (1) City Wide Clean Ups.
- Increased residential participation.
- Increased recycling tonnage intake.
- Improved curb side pickup schedule.
- Continued with the beautification of the Center.
- Obtained engineering services for the new Recycling Building.

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.

**FY2020 PROPOSED BUDGET
RECYCLING**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$472,835	\$496,043	\$539,836	\$533,938
Materials and Supplies	14,313	24,480	20,234	25,450
Contractual Services	135,636	96,227	84,074	148,148
Other Charges and Services	4,580	5,500	2,300	2,300
Capital Outlay	16,300	42,050	50,000	20,000
TOTAL	\$643,664	\$664,300	\$696,443	\$729,836

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net decreases (-\$5,900) include addition of a Labor position and reduction in overtime and related costs.

Materials & Supplies - Net increase (+\$5,215) for minor tools and miscellaneous line items.

Contractual Services - Increases in garage charges (+\$51,085), computer charges (+\$7,500) and equipment rentals (+\$5,490).

Capital Outlay - Reduction (-\$30,000) to leave funding to furnish new recycling baler.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Recyclable tons diverted	4,317	6,760	7,284	7,528
Senior Citizens collections	150	150	150	150

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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	7.00
TOTAL	10.00	10.00	10.00	11.00

**FY2020 PROPOSED BUDGET
RECYCLING**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$270,117	\$315,631	\$330,043	\$345,363
511005 Longevity	1,551	1,750	1,345	1,389
511006 Differential Pay	7	0	0	0
511009 Overtime	57,926	35,000	53,050	35,000
511125 Residency Pay	15,057	7,529	15,057	7,529
511510 Group Health Insurance	60,144	67,200	67,200	67,200
511515 Worker's Compensation	10,923	7,298	7,298	10,923
511520 Group Life Insurance	1,066	1,210	1,177	1,219
511530 Social Security - Employment	20,350	22,314	24,769	24,135
511535 Medicare - Employer's	4,759	5,219	5,793	5,645
511542 City Employee Retirement	31,019	32,392	35,955	35,035
511650 Salary Reimbursements	(84)	500	(1,850)	500
Total Personnel Services	\$472,835	\$496,043	\$539,836	\$533,938
Materials and Supplies				
521065 Office Supplies	1,327	3,000	3,000	3,000
522011 Chemicals	0	1,100	550	250
522013 Clothing	4,442	6,150	5,723	6,000
522015 Concrete And Aggregate	0	400	200	300
522037 Janitorial Supplies	671	900	216	400
522038 Safety Supplies	1,532	1,000	1,510	2,000
522055 Minor Tools	662	2,000	1,299	2,000
522056 Minor Equipment	299	1,430	825	4,000
522085 Equipment Parts	1,220	0	0	0
522099 Other Supplies	375	6,000	4,034	3,500
525031 Electricity	3,787	2,500	2,877	4,000
Total Materials and Supplies	\$14,313	\$24,480	\$20,234	\$25,450
Contractual Services				
531005 Other Services	1,235	500	0	0
531025 Memberships	180	300	0	0
531027 Certifications / Permits	125	0	0	0
531028 Software Licenses	0	0	0	0
531125 Other Contracts	8,046	9,500	8,489	8,500
531230 Equipment Repairs	13,207	10,000	10,000	10,000
531240 Maintenance Contracts	1,954	0	0	0
531320 Equipment Rental	28,471	28,500	14,276	20,000
531350 Garage Charges	59,006	33,727	27,786	78,870
531360 Computer Charges	12,530	0	12,530	20,028
532065 Printing, Duplication	0	500	250	250
532066 Print Shop Charges	40	100	0	0
532083 Telephone Service	740	4,000	2,209	2,200
532084 Cellular Service	1,137	1,300	1,288	1,300
532086 Other Communications	6,918	5,900	5,875	6,000
533085 Travel/Training	2,047	1,900	1,371	1,000
Total Contractual Services	\$135,636	\$96,227	\$84,074	\$148,148

FY2020 PROPOSED BUDGET
RECYCLING

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Other Charges and Services				
544087 Expense Reimbursement	4,580	5,500	2,300	2,300
547020 Bad Debt	0	0	0	0
Total Other Charges and Services	\$4,580	\$5,500	\$2,300	\$2,300
Capital Outlay				
564005 Capital Outlay - Improvements	0	42,050	50,000	0
564117 Machinery & Equipment	16,300	0	0	20,000
Total Capital Outlay	\$16,300	\$42,050	\$50,000	\$20,000
Total Expenses	\$643,664	\$664,300	\$696,443	\$729,836

Utility Billing Division (Sanitation Share)

Division Mission

The mission of the Utility Billing Division is to ensure accuracy and efficiency in the billing and collection of utility services, while providing excellent customer service to new and existing customers, responding to inquiries, and promptly posting payments.

Accomplishments

- Answered 92% of all customer calls on their first attempt.
- Re-designed the utility billing statement to make it easier for customers to understand and to provide useful data.
- Outsourced the mailing of customer utility bills.
- Re-established the meter testing program.

Goals

- Increase the customer usage of electronic online payment methods.
- Raise customer awareness of the enhancements provided in the new customer web portal 2.0.
- Increase the number of customers choosing e-bill.
- Customers with multiple accounts receive their monthly bill on one statement.
- Complete customer adjustment requests within a thirty day period.

**FY2020 PROPOSED BUDGET
UTILITY BILLING (SANITATION SHARE)**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$106,665	\$123,809	\$120,295	\$125,182
Materials and Supplies	5,460	10,052	10,078	7,000
Contractual Services	76,061	48,529	53,234	59,778
Other Charges and Services	37,531	30,000	39,316	40,000
TOTAL	\$225,718	\$212,390	\$222,924	\$231,960

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

*Utility Billing office cost allocation is 37.5% Water, 37.5% Sewer, 15% Sanitation, 10% Drainage.

Personnel Services - Net increase (+\$4,885) includes annualized cost for personnel.

Materials and Supplies - Net decreases (-\$3,075) include reduction in printed materials and miscellaneous adjustments to various line items.

Contractual Services - Increases in (+\$4,500) in equipment repairs, increase in computer charges (\$4,840) and reductions (-\$2,795) in miscellaneous line items

Other Charges and Services - Maintain current level of funding in Bank service charges (+\$685).

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Number of Customers	20,482	20,580	20,718	20,800
Field investigations and follow up	21,203	18,949	21,641	21,800
Average number of meters not transmitting consumption accurately monthly	600	350	300	275
No. of pre-billing consumption adjustments	3,432	40	35	40
Amount of pre-billing consump. adjustments	\$117,312	\$49,016	\$193,850	\$50,000
Active customers delinquent over 90 days	1,230	1,898	2,149	2,000
Over 90 day balances for active	\$482,514	\$522,148	\$623,286	\$550,000
Customers paying monthly by auto payment	3,989	4,764	5,545	5,700
Number of e-bill customers monthly	3,342	3,833	4,324	4,600
Customers with active payment	380	95	37	100
Funds under active payment arrangements	\$16,000	\$22,261	\$8,020	\$15,000

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
UTILITY BILLING (SANITATION SHARE)**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$70,262	\$80,247	\$80,251	\$84,384
511005 Longevity	585	510	671	679
511006 Differential Pay	576	542	577	578
511009 Overtime	7,567	11,250	7,805	8,000
511125 Residency Pay	1,277	1,129	1,521	1,204
511510 Group Health Insurance	12,918	14,112	14,112	14,112
511515 Worker's Compensation	166	111	111	111
511520 Group Life Insurance	257	311	293	323
511530 Social Security - Employment	4,729	5,808	5,495	5,880
511535 Medicare - Employer's	1,106	1,358	1,285	1,375
511542 City Employee Retirement	7,222	8,431	8,174	8,536
Total Personnel Services	\$106,665	\$123,809	\$120,295	\$125,182
Materials and Supplies				
521065 Office Supplies	1,998	2,400	1,965	2,000
521067 Minor Office Equipment	195	1,500	750	1,000
521073 Printed Materials	2,644	5,702	4,964	2,000
522013 Clothing	58	0	293	0
522056 Minor Equipment	457	450	2,106	2,000
522075 Pipe And Plumbing Supplies	107	0	0	0
Total Materials and Supplies	\$5,460	\$10,052	\$10,078	\$7,000
Contractual Services				
531007 Security Service	1,955	1,506	1,508	1,510
531125 Other Contracts	901	1,750	1,549	1,500
531230 Equipment Repairs	34	9,850	4,000	8,500
531240 Maintenance Contracts	6,346	6,658	6,347	6,700
531320 Equipment Rental	2,374	2,100	1,193	0
531360 Computer Charges	36,155	11,725	11,725	16,568
532062 Postage	19,024	9,940	22,394	20,000
532065 Printing, Duplication	0	450	338	450
532066 Print Shop Charges	6,383	1,000	876	1,000
532083 Telephone Service	1,686	2,400	2,376	2,400
532084 Cellular Service	1,125	300	77	300
532086 Other Communications	80	100	102	100
533085 Travel/Training	0	750	750	750
Total Contractual Services	\$76,061	\$48,529	\$53,234	\$59,778
Other Charges and Services				
544105 Bank Service Charges	37,531	30,000	39,316	40,000
Total Other Charges and Services	\$37,531	\$30,000	\$39,316	\$40,000
Total Expenses	\$225,718	\$212,390	\$222,924	\$231,960



**FY2020 PROPOSED BUDGET
OTHER EXPENSES**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$0	\$46,428	\$0	\$179,401
Contractual Services	26,236	113,554	113,554	115,684
Other Charges and Services	591,459	608,793	608,793	630,359
Operating Transfers	71,200	35,700	35,700	35,700
Capital Outlay	769,976	1,336,000	1,243,542	470,000
TOTAL	\$1,458,871	\$2,140,475	\$2,001,589	\$1,431,144

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Includes increase (+\$132,312) for \$185 per month per employee for Group Health Insurance.

Contractual Services - Net decrease (-\$89,816) includes funding (+\$10,000) for rate study and reduction (-\$7,870) for Sanitation share of citywide allocations for technology services.

Other Charges and Services - Net increases (+\$21,565) for Interfund transfers throughout the City.

Capital Outlay - Net decrease (-\$843,540) for equipment needed for FY2020.

**FY2020 PROPOSED BUDGET
OTHER EXPENSES**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511002 COLA Increases	\$0	\$46,428	\$0	\$47,089
511512 Group Health insurance Reserve	0	0	0	132,312
Total Personnel Services	\$0	\$46,428	\$0	\$179,401
Contractual Services				
531004 Consulting Services	0	0	0	10,000
531360 Computer Charges	26,236	113,554	113,554	105,684
Total Contractual Services	\$26,236	\$113,554	\$113,554	\$115,684
Other Charges and Services				
547020 Bad Debts	(65)	0	0	0
547040 Administrative Service Charge	226,000	232,800	232,800	240,000
547050 Payment In Lieu Of Taxes	200,000	206,000	206,000	212,000
547070 Insurance Expense	82,290	64,665	64,665	71,250
547075 Facilities Maintenance	83,234	81,296	81,296	80,557
547095 Community Outreach/Public Info	0	24,032	24,032	26,552
Total Other Charges and Services	\$591,459	\$608,793	\$608,793	\$630,359
Operating Transfers				
553022 Transfer to Tech Imprvt Fund	35,500	0	0	0
553035 Transfer To Separation Pay Fund	35,700	35,700	35,700	35,700
Total Operating Transfers	\$71,200	\$35,700	\$35,700	\$35,700
Capital Outlay				
564003 Vehicle Capital Outlay	769,976	1,336,000	1,243,542	400,000
564005 Capital Outlay - Improvements	0	0	0	70,000
Total Capital Outlay	\$769,976	\$1,336,000	\$1,243,542	\$470,000
Total Expenses	\$1,458,871	\$2,140,475	\$2,001,589	\$1,431,144

FY2020 PROPOSED BUDGET
MUNICIPAL DRAINAGE UTILITY FUND

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	2,062,063	2,355,641	2,355,641	1,645,273
Revenues:				
Drainage District Charge	\$2,791,955	\$2,795,000	\$2,832,480	\$2,850,900
Penalties on account	32,690	55,440	49,039	55,440
Interest earned	28,235	6,000	42,000	20,000
Other revenue	721	0	0	0
Total revenues	\$2,853,600	\$2,856,440	\$2,923,519	\$2,926,340
Expenses:				
Municipal Drainage Utility	\$1,917,760	\$2,336,883	\$2,243,433	\$2,510,620
Utility billing	143,824	146,207	147,771	170,541
Total expenses	\$2,061,583	\$2,483,090	\$2,391,204	\$2,681,161
Operating income (loss)	\$792,016	\$373,351	\$532,315	\$245,179
Capital outlay/Transfer to Improvement Fund	\$310,712	\$1,254,700	\$1,242,683	\$253,500
Prior year adjustment	(\$187,726)	\$0	\$0	\$0
Ending balance	\$2,355,640.76	\$1,474,291	\$1,645,273	\$1,636,953
<i>90 Day Reserve</i>	<i>\$508,336</i>	<i>\$612,269</i>	<i>\$589,612</i>	<i>\$661,108</i>
<i>120 Day Reserve</i>	<i>\$677,781</i>	<i>\$816,358</i>	<i>\$786,149</i>	<i>\$881,477</i>

Personnel summary	FY2018 ACTUAL	FY2019 BUDGET	FY2020 BUDGET	FY2020 PROPOSED
Municipal Drainage Utility	31.50	35.20	34.83	\$1,896,999
Utility Billing	1.50	1.40	1.40	83,347
Totals	33.00	36.60	36.23	\$1,980,346

BUDGET HIGHLIGHTS

- The FY2020 PROPOSED Budget for the Drainage fund anticipates that market based compensation adjustments will result in being more fully staffed and increasing production.
- The FY2020 PROPOSED Budget for the Drainage fund does not include an Operating transfer in to the Improvement fund for capital projects. Capital Outlay includes (\$183,500) for tandem dump truck and (\$70,000) for new PW Facility furnishings.

FY2020 PROPOSED BUDGET
MUNICIPAL DRAINAGE UTILITY FUND REVENUE DETAIL
LINE ITEM DETAIL

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Charges for Services				
348260 Drainage Utility Fee	\$2,791,955	\$2,795,000	\$2,832,480	\$2,850,900
348410 Penalties On Account	32,690	55,440	49,039	55,440
Charges for Services Subtotal	\$2,824,644	\$2,850,440	\$2,881,519	\$2,906,340
Interest Income				
361110 Interest Earned-Operating	28,235	6,000	42,000	20,000
Interest Income Subtotal	\$28,235	\$6,000	\$42,000	\$20,000
Other Revenues				
363200 Other Revenues	721	0	0	0
Other Revenues Subtotal	\$721	\$0	\$0	\$0
Total Drainage Fund Revenue	\$2,853,600	\$2,856,440	\$2,923,519	\$2,926,340

**MUNICIPAL DRAINAGE UTILITY FUND
EXPENDITURE SUMMARY**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Drainage Utility & Inspection	\$1,897,760	\$2,316,883	\$2,223,433	\$2,490,620
Utility Billing	143,824	146,207	147,771	170,541
Subtotal	2,041,583	2,463,090	2,371,204	2,661,161
Capital Outlay	310,712	1,254,700	1,242,683	253,500
Drainage Utility Total	\$2,372,296	\$3,737,790	\$3,633,887	\$2,934,661

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,457,381	\$1,805,581	\$1,697,761	\$1,980,346
Materials and Supplies	116,297	118,613	143,538	119,450
Contractual Services	317,074	449,695	389,395	464,116
Other Charges and Services	130,632	89,201	140,510	97,249
Operating Transfers	40,200	20,000	20,000	20,000
Capital Outlay	310,712	1,254,700	1,242,683	253,500
Drainage Utility Total	\$2,372,296	\$3,737,790	\$3,633,887	\$2,934,661

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Net increase (+\$253,422) cost of funding market based adjustments for full year while enabling the retention of employees to remain fully staffed.

Materials and Supplies - Slight overall decrease (-\$24,088) due to small adjustments based on anticipated need for daily operations.

Contractual Services - Net increase (\$74,720) includes increase to utility billing for water rate study (\$10,000) and increase to drainage utility for other contracts needed for program software.

Other Charges and Services - Net decrease (-\$43,261) largely due to anticipation of higher equipment reimbursements.

Capital Outlay - Total (\$253,500) for tandem dump truck (\$183,500) and furnishings for new PW Facility(\$70,000).

**FY2020 PROPOSED BUDGET
DRAINAGE UTILITY & INSPECTION**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,386,713	\$1,724,256	\$1,622,778	\$1,896,999
Materials and Supplies	112,666	111,200	137,281	114,450
Contractual Services	272,569	417,226	349,082	407,922
Other Charges and Services	105,611	64,201	114,291	71,249
Operating Transfers	40,200	20,000	20,000	20,000
Capital Outlay	310,712	1,254,700	1,242,683	253,500
TOTAL	\$2,228,472	\$3,591,583	\$3,486,116	\$2,764,120

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+\$214,465) cost of funding market based adjustments for full year while enabling the retention of employees to remain fully staffed.

Materials and Supplies - Decreased (-\$22,831) due to lower projected spending in several material accounts.

Contractual Services - Net increase (\$58,840) primarily due to an increase in other contracts for HHW Program.

Other Charges and Services - Net decrease (-\$43,042) primarily due to anticipation of larger equipment reimbursements.

Capital Outlay - Total (\$253,500) includes purchase of tandem dump truck (\$183,500) and (\$70,000) for furnishings for PW Facility.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Inlets Cleared	9,574	11,452	12,410	12,500
Storm pipes cleaned (feet)	38,759	48,520	39,785	45,000
Blocks cleaned (linear feet)	997,302	1,052,412	957,521	1,000,000
Total yards of dirt, leaves and debris	3,852	4,102	3,915	4,500

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
ACM Development & Muni Service	0.30	0.30	0.30	0.33
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	0.00
Superintendent of Streets/Drainage	0.50	0.20	0.50	0.50
Superintendent of Drainage	0.00	1.00	0.00	0.50
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	14.00
Crewleader	2.00	2.00	2.00	2.00
Laborer	11.00	13.00	11.00	12.00
TOTAL	31.50	35.20	28.50	34.83

**FY2020 PROPOSED BUDGET
DRAINAGE UTILITY & INSPECTION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$1,005,759	\$1,216,086	\$1,134,361	\$1,258,852
511002 COLA Increases	0	25,752	0	51,226
511005 Longevity	4,607	6,054	5,156	6,828
511006 Differential Pay	900	904	904	904
511009 Overtime	45,703	50,000	104,983	75,000
511125 Residency Pay	38,574	38,270	35,636	24,970
511510 Group Health Insurance - Employer's	187,137	222,936	199,470	222,152
511512 Group Health Insurance Reserve	0	0	0	78,033
511515 Worker's Compensation	13,690	9,146	9,146	13,690
511520 Group Life Insurance	3,612	4,156	4,396	4,284
511530 Social Security - Employer's	65,001	84,138	79,424	87,902
511535 Medicare - Employer's	15,222	19,677	18,575	20,558
511542 City Employee Retirement	98,598	122,137	115,294	127,600
511650 Salary Reimbursements	(89,143)	(75,000)	(84,567)	(75,000)
511650 Salary Reimbursements	(2,948)	0	0	0
Total Personnel Services	\$1,386,713	\$1,724,256	\$1,622,778	\$1,896,999
Materials and Supplies				
521065 Office Supplies	4,482	7,500	6,685	7,000
522011 Chemicals	3,400	7,500	2,000	3,500
522013 Clothing	15,046	25,000	18,157	20,000
522015 Concrete And Aggregate	67,333	50,000	53,923	55,000
522017 Sign Materials	400	0	0	0
522037 Janitorial Supplies	155	500	540	500
522038 Safety Supplies	5,226	2,500	14,000	5,000
522055 Minor Tools	5,472	6,500	13,900	7,000
522056 Minor Equipment	9,098	10,000	13,924	10,000
522065 Paint And Lumber	572	500	1,855	750
522075 Pipe And Plumbing Supplies	116	200	7,975	2,500
522085 Equipment Parts	1,104	800	1,978	1,400
522098 Other Materials	54	0	175	300
522099 Other Supplies	207	200	2,169	1,500
Total Materials and Supplies	\$112,666	\$111,200	\$137,281	\$114,450
Contractual Services				
531004 Consultant Services	0	20,000	20,000	20,000
531005 Other Services	342	200	2,200	500
531025 Memberships	335	800	350	350
531027 Certification & Permit Fees	100	2,260	2,942	1,500
531028 Software Licenses	8,116	1,200	2,425	2,425
531125 Other Contracts	36,536	122,940	42,583	100,000
531230 Equipment Repairs	3,031	500	1,151	1,000
531240 Maintenance Contracts	5,554	5,500	4,246	5,500
531320 Equipment Rental	9,209	15,000	35,722	30,000
531350 Garage Charges	171,641	160,203	144,630	155,860
531360 Computer Charges	17,908	76,423	76,423	75,187
532065 Printing, Duplication	0	500	1,037	500
532066 Print Shop Charges	172	0	88	200
532084 Cellular Service	4,107	4,000	0	0
532086 Other Communications	2,237	1,500	6,055	7,000
532087 Aircard Service	633	700	1,917	1,900
533085 Travel/Training	12,648	5,500	7,313	6,000
Total Contractual Services	\$272,569	\$417,226	\$349,082	\$407,922

**FY2020 PROPOSED BUDGET
DRAINAGE UTILITY & INSPECTION**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Other Charges and Services				
544032 Meeting Expenditures	1,328	1,200	0	0
544087 Expense Reimbursement	11,230	0	4,748	0
544094 Expense Reimbursement-Grants	(788)	0	0	0
544096 Expense Reimbursement (Equip.)	(68,000)	(100,000)	(53,458)	(100,000)
547030 Compensated Absences	0	0	0	0
547040 Administrative Service Charge	50,000	50,000	50,000	53,000
547070 Insurance Expense	40,497	32,327	32,327	33,508
547075 City Hall Maintenance	71,344	69,682	69,682	69,049
547095 Community Outreach/Public Info	0	10,992	10,992	15,692
Total Other Charges and Services	\$105,611	\$64,201	\$114,291	\$71,249
Operating Transfers				
553024 Insurance - Transfer Out	20,200	0	0	0
553035 Transfer To Separation Pay Fund	20,000	20,000	20,000	20,000
Total Operating Transfers	\$40,200	\$20,000	\$20,000	\$20,000
Capital Outlay				
564003 Vehicle Capital Outlay	254,895	1,229,700	1,217,683	183,500
564005 Capital Outlay - Improvements	0	25,000	25,000	70,000
564099 Other Capital Purchases	55,818	0	0	0
Total Capital Outlay	\$310,712	\$1,254,700	\$1,242,683	\$253,500
Total Expenses	\$2,228,472	\$3,591,583	\$3,486,116	\$2,764,120

**FY2020 PROPOSED BUDGET
UTILITY BILLING (DRAINAGE UTILITY SHARE)**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$70,668	\$81,325	\$74,983	\$83,347
Materials and Supplies	3,630	7,413	6,256	5,000
Contractual Services	44,504	32,469	40,312	56,194
Other Charges and Services	25,020	25,000	26,219	26,000
TOTAL	\$143,824	\$146,207	\$147,771	\$170,541

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

*Utility Billing allocation is 37.5% Water, 37.5% Sewer, 15% Sanitation, 10% Drainage.

Personnel Services - Net increase (+\$8,364) for annualized cost for personnel.

Materials and Supplies - Net decrease (+\$1,256) primarily due to a reduction in printed materials.

Contractual Services - Increase (+\$15,000) for water rate study (\$10,000) and (\$5,000) for technology service

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Number of Customers	20,482	20,580	20,718	20,800
Field investigations and follow up	21,203	18,949	21,641	21,800
Average number of meters not transmitting consumption accurately monthly	600	350	300	275
No. of pre-billing consumption adjustments	3,432	40	35	40
Amount of pre-billing consump. adjustments	\$117,312	\$49,016	\$193,850	\$50,000
Active customers delinquent over 90 days	1,230	1,898	2,149	2,000
Over 90 day balances for active customers	\$482,514	\$522,148	\$623,286	\$550,000
Customers paying monthly by auto payment	3,989	4,764	5,545	5,700
Number of e-bill customers monthly	3,342	3,833	4,324	4,600
Customers with active payment arrangements	380	95	37	100
Funds under active payment arrangements	\$16,000	\$22,261	\$8,020	\$15,000

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
UTILITY BILLING (DRAINAGE UTILITY SHARE)**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$46,667	\$52,458	\$49,430	\$56,256
511005 Longevity	388	340	450	456
511006 Differential Pay	396	361	397	398
511009 Overtime	5,028	7,500	5,129	5,200
511125 Residency Pay	878	753	1,243	828
511510 Group Health Insurance	8,592	9,408	8,730	9,408
511515 Worker's Compensation	111	74	74	74
511520 Group Life Insurance	171	207	210	215
511530 Social Security - Employment	3,055	3,807	3,422	3,915
511535 Medicare - Employer's	714	890	800	915
511542 City Employee Retirement	4,668	5,527	5,098	5,682
Total Personnel Services	\$70,668	\$81,325	\$74,983	\$83,347
Materials and Supplies				
521065 Office Supplies	1,322	1,300	1,160	1,300
521067 Minor Office Equipment	130	500	250	500
521073 Printed Materials	1,763	3,962	3,309	1,500
522013 Clothing	39	100	203	200
522056 Minor Equipment	305	1,351	1,235	1,300
522075 Pipe and Plumbing Supply	72	200	100	200
Total Materials and Supplies	\$3,630	\$7,413	\$6,256	\$5,000
Contractual Services				
531004 Consultant Services	0	0	0	10,000
531007 Security Service	1,448	300	834	700
531015 Temporary Employee Services	601	1,000	1,420	1,000
533125 Other Contracts	23	5,900	2,667	6,000
531240 Maintenance Contracts	4,231	4,390	6,840	6,900
531320 Equipment Rental	1,426	1,400	673	0
531360 Computer Charges	17,908	10,432	10,432	15,294
532062 Postage	12,682	6,627	14,930	13,400
532065 Printing, Duplication	0	100	50	100
532066 Print Shop Charges	4,255	270	834	850
532083 Telephone Service	1,124	1,300	1,188	1,200
532084 Cellular Service	754	150	51	150
532086 Other Communications	53	100	18	100
533085 Travel/Training	0	500	375	500
Total Contractual Services	\$44,504	\$32,469	\$40,312	\$56,194
Other Charges and Services				
544105 Bank Service Charges	25,020	25,000	26,219	26,000
Total Other Charges and Services	\$25,020	\$25,000	\$26,219	\$26,000
Total Expenses	\$143,824	\$146,207	\$147,771	\$170,541

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

- Continued to increase public awareness of the Airport by hosting various aviation related events open to the public including the Galveston Island 150 Air Race, Bay Area Aero Club Poker Run, and the Biplane Fly-In.
- We've seen major growth on all social media platforms. We've added hundreds of new followers and experienced thousands of page interactions. Our social posts have generated high interest to our events and new visitors to Scholes Airport.
- We hosted the 2019 Air-X Coastal Hurricane Aviation Evacuation Search & Rescue Exercise. Crews experienced scenarios that we've encountered in the past for the different hurricanes and emergencies around the state. This was the largest search and rescue exercise in the nation. Rescuers from at least six states participated in the training, which included 28 sanctioned urban search and rescue organizations, 24 aircraft and approximately 300 participants. Following Hurricane Harvey in 2017, Scholes International Airport was the ideal place for this type of training, according to Program Manager Brett Dixon with Texas A&M Task Force 1.
- Started the \$5.18 million pavement rehabilitation project that will reconstruct the majority of the North Hangar Ramp, Runway 14/32 and all five taxiways. This project is expected to be complete in the first quarter of FY 2020.
- TIRZ 14, Galveston Island Redevelopment Authority and City Council approved funding for four airport projects in the amount of \$604,736.00. Funding covers 27.7% of the total estimated project cost of \$2,184,540. The four projects include an Airport Master Plan Update, engineering and design for pavement rehabilitation for Runway 18/36, the South Apron and South Ramp, Air Traffic Control Tower rehabilitation and material cost to repave the Airport Terminal parking lot and drive way.

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.

FY2020 PROPOSED BUDGET
 SCHOLES INTERNATIONAL AIRPORT AT GALVESTON

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	1,543,012	969,580	969,580	789,724
Revenues:				
TXDOT grant	\$322,438	\$50,000	\$50,000	\$50,000
Building rentals	43,648	35,115	31,351	37,562
Hangar rentals	44,885	68,100	71,494	54,500
Terminal space rental	43,548	45,521	34,982	18,900
Land rentals	648,766	638,533	626,197	662,420
Municipal Utilities	(5,056)	80,300	80,300	82,307
Golf Course	82,167	84,049	85,160	87,845
General Fund Rental	62,000	64,543	64,543	66,155
Fuel flowage fees	36,078	35,000	37,300	37,500
Interest earned	19,015	12,000	16,141	12,000
Other revenue	500,799	0	184	0
Total revenues	\$1,798,288	\$1,113,161	\$1,097,652	\$1,109,189
Expenses:				
Airport Operations	\$1,364,794	\$1,082,844	\$975,743	\$870,338
Insurance	148,984	134,565	134,565	168,845
Administrative Service	58,000	59,700	59,700	61,000
Total expenses	\$1,571,778	\$1,277,109	\$1,170,008	\$1,100,183
Operating income (loss)	\$226,510	(\$163,948)	(\$72,356)	\$9,006
Transfer to improvement account	\$799,941	\$430,000	\$107,500	\$0
Ending balance	\$969,580	\$375,632	\$789,724	\$798,731
90 Day Reserve	\$387,562	\$314,904	\$288,495	\$271,278
120 Day Reserve	\$516,749	\$419,871	\$384,660	\$361,704
Personnel summary	FY2018 ACTUAL	FY2019 BUDGET	FY2020 BUDGET	FY2020 PROPOSED
Scholes International Airport	8.00	8.00	7.00	\$441,270

**AIRPORT FUND
EXPENDITURE SUMMARY**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Airport Operations	\$1,364,794	\$1,082,844	\$975,743	\$870,338
Insurance	148,984	134,565	134,565	168,845
Administrative Service Charge	58,000	59,700	59,700	61,000
Subtotal	1,571,778	1,277,109	1,170,008	1,100,183
Transfer to improvement account	799,941	430,000	107,500	0
Airport Total	\$2,371,719	\$1,707,109	\$1,277,508	\$1,100,183

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$444,074	\$464,237	\$417,375	\$441,270
Materials and Supplies	86,680	105,200	82,282	84,700
Contractual Services	185,172	206,922	210,186	202,243
Other Charges and Services	286,398	272,620	272,585	309,423
Operating Transfers	813,071	596,630	186,857	7,047
Capital Outlay	556,324	61,000	108,223	55,500
Debt Service	0	500	0	0
Airport Total	\$2,371,719	\$1,707,109	\$1,277,508	\$1,100,183

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Net increase (+\$23,894) includes a reduction in staff for FY2020, an increased contribution of \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Net increase (+\$2,420) for miscellaneous line items.

Contractual Services - Net decrease (-\$7,950) includes decreased garage charges (-\$4,560), decrease to telephone charges (-\$6,000), and increase to building repairs (+2,600).

Other Charges and Services - Increase (+\$35,538) is an increased insurance expense.

Operating Transfers - Decreasing (-\$179,810) due to net adjustments in Airport CIP projects, including Airport warehouse building.

Capital Outlay - Net decrease (-\$52,800); decrease to capital outlay (-\$98,000), increase to machinery & equipment (+\$45,200).

**FY2020 PROPOSED BUDGET
AIRPORT OPERATIONS**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$444,074	\$464,237	\$417,375	\$441,270
Materials and Supplies	86,680	105,200	82,282	84,700
Contractual Services	185,172	206,922	210,186	202,243
Other Charges and Services	286,398	272,620	272,585	309,423
Operating Transfers	813,071	596,630	186,857	7,047
Capital Outlay	556,324	61,000	108,223	55,500
Debt Service	0	500	0	0
TOTAL	\$2,371,719	\$1,707,109	\$1,277,508	\$1,100,183

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+\$16,942) includes a reduction in staff for FY2020 an increased contribution of \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Net increase (+\$2,420) for miscellaneous line items.

Contractual Services - Net decrease (-\$7,960) includes decreased garage charges (-\$4,560), decrease to telephone charges (-\$6,000), and increase to building repairs (+2,600).

Other Charges and Services - Increase (+\$35,538) is an increased insurance expense.

Operating Transfers - Decreasing (-\$179,810) due to net adjustments in Airport CIP projects, including Airport warehouse building.

Capital Outlay - Net decrease (-\$52,800); decrease to capital outlay (-\$98,000), increase to machinery & equipment (+\$45,200).

PERFORMANCE INDICATORS

INDICATORS	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Take offs and landings	29,954	34,000	31,000	31,000
Fuel Flowage (gallons)	889,771	1,000,000	875,000	937,500

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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	3.00
TOTAL	8.00	8.00	8.00	7.00

**FY2020 PROPOSED BUDGET
AIRPORT OPERATIONS**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$318,742	\$326,751	\$292,666	\$298,141
511002 COLA Increases	0	6,535	0	5,960
511005 Longevity	4,902	4,928	4,421	4,757
511009 Overtime	277	1,000	860	1,000
511125 Residency Pay	9,875	10,000	10,355	12,500
511510 Group Health Insurance - Employer's	52,330	53,760	53,760	47,040
511512 Group Health Insurance Reserve	0	0	0	15,540
511515 Worker's Compensation	2,529	1,690	1,690	1,690
511520 Group Life Insurance	1,053	1,096	1,038	970
511530 Social Security - Employer's	19,713	21,775	19,351	19,986
511535 Medicare - Employer's	4,610	5,093	4,526	4,674
511542 City Employee Retirement	30,042	31,609	28,708	29,012
Total Personnel Services	\$444,074	\$464,237	\$417,375	\$441,270
Materials and Supplies				
521065 Office Supplies	686	1,500	1,500	1,500
522003 Agriculture Supplies	2,690	3,000	2,400	2,500
522013 Clothing	2,541	3,500	4,091	3,000
522025 Fuel and Lubricants	350	0	0	0
522037 Janitorial Supplies	3,124	5,000	3,000	4,000
522045 Electrical Hardware	5,940	20,000	8,000	10,000
522055 Minor Tools	1,488	1,500	1,500	1,500
522056 Minor Equipment	2,731	3,000	2,784	2,700
522065 Paint And Lumber	3,662	700	500	500
522099 Other Supplies	15,214	16,000	11,472	14,000
525031 Electricity	48,256	51,000	47,035	45,000
Total Materials and Supplies	\$86,680	\$105,200	\$82,282	\$84,700
Contractual Services				
531025 Memberships	2,975	3,000	3,010	3,000
531027 Certifications and Permit Fess	35	100	50	100
531125 Other Contracts	19,479	25,000	21,183	20,000
531220 Building Repairs	21,326	7,000	18,500	20,000
531230 Equipment Repairs	19,089	30,000	17,016	20,000
531240 Maintenance Contracts	16,746	25,000	17,786	20,000
531320 Equipment Rental	350	800	317	0
531350 Garage Charges	43,065	47,861	39,675	35,115
531360 Computer Charges	7,553	20,311	20,311	20,028
532062 Postage	93	500	303	150
532065 Printing, Duplication	125	500	346	500
532066 Print shop Charges	774	100	50	100
532083 Telephone Service	38,280	32,000	55,000	49,000
532084 Cellular Service	574	750	896	750
532086 Other Communications	7,334	7,500	9,744	7,500
533085 Travel/Training	4,436	4,000	3,500	3,500
533100 Advertising	2,937	2,500	2,500	2,500
Total Contractual Services	\$185,172	\$206,922	\$210,186	\$202,243

**FY2020 PROPOSED BUDGET
AIRPORT OPERATIONS**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Other Charges and Services				
544032 Meeting Expenditures	1,127	1,000	965	1,000
544099 Miscellaneous Expense	6,943	2,000	2,000	2,000
547040 Administrative Service Charge	58,000	59,700	59,700	61,000
547070 Insurance Expense	148,984	134,565	134,565	168,845
547075 Facilities Maintenance	71,344	69,682	69,682	69,049
547095 Community Outreach/Public Info	0	5,673	5,673	7,529
Total Other Charges and Services	\$286,398	\$272,620	\$272,585	\$309,423
Operating Transfers				
553015 Airport - Transfer Out	799,941	430,000	107,500	0
553022 Transfer to Tech Imprvt Fund	6,500	0	0	0
553035 Transfer To Separation Pay Fund	6,630	6,630	6,630	0
553050 Transfer To Hurricane Harvey Fund	0	160,000	72,727	7,047
Total Operating Transfers	\$813,071	\$596,630	\$186,857	\$7,047
Capital Outlay				
564005 Capital Outlay - Improvements	56,907	50,000	97,679	0
564007 Construction Improvement (TxDot)	499,416	0	0	0
564117 Machinery & Equipment	0	11,000	10,544	55,500
Total Capital Outlay	\$556,324	\$61,000	\$108,223	\$55,500
Debt Service				
571130 Investment Fees	0	500	0	0
Total Debt Service	\$0	\$500	\$0	\$0
Total Expenses	\$2,371,719	\$1,707,109	\$1,277,508	\$1,100,183

Internal Service Funds

FY2020 PROPOSED BUDGET

INTERNAL SERVICE FUNDS Summary Schedule of Revenues and Expenditures

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance				
Central Services	\$581,137	\$685,519	\$685,519	\$819,371
Central Garage Fund	1,665,138	1,634,065	1,634,065	1,927,381
Casualty & Liability Insurance	3,066,131	3,377,727	3,377,727	109,268
Workers' Compensation Fund	2,288,272	2,476,817	2,476,817	103,086
Health & Life Insurance Fund	2,645,052	1,819,869	1,819,869	0
Project Management Fund	5,745	5,813	5,813	5,813
Total	\$10,251,474	\$9,999,811	\$9,999,811	\$2,964,920
Revenues				
Central Services	\$3,355,582	\$4,434,205	\$4,380,576	\$4,481,141
Central Garage Fund	4,661,501	4,672,842	4,707,646	4,785,227
Casualty & Liability Insurance	2,103,660	4,177,066	4,167,178	2,083,085
Workers' Compensation Fund	641,284	425,619	424,987	464,000
Health & Life Insurance Fund	9,106,645	9,060,000	9,458,035	11,994,525
Project Management Fund	68	0	0	0
Total	\$19,868,740	\$22,769,732	\$23,138,422	\$23,807,978
Expenditures				
Central Services	\$3,251,200	\$4,429,707	\$4,246,724	\$4,455,541
Central Garage Fund	4,692,574	5,373,843	4,414,331	4,785,227
Casualty & Liability Insurance	1,792,063	7,430,266	7,435,637	2,074,801
Workers' Compensation Fund	452,739	2,812,419	2,798,718	461,000
Health & Life Insurance Fund	9,931,829	9,060,000	11,277,903	11,994,525
Project Management Fund	0	0	0	0
Total	\$20,120,404	\$29,106,235	\$30,173,313	\$23,771,094
Ending Fund Balances				
Central Services	\$685,519	\$690,017	\$819,371	\$844,971
Central Garage Fund	1,634,065	933,064	1,927,381	1,927,381
Casualty & Liability Insurance	3,377,727	124,527	109,268	117,552
Workers' Compensation Fund	2,476,817	90,017	103,086	106,086
Health & Life Insurance Fund	1,819,868	1,819,869	0	0
Project Management Fund	5,813	5,813	5,813	5,813
Total	\$9,999,810	\$3,663,308	\$2,964,920	\$3,001,804

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.

**FY 2020 PROPOSED BUDGET
INTERNAL SERVICE FUNDS EXPENDITURE OVERVIEW**

Expenditure Summaries by Fund

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Central Service	\$3,251,200	\$4,429,707	\$4,246,724	\$4,455,541
Central Garage	4,692,574	5,373,843	4,414,331	4,785,227
Casualty & Liability	1,792,064	7,430,266	7,435,637	2,074,801
Workers' Compensation	452,739	2,812,419	2,798,718	461,000
Health & Life Insurance	9,931,829	9,060,000	11,277,903	11,994,525
Internal Service Fund Total	\$20,120,405	\$29,106,235	\$30,173,312	\$23,771,095

Expenditure Summaries by Category

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$3,605,411	\$5,031,867	\$4,629,033	\$5,248,356
Materials and Supplies	2,797,703	2,842,897	2,502,470	2,723,648
Contractual Services	13,515,591	13,491,894	15,741,972	16,405,582
Other Charges and Services	(426,114)	4,179,658	4,371,182	(930,072)
Operating Transfers	292,328	2,408,505	2,676,800	0
Capital Outlay	196,593	1,010,318	118,535	182,992
Debt Service	138,892	141,096	138,896	140,589
Internal Service Fund Total	\$20,120,405	\$29,106,235	\$30,178,889	\$23,771,095

BUDGET HIGHLIGHTS

- Personnel Services - Net increases include annualized cost for personnel (+\$472,820) and increase (+\$146,520) for \$185 per month per employee for Group Health Insurance.
- Materials and Supplies - Net increase (+160,425) to maintain current level of funding for fuel and lubricants in the City Garage and miscellaneous increases (+\$60,750) for various supplies within the fund.
- Contractual Services - Increase to claims and operations for the Health & Life Fund (+\$715,625), increase to Workers' Comp (+\$49,082), decrease in Casualty & Liability Fund (-\$94,060), and a net decrease of (-\$7,035) between the Central Service and Central Garage Funds.
- Other Charges and Services - Decrease of (-\$5,280,000) for one time payment made for CDM Settlement in FY2019 and various adjustments (-\$21,255) throughout the fund.
- Operating Transfers - Decreases (-\$2,386,800) in surplus funds transferred to the Casual & Liability Fund to cover one time cost associated with the CDM Settlement and an estimated (-\$290,000) budget underrun that is projected to be transferred to the Technology Improvement Fund at the end of FY2019.
- Capital Outlay - Net increase (+\$64,460) for capital items throughout departments for FY2020.
- Debt Service - Increase (+\$1,695) based on current amortization.

See the following pages for detailed discussions of each budget.



**FY2020 PROPOSED BUDGET
CENTRAL SERVICE FUND SUMMARY**

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	\$581,137	\$685,519	\$685,519	\$819,371
Revenues:				
Sales to Departments				
Technology charges	\$1,962,645	\$2,620,002	\$2,620,000	\$2,620,002
Central mail charges	97,510	118,667	95,119	127,603
Print shop charges	82,366	134,100	89,496	89,100
Facilities charges	1,189,060	1,161,366	1,161,367	1,150,820
Communications and Engagement	0	395,570	394,505	468,015
Other revenue	24,001	4,500	20,088	25,600
Total revenues	\$3,355,582	\$4,434,205	\$4,380,576	\$4,481,141
Expenses:				
Mail	\$93,191	\$118,668	\$101,839	\$127,603
Information technology	1,888,460	2,347,002	2,562,318	2,437,010
Facilities Department	1,032,210	1,123,582	1,039,530	1,150,820
Print shop	123,368	134,100	89,496	89,100
Community Outreach	44,653	363,570	358,756	468,015
Total expenses	\$3,181,882	\$4,086,922	\$4,151,939	\$4,272,549
Net income (loss)	\$173,700	\$347,283	\$228,637	\$208,592
Capital Outlay	\$69,318	\$342,785	\$94,785	\$182,992
Ending Fund Balance	\$685,519	\$690,017	\$819,371	\$844,971

Personnel summary	2018 Actual	2019 Budget	2020 Budget	Salary Costs
Mail	1.00	1.00	1.00	\$56,749
Technology Services	13.00	16.00	16.00	1,457,347
Facilities Department	5.00	5.00	5.00	387,958
Community Outreach	0.00	3.00	4.00	286,303
Totals	19.00	25.00	26.00	\$1,902,054

**FY2020 PROPOSED BUDGET
CENTRAL SERVICE FUND
EXPENDITURE SUMMARY**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Technology Services	\$1,923,116	\$2,620,002	\$2,619,318	\$2,620,002
Facilities	1,066,872	1,161,367	1,077,315	1,150,820
Community Outreach	44,653	395,570	358,756	468,015
Mail	93,191	118,668	101,839	127,603
Print Shop	123,368	134,100	89,496	89,100
Central Service Fund Total	\$3,251,200	\$4,429,707	\$4,246,724	\$4,455,541

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,462,731	\$2,028,985	\$1,933,381	\$2,281,039
Materials and Supplies	434,031	491,188	376,013	453,300
Contractual Services	817,886	1,393,142	1,380,138	1,360,827
Other Charges and Services	38,341	33,511	33,511	37,794
Operating Transfers	290,000	0	290,000	0
Capital Outlay	69,318	342,785	94,785	182,992
Debt Service	138,892	140,096	138,896	139,589
Central Service Fund Total	\$3,251,200	\$4,429,707	\$4,246,724	\$4,455,541

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Increases include annualized cost for personnel (+\$264,355), transfer of Special Events Coordinator from Parks Department (+\$77,530), and increases (+\$57,720) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Includes desktop computers and other equipment replacement (+\$77,285).

Contractual Services - Net decreases (-\$19,310) in temporary employee services (-\$124,750), maintenance contracts (+\$69,600) and miscellaneous adjustments (+\$35,840) in various accounts.

Other Charges and Services - Increase to insurance expenses (+\$4,285).

Operating Transfers - An estimated \$290,000 budgeted underrun is projected to be transferred to the Technology Improvement Special Fund at the end of FY 2019. This will help fund continuing citywide technology and system improvements.

Capital Outlay - Net increase (+\$88,205) for capital items throughout departments for FY2020.

Debt Service - Increase (+\$690) based on current amortization.

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 maintaining technology infrastructure to maximize uptime, reduces system redundancy, and speed disaster recovery.

Accomplishments

- Implemented a cybersecurity program for all City employees who access city assets
- Completed replication of City's major applications to a secondary off the island data center creating greater resiliency in the event of a catastrophic failure at the primary data center
- Completed upgrade of the Utility Billing payment portal
- Deployed 95 desktops as part of the City's annual refresh program and 17 laptops for the Police Department to replace units that had reach end of useful life
- Completed setup and deployed body worn cameras for the City Marshal's office.
- Completed updates to various infrastructure software solutions to ensure Updated Refreshed infrastructure software solutions Upgraded technology

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 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.

**FY2020 PROPOSED BUDGET
TECHNOLOGY SERVICES**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,039,036	\$1,342,964	\$1,254,583	\$1,457,347
Materials and Supplies	148,192	152,388	108,053	152,500
Contractual Services	392,097	834,958	894,190	810,433
Other Charges and Services	19,135	15,492	15,492	16,730
Operating Transfers	290,000	0	290,000	0
Capital Outlay	34,656	273,000	57,000	182,992
Debt Service	0	1,200	0	0
TOTAL	\$1,923,116	\$2,620,002	\$2,619,318	\$2,620,002

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Includes annualized cost for personnel (+\$167,244) and an increase (+\$35,520) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Includes desktop computers and other equipment replacement (+\$44,445).

Contractual Services - Net decreases (-\$83,755) in temporary employee services (\$14,600), maintenance contracts (\$66,100) and miscellaneous adjustment (\$3,055) in various accounts.

Other Charges and Services - Increase to insurance expenses (+\$1,238).

Operating Transfers - An estimated \$290,000 budgeted underrun is projected for transfer to the Technology Improvement Special Fund at the end of FY 2019. This will help fund continuing citywide technology and system improvements.

Capital Outlay - Net increase (+\$125,990) for data center upgrades, wireless access points, and Citrix.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Service tickets closed	6,273	4,249	4,175	4,000
Major projects	4	5	8	7
Other projects	8	8	5	5

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Chief Information & Technology Officer	1.00	1.00	1.00	1.00
IT Program Manager	0.00	1.00	0.00	1.00
Assistant Director of Technology Services	1.00	1.00	1.00	1.00
DB/Application Administrator	1.00	1.00	1.00	1.00
Senior Developer/Program Analyst	1.00	1.00	1.00	1.00
Business Systems Analyst	0.00	1.00	1.00	1.00
GIS Supervisor	1.00	1.00	1.00	1.00
IT Support Services Manager	1.00	1.00	1.00	1.00
Network Administrator	1.00	1.00	1.00	1.00
GIS Analyst	1.00	1.00	1.00	1.00
Public Safety System Administrator	1.00	1.00	1.00	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	1.00	1.00
TOTAL	13.00	16.00	15.00	16.00

**FY2020 PROPOSED BUDGET
TECHNOLOGY SERVICES**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$829,515	\$1,062,983	\$1,007,325	\$1,143,025
511002 COLA Increases	0	21,026	0	0
511005 Longevity	5,654	5,585	5,876	5,940
511009 Overtime	23,720	20,000	23,274	20,000
511021 Part Time Payroll	2,295	0	9,518	10,000
511125 Residency Pay	5,288	5,019	7,942	7,529
511410 Separation Vacation	4,077	0	0	0
511420 Separation Sick Pay	12,683	0	0	0
511510 Group Health Insurance	80,892	114,240	96,880	107,520
511512 Group Health Insurance Reserve	0	0	0	35,520
511515 Worker's Compensation	906	605	605	605
511520 Group Life Insurance	2,227	3,199	2,625	2,984
511530 Social Security - Employment	53,348	68,380	64,455	73,563
511535 Medicare - Employer's	12,477	15,992	15,074	17,204
511542 City Employee Retirement	79,284	99,262	94,337	106,784
511650 Salary Reimbursements	(73,328)	(73,327)	(73,328)	(73,327)
Total Personnel Services	\$1,039,036	\$1,342,964	\$1,254,583	\$1,457,347
Materials and Supplies				
521065 Office Supplies	1,704	2,500	2,500	2,500
521067 Minor Office Equipment	145,732	149,888	105,553	150,000
522013 Clothing	726	0	0	0
522056 Minor Equipment	30	0	0	0
Total Materials and Supplies	\$148,192	\$152,388	\$108,053	\$152,500
Contractual Services				
530019 Networking & Cabling	0	15,000	14,882	15,000
531004 Consultant Services	14,950	55,000	27,500	55,000
531015 Temporary Employee Services	0	0	14,600	0
531025 Memberships	2,482	800	600	800
531028 Software Licenses	175	20,000	54,263	20,000
531029 Software Maintenance Contracts	19,730	234,952	234,952	234,952
531230 Equipment Repairs	4,865	10,000	7,729	10,000
531240 Maintenance Contracts	302,827	400,693	466,874	400,693
531250 Vehicle Repairs	0	1,000	750	1,000
531350 Garage Charges	2,155	4,313	2,691	2,788
532065 Printing, Duplication	45	100	1,402	100
532066 Print Shop Charges	80	0	0	0
532083 Telephone Service	13,485	25,000	15,808	17,000
532084 Cellular Service	5,679	6,000	5,643	6,000
531085 Pager Service	58	100	0	100
532086 Other Communications	10,441	30,000	28,512	30,000
532087 Aircard Service	1,516	2,000	2,530	2,000
533085 Travel/Training	13,609	30,000	15,454	15,000
Total Contractual Services	\$392,097	\$834,958	\$894,190	\$810,433
Other Charges and Services				
547030 Compensated Absences	7,528	0	0	0
547070 Insurance Charges	11,607	15,492	15,492	16,730
Total Other Charges and Services	\$19,135	\$15,492	\$15,492	\$16,730

**FY2020 PROPOSED BUDGET
TECHNOLOGY SERVICES**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Operating Transfers				
553022 Transfer to Tech Impvt Fund	290,000	0	290,000	0
Total Operating Transfers	\$290,000	\$0	\$290,000	\$0
Capital Outlay				
564002 Office Furniture	2,749	0	0	0
564008 Data Processing Equipment	31,907	0	0	0
564010 PC's & Related Equipment	0	257,000	57,000	182,992
Total Capital Outlay	\$34,656	\$273,000	\$57,000	\$182,992
Debt Service				
571130 Investment Fees	0	1,200	0	0
Total Debt Service	\$0	\$1,200	\$0	\$0
Total Expenses	\$1,923,116	\$2,620,002	\$2,619,318	\$2,620,002

**FY2020 PROPOSED BUDGET
TECHNOLOGY SERVICES
ALLOCATION OF COSTS TO DEPARTMENTS**

Fund	Division	People Plus Computing Devices	FY2019 Allocation	FY 2020 Allocation
General Fund				
	City Secretary	16.00	29,543	29,131
	Courts	23.00	46,160	41,876
	City Manager	7.25	12,925	13,200
	City Auditor	5.00	7,386	9,104
	Finance-Administration	2.00	6,462	3,641
	Finance-Accounting	24.00	46,160	43,697
	Finance-Purchasing	5.00	14,771	12,745
	Finance-Budget	6.00	12,002	10,924
	City Attorney	19.00	29,543	34,593
	Human Resources	14.90	24,555	27,127
	Police Department	400.00	745,950	728,284
	Fire Department	160.00	286,194	291,314
	Emergency Management	18.00	35,082	32,773
	Public Works-Streets	49.67	91,148	90,436
	Public Works-Traffic	25.67	45,357	46,738
	Parks Department	74.60	122,786	135,825
	Developmental Services	55.50	115,955	101,049
	City Marshal	12.50	4,616	21,120
Special Revenue Funds				
	Revenue Producing Parks	0.00	0	0
	Lasker Pool	8.10	8,309	14,748
	Parking Management	4.50	8,309	8,193
	Island Transit	21.95	55,392	39,965
	FTA Maintenance	17.00	36,928	30,952
	Island Transit Administration	4.70	12,463	8,557
	Seawall Transportation Route	6.55	19,627	11,926
	Rail Trolley System	0.00	4,856	0
	CDBG Program Management	8.20	14,771	13,111
	CDBG Housing Rehab Administration	0.80	1,846	1,457
	CDBG Code Enforcement Staff	2.90	4,062	5,280
	CDBG Demolition & Maint	0.00	0	0
	CDBG Youth Activities	0.00	0	0
Combined Utility System Fund: Waterworks Fund				
	Public Works- Administration	9.67	15,815	17,607
	Finance-Utility Billing	17.25	26,773	31,407
	Public Works - Supply	19.05	33,125	34,676
	Public Works-Distribution	35.55	48,819	61,077

**FY2020 PROPOSED BUDGET
TECHNOLOGY SERVICES
ALLOCATION OF COSTS TO DEPARTMENTS**

Fund	Division	People Plus Computing Devices	FY2019 Allocation	FY 2020 Allocation
Combined Utility System Fund: Sanitary Sewer Fund				
	Public Works- Administration	9.67	15,815	17,607
	Finance-Utility Billing	17.25	26,773	31,407
	Public Works-Pretreatment	18.55	30,355	33,766
	Public Works-Collection	45.55	83,901	82,925
	Public Works Main - WWTP	40.05	82,165	72,911
Sanitation Fund				
	Public Works-Sanitation	58.05	113,554	105,684
	Public Works-Recycling	11.00	0	20,028
	Finance-Utility Billing	7.00	11,725	16,568
Drainage Utility Fund				
	Public Works-Drainage Utility	41.30	76,423	75,187
	Finance-Utility Billing	8.40	10,432	15,294
Airport Fund				
	Airport	11.00	20,311	20,028
Internal Service Funds				
	Information Technology	0.00	0	0
	Facilities	11.00	22,157	20,028
	Mailroom	2.00	1,846	3,641
	Community Outreach	9.00	14,771	16,386
	Garage Admin	13.00	24,003	23,669
	Garage Operations	22.00	40,621	40,056
	Insurance Admin (Risk Mgmt)	5.70	10,526	10,380
	Construction Management	34.00	66,932	61,904
TOTAL		1,439	2,620,002	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 painting all exposed metal piping in the apparatus bay at Fire Station #4.
- Completed the installation of the Christmas Wreaths mounts for the Causeway
- Managed the Causeway Monument Signs Painting Project
- Completed the McGuire Dent Painting Project.
- Completed the BAS upgrade for City Hall and McGuire Dent facilities
- Installed 7 new gravity ventilators on the roof of the McGuire Dent Recreation Center
- Installed new Building Automation Controls at the Wright Cuney Recreation Center
- Installed new LED site lighting at the Airport Waste Water Treatment Plant
- Installed new LED site lighting at the Terrimar Waste Water Treatment Plant
- Installed new LED site lighting at the Pirates Beach Waste Water Treatment Plant
- Installed new LED exterior building lights on the McGuire Dent Recreation Center.
- Installed a new 10 ton RTU at the Main Waste Water Treatment Plant
- Installed new roof on the old MUD#1 Facility
- Completed the rehab of the old MUD#1 Facility for the Information Technology Department's temporary occupancy.
- Installed new flooring in the City Secretary's Suit.
- Initiated and closed an estimated 4,700 work orders

Goals

- Continue to expedite service calls and seek efficient, less costly methods of repairs.
- Train on the new HVAC systems at the new Fire Station and Public Works Facilities.
- Continue to seek methods to improve the completion of repair requests.
- Continue to advance our preventative maintenance practices.

**FY2020 PROPOSED BUDGET
FACILITIES DEPARTMENT**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$361,901	\$381,820	\$382,882	\$387,958
Materials and Supplies	189,898	232,000	201,860	234,500
Contractual Services	324,787	363,504	308,529	381,411
Other Charges and Services	16,732	7,362	7,362	7,362
Capital Outlay	34,662	37,785	37,785	0
Debt Service	138,892	138,896	138,896	139,589
TOTAL	\$1,066,872	\$1,161,367	\$1,077,315	\$1,150,820

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Includes an annualized cost for personnel (-\$6,025) and increase (+\$11,100) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Increase (+\$10,000) in minor office equipment, Other supplies (+12,500) and net increase (+\$10,140) to various line items.

Contractual Services - Includes a net increase (+\$72,880) for building repairs and cleaning services for new Public Works Facility, Island Transit and Old MUD#1 Building.

Capital Outlay - Net decrease (- \$37,785) in vehicle capital outlay for FY2020.

Debt Service - Increase (+\$690) based on current amortization.

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Work orders	6,273	4,599	5,100	5,000
Preventive maintenance	4	50	150	150

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Facilities Director	1.00	1.00	1.00	1.00
LEAD Facilities Maintenance Specialist	1.00	1.00	1.00	1.00
Senior Facilities Technician	1.00	1.00	1.00	1.00
Facilities Technician	2.00	2.00	2.00	2.00
TOTAL	5.00	5.00	5.00	5.00

**FY2020 PROPOSED BUDGET
FACILITIES DEPARTMENT**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$264,512	\$269,347	\$279,128	\$269,347
511002 COLA Increases	0	5,387	0	0
511005 Longevity	1,584	1,554	1,961	1,981
511009 Overtime	5,530	15,000	11,000	15,000
511125 Residency Pay	7,500	5,019	5,115	5,019
511510 Group Health Insurance - Employer's	33,600	33,600	33,600	33,600
511512 Group Health Insurance Reserve	0	0	0	11,100
511515 Worker's Compensation	2,517	1,682	1,682	2,517
511520 Group Life Insurance	887	896	912	885
511530 Social Security - Employer's	16,735	18,371	18,427	18,064
511535 Medicare - Employer's	3,914	4,296	4,309	4,225
511542 City Employee Retirement	25,122	26,668	26,748	26,221
Total Personnel Services	\$361,901	\$381,820	\$382,882	\$387,958
Materials and Supplies				
521065 Office Supplies	0	500	434	500
521067 Minor Office Equipment	2,282	20,000	10,000	20,000
522011 Chemicals	0	500	250	500
522013 Clothing	1,803	2,000	1,663	2,000
522014 Protective Gear	0	500	250	500
522025 Fuel And Lubricants	1,242	5,000	2,500	5,000
522037 Janitorial Supplies	18,887	17,500	14,299	20,000
522045 Electrical Hardware	19,589	10,000	7,896	10,000
522055 Minor Tools	244	1,500	750	1,500
522056 Minor Equipment	1,500	2,500	1,250	2,500
522065 Paint And Lumber	5,563	5,000	4,234	0
522075 Pipe And Plumbing Supplies	633	5,000	2,500	0
522099 Other Supplies	0	5,000	2,500	15,000
525031 Electricity	128,911	145,000	138,762	145,000
525032 Natural Gas	9,243	12,000	14,572	12,000
Total Materials and Supplies	\$189,898	\$232,000	\$201,860	\$234,500
Contractual Services				
531005 Other Services	43,120	10,000	5,000	0
531010 Inspection Fees	140	1,500	1,000	1,500
531014 Building Security	0	2,000	1,000	2,000
531115 Refuse Disposal	3,727	4,000	4,648	8,300
531119 Landscape Services	0	5,000	5,000	5,000
531120 Lot Maintenance	70	0	0	0
531220 Building Repairs	130,834	145,000	122,180	145,000
531230 Equipment Repairs	17,878	25,247	15,498	24,000
531240 Maintenance Contracts	63,375	70,000	63,390	70,000
531250 Vehicle Repairs	31	0	0	0
531310 Rental of Land	8,400	0	0	0
531350 Garage Charges	7,994	26,000	10,417	13,013
531360 Computer Charges	0	22,157	22,157	20,028
532065 Printing, Duplication	1,352	1,800	1,997	1,800

**FY2020 PROPOSED BUDGET
FACILITIES DEPARTMENT**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
532083 Telephone Service	3,834	3,800	6,819	3,800
532084 Cellular Service	3,174	4,000	4,856	4,000
532087 Aircard Service	235	0	3,314	470
532086 Other Communications	3,273	5,000	512	2,500
533301 Cleaning Service	37,350	38,000	40,742	80,000
Total Contractual Services	\$324,787	\$363,504	\$308,529	\$381,411
Other Charges and Services				
547030 Compensated Absences	1,035	0	0	0
547060 Depreciation	2,370	0	0	0
547070 Insurance Expense	13,327	7,362	7,362	7,362
Total Other Charges and Services	\$16,732	\$7,362	\$7,362	\$7,362
Capital Outlay				
564003 Vehicle Capital Outlay	34,662	37,785	37,785	0
Total Capital Outlay	\$34,662	\$37,785	\$37,785	\$0
Debt Service				
571010 Interest Expenditure	24,710	19,793	19,793	25,272
571050 Principal Expenditure	114,182	118,968	118,968	114,182
571070 Other Expenditures	0	135	135	135
Total Debt Service	\$138,892	\$138,896	\$138,896	\$139,589
Total Expenses	\$1,066,872	\$1,161,367	\$1,077,315	\$1,150,820

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

- Received and responded to approximately 1,150 media requests and a similar or greater number of requests from the general public.
- Posted over 840 public posts on the City of Galveston Facebook Page
- Filmed & edited approx. 150+ videos including weekly videos & special features.
- Completed approximately 400 edits to the City's website.
- Wrote and distributed approximately 110 traditional press releases.
- Hosted the Galveston University programs for 34 students over 18 weeks.
- Compiled monthly City Manager's Report from all City Departments
- Received and processed numerous requests from City departments for communications and/or visual content, such as assisting with reports, filming training videos, designing logos or other graphic material for departments, and changing items on the website.
- Worked with local committees and boards on City-related educational campaigns.
- Attended over 245+ local, regional, and state community meetings.
- Issued over 115 Loudspeaker Permits and 45+ Special Event Permits for the year.
- Barbara Sanderson was re-elected to serve a two-year term as an "At-Large Representative" on the Texas Recreation and Park Society (TRAPS) Executive Board. Megan Pierce was selected to serve as Vice Chair of Membership for the TRAPS East Region. Both serve on the 2020 TRAPS Institute & Expo Planning Committee.

Goals

- Continue improvement of all communications with the public and civic organizations by establishing an ongoing dialogue via various communication outlets, as well as conducting surveys.
- Continue Engagement with the community and City Employees by producing more "Waves of Information" campaigns, designed to help keep the public safe, informed, and engaged on events happening in the community, as well as "Employee Spotlight" interviews and videos to showcase City personnel and their responsibilities, highlighting their passion(s) and commitment to the community.
- Increase the awareness of Special Events through communication & informational campaigns, and improve the Permitting Process for Applicants
- Contribute to, plan for, and host a successful 2020 Texas Recreation & Park Society Institute & Expo in February which involves executing ideas, programming, activities, and educational sessions for Parks & Recreation staff across the state of Texas.
- Create a studio environment through the renovation of current media resources and improvement of technological equipment related to the Public Access Channel.

**FY2020 PROPOSED BUDGET
COMMUNITY OUTREACH**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$42,858	\$284,593	\$289,196	\$378,984
Materials and Supplies	0	8,000	11,000	12,500
Contractual Services	1,795	64,971	52,554	69,021
Other Charges and Services	0	6,006	6,006	7,510
Capital Outlay	0	32,000	0	0
TOTAL	\$44,653	\$395,570	\$358,756	\$468,015

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Transfer of Special Events Coordinator from Parks Department (+\$77,530), annualized cost for personnel (+\$3,460) and increase (+\$8,800) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Increase for general office supplies (+\$1,500).

Contractual Services - Net increase (+\$16,465) for media services (\$7,000) and various increases (\$9,465) in line items.

Other Charges and Services - Increase to insurance expenses (+\$1,504).

PERFORMANCE INDICATORS

INDICATORS	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 ESTIMATED	FY2020 PROPOSED
Waves of Information Videos	N/A	47	37	40
Employee Spotlight Videos	N/A	40	30	30
Feature Videos	N/A	48	58	60
Pets of the Week Videos	N/A	N/A	40	40
Press Releases / Community News	N/A	45	108	100
Media / Public Inquiry Responses	N/A	N/A	1,152	1,155
Social Media Posts	N/A	N/A	840	850
Community Meeting Attendance	N/A	N/A	246	260
Special Event Permits	56	49	50	50
Loudspeaker Permits	110	127	130	135

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Executive Director of Community Outreach	0.00	1.00	1.00	1.00
Admin. Manager/Special Events Coordinator	0.00	0.00	1.00	1.00
Communications Director / PIO	0.00	1.00	1.00	1.00
Communications Specialists	0.00	1.00	1.00	1.00
TOTAL	0.00	3.00	4.00	4.00

**FY2020 PROPOSED BUDGET
COMMUNITY OUTREACH**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$33,846	\$222,133	\$229,969	\$286,303
511005 Longevity	0	644	1,349	1,336
511009 Overtime	399	500	427	500
511125 Residency Pay	769	2,500	4,538	5,000
511510 Group Health Insurance - Employer's	1,960	20,160	20,153	26,880
511512 Group Health Insurance Reserve	0	0	0	8,880
511515 Worker's Compensation	0	500	963	500
511520 Group Life Insurance	64	564	1,013	778
511530 Social Security - Employer's	2,163	13,998	11,445	18,175
511535 Medicare - Employer's	506	3,274	2,677	4,251
511542 City Employee Retirement	3,151	20,320	16,662	26,382
Total Personnel Services	\$42,858	\$284,593	\$289,196	\$378,984
Materials and Supplies				
521065 Office Supplies	0	5,000	8,000	10,000
521067 Minor Office Equipment	0	3,000	3,000	0
522013 Clothing	0	0	0	2,500
Total Materials and Supplies	\$0	\$8,000	\$11,000	\$12,500
Contractual Services				
531013 Media Services	1,795	13,000	15,000	22,000
531025 Memberships	0	0	275	2,000
531028 Software Licenses	0	3,000	2,400	3,000
531350 Garage Charges	0	7,200	0	1,435
531360 Computer Charges	0	14,771	14,771	16,386
532062 Postage	0	400	0	200
532065 Printing, Duplication	0	8,000	6,000	6,000
532083 Telephone Service	0	2,400	2,600	3,000
532084 Cellular Service	0	5,000	3,000	4,000
532086 Other Communications	0	1,000	0	0
532087 Aircard Service	0	1,700	1,000	1,500
533085 Travel/Training	0	7,500	6,758	8,500
533100 Advertising	0	1,000	750	1,000
Total Contractual Services	\$1,795	\$64,971	\$52,554	\$69,021
Other Charges and Services				
547070 Insurance Expense	0	6,006	6,006	7,510
Total Other Charges and Services	\$0	\$6,006	\$6,006	\$7,510
Capital Outlay				
564003 Vehicle Capital Outlay	0	32,000	0	0
Total Capital Outlay	\$0	\$32,000	\$0	\$0
Total Expenses	\$44,653	\$395,570	\$358,756	\$468,015

**FY2020 PROPOSED BUDGET
MAIL SERVICES**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$18,937	\$19,608	\$6,720	\$56,749
Materials and Supplies	1,232	1,300	1,300	1,300
Contractual Services	70,549	93,109	89,169	63,362
Other Charges and Services	2,474	4,651	4,651	6,192
TOTAL	\$93,191	\$118,668	\$101,839	\$127,603

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Includes an annualized cost for personnel (+\$47,809) and increase (+\$2,220 for \$185 per month per employee for Group Health Insurance.

Contractual Services - Includes a decrease in temporary employment services (-\$40,995), increase (+\$8,975) in postage, maintenance contracts (+\$3,500) and miscellaneous line items (+\$2,710)

Other Charges and Services - Increase to insurance expenses (+\$1,540).

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Support Services	1.00	1.00	1.00	1.00
TOTAL	1.00	1.00	1.00	1.00

**FY2020 PROPOSED BUDGET
MAIL SERVICES**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$12,927	\$2,527	\$0	\$37,527
511002 COLA Increase	0	751	0	751
511005 Longevity	17	67	0	0
511009 Overtime	453	0	0	0
511125 Residency Pay	865	2,510	0	2,510
511510 Group Health Insurance - Employer's	2,240	6,720	6,720	6,720
511512 Group Health Insurance Reserve	0	0	0	2,220
511515 Worker's Compensation	129	86	0	86
511520 Group Life Insurance	48	145	0	145
511530 Social Security - Employer's	790	2,533	0	2,529
511535 Medicare - Employer's	185	592	0	591
511542 City Employee Retirement	1,284	3,677	0	3,671
Total Personnel Services	\$18,937	\$19,608	\$6,720	\$56,749
Materials and Supplies				
521065 Office Supplies	240	300	300	300
521067 Minor Office Equipment	992	1,000	1,000	1,000
Total Materials and Supplies	\$1,232	\$1,300	\$1,300	\$1,300
Contractual Services				
531015 Temporary Employee Services	24,564	35,000	40,995	0
531240 Maintenance Contracts	1,400	2,000	1,500	5,000
531350 Garage Charges	3,834	3,263	2,543	2,721
531360 Computer Charges	0	1,846	1,846	3,641
532062 Postage	39,719	50,000	41,023	50,000
532083 Telephone Service	1,031	1,000	1,262	1,000
533085 Travel/Training	0	0	0	1,000
Total Contractual Services	\$70,549	\$93,109	\$89,169	\$63,362
Other Charges and Services				
547030 Compensated Absences	(3,248)	0	0	0
547070 Insurance Expense	5,722	4,651	4,651	6,192
Total Other Charges and Services	\$2,474	\$4,651	\$4,651	\$6,192
Total Expenses	\$93,192	\$118,668	\$101,839	\$127,603

**FY2020 PROPOSED BUDGET
PRINT SHOP**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Materials and Supplies	94,709	97,500	53,800	52,500
Contractual Services	28,658	36,600	35,696	36,600
TOTAL	\$123,368	\$134,100	\$89,496	\$89,100

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Materials and Supplies - Decrease in inventory supplies for resale (- \$1,300).

Contractual Services - Maintain current level of funding for maintenance contracts and cellular service (+\$900).

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Materials and Supplies				
521065 Office Supplies	496	500	489	500
521067 Minor Office Equipment	1,093	2,000	2,000	2,000
524001 Inventory Supplies For Resale	93,120	95,000	51,311	50,000
Total Materials and Supplies	\$94,709	\$97,500	\$53,800	\$52,500
Contractual Services				
531240 Maintenance Contracts	27,720	35,000	35,000	35,000
532084 Cellular Service	938	1,600	696	1,600
Total Contractual Services	\$28,658	\$36,600	\$35,696	\$36,600
Total Expenses	\$123,367	\$134,100	\$89,496	\$89,100

**FY2020 PROPOSED BUDGET
CENTRAL GARAGE FUND SUMMARY**

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	\$1,665,138	\$1,634,065	\$1,634,065	\$1,927,381
Revenues				
Motor vehicle charges	\$4,085,075	\$4,216,114	\$4,141,032	\$4,237,595
Outside agency revenue	469,071	402,728	410,632	410,632
Other revenue	70,027	27,000	111,310	100,000
Sale of equipment	14,347	15,000	15,000	7,000
Interest earned	22,981	12,000	29,672	30,000
Total revenues	\$4,661,501	\$4,672,842	\$4,707,646	\$4,785,227
Expenses				
Administration	\$731,291	\$1,362,582	\$718,540	\$866,564
Operations	3,834,008	3,343,728	3,672,041	3,918,664
Total expenses	\$4,565,299	\$4,706,310	\$4,390,581	\$4,785,227
Net income (loss)	\$96,202	(\$33,468)	\$317,065	\$0
Capital Outlay	\$127,275	\$667,533	\$23,750	\$0
Ending Fund Balance	\$1,634,065	\$933,064	\$1,927,381	\$1,927,381

	2018 Actual	2019 Budget	2020 Budget	Salary Costs
Personnel summary				
Garage Administration	2.00	2.00	2.00	\$262,140
Garage Operations	20.00	20.00	22.00	1,184,263
Totals	22.00	22.00	24.00	\$1,446,402

**FY2020 PROPOSED BUDGET
CENTRAL GARAGE FUND
EXPENDITURE SUMMARY**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Garage Administration	\$731,291	\$1,362,582	\$718,540	\$866,564
Garage Operations	3,961,283	4,011,261	3,695,791	3,918,664
Central Garage Fund Total	\$4,692,574	\$5,373,843	\$4,414,331	\$4,785,227

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,249,607	\$1,362,948	\$1,316,426	\$1,446,402
Materials and Supplies	2,353,570	2,339,909	2,114,060	2,255,048
Contractual Services	504,387	548,884	531,480	541,587
Other Charges and Services	455,407	432,864	428,615	542,190
Operating Transfers	2,328	21,705	0	0
Capital Outlay	127,275	667,533	23,750	0
Central Garage Fund Total	\$4,692,574	\$5,373,843	\$4,414,331	\$4,785,227

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Includes an annualized cost for personnel (+\$76,695) and increase (+\$53,280) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Maintain current level of funding for fuel and lubricants (+\$160,425) and miscellaneous decreases (-\$19,435) in various line items.

Contractual Services - Net increase (+\$10,105) in various contractual accounts.

Other Charges and Services - Increase in Garage portion of Auto and damage liability insurance (+\$109,325) and net increase (+\$4,250) in expense reimbursement.

Capital Outlay - Decrease (-\$23,750) for no Capital Outlay budgeted for in FY2020.

Municipal Fleet Facilities

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

- Installation of improved preventative maintenance systems for fleet vehicles.
- Assisting Galveston County, Galveston Parks Board and the Port of Galveston with automated monitoring of their fleet operations.
- Completed 3,729 general repairs, 1,380 Preventative Maintenance programs that resulted in 282 additional repairs from PM findings, and 497 road calls services.
- Increased auction sales revenue dramatically by utilizing on-line auction systems and improving procedures.

Goals

- To continue improving operations at the Municipal Garage Facility and in addition, work in harmony with user departments.
- To continue to improve training for the mechanics and the supporting staff.
- To continue to monitor the reduction of fleet downtime.
- Reduction of fuel usage.
- To continue to develop additional enhanced hierarchy preventative maintenance programs.
- To award annual bids on as many parts and supplies in the garage storeroom as practical.
- To continue to implement the Vehicle Replacement Program and to consider better fuel efficient and "greener" vehicles.
- To identify repair problem consistencies which will assist in decreasing scheduled repairs and unscheduled repairs.
- Research extended manufactures warranties for fleet purchases, which will reduce repair costs to the city.
- To rid the fleet of outdated and surplus equipment which will improve the fleets overall appearance.

**FY2020 PROPOSED BUDGET
GARAGE ADMINISTRATION**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$197,701	\$204,892	\$204,792	\$262,140
Materials and Supplies	39	2,330	1,242	1,500
Contractual Services	66,517	54,963	55,892	60,734
Other Charges and Services	467,033	432,864	432,864	542,190
Capital Outlay	0	667,533	23,750	0
TOTAL	\$731,291	\$1,362,582	\$718,540	\$866,564

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Includes an annualized cost for personnel (+\$4,065) and increase (+\$53,280) for \$185 per month per employee for Group Health Insurance.

Materials and Supplies - Maintain current level of funding for materials and supplies (+\$260).

Contractual Services - Increase (+\$4,840) in maintenance contracts.

Other Charges and Services - Increase in Garage portion of Auto and damage liability insurance (+\$109,325).

Capital Outlay - Decrease (-\$23,750) for no Capital Outlay budgeted for in FY2020.

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2019 PROPOSED BUDGET
GARAGE ADMINISTRATION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$152,857	\$156,141	\$158,654	\$159,264
511002 COLA Increases	0	3,123	0	3,185
511005 Longevity	2,448	2,412	2,533	2,629
511009 Overtime	2,161	2,000	2,443	2,000
511510 Group Health Insurance - Employer's	13,440	13,440	13,440	13,440
511512 Group Health Insurance Reserve	0	0	0	53,280
511515 Worker's Compensation	258	172	172	172
511520 Group Life Insurance	349	352	351	351
511530 Social Security - Employer's	9,698	10,148	10,108	10,359
511535 Medicare - Employer's	2,268	2,373	2,364	2,423
511542 City Employee Retirement	14,172	14,731	14,727	15,037
511650 Salary Reimbursements	49	0	0	0
Total Personnel Services	\$197,701	\$204,892	\$204,792	\$262,140
Materials and Supplies				
521065 Office Supplies	39	2,330	1,242	1,500
Total Materials and Supplies	\$39	\$2,330	\$1,242	\$1,500
Contractual Services				
531025 Memberships	534	1,000	860	1,000
531125 Other Contracts	0	2,000	1,000	1,000
531240 Maintenance Contracts	19,793	21,000	23,635	28,000
531360 Computer Charges	39,994	24,003	24,003	23,669
532062 Postage	3	60	30	50
532065 Print Shop Charges	326	0	0	0
532083 Telephone Service	3,464	3,200	3,989	3,700
532084 Cellular Service	919	1,500	1,123	1,200
532085 Pager Service	171	200	112	115
533085 Travel/Training	1,313	2,000	1,140	2,000
Total Contractual Services	\$66,517	\$54,963	\$55,892	\$60,734
Other Charges and Services				
543099 Project Management Costs	755	0	0	0
547070 Insurance Expense	466,278	432,864	432,864	542,190
Total Other Charges and Services	\$467,033	\$432,864	\$432,864	\$542,190
Capital Outlay				
564005 Capital Outlay - Improvements	0	667,533	23,750	0
Total Capital Outlay	\$0	\$667,533	\$23,750	\$0
Total Expenses	\$731,291	\$1,362,582	\$718,540	\$866,564

**FY2020 PROPOSED BUDGET
GARAGE OPERATIONS**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$1,051,906	\$1,158,056	\$1,111,634	\$1,184,263
Materials and Supplies	2,353,531	2,337,579	2,112,818	2,253,548
Contractual Services	437,869	493,921	475,588	480,853
Other Charges and Services	(11,626)	0	(4,249)	0
Operating Transfers	2,328	21,705	0	0
Capital Outlay	127,275	0	0	0
TOTAL	\$3,961,283	\$4,011,261	\$3,695,791	\$3,918,664

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Includes an annualized cost for personnel (+\$72,630).

Materials and Supplies - Maintain current level of funding for fuel and lubricants (+\$160,425) and miscellaneous decreases (-\$19,695) in various line items.

Contractual Services - Net increase (+\$5,265) in various contractual accounts.

Other Charges and Services - Net increase (+\$4,249) in expense reimbursement.

PERFORMANCE INDICATORS

INDICATORS	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Fleet Availability	94.00%	93.00%	92.00%	94.00%
Number of work orders	2,067	1,950	2,661	2,700
Number of PM services	970	1,170	1,214	1,300

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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
Fleet Service Attendant	0.00	0.00	2.00	2.00
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	22.00	22.00

**FY2020 PROPOSED BUDGET
GARAGE OPERATIONS**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$678,112	\$736,206	\$721,015	\$769,193
511002 COLA Increases	0	14,724	0	0
511005 Longevity	8,850	8,788	9,407	10,463
511009 Overtime	53,460	60,000	48,907	60,000
511125 Residency Pay	39,220	37,500	39,114	39,998
511410 Separation Vacation	2,563	0	0	0
511420 Separation Sick Pay	1,043	0	0	0
511430 Separation Compensatory Time	112	0	0	0
511510 Group Health Insurance	133,132	147,840	147,840	147,840
511515 Worker's Compensation	10,951	7,317	7,317	7,317
511520 Group Life Insurance	2,634	2,953	2,767	2,989
511530 Social Security - Employment	47,240	53,148	49,930	54,539
511535 Medicare - Employer's	11,048	12,430	11,677	12,755
511542 City Employee Retirement	70,502	77,150	73,660	79,169
511650 Salary Reimbursements	(6,961)	0	0	0
Total Personnel Services	\$1,051,906	\$1,158,056	\$1,111,634	\$1,184,263
Materials and Supplies				
521065 Office Supplies	2,368	5,000	3,756	5,000
521067 Minor Office Equipment	4,159	6,000	3,513	6,000
522013 Clothing	13,224	14,500	12,817	14,500
522025 Fuel And Lubricants	1,694,510	1,640,000	1,378,567	1,538,993
522037 Janitorial Supplies	7,241	7,500	7,564	7,500
522055 Minor Tools	14,685	16,500	25,502	16,500
522059 Motor Vehicle Parts	597,167	623,079	658,626	640,055
525031 Electricity	15,993	21,000	18,499	21,000
525032 Natural Gas	4,184	4,000	3,974	4,000
Total Materials and Supplies	\$2,353,531	\$2,337,579	\$2,112,818	\$2,253,548
Contractual Services				
531005 Other Services	107	0	700	0
531025 Memberships	499	0	189	0
531125 Other Contracts	40,199	55,000	7,996	5,000
531220 Building Repairs	3,782	9,700	9,618	9,700
531230 Equipment Repairs	4,290	6,000	4,947	6,000
531250 Vehicle Repairs	350,708	340,000	374,479	374,479
531350 Garage Charges	26,096	30,000	21,572	31,018
531360 Computer Charges	0	40,621	40,621	40,056
532083 Telephone Service	11,518	12,000	14,955	14,000
532087 Aircard Service	654	600	510	600
533085 Travel/Training	15	0	0	0
Total Contractual Services	\$437,869	\$493,921	\$475,588	\$480,853
Other Charges and Services				
544087 Expense Reimbursement	0	0	(4,249)	0
544097 Expenses Reimb. - Other	(11,626)	0	0	0
Total Other Charges and Services	(\$11,626)	\$0	(\$4,249)	\$0

**FY2020 PROPOSED BUDGET
GARAGE OPERATIONS**

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Operating Transfers				
553050 Transfer to Hurricane Harvey	2,328	21,705	0	0
Total Operating Transfers	\$2,328	\$21,705	\$0	\$0
Capital Outlay				
564003 Vehicle Capital Outlay	127,275	0	0	0
Total Capital Outlay	\$127,275	\$0	\$0	\$0
Total Expenses	\$3,961,283	\$4,011,261	\$3,695,791	\$3,918,664

**FY2020 PROPOSED BUDGET
CASUALTY & LIABILITY INSURANCE FUND**

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	\$3,066,131	\$3,377,727	\$3,377,727	\$108,921
Revenues:				
Charges for services				
Waterworks Fund	\$197,406	\$175,068	\$175,068	\$226,482
Sewer System Fund	255,161	218,366	218,366	260,249
Drainage Utility Fund	40,497	32,327	32,327	33,508
Sanitation Fund	82,290	64,665	64,665	71,250
Capital Projects Fund	9,415	15,259	15,259	18,095
Central Services	30,656	33,510	33,511	39,258
Central Garage	466,278	432,864	432,864	542,190
Airport Fund	148,984	134,565	134,565	168,845
Federal/state grants	111,317	99,338	99,338	75,125
Community Pool	0	30,702	30,702	39,403
General Fund	718,395	534,602	534,605	599,680
Other revenue	43,261	19,000	8,761	9,000
Operating Transfers In	0	2,386,800	2,386,800	0
Total revenues	\$2,103,660	\$4,177,066	\$4,166,831	\$2,083,085
Expenses:				
Administration	\$178,045	\$185,666	\$184,349	\$192,301
Insurance policies	1,349,457	1,474,600	1,471,543	1,537,500
Other expenses	264,561	5,770,000	5,779,746	345,000
Total expenses	\$1,792,063	\$7,430,266	\$7,435,637	\$2,074,801
Net income (loss)	\$311,597	(\$3,253,200)	(\$3,268,806)	\$8,284
Ending Fund Balance	\$3,377,727	\$124,527	\$108,921	\$117,205
	2018	2019	2020	Salary
Personnel summary	Actual	Budget	Budget	Costs
Insurance Fund - Administration	1.710	1.710	1.701	\$159,495
Totals	1.710	1.710	1.701	\$159,495

**FY2020 PROPOSED BUDGET
CASUALTY AND LIABILITY FUND
EXPENDITURE SUMMARY**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Insurance Administration	\$178,045	\$185,666	\$184,349	\$192,301
Policies In Force	1,349,457	1,474,600	1,471,543	1,537,500
Other Operating Expenses	264,561	5,770,000	5,779,746	345,000
Casualty and Liability Total	\$1,792,064	\$7,430,266	\$7,435,637	\$2,074,801

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$148,962	\$151,439	\$156,271	\$159,495
Materials and Supplies	1,014	3,300	3,300	3,300
Contractual Services	1,716,245	2,020,527	2,021,066	1,927,006
Other Charges and Services	(74,157)	5,255,000	5,255,000	(15,000)
Casualty and Liability Total	\$1,792,064	\$7,430,266	\$7,435,637	\$2,074,801

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Personnel Services - Net increase (+\$3,225) includes cost of annualized salaries.

Contractual Services - Includes increases in Windstorm (+\$30,000), Fire and extended coverage (+\$7,030), Flood insurance (+\$5,000), garage charges (+\$4,730) and miscellaneous increases (+\$14,1800) in various policies. Decrease of \$100,000 in Uninsured Damage Claims, \$55,000 in Uninsured Legal Claims.

Other Charges and Services - Net decrease (-\$5,280,000) one time payment made for CDM Settlement in FY2019 and an increase (+\$10,000) in expense reimbursements.

Municipal Insurance

Division Mission

The City's insurance program is monitored by both the Risk Management and the Human Resource Departments, which coordinates and supervises the fringe benefit program for City employees. The Risk Manager assists the overall performance of the self-insured Health plan and supervises the Worker's Compensation self-insurance plan. He also identifies risk areas and secures insurance coverage for the City's property and liability risk.

Accomplishments

- Provided insurance expertise on flood and windstorm insurance to assist in closing out claims related to Hurricane Harvey 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.
- Monitor and assist 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.
- Managed multiple workers compensation claims by ensuring reporting procedures were appropriate and adequate.
- Developed and organized all required documentation for the annual Workers Compensation audit.
- Briefed and trained employees and departments on Risk Management policies and procedures.
- Classified, evaluated and monitored multiple liability claims against the City from initial receipt, investigation and ultimate resolution.
- Responded to and provided oversight in several TCEQ approved recovery and final disposition projects, including the discovery of underground storage tanks, a mercury spill and contaminated soils.

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.
- Closely monitor the worker's compensation insurance fund.
- Continue to review all city properties and personnel for safety compliance.
- Continue safety inspections and work site-specific courses for employees throughout the City operations.

**FY2020 PROPOSED BUDGET
INSURANCE ADMINISTRATION**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$148,962	\$151,439	\$156,271	\$159,495
Materials and Supplies	1,014	3,300	3,300	3,300
Contractual Services	24,453	30,927	24,778	29,506
Other Charges and Services	3,616	0	0	0
TOTAL	\$178,045	\$185,666	\$184,349	\$192,301

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Personnel Services - Net increase (+\$3,225) includes cost of annualized salaries.

Contractual Services - Increase in garage charges (+\$4,730)

PERSONNEL				
POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
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

**FY2020 PROPOSED BUDGET
INSURANCE ADMINISTRATION**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$115,764	\$116,543	\$121,405	\$122,023
511002 COLA Increases	0	2,331	0	0
511005 Longevity	563	540	617	623
511125 Residency Pay	1,500	0	1,744	0
511510 Group Health Insurance - Employer's	11,431	11,431	11,430	11,431
511512 Group Health Insurance Reserve	0	0	0	3,776
511515 Worker's Compensation	229	153	229	229
511520 Group Life Insurance	286	559	473	586
511530 Social Security - Employer's	6,958	7,404	7,482	7,755
511535 Medicare - Employer's	1,627	1,731	1,750	1,814
511542 City Employee Retirement	10,604	10,747	11,141	11,258
Total Personnel Services	\$148,962	\$151,439	\$156,271	\$159,495
Materials and Supplies				
521065 Office Supplies	567	1,800	1,800	1,800
522055 Minor Tools	378	1,500	1,500	1,500
522065 Paint and Lumber	69	0	0	0
Total Materials and Supplies	\$1,014	\$3,300	\$3,300	\$3,300
Contractual Services				
531005 Other Services	2,822	2,000	1,800	2,000
531025 Memberships	0	500	500	500
531220 Building Repairs	248	0	0	0
531350 Garage Charges	6,188	7,501	1,652	6,226
531360 Computer Charges	10,000	10,526	10,526	10,380
532062 Postage	47	300	300	300
532083 Telephone Service	2,062	2,500	2,500	2,500
532084 Cellular Service	1,511	2,000	2,000	2,000
532087 Aircard Service	419	500	500	500
533085 Travel/Training	1,155	5,100	5,000	5,100
Total Contractual Services	\$24,453	\$30,927	\$24,778	\$29,506
Other Charges and Services				
547030 Compensated Absences	3,616	0	0	0
Total Other Charges and Services	\$3,616	\$0	\$0	\$0
Total Expenses	\$178,045	\$185,666	\$184,349	\$192,301

**FY2020 PROPOSED BUDGET
POLICIES IN FORCE**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services	1,363,213	1,484,600	1,491,543	1,547,500
Other Charges and Services	(13,756)	(10,000)	(20,000)	(10,000)
TOTAL	\$1,349,457	\$1,474,600	\$1,471,543	\$1,537,500

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Contractual Services - Includes increases in Windstorm (+ \$30,000), Fire and extended coverage (+\$7,030), Flood insurance (+\$5,000) and miscellaneous increases (+\$13,925) in various policies.

Other Charges and Services - Increase (+\$10,000) in expense reimbursements.

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services				
534013 Automobile Physical Damage	\$161,921	\$180,000	\$176,483	\$180,000
534014 Windstorm	426,919	485,000	455,000	485,000
534015 Contractor's Equip & Val. Papers	26,071	27,000	29,097	30,000
534016 Flood	162,677	172,000	185,000	190,000
534017 Airport Liability	1,990	3,000	1,990	3,000
534018 Police Liability	102,959	105,000	114,857	115,000
534019 Public Official Liability	78,657	71,500	71,432	72,000
534021 Fire & Ext. Coverage	52,619	78,100	82,968	90,000
534026 Auto Liability	225,388	230,000	232,065	236,000
534027 General Liability	40,169	41,000	43,388	44,000
534028 Employee Blanket Bond	2,882	4,000	5,157	5,500
534029 Unemployment Insurance	52,933	60,500	57,000	57,000
534037 Vehicle - Catastrophic Insurance	15,222	15,500	19,881	20,000
534039 Pollution Control Policy	12,805	12,000	17,225	20,000
Total Contractual Services	\$1,363,213	\$1,484,600	\$1,491,543	\$1,547,500
Other Charges and Services				
544087 Expense Reimbursement	(13,756)	(10,000)	(20,000)	(10,000)
Total Other Charges and Services	(\$13,756)	(\$10,000)	(\$20,000)	(\$10,000)
Total Expenses	\$1,349,457	\$1,474,600	\$1,471,543	\$1,537,500

**FY2020 PROPOSED BUDGET
OTHER OPERATING EXPENSES**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services	328,579	505,000	504,746	350,000
Other Charges and Services	(64,018)	5,265,000	5,275,000	(5,000)
TOTAL	\$264,561	\$5,770,000	\$5,779,746	\$345,000

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Contractual Services - Decrease of \$100,000 in Uninsured Damage Claims, \$55,000 in Uninsured Legal Claims and maintaining (+\$254) current level of budget in Employee Assistance Program.

Other Charges and Services - Net decrease (-\$5,280,000) one time payment made for CDM Settlement in FY2019.

LINE ITEM DETAIL

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services				
534032 Preventive Health Program	75,396	75,000	75,000	75,000
534033 Uninsured Damage Claims	202,125	250,000	250,000	150,000
534034 Uninsured Legal Fees	41,697	170,000	170,000	115,000
534035 Employee Assistance Program	9,360	10,000	9,746	10,000
Total Contractual Services	\$328,579	\$505,000	\$504,746	\$350,000
Other Charges and Services				
544087 Expense Reimbursement	(64,018)	(15,000)	(5,000)	(5,000)
591065 CDM Settlement	0	5,280,000	5,280,000	0
Total Other Charges and Services	(\$64,018)	\$5,265,000	\$5,275,000	(\$5,000)
Total Expenses	\$264,561	\$5,770,000	\$5,779,746	\$345,000



**FY2020 PROPOSED BUDGET
WORKERS' COMPENSATION FUND**

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	\$2,288,272	\$2,476,817	\$2,476,817	\$103,086
Revenues:				
Charges for services				
Workers' compensation	\$602,543	\$409,619	\$409,619	\$452,000
Interest	38,741	16,000	15,368	12,000
Total revenues	\$641,284	\$425,619	\$424,987	\$464,000
Expenses:				
Insurance policies	\$452,739	\$2,812,419	\$2,798,718	\$461,000
Total expenses	\$452,739	\$2,812,419	\$2,798,718	\$461,000
Net income (loss)	\$188,545	(\$2,386,800)	(\$2,373,731)	\$3,000
Ending Fund Balance	\$2,476,817	\$90,017	\$103,086	\$106,086

**FY2020 PROPOSED BUDGET
WORKERS' COMPENSATION FUND
EXPENDITURE SUMMARY**

DEPARTMENT	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Policies in Force	\$452,739	\$2,812,419	\$2,798,718	\$461,000
Workers' Compensation Total	\$452,739	\$2,812,419	\$2,798,718	\$461,000

CATEGORY	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services	452,739	425,619	411,918	461,000
Operating Transfers	0	2,386,800	2,386,800	0
Workers' Compensation Total	\$452,739	\$2,812,419	\$2,798,718	\$461,000

HIGHLIGHTS (FY2020 Proposed Over/Under FY2019 Estimated)

Contractual Services - Net increase (+\$49,080) in Worker's Compensation policies and administrative stop loss payments.

Operating Transfers - Net decrease (-\$2,386,800) in surplus funds transferred to the Casual & Liability Fund to cover on time cost associated with the CDM Settlement.

**FY2020 PROPOSED BUDGET
POLICIES IN FORCE**

EXPENDITURE SUMMARY				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services	452,739	425,619	411,918	461,000
TOTAL	\$452,739	\$2,812,419	\$2,798,718	\$461,000

BUDGET HIGHLIGHTS (FY2020 PROPOSED OVER/UNDER FY2019 ESTIMATED)

Contractual Services - Net increase (+\$49,080) in Worker's Compensation policies and administrative stop loss payments.

Operating Transfers - Net decrease (-\$2,386,800) in surplus funds transferred to the Casual & Liability Fund to cover cost associated with the CDM Settlement.

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Contractual Services				
534023 Workers' Compensation	\$368,290	\$340,000	\$321,191	\$370,000
534054 Administrative & Stop Loss	84,449	85,619	90,727	91,000
Total Contractual Services	\$452,739	\$425,619	\$411,918	\$461,000
Operating Transfers				
553024 Insurance - Transfer Out	0	2,386,800	2,386,800	0
Total Operating Transfers	\$0	\$2,386,800	\$2,386,800	\$0
Total Expenses	\$452,739	\$2,812,419	\$2,798,718	\$461,000



**FY2020 PROPOSED 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 employees, their dependents and retirees. The impact of rising health care across the nation has contributed to the rise of health care benefits locally. Employer contributions are being increased this fiscal year by \$185 per employee per month. The City and the Park Board will pay this amount effective October 1, 2019 with the start of their fiscal year while the Wharves Authority will contribute the new amount when their fiscal year begins January 1, 2020.

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	\$2,645,052	\$1,819,869	\$1,819,869	\$0
Revenues:				
Medical Insurance-Retiree & Cobra	\$216,184	\$203,400	\$249,703	\$339,720
Medical Ins. Contributions-City	5,382,060	5,433,000	5,501,604	7,697,340
Medical Ins. Contributions-Park Board	518,310	535,000	551,270	798,040
Medical Ins. Contributions-Park Board EE'S	120,215	92,000	125,970	100,440
Medical Ins. Contributions-EE's	1,302,872	1,450,000	1,428,921	1,568,745
Medical Ins. Contributions-Wharves	515,190	0	462,560	674,680
Med. Ins. Contrib.-Wharves Employee	143,480	531,000	136,510	145,560
Stop Loss Reimbursements	661,076	156,600	562,221	250,000
Life Insurance	127,486	500,000	130,451	140,000
Other Refunds and No Shows	90,132	129,000	282,487	250,000
Interest	29,640	30,000	26,338	30,000
Total revenues	\$9,106,645	\$9,060,000	\$9,458,035	\$11,994,525
Expenses:				
Insurance polices	\$8,925,981	\$8,004,000	\$10,293,586	\$10,931,463
Health clinic operating expense	1,005,848	1,056,000	984,317	1,063,062
Total expenses	\$9,931,829	\$9,060,000	\$11,277,903	\$11,994,525
Net income (loss)	(\$825,184)	\$0	(\$1,819,868)	\$0
Ending Fund Balance	\$1,819,869	\$1,819,869	\$0	\$0

Highlights (FY 2020 Proposed Over/Under FY 2019 Estimated)

Contributions - There will be a significant increase to contributions to the plan by all parties involved. After several years of catastrophic claims, the plan required a complete overhaul. Employer contributions will increase by \$185 per employee.

