

CITY OF PORT LAVACA

Annual Budget Fiscal Year 2011-2012



Bringing back the Pride!



CITY OF PORT LAVACA

202 N. Virginia

Port Lavaca, Texas 77979

361-552-9793

www.portlavaca.org



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Port Lavaca
Texas**

For the Fiscal Year Beginning

October 1, 2010

Linda C. Danson Jeffrey R. Enos

President

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, 2010. 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.

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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 twelve (12) sections:

Budget Message

This section contains the City Manager's Budget Transmittal Letter.

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 and reflects the changes in fund balance or working capital for each budgeted fund and the city wide budget as it compares to the 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, Redflex Traffic and Court Technology Funds. These funds are legally restricted for certain purposes.

Capital Expenditures and Projects

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.

Personnel

This section provides information on the City's staffing levels and compensation plan. Financial implications of these changes can be found within each respective department's budget.

Statistical Information

This section provides statistical and historical information.

Appendix

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

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Contributors

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BUDGET MESSAGE

BUDGET MESSAGE

Mayor and Council Members
City of Port Lavaca
202 North Virginia
Port Lavaca, TX 77979

Dear Mayor and Council Members,

I am pleased to submit a budget where the City can set a conservative example for all citizens. This budget proposes a lower property tax rate and recommends no change in utility rates. The Proposed Budget for fiscal year 2011-2012 totals \$14,419,000 for all major funds. Of this amount, \$7,453,000 is proposed for the operations and maintenance of the General Fund, while \$6,966,000 is proposed for the City's other major funds inclusive of current debt payments and transfers. Within these budgets are capital costs for approximately \$2,500,000 to fund equipment and major public improvement projects.



Many cities, not as fortunate as Port Lavaca, must raise taxes or lay off personnel to balance their budgets. Others may be forced to reduce services or hours of operation. We were able to avoid all of these actions due to the efforts of dedicated employees who were willing to find a more economical way to provide an improved service.

The Financial Management and Budgetary Policies of the City of Port Lavaca mandate that each major fund of the City will be balanced each year. In other words, the total resources available, which is a combination of the prior year's ending resources plus any projected revenues, will be equal to or greater than the projected expenditures for the coming year. The challenge for our city is no different than the challenge for cities all across Texas. We must balance a desire for a low tax rate with the need to provide a high level of service.

As we move forward, we will do so in a methodical way. We will plan, review "best practice" cities searching for a better way, and establish organizational standards that will lead to success. The citizens of Port Lavaca deserve that commitment from city government and our intention will be to deliver it to them.

Our prior year's budget was focused to improve the City's image in all aspects. This was accomplished through citywide cleanup programs, customer service trainings, citizen surveys, and numerous public improvement projects such as the following:

- Seadrift Street reconstruction
- Calhoun Street reconstruction
- Baffin Street reconstruction

BUDGET MESSAGE

- Lynnhaven sewer rehabilitation
- Loop 1090 manhole rehabilitation for infiltration and inflow control
- Center Street waterline replacement
- Replacement of docks at Nautical Landings Marina
- Installation of playground at Bay Front Peninsula Park
- Extended fishing pier at Lighthouse Beach and Bird Sanctuary

Through goal setting sessions with Council and listening to citizens and employee suggestions, our budget is focused on **“Bringing Back the Pride”** for the citizens of Port Lavaca by supporting any initiative that improves the quality of life by making this city a better place to live, work, and play.

A Change in Focus for the 2011-2012 Proposed Budget

The City of Port Lavaca begins the budget process in March each year by meeting with Council to review the Strategic Initiatives. During this work session, the City Council, City Manager, and Department Leaders discuss goals from the previous year and determine if the goals set were attained. Through these discussions, a new set of goals are prioritized for the upcoming budget to assist in the development of the departmental spending plans.

Again, ***Bringing Back the Pride*** to the citizens of Port Lavaca has changed our capital budget focus to park improvements, citywide clean-up programs, and improving communication tools for our citizens. In addition, the City is expanding on performance measures. The City believes in the ability to measure and monitor our effectiveness for service levels provided to our citizens. We will ask ourselves the question, “Are we improving , and, if not, what can we do to become better?” This will be a building block within each department’s budget and will aim to improve this area of the budget each year with valuable performance indicators.

