

CITY OF PORT LAVACA



ANNUAL BUDGET

FISCAL YEAR

2014 - 2015



CITY OF PORT LAVACA

**202 N. Virginia
Port Lavaca, Texas 77979
361-552-9793**

www.portlavaca.org



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Port Lavaca
Texas**

For the Fiscal Year Beginning

October 1, 2013

A handwritten signature in black ink, reading 'Jeffrey R. Enoch', is positioned above the title 'Executive Director'.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Port Lavaca, Texas for its annual budget for the fiscal year beginning October 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. We believe that our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

How to use this Book

We understand how difficult it can be to find what you're looking for in such a complex document. We've made every effort to provide an easy way to navigate through this document to areas of interest.

The City of Port Lavaca's Annual Budget is divided into the following eleven (11) sections:

Budget Message

This section contains the City Manager's Budget Transmittal Letter and a summary narrative of the budget plan.

City Profile

This section provides our organizational chart, the City's history and information about our City today.

Budget Summaries

This section depicts the "big picture" of city wide revenue and expenditures, reflects the changes in fund balance or working capital for each budgeted fund and provides comparison to prior year.

Revenue Assumptions and Trends

This section provides revenue descriptions, trends and assumptions for major revenue line items. Detailed revenue information can be found within each respective fund.

General Fund

The General Fund is the general operating fund of the City. This section provides a three (3) year comparative summary and detailed information for revenue and expenditures. You will also find each operating department's mission, upcoming goals, budget history, performance measures and major additions related to the General Fund.

Enterprise Funds

This section provides a three (3) year comparative summary and detailed information for revenue and expenditures. You will also find each department's mission, upcoming goals, budget history, performance measures and major additions related to the Public Utility, Beach and Port Commission Funds.

Special Revenue Funds

This section includes special revenues such as the Hotel/Motel, Forfeiture, Building Security, Economic Development Fund, Reflex Traffic, Court Technology Fund and Juvenile Case Manager Fund. These funds are legally restricted for certain purposes.

Capital

This section provides current year capital expenditures and projects for all major funds and the City's Five Year Capital Improvement Plan.

City Wide Debt

This section provides summary and detailed information on all debt issued and each annual debt service obligation by fund.

Statistical Information

This section provides statistical and historical information.

Appendix

This section provides the City's budgetary and financial policies, personnel staffing and compensation plan, glossary of terms, acronyms, and index.

(Hard copy only)

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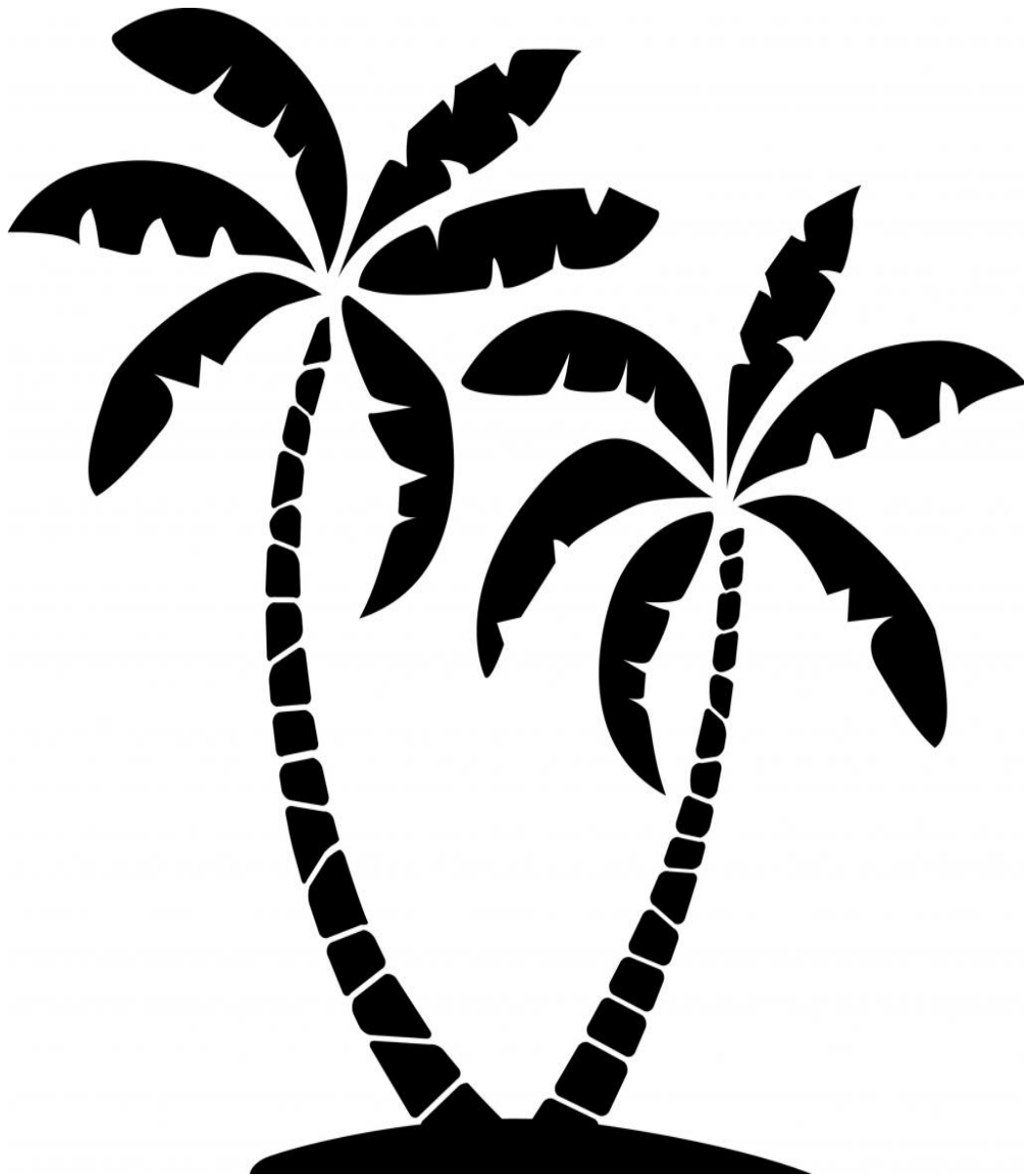
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Contributors

Inside Back Cover



BUDGET MESSAGE





Mayor and Council Members
City of Port Lavaca

Dear Mayor and Council Members,

T.S. Eliot said, “We shall not cease from exploration, and the end of all our exploring will be to arrive where we started and know the place for the first time”. As I look back over the last four years I am proud to have been part of a team of individuals that has built a strong foundation upon which we can continue to grow and develop the City of Port Lavaca. And as we grow, it becomes increasingly more obvious that our best days are ahead of us.



As we begin this budget year, we are once again dealing with skyrocketing costs for health care, social security and pensions on one hand, and an opposition to tax increases on the other. This creates an inherent deficit in budget numbers and one way to handle this problem is to take the previous year’s budget and cut it. That is crisis budgeting and is the least favorable of all options. With our entrenched City theme of P.R.I.D.E. developed during the FY 2011-2012 budget process, we are focused on buying results for citizens. We will continue to use consolidation where practical, competition when warranted, customer choice as a priority, and a relentless focus on results to save money while improving public services for our citizens.

As the effects of a stagnant economy continue to linger for Calhoun County and Port Lavaca in particular, we will continue to encourage developers and small businesses to build and locate in our City. We are adding a full-time Economic Development (ED) Director to initiate contact with area cities, developers, corporations and the business community to encourage growth and development in a market that is filled with potential. Working with the Chamber of Commerce and the Golden Crescent Regional Planning Commission, the ED Director will serve as our direct line of contact with small to mid-size businesses interested in establishing or expanding their operation to our region.

We are now in the fourth year of our five year Capital Improvement Plan and we can all agree that the plan is working and showing signs of improvement in our City. With the completion of one year, we add another to the plan to provide a perpetual five year rolling plan that shows the visual progress made in Port Lavaca through the years. Including the projects scheduled for Fiscal Year 2014-2015, a little over ten (10) million dollars will have been invested in Port Lavaca on a “pay-as-you-go” basis rather than borrowing cash.

BUDGET MESSAGE

Our Key Leader Team has implemented or helped develop over 180 new and innovative ideas, winning numerous awards and setting the performance bar higher each year. Yet the real measure of any employee is not what he or she “gives”; rather it is what they “give back”. Our Leadership Team has immersed themselves in this community. They are reaching out to help the elderly in a new home rehabilitation program. They are reaching out to the youth in a newly formed Youth Advisory Council. They are becoming more viable in the community with the new “Bikes on Patrol” unit. And they are taking fire prevention to the middle and elementary schools with their miniature fire engine and Sparky the Fire Dog programs. However, their greatest investment in Port Lavaca has been in identifying “Developing Leaders” within each of our Divisions to become our emerging leaders of the future.

Working with City Council, we have drafted vision statements, value statements, mission statements and performance objective statements. And while all of these are good, they are not the essence of a visionary city. In order to become a City of Vision, we need to braid our core beliefs into every aspect of our City. These core values need to be a part of everything we believe in and in all we do. I believe we are achieving that goal.

As we near the end of FY 2013-2014 and begin to anticipate FY 2014-2015, the words of Winston Churchill resound loudly in City Hall; “This is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning”.

What is P.R.I.D.E?

With the revamp of the City’s Strategic Plan, our budget focus ***begins*** with P.R.I.D.E. The FY 2011-2012 Budget marked our first year using the theme “**Bringing Back the Pride**”. Since then, each year “**PRIDE**” has continued to be our foundation. At first, “pride” solely focused our budget around any initiative that improved the quality of life for our citizens, thereby bringing improvements back to the community that made residents proud. “Pride” *today* means displaying Passion, Responsibility, Integrity, Desire and Example in all city initiatives. This theme has become the focus of the senior staff and employees-- pride for the community and pride for the job.

Passion: we will have a passion for our community, our vision and our job

Responsibility: we will treat all citizens and our team in a responsible manner

Integrity: we will lead with integrity and follow with encouragement

Desire: we will share the desire to make things better

Example: we will set the right example for our employees and our team

The strategic plan has continued to set the tone for the budget process that began in March. The City Manager and Key Leader Team reviewed Departmental Business Plans (objectives) from the previous year to determine if the goals/objectives set were attained. Through these discussions, a new set of objectives were placed in each department’s business plan in an effort to meet Council’s expectations also known as City Council Goal Statements.

These goal statements support the areas of Governance, Quality of Life, Infrastructure, Community and Business Development. More information on the Strategic Plan can be found in the **City Profile** section of this book.



Reviewing our Priorities for the 2014-2015 Budget

What did we do last year? Is our budget focus changing?

Our prior year's budget along with previous years budgets have been focused on improving the City's image by adding improvements in City Parks and Waterfront facilities. This was accomplished through numerous public improvement projects such as the following:

- Added a new welcome sign to the City
- Replaced City signage in various Park locations
- Installed new cabanas and benches at Lighthouse Beach and Bayfront Park
- Added a new playground at Lighthouse Beach Park
- Constructed a 3,500 square foot Splash Pad at Lighthouse Beach Park

BUDGET MESSAGE

With **PRIDE** still as our central theme, the City's capital budget remained focused on continuing improvements in our parks and waterfront facilities. However, other infrastructure improvement measures were accounted for to assure replacement of aging infrastructure such as streets, waterlines and sewer lines. Most notably was the reconstruction of George Street from Virginia Street to Half League and the water meter replacement program. Additionally, administrative departments geared budget dollars towards various consulting groups to improve citizen communication, to review the City's franchise agreements, to provide for a compensation plan, to improve the City's Safety Program and to support future community and economic development efforts.

Budget Overview

The Adopted Budget for fiscal year 2014-2015 recommends an increase in property tax revenue with no change in water or sewer rates. The City-Wide Budget totals \$16,841,900. Of this amount, \$8,300,000 is estimated for the operations and maintenance of the General Fund (14% increase from prior year), \$328,200 for the Debt Service Funds, \$6,650,000 for the Public Utility Fund (10% increase from prior year), \$388,000 for the Beach Fund (27% decrease from prior year), and \$850,000 for the Port Commission Fund (79% increase from prior year). Within these budgets are capital costs of approximately \$2.8 million to fund equipment and major public improvement projects. This accounts for the majority of the increases over prior year. More information on the City's Capital Program can be found in the Capital section of this document.

The City also appropriates for one of seven Special Revenue Funds. The Hotel/Motel Tax Fund totals \$325,000. Spending plans are not provided for the City's other Special Revenue Funds because activity is recorded on a project length basis or as it occurs. Even though the City is not required to adopt budgets for these funds, they are subject to an annual audit. More information on these funds can be found behind the Special Revenue Fund section of this document.

Budget Challenges Addressed

Issues to be addressed below:

1. The City's largest revenue sources for the General Fund are tied to property tax and sales tax. Both of these revenue streams continue to be areas of greatest concern during this volatile economic time. The City is striving to support community and economic development efforts.
2. The City struggles to maintain quality personnel and, with this desire, comes the need to maintain a competitive salary with surrounding cities.
3. The City has a self-insured health care plan that carries some risk exposure. To minimize this risk, the City purchases stop loss insurance. This insurance coverage continues to increase each plan year along with the City's exposure. The City has experienced unusually high claims for the past three years which in return increases our stop loss insurance.

4. According to surveys, the City is considered to have a high tax rate when compared to other Texas cities its size. Population growth has increased only 5% (556 people) in 10 years.
5. Windstorm along with other liability insurance the City carries has steadily increased each year.

How we addressed the issues:

The fiscal year 2014-2015 Adopted Budget utilized business plans that were developed in support of the City's **Strategic Plan**. The Strategic Plan links the City Council to the workforce—working together to improve Governance, Quality of Life, Infrastructure, Business Development and Community Development. Capital projects and expenditures were prioritized early in the budget process based on these same guiding principles.

Other decisions made to maintain service levels and to fund strategic initiatives are as follows:

- The City Adopted an increase in tax revenue in order to meet operational needs relating to windstorm, stop-loss insurance and health care claims.
- The City approved an Economic Development position in Fiscal Year 2013-2014 that will be funded in budget presented.
- The City maintains a reserve for the City's health care plan that is evaluated annually for appropriate levels; any changes are updated in the City's financial policy document.
- The City will continue to review all franchise agreements and make recommended changes.
- The City will do energy audits in an effort to reduce expenses.
- The City will use a phased in approach to build in the recommended compensation plan scale.
- The City continues to budget to cover depreciation in each enterprise fund. This practice builds the reserve to replace infrastructure assets rather than issue debt.
- The City annually reviews the budgetary/financial policy document to analyze the adequacy of reserve levels and revenue management practices. This is performed regardless of the economy climate.

With the decisions above and with savings resulting from prior year revenue audits (franchise, electric, and sales tax) the City was able to build a solid service plan along with funding some major public improvements as explained in more detail below.

Budgetary Expenditure Highlights

The adopted expenditures of the City's major funds total \$16,841,900, up \$1,517,200 or 10% from prior year. Staff made several expenditure recommendations that are included within each department's summary found in this budget document. Some of the significant highlights are as follows:

- **Salary Increases:** The citywide budget increased by 2.5% (\$90,000).

BUDGET MESSAGE

- Capital Additions: Machinery and Equipment in General Fund (\$55,000), Utility Fund (\$78,000), and Beach Fund (\$7,500)
- Capital Projects- General Fund: appropriated \$350,000 to rehabilitate Pinta/Montier Street; \$150,000 to sealcoat various streets; \$500,000 to construct a new Public Works service center; \$100,000 to build softball fields in Wilson Park; \$105,000 to install new restroom and \$45,000 to add underground electric at Bayfront Park
- Capital Projects- Utility Fund: appropriated \$400,000 for sewer line replacement in the Alamo Heights Subdivision; \$300,000 for water line replacement in Hospital area; and \$530,000 for phase II of a three year meter replacement program
- Capital Project- Lighthouse Beach Fund: appropriated \$100,000 to add playground equipment to Lighthouse Beach RV Park and Bird Sanctuary

Outlook for the Future

The Calhoun County area is a major industrial hub on the Texas Gulf Coast; serving as a well-developed regional network of interconnecting transportation systems. Industrial sites are served by the Gulf Intracoastal Waterway and branch channels including the Victoria Barge Canal. Calhoun County is located in the middle of the world's largest concentration of petrochemical plants - an area which stretches along the Texas Coast from Corpus Christi to Port Arthur. The strong County industry has helped Port Lavaca maintain a stable revenue growth especially during this time of economic uncertainty.

Many developments are taking place in Port Lavaca and in our extra-territorial jurisdiction (ETJ). With this in mind, the City will focus improvement plans to capitalize on this growth. We will examine infrastructure needs. The City will continue to build “**PRIDE**” programs that will benefit our businesses and citizens. Some of these programs or missions are as follows:

- Park improvements and amenities that support our children and senior citizens
- Support community and business development
- Form partnerships to “braid” community resources
- Promote a community that respects and embraces all cultures
- Rebuild low income homes for residents who qualify through grants

The City’s capital program strategy for infrastructure improvements replaces water and/or sewer lines prior to any street improvements. This has become part of the capital improvement program strategy rolling forward each year. Over the next five years, the City will invest in drainage, streets, parks, and wastewater projects through its capital improvements program. Listed below are short and long term objectives:

Replace/Maintain Infrastructure

- Street improvement projects; build reserve to fund a major project every 2-3 years
- Continue with seal coat program
- Lift station upgrades
- Replacement of water/sewer lines using grants and local dollars

Enhance City Parks & Downtown

- Improve Wilson Park and Bayfront Park for enhanced recreational activities
- Add additional RV hookups at Light House Beach
- Demolish abandoned pier at Light House Beach Park
- Replace sidewalks downtown

Environmental Code Improvement

- Continue to budget for demolition of abandoned/dilapidated structures and weed lot compliance
- Improve the housing stock through various incentive programs
- Enforce building codes

Conclusion

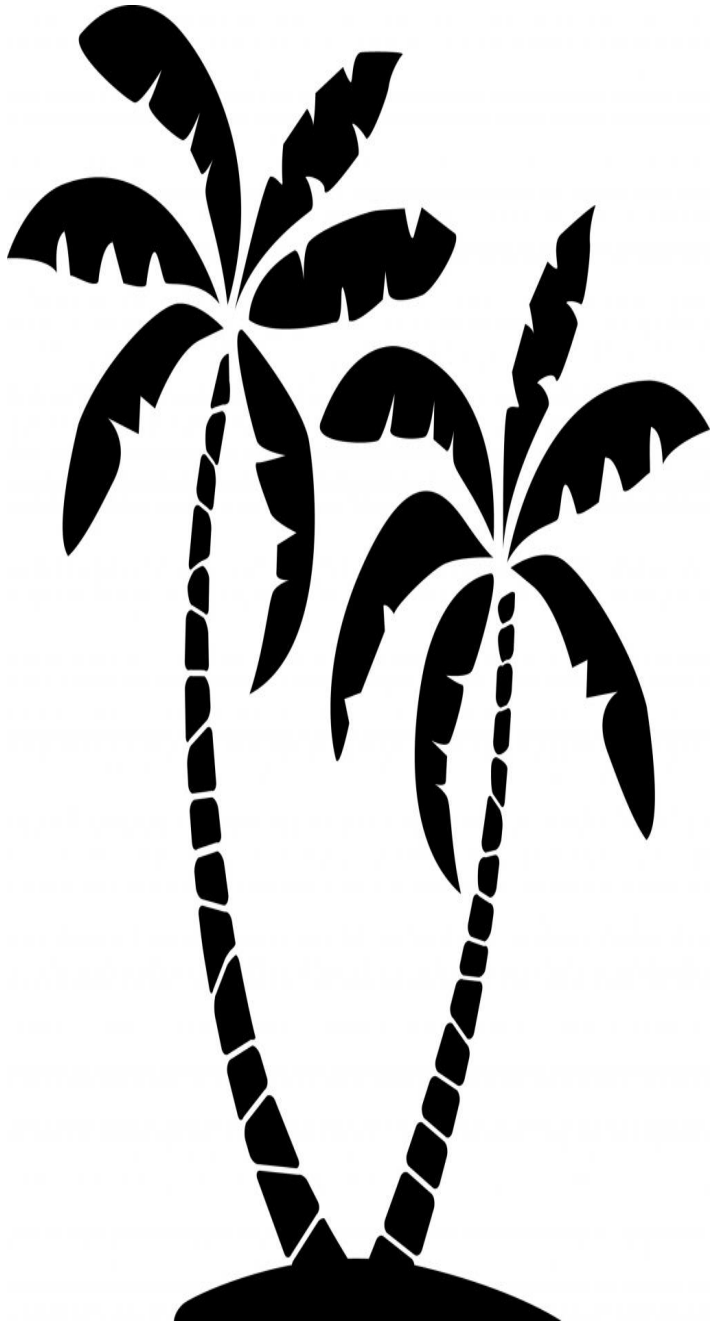
With Port Lavaca anchored to its **PRIDE** values—this budget looks ahead with the **P**assion for its community and a **D**esire to build a budget to make things better for its residents and visitors. It is a budget poised for growth. Plans and programs that began five years ago have proven successful and provide a stable foundation upon which to build. This year's budget and corresponding Five Year Capital Plan address our current organization and infrastructure needs. As we grow and expand our programs, we create more amenities for our citizens and our visitors. Those whom we serve deserve nothing less. As in years past, we want to thank a very supportive and progressive City Council and the great employees of the City of Port Lavaca without whom none of this would have been possible.

Bob Turner, City Manager

Scotty Jones, Finance Director



CITY PROFILE



Elected Officials

Vision and Mission

Strategic Plan and Goals

City Officials

Organizational Chart

History of Port Lavaca

Port Lavaca Today

Demographic Overview





**CITY OF PORT LAVACA
ELECTED OFFICIALS 2014-2015**

The City has a home-rule Council-Manager form of government. The elected body is made up of a Mayor, who is elected at large and six Council Members elected by district. The Mayor is elected for a two-year term while Council Members are all elected for staggered three-year terms. The City Manager is appointed by the City Council and is responsible for implementation of City Council policy and all day-to-day operations of the City.



Jack Whitlow
Mayor

PORT LAVACA
CITY ELECTED OFFICIALS
FY 2014-2015



Jerry Smith
Councilmember, District 1



Raymond Perez
Councilmember, District 2



Lee Rivera
Councilmember, District 3

Our Mission

Our mission is to make Port Lavaca a desirable place to live through quality services, responsible use of public resources, and a progressive attitude toward community development. With enthusiasm, integrity and vision, we will maintain a safe environment and continually improve the quality of life for all citizens.

Our Vision

The Mayor and the City Council envision a friendly town on Lavaca Bay where economic and recreational opportunities abound, providing for a wonderful quality of life for both citizens and tourists, rich in history and looking toward a vibrant future!



Rosie Padron
Councilmember, District 4



James Ward
Councilmember, District 5
Mayor Pro-Tem

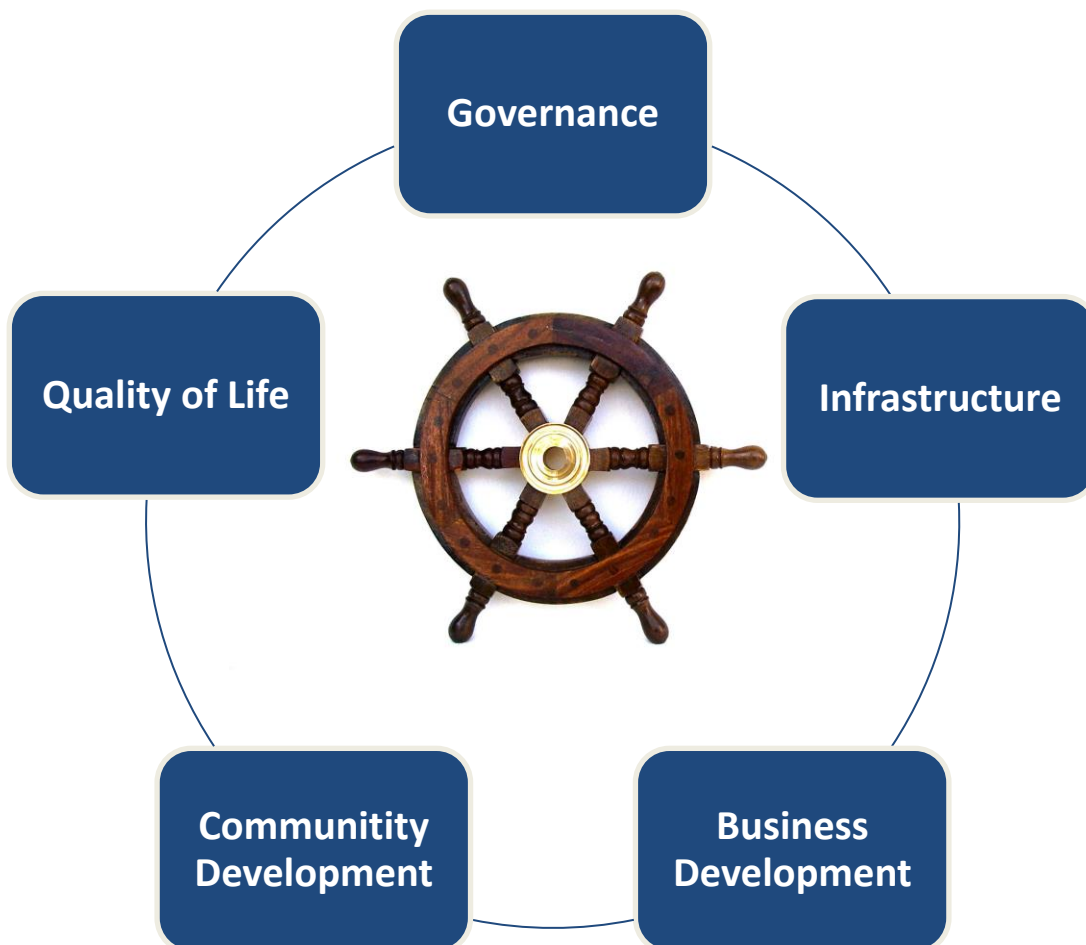


Ken Barr
Councilmember, District 6

Strategic Plan and Goals

Strategic Plan

Port Lavaca adopted a new Strategic Plan on May 14, 2012 consisting of five areas of emphasis (Governance, Infrastructure, Business Development, Community Development, & Quality of Life) shown in the graph below. This plan will enable the City to continue to grow and provide the citizens of Port Lavaca with exceptional service. The graph below depicts each dimension of the plan. The following page shows Council's corresponding strategic goal for this fiscal year.



City Council Area of Emphasis with Associated Goal Statement

Fiscal Year 2014-2015



Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.



Infrastructure

Port Lavaca residents enjoy new streets, sidewalks and other improvements year after year.



Business Development

Port Lavaca is known for creating a business development program that is responsive to existing business needs.



Community Development

Port Lavaca is a culturally diverse community actively promoting tourism and encouraging economic development opportunities.



Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

OUR CITY PROFILE

Linking Long-Term Goals to Departmental Objectives

For the 2014-2015 Budget, each department has outlined a description of services and aligned themselves with the Council's Goals and the City's Leadership Values better known as Port Lavaca P.R.I.D.E. This theme has become the model for senior staff and employees to meet management expectations.

Passion: we will have a passion for our community, our vision and our job

Responsibility: we will treat all citizens and our team in a responsible manner

Integrity: we will lead with integrity and follow with encouragement

Desire: we will share the desire to make things better

Example: we will set the right example for our employees and our team

In order to succeed in the fulfillment of these goals, department staff compiled their own operational goals and objectives for the coming year. When compared to prior year accomplishments, these goals and objectives help us mark our progress toward the achievement of the City Council's goals. The section below shows the linkage of our short-term departmental objectives to long-term council goals.

Port Lavaca residents are well informed and involved with the affairs of local city government.

Fiscal Year 2014-2015 Departmental Business Plans (Objectives)

City Manager Department

- Assist the Council in ordinance revisions for the well-being of the City's residents and businesses
- Provide a Comprehensive Plan

City Secretary Department

- Expand the document imaging system to provide City information retrieval via the City network and the internet
- Implement electronic up-to-date indexing for tracking traffic control devices or speed limits adopted by city ordinances
- Evaluate new laws passed during 2015 Texas State Legislative Session to determine their impact on the Public Information Act and implement necessary changes

Human Resource Department

- Update the department's website page

Economic Development

- Create an Economic Development website
- Develop and implement a strategic plan for Economic Development
- Braid tourism efforts with the Chamber
- Maintain an updated community profile to be available on website and hardcopy

Finance Department
<ul style="list-style-type: none"> Improve the budget document to create an easy, understandable format for our citizens
City Hall
<ul style="list-style-type: none"> Improve the appearance and atmosphere of City Hall to make it more customer friendly
Public Safety Departments (Police, Fire & Animal Control)
<ul style="list-style-type: none"> Continue to strengthen the relationship between the City of Port Lavaca public safety departments and the public Continue to educate the public on the need to spay and neuter pets Respond quickly to and extinguish fires so as to minimize the loss of life, damage to property and economic impact upon the community
Public Utility Departments (Utility Billing)
<ul style="list-style-type: none"> Create a pamphlet to hand out to new customers Revise customer service ordinance and make available online
<i>Port Lavaca residents enjoy new streets, sidewalks, & other improvements year after year.</i>
<i>Fiscal Year 2014-2015 Departmental Business Plans (Objectives)</i>
Finance Department
<ul style="list-style-type: none"> Expand the City's five year capital plan into a long-term financial plan
Street Department
<ul style="list-style-type: none"> Clean out several sections of ditches within the City Sealcoat five (5) miles of street
Parks Departments (Parks, Bauer Convention Center & Lighthouse Beach)
<ul style="list-style-type: none"> Replace park signs and old park equipment Install new bathrooms at Bayfront Peninsula Continue long range maintenance program for the facility Upgrade trailer space pads
Public Utility Departments (Utility Maintenance & Wastewater)
<ul style="list-style-type: none"> Continue working on Inflow & Infiltration (I & I) improvements throughout the City Continue SCADA additions to the Wastewater Treatment Plant (WWTP)
Port Commission Operations
<ul style="list-style-type: none"> Improve bulk head at the harbors
<i>Port Lavaca is known for creating a business development program that is responsive to existing business needs.</i>
<i>Fiscal Year 2014-2015 Departmental Business Plans (Objectives)</i>
City Manager Department
<ul style="list-style-type: none"> Expand economic development opportunities in the City by supporting existing business and encouraging new development
Port Commission Operations
<ul style="list-style-type: none"> Develop a plan to dredge and maintain the depth of the entrance channel at the marina Continue marketing Harbor of Refuge for future tenants

OUR CITY PROFILE

Port Lavaca is a culturally diverse community actively promoting tourism and encouraging economic development opportunities.

Fiscal Year 2014-2015 Departmental Business Plans (Objectives)

City Manager Department

- Promote a community that respects and embraces the multiple cultures
- Finalize the City's waterfront master plan

Parks Department (Bauer Convention Center)

- Book two (2) or more events a year

Port Commission Operations

- Support economic development and tourism of the City's waterfront properties

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

Fiscal Year 2014-2015 Departmental Business Plans (Objectives)

Municipal Court Department

- Continue efforts to improve the Annual Warrant Round-Up
- Continue to work with C.C.I.S.D. with Failure to Attend School cases through the Youth Orientation & Understanding (Y.O.U.) Program

Public Safety Departments (Police, Fire, Animal Control & Code Enforcement)

- Reduce the number of property crime incidents by increasing narcotics investigations and enforcement
- Reduce the number of traffic accidents by increasing traffic enforcement and visibility
- Continue to provide professional animal control service to the citizens of Port Lavaca and Calhoun County
- Maintain the codes and ordinances to protect all property
- Continue with the fire prevention program in all the elementary schools and smoke detector program in the community
- Provide prompt and courteous response to public calls for service and fire hazard complaints
- Work closely with the Police and Inspection Departments to ensure proper enforcement of animal control ordinances and state health regulations
- Promote citizen compliance with the City's ordinance governing rabies shots
- Continue to work closely with the Calhoun County Humane Society to reduce the number of stray and unwanted domestic animals

Street Department

- Develop a herbicide program for curbs and gutters

Parks Departments (Parks and Bauer Convention Center)

- Beautify the City's parks and open spaces
- Build softball field at Wilson Park

Utility Departments (Utility Maintenance)

- Implement a backflow prevention plan

City Officials

FY 2014-2015

Appointed Offices

Bob Turner	City Manager
James Duckett	Municipal Court Judge

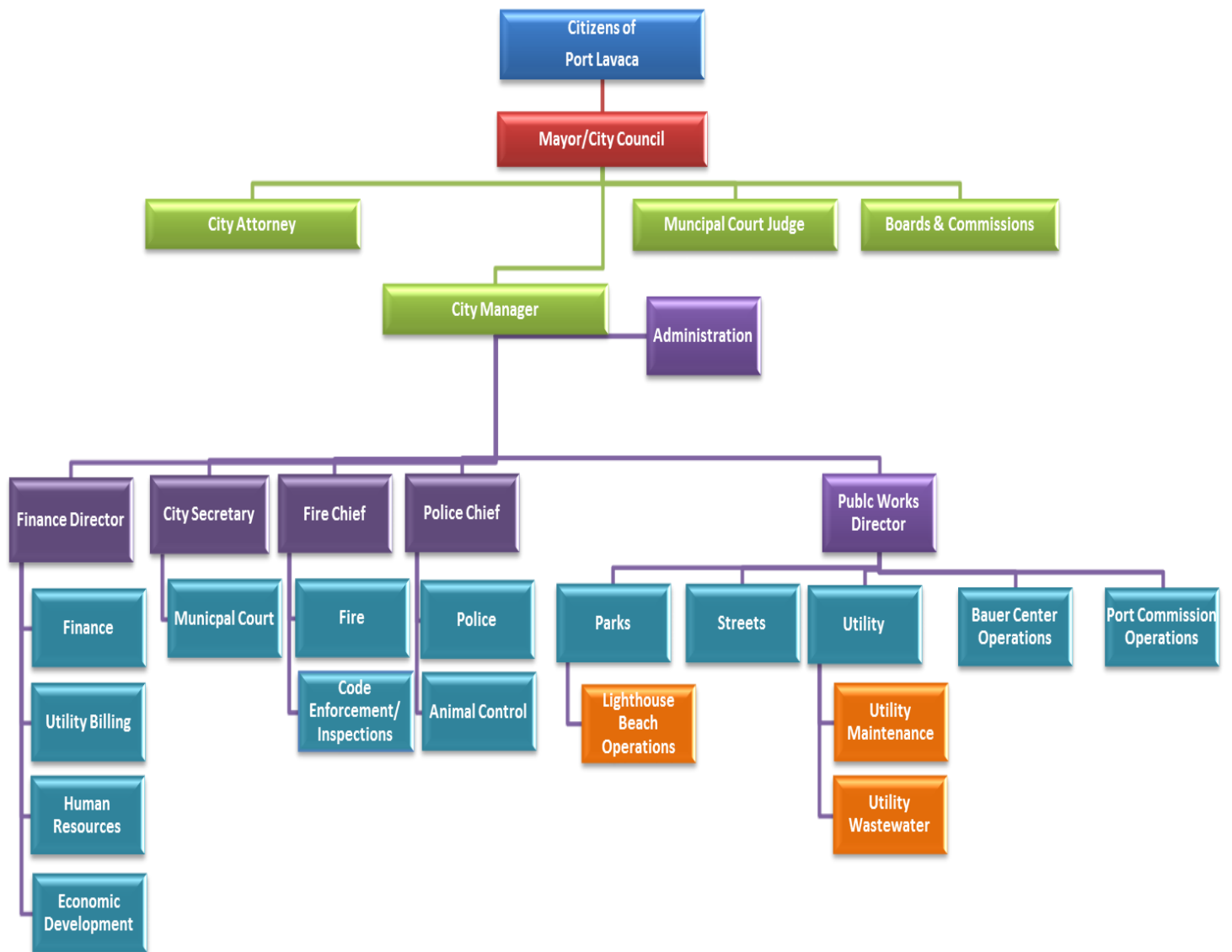
Division Directors

Scotty Jones	Finance Director
Mandy Grant	City Secretary
Cleve Calagna	Fire Chief
James Martinez	Police Chief
Darren Gurley	Director of Public Works



“Coming together is a beginning. Keeping together is progress. Working together is success.” – Henry Ford

Organizational Chart



History of Port Lavaca, Texas

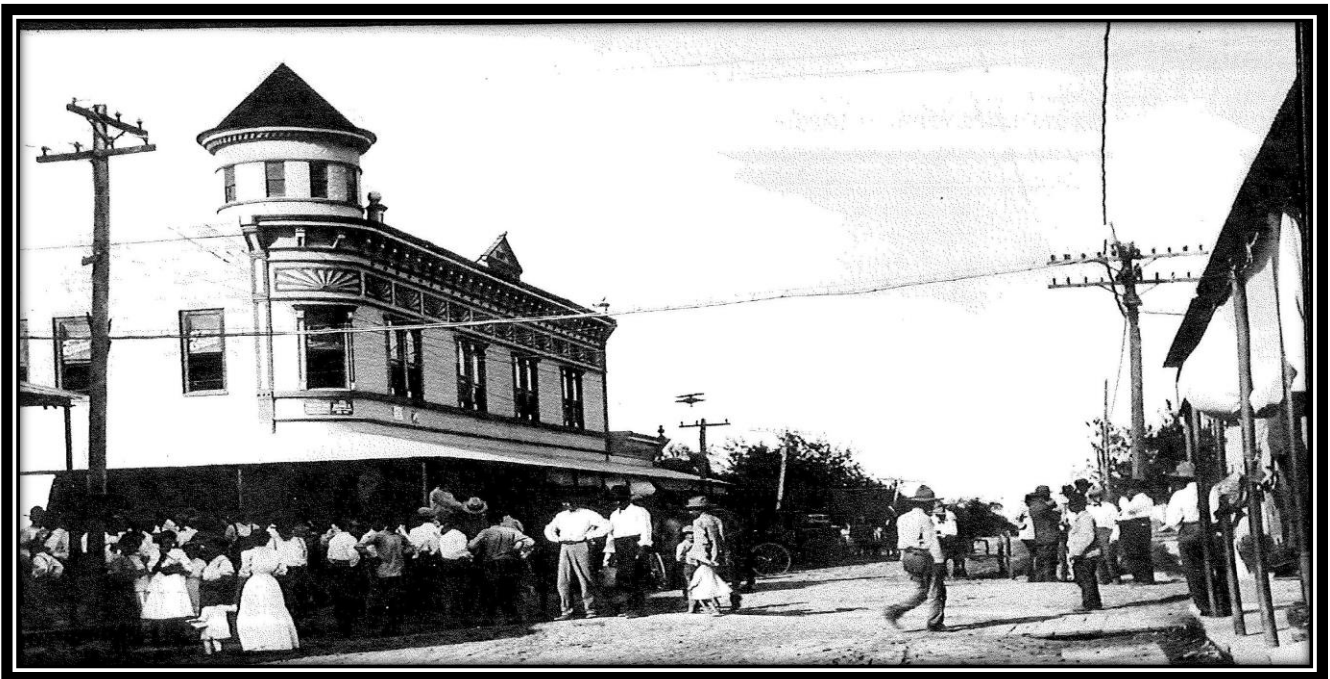
The City of Port Lavaca celebrated 170 years of rich history in 2010.

The area in and around Port Lavaca and adjacent to Lavaca Bay, formally known as San Bernardo Bay, was used by the Spanish as a port from which to expand their missions and military garrisons in the Spanish territory, now known as Texas, in the early 1500s and for some 250 years thereafter.

San Bernardo Bay was later renamed Lavaca Bay because of the abundance of buffalo found in the area, which were called cows, *la vaca* being the Spanish words for *the cow*.

The year 1840 is generally accepted by all historians as the date the town of Lavaca officially began. The town was formally laid out and platted in 1842. "In 1846, Calhoun County was created and Lavaca was designated the county seat. The city of Lavaca was incorporated in 1848. Although incorporated as Lavaca, the town was also known as Port Lavaca because of its harbor facilities."

The Gulf Intracoastal Waterway was connected to Port Lavaca in 1913 and a seawall was completed in 1920. Port Lavaca was an active fishing port in the first half of the 20th Century. Shrimp and frozen seafood became major items for export. Natural gas and oil were discovered in 1934 and 1935.



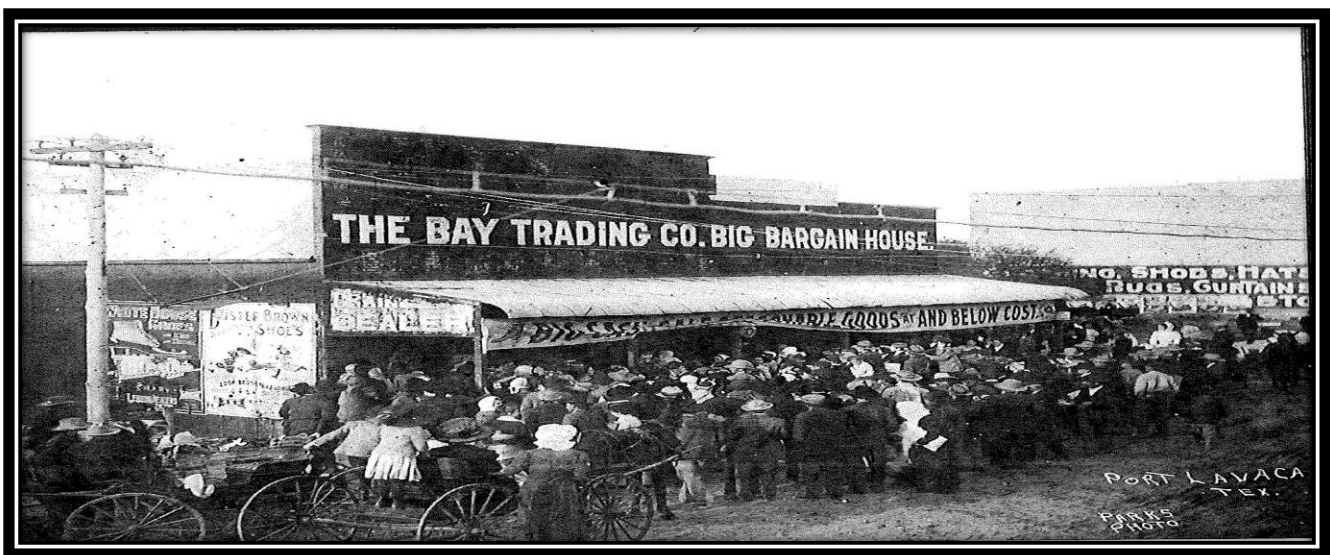
OUR CITY PROFILE



From the late 1940s, major manufacturing began to contribute to Port Lavaca's growth. The Port Lavaca Causeway was opened in 1944.

Port Lavaca has from its origin been a center for the seafood industry and a prominent port. Port Lavaca returned to its origins in 1963 when the Matagorda channel was dredged to a depth of 36 feet from the Gulf to its present terminal near Port Lavaca. Deep water vessels were able to serve the area's major industries. Over 275 deep water vessels visited Port Lavaca in 1997. Port facilities on Lavaca Bay ranked as the fourth largest in the State of Texas.

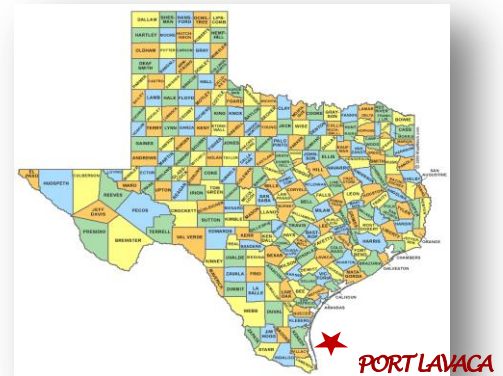
Our thanks to Calhoun County author and historian, Mr. George Fred Rhodes, for so graciously permitting us to quote from his article Brief History of the City of Port Lavaca, Texas, February 26, 1990, published in Port Lavaca, Texas, 150th Birthday Celebration 1840 – 1990.



Snapshot of Port Lavaca Today

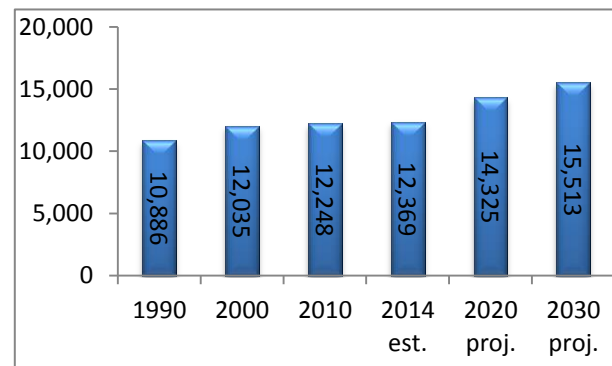
Location

The City of Port Lavaca is the central hub between Houston, Corpus Christi and San Antonio and is the county seat of Calhoun County. Located in the center of the Texas Gulf Coast, the City is about 14 square miles, of which 3.8 miles is along the water.



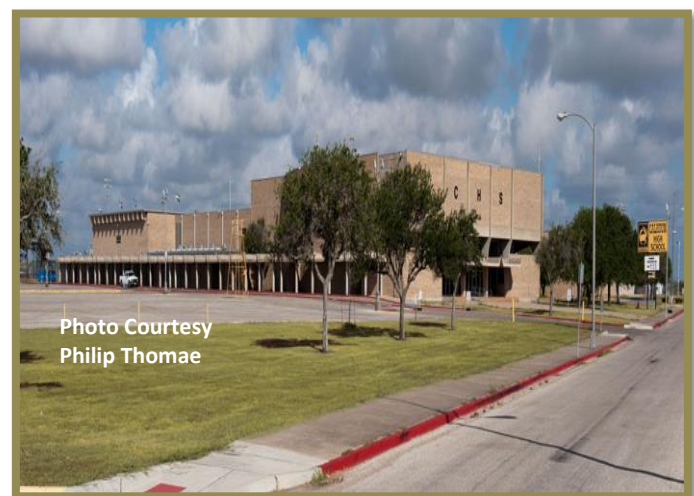
Population

According to the 2010 census, Port Lavaca is currently home to about 12,248 residents. The graph to the right represents the City's population beginning in 1990 to the estimated 2014, based on the records of the U.S. Census Bureau. The City, according to the Texas Water Development Board is projected to reach 15,513 by 2030. The City has seen slow, but steady growth. This may begin to change with the proximity of the Eagle Ford Shale deposit & the City's ports.



Schools

Port Lavaca is served by the Calhoun County Independent School District. The City presently has two Pre-Kindergarten through Fifth grade elementary schools: H.J.M. Elementary and Jackson/Roosevelt Elementary; one Sixth through Eighth grade middle school: Travis Middle School; and two high schools. Calhoun High School serves the Ninth through Twelfth grades. Hope High School accommodates mainly students with special needs. The photo above is of Calhoun High School.



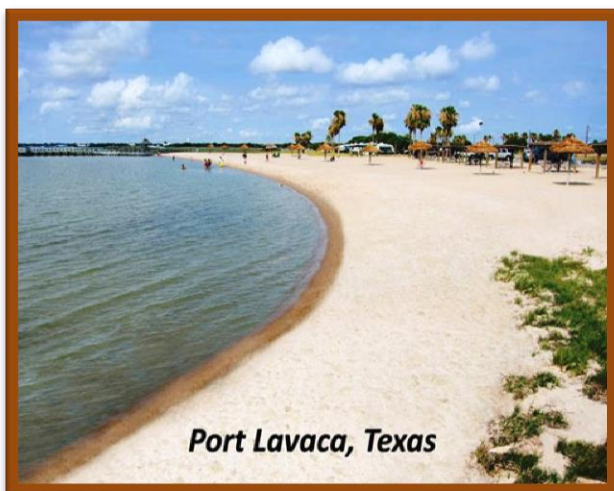
OUR CITY PROFILE

Culture and Recreation

Port Lavaca is one of the most family-friendly cities you will ever visit! There is so much to do in this city by the bay. Residents and visitors of all ages may take part in the many diverse activities available. With many fishing tournaments throughout the year, the outdoorsman will find plenty to do. Whether it is fishing, boating or relaxing in the gentle breeze, **Port Lavaca has it all!**

Port Lavaca provides a variety of restaurants ranging from Mexican food to seafood. There is also an excellent golf course at the Hatch Bend Country Club. There are many vacant houses and lots on the bay for those who wish to make Port Lavaca their home.

Port Lavaca has many other amenities to offer including the following: beaches, shopping, movie theater, pool, convention center, a lighthouse and motels.



DEMOGRAPHIC AND ECONOMIC STATISTICS
(UNAUDITED)
Last ten fiscal years

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income (Calhoun County)	(3) School Enrollment	(4) Unemployment Rate
2004	11,634	\$ 277,738,482	\$ 23,873	4,225	7.2%
2005	11,509	292,317,091	25,399	4,253	5.9%
2006	11,471	307,124,554	26,774	4,299	5.0%
2007	11,405	443,129,870	38,854	4,334	4.5%
2008	11,465	346,862,110	30,254	4,282	4.9%
2009	11,489	361,662,231	31,479	4,349	8.3%
2010	12,035	372,651,740	30,964	4,230	9.1%
2011	12,248	396,994,424	32,413	4,276	8.7%
2012	12,282	N/A	N/A	4,270	6.1%
2013	12,300	N/A	N/A	4,272	7.1%

NOTES: The unemployment rates are a twelve month average from October through September for City of Port Lavaca.

