

PARADISE ON THE BAY

FISCAL YEAR 2013-2014



CITY OF PORT LAVACA
ANNUAL BUDGET



CITY OF PORT LAVACA

**202 N. Virginia
Port Lavaca, Texas 77979
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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, 2012

Christopher P. Morrell

President

Jeffrey R. Enser

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, 2012. 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, and acronyms.

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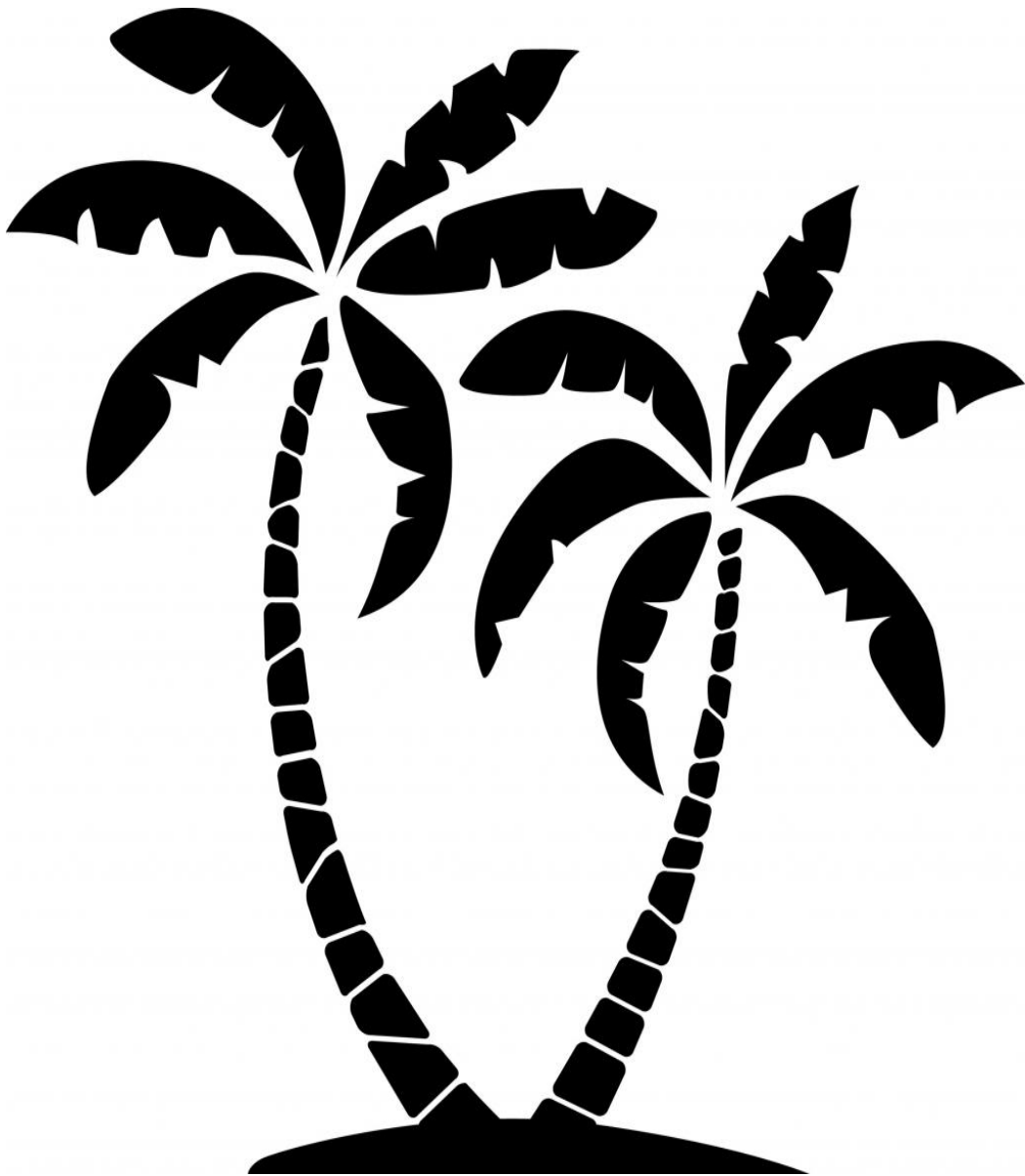
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Contributors

Inside Back Cover



BUDGET MESSAGE





Mayor and Council Members
City of Port Lavaca

Dear Mayor and Council Members,

This will be my fourth opportunity to work with a remarkable staff to once again bring you a budget that is balanced, with no added debt through borrowing, and provides incentives designed to keep our employees fairly compensated with the offer of long-term security. Our citizens expect the best and the only way to give it to them is through a stable workforce made up of employees willing to invest in an employer that will allow them to be their best. Our goal is to make the City of Port Lavaca that place.



We continue to set our standards higher each year doing things we have never done before, making steady progress forward with each innovation. As we move forward in fiscal year 2013-2014 we do so with the highest hopes that this will represent a banner year for us in terms of economic development, housing growth, retail expansion, employment opportunities, waterfront improvements and commercial progress all leading to community revitalization.

We will continue to braid our city-wide goals and plans into the theme we developed last year regarding **P.R.I.D.E.** We want the characteristics of **Passion, Responsibility, Integrity, Desire, and Example** to act as our compass that takes us from Good to Great. Brenda Barnes, CEO for Sara Lee, Inc., said, "If you are guided by an internal compass that represents your character and values that guide your decisions, you're going to be fine. Let your values guide your actions and don't ever lose your internal compass, because everything isn't black or white. There are a lot of gray areas in business."

Bob O'Neill, Executive Director of the International City Manager's Association, reviewed results of a survey of residents accumulated over several years and noted that six issues emerge as most important relating to individual quality of life. These issues are: jobs and the economy; education; safety; health care; the environment; and infrastructure. He states "What these issues have in common is that they require a multi-sector, multi-disciplinary and intergovernmental strategy." If in fact these are the issues most of our citizens are interested in, then we as a city need to do everything possible to ensure Port Lavaca addresses these issues directly or indirectly. Those issues that relate to our core functions, jobs and economy, safety, the community, and infrastructure, will be handled along with our regular duties. We will partner with local agencies as appropriate on the issues of education and health care.

You have often heard me comment about going from good to great. The process is not an overnight transformation; it is a cumulative process – step by step, action by action, decision by decision – all adding up to sustained and spectacular results.

BUDGET MESSAGE

We have been moving as an organization from good to great for over three years and each time, we step over the “It’s never been done that way before” barrier, we get closer to our goal. Each time we step out of our comfort zone to challenge an assumption or a predisposed belief, we move closer to our goal. This will be the year we achieve those things we have talked about for some time but have been unable to implement.

Lean Six Sigma

This is a managerial concept combining Lean and Six Sigma (LSS) that results in the elimination of the seven kinds of wastes, classified as transportation, inventory, motion, waiting, overproduction, over-processing, and defects. Developed for the manufacturing/commercial business, LSS is being used more and more by municipalities searching for ways to improve areas seldom studied in the past.

Comprehensive Master Plan

With the completion of the Waterfront Development Ordinance, the City will be able to consolidate various “plans” into a Preliminary Comprehensive Plan. This plan will add studies for areas not considered before, e.g., population and land use trends, downtown, historic preservation, business and economy, public facilities, and future land use. This will include our recommendation for planned growth or annexation.

Succession Plan

As part of our expanded leadership program, we will identify and develop a second tier of leaders to ensure a stable workforce as a result of retirement or resignation of employees. We will create “Key Leaders” in five divisions: Finance, City Secretary, Fire, Police, and Public Works. The Department Directors will become “Key Leaders” and will make up the Executive Management staff to include the Administrative Assistant to the City Manager and the City Manager. A level of Senior Managers will be created and through training and mentoring, these individuals will be the ones most likely to move into a vacant key leader position should one occur.

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 newly implemented strategic plan has continued to set the tone for the budget process that began in March. The City Manager and Department Leaders met to review the 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.



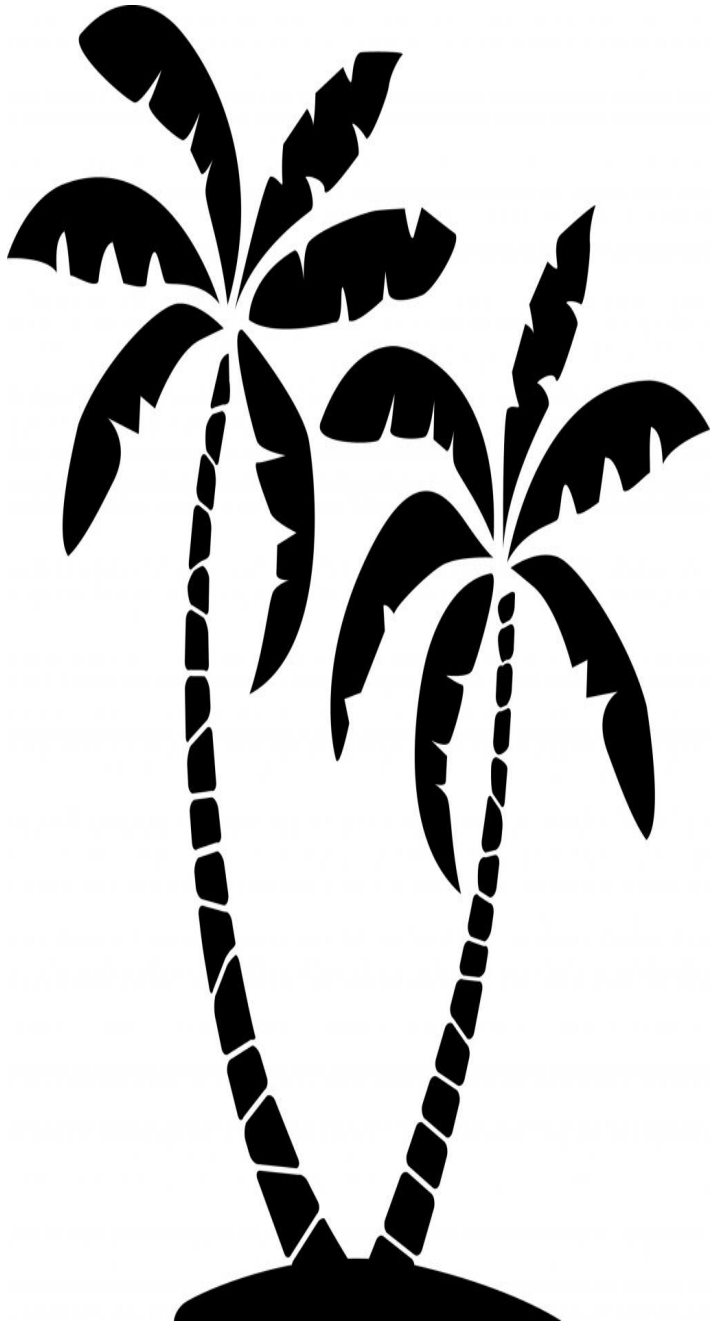
Reviewing our Priorities for the 2013-2014 Budget

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

Our prior year's budget was focused to improve the City's image by adding improvements in all City Parks and Waterfront facilities. This was accomplished through numerous public improvement projects such as the following:

- Added a soccer field at Wilson Field Sport Complex
- Remodeled a training center at Nautical Landings Marina
- Purchased new prefabricated restrooms at Lighthouse Beach Park
- Repaired the retaining wall and added a walkway at Nautical Landings Marina

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 2013-2014**

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 2013-2014



Floyd Felder
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

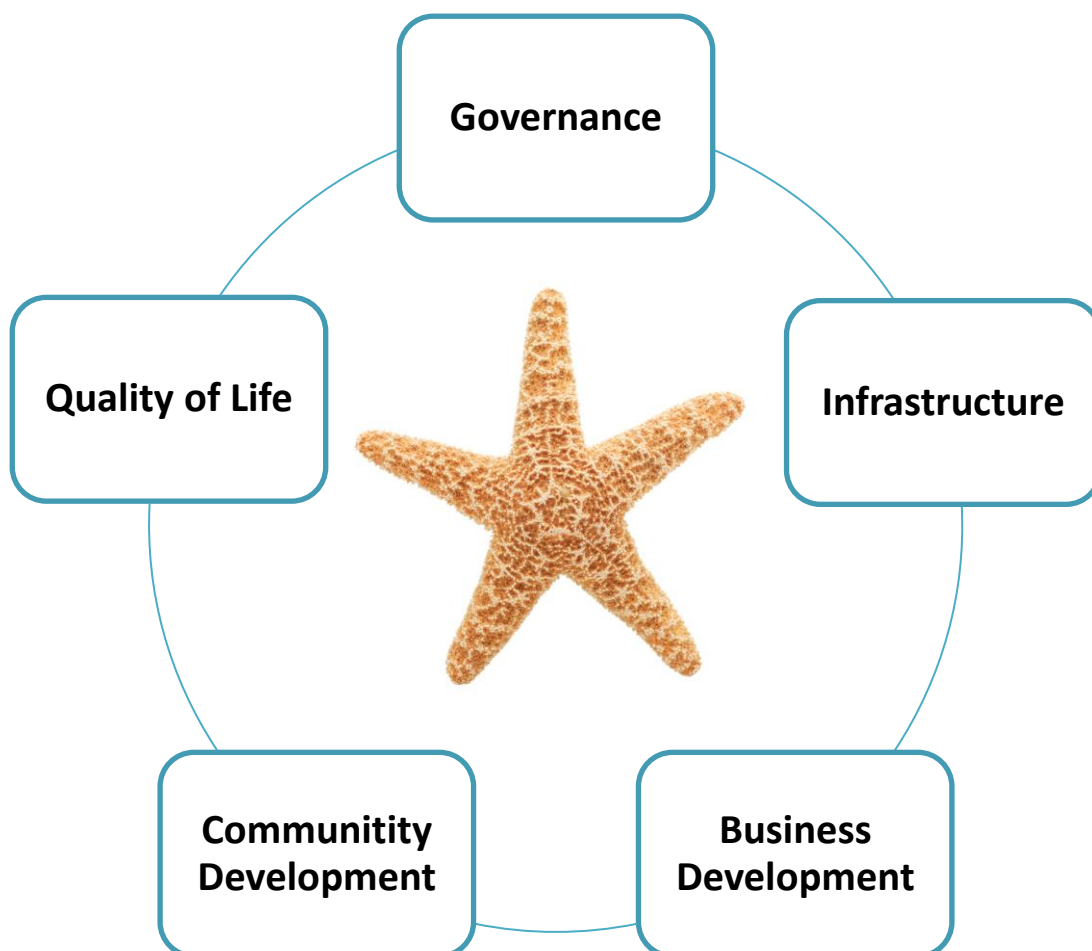


Ken Barr
Councilmember, District 6

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 2013-2014



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 2013-2014 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 2013-2014 Departmental Business Plans (Objectives)

City Manager Department

- Develop performance measures for organizational efficiency
- Provide prompt, friendly service to the citizens of Port Lavaca
- Update and improve the City's website to encourage more visits

City Secretary Department

- Improve departmental page on City's website
- Expand the document imaging system to provide City information retrieval via the City network and the internet

Municipal Court Department

- Enhance Municipal Court's website to improve customer service & encourage online payment options

Technology Department

- Ensure critical infrastructure is available for staff to perform job duties efficiently
- Provide an easy way for the public to access City information

Finance Department

- Promote financial transparency for the City by posting financial reports on City's website
- Improve the budget document to create an easy, understandable format for our citizens

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

- Continue to strengthen the relationship between the City's public safety departments and the public
- Continue to educate the public on the needs to spay and neuter pets
- Expanded October Fire Prevention "skit" Program in Port Lavaca and Calhoun County

Public Utility Departments (Utility Billing & Utility Maintenance)

- Increase the amount of customer's using the City's online payment option
- Revise the City's customer service ordinance and make available online

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

Fiscal Year 2013-2014 Departmental Business Plans (Objectives)

City Manager Department

- Develop, manage and update a sound capital improvement plan

Finance Department

- Expand the City's five year capital plan into a long-term financial plan

Public Works Department (Streets)

- Reconstruct George Street per the five year capital plan

Parks Departments (Parks, Bauer Convention Center, Swimming Pool, Lighthouse Beach)

- Repaint signs & replace old equipment throughout all City Parks
- Install splash pad at Lighthouse Beach Park
- Continue long range maintenance program for the Bauer Convention Center
- Complete the reconstruction for the fishing pier at Lighthouse Beach Park

Public Utility Departments (Utility Billing & Utility Maintenance, Wastewater)

- Implement Phase 1 of automated meter reading project
- Continue working on Inflow & Infiltration (I & I) improvements throughout the City
- Continue System Control and Data Acquisition System (SCADA) additions to the Wastewater Treatment Plant

Port Commission Operations

- Improve bulk head facilities at the harbors

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

Fiscal Year 2013-2014 Departmental Business Plans (Objectives)

City Manager Department

- 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
- Implement a façade program to assist downtown businesses with store front renovation

Finance Department

- Maintain an updated profile of the City's statistical information for prospective businesses

Parks Departments (Bauer Convention Center, Lighthouse Beach)

- Create a more extensive marketing plan
- Continue work on the appearance on the Lighthouse RV Park and beach

OUR CITY PROFILE

Port Commission Operations

- Develop a dredging plan to support our existing business
- Continue marketing Harbor of Refuge for future tenants

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

Fiscal Year 2013-2014 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
- Continue marketing Harbor of Refuge for future tenants
- Improve bulkheads at the City's various harbors

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

Fiscal Year 2013-2014 Departmental Business Plans (Objectives)

City Manager Department

- Form partnerships to improve housing conditions in our City

Municipal Court Department

- Educate parents and juveniles regarding truancy/school violations via the Y.O.U. Program (Juvenile Manager)
- Partner with the Police Department to process the annual warrant round-up more effectively

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 make safety of Fire Department personnel and citizens a priority
- Continue to provide professional animal control service to the City's and County's residents
- Continue to aggressively enforce the substandard building ordinance
- Continue to evolve a program to encourage citizens to make the town cleaner

Public Works Department (Streets)

- Develop a herbicide program for curbs and gutters

Parks Departments (Parks, Bauer Convention Center, Swimming Pool)

- Beautify the City's parks and open spaces
- Install a playground unit at Wilson Field

Utility Departments (Utility Billing, Utility Maintenance, Wastewater)

- Implement a backflow prevention plan

City Officials

FY 2013-2014

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

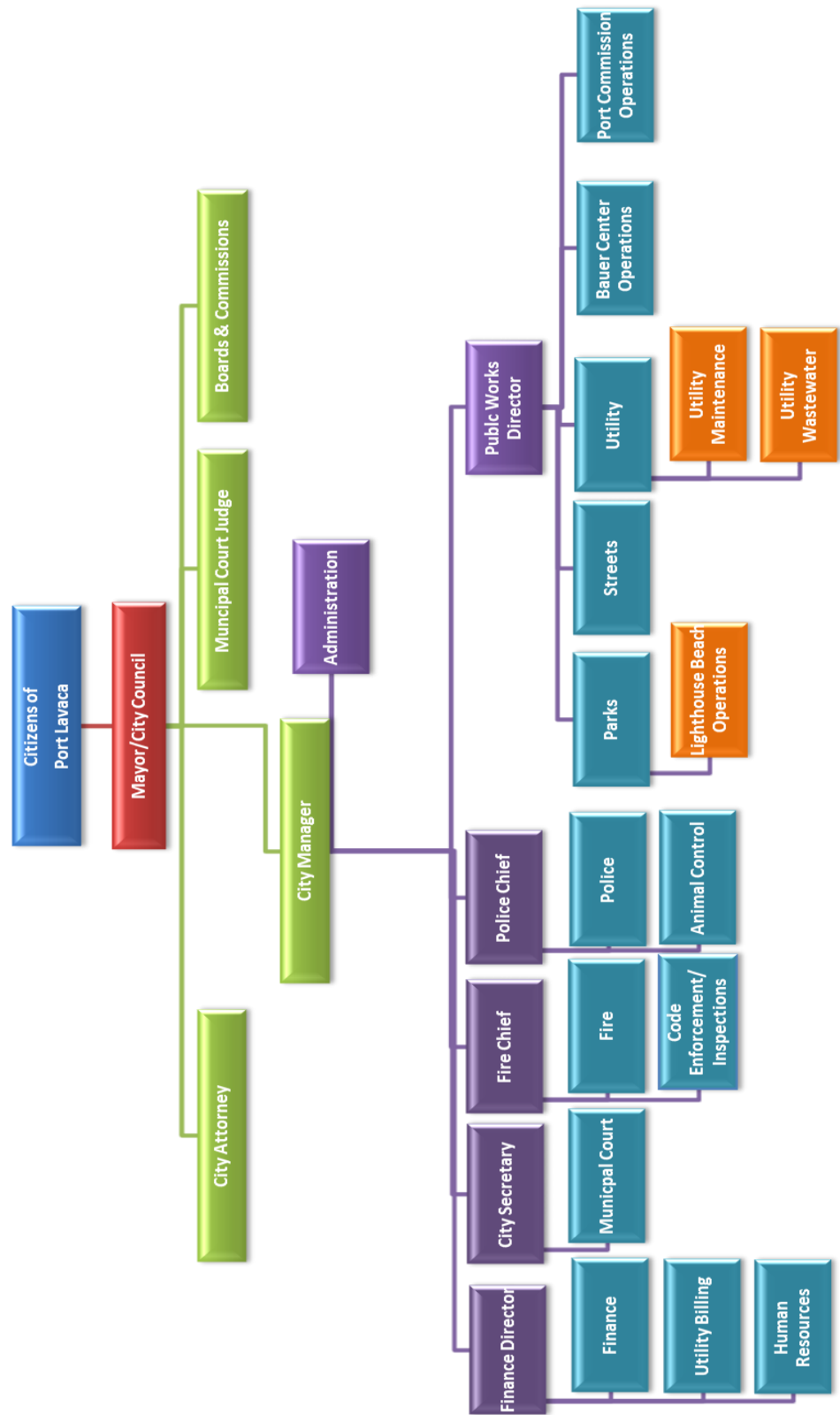
Director of Public Works



“Teamwork is the ability to work together toward a common vision; the ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results.”

- Andrew Carnegie

Organizational Chart



History of Port Lavaca, Texas

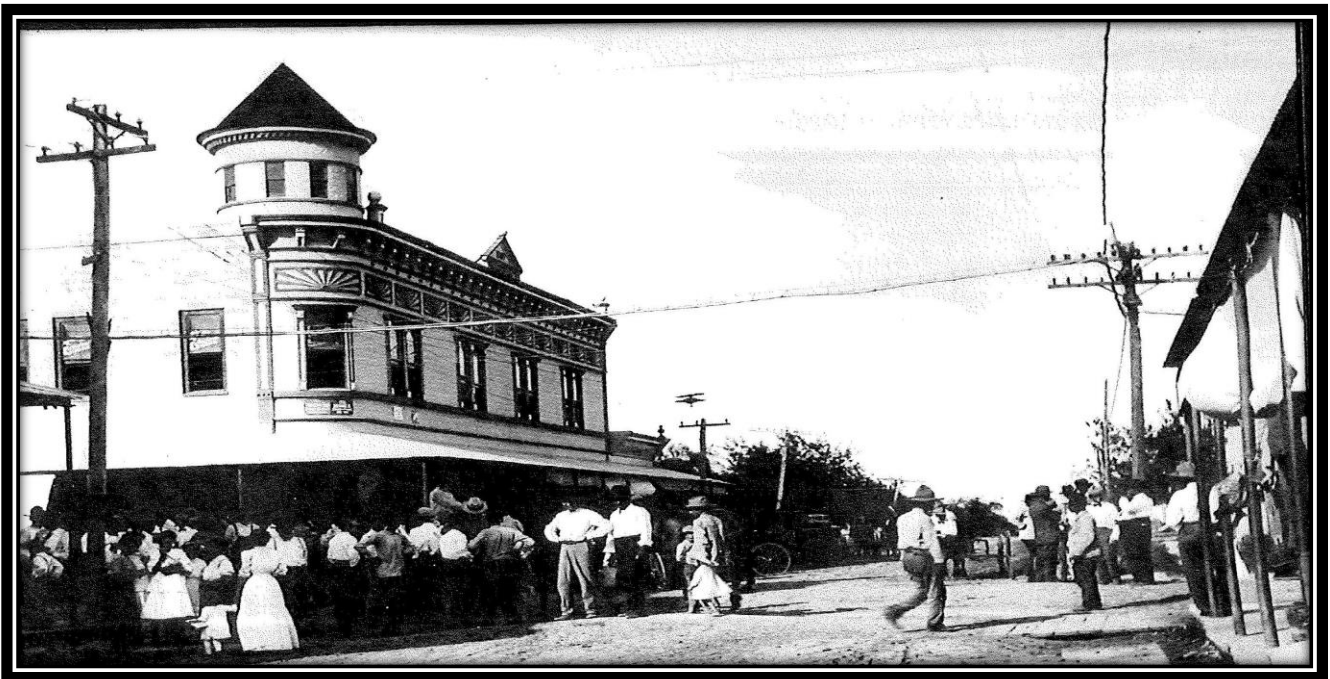
The City of Port Lavaca celebrated 170 years of rich history in 2010.

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.



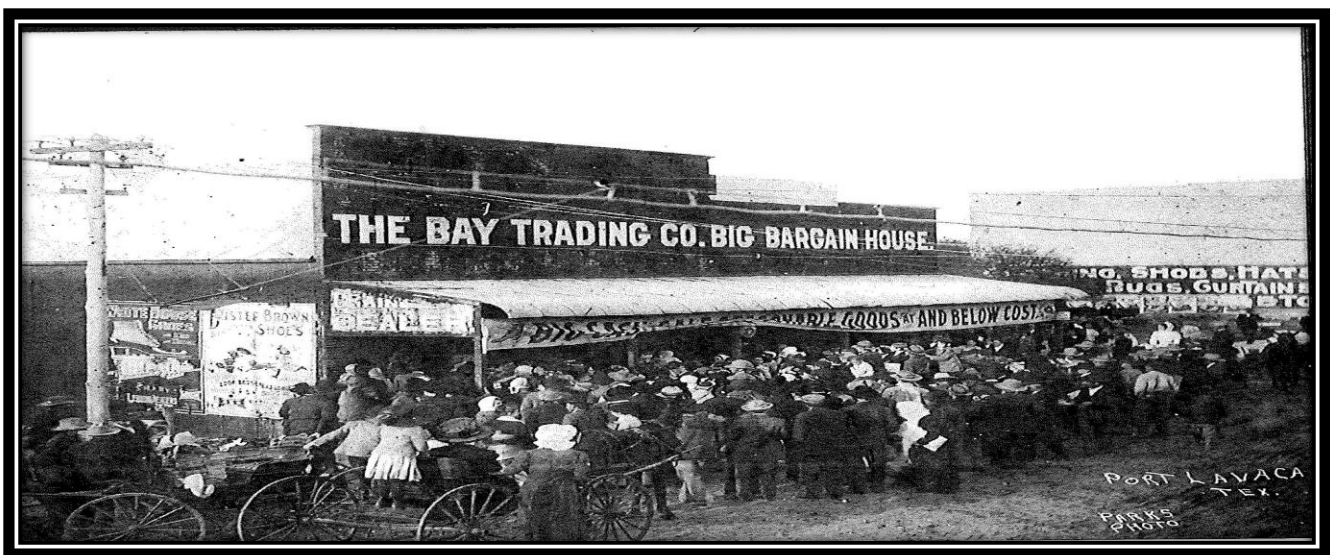
OUR CITY PROFILE



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

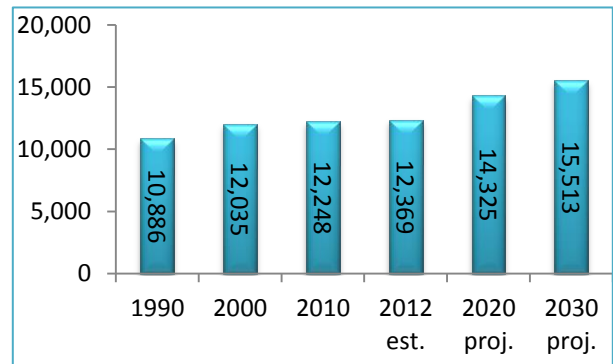
Location

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.



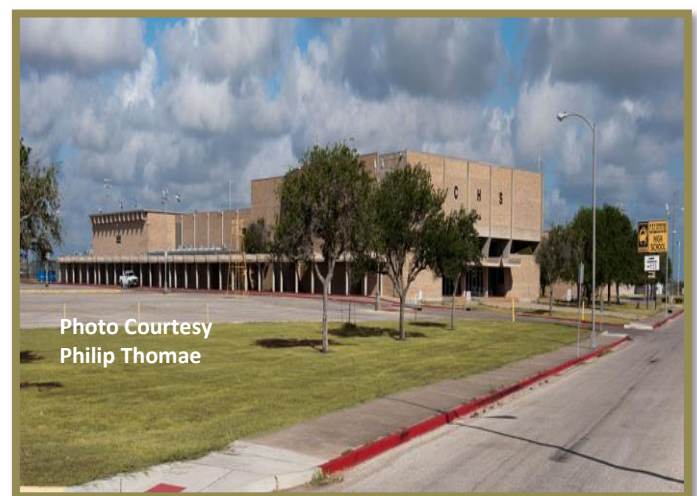
Population

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 2012, 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.



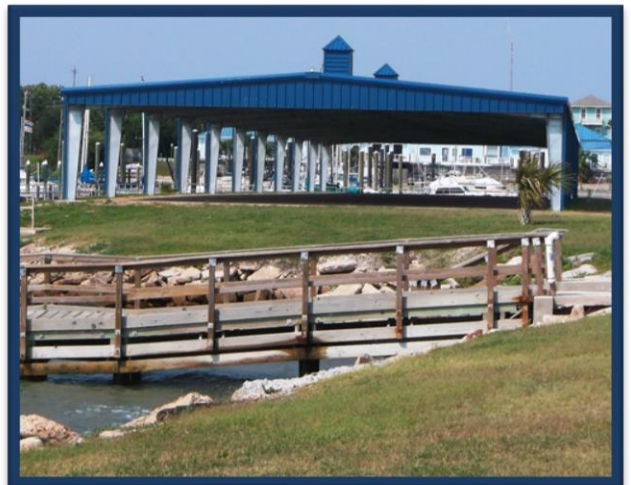
OUR CITY PROFILE

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.



CITY OF PORT LAVACA, TEXAS
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
2003	11,665	269,193,205	23077.00	4,215	7.5%
2004	11,634	277,738,482	23873.00	4,225	7.2%
2005	11,509	292,317,091	25399.00	4,253	5.9%
2006	11,471	307,124,554	26774.00	4,299	5.0%
2007	11,405	329,079,870	28854.00	4,334	4.5%
2008	11,465	346,862,110	30254.00	4,282	4.9%
2009	11,489	361,662,231	31479.00	4,349	8.3%
2010	12,035	372,651,740	30964.00	4,230	9.1%
2011	12,248	396,994,424	32413.00	4,276	8.7%
2012	12,282	N/A	N/A	4,270	6.1%

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

CITY OF PORT LAVACA, TEXAS

PRINCIPAL EMPLOYERS

(UNAUDITED)

Current Year Only

<u>2012</u>		
Employer	Employees	Percentage of Total County Employment
Alcoa	650	6.26%
INEOS Nitriles Formerly BP	135	1.30%
Calhoun County I.S.D.	720	6.93%
Calhoun County	330	3.18%
Formosa Plastics	2,000	19.25%
Seadrift Coke	140	1.35%
HEB Grocery	135	1.30%
Inteplast Group	1,800	17.33%
Orion Marine Group, Inc.	430	4.14%
Memorial Medical Center	141	1.36%
Dow Chemical	<u>579</u>	<u>5.57%</u>
	<u>7,060</u>	<u>67.96%</u>

NOTES: Information is for the City and Calhoun County.