Claims - Claims have increased over the last several year. Trends are showing an average of 8% increase on costs to the plan. The budget will show a slight increase, but plan changes should keep the costs down to make the increase less significant.

Other Expenses - There are potential savings on the table with consideration to close one of the mainland clinics. Stop loss premiums should stay flat due to last year's renegotiation of rates based on a \$200K rate instead of the previous \$150K.

**FY2020 PROPOSED BUDGET
HEALTH AND LIFE INSURANCE FUND SUMMARY**

Category	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimated	FY 2020 Proposed
Contributions				
Employer Contributions - City	5,382,060	5,433,000	5,501,604	7,697,340
Employee Contributions - City	1,302,872	1,450,000	1,428,921	1,568,745
Park Board Employer Contributions	518,310	535,000	551,270	798,040
Park Board Employee Contributions	120,215	92,000	125,970	100,440
Wharves Employer Contributions	515,190	0	462,560	674,680
Wharves Employee Contributions	143,480	531,000	136,510	145,560
Retiree & Cobra - City	216,184	203,400	249,703	339,720
Interest on Investments	29,640	30,000	26,338	30,000
Stop Loss Reimbursements	661,076	156,600	562,221	250,000
Other Refunds and No Shows	90,132	129,000	282,487	250,000
Life Insurance	127,486	500,000	130,451	140,000
Total Contributions	9,106,645	9,060,000	9,458,034	11,994,525
Claims and Expenses				
City Medical Claims	4,570,688	3,861,000	4,865,000	5,254,200
City Medical Claims Subtotal	4,570,688	3,861,000	4,865,000	5,254,200
Port of Galveston Medical Claims	557,783	569,000	1,340,551	1,476,984
Park Board of Trustees Medical Claims	227,766	186,000	366,191	395,496
All Medical Claims Subtotal	5,356,237	4,616,000	6,571,742	7,126,680
Prescriptions				
Prescriptions - City	1,323,743	1,120,000	1,593,000	1,720,440
Prescriptions - Port	321,046	272,000	205,644	222,096
Prescriptions - Park Board	198,137	149,000	120,567	130,212
Prescriptions Subtotal	1,842,926	1,541,000	1,919,211	2,072,748
Total Claims Expense	7,199,163	6,157,000	8,490,953	9,199,428
Plan Administration				
Administration - Plan Administrator	489,711	522,000	541,508	545,670
Stop Loss Premium	1,101,706	1,132,000	967,530	1,044,932
Investment fees	0	1,000	0	1,000
Transitional Reinsurance Fee	8,091	63,000	5,577	0
Health Clinics Operating Expense	1,005,848	1,056,000	984,317	1,063,062
Life Insurance	127,311	129,000	130,030	140,432
Other Expenses Subtotal	2,732,666	2,903,000	2,628,962	2,795,097
Expenses Total	9,931,829	9,060,000	11,119,915	11,994,525
Yearend Claims Accrual	-	-	157,988	-
Contributions Over/(Under) Expense	(825,184)	0	(1,819,868)	0
Beginning Fund Balance	2,645,052	1,819,868	1,819,868	0
Ending Fund Balance	1,819,868	1,819,868	0	0

**FY2019 PROPOSED BUDGET
PROJECT MANAGEMENT FUND SUMMARY**

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Beginning Fund Balance	\$5,745	\$5,813	\$5,813	\$5,813
Revenues:				
Capital Projects - Transfer in	\$0	\$0	\$0	\$0
Interest Earned-Operating	68	0	0	0
Total revenues	\$68	\$0	\$0	\$0
Expenses:				
Project Management	\$0	\$0	\$0	\$0
Total expenses	\$0	\$0	\$0	\$0
Net income (loss)	\$68	\$0	\$0	\$0
Net assets at end of year	\$5,813	\$5,813	\$5,813	\$5,813

	2018 Actual	2019 Budget	2020 Budget	Salary Costs
Personnel summary				
Project Management	17.00	17.25	16.00	\$1,361,419
Totals	17.00	17.25	16.00	\$1,361,419

**FY2019 PROPOSED BUDGET
PROJECT MANAGEMENT FUND
EXPENDITURE SUMMARY**

DEPARTMENT	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
Project Management	\$0	\$0	\$0	\$0
Project Management Total	\$0	\$0	\$0	\$0

CATEGORY	FY2017 ACTUAL	FY2018 BUDGET	FY2018 ESTIMATED	FY2019 PROPOSED
Personnel Services	\$744,111	\$1,488,495	\$1,222,955	\$1,361,419
Materials and Supplies	9,088	8,500	9,098	12,000
Contractual Services	100,597	107,722	119,468	121,637
Other Charges and Services	(853,796)	(1,604,717)	(1,351,521)	(1,495,056)
Project Management Total	\$0	\$0	\$0	\$0

HIGHLIGHTS (FY2019 Proposed Over/Under FY2018 Estimated)

*These costs will be allocated per the Capital Improvement Plan FY2020.

Personnel Services - Includes an annualized cost for personnel (+ \$102,964), and additional funding (+\$35,520) at \$185 per month per employee to be transferred to the Group Health Insurance Fund.

Materials and Supplies - Includes increase (+\$2,900) for safety and office supplies.

Contractual Services - Includes increases (+\$2,170) for miscellaneous line items.

Other Charges and Services - Overall Increase (-143,535) in expense reimbursement for Departmental increases

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.
- Completed 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.

**FY2020 PROPOSED BUDGET
PROJECT MANAGEMENT**

EXPENDITURE SUMMARY

	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services	\$744,111	\$1,488,495	\$1,222,955	\$1,361,419
Materials and Supplies	9,088	8,500	9,098	12,000
Contractual Services	100,597	107,722	119,468	121,637
Other Charges and Services	(853,796)	(1,604,717)	(1,351,521)	(1,495,056)
TOTAL	\$0	\$0	\$0	\$0

BUDGET HIGHLIGHTS (FY2019 PROPOSED OVER/UNDER FY2018 ESTIMATED)

*These costs will be allocated per the Capital Improvement Plan FY2020.

Personnel Services - Includes an annualized cost for personnel (+ \$102,964), and additional funding (+\$35,520) at \$185 per month per employee to be transferred to the Group Health Insurance Fund.

Materials and Supplies - Includes increase (+\$2,900) for safety and office supplies.

Contractual Services - Includes increases (+\$2,170) for miscellaneous line items.

Other Charges and Services - Overall Increase (-143,535) in expense reimbursement for Departmental increases

PERSONNEL

POSITION	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
ACM Development & Muni Services	0.00	0.25	0.00	0.00
Director of Capital Projects	1.00	1.00	1.00	1.00
City Engineer	1.00	1.00	1.00	1.00
Architectural Project Manager	0.00	0.00	1.00	1.00
Senior Assistant City Engineer	1.00	1.00	1.00	1.00
Assistant City Engineer	1.00	1.00	1.00	1.00
Construction Manager	1.00	1.00	1.00	1.00
FEMA Public Asst. Program Mgr.	1.00	1.00	1.00	1.00
Senior Construction Inspector	1.00	1.00	1.00	1.00
Senior Projects Manager	1.00	1.00	1.00	0.00
Special Project Manager	1.00	1.00	0.00	0.00
Project Manager	1.00	1.00	1.00	1.00
Construction Project Coordinator	1.00	1.00	1.00	1.00
Construction Inspector	4.00	4.00	4.00	4.00
Design Assistant	0.00	0.00	0.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Project Scheduler	1.00	1.00	0.00	0.00
TOTAL	17.00	17.25	16.00	16.00

**FY2020 PROPOSED BUDGET
PROJECT MANAGEMENT**

LINE ITEM DETAIL				
	FY2018 ACTUAL	FY2019 BUDGET	FY2019 ESTIMATED	FY2020 PROPOSED
Personnel Services				
511001 Regular Payroll	\$1,123,695	\$1,348,525	\$1,113,655	\$1,217,811
511002 Salary Increases	0	26,971	0	24,356
511005 Longevity	4,478	3,980	4,302	4,366
511006 Differential Pay	500	0	0	800
511009 Overtime	21,381	40,000	40,383	40,000
511021 Part-time payroll	5,359	0	33,812	0
511125 Residency Pay	10,682	8,000	10,231	8,000
511510 Group Health Insurance - Employer's	100,403	115,920	115,920	107,520
511512 Group Health Insurance -Reserve	0	0	0	35,520
511515 Worker's Compensation	4,371	4,371	4,370	4,371
511520 Group Life Insurance	2,810	2,920	2,658	3,002
511530 Social Security - Employer's	70,514	88,553	73,740	80,311
511535 Medicare - Employer's	16,491	20,710	17,246	18,782
511542 City Employee Retirement	104,228	128,545	106,638	116,580
511650 Salary Reimbursements	(274,833)	(150,000)	(150,000)	(150,000)
511655 Salary Reimbursements-Grants	(445,969)	(150,000)	(150,000)	(150,000)
Total Personnel Services	\$744,111	\$1,488,495	\$1,222,955	\$1,361,419
Materials and Supplies				
521065 Office Supplies	5,513	4,000	4,000	7,000
522013 Clothing	1,815	3,000	3,000	4,000
522037 Janitorial Supplies	89	0	0	0
522038 Safety Supplies	258	1,000	500	500
522055 Minor Tools	809	500	250	500
522056 Minor Equipment	0	0	269	0
522099 Other Supplies	315	0	350	0
525031 Electricity	268	0	499	0
525032 Natural Gas	22	0	230	0
Total Materials and Supplies	\$9,088	\$8,500	\$9,098	\$12,000
Contractual Services				
531025 Memberships	285	1,000	500	1,000
531027 Certifications	0	1,000	832	1,000
531028 Software Licenses	3,764	0	0	0
531240 Maintenance Contracts	2,930	2,500	5,612	5,600
531310 Rental Of Land & Buildings	0	6,804	6,804	6,804
531350 Garage Charges	13,600	13,986	12,015	18,329
531360 Computer Charges	68,000	66,932	66,932	61,904
532065 Printing, Duplication	336	500	903	1,000
532066 Print shop Charges	1,197	0	400	0
532083 Telephone Service	4,071	5,000	14,291	15,000
532084 Cellular Service	5,001	5,000	6,179	6,000
532086 Other Communications	180	0	0	0
533085 Travel & Training	1,233	5,000	5,000	5,000
Total Contractual Services	\$100,597	\$107,722	\$119,468	\$121,637
Other Charges and Services				
543099 Project Mgmt Costs (Capital)	(951,927)	(1,619,976)	(1,366,780)	(1,513,150)
544087 Expense Reimbursement	316	0	0	0
544099 Miscellaneous Expense	200	0	0	0
547030 Compensated Absences	88,200	0	0	0
547070 Insurance expense	9,415	15,259	15,259	18,094
Total Other Charges and Services	(\$853,796)	(\$1,604,717)	(\$1,351,521)	(\$1,495,056)
Total Expenses	\$0	\$0	\$0	\$0

Capital Improvements



City of Galveston

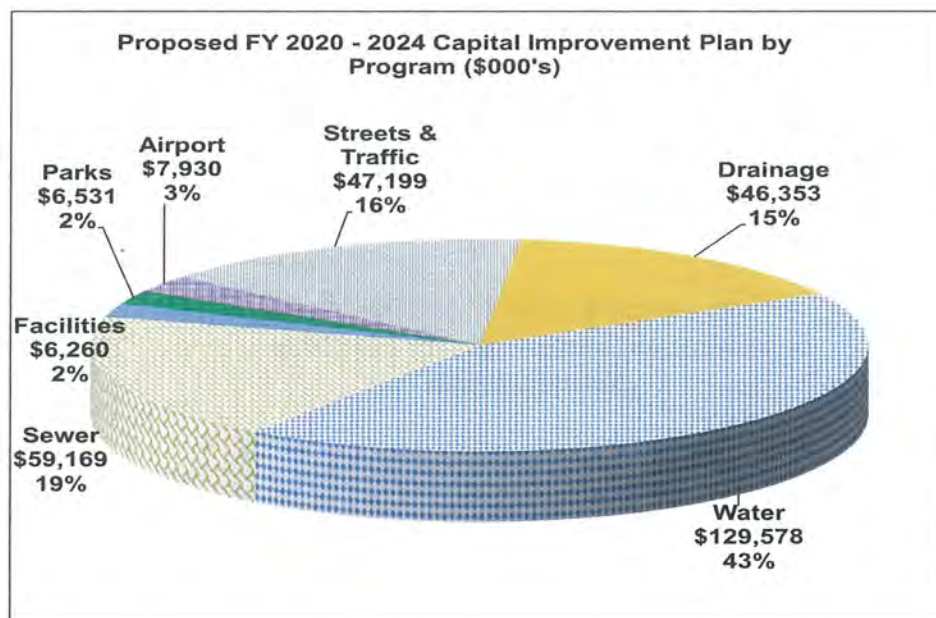
OFFICE OF THE CITY MANAGER

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

August, 2019

To: Honorable Mayor James D. Yarborough and Members of City Council
Subject: Proposed FY 2020-2024 Capital Improvement Plan

Attached please find the Proposed FY 2020-2024 Capital Improvement Plan (CIP) for the City of Galveston. The CIP will also be included in summary form in the Proposed FY2020 Budget. The CIP provides project level detail for \$303 million in projects in seven program areas (see below). The Water (\$129.6 million), Streets (\$47.2 million), Sewer (\$59.2 million) and Drainage (\$46.4 million) programs include 93 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. Completion of major drainage improvement projects that serve the Harborside and East End drainage basins;
4. Construction of additional water storage capacity; and
5. Major renewal and replacement programs for sanitary sewers citywide.





City of Galveston

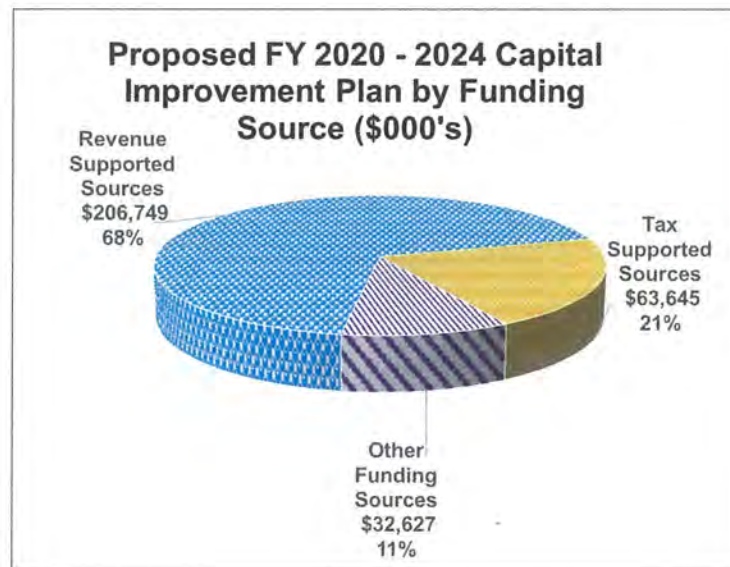
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All street and drainage projects presented as priorities in the May 2017 bond election are proposed to be underway by FY 2021 and completed by the end of FY 2022.

CITY OF GALVESTON CAPITAL IMPROVEMENT PLAN TOTALS BY PROGRAM AND FISCAL YEAR FY 2020 - 2024						
PROGRAM	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
Streets and Traffic	\$17,354,662	\$24,837,590	\$1,669,000	\$1,669,000	\$1,669,000	47,199,252
Drainage	13,303,665	32,799,631	250,000	0	0	46,353,296
Water	44,184,055	23,480,150	23,178,110	22,504,196	16,231,200	129,577,711
Sewer	5,084,173	6,481,000	7,112,607	15,456,370	25,034,638	59,168,788
Facilities	4,965,939	1,294,000	0	0	0	6,259,939
Parks & Recreation	1,875,000	2,162,000	844,000	1,650,000	0	6,531,000
Airport	1,846,790	2,423,156	3,660,360	0	0	7,930,306
TOTAL	\$88,614,284	\$93,477,527	\$36,714,077	\$41,279,566	\$42,934,838	\$303,020,292

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.





City of Galveston

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CITY OF GALVESTON CAPITAL IMPROVEMENT PLAN TOTALS BY SOURCE OF FUNDS FY 2020 - 2024

FUNDING SOURCE	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
TAX SUPPORTED FUNDS						
2017 G.O. BONDS (PROPERTY TAX SUPPORTED)	6,758,962	0	0	0	0	6,758,962
FUTURE PROPERTY TAX SUPPORTED BONDS	12,978,516	21,998,608	800,000	800,000	800,000	37,377,124
SUBTOTAL PROPERTY TAX SUPPORTED BONDS	\$19,737,478	\$21,998,608	\$800,000	\$800,000	\$800,000	\$44,136,086
IDC - BEACH NOURISHMENT (SALES TAX)	1,850,000	0	844,000	0	0	2,694,000
IDC - PARKS & RECREATION (SALES TAX)	25,000	2,162,000	0	1,650,000		3,837,000
IDC - INFRASTRUCTURE (SALES TAX)	3,469,293	369,000	619,000	369,000	369,000	5,195,293
SUBTOTAL SALES TAX SUPPORTED FUNDS (INDUSTRIAL DEVELOPMENT CORPORATION)	\$5,344,293	\$2,531,000	\$1,463,000	\$2,019,000	\$369,000	\$11,726,293
INFRASTRUCTURE & DEBT SERVICE FUND	1,847,750	1,846,500	500,000	500,000	500,000	5,194,250
ARTS/HISTORICAL (HOT) 1/8	1,305,965	294,000	0	0	0	1,599,965
CONVENTION CENTER SURPLUS (HOTEL TAXES)	988,042	0	0	0	0	988,042
SUBTOTAL CASH FUNDED SOURCES	\$4,141,757	\$2,140,500	\$500,000	\$500,000	\$500,000	\$7,782,257
TOTAL TAX SUPPORTED PROJECT FUNDING	\$29,223,528	\$26,670,108	\$2,763,000	\$3,319,000	\$1,669,000	\$63,644,636
REVENUE SUPPORTED FUNDS						
2017 CERTIFICATES OF OBLIGATION WATER	9,262,538	0	0	0	0	9,262,538
2019 CERTIFICATES OF OBLIGATION WATER	17,427,280	0	0	0	0	17,427,280
2017 CERTIFICATES OF OBLIGATION SEWER	12,104,399	0	0	0	0	12,104,399
2019 CERTIFICATES OF OBLIGATION SEWER	14,951,381	0	0	0	0	14,951,381
REVENUE SUPPORTED BONDS	0	40,084,263	30,290,717	37,960,566	41,265,838	149,601,384
SUBTOTAL REVENUE SUPPORTED BONDS	\$53,745,598	\$40,084,263	\$30,290,717	\$37,960,566	\$41,265,838	\$203,346,982
DRAINAGE IMPROVEMENT FUND	20,000	0	0	0	0	20,000
AIRPORT IMPROVEMENT FUND	887,464	357,556	232,760	0	0	1,477,780
FUTURE CASH: PROPERTY SALES	0	0	1,100,000	0	0	1,100,000
SANITATION OPERATIONS	5,000	0	0	0	0	5,000
GARAGE INTERNAL SERVICE FUND	799,195	0	0	0	0	799,195
SUBTOTAL CASH FUNDED SOURCES	\$1,711,659	\$357,556	\$1,332,760	\$0	\$0	\$3,401,975
TOTAL REVENUE SUPPORTED FUNDS	\$55,457,257	\$40,441,819	\$31,623,477	\$37,960,566	\$41,265,838	\$206,748,957
OTHER FUNDING SOURCES						
FEMA	164,687	24,000,000	0	0	0	24,164,687
INSURANCE PROCEEDS - IKE	90,000	0	0	0	0	90,000
RECOVERY AND CAPITAL RESERVES	1,000,000	0	0	0	0	1,000,000
TIRZ 14	486,826	300,000	0	0	0	786,826
CDBG	1,719,485	0	0	0	0	1,719,485
TXDOT GRANTS	472,500	2,065,600	2,327,600	0	0	4,865,700
TOTAL OTHER FUNDING SOURCES	\$3,933,498	\$26,365,600	\$2,327,600	\$0	\$0	\$32,626,698
GRAND TOTAL - ALL SOURCE OF FUNDS	\$88,614,284	\$93,477,527	\$36,714,077	\$41,279,566	\$42,934,838	\$303,020,292





City of Galveston

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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, 2019, 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

Tax-Supported Project Financing

The Adopted FY 2020-2024 CIP includes three major local funding sources totalling \$63.6 million for tax-supported projects:

1. \$44.1 million in property tax supported General Obligation Bonds presented on an election ballot and approved by the voters;
2. \$11.7 million in sales tax revenue reserved for projects that are sponsored by and through the Industrial Development Corporation; and
3. \$17.8 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 Proposed CIP also includes an anticipated \$24 million in FEMA funding for a major drainage project to combat flooding on Harborside. The G.O Bonds are being used for streets and drainage projects as required 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. Infrastructure and debt service funds are being used to fund inhouse street reconstruction, debt service and projects as defined by city policy.





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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.

GENERAL DEBT SERVICE FUND FORECAST x

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
REVENUE	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Property Taxes	\$3,037	\$3,204	\$3,282	\$3,411	\$3,545	\$3,684
Infrastructure & Debt Service Fund Transfer	\$650	\$2,281	\$1,948	\$2,006	\$2,583	\$2,129
Interest Income	\$116	\$60	\$48	\$37	\$37	\$36
TOTAL REVENUE	\$3,803	\$5,545	\$5,278	\$5,454	\$6,165	\$5,849
EXPENSE						
Current Debt Service						
Principal	\$2,356	\$2,339	\$2,250	\$2,543	\$2,660	\$1,093
Interest	\$1,329	\$1,236	\$1,146	\$1,054	\$941	\$823
Paying Agent Fees	\$6	\$7	\$5	\$5	\$5	\$5
Subtotal Current Debt Service	\$3,691	\$3,582	\$3,401	\$3,602	\$3,606	\$1,921
Projected Future Bonds Debt Service						
Principal	\$0	\$1,000	\$1,000	\$1,000	\$1,449	\$2,662
Interest	\$0	\$869	\$853	\$837	\$1,191	\$1,165
Subtotal Future Bonds Debt Service	\$0	\$1,869	\$1,853	\$1,837	\$2,640	\$3,827
TOTAL EXPENSE	\$3,691	\$5,451	\$5,254	\$5,439	\$6,246	\$5,748
Revenue Over/(Under) Expense	\$112	\$94	\$24	\$15	(\$81)	\$101
Beginning Fund Balance	\$1,617	\$1,729	\$1,823	\$1,847	\$1,862	\$1,782
Ending Fund Balance	\$1,729	\$1,823	\$1,847	\$1,862	\$1,782	\$1,882
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Effective Taxable Value (\$millions)	\$5,805.8	\$6,075.2	\$6,318.9	\$6,571.5	\$6,833.0	\$7,103.0
Debt Service Tax Rate	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500
Property Tax Revenue Growth	2.1%	4.6%	3.9%	3.9%	3.9%	3.9%
Investment Pool Earnings Rate	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%
General Fund Transfer to Infrastructure & Debt Service Fund	\$3,911.6	\$4,728.2	\$4,870.0	\$5,016.1	\$5,166.6	\$5,321.6
Percent I&DS Fund transferred to Debt Service Fund	16.6%	48.2%	40.0%	40.0%	50.0%	40.0%
Future Bond Issue (\$000's) NOTE	\$0	\$37,000	\$0	\$0	\$12,000	\$0
Outstanding Principal (\$000's) FY End	\$26,419	\$60,080	\$56,830	\$53,287	\$61,178	\$57,423
Overall Interest Rate	3.09%	3.34%	3.84%	4.09%	4.09%	4.09%
Interest Rate Diff with FY19 Rates	0.00%	0.25%	0.75%	1.00%	1.00%	1.00%

The property tax rate dedicated to the payment of debt service is assumed to begin the period at \$0.0525 per \$100 of taxable value.





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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 toward the bond election authorization, and these bond proceeds are expected to be fully appropriated for projects by the end of October, 2019. 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 on the preceeding page 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 sudden reimposition by the Federal Reserve Board of low interest rates, the Proposed FY 2020 Budget and CIP are based on the sale of \$37 million in General Obligation Bonds during the fall of 2019. The Proposed Debt Service Fund budget includes sufficient transfer of funds from the Infrastructure and Debt Service Fund to pay all FY 2020 debt service for this new sale. Ending fund balances are kept at approximately \$1.8 million through FY 2024.

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. \$149.6 million in revenue supported long-term water and sewer bonds that require City Council approval; and
2. \$3.4 million in enterprise fund cash set aside for revenue supported projects.

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. On February 1, 2019, City Council approved a seven percent increase in water rates and held sewer rates at their current level.





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The rate structure that was put in place on October 1, 2015 to encourage conservation projected annual increases in water and sewer rates. We emphasized that rates would be reviewed annually and increases would be avoided if possible. In FY 2020, we are neither planning an increase in water or sewer rates nor the sale of new water and sewer revenue supported bonds. During FY 2020, we will conduct a rate study for the FY 2021-2025 period and expect additional future water rate increases to support the increasing cost of water supplied through the Gulf Coast Water Authority as well as the further implementation of this CIP to support the modernization and rehabilitation of the City's water and sewer systems. In the meantime, we continue to identify ways to minimize and conserve water consumption with the non-revenue water mitigation project that is a part of the water program in this Proposed CIP.

Conclusion

The Proposed FY 2020-2024 Capital Improvement Plan is comprehensive, including all major programs. It addresses the city's major needs in continuing the improvement of 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





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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





**City of Galveston
FY2020 – FY2024
Capital Improvement Plan
Streets Program Overview**

The Street Program includes projects totaling \$47.2 million for Street projects for the FY2020-2024 period, adding to the \$32.6 million initiated in previous years. Streets identified for funding in the May 2017 bond election are underway to provide the results expected from the bond election.

The FY 2020-2024 street program is proposed to be funded with \$19.2 million from the bonds, \$3.3 million from the General Fund Infrastructure and Debt Service set aside, \$4.5 million from sales tax revenue provided through the Industrial Development Corporation, and \$9.8 million from water and sewer revenue bonds for the associated utilities.

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:

<u>Rating</u>	<u>Assessment</u>
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 FY2020-2024 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 May 2017.

The objective of the Streets program is to correct all streets scoring below 70 (ranging from “Failed” to “Fair”). 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 2020, 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,
9. Downtown Streetscape Improvements,
10. 29th Street from Avenue O to Seawall, and
11. 49th Street from Avenue P to Avenue S ½.

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
STREETS & TRAFFIC PROGRAM
FUNDING SOURCE BY FISCAL YEAR
FY2020 - FY2024**

FUNDING SOURCES	ITD Activity	Encumbrances	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 20 - 24 TOTAL	PROGRAM FUNDING TOTAL
Existing City Funds									
INFRASTRUCTURE & DEBT SERVICE	880,341	680,104	1,500,000	500,000	500,000	500,000	500,000	3,500,000	5,060,444
2017 G.O. BONDS	1,861,835	11,665,097	4,603,291	-	-	-	-	4,603,291	18,130,224
2017 CO's WATER	-	1,692,459	204,000	-	-	-	-	204,000	1,896,459
2017 CO's SEWER	-	958,400	116,000	-	-	-	-	116,000	1,074,400
2019 CO'S WATER	-	-	2,047,152	-	-	-	-	2,047,152	2,047,152
2019 CO'S SEWER	-	-	429,373	-	-	-	-	429,373	429,373
IDC - ECONOMIC DEVELOPMENT	3,297,714	1,270,403	-	-	-	-	-	-	4,568,116
IDC - INFRASTRUCTURE	4,886,631	1,542,931	3,469,293	369,000	369,000	369,000	369,000	4,945,293	11,374,855
CONVENTION CENTER SURPLUS	11,958	488,042	-	-	-	-	-	488,042	500,000
GARAGE INTERNAL SERVICE	-	-	-	-	-	-	-	-	-
GARAGE CAPITAL	-	-	-	-	-	-	-	-	-
TOTAL Existing City Funds	10,938,479	17,809,394	12,857,151	869,000	869,000	869,000	869,000	16,333,151	45,081,024

Other Funding Sources									
FTA FUNDING	-	-	-	-	-	-	-	-	-
TXDOT FUNDING	-	-	-	-	-	-	-	-	-
FEMA	-	-	-	-	-	-	-	-	-
FEMA SRIA	-	-	-	-	-	-	-	-	-
TIRZ 14	79,569	8,553	-	300,000	-	-	-	300,000	388,122
CDBG ROUND 1	-	-	-	-	-	-	-	-	-
CDBG ROUND 2.1	-	-	-	-	-	-	-	-	-
CDBG ROUND 2.2	2,384,519	330,674	799,707	-	-	-	-	799,707	3,514,900
TOTAL Other Funding Sources	2,464,088	339,227	799,707	300,000	-	-	-	1,099,707	3,903,022

Future Funding Sources									
TAX SUPPORTED BONDS	-	-	3,697,804	13,545,477	800,000	800,000	800,000	19,643,281	19,643,281
REVENUE SUPPORTED BONDS	-	-	-	10,123,113	-	-	-	10,123,113	10,123,113
FUTURE OPERATING CASH	-	-	-	-	-	-	-	-	-
TOTAL Future Funding Sources	0	0	3,697,804	23,668,590	800,000	800,000	800,000	29,766,394	29,766,394

TOTAL STREETS & TRAFFIC PROGRAM FUNDING	\$ 13,402,566	\$ 18,148,621	\$ 17,354,862	\$ 24,837,590	\$ 1,669,000	\$ 1,669,000	\$ 1,669,000	\$ 47,199,252	\$ 78,750,439
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(1) Awarded FY16

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
STREETS & TRAFFIC PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2020 - FY2024**

STATUS	#	PROJECT NAME	PROJECT NO.	ITD Activity	Encumbrances						TOTAL FY 20 - 24	PROJECT CIP TOTAL
						2020	2021	2022	2023	2024		
IDC Infrastructure	1	16th Street from Broadway to Ave N 1/2	ST1802	4,277	136,844	3,150,958	0	0	0	0	3,150,958	3,292,078
	2	27th Street Corridor	IDC27	3,164,022	1,390,311	1,800,000	0	0	0	0	1,800,000	6,354,333
ONGOING	3	Streets Mill & Overlay Rehabilitation	IHST20	-	-	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	6,500,000	6,500,000
	4	29th Street - Church to Harborside	ST1604	27,588	-	0	2,407,380	0	0	0	2,407,380	2,434,968
CDBG 2.2	5	Historic Broadway Lighting Improvements	TR1701	11,958	-	488,042	0	0	0	0	488,042	500,000
	6	Sealy Street from 25th Street to 33rd Street	ST1513	2,384,519	330,674	0	0	0	0	0	0	2,715,193
	7	25th Street from Broadway to Seawall	ST1701	284,858	6,822,569	870,000	0	0	0	0	870,000	7,977,428
	8	73rd Street from Heard's Lane to Ave N 1/2	ST1702	237,113	61,024	1,342,056	0	0	0	0	1,342,056	1,640,193
IDC Infrastructure	9	Program Contingency	STCONT	-	-	1,000,000	0	0	0	0	1,000,000	1,000,000
	10	45th Street from Broadway to Seawall	ST1705, IDC45	1,558,889	6,956,826	110,000	0	0	0	0	110,000	8,625,715
	11	Intersection Improvements for 61st Street and Seawall Boulevard	ST1706	-	-	35,000	243,000	0	0	0	278,000	278,000
	12	30th Street from Ave O to Seawall Blvd	ST1801	61,570	127,237	0	3,782,383	0	0	0	3,782,383	3,971,190
	13	Downtown Streetscape Improvements	IDCDOW	24,773	87,777	2,100,000	0	0	0	0	2,100,000	2,212,550
	14	37th Street from Broadway to Seawall	ST1901	75,751	214,156	0	6,829,024	0	0	0	6,829,024	7,118,930
	15	29th Street from Ave O to Seawall	ST2001	118,293	108,021	0	7,445,005	0	0	0	7,445,005	7,671,319
	16	49th Street from Ave P to Ave S 1/2	ST2002	206,977	89,732	4,299,606	0	0	0	0	4,299,606	4,596,315
	17	35th Street from Postoffice to Broadway	ST2003	270,868	51,598	0	2,161,798	0	0	0	2,161,798	2,484,264

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
STREETS & TRAFFIC PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2020 - FY2024**

STATUS	#	PROJECT NAME	PROJECT NO.	ITD Activity	Encumbrances						TOTAL FY 20 - 24	PROJECT CIP TOTAL
						2020	2021	2022	2023	2024		
	18	26th Street from Ave N to Broadway	ST1503	512,133	9,342	490,000	0	0	0	0	490,000	1,011,475
IDC Infrastructure	19	Sidewalk and Concrete Crew	IDCSCC	1,362,859	-	369,000	369,000	369,000	369,000	369,000	1,845,000	3,207,859
TIRZ 14	20	83rd Street Drainage and Roadway Reconstruction	ST1805	79,569	8,553	0	300,000	0	0	0	300,000	388,122
COMPLETE	21	Harborside Drive - 33rd and 20th Street	IDCHAR	1,588,627	816,986	0	0	0	0	0	0	2,405,613
	22	Seawall Paving Improvements (local match)	ST1709	373,860	578,711	0	0	0	0	0	0	952,571
IDC Economic Development	23	West Market Street - 25th to 33rd	WEMA	1,054,064	358,260	0	0	0	0	0	0	1,412,324
Total \$'s by Year				\$ 13,402,566	\$ 18,148,621	\$ 17,354,662	\$ 24,837,590	\$ 1,669,000	\$ 1,669,000	\$ 1,669,000	\$ 47,199,252	\$ 78,750,440



**City of Galveston
FY2020 – FY2024
Capital Improvement Plan
Drainage Program**

The Drainage Program includes constructing new facilities to increase capacity and providing repairs to existing systems, with \$46.35 million in projects scheduled for the FY 2020-2024 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 \$2.2 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 FY2020.

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.

The City is also applying to the Federal Emergency Management Agency (FEMA) for Hazard Mitigation Grant Program (HMGP) funding to provide for the design and construction of drainage pump stations to rapidly remove stormwater from rain events.

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
DRAINAGE PROGRAM
FUNDING SOURCE BY FISCAL YEAR
FY2020 - FY2024**

FUNDING SOURCES	INCEPTION TO DATE ACTIVITY	ENCUMBRANCES	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 20 - 24 TOTAL	PROGRAM FUNDING TOTAL
Existing City Funds									
INFRASTRUCTURE & DEBT SERVICE	-	-	1,750	348,500	-	-	-	348,250	348,250
2017 GO BONDS	819,787.84	642,489.96	2,155,671	-	-	-	-	2,155,671	3,617,949
2019 CO's WATER			1,845,532	-	-	-	-	1,845,532	1,845,532
DRAINAGE OPERATIONS			-	-	-	-	-	-	-
DRAINAGE IMPROVEMENT	678,817.39	23,968.09	20,000	-	-	-	-	20,000	722,785
IDC - INFRASTRUCTURE			-	-	250,000	-	-	250,000	250,000
TOTAL Existing City Funds	1,498,605.23	666,458	4,022,953	348,500	250,000	-	-	4,619,453	6,784,516

Other Funding Sources									
FEMA HAZARD MITIGATION GRANT PROGRAM (HMGP)			-	24,000,000	-	-	-	24,000,000	24,000,000
CDBG ROUND 2.1			-	-	-	-	-	-	-
CDBG ROUND 2.2			-	-	-	-	-	-	-
TOTAL Other Funding Sources	-	-	-	24,000,000	-	-	-	24,000,000	24,000,000

Future Funding Sources									
TAX SUPPORTED BONDS			9,280,712	8,453,131	-	-	-	17,733,843	17,733,843
REVENUE SUPPORTED BONDS			-	-	-	-	-	-	-
FUTURE OPERATING CASH			-	-	-	-	-	-	-
TOTAL Future Funding Sources	-	-	9,280,712	8,453,131	0	0	0	17,733,843	17,733,843

TOTAL DRAINAGE PROGRAM FUNDING	1,498,605.23	\$ 666,458	\$ 13,303,665	\$ 32,799,631	\$ 250,000	\$ -	\$ -	\$ 46,353,296	48,516,359
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**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
DRAINAGE PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2020 - FY2024**

STATUS	#	PROJECT NAME	PROJECT NO.	INCEPTION TO DATE ACTIVITY	ENCUMBRANCES	2020	2021	2022	2023	2024	TOTAL FY 20 - 24	PROJECT CIP TOTAL
	1	11 Mile Road Drainage Improvements	D1601	-	-	20,000	0	0	0	0	20,000	20,000
	2	18th Street Drainage Improvements	D1602	583,887	379,780	12,981,915	0	0	0	0	12,981,915	13,945,582
	3	Storm Water Management (TCEQ)	DSTORM	416,270	23,968	0	0	0	0	0	0	440,238
	4	Church Street Drainage Improvements	D1604	70,878	40,992	0	453,131	0	0	0	453,131	565,000
	5	Drainage Program Contingency	DCONT	-	-	300,000	0	0	0	0	300,000	300,000
	6	Master Drainage Plan and Feasibility Study	D1701	-	-	1,750	346,500	0	0	0	348,250	348,250
	7	Storm Sewer Rehabilitation & Inspection Program	D1608	427,571	129,864	0	0	0	0	0	0	557,435
	8	Drainage System Improvements	D1801	-	-	0	0	250,000	0	0	250,000	250,000
	9	Broadway Bridge Block Study	DBBBS1	-	91,854	0	0	0	0	0	0	91,854
	10	Pilot Storm Water Pump Station	D1901	-	-	0	32,000,000	0	0	0	32,000,000	32,000,000
	Total \$'s by Year				1,498,605	\$ 13,303,665	\$ 32,799,631	\$ 250,000	\$ -	\$ -	\$ 46,353,296	\$ 48,518,359



**City of Galveston
FY2020 – FY2024
Capital Improvement Plan
Water Program**

The Water Program includes projects totaling \$129.58 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 \$45.8 million in projects have already been initiated in to improve the water system with \$26.5 million from CDBG Disaster Recovery grant funds being used for four projects. All the CDBG-DR funded projects are scheduled for completion by the end of December 2019.

Rehabilitation and replacement projects for the FY2020–2024 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.
8. Upgrading the capacity and operations of the Airport Pump Station, to include the replacement of the existing ground storage tank (GST) and the construction of an additional GST.
9. Demolition and replacement of the old 10 Mile Road Elevated Storage Tank (EST) with a new, higher capacity EST.

Proposed new construction for the water system by FY 2024 includes:

1. A 7.5 million gallon ground storage tank 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.

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.

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
WATERWORKS PROGRAM
FUNDING SOURCE BY FISCAL YEAR
FY2020 - FY2024**

FUNDING SOURCES	Inception to Date Activity	Encumbrances	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 20 - 24 TOTAL	PROGRAM FUNDING TOTAL
Existing City Funds									
WATERWORKS IMPROVEMENT	2,160,955	187,237	-	-	-	-	-	-	2,348,192
2006 WATER REVENUE BONDS	90,439	7,361	-	-	-	-	-	-	97,800
2008 WATER REVENUE BONDS	272,984	38,193	-	-	-	-	-	-	311,177
2017 CO's WATER	3,075,211	2,905,478	12,764,851	-	-	-	-	12,764,851	18,745,541
2019 CO's WATER	-	-	20,855,805	-	-	-	-	20,855,805	20,855,805
2017 CO's SEWER	-	-	10,563,399	-	-	-	-	10,563,399	10,563,399
TOTAL Existing City Funds	5,599,589	3,138,269	44,184,055	-	-	-	-	44,184,055	52,921,912

Other Funding Sources									
FEMA	10,814,279	387,906	-	-	-	-	-	-	11,202,185
CDBG ROUND 2.2	18,964,337	7,588,244	-	-	-	-	-	-	26,552,580
TOTAL Other Funding Sources	29,778,616	7,976,149	-	-	-	-	-	-	37,754,766

Future Funding Sources									
TAX SUPPORTED BONDS	-	-	-	-	-	-	-	-	-
REVENUE SUPPORTED BONDS	-	-	-	23,480,150	23,178,110	22,504,196	16,231,200	85,393,656	85,393,656
FUTURE OPERATING CASH	-	-	-	-	-	-	-	-	-
TOTAL Future Funding Sources	0	0	0	23,480,150	23,178,110	22,504,196	16,231,200	85,393,656	85,393,656

TOTAL WATERWORKS PROGRAM FUNDING	\$ 35,378,205	\$ 11,114,418	\$ 44,184,055	\$ 23,480,150	\$ 23,178,110	\$ 22,504,196	\$ 16,231,200	\$ 129,577,711	\$ 176,070,334
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**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
WATERWORKS PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2020 - FY2024**

STATUS	#	PROJECT NAME	PROJECT NO.	Inception to Date Activity	Encumbrances						TOTAL FY 20 - 24	PROJECT CIP TOTAL
						2020	2021	2022	2023	2024		
	1	Well Disinfection and Flushing for Water Wells #2A, 6A, 10, 12, 13, 16, 17	W1701	45,154	11,810	0	570,000	0	0	0	570,000	626,964
Finalizing Accounting	2	8" Water Line - 30th St ROW and Market Street	W1706	32,189	10,227	0	0	0	0	0	0	42,416
Awaiting TCEQ approval	3	Rehabilitation of Water Wells #9 and 11	WWELLS	496,682	0	0	985,000	0	0	0	985,000	1,481,682
	4	Pirate's Beach - Lafitte's Cove Loop	W1610	19,730	34,741	0	720,250	0	0	0	720,250	774,721
	5	20 inch Water Line - TAMUG to Seawolf Parkway to Bradner Street	W1702	0	0	0	0	349,305	3,212,390	0	3,561,695	3,561,695
	6	12 inch Water Line - Seawall Boulevard, 81st Street to 97th Street	W1902	0	0	0	0	225,000	1,836,750	0	2,061,750	2,061,750
	7	Water Meter Replacement	W2001	0	0	0	120,000	12,000,000	0	0	12,120,000	12,120,000
	8	30 inch Water Line Causeway	W1605	696,254	0	0	9,439,900	0	0	0	9,439,900	10,136,154
	9	Airport Pump Station Pump and Control Upgrades	W1703	6,971	108,921	2,743,000	0	0	0	0	2,743,000	2,858,991
	10	30 inch Water Line - Railroad Bridge to Harborside Drive	W1704	200,644	48,000	0	0	0	2,369,356	0	2,369,356	2,618,000
	11	Airport Pump Station Pump Tank Upgrades - Phase 1	W1705	359,027	301,132	4,758,000	0	0	0	0	4,758,000	5,418,159
	12	24" Water Line - 59th St Pump Station to Airport Pump Station	W1707	1,628,258	179,000	18,275,500	0	0	0	0	18,275,500	20,082,758
	13	30 inch Water Line - 71st Street to 59th Street Pump Station	W1801	1,121	0	0	0	0	529,000	4,574,000	5,103,000	5,104,121
	14	Airport Pump Station Pump Tank Upgrades - Phase 2	W1901	0	748,050	0	0	5,282,000	0	0	5,282,000	6,030,050
	15	Rehabilitation of Water Tanks at the 59th Street Pump Station	W1603	6,048,298	1,832,401	0	0	0	0	0	0	7,880,698
	16	Construction of a New 7.5 Million Gallon Water Tank at the 59th Street Pump Station	W1612	755,545	4,638,936	0	0	0	0	0	0	5,394,481
	17	Rehabilitation of Water Tanks at the 30th Street Pump Station	W1617	682,091	0	0	0	0	0	0	0	682,091
	18	59th St Pump Station Reconstruction	W59PMP	19,225,922	1,523,484	0	0	0	0	0	0	20,749,407
Ongoing	19	Fire Hydrant Replacement Program	FD-132	3,610,477	0	2,000,000	0	0	0	0	2,000,000	5,610,477
Finalizing Accounting	20	6 inch Water Line - Gulf Drive	W1608	922,003	2,866	0	0	0	0	0	0	924,869
Contingency	21	Program Contingency for Water	WCONT	0	0	1,000,000	0	0	0	0	1,000,000	1,000,000

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
WATERWORKS PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2020 - FY2024**

STATUS	#	PROJECT NAME	PROJECT NO.	Inception to Date Activity	Encumbrances						TOTAL FY 20 - 24	PROJECT CIP TOTAL
						2020	2021	2022	2023	2024		
	22	Upsize for Fire Flow and Capacity (City Wide)	W1905	0	0	0	0	80,500	409,000	3,755,000	4,244,500	4,244,500
Ongoing	23	Water System Improvements and Water Valve Replacement Program	W1618	473,646	0	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	18,500,000	18,973,646
New	24	10 Mile Road Elevated Storage Tank Replacement	W1601	27,602	1,132,150	0	7,790,000	0	0	0	7,790,000	8,949,752
Ongoing	25	Non-revenue Water Mitigation Program	W1802	86,202	172,010	900,000	150,000	150,000	150,000	150,000	1,500,000	1,758,212
COUNTY pending	26	23RD - Broadway to Seawall Blvd. (County)	ST1806	0	0	1,811,789	0	0	0	0	1,811,789	1,811,789
COUNTY pending	27	Avenue S - 53rd to Seawall Blvd. (County)	ST1807	0	0	4,443,016	0	0	0	0	4,443,016	4,443,016
New	28	Teichman Road Waterline- 91st to 96th	W1803	60,390	370,690	4,552,750	0	0	0	0	4,552,750	4,983,830
New	29	20" Waterline - 7 Mile to 10 Mile Road	W1903	0	0	0	5,000	1,341,305	9,922,700	0	11,269,005	11,269,005
New	30	12" WL Upgrade - I-45 Feeder Rd. - 65th to 77th	W1904	0	0	0	0	50,000	375,000	4,052,200	4,477,200	4,477,200
			Total \$'s by Year		\$ 35,378,205	\$ 11,114,418	\$ 44,184,055	\$ 23,480,150	\$ 23,178,110	\$ 22,504,196	\$ 16,231,200	\$ 129,577,711
												\$ 176,070,334

**City of Galveston
FY2020 – FY2024
Capital Improvement Plan
Sewer Program**

The Sewer Program includes \$74.2 million in projects that will improve existing system infrastructure and extend sanitary sewer to the west end of the island.

This includes a potential sanitary sewer along 11 Mile Road from the beach to Stewart Road, as well as alternate technologies and programs to provide sanitary sewer to the remaining unserved areas in a cost effective manner. The City is pursuing grant funding to help in this effort.

Scheduled for completion by the end of December 2019 is the rebuilding of the Airport Wastewater Treatment Plant (WWTP) using FEMA and Community Development Block Grant Disaster Recovery funding.

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. Construction of sanitary sewer to serve Sunny Beach and along 8 Mile Road,
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, upgrading the Terramar WWTP, and relocating the sanitary sewers that are under homes in the Cedar Lawn subdivision.

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
SEWER PROGRAM
FUNDING SOURCE BY FISCAL YEAR
FY2020 - FY2024**

FUNDING SOURCES	ITD ACTIVITY	ENCUMBRANCES	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 20 - 24 TOTAL	PROGRAM FUNDING TOTAL
Existing City Funds									
SEWER IMPROVEMENT	4,048,175	1,098,368	-	-	-	-	-	-	5,146,543
2008 SEWER REVENUE BONDS	141,726	2,742,392	-	-	-	-	-	-	2,884,118
2017 CO's SEWER	361,630	413,015	1,425,000	-	-	-	-	1,425,000	2,199,646
2019 CO's SEWER	-	-	3,494,486	-	-	-	-	3,494,486	3,494,486
TOTAL Existing City Funds	4,551,531	4,253,775	4,919,486	-	-	-	-	4,919,486	13,724,793

Other Funding Sources									
FEMA	2,108,458	4,163,526	164,687	-	-	-	-	164,687	6,436,670
CDBG ROUND 2.2	-	-	-	-	-	-	-	-	-
TOTAL Other Funding Sources	2,108,458	4,163,526	164,687	-	-	-	-	164,687	6,436,670

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Future Funding Sources									
TAX SUPPORTED BONDS	-	-	-	-	-	-	-	-	-
REVENUE SUPPORTED BONDS	-	-	-	6,481,000	7,112,607	15,456,370	25,034,638	54,084,615	54,084,615
FUTURE OPERATING CASH	-	-	-	-	-	-	-	-	-
TOTAL Future Funding Sources	0	-	0	6,481,000	7,112,607	15,456,370	25,034,638	54,084,615	54,084,615
TOTAL SEWER PROGRAM FUNDING									
	\$ 6,659,989	\$ 8,417,301	\$ 5,084,173	\$ 6,481,000	\$ 7,112,607	\$ 15,456,370	\$ 25,034,638	\$ 59,165,788	\$ 74,246,078

(1) Awarded FY16

**CITY OF GALVESTON
CAPITAL IMP' CAPITAL IMPROVEMENT PLAN
SEWER PROGRAM
BUDGET SUMMARY BY FISCAL YEAR
FY2020 - FY2024**

STATUS	#	PROJECT NAME	PROJECT NO.	ITD ACTIVITY	ENCUMBRANCES	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL FY 20 - 24	PROJECT CIP TOTAL
	1	Rehabilitation of Main WWTP Sludge Holding Tank	S1610	253,301	413,015	0	0	0	0	8,408,838	8,408,838	9,075,154
	2	Lift Station Pump and Electrical Improvements	S1701	141,726	330,737	0	5,036,000	2,500,000	2,500,000	2,500,000	12,536,000	13,008,463
	3	Reconstruction of Pirates' Beach Wastewater Treatment Plant	S1607	376,258	298,688	0	0	0	5,909,545	0	5,909,545	6,584,491
Awaiting TCEQ	4	Seawolf Park WWTP Reconstruction	SSEAWO	231,333	129,585	1,141,907	0	0	0	0	1,141,907	1,502,825
	5	Airport Wastewater Treatment Plant Final Mitigation & Recovery	SW-159	2,089,470	4,163,526	0	0	0	0	0	0	6,252,995
Ongoing	6	Replace Pipe at Ferry & 1st	S1902	-	-	0	0	0	161,200	962,500	1,123,700	1,123,700
	7	West End Sewer Improvements	S1702	16,320	-	0	620,000	3,310,932	0	0	3,930,932	3,947,252
Ongoing	8	Sanitary Sewer Repair and Rehabilitation Program (Force Mains/Inflow/Infiltration)	SLINEI	3,054,195	628,982	825,000	825,000	825,000	825,000	825,000	4,125,000	7,808,177
	9	Wastewater Master Plan	S1611	117,551	7,912	0	0	0	0	0	0	125,464
	10	Sunny Beach - 8 Mile Road Sanitary Sewer Project	S1609	379,835	2,444,855	0	0	0	0	0	0	2,824,690
NEW	11	Harborside - 25th to 29th	S1901	-	-	0	0	476,675	3,653,125	0	4,129,800	4,129,800
Contingency	12	Program contingency	SCONT	-	-	750,000	0	0	0	0	750,000	750,000
NEW	13	Avenue S - 53rd to Seawall Blvd. (County)	ST1807	-	-	423,780	0	0	0	0	423,780	423,780
NEW	14	Terramar Waste Water Treatment Plant Upgrade	S1903	-	-	0	0	0	2,407,500	12,338,300	14,745,800	14,745,800
NEW	15	23RD - Broadway to Seawall Blvd. (County)	ST1806	-	-	1,943,486	0	0	0	0	1,943,486	1,943,486
	Total \$'s by Year				\$ 8,417,301	\$ 5,084,173	\$ 6,481,000	\$ 7,112,607	\$ 15,456,370	\$ 25,034,638	\$ 59,168,787	\$ 74,246,078



**City of Galveston
FY2020 – FY2024
Capital Improvement Plan
Facilities Program**

The ongoing Facilities Program includes \$40.5 million for demolition, rehabilitation and/or improvement of city facilities with \$29.8 million coming from CDBG Disaster Recovery (CDBG-DR) 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. All CDBG-DR projects are scheduled to be completed by the end of December 2019.

Other facility projects include paving the parking area for Sanitation vehicles to reduce wear and tear on the equipment, as well as providing a new operations building for the Recycling Center.

Upcoming projects also include \$4.9M for the restoration and renovations to the City's historic City Hall to help preserve our history and improve service to the citizens of Galveston.

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
FACILITIES PROGRAM
FUNDING SOURCE BY FISCAL YEAR
FY2020 - FY2024**

FUNDING SOURCES	INCEPTION TO DATE ACTIVITY	ENCUMBRANCES	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 20 - 24 TOTAL	PROGRAM FUNDING TOTAL
Existing City Funds									
INFRASTRUCTURE & DEBT SERVICE (ISA)	23,393	7,797.20	346,000	1,000,000	-	-	-	1,346,000	1,377,190
SANITATION OPERATIONS	4,868	-	5,000	-	-	-	-	5,000	9,868
RECOVERY AND CAPITAL RESERVES	707,866	768,992.00	1,000,000	-	-	-	-	1,000,000	2,476,858
CONVENTION CENTER SURPLUS	-	-	500,000	-	-	-	-	500,000	500,000
GARAGE INTERNAL SERVICE	805	-	799,195	-	-	-	-	799,195	800,000
ARTS/HISTORICAL (HOT) 1/8	-	-	1,305,965	294,000	-	-	-	1,599,965	1,599,965
FTA FUNDING			-	-	-	-	-	-	
TOTAL Existing City Funds	736,931	776,789	3,956,160	1,294,000	-	-	-	5,250,160	6,763,881

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Other Funding Sources									
INSURANCE PROCEEDS - IKE	47,836	-	90,000	-	-	-	-	90,000	137,836
CDBG ROUND 2.2	12,145,341	16,570,112	919,778	-	-	-	-	919,778	29,635,231
TOTAL Other Funding Sources	12,193,176	16,570,112	1,009,778	-	-	-	-	1,009,778	29,773,067

(1)

Future Funding Sources									
TAX SUPPORTED BONDS			-	-	-	-	-	-	
REVENUE SUPPORTED BONDS		-	-	-	-	-	-	-	-
FUTURE OPERATING CASH		-	-	-	-	-	-	-	-
TOTAL Future Funding Sources		-	-	-	-	-	-	-	-

TOTAL FACILITIES PROGRAM FUNDING	12,930,108	\$ 17,346,902	\$ 4,965,939	\$ 1,294,000	\$ -	\$ -	\$ -	\$ 6,259,939	\$ 36,536,948
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(1) Awarded FY16

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
FACILITIES PROGRAM
BUDGET SUMMARY
FY2020 - FY2024**

STATUS	PROJECT NAME	PROJECT NO.	INCEPTION TO DATE ACTIVITY	ENCUMBRANCES	2020	2021	2022	2023	2024	TOTAL FY 20-24	PROJECT CIP TOTAL
CDBG 2.2	Demolition of Old Municipal Incinerator	IDEMO	1,086,275	3,535,598	855,545	0	0	0	0	855,545	5,477,417
CDBG 2.2	Cedars Area Neighborhood Improvements	CWALK	632,495	37,387	0	0	0	0	0	0	669,881
CDBG 2.2	New Public Works & Utilities Building & Warehouse	PWFAC	2,938,472	7,257,796	64,233	0	0	0	0	64,233	10,260,502
CDBG 2.2	Historic 30th Street Pump Station Rehabilitation	CREHAB	915,047	2,009,368	0	0	0	0	0	0	2,925,415
CDBG 2.2	New Central Fire Station (Fire Station No. 1)	FS1	6,151,569	3,319,361	0	0	0	0	0	0	9,470,930
CDBG 2.2	Demo Existing Central Fire Station / Annex (Fire Station No. 1)	DFS1	27,653	176,675	0	0	0	0	0	0	204,328
CDBG 2.2	30th St. Tank Demolition	CTDEMO	392,830	233,928	0	0	0	0	0	0	626,758
Planning	East Parking Lot - Garage	F1801	805	-	799,195	0	0	0	0	799,195	800,000
Insurance Proceeds FEWA and Insurance Proceeds	Parking Lot Improvements at Sanitation (RE-102)	SA1701	4,868	-	95,000	0	0	0	0	95,000	99,868
Complete	Replacement of Recycling Building at Eco-Center	SW-171	47,836	-	0	0	0	0	0	0	47,836
Complete	City Hall Roof Repair Project	CH1701	586,017	-	0	0	0	0	0	0	586,017
Planning	Renovate City Hall & Windows	CH1702	121,850	768,992	2,805,965	1,294,000	0	0	0	4,099,965	4,990,807
New	Central Garage Roof Rehabilitation	CGROOF	23,393	7,797	346,000	0	0	0	0	346,000	377,190
	Total \$'s by Year		12,930,108	17,339,105	4,965,939	1,294,000	-	-	-	\$ 6,259,939	\$ 41,226,529



**City of Galveston
FY2020 – FY2024
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 to build a community pool. Construction of the Lasker Park Community Pool valued at \$4.1 million was completed in 2017. Operating costs are funded from IDC sale tax revenues and pool operating revenue. Currently the pool generates ~\$100,000 annually in user fees. IDC provides an additional \$400,000 to support operating costs and maintain a capital replacement fund balance.

The Program also supported the construction of the Crockett Park Baseball Complex and improvements to the neighboring Burnett Elementary Football Field valued at \$4.4 million which opened in April of 2019.

Parks Package #3 valued at \$900,000 was recently approved to support the Repair and Rehabilitation of Existing Parks. Staff is currently soliciting bids for Parks Package #3 projects.

All of the 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
FUNDING SOURCE BY FISCAL YEAR
FY 2020-2024

FUNDING SOURCES	ITD Activity	Encumbrances	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 20 - 24 TOTAL	PROGRAM FUNDING TOTAL
Existing City Funds									
IDC - BEACH NOURISHMENT	2,000,000.00	-	1,850,000.00	-	844,000.00	-	-	2,694,000	4,694,000
IDC - ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-
IDC - PARKS	5,126,499.84	86,154.12	25,000.00	2,162,000.00	-	1,650,000.00	-	3,837,000	9,049,654
IDC - INFRASTRUCTURE	-	-	-	-	-	-	-	-	-
TOTAL Existing City Funds	7,126,499.84	86,154	1,875,000	2,162,000	844,000	1,650,000	-	6,531,000	13,743,654
Other Funding Sources									
Other Funding Sources									
FEMA HMPG (404)									
TIRZ 14									
TOTAL Other Funding Sources	-	-	-	-	-	-	-	-	-
Future Funding Sources									
TAX SUPPORTED BONDS			-	-	-	-	-	-	-
REVENUE SUPPORTED BONDS			-	-	-	-	-	-	-
FUTURE OPERATING CASH			-	-	-	-	-	-	-
TOTAL Future Funding Sources	-	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL PARKS PROGRAM FUNDING	\$ 7,126,500	\$ 86,154	\$ 1,875,000	\$ 2,162,000	\$ 844,000	\$ 1,650,000	\$ -	\$ 6,531,000	\$ 13,743,654

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
PARKS & RECREATION PROGRAM
BUDGET SUMMARY
FY 2020-2024**

STATUS	PROJECT NAME	PROJECT NO.	ITD Activity	Encumbrances	2020	2021	2022	2023	2024	TOTAL FY 20 - 24	PROJECT CIP TOTAL
Phase 1, 2	53rd Street Little League Complex & Park	IDCLLC	5,051,926	73,074	0	0	0	0	0	0	5,125,000
Beach	Babe's Beach Preservation	IDCBBP	2,000,000	-	0	0	0	0	0	0	2,000,000
Local Match	Jones Park	IDCJP	-	-	25,000	0	0	0	0	25,000	25,000
Beach	Seawall Urban Park Renourishment	IDCSUP	-	-	0	0	844,000	0	0	844,000	844,000
	Parks Package 3	IDCPP3	-	13,080	0	0	0	0	0	0	13,080
Phase 1, 2, 3	Sandhill Crane Soccer Complex & Park	IDCSHC	74,574	-	0	1,740,000	0	1,650,000	0	3,390,000	3,464,574
Local Match	Dellanera Park Renourishment	IDCDELL	-	-	0	422,000	0	0	0	422,000	422,000
New	Beach Pocket Park Rehabilitation	IDCPOC	-	-	1,850,000	0	0	0	0	1,850,000	1,850,000
Total \$'s by Year			7,126,500	86,154	\$ 1,875,000	\$ 2,162,000	\$ 844,000	\$ 1,650,000	\$ -	\$ 6,531,000	\$ 13,743,654



**City of Galveston
FY2020 – FY2024
Capital Improvement Plan
Airport Program**

The Airport Program includes approximately \$7.5 Million to improve Scholes International Airport operations. The funding will be used to upgrade or build new facilities for airport users, through the end of FY 2022. The majority of this program (\$4.9 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 airfield and Terminal Building pavement and updating our Airport Master Plan.

The following is the list of specific projects:

1. Hangar Construction Project – this revenue producing project includes building an eight-unit nested T-hangar and two, 3,600 sq. ft. box hangars to be leased to aviation tenants, increasing Airport revenue (FY 2019).
2. Airport Terminal Pavement Project – this joint City Department project will remove and replace asphalt on the North Terminal Parking Lot, Circle Driveway and both drives leading to the Aircraft Ramp. The Airport is providing the material cost and Public Works is providing the labor and equipment (FY 2019).
3. Airport Master Plan Update – this project is updating the existing Airport Master Plan, which was last updated in 2005. The Master Plan updates FAA facility records and prioritizes recommended Capital Improvement Projects for 1-5 year and 6-10-year time frames (FY 2019).
4. Office/Warehouse Project – this revenue producing project consists of building a commercial office/warehouse space that can be leased to various City Departments and commercial operators (FY 2020).
5. Airport Pavement Project – this project will consist of rehabilitating the asphalt section of Runway 14/32 and 80,000 linear feet of concrete joint seal repairs to the North Apron (FY 2020).
6. Pavement Engineering and Design Project – this project will be for the engineering and design for Runway 18/36, South Apron and South Ramp improvements (FY 2020).
7. Runway 18/36 Pavement Project – this project consists of rehabilitating and marking Runway 18/36 (FY 2021).
8. Airside Pavement Project – this project consists of rehabilitating 65,500 sq. yds. of the South Apron and 37,300 sq. yds. the South Ramp (FY 2022).

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
AIRPORT PROGRAM
FUNDING SOURCE BY FISCAL YEAR
FY2020 - FY2024**

FUNDING SOURCES	INCEPTION TO DATE ACTIVITY	CURRENT ENCUMBRANCE	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 20 - 24 TOTAL	PROGRAM FUNDING TOTAL
Existing City Funds									
AIRPORT IMPROVEMENT	565,102	27,846	887,464	357,556	232,760	-	-	1,477,780	2,070,728
TOTAL Existing City Funds	565,102	27,846	887,464	357,556	232,760	-	-	1,477,780	2,070,728

Other Funding Sources									
TXDOT FUNDING	-	-	472,500	2,065,600	2,327,600	-	-	4,865,700	4,865,700
FEMA	-	-	-	-	-	-	-	-	-
INSURANCE PROCEEDS - IKE	-	-	-	-	-	-	-	-	-
TIRZ 14	-	-	486,826	-	-	-	-	486,826	486,826
FEMA HMPG (404)	-	-	-	-	-	-	-	-	-
TOTAL Other Funding Sources			959,326	2,065,600	2,327,600	-	-	5,352,526	5,352,526

Future Funding Sources									
TAX SUPPORTED BONDS	-	-	-	-	-	-	-	-	-
REVENUE SUPPORTED BONDS	-	-	-	-	-	-	-	-	-
FUTURE CASH: PROPERTY SALES	-	-	-	-	1,100,000	-	-	1,100,000	1,100,000
TOTAL Future Funding Sources	-	-	-	-	1,100,000	-	-	1,100,000	1,100,000
TOTAL AIRPORT PROGRAM FUNDING	565,102	\$ 27,846	\$ 1,846,790	\$ 2,423,156	\$ 3,660,360	\$ -	\$ -	\$ 7,930,306	\$ 8,523,254

**CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN
AIRPORT PROGRAM
BUDGET SUMMARY
FY2020 - FY2024**

STATUS	PROJECT NAME	PROJECT NO.	INCEPTION TO DATE ACTIVITY	CURRENT ENCUMBRANCE	2020	2021	2022	2023	2024	TOTAL FY 20 - 24	PROJECT CIP TOTAL
	1	Rehabilitation of Terminal North Parking Lot & Driveway	A1901	-	0	32,000	0	0	0	32,000	32,000
	2	Hangar Construction Project	A1701	45,543	27,846	726,611	0	0	0	726,611	800,000
TxDot	3	Airfield Pavement Improvements Phase 3	A1801	518,000	0	0	0	0	0	0	518,000
	4	Airport Warehouse Building	A1802	1,559	0	150,996	1,100,000	0	0	1,250,996	1,252,555
TxDot	5	Planning - Airport Master Plan Update. Design - Pavement Improvements.	A2020	-	0	525,000	0	0	0	525,000	525,000
TxDot	6	Airfield Pavement Improvements Runway 18/36	A2021	-	0	0	2,272,160	0	0	2,272,160	2,272,160
TxDot	7	Airfield Pavement Improvements South Apron & South Ramp	A2022	-	0	0	2,560,360	0	0	2,560,360	2,560,360
TxDot	8	Air Traffic Control Tower	H-AP1	-	0	563,179	0	0	0	563,179	563,179
	Total \$'s by Year			\$ 565,102	\$ 27,846	\$ 1,846,790	\$ 2,423,156	\$ 3,660,360	\$ -	\$ 7,930,306	\$ 8,523,254



CITY OF GALVESTON
CASH RECONCILIATION REPORT
per ADOPTED BUDGET 2018
AS OF June 25, 2018
(2 pages)

Department:	COUNCIL	IDC				PUBLIC IMPROVEMENT	STREETS / TRAFFIC		DRAINAGE
		PROJECTS & INITIATIVES PRG.	BEACHES	ECON DEV	PARKS	INFRAST	2017 G.O. Bonds	ISA & DS	
Fund #:	1098	Page 3	3190	3191	3192	3193	3217	3199	44102
Page #:			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	\$4,199		\$8,971	\$12,417	\$9,433	\$8,943	\$58,841	\$10,726	\$897
Add: FY 2018 Transfers / Revenues / Other Sources	\$0		\$712,985	\$712,985	\$712,985	\$712,985	\$0	\$2,456,258	\$0
CASH, TOTAL RESOURCES	\$1,826,895		\$4,342,210	\$5,954,356	\$5,175,221	\$4,902,531	\$25,119,045	\$7,488,642	\$387,234
Less: YTD Expenditures	(\$1,014,855)		(\$298,457)	(\$589,496)	(\$2,474,694)	(\$1,607,310)	(\$1,323,072)	(\$2,811,738)	(\$103,394)
Less: Payables, Due from	(\$32,373)		\$205,004	\$40,281	(\$102,810)	(\$223,679)	\$0	(\$644,421)	(\$6,817)
CASH, ENDING BALANCE	\$779,667		\$4,248,757	\$5,405,142	\$2,597,718	\$3,071,543	\$23,795,973	\$4,032,482	\$277,023

BUDGET RECONCILIATION									
CASH, ENDING BALANCE	\$779,667		\$4,248,757	\$5,405,142	\$2,597,718	\$3,071,543	\$23,795,973	\$4,032,482	\$277,023
Add: FY 2018 Outstanding Estimated Revenue, Other Funding Sources, Transfers	\$0		\$0	\$0	\$0	\$0	\$0	\$818,753	\$0
Less: Encumbered	(\$171,443)		(\$76,236)	(\$587,645)	(\$1,800,321)	(\$225,235)	(\$3,046,028)	(\$1,654,259)	(\$194,798)
Less: Unencumbered	(\$165,764)		(\$2,202,655)	(\$4,139,191)	(\$276,657)	(\$373,175)	(\$17,262,890)	(\$3,182,902)	(\$64,955)
AVAILABLE FY 2018	\$442,460		\$1,969,866	\$678,306	\$520,739	\$2,473,133	\$3,487,055	\$14,074	\$17,271

CITY OF GALVESTON
CASH RECONCILIATION REPORT
per ADOPTED BUDGET 2018
AS OF June 25, 2018
(2 pages)

Fund Description:	Department:	WATER			SEWER			TOTAL
		Airport Improve	Water Improve	2006 Bonds	2008 Bonds	2017 CO Bonds	2008 Bonds	2017 CO Bonds
Fund #:		43302	40102	40111	40115	40117	42115	42117
Page #:		Page 11	Page 12	Page 13	Page 14	Page 15	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	\$16,174,293	\$96,805,110
Add: Interest FY 2018	\$2,139	\$9,041	\$0	\$0	\$42,044	\$9,194	\$38,044	\$224,975
Add: FY 2018 Transfers / Revenues / Other Sources	\$399,971	\$588,828	\$0	\$0	\$0	\$750,000	\$0	\$7,046,995
CASH, TOTAL RESOURCES	\$1,295,499	\$4,461,935	\$44,754	\$164,822	\$18,616,107	\$4,116,984	\$16,212,337	\$104,077,080
Less: YTD Expenditures	(\$517,670)	(\$873,972)	(\$21,662)	(\$73,381)	(\$1,078,291)	(\$638,267)	(\$22,780)	(\$13,505,184)
Less: Payables, Due from	(\$19,306)	(\$66,953)	(\$14,319)	(\$48,466)	(\$680,271)	(\$94,029)	\$0	(\$1,688,159)
CASH, ENDING BALANCE	\$758,522	\$3,521,009	\$9,773	\$42,976	\$16,857,545	\$3,384,688	\$16,189,557	\$88,883,737

BUDGET RECONCILIATION								
CASH, ENDING BALANCE	\$758,522	\$3,521,009	\$9,773	\$42,976	\$16,857,545	\$3,384,688	\$16,189,557	\$88,883,737
Add: FY 2018 Outstanding Estimated Revenue, Other Funding Sources, Transfers	\$399,971	\$588,828	\$0	\$0	\$0	\$604,979	\$0	\$2,412,530
Less: Encumbered	(\$53,227)	(\$1,245,052)	(\$8,772)	(\$14,458)	(\$1,414,678)	(\$2,134,377)	\$0	(\$12,820,847)
Less: Unencumbered	(\$1,100,961)	(\$2,321,450)	\$0	(\$28,518)	(\$10,845,676)	(\$1,129,889)	(\$15,598,492)	(\$61,547,593)
AVAILABLE FY 2018	\$4,304	\$543,335	\$0	\$0	\$4,597,191	\$725,401	\$591,065	\$16,927,825

**CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
COUNCIL PROJECTS & INITIATIVE FUND 1098
AS OF June 25, 2018**

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 1,822,696.02	Cash, Ending 6/25/18	\$ 779,667.11
FY 2018: Interest	\$ 4,198.69	FY 2018: Transfers	\$ -
FY 2018: Transfers	\$ -	FY 2018: Other	\$ -
Total Cash Resources	\$ 1,826,894.71	Total Cash/Budget	\$ 779,667.11
Less: Expenditures	\$ (1,014,855.06)	Less: Encumbered	\$ (171,442.84)
Less: Accounts Payable as of 10/1/2017	\$ (32,372.54)	Less: Unencumbered	\$ (165,764.35)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 779,667.11	Available FY 2018	442,460

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 SIDEWALK	DEC 2017	D11702	25,535	4,019	25,535	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	2,590	16,015	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 MANAGEMENT (5%)	2017	1930PM	162,756	56,103	1,346	57,448	105,307
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	0	999	0
TOTAL BUDGET (established)			\$1,352,062	\$1,014,855	\$171,443	\$1,186,298	\$165,764

Note: This fund includes the Old IDC funding.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
IDC BEACH NOURISHMENT FUND 3190
AS OF June 25, 2018

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 3,620,254.13	Cash, Ending 6/25/18	\$ 4,248,757.35
FY 2018: Interest	\$ 8,971.32	FY 2018: Transfers	\$ -
FY 2018: 4B Sales Tax (\$1,346,936)	\$ 712,984.91	FY 2018: 4B Sales Tax	\$ -
Total Cash Resources	\$ 4,342,210.36	Total Cash/Budget	\$ 4,248,757.35
Less: Expenditures	\$ (298,457.16)	Less: Encumbered	\$ (76,236.37)
Less: Accounts Payable 10/1/17, Due from State	\$ 205,004.15	Less: Unencumbered	\$ (2,202,655.27)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 4,248,757.35	Available FY 2018	1,969,866

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	320,917	76,236	397,154	377,655
PROJECTS							
DELLANERA BEACH REMEDIATION	<i>pending approval</i>	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	\$298,457	\$76,236	\$374,694	\$2,202,655

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
IDC ECONOMIC DEVELOPMENT FUND 3191
AS OF June 25, 2018

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 5,228,954.73	Cash, Ending 6/25/18	\$ 5,405,142.29
FY 2018: Interest	\$ 12,416.78	FY 2018: Transfers	\$ -
FY 2018: 4B Sales Tax (\$1,346,936)	\$ 712,984.91	FY 2018: 4B Sales Tax	\$ -
Total Cash Resources	\$ 5,954,356.42	Total Cash/Budget	\$ 5,405,142.29
Less: Expenditures	\$ (589,495.57)	Less: Encumbered	\$ (587,645.10)
Less: Accounts Payable 10/1/17, Due from State	\$ 40,281.44	Less: Unencumbered	\$ (4,139,191.33)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 5,405,142.29	Available FY 2018	678,306

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
OPERATING	2018	OPEXP	237,832	163,834	20,370	184,204	53,628
PROJECTS							
45TH ST - BROADWAY TO SEAWALL	APR 2017	ST1705	935,000	385,000	550,000	935,000	0
WEST MARKET 25TH to 33RD (1)	APR 2017	WIEMA	1,593,500	38,919	17,275	56,194	1,537,306
HARBORSIDE DRIVE --33RD to 20TH (CONSTRUCTION)	FEB 2018	IDCHAR	2,300,000	1,742	0	1,742	2,298,258
INFILL REDEVELOPMENT PROJECT	AUG 2015	IDCLB	250,000	0	0	0	250,000
TOTAL BUDGET (established)			\$5,316,332	\$589,496	\$587,645	\$1,177,141	\$4,139,191

(1) IDC approved \$150,000 for design. WIEMA

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
IDC PARKS & RECREATION FUND 3192
AS OF June 25, 2018

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 4,452,803.14	Cash, Ending 6/25/18	\$ 2,597,717.61
FY 2018: Interest	\$ 9,433.43	FY 2018: Transfers	\$ -
FY 2018: 4B Sales Tax (\$1,346,936)	\$ 712,984.91	FY 2018: 4B Sales Tax	\$ -
Total Cash Resources	\$ 5,175,221.48	Total Cash/Budget	\$ 2,597,717.61
Less: Expenditures	\$ (2,474,693.56)	Less: Encumbered	\$ (1,800,321.43)
Less: Accounts Payable 10/1/17, Due from State	\$ (102,810.31)	Less: Unencumbered	\$ (276,656.95)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 2,597,717.61	Available FY 2018	520,739

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
OPERATING							
OPERATING EXPENDITURES	2018	OPEXP	95,332	79,317	24,539	103,856	(8,524)
LITTLE LEAGUE COMPLEX (1)	2018	IDCLLC	150,000	0	0	0	150,000
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	0	0	0	110,000
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	\$2,474,694	\$1,800,321	\$4,275,015	\$276,657

- (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 June 25, 2018

Cash Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 4,180,602.92
FY 2018: Interest	\$ 8,943.21
FY 2018: 4B Sales Tax (\$1,346,936)	\$ 712,984.91
Total Cash Resources	\$ 4,902,531.04
Less: Expenditures	\$ (1,607,309.51)
Less: Accounts Payable 10/1/17, Due from State	\$ (223,678.71)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 3,071,542.82

Budget Reconciliation	
Cash, Ending 6/25/18	\$ 3,071,542.82
FY 2018: Transfers	\$ -
FY 2018: 4B Sales Tax	
Total Cash/Budget	\$ 3,071,542.82
Less: Encumbered	\$ (225,234.83)
Less: Unencumbered	\$ (373,175.33)
Available FY 2018	2,473,133

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
OPERATING							
OPERATING EXPENDITURES	2018	OPEXP	95,332	68,732	8,361	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	<i>pending approval</i>	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	56,362	17,266	73,629	11,371
SIDEWALK CURB CREW - resident reim	AUG 2015	IDCSCC	(85,000)	(38,576)	0	(38,576)	(46,424)
NEIGHBORHOOD REVITALIZATION PROGRAM							
DISTRICT #2	(1)	Program# 451152	13,000	0	0	0	13,000
MAYOR	(1)	451150	25,000	0	0	0	25,000
TOTAL BUDGET (established)			\$2,205,720	\$1,607,310	\$225,235	\$1,832,544	\$373,175

(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 June 25, 2018

Cash Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 25,060,204.18
FY 2018: Interest	\$ 58,840.81
FY 2018: Other	\$ -
Total Cash Resources	\$ 25,119,044.99
Less: Expenditures	\$ (1,323,071.53)
Less: Accounts Payable as of 10/1/2017	\$ -
CASH, ENDING BALANCE AS OF 6/25/18	\$ 23,795,973.46

Budget Reconciliation	
Cash, Ending 6/25/18	\$ 23,795,973.46
FY 2018: Transfers	\$ -
FY 2018: Other	\$ -
Total Cash/Budget	\$ 23,795,973.46
Less: Encumbered	\$ (3,046,028.32)
Less: Unencumbered	\$ (17,262,889.77)
Available FY 2018	3,487,055.37

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	35,826	947,615	983,441	217,420
CHURCH ST DRAIN IMPROVEMENTS	DEC 2017	D1604	137,386	6,285	100,242	106,527	30,859
STORM DRAIN REHAB & INSPECTION	AUG 2017	D1608	1,800,000	71,445	223,238	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	172,871	380,245	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	410,181	489,038	899,220	0
26TH - AVE N TO BROADWAY	SEP 2017	ST1503	538,986	483,572	34,588	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 & SEAWALL - 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	19,956	293,794	313,750	(3,750)
TOTAL BUDGET (established)				\$1,323,072	\$3,046,028	\$4,369,100	\$17,262,890

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
INFRASTRUCTURE & DEBT SERVICE FUND 3199
AS OF June 25, 2018

Cash Reconciliation

Cash, Beginning Balance Oct 1, 2017	\$ 5,021,658.00
FY 2018: Interest	\$ 10,726.08
FY 2018: Other	\$ -
FY 2018: Transfer from GP*	\$ 2,456,257.50
Total Cash Resources	\$ 7,488,641.58
Less: Expenditures	\$ (2,811,738.43)
Less: Accounts Payable as of 10/1/2017	\$ (644,421.11)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 4,032,482.04

**Adopted Budget 2018 - Transfer from General Fund to Infrastructure Set Aside is \$3,275,010. Transfers are posted on a quarterly basis.

Budget Reconciliation	
Cash, Ending 6/25/18	\$ 4,032,482.04
FY 2018: Transfer in GP*	\$ 818,752.50 <i>(to be transferred)</i>
FY 2018: Other	\$ -
FY 2018: TIRZ14 A/F	\$ -
Total Cash/Budget	\$ 4,851,234.54
Less: Encumbered	\$ (1,654,258.63)
Less: Unencumbered	\$ (3,182,902.24)
Available FY 2018	14,074

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	368,425	0	368,425	894,355
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	JUN 2016	ST1605	346,458	124,764	230,771	355,535	(9,078)
25TH - BROADWAY TO SEAWALL	JUL 2017	ST1701	508,955	135,601	165,903	301,504	207,451
73RD - HEARDS LANE TO AVE N 1/2	MAY 2017	ST1702	70,386	52,886	17,500	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	151,535	23,074	174,609	190,016
SEAWALL (TxDot) Local Share	pending	ST1709	170,000	0	0	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	729,389	294,954	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	TRI702	56,759	9,069	2,690	11,759	45,000
GRANTS, FEMA, TIRZ, TXDOT							
ROADWAY RECONSTRUCTION / REPAIR	NOV 2013	RDWVP	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	17,272	68,356	85,629	(74)
TRAVEL AIR BRIDGE PROJECT (TIRZ 14)	CM 9/10/15	ST1620	917,023	678,933	77,443	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	19,235	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	\$2,811,738	\$1,654,259	\$4,465,997	\$3,182,902

(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 appropriated to fund this project in the amount shown.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
DRAINAGE IMPROVEMENT FUND 44102
AS OF June 25, 2018

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 386,336.79	Cash, Ending 6/25/18	\$ 277,023.24
FY 2018: Interest	\$ 897.34	FY 2018: Other	\$ -
FY 2018: Transfers	\$ -	FY 2018: Transfers	\$ -
Total Cash Resources	\$ 387,234.13	Total Cash/Budget	\$ 277,023.24
Less: Expenditures	\$ (103,393.72)	Less: Encumbered	\$ (194,797.63)
Less: Accounts Payable as of 10/1/2017	\$ (6,817.17)	Less: Unencumbered	\$ (64,954.56)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 277,023.24	Available FY 2018	17,271

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 (teeq)	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)							
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 June 25, 2018

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 893,389.25	Cash, Ending 6/25/18	\$ 758,521.98
FY 2018: Interest	\$ 2,138.93	FY 2018: Due from TXDOT	\$ -
FY 2018: Transfer In from Operating**	\$ 399,970.50	FY 2018: Transfers**	\$ 399,970.50
Total Cash Resources	\$ 1,295,498.68	Total Cash/Budget	\$ 1,158,492.48
Less: Expenditures	\$ (517,670.38)	Less: Encumbered	\$ (53,227.30)
Less: Accounts Payable as of 10/1/2017	\$ (19,306.32)	Less: Unencumbered	\$ (1,100,960.79)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 758,521.98	Available FY 2018	4,304

**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	24,970	27,715	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	<i>pending</i>	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	\$517,670	\$53,227	\$570,898	\$1,100,961

**CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS IMPROVEMENT FUND 40102
AS OF June 25, 2018**

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 3,864,066.43	Cash, Ending 6/25/18	\$ 3,521,009.19
FY 2018: Interest	\$ 9,040.86	FY 2018: Other	\$ -
FY 2018: Transfers**	\$ 588,827.50	FY 2018: Transfers**	\$ 588,827.50 <i>(to be transferred)</i>
Total Cash Resources	\$ 4,461,934.79	Total Cash/Budget	\$ 4,109,836.69
Less: Expenditures	\$ (873,972.46)	Less: Encumbered	\$ (1,245,051.78)
Less: Accounts Payable as of 10/1/2017	\$ (66,953.14)	Less: Unencumbered	\$ (2,321,450.19)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 3,521,009.19	Available FY 2018	543,335

**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	71,402	8,725	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	16,737	15,217	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 (PW/FAC)	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	\$873,972	\$1,245,052	\$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 appropriated to fund this project in the amount shown.

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS REVENUE BONDS, SERIES 2006 FUND 40111
AS OF June 25, 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 6/25/18	\$ 8,772.58

Cash, Ending 6/25/18	\$ 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

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 June 25, 2018

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 164,822.30	Cash, Ending 6/25/18	\$ 42,975.55
FY 2018: Interest	\$ -	FY 2018: Transfers	\$ -
Total Cash Resources	\$ 164,822.30	Total Cash/Budget	\$ 42,975.55
Less: Expenditures	\$ (73,381.22)	Less: Encumbered	\$ (14,458.10)
Less: Accounts Payable as of 10/1/2017	\$ (48,465.53)	Less: Unencumbered	\$ (28,517.56)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 42,975.55	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)				\$73,381	\$14,458	\$87,839	\$28,518

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
WATERWORKS CO 2017 BONDS FUND 40117
AS OF June 25, 2018

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 18,574,063.81	Cash, Ending 6/25/18	\$ 16,857,544.78
FY 2018: Interest	\$ 42,043.66	FY 2018: Transfers	\$ -
FY 2018: Other	\$ -	FY 2018: Other	\$ -
Total Cash Resources	\$ 18,616,107.47	Total Cash/Budget	\$ 16,857,544.78
Less: Expenditures	\$ (1,078,291.32)	Less: Encumbered	\$ (1,414,677.91)
Less: Accounts Payable as of 10/1/2017	\$ (680,271.37)	Less: Unencumbered	\$ (10,845,676.06)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 16,857,544.78	Available FY 2018	4,597,190.81

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	2,910	68,020	70,930	229,070
WATER CONTINGENCY - CAPITAL PROJECTS		WCONT	898,700	0	0	0	898,700
COUNTY - AVENUE S WATERLINE	<i>pending</i>	ST1807	3,855,800	0	0	0	3,855,800
COUNTY - 23RD WATERLINE	<i>pending</i>	ST1806	1,376,200	0	0	0	1,376,200
TOTAL BUDGET (established)			\$13,338,645	\$1,078,291	\$1,414,678	\$2,492,969	\$10,845,676

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
SEWER IMPROVEMENT FUND 42102
AS OF June 25, 2018

Cash Reconciliation

Cash, Beginning Balance Oct 1, 2017	\$ 3,357,789.51
FY 2018: Interest	\$ 9,194.00
FY 2018: Transfer from Operations**	\$ 750,000.00
Total Cash Resources	\$ 4,116,983.51
Less: Expenditures	\$ (638,266.55)
Less: Accounts Payable as of 10/1/2017	\$ (94,029.04)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 3,384,687.92

Budget Reconciliation

Cash, Ending 6/25/18	\$ 3,384,687.92
FY 2018: Transfers**	\$ 604,979.00 <i>(to be transferred)</i>
FY 2018: Other	\$ -
Total Cash/Budget	\$ 3,989,666.92
Less: Encumbered	\$ (2,134,377.04)
Less: Unencumbered	\$ (1,129,889.14)
Available FY 2018	725,401

**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 Hurricane 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	71,402	8,725	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	432,060	1,540,911	1,972,971	857,348
SEAWOLF WWTP RECON & EXPANSION	2015	SSEAWO	52,915	14,999	37,915	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	\$638,267	\$2,134,377	\$2,772,644	\$1,129,889

CITY OF GALVESTON
CASH & BUDGET RECONCILIATION REPORT
SEWER REVENUE BONDS, SERIES 2008 FUND 42115
AS OF June 25, 2018

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 3,958,421.12	Cash, Ending 6/25/18	\$ 3,912,361.72
FY 2018: Interest	\$ 10,085.65	FY 2018: Transfers	\$ -
Total Cash Resources	\$3,968,506.77	Total Cash/Budget	\$ 3,912,361.72
Less: Expenditures	\$ (56,145.05)	Less: Encumbered	\$ (194,317.87)
Less: Accounts Payable as of 10/1/2017	\$ -	Less: Unencumbered	\$ (2,854,418.08)
CASH, ENDING BALANCE AS OF 6/25/18	\$3,912,361.72	Available FY 2018	863,626

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	0	0	1,068,881
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	194,318	250,463	2,854,418

- (1) Projects are funded utilizing 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 June 25, 2018

Cash Reconciliation		Budget Reconciliation	
Cash, Beginning Balance Oct 1, 2017	\$ 16,174,293.17	Cash, Ending 6/25/18	\$ 16,189,557.02
FY 2018: Interest	\$ 38,044.05	FY 2018: Transfers	\$ -
FY 2018: CO Bonds, 2017 - Sewer	\$ -	FY 2018: Other	\$ -
Total Cash Resources	\$ 16,212,337.22	Total Cash/Budget	\$ 16,189,557.02
Less: Expenditures	\$ (22,780.20)	Less: Encumbered	\$ -
Less: Accounts Payable as of 10/1/2017	\$ -	Less: Unencumbered	\$ (15,598,491.80)
CASH, ENDING BALANCE AS OF 6/25/18	\$ 16,189,557.02	Available FY 2018	591,065.22

PROJECT	COUNCIL APPROVAL	ACTIVITY CODE	APPROVED BUDGET	CASH PAID OUT	ENCUMBERED	TOTAL	PLANNED COMMITMENT
PROJECTS							
PIRATES BEACH WWTP	<i>planning</i>	S1607	6,405,000	2,872	0	2,872	6,402,128
8 MI SUNNY SEWER -design & construction	<i>planning</i>	S1609	2,910,000	3,024	0	3,024	2,906,976
WEST END (UNSERVED AREAS)	<i>planning</i>	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	<i>pending</i>	S1610	1,007,000	249	0	249	1,006,751
COUNTY - AVENUE S WATERLINE	<i>pending</i>	ST1807	367,100	0	0	0	367,100
COUNTY - 23RD WATERLINE	<i>pending</i>	ST1806	1,601,300	0	0	0	1,601,300
				0	0	0	
TOTAL BUDGET (established)			15,621,272	22,780	0	22,780	15,598,492

STREETS & TRAFFIC PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
ST1503	26TH - BROADWAY TO CHURCH (phase 2)	Replace approx. 1,282 feet milling and overlay and upgrading of the drainage system.	\$ 569,100	\$ 298	Project Awaiting Fire Station Completion	To avoid conflict with Fire Station Construction, project will not be initiated until Fire Station is Complete
ST1603	29TH ST - BROADWAY to SEALY	Replace storm sewer inlets and inlet leads. Mill and asphalt overlay 48 foot wide	\$ 133,490	\$ 10,696	In house project no design needed	Mill and Overlay in house project anticipated 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	\$ 129,774	Project in Design	Design recently awarded by City Council and Kickoff meeting held in February 2019. 60% Design has been submitted to City for Review.
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	\$ 465	Planning in progress	in Planning Phase
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.	\$ 1,218,890	\$ 401,130	In Design	Design Kickoff meeting held recently. 30% design has been submitted to the City for Review.
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	\$ 152,061	In Design	Surveying performed in-house and 100% design is in progress
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.
TR1701	BROADWAY LIGHTING IMPROVEMENTS	Improvements to lighting on Broadway.	\$ 500,000	\$ 11,958	Design	Contract awarded by Council 1/25/18
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	\$ 100,956	In Design	100% Design is 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	\$ 50,301	100% in Design	Design complete and project in pre-advertisement phase
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	\$ 205,940	In Design	95% Design is in progress
ST1805	83RD - DRAIN & ROADWAY (TIRZ14)	Reconstruct 83rd Street from the segment of South of Cessna to Stewart Road.	\$ 85,443	\$ 17,198	Design Complete. TIRZ 14 requested adding GISD property drainage design. Kyle Hockersmith indicated he will talk to GISD and get back.	Bids opened and construction award awaiting RDA and TIRZ14 Board Action for \$1M. City provided exhibit on design and cost breakdown to TIRZ14 and RDA on 12.14.2018. Awaiting funding.
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	\$ 176,292	100% Complete	In Construction

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2019 - 3rd QUARTER - June 30, 2019

STREETS & TRAFFIC PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
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	\$ 2,338,238	Design Complete	In Construction
ST1604	29TH ST - CHURCH to HARBORSIDE	Replace storm sewer inlets and inlet leads. Mill and asphalt overlay 48 foot wide	\$ 528,950	\$ 18,270	In Construction	Project awarded to construction contractor by City Council; Drainage design add on in evaluation, bids rejected until drainage add on is funded
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	\$ 105,855	Design in Progress	100% design in progress
ST1709	SEAWALL (TXDOT LOCAL SHARE)	Ferry Road East to the End of the Seawall.	\$ 400,000	\$ 146,131	Design Complete	Construction bids opened and awaiting TXDOT approval
ST1704	STRAND & INTERSECTIONS OF 21ST, 22ND, 23RD, 24TH	Reinstall brick pavers to provide sufficient support to traffic loads.	\$ 530,000	\$ 428,159	In Construction	Construction Complete
ST1605	33RD ST - BROADWAY to HARBORSIDE	Replace storm sewer inlets and inlet leads. Mill and asphalt overlay 48 foot wide	\$ 877,046	\$ 58,894	Construction	Construction complete
ST1513	SEALY STREET (CDBG 2.2)	ReConstruct Sealy Street between 35th Street and 33rd Street	\$ 2,806,638	\$ 478,484	Construction	Construction complete, project in closeout phase
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
ST1620	TRAVEL AIR BRIDGE PROJECT (TIRZ 14)	Replacement of deteriorated existing bridge.	\$ 1,290,272	\$ 1,047,080	Complete	Construction complete
BKLANE	TXDOT ON STREET BIKE NETWORK	Shared travel lanes and striped bike lanes	\$ 69,165	\$ -	AFA received	TXDOT project - local share
IHS T19	STREETS & OVERLAY BY CITY FORCES (In House Streets FY2019)	Correcting streets identified as less than Satisfactory by 2013 Street Assessment by LJA Engineering.	\$ 2,343,323	\$ 801,048	Ongoing	Ongoing

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2019 - 3rd QUARTER - June 30, 2019

DRAINAGE IMPROVEMENT PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 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 REHABILITATION PROGRAM	Restoration of surface and open channel drainage in the west end communities. Inspection, survey, & rehabilitation of existing and proposed ditches and culvert systems.	\$ 600,000	-	Planning	Design anticipated FY2019.
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	477,514	Project in Design	90% design 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	22,162	60% Design in progress	90% Design is in progress
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	202	Subsequent to D1608	To follow D1608 findings and in-house cleaning and contracted rehabilitation. A subset of this project has been completed as part of grant funding applications in-house
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	96,304	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	16,314	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	197,089	Field work completed. Some outfall locations could not be identified. Alternate technologies being evaluated	Report provided for City Review. Comments provided requesting concept design and cost estimate and alternate technology evaluation and presentations to the team. No further work is anticipated on this project.

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
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WATERWORKS PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
WWELLS	REHABILITATION OF WATER WELLS # 9 AND #11	To provide alternate source of drinking water for the City.	\$ 510,000	\$ -	In Design	Design complete but GCWA has concerns with main line that wells are tying into. They need to do condition assessment.
W1802	NON-REVENUE WATER MITIGATION PROGRAM	Mitigate the amount of water that is not sold at retail price. Address Areas such as leak detection	\$ 1,446,000	\$ 117,694	RFP's Opened and Evaluation is in progress	Contracts Awarded by City Council and in Construction
W1801	30" WATERLINE - 71ST STREET TO 59TH STREET PUMP STATION	Replace approx. 4,300 feet of 30" water line.	\$ 3,618,000	\$ 792	Delay until 59th Street Pump Station and Tank complete	Team suggested delaying this project until 59th Street PS and Tank is complete.
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.	\$ 3,599,390	\$ -	Planning	Planning
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 quality and pressure available to the properties located in this stretch of seawall.	\$ 4,477,200	\$ -	Planning	Planning
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.	\$ 20,082,758	\$ 718,700	Design Complete; Airport PS Emergency tie in add on in process	Bids opened and construction award to contractor in evaluation
W1612	NEW GROUND STORAGE TANK @ 59th Street (CDBG 2.2)	Construct new ground storage tank at 59th Street Pump Station	\$ 5,374,800	\$ 1,987,166	In Construction	In Construction
W1704	30" WATERLINE - RAILROAD BRIDGE TO HARBORSIDE DR	Replace approx. 2,100 feet of waterline.	\$ 2,618,000	\$ 146,509	Delay until 59th Street Pump Station and Tank complete	Team suggested delaying this project until 59th Street PS and Tank is complete.
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.	\$ 947,134	\$ 35,276	In Design	Design complete but GCWA has concerns with main line that wells are tying into. They need to do condition assessment.
W1605	30" CAUSEWAY WATERLINE	Construction of a 30" waterline along the causeway to provide additional redundancy for island water.	\$ 10,231,500	\$ 549,923	Design at 95%	Construction anticipated in FY 2021. TXDOT Coordination in progress due to structural stability
W1615	WATER MASTER PLAN	Update existing water master plan. Needs to be accomplished in FY 2017.	\$ 203,534	\$ 102,749	completed and model being utilized for CIP and Development	Model provided to AWC for other CIP water projects evaluation.