N/A denotes information not available

SOURCE: (1) Population based on U.S. Census Bureau

(2) Bureau of Economic Analysis

(3) Calhoun Independent School District

(4) Texas Workforce Commission

OUR CITY PROFILE

PRINCIPAL EMPLOYERS

(UNAUDITED)

Current Year and One Year Ago

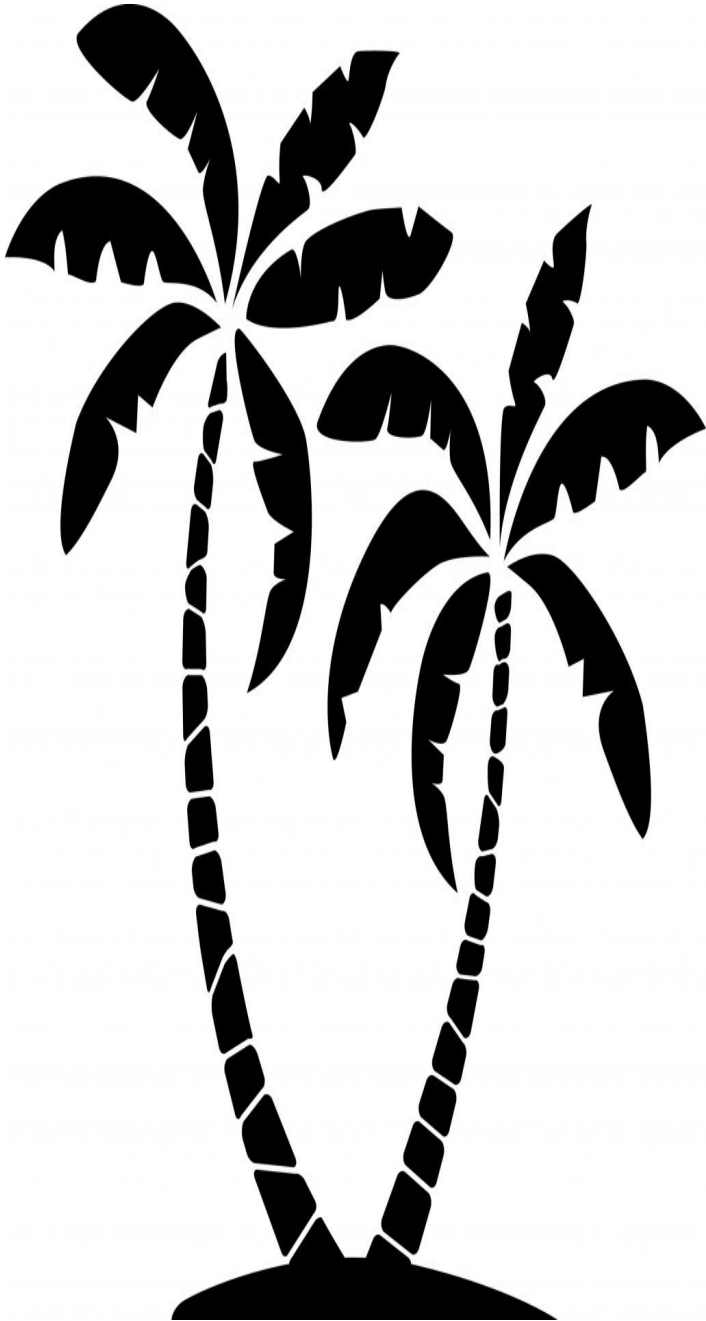
2013		
Employer	Employees	Percentage of Total County Employment
Formosa Plastics	2,400	24.69%
Inteplast Group	2,300	23.66%
Calhoun County I.S.D.	838	8.62%
Alcoa	650	6.69%
Dow Chemical	575	5.92%
Orion Marine Group, Inc.	424	4.36%
Calhoun County	209	2.15%
Seadrift Coke	140	1.44%
Memorial Medical Center	140	1.44%
INEOS Nitriles Formerly BP	135	1.39%
	<u>7,811</u>	<u>80.36%</u>
2012		
Employer	Employees	Percentage of Total County Employment
Formosa Plastics	2,000	19.25%
Inteplast Group	1,800	17.33%
Calhoun County I.S.D.	720	6.93%
Alcoa	650	6.26%
Dow Chemical	579	5.57%
Orion Marine Group, Inc.	430	4.14%
Calhoun County	330	3.18%
Memorial Medical Center	141	1.36%
Seadrift Coke	140	1.35%
HEB Grocery	135	1.30%
INEOS Nitriles Formerly BP	135	1.30%
	<u>7,060</u>	<u>67.96%</u>

NOTES: Information is for the City and Calhoun County.

Information for nine years ago was not readily available.

SOURCE: Texas Workforce Commission-Victoria Office

BUDGET SUMMARIES



Budgetary Fund Structure

Combined Budget Overview

Changes in Fund Balances / Working Capital

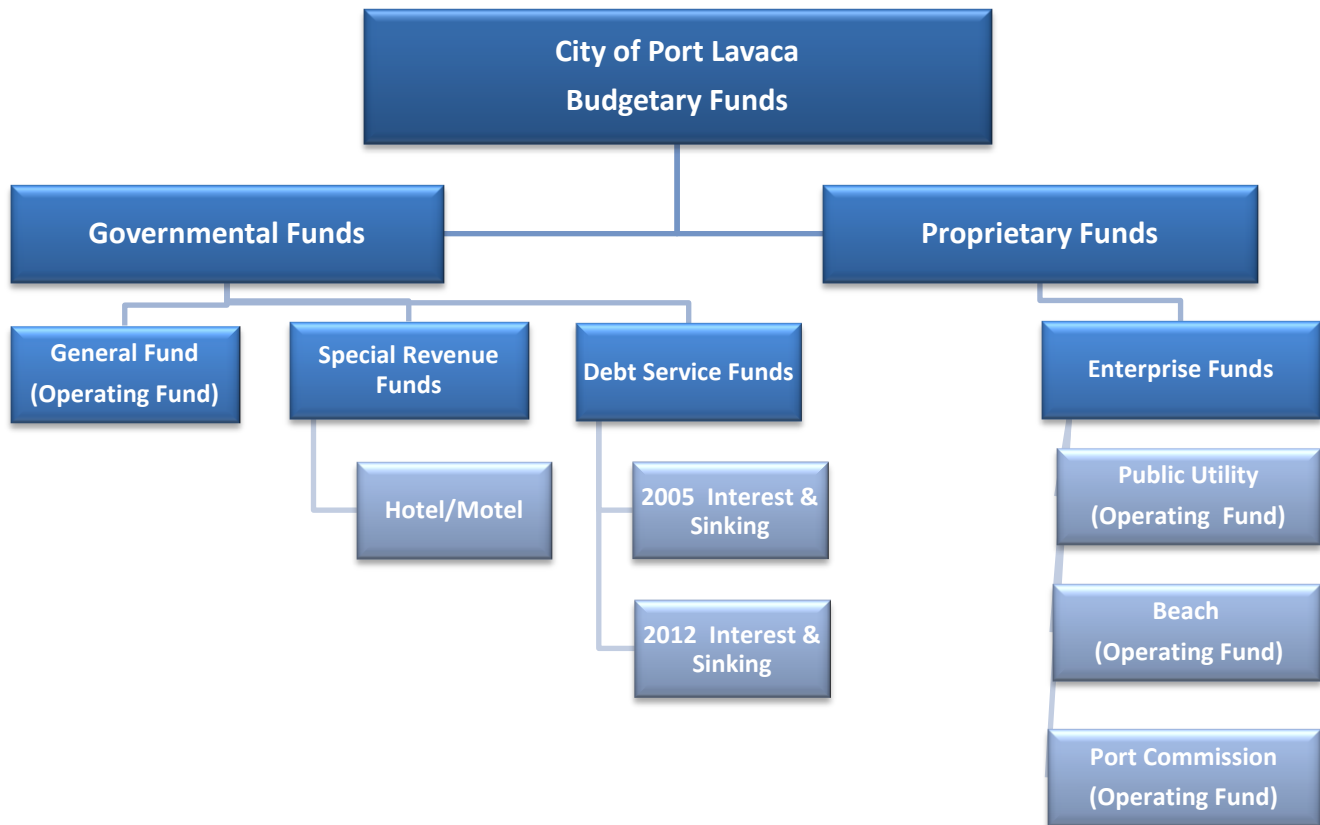
**Combined Revenue and Expenditure
Summary**



This section depicts the “big picture” of City wide revenue and expenditure, reflects the changes in fund balance or working capital for each budgeted fund, and provides comparison to prior year.

Budgetary Fund Structure

The illustration below is intended to serve as a “big picture” overview for the City of Port Lavaca’s Fiscal Year 2014-2015 budgeted fund structure. The adopted budget presents four operating funds (General, Public Utility, Beach and Port), one special revenue fund (Hotel/Motel) and two debt service funds (2005 & 2012 Interest & Sinking). Not all funds of the City are appropriated (i.e., budgeted). Capital projects and most of the City’s special revenue funds are recorded on a project length basis as opposed to annual appropriation. Each fund is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The budgeted funds of the City can be divided into two categories: governmental funds and proprietary funds. Governmental Funds are supported primarily with taxes while proprietary funds are supported by user charges. Operating funds provide for the day to day operations of the City. They account for all routine expenditures and capital outlay items. Debt service funds, also known as interest and sinking funds, are governmental type funds used for the accumulation of resources to pay off long-term debt. Special Revenue funds, such as the Hotel/Motel, are used to account for the proceeds of specific revenue that are legally restricted to expenditures for specified purposes. A more in-depth explanation of the budget is depicted with graphs, charts and a narrative of revenue and expenditures within the detail of each respective fund.



BUDGET SUMMARIES

Combined Budget Overview

The Fiscal Year 2014-2015 budget for all appropriated funds totals \$16,841,900 in revenues and expenditures, including transfers between funds. The goal of the budget process is to provide a balanced budget, in which expenditures do not exceed revenues.

The table below shows an overview of FY 2014-2015 Budget by Funds as it compares to the prior year.

	Amended Budget FY 13-14	Adopted Budget FY 14-15	Variance	Variance By %
General Fund	7,300,000	8,300,000	1,000,000	14%
2005 Interest & Sinking Fund	51,400	56,400	5,000	10%
2012 Interest & Sinking Fund	271,800	272,500	700	.02%
Public Utility Fund	6,396,000	6,650,000	254,000	4%
Beach Fund	530,000	388,000	-142,000	-27%
Port Commission	475,000	850,000	375,000	79%
Hotel/Motel Fund	300,500	325,000	24,500	8%
Total Budget	15,324,700	16,841,900	1,517,200	10%



Changes in Fund Balance/Working Capital

The following summary shows the projected beginning and ending fund balance or working capital balance for each appropriated fund. The fund balances below include reserved and designated dollars and should not be considered as available for operations.

BUDGETD FUNDS	Beginning Fund Balance Working Capital 10-1-14	Budgeted Revenue 2014-2015	Budgeted Expenditures 2014-2015	Ending Fund Balance/ Working Capital 9-30-15
General Fund	5,898,647	8,300,000	(8,300,000)	5,898,647
2005 Interest & Sinking Fund	59,950	56,400	(56,400)	59,950
2012 Interest & Sinking Fund	147,228	272,500	(272,500)	147,228
Utility Fund	4,404,596	6,650,000	(6,650,000)	4,404,596
Beach Fund	488,233	388,000	(388,000)	488,233
Port Commission Fund	857,232	850,000	(850,000)	857,232
Hotel Occupancy Tax Fund	517,606	325,000	(325,000)	517,606
Total Fund Balance/Working Capital	12,373,492	16,841,900	(16,841,900)	12,373,492

The following summary shows the available fund balance after reserve policies are applied. Reserve Policies can be found in the Financial Policy document located in the Appendix section of this budget document.

Fund Balance/Working Capital After Reserves and Designations	General Fund	I & S Funds	Public Utility Fund	Beach Fund	Port Commission	Hotel Occupancy Tax Fund
Projected Fund Balance/Working Capital 10-1-14	5,898,647	207,178	4,404,596	488,233	757,232	517,606
Operating Reserves (4 months)	(2,286,604)	0	0	0	0	N/A
Operating Reserves (3 months)	N/A	0	(1,140,046)	(65,329)	(120,139)	N/A
Health Insurance Claim Reserve	(728,602)	N/A	N/A	N/A	N/A	N/A
Capital Asset Replacement Reserve	(282,298)	0	0	0	0	N/A
Reserves Used-Capital Projects	(250,000)	0	(1,450,000)	(138,000)	(350,000)	0
Reserves Used- Balance Budget*	0	0	0	0	0	0
Budgeted Depreciation**	0	0	534,000	95,000	223,000	0
Estimated Fund Balance/Working Capital 9-30-15	2,351,143	207,178	2,348,550	379,904	510,093	517,606

Assumptions on the table above are as follows:

1. Budgeted revenues equal budgeted expenses.
2. Reserve designations are based on City policy to maintain four months operating reserve in the General Fund and three months reserve in the Enterprise Funds. This information may be found in the City's financial policies located behind the Appendix tab of this budget document.
3. *At times, the City will balance the budget with reserves. This is only used to fund one time projects where additional reserves are available over the City's required reserve levels.
4. **The City budgets to cover depreciation. This budget practice enables the City to fund infrastructure projects rather than borrow funds. **This also results in an increased fund balance by the amount budgeted for depreciation.**

BUDGET SUMMARIES

Combined Revenue and Expenditures Summary

	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	% Change Amended Budget to Adopted Budget
Funding Sources					
Property Tax	3,867,992	3,588,000	3,848,000	3,743,500	4.33%
Sales and Use Tax	2,445,393	2,180,000	2,450,000	2,200,000	0.92%
Franchise Tax	604,421	585,000	591,800	585,600	0.10%
Hotel/Motel Tax	372,677	300,000	375,000	324,000	8.00%
Licenses and Permits	158,722	82,900	128,500	83,900	1.21%
Service Charges	6,072,068	5,780,000	5,975,400	5,839,900	1.04%
Fines & Forfeitures	445,272	441,200	408,900	411,300	-6.78%
Other Revenue	3,224,544	1,561,500	160,500	2,278,800	45.94%
Grant & Contributions	250,625	295,500	451,373	255,400	-13.57%
Interfund Transfers	494,511	510,600	510,600	1,119,500	119.25%
Total Revenues & Transfers	17,936,224	15,324,700	14,900,073	16,841,900	9.90%
Expenditures					
General Government	811,925	828,502	817,715	916,000	10.56%
Streets	4,678,657	1,930,175	1,830,200	2,397,109	24.19%
Public Safety	2,955,987	2,960,371	3,048,862	3,057,613	3.28%
Parks & Recreation	1,205,187	1,064,350	1,019,000	1,162,600	9.23%
Non-Departmental	1,338,784	1,369,802	1,427,000	1,483,578	8.31%
Water & Sewer	5,266,142	6,396,000	5,994,506	6,650,000	3.97%
Port Commission	1,053,303	475,000	477,000	850,000	78.95%
Hotel Motel	368,327	300,500	260,000	325,000	8.15%
Total Expenditures & Transfers	17,678,312	15,324,700	14,874,283	16,841,900	9.90%
Net Revenue (Expenditures)	257,913	0	25,790	0	
Beginning Balances	12,089,790	12,347,703	12,347,703	12,373,493	
Ending Balances	12,347,703	12,347,703	12,373,493	12,373,493	0.21%

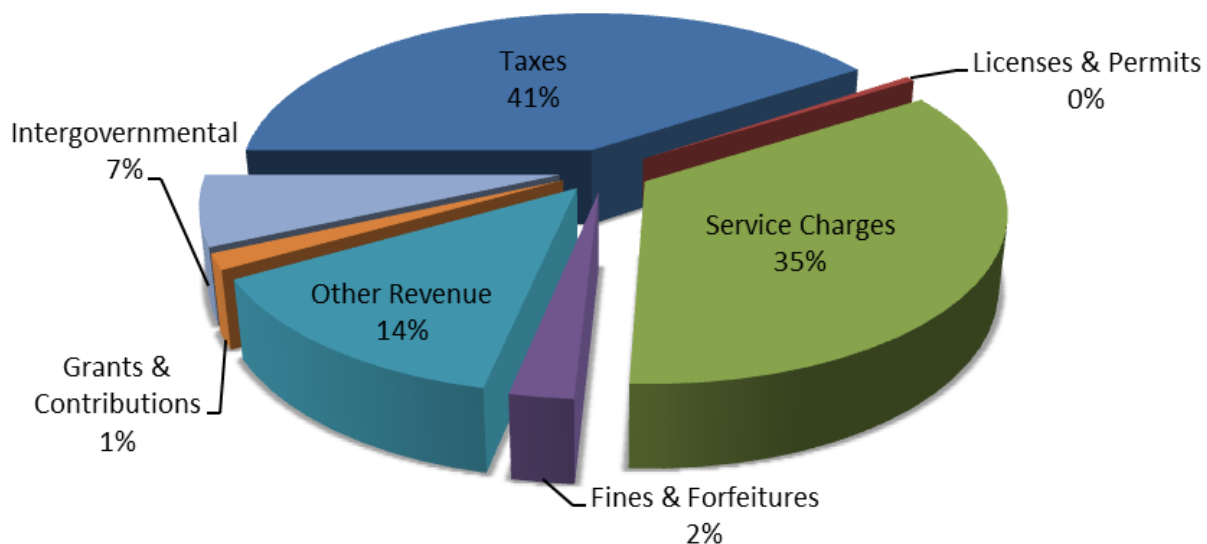
The following pages provide summaries related to City Wide Revenue by receipt type and City Wide Expense by function.

City Wide Revenue

The FY 2014-2015 budgeted revenues total \$16,841,900, which is up \$1,517,200 over prior year FY 2013-2014 budget. The use of reserves to fund current year capital projects attributes for this increase. The largest revenue source fund is taxes which represents 41% of the total revenue. Detail of each revenue source fund can be found in the revenue section of this book.

Revenue by Receipt Type	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Taxes (Property, Sales, Franchise, Hotel/Motel)	7,290,482	6,653,000	7,264,800	6,853,100
Licenses & Permits	158,722	82,900	128,500	83,900
Service Charges	6,072,068	5,780,000	5,975,400	5,839,900
Fines & Forfeitures	445,272	441,200	408,900	411,300
Other Revenue	3,224,544	1,561,500	160,500	2,278,800
Grants & Contributions	250,625	295,500	451,373	255,400
Intergovernmental	494,511	510,600	510,600	1,119,500
Total Revenue	17,936,224	15,324,700	14,900,073	16,841,900

Where do we get our dollars?



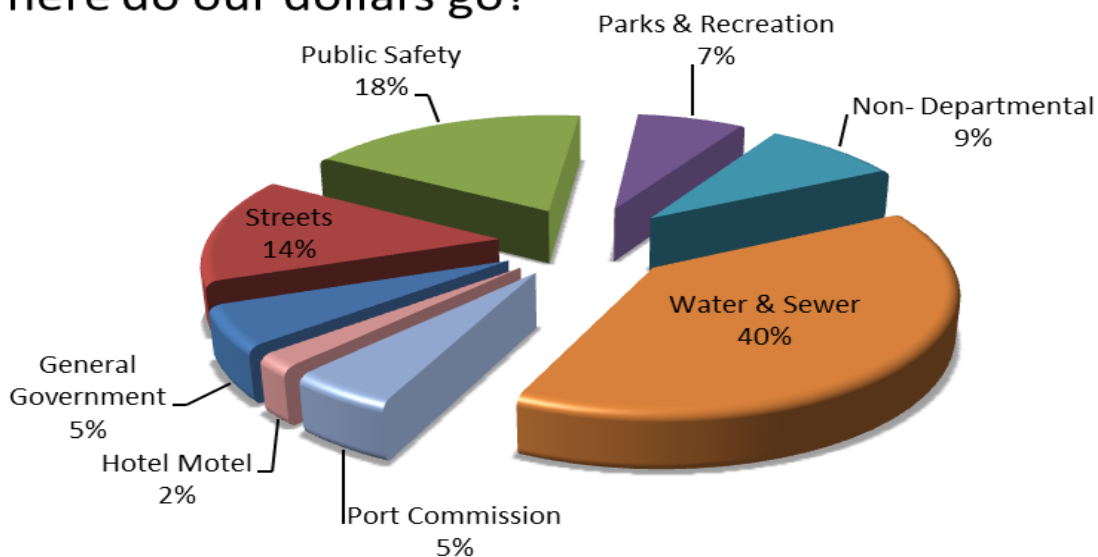
BUDGET SUMMARIES

City Wide Expenditures

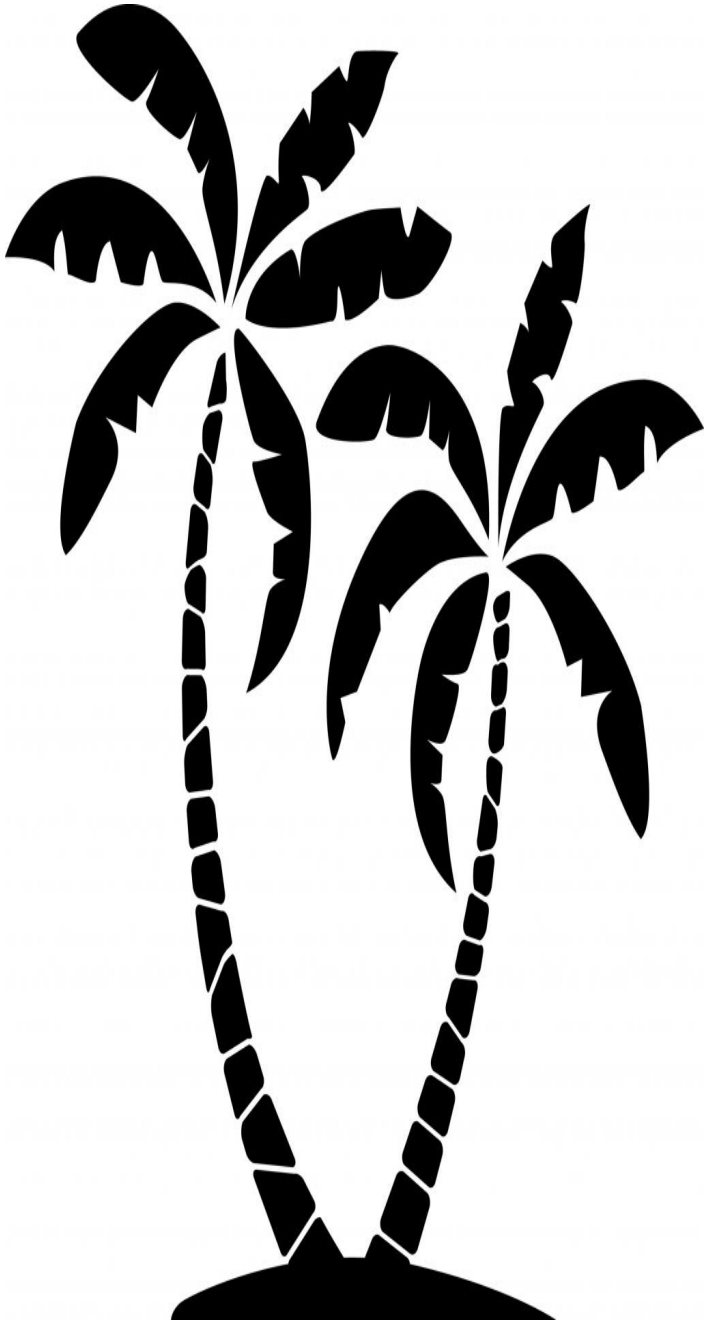
The FY 2014-2015 budgeted expenditures total \$16,841,900, which is up \$1,517,200 (10%) over FY 2013-2014 budget. This is primarily attributable to one-time capital projects in the General Fund, Water and Sewer Fund, Beach Fund and Port Commission Fund. The City is funding \$2.9 million projects without issuing debt.

By Object (Operational Funds)	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
General Government	811,925	828,502	817,715	916,000
Streets	4,678,657	1,930,175	1,830,200	2,397,109
Public Safety	2,955,987	2,960,371	3,048,862	3,057,613
Parks & Recreation	1,205,187	1,064,350	1,019,000	1,162,600
Non- Departmental	1,338,784	1,369,802	1,427,000	1,483,578
Water & Sewer	5,266,142	6,396,000	5,994,506	6,650,000
Port Commission	1,053,303	475,000	477,000	850,000
Hotel Motel	368,327	300,500	260,000	325,000
Total Expenditures	17,678,312	15,324,700	14,874,283	16,841,900

Where do our dollars go?



REVENUE ASSUMPTION AND TRENDS



General Fund

Special Revenue Funds

Enterprise Funds



This section provides revenue descriptions, trends, and assumptions for major revenue line items. Detailed revenue information can be found within each respective fund.

General Fund Revenue

The Property Tax Rate and Property Tax Revenue

Property taxes are levied each year on October 1st on the assessed values as of the prior January 1st for all real and personal property located in the City. Assessed values are established by the Calhoun County Appraisal District (CCAD). Certified taxable values are provided to the City by the CCAD in July. Property tax is the largest source of income for the General Fund and makes up **41%** of the budgeted revenue for the 2014-2015 fiscal years. This tax supports operations such as police services, fire protection, streets, park maintenance, and code enforcement. The City of Port Lavaca is looking for ways to increase sales taxes generated in the City. This would decrease some of the City's reliance on property tax revenue.

The total value of all taxable property as certified by the Calhoun County Appraisal District is summarized in the following table:

	Current Year FY 2014-2015	Prior Year FY 2013-2014	Variance	Variance
Net Taxable Before Freeze	527,989,463	513,815,382	14,174,081	3%
*Freeze Adjusted Tax Value	454,902,273	442,198,418	12,703,855	3%

* The City approved a tax freeze for all Port Lavaca citizens over the age of 65 beginning in tax year 2008.

Certified taxable property valuations provided to the City by the CCAD on July 21, 2014 totaled \$527,989,463 - an increase of 3% over prior year. Included in this amount is the tax freeze value of \$73,087,190 for homeowners over 65 years of age and/or disabled. For the 2014-2015 Budget, Council approved a tax revenue increase of 2.42 % (percentage by which the adopted tax rate exceeds the lower of rollback tax rate or effective tax rate). The City Council adopted a tax rate of .79/\$100 value in order to maintain the same service levels and to address the rise in the City's health care costs.

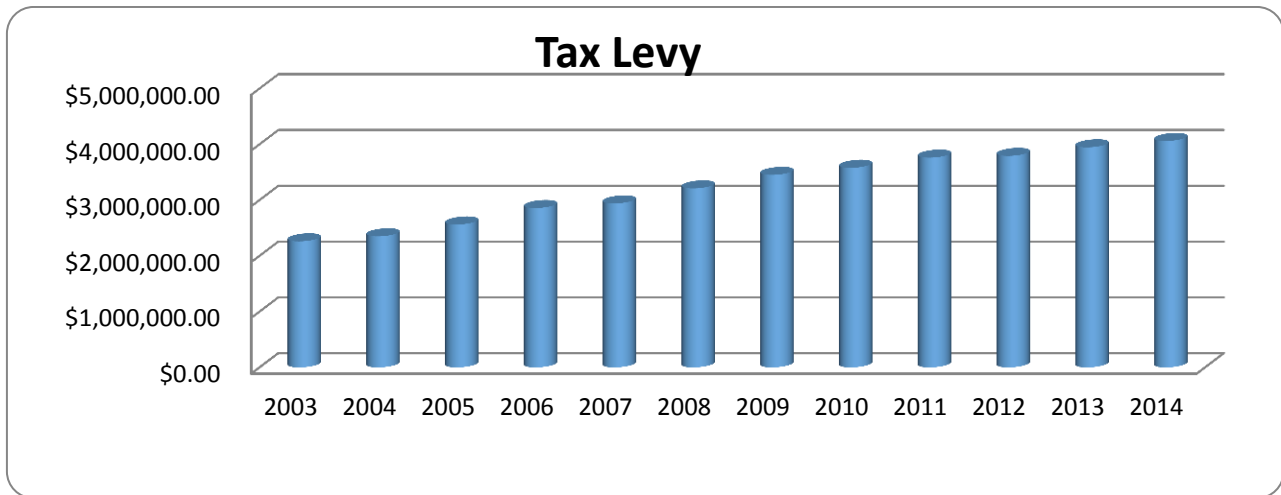
The table below shows the City's tax rate distribution & associated tax levy as approved in the budget.

	Tax Rate	Tax Rate Percent	Total Gross Levy ¹	FY 2014-2015 Budget ²
Debt Service Funds:				
2005 Certificates of Obligation	.0137	1.73%	62,654	56,300
2012 General Obligation Refunding Bonds	.0668	8.46%	303,966	272,200
Total Debt Service	(Required)			
	.0805	10.19%	366,619	328,500
General Fund:				
Operation and Maintenance	.7095	89.81%	3,227,109	3,415,000
Total	.7900	100.00%	3,593,728	3,743,500

¹ **Gross levy**- excludes tax freeze dollars (\$465,788); ² **Budget** adds back tax freeze dollars & delinquent tax collections that are not considered in gross levy, and then applies an 89.54% collection rate

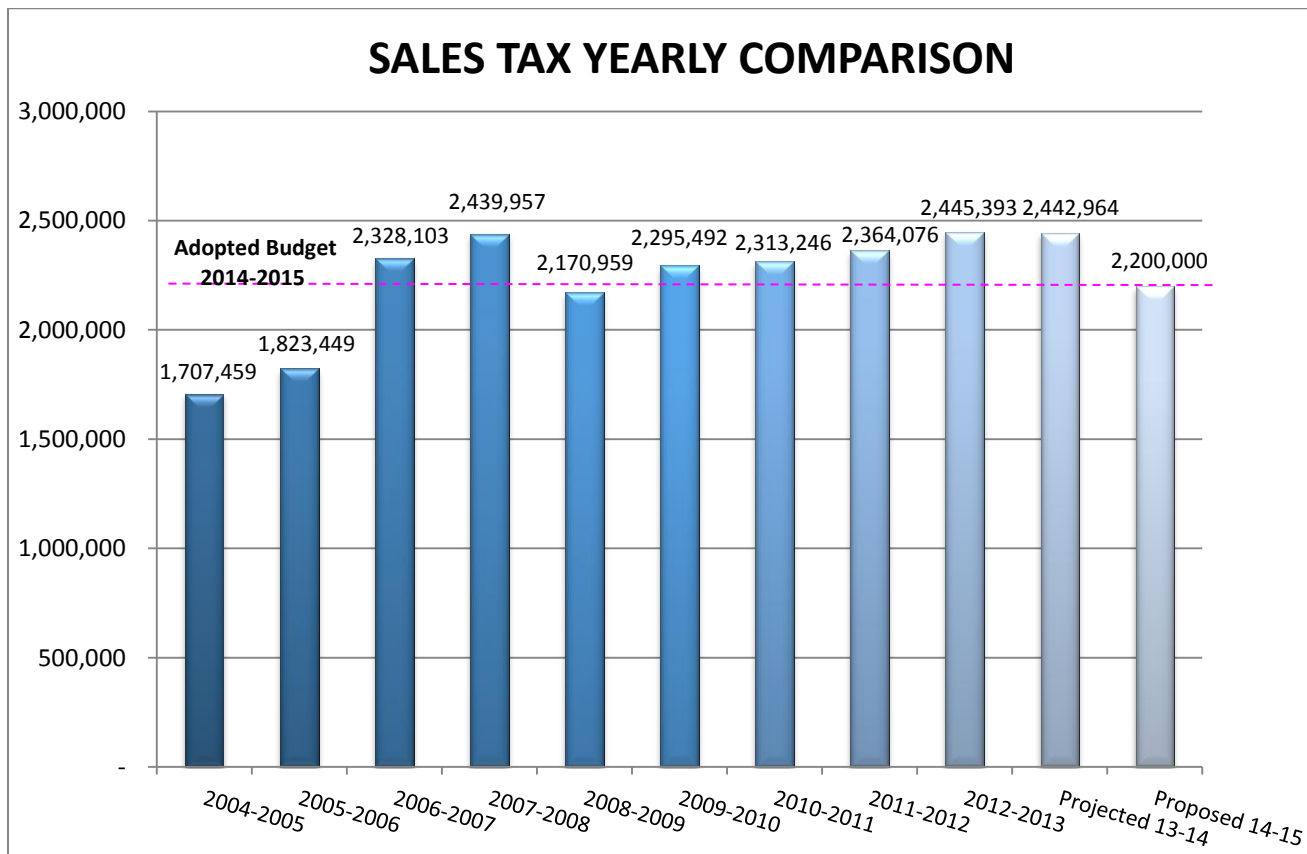
REVENUE ASSUMPTIONS AND TRENDS

The graph below shows the history of the City's original tax levy.



Sales Tax

Sales tax is the second largest revenue source in the General Fund making up **27%** of the City's General Fund budget. The City receives 1.5% of the 8.25% tax charged inside the city limits. The County receives 0.5% and the remaining 6.25% goes to the State. With the volatile economy in mind, the City conservatively budgets sales tax.



Franchise Fees

Franchise Fees represent **7%** of the City's General Fund revenue. Franchise fees are collected from major public utility providers operating within the City limits. This charge is for the use of the City's right of ways and streets. The fee is usually computed by a percentage of gross receipts. The City is budgeted to collect a total of **\$585,600**, a slight decrease as compared to prior year's budget. Historical collections of the most recent years are the primary basis for assumptions of Franchise Fees.

Licenses & Permits

Revenues from these categories relate to various contractors' permits, alcohol permits and animal licenses. Historical averages are the basis of this budget assumption due to the timing of construction jobs.

Grants & Contributions

The City provides services to the County for Fire and Animal Control services. This revenue is budgeted based on Interlocal Agreements between the City and County. This year's annual contracts & local grants equate to **\$253,000**.

- Interlocal agreement with Calhoun County for Fire Protection- \$182,000
- Interlocal agreement with Calhoun County for Animal Control- \$65,000
- Interlocal agreement with the City of Point Comfort for Animal Control- \$6,000

Intergovernmental Revenue

This revenue represents transfers from various funds to reimburse the General Fund for services such as office space, financial services, administrative services, equipment purchases, capital projects and reimbursement for maintaining the City's Convention Center. The administrative fee is assessed each year and is approximately **3 to 3.5%** of the revenue budgeted in the City's Enterprise Funds. Total transfers including administrative fee represent 13% of the General Fund's budgeted revenues.

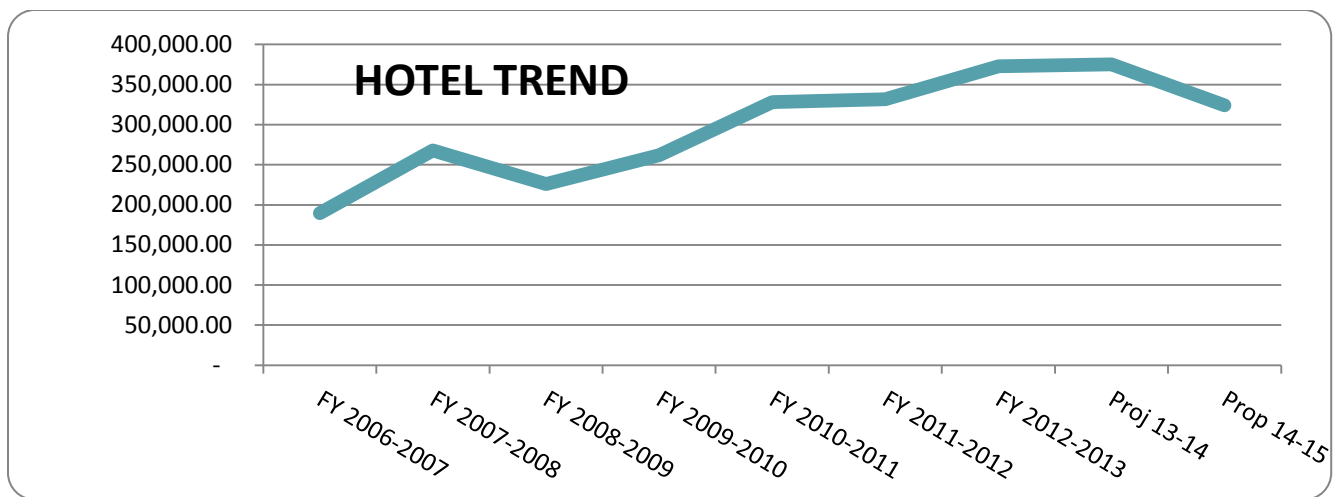
- Transfer In from Port Commission to recover administrative fees - \$16,500
- Transfer in from Port Commission to reimburse street project at the Port - \$350,000
- Transfer In from Public Utility Fund to recover administrative fees- \$180,000
- Transfer In from Public Utility Fund to recover costs related to Spring Clean-Up- \$60,000
- Transfer in from Public Utility Fund to recover ½ of capital project cost related to the Public Works Service Center- \$250,000
- Transfer In from Beach Fund to recover administrative fees- \$8,000
- Transfer In from the Fixed Asset Replacement Fund (FARF)- \$55,000
- Transfer In from the Hotel Occupancy Tax Fund to recover costs of the Bauer Convention Center- \$200,000

Enterprise and Special Revenue Funds

Hotel Occupancy Tax (HOT) Fund

Hotel Tax

All occupants staying overnight in hotels or motels in the City of Port Lavaca for a period less than 30 days, are charged a hotel tax of 13% of the room cost. The City receives 7% of the revenue. This money is used to promote the City of Port Lavaca following strict guidelines on the use of this tax set up by the State Comptroller's Office. Historical trends are used to estimate this revenue. The City budgeted conservatively with \$325,000.



Public Utility Fund

Water & Sewer Revenue

The Water and Waste Water operations are funded primarily through user fees. The City purchases water from the Guadalupe-Blanco River Authority. The City has to set rates to cover the purchased water cost along with the cost to maintain and repair the City's infrastructure. The City did not increase water or sewer rates. The City's last rate increase was **October 1, 2013**. The City estimates revenue based on historical trends that consider weather and consumption history. *The City budgeted to use depreciation reserves of \$1,450,000 to fund capital projects.*

Garbage Fees

Residential garbage pickup is provided by a private contractor. This is primarily a pass through to the customer; however, it is shown as part of the City's budgeted revenue. The estimated revenue is derived by the average number of customers multiplied by the rate, then annualized.

Beach Fund

RV rentals are the largest user fee in this fund and are estimated to be **\$200,000**, or **80%** of total current revenue. In addition, the City charges gate fees, cabana rentals and pavilion rentals. Revenue assumptions are based on department input, economic indicators, change in rates and historical trends. *The City budgeted to use depreciation reserves of \$138,000 to fund capital projects.*

Port Commission Fund

The Port Commission charges for service fees such as tariffs, dock leases and building leases on the City's harbor and dock facilities. The City anticipates revenue to increase over prior year based on assumptions of the Harbor Master and historical usage data. *The City budgeted to use depreciation reserves of \$350,000 to reimburse the General Fund for a street project located on Port Commission land.*

All Major Funds

User & Service Charges

This type of charge can be found in the General Fund, Public Utility Fund, Beach Fund and Port Commission Fund. These fees account for **35%** of citywide revenue.

Less than 1% of the General Fund revenue comes from service fees. However, this is **97%** of the Public Utility Fund's revenue source, **99%** of the Beach Fund revenue and **99%** of the Port Commission Fund revenue. These percentages exclude depreciation reserves (working capital) to fund capital projects.

Fines & Forfeitures

Fines and forfeitures account for approximately **2%** of the citywide revenue and can be found in the General Fund, Public Utility Fund and the Port Commission Fund. In the General Fund, this revenue is represented by payments of citations, warrants and court costs. The revenue is represented as late penalties in the Public Utility Fund and the Port Commission Fund.

Other Revenue

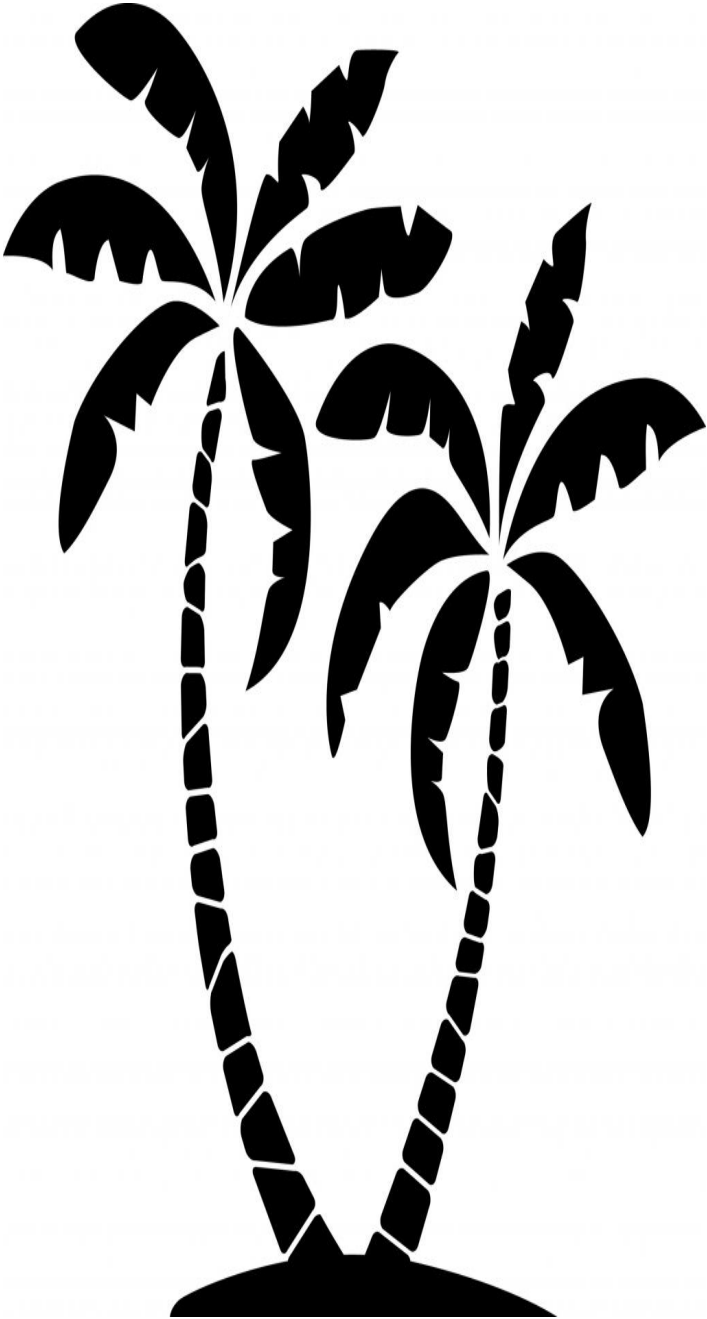
This is the smallest resource of citywide revenue and can be found in most funds. This includes items such as interest income, auction proceeds and other financing sources.

Total City Revenue

The Fiscal Year 2014-2015 budgeted revenues for the City totaled \$16,841,900. This is *up* \$1,517,200 or 10% more than prior year's budget. This is attributable to funding various capital projects with depreciation reserves.



GENERAL FUND



Revenue

Expenditures

Department Summaries

City Council

City Manager

City Secretary

Human Resources

Municipal Court

Economic Development

Finance

City Hall

Police

Fire

Animal Control

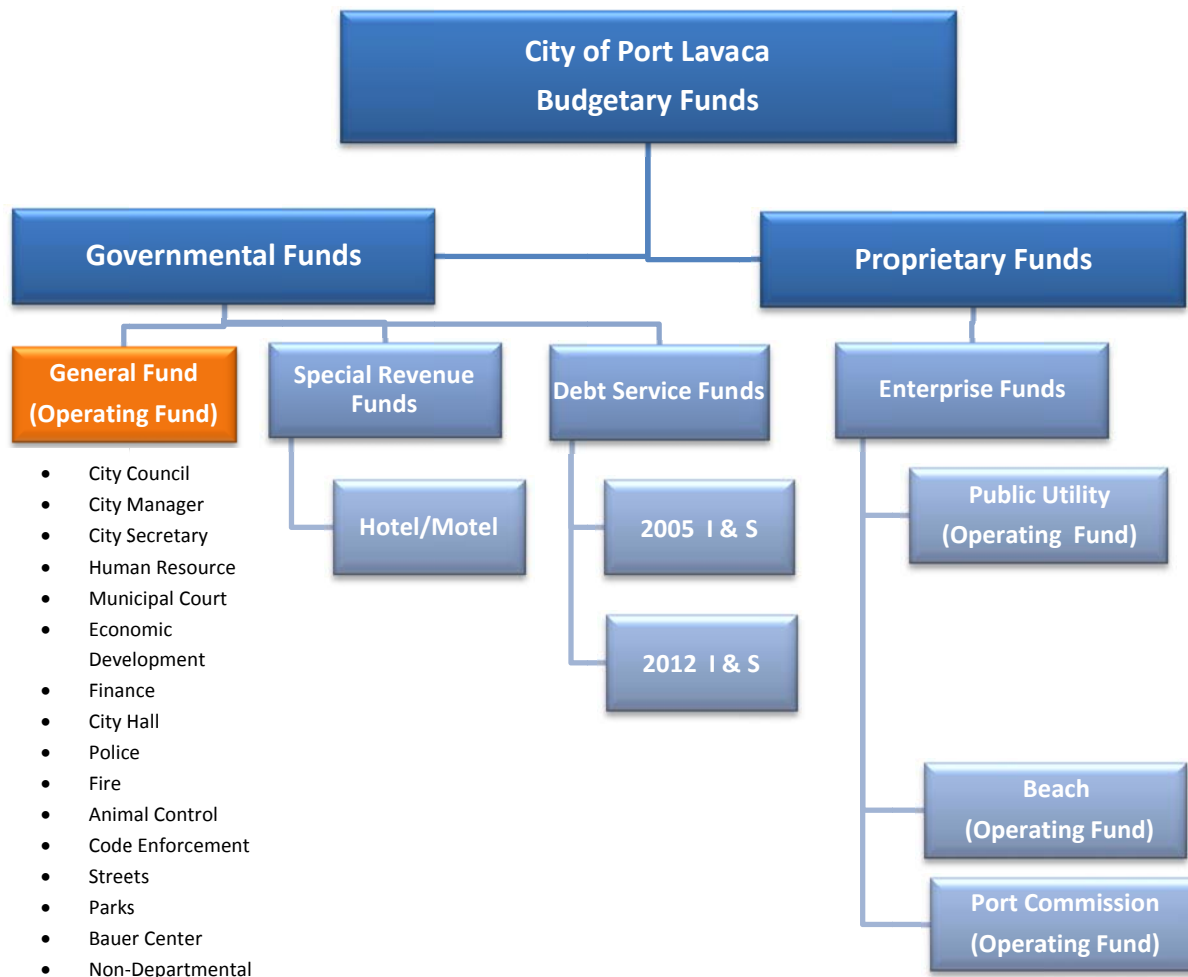
Code Enforcement

Streets

Parks

Bauer Center

Non-Departmental



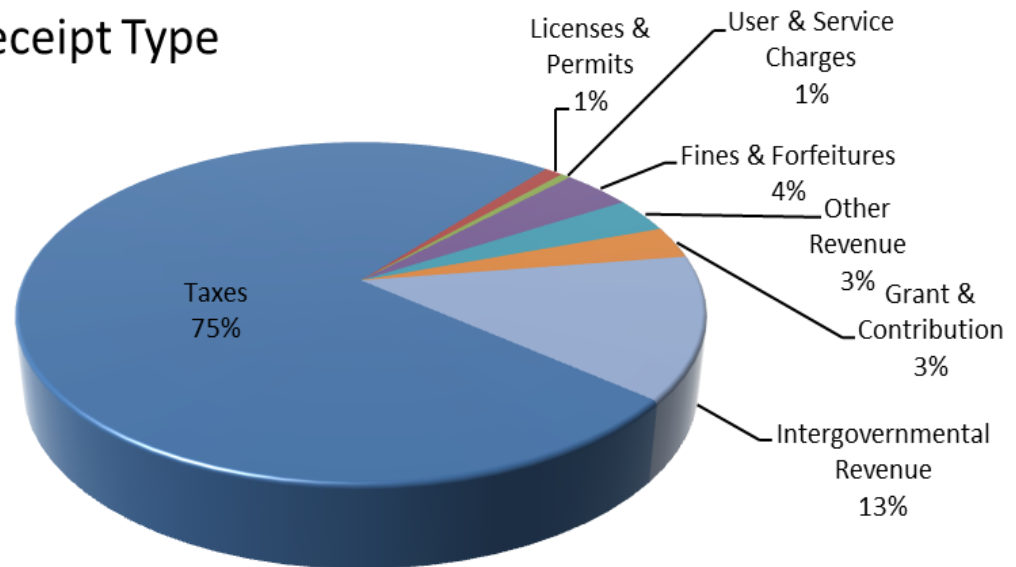
The General Fund is the general operating fund of the City. It is used to account for all financial resources accounted for in other specific funds. This fund includes all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from this fund.

This section provides a three year comparative summary and detailed information for revenue and expenditures. You will also find each operating department's mission, upcoming goals, budget history, performance measures and major additions related to the General Fund.