Information for nine years ago or other previous years was not readily available.

SOURCE: Calhoun County Economic Development Corporation
Texas Workforce Commission- Victoria Office

"We are all inventors, each sailing out on a voyage of discovery, guided each by a private chart, of which there is no duplicate. The world is all gates, all opportunities."

-Ralph Waldo Emerson

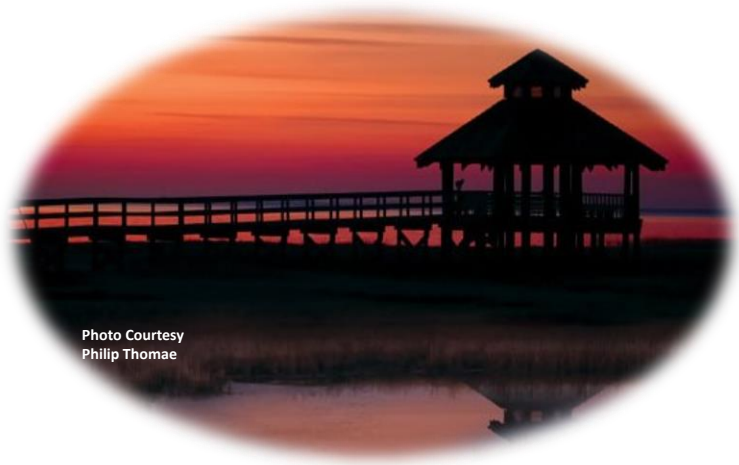
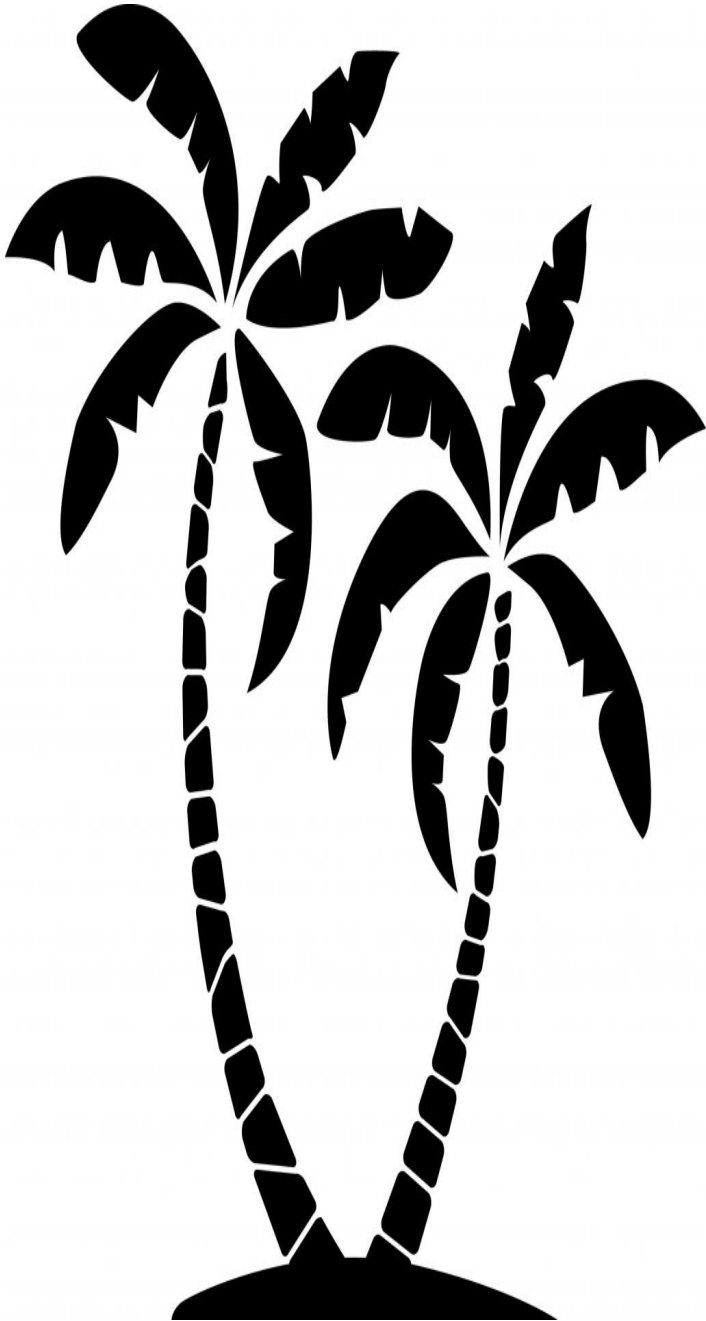


Photo Courtesy
Philip Thomae

BUDGET SUMMARIES



Budget Overview

Changes in Fund Balances / Working Capital

**Combined Revenue and Expenditure
Summary**

City Wide Revenue

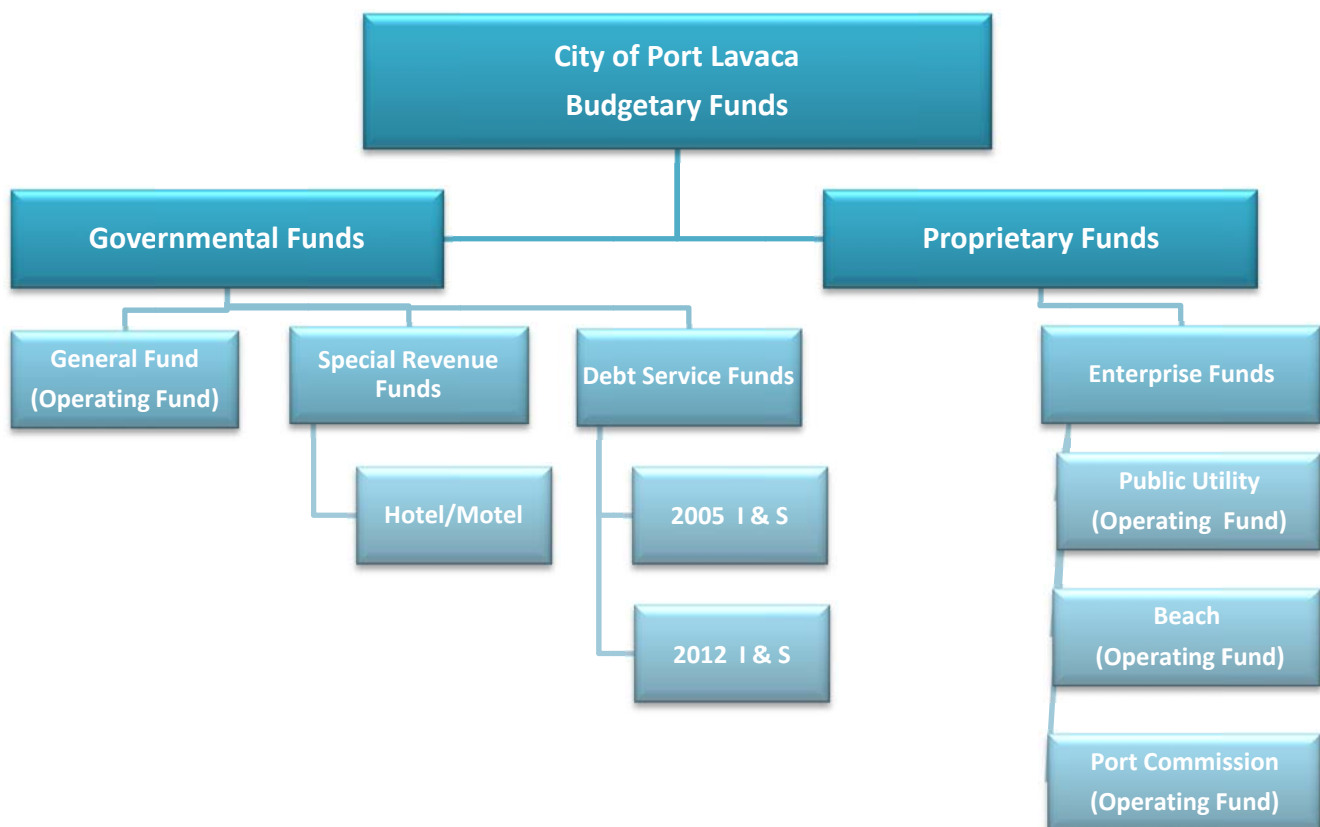
City Wide Expenditures



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 2013-2014 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 2013-2014 budget for all appropriated funds totals \$15,324,700 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 2013-2014 Budget by Funds as it compares to the prior year.

	Amended Budget FY 12-13	Adopted Budget FY 13-14	Variance	Variance By %
General Fund	7,265,000	7,300,000	35,000	0%
2005 I & S Fund	82,800	51,400	-31,400	-38%
2012 I & S Fund	263,300	271,800	8,500	3%
Public Utility Fund	5,784,000	6,396,000	612,000	11%
Beach Fund	360,000	530,000	170,000	47%
Port Commission	833,000	475,000	-358,000	-43%
Hotel/Motel Fund	322,800	300,500	-22,300	-7%



Total Budget	14,910,900	15,324,700	413,800	3%
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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 10-1-13	Budgeted Revenue 2013-2014	Budgeted Expenditures 2013-2014	Ending Fund Balance/ Working Capital 9-30-14
General Fund	5,136,911	7,300,000	(7,300,000)	5,136,911
2005 I & S Fund	32,406	51,400	(51,400)	32,406
2012 I & S Fund	150,985	271,000	(271,800)	150,985
Utility Fund	4,970,923	6,396,000	(6,396,000)	4,970,923
Beach Fund	703,304	530,000	(530,000)	703,304
Port Commission Fund	923,549	475,000	(475,000)	923,549
Hotel Occupancy Tax Fund	497,372	300,500	(300,500)	497,372
Total Fund Balance/Working Capital	12,415,450	15,324,700	(15,324,700)	12,415,450

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 10-1-13	5,136,911	183,391	4,970,923	703,304	823,549	497,372
Operating Reserves (4 months)	(2,408,598)	0	0	0	0	N/A
Operating Reserves (3 months)	N/A	0	(1,111,221)	(61,551)	(114,520)	N/A
Health Insurance Claim Reserve	(676,542)	N/A	N/A	N/A	N/A	N/A
Capital Asset Replacement Reserve	(273,122)	0	0	0	0	N/A
Reserves Used-Capital Projects	0	0	(1,166,000)	(292,000)	0	0
Reserves Used- Balance Budget*	0	0	0	0	0	0
Budgeted Depreciation**	0	0	522,000	99,000	185,000	0
Estimated Fund Balance/Working Capital 9-30-14	1,778,649	183,391	3,215,702	448,253	894,029	497,372

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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	% Change Budget to Budget
Funding Sources					
Property Tax	3,794,712	3,550,770	3,768,500	3,588,000	1.05%
Sales and Use Tax	2,364,076	2,165,000	2,350,000	2,180,000	0.69%
Franchise Tax	606,912	590,000	582,118	585,000	-0.85%
Hotel/Motel Tax	331,724	300,000	360,000	300,000	0.00%
Licenses and Permits	109,346	82,500	152,618	82,900	0.48%
Service Charges	5,866,285	5,661,300	6,062,316	5,780,000	2.10%
Fines & Forfeitures	444,740	473,200	415,286	441,200	-6.76%
Other Revenue	196,030	1,342,300	257,177	1,561,300	16.29%
Grant & Contributions	1,128,181	250,830	250,965	295,700	18.04%
Interfund Transfers	677,188	495,000	494,511	510,600	3.15%
Total Revenues & Transfers	15,519,195	14,910,900	14,693,491	15,324,700	2.78%
Expenditures					
General Government	1,031,164	1,077,640	995,710	1,047,904	-2.76%
Streets	1,527,360	1,732,900	1,659,904	1,930,175	11.38%
Public Safety	3,033,012	2,964,888	2,921,210	2,960,371	-0.15%
Public Works	1,412,255	1,150,150	1,061,342	1,063,350	-7.55%
Parks & Recreation	992,989	1,045,522	1,143,901	1,151,400	10.13%
Non- Departmental	4,887,176	5,784,000	5,716,908	6,396,000	10.58%
Water & Sewer	1,309,015	833,000	514,694	475,000	-42.98%
Port Commission	386,696	322,800	344,500	300,500	-6.91%
Hotel Motel	1,031,164	1,077,640	995,710	1,047,904	-2.76%
Total Expenditures & Transfers	14,579,666	14,910,900	14,358,169	15,324,700	2.78%
Net Revenue (Expenditures)	939,529	0	335,322	0	
Beginning Balances	11,548,575	12,488,104	12,488,104	12,823,427	
Ending Balances	12,488,104	12,488,104	12,823,427	12,823,427	2.69%

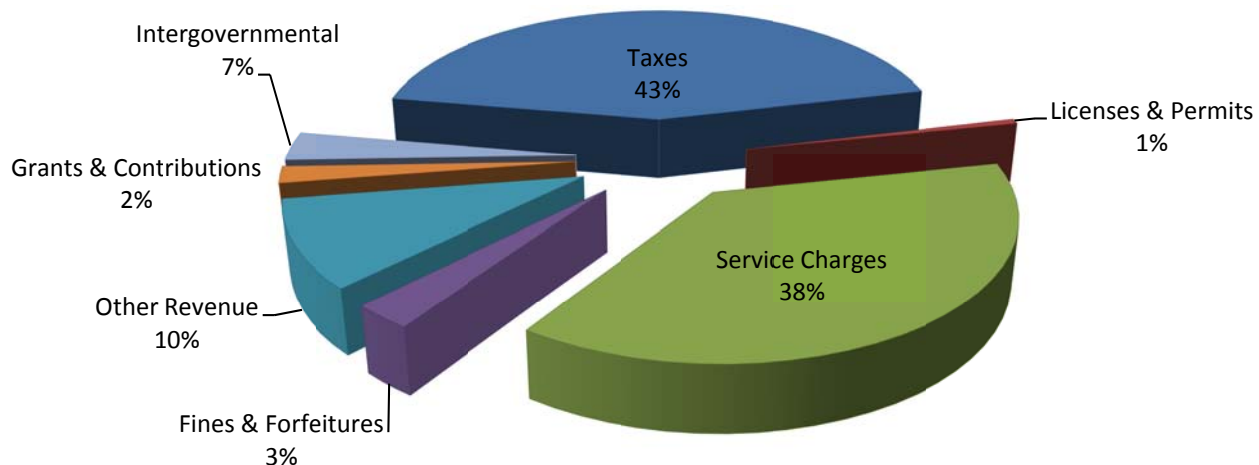
The following pages provide summaries related to City Wide Revenue by receipt type and City Wide Expense by function.

City Wide Revenue

The FY 2013-2014 budgeted revenues total \$15,324,700, which is up \$413,800 over prior year FY 2012-2013 budget. The use of reserves to fund current year capital projects attributes for this increase. The largest revenue source fund is taxes which represents 43% 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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Taxes (Property, Sales, Franchise, Hotel/Motel)	7,097,424	6,605,770	7,060,618	6,653,000
Licenses & Permits	109,346	82,500	152,618	82,900
Service Charges	5,866,285	5,661,300	6,062,316	5,780,000
Fines & Forfeitures	444,740	473,200	415,286	441,200
Other Revenue	196,030	1,342,630	257,177	1,561,300
Grants & Contributions	1,128,181	250,500	250,965	295,700
Intergovernmental	677,188	495,000	494,511	510,600
Total Revenue	15,519,195	14,910,900	14,693,491	15,324,700

Where do we get our dollars?



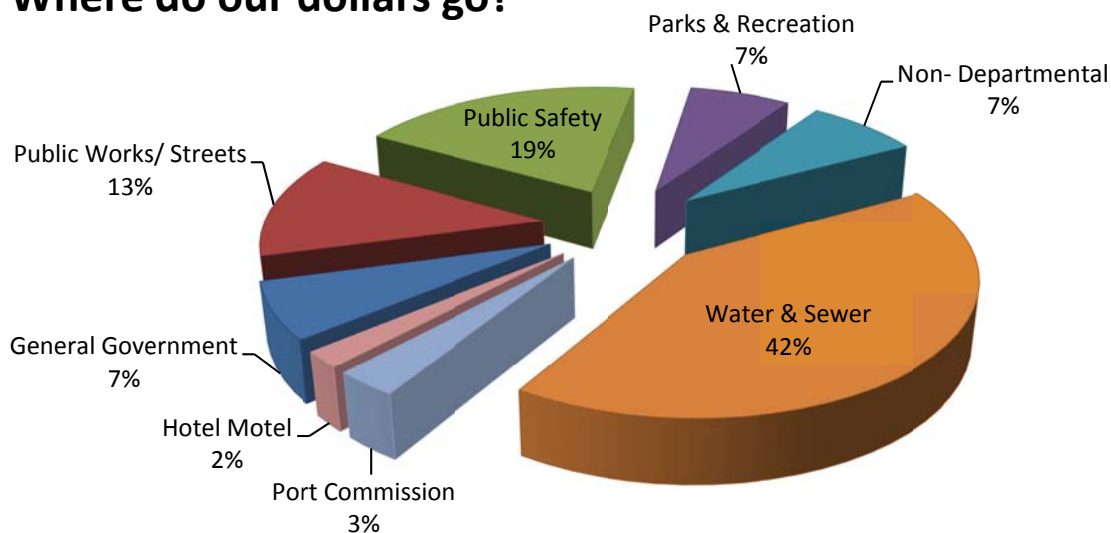
BUDGET SUMMARIES

City Wide Expenditures

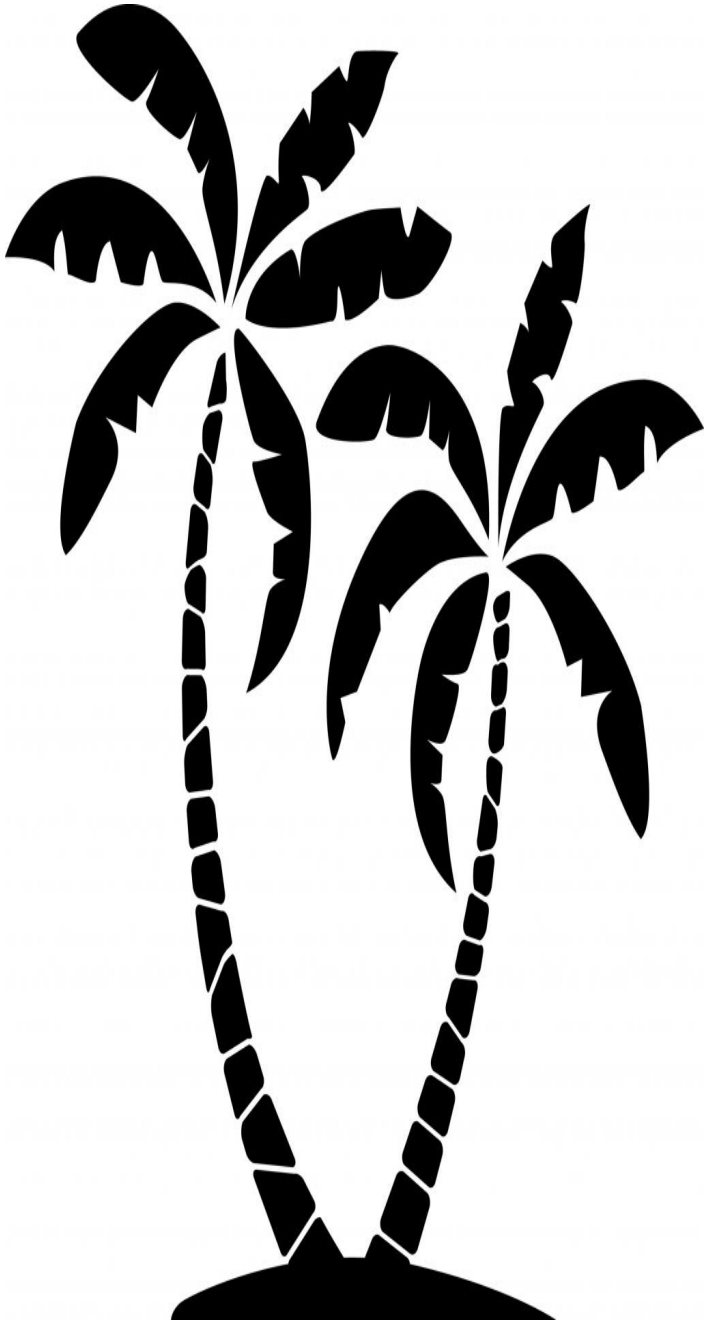
The FY 2013-2014 budgeted expenditures total \$15,324,700, which is up \$413,800 (3%) over FY 2012-2013 budget. This is attributable to one-time capital projects in the Water and Sewer Fund, which represents 42% of the City's total expenses.

By Object (Operational Funds)	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
General Government	1,031,164	1,077,640	995,710	1,047,904
Streets	1,527,360	1,732,900	1,659,904	1,930,175
Public Safety	3,033,012	2,964,888	2,921,210	2,960,371
Public Works	1,412,255	1,150,150	1,061,342	1,063,350
Parks & Recreation	992,989	1,045,522	1,143,901	1,151,400
Non- Departmental	4,887,176	5,784,000	5,716,908	6,396,000
Water & Sewer	1,309,015	833,000	514,694	475,000
Port Commission	386,696	322,800	344,500	300,500
Hotel Motel	1,031,164	1,077,640	995,710	1,047,904
Total Expenditures	14,579,666	14,910,900	14,358,169	15,324,700

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 **45%** of the budgeted revenue for the 2013-2014 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 2013-2014	Prior Year FY 2012-2013	Variance	Variance
Net Taxable Before Freeze	514,440,432	514,282,633	157,799	0%
*Freeze Adjusted Tax Value	441,293,479	442,324,315	(1,030,836)	-.2%

* 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 19, 2013 totaled \$514,440,432. Included in this amount is the tax freeze value of \$73,146,953 for homeowners over 65 years of age and/or disabled. Overall values this year remained relatively flat. For the 2013-2014 Budget, Council approved a tax revenue increase of 3.27% (percentage by which the proposed 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.

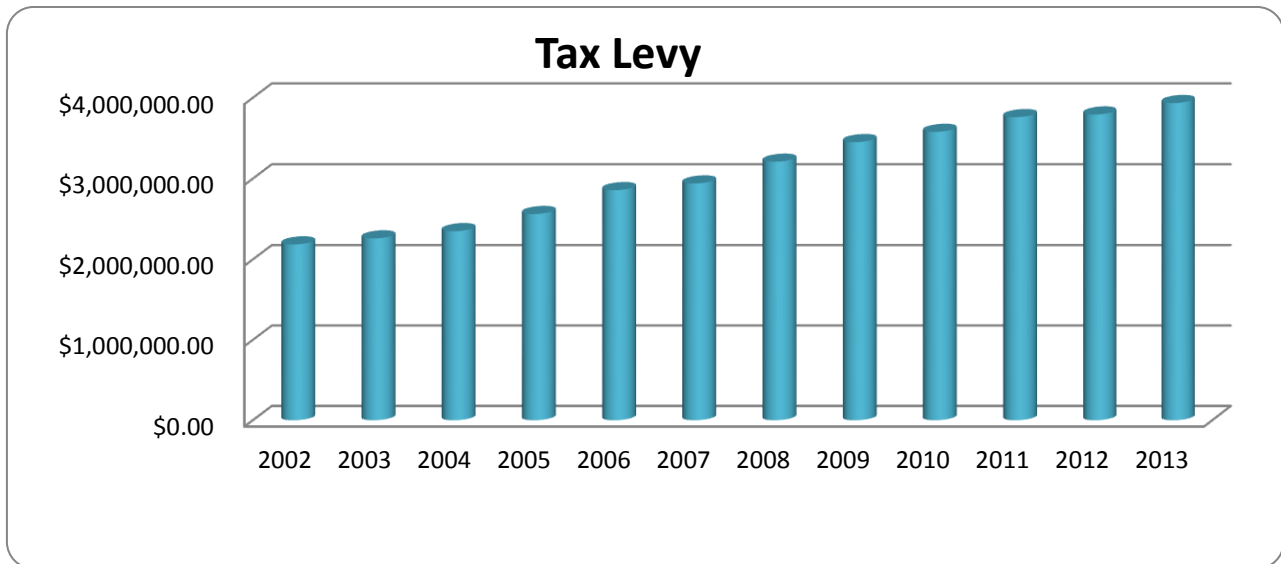
The table below shows the City's tax rate distribution & associated tax levy as approved in the budget.

	Tax Rate	Tax Rate Percent	Total Gross Levy ¹	FY 2013-2014 Budget ²
Debt Service Funds:				
2005 Certificates of Obligation	.0129	1.63%	57,247	51,400
2012 General Obligation Refunding Bonds	.0662	8.38%	292,248	271,600
Total Debt Service	.0791	10.02%	349,495	323,000
General Fund:				
Operation and Maintenance	.7109	89.98%	3,136,723	3,265,000
Total	.7900	100.00%	3,486,218	3,588,000

¹ **Gross levy**- excludes tax freeze dollars (\$448,831); ² **Budget** adds back tax freeze dollars & delinquent tax collections that are not considered in gross levy, and then applies a 92.93% collection rate

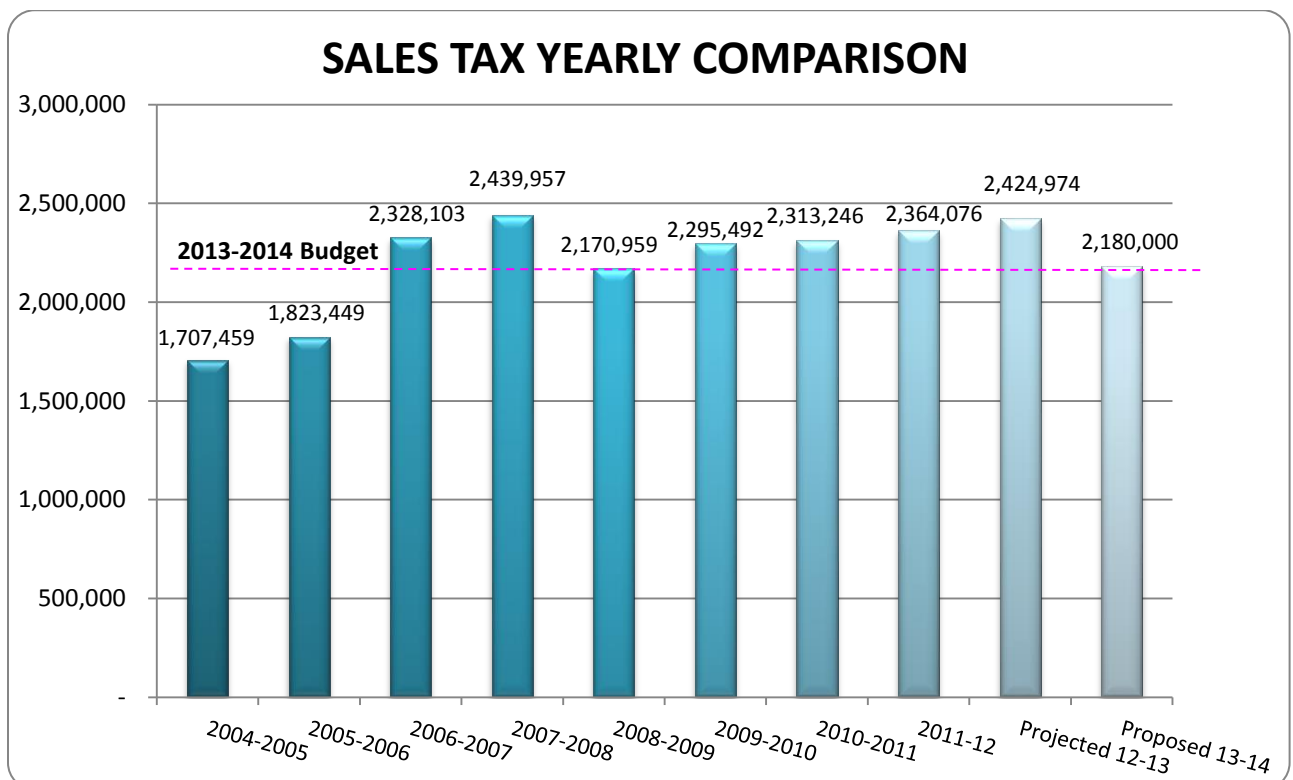
REVENUE ASSUMPTIONS AND TRENDS

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 **30%** 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 **8%** 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. This fee is usually computed by a percentage of gross receipts. The City is budgeted to collect a total of **\$585,000**, 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 **\$248,500**.

- Interlocal agreement with Calhoun County for Fire Protection- \$177,500
- 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, 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 7% of the General Fund's budgeted revenues.

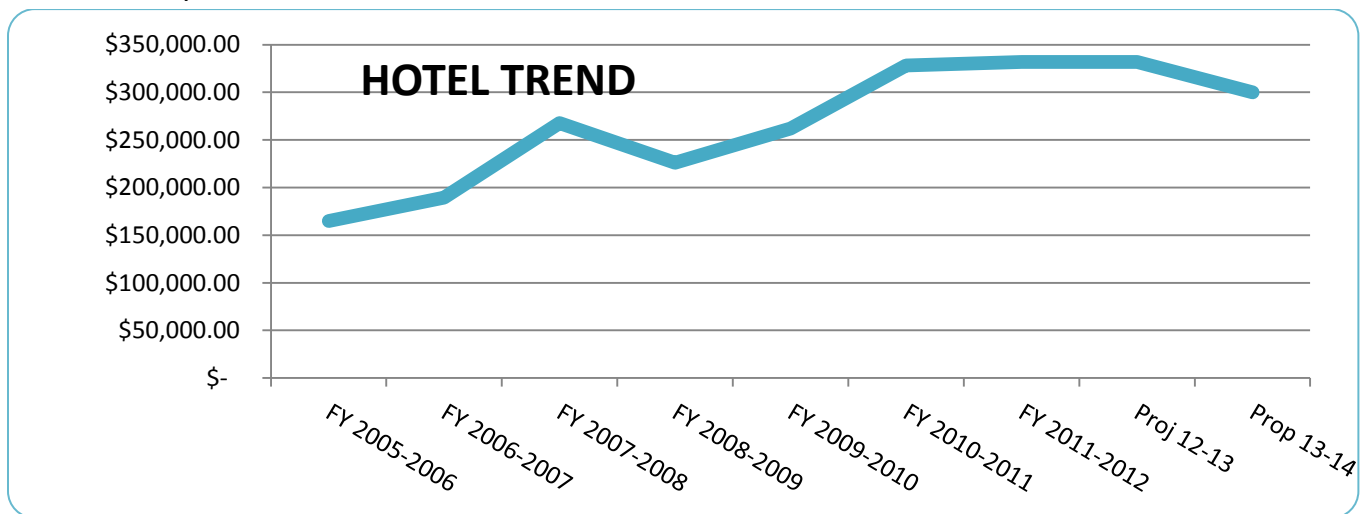
- Transfer In from Port Commission to recover administrative fees - \$16,500
- Transfer In from Public Utility Fund to recover administrative fees- \$180,000
- Transfer In from Public Utility Fund to recover costs related to Spring Clean-Up- \$55,000
- Transfer In from Beach Fund to recover administrative fees- \$8,000
- Transfer In from the Fixed Asset Replacement Fund (FARF)- \$61,100
- Transfer In from the Hotel Occupancy Tax Fund to recover costs of the Bauer Convention Center- \$190,000

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 \$300,000.