WATERWORKS PROGRAM

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
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.	\$ 2,473,000	\$ 132,447	In Design	Comments on 100% Design provided
W1601	10 MILE ROAD ELEVATED STORAGE TANK REHABILITATION	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.	\$ 9,439,900	\$ 33,844	Design in progress	30% Design completed
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.	\$ 702,250	\$ 34,704	Design at 100%	Advertised for bids and bid opening scheduled for August 28th, 2019
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.	\$ 5,418,159	\$ 341,971	In Design	Comments on 100% Design provided
W1603	59th St. TANK REHABILITATION (CDBG 2.2)	Rehabilitate four existing water storage tanks at 59th Street Pump Station	\$ 6,946,103	\$ 1,279,982	Construction	In Construction
W59PMP	HMPG - 59th Street Pump Station (CDBG 2.2 and IKE)	Construct new operations building at 59th Street Pump Station	\$ 21,106,262	\$ 16,662,619	Construction	In Construction
W1708	METER REGISTERS (WATER / SEWER)	Updating meter registers that are failing.	\$ 700,000	\$ 613,278	Recurring Project	Recurring Project.
W1618	Replace Water Valves	Valve Exercise and Replacement	\$ 4,097,292	\$ 102,144	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	\$ 491,252	Recurring Project	Ongoing
FD-132 (WFIHRY)	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	Ongoing	Ongoing

CITY OF GALVESTON
CAPITAL IMPROVEMENT PLAN - STATUS UPDATE
FY 2019 - 3rd Quarter - June 30, 2019

SEWER PROGRAM

PROJECT CODE	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
S1701	LIFT STATION PUMP and ELECTRICAL UPDGRADES	Upgrading the existing pumps and electrical systems for lift stations located throughout the City.	\$ 12,430,000	\$ 102,931	Design	Design in progress with two consultants for different lift stations, one at 30% and the 2nd consultant at 60%
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	\$ 9,075,188	\$ 331,421	Design	Combined Digester Cleaning and Digester Dewatering Design in 60%
S1702	WEST END IMPROVEMENTS	Researching alternatives for the West End unserved areas.	\$ 2,579,933	\$ 14,767	ROI not available to proceed with project	Awaiting opportunities for doing under grant
SW-165 SSEAWO Expansion	SEAWOLF PARK WWTP Reconstruction & Expansion	Construction of wastewater package plant due to damage of existing plant by Hurricane Ike. FEMA, COG, Park Board.	\$ 1,197,507	\$ 158,104	100% Design submitted	In Team Review
S1607	PIRATES BEACH WWTP	Nearing its lifetime. Design and replace to be in compliance with TCEQ.	\$ 8,294,400	\$ 149,856	Design at 60%	Design delayed due to Consultant assisting Utilities with Operational Challenges at the Pirates WWTP
S1611	WASTEWATER MASTER PLAN	Updating the existing wastewater master plan. Previous plan was performed in 1999.	\$ 124,275	\$ 51,105	Completed	Completed
SW-159 SWM/PT Ike)	AIRPORT WWTP (CDBG 2.2 and Hurricane	Refurbish Airport Wastewater Treatment Plant at Sky Master Road and Mustang Drive	\$ 6,370,289	\$ 278,707	Construction	Construction in progress
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	\$ 233,015	Design Complete	In Construction
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	\$ 2,841,849	Construction	Ongoing evaluations. As needed, improvements are being made periodically on this project.

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CDBG - NON HOUSING

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
CTDEMO	30th Street Tank Demo	Demolish Tank #2 at 30th and Ball and construct a parking lot	\$ 445,317	\$ 202,471	Construction	Project was delayed to an unexpected cleanup of contaminated soil. Completion anticipated for Fall 2019.
CREHAB	Cedars - Pump Station Rehab	Rehabilitate historic Water & Electric Light Station Building, 30th and Ball	\$ 2,549,797	\$ 2,025,339	Construction	Anticipated completion in Fall 2019
IDEMO	Municipal Incinerator - Demolition	Demolish old municipal incinerator, #3 Lennox Avenue	\$ 5,480,243	\$ 2,080,246	Construction	Anticipated completion in Fall 2019
ISTUDY	Municipal Incinerator - Study	Develop cleanup plan for incinerator site and surrounding properties on Lennox Avenue	\$ 8,861	\$ 1,495	Complete	TCEQ required study for required clean up for the Response Action plan.
PWFAC	Public Works Facilities	Demolish Bersinger Building, Construct new Public Works Facility at same location, 30th & Market Street	\$ 11,124,092	\$ 4,119,826	Construction	Completion anticipated for Fall 2019
FS1	Fire Station #1	Construct new Fire Station #1 at 28th and Sealy	\$ 9,812,568	\$ 4,767,657	Construction	Completion anticipated for late Summer 2019
DFS1	Fire Station #1 - Demolition	Demolish current Fire Station #1 after new station is Constructed	\$ 237,353	\$ -	Construction	Completion anticipated for Fall 2019

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FACILITIES

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
CH1702	CITY HALL REMODELING	Develop plans to remodel floors in City Hall.	\$ 861,260	\$ 123,902	Measurements and Concept Design	The scope of construction renovation has been reduced on this project due to budget consideration. This design fee will be reduced accordingly after the design of 3rd floor restrooms, 1st floor restrooms, and 3rd floor IT infrastructure.
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	The original scope has changed. Design is on hold because of budget consideration. The Engineering Department will plan and allocate the necessary resources when funding is confirmed.
SW-171	REPLACEMENT OF RECYCLING BUILDING AT ECO-CENTER	Replacement of recycling building damaged by Ike to provide a new office and employee facilities. Fema funds and Insurance proceeds.	\$ 202,639	\$ -	Design	Engineering design contract approved by City Council at July 2019 meeting.
F1801	GARAGE - EAST END PARKING LOT	Installation of concrete for the East Parking Lot, 502 32nd Street, Galveston.	\$ 800,000	\$ -	Design	Design put on hold due to investigation of alignment of existing storm sewer system due to possible conflicts with fuel lines, budget, pavement materials, and time frame due to the construction of the new Public Works building. The Engineering Department will wait until we are given the "go-ahead" to plan and allocate the necessary resources.

IDC - BEACH NOURISHMENT, ECONOMIC DEVELOPMENT & INFRASTRUCTURE PROGRAM

PROJECT NO. (Beaches)	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
IDCBBP	BABE'S BEACH PRESERVATION	Hot spot maintenance as described in the San Management Plan. Park Board approved a contract with the U.S. Army Corps of Engineers for a beach nourishment project. The project will take place in April 2019 at Babe's Beach, a new beach created west of 61st Street in 2015. The U.S. Army Corps of Engineers will dredge the Houston/Galveston ship channel and place the dredged sand along the existing beach. The project is expected to place an estimated 1 million cubic yards of sand along the half-mile stretch of beach. The Park Board expected to receive \$4.5 million for the project through the Resources and Ecosystems Sustainability Tourism Opportunities and Revived Economies Act (RESTORE) funding but the funds will not arrive in time to secure the contract. In order to ensure that the project moves forward, the Texas General Land Office increased its contribution to the \$23 million project from \$3 million to \$6 million. The Galveston Industrial Development Corporation has considered an additional \$500,000 contribution for a total of \$2 million.	\$ 2,000,000	\$ 2,000,000	In Progress	Contractor began mobilization on week of July 29, and is scheduled to begin mobilization of the shoreline pipe on week of August 5. Dredge is scheduled to arrive around two weeks following that to begin pumping.
IDCSS	STRUCTURAL SOLUTIONS	Structural solutions to support beach remediation along the Gulf of Mexico	\$ 75,000	\$ -	Planning	Council Approved 3/22/18. Submitted documentation to U.S. Army Corps of Engineers
IDCBPN	BACK PASSING NOURISHMENT	In support of beach remediation along the Gulf of Mexico	\$ 75,000	\$ 75,000	Planning	Council Approved 3/22/18; Executed agreement with GLO, study expected completion Aug 2019.
IDCDEL	DELLANERA BEACH REMEDIATION	Complete rebuild of project with 118,000 cubic yards of material- FEMA Claim from Harvey	\$ 150,000	\$ -	Awaiting funding	Developing mitigation project with structural solutions for possible FEMA funding. On hold until completion of structural solutions.

PROJECT NO. (EconDev)	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
IDCLB	LAND BANK	Infill Redevelopment project	\$ 250,000	\$ -	Planning	Ongoing meetings with IDC on Landbank Concept.
ST1705 (IDC45)	45th STREET CORRIDOR	Road reconstruction with drainage, storm and utility improvements including neighborhood landscape enhancements and traffic calming features at intersections	\$ 1,100,000	\$ 1,023,000	Construction	Expected Time of Completion (ETC) Summer of 2020
WEMA	WEST MARKET - 25TH to 33RD	Improvements to West Market Street. Engineering.	\$ 1,593,500	\$ 1,191,558	Construction	ETC September of 2019
IDCHAR	HARBORSIDE DR IMPROVEMENT PROJECT (Design)	Pedestrian Safety and beautification project. Project is in Construction.	\$ 2,300,000	\$ 1,466,487	Project in Construction with Notice to Proceed 9.10.2018	ETC September of 2019
IDCPMP	PORT MASTERPLAN	Port met with City Public Works/Engineering	\$ 150,000	\$ 150,000	Construction	ETC Fall of 2019
IDCPT	PORT CRUISE TERMINAL	With Carnival Vista, infrastructure upgrades have advanced at Cruise Terminal 1. Cruise Terminal 2 expansion is complete.	\$ 995,000	\$ 995,000	Planning	A third cruise terminal is in the planning phase for the future Norwegian Cruise Line

PROJECT NO. (Infrastr.)	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
IDC27	27TH CORRIDOR	Redevelopment. Improve infrastructure, pedestrian safety, bicycle, streets, parking, etc.	\$ 5,554,133	\$ 3,299,373	Construction	Avenue O to Seawall Phase 2 is under construction. North of Broadway Phase 3 is in design
IDCDOW	DOWNTOWN STREETSCAPE	Design is in progress	\$ 250,000	\$ 54,387	Planning	Design in being performed inhouse by City Architect with assistance from Engineering and is expected to be complete in FY 2019
IDCSCC	SIDEWALK & CURB CREW	Improvements to Sidewalks/Curbs. Residents to pay for materials.	\$ 1,533,833	\$ 1,460,393	Construction	Recurring and Ongoing. Phase 3 has begun In-house Construction. 231 Jobs Completed

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SCHOLES INTERNATIONAL AIRPORT

PROJECT NO.	PROJECT NAME	DESCRIPTION	TOTAL PROJECT BUDGET	EXPENSE TO DATE	CURRENT PHASE	FY 2019 STATUS
A1701	HANGAR CONSTRUCTION PROJECT	Construction of three hangars, consisting of a 8-unit nested T-hangar and two, 60' x 60' box hangars.	\$ 800,000	\$ 92,930	Re-desgin Phase	Anticipate bidding 4th quarter of 2019.
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.	\$ 518,000	\$ 518,000	Construction Phase	Construction 50% complete
A1802	AIRPORT WAREHOUSE BUILDING	New warehouse building to provide housing for municipal equipment.	\$ 607,000	-	Design Phase	Project on hold until 1st quarter 2020
H-AP1	AIR TRAFFIC CONTROL TOWER	Rehabilitation of the Air Traffic Control Tower	\$ 563,179	\$ 98,473	Award Phase	Completed replacing three windows and frames. Exterior Repairs - Pending Council Approval
A1901	AIRPORT TERMINAL PAVING PROJECT	Mill and overlay existing north parking lot, circle drive and both side driveways leading to the aircraft parking apron - material cost only	\$ 32,000	\$ -	Planning Phase	Planning
A2020	AIRPORT MASTER PLAN AND ENGINEERING	Airport Master Plan update and engineering & design for pavement improvement to Runway 18/36, South Apron and South Ramp	\$ 52,500	\$ -	Planning Phase	Planning

Financial Policies

**CITY OF GALVESTON CHARTER PROVISIONS
FINANCE AND TAXATION**

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. ;o10; (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 ($\frac{1}{2}\%$) 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 30th 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 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 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.



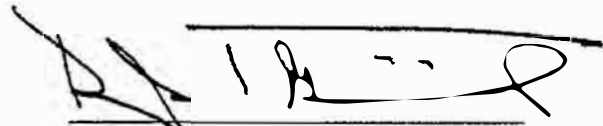

Secretary for the City Council
of the City of Galveston

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 not yet because of timing, such as long-term receivables, or resources that can be spent, but not at the City's discretion, 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 statutes, 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:

<u>Investment Type</u>	<u>Max. % in Portfolio</u>
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

OFFICE OF THE CITY MANAGER

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

June 25, 2019

Honorable Mayor James D. Yarborough and Members of City Council

This is to present the Long Range Financial Forecast for FY 2020-2024. This starts the FY 2020 Budget and Capital Improvement Plan process.

Every budget year offers challenges and opportunities, and FY 2021 is no exception. This year, we are facing new recurring expenditures that are mandatory including:

1. A long-standing charter defined financial goal as the Infrastructure and Debt Service set aside reaches 8 percent of General Fund budgeted revenue,
2. A significant increase in the City's contribution to the Police pension plan in accordance with a revised State law and sound financial principles, and
3. A major increase in the City's contribution to its health insurance plan for employees and retirees that will correct several years of financial losses.

The City also has opportunities:

1. This is the last year in which the State law regarding property tax rate setting will cap annual revenue increases at 8 percent without voter approval. Beginning next year, this cap goes to 3.5 percent.
2. Two of the City's three remaining Tax Increment Reinvestment Zones can be closed by mutual agreement between the County and the City to the financial advantage of both in the next budget and tax year beginning October 1, 2020.

We are fortunate that the opportunities occur at the same time as the challenges, because they all represent long-term funding usage and/or commitments. They offer the City the chance to maintain the structural balance of the General Fund and the City's commitment to its employees and retirees for some years to come. I welcome the chance to discuss these matters with you.

Brian Maxwell
City Manager



FY 2020-2024 LONG RANGE FINANCIAL FORECAST GENERAL FUND SUMMARY

General Fund Budget Challenges

The General Fund faces challenges in the forecast period beginning in FY 2020 as a result of new recurring expenses and the loss of revenue due to state legislative action. The only way to ensure structural balance throughout the forecast period is to (1) reduce recurring expenditures by significant amounts and/or (2) identify and secure new revenues in significant amounts.

LONG RANGE FINANCIAL FORECAST SUMMARY GENERAL FUND BASELINE PROJECTIONS (\$THOUSANDS)

CATEGORY	FY19 Estimate	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast
Beginning Balance	\$19,714	\$14,344	\$14,250	\$13,816	\$13,173	\$12,889
Revenue	\$56,368	\$57,684	\$59,338	\$61,204	\$63,162	\$65,180
Expenditures	\$55,251	\$57,778	\$59,772	\$61,798	\$63,446	\$65,112
Revenues Over/(Under) Expenditures	\$1,117	(\$94)	(\$434)	(\$594)	(\$284)	\$68
Subtotal	\$20,831	\$14,250	\$13,816	\$13,223	\$12,889	\$12,957
One-Time Appropriation of Fund Balance	(\$6,487)	\$0	\$0	(\$50)	\$0	(\$50)
Ending Fund Balance	\$14,344	\$14,250	\$13,816	\$13,173	\$12,889	\$12,907
90 Days of Working Capital	\$13,624	\$14,247	\$14,738	\$15,238	\$15,644	\$16,055
Cumulative Excess of Ending Fund Balance and/or (Needed Cuts and Income Increases)	\$720	\$3	(\$922)	(\$2,066)	(\$2,755)	(\$3,148)

FY 2020 Baseline and Forecast Changes

Three major new recurring costs are being added to the General Fund in FY 2020, making it difficult to continue to fund current services and program annual pay increases for City employees.

1. The last increase in the annual set aside of General Fund revenue for the Infrastructure and Debt Service Fund, This set aside will equal 8 percent of the General Fund budgeted revenue in FY 2020, an increase of \$702,000 over the current year.
2. The increase in the City's contribution to the Police Pension will increase from the current level of 14.83 percent to 18 percent adding \$385,000 in recurring costs to the General Fund effective October 1, 2019.
3. The City's employee and retiree self-insured health plan is experiencing sustained losses of claims and plan expenses in excess of employee premiums and employer contributions. The plan has steadily drawn down the plan's financial reserves that began at \$4 million five years ago. Absent significant additional contributions in FY 2019, the plan may very well eliminate its reserves in the current year, and simultaneously set a new funding threshold for FY 2020. Based on recent trends and funding levels, a total of \$2.7 million in combined benefit changes and contribution increases are required in FY 2020. The City's share of this increase equates to \$2.3 million with the balance being absorbed by the Park Board and the Wharves Authority. The General Fund portion of the City's share could be as much as \$1.3 million. The General Fund forecast reflects a \$1.12 million increase in FY 2020, which would anticipate the remaining funding needed in FY 2020 would come from the Park Board, the Port of Galveston and a combination of premium increases and benefit reductions for employees of all three entities. A separate chapter of this forecast addresses the Health Insurance plan and the challenge of funding retiree health care now and in the future.

**LONG RANGE FINANCIAL FORECAST
SUMMARY GENERAL FUND BASELINE PROJECTIONS
(\$THOUSANDS)**

CATEGORY	FY19 Estimate	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast
REVENUE						
Property Tax	\$26,369	\$27,576	\$28,652	\$29,833	\$31,066	\$32,352
Sales Tax	\$16,550	\$17,145	\$17,785	\$18,470	\$19,195	\$19,927
Other Tax	\$6,513	\$6,326	\$6,263	\$6,263	\$6,263	\$6,263
Non-Tax Revenue	\$6,738	\$6,638	\$6,638	\$6,638	\$6,638	\$6,638
Reimb. from Pension Spec Fund (one-time)	\$198	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	\$56,368	\$57,684	\$59,338	\$61,204	\$63,162	\$65,180
Annual Recurring Revenue Increase	\$1,835	\$1,514	\$1,654	\$1,866	\$1,958	\$2,018
ANNUAL SPENDING INCREASES (incremental changes from prior year)						
EXPENDITURES	FY19 Estimate	FY20 Base	FY21 Estimated	FY22 Estimated	FY23 Estimated	FY24 Estimated
BASE EXPENDITURES (TOTAL BY FY)	\$54,911	\$55,251	\$57,778	\$59,772	\$61,798	\$63,446
Additions to Base Each Year						
Transfer to Infrastructure and Debt Service Fund		\$702	\$131	\$149	\$157	\$161
Police Pension (Increase to 17% 1-1-19 and to 18% 10-1-19)	\$198	\$187	\$4	\$4	\$4	\$4
Pay Increase (including benefits- FY 2019 part of Base shown above)						
Police		\$0	\$257	\$262	\$267	\$272
Fire		\$0	\$167	\$170	\$173	\$176
Municipal		\$0	\$281	\$287	\$293	\$299
Subtotal Pay Increases (Benefits Included)	\$0	\$0	\$705	\$719	\$733	\$747
Health Benefits						
Employee Plan	\$142	\$983	\$550	\$550	\$550	\$550
Retirees Plan (Net Claims plus Excess to begin amortizing the retiree liability)	\$0	\$0	\$500	\$500	\$100	\$100
Subtotal Health Benefits	\$142	\$983	\$1,050	\$1,050	\$650	\$650
Economic Development Programs (no new agreements or landmarks)						
Commercial Redevelopment Agreements (380s)		\$21	\$1	\$1	\$1	\$1
Landmark Program (including Cedar Lawn)		\$67	\$3	\$3	\$3	\$3
Economic Development Programs Subtotal		\$88	\$4	\$4	\$4	\$4
Departmental Changes						
Police		(\$54)				
Fire (includes EMS and Emergency Mgt)		(\$23)				
Marshal (includes Code Enforcement)		\$68				
Public Works		\$31				
Parks and Recreation		(\$15)				
Development Services		\$262	(\$50)	\$50	(\$50)	\$50
Council Appointees		\$62				
Elections		\$58	(\$58)	\$58	(\$58)	\$58
City Manager		\$9				
Municipal Court		\$81				
Human Resources		\$24				
Finance		\$9				
Community Outreach		\$50				
Non-Departmental Changes		\$8				
Transit Service Subsidy Increases		(\$253)	\$100	\$100	\$100	\$100
Vehicle Purchases		\$250				
Department Changes Subtotal		\$567	(\$8)	\$208	(\$8)	\$208
SUBTOTAL SPENDING INCREASES	\$340	\$2,527	\$1,994	\$2,026	\$1,648	\$1,666
TOTAL ADJUSTED RECURRING SPENDING	\$55,251	\$57,778	\$59,772	\$61,798	\$63,446	\$65,112
REVENUE OVER/(UNDER) RECURRING EXPENDITURES	\$1,117	(\$94)	(\$434)	(\$594)	(\$284)	\$68
Beginning Fund Balance	\$19,714	\$14,344	\$14,250	\$13,816	\$13,173	\$12,889
Less One Time costs (CDM in FY 2019)	(\$6,487)	\$0	\$0	(\$50)	\$0	(\$50)
Ending Fund Balance	\$14,344	\$14,250	\$13,816	\$13,173	\$12,889	\$12,907
90 Day Reserve	\$13,624	\$14,247	\$14,738	\$15,238	\$15,644	\$16,055
Excess/(Shortage) of Ending Fund Balance	\$720	\$3	(\$922)	(\$2,066)	(\$2,755)	(\$3,148)

General Fund Revenue Overview

The five year forecast assumes that virtually all General Fund revenue growth will come from property and sales taxes. Franchise fees are dropping because of legislative action that is projected to eliminate \$250,000 in recurring telecommunications revenue beginning on January 1, 2020 with three fourths of this loss occurring in FY 2020 and the remaining one fourth will impact FY 2021.

FY 2020 property tax revenue reflects the pre-certification information provided by GCAD. Future years' property tax revenue is based on the assumption that the City of Galveston will achieve sufficient growth in property values that the overall tax roll will increase 4.5 percent annually, including the legislative maximum of 3.5 percent for the effective rate and one percent for new construction. Sales tax revenue will increase due to slow but steady growth in regional employment and U.S. Real Gross Domestic Product (approximately two percent annually for each). Non-tax revenue will remain more or less flat overall as it has for the last five to ten years.

The Pension Reform Special Fund was originally funded in FY 2017 with the receipt of \$2.2 million cash from the closure of TIRZ 11. Approximately \$1 million remains in that fund, and the forecast assumes that \$198,000 will be used to fund a partial increase in FY 2019 from 14.83 percent to 17 percent of compensation effective January 1, 2019. The cost of next year's full funding at the 18 percent level will come from general revenues. Other spending cuts or new revenues will need to be identified to cover this new additional cost in FY 2021.

General Fund Expenditure Overview

In FY 2019, General Fund department budgets were reduced approximately 2 percent overall, and FY 2020 spending targets for those departments mirrored and sustained those reductions. Minor adjustments are contemplated to effect reorganizations and realignments that will consolidate functions and produce more effective operations and/or reduce spending. Department budgets have just been received and are being analyzed to determine whether additional savings can be realized.

At the present time, the FY 2020 Budget has insufficient funds to afford a cost of living adjustment or pay increase. Each one percent for all General Fund employees will cost an additional \$345,000 including fringe benefits. Funding for two percent increases shown in each of the remaining four years in the forecast could come from expenditure cuts or new revenue. The major adjustment needed in the City's overall health insurance budget, including the General Fund, calls for a significant new revenue source. One possibility is discussed below.

Major New Revenue Opportunity for FY 2021 and Beyond

The City has an opportunity to close two of its remaining three Tax Increment Reinvestment Zones, numbers Twelve (Target and Home Depot) and Fourteen (Airport). This would require joint action by the City and the County prior to December 31, 2019 to dissolve these Zones. This action would return the recurring tax revenue (approximately \$1.4 million annually) to the City beginning in FY 2021. Twenty-five percent of this amount (\$350,000) would go to the 90 day General Fund reserve and 8 percent (\$112,000) would be added to the Infrastructure and Debt Service Fund transfer, and approximately ten percent (\$140,000) would go to the Library. The City would lose a five percent fee currently collected for administrative support to the TIRZs that amounts to \$90,000. This would leave a balance of \$708,000 for the General Fund, roughly equal to the annual cost of a two percent raise in FY 2021.

TIRZ 12 primarily benefits the County with the net annual tax increments for the County and the City going totally to the County. This in turn is used by the County for payment of debt service on the County bonds used to build the infrastructure in TIRZ 12. The payments are insufficient to pay even the interest due on the outstanding debt, so the current situation is not favorable to the County.

TIRZ 14 is largely run by the City providing funds for Airport and street improvements in the Zone. TIRZ 14 has outstanding debt responsibility for which would transfer to the City in the event of closure. By early 2020, at such time as the City would have responsibility for this debt, the outstanding balance would be \$1.9 million payable through 2023. TIRZ 14 also has cash on hand as of September 2018 totaling \$2.48 million with several projects pending that could benefit from the use of some of the remaining cash on hand before the TIRZ is closed. Since the City and County have contributed almost equal portions to the TIRZ, it is anticipated that the cash remaining in TIRZ 14 would be split evenly with the County.

This action will increase no Galveston resident's property taxes. It improves the cash flow of both the City and the County. A number of City capital improvement projects, primarily at the Airport and including 83rd Street would have to be reprioritized and other funding identified.

**GENERAL FUND BASELINE FOR FY 2020
EXPENDITURES BY DEPARTMENT**

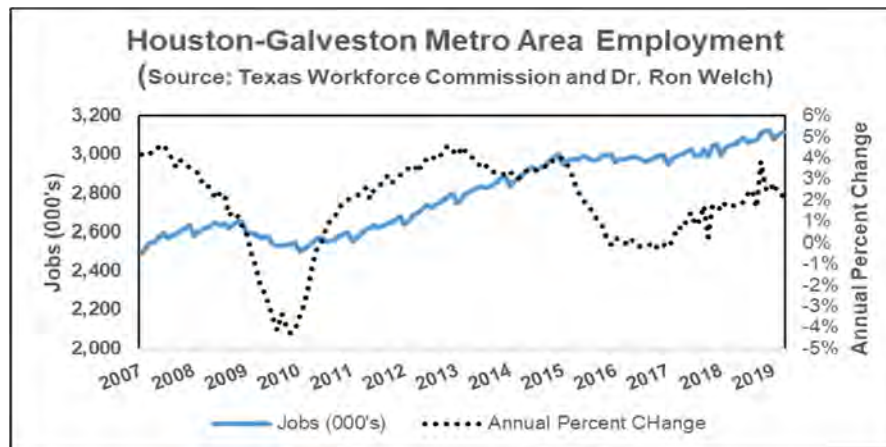
	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimate	FY 2020 Base
General Government				
City Secretary	\$521,835	\$525,271	\$533,429	\$543,558
Elections	20,986	67,000	58,545	116,000
Municipal Court	741,765	654,870	638,723	719,920
City Manager	696,411	668,997	724,235	733,338
City Auditor	269,118	269,352	271,217	276,833
Legal	788,627	909,227	906,136	953,202
Human Resources	494,664	555,375	564,443	588,375
Transportation	915,000	586,374	1,053,471	800,000
Subtotal - General Government	\$4,448,406	\$4,236,466	\$4,750,199	\$4,731,226
Finance				
Administration	\$297,099	\$295,219	\$301,626	\$298,605
Accounting	771,566	793,352	811,857	852,259
Purchasing	231,354	243,907	246,604	208,288
Budget	272,797	296,874	300,358	309,783
Subtotal - Finance	\$1,572,816	\$1,629,352	\$1,660,445	\$1,668,934
Public Safety				
Police	\$19,315,976	\$20,255,628	\$20,255,824	\$20,389,026
Fire	11,146,620	11,469,269	11,576,594	11,608,619
Emergency Management	256,682	242,732	209,584	154,344
Emergency Medical Service	566,110	566,200	566,097	566,200
City Marshal	58,996	63,249	65,563	65,478
Subtotal - Public Safety	\$31,344,384	\$32,597,078	\$32,673,662	\$32,783,667
Public Works				
Streets	\$1,803,739	\$1,834,363	\$1,797,560	\$1,828,837
Traffic	2,101,838	2,030,740	2,068,012	2,067,219
Subtotal - Public Works	\$3,905,577	\$3,865,103	\$3,865,572	\$3,896,056
Parks and Recreation				
Administration	\$857,364	\$1,043,104	\$1,160,605	\$984,121
Parks and Parkways	1,849,467	1,886,034	1,729,685	1,891,225
Subtotal - Parks and Recreation	\$2,706,831	\$2,929,138	\$2,890,289	\$2,875,346
Developmental Services				
Planning	\$1,139,330	\$914,134	\$908,842	\$1,118,240
Code Enforcement	634,621	758,143	685,024	753,665
Building Inspection	632,724	611,935	606,984	660,096
Subtotal - Developmental Services	\$2,406,675	\$2,284,212	\$2,200,849	\$2,532,001
Non-Departmental/Central Accounts				
Vehicle Purchases	\$291,611	\$750,000	\$750,000	\$1,000,000
2% Non-Classified COLA	0	250,933	0	0
Governmental Expenditures	4,577	22,500	56,142	158,000
Community Outreach/Public Info	0	208,502	208,502	258,502
Taxation	268,458	270,000	272,613	270,000
Facility Maintenance	1,594,346	1,448,170	1,451,588	1,448,774
Transfer to Separation Pay Fund	416,160	416,160	416,160	416,160
Group Health Increase	0	0	142,000	1,125,000
Transfer to Infrastructure and/or Debt Service	3,275,010	3,912,769	3,912,769	4,614,192
Subtotal - Non-Departmental	\$5,850,161	\$7,279,034	\$7,209,774	\$9,290,628
Total General Fund	\$52,234,850	\$54,820,383	\$55,250,791	\$57,777,858

FY 2020-2024 LONG RANGE FINANCIAL FORECAST ECONOMIC OUTLOOK AND MAJOR REVENUE FORECAST

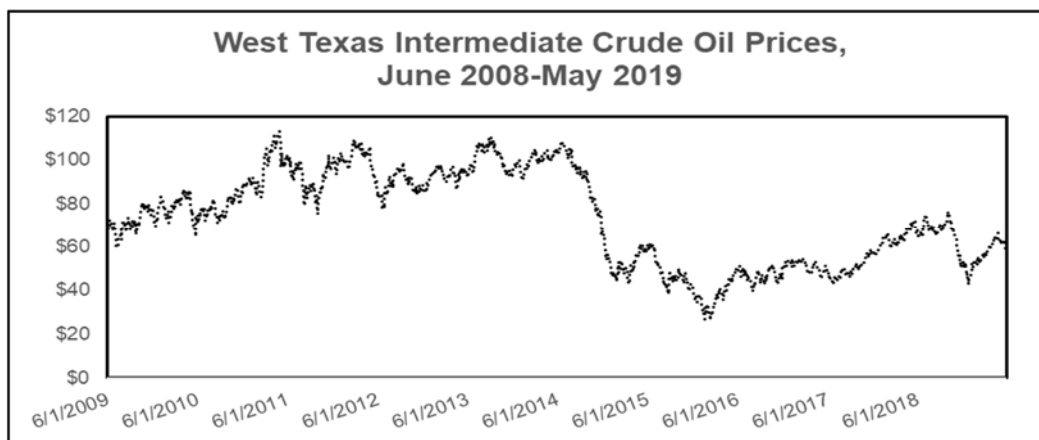
Economic Overview

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.

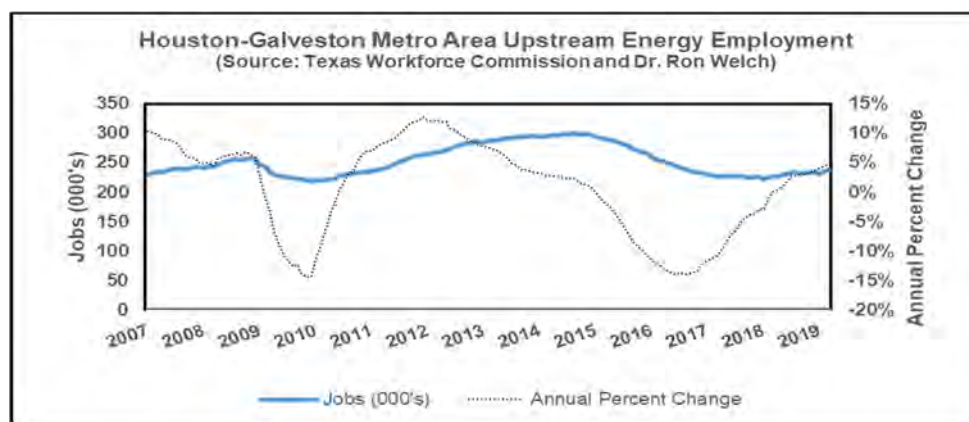
In the last twelve years, employment in the metro area has shown strong growth overall in spite of two economic downturns in 2008-2009 and in 2015-2017. Average annual employment growth for the period shown in the graph below was 1.86 percent, which explains the long-term two percent growth trend assumptions 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 \$113 per barrel in May 2011 and remained in the \$75 to \$113 range until July 2014. At that point, prices fell steadily for nineteen months until February 11, 2016, when a barrel was priced at \$26.21. Prices recovered slightly to \$73 last October only to fall once again to the \$40 range in December 2018. Today's price is in the \$60 range and is expected to remain in that range through 2020. 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 inconsistent, leading to volatility in the metro economic trends.



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 be recovered, although energy companies have been rebuilding their workforce at an annual growth rate approaching 5 percent.

According to Dr. Robert Gilmer of the University of Houston's Institute for Regional Forecasting, oil sector revival and the national economy are the critical sources of support for the metro area's growth. 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 2.6 to 2.8 percent in 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 percent range.

Dr. Gilmer is projecting a continuing regional recovery and a return to historical employment growth rates in the 2 percent range. The 2019-2020 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 taxable value of new construction.

BASELINE ECONOMIC CHANGE ASSUMPTIONS

Area/Indicator	FY 2019 Est.	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast
National						
National Inflation Rate (1)	2.0%	2.2%	2.2%	2.2%	2.2%	2.2%
U.S. Real Gross Domestic Product (1)	2.7%	2.0%	2.0%	2.0%	2.0%	2.0%
Ten Year Treasury Note (1)	2.5%	3.0%	3.1%	3.2%	3.3%	3.4%
3-month Treasury Bill (1)	2.5%	2.3%	2.4%	2.5%	2.6%	2.7%
Metropolitan Area						
Employment Annual Growth Rate (2)	2.23%	1.85%	1.76%	1.94%	2.11%	2.04%
Inflation Rate (3)	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Fuel Prices (3)	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Health Care Cost Trend (Inflation & Utilization) (3)	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%
City of Galveston						
Population Growth Rate (4)	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Population (4)	50,497	50,648	50,800	50,953	51,106	51,259
City Water Customers Growth Rate (4)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Investment Pool Earnings Rate (4)	1.7%	1.6%	1.7%	1.8%	2.4%	2.5%
New Construction (\$Millions - Prior CalYr) (4)	\$72.6	\$75.0	\$60.0	\$60.0	\$60.0	\$60.0

SOURCES:

- (1) Congressional Budget Office, adjusted using Kiplinger, Trading Economics
- (2) Dr. Robert Gilmer, Bauer College of Business, University of Houston, May 2019 presentation
- (3) U.S. Energy Information Administration for 2019-2020 and City of Galveston Finance Department thereafter.
- (4) City of Galveston Finance Department

Major Revenues

This forecast covers the General and Debt Service Funds as well as the major revenue sources that support them, Property and Sales Taxes. Water and sewer revenue are not covered in this year's forecast; however, water and sewer revenue are performing strongly in FY 2019, with the effects of the seven percent water rate increase implemented in February now being felt in collections. Hotel Occupancy Taxes are performing more poorly than expected, lagging behind FY 2018 by approximately five percent on a year-to-date basis. The forecast for this latter revenue source will be more cautious because of this yet to be explained shortfall in hotel taxes.

Sales tax revenue is impacted by regional employment and national economic trends, and these effects are captured by the City's statistical model. The model explains 98 percent of the variation in sales tax revenue using quarterly data beginning in FY 1992. The independent variables include two regional variables, two national variables and three local variables.

Regional variables include:

- 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.

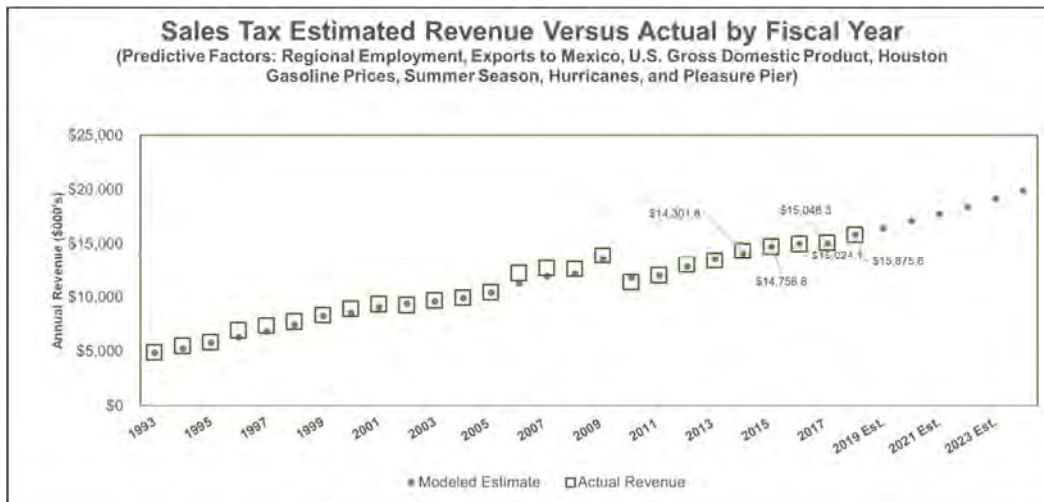
National variables include:

- 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.

Local variables include:

- 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.

The graph below demonstrates how the total modeled revenue estimate for each of twenty six fiscal years compares with the actual, shown as the box inside which the dot is the estimate. The current economic assumptions are based on a stable growth scenario at the local, regional and national level as presented in the assumptions on the previous page. The annual increase in sales tax revenue averages out to just under four percent.



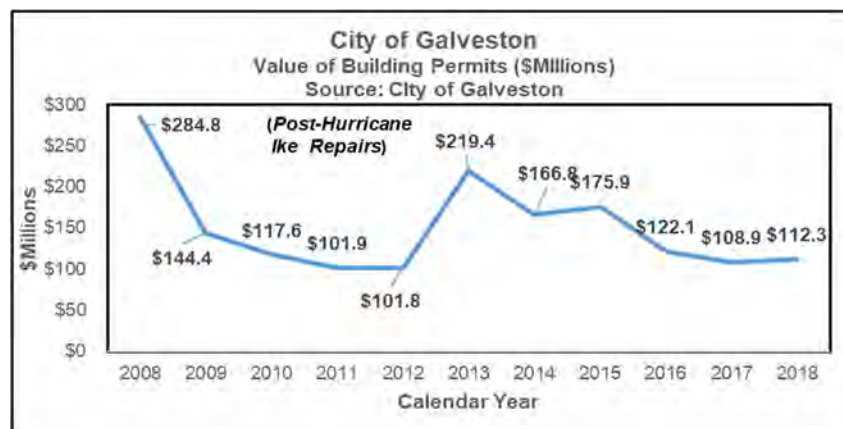
Projected sale tax revenue for the forecast period is based on slightly higher economic growth rates than seen in the 2015-2017 period based largely on the improvement in regional employment growth forecasted by Dr. Gilmer of the University of Houston.

Property tax revenue is driven by taxable property 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 overall 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.

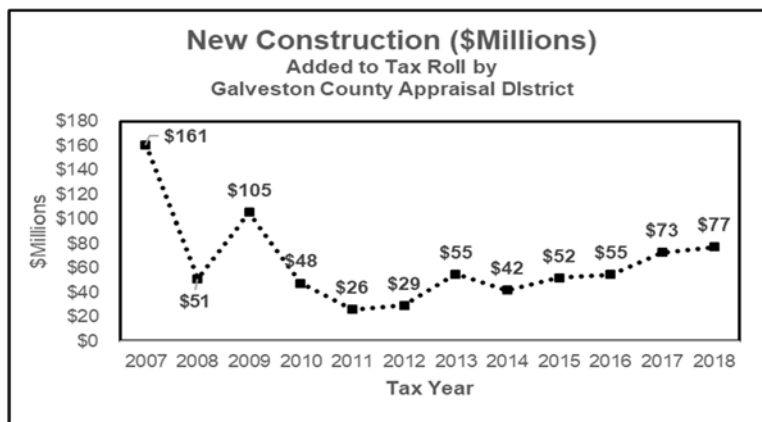
The tax roll is based on the value of property as of January 1 of each year. So the connection between the economy and City revenue is delayed by what amounts to two years. Using the current fiscal year as the example, here is the real estate/tax roll/fiscal year cycle:

- Economic activity (Real estate market and new construction) occurred in calendar year 2018;
 - January 1 values in 2019 form the basis for the 2019 tax roll and
 - The 2019 tax roll will be certified in late July, forming the basis for tax revenue being received between October 1, 2019 and September 30, 2020 or FY 2020.
 - After the City receives the tax roll from GCAD, the Galveston County Tax Assessor-Collector, with the assistance of the City of Galveston's Finance Department, prepares the calculations of what was previously called the "effective tax rate" and the "rollback tax rate." (Note: These are now termed the "no-new-revenue tax rate" and "voter-approval-tax-rate.")
 - The City Council then votes for a proposed tax rate and schedules public hearings which are then advertised in the newspaper to inform the public of the hearings and the various rates.
 - The Annual Budget must be passed by the City Council, including specific information on how property tax revenue will be used based on the proposed rate, including maintenance and operations and debt service payments for General Obligation bonds.

By way of explanation, the no-new-revenue tax rate is calculated as the rate that would raise the same amount of revenue for maintenance and operations (the "no-new-revenue maintenance and operations rate") as in the prior tax year for the same properties that were on the prior year's tax roll. The "voter-approval rate" rate has been an amount 8 percent higher than the effective rate, with the requirement for an election to approve the rate voted by City Council if it exceeded the rollback rate. Should the election result in the defeat of the rate passed by City Council, the tax rate for the ensuing tax year "rolls back" to the effective rate. This would eliminate all revenue growth except that tied to new construction, estimated to be one percent annually.



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 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 June 2019, the preliminary tax roll for Tax Year 2019/Fiscal Year 2020 is 9.1 percent higher than the current roll for the current Tax Year 2018/FY 2019. As the protest process moves forward, GCAD is providing weekly updates for the outcome of the protest process, and the estimated value loss of \$260 million in total appears to be a conservative assumption.

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	(\$325,700,110)	\$6,173,082,383	-5.0%	5.6%	11.2%
2018	2019	\$6,446,502,802	(\$111,602,802)	\$6,334,900,000	-2.2%	2.6%	4.4%
2019	2020 Forecast	\$6,912,000,000	(\$260,000,000)	\$6,652,000,000	-4.1%	5.0%	9.1%

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 97.7 percent current taxes collection rate (excluding delinquent taxes and penalties and interest), the General Fund would realize about \$1.2 million in revenue growth over FY 2019.

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 the current year's adjustment (\$0.098), the cap is \$0.602 per \$100 of taxable value which is \$0.041 greater than the current \$0.561 tax rate. This leaves a potential addition of \$2.76 million available in current property tax revenue terms if the City chose to raise the total rate over time to the charter cap. Of course, existing State restrictions regarding the no-new-

revenue and voter-approved rates would apply. Charter restrictions also would require 33 percent of the added revenue to be set aside and unavailable for operations in the first year of availability with 25 percent going to the required increase in the 90 day General Fund reserve and 8 percent going to the Infrastructure and Debt Service Fund.

**PROPERTY TAX ROLL PRELIMINARY ESTIMATES
JUNE 2018 (FOR BUDGETARY PLANNING PURPOSES ONLY)**

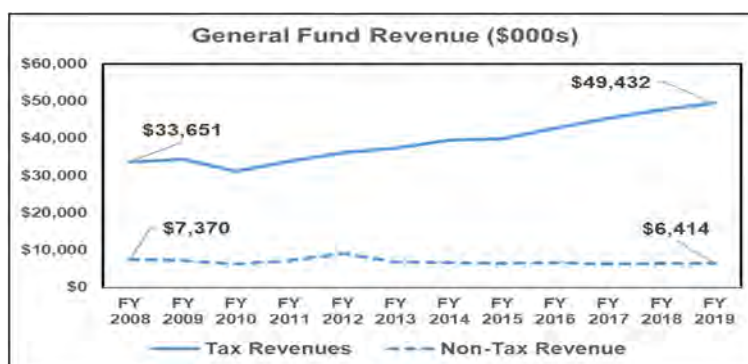
ASSUMPTIONS	FY19	FY20	FY21	FY22	FY23	FY24
Overall Increase	2.62%	5.00%	4.50%	4.50%	4.50%	4.50%
TIRZ Increase	6.57%	6.25%	5.63%	5.63%	5.63%	5.63%
Freeze account increase	9.56%	8.11%	8.00%	8.00%	8.00%	8.00%
Freeze Accts Collectible Increase	8.40%	7.42%	4.50%	4.50%	4.50%	4.50%
DESCRIPTION	FY19 ESTIMATED	FY20 ESTIMATED	FY21 ESTIMATED	FY22 ESTIMATED	FY23 ESTIMATED	FY24 ESTIMATED
NET PROPERTY TAX LEVY						
Total Taxable Value (\$millions)	\$6,334.9	\$6,651.6	\$6,950.9	\$7,263.7	\$7,590.6	\$7,932.2
Less TIRZ	(\$320.5)	(\$340.6)	(\$359.8)	(\$380.0)	(\$401.4)	(\$424.0)
Less 60% MUD Value	(\$64.7)	(\$64.7)	(\$64.7)	(\$64.7)	(\$64.7)	(\$64.7)
Net Taxable Value	\$5,949.6	\$6,246.3	\$6,526.4	\$6,819.0	\$7,124.5	\$7,443.5
Times Tax Rate per \$100 of Taxable Value	\$0.561000	\$0.561000	\$0.561000	\$0.561000	\$0.561000	\$0.561000
Total Tax Levy (\$Thousands Revenue)	\$35,538.8	\$37,315.5	\$38,994.5	\$40,749.4	\$42,583.3	\$44,499.6
Less: Freeze Acct Total Value Revenue Equivalent (Over 65 and Disabled)	(\$3,747.1)	(\$4,119.8)	(\$4,449.4)	(\$4,805.4)	(\$5,189.8)	(\$5,605.0)
Plus: Freeze Acct collectible Revenue (Over 65 & Disabled)	\$2,576.7	\$2,796.7	\$2,922.6	\$3,054.1	\$3,191.5	\$3,335.1
Less: Taxes Lost to Tax Freeze	(\$1,170.4)	(\$1,323.1)	(\$1,526.8)	(\$1,751.3)	(\$1,998.3)	(\$2,269.9)
Net Current Year Tax Levy (\$000's Revenue)	\$34,368.4	\$35,992.4	\$37,467.7	\$38,998.1	\$40,585.0	\$42,229.7
Effective Taxable Value	\$6,126.3	\$6,415.8	\$6,678.7	\$6,951.5	\$7,234.4	\$7,527.6
Effective Freeze Accounts Taxable Value	\$1,092.0	\$1,180.5	\$1,274.9	\$1,376.9	\$1,487.1	\$1,606.1
Less TIRZ Incremental Values	(\$320.5)	(\$340.6)	(\$359.8)	(\$380.0)	(\$401.4)	(\$424.0)
Effective Taxable Value Retained by City	\$5,805.8	\$6,075.2	\$6,318.9	\$6,571.5	\$6,833.0	\$7,103.6
DISTRIBUTION OF NET LEVY (\$THOUSANDS)						
Net Current Year Levy (\$000's)	\$34,368.4	\$35,992.4	\$37,467.7	\$38,998.1	\$40,585.0	\$42,229.7
Less TIRZ Increment	(\$1,798.1)	(\$1,910.8)	(\$2,018.5)	(\$2,131.8)	(\$2,251.9)	(\$2,378.6)
Net Current Year Levy Retained by the City	\$32,570.3	\$34,081.6	\$35,449.2	\$36,866.3	\$38,333.1	\$39,851.1
General Fund Share (including MUD 30) of NCL	\$26,619.5	\$27,854.6	\$28,972.3	\$30,130.5	\$31,329.3	\$32,569.9
Debt Service Share of NCL	\$3,048.0	\$3,189.5	\$3,317.4	\$3,450.1	\$3,587.3	\$3,729.4
Library Fund Share of NCL	\$2,902.9	\$3,037.6	\$3,159.5	\$3,285.8	\$3,416.5	\$3,551.8
Net Current Year Levy Retained by the City	\$32,570.4	\$34,081.7	\$35,449.2	\$36,866.4	\$38,333.1	\$39,851.1
COLLECTION OF TAXES (\$THOUSANDS)						
Estimated/Actual Collections	FY19 ESTIMATED	FY20 ESTIMATED	FY21 ESTIMATED	FY22 ESTIMATED	FY23 ESTIMATED	FY24 ESTIMATED
General Fund Current Collection Total	\$27,769.7	\$29,086.7	\$30,284.2	\$31,526.7	\$32,815.5	\$34,151.7
General Fund Delinquent Taxes	\$392.0	\$392.0	\$392.0	\$392.0	\$392.0	\$392.0
General Fund Penalty & Interest	\$322.0	\$322.0	\$322.0	\$322.0	\$322.0	\$322.0
Less TIRZ Increment	(\$1,752.0)	(\$1,862.0)	(\$2,018.0)	(\$2,132.0)	(\$2,252.0)	(\$2,379.0)
Less MUD 30 Rebate	(\$363.2)	(\$363.2)	(\$363.2)	(\$363.2)	(\$363.2)	(\$363.2)
General Fund Total	\$26,368.5	\$27,575.5	\$28,617.0	\$29,745.5	\$30,914.3	\$32,123.5
Debt Service Net Current Levy Total	\$2,978.5	\$3,116.8	\$3,241.8	\$3,371.4	\$3,505.5	\$3,644.4
Debt Service Delinquent Taxes	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0
Debt Service Fund Total	\$3,018.5	\$3,156.8	\$3,281.8	\$3,411.4	\$3,545.5	\$3,684.4
Library Net Current Levy Total	\$2,836.7	\$2,968.3	\$3,087.5	\$3,210.9	\$3,338.6	\$3,470.8
Library Delinquent Taxes	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0
Library Fund Total	\$2,876.7	\$3,008.3	\$3,127.5	\$3,250.9	\$3,378.6	\$3,510.8
GRAND TOTAL COLLECTIONS	\$32,263.7	\$33,740.6	\$35,026.3	\$36,407.8	\$37,838.4	\$39,318.7
Estimated Current Collection Rate (of NCL)	97.7%	97.7%	97.7%	97.7%	97.7%	97.7%
Estimated Total Collection Rate (of NCL)	100.0%	99.9%	99.8%	99.8%	99.7%	99.6%
Percent Change in Grand Total Collections	1.3%	4.6%	3.8%	3.9%	3.9%	3.9%
Tax Rate						
General Fund Operations and Maintenance	\$0.458500	\$0.458500	\$0.458500	\$0.458500	\$0.458500	\$0.458500
Debt Service Fund Interest and Sinking	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500
Library Fund	\$0.050000	\$0.050000	\$0.050000	\$0.050000	\$0.050000	\$0.050000
Total Rate	\$0.561000	\$0.561000	\$0.561000	\$0.561000	\$0.561000	\$0.561000
	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
Estimated Current Taxes Collection rate	97.72%	97.72%	97.72%	97.72%	97.72%	97.72%
TOTAL COLLECTIONS	\$34,378.9	\$35,965.8	\$37,407.5	\$38,903.0	\$40,453.6	\$42,060.9

It is important to note that while the overall increase in taxable value is 5 percent, the actual increase in revenue is approximately 4.6 percent. This is due to the loss of tax revenue to the tax freeze and the Tax Increment Reinvestment Zones (TIRZs). It is also important to note that the 5 percent overall increase includes four percent subject to the tax rate limitations and one percent attributable to new construction. Since the voter approved rate limit allows 8 percent growth for the last time, an additional four percent is available should the City wish to use it. This additional two cents on the tax rate capacity if utilized would provide approximately \$1.29 million in recurring revenue that could go totally to the General Fund on an annual basis but with set asides that would reduce the net amount available for operations to approximately \$860,000. As stated on the previous page, 25 percent would have to be set aside in the first year for the General Fund reserve and 8 percent would go to the Infrastructure and Debt Service transfer every year thereafter.

Other General Fund Revenue

The legislature passed Senate Bill 1152 this year that is expected to reduce telecommunications franchise taxes received by the city by \$250,000 beginning in January 2020. The law allows companies that provide cable and telecommunications services, paying franchise fees on both, will be absolved from paying the lower of the two as is determined at the State wide level. This last provision makes it somewhat difficult to say with certainty the fees for which service will be lost at the local level.

Until the State Comptroller publishes the information guiding this exemption for each company, this analysis assumes that Comcast provides more cable service State wide, and will continue to pay its six percent cable franchise fees, five percent of which goes to the General Fund. The remainder goes to the Public Access Channel special fund. Comcast pays \$250,000 annually for telecommunications services to the General Fund, and three fourths of this will be lost in FY 2020. The remainder will be lost in FY 2021.



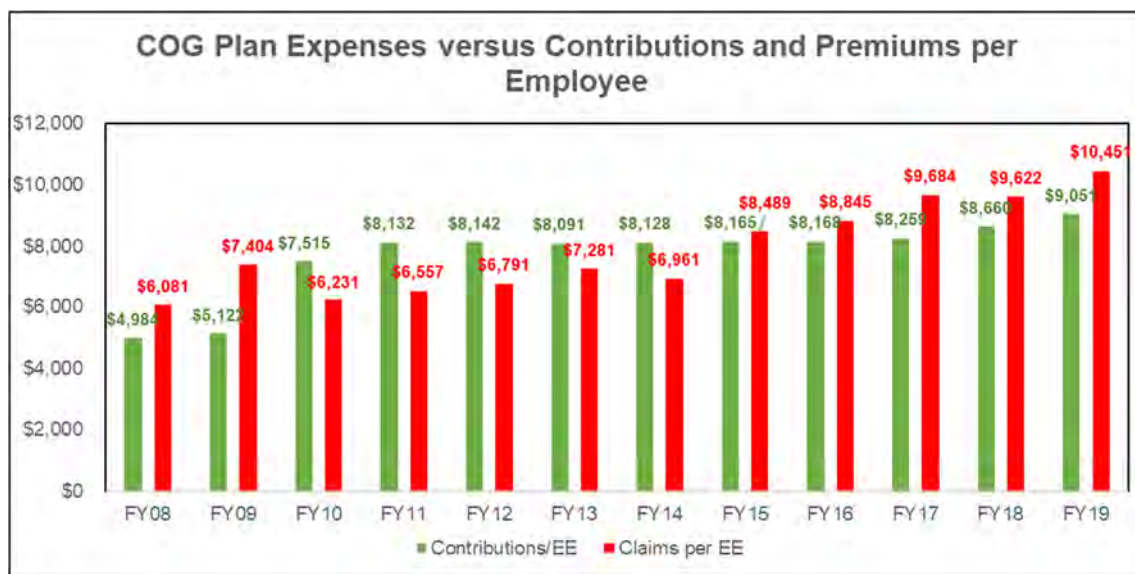
Non-tax General Fund revenue tends to be very stable, as demonstrated in the graph above. This includes municipal court parking and traffic fines, building permits, interest income, Interfund payments for General Fund administrative services, and payments in lieu of taxes. Therefore, the forecast assumes that this no growth pattern persists throughout the forecast period.

FY 2020-2024 LONG RANGE FINANCIAL FORECAST HEALTH INSURANCE PLAN SUMMARY

Overview

The City of Galveston, in conjunction with the Galveston Park Board and Port of Galveston, provides a self-insured health insurance plan for its employees and retirees. The plan is a Preferred Provider-type plan with administrative services provided by Boon Chapman. The plan itself was begun in 2003 and the Park Board and Port just joined the plan in the last few years.

The plan has experienced a five year period of losses with total claims and administrative costs exceeding employer contributions and employee premiums. The chart below demonstrates on a per employee basis the history of the plan in this regard.



In recent years, plan benefits changes and premium increases have proved insufficient to cover plan expenses. This has resulted in a projected \$1.86 million shortfall in FY 2019 as well as a projected \$2.75 million shortfall in FY 2020 if no plan changes, premium increases or contribution increases are made. FY 2019 is largely over and no benefits or premium changes can be implemented until the new benefit plan year begins on January 1, 2020. However, the three sponsoring agencies (City, Park Board and Port) can provide additional contributions this year to provide emergency relief to the plan so as to maintain a minimum fund balance.

Proposed Cost Sharing

The Health Board, an oversight body including representatives of employee groups, administration, and the Port meets monthly to review plan results and consider plan changes to benefit levels and premiums for employees. It has been suggested that the Board identify \$400,000 in plan savings and/or premium increases. This would reduce the projected funding need to \$2.35 million for FY 2020, and two approaches to sharing the increase in cost are shown in the chart on the next page. Negotiations will continue throughout the summer months

as will the review of proposals submitted by healthcare insurance firms to provide alternative means of funding employee health insurance. In the meantime, the proportional cost sharing approach is the one used to develop the forecast for the General Fund.

**Cost Sharing Among Entities
Added Funding for FY 2020**

City Funds	City Plan Members	Total Added Cost for FY 20 over FY 19	Total Added Cost for FY 20 over FY 20
General Fund	505	\$978,000	\$1,125,000
Other Funds	375	\$726,000	\$835,000
	880	\$1,704,000	\$1,960,000
		Scenario A	Scenario B
		Stand Alone	Proportional

Immediate relief for the Health Insurance Fund is needed and each of the partnering entities is being asked to provide additional cash contributions for FY 2019. These contributions should prevent the Health Insurance Internal Service Fund from falling below a \$1 million balance as of September 30, 2019. The chart below documents the City's initial commitment to this purpose.

**FY 2019 Budget for Health Insurance:
Contributed Balance of Budgeted Line Item Amounts**

City Funds	FY 2019 Budget	FY 2019 Estimated	Balance Remaining
General Fund	\$3,313,711	\$3,171,752	\$141,959
Other Funds	\$2,451,547	\$2,211,270	\$240,277
Totals	\$5,765,258	\$5,383,022	\$382,236

Each city department and organizational unit has a line for the City's per employee contribution of \$560 per month per employee. As vacancies occur in budgeted positions, the contribution amount is not charged to the organization's budget. The \$382,236 shown above is the current estimate of this underrun projected for FY 2019. And the \$141,959 amount is shown in the General Fund forecast as a part of the FY 219 Estimate along with the increase needed to \$1,125,000 for FY 2020's full funding amount for the Health Benefits fund.

**LONG RANGE FINANCIAL FORECAST
SUMMARY HEALTH INSURANCE PLAN BASELINE PROJECTIONS**

	City	Port	Park Board	Total
Projected FY2019 Revenue As of June 21, 2019				
Health Plan Premiums				
Employer	\$5,378,564	\$462,560	\$554,270	\$6,395,394
Employees	\$1,428,921	\$136,510	\$125,970	\$1,691,401
Retirees & COBRA	\$208,973	\$40,730	\$0	\$249,703
Subtotal Premiums	\$7,016,458	\$639,800	\$680,240	\$8,336,498
Non-Premium Revenue				
Interest Earned	\$26,338			\$26,338
Stop-Loss Reimbursements	\$378,393	\$220,000		\$598,393
Refunds and No Show Fees	\$235,508	\$21,659	\$25,320	\$282,487
Subtotal Non-Premium Revenue	\$640,239	\$241,659	\$25,320	\$907,218
Total Revenue	\$7,656,697	\$881,459	\$705,560	\$9,243,716
Projected FY 2019 Expense As of June 21, 2019				
Health Plan Claims/Expense				
Medical Claims	\$4,965,805	\$1,334,510	\$366,191	\$6,666,506
Prescription Drugs	\$1,635,320	\$205,644	\$121,567	\$1,962,531
Subtotal Health Plan Claims/Expense	\$6,601,125	\$1,540,154	\$487,758	\$8,629,037
Other Plan Costs				
Administration (Third Party and Flex Admin)	\$451,452	\$41,520	\$48,537	\$541,508
Stop Loss-Premium	\$806,623	\$74,184	\$86,722	\$967,530
Health Clinics	\$808,037	\$74,314	\$86,874	\$969,226
Subtotal Other Plan Costs	\$2,066,112	\$190,018	\$222,133	\$2,478,264
Total Expense	\$8,667,237	\$1,730,172	\$709,891	\$11,107,301
FY 2019 Health Plan Revenue Over/(Under) Plan Expense	(\$1,010,540)	(\$848,713)	(\$4,331)	(\$1,863,585)
Allocation of FY 2019 Shortage based on Plan members	(\$1,388,000)	(\$373,000)	(\$102,000)	(\$1,863,000)
Plan Members	772	71	83	926
Trend for FY 2020 over FY 2019	8.0%	8.0%	8.0%	8.0%
Projected FY 2020 Expenses As of June 21, 2019 (Eight Percent Trend)				
Health Plan Claims/Expense				
Medical Claims	\$5,363,000	\$1,441,000	\$395,000	\$7,200,000
Prescription Drugs	\$1,766,000	\$222,000	\$131,000	\$2,120,000
Subtotal Health Plan Claims/Expense	\$7,129,000	\$1,663,000	\$526,000	\$9,318,000
Other Plan Costs (Including 8% trend for FY20)	\$2,231,401	\$205,219	\$239,904	\$2,676,525
Total FY 2020 Expenses	\$9,360,401	\$1,868,219	\$765,904	\$11,994,525
Current (FY 2019) Health Plan Revenue Over/(Under) Projected FY 2020 Plan Expense	(\$1,703,704)	(\$986,760)	(\$60,344)	(\$2,750,809)
Allocation of FY 2020 Shortage based on Plan members	(\$2,293,000)	(\$211,000)	(\$247,000)	(\$2,751,000)

**FY 2020-2024 LONG RANGE FINANCIAL FORECAST
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 supported 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 at \$0.0525 per \$100 of taxable value for the forecast period and beyond. It is expected that funds set aside from the General Fund for Infrastructure and Debt Service will be used to supplement property tax revenue in paying property tax supported debt service.

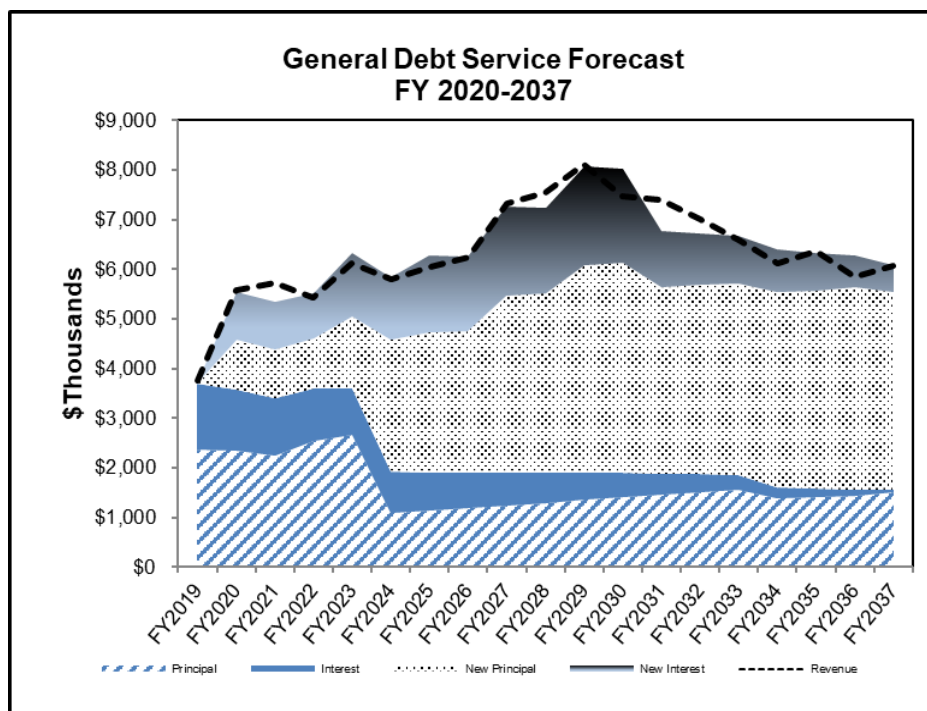
**GENERAL DEBT SERVICE FORECAST
FY 2019-2024 (\$THOUSANDS)**

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
REVENUE	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Property Taxes	\$3,018	\$3,157	\$3,282	\$3,411	\$3,545	\$3,684
Infrastructure & Debt Service Fund Transfer	\$629	\$2,321	\$2,391	\$1,970	\$2,536	\$2,090
Interest Income	\$104	\$109	\$48	\$42	\$40	\$36
TOTAL REVENUE	\$3,751	\$5,587	\$5,721	\$5,423	\$6,121	\$5,810
EXPENSE						
Current Debt Service						
Principal	\$2,356	\$2,339	\$2,250	\$2,543	\$2,660	\$1,093
Interest	\$1,329	\$1,236	\$1,146	\$1,054	\$941	\$823
Paying Agent Fees	\$2	\$5	\$5	\$5	\$5	\$5
Subtotal Current Debt Service	\$3,687	\$3,580	\$3,401	\$3,602	\$3,606	\$1,921
Projected Future Bonds Debt Service						
Principal	\$0	\$1,000	\$1,000	\$1,000	\$1,449	\$2,662
Interest	\$0	\$962	\$943	\$924	\$1,276	\$1,247
Subtotal Future Bonds Debt Service	\$0	\$1,962	\$1,943	\$1,924	\$2,725	\$3,909
TOTAL EXPENSE	\$3,687	\$5,542	\$5,344	\$5,526	\$6,331	\$5,830
Revenue Over/(Under) Expense	\$64	\$45	\$377	(\$103)	(\$210)	(\$20)
Beginning Fund Balance	\$1,617	\$1,681	\$1,726	\$2,103	\$2,000	\$1,790
Ending Fund Balance	\$1,681	\$1,726	\$2,103	\$2,000	\$1,790	\$1,770
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Effective Taxable Value (\$millions)	\$5,805.8	\$6,075.2	\$6,318.9	\$6,571.5	\$6,833.0	\$7,103.0
Debt Service Tax Rate	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500
Property Tax Revenue Growth	2.1%	4.6%	3.9%	3.9%	3.9%	3.9%
Investment Pool Earnings Rate	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%
General Fund Transfer to Infrastructure & Debt Service Fund	\$3,911.6	\$4,642.2	\$4,781.4	\$4,924.9	\$5,072.6	\$5,224.8
Percent I&DS Fund transferred to Debt Service Fund	16.1%	50.0%	50.0%	40.0%	50.0%	40.0%
Future Bond Issue (\$000's) NOTE	\$0	\$37,000	\$0	\$0	\$12,000	\$0
Outstanding Principal (\$000's) FY End	\$31,593	\$65,254	\$62,004	\$58,461	\$66,352	\$62,597
Overall Interest Rate	3.09%	3.59%	3.84%	4.09%	4.09%	4.09%
Interest Rate Diff with FY19 Rates	0.00%	0.50%	0.75%	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 toward the bond election authorization. These bond proceeds are expected to be fully appropriated for projects by the end of October 2019. Plans are underway, pending City Council approval, to sell the remaining \$37 million by that time to keep the bond election project list on schedule. The first principal and interest payments for this issue will be due in FY 2020, and the schedule above reflects those payments.

After the bonds authorized in the May 2017 election are sold this fall, the forecast anticipates that another property tax supported bond issue will not occur until FY 2023 at the earliest. This would require another bond election and approval by the voters. But the projections of debt issuance beyond the current authorization are included to demonstrate additional capacity beyond the forecast period.



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 \$1.5 to \$2.0 million each year.
- The total estimated use of Infrastructure and Debt Service money to pay debt service is \$11.3 million. This leaves an estimated \$16.6 million for pay as you go capital projects during the forecast period.

**GENERAL DEBT SERVICE FUND FORECAST
FY2019-2027 (\$THOUSANDS)**

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
REVENUE	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Property Taxes	\$3,018	\$3,157	\$3,282	\$3,411	\$3,545	\$3,684	\$3,855	\$4,005	\$4,162
Infrastructure & Debt Service Fund Transfer	\$629	\$2,321	\$2,391	\$1,970	\$2,536	\$2,090	\$2,153	\$2,217	\$3,140
Interest Income	\$104	\$109	\$48	\$42	\$40	\$36	\$35	\$30	\$30
TOTAL REVENUE	\$3,751	\$5,587	\$5,721	\$5,423	\$6,121	\$5,810	\$6,043	\$6,252	\$7,332
EXPENSE									
Current Debt Service									
Principal	\$2,356	\$2,339	\$2,250	\$2,543	\$2,660	\$1,093	\$1,134	\$1,182	\$1,240
Interest	\$1,329	\$1,236	\$1,146	\$1,054	\$941	\$823	\$778	\$731	\$672
Paying Agent Fees	\$2	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Subtotal Current Debt Service	\$3,687	\$3,580	\$3,401	\$3,602	\$3,606	\$1,921	\$1,917	\$1,918	\$1,917
Projected Future Bonds Debt Service									
Principal	\$0	\$1,000	\$1,000	\$1,000	\$1,449	\$2,662	\$2,815	\$2,850	\$3,565
Interest	\$0	\$962	\$943	\$924	\$1,276	\$1,247	\$1,557	\$1,497	\$1,799
Subtotal Future Bonds Debt Service	\$0	\$1,962	\$1,943	\$1,924	\$2,725	\$3,909	\$4,372	\$4,347	\$5,364
TOTAL EXPENSE	\$3,687	\$5,542	\$5,344	\$5,526	\$6,331	\$5,830	\$6,289	\$6,265	\$7,281
Revenue Over/(Under) Expense	\$64	\$45	\$377	(\$103)	(\$210)	(\$20)	(\$246)	(\$13)	\$51
Beginning Fund Balance	\$1,617	\$1,681	\$1,726	\$2,103	\$2,000	\$1,790	\$1,770	\$1,524	\$1,511
Ending Fund Balance	\$1,681	\$1,726	\$2,103	\$2,000	\$1,790	\$1,770	\$1,524	\$1,511	\$1,562
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Effective Taxable Value (\$millions)	\$5,805.8	\$6,075.2	\$6,318.9	\$6,571.5	\$6,833.0	\$7,103.0	\$7,380.0	\$7,667.8	\$7,966.8
Debt Service Tax Rate	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500
Property Tax Revenue Growth	2.1%	4.6%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Investment Pool Earnings Rate	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
General Fund Transfer to Infrastructure & Debt Service Fund	\$3,911.6	\$4,642.2	\$4,781.4	\$4,924.9	\$5,072.6	\$5,224.8	\$5,381.5	\$5,543.0	\$5,709.3
Percent I&DS Fund transferred to Debt Service Fund	16.1%	50.0%	50.0%	40.0%	50.0%	40.0%	40.0%	40.0%	55.0%
Future Bond Issue (\$000's) NOTE	\$0	\$37,000	\$0	\$0	\$12,000	\$0	\$12,000	\$0	\$12,000
Outstanding Principal (\$000's) FY End	\$31,593	\$65,254	\$62,004	\$58,461	\$66,352	\$62,597	\$70,648	\$66,616	\$73,811
Overall Interest Rate	3.09%	3.59%	3.84%	4.09%	4.09%	4.09%	4.09%	4.09%	4.09%
Interest Rate Diff with FY19 Rates	0.00%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Future Debt Service Schedules	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Principal									
FY2020		\$1,000	\$1,000	\$1,000	\$1,176	\$1,882	\$1,904	\$1,926	\$1,952
FY2021			\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2022				\$0	\$0	\$0	\$0	\$0	\$0
FY2023					\$273	\$780	\$388	\$394	\$552
FY2024						\$0	\$0	\$0	\$0
FY2025							\$523	\$530	\$538
FY2026								\$0	\$0
FY2027									\$523
FY2028									
FY2029									
Subtotal Principal	\$0	\$1,000	\$1,000	\$1,000	\$1,449	\$2,662	\$2,815	\$2,850	\$3,565
Interest									
FY2020		\$962	\$943	\$924	\$905	\$882	\$845	\$806	\$765
FY2021			\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2022				\$0	\$0	\$0	\$0	\$0	\$0
FY2023					\$371	\$365	\$346	\$337	\$327
FY2024						\$0	\$0	\$0	\$0
FY2025							\$366	\$354	\$341
FY2026								\$0	\$0
FY2027									\$366
FY2028									
FY2029									
Subtotal Interest	\$0	\$962	\$943	\$924	\$1,276	\$1,247	\$1,557	\$1,497	\$1,799
Total by Year									
FY2020		\$1,962	\$1,943	\$1,924	\$2,081	\$2,764	\$2,749	\$2,732	\$2,717
FY2021			\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2022				\$0	\$0	\$0	\$0	\$0	\$0
FY2023					\$644	\$1,145	\$734	\$731	\$879
FY2024						\$0	\$0	\$0	\$0
FY2025							\$889	\$884	\$879
FY2026								\$0	\$0
FY2027									\$889
FY2028									
FY2029									
Subtotal by Year	\$0	\$1,962	\$1,943	\$1,924	\$2,725	\$3,909	\$4,372	\$4,347	\$5,364

GENERAL DEBT SERVICE FUND FORECAST FY2028-2037 (\$THOUSANDS)

	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037
REVENUE	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Property Taxes	\$4,281	\$4,447	\$4,621	\$4,801	\$4,988	\$5,183	\$5,385	\$5,595	\$5,813	\$6,040
Infrastructure & Debt Service Fund Transfer	\$3,234	\$3,634	\$2,807	\$2,570	\$1,986	\$1,363	\$702	\$723	\$0	\$0
Interest Income	\$31	\$37	\$38	\$27	\$40	\$45	\$44	\$38	\$39	\$39
TOTAL REVENUE	\$7,546	\$8,118	\$7,466	\$7,398	\$7,014	\$6,591	\$6,131	\$6,356	\$5,852	\$6,079
EXPENSE										
Current Debt Service										
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	\$3,611	\$4,183	\$4,238	\$3,761	\$3,812	\$3,864	\$3,925	\$3,979	\$4,067	\$3,971
Interest	\$1,717	\$1,997	\$1,894	\$1,130	\$1,043	\$952	\$856	\$756	\$652	\$543
Subtotal Future Bonds Debt Service	\$5,328	\$6,180	\$6,132	\$4,891	\$4,855	\$4,816	\$4,781	\$4,735	\$4,719	\$4,514
TOTAL EXPENSE	\$7,236	\$8,082	\$8,026	\$6,769	\$6,729	\$6,672	\$6,396	\$6,324	\$6,282	\$6,084
Revenue Over/(Under) Expense	\$310	\$36	(\$560)	\$629	\$285	(\$81)	(\$265)	\$32	(\$430)	(\$5)
Beginning Fund Balance	\$1,562	\$1,872	\$1,908	\$1,349	\$1,978	\$2,263	\$2,182	\$1,917	\$1,950	\$1,520
Ending Fund Balance	\$1,872	\$1,908	\$1,349	\$1,978	\$2,263	\$2,182	\$1,917	\$1,950	\$1,520	\$1,515
	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037
Effective Taxable Value (\$millions)	\$8,277.5	\$8,600.3	\$8,935.7	\$9,284.2	\$9,646.3	\$10,022.5	\$10,413.4	\$10,819.5	\$11,241.5	\$11,679.9
Debt Service Tax Rate	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500	\$0.052500
Property Tax Revenue Growth	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Investment Pool Earnings Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
General Fund Transfer to Infrastructure & Debt Service Fund	\$5,880.5	\$6,057.0	\$6,238.7	\$6,425.8	\$6,618.6	\$6,817.2	\$7,021.7	\$7,232.3	\$7,449.3	\$7,672.8
Percent I&DS Fund transferred to Debt Service Fund	55.0%	60.0%	45.0%	40.0%	30.0%	20.0%	10.0%	10.0%	0.0%	0.0%
Future Bond Issue (\$000's) NOTE	\$0	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding Principal (\$000's) FY End	\$68,907	\$75,372	\$69,723	\$64,499	\$59,171	\$53,748	\$48,443	\$43,054	\$37,542	\$32,066
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 FY19 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										
FY2020	\$1,978	\$2,004	\$2,030	\$2,060	\$2,086	\$2,115	\$2,148	\$2,178	\$2,237	\$2,065
FY2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2023	\$559	\$566	\$575	\$583	\$592	\$600	\$610	\$618	\$628	\$688
FY2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2025	\$544	\$552	\$559	\$566	\$575	\$583	\$592	\$600	\$610	\$618
FY2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2027	\$530	\$538	\$544	\$552	\$559	\$566	\$575	\$583	\$592	\$600
FY2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2029		\$523	\$530	\$538	\$544	\$552	\$559	\$566	\$575	\$583
Subtotal Principal	\$3,611	\$4,183	\$4,238	\$3,761	\$3,812	\$3,864	\$3,925	\$3,979	\$4,067	\$3,971
Interest										
FY2020	\$722	\$676	\$627	\$575	\$520	\$462	\$401	\$337	\$271	\$202
FY2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2023	\$313	\$299	\$284	\$268	\$251	\$234	\$216	\$197	\$177	\$156
FY2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2025	\$328	\$315	\$301	\$287	\$272	\$256	\$239	\$222	\$204	\$185
FY2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2027	\$354	\$341	\$328	\$315	\$301	\$287	\$272	\$256	\$239	\$222
FY2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2029		\$366	\$354	\$341	\$328	\$315	\$301	\$287	\$272	\$256
Subtotal Interest	\$1,717	\$1,997	\$1,894	\$1,130	\$1,043	\$952	\$856	\$756	\$652	\$543
Total by Year										
FY2020	\$2,700	\$2,680	\$2,657	\$2,635	\$2,606	\$2,577	\$2,549	\$2,515	\$2,508	\$2,267
FY2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2023	\$872	\$865	\$859	\$851	\$843	\$834	\$826	\$815	\$805	\$844
FY2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2025	\$872	\$867	\$860	\$853	\$847	\$839	\$831	\$822	\$814	\$803
FY2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2027	\$884	\$879	\$872	\$865	\$857	\$847	\$837	\$826	\$814	\$803
FY2028	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY2029		\$889	\$884	\$879	\$872	\$867	\$860	\$853	\$847	\$839
Subtotal by Year	\$5,328	\$6,180	\$6,132	\$4,339	\$4,296	\$4,250	\$4,206	\$4,152	\$4,127	\$3,914

**LONG RANGE FINANCIAL FORECAST
TAX INCREMENT REINVESTMENT ZONE PROPOSAL
JUNE 2019**

1. Proposition: Close TIRZ 12 and 14 to financial benefit of both the City and the County
 - a. Close by vote of City Council and Commissioner's Court in December 2019.
 - b. Taxable property value expected to become part of tax rolls as prior year value in Tax Year 2020 and will not become part of the growth counted against the new 3.5 percent limit.
2. County gains \$200,000 annually
 - a. Pays \$600,000 in 2019 to TIRZ 12 (\$189,000) and 14 (\$417,000) combined.
 - b. As developer, County receives \$400,000 from TIRZ 12 to be applied to County road bonds debt service.
 - c. Annual payment has never been sufficient to pay anything but interest; current balance of developer's amount due is \$5.6 million principal and \$1.6 million accrued interest.
 - d. County realizes net gain in cash flow of \$200,000 to go toward retirement of debt service on bonds.
 - e. Closure of TIRZ 12 saves \$60,000 in administrative fees for City and TIRZ admin (accounting, legal fees).
 - f. Residual balance of \$142,592 on September 30, 2018 to be split based on contributions to date (46.7 percent City, 49.9 percent County, 2.7 percent Navigation District, 0.7 percent Road district) or retained by County.
3. City gains more flexibility in future use of property tax revenue
 - a. City loses \$417,000 in annual County contributions to TIRZ 14 for City projects to end in 2033.
 - b. City loses annual admin fees of \$90,000 (5 percent of increments) for TIRZ 12 (\$19,000) and 14 (\$71,000) combined.
 - c. City regains annual increments (\$1.1 million) paid to TIRZ 12 (\$193,000) and 14 (\$912,000) for General Fund
 - d. TIRZ 14 is substantially benefit to Airport and immediate area
 - (i) Outstanding TIRZ 14 debt projected to be \$1.94 million plus accrued interest in \$20,000 range by January 2020. City would retire this debt
 - (ii) Available cash balance as of September 30, 2018 was \$2.48 million
 - (iii) Tax years 2018 and 2019 increments will be paid into TIRZ 14 if closure is voted in December 2019: Additional \$3.0 million in increments less \$200,000 estimated for admin by City and TIRZ: Estimated balance on December 31, 2019 would be \$3.5 million (including all of Tax Year 2019 increments outstanding and \$2 million current balance)
 - (iv) Decisions needed on current projects pending including Airport Warehouse at \$600,000 range and 83rd Street at \$1 million.
 - (v) City to split balance with County and retire \$1.9 million in outstanding TIRZ bonds over time (ending in 2023) or through a negotiated early settlement
4. Net Present Value from closing both TIRZs
 - a. County gains \$3.2 million
 - b. City loses \$5.7 million for current funding arrangement and assumes responsibility for payment of TIRZ 14 debt but restores flexibility of \$13 million in property tax revenue, two thirds of which goes back into General Fund

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

- Completed the 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 annual 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.
- Expended \$1.092 million in CDBG and HOME Program funds during our 2018 Program Year and facilitated the HUD drawdown requests for reimbursement of funds in a timely manner.
- Provided for rehabilitation/reconstruction completion of 3 single-family housing units for LMI households. All units meet local building codes, TDI Windstorm, Floodplain Management, and Lead-Based Paint requirements to provide safe, decent housing to LMI residents.
- Completed the Community Housing Development Org. (CHDO) to provide affordable housing projects to acquire, rehabilitate and sell to LMI households; acquired 4 units, 4 units rehabilitated, 2 units sold to LMI homebuyers, and 2 units rented for lease-to-own.
- Facilitated all necessary federal requirements for the 2018 Program Year CDBG and HOME funded projects. 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. The 2018 PY CDBG and HOME Project accomplishments are as follows:

Project	Accomplishments
Parks & Recreation - Youth Programs	• Provided 49 part-time employees as recreation aides • 1,130 children/youth (91% LMI) registered for summer and afterschool activities • 62 disabled children/youth served • 38,816 total daily sessions of service • McGuire Dent - 18,694 sessions • Wright Cuney - 20,122 sessions
City Marshall - Code Compliance Officers	• Provided 4 officers • 4,960 property inspections conducted • 1,174 code violations identified and corrected • 3,786 re-inspections conducted
City Marshall - Code Compliance Lot	• 71 lot clearances completed

Clearance and Demolition	•16 contracts awarded with 7 Section 3 (LMI Contractor) and 16 Minority/Women Business Enterprise
Public Works - 27th St. Sidewalk/ Streetscape Improvements (Broadway to Market)	•95% Engineering design plan completed
Grants & Housing - Housing Rehabilitation Program	•3 LMI homeowner single-family projects completed
Grants & Housing - Homebuyer Assistance Program	•1 LMI applicant determined income eligible, but unable to purchase a home •100 applicant inquiries about the program
Grants & Housing - CHDO Affordable Housing Program	•2 LMI affordable housing projects rented for lease-to-own •Completed project for 4 units with 2 units sold to LMI homebuyers in prior year

- CDBG & HOME Programs provided a total of \$37,779.60 in 20 contracts; \$6,425.00 for 16 Minority and Women Owned Businesses and \$2,900.00 for 7 Section 3 Businesses (local LMI businesses).
- Provided technical assistance to the Galveston Housing Authority, Resource and Crisis 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.
- Under the City's multi-year Consolidated Plan, reviewed 5 federal grant applications for local non-profit agencies and Galveston Housing Authority and completed HUD mandatory Consistency Certifications and Approval of Nonprofit Emergency Solutions Grants Shelter Activities. 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 management of the 2017 Program Year CDBG and HOME Programs. The review revealed the City had noteworthy achievements in its CDBG and HOME Programs; the City expended 100% of its funds to benefit low-moderate income persons; the City was within its expenditure caps for administration and public services; 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 Disbursement 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 and

Floodplain management) for City and other Continuum of Care and public housing non-profit program activities; Federal Labor Standards Provision and the Davis-Bacon Act for construction projects; homebuyer and tenant-based rental 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 tenant-based rental assistance for 12 low-moderate income (LMI) households for rental subsidies to assist LMI households with affordable housing costs including rent payments and security deposits.
- Provide downpayment and closing cost assistance for 3 low-moderate income (LMI) families to purchase their first home.
- 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, Parks & Recreation Department, and Police Department to ensure that all federal statutory and regulatory requirements are adhered to for the Demolition / Boardup / Clearance and Code Compliance Staffing, Youth Recreation Programs, and Crime Prevention respectively.

Performance Measures

Performance Measurements	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Undetermined
Financial Compliance					
Timeliness Ratio: 1.50% or Less Regulatory Compliance	1.49%	1.45%	1.50%	1.50%	N-A
Commitment of Funds: 100% Regulatory Compliance	100%	100%	100.00%	N-A	N-A
Disbursement of Funds: 100% Regulatory Compliance	100%	100%	100.00%	N-A	N-A
Beneficiary Compliance					
% of LMI Benefits: 70% Regulatory Compliance	100%	100%	100.00%	100.00%	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	Monitored 7-15 thru 19-19 - No Concerns/1 Finding	N-A
Program Monitoring:					
Monthly Desk Review	92	57	50	50	N-A
Labor Standards Compliance: Minimize Findings	No Findings/No Concerns	No Findings/No Concerns	No Findings/No Concerns	No Findings/No Concerns	N-A
Environmental Reviews:	16	15	9	0	N-A
Fair Housing Compliance:	No Findings	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	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	7	10	N-A
Employees	7	5	10	10	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.	Facilitate 2 Semi-Annual Training with CDBG funded City Dept.	N-A
HUD Reporting: Complete, Accurate & Timely	9	9	9	9	N-A
Homebuyer Downpayment Assistance	2	2	0	3	N-A
Rehabilitation/Reconstruction Assistance	8	2	3	0	N-A
Tenant-Based Rental Assistance				12	N-A
CHDO Affordable Housing	5	2	2	0	N-A
City Dept. Funded Projects	6	7	5	6	N-A

CITY OF GALVESTON

2019 CDBG and HOME Approved Programs Budget

On June 27, 2019, the City Council approved the 2019 Consolidated Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs for \$1,457,743 (CDBG \$1,199,293 and HOME \$258,450) and Program Income estimate of \$50,000 (CDBG \$20,000 and HOME \$30,000). The CDBG and HOME Programs will meet the Community Development and Housing Objectives, as approved, to primarily benefit the low-moderate income (LMI) population. The U.S. Dept. of Housing & Urban Development (HUD) administers the CDBG and HOME Programs and has released the 2019 CDBG and HOME Funding Allocations. The City will receive CDBG funding in the amount of \$1,199,293 and HOME funding in the amount of \$258,450. The 2019 allocations are a decrease from the City's 2018 funding in the following amounts: CDBG -\$12,441 (-1.03%) and HOME -\$38,205 (-12.88%).

The 2019 Program Year funding received from the HUD Community Planning and Development Division Catalog of Federal Domestic Assistance (CFDA) title and number and the HUD award identification number is as follows:

CFDA 14.218 Community Development Block Grant/Entitlement Grant - HUD Award B-19-MC-480016

CFDA 14,239 HOME Investment Partnerships Program - HUD Award M-19-MC-480208

2019 Community Development & Housing Objectives

1. To provide and expand homeownership opportunities for LMI homebuyers;
2. To provide and expand access to affordable housing through rental subsidies for LMI households and assisting in the prevention of homelessness;
3. To provide housing services to support LMI homeownership, TBRA, and other housing activities;
4. To educate and enforce lead-based paint and other lead hazards rules and regulations;
5. To identify and eliminate barriers to affordable housing and impediments to fair housing;
6. Provide code enforcement and neighborhood revitalization activities to diminish unsafe buildings and lots, blighting influences, and general neighborhood decay in LMI areas;
7. Provide infrastructure enhancement to support neighborhood revitalization and residential development in LMI areas;
8. Promote the health and well-being of city LMI residents through the provision of public and supportive services including youth programs;
9. Provide mechanisms to reduce crime and enhance public safety in LMI areas;
10. To facilitate neighborhood, comprehensive, and individual project management, planning, and capacity building activities for LMI areas;
11. Provide economic development opportunities and Section 3 education for LMI persons and businesses; and
12. Assist in the coordination of homeless resources in the community through participation with and reliance on the Continuum of Care Program.

2019 CDBG Program Projects

Project	Description	Outcomes	2019 Allocations
Public Service Activities		(Requirement Limit of 15% Cap - \$179,893) \$ 179,893.00	
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	900 children and youth	\$ 150,505.00
Police Dept. Crime Prevention Program	Provide officers for extra-duty patrols and equipment to reduce the levels of criminal activity and assist residents in low-moderate income neighborhoods; work with citizens and neighborhood groups to identify and report criminal activity	900 citizen contacts	\$ 29,388.00
Public Facility & Improvement Activities		\$ 502,416.00	
Public Works Dept. 27th Street 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; and to assist in safe, accessible routes for pedestrians and enhanced deteriorated streetscape amenities (in coordination with 2018 funding for 27th Street Project)	6 blocks of improvements	\$ 502,416.00

Code Enforcement Activities			\$ 227,639.00
City Marshall-Compliance Division Code Compliance Officers	Provide 4 compliance officers to work in LMI neighborhoods to conduct property inspections and reinspections to enforce local codes and owner notifications and processes for enforcement on non-compliant properties	4,500 inspections and 1,000 reinspections	\$ 197,947.00
City Marshall-Compliance Division Demolition & Lot Clearance/Boardup	Provide contracted lot clearance/boardup on properties with nuisance and safety issues and demolition of dilapidated/unsafe structure in LMI areas	1 Demolition and 90 Lot Clearances / Boardups	\$ 29,692.00
Affordable Housing Activities			\$ 49,487.00
Affordable Housing Services	Provide management and oversight for the affordable housing programs including tenant-based rental assistance and other housing related issues including projects funded through the CDBG and HOME Programs	Ensure regulatory compliance	\$ 49,487.00
Planning & Program Administration Activities			(Requirement Limit of 20% Cap - \$239,858) \$ 239,858.00
CDBG Program Administration	Provide management of the CDBG and HOME Programs to ensure compliance with all regulatory requirements	Ensure regulatory compliance	\$ 239,858.00
CDBG TOTAL ALLOCATION			\$ 1,199,293.00
CDBG Program Income (Estimated)	Provide Consolidated Plan Eligible Projects such as code enforcement and affordable housing services from PI received primarily from housing rehabilitation loan payments and payoffs and lot clearance, boardup, and demolition lien payoffs	Assist in eligible CDBG projects	\$ 20,000.00
2019 HOME Program Projects			
Project	Description	Outcomes	2019 Allocations
Affordable Housing Activities			\$ 232,605.00
Community Housing Development Organization (CHDO) Program	City will decline access to funding to provide a homeownership or rental housing development activity to acquire property and rehabilitate or construct affordable housing to be sold or rented to LMI household (Requirement Mandatory 15% Set-aside \$38,767.50)	No objective	\$ 38,767.50
Grants & Housing Dept. Tenant-Based Rental Program	Provide Tenant-Based Rental Assistance (TBRA) for rental subsidies to assist LMI households with affordable housing costs including rent payments and security deposits	12 LMI households	\$ 150,276.80
Grants & Housing Dept. Homebuyer Assistance Program	Provide downpayment and closing cost to assist LMI households with first-time homeownership	3 LMI households	\$ 43,560.70
HOME Program Administration Activities			(Requirement Limit of 10% Cap - \$25,845) \$ 25,845.00
HOME Program Administration	Provide management of the HOME Program to ensure compliance with all regulatory requirements	Ensure regulatory compliance	\$ 25,845.00
HOME TOTAL ALLOCATION			\$ 258,450.00
HOME Program Income (Estimated)	Provide Consolidated Plan Eligible Projects such as TBRA and homeownership projects from PI received primarily from housing rehabilitation loan payments	Assist in eligible HOME projects	\$ 30,000.00
TOTAL CONSOLIDATED PROGRAMS			\$ 1,457,743.00

The Grants and Housing Department is the lead agency for management and coordination of the implementation of the 2019 CDBG and HOME Programs under the 5-year 2019 Consolidated Plan and the 1-year Action Plan for the City of Galveston. The 2019 CDBG and HOME Program-year starts on June 1, 2019 and ends on May 31, 2020.

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 APPROPRIATIONS FOR CITY OPERATIONS AND CAPITAL PROJECTS FOR SUCH FISCAL YEAR AS REFLECTED IN SUCH BUDGET; AUTHORIZING VARIOUS OTHER TRANSFERS; APPROVING AND ADOPTING THE FY 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.



Genevieve Williams
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
Laker 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
(Page 2 of 7)**

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 Boulevard, 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	0	1,596,659
ST1807	Avenue S - 53rd to Seawall Blvd (County)	3,775,625	0	0	0	0	3,775,625
W1803	Teichman Road Waterline - 91st - 96th	379,750	2,773,000	0	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**

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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

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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
(Page 6 of 7)**

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	Airfield 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

			3190 918100	3191 918400	3192 918500	3193 918600
	Total FY 18	Total FY 19	Beach	ED	Parks	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
Contractual Services:						
<u>Consultant Services (531004)</u>						
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		
<u>Other Contracts (531125)</u>						
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		
<u>Attorney's Fees (531006)</u>	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)						
<u>Marketing (530014)</u>						
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:						
<u>Meeting Expenditures (544032)</u>						
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.



Samuel Williams
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:

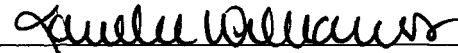


DONALD GLYWASKY
CITY ATTORNEY

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

ORDINANCE NO. 19-007

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING THE TOTAL OPERATING BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2019, BY ADJUSTING VARIOUS BUDGET ACCOUNTS IN THE AMOUNT OF THIRTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$13,500,000) TO ADJUST AND PROPERLY RECORD FOR OPERATING TRANSFERS AND RECORDING EXPENDITURES IN CONNECTION WITH THE LEGAL SETTLEMENT WITH CDM SMITH; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on September 18, 2018, the Galveston City Council adopted Ordinance No. 18-063 authorizing an operating budget for Fiscal Year 2019; and

WHEREAS, pursuant to “The City Charter,” the City Council has the power to transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another during the fiscal year; and

WHEREAS, since the adoption of the Fiscal Year 2019 budget, there has arisen a need to amend the Fiscal Year 2019 Operating Budget for the adjustment to various budget accounts to properly record settlement expenses; and

WHEREAS, the City Council finds it in the public interest to amend the total Fiscal Year 2019 Operating Budget by adjusting various budget accounts as outlined in **Attachments A, B, and C**.

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 City Council hereby authorizes an amendment in the amount of thirteen million five hundred thousand dollars (\$13,500,000) to the total Operating Budget for Fiscal Year 2019 as outlined in **Attachments A, B, and C**; incorporated herein for all intents and purposes.

- a. General Fund unspent balances will be transferred to the Settlement and Capital Reserve Fund in the amount of \$6,128,000;
- b. Settlement and Capital Reserve Funds in the amount of \$2,092,000 will be budgeted for settlement expense;
- c. A total expense amount will be recorded in the Settlement and Capital Reserve Fund equal to \$8,220,000 for the settlement;
- d. A transfer of unappropriated fund balance from the Workers’ Compensation Internal Service Fund will be made to the Casualty and Liability Internal Service Fund in the amount of \$2,386,800; and

- e. A total expense amount will be recorded in the Casualty and Liability Internal Service Fund in the amount of \$5,280,000.

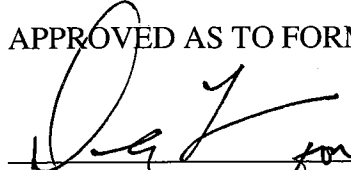
SECTION 3. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree 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 4. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 5. 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 6. This Ordinance shall be and become effective from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

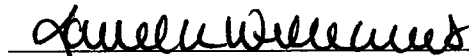
APPROVED AS TO FORM

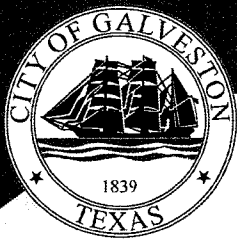

DONALD S. GLYWASKY
CITY ATTORNEY

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 24th day of January, 2019, 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 28th day of January, 2019.




Secretary for the City Council
of the City of Galveston



10D
01/24/19
City of Galveston

Finance Department
PO Box 779 | Galveston, TX 77553-0779
| 409-797-3562

January 24, 2019

To: Brian Maxwell, City Manager
Honorable Mayor and City Council
From: Michael W. Loftin, Assistant City Manager for Finance

RE: Consider an ordinance amending the FY 2019 Budget to provide funds for a settlement with CDM Smith.

I. Background

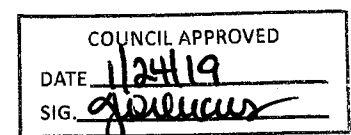
- A. This ordinance provides an amendment utilizing General Fund fund balance and departmental budget reduction along with internal service fund balances to pay a \$13.5 million settlement expense.
- B. The settlement is the result of a jury trial and a final judgement in Galveston County court ordering that Plaintiff CDM Smith receive a payment of \$15,725,068.50 for costs associated with Hurricane Ike related housing repairs and prejudgement interest.
- C. The settlement of \$13.5 million was paid on December 31, 2018 after conferring with City Council in executive session on the method and sources of payment.

II. Current Situation

- A. The amendment to the FY 2019 Budget provides funding for the settlement as follows:

FY 2019 Budget Reductions by Fund	Recommended Amounts Available
Insurance Internal Service Funds	
Casualty and Liability Fund Balance in excess of 90 days	\$2,893,200
Workers Compensation Fund Balance in excess of 90 Days - Transfer to Casualty and Liability Fund	\$2,386,800
Insurance Internal Service Fund Subtotal	\$5,280,000
General Fund FY 2019 Budget Transfer to Settlements Fund	
Departmental Budget Reductions - Allow Unspent amounts to go to fund General Fund balance	\$1,091,319
Reduce Transfer from General Fund to Hurricane Harvey fund	\$1,300,000
Use Excess Fund Balance over 90 Days	\$1,236,681
Use General Fund Balance Contingency	\$2,500,000
General Fund Transfer to Settlement Fund Subtotal	\$6,128,000
Settlement and Capital Reserve Fund	
Reallocate Capital Reserve to pay settlement	\$2,092,000
Recovery and Capital Reserve Fund Subtotal	\$2,092,000
GRAND TOTAL	\$13,500,000

- B. The amendment provides for:



1. Payments from Internal Service Funds established for insurance purposes in the amount of \$5.28 million;
 2. \$1,091,319 in General Fund operating departments' FY 2019 Budget reductions, or approximately 2 percent of budget;
 3. Reduced funding in the amount of \$1.3 million from General Fund for Hurricane Harvey expenditures based on the latest project cost information;
 4. Assignment of the General Fund Contingency of \$2.5 million and excess fund balance in the amount of \$1,236,681; and
 5. \$2,092,000 from the Settlement and Capital Reserve Fund (previously called the Recovery and Capital Reserve fund).
- C. The amendment provides that the General Fund amounts will be transferred to the Settlement and Capital Reserve Fund, with the Settlement Fund providing a combined total of \$6,220,000 for the payment to CDM.
- D. The amendment provides for the balance of the payment to be made from the Casualty and Liability Fund Balance, including the excess fund balance from the Workers' Compensation Fund, in the total amount of \$5.28 million.