Each budget request was prioritized by each department and then matched to a Council-directed goal. After firm revenue numbers for Sales and Property Taxes were known, the City focused on finalizing the current year capital plan, placing more focus on public improvements of our city parks.

Budget Challenges Addressed

Issues to be addressed below:

1. The City’s largest revenue sources for the General Fund are tied to Property Tax and Sales Tax. Both of these revenue streams continue to show signs of weakness in Port Lavaca. The City’s property values (excluding new value) did not increase. Sales Tax shows signs of improvement over prior year but remains volatile from month to month.
2. The City strives to maintain quality personnel and, with this desire, comes the need to maintain a competitive salary with surrounding cities.

3. The City has a self-insured health care plan that carries some risk exposure. To minimize this risk, the City purchases stop loss insurance. This insurance coverage continues to increase each plan year.
4. According to surveys, the City is considered to have a high tax rate if compared to other Texas cities its size.
5. How do we as a City react quickly to this volatile economy?

How we addressed the issues

The 2011-2012 Proposed Budget utilized an “incremental” budgeting approach. The “base” budget was calculated by subtracting personnel costs, capital purchases, and any one-time allocations from the prior year’s adopted budget. Each department was then asked to reduce the base budget by 5% and explain any possible decrease in service levels by doing so. This savings, along with new value on the tax roll, helped the City drop the tax rate below the effective tax rate, absorb the health insurance increase cost, and provide employees with performance pay.

During the current fiscal year, the City amended the budgetary policy document. These amendments revised reserve levels, expanded on revenue management practices, and put in place policy and procedures to react quickly when signs of sales tax or other major revenue sources are anticipated to deviate materially from the budget. These policy changes will help the City proactively amend the budget at the first sign of a decrease to determine what expenditure in the budget could be omitted or delayed in efforts not to cut core services.

Budgetary Expenditure Highlights

The proposed expenditures of the City’s major funds total \$14,419,000, down \$146,650 or 1% from prior year.

Staff made several expenditure recommendations that are included within each department’s summary found in this budget document. Some of the significant highlights are as follows:

- Salary Increases: The citywide budget increased by 2.5% (\$82,000)
- Capital Additions: Machinery and Equipment in General Fund (\$185,000) and Utility Fund (\$52,000)
- Capital Projects- General Fund: appropriated \$542,000 for lighting at the Wilson Field Sports Complex and \$150,000 for a pavilion at Bay Front Park (General Fund)
- Capital Projects- Utility Fund: appropriated \$835,000 for a sewer line replacement in the Mariemont and Bonorden Subdivisions

BUDGET MESSAGE

- Capital Projects- Lighthouse Beach Fund: appropriated \$175,000 to improve the Lighthouse Beach RV Park and Bird Sanctuary
- Capital Project- Port Commission Fund: appropriated \$300,000 to expand the breakwater and Nautical Landings Marina

Outlook for the Future

While population growth for the City has only increased by 1% since 2001, many developments are taking place in our extra-territorial jurisdiction (ETJ). With this in mind, the City will focus improvement plans to capitalize on this growth. We will examine infrastructure needs especially as it relates to older declining areas or newly annexed areas. The City will continue to build “Bringing Back the Pride” programs that will benefit our businesses and citizens. Some of these programs or missions are as follows:

- Park improvements
- Citywide clean-up program
- City to promote “Going Green Initiative”
- Downtown business rebates or abatements
- Façade grants for our downtown businesses
- Customer service training- “Changing the Culture”
- Assist in community beautification projects
- Rebuild low income homes for residents who qualify through grants

Programs such as this will help improve the image of our coastal front City. The City’s five year capital plan can be found in the Capital section of this budget document.

Conclusion

It is the hope of staff to continue to improve this document so that the detail of the budget may be rolled into easily identifiable service costs. Performance Measurement will be documented in future budgets so that the reader may also review the effectiveness of the City’s operations.

We wish to thank all staff for their input on this budget. Department Heads brought clearly stated goals and objectives into the budget meetings. Clerical and support staff in each department were patient with the numerous corrections needed to get the numbers right. And of course we thank our dedicated employees who work so hard to get the job done right the first time and avoid cost overruns, which allows us to operate within a balanced budget.

Bob Turner, City Manager

Scotty Jones, Finance Director

Bringing Back the Pride



“Together we can sculpt our community into something beautiful. It’s in our hands.”