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 slightly increased water, sewer, and garbage rates. The City previously had **not increased rates since October 1, 2007**. The City estimates revenue based on historical trends that consider weather and consumption history. *The City budgeted to use depreciation reserves of \$1,166,000 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. Expenditures that offset this revenue can be found under the "Solid Waste Collection" Department in the Public Utility Fund's section of this budget.

Beach Fund

RV rentals are the largest user fee in this fund and are estimated to be **\$189,500**, 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 \$292,500 to fund capital projects.*

Port Commission Fund

The Port Commission charges for service fees such as 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 has no planned capital projects for the Port.*

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 **38%** of citywide revenue.

Less than 1% of the General Fund revenue comes from service fees. However, this is **96%** 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 **3%** 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

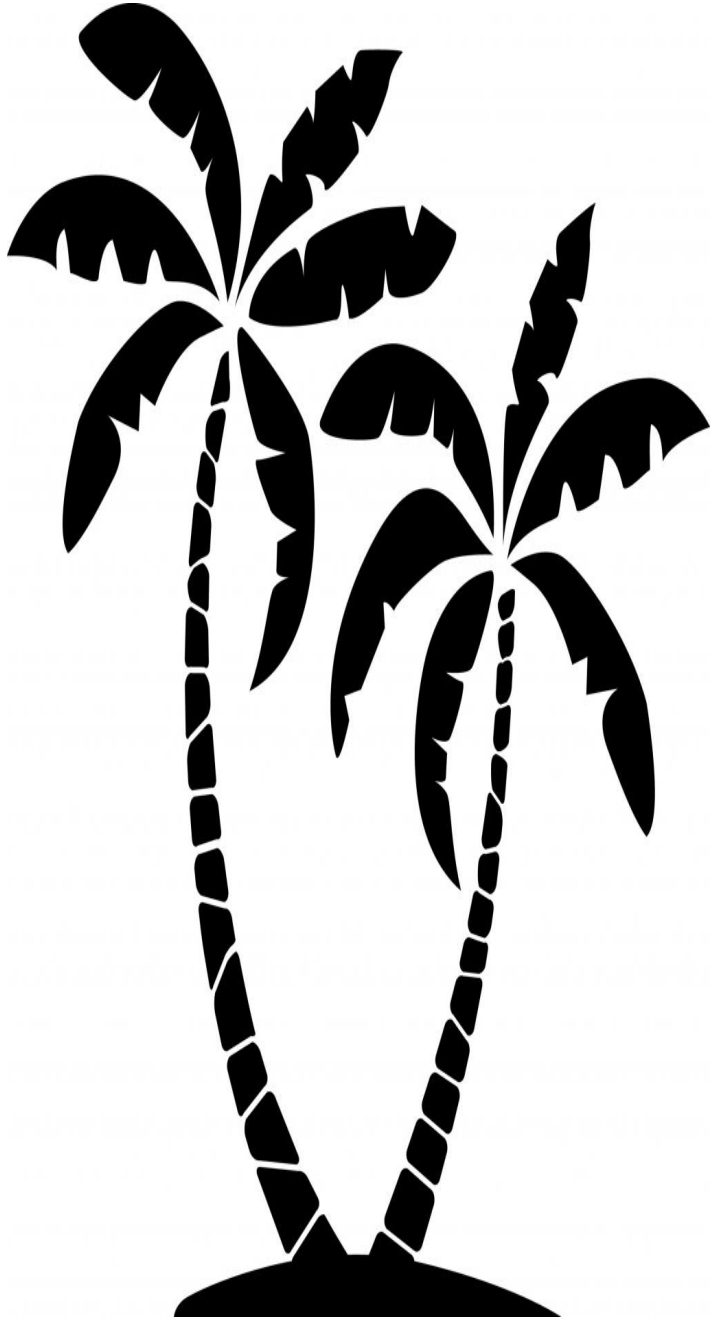
This is the smallest resource of citywide revenue and can be found in most funds. This includes items such as interest income, auction proceeds, and other financing sources.

Total City Revenue

The Fiscal Year 2013-2014 budgeted revenues for the City totaled \$15,324,700. This is *up* \$413,800 or 3% more than prior year's budget. This is primarily attributable to funding various capital projects with depreciation reserves.



GENERAL FUND



Revenue

Expenditures

Department Summaries

City Council

City Manager

City Secretary

Human Resources

Legal

Municipal Court

Tax

Technology

Finance

City Hall

Police

Fire

Animal Control

Code Enforcement

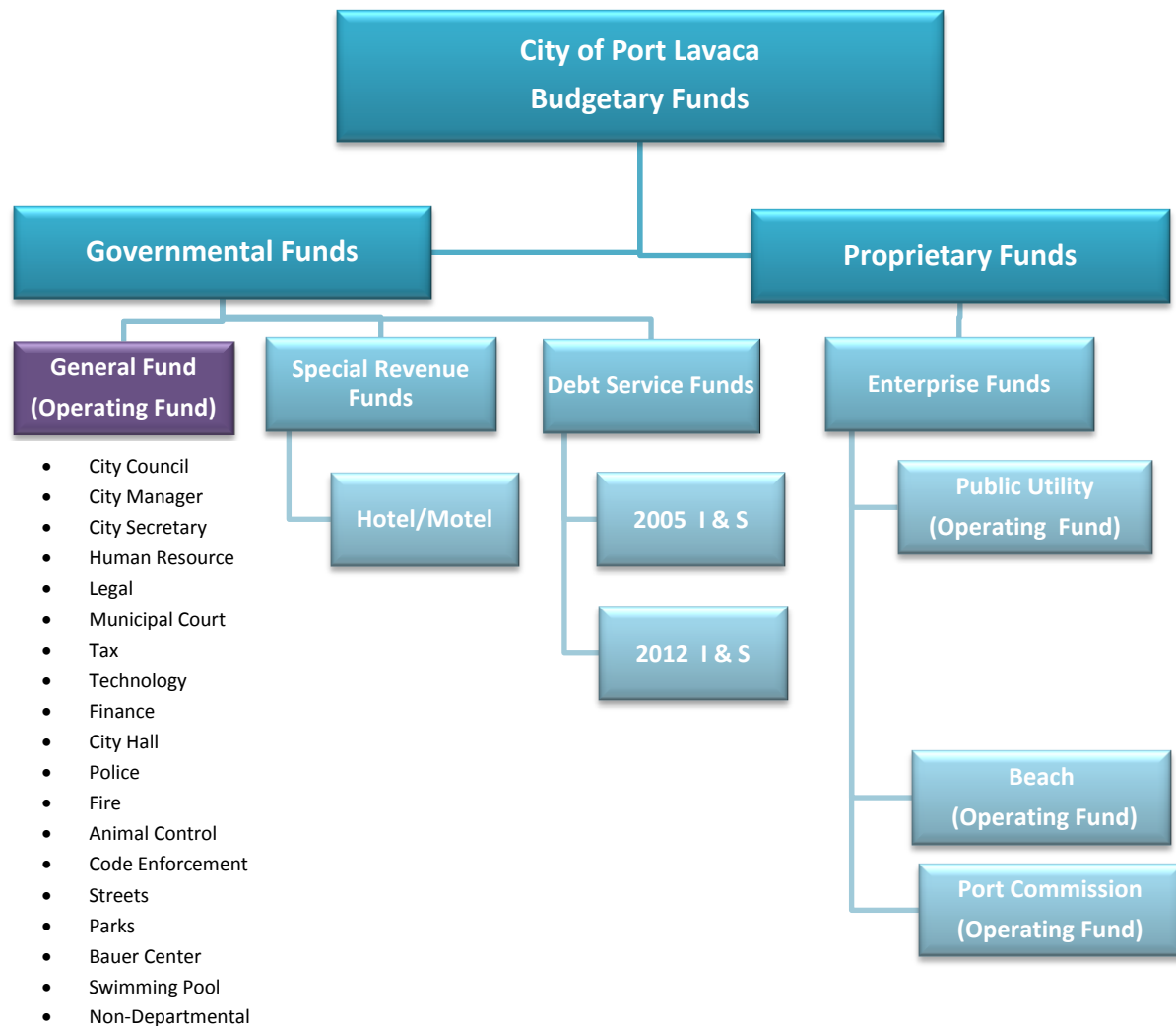
Streets

Parks

Bauer Center

Swimming Pool

Non-Departmental



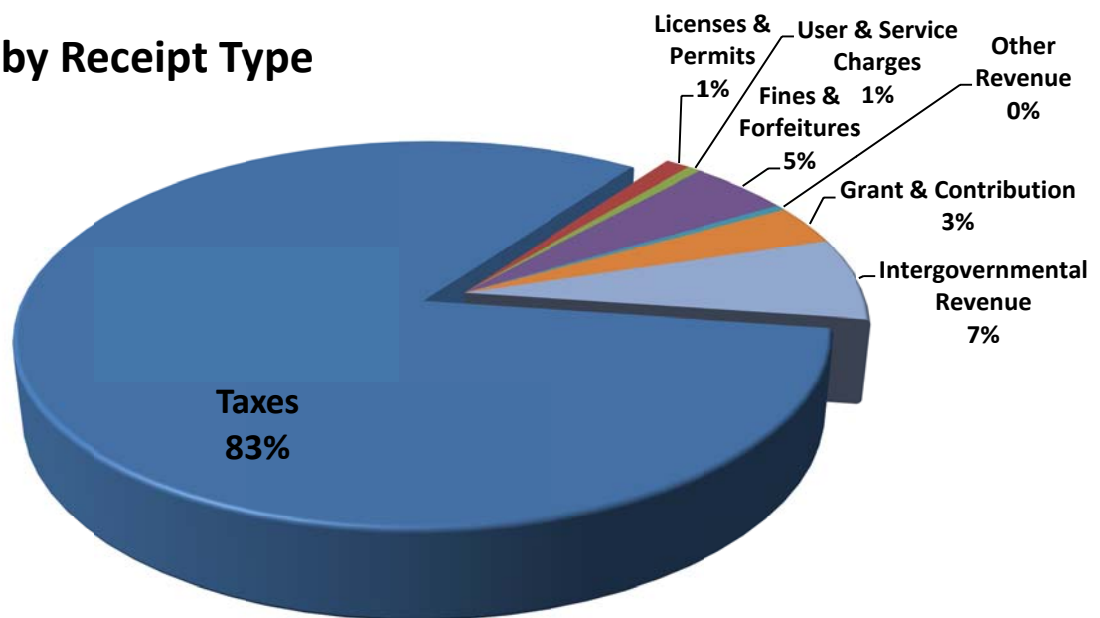
The General Fund is the general operating fund of the City. It is used to account for all financial resources accounted for in other specific funds. This fund includes all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General operating 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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	Variance
Taxes	6,410,696	5,960,000	6,344,118	6,030,000	70,000
Licenses & Permits	109,346	82,500	152,618	82,900	400
User & Service Charges	50,939	35,000	70,152	45,000	10,000
Fines & Forfeitures	346,957	383,000	322,000	349,000	-34,000
Other Revenue	107,595	61,000	178,179	34,000	-27,000
Grant & Contributions	246,000	248,500	248,625	248,500	0
Intergovernmental Revenue	677,188	495,000	494,511	510,600	15,600
Total Revenue	7,948,720	7,265,000	7,810,203	7,300,000	35,000

Revenue by Receipt Type



Largest Revenue Sources	Amended Budget FY 2012-2013	% Of Total 12-13 General Fund Budget	Adopted Budget FY 2013-2014	% Of Total 13-14 General Fund Budget	Variance
Property Taxes	3,205,000	44%	3,265,000	45%	60,000
Sales Tax	2,165,000	30%	2,180,000	30%	15,000
Franchise Fees	590,000	8%	585,000	8%	-5,000
Total	5,960,000	82%	6,030,000	83%	70,000

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

GENERAL FUND

General Fund Revenue Detail

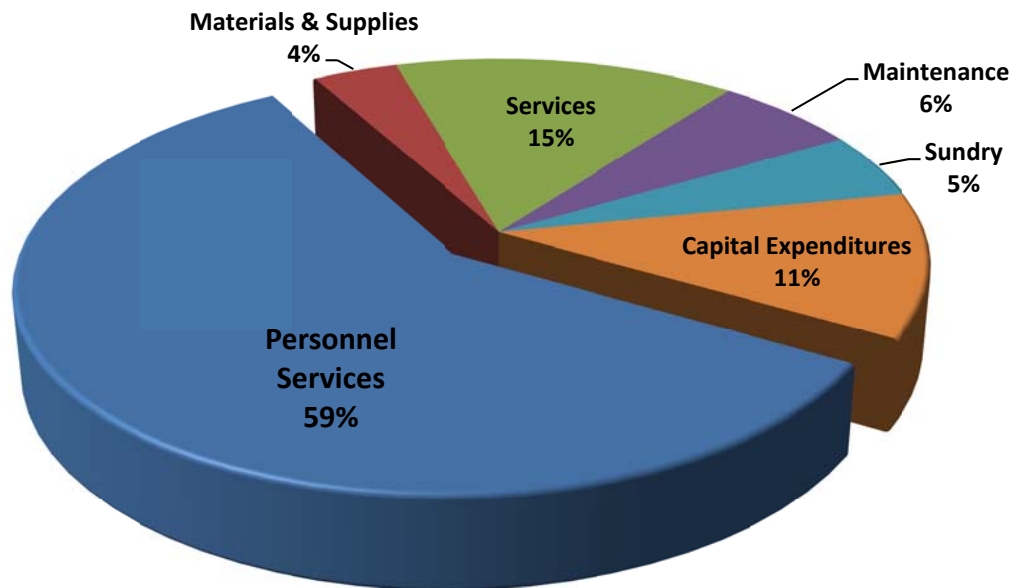
General Fund Revenues	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Taxes				
Property Taxes Current	3,311,464	3,090,000	3,300,000	3,150,000
Property Taxes Delinquent	128,244	115,000	112,000	115,000
Sales Tax Revenue	2,364,076	2,165,000	2,350,000	2,180,000
Natural Gas Franchise Tax	35,481	42,000	42,500	40,000
Electrical Franchise Tax	341,783	335,000	320,000	335,000
Telephone Franchise Tax	38,632	35,000	37,000	35,000
Cable TV Franchise Tax	83,461	90,000	83,000	85,000
Waste Collection Franchise	92,703	78,000	82,000	80,000
Other Franchise Tax	1,195	500	1,088	500
Alcohol Beverage Tax	13,657	9,500	16,530	9,500
Total Taxes	6,410,696	5,960,000	6,344,118	6,030,000
Licenses & Permits				
Electrical Licenses	2,250	2,500	2,000	2,000
Builder Licenses	4,400	5,000	6,600	5,000
Electrical Permits	8,151	8,000	7,300	6,000
Building Permits	44,231	25,000	65,000	30,000
Plumbing Permits	8,818	7,000	11,706	8,000
Mechanical Permits	4,175	3,000	5,700	3,000
Trailer Permits	335	500	1,100	400
Food Handler's Permits	3,125	2,500	3,390	2,500
Liens	2,000	500	3,322	0
Other Permits & Fees	20,097	22,000	35,500	20,000
Alcoholic Beverage Licenses	4,275	4,000	4,500	4,000
Animal Licenses & Fee	6,230	2,000	5,200	2,000
Alarm Fees	1,260	500	1,300	0
Total Licenses & Permits	109,346	82,500	152,618	82,900
User & Service Charges				
Bauer Center Rentals	45,567	30,000	63,252	40,000
Rental- Bauer Center Sign	865	0	500	0
CVB Events	1,250	0	600	0
Police Services	3,257	5,000	5,800	5,000
Fire Service Fees	0	0	0	0
Total User & Service Charges	50,939	35,000	70,152	45,000

General Fund Revenues (Continued)	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Fines & Forfeitures				
Penalties & Interest	107,837	95,000	91,000	100,000
Tax Attorney Fees	44,245	35,000	30,000	35,000
Court Fines	147,564	200,000	160,000	170,000
Municipal Court- Collection Agency	22,952	25,000	17,000	20,000
Local Time Payment Fees	6,097	8,000	6,000	6,000
Arrest Fees	18,242	20,000	18,000	18,000
Cash Over- Municipal Court	20	0	0	0
Total Fines & Forfeitures	346,957	383,000	322,000	349,000
Other Revenue				
Interest Income	28,430	24,000	10,903	8,000
Other Financing Sources	0	0	0	0
Photo Copies	663	0	925	0
Donations	11,680	0	738	0
Auction Proceeds	8,956	5,000	4,613	5,000
TML Reimbursements	11,848	15,000	25,000	10,000
Fire Training Reimbursement	0	0	0	0
Miscellaneous	33,406	5,000	40,000	5,000
Tower of Tex Usage Rights	12,613	12,000	96,000	6,000
Equity Balance Forward	0	0	0	0
Total Other Revenue	107,595	61,000	178,179	34,000
Grants and Contributions				
Contribution Lease - Police/Fire	0	2,500	0	0
Calhoun County- Fire	175,000	175,000	177,625	177,500
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	246,000	248,500	248,625	248,500
Intergovernmental Revenue				
Transfer In- 504 Port Commission	14,000	16,000	16,000	16,500
Transfer In- 501 Utility Fund	200,000	200,000	200,000	235,000
Transfer In- 503 Beach Fund	7,000	8,000	8,000	8,000
Transfer In- 206 FARF Fund	217,367	71,000	70,511	61,100
Transfer In- 101 Hotel/Motel	225,000	200,000	200,000	190,000
Transfer In- Other	13,821	0	0	0
Total Intergovernmental Revenue	677,188	495,000	494,511	510,600
Total General Fund Revenue	7,948,720	7,265,000	7,810,203	7,300,000

General Fund Expenditures by Function

Expenses by Function	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	Variance
Personnel Services	4,338,376	4,285,867	4,288,898.00	4,276,131	-9,736
Materials & Supplies	266,044	276,155	261,796	263,205	-12,950
Services	1,023,104	1,036,693	975,150	1,079,377	42,684
Maintenance	553,641	725,225	660,512	459,425	-265,800
Sundry	492,821	689,785	688,185	381,762	-308,023
Capital Expenditures	738,179	251,275	315,873	840,100	588,825
Total Expenditures	7,412,165	7,265,000	7,190,414	7,300,000	35,000

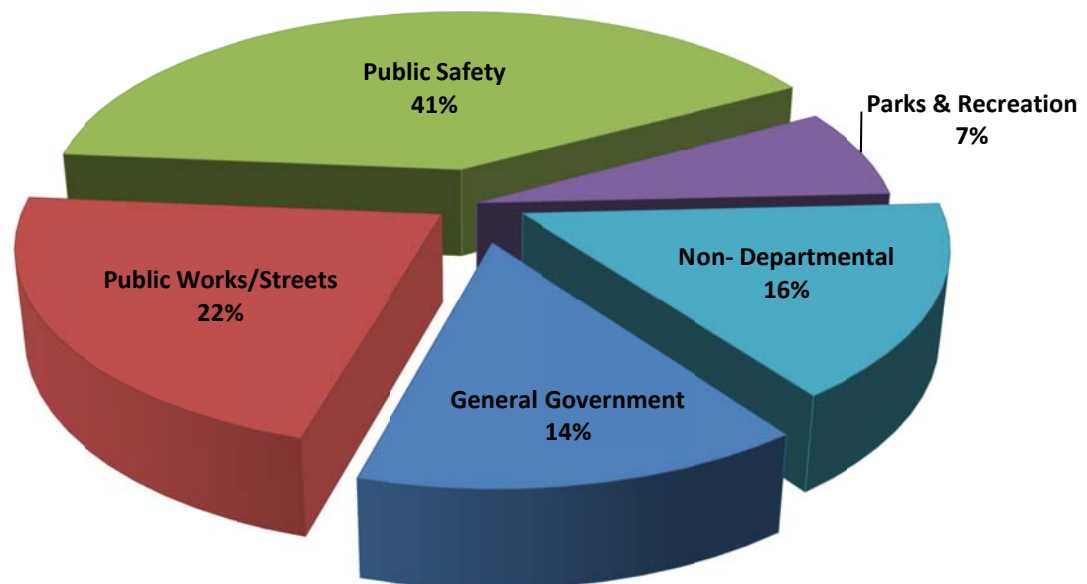
Expenditures by Function



General Fund Expenditures by Department

Department	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	Variance	Variance by %
City Council	27,566	26,719	27,864	32,655	5,936	22%
City Manager	201,777	203,782	199,300	202,098	-1,684	-1%
City Secretary	77,310	80,919	79,500	83,611	2,692	3%
Human Resource	65,836	75,932	75,460	77,333	1,401	2%
Legal	89,949	63,000	67,000	68,000	5,000	8%
Municipal Court	102,538	104,310	100,500	111,545	7,235	7%
Tax	116,348	111,983	103,000	103,902	-8,081	-7%
Technology	30,227	74,000	35,000	46,500	-27,500	-37%
Finance	188,493	205,950	196,900	199,935	-6,015	-3%
City Hall	131,121	131,045	111,186	122,325	-8,720	-7%
Police	1,559,445	1,563,975	1,503,000	1,550,550	-13,425	-1%
Fire	1,241,090	1,155,663	1,180,495	1,150,362	-5,301	0%
Animal Control	101,222	102,550	99,982	105,840	3,290	3%
Code/Inspections	131,255	142,700	137,733	153,619	10,919	8%
Streets	1,178,293	1,386,800	1,336,693	1,606,975	220,175	16%
Parks & Recreation	943,514	527,500	525,608	273,500	-254,000	-48%
Bauer Center	215,576	234,100	231,200	229,500	-4,600	-2%
Swimming Pool	17,616	28,550	36,092	30,350	1,800	6%
Non-Departmental	992,989	1,045,522	1,143,901	1,151,400	105,878	10%
Total Expenditures	7,412,165	7,265,000	7,190,414	7,300,000	35,000	0%

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

2013-2014 Goal Statements

- Port Lavaca residents are well informed and involved with the affairs of local city government.
- Port Lavaca residents enjoy new streets, sidewalks, & 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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	23,289	23,264	24,764	27,180
Materials & Supplies	2,215	1,130	1,000	3,650
Services	1,876	1,025	800	525
Maintenance	186	1,300	1,300	1,300
Total City Council	27,566	26,719	27,864	32,655

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 maintains the City's website, 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.

2013-2014 Business Plans (Objectives)

- Promote a community that respects and embraces the multiple cultures
- Develop performance measures for organizational efficiency
- Expand economic development opportunities in the City by supporting existing business and encouraging new development
- Update and improve the City's web site to encourage more visits
- Implement a façade program to assist downtown businesses with store front renovation
- Assist the Council in ordinance revisions for the well-being of the City's residents and businesses
- Finalize the City's waterfront master plan

2012-2013 Accomplishments of Prior Year Business Plans

- Completed a strategic plan for City staff
- Completed Phase 1 of Waterfront Development Plan
- Assisted in the design and installation of new entrance sign to the city
- Negotiated Economic Development packages for a new family oriented restaurant and a housing sub-division package for a local developer

Budget Summary

City Manager	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	193,102	193,277	190,000	191,883
Materials & Supplies	2,211	2,555	1,500	1,065
Services	6,463	7,950	7,800	9,150
Maintenance	0	0	0	0
Sundry	0	0	0	0
Total City Manager	201,777	203,782	199,300	202,098

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
City Manager	1	1	1
Administrative Assistant	1	1	1
Total	2	2	2

“You must be careful how you work, and where you go, for there are those following you who will set their feet where yours are set.”

Robert E. Lee

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.

2013-2014 Business Plans (Objectives)

- Evaluate new laws passed during the 2013 Texas State Legislative Session to determine their impact on the Public Information Act and implement necessary changes
- Maintain electronic up-to-date indexing for tracking city ordinances not meeting criteria of being included in the code of ordinances
- Expand the document imaging system to provide City information retrieval via the City network and the internet
- Obtain and maintain Clerk Certification
- Implement “paperless” City Council meetings
- Improve departmental page on City’s website

2012-2013 Accomplishments of Prior Year Business Plans

- Successful conduct of May 2013 Elections and installation of council members
- Coordinated with codification contractor (MCCi) to maintain up-to-date municipal code of ordinances, both in hard copy and accessible via the internet
- Established electronic data base for indexing minute books by subject matter

Budget Summary

City Secretary	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	63,186	63,719	64,000	66,411
Materials & Supplies	1,355	1,500	1,500	2,000
Services	12,770	15,700	14,000	15,200
Maintenance	0	0	0	0
Capital Expenditures	0	0	0	0
Total City Secretary	77,310	80,919	79,500	83,611

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
City Secretary	1	1	1
Administrative Assistant	0	0	0
Total	1	1	1

Performance Measures

<i>Our Workload</i>	FY 11-12 Actual	FY12-13 Estimated	FY 13-14 Projected
Number of Agendas/Meetings/Minutes	25	27	28
Number of requests for Public Info.	17	18	19
Number of new Ordinances approved	8	5	7
Number of closed sessions	11	16	12
Number of public hearings	8	8	8
Number of Proclamations	12	15	15
Number of resolutions approved	19	17	15
<i>Measuring our Effectiveness</i>			
% of Agendas posted 72 hours prior to meeting	100%	100%	100%
% of Minutes approved as written the first time	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.

2013-2014 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
- Provide Supervisor Training on performance evaluations
- Revise the Safety Personnel Policies and Procedures Manual
- Develop new employee orientation program
- Remain up to date on federal changes affecting Human Resource and Payroll

2012-2013 Accomplishments of Prior Year Business Plans

- Revised job descriptions
- Revised Human Resource Manual
- Assisted with compensation plan update
- Coordinated customer service week
- Implemented a departmental retention schedule on all personnel files

Budget Summary

Human Resource	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	49,118	48,907	49,000	49,958
Materials & Supplies	2,258	1,500	800	1,150
Services	10,780	22,700	23,000	24,200
Maintenance	3,680	2,825	2,660	2,025
Capital Expenditures	0	0	0	0
Total Human Resource	65,836	75,932	75,460	77,333

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Finance/Personnel Specialist	1	1	1
Total	1	1	1

Performance Measures

<i>Our Workload</i>	FY 11-12 Actual	FY12-13 Estimated	FY 13-14 Projected
Number of new employees processed	35	34	30
Number of employee terminations	32	26	25
Number of work related injuries	20	11	15
Number of performance evaluations	74	57	75
Number of applications received	320	235	300
<i>Measuring our Effectiveness</i>			
Average time to fill positions (days)	30	25	30

GENERAL FUND

LEGAL

Our Mission

To provide high quality legal services to assist the City of Port Lavaca in achieving its lawful objectives and to track all legal notices and/or advertisements published and identify related costs incurred by the City.

Description of our Services

The Legal Department provides funding for the City's Attorney through a contractual arrangement. The City Attorney defends the City in legal matters, reviews ordinances, deeds and other documents, handles certain claims against the City and provides legal advice and opinions to City staff and the City Council.

Budget Summary

Legal	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013 -2014
Services	89,949	63,000	67,000	68,000
Total Legal	89,949	63,000	67,000	68,000

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Contracted Service Position	1	1	1
Total	1	1	1

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.

2013-2014 Business Plans (Objectives)

- Partner with the Police Department to process the annual warrant round-up more effectively
- Review and update Judge’s Standing Order Manual and other court forms
- Evaluate new laws passed during 2013 Texas Legislative Session to determine if changes are needed
- Establish an orientation training for new personnel (police, fire, animal control and code enforcement) on court case processing
- Promote the Youth Orientation and Understanding (Y.O.U.) Program via social media and other outlets (Juvenile Case Manager)
- Educate parents and juveniles regarding truancy/school violations via the Y.O.U. Program (Juvenile Case Manager)
- Establish INCODE connection for Court through the Police Department
- Improve and enhance Municipal Court’s website to improve customer service & encourage online payment options
- Achieve and maintain clerk certification

GENERAL FUND

2012-2013 Accomplishments of Prior Year Business Plans

- Processed 261 discipline and truancy cases for the school district in 2012 – 2013 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, warrants issued, etc.
- Completed INCODE training for the Police Department's Brazos ticket writers

Budget Summary

Municipal Court	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	68,372	75,950	75,000	77,395
Materials & Supplies	1,448	1,950	1,700	1,200
Services	24,810	24,610	22,000	24,950
Maintenance	163	1,800	1,800	0
Sundry	7,746	0	0	8,000
Total Municipal Court	102,538	104,310	100,500	111,545

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 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>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Number of citations filed	1579	1623	2029
Number of warrants issued	788	756	945
Number of juvenile citations filed	104	277	346
<i>Measuring our Effectiveness</i>			
# of case files created within 24 hours of citation receipt	100%	98%	98%
# of warrants issued within 30 days of failure to appear	95%	98%	98%

TAX

Description of our Services

The Tax Department is established to separately account for the contractual tax services performed for the City by the Calhoun County Appraisal District (CCAD). The department performs the appraisals, generates the billing and collects the property tax payments for the City.

Budget Summary

Tax	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Services	116,348	111,983	103,000	103,902
Total Tax	116,348	111,983	103,000	103,902

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Contracted Service Position	1	1	1
Total	1	1	1

“Not everything that is faced can be changed. But nothing can be changed until it is faced.” -James Baldwin

GENERAL FUND

TECHNOLOGY

Our Mission

To provide prompt and effective service to the City of Port Lavaca departments with timely and up-to-date technological equipment, software, assistance and support.

Description of our Services

The Technology Department supports and maintains the City's computer network at all locations.



Strategic Focus

Governance

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

2013-2014 Business Plans (Objectives)

- Ensure critical infrastructure is available for staff to perform job duties efficiently.
- Add a City intranet for internal communications
- Propose a back- up solution for City data

2012-2013 Accomplishments of Prior Year Business Plans

- Hired out of town IT service company
- Updated City's website

Budget Summary

Technology	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Services	0	0	0	10,000
Maintenance	30,227	74,000	35,000	36,500
Total Technology	30,227	74,000	35,000	46,500

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Contracted Service Position	0	1	1
Total	1	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.

Business Development

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

2013-2014 Business Plans (Objectives)

- Assist with various audits of the City (sales and franchise tax)
- 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
- Maintain an updated profile of the City's statistical information for prospective businesses

GENERAL FUND

2012-2013 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 Award for financial transparency for 2013
- Assisted in completion of five year Capital Plan
- Assisted with various revenue enhancement audit services (Hotel/Motel, Franchise, Electric)
- Supported the development of the City's "Community Profile" for economic development purposes
- Contracted for a water and wastewater rate study
- Trained to back up Utility Billing as needed

Budget Summary

Finance	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	170,406	184,650	178,000	182,335
Materials & Supplies	10,048	8,200	8,100	8,200
Services	7,149	7,400	5,000	8,400
Maintenance	891	5,700	5,800	1,000
Total Finance	188,493	205,950	196,900	199,935

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Finance Director	1	1	1
Senior Accountant	1	1	1
Accounting Clerk	1	1	1
Total	3	3	3

Performance Measures

<i>Our Workload</i>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Average number of invoices processed	5078	5171	5125
Average number of vendor checks issued	2386	2285	2335
Average number of payroll checks/ACH issued	2907	2677	2680
Number of manual journal entries	2287	2124	2175
<i>Measuring our Effectiveness</i>			
GFOA's Distinguished Budget Presentation Award received	1	1	1
GFOA's Excellence in Financial Reporting Award received	1	1	1
Texas Comptroller's Leadership Circle Award	1	1	1
Audit receives a clean opinion	Yes	Yes	Yes

GENERAL FUND

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.