III. Issues

- A. The City reached a settlement with CDM rather than appeal and continue to incur the cost of post judgment interest as well as legal expenses.
- B. The settlement is a general liability claim for the City, limiting the use of restricted or dedicated funds from enterprise funds or capital project funds to pay the necessary cost.
- C. All affected fund balances are budgeted to remain at 90 days of operations.
- D. No layoffs were necessary in General Fund departments.
- E. The recommendation is to maintain the General Fund budget cuts and the projected underrun of current expenses versus revenue in preparation of the FY 2020 Budget. This approach will serve to rebuild the General Fund balance to its previous level in deliberate, planned way.

IV. Alternatives

- A. City Council approves the proposed budget amendment.
- B. City Council modifies the recommended funding sources to reduce more General Fund operating fund budget amounts and retain fund balances in excess of the 90 day reserve amount.

V. Recommendation

Concur in Alternative A.



Settlement and Release by and between
CDM Smith, Inc. and City of Galveston

This agreement is entered into between the City of Galveston, a municipality organized pursuant to the Constitution and Laws of the State of Texas (hereinafter referred to as "City") and CDM Smith, Inc. a Massachusetts corporation doing business in the State of Texas.

The purpose of this agreement is to settle Case No. 13-CV-0844, *CDM Smith, Inc. v. City of Galveston*, in the 56th Judicial District Court of Galveston County, Texas (Galveston County case) as well as certain claims pending between them in Case Number D-1_GN-13-002497 *General Land Office v. City of Galveston and CDM Smith, Inc.*, In the 201st Judicial District Court of Travis County Texas,

The suit involved the interpretation and application of the following listed agreements: a) the initial Agreement with the Texas Department of Housing and Community Affairs and the City of Galveston, Contract No. 70090008 (original, first amendment, and second amendment); b) re-designated GLO Contract with the City of Galveston Contract No. 10-5277-000-5283, (third amendment and fourth amendment. and the Agreement between City of Galveston and Camp Dresser & McKee, Inc. for Community Development Block Grant Management Services signed by City Manager Steve LeBlanc on October 27, 2009 as amended (hereinafter the City Contract).

The purpose of this agreement is to finally resolve the litigation between the parties in accordance with the terms and provisions herein.

- I. Resolution of the Galveston County case:
 - 1) The parties agree:
 - a. A judgment in favor of CDM Smith for a total amount of Fifteen Million Seven Hundred Twenty Five Thousand Sixty Eight Dollars and Forty Nine Cents (\$15,725,068.49) on November 1, 2018. The parties have agreed to settle that case for the amount of Thirteen Million Five Hundred Thousand Dollars (\$13,500,000.00).
 - b. Payment of the aforementioned settlement amount shall be paid by December 31, 2018.

- 2) Upon payment by the City as provided in the previous paragraph, CDM will file with the Galveston District Clerk a Final Release and Satisfaction of Judgment which generally releases and forever discharges the City and its employees, officers, directors, successors, assigns, and attorneys, from any and all claims, demands, and causes of action of whatever kind or character arising out of the events alleged, or which could have been alleged in the Galveston County case, and/or the underlying agreement(s), which it now has or may have in the future against the City based on any events that have occurred or are alleged to have occurred prior to the date this Settlement Agreement is executed. Upon the filing of the Final Release and Satisfaction of Judgment, each party will file a notice with the Court withdrawing any motions each may have before the Court.
- 3) The City and CDM agree that jurisdiction and venue for any dispute related to the Release and Settlement Agreement between them will be in the 56th Judicial District Court in Galveston County, Texas before Judge Lonnie Cox in Cause No. 13-CV-0844, and all claims and defenses of immunity and exemption are waived as to causes of action and claims relating to the Settlement Agreement.
- 4) Subject to Paragraph 7 below, the City releases all claims and defenses, known or unknown, now and in the future, against CDM related to its work under the City Contract , including, but not limited to, any claims or defenses of overbilling, poor performance, insufficient staffing, prior material breach, misrepresentation, failure to insure or indemnify, lack of benefits received, form of invoices and task codes, setoff claims, Historic homes damages, duplication of effort claims, ineligibility of work or invoices under CDBG-DR guidelines or City or State laws or regulations, sovereign or governmental immunity or exemption, mutual mistake, fraud, ambiguity, failure of consideration, no duty, waiver, ratification, abandonment, unclean hands, and failure of any condition precedent or pay-if-paid clause, among other claims or defenses. This release also applies to City initiated audits and clawbacks. However the parties acknowledge an audit may be initiated by HUD and this Paragraph will not be operative to any clawback resulting from a HUD audit, or an audit done by the GLO at the request or direction of HUD.
- 5) Any breach of the Settlement Agreement by the City, including, but not limited to, any failure of the City to make timely payments to CDM, will require the City to pay CDM all of its attorneys' fees and costs incurred in this matter and to be incurred to enforce the Settlement Agreement and to collect the full amount of the

Final Judgment in the Galveston County case plus post-judgment interest accrued at the highest rate allowed by law on such amount.

- 6) The City will pay to CDM any amount it recovers from the GLO or the United States Department of Housing and Urban Development (HUD) or any third party for work performed by CDM under the City Contract that is in excess of the amounts paid or agreed to be paid to CDM under the Release and Settlement Agreement.
- 7) It is mutually agreed among the parties that, consistent with the provision in the contract that the obligation of CDM to repay any previously paid amounts in the event they are disallowed by the United States Department of Housing and Urban Development (HUD), shall continue in effect after this Settlement Agreement, and shall also apply any disallowance applied to the General Land Office (GLO). This obligation shall apply only to the previously paid amount of Eight Million Four Hundred Thousand Dollars (\$8,400,000) during the conduct of the work by CDM as program administrator. This obligation of CDM shall apply in either the event of action by HUD to recover such previously paid amounts from the City or from GLO. Under this provision either the City or GLO may enforce the cited provision and directly recover any amounts of money which are repaid or required to be repaid to HUD.
- 8) The City will provide CDM a positive reference for the services it provided pursuant to the contract. A copy of the letter the City will issue in response to such a request is attached as Exhibit A. The City agrees that the failure to use this positive reference for CDM is a material breach and default by the City of the Settlement Agreement and will result in the remaining amount of the Final Judgment in the Galveston County case of \$15,725,068.49 plus post-judgment interest accrued at the highest rate allowed by law on such amount being immediately due and payable to the CDM. No notice or demand by CDM shall be required for such a default by the City.
- 9) The City agrees that it will not make, issue, or publish future statements or communications concerning CDM or its performance contrary to the positive reference provided for in the previous paragraph. This provision is not violated by the production of public information as defined and required by the Texas Public Information Act Chapter 552 of the Texas Government Code in accordance with the provisions and procedures in the act.

- 10) Within three business days of receipt of payment, CDM will through its counsel, file with the 56th Judicial District of Galveston County a Release and Satisfaction of the Judgment entered in the Galveston County case.

II. Resolution of the Travis County case.

Case Number D-1_GN-13-002497 *General Land Office v. City of Galveston and CDM Smith, Inc.*, in the 201st Judicial District Court of Travis County Texas, will be resolved separately pursuant to dismissal detailed in a Rule 11 agreement filed by the parties prior to the execution of this agreement. Under that Rule 11 Agreement, CDM and City have agreed with the GLO to dismiss CDM and GLO employees from this case under the conditions therein described. A copy of that Rule 11 agreement is attached and its provisions incorporated herein as if fully set forth.

III. Miscellaneous Provisions

- 11) This Settlement Agreement shall be governed and construed in accordance with laws of the State of Texas, except that any conflict of law rule of that jurisdiction that may require reference to the laws of some other jurisdiction shall be disregarded.
- 12) The parties agree that this Settlement Agreement is entered into for settlement purposes only in order to avoid further trouble, cost, and expense, and it is further agreed that no party admits liability or damages to anyone other party as the result of the events that form the basis of the either suit, but expressly deny any and all such liability.
- 13) This Settlement Agreement has been prepared by the joint efforts of the respective attorneys for each of the parties.
- 14) If any provision of this Settlement Agreement is or may be held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless survive and continue in full force and effect without being impaired or invalidated in any way.
- 15) None of the parties to this Settlement Agreement have expressed any facts, representations, agreements, undertakings, or express or implied warranties, except as expressly contained in this Settlement Agreement.

- 16) The Settlement Agreement shall continue perpetually and shall be binding upon the parties and their heirs, successors, and assigns and shall inure to the benefit of the parties and their heirs, successors, and assigns.
- 17) This Settlement Agreement represents the entire agreement of the parties and supersedes all prior written or oral agreements, and the terms are contractual and not mere recitals.
- 18) This Settlement Agreement may be executed in multiple counterparts, each of which shall be deemed as an original, but all of which shall constitute one and the same instrument. A copy of this Settlement Agreement shall be as valid, binding, and enforceable as the original.
- 19) This Settlement Agreement may not be amended, altered, modified, or changed in any way except in writing signed by all the parties to this Settlement Agreement.
- 20) All titles, headings, and captions used in this Settlement Agreement have been included for administrative convenience only and do not constitute matters to be construed in interpreting this Settlement Agreement.
- 21) Each Party hereto acknowledges that it has been fully advised by counsel of its choosing as to the terms and provisions of this Settlement Agreement and each party understands and agrees that this Settlement Agreement is in compromise and settlement of disputed claims.
- 22) Each Party agrees to execute any further documents, including any declaration, oath, affidavit, confirmation or other instrument, necessary or appropriate to complete, effectuate or give full effect to the terms of this Settlement Agreement, notwithstanding the provisions set forth in Paragraph 8 above.

THE PARTIES EXPRESSLY WARRANT THAT THEY HAVE CAREFULLY READ THIS SETTLEMENT AGREEMENT AND ALL EXHIBITS ATTACHED TO THIS SETTLEMENT AGREEMENT, UNDERSTAND ITS CONTENTS, AND SIGN THIS SETTLEMENT AGREEMENT AS THEIR OWN FREE ACT.

IN WITNESS WHEREOF, the Parties have duly executed this Settlement Agreement, effective as of the date first above written.

CDM Smith, Inc.

By: Mario J. Mancaccio
Its: General Counsel & Senior Vice Pres.

Dated: December 29, 2018

The City of Galveston

By: [Signature] for Brian Marsh
Its: City Manager

Dated: December 29, 2018

EXHIBIT A

FORM LETTER OF REFERENCE FOR CDM

Dear _____

This is in response to your request for a reference for CDM Smith. We understand you may retain CDM Smith to provide program management services related to your disaster management program. We are pleased to give this positive referral.

The City of Galveston utilized CDM Smith as its program administrator for the CDBG Disaster Recovery program. The primary goal of the program was to repair citizens' houses damaged or destroyed by Hurricane IKE. The City received its funding from the State first from the Texas Department of Housing and Community Affairs. Due to some issues at the state level, the funding agency was changed to the General Land Office.

Unfortunately for the City of Galveston and CDM, the state's administration was sometimes chaotic. The TDHCA, the GLO and other state agencies changed program guidelines several times during the program, requiring additional work to be done with each change and requiring more time to accomplish it. Because of the resulting delays caused by the state, the City had determined to extend its contract with CDM beyond its expiration date. Instead, for whatever reason, the state dictated to the City that it not renew the CDM contract or lose all program funding.

From the City's point of view, CDM Smith implemented an effective program to screen applicants and ensure they met federally mandated guidelines. They were instrumental in developing specifications for the repair of houses and assisted in the procurement of contractors to perform the work. We are quite sure that but for the interference of the state in the administration of the program, that CDM would have successfully completed the program for the City; as it was they performed professionally and effectively under very difficult circumstances.

As the years have gone by and similar programs have been instituted across the country, some of the procedural issues which dogged the Galveston program have been resolved. We know no reason why you would not choose CDM as your administrator; we are sure they will serve you well. But no matter what course you determine to pursue we wish you the greatest success.

GENERAL LAND OFFICE	*	IN THE DISTRICT COURT OF
	*	
Plaintiff	*	
	*	
v.	*	TRAVIS COUNTY TEXAS
	*	
CITY OF GALVESTON AND	*	
CDM SMITH, INC.	*	
	*	
Defendants	*	201st JUDICIAL DISTRICT

RULE 11 AGREEMENT

TO THE HONORABLE COURT:

Come now the Parties, the General Land Office (GLO), the City of Galveston (City) and CDM Smith, Inc. (CDM), and, pursuant to Tex.R.Civ.Pro. Rule 11, file this Agreement to provide for the dismissal of claims with prejudice by the GLO and the City against CDM; by CDM against the GLO and the City; and by CDM and the City against GLO officials and employees in their official and/or individual capacities, whether or not now named and/or currently employed by the GLO. The parties agree to the partial disposition of this case as follows:

- 1) CDM and the City contemplate a settlement agreement being reached and a final payment being made by the City to CDM in complete satisfaction of a judgment rendered in a related case identified as Case No. 13-CV-0844, CDM Smith Inc. v. City of Galveston, in the 56th Judicial District of Galveston County, Texas (the "Galveston County case"). Upon such final payment, CDM will file a Notice of Full Release and Satisfaction of Judgment with the 56th Judicial District Court of Galveston County effecting final and complete settlement and dismissal of that case as provided by the parties thereto in a separate settlement agreement.
- 2) Upon receipt by both the GLO and the City of a copy of the Notice of Full Release and Satisfaction of Judgment filed by CDM with the 56th Judicial District Court of Galveston County, the Parties will jointly file a notice of nonsuit with prejudice of any and all claims presented or which could be presented in the instant litigation a) by or against CDM and b) against any and all GLO officials and employees in their official and/or individual capacities, whether or not currently employed by the GLO, including, but not limited to: Jorge Ramirez, Maureen Mahoney, Pete Phillips, Mark Havens and David Repp. The City further stipulates and agrees that it will not add any GLO officials or employees as defendants in either their official or individual capacities. The Parties acknowledge that the Travis County case will continue between the City and the GLO, that the GLO's pending motion to lift temporary stay and/or abatement for the limited purposes of pursuing sanctions will survive the contemplated dismissal with prejudice of CDM from the Travis County case and that the GLO will not file additional motions seeking any relief from CDM for conduct prior to the date of this Rule 11 Agreement.
- 3) Consistent with the provision in the Agreement between the City and CDM for Community Development Block Grant

Disaster Recovery Management Services signed by Galveston City Manager Steve LeBlanc on October 27, 2009, as amended. It is mutually agreed among the Parties that the obligation of CDM to repay any previously paid CDBG-DR funds in the event they are disallowed by the United States Department of Housing and Urban Development (HUD), shall continue in effect, and shall also apply to any disallowance applied to the GLO by HUD. This obligation shall apply only to the previously paid amount of Eight Million Four Hundred Thousand Dollars (\$8,400,000) during the conduct of the work by CDM as program administrator. This obligation of CDM shall apply in the event of action by HUD to recover such previously paid amounts by HUD from the City or from the GLO. Under this provision either the City or the GLO may enforce the cited provision and directly recover any amounts previously paid by HUD which are repaid or required to be repaid to HUD.

Signed by the parties through their respective counsel as follows on this the dates indicated next to their signatures below on separate signature pages.

SIGNATURE PAGES FOLLOW

For the General Land Office

Mark Oster with permission and for Mitzi Shannon

Mitzi Shannon

State Bar Number 20328100

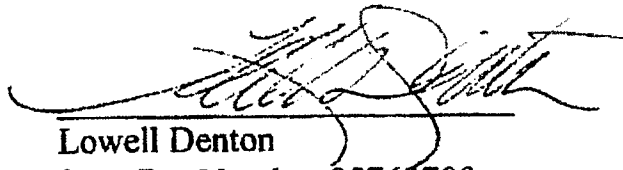
KEMP SMITH LLP

221 North Kansas, Suite 1700

El Paso, Texas 79901

915 533 4424

For the City of Galveston:

A handwritten signature in black ink, appearing to read 'Lowell Denton', written over a horizontal line.

Lowell Denton

State Bar Number 05764700

Denton Navarro Rocha & Bernal PC

2517 N. Main Avenue

San Antonio, Texas 78212

210 227 3242

For CDM Smith, Inc.

A handwritten signature in black ink, appearing to read 'Roland Garcia', with a stylized, cursive script.

Roland Garcia

State Bar Number 07645250

Greenberg Traurig, LLP

1000 Louisiana, Suite 1700

Houston, Texas 77002

713 374 3500

ORDINANCE NO. 19-041

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING THE TOTAL OPERATING BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2019, BY ADJUSTING VARIOUS BUDGET ACCOUNTS IN THE AMOUNT OF ONE MILLION THREE HUNDRED SEVENTY FOUR THOUSAND FIVE HUNDRED NINETY-ONE DOLLARS (\$1,374,591), TO ADJUST AND PROPERLY RECORD FOR EXPENDITURES IN CONNECTION WITH CARRY OVER APPROPRIATIONS FROM PRIOR FISCAL YEARS INCLUDING THE PURCHASE OF WATER METERS, VEHICLES, UPDATE OF SALARY COMPENSATION STUDY, POLICE PENSION INCREASE AND INELIGIBLE CDBG EXPENSE RELATED TO THE CANTERA SETTLEMENT; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on September 18, 2018, the Galveston City Council adopted Ordinance No. 18-063 authorizing an operating budget for Fiscal Year 2019; and

WHEREAS, pursuant to “The City Charter,” the City Council has the power to transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another during the fiscal year; and

WHEREAS, on January 24, 2019, the Galveston City Council approved the first amendment to the Fiscal Year 2019 Operating Budget to adjust and properly record unforeseen expenses in connection with the legal settlement with CDM Smith; and

WHEREAS, since the adoption of the Fiscal Year 2019 budget, there has arisen a need to amend the Fiscal Year 2019 Operating Budget for the adjustment to various budget accounts to properly record settlement expenses; and

WHEREAS, the City Council finds it in the public interest to amend the total Fiscal Year 2019 Operating Budget by adjusting various budget accounts as outlined in **Attachments A, B, and C.**

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 City Council hereby authorizes an amendment in the amount of one million three hundred seventy-four thousand five hundred ninety-one dollars (\$1,374,591) to the total Operating Budget for Fiscal Year 2019 as outlined in **Attachments A, B, and C**; incorporated herein for all intents and purposes.

SECTION 3. Section 5 of Ordinance 18-063 shall be amended to read: "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. The City Manager is hereby authorized to manage the liquid assets of the Combined Utility System Fund in accordance with the City Charter, code of ordinances, generally accepted accounting, principles, and City policy as required to ensure smooth and efficient financial operations of the City."

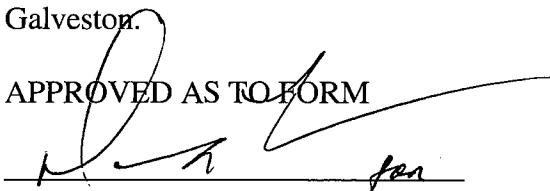
SECTION 4. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree 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 5. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 6. 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 7. This Ordinance shall be and become effective from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

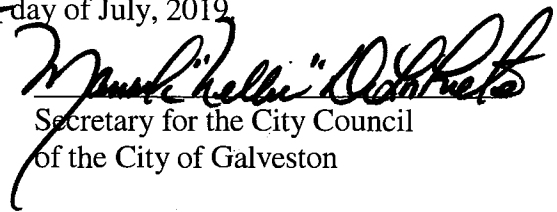
APPROVED AS TO FORM


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 25th day of July, 2019, 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 26th day of July, 2019.




Secretary for the City Council
of the City of Galveston

**ATTACHMENT A
Budget Amendment #2
FY2019**

FY19 Budget Compliance	
OPERATING BUDGET SUMMARY	
FROM:	
GENERAL FUND	
Governmental Expenditures	
Transfer to Hurricane Harvey (Local match)	\$47,848
Operating Budget Subtotal	
\$47,848	
SPECIAL REVENUE FUNDS	
Hurricane Harvey Fund	
General Fund - Streets (Budget overstated)	930,000
Pension Reform Fund	
Transfer to General Fund to cover police pension increase to 17% beginning January 2019	\$204,743
Special Revenue Transfer Subtotal	
\$1,134,743	
ENTERPRISE FUNDS	
Waterworks - Other Expenses	
New Debt Service (Budget overstated)	192,000
Enterprise Fund Transfer Subtotal	
\$192,000	
GRAND TOTAL TRANSFERS	\$1,374,591

FY19 Budget Compliance	
OPERATING BUDGET SUMMARY	
TO:	
GENERAL FUND	
Streets	
Police	
Police pension increase to 17% beginning January 2019	\$204,743
Governmental Expenditures	
Appraisal Refund (CDBG-Cantera Settlement (ineligible)	\$23,873
Salary Compensation Study (Not budgeted in FY2019)	\$23,975
Operating Budget Subtotal	
\$252,591	
SPECIAL REVENUE FUNDS	
Special Revenue Transfer Subtotal	
\$0	
ENTERPRISE FUNDS	
Waterworks - Utility Billing	
Minor Equipment (Carry over meter purchases)	40,000
Waterworks - Distribution	
Vehicle Capital Outlay (Carry over from FY2018)	152,000
Sewer System - Utility Billing	
Minor Equipment (Carry over meter purchases)	40,000
Sewer System - Collection	
Vehicle Capital Outlay (Carry over from FY2018)	710,000
Drainage Utility	
Vehicle Capital Outlay (Carry over from FY2018)	180,000
Enterprise Fund Transfer Subtotal	
\$1,122,000	
GRAND TOTAL TRANSFERS	\$1,374,591

ATTACHMENT B
Budget Amendment #2
FY2019

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

Funding Source	Amended Budget 2018	Adopted Budget 2019	Budget Amendment #1	Budget Amendment #2	Amended Budget 2019
Police	\$19,573,771	\$20,668,629	(\$413,000)	\$204,743	\$20,460,372
Fire	11,180,084	11,627,858	(158,589)	0	11,469,269
Emergency Management	257,569	247,763	(5,031)	0	242,732
Emergency Medical Service	566,400	566,200	0	0	566,200
Special Events	0	0	0	0	0
City Marshal	59,187	63,249	0	0	63,249
Streets	1,808,164	1,846,550	(12,186)	0	1,834,364
Traffic	2,103,584	2,097,682	(66,943)	0	2,030,739
Administration	864,544	970,971	0	0	970,971
Parks and Parkways	1,996,277	2,021,725	(63,558)	0	1,958,167
Planning	1,173,643	914,214	(80)	0	914,134
Code Enforcement	744,064	758,751	(608)	0	758,143
Building Inspection	632,839	672,039	(60,104)	0	611,935
Coastal Management	20,273	0	0	0	0
City Secretary	547,175	536,270	(11,000)	0	525,270
Elections	70,000	68,000	(1,000)	0	67,000
Municipal Court	764,670	667,871	(13,000)	0	654,871
City Manager	762,019	682,997	(14,000)	0	668,997
City Auditor	278,563	274,851	(5,500)	0	269,351
Legal	878,554	928,227	(19,000)	0	909,227
Human Resources	557,574	555,375	0	0	555,375
Transportation	915,000	600,000	(13,626)	0	586,374
Administration	297,269	368,569	(73,350)	0	295,219
Accounting	865,653	876,023	(82,671)	0	793,352
Purchasing	271,517	243,907	0	0	243,907
Budget	292,950	374,947	(78,073)	0	296,874
Taxation	265,449	270,000	0	0	270,000
Facility Maintenance	1,613,051	1,448,170	0	0	1,448,170
COLA Increases	254,000	250,933	0	0	250,933
Contractual Services	130,147	231,002	0	47,848	278,850
Vehicle Purchases	1,312,411	750,000	0	0	750,000
Capital Purchases	235,000	285,000	0	0	285,000
Fund Balance Contingency	1,953,547	2,500,000	(2,500,000)	0	0
Transfer to Separation Pay Fund	416,160	416,160	0	0	416,160
Transfer to Infrastructure Fund	3,275,010	3,912,769	0	0	3,912,769
Transfer to Pension Reserve Fund	393,487	0	0	0	0
Transfer to Hurricane Harvey	2,446,453	1,576,876	(1,300,000)	(47,848)	229,028
Surplus Transfer Out	0	0	1,236,681	0	1,236,681
Transfer to Settlement & Capital Reserve Fund	0	0	4,891,319	0	4,891,319
Total General Fund	\$59,776,058	\$60,273,578	\$1,236,681	\$204,743	\$61,715,002
Special Revenue Funds:					
Rosenberg Library	\$2,853,700	\$2,874,500	\$0	\$0	\$2,874,500
Seawall Parking	1,406,904	1,458,761	0	0	1,458,761
Convention Center Surplus	3,566,294	3,784,728	0	0	3,784,728
HOT 1/8 Historical Buildings	982,784	1,215,476	0	0	1,215,476
City Council Projects & Initiatives Program	1,810,323	753,163	0	0	753,163
Infrastructure Fund	7,731,638	7,674,620	0	0	7,674,620
Separation Pay Fund	474,360	474,360	0	0	474,360
Public Access Channel Fund	848,228	1,041,238	0	0	1,041,238
Parking Management Fund	1,026,179	1,252,553	0	0	1,252,553
Lasker Pool Fund	684,035	716,216	0	0	716,216
Pension Reform Fund	2,630,194	1,003,173	0	(204,743)	798,430
Revenue Producing Parks	0	241,330	0	0	241,330
Pocket Park One	69,499	0	0	0	0
Pocket Park Two	79,499	0	0	0	0
Asset Forfeiture Fund	247,749	135,037	0	0	135,037
Police Special Revenue Fund	97,643	118,743	0	0	118,743
Police Quartermaster Fund	86,660	91,010	0	0	91,010
Alarm Permit Fund	151,787	118,746	0	0	118,746
Fire Special Revenue Fund	54,002	45,046	0	0	45,046
Fund Balance - Budgeted but unappropriated	74,725	49,410	0	0	49,410
Municipal Court Technology Fund	116,667	137,709	0	0	137,709
Municipal Court Juvenile Services Fund	161,854	179,610	0	0	179,610
Settlement and Capital Reserve Fund	5,058,636	5,066,979	6,128,000	0	11,194,979

ATTACHMENT B
Budget Amendment #2
FY2019

Technology Improvement Fund	968,091	1,286,438	0	0	1,286,438
Total	\$31,181,451	\$29,718,845	\$6,128,000	(\$204,743)	\$35,642,103

**ATTACHMENT B
Budget Amendment #2
FY2019**

Debt Service Fund	\$4,055,409	\$5,192,812	\$0	\$0	\$5,192,812
Enterprise Funds:					
Waterworks	\$22,619,658	\$22,992,579	\$0	\$0	\$22,992,579
Sewer	16,042,438	15,938,984	0	750,000	16,688,984
Drainage Utility	3,030,237	3,557,790	0	180,000	3,737,790
Sanitation	6,923,296	7,411,185	0	0	7,411,185
Airport	1,905,550	1,707,109	0	0	1,707,109
Total	\$50,521,179	\$51,607,647	\$0	\$930,000	\$52,537,646
Operating Transfer Out	(\$6,531,110)	(\$5,905,805)	(\$4,828,000)	\$47,848	(\$10,685,957)
Grand Total	\$139,002,987	\$140,887,078	\$2,536,682	\$977,848	\$144,401,606

Amount of growth under 7% cap

\$5,398,619

Fund Balance - Budgeted but Unappropriated

*Percent increase in the
City's operating budget

3.88%

Not subject to the 7% budget cap

	Amended Budget 2018	Adopted Budget 2019	Budget Amendment #1	Budget Amendment #2	Amended Budget 2019
Internal Service Fund					
Central Services	\$3,367,435	\$4,429,705	\$0	\$0	\$4,429,705
Casualty & Liability Insurance	\$2,030,399	2,150,266	5,280,000	0	7,430,266
Workers' Compensation Insurance	\$606,554	425,619	0	0	425,619
Health and Life Insurance	\$8,039,000	9,060,000	0	0	9,060,000
Central Garage	\$5,297,949	5,373,842	0	0	5,373,842
Capital Projects	\$0	0	0	0	0
SubTotal	\$19,341,337	\$21,439,432	\$5,280,000	\$0	\$26,719,432
Operating Transfer Out	\$0	\$0	(\$2,386,800)	\$0	(\$2,386,800)
Total Internal Service Fund	\$19,341,337	\$21,439,432	\$2,893,200	\$0	\$24,332,632
Grant Funds					
Island Transit	\$4,387,686	\$4,423,785	\$0	\$0	\$4,423,785
Hurricane Harvey	3,818,564	2,510,952	0	(930,000)	1,580,952
Total	\$8,206,250	\$6,934,737	\$0	(\$930,000)	\$6,004,737

ATTACHMENT C
Budget Amendment #2
FY2019

General Fund - Governmental Expenditures - Fund Balance Contingency	
Adopted Budget Funding transferred to Operating Transfer Out to cover CDM Settlement.	2,500,000 (2,500,000)
Subtotal General Fund	
0	
Amended Budget for City Council Contingency	
\$0	

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 one 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.

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.

GRANTS - Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

Glossary

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.

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.

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 - Taxes levied on both real and personal property according to the property's valuation and the tax rate.

Glossary

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

Finance Department
PO Box 779 | Galveston, TX 77553-0779
| 409-797-3562

September 12, 2019

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Michael Loftin, Assistant City Manager for Finance

RE: Consider for action an ordinance of the City of Galveston, Texas, adopting the annual governmental and proprietary funds budget for the fiscal year beginning October 1, 2019 and ending September 30, 2020; Making appropriations for city operations and capital projects for such fiscal year as reflected in such budget; Authorizing various other transfer; Approving and adopting the FY 2020 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.

I. Background

- A. The FY 2020 Proposed Budget includes \$145.6 million for City operations, \$0.9 million for general contingencies and one-time appropriations of fund balance as well as \$888.6 million for capital improvement projects. The Budget also includes authorization for \$23.8 million to be spent for internal services and billed back to the major operating funds included in the total above. Ending Fund Balances totaling \$36.4 million are also identified in the Ordinance and considered a part of the Budget.
- B. Budget discussions with City Council began in June, proceeded through the summer, culminating in the submission of the Proposed Budget by the City Manager on August 7th, at least forty-five days prior to the start of the fiscal year as required by the City Charter. To comply with State law, a public hearing is being held on September 12 prior to consideration of the Budget Ordinance to afford the community an opportunity to comment and provide testimony on the Budget.
- C. According to a provision added to the City Charter in 2016, the budget will take effect as proposed by the City Manager unless it is modified and/or adopted by the City Council prior to that time. Should the new rule take effect through an absence of City Council action for any reason, the City Council retains the right to consider amendments to the budget after the fiscal year starts on October 1, 2018.
- D. State law also requires the Budget be adopted by a record vote. The separate motion on the question of whether to reserve funds for potential increases in the city's contribution to the police and fire pension funds should be considered prior to the consideration of the Budget ordinance itself. A second record vote must also be taken as required by State law that ratifies any increase in property tax revenue as a

“property tax increase.” This second ratification vote has its own staff report, and is listed as a separate agenda item following the Budget ordinance itself.

A further requirement in the State law is that the budget must be adopted before the property tax rate can be approved. The ordinance adopting the property tax rate for Tax Year 2018 and FY 2018 follows the three budget items on the September 13 agenda.

II. Current Situation (excerpted from the City Manager’s Transmittal letter in the Proposed Budget document itself)

“The Proposed Budget for FY2020, beginning October 1, 2019, and ending September 30, 2020 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 Proposed Budget, including maintenance and operating expenditures, one-time appropriations, and the capital budget is \$235.1 million, 5.36 percent less than last year’s combined total. The Proposed Budget includes adequate reserves in all funds and allocates additional available resources to meet the City’s highest priorities.

FY 2020 PROPOSED BUDGET (\$000's)

Major Category	FY 2019 Budget	FY 2020 Proposed Budget	Percent Difference
Maintenance and Operations	\$150,615	\$145,621	-3.32%
One-Time Appropriations	\$9,310	\$859	-90.77%
Total Operating Budget	\$159,925	\$146,480	-8.41%
Capital Budget	\$88,476	\$88,614	0.16%
Total Budget	\$248,401	\$235,094	-5.36%

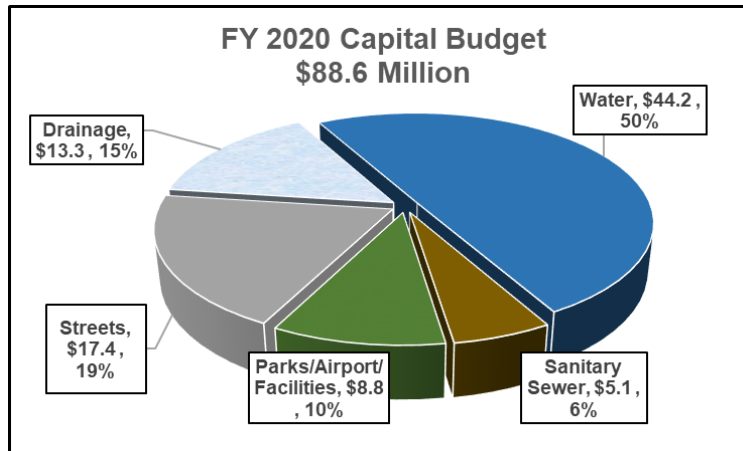
The Proposed Budget includes funds for 168 police officers, full funding for the health benefits plan in FY 2020, and full funding for the police pension funds. In FY 2018, we increased our contribution from 14 to 17 percent in the Fire pension plan, and agreement was reached that brought the amortization 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. As the result of the State legislation that passed in the most recent legislative session, the City’s contribution to the police pension plan is funded at 18 percent, which is fifty percent higher than the 12 percent rate that was in place until January 2016.

Approximately \$0.8 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 civilian employee pension plan are our next point of focus in the pension area.

The Proposed 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



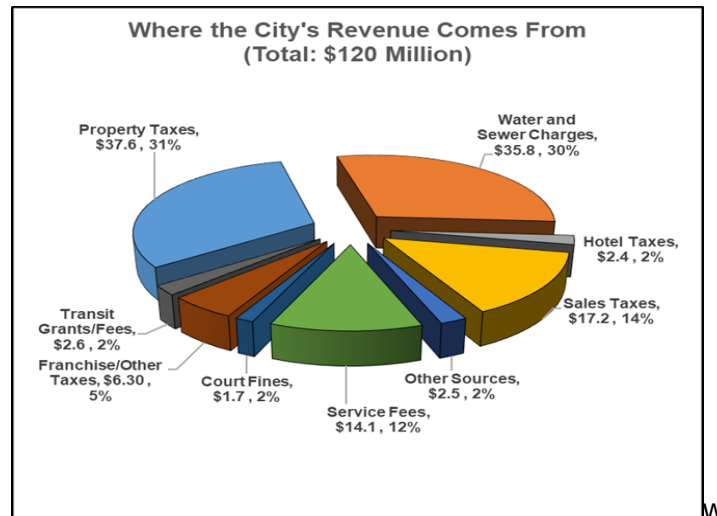
separately to City Council in draft form in July. The CIP includes plans for \$303 million in projects, with \$88.6 million or 29 percent of the total scheduled for FY 2020.



The Proposed 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. Many of the major projects have already come to City Council for construction award, and virtually all should have received Council approval by the end of FY 2020.

We are addressing funding challenges in this Proposed Budget that require that a tax rate increase be included as a part of the Proposed Budget for public safety pay. A 1.8885 cent property tax rate increase is proposed from \$0.561 to \$0.579885 per \$100 of taxable value. Over 4,400 elderly and disabled taxpayers' property tax payments are frozen at the same level as last year, and will pay no tax increase at all. The owner occupant of an average single family home in Galveston appraised at \$235,096 with the basic twenty percent homestead exemption and taxable value of \$188,076 will pay an additional \$37 per year. The tax rate increase is wholly allocated through the General Fund to the pay plans for police (5.8 percent effective January 1, 2020) and fire (3.5 percent effective October 1, 2019). Civilian staff in all city funds would receive a two percent cost of living adjustment effective October 2019.





This year's General Fund budget includes funds for \$2.4 million in new recurring costs for health benefits (\$1.24 million), police pension (\$395,000), the transfer to the Infrastructure and Debt Service fund (\$741,000 at the current tax rate), and ambulance service (\$49,000). These costs cannot and should not be funded with spending reductions that cannot be sustained, and our revenue choices are limited. In addition other necessary adjustments total \$887,000 for General Fund vehicle purchases, Comprehensive Plan updating, Island Transit, and funding for existing staff. At the same time, General Fund departments have generally maintained their budgets at the level established when they were reduced by two percent (\$1 million) last year or even less. The net effect of these cuts in this budget is \$695,000 in reductions from last year that are contained in this proposed budget.

This includes our central administrative departments which are budgeted at minimum levels so as to maintain their effectiveness and ability to carry out their City Charter responsibilities. Can we reduce budgets further? Further reductions can be achieved over time but all departments are operating at minimum budget levels now. The table below illustrates how low our administrative overhead cost is, including pure central administrative functions that include Mayor and Council, the City Manager, City Attorney, City Secretary, City Auditor, Human Resources, Public Information and Finance including property tax appraisal and collection by County offices. Using the FY 2020 Proposed Budget as our basis, our overhead rate is 3.64 percent of the operating budget and 2.23 percent of the overall capital and operating budget combined. This is lower than in FY 2015 when the rates were 4.04 percent and 2.59 percent.

CITY OF GALVESTON ADMINISTRATIVE OVERHEAD FY 2015-2020



Budget Category	FY 2015 Budget	FY 2016 Budget	FY 2017 Budget	FY 2018 Budget	FY 2019 Budget	FY 2020 Proposed Budget
Administrative Offices						
City Secretary/Council	401,771	418,399	510,774	547,175	536,270	544,646
Elections	0	60,000	60,000	70,000	68,000	58,500
City Manager	707,706	748,821	831,001	762,019	682,997	696,989
City Attorney	769,746	900,442	884,180	919,554	928,227	833,109
City Auditor	277,238	312,289	278,291	278,563	274,851	278,551
Human Resources	285,570	326,647	443,025	557,574	555,375	560,117
Finance	1,674,239	1,888,378	1,948,581	1,807,399	1,863,446	1,620,769
Taxation	213,158	247,073	255,314	265,449	270,000	271,723
Community Outreach/Public Information Office	0	0	0	0	208,502	246,534
Subtotal Administration	4,329,428	4,902,049	5,211,166	5,207,733	5,387,668	5,110,938
Operating Budget						
General Fund	47,642,520	49,746,819	57,003,604	54,190,013	55,896,702	59,336,800
Less Administrative Depts	4,329,428	4,902,049	5,211,166	5,207,733	5,387,668	5,110,938
General Fund Operations	43,313,092	44,844,770	51,792,438	48,982,280	50,509,034	54,225,862
Special Funds	18,783,615	31,112,301	33,857,546	36,503,006	36,653,582	32,164,973
Enterprise Funds	44,072,594	48,632,005	43,552,270	45,608,695	46,845,944	48,465,713
Debt Service Fund	984,758	1,954,517	9,802,702	8,736,372	5,192,812	5,543,606
Total Operating Budget	107,154,059	126,543,593	139,004,956	139,830,353	139,201,372	140,400,154
Capital Budget						
Streets	23,391,331	20,899,424	14,827,920	25,077,860	22,631,633	17,354,682
Drainage	1,884,045	2,531,692	2,493,025	4,038,247	15,084,500	13,303,665
Water	4,605,553	2,933,400	30,535,877	12,689,680	29,191,384	44,184,055
Sewer	6,551,018	7,880,758	20,593,518	23,111,345	15,219,422	5,084,173
Parks	5,177,680	3,850,000	4,212,500	3,295,750	415,000	1,875,000
Other	18,349,453	5,350,000	6,446,039	7,304,303	3,933,880	6,812,729
Subtotal Capital Budget	59,959,080	43,445,274	79,108,879	75,517,185	86,475,819	88,614,304
Total Capital and Operating Budget	167,113,139	169,988,867	218,113,835	215,347,538	225,677,191	229,014,458
Admin as Pct of Op Budget	4.04%	3.87%	3.75%	3.72%	3.87%	3.64%
Admin as Pct of Cap & Op Budget	2.59%	2.88%	2.39%	2.42%	2.39%	2.23%

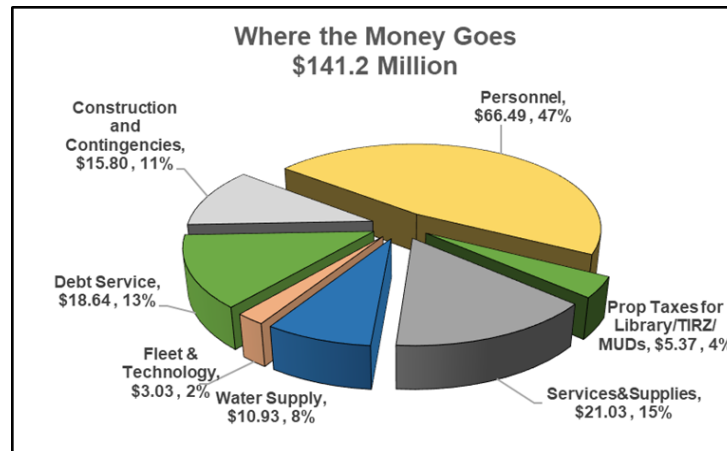
We also compare favorably to other cities whose budgets vary somewhat from ours, but have the same basic structure: Elected officials, the executive function (be it strong Mayor or City Manager), City Secretary, Finance, Internal Audit, Legal, Public Information, and Human Resources. Not all of the cities surveyed had easily identifiable capital budgets so that comparison has been left out of this presentation.

**PEER CITIES ADMINISTRATIVE COST
AS PERCENT OF OPERATING BUDGET
BASED ON THEIR FY 2019 BUDGETS
(Source: City of Galveston Finance Department)**

Categories	Pasadena	Texas City	League City	Pearland	Baytown	Beaumont	Friendswood
Administration	0	4,100,232			1,850,758		3,642,527
City Secretary/Council	705,665		599,020	524,849	771,198	420,100	857,272
Elections	67,150						
City Manager/Mayor	640,935		689,352	1,076,495		1,787,200	1,015,737
City Attorney	1,714,886	196,309	557,557	818,855	1,105,867	1,076,300	
City Auditor	0		123,863				
Human Resources	1,087,393		863,977	1,115,248	1,126,959	927,800	
Finance	3,401,983		2,442,864	2,201,814	2,532,773	1,822,100	
Taxation	512,520						
Public Information Office	1,793,496		567,073	568,378			
Subtotal Administration	9,924,028	4,296,541	5,843,706	6,305,639	7,387,555	6,033,500	5,515,536
Operating Budget							
General Fund	116,263,380	54,962,945	76,396,528	80,424,112	108,256,539	126,717,000	28,211,899
Less Administrative Depts	9,924,028	4,296,541	5,843,706	6,305,639	7,387,555	6,033,500	5,515,536
General Fund Operations	106,339,352	50,666,404	70,552,822	74,118,473	100,868,984	120,683,500	22,696,363
Special Funds	13,899,921	2,521,431	3,923,933	3,292,676	11,330,963	19,504,539	380,984
Enterprise Funds	42,448,243	16,498,658	35,924,801	53,416,720	62,780,405	63,432,500	11,811,262
Debt Service Fund	11,764,701	10,320,539	12,475,869	38,806,367	22,190,038	17,153,500	3,217,119
Total Operating Budget	174,452,217	80,007,032	122,877,425	169,634,236	197,170,390	220,774,039	38,105,728
Admin as Pct of Op Budget	5.69%	5.37%	4.76%	3.72%	3.75%	2.73%	14.47%



The City of Galveston's "overhead rate" calculated using Administrative costs as a percent of the FY 2020 Proposed Budget for operations is 3.64 percent. It is lower than all but Beaumont and much lower than other local public agencies can claim."w



(Note: The difference in the expenditure total above and the revenue total on a prior page is the approximate amount budgeted from existing balances in the special revenue funds that carries over until it is spent as well as amounts budgeted for one time uses of fund balance for capital outlay in the Enterprise Funds.)

III. Issues

1. The Budget is in compliance with the Charter provision that mandates the budget to be limited to a seven percent increase over the prior year. (See page CW-4 in the Budget Summary section of the Proposed Budget document itself.)
2. The General Fund Budget includes a transfer to the Infrastructure and Debt Service equal to eight percent of the General Fund budget or \$4.75 million as required by the City Charter.
3. Debt service requirements for all city-issued bonds are funded through this budget. This includes a \$37 million sale that completes the issuance of the bonds authorized by the voters in May 2017.
4. The Budget includes all city operating and capital funds, with the exception of the City's major housing grants, as required by State law.
5. Compensation for city employees is competitive with other local employers, including surrounding cities and the private sector.
6. Beginning fund balances for FY 2020 are only estimates. The Budget Ordinance includes language that will incorporate actual ending fund balances from FY 2019 into the Budget as soon as the Comprehensive Annual Financial Report is completed.
7. Funds appropriated for capital projects will only be kept in reserve from one fiscal year to the next if they are allocated (encumbered) in a contract or purchase order awarded through regular established City procedures. In accordance with the Charter, unencumbered capital project appropriations will lapse at the end of the fiscal year as they do for operations. Such funds are available for reallocation by the City Council after the start of FY 2020.
8. The ordinance authorizes the City Manager to transfer funds from the Health Benefits contingency accounts set up in each fund to operating department budgets in each fund as required by changes in the City's health benefits financial contributions.



9. The ordinance also authorizes the Finance Department to close out old capital project funds with small remaining balances below \$15,000 to pay outstanding contractor invoices.

IV. Recommendation
Adopt the FY 2020 Budget.





City of Galveston

FINANCE DEPARTMENT

PO Box 779 | Galveston, TX 77553-0779
mloftin@galvestontx.gov | 409-797-3562

September 12, 2019

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Michael Loftin, Assistant City Manager for Finance

RE: Consider for action a motion ratifying the property tax increase reflected in the FY 2020 Budget.

I. Background

- A. "The FY 2020 Budget includes property tax revenue that exceeds last year's total by \$2,965,700 or 9.16 percent, and of that amount, \$419,300 is tax revenue to be raised from new property added to the tax roll this year." This is based on a 5.82 percent increase in the overall taxable value, and a proposed increase in the total tax rate from \$0.561 to \$0.579885, a 1.8885 cents increase.
- B. The new revenue total includes \$419,300 from new construction, \$1,169,700 from the proposed rate increase and \$1,376,700 from growth in base values for properties on last year's tax roll.
- C. According to Section 102.007(c) of the Local Government Code in State law, the increase in tax revenue requires a separate vote of City Council to ratify this increase. The language required by the Budget Law also requires that the entirety of the additional revenue raised be characterized as a property tax increase.
- D. State law also requires that the Proposed Budget include a specific message on "a cover page" in "18-point or larger type." The message for the City of Galveston can be found in the FY 2020 Budget on the first page in the budget document. The material above in section A and in quotes provides the text for this compliance step.
- E. This language was included in the public notice announcing the Budget Hearing that is also scheduled to have taken place on September 12th prior to the vote on the Proposed Budget itself.

II. Current Situation

The amounts used in the ad and in the Budget are calculated using total property taxes (i.e. General Fund, Debt Service and Library shares). They are calculated as the difference between the estimated property tax revenue in the FY 2019 Estimated column of the Budget and the FY 2020 Proposed column of the budget. (See page CW-10 of the Budget Summary section.) This approach parallels that used in the effective tax rate calculation that measures the growth from the prior year based on the most recent tax





City of Galveston

FINANCE DEPARTMENT

PO Box 779 | Galveston, TX 77553-0779
mloftin@galvestontx.gov | 409-797-3562

roll and resulting collections amount for that year. In this sense, the property tax revenue estimated to have been raised using the most recent tax roll is the amount raised from last year's budget.

Should this motion pass, the State Budget Law requires that the Adopted Budget include the following language on its cover page in 18-point or larger type:

"This budget will raise more property taxes than last year's budget by \$2,965,700 which is a 9.13 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 \$419,300."

The State Budget Law also requires that the cover page include the "record vote of each member of the governing body by name voting on the adoption of the budget, as well as the following:

- The property tax rate - \$0.579885
- The effective tax rate - \$0.538771
- The effective maintenance and operations tax rate - \$0.486271
- The rollback tax rate - \$0.582433
- The debt rate - \$0.0525

The cover page has to identify the total amount of municipal debt obligations secured by property taxes as defined under Section 1201.002 of the Government Code. That amount for the City as of September 30, 2019 is \$39,426,482 including principal and interest.

III. Recommendation

Make, second and approve a motion by a record vote ratifying the property tax increase reflected in the FY 2020 Budget.





City of Galveston

FINANCE DEPARTMENT

Michael W. Loftin, Assistant City Manager
MLoftin@GalvestonTx.gov | 409.797.3562 | www.galvestontx.gov

August 22, 2019

To: Brian Maxwell, City Manager
Hon. Mayor and City Council
From: Michael W. Loftin, Assistant City Manager Finance

RE: Conduct the first public hearing to consider the proposed property tax rate of \$0.582433 per \$100 of taxable value for 2019.

I. Background

- A. In accordance with State law, the Galveston County Tax Assessor-Collector (TAC), acting as the City of Galveston's TAC received the City's 2019 tax roll as certified by the Chief Appraiser for Galveston County. The TAC provided the Effective Tax Rate (ETR) calculation for the 2019 tax roll (see attached) using the information from the Galveston County Appraisal District.
- B. The applicable numbers from this year's ETR are as follows:
- | | |
|---|-------------------------|
| 2019 Certified Assessed Value | \$6,467,739,336 |
| 2019 Certified Taxable Value (TV) | \$5,747,765,085 |
| 2019 Taxable Value Still Under ARB Review* | \$ 256,191,050 |
| 2019 Total Taxable Value Including ARB Review | \$6,723,930,386 |
| 2018 Total Taxable Value Including ARB Review | \$6,341,543,294 |
| 2019 New Property Taxable Value | \$ 72,304,737 |
| 2019 Anticipated Collection Rate | 100% |
| Effective Tax Rate | \$0.538771 per \$100 TV |
| Rollback Rate | \$0.582433 per \$100 TV |
| Proposed Rate | \$0.582433 per \$100 TV |
| Property Tax Rate in Proposed Budget | \$0.579885 per \$100 TV |
- *Note: ARB is the Appraisal Review Board.
- C. This year's taxable value is 6.03 percent higher than the 2018 taxable roll.
- D. Total new construction amounts to \$72,304,737 on this year's tax roll, which is 6.52% lower than last year's \$77,346,881 new construction amount.

II. Current Situation

- A. The proposed rate is the rollback rate of \$0.582433. This rate is the highest tax rate the City can set before the taxpayers can start rollback procedures (petition for a rollback election).
- B. The FY 2020 Proposed Budget is based on a rate of \$0.579885. This is 3.82 percent higher than last year's rate of \$0.561.
- C. The Rollback Rate, adopted by City Council as the Proposed Rate for the Property Tax rate setting process would raise \$165,000 more than is included in the Proposed Budget.





City of Galveston

FINANCE DEPARTMENT

Michael W. Loftin, Assistant City Manager
MLoftin@GalvestonTx.gov | 409.797.3562 | www.galvestontx.gov

- D. The Maintenance and Operations rate is proposed at \$0.532433, which includes the \$0.05 rate that is allocated directly to the Library under the City Charter. This is 4.21 percent higher than last year's M&O rate.
- E. The Debt Service rate is proposed at \$0.0525, which remains unchanged from last year's rate. The rate reflects a \$2,281,000 transfer from the Infrastructure and Debt Service Fund to the Debt Service Fund. This allows the debt service rate to be \$0.0365 less than it would be without the Infrastructure and Debt Service Transfer.
- F. The proposed rate of \$0.582433 exceeds the \$0.538771 effective rate. The effective rate would generate the same amount of revenue as last year if you compare properties taxed in both years.
- G. State Tax Code, Section 26.05, requires public hearings on the proposed tax rate if the proposed rate exceeds the lower of the rollback tax rate or the effective tax rate. The proposed tax rate of \$0.582433 is equal to the rollback rate of \$0.582433 and greater than the effective rate of \$0.538771. By State law, the City must hold two public hearings for the proposed tax rate.
- H. This year's tax roll reflects an increase in the number of taxpayers whose taxes are frozen because they are over 65 or disabled and a corresponding increase in the taxes reduced by the City's action in adopting the freeze. The number of frozen accounts has increased from 4,430 last year to 4,562. The City estimates that the amount of taxes lost through the freeze is increasing from \$1,157,100 last year to \$1,273,400 this year.
- I. If the overall tax rate is increased from \$0.561, the 4,430 taxpayers whose taxes were frozen last year would see no increase in the amount of their tax bail because it is frozen.
- J. The TAC ran the notice in the paper for the two public hearings including the disclosures required by State law, originally calling for those meetings to be held on September 12 and September 19 in the City Council chambers at 1:15 pm. The time for the September 12 meeting has since been moved to 9 am so the ad was rerun at the City's expense (see attachments).

III. Issues

- 1. The FY 2020 Budget must be approved prior to the adoption of the 2019 property tax rate.
- 2. State law calls for the final tax rate for 2019 to be adopted by City Council prior to September 30. If it is not adopted, State law calls for the council to ratify the effective tax rate (\$0.538771) or last year's rate (\$0.561), whichever is less. In this case, that would be the effective tax rate.
- 3. The City affirmed its existing property tax exemptions in June, 2019, abating a total of \$4.1 million in property taxes this tax year including the net loss to the tax freeze.



NOTICE OF 2019 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF GALVESTON

A tax rate of \$0.582433 per \$100 valuation has been proposed for adoption by the governing body of City of Galveston. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of Galveston proposes to use revenue attributable to the tax rate increase for the purpose of providing essential services to the citizens including public safety pay and benefits.

PROPOSED TAX RATE	\$0.582433 per \$100
PRECEDING YEAR'S TAX RATE	\$0.561000 per \$100
EFFECTIVE TAX RATE	\$0.538771 per \$100
ROLLBACK TAX RATE	\$0.582433 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Galveston from the same properties in both the 2018 tax year and the 2019 tax year.

The rollback tax rate is the highest tax rate that City of Galveston may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS
FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Cheryl E. Johnson, PCC
County Tax Assessor Collector
722 Moody, Galveston, Texas
(409) 765-3277
cheryl.e.johnson@co.galveston.tx.us
www.galcotax.com

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 22, 2019 at 1:30 PM at 2nd Floor Council Chamber,
823 Rosenberg Street, Galveston, TX 77550.

Second Hearing: September 12, 2019 at 1:30 PM at 2nd Floor Council Chamber,
823 Rosenberg Street, Galveston, TX 77550.

NOTICE OF 2019 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF GALVESTON

A tax rate of \$0.579885 per \$100 valuation has been proposed for adoption by the governing body of City of Galveston. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of Galveston proposes to use revenue attributable to the tax rate increase for the purpose of providing increased pay and benefits for public safety personnel.

PROPOSED TAX RATE	\$0.579885 per \$100
PRECEDING YEAR'S TAX RATE	\$0.561000 per \$100
EFFECTIVE TAX RATE	\$0.538771 per \$100
ROLLBACK TAX RATE	\$0.582433 per \$100

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$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

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cheryl.e.johnson@co.galveston.tx.us
www.galcotax.com

You are urged to attend and express your views at the following public hearing on the proposed tax rate:

Second Hearing: September 12, 2019 at 9:00 AM at 2nd Floor Council Chamber,
823 Rosenberg Street, Galveston, TX 77550.



19P-043

MEMORANDUM

TO: Mayor Yarbrough, City Council

FROM: Janice Norman – Planning Manager
Development Services Department

DATE: September 3, 2019

RE: **19P-043 (Adjacent to 10702 Schaper Drive and adjacent property to the west and south)**
Request for an Abandonment of approximately 19,000 square-feet of the Schaper Drive right of way. Adjacent properties are legally described as the South 1,115 feet of Lot 397 (397-3); and the North Portion of Lot 398 (398-2); Trimble and Lindsey, Section 1; and Lots 370-373, 388-395, 406, 408-415, 417, 426-430, 433-436, 448-450, 453, 470 and part of Lots 368, 369, 374, 375, 398, 399, 405 and adjacent right of way, Trimble and Lindsey; in the City and County of Galveston, Texas.
Applicant: Lamson Nguyen
Adjacent Property Owners: Lamson Nguyen and Galveston Bay Foundation
Easement Holder: City of Galveston

On August 22, 2019, City Council deferred the above referenced abandonment until the August 12, 2019, meeting to give the applicant and City Staff time to determine a drainage plan.

Kyle Hockersmith met with Councilwoman Dr. Jackie Cole and a resident of the area Mr. Broome to determine the best solution for drainage in the area. Kyle will review a secondary drainage path as an option but at a minimum, the current prescribed drainage path would be maintained. Staff will have the final determination and agreed upon terms for easement at the upcoming City Council meeting.

ORDINANCE NO. 19-__

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, ABANDONING PROPERTY ADJACENT TO 10702 SCHAPER DRIVE AND ADJACENT PROPERTY TO THE WEST AND SOUTH AND ADJACENT PROPERTIES ARE LEGALLY DESCRIBED AS THE SOUTH 1,115 FEET OF LOT 397 (397-3); AND THE NORTH PORTION OF LOT 398 (398-2); TRIMBLE AND LINDSEY, SECTION 1; AND LOTS 370-373, 388-395, 406, 408-415, 417, 426-430, 433-436, 448-450, 453, 470 AND PART OF LOTS 368, 369, 374, 375, 398, 399, 405 AND ADJACENT RIGHT OF WAY, TRIMBLE AND LINDSEY, IN THE CITY AND COUNTY OF GALVESTON, TEXAS; PLANNING CASE NUMBER 19P-043; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, the Applicant, is Lamson Nguyen and Adjacent property owners are the Galveston Bay Foundation and Lamson Nguyen, and the Easement Owner, is the City of Galveston; and,

WHEREAS, the property is commonly known as property Adjacent to 10702 Schaper Drive and adjacent property to the west and south and Adjacent properties are legally described as the South 1,115 feet of Lot 397 (397-3); and the North Portion of Lot 398 (398-2); Trimble and Lindsey, Section 1; and Lots 370-373, 388-395, 406, 408-415, 417, 426-430, 433-436, 448-450, 453, 470 and part of Lots 368, 369, 374, 375, 398, 399, 405 and adjacent right of way, Trimble and Lindsey, in the City and County of Galveston, Texas; and,

WHEREAS, the Applicant, is requesting that the City abandon approximately 330 linear-feet of right of way adjacent to his property on the west end of Schaper Drive and an additional 50-feet adjacent to the property to the west owned by Galveston Bay Foundation, as more particularly described and detailed in the Staff Report with attachments, attached hereto as **Exhibit 1**, for all intents and purposes; and,

WHEREAS, as set out in the Staff Report, the total square footage being requested is 19,000 square-feet that includes the 2,500 square foot section adjacent to the Galveston Bay Foundation property. If the abandonment is approved the 2,500 square foot section of right of way will be purchased by the applicant and donated to the Galveston Bay Foundation; and,

WHEREAS, Staff finds the abandonment will not impact the transportation system since this section of Schaper Drive is not an improved roadway and has been fenced from access for some time; and,

WHEREAS, the property was reviewed pursuant to Texas Local Government Code, Chapter 272.001; and,

WHEREAS, Staff recommends approval of the request for abandonment with conditions as set out in Section 3 below; and,

WHEREAS, at its meeting of August 6, 2019, the Planning Commission recommended approval of the request, with specific conditions listed in section 3 below; and,

WHEREAS, after conducting a public hearing, the City Council of the City of Galveston, Texas, deems it in the public interest to abandon this property, subject to the conditions listed in **Section 3** below.

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 adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston, Texas, hereby releases any and all interest in the subject property. The City Council of the City of Galveston, Texas, hereby abandons to applicant approximately **the total square footage being requested is 19,000 square-feet that includes the 2,500 square foot section adjacent to the Galveston Bay Foundation property**, as more detailed in the Staff Report with attachments, attached hereto as **Exhibit 1**, and fully incorporated for all intents and purposes, located in the City and County of Galveston, Texas.

SECTION 3. This abandonment is subject to the following conditions:

Specific Conditions for Abandonment:

1. The applicant shall replat the abandoned right-of-way no later than February 6, 2020;
2. The applicant shall notify the City of Galveston of any objections from CenterPoint Energy and resolve any objection with CenterPoint Energy;
3. An easement shall be required for drainage within this area to be preserved and any alterations to the existing drainage must be approved by Public Works prior to finalizing the abandonment;

Standard Conditions for Abandonment

4. The applicant shall pay for an opinion letter from a licensed appraiser, regarding the market value of the subject property. The licensed appraiser shall be appointed by the City;
5. The applicant shall pay the value of the right-of-way, as determined by an appraiser, after it is reviewed and approved by the City Manager;
6. The applicant shall adhere to all comments/conditions received from City departments. Should conformance with the comments/conditions require alterations to the project, as approved, the case must be returned to the Planning Commission for additional review and approval; and;
7. Upon payment of the property and execution of the Deed without Warranty, a replat of the properties shall be completed within 6 months of the filing of the deed, or prior to the issuance of a building permit for this portion of property, whichever comes first.

SECTION 4. It is declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable. If any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by a 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 5. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 6. 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 7. This Ordinance shall be and become effective on August 22, 2019, from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

APPROVED AS TO FORM:

DONNA M. FAIRWEATHER
ASSISTANT 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 its regular meeting held on the August 22, 2019, 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 ____ day of _____, 2019.

Secretary for the City Council
of the City of Galveston

AGREEMENT OF GRANTEE

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

I, **Lamson Nguyen, and the Galveston Bay Foundation**, hereby accept the terms and conditions of Ordinance No. 19-____, I assert that I am authorized to execute this agreement. I promise to comply with the terms and conditions of said Ordinance and I agree to make payment of the consideration as required therein.

Executed at Galveston, Galveston County, Texas, this the ____ day of _____, 2019.

By: _____
Lamson Nguyen

By: _____
Galveston Bay Foundation,
Bob Stokes, Director

DEED WITHOUT WARRANTY

Effective Date: _____, 2019

Grantor: City of Galveston, Texas

Grantee: Lamson Nguyen,
Galveston Bay Foundation

Consideration:

Ten Dollars (\$10.00) and other good and sufficient consideration hereby acknowledged.

Property (including any improvements):

That certain real property commonly described as an approximate the total square footage being requested is 19,000 square-feet that includes the 2,500 square foot section adjacent to the Galveston Bay Foundation property and which is commonly known as Adjacent to 10702 Schaper Drive and adjacent property to the west and south. Adjacent properties are legally described as the South 1,115 feet of Lot 397 (397-3); and the North Portion of Lot 398 (398-2); Trimble and Lindsey, Section 1; and Lots 370-373, 388-395, 406, 408-415, 417, 426-430, 433-436, 448-450, 453, 470 and part of Lots 368, 369, 374, 375, 398, 399, 405 and adjacent right of way, Trimble and Lindsey, in the City and County of Galveston, Texas.

Reservations from Conveyance: All Mineral Interests.

Exceptions to Conveyance and Warranty:

Subject to which title is taken; validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing instruments, other than conveyances of the surface fee estate, that affect the Property; and any applicable taxes for 2018, which will be paid by Grantee.

To HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, his heir and assigns forever. Grantor does GRANT, SELL and CONVEY the property to Grantee without any express or implied warranty.

As a material part of the Consideration for this deed, Grantor and Grantee agree that Grantee is taking the Property "AS IS" "WHERE IS" "WITH ALL FAULTS," with any and all latent and patent defects and that there is no warranty by Grantor that the Property has a particular financial value or is fit for a particular purpose.

Grantee acknowledges and stipulates that Grantee is not relying on any representation, statement, or other assertion with respect to the Property condition but is relying on Grantee's

examination of the Property. Grantee takes the Property with the express understanding and stipulation that there are no express or implied warranties.

When the context requires, singular nouns and pronouns include the plural.

ATTEST:

THE CITY OF GALVESTON

By: _____
Janelle Williams, City Secretary

By: _____
Brian Maxwell, City Manager

APPROVED AS TO FORM:

City Attorney's Office

ACCEPTANCE

The foregoing conveyance is hereby accepted and the undersigned agrees, by this acceptance, to assume and be bound by all the obligations, conditions, covenants and agreements therein contained.

By: _____
Lamson Nguyen

By: _____
Galveston Bay Foundation,
Bob Stokes, Director

STATE OF TEXAS §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the _____ day of _____, 2019 by **Brian Maxwell, City Manager** of the City of Galveston, Texas.

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF GALVESTON §

This instrument was acknowledged before me on the _____ day of _____, 2019 by Lamson Nguyen.

Notary Public, State of Texas

**STATE OF TEXAS §
COUNTY OF GALVESTON §**

This instrument was acknowledged before me on the _____ day of _____, 2019 by Galveston Bay Foundation, Bob Stokes in the capacity as the Director.

Notary Public, State of Texas

AFTER RECORDING RETURN TO:
Lamson Nguyen;
1011 61st Street
Galveston, TX 77551



19P-043

STAFF REPORT

ADDRESS:

Adjacent to 10702 Schaper Drive and adjacent property to the west and south

LEGAL DESCRIPTION:

Adjacent properties are legally described as the South 1,115 feet of Lot 397 (397-3); and the North Portion of Lot 398 (398-2); Trimble and Lindsey, Section 1; and Lots 370-373, 388-395, 406, 408-415, 417, 426-430, 433-436, 448-450, 453, 470 and part of Lots 368, 369, 374, 375, 398, 399, 405 and adjacent right of way, Trimble and Lindsey; in the City and County of Galveston, Texas.

APPLICANT/REPRESENTATIVE:

Lamson Nguyen

ADJACENT PROPERTY OWNERS:

Lamson Nguyen and Galveston Bay Foundation

EASMENT OWNER:

City of Galveston

ZONING:

Residential, Single Family (R-1)

REQUEST:

Abandonment

APPLICABLE REGULATIONS:

Texas Local Government Code, Chapter 272.001

STAFF RECOMMENDATION:

Approval

EXHIBITS:

A – Aerial Map

B – Survey of Street Right of Way

C – Applicant's Submittal

STAFF:

Janice Norman, Planning Manager
409-797-3670
normanjan@cityofgalveston.org

City Department Notification Responses:

No Objection from City Departments

Public Notice and Comment:

Sent	Returned	In Favor	Opposed	No Comment
9				



Executive Summary:

The applicant is requesting an abandonment of 330 linear-feet of right of way adjacent to his property on the west end of Schaper Drive. The applicant is also requesting an additional 50-feet adjacent to the property to the west owned by Galveston Bay Foundation, who have enjoined in the application. The total square footage being requested is 19,000 square-feet that includes the 2,500 square foot section adjacent to the Galveston Bay Foundation property. If the abandonment is approved the 2,500 square-foot section of right of way will be purchased by the applicant and donated to the Galveston Bay Foundation. This section of Schaper Drive is an unimproved section of right of way and has been fenced off from access.

Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Residential, Single Family (R-1)	Unimproved Right-of-Way
North	Residential, Single Family (R-1)	Vacant
South	Residential, Single Family (R-1)	Vacant
East	Residential, Single Family (R-1)	Residential
West	Residential, Single Family (R-1)	Vacant

Impact on Transportation System

Staff finds that the abandonment will not impact the transportation system since this section of Schaper Drive is not an improved roadway and has been fenced from access for some time.

Impact on Public Utilities and Services

No objections were received from any public or private utilities with comments from:

1. CenterPoint Energy requested that a Street/Alley closure application be submitted. The applicant was notified and submitted the application to CenterPoint Energy. If there are any objections from CenterPoint Energy the applicant will notify the City and resolve the objection with CenterPoint Energy prior to the completion of the abandonment.
2. Kyle Hockersmith, Director of Public works did submit a late comment:
The primary concern is drainage infrastructure along this right of way. This infrastructure consists of open ditch drainage ways that provide stormwater drainage off the Schaper road right of way. Any drainage provision within this area needs to be preserved and any alterations need to be approved by Public Works.

Other Hearings

Planning Commission at their regular meeting on August 6, 2019, voted unanimously to recommend approval of the abandonment and to add a third specific condition regarding the Director of Public Works comment. Please reference Specific Condition number three below.

Staff Recommendation

Staff recommends the request be approved with the following conditions:

Specific Conditions:

1. The applicant shall replat the abandoned right-of-way no later than February 6, 2020;
2. The applicant shall notify the City of Galveston of any objections from CenterPoint Energy and resolve any objection with CenterPoint Energy;
3. An easement shall be required for drainage within this area to be preserved and any alterations to the existing drainage must be approved by Public Works prior to finalizing the abandonment;

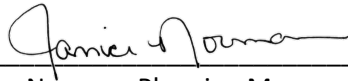
Standard conditions for an abandonment:

4. The applicant shall pay for an opinion letter by an appraiser, regarding the market value of the subject property. The appraiser shall be appointed by the City;
5. The applicant shall pay the value of the right-of-way, as determined by an appraiser, after it is reviewed and approved by the City Manager;
6. The applicant shall adhere to all comments/conditions received from City departments. Should conformance with the comments/conditions require

alterations to the project, as approved, the case must be returned to the Planning Commission for additional review and approval; and;

7. Upon payment of the property and execution of the Deed without Warranty, a replat of the properties shall be completed within 6 months of the filing of the deed, or prior to the issuance of a building permit for this portion of property, whichever comes first.

Respectfully submitted,



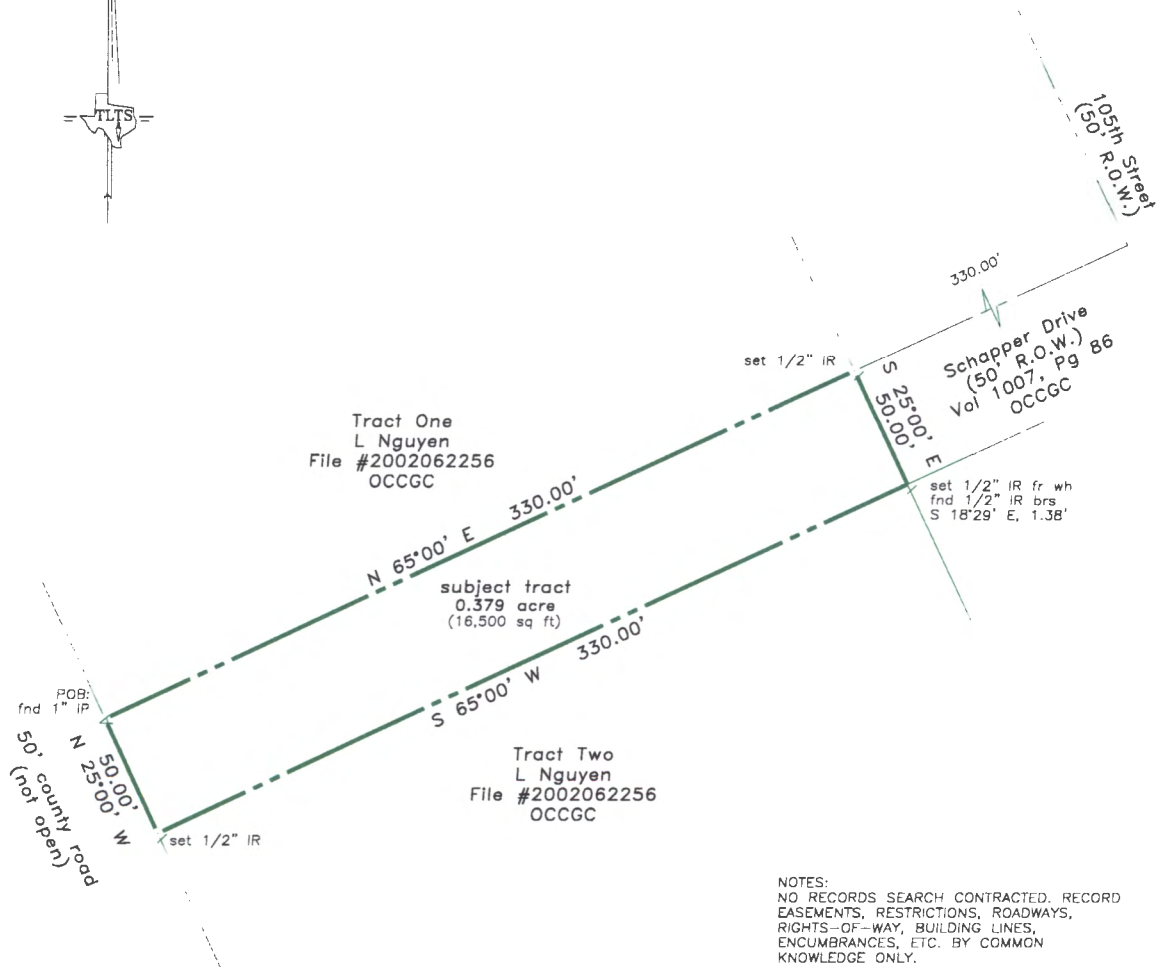
Janice Norman, Planning Manager

Date



Catherine Gorman, Assistant Director, HPO, AICP

Date



NOTES:
NO RECORDS SEARCH CONTRACTED. RECORD
EASEMENTS, RESTRICTIONS, ROADWAYS,
RIGHTS-OF-WAY, BUILDING LINES,
ENCUMBRANCES, ETC. BY COMMON
KNOWLEDGE ONLY.
CLIENT HOLDS TLTS, INC. HARMLESS FROM
RESPONSIBILITY FOR SAME

- Restrictions as per recorded
plat unless otherwise noted
- True ground distances shown
- Bearings assumed as platted
- Survey monuments reconciled
w/numerous previous surveys

LAND TITLE SURVEY OF A TRACT OF LAND being
the West 1/2 of the Second Strip conveyed to
the County of Galveston, in Volume 1007, Page
86, in the Office of the County Clerk of
Galveston County, Texas, containing 0.379 acre
(16,500 square feet) of land and being further
described in the Field Notes attached.

Vacant property: Schaper Road
Galveston County, Texas

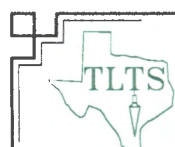
This survey is certified for this transaction only and may only
be relied on by Lamson Nguyen. This survey is only valid if
print has original seal and signature of surveyor.

I hereby certify that this survey was made on the ground
under my direct supervision and that this plat correctly
represents the facts found at the time of the survey.



Laurence C. Wall

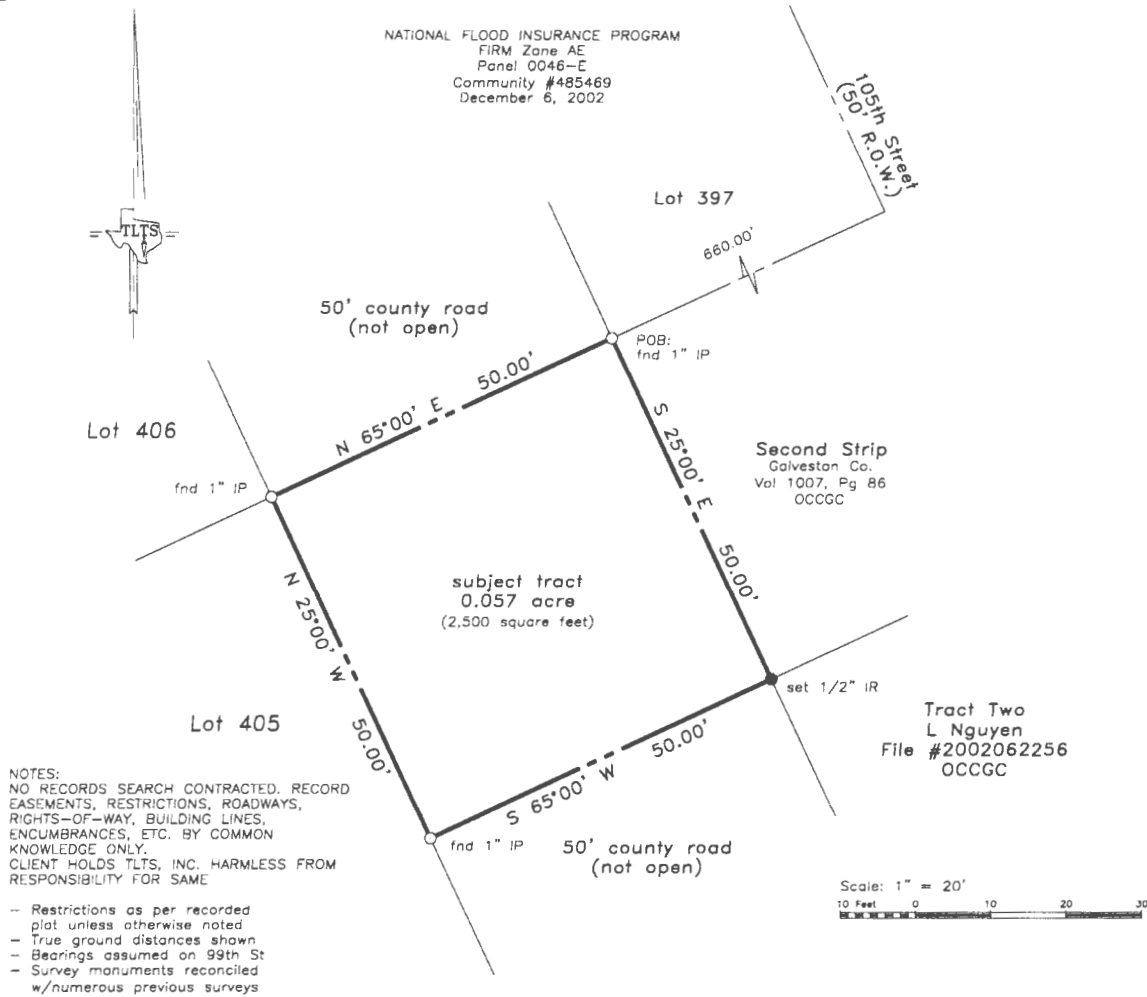
Laurence C. Wall
RPLS #4814
May 7, 2019



TLTS, Inc.
TEXAS LAND TITLE SURVEYORS
1801 Moody Avenue
Galveston, Texas 77550
(409) 765-8883

ABANDON TO LAMSON

ABANDON TO GAL BAY FOUNDATION



LAND TITLE SURVEY OF A TRACT OF LAND, out of the 50 foot public road between Lots 398 and 405, , Section 1, Trimble and Lindsey Survey of Galveston Island, in Galveston County, Texas, said TRACT OF LAND containing 0.057 acre (2,500 square feet) of land and being further described as follows:

BEGINNING at a one inch diameter steel pipe (1" IP) found for the southwest corner of Lot 397, the northwest corner of Lot 398 and the northwest corner of the "SECOND STRIP", a 50 foot right-of-way conveyed to the County of Galveston, by deed recorded in Volume 1007, Page 86, in the Office of the County Clerk of Galveston County, Texas (OCCGC);

THEN S 25° 00' E along the West line of the Second Strip, 50.00 feet to a set 1/2" steel reinforcement bar (1/2" IR) for the southwest corner of the Second Strip and the northwest corner of Tract Two, described in File #2002062256, OCCGC;

THEN S 65° 00' W across the 50 foot county road, 50.00 feet to a found 1" IP in the East line of Lot 405;

THEN N 25° 00' W along the common line of Lot 405 and the county road, 50.00 feet to a found 1" IP at the northeast corner of Lot 405, also being the southeast corner of Lot 406;

THEN N 65° 00' E across the county road, 50.00 feet to the POINT OF BEGINNING, containing 0.057 acre (2,500 square feet) of land.

Vacant property: Schaper Road
Galveston County, Texas

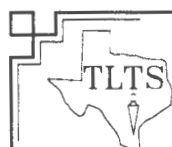
This survey is certified for this transaction only and may only be relied on by Lamson Nguyen. This survey is only valid if print has original seal and signature of surveyor.

I hereby certify that this survey was made on the ground under my direct supervision and that this plat correctly represents the facts found at the time of the survey.

Laurence C. Wall
RPLS #4814
June 16, 2019



Laurence C. Wall



TLTS, Inc.
TEXAS LAND TITLE SURVEYORS
1801 Moody Avenue
Galveston, Texas 77550
(409) 765-8883

GALVESTON BAY
FOUNDATION

409631
LAMSON

REQUEST FOR
ABANDONMENT, AREA
BETWEEN LAMSON TO
LAMSON, AREA
BETWEEN GBF TO GBF

409632
LAMSON

389614

115542

115570

375925

613626

613626

425550

115462

115459

103rd St

per Dr

18155

118173

413928

413931

118039

118038

118034

3569

117986

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1179







City of Galveston

Finance Department
PO Box 779 | Galveston, TX 77553-0779
| 409-797-3562

September 13, 2018

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Michael Loftin, Director of Finance

RE: Consider for action an ordinance of the City of Galveston, Texas, approving and adopting the five-year Capital Improvement Plan for FY 2020-2024; and making certain findings and containing certain provisions related to the subject.

I. Background

The FY 2020-2024 Capital Improvement Plan (CIP) includes \$303 million for City capital improvement projects. Approval of this document is intended to provide a basis for long term capital project planning and financing. Budget and Capital Improvement Plan workshops with the City Council began in June of 2018, with workshops including discussion of the Proposed CIP on July 25th and August 8th and 22nd...

The CIP is a comprehensive document with planned projects phased over a five year period, utilizing a combination of local funds and grant funds. A separate section is provided for each of seven capital programs. Analyses are also provided for nineteen local funding sources, including \$149.6 million in revenue bonds and \$37.4 million in tax supported bonds needed during the five year planning period.

The CIP includes financing analyses that demonstrate the affordability of these bonds. In accordance with the City Charter and state law, the tax-supported bonds were approved by the voters in the May 2017 bond election. Under state law and City Charter, City Council can approve the issuance of the revenue supported bonds without an election. All of the proposed bonds will be sold on an as needed basis, and will likely require rate increases for water and sewer system customers. Any such rate increase will be reviewed and proposed annually based on the annual Budget.

II. Current Situation - CIP Highlights by program:

Streets and Traffic - The Street Program includes projects totaling \$47.2 million for Street projects for the FY2020-2024 period, adding to the \$32.6 million initiated in previous years. Streets identified for funding in the May 2017 bond election are underway to provide the results expected from the bond election.

The FY 2020-2024 street program is proposed to be funded with \$19.2 million from the bonds, \$3.3 million from the General Fund Infrastructure and Debt Service set aside, \$4.5 million from sales tax revenue provided through the

Industrial Development Corporation, and \$9.8 million from water and sewer revenue bonds for the associated utilities.

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:

<u>Rating</u>	<u>Assessment</u>
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 FY2020-2024 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 May 2017.

The objective of the Streets program is to correct all streets scoring below 70 (ranging from “Failed” to “Fair”). 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 2020, these projects include:

1. Reconstruction of 45th Street from Broadway to Seawall,
2. 25th Street from Broadway to Seawall,



3. 73rd Street from Heard's 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,
9. Downtown Streetscape Improvements,
10. 29th Street from Avenue O to Seawall, and
11. 49th Street from Avenue P to Avenue S ½.

Drainage – The Drainage Program includes constructing new facilities to increase capacity and providing repairs to existing systems, with \$46.35 million in projects scheduled for the FY 2020-2024 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 \$2.2 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 FY2020.

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.



The City is also applying to the Federal Emergency Management Agency (FEMA) for Hazard Mitigation Grant Program (HMGP) funding to provide for the design and construction of drainage pump stations to rapidly remove storm water from rain events.

Water - The Water Program includes projects totaling \$129.58 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 \$45.8 million in projects have already been initiated in to improve the water system with \$26.5 million from CDBG Disaster Recovery grant funds being used for four projects. All the CDBG-DR funded projects are scheduled for completion by the end of December 2019.

Rehabilitation and replacement projects for the FY2020–2024 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.
8. Upgrading the capacity and operations of the Airport Pump Station, to include the replacement of the existing ground storage tank (GST) and the construction of an additional GST.
9. Demolition and replacement of the old 10 Mile Road Elevated Storage Tank (EST) with a new, higher capacity EST.

Proposed new construction for the water system by FY 2024 includes:

1. A 7.5 million gallon ground storage tank 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.



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.

Other Programs –

- Park Improvements - \$6.5 million from IDC Sales Tax funds including \$1.9 million for beach pocket park rehabilitation and \$3.4 million for Sandhill Crane Soccer Complex and park.
- Airport Improvements - \$7.9 million, with \$5.35 million from TxDOT, \$1.1 million from Airport property sales, and \$1.48 from Airport cash.

III. Recommendation

Adopt the FY 2020-2024 CIP as presented.



ORDINANCE NO. 19-

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, APPROVING AND ADOPTING THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN FOR FY 2020-2024; 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 August 2019, the City Manager presented to the City Council a proposed Capital Improvement Plan (CIP) for Fiscal Years 2020 through 2024; and

WHEREAS, on August 8, 2019 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 2020 through 2024 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 2020 through 2024 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 2020 projects included in the Capital Improvement Plan as part of the City Budget with the passage of Ordinance No. 2019-XXX on September 12, 2019; and

WHEREAS, the FY 2020-2024 Capital Improvement Plan provides a general framework to guide project planning and financing over a five-year period; and

WHEREAS, the FY 2020-2024 Capital Improvement Plan is based on general priorities and available financing as can be anticipated at the present time; and

WHEREAS, the FY 2020-2024 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 2020 through 2024, 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:

APPROVED:

DONALD GLYWASKY
CITY ATTORNEY

JAMES D. YARBOROUGH
MAYOR

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 12th 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 _____ day of _____, 2019.

Secretary for the City Council
of the City of Galveston



City of Galveston

Finance Department
PO Box 779 | Galveston, TX 77553-0779
| 409-797-3562

September 12, 2019

To: Brian Maxwell, City Manager
Honorable Mayor and City Council
From: Michael W. Loftin, Assistant City Manager for Finance

RE: Discuss and consider for action an ordinance authorizing the issuance of City of Galveston, Texas Public Improvement Bonds, Series 2019; Levying a tax in payment thereof; Providing for the sale and award of said bonds in accordance with certain parameters; Approving certain agreements relating to the Bonds; and Enacting other provisions relating thereto.

I. Background

- A. On May 6, 2017 the voters authorized the issuance of \$62 million in tax supported General Obligation bonds (also called Public Improvement Bonds) to be used for street and drainage projects.
- B. On May 22, 2019, the City Council authorized the sale of \$25 million in street and drainage 2017 Public Improvement Bonds. Facts about the sale:
 - (1) Twenty year bonds with a final maturity of May 1, 2037;
 - (2) Final All-In Interest Rate of 3.058%;
 - (3) Weighted average maturity was 11.284 years;
 - (4) \$22.6 million in bonds were sold at a premium to realize \$25 million net proceeds for the City's project fund;
 - (5) Underwriters included Hilltop Securities as Senior Manager, as well as Co-Manager SAMCO Capital Markets.
- C. The proceeds of this sale have been utilized thus far as follows (see attached FY 2019 project detailed report):

Status of 2017 GO Bond Proceeds as of July 31, 2019

Original Deposit	\$25,000,000
Interest Earned to Date	\$825,806
Total Available	\$25,825,806
Less: Project Expenditures	(\$6,862,681)
Current Cash Balance	\$18,963,125
Less: Under Contract	(\$11,295,691)
Less: Committed to Projects	(\$5,799,332)
Balance	\$1,868,102

II. Current Situation

- A. Preparations are being made to award construction contracts as shown in the table below. The first projects listed for construction awards prior to the end of calendar 2019 provide the reason to sell additional bonds now.

CONSTRUCTION PROJECTS TO BE FUNDED WITH THE
2019 GO BONDS PROPOSED

PROGRAM AND CIP NUMBER	PROJECT DESCRIPTION	PROJECT PHASE	ESTIMATED COUNCIL APPROVAL	TOTALS
STREETS				
IHST*	In House Streets	Construction	ONGOING	\$1,100,000
ST1503	26TH - Broadway to Church PH II	" "	Nov-19	\$490,000
ST1604*	29TH - Church to Harborside	" "	Mar-21	\$408,000
ST1801*	30TH - Ave O to Seawall	" "	Jan-21	\$2,005,000
ST1802*	16TH - Broadway to Ave N 1/2	" "	May-20	\$2,550,000
ST1901*	37TH - Broadway to Seawall	" "	Jan-21	\$5,050,000
ST2001*	29TH - Ave O (Bdwy) to Ave R 1/2	" "	Jan-21	\$4,418,640
ST2003*	35th - Postoffice to Broadway	" "	Mar-21	\$1,234,000
		SUBTOTAL STREETS		\$17,255,640
DRAINAGE				
D1602*	18TH Drainage	Construction	Dec-19	\$11,180,000
D1604	Church Street Drainage	" "	Nov-20	\$565,000
D1901	Pilot Storm Water Pumpstation @ 14th Street	" "	Oct-20	\$8,000,000
		SUBTOTAL DRAINAGE		\$19,745,000
		TOTAL ALL PROJECTS		\$37,000,640

- B. The current bond market is characterized by long term interest rates that are so low that they are lower than short term rates. This situation is expected to change sooner or later, but the opportunity exists for the City to get historically low rates on the sale of the balance of the bonds authorized by the voters in May 20, 2017.
- C. See the attached financial and statistical run from Jim Niederle at Hutchinson, Shockey, Erley & Co., the city's financial advisor. As of September 3, 2019, the numbers for the sale are as follows:
- (1) Twenty year bonds with a final maturity of May 1, 2039;
 - (2) Final All-In Interest Rate based on these August 27 numbers of 2.478%;
 - (3) Weighted average maturity would be 11.772 years; and
 - (4) \$31.59 million in bonds would be sold at a premium to realize \$37.0 million net proceeds for the City's project fund.
- D. This bond sale is being recommended to be conducted as a parameter sale, meaning that the City Council authorizes the sale to be conducted and finalized with the signature of the Authorized Officer as defined in the Bond Ordinance. The bond ordinance defines the "Authorized Officer" as "the Mayor or, in his or her absence, the City Manager, Deputy City Manager or Assistant City Manager of Finance of the City, or such other officers of the City as designated by the City Manager in writing." The "Authorized Officer" will approve
1. The Preliminary Official Statement for issuance prior to pricing the bonds,
 2. The Pricing Certificate, and



3. The Bond Purchase Contract.
- E. Final sale documents that require the Mayor's signature will be executed over the Mayor's signature with the attestation of the City Secretary prior to the closing of the bond sale.
- F. The results of the sale will be communicated to City Council once the sale is complete and the Pricing Certificate and Purchase Agreement have been signed by the "Authorized Officer."
- G. The parameters proposed for this sale that are specifically defined in section 7.1 of the Bond Ordinance are as follows:
 1. Twenty year amortization period,
 2. All-In Total Interest Cost of no more than 3.00 percent;
 3. Proceeds to the City for use in construction projects, \$37 million; and
 4. Sale to be conducted and finalized with pricing of the bonds and agreement reached with the bond underwriters on that pricing by midnight on November 12, 2019.
- H. **As required by the City Charter (Article VII, Section 15a), approving the sale will require six affirmative votes on the part of Mayor and City Council on September 12, 2019. This number is required regardless of the number of the seven City Council members present and in attendance that day.**
- I. **Bond Sale Preparation:** To prepare for the issuance of GO's through a parameter sale, a Preliminary Official Statement (POS) must be prepared, the bonds must then be sold to a group of experienced bond underwriting firms, and law firms be designated to serve as bond counsel and disclosure counsel. The Bond Ordinance designates the following team members to prepare the (POS), conduct and complete the sale, and fulfill specific responsibilities in completing the transaction:
 1. City officials are assigned the responsibility to exercise their official duties in the completion of the bond sale;
 2. Financial Advisor – Hutchinson, Shockey, Erley & Co.;
 3. Bond Counsel – Bracewell LLP;
 4. Disclosure Counsel – Hunton, Andrews Kurth LLP; and
 5. Senior Manager (Senior Underwriter or "book runner" – Raymond James;
 6. Co-Managers or Underwriters – FTN Financial and Estrada Hinojosa; and
 7. Paying Agent/Registrar – Bank of New York.

An attachment lists the specific firms involved in the previous four bond sales dating back to 2015 when firms were selected through a Request for Qualifications process.

III. Issues

- A. The sale could be conducted as a sale approved by City Council instead of as a parameter sale, but this limits the City's ability to use actual market conditions on any given day or week to guide in an informed way the decision to structure and price the bonds.
- B. A smaller portion of the remaining bond amount authorized by the voters could be sold, but the City would need to go back to the market in 2020 and the favorable conditions currently prevailing would be lost.



- C. While we are still receiving and reviewing comments from component units, this sale is consistent with the Debt Management policy approved by City Council on April 25, 2019.
- D. A complete listing of street and drainage projects targeted for the use of the \$62 million in authorized bonds is attached. The projects targeted at the time of the bond election in May 2017 are all proceeding to completion by May 2022.
- E. A significant strategic change in the use of the authorized project listing is allowing the City the ability to provide \$8 million in matching funds for a federal grant to construct storm water pumping and retention facilities in the Harborside area addressing a major need that was not yet fully defined at the time of the bond election. This is being accomplished through the use of water and sanitary sewer bonds (certificates of obligation proceeds) for water and sanitary lines replacement that is a part of virtually every street project constructed with GO bonds as authorized. This funding strategy is a part of the Proposed Capital Improvement Plan.
- F. Principal Amortization Structure - Debt service payments will be lower from FY 2020 to 2023 than the remaining years of the payment schedule, varying from \$1.5 million to \$1.8 million. This initial four year period includes the last years required to pay off debt service for GO Refunding Bonds sold in 2014. Thereafter and beginning in FY 2024, debt service starts in the \$2.7 million range and drops to \$2.2 million by year FY 2039. This structure is to accelerate principal payments slightly from a level debt type payment schedule.

IV. Fiscal Impact

- A. Cost of issuance – Will be included in the cost of the sale, approximating 1.2 percent of proceeds.
- B. Annual Debt Service – Annual debt service payments are planned to be made with a combination of property taxes levied specifically for debt service along with General Fund dollars set-aside in the Infrastructure and Debt Service Fund. In FY 2020, the Debt Service Fund budget includes \$1.87 million from the Infrastructure and Debt Service Fund for year one of the payment schedule.

V Recommendation

Approve the bond ordinance authorizing the sale of \$37 million in Public Improvement Bonds as presented.



CITY OF GALVESTON ORDINANCE NO. 19-____

AUTHORIZING THE
ISSUANCE OF

CITY OF GALVESTON, TEXAS
PUBLIC IMPROVEMENT BONDS
SERIES 2019

Adopted: September 12, 2019

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Exhibit A – Form of Pricing Certificate

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF GALVESTON, TEXAS PUBLIC IMPROVEMENT BONDS, SERIES 2019; LEVYING A TAX IN PAYMENT THEREOF; PROVIDING FOR THE SALE AND AWARD OF SAID BONDS IN ACCORDANCE WITH CERTAIN PARAMETERS; APPROVING CERTAIN AGREEMENTS RELATING TO THE BONDS; AND ENACTING OTHER PROVISIONS RELATING THERETO

THE STATE OF TEXAS §
COUNTY OF GALVESTON §
CITY OF GALVESTON §

WHEREAS, the voters of the City of Galveston, Texas (the “City”) have approved public improvement bonds voted pursuant to the Constitution and the laws of the State of Texas, including particularly Chapter 1331, Texas Government Code, as amended (“Chapter 1331”) at an election held within the City on May 6, 2017 (the “Election”); and

WHEREAS, at said Election, the voters authorized the amount of public improvement bonds set forth in the following schedule, such schedule also showing the amount previously issued pursuant to such voted authorization; and

Purpose	Amount Voted	Amount Previously Issued	Authorized but Unissued Balance
Streets, Bridges, Storm Sewers, Drainage, Traffic Systems, and Other Related Public Infrastructure	\$62,000,000	\$25,000,000	\$37,000,000

WHEREAS the City Council of the City (the “City Council”) does hereby determine that public improvement bonds in the amount not to exceed \$37,000,000, including any premium charged against voted authority, should be issued as a portion and installment of the \$62,000,000 public improvement bonds voted as Proposition No. A at the Election; and

WHEREAS, the actual amount issued from the Election pursuant to this Ordinance and the balance, that remains after the issuance of the public improvement bonds authorized in this Ordinance will be indicated in the Pricing Certificate (as hereinafter defined); and

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the City and its citizens that it authorize by this Ordinance the issuance and delivery of such public improvement bonds for the construction, acquisition, improvement and rehabilitation of streets, bridges, storm sewers and drainage, including curbs, gutters, sidewalks and other related public infrastructure, traffic systems and the acquisition of rights of way relating to such projects; and

WHEREAS, the public improvement bonds are authorized to be issued pursuant to Chapter 1331; and

WHEREAS, the City has a principal amount of at least \$100,000,000 in a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued, and some amount of such long-term indebtedness is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation, and therefore qualifies as an “Issuer” under Chapter 1371 of the Texas Government Code, as amended (“Chapter 1371”); and

WHEREAS, pursuant to Chapter 1371, the District desires to delegate the authority to effect the sale of the Bonds (as hereinafter defined) to the Authorized Officer (as hereinafter defined); and

WHEREAS, the meeting at which this Ordinance is being considered is open to the public as required by law, and public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Authorized Officer” means the Mayor or, in his or her absence, the City Manager, the Deputy City Manager or the Assistant City Manager of Finance of the City, or such other officers of the City as designated by the City Manager in writing.