General Fund Revenue

Receipt Type	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	Variance
Taxes	6,571,482	6,030,000	6,566,800	6,200,600	170,600
Licenses & Permits	158,722	82,900	128,500	83,900	1,000
User & Service Charges	74,435	45,000	83,000	47,000	2,000
Fines & Forfeitures	348,606	349,000	316,000	319,000	-30,000
Other Revenue	178,040	34,000	89,500	277,000	243,000
Grant & Contributions	248,625	248,500	403,873	253,000	4,500
Intergovernmental Revenue	494,511	510,600	510,600	1,119,500	608,900
Total Revenue	8,074,420	7,300,000	8,098,273	8,300,000	1,000,000

Revenue by Receipt Type



Largest Revenue Sources	Amended Budget FY 2013-2014	% Of Total 13-14 General Fund Budget	Adopted Budget FY 2014-2015	% Of Total 14-15 General Fund Budget	Variance
Property Taxes	3,265,000	45%	3,415,000	41%	150,000
Sales Tax	2,180,000	30%	2,200,000	27%	20,000
Franchise Fees	585,000	8%	585,600	7%	600
Total	6,030,000	83%	6,200,600	75%	170,600

Note: Excludes consideration of Intergovernmental Revenue or Transfers from Enterprise Funds for administrative fees

GENERAL FUND

General Fund Revenue Detail

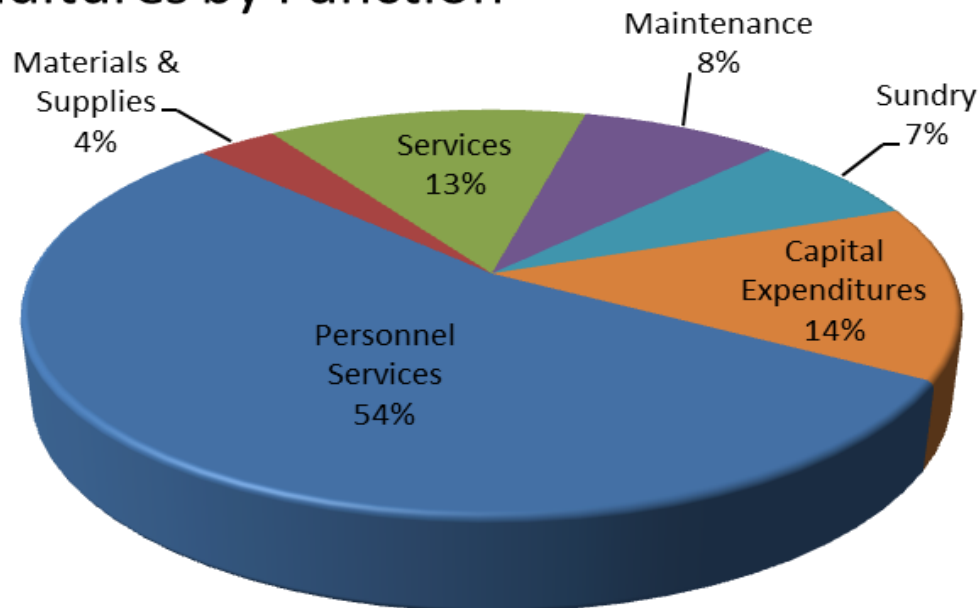
General Fund Revenues	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Taxes				
Property Taxes Current	3,395,840	3,150,000	3,410,000	3,300,000
Property Taxes Delinquent	125,828	115,000	115,000	115,000
Sales Tax Revenue	2,445,393	2,180,000	2,450,000	2,200,000
Natural Gas Franchise Tax	42,072	40,000	40,800	40,000
Electrical Franchise Tax	337,845	335,000	335,000	335,600
Telephone Franchise Tax	36,168	35,000	35,000	35,000
Cable TV Franchise Tax	84,227	85,000	85,000	85,000
Waste Collection Franchise	86,098	80,000	85,000	80,000
Other Franchise Tax	1,124	500	1,000	500
Alcohol Beverage Tax	16,887	9,500	10,000	9,500
Total Taxes	6,571,482	6,030,000	6,566,800	6,200,600
Licenses & Permits				
Electrical Licenses	2,000	2,000	2,000	2,000
Builder Licenses	6,400	5,000	6,500	5,000
Electrical Permits	7,786	6,000	8,000	6,000
Building Permits	65,496	30,000	40,000	30,000
Plumbing Permits	12,756	8,000	9,400	8,000
Mechanical Permits	6,669	3,000	3,200	3,500
Trailer Permits	1,096	400	200	400
Food Handler's Permits	3,400	2,500	3,000	2,500
Liens	3,322	0	4,000	0
Other Permits & Fees	36,154	20,000	40,000	20,000
Alcoholic Beverage Licenses	5,500	4,000	5,000	4,000
Animal Licenses & Fee	6,563	2,000	6,000	2,000
Alarm Fees	1,580	0	1,200	500
Total Licenses & Permits	158,722	82,900	128,500	83,900
User & Service Charges				
Bauer Center Rentals	67,615	40,000	80,000	45,000
Bayfront Rentals	0	0	0	0
CVB Events	600	0	0	0
Police Services	6,220	5,000	3,000	2,000
Fire Service Fees	0	0	0	0
Total User & Service Charges	74,435	45,000	83,000	47,000

General Fund Revenues (Continued)	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Fines & Forfeitures				
Penalties & Interest	97,494	100,000	95,000	95,000
Tax Attorney Fees	36,617	35,000	26,000	30,000
Court Fines	174,050	170,000	150,000	150,000
Municipal Court- Collection Agency	17,076	20,000	20,000	20,000
Local Time Payment Fees	6,529	6,000	6,000	6,000
Arrest Fees	16,834	18,000	19,000	18,000
Cash Over- Municipal Court	7	0	0	0
Total Fines & Forfeitures	348,606	349,000	316,000	319,000
Other Revenue				
Interest Income	10,543	8,000	13,000	8,000
Other Financing Sources	0	0	0	0
Photo Copies	1,157	0	1,000	0
Donations	738	0	4,000	0
Auction Proceeds	4,613	5,000	5,000	5,000
TML Reimbursements	24,795	10,000	9,000	3,000
Fire Training Reimbursement	0	0	0	0
Miscellaneous Income	40,744	5,000	50,000	5,000
Tower of Tex Usage Rights	95,449	6,000	7,500	6,000
Equity Balance Forward	0	0	0	250,000
Total Other Revenue	178,040	34,000	89,500	277,000
Grants and Contributions				
Contribution Lease - Police/Fire	0	0	1,873	0
Calhoun County- Fire	177,625	177,500	331,000	182,000
Calhoun County- Animal	65,000	65,000	65,000	65,000
Point Comfort- Animal	6,000	6,000	6,000	6,000
Total Grants and Contributions	248,625	248,500	403,873	253,000
Intergovernmental Revenue				
Transfer In- 504 Port Commission	16,000	16,500	16,500	366,500
Transfer In- 501 Utility Fund	200,000	235,000	235,000	490,000
Transfer In- 503 Beach Fund	8,000	8,000	8,000	8,000
Transfer In- 206 FARF Fund	70,511	61,100	61,100	55,000
Transfer In- 101 Hotel/Motel	200,000	190,000	190,000	200,000
Transfer In- Other	0	0	0	0
Total Intergovernmental Revenue	494,511	510,600	510,600	1,119,500
Total General Fund Revenue	8,074,420	7,300,000	8,098,273	8,300,000

General Fund Expenditures by Function

Expenses by Function	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	Variance
Personnel Services	4,296,038	4,276,131	4,206,180	4,480,430	204,299
Materials & Supplies	297,074	263,305	252,250	276,550	13,245
Services	1,071,435	1,048,927	971,510	1,099,553	50,626
Maintenance	619,527	494,775	490,675	687,604	192,829
Sundry	656,751	381,762	351,962	600,863	219,101
Capital Expenditures	510,339	835,100	1,007,000	1,155,000	319,900
Total Expenditures	7,451,164	7,300,000	7,279,577	8,300,000	1,000,000

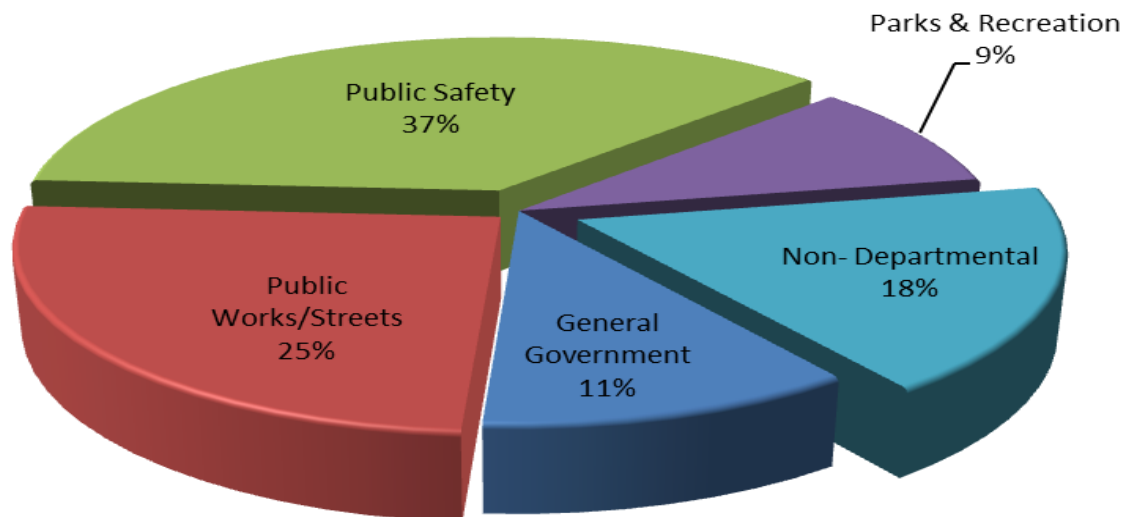
Expenditures by Function



General Fund Expenditures by Department

Department	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	Variance	Variance by %
City Council	28,652	32,655	31,340	28,600	-4,055	-12%
City Manager	205,701	202,098	199,300	200,500	-1,598	-1%
City Secretary	79,500	83,611	92,050	93,000	9,389	11%
Human Resource	70,400	77,333	66,525	77,000	-333	0%
Municipal Court	102,366	111,545	104,000	115,925	4,380	4%
Economic Development	0	0	0	72,000	72,000	0%
Finance	200,000	199,935	199,500	208,550	8,615	4%
City Hall	125,307	121,325	125,000	120,425	-900	-1%
Police	1,577,922	1,550,550	1,546,000	1,605,350	54,800	4%
Fire	1,135,919	1,150,362	1,253,862	1,188,563	38,201	3%
Animal Control	103,253	105,840	110,500	108,700	2,860	3%
Code/Inspections	138,893	153,619	138,500	155,000	1,381	1%
Public Works/Streets	1,410,596	1,606,975	1,507,000	2,068,209	461,234	29%
Parks & Recreation	689,469	304,850	288,000	561,100	256,250	84%
Bauer Center	244,404	229,500	191,000	213,500	-16,000	-7%
Non-Departmental	1,338,784	1,369,802	1,427,000	1,483,578	113,776	8%
Total Expenditures	7,451,164	7,300,000	7,279,577	8,300,000	1,000,000	14%

Expenditures by Department



Departmental Summaries

CITY COUNCIL

Our Mission

The City of Port Lavaca is committed to making Port Lavaca a desirable place to live through quality services, responsible use of public resources and a progressive attitude toward community development. With enthusiasm, integrity and vision, we will maintain a safe environment and continually improve the quality of life for all citizens.

Description of our Services

The City Council is the governing and lawmaking body of the City Government, and they shall have and exercise all powers granted by the City Charter, State Law and the State Constitution. The Council also provides legislative leadership in establishing ordinances, resolutions and policies.

Our Leadership Philosophy

The City Council of Port Lavaca will lead...

- By setting the example
- With integrity
- As a servant to the citizens
- By being a part of the community
- Knowing what the citizens want
- Relating to the citizens
- With vision
- With pride
- With unity
- By communicating
- By taking action without a private agenda
- With understanding and compassion
- By being responsive
- By taking responsibility

Strategic Plan Area Dimensions

- Governance
- Infrastructure
- Quality of Life
- Community Development
- Business Development

2014-2015 Goal Statements

- Port Lavaca residents are well informed and involved with the affairs of local city government.
- Port Lavaca residents enjoy new streets, sidewalks and other improvements year after year.
- Port Lavaca is known for creating a business development program that is responsive to existing business needs.
- Port Lavaca is a culturally diverse community actively promoting tourism and encouraging economic development opportunities.
- Port Lavaca residents enjoy a safe community with great amenities and affordable living.

Budget Summary

City Council	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	24,590	27,180	27,180	27,180
Materials & Supplies	1,417	3,650	3,650	0
Services	1,345	525	510	950
Maintenance	1,300	1,300	0	470
Total City Council	28,652	32,655	31,340	28,600

CITY MANAGER

Our Mission

To provide planning, control, direction, support and coordination to the activities and functions of all City Departments based on City Council Policy, Charter, Codes and State Law.

Description of our Services

The City Manager exercises leadership in maintaining effective communication between the City Council, City employees and the citizens of Port Lavaca. As the City's Chief Executive Officer, the City Manager performs financial monitoring, presents the annual budget, prepares City Council agenda, provides citizen assistance and works on economic and community development opportunities. This office also handles customer service requests, prepares agendas and minutes to the Port Commission and provides general administrative assistance to other programs.



Strategic Focus

Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks and other improvements year after year.

Business Development

Port Lavaca is known for creating a business development program that is responsive to existing business needs.

Community Development

Port Lavaca is a culturally diverse community actively promoting tourism and encouraging economic development opportunities.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Promote a community that respects and embraces the multiple cultures
- Expand economic development opportunities in the City by supporting existing business and encouraging new development
- Assist the Council in ordinance revisions for the well-being of the City's residents and businesses
- Finalize the City's Waterfront Master Plan
- Provide a Comprehensive Plan

2013-2014 Accomplishments of Prior Year Business Plans

- Completed a strategic plan for City staff
- Completed a Waterfront Development Study
- Completed a Land Use Plan for city's growth and future development

Budget Summary

City Manager	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	193,606	191,883	191,000	192,850
Materials & Supplies	1,621	1,065	1,300	900
Services	10,475	9,150	7,000	6,750
Maintenance	0	0	0	0
Sundry	0	0	0	0
Total City Manager	205,701	202,098	199,300	200,500

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
City Manager	1	1	1
Administrative Assistant	1	1	1
Total	2	2	2

“Make no little plans. They have no magic to stir man’s blood. Make big plans; aim high in hope and work.”

D. H. Burnham

CITY SECRETARY

Our Mission

To provide support, assistance and information to the City Council and City Manager so that they have the resources required to efficiently and effectively conduct the business of the City and its citizens; to preserve City documents so that the City Council, City employees and Citizens of Port Lavaca may stay informed by having timely and convenient access to City records. This office also conducts and monitors City elections in strict compliance with all applicable laws, in the most efficient and effective manner possible; and keeps elected officials, staff and the general public well informed regarding elections and election procedures.

Description of our Services

The Office of the City Secretary is responsible for the preparation of agendas and minutes for all City Council meetings; ensuring compliance with the Public Information Act for Texas Open Meetings and Public Records request; maintains all official records of the City, including minutes, contracts, ordinances, resolutions and deeds; oversees processing of all open records requests; attests the signature of the Mayor and affixes the City seal on all official documents. This office also prepares and posts all required documentation for the administration of City elections.



Strategic Focus

Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.

2014-2015 Business Plans (Objectives)

- Evaluate new laws passed during the 2015 Texas State Legislative Session to determine their impact on the Public Information Act and implement necessary changes
- Implement electronic up-to-date indexing for tracking traffic control devices or speed limits adopted by city ordinances
- Expand the document imaging system to provide City information retrieval via the City network and the internet
- Continue Clerk Certification education

2013-2014 Accomplishments of Prior Year Business Plans

- Conducted the May 2014 Elections and installation of council members
- Implemented “paperless” City Council Meetings
- Improved departmental page on City’ website
- Cross trained staff

Budget Summary

City Secretary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	65,735	66,411	66,000	69,000
Materials & Supplies	1,789	1,500	1,000	1,000
Services	11,976	15,700	25,000	23,000
Maintenance	0	0	50	0
Capital Expenditures	0	0	0	0
Total City Secretary	79,500	83,611	92,050	93,000

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
City Secretary	1	1	1
Administrative Assistant	0	0	0
Total	1	1	1

Performance Measures

Our Workload	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Number of Agendas/Meetings/Mins.	25	22	24	24
Number of requests for Public Info.	17	23	20	20
Number of new Ordinances approved	8	14	12	10
Number of closed sessions	11	4	5	5
Number of public hearings	8	8	6	6
Number of Proclamations	12	11	11	12
Number of resolutions approved	19	22	20	20
Measuring our Effectiveness				
% of Agendas posted 72 hours prior to meeting	100%	100%	100%	100%
% of Minutes approved as written the first time	100%	100%	100%	100%

HUMAN RESOURCE

Our Mission

To provide information regarding policies, procedures, employment and employee benefits to the City staff and all employees; and to support the City's efforts to attract, develop and retain a diverse, well-qualified and productive workforce that is capable of providing quality services to the citizens of Port Lavaca.

Description of our Services

The Human Resource Department provides services to City employees; processes all hiring and termination of employees; maintains personnel and medical files on all employees; processes workman compensation claims; unemployment claims; resolves retirement fund issues; and health/dental insurance coverage issues. This department works closely with department heads, payroll and the safety committee in all matters involving employees of the City.



Strategic Focus

Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.

2014-2015 Business Plans (Objectives)

- Reduce the number of risk and work-related injuries
- Maintain a competitive salary for the City workforce
- Improve the applicant recruiting effort
- Provide ongoing training to educate supervisors on various policies
- Scan in all personnel records for archiving
- Maintain City required certifications in the Human Resource software
- Develop new employee orientation program
- Update the department's website page

2013-2014 Accomplishments of Prior Year Business Plans

- Revised job descriptions
- Revised the Safety Program and related policies
- Completed the compensation plan update

Budget Summary

Human Resource	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	48,625	49,958	50,000	51,875
Materials & Supplies	838	3,850	4,500	4,400
Services	17,952	21,500	10,000	18,700
Maintenance	2,985	2,025	2,025	2,025
Capital Expenditures	0	0	0	0
Total Human Resource	70,400	77,333	66,525	77,000

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Finance/Human Resource Specialist	1	1	1
Total	1	1	1

Performance Measures

<i>Our Workload</i>	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Number of new employees processed	35	26	33	30
Number of employee terminations	32	27	30	25
Number of work related injuries	20	22	20	20
Number of performance evaluations	74	74	75	75
Number of applications received	320	166	300	325
<i>Measuring our Effectiveness</i>				
Average time to fill positions (days)	30	30	30	30

MUNICIPAL COURT

Our Mission

To serve the public in a fair, impartial, efficient and accountable manner for matters related to Class “C” offenses filed within the city limits of the City of Port Lavaca.

Description of our Services

The Municipal Court provides administrative support for the City of Port Lavaca’s municipal court proceedings. Municipal Court is responsible for the collection of fines and fees, court scheduling, issuing, tracking and clearing warrants, maintaining court records and reporting to state agencies.



Strategic Focus

Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Continue efforts to improve the Annual Warrant Round-Up
- Continue to contact defendants with a pending Failure to Appear charge to decrease the number of warrants issued
- Research all current outstanding warrants in an effort to clear warrants from defendants that may be uncollectable due to death or imprisonment
- Monitor adopted laws that may affect Municipal Court in preparation for the 2015 Legislative Session
- Establish an orientation training for new personnel (police, fire, animal control and code enforcement) on court case processing
- Continue to work with C.C.I.S.D. with Failure to Attend School cases through the Youth Orientation & Understanding (Y.O.U.) Program

2013-2014 Accomplishments of Prior Year Business Plans

- Processed 89 discipline and truancy cases for the school district in 2013 – 2014 school year
- Established the Youth Orientation and Understanding (Y.O.U.) Program
- Implemented an upgrade to the Municipal Court's software allowing customers to make partial payments online once they have been granted a payment plan by the court
- Tracked workload and effectiveness of citations filed and warrants issued
- Completed INCODE training for the Police Department's Brazos ticket writers

Budget Summary

Municipal Court	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	74,956	77,395	77,000	80,675
Materials & Supplies	2,750	1,200	1,300	1,300
Services	14,371	24,950	17,000	25,950
Maintenance	1,815	0	0	0
Sundry	8,474	8,000	8,700	8,000
Total Municipal Court	102,366	111,545	104,000	115,925

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Municipal Court Judge - Exempt	1	1	1
Municipal Court Clerk	1	1	1
Municipal Court Assistant	1	1	1
Total	3	3	3

Performance Measures

<i>Our Workload</i>	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Number of citations filed	1579	1412	1475	1600
Number of warrants issued	788	207	250	300
Number of juvenile citations filed	104	101	120	150
Number of property/evidence hearing cases	0	689	825	850
<i>Measuring our Effectiveness</i>				
# of case files created within 24 hours of citation receipt	100%	100%	100%	100%
# of warrants issued within 30 days of failure to appear	95%	96%	96%	97%

ECONOMIC DEVELOPMENT

Our Mission

To promote, develop and enhance community and business development.

Description of our Services

The Economic Development Department will design, coordinate, manage and promote Economic Development initiatives. Primary focus will be on new business attraction, building relationships with existing industry, tourism development and downtown development.



Strategic Focus

Business Development

Port Lavaca is known for creating a business development program that is responsive to existing business needs.

Community Development

Port Lavaca is a culturally diverse community actively promoting tourism and encouraging economic development opportunities.

2014-2015 Business Plans (Objectives)

- Create an Economic Development Website
- Develop and implement a strategic plan for Economic Development
- Braid tourism efforts with the Chamber
- Maintain an updated community profile to be available on website and hardcopy

2013-2014 Accomplishments of Prior Year Business Plans

- Created an Economic Development “Department” of the City
- Approved a position for an Economic/Tourism Director
- Supported the development of the City’s “Land Use Plan” for economic development direction

Budget Summary

Economic Development (ED)	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	0	0	0	65,000
Materials & Supplies	0	0	0	500
Maintenance	0	0	0	6,500
Total Economic Dev.	0	0	0	72,000

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Economic Development and Tourism Director	0	1	1
Total	0	1	1

FINANCE

Our Mission

To provide an efficient accounting system for City government while ensuring financial accountability to our citizens.

Description of our Services

The Finance Department is responsible for the administration and supervision of all financial affairs of the City, the timely recording of revenue and the disbursement of City funds in accordance with State Law, City policies and Generally Accepted Accounting Principles. The Finance Department assists in enforcing budgetary control and performs internal audit functions as needed.



Strategic Focus

Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks and other improvements year after year.

2014-2015 Business Plans (Objectives)

- Expand the City's five year plan into a long-term financial plan
- Develop Internal Control Policies
- Revise the City's Capital Policy
- Improve the budget document to create an easy, understandable format for our citizens
- Increase the number of outstanding ratings on the City's budget document that is submitted to the Government Finance Officers Association for review
- Provide for timely financial reporting to departments, managers and City Council
- Reduce paper by digitally archiving additional finance documents
- Reduce number of adjusting audit entries performed by auditors
- Assist in the City's Economic Development direction

2013-2014 Accomplishments of Prior Year Business Plans

- Received the Government Finance Officers Association (GFOA) Budget Award
- Received the Comprehensive Annual Financial Report (CAFR) Award through Government Finance Officers Association (GFOA)
- Received the Texas Comptroller's Leadership Circle **Platinum** Award for financial transparency for 2014
- Enhanced the City's bond rating through combined efforts
- Completed various revenue enhancement audit services (Hotel/Motel, Franchise, Electric)
- Trained to back up Utility Billing Department as needed

Budget Summary

Finance	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	179,489	182,335	182,000	188,550
Materials & Supplies	7,684	8,200	8,000	8,600
Services	6,935	8,400	8,500	10,900
Maintenance	5,892	1,000	1,000	500
Total Finance	200,000	199,935	199,500	208,550

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Finance Director	1	1	1
Senior Accountant	1	1	1
Accounting Clerk	1	1	1
Total	3	3	3

GENERAL FUND

Performance Measures

<i>Our Workload</i>	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Average number of invoices processed	5078	5423	4609	5037
Average number of vendor checks issued	2386	2319	2169	2465
Average number of payroll checks/ACH issued	2907	2667	2639	2650
Number of manual journal entries	2287	2124	2760	2800
<i>Measuring our Effectiveness</i>				
GFOA's Distinguished Budget Presentation Award received	1	1	1	1
GFOA's Excellence in Financial Reporting Award received	1	1	1	1
Texas Comptroller's Leadership Circle Award	1	1	1	1
Audit receives a clean opinion	Yes	Yes	Yes	Yes

CITY HALL

Description of our Services

The City Hall Department provides for the operation of the City Hall building including all utilities and building maintenance.

2014-2015 Business Plans (Objectives)

- Improve the appearance and atmosphere of City Hall to make it more customer friendly
- Review efficiencies of City Hall maintenance contracts
- Replace old air conditioner in City Hall

2013-2014 Accomplishments of Prior Year Business Plans

- Replaced air conditioner unit for City Hall
- Upgraded City Council Chambers with computers
- Installed sonic wall security
- Installed hot water heater and dishwasher in kitchen area

Budget Summary

City Hall	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	0	0	0	0
Materials & Supplies	9,528	10,200	15,000	8,200
Services	78,769	78,625	80,000	80,225
Maintenance	37,010	32,500	30,000	32,000
Total City Hall	125,307	121,325	125,000	120,425

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Janitor	0	0	0
Contracted Service Position	1	1	1
Total	1	1	1

POLICE

Our Mission

To protect and preserve the rights of the people and serve the citizens of Port Lavaca; to treat all people with fairness, respect and dignity through professionalism, open and honest communication, loyalty, integrity, courage and ethical behavior.

Description of our Services

The Port Lavaca Police Department is responsible for the protection of lives and property of the citizens of Port Lavaca; the preservation of public peace and the enforcement of all laws- City, State and Federal. Other areas of responsibility include, but are not limited to, traffic control, criminal, juvenile and narcotics crime investigations and vice control. Officers prepare and investigate reports of incidents, requiring constant contact with the public; make arrests, investigate motor vehicle accidents and perform other duties.



The communications sector is the first point of contact for telephone and walk-in requests for service; acting as a liaison with other law enforcement agencies, dispatching calls and relaying information as requested.



Strategic Focus

Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Continue to strengthen the relationship between the City of Port Lavaca public safety departments and the public
- Reduce the number of traffic accidents by increasing traffic enforcement and visibility
- Reduce the number of property crime incidents by increasing narcotics investigations and enforcement
- Update the Police Department Policies and Procedures Manual

2013-2014 Accomplishments of Prior Year Business Plans

- Established and deployed the Honor Guard at various events
- Reduced the number of reported traffic accidents through increased traffic enforcement and visibility
- Received a Bicycle Patrol Grant for \$97,000.00
- Reduced the number of reported property crimes through the increase of narcotics related investigations

Budget Summary

Police	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	1,250,859	1,261,000	1,235,000	1,300,000
Materials & Supplies	94,800	73,200	75,000	73,000
Services	90,190	84,050	82,000	94,550
Maintenance	85,066	65,200	70,000	89,800
Sundry	1,954	2,000	2,000	2,000
Capital Expenditures	55,053	65,100	82,000	46,000
Total Police	1,577,922	1,550,550	1,546,000	1,605,350

2014- 2015 Major Additions: Vehicle

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Police Chief – Exempt	1	1	1
Police Lieutenant – Exempt	1	1	1
Patrol Sergeants	2	2	2
Patrol Corporals	4	4	4
Patrol Officers	8	8	8
Senior Sergeant Detective	1	1	1
Police Detectives	3	3	3
Administrative Assistant / Lead	1	1	1
Dispatchers	4	4	4
Records Clerk/ Dispatcher	1	1	1
Total	26	26	26

GENERAL FUND

Performance Measures

<i>Our Workload</i>	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Number of community programs & events attended by department personnel	18	30	35	40
Number of training hours received by department personnel	1,784	2,266	2,300	2,500
Total number of calls for service	16,297	20,605	21,360	23,360
Number of officer initiated calls	6,953	9,233	9,972	10,120
Number of traffic citations	2,048	2,198	2,496	2,600
Number of warnings	693	667	792	953
Number of motor vehicle accidents worked by patrol	224	229	216	205
<i>Measuring our Effectiveness</i>				
Average response time to calls in minutes	4.51	3.38	4.10	3.40
Number of cases assigned to CID	543	578	896	807
Number of cases cleared by arrest	785	670	928	857

FIRE

Our Mission

Our mission at the Port Lavaca Fire Department is to prevent and protect the loss of life and property for the citizens, businesses and visitors of Port Lavaca and surrounding areas. This mission is accomplished with pride through training, pre-planning, public education and incident response.

Description of our services

The Port Lavaca Fire Department is responsible for fire prevention through community education programs, pre-fire plans and the Fire Department's inspection program. Requests are answered promptly for the protection of life and property within the City limits and for the surrounding vicinity. Fire suppression, hazardous materials response, water rescue and vehicle accidents are some of the emergency services provided by the Fire Department for the well-being of our community and its guests. The Fire Department also serves as a point of coordination for emergency services during disaster and other emergency situations.



Strategic Focus

Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Respond quickly to and extinguish fires so as to minimize the loss of life, damage to property and economic impact upon the community
- Ensure fiscal responsibility while delivering the highest level of customer service possible
- Provide prompt and courteous response to public calls for service and fire hazard complaints
- Eliminate future fire hazards and ensure access and firefighting capabilities through our plans
- Review code enforcement program
- Continue with the fire prevention program in all the elementary schools and smoke detector program in the community

GENERAL FUND

2013-2014 Accomplishments of Prior Year Business Plans

- New hires completed the implemented phase grading system
- Implemented the smoke detector program
- Improved working relationships with local industrial plants
- Improved communications by implementing a new cell phone page service for all department personnel
- Renewed Texas Department of State Health Services First Responders Certification
- Completed fire hydrant maintenance
- Strengthened the relationship between the City's public safety departments and the public through community relations projects

Budget Summary

Fire	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	900,301	954,000	925,000	966,000
Materials & Supplies	67,351	55,500	46,000	76,500
Services	48,724	53,200	48,000	53,700
Maintenance	44,559	36,400	28,600	41,400
Sundry	50,963	51,262	51,262	50,963
Capital Expenditures	24,022	0	155,000	0
Total Fire	1,135,919	1,150,362	1,253,862	1,188,563

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Fire Chief – Exempt	1	1	1
Fire Captain	3	3	3
Fire Lieutenant	2	3	3
Firefighter / App. Operator	11	10	10
Total	17	17	17

Performance Measures

<i>Our Workload</i>	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Number of fire safety classes	57	57	60	60
Number of participants in fire safety classes	2250	2275	2300	2350
Number of smoke detectors installed for residents	24	24	25	20
Number of Inspections per month	31	31	31	28
<i>Measuring our Effectiveness</i>				
Percentage of Port Lavaca and Calhoun County Schools receiving education classes	95%	97%	98%	99%
Number of joint training hours with outside agencies	295	300	305	310
Number of required/actual certifications maintained	50/87	50/92	50/92	50/96

ANIMAL CONTROL

Our Mission

The mission of the Port Lavaca Animal Control Department is to provide quality animal control services to the citizens of Port Lavaca and Calhoun County. It is the duty of the City to ensure that the Animal Control Department employees are trained to safely and professionally serve our community.

Description of our Services

The Port Lavaca Animal Control Department provides for the apprehension of stray and nuisance animals, primarily dogs and cats, for the City of Port Lavaca and Calhoun County. The department enforces the Port Lavaca Animal Control Ordinance and State Health Department regulations concerning dogs and cats; houses stray and nuisance animals; investigates incidents involving dangerous and vicious animals; and in emergencies, apprehends domestic livestock and wild animals. The Animal Control Department activities are conducted to ensure the health, safety and welfare of the community.



Strategic Focus

Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Continue to provide professional animal control service to the citizens of Port Lavaca and Calhoun County
- Continue to educate the public on the need to spay and neuter pets
- Work closely with the Police and Inspection Departments to ensure proper enforcement of animal control ordinances and state health regulations
- Continue to work closely with the Calhoun County Humane Society to reduce the number of stray and unwanted domestic animals
- Promote citizen compliance with the City's ordinance governing rabies shots
- Promote citizen compliance with pet registration requirements

2013-2014 Accomplishments of Prior Year Business Plans

- Provided cooling fans for outside kennels
- Provided a six foot fence for protection from cold winters
- Re-Certified Animal Control Officer on state licensing and euthanasia
- Provided security lighting at the animal shelter
- Reduced the number of loose animals
- Partnered with the Calhoun County Humane Society to expedite the fostering and adoption of animals

Budget Summary

Animal Control	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	79,496	78,100	78,000	80,200
Materials & Supplies	11,978	14,240	13,500	13,300
Services	7,745	10,500	11,000	11,200
Maintenance	4,033	3,000	8,000	4,000
Sundry	0	0	0	0
Capital Expenditures	0	0	0	0
Total Animal Control	103,253	105,840	110,500	108,700

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Animal Control Officers	2	2	2
Total	2	2	2

Performance Measures

Our Workload	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Community education programs	1	1	1	1
Number of animals picked up	2813	2302	2784	2802
Number of dead animals picked up	429	376	360	351
Measuring our Effectiveness				
Average response time to pick up animals	45 minutes	45 minutes	45 minutes	45 minutes

CODE ENFORCEMENT

Our Mission

The mission of the City of Port Lavaca Code Enforcement Department is to protect and enhance the character and stability of the community through both long and short range planning activities including management and enforcement of assigned laws, codes and ordinances.

Description of our Services

The Code Enforcement Department provides enforcement and inspection services required by the City's adopted building codes, land use, issuance of building permits, park, peddler, game room and garage sale permits.



Strategic Focus

Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Make the permit process as seamless as possible for all residents and all properties
- Maintain the codes and ordinances to protect all property
- Politely and thoroughly explain the processes of the department

2013-2014 Accomplishments of Prior Year Business Plans

- Aggressively enforced the Substandard Structure Ordinance
- Arranged weekend Code Enforcement coverage resulting in catching contractors violating city permit ordinances
- Completed helping the City of Point Comfort with setting up and opening a permit department
- Completed over 780 building inspections and 1,350 code enforcement inspections
- Completed 100% of building inspections within two (2) days
- Completed 100% of code enforcement requests within 24 hours

Budget Summary

Code Enforcement	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	124,116	128,819	125,000	131,300
Materials & Supplies	5,698	7,900	6,000	5,800
Services	5,716	13,100	4,500	14,100
Maintenance	3,362	3,800	3,000	3,800
Capital Expenditures	0	0	0	0
Total Code Enforcement	138,893	153,619	138,500	155,000

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Building Official	1	1	1
Permit Clerk	1	1	1
Code Enforcement Officer	1	1	1
Total	3	3	3

Performance Measures

<i>Our Workload</i>	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Number of building permits issued	711	846	780	775
Number of garage sale permits issued	328	317	275	300
Number of building inspections completed	697	603	650	675
Number of code enforcement inspections	1302	1343	1400	1400
<i>Measuring our Effectiveness</i>				
Percentage of building inspections completed within 2 business days	100%	100%	100%	100%
Response to code enforcement requests within 1 business day	100%	100%	100%	100%

STREETS

Our Mission

The mission of the City of Port Lavaca Streets Department is to provide service to the City of Port Lavaca by maintaining and improving the City's infrastructure (streets).

Description of our Services

The Street Department provides street maintenance services and maintains major capital improvements to include street paving, grading, clearing drainage ways, seal coat maintenance, street sweeping and traffic control sign maintenance on 50 miles of street and 90 miles of curb and gutter.



Strategic Focus

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks and other improvements year after year.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Reclaim 7,000 linear feet of streets within the City
- Clean out several sections of ditches within the City
- Develop a herbicide program for curbs and gutters
- Sealcoat five (5) miles of street

2013-2014 Accomplishments of Prior Year Business Plans

- Reclaimed approximately 6,000 linear feet of streets
- Cleaned 5,000 linear feet of major outfall ditches around the City
- Reconstructed George Street
- Prepared splash pad and playground areas at Lighthouse Beach
- Rebuilt berms at City gun range

Budget Summary

Streets	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	506,063	461,100	400,000	435,000
Materials & Supplies	54,084	48,400	45,000	48,400
Services	169,705	156,225	121,000	152,750
Maintenance	276,061	180,250	180,000	332,059
Sundry	375,000	0	0	250,000
Capital Expenditures	29,683	761,000	761,000	850,000
Total Streets	1,410,596	1,606,975	1,507,000	2,068,209

2014- 2015 Major Additions: Street rehabilitation- Pinta/Montier, sealcoat program, public works service center

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Public Works Director*	½*	½*	½*
Administrative Assistant*	½*	½*	½*
Maintenance Superintendent	1	1	1
Heavy Equipment Operators	4	4	4
Maintenance Workers	4	4	4
Temporary Workers (Summer)	5	5	5
Total	15	15	15

*Position funded 1/2 Utility Maintenance

Performance Measures

	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
<i>Our Workload</i>				
Miles of curb swept by street sweeper	250	225	250	250
Tons of litter and debris removed	140	160	150	150
<i>Measuring our Effectiveness</i>				
% of emergency calls responded to within 4 hrs.	98%	99%	98%	99%

PARKS

Our Mission

The mission of the City of Port Lavaca Parks Department is to serve the City of Port Lavaca residents and visitors by providing the highest standard of parks and leisure services, available in a safe, efficient and professional manner.



Description of our Services

The Parks Department provides operation and maintenance services to include mowing, landscaping, park maintenance, playground equipment inspections, custodian duties, maintenance of the swimming pool and construction of new projects.



Strategic Focus

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks, and other improvements year after year.

Community Development

Port Lavaca is a culturally diverse community actively promoting tourism and encouraging economic development opportunities.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Beautify the City's parks and open spaces
- Replace park signs and old park equipment
- Install new bathroom at Bayfront Peninsula
- Build softball field at Wilson Park

2013-2014 Accomplishments of Prior Year Business Plans

- Installed two (2) cabanas at Bay Front Peninsula
- Repaired restrooms at Bayfront Peninsula

Budget Summary

Parks & Recreation	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	143,289	162,500	150,000	167,800
Materials & Supplies	27,920	25,600	23,000	25,600
Services	68,986	46,300	45,000	46,700
Maintenance	47,692	61,450	61,000	62,000
Capital Expenditures	401,581	9,000	9,000	259,000
Total Parks & Recreation	689,469	304,850	288,000	561,100

2014- 2015 Major Additions: Mower, Wilson Park- softball fields, new restroom at Bayfront Park,
Underground electric at Bayfront Park

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Lead Parks Maintenance Worker	1	1	1
Maintenance Workers	4	4	4
Temporary Worker (Summer)	1	1	1
Total	6	6	6

Performance Measures

<i>Our Workload</i>	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Acres of park grounds maintained	170.4	170.4	170.4	170.4
Number of playground inspections performed	24	24	28	28
<i>Measuring our Effectiveness</i>				
% of park maintenance completed on time	98%	97%	96%	98%



BAUER CENTER



Our Mission

The mission of the Bauer Center is to provide the City of Port Lavaca a quality facility for seminars, reunions, dances and other events.

Description of our Services

The Convention and Visitors Bureau provides management and operations for the facilities of the Bauer Community Center. Revenues are generated from facility rentals and rentals of the electronic advertising display sign. The maintenance costs are provided by the City of Port Lavaca.



Strategic Focus

Business Development

Port Lavaca is known for creating a business development program that is responsive to existing business needs.

Community Development

Port Lavaca is a culturally diverse community actively promoting tourism and encouraging economic development opportunities.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Create a more extensive marketing plan
- Book two (2) or more events a year
- Continue long range maintenance program for the facility

2013-2014 Accomplishments of Prior Year Business Plans

- 2013 – 2014 Weekend rentals currently fully booked
- Advertised in the bridal section of the Port Lavaca Wave newspaper
- Stripped and waxed floor in the entire building
- Replaced cabinets and floor in kitchen

Budget Summary

Bauer Center	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	53,473	61,450	50,000	61,000
Materials & Supplies	9,616	8,800	9,000	9,050
Services	120,419	114,900	97,000	98,900
Maintenance	60,896	44,350	35,000	44,550
Total Bauer Center	244,404	229,500	191,000	213,500

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Maintenance Workers	2	2	2
Total	2	2	2



GENERAL FUND

NON-DEPARTMENTAL

Description of our Services

Expenditures considered to be of a non-departmental nature include: health insurance claims, safety plan, Texas Workforce Commission (TWC), audit fees, general liability insurance, Fixed Asset Replacement Fund (FARF) allocations and approved contingency allocations.

Contingency

In accordance with section 7.11 of the City Charter, contingency appropriations are to be used in case of unforeseen items approved by the City Manager and City Council. Expenditure details shall be recorded and itemized for reconciliation. The proceeds of the contingent appropriation shall be disbursed only by transfer to other departmental appropriations; the spending of which shall be charged to the departments or activities for which the appropriations are made.

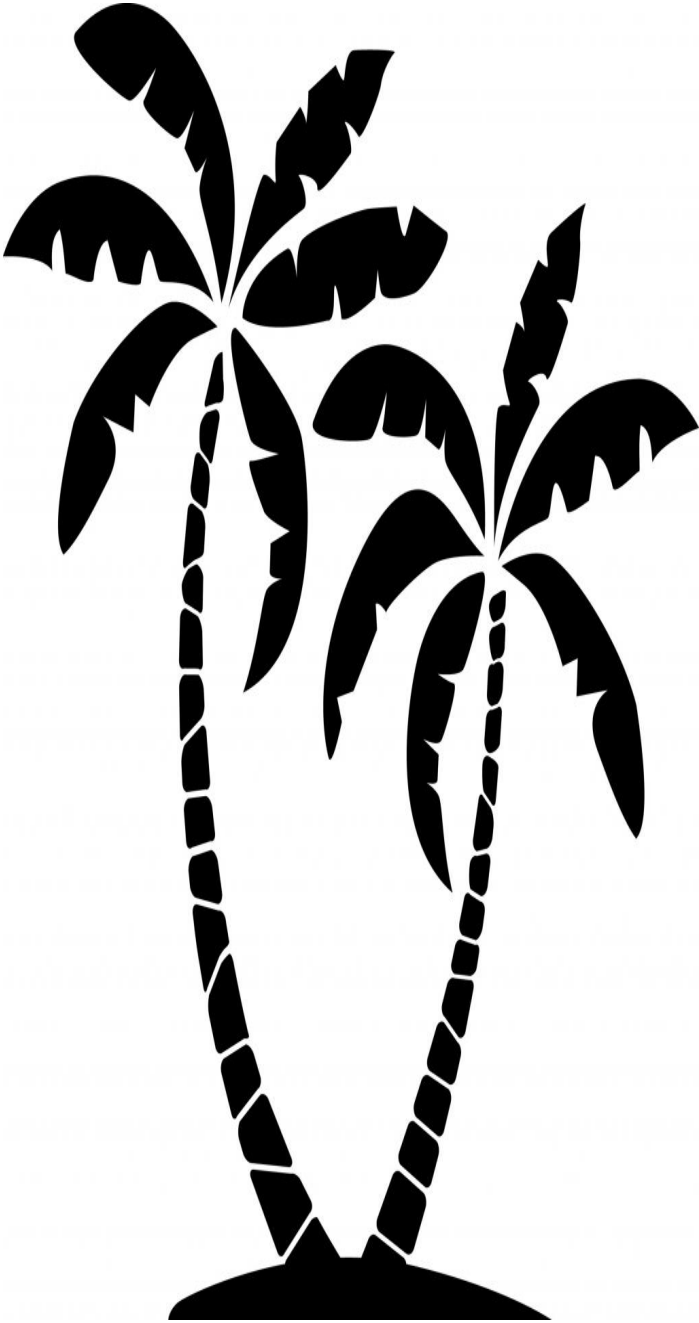
Fixed Asset Replacement Fund (FARF) Allocations

FARF allocations are for the future purchase of governmental fund assets. A minimum threshold will be reviewed annually for appropriateness based on the depreciation schedule and age of the asset portfolio.

Budget Summary

Non-Departmental	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	651,441	574,000	650,000	664,000
Services	418,128	411,802	415,000	454,678
Maintenance	48,854	63,500	72,000	75,000
Sundry	220,360	320,500	290,000	289,900
Capital Expenditures	0	0	0	0
Total Non-Departmental	1,338,784	1,369,802	1,427,000	1,483,578

ENTERPRISE FUNDS



Public Utility Fund

Revenue and Expenditures

Departmental Summaries

Utility Billing

Maintenance

Wastewater

Non-Departmental

Beach Fund

Revenue and Expenditures

Departmental Summary

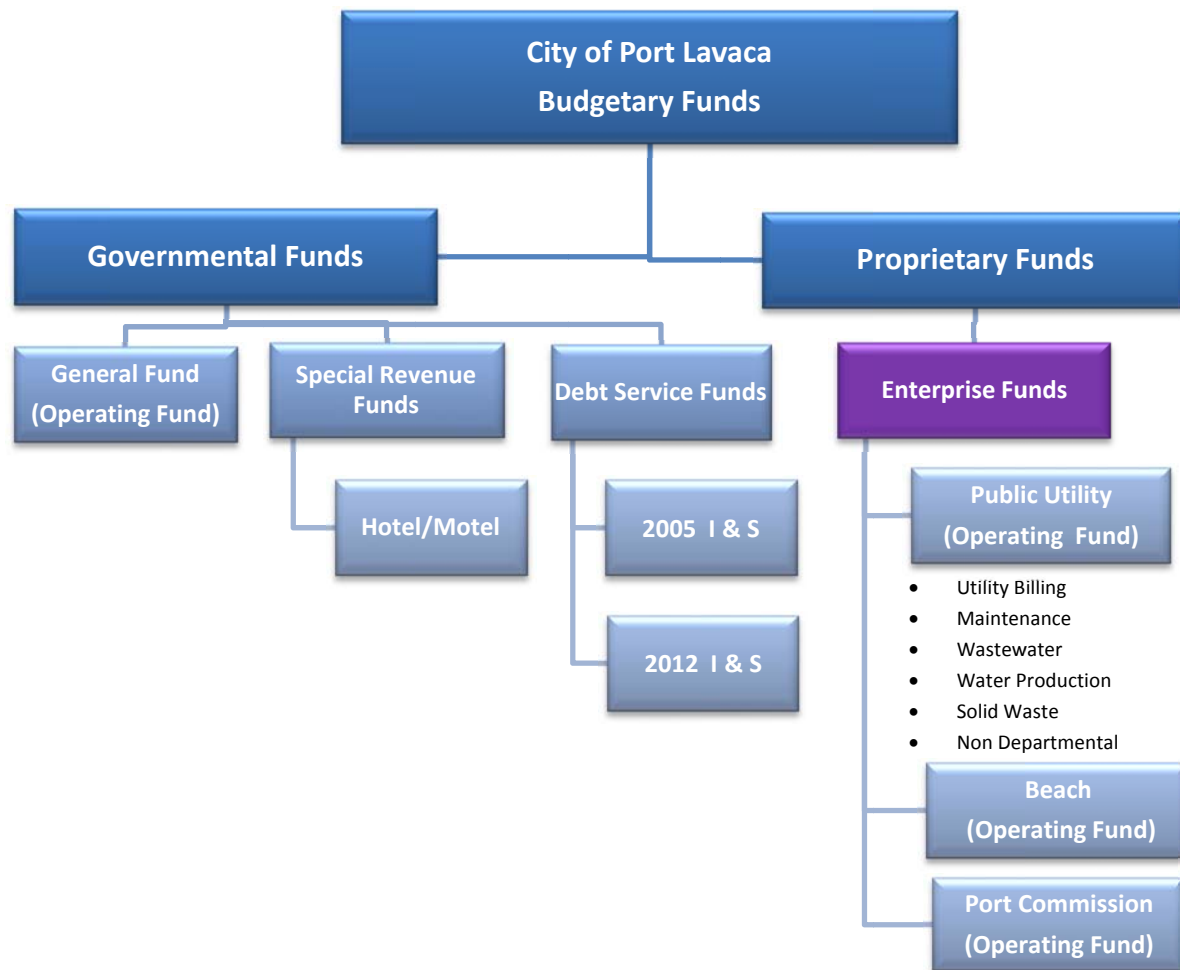
Beach Operations

Port Commission Fund

Revenue and Expenditures

Departmental Summary

Port Commission Operations



Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private enterprises. The intent of the government's action is that the costs of providing goods and services to the general public on an ongoing basis be financed or recovered primarily through user and service charges.

This section provides a three year comparative summary and detailed information for revenue and expenditures. You will also find each department's mission, upcoming goals, budget history, performance measures and major additions related to the Public Utility, Beach and Port Commission Funds.



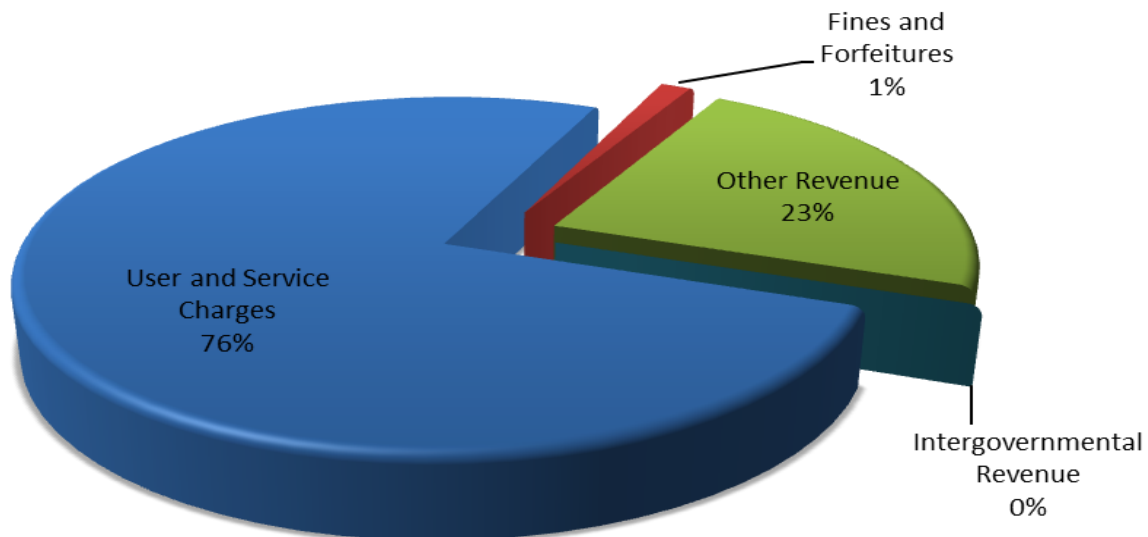
PUBLIC UTILITY FUND

The Public Utility Fund accounts for the operations of the Public Utility Billing, Water Distribution, Sewer, and Solid Waste Departments.