CITY PROFILE





Jack Whitlow
Mayor

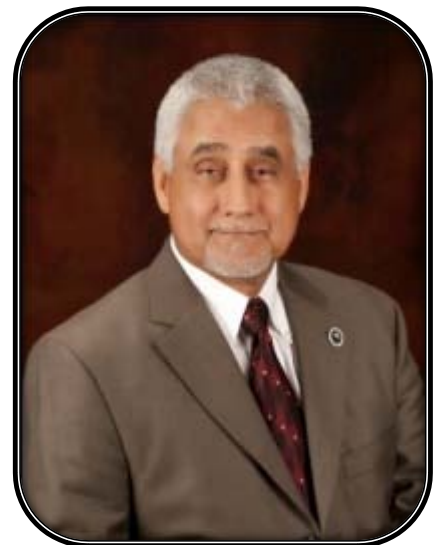
PORT LAVACA CITY ELECTED OFFICIALS FY 2011-2012



Floyd Felder
Councilmember, District 1



Raymond Perez
*Councilmember, District 2
Mayor Pro Tem*



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!



Greg Falcon
Councilmember, District 4



James Ward
Councilmember, District 5



Ken Barr
Councilmember, District 6

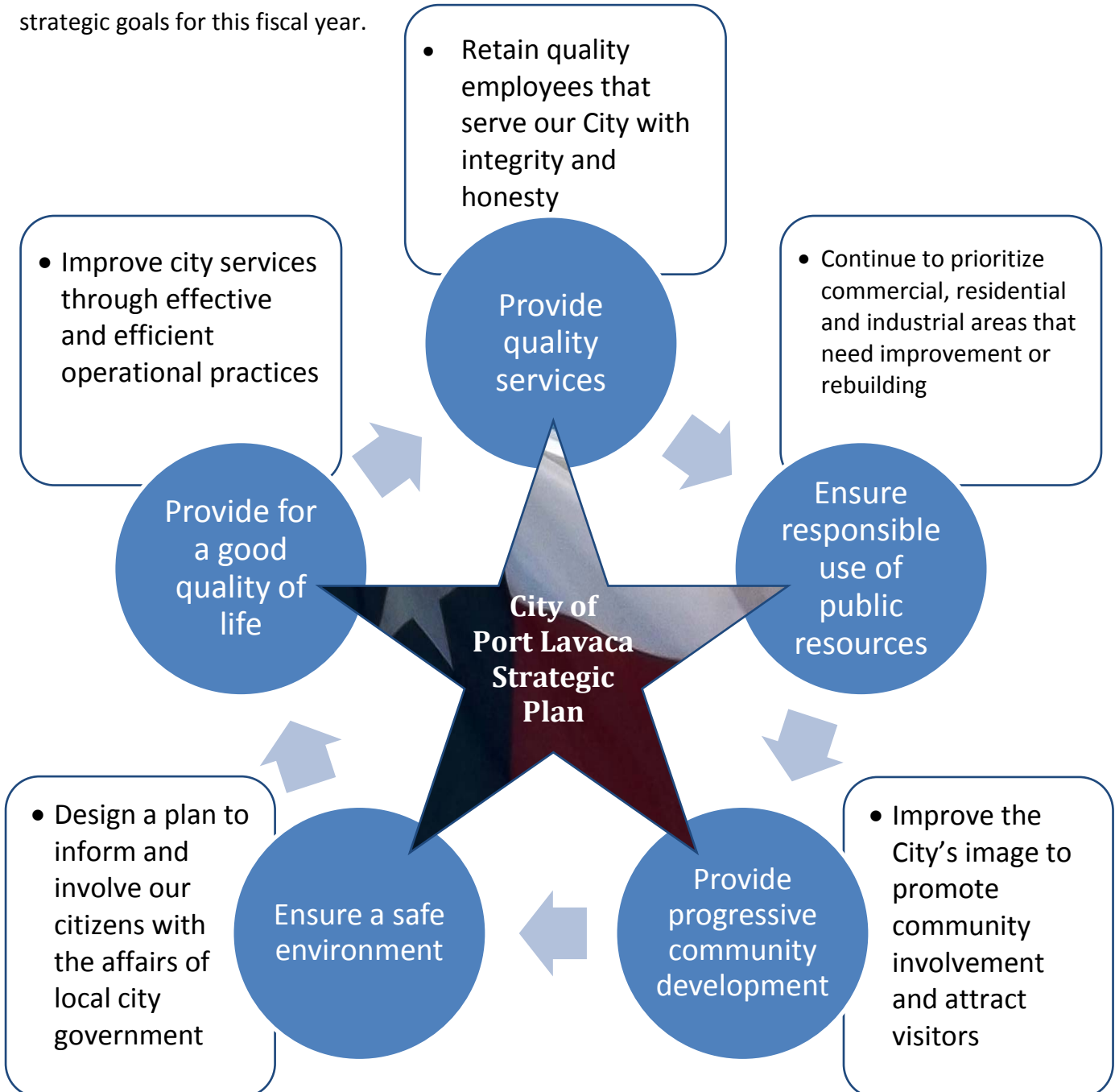
OUR CITY PROFILE

Strategic Plan and Goals

Strategic Plan and Goals

Strategic Plan

Port Lavaca's Strategic Plan consists of the five dimensions shown in the circles of 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 with its corresponding strategic goals for this fiscal year.



City Council Strategic Goals

Fiscal Year 2011-2012



Design a plan to inform and involve our citizens with the affairs of local city government



Improve the City's image to promote community involvement and attract visitors



Improve City services through effective and efficient operational practices



Retain quality employees that serve our City with integrity and honesty



Continue to prioritize commercial, residential and industrial areas that need improvement or rebuilding

OUR CITY PROFILE

Strategic Plan and Goals

For the **2011-2012 Budget**, each department has outlined a description of services and aligned themselves with the Strategic Goals to respond to Council's strategic direction. In order to succeed in the fulfillment of these goals, department staff have compiled their own operational goals for the coming year. When coupled with prior year accomplishments, these goals help us mark our progress toward the achievement of the City Council's vision for the future of our City and excellence in service. The section below highlights some of the department's goals.

Goal 1

Design a plan to inform and involve our citizens with the affairs of local city government

Fiscal Year 2011-2012 Departmental Goals

City Secretary Department

- Update imaging records archival project

Elections Department

- Complete archiving of election records
- Improve department page on City's website

Technology Department

- Continue to upgrade the City website to provide a way for citizens to access information
- Keep technology running to ensure staff can perform duties efficiently

Finance Department

- Continue to improve the budget document to achieve the Budget Award