“Bond” or “Bonds” means the City’s bonds entitled, “City of Galveston, Texas, Public Improvement Bonds, Series 2019” authorized to be issued by Section 3.1 of this Ordinance.

“Bond Counsel” means Bracewell LLP or such other nationally recognized firm appointed from time to time by the City.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Chapter 1331” means Chapter 1331, Texas Government Code, as amended.

“Chapter 1371” means Chapter 1371, Texas Government Code, as amended.

“City” means the City of Galveston, Texas.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulation promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Dated Date” means the date so designated as the date of the Bonds in the Pricing Certificate.

“Debt Service Fund” means the debt service fund established by Section 2.2 of this Ordinance.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Ordinance, the Designated Payment/Transfer Office as designated in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means such fiscal year as shall from time to time be set by the City Council.

“Initial Bond” means the initial bond authorized by Section 3.4 of this Ordinance.

“Interest Payment Date” means the date or dates on which interest on the Bonds is scheduled to be paid, as designated in the Pricing Certificate.

“Maturity” means the date on which the principal of the Bonds becomes due and payable according to the terms thereof, whether at Stated Maturity or by proceedings for prior redemption.

“MSRB” means the Municipal Securities Rulemaking Board.

“Ordinance” as used herein means this ordinance authorizing the Bonds.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, N.A. or such other paying agent/ the paying agent/registrar designated in the Pricing Certificate.

“Paying Agent Registrar Agreement” means the Paying Agent/Registrar Agreement between the Paying Agent/Registrar and the City relating to the Bonds.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer in connection with the issuance of Bonds under this Ordinance.

“Purchase Contract” means the purchase contract, between the City and the Underwriters, pertaining to the sale of the Bonds.

“Record Date” means the Record Date for the Bonds set forth in the Pricing Certificate.

“Register” means the bond register specified in Section 3.6(a) of this Ordinance.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Representation Letter” means the Blanket Letter of Representations between the City and DTC.

“Representative” means Raymond James & Associates, Inc. as the representative of the Underwriters.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Special Payment Date” means the date that is fifteen (15) days after the Special Record Date, as described in Section 3.3(e).

“Special Record Date” means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, as described in Section 3.3(e).

“State” means the State of Texas.

“Stated Maturity” means the respective stated maturity dates of the Bonds specified in the Pricing Certificate.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal, redemption premium, if any, or interest on the Bonds as the same becomes due and payable,, or money set aside for the payment of Bonds duly called for redemption prior

to Stated Maturity and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

“Underwriters” means Raymond James & Associates, Inc., FTN Financial Capital Markets and Estrada Hinojosa & Company, Inc.

Section 1.2. Findings.

The declarations, determinations, and findings declared, made, and found in the preamble to this Ordinance are hereby adopted, restated, and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles, and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Any action required to be taken on a date which is not a Business Day shall be taken on the next succeeding Business Day and have the same effect as if taken on the date so required.

(c) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

(d) Article and section references shall mean references to articles and sections of this Ordinance unless otherwise designated.

ARTICLE II

TAX LEVY; DEBT SERVICE FUND

Section 2.1. Tax Levy.

(a) Pursuant to the authority granted by the Texas Constitution and the laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year thereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the City, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements

of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% per annum (whichever amount is greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the City most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Debt Service Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Debt Service Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(d) To pay the debt service coming due on the Bonds prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 2.2. Debt Service Fund.

(a) The City hereby establishes a special fund or account to be designated the “Public Improvement Bonds, Series 2019, Debt Service Fund” (the “Debt Service Fund”) with said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City.

(b) Money on deposit in or required by this Ordinance to be deposited to the Debt Service Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance and related expenses.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The City’s “City of Galveston, Texas Public Improvement Bonds, Series 2019” are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, specifically Chapters 1331 and 1371. The Bonds shall be issued in the aggregate principal amount not to exceed \$37,000,000 for the costs associated with the (i) construction, acquisition, improvement and rehabilitation of streets, bridges, storm sewers and drainage, including curbs, gutters, sidewalks and other related public infrastructure, traffic systems and the acquisition of rights of way relating to such projects, and (ii) payment of costs of issuance for such series of bonds and other professional services related to the purposes herein.

Section 3.2. Date, Denomination, Maturities, and Interest.

(a) The Bonds shall be dated the Dated Date as set forth in the Pricing Certificate, and shall be in fully registered form, without coupons.

(b) The Bonds shall be in the aggregate principal amount designated in the Pricing Certificate, shall be in the denomination of \$5,000 principal amount or any integral multiple thereof and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered I-1.

(c) The Bonds shall mature on the dates and in the principal amounts and shall bear interest at the per annum rates set forth in the Pricing Certificate.

(d) Interest shall accrue and be paid on each Bond, respectively, until the principal amount thereof has been paid or provision for such payment has been made, from the later of (i) the Closing Date or the Dated Date, as designated in the Pricing Certificate, or (ii) the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the Pricing Certificate. Such interest shall be payable semiannually on each Interest Payment Date and shall be computed on the basis of a 360-day year composed of twelve 30-day months.

Section 3.3. Medium, Method, and Place of Payment.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be paid by check dated as of the Interest Payment Date, and sent United States mail, first class, postage prepaid, by the Paying Agent/Registrar to each Owner, as shown in the Register at the close of business on the Record Date, at the address of each such Owner as such appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements.

(c) The principal of each Bond shall be paid to the Owner thereof at Maturity upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(d) If the date for the payment of the principal of and interest on the Bonds is not a Business Day, the date for such payment shall be the next succeeding Business Day, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

(e) In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the special payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond

appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6, Texas Property Code.

Section 3.4. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem and the City Secretary or Assistant City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Bond of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one initial Bond (the "Initial Bond"), representing the entire principal amount of the Bonds, payable in stated installments to the Representative or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and the City Secretary or Assistant City Secretary of the City, approved by the Attorney General of the

State, and registered and manually signed by the Comptroller of Public Accounts of the State, will be delivered to the Representative or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel such Initial Bond and deliver to DTC on behalf of the Representative or its designee, registered definitive Bonds as described in Section 3.9. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 3.5. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the Owner as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof, for the purpose of making and receiving payment of the interest thereon (subject to the provisions herein that the interest is to be paid to the person in whose name the Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.6. Registration, Transfer, and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office with such endorsement or other instrument of transfer and assignment as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000, and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange.

(d) The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(f) Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within 45 days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled balance of a Bond.

Section 3.7. Cancellation.

All Bonds paid or redeemed before Stated Maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled and proper records made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of such cancelled Bonds in the manner required by the Securities Exchange Act of 1934, as amended.

Section 3.8. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction, or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed, or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.9. Book-Entry-Only System.

(a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.10 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the

sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representation Letter previously executed and delivered by the City, and applicable to the City's obligations delivered in book entry only form to DTC as securities depository, is hereby ratified and approved for the Bonds.

Section 3.10. Successor Securities Depository; Transfer Outside Book-Entry-Only System.

In the event that the City determines that it is in the best interest of the City and the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.11. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the Representation Letter of the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds shall be subject to redemption before Stated Maturity only as provided in this Article IV and in the Pricing Certificate.

Section 4.2. Optional Redemption.

The Bonds shall be subject to redemption at the option of the City at such times, in such amounts, in such manner and at such redemption prices as may be designated in the Pricing Certificate.

Section 4.3. Mandatory Sinking Fund Redemption.

(a) (The Bonds designated as “Term Bonds” in the Pricing Certificate (“Term Bonds”), if any, are subject to scheduled mandatory redemption and will be redeemed by the City, in part, at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Debt Service Fund, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

(b) Prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.5.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.3 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.4. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.2 hereof, the City shall determine the maturity or maturities (or mandatory sinking fund payment with respect to Term Bonds) and the principal amount thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot, or other customary method that results in random selection, the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.6 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.5. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The City reserves the right to give notice of its election or direction to redeem Bonds under Section 4.2 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain outstanding and the rescission of such redemption shall not constitute an event of default.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.6. Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/ Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.7. Effect of Redemption.

(a) When Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Bonds or portions thereof so

redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption. If the City shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by the City.

Section 4.8. Lapse of Payment.

Money set aside for the redemption of the Bonds and remaining unclaimed by the Owners thereof shall be subject to the provisions of Section 3.3(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.1. Appointment of Initial Paying Agent/Registrar.

(a) The City hereby appoints The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as its initial registrar and transfer agent (the "Paying Agent/Registrar") to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Bond to which payments with respect to the Bonds shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all conversions, exchanges and replacements of such Bonds, as provided in the Ordinance.

(c) The City hereby approves and the Mayor and the City Secretary are hereby authorized to execute and deliver a Paying Agent/Registrar Agreement, specifying the duties and responsibilities of the City and the Paying Agent/Registrar.

Section 5.2. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.3. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.2 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement, provided no such resignation shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.4. Termination.

The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated (i) 45 days written notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided, that, no such termination shall be effective until a successor Paying Agent/Registrar has assumed the duties of Paying Agent/Registrar for the Bonds.

Section 5.5. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by United States mail, first class, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.6. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby and under the Paying Agent/Registrar Agreement.

Section 5.7. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) The Bonds, including the Initial Bond submitted to the Attorney General of the State, shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

Section 6.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, or another entity that provides securities identification numbers for municipal securities, and may the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds or any errors or omissions in the printing of such number shall be of no significance or effect in regard to the legality thereof and neither the City nor bond counsel to the City are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be affixed to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

Section 6.4. Bond Insurance.

If it is determined that the purchase of bond insurance would result in savings to the City, the Authorized Officer is hereby authorized to approve the purchase of and payment of the premium for bond insurance by the City and the terms of commitment for such insurance, if any. All officials and representatives of the City are authorized and directed to execute such documents and to do any and all things necessary or desirable to obtain such insurance. A statement relating to the bond insurance obtained for the Bonds, if any, may be printed on or attached to each Bond.

ARTICLE VII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS; OFFICIAL STATEMENT

Section 7.1. Sale of Bonds.

(a) The City Council hereby appoints Raymond James & Associates, Inc., FTN Financial Capital Markets and Estrada Hinojosa & Company, Inc., as the Underwriters for the Bonds. The Bonds shall be sold to the Underwriters in accordance with the terms of this Ordinance. As authorized by Chapter 1371, the Authorized Officer is authorized to act on behalf of the City in selling and delivering the Bonds and in carrying out the other procedures specified in this Ordinance, including determining the price at which each of the Bonds will be sold, the number and designation of each series or subseries of Bonds to be issued, the voted authority to be used in connection with the Bonds, the form in which the Bonds shall be issued, the years and dates on which the Bonds will mature, and the principal amount to mature in each of such years, the aggregate principal amount of Bonds to be issued by the City, the rate of interest to be borne by each maturity of the Bonds, the Interest Payment Dates, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption; the defeasance provisions applicable to the Bonds; and determining all other matters relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate; subject to the following conditions:

(i) the price to be paid for the Bonds shall not be less than 90% of the aggregate original principal amount of the Bonds plus accrued interest thereon from their date to their delivery;

(ii) the Bonds shall not bear a total true interest cost at a rate greater than 3.00%;

(iii) the aggregate principal amount of the Bonds authorized to be issued shall not exceed the total maximum par amount set forth in Section 3.1;

(iv) the Pricing Certificate for the Bonds shall indicate the amount of authorized but unissued bonds that remain available to the City, if any, from the applicable voted authorization following the issuance of the Bonds approved in the Pricing Certificate; and

(v) no Bond shall mature more than 20 years from the date of delivery thereof.

The Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the City a Purchase Contract providing for the sale of the Bonds to the Underwriters, in such form as determined by the Authorized Officer. The Authorized Officer is hereby authorized and directed to approve the final terms and provisions of the Purchase Contract in accordance with the terms of the Pricing Certificate and this Ordinance, which final terms shall be determined to be the most advantageous reasonably attainable by the City, such approval and

determination being evidenced by the execution of the Purchase Contract by the Authorized Officer.

(b) The authority granted to the Authorized Officer under Section 7.1(a) shall expire at 11:59 p.m. on a sixty (60) days from the date of this Ordinance, unless otherwise extended by the City Council by separate action.

(c) All officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out in the Purchase Contract and to provide for the issuance and delivery of the Bonds. The Initial Bond shall initially be registered in the name of the Representative or its designee or in the name of such other entity as may be specified in the Purchase Contract for the Bonds.

(d) The City hereby approves the preparation of a Preliminary Official Statement for use in the initial offering and sale of the Bonds and authorizes the Authorized Officer to approve the final form of the Preliminary Official Statement and to deem the Preliminary Official Statement (with such addenda, supplements or amendments as may be approved by the Authorized Officer) final within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities and Exchange Act of 1934 on behalf of the City. The City Council hereby authorizes the preparation of an Official Statement reflecting the terms of the applicable Purchase Contract and other relevant information. To assist with the preparation of the Preliminary Official Statement and the Official Statement, the City hereby appoints Hunton Andrews Kurth LLP as disclosure counsel for the Bonds and authorizes the City Manager or his designee to enter into an engagement letter regarding such services. The use of such final Official Statement by the Underwriters (in the form and with such appropriate variations as shall be approved by the Authorized Officer and the Underwriters) is hereby approved and authorized and the proper officials of the City are authorized to sign such Official Statement.

(e) The Mayor, the City Manager, the Deputy City Manager, the Assistant City Manager of Finance of the City, the Authorized Officer and all other officers of the City are authorized to take such actions, to obtain such consents or approvals, to deliver such notices and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds, to pay the costs of issuance of the Bonds, and to effectuate the terms and provisions of this Ordinance.

Section 7.2. Deposit of Proceeds.

Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as set out in the Pricing Certificate. Any proceeds remaining after the accomplishment of such purposes, including interest earnings on the investment of such proceeds, shall be deposited to the Debt Service Fund.

Section 7.3. Control and Delivery of Bonds.

(a) The Mayor of the City is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State, registration by the Comptroller of Public Accounts of the State and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Representative or its designee under and subject to the general supervision and direction of the Mayor, against receipt by the City of all amounts due to the City under the terms of sale.

ARTICLE VIII

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 8.1. Payment of the Bonds.

On or before each Interest Payment Date while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Debt Service Fund, money sufficient to pay such interest on and principal of, redemption premium, if any, and interest on the Bonds as will accrue or mature on the applicable Interest Payment Date or date of prior redemption.

Section 8.2. Other Representations and Covenants.

(a) The City will faithfully perform, at all times, any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the City will promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 8.3. Provisions Concerning Federal Income Tax.

(a) General. The City intends that the interest on the Bonds be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150, inclusive, of the Code. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Bonds to be includable in the gross income, as defined in section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any applicable provision of section 103 and 141 through 150, inclusive, of the Code. In particular, the City covenants and agrees to comply with each requirement of this Section 8.3; provided, however, that the City will not be required to comply with any particular requirement of this Section 8.3 if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes or (ii) compliance with some other requirement specified in such Counsel's Opinion will satisfy the applicable requirements of the Code, in which case compliance with such other requirement will constitute compliance with the corresponding requirement specified in this Section 8.3.

(b) No Private Use or Payment and No Private Loan Financing. The City covenants and agrees that it will make such use of the proceeds of the Bonds including interest or other investment income derived from Bond proceeds, regulate the use of property financed or refinanced, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Moreover, the City will certify, through an authorized officer, employee or agent that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “private activity bonds” within the meaning of section 141 of the Code.

(c) No Federal Guarantee. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bonds. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage. The City covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code. Moreover, the City will certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) Arbitrage Rebate. If the City does not qualify for an exception to the requirements of section 148(f) of the Code relating to the required rebate to the United States, the City will take all steps necessary to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys that do not represent gross proceeds of any bonds of the City, (ii) determine at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Bonds that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a

smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code.

(h) Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Bonds until three years after the last Bond is redeemed or paid at maturity, or such other period as may be provided by subsequent guidance issued by the Department of the Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

(i) Registration. The Bonds will be issued in registered form.

(j) Deliberate Actions. The City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to fail to meet any requirement of section 141 of the Code after the issue date of the Bonds unless an appropriate remedial action is permitted by section 1.141-12 of the Regulations, the City takes such remedial action and the City receives a Counsel's Opinion that such remedial action cures any failure to meet the requirements of section 141 of the Code.

(k) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of this Section 8.3 will survive the defeasance and discharge of the Bonds for so long as such matters are relevant to the exclusion from gross income of interest on the Bonds for federal income tax purposes.

ARTICLE IX

DISCHARGE

Section 9.1. Discharge.

The Bonds may be defeased, discharged or refunded in any manner now or hereafter permitted by applicable law.

ARTICLE X

CONTINUING DISCLOSURE UNDERTAKING

Section 10.1. Annual Reports.

(a) The City agrees to provide to the MSRB, in electronic format, accompanied by identifying information as prescribed by the MSRB, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the City of the general type included in the final Official Statement, being the information described in the Pricing Certificate, and including financial statements of the City if audited financial statements of the City are then available, and (ii) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in the rules to the financial statements for the most recently concluded Fiscal Year, or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

(b) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific referenced to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 10.2. Event Notices.

(a) The City shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of the holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;

Note to paragraph 12: For the purposes of the event identified in paragraph 12 of this section, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security

holders, if material; and

- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note to paragraphs (15) and (16): For purposes of the events identified in paragraphs (15) and (16) of this section and in the definition of Financial Obligation in Section 1.01, the City intends the words used in such paragraphs to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018 (the “2018 Release”) and any further written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

(b) The City shall notify the MSRB, in a timely manner, any failure by the City to provide financial information or operating data in accordance with Section 10.1 of this Ordinance by the time required by such Section. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

Section 10.3. Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any redemption calls and any defeasances that cause the City to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. The provisions of this Article may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent the underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 10.1 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 10.4. Amendments to the Rule.

In the event the Authorized Officer, in consultation with Bond Counsel and the City's financial advisor, determines that it is necessary or desirable to amend the provisions of this Article X in order to facilitate compliance with amendments to the Rule and related guidance from the SEC, the Authorized Officer may make such changes in the Pricing Certificate for the Bonds, and such amendments are hereby authorized and shall be deemed effective as set forth in the Pricing Certificate.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Changes to Ordinance.

Bond Counsel is hereby authorized to make any changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section 11.2. Partial Invalidity.

If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 11.3. Repealer.

All ordinances or resolutions, or parts thereof, heretofore adopted by the City and inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 11.4. Individuals Not Liable.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member of City Council or agent or employee of City Council or of the City in his or her individual capacity and neither the members of City Council nor any officer thereof, nor any agent or employee of City Council or of the City, shall be liable personally on the Bonds, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.5. Related Matters.

In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, the Mayor, the City Attorney, the City Secretary, the City Manager, Deputy City Manager, the Assistant City Manager for Finance, the Authorized Officer, and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary and/or convenient to carry out the terms of this Ordinance and to provide for issuance and delivery of the Bonds, including, without limitation, executing by manual or facsimile signature and delivering on behalf of the City those certificates, consents, receipts, requests, notices, investment agreements, and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of such agreement and this Ordinance. In order to obtain the approval of the Bonds by the Attorney General of the State, Bond Counsel and the City Attorney are hereby authorized to make such changes in the written text of this Ordinance as the City Attorney determines are consistent with the intent and purposes of this Ordinance, which determination shall be final. Such changes shall be included in the transcript of proceedings relating to the Bonds and provided to the City Secretary, and the City Secretary is hereby directed to make such changes part of the City's permanent records.

Section 11.6. Force and Effect.

This Ordinance shall be in full force and effect from and after its final passage, and it is so ordained.

Section 11.7. Publication of Ordinance.

It is hereby officially found, determined and declared that in accordance with the provisions of Sections 12 and 13 of Article II of the City Charter, this Ordinance has been publically available in the office of the City Secretary for not less than 72 hours prior to its adoption and may be read and published by descriptive caption only.

[Signature Page Follows]

PASSED, APPROVED this 12th day of September, 2019.

CITY OF GALVESTON, TEXAS

James D. Yarbrough, Mayor

ATTEST:

Janelle Williams, City Secretary

[SEAL]

APPROVED AS TO FORM:

Donald Glywasky, City Attorney

EXHIBIT A

FORM OF PRICING CERTIFICATE

PRICING CERTIFICATE

Re: City of Galveston, Texas Public Improvement Bonds, Series 2019 (the “Bonds”)

I, the undersigned [Mayor/City Manager/Deputy City Manager/Assistant City Manager of Finance] of the City of the City of Galveston, Texas (the “City”), do hereby make and execute this Pricing Certificate pursuant to Ordinance No. 19-____ adopted by the City Council of the City on September 12, 2019 authorizing the issuance of the Bonds. Capitalized terms used in this Pricing Certificate shall have the meanings given such terms in the Ordinance. Capitalized terms used in this Pricing Certificate shall have the meanings given such terms in the Ordinance.

As authorized by Section 7.1 of the Ordinance, I have acted on behalf of the City in selling the Bonds to the Raymond James & Associates, Inc., FTN Financial Capital Markets and Estrada Hinojosa & Company, Inc. (the “Underwriters”) pursuant to the terms of the Purchase Contract dated as of the date thereof. The Bonds shall have the terms set forth in this Pricing Certificate.

A. The Bonds shall be designated the “City of Galveston, Texas, Public Improvement Bonds, Series 2019” and shall have a Dated Date of _____. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purposes specified in Section 3.1 in the Ordinance. The Bonds have a scheduled Closing Date of _____.

B. The Record Date for the Bonds shall be the _____ day of the month next preceding an Interest Payment Date.

C. Interest Payment Date shall mean each _____ and _____, commencing _____. The Bonds shall accrue and bear interest from the later of the [Closing/Dated] Date or the most recent Interest Payment Date to which interest has been paid or provided for, payable on each Interest Payment Date until Stated Maturity or prior redemption.

D. The Bonds shall mature on _____ in each of the years, in the principal amounts and shall bear interest at the per annum rates set forth in the following schedule:

<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__	\$_____	_____%	20__	\$_____	_____%
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____

E. The Bonds shall be substantially in the form set forth in Exhibit A attached hereto with such insertions, changes and modifications as are required to conform the bond form to the terms of this Pricing Certificate.

F. The Bonds are subject to optional [and mandatory] redemption as set forth in Exhibit A attached hereto.

G. The following schedule shows the amount of voted authorization outstanding after the issuance of the Bonds:

Election	Amount Voted	Amount Previously Issued	Amount This Issue[*]	Authorized but Unissued Balance
May 6, 2017 (Proposition No. A)	\$62,000,000	\$25,000,000	\$_____	\$_____

* Includes \$_____ in premium counted against voted authorization.

H. The undersigned does hereby find, certify and represent that the foregoing terms of the Bonds satisfy the parameters contained in Section 7.01 of the Ordinance.

I. The proceeds of the Bonds and other available funds of the City shall be applied as follows:

(i) the amount of \$_____, consisting of \$_____ principal amount of Bond proceeds, plus \$_____ premium received from the sale of the Bonds, shall be used for the puposes specified in Section 3.1 of the Ordinance.

(ii) premium received from the sale of the Bonds in the amount of \$_____ shall be used to pay the costs of issuance;

(iii) premium received from the sale of the Bonds in the amount of \$_____ shall be used the pay the underwriter's discount; and

(iv) any amounts remaining following payment of the costs of issuing the Bonds shall be deposited to the Debt Service Fund for the Bonds.

J. Continuing Disclosure Undertaking. The financial information and operating data to be provided annually by the City pursuant to Section 11.0(a) of the Ordinance shall include all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in Tables _____ and audited financial statements of the City, if such audited financial statements are then available, and if not provided as part of such financial information and operating data, audited financial statements of the City, when available.

L. The undersigned hereby finds, determines and declares that the terms of sale of the Bonds are in the City's best interests and are the most advantageous reasonable attainable by the District, and therefore, the sale of the Bonds to the Underwriters in accordance with the terms of the Purchase Contract dated as of even date herewith is hereby approved.

[Signature Page Follows]

This Pricing Certificate for the City of Galveston, Texas General Obligation Refunding Bonds, Series 2019 is executed on the _____ day of _____, 2019.

Authorized Officer
City of Galveston, Texas

*Signature Page to Pricing Certificate
City of Galveston, Texas Public Improvement Bonds, Series 2019*

EXHIBIT A

FORM OF BOND

(a) Form of Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF GALVESTON

CITY OF GALVESTON, TEXAS
PUBLIC IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>[DATED/CLOSING DATE]:</u>	<u>CUSIP NUMBER:</u>
_____ %	_____	_____, 2019	_____

The City of Galveston (the “City”), in the County of Galveston, State of Texas, for value received, hereby promises to pay to

or registered assigns, on the maturity date specified above, the sum of

_____ DOLLARS

and to pay interest on such principal amount from the later of the [Dated/Closing] Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on ____¹ and ____² of each year, commencing on ____³ ____.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or such other location designated by the Paying Agent/Registrar (the “Designated Payment/Transfer Office”), of the Paying Agent/ Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this

¹ Insert from Pricing Certificate.

² Insert from Pricing Certificate.

³ Insert from Pricing Certificate.

Bond is payable by check dated as of the interest payment date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expenses of such customary banking arrangement. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the ____⁴____ day of the month next preceding such interest payment date. In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the special payment date of the past due interest (the "Special Payment Date," which date shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond is not a Business Day, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday, or day on which banking institutions in the State of Texas or the city in which the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are generally authorized or obligated by law or executive order to close (a "Business Day"), and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Bond is [dated as of _____ and is]⁵ one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$____⁶____ (herein referred to as the "Bonds"), issued pursuant to a certain ordinance (the "Bond Ordinance") adopted by the City Council of the City and a pricing certificate executed pursuant to the Bond Ordinance (the "Pricing Certificate," and together with the Bond Ordinance, the "Ordinance") for the costs associated with the (a) construction, acquisition, improvement and rehabilitation of streets, bridges, storm sewers and drainage, including curbs, gutters, sidewalks and other related public infrastructure, traffic systems and the acquisition of rights of way relating to such projects, and (b) payment of costs of issuance for such series of Bonds and other professional services related therewith.

[The Bonds are not subject to optional redemption prior to maturity.]⁷

[The City has reserved the right to redeem the Bonds maturing on and after ____⁸____, in whole or from time to time in part before their respective scheduled maturity dates, on ____⁹____,

⁴ Insert from Pricing Certificate.

⁵ Delete if the Bond is dated the Dated Date.

⁶ Insert from Pricing Certificate.

⁷ Delete if Bonds are subject to optional redemption prior to maturity.

⁸ Insert from Pricing Certificate.

⁹ Insert from Pricing Certificate.

or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.]¹⁰

[Bonds maturing on ____¹¹ (the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

<u>\$ Term Bonds Maturing</u>	
<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
_____	\$ _____
_____ (maturity)	\$ _____

The Paying Agent/Registrar will select by lot or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.]¹²

[Not less than 30 days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Bonds to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

The City reserves the right to give notice of its election or direction to redeem Bonds pursuant to an optional redemption conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or

¹⁰ Delete if Bonds are not subject to redemption prior to maturity.

¹¹ Insert from Pricing Certificate.

¹² Delete if Term Bonds are not issued.

prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.¹³

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the designated office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor or Mayor Pro Tem of the City and countersigned by the manual or facsimile signature of the City Secretary or Deputy City Secretary, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.

¹³ Delete if Bonds are not subject to redemption prior to maturity.

[Deputy]¹⁴ City Secretary
City of Galveston, Texas

Mayor [Pro Tem]¹⁵
City of Galveston, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

I HEREBY CERTIFY THAT this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

[SEAL]

Comptroller of Public Accounts
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Ordinance.

_____¹⁶_____,
as Paying Agent/Registrar

¹⁴ Delete if City Secretary executes the Bonds.

¹⁵ Delete if Mayor executes the Bonds.

¹⁶ Insert from Pricing Certificate.

Dated: _____

By: _____

Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Bond shall be in the form set forth in (a), (b) and (d), except for the following alterations:

(i) immediately under the name of the Bond the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below" and "CUSIP NUMBER _____" deleted; and

(ii) in the first paragraph of the Bond, the words "on the maturity date specified above, the sum of _____ DOLLARS" and shall be deleted and the following will be inserted: "on ___¹⁷___ in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:"

¹⁷ Insert from Pricing Certificate.

(Information to be inserted from schedule in Section 3.2 of the Ordinance)

- (iii) the Initial Bond shall be numbered I-1.

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF GALVESTON §

I, the undersigned officer of the City Council of the City of Galveston, Texas, hereby certify as follows:

1. The City Council of the City of Galveston, Texas, convened in a regular meeting on the 12th day of September, 2019, at the regular meeting place thereof, within said City, and the roll was called of the duly constituted officers and members of said City Council, to wit:

James D. Yarbrough	Mayor
Amy Carmen Bly	Council Member, District 1
Craig Brown	Council Member, District 2
David Collins	Council Member, District 3
Jason Hardcastle	Council Member, District 4
John Paul Listowski	Council Member, District 5
Jackie Cole	Council Member, District 6

and all of said persons were present, except the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDINANCE NO. 19-_____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF GALVESTON, TEXAS PUBLIC IMPROVEMENT BONDS, SERIES 2019; LEVYING A TAX IN PAYMENT THEREOF; PROVIDING FOR THE AWARD AND SALE OF SAID BONDS IN ACCORDANCE WITH CERTAIN PARAMETERS; AND ENACTING OTHER PROVISIONS RELATING THERETO

was duly introduced for the consideration of said City Council and read in full. It was then duly moved and seconded that said ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said ordinance, prevailed and carried by the following vote:

_____ Member(s) of City Council shown present above voted "Aye."

_____ Member(s) of City Council shown present above voted "No."

2. A true, full and correct copy of the aforesaid ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said ordinance has been duly recorded in said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said ordinance would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 12th day of September, 2019.

City Secretary
City of Galveston, Texas

[SEAL]

**MAY 2017 BOND ELECTION PROJECT STATUS REPORT
AS OF AUGUST 31, 2019 (UNAUDITED)**

Activity Code	Project Description	Project Status / Phase	Engineering Budget	Construction Budget	Total Budget	Paid - Inception to Date
STREETS						
ST1503	26th Street from Ave N to Broadway	Complete	\$0	\$509,632	\$509,632	\$509,231
ST1704	Replacement of Strand Pavers	Complete	\$0	\$413,032	\$413,032	\$413,032
ST1603	29th Street - Broadway to Sealy	Completed In House	\$0	\$0	\$0	\$69
ST1605	33rd Street - Broadway to Harborside	Complete	\$0	\$557,476	\$557,476	\$557,476
ST1606	Ave T 1/2 - 57th to 61st Street	Completed; Fund 3199	\$0	\$0		\$0
81SSIG	Traffic Signal Sync (4 Intersections)	Completed; Fund 3205	\$0	\$0	\$0	\$0
ST1803	22nd Street from Harborside to Broadway	Completed; M&O	\$0	\$0	\$0	\$2,145
		Streets Completed Total	\$0	\$1,480,140	\$1,480,140	\$1,481,951
IHST	In House Streets (Completed or in progress)	Ongoing - Construction	\$0	\$1,362,525	\$1,362,525	\$1,278,052
ST1701*	25th St from Broadway to Seawall	In Construction	\$0	\$4,579,660	\$4,579,660	\$0
ST1705*	45th Street from Broadway to Seawall	In Construction	\$42,000	\$8,006,025	\$8,048,025	\$1,588,200
		Streets In Progress Total	\$42,000	\$13,948,210	\$13,990,210	\$2,866,252
ST1802*	16th Street from Broadway to Ave N 1/2	In Design; Construction May 2020	\$170,000	\$2,550,000	\$2,720,000	\$85,023
ST1702*	73rd Street from Heard Lane to Ave N 1/2	In Design; Construction Oct 2019	\$90,405	\$1,319,750	\$1,410,155	\$43,106
ST1801	30th Streets from Ave o to Seawall Blvd	In Design; Construction Jan 2021	\$185,177	\$2,005,000	\$2,190,177	\$162,521
ST1901*	37th Street from Broadway to Seawall	In Design; Construction Jan 2021	\$809,666	\$5,050,000	\$5,859,666	\$166,120
ST2001*	29th Street from Ave O to Ave R 1/2	In Design; Construction Jan 2021	\$625,878	\$4,418,640	\$5,044,518	\$193,880
ST2002	49th Street from Ave P to Ave S 1/2	In Design; Construction Oct 2019	\$288,942	\$2,653,291	\$2,942,233	\$251,559
ST2003	35th Street from Postoffice to Broadway	In Design; Construction Mar 2021	\$325,737	\$1,234,000	\$1,559,737	\$305,099
ST1604*	29th Street - Church to Harborside	In Design; Construction Mar 2021	\$0	\$408,000	\$408,000	\$1,931
ST1706	Intersection Imp for 61st Street	Planning; Engineering FY2020	\$278,000	\$0	\$278,000	\$0
IHST	In House Streets (Upcoming)	Ongoing; Anticipated FY2020	\$0	\$1,197,144	\$1,197,144	\$0
ST1503	26th Street from Broadway to Church PH2	In Design; Construction Nov 2019	\$0	\$490,000	\$490,000	\$0
		Streets Upcoming Projects	\$2,773,804	\$21,325,825	\$24,099,629	\$1,209,239
		Subtotal Streets	\$2,815,804	\$36,754,175	\$39,569,979	\$5,557,441
DRAINAGE						
DAVENL	Ave L Storm Sewer, 62nd and 63rd	Complete	\$0	\$218,294	\$218,294	\$215,001
		Drainage Completed Total	\$0	\$218,294	\$218,294	\$215,001
D1602*	18th Street Drainage	In Design; Construction Dec 2019	\$1,200,861	\$11,180,000	\$12,380,861	\$754,268
D1604	Church St Drainage, 35th to 37th	In Design; Construction Nov 2020	\$113,730	\$565,000	\$678,730	\$72,739
D1608*	Storm Sewer Rehab and Inspection	In Construction	\$0	\$263,232	\$263,232	\$263,232
D1601	11 Mile Road Drainage	Planning; In House anticipated Aug 2020	\$0	\$485,000	\$485,000	\$0
D1703	West End Drainage Rehab	Planning; In House M&O	\$0	\$0	\$0	\$0
D1901	Pilot Storm Water Pumpstation @ 14th Street	Planning; Design October 2020	\$800,000	\$7,200,000	\$8,000,000	\$0
		SUBTOTAL DRAINAGE	\$2,114,591	\$19,911,526	\$22,026,118	\$1,305,239
		TOTAL ALL PROJECTS	\$4,930,396	\$56,665,701	\$61,596,096	\$6,862,681

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**City of Galveston
2019 New Money (\$37MM*)**

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HUTCHINSON, SHOCKEY, ERLEY & CO. DISCLAIMER LANGUAGE

**City of Galveston
2019 New Money (\$37MM*)**

Informational Accuracy and Future Performance Disclaimer

Information contained in this presentation has been obtained from sources believed to be reliable, but HSE cannot guarantee the completeness and accuracy of the information. Any opinions expressed are subject to change without notice. Any performance information shown represents historical market information only and does not infer or represent any past performance. You should not assume that future performance will equal any historical market performance information discussed in this presentation.

None of the information in this presentation constitutes legal or tax advice. You should consult with your own legal and tax advisors regarding the legal or tax implications of any transaction discussed in this presentation.

SOURCES AND USES OF FUNDS

**City of Galveston
2019 New Money (\$37MM*)**

Sources:

Bond Proceeds:	
Par Amount	31,585,000.00
Premium	5,842,544.20
	37,427,544.20

Uses:

Project Fund Deposits:	
Project Fund	37,000,000.00
Delivery Date Expenses:	
Cost of Issuance	236,887.50
Underwriter's Discount	189,510.00
	426,397.50
Other Uses of Funds:	
Additional Proceeds	1,146.70
	37,427,544.20

BOND PRICING

**City of Galveston
2019 New Money (\$37MM*)**

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bonds:									
	05/01/2020	800,000.00	4.000%	1.090%	101.414				11,312.00
	05/01/2021	425,000.00	4.000%	1.110%	104.255				18,083.75
	05/01/2022	345,000.00	4.000%	1.140%	106.998				24,143.10
	05/01/2023	455,000.00	5.000%	1.170%	113.055				59,400.25
	05/01/2024	1,455,000.00	5.000%	1.200%	116.558				240,918.90
	05/01/2025	1,530,000.00	5.000%	1.250%	119.833				303,444.90
	05/01/2026	1,605,000.00	5.000%	1.350%	122.603				362,778.15
	05/01/2027	1,685,000.00	5.000%	1.430%	125.267				425,748.95
	05/01/2028	1,675,000.00	5.000%	1.520%	127.616				462,568.00
	05/01/2029	1,755,000.00	5.000%	1.600%	129.822				523,376.10
	05/01/2030	1,845,000.00	4.000%	1.750%	121.475				396,213.75
	05/01/2031	1,820,000.00	4.000%	1.860%	120.306	C 2.012%	05/01/2030	100.000	369,569.20
	05/01/2032	1,895,000.00	4.000%	1.960%	119.256	C 2.225%	05/01/2030	100.000	364,901.20
	05/01/2033	1,970,000.00	4.000%	2.060%	118.216	C 2.410%	05/01/2030	100.000	358,855.20
	05/01/2034	1,950,000.00	4.000%	2.160%	117.186	C 2.572%	05/01/2030	100.000	335,127.00
	05/01/2035	2,030,000.00	4.000%	2.250%	116.269	C 2.707%	05/01/2030	100.000	330,260.70
	05/01/2036	2,010,000.00	4.000%	2.310%	115.662	C 2.807%	05/01/2030	100.000	314,806.20
	05/01/2037	2,095,000.00	4.000%	2.350%	115.259	C 2.883%	05/01/2030	100.000	319,676.05
	05/01/2038	2,080,000.00	4.000%	2.390%	114.858	C 2.951%	05/01/2030	100.000	309,046.40
	05/01/2039	2,160,000.00	4.000%	2.430%	114.459	C 3.014%	05/01/2030	100.000	312,314.40
31,585,000.00									5,842,544.20

Dated Date	11/05/2019	
Delivery Date	11/05/2019	
First Coupon	05/01/2020	
Par Amount	31,585,000.00	
Premium	5,842,544.20	
Production	37,427,544.20	118.497845%
Underwriter's Discount	(189,510.00)	(0.600000%)
Purchase Price	37,238,034.20	117.897845%
Accrued Interest		
Net Proceeds	37,238,034.20	

BOND SUMMARY STATISTICS

**City of Galveston
2019 New Money (\$37MM*)**

Dated Date	11/05/2019
Delivery Date	11/05/2019
First Coupon	05/01/2020
Last Maturity	05/01/2039
Arbitrage Yield	1.960865%
True Interest Cost (TIC)	2.410102%
Net Interest Cost (NIC)	2.672659%
All-In TIC	2.477879%
Average Coupon	4.188882%
Average Life (years)	11.804
Weighted Average Maturity (years)	11.774
Duration of Issue (years)	9.541
Par Amount	31,585,000.00
Bond Proceeds	37,427,544.20
Total Interest	15,617,683.33
Net Interest	9,964,649.13
Bond Years from Dated Date	372,836,555.56
Bond Years from Delivery Date	372,836,555.56
Total Debt Service	47,202,683.33
Maximum Annual Debt Service	2,736,700.00
Average Annual Debt Service	2,422,030.50
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	117.897845

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Serial Bonds	31,585,000.00	118.498	4.189%	11.804	9.557	28,110.15
	31,585,000.00			11.804		28,110.15

	TIC	All-In TIC	Arbitrage Yield
Par Value	31,585,000.00	31,585,000.00	31,585,000.00
+ Accrued Interest			
+ Premium (Discount)	5,842,544.20	5,842,544.20	5,842,544.20
- Underwriter's Discount	(189,510.00)	(189,510.00)	
- Cost of Issuance Expense		(236,887.50)	
- Other Amounts			
Target Value	37,238,034.20	37,001,146.70	37,427,544.20
Target Date	11/05/2019	11/05/2019	11/05/2019
Yield	2.410102%	2.477879%	1.960865%

BOND DEBT SERVICE**City of Galveston
2019 New Money (\$37MM*)**

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2020	800,000.00	4.000%	667,333.33	1,467,333.33
09/30/2021	425,000.00	4.000%	1,333,000.00	1,758,000.00
09/30/2022	345,000.00	4.000%	1,316,000.00	1,661,000.00
09/30/2023	455,000.00	5.000%	1,302,200.00	1,757,200.00
09/30/2024	1,455,000.00	5.000%	1,279,450.00	2,734,450.00
09/30/2025	1,530,000.00	5.000%	1,206,700.00	2,736,700.00
09/30/2026	1,605,000.00	5.000%	1,130,200.00	2,735,200.00
09/30/2027	1,685,000.00	5.000%	1,049,950.00	2,734,950.00
09/30/2028	1,675,000.00	5.000%	965,700.00	2,640,700.00
09/30/2029	1,755,000.00	5.000%	881,950.00	2,636,950.00
09/30/2030	1,845,000.00	4.000%	794,200.00	2,639,200.00
09/30/2031	1,820,000.00	4.000%	720,400.00	2,540,400.00
09/30/2032	1,895,000.00	4.000%	647,600.00	2,542,600.00
09/30/2033	1,970,000.00	4.000%	571,800.00	2,541,800.00
09/30/2034	1,950,000.00	4.000%	493,000.00	2,443,000.00
09/30/2035	2,030,000.00	4.000%	415,000.00	2,445,000.00
09/30/2036	2,010,000.00	4.000%	333,800.00	2,343,800.00
09/30/2037	2,095,000.00	4.000%	253,400.00	2,348,400.00
09/30/2038	2,080,000.00	4.000%	169,600.00	2,249,600.00
09/30/2039	2,160,000.00	4.000%	86,400.00	2,246,400.00
	31,585,000.00		15,617,683.33	47,202,683.33

BOND DEBT SERVICE**City of Galveston
2019 New Money (\$37MM*)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2020	800,000.00	4.000%	667,333.33	1,467,333.33	1,467,333.33
11/01/2020			666,500.00	666,500.00	
05/01/2021	425,000.00	4.000%	666,500.00	1,091,500.00	1,758,000.00
11/01/2021			658,000.00	658,000.00	
05/01/2022	345,000.00	4.000%	658,000.00	1,003,000.00	1,661,000.00
11/01/2022			651,100.00	651,100.00	
05/01/2023	455,000.00	5.000%	651,100.00	1,106,100.00	1,757,200.00
11/01/2023			639,725.00	639,725.00	
05/01/2024	1,455,000.00	5.000%	639,725.00	2,094,725.00	2,734,450.00
11/01/2024			603,350.00	603,350.00	
05/01/2025	1,530,000.00	5.000%	603,350.00	2,133,350.00	2,736,700.00
11/01/2025			565,100.00	565,100.00	
05/01/2026	1,605,000.00	5.000%	565,100.00	2,170,100.00	2,735,200.00
11/01/2026			524,975.00	524,975.00	
05/01/2027	1,685,000.00	5.000%	524,975.00	2,209,975.00	2,734,950.00
11/01/2027			482,850.00	482,850.00	
05/01/2028	1,675,000.00	5.000%	482,850.00	2,157,850.00	2,640,700.00
11/01/2028			440,975.00	440,975.00	
05/01/2029	1,755,000.00	5.000%	440,975.00	2,195,975.00	2,636,950.00
11/01/2029			397,100.00	397,100.00	
05/01/2030	1,845,000.00	4.000%	397,100.00	2,242,100.00	2,639,200.00
11/01/2030			360,200.00	360,200.00	
05/01/2031	1,820,000.00	4.000%	360,200.00	2,180,200.00	2,540,400.00
11/01/2031			323,800.00	323,800.00	
05/01/2032	1,895,000.00	4.000%	323,800.00	2,218,800.00	2,542,600.00
11/01/2032			285,900.00	285,900.00	
05/01/2033	1,970,000.00	4.000%	285,900.00	2,255,900.00	2,541,800.00
11/01/2033			246,500.00	246,500.00	
05/01/2034	1,950,000.00	4.000%	246,500.00	2,196,500.00	2,443,000.00
11/01/2034			207,500.00	207,500.00	
05/01/2035	2,030,000.00	4.000%	207,500.00	2,237,500.00	2,445,000.00
11/01/2035			166,900.00	166,900.00	
05/01/2036	2,010,000.00	4.000%	166,900.00	2,176,900.00	2,343,800.00
11/01/2036			126,700.00	126,700.00	
05/01/2037	2,095,000.00	4.000%	126,700.00	2,221,700.00	2,348,400.00
11/01/2037			84,800.00	84,800.00	
05/01/2038	2,080,000.00	4.000%	84,800.00	2,164,800.00	2,249,600.00
11/01/2038			43,200.00	43,200.00	
05/01/2039	2,160,000.00	4.000%	43,200.00	2,203,200.00	2,246,400.00
	31,585,000.00		15,617,683.33	47,202,683.33	47,202,683.33

COST OF ISSUANCE

**City of Galveston
2019 New Money (\$37MM*)**

Cost of Issuance	\$/1000	Amount
Other Cost of Issuance	7.50000	236,887.50
	7.50000	236,887.50

UNDERWRITER'S DISCOUNT

**City of Galveston
2019 New Money (\$37MM*)**

Underwriter's Discount	\$/1000	Amount
Other Underwriter's Discount	6.00000	189,510.00
	6.00000	189,510.00

FORM 8038 STATISTICS

**City of Galveston
2019 New Money (\$37MM*)**

Dated Date 11/05/2019
Delivery Date 11/05/2019

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	05/01/2020	800,000.00	4.000%	101.414	811,312.00	800,000.00
	05/01/2021	425,000.00	4.000%	104.255	443,083.75	425,000.00
	05/01/2022	345,000.00	4.000%	106.998	369,143.10	345,000.00
	05/01/2023	455,000.00	5.000%	113.055	514,400.25	455,000.00
	05/01/2024	1,455,000.00	5.000%	116.558	1,695,918.90	1,455,000.00
	05/01/2025	1,530,000.00	5.000%	119.833	1,833,444.90	1,530,000.00
	05/01/2026	1,605,000.00	5.000%	122.603	1,967,778.15	1,605,000.00
	05/01/2027	1,685,000.00	5.000%	125.267	2,110,748.95	1,685,000.00
	05/01/2028	1,675,000.00	5.000%	127.616	2,137,568.00	1,675,000.00
	05/01/2029	1,755,000.00	5.000%	129.822	2,278,376.10	1,755,000.00
	05/01/2030	1,845,000.00	4.000%	121.475	2,241,213.75	1,845,000.00
	05/01/2031	1,820,000.00	4.000%	120.306	2,189,569.20	1,820,000.00
	05/01/2032	1,895,000.00	4.000%	119.256	2,259,901.20	1,895,000.00
	05/01/2033	1,970,000.00	4.000%	118.216	2,328,855.20	1,970,000.00
	05/01/2034	1,950,000.00	4.000%	117.186	2,285,127.00	1,950,000.00
	05/01/2035	2,030,000.00	4.000%	116.269	2,360,260.70	2,030,000.00
	05/01/2036	2,010,000.00	4.000%	115.662	2,324,806.20	2,010,000.00
	05/01/2037	2,095,000.00	4.000%	115.259	2,414,676.05	2,095,000.00
	05/01/2038	2,080,000.00	4.000%	114.858	2,389,046.40	2,080,000.00
	05/01/2039	2,160,000.00	4.000%	114.459	2,472,314.40	2,160,000.00
		31,585,000.00			37,427,544.20	31,585,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	05/01/2039	4.000%	2,472,314.40	2,160,000.00		
Entire Issue			37,427,544.20	31,585,000.00	11.7740	1.9609%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	426,397.50
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

BOND SOLUTION**City of Galveston
2019 New Money (\$37MM*)**

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
09/30/2020	800,000	1,467,333	1,467,333	1,500,000	32,667	102.22626%
09/30/2021	425,000	1,758,000	1,758,000	1,800,000	42,000	102.38908%
09/30/2022	345,000	1,661,000	1,661,000	1,700,000	39,000	102.34798%
09/30/2023	455,000	1,757,200	1,757,200	1,800,000	42,800	102.43569%
09/30/2024	1,455,000	2,734,450	2,734,450	2,800,000	65,550	102.39719%
09/30/2025	1,530,000	2,736,700	2,736,700	2,800,000	63,300	102.31300%
09/30/2026	1,605,000	2,735,200	2,735,200	2,800,000	64,800	102.36911%
09/30/2027	1,685,000	2,734,950	2,734,950	2,800,000	65,050	102.37847%
09/30/2028	1,675,000	2,640,700	2,640,700	2,700,000	59,300	102.24562%
09/30/2029	1,755,000	2,636,950	2,636,950	2,700,000	63,050	102.39102%
09/30/2030	1,845,000	2,639,200	2,639,200	2,700,000	60,800	102.30373%
09/30/2031	1,820,000	2,540,400	2,540,400	2,600,000	59,600	102.34609%
09/30/2032	1,895,000	2,542,600	2,542,600	2,600,000	57,400	102.25753%
09/30/2033	1,970,000	2,541,800	2,541,800	2,600,000	58,200	102.28972%
09/30/2034	1,950,000	2,443,000	2,443,000	2,500,000	57,000	102.33320%
09/30/2035	2,030,000	2,445,000	2,445,000	2,500,000	55,000	102.24949%
09/30/2036	2,010,000	2,343,800	2,343,800	2,400,000	56,200	102.39782%
09/30/2037	2,095,000	2,348,400	2,348,400	2,400,000	51,600	102.19724%
09/30/2038	2,080,000	2,249,600	2,249,600	2,300,000	50,400	102.24040%
09/30/2039	2,160,000	2,246,400	2,246,400	2,300,000	53,600	102.38604%
	31,585,000	47,202,683	47,202,683	48,300,000	1,097,317	

CITY OF GALVESTON, TEXAS

\$37,000,000* Public Improvement Bonds, Series 2019

Schedule of Events

September						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Date	Event	Responsibility
Thurs., Sept. 12 th	City Council Meeting to Approve Parameter Sale	City
Mon., Sept. 16 th	Distribute First Draft of POS	BC/FA/DC
Wed., Sept. 18 th	Comments to Documents	ALL
Thurs., Sept. 19 th	Distribute Credit Packages to Rating Agencies	FA
Thurs., Sept. 26 th	Rating Agency Calls 9am/10am	City/FA
Thurs., Oct. 3 rd	Rating Agency Responses	City/FA
Thurs., Oct. 3 rd – 2:00PM CST	Due Diligence Call	ALL
Fri., Oct. 4 th	Distribute POS	FA/UW/DC
Week of Oct. 6 th	Price Bonds	UW
Mon., Oct. 14 th	Distribute Draft of Official Statement (“OS”)	FA/DC
Wed., Oct. 16 th	Return Comments to OS	ALL
Thurs., Oct. 17 th	Council Workshop to Discuss Sale	City
Fri., Oct. 18 th	Distribute OS	FA/DC
Wed., Oct. 23 rd	Distribute Closing Memorandum	FA
Wed., Oct. 30 th	Closing	ALL

City	City of Galveston	
FA	Financial Advisor:	Hutchinson, Shockey, Erley & Co.
UW	Underwriters:	TBD
UC	Underwriters Counsel:	TBD
BC	Bond Counsel:	Bracewell
DC	Disclosure Counsel:	TBD

*Preliminary, subject to change.

Underwriters for City of Galveston Bond Issues
2015-2019

GO Refunding Bonds, Series 2016 \$17.4mm

Raymond James	Senior Manager
Estrada Hinojosa	Co-Manager

Certificates of Obligation, Series 2017 \$33.33mm

Coastal Securities (Now FTN)	Senior Manager
BOK Financial	Co-Manager
Oppenheimer & Co.	Co-Manager

Public Improvement Bonds, Series 2017 \$22.6mm

Hilltop Securities	Senior Manager
SAMCO Capital Markets	Co-Manager

Certificates of Obligation, Series 2019 \$32.8mm

Estrada Hinojosa	Senior Manager
Piper Jaffray	Co-Manager
SAMCO Capital Markets	Co-Manager

Proposed Public Improvement Bonds, Series 2019 \$37mm

Recommend:	
Raymond James	Senior Manager
FTN Financial	Co-Manager
Estrada Hinojosa	Co-Manager

**DEBT MANAGEMENT POLICY
CITY OF GALVESTON
APRIL 2019**

Overview

The City of Galveston is authorized by federal law, Texas law and City Charter to issue long-term debt to finance the cost of public improvements over a period not to exceed the life of each improvement. The process of issuing debt, making debt payments, and reporting results is heavily regulated by state and federal law. The management of debt proceeds, including investment, appropriation, and spending is also heavily regulated and must be addressed to ensure transparency to the public, responsiveness to oversight and reporting agencies, as well as compliance with internal controls, records requirements and security for cash proceeds.

Purpose

The purpose of the City's Debt Management Policy is to establish and maintain well-defined guidelines for issuing new debt, as well as managing outstanding debt. This Policy will ensure the City sustains a strong debt management program, achieves manageable borrowing costs, and maintains the greatest flexibility to meet the City's needs.

Definitions

Long-Term debt may be issued to finance major capital improvements: i.e. to purchase facility/venue sites, to finance infrastructure improvements, construction of new facilities, significant expansions of existing facilities, extensive remodeling of existing structures and the equipping thereof. Depending upon the location of the facilities, one or more of the following options may apply:

1. **Public Improvement Bonds** – Also known as General Obligation bonds or GO's; Used for the construction, acquisition, and equipping of buildings, and the purchase of necessary sites for buildings; Public Improvement bonds (GO's) are intended to provide long-term financing for facilities payable by the City's ad valorem taxes. GO bonds issued for refunding of existing bonds (see Debt Refunding below) do not require voter approval. Authority to issue GO bonds for new projects and repay the bonds using ad valorem (property) taxes must be approved by the voters prior to issuance.
2. **Certificates of Obligation** – Certificates of Obligation (CO's) may be used to fund projects where both property taxes and revenues are pledged repayment sources for the same projects as GO bonds as well as equipment, including vehicles, computers, radios and major equipment and machinery that is not a part of a facility rebuild project. The use of CO's may occur when a credit rating upgrade will be the result of the dual pledge of revenues. Certificates of Obligation may be approved by City Council after meeting special public notice requirements under State law regarding the sale.
3. **Revenue Bonds (Senior Lien and Junior Lien)** – Capital requirements for the construction, acquisition, and equipping of projects that are supported by revenues other than property tax revenues, such as Utility System, Wharves and Terminal Revenue Bonds, or Hotel Occupancy Taxes.
4. **Self-Supporting debt** – Bonds issued with an underlying property tax pledge that are planned and administered so as pay all debt service with reliable revenues streams other than property taxes, including sales taxes, water and sewer revenue, special district assessments, tax increment reinvestment zones (TIRZs).

4. **Debt Refunding** – The refinancing and/or restructuring of existing debt is used in order to take advantage of lower interest rates and/or provide debt relief. Refunding transactions are usually considered practical if they produce a minimum amount of savings to the City.
5. **Variable Rate Bonds** – Variable rate debt is a bond issue that includes provisions by which interest rates can be adjusted after the time of sale using an agreed upon market based index at regular periodic intervals.
6. **Private Placement Loans (Bank Notes/Loans)** – Private placements are sold directly to financial institutions. These may be short-, medium- or long-term, fixed or floating rate. Private placements may be used in lieu of the preferred methods of sale for financing specific assets or programs or refunding of existing debt.
7. **Capital Lease** - A capital lease is a contract entitling a renter to the temporary use of an asset, and such a lease has the economic characteristics of asset ownership for accounting purposes. The capital lease requires a renter to book assets and liabilities associated with the lease if the rental contract meets specific requirements. In essence, a capital lease is considered a purchase of an asset, while an operating lease is handled as a true lease under generally accepted accounting principles (GAAP).

Scope

The City's Debt Management Policy applies to all debt instruments directly or indirectly issued by the City regardless of the purpose for which issued or the funding source for repayment.

1. These instruments include but are not limited to Public Improvement Bonds, Certificates of Obligation, Utility System Revenue Bonds, Hotel Occupancy Tax Revenue Bonds, Wharves and Terminal Revenue Bonds, Sales Tax Revenue Bonds, Emergency Notes, as well as,, equipment leasing where appropriate. Also included are refunding bonds of any of the above debt instruments, as well as, debt such as bank notes and loans that are privately placed with financial institutions.
2. This policy applies to all debt where such debt issuance or allocation of bond proceeds requires formal approval of City Council, requires or includes a primary or underlying pledge of city tax revenues (i.e. property, sales, franchise or hotel occupancy taxes), or might involve the city as guarantor in the event of insufficiency of revenues involved in the primary or original pledge.
3. This policy is applicable to the City and/or its component units including but not limited to:
 - a. The City of Galveston,
 - b. The Park Board,
 - c. The Industrial Development Corporation,
 - d. The Galveston Wharves,
 - e. The Galveston Port Facilities Corporation,
 - f. The Galveston Housing Finance Corporation,
 - g. The Galveston Property Finance Corporation, and, where applicable
 - h. The Galveston Island Redevelopment Authority, Tax Increment Revitalization Zones, and Public Improvement Districts.

Responsibilities

The City Manager and/or the Manager's designee will be responsible to present for approval and implement debt issuances in accordance with budgets and long-term plans approved by the City Council as well as the City Charter, State law, Federal law, and this policy.

Policy Statements

1. All bond sales will be conducted in accordance with the City Charter, State and federal law.
 - a. Article VII, Section 14 of the charter states as follows:

“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.”
 - b. As required by Chapter 1331 of the State of Texas Government Code, the authority to issue tax supported bonds to construct and/or purchase permanent improvements (i.e. streets, drainage lines, buildings) shall be approved by a majority of the qualified voters of the city.
 - c. Chapter 1251 of the Government Code specifies the form of the ballot by which tax supported bonds are to be authorized and the means of publicizing the election as well as the maximum length of the repayment period, currently set at forty years;
 - d. The required bond election shall be conducted in accordance with provisions of the State of Texas Election Code: Chapter 41 (days, times and places of the election), Chapter 3 (means of ordering an election).
 - e. Refunding bonds are issued when (1) net present value savings is three percent or more of the par value of the refunded bonds as confirmed by the City’s Municipal Advisor and be based upon the same repayment schedule as the refunded bonds, or (2) the City Council approves of a restructuring of existing debt for purposes of debt relief.
2. Bond sales shall be based on specific projects:
 - a. Taken from the five-year Capital Improvements Plan (CIP) and the operating budget as approved by City Council through the annual financial planning process, generally including funds needed to cover actual scheduled contract awards, in house design and inspection costs, also considering available cash on hand;
 - b. Using funding amounts needed for specific CIP projects, including but not limited to design, engineering, site or right of way acquisition, construction, equipment and project management;
 - c. Providing funding for non-CIP projects that may be required for interlocal cooperation, public private partnerships or special districts, based on a complete project plan that includes all of the elements required for CIP projects;
 - d. Providing Certificate of Obligation sales shall be based on specific listings of vehicles, equipment and technology purchases required for City operations;
 - e. Providing Capital Leases are compared with COs to determine the most advantageous financing alternative for vehicles, equipment and technology.
 - f. Considering availability of funds to achieve a balance between adequate maintenance and operations, replacement or renewal of infrastructure, as well as, adequate future funding for debt service;
 - g. Limited by prior authorization of the voters for General Obligation bonds as required by State law and the City Charter; and
 - h. A limit on total general obligation debt payable from ad valorem taxes shall not exceed 1.5 percent of total taxable assessed valuation except in the event of an emergency requiring the use of an Emergency Note.
3. Bond sales shall be structured to:

- a. Consider all possible structures for principal and interest payments which, allow for flexibility in meeting current and future needs, efficiently utilize available debt capacity, continue to emphasize credit considerations, and match well with the useful life of the assets for which debt is incurred;
 - b. Smooth and/or restructure the City's total debt to accommodate financial administration as deemed necessary by City Council;
 - c. Provide for regular repayment of annual principal amounts and semi-annual interest amounts considering the revenue source or sources utilized to make payments, the timing of revenue receipts, and other cash flow needs financed with the same sources;
 - d. Incorporate payment schedules that provide for level payments (annual totals of principal and interest are equal throughout the life of the repayment period), level principal payments (annual principal payments are equal throughout the repayment period); a combination of the two aforementioned amortization approaches (level principal and level payments); and/or aggregation of scheduled payments over as much as a five year period for term bonds payable to bond holders but with annual payments by the bond issuer; and/or
 - e. Inclining payments or deferred principal payments for facility revenue bonds, Emergency Notes issued for disaster recovery, and or where a dedicated revenue stream has been guaranteed by a third party other than the City of Galveston.
4. Bond sales will be scheduled taking into consideration:
 - a. The need to include new property tax supported debt service payments in the subsequent fiscal year's budget through adjusting the debt service property tax rate to include new debt service payments; and
 - b. Projected cash needs for at least a twelve month period sufficient to fund planned contracts for approved and/or planned projects and equipment.
 5. Bonds may be sold by the City to achieve savings as required by the financial market and allowed by State law including:
 - a. Competitive sales where sealed bids are accepted for the purchase of all of the bonds included in a sale, and the low overall bid using an agreed upon measure of total cost is accepted by a six vote supermajority of City Council;
 - b. Negotiated sales where a group of bond underwriting firms are selected by the City, and bonds are priced using the current market, sold by each of the participating underwriting firms, with the results accepted on a preliminary basis by city officials as designated by City Council, and then accepted by a six vote supermajority of City Council; or
 - c. Parameter sales by which bonds are refunded and the City Manager is designated by City Council to pick the most advantageous day in the financial markets within a time frame, dollar amount and interest savings as approved by City Council.
 6. The City may consider issuing variable rate bonds during periods when variable short-term interest rates are historically lower than long-term fixed rates.
 - a. As a general rule, the City will adhere to the bond rating agencies' recommendation that variable rate debt not exceed 20 percent of total bonds outstanding.
 - b. The City or its component units will issue variable rate debt to lower the cost of borrowing and provide a hedge against interest rate risk.
 - c. Total variable debt will not exceed 20 percent of the City's outstanding debt for each revenue source, including that issued by its component units.
 - d. The City shall not pledge ad valorem (property) taxes for repayment of variable rate debt.

7. The City may consider issuing private placement loans (bank notes/loans) provided:
 - a. The private placement provides reasonably comparable terms, has a reasonably acceptable risk structure, and project and financing circumstances warrant,
 - b. It is understood that private placements have a variety of risks not associated with bonds, such as termination and debt acceleration risk due to force majeure (acts of God) and covenant breaches, as well as counterparty risks.
 - c. Private placements do not constitute more than 20 percent for each revenue source.
8. The City shall retain the services of professionals chosen through competitive processes to provide advice and consent on debt issuances including:
 - a. The Municipal Advisor (e.g. Financial Advisor) to:
 - Ensure that the City's bonds are issued at the lowest possible interest cost and are structured in accordance with the City's financing guidelines;
 - Assist with credit enhancements;
 - Evaluate the bids submitted and recommend that they be accepted or rejected;
 - Review draft closing documents and monitor the closing process;
 - Assist in the preparation of and submit the City's Annual Disclosure Report in accordance with SEC Rule 15c2-12; and
 - Assist in establishing repayment schedules that complement existing requirements and maintain a repayment pace acceptable to credit rating agencies.
 - b. The Bond Counsel to:
 - Certify that the City has the legal authority to issue bonds;
 - Prepare required orders, resolutions, and tax certificates;
 - Work with the U.S. Department of Justice-Voting Rights Section to obtain approval of all elections if required;
 - Work with the Attorney General to obtain approval of the bond issue;
 - Provide a legal opinion as to the enforceability and the federal income tax implications of the bonds;
 - Represent the City in negotiations related to the issuance of debt; and
 - Coordinate the closing transactions.
 - c. The Disclosure Counsel to:
 - Compile information necessary to prepare offering documents, including but not limited to the Preliminary Official Statement prior to sale, the Official Statement after sale, and all necessary disclosure documentation required by federal law;
 - Provide independent verification of the City's financial records and project information necessary to support the sale.
 - i. Paying Agent/Trustee to:
 - Authenticate the bonds;
 - Send/receive transfers of money at closing;
 - Maintain a listing of bondholders and applicable addresses;
 - Receive principal and interest payments from the City and remit to bondholders; and
 - The Trustee may represent bondholders in case of default.
 - j. Bond underwriters to:
 - Purchase negotiated or private placement debt and resell the debt to investors.
8. City issued bond proceeds shall be:
 - a. Deposited in the City's main bank account, and accounted for in the City's financial accounting system through a separate fund or funds for each sale;

- b. Invested as a part of the City's investment pool according to the City's Investment Policy as provided for by the Texas Public Funds Investment Act;
 - c. Presented for City Council appropriation on a first in/first out basis (e.g. oldest bond proceeds used first) for contracted work on eligible projects according to the general purpose named in the Official Statement for the bond sale; and
 - d. Tracked and reported in annual and quarterly budget and financial reports.
9. Debt administration by the City and its component units will include the following considerations:
- a. Designated reserves and/or unreserved fund balances will be maintained so as to cover scheduled debt service payments until dedicated revenue is available for deposit in the appropriate debt service fund for payment of the principal and interest scheduled to be paid.
 - b. The City's General Debt Service fund balance will not exceed thirteen months of debt service payments as required by the Internal Revenue Service.
 - c. Project schedules and costs provided as the basis for an individual bond sale shall be based on the CIP and will not constitute the basis for continued commitment of bond proceeds for any specific project, contract or cost past the end of a fiscal year.
 - d. Capital project funds, including bond proceeds, that are unencumbered in a contract awarded by City Council as of the end of a fiscal year must be presented for contract awards in the subsequent fiscal year by City Council as eligible CIP projects are brought forward and before new bond sales are conducted.
 - e. The Finance Director is responsible for coordinating and analyzing the debt requirements as part of the annual budget and capital improvement plan preparation. This will include timing of debt, calculation of outstanding debt, debt limitation calculations and compliance, impact on future debt burdens, and current/future revenue requirements.
 - f. The Infrastructure and Debt Service Fund may be used through the annual Budget process to provide funds for debt service payments within the parameters outlined in 5(d).
10. The City shall maintain an emergency line of credit under the provisions of the Texas Government Code section 1431 and other state law provisions as applicable:
- a. To provide emergency cash funding for operating, recovery and rebuilding costs necessitated by a federally or state declared disaster; and
 - b. Including options that allow for repayment of the emergency loan over a period of time and at such terms deemed beneficial to the City of Galveston and its residents by the Mayor and City Council.



City of Galveston

HUMAN RESOURCES DEPARTMENT

P. O. Box 779 | Galveston, TX 77553-0779
409.797.3650 (Office) | 409.356.4003 (Facsimile)

September 4, 2019

TO: Honorable Mayor and Members of City Council

FROM: Kent Etienne, Jr. – Executive Director

RE: **Consider for approval an Ordinance of the City of Galveston, Texas, amending Section 2-22 “Personnel Rules and Regulations” of Chapter 2 “Administration” of “The Code of the City of Galveston 1982, as amended,” by making changes to Chapter 26 “Sick Leave Pool”; making various findings and provisions related to the subject; and providing for an effective date of October 1, 2019.**

I. BACKGROUND

- A. On August 22, 2019, the City Council approved a Collective Bargaining Agreement (CBA) with the Galveston Municipal Police Association (GMPA) as negotiated with the City’s representatives.
- B. Article 16 “Sick Leave” was amended, in part, “to permit officers to designate [donations to] a specific employee, or to designate [donations] generally to the pool” (Page 21, Section G).
- C. The City has maintained a policy that outlines procedures related to employee donations to the Sick Leave Pool including those made by sworn police officers. However, the current policy does not allow any donations to be made for a specific employee.
- D. City Staff has identified and now brings forth amendments to the Sick Leave Pool Policy to align with the negotiated and newly adopted provisions in the CBA between the City and the GMPA for 2019 to 2023.
- E. The proposed amendments will allow any employee to make donations to a specific employee, or generally to the pool.

II. CURRENT SITUATION

Whether to approve amendments to Chapter 26 of the Civilian Employee Handbook related to the Sick Leave Pool which will align the 2019-2023 CBA between the City and GMPA.

III. ISSUES

- 1. Cost – Minimal administrative costs for updating and distributing policy along with setup of mechanisms to capture the new process.
- 2. Timing – Immediate action required to align with the Collective Bargaining Agreement effective October 1, 2019.



City of Galveston

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3. Impact and Ramifications – Staff needs time to notify employees of the new policy and prepare for implementation which becomes effective October 1, 2019.

IV. ALTERNATIVES IN PRIORITY

None.

V. RECOMMENDATION

Approve an Ordinance which incorporates amendments to Chapter 26 “Sick Leave Pool” of the Civilian Employee Handbook effective October 1, 2019.

VI. FISCAL IMPACT REPORT

Cost: N/A

Funding Source: N/A

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

CITY OF GALVESTON, TEXAS

AND

GALVESTON MUNICIPAL POLICE ASSOCIATION

EFFECTIVE

OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2023

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When off-duty personnel are contacted, and are required to perform some action in their official capacity, that person shall be paid in accordance with Section B. The employee must be able to justify the action performed to his immediate commander (Lieutenant) and division commander (Captain). The final decision to pay or not to pay the employee in a disputed contact situation will be made at the discretion of the Chief of Police.

An employee merely being contacted by the department does not, in and of itself, constitute call back as described in Section B.

- E. **On Call Pay.** City policy allows employees to be given on-call pay as an incentive for being able to answer frequent emergency service requests. The City shall pay one hour per day for each day that an officer is on call "On Call duty assignment specifically refers to those employees assigned to the Criminal Investigation and Crime Scene Divisions.

ARTICLE 14

Employee Substitutions

- A. Members of the bargaining unit who are injured or sick and deplete their sick leave, vacation leave, holiday leave, overtime and compensatory time may request that another member of the bargaining unit be allowed to substitute for the injured or sick member, without added compensation or cost to the City. When officers substitute for another officer under these circumstances, such officers shall not accrue overtime or additional compensation for the regular shift of the injured or sick officer. The injured or sick officer shall receive full salary and benefits during any such periods that other officers are substituting for the injured or sick officer. The Police Chief's prior approval for employee substitutions must be obtained before this Article is effective. The City shall not incur any additional costs whatsoever, as a result of allowing employee substitutions.
- B. The City shall permit "Swap Time," in accordance with the Fair Labor Standards Act and applicable regulations. Payment instead of working is not allowed. The Shift Commander shall approve swap time. The officer scheduled to work will be marked present in the time book with a notation of the officer actually working. The line-up shall reflect the officer working that day with a notation of the officer who is scheduled to work. It will be the responsibility of the officers to have the day paid back. Refusal or termination of an employee will result in the officer losing the day owed.

ARTICLE 15

Legal Defense Service

The City agrees to comply with Chapter 180, Local Government Code.

ARTICLE 16

Sick Leave

- A. Sick leave is a privilege that is to be used for the sole purpose of providing wage continuation when an employee or immediate family member under their care is incapacitated due to a bona fide illness, medical treatment, and for exposure to contagious disease when the employee's presence and duties may jeopardize the health of others.

Additionally, with prior approval from an immediate supervisor, sick leave may be used to attend to non-emergency medical or dental treatment for the employee or an immediate family member.

- B. As a condition to receiving paid sick leave, the employee must notify the employee's immediate supervisor, at least one (1) hour prior to the beginning of the employee's shift of the employee's use of sick time, location and plans for medical attention.
- C. Employees may not use sick leave for any purpose other than that stated in Section A. For example, an employee may not use sick leave in conjunction with any other vacation or leave of absence.
- D. Supervisors may require an employee to present an approved doctor's statement. The City reserves the right to require other verification to ascertain whether a bona fide illness exists if the employee is on sick leave more than three (3) consecutive days, or if the City reasonably suspects the employee of sick leave abuse. The Department may request employees to advise the Department of the employee's whereabouts during use of sick leave. The Chief shall provide by policy for the enforcement of sick leave by supervisors, in order to foster consistency of application and practice within the Department.
- E. Any unapproved use of sick leave may lead to disciplinary action up to and including discharge.
- F. The City may, in its discretion, compensate officers for accrued, paid sick leave with agreement from affected officers.
- G. The City agrees to revise its existing sick leave policy to permit officers to designate a specific employee, or to designate generically to the pool. Leave not utilized by the employee designated by the officer, remains in the pool and may be allocated to other employees under the applicable City policy.

ARTICLE 17

Leaves of Absence

A. Funeral Leave

In the event of a death in the immediate family of an employee covered by this Agreement, the employee shall be granted up to three (3) calendar days special leave of absence with pay. The phrase "immediate family" shall include only: father, mother, sister, brother, spouse, child, grandparent and grandchild of either the employee or the employee's spouse. In the event the employee is on vacation or sick leave at the time of death, no special leave with pay shall be granted. All leaves under this clause shall be approved by the Chief or the Chief's designated representative.

B. General Leave

The City will consider written requests for leave of absences including education leave,

CITY OF GALVESTON

Brian Maxwell
Brian Maxwell, *City Manager*

Date: 8/22/19

GALVESTON MUNICIPAL
POLICE ASSOCIATION

Geoffrey Gainer
Geoffrey Gainer, *President*

Date: 8/22/19

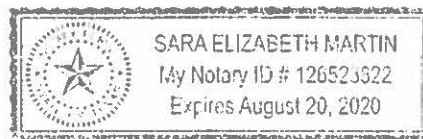
Approved as to Form:

Donald Glywasky
Donald Glywasky, *City Attorney*

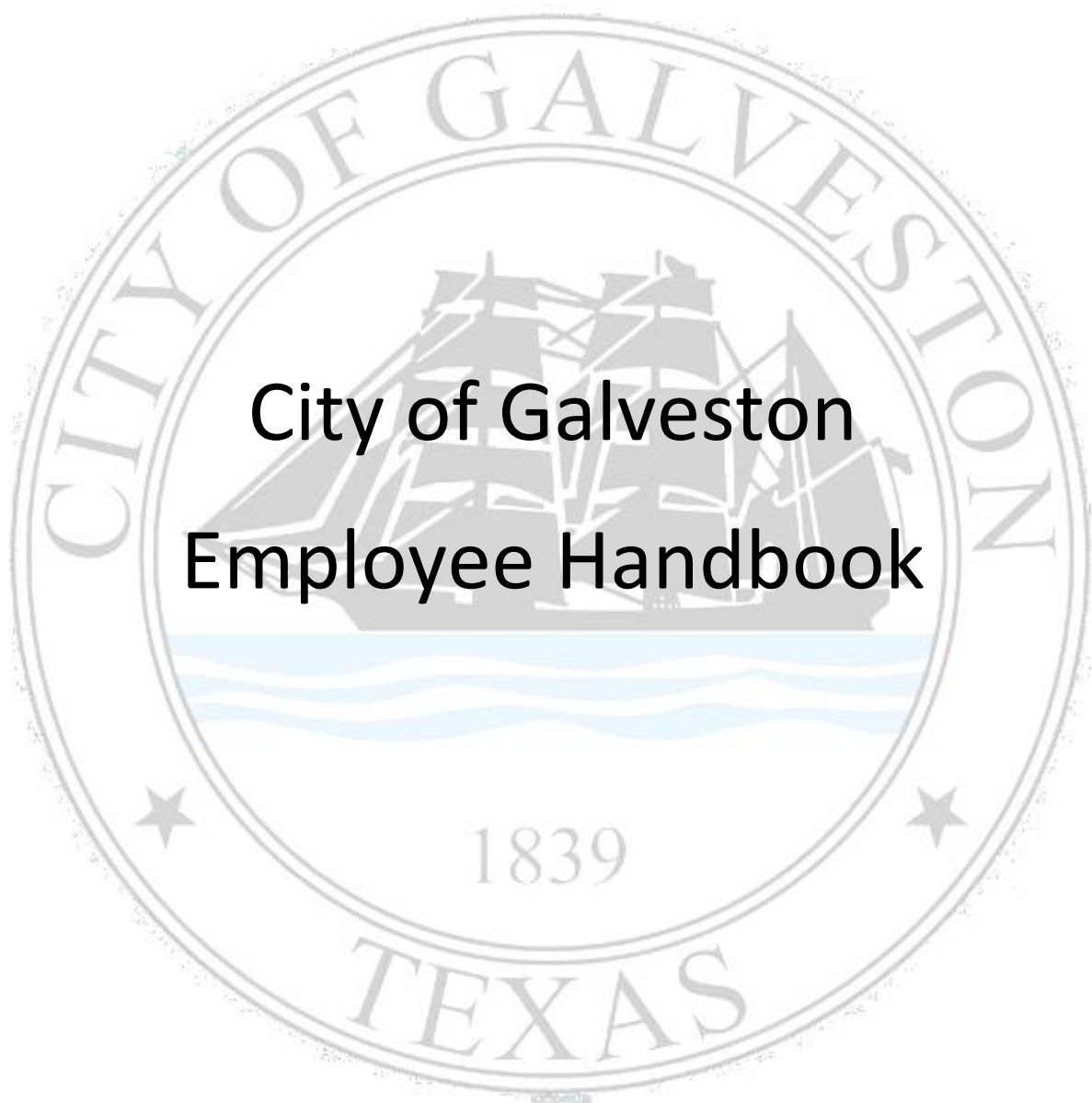
Vernon Hale
Vernon Hale, *Chief of Police*

Kent Etienne
Kent Etienne, *Human Resources Director*

Sara Martin
Sara Martin



8/22/19



City of Galveston Employee Handbook

Chapter 26

Sick Leave Pool

Section 1

Eligibility

Employees may qualify for pool hours if:

- A. The employee or family member has been under a licensed practitioner's care and the illness/injury has resulted in the employee's being absent from work for a minimum of 80 hours (hours missed do not need to be consecutive for pool purposes);
- B. Eligible sick, vacation, and/or compensatory time has been exhausted;
- C. All other applicable policies are followed; and
- D. The employee is employed full-time.

Section 2

Definitions

- A. "Catastrophic Illness or Injury" means a severe condition or combination of conditions affecting the mental or physical health of the employee or the employee's immediate family that requires the services of a licensed practitioner and forces the employee to miss at least 80 hours of scheduled work.
- B. "Licensed Practitioner" means a practitioner, as defined in the Texas Insurance Code, who is practicing within the scope of his or her license.
- C. "Waiting Period" means a requirement stipulating that a full-time employee may not access the pool until he/she has missed 80 cumulative hours of work due to any one medical condition. The employee may use available paid leave throughout the 80-hour waiting period; missed hours do not need to be consecutive.
- D. "Immediate Family Member" means spouse and children.

Section 3

Use of the Pool

- A. Sick Leave Pool hours must be requested before the hours are needed or as soon as reasonably possible. Sick Leave Pool hours will be paid from the date granted, unless otherwise approved by Human Resources and the responsible manager.
- B. All policies regarding the use of sick leave apply to the use of Sick Leave Pool hours and abuse of Sick Leave Pool will be subject to disciplinary action. In no case may Sick Leave Pool hours be used when workers' compensation benefits are payable.
- C. Accruals earned while utilizing the Sick Leave Pool must be exhausted on a pay period basis before the Sick Leave Pool benefit is applied.

Originally Adopted: November 1999

Amended November 2004, February 2006, April 2010, October 2011 (Ord. Nos. 11-063 & 11-070),
December 2014 (Ord. No. 14-069), January 2016 (Ord. No. 16-007),
June 2017 (Ord. Nos. 17-041 & 17-042), September 2017 (Ord. No. 17-067), and
February 2018 (Ord. No. 18-060)

- D. For each illness or injury approved for Sick Leave Pool time, the Sick Leave Pool Administrator may authorize the transfer of up to one-third of the total amount of time in the pool or a maximum of 90 working days, whichever is less.
- E. The granting of sick leave from the pool cannot alter or otherwise change the terms and expected duration of appointment of the employee, if any, or other conditions and rules related to employment.
- F. All employees who meet eligibility requirements will have equal access to the pool. Decisions to allocate pool resources to employees who are eligible will be equitable, consistent, and without regard to employee classification or any other legally impermissible reason. Applications to the Sick Leave Pool are on a first-come first serve basis.

Section 4

Donations to the Pool

- A. Employees may donate **accrued sick leave hours** to the pool during their employment. Employee donations cannot reduce the employee's personal accrual below forty (40) hours. **Donations must be in eight (8) hour increments.**
- B. Human Resources thanks those employees who choose to donate available sick leave hours to the pool. Such generosity enables other employees to receive this benefit where unfortunate circumstances have caused them to exhaust their available paid leave. Employees interested in donating or receiving hours from the sick leave pool should contact the Human Resources Department for more information.

ORDINANCE NO. 19-_____

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING SECTION 2-22 “PERSONNEL RULES AND REGULATIONS” OF CHAPTER 2 “ADMINISTRATION” OF “THE CODE OF THE CITY OF GALVESTON 1982, AS AMENDED,” BY MAKING CHANGES TO CHAPTER 26 “SICK LEAVE POOL”; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING FOR AN EFFECTIVE DATE ON OCTOBER 1, 2019.

WHEREAS, on August 22, 2019, the City Council approved a Collective Bargaining Agreement (CBA) with the Galveston Municipal Police Association (GMPA) as negotiated with the City’s representatives; and

WHEREAS, Article 16 “Sick Leave” of the CBA was amended, in part, to afford police officers the ability to designate donations to specific employees, or to designate generally to the pool; and

WHEREAS, the City has maintained a policy that outlines procedures related to employee donations to the Sick Leave Pool, but specifically excludes allowing donations to specific employees; and

WHEREAS, the City policies and procedures regarding the Sick Leave Pool are codified into the “Personnel Policies and Procedures Manual and Handbook,” and any amendment(s) of those policies and procedures requires adoption by the City Council; and

WHEREAS, City Staff has identified and now brings forth amendments to the current Sick Leave Pool Policy to align with the negotiated and newly adopted provisions in the CBA between the City and the GMPA for 2019 to 2023; and

WHEREAS, the City Council of the City of Galveston, Texas deems it in the public interest to adopt the recommended amendments to the “Personnel Policies and Procedures Manual and Handbook.”

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 amends the 1999 City of Galveston Personnel Policies and Procedures, as amended, as recommended by Staff and set out in Section 3 of this Ordinance.

SECTION 3. That the City Council of the City of Galveston, Texas, hereby amends Chapter 26 “Sick Leave Pool” as follows:

Chapter 26
Sick Leave Pool

* * * * *

Section 4

Donations to the Pool

A. Employees may donate **accrued sick leave hours** to the pool during their employment. Employee donations cannot reduce the employee’s personal accrual below forty (40) hours. **Donations must be in eight (8) hour increments.**

B. Any City employee, including those in a sworn unit of the Galveston Police Department or the Galveston Fire Department, may donate accrued sick leave to a specific employee who has exhausted the latter employee’s accrued leave, including any hours the individual may be eligible to withdraw from the Sick Leave Pool. For clarification, “accrued leave” shall include sick leave, frozen sick leave, vacation time, frozen vacation time, compensatory time, and personal hours.

1. An employee may not provide or receive remuneration or a gift for a sick leave donation under this Chapter.

2. Notwithstanding any other applicable law, an employee who receives donated sick leave under this Chapter may not receive service credit in the Civilian, Police, or Fire Retirement Plan, or payment for any sick leave donated to the employee that is unused after the last day of that employee’s employment.

B. C. Human Resources thanks those employees who choose to donate available sick leave hours to the pool. Such generosity enables other employees to receive this benefit where unfortunate circumstances have caused them to exhaust their available paid leave. Employees interested in donating or receiving hours from the sick leave pool should contact the Human Resources Department for more information.

SECTION 4. That 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 5. That All Ordinances, or parts thereof, in conflict herewith are repealed to the extent of such conflict only.

SECTION 6. That 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; and that this Ordinance may be read and published by descriptive caption only.

SECTION 7. That this Ordinance shall become effective on **October 1, 2019.**

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE

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 its Special Meeting held on the 12th day of September, 2019, 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 _____day of September, 2019.

Secretary for the City Council
of the City of Galveston

ORDINANCE NO. 19-__

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, AMENDING "THE CODE OF THE CITY OF GALVESTON 1982, AS AMENDED", CHAPTER 23, "NUISANCES", BY ADDING ARTICLE VII. "STRUCTURES WITHIN THE STRAND/MECHANIC HISTORIC AREA" TO PROVIDE FOR THE PROTECTION, ENHANCEMENT AND PERPETUATION OF THE STRAND/MECHANIC HISTORIC DISTRICT'S ARCHITECTURAL HISTORY; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the protection, enhancement, and perpetuation of the Strand/Mechanic Historic District is a public necessity required in the interest of the health, prosperity, safety and welfare of the people of the city; and,

WHEREAS, the Strand / Mechanic Historic District is designated as a National Register Historic Landmark District, which is the highest level of historic designation in the country. The collection of cast-iron, Victorian era buildings is an important attraction to residents, tourists, and visitors; and,

WHEREAS, the obstruction of these historic elements effects the integrity and the historic feel of the area, as well as, the maintenance and protection of the architectural features; and,

WHEREAS, Staff recommends adding Article VII, "Structures within the Strand/Mechanic Historic Area", to protect, enhance, promote and maintain the architectural features of landmarks, properties and structures due to the historical importance of those features on landmarks, properties and structures in the historic district; and,

WHEREAS, on July 15, 2019, the Landmark Commission reviewed the provisions of this Ordinance and recommended approval; and,

WHEREAS, the City Council of the City of Galveston, Texas, deems it in the public interest to amend "The Code of the City of Galveston 1982, as amended", Chapter 23, "Nuisances", by adding Article VII., "Structures within the Strand/Mechanic Historic Area", to provide for the protection, enhancement and perpetuation of the Strand/Mechanic Historic District's architectural history.

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 the 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 Code of the City of Galveston 1982, as amended, Chapter 23, “Nuisance”, is hereby amended by adding Article VII., to read and provide as follows:

ARTICLE VII. Structures within the Strand/Mechanic Historic Area

Sec. 23-107 to 109 Reserved.

Sec. 23-110. - Applicability

This Article applies to those structures located within the boundaries of the Strand/Mechanic Historic District as indicated on the City of Galveston’s official zoning map.

Sec. 23-111. - Purpose

The protection, enhancement, and perpetuation of the Strand/Mechanic Historic District is a public necessity required in the interest of the health, prosperity, safety and welfare of the people of the city. This Article is intended to:

- a) Accomplish the protection, enhancement and perpetuation of the Strand/Mechanic Historic District’s architectural history;
- b) Safeguard the city's historic and cultural heritage, as embodied in the Strand/Mechanic Historic District;
- c) Foster civic pride in the beauty and accomplishments of the Strand/Mechanic Historic District;
- d) Protect and enhance the Strand/Mechanic Historic District attraction to residents, tourists and visitors;
- e) Support the business, industry and economy of the city and particularly the Strand/Mechanic Historic District; and
- f) Support the use of the Strand/Mechanic Historic District for the good of all people.

Sec. 23-112. - Definitions

As used in this article, unless the context clearly requires otherwise, the words defined in this section have the following meanings:

Architectural feature means the interior or exterior surface of a door along with its hinges and hardware; features on the exterior of the building such as name and or date plates; brick surfaces, cast iron columns; porticos; transoms, entablatures, cornices, escutcheon plates; cast stone, cast-crete, terra cotta, cornerstones, wood framed windows, window hoods of brick, cast iron, sheet metal, wood, or stone; or keystones on any premises within the Strand/Mechanic Historic District.

Commission means the Landmark Commission of the City of Galveston.

Premises means any building, structure, landscape feature, work of art or other object or fixture which is all or part of any physical betterment of real property.

Obscure means to conceal or prevent from being seen partially or completely.

Sec 23-113. - Obscuring architectural features

- a) No owner or occupant of any premises covered under this article shall obscure, either temporarily or permanently, any architectural feature of the premises by any means, including the placement of items for sale by the owner or occupant of the premises or other displays.
- b) The prohibition in the preceding item does not include maintenance of the architectural feature by the application of paint (or like protective matter) to the feature in compliance with the Design Standards for Historic Properties.
- c) The placement of any object to hold an exterior door open does not obscure the architectural features of the door as long as both the exterior and interior surfaces are available for viewing and the object holding the door open is the smallest size needed to accomplish the task of keeping the door open.
- d) This section does not prohibit the display of goods within a glass portion of a door or window of the premises with a platform adjacent to the window on which goods are placed for display for the viewing public.

Sec. 23-114. - Review by Landmark Commission

- a) An owner or occupant of a premises covered by this Article may request a Certificate of Appropriateness for the placement of any item which will obscure an architectural feature of the premises.
- b) Applications for a Certificate of Appropriateness will be filed with the Department of Development Services on a form prescribed by the department.
- c) The Landmark Commission will approve the application for the placement of an item which will obscure an architectural feature upon a finding that:
 - i) There is no practical alternative to the placement of the item;
 - ii) The placement is done in such a way as to minimize the obscuring of the architectural feature, and
 - iii) The placement of the item enhances the appearance of the architectural feature.
- d) The decision of the Landmark Commission may be appealed to the Zoning Board of Adjustments and Appeals, and as provided in the Land Development Regulations.

Sec. 23-115. - Article declared supplemental.

The provisions of this Article shall be supplemental to all other provisions of the Galveston City Code.

Sec. 23-116. - Penalty.

Any violation of this Article shall be punishable by a fine not to exceed five hundred dollars (\$500.00). Each day is a new violation.

SECTION 3. 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 4. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 5. 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 6. This Ordinance shall be and become effective from and after its adoption and publication in accordance with the provisions of the 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 its regular meeting held on September 12, 2019, 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 _____ day of _____, 2019.

Secretary for the City Council
Of the City of Galveston



City of Galveston

DEVELOPMENT SERVICES DEPARTMENT

823 Rosenberg | Galveston, TX 77550
409-797-3660 planningcounter@galvestonTX.gov

Date: September 3, 2019

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Catherine Gorman, AICP, Assistant Director/Historic Preservation Officer, Development Services Department and Donna Fairweather, Assistant City Attorney, City Attorney's Office

RE: **19PA-043** Request to amend Chapter 23 – Nuisances of the Code of Ordinances of the city of Galveston to add Article VII Structures within the Strand Mechanic Historic District.
Applicant: City of Galveston

I. Background

- A. The Landmark Commission has been concerned about the obstruction of the architectural features of buildings within the Strand/Mechanic Historic District with merchandise.
- B. The Strand/Mechanic Historic District is designated as a National Register Historic Landmark District, which is the highest level of historic designation in the country. This collection of cast-iron, Victorian era buildings is an important attraction to residents, tourists, and visitors.
- C. The Landmark Commission reviewed the current proposal at the May 6, 2019, June 3, 2019, and June 17, 2019 meetings. As well as hosting a public hearing on July 17, 2019.
- D. At the July 15, 2019 meeting, the Landmark Commission voted to recommend approval. The vote was unanimous.
- E. City Council discussed the code amendment at the July 25, 2019 workshop.

II. Current Situation

- A. In conjunction with the City Attorney's Office, staff is proposing the attached code amendment.

III. Issues





A. The following is a summary of the proposal:

City of Galveston

1. Establish a purpose statement and definitions;

DEVELOPMENT SERVICES DEPARTMENT

823 Rosenberg | Galveston, TX 77550
409-797-3660 planningcounter@galvestonTX.gov

2. Establish the prohibition of obscuring architectural features with merchandise; and
3. Provides for a review process by the Landmark Commission to allow for obstruction of an architectural feature.

IV. Alternatives in Order of Priority

- A. Approval of proposed changes to the Municipal Code.
- B. Do not approve the changes.

V. Recommendation

Approval of proposed changes to the Municipal Code

VI. Fiscal Impact Report

Requested by:

Catherine Gorman, AICP
Assistant Director/Historic Preservation Officer
Development Services Department

Funding Source:

n/a

Costs of Implementation:

minimal staff time

VII. Attachments

- A. Proposed code changes



Chapter 23

ARTICLE VII. Structures within the Strand/Mechanic Historic District

Sec. 23-107 to 109 Reserved

Sec. 23-110 Applicability

This Article applies to those structures located within the boundaries of the Strand/Mechanic Historic District as indicated on the City of Galveston's official zoning map.

Sec. 23-111 Purpose

The protection, enhancement, and perpetuation of the Strand/Mechanic Historic District is a public necessity required in the interest of the health, prosperity, safety and welfare of the people of the city. This article is intended to:

- a) Accomplish the protection, enhancement and perpetuation of the Strand/Mechanic Historic District's architectural history;
- b) Safeguard the city's historic and cultural heritage, as embodied in the Strand/Mechanic Historic District;
- c) Foster civic pride in the beauty and accomplishments of the Strand/Mechanic Historic District;
- d) Protect and enhance the Strand/Mechanic Historic District attraction to residents, tourists and visitors;
- e) Support the business, industry and economy of the city and particularly the Strand/Mechanic Historic District; and
- f) Support the use of the Strand/Mechanic Historic District for the good of all people.

Sec. 23-112 Definitions

As used in this article, unless the context clearly requires otherwise, the words defined in this section have the following meanings:

Architectural feature means the interior or exterior surface of a door along with its hinges and hardware; name and or date plates; brick surfaces, cast iron columns; porticos; transoms, entablatures, cornices, escutcheon plates; cast stone, cast-crete, terra cotta, cornerstones, wood framed windows, window hoods of brick, cast iron, sheet metal, wood, or stone; or keystones on any premises within the Strand/Mechanic Historic District.

Commission means the Landmark Commission of the City of Galveston.

Premises means any building, structure, landscape feature, work of art or other object or fixture which is all or part of any physical betterment of real property.

Obscure means to conceal or prevent from being seen partially or completely.

Sec 23-113 Obscuring architectural features

- a) No owner or occupant of any premises covered under this article shall obscure, either temporarily or permanently, any architectural feature of the premises by any means including the placement of items for sale by the owner or occupant of the premises or other displays.
- b) The prohibition in the preceding item does not include maintenance of the architectural feature by the application of paint (or like protective matter) to the feature in compliance with the Design Standards for Historic Properties.
- c) The placement of any object to hold an exterior door open does not obscure the architectural features of the door as long as both the exterior and interior surfaces are available for viewing and the object holding the door open is the smallest size needed to accomplish the task of keeping the door open.
- d) This section does not prohibit the display of goods within glass portion of a door or window of the premises with a platform adjacent to the window on which goods are placed for display for the viewing public.

Sec. 23-114 Review by Landmark Commission

- a) An owner or occupant of a premises covered by this Article may request a Certificate of Appropriateness for the placement of any item which will obscure an architectural feature of the premises.
- b) Applications for a Certificate of Appropriateness will be filed with the Department of Development Services on a form prescribed by the department.
- c) The Landmark Commission will approve the application for the placement of an item which will obscure an architectural feature upon a finding that:
 - i) There is no practical alternative to the placement of the item;
 - ii) The placement is done in such a way as to minimize the obscuring the architectural feature, and
 - iii) The placement of the items enhances the appearance of the architectural feature.

d) The decision of the Landmark Commission may be appealed as to the Zoning Board of Adjustment s and Appeals , and as provided in the Land development Regulations.

Sec. 23-115. - Article declared supplemental.

The provisions of this article shall be supplemental to all other provisions of this Code.

Sec. 23-116. - Penalty.

Any violation of Article shall be punished by a fine not to exceed five hundred dollars (\$500.00).
Each day is a new violation.

OFFICE OF THE CITY AUDITOR**AUDIT PLAN FISCAL YEAR ENDING 2020**

Estimated Time	Audit / Consultation Number	Type of Engagement	Unit	Scope
2 Months - Fiscal Quarter 3	AUDIT-CITY2020-1	Compliance	(City) Police Department	Evaluate Equipment and Inventory by comparing to best practices including key processes, key risks, key controls, documentation, monitoring and ensuring transparency and accountability. This evaluation includes Department of Defense 1033 equipment.
1/2 Month - Fiscal Quarter 4	CONSULT-CITY2020-1	Revenue Monitoring	Sales Tax Collections Program	Monitor the Sales Tax Collections Program for Commercial Remodeling Labor by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability to collect the appropriate Sales Tax Due.
1 Month - Fiscal Quarter 3	CONSULT-CITY2020-2	Compliance	Concession Agreements	Evaluate Concession Agreements by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability.

OFFICE OF THE CITY AUDITOR**AUDIT PLAN FISCAL YEAR ENDING 2020**

Estimated Time	Audit / Consultation Number	Type of Engagement	Unit	Scope
1 Week - Fiscal Quarter 1	CONSULT-CITY2020-3	Compliance	Beach User Fees including free parking driven by Special Event Contracts	Evaluate Beach User Fees including free parking driven by Special Events Contracts by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability.
1/2 Month - Fiscal Quarter 4	CONSULT-PARK2020-1	Revenue Monitoring	Hotel Occupancy Tax Audit Program	Evaluate the Hotel Occupancy Tax Audit Program by examining the external auditors working papers to determine the appropriate hotel occupancy tax due for collection.
1/2 Month - Fiscal Quarter 1	CONSULT-PARK2020-2	Financial	Fund Transfers	Evaluate Fund Transfers by comparing to best practices including key processes, key risks, key controls, documentation, and monitoring that Maximus Study ensures the highest degree of transparency and accountability.
1 Month - Fiscal Quarter 4	CONSULT-PARK2020-3	Compliance	Concession Agreements	Evaluate Concession Agreements by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability.