2013-2014 Business Plans (Objectives)

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

2012-2013 Accomplishments of Prior Year Business Plans

- Replaced one A/C unit in Police Department
- Upgraded City Manager's Conference Room, City Council Chambers

Budget Summary

City Hall	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	21,524	0	0	0
Materials & Supplies	7,605	11,170	11,186	11,200
Services	63,159	82,025	63,000	78,625
Maintenance	38,832	37,850	37,000	32,500
Total City Hall	131,121	131,045	111,186	122,325

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Janitor	1	0	0
Contracted Service Position	0	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 investigations, juvenile crime investigations and illegal narcotics investigations. 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 section 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.



2013-2014 Business Plans (Objectives)

- Continue to strengthen the relationship between the City of Port Lavaca public safety departments and the public
- Reduce citizen complaints by increasing the delivery of professional police service
- Reduce the number of traffic accidents by increasing traffic enforcement and visibility
- Reduce the number of property crime incidents by increasing narcotics investigations Maintain or increase the number of officers enrolled in higher education courses

GENERAL FUND

2012-2013 Accomplishments of Prior Year Business Plans

- Standardized hiring practices for the City's Public Safety Departments
- Pursued grant opportunities for funding of new equipment and technology
- Standardized promotional practices for the City's Public Safety Departments
- Designated and trained two Public Information Officers (PIO) for the City's Public Safety Departments

Budget Summary

Police	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	1,244,462	1,294,900	1,230,000	1,261,000
Materials & Supplies	71,832	69,050	70,000	71,200
Services	82,232	77,450	79,000	86,050
Maintenance	70,196	66,300	72,000	65,200
Sundry	33,846	2,000	2,000	2,000
Capital Expenditures	56,877	54,275	50,000	65,100
Total Police	1,559,445	1,563,975	1,503,000	1,550,550

2013- 2014 Major Additions: Vehicle and Remote Mobile Solutions Rugged Laptops

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 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

Performance Measures

<i>Our Workload</i>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Number of community programs & events attended by department personnel	18	20	24
Number of training hours received by department personnel	1,784	1,511	1,662
Total number of calls for service	16,297	18,420	18,604
Number of officer initiated calls	6,953	8,784	8,872
Number of traffic citations	2,048	2,107	2,318
Number of warnings	693	540	594
Number of motor vehicle accidents worked by patrol	224	252	277
<i>Measuring our Effectiveness</i>			
Average response time to calls in minutes	4.51	4.46	4.40
Number of cases assigned to CID	543	876	964
Number of cases cleared by arrest	785	1,044	1,148

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 Calhoun County. 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.

2013-2014 Business Plans (Objectives)

- Operate with a sense of pride and ownership within the organization
- Continue to strengthen the relationship between the City's public safety departments and the public
- Continue to foster strong working relationships among all City departments
- Maintain and increase the number of professional firefighters enrolled in higher education courses
- Continue to pursue and secure grants for alternative funding
- Continue to make safety of Fire Department personnel and citizens a priority
- Expanded October Fire Prevention "skit" Program in Port Lavaca and Calhoun County

2012-2013 Accomplishments of Prior Year Business Plans

- Continued implementation phase grading system for new hires
- Designated and trained two Public Information Officers (PIO) for the City's public safety departments
- Continued expansion of Fire Prevention Education Program
- Upgraded nine Scott NXG2 SCBA's with new battery packs and CBRN regulators
- Continued with the implementation of the smoke detector program
- Standardized hiring practices for the City's public safety departments
- Standardized promotional practices for the City's public safety departments
- Updated mobile and handheld radios to include the new FCC mandated mutual aid frequencies
- Acquired new e-hydraulic tools to maintain service levels for Port Lavaca citizens
- Updated and revised the Fire Department's SOG's
- Improved relations with local industrial plants through combined training
- Reduced overtime through improved scheduling techniques
- Revised and updated Fire Department job descriptions to ensure the hiring of the most qualified individuals for open positions
- Established a self-funded public safety dive team with cooperation with Calhoun County EMS and local law enforcement
- Acquired six sets of new personal protective equipment ensuring that all personnel have a set of bunker gear less than three years old through grant funding
- Strengthened the relationship between the City's public safety departments and the public through community relations projects

Budget Summary

Fire	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	927,462	955,100	950,000	954,000
Materials & Supplies	48,906	62,200	62,000	48,500
Services	47,251	52,700	52,700	55,200
Maintenance	26,454	33,900	33,800	36,400
Sundry	191,016	51,763	50,163	51,262
Capital Expenditures	0	0	31,832	5,000
Total Fire	1,241,090	1,155,663	1,180,495	1,150,362

GENERAL FUND

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 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>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Number of fire safety classes	57	60	59
Number of participants in fire safety classes	2275	2300	2285
Number of smoke detectors installed for residents	24	25	25
Number of Inspections	372	372	375
<i>Measuring our Effectiveness</i>			
Percentage of Port Lavaca and Calhoun County Schools receiving education classes	97%	99%	99%
Number of joint training hours with outside agencies	300	305	302
Number of required/actual certifications maintained	50/92	50/96	50/95

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 assure 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.

2013-2014 Business Plans (Objectives)

- Continue to provide professional animal control service to the City's and County's residents
- Continue to educate the public on the needs to spay and neuter pets
- Work closely with the Police Department and inspection department 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

2012-2013 Accomplishments of Prior Year Business Plans

- Sought grants for the animal shelter
- Increased public awareness on the necessity to spay or neuter pets
- Assisted in providing a safe atmosphere for the citizens
- Efficiently managed animal control calls provided throughout the county
- Reduced the number of loose animals

GENERAL FUND

Budget Summary

Animal Control	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	77,017	75,900	77,701	78,100
Materials & Supplies	10,876	13,150	10,000	14,240
Services	9,976	10,500	9,500	10,500
Maintenance	3,353	3,000	2,781	3,000
Sundry	0	0	0	0
Capital Expenditures	0	0	0	0
Total Animal Control	101,222	102,550	99,982	105,840

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Animal Control Officers	2	2	2
Total	2	2	2

Performance Measures

<i>Our Workload</i>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Community education programs	1	1	2
Number of animals picked up	2,813	1,955	2,150
Number of dead animals picked up	429	339	372
<i>Measuring our Effectiveness</i>			
Average response time to pick up animals	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 the 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 building trade codes, safety codes and land use; park event permits; and permits for peddlers, solicitors and itinerant merchants.



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.

2013-2014 Business Plans (Objectives)

- Continue to aggressively enforce the substandard building ordinance
- Establish a program that will create a data base for annual inspections of all residential properties
- Collect outstanding liens owed to the City for code violations
- Create a hand out booklet for renters and landlords
- Establish a "Yard of the Month" program
- Continue to evolve a program to encourage citizens to make the town cleaner

2012-2013 Accomplishments of Prior Year Business Plans

- Issued over 509 permits with a valuation of over \$13,256,850 since October 2012
- Completed 1,033 code enforcement inspections within the first nine months of the budget year
- Continue to increase department production while staying within budget
- Demolished five substandard structures
- Completed over 1,400 code enforcement inspections since October 2012
- Set up the Point Comfort permitting department

GENERAL FUND

Budget Summary

Code Enforcement	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	119,442	123,750	120,833	128,819
Materials & Supplies	5,759	6,900	4,900	7,900
Services	4,129	8,550	8,500	13,100
Maintenance	1,926	3,500	3,500	3,800
Capital Expenditures	0	0	0	0
Total Code Enforcement	131,255	142,700	137,733	153,619

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 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>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Number of building permits issued	711	509	650
Number of garage sale permits issued	328	358	350
Number of building inspections completed	697	935	1000
Number of code enforcement inspections	1302	1405	1450
<i>Measuring our Effectiveness</i>			
Percentage of building inspections completed within 2 business days	100%	100%	100%
Response to code enforcement requests within 1 business day	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.

2013-2014 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
- Reconstruct George Street

2012-2013 Accomplishments of Prior Year Business Plans

- Reclaimed approximately 6,500 linear feet of streets
- Completed the 2013 sealcoat program
- Assisted with the construction of the soccer fields at Wilson Field
- Cleaned 8,000 linear feet of major outfall ditches around the City
- Cleaned Lynn's Bayou

GENERAL FUND

Budget Summary

Streets	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	497,918	455,450	458,000	461,100
Materials & Supplies	56,481	57,150	49,010	48,400
Services	162,096	161,800	150,000	166,225
Maintenance	293,841	307,400	275,000	170,250
Sundry	167,957	375,000	375,000	0
Capital Expenditures	0	30,000	29,683	761,000
Total Streets	1,178,293	1,386,800	1,336,693	1,606,975

2013- 2014 Major Additions: Vehicle, Street Rehab at George Street

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Public Works Director*	1	½*	½*
Administrative Assistant*	1	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	16	15	15

*Position funded 1/2 Utility Maintenance

Performance Measures

<i>Our Workload</i>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Miles of curb swept by street sweeper	250	380	400
Tons of litter and debris removed	140	150	150
<i>Measuring our Effectiveness</i>			
% of emergency calls responded to within 4 hrs.	98%	100%	100%

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.

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.

2013-2014 Business Plans (Objectives)

- Beautify the City's parks and open spaces
- Repaint park signs & replace old park equipment
- Install a playground unit at Wilson Field

GENERAL FUND

2012-2013 Accomplishments of Prior Year Business Plans

- Installed two (2) cabanas at Bay Front Peninsula
- Constructed two (2) soccer fields at Wilson Field
- Installed a water well for irrigation at Wilson Field
- Received a gazebo and oak tree at Faye Bauer Sterling Park
- Installed splash park at Bay Front Peninsula
- Replaced basketball court at George Adams Park
- Installed LED lights and electrical plugs at Bay Front Peninsula pavilion

Budget Summary

Parks & Recreation	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	159,462	167,500	159,000	162,500
Materials & Supplies	29,921	22,600	22,100	24,600
Services	49,097	53,800	42,150	46,300
Maintenance	23,732	116,600	98,000	31,100
Capital Expenditures	681,302	167,000	204,358	9,000
Total Parks & Recreation	943,514	527,500	525,608	273,500

2013- 2014 Major Additions: Mower

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 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>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Acres of park grounds maintained	170.4	170.4	170.4
Number of playground inspections performed	24	30	45
<i>Measuring our Effectiveness</i>			
% of park maint. completed on time	98%	98%	100%

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.

2013-2014 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

GENERAL FUND

2012-2013 Accomplishments of Prior Year Business Plans

- 2013 – 2014 rentals currently booked
- Attended two (2) trade shows to advertise the center for rental
- Advertised in the bridal section of the Port Lavaca Wave newspaper

Budget Summary

Bauer Center	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	54,383	68,500	54,600	61,450
Materials & Supplies	7,093	6,000	9,500	8,800
Services	115,225	115,550	115,100	114,900
Maintenance	38,875	44,050	52,000	44,350
Total Bauer Center	215,576	234,100	231,200	229,500

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Maintenance Workers	2	2	2
Total	2	2	2



SWIMMING POOL OPERATIONS

Our Mission

The mission of the City of Port Lavaca Swimming Pool Operations Department is to provide the City of Port Lavaca with a high quality fresh water alternative for swimming.

Description of our Services

The Municipal Swimming Pool is currently operated by the Young Men's Christian Association (YMCA). The maintenance costs are provided by the City of Port Lavaca.

Budget Summary

Swimming Pool Operations	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Materials & Supplies	8,036	11,100	8,500	11,100
Services	7,142	12,450	10,600	14,250
Maintenance	2,438	5,000	16,992	5,000
Sundry	0	0	0	0
Total Swimming Pool Operations	17,616	28,550	36,092	30,350

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Contracted YMCA Position	1	1	1
Total	1	1	1

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.

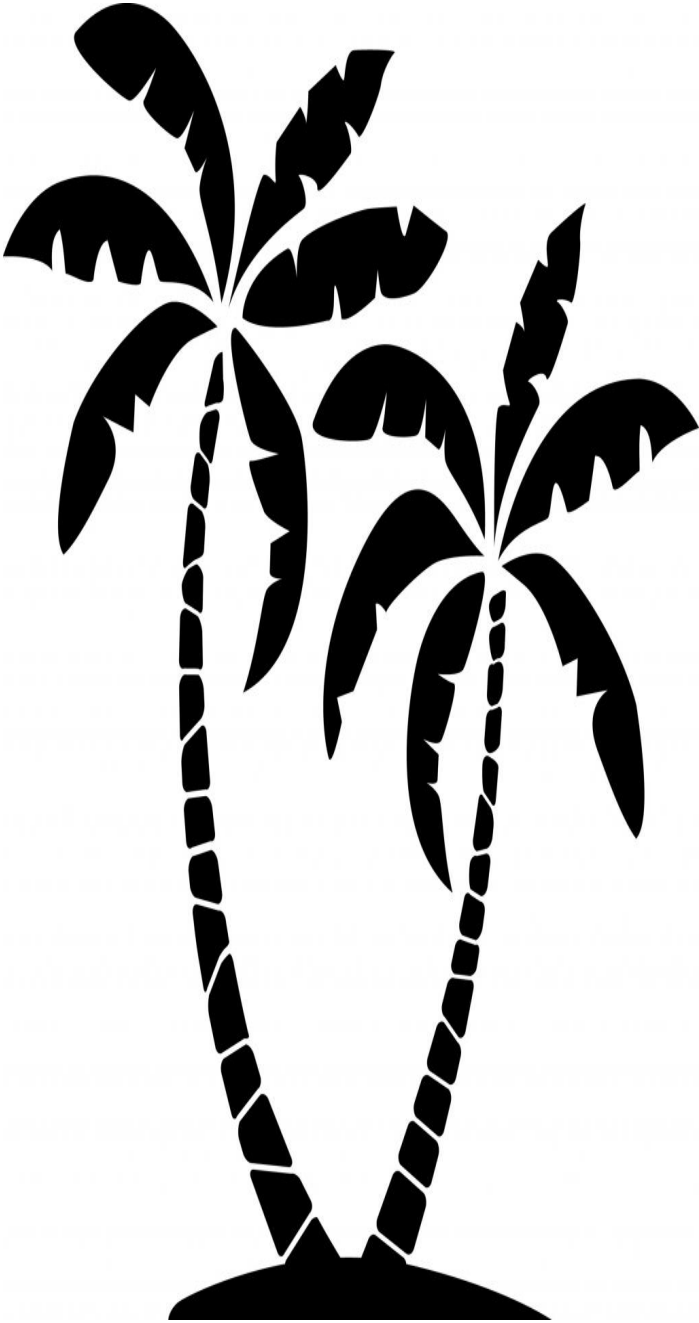
Fixed Asset Replacement Fund (FARF) Allocations

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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	669,233	555,000	658,000	574,000
Services	212,653	207,500	202,000	229,900
Maintenance	18,847	22,000	22,879	27,000
Sundry	92,256	261,022	261,022	320,500
Capital Expenditures	0	0	0	0
Total Non-Departmental	992,989	1,045,522	1,143,901	1,151,400

ENTERPRISE FUNDS



Public Utility Fund

Revenue and Expenditures

Department Summaries

Utility Billing

Maintenance

Wastewater

Water Production

Solid Waste

Non-Departmental

Beach Fund

Revenue and Expenditures

Departmental Summary

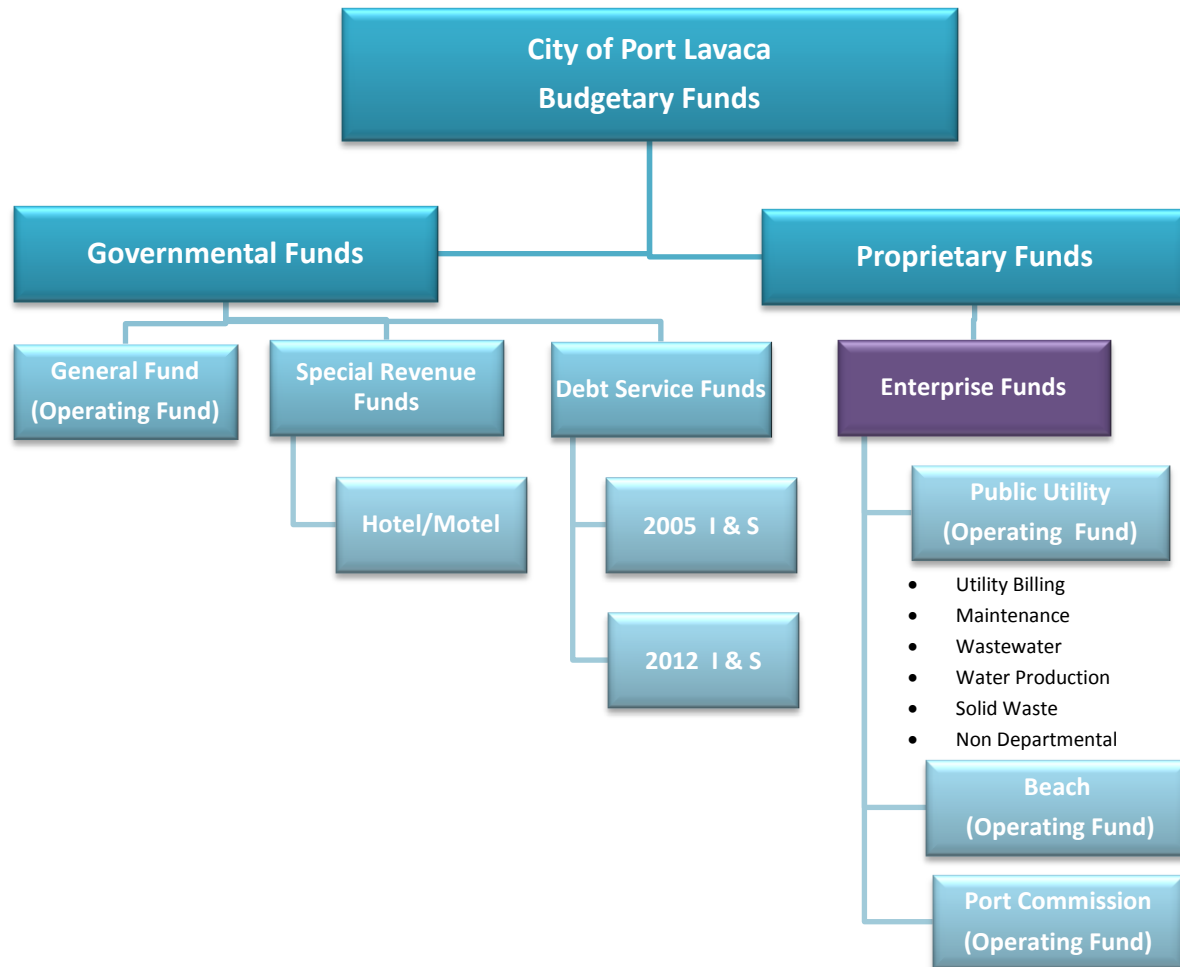
Beach Operations

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.



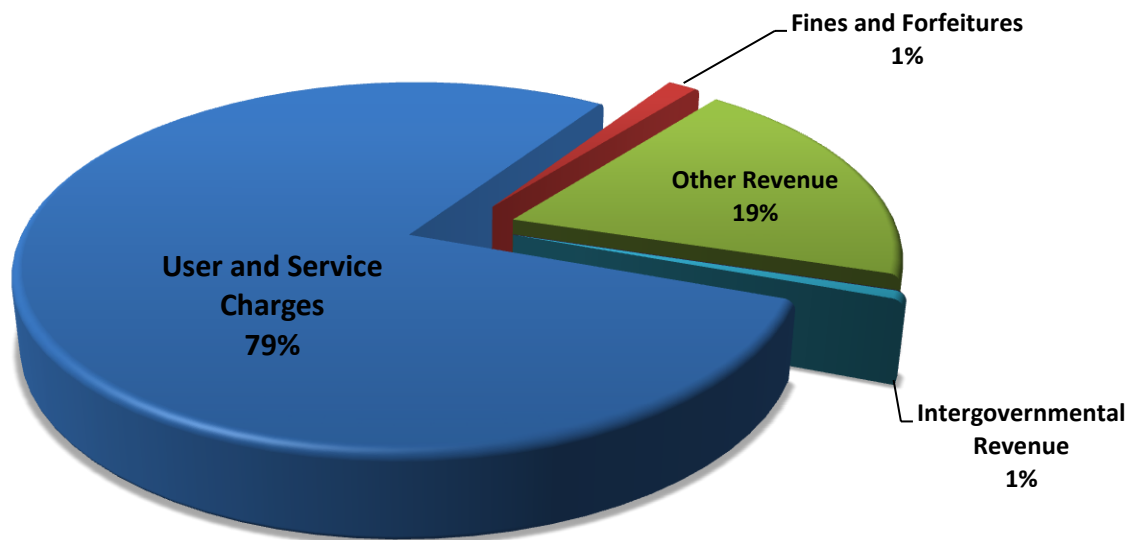
PUBLIC UTILITY FUND

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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	Variance
User and Service Charges	5,138,794	4,942,300	5,198,504	5,031,000	88,700
Fines and Forfeitures	97,510	90,000	92,800	92,000	2,000
Other Revenue	75,987	751,700	69,700	1,228,000	476,300
Grant and Contributions	1,300	0	0	0	0
Intergovernmental Revenue	0	0	0	45,000	
Total Revenues	5,313,592	5,784,000	5,361,004	6,396,000	567,000

Public Utility Fund Revenue



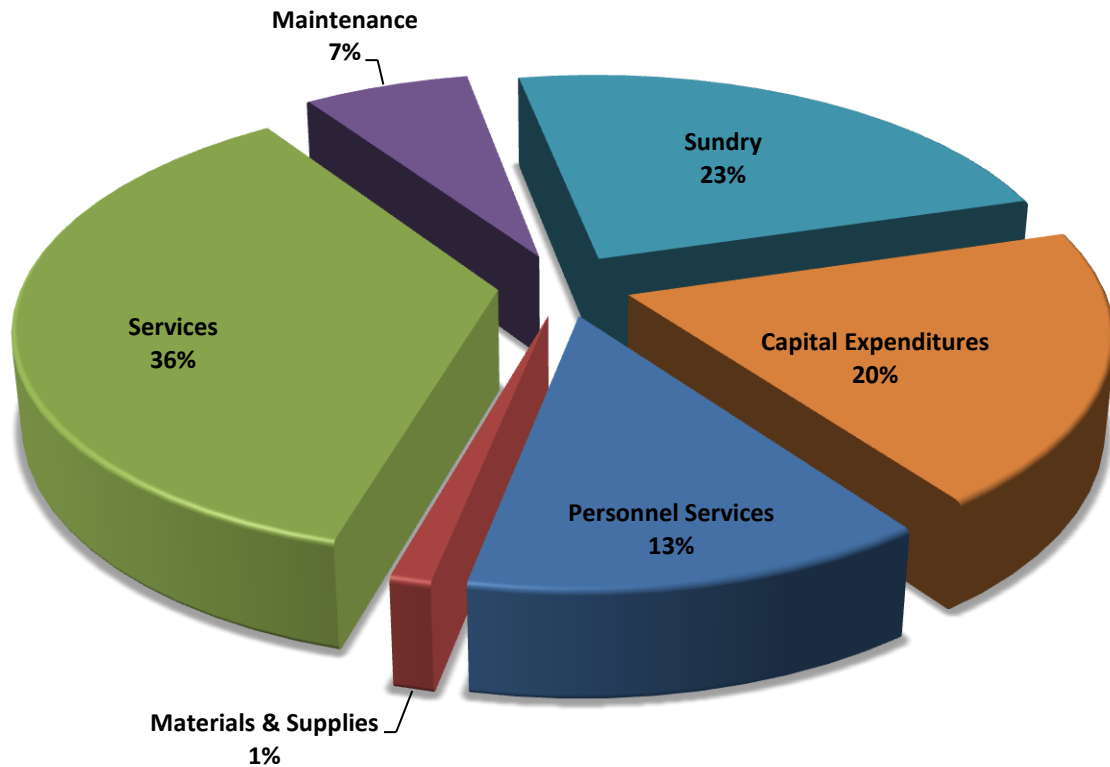
Public Utility Revenue Detail

Public Utility Fund Revenue	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
User & Service Charges				
Water- Metered	2,328,288	2,200,000	2,350,000	2,250,000
Water- Bulk	2,232	0	100	0
Water- Metered County	79,695	77,000	77,500	76,000
Sewer Residential	1,137,237	1,135,000	1,145,811	1,135,000
Sewer Commercial	732,809	690,000	745,000	730,000
Sewer County	36,309	30,000	36,593	30,000
Waste- Garbage Collection	658,854	676,800	685,000	685,000
Spring Cleanup	74,436	67,000	60,000	55,000
Water Taps	28,198	10,000	25,000	12,000
Sewer Taps	4,425	4,000	18,000	4,000
Service Call Fees	359	1,500	1,500	1,000
Service Transfer Fees	2,460	2,500	2,500	2,500
Service Reconnection Fees	39,038	37,000	38,000	38,000
Service Temporary Water	3,015	1,500	2,200	1,500
Sales Tax- Garbage	11,441	10,000	11,300	11,000
Total User & Service Charges	5,138,794	4,942,300	5,198,504	5,031,000
Fines & Forfeitures				
Late Payment Penalties	97,510	90,000	92,800	92,000
Cash Over- Utility Billing	0	0	0	0
Total Fine & Forfeitures	97,510	90,000	92,800	92,000
Other Revenue				
Interest Income	12,848	11,000	10,000	10,000
Other Financing Sources	0	0	0	0
Returned Check Fees	2,610	2,500	2,500	2,000
Bad Debt Account Collection	10,464	10,000	11,200	10,000
CCRWSS- GBRA Transmission	45,743	35,000	42,600	40,000
Auction Proceeds	300	0	600	0
TML Reimbursements	634	0	0	0
Miscellaneous	3,388	0	2,800	0
Equity Balance Forward	0	693,200	0	1,166,000
Total Other Revenue	75,987	751,700	69,700	1,228,000
Grant & Contributions				
Capital Contributions	1,300	0	0	0
Total Grant & Contributions	1,300	0	0	0
Intergovernmental Revenue				
Xfer In-Fund 503	0	0	0	45,000
Total Intergovernmental Revenue	0	0	0	45,000
Total Public Utility Revenue	5,313,592	5,784,000	5,361,004	6,396,000

Public Utility Expenditures by Function

Expenditures by Function	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	Variance
Personnel Services	747,159	816,010	821,060	843,895	27,885
Materials & Supplies	76,986	71,800	65,815	75,950	4,150
Services	2,266,343	2,326,000	2,224,000	2,307,900	-18,100
Maintenance	341,253	365,050	381,600	419,327	54,277
Sundry	1,455,435	2,118,242	1,466,433	1,493,928	-624,314
Capital Expenditures	0	86,898	758,000	1,255,000	1,168,102
Total Expenditures	4,887,176	5,784,000	5,716,908	6,396,000	612,000

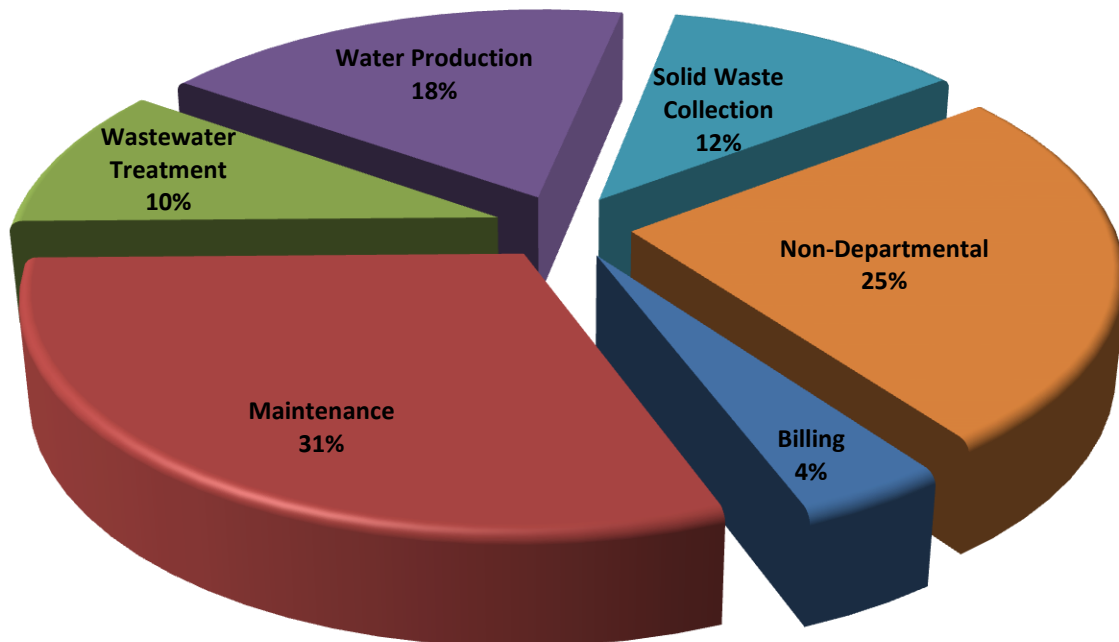
Expenditures by Function



Public Utility Expenditures by Department

Expenditures by Department	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	Variance
Billing	279,724	281,425	269,965	267,347	-14,078
Maintenance	623,333	1,315,467	1,324,911	1,954,725	639,258
Wastewater Treatment	519,912	741,709	694,732	641,572	-100,137
Water Production	1,164,479	1,167,400	1,100,000	1,174,000	6,600
Solid Waste Collection	689,974	701,800	710,000	740,000	38,200
Non-Departmental	1,609,753	1,576,199	1,617,300	1,618,356	42,157
Total Expenses	4,887,176	5,784,000	5,716,908	6,396,000	612,000

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.

2013-2014 Business Plans (Objectives)

- Revise customer service ordinance and make available online
- Attend the "Texas Friendly Customer Service Program" training
- Increase the amount of customer's using the City's online payment option
- Implement Phase 1 of automated meter reading project

2012-2013 Accomplishments of Prior Year Business Plans

- Cross trained finance department in cash collections
- Added a new underground unit to City's drive up system
- Reviewed meter inventory for age and location accuracy
- Increased the amount of customer's using the City's online payment option
- Increased the utilization of utility bills as an avenue to share city information

Budget Summary

Utility Billing	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	176,505	181,550	175,000	182,495
Materials &Supplies	12,583	11,875	9,315	10,575
Services	34,411	38,350	36,000	37,350
Maintenance	56,241	49,650	49,650	36,927
Sundry	-16	0	0	0
Capital Expenditures	0	0	0	0
Total Utility Billing	279,724	281,425	269,965	267,347

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 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

Performance Measures

<i>Our Workload</i>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Number of utility account bills generated	54,828	54,848	54,858
Number of utility payments received	47,125	47,150	47,100
Number of port commission bills generated	737	740	741
Number of port commission payments received	623	630	627
Number of bad debt write offs	168	179	185
Amount of bad debt recoveries	3,779.82	4,000.00	4,100.00
Meter reading service orders generated	4,030	4,035	4,050
<i>Measuring our Effectiveness</i>			
Percentage of monthly bills posted to customer accounts on time	100%	100%	100%
Percentage of billing adjustments to correct meter reading and/or billing errors	Less than 1%	Less than 1%	Less than 1%
Number of work orders outstanding after thirty (30) days	33	30	25

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.