- Provide financial transparency to public by posting financial reports on City's website

Utility Billing

- Revise "To Turn it On" web page on City policies
- Implement online bill pay

Goal 2

Improve the City's image to promote community involvement and attract visitors

Fiscal Year 2011-2012 Departmental Goals

City Manager Department

- Beautify the City through improved Code Enforcement

Finance Department

- Continue to assist in the planning of the City's capital plan

City Hall Department

- Provide service to public by responding to request for street light repairs

Animal Control Department

- Continue to improve the budget document to achieve the Budget Award
- Provide financial transparency to public by posting financial reports on City's website

Goal 3

Improve City services through efficient and effective operational practices

Fiscal Year 2011-2012 Departmental Goals

City Manager Department

- Streamline departments to improve performance and organizational effectiveness
- Review all City ordinances, policies, and procedures

Municipal Court Department

- Improve the Court's software functionality
- Establish "walk-in" payment solutions through HEB and Wal-Mart Stores
- Link the municipal court and police department software
- Implement amnesty program to complement the warrant round up program
- Establish responsible plan to clear up Court docket

Technology Department

- Install new phone system
- Implement police department software to improve departmental efficiencies

Finance Department

- Reduce audit costs
- Assist in maximizing hotel/motel revenue
- Obtain the Comprehensive Annual Financial Report (CAFR) Award
- Assist linking the strategic plan to budget

Utility Billing

- Implement online bill pay
- Send drafts online to bank
- Add a more secure utility payment night drop
- Strive to provide excellent customer service

OUR CITY PROFILE

Strategic Plan and Goals

Goal 4

Retain quality employees that serve our City with integrity and honesty

Fiscal Year 2011-2012 Departmental Goals

City Secretary Department

- Continue clerk certification

Human Resources Department

- Update compensation plan with third party analysis
- Develop new employee certification
- Revise personnel policies and procedures manual
- Develop a merit policy

Police Department

- Train staff to improve customer service

Fire Department

- Ensure all personnel are trained and safety remains priority
- Operate with a sense of pride and ownership within the organization