OFFICE OF THE CITY AUDITOR**AUDIT PLAN FISCAL YEAR ENDING 2020**

Estimated Time	Audit / Consultation Number	Type of Engagement	Unit	Scope
1 Week - Fiscal Quarter 1	CONSULT-PARK2020-4	Compliance	Beach User Fees including free parking driven by Special Event Contracts	Evaluate Beach User Fees including free parking driven by Special Events Contracts by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability.
1 Month - Fiscal Quarter 4	CONSULT-PARK2020-5	Financial	Use of Park Board Vehicles	Evaluate Use of Park Board Vehicles by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and Internal Revenue Service Regulations.
1 Month - Fiscal Quarter 2	AUDIT-PORT2020-1	Compliance	Payroll Practices	Evaluate Payroll Practices by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability.
2 Months - Fiscal Quarter 2	AUDIT-PORT2020-2	Financial	Purchasing Controls	Evaluate the Purchasing Controls by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability.

OFFICE OF THE CITY AUDITOR**AUDIT PLAN FISCAL YEAR ENDING 2020**

Estimated Time	Audit / Consultation Number	Type of Engagement	Unit	Scope
2 Months - Fiscal Quarter 1	AUDIT-PORT2020-3	Compliance	Contract Management	Evaluate Contracts by comparing to best practices including key processes, key risks, key controls, documentation, monitoring, and ensuring transparency and accountability.



City of Galveston

HUMAN RESOURCES DEPARTMENT

P. O. Box 779 | Galveston, TX 77553-0779
409.797.3650 (Office) | 409.356.4003 (Facsimile)

September 4, 2019

TO: Honorable Mayor and Members of City Council

FROM: Kent Etienne, Jr. – Executive Director

RE: Consider for approval the award of RFP # 19-23 to BlueCross BlueShield of Texas as the Third Party Administrator (TPA) for Employee Health Insurance including Specific and Aggregate Stop Loss Coverage for a period not to exceed three years effective October 1, 2019.

I. BACKGROUND

- A. Employee healthcare and pharmacy benefits are currently administered by Boon-Chapman as the City's Third Party Administrator (the "TPA"). The TPA also assists the City in its benefits for stop loss coverages. The current contractual obligations took effect on October 1, 2016, and are set to expire on September 30, 2019.
- B. The City and the Board of Trustees for the Galveston Wharves entered into an Interlocal agreement effective January 1, 2016, wherein eligible Port of Galveston employees/retirees and their dependents participate in the City's current plan for medical and pharmacy benefits and stop loss coverage.
- C. The City and the Board of Trustees for the Park Board entered into an Interlocal agreement effective January 1, 2017, wherein eligible Park Board employees/retirees and their dependents participate in the City's current plan for medical and pharmacy benefits and stop loss coverage.
- D. In early 2019, the City Health Plan endured significant increases in costs associated with claim payments. After evaluation, claim payment data showed increases not only with major case claims (stop loss cases), but also with increased volume of high-dollar medications. Also, a couple of the identified major cases involved retirees.
- E. City Staff proceeded with RFP # 19-23 for Employee Health Insurance and Stop Loss Coverage for employees of the City, the Port of Galveston, and the Park Board.
- F. The City received multiple responses for TPA services and also a few options for fully-insured plans.
- G. The City contracted with benefit consultant group Arthur J. Gallagher & Co. ("Gallagher") to evaluate all responses for all services for presentation to the City of Galveston Health Benefits Plan Board (the "Board").
- H. On July 30, 2019, the received information from Gallagher representatives regarding the evaluation of responses and presentations from BlueCross BlueShield of Texas and Boon-Chapman.
- I. On August 12, 2019, the Board received final information from Gallagher representatives and, thereafter, unanimously selected BlueCross BlueShield of Texas as the new TPA to be effective October 1, 2019.



City of Galveston

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- J. The City also requires additional software solutions and ancillary services related to employee benefits during the administrative services transition from Boon-Chapman to BlueCross BlueShield of Texas. The services will be offered by Professional Enrollment Services (PEC).

II. CURRENT SITUATION

The City is obligated to continue health insurance as an employee benefit for plan members and their eligible dependents through the current plan year which ends December 31, 2019. The City is also bound to provide health insurance for all sworn members of the Police and Fire Departments pursuant to recently approved Collective Bargaining Agreements which take effect on October 1, 2019, and continue through September 30, 2023. The City also seeks to continue coverage in calendar year 2020 for civilian employees.

There are a multitude of steps required for the transition of TPA services for the current plan year and moving forward to the 2020 plan year. In addition, there is a necessity to have software solutions in place to house employee benefit information. Such a solution should provide employee self-service online benefit enrollment and allow for electronic data interchange between the City and the benefit vendors (e.g., medical, dental, and vision).

The current health plan and benefits program offers other ancillary services that must be continued at least through December 31, 2019, as no significant benefit changes are being recommended for the remainder of the current in the plan year. These items include flexible spending accounts, health reimbursement accounts, a gym reimbursement program, and COBRA administration. These benefits must be effectively and efficiently administered via software solutions.

Currently, Boon-Chapman has provided software solutions for online enrollment and the ancillary services. Boon-Chapman will no longer be the TPA for the health plan as of October 1, 2019, so an alternative solution is needed to ensure solutions are available to process the current plan year benefits for employees, other members, and Staff.

III. ISSUES

Whether to approve the award of RFP # 19-23 to BlueCross BlueShield of Texas as the Third Party Administrator (TPA) for Employee Health Insurance including Specific and Aggregate Stop Loss Coverage for a period not to exceed three years effective October 1, 2019.

IV. ALTERNATIVES IN ORDER OF PRIORITY

- A. Alternative #1: Approve the recommendation.



City of Galveston

HUMAN RESOURCES DEPARTMENT

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B. Alternative #2: Take no action. Will result in delay for the transition of administrative services which would cause issues for employees seeking services under the current health plan provisions.

V. RECOMMENDATION

Concur with Alternative A: Approve the award of RFP # 19-23 to BlueCross BlueShield of Texas as the Third Party Administrator (TPA) for Employee Health Insurance including Specific and Aggregate Stop Loss Coverage for a period not to exceed three years effective October 1, 2019.

VI. FISCAL NOTE

BlueCross BlueShield of Texas is providing a \$250,000.00 rebate credit to assist the City with transition of TPA services. The funds will be utilized in three main areas – (1) consultant services; (2) administrative services for claim run-out; and (3) software solutions and ancillary services.

BlueCross BlueShield of Texas has also provided a maximum cost of \$9,950,812.80 to manage the health plan. This is favorable for the plan's financial solvency as there is currently no cap for providing services and claim expenses related to the health plan. The past five years have shown increased costs over the contributions by \$1.86 million for FY2019 and \$2.75 million in FY2020 with no reserve funding available for the plan. It is anticipated that the cap on the maximum liability will result in a reestablishment of plan reserves, thus providing for sound financial footing moving forward.

Funding Source: Internal Service Funds for Medical Administrative and Stop Loss Costs
* BCBSTX provides \$250,000.00 for upfront costs to transition services



City of Galveston

HUMAN RESOURCES DEPARTMENT

P. O. Box 779 | Galveston, TX 77553-0779
409.797.3650 (Office) | 409.356.4003 (Facsimile)

September 4, 2019

TO: Honorable Mayor and Members of City Council

FROM: Kent Etienne, Jr. – Executive Director

RE: Consider for approval an Agreement with Boon-Chapman for administrative services related to the processing of run-out health insurance claims through September 30, 2020, at a cost not to exceed \$45,000.00.

I. BACKGROUND

- A. Employee healthcare and pharmacy benefits are currently administered by Boon-Chapman as the City's Third Party Administrator (the "TPA"). The TPA also assists the City in its benefits for stop loss coverages.
- B. The current contractual obligations took effect on October 1, 2016, and are set to expire on September 30, 2019. The new plan year will run during the 2020 calendar year.
- C. On August 12, 2019, the City of Galveston Health Benefits Plan Board unanimously selected BlueCross BlueShield of Texas as the new TPA to be effective October 1, 2019.

II. CURRENT SITUATION

The City is obligated to continue health insurance as an employee benefit through the current plan year which ends December 31, 2019. The City is also bound to provide health insurance for all sworn members of the Police and Fire Departments pursuant to recently approved Collective Bargaining Agreements which take effect on October 1, 2019.

- A. A new TPA will be administering the current health plan effective October 1, 2019.
- B. There exists a requirement to continue processing all pending and new claims for dates of service through September 30, 2019.
- C. During the transition, plan members and City Staff will need resources to assist with benefit services and any claim issues for the existing plan year.
- D. The City has made arrangements with Boon-Chapman to provide claims administration for the health plan from October 1, 2019 through September 30, 2020. Boon-Chapman will only provide administrative services for claims incurred through September 30, 2019.

III. ISSUES

Whether to approve an Agreement with Boon-Chapman for administrative services related to the processing of run-out health insurance claims through September 30, 2020, at a cost not to exceed \$45,000.00.



City of Galveston

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IV. ALTERNATIVES IN ORDER OF PRIORITY

- A. Alternative #1: Approve the recommendation.
- B. Alternative #2: Take no action. Most likely will result in delay of payments to healthcare providers as well as cause issues for employees seeking services under the current health plan provisions.

V. RECOMMENDATION

Concur with Alternative A: Approve an Agreement with Boon-Chapman for administrative services related to the processing of run-out health insurance claims through September 30, 2020, at a cost not to exceed \$45,000.00.

VI. FISCAL NOTE

Cost: Not to Exceed \$45,000.00

BlueCross BlueShield of Texas is providing a \$250,000.00 rebate credit to assist the City with transition of TPA services. The funds will be utilized in three main areas – (1) consultant services; (2) administrative services for claim run-out; and (3) software solutions and ancillary services.

BlueCross BlueShield of Texas has also provided a maximum cost of \$9,950,812.80 to manage the health plan. This is favorable for the plan's financial solvency as there is currently no cap for providing services and claim expenses related to the health plan. The past five years have shown increased costs over the contributions by \$1.86 million for FY2019 and \$2.75 million in FY2020 with no reserve funding available for the plan.

Funding Source: Internal Service Funds for Medical Administrative and Stop Loss Costs
* BCBSTX provides \$250,000.00 for upfront costs to transition services

AGREEMENT BETWEEN
Boon-Chapman Benefit Administrators, Inc.
and
City of Galveston

The following is agreed between the parties:

- **CITY OF GALVESTON**

The City of Galveston will pay Boon-Chapman 100% of the claims administration fees calculated for the last month of the contract period for run-out claims processing during the three (3) month period following the termination of the administrative service agreement. These run-out fees will be payable for each month of the three (3) month run-out period and are due before run-out processing begins.

For any claims processed after the initial three (3) month run out period, the administration fee will be \$15.00 per claim processed with a monthly minimum of \$1,000. The client also agrees to pay medical review fees (when applicable) at invoice.

After the initial termination of services as of September 30, 2019, run-out services should discontinue as of close of business on September 30, 2020.

- **BOON-CHAPMAN**

Boon-Chapman will provide claims administration for City of Galveston medical claims through the end of run-out period agreed to at the time of termination, provided the claims were incurred on or before the last day of the contract period and Boon-Chapman receives them prior to last month of the agreed upon run-out period. In addition, Boon-Chapman will respond to calls from plan participants and providers regarding these claims.

This agreement will terminate when Boon-Chapman completes processing of the claims covered by the agreement.

Standard reporting, including but not limited to current census, accumulators and claims history may be provided (upon request) in our standard Excel format. Access to all systems will be terminated 90 days following the end of the agreed upon run-out period. For any special formatting requests or multiple submissions of data, we will provide a quote based on the time and complexities of the request.

Agreed to by:

Boon-Chapman Benefit Administrators, Inc.
--

Signature: _____

Name: _____

Title: _____

Date: _____

City of Galveston

Signature: _____

Name: _____

Title: _____

Date: _____



City of Galveston

HUMAN RESOURCES DEPARTMENT

P. O. Box 779 | Galveston, TX 77553-0779
409.797.3650 (Office) | 409.356.4003 (Facsimile)

September 4, 2019

TO: Honorable Mayor and Members of City Council

FROM: Kent Etienne, Jr. – Executive Director

RE: Consider for approval the First Amendment to the Professional Services Agreement with Arthur J. Gallagher & Co. for additional consulting work related to the transition of third-party administration for employee health insurance from Boon-Chapman to BlueCross BlueShield of Texas at an additional cost not to exceed \$45,000.00.

I. BACKGROUND

- A. Employee healthcare and pharmacy benefits are currently administered by Boon-Chapman as the City's Third Party Administrator (the "TPA"). The TPA also assists the City in its benefits for stop loss coverages. The current contractual obligations took effect on October 1, 2016, and are set to expire on September 30, 2019.
- B. The City and the Board of Trustees for the Galveston Wharves entered into an Interlocal agreement effective January 1, 2016, wherein eligible Port of Galveston employees/retirees and their dependents participate in the City's current plan for medical and pharmacy benefits and stop loss coverage.
- C. The City and the Board of Trustees for the Park Board entered into an Interlocal agreement effective January 1, 2017, wherein eligible Park Board employees/retirees and their dependents participate in the City's current plan for medical and pharmacy benefits and stop loss coverage.
- D. In early 2019, the City Health Plan endured significant increases in costs associated with claim payments. After evaluation, claim payment data showed increases not only with major case claims (stop loss cases), but also with increased volume of high-dollar medications. Also, a couple of the identified major cases involved retirees.
- E. City Staff proceeded with RFP # 19-23 for Employee Health Insurance and Stop Loss Coverage for employees of the City, the Port of Galveston, and the Park Board.
- F. The City received multiple responses for TPA services and also a few options for fully-insured plans.
- G. The City contracted with benefit consultant group Arthur J. Gallagher & Co. ("Gallagher") to evaluate all responses for all services for presentation to the City of Galveston Health Benefits Plan Board (the "Board").
- H. On July 30, 2019, the received information from Gallagher representatives regarding the evaluation of responses. And, on August 12, 2019, the Board received final information from Gallagher representatives and, thereafter, unanimously selected BlueCross BlueShield of Texas as the new TPA to be effective October 1, 2019.



City of Galveston

HUMAN RESOURCES DEPARTMENT

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II. CURRENT SITUATION

The City is obligated to provide health insurance coverage to members of the plan through the current plan year which ends December 31, 2019.

There are a multitude of steps required for the transition of TPA services for the current plan year and moving forward to the 2020 plan year. Additional analysis will be needed to ensure the health plan is correctly built out in the BlueCross BlueShield of Texas systems. In addition, there is a need for guidance by the consultants to coordinate contract negotiations with the TPA along with preparing for continuation of services in the current plan year and the launch of open enrollment for the next plan year. These ongoing services are listed in the attached Service Proposal.

III. ISSUES

Whether to approve the First Amendment to the Professional Services Agreement with Arthur J. Gallagher & Co. for additional consulting work related to the transition of third-party administration for employee health insurance from Boon-Chapman to BlueCross BlueShield of Texas at an additional cost not to exceed \$45,000.00.

IV. ALTERNATIVES IN ORDER OF PRIORITY

- A. Alternative #1: Approve the recommendation.
- B. Alternative #2: Take no action. Most likely will result in delay in the transition of administrative services which would cause issues for employees seeking services under the current health plan provisions.

V. RECOMMENDATION

Concur with Alternative A: Approve the First Amendment to the Professional Services Agreement with Arthur J. Gallagher & Co. for additional consulting work related to the transition of third-party administration for employee health insurance from Boon-Chapman to BlueCross BlueShield of Texas at an additional cost not to exceed \$45,000.00.

VI. FISCAL NOTE

Cost: Not to Exceed \$45,000.00

BlueCross BlueShield of Texas is providing a \$250,000.00 rebate credit to assist the City with transition of TPA services. The funds will be utilized in three main areas – (1) consultant services; (2) administrative services for claim run-out; and (3) software solutions and ancillary services.



City of Galveston

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BlueCross BlueShield of Texas has also provided a maximum cost of \$9,950,812.80 to manage the health plan. This is favorable for the plan's financial solvency as there is currently no cap for providing services and claim expenses related to the health plan. The past five years have shown increased costs over the contributions by \$1.86 million for FY2019 and \$2.75 million in FY2020 with no reserve funding available for the plan. It is anticipated that the cap on the maximum liability will result in a reestablishment of plan reserves, thus providing for sound financial footing moving forward.

Funding Source: Internal Service Funds for Medical – Administrative Costs
* BCBSTX provides \$250,000.00 for upfront costs to transition services



Gallagher

Insurance | Risk Management | Consulting

City of Galveston Service Proposal

INITIAL PROCUREMENT SERVICES

Item	Service	Cost
1	ASO, Stop Loss, PBM, & Fully Insured RFP Analysis	Included
2	Discount Analysis	Included
3	Renewal Projections & Rate Structure Analysis	Included
4	Actuarial Assistance	Included
5	Underwriting Assistance	Included
6	Unlimited Compliance Support During RFP Analysis Period	Included
7	Network Analysis, Negotiation, & Consulting	Included
8	Level 1 Rx Consulting	Included
9	Carrier Negotiation	Included
10	Organize & Execute Finalist Meetings	Included
Total Price		\$10,000

Due in a lump sum payment after project is complete

ONGOING SERVICES

Item	Service	Cost
1	Implementation of the Plan	Included
2	Rate Setting and Actuarial Analysis	Included
3	Benefit Administration Set Up	Included
4	Custom Network Consulting	Included
5	Discount Analysis	Included
6	Renewal Projections & Rate Structure Analysis	Included
7	Actuarial Assistance	Included
8	Underwriting Assistance	Included
9	Unlimited Compliance Support	Included
10	Network Negotiation & Consulting	Included
11	Annual Texas Public Sector Benchmark Report	Included
12	Level 1 Rx Consulting	Included
13	RFP Creation & Analysis	Included
14	Wellness Consulting	Included
15	Non-medical Benefit Consulting	Included
16	Administrative Product Consulting	Included
18	Enrollment Consulting	Included

Total Annual Not to Exceed Price

\$55,000

Includes \$10,000 Initial Procurement Service Charge



Insurance | Risk Management | Consulting

ADDITIONAL SERVICES

Item	Service	Cost
1	TEC Rx Collective	\$1.75 per script
2	Full Medical Claims Audit	\$40,000
3	Full Rx Claims Audit	\$20,000
4	Benefit Advocacy Center	\$3.00 PEPM
5	Wellness Implementation	Commission on Voluntary Products
6	Non-medical Benefit Implementation	Commission on Voluntary Products
8	Onsite Enrollment Services	Commission on Voluntary Products
9	Dependent Audit	\$1.00 PEPM
10	OPEB & Retiree Consulting	\$40,000



City of Galveston

Finance Department
PO Box 779 | Galveston, TX 77553-0779
| 409-797-3562

September 12, 2019

To: Brian Maxwell, City Manager

Honorable Mayor and City Council

From: Michael W. Loftin, Assistant City Manager for Finance

RE: Consider a motion approving a one-year extension of the contract with Hutchinson Shockey Erley & Company for financial advisory services.

I. **Background**

- A. The City retained the firm of Hutchinson Shockey Erley & Co. to serve as its financial advisor in August 2015 for a three year period (see attached staff report and contract) through a competitive Request for Proposals process (RFP 15-12).
- B. The agreement provides for automatic renewals annually after the initial three year period ends. City Council is being asked to ratify the extension for an additional year (year five).
- C. The fee under the contract splits what would normally be the total fee earned by a financial advisor when bonds are sold into a \$40,000 annual fixed fee and reduced fees when bonds are sold.

II. **Current Situation**

- A. The City expects to continue to require financial advisory services because of its extensive Capital Improvement Plan (CIP) and the long-term financings required to fully execute and implement the CIP.
- B. Mr. Niederle and his firm are familiar with the City, its financial planning process, the bond market, the City's history in the bond market and the particular needs of the City with respect to financial issues.
- C. In addition to facilitating bond sales, other services provided by Mr. Niederle include financial disclosure filings, attendance at City Council, Finance, Fiscal Affairs and Investment Advisory Committee, and staff meetings as required, as well as assistance in securing the long-term emergency loan and ongoing advice in financial matters.

III. **Alternatives**

- A. Extend the contract with HSE.
- B. Go through a new financial advisory services RFP process.

IV. **Recommendation**

Approve the contract extension with HSE.

V. **Funding**

General Fund - \$20,000 annually

Combined Utility System Fund - \$20,000 annually

Bond Sales Cost of Issuance – Scheduled fees per bond sale and ongoing annual fees (see above) if market conditions and individual bond sale and cost of issuance permits

City of Galveston



P. O. Box 779 / Galveston, Texas 77553-0779

August 13, 2015

To: Brian Maxwell, City Manager
Hon. Mayor and City Council

From: Michael W. Loftin, Finance Director

RE: Consider for action approval of a contract with HutchisonShockeyErly&Co for Financial Advisory Services.

I. Background

- A. The City requires the service of an outside financial advisor to assist and guide its efforts in long-term financing and a variety of financial management issues.
- B. The city's current financial advisor, First Southwest, has served in this capacity since 2005.
- C. The City issued RFP 15-12 on May 5, 2015.
- D. Proposals were received on May 20, 2015 from HutchinsonShockeyErly&Co. (HSE), Specialized Public Finance, Inc., and Public Financial Management Inc. The current FA, First Southwest, did not submit a proposal.

II. Current Situation

The City is involved in issuance of bonds on an annual basis, including City backed bonds and bonds for which the City Council has oversight authority. City backed issues include bonds that refinance prior year's bonds at a savings, as well as revenue supported bonds and voter approved tax supported bonds. The City Council also is called upon to approve bond issuances for the Wharves Authority and special districts created by the City such as those for Waterman's PID in 2014.

In its proposal, HSE presented the best combination of (1) experience as a firm and consultants, (2) understanding the City's financial condition and needs, (3) experience in providing innovative financing strategies and non-traditional services, and (4) cost of the proposals received. Mr. James Niederle will be the lead consultant for the City, and Mr. Mark Nitcholas will be his backup. Mr. Niederle has a long familiarity with the City's debt and financial structure having served as FA and/or underwriter on many City bond sales. He has twenty five years of experience in the municipal bond market and Mr. Nitcholas has twenty nine years of experience in that same market.

Under the proposed contract, HSE will provide assistance to the City in development of financial plans and budgets, debt issuance of all types, development of a debt management policy, review and advice on proposed and existing quasi-governmental authorities and entities (e.g. PID's, TIRZ's), and continuing disclosure as required by securities law and regulations.

III. Issues

1. Cost – \$40,000 paid in four equal \$10,000 quarterly payments, and prices charged with specific bond sales as follows:

<i>Bond Issuance Amount</i>	<i>Price per Bond</i>
\$0 - \$5,000,000	Minimum - \$15,000
\$5,000,001 - \$10,000,000	\$15,000 plus \$1.00 per \$1,000
\$10,000,001 - \$ 25,000,000	\$25,000 plus \$0.50 per \$1,000
\$25,000,001 and over	\$37,500 plus \$0.25 per \$1,000

2. Timing – The FA can be replaced at any time, but it is particularly important to have the FA hired and working with the City before new tax-supported bonds are proposed for an election.
3. Impact or ramifications – Entering into the bond market with assistance of a firm and staff that have knowledge of the municipal bond market and pertinent federal and state regulations is mandatory. To do otherwise runs the risk of making unwise financial decisions and using practices that might otherwise harm the City’s reputation in the bond market.
4. Term and termination – The agreement will run for three years.

IV. Alternatives in order of priority

- A. Stay with the existing FA which is not an option because of the length of their agreement with the City.
- B. Hire a different firm that has less familiarity with the City of Galveston and its financial and debt structure.
- C. Hire HutchisonShockeyErly&Co as the best Financial Advisory firm available to the City considering understanding of the City, consulting experience and cost.

V. Recommendation

Concur in Alternative C.

VI. Fiscal Impact Report

Requested by:	Michael W. Loftin Director of Finance
Funding Source:	General Fund \$20,000; Waterworks Operating Fund \$10,000; Sewer Operating Fund \$10,000; bond sale fees paid from proceeds of the sale
Costs of implementation:	Approximately \$80,000 per year (assuming two \$10 Million City backed sales per year).

Respectfully Submitted

Approved

Michael W. Loftin
Director of Finance

Brian Maxwell
City Manager

HutchinsonShockeyErley&Co

James Niederle

Senior Vice President

4545 Post Oak Place, Suite 215

Houston, Texas 77027

P - 713.429.5898 / F - 713.621.4022



City of Galveston, Texas

823 Rosenberg Avenue

Galveston, Texas 77550

**Attn: Mr. Dan Buckley, Deputy City Manager
Mr. Mike Loftin, Director of Finance**

Re: FINANCIAL ADVISORY SERVICES

Dear Mr. Buckley and Mr. Loftin:

This letter confirms and memorializes the agreement ("Agreement") between the **City of Galveston** (referred to herein as the "City, etc.") and Hutchinson, Shockey, Erley & Co., an Illinois corporation, (the "Financial Advisor") a member of the Financial Industry Regulatory Authority ("FINRA"), pursuant to which the Financial Advisor agrees to provide Financial Advisory Services (as defined herein) to the City in accordance with the terms and conditions set forth herein. In consideration of good and valuable services provided and the mutual promises, representations, warranties and covenants of the parties contained herein, the parties agree as follows:

1. Services: For purposes of this Agreement, "Financial Advisory Services" is defined as the Financial Advisor's:

- a) *Quarterly Advisory Services.*
- b) *Bond Issuance Transaction Services.*
- c) *Other Services to be provided on an hourly basis.*

Quarterly Advisory Services shall be performed and delivered by the Financial Advisor to the City on a quarterly basis and shall include, but are not limited to, the following:

- (i) Assistance to City staff in development of the City budget, including review of assumptions used in the budgeting process and analysis of projections and conclusions of the budget.
- (ii) Assistance and advice with regard to debt financing, including impact of new debt, identification of financing vehicles and alternatives, and monitoring of market rates and conditions.
- (iii) Ongoing review and analysis of potential refinancing opportunities.
- (iv) Assistance, if requested, on any long-term forecasts or financing plans, including review of assumptions used to formulate the forecast of financing plans and analysis and review of projections and conclusions made by the forecast or plan.
- (v) Attendance, when requested, at any City Council meetings, subcommittee meetings, or finance-related meetings.
- (vi) Any advice or consultation regarding the creation of new quasi-governmental organizations, or status of such existing organizations, and their impact on the City.
- (vii) Assistance with the creation of, or revision to, a comprehensive City debt management policy.

Bond transaction services shall be performed and delivered by the Financial Advisor to the City on an as needed basis and shall include, but are not limited to, the following:

- (i) Assistance with sizing, timing, structure, type of debt, and method of sale of any City debt issue.
- (ii) Analysis of the City's debt capacity and the impact of new debt issuances on the City's property tax rate.
- (iii) Evaluation of new financing techniques and instruments that may be used as alternatives to traditional municipal bond issuances.
- (iv) Preparation and coordination of rating agency meetings and presentations.
- (v) Development of any desired requests for proposals ("RFP") for underwriting services, and analysis of responses to such an RFP.
- (vi) Preparation of the preliminary and official sales documents in connection with the issuance of a municipal obligation, coordination of the sale of said obligations, and oversight of the closing and funding of the sale.
- (vii) Assistance with the preparation of annual continuing disclosure statements

Other services requested by the City, not specifically covered by the above services, shall be negotiated as to scope, scale, completion criteria, and any "not-to-exceed" compensation limit, by the City and Financial Advisor, and when successfully completed shall be billed to the City on an hourly basis, subject to any "not-to-exceed" amount.

This Agreement shall have an initial term beginning on the date hereof and ending three years from the date hereof (the "Initial Term"). This Agreement will automatically renew for subsequent additional 12-month periods at the beginning of years four and five of the contract unless terminated by either party in writing 30 days prior to its initial or subsequent expiration date.

2. **Compensation:** The City hereby engages the Financial Advisor to perform the Financial Advisory Services. Services shall be deemed satisfactorily complete by the City, and as such the City agrees to pay compensation for financial advisory services rendered, based on the above descriptions, as follows:

Quarterly: The City shall pay the Financial Advisor a quarterly sum of \$10,000, payable in arrears, beginning October 1, 2015.

Per Bond

Transaction: Bond transaction services shall be performed in accordance with the following fee schedule to be paid to the Financial Advisor upon satisfactory performance of services and successful closing of a bond transaction.

<i>Bond Amount</i>	<i>Price per Bond</i>
<i>\$0 - \$5,000,000</i>	<i>Minimum - \$15,000</i>
<i>\$5,000,001 - \$10,000,000</i>	<i>\$15,000 plus \$1.00 per \$1,000</i>
<i>\$10,000,001 - \$25,000,000</i>	<i>\$25,000 plus \$.50 per \$1,000</i>
<i>\$25,000,001 and over</i>	<i>\$37,500 plus \$.25 per \$1,000</i>

3. **Expenses:** The City agrees to reimburse the Financial Advisor for all of its reasonable and necessary out-of-pocket expenses incurred which are related to the Financial Advisory Services. Invoices for out-of-pocket expenses shall be supported by appropriate documentation. The City shall promptly reimburse expenses to the Financial Advisor upon presentation of invoices to the City.

4. **Consultation with Financial Advisor Representatives:** The Financial Advisor will make available, for consultation with officials, counsel and staff members of the City, at times and places mutually agreed upon, personnel qualified to advise the City on the services described. James Niederle will be assigned as the primary professionals on the City account.

5. Reasonable Cooperation: As needed by the Financial Advisor in the performance of duties for the City, the City will make available the appropriate personnel for conferences and information meetings.

6. Liability for Fees and Expenses: Termination of this Agreement or transfer, assignment or sale of rights by the City in relation to the project shall not release the City from responsibility with respect to the fees and expenses payable pursuant to this Agreement.

7. Other Services: The City has not engaged the Financial Advisor as, and the Financial Advisor has not agreed to act as, an underwriter or placement agent with respect to the City's municipal debt issuance. Under the Municipal Securities Rulemaking Board Rule G-23, as amended; the Financial Advisor is precluded from acting as an underwriter or placement agent on the City's municipal debt issuance or changing to such a role once named as Financial Advisor to the City.

8. Notices: All notices provided for by this Agreement shall be made in writing either: (i) by actual delivery of the notice into the hands of the parties thereto entitled, or by delivery via courier service to a person in the office of the person entitled to notice; or (ii) by the mailing of the notice in the United States mails to the address, as stated below (or at such other address as may be designated by written notice), of the party entitled thereto, by certified or registered mail, return receipt requested, postage prepaid. The notice shall be deemed to be received three (3) days after the date of deposit in the United States mails.

All communications hereunder, except as herein otherwise specifically provided, shall be in writing and, if sent to the Financial Advisor, shall be mailed or delivered to the Financial Advisor at the address first set forth above; if sent to the City, it shall be mailed or delivered to the City's principal address.

A party's notice address may be changed from time to time by that party's providing written notice to the other. A copy of the notice to the each respective Party shall be sent to:

For City:
City Manager
City of Galveston
823 Rosenberg, Room 203
P.O. Box 779
Galveston, Texas 77553

with copy to:
City Attorney
City of Galveston
823 Rosenberg, Room 203
P.O. Box 779
Galveston, Texas 7755

For Hutchinson, Shockey, Erley & Co.
James Niederle
Senior Vice President
4545 Post Oak Place, Suite 215
Houston, Texas 77027

with copy to:
Mark Nitcholas
Managing Director
4545 Post Oak Place, Suite 215
Houston, Texas 77027

9. Construction: This Agreement shall be governed by, subject to and construed in accordance with the laws of Texas, and any dispute with respect to the subject matter hereof shall be litigated in the state or federal courts closest to HSE's Houston office, to which jurisdiction and venue all parties consent.

10. Severability: If any portion of this Agreement is to be held invalid or unenforceable by a court of competent jurisdiction, then: (i) the remainder of this Agreement shall be considered valid and operative; and (ii) effect shall be given to the intent manifested by the portion held invalid or inoperative.

11. Modification or Amendment: This Agreement may not be modified or amended except by written agreement executed by all parties hereto.

12. Captions: The captions used in this Agreement are for convenience only and shall not be considered as part of this Agreement.

If this letter correctly sets forth the entire understanding between the Financial Advisor and the City with respect to the foregoing, please so indicate by signing below, at which time this letter shall become a binding contract.

Sincerely,

HUTCHINSON, SHOCKEY, ERLEY & CO.

By: James Nadeau

Its: Senior Vice President

By: Thom E. Garry

Its: President

By: Nancy A. Meier

Its: Chief Financial Officer

ACCEPTED:

The City of Galveston, Texas

By: [Signature]

Its: _____

Date: 9/15/15

APPROVED AS TO FORM:

[Signature]

Asst. City Attorney



HUTCH-5

OP ID: G5

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/08/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER The Horton Group, Inc. www.thehortongroup.com 10320 Orland Parkway Orland Park, IL 60467 Mike Richmond	CONTACT NAME:	
	PHONE (A/C, No, Ext): 800-383-8283	FAX (A/C, No): 855-311-2378
INSURED Hutchinson, Shockey, Erley & Co 222 West Adams Street #1700 Chicago, IL 60606	E-MAIL ADDRESS: certificates@thehortongroup.com	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Sentinel Insurance Company Ltd	
	INSURER B: Hartford Fire Insurance	
	INSURER C:	
	INSURER D:	
INSURER E:		
INSURER F:		
NAIC #		

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			83SBANN5014	03/31/2015	03/31/2016	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	☐ CLAIMS-MADE ☒ OCCUR						MED EXP (Any one person) \$ 10,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 1,000,000
	☐ POLICY ☐ PROJECT ☒ LOC						GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMPIOP AGG \$ 2,000,000
							Emp Ben. \$ 1MM/2MM
A	AUTOMOBILE LIABILITY			83SBANN5014	03/31/2015	03/31/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	☐ ANY AUTO						BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	☒ HIRED AUTOS	☒ NON-OWNED AUTOS					PROPERTY DAMAGE (PER ACCIDENT) \$
							\$
A	☒ UMBRELLA LIAB	☒ OCCUR		83SBANN5014	03/31/2015	03/31/2016	EACH OCCURRENCE \$ 5,000,000
	☐ EXCESS LIAB	☐ CLAIMS-MADE					AGGREGATE \$ 5,000,000
	DED ☒ RETENTION \$ 10,000						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			83WBCBY2653	03/31/2015	03/31/2016	☒ WC STATUTORY LIMITS ☐ OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ Y ☒ N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

GALVE-1

City of Galveston
823 Rosenberg
Galveston, TX 77553-0779

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Scholes International Airport

AIRPORT ADMINISTRATION

2115 Terminal Dr | Galveston, TX 77554

www.galvestonairport.com | airport@galvestontx.gov | 409-797-3590

August 29, 2019

Honorable Mayor and Members of Council
Galveston, Texas

Dear Honorable Mayor and Members of Council,

Subject: Consider for approval, authorizing the City Manager to execute the 2020 Texas Department of Transportation, Routine Airport Maintenance Program (RAMP) Grant, which allows the Airport to be reimbursed up to \$50,000.00 in eligible airport maintenance expenses upon final approval of the City Attorney.

I. Background:

- A. Annually, TxDOT presents the airport with an opportunity to obtain a RAMP Grant for routine airport maintenance items, in which the Airport is reimbursed for 50% of eligible airport maintenance expenses. The reimbursed amount does not exceed \$50,000.00 annually.

II. Current Situation:

- A. TxDOT has requested the 2020 RAMP Grant be executed and returned as soon as possible.
- B. The current proposed Airport budget for FY 2020 has money available to maximize the RAMP Grant and recover the full 50% reimbursement of \$50,000.00 from TxDOT.

III. Issues:

- A. To maximize the eligible refund from the Grant, we must submit payment receipts equal to or exceeding \$100,000.00.

IV. Alternatives:

- B. City Council authorizes the City Manager to execute the 2020 Texas Department of Transportation, Routine Airport Maintenance Program (RAMP) Grant, which allows the Airport to be reimbursed up to \$50,000.00 in eligible airport maintenance expenses.
- C. City Council does not approve the request.





Scholes International Airport

AIRPORT ADMINISTRATION

2115 Terminal Dr | Galveston, TX 77554

www.galvestonairport.com | airport@galvestontx.gov | 409-797-3590

V. Recommendation:

- A. Staff recommends that City Council authorize the City Manager to execute the 2020 Texas Department of Transportation, Routine Airport Maintenance Program (RAMP) Grant, which allows the Airport to be reimbursed up to \$50,000.00 in eligible airport maintenance expenses upon final approval of the City Attorney.

VI. Fiscal Impact Report

Requested by:	Mike Shahan, Airport Director
Funding Source:	Funds allocated in FY 2020 Proposed Budget
	Contractual Services \$80,000.00
	Materials & Supplies \$20,000.00
Cost of Implementation	\$100,000
Estimated annual M&O costs:	N/A
Estimated cumulative M&O costs:	N/A
Additional information:	Texas Department of Transportation Grant for Routine Airport Maintenance Program

Respectfully submitted:

A handwritten signature in blue ink that reads "Mike Shahan".

Mike Shahan
Airport Director



**TEXAS DEPARTMENT OF TRANSPORTATION
GRANT FOR ROUTINE AIRPORT MAINTENANCE PROGRAM
(State Assisted Airport Routine Maintenance)**

TxDOT Project ID.: M2012GLVS

Part I - Identification of the Project

TO: The City of Galveston, Texas

FROM: The State of Texas, acting through the Texas Department of Transportation

This Grant is made between the Texas Department of Transportation, (hereinafter referred to as the "State"), on behalf of the State of Texas, and the City of Galveston, Texas, (hereinafter referred to as the "Sponsor").

This Grant Agreement is entered into between the State and the Sponsor shown above, under the authority granted and in compliance with the provisions of the Transportation Code Chapter 21.

The project is for **airport maintenance** at the GALVESTON - SCHOLLES INTL AT GALVESTON Airport.

Part II - Offer of Financial Assistance

1. For the purposes of this Grant, the annual routine maintenance project cost, Amount A, is estimated as found on Attachment A, Scope of Services, attached hereto and made a part of this grant agreement.

State financial assistance granted will be used solely and exclusively for airport maintenance and other incidental items as approved by the State. Actual work to be performed under this agreement is found on Attachment A, Scope of Services. State financial assistance, Amount B, will be for fifty percent (50%) of the eligible project costs for this project or \$50,000.00, whichever is less, per fiscal year and subject to availability of state appropriations.

Scope of Services, Attachment A, of this Grant, may be amended, subject to availability of state funds, to include additional approved airport maintenance work. Scope amendments require submittal of an Amended Scope of Services, Attachment A.

Services will not be accomplished by the State until receipt of Sponsor's share of project costs.

Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.

Work shall be accomplished by August 31, 2020, unless otherwise approved by the State.

2. The State shall determine fair and eligible project costs for work scope. Sponsor's share of estimated project costs, Amount C, shall be as found on Attachment A and any amendments.

It is mutually understood and agreed that if, during the term of this agreement, the State determines that there is an overrun in the estimated annual routine maintenance costs, the State may increase the grant to cover the amount of the overrun within the above stated percentages and subject to the maximum amount of state funding.

The State will not authorize expenditures in excess of the dollar amounts identified in this Agreement and any amendments, without the consent of the Sponsor.

3. Sponsor, by accepting this Grant certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify expended funds.

Upon execution of this Agreement and written demand by the State, the Sponsor's financial obligation (Amount C) shall be due in cash and payable in full to the State. State may request the Sponsor's financial obligation in partial payments. Should the Sponsor fail to pay their obligation, either in whole or in part, within 30 days of written demand, the State may exercise its rights under Paragraph V-3. Likewise, should the State be unwilling or unable to pay its obligation in a timely manner, the failure to pay shall be considered a breach and the Sponsor may exercise any rights and remedies it has at law or equity.

The State shall reimburse or credit the Sponsor, at the financial closure of the project, any excess funds provided by the Sponsor which exceed Sponsor's share (Amount C).

4. The Sponsor specifically agrees that it shall pay any project costs which exceed the amount of financial participation agreed to by the State. It is further agreed that the Sponsor will reimburse the State for any payment or payments made by the State which are in excess of the percentage of financial assistance (Amount B) as stated in Paragraph II-1.

5. Scope of Services may be accomplished by State contracts or through local contracts of the Sponsor as determined appropriate by the State. All locally contracted work must be approved by the State for scope and reasonable cost. Reimbursement requests for locally contracted work shall be submitted on forms provided by the State and shall include copies of the invoices for materials or services. Payment shall be made for no more than 50% of allowable charges.

The State will not participate in funding for force account work conducted by the Sponsor.

6. This Grant shall terminate upon completion of the scope of services.

Part III - Sponsor Responsibilities

1. In accepting this Grant, if applicable, the Sponsor guarantees that:
 - a. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State in connection with this Grant; and
 - b. the Airport or navigational facility which is the subject of this Grant shall be controlled by the Sponsor for a period of at least 20 years; and
 - c. consistent with safety and security requirements, it shall make the airport or air navigational facility available to all types, kinds and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Grant; and
 - d. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips, taxiways, parking aprons, roads, airport lighting and navigational aids; and
 - e. through the fence access shall be reviewed and approved by the State; and
 - f. it shall not permit non-aeronautical use of airport facilities without prior approval of the State; and

- g. the Sponsor shall submit to the State annual statements of airport revenues and expenses when requested; and
- h. all fees collected for the use of the airport shall be reasonable and nondiscriminatory. The proceeds from such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility; and
- i. an Airport Fund shall be established by resolution, order or ordinance in the treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in the Airport Fund and shall not be diverted to the general revenue fund or another revenue fund of the Sponsor. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent grant or loan, Sponsor has complied with the requirements of this subparagraph; and
- j. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and
- k. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain aviation easements or other property interests in or rights to use of land or airspace, unless sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State.
- l. mowing services will not be eligible for state financial assistance. Sponsor will be responsible for 100% of any mowing services.

2. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting claim or liabilities which might be imposed on the State as the result of those activities by the Sponsor, the Sponsor's agents or employees.
3. The Sponsor's acceptance of this Offer and ratification and adoption of this Grant shall be evidenced by execution of this Grant by the Sponsor. The Grant shall comprise a contract, constituting the obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport.

If it becomes unreasonable or impractical to complete the project, the State may void this agreement and release the Sponsor from any further obligation of project costs.

4. Upon entering into this Grant, Sponsor agrees to name an individual, as the Sponsor's Authorized Representative, who shall be the State's contact with regard to this project. The Representative shall receive all correspondence and documents associated with this grant and shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor, and coordinate schedule for work items as required.
5. By the acceptance of grant funds for the maintenance of eligible airport buildings, the Sponsor certifies that the buildings are owned by the Sponsor. The buildings may be leased but if the lease agreement specifies that the lessee is responsible for the upkeep and repairs of the building no state funds shall be used for that purpose.
6. Sponsor shall request reimbursement of eligible project costs on forms provided by the State. All reimbursement requests are required to include a copy of the invoices for the materials or services. The reimbursement request will be submitted no more than once a month.
7. The Sponsor's acceptance of this Agreement shall comprise a Grant Agreement, as provided by the Transportation Code, Chapter 21, constituting the contractual obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the airport maintenance and compliance with the assurances and conditions as provided. Such Grant Agreement shall become effective upon the State's written Notice to Proceed issued following execution of this agreement.

Part IV - Nomination of the Agent

1. The Sponsor designates the State as the party to receive and disburse all funds used, or to be used, in payment of the costs of the project, or in reimbursement to either of the parties for costs incurred.
2. The State shall, for all purposes in connection with the project identified above, be the Agent of the Sponsor. The Sponsor grants the State a power of attorney to act as its agent to perform the following services:
 - a. accept, receive, and deposit with the State any and all project funds granted, allowed, and paid or made available by the Sponsor, the State of Texas, or any other entity;
 - b. enter into contracts as necessary for execution of scope of services;
 - c. if State enters into a contract as Agent: exercise supervision and direction of the project work as the State reasonably finds appropriate. Where there is an irreconcilable conflict or difference of opinion, judgment, order or direction between the State and the Sponsor or any service provider, the State shall issue a written order which shall prevail and be controlling;
 - d. receive, review, approve and pay invoices and payment requests for services and materials supplied in accordance with the State approved contracts;
 - e. obtain an audit as may be required by state regulations; the State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.
 - f. reimburse sponsor for approved contract maintenance costs no more than once a month.

Part V - Recitals

1. This Grant is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.
2. It is the intent of this grant to not supplant local funds normally utilized for airport maintenance, and that any state financial assistance offered under this grant be in addition to those local funds normally dedicated for airport maintenance.

3. This Grant is subject to the applicable provisions of the Transportation Code, Chapters 21 and 22, and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Failure to comply with the terms of this Grant or with the rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.
 - a. Of primary importance to the State is compliance with the terms and conditions of this Grant. If, however, after all reasonable attempts to require compliance have failed, the State finds that the Sponsor is unwilling and/or unable to comply with any of the terms of this Grant, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended pursuant to this Grant, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to this Grant, provided however, these remedies shall not limit the State's authority to enforce its rules, regulations or orders as otherwise provided by law, (4) declare this Grant null and void, or (5) any other remedy available at law or in equity.
 - b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Grant, or for enforcement of any of the provisions of this Grant, is specifically set by Grant of the parties in Travis County, Texas.
4. The State reserves the right to amend or withdraw this Grant at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.
5. This Grant constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
6. All commitments by the Sponsor and the State are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.

Part VI - Acceptances

Sponsor

The City of Galveston, Texas, does ratify and adopt all statements, representations, warranties, covenants, agreements, and all terms and conditions of this Grant.

Executed this _____ day of _____, 2019.

The City of Galveston, Texas

Sponsor

Sponsor Signature

Deputy City Manager

Sponsor Title

Certificate of Attorney

I, _____, acting as attorney for the City of Galveston, Texas, do certify that I have fully examined the Grant and the proceedings taken by the Sponsor relating to the acceptance of the Grant, and find that the manner of acceptance and execution of the Grant by the Sponsor, is in accordance with the laws of the State of Texas.

Dated at Galveston, Texas, this _____ day of _____, 2019.

Attorney's Signature

Acceptance of the State

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

STATE OF TEXAS

TEXAS DEPARTMENT OF TRANSPORTATION

By: _____

Date: _____

Attachment A

Scope of Services
TxDOT Project ID: M2012GLVS

Eligible Scope Item	Estimated Costs Amount A	State Share Amount B	Sponsor Share Amount C
GENERAL MAINTENANCE	\$100,000.00	\$50,000.00	\$50,000.00
TOTAL	\$100,000.00	\$50,000.00	\$50,000.00

Accepted By: The City of Galveston, Texas

Signature

Title: Deputy City Manager

Date: _____

GENERAL MAINTENANCE: As needed, Sponsor may contract for services / purchase materials for routine maintenance / improvement of airport pavements, signage, drainage, AWOS systems, approach aids, lighting systems, utility infrastructure, fencing, herbicide / application, sponsor owned and operated fuel systems, hangars, terminal buildings and security systems; professional services for environmental compliance, approved project design. Special projects to be determined and added by amendment.

Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.

CERTIFICATION OF AIRPORT FUND

TxDOT Project ID:

M2012GLVS

The City of Galveston does certify that an Airport Fund has been established for the Sponsor, and that all fees, charges, rents, and money from any source derived from airport operations will be deposited for the benefit of the Airport Fund and will not be diverted for other general revenue fund expenditures or any other special fund of the Sponsor and that all expenditures from the Fund will be solely for airport purposes. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole.

Sponsor: The City of Galveston, Texas

By: _____

Title: Deputy City Manager

Date: _____

Certification of State Single Audit Requirements

I, Mike Shahan, do certify that the City of Galveston, Texas,
(Designated Representative)

will comply with all requirements of the State of Texas Single Audit Act if the City of Galveston, Texas, spends or receives more than the threshold amount in any grant funding sources during the most recently audited fiscal year. And in following those requirements, the City of Galveston, Texas, will submit the report to the audit division of the Texas Department of Transportation. If your entity did not meet the threshold in grant receivables or expenditures, please submit a letter indicating that your entity is not required to have a State Single Audit performed for the most recent audited fiscal year.

Signature

Airport Director

Title

Date

DESIGNATION OF SPONSOR'S AUTHORIZED REPRESENTATIVE

TxDOT Project ID: M2012GLVS

The City of Galveston, Texas, designates, Mike Shahan, Airport Director
(Name, Title)

as the Sponsor's authorized representative, who shall receive all correspondence and documents associated with this grant and who shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor.

Sponsor: The City of Galveston, Texas

By: _____

Title: Deputy City Manager

Date: _____

DESIGNATED REPRESENTATIVE

Mailing Address: Scholes International Airport
2115 Terminal Drive
Galveston, Texas 77554

Overnight Mailing Address: Scholes International Airport
2115 Terminal Drive
Galveston, Texas 77554

Telephone Number: 409-797-3590

Fax Number: 409-242-2135

Email Address: airport@galvestontx.gov

August 29, 2019

Honorable Mayor and City Council Members
Galveston, Texas

Dear Honorable Mayor and Members of Council,

Subject: Consider for approval a Resolution of the City Council of the City of Galveston, Texas, authorizing the City Manager to apply for a Texas Department of Transportation, Aviation Division, Grant for an Airport Master Plan Update for fiscal year 2019; authorizing the Texas Department of Transportation as agent for the City of Galveston for the purposes of applying for, receiving, and disbursing all funds for these improvements; directing the City Manager to execute all necessary documents relating to the Grant; directing the City Secretary to send a certified copy of the Resolution to the Texas Department of Transportation; providing for findings of fact and providing for an effective date upon final approval by the City Attorney.

I. Background:

- A. On November 6, 2015, the City submitted a Letter of Interest to the Texas Department of Transportation, Aviation Division (TxDOT) requesting airport development grants to cover airport fencing and multiple pavement projects and an Airport Master Plan update.
- B. To date, we have received three grants totaling \$6,074,700 that covered engineering/design and construction of the Airport perimeter fencing; rehabilitation of the concrete sections of Runway 14/32; all five taxiways and the North Aircraft Apron.
- C. The next phase of planned projects includes an Airport Master Plan Update and engineering/design for the rehabilitation of Runway 18/36, South Apron Phase 1, 2 & 3 along with the the South Ramp.
- D. On January 24, 2019, City Council approved a funding agreement between the City, the Tax Incremental Reinvestment Zone 14 and the Galveston Island Redevelopment Authority to fund the 10% match of \$52,500.00, which was the anticipated 10% match for this \$525,000.00 grant.
- E. In July, TxDOT revised and increased the original grant amount by \$110,000 for this project bringing the new grant amount to \$635,000, which requires a revised 10% match of \$63,500.00.
- F. On August 22, 2019, City Council approved authorizing the City Manager to approve an expenditure in the amount of \$63,500.00 to the Texas Department of Transportation, Aviation Division as the required ten (10%) percent match for the Airport Master Plan and engineering/design for rehabilitation of Runway 18/36, South Apron Phase 1, 2 & 3 and the South Ramp Pavement Project (TxDOT Project No. 20MPGLVST).





Scholes International Airport

AIRPORT ADMINISTRATION

2115 Terminal Dr | Galveston, TX 77554

www.galvestonairport.com | airport@galvestontx.gov | 409-797-3590

II. Current Situation:

- A. On August 23, 2019, TxDOT requested a resolution from City Council requesting financial assistance from TxDOT and naming TxDOT as its agent for the purposes of applying for, receiving and disbursing all funds related to the Airport Master Plan Update be submitted to them before September 20, 2019.
- B. TxDOT is seeking funding approval from the Texas Transportation Commission at their September 26, 2019 Commission meeting.

III. Alternatives:

- A. City Council approves a Resolution authorizing the City Manager to apply for a Texas Department of Transportation, Aviation Division, Grant for an Airport Master Plan Update for fiscal year 2019.
- B. City Council does not approve the Resolution.

IV. Recommendation:

Staff recommends City Council approves a Resolution, authorizing the City Manager to apply for a Texas Department of Transportation, Aviation Division, Grant for an Airport Master Plan Update for fiscal year 2019; authorizing the Texas Department of Transportation as agent for the City of Galveston for the purposes of applying for, receiving, and disbursing all funds for these improvements; directing the City Manager to execute all necessary documents relating to the Grant; directing the City Secretary to send a certified copy of the Resolution to the Texas Department of Transportation; providing for findings of fact and providing for an effective date upon final approval by the City Attorney..

V. Fiscal Impact Report:

Requested by:	Mike Shahan, Airport Director
Funding Source:	N/A
Costs of implementation:	N/A
Additional Information:	See attached Resolution

Respectfully submitted,

A handwritten signature in blue ink that reads "Mike Shahan".

Mike Shahan
Airport Director



RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, AUTHORIZING THE CITY MANAGER TO APPLY FOR A TEXAS DEPARTMENT OF TRANSPORTATION, AVIATION DIVISION, GRANT FOR AN AIRPORT MASTER PLAN UPDATE FOR FISCAL YEAR 2019; AUTHORIZING THE TEXAS DEPARTMENT OF TRANSPORTATION AS AGENT FOR THE CITY OF GALVESTON FOR THE PURPOSES OF APPLYING FOR, RECEIVING, AND DISBURSING ALL FUNDS FOR THESE IMPROVEMENTS; DIRECTING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS RELATING TO THE GRANT; DIRECTING THE CITY SECRETARY TO SEND A CERTIFIED COPY OF THE RESOLUTION TO THE TEXAS DEPARTMENT OF TRANSPORTATION; PROVIDING FOR FINDINGS OF FACT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Galveston intends to make certain improvements to the Scholes International Airport; and

WHEREAS, the general description of the project is described as: Airport Master Plan Update; and

WHEREAS, the City of Galveston intends to request financial assistance from the Texas Department of Transportation for these improvements; and

WHEREAS, total project cost is estimated to be \$225,000.00, and the City of Galveston will be responsible for 10% of the total project costs currently estimated to be \$22,500.00; and

WHEREAS, the City of Galveston names the Texas Department of Transportation as its agent for the purposes of applying for, receiving and disbursing all funds for these improvements and for the administration of contracts necessary for the implementation of these improvements;

NOW, THEREFORE, BE IT RESOLVED, that the City of Galveston hereby directs City Manager to execute on behalf of the City of Galveston, at the appropriate time, and with the appropriate authorizations of this governing body, all contracts and agreements with the State of Texas, represented by the Texas Department of Transportation, and such other parties as shall be necessary and appropriate for the implementation of the improvements to the Scholes International Airport.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. That 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 project's cost, cost sharing and the specific improvements to the Scholes International Airport will be defined in the Airport Project Participation Agreement between the City of Galveston and the Texas Department of Transportation.

SECTION 3. The City Council of the City of Galveston, Texas, hereby authorizes the City Manager to execute all contracts and agreements with the State of Texas, represented by the Texas Department of Transportation, and such other parties as shall be necessary and appropriate for the implementation of the Scholes International Airport Master Plan Update, upon final approval by the City Attorney.

SECTION 4. The City of Galveston hereby designates the City Manager as the City of Galveston authorized representative for Airport Master Plan Update, who shall have the authority to make approvals and disapprovals as required on behalf of the City of Galveston.

SECTION 5. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Resolution are severable and, if any phrase, clause, sentence, paragraph or section of this Resolution 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 or sections of this Resolution.

SECTION 6. The City Council of the City of Galveston, Texas, hereby directs the City Secretary to send a certified and true copy of this Resolution to the Texas Department of Transportation – Aviation Division.

SECTION 7. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

Donald S. Glywasky
City Attorney

I, Janelle Williams, Secretary of the City Council of the City of Galveston, Texas, 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, Texas, at its regular meeting held on the ____ day of _____ 2019, 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 ____ day of _____, 2019.

Secretary for the City Council
of the City of Galveston, Texas



City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

September 12, 2019

To: Brian Maxwell, City Manager
Honorable Mayor and City Council

From: Hope Dean, Executive Director & CITO

RE: Consider for approval the authorization to purchase extended support on five (5) power edge servers and two (2) EqualLogic Storage Area Network (SAN) array devices from Dell Marketing through state DIR Contract TSO-3763 for a total cost of \$33,683.21.

I. BACKGROUND

The City has an assortment of dell servers that perform core processing and provide central service for applications in use at the City. In order to ensure the equipment's continued operation, the infrastructure services team maintains service agreements which provides access to manufacturer technical support, firmware updates and replacement parts in the event of an equipment failure. The servers and related storage arrays provide critical core functions to the processing and storage of the City's data.

Additionally, the City has secured space at a data center located off the island that allows for the replication of its critical data, providing greater disaster recovery in the event of a major failure at the primary data center. Equipment included in this request is located at that offsite facility.

II. CURRENT SITUATION

The original service warranties included with the initial acquisition of this equipment is expiring. In order to leverage the City's full investment on the purchase of this equipment, the IT department intends to continue use of the equipment through its full life cycle. Dell offers extended support on its equipment up to a seven (7) year period from the date of purchase. IT requested Dell provide quotes to extend support on the equipment up to an additional two-year period and is recommending council consider the approval of this extension.



III. ISSUES

1. All equipment is located at the City's secondary data center located off the island and support is expiring.
2. This equipment is currently covered under a 4 hour 24/7 pro support contract that provides replacement parts that will not be available if extended support is not obtained.
3. The original pro support contract that was purchased with these devices is expiring and should be extended in support the City's goal to continue use of this equipment for an additional two-year period.

IV. ALTERNATIVES

1. The City of Galveston could decide to continue to use this equipment without extended support agreements increasing the City's risk to extended system downtime should a major hardware failure occur.
2. Opt to purchase replacement equipment in lieu of approving the extended support service agreements. Cost of replacement equipment is estimated at \$ 250,000.

V. RECOMMENDATION

Approve the allocation of funds for the purchase of a two year extended support agreement in the amount of \$33,683.21.

VI. FISCAL IMPACT REPORT

Requested by:	Hope Dean Executive Director & CITO
Funding Source:	Information Technology Operating Budget
Costs of implementation:	\$33,683.21

Extended Services Quote Information	
Quote #:	v 3000043137795.1
Customer Information	
Date:	July 26, 2019
Company Name:	CITY OF GALVESTON
Dell Customer # :	4165321
Contract Code # :	75ahh
Customer Agreement # :	DIR-TSO-3763

Dell Contact Information
Alisa Garcia Alisa_Garcia@Dell.com Phone: 1(800) 456-3355 Ext: 5139261

Dell Extended Services Details

Current Equipment Information						Extended Service Information							
Service Tag #	SKU #	Model	Service Contract Type	Ship Date	Service Contract Expiration	Service Contract Type	Service Contract Description	New Contract End Date	Quantity	Price	Reinstatement Fee	Discount	Price After Discount
FLC6RD2	976-9062	PowerEdge R730xd Upgrad	ND	9/13/2016	9/13/2019	ND	ProSupport Plus: Next	9/13/2022	1	\$ 1,408.28	\$ -	\$ -	\$ 1,408.28
FLC6RD2	976-9064	PowerEdge R730xd Upgrad	ND	9/13/2016	9/13/2019	P+	ProSupport Plus: 7x24	9/13/2022	1	\$ 3,450.15	\$ -	\$ -	\$ 3,450.15
FLC7RD2	976-9062	PowerEdge R730xd Upgrad	ND	9/13/2016	9/13/2019	ND	ProSupport Plus: Next	9/13/2022	1	\$ 1,408.28	\$ -	\$ -	\$ 1,408.28
FLC7RD2	976-9064	PowerEdge R730xd Upgrad	ND	9/13/2016	9/13/2019	P+	ProSupport Plus: 7x24	9/13/2022	1	\$ 3,450.15	\$ -	\$ -	\$ 3,450.15
FLC8RD2	976-9062	PowerEdge R730xd Upgrad	ND	9/13/2016	9/13/2019	ND	ProSupport Plus: Next	9/13/2022	1	\$ 1,408.28	\$ -	\$ -	\$ 1,408.28
FLC8RD2	976-9064	PowerEdge R730xd Upgrad	ND	9/13/2016	9/13/2019	P+	ProSupport Plus: 7x24	9/13/2022	1	\$ 3,450.15	\$ -	\$ -	\$ 3,450.15
FLC9RD2	976-9062	PowerEdge R730xd Upgrad	ND	9/13/2016	9/13/2019	ND	ProSupport Plus: Next	9/13/2022	1	\$ 1,408.28	\$ -	\$ -	\$ 1,408.28
FLC9RD2	976-9064	PowerEdge R730xd Upgrad	ND	9/13/2016	9/13/2019	P+	ProSupport Plus: 7x24	9/13/2022	1	\$ 3,450.15	\$ -	\$ -	\$ 3,450.15

Subtotal	\$ 19,433.72
Reinstatement Fees	\$ -
Discount	\$ -
Total	\$ 19,433.72

Contract Descriptions		
S1/S9		ProSupport 4HR 7X24 Onsite
NO		Next Business Day Onsite Resolution
ND		Next Business Day Onsite
NP		client Gold Technical Support
AE		Advanced Exchange
RR		Return to Depot
PS		ProSupport Technical Support
PSMC		ProSupport Mission Critical Technical Support
PSPMC		ProSupport Plus Mission Critical Technical Support
PSP		ProSupport Plus Technical Support
PY		ProSupport Plus Technical Support for Client + CC + KK
CC		Accidental Damage/Complete Care
KK		Keep Your Hard Drive
SH		SATA Hard Drive Service
Legacy Contracts (No longer available)		
SV/GD/PL		Silver/Gold/Platinum
TS		Client Gold Technical Support
IPS		IT ProSupport
IPSMC		IT ProSupport Mission Critical
S4		BASIC 4HR 5x10 Onsite

Pricing does not include sales tax where applicable.
This quotation is valid for 30 days.

Purchase Order Requirements
Please remember to include the following information: - Billing address - Shipping address, including a contact name & phone number - Terms stated as 'Net 30' - A total dollar amount - An authorizing signature (if required) Please attach a copy of your Dell quote, or reference the Dell quote number(s) on the purchase order.

[Questions about Services? Click here.](#)

[Support Questions? Click here.](#)

Terms of Sale
Unless you have a separate written agreement that specifically applies to this order, your order will be subject to and governed by the following agreements, each of which are incorporated herein by reference and available in hardcopy from Dell at your request: Dell's Terms of Sale (www.dell.com/learn/us/en/uscorp1/terms-of-sale), which include a binding consumer arbitration provision and incorporate Dell's U.S. Return Policy (www.dell.com/returnpolicy) and Warranty (for Consumer warranties ; for Commercial warranties). If this purchase includes services: in addition to the foregoing applicable terms, the terms of your service contract will apply (Consumer/Commercial). If this purchase includes software: in addition to the foregoing applicable terms, your use of the software is subject to the license terms accompanying the software, and in the absence of such terms, then use of the Dell-branded application software is subject to the Dell End User License Agreement - Type A (www.dell.com/AEULA) and use of the Dell-branded system software is subject to the Dell End User License Agreement - Type S (www.dell.com/SEULA). If your purchase is for Mozy, in addition to the foregoing applicable terms, your use of the Mozy service is subject to the terms and conditions located at https://mozy.com/about/legal/terms.

You acknowledge having read and agree to be bound by the foregoing applicable terms in their entirety. Any terms and conditions set forth in your purchase order or any other correspondence that are in addition to, inconsistent or in conflict with, the foregoing applicable online terms will be of no force or effect unless specifically agreed to in a writing signed by Dell that expressly references such terms.

Pricing, Taxes, and Additional Information

All product, pricing, and other information is valid for U.S. customers and U.S. addresses only, and is based on the latest information available and may be subject to change. Dell reserves the right to cancel quotes and orders arising from pricing or other errors. Please indicate any tax-exempt status on your PO, and fax your exemption certificate, including your Customer Number, to the Dell Tax Department at 800-433-9023. Please ensure that your tax-exemption certificate reflects the correct Dell entity name: **Dell Marketing L.P.**
Note: All tax quoted above is an estimate; final taxes will be listed on the invoice.

If you have any questions regarding tax please send an e-mail to Tax_Department@dell.com.

For certain products shipped to end-users in California, a State Environmental Fee will be applied to your invoice. Dell encourages customers to dispose of electronic equipment properly

Extended Services Quote Information	
Quote #:	v 3000043817710.1
Customer Information	
Date:	August 6, 2019
Company Name:	CITY OF GALVESTON
Dell Customer # :	4165321
Contract Code # :	99agz
Customer Agreement # :	MHEC-07012015

Dell Contact Information	
Alisa Garcia	
Alisa_Garcia@Dell.com Phone: 1(800) 456-3355 Ext: 5139261	

Dell Extended Services Details

Current Equipment Information						Extended Service Information							
Service Tag #	SKU #	Model	Service Contract Type	Ship Date	Service Contract Expiration	Service Contract Type	Service Contract Description	New Contract End Date	Quantity	Price	Reinstatement Fee	Discount	Price After Discount
F6Q8S1	951-5108	EqualLogic PS6510E Upgra	S9	7/3/2013	8/5/2019	S9	ProSupport Plus: Missi	7/2/2020	1	\$ 1,945.61	\$ -	\$ -	\$ 1,945.61
FG6Q8S1	951-5125	EqualLogic PS6510E Upgra	S9	7/3/2013	8/5/2019	P+	ProSupport Plus: Missi	7/5/2020	1	\$ 3,908.95	\$ -	\$ -	\$ 3,908.95
C7M72Y1	951-5108	EqualLogic PS6510E Upgra	S9	8/5/2013	8/5/2019	S9	ProSupport Plus: Missi	8/4/2020	1	\$ 2,139.00	\$ -	\$ -	\$ 2,139.00
C7M72Y1	951-5125	EqualLogic PS6510E Upgra	S9	8/5/2013	8/5/2019	P+	ProSupport Plus: Missi	8/5/2020	1	\$ 4,270.67	\$ -	\$ -	\$ 4,270.67
B23YQD2	976-8760	PowerEdge R730 Upgrades	ND	8/29/2016	8/29/2019	ND	ProSupport Plus: Next	8/29/2020	1	\$ 469.07	\$ -	\$ -	\$ 469.07
B23YQD2	976-8762	PowerEdge R730 Upgrades	ND	8/29/2016	8/29/2019	P+	ProSupport Plus: 7x24	8/29/2020	1	\$ 1,516.19	\$ -	\$ -	\$ 1,516.19

Subtotal	\$ 14,249.49
Reinstatement Fees	\$ -
Discount	\$ -
Total	\$ 14,249.49

Contract Descriptions		
S1/S9		ProSupport 4HR 7X24 Onsite
NO		Next Business Day Onsite Resolution
ND		Next Business Day Onsite
NP		client Gold Technical Support
AE		Advanced Exchange
RR		Return to Depot
PS		ProSupport Technical Support
PSMC		ProSupport Mission Critical Technical Support
PSPMC		ProSupport Plus Mission Critical Technical Support
PSP		ProSupport Plus Technical Support
PY		ProSupport Plus Technical Support for Client + CC + KK
CC		Accidental Damage/Complete Care
KK		Keep Your Hard Drive
SH		SATA Hard Drive Service
Legacy Contracts (No longer available)		
SV/GD/PL		Silver/Gold/Platinum
TS		Client Gold Technical Support
IPS		IT ProSupport
IPSMC		IT ProSupport Mission Critical
S4		BASIC 4HR 5x10 Onsite

Pricing does not include sales tax where applicable.
This quotation is valid for 30 days.

[Questions about Services? Click here.](#)

[Support Questions? Click here.](#)

Purchase Order Requirements	
Please remember to include the following information:	
- Billing address - Shipping address, including a contact name & phone number - Terms stated as 'Net 30' - A total dollar amount - An authorizing signature (if required)	
Please attach a copy of your Dell quote, or reference the Dell quote number(s) on the purchase order.	

Terms of Sale
Unless you have a separate written agreement that specifically applies to this order, your order will be subject to and governed by the following agreements, each of which are incorporated herein by reference and available in hardcopy from Dell at your request: Dell's Terms of Sale (www.dell.com/learn/us/en/uscorp1/terms-of-sale), which include a binding consumer arbitration provision and incorporate Dell's U.S. Return Policy (www.dell.com/returnpolicy) and Warranty (for Consumer warranties ; for Commercial warranties). If this purchase includes services: in addition to the foregoing applicable terms, the terms of your service contract will apply (Consumer/Commercial). If this purchase includes software: in addition to the foregoing applicable terms, your use of the software is subject to the license terms accompanying the software, and in the absence of such terms, then use of the Dell-branded application software is subject to the Dell End User License Agreement - Type A (www.dell.com/AEULA) and use of the Dell-branded system software is subject to the Dell End User License Agreement - Type S (www.dell.com/SEULA). If your purchase is for Mozy, in addition to the foregoing applicable terms, your use of the Mozy service is subject to the terms and conditions located at https://mozy.com/about/legal/terms. You acknowledge having read and agree to be bound by the foregoing applicable terms in their entirety. Any terms and conditions set forth in your purchase order or any other correspondence that are in addition to, inconsistent or in conflict with, the foregoing applicable online terms will be of no force or effect unless specifically agreed to in a writing signed by Dell that expressly references such terms.

Pricing, Taxes, and Additional Information

All product, pricing, and other information is valid for U.S. customers and U.S. addresses only, and is based on the latest information available and may be subject to change. Dell reserves the right to cancel quotes and orders arising from pricing or other errors. Please indicate any tax-exempt status on your PO, and fax your exemption certificate, including your Customer Number, to the Dell Tax Department at 800-433-9023. Please ensure that your tax-exemption certificate reflects the correct Dell entity name: **Dell Marketing L.P.**
Note: All tax quoted above is an estimate; final taxes will be listed on the invoice.

If you have any questions regarding tax please send an e-mail to Tax_Department@dell.com.

For certain products shipped to end-users in California, a State Environmental Fee will be applied to your invoice. Dell encourages customers to dispose of electronic equipment properly



City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

September 12, 2019

To: Brian Maxwell, City Manager
Honorable Mayor and City Council

From: Hope Dean, Executive Director and CITO

RE: Staff recommends City Council approve entering into an agreement with Avenu Insights and Analytics, LLC for the upgrade of the City's Financial & Human Resources System in an amount not to exceed \$75,000.

I. BACKGROUND

Banner is the Financial and Human Resources software system that has been used by the City since its implementation in 1994. This solution is utilized by all departments and maintains both financial and human resources records.

II. CURRENT SITUATION

The Banner Human Resources/Financial system is central to the integrated business systems utilized by the City for managing human resources, payroll, and financial processes including employee benefits management, position control, budgeting, payroll processing, purchasing, accounts payable/receivable, and general accounting functions.

Avenu Insights and Analytics, LLC, is the parent company for the Banner Human Resources/Financial system and provides software licenses and support services. The City currently uses Banner Human Resources/Financial system version 8, which is at its end of life, and will no longer be supported after December 31, 2019. This is a major software upgrade to the system, introducing a completely new user interface, and back-end technologies.



III. ISSUES

1. The current version of the Banner software has reached the end of life and will no longer be supported by the vendor.
2. Updates to the Banner system are required every year so that the City can meet its legal tax obligations. To be eligible for these updates the City must upgrade from the version in production use.

IV. ALTERNATIVES

None.

V. RECOMMENDATION

Authorize the City Manager to enter into an agreement with Avenu Insight & Analytics, LLC for the upgrade of the Banner Financial and Human Resources system in an amount not to exceed \$75,000.

VI. FISCAL IMPACT REPORT

Requested by:	Hope Dean Executive Director and CITO
Funding Source:	Information Technology Capital Improvement Fund
Costs of implementation:	\$75,000.

Technology Services Agreement

Avenu Insights and Analytics, LLC

City of Galveston, Texas

This agreement for technology services (“Agreement”) is made by and between **Avenu Insights and Analytics, LLC**, 130 Division Street, Waite Park, MN 56387 (“Avenu”), and the **City of Galveston**, a government entity in the State of Texas, 823 Rosenberg, Galveston, TX 77550 (“Client”). Avenu and Client (each individually a “party” and collectively the “parties”) agree as follows:

1. SERVICES Avenu agrees to provide to Client the technology services described in the Statement of Work (“Services”), which is attached to and incorporated in this Agreement as Schedule A, in accordance with the terms and conditions set forth in this Agreement.

2. TERM This Agreement shall become effective upon execution date (“Effective Date”) of both parties, Avenu and Client, and will continue through March 31, 2020 (“End Date”), unless otherwise extended or terminated by the parties in accordance with the provisions of this Agreement (“Term”).

3. PAYMENT Client agrees to pay Avenu for the Services, including any partially completed work performed to the date of termination for loss of funding or any other reason except default by Avenu. Avenu will submit an invoice to Client for each payment due, and Client agrees to pay each invoice within thirty (30) calendar days after receipt of the invoice.

4. TAXES If Client is by law exempt from property taxes or sales and use taxes, those taxes will not be included in invoices submitted to the Client under this Agreement. Avenu may be considered a limited agent of Client for the sole purpose of purchasing goods or services on behalf of Client without payment of taxes from which Client is exempt. If Avenu is required to pay taxes by determination of a proper taxing authority having jurisdiction over the products or services provided under this Agreement, Client agrees to reimburse Avenu for payment of those taxes.

5. DELIVERY AND ACCEPTANCE Client will have ten (10) business days after notification by Avenu that a portion of the Services are complete and ready for acceptance to inspect and accept or decline that portion of the Services. If Client declines to accept all or any part of the Services, Client will provide Avenu a written description of the deficiencies and a reasonable opportunity to cure those deficiencies. Client will indicate acceptance of the Services in writing. However, if Client fails to accept or decline the Services and deliver a written list of deficiencies to Avenu within ten (10) business days after receipt of notice of delivery, the Services will be deemed to have been accepted by Client.

6. CONFIDENTIALITY With respect to Client business information that is confidential and clearly designated as confidential (“Client Confidential Information”), Avenu will keep that information confidential by using the same degree of care and discretion that is used with information that Avenu regards as confidential. Avenu will not be required to keep confidential any information that: (a) is or becomes publicly available; (b) is already lawfully possessed by Avenu; (c) is independently developed by Avenu outside the scope of this Agreement without reliance on Client Confidential Information; or (d) is rightfully obtained from third parties. Avenu is not required to keep confidential any ideas, concepts, methodologies, inventions, discoveries, developments, improvements, know-how, or techniques developed by Avenu while providing the Services. Avenu and Client agree to use confidential information only for the purposes of this Agreement and on a strictly need-to-know basis, and will not

disclose confidential information to any third party (other than as permitted under this Agreement) or to the employees of the other party, Avenu subcontractors, or permitted consultants engaged by the Client with the prior written consent of Avenu.

7. OWNERSHIP, USE, AND RETURN OF DATA All information, records, documents, files, data, and other items relating to the business of Client, whether prepared by Client or Avenu or otherwise coming into the possession of Avenu in connection with performing the Services or otherwise during the Term will remain the exclusive property of Client. All data and personal information transferred from Client to Avenu under this Agreement will be transferred by (a) Secure Large File Transfer (SLFT) that password protects and encrypts the data or (b) Avenu FTP site accessible only by account. If Client uses the Avenu FTP site, access to account information will be limited to authorized personnel. If Client transfers data or personal information to Avenu by any other means, Avenu shall not be responsible for any damages related to loss of data or personal information.

8. ACCESS TO FACILITIES AND INSURANCE Client agrees to provide Avenu with reasonable access to Client facilities for provision of Services, as well as secure storage areas for materials, equipment, and tools, if required. If Avenu performs any of the Services on Client premises, Avenu agrees to maintain standard insurance coverage in accordance with its corporate policy. Upon request, Avenu will provide evidence of coverage on a standard ACORD form certificate of insurance.

9. FORCE MAJEURE Neither party shall be responsible for delays or failures in performance as a result of limitations or problems inherent in the use of the Internet and electronic communications; force majeure events, including but not limited to Acts of God, fire, flood, earthquake, weather, climate change, elements of nature, war, terrorism, civil disturbance, labor disruptions or strikes, quarantines, embargoes, or other governmental action, or cause beyond the reasonable control of a party

10. WARRANTIES Avenu warrants that the Services will be performed in a professional and workmanlike manner. If third-party hardware or commercial software is furnished under this Agreement, then Avenu will, to the maximum extent allowable by third-party vendors, pass-through to Client all warranties for materials furnished under this Agreement. Avenu will provide only the warranties and exchange policies for any defective items that are offered by the manufacturers. **THE LIMITED WARRANTIES SET FORTH IN THIS SECTION ARE MADE TO CLIENT EXCLUSIVELY AND AVENU MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH REGARD TO THE SERVICES PROVIDED. AVENU EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

11. LIMITATIONS OF LIABILITY **NEITHER PARTY WILL BE LIABLE, UNDER ANY CIRCUMSTANCES FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, OR INDIRECT DAMAGES OF ANY KIND RESULTING FROM THE PERFORMANCE OR NON-PERFORMANCE OF OBLIGATIONS UNDER THIS AGREEMENT EVEN IF THOSE DAMAGES ARE ATTRIBUTED TO BREACH OF THIS AGREEMENT, TORT, NEGLIGENCE, OR OTHER CAUSE OF ACTION. THE PARTIES AGREE THAT THIS LIMITATION SHALL APPLY EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF NON-DIRECT DAMAGES OR IF, UNDER APPLICABLE LAW, NON-DIRECT DAMAGES ARE CONSIDERED TO BE DIRECT DAMAGES. EXCEPT FOR AMOUNTS EXPRESSLY DUE AND PAYABLE TO AVENU UNDER THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY TO THIS AGREEMENT BE LIABLE TO THE OTHER PARTY FOR ANY CLAIMS, PENALTIES OR DAMAGES, WHETHER IN CONTRACT, TORT, OR BY WAY OF INDEMNIFICATION, IN AN AMOUNT EXCEEDING THE FEES OR OTHER CHARGES PAID BY CLIENT TO AVENU DURING THE THREE (3) MONTHS PRECEDING THE CLAIM.**

12. TERMINATION FOR BREACH OR DEFAULT If either party materially breaches any of the terms and conditions of this Agreement or fails to perform the obligations set forth in this Agreement and fails to cure the breach or failure within forty-five (45) calendar days (or any longer period stated in the notice) after receipt of written notice specifying the basis for the breach or failure to perform, the party giving notice of breach may terminate this Agreement. Termination by Client will be effective upon delivery of final payment to Avenu of all sums due under this Agreement to the effective date of the termination.

13. TERMINATION WITH NOTICE AND EFFECT OF TERMINATION This Agreement is subject to termination for convenience by Client upon not less than fifteen (15) days written notice to Avenu. If this Agreement is terminated before the End Date, Avenu will invoice Client for work performed to the End Date, and Client agrees to pay Avenu for those Services. Upon termination of this Agreement for any reason, all software and other Avenu-owned material will promptly be returned to Avenu at the sole expense of Client.

14. NOTICES TO PARTIES Unless otherwise specified in this Agreement, all notices, requests, or consents required to be given in writing under this Agreement shall be hand delivered, delivered by overnight delivery service, or mailed (certified mail, postage prepaid).

To Avenu:

Avenu Insights and Analytics, LLC
130 Division Street
Wait Park, MN 56387
Attn: Jay McDaniel

To Client:

City of Galveston
823 Rosenberg
Galveston, TX 77550
Attn: Ms. Hope Dean

With a copy to:

Avenu Insights and Analytics, LLC
5860 Trinity Parkway, Suite 120
Centreville, VA 20120
Attention: Contracts Department

15. ASSIGNMENT AND SUBCONTRACTING This Agreement is binding on the parties and their successors and assigns. Avenu may assign or otherwise transfer this Agreement and any rights, duties, or obligations under this Agreement to a corporate parent, subsidiary, or affiliate of Avenu. Any other attempt to make an assignment without prior written consent of the other party will be void. Avenu may provide for the delivery of all or part of the Services through the use of subcontractors. Avenu will notify Client of work being performed by any subcontractor that performs work on the premises of Client and shall ensure that the insurance requirements that apply to Avenu under this Agreement apply to and are complied with by each subcontractor.

16. GOVERNING LAW This Agreement shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of Texas without reference to the principles of conflict of laws.

17. ENTIRE AGREEMENT The contents of this Agreement (including the Statement of Work) constitute the entire understanding and agreement between the parties and supersede any prior agreements, written or oral, that are not specifically referenced and incorporated in this Agreement. The terms and conditions of this Agreement shall not be changed or modified except by written agreement signed by both parties.

IN WITNESS WHEREOF, the undersigned authorized representatives of Avenu and the Client have executed this Agreement.

Avenu Insights and Analytics, LLC

Signature

Name

Title

Date

City of Galveston, Texas

Signature

Name

Title

Date

Schedule A

Statement of Work

A. Avenu Services

1. Avenu will provide onsite/remote services (“Services”), for the Client, defined as Banner8 to Banner9 technical migration services, on a mutually agreed upon date.
2. An Avenu project manager will be responsible for coordinating the resources and schedules for the mutually agreed upon Services.
3. Avenu will provide the services described in Section B, below, as requested by Client, in accordance with the provisions of the Agreement and this Schedule A.

B. Technology Services

1. Scope of Services are defined in Schedule B, below.

C. Fees and Payment

1. Avenu will provide up to 313 hours of services, at a rate of \$200/hour (\$62,600.00). Avenu will invoice Client, and Client agrees to pay Avenu, for the actual number of hours used, plus any expenses incurred at actual cost.
2. For avoidance of doubt, the quoted 313 hours is not a “fixed fee” or “not to exceed” number of hours, but rather an estimated number of hours to perform required Services, as defined in Schedule B. If needed, Client can request additional hours via a written request.
3. In the event that Client needs to cancel, or reschedule, consulting/training services, cancellation fees may be incurred based on the number of calendar days you are cancelling prior to the scheduled services. This cancellation fee is applicable regardless if the services are rescheduled. The cancellation policy is as follows:
 - a. 30 calendar days or more notice: no penalty
 - b. 29-15 days calendar day notice: 50% penalty
 - c. 14 calendar days or less notice: 100% penaltyCancellation fees are based on the cost of scheduled services. All travel cost, plus any applicable change fees, will also be invoiced to Client.
4. Fees will be invoiced, and paid, in U. S. Dollars. Invoices will be sent to Client for services provided on an as-incurred basis, in arrears, during incremental phases during the project.
5. Services may be conducted both remote, and onsite, and all tasks are estimated to be completed no later than December 31, 2019, depending on start date of the project. Avenu assumes no responsibilities if all services are not completed by the end of this Agreement’s term.
6. If the Scope of Services, requested by Client change, the cost for the Services may also change.

7. Travel, living and other reimbursable expenses are not included in the fee, and will be invoiced, as incurred.

Schedule B

Scope of Services

Banner 8 to Banner 9 Administrative Migration Process (Windows Environment)

Overview

The Banner 8 to Banner 9 upgrade service provides the implementation and configuration of Ethos Identity for Banner 9 Administrative Pages and Ellucian Solution Manager (“ESM”) where the Ethos Identity and Banner 9 sites will be hosted on WINDOWS servers and the ESM application will be hosted on a LINUX server. Once these components are configured, this service will deploy to Banner 9 Administrative Pages and Application Navigator to 1 non-production environment and 1 production environment.

Service Description

Engagement	High Level Tasks	Deliverables	Hours
Project Planning and Kickoff	Review the scope of service and Client tasks: - Review service delivery expectations and outcomes; - Assess viability of existing installed components for compatibility with Banner 9; - Distribute Service Preparation Document (“SPD”) to the Client and set a due date for the Client’s team to return the SPD; and - Schedule technical validation call.	Populated Client Collaboration Environment (“CCE”) consisting of: - Prerequisite documentation - Service Preparation Document	3
Technical Validation	- Confirm information has been provided within the SPD to begin the implementation; - Validate remote connectivity; and - Validate service readiness by logging into the various servers and solutions as required for service delivery.	Engagement Report	16
Ellucian Solution Manager Installation and Configuration	- Ellucian will install one instance of Ellucian Solution Manager on a server with a certified version of Linux. Ellucian will integrate the installation of Ellucian Solution Manager with one non-production and one production Banner 9 application server. - Ellucian will upgrade Banner utilizing Ellucian Solution Manager in 1 non-production and 1 production environment to the latest available release prior to the turnover of the non-production instance. Once turnover ends and UAT testing begins for non-production, Ellucian will not apply any further releases or patches to the non-production instance. Production will be upgraded with the exact same versions of non-production.	Engagement Report	80
Banner 9 Administrative Pages	Ellucian will install two instances of Apache Tomcat on the same server leveraging 1 installation of Java. One instance of Tomcat will be utilized for production and the other for non-	Engagement Report	40

Engagement	High Level Tasks	Deliverables	Hours
Deployment (non-production)	production. Ellucian will deploy the following applications using ESM (onto single node Apache Tomcat) in 1 non-production and in 1 production environment. - Application Navigator - Banner 9 Administrative Pages		
Non-production troubleshooting	Ellucian will provide support and troubleshooting during the non-production UAT testing phase		16
Banner 9 Administrative Pages Deployment (production)	Ellucian will install two instances of Apache Tomcat on the same server leveraging 1 installation of Java. One instance of Tomcat will be utilized for production and the other for non-production. Ellucian will deploy the following applications using ESM (onto single node Apache Tomcat) in 1 non-production and in 1 production environment. - Application Navigator - Banner 9 Administrative Pages	Engagement Report	40
Knowledge Transfer & Production Readiness	- Validate the environments configured herein by executing the Ellucian defined test plan, and document the installation and configuration for training engagement; - Provide training with the Client on the execution and configuration of services herein	Engagement Reports	8
Total Hours:			203

Service Assumptions

- Ellucian will install and configure the SSL certificate for the non-production and production Banner Admin/Application Navigator server along with the shared Ethos Identity.
- Client non-production and production Banner environment meet minimum version requirements for Ellucian Solution Manager. Client will upgrade all Banner modules of which do not meet minimum requirements for Ellucian Solution Manager.
- Service requires Ellucian access the Client's environment via SecureLink;
- Ethos Identity requires a Linux or Windows environment; Ellucian recommended practice is to have a licensed version of either Microsoft SQL Server or Oracle to host the Ethos Identity databases. Client accepts the risk of sharing the Ethos Identity databases on the same Oracle instance of which hosts the Banner database.
- ESM requires a Linux environment ;
- All prerequisites must be verified during the project planning and kickoff phase prior to implementation;
- Client will manually provision and synchronize Banner accounts along with the unique UDCID to Active Directory as required for Ellucian Ethos Identity authentication.

Client Responsibilities

- Enterprise Infrastructure:
 - Provision the Virtual Machines ("VM"), including Operating System for:

- Ellucian Solution Manager: 1 VM (Linux)
 - Note that one ESM server can support multiple environments and Banner instances
 - Ellucian Ethos Identity:
 - Single-Node: Total of 2 VM's including 1 for non-production and 1 for production
 - BEIS (Utilities & SSO Manager): 2 VMs
 - Total of 1 VM including 1 for production and 1 for non-production
 - Banner 9 (Application Navigator & Banner Admin Pages) : 2 VM
 - Total of 2 VM's including 1 for non-production and 1 for production
- Ellucian Ethos Identity requires an Oracle or Microsoft SQL Server Database Instance in both non-production and production. Please note, this is not recommended to co-exist on the Banner database server.
 - Request the required SSL certificates from a trusted certificate authority for use in non-production and production environments.
 - Provide network administrative support for the configuring of firewalls, load balancer, and network devices as required.
- Ellucian Ethos Identity:
 - Provision constituent data into the primary user store for authentication. Note that if a non-production user store is not present, a container ("OU") in the production user store must be created for non-production accounts.
 - Banner account provisioning to LDAP or Active Directory is in place. Banner accounts have generated UDCIDs and the UDCIDs are synchronized with user accounts in LDAP or Active Directory unless BEIS Account Provisioning with ADAP is in scope.
 - Banner SSO:
 - Banner UDCID's must exist within the primary user store in both non-production and production for authentication retrieval prior to SSO integration.
 - Provide 2 test user accounts in both non-production and production user stores

Out of Scope

- Network, DNS, Load Balancer configuration and or testing;
- SSO integration, configuration, testing or troubleshooting of any service provider or Banner application unless specified within scope
- Creation and/or installation of SSL certificates;

Ethos Identity, BEIS SSO Manager and UDCID Trigger Service Description

Engagement	High Level Tasks	Deliverables	Hours
Ethos Identity Project Planning, and Project Kickoff	Ellucian will schedule and facilitate a kickoff call with Client to plan for the technical and organizational activities required to provide an Ethos Identity implementation. The Service Preparation Document ("SPD") will be distributed and explained. A due date will be set for the Client's team to return the SPD. Ellucian will confirm information has been provided to begin the implementation. Ellucian will validate remote connectivity, and service	• SPD	2

Engagement	High Level Tasks	Deliverables	Hours
	readiness by logging into the various servers and solutions as required for the service delivery.		
Ethos Identity Technical Planning Workshop	Ellucian will conduct a Technology Planning call that is designed to frame the prioritized technical requirements and plans against existing information technology systems, Single Sign-On ("SSO") goals, and priorities. This call covers topics such as the Ethos Identity architecture, security, user authentication, and SSO integration with the Student Information System. The data gathered in this call will be analyzed by Ellucian to define the recommended implementation option for the installation and configuration of Ethos Identity. This is delivered and reviewed with Client project team before starting the installation.	Implementation Approach Document	4
Ethos Identity Installation	Ellucian will deliver a Baseline Ethos Identity installation configured in a single node configuration for non-production. Ellucian will validate the environment by executing the Ellucian defined test plan, documenting the installation and configuration for the training engagement.	Engagement Report	10
Ethos Identity Installatio	Ellucian will deliver a Baseline Ethos Identity installation configured in a single node configuration for production Ellucian will validate the environment by executing the Ellucian defined test plan, documenting the installation and configuration for the training engagement.	Engagement Report	10
Banner 8 SSO with UDCID Provisioning (single node):	The following service will be complete for one non-production and one production Banner instance: BEIS SSO Manager, BEIS Utilities, UDCID trigger, INB/SSB SSO Configuration for Ethos Identity, Validation		28
Training and Sign-Off	Ellucian will provide an installation and configuration walk through of the installed components with the Client's identity/technical staff.	Installation Documentation	4
Total Hours			58

Service Assumptions:

- All Software which are to be integrated with Ellucian Ethos Identity supports Transport Layer Security ("TLS").
- The training session is the specific session dedicated to Client training.

Client Responsibilities:

- Provision the Virtual Machines, including Operating System for the deployment of the Ethos Identity components;
- Request and provide required SSL certificates from a trusted certificate authority for use by Ethos Identity for production and non-production;
- Provide network administrative support for the configuring of firewalls, load balancer, and network devices as required;

- Provision constituent data into the user store (typically an LDAP directory) used as authentication provider for Ethos Identity;
- UDCID for Banner;
- Provide test user accounts (two) in both non-production and production user store;
- Upgrade the Ellucian software components to the minimum required versions for an Ethos Identity implementation;
- Ellucian's recommended approach for deploying Ethos Identity is in a 2 node clustered configuration. This will require either a load balancer, or a reverse proxy. Client is responsible for configure the networking components to support the clustered deployment;
 - If client does not have a load balanced CAS server, Ellucian will offer the CAS to Ethos Identity replacement service however Ethos Identity will not be load balanced; and
 - A non-load balanced Ethos Identity (production and non-production) requires downtime for all Software during upgrades and increases the risk of potential downtime if a service goes offline.

Banner 8 SSO

Client Responsibilities:

- A WebLogic (base domain) or Apache Tomcat 7 in production and non-production is available for the deployment of the BEIS SSO Manager.
- UDC Identifier must be propagated to the user store (in non-production and production).
- Client must provide two 2 test accounts (one staff and one student). These accounts must be created in Banner and must be synchronized with the user store.
- Single Node implementation of BEIS SSO Manager.

Out of Scope:

- 2 node cluster configuration of BEIS SSO Manager

Banner 9 SSO

Client Responsibilities:

- UDC Identifier must be propagated to the user store (in non-production and production).
- Client must provide 2 test accounts (one staff and one student). These accounts must be created in Banner and must be synchronized with the user store.

Client Responsibilities:

- Provision the Virtual Machines, including Operating System for the deployment of the Ethos Identity components;
- Request and provide required SSL certificates from a trusted certificate authority for use by Ethos Identity for production and non-production;
- Provide network administrative support for the configuring of firewalls, load balancer, and network devices as required;
- Provision constituent data into the user store (typically an LDAP directory) used as authentication provider for Ethos Identity;
- UDCID for Banner;
- Provide test user accounts (two) in both non-production and production user store;
- Upgrade the Ellucian software components to the minimum required versions for an Ethos Identity implementation;
- Ellucian's recommended approach for deploying Ethos Identity is in a 2-node clustered configuration. This will require either a load balancer, or a reverse proxy. Client is responsible for configure the networking components to support the clustered deployment;
 - If client does not have a load balanced CAS server, Ellucian will offer the CAS to Ethos Identity replacement service however Ethos Identity will not be load balanced; and

- A non-load balanced Ethos Identity (production and non-production) requires downtime for all Software during upgrades and increases the risk of potential downtime if a service goes offline.

Out of Scope

- Network, DNS, Load Balancer configuration and or testing;
- Creation and or installation of SSL certificates;
- Branding Ethos Identity with clients colors, logo, header or footer;
- 2 Factor Authentication configuration; and
- Password reset configuration.

Estimated Project Duration

- The implementation timeline for Ethos Identity greatly depends on the go-live plans from the Client, which is typically aligned with pre-scheduled maintenance windows based on the Client's business practices. A typical implementation of Ethos Identity will approximately span 4 to 8 weeks.

Project Management Scope of Work ("SOW")

Overview

Ellucian will provide project management Professional Services to Client using Ellucian's implementation methodology. Ellucian's implementation methodology is executed in four phases: Initiation Phase, Planning Phase, Execution Phase, and Transition & Close Phase. The four phases of Ellucian's implementation methodology, combined with monitor and control procedures, provide the structure for the overall project. The roles of Project Initiator ("PI"), Project Manager ("PM") and Project Director ("PD") will be engaged in project leadership of Banner 9 projects to support project progress, execution and tracking. These roles may, in some cases, be combined within a single resource.

Service Description

Engagement	High Level Tasks	Deliverables	Hours
Project Management	The PI will facilitate a timely transition from sales to delivery and will begin project initiation activities as follows: • Conduct Ellucian internal project initiation meetings; • Create project collaboration environment and repository for project artifacts; • Conduct initial Client introductions and communicate project prerequisites; and • Develop initial project resourcing schedule. The PM will work with the Client project management team to manage the project planning, execution, facilitate and monitor progress and manage the following: • Project planning, scope validation, scheduling and resource management; • Project team processes and cohesion; • Communications (project/status meetings and dashboard); • Establish, clarify and manage stakeholder expectations; • Quality assurance activities; • Risk/Issue tracking, mitigation, and resolution • Budget and scope;	• Initial Client Introduction Email • Client Collaboration Environment (CCE) Stand-up • Project Financial Report/Contract Reconciliation (Ellucian Format) • Customer Success Transition Meeting	

Engagement	High Level Tasks	Deliverables	Hours
	- Knowledge resources; - Enabling delivery of solution artifacts; - Delivery to contract and project scope with Client acceptance; - Project transition to steady state; and - Project closure. The PD will provide general oversight for the project via working closely with PMs, with specific accountability for the following activities: - Project financials (project reconciliation); - Changes to scope, schedule, resources, and costs; - Project reviews and executive status meetings; - Risk/issue escalations and resolution of barriers; and - Quality reviews.		
Total Hours (based on hours in above engagements):			52

Minimum Banner Module Version Table*

Module	Minimum Version
Banner General	8.10
Banner Finance	8.11
Banner Accounts Receivable	8.5
Banner Human Resources	8.15
Banner Position Control	8.15

**Subject to change*



City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

September 12, 2019

To: Brian Maxwell, City Manager
Honorable Mayor and City Council

From: Hope Dean, Executive Director and CITO

RE: Staff recommends Council authorize the City Manager to award a four-year contract for the lease and maintenance of Xerox Copiers and Printers (Multi-Function Devices) to Xerox Business Solutions in the amount of \$125,000 annually, utilizing Choice Partners Cooperative Contract number 17/026KH-10.

I. BACKGROUND

In 2014 the City renewed its lease with Xerox for 21 multi-functional devices (MFDs), for copy, scan, and print functionality. This equipment is used extensively throughout the departments to print, copy, and scan documents for email and electronic storage of images using the City's imaging system and are located throughout most City facilities and departments. The costs of these devices are charged to each department using a Central Services Fund and historically have been on a five-year replacement cycle.

Leasing copiers provides flexibility to meet department needs; keeps the City's copier fleet current with technology and functionality, and eliminates large one-time costs and depreciation losses.

II. CURRENT SITUATION

1. The network capable multi-function print/copy device is designed to provide City employees a device with which they can conduct a variety of document input and output tasks such as printing, copying, and scanning. To ensure a reliable, robust, and secure technology infrastructure, best practice encourages timely replacement (refreshment) of technology infrastructure hardware. As technology infrastructure hardware ages, it becomes less reliable which results in higher support costs and increased staff disruption. The current copiers in productive use for the City were installed in 2014 and are 5 years of age.
2. The lease of multi-function copy/print/scan devices is truly a service versus a purchase of a product that includes specialized services. The lease agreement includes the described devices, installation, training, ongoing maintenance, and all device related supplies such as toner and ink (except paper and staples).