2013-2014 Business Plans (Objectives)

- Implement a backflow prevention plan
- Continue working on Inflow & Infiltration (I & I) improvements throughout the City
- Keep customer complaints below 1% of total customers per month

2012-2013 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 998 work orders
- Kept customer complaints below 1% of total customers per month

Budget Summary

Maintenance	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	330,960	406,000	395,000	404,000
Materials & Supplies	42,536	34,225	33,500	39,675
Services	27,914	32,800	31,000	31,600
Maintenance	217,765	148,000	135,000	187,000
Sundry	4,158	693,044	37,411	37,450
Capital Expenditures	0	1,398	693,000	1,255,000
Total Maintenance	623,333	1,315,467	1,324,911	1,954,725

2013-2014 Major Additions: Vehicle, meter replacement, sewer line at Alamo Heights, water line at hospital area and waterline upgrade at Lighthouse Beach

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Public Works Director*	0	½*	½*
Administrative Assistant*	0	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	9	10	10

*Position funded 1/2 by Streets

Performance Measures

<i>Our Workload</i>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Number of work orders completed	1336	998	1200
Number of quality samples taken	180	180	212
Number of water main leaks repaired	313	150	150
<i>Measuring our Effectiveness</i>			
Water service complaints as a % of total customer accounts	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 %

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.

2013-2014 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)

2012-2013 Accomplishments of Prior Year Business Plans

- Replaced roof on office building
- Raised the copper limit parameters in the effluent for the TCEQ permit

Budget Summary

Wastewater Treatment	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	117,373	119,660	109,060	113,600
Materials & Supplies	21,866	25,700	23,000	25,700
Services	312,982	328,150	288,000	292,150
Maintenance	65,962	166,100	193,650	194,100
Sundry	1,729	16,599	16,022	16,022
Capital Expenditures	0	85,500	65,000	0
Total Wastewater Treatment	519,912	741,709	694,732	641,572

2013-2014 Major Additions: SCADA lift stations

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Wastewater Operator	1	1	2
Utility Operator	2	2	1
Temp. Maintenance Worker	1	1	1
Total	4	4	4

Performance Measures

<i>Our Workload</i>	FY 11-12 Actual	FY 12-13 Estimated	FY 13-14 Projected
Total gallons of wastewater treated per year in millions	392.92	400.00	410.50
Number of sanitary sewer overflows	2	3	2
Tons of sludge per year	1698.14	1500.00	1600.00
<i>Measuring our Effectiveness</i>			
Percentage of solids removed from wastewater treatment plant	97.47%	96% to 98%	96% to 98.5%

WATER PRODUCTION

Description of our Services

The Water Distribution Department is used to account for remittances made by the Public Utility Fund to the Guadalupe-Blanco River Authority (GBRA) for water purchased by the City and provided to our utility customers.

GBRA is a political subdivision of the State of Texas established to develop, conserve and protect the water resources of the Guadalupe River Basin. The City of Port Lavaca purchases its treated (purified) water from GBRA.

Budget Summary

Water Production	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Services	1,164,479	1,167,400	1,100,000	1,174,000
Total Water Production	1,164,479	1,167,400	1,100,000	1,174,000

SOLID WASTE

Description of our Services

The Solid Waste Department provides for curbside collection of solid waste to residential customers and small offices. This service is provided to Public Utility customers by contractual arrangements with Allied Waste, Inc. Residential and small office solid waste is collected twice weekly. A brush pick-up is provided to residential customers the first and third full week of each month.

Budget Summary

Solid Waste Collection	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Services	664,974	676,800	685,000	685,000
Sundry	25,000	25,000	25,000	55,000
Total Solid Waste Collection	689,974	701,800	710,000	740,000

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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	122,321	108,800	142,000	143,800
Services	61,583	82,500	84,000	87,800
Maintenance	1,285	1,300	3,300	1,300
Sundry	1,424,564	1,383,599	1,388,000	1,385,456
Total Non-Departmental	1,609,753	1,576,199	1,617,300	1,618,356



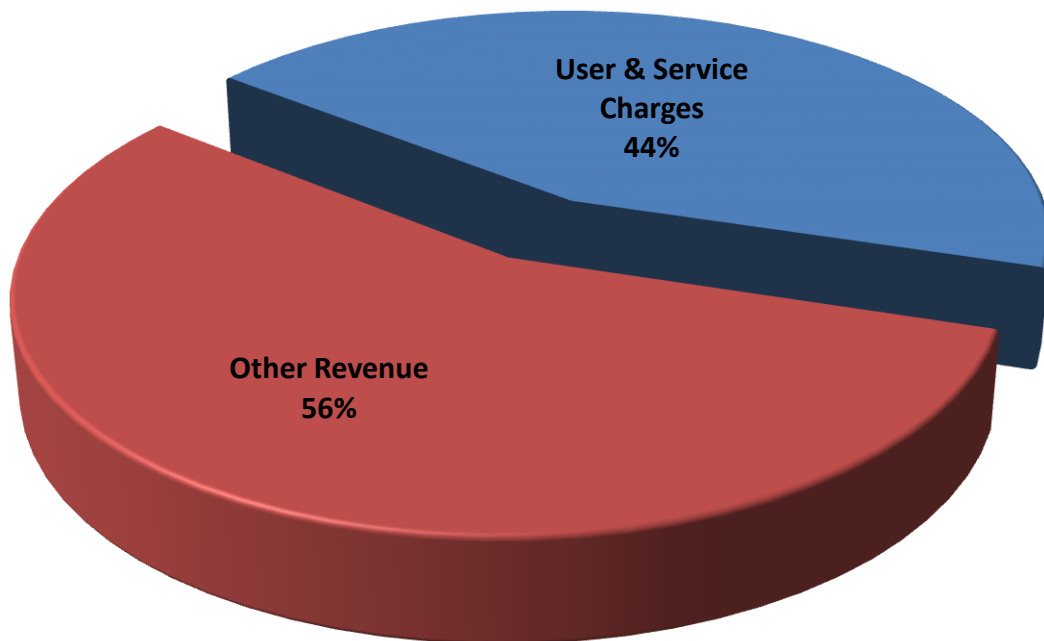
BEACH FUND

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

Beach Revenue

Revenue Summary	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	Variance
User & Service Charges	256,516	228,000	286,000	234,000	6,000
Other Revenue	4,843	132,000	4,000	296,000	164,000
Intergovernmental Revenue	0	0	0	0	0
Total Revenue	261,359	360,000	290,000	530,000	170,000

Revenue by Receipt Type



Beach Revenue Detail

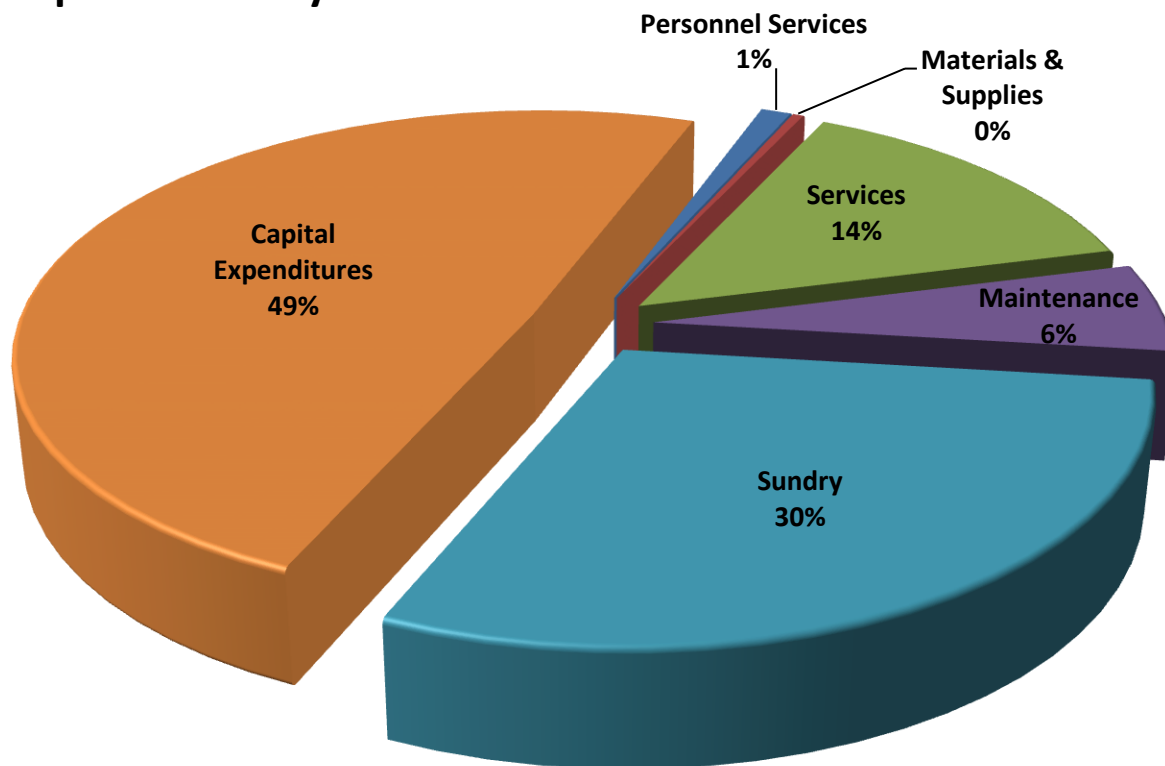
Beach Operating Revenue	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
User & Service Charges				
Beach Fees	48,011	40,500	65,000	42,000
R V Rentals	205,105	185,000	217,000	189,500
Pavilion Rentals	3,400	2,500	4,000	2,500
Total User & Service Charges	256,516	228,000	286,000	234,000
Other Revenue				
Interest Income	1,733	1,500	1,300	1,000
Returned Check Fee	30	0	0	0
Auction Proceeds	15	0	0	0
TML Reimbursement	0	0	0	0
Washer-Dryer Income	3,066	2,500	2,700	2,500
Miscellaneous	0	0	0	0
Equity Balance Forward	0	128,000	0	292,500
Total Other Revenue	4,843	132,000	4,000	296,000
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	261,359	360,000	290,000	530,000

Beach Fund Expenditures

Beach Operation Expenditures	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	Variance
Personnel Services	13,051	6,550	2,500	5,850	-700
Materials & Supplies	2,263	1,700	2,200	2,100	400
Services	75,050	79,100	73,000	74,100	-5,000
Maintenance	26,400	112,650	37,000	30,950	-81,700
Sundry	118,785	116,000	116,088	157,000	41,000
Capital Expenditures	0	44,000	37,654	260,000	216,000
Total Beach Expenditures	235,548	360,000	268,442	530,000	170,000

2013-2014 Major Additions: Splash pad and Fishing pier T-Head

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.

2013-2014 Business Plans (Objectives)

- Complete the reconstruction for the fishing pier
- Install splash pad
- Install new water main(s) at Lighthouse Beach

2012-2013 Accomplishments of Prior Year Business Plans

- Replaced thatch on five umbrellas
- Installed new prefabricated restroom
- Added showers to bathroom in the recreation room
- Installed LED lighting on the boardwalk
- Replaced all the lights under the pavilion





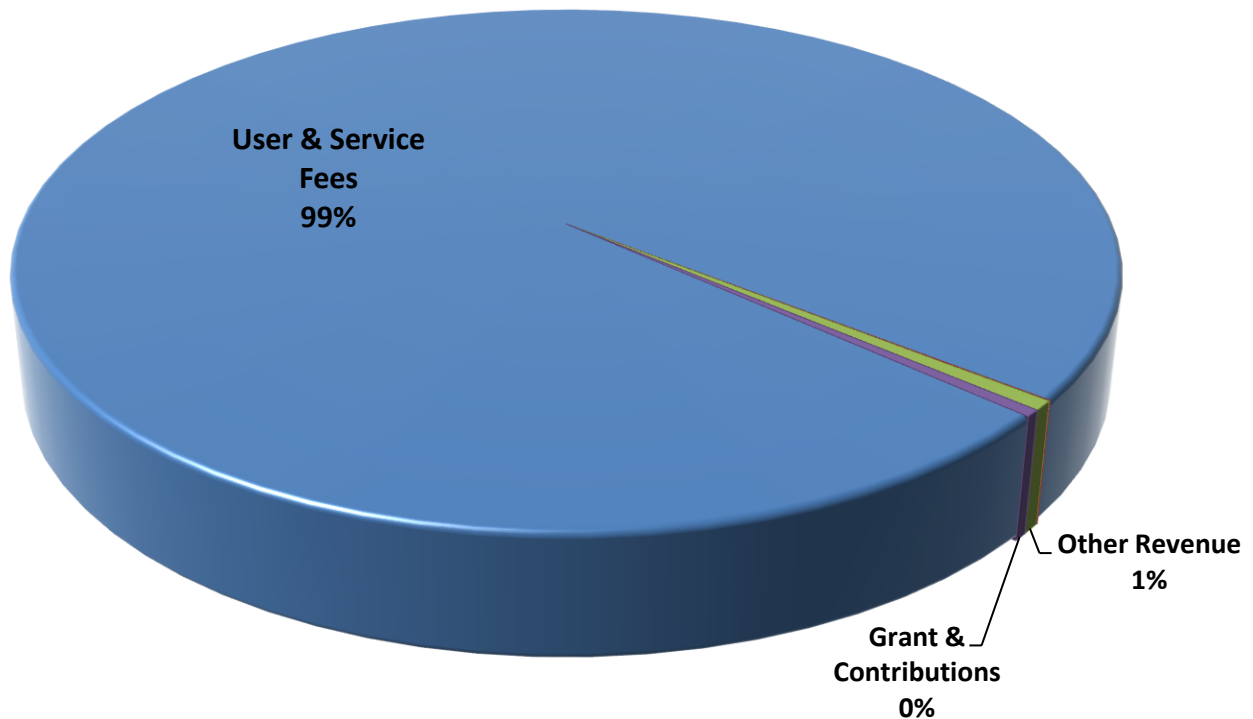
PORT REVENUE FUND

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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	Variance
User & Service Fees	420,036	456,000	507,660	470,000	14,000
Fines & Forfeitures	274	200	486	200	0
Other Revenue	6,524	374,800	4,548	2,800	-372,000
Grant & Contributions	882,181	2,000	2,000	2,000	0
Total Revenue	1,309,015	833,000	514,694	475,000	-358,000

Revenue by Receipt Type



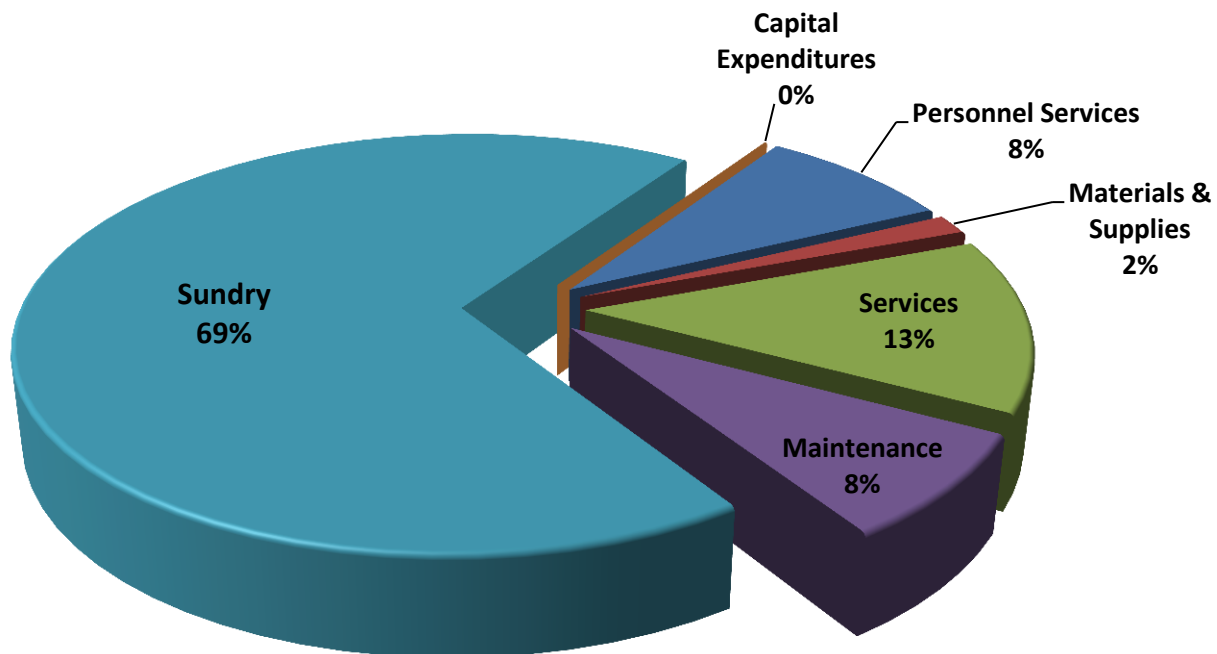
Port Commission Fund Revenue Detail

Port Operational Revenue	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
User & Service Charges				
City Harbor- Dock Leases	87,638	87,000	87,500	87,000
Harbor of Refuge- Dock Leases	202,679	200,000	225,000	205,000
Harbor of Refuge- Tariffs	30,660	80,000	78,000	78,000
Nautical Landing- Dock Leases	71,515	65,000	79,000	70,000
Nautical Landing- Building Leases	27,545	24,000	38,160	30,000
Bad Debt	0	0		0
Total User & Service Charges	420,036	456,000	507,660	470,000
Fines & Forfeitures				
Late Payment Penalties	274	200	486	200
Total Fines & Forfeitures	274	200	486	200
Other Revenue				
Interest Income	4,712	4,300	4,000	2,300
Auction Proceeds	600	0	48	0
TML Reimbursements	0	0	0	0
Washer-Dryer Income	1,212	500	500	500
Miscellaneous	0	0	0	0
Equity Balance Forward	0	370,000	0	0
Total Other Revenue	6,524	374,800	4,548	2,800
Grant And Contribution				
General Land Office Reimbursement	2,000	2,000	2,000	2,000
Capital Contributions	880,181	0		0
Total Grant And Contribution	882,181	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	1,309,015	833,000	514,694	475,000

Port Revenue Fund Expenditures

Port Operation Expenditures	Actual FY 2011-2012	Final Amended FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014	Variance
Personnel Services	30,941	36,350	33,950	40,120	3,770
Materials & Supplies	4,874	10,000	10,500	7,100	-2,900
Services	93,024	54,250	66,000	63,380	9,130
Maintenance	61,671	29,400	55,000	37,900	8,500
Sundry	258,940	628,000	791,463	326,500	-301,500
Capital Expenditures	0	75,000	95,283	0	-75,000
Total Expense	449,449	833,000	1,052,196	475,000	-358,000

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.

2013-2014 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

2012-2013 Accomplishments of Prior Year Business Plans

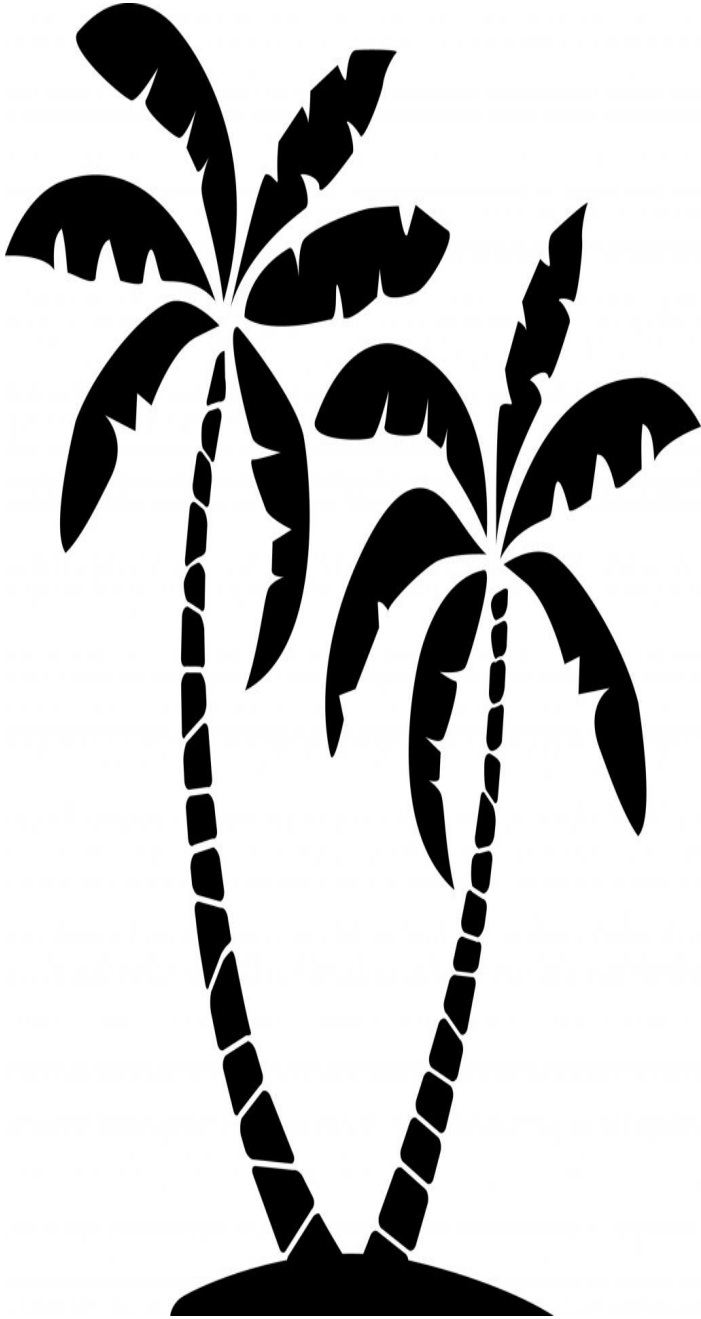
- Installed a sewage pump-out station at Nautical Landings Marina
- Remodeled day room and built a training facility
- Replaced the retaining wall and deck at Nautical Landings Marina
- Completed breakwater at Nautical Landings

Budgeted Personnel

Position	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Harbor Master	1	1	1
Maintenance Worker	1/2	1/2	1/2
Total	1 1/2	1 1/2	1 1/2



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

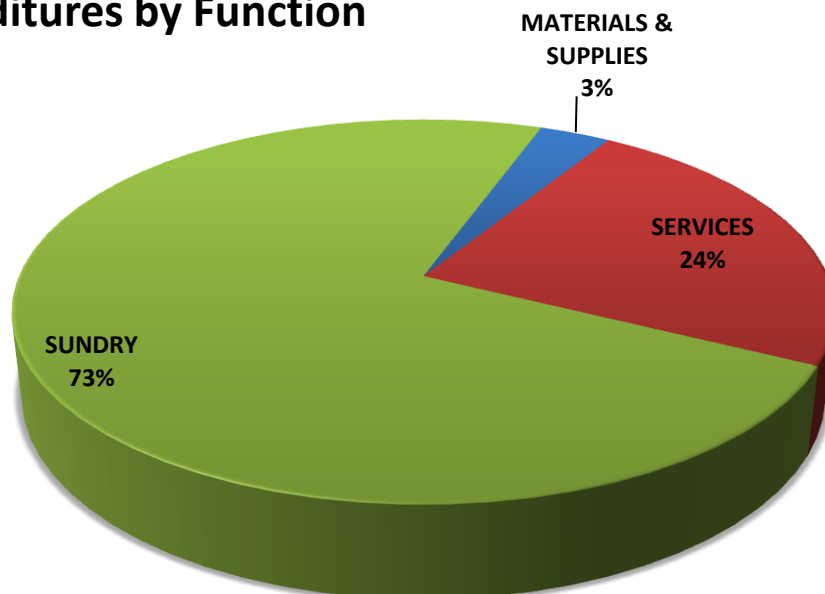
Hotel / Motel Revenue

Revenue Summary	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Taxes	331,724	300,000	360,000	300,000
Other Revenue	852	22,800	750	500
Total Revenue	332,576	322,800	360,750	300,500

Hotel / Motel Expenditures

Hotel Expenditures	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Materials & Supplies	10,922	10,000	9,500	10,000
Services	115,612	73,800	100,000	70,500
Sundry	260,162	239,000	235,000	220,000
Total Expense	386,696	322,800	344,500	300,500

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.

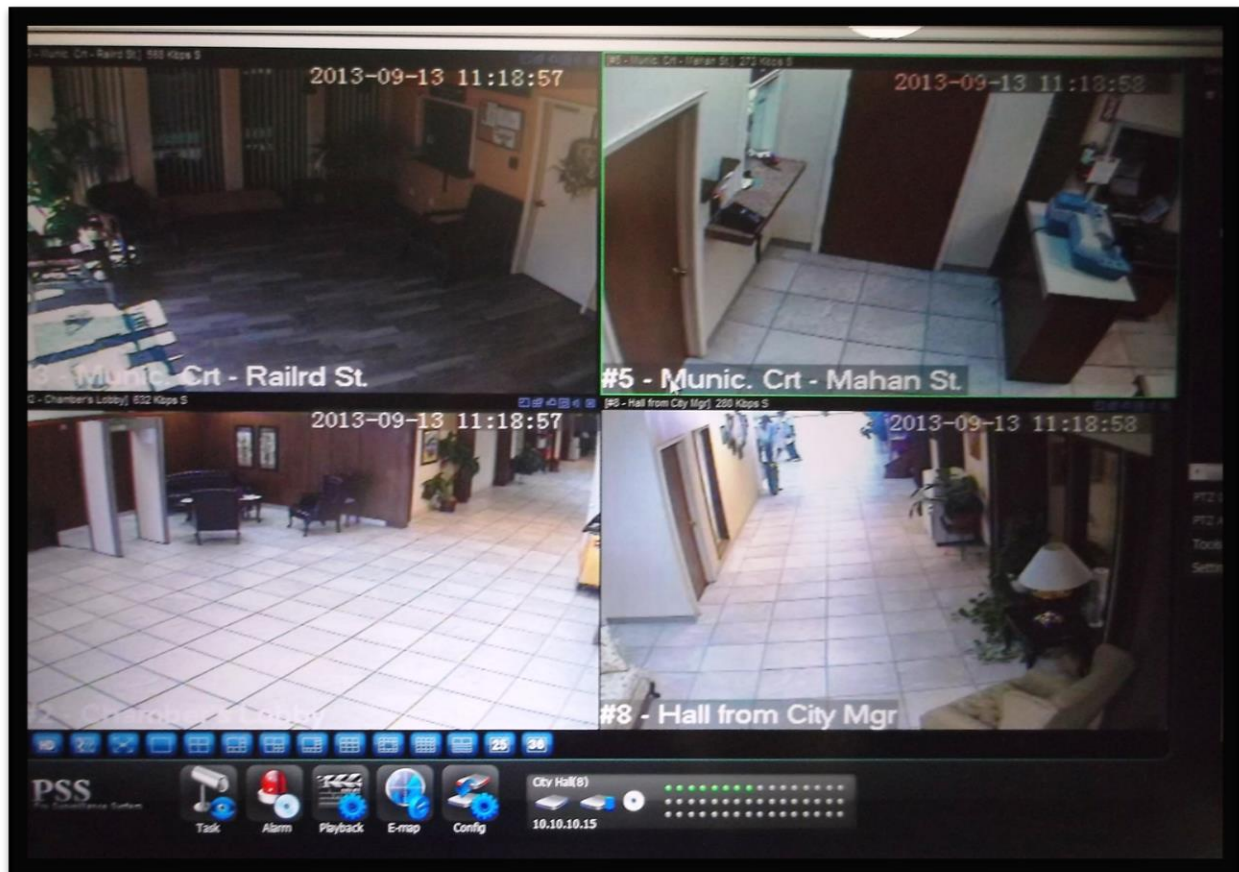
SPECIAL REVENUE FUNDS

Forfeiture Fund Revenue

Revenue Summary	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Fines & Forfeitures	25,000	0	25,000	0
Other Revenue	4,619	0	80	0
Intergovernmental	0	0	0	0
Total Revenue	29,619	0	25,080	0

Forfeiture Fund Expenditures

Forfeitures Expenditures	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Materials & Supplies	4,883	0	7,500	0
Services	100	0	133	0
Maintenance	7,084	0	8,486	0
Sundry	8,550	0	0	0
Capital Expenditures	6,350	0	7,095	0
Total Expense	26,967	0	23,214	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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Fines & Forfeitures	3,315	0	3,500	0
Other Revenue	15	0	35	0
Total Revenue	3,330	0	3,535	0

Building Security Expenditures

Building Security Expenditures	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Materials & Supplies	0	0	4,560	0
Services	0	0	0	0
Total Expense	0	0	4,560	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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Other Revenue	0	0	0	0
Intergovernmental	0	0	0	0
Total Revenue	0	0	0	0

Economic Development Fund Expenditures

Economic Dev. Expenditures	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Materials & Supplies	0	0	0	0
Maintenance	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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Other Revenue	85	0	0	0
Intergovernmental	184,823	0	177,000	0
Total Revenue	184,909	0	177,000	0

Redflex Traffic Expenditures

Redflex Traffic Expenditures	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Materials & Supplies	185,148	0	185,000	0
Total Expense	185,148	0	185,000	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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Fines & Forfeitures	4,575	7,000	5,864	7,000
Other Revenue	36	0	36	0
Intergovernmental	0	0	0	0
Total Revenue	4,611	7,000	5,900	7,000

Court Technology Expenditures

Court Technology Expenditures	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Materials & Supplies	1,766	0	834	0
Services	0	0	0	0
Maintenance	8,093	7,000	5,231	7,000
Total Expense	9,859	7,000	6,065	7,000



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

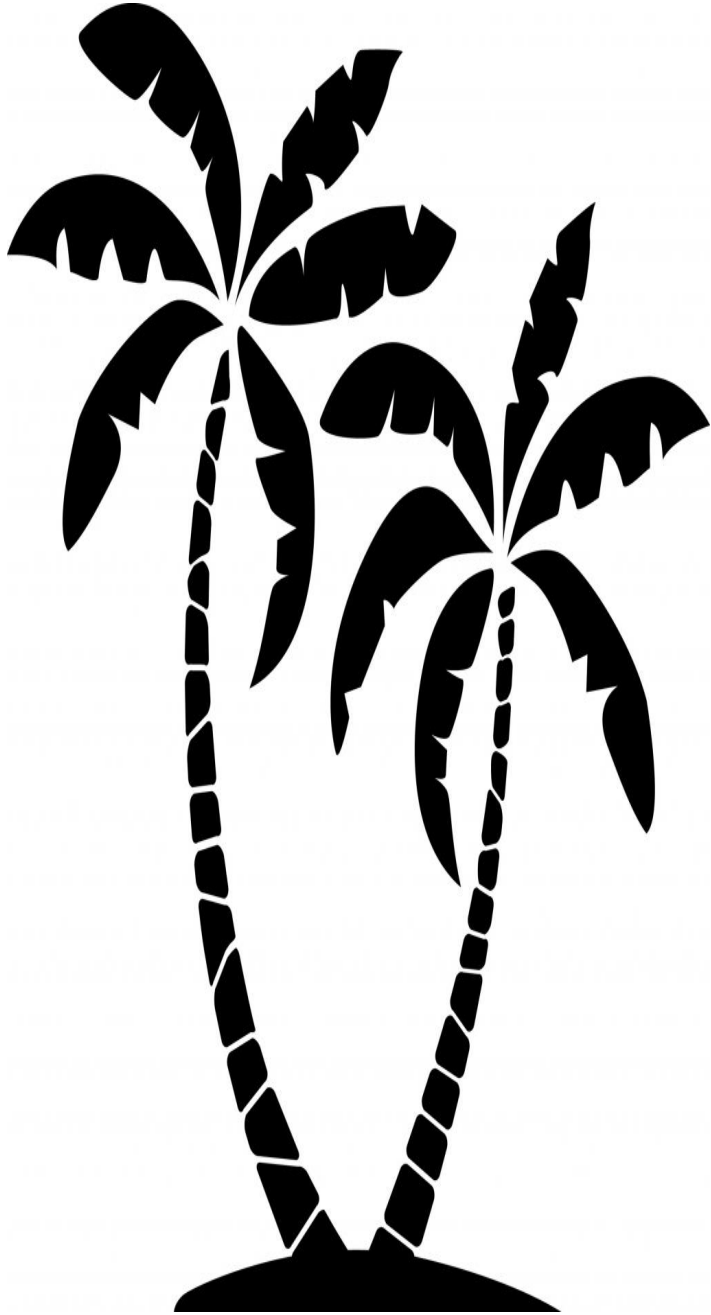
Juvenile Case Manager Fund Revenue

Revenue Summary	Actual FY 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Other Revenue	0	0	0	0
Fines & Forfeitures	1,657	2,500	5,972	5,000
Intergovernmental	7,752	10,700	0	8,000
Total Revenue	9,409	13,200	5,972	13,000

Juvenile Case Manager Fund Expenditures

Juvenile Case Manager Expenditures	Actual FY 2011-2012	Final Amended FY 2012-2013	Projected FY 2012-2013	Adopted Budget FY 2013-2014
Personnel Services	9,409	13,200	13,000	13,000
Materials & Supplies	0	0	0	0
Total Expense	9,409	13,200	13,000	13,000

CAPITAL



Five Year Capital Improvement Program

2013-2014 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 2013-2014 Capital Improvement Plan (CIP) as approved on July 8, 2013. This document reflects input from City Staff, City Council, and City Advisory Boards.