Goal 5

Continue to prioritize commercial, residential and industrial areas that need improvement or rebuilding

Fiscal Year 2011-2012 Departmental Goals

City Manager Department

- Expand economic development opportunities in the City

City Hall Department

- Provide service to public by responding to request for street light repairs

Public Works Department

- Continue drainage ditch cleaning
- Continue the replacement of the City's infrastructure

Streets Department

- Create a herbicide program for curbs and gutters
- Seal coat areas assigned by Public Works Director

Parks Department

- Beautification of the City's parks and open spaces
- Install lights at Wilson Park

Utility Maintenance

- Continue working on Inflow and Infiltration improvements throughout the City
- Identify and compile a database of all cast iron/ductile water lines in the distribution system and develop a schedule for replacement.
- Update water maps for implementation of Leak Detection Program

Wastewater Department

- Replace/upgrade pumps/pump controls in lift stations where needed



“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

OUR CITY PROFILE

City Officials

City Officials FY 2011-2012

Administrative Offices

Bob Turner

Dorothy Cunningham

City Manager

Administrative Assistant to the City Manager

Administrative Services

Scotty Jones

Mandy Grant

Finance Director

City Secretary

Public Safety

Cleve Calagna

Joe Robuck

Director of Public Safety (Police and Fire)

Code Enforcement/Animal Control

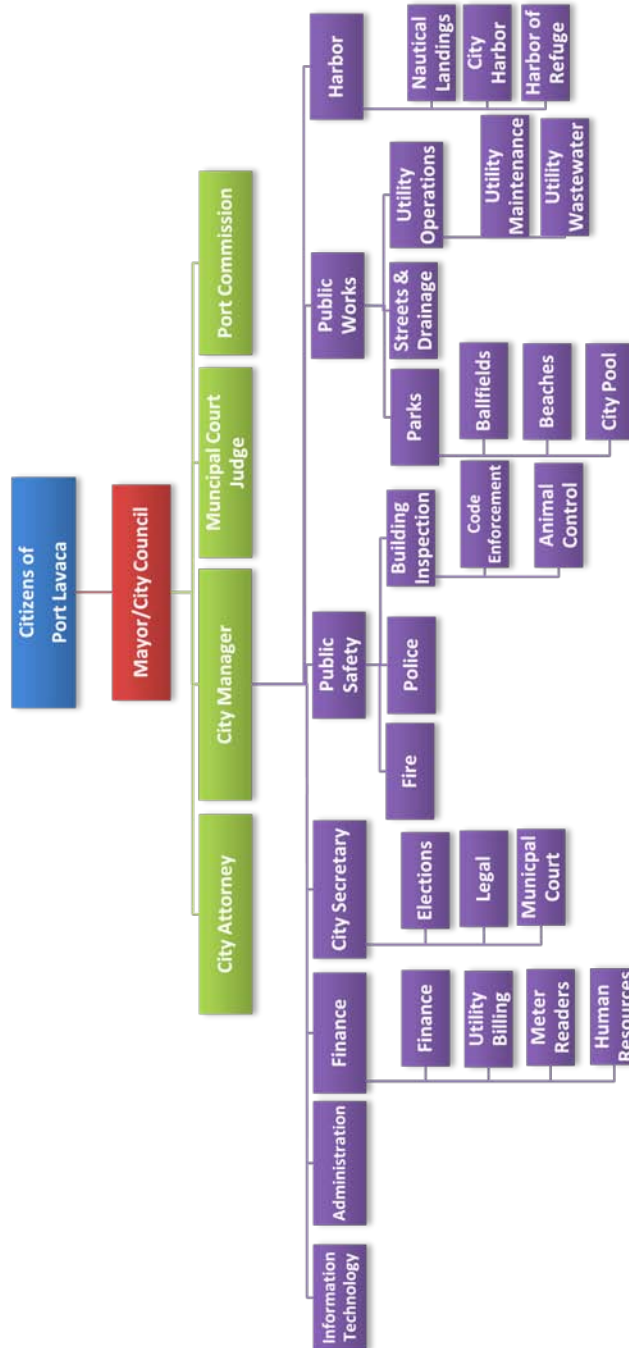
Public Works & Parks

Darren Gurley

Director of Public Works



Organizational Chart



OUR CITY PROFILE

History of Port Lavaca, Texas

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

History of Port Lavaca, Texas



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.