Public Utility Fund Revenue

Revenue Summary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	Variance
User and Service Charges	5,218,832	5,031,000	5,112,400	5,050,000	19,000
Fines and Forfeitures	96,090	92,000	92,000	92,000	0
Other Revenue	75,872	1,228,000	61,600	1,508,000	280,000
Grant and Contributions	0	0	0	0	0
Intergovernmental Revenue	0	45,000	45,000	0	-45,000
Total Revenues	5,390,794	6,396,000	5,266,000	6,650,000	254,000

Public Utility Fund Revenue



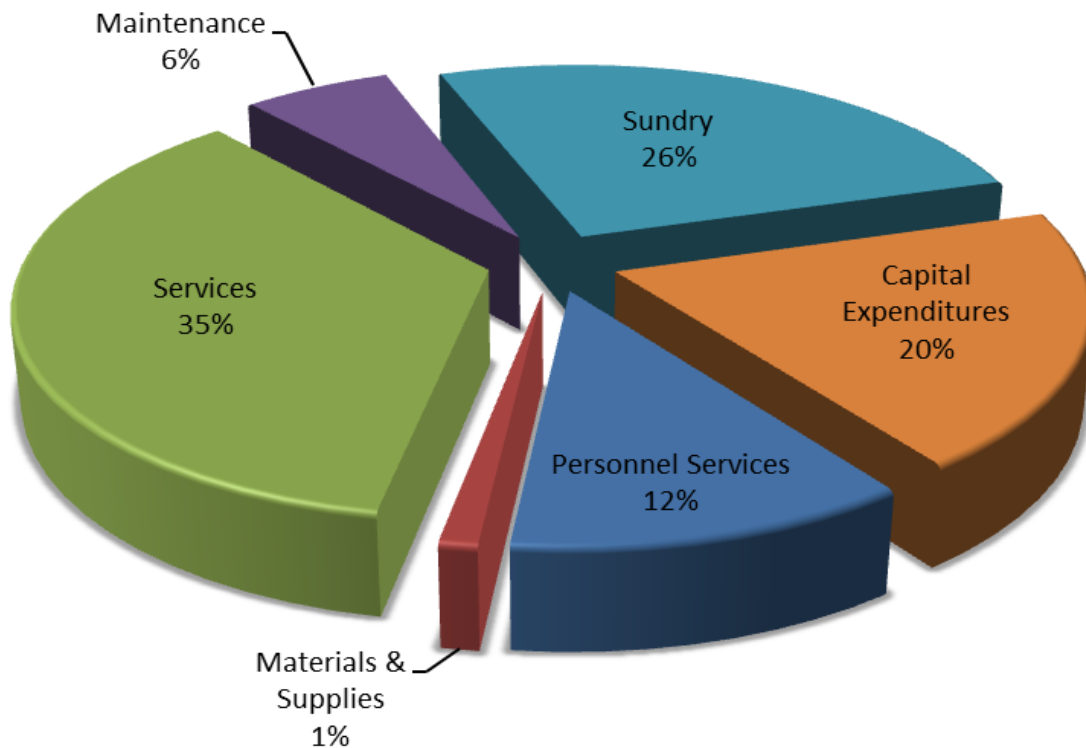
Public Utility Revenue Detail

Public Utility Fund Revenue	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
User & Service Charges				
Water- Metered	2,324,783	2,250,000	2,265,000	2,260,000
Water- Bulk	52	0	800	0
Water- Metered County	78,703	76,000	76,000	76,000
Sewer Residential	1,150,998	1,135,000	1,153,000	1,135,000
Sewer Commercial	777,328	730,000	750,000	730,000
Sewer County	37,119	30,000	38,000	30,000
Waste- Garbage Collection	684,731	685,000	685,000	685,000
Spring Cleanup	60,698	55,000	67,000	60,000
Water Taps	28,498	12,000	15,000	15,000
Sewer Taps	17,375	4,000	8,000	5,000
Service Call Fees	1,377	1,000	1,000	1,000
Service Transfer Fees	2,370	2,500	2,700	2,500
Service Reconnection Fees	41,065	38,000	38,000	38,000
Service Temporary Water	2,205	1,500	1,900	1,500
Sales Tax- Garbage	11,530	11,000	11,000	11,000
Total User & Service Charges	5,218,832	5,031,000	5,112,400	5,050,000
Fines & Forfeitures				
Late Payment Penalties	96,090	92,000	92,000	92,000
Cash Over- Utility Billing	0	0	0	0
Total Fine & Forfeitures	96,090	92,000	92,000	92,000
Other Revenue				
Interest Income	10,579	10,000	8,000	8,000
Other Financing Sources	0	0	0	0
Returned Check Fees	2,490	2,000	2,000	2,000
Bad Debt Account Collection	10,720	10,000	10,000	10,000
CCRWS- GBRA Transmission	48,205	40,000	38,000	38,000
Auction Proceeds	600	0	0	0
TML Reimbursements	0	0	700	0
Miscellaneous	3,279	0	2,900	0
Equity Balance Forward	0	1,166,000	0	1,450,000
Total Other Revenue	75,872	1,228,000	61,600	1,508,000
Grant & Contributions				
Capital Contributions	0	0	0	0
Total Grant & Contributions	0	0	0	0
Intergovernmental Revenue				
Xfer In-Fund 503	0	45,000	45,000	0
Total Intergovernmental Revenue	0	45,000	45,000	0
Total Public Utility Revenue	5,390,794	6,396,000	5,266,000	6,650,000

Public Utility Expenditures by Function

Expenditures by Function	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	Variance
Personnel Services	809,731	826,895	658,500	783,150	-43,745
Materials & Supplies	79,277	75,950	74,000	75,875	-75
Services	2,354,354	2,307,900	2,257,400	2,364,285	56,385
Maintenance	317,182	423,327	255,700	395,200	-28,127
Sundry	1,705,598	1,506,928	1,493,906	1,723,490	216,562
Capital Expenditures	0	1,255,000	1,255,000	1,308,000	53,000
Total Expenditures	5,266,142	6,396,000	5,994,506	6,650,000	254,000

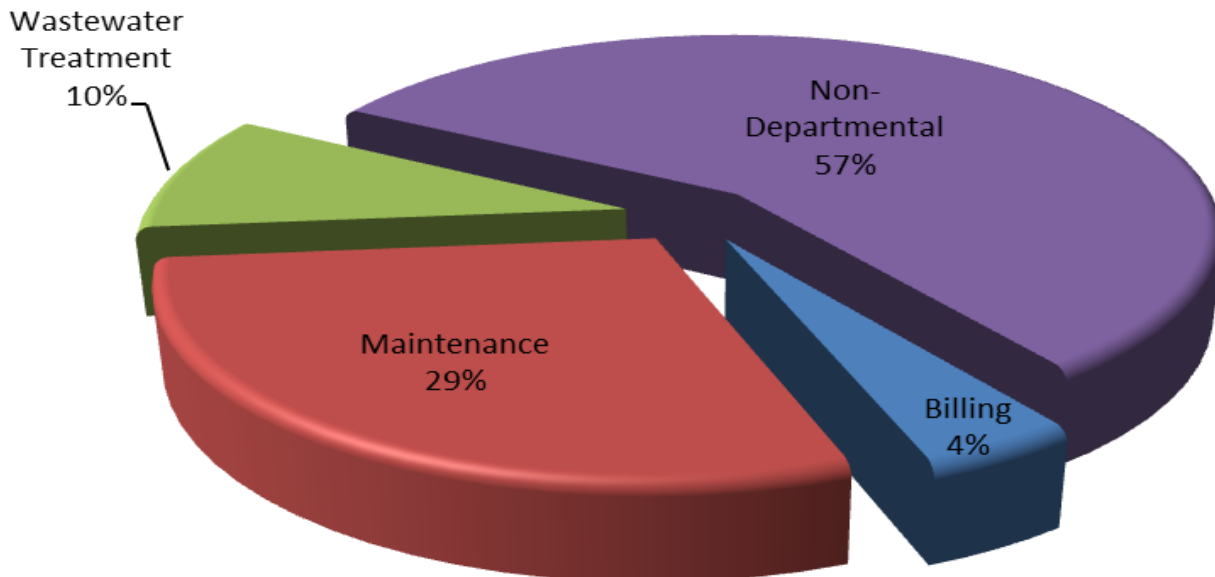
Expenditure by Function



Public Utility Expenditures by Department

Expenditures by Department	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	Variance
Billing	268,093	267,347	227,150	292,125	24,778
Maintenance	1,263,580	1,954,725	1,869,100	1,936,300	-18,425
Wastewater Treatment	519,057	641,572	513,700	636,100	-5,472
Non-Departmental	3,215,412	3,532,356	3,384,556	3,785,475	253,119
Total Expenses	5,266,142	6,396,000	5,994,506	6,650,000	254,000

Expenditure by Department



Departmental Summaries

UTILITY BILLING

Our Mission

To provide billing and revenue collection services to both City utility customers and other City departments in order to provide excellent service to our customers and accurately record and receipt revenues for the City of Port Lavaca.

Description of our Services

The Utility Billing Department falls under the direction of the Finance Director. Utility billing ensures that the utility customers are billed at the rates approved by City Council for water, sewer, and garbage. This department is also the central point for most cash collections for other City departments. The Utility Billing Department serves the citizens in many other ways including customer service requests for disconnects, connects, and transfers of service. The department assists in investigation and maintenance of the City's water system and works to resolve problems in a timely manner.



Strategic Focus

Governance

Port Lavaca residents are well informed and involved with the affairs of local city government.

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks, and other improvements year after year.

2014-2015 Business Plans (Objectives)

- Revise customer service ordinance and make available online
- Create a pamphlet to hand out to new customers
- Attend the "Texas Friendly Customer Service Program" training
- Enhance the web page for the department
- Review the feasibility of changing the number of billing cycles from three to two
- Join other cities to assist in the collection of delinquent utility bills

2013-2014 Accomplishments of Prior Year Business Plans

- Implemented Phase I (Tower Installation and Software) for automated meter reading project
- Completed Phase II of the meter reading project by changing out most of the City's aged meters
- Increased the utilization of utility bills as an avenue to share city information

Budget Summary

Utility Billing	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	174,584	182,495	163,000	185,150
Materials &Supplies	11,542	10,575	10,500	10,375
Services	38,992	37,350	34,000	39,000
Maintenance	42,855	36,927	19,500	57,600
Sundry	120	0	150	0
Capital Expenditures	0	0	0	0
Total Utility Billing	268,093	267,347	227,150	292,125

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Customer Service Specialist	1	1	1
Utility Billing Specialist	0	1	1
Account Billing Clerk	2	1	1
Meter Reader	2	2	2
Total	5	5	5

ENTERPRISE FUNDS

Performance Measures

<i>Our Workload</i>	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Number of utility account bills generated	54,828	55,246	55,853	56,468
Number of utility payments received	47,125	51,115	51,677	52,245
Number of port commission bills generated	737	756	764	772
Number of port commission payments received	623	601	661	668
Number of bad debt write offs	168	252	258	260
Amount of bad debt recoveries	3,779.82	1,460.08	1476.14	1492.38
Meter reading service orders generated	4,030	5,444	5,504	5,564
<i>Measuring our Effectiveness</i>				
Percentage of monthly bills posted to customer accounts on time	100%	100%	100%	100%
Percentage of billing adjustments to correct meter reading and/or billing errors	Less than 1%	Less than 1%	Less than 1%	Less than 1%
Number of work orders outstanding after thirty (30) days	33	13	0	0

MAINTENANCE

Our Mission

The mission of the City of Port Lavaca Maintenance Department is to provide customers with an efficient maintenance process as it pertains to the City's water distribution and sewer collection system.

Description of our Services

The Maintenance Department provides support to the Utility System by ensuring work orders are processed in a timely manner. The department provides daily maintenance on the water and sewer system which includes: new water and sewer taps, water and sewer line repair, sewer main cleaning and customer service.



Strategic Focus

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks, and other improvements year after year.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Implement a backflow prevention plan
- Continue working on Inflow & Infiltration (I & I) improvements throughout the City
- Replace Alamo Heights sewer infrastructure
- Replace Hospital area waterlines
- Keep customer complaints below 1% of total customers per month

2013-2014 Accomplishments of Prior Year Business Plans

- Replaced several failed sewer mains throughout the system
- Replaced the sewer line on George, Ann, and Benavides Streets
- Replaced water lines on Shofner Drive and a portion of Jackson Street
- Completed 750 work orders
- Kept customer complaints below 1% of total customers per month

ENTERPRISE FUNDS

Budget Summary

Maintenance	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	324,031	404,000	345,500	409,000
Materials & Supplies	41,281	39,675	38,000	39,600
Services	28,866	31,600	31,400	34,700
Maintenance	210,979	187,000	162,000	145,000
Sundry	658,424	37,450	37,200	0
Capital Expenditures	0	1,255,000	1,255,000	1,308,000
Total Maintenance	1,263,580	1,954,725	1,869,100	1,936,300

2014-2015 Major Additions: Dump Truck, sewer line- Alamo Heights, water line- Hospital Area, meter replacement

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Public Works Director*	½*	½*	½*
Administrative Assistant*	½*	½*	½*
Utility Superintendent	1	1	1
Utility Operator	1	1	1
Heavy Equipment Operator	3	3	2
Utility Maintenance Workers	4	4	5
Total	10	10	10

Position funded 1/2 by Streets

Performance Measures

<i>Our Workload</i>	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Number of work orders completed	1336	950	750	750
Number of quality samples taken	180	180	175	175
Number of water main leaks repaired	313	73	70	70
<i>Measuring our Effectiveness</i>				
Water service complaints as a % of total customer accounts	Less than 1 %	Less than 1 %	Less than 1 %	Less than 1 %
Sewer service complaints as a % of total customer accounts	Less than 1 %	Less than 1 %	Less than 1 %	Less than 1 %

WASTEWATER

Our Mission

The mission of the City of Port Lavaca Wastewater Department is to provide its customers with safe collection and transportation of wastewater while providing excellent customer service.

Description of our Services

The Wastewater Department provides support to the utility system by operating the 2.6 MGD wastewater treatment plant and 20 lift stations. In addition, the department is responsible for sludge disposal, laboratory/process control, pretreatment program, monitoring through the City's lift stations and Supervisory Control and Data Acquisition System (SCADA) operations.



Strategic Focus

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks, and other improvements year after year.

2014-2015 Business Plans (Objectives)

- Implement operation process and control procedures necessary for Lynn's Bayou to maintain Texas Commission on Environmental Quality (TCEQ) and Environmental Protection Agency (EPA) permitted parameters
- Continue working with Texas Commission on Environmental Quality (TCEQ) on the wastewater treatment plant effluent discharge
- Replace and/or upgrade pumps in lift stations where needed
- Continue SCADA additions to the Wastewater Treatment Plant (WWTP)

2013-2014 Accomplishments of Prior Year Business Plans

- Replaced blower for digester
- Raised the copper limit parameters in the effluent for the TCEQ permit
- Replaced and/or upgraded pumps in lift stations

ENTERPRISE FUNDS

Budget Summary

Wastewater Treatment	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	109,294	113,600	110,000	116,700
Materials & Supplies	26,454	25,700	25,500	25,900
Services	322,068	292,150	292,000	304,900
Maintenance	60,032	194,100	70,100	188,600
Sundry	1,210	16,022	16,100	0
Capital Expenditures	0	0	0	0
Total Wastewater Treatment	519,057	641,572	513,700	636,100

2014-2015 Major Additions: SCADA Lift Stations

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Wastewater Operator	1	1	2
Utility Operator	2	2	1
Maintenance Worker	1	1	1
Total	4	4	4

Performance Measures

<i>Our Workload</i>	Actual FY 2011-2012	Actual FY 2012-2013	Estimated FY 2013-2014	Projected FY 2014-2015
Total gallons of wastewater treated per year in millions	392.92	337.74	395	395
Number of sanitary sewer overflows	2	1	0	0
Tons of sludge per year	1698.14	1237.69	1700	1700
Measuring our Effectiveness				
Percentage of solids removed from wastewater treatment plant	97.47%	98.25%	97.5%	98%

NON-DEPARTMENTAL

Description of our Services

Expenditures considered to be of a non-departmental nature include: health insurance claims, safety plan, Texas Workforce Commission (TWC), audit fees, general liability insurance, contingency, etc.

Contingency

In accordance with section 7.11 of the City Charter, contingency appropriations are to be used in case of unforeseen items of the City Manager and distributed by him, after approval by the City Council. Expenditure details shall be recorded and reported. The proceeds of the contingent appropriation shall be disbursed only by transfer to other departmental appropriations, the spending of which shall be charged to the departments or activities for which the appropriations are made.

Budget Summary

Non-Departmental	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	201,823	143,800	40,000	72,300
Services	1,964,428	1,946,800	1,900,000	1,985,685
Maintenance	3,316	1,300	4,100	4,000
Sundry	1,045,845	1,440,456	1,440,456	1,723,490
Total Non-Departmental	3,215,412	3,532,356	3,384,556	3,785,475





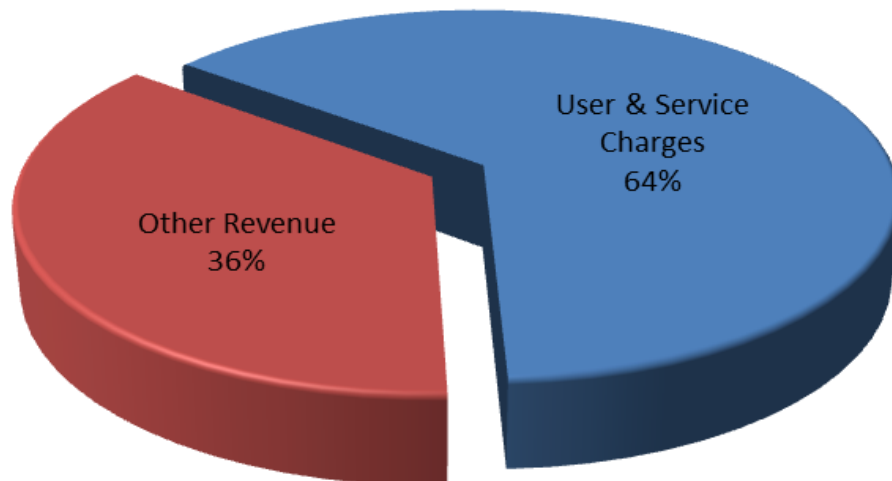
BEACH FUND

The Beach Operating Fund is used to account for the operations of the Port Lavaca Beach and Pier.

Beach Fund Revenue

Revenue Summary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	Variance
User & Service Charges	277,363	234,000	275,000	248,000	14,000
Other Revenue	4,961	296,000	4,400	140,000	-156,000
Intergovernmental Revenue	0	0	0	0	0
Total Beach Revenue	282,324	530,000	279,400	388,000	-142,000

Revenue by Receipt Type



Beach Fund Revenue Detail

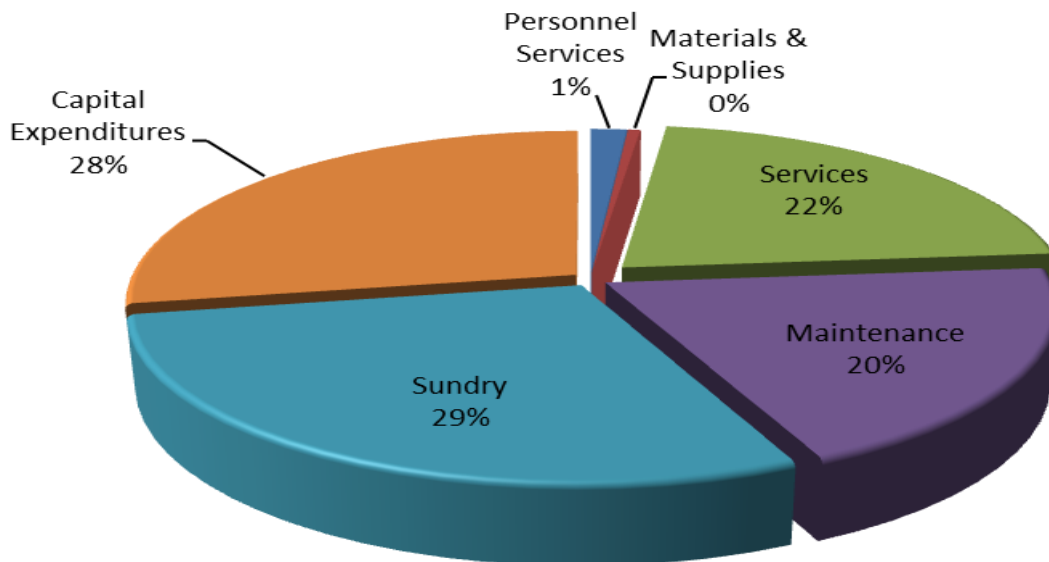
Beach Operating Revenue	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
User & Service Charges				
Beach Fees	45,207	42,000	45,000	45,000
R V Rentals	228,306	189,500	225,000	200,000
Pavilion Rentals	3,850	2,500	5,000	3,000
Total User & Service Charges	277,363	234,000	275,000	248,000
Other Revenue				
Interest Income	1,722	1,000	1,500	1,000
Returned Check Fee	0	0	0	0
Auction Proceeds	0	0	0	0
TML Reimbursement	0	0	1,400	0
Washer-Dryer Income	3,239	2,500	1,500	1,000
Miscellaneous	0	0	0	0
Equity Balance Forward	0	292,500	0	138,000
Total Other Revenue	4,961	296,000	4,400	140,000
Intergovernmental Revenue				
Transfer In- Fund 162	0	0	0	0
Transfer In- Fund 218	0	0	0	0
Transfer In- Fund 221	0	0	0	0
Total Intergovernmental Revenue	0	0	0	0
Total Beach Revenue	282,324	530,000	279,400	388,000

Beach Fund Expenditures

Beach Operation Expenditures	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	Variance
Personnel Services	105	5,850	4,000	5,850	0
Materials & Supplies	2,286	2,100	3,000	2,000	-100
Services	80,595	74,100	83,000	83,700	9,600
Maintenance	75,021	30,950	30,000	75,950	45,000
Sundry	113,308	157,000	160,000	113,000	-44,000
Capital Expenditures	0	260,000	260,000	107,500	-152,500
Total Beach Expenditures	271,314	530,000	540,000	388,000	-142,000

2014-2015 Major Additions: Utility vehicle, upgrade trailer spaces, playground equipment

Expenditures by Function



Departmental Summary

BEACH OPERATIONS

Our Mission

The mission of the City of Port Lavaca Beach Department is to provide the public and tourists a beautiful retreat by the water where campers from all over return regularly for family reunions, recreational vehicle (RV) rallies, fishing tournaments and days at the beach.

Description of our Services

The Beach Operating Fund is a proprietary fund. It provides operations, maintenance and security services for those that use the Port Lavaca Lighthouse Beach and its facilities. Revenues are generated through user fees by those who enjoy the beach facilities. The Beach revenues are generated by the following activities:

- Rental of RV spaces
- Gate fees to Lighthouse Beach
- Pavilion rentals



Strategic Focus

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks, and other improvements year after year.

Business Development

Port Lavaca is known for creating a business development program that is responsive to existing business needs.

Community Development

Port Lavaca is a culturally diverse community actively promoting tourism and encouraging economic development opportunities.

Quality of Life

Port Lavaca residents enjoy a safe community with great amenities and affordable living.

2014-2015 Business Plans (Objectives)

- Upgrade trailer space pads
- Add new playground
- Promote Lighthouse Beach as a birding destination

2013-2014 Accomplishments of Prior Year Business Plans

- Completed the reconstruction for the fishing pier
- Installed splash pad
- Installed new playground
- Installed 3 new cabanas
- Installed new water main at Lighthouse Beach
- Replaced all the lights under the pavilion with LED
- Dredged boat ramp area
- Upgraded electrical at trailer spaces





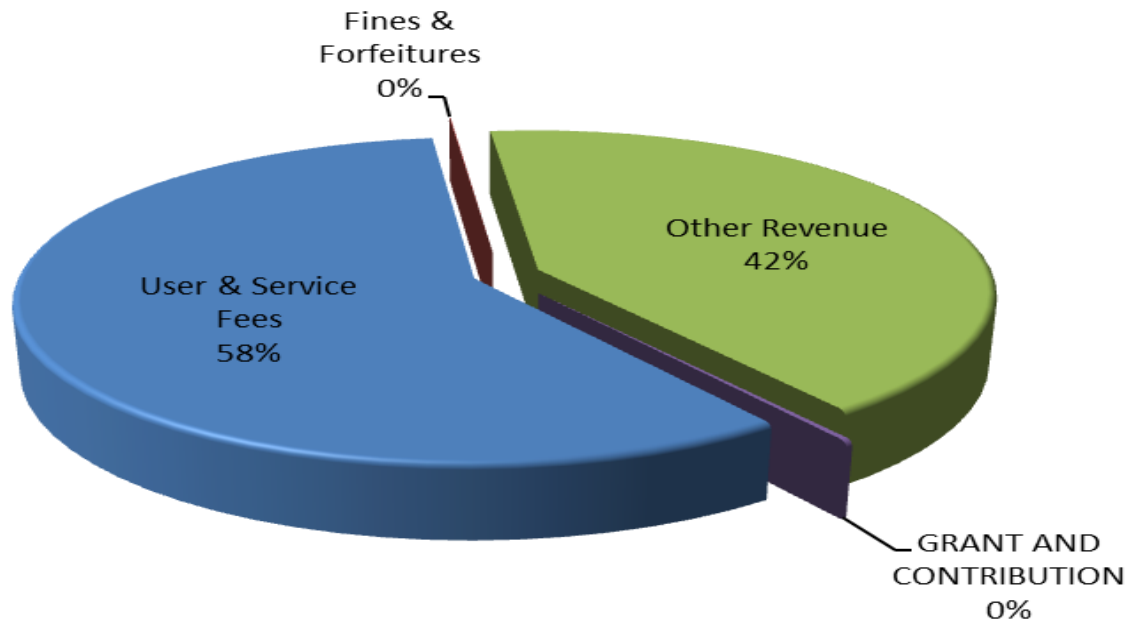
PORT REVENUE FUND

The Port Revenue Fund is used to account for the operations of the Port Commission and to account for the rent generated from its harbors and docks.

Port Commission Fund Revenue

Revenue Summary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	Variance
User & Service Fees	501,438	470,000	505,000	494,900	24,900
Fines & Forfeitures	576	200	900	300	100
Other Revenue	4,263	2,800	2,500	352,800	350,000
Grant & Contributions	2,000	2,000	2,000	2,000	0
Total Revenue	508,278	475,000	510,400	850,000	375,000

Revenue by Receipt Type



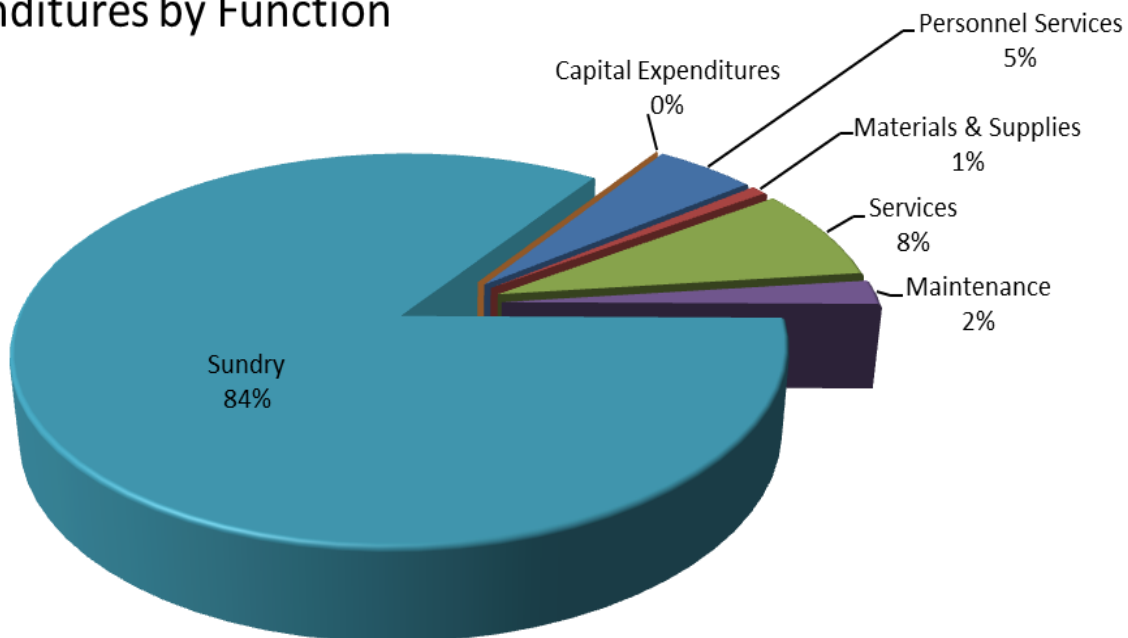
Port Commission Fund Revenue Detail

Port Operational Revenue	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
User & Service Charges				
City Harbor- Dock Leases	87,565	87,000	87,000	87,000
Harbor of Refuge- Dock Leases	227,991	205,000	227,000	225,000
Harbor of Refuge- Tariffs	66,271	78,000	60,000	60,000
Nautical Landing- Dock Leases	81,452	70,000	92,000	90,000
Nautical Landing- Building Leases	38,160	30,000	39,000	32,900
Bad Debt	0	0		0
Total User & Service Charges	501,438	470,000	505,000	494,900
Fines & Forfeitures				
Late Payment Penalties	576	200	900	300
Total Fines & Forfeitures	576	200	900	300
Other Revenue				
Interest Income	3,858	2,300	2,400	2,300
Auction Proceeds	48	0	0	0
TML Reimbursements	0	0	0	0
Washer-Dryer Income	338	500	100	500
Miscellaneous	20	0	0	0
Equity Balance Forward	0	0	0	350,000
Total Other Revenue	4,263	2,800	2,500	352,800
Grant And Contribution				
General Land Office Reimbursement	2,000	2,000	2,000	2,000
Capital Contributions	0	0	0	0
Total Grant And Contribution	2,000	2,000	2,000	2,000
Intergovernmental Revenue				
Transfer in- Fund 165	0	0	0	0
Total Intergovernmental	0	0	0	0
Total Port Revenue	508,278	475,000	510,400	850,000

Port Commission Revenue Fund Expenditures

Port Operation Expenditures	Actual FY 2012-2013	Final Amended FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015	Variance
Personnel Services	35,133	40,120	38,000	42,550	2,430
Materials & Supplies	10,646	6,100	5,500	6,700	600
Services	77,329	82,380	87,000	66,850	-15,530
Maintenance	55,333	19,900	20,000	17,400	-2,500
Sundry	874,863	326,500	326,500	716,500	390,000
Capital Expenditures	0	0	0	0	0
Total Expense	1,053,303	475,000	477,000	850,000	375,000

Expenditures by Function



Departmental Summary

PORT COMMISSION OPERATIONS

Our Mission

The mission of the Port Commission is to provide the public adequate boating facilities and continue to enhance the economic development of the Harbors.

Description of our Services

The Port Operating Fund is a proprietary fund. It provides operations and maintenance for the ports and harbors. Revenues are generated through rentals of the harbor and dock facilities. The Port Fund encompasses the following activities:

- Rental of dock and harbor facilities
- Maintenance of dock, harbor facilities and channels
- Alternative funding options to upgrade the facilities
-



Strategic Focus

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks, and other improvements year after year.

Business Development

Port Lavaca is known for creating a business development program that is responsive to existing business needs.

Community Development

Port Lavaca is a culturally diverse community actively promoting tourism and encouraging economic development opportunities.

2014-2015 Business Plans (Objectives)

- Develop a plan to dredge and maintain the depth of the entrance channel at the marina
- Improve bulk head at the harbors
- Continue marketing Harbor of Refuge for future tenants
- Support economic development and tourism of the City's waterfront properties

ENTERPRISE FUNDS

2013-2014 Accomplishments of Prior Year Business Plans

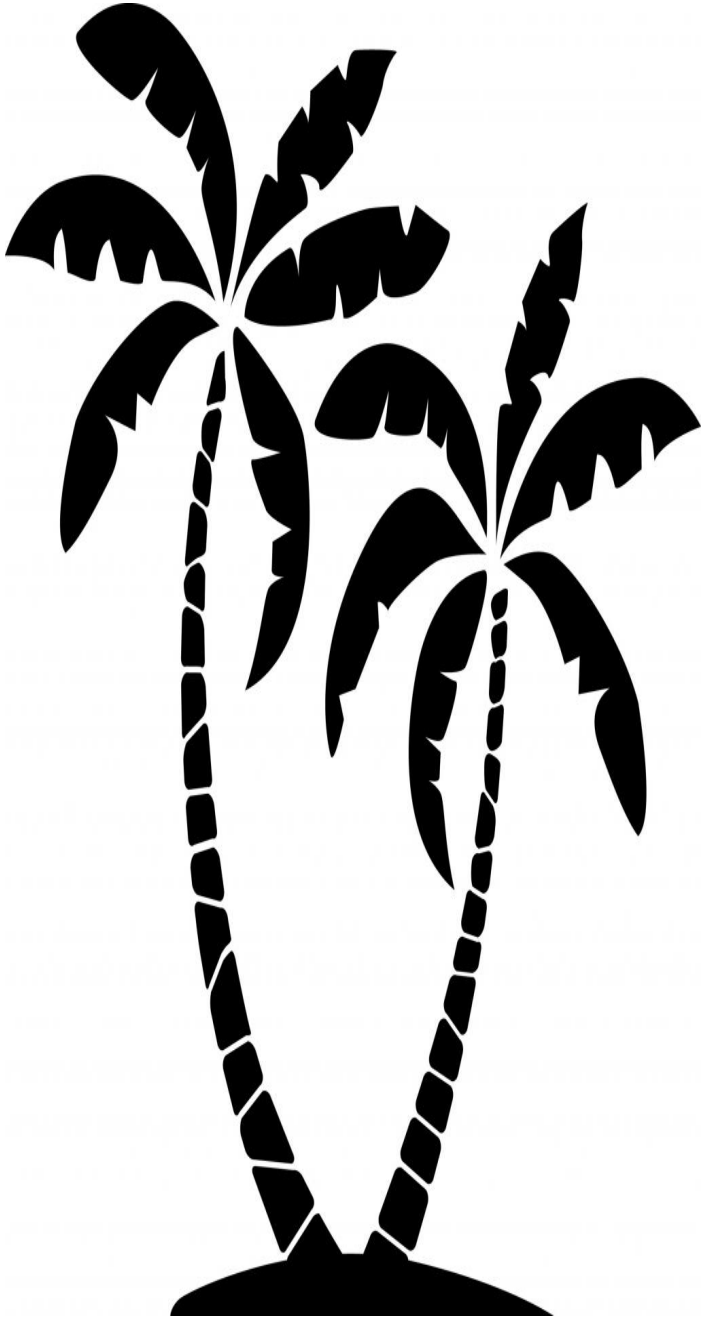
- Weatherproofed the deck at Nautical Landings Marina
- Worked with Calhoun Port Authority to dredge Harbor of Refuge Channel

Budgeted Personnel

Position	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Harbor Master	1	1	1
Temp. Maintenance Worker	½	½	1
Total	1 ½	1 ½	2



SPECIAL REVENUE FUNDS



Hotel / Motel Fund

Forfeiture Fund

Building Security Fund

Economic Development Fund

Redflex Traffic Fund

Court Technology Fund

Juvenile Case Manager Fund



The City adapted a local hotel occupancy tax within the City limits. The City uses these funds to directly enhance and promote tourism and the convention and hotel industry or other expenses approved by State Law.

The section includes special revenues such as the Hotel / Motel, Forfeiture, Building Security, Economic Development, Redflex Traffic and Court Technology Funds. These funds are legally restricted for certain purposes.



HOTEL/MOTEL FUND

The City adopted a local hotel occupancy tax within the City limits. The City uses these funds to directly enhance and promote tourism and the convention and hotel industry or other expenses approved by State Law.

SPECIAL REVENUE FUNDS

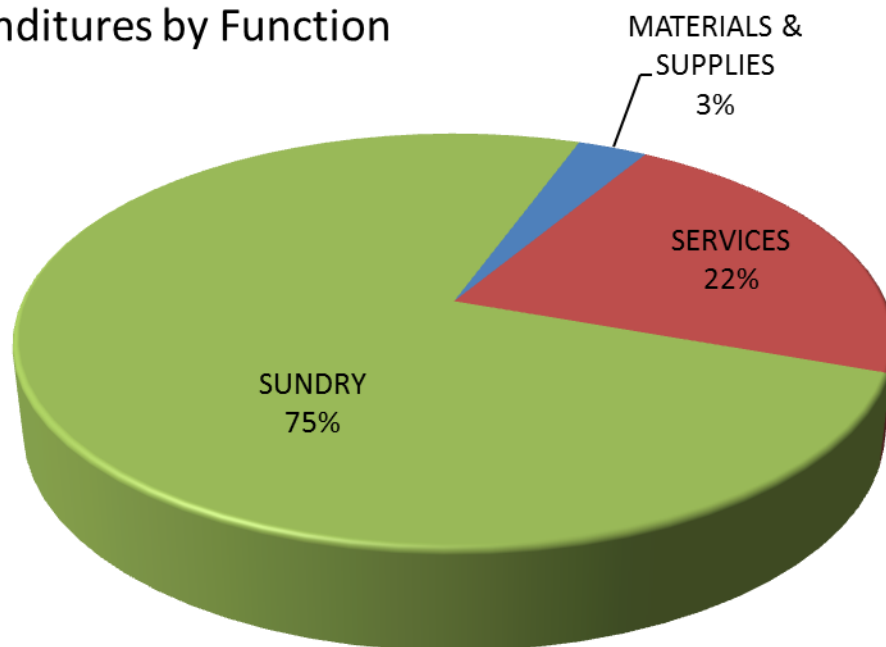
Hotel / Motel Revenue

Revenue Summary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Taxes	372,677	300,000	375,000	324,000
Other Revenue	15,884	500	2,500	1,000
Total Revenue	388,561	300,500	377,500	325,000

Hotel / Motel Expenditures

Hotel Expenditures	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Materials & Supplies	5,258	10,000	5,000	10,000
Services	112,069	70,500	65,000	71,000
Sundry	251,000	220,000	190,000	244,000
Total Expense	368,327	300,500	260,000	325,000

Expenditures by Function





FORFEITURE FUND

This fund accounts for the forfeiture of contraband gained from the commission of criminal activity. Proceeds from this fund are used for specific expenses for law enforcement needs.

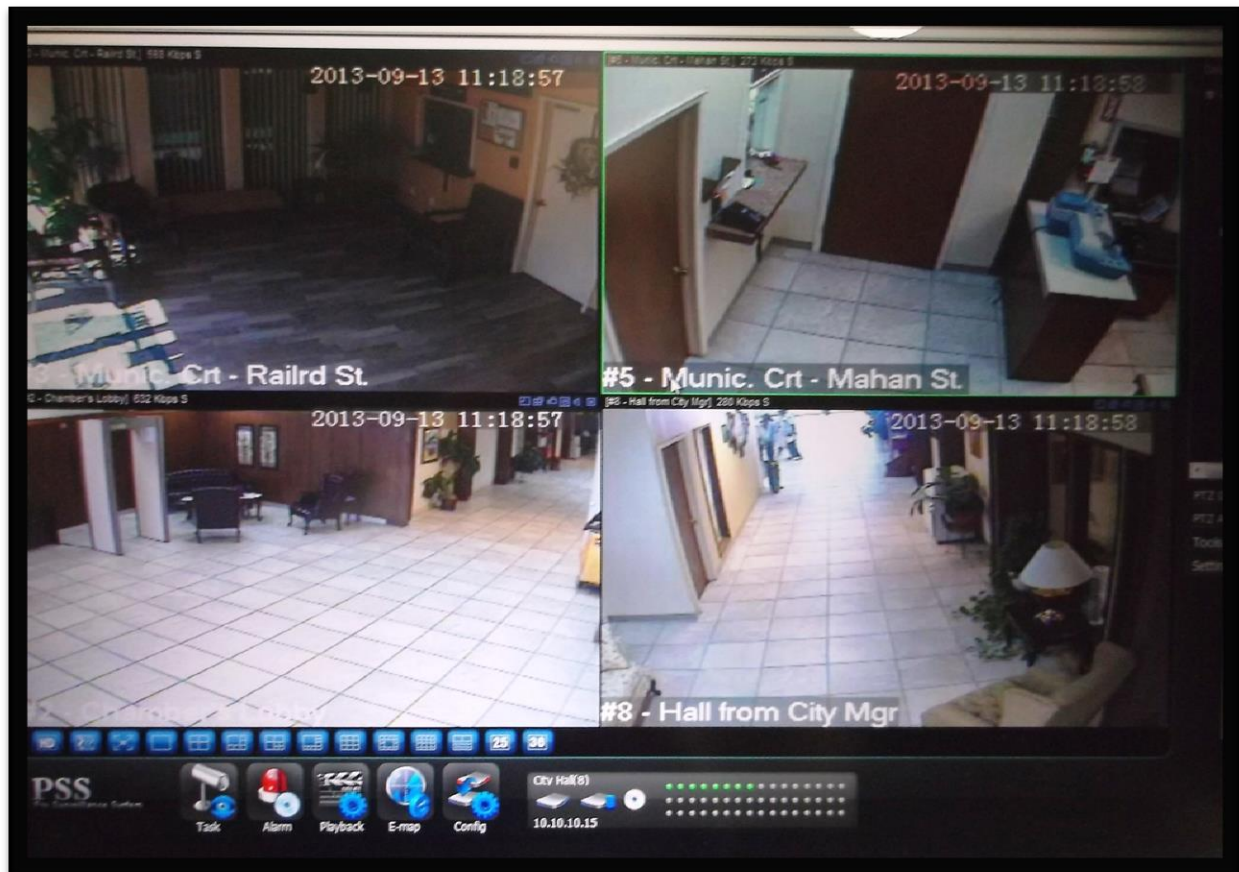
SPECIAL REVENUE FUNDS

Forfeiture Fund Revenue

Revenue Summary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Fines & Forfeitures	50,000	0	5,000	0
Other Revenue	111	0	100	0
Intergovernmental	0	0	0	0
Total Revenue	50,111	0	5,100	0

Forfeiture Fund Expenditures

Forfeitures Expenditures	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Materials & Supplies	15,568	0	16,000	0
Services	739	0	2,000	0
Maintenance	15,696	0	13,000	0
Sundry	0	0	5,500	0
Capital Expenditures	7,095	0	0	0
Total Expense	39,098	0	36,500	0



BUILDING SECURITY FUND

This fund accounts for fees collected on conviction of certain Municipal Court offenses and are intended to create a security plan for the courtroom.

SPECIAL REVENUE FUNDS

Building Security Fund Revenue

Revenue Summary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Fines & Forfeitures	4,050	0	2,900	0
Other Revenue	40	0	50	0
Total Revenue	4,090	0	2,950	0

Building Security Expenditures

Building Security Expenditures	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Materials & Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	4,560	0	0	0
Total Expense	4,560	0	0	0



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ECONOMIC DEVELOPMENT FUND

This fund accounts for public and private donations. Proceeds from this fund will be used to guide, promote, and support business and community development.

SPECIAL REVENUE FUNDS

Economic Development Fund Revenues

Revenue Summary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Other Revenue	24	0	23	0
Intergovernmental	0	0	0	0
Total Revenue	24	0	23	0

Economic Development Fund Expenditures

Economic Dev. Expenditures	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Materials & Supplies	0	0	0	0
Maintenance	0	0	0	0
Sundry	0	0	0	0
Total Expense	0	0	0	0



REDFLEX TRAFFIC FUND

The Redflex Traffic Fund accounts for fees collected by the City's red light cameras. This money is shared with the State's trauma account and the City can only use this money to enhance pedestrian safety.

SPECIAL REVENUE FUNDS

Redflex Traffic Fund Revenue

Revenue Summary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Other Revenue	234	0	250	0
Intergovernmental	212,845	0	0	0
Total Revenue	213,080	0	250	0

Redflex Traffic Expenditures

Redflex Traffic Expenditures	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Materials & Supplies	212,883	0	0	0
Total Expense	212,883	0	0	0



COURT TECHNOLOGY FUND

This fund accounts for fees collected on conviction of certain Municipal Court offenses and are intended to provide technology to process court cases.

Court Technology Revenue

Revenue Summary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Fines & Forfeitures	5,506	7,000	5,000	5,000
Other Revenue	33	0	25	0
Intergovernmental	0	0	0	0
Total Revenue	5,539	7,000	5,025	5,000

Court Technology Expenditures

Court Technology Expenditures	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Materials & Supplies	7	0	0	0
Services	0	0	0	0
Maintenance	5,531	7,000	8,000	5,000
Total Expense	5,539	7,000	8,000	5,000



JUVENILE CASE MANAGER FUND

The Juvenile Case Manager Fund was created in FY 2010 – 2011 to fund the salary and benefits of one full-time Juvenile Case Manager as part of the Calhoun County area's criminal justice systems.

SPECIAL REVENUE FUNDS

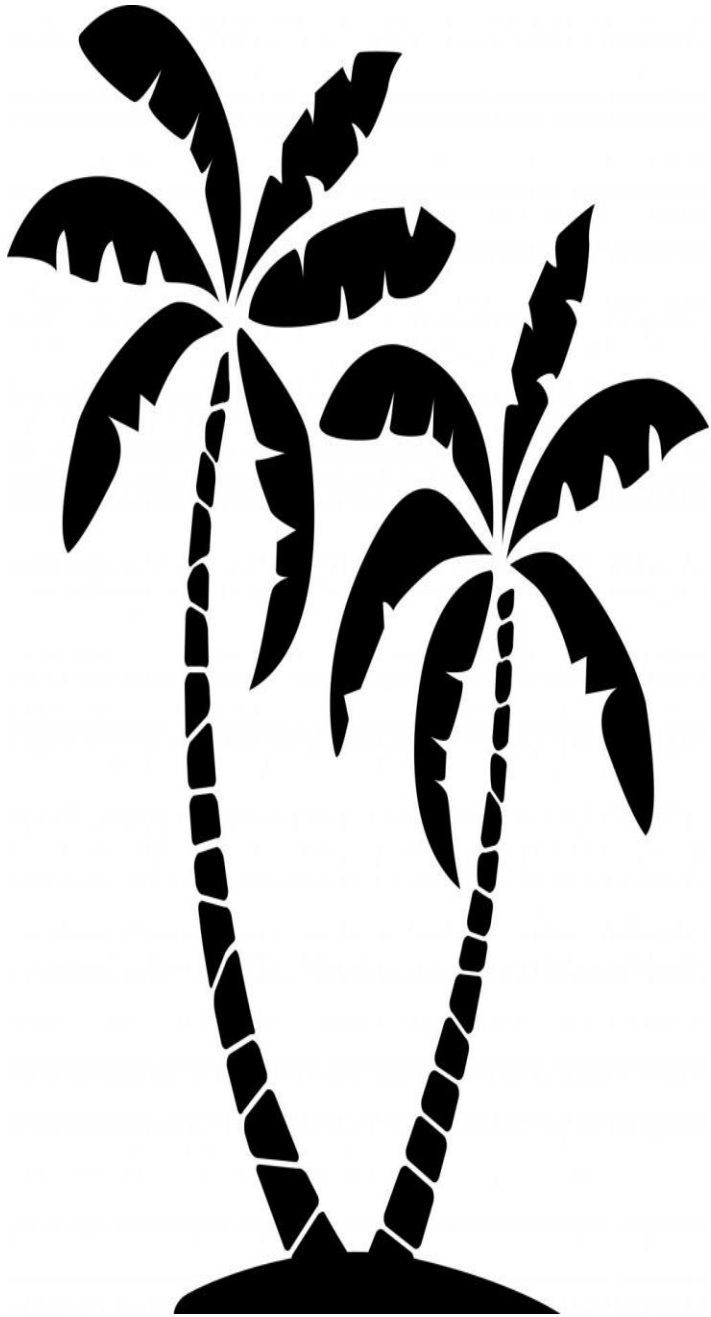
Juvenile Case Manager Fund Revenue

Revenue Summary	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Other Revenue	138	0	0	0
Fines & Forfeitures	5,669	5,000	5,000	5,000
Intergovernmental	8,474	8,000	8,000	8,000
Total Revenue	14,281	13,000	13,000	13,000

Juvenile Case Manager Fund Expenditures

Juvenile Case Manager Expenditures	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted Budget FY 2014-2015
Personnel Services	14,281	13,000	13,000	13,000
Materials & Supplies	0	0	0	0
Total Expense	14,281	13,000	13,000	13,000

CAPITAL



Five Year Capital Improvement Program

2014-2015 Project Details

Operating Capital Outlay



This section provides current year capital expenditures and projects for all major funds and the City's Five Year Capital Improvement Plan.