This document serves as both a budget for fiscal year 2013-2014 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.

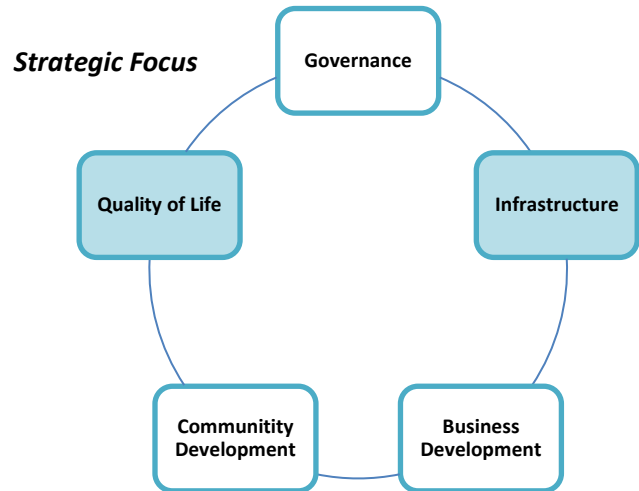
CAPITAL

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 13-14 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 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget	FY 2017-2018 Budget
General Fund					
Streets	\$ 1,250,000	\$ 500,000	\$ 850,000	\$ 1,275,000	\$ 150,000
Parks	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
Total General Fund	\$ 1,250,000	\$ 750,000	\$ 1,100,000	\$ 1,275,000	\$ 400,000
Public Utility Fund					
Water	\$ 875,000	\$ 830,000	\$ 300,000	\$ 300,000	\$ 300,000
Wastewater	\$ 450,000	\$ 400,000	\$ 600,000	\$ 400,000	\$ 700,000
Total Utility Fund	\$ 1,325,000	\$ 1,230,000	\$ 900,000	\$ 700,000	\$ 1,000,000
Lighthouse Beach	\$ 360,000	\$ 150,000	\$ 350,000	\$ 50,000	\$ 50,000
Port Commission	\$ -	\$ 2,150,000	\$ -	\$ -	\$ -
Total	\$ 2,935,000	\$ 4,280,000	\$ 2,350,000	\$ 2,025,000	\$ 1,450,000

Five Year Total \$13,040,000

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM BY FUND

General Fund

City Council Area of Emphasis with Associated Goal Statement



Infrastructure (Strategic Focus)

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

Project Description	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget	FY 2017-2018 Budget
Streets & Right of Ways					
Pinta and Montier Road	\$ -	\$ 350,000	\$ -	\$ -	\$ -
Seal Coat Program	\$ -	\$ 150,000	\$ 150,000	\$ -	\$ 150,000
George Street	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -
Commerce/Independence	\$ -	\$ -	\$ -	\$ 1,275,000	\$ -
Downtown Sidewalks (TXDOT)	\$ -	\$ -	\$ 700,000	\$ -	\$ -
Street & Right of Way Subtotals	\$ 1,250,000	\$ 500,000	\$ 850,000	\$ 1,275,000	\$ 150,000
Parks					
Bay Front Park Improvements	\$ -	\$ 100,000	\$ 150,000	\$ -	\$ 100,000
Wilson Park Improvements	\$ -	\$ 150,000	\$ 100,000	\$ -	\$ 150,000
Parks Subtotals	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
General Fund CIP Fund Totals	\$ 1,250,000	\$ 750,000	\$ 1,100,000	\$ 1,275,000	\$ 400,000
Funding Source:					
Operating Budget	\$ 750,000	\$ 725,000	\$ 700,000	\$ 650,000	\$ 650,000
Grant	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Transfer In-Port Commission	\$ -	\$ 350,000	\$ -	\$ -	\$ -
Operational Savings (Reserve)	\$ -	\$ -	\$ 200,000	\$ -	\$ -
Street Reserve – Fund 220	\$ 500,000	\$ -	\$ -	\$ 625,000	\$ -
Total Resources Planned	\$ 1,250,000	\$ 1,075,000	\$ 1,400,000	\$ 1,275,000	\$ 650,000
Transfer to Street Reserve	\$ -	\$ 325,000	\$ 300,000	\$ -	\$ 250,000
Accumulated Street Reserve	\$ -	\$ 325,000	\$ 625,000	\$ -	\$ 250,000

General Fund – George Street Rehabilitation (FY 13-14)

Infrastructure (Strategic Focus)

Project Scope	
This project will consist of replacing 5,648 linear feet of curb and gutter, 14 drainage boxes and 2,824 linear feet of street on W. George St. from Virginia St. to Half League.	
Project Name:	George Street Rehab
Construction Start:	May 2014
Project Completion:	September 2014
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:	CivilCorp
General Contractor:	N/A

Approved Project Funding	
Funding Source	Fiscal Year 2013 – 2014
Grant Funds	N/A
Transfer from General Fund	\$ 1,250,000
Project Budget & Expenditures	
Project Budget:	\$ 1,250,000
Expended to Date:	N/A
Operational Impact	
Reduced maintenance demand and related personnel expenses of approx. \$3,500 per year on road repair and drainage issues on this section of street. This area of George St. floods during heavy rains. Replacing the curb and gutter & drainage boxes, while replacing the street, will remove standing water faster sub sequentially saving the road surface.	
Current Activity	
This project is scheduled to bid by the end of February 2014. Construction is scheduled to begin May 2014.	



Public Utility Fund

City Council Area of Emphasis with Associated Goal Statement



Infrastructure (Strategic Focus)

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

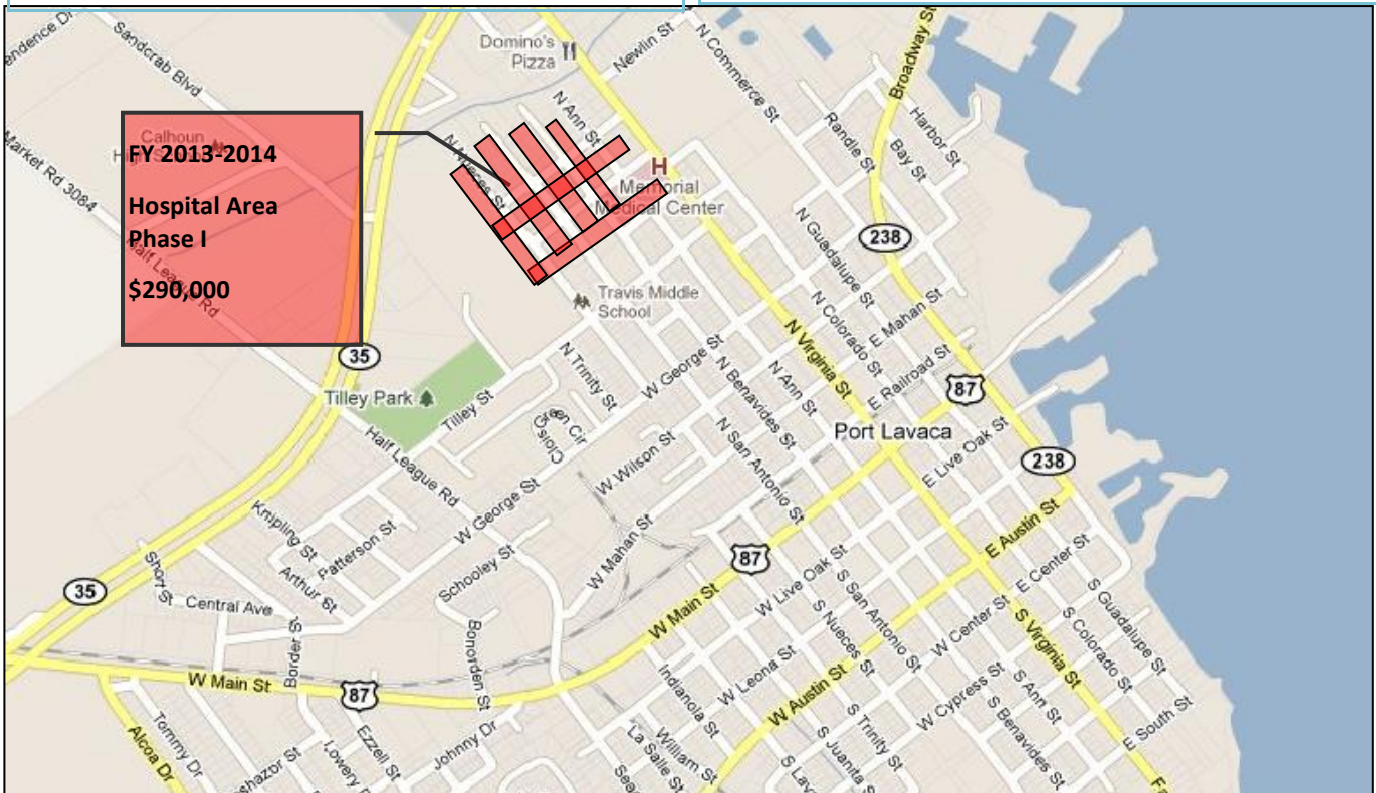
Project Description	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget	FY 2017-2018 Budget
Water System					
Lighthouse Beach Waterline	\$ 45,000	\$ -	\$ -	\$ -	\$ -
Flexnet Meter Replacement	\$ 530,000	\$ 530,000	\$ -	\$ -	\$ -
Hospital Area Water Line Phase I	\$ 300,000	\$ -	\$ -	\$ -	\$ -
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
Water System Subtotals	\$ 875,000	\$ 830,000	\$ 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 I	\$ 400,000	\$ -	\$ -	\$ -	\$ -
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
Wastewater Subtotals	\$ 450,000	\$ 400,000	\$ 600,000	\$ 400,000	\$ 700,000
Utility System CIP Fund Totals	\$ 1,325,000	\$ 1,230,000	\$ 900,000	\$ 700,000	\$ 1,000,000
Funding Source:					
Operating Budget	\$ 114,000	\$ 380,000	\$ 350,000	\$ 300,000	\$ 350,000
Transfer In – Beach Fund	\$ 45,000	\$ -	\$ -	\$ -	\$ -
Grant	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
Depreciation Reserves	\$ 1,166,000	\$ 850,000	\$ 300,000	\$ 400,000	\$ 400,000
Total Resources Planned	\$ 1,325,000	\$ 1,230,000	\$ 900,000	\$ 700,000	\$ 1,000,000

Water System- Hospital Area Phase I (FY 13-14)

Infrastructure (Strategic Focus)

Project Scope	
Replace a total of 3,500 linear feet of 2” cast iron waterline with 4” C900 waterline. The streets included are Ash, N. Ann, N. Benavides, N. San Antonio, San Faubion, and N. Nueces.	
Project Name:	Hospital Area Phase I
Construction Start:	April 2014
Project Completion:	September 2014
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 2013 – 2014
Grant Funds	N/A
Transfer from Utility Fund	\$290,000
Project Budget & Expenditures	
Project Budget:	\$ 290,000
Expended to Date:	N/A
Operational Impact	
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.	
Current Activity	
The project is currently in design. The project is scheduled to bid by the end of February 2014.	



Water System- Lighthouse Beach Waterline Upgrade (FY 13-14)

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
Replace 1,200 linear feet of 2" line with 6" line. Install one fire hydrant and tie in trailer spaces to the new 6" line.		Funding Source	Fiscal Year 2013 – 2014
Project Name: Lighthouse Beach Waterline Upgrade		Grant Funds	N/A
Construction Start: March 2014		Transfer from Beach Fund	\$ 45,000
Project Completion: May 2014		Project Budget & Expenditures	
Current Phase: Design		Project Budget:	\$ 45,000
Project Contract Information		Expended to Date:	N/A
Project Manager:	Darren Gurley	Operational Impact	
Phone Number:	361-552-3347	By upgrading the 2" line to a 6" line we will be able to provide fire protection for the RV Park. We will also be able to add more trailer spaces that will increase our revenues by approx. \$42,000 per year.	
Email Address:	dgurley@portlavaca.org	Current Activity	
Grant Administrator:	N/A	The project is currently in design. The project will bid in February 2014.	
Engineer:	Civil Corp		
General Contractor:	N/A		



Water System- Flexnet Meter System (FY 13-14)

Infrastructure (Strategic Focus)

Project Scope

In Phase I 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.

Project Name: Flexnet Meter System Phase I

Construction Start: November 2014

Project Completion: March 2014

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: N/A

General Contractor: Aqua Metrics

Approved Project Funding

Funding Source

Fiscal Year 2013 – 2014

Grant Funds N/A

Transfer from Utility Fund \$ 530,000

Project Budget & Expenditures

Project Budget: \$ 530,000

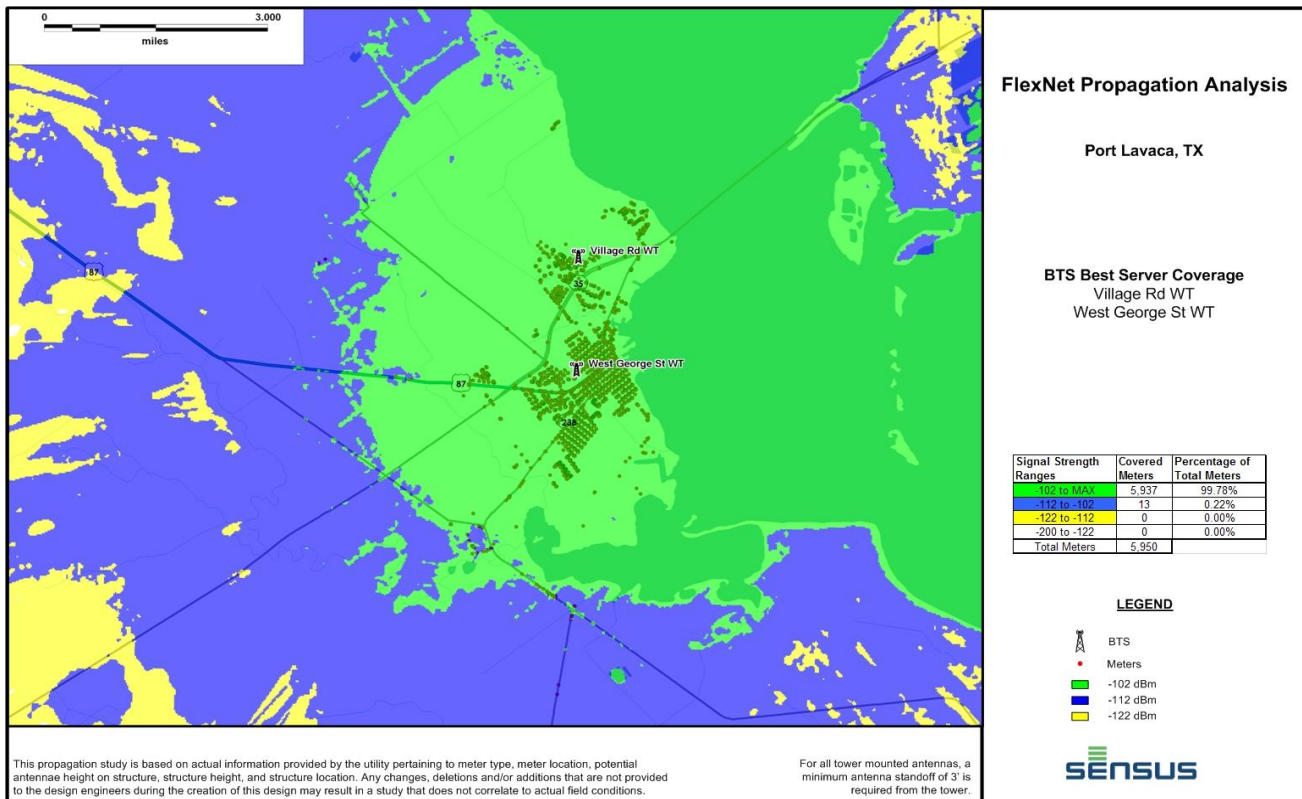
Expended to Date: \$50,000

Operational Impact

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.

Current Activity

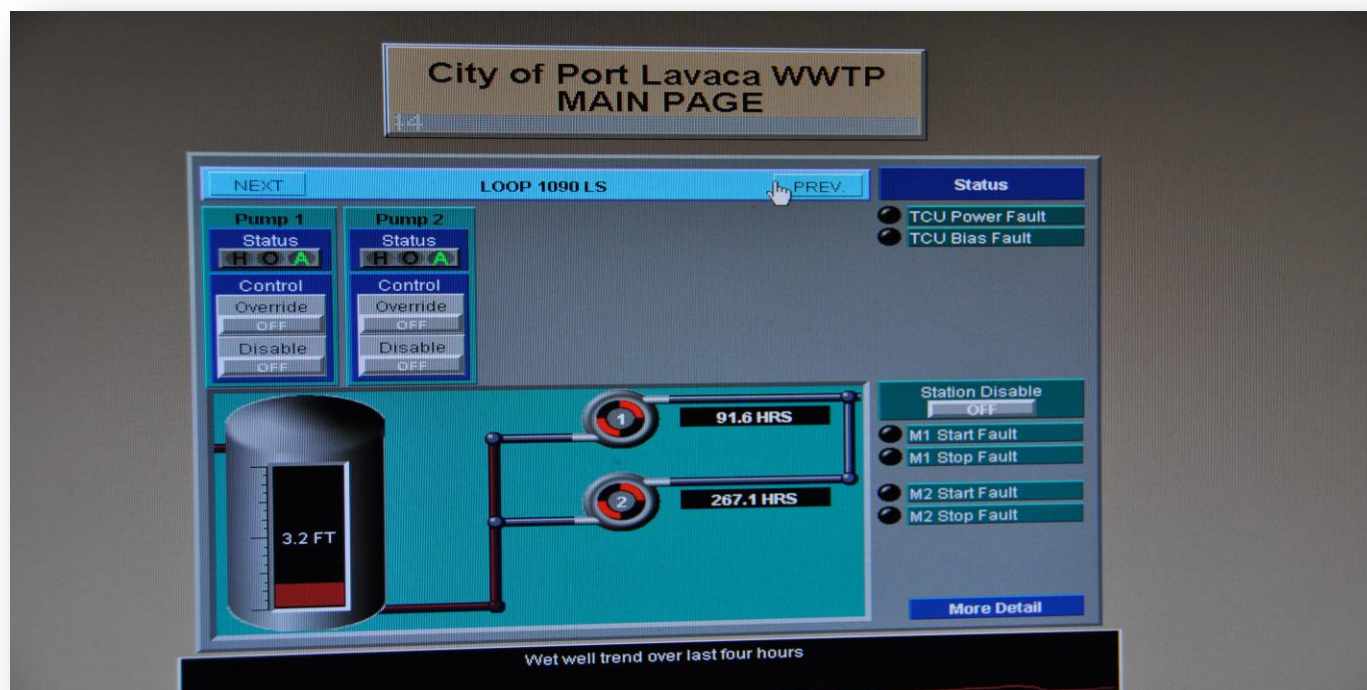
The Flexnet towers and computer systems were ordered and will be installed early October and November.



Wastewater System- Wastewater Treatment Plant (WWTP) SCADA (FY 13-14)

Infrastructure (Strategic Focus)

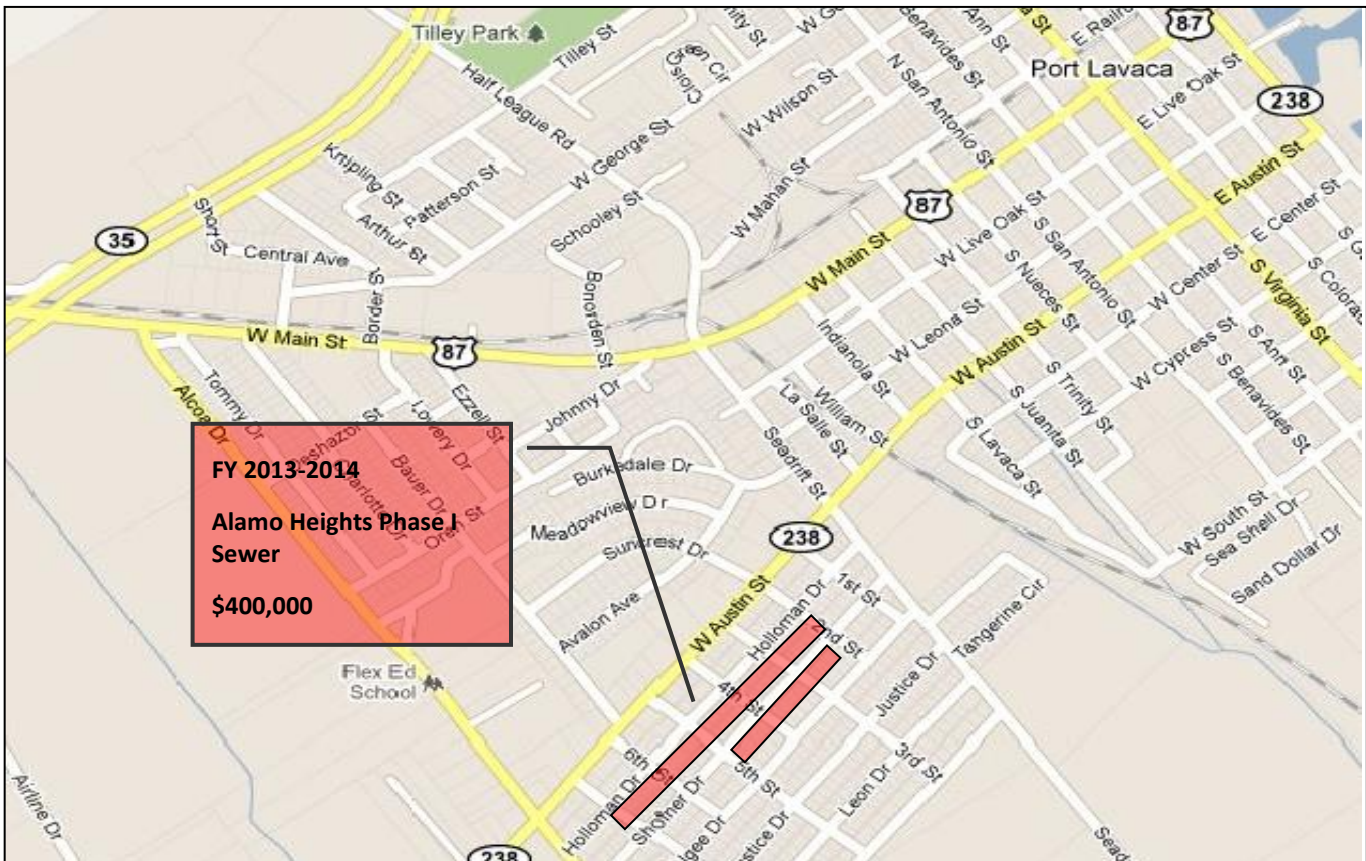
Project Scope		Approved Project Funding	
This project provides Supervisory and Control Data Acquisitions (SCADA) to the Wastewater Treatment Plant.		Funding Source	Fiscal Year 2013 – 2014
This will finish the City's SCADA project.		Grant Funds	N/A
		Transfer from Utility Fund	\$ 50,000
Project Contract Information		Project Budget & Expenditures	
Project Name:	SCADA	Project Budget:	\$ 50,000
Construction Start:	February 2014	Expended to Date:	\$350,000
Project Completion:	May 2014	Operational Impact	
Current Phase:	Phase IV	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	
		This project is currently in the final phase. The City anticipates completion of installation by May 2014.	



Wastewater System- Alamo Heights Sewer Line- Phase I (FY 13-14)

Infrastructure (Strategic Focus)

Project Scope		Approved Project Funding	
This project consists of pipe bursting approx. 3,000 linear feet of sewer line in the Alamo Heights area. Approx. 100 service connections will also be replaced.		Funding Source	Fiscal Year 2013 – 2014
Project Name: Alamo Heights Sewer Line Phase I		Grant Funds	N/A
Construction Start: March 2014		Transfer from Utility Fund	\$ 400,000
Project Completion: July 2014		Project Budget & Expenditures	
Current Phase: Design		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 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		Project is currently in the design phase.	
Grant Administrator: N/A			
Engineer: N/A			
General Contractor: Insituform			



Lighthouse Beach

City Council Area of Emphasis with Associated Goal Statement



Infrastructure (Strategic Focus)

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



Quality of Life (Strategic Focus)

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

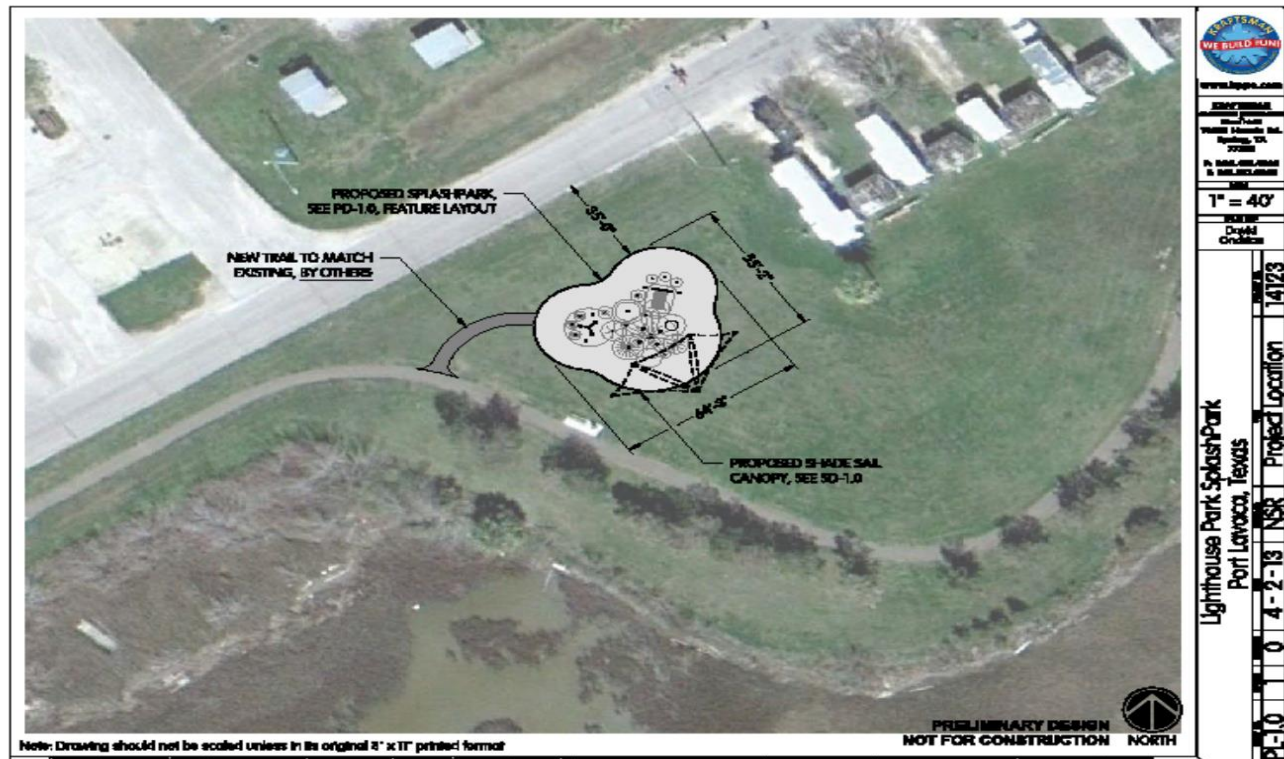
Project Description	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget	FY 2017-2018 Budget
Splash Pad	\$ 260,000	\$ -	\$ -	\$ -	\$ -
Fishing Pier T-Head (Grant)	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Demolition of Abandoned Pier (Grant)	\$ -	\$ -	\$ 250,000	\$ -	\$ -
Upgrade Trailer Spaces	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Playground	\$ -	\$ 100,000	\$ 50,000	\$ -	\$ -
Lighthouse Beach CIP Fund Totals	\$ 360,000	\$ 150,000	\$ 350,000	\$ 50,000	\$ 50,000
Funding Source:					
Operating Budget	\$ 7,500	\$ 32,000	\$ 34,000	\$ 36,000	\$ 38,000
Grant	\$ 60,000	\$ -	\$ 200,000	\$ -	\$ -
Operational Savings (Reserve)	\$ 292,500	\$ 118,000	\$ 116,000	\$ 14,000	\$ 12,000
Total Resources Planned	\$ 360,000	\$ 150,000	\$ 350,000	\$ 50,000	\$ 50,000

CAPITAL

Beach Fund- Splash Pad (FY 13-14)

Quality of Life (Strategic Focus)

Project Scope		Approved Project Funding	
This project will consist of installing a 3,500 square foot splash pad at Lighthouse Beach Park. The splash pad will include sprays, fountains and dump buckets.		Funding Source	Fiscal Year 2013 – 2014
Project Name: Splash Pad		Grant Funds	N/A
Construction Start: February 2014		Transfer from Beach Fund	\$ 260,000
Project Completion: April 2014		Project Budget & Expenditures	
Current Phase: Design		Project Budget:	\$ 260,000
		Expended to Date:	N/A
Project Contract Information		Operational Impact	
Project Manager:	Darren Gurley	With the addition of the splash pad at Lighthouse Beach staff expects an increase in gate fee revenues in the amount of \$10,000 per year. There will also be an increase in the water usage at the park in the amount of \$5,000 per year. (net revenue \$5,000 per year)	
Phone Number:	361-552-3347		
Email Address:	dgurley@portlavaca.org	Current Activity	
Grant Administrator:	N/A	The project is currently in the design phase.	
Engineer:	N/A		
General Contractor:	Kraftsman		



Beach Fund- Fishing Pier T-Head (FY 13-14)

Infrastructure & Quality of Life (Strategic Focus)

Project Scope		Approved Project Funding	
This project will consist of installing a 20 ft. wide X 15 ft. long T-Head on the existing 900 ft. lighted fishing pier at Lighthouse Beach.		Funding Source	Fiscal Year 2013 – 2014
		Grant Funds	\$60,000
		Transfer from Beach Fund	\$ 40,000
Project Contract Information		Project Budget & Expenditures	
Project Name:	Fishing Pier T-Head	Project Budget:	\$ 100,000
Construction Start:	May 2014	Expended to Date:	N/A
Project Completion:	August 2014	Operational Impact	
Current Phase:	Design	The T-Head will be added to the current fishing pier. The City of Port Lavaca has received a grant in the amount of \$60,000 with a match of \$40,000 to complete this project. Any grant funding is a savings to the City's beach fund balance. Annual maintenance on the pier approx. \$100.00. The T-Head is not anticipated to increase annual maintenance cost.	
		Current Activity	
		The project is currently in the design phase.	