OUR CITY PROFILE

Snapshot of Port Lavaca Today

Snapshot of Port Lavaca Today

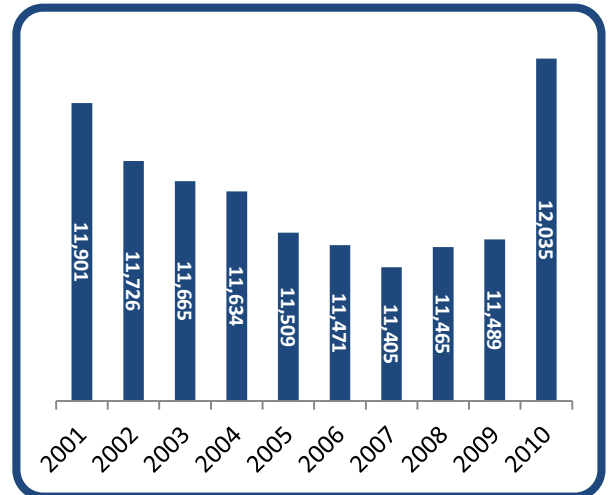
Location

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.



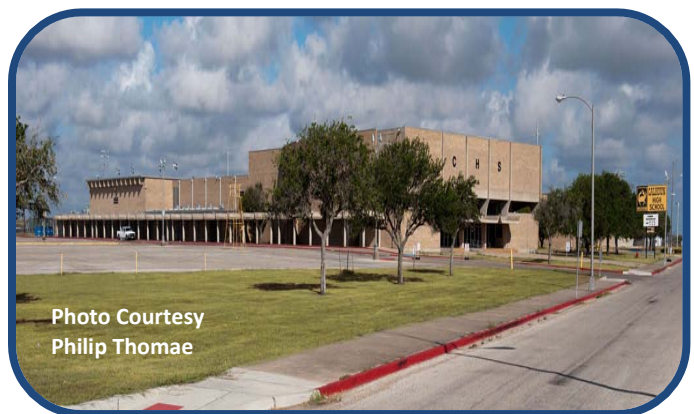
Population

According to the 2010 census, Port Lavaca is currently home to about 12,035 residents. The graph to the right represents the City's population beginning in 2001 to present, based on the records of the U.S. Census Bureau. Although the City experienced a drop in population over the years, the City has seen a growth in the last year. In fact, there was a 4.75% increase in 2010.



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

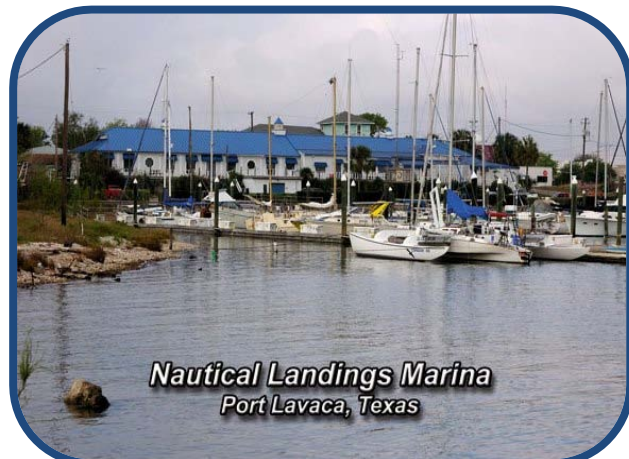
Snapshot of Port Lavaca Today

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 home.

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



Photos Courtesy of Philip Thomae

“Coming together is a beginning, keeping together is progress, working together is success.” – Henry Ford

OUR CITY PROFILE

Demographic Overview

CITY OF PORT LAVACA, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

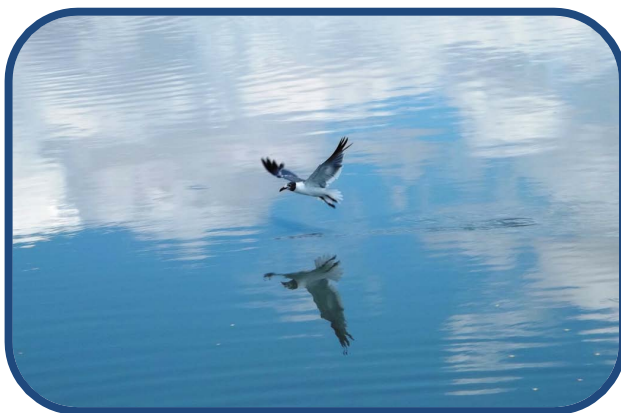
(UNAUDITED)