A **capital improvement project** includes improvements to public facilities, parks and opens spaces, drainage systems, streets and right of ways and utility systems. More information can be found in the City's capital asset policy located in the appendix of this book.

Capital Improvement Plan

Presented herewith is the adopted fiscal year 2014-2015 Capital Improvement Plan (CIP) as approved on July 14, 2014. This document reflects input from City Staff, City Council, and City Advisory Boards.

This document serves as both a budget for fiscal year 2014-2015 and as a major planning tool for subsequent years. The five year CIP is dynamic in nature, and as such, is reviewed and revised annually to ensure projects with the greatest need receive the highest priority. Project priorities and available funding are constantly monitored throughout the fiscal year to ensure there is adequate funding for critical projects. The plan reflects the City's strategic investment in municipal infrastructure and facilities over the next five years and the continuation of capital projects approved in prior years.

The CIP incorporates the project scopes, costs and schedules for the City of Port Lavaca over the next five years. The individual project pages contain project descriptions which represent a brief synopsis of the entire project scope; these descriptions are generally more precise for ongoing active projects than for planned new projects, where specific project activities may have yet to be determined. Costs already incurred and future cost estimates are listed for each project. Estimated construction dates are included, and for new projects yet to be designed, times represent an estimated schedule based on their priority sequencing and available funding. The architect/engineer and contractor are listed where applicable. Each project is linked to the City's Strategic Plan. Finally, the operational impact has been estimated for the completed project.

The CIP for General Fund projects follow a three year pattern. During the first two years, 50% of the City's designated funds for capital projects are expended on improving the park infrastructure. The remaining funds are reserved for a future street project. In the third year, the City funds a major street project. There are no capital projects funded in parks during the third year. The capital plan is rolled forward each year using this same philosophy.

The CIP for Utility Fund projects take into consideration upcoming street projects. Water and sewer infrastructure are replaced prior to any major street project. Other priorities are given to subdivisions where utility systems have been partially completed.

By following this plan, the City has completely replaced the infrastructure in two major neighborhoods. This includes curb and gutters, streets, storm sewer, water and sewer lines.

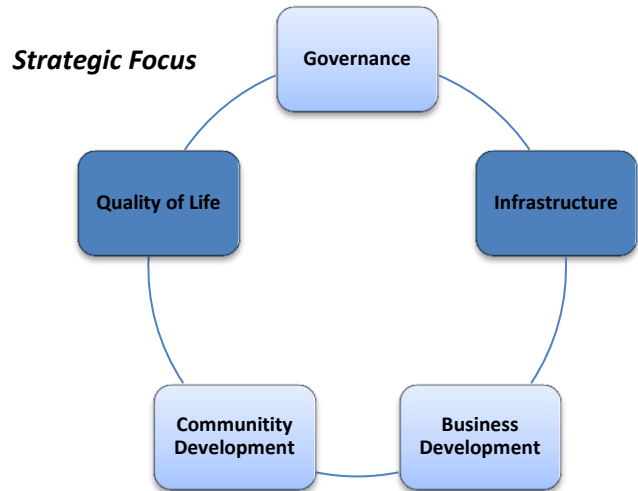
CAPITAL

The CIP for Beach Fund projects center around tourism with a strategic focus on infrastructure improvements and quality of life of our citizens.

The CIP for Port Commission funded projects protects the infrastructure of our two ports and marina.

Planning for our City's Future

The City of Port Lavaca's Five Year Capital Improvement Program (CIP) is designed to help the City strategically plan for future capital improvements to public facilities, parks and opens spaces, drainage systems, streets and right of ways and utility systems. These projects are funded by various sources, including fund balance reserves, grants, general funds, enterprise funds and other available sources. The City's fiscal year 14-15 CIP is being funded without any issue of new debt.



The table below shows the City of Port Lavaca's five year capital improvement plan summary by category.

Five Year Capital Improvement Plan Summary- All Funds

	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget	FY 2017-2018 Budget	FY 2018-2019 Budget
General Fund					
Streets	\$ 500,000	\$ 150,000	\$ 1,950,000	\$ 150,000	\$ 150,000
Parks	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
Building & Improv	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Total General Fund	\$ 1,250,000	\$ 400,000	\$ 1,950,000	\$ 400,000	\$ 400,000
Public Utility Fund					
Water	\$ 830,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Wastewater	\$ 450,000	\$ 300,000	\$ 700,000	\$ 400,000	\$ 700,000
Total Utility Fund	\$ 1,280,000	\$ 600,000	\$ 1,000,000	\$ 700,000	\$ 1,000,000
Lighthouse Beach	\$ 150,000	\$ 50,000	\$ 300,000	\$ 50,000	\$ 50,000
Port Commission	\$ 1,000,000	\$ 2,150,000	\$ -	\$ -	\$ -
Total	\$ 3,680,000	\$ 3,200,000	\$ 3,250,000	\$ 1,150,000	\$ 1,450,000

Five Year Total \$12,730,000.00

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM BY FUND

General Fund

City Council Area of Emphasis with Associated Goal Statement



Strategic Focus

Infrastructure (Strategic Focus)

Port Lavaca residents enjoy new streets, sidewalks, and other improvements year after year.

Project Description	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget	FY 2017-2018 Budget	FY 2018-2019 Budget
Streets & Right of Ways					
Pinta and Montier Road	\$ 350,000	\$ -	\$ -	\$ -	\$ -
Seal Coat Program	\$ 150,000	\$ 150,000	\$ -	\$ 150,000	\$ 150,000
Commerce/Independence	\$ -	\$ -	\$ 1,250,000	\$ -	\$ -
Downtown Sidewalks (TXDOT)	\$ -	\$ -	\$ 700,000	\$ -	\$ -
Street & Right of Way Subtotals	\$ 500,000	\$ 150,000	\$ 1,950,000	\$ 150,000	\$ 150,000
Building & Improvements					
Public Works Service Center	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Building & Improv Subtotals	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Parks					
Bay Front Park Improvements	\$ 150,000	\$ 100,000	\$ -	\$ 150,000	\$ 100,000
Wilson Park Improvements	\$ 100,000	\$ 150,000	\$ -	\$ 100,000	\$ 150,000
Parks Subtotals	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
General Fund CIP Fund Totals	\$ 1,250,000	\$ 400,000	\$ 1,950,000	\$ 400,000	\$ 400,000
Funding Source:					
Operating Budget	\$ 650,000	\$ 650,000	\$ 700,000	\$ 650,000	\$ 650,000
Grant	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Transfer In-Port Commission	\$ 350,000	\$ -	\$ -	\$ -	\$ -
Transfer In – Utility Fund	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Transfer in – Hotel/Motel	\$ -	\$ -	\$ 200,000	\$ -	\$ -
Operational Savings (Reserve)	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Street Reserve – Fund 220	\$ -	\$ -	\$ 550,000	\$ -	\$ -
Total Resources Planned	\$ 1,500,000	\$ 650,000	\$ 1,950,000	\$ 650,000	\$ 650,000
Transfer to Street Reserve	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
Accumulated Street Reserve	\$ 300,000	\$ 550,000	\$ -	\$ 250,000	\$ 500,000

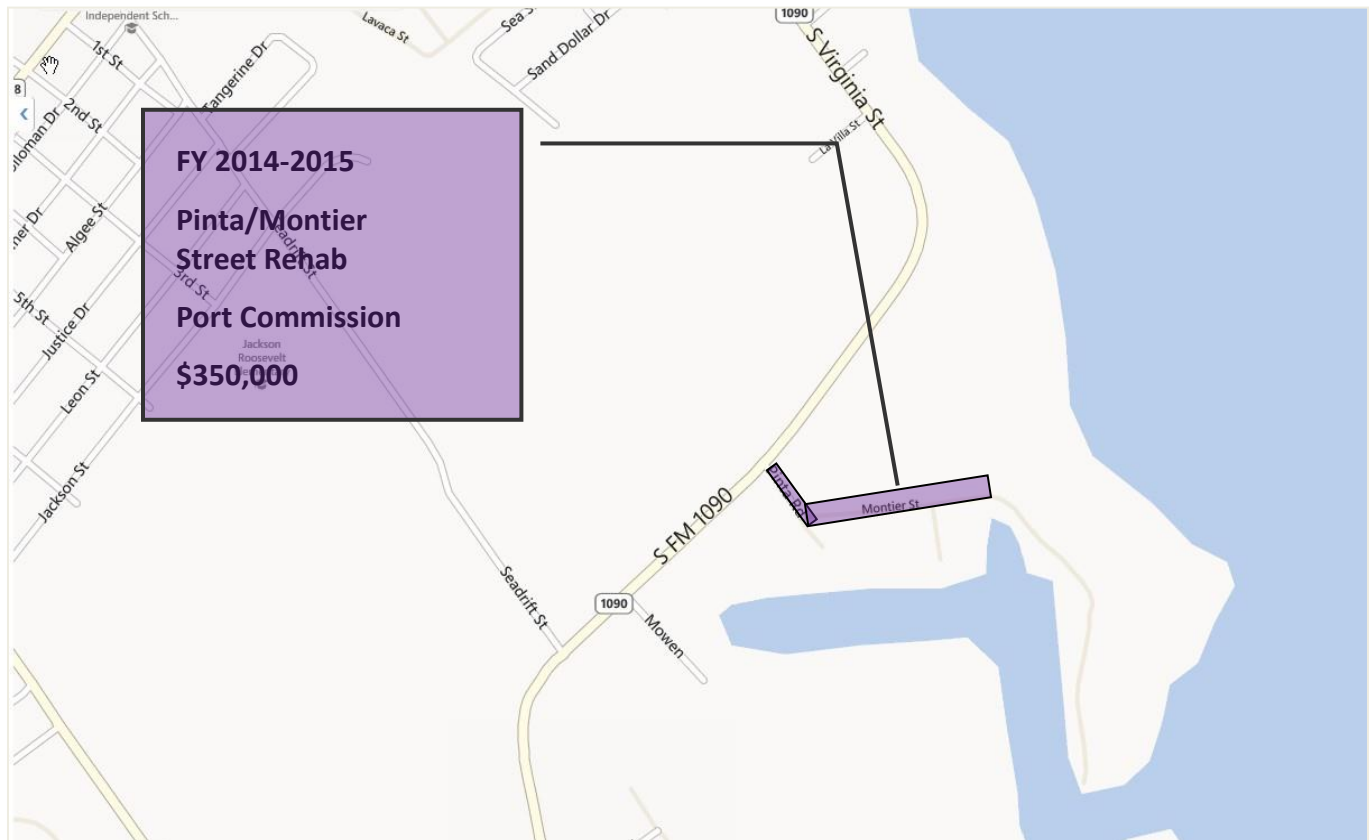
CAPITAL

General Fund – Pinta/Montier Road Rehabilitation (FY 14-15)

Infrastructure (Strategic Focus)

Project Scope	
This project will consist of replacing 1,200 linear feet of roadway on Pinta and Montier at the Harbor of Refuge. Two railroad crossings will also be replaced.	
Project Name:	Pinta/Montier Road Rehab
Construction Start:	May 2015
Project Completion:	September 2015
Current Phase:	Design
Project Contract Information	
Project Manager:	Darren Gurley
Phone Number:	361-552-3347
Email Address:	dgurley@portlavaca.org
Grant Administrator:	N/A
Engineer:	Civil Corp
General Contractor:	N/A

Approved Project Funding	
Funding Source	Fiscal Year 2014 – 2015
Grant Funds	N/A
Transfer from Port Commission	\$350,000
Project Budget & Expenditures	
Project Budget:	\$350,000
Expended to Date:	N/A
Operational Impact	
Reduced maintenance demand and related personnel expenses of approx. \$3,500 per year on road repair and railroad crossing issues. The railroad tracks belong to the City of Port Lavaca. Staff needs to keep the roads and the tracks in good operating condition to increase our tariff at the Harbor of Refuge.	
Current Activity	
This project is scheduled to bid by the end of March 2015. Construction is scheduled to begin May 2015.	



General Fund – Seal Coat Program (FY 14-15)

Infrastructure (Strategic Focus)

Project Scope	
This project will consist of seal coating approximately 5 miles of roadway throughout the city.	
Project Name:	Seal Coat Program
Construction Start:	July 2015
Project Completion:	August 2015
Current Phase:	N/A
Project Contract Information	
Project Manager:	Darren Gurley
Phone Number:	361-552-3347
Email Address:	dgurley@portlavaca.org
Grant Administrator:	N/A
Engineer:	Civil Corp
General Contractor:	N/A

Approved Project Funding	
Funding Source	Fiscal Year 2014 – 2015
Grant Funds	N/A
Transfer from General Fund	\$150,000
Project Budget & Expenditures	
Project Budget:	\$150,000
Expended to Date:	N/A
Operational Impact	
Reduced maintenance demand and related personnel expenses of approx. \$2,500 per year on road repair. Seal coating streets helps extend the life of the street and helps prolong costly rehabilitation.	
Current Activity	
This project is scheduled to bid by the end of May 2015. The project is scheduled to begin July 2015.	



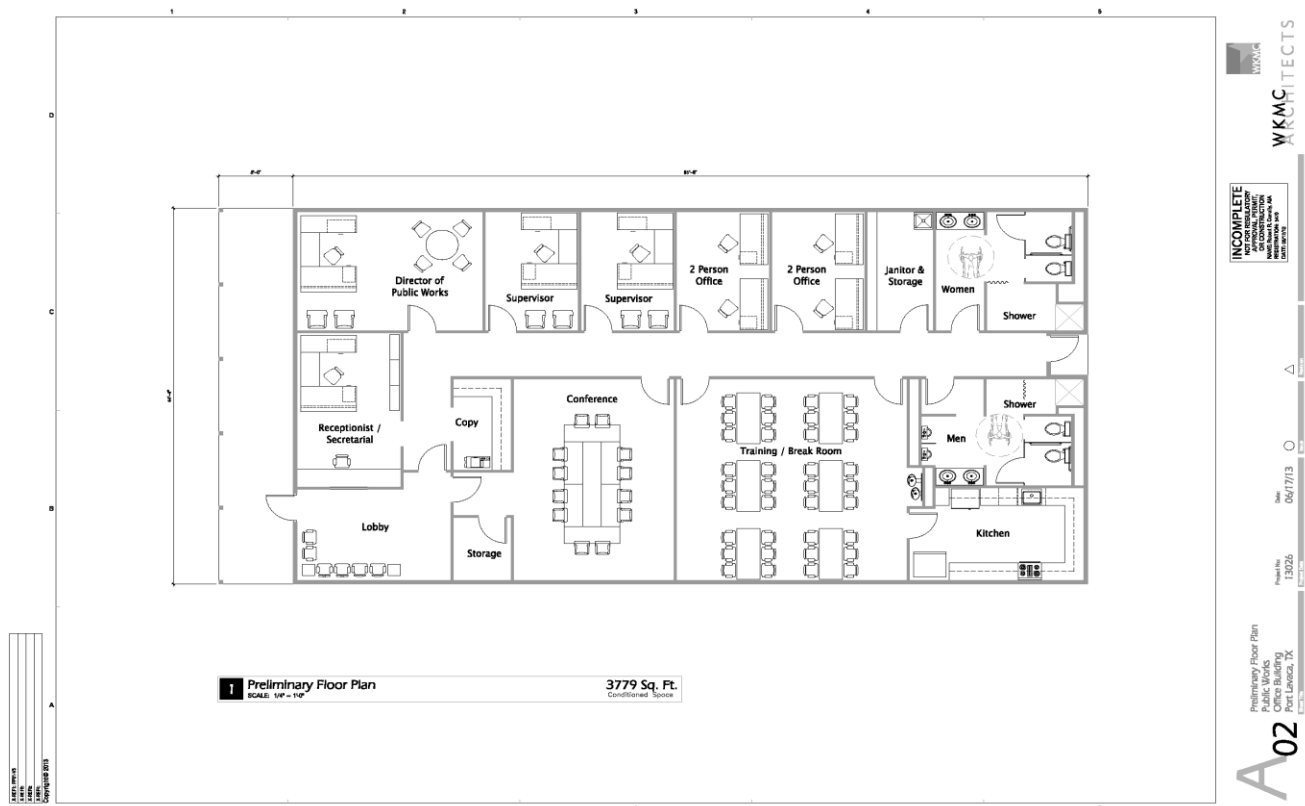
CAPITAL

General Fund – Public Works Service Center (FY 14-15)

Infrastructure (Strategic Focus)

Project Scope	
This project will consist of building a new 3,779 sq. ft. service center to house the Public Works departments. The building will have new offices, training room and kitchen facilities.	
Project Name:	Public Works Service Center
Construction Start:	March 2015
Project Completion:	June 2015
Current Phase:	Design
Project Contract Information	
Project Manager:	Darren Gurley
Phone Number:	361-552-3347
Email Address:	dgurley@portlavaca.org
Grant Administrator:	N/A
Engineer:	Civil Corp
General Contractor:	N/A

Approved Project Funding	
Funding Source	Fiscal Year 2014 – 2015
Grant Funds	N/A
Transfer from General Fund/Utility Fund	\$250,000 from each fund
Project Budget & Expenditures	
Project Budget:	\$ 500,000
Expended to Date:	N/A
Operational Impact	
Reduced maintenance demand and related personnel expenses of approx. \$1,000 per year on current building repairs. Staff will be able to increase the training of personnel with an onsite training room to help cut costs on travel expenses for training.	
Current Activity	
This project is scheduled to bid by the end of January 2015. Construction is scheduled to begin March 2015.	

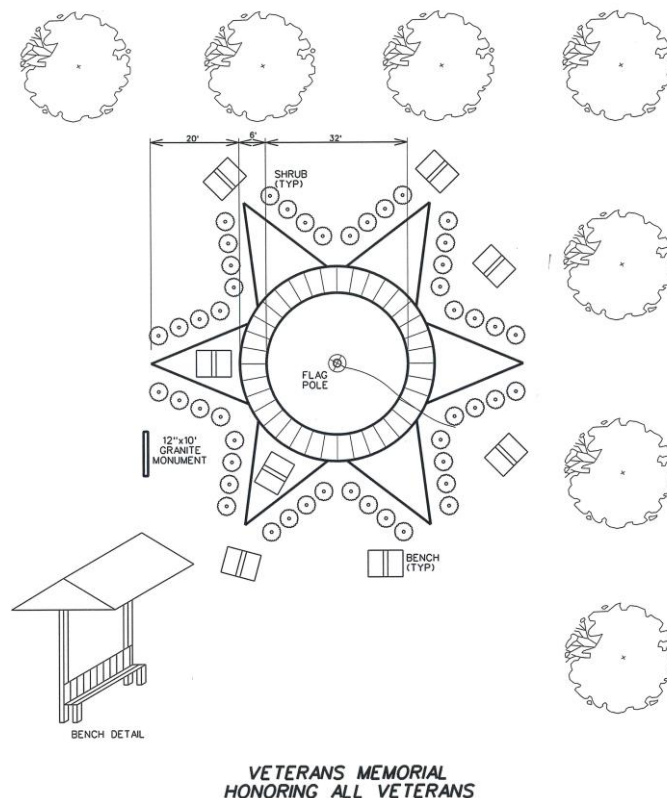
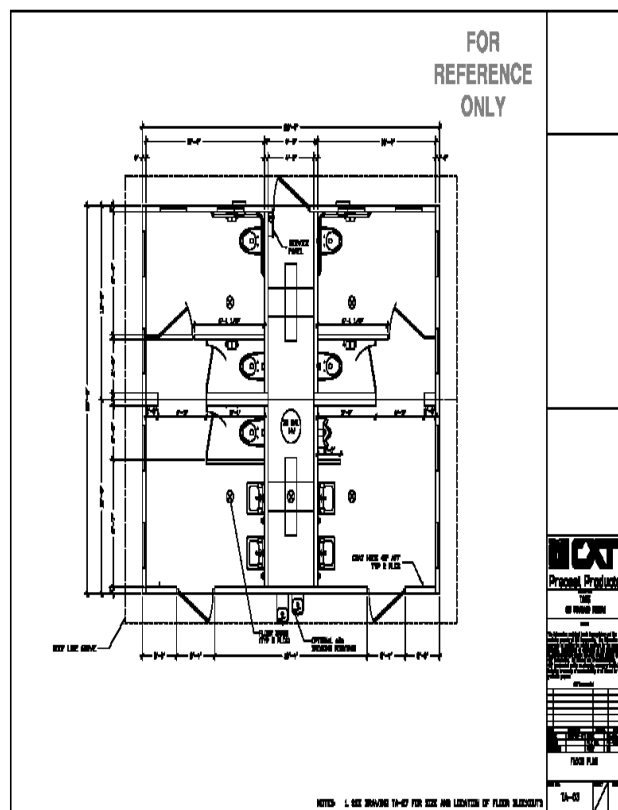


General Fund – Bayfront Peninsula Park Improvements (FY 14-15)

Infrastructure (Strategic Focus)

Project Scope	
This project will consist of installing a new restroom facility and further construction of the Veteran's Memorial at the Bayfront Peninsula Park.	
Project Name:	Bayfront Peninsula Park Improvements
Construction Start:	January 2015
Project Completion:	May 2015
Current Phase:	Design
Project Contract Information	
Project Manager:	Darren Gurley
Phone Number:	361-552-3347
Email Address:	dgurley@portlavaca.org
Grant Administrator:	N/A
Engineer:	Civil Corp
General Contractor:	N/A

Approved Project Funding	
Funding Source	Fiscal Year 2014 – 2015
Grant Funds	N/A
Transfer from General Fund	\$150,000
Project Budget & Expenditures	
Project Budget:	\$150,000
Expended to Date:	N/A
Operational Impact	
Adding the new restroom and Veteran's memorial will increase our operational expenses by approx. \$2,500 per year to maintain new facilities. By adding the new restrooms the city will be able to have bigger events at the Bayfront which could increase revenues.	
Current Activity	
This project is scheduled to begin in January 2015.	



CAPITAL

General Fund – Wilson Park Improvements (FY 14-15)

Infrastructure (Strategic Focus)

Project Scope	
This project will consist of installing the fencing for the new softball field and t-ball field.	
Project Name:	Wilson Park Improvements
Construction Start:	April 2015
Project Completion:	May 2015
Current Phase:	Design
Project Contract Information	
Project Manager:	Darren Gurley
Phone Number:	361-552-3347
Email Address:	dgurley@portlavaca.org
Grant Administrator:	N/A
Engineer:	Civil Corp
General Contractor:	N/A

Approved Project Funding	
Funding Source	Fiscal Year 2014 – 2015
Grant Funds	N/A
Transfer from General Fund	\$100,000
Project Budget & Expenditures	
Project Budget:	\$100,000
Expended to Date:	N/A
Operational Impact	
Operational impact will increase maintenance by adding two new fields. The approximate cost will be \$5,000 per year.	
Current Activity	
This project is scheduled to begin in April 2015.	



Public Utility Fund

City Council Area of Emphasis with Associated Goal Statement



Strategic Focus

Infrastructure

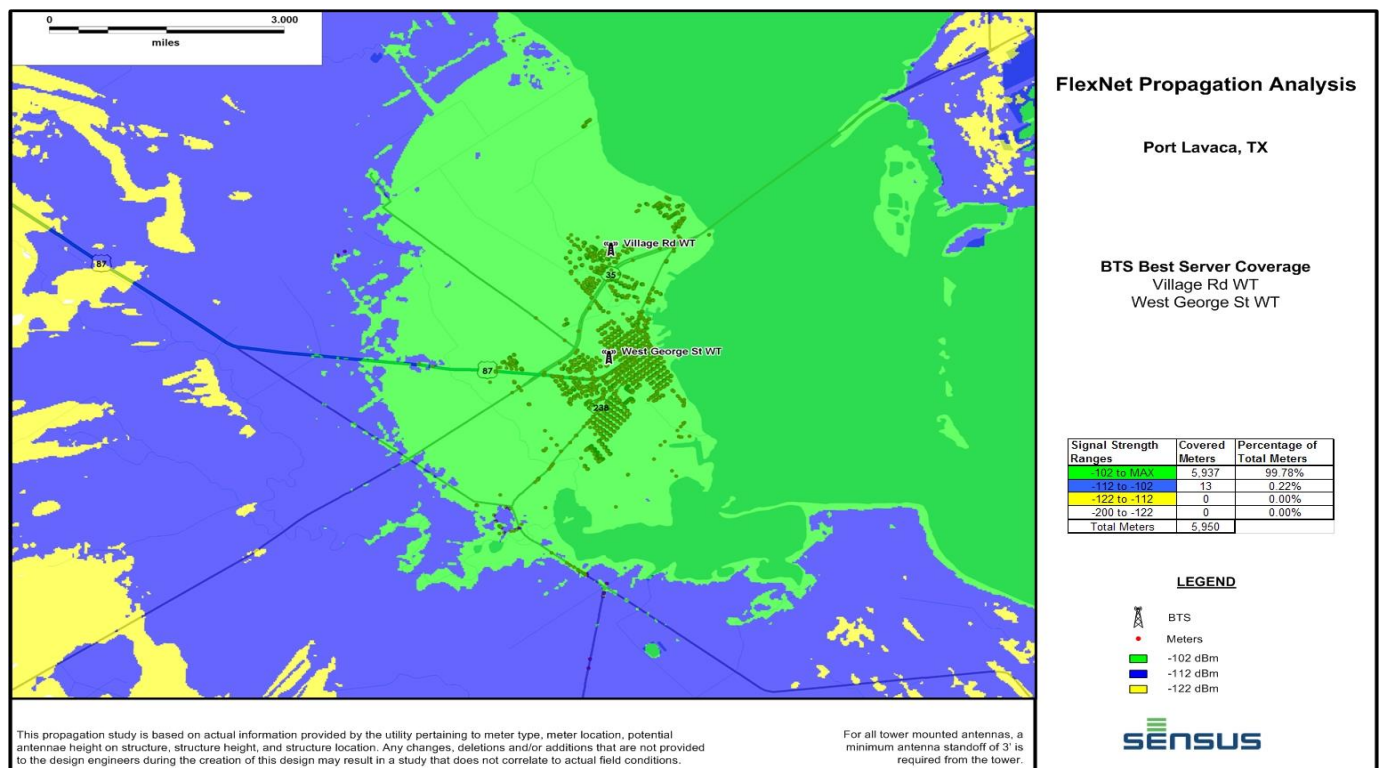
Port Lavaca residents enjoy new streets, sidewalks, and other improvements year after year.

Project Description	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget	FY 2017-2018 Budget	FY 2018-2019 Budget
Water System					
Flexnet Meter Replacement	\$ 530,000	\$ -	\$ -	\$ -	\$ -
Hospital Area Water Line Phase II	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Smith Road Water Line	\$ -	\$ 300,000	\$ -	\$ -	\$ -
Brookhollow Drive Water Line	\$ -	\$ -	\$ 300,000	\$ -	\$ -
Broadway Water Line	\$ -	\$ -	\$ -	\$ 300,000	\$ -
Colorado From Austin to South	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Water System Subtotals	\$ 830,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Wastewater System					
Lift Station Upgrades	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Bonorden Sewer Line Phase II	\$ -	\$ -	\$ 300,000	\$ -	\$ -
Center Street Sewer Line Phase I	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Alamo Heights Sewer Line Phase II	\$ 400,000	\$ -	\$ -	\$ -	\$ -
Commerce Sewer Line	\$ -	\$ 300,000	\$ -	\$ -	\$ -
Alamo Heights Sewer Line Phase III	\$ -	\$ -	\$ 400,000	\$ -	\$ -
Deshazor Sewer Line Phase I	\$ -	\$ -	\$ -	\$ 400,000	\$ -
Deshazor Sewer Line Phase II	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Wastewater Subtotals	\$ 450,000	\$ 300,000	\$ 700,000	\$ 400,000	\$ 700,000
Utility System CIP Fund Totals	\$ 1,280,000	\$ 600,000	\$ 1,000,000	\$ 700,000	\$ 1,000,000
Funding Source:					
Operating Budget	\$ 80,000	\$ 350,000	\$ 300,000	\$ 350,000	\$ 300,000
Transfer In – Beach Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Grant	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
Depreciation Reserves	\$ 1,200,000	\$ 250,000	\$ 450,000	\$ 350,000	\$ 450,000
Total Resources Planned	\$ 1,280,000	\$ 600,000	\$ 1,000,000	\$ 700,000	\$ 1,000,000

Water System- Flexnet Meter System (FY 14-15)

Infrastructure (Strategic Focus)

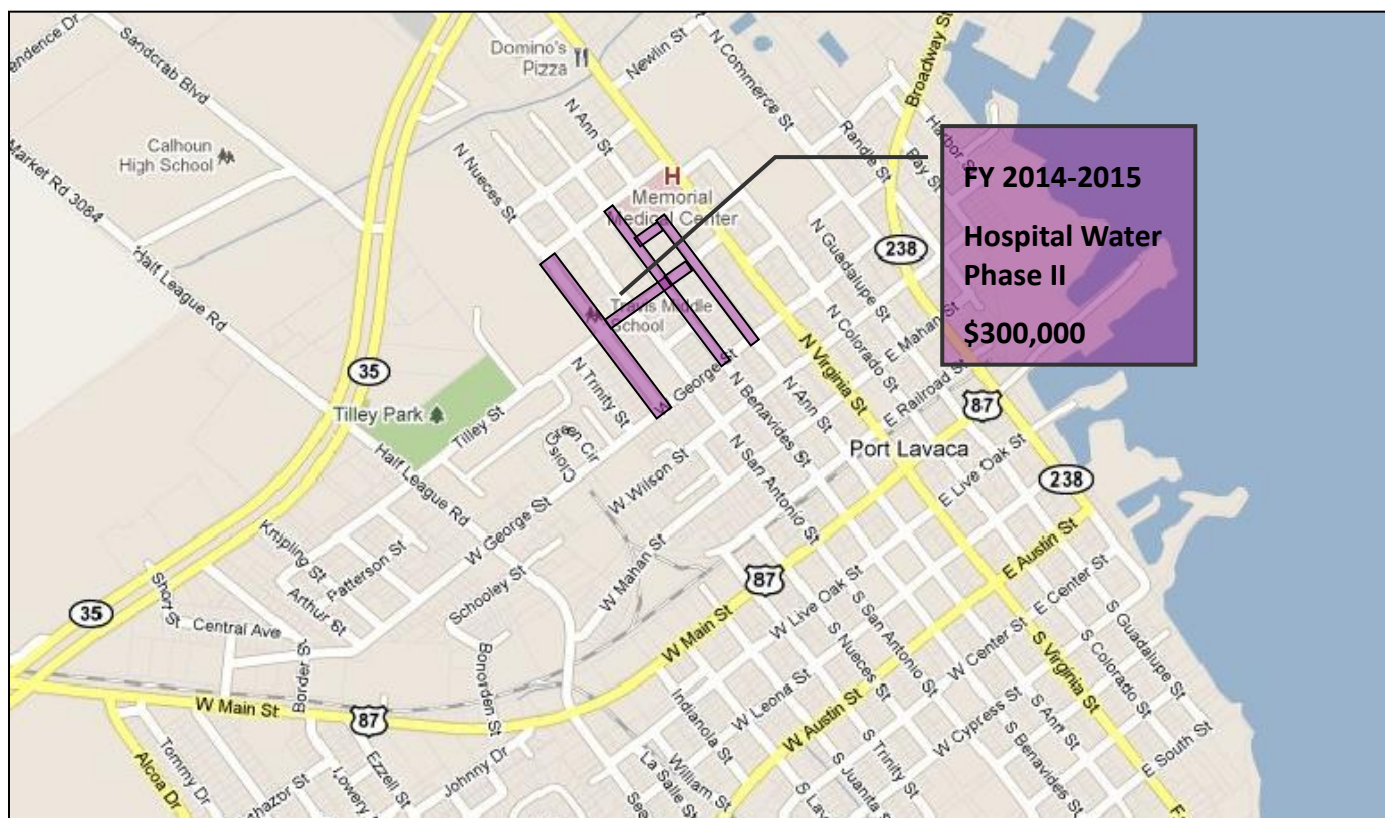
Project Scope		Approved Project Funding	
The City will replace 2,500 meters with radio read meters. These meters will be equipped to interface meter readings directly into the City's Utility Billing Software. This will also free up the current meter readers to work on system maintenance. This project was recommended to improve customer service to our citizens to enable the City to be in a proactive position rather than a reactive one.		Funding Source	Fiscal Year 2014 – 2015
Project Name: Flexnet Meter System		Grant Funds	N/A
Construction Start: November 2014		Transfer from Utility Fund	\$ 530,000
Project Completion: January 2015		Project Budget & Expenditures	
Current Phase: Installation		Project Budget:	\$ 530,000
		Expended to Date:	\$500,000
Project Contract Information		Operational Impact	
Project Manager: Darren Gurley		The new Flexnet system will help the City track water usage for the customer at hourly intervals to help with water leak detection. This leak detection should lower the cost of purchased currently being provided by the Guadalupe River Authority. Additional revenue stream is anticipated because of old meters being changed out. The amount of savings is yet to be determined.	
Phone Number: 361-552-3347		Current Activity	
Email Address: dgurley@portlavaca.org		The Flexnet towers and computer systems are installed and approximately 2,000 meters have been installed.	
Grant Administrator: N/A			
Engineer: N/A			
General Contractor: Aqua Metrics			



Water System- Hospital Area Phase II (FY 14-15)

Infrastructure (Strategic Focus)

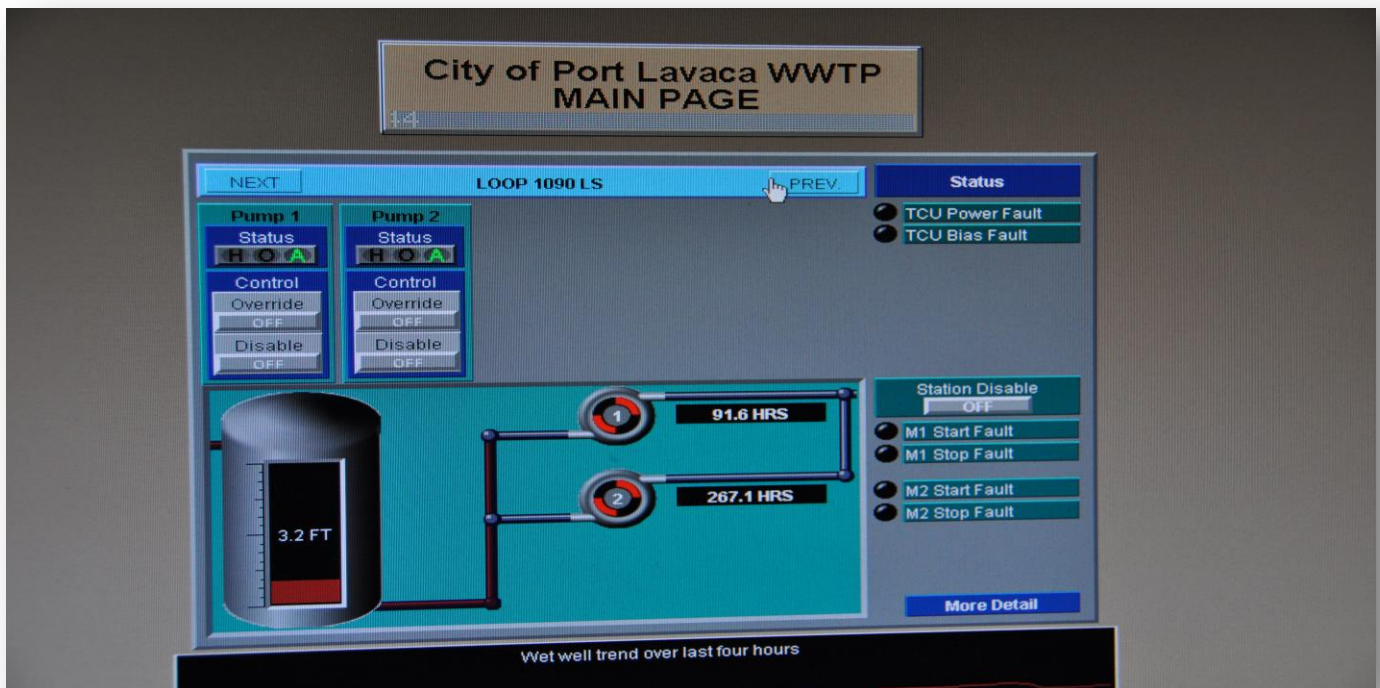
Project Scope		Approved Project Funding	
Replace a total of 3,500 linear feet of 2" cast iron waterline with 4" C900 waterline. The streets included are N. Nueces, N. Ann, N. Benavides and Tilley.		Funding Source	Fiscal Year 2014 – 2015
Project Name: Hospital Area Phase II		Grant Funds	N/A
Construction Start: April 2015		Transfer from Utility Fund	\$300,000
Project Completion: September 2015		Project Budget & Expenditures	
Current Phase: Design		Project Budget:	\$ 300,000
		Expended to Date:	N/A
Project Contract Information		Operational Impact	
Project Manager: Darren Gurley		The new waterlines will reduce maintenance demand and related personnel cost by approx. \$ 2,500 per year. Upsizing the 2" cast iron line to 4" C900 will help pressure issues and brown water complaints.	
Phone Number: 361-552-3347		Current Activity	
Email Address: dgurley@portlavaca.org		The project is currently in design. The project is scheduled to bid by the end of February 2015.	
Grant Administrator: N/A			
Engineer: Civil Corp			
General Contractor: N/A			



Wastewater System- Lift Station Upgrades (FY 14-15)

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
This project provides Supervisory and Control Data Acquisitions (SCADA) to the Wastewater Treatment Plant.		Funding Source	Fiscal Year 2014 – 2015
This will finish the City's SCADA project.		Grant Funds	N/A
		Transfer from Utility Fund	\$ 50,000
Project Contract Information		Project Budget & Expenditures	
Project Name:	Lift Station Upgrades	Project Budget:	\$ 50,000
Construction Start:	March 2015	Expended to Date:	N/A
Project Completion:	May 2015	Operational Impact	
Current Phase:	Design	The SCADA system saves the City money by determining problems in real time and informs the wastewater operator as the problems occur. This prevents overtime and costly mechanical failures. The actual savings will be determined as the system becomes fully operational.	
		Current Activity	
		The project is currently in design. The project will bid in February 2015.	



Wastewater System- Alamo Heights Sewer Line Phase II (FY 14-15)

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
This project consists of pipe bursting approx. 5,000 linear feet of sewer line in the Alamo Heights area. Approx. 200 service connections will also be replaced.		Funding Source	Fiscal Year 2014 – 2015
Project Name: Alamo Heights Sewer Line Phase II		Grant Funds	N/A
Construction Start: January 2015		Transfer from Utility Fund	\$ 400,000
Project Completion: July 2015		Project Budget & Expenditures	
Current Phase: Construction		Project Budget:	\$ 400,000
		Expended to Date:	N/A
Project Contract Information		Operational Impact	
Project Manager:	Darren Gurley	This area of town is one of our highest areas of Inflow & Infiltration (I & I). Replacing these lines will help with the surcharge of the sewer system during rains. This will also help not having to treat the rain water at the WWTP. Staff estimates a savings of \$3,000 per year in chemical costs.	
Phone Number:	361-552-3347	Current Activity	
Email Address:	dgurley@portlavaca.org	This project has been awarded to Insituform. It will begin construction in January.	
Grant Administrator:	N/A		
Engineer:	N/A		
General Contractor:	Insituform		



CAPITAL

Lighthouse Beach

City Council Area of Emphasis with Associated Goal Statement



Strategic Focus

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks, and other improvements year after year.

Quality of Life

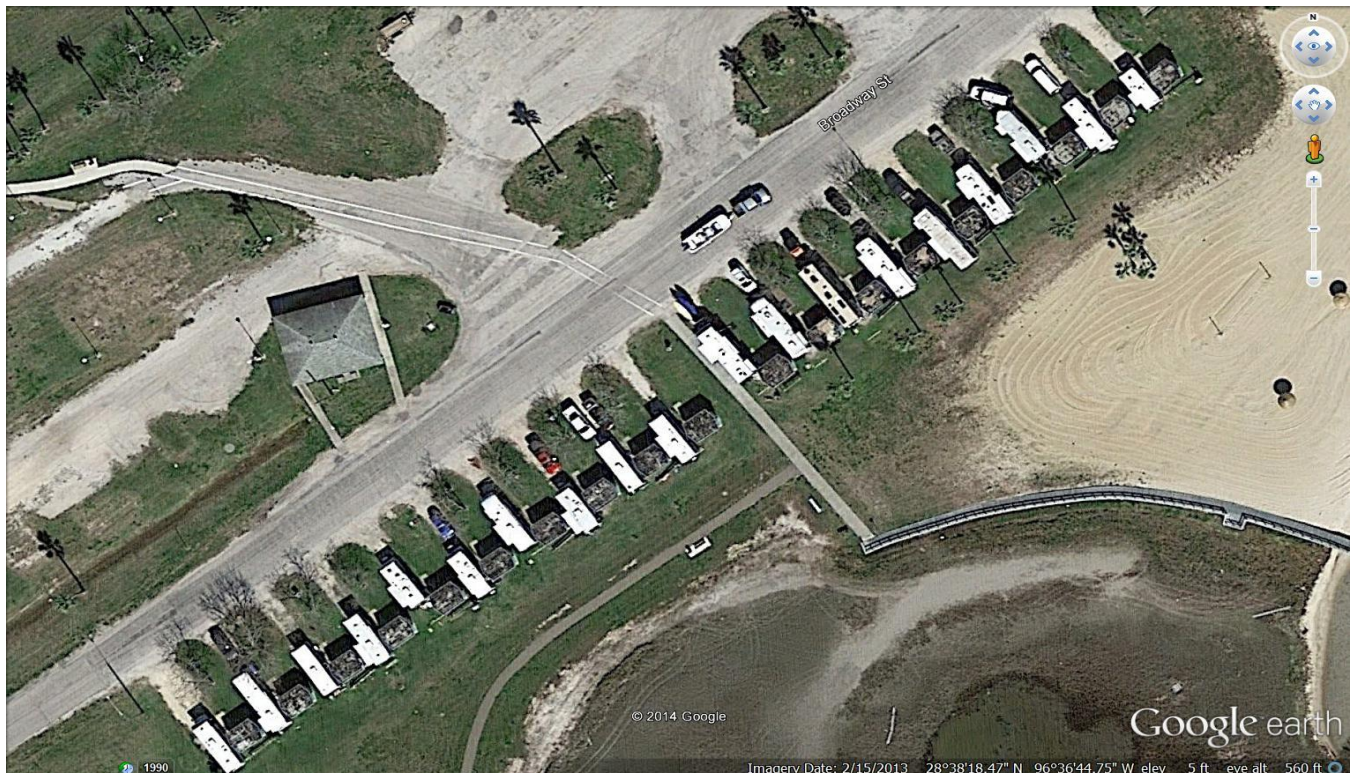
Port Lavaca residents enjoy a safe community with great amenities and affordable living.

Project Description	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget	FY 2017-2018 Budget	FY 2018-2019 Budget
Upgrade Trailer Spaces	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Playground	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Demolition of Abandoned Pier (Grant)	\$ -	\$ -	\$ 250,000	\$ -	\$ -
Lighthouse Beach CIP Fund Totals	\$ 150,000	\$ 50,000	\$ 300,000	\$ 50,000	\$ 50,000
Funding Source:					
Operating Budget	\$ 25,000	\$ 32,000	\$ 34,000	\$ 36,000	\$ 38,000
Grant	\$ -	\$ -	\$ 200,000	\$ -	\$ -
Operational Savings (Reserve)	\$ 125,000	\$ 18,000	\$ 66,000	\$ 14,000	\$ 12,000
Total Resources Planned	\$ 150,000	\$ 50,000	\$ 300,000	\$ 50,000	\$ 50,000

Beach Fund- Upgrade Trailer Spaces (FY 14-15)

Quality of Life (Strategic Focus)

Project Scope		Approved Project Funding	
This project will consist of removing existing limestone pads and installing concrete pads for the trailers.		Funding Source	Fiscal Year 2014 – 2015
Project Name: Upgrade Trailer Spaces		Grant Funds	N/A
Construction Start: February 2015		Transfer from Beach Fund	\$ 50,000
Project Completion: April 2015		Project Budget & Expenditures	
Current Phase: Design		Project Budget:	\$ 50,000
Project Contract Information		Expended to Date:	N/A
Project Manager:	Darren Gurley	Operational Impact	
Phone Number:	361-552-3347	By upgrading the pads to concrete it will save approximately \$500 per year in limestone and labor to repair current pads. The concrete pads will make the spaces more desirable to rent and is anticipated to increase revenues.	
Email Address:	dgurley@portlavaca.org	Current Activity	
Grant Administrator:	N/A	The project is currently in the design phase.	
Engineer:	N/A		
General Contractor:	City Staff		



CAPITAL

Beach Fund- Playground (FY 14-15)

Infrastructure & Quality of Life (Strategic Focus)

Project Scope		Approved Project Funding	
This project will consist of installing a new playground at Lighthouse Beach.		Funding Source	Fiscal Year 2014 – 2015
Project Name: Playground		Grant Funds	N/A
Construction Start: January 2015		Transfer from Beach Fund	\$ 100,000
Project Completion: March 2015		Project Budget & Expenditures	
Current Phase: Construction		Project Budget:	\$ 100,000
		Expended to Date:	N/A
Project Contract Information		Operational Impact	
Project Manager:	Darren Gurley	With the addition of the new playground at Lighthouse operational costs will be minimal (less than \$500 per year).	
Phone Number:	361-552-3347	Current Activity	
Email Address:	dgurley@portlavaca.org	The project has been awarded to Kraftsman and they are scheduling construction to begin in January 2015.	
Grant Administrator:	N/A		
Engineer:	N/A		
General Contractor:	Kraftsman		

PORT LAVACA LIGHTHOUSE BEACH PARK STRUCTURE | R3-NAUTICAL



For illustration purposes only. Colors may vary.

S
SUPERIOR
RECREATIONAL PRODUCTS
play relax live

Port Commission

City Council Area of Emphasis with Associated Goal Statement



Strategic Focus

Infrastructure

Port Lavaca residents enjoy new streets, sidewalks, and other improvements year after year.

Project Description	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget	FY 2017-2018 Budget	FY 2018-2019 Budget
Dredge of Harbor of Refuge Channel	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Bulkhead - Harbor of Refuge	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
Bulkhead – Bay Front Park	\$ -	\$ 150,000	\$ -	\$ -	\$ -
Port Commission CIP Fund Totals	\$ 1,000,000	\$ 2,150,000	\$ -	\$ -	\$ -
Funding Source:					
Operating Budget	\$ -	\$ -	\$ -	\$ -	\$ -
Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Other Funding Sources	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -
Operational Savings (Reserve)	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Total Resources Planned	\$ 1,000,000	\$ 2,500,000	\$ -	\$ -	\$ -

Port Commission Fund- Dredge Harbor of Refuge Channel (FY 14-15)

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
This project will consist of dredging approximately 500,000 cubic yards of silt from the channel leading to the Harbor Refuge.		Funding Source	Fiscal Year 2014 – 2015
Project Name: Dredge Harbor of Refuge Channel		Grant Funds	N/A
Construction Start: June 2015		Transfer from Port Commission	\$ 1,000,000
Project Completion: August 2015		Project Budget & Expenditures	
Current Phase: Design		Project Budget:	\$ 1,000,000
		Expended to Date:	N/A
Project Contract Information		Operational Impact	
Project Manager:	Darren Gurley	Dredging this area will have no operational impact in the future for the City. This will increase the City's tariff revenues by allowing bigger barges into the Harbor Refuge.	
Phone Number:	361-552-3347	Current Activity	
Email Address:	dgurley@portlavaca.org	The project is currently in the design phase.	
Grant Administrator:	N/A		
Engineer:	US Army Corps of Engineers		
General Contractor:	N/A		



A **capital expenditure** includes any purchase of assets that will last more than one year and has a unit cost greater than \$5,000.