CAPITAL

Port Commission

City Council Area of Emphasis with Associated Goal Statement



Infrastructure (Strategic Focus)

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

Project Description	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget	FY 2017-2018 Budget
Bulkhead - Harbor of Refuge	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
Bulkhead - Bayfront Park	\$ -	\$ 150,000	\$ -	\$ -	\$ -
Port Commission CIP Fund Totals	\$ -	\$ 2,150,000	\$ -	\$ -	\$ -
Funding Source:					
Operating Budget	\$ -	\$ -	\$ -	\$ -	\$ -
Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Other Funding Sources	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -
Operational Savings (Reserve)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Resources Planned	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -

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 2013-2014 Capital Expenditures

GENERAL FUND

Vehicles and Equipment

Department	Description	Qty	Cost
Police	Vehicle (patrol unit)	1	41,100*
Police	Remote Mobile Solutions – Rugged Laptops	4	24,000
Streets	Utility Vehicle	1	11,000*
Parks	Mower	1	9,000*
Total General Fund Equipment			85,100

**Funded by Fixed Asset Replacement Fund \$61,100
(Supported by current revenues \$24,000)*

Capital Projects

Department	Description	Qty	Cost
Streets	Street Rehabilitation – George Street	1	1,250,000
Total General Fund Projects			1,250,000

(Supported by current revenues and reserves \$750,000)

ENTERPRISE FUNDS

UTILITY FUND

Vehicles and Equipment

Department	Description	Qty	Cost
Utility Maintenance	Utility Maintenance 1500 Truck	1	25,000
	Total Utility Equipment		25,000

(Supported by current revenues \$25,000)

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
Utility Maintenance	Waterline Upgrade – LHB	1	45,000*
Waste Water Plant	SCADA Lift Stations	1	50,000
	Total Utility Projects		1,325,000

**Funded by Lighthouse Beach Fund (LHB) \$45,000*

(Supported by current revenues \$114,000 and reserves \$1,166,000)

BEACH FUND

Capital Projects

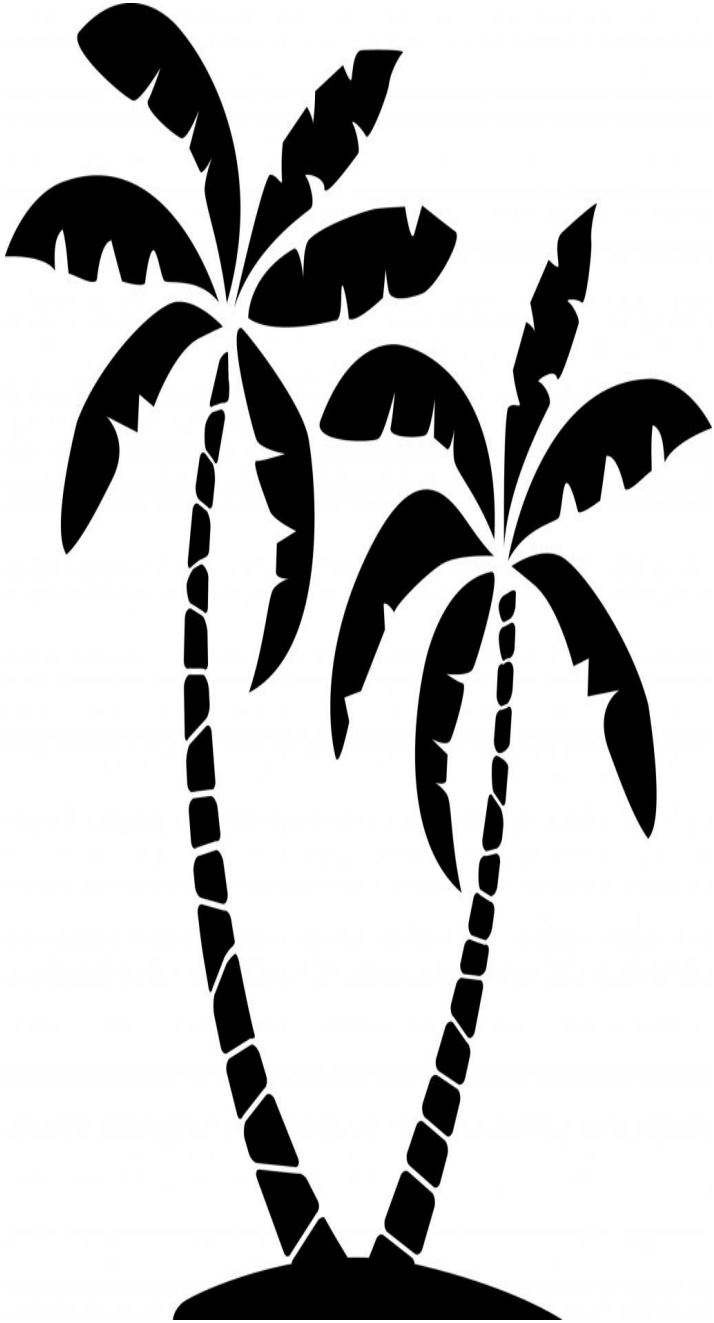
Department	Description	Qty	Cost
Beach	Splash Pad	1	260,000
Beach	Fishing Pier T-Head	1	100,000*
	Total Beach Projects		360,000

**Grant Funds \$60,000*

(Supported by current revenues \$7,500 and reserves \$292,500)

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 A+ rating from Standard and Poor's Corporation for both General Obligation and Revenue Bonds.

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 \$.0791 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, 2013 tax roll	\$596,411,807	Actual amount of tax-secured debt service - Year ended September 30, 2014	\$1,105,369
Limit on amount designated for debt service per \$100 assessed valuation	x \$ 1.50		
Legal Debt Service Limit	\$8,946,177	Legal Debt Margin	\$7,840,808

The following tables list each debt issue separately with its clearly stated principal and interest payment due. At the end of Fiscal Year 2014, outstanding general obligation bond and certificates of obligation bonds will be \$9,635,000 however only \$2,735,000 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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted FY 2013-2014
Taxes				
Property Taxes- Current	257,816	253,000	260,000	259,600
Property Taxes- Delinquent	11,346	10,000	11,000	12,000
Total Taxes	269,162	263,000	271,000	271,600
Other Revenue				
Interest Income	192	300	300	200
Total Other Revenue	192	300	300	200
Total Street Debt Service	269,354	263,300	271,300	271,800
Sundry				
Debt Service Principal (2003/2012)	165,000	170,000	220,000	215,000
Debt Service Interest (2003/ 2012)	99,042	93,000	47,411	56,500
Debt Service Admin. Fee (2003)	300	300	0	300
Payment to Escrow (2012)	0	0	300	0
Total Sundry	264,342	263,300	267,711	271,800
Total Street Debt Service	264,342	263,300	267,711	271,800

FY 13/14 Requirements:		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$215,000	\$56,586	\$271,586

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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted FY 2013-2014
Taxes				
Property Taxes- Current	82,521	79,770	82,500	48,400
Property Taxes- Delinquent	3,322	3,000	3,000	3,000
Total Taxes	85,842	82,770	85,500	51,400
Other Revenue				
Interest Income	38	30	40	0
Equity Balance Forward	0	0	0	0
Total Other Revenue	38	30	40	0
Total Street Debt Service	85,880	82,800	85,540	51,400
Sundry				
Debt Service Principal	50,000	50,000	50,000	50,000
Debt Service Interest	34,425	32,500	5,200	1,100
Debt Service Admin Fee	300	300	300	300
Total Sundry	84,725	82,800	55,500	51,400
Total Street Debt Service	84,725	82,800	55,500	51,400

FY 13/14 Requirements:		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$50,000	\$3,200	\$53,200

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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted FY 2013-2014
Other Revenue				
Interest Income	8	0	15	0
Equity Balance Forward	0	1,012	985	1,037
Total Other Revenue	8	1,012	1,000	1,037
Intergovernmental Revenue				
Transfer In- Fund 501	195,100	197,388	197,388	194,563
Total Intergovernmental	195,100	197,388	197,388	194,563
Total Water Debt Service	195,108	198,400	198,388	195,600
Sundry				
Debt Service Principal	40,000	45,000	45,000	45,000
Debt Service Interest	100,672	99,000	98,988	97,000
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	34,098	33,400	33,400	32,600
Debt Service- Administrative Fee Clearwell	500	500	500	500
Total Sundry	195,770	198,400	198,388	195,600
Total Water Debt Service	195,770	198,4000	198,388	195,600

FY 13/14 Requirements:		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$65,000	\$129,563	\$194,563*

*Direct operational impact

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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted FY 2013-2014
Other Revenue				
Interest Income	12	0	10	0
Equity Balance Forward	0	477	490	408
Total Other Revenue	12	477	500	408
Intergovernmental Revenue				
Transfer In- Fund 501	354,642	351,223	351,223	352,592
Total Intergovernmental	354,642	351,223	351,223	352,592
Total Sewer Debt Service	354,654	351,700	351,723	353,000
Sundry				
Debt Service Principal	295,000	300,000	300,000	310,000
Debt Service Interest	58,587	51,200	51,223	42,500
Debt Service - Admin. Fee	0	500	500	500
Total Sundry	353,587	351,700	351,723	353,000
Total Sewer Debt Service	353,587	351,700	351,723	353,000

FY 13/14 Requirements:		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$310,000	\$42,592	\$352,592*

*Direct operational impact

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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted FY 2013-2014
Other Revenue				
Interest Income	242	150	125	199
Equity Balance Forward	0	162	175	0
Total Other Revenue	242	312	300	199
Intergovernmental Revenue				
Transfer In- Fund 501	101,190	105,688	105,688	108,801
Total Intergovernmental	101,190	105,688	105,688	108,801
Total TWDB Debt Service	101,432	106,000	105,988	109,000
Sundry				
Debt Service Principal	70,000	70,000	70,000	75,000
Debt Service Interest	37,208	35,700	35,688	33,700
Debt Service Amortization	300	300	300	300
Total Sundry	107,508	106,000	105,988	109,000
Total TWDB Debt Service	107,508	106,000	105,988	109,000

FY 13/14 Requirements:		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$75,000	\$33,801	\$108,801*

*Direct operational impact

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 2011-2012	Amended Budget FY 2012-2013	Projected FY 2012-2013	Adopted FY 2013-2014
Other Revenue				
Interest Income	64	100	100	0
Equity Balance Forward	0	900	773	0
Total Other Revenue	64	1,000	878	0
Intergovernmental Revenue				
Transfer In- Fund 504	125,000	127,000	127,000	125,000
Total Intergovernmental	125,000	127,000	127,000	125,000
Total Port Debt Service	125,064	128,000	127,878	125,000
Sundry				
Debt Service Principal	65,000	70,000	70,000	70,000
Debt Service Interest	59,708	57,500	57,378	54,500
Debt Service Amortization	0	0	0	0
Paying Agent	0	500	500	500
Total Sundry	124,708	128,000	127,878	125,000
Total Port Debt Service	124,708	128,000	127,878	125,000

FY13/14 Requirements:		
Principal	Interest	Total
\$70,000	\$54,627	\$124,627*

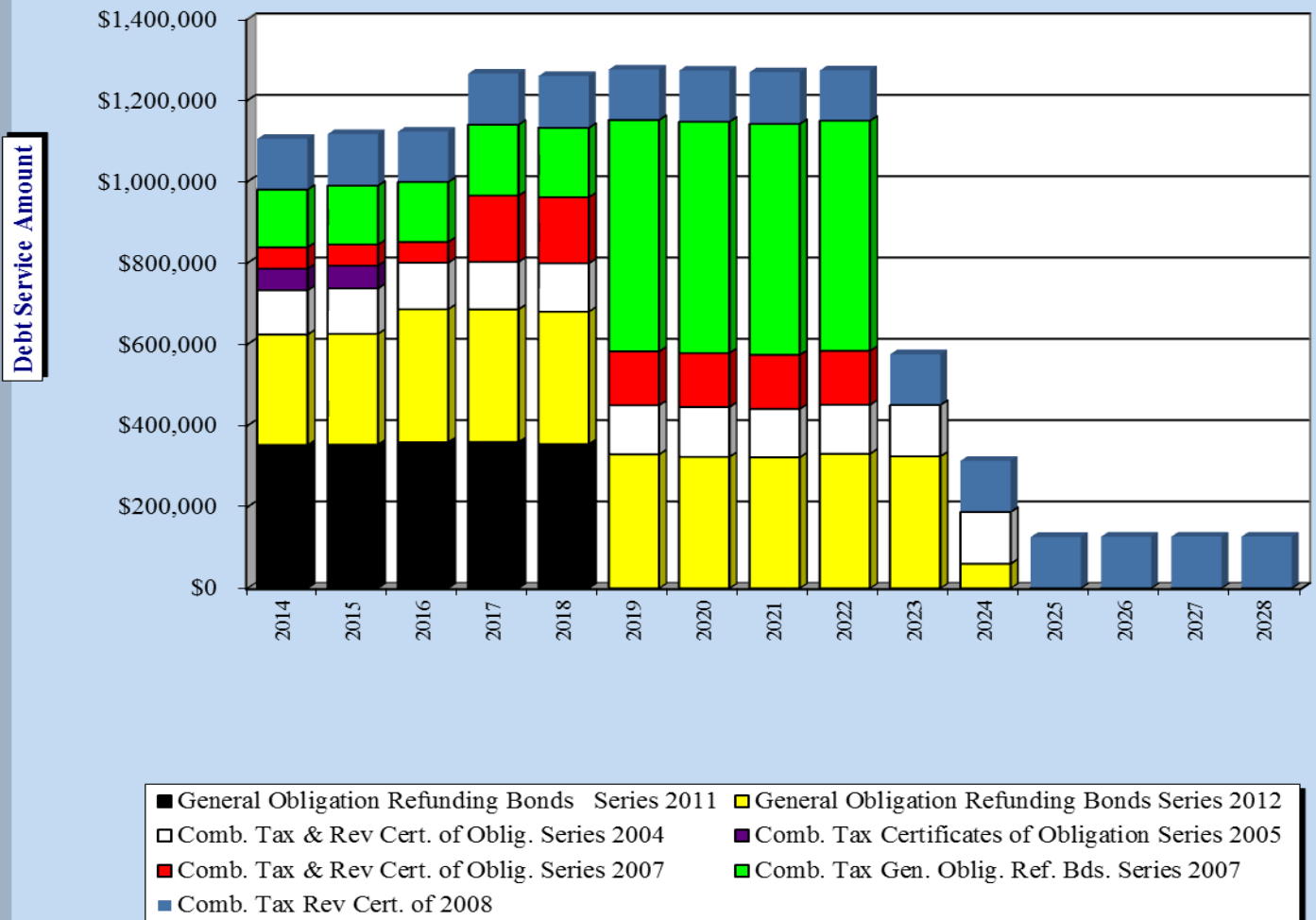
*Direct operational impact

CITY WIDE DEBT

Outstanding Debt Issue by Series

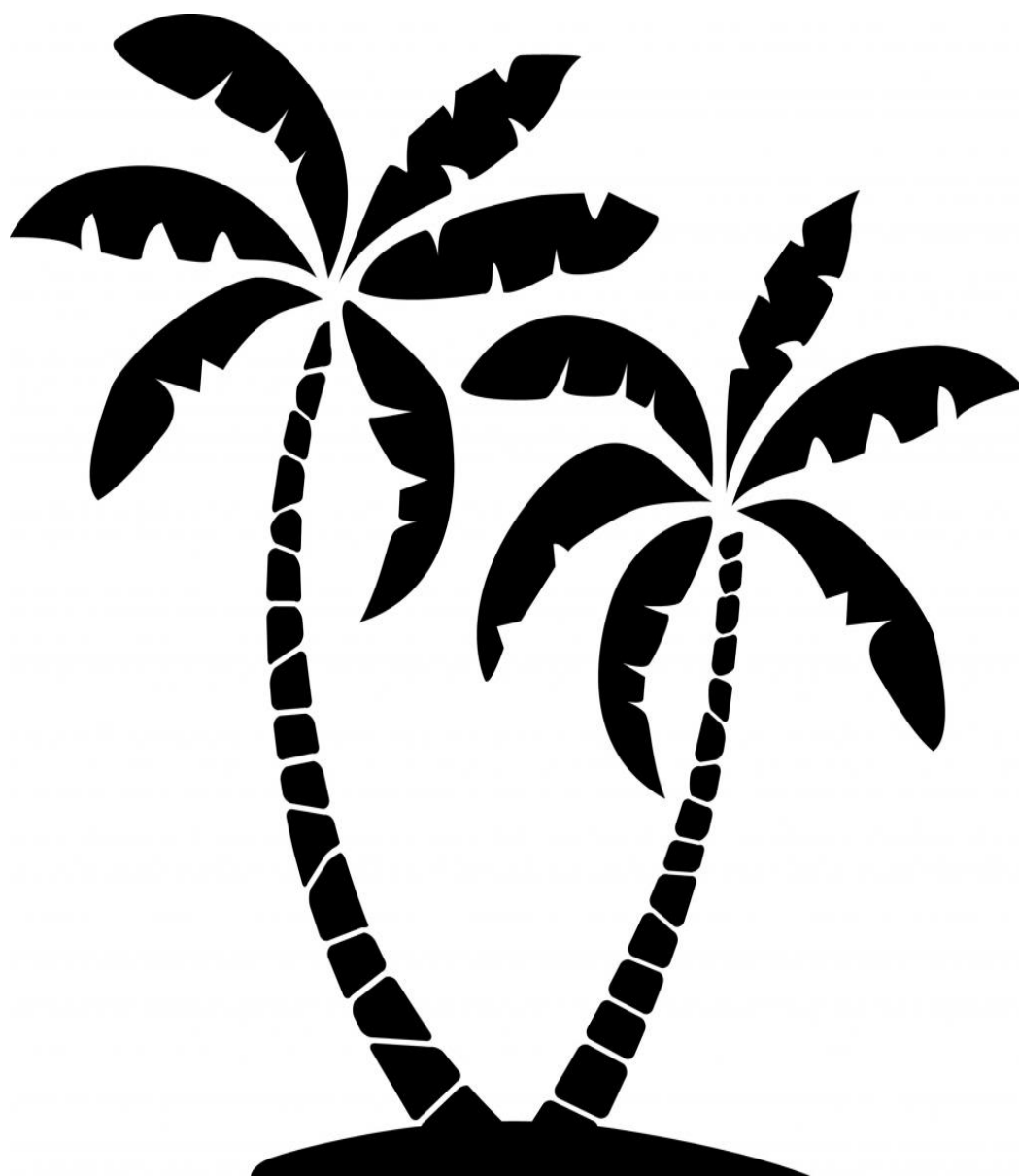
Supporting Fund	Public Utility Fund	General Fund	Public Utility Fund	Public Utility Fund	Public Utility Fund	Public Utility Fund	General Fund	
Fiscal Year End	Comb. Tax & Rev Cert. of Oblig. Series 2004	Cert. Of Obligation Series 2005	Comb. Tax & Rev Cert. of Oblig. Series 2007	Gen. Oblig. Ref. Bds. Series 2007	Comb. Tax & Surp. Harb. Sys. Rev. Cert. of Oblig. Series 2008	Utility Revenue Bond Series 2011	Cert. Of Obligation Series 2012	Total
2014	108,801	53,200	52,600	141,963	124,627	352,592	271,586	\$1,105,369
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	\$1,307,392	\$109,300	\$1,010,900	\$3,051,264	\$1,887,071	\$1,780,418	\$3,214,066	\$12,360,411

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 ASSETS BY COMPONENT (1)

Last nine fiscal years

	Fiscal Year		
	2004	2005	2006
Governmental activities			
Invested in capital assets, net of related debt	\$ 15,819,596	\$ 17,965,142	\$ 12,509,383
Restricted	1,818,646	1,583,781	199,381
Unrestricted	<u>3,622,128</u>	<u>3,971,998</u>	<u>5,022,591</u>
Total governmental activities net assets	<u>\$ 21,260,370</u>	<u>\$ 23,520,921</u>	<u>\$ 17,731,355</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 14,830,163	\$ 13,735,139	\$ 10,460,620
Restricted	92,040	92,040	13,887
Unrestricted	<u>2,282,096</u>	<u>3,138,979</u>	<u>4,353,647</u>
Total business-type activities net assets	<u>\$ 17,204,299</u>	<u>\$ 16,966,158</u>	<u>\$ 14,828,154</u>
Primary government			
Invested in capital assets, net of related debt	\$ 30,649,759	\$ 31,700,281	\$ 22,970,003
Restricted	1,910,686	1,675,821	213,268
Unrestricted	<u>5,904,224</u>	<u>7,110,977</u>	<u>9,376,238</u>
Total primary government activities net assets	<u>\$ 38,464,669</u>	<u>\$ 40,487,079</u>	<u>\$ 32,559,509</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 ASSETS BY COMPONENT (1) CONTINUED

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 13,105,824	\$ 13,815,306	\$ 15,787,249	\$ 18,383,147	\$ 18,380,797	\$ 19,174,209
221,392	848,885	876,554	784,798	1,049,987	1,027,384
6,556,521	7,374,943	6,394,379	4,732,493	5,231,769	5,544,238
<u>\$ 19,883,737</u>	<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>
\$ 11,569,600	\$ 11,052,199	\$ 11,334,652	\$ 11,536,833	\$ 13,321,583	\$ 13,756,393
129,592	12,681	233,544	51,469	-	-
4,022,664	4,953,062	5,642,701	6,841,071	6,892,206	7,449,406
<u>\$ 15,721,856</u>	<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>
\$ 24,675,424	\$ 24,867,505	\$ 27,121,901	\$ 29,919,980	\$ 31,702,380	\$ 32,930,602
350,984	861,566	1,110,098	836,267	1,049,987	1,027,384
10,579,185	12,328,005	12,037,080	11,573,564	12,123,975	12,993,644
<u>\$ 35,605,593</u>	<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>

STATISTICAL INFORMATION

CHANGES IN NET ASSETS (1)

Last nine fiscal years

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

STATISTICAL INFORMATION

CHANGES IN NET ASSETS (1) CONTINUED

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 1,300,514	\$ 1,499,965	\$ 1,847,859	\$ 1,886,794	\$ 1,952,643	\$ 2,150,599
2,204,124	2,490,358	2,598,507	3,191,293	3,112,422	3,088,940
1,352,679	1,974,638	1,615,002	1,406,502	1,539,354	1,629,726
522,218	167,594	547,013	686,747	701,325	637,689
180,891	-	154,696	147,266	140,373	132,374
5,560,426	6,132,555	6,763,077	7,318,602	7,446,117	7,639,328
703,077	412,420	484,632	804,307	612,209	586,394
3,903	269,784	378,324	322,510	293,947	322,478
335,671	407,223	51,589	125,279	35,500	259,835
1,042,651	1,089,427	914,545	1,252,096	941,656	1,168,707
(4,517,775)	(5,043,128)	(5,848,532)	(6,066,506)	(6,504,461)	(6,470,621)
2,887,459	2,894,987	3,214,039	3,414,317	3,513,386	3,754,272
2,328,103	2,439,957	2,170,959	2,295,492	2,313,247	2,364,076
597,082	623,987	613,509	620,247	586,575	593,255
197,276	277,757	235,571	271,287	339,366	345,381
325,364	258,739	123,127	54,319	38,045	29,877
43,049	338,701	235,375	277,928	246,642	232,217
252,449	364,397	275,000	182,943	229,315	234,821
-	-	-	(185,000)	-	-
6,630,782	7,198,525	6,867,580	6,931,533	7,266,576	7,553,899
\$ 2,113,007	\$ 2,155,397	\$ 1,019,048	\$ 865,027	\$ 762,115	\$ 1,083,278

(continued)

STATISTICAL INFORMATION

CHANGES IN NET ASSETS (1)

Last nine fiscal years

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

(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

CHANGES IN NET ASSETS (1) CONTINUED

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 3,835,279	\$ 3,913,016	\$ 4,288,109	\$ 4,283,432	\$ 4,123,809	\$ 4,244,884
345,062	328,525	379,371	395,332	382,570	444,081
129,800	150,828	162,064	218,240	309,838	225,381
<u>4,310,141</u>	<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>
5,088,403	5,612,806	5,966,101	5,893,741	6,303,875	5,913,131
3,000	2,000	2,000	2,000	175,303	22,340
<u>178,859</u>	<u>153,218</u>	<u>236,338</u>	<u>374,396</u>	<u>330,595</u>	<u>117,620</u>
<u>5,270,262</u>	<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>
960,121	1,375,655	1,374,895	1,373,133	1,993,556	1,138,745
234,879	176,704	75,060	28,286	20,175	20,024
-	-	18,000	-	-	68,062
-	(891,876)	-	-	-	-
<u>(252,449)</u>	<u>(364,397)</u>	<u>(275,000)</u>	<u>(182,943)</u>	<u>(229,315)</u>	<u>(234,821)</u>
<u>(17,570)</u>	<u>(1,079,569)</u>	<u>(181,940)</u>	<u>(154,657)</u>	<u>(209,140)</u>	<u>(146,735)</u>
-	-	-	-	-	-
<u>\$ 942,551</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>\$ 3,055,558</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>

STATISTICAL INFORMATION

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last nine fiscal years

	Fiscal Year		
	2004	2005	2006
General Fund			
Nonspendable			
Deferred expenditures	\$ -	\$ -	\$ -
Committed			
Operating reserves	-	-	-
Health insurance claims	-	-	-
Capital asset replacement	-	-	-
Unassigned	-	-	-
Reserved			
Deferred expenditures	-	-	25,800
Unreserved, designated			
Operating reserves	-	-	2,529,900
Health insurance claims	-	-	500,000
Street improvements	-	-	300,000
Capital asset replacement	-	-	250,000
Unreserved, undesignated	3,207,924	3,339,465	574,072
Total general fund	\$ 3,207,924	\$ 3,339,465	\$ 4,179,772
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
Debt service fund	168,794	137,977	118,931
Capital project funds	1,649,852	1,445,804	664,705
Total all other governmental funds	\$ 1,905,680	\$ 1,851,932	\$ 1,162,972

(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.

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

STATISTICAL INFORMATION

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

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ -	\$ -	\$ -	\$ -	\$ 52,478	\$ 49,954
-	-	-	-	2,306,152	2,408,598
-	-	-	-	504,848	676,542
-	-	-	-	382,265	273,122
-	-	-	-	1,539,331	1,728,695
28,755	25,929	37,078	50,017	-	-
2,762,226	2,908,981	3,107,978	2,063,977	-	-
500,000	500,000	500,000	500,000	-	-
149,500	-	-	-	-	-
250,000	340,946	250,000	250,000	-	-
1,576,413	2,543,671	2,534,443	1,750,753	-	-
<u>\$ 5,266,894</u>	<u>\$ 6,319,527</u>	<u>\$ 6,429,499</u>	<u>\$ 4,614,747</u>	<u>\$ 4,785,074</u>	<u>\$ 5,136,911</u>
-	-	-	-	177,224	183,391
-	-	-	-	114,799	133,106
-	-	-	-	551,491	497,372
-	-	-	-	-	10,001
-	-	-	-	112,456	114,723
-	-	-	-	20,247	18,328
-	-	-	-	55,943	56,004
767,415	711,057	707,885	704,036	-	-
148,960	159,271	159,657	161,177	-	-
13,811	574,045	(505,092)	(281,044)	-	-
<u>\$ 930,186</u>	<u>\$ 1,444,373</u>	<u>\$ 362,450</u>	<u>\$ 584,169</u>	<u>\$ 1,032,160</u>	<u>\$ 1,012,925</u>

STATISTICAL INFORMATION

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last nine fiscal years

	Fiscal Year		
	2004	2005	2006
Revenues			
Taxes	\$ 4,509,736	\$ 4,819,327	\$ 5,158,276
Licenses and permits	89,072	60,706	118,146
Fines and forfeitures	314,135	326,594	369,567
Charges for services	7,250	35,598	13,206
Intergovernmental	186,967	159,000	209,081
Grants and contributions	391,941	636,313	55,424
Investment	68,974	159,137	266,681
Rental	-	-	43,360
Miscellaneous	121,392	128,464	24,640
Total revenues	5,689,467	6,325,139	6,258,381
Expenditures			
Current			
General government	830,178	895,756	1,273,434
Public safety	2,048,339	2,156,627	2,315,618
Public works	186,164	216,640	226,067
Streets and highways	857,161	1,068,252	1,323,173
Parks and recreation	400,793	518,847	506,380
Non-departmental	719,977	382,723	-
Capital outlay	2,062,357	1,703,900	724,162
Debt service			
Principal retirement	110,000	405,000	216,538
Interest and fiscal charges	222,473	141,278	203,243
Total expenditures	7,437,442	7,489,023	6,788,615
Excess (deficiency) of revenues over expenditures	(1,747,975)	(1,163,884)	(530,234)
Other financing sources (uses)			
Transfers in	55,855	1,212,024	693,606
Transfers out	(258,138)	(992,266)	(553,134)
Debt issued	-	1,021,919	515,055
Sale of capital assets	-	-	17,099
Total other financing sources (uses)	(202,283)	1,241,677	672,626
Change in fund balances	\$ (1,950,258)	\$ 77,793	\$ 142,392
Debt service as a percentage of noncapital expenditures	<u>6.59%</u>	<u>10.43%</u>	<u>8.47%</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 changes in fund balance information is available only beginning in 2004.