3. Staff believe Xerox multi-function copy/print/scan devices meet the City's criteria for quality, cost, configuration, integration, support and end-of-life return. The purchase will be made using via Choice Partners Cooperative purchasing agreement.
4. City staff are satisfied with the quality of service and believe that Xerox devices provide the greatest functionality, flexibility, and ease of maintenance.

III. ISSUES

1. The current machines in productive use are 5 years old and are in need of updating.
2. Leasing eliminates the large, upfront costs when procuring devices. It also provides the flexibility to meet customer needs in a changing market.
3. Failure to maintain the MFDs could impact city wide operations and efficiency.

IV. ALTERNATIVES

1. Staff recommends the Council authorize the City Manager to award a four-year contract for the lease and maintenance of Xerox Copier and Printers (Multi-Function Devices) to Xerox Business Solutions.
2. Seek other options for high performance multi-function devices.
3. Do not recommend the contract renewal award, however, this alternative is not recommended.

I. RECOMMENDATION

Staff recommends the Council authorize the City Manager to award a four-year contract for the lease and maintenance of Xerox Copier and Printers (Multi-Function Devices) to Xerox Business Solutions in the amount of \$125,000 annually, utilizing Choice Partners Cooperative Contract number 17/026KH-10.

II. FISCAL IMPACT REPORT

Requested by:	Hope Dean Executive Director and CITO
Funding Source:	Various Department Budgets
Costs of implementation:	\$125,000 annually

MASTER COST PER COPY AGREEMENT
Fair Market Value Purchase Option
(State and Local Governmental Transactions Only)



Dealer Xerox Business Solutions		Lease Agreement Number	
CUSTOMER INFORMATION			
Full Legal Name City of Galveston		DBA	
Billing Address 823 25th Street		City Galveston	State Tx ZIP Code 77550
Phone 409-797-3578	Contact Name Hope Dean	Contact Email hdean@galvestontx.gov	Customer PO# (Optional)
CUSTOMER ACCEPTANCE			
BY YOUR SIGNATURE BELOW, YOU ACKNOWLEDGE THAT YOU ARE ENTERING INTO A NON-CANCELLABLE LEASE AND THAT YOU HAVE READ AND AGREE TO ALL APPLICABLE TERMS AND CONDITIONS SET FORTH ON PAGES 1 AND 2 OF THIS LEASE.			
Authorized Signer X	Date	Federal Tax ID # (Required)	
Print Name	Title (indicate President, Partner, Proprietor, etc.)		
LESSOR ACCEPTANCE			
Accepted By: Xerox Financial Services LLC		Name and Title	Date
TERMS & CONDITIONS			

1. Definitions. The words "you" and "your" mean the legal entity identified in "Customer Information" above, and "we," "us" and "our" means Xerox Financial Services LLC. "Party" means you or us, and "Parties" means both you and us. "Dealer" means the entity identified in "Dealer Name" on any Lease Schedule related to this Lease or on any XFS-approved form of purchase order in lieu thereof (collectively, "Schedule"). "UCC" means the Uniform Commercial Code of the State of Connecticut (C.G.S.A. §§42a-1-101 et seq.). "Equipment" means the items identified in "Equipment" in any Schedule, together with all attachments, replacements, parts, substitutions, additions, repairs, accessions and accessories incorporated therein and/or affixed thereto and licenses and intellectual property used therewith. "Lease" means this Master Cost Per Copy Agreement. "Excess Charges," for each Schedule, means the applicable excess copies and/or prints charges. "Lease Payment" means the Monthly Lease Payment specified in one or more Schedules, which includes the fixed component of maintenance charges and any included Images payable to Dealer, the Excess Charges (as applicable), and other charges you, Dealer and we agree will be invoiced by us on a monthly basis, plus Taxes. "Inception Date," for each Schedule, means (a) the date the Dealer determines Equipment installed by the Dealer is operating satisfactorily and is available for your use, or (b) the date Equipment identified by the Dealer as being installable by you is delivered to your premises.

2. Lease, Payments and Late Payments. You agree and represent all Equipment will be selected, configured and negotiated by you based upon your own judgment, and has been, or is being, supplied by Dealer. At your request, we shall acquire and lease to you, and you shall lease from us pursuant to this Lease and any Schedule(s) now or from time to time submitted by you and accepted by us hereunder, Equipment described in each Schedule. Upon the execution of a Schedule, the terms and conditions contained herein, including any and all additional or specific terms and conditions, shall apply to that Schedule and shall be incorporated into and have the same force and effect as to that Schedule as though expressly set forth therein. The Lease, the Schedules, all riders and all other documents entered into in connection with the Lease shall be collectively referred to as the "Lease Documents." The Equipment shall be leased for the lease term set forth in each applicable Schedule, subject to the provisions hereof. We may refuse to pay for the Equipment, whether or not the Equipment has been delivered to you, if (i) there shall be, in our reasonable judgment, a material adverse change in the financial condition or credit standing since the date of our approval of the transaction, of: (a) you, (b) any guarantor of your obligations under this Lease (a "Guarantor"), or (c) any other party we deem material to the transaction, in our sole and reasonable discretion, or (ii) you fail to execute or cause to be executed, or fail to release or cause to be released, or fail to deliver or cause to be delivered, any documents, instruments or agreements, including but not limited to releases, subordinations, UCC financing statements/searches, good standing certificates, evidence of authority, and landlord's/mortgagee's waivers, as we may reasonably require. You agree to pay us each Lease Payment and all other amounts that become due and payable under each applicable Schedule. The first Lease Payment is due 20 days after the invoice date on that invoice and each subsequent Lease Payment is due on the same date each month thereafter, whether or not we invoice you. Payment of other amounts payable under this Lease, which may include charges you, Dealer and we agree will be invoiced by us, is due 20 days after the invoice date therefor. If any payment is not paid in full by 60 days after its due date, you will pay a late charge in accordance with the laws of the state of Texas, not to exceed the maximum amount permitted by law. For each dishonored or returned payment instrument, you will be assessed the applicable returned item fee, which shall not exceed \$35. Restrictive covenants on any payment instrument will be ineffective.

3. Equipment and Software. Equipment may contain or have software delivered with it. You agree that as to software only that (a) you will execute a separate license agreement with the Dealer or a third party for such software, and (b) we have no responsibility whatsoever for any such software or license agreement under this Lease. You agree the Equipment (including software) is for your business use in the United States (including its possessions and territories), will not be used for personal, household or family purposes and is not being acquired for resale. You will not attach the Equipment as a fixture to real estate or make any permanent alterations to it.

4. Non-Cancellable Lease. NEITHER THIS LEASE NOR ANY RELATED SCHEDULE CAN BE CANCELLED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN. YOUR OBLIGATION TO MAKE ALL LEASE PAYMENTS, AND TO PAY ALL OTHER AMOUNTS DUE OR TO BECOME DUE, IS ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO DELAY, REDUCTION, SET-OFF, DEFENSE, COUNTERCLAIM OR RECOUPMENT FOR ANY REASON WHATSOEVER, IRRESPECTIVE OF THE PERFORMANCE OF DEALER, ANY THIRD PARTY OR US. Any pursued claim by you against XFS for alleged breach of our obligations hereunder shall be asserted solely in a separate action; provided, however, that your obligations hereunder shall continue unabated.

5. Lease Term. The Initial Lease Term, which is indicated in any related Schedule, commences on the Inception Date. If, during the Initial Lease Term, you enter into a new Schedule for upgraded or replacement equipment that incorporates the remaining payments under the original Schedule, and the new Schedule is never commences, due to failure to accept the Equipment or otherwise, we may reinstate the original Schedule.

6. Purchase Option/Equipment Return. For each Schedule, if you are not in default and if you provide no greater than 150 days and no less than 60 days' prior written notice to XFS, you may, at the end of the Initial Term, or any renewal term ("End Date"), either (a) purchase all, but not less than all, of the Equipment "AS IS, WHERE IS" and WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE at the time of purchase by paying its fair market value, as determined by XFS in its sole but reasonable discretion ("Determined FMV"), plus Taxes, or (b) return the Equipment within 30 days of the End Date, at your expense, fully insured, to a continental US location XFS specifies. You cannot return Equipment more than 30 days prior to the End Date without our consent. If we consent, we may charge you, in addition to all undiscounted amounts due under this Agreement, an early termination fee. If you have not elected one of the above options, the applicable Schedule shall renew for successive 1-month terms. Either party may terminate the Schedule as of the end of any 1-month renewal term on 30 days' prior written notice and by taking one of the actions identified in (a) or (b) in the first sentence of this Section. The purchase options shall be exercised, and the amounts paid, with respect to each item of Equipment on the day immediately following the date of expiration of the Term of such item, and by the delivery at such time by you to XFS of payment, in form acceptable to XFS, of the amount of the applicable purchase price. Upon payment of the applicable amount, XFS shall transfer our interest in the Equipment to you on an "AS IS," "WHERE IS," "WITH ALL FAULTS" basis, without representation or warranty of any kind or nature whatsoever. If the Equipment is returned to XFS, it shall be in the same condition as when delivered to you, except for ordinary wear and tear and, if not in such condition, you will be liable for all expenses XFS incurs to return the Equipment to such "ordinary wear and tear" condition. **IT IS SOLELY YOUR RESPONSIBILITY TO SECURE ANY SENSITIVE DATA AND PERMANENTLY DELETE SUCH DATA FROM THE INTERNAL MEDIA STORAGE PRIOR TO RETURNING THE EQUIPMENT TO XFS.**

7. Equipment Delivery and Maintenance. You should arrange with Dealer to have the Equipment delivered to you at the location specified on the first page hereof or in the applicable Schedule, and you agree to execute Delivery & Acceptance Certificates at XFS's request (and confirm same via telephone and/or electronically) confirming when you have received, inspected and irrevocably accepted the Equipment, and authorize XFS to fund the Dealer for the Equipment. If you fail to accept the Equipment, you shall no longer have any obligations under such Schedule; however, you remain liable for any Equipment purchase order or other contract issued on your behalf directly with Dealer. Equipment (including software) may not be moved to another location without first obtaining our written consent, which shall not be unreasonably withheld. You agree that you will not take the Equipment out of service and have a third party pay (or provide funds to pay) the amounts due hereunder. You shall permit us to inspect Equipment and any maintenance records relating thereto during your normal business hours upon reasonable notice. Dealer has agreed to provide full service maintenance during normal business hours, including all toner, developer and parts necessary to produce images and or prints. You must purchase copier paper separately. **YOU ACKNOWLEDGE THAT WE ARE NOT RESPONSIBLE FOR ANY SUCH SERVICE, REPAIR OR MAINTENANCE OF THE EQUIPMENT, THAT WE ARE NOT A PARTY TO ANY SERVICE MAINTENANCE AGREEMENT THAT YOU MAY HAVE ENTERED INTO WITH THE DEALER, AND THAT PAYMENTS HEREUNDER MUST CONTINUE UNABATED, AS PER SECTION 4 HEREOF, REGARDLESS OF DEALER'S PERFORMANCE.** You agree to pay for service maintenance outside of Dealer's

normal business hours for service required as a result of your negligence or misuse of the Equipment at Dealer's customary rates. You understand we are only acting as administrator for the Dealer with respect to the billing and collecting of the maintenance charges, including Images if applicable, and Excess Charges included in the Lease Payments. In no event will we be liable to you for any breach by the Dealer of any of its obligations to you.

8. Equipment Ownership, Labeling and UCC Filing. The Equipment subject to all Schedules (except the Software) shall be and remain XFS's sole and exclusive property; you shall have no right, title or interest therein except as expressly set forth herein. If and to the extent a court deems any Schedule to be a security agreement under the UCC, and otherwise for precautionary purposes only, you shall be deemed to have granted XFS, as of the date of the applicable Schedule, a first priority security interest in your interest in the Equipment and all proceeds thereof in order to secure your performance under this Lease and each Schedule. XFS is and shall remain the sole owner of the Equipment, except the Software. You agree to keep the Equipment (including software) free from any liens or encumbrances and to notify us if there is a change in the jurisdiction of your organization. We may label the Equipment to identify our interest in it. You authorize us to file by any permissible means a UCC financing statement to show, and to do all other acts to protect, our interest in the Equipment..

9. Assignment. **YOU MAY NOT ASSIGN, SELL, PLEDGE, TRANSFER, SUBLET OR PART WITH POSSESSION OF THE EQUIPMENT (INCLUDING SOFTWARE), THIS LEASE OR ANY OF YOUR RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR ANY SCHEDULE (COLLECTIVELY "ASSIGNMENT") WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD, BUT SUBJECT TO THE SOLE BUT REASONABLE EXERCISE OF XFS'S CREDIT DISCRETION AND EXECUTION OF ANY NECESSARY ASSIGNMENT DOCUMENTATION..** If we agree to an Assignment, you agree to pay the applicable assignment fee and reimburse us for any costs we incur in connection with that Assignment. We may sell, assign or transfer all or any part of the Equipment, this Lease, any Schedule(s) and/or any of our related rights or obligations thereunder. For the express and limited purpose of pledging, assigning, hypothecating, mortgaging, transferring, securitizing, granting participation(s) in, or otherwise disposing of this Lease or any Schedules hereunder, whether as chattel paper or otherwise, each Schedule designated as an original, together with a certified copy of this Lease, shall constitute a separate Lease for such purposes. **Our assignee will have the same rights (but none of the obligations) that we have to the extent assigned and you agree not to assert against such assignee any claims, defenses, counterclaims, recoupments, or set-offs that you may have against us.** You agree and acknowledge that any Assignment by us will not materially change your obligations under this Lease except that you agree to remit payments due under one or more Schedules to such Assignee if so designated.

10. Taxes. Unless you timely provide proof of your tax exempt status, You will be responsible for all applicable taxes, fees or charges (including sales, use, personal property and transfer taxes (other than net income taxes), plus interest and penalties) assessed by any governmental entity on the Equipment (including software), this Lease, any Schedule, or the amounts payable under this Lease or any Schedule (collectively, "Taxes"), which will be included in our invoice to you. If Equipment (including software) is delivered to a jurisdiction where certain taxes are calculated and paid at the time of lease initiation, you authorize us to finance and adjust your Lease Payment to include such Taxes over the Initial Lease Term unless you require otherwise. XFS will file all personal property tax returns covering the Equipment, pay the personal property taxes levied or assessed thereon, and collect from your account all personal property taxes on the Equipment. XFS MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE TAX OR ACCOUNTING TREATMENT OF THIS LEASE OR ANY SCHEDULE.

11. Liability. **SINCE WE ARE MERELY FINANCING THE EQUIPMENT AT YOUR REQUEST AND HAVE NO INVOLVEMENT IN THE DESIGN, MANUFACTURE, CONFIGURATION, SALE, DELIVERY, INSTALLATION, MAINTENANCE OR USE, WE ARE NOT RESPONSIBLE FOR ANY LOSSES, DAMAGES OR INJURIES OF ANY KIND OR TYPE, INCLUDING, BUT NOT LIMITED TO, ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, TO YOU OR ANY THIRD PARTY CAUSED BY THE EQUIPMENT (INCLUDING SOFTWARE) OR ITS USE, WHETHER ARISING FROM TORTIOUS CONDUCT (INCLUDING NEGLIGENCE) OR UNDER ANY OTHER LEGAL OR EQUITABLE THEORY.** To the extent permitted by applicable law, you agree to reimburse us for, and to defend, indemnify and hold us harmless on an after-tax basis against, any costs, expenses, damages, fines, settlements, claims or liability arising out of or relating to this Lease or the Equipment (including software) or its use, including reasonable attorneys' fees and disbursements. This does not affect any liability from the Dealer or manufacturer of the Equipment and software.

12. Equipment Warranty Information and Disclaimers. **WITH RESPECT TO EQUIPMENT (INCLUDING SOFTWARE), WE DISCLAIM, AND YOU WAIVE, SOLELY AGAINST US, ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR PARTICULAR PURPOSE, AND WE MAKE NO REPRESENTATIONS OF ANY KIND OR TYPE, INCLUDING, BUT NOT LIMITED TO, ITS SUITABILITY, FUNCTIONALITY, DURABILITY, OR CONDITION.** We hereby assign to you any warranty rights we have against any Dealer or manufacturer with respect to the Equipment and, if the Equipment is returned to us, such rights are deemed reassigned by you to us.

13. Default and Remedies. You will be in default under this Lease if (1) we do not receive any payment within 10 days after the date it is due, or (2) you breach any other obligation in this Lease, any Schedule, or any other agreement with us. If you default, and such default continues for 10 days after XFS provides notice to you, we may, in addition to other remedies (including having the Dealer cease performing Equipment maintenance), require you to promptly return the Equipment (including software) to a location we specify, at your expense, and require immediate payment, as liquidated damages for loss of bargain and not as a penalty, of: (a) all amounts then past due, plus interest from the due date until paid at the rate that will be in accordance to the laws of the State of Texas covering state agencies and the applicable codes covering political subdivisions ; (b) the Lease Payments remaining in the Initial Lease Term (less the fixed maintenance component thereof as reflected on our books and records), discounted at four percent (4%) per annum, and (c) Taxes. If you do not return the Equipment as required above, you agree to pay us the Determined FMV thereof as of the end of the Initial Lease Term, discounted at four percent (4%) per annum. You agree to pay all reasonable costs, including attorneys' fees and disbursements, incurred by us to enforce this Lease.

14. Risk of Loss and Insurance. You assume and agree to bear the entire risk of loss, theft, destruction or other impairment of the Equipment (including software) upon delivery. You, at your own expense, (i) shall keep Equipment insured against loss or damage at a minimum of full replacement value thereof, and (ii) shall carry public liability insurance against bodily injury, including death, and against property damage in the amount of at least \$2 million (collectively, "Required Insurance"). All such Required Insurance shall be with loss payable to us and our assignees, as their interest may appear, and shall be with companies reasonably acceptable to us. In addition, we and our assignees shall be named as an additional insured on all public liability insurance policies. The Required Insurance shall provide for 30 days prior notice to us of cancellation.

You must provide us with satisfactory written evidence of Required Insurance within 30 days of the commencement of any Schedule or any subsequent written request by us. You must promptly notify us of any loss or damage to Equipment which makes any item of Equipment unfit for continued or repairable use. You hereby irrevocably appoint us as your attorney-in-fact to execute and endorse all checks or drafts in your name to collect under any Required Insurance. Insurance proceeds from Required Insurance received shall be applied, at our option, to (x) restore the Equipment so that it is in the same condition as when delivered to you (normal wear and tear excepted), or (y) pay us (i) the Lease Payments remaining in the Initial Lease Term and the Equipment's Determined FMV as of the end of the Initial Lease Term, both discounted at four percent (4%) per annum, and (ii) Taxes. **NO LOSS OR DAMAGE TO EQUIPMENT (INCLUDING SOFTWARE), OR OUR RECEIPT OF INSURANCE PROCEEDS, SHALL RELIEVE YOU OF ANY OF YOUR REMAINING OBLIGATIONS UNDER THIS LEASE OR ANY SCHEDULE.** Notwithstanding procurement of Required Insurance, you remain primarily liable for performance under subclauses (x) or (y) in the fourth sentence of this paragraph in the event the applicable insurance carrier fails or refuses to pay any claim.

15. Customer Purchase Order. If a purchase order or other document is issued by you, none of its terms and conditions shall have any force or effect as the terms and conditions of this Lease exclusively govern the transaction documented herein. Our failure to object to terms contained in any communication from you will not be a waiver or modification of the terms of this Lease.

16. Finance Lease and Customer Waivers. If this Lease is not characterized as a secured transaction, you and we agree this Lease (including each Schedule) is a "finance lease" governed by UCC Article 2A, and that you waive your rights as a lessee under UCC 2A Sections 508-522.

17. Authorization of Signer and Credit Review. You represent that you may lawfully enter into, and perform, this Lease and each Schedule, that the individual signing this Lease and each Schedule on your behalf has all necessary authority to do so, and that all financial information you provide completely and accurately represents your financial condition. By having your authorized representative sign this Lease and each Schedule, you agree to furnish financial information that we may request now and in the future, including your tax identification number, and you authorize us to obtain credit reports on you now and in the future.

18. Original Document. **YOU AGREE THAT AN EXECUTED COPY OF THIS LEASE THAT IS SIGNED BY YOUR REPRESENTATIVE AND BY OUR REPRESENTATIVE (AN ORIGINAL MANUAL SIGNATURE OR SUCH SIGNATURE REPRODUCED BY MEANS OF A RELIABLE ELECTRONIC FORM, SUCH AS ELECTRONIC TRANSMISSION OF A FACSIMILE OR ELECTRONIC SIGNATURE) SHALL BE MARKED "ORIGINAL" BY US AND SHALL CONSTITUTE THE ONLY ORIGINAL DOCUMENT FOR ALL PURPOSES. ALL OTHER COPIES SHALL BE DUPLICATES. TO THE EXTENT THIS LEASE AND/OR ANY SCHEDULE CONSTITUTES CHATTEL PAPER (AS DEFINED IN THE UCC), NO SECURITY INTEREST THEREIN MAY BE CREATED EXCEPT BY THE POSSESSION OR TRANSFER OF THE COPY MARKED "ORIGINAL" BY US. NEITHER THIS LEASE NOR ANY SCHEDULE MAY BE AMENDED OR SUPPLEMENTED EXCEPT IN A WRITTEN AGREEMENT SIGNED BY AUTHORIZED REPRESENTATIVES OF THE PARTIES AND NO PROVISIONS CAN BE WAIVED EXCEPT IN A WRITING SIGNED BY US.**

19. Jurisdiction, Venue and JURY TRIAL WAIVER. **THIS LEASE AND EACH SCHEDULE ARE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CONNECTICUT (WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD OTHERWISE REQUIRE APPLICATION OF LAWS OF ANOTHER JURISDICTION). THE JURISDICTION AND VENUE OF ANY ACTION TO ENFORCE THIS LEASE, OR OTHERWISE RELATING TO THIS LEASE, SHALL BE IN A FEDERAL OR STATE COURT WHERE THE EQUIPMENT IS LOCATED, AND YOU HEREBY CONSENT TO JURISDICTION AND VENUE IN SUCH COURTS.. YOU AND WE HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION RELATED TO OR ARISING OUT OF THIS LEASE.**

20. Miscellaneous. Your obligations under the "Taxes" and "Liability" Sections commence upon execution, and survive the expiration or earlier termination, of this Lease. The Lease Documents constitute the entire agreement between the Parties as to the subjects addressed herein, and representations or statements not included herein are not part of this Lease and are not binding on the Parties. Notices under this Lease must be in writing. Notices to you will be sent to the "Billing Address" provided above and notices to us shall be sent to our address provided above. Notices will be deemed given 5 days after mailing by first class mail or 2 days after sending by nationally recognized overnight courier. Invoices are not considered notices and are not governed by the terms hereof pertaining to notices. You authorize us to communicate with you by any electronic means (including cellular phone, email, automatic dialing and recorded messages) using any phone number (including cellular) or electronic address you provide to us. If a court finds any term of this Lease unenforceable, the remaining terms will remain in effect. The failure by either Party to exercise any right or remedy will not constitute a waiver of such right or remedy. The following four sentences control over every other part of this Lease. Both Parties will comply with applicable laws. We will not charge or collect any amounts in excess of those allowed by applicable law. Any part of this Lease that would, but for the last four sentences of this Section, be read under any circumstances to allow for a charge higher than that allowed under any applicable legal limit, is modified by this Section to limit the amounts chargeable under this Lease to the maximum amount allowed under the legal limit. If, in any circumstances, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by us in excess of that legally allowed will be applied by us to the payment of amounts legally owed under this Lease or refunded to you. Further, you authorize us to make non-financial additions and or modifications to this Lease in order to correct or complete same, including but not limited to lease number, serial numbers and signor titles.

21. Non-Appropriation. This Section is applicable only if the inclusion of a non-appropriation provision is legally required. Your obligation to pay the Lease Payments and any other amounts due is contingent upon approval of the appropriation of funds by your governing body. In the event funds are not appropriated for any fiscal period equal to amounts due under the Lease, and you have no other funds legally available to be allocated to the payment of your obligations under this Lease, you may terminate the related Schedule effective on the first day of such fiscal period ("Termination Date") if: (a) you have used due diligence to exhaust all funds legally available; and (b) we have received written notice from you at least 30 days before the Termination Date. At our request, you shall promptly provide supplemental documentation as to such non-appropriation. Upon the occurrence of such non-appropriation, you shall not be obligated for payment of any Lease Payment for any fiscal period for which funds have not been so appropriated, and you shall promptly deliver the Equipment to the Dealer (or such other party as we may designate).

Master Lease Schedule - Cost Per Copy



Lease Agreement #		Dealer Name:			
LESSEE INFORMATION					
Full Legal Name City of Galveston		DBA			
Billing Address 823 25th Street		City Galveston		State Tx	ZIP Code 77550
Phone 409-797-3578	Contact Name	Contact Email hdean@galvestontx.gov		Lessee PO# (Optional)	
EQUIPMENT					
Quantity	Model and Description	Quantity	Model and Description		
1	C8045 with Office Finisher	3	B8075 With Office Finisher		
8	B8055 with Office Finishers	1 each	(1) B7030 with Office Finisher / (1) C7025 with Office Finisher		
1	B8090 With High Volume Finisher	5	C70 with Booklet finishers		
Equipment Location (if different from Billing Address)					
TERM AND PAYMENT		IMAGE TYPE	IMAGES INCLUDED	EXCESS CHARGE	PRINTS INCLUDED
Term (in months): <u>48</u> plus the interim Period, if any		B&W	Unlimited		
		Color	13,000		
Monthly Lease Payment: \$ <u>997</u> plus applicable charges & taxes		Everyday Color	22,500		N/A
		Color Level 2	38,000		N/A
		Color Level 3			N/A
LESSEE ACCEPTANCE					
BY YOUR SIGNATURE BELOW, YOU ACKNOWLEDGE THAT YOU ARE ENTERING INTO A NON-CANCELLABLE LEASE AND THAT YOU HAVE READ AND AGREED TO ALL APPLICABLE TERMS AND CONDITIONS SET FORTH HEREIN AND ON PAGES 1 AND 2 OF THE LEASE.					
Authorized Signer <u>X</u>		Date Hope Dean		Federal Tax ID # (Required)	
Print Name		Title (indicate President, Partner, Proprietor, etc.)			
LESSOR ACCEPTANCE					
Accepted By: Xerox Financial Services LLC		Name and Title			Date
TERMS & CONDITIONS					

Pursuant to that Master Lease Agreement Number indicated above ("Lease") between you and XFS, **the terms and conditions of which are fully incorporated into this Schedule**, you hereby (a) authorize XFS to order for lease to you the equipment described above ("Equipment"), (b) agree to lease such Equipment from XFS effective the Inception Date for the Term specified above, and (c) agree to pay XFS the Lease Payments in the amounts and at the times specified above for each item of Equipment. This Schedule is attached to and constitutes a part of the Lease and all of the terms used herein which are defined in the Lease shall have the same meaning as so defined.



SALES ORDER

Austin 512-836-2100 • Houston 713-329-9909
 Bryan/College Station 979-774-2200 • Laredo 956-724-8188
 Corpus Christi 361-289-0900 • San Antonio 210-805-8200
 Harlingen 956-425-3010 • El Paso 915-595-2250 • Waco
 254-741-1458

Page: 1 of 2

00119221

SHIP TO	BILL TO
Customer Name City of Galveston	Customer Name City of Galveston
Address 823 Rosenberg St Galveston TX77550	Address 823 Rosenberg St Galveston TX77550
Point of Contact Hope Dean hdean@galvestontx.gov	Contact Phone Number Phone: 409-797-3578

Order Date/Cust PO#: 5/9/2019 /	Rep: Idelma Scullion	Meter Read:	Install Date:	Pickup Date:
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☐ IT INSTALL	☐ ON-SITE IT
☐ SURVEY	☐ STAIRS
☐ IN-HOUSE DEMO	☐ ELECTRICAL

☐ LEASE RETURN	☐ NATIONAL ACCOUNT/RETURN
☐ SHIP IN	☐ TRADE-IN
☐ EXCHANGE	☐ LOANER
☐ RENTAL RETURN	☐ DEALER SPLIT

Shaded Areas for In-House Use Only

N - New, R - Refurbished

EQUIPMENT AND ACCESSORIES (See Equipment List for Complete Breakdown of Models and Accessories)

Qty	Product Number/Model/Description	N/R	Serial No.	Equipment ID.	Meter	Price
1	C8045H2 with Office Finisher- Cooperative	N				Incl.
1	XC70 with BR Booklet Finisher & Integrated EFI Controller- Cooperative	N				Incl.
3	XC70 with BR Booklet Finisher & Integrated EFI Controller- Cooperative	N				Incl.
1	XC70 with BR Finisher & Integrated EFI Controller- Cooperative	N				Incl.
1	C7025T2 with Postscript- Cooperative	N				Incl.
3	B8075H2 with Office Finisher- Cooperative	N				Incl.
1	B8090 with High Volume Finisher- Cooperative	N				Incl.
1	B8055H2 with Office Finisher- Cooperative	N				Incl.
1	B8055H2 with Office Finisher- Cooperative	N				Incl.
2	B8055H2 with Office Finisher- Cooperative	N				Incl.
4	B8055H2 with Office Finisher- Cooperative	N				Incl.
1	B7030H2 with Postscript & Office Finisher	N				Incl.

Comments:

Customer Acceptance	Title	Date:	Credit Approval	Date	Sub-Total Sales Tax	N/A N/A
Account Manager	Date	Date	Manager Approval		TOTAL	N/A

By signing this Sales Order, you agree that you have read, and agree to be bound by, the "Additional Terms & Conditions" on the reverse side.

SALES ORDER - ADDITIONAL TERMS AND CONDITIONS

1. **Equipment.** The first page of this Sales Order/Service Agreement is called the Cover Page. The Cover Page and these Terms and Conditions, along with a listing of additional products on Schedule A (if attached), represent the agreement (the "Agreement") between Company and the Customer, with respect to the acquisition of those Products identified on the Cover Page and/or Schedule A and the service for such Products. "Products" shall mean the equipment ("Equipment") and any Software Licenses. "Service" shall mean the service as set forth in paragraph 4 below. Throughout this Agreement the words "We," "Our," and "Us" refer to Company. The words "You" and "Your" refer to the Customer indicated on the reverse.

2. **Scope.** This Agreement may be executed for: a) A SALE of Products. If a SALE, Company hereby offers to sell and Customer hereby accepts to purchase those Products in the quantity and for the price indicated on the Cover Page (and/or Schedule A). Payment terms are Cash on Delivery ("COD"). Alternatively, if Customer has a verifiable credit account in good standing with Company, Customer may elect to be invoiced for the Products; or b) A LEASE of Products. If a LEASE, Customer will execute a separate lease agreement which will fund the purchase of the Products in the quantity indicated on the Cover Page for the benefit of Customer. Upon execution of a lease agreement, the Customer shall be responsible to lessor to satisfy the terms and conditions of the lease. If, however, a lease agreement cannot be executed within 15 days of Customer's execution of this Agreement, Customer must immediately pay cash for the Products or return the Products to Company in Like New condition.

3. **Delivery and Installation.** Unless specified otherwise on the Cover Page, the Company shall deliver and install the Products at the location specified by Customer on the Cover Page unless: (1) Customer has not made available at that address a suitable place of installation as specified by the Company; or (2) Customer has not made available suitable electrical service in accordance with the Underwriter's Lab ("UL") requirements. All risk of loss will transfer to the Customer upon delivery.

4. **Services.** This Agreement covers both the labor and materials for adjustments, repairs, and replacement of parts necessitated by normal use of the Equipment listed on the face of this Agreement ("Services"). Services do not include the following: (a) repairs due to (i) misuse, neglect, or abuse (including, without limitation, improper voltage or use of supplies that do not conform to the manufacturers' specifications), (ii) use of options, accessories, products, supplies not provided by Company; (iii) non-Company alterations, relocation, or service; and/or (iv) loss or damage resulting from accidents, fire, water, or theft; (b) maintenance requested outside Company's normal business hours or this Agreement, (c) relocation, (d) software or connected hardware, (e) hard drive replacement, (f) Thermal heads, process units, and fuser units for Facsimile Machines, (g) Thermal Heads and MICR Toner for Laser Printers, and parts and labor for all non-laser printers, and/or (h) parts for Scanners. Replacement parts may be new, reprocessed, or recovered. Supplies provided by Company are in accordance with the copy volumes set forth on the face of this Agreement and within the manufacturer's stated yields, and do not include staples. Supplies are to be used exclusively for the Equipment and remain Company property until consumed. You will return, or allow Company to retrieve, any unused supplies at the termination/expiration of this Agreement. You are responsible for the cost of excess supplies. You authorize Equipment to be connected to automatic meter reading software and/or device or, if we otherwise request, You will provide us with accurate meter readings for each item of Equipment when and by such means as we request. If You do not permit the Company to use automatic meter reading software and/or devices, Company may charge a monthly fee for manually performing meter reads. If You do not provide meter reads as required, Company may estimate the reading and bill accordingly. You shall provide adequate space and electrical service for the operation of the Equipment in accordance with UL and/or manufacturer's specifications. Supplies will be shipped via UPS Ground. Unless otherwise stated herein, Customer will be billed for shipping, including, but not limited to, UPS Ground, Overnight, and/or Messenger Service. Additional fees may be charged for Services provided outside Company's standard business hours or for computer/network issues and will be at Company hourly rates in effect at the time of Services. If, at any time during the Term of this Agreement, Customer upgrades, modifies, or adds equipment, Customer shall promptly notify Company and provide Company right of first refusal to provide Services for added equipment. Company maintains the right to inspect any upgrades and modifications to Equipment and/or additional equipment and, in its sole discretion, determine whether equipment is eligible for Services. If approved for Services, the Agreement will be amended to include such changes, including pricing modifications. Unless otherwise agreed to in writing, Customer remains solely responsible to secure any sensitive data and permanently delete such data from the internal media storage prior to removal of Equipment or termination of this Agreement.

4. **Term and Payment.** Except as may otherwise be provided for herein, this Agreement in non-cancelable and shall remain in effect throughout the Term; and, unless notified in writing sixty (60) days prior to its expiration, this Agreement shall automatically renew for additional one (1) year periods. In the event the fees herein are included in Your lease payment, the Term shall run concurrently with the lease agreement and be subject to the renewal provisions provided for therein. The meter count at installation or, in the case of owned printers, at assessment, will be used for meter/overages calculations. You agree to pay Company all amounts due in accordance with the payment terms set forth on the face of this Agreement or in accordance with the applicable lease agreement, and all other sums when due and payable. Any Minimum Monthly Payment entitles You to Services for a specific number and type (ie. black & white, color, scan) of Prints/Copies as identified on the face of this Agreement and will be billed in advance. In addition, You agree to pay the Overage Rate for each Print/Copy that exceeds the applicable number and type of Prints/Copies provided in the Minimum Monthly Payment which amount shall be billed in arrears and is payable as indicated on the face of this Agreement. A Print/Copy is defined as standard 8.5"x11" copy (larger size copies may register two meter clicks). No credit will be applied towards unused copies/prints. Your obligation to pay all sums when due shall be absolute and unconditional and is not subject to any abatement, offset, defense or counterclaim. If any payment is not paid within 10 days of its due date, You will pay a late charge not to exceed 7% of each late payment (or such lesser rate as is the maximum allowable by law). Company has the right to withhold Services and supplies, without recourse, for any non-payment. Unless otherwise stated on the face of this Agreement, Company may increase the rates hereunder on an annual basis. Company retains the right to have all or some of the amounts due hereunder billed and/or collected by third parties. If Customer requires any specialized billing procedure or invoicing, Company reserves the right to bill an administrative fee not to exceed \$100 per invoice.

5. **Taxes.** Payments are exclusive of all state and local sales, use, excise, privilege and similar taxes. You will pay when due, either directly or to Us upon demand, all taxes, fines and penalties relating to this Agreement that are now or in the future assessed or levied.

6. **Limited License to Use Software.** Company grants (and is hereby authorized by its licensor's to grant) you a non-exclusive, non-transferable license to use in the U.S.: (a) software and accompanying documentation ("Base Software") only with the Equipment with which it was delivered; and (b) Software that is set forth as a separate line item in this Agreement ("Application Software") (including its accompanying documentation), as applicable, for as long as you are current in the payment of all applicable software license fees. "Base Software"

and "Application Software" are referred to collectively as "Licensed Software". You have no other rights and may not: (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer Licensed Software; (2) activate Licensed Software delivered with the Equipment in an inactivated state; or (3) allow others to engage in same. Title to, and all intellectual property rights in, Licensed Software will reside solely with Company and/or its licensors (who will be considered third-party beneficiaries of this Section). Licensed Software may contain code capable of automatically disabling the Equipment. Disabling code may be activated if: (x) Company is denied access to periodically reset such code; (y) you are notified of a default under this Agreement; or (z) your license is terminated or expires. The Base Software license will terminate: (i) if you no longer use or possess the Equipment; or (ii) upon the expiration or termination of this Agreement, unless you have exercised your option to purchase the Equipment. Neither Company nor its licensors warrant that Licensed Software will be free from errors or that its operation will be uninterrupted. The foregoing terms do not apply to Diagnostic Software or to Licensed Software/documentation accompanied by a clickwrap or shrinkwrap license agreement or otherwise made subject to a separate license agreement.

7. Diagnostic Software. Software used to evaluate or maintain the Equipment ("Diagnostic Software") is included with the Equipment. Diagnostic Software is a valuable trade secret of Company, or its Licensors. Title to Diagnostic Software will remain with Company or its licensors. Company does not grant Customer any right to use Diagnostic Software, and Customer will not access, use, reproduce, distribute or disclose Diagnostic Software for any purpose (or allow third parties to do so). Customer will allow Company reasonable access to the Equipment to remove or disable Diagnostic Software if Customer is no longer receiving Service from Company, provided that any on-site access to Customer's facility will be during Customer's standard business hours.

8. Software Support. Except for Products and/or Third Party Products identified as "No Svc.", Company (or a designated servicer) will provide the software support set forth below or in accordance with an attached statement of work ("Software Support"). For Base Software for Equipment, Software Support will be provided during the initial Term and any renewal period but in no event longer than 5 years after Company stops taking customer orders for the subject model of Equipment. For Application Software, Software Support will be provided as long as you are current in the payment of all applicable software license and support fees. Company will maintain a web-based or toll-free hotline during Company's standard working hours to report Licensed Software problems and answer Licensed Software-related questions. Company, either directly or with its vendors, will make reasonable efforts to: (a) assure that Licensed Software performs in material conformity with its user documentation; (b) provide available workarounds or patches to resolve Licensed Software performance problems; and (c) resolve coding errors for (i) the current Release and (ii) the previous Release for a period of 6 months after the current Release is made available to you. Company will not be required to provide Software Support if you have modified the Licensed Software. New releases of Licensed Software that primarily incorporate compliance updates and coding error fixes are designated as "Maintenance Releases" or "Updates". Maintenance Releases or Updates that Company may make available will be provided at no charge and must be implemented within six months. New releases of Licensed Software that include new content or functionality ("Feature Releases") will be subject to additional license fees at then-current pricing. Maintenance Releases, Updates and Feature Releases are collectively referred to as "Releases". Each Release will be considered Licensed Software governed by the Software License and Licensed Software Support provisions of this Agreement (unless otherwise noted). Implementation of a Release may require you to procure, at your expense, additional hardware and/or software from Company or another entity. Upon installation of a Release, you will return or destroy all prior Releases. For Third Party Software identified as "No Svc.", you shall enter into a support agreement with a Third Party Software vendor or its support services provider, who shall be solely responsible for the quality, timeliness and other terms and conditions of such support services. Company shall have no liability for the acts or omissions of such third party support services provider.

9. Warranty. You acknowledge that the Products covered by this Agreement was selected by You based upon Your own judgment. COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF NON-INFRINGEMENT; IMPLIED WARRANTIES OF MERCHANTABILITY; OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE SPECIFICALLY AND UNRESERVEDLY EXCLUDED.

10. Limitation of Liability. In no event, shall Company be liable for any indirect, special, incidental, consequential damages, loss of profits, or punitive damages whether based in contract, tort, or any other legal theory and irrespective of whether Company has notice of the possibility of such damages.

11. Default; Remedies. Any of the following events or conditions shall constitute an Event of Default under this Agreement: (a) failure to make payment when due of any indebtedness to Company or for the Products, whether or not arising under this Agreement, without notice or demand by Company; (b) breach by You of any obligation herein; or (c) if You cease doing business as a going concern. If You default, Company may : (1) require future Services, including supplies, be paid for in advance, (2) require You to immediately pay the amount of the remaining unpaid balance of the Agreement, (3) terminate any and all agreements with You, and/or (4) pursue any other remedy permitted at law or in equity. In the Event of Default, remaining payment amounts due will be calculated using the average of the last six months' billing or the amount set forth on the face of the Agreement, whichever is greater, multiplied by the remaining months of the Agreement. You agree that any delay or failure of Company to enforce its rights under this Agreement does not prevent Company from enforcing any such right at a later time. All of Company's rights and remedies survive the termination of this Agreement. In the event of a dispute arising out of this Agreement or the Products listed herein, should it prevail, Company shall be entitled to collection of its reasonable costs and attorneys' fees incurred in defending or enforcing this Agreement, whether or not litigation is commenced.

12. Assignment. You may not sell, transfer, or assign this Agreement without the prior written consent of Company. Company may sell, assign or transfer this Agreement.

13. Notices. All notices required or permitted under this Agreement shall be by overnight courier or by registered mail to such party at the address set forth in this Agreement, or at such other address as such party may designate in writing from time to time. Any notice from Company to You shall be effective three days after it has been deposited in the mail, duly addressed, or one day if sent via overnight courier.

14. Indemnification. You are responsible for and agree to indemnify and hold Us harmless from, any and all (a) losses, damages, penalties, claims, suits and actions (collectively, "Claims"), whether based on a theory of contract, tort, strict liability or otherwise caused by or related to Your use or possession of the Products, and (b) all costs and attorneys' fees incurred by Us relating to such claim.

Initials:

JS

15. Fax/Electronic Execution. A faxed or electronically transmitted version of this Agreement may be considered the original and You will not have the right to challenge in court the authenticity or binding effect of any faxed or scanned copy or signature thereon. This Agreement may be signed in counterparts and all counterparts will be considered and constitute the same Agreement.

16. **Miscellaneous.** (a) Choice of Law. This Agreement shall be governed by the laws of the state of Texas (without regard to the conflict of laws or principles of such states); (b) Jury Trial. YOU EXPRESSLY WAIVE TRIAL BY JURY AS TO ALL ISSUES ARISING OUT OF OR RELATED TO THIS AGREEMENT; (c) Entire Agreement. This Agreement constitutes the entire agreement between the parties with regards to the subject matter herein and supersedes all prior agreements, proposals or negotiations, whether oral or written; (d) Enforceability. If any provision of this Agreement is unenforceable, illegal or invalid, the remaining provisions will remain in full force and effect; (e) Amendments. This Agreement may not be amended or modified except by a writing signed by the parties; provided You agree that we are authorized, without notice to You, to supply missing information or correct obvious errors provided that such change does not materially alter Your obligations; (f) Force Majeure. Company shall not be responsible for delays or inability to provide Products or Services caused directly or indirectly by strikes, accidents, climate conditions, parts availability, unsafe travel conditions, or other reasons beyond our control; (g) Company has the right to modify/correct any clerical errors.

Managed Document Services Agreement

Shaded areas for in-house use only

xerox™ Business Solutions Southwest

Order Date:	Contract No:	Customer No:	Effective Date:	SK Trans #
Service Location: ☒ Multiple Locations (use Location Schedule)		Bill To:		
Name: City of Galveston		Name: Same		
Address: 823 25th Street		Address:		
City/State/Zip/County Galveston, TX 77550		City/State/Zip/County		
Contact: Hope Dean	Phone: 409-797-3578	Contact:	Phone:	
Hours of Operation:	Email address: hdean@galvestontx.gov	Email address:		
See corresponding schedules(s) for included equipment				
SPECIAL INSTRUCTIONS:				
PROGRAM: Includes all service and supplies; paper and staples are excluded.				
One Rate Pools				
Office A3 (OA3)	Included Pages	13,000	Overage	.04
Office A4 (OA4)	Included Pages	N/A	Overage	N/A
Desktop (DSK)	Included Pages	N/A	Overage	N/A
Unlimited Program (A3/A4)		Other		
Unlimited B&W (UBW)	# of Units	13		
Production Pools				
Color (PC)	B&W Allowance	38,000	Overage	.0075
B&W (PBW)	Allowance	N/A	Overage	N/A
Color Allowance	22,500	Overage	.049	
Specialty Finishing (SF)		N/A		
Volume Based (VB)	☐ MFP	B&W Allowance	N/A	Overage
	☐ MPS	B&W Allowance	N/A	Overage
	☐ OOG ☐ PPO	B&W Allowance	N/A	Overage
		Color Allowance	N/A	Overage
		Color Allowance	N/A	Overage
		Color Allowance	N/A	Overage
PROGRAM MONTHLY BASE:				
Term: 48	Monthly Service Rate:	☒ Included in Lease Agreement	☐ Billable Monthly \$	
APPROVALS: By signing below, you accept all terms and conditions of the contract, listed above and on reverse of agreement.				
Customer Signature:		Account Manager:		Date:
Title:	Date:	Credit Approval Signature:		Date:
Internal Authorization:		Title:		Date:

DEVICE SCHEDULE

Location #	Location Description	Pool	Model	Serial/ID#*
1	601 54TH ST, MUNICIPAL CT CONF ROOM		B7030	
1	601 54TH ST, PATROL		B8055	
1	601 54TH ST, JUVENILE		B8055	
1	601 54TH ST, COURTS SIDE		B8055	
1	601 54TH ST, 2ND FL HALLWAY		B8055	
1	601 54TH ST, 2ND FL ADMIN		C7025	

*if available

08-002-1905

MANAGED DOCUMENT SERVICES AGREEMENT - TERMS AND CONDITIONS

In this agreement, the words "you" and "your" refer to the Customer. The words "we," "our" or "us" refer to Dahill / Imagetek / ASI / Denitech / OneSOURCE. The word "parties" refer to you and us. The word "Agreement" refers to this Agreement. The word "Supplier" refers to the seller of the Equipment. The word "Equipment" refers to the Equipment identified above or in Exhibit A and which is covered by this Agreement. The word "Lease" or "Lease Agreement" refers to a lease that you have with a third party (or a Lease or Rental Agreement that you have with us provided a separate Lease or Rental Agreement is executed between you and us). This Agreement is written in plain English. Every attempt has been made to eliminate confusing language and create a simple, easy-to-read document.

1. Agreement for Service. This Agreement is for the maintenance and service of the Equipment. This is not an agreement for the lease or for the purchase of the Equipment. We agree to maintain and service the Equipment and you agree to pay us for that maintenance and service. Unless otherwise provided herein, this Agreement is non-cancellable. This Agreement applies only to the service of Equipment, not software.

2. Service Guarantees. This Agreement does not include any guarantees unless stated on the front page of this Agreement. If a service guarantee is included in this Agreement, it shall apply only if the Equipment is operated within the following guidelines: (a) the Equipment is used in a climate controlled environment and free from excessive dust and ammonia fumes; (b) the Equipment is used and operated according to the manufacturers specifications; (c) the Equipment is operated within the specified contractual volume limitations; (d) only supplies that meet the manufacturer's required specifications are used; and (e) the Equipment is operated on an isolated electrical line. We guarantee to perform service in a good and workmanlike manner. This paragraph contains the only guarantees we offer.

3. Commencement of Agreement. This Agreement becomes valid upon execution by us, and our mutual obligations commence when the Equipment is delivered to you, installed, and determined by you to be in good working condition. The Equipment will be considered in good working condition unless you notify us in writing within three (3) calendar days from the date of delivery that you do not accept the Equipment, that you wish to return it, and you specify the defect or malfunction.

4. Term; Automatic Renewal. The "Initial Term" of this Agreement is for a period equal to the term of any Lease Agreement that you have with the Equipment; or for a period of twelve (12) months if the Equipment is not subject to a lease or the term of the Lease does not exceed twelve (12) months. Unless You notify us in writing at least sixty (60) days before the end of the initial or any renewal term, that you intend not to renew this Agreement, then: (a) this Agreement shall automatically renew for an additional one-year period (a "Renewal Term") and (b) the payment and other terms of this Agreement will continue to apply.

5. Service Payments. In consideration for our obligations under this Agreement, you agree to pay us for each service period the amount listed above and by the due date set forth on our invoice to you: (i) the Monthly Base Maintenance shown above; (ii) the applicable Overage Rate for each metered image in excess of the applicable number of the Included Impressions; (iii) any other costs for non-covered parts, supplies, and shipping and delivery fees and charges; (iv) applicable taxes and late fees; (v) and any other charges provided for herein. You agree that the monthly base amount(s) is(are) a minimum payment that you agree to pay even if you do not make the stated number of Included Impressions. You agree that we may, in our sole discretion, increase the monthly base amount(s) and the Overage Rate specified above once each year during the Initial Term and once each year during any Renewal Term, by an amount not to exceed 3.5% per year. You agree we may apply any base and overage payment first to any past-due amount owed. All payments made under this Agreement are non-refundable.

6. Parts; Supplies;. Unless otherwise stated above, the Supplies covered under this agreement are toner, PM kits, and developer. Staples and paper are not covered. All other parts and drums are included, unless the need for replacement is the result of your misuse or abuse. This Agreement does not cover any of the following: (a) damage to the Equipment caused by misuse, negligence, or intentional acts; or (b) repairs and parts necessitated by operation of the Equipment outside the service guarantee guidelines.

7. Limitations of Service. Connected Equipment will be covered up to the computer/network connection. Service calls produced by computer/network problems may be billed at our hourly rate.

8. Late Charges. If you do not pay all charges by the due date specified on an invoice, or within 30 days from the date of the invoice if it does not specify a due date, you agree to pay a late fee equal to 10% of the amount due under the invoice.

9. Meter Collection. You agree to comply with our billing procedures, including but not limited to, providing us with monthly meter readings for each Equipment item. We will provide, at no cost to you, automated meter reading technology that will enable automatic periodic meter readings. However, if you elect not to use this technology, for each non-automated meter read, you agree to pay \$25 per device in addition to the periodic service payments stated above.

10. Service Hours. Our "Standard Service Hours" are Monday-Friday, 8:00 a.m. – 5:00 p.m. local time. If you request service to occur outside standard hours, it will be provided within forty-eight hours after receiving such notice and with the following additional charges at a rate of: (a) one and one-half the prevailing hourly rate; and (2) twice the prevailing hourly rate if service is requested to occur after 5:00 p.m. on a Sunday or any time a holiday.

11. Relocation. In the event you relocate the Equipment outside our service area, we shall have the sole right to either locate another qualified dealer to provide service for the Equipment at the new location or to cancel this Agreement.

12. Default. Each of the following is a "Default" under this Agreement: (a) you fail to pay any Service Payment or any other payment due, under this or any other agreement you have with us, by the due date indicated on any invoice, or (b) you do not perform any of your other obligations under this Agreement or in any other agreement with us and this failure continues for ten (10) days after we have notified you. Our acceptance of a partial payment does not waive a default.

13. Remedies. If you Default under this Agreement, we may do one or more of the following: (a) suspend service; (b) furnish service on a C.O.D. "per call" basis at our standard service rates; (c) cancel or terminate this Agreement and any or all other active agreements that you have with us; (d) require you, as liquidated damages for loss of bargain and not as a penalty, to pay us, on demand (i) any amount past due and owing, and (ii) an amount equal to the sum of remaining Service Payments for the remainder of the Initial or Renewal Term; and (e) exercise any other remedy available at law. You also agree to reimburse us, on demand, for all reasonable expenses of enforcement and/or collection including, but not limited to, reasonable attorneys' fees, court costs, and costs of collection). The remedies set forth herein are cumulative and are in addition to any other remedies allowed under law, and may be exercised concurrently or separately. Any failure or delay by us to declare default or to exercise any other right or remedy shall not operate as a waiver of any other right or future right. If this Agreement expressly provides for, or expressly incorporates, written guarantees, in the event we do not satisfy one or more of the guarantees, your sole remedy is the remedy in the guarantee. In the event we do not satisfy any other provision of this Agreement, and in the event we do not cure the deficiency within fourteen (14) days after receiving written notice of such deficiency, you may, as your sole remedy, cancel this Agreement without any further obligations.

14. NO WARRANTIES. Other than any service guarantees provided in or through paragraph two herein and the obligations set forth herein, WE DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY AND ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

15. LIMITATIONS OF LIABILITY. WE SHALL NOT BE LIABLE TO YOU FOR ANY CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES ARISING FROM, OR RELATED TO, THIS AGREEMENT. YOU ACKNOWLEDGE AND AGREE THAT IN ENTERING INTO THIS AGREEMENT YOU DID NOT RELY ON ANY WRITTEN OR ORAL COMMUNICATIONS, REPRESENTATIONS, OR GUARANTEES (INCLUDING BUT NOT LIMITED TO BROCHURES OR PROPOSALS) NOT EXPRESSLY SET FORTH IN THIS AGREEMENT. IN MAKING YOUR DECISION TO ENTER INTO THIS AGREEMENT, YOU AGREE AND REPRESENT THAT YOU RELIED ONLY ON YOUR OWN INVESTIGATION REGARDING THIS AGREEMENT'S SUBJECT MATTER AND THE INFORMATION CONTAINED HEREIN.

16. MUTUAL INDEMNITY. THE PARTIES MUTUALLY AGREE TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE OTHER PARTY, ITS PARENT CORPORATIONS, SUBSIDIARIES, AFFILIATES, DIRECTORS, OFFICERS, AGENTS, REPRESENTATIVES, ATTORNEYS, EMPLOYEES, AND SUCCESSORS OR ASSIGNS (THE "INDEMNIFIED PARTIES") FROM ANY AND ALL CLAIMS, DEMANDS, ACTIVITIES, SUITS, ALLEGATIONS, ACTIONS, OR CAUSES OF ACTION ARISING FROM OR INCIDENT, WHETHER DIRECTLY OR INDIRECTLY, TO ANY MISCONDUCT, NEGLIGENCE, REPRESENTATION, OR OMISSION ON THE PART OF THE INDEMNIFYING PARTY, IN THE CONDUCT OF ITS/THEIR DUTIES OR ANY CONDUCT OUTSIDE THE SCOPE OF ITS/THEIR DUTIES WHICH MAY GIVE RISE TO LIABILITY OR POTENTIAL LIABILITY ON THE PART OF THE INDEMNIFIED PARTIES.

17. UNCONDITIONAL OBLIGATION. YOU AGREE THAT YOUR OBLIGATION TO PAY US UNDER THIS AGREEMENT IS UNCONDITIONAL AND IS INDEPENDENT OF ANY LEASE OR OTHER MAINTENANCE AGREEMENT THAT YOU MAY HAVE WITH US OR ANYONE ELSE.

18. Notices. All notices and other communications directed to us as required or permitted under this Agreement shall be deemed to have been duly given if made in writing via U.S. mail at the address provided on page one of this Agreement.

19. Assignment. You may not assign any rights or obligations under this Agreement without our prior written consent. We may, without your consent and without prior notification, assign this Agreement, or any right or obligation thereof, to a third party.

20. Applicable Law; Venue; JURY WAIVER. This Agreement shall be deemed fully executed, performed, governed, and construed in, and under the laws of, the State of Texas. You agree that performance of your payment obligation under this Agreement shall be in San Antonio, Texas, and that the State of Texas shall have sole jurisdiction of all matters relating to this Agreement. YOU AND WE HEREBY WAIVE OUR RIGHT TO A TRIAL BY JURY.

21. Severability. If any provision of this Agreement is held unenforceable then such provision will be modified to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

22. Merger; Integration. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements, representations, and understandings with respect thereto. This agreement may only be modified by a written document duly exercised by the parties.

23. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

24. End Agreement

Device Schedule

Customer City of Galveston

Deal # 119221

Location #	Location Description	Pool	Model	Serial/ID*
2	2222 28TH ST, PARKS AND RECREATION		B8055	
3	3115 MARKET ST, ISLAND TRANSIT ADMIN		B8055	
4	502 32ND ST, FLEET FACILITY		B8055	
5	2508 BALL AVE, GRANT		B8075	
5	2508 BALL AVE, PUBLIC WORKS		XC70	
6	823 25TH ST, CUSTOMER SERVICE UTILITY		B8055	
6	823 25TH ST, HUMAN RECOURCES		B8075	
6	823 25TH ST, CITY MANAGER'S OFFICE		B8075	
6	823 25TH ST, PRINT SHOP		B8090	
6	823 25TH ST, PLANNING		XC70	
6	823 25TH ST, CITY SECRETARY		XC70	
6	823 25TH ST, FINANCE		XC70	
6	823 25TH ST, PRINT SHOP		XC70	
7	823 26TH ST, FIRE DEPT		C8045	

*if available

Location Schedule

Customer City of Galveston

Deal # 119221

Location #	1	Hours of Operation:	
Address: 601 54th st			City/State/Zip: Galveston, TX 77551
Special Instructions:			
IT Contact: Hope Dean		Phone: 409-797-3578	Email address: hdean@galvestontx.gov
Meter Contact:		Phone:	Email address:
A/P Contact:		Phone:	Email address:
Location #	2	Hours of Operation:	
Address: 2222 28th St			City/State/Zip: Galveston, TX 77550
Special Instructions:			
IT Contact: Hope Dean		Phone: 409-797-3578	Email address: hdean@galvestontx.gov
Meter Contact:		Phone:	Email address:
A/P Contact:		Phone:	Email address:
Location #	3	Hours of Operation:	
Address: 3115 Market St			City/State/Zip: Galveston, TX 77550
Special Instructions:			
IT Contact: Hope Dean		Phone: 409-797-3578	Email address: hdean@galvestontx.gov
Meter Contact:		Phone:	Email address:
A/P Contact:		Phone:	Email address:
Location #	4	Hours of Operation:	
Address: 502 32nd St			City/State/Zip: Galveston, TX 77550
Special Instructions:			
IT Contact: Hope Dean		Phone: 409-797-3578	Email address: hdean@galvestontx.gov
Meter Contact:		Phone:	Email address:
A/P Contact:		Phone:	Email address:
Location #	5	Hours of Operation:	
Address: 2508 Ball Ave			City/State/Zip: Galveston, TX 77550
Special Instructions:			
IT Contact: Hope Dean		Phone: 409-797-3578	Email address: hdean@galvestontx.gov
Meter Contact:		Phone:	Email address:
A/P Contact:		Phone:	Email address:
Location #	6	Hours of Operation:	
Address: 823 25th St			City/State/Zip: Galveston, TX 77550
Special Instructions:			
IT Contact: Hope Dean		Phone: 409-797-3578	Email address: hdean@galvestontx.gov
Meter Contact:		Phone:	Email address:
A/P Contact:		Phone:	Email address:

Financial Consideration: City of Galveston

Proposal Number: 119221

Proposal Presentation Date: September 3, 2019

Quantity	Make & Model	Additional Accessories
1 New	Xerox C8045 with office finisher (Color Device)	One Rate Applies
1 New	Xerox C7025 with Office Finisher (Color Device)	One Rate Applies
1 New	Xerox B7030 with Office Finisher (BW Device)	Unlimited B/W
3 New	Xerox B8075 with Office Finisher (BW Device)	Unlimited B/W
1 New	Xerox B8090 with High Volume Finisher (BW Device)	Unlimited B/W
8 New	Xerox B8055 with Office Finisher (BW Device)	Unlimited B/W

Service Agreement:	Includes Consumables, Parts, Labor & Travel Time Excludes Paper and Staples	
Color Systems Include:	13,000 Color Impressions.	All Overages Bill @ \$0.0400

B & W Systems Include:	Unlimited B/W devices Only
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48 Month Total Image Lease: **\$9,979.00**

This proposal is utilizing the Choice Partners Cooperative Contract number 17/026KH.

This proposal is valid until: October 1, 2019

Financial Consideration: City of Galveston

Proposal Number: 119221

Proposal Presentation Date: Tuesday, September 03, 2019

Quantity	Make & Model	Additional Accessories
5 New Color	Xerox XC70 with Booklet Finisher and Integrated EFI Controller	

Service Agreement:	Includes Consumables, Parts, Labor & Travel Time Excludes Paper and Staples	
Color Systems Include:	Includes 22,500 Color Impressions;	All Overages Bill @ \$0.0490
B & W Systems Include:	Includes 38,000 B & W Impressions;	All Overages Bill @ \$0.0075

This proposal is valid until October 1, 2019



City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

September 12, 2019

To: Brian Maxwell, City Manager
Honorable Mayor and City Council

From: Hope Dean, Executive Director & Chief Information Technology Officer

RE: Consider approving the allocation of funds for the purchase of Microsoft Windows server licenses using Microsoft Volume Licensing Agreement through Microsoft authorized reseller, SHI Government Solutions, utilizing DIR-TSO-4092 contract in an amount not to exceed \$88,542.12 for three years.

BACKGROUND

Since the inception of the City's network, the City has standardized on Microsoft products for workstation operating systems (OS), network server operating systems and the Microsoft suite of office applications (Word, Excel, Outlook, Power Point, Access and Publisher). Historically, the city has not taken advantage of volume licensing programs that offer the ability to remain near current commercially released version.

The City utilizes Microsoft software as the platform for most technological function throughout the organization. Licensing for 400+ workstations, 135+ servers, a multitude of enterprise applications and databases, and email services all require software from Microsoft. The most efficient and cost effective method of maintaining these software licenses is through Microsoft's volume licensing program.

CURRENT SITUATION

The City has a policy of maintaining valid licenses for all computer software deployed in the course of conducting City business to ensure compliance with Microsoft licensing. The City needs to maintain ongoing vendor agreements for software licensing, maintenance, and technical support for systems that are critical to City operations. These agreements enable continued use of the software, provide access to new versions and updates for functionality and security, and ensure technical support in the event of system instability or failure.

Best practice is to upgrade and deploy software in a timeframe that maintains software versions at, or near, the latest current commercial release versions. This practice helps to make sure that critical City software is up to date with security-related improvements and functional product enhancements. Acquiring software assurance through a 3 year Microsoft agreement will allow the City to utilize the latest versions of software as soon as its available, and will provide the ability to standardize on a single platform to best ensure security and interoperability. In addition to providing valid licenses and the ability to stay current with new versions, the agreement provides vouchers for advanced technical support, deployment



services, and training.

ISSUES

1. Many of the City's production servers are running an older version of Microsoft operating system which will no longer be supported by Microsoft January 2020.
2. The inability to upgrade the operating system on these servers exposes the City to substantial security risk and threats.

ALTERNATIVES

1. Approved the agreement.
2. Do not approve the purchase.

RECOMMENDATION

Approve the allocation of funds for the purchase of Microsoft Windows server licenses using Microsoft Volume Licensing agreement through Microsoft authorized reseller, SHI Government Solutions, utilizing DIR-TSO-4092 contract in an amount not to exceed \$88,542.12 for three years.

FISCAL IMPACT REPORT

Requested by:	Hope Dean Executive Director & Chief Information Technology Officer
Funding Source:	IT Operating Budget
Costs of implementation:	\$88,542.12



Pricing Proposal
Quotation #: 17598824
Created On: 8/16/2019
Valid Until: 9/30/2019

CITY OF GALVESTON

Jeff Ammerman

P.O. BOX 779
ATTN: ACCOUNTS PAYABLE
GALVESTON, TX 77553
United States
Phone: 409-797-3576
Fax: (409) 797-3583
Email: JAmmerman@GalvestonTX.gov

Inside Account Manager

Jeff Rosen

1301 South Mo-Pac Expressway
Suite 375
Austin, TX 78746
Send PO to: Texas@shi.com
Phone: 800-870-6079 ext 8686150
Fax: (512)732-0232
Email: Jeff_Rosen@shi.com

[Click here](#) to order this quote

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 Microsoft Windows Server Datacenter Edition - License & software assurance - 2 cores - Select Plus - minimum 16 cores per physical server - Single Language Microsoft - Part#: 9EA-00267 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Note: Cluster 1	84	\$856.53	\$71,948.52
2 Microsoft Windows Server Standard Edition - License & software assurance - 2 cores - Select Plus - minimum 16 cores per physical server - Single Language Microsoft - Part#: 9EM-00262 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Note: Cluster 2	80	\$138.28	\$11,062.40
3 Microsoft Windows Server Standard Edition - License & software assurance - 2 cores - Select Plus - minimum 16 cores per physical server - Single Language Microsoft - Part#: 9EM-00262 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Note: Cluster 3	40	\$138.28	\$5,531.20
			Total \$88,542.12

Additional Comments

Service Level Agreements:

1. Quotes: Quote requests will be acknowledged within 4 business hours of each request. Under normal circumstances, quotes will be provided within 24-48 hours of the initial request. If quotes will take longer than this timeframe, status updates will be provided at reasonable intervals.

2. Orders: All valid orders will be processed within 24 hours.

3. Contract Documents: All submissions will be reviewed and responded to within 24 business hours. Actual

processing time will vary based on quality and complexity of the submission.

The products offered under this proposal are resold in accordance with the terms and conditions of the Contract referenced under that applicable line item.

City of Galveston



P. O. Box 779 / Galveston, Texas 77553-0779

August 30, 2019

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Cynthia DeWitt, Director of Sanitation

RE: Consider for approval a three-year contract, with an option to renew for two (2) one-year extensions, with GPS Insight, Buy Board Vendor, to provide gps units, and other vehicular recording products (I.D. Fobs, cameras, etc) and installation services for city vehicles. Funding source is various department Other Contract Accounts. City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Current Situation

- A. The City of Galveston has approximately 210 city vehicles which have GPS units installed.
- B. The areas of installation are Public Works, Municipal Utilities, Sanitation, Planning, Parks, and Island Transit.
- C. The GPS allows supervisors to monitor vehicular activity throughout the work day.
- D. The reporting capabilities (both real time and historical) of the GPS include:
 - Activity Detail
 - Driver History
 - Fleet Utilization
 - Fuel Usage
 - Performance
 - Service History
 - Diagnostic Reporting
 - Speed Violation
 - Run Time
 - PTO Tracking
- E. These reports, along with real-time mapping, provides a more accurate accountability of employees and their whereabouts throughout the day.
- F. The reports and mapping have also been used with claims against the City.
- G. The driver identification fob is assigned to individual drivers. This allows supervisors to identify employees driving assigned vehicles.
- H. The camera recording system will aid in driver safety, and will also provide video evidence to protect the City against false claims.
- I. There are vehicles within these divisions and other divisions that are in need of having units installed in them.
- J. The number of vehicles fluctuates throughout the year as vehicles are retired from fleet for various reasons and new ones are purchased.
- K. GPS units, i.d. fobs and cameras will be installed as budgeting allows.
- L. GPS Insight is a Buy Board Vendor – Contract Number #523-17.
- M. The current Buy Board Contract expires in March 2020, but is in process of being renewed. In the event it is not renewed, the City will solicit from other vendors.

II. Recommendation:

Approve the acceptance of the three-year contract, with an option to renew for two (2) one-year extensions, with GPS Insight to provide GPS units and other vehicular recording products including installation.

VI. Fiscal Impact Report

Requested by:

Cynthia DeWitt
Director of Sanitation

Funding Source:

Various Other Contract Accounts

Respectfully Submitted,



Cynthia DeWitt
Director of Sanitation

Group Name	Item Group	Item Name	Item Description	Contract Term	List Price	(Quantity) / Discount %					
						(1 - 50)	(51 - 250)	(251 - 1000)	(1001 - 5000)	(5000+)	
Kit: TTC-1000V: Enterprise	Device Monitoring	Device Monitoring: TTC-1000	TTC-1000 Monthly Per Vehicle Monitoring	24	\$ 14.95	\$ 13.46	\$ 12.56	\$ 11.66	\$ 10.76	\$ 9.87	
Kit: TTC-1000V: Enterprise	Device	TTC-1000V	TTC-1000V: Trailer Tracker on CDMA Network		\$ 250.00	\$ 225.00	\$ 210.00	\$ 195.00	\$ 180.00	\$ 165.00	
Kit: TTC-1000: Enterprise	Accessory	SIM Card	SIM Card		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: TT-3000: Enterprise	Device Monitoring	Device Monitoring: TT-3000	TT-3000 Monthly Per Vehicle Monitoring	24	\$ 14.95	\$ 13.46	\$ 12.56	\$ 11.66	\$ 10.76	\$ 9.87	
Kit: TT-3000: Enterprise	Device	TT-3000	TT-3000: Satellite-Enabled Asset Tracking Device		\$ 450.00	\$ 405.00	\$ 378.00	\$ 351.00	\$ 324.00	\$ 297.00	
Kit: TT-1800: Enterprise	Device Monitoring	Device Monitoring: TT-1800	TT-1800 Monthly Per Vehicle Monitoring	24	\$ 14.95	\$ 13.46	\$ 12.56	\$ 11.66	\$ 10.76	\$ 9.87	
Kit: TT-1800: Enterprise	Device	TT-1800	TT-1800: Satellite-Enabled Asset Tracking Device		\$ 275.00	\$ 247.50	\$ 231.00	\$ 214.50	\$ 198.00	\$ 181.50	
Kit: TT-1800: Enterprise	Accessory	Mounting Bracket: TT-1800	TT-1800 Mounting Bracket		\$ 20.00	\$ 18.00	\$ 16.80	\$ 15.60	\$ 14.40	\$ 13.20	
Kit: TT-1800: Enterprise	Accessory	Activation for Trackers	Prepaid Activation for Trackers		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: ST-1100	Device Monitoring	Device Monitoring: ST-1100	ST-1100 Monthly Per Vehicle Monitoring	24	\$ 19.95	\$ 17.96	\$ 16.76	\$ 15.56	\$ 14.36	\$ 13.17	
Kit: ST-1100	Device	ST-1100	ST-1100: Solar-Powered Asset Tracking Device		\$ 450.00	\$ 405.00	\$ 378.00	\$ 351.00	\$ 324.00	\$ 297.00	
Kit: PNP-3000VB: Enterprise	Device Monitoring	Device Monitoring: PNP-3000	PNP-3000 Monthly Per Vehicle Monitoring	24	\$ 27.95	\$ 25.16	\$ 23.48	\$ 21.80	\$ 20.12	\$ 18.45	
Kit: PNP-3000VB: Enterprise	Device	PNP-3000VB	PNP-3000VB: Plug and Play Diagnostic Device with Backup Battery & Buzzer		\$ 199.00	\$ 179.10	\$ 167.16	\$ 155.22	\$ 143.28	\$ 131.34	
Kit: GPSI-3900VB: Enterprise	Device Monitoring	Device Monitoring: GPSI-3900	GPSI-3900 Monthly Per Vehicle Monitoring	24	\$ 27.95	\$ 25.16	\$ 23.48	\$ 21.80	\$ 20.12	\$ 18.45	
Kit: GPSI-3900VB: Enterprise	Device	GPSI-3900VB	GPSI-3900VB: Internal Antenna with Backup Battery Tracking Device		\$ 199.00	\$ 179.10	\$ 167.16	\$ 155.22	\$ 143.28	\$ 131.34	
Kit: GPSI-3900VB: Enterprise	Accessory	Installation Kit	Installation Accessory Kit for Professional and Self Installations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: GPSI-3900VB: Enterprise	Accessory	GPSI-3900 Harness	GPSI-3900 Wiring Harness with terminated serial connectors		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: GPSI-3900VB: Enterprise	Accessory	GPSI-3900 Harness	GPSI-3900 Wiring Harness with terminated serial connectors		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: GPSI-3900VB: Enterprise	Accessory	GPSI-3900 Antenna	GPSI-3900/4000 In-Vehicle Antenna		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Device Monitoring	Device Monitoring: ELD-2000	ELD-2000 Monthly Per Vehicle Monitoring	24	\$ 42.95	\$ 38.66	\$ 36.06	\$ 33.50	\$ 30.92	\$ 28.35	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Device	GPSI-4000HDVB	GPSI-4000HDVB		\$ 235.00	\$ 211.50	\$ 197.40	\$ 183.30	\$ 169.20	\$ 155.10	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Device	GPSI Android MDT	Android Tablet - Navigation/Messaging/HQS		\$ 255.00	\$ 229.50	\$ 214.20	\$ 198.90	\$ 183.60	\$ 168.30	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	Ram Mount Backing Plate	MDT Ram Mount Backing Plate		\$ 5.00	\$ 4.50	\$ 4.20	\$ 3.90	\$ 3.60	\$ 3.30	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	GPSI Android MDT Ram Mount	Android MDT Ram Mount		\$ 25.00	\$ 22.50	\$ 21.00	\$ 19.50	\$ 18.00	\$ 16.50	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	GPSI-4000 (4-pin) Harness	New: GPSI-4000 wiring harness with 4-pin connector		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	GPSI-4000 I/O Harness (22-pin)	Input/Output wiring harness for GPSI-4000/4000HD (22-pin)		\$ 10.00	\$ 9.00	\$ 8.40	\$ 7.80	\$ 7.20	\$ 6.60	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	9-pin Deutsch Cable	iPod Cable Assembly		\$ 30.00	\$ 27.00	\$ 25.20	\$ 23.40	\$ 21.60	\$ 19.80	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	GPSI-3900 Antenna	GPSI-3900/4000 In-Vehicle Antenna		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: AT-3000V1: Enterprise	Device Monitoring	Device Monitoring: AT-3000	AT-3000 Monthly Per Vehicle Monitoring	24	\$ 27.95	\$ 25.16	\$ 23.48	\$ 21.80	\$ 20.12	\$ 18.45	
Kit: AT-3000V1: Enterprise	Device	AT-3000V1	AT-3000V1: Asset Tracking Device		\$ 199.00	\$ 179.10	\$ 167.16	\$ 155.22	\$ 143.28	\$ 131.34	
Kit: AT-3000V1: Enterprise	Accessory	Installation Kit	Installation Accessory Kit for Professional and Self Installations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	



P.O. Box 400
Austin, TX 78767-0400
800.695.2919 | 512.467.0222 | Fax: 800.211.5454
buyboard.com

February 22, 2019

Sent via Email to: salesoperations@gpsinsight.com

Carrie Simms
GPS Insight
7201 E. Henkel Way, Suite 400
Scottsdale AZ 85255

Re: Radio Communications & Video Recording Products & Services
BuyBoard Contract 523-17

The Local Government Purchasing Cooperative d/b/a BuyBoard® (Cooperative) awarded your company a contract under **Radio Communications & Video Recording Products & Services**, Contract **523-17**, for which the current term is set to expire **March 31, 2019**. At this time, we are renewing your contract through **March 31, 2020**. This will be the final renewal of this contract.

All discounts, terms, and conditions of your contract will remain the same. If you agree with the renewal, there is nothing you need to do. However, if you do not agree to this renewal, you must notify me immediately via email at connie.burkett@tasb.org.

Reminder: All purchase orders must be processed through the BuyBoard. Except as expressly authorized in writing by the Cooperative's administrator, you are not authorized to process a purchase order received directly from a Cooperative member. Accepting orders directly from a member entity without Cooperative authorization is a violation of the terms of your contract. We request your assistance in immediately forwarding any orders received directly from member entities. Purchase orders may be sent to us by email (info@buyboard.com). If by chance an order sent directly to you has been unintentionally processed, please forward it to the Cooperative and note it as **RECORD ONLY** to prevent duplication.

If you have questions or comments concerning this renewal, please contact me as soon as possible at connie.burkett@tasb.org. We appreciate your interest and participation in The Local Government Purchasing Cooperative.

Sincerely,

Connie W Burkett, CTSBS
Contract Administrator



The Local Government Purchasing Cooperative is endorsed by the Texas Association of School Boards,
Texas Municipal League, Texas Association of Counties, and the Texas Association of School Administrators.



P.O. Box 400
Austin, TX 78767-0400
800.695.2919 | 512.467.0222 | Fax: 800.211.5454
buyboard.com

January 25, 2017

Sent Via E-mail: salesoperations@gpsinsight.com

Carrie Simms
GPS Insight
7201 E. Henkel Way, Suite 400
Scottsdale, AZ 85255

Re: Notice of The Local Government Purchasing Cooperative Award

Proposal Name and Number: Radio Communications and Video Recording Products and Services, Proposal No. 523-17

Congratulations, The Local Government Purchasing Cooperative (Cooperative) has awarded your company a BuyBoard® contract based on the above-referenced Proposal. The contract is effective 4/1/2017 through 3/31/2018, with two possible one-year renewals. The contract documents are those identified in Section 3 of the General Terms and Conditions of the specifications.

To view the items your company has been awarded, please review the proposal tabulation No. 523-17 on the following web-site: www.buyboard.com/vendor. Only items marked as awarded to your company can be sold through the BuyBoard contract. In addition, on this website you will find the membership list which will provide you with the names of all entities with membership in our purchasing cooperative.

Enclosed with this letter you will find the following documents:

- Vendor Quick Reference Sheet
- Electronic Catalog Format Instructions
- Vendor Billing Procedures

You are advised that receipt of a purchase order directly from a Cooperative member is not within the guidelines of the Cooperative. Accepting purchase orders directly from Cooperative members may result in a violation of the State of Texas competitive bid statute and termination of this Cooperative BuyBoard contract. **Therefore, all purchase orders must be processed through the BuyBoard in order to comply.** Please forward by fax (1-800-211-5454) any order received directly from a Cooperative member. If you inadvertently process a purchase order sent directly to you by a Cooperative member, please fax the order to the above number and note it as **RECORD ONLY** to prevent duplication.

Per proposal specifications, awarded vendors will have 30 days or sooner to submit their electronic catalog including pricing. If the electronic data is not provided within 30 days or sooner of notice of award, we reserve the right to inactivate any company's award information from the BuyBoard until such time the electronic data is received.

On behalf of the Texas Association of School Boards, we appreciate your interest in the Cooperative and we are looking forward to your participation in the program. If you have any questions, please contact **BuyBoard Procurement Staff** at 800-695-2919.

Sincerely,

Arturo Salinas
BuyBoard Procurement Director
v.12.15



The Local Government Purchasing Cooperative is endorsed by the Texas Association of School Boards, Texas Municipal League, Texas Association of Counties, and the Texas Association of School Administrators.

January 25, 2017

Sent Via E-mail: salesoperations@gpsinsight.com

Carrie Simms
GPS Insight
7201 E. Henkel Way, Suite 400
Scottsdale, AZ 85255

Re: Notice of National Purchasing Cooperative Piggy-Back Award

Proposal Name and Number: Radio Communications and Video Recording Products, Proposal No. 523-17

Congratulations, The National Purchasing Cooperative (National Cooperative) has awarded your company a BuyBoard® contract based on the above-referenced Proposal. As provided for in the Proposal and your National Purchasing Cooperative Vendor Award Agreement, you are authorized to sell the goods and services awarded under the Proposal to National Cooperative members in states other than Texas through the BuyBoard. The contract is effective 4/1/2017 through 3/31/2018, with two possible one-year renewals.

The National Cooperative membership list is available at our website www.buyboard.com/vendor. The list identifies the current members that may purchase awarded goods and services under your National Cooperative BuyBoard contract.

You are advised that receipt of a purchase order directly from a National Cooperative member is not within BuyBoard guidelines. Accepting purchase orders directly from Cooperative members may result in a violation of applicable competitive procurement law and termination of this National Cooperative BuyBoard contract. **Therefore, all purchase orders from National Cooperative members must be processed through the BuyBoard.** Please forward by fax (1-800-211-5454) any order received directly from a National Cooperative member. If you inadvertently process a purchase order sent directly to you by a National Cooperative member, please fax the order to the above number and note it as **RECORD ONLY** to prevent duplication.

Per proposal specifications, awarded vendors will have 30 days or sooner to submit their electronic catalog including pricing. If the electronic data is not provided within 30 days or sooner of notice of award, we reserve the right to inactivate any company's award information from the BuyBoard until such time the electronic data is received.

On behalf of the National Cooperative, we are looking forward to your participation in the program. If you have any questions, please contact BuyBoard Procurement Staff at 800-695-2919.

Sincerely,



BuyBoard Procurement Director
v.12.15



5863

12007 Research Boulevard • Austin, Texas 78759-2439
PH: 800-695-2919 • FAX: 800-211-5454 • www.buyboard.com

PROPOSER'S AGREEMENT AND SIGNATURE

Proposal Name: Radio Communications and
Video Recording Products and Services

Proposal Opening Date and Time:
July 13, 2016 at 2:00 PM

Proposal Number: 523-17

Location of Proposal Opening:
Texas Association of School Boards, Inc.
BuyBoard Department
12007 Research Blvd.
Austin, TX 78759

Contract Time Period: April 1, 2017 through
March 31, 2018 with two (2) possible one-year
renewals.

Anticipated Cooperative Board Meeting Date:
January 2017

GPS Insight

Name of Proposing Company

7/5/16

Date

7201 E Henkel Way, Suite 400

Street Address

Signature of Authorized Company Official

Scottsdale, AZ 85255

City, State, Zip

Jeremy Thacker

Printed Name of Authorized Company Official

480-663-9472

Telephone Number of Authorized Company Official

Government Sales Manager - Southwest

Position or Title of Authorized Company Official

480-513-1694

Fax Number of Authorized Company Official

20-3607878

Federal ID Number

The proposing company ("you" or "your") hereby acknowledges and agrees as follows:

1. You have carefully examined and understand all Cooperative information and documentation associated with this Proposal Invitation, including the Instructions, General Terms and Conditions, Attachments/Forms, Item Specifications, and Line Items (collectively "Requirements");
2. By your response ("Proposal") to this Proposal Invitation, you propose to supply the products or services submitted at the prices quoted in your Proposal and in strict compliance with the Requirements, unless specific deviations or exceptions are noted in the Proposal;
3. Any and all deviations and exceptions to the Requirements have been noted in your Proposal and no others will be claimed;

H-N E-Y
W-Y



12007 Research Boulevard • Austin, Texas 78759-2439
PH: 800-695-2919 • FAX: 800-211-5454 • www.buyboard.com

4. If the Cooperative accepts any part of your Proposal and awards you a contract, you will furnish all awarded products or services at the prices quoted and in strict compliance with the Requirements (unless specific exceptions are noted in the Proposal), including without limitation the Requirements related to:
 - a. conducting business with Cooperative members, including offering pricing to members that is the best you offer compared to similar customers;
 - b. payment of a service fee in the amount specified and as provided for in this Proposal Invitation;
 - c. the **possible** award of a piggy-back contract by another governmental entity, in which event you will offer the awarded goods and services in accordance with the Requirements; and
 - d. submitting price sheets or catalogs in the proper format for posting on the BuyBoard as a prerequisite to activation of your contract;
5. You have clearly identified any information in your Proposal that you believe to be confidential or proprietary or that you do not consider to be public information subject to public disclosure under a Texas Public Information Act request or similar public information law;
6. The individual signing this Agreement is duly authorized to enter into the contractual relationship represented by this Proposal Invitation on your behalf and bind you to the Requirements, and such individual (and any individual signing a Form) is authorized and has the requisite knowledge to provide the information and make the representations and certifications required in the Requirements;
7. You have carefully reviewed your Proposal, and certify that all information provided is true, complete and accurate, and you authorize the Cooperative to take such action as it deems appropriate to verify such information; and
8. Any misstatement, falsification, or omission in your Proposal, whenever or however discovered, may disqualify you from consideration for a contract award under this Proposal Invitation or result in termination of an award or any other remedy or action provided for in the General Terms and Conditions or by law.



12007 Research Boulevard • Austin, Texas 78759-2439
PH: 800-695-2919 • FAX: 800-211-5454 • www.buyboard.com

VENDOR PURCHASE ORDER, REQUEST FOR QUOTES, AND INVOICE RECEIPT OPTIONS

Company: GPS Insight General Contact Name: Sales Operations

Purchase Orders: Purchase orders from Cooperative members will be available through the Internet or by facsimile.

Option 1: Internet. Vendors need Internet access and at least one e-mail address so that notification of new orders can be sent to the Internet contact when a new purchase order arrives. An information guide will be provided to vendors that choose this option to assist them with retrieving their orders.

Option 2: Fax. Vendors need a designated fax line available at all times to receive purchase orders.

Please choose **only one (1)** of the following options for receipt of purchase orders and provide the requested information:

☒ I will use the **INTERNET** to receive purchase orders.

E-mail Address: salesoperations@gpsinsight.com

Internet Contact: Carrie Simms Phone: 866-477-4321

Alternate E-mail Address: jason.walker@gpsinsight.com

Alternate Internet Contact: Jason Walker Phone: 866-477-4321

☐ I will receive purchase orders via **FAX**.

Fax Number: _____

Fax Contact: _____ Phone: _____

Request for Quotes ("RFQ"): Cooperative members will send RFQs to you by e-mail. Please provide e-mail addresses for the receipt of RFQs:

E-mail Address: salesoperations@gpsinsight.com

Alternate E-mail Address: jeremy.thacker@gpsinsight.com

Invoices: Your company will be billed monthly for the service fee due under a contract awarded under this Proposal Invitation. **All invoices are available on the BuyBoard website and e-mail notifications will be sent when they are ready to be retrieved.** Please provide the following address, contact and e-mail information for receipt of service fee invoices and related communications:

Mailing address: 7201 E Henkel Way, Suite 400 Department: Accounting

City: Scottsdale State: AZ Zip Code: 85255

Contact Name: Gabriela Barcenias Phone: 866-477-4321

Fax: _____ E-mail Address: accounting@gpsinsight.com

Alternative E-mail Address: gabriela.barcenas@gpsinsight.com



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FELONY CONVICTION DISCLOSURE AND DEBARMENT CERTIFICATION

FELONY CONVICTION DISCLOSURE

Subsection (a) of Section 44.034 of the Texas Education Code (Notification of Criminal History of Contractor) states: "A person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Section 44.034 further states in Subsection (b): "A school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract."

Please check (✓) one of the following:

- ☐ My company is a publicly-held corporation. (Advance notice requirement does not apply to publicly-held corporation.)
☒ My company is not owned or operated by anyone who has been convicted of a felony.
☐ My company is owned/operated by the following individual(s) who has/have been convicted of a felony:

Name of Felon(s): _____

Details of Conviction(s): _____

By signature below, I certify that the above information is true, complete and accurate and that I am authorized by my company to make this certification.



Signature of Authorized Company Official

GPS Insight

Company Name

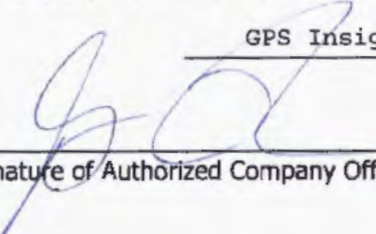
Jeremy Thacker

Printed Name

DEBARMENT CERTIFICATION

Neither my company nor an owner or principal of my company has been debarred, suspended or otherwise made ineligible for participation in Federal Assistance programs under Executive Order 12549, "Debarment and Suspension," as described in the Federal Register and Rules and Regulations.

By signature below, I certify that the above is true, complete and accurate and that I am authorized by my company to make this certification.



Signature of Authorized Company Official

GPS Insight

Company Name

Jeremy Thacker

Printed Name



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RESIDENT / NONRESIDENT CERTIFICATION

Chapter 2252, Subchapter A, of the Texas Government Code establishes certain requirements applicable to proposers who are not Texas residents. Under the statute, a "resident" proposer is a person whose principal place of business is in Texas, including a person whose ultimate parent company or majority owner has its principal place of business in Texas. A "nonresident" proposer is a person who is not a Texas resident. Please indicate the status of your company as a "resident" proposer or a "nonresident" proposer under these definitions. Please check (✓) one of the following.

- ☐ I certify that my company is a **Resident Proposer.**
- ☒ I certify that my company is a **Nonresident Proposer.**

If your company is a Nonresident Proposer, you must provide the following information for your resident state (the state in which your company's principal place of business is located):

GPS Insight	7201 E Henkel Way, Suite 400	
Company Name	Address	
Scottsdale	AZ	85255
City	State	Zip Code

- A. Does your resident state require a proposer whose principal place of business is in Texas to under-price proposers whose resident state is the same as yours by a prescribed amount or percentage to receive a comparable contract?
- ☐ Yes ☒ No
- B. What is the prescribed amount or percentage? \$ _____ or _____ %

VENDOR EMPLOYMENT CERTIFICATION

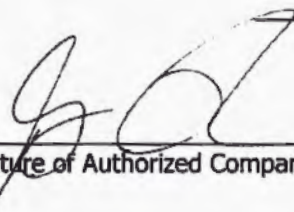
Section 44.031(b) of the Texas Education Code establishes certain criteria that a school district must consider when determining to whom to award a contract. Among the criteria for certain contracts is whether the vendor or the vendor's ultimate parent or majority owner (i) has its principal place of business in Texas; or (ii) employs at least 500 people in Texas.

If neither your company nor the ultimate parent company or majority owner has its principal place of business in Texas, does your company, ultimate parent company, or majority owner employ at least 500 people in Texas? Please check (✓) one of the following.

- ☐ Yes ☒ No

By signature below, I certify that the information in Sections 1 (*Resident/Nonresident Certification*) and 2 (*Vendor Employment Certification*) above is true, complete and accurate and that I am authorized by my company to make this certification.

GPS Insight
Company Name


Signature of Authorized Company Official

Jeremy Thacker
Printed Name



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HISTORICALLY UNDERUTILIZED BUSINESS CERTIFICATION

A proposer that has been certified as a Historically Underutilized Business (also known as a Minority/Women Business Enterprise or "MWBE" and all referred to in this form as a "HUB") is encouraged to indicate its HUB certification status when responding to this Proposal Invitation. The electronic catalogs will indicate HUB certifications for vendors that properly indicate and document their HUB certification on this form.

Please check (✓) all that apply

- ☐ I certify that my company has been certified as a HUB in the following categories:
- ☐ **Minority Owned Business**
 - ☐ **Women Owned Business**
 - ☐ **Service-Disabled Veteran Owned Business (veteran defined by 38 U.S.C. §101(2), who has a service-connected disability as defined by U.S.C. § 101(16), and who has a disability rating of 20% or more as determined by the U. S. Department of Veterans Affairs or Department of Defense)**

Certification Number:

Name of Certifying Agency:

- ☒ My company has **NOT** been certified as a HUB.

By signature below, I certify that the above is true, complete and accurate and that I am authorized by my company to make this certification.

GPS Insight
Company Name _____
Signature of Authorized Company Official _____
Jeremy Thacker
Printed Name _____



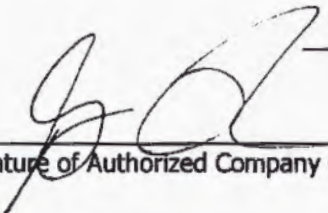
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AFFIRMATION REGARDING CONSTRUCTION-RELATED GOODS AND SERVICES

A contract awarded under this Proposal Invitation covers only the specific goods and services awarded by the BuyBoard. As explained in the BuyBoard Construction Related Goods and Services Advisory for Texas Members ("Advisory"), **Texas law prohibits the procurement of architecture or engineering services through a purchasing cooperative. This BuyBoard contract does not include such services. Architecture or engineering services must be procured by a Cooperative member separately, in accordance with the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and other applicable law and local policy.**

The Advisory, attached to this Form F, provides an overview of certain legal requirements that are potentially relevant to a Cooperative member's procurement of construction or construction-related goods and services, including those for projects that may involve or require architecture, engineering or independent testing services.

By signature below, the undersigned affirms that Proposer has read and understands the Advisory attached to this Form F and is authorized by Proposer to make this affirmation. If Proposer sells construction-related goods or services to a Cooperative member under a BuyBoard contract awarded under this Proposal Invitation, Proposer will comply with the Advisory and applicable legal requirements, make a good faith effort to make its Cooperative member customers or potential Cooperative member customers aware of such requirements, and provide a Cooperative member with a copy of the Advisory before executing a Member Construction Contract with the member or accepting the member's purchase order for construction-related goods or services, whichever comes first.



Signature of Authorized Company Official

GPS Insight

Company Name

Jeremy Thacker

Printed Name

7/5/16

Date



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BUYBOARD PROCUREMENT AND CONSTRUCTION-RELATED GOODS AND SERVICES ADVISORY FOR TEXAS MEMBERS

Why make purchases using BuyBoard? Purchasing through a cooperative or "interlocal contract" satisfies the requirement of local governments to seek competitive procurement for the purchase of goods or services.¹ Therefore, you may purchase goods and services from a vendor through BuyBoard without having to conduct your own competitive procurement. If, however, you are procuring construction-related services through a BuyBoard Job Order Contract (JOC) or contract for the installation of equipment or materials (e.g., athletic fields and surfaces, kitchen equipment, HVAC, playground equipment, or modular buildings), you may, as explained in this Advisory, need to procure certain aspects of these services using a separate procurement process outside of the BuyBoard and should consult your procurement officer and/or legal advisor for specific advice.

What is BuyBoard's Procurement Process? The BuyBoard uses a competitive procurement process to award contracts to vendors for goods and services that the BuyBoard determines, based on an evaluation of multiple criteria, represents the best value for its members.

How does BuyBoard award a contract to a vendor? As a condition of being awarded a BuyBoard contract, a vendor is bound by and must agree to comply with all the terms of the BuyBoard's proposal invitation (or specifications), the vendor's proposal response, and any additional contract terms negotiated with the BuyBoard member. Among other things, the vendor must honor the pricing submitted in the vendor's proposal. **THE PRICE YOU PAY FOR THE GOODS AND SERVICES COVERED BY THE BUYBOARD CONTRACT MAY BE LESS THAN THE AWARDED PRICING, BUT CANNOT BE MORE.** Additionally, the vendor must comply with the BuyBoard contract's general terms and conditions, and any additional terms and conditions that apply to the specific BuyBoard contract, as set out in the proposal invitation.

How does a BuyBoard member make purchases through the BuyBoard contract? You utilize the awarded BuyBoard contract by issuing a signed purchase order through the BuyBoard online application to procure the selected goods or services. Although BuyBoard must receive a copy of the signed purchase order, BuyBoard does not review or approve the purchase order or other supplemental agreement that you obtain – this is a matter between you and the vendor. If construction-related services are procured through the BuyBoard, additional contracts with professionals and the contractor may be required, depending on the nature and scope of the services. As stated above, you should consult your procurement officer and/or legal advisor for specific advice.

How do I know that my entity has made a purchase through the BuyBoard?

BuyBoard must have a copy of the purchase order in order for the purchase to be considered a BuyBoard procurement. To ensure that your entity has satisfied state law requirements for competitive procurement, make sure that the BuyBoard has your purchase order. Do not rely on the vendor to submit the purchase order on your behalf; it is your responsibility to make sure that the BuyBoard has the signed purchase order. You may log in to www.buyboard.com using your member I.D. and password to view the Purchase Order Status Report to confirm that the purchase order is in the BuyBoard system.

What should BuyBoard members consider when using BuyBoard for construction-related purchases? While purchasing goods and services through BuyBoard satisfies your legal requirement to competitively procure a good or service, as a general matter you must keep in mind other legal requirements that may relate to the purchase, especially when using BuyBoard for construction-related procurement.

When making construction-related purchases through a BuyBoard contract, BuyBoard members must consider the following:



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- **Best value determination.** In compliance with Texas law and any local policy, your entity must first determine that purchasing through an interlocal contract or purchasing cooperative is the procurement method that will provide best value.ⁱⁱ This is done by the governing body (e.g., board of trustees, council, commissioners' court, etc.) or may be delegated by the governing body to an individual or committee, with written notice.
- **Products or services not covered by the BuyBoard contract.** The BuyBoard contract covers only the specific goods and services awarded by the BuyBoard. If you want to purchase from a BuyBoard vendor goods or services from a BuyBoard vendor that are not covered by the vendor's BuyBoard contract, such as architectural, design, or engineering services, you must procure them separately in accordance with state law and local policy.
- **Architectural or Engineering and Independent Testing services.** If your procurement includes a construction component that requires architectural or engineering services, you must procure those services separately. **YOU MAY NOT PROCURE ARCHITECTURAL OR ENGINEERING SERVICES THROUGH A BUYBOARD CONTRACT.** Texas law requires architectural and engineering services to be obtained in accordance with the Professional Services Procurement Act (Chapter 2254 of the Texas Government Code) and prohibits them from being procured through a purchasing cooperative.ⁱⁱⁱ
 - **Architecture.** A new building owned by a political subdivision having construction costs exceeding \$100,000 or an alteration or addition to an existing building having construction costs exceeding \$50,000 must have architectural plans and specifications prepared by an architect.^{iv} (An "alteration" or "addition" for purposes of this requirement requires the removal, relocation, or addition of a wall or partition or the alteration or addition of an exit.)
 - **Engineering.** If the goods or services procured through the BuyBoard will involve engineering in which the public health, welfare, or safety is involved, the plans for structural, mechanical, electrical, electronic, fire suppression, geotechnical systems, foundation design, surface water drainage, plumbing and certain roof modifications and associated estimates must be prepared by an engineer, and the engineering construction must be performed under the direct supervision of an engineer.^v The Engineering Practice Act provides two exceptions to this rule – no engineer is required if (1) the project involves mechanical or electrical engineering and will cost \$8,000 or less, or (2) the project does not require mechanical or electrical engineering and will cost \$20,000 or less.^{vi}
 - **Independent Testing.** If acceptance of a facility by a public entity involves independent testing of construction materials engineering and/or verification testing services, the testing services should be procured under the Professional Services Procurement Act, and may not be procured under a BuyBoard contract.
 - **Written Certification.** Effective 09/01/2013, a local governmental entity purchasing construction-related goods and services through a cooperative in an amount that exceeds \$50,000 must designate a person to certify in writing that the project does not require the preparation of plans or specifications by an architect or engineer OR that an architect or engineer has prepared the plans or specifications.^{vii}



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- **Bonds.** You must also consider whether the vendor is required to provide a payment or performance bond. A payment bond is required for contracts that exceed \$25,000 to protect subcontractors who supply labor or materials for the project. A performance bond is required for a contract that exceeds \$100,000, to protect the local government if a contractor fails to complete the project.^{viii} Without payment and performance bonds, if the contractor fails to pay its subcontractors or to complete the project, the public entity that entered the contract can be held responsible for payment claims or costs to complete.
- **Construction Contract.** Even though the procurement of construction or construction-related services may be through the BuyBoard, your construction contract is between your entity and the contractor. The BuyBoard contract's general terms and conditions, standing alone, are not sufficient to document your entity's specific transaction. THEREFORE, YOU SHOULD USE AN APPROPRIATE FORM OF CONSTRUCTION CONTRACT JUST AS YOU WOULD DO IF YOU PROCURED CONSTRUCTION SERVICES INDEPENDENTLY, USING COMPETITIVE SEALED PROPOSALS. The contract must contain provisions required by state law including: performance and payment bonds, requirements for payment of prevailing wages to all construction workers, workers' compensation coverage for all workers and, on projects where contractor employees may have direct contact with students, criminal history record checks. Other provisions which should be considered in the construction contract are retainage, contingency, liquidated damages and dispute resolution, among others. By supplementing the BuyBoard contract with an appropriate form of construction contract, you ensure that your entity's unique interests are addressed and that your entity can enforce the contract directly.
- **Legal advice.** Because of the variety of laws that relate to construction-related purchasing and the potential risk of high exposure, you are well-advised to consult with your entity's legal counsel before procuring construction-related goods and services under any procurement method, including a purchasing cooperative.