OPERATING CAPITAL OUTLAY BY FUND

Fiscal Year 2014-2015 Capital Expenditures

GENERAL FUND

Vehicles and Equipment

Department	Description	Qty	Cost
Police	Vehicle (patrol unit)	1	46,000*
Parks	Mower	1	9,000*
Total General Fund Equipment			55,000

**Funded by Fixed Asset Replacement Fund \$55,000*

Capital Projects

Department	Description	Qty	Cost
Streets	Street Rehab- Pinta/ Montier	1	350,000*
Streets	Sealcoat Program	1	150,000
Streets	Public Works Service Center	1	500,000**
Parks	Wilson Park- Softball Fields	1	100,000
Parks	Bayfront Park- New Restroom	1	105,000
Parks	Bayfront Park- Underground Electric	1	45,000
Total General Fund Projects			1,250,000

**Funded by Port Commission Fund Reserves \$350,000*

***Funded ½ by Utility Fund Reserves \$250,000*

(Supported by current revenues \$ 400,000 and reserves \$ 250,000)

ENTERPRISE FUNDS

UTILITY FUND

Vehicles and Equipment

Department	Description	Qty	Cost
Utility Maintenance	Dump Truck	1	78,000
	Total Utility Equipment		78,000

(Supported by current revenues \$78,000)

Capital Projects

Department	Description	Qty	Cost
Utility Maintenance	Sewer Line- Alamo Heights	1	400,000
Utility Maintenance	Water Line- Hospital Area	1	300,000
Utility Maintenance	Meter Replacement	1	530,000
Waste Water Plant	SCADA Lift Stations	1	50,000
	Total Utility Projects		1,280,000

(Supported by reserves \$1,280,000)

BEACH FUND

Vehicles and Equipment

Department	Description	Qty	Cost
Beach	Utility Vehicle	1	7,500
	Total Beach Equipment		7,500

(Supported by reserves \$7,500)

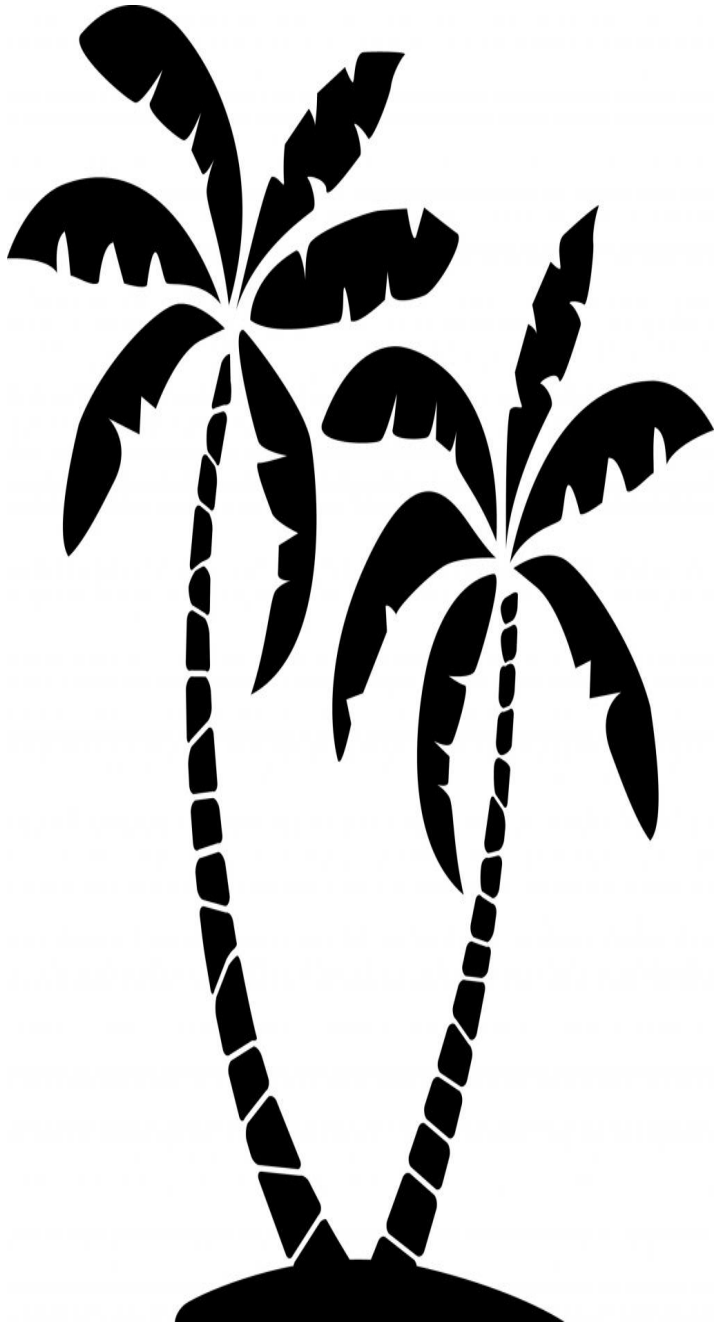
Capital Projects

Department	Description	Qty	Cost
Beach	Upgrade Trailer Spaces	1	50,000
Beach	Playground Equipment	1	100,000
	Total Beach Projects		150,000

(Supported by current revenues \$12,000 and reserves \$138,000)

Note: Funding Sources for Capital Projects can be found in previous pages of the CIP section.

CITY WIDE DEBT



Long-Term Debt

Property Tax Supported Debt

Public Utility Fund Supported Debt

Port Commission Supported Debt

Outstanding Debt Issue by Series



This section provides summary and detailed information on all debt issued and each annual debt service obligation by fund.

Long Term Debt

General Obligation Bonds (G.O.'s) are used to finance a variety of public projects and require voter approval. Certificates of Obligations (C.O.'s) do not require voter approval and, though used largely for the same projects as General Obligation Bonds, are ordinarily sold to finance smaller, less expensive, projects which tend to have shorter pay-out periods on the debt. General Obligation Bonds, as well as Certificates of Obligation, are backed by the full faith and credit of the City and are paid for from property tax receipts. Revenue Bonds are payable from specific sources of non-tax revenue and do not affect the property tax rate. Coverage Ratios of Revenue Bonds will always be in compliance with the minimum coverage ratio required by the revenue bond ordinances. It shall be the goal of the City to achieve a budgeted coverage ratio of 1.60.

The City's practice is to fund capital improvement projects on a "pay as you go" basis whenever possible. If a debt issue is required, then key factors such as an asset's life and future debt payments will be considered carefully. Issues will not extend longer than an asset's expected life. The City currently holds an AA- rating from Standard and Poor's Corporation for both General Obligation and Revenue Bonds. This underlying rating was strengthened recently from A+.

There is no direct limit on debt in the City Charter. Statutes of the State of Texas do not provide any limitations on the dollar amount of debt cities can float; however, as a matter of policy, the Attorney General of Texas, will not approve the issuance of bonds where the total debt service of all tax supported debt requires a tax rate of more than \$1.50 per \$100 assessed valuation. The truth-in-taxation criterion specifies that debt (Interest & Sinking) requirements must be met first, and then the operations can be funded. The property tax rate to meet these needs cannot exceed \$2.50 per \$100 valuation.

Debt service requirements for the City of Port Lavaca are currently \$.0805 of the current property tax rate of \$.7900. Even though the City has seven outstanding general obligation debt issues, the 2005 and 2012 are the only issues paid by property taxes. Other issues are supported by the respective fund's revenues. Those particular issues have an operational impact is equal to the annual debt service payment. **The City has no plans to issue additional debt in the next 12 months.**

Assessed value, 2014 tax roll	\$612,594,182	Actual amount of tax-secured debt service - Year ended September 30, 2015	\$1,117,038
Limit on amount designated for debt service per \$100 assessed valuation	x \$ 1.50		
Legal Debt Service Limit	\$9,188,913	Legal Debt Margin	\$8,071,875

The following tables list each debt issue separately with its clearly stated principal and interest payment due. At the end of Fiscal Year 2015, outstanding general obligation bond and certificates of obligation bonds will be \$8,815,000 however only \$2,460,000 is currently supported by property taxes. The debt policy along with the history of tax rates can be found in the appendix section of this book.

Property Tax Supported Debt

2012 General Obligation Refunding Bond

\$2,945,000 - 2012 General Obligation Refunding Bond issued to take advantage of the low interest rate environment by refunding the callable portion of the Certificates of Obligation, Series 2003 and 2005 that were originally issued to fund various street projects. This resulted in a net present value savings to the City of \$229,457. The payments are secured by property taxes due in annual installments ranging from \$60,000 to \$331,000 through February 15, 2024; interest fixed at 2.03%.

Street Debt Service 2012	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted FY 2014-2015
Taxes				
Property Taxes- Current	253,000	259,600	259,600	261,200
Property Taxes- Delinquent	10,460	12,000	12,000	11,000
Total Taxes	263,460	271,600	271,600	272,200
Other Revenue				
Interest Income	344	200	300	300
Bond Proceeds	2,945,000	0	0	0
Total Other Revenue	2,945,344	200	300	300
Total Street Debt Service	3,208,804	271,800	271,900	272,500
Sundry				
Debt Service Principal	220,000	0	0	0
Debt Service Interest	47,411	0	0	0
Debt Service Admin. Fee	67,256	300	300	300
Payment to Escrow	2,877,894	215,000	215,000	220,000
Total Sundry	3,212,561	271,800	271,800	272,500
Total Street Debt Service	3,212,561	271,800	271,800	272,500

FY 14/15 Requirements:		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$220,000	\$52,171	\$272,171

Call Option: Make Whole Provision

2005 Certificates of Obligation

\$1,000,000 - 2005 Certificates of Obligation issued to fund various street projects. The payments are secured by property taxes due in annual installments ranging from \$20,000 to \$56,000 through February 15, 2015; interest varying between 4.00% and 4.50%. The City refunded the callable portion of this issue. See the 2012 General Obligation Refunding Bond for more information.

Street Debt Service 2005	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted FY 2014-2015
Taxes				
Property Taxes- Current	79,770	48,400	48,400	53,300
Property Taxes- Delinquent	3,094	3,000	3,000	3,000
Total Taxes	82,864	51,400	51,400	56,300
Other Revenue				
Interest Income	180	0	200	100
Equity Balance Forward	0	0	0	0
Total Other Revenue	180	0	200	100
Total Street Debt Service	83,044	51,400	51,600	56,400
Sundry				
Debt Service Principal	50,000	50,000	50,000	55,000
Debt Service Interest	5,200	1,100	1,100	1,100
Debt Service Admin Fee	300	300	300	300
Total Sundry	55,500	51,400	51,400	56,400
Total Street Debt Service	55,500	51,400	51,400	56,400

FY 14/15 Requirements:		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$55,000	\$1,100	\$56,100

Call Option: Non-callable.

Public Utility Fund Supported Debt

2007 General Obligation (GO) Refunding Bonds

\$2,895,000 - 2007 Utility System General Obligation and Refunding Bonds were issued to cover water system improvements. The payments are supported by the City's Public Utility Fund and due in annual installments ranging from \$30,000 to \$555,000 through February 15, 2022; interest varying between 5.10% and 5.75%.

2007 Combination Tax and Revenue Certificate of Obligation (CO)

\$925,000 - Series 2007 Combination Tax and Certificate of Obligation was issued to fund the City's pro rata share of debt related to the construction of a Clearwell owned by our water supplier, GBRA. The payment is supported by the Public Utility Fund due in annual installments ranging from \$20,000 to \$140,000 through February 15, 2022.

Water Debt Service 2007	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted FY 2014-2015
Other Revenue				
Interest Income	20	0	37	0
Equity Balance Forward	0	1,037	0	1,375
Total Other Revenue	20	1,037	37	1,375
Intergovernmental Revenue				
Transfer In- Fund 501	197,388	194,563	194,563	196,625
Total Intergovernmental	197,388	194,563	194,563	196,625
Total Water Debt Service	197,408	195,600	194,600	198,000
Sundry				
Debt Service Principal	45,000	45,000	45,000	50,000
Debt Service Interest	98,733	97,000	97,000	95,000
Debt Service- Admin Fee	500	500	500	500
Miscellaneous	0	0	0	0
Debt Service- Principle Clearwell	20,000	20,000	20,000	20,000
Debt Service – Interest Clearwell	33,299	32,600	32,600	32,000
Debt Service- Administrative Fee	500	500	500	500
Total Sundry	198,032	195,600	195,600	198,000
Total Water Debt Service	198,032	195,600	195,600	198,000

FY 14/15 Requirements:		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$70,000	\$126,625	\$196,625*

(*Direct Operational impact)

Call Option: Term Bonds maturing on February 15, 2019 and thereafter are callable in whole or in part on any date beginning February 15, 2017 @ par.

2011 General Obligation Refunding Bonds

\$2,265,000 - 2011 General Obligation Refunding Bonds were issued for wastewater related infrastructure improvements. The payments are supported by the Public Utility Fund and due in annual installments ranging from \$351,000 to \$359,500 through February 15, 2018; interest fixed at 2.83%.

Sewer Debt Service 2011	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted FY 2014-2015
Other Revenue				
Interest Income	27	0	90	0
Equity Balance Forward	0	408	0	523
Total Other Revenue	27	408	90	523
Intergovernmental Revenue				
Transfer In- Fund 501	351,223	352,592	352,592	353,677
Total Intergovernmental	351,223	352,592	352,592	353,677
Total Sewer Debt Service	351,250	353,000	352,682	354,200
Sundry				
Debt Service Principal	300,000	310,000	310,000	320,000
Debt Service Interest	50,150	42,500	42,500	33,700
Debt Service - Admin. Fee	0	500	500	500
Total Sundry	350,150	353,000	353,000	354,200
Total Sewer Debt Service	350,150	353,000	353,000	354,200

FY 14/15 Requirements:		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$320,000	\$33,678	\$353,678*

*Direct operational impact

Call Option: Non-callable.

CITY WIDE DEBT

2004 Certificates of Obligation

\$1,535,000 - 2004 Certificates of Obligation from the Texas Water Development Board (TWDB) was issued for improvements to the City's water and sewer infrastructure. Annual installments range from \$97,000 to \$127,000 through February 15, 2024; interest varying between 1.45% and 3.55%.

Texas Water Development Board (TWDB) Debt Service 2004	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted FY 2014-2015
Other Revenue				
Interest Income	149	199	199	612
Equity Balance Forward	0	0	0	0
Total Other Revenue	149	199	199	612
Intergovernmental Revenue				
Transfer In- Fund 501	105,688	108,801	108,801	111,688
Total Intergovernmental	105,688	108,801	108,801	111,688
Total TWDB Debt Service	105,837	109,000	109,000	112,300
Sundry				
Debt Service Principal	70,000	75,000	75,000	80,000
Debt Service Interest	35,462	33,700	33,700	32,000
Debt Service Amortization	300	300	300	300
Total Sundry	105,762	109,000	109,000	112,300
Total TWDB Debt Service	107,762	109,000	109,000	112,300

FY 14/15 Requirements:		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$80,000	\$31,688	\$111,688*

*Direct operational impact

Call Option: Bonds maturing on February 15, 2016 and thereafter are callable in whole or in part on any date beginning February 15, 2015 @ par.

Port Commission Supported Debt

2008 Combination Tax & Surplus Harbor System Revenue Certificates of Obligation

\$1,700,000 - 2008 Combination Tax & Surplus Harbor System Revenue Certificates of Obligation were issued for a bulkhead improvement project. The payments are supported by Port Commission revenue and are due in annual installments ranging from \$20,000 to \$125,000; interest at 3.93%.

Port Debt Service	Actual FY 2012-2013	Amended Budget FY 2013-2014	Projected FY 2013-2014	Adopted FY 2014-2015
Other Revenue				
Interest Income	172	0	190	0
Equity Balance Forward	0	0	0	0
Total Other Revenue	172	0	190	0
Intergovernmental Revenue				
Transfer In- Fund 504	127,000	125,000	125,000	127,000
Total Intergovernmental	127,000	125,000	125,000	127,000
Total Port Debt Service	127,172	125,000	125,190	127,000
Sundry				
Debt Service Principal	70,000	70,000	70,000	75,000
Debt Service Interest	57,030	54,500	54,500	51,500
Debt Service Amortization	0	0	0	0
Paying Agent	0	500	500	500
Total Sundry	127,030	125,000	125,000	127,000
Total Port Debt Service	127,030	125,000	125,000	127,000

FY 14/15 Requirements:		
Principal	Interest	Total
\$75,000	\$51,778	\$126,778*

*Direct operational impact

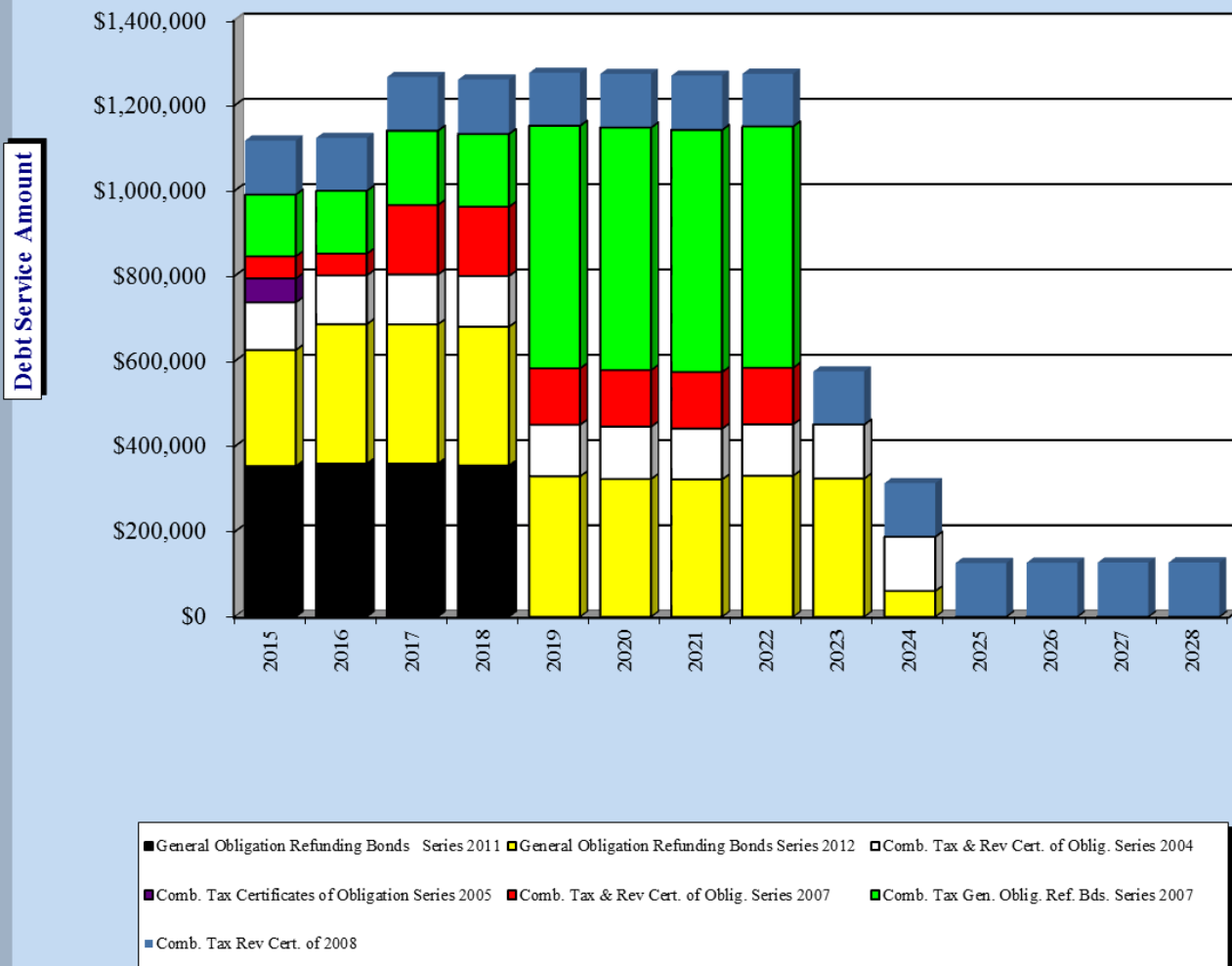
Call Option: Term Bonds maturing on February 15, 2028 are callable in whole or in part on any date @ par plus a Prepayment Fee as specified in the indenture.

CITY WIDE DEBT

Outstanding Debt Issue by Series

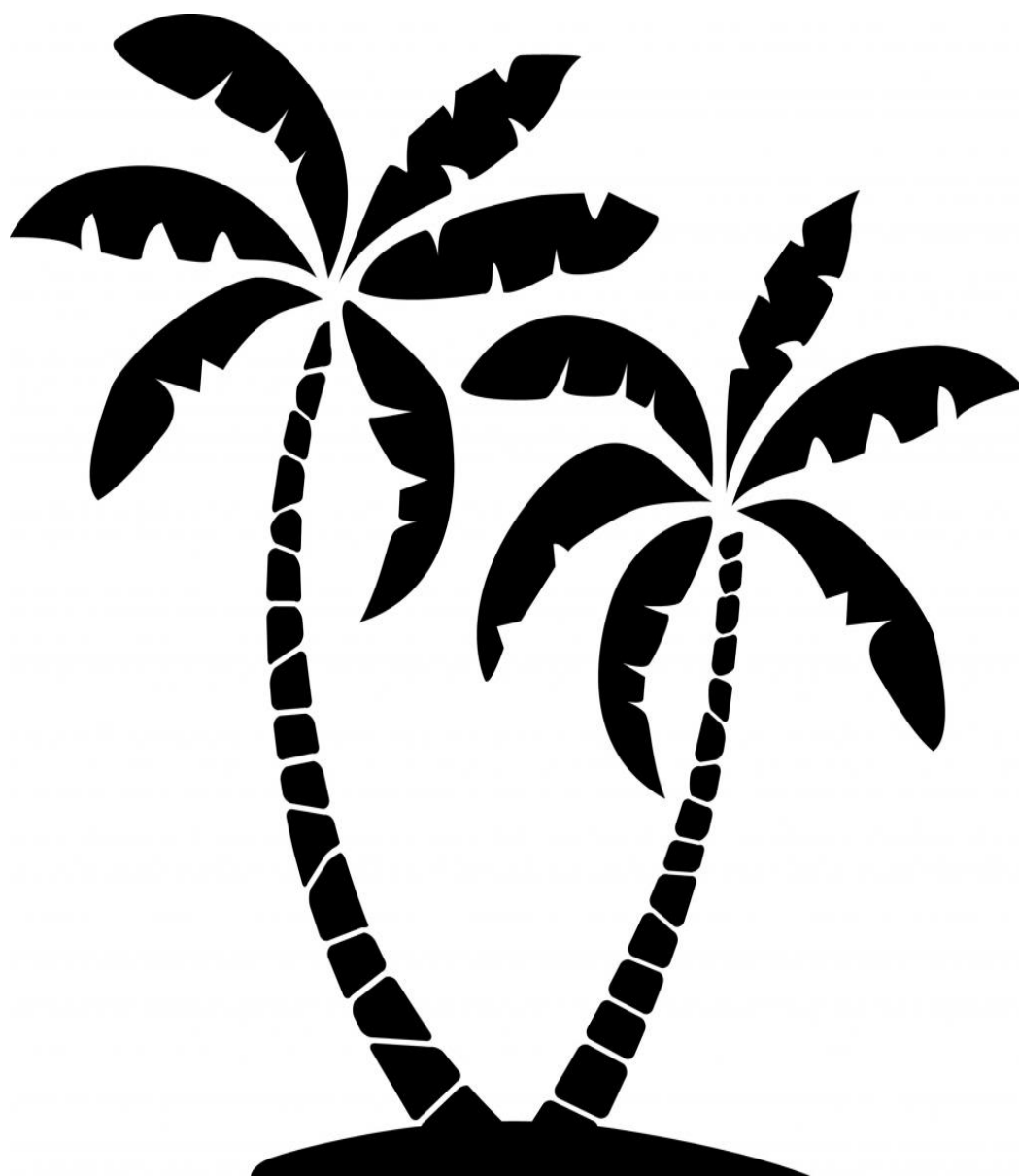
Supporting Fund	Public Utility Fund	General Fund	Public Utility Fund	Public Utility Fund	Public Utility Fund	Public Utility Fund	General Fund	
Fiscal Year End	Comb. Tax & Rev Cert. of Oblig. Series 2004	Cert. Of Obligation Series 2005	Comb. Tax & Rev Cert. of Oblig. Series 2007	Gen. Oblig. Ref. Bds. Series 2007	Comb. Tax & Surp. Harb. Sys. Rev. Cert. of Oblig. Series 2008	Utility Revenue Bond Series 2011	Cert. Of Obligation Series 2012	Total
2015	111,688	56,100	51,800	144,825	126,778	353,677	272,171	\$1,117,039
2016	114,335		51,000	147,463	123,830	359,409	327,096	\$1,123,133
2017	116,753		162,900	174,313	125,785	359,787	326,361	\$1,265,899
2018	118,930		162,400	170,700	127,542	354,953	325,525	\$1,260,050
2019	120,883		132,300	569,100	124,202		329,537	\$1,276,022
2020	122,601		132,600	568,900	125,763		323,447	\$1,273,311
2021	119,136		132,700	567,900	127,128		322,306	\$1,269,170
2022	120,508		132,600	566,100	123,394		330,962	\$1,273,564
2023	126,538		-	-	124,563		324,466	\$575,567
2024	127,219		-	-	125,534		60,609	\$313,362
2025	-	-	-	-	126,310		-	\$126,310
2026	-	-	-	-	126,888		-	\$126,888
2027	-	-	-	-	127,271		-	\$127,271
2028	-	-	-	-	127,456		-	\$127,456
Total	\$1,198,591	\$56,100	\$958,300	\$2,909,300	\$1,887,071	\$1,762,443	\$2,942,480	\$11,255,039

City of Port Lavaca
Outstanding General Obligation and Utility System Debt
Service by Series





STATISTICAL INFORMATION





This section provides statistical and historical information.



STATISTICAL INFORMATION

NET POSITION BY COMPONENT (1)

Last ten fiscal years

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	\$ 15,819,596	\$ 17,965,142	\$ 12,509,383	\$ 13,105,824
Restricted	1,818,646	1,583,781	199,381	221,392
Unrestricted	3,622,128	3,971,998	5,022,591	6,556,521
Total governmental activities net position	<u>\$ 21,260,370</u>	<u>\$ 23,520,921</u>	<u>\$ 17,731,355</u>	<u>\$ 19,883,737</u>
Business-type activities				
Net investment in capital assets	\$ 14,830,163	\$ 13,735,139	\$ 10,460,620	\$ 11,569,600
Restricted	92,040	92,040	13,887	129,592
Unrestricted	2,282,096	3,138,979	4,353,647	4,022,664
Total business-type activities net position	<u>\$ 17,204,299</u>	<u>\$ 16,966,158</u>	<u>\$ 14,828,154</u>	<u>\$ 15,721,856</u>
Primary government				
Net investment in capital assets	\$ 30,649,759	\$ 31,700,281	\$ 22,970,003	\$ 24,675,424
Restricted	1,910,686	1,675,821	213,268	350,984
Unrestricted	5,904,224	7,110,977	9,376,238	10,579,185
Total primary government activities net position	<u>\$ 38,464,669</u>	<u>\$ 40,487,079</u>	<u>\$ 32,559,509</u>	<u>\$ 35,605,593</u>

(1) Accrual basis of accounting

Note: The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2004.

STATISTICAL INFORMATION

NET POSITION BY COMPONENT (1) CONTINUED

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 13,815,306	\$ 15,787,249	\$ 18,383,147	\$ 18,380,797	\$ 19,174,209	\$ 21,750,587
848,885	876,554	784,798	1,049,987	1,027,384	1,463,189
7,374,943	6,394,379	4,732,493	5,231,769	5,544,238	3,452,739
<u>\$ 22,039,134</u>	<u>\$ 23,058,182</u>	<u>\$ 23,900,438</u>	<u>\$ 24,662,553</u>	<u>\$ 25,745,831</u>	<u>\$ 26,666,515</u>
\$ 11,052,199	\$ 11,334,652	\$ 11,536,833	\$ 13,321,583	\$ 13,756,393	\$ 14,059,066
12,681	233,544	51,469	-	-	-
4,953,062	5,642,701	6,841,071	6,892,206	7,449,406	7,772,021
<u>\$ 16,017,942</u>	<u>\$ 17,210,897</u>	<u>\$ 18,429,373</u>	<u>\$ 20,213,789</u>	<u>\$ 21,205,799</u>	<u>\$ 21,831,087</u>
\$ 24,867,505	\$ 27,121,901	\$ 29,919,980	\$ 31,702,380	\$ 32,930,602	\$ 35,809,653
861,566	1,110,098	836,267	1,049,987	1,027,384	1,463,189
12,328,005	12,037,080	11,573,564	12,123,975	12,993,644	11,224,760
<u>\$ 38,057,076</u>	<u>\$ 40,269,079</u>	<u>\$ 42,329,811</u>	<u>\$ 44,876,342</u>	<u>\$ 46,951,630</u>	<u>\$ 48,497,602</u>

STATISTICAL INFORMATION

CHANGES IN NET POSITION (1)

Last ten fiscal years

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities				
Program expenses				
General government	\$ 946,221	\$ 1,023,110	\$ 1,265,792	\$ 1,300,514
Public safety	2,251,823	2,309,363	2,254,482	2,204,124
Public works	810,969	1,488,133	1,469,315	1,352,679
Parks and recreation	381,939	520,865	526,995	522,218
Interest on long-term debt	229,039	167,922	195,885	180,891
Total expenses	<u>4,619,991</u>	<u>5,509,393</u>	<u>5,712,469</u>	<u>5,560,426</u>
Program revenues				
Charges for services	408,552	422,898	679,279	703,077
Operating grants and contributions	260,990	15,497	100,558	3,903
Capital grants and contributions	130,951	620,816	517,067	335,671
Total program revenues	<u>800,493</u>	<u>1,059,211</u>	<u>1,296,904</u>	<u>1,042,651</u>
Total governmental activities net program expense	(3,819,498)	(4,450,182)	(4,415,565)	(4,517,775)
General revenues and other changes in net position				
Taxes				
Property taxes	2,236,328	2,354,535	2,530,094	2,887,459
Sales taxes	1,516,932	1,707,459	1,823,450	2,328,103
Franchise taxes	607,321	581,284	598,795	597,082
Other taxes	149,155	176,049	173,856	197,276
Unrestricted investment earnings	74,167	172,664	266,681	325,364
Miscellaneous	121,392	309,383	41,739	43,049
Transfers	(24,938)	1,409,359	140,472	252,449
Special item - litigation settlement	-	-	-	-
Total general revenues and other changes in net position	<u>4,680,357</u>	<u>6,710,733</u>	<u>5,575,087</u>	<u>6,630,782</u>
Total governmental activities change in net position	<u>\$ 860,859</u>	<u>\$ 2,260,551</u>	<u>\$ 1,159,522</u>	<u>\$ 2,113,007</u>

STATISTICAL INFORMATION

CHANGES IN NET POSITION (1) CONTINUED

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 1,499,965	\$ 1,847,859	\$ 1,886,794	\$ 1,952,643	\$ 2,150,599	\$ 2,140,960
2,490,358	2,598,507	3,191,293	3,112,422	3,088,940	3,199,920
1,974,638	1,615,002	1,406,502	1,539,354	1,629,726	1,629,165
167,594	547,013	686,747	701,325	637,689	689,022
-	154,696	147,266	140,373	132,374	113,201
6,132,555	6,763,077	7,318,602	7,446,117	7,639,328	7,772,268
412,420	484,632	804,307	612,209	586,394	711,117
269,784	378,324	322,510	293,947	322,478	252,056
407,223	51,589	125,279	35,500	259,835	-
1,089,427	914,545	1,252,096	941,656	1,168,707	963,173
(5,043,128)	(5,848,532)	(6,066,506)	(6,504,461)	(6,470,621)	(6,809,095)
2,894,987	3,214,039	3,414,317	3,513,386	3,754,272	3,808,571
2,439,957	2,170,959	2,295,492	2,313,247	2,364,076	2,445,393
623,987	613,509	620,247	586,575	593,255	587,534
277,757	235,571	271,287	339,366	345,381	389,564
258,739	123,127	54,319	38,045	29,877	12,995
338,701	235,375	277,928	246,642	232,217	302,881
364,397	275,000	182,943	229,315	234,821	224,000
-	-	(185,000)	-	-	-
7,198,525	6,867,580	6,931,533	7,266,576	7,553,899	7,770,938
\$ 2,155,397	\$ 1,019,048	\$ 865,027	\$ 762,115	\$ 1,083,278	\$ 961,843

(continued)

STATISTICAL INFORMATION

CHANGES IN NET POSITION (1)

Last ten fiscal years

	Fiscal Year			
	2004	2005	2006	2007
Business-type activities				
Expenses				
Public utilities	\$ 4,144,766	\$ 4,155,860	\$ 3,344,382	\$ 3,835,279
Port commission	350,064	325,995	310,482	345,062
Beach operations	267,928	115,506	171,037	129,800
Total expenses	4,762,758	4,597,361	3,825,901	4,310,141
Program revenues				
Charges for services	4,397,815	4,807,141	4,948,781	5,088,403
Operating grants and contributions	-	-	16,887	3,000
Capital grants and contributions	124,000	75,207	227,284	178,859
Total program revenues	4,521,815	4,882,348	5,192,952	5,270,262
Total business-type activities net program expense	(240,943)	284,987	1,367,051	960,121
General revenues and other changes in net position				
Unrestricted investment earnings	22,682	65,694	166,310	234,879
Miscellaneous	121,085	139,410	7,475	-
Special item - GBRA clearwell	-	-	-	-
Transfers	20,920	(1,413,260)	(140,472)	(252,449)
Total general revenues and other changes in net position	164,687	(1,208,156)	33,313	(17,570)
Prior period adjustment	-	685,028	-	-
Total business-type activities change in net position	\$ (76,256)	\$ (238,141)	\$ 1,400,364	\$ 942,551
Total primary government change in net position	\$ 784,603	\$ 2,022,410	\$ 2,559,886	\$ 3,055,558

(1) Accrual basis of accounting

Note: The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2004.

CHANGES IN NET POSITION (1) CONTINUED

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 3,913,016	\$ 4,288,109	\$ 4,283,432	\$ 4,123,809	\$ 4,244,884	\$ 4,360,184
328,525	379,371	395,332	382,570	444,081	464,556
150,828	162,064	218,240	309,838	225,381	253,315
<u>4,392,369</u>	<u>4,829,544</u>	<u>4,897,004</u>	<u>4,816,217</u>	<u>4,914,346</u>	<u>5,078,055</u>
5,612,806	5,966,101	5,893,741	6,303,875	5,913,131	6,163,237
2,000	2,000	2,000	175,303	22,340	2,000
153,218	236,338	374,396	330,595	117,620	49,217
<u>5,768,024</u>	<u>6,204,439</u>	<u>6,270,137</u>	<u>6,809,773</u>	<u>6,053,091</u>	<u>6,214,454</u>
1,375,655	1,374,895	1,373,133	1,993,556	1,138,745	1,136,399
176,704	75,060	28,286	20,175	20,024	17,507
-	18,000	-	-	68,062	-
(891,876)	-	-	-	-	-
<u>(364,397)</u>	<u>(275,000)</u>	<u>(182,943)</u>	<u>(229,315)</u>	<u>(234,821)</u>	<u>(224,000)</u>
<u>(1,079,569)</u>	<u>(181,940)</u>	<u>(154,657)</u>	<u>(209,140)</u>	<u>(146,735)</u>	<u>(206,493)</u>
-	-	-	-	-	-
<u>\$ 296,086</u>	<u>\$ 1,192,955</u>	<u>\$ 1,218,476</u>	<u>\$ 1,784,416</u>	<u>\$ 992,010</u>	<u>\$ 929,906</u>
<u>\$ 2,451,483</u>	<u>\$ 2,212,003</u>	<u>\$ 2,083,503</u>	<u>\$ 2,546,531</u>	<u>\$ 2,075,288</u>	<u>\$ 1,891,749</u>

STATISTICAL INFORMATION

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

	Fiscal Year			
	2004	2005	2006	2007
General Fund				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Committed				
Operating reserves	-	-	-	-
Health insurance claims	-	-	-	-
Capital asset replacement	-	-	-	-
Unassigned	-	-	-	-
Reserved				
Prepaid items	-	-	25,800	28,755
Unreserved, designated				
Operating reserves	-	-	2,529,900	2,762,226
Health insurance claims	-	-	500,000	500,000
Street improvements	-	-	300,000	149,500
Capital asset replacement	-	-	250,000	250,000
Unreserved, undesignated	<u>3,207,924</u>	<u>3,339,465</u>	<u>574,072</u>	<u>1,576,413</u>
Total general fund	<u>\$ 3,207,924</u>	<u>\$ 3,339,465</u>	<u>\$ 4,179,772</u>	<u>\$ 5,266,894</u>
All Other Governmental Funds				
Restricted				
Retirement of long-term debt	-	-	-	-
Various capital projects	-	-	-	-
Tourism and conventions	-	-	-	-
Economic development	-	-	-	-
Public safety	-	-	-	-
Municipal court	-	-	-	-
Bayfront park pier	-	-	-	-
Unreserved, undesignated reported in				
Special revenue funds	87,034	268,151	379,336	767,415
Debt service fund	168,794	137,977	118,931	148,960
Capital project funds	<u>1,649,852</u>	<u>1,445,804</u>	<u>664,705</u>	<u>13,811</u>
Total all other governmental funds	<u>\$ 1,905,680</u>	<u>\$ 1,851,932</u>	<u>\$ 1,162,972</u>	<u>\$ 930,186</u>

(1) Modified accrual basis of accounting

NOTE: Due to the changes in the City's fund structure initiated when GASB Statement No. 34 was implemented, the fund balance information is available only beginning in 2004.

STATISTICAL INFORMATION

FUND BALANCES, GOVERNMENTAL FUNDS (1) CONTINUED **Last ten fiscal years**

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ -	\$ -	\$ -	\$ 52,478	\$ 49,954	\$ 64,938
-	-	-	2,306,152	2,408,598	2,286,604
-	-	-	504,848	676,542	728,602
-	-	-	382,265	273,122	282,298
-	-	-	1,539,331	1,728,695	2,536,205
25,929	37,078	50,017	-	-	-
2,908,981	3,107,978	2,063,977	-	-	-
500,000	500,000	500,000	-	-	-
-	-	-	-	-	-
340,946	250,000	250,000	-	-	-
2,543,671	2,534,443	1,750,753	-	-	-
\$ 6,319,527	\$ 6,429,499	\$ 4,614,747	\$ 4,785,074	\$ 5,136,911	\$ 5,898,647
-	-	-	177,224	183,391	207,178
-	-	-	114,799	133,106	508,824
-	-	-	551,491	497,372	517,606
-	-	-	-	10,001	10,024
-	-	-	112,456	114,723	125,936
-	-	-	20,247	18,328	17,857
-	-	-	55,943	56,004	56,063
711,057	707,885	704,036	-	-	-
159,271	159,657	161,177	-	-	-
574,045	(505,092)	(281,044)	-	-	-
\$ 1,444,373	\$ 362,450	\$ 584,169	\$ 1,032,160	\$ 1,012,925	\$ 1,443,488

STATISTICAL INFORMATION

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last ten fiscal years

	Fiscal Year			
	2004	2005	2006	2007
Revenues				
Taxes	\$ 4,509,736	\$ 4,819,327	\$ 5,158,276	\$ 5,927,214
Licenses and permits	89,072	60,706	118,146	94,271
Fines and forfeitures	314,135	326,594	369,567	409,948
Charges for services	7,250	35,598	13,206	5,120
Intergovernmental	186,967	159,000	209,081	514,747
Grants and contributions	391,941	636,313	55,424	-
Investment	68,974	159,137	266,681	325,364
Rental	-	-	43,360	47,582
Miscellaneous	121,392	128,464	24,640	43,049
Total revenues	5,689,467	6,325,139	6,258,381	7,367,295
Expenditures				
Current				
General government	830,178	895,756	1,273,434	1,310,596
Public safety	2,048,339	2,156,627	2,315,618	2,389,811
Public works	186,164	216,640	226,067	200,936
Streets and highways	857,161	1,068,252	1,323,173	924,048
Parks and recreation	400,793	518,847	506,380	408,748
Non-departmental	719,977	382,723	-	-
Capital outlay	2,062,357	1,703,900	724,162	1,142,459
Debt service				
Principal retirement	110,000	405,000	216,538	568,939
Interest and fiscal charges	222,473	141,278	203,243	174,400
Issuance costs	-	-	-	-
Total expenditures	7,437,442	7,489,023	6,788,615	7,119,937
Excess (deficiency) of revenues over expenditures	(1,747,975)	(1,163,884)	(530,234)	247,358
Other financing sources (uses)				
Transfers in	55,855	1,212,024	693,606	662,379
Transfers out	(258,138)	(992,266)	(553,134)	(409,930)
Debt issued	-	1,021,919	515,055	295,392
Payment to escrow	-	-	-	-
Sale of capital assets	-	-	17,099	19,762
Total other financing sources (uses)	(202,283)	1,241,677	672,626	567,603
Change in fund balances	\$ (1,950,258)	\$ 77,793	\$ 142,392	\$ 814,961
Debt service as a percentage of noncapital expenditures	<u>6.59%</u>	<u>10.43%</u>	<u>7.44%</u>	<u>14.97%</u>

(1) Modified accrual basis of accounting

STATISTICAL INFORMATION

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1) CONTINUED Last ten fiscal years

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 6,298,996	\$ 6,198,734	\$ 6,609,092	\$ 6,747,620	\$ 7,097,425	\$ 7,290,483
98,076	96,535	97,740	108,266	109,347	158,721
402,550	501,345	769,529	687,791	566,325	626,677
11,080	5,332	5,956	7,525	5,170	6,820
262,384	429,913	447,789	329,447	322,478	252,056
-	-	-	-	-	-
258,739	123,127	54,319	38,045	29,877	12,995
36,535	37,390	22,737	30,780	46,432	67,615
267,720	96,453	135,191	91,311	84,151	181,263
7,636,080	7,488,829	8,142,353	8,040,785	8,261,205	8,596,630
1,588,358	1,846,671	1,859,894	2,136,142	2,132,974	2,096,778
2,565,946	2,742,639	3,213,266	3,330,945	3,221,180	3,089,627
1,301,846	1,422,306	1,016,111	1,220,156	1,176,781	1,174,528
-	-	-	-	-	-
447,281	440,345	579,783	670,771	504,457	932,950
-	-	-	-	-	-
454,855	1,947,494	2,922,769	235,268	787,921	16,000
180,000	195,000	200,000	205,000	215,000	270,000
161,865	155,465	148,599	141,658	134,067	53,061
-	-	-	-	-	67,106
6,700,151	8,749,920	9,940,422	7,939,940	8,172,380	7,700,050
935,929	(1,261,091)	(1,798,069)	100,845	88,825	896,580
1,053,450	1,019,558	3,271,834	924,047	613,632	825,428
(689,053)	(744,558)	(3,071,834)	(696,612)	(378,811)	(601,428)
257,054	-	-	284,776	-	2,945,000
-	-	-	-	-	(2,877,894)
9,439	14,141	5,036	5,262	8,956	4,613
630,890	289,141	205,036	517,473	243,777	295,719
\$ 1,566,819	\$ (971,950)	\$ (1,593,033)	\$ 618,318	\$ 332,602	\$ 1,192,299
<u>7.19%</u>	<u>4.59%</u>	<u>4.82%</u>	<u>7.72%</u>	<u>4.98%</u>	<u>4.77%</u>

STATISTICAL INFORMATION

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last ten fiscal years

Fiscal Year	Tax Roll	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value Before Freeze
		Residential Property	Non-Residential Property			
2004	2003	\$ 166,148,771	\$ 121,170,820	\$64,657,395	\$ 37,710,123	\$ 314,266,863
2005	2004	169,079,600	118,907,439	72,553,055	36,891,135	323,648,959
2006	2005	189,046,615	127,185,229	77,502,348	39,920,977	353,813,215
2007	2006	194,093,974	138,630,022	86,459,061	40,041,353	379,141,704
2008	2007	206,232,783	141,359,770	83,588,536	41,119,764	390,061,325
2009	2008	231,441,796	154,694,954	95,630,537	51,553,761	430,213,526
2010	2009	263,328,770	163,153,617	98,027,813	62,279,300	462,230,900
2011	2010	266,000,516	182,017,744	97,590,700	58,619,346	486,989,614
2012	2011	258,864,339	211,167,691	121,729,513	75,510,553	516,250,990
2013	2012	261,801,587	224,611,352	109,068,664	89,763,499	505,718,104

(1) Includes tax-exempt property

NOTES: Property in the City is reassessed annually. The City assesses property at 100% of actual taxable value for all types of real and personal property. Tax rates are per \$100 of assessed value.

Information for ten years ago was not readily available.

SOURCE: Calhoun County Appraisal District

STATISTICAL INFORMATION

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY CONTINUED

Last ten fiscal years

<u>Total Freeze Taxable</u>	<u>Freeze Adjusted Taxable</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Tax Value Before Freeze Ceiling</u>	<u>Freeze Ceiling</u>	<u>Estimated Tax Value Including Freeze Ceiling</u>	<u>Assessed Value (1) as a Percentage of Actual Value</u>
\$ -	\$ 314,266,863	\$ 0.7200	\$ 2,262,721	\$ -	\$ 2,262,721	100.00%
-	323,648,959	0.7200	2,330,273	-	2,330,273	100.00%
-	353,813,215	0.7500	2,653,599	-	2,653,599	100.00%
-	379,141,704	0.7500	2,843,563	-	2,843,563	100.00%
-	390,061,325	0.7500	2,925,460	-	2,925,460	100.00%
(57,591,363)	372,622,163	0.7500	2,794,666	399,258	3,193,924	100.00%
(63,229,126)	399,001,774	0.7500	2,992,513	403,976	3,396,489	100.00%
(68,945,245)	418,044,369	0.7500	3,135,333	423,648	3,558,981	100.00%
(69,858,766)	446,392,224	0.7450	3,325,622	431,261	3,756,883	100.00%
(71,958,318)	433,759,786	0.7568	3,282,694	446,159	3,728,853	100.00%

STATISTICAL INFORMATION

DIRECT AND OVERLAPPING PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUE
Last ten fiscal years

Fiscal Year	Tax Roll	City Direct Rates			Overlapping Rates			
		Debt Service	General Fund	Total	School District	Calhoun County	Port Authority	Total
2004	2003	\$ 0.1334	\$ 0.5866	\$0.7200	\$ 1.3668	\$ 0.5210	\$ 0.0047	\$ 1.8925
2005	2004	0.0864	0.6336	0.7200	1.4176	0.5210	0.0046	1.9432
2006	2005	0.0864	0.6360	0.7200	1.4176	0.5210	0.0043	1.9429
2007	2006	0.0938	0.6562	0.7500	1.2969	0.4900	0.0041	1.7910
2008	2007	0.0878	0.6622	0.7500	1.0968	0.4900	0.0039	1.5907
2009	2008	0.0821	0.6679	0.7500	1.1100	0.4900	0.0039	1.6039
2010	2009	0.0770	0.6730	0.7500	1.1201	0.4900	0.0039	1.6140
2011	2010	0.0770	0.6730	0.7500	1.1331	0.4900	0.0039	1.6270
2012	2011	0.0697	0.6753	0.7450	1.1262	0.4900	0.0036	1.6198
2013	2012	0.0846	0.6722	0.7568	1.1201	0.4900	0.0032	1.6133

Source: Calhoun County Appraisal District

STATISTICAL INFORMATION

PRINCIPAL PROPERTY TAXPAYERS
(UNAUDITED)
Current Year and Nine Years Ago

2013		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Orion Marine Construction Inc	\$ 17,480,519	4.03%
Rexco, Inc.	10,294,110	2.37%
Wal-Mart Real Estate Business Trust	8,503,230	1.96%
Port Lavaca Dodge	7,198,250	1.66%
Helena Chemicals	6,524,850	1.50%
Wal-Mart Stores Texas, LP	5,844,900	1.35%
H E Butt Grocery Company	5,474,360	1.26%
AMAL Hospitality	5,192,930	1.20%
AEP Texas Central Company	4,948,116	1.14%
BKCK LTD	3,846,390	0.89%
	<u>\$ 75,307,655</u>	<u>17.36%</u>
2004		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
H E Butt Grocery Company	\$ 6,006,447	1.91%
Verizon Southwest	5,295,620	1.69%
T W Laquay Dredging, Inc.	4,999,835	1.59%
Rexco Inc	4,913,181	1.56%
Helena Chemicals	4,816,597	1.53%
AEP Central Power & Light Co.	4,306,180	1.37%
Rental Service Corporation #759	3,679,544	1.17%
First National Bank	2,887,620	0.92%
Wal-Mart Stores, Inc.	2,817,674	0.90%
International Bank Of Commerce	2,597,996	0.83%
	<u>\$ 42,320,694</u>	<u>13.47%</u>

Source: Calhoun County Appraisal District

STATISTICAL INFORMATION

PROPERTY TAX LEVIES AND COLLECTIONS

Last ten fiscal years

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collections within the Fiscal Year of the Levy	
					Amount	Percentage of Levy
2004	2003	\$ 2,260,396	\$ (1,523)	\$ 2,258,873	\$ 2,111,961	93.50%
2005	2004	2,350,042	(14,273)	2,335,769	2,199,527	94.17%
2006	2005	2,562,701	(5,956)	2,556,745	2,443,880	95.59%
2007	2006	2,857,433	(10,928)	2,846,505	2,701,038	94.89%
2008	2007	2,940,204	(6,181)	2,934,023	2,771,551	94.46%
2009	2008	3,209,230	(10,607)	3,198,623	3,014,618	94.25%
2010	2009	3,451,515	(50,197)	3,401,318	3,242,033	95.32%
2011	2010	3,578,859	(14,837)	3,564,022	3,437,198	96.44%
2012	2011	3,760,572	(6,419)	3,754,153	3,644,449	97.08%
2013	2012	3,791,754	7,715	3,799,469	3,708,111	97.60%

SOURCE: Calhoun County Appraisal District

PROPERTY TAX LEVIES AND COLLECTIONS CONTINUED
Last ten fiscal years

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 141,136	\$ 2,253,097	99.74%
127,786	2,327,313	99.64%
104,027	2,547,907	99.65%
134,800	2,835,838	99.63%
147,558	2,919,109	99.49%
166,702	3,181,320	99.46%
121,108	3,363,141	98.88%
94,541	3,531,739	99.09%
71,000	3,715,449	98.97%
-	3,644,449	97.60%

STATISTICAL INFORMATION

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED

Last ten fiscal years

Fiscal Year	Gallons of GBRA Water Purchased	Gallons of Metered Consumption	Gallons of Water Unaccounted	Average Percent Unaccounted	Gallons of Wastewater Treated
2004	442,460	391,682	50,778	11%	465,620
2005	483,325	402,711	80,614	17%	396,770
2006	470,830	399,093	71,737	15%	417,390
2007	430,287	370,762	59,525	14%	498,810
2008	489,864	405,585	84,279	17%	382,770
2009	496,619	455,031	41,588	8%	368,120
2010	459,847	377,310	82,537	18%	435,540
2011	559,150	462,107	97,043	17%	368,780
2012	489,614	414,492	75,122	15%	403,940
2013	459,908	390,984	68,924	15%	345,530

NOTES: The City purchases water from the Guadalupe-Blanco River Authority.