Last ten fiscal years

Fiscal <u>Year</u>	(1)	Personal	(2)	(3)	(4)
	<u>Population</u>	<u>Income</u>	Per Capita <u>Personal Income</u> <u>(Calhoun County)</u>	<u>School</u> <u>Enrollment</u>	<u>Unemployment</u> <u>Rate</u>
2001	11,901	\$ 261,369,762	\$ 21,962	4,153	6.6%
2002	11,726	260,282,022	22,197	4,162	7.5%
2003	11,665	269,193,205	23,077	4,215	7.5%
2004	11,634	277,738,482	23,873	4,225	7.2%
2005	11,509	292,317,091	25,399	4,253	5.9%
2006	11,471	307,124,554	26,774	4,299	5.0%
2007	11,405	329,079,870	28,854	4,334	4.5%
2008	11,465	346,862,110	30,254	4,282	4.9%
2009	11,489	N/A	N/A	4,349	8.3%
2010	12,035	N/A	N/A	4,230	9.1%

NOTES: The unemployment rates are a twelve-month average from October through September for the 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 County Independent School District
 (4) Texas Workforce Commission



"The first step towards getting somewhere is to decide that you are not going to stay where you are."

-Anonymous

OUR CITY PROFILE

Demographic Overview

CITY OF PORT LAVACA, TEXAS

PRINCIPAL EMPLOYERS

(UNAUDITED)

Current Year Only

2010

<u>Employer</u>	<u>Employees</u>	Percentage of Total County <u>Employment</u>
Alcoa	576	6.63%
INEOS Nitriles Formerly BP	129	1.48%
Calhoun County I.S.D.	650	7.48%
Calhoun County	330	3.80%
Formosa Plastics	1,530	17.60%
Seadrift Coke	141	1.62%
HEB Grocery	636	7.32%
International Bank Of Commerce	150	1.73%
King Fisher Marine Service	365	4.20%
Memorial Medical Center	141	1.62%
Dow Chemical	607	6.98%
	<u>5,255</u>	<u>60.45%</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

"The more tranquil a man becomes, the greater is his success. Calmness of mind is one of the beautiful jewels of wisdom."

-James Allen



Photo Courtesy
Philip Thomae

OUR CITY PROFILE





BUDGET SUMMARIES

This section provides summaries for all major budgeted funds for fiscal year 2011-2012.

BUDGET SUMMARIES

Introduction and Budget Overview

Budget Summaries

Introduction

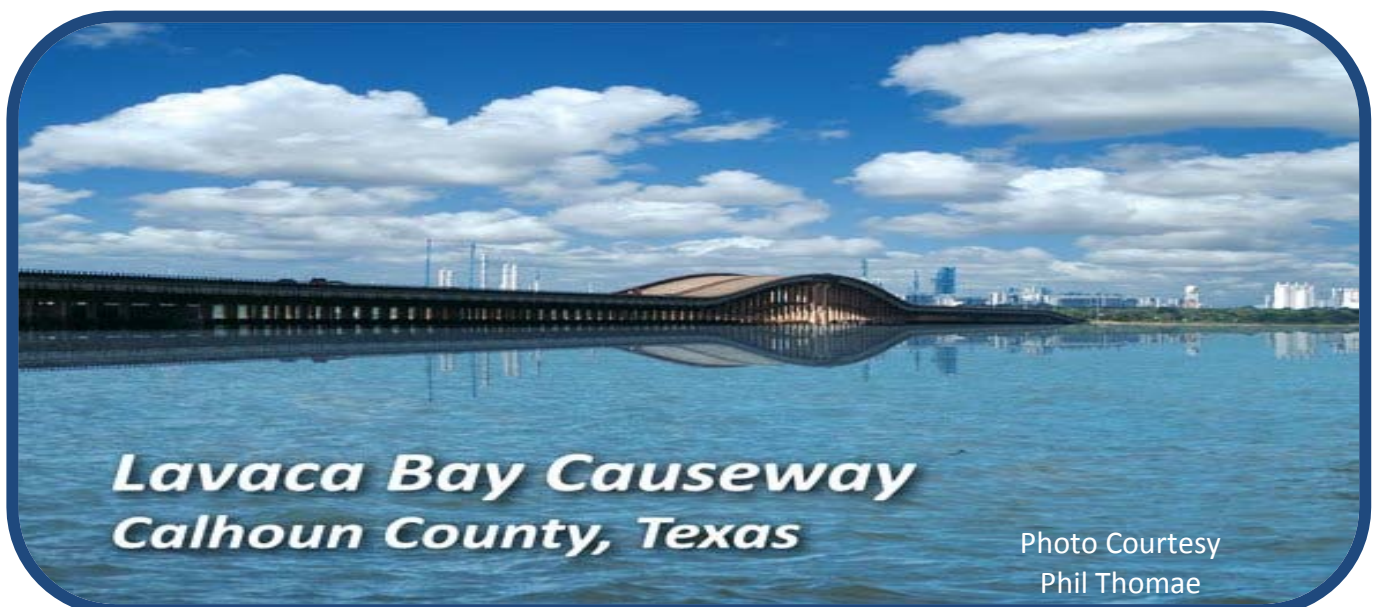
This summary has been prepared as a general overview to the City of Port Lavaca's Fiscal Year 2011-2012 approved budget. It will explain how the City plans to utilize its resources. A more in-depth explanation of the budget is depicted with graphs, charts, and a narrative of revenue and expenditures within the detail of each respective fund.