This Advisory is provided for educational purposes only to facilitate a general understanding of the law. This Advisory is neither an exhaustive treatment on the subject nor is it intended to substitute for the advice of an attorney.

For more information about BuyBoard, contact us at 800-695-2919.

-
- i. Tex. Gov't Code §791.025 and Tex. Local Gov't Code §271.102.
 - ii. Tex. Ed. Code §44.031(a) (school districts); Tex. Local Gov't Code §252.043(a)(municipalities) and §262.022(5-a) and §262.027(counties)
 - iii. Tex. Gov't Code §2254.004 and §791.011(h)
 - iv. Tex. Occ. Code §1051.703
 - v. Tex. Occ. Code §1001.0031(c)
 - vi. Tex. Occ. Code §1001.053
 - vii. Tex. Gov't Code §791.011(j), effective September 1, 2013
 - viii. Tex. Gov't Code §2253.021(a)

Issued March 31, 2014



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DEVIATION AND COMPLIANCE SIGNATURE FORM

If your company intends to deviate from the General Terms and Conditions, Item Specifications or other requirements associated with this Proposal Invitation, you must list all such deviations on this form, and provide complete and detailed information regarding the deviations on this form, an attachment to this form, or elsewhere in your Proposal. (If you do not provide the information on or as an attachment to this form, the information must be clearly identified in your Proposal.) The Cooperative will consider any deviations in its contract award decision, and reserves the right to accept or reject a proposal based upon any submitted deviation.

In the absence of any deviation identified and described in accordance with the above, your company must fully comply with the General Terms and Conditions, Item Specifications and all other requirements associated with this Proposal Invitation if awarded a contract under this Proposal Invitation.

- ☒ **No;** Deviations
☐ **Yes;** Deviations

List and fully explain any deviations you are submitting:

PLEASE PROVIDE THE FOLLOWING INFORMATION:

1. Shipping Via: ☒ Common Carrier ☐ Company Truck ☒ Prepaid and Add to Invoice ☐ Other:

2. Payment Terms: ☒ Net 30 days ☐ 1% in 10/Net 30 days ☐ Other:

3. Number of Days for Delivery: 2 ARO

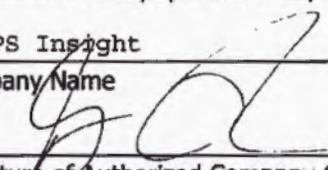
4. Vendor Reference/Quote Number: _____

5. State your return policy:
30 Day Full Money Back Guarantee

6. Are electronic payments acceptable? ☒ Yes ☐ No

7. Are credit card payments acceptable? ☒ Yes ☐ No

GPS Insight
Company Name


Signature of Authorized Company Official
FORM G

Jeremy Thacker
Printed Name

COMM.V.11.18.15



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DEALERSHIP LISTINGS

If you have more than one location that will service a contract awarded under this Proposal Invitation, please list each location below. If additional sheets are required, please duplicate this form as necessary.

Company Name

Address

City

State

Zip

Phone Number

Fax Number

Contact Person

Company Name

Address

City

State

Zip

Phone Number

Fax Number

Contact Person



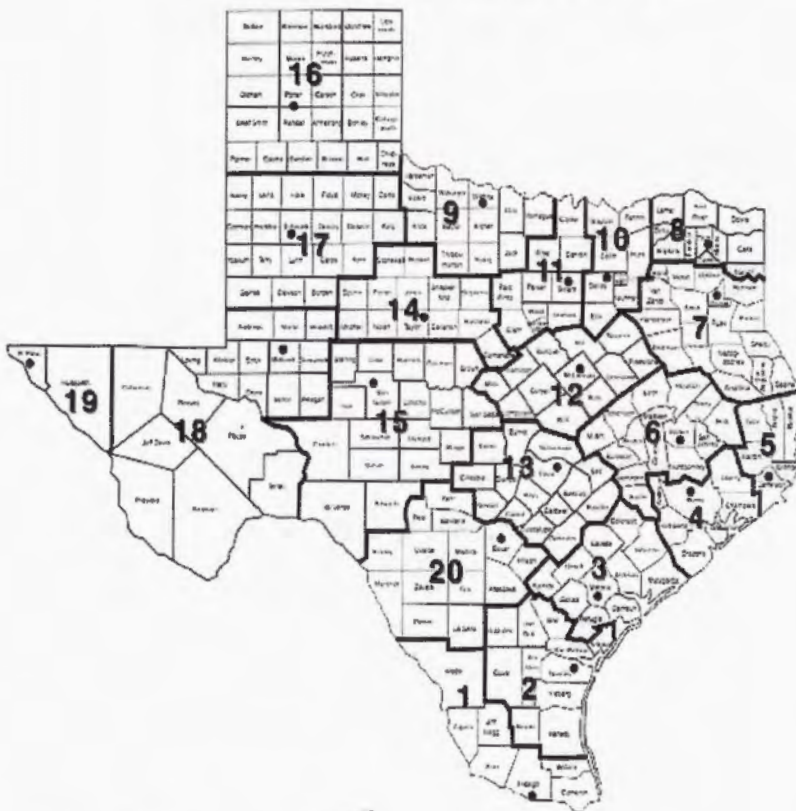
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TEXAS REGIONAL SERVICE DESIGNATION

Unless you designate otherwise on this form, you agree to service members of The Local Government Purchasing Cooperative statewide!

The Cooperative (referred to as "Texas Cooperative" in this form and in the State Service Designation form) offers vendors the opportunity to service its members throughout the entire State of Texas. If you do not plan to service all Texas Cooperative members statewide, you **must** indicate the specific regions you will service on this form. Additionally, if you do not plan to service Texas Cooperative members (i.e., if you will service only states other than Texas), you must so indicate on this form.

Regional Education Service Centers



- ☒ I will service Texas Cooperative members statewide.
- ☐ I will not service Texas Cooperative members statewide. I will only service members in the regions checked below:

Region	Headquarters
☒ 1	Edinburg
☒ 2	Corpus Christi
☒ 3	Victoria
☒ 4	Houston
☒ 5	Beaumont
☒ 6	Huntsville
☒ 7	Kilgore
☒ 8	Mount Pleasant
☒ 9	Wichita Falls
☒ 10	Richardson
☒ 11	Fort Worth
☒ 12	Waco
☒ 13	Austin
☒ 14	Abilene
☒ 15	San Angelo
☒ 16	Amarillo
☒ 17	Lubbock
☒ 18	Midland
☒ 19	El Paso
☒ 20	San Antonio

GPS Insight
Company Name

Signature of Authorized Company Official

Jeremy Thacker

Printed Name

- ☐ I will not service members of the Texas Cooperative.



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STATE SERVICE DESIGNATION

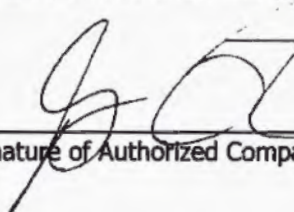
The Cooperative offers vendors the opportunity to service other governmental entities in the United States, including intergovernmental purchasing cooperatives such as the National Purchasing Cooperative BuyBoard. You must complete this form if you plan to service the entire United States, or will service only the specific states indicated. *(Note: If you plan to service Texas Cooperative members, be sure that you complete the Texas Regional Service Designation form.)*

☒ I will service all states in the United States.

☐ I will not service all states in the United States. I will service only the states checked below:

- | | |
|--|---|
| ☐ Alabama | ☐ Nebraska |
| ☐ Alaska | ☐ Nevada |
| ☐ Arizona | ☐ New Hampshire |
| ☐ Arkansas | ☐ New Jersey |
| ☐ California (Public Contract Code 20118 & 20652) | ☐ New Mexico |
| ☐ Colorado | ☐ New York |
| ☐ Connecticut | ☐ North Carolina |
| ☐ Delaware | ☐ North Dakota |
| ☐ District of Columbia | ☐ Ohio |
| ☐ Florida | ☐ Oklahoma |
| ☐ Georgia | ☐ Oregon |
| ☐ Hawaii | ☐ Pennsylvania |
| ☐ Idaho | ☐ Rhode Island |
| ☐ Illinois | ☐ South Carolina |
| ☐ Indiana | ☐ South Dakota |
| ☐ Iowa | ☐ Tennessee |
| ☐ Kansas | ☐ Texas |
| ☐ Kentucky | ☐ Utah |
| ☐ Louisiana | ☐ Vermont |
| ☐ Maine | ☐ Virginia |
| ☐ Maryland | ☐ Washington |
| ☐ Massachusetts | ☐ West Virginia |
| ☐ Michigan | ☐ Wisconsin |
| ☐ Minnesota | ☐ Wyoming |
| ☐ Mississippi | |
| ☐ Missouri | |
| ☐ Montana | |

This form will be used to ensure that you can service other governmental entities throughout the United States as indicated. Your signature below confirms that you understand your service commitments during the term of a contract awarded under this proposal.

	GPS Insight
	Company Name
Signature of Authorized Company Official	Jeremy Thacker
	Printed Name



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NATIONAL PURCHASING COOPERATIVE VENDOR AWARD AGREEMENT

In accordance with the Terms and Conditions associated with this Proposal Invitation, a contract awarded under this Proposal Invitation may be "piggy-backed" by another governmental entity. The National Purchasing Cooperative is an intergovernmental purchasing cooperative formed by certain school districts outside of Texas to serve its members throughout the United States. If you agree to be considered for a piggy-back award by the National Purchasing Cooperative, you agree to the following terms and agree to serve National Purchasing Cooperative members in the states you have indicated on the State Service Designation form, in your Proposal.

By signing this form, Proposer (referred to in this Agreement as "Vendor") agrees as follows:

1. Vendor acknowledges that if The Local Government Purchasing Cooperative ("Texas Cooperative") awards Vendor a contract under this Proposal Invitation ("Underlying Award"), the National Purchasing Cooperative ("National Cooperative") may - but is not required to - "piggy-back" on or re-award all or a portion of that Underlying Award ("Piggy-Back Award"). By signing this National Cooperative Vendor Award Agreement ("Agreement"), Vendor accepts and agrees to be bound by any such Piggy-Back Award as provided for herein.
2. In the event National Cooperative awards Vendor a Piggy-Back Award, the National Cooperative Administrator ("BuyBoard Administrator") will notify Vendor in writing of such Piggy-Back Award, which award shall commence on the effective date stated in the Notice and end on the expiration date of the Underlying Award, subject to annual renewals as authorized in writing by the BuyBoard Administrator. Vendor agrees that no further signature or other action is required of Vendor in order for the Piggy-Back Award and this Agreement to be binding upon Vendor. Vendor further agrees that no interlineations or changes to this Agreement by Vendor will be binding on National Cooperative, unless such changes are agreed to by its BuyBoard Administrator in writing.
3. Vendor agrees that it shall offer its goods and services to National Cooperative members at the same unit pricing and same general terms and conditions, subject to applicable state laws in the state of purchase, as required by the Underlying Award. However, nothing in this Agreement prevents Vendor from offering National Cooperative members better (i.e., lower) competitive pricing and more favorable terms and conditions than those in the Underlying Award.
4. Vendor hereby agrees and confirms that it will serve those states it has designated on the State Service Designation Form of this Proposal Invitation. Any changes to the states designated on the State Service Designation Form must be approved in writing by the BuyBoard Administrator.
5. Vendor agrees to pay National Cooperative the service fee provided for in the Underlying Award based on the amount of purchases generated from National Cooperative members through the Piggy-Back Award. Vendor shall remit payment to National Cooperative on such schedule as it specifies (which shall not be more often than monthly). Further, upon request, Vendor shall provide National Cooperative with copies of all purchase orders generated from National Cooperative members for purposes of reviewing and verifying purchase activity. Vendor further agrees that National Cooperative shall have the right, upon reasonable written notice, to review Vendor's records pertaining to purchases made by National Cooperative members in order to verify the accuracy of service fees.



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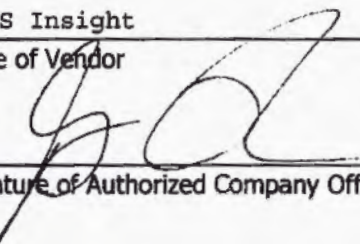
6. Vendor agrees that the Underlying Award, including its General Terms and Conditions, are adopted by reference to the fullest extent such provisions can reasonably apply to the post-proposal/contract award phase. The rights and responsibilities that would ordinarily inure to the Texas Cooperative pursuant to the Underlying Award shall inure to National Cooperative; and, conversely, the rights and responsibilities that would ordinarily inure to Vendor in the Underlying Award shall inure to Vendor in this Agreement. Vendor recognizes and agrees that Vendor and National Cooperative are the only parties to this Agreement, and that nothing in this Agreement has application to other third parties, including the Texas Cooperative. In the event of conflict between this Agreement and the terms of the Underlying Award, the terms of this Agreement shall control, and then only to the extent necessary to reconcile the conflict.

7. This Agreement shall be governed and construed in accordance with the laws of the State of Rhode Island and venue for any dispute shall lie in the federal district court of Alexandria, Virginia.

8. Vendor acknowledges and agrees that the award of a Piggy-Back Award is within the sole discretion of National Cooperative, and that this Agreement does not take effect unless and until National Cooperative awards Vendor a Piggy-Back Award and the BuyBoard Administrator notifies Vendor in writing of such Piggy-Back Award as provided for herein.

WHEREFORE, by signing below Vendor agrees to the foregoing and warrants that it has the authority to enter into this Agreement.

GPS Insight
Name of Vendor


Signature of Authorized Company Official

7/5/2016
Date

523-17
Proposal Invitation Number

Jeremy thacker
Printed Name of Authorized Company Official



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FEDERAL AND STATE / PURCHASING COOPERATIVE DISCOUNT COMPARISON FORM

The Cooperative strives to provide its members with the best services and products at the best prices available. The Cooperative determines whether prices/discounts are fair and reasonable by comparing prices/discounts stated in your Proposal with prices/discounts you offer federal and state entities and other interlocal purchasing cooperatives (collectively referred to as "purchasing cooperative" in this form). Please respond to the following questions.

1. Provide the dollar value of sales to or through purchasing cooperatives at or based on an established catalog or market price during the previous 12-month period or the last fiscal year: \$ 750,000 (The period of the 12 month period is May 2015 / May 2016). In the event that a dollar value is not an appropriate measure of the sales, provide and describe your own measure of the sales of the item(s).

2. Based on your written discounting policies are the discounts you offer the Cooperative equal to or better than the best price you offer other purchasing cooperatives acquiring the same items regardless of quantity or terms and conditions?

YES ☒ NO ☐

3. Based on your written discounting policies, provide the information requested below for other purchasing cooperatives, either in the chart below or in an equivalent format. Rows should be added to accommodate as many purchasing cooperatives as required.

PURCHASING GROUP	DISCOUNT (%)	QUANTITY/VOLUME	FOB TERM
1. Federal General Services Adm.	25%	NA	Net 30
2. T-PASS			
3. U.S. Communities Purchasing Alliance			
4. The Cooperative Purchasing Network			
5. Houston-Galveston Area Council			
6. Other (NASPO)	25%	NA	Net 30

☐ MY COMPANY DOES NOT CURRENTLY HAVE ANY OF THE ABOVE OR SIMILAR TYPE CONTRACTS.

CURRENT BUYBOARD VENDORS

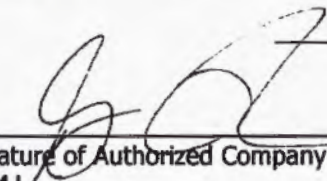
If you are a current BuyBoard vendor, indicate the discount for your current BuyBoard contract and the proposed discount in this Proposal. Explain any difference between your current and proposed discounts.

Current Discount (%): 10%, 16%, 22%, 28%, 34%

Proposed Discount (%): Same

Explanation: We are offering the same discount %'s as we did previously for Buyboard although our list prices have dropped by roughly 30% too.

By signature below, I certify that the above is true, complete and accurate and that I am authorized by my company to make this certification.



Signature of Authorized Company Official
FORM L

GPS Insight

Company Name

Jeremy Thacker

Printed Name

COMM.V.11.18.15



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GOVERNMENTAL REFERENCES AND PRICE/DISCOUNT INFORMATION

For your Proposal to be considered, you must supply a minimum of five (5) individual governmental entity references. Provide the information requested below, including the existing price/discounts you offer each customer. The Cooperative determines whether prices/discounts are fair and reasonable by comparing prices/discounts stated in your Proposal with the prices/discounts you offer other governmental customers. Attach additional pages if necessary.

Entity Name	Contact	Phone#	Discount	Quantity/ Volume	FOB Term
1. Dallas County	Julio Cuin		22%	600	2 Day
2. City of Temple	Alen DeLoera	254-913-6856	16%	80	2 Day
3. City of Pasadena	Jane Guo		16%	400	2 Day
4. Salt Lake City	Nathan Stohel	801-535-6989	22%	210	2 Day
5. Anchorage Water & Wastewater	Wayne Bennett	907-564-2723	19%	26	2 Day

Do you ever modify your written policies or standard governmental sales practices as identified in the above chart to give better discounts (lower prices) than indicated? YES ☒ NO ☐ If YES, please explain:

There are times when we are working with customers/prospects who are 100x larger than our average customer such as an entire State. In those cases when the revenue can exceed multi-millions per year, we will do further discounts.

By signature below, I certify that the above is true and correct and that I am authorized by my company to make this certification.

GPS Insight

Company Name

Signature of Authorized Company Official

Jeremy Thacker

Printed Name



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MARKETING STRATEGY

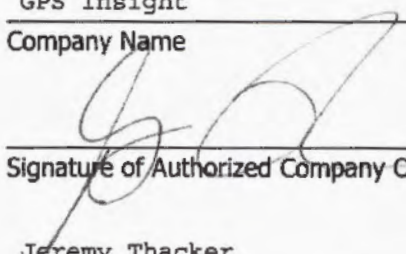
For your Proposal to be considered, you must submit the Marketing Strategy you will use if the Cooperative accepts all or part of your Proposal. *(Example: How your company will initially inform Cooperative members of your BuyBoard contract, and how you will continue to support the BuyBoard for the duration of the contract period.)*

Attach additional pages if necessary.

Until January 2016, GPS Insight had not focused or dedicated resources to Government contracts. After some success in 2015, we dedicated considerable resources to building our Government business in 2016 and beyond. In the first half of 2016, we've had great success in Government including Dallas County, who issued us a \$250,000 PO through Buyboard. Once approved for new contract, our Marketing team would like to understand the Buyboard's best practices and follow all of those guidelines to win more Government business.

GPS Insight

Company Name


Signature of Authorized Company Official

Jeremy Thacker

Printed Name



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CONFIDENTIAL/PROPRIETARY INFORMATION FORM

A. Public Disclosure Laws

All Proposals, forms, documentation, or other materials submitted by Vendor to the Cooperative in response to this Proposal Invitation may be subject to the disclosure requirements of the Texas Public Information Act (Texas Government Code chapter 552.001, *et. seq.*) or similar disclosure law. Proposer must clearly identify on this form any information in its Proposal (including forms, documentation, or other materials submitted with the Proposal) that Proposer considers proprietary or confidential. If Proposer fails to properly identify the information, the Cooperative shall have no obligation to seek protection of such information from public disclosure should a member of the public or other third party request access to the information under the Texas Public Information Act or similar disclosure law. Proposer will be notified of any third party request for information in a Proposal that Proposer has identified in this form as proprietary or confidential.

Does your Proposal (including forms, documentation, or other materials submitted with the Proposal) contain information which Vendor considers proprietary or confidential?

Please check (✓) one of the following:

☒ **NO**, I certify that none of the information included with this Proposal is considered confidential or proprietary.

☐ **YES**, I certify that this Proposal contains information considered confidential or proprietary and all such information is specifically identified on this form.

If you responded "YES", you must identify below the specific information you consider confidential or proprietary. List each page number, form number, or other information sufficient to make the information readily identifiable. The Cooperative and its Administrator will not be responsible for a Proposer's failure to clearly identify information considered confidential or proprietary. Further, by submitting a Proposal, Proposer acknowledges that the Cooperative and its Administrator will disclose information when required by law, even if such information has been identified herein as information the vendor considers confidential or proprietary.

Confidential / Proprietary Information:

(Attach additional sheets if needed.)



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B. Copyright Information

Does your Proposal (including forms, documentation, or other materials submitted with the Proposal) contain copyright information?

Please check (✓) one of the following:

☒ **NO**, Proposal (including forms, documentation, or other materials submitted with the Proposal) does not contain copyright information.

☐ **YES**, Proposal (including forms, documentation, or other materials submitted with the Proposal) does contain copyright information.

If you responded "YES", identify below the specific documents or pages containing copyright information.

Copyright Information: _____

(Attach additional sheets if needed.)

C. Consent to Release Confidential/Proprietary/Copyright Information to BuyBoard Members

BuyBoard members (Cooperative and nonprofit members) seeking to make purchases through the BuyBoard may wish to view information included in the Proposals of awarded Vendors. If you identified information on this form as confidential, proprietary, or subject to copyright, and you are awarded a BuyBoard contract, your acceptance of the BuyBoard contract award constitutes your consent to the disclosure of such information to BuyBoard members, including posting of such information on the secure BuyBoard website for members. Note: Neither the Cooperative nor its Administrator will be responsible for the use or distribution of information by BuyBoard members or any other party.

By signature below, I certify that the information in this form is true, complete, and accurate and that I am authorized by my company to make this certification and all consents and agreements contained herein.

GPS Insight

Company Name

Signature of Authorized Company Official

Jeremy Thacker

Printed Name

7/5/16

Date



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VENDOR BUSINESS NAME FORM

By submitting a Proposal, Proposer is seeking to enter into a legal contract with the Cooperative. As such, a Proposer must be an individual or legal business entity capable of entering into a binding contract. Proposers, must completely and accurately provide the information requested below or your Proposal may be deemed non-responsive.

Name of Proposing Company: GPS Insight LLC

*(List the **legal** name of the company seeking to contract with the Cooperative. Do **NOT** list an assumed name, dba, aka, etc. here. Such information may be provided below. If you are submitting a joint proposal with another entity to provide the same proposed goods or services, each submitting entity should complete a separate vendor information form. Separately operating legal business entities, even if affiliated entities, which propose to provide goods or services separately must submit their own Proposals.)*

Please check (✓) one of the following:

Type of Business:

Individual/Sole Proprietor

Corporation

Limited Liability Company

x

Partnership

Other

If other, identify _____

State of Incorporation (if applicable): AZ

Federal Employer Identification Number: 20-3607878

(Vendor must include a completed IRS W-9 form with their proposal)

List the Name(s) by which Vendor, if awarded, wishes to be identified on the BuyBoard: *(Note: If different than the Name of Proposing Company listed above, only valid trade names (dba, aka, etc.) of the Proposing Company may be used and a copy of your Assumed Name Certificate(s), if applicable, must be attached.)*

GPS Insight



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EDGAR VENDOR CERTIFICATION FORM **(2 CFR Part 200 and Appendix II)**

When a Cooperative member seeks to procure goods and services using funds under a federal grant or contract, specific federal laws, regulations, and requirements may apply in addition to those under state law. This includes, but is not limited to, the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (sometimes referred to as the "Uniform Guidance" or new "EDGAR"). All Vendors submitting proposals must complete this EDGAR Certification Form regarding Vendor's willingness and ability to comply with certain requirements which *may* be applicable to specific Cooperative member purchases using federal grant funds. This completed form will be made available to Cooperative members for their use while considering their purchasing options when using federal grant funds. Cooperative members may also require Vendors to enter into ancillary agreements, in addition to the BuyBoard contract's general terms and conditions, to address the member's specific contractual needs, including contract requirements for a procurement using federal grants or contracts.

For each of the items below, Vendor should certify Vendor's agreement and ability to comply, where applicable, by having Vendor's authorized representative check and initial the applicable boxes and sign the acknowledgment at the end of this form. If you fail to complete any item in this form, the Cooperative will consider and may list the Vendor's response on the BuyBoard as "NO," the Vendor is unable or unwilling to comply. A "NO" response to any of the items may, if applicable, impact the ability of a Cooperative member to purchase from the Vendor using federal funds.

1. Vendor Violation or Breach of Contract Terms:

Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 USC 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Provisions regarding Vendor default are included in the BuyBoard General Terms and Conditions, including Section E.18, Remedies for Default and Termination of Contract. Any Contract award will be subject to such BuyBoard General Terms and Conditions, as well as any additional terms and conditions in any Purchase Order, Cooperative member ancillary contract, or Member Construction Contract agreed upon by Vendor and the Cooperative member which must be consistent with and protect the Cooperative member at least to the same extent as the BuyBoard Terms and Conditions.

The remedies under the Contract are in addition to any other remedies that may be available under law or in equity.

By submitting a Proposal, you agree to these Vendor violation and breach of contract terms.

Vendor Certification, Item 1 (Vendor Violation or Breach of Contract Terms)

- ☒ **YES, I agree to the above.** (Initial:)
- ☐ **NO, I do NOT agree to the above.** (Initial:)



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2. Termination for Cause or Convenience:

For any Cooperative member purchase or contract in excess of \$10,000 made using federal funds, you agree that the following term and condition shall apply:

The Cooperative member may terminate or cancel any purchase order under this Contract at any time, with or without cause, by providing seven (7) business days advance written notice to the Vendor. If this Agreement is terminated in accordance with this Paragraph, the Cooperative member shall only be required to pay Vendor for goods or services delivered to the Cooperative member prior to the termination and not otherwise returned in accordance with Vendor's return policy. If the Cooperative member has paid Vendor for goods or services not yet provided as of the date of termination, Vendor shall immediately refund such payment(s).

If an alternate provision for termination of a Cooperative member purchase for cause and convenience, including the manner by which it will be effected and the basis for settlement, is included in the Cooperative member's purchase order, ancillary agreement, or Member Construction Contract agreed to by the Vendor, the Cooperative member's provision shall control.

Vendor Certification, Item 2 (Termination for Cause or Convenience):

- ☒ **YES, I agree to the above.** (Initial: GC)
☐ **NO, I do NOT agree to the above.** (Initial: _____)
-

3. Equal Employment Opportunity:

Except as otherwise provided under 41 CFR Part 60, all Cooperative member purchases or contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 shall be deemed to include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

The equal opportunity clause provided under 41 CFR 60-1.4(b) is hereby incorporated by reference. Vendor agrees that such provision applies to any Cooperative member purchase or contract that meets the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 and Vendor agrees that it shall comply with such provision.

Vendor Certification, Item 3 (Equal Employment Opportunity):

- ☒ **YES, I agree to the above.** (Initial: GC)
☐ **NO, I do NOT agree to the above.** (Initial: _____)
-



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4. Davis-Bacon Act:

When required by Federal program legislation, Vendor agrees that, for all Cooperative member prime construction contracts/purchases in excess of \$2,000, Vendor shall comply with the Davis-Bacon Act (40 USC 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, Vendor is required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determinate made by the Secretary of Labor. In addition, Vendor shall pay wages not less than once a week.

Current prevailing wage determinations issued by the Department of Labor are available at www.wdol.gov. Vendor agrees that, for any purchase to which this requirement applies, the award of the purchase to the Vendor is conditioned upon Vendor's acceptance of the wage determination.

Vendor further agrees that it shall also comply with the Copeland "Anti-Kickback" Act (40 USC 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

Vendor Certification, Item 4 (Davis-Bacon Act):

- ☒ YES, I agree to the above. (Initial: _____)
- ☐ NO, I do NOT agree to the above. (Initial: _____)
-

5. Contract Work Hours and Safety Standards Act:

Where applicable, for all Cooperative member contracts or purchases in excess of \$100,000 that involve the employment of mechanics or laborers, Vendor agrees to comply with 40 USC 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 USC 3702 of the Act, Vendor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 USC 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Vendor Certification, Item 5 (Contract Work Hours and Safety Standards Act):

- ☒ YES, I agree to the above. (Initial: _____)
- ☐ NO, I do NOT agree to the above. (Initial: _____)
-



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6. Right to Inventions Made Under a Contract or Agreement:

If the Cooperative member's Federal award meets the definition of "funding agreement" under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance or experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Vendor agrees to comply with the above requirements when applicable.

Vendor Certification, Item 6 (Right to Inventions Made Under a Contract or Agreement):

- ☒ **YES, I agree to the above.** (Initial: goc)
☐ **NO, I do NOT agree to the above.** (Initial:)
-

7. Clean Air Act and Federal Water Pollution Control Act:

Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act (33 USC 1251-1387), as amended – Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act, as amended (33 USC 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

When required, Vendor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

Vendor Certification, Item 7 (Clean Air Act and Federal Water Pollution Control Act):

- ☒ **YES, I agree to the above.** (Initial: goc)
☐ **NO, I do NOT agree to the above.** (Initial:)
-

8. Debarment and Suspension:

Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1966 Comp. p. 189) and 12689 (3 CFR Part 1989 Comp. p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.



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Vendor certifies that Vendor is not currently listed on the government-wide exclusions in SAM, is not debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor further agrees to immediately notify the Cooperative and all Cooperative members with pending purchases or seeking to purchase from Vendor if Vendor is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Vendor Certification, Item 8 (Debarment and Suspension):

- ☒ **YES, I agree / certify to the above.** (Initial:)
☐ **NO, I do NOT agree / certify to the above.** (Initial:)
-

9. Byrd Anti-Lobbying Amendment:

Byrd Anti-Lobbying Amendment (31 USC 1352) -- Vendors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

As applicable, Vendor agrees to file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 USC 1352).

Vendor Certification, Item 9 (Byrd Anti-Lobbying Amendment):

- ☒ **YES, I agree to the above.** (Initial:)
☐ **NO, I do NOT agree to the above.** (Initial:)
-

10. Procurement of Recovered Materials:

For Cooperative member purchases utilizing Federal funds, Vendor agrees to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act where applicable and provide such information and certifications as a Cooperative member may require to confirm estimates and otherwise comply. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery, and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.



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Vendor Certification, Item 10 (Procurement of Recovered Materials):

- ☒ **YES, I agree to the above.** (Initial: JS)
☐ **NO, I do NOT agree to the above.** (Initial: _____)

11. Profit as a Separate Element of Price

For purchases using federal funds in excess of \$150,000, a Cooperative member may be required to negotiate profit as a separate element of the price. See, 2 CFR 200.323(b). When required by a Cooperative member, Vendor agrees to provide information and negotiate with the Cooperative member regarding profit as a separate element of the price for a particular purchase. However, Vendor agrees that the total price, including profit, charged by Vendor to the Cooperative member shall not exceed the awarded pricing, including any applicable discount, under Vendor's Cooperative Contract.

Vendor Certification, Item 11 (Profit as Separate Element of Price):

- ☐ **YES, I agree to the above.** (Initial: JS)
☐ **NO, I do NOT agree to the above.** (Initial: _____)

12. General Compliance and Cooperation with Cooperative Members

In addition to the foregoing specific requirements, Vendor agrees, in accepting any Purchase Order from a Cooperative member, it shall make a good faith effort to work with Cooperative members to provide such information and to satisfy such requirements as may apply to a particular Cooperative member purchase or purchases including, but not limited to, applicable recordkeeping and record retention requirements.

Vendor Certification, Item 12 (General Compliance and Cooperation with Cooperative Members):

- ☒ **YES, I agree to the above.** (Initial: JS)
☐ **NO, I do NOT agree to the above.** (Initial: _____)

By signature below, I certify that the information in this form is true, complete, and accurate and that I am authorized by my company to make this certification and all consents and agreements contained herein.

GPS Insight
Company Name

JS
Signature of Authorized Company Official

Jeremy Thacker
Printed Name



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REQUIRED FORMS CHECKLIST

(Please check (✓) the following)

- ☒ Completed: **Proposer's Agreement and Signature** (Form A)
- ☒ Completed: **Vendor Purchase Order, Request for Quotes, and Invoice Receipt Options** (Form B)
- ☒ Completed: **Felony Conviction Disclosure and Debarment Certification** (Form C)
- ☒ Completed: **Resident/Nonresident Certification** (Form D)
- ☒ Completed: **Historically Underutilized Business (HUB) Certification** (Form E)
- ☒ Completed: **Affirmation Regarding Construction Related Goods and Services** (Form F)
- ☒ Completed: **Deviation/Compliance Signature Form** (Form G)
- ☒ Completed: **Dealership Listings** (Form H)
- ☒ Completed: **Texas Regional Service Designation** (Form I)
- ☒ Completed: **State Service Designation** (Form J)
- ☒ Completed: **National Purchasing Cooperative Vendor Award Agreement** (Form K)
- ☒ Completed: **Federal and State/Purchasing Cooperative Discount Comparison Form** (Form L)
- ☒ Completed: **Governmental References and Price/Discount Information** (Form M)
- ☒ Completed: **Marketing Strategy** (Form N)
- ☒ Completed: **Confidential/Proprietary Information Form** (Form O)
- ☒ Completed: **Vendor Business Name Form with IRS Form W-9** (Form P)
- ☒ Completed: **EDGAR Vendor Certification Form** (Form Q)
- ☒ Completed: **Forms Checklist** (Form R)
- ☒ Completed: **Proposal Specification Form with Catalogs/Pricelists and Manufacturer Letters** (Form S)

*Catalogs/Pricelists must be submitted with proposal response or response will not be considered.



Proposal Invitation No. 523-17-Radio Communication and Video Recording Products and Services

(Catalogs/Pricelists must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions to Discount
NOTE 1: Vendors proposing various manufacturer product lines per line item on the Proposal Specification Form (Form S) must submit the information as follows or proposal may not be considered: • Manufacturers shall be listed in alphabetical order • Vendor's must list one specific percentage discount for each Manufacturer listed. If a vendor's response to Proposal Specification Form (Form S) states "please see attachment sheet," all manufacturers listed on the attachment sheet must indicate per manufacturer the line item that correlates to Proposal Specification Form (Form S) or Vendor's proposal may not be considered. NOTE 2: An awarded Vendor must be approved by the manufacturer to sell, install, and service the brand of equipment submitted. Proposer's responding to this Proposal Invitation should submit an approval letter from each manufacturer. Manufacturer authorization letters must include the regions in which equipment may be sold.					
Section I: Equipment, Products, and Supplies					
1	Discount (%) Off Catalog/Pricelist for Radio Communication Products	Please state the discount (%) off catalog/pricelist for Radio Communication Products (all types including but not limited to two-way radios, portable radios, mobile radios and motorcycle radios). Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
2	Discount (%) Off Catalog/Pricelist for Radio Communications Networks	Please state the discount (%) off catalog/pricelist for Radio Communications Networks (all types including but not limited to two-way, mobile data, fixed data and related items). Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
3	Discount (%) Off Catalog/Pricelist for Radio Communications Infrastructure	Please state the discount (%) off catalog/pricelist for Radio Communications Infrastructure (all types including but not limited to base stations, repeaters, receivers, controllers, radio towers, frequency registration, comparators and related items). Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		

PROPOSAL NOTE

1. Catalogs/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 523-17-Radio Communication and Video Recording Products and Services

(Catalogs/Pricelists must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions to Discount
4	Discount (%) Off Catalog/Pricelist for Pagers and Paging Systems	Please state the discount (%) off catalog/pricelist for Pagers and Paging Systems (all types). Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
5	Discount (%) Off Catalog/Pricelist for Computer Aided Dispatch and Mobile Solutions System	Please state the discount (%) off catalog/pricelist for Computer Aided Dispatch and Mobile Solutions System . System is to provide: Turnkey Solution, integrated dispatch services, complete communication capabilities, computing functions through wireless mobile data terminals and hand held devices, automatic vehicle location with integrated map and aerial photograph or satellite overlays, in-vehicle cameras, remote inquiries to criminal justice databases, and related items. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
6	Discount (%) Off Catalog/Pricelist for Vehicle Event Recorders	Please state the discount (%) off catalog/pricelist for Vehicle Event Recorders (all types). Records: speeding, hard braking, RPM overages, signal lights, sirens, reverse, and excessive idling as well as wireless "line of sight" remote downloading from the vehicle to PC. Capability to be transmitted real time over a two-way radio system or to be downloaded after trip. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		

PROPOSAL NOTE

1. Catalogs/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 523-17-Radio Communication and Video Recording Products and Services

(Catalogs/Pricelists must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions to Discount
7	Discount (%) Off Catalog/Pricelist for Vehicle Event Recorders with GPS Capability	Please state the discount (%) off catalog/pricelist for Vehicle Event Recorders with GPS Capability (all types). Records: speeding, hard braking, RPM overages, signal lights, sirens, reverse, excessive idling and GPS capabilities. As well as wireless "line of sight" remote downloading from the vehicle to PC. Capability to be transmitted real time over a two-way radio system or to be downloaded after trip. Catalog/Pricelist MUST be included or proposal will not be considered.	10-34 % Based on quantity	GPS Insight Pricelist	
8	Discount (%) Off Catalog/Pricelist for GPS Vehicle Tracking Systems	Please state the discount (%) off catalog/pricelist for GPS Vehicle Tracking Systems . Provides information regarding: GPS location of vehicle, excess speed, stop times, time between stops and route of vehicle. Catalog/Pricelist MUST be included or proposal will not be considered.	10-34 % Based on quantity	GPS Insight Pricelist	
9	Discount (%) Off Catalog/Pricelist for Mobile and Fixed Digital Video Recorder Surveillance Systems	Please state the discount (%) off catalog/pricelist for Mobile and Fixed Digital Video Recorder Surveillance Systems . For use in vehicles, buildings and parking lots. Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
10	Discount (%) off Catalog/Pricelist for All Other Types of Radio Communication/ Video Recording Products	Please state the discount (%) off catalog/price list for All Other Types of Radio Communication/Video Recording Products . Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		

PROPOSAL NOTE

1. Catalogs/Pricelists are required to be submitted with Proposal



Proposal Invitation No. 523-17-Radio Communication and Video Recording Products and Services

(Catalogs/Pricelists must be submitted with Proposal or Proposal will not be considered¹.)

Item No.	Short Description	Full Description	State Percent (%) of Discount off Catalog/Pricelist ¹	State Name of Catalog/Pricelist ¹	Exceptions to Discount
11	Discount (%) Off Catalog/Pricelist for Radio Communication/Video Recording Products Maintenance/Warranty Agreements	Please state the discount (%) off catalog/price list for Radio Communication/Video Recording Products Maintenance/Warranty Agreements . Catalog/Pricelist MUST be included or proposal will not be considered.	_____ %		
Section II: Installation and Repair Service			Not to Exceed Hourly Labor Rate	Detailed Information on Hourly Labor Rate	Exceptions to Hourly Labor Rate
12	Not to Exceed Hourly Labor Rate for Installation/Repair Service of Radio Communications and Video Recording Equipment and Products	Hourly Labor Rate for Installation/Repair Service of Radio Communications and Video Recording Equipment and Products -- State the Not to Exceed hourly labor rate for Installation/Repair of Radio Communications and Video Recording Equipment and Products.	\$ 75 _____/Hour		

PROPOSAL NOTE

1. Catalogs/Pricelists are required to be submitted with Proposal



P.O. Box 400
Austin, TX 78767-0400
800.695.2919 | 512.467.0222 | Fax: 800.211.5454
buyboard.com

PRICE SHEET ADVISORY

The following pages were presented as part of the proposal response from the vendor.

These pages were used as part of the evaluation of the vendor's proposal, and are included here as reference items only.

The pricing shown on these pages may or may not be in effect during the contract.

Connie W. Burkett

Connie W Burkett
Contract Administrator
BuyBoard



The Local Government Purchasing Cooperative is endorsed by the Texas Association of School Boards,
Texas Municipal League, Texas Association of Counties, and the Texas Association of School Administrators.

Group Name	Item Group	Item Name	Item Description	Contract Term	List Price	(Quantity) / Discount %					
						(1 - 50) 10%	(51 - 250) 16%	(251 - 1000) 22%	(1001 - 5000) 28%	(5000+) 34%	
Kit: TTC-1000V: Enterprise	Device Monitoring	Device Monitoring: TTC-1000	TTC-1000 Monthly Per Vehicle Monitoring	24	\$ 14.95	\$ 13.46	\$ 12.56	\$ 11.66	\$ 10.76	\$ 9.87	
Kit: TTC-1000V: Enterprise	Device	TTC-1000V	TTC-1000V: Trailer Tracker on CDMA Network		\$ 250.00	\$ 225.00	\$ 210.00	\$ 195.00	\$ 180.00	\$ 165.00	
Kit: TTC-1000: Enterprise	Accessory	SIM Card	SIM Card		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: TT-3000: Enterprise	Device Monitoring	Device Monitoring: TT-3000	TT-3000 Monthly Per Vehicle Monitoring	24	\$ 14.95	\$ 13.46	\$ 12.56	\$ 11.66	\$ 10.76	\$ 9.87	
Kit: TT-3000: Enterprise	Device	TT-3000	TT-3000: Satellite-Enabled Asset Tracking Device		\$ 450.00	\$ 405.00	\$ 378.00	\$ 351.00	\$ 324.00	\$ 297.00	
Kit: TT-1800: Enterprise	Device Monitoring	Device Monitoring: TT-1800	TT-1800 Monthly Per Vehicle Monitoring	24	\$ 14.95	\$ 13.46	\$ 12.56	\$ 11.66	\$ 10.76	\$ 9.87	
Kit: TT-1800: Enterprise	Device	TT-1800	TT-1800: Satellite-Enabled Asset Tracking Device		\$ 275.00	\$ 247.50	\$ 231.00	\$ 214.50	\$ 198.00	\$ 181.50	
Kit: TT-1800: Enterprise	Accessory	Mounting Bracket: TT-1800	TT-1800 Mounting Bracket		\$ 20.00	\$ 18.00	\$ 16.80	\$ 15.60	\$ 14.40	\$ 13.20	
Kit: TT-1800: Enterprise	Accessory	Activation for Trackers	Prepaid Activation for Trackers		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: ST-1100	Device Monitoring	Device Monitoring: ST-1100	ST-1100 Monthly Per Vehicle Monitoring	24	\$ 19.95	\$ 17.96	\$ 16.76	\$ 15.56	\$ 14.36	\$ 13.17	
Kit: ST-1100	Device	ST-1100	ST-1100: Solar-Powered Asset Tracking Device		\$ 450.00	\$ 405.00	\$ 378.00	\$ 351.00	\$ 324.00	\$ 297.00	
Kit: PNP-3000VB: Enterprise	Device Monitoring	Device Monitoring: PNP-3000	PNP-3000 Monthly Per Vehicle Monitoring	24	\$ 27.95	\$ 25.16	\$ 23.48	\$ 21.80	\$ 20.12	\$ 18.45	
Kit: PNP-3000VB: Enterprise	Device	PNP-3000VB	PNP-3000VB: Plug and Play Diagnostic Device with Backup Battery & Buzzer		\$ 199.00	\$ 179.10	\$ 167.16	\$ 155.22	\$ 143.28	\$ 131.34	
Kit: GPSI-3900VB: Enterprise	Device Monitoring	Device Monitoring: GPSI-3900	GPSI-3900 Monthly Per Vehicle Monitoring	24	\$ 27.95	\$ 25.16	\$ 23.48	\$ 21.80	\$ 20.12	\$ 18.45	
Kit: GPSI-3900VB: Enterprise	Device	GPSI-3900VB	GPSI-3900VB: Internal Antenna with Backup Battery Tracking Device		\$ 199.00	\$ 179.10	\$ 167.16	\$ 155.22	\$ 143.28	\$ 131.34	
Kit: GPSI-3900VB: Enterprise	Accessory	Installation Kit	Installation Accessory Kit for Professional and Self Installations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: GPSI-3900VB: Enterprise	Accessory	GPSI-3900 Harness	GPSI-3900 Wiring Harness with terminated serial connectors		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: GPSI-3900VB: Enterprise	Device Monitoring	Device Monitoring: GPSI-3900	GPSI-3900 Monthly Per Vehicle Monitoring	24	\$ 27.95	\$ 25.16	\$ 23.48	\$ 21.80	\$ 20.12	\$ 18.45	
Kit: GPSI-3900VB: Enterprise	Device	GPSI-3900VB	GPSI-3900VB: External Antenna with Backup Battery Tracking Device		\$ 199.00	\$ 179.10	\$ 167.16	\$ 155.22	\$ 143.28	\$ 131.34	
Kit: GPSI-3900VB: Enterprise	Accessory	Installation Kit	Installation Accessory Kit for Professional and Self Installations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: GPSI-3900VB: Enterprise	Accessory	GPSI-3900 Harness	GPSI-3900 Wiring Harness with terminated serial connectors		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: GPSI-3900VB: Enterprise	Accessory	GPSI-3900 Antenna	GPSI-3900/4000 In-Vehicle Antenna		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Device Monitoring	Device Monitoring: ELD-2000	ELD-2000 Monthly Per Vehicle Monitoring	24	\$ 42.95	\$ 38.66	\$ 36.08	\$ 33.50	\$ 30.92	\$ 28.35	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Device	GPSI-4000HDVB	GPSI-4000HDVB		\$ 235.00	\$ 211.50	\$ 197.40	\$ 183.30	\$ 169.20	\$ 155.10	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Device	GPSI Android MDT	Android Tablet - Navigation/Messaging/HOS		\$ 255.00	\$ 229.50	\$ 214.20	\$ 198.90	\$ 183.60	\$ 168.30	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	Ram Mount Backing Plate	MDT Ram Mount Backing Plate		\$ 5.00	\$ 4.50	\$ 4.20	\$ 3.90	\$ 3.60	\$ 3.30	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	GPSI Android MDT Ram Mount	Android MDT Ram Mount		\$ 25.00	\$ 22.50	\$ 21.00	\$ 19.50	\$ 18.00	\$ 16.50	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	GPSI-4000 (4-pin) Harness	New GPSI-4000 wiring harness with 4-pin connector		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	GPSI-4000 I/O Harness (22-pin)	Input/Output wiring harness for GPSI-4000/4000HD (22-pin)		\$ 10.00	\$ 9.00	\$ 8.40	\$ 7.80	\$ 7.20	\$ 6.60	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	9-pin Deutsch Cable	iPod Cable Assembly		\$ 30.00	\$ 27.00	\$ 25.20	\$ 23.40	\$ 21.60	\$ 19.80	
Kit: ELD-2000: Purchase 4000HDVB: Enterprise	Accessory	GPSI-3900 Antenna	GPSI-3900/4000 In-Vehicle Antenna		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Kit: AT-3000V1: Enterprise	Device Monitoring	Device Monitoring: AT-3000	AT-3000 Monthly Per Vehicle Monitoring	24	\$ 27.95	\$ 25.16	\$ 23.48	\$ 21.80	\$ 20.12	\$ 18.45	
Kit: AT-3000V1: Enterprise	Device	AT-3000V1	AT-3000V1: Asset Tracking Device		\$ 199.00	\$ 179.10	\$ 167.16	\$ 155.22	\$ 143.28	\$ 131.34	
Kit: AT-3000V1: Enterprise	Accessory	Installation Kit	Installation Accessory Kit for Professional and Self Installations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

GPSINSIGHT

driveri

360° AI Fleet Camera

Receive indisputable evidence to protect your organization against false claims while improving driver management and coaching.



1080p HD
Video



Full 360°
View



Advanced AI
Technology



Unlimited
Video Storage



4G LTE
Connectivity

Challenges Driveri Solves:

- **Lack of Insight into Vehicle Operations**
See both good and bad driving habits for a strong understanding as to how your fleet is being utilized.
- **Inability to Protect Drivers**
View the full context of driving events in real-time and historically.
- **Data to Reward Safe Driving**
Using the GreenZone® Scorecard, reward drivers who operate their vehicles defensively.
- **High Insurance Rates**
Insurers are discounting policy premiums for fleets equipped with safety cameras.



Driveri 360° View

 **Engage your fleet.** Learn more at gpsi.co/cam



driveri

We believe that safe driving should be counted as safe driving

As driver safety continues to transform, the latest solution in transportation safety is driven by Artificial Intelligence. The vision based Driveri™ driver recognition fleet safety platform delivers results beyond legacy video systems taking the second guessing out of commercial fleet safety.



Every Driving Minute

Driveri™ captures video every minute of every driving day – providing fleet managers a more complete view of the day – taking the guessing out of a 'trigger-based' system



Safety Intervention

In situations where at-risk driving is detected, Driveri™ generates an alert – providing an opportunity to intervene and work with the driver before they experience a more critical event



Recognition

GreenZone™ monitors daily driving and sends notice when a driver has reached a milestone. Allowing the fleet manager to recognize great driving with confidence



Meaningful Safety Data

Driveri™ events are "computed at the device" in real time vs. hours needed by legacy video event systems. Increasing the fleet managers ability to respond quickly

APPRECIATION is a fundamental human need. We believe drivers respond to appreciation expressed through RECOGNITION of their good work, because it confirms their work is VALUED. When drivers and their work are valued, we believe their satisfaction and productivity rises. Upon receiving appreciation, drivers are more motivated to maintain or IMPROVE their good work.



City of Galveston

HUMAN RESOURCES DEPARTMENT

P. O. Box 779 | Galveston, TX 77553-0779
409.797.3650 (Office) | 409.356.4003 (Facsimile)

September 4, 2019

TO: Honorable Mayor and Members of City Council

FROM: Kent Etienne, Jr. – Executive Director

RE: **Receive and accept the updated Classification and Compensation Study prepared by Public Sector Personnel Consultants.**

I. BACKGROUND

- A. In 2014, the City engaged the services of Public Sector Personnel Consultants (PSPC) to conduct a comprehensive study of the classification and compensation status of the workforce.
- B. The consultants gathered Position Analysis Questionnaires for various positions and conducted on-site interviews with a sampling of employees.
- C. On August 27, 2015, the City Council accepted the final version of the 2015 Classification and Compensation Study.
- D. Various phases of the study have been implemented since October 1, 2015.

II. CURRENT SITUATION

It is recommended that the City's Classification and Compensation Plan be updated routinely to ensure employees are appropriately classified and job assessments are conducted based on an established market. Since the implementation of the initial study, there have been a multitude of organizational changes and collaborative efforts with other utilities of the City. For these reasons, it is necessary to develop a plan that realigns with market and supports the collaborative efforts of the City, the Port of Galveston, and the Park Board.

In 2018, the City extended its contract with PSPC to conduct a review and update of the current Classification and Compensation Study. This study included assessment of all City jobs as well as those of the Port of Galveston and the Park Board. Both entities have received the recommendations of PSPC and presented to their respective authorities. The City's adoption of the plan would conclude the unified effort.

III. ISSUES

Whether to accept updated Classification and Compensation Study prepared by Public Sector Personnel Consultants.

IV. ALTERNATIVES IN ORDER OF PRIORITY

- A. Alternative #1: Approve the recommendation.



City of Galveston

HUMAN RESOURCES DEPARTMENT

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B. Alternative #2: Take no action.

V. **RECOMMENDATION**

Concur with Alternative A: Receive and accept the updated Classification and Compensation Study prepared by Public Sector Personnel Consultants.

VI. **FISCAL NOTE**

Cost: The updated pay range placements as modeled will result in approximately \$80,000 to the general fund and \$120,000 across all others.



Date: September 3, 2019

To: Kent Etienne, Human Resources/Civil Service Director

From: Matt Weatherly, President Public Sector Personnel Consultants (“PSPC”)

Re: FY2020 Survey and Pay Plan Updating

Background

PSPC conducted a salary survey and pay plan update for City consideration in the FY 2020 budget; the work has been completed including market data collection, pay range and pay plan updating, and initial fiscal impacts have been calculated. Details are as follows:

- Market comparisons made to current job descriptions / job duties
- Comparator agencies included:

Baytown, City of	Port of Galveston
Corpus Christi, City of	San Marcos, City of
Galveston County	South Padre Island, City of
Galveston ISD	Texas A&M University - Galveston
League City, City of	Texas City, City of
Park Board of Trustees	University of Texas
Pearland, City of	
- Plus regional private sector where available	

Summary of Market Analysis

- Data collected for 100+ civilian job classifications
- Using +/- 5% to define competitive, Galveston’s current civilian pay ranges are competitive for roughly 64% of the survey sample, and below market for 36% of the sample
- Data collected was utilized to develop updated pay to re-align Galveston to within 5% of market average

Applying Data and Implementation

- Updated pay range placements have been modeled
- A 2% general / cost of living increase is suggested (\$500,000)
- Move anyone falling below new range minimum up to new minimum (\$80,000 General Fund, \$120,000 other funds)

City of Galveston Civilian Salary Range Table

Salary Range	Minimum	Midpoint	Maximum	Salary Range
8	\$22,076	\$27,595	\$33,114	8
9	\$23,180	\$28,975	\$34,770	9
10	\$24,339	\$30,424	\$36,509	10
11	\$25,556	\$31,945	\$38,334	11
12	\$26,834	\$33,542	\$40,251	12
13	\$28,176	\$35,220	\$42,263	13
14	\$29,584	\$36,980	\$44,377	14
15	\$31,064	\$38,830	\$46,595	15
16	\$32,617	\$40,771	\$48,925	16
17	\$34,248	\$42,810	\$51,371	17
18	\$35,960	\$44,950	\$53,940	18
19	\$37,758	\$47,198	\$56,637	19
20	\$39,646	\$49,557	\$59,469	20
21	\$41,628	\$52,035	\$62,442	21
22	\$43,710	\$54,637	\$65,564	22
23	\$45,895	\$57,369	\$68,843	23
24	\$48,190	\$60,237	\$72,285	24
25	\$50,599	\$63,249	\$75,899	25
26	\$53,129	\$66,412	\$79,694	26
27	\$55,786	\$69,732	\$83,679	27
28	\$58,575	\$73,219	\$87,863	28
29	\$61,504	\$76,880	\$92,256	29
30	\$64,579	\$80,724	\$96,869	30
31	\$67,808	\$84,760	\$101,712	31
32	\$71,198	\$88,998	\$106,798	32
33	\$74,758	\$93,448	\$112,137	33
34	\$78,496	\$98,120	\$117,744	34
35	\$82,421	\$103,026	\$123,631	35
36	\$86,542	\$108,178	\$129,813	36
37	\$90,869	\$113,586	\$136,304	37
38	\$95,413	\$119,266	\$143,119	38
39	\$100,183	\$125,229	\$150,275	39
40	\$105,192	\$131,490	\$157,789	40
41	\$110,452	\$138,065	\$165,678	41
42	\$115,975	\$144,968	\$173,962	42
43	\$121,773	\$152,217	\$182,660	43
44	\$127,862	\$159,828	\$191,793	44
45	\$134,255	\$167,819	\$201,383	45
46	\$140,968	\$176,210	\$211,452	46
47	\$148,016	\$185,020	\$222,024	47
48	\$155,417	\$194,271	\$233,126	48
49	\$163,188	\$203,985	\$244,782	49
50	\$171,347	\$214,184	\$257,021	50
51	\$179,915	\$224,893	\$269,872	51
52	\$188,910	\$236,138	\$283,366	52
53	\$198,356	\$247,945	\$297,534	53
54	\$208,274	\$260,342	\$312,411	54
55	\$218,687	\$273,359	\$328,031	55

-- Recommended --				
<u>Job</u>	<u>Salary Range</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
City Manager	52	\$188,910	\$236,138	\$283,366
Deputy City Manager	47	\$148,016	\$185,020	\$222,024
City Attorney	45	\$134,255	\$167,819	\$201,383
ACM Development & Muni Service	43	\$121,773	\$152,217	\$182,660
ACM-Grants & Public Transport.	43	\$121,773	\$152,217	\$182,660
Assistant City Manager-Finance	43	\$121,773	\$152,217	\$182,660
Fire Chief	43	\$121,773	\$152,217	\$182,660
Police Chief	43	\$121,773	\$152,217	\$182,660
Director of Public Works	40	\$105,192	\$131,490	\$157,789
City Engineer	40	\$105,192	\$131,490	\$157,789
Director - Municipal Utilities	40	\$105,192	\$131,490	\$157,789
Executive Director- CITO	39	\$100,183	\$125,229	\$150,275
Executive Director HR & Civil Service	39	\$100,183	\$125,229	\$150,275
Executive Director Development Services	39	\$100,183	\$125,229	\$150,275
Executive Director-City Controller	39	\$100,183	\$125,229	\$150,275
Executive Director - Community Outreach	39	\$100,183	\$125,229	\$150,275
Executive Director of Fleet, MTS, Sp Evt	39	\$100,183	\$125,229	\$150,275
Assistant Police Chief	37	\$90,869	\$113,586	\$136,304
Assistant Fire Chief	37	\$90,869	\$113,586	\$136,304
Assistant City Attorney	37	\$90,869	\$113,586	\$136,304
Director of Airport	37	\$90,869	\$113,586	\$136,304
Director of Parks & Recreation	37	\$90,869	\$113,586	\$136,304
Director of Admin & Sanitation	37	\$90,869	\$113,586	\$136,304
Sr. Assistant City Engineer	37	\$90,869	\$113,586	\$136,304
Building Program Manager	37	\$90,869	\$113,586	\$136,304
City Auditor	36	\$86,542	\$108,178	\$129,813
City Secretary	35	\$82,421	\$103,026	\$123,631
City Marshal	35	\$82,421	\$103,026	\$123,631
Infrastructure Manager	35	\$82,421	\$103,026	\$123,631
Assistant Director of Development Services	35	\$82,421	\$103,026	\$123,631
Assistant Director of Public Works	35	\$82,421	\$103,026	\$123,631
Assistant Director of Municipal Utilities				
Assistant City Engineer	34	\$78,496	\$98,120	\$117,744
Assistant Director of Operations	33	\$74,758	\$93,448	\$112,137
Assistant Human Resources Director	33	\$74,758	\$93,448	\$112,137
Assistant Director of Grants & Housing	33	\$74,758	\$93,448	\$112,137
Assistant Director of Parks & Recreation	33	\$74,758	\$93,448	\$112,137

<u>Job</u>	-- Recommended --			
	<u>Salary Range</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
Senior Project Manager	32	\$71,198	\$88,998	\$106,798
Budget Manager	32	\$71,198	\$88,998	\$106,798
DB/Application Administrator	32	\$71,198	\$88,998	\$106,798
IT Support Services Manager	32	\$71,198	\$88,998	\$106,798
Risk Manager	32	\$71,198	\$88,998	\$106,798
Chief Building Official	32	\$71,198	\$88,998	\$106,798
Coastal Res/Flood Plain Manager	32	\$71,198	\$88,998	\$106,798
Assistant City Auditor	31	\$67,808	\$84,760	\$101,712
Facilities Director	31	\$67,808	\$84,760	\$101,712
FEMA Public Assistant Program Manager	31	\$67,808	\$84,760	\$101,712
Public Works Superintendent	31	\$67,808	\$84,760	\$101,712
Superintendent-Distribution & Sewer Collect System	31	\$67,808	\$84,760	\$101,712
Water Supply Superintendent	31	\$67,808	\$84,760	\$101,712
Sanitation Superintendent	31	\$67,808	\$84,760	\$101,712
Construction Project Manager	31	\$67,808	\$84,760	\$101,712
Superintendent-WWTP	31	\$67,808	\$84,760	\$101,712
Public Information Officer	30	\$64,579	\$80,724	\$96,869
Accounting Manager	30	\$64,579	\$80,724	\$96,869
Purchasing Supervisor	30	\$64,579	\$80,724	\$96,869
Utility Customer Service Manager	30	\$64,579	\$80,724	\$96,869
Clerk of Municipal Court	30	\$64,579	\$80,724	\$96,869
Senior Developer/Program Analyst	30	\$64,579	\$80,724	\$96,869
Planning Manager	30	\$64,579	\$80,724	\$96,869
Senior Construction Inspector	30	\$64,579	\$80,724	\$96,869
Business Systems Analyst	29	\$61,504	\$76,880	\$92,256
Sr. Budget Analyst	28	\$58,575	\$73,219	\$87,863
Bus & Rail Safety Officer	28	\$58,575	\$73,219	\$87,863
GIS Supervisor	28	\$58,575	\$73,219	\$87,863
Entry Level Attorney	27	\$55,786	\$69,732	\$83,679
Assistant City Secretary/Records Mgmt Coord	27	\$55,786	\$69,732	\$83,679
Network Administrator	27	\$55,786	\$69,732	\$83,679
Safety Officer	27	\$55,786	\$69,732	\$83,679
Senior Planner	27	\$55,786	\$69,732	\$83,679
Legislative Coordinator	27	\$55,786	\$69,732	\$83,679
Public Safety Communication Manager	27	\$55,786	\$69,732	\$83,679
Economic Development Coordinator	25	\$50,599	\$63,249	\$75,899
Budget Analyst	25	\$50,599	\$63,249	\$75,899
Accountant	25	\$50,599	\$63,249	\$75,899
Chief Deputy City Marshal	25	\$50,599	\$63,249	\$75,899
Lead Facilities Maintenance Specialist	25	\$50,599	\$63,249	\$75,899
Public Trans Operations Manager	25	\$50,599	\$63,249	\$75,899
Grants & Federal Compliance Officer	25	\$50,599	\$63,249	\$75,899
Construction Inspector	25	\$50,599	\$63,249	\$75,899
Chief Surveyer	25	\$50,599	\$63,249	\$75,899
GIS Analyst	25	\$50,599	\$63,249	\$75,899
GIS Field Technician	25	\$50,599	\$63,249	\$75,899

<u>Job</u>	<u>-- Recommended --</u>			
	<u>Salary Range</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
Buyer	24	\$48,190	\$60,237	\$72,285
Code Enforcement Supervisor	24	\$48,190	\$60,237	\$72,285
Applications Analyst	24	\$48,190	\$60,237	\$72,285
Public Safety System Administrator	24	\$48,190	\$60,237	\$72,285
Fleet Maintenance Supervisor	24	\$48,190	\$60,237	\$72,285
Assistant Superintendent-Recreation	24	\$48,190	\$60,237	\$72,285
Planner	24	\$48,190	\$60,237	\$72,285
Police Records Manager	24	\$48,190	\$60,237	\$72,285
Supervisor of Sanitation	24	\$48,190	\$60,237	\$72,285
Recycling Coordinator	24	\$48,190	\$60,237	\$72,285
Utility Supervisor	24	\$48,190	\$60,237	\$72,285
Pretreatment Coordinator	24	\$48,190	\$60,237	\$72,285
Water Plant Lead Operator	24	\$48,190	\$60,237	\$72,285
Meter Services Supervisor	24	\$48,190	\$60,237	\$72,285
Main WWTP Chief Operator	24	\$48,190	\$60,237	\$72,285
WW Plant Maintenance Supervisor	24	\$48,190	\$60,237	\$72,285
Records Manager	24	\$48,190	\$60,237	\$72,285
Public Works Supervisor	24	\$48,190	\$60,237	\$72,285
Chief Deputy Court Clerk	23	\$45,895	\$57,369	\$68,843
Human Resources Analyst	23	\$45,895	\$57,369	\$68,843
Senior Facilities Technician	23	\$45,895	\$57,369	\$68,843
Fire Inspector	23	\$45,895	\$57,369	\$68,843
Aquatics Manager	23	\$45,895	\$57,369	\$68,843
Assistant Coastal Manager	23	\$45,895	\$57,369	\$68,843
Combination Building Inspector	23	\$45,895	\$57,369	\$68,843
Property Room Supervisor	23	\$45,895	\$57,369	\$68,843
Chief Plumbing Inspector	23	\$45,895	\$57,369	\$68,843
GIS Technician	23	\$45,895	\$57,369	\$68,843
Engineering Technican	23	\$45,895	\$57,369	\$68,843
Executive Assistant to the City Manager	22	\$43,710	\$54,637	\$65,564
Executive Assistant to the City Attorney	22	\$43,710	\$54,637	\$65,564
Customer Service Supervisor	22	\$43,710	\$54,637	\$65,564
Utility Billing Supervisor	22	\$43,710	\$54,637	\$65,564
Warrant Officer/Bailiff	22	\$43,710	\$54,637	\$65,564
Deputy City Marshal	22	\$43,710	\$54,637	\$65,564
Administrative Manager / Special Events Coordinator	22	\$43,710	\$54,637	\$65,564
Recreation Manager	22	\$43,710	\$54,637	\$65,564
Parks Manager	22	\$43,710	\$54,637	\$65,564
Plans Examiner	22	\$43,710	\$54,637	\$65,564
Communications Shift Leader	22	\$43,710	\$54,637	\$65,564
Crime Analyst	22	\$43,710	\$54,637	\$65,564
Housing & Community Development Analyst	21	\$41,628	\$52,035	\$62,442
Evidence Technician	21	\$41,628	\$52,035	\$62,442
Sanitation Compliance Officer	21	\$41,628	\$52,035	\$62,442
Senior Crewleader	21	\$41,628	\$52,035	\$62,442
Senior Traffic Signal Technician	21	\$41,628	\$52,035	\$62,442
Wastewater Plant Mechanic	21	\$41,628	\$52,035	\$62,442
WWTP Operator-B	21	\$41,628	\$52,035	\$62,442

<u>Job</u>	<u>-- Recommended --</u> <u>Salary Range</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
Human Resources Specialist	20	\$39,646	\$49,557	\$59,469
Airport Maintenance Crew Leader	20	\$38,869	\$48,586	\$58,303
Facilities Technician	20	\$39,646	\$49,557	\$59,469
Public Trans Supervisor	20	\$39,646	\$49,557	\$59,469
Recreation Coordinator	20	\$39,646	\$49,557	\$59,469
Parks Crew Leader	20	\$39,646	\$49,557	\$59,469
Police Administrative Specialist	20	\$39,646	\$49,557	\$59,469
Animal Services Supervisor	20	\$39,646	\$49,557	\$59,469
Plumbing Inspector	20	\$39,646	\$49,557	\$59,469
Backflow/Irrigation Inspector	20	\$39,646	\$49,557	\$59,469
Design Assistant	20	\$39,646	\$49,557	\$59,469
Crewleader	20	\$39,646	\$49,557	\$59,469
Traffic Foreman/SE Field Coordinator	20	\$39,646	\$49,557	\$59,469
Water Plant Operator	20	\$39,646	\$49,557	\$59,469
Records Management Specialist	19	\$37,758	\$47,198	\$56,637
Code Enforcement Officer	19	\$37,758	\$47,198	\$56,637
Desktop Support Specialist	19	\$37,758	\$47,198	\$56,637
Senior Administrative Assistant	19	\$37,758	\$47,198	\$56,637
Automotive Mechanic	19	\$37,758	\$47,198	\$56,637
Planning Technician	19	\$37,758	\$47,198	\$56,637
AFIS/Latent Print Technican	19	\$37,758	\$47,198	\$56,637
Senior Heavy Equipment Operator	19	\$37,758	\$47,198	\$56,637
Pretreatment Technician	19	\$37,758	\$47,198	\$56,637
Senior Meter Service Technican	19	\$37,758	\$47,198	\$56,637
Administrative Service Specialist	19	\$37,758	\$47,198	\$56,637
WWTP Operator-C	19	\$37,758	\$47,198	\$56,637
Deputy Clerk/Interpreter	18	\$35,960	\$44,950	\$53,940
Parking Enforcement Supervisor	18	\$35,960	\$44,950	\$53,940
Automotive Parts Specialist	18	\$35,960	\$44,950	\$53,940
Assistant Aquatics Manager	18	\$35,960	\$44,950	\$53,940
Telecommunicator	18	\$35,960	\$44,950	\$53,940
Communications Operators -PT	18	\$35,960	\$44,950	\$53,940
Emergency Call Taker	18	\$35,960	\$44,950	\$53,940
SrTrafficsMTech/ASEFieldCoord	18	\$35,960	\$44,950	\$53,940
Communications Specialist	18	\$35,960	\$44,950	\$53,940
Traffic Signal Main Technician	18	\$35,960	\$44,950	\$53,940
Permit Technician	17	\$34,248	\$42,810	\$51,371
Ground Trans Inspector	17	\$34,248	\$42,810	\$51,371
Animal Control Officer	17	\$34,248	\$42,810	\$51,371
Automated Truck Operator	17	\$34,248	\$42,810	\$51,371
Heavy Equipment Operator	17	\$34,248	\$42,810	\$51,371
TV Truck Operator	17	\$34,248	\$42,810	\$51,371
WWTP Operator-D	17	\$34,248	\$42,810	\$51,371
Laboratory Technician	17	\$34,248	\$42,810	\$51,371
Accounting Specialist	16	\$32,617	\$40,771	\$48,925
Purchasing Specialist	16	\$32,617	\$40,771	\$48,925
Sr. Utility Customer Service Specialist	16	\$32,617	\$40,771	\$48,925
Administrative Assistant	16	\$32,617	\$40,771	\$48,925
Automotive Parts Technician	16	\$32,617	\$40,771	\$48,925
Pool Maintenance Technician	16	\$32,617	\$40,771	\$48,925
Police Cadet	16	\$32,617	\$40,771	\$48,925
Meter Service Technician	16	\$32,617	\$40,771	\$48,925

<u>Job</u>	-- Recommended --			
	<u>Salary Range</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
Deputy Court Clerk	15	\$31,064	\$38,830	\$46,595
Airport Maintenance Technician	15	\$30,455	\$38,068	\$45,682
Transit Operator	15	\$31,064	\$38,830	\$46,595
Equipment Operator	15	\$31,064	\$38,830	\$46,595
Traffic Sign Technican	15	\$31,064	\$38,830	\$46,595
Utility Customer Service Specialist	14	\$29,584	\$36,980	\$44,377
Housing Specialist	14	\$29,584	\$36,980	\$44,377
Police Records Specialist	14	\$29,584	\$36,980	\$44,377
Mail Courier (retitle Support Services)	14	\$29,584	\$36,980	\$44,377
Sanitation Cart Technician	14	\$29,584	\$36,980	\$44,377
Fleet Service Writer	13	\$28,176	\$35,220	\$42,263
Fleet Service Technician	13	\$28,176	\$35,220	\$42,263
Automotive Tire Repairer	13	\$28,176	\$35,220	\$42,263
Public Transportation Dispatcher	13	\$28,176	\$35,220	\$42,263
Senior Parks Maintenance Worker	13	\$28,176	\$35,220	\$42,263
Solid Waste Collector	13	\$28,176	\$35,220	\$42,263
Concrete Finisher	13	\$28,176	\$35,220	\$42,263
Parts & Supply Coordinator	13	\$28,176	\$35,220	\$42,263
Office Assistant	12	\$26,834	\$33,542	\$40,251
Fleet Service Tech/Station Attendant	12	\$26,834	\$33,542	\$40,251
Fleet Service Attendant	12	\$26,834	\$33,542	\$40,251
Parking Enforcement Officer	11	\$25,556	\$31,945	\$38,334
Laborer	11	\$25,556	\$31,945	\$38,334
Maintenance Worker	11	\$25,556	\$31,945	\$38,334
Bus Service Attendant	10	\$24,339	\$30,424	\$36,509
Senior Lifeguard	10	\$24,339	\$30,424	\$36,509
Recreation Aide	10	\$24,339	\$30,424	\$36,509
Building Attendant (PT)	10	\$24,339	\$30,424	\$36,509
Gate Attendant (PT)	10	\$24,339	\$30,424	\$36,509
Life Guard	10	\$24,339	\$30,424	\$36,509
Parts Runner	10	\$24,339	\$30,424	\$36,509
Custodian	10	\$24,339	\$30,424	\$36,509
Garage Security Attendant	10	\$24,339	\$30,424	\$36,509



City of Galveston

HUMAN RESOURCES DEPARTMENT

P. O. Box 779 | Galveston, TX 77553-0779
409.797.3650 (Office) | 409.356.4003 (Facsimile)

September 4, 2019

TO: Honorable Mayor and Members of City Council

FROM: Kent Etienne, Jr. – Executive Director

RE: Consider for approval the award of RFP # 19-25 to The Standard Life Insurance Company for employer-funded Basic Life and Accidental Death and Disability (AD&D) Insurance for eligible, full-time employees with guaranteed rates for a three-year period effective October 1, 2019 through September 30, 2022.

I. BACKGROUND

- A. The City of Galveston provides Basic Life and Accidental Death and Disability (AD&D) Insurance for all eligible, full-time employees as part of the overall benefits program. The City pays the premiums, so there is no cost to the employees.
- B. The current coverage for Basic Life and AD&D insurance is provided by MetLife. The current rates and contractual obligations took effect on October 1, 2016, and are set to expire on September 30, 2019. A renewal rate package was submitted by MetLife for fiscal years 2020 and 2021.
- C. City Staff proceeded with RFP # 19-25 for Basic Life and Accidental Death and Disability (AD&D) Insurance to ensure receipt of the best option for the City and its employees.
- D. The City received responses from the following companies:
 - Dearborn
 - MetLife
 - Ochs
 - The Standard
 - United Healthcare
- E. An analysis of pricing and services was performed by Human Resources Staff. The evaluation of each company was based on Experience (20%), Volume (15%), Price (15%), Financial Stability (10%), Claims Staff (20%), Underwriting Staff (15%), and Location (5%). The current vendor and the top two companies were given the opportunity to negotiate a lower rate for basic life coverage.
- F. After receiving best and final offers from the two finalists, the Evaluation Team selected The Standard Life Insurance Company as the lowest, most responsive bidder to the RFP.
- G. The basic life benefit will continue to be two times the annual salary with a minimum of \$10,000.00 and a maximum of \$400,000.00. The coverage also offers similar or same features as the current plan to include the following: grief counseling, funeral planning, financial planning, will preparation and estate resolution services, travel assistance, and an array of additional coverages under the AD&D option.



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II. CURRENT SITUATION

The City seeks to offer competitive benefits for its employees. Offering employer-funded Basic Life and Accidental Death and Disability (AD&D) Insurance is a current benefit which the City wishes to continue offering to eligible, full-time employees. The current contract with MetLife is set to expire September 30, 2019.

III. ISSUES

Whether to approve the award of RFP # 19-25 to The Standard Life Insurance Company for employer-funded Basic Life and Accidental Death and Disability (AD&D) Insurance for eligible, full-time employees with guaranteed rates for a three-year period effective October 1, 2019 through September 30, 2022.

IV. ALTERNATIVES IN ORDER OF PRIORITY

- A. Alternative #1: Approve the recommendation.
- B. Alternative #2: Take no action. The City could accept the renewal rate package from MetLife at an increased annual cost of approximately \$57,000.00.
- C. Alternative #3: Take no action. The City could cease offering employer-funded Basic Life and Accidental Death and Disability (AD&D) Insurance.

V. RECOMMENDATION

Concur with Alternative A: Approve the award of RFP # 19-25 to The Standard Life Insurance Company for employer-funded Basic Life and Accidental Death and Disability (AD&D) Insurance for eligible, full-time employees with guaranteed rates for a three-year period effective October 1, 2019 through September 30, 2022.

VI. FISCAL NOTE

Annual Cost for Basic Life \$0.15 per \$1,000 (salary) per month

Annual Cost for AD&D \$0.02 per \$1,000 (salary) per month

Total Annual Cost Approximately \$180,000.00

Funding Source: Internal Service Fund for Employer-Paid Life Insurance

Tax Increment Reinvestment Zones

June 2019

1. Proposition: Close TIRZ 12 and 14 to financial benefit of both the City and the County
 - a. Close by vote of City Council and Commissioner's Court in December 2019.
 - b. Taxable property value expected to become part of tax rolls as prior year value in Tax Year 2020 and will not become part of the growth counted against the new 3.5 percent limit.
2. County gains \$200,000 annually
 - a. Pays \$600,000 in 2019 to TIRZ 12 (\$189,000) and 14 (\$417,000) combined.
 - b. As developer, County receives \$400,000 from TIRZ 12 to be applied to County road bonds debt service.
 - c. Annual payment has never been sufficient to pay anything but interest; current balance of developer's amount due is \$5.6 million principal and \$1.6 million accrued interest.
 - d. County realizes net gain in cash flow of \$200,000 to go toward retirement of debt service on bonds.
 - e. Closure of TIRZ 12 saves \$60,000 in administrative fees for City and TIRZ admin (accounting, legal fees).
 - f. Residual balance of \$142,592 on September 30, 2018 to be split based on contributions to date (46.7 percent City, 49.9 percent County, 2.7 percent Navigation District, 0.7 percent Road district) or retained by County.
3. City gains more flexibility in future use of property tax revenue
 - a. City loses \$417,000 in annual County contributions to TIRZ 14 for City projects to end in 2033.
 - b. City loses annual admin fees of \$90,000 (5 percent of increments) for TIRZ 12 (\$19,000) and 14 (\$71,000) combined.
 - c. City regains annual increments (\$1.1 million) paid to TIRZ 12 (\$193,000) and 14 (\$912,000) for General Fund
 - d. TIRZ 14 is substantially benefit to Airport and immediate area
 - (i) Outstanding TIRZ 14 debt projected to be \$1.94 million plus accrued interest in \$20,000 range by January 2019, City would retire this debt
 - (ii) Available cash balance as of September 30, 2018 was \$2.48 million
 - (iii) Tax years 2018 and 2019 increments will be paid into TIRZ 14 if closure is voted in December 2019: Additional \$3.0 million in increments less \$200,000 estimated for admin by City and TIRZ: Estimated balance on December 31, 2018 would be \$3.5 million (including all of Tax Year 2019 increments outstanding and \$2 million current balance)
 - (iv) Decisions needed on current projects pending including Airport Warehouse at \$600,000 range and 83rd Street at \$1 million.
 - (v) City to split balance with County and retire \$1.9 million in outstanding TIRZ bonds over time (ending in 2023) or through a negotiated early settlement
4. Net Present Value from closing both TIRZs
 - a. County gains \$3.2 million
 - b. City loses \$5.7 million for current funding arrangement plus responsibility for payment of TIRZ 14 debt but restores flexibility of \$13 million in property tax revenue, three fourths of which goes back into General Fund

**TIRZ SUMMARY
JUNE 2019**

	North Broadway/ Gateway TIRZ	Beachtown	Airport	Palisade Palms
	TIRZ 12	TIRZ 13	TIRZ 14	TIRZ 11
Initiated By:	City	Developer	City	Developer
Party to Development Agreement	Island Realty Partners L.L.C.	Intercontinental United Investors Corp.	Evia	East Beach Project Holdings L.L.C.
General description	Home Depot, Target, Sand Dollar Autoplex	40000 sq ft retail, 200 multi-family, 250 retirement units	Public Capital Improvements-Scholes Airport	40 acres-E Beach (Palisade Palms)
Authorization Period	12/31/2001-12/31/2031	12/27/2001-12/31/2041	12/29/2003-12/31/2033	10/8/2001-12/31/2031
Status	OPEN	OPEN	OPEN	Closed December 2015
Jurisdiction participation:				
City (Yrs 1 - 30)	100%	100%	100%	100%
Navigation Dist No 1 (Yrs 1-20)	75%	75%	75% (05 Yr)	75%
County Road & Flood		100%	100% (05 Yr)	
County (Yrs 1-10)	100%	100%	100% (05 Yr)	100%
County (Yrs 11-20)	100%	50%	50%	50%
County (Yrs 21-30)	100%	50%	50%	
Balance Sheet September 30, 2018				
Bonds Payable/Years	\$0	N/A	\$4,130,000/2015-2023	
Developer Costs Payable wh Interest	\$5,606,961	N/A	\$0	
FY 2018 increment				
City	\$183,221	N/A	\$926,987	
County	\$179,385	N/A	\$442,915	
Road and Flood	\$1,890	N/A	\$4,657	
Navigation Dist #1	\$10,078	N/A	\$43,713	
Total FY 2018 Increment	\$374,574	N/A	\$1,418,272	
FY 2018 Admin Fee Retained by City of Galveston	\$19,714	N/A	\$74,646	
Inception to date Increment by entity (May 2019)		N/A		
City	\$2,040,290	N/A	\$8,265,052	
County	\$2,176,279	N/A	\$7,380,534	
Road and Flood	\$30,370	N/A	\$84,668	
Navigation Dist #1	\$118,539	N/A	\$414,100	
Net Increment	\$4,365,478	N/A	\$16,144,354	
Inception to date Admin Fee Retained by City of Galveston	\$229,762	N/A	\$849,703	
Total Increment	\$4,595,240	N/A	\$16,994,057	
FY 2019 Expenditures				
COG/RDA admin and legal fees	\$60,055	\$121,443	\$116,147	
Project Costs	\$0	\$0	\$840,058	
Paid to Developer	\$400,000	\$652,000	\$0	
Principal and Interest on Loans	\$0	\$0	\$519,100	
Total FY 2019 Expenditures	\$460,055	\$773,443	\$1,475,305	
Available Balances end of FY 2018	\$142,592	\$68,364	\$2,483,827	
Liability Balances				
Developer Balance Due (County is Developer on TIRZ 12)	\$5.6 million principal and \$1.59 million accrued interest	\$11.9 million principal plus \$4.5 million accrued interest	\$0	
Cash Restricted for Future Projects	\$140,203	\$68,364	\$1,948,260	
Loan Balance Amount and Date Due	\$0	N/A	\$2,405,000 FY 2023	
Net Present Value of Remaining Costs (12 and 14 Combined Income versus Payout))				
County	\$2,421,000	N/A	(\$5,632,717)	
City	(\$2,037,000)	N/A	\$7,778,300	
Totals	\$384,000	N/A	\$2,145,583	

TIRZ 12 Tax Increment History

FY 2005 - 2019 (as of 08/08/2019) Net of 5% Admin fees

FY	1 - County	2 - Road	330 - City	801 - Nav	Total
2019	\$180,531.06	\$704.29	\$191,791.24	\$14,684.25	\$387,710.84
2018	\$179,385.01	\$1,889.57	\$183,220.93	\$10,077.53	\$374,573.05
2017	\$170,476.10	\$1,795.18	\$172,271.28	\$9,788.33	\$354,330.89
2016	\$146,774.03	\$1,504.33	\$141,457.94	\$8,919.64	\$298,655.94
2015	\$138,909.72	\$1,429.01	\$128,576.63	\$8,426.85	\$277,342.21
2014	\$144,148.78	\$1,506.08	\$138,550.50	\$8,663.83	\$292,869.19
2013	\$139,300.91	\$2,061.59	\$129,536.02	\$8,130.50	\$279,029.02
2012	\$130,516.88	\$1,902.32	\$114,407.48	\$7,424.64	\$254,251.32
2011	\$138,292.54	\$2,024.94	\$127,974.10	\$8,491.84	\$276,783.42
2010	\$131,158.49	\$2,416.03	\$125,251.76	\$7,651.40	\$266,477.68
2009	\$141,093.68	\$2,878.81	\$127,735.69	\$6,102.07	\$277,810.25
2008 est	\$136,974.92	\$2,535.42	\$118,732.03	\$5,888.71	\$263,386.56
2007 est	\$138,912.71	\$2,571.29	\$120,302.09	\$5,326.61	\$267,112.71
2006	\$116,741.51	\$2,160.90	\$101,101.24	\$4,476.46	\$224,480.11
2005	\$79,530.93	\$1,472.13	\$68,875.89	\$3,049.62	\$152,928.56
2004	\$86,947.75	\$1,609.41	\$75,299.06	\$3,334.01	\$167,190.23
Totals	\$2,199,695.02	\$30,461.30	\$2,065,083.89	\$120,436.28	\$4,414,931.98
Pct of Total	49.8%	0.7%	46.8%	2.7%	100.0%

TIRZ 13 Tax Increment History

FY 2006 - 2019 (as of 08/08/2019) Net of 5% Admin fees

FY	1 - County	2 - Road	330 - City	801 - Nav	Total
2019	\$229,489.15	\$895.04	\$243,434.80	\$27,943.62	\$501,762.62
2018	\$227,121.92	\$2,392.14	\$467,546.09	\$25,364.40	\$722,424.54
2017	\$222,577.77	\$2,343.91	\$449,843.34	\$25,471.56	\$700,236.58
2016	\$204,507.69	\$2,096.25	\$385,741.39	\$24,756.96	\$617,102.29
2015	\$173,298.32	\$1,782.95	\$319,907.63	\$20,951.79	\$515,940.69
2014	\$314,263.59	\$3,283.79	\$298,273.25	\$18,824.34	\$634,644.96
2013	\$296,865.68	\$4,381.37	\$274,440.08	\$17,301.55	\$592,988.68
2012	\$272,288.85	\$3,933.23	\$246,835.47	\$15,577.98	\$538,635.52
2011	\$232,806.51	\$174,864.21	\$31,213.62	\$13,113.02	\$451,997.36
2010	\$202,555.29	\$3,733.05	\$181,443.02	\$11,780.48	\$399,511.84
2009	\$169,782.30	\$3,464.78	\$150,492.03	\$7,299.13	\$331,038.24
2008	\$132,771.21	\$219.55	\$115,570.22	\$7,256.20	\$255,817.17
2007	\$108,698.14	\$0.00	\$93,191.19	\$5,568.63	\$207,457.96
2006	\$28,735.63	\$530.74	\$25,052.01	\$4,587.22	\$58,905.59
Totals	\$2,815,762.03	\$203,921.00	\$3,282,984.13	\$225,796.88	\$6,528,464.04
Pct of Total	43.1%	3.1%	50.3%	3.5%	100.0%

TIRZ 14 Tax Increment History

FY 2006 - 2019 (as of 08/08/2019) Net of 5% Admin fees

FY	1 - County	2 - Road	330 - City	801 - Nav	Total
2019	\$431,045.69	\$1,678.22	\$471,953.51	\$31,141.40	\$935,818.82
2018	\$442,915.34	\$4,657.00	\$926,986.74	\$43,713.31	\$1,418,272.40
2017	\$408,972.37	\$4,297.95	\$826,540.63	\$41,697.69	\$1,281,508.64
2016	\$713,411.70	\$7,294.58	\$696,128.17	\$38,484.62	\$1,455,319.06
2015	\$654,647.96	\$6,715.55	\$628,475.70	\$35,504.08	\$1,325,343.29
2014	\$630,408.51	\$6,183.41	\$551,401.45	\$31,685.59	\$1,219,678.95
2013	\$545,922.37	\$8,030.27	\$525,759.08	\$27,762.07	\$1,107,473.80
2012	\$563,334.64	\$7,726.17	\$503,463.34	\$34,708.13	\$1,109,232.27
2011	\$699,334.84	\$10,577.40	\$625,279.39	\$42,056.85	\$1,377,248.48
2010	\$558,563.30	\$10,451.68	\$597,373.39	\$50,859.14	\$1,217,247.51
2009	\$613,095.88	\$12,514.07	\$595,800.91	\$0.00	\$1,221,410.86
2008	\$560,281.02	\$1,482.58	\$492,022.53	\$18,190.84	\$1,071,976.96
2007	\$482,990.92	\$993.47	\$382,625.93	\$5,829.81	\$872,440.13
2006	\$110,489.90	\$2,202.78	\$47,085.74	\$0.00	\$159,778.43
Totals	\$7,415,414.43	\$84,805.13	\$7,870,896.50	\$401,633.52	\$15,772,749.59
Pct of Total	47.0%	0.5%	49.9%	2.5%	100.0%

COST/BENEFIT OF CLOSING TIRZ 12 AND 14, MAY 2019

TIRZ 12 SUMARRY						
Fiscal Year	County T12 Increment Paid	City T12 Increment Paid	Increments Received by County as Dev	Admin Cost Received by City	Net Return to County	Net Return to City
2019	(\$189,000)	(\$193,000)	\$394,000	\$19,000	\$205,000	(\$174,000)
2020	(\$195,000)	(\$199,000)	\$406,000	\$20,000	\$211,000	(\$179,000)
2021	(\$201,000)	(\$205,000)	\$418,000	\$21,000	\$217,000	(\$184,000)
2022	(\$207,000)	(\$211,000)	\$431,000	\$22,000	\$224,000	(\$189,000)
2023	(\$213,000)	(\$217,000)	\$444,000	\$23,000	\$231,000	(\$194,000)
2024	(\$219,000)	(\$224,000)	\$457,000	\$24,000	\$238,000	(\$200,000)
2025	(\$226,000)	(\$231,000)	\$471,000	\$25,000	\$245,000	(\$206,000)
2026	(\$233,000)	(\$238,000)	\$485,000	\$26,000	\$252,000	(\$212,000)
2027	(\$240,000)	(\$245,000)	\$500,000	\$27,000	\$260,000	(\$218,000)
2028	(\$247,000)	(\$252,000)	\$515,000	\$28,000	\$268,000	(\$224,000)
2029	(\$254,000)	(\$260,000)	\$530,000	\$29,000	\$276,000	(\$231,000)
2030	(\$262,000)	(\$268,000)	\$546,000	\$30,000	\$284,000	(\$238,000)
2031	(\$270,000)	(\$276,000)	\$562,000	\$31,000	\$292,000	(\$245,000)
Net Present Value	(\$2,234,000)	(\$2,281,000)	\$4,655,000	\$244,000	\$2,421,000	(\$2,037,000)
Discount Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

TIRZ 14 SUMARRY						
Fiscal Year	County T14 Increment Paid	City T14 Increment Paid	Project Funds Received by City	Admin Cost Received by City	Net Return to County	Net Return to City
2019	(\$417,000)	(\$912,000)	\$1,418,000	\$71,000	(\$417,000)	\$577,000
2020	(\$430,000)	(\$939,000)	\$1,461,000	\$73,000	(\$430,000)	\$595,000
2021	(\$443,000)	(\$967,000)	\$1,505,000	\$75,000	(\$443,000)	\$613,000
2022	(\$456,000)	(\$996,000)	\$1,550,000	\$77,000	(\$456,000)	\$631,000
2023	(\$470,000)	(\$1,026,000)	\$1,597,000	\$79,000	(\$470,000)	\$650,000
2024	(\$484,000)	(\$1,057,000)	\$1,645,000	\$81,000	(\$484,000)	\$669,000
2025	(\$499,000)	(\$1,089,000)	\$1,694,000	\$83,000	(\$499,000)	\$688,000
2026	(\$514,000)	(\$1,122,000)	\$1,745,000	\$85,000	(\$514,000)	\$708,000
2027	(\$529,000)	(\$1,156,000)	\$1,797,000	\$88,000	(\$529,000)	\$729,000
2028	(\$545,000)	(\$1,191,000)	\$1,851,000	\$91,000	(\$545,000)	\$751,000
2029	(\$561,000)	(\$1,227,000)	\$1,907,000	\$94,000	(\$561,000)	\$774,000
2030	(\$578,000)	(\$1,264,000)	\$1,964,000	\$97,000	(\$578,000)	\$797,000
2031	(\$595,000)	(\$1,302,000)	\$2,023,000	\$100,000	(\$595,000)	\$821,000
2032	(\$613,000)	(\$1,341,000)	\$2,084,000	\$103,000	(\$613,000)	\$846,000
2033	(\$631,000)	(\$1,381,000)	\$2,147,000	\$106,000	(\$631,000)	\$872,000
Net Present Value	(\$5,632,717)	(\$12,308,646)	\$19,141,214	\$945,732	(\$5,632,717)	\$7,778,300
Discount Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

COMBINED NET RETURN FROM CLOSURE		
TIRZ	Net Return to County	Net Return to City
TIRZ 12	(\$2,421,000)	\$2,037,000
TIRZ 14	\$5,632,717	(\$7,778,300)
TOTAL	\$3,211,717	(\$5,741,300)

Diversity Plan for Council Workshop
September 12, 2019

9/3/2019	Total Number	Number of Men	Number of Women	% of Women Representation	
Crew leader	16	16	0	0.0%	
Equipment Operator	34	32	2	5.9%	
Firefighter	56	56	0	0.0%	
Laborer	59	58	1	1.7%	
Maintenance Worker	16	16	0	0.0%	
Police Officer	123	108	15	12.2%	
10/1/2020	Total Number	Number of Men	Number of Women	% of Women Representation	Percent Change YR 1
Crew leader			0	#DIV/0!	#DIV/0!
Equipment Operator			0	#DIV/0!	#DIV/0!
Firefighter			0	#DIV/0!	#DIV/0!
Laborer			0	#DIV/0!	#DIV/0!
Maintenance Worker			0	#DIV/0!	#DIV/0!
Police Officer			0	#DIV/0!	#DIV/0!
10/1/2021	Total Number	Number of Men	Number of Women	% of Women Representation	Percent Change YR 2
Crew leader			0	#DIV/0!	#DIV/0!
Equipment Operator			0	#DIV/0!	#DIV/0!
Firefighter			0	#DIV/0!	#DIV/0!
Laborer			0	#DIV/0!	#DIV/0!
Maintenance Worker			0	#DIV/0!	#DIV/0!
Police Officer			0	#DIV/0!	#DIV/0!
10/1/2022	Total Number	Number of Men	Number of Women	% of Women Representation	Percent Change YR 3
Crew leader			0	#DIV/0!	#DIV/0!
Equipment Operator			0	#DIV/0!	#DIV/0!
Firefighter			0	#DIV/0!	#DIV/0!
Laborer			0	#DIV/0!	#DIV/0!
Maintenance Worker			0	#DIV/0!	#DIV/0!
Police Officer			0	#DIV/0!	#DIV/0!

*Positions above represent 35.3% of all COG Positions (effective 9/3/2019)

To influence women representation in these targeted positions, the HR Department will do the following:

a. Utilize Job Boards:

womenforhire.com
diversity.com

Financial Impact:
Financial Impact:

\$75 per 30 day posting or bulk up to \$30 per posting
\$180 per 30 day posting or bulk up to \$5 per day per job (\$450 for 90 day posting max)

b. Partner with Police and Fire to Ensure Recruiting Efforts Target Women Applicants:

Identify colleges Fire recruits from: Passively through tcfp.texas.gov
What % of graduates are women from each: COM - 4%
Where can we expand the search: Recruit from colleges: COM, San Jacinto, HCC
Identify colleges PD recruits from: Galveston College, Alvin, COM, San Houston, Lamar, and HCC
What % of graduates are women from each: HCC - 26% start, ACC - 19%, LIT - 5-10%
Where can we expand the search: Military bases, Texas State, Social Media, Wharton, U of H

c. Train Hiring Managers on Inclusivity and Diversity

Identified Training: Public Administration: Municipal Regulations through Galveston College
Financial Impact: \$299 per person
Identified Training: Additional session for hiring managers with Joe Bontke from EEOC
Financial Impact: \$1,7500 / 4 hours

Monitoring Applicant Data to Monitor Results

- identify total number of applicants for each position (pull current number)
- identify total of women applicants for each identified position (pull current number)
- monitor annually to ensure success of program

FY 19	Total Number of applications	Number of Men	Number of Women	% of Women Representation FY19	
Crew leader	74	68	6	8%	
Equipment Operator	67	63	4	6%	
Firefighter	58	56	2	3%	
Laborer	272	255	17	6%	
Maintenance Worker	228	210	18	8%	
Police Officer	118	103	15	13%	
FY20	Total Number of applications	Number of Men	Number of Women	% of Women Representation FY19	Percent Change YR1
Crew leader			0	#DIV/0!	#DIV/0!
Equipment Operator			0	#DIV/0!	#DIV/0!
Firefighter			0	#DIV/0!	#DIV/0!
Laborer			0	#DIV/0!	#DIV/0!
Maintenance Worker			0	#DIV/0!	#DIV/0!
Police Officer			0	#DIV/0!	#DIV/0!

Diversity Plan for Council Workshop
September 12, 2019

FY21	Total Number of applications	Number of Men	Number of Women	% of Women Representation FY19	Percent Change YR2
Crew leader			0	#DIV/0!	#DIV/0!
Equipment Operator			0	#DIV/0!	#DIV/0!
Firefighter			0	#DIV/0!	#DIV/0!
Laborer			0	#DIV/0!	#DIV/0!
Maintenance Worker			0	#DIV/0!	#DIV/0!
Police Officer			0	#DIV/0!	#DIV/0!
FY22	Total Number of applications	Number of Men	Number of Women	% of Women Representation FY19	Percent Change YR3
Crew leader			0	#DIV/0!	#DIV/0!
Equipment Operator			0	#DIV/0!	#DIV/0!
Firefighter			0	#DIV/0!	#DIV/0!
Laborer			0	#DIV/0!	#DIV/0!
Maintenance Worker			0	#DIV/0!	#DIV/0!
Police Officer			0	#DIV/0!	#DIV/0!