Water and Sewer Usage Rates shown are for 5,000 gallons usage.

N/A denotes information not available.

SOURCE: City of Port Lavaca Utility Department

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED CONTINUED
Last ten fiscal years

Total Direct Rate			
Water		Sewer	
Base Rate	Usage Rate	Base Rate	Usage Rate
\$ 12.46	\$ 13.29	\$ 9.75	\$ 13.17
13.46	13.35	9.75	13.17
13.96	13.35	11.75	13.17
13.96	13.95	12.25	14.67
15.00	14.25	14.00	14.70
15.00	14.25	14.00	14.70
15.00	14.25	14.00	14.70
15.00	14.25	14.00	14.70
15.00	14.25	14.00	14.70
15.00	14.25	14.00	14.70

STATISTICAL INFORMATION

WATER AND SEWER RATES

Last ten fiscal years

	Fiscal Year					
	2004	2005	2006	2007	2008	
					Res.	Comm.
Water Rates						
Base Rate (includes 2,000 gallons)						
Base Rate by Meter Size						
3/4" to 5/8"	\$ 12.46	\$ 13.46	\$ 13.96	\$ 13.96	\$ 15.00	\$ 17.50
1"	13.84	14.84	15.34	15.34	15.00	17.50
1 1/2"	16.75	17.75	18.25	18.25	15.00	17.50
2"	19.66	20.66	21.16	21.16	15.00	35.00
3"	25.58	26.58	27.08	27.08	15.00	35.00
4"	31.28	32.28	32.78	32.78	15.00	35.00
6"	44.16	45.16	45.66	45.66	15.00	35.00
Per 1,000 gallons over base charge	4.43	4.45	4.45	4.65	4.75	4.95
Sewer Rates						
Base Rate (includes 2,000 gallons)	9.75	9.75	11.75	12.25	14.00	15.75
Per 1,000 gallons over base charge	4.39	4.39	4.39	4.89	4.90	4.95

NOTES: Increases in water and sewer rates are approved by the City Council.

Sewer consumption rates for residential customers are based on the average of the last three-month period of December, January, and February that preceded the billing date.

Customers outside City limits are charged a rate of 1.5 times the inside City limit rates.

The City changed the rate classification in 2008.

"Res." - Residential

"Comm." - Commercial

SOURCE: City of Port Lavaca Utility Department

WATER AND SEWER RATES CONTINUED

Last ten fiscal years

Fiscal Year									
2009		2010		2011		2012		2013	
Res.	Comm.	Res.	Comm.	Res.	Comm.	Res.	Comm.	Res.	Comm.
\$ 15.00	\$ 17.50	\$ 15.00	\$ 17.50	\$ 15.00	\$ 17.50	\$ 15.00	\$ 17.50	\$ 15.00	\$ 17.50
15.00	17.50	15.00	17.50	15.00	17.50	15.00	17.50	15.00	17.50
15.00	17.50	15.00	17.50	15.00	17.50	15.00	17.50	15.00	17.50
15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00
15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00
15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00
15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00
4.75	4.95	4.75	4.95	4.75	4.95	4.75	4.95	4.75	4.95
14.00	15.75	14.00	15.75	14.00	15.75	14.00	15.75	14.00	15.75
4.90	4.95	4.90	4.95	4.90	4.95	4.90	4.95	4.90	4.95

STATISTICAL INFORMATION

**TEN LARGEST WATER CUSTOMERS
(UNAUDITED)
Current Year and Nine Years Ago**

2013			
Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
City of Port Lavaca	City Accounts	12,622	3.23%
Calhoun County I.S.D.	School District	12,352	3.16%
Hillmans Shrimp & Oyster	Fishing Industry	10,170	2.60%
Memorial Medical Center	Hospital	8,130	2.08%
Regency Nursing Home	Senior Center (Home)	7,116	1.82%
Bordeaux Apartments	Apartment Complex	6,157	1.57%
Lighthouse Seafood	Commercial Oyster House	4,225	1.08%
Calhoun County	County Offices	3,417	0.87%
Splash & Dash	Car Wash	3,283	0.84%
Days Inn	Hotel	2,927	0.75%
2004			
Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
Orion Marine Group Inc.	Industry	8,046	2.05%
Calhoun County I.S.D.	School District	3,505	0.89%
Seabreeze Apartments	Apartment Complex	2,511	0.64%
Regency Nursing Home	Senior Center (Home)	2,504	0.64%
Memorial Medical Center	Hospital	2,330	0.59%
Hillmans Shrimp & Oyster	Fishing Industry	2,057	0.53%
Bordeaux Apartments	Apartment Complex	1,999	0.51%
The Laundromat	Laundry	1,716	0.44%
City of Port Lavaca	City Accounts	1,491	0.38%
H E BUTT	Grocery	1,400	0.36%

SOURCE: City of Port Lavaca Utility Billing Department



STATISTICAL INFORMATION

RATIOS OF OUTSTANDING DEBT BY TYPE

Last ten fiscal years

Fiscal Year	Governmental Activities				Business-type Activities			
	Certificates of Obligation	General Obligation Bonds	Note Agreement	Capital Leases	Certificates of Obligation	Revenue Bonds	Less: Issuance Discount	Capital Leases
2004	\$ 3,790,000	\$ -	\$ -	\$ -	\$ 240,000	\$ 6,460,000	\$ -	\$ -
2005	4,385,000	-	-	96,149	185,000	6,225,000	-	61,790
2006	4,250,000	-	400,286	129,380	80,000	5,980,000	-	49,238
2007	4,090,000	-	114,027	302,097	440,000	5,725,000	-	21,219
2008	3,910,000	-	-	423,954	4,035,000	5,595,000	(32,532)	288,374
2009	3,715,000	-	-	332,486	3,940,000	5,315,000	(31,983)	237,874
2010	3,515,000	-	-	261,340	3,800,000	5,025,000	(31,434)	193,957
2011	3,310,000	-	-	471,758	3,655,000	4,760,000	(30,839)	148,282
2012	3,095,000	-	-	248,917	3,500,000	4,425,000	(30,290)	100,780
2013	105,000	2,895,000	-	211,559	3,340,000	4,080,000	(29,696)	51,378

NOTE: Details regarding the City's outstanding debt can be found in the not financial statements.

RATIOS OF OUTSTANDING DEBT BY TYPE CONTINUED
Last ten fiscal years

Total Primary Government	Percentage of Personal Income	Per Capita
\$ 10,490,000	3.8%	\$ 901.67
10,952,939	3.7%	951.68
10,888,904	3.5%	949.25
10,692,343	2.4%	937.51
14,219,796	4.1%	1,240.28
13,508,377	3.7%	1,175.77
12,763,863	3.4%	1,060.56
12,314,201	3.1%	1,005.41
11,339,407	N/A	923.25
10,653,241	N/A	866.12

STATISTICAL INFORMATION

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING *Last ten fiscal years*

Fiscal Year	General Bonded Debt Outstanding			Debt Service Monies Available (1)	Debt Payable from Enterprise Funds
	Certificates of Obligation	General Obligation Bonds	Total		
2004	4,030,000	\$ -	\$ 4,030,000	\$ 168,794	\$ 240,000
2005	4,570,000	-	4,570,000	137,977	185,000
2006	4,330,000	-	4,330,000	118,931	80,000
2007	4,530,000	-	4,530,000	148,960	440,000
2008	7,945,000	-	7,945,000	159,271	4,035,000
2009	6,655,000	-	6,655,000	159,657	3,940,000
2010	7,315,000	-	7,315,000	161,177	3,800,000
2011	6,965,000	-	6,965,000	177,224	3,655,000
2012	6,595,000	-	6,595,000	183,391	3,500,000
2013	3,445,000	2,895,000	6,340,000	207,178	3,340,000

NOTES: Details regarding the City's outstanding debt can be found in the notes to financial statements.

N/A denotes information not available

(1) This is the amount restricted for debt service principal payments.

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING CONTINUED
Last ten fiscal years

Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
\$ 3,621,206	1.15%	\$ 311.26
4,247,023	1.31%	369.02
4,131,069	1.17%	360.13
3,941,040	1.04%	345.55
3,750,729	0.96%	327.15
2,555,343	0.59%	222.42
3,353,823	0.73%	278.67
3,132,776	0.64%	255.78
2,911,609	0.56%	237.06
2,792,822	0.55%	227.06

STATISTICAL INFORMATION

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)
September 30, 2013

	<u>Gross Debt Outstanding</u>		<u>Percentage</u>	<u>Amount</u>
	<u>Date</u>	<u>Amount</u>	<u>Applicable</u>	<u>Applicable</u>
			<u>to City</u>	<u>to City</u>
Direct Debt:				
City of Port Lavaca	09/30/2013	\$ 3,211,559	100.00%	\$ 3,211,559
Overlapping Debt:				
Calhoun County	09/30/2013	9,910,000	14.41%	1,428,111
Calhoun Independent School District	09/30/2013	10,010,000	13.88%	1,389,520
Calhoun Port Authority	09/30/2013	<u>32,400,000</u>	22.36%	<u>7,243,830</u>
Total Overlapping Debt		<u>52,320,000</u>		<u>10,061,461</u>
Total		<u>\$ 55,531,559</u>		<u>\$ 13,273,020</u>

NOTES: 1 There is no legal debt limit for the City. Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in a tax levy for general bonded debt of over \$1.00 for cities under

2 The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each government's

SOURCE: Calhoun County Appraisal District
Calhoun County
Calhoun Port Authority
Calhoun County ISD

PLEDGED-REVENUE COVERAGE
Last ten fiscal years

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Available Revenue	Average Debt Service Requirements	Times Debt Coverage
2004	\$ 3,933,123	\$ 2,932,517	\$ 1,000,606	\$ 544,740	1.84
2005	4,467,282	2,895,575	1,571,707	540,000	2.91
2006	4,529,981	2,819,506	1,710,475	541,496	3.16
2007	4,674,553	3,134,268	1,540,285	541,619	2.84
2008	5,127,853	3,186,879	1,940,974	861,629	2.25
2009	5,331,869	3,478,632	1,853,237	869,487	2.13
2010	5,194,828	3,470,112	1,724,716	867,219	1.99
2011	5,604,515	3,368,233	2,236,282	877,114	2.55
2012	5,312,772	3,458,504	1,854,268	953,379	1.94
2013	5,391,718	3,600,338	1,791,380	998,063	1.79

NOTE: "Gross Revenue" as used herein refers to all operating revenues and all interest income of the Public Utility Fund. "Direct Operating Expenses" is defined as all operating expenses of the Public Utility Fund (which does not include capital outlay or interest expense) less depreciation.

STATISTICAL INFORMATION

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2004	2005	2006	2007
General government				
Building permits issued	316	329	283	491
Building inspections conducted	653	676	499	456
Public safety				
Police				
Physical arrests	N/A	N/A	N/A	N/A
Traffic violations	N/A	N/A	N/A	N/A
Fire				
Fire calls	N/A	234	222	200
Public works				
Streets (miles)	49.3	49.3	49.3	50.1
Culture and recreation				
Parks and recreation				
Bauer center rentals	N/A	64	73	65
Lighthouse beach park				
Pavillion	54	43	43	54
Water and wastewater				
Water				
Water customers	4,455	4,455	4,492	4,456
Water taps	24	25	8	10
Average daily consumption	1.20 mgd	1.29 mgd	1.29 mgd	1.18 mgd
Peak daily consumption	1.52 mgd	1.55 mgd	1.57 mgd	1.40 mgd
Wastewater				
Sewer customers	4,193	4,175	4,190	4,173
Sewer taps	26	18	7	8
Average daily sewage treatment	1.28 mgd	1.09 mgd	1.14 mgd	1.37 mgd

NOTE: N/A denotes information not available.

SOURCE: Various City departments

OPERATING INDICATORS BY FUNCTION/PROGRAM CONTINUED

Last ten fiscal years

Fiscal Year					
2008	2009	2010	2011	2012	2013
202	564	548	801	784	357
436	564	732	822	1,187	627
398	409	336	807	796	1,129
431	450	422	1,642	836	1,525
230	192	175	568	650	685
50.1	50.1	50.1	50.1	50.1	50.1
88	71	65	63	59	47
38	25	42	39	47	36
4,548	4,514	4,552	4,544	4,556	4,606
13	19	11	11	15	21
1.34 mgd	1.38 mgd	1.27 mgd	1.53 mgd	1.272 mgd	1.07 mgd
1.61 mgc	1.66 mgd	1.49 mgd	5.65 mgd	2.10 mgd	2.74 mgd
4,253	4,217	4,267	4,258	4,276	4,317
7	2	7	9	7	12
1.05 mgd	1.01 mgd	1.19 mgd	1.01 mgd	1.11 mgd	1.08 mgd

STATISTICAL INFORMATION

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last ten fiscal years

	Fiscal Year			
	2004	2005	2006	2007
Function/Program				
Public safety				
Police				
Stations	1	1	1	1
Patrol units	7	7	7	7
Fire stations	2	2	2	2
Highways and streets				
Streets (miles)	49.3	49.3	49.3	50.1
Streetlights	672	672	680	686
Culture and recreation				
Acreage	150	150	150	150
Parks	7	7	7	7
Baseball/softball diamonds	2	2	2	2
Community centers	1	1	1	1
Swimming pools	1	1	1	1
Water and wastewater				
Water				
Water mains (miles)	67	67	69	68.5
Fire hydrants	245	250	250	250
Storage capacity	1.761	1.000	1	1
Wastewater				
Sanitary sewers (miles)	55	56	56	58
Treatment capacity	2	3	2.5	2.5

SOURCE: Various City departments

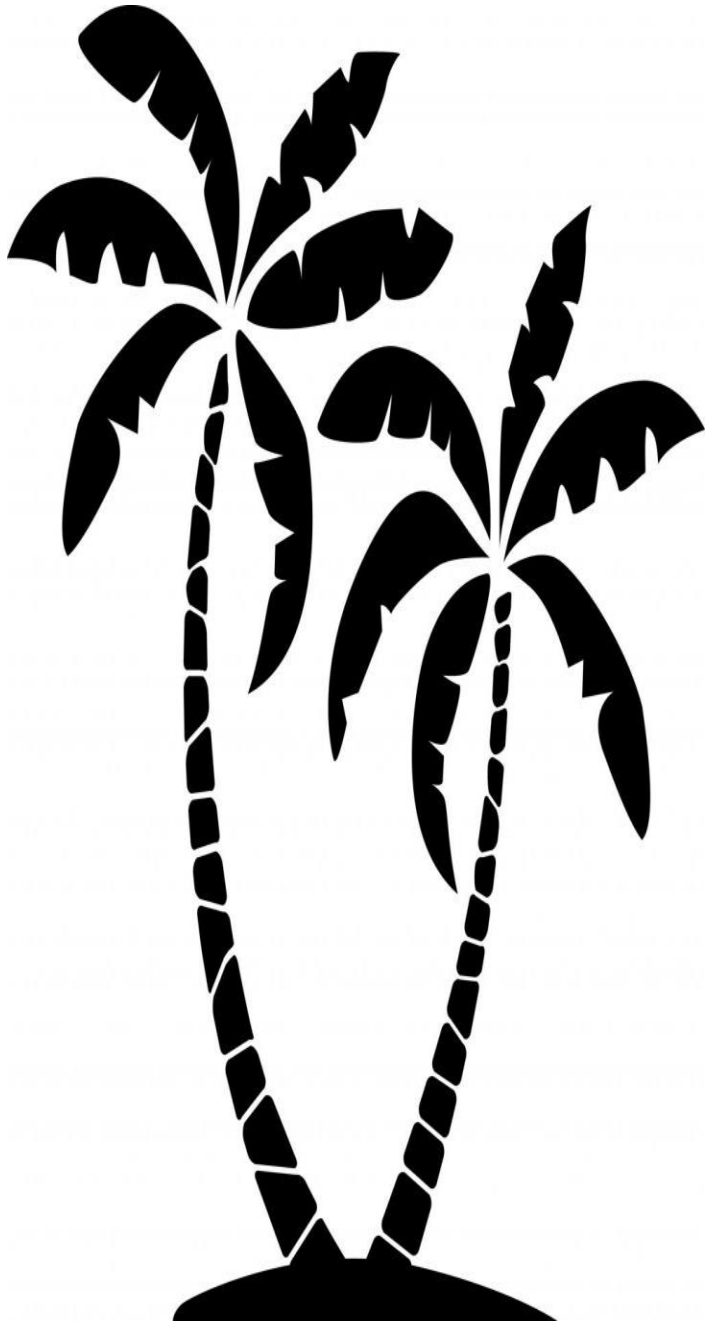
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM CONTINUED

Last ten fiscal years

Fiscal Year						
2008	2009	2010	2011	2012	2013	
1	1	1	1	1	1	1
7	7	7	6	7	7	7
2	2	2	2	2	2	2
50.1	50.1	50.1	50.1	50.1	50.1	50.1
686	684	686	686	686	686	678
150	150	150	150	150	150	150
7	7	7	7	7	7	7
2	2	2	2	2	2	2
1	1	1	1	1	1	1
1	1	1	1	1	1	1
68.5	69.0	69	69	69	69	70
250	259	259	259	259	259	262
1	1	1	1	1	1	1
58	58	58	58	58	58	58
2.5	2.5	2.5	2.5	2.5	2.5	2.5



APPENDIX



Budgetary Process and Guidelines

Budget Planning Calendar

Summary Description of the Budget Process

Budget Ordinance

Tax Rate Ordinance

Budgetary & Financial Management Policies

Investment Policy and Strategy

Capital Asset Policy

**Resolution Adopting a Five Year Capital
Improvement Program**

Compensation and Staffing Plan

Long-Term Financial Planning

Glossary of Terms

Acronyms

Index



This section provides the City's budgetary and financial policies, personnel, glossary of terms, acronyms and index.

Budgetary Process and Guidelines

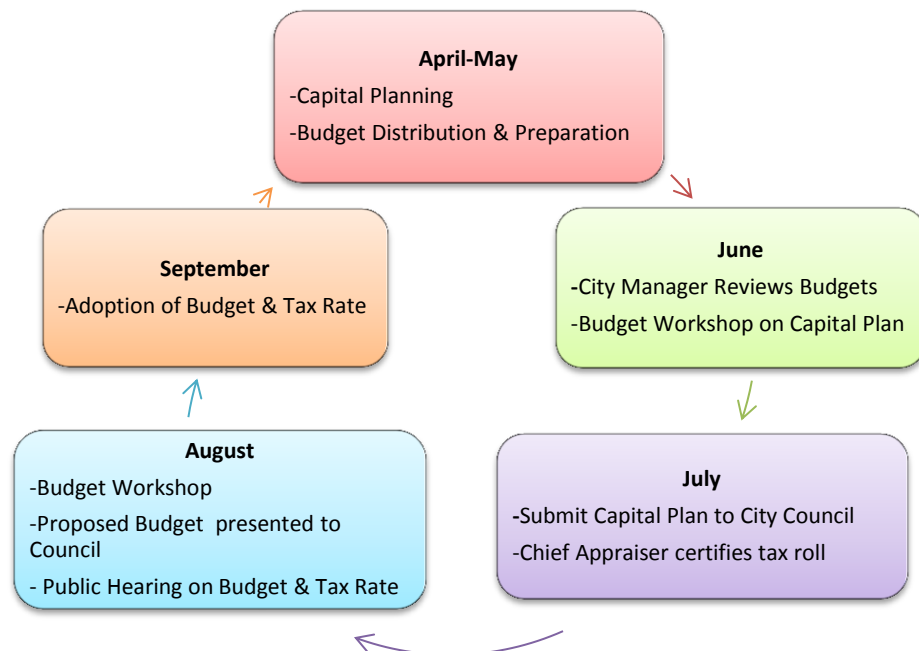
The purpose of this segment is to explain the budgetary policies and process of the City of Port Lavaca. This narrative describes the legal requirements, budgeting standards, and basic rationale of the budget process.

Purpose of the Budget

The purpose of the annual operating budget of the City of Port Lavaca is to:

- Act as a financial plan which describes the activities that will be undertaken during the current fiscal year.
- Define the resources available for the completion of those activities.
- Determine the level of taxation necessary to generate required revenue resources.
- Act as an operations guide by providing levels of expenditures allowed for the accomplishment of departmental and program objectives.
- Provide the public with information about the activities and objectives of the various city departments and programs and the financial condition of the City.

Budget Calendar Cycle



APPENDIX

FY 2014- 2015 Budget Planning Calendar

April-May	Capital Planning	Public Works Director Finance Director
April-May	Mailing of notices of appraised value	Calhoun County Appraisal District
May 6	Distribute budget package to Division Heads	Finance Director
May 12	Regular Council Meeting	City Council
May 28-30	Capital Planning Review (Five-Year Plan)	City Manager Finance Director Department Heads
May 30	Turn in budget package to Finance Director	Department Heads
June 9	Regular Council Meeting	City Manager City Council
June 13	Submit first draft of budget to City Manager	Finance Director
June 17-19	Budget review with Department Heads	City Manager Finance Director Department Heads
June 23	Budget Workshop- Capital Plan	
July 14	Regular Council Meeting -Approve Capital Plan	City Manager City Council
July 25	Certification of appraisal roll	Chief Appraiser
August 6	Distribute budget package to Division Heads	Finance Director
August 7	Publishes notice of effective and rollback tax rates	Calhoun County Appraisal District
August 7	Budget Workshop 8:30-12:00	City Manager Finance Director Department Heads
August 11	Proposed budget filed with City Secretary	City Manager
August 11	Regular Council Meeting -Approve budgetary policy & fund balance policy -Presentation of proposed budget to City Council -Discuss tax rate - Set Public Hearings on tax rate (if required) -Set Public Hearings on budget	City Manager City Council
August 25	Special Called Meeting- 6:00 -Public Hearings on budget & tax rate (if required)	City Council
August 28	Special Called Meeting- 6:00 -Public Hearing on budget -Public Hearing on tax rate (if required) -First Reading on budget & tax rate ordinance -First Reading on fee ordinance	City Council
September 8	Regular Council Meeting -Second and final reading of budget ordinance -Second and final reading of tax rate ordinance -Second and final reading fee ordinance	City Council
September 26	Distribute budgets	Finance Director
October 1	Budget becomes effective	N/A

Summary Description of the Budget Process

As previously stated, the City Charter, under Article 7.01 provides, “the fiscal year of the City of Port Lavaca shall begin on the first day of October of each calendar year and shall end on the last day of September of each following calendar year. Such fiscal year shall also constitute the budgeted and accounting year.”

The Charter requires that the City Manager provide a complete financial plan for the fiscal year. The plan must contain, among other things, a budget message explanatory of the budget and any significant changes, an analysis of property valuation and tax rate, and detail concerning fund revenues and expenditures.

Upon receipt of the proposed budget, the Council orders a public hearing on the budget. By State law (Section 102.003 of the Local Government Code), the Council is required to hold a public hearing on the budget not less than fifteen (15) days after the budget is filed. By Charter, at least seven (7) days prior to the date of the budget hearing, a public notice of such hearing must be published. The Charter requires that the Council adopt a budget prior to the beginning of the fiscal year. Normally, the Council sets the tax rate for the coming fiscal year during the same meeting in which they adopt the budget ordinance.

The City Manager and Finance Director prepare estimates of revenues and cash balances for the coming budget year. Departments are asked to submit budget requests to the City Manager during May or early June. In June and July, the City Manager and Director of Finance meet with departments to discuss their budget requests and develop line item funding proposals for each department and fund. Then the City Manager submits his proposed budget to the City Council. The Council will then examine the Budget and have one or more hearings and/or work sessions on the budget. The Council normally votes on the budget ordinance in the first or second week of September.

After the budget is adopted by the Council, copies are available for public inspection in the City Finance Department and at the office of the City Secretary.

On the effective date of the budget, October first (1st), the amounts adopted by the City Council for each line item become appropriated. That is to say, an authorization is made by the City Council which permits the City to incur obligations and make expenditures of resources based on an amount of money adopted by Council.

Legal Requirements

A. City Charter.

The budgetary process of the City of Port Lavaca shall comply with the provisions of Article VII of the City Charter relating to the preparation and execution of the City budget.

B. State Law.

The budgeting process of the City of Port Lavaca shall comply with the Texas Uniform Budget Law (articles 689a-13, 14, 15, and 16) and Section 102.003 of the local government code.

C. Federal Law.

The budgetary procedures of the City of Port Lavaca shall comply with the requirements of Federal Law as they apply to such programs and grants administered by the City.

Budgeting Standards

The budgeting process of the City of Port Lavaca generally conforms to the Governmental Accounting Standards Board (GASB): Principles of Budgeting, Budgetary Control, and Budgetary Reporting as published in the Governmental Accounting, Auditing and Financial Reporting (GAAFR). In addition, the budget document is believed to generally satisfy the evaluation criteria of the budget awards program of the Governmental Finance Officers Association.

Budget Policies as set forth in the City Charter

Fiscal Year

The fiscal year of the City of Port Lavaca shall begin on the first day of October of each calendar year and shall end on the last day of September of each next following calendar year. Such fiscal year shall also constitute the budget and accounting year.

Preparation, Submission and Content of Budget

The City Manager shall submit to the Council a proposed budget, of which the budget shall provide a complete financial plan for the fiscal year, and shall contain the following:

1. A budget message, explanatory of the budget, in which the message shall contain an outline of the financial policies of the City for the Fiscal year, shall set forth the fiscal year, shall set forth the reasons for salient changes from the previous fiscal year in expenditure and items, and shall explain any major changes in financial policy.

2. A consolidated statement of receipts and expenditures for all funds.
3. An analysis of property valuations.
4. An analysis of tax rate.
5. Tax levies and tax collections by years for at least five years.
6. General fund resources in detail.
7. Summary of proposed expenditures by fund, department and activity.
8. A revenue and expense statement for all types of bonds.
9. A description of all bond issues outstanding showing rate of interest, date of issue, maturity date, amount authorized, amount issued, and amount outstanding.
10. A schedule of requirements for the principal and interest on each issue of bonds.
11. A special funds section.
12. The appropriation ordinance.
13. The tax levying ordinance.
14. The capital improvement program for the budget year and proposed method of financing.
15. A capital improvement plan covering the succeeding five years and proposed method of financing.
16. A summary of the condition of machinery, equipment and buildings.

Anticipated Revenues and Proposed Expenditures Compared With Other Years

The City Manager, in preparation of the budget, shall show in parallel columns, opposite the various properly classified items of revenues and expenditures, the actual amount of such items for the last completed fiscal year, the estimated amount for the current fiscal year, and the proposed amount for the ensuing fiscal year.

Estimated Expenditures Shall Not Exceed Estimated Resources

The total established expenditures of the general fund and debt service shall not exceed the total resources of each fund. The classification of revenue and expenditure accounts shall conform as nearly as local conditions will permit to the uniform classification as promulgated by the National Committee on Municipal Accounting, or some other nationally accepted classification.

APPENDIX

Surplus and Encumbrances

Anticipated revenues shall include the surplus arising from unencumbered appropriation balances at the beginning of the budget year and from receipts of revenues in excess of the estimates in the budget. Encumbrances of appropriation at the end of the fiscal year shall be detailed and shall include only those evidenced by signed purchase orders or contracts.

Budgetary Basis

Basis of accounting refers to the point in time at which revenues and expenditures are recognized in the accounts and reported in the financial statements. The budget of each City fund, with the subsequently noted exceptions, is prepared consistently with the basis of accounting used for that fund.

Budget Amendments

The City Charter, under Article 8.03 (Transfer of Appropriations) provides, “With the approval of the City Council, the City Manager may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency. At the request of the City Manager, and within the last three months of the fiscal year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from an office, department or agency to another”.

Lapse of Appropriations

All appropriations shall lapse at the end of the fiscal year to the extent that they shall not have been expended or lawfully encumbered.

Appropriations for the Department of Recreation and Parks as required by Article 6.01, Section D, shall be considered as lawfully encumbered and not lapse, but shall be set aside and shall accumulate from year to year until finally expended by the Department of Recreation and Parks for its lawful purposes.

Basic Budgetary Units

The budget of the City of Port Lavaca is both an annual operating budget and a capital budget. The operating budget contains current operations and services, current maintenance, debt service, and is funded by funds currently available. Current expenses for capital outlay are included as expenditures.

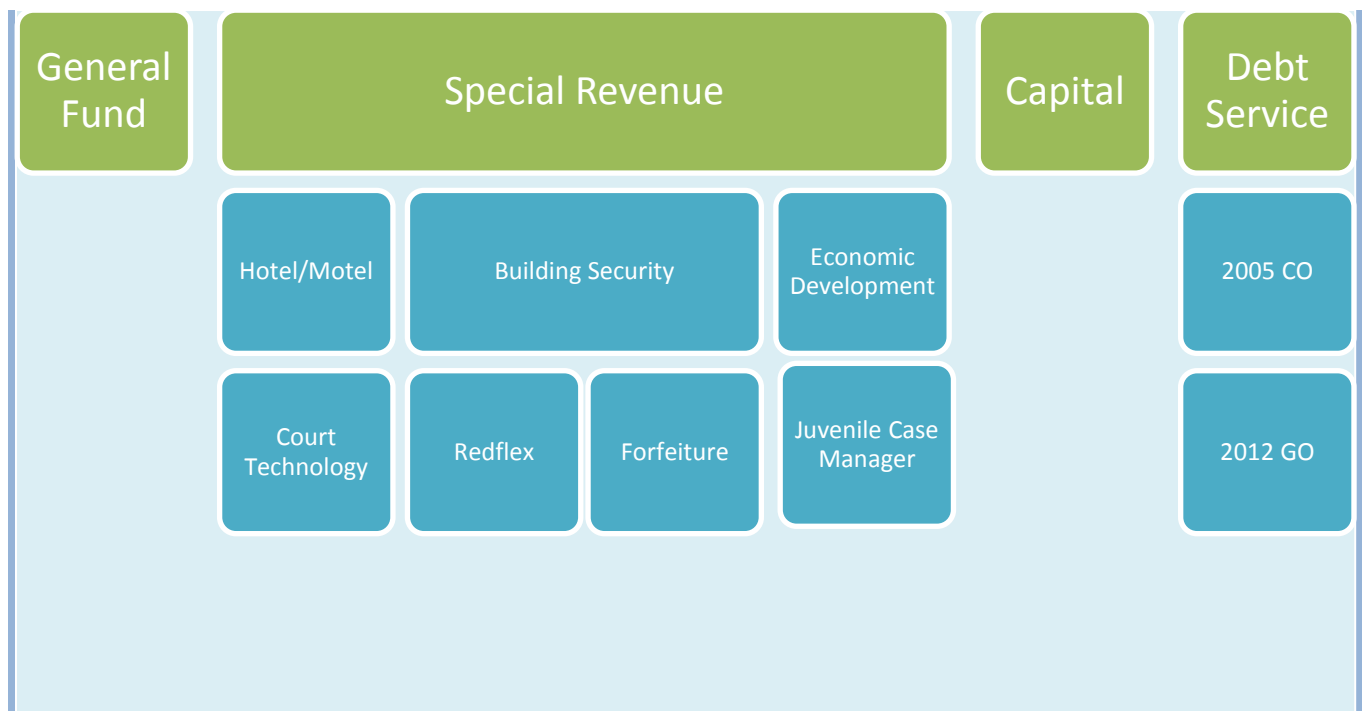
The organizational arrangement of the budget document is based upon the format reflecting the funds of the City, the departments associated with each fund, followed by revenue and expenditure categories.

Fund Structure

Governmental Funds

Governmental Funds are used to account for all or most of the City's general activities. The ***modified accrual basis of accounting*** is used for governmental funds (general, special revenue, debt service and capital projects), expendable trust funds and agency funds. Revenues are recognized in the accounting period in which they become measurable and reliable as net current assets; that is, collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred.

Governmental Fund Structure – Modified Basis

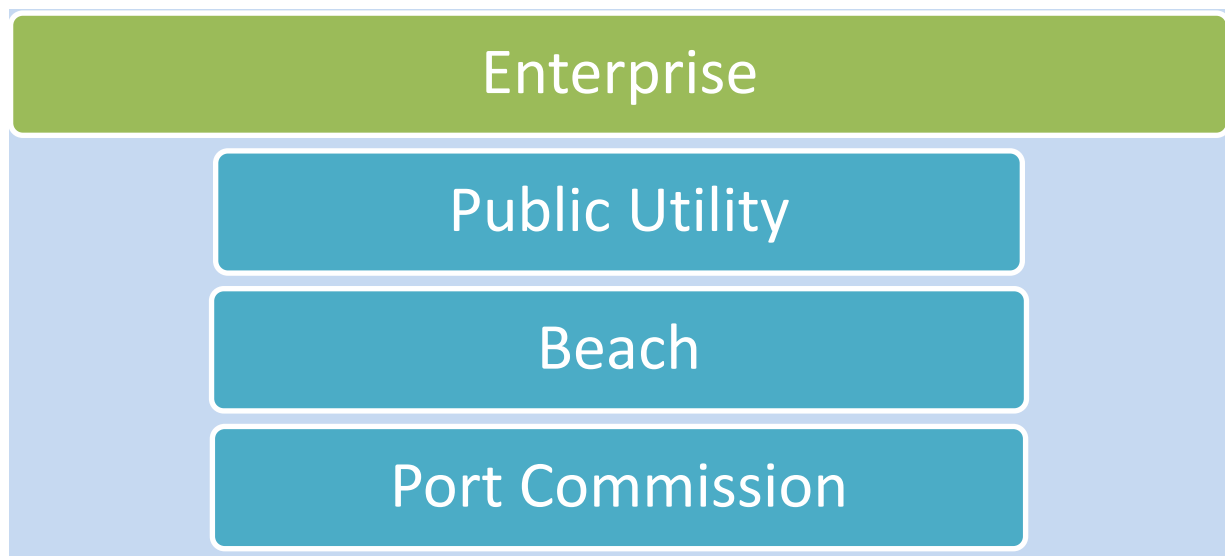


*Although the City has a number of funds shown above, only the General Fund, Hotel/Motel, and Debt Service Funds are appropriated for. All City funds are audited annually.

Proprietary Funds

Proprietary funds are used to account for the operations and maintenance of City facilities and services. The ***accrual basis of accounting*** is used for proprietary funds (enterprise funds and internal service funds). Revenues are recognized in the accounting period in which they are earned, and expenses recognized in the period in which they are incurred. The City budgets to cover depreciation expense. Capital leases, capital outlay, and debt principal payments are budgeted as expenditures and then reclassified at year-end.

Proprietary Fund Structure – Accrual Basis



*All funds above are appropriated for and audited annually.

Budget Ordinance

ORDINANCE #S-1-14

AN ORDINANCE APPROVING THE ANNUAL BUDGET FOR THE CITY OF PORT LAVACA, TEXAS AND ADOPTING THE BUDGET DOCUMENT FOR THE FISCAL YEAR OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015; REPEALING ALL ORDINANCES OR PARTS THEREOF IN CONFLICT HEREWITH; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City Council has approved a budget for the City of Port Lavaca, Texas, for the fiscal year October 1, 2014 through September 30, 2015, and accordingly held a public hearing for same, at which time all interested citizens were given an opportunity to be heard for or against any item or amount of any item contained in said budget; and

WHEREAS, all approved adjustments, if any, have been made in said budget and said public hearing has been officially closed:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

SECTION 1. That the annual budget for the City of Port Lavaca, Texas for the fiscal year October 1, 2014 through September 30, 2015 is hereby approved and the budget document is hereby in all things adopted and made a part of this ordinance as if set forth in full herein and is hereby declared to be the financial plan for the City of Port Lavaca, Texas for the fiscal year 2014/2015.

SECTION 2. All ordinances or parts of ordinances in conflict herewith are hereby expressly repealed.

SECTION 3. This ordinance shall become effective on the date of its passage by the City Council of the City of Port Lavaca, Texas.

FIRST READING this 28th day of August, 2014

SECOND AND FINAL READING this 8th day of September, 2014

APPROVED AND ADOPTED this 8th day of September, 2014.

APPENDIX

Tax Rate Ordinance

ORDINANCE #S-2-14

AN ORDINANCE FIXING THE TAX RATE AND TAX LEVY FOR THE CITY OF PORT LAVACA, TEXAS, FOR THE YEAR 2014, UPON ALL TAXABLE PROPERTY IN SAID CITY OF PORT LAVACA, TEXAS SUBJECT TO TAXATION BY SAID CITY ON THE FIRST DAY OF JANUARY, 2014 IN CONFORMITY WITH THE CHARTER PROVISIONS AND ORDINANCES OF SAID CITY OF PORT LAVACA; APPROPRIATING THE FUNDS DERIVED FROM SAID TAX LEVY TO VARIOUS FUNDS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND ESTABLISHING AN EFFECTIVE DATE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

SECTION 1. That there shall be and there is hereby levied and assessed for the year 2014 upon all property of every description subject to taxation by the City of Port Lavaca, Texas on the 1st day of January, 2014, the following tax rate, to-wit:

An Ad Valorem Tax at the rate of \$0.7900 on the \$100.00 assessed value, based on 100% assessment thereof estimated in lawful currency of the United States of America, for the purpose of paying the general expenses of the City government and for payment of principal and interest on outstanding bonds and certificates of obligation for the fiscal year ending September 30, 2015.

SECTION 2. The taxes assessed and levied hereby will increase tax revenues for maintenance and operations over last year's tax rate. The tax rate will effectively be raised by 2.7 percent and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$18.70.

SECTION 3. All taxes collected pursuant to this ordinance shall be deposited in the funds known as the General Fund and the Tax Supported Debt Service Fund, and said monies shall be appropriated and distributed as follows:

	Rate	Percentage
GENERAL FUND	\$.7095	89.81 %
TAX SUPPORTED DEBT SERVICE FUND:		
2005 Certificates of Obligation	\$.0137	1.73 %
2012 General Obligation Refunding	<u>\$.0805</u>	8.46 % <u>10.19 %</u>
Total Tax Rate	\$.7900	100.00 %

SECTION 4. The duly authorized official responsible for the assessment and collection of taxes for the City of Port Lavaca is hereby directed to assess, extend and enter upon the tax rolls of the City of Port Lavaca, Texas, for the current taxable year the amount and rates herein levied, and to keep a correct

account of same, and when so collected, to deposit same in the depository of the City of Port Lavaca to be distributed in accordance with this ordinance.

SECTION 5. All ordinances or parts of ordinances in conflict herewith are hereby expressly repealed.

SECTION 6. This ordinance shall become effective on the date of its passage by the City Council of the City of Port Lavaca, Texas.

FIRST READING this 28th day of August, 2014

SECOND AND FINAL READING this 8th day of September, 2014

APPROVED AND ADOPTED this 8th day of September, 2014



Resolution of the City of Port Lavaca, Texas No. R-090913-2

Amended Resolution No. R-090814-3 on September 8, 2014

Budgetary & Financial Management Policies

The goal of formally adopting financial management and budgetary policies is to provide sound guidelines in planning the City's financial future. The adoption and adherence to these policies will help ensure long-term financial stability and a healthy financial position for the City of Port Lavaca.

General Budgetary Policies

Budget Preparation

The City Budget shall be prepared in accordance with all applicable Charter requirements and State laws. The goal each year shall be to present the Proposed Budget to Council no later than six weeks prior to the end of the fiscal year and for the final approval of the Budget to be ready for Council action no later than two weeks before the end of the fiscal year. The Budget shall be comprehensive in nature and address all major funds of the City.

Government Finance Officer Association Distinguished Budget Program

The goal this year and each year following will be for the City's Budget to conform to the requirements of the Distinguished Budget Program of the G.F.O.A. and be submitted thereto for peer review.

Balanced Budget

It shall be a requirement each year for the budget of each fund to be balanced. This means that total resources available, including prior year ending resources plus projected revenues, shall be equal to or greater than the projected expenditures for the coming year. In a case where a deficit fund balance does occur, the goal shall be to limit deficits to only those amounts representing one-time capital expenditures and/or to adjust revenues and/or expenses so that the deficit is eliminated in no more than two budget years.

Public Hearings, Availability of Budget to Public

Upon completion of the City Manager's Proposed Budget to Council, the City holds public hearings in August. A copy of the Proposed Budget is made available in the City Secretary's Office or on the City's website. These hearings provide the Citizens of Port Lavaca a chance to ask questions as well as an opportunity for Council to hear any recommendations before final approval of the budget.

Cost Center Accounting and Budgeting

It shall be the policy of the City to allocate cost, and budget accordingly, to the various funds to the extent practical. This includes such items as utility costs, fuel costs, vehicle lease charges, overhead manpower and insurance fees.

Bond Ratings

It shall be the City's long-term goal to improve its bond ratings for general obligation bonds and revenue bonds. The City's policy shall be to manage its budget and financial affairs in such a way so as to promote enhancement of its bond ratings. This financial management includes the following:

- *Develop and maintain a multi- year operating budget*
- *Develop and maintain a multi-year capital improvements plan*
- *Implement financial procedures to quickly identify financial problems & limit budget shortfalls*
- *Review projected revenue methodologies annually*
- *Review method of determining appropriate cash reserve levels annually*

Administrative Overhead Fee to Enterprise Funds

It shall be the budgetary policy of each enterprise fund to pay to the General Fund an amount as set by the Budget each year. This charge shall be set as a percent of fund revenues and shall be construed as a payment for general administrative overhead, including management, accounting, legal, and personnel services. From an accounting perspective, such fee shall be treated as a fund operating transfer.

Budget Projections for Revenues and Expenditures

Most individual budget projections are a collaborative effort between the Division Heads, the Director of Finance, and the City Manager. The Director of Finance will note the methodology for estimating each major revenue or expense item budgeted; taking into consideration the insight of the respective Division Head. Revenue and expense estimates are always to be conservative so as to reduce any potential for budget shortfalls.

Maintenance of Plant and Equipment

The operating budget will provide for the adequate maintenance and replacement of the capital plant, building, infrastructure, and equipment. Deferral of such costs on a long-term continued basis will not be an acceptable policy to use in balancing the budget.

Financial Management Policies

Fund Balance Policy

Purpose

The purpose of this policy is to establish a key element of the financial stability of the City of Port Lavaca by setting guidelines for fund balance in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54. Unassigned fund balance is an important measure of economic stability and it is essential that the City maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and other similar circumstances. This policy will ensure the City maintains adequate fund balances in the operating fund with the capacity to:

1. Provide sufficient cash flow for daily financial needs,
2. Secure and maintain investment grade bond ratings,
3. Offset significant economic downturns or revenue shortfalls, and
4. Provide funds for unforeseen expenditures related to emergencies.

Definitions

Fund Equity – A fund's equity is generally the difference between its assets and its liabilities.

Fund Balance – The fund equity of a governmental fund for which an accounting distinction is made between the portions that are spendable and nonspendable.

Fund Balance reporting in governmental funds: Fund balance will be reported in governmental funds under the following categories using the *definitions* provided by GASB Statement No. 54:

- 1) **Nonspendable fund balance** – includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain in-tact such as the principal of an endowment.
- 2) **Restricted fund balance** – includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include impact fees and bond proceeds.

- 3) **Committed fund balance** – includes the portion of net resources upon which the Council has imposed limitations on use. Amounts that can be used only for the specific purposes determined by a *formal action* of the council. Commitments may be changed or lifted only by the Council taking the same *formal action* that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.
- 4) **Assigned fund balance** – includes the portion of net resources for which an *intended* use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund.

Authority to Assign - The City Council delegates the responsibility to assign funds not to exceed \$25,000 to the City Manager or their designee to be used for specific purposes. City Council shall have the authority to assign any amount of funds to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. The assignments may occur subsequent to fiscal year-end.

- 5) **Unassigned fund balance** – includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

Minimum Unassigned Fund Balance

General Fund - Being a City on the Gulf Coast, it shall be the goal of the City to maintain a fund balance in the General Fund equal to 180 days of the operating expenditures and a policy to maintain a **unassigned** fund balance of no less than 120 days of operating expenditures as to provide operating liquidity and contingency funding for non-specific unscheduled expenditures such as natural disasters or major unexpected expenditures. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Hotel/Motel Tax Fund – Since the City's Convention Center (Bauer Center) qualifies for use of Hotel/Tax, it shall be the goal of the City to maintain a fund balance in the Hotel/Motel Fund to support the annual cost for improvements and maintenance of the Bauer Center. The proper level of this unassigned fund balance will be based on the most recent three year average cost of maintenance and operations of the Bauer Center or \$250,000 whichever is greater.

APPENDIX

Committed Fund Balances

- *Fixed or Capital Asset Replacement*- The City Council commits an additional portion of the General Fund Reserve for fixed asset replacement related to machinery and equipment. On an annual basis, the City strives to commit dollars equal to one year's depreciation expense of machinery and equipment for assets on record as of the previous fiscal year end. The balance at year end in this account will be the committed fund balance.
- *Health Reserve*- The City Council commits an additional portion of the General Fund Reserve to provide contingency funding for employee health care expenses not covered by the catastrophic stop loss policy held by the City. The proper level of this commitment will be based on the most recent three year history (average) plus 15%.

Replenishment of Minimum Fund Balance Reserves

If unassigned fund balance unintentionally falls below 120 days or if it is anticipated that at the completion of any fiscal year the projected unassigned fund balance will be less than the minimum requirement, the City Manager shall prepare and submit a plan to restore the minimum required level as soon as economic conditions allow. The plan shall detail the steps necessary for the replenishment of fund balance as well as an estimated timeline for achieving such.

These steps may include, but are not limited to, identifying new, nonrecurring, or alternative sources of revenue; increasing existing revenues, charges and/or fees; use of year end surpluses; and/or enacting cost saving measures such as holding capital purchases, reducing departmental operating budgets, freezing vacant positions, and/or reducing the workforce. The replenishment of fund balance to the minimum level shall be accomplished within a three-year period. If restoration of the reserve cannot be accomplished within such a period without severe hardship to the City of Port Lavaca, then the Council shall establish an extended time line for attaining the minimum balance.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Council, and unassigned fund balance), the Council will first spend the most restricted funds before moving down to the next most restrictive category with available funds.

Appropriation of Unassigned Fund Balance

Appropriation from the minimum unassigned fund balance shall require the approval of the City Council and shall be utilized only for one-time expenditures, such as capital purchases, and not for ongoing operating expenditures unless a viable revenue plan designed to sustain the expenditure is simultaneously adopted.

The Council may appropriate unassigned fund balances for emergency purposes, as deemed necessary, even if such use decreases the fund balance below the established minimum.

Monitoring and Reporting

The Director of Finance shall be responsible for monitoring and reporting the City's reserve balances. The City Manager is directed to make recommendations to the Council on the use of reserve funds both as an element of the annual operating budget submission and from time to time throughout the fiscal year as needs may arise.

Compliance with the provisions of the policy shall be reviewed as a part of the annual operating budget adoption process and subsequent review will be included in the annual audit and financial statement preparation procedures.

Revenue Management Policy

The City strives for the following optimum characteristics in its revenue system:

- ***Simplicity and Certainty.*** The City shall strive to keep the revenue classification system simple to promote understanding of the revenue sources. The City shall describe its revenue sources and enact consistent collection policies to provide assurances that the revenue is collected according to budgets and plans.
- ***Equity.*** The City shall make every effort to maintain equity in its revenue system structure. The City shall minimize all forms of subsidization between entities, funds, services, utilities, and customers.
- ***Realistic and Conservative Estimates.*** Revenues are to be estimated realistically. Revenues of volatile nature shall be budgeted conservatively.
- ***Centralized Reporting.*** Receipts will be submitted daily to the Finance Department for deposit and investment. Daily transaction reports and supporting documentation will be prepared.
- ***Review of Fees and Charges.*** The City shall review all fees and charges annually in order to match fees and charges with the cost of providing that service.
- ***Aggressive Collection Policy.*** The City shall follow an aggressive policy of collecting revenues. Utility services will be discontinued (i.e. turned off) for non-payment in accordance with established policies and ordinances. The Calhoun County Appraisal District is responsible for delinquent tax collection, through the central collection agency, shall be encouraged to collect delinquent property taxes using an established tax suit policy and sale of real and personal property to satisfy non-payment of property taxes. A warrant officer in the Police Division will aggressively pursue outstanding warrants, and the Court will use a collection agency to pursue delinquent fines.

APPENDIX

Use of Fund Balance and Non-Recurring Revenues

The City will use non-recurring revenues and excess fund balance for capital expenditures or for non-recurring expenditures. These non-recurring revenues will not be used to fund recurring type maintenance and operating costs.

Property Tax Revenue

All real and business personal property located within the City shall be valued at 100% of the fair market value based on the appraisal supplied by the Calhoun County Appraisal District. Reappraisal and reassessment is as provided by the Appraisal District. A ninety-six percent (96%) collection rate shall serve each year as a goal for tax collections and the budgeted revenue projection shall be based in average collection rate calculated by the Calhoun County Appraisal District. Property tax rates shall be maintained at a rate adequate to fund an acceptable service level. Based upon taxable values, rates will be adjusted to fund this service level. Collection services shall be contracted out with a central collection agency, currently the Calhoun County Appraisal District.