STATISTICAL INFORMATION

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1) CONTINUED

Last nine fiscal years

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 5,927,214	\$ 6,298,996	\$ 6,198,734	\$ 6,609,092	\$ 6,747,620	\$ 7,097,425
94,271	98,076	96,535	97,740	108,266	109,347
409,948	402,550	501,345	769,529	687,791	566,325
5,120	11,080	5,332	5,956	7,525	5,170
514,747	262,384	429,913	447,789	329,447	322,478
-	-	-	-	-	-
325,364	258,739	123,127	54,319	38,045	29,877
47,582	36,535	37,390	22,737	30,780	46,432
43,049	267,720	96,453	135,191	91,311	84,151
7,367,295	7,636,080	7,488,829	8,142,353	8,040,785	8,261,205
1,310,596	1,588,358	1,846,671	1,859,894	2,136,142	2,132,974
2,389,811	2,565,946	2,742,639	3,213,266	3,330,945	3,221,180
200,936	1,301,846	1,422,306	1,016,111	1,220,156	1,176,781
924,048	-	-	-	-	-
408,748	447,281	440,345	579,783	670,771	504,457
-	-	-	-	-	-
1,142,459	454,855	1,947,494	2,922,769	235,268	787,921
568,939	180,000	195,000	200,000	205,000	215,000
174,400	161,865	155,465	148,599	141,658	134,067
7,119,937	6,700,151	8,749,920	9,940,422	7,939,940	8,172,380
247,358	935,929	(1,261,091)	(1,798,069)	100,845	88,825
662,379	1,053,450	1,019,558	3,271,834	924,047	613,632
(409,930)	(689,053)	(744,558)	(3,071,834)	(696,612)	(378,811)
295,392	257,054	-	-	284,776	-
19,762	9,439	14,141	5,036	5,262	8,956
567,603	630,890	289,141	205,036	517,473	243,777
\$ 814,961	\$ 1,566,819	\$ (971,950)	\$ (1,593,033)	\$ 618,318	\$ 332,602
<u>15.57%</u>	<u>6.11%</u>	<u>5.81%</u>	<u>5.37%</u>	<u>5.11%</u>	<u>5.08%</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			
2003	2002	\$ 163,834,185	\$ 118,067,559	\$ 60,090,881	\$ 38,520,537	\$ 303,472,088
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

(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>
\$ -	\$ 303,472,088	\$ 0.7200	\$ 2,184,999	\$ -	\$ 2,184,999	100.00%
-	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	3,756,883	431,261	4,188,144	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
2003	2002	\$ 0.0842	\$ 0.6340	\$0.7182	\$ 1.3078	\$ 0.4244	\$ 0.0047	\$ 1.7369
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	0.7224	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

Source: Calhoun County Appraisal District

STATISTICAL INFORMATION

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

2012		
<u>Taxpayer</u>	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
Orion Marine Construction Inc	\$ 39,130,458	8.77%
Rexco, Inc.	9,741,260	2.18%
Wal-Mart Real Estate Business Trust	8,460,120	1.90%
Helena Chemicals	7,792,590	1.75%
Wal-Mart Stores Texas, LP	5,486,500	1.23%
Port Lavaca Dodge	5,417,210	1.21%
H E Butt Grocery Company	4,968,610	1.11%
AMAL Hospitality	4,825,300	1.08%
AEP Texas Central Company	4,489,978	1.01%
Desai Raj (La Quinta)	4,408,970	0.99%
	<u>\$ 94,720,996</u>	<u>21.23%</u>

2003		
<u>Taxpayer</u>	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
H E Butt Grocery Company	\$ 6,172,247	2.03%
Verizon Southwest	5,258,600	1.73%
Rexco Inc	4,913,181	1.62%
T W Laquay Dredging, Inc.	4,269,230	1.41%
AEP Central Power & Light Co.	4,220,030	1.39%
First National Bank	2,878,270	0.95%
Sea Greens Partnership LTD	2,846,105	0.94%
Formosa Plastics Dev. Corp.	2,722,007	0.90%
Wal-Mart Stores, Inc.	2,643,185	0.87%
International Bank Of Commerce	2,532,689	0.83%
	<u>\$ 38,455,544</u>	<u>12.67%</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			Collections within the Fiscal Year of the Levy	
		(Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Levy
2003	2002	\$ 2,186,081	\$ (7,108)	\$ 2,178,973	\$ 2,055,279	94.32%
2004	2003	2,260,396	5,910	2,266,306	2,111,961	93.19%
2005	2004	2,350,042	(10,406)	2,339,636	2,199,527	94.01%
2006	2005	2,562,701	(5,481)	2,557,220	2,443,880	95.57%
2007	2006	2,857,433	(6,796)	2,850,637	2,701,038	94.75%
2008	2007	2,940,204	(5,977)	2,934,227	2,771,551	94.46%
2009	2008	3,209,230	(5,726)	3,203,504	3,014,618	94.10%
2010	2009	3,451,515	(44,613)	3,406,902	3,242,033	95.16%
2011	2010	3,578,859	(15,087)	3,563,772	3,437,198	96.45%
2012	2011	3,760,572	(6,727)	3,753,845	3,644,449	97.09%

SOURCE: Calhoun County Appraisal District

PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 107,901	\$ 2,163,180	99.28%
139,812	2,251,773	99.36%
123,287	2,322,814	99.28%
101,408	2,545,288	99.53%
131,490	2,832,528	99.36%
140,080	2,911,631	99.23%
156,519	3,171,137	98.99%
105,804	3,347,837	98.27%
62,934	3,500,132	98.21%
-	3,644,449	97.09%

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
2003	470,650	401,858	68,792	15%	N/A
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

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
\$ 10.98	\$ 11.70	\$ 8.59	\$ 11.61
12.46	13.29	9.75	13.17
13.46	13.35	9.75	13.17
13.96	13.35	11.75	10.65
13.96	13.95	12.25	10.65
15.00	14.25	14.00	10.65
15.00	14.25	14.00	10.65
15.00	14.25	14.00	10.65
15.00	14.25	14.00	10.65
15.00	14.25	14.00	10.65

STATISTICAL INFORMATION

WATER AND SEWER RATES

Last ten fiscal years

	Fiscal Year				
	2003	2004	2005	2006	2007
Water Rates					
Base Rate (includes 2,000 gallons)					
Base Rate by Meter Size					
3/4" to 5/8"	\$ 10.98	\$ 12.46	\$ 13.46	\$ 13.96	\$ 13.96
1"	12.19	13.84	14.84	15.34	15.34
1 1/2"	14.76	16.75	17.75	18.25	18.25
2"	17.32	19.66	20.66	21.16	21.16
3"	22.54	25.58	26.58	27.08	27.08
4"	27.56	31.28	32.28	32.78	32.78
6"	38.61	44.16	45.16	45.66	45.66
Per 1,000 gallons over base charge	3.90	4.43	4.45	4.45	4.65
Sewer Rates					
Base Rate (includes 2,000 gallons)	8.59	9.75	9.75	11.75	12.25
Per 1,000 gallons over base charge	3.87	4.39	4.39	4.39	4.89

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									
2008		2009		2010		2011		2012	
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

2012			
Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
Calhoun County I.S.D.	School District	13,822	3.33%
Memorial Medical Center	Hospital	8,842	2.13%
City of Port Lavaca	City Accounts	8,538	2.06%
Hillmans Shrimp & Oyster	Fishing Industry	7,042	1.70%
Bordeaux Apartments	Apartment Complex	6,316	1.52%
Regency Nursing Home	Senior Center (Home)	6,252	1.51%
Lighthouse Seafood	Commercial Oyster House	4,454	1.07%
Calhoun County	County Offices	4,152	1.00%
Splash & Dash	Car Wash	3,965	0.96%
Seabreeze Apartments	Apartment Complex	2,975	0.72%
2003			
Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
Calhoun County I.S.D.	School District	7,976	1.98%
H.E.B. Grocery	Commercial	7,620	1.90%
Memorial Medical Center	Hospital	6,520	1.62%
Hillmans Shrimp & Oyster	Fishing Industry	5,730	1.43%
Regency Nursing Home	Senior Center (Home)	5,454	1.36%
Seabreeze Apartments	Apartment Complex	5,185	1.29%
King Fisher Marine Service	Industrial	4,740	1.18%
City of Port Lavaca	City Accounts	4,656	1.16%
Bordeaux Apartments	Apartment Complex	4,392	1.09%
Days Inn	Hotel/Motel	2,723	0.68%

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	Capital Leases
2003	\$ 325,000	\$ -	\$ -	\$ 37,497	\$ 315,000	\$ 6,690,000	\$ 8,838
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	288,374
2009	3,715,000	-	-	332,486	3,940,000	5,315,000	237,874
2010	3,515,000	-	-	261,340	3,800,000	5,025,000	193,957
2011	3,310,000	-	-	471,758	3,655,000	4,760,000	148,282
2012	3,095,000	-	-	248,917	3,500,000	4,425,000	100,780

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

RATIOS OF OUTSTANDING DEBT BY TYPE CONTINUED
Last ten fiscal years

Total Primary Government	Percentage of Personal Income	Per Capita
\$ 7,376,335	2.7%	\$ 632.35
10,490,000	3.8%	901.67
10,952,939	3.7%	951.68
10,888,904	3.5%	949.25
10,692,343	3.2%	937.51
14,252,328	4.1%	1,243.12
13,540,360	N/A	1,178.55
12,795,297	N/A	1,063.17
12,345,040	N/A	1,007.92
11,369,697	N/A	925.72

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		
2003	\$ 4,215,000	\$ -	\$ 4,215,000	\$ 86,070	\$ 315,000
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	7,520,000	-	7,520,000	183,391	3,500,000

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
\$ 3,813,930	1.26%	\$ 326.95
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
3,836,609	0.74%	312.38

STATISTICAL INFORMATION

***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)
September 30, 2012***

	<u>Gross Debt Outstanding</u>		<u>Percentage Applicable to City</u>	<u>Amount Applicable to City</u>
	<u>Date</u>	<u>Amount</u>		
Direct Debt:				
City of Port Lavaca	09/30/2012	<u>\$ 3,343,917</u>	100.00%	<u>\$ 3,343,917</u>
Overlapping Debt:				
Calhoun County	09/30/2012	10,765,000	15.45%	1,662,737
Calhoun Independent School District	09/30/2012	14,390,000	14.76%	2,123,952
Calhoun Port Authority	09/30/2012	<u>32,400,000</u>	23.89%	<u>7,741,742</u>
Total Overlapping Debt		<u>57,555,000</u>		<u>11,528,431</u>
Total		<u>\$ 60,898,917</u>		<u>\$ 14,872,348</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 5,000 population, or \$1.50 for cities over 5,000 population.

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 total taxable value.

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

PLEDGED-REVENUE COVERAGE

Last ten fiscal years

<u>Fiscal Year</u>		<u>Gross Revenue</u>	<u>Direct Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Average Debt Service Requirements</u>	<u>Times Debt Coverage</u>
2003	(1)	3,642,066	2,911,661	730,405	543,442	1.34
2004	(2)	3,933,123	2,932,517	1,000,606	544,740	1.84
2005	(2)	4,467,282	2,895,575	1,571,707	540,000	2.91
2006	(2)	4,529,981	2,819,506	1,710,475	541,496	3.16
2007	(2)	4,674,553	3,134,268	1,540,285	541,619	2.84
2008	(2)	5,127,853	3,186,879	1,940,974	861,629	2.25
2009	(2)	5,331,869	3,478,632	1,853,237	869,487	2.13
2010	(2)	5,194,828	3,470,112	1,724,716	867,219	1.99
2011	(2)	5,604,515	3,368,233	2,236,282	877,114	2.55
2012	(2)	5,312,772	3,458,504	1,854,268	953,379	1.94

(1) Revenues and expenses of the Public Utility Fund net of debt service.

(2) "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			
	2003	2004	2005	2006
General government				
Building permits issued	N/A	316	329	283
Building inspections conducted	N/A	653	676	499
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	N/A	234	222
Public works				
Streets (miles)	49.3	49.3	49.3	49.3
Culture and recreation				
Parks and recreation				
Bauer center rentals	N/A	N/A	64	73
Lighthouse beach park				
Pavillion	16	54	43	43
Water and wastewater				
Water				
Water customers	4,455	4,455	4,455	4,492
Water taps	19	24	25	8
Average daily consumption	1.28 mgd	1.20 mgd	1.29 mgd	1.29 mgd
Peak daily consumption	1.61 mgd	1.52 mgd	1.55 mgd	1.57 mgd
Wastewater				
Sewer customers	4,193	4,193	4,175	4,190
Sewer taps	15	26	18	7
Average daily sewage treatment	N/A	1.28 mgd	1.09 mgd	1.14 mgd

NOTE: N/A denotes information not available.

SOURCE: Various City departments

OPERATING INDICATORS BY FUNCTION/PROGRAM CONTINUED
Last ten fiscal years

Fiscal Year					
2007	2008	2009	2010	2011	2012
491	202	564	548	801	784
456	436	564	732	822	1,187
N/A	398	409	336	807	796
N/A	431	450	422	1,642	836
200	230	192	175	568	650
50.1	50.1	50.1	50.1	50.1	50.1
65	88	71	65	63	59
54	38	25	42	39	47
4,456	4,548	4,514	4,552	4,544	4,556
10	13	19	11	11	15
1.18 mgd	1.34 mgd	1.38 mgd	1.27 mgd	1.53 mgd	1.272 mgd
1.40 mgd	1.61 mgc	1.66 mgd	1.49 mgd	5.65 mgd	2.10 mgd
4,173	4,253	4,217	4,267	4,258	4,276
8	7	2	7	9	7
1.37 mgd	1.05 mgd	1.01 mgd	1.19 mgd	1.01 mgd	1.11 mgd

STATISTICAL INFORMATION

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last ten fiscal years

	Fiscal Year			
	2003	2004	2005	2006
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	49.3
Streetlights	678	672	672	680
Culture and recreation				
Acreage	150	150	150	150
Parks	6	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)	66	67	67	68.5
Fire hydrants	245	245	250	250
Storage capacity	1.761	1.761	1	1
Wastewater				
Sanitary sewers (miles)	55	55	56	56
Treatment capacity	2	2	2.5	2.5

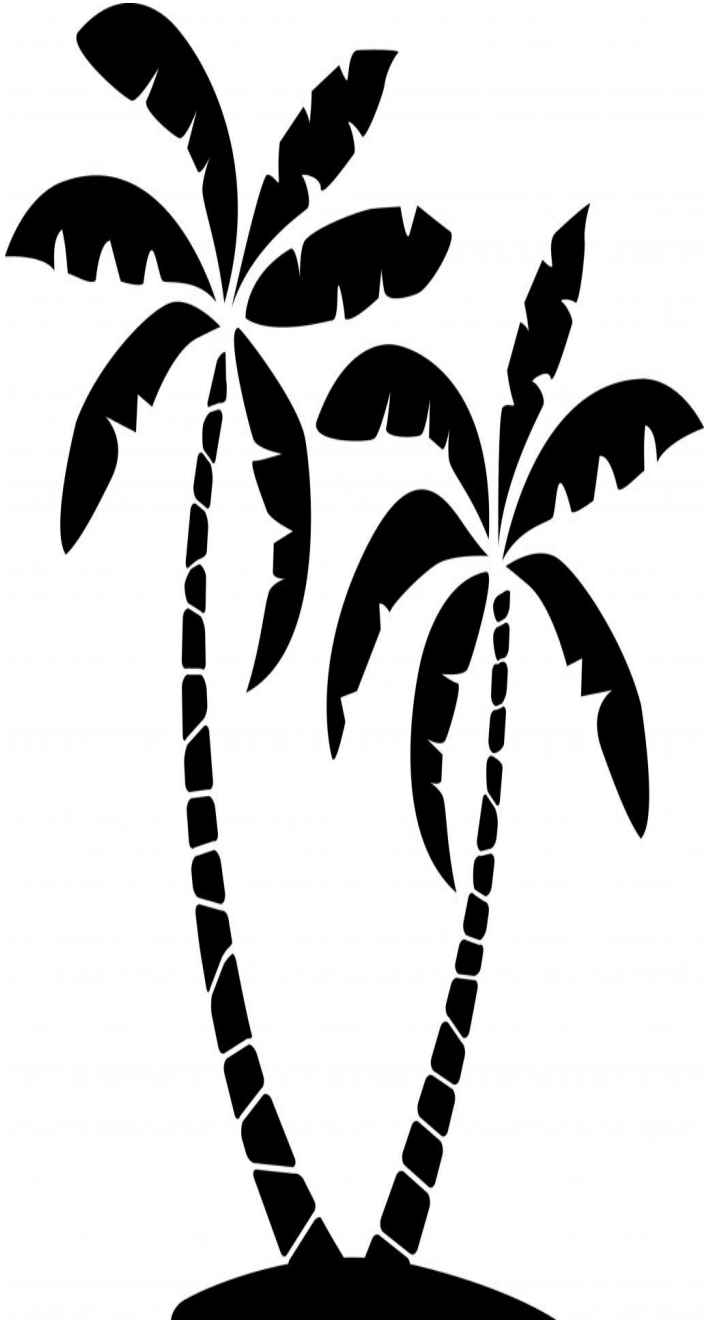
SOURCE: Various City departments

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM CONTINUED
Last ten fiscal years

Fiscal Year						
2007	2008	2009	2010	2011	2012	
1	1	1	1	1	1	1
7	7	7	7	6	6	7
2	2	2	2	2	2	2
50.1	50.1	50.1	50.1	50.1	50.1	50.1
686	686	684	686	686	686	686
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	68.5	69	69	69	69	69
250	250	259	259	259	259	259
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



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

Budgetary Process and Guidelines

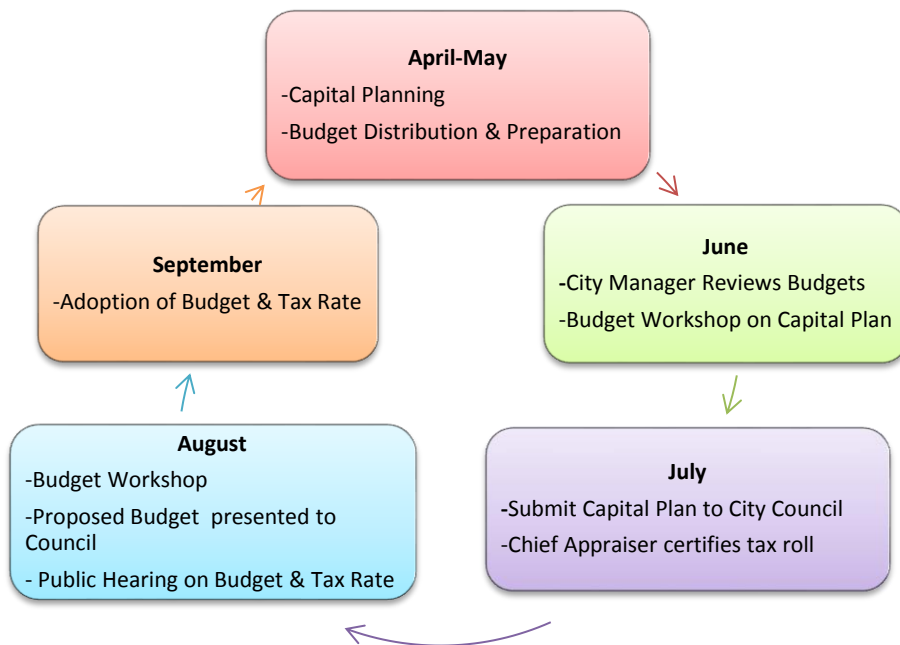
The purpose of this segment is to explain the budgetary policies and process of the City of Port Lavaca. This narrative describes the legal requirements, budgeting standards, and basic rationale of the budget process.

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 2013- 2014 Budget Planning Calendar

Date	Activity	Responsible Party
April	Capital Planning	Public Works Director Finance Director
April-May	Mailing of notices of appraised value	Calhoun County Appraisal District
April 23	Distribute budget package to Division Heads	Finance Director
May 13	Regular Council Meeting	City Council
May 24	Turn in budget package to Finance Director	Department Heads
May 29-31	Capital Planning Review	City Manager Finance Director Department Heads
June 10	Budget Workshop- Capital Plan Regular Council Meeting	City Manager City Council
June 17	Submit first draft of budget to City Manager	Finance Director
June 18-22	Budget review with Department Heads	City Manager Finance Director Department Heads
July 8	Regular Council Meeting	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 8	Budget Workshop 8:00-12:00	City Manager Finance Director Department Heads
August 9	Proposed budget filed with City Secretary	City Manager
August 12	Regular Council Meeting -Approve budgetary 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 26	Special Called Meeting- 6:00 -Public Hearings on budget & tax rate (if required)	City Council
August 29	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 9	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 23	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 an expenditure.

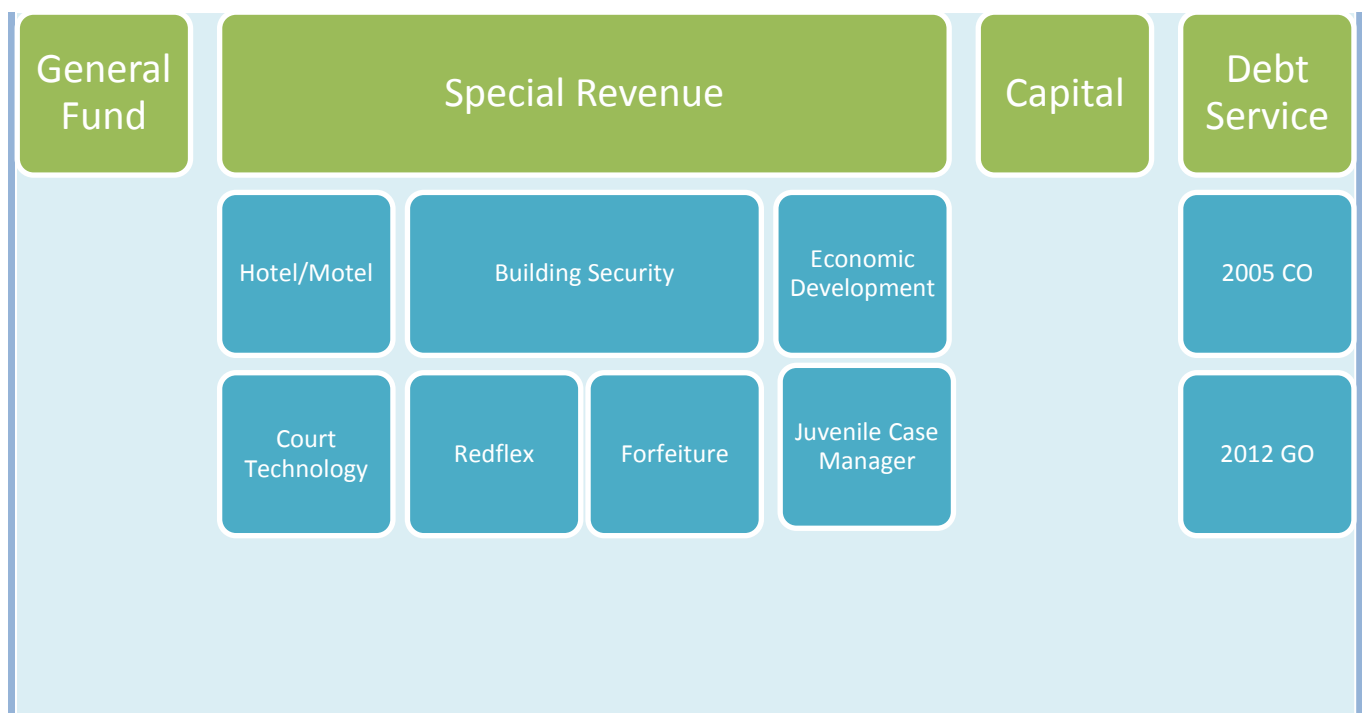
The organizational arrangement of the budget document is based upon the format reflecting the funds of the City, the departments associated with each fund, followed by revenue and expenditure categories.

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

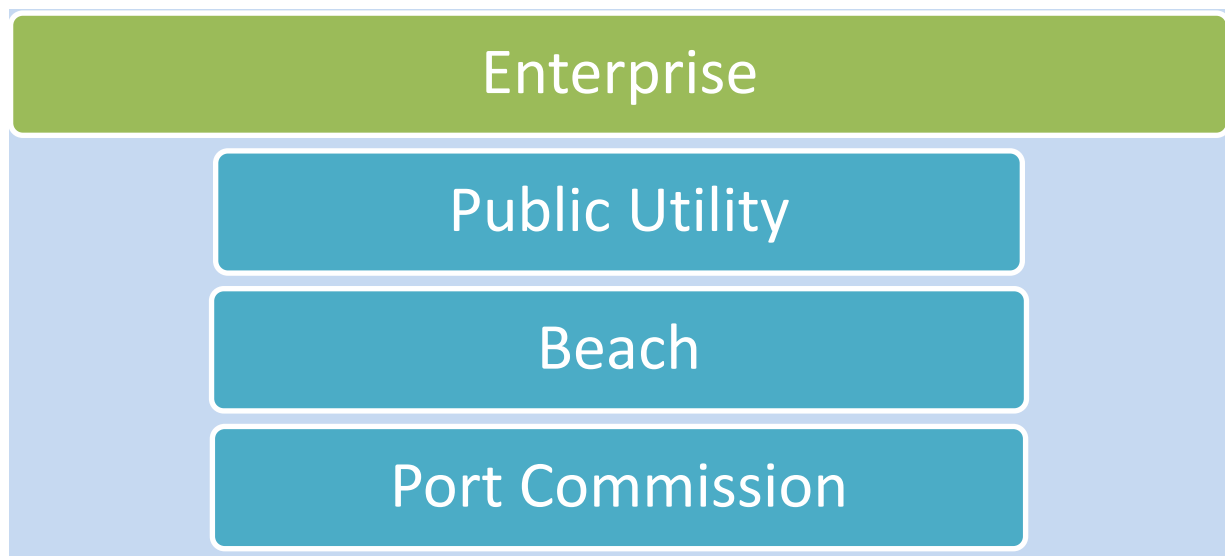


*Although the City has a number of funds shown above, only the General Fund, Hotel/Motel, and Debt Service Funds are appropriated for. All City funds are audited annually.

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-1-13

AN ORDINANCE APPROVING THE ANNUAL BUDGET FOR THE CITY OF PORT LAVACA, TEXAS AND ADOPTING THE BUDGET DOCUMENT FOR THE FISCAL YEAR OCTOBER 1, 2013 THROUGH SEPTEMBER 30, 2014; 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, 2013 through September 30, 2014, 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, 2013 through September 30, 2014 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 2013/2014.

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 29th day of August, 2013

SECOND AND FINAL READING this 9th day of September, 2013

APPROVED AND ADOPTED this 9th day of September, 2013.

APPENDIX

Tax Rate Ordinance

ORDINANCE #S-2-13

AN ORDINANCE FIXING THE TAX RATE AND TAX LEVY FOR THE CITY OF PORT LAVACA, TEXAS, FOR THE YEAR 2013, UPON ALL TAXABLE PROPERTY IN SAID CITY OF PORT LAVACA, TEXAS SUBJECT TO TAXATION BY SAID CITY ON THE FIRST DAY OF JANUARY, 2013 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 2013 upon all property of every description subject to taxation by the City of Port Lavaca, Texas on the 1st day of January, 2013, 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 the Debt Service Fund to retire outstanding bonds and certificates of obligation for the fiscal year ending September 30, 2014.

SECTION 2. 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	\$.7109	89.98 %
TAX SUPPORTED DEBT SERVICE FUND:		
2005 Certificates of Obligation	\$.0129	1.64 %
2012 General Obligation Refunding	<u>\$.0662</u>	8.38 % <u>10.02 %</u>
Total Tax Rate	\$.7900	100.00 %

SECTION 3. 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 4. All ordinances or parts of ordinances in conflict herewith are hereby expressly repealed.

SECTION 5. 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 29th day of August, 2013

SECOND AND FINAL READING this 9th day of September, 2013

APPROVED AND ADOPTED this 9th day of September, 2013



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

Amended Resolution No. R-083012-1 on September 9, 2013

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.

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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.

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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-83012-2 on September 9, 2013

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.

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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 INSTITUTIONSDepository

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 whom 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.

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- 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-070813-1**

**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 July 19, 2013 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, 2013 – September 30, 2018), a copy of which is attached hereto and incorporated in the Fiscal Year Budget 2012-2013, is hereby adopted in compliance with the City Charter.

PASSED and APPROVED this 8th day of July 2013.

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

2013-2014 Business Plans (Objectives)

- Hire third party consultant to evaluate job descriptions and update compensation plan
- Provide training to City Supervisors on performance evaluations

2012-2013 Accomplishments of Prior Year Business Plans

- Revised and implemented a range table that recommends the minimum, midpoint and maximum ranges for all departments
- Created a self-assessment form to be used in conjunction with performance evaluations

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 2013-2014 (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 2013-2014 (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 remained the same as prior year.**

Approved by Council for 2013-2014 Budget:

- Amount of Merit Increase Allocated- \$75,000 (2.5%)
- Number of Positions (93.5)

Occupational Department	Description	No. Of Positions FY 2011-2012	No. Of Positions FY 2012-2013	No. Of Positions FY 2013-2014
City Manager		2	2	2
City Secretary		1	1	1
Human Resources		1	1	1
Municipal Court		1.5	2	2
Information Technology		1	0	0
Finance		3	3	3
City Hall		1	0	0
Police		26	26	26
Fire		17	17	17
Animal Control		2	2	2
Code Enforcement		3	3	3
Streets	5 are Temporary	14	15	15
Parks & Recreation	1 is Temporary	6	6	6
Bauer Center		2	2	2
Utility Maintenance	1 is Temporary	9	10	10
Waste Water		4	4	4
Utility Billing		5	5	5
Port Commission		1.5	1.5	1.5
Total Positions		102	100.5	100.5
	Full Time/Part Time	95	93.5	93.5
	Temporary	7	7	7

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 this somewhat flat economy we are experiencing in Port Lavaca. 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!

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	2012 (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

	2012 (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

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

APPENDIX

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

Table6 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.

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

APPENDIX

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.

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

APPENDIX

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 a 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 2013

	Rate / \$100
Calhoun County	0.4900
City of Seadrift	0.4866
City of Point Comfort	0.5299
Port Lavaca	0.7900
Calhoun County ISD	1.1151
Calhoun Port Authority	0.0031
WCID #1	0.0587
LaSalle WCID #1A	0.5700
Drainage District #6	0.0312
Drainage District #8	0.2746
Drainage District #10	0.1749
Drainage District #11	0.1686
Port O'Connor Improvement District	0.3500
Port O'Connor MUD Defined Area #1	0.6500

Source: Calhoun County CAD

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 Collections	Outlets
2008	\$317,343,030	\$122,226,521	\$1,833,397	457
2009	\$276,253,883	\$107,500,475	\$1,612,507	457
2010	\$303,916,649	\$113,337,193	\$1,700,057	483
2011	\$305,705,894	\$116,507,162	\$1,747,607	509
2012	\$314,517,546	\$124,221,030	\$1,863,315	494
1st Qtr 2013	\$75,673,497	\$31,505,478	\$472,582	323

Source: Texas Comptroller Office

APPENDIX

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 second quarter of 2013, ending June 30, the City had 11 hotel properties and collected \$105,530.66 in hotel sales tax. This is a significant increase over the receipts from the same timeframe in 2012 which was \$87,315.58. 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

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 Principles

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

HR – Human Resources

APPENDIX

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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Scotty Jones	Sandra Mason	Tiffany Patton
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Photography

Bill Harvey	Red Hummingbird Photography
Philip Thomae	Philip Thomae Photography
Michelle Price	Smile Time Photography

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