Interest Income

Interest earned from investment of available monies, whether pooled or not, shall be distributed to the funds in accordance with the equity balance of the fund from which monies were invested.

User Based Fees and Service Charges

For services associated with a user fee or charge, the direct and indirect costs of that service shall be offset wholly or partially by a fee where possible. There shall be an annual review of fees and charges to ensure that the fees provide adequate coverage of costs of services.

Water and Wastewater Rates and other fees for Services

Water, wastewater, and garbage fees shall be set to generate revenues required to cover operating expenditures, including depreciation, meet the legal requirements of applicable bond covenants, and provide for an adequate level of working capital. It is the policy of the City that the Water and Wastewater Fund, and other enterprise funds, not be subsidized by property tax revenue.

Intergovernmental Revenues/Grants/Special Revenues

Grant revenues and other special revenues shall be spent for the purpose(s) intended. The City shall review grant match requirements and include in the budget all grant revenues and expenditures.

Collection of Charges

The City will follow a policy of collecting, on a timely basis, all fees, charges, taxes and other revenues properly due to the City. The City will follow an aggressive policy of collecting all delinquencies due to the City.

Revenue Monitoring

Revenues actually received are to be regularly compared to budgeted revenues (at least monthly) with a formal report to City Council at least quarterly. If revenue estimates are down, the City Manager shall recommend to Council a corrective action to minimize the impact on the budget at the next available Council Meeting.

Expenditure Control Policy**Appropriations**

The responsibility for budgetary control lies with the Department Head. Department Heads may not approve expenditures that exceed monies available at the departmental budget level excluding personnel and capital expenditures. Capital expenditures are approved by the City Council on a per project basis normally during the annual budget process. Personnel allocations may not be changed without the approval of City Manager.

Amendments to the Budget

In accordance with the City Charter, under Article 8.03 (Transfer of Appropriations) provides, with approval of the City Council, the City Manager may transfer any unencumbered appropriated balance within any office, department, or agency at any time. At the request of the City Manager, and within the last three months of the fiscal year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from an office, department or agency, to another.

Central Control

Unspent funds in salary and capital allocation object codes may not be spent for any purpose other than their specifically intended purpose without prior authorization of City Manager.

City's Manager Authority to Amend the Budget

The City Manager is authorized to transfer budgeted amounts within and among departments; however any revisions that alter the total expenditures/expenses must be approved by the City Council.

Purchasing

All purchases shall be made in accordance with the Purchasing Policies approved by the City Council.

Prompt Payment

All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt, in accordance with the provisions of state law. Proper procedures shall be established that enables the City to take advantage of all purchase discounts, except in the instance where payments can be reasonably and legally delayed in order to maximize the City's investable cash.

Long-Term Debt Policy

Revenue Bond Sinking Account

It shall be the policy of the City to always be in strict compliance with the requirements of the ordinance that created the Revenue Bond Sinking Account. Monthly payments are to be made to this account each year in accordance with the bond ordinance. The balance in the account must be adequate to cover semi-annual payments as they become due.

General Obligation Bond Debt Service Account

It shall be the policy of the City to always be in strict compliance with the requirements of the ordinance that created the General Obligation Bond Interest and Sinking Fund Account. Taxes, as applicable shall be distributed to this account monthly as received. Utility Revenues transferred to the Interest and Sinking fund Account shall occur, as needed prior to the semi-annual payment dates. The balance in the account must be adequate to cover semi-annual payments as they become due.

Capital Improvement Plan

The City will develop a multi-year plan to present to Council each year for approval. The City will provide a list of proposed capital improvements, funding recommendations, and prospective timing of projects. CIP projects shall be for infrastructure over \$100,000 and facilities over \$50,000. Any maintenance and operational cost shall be disclosed that could impact future operating budgets.

Debt Policy Guidelines

- The City will limit long-term debt to only those capital projects that cannot be financed from current revenues.
- The City will not use long-term debt to finance recurring maintenance and operating costs.
- The City will not issue long-term debt for a period longer than the estimated useful life of the capital project.
- Decisions will be made based on long term goals rather than a short- term fix.
- Debt Service Funds will be managed and invested according to all federal, state, and local laws
- Coverage Ratios of Revenue Bonds will always be in compliance with the minimum coverage ratio required by the revenue bond ordinances. It shall be the goal of the City to achieve a budgeted coverage ratio of 1.60.

Other Fund Use Information

Governmental Funds

Most government functions are financed through governmental funds. The acquisition, use, and balances of the City's expendable resources and related current liabilities are accounted for through governmental funds. Long-term liabilities and fixed assets are not accounted for through governmental funds.

Proprietary Funds

These funds listed below are used to account for the ongoing activities of the City that are similar to those found in the private sector. These funds are financed through user charges to recover costs of services provided. Proprietary funds use accrual accounting, which means revenues are recognized when they are earned by the City and expenses are recognized when they are incurred. Enterprise funds are considered proprietary funds and are used to account for operations for the City's Public Utility Fund, Light House Beach, and Port Commission.

Working Capital Position- the goal shall be to maintain a working capital position equal to 120 days of the operating budget and a policy to maintain a working capital position no less than 90 days of the operating budget. In addition, the City budgets to cover depreciation expense, therefore the City shall designate a portion of the reserve for fixed asset replacement equal to one year's depreciation of all assets.

Public Utility Fund

It shall be the general policy of the City to commit a portion of the reserve to fixed asset replacement as it budgets for revenue to cover depreciation.

The City shall establish a project fund that will be funded by unanticipated revenues or revenue surpluses. This fund shall be used to fund unanticipated projects or to retire debt early.

Beach and Port Commission Operating Fund

It will be the general policy of the City that the fees collected will be spent on maintenance of the facilities grounds, and other structures. The general fund tax dollars will not be used for this purpose.



Resolution of the City of Port Lavaca, Texas
No. R-090913-3

Amended Resolution No.R-090814-2 on September 8, 2014

Investment Policy and Strategy

I. POLICY STATEMENT

It is the policy of the City that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state statutes governing the investment of public funds.

II. SCOPE

This investment policy applies to all the financial assets and funds of the City. The City commingles its funds into one pooled investment fund for investment purposes to provide efficiency and maximum investment opportunity. These funds are defined in the City's Comprehensive Annual Financial Report (CAFR).

Any new funds created by the City shall be included unless specifically exempted by the City Council and this policy.

III. OBJECTIVES

It is the policy of the City that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety, liquidity, diversification and yield.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability/flow.

Safety

The primary objective of the City's investment activity is the preservation of capital. Each investment transaction shall be conducted in a manner to avoid capital losses, whether from security defaults, safekeeping, or erosion of market value.

Liquidity

The City's investment portfolio shall be structured to meet all cash flow obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow liabilities and maintain additional liquidity for unexpected liabilities.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the Investment Officer will develop and use a cash flow forecasting process as needed to monitor and forecast cash positions for investment purposes.

Diversification

The City's portfolio shall be diversified by market sector and maturity in order to avoid market risk.

Yield

The benchmark of the City's portfolio shall be the 3 month or 6 month U.S. Treasury, designated for its comparability to the City's expected average cash flow pattern. The benchmark will serve as a risk measurement of the portfolio.

IV. STRATEGY

The City maintains one commingled portfolio for investment purposes which incorporates the specific investment strategy considerations and the unique characteristics of the fund groups represented in this portfolio. The investment strategy has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The City shall pursue a conservative portfolio management strategy. This may be accomplished by creating a ladder maturity structure with some extension for yield advancement. **The maximum weighted average maturity (WAM) of the portfolio shall not exceed 1 year.**

V. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act"). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public funds deposits. All investments will be made in accordance with these statutes.

VI. INVESTMENT COMMITTEE

An Investment Committee, consisting of the City Manager, Finance Director, and at least one Council Member shall meet at least quarterly to determine operational strategies and to monitor results. The Investment Committee shall discuss things such as economic outlook, portfolio diversification, maturity structure, and any potential risk of the City's funds. In addition, this committee shall review investment purchases that occurred since the last investment committee meeting and approve new brokers.

VII. DELEGATION OF INVESTMENT AUTHORITY

The Finance Director, Scotty Jones, acting on behalf of the City, is designated as the Investment Officer of the City and is responsible for investment management decisions and activities. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officer shall attend at least one training session relating to the Officer's responsibility under this act within 12 months after assuming duties and thereafter, a training session should be attended not less than once every two years with at least 10 hours of instruction from an independent source. The Investment Officer shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer is not available. No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established.

Limitation of Personal Liability

The investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

VIII. PRUDENCE

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 judgment 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."

IX. INTERNAL CONTROLS

The Investment Officer shall establish and maintain an internal control structure which will be reviewed annually with the independent auditor of the City. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the City. The internal controls shall address the following points at a minimum:

- Control of collusion,
- Separation of transaction authority from accounting and record keeping,
- Custodial safekeeping,
- Clear delegation of authority,
- Documentation of all transactions,

Monitoring Credit Ratings

The Investment Officer will monitor, on at least a monthly basis, the credit rating on all authorized investments in the portfolio that require a credit ratings based upon independent information from a nationally recognized credit agency. If any security falls below the minimum rating required by this Policy; the Investment Officer will immediately advise the Investment Committee of the loss of rating and the possible loss of principal. The Investment Committee and Investment Officer will decide on the prudent liquidation of the security.

X. AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below and as further defined and described by the Public Funds Investment Act. If changes are made to the Act, they are not authorized until this Policy is modified and adopted by City Council.

- A. Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, not to exceed five years to stated maturity, including collateralized mortgage obligations (CMOs); CMO's cannot be either an Interest-Only or Principal-Only CMO nor can it be an inverse floater.
- B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas, with a maximum maturity of 18 months, collateralized with 102% coverage with:
 - In accordance with 2256.010 of the Act, certificates of deposit may be purchased from a Texas depository institution through a nationally coordinated program in which (a) the depository arranges for deposits in one or more federally insured depositories allowing for full FDIC coverage and (b) the depository receives comparable deposits from other linked depositories.
 - Collateral agreements must be in writing and require a bank resolution of approval.
- C. FDIC insured *brokered certificates of deposit securities* from a bank in any US State, delivery versus payment to the safekeeping agent, not to exceed two years to maturity. Before purchase, the Investment Officer must verify FDIC status of the bank on www.fdic.gov to assure that the bank is FDIC insured.
- D. Commercial paper rated A-1/P-1 or the equivalent by at least two nationally recognized rating agencies not to exceed 90 days to stated maturity.
- E. AAA-rated money market mutual funds as defined by the Public Funds Investment Act.
- F. Obligations of the States, agencies thereof, Counties, Cities, and other political subdivisions of any state, with a maximum maturity not to exceed five years, and having been rated as investment quality by a nationally recognized investment rating firm of not less than "A" or its equivalent.
- G. AAA-rated, constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act - must be approved by City Council.

APPENDIX

No additional security will be eligible for investment by the City until this policy has been amended and the amended version approved by the City Council. *Exceptions* to investment maturities may be approved by council in order to meet debt service requirements.

Competitive Bidding Requirement

Generally, the City will seek competitive offerings for all securities, including certificates of deposit before it invests to verify that the City is receiving fair market value/price for the investment with the *exception* of new issues that are still in syndicate.

The City recognizes that a competitive offering process is not always necessary or is not always in the best interest of the City. On these occasions, the Investment Officer is authorized to purchase a security without seeking competitive offerings. Examples of these occasions are:

- A. Market conditions are changing rapidly.
- B. The security is a “new issue” that is still in the primary market.
- C. A specific type of security, maturity date, or rate of return is sought that may not be immediately available.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by the City, shall be conducted on a delivery versus payment (DVP) basis. Funds shall not be released until receipt of the security by the City’s approved custodian.

Diversification

The City recognizes that investment risks can result from issuer defaults, and market price changes. Risk is controlled through portfolio diversification. The maximum limits for diversification will be:

Security Type	Max % of Portfolio
US Obligations	not to exceed 80%
US Agencies/Instrumentalities	not to exceed 80%
-MB Securities	not to exceed 50%
Certificates of Deposits*	not to exceed 40%
Brokered CD*	not to exceed 20%
Commercial Paper	not to exceed 25%
Bank Accounts	not to exceed 60%
Money Market Funds*	100%
Local Government Investment Pools	100%

*Limit per bank up to \$250,000 without collateralization agreement.

XL. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**Depository**

The City will designate one banking institution through a competitive process as its central banking services provider at least every five years in accordance with the Texas Government Code 105. Other banking institutions from which the City may purchase certificates of deposit will also be designated after they provide their latest audited financial statements to the City. All depositories will execute a depository agreement and have the Bank's Board or Bank Loan Committee pass a resolution approving the agreement if collateral is required.

Security Broker/Dealers

The Investment Committee will review the list of authorized broker/dealers annually. The Investment Officer will obtain and maintain information on each broker/dealer.

Securities broker/dealers not affiliated with a bank, who desire to transact business with the City must supply the following documents to be maintained by the Finance Department:

- audited financial statement for the most recent period,
- proof of certification by the National Association of Securities Dealers (NASD),
- proof of current registration with the State Securities Commission

Every broker/dealer and bank with which the City transacts business will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the City's investment program. A representative of the firm will be required to return a signed certification stating the Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to the City.

XII. SAFEKEEPING AND COLLATERALIZATION

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by either the City, an independent third party financial institution, or the City's designated depository.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The third party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the City.

All securities pledged to the City for time or demand deposits shall be held by an independent third party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank where the securities are pledged. The bank is responsible for monitoring collateral.

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Collateralization

Collateralization shall be required on certificates of deposits over the FDIC insurance coverage of \$250,000. In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% of the market value of the principal and accrued interest. Collateral will be held by an independent third party safekeeping agent.

XIII. PERFORMANCE EVALUATION AND REPORTING

The Investment Officer shall submit quarterly reports to the City Council containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program and to be consistent with statutory requirements. The Investment officer will report to the Investment Committee a report that will include the following at a minimum:

- A full description of all securities held at the end of the reporting period,
- Overall change in market value for each security and the change during the period as a measure of volatility (obtained by an independent source),
- Weighted average maturity (WAM) of the portfolio,
- Total earnings for the period,
- Compare market value of pledged securities to the ending balance of the City's portfolio,
- Analysis of the total portfolio by maturity, by book value, and
- Statement of the compliance of the investment portfolio with the Act and the Investment Policy and Strategy of the City.

XIV. INVESTMENT POLICY AMENDMENTS

The Director of Finance and the Investment Committee shall review the Investment Policy and Strategy on an annual basis. Future recommended changes will be approved by the City Council amending the current Investment Policy and Strategy resolution on record.



Capital Asset Policy

Purpose and Objectives

The purpose of the Capital Asset Policy is to establish guidelines to ensure that accurate records of assets owned, purchased, replaced, sold and/or traded-in are maintained. The objectives are:

- To manage and maintain the capital asset portfolio of the City which includes land, buildings, building improvements, machinery, furniture, equipment, vehicles, works of art and historical treasures, infrastructure, and construction in progress.
- To determine the appropriate depreciation method to use in accordance with Generally Accepted Accounting Principles (GAAP).
- To provide the City with accurate record keeping for inventory and financial reporting purposes.

Responsibility and Authority

The Director of Finance shall be responsible for ensuring the principles and policies set in the Capitalization Policies and Guidelines are consistently applied and carried out in the conformity with Generally Accepted Accounting Principles (GAAP) for Governments. As such the Director of Finance shall assure that this policy is carried out in conformity with the financial policies, goals and strategies set forth by the City Manager, the Mayor, and the City Council.

Overview

Costs to obtain tangible assets with lives with greater than one year are called capital expenditures, and such expenditures are commonly said to be capitalized. Expenditures treated as expense of the current period are called operating expenses. There are several factors involved in determining whether expenditure is to be classified as a capital expenditure or as an operating expense. Following is a synopsis of guidelines used to determine whether or not an item is to be capitalized.

Criteria for Capitalization

For the purpose of this policy, a "capital asset" must be capitalized if they meet the following criteria:

- The expected useful life is longer than one year.
- The asset has at least a unit cost of \$5,000.00 or more.
- Expenditures that materially add to the value or prolong the life of existing equipment will be considered capital assets and will be appropriately capitalized.

APPENDIX

- The item belongs to one of the general classes of assets as defined by general accounting terms.
- Land (all land capitalized regardless of cost)
- Buildings and Building Improvements
- Equipment
- Improvements other than Buildings
- Infrastructure assets

Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems.

A capitalization threshold is the cost established by the Director of Finance that must be met or exceeded if an asset is to be recorded and depreciated as a capital asset. The capitalization threshold is based on the cost of a single asset. Assets that do not meet the capitalization threshold will be recorded as expenditures or expenses. **For the purposes of property control (insurance, security, etc.), the Director of Finance and/or department heads may develop and maintain the appropriate record keeping system(s) to account for assets which do not meet the capitalization threshold.** Some circumstances, assets with a unit cost less than \$5,000 may be capitalized if they are part of a large project or renovation or if the improvement added to the value or prolonged the life of the asset. This determination will be made by the Finance and Accounting Department at the time of the initial request for purchase of the asset.

Useful Lives and Thresholds of Capital Assets

Class	Asset	Capitalization Life (Yrs)	Threshold (\$)
Land	Land and Site Improvements	Inexhaustible	Any Value
Buildings	Buildings	50	50,000
Buildings	Building Improvements	10-50	10,000
Equipment	Accounting Systems	5-10	5,000
Equipment	Construction Machinery	10	5,000
Equipment	Misc. Equipment	5-10	5,000
Equipment	Fire Fighter Apparatus	10	5,000

Equipment	Computer Hardware and Software	5	5,000
Improvements	Fences, Trails, etc.	20	20,000
Improvements	Docks	10	20,000
Improvements	Dredging	10	50,000
Improvements	Parks and Playgrounds	20	50,000
Improvements	Swimming Pools	20	50,000
Infrastructure	Bridges & Tunnels	50	100,000
Infrastructure	Curbs & Sidewalks	50	50,000
Infrastructure	Drainage	50	100,000
Infrastructure	Parking Lots	25	20,000
Infrastructure	Lift Stations	15	20,000
Infrastructure	Sewer	50	100,000
Infrastructure	Streets (Primary)	50	100,000
Infrastructure	Streets (Secondary)	40	100,000
Infrastructure	Traffic Signals and Signs	25	50,000

Accounting for Capital Assets

City owned land, buildings, and infrastructure will be segregated from furniture and equipment in separate accounts. The City will follow the new GASB 34 guidelines as it maintains Capital Asset Records of the City. Proper insurance coverage must be maintained by the City for all premises, furniture, and equipment. Coverage amounts will be reviewed yearly by a designated officer of the City and presented to the City Council for approval.

It is the responsibility of the Finance and Accounting Department to record the costs of capitalized assets acquired and to maintain accurate inventory and depreciation records. Capital assets that meet the minimum capitalization threshold will be recorded at historical cost and depreciated on a straight-line method for financial statement purposes. Entries to record depreciation on new purchases will be calculated and posted at fiscal year-end. Donated capital assets will be recorded at their estimated fair value at the time of acquisition, including any ancillary charges. Property will be recorded at historical cost unless there has been a permanent loss of value that should be reflected in the capital asset accounts. The value will usually include costs related to acquisition including freight, delivery, training, and installation.

Construction in Progress (CIP)

Should time required to complete a project extend past the close of any accounting period, it will be placed in (CIP) and not capitalized until project is complete.

Capital Leases

All policies and procedures mentioned above also apply to capitalized leases. All lease purchases and/or agreements must be in compliance with all applicable laws and regulations. Any operating leases which will not be capitalized will be approved by the Mayor. All copies of lease agreements should be maintained by the City Secretary and Director of Finance. Capital leases will be recorded on the books and will be accounted for in accordance with Generally Accepted Accounting Principles as it applies to municipalities.

Fixed Asset Components

An **addition** is a new and separate asset or an extension of an existing asset. All assets will be added according to the thresholds established at the time of acquisition. **Improvements** are added based on the thresholds established as long as it seems reasonable that the improvement adds value to the existing asset. Infrastructure improvements will be added after consultation from our City Engineer to obtain the value that was added taking into consideration of any disposals that may have occurred during the construction.



**Resolution of the City of Port Lavaca, Texas
No. R-071414-1**

**A RESOLUTION ADOPTING A FIVE YEAR CAPITAL IMPROVEMENT
PROGRAM (CIP) IN COMPLIANCE WITH THE CITY CHARTER**

WHEREAS the City Charter requires the City Manager to submit a plan for capital improvement covering the succeeding five years and proposed method of financing to the City Council prior to the beginning of each budget year; and,

WHEREAS the City Manager submitted a Five Year Capital Program to the City Council on June 24, 2014 in compliance with the City Charter and,

WHEREAS the City Council has reviewed the Five Year Capital Program, found it to be in compliance with all City Charter and believes its approval by resolution is in the best interest of Port Lavaca residents.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT the Five Year Capital Program (October 1, 2014 – September 30, 2019), a copy of which is attached hereto and incorporated in the Fiscal Year Budget 2014-2015, is hereby adopted in compliance with the City Charter.

PASSED and APPROVED this 14th day of July 2014.

Compensation and Staffing Plan

The current compensation system and policy went into effect October 1, 2005 after adoption by the City Council. The policy includes schedules that need to be updated by the Council annually to keep the policy current. This document will describe the changes that are being recommended.

Goals

- Provide a competitive benefit package
- Evaluate staffing levels to meet service needs
- Assist in staff developmental training
- Set guidelines for performance evaluations

2014-2015 Business Plans (Objectives)

- Implement compensation plan
- Provide training to City Supervisors on performance evaluations
- Implement new hire fitness requirements
- Begin a standard employee recognition program

2013-2014 Accomplishments of Prior Year Business Plans

- Revised job descriptions
- Finalized compensation plan update
- Revised Safety Program

Maximum Merit Increase (City Council Annual Approval)

City Council approved a budgeted merit increase of 2.5% this year. The actual amount of the individual merit increase will be based on how each employee scores on a performance evaluation on the latter of anniversary date or promotion.

Pay Grades and Salary Guidelines FY 2014-2015 (City Manager Approval)

This schedule established the minimum, midpoint and maximum for each job class. Each job class is assigned a salary range based on a compensation study. Every two (2) years the Human Resource staff surveys cities in close proximity to make sure the City is maintaining a competitive salary and adjusts salary ranges if necessary. Every fourth (4th) year the City contracts with a third party to review and recommend changes to the City's job descriptions and salaries. There is no expectation or guarantee that an employee will be at a certain point in the range after a certain number of years. The only guarantees are that (1) each person will make at least the minimum for his/her assigned pay range and (2) that each person will not be paid a higher salary than the maximum for that range.

The starting salary for a new hire will be at least the minimum of the pay range for the job. Department Heads have the authority to increase the starting pay up to 5% above the minimum if the applicant exceeds the minimum qualifications for the job. If the Department Head would like to request an amount

above the 5%, this request must be submitted in writing to Human Resources stipulating reasons for the request. The request will be forwarded to the City Manager with a recommendation from Human Resources. This request must be made prior to the job offer.

Approved Positions for FY 2014-2015 (City Council Annual Approval)

The City Council approves the number of part-time and full-time positions annually. The purpose of this schedule is to designate how many positions are authorized. The information about each department is included in the Staffing Levels Table. **Staffing levels increased by .5 (Added 1 to WWTP and reduced .5 in Port Commission. The part-time staff position in Port Commission was replaced with a full-time temporary position.**

Approved by Council for 2014-2015 Budget:

- Amount of Merit Increase Allocated- \$90,000 (2.5%)
- Number of Positions (96)

Occupational Department	Description	No. Of Positions FY 2012-2013	No. Of Positions FY 2013-2014	No. Of Positions FY 2014-2015
City Manager		2	2	2
City Secretary		1	1	1
Human Resources		1	1	1
Municipal Court		3	3	3
Economic Development		0	1	1
Finance		3	3	3
Police		26	26	26
Fire		17	17	17
Animal Control		2	2	2
Code Enforcement		3	3	3
Streets	5 are Temporary	15	15	15
Parks & Recreation	1 is Temporary	6	6	6
Bauer Center		2	2	2
Utility Billing		5	5	5
Utility Maintenance		10	10	10
Waste Water (WWTP)		4	4	4
Port Commission	1 is Temporary	1.5	1.5	2
Total Positions		101.5	102.5	103
	Full Time/Part Time	94.5	95.5	96
	Temporary	7	7	7

APPENDIX

Long-Term Financial Planning OVERVIEW

The City must take into consideration many different facets when trying to plan for the future. The City's first step was with the adoption of a Strategic Plan in 2006. Next, the City implemented a Five Year Capital Plan. This was an effort to look at the "big ticket" items and determine what funding sources would be needed for all the planned projects for the next five years. Revenue assumptions were then developed. The City's Strategic Plan was again updated in 2012 along with the Council's associated goal statements. These statements have provided staff with a future picture of desired outcomes that the staff can continually aim towards. This enabled departmental business plans to be linked to the "big picture."

The City maintains a strong reserve (savings) to be prepared for economic downturns and for natural disasters. The City has refinanced many bond issues to take advantage of opportunities in the market place. This strategy has resulted in some significant savings that will help during any future economic downturns. The City has been able to maintain service levels, provide employee salary increases, and continue with large capital projects without dipping below our policy reserve requirements. The City has been in a slow growth pattern for many years which positions the City to carefully plan for the future. The City is now ready to "braid" all this information into one Comprehensive Plan—Vision Port Lavaca! The graph below depicts the General Fund's 5 year forecast.

General Fund Financial Forecast								
	Actual 2012-2013	Estimated 2013-2014	Adopted 2014-2015	Proposed 2015-2016	Proposed 2016-2017	Proposed 2017-2018	Proposed 2018-2019	Proposed 2019-2020
Beginning Fund Balance	5,136,911	5,898,647	5,094,456	5,106,736	4,627,130	4,800,729	4,957,626	4,837,918
Revenue	7,578,364	8,098,273	8,300,000	8,590,500	8,891,168	9,202,358	9,570,453	9,953,271
Other Financing Sources	43,185							
Total Revenues	7,621,549	8,098,273	8,300,000	8,590,500	8,891,168	9,202,358	9,570,453	9,953,271
Total Available Resources	12,758,460	13,996,920	13,394,456	13,697,236	13,518,298	14,003,088	14,528,079	14,791,189
Expenditures	6,859,813	7,279,567	7,050,000	7,191,000	7,334,820	7,481,516	7,631,147	7,783,770
One -Time Expenditures	-	-	1,250,000	400,000	1,950,000	400,000	200,000	200,000
Total Expenditures	6,859,813	7,279,567	8,300,000	7,591,000	9,284,820	7,881,516	7,831,147	7,983,770
Net Income (Loss)	761,736	818,706	-	999,500	(393,653)	1,320,842	1,739,306	1,969,501
Ending Fund Balance	5,898,647	5,094,456	5,106,736	4,627,130	4,800,729	4,957,626	4,837,918	4,961,702
Target Days of Reserve	120	120	120	120	120	120	120	120
Targeted Ending Balance	2,255,281	2,393,282	2,728,767	2,495,671	3,052,544	2,591,183	2,574,624	2,624,801
Assumptions:								
Revenue								
Property Tax Growth			2.42%	2.50%	2.50%	2.50%	2.50%	2.50%
Tax Rate	0.7568	0.7900	0.7900	0.7900	0.7900	0.7900	0.7900	0.7900
Sales Tax Growth	3.50%	4.00%	0.00%	3.50%	3.50%	3.50%	4.00%	4.00%
Fund Balance Target	120 Days	120 Days	120 Days	120 Days	120 Days	120 Days	120 Days	120 Days
Expenditures								
Salaries			2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Medical Insurance (Self-Funded)			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Fuel			1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Utilities (Long-term contracts)			0.00%	0.00%	0.00%	2.00%	0.00%	0.00%

COMPONENTS OF LONG TERM PLANNING

Vision, Mission, and Strategic Plan

Information on the City's Strategic Plan can be found in the "City Profile" section of this document.

Demographic and Economic Profile

Population

Port Lavaca has experienced relatively slow growth over the last decade, with less than 400 people moving into the community. This may begin to change with the proximity to Victoria and the Eagle Ford Shale deposit and the resulting growth in traffic through area ports and the Gulf IntraCoastal Waterway.

Table 1 Population Growth

	2000	2010	2014 (estimate)
Port Lavaca	12,003	12,248	12,369
Calhoun County	20,647	21,381	21,609

Source: US Census, ESRI Business Analyst

Developing population projections can be a challenge because so many external factors influence what may happen. As mentioned, growth in the Eagle Ford Shale may lead to increased growth in Port Lavaca due to new jobs and additional traffic through the Port. It will be critical to monitor population changes to ensure the City is able to manage growth with adequate infrastructure and services. As the table below indicates, different sources have very different expectations for growth. The Texas Water Development Board tends to have higher projections than other sources, so it is likely that Port Lavaca will not experience as rapid of growth as indicated.

Port Lavaca's population has more or less grown in line with the population of Calhoun County as a whole, so it is likely that the City can continue to see slow, but steady growth as Calhoun County continues to grow.

Table 2 Population Projection

	2014 (estimate)	2020 Texas State Data Center	2020 Texas Water Development Board	2030 Texas State Data Center	2030 Texas Water Development Board
Port Lavaca	12,389	NA	14,325	NA	15,513
Calhoun County	21,609	24,037	26,610	26,866	29,964

Source: Texas Water Development Board www.twdb.state.tx.us and Texas State Data Center www.txsdcenter.utsa.edu

APPENDIX

Ethnicity

Port Lavaca has a significantly higher Hispanic population than the rest of Texas (57% vs 38%). The Hispanic population is expected to continue growing rapidly, so it can be expected that Port Lavaca will see the Hispanic population continue to increase over time. In Census data, Hispanic is considered an Ethnicity, not a race. This means the numbers below will not add up to 100% as individuals can identify as White and Hispanic, etc.

Table 3 2012 Race and Ethnicity

	Count	Percent
White Alone	9,512	76.9%
Black Alone	511	4.1%
American Indian	75	0.6%
Asian	635	5.1%
Pacific Islander	6	0.0%
Other	1,350	10.9%
2 or more Races	280	2.3%
Hispanic (any race)	7,037	56.9%

Source: US Census, ESRI Business Analyst

Age

Port Lavaca is fortunate to have nearly half of its population of prime employment age, and a fairly young median age. This indicates that there are likely many available employees for any future employment opportunities. The challenge will be to match potential jobs with education and training for the workforce. Given the slow expected growth, an aging population can be expected, with the need for increased services for that population.

Table 4 Age

	Count	Percent
0 – 4	960	7.8%
5 – 9	944	7.6%
10 – 14	953	7.7%
15 – 19	988	8.0%
20 – 24	793	6.4%
25 – 34	1,525	12.3%
35 – 44	1,503	12.2%
44 – 54	1,658	13.4%
55 – 64	1,343	10.9%
65 – 74	928	7.5%
75 – 84	598	4.8%
85+	174	1.4%
Median Age	35.1	

Source: ESRI Business Analyst

Income and Employment

Port Lavaca lags the State in median income (\$39,415 vs. \$47,622). While Calhoun County has a significant percentage of employees in manufacturing jobs (see Table 6) these may be lower skilled jobs with a lower wage. In addition, within the City of Port Lavaca, there is a preponderance of retail and service jobs, which tend to have a lower salary. Data for actual employment numbers in each

sector is only available at the County level from the Bureau of Labor Statistics. One surprising indicator is that the BLS indicates only 8,600 jobs in the County. This means that many residents have to leave the County to find employment. This creates an opportunity for economic development as many of these workers may choose to take a job closer to home if it were available. This becomes a resource when recruiting prospective businesses.

Table 5 Income by Household

	Count	Percent
< \$15,000	1,000	23.5%
\$15,000 - \$24,999	459	10.8%
\$25,000 - \$34,999	488	11.5%
\$35,000 - \$49,999	498	11.7%
\$50,000 - \$74,999	780	18.3%
\$75,000 - \$99,999	402	9.5%
\$100,000 - \$149,999	403	9.5%
\$150,000 - \$199,000	190	4.5%
\$200,000+	33	0.8%
Median Household Income	\$39,415	

Source: ESRI Business Analyst

Table 6 Employment by Sector for Calhoun County

	Count	Percent
Total, All Industries	8,605	100%
Natural Resources & Mining	168	1.95%
Construction	1,790	20.8%
Manufacturing	3,225	37.48%
Trade, Transportation and Utilities	1,051	12.21%
Information	41	0.48%
Financial Activities	288	3.35%
Professional and Business Services	771	8.96%
Education and Health Services	410	4.76%
Leisure and Hospitality	701	8.15%
Other Services	160	1.86%
Unclassified	2	0.02%

Source: Bureau of Labor Statistics www.bls.gov

Table 7 has employment information for Port Lavaca, including number of businesses and employees by NAICS code. NAICS code is the standard identifier for business type. It shows that the City has a very high percentage of workers in service and retail jobs. Again, while an opportunity for economic development as many of these employees may desire a higher wage job, it also indicates that workforce development may be an issue to provide these workers with the skills necessary for higher wage employment.

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Table7 Employment by NAICS code for Port Lavaca

	Businesses	Employees	Employee %
Total, All Industries	588	4,123	100%
Ag, Forestry, Fishing	10	14	0.3%
Mining	3	9	0.2%
Utilities	1	4	0.1%
Construction	33	580	14.1%
Manufacturing	15	304	7.4%
Wholesale Trade	18	102	2.5%
Retail Trade	91	670	16.3%
Transportation & Warehousing	15	106	2.6%
Information	7	39	0.9%
Finance & Insurance	23	135	3.3%
Real Estate	25	74	1.8%
Professional Services	46	145	3.5%
Administrative and Waste Services	92	180	4.4%
Education	12	449	10.9%
Arts, Entertainment, & Recreation	9	27	0.7%
Accommodation & Food Services	46	162	3.9%
Other Services	79	244	5.9%
Public Administration	23	574	13.9%

Source: Bureau of Labor Statistics www.bls.gov

Calhoun County is fortunate to have a diversity of major employers, providing a range of job opportunities with various skill sets and workforce needs. The largest employers within the County include:

- Formosa Plastics
- Inteplast Group
- Calhoun County ISD
- Alcoa
- Dow Chemical
- Orion Marine Group
- Calhoun County
- Memorial Medical Center
- Seadrift Coke
- INEOS Nitriles
- HEB Grocery

Housing

Housing has been a huge challenge, especially with slow growth. Developers are often hesitant to invest due to a limited demand, leaving potential residents with limited options for housing. This can be a disadvantage when attempting to recruit new businesses, as employers may be unwilling to relocate if they are concerned employees will be unable to secure appropriate housing.

Table 8 2010 Housing Occupancy

	Count	Percent
Total	4,860	100%
Occupied	4,224	86.9%
Owner	2,609	53.7%
Renter	1,615	33.2%
Vacant	636	13.1%

Source: 2010 US Census

Port Lavaca has a significantly higher percentage of for rent homes than is typical in most communities. This may indicate a transient community, which can create a challenge in getting citizen engagement and participation in the community. It is also an indication of a weak housing market, as residents are unable to sell their homes, so rent them instead. As indicated in Table 9, there are a significant number of unoccupied homes that are not for sale, rent or for seasonal use. This can create yet another challenge if these homes are not maintained. They can become not just a public health and safety issue, but also negatively impact values on surrounding properties. The City will have to develop a strategy to address this challenge.

Table 9 2010 Vacancy Status

	Count	Percent
Total	636	100%
For Rent	283	44.5%
For Rent – Not Occupied	3	0.5%
For Sale Only	56	8.8%
Sold – Not Occupied	10	1.6%
Seasonal Use	42	6.6%
Migrant Workers	8	1.3%
Other Vacant	234	36.8%

Source: 2010 US Census

The median home price in Port Lavaca is \$98,372, which puts a median priced home barely in reach for a family making the median income. This is another factor in the high percentage of renters in the community. Residents are unable to save enough money for a down payment, and would struggle to pay the mortgage, taxes, and upkeep on a home.

APPENDIX

Table10 2012 Housing Values for Owner Occupied Units

	Count	Percent
Total	2,704	100%
<\$50,000	312	11.5%
\$50,000 - \$99,999	1,075	39.8%
\$100,000 - \$149,999	659	24.4%
\$150,000 - \$199,999	351	13.0%
\$200,000 - \$249,999	168	6.2%
\$250,000 – \$299,999	79	2.9%
\$300,000 - \$399,999	42	1.6%
\$400,000 - \$499,999	16	0.6%
\$500,000 - \$749,999	2	0.1%
➤ \$750,000	0	0
Median Value	\$98,372	

Source: ESRI Business Analyst

Education

Lack of education is a challenge for Port Lavaca. Less than 20% of the population has a college degree, which can be a limiting factor in attracting new business. Port Lavaca is fortunate that Victoria College has a location in the City. This provides residents with access to higher education if they desire.

Table 11 Educational Attainment 25 years+

	Count
Total Pop 25+	7,287
Less than 9th grade	841
Some HS, no diploma	1,048
HS Degree	2,288
Some College	1,700
Associates Degree	341
Bachelors Degree	776
Graduate degree	293

Source: US Census American Community Survey

In 2011, Calhoun County ISD was rated Recognized, which is the second highest rating by the Texas Education Agency. This is strength for the community, as many potential residents will make their residency decision based on the school rankings. Enrollment for 2011 was 4,229. A strong school system can be the foundation for future economic growth as a quality workforce is developed over time.

Victoria College has a campus in Port Lavaca that provides a wide range of vocational and technical training. This includes welding, pipefitting, and electrical training. There is also a program for medical training that will provide training for Medical Assisting, Nurse Aide, and Phlebotomy. The ISD also

partners with Victoria College to offer college credit courses for students. The main campus is 30 miles away in Victoria and offers a full range of higher education opportunities.

Taxes

The majority of funding for local governments comes from property taxes and sales tax. Property taxes are collected by a number of entities, with the City, County, and School District being the primary drivers. In addition, there are a number of special districts that collect taxes in all or part of the County. These districts provide specific services and collect taxes to be used within that district's boundaries on approved projects. Table 12 provides an overview of the taxing districts and the basic rate. Specific information on exemptions, etc. can be found at the County Appraisal website.

Table 12 Property Tax Rates and Entities 2014

	Rate / \$100
Calhoun County	0.4900
City of Seadrift	0.4966
City of Point Comfort	0.6370
Port Lavaca	0.7900
Calhoun County ISD	1.2769
Calhoun Port Authority	0.0030
WCID #1	0.0571
LaSalle WCID #1A	0.5700
Drainage District #6	0.0285
Drainage District #8	0.2996
Drainage District #10	0.1822
Drainage District #11	0.1740
Port O'Connor Improvement District	0.3700
Port O'Connor MUD Defined Area #1	0.6300

Source: Calhoun County CAD

APPENDIX

The Sales Tax in Port Lavaca is the State maximum of 8.25 percent. Of this, 6.25 percent goes to the State of Texas, while the remaining is divided between the City and County. Calhoun County collects 0.5 cent, leaving 1.5 cents for the City. The City has seen steady growth in sales receipts since the economic downturn in 2008 and receipts have finally regained the level they were in 2008. These figures are shown by calendar year, rather than fiscal year, so they may be different than City records.

Table 13 Gross Retail Sales

	Gross Sales	Amount Subject to Sales Tax	Local Tax Collections	Outlets
2008	\$317,343,030	\$122,226,521	\$2,463,616	457
2009	\$276,253,883	\$107,500,475	\$2,138,861	457
2010	\$303,916,649	\$113,337,193	\$2,295,270	483
2011	\$305,859,653	\$116,507,162	\$2,338,272	511
2012	\$314,659,048	\$124,221,415	\$2,361,925	500
2013	\$1,445,423,471	\$131,090,887	\$2,437,272	476

Source: Texas Comptroller Office

In 2011, the City hired Catalyst Commercial to develop a detailed Marketing Profile of the community. This report has extensive details on the existing retail environment in Port Lavaca. Rather than recreating the wheel in this report, it is recommended the City review this report for details on the retail marketplace.

Hotel and Motel Taxes

Hotels, motels, and bed and breakfast establishments are levied a Hotel / Motel tax. This tax is intended to be used on projects that will put 'heads in beds', which means projects need to promote tourism in the community. This can include marketing, festivals and events, and similar projects. In the fourth quarter of 2013, ending September 30, the City had 11 hotel properties and collected \$372,677 in hotel sales tax. This is an increase over the receipts from the same timeframe in 2012 which was \$331,724. This, combined with growth in retail receipts, show that Port Lavaca is seeing solid economic growth. It will be important to focus on diversifying the economy and adding higher wage, primary employment to supplement the growth in the retail and service economy.

Conclusion

Port Lavaca is a community with the opportunity to create its own future. It has a prime location to take advantage of growth in the Eagle Ford Shale, and its resulting barge and freight traffic to the Gulf. It has a strong quality of life with many recreational and cultural amenities. It has seen continued economic growth with increased sales and hotel tax receipts over time. The challenge we face for Port Lavaca is to develop a strong, well trained workforce that can serve as the basis for economic growth. Rather than being a bedroom community for Victoria, Port Lavaca should focus its attention on supporting existing businesses and building a strong workforce to attract new primary employers to serve the community.

Glossary of Terms

Accrual Basis – The basis of accounting where transactions are recognized when they occur, regardless of the timing of related cash flows.

Appropriation – An authorization made by the legislative body to make expenditures and incur obligations for the City.

Assessed Value – A value that is established on real estate or other property as a basis for levying property taxes.

Asset – Resources owned or held which have monetary value that can be used to cover or be applied to cover liabilities.

Audit – A comprehensive review of an organizations financial accounts and records and the utilization of resources. An annual audit is conducted by a certified public accountant who concludes the audit with a Comprehensive Annual Financial Report also referred to as a CAFR.

Balanced Budget – Annual financial plan in which expenses do not exceed revenues and carry-over fund balance.

Basis of Accounting – The method of accounting used to recognize revenues, expenses, expenditures and transfers, and the related assets and liabilities.

Bond – A written promise to pay a specified sum of money (principal) at a specified date or dates in the future (maturity date), and carrying interest at a specified rate, usually paid periodically. The most common types of bonds are general obligation and revenue bonds. Bonds are frequently used for construction of large capital projects such as buildings, streets, and water and sewer improvements.

Budget – A financial plan for a specified period of time of projected resources and proposed expenditures.

Budget Year – From October 1st through September 30th, is the same as the fiscal year.

CAFR – Comprehensive Annual Financial Report.

Capital Program – A five year plan that outlines the capital projects and includes information regarding funding, project description and scheduling.

Cash Basis – A basis of accounting under which transactions are recorded when cash is received or disbursed.

APPENDIX

Certificate of Obligation (CO's) – Legal debt instruments used to finance capital improvement projects. CO's are backed by the credit of the government entity and are fully payable from a property tax levy. CO's differ from general obligation debt in that they are approved by the City Council and are not voter approved.

Contingency – An appropriation reserve set aside for emergencies or unforeseen expenditures not budgeted.

Current Taxes – Taxes that are levied and due within the current year.

Debt Service Fund – A fund established to account for payment of principal and interest on outstanding bonds when due.

Delinquent Taxes – Property taxes that remain unpaid on and after the due date. Delinquent taxes also incur penalties and interest at specified rates set by law.

Department – A functional group aimed at accomplishing a major service or program using related activities.

Depreciation – The allocation of the cost of a fixed asset over the estimated service life of that asset.

Division - A division is a separately budgeted segment of the department.

Effectiveness – A program performance indicator that measures the quality of the program outputs.

Effective Tax Rate – The rate that produced the same effect in terms of the total amount of taxes last year using the assessed valuation in the current year.

Enterprise Fund – A fund that operates like a business with the intent that the costs of providing the services will be recovered through user chargers such as water and sewer charges.

Expenditure – This term refers to total funds paid or to be paid for an asset or goods or services regardless whether the expense has been paid or unpaid.

Expense – Charges incurred, whether paid or unpaid, for operation, maintenance, interest or other charges within the current period.

Fiscal Year – The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Port Lavaca has specified the fiscal year as beginning October 1 and ending September 30.

Fixed Assets – Assets of a long-term character which are intended to be held or used, such as buildings, machinery, furniture, equipment and land.

Full-Time – The 40 hours per week that constitutes a regular full-time position.

Fund – Separate accounting entities with their own resources, budgets and accounts for recording all financing transactions for specific activities or government functions.

Fund Balance – The difference between fund assets and fund liabilities, excess being a surplus and a shortfall being a deficit.

GAAP – General Accepted Accounting Principles.

GBRA – Guadalupe Blanco River Authority.

General Fund – The fund used to account for all financial resources and activities except for those required to be in another fund.

General Obligation Bonds – Voter approved bonds that finance a variety of public projects such as streets, buildings, and capital improvements. The Debt Service Fund is usually used to service and pay the debt issued. These bonds are backed by the full faith and credit of the City.

Goals – Generalized statements of where an organization desires to be at some future time with regard to certain operating elements. (e.g. financial conditions, service levels provided, etc.)

Grants – Contributions or gifts of cash or other assets from another government or entity to be used for a specific purpose, activity or facility.

Infrastructure – Substructure or underlying foundation of the City. (e.g. streets, utility lines, water and wastewater treatment facilities, etc.)

Legal Debt Margin – Actual amount of tax-secured debt service at the end of the fiscal year.

Legal Debt Service Limit – The assessed value of the tax roll multiplied by the limit on amount designated for debt service per \$100 assessed valuation

Modified Accrual Basis – This method of accounting recognizes revenues when they are measurable and available and expenditures when goods or services are received the exception being principal and interest on long-term debt which are generally recognized when due.

Operating Budget – A plan of current year financing activities including expenditures and the proposed means of funding them.

APPENDIX

Ordinance – A formal legislative enactment by the governing body 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, usually require ordinances.

Policy – A plan, course of action, or guiding principle, designed to set parameters for decisions and actions.

Property Tax – Taxes that are levied on both real and personal property according to the property's assessed valuation and tax rate.

Reserve – An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is therefore, not available for general appropriation.

Retained Earnings – An equity account reflecting the accumulated earnings of a proprietary, or enterprise fund, or internal service fund.

Revenue – Funds received as income. It includes such items as tax payments, fees from specific services, fines, interest income, franchise fees, etc.

Revenue Bonds – Bonds for which principal and interest are paid from an Enterprise or Proprietary Fund.

Sales Tax – A general "sales tax" is levied on all persons and businesses selling merchandise within the City limits on retail items.

SCADA – Supervisory and Control Data Acquisition.

Special Revenue Funds – Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. (e.g. Hotel/Motel)

Strategic Plan – A collectively supported vision of the City's future including observations regarding the potential effects of various operating decisions.

Tax Base – Certified by the Tax Appraisal District the total taxable value of all real and personal property within the City as of January 1st of each year.

Tax Levy – The product of the tax rate per one hundred dollars multiplied by the tax base.

Tax Rate – The amount of tax levied against each \$100 of taxable value.

Taxes – Compulsory charges levied by a government for the purpose of financing services performed by the government for the common benefit of the public it serves.

Working Capital – The excess of current assets over current liabilities.

Acronyms

A/P – Accounts Payable

CAFR – Comprehensive Annual Financial Report (Audit)

CCAD – Calhoun County Appraisal District

CCRWSS – Calhoun County Rural Water Supply System

CIP – Capital Improvement Plan

C.O. – Certificates of Obligation

COG – Council of Governments

ED – Economic Development

EPA – Environmental Protection Agency

ETJ – Extra Territorial Jurisdiction

FARF – Fixed Asset Replacement Fund

FASB – Financial Accounting Standards Board

FEMA – Federal Emergency Management Administration

FICA – Federal Insurance Contribution Act

FTE – Full-Time Equivalent

FY – Fiscal Year

GAAFR – Governmental Accounting, Auditing and Financial Reporting

GAAP – Generally Accepted Accounting Principals

GASB – Governmental Accounting Standards Board

GBRA – Guadalupe-Blanco River Authority

GF – General Fund

GFOA – Government Finance Officers Association

GIS – Geographical Information Systems

G.O. – General Obligation

GPD – Gallons per Day

HOT – Hotel Occupancy Tax

APPENDIX

HR – Human Resources
I & S – Interest and Sinking
IT – Information Technology
LF – Linear Foot
MGD – Millions of Gallons per Day
PD – Police Department
RFP – Request for Proposal
RFQ – Request for Qualifications
ROW – Right of Way
RV – Recreational Vehicle
SCADA – System Control and Data Acquisition
TCEQ – Texas Commission on Environmental Quality
TML – Texas Municipal League
TMRS – Texas Municipal Retirement System
TWC – Texas Workforce Commission
TWDB – Texas Water Development Board
TXDOT – Texas Department of Transportation
WET – Whole Effluent Toxicity
WWTP – Wastewater Treatment Plant
YMCA – Young Men’s Christian Association
Y.O.U. – Youth Orientation and Understanding

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CONTRIBUTORS

Financial Consultants and Editors

Bob Turner	City Manager
Scotty Jones	Finance Director
Sandra Mason	Senior Accountant
Tiffany Patton	Accounting Clerk

Page Design and Typography

Scotty Jones	Sandra Mason	Tiffany Patton
--------------	--------------	----------------

Photography

Bill Harvey	Red Hummingbird Photography
Philip Thomae	Philip Thomae Photography
Michelle Price	Smile Time Photography
Tiffany Patton	

CITY OF PORT LAVACA

202 N. Virginia
Port Lavaca, Texas 77979
361-552-9793

www.portlavaca.org