Budget Overview

The Fiscal Year 2011-2012 budget for all funds totals \$14,419,000 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 2011-2012 Budget by Funds as it compares to the prior year.

	Final Amended FY 10/11	Adopted FY 11/12	Variance	Variance By %
General Fund	7,447,000	7,453,000	6,000	0%
Public Utility Fund	5,854,713	5,500,000	-354,713	-6%
Beach Fund	271,000	378,000	107,000	39%
Port Commission	692,187	734,000	41,813	52%
Hotel/Motel Fund	300,750	354,000	53,250	18%
Total Budget	14,565,650	14,419,000	-146,650	-1%



BUDGET SUMMARIES

Financial Summaries for All Funds

Financial Summaries for All Funds- Fund Balance/Working Capital

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

Budgeted	Beginning Fund Balance Working Capital 10-1-11	Budgeted Revenue 2011-2012	Budgeted Expenditures 2011-2012	Ending Fund Balance/ Working Capital 9-30-12
General Fund	4,614,747	7,453,000	(7,453,000)	4,614,747
Utility Fund	4,299,273	5,500,000	(5,500,000)	4,299,273
Beach Fund	508,094	378,000	(378,000)	508,094
Port Commission Fund	1,309,118	734,000	(734,000)	1,309,118
Hotel Occupancy Tax Fund	527,935	354,000	(354,000)	527,935
Total Fund Balance/Working Capital	11,259,167	14,419,000	(14,419,000)	11,259,167

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.

	General Fund	Public Utility Fund	Beach Fund	Port Commission	Hotel Occupancy Tax Fund
Projected Fund Balance/Working Capital 10-1-11	4,614,747	4,299,273	508,094	1,309,118	527,935
Less Reserve Designations by Policy	(3,056,388)	(1,319,558)	(72,746)	(110,262)	N/A
Less Health Reserve	(500,000)	N/A	N/A	N/A	N/A
Less Asset Replacement Fund	(250,000)	*	*	*	N/A
Less Excess Reserves used to Balance Budget for Projects	-	(407,000)	(150,000)	(300,000)	(93,000)
Add Budgeted Depreciation	-	475,000	89,000	190,000	-
Estimated Fund/Working Capital 9-30-12	808,359	3,047,715	374,348	1,088,856	434,935

Assumptions on the table above are as follows:

1. Budgeted revenues equal budgeted expenses.
2. Reserve designations are based on the City's goal to maintain six months operating expense. This information may be found in the City's financial policies located behind the Appendix tab of this budget document.
3. *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.**
4. 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.

BUDGET SUMMARIES

Combined Revenue and Expenditures for All Funds

Combined Revenue and Expenditures All Funds

	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	% Change Budget to Budget
Funding Sources					
Property Tax	3,072,269	3,150,000	3,200,000	3,179,000	0.92%
Sales and Use Tax	2,295,492	2,100,000	2,250,000	2,125,000	1.19%
Franchise Tax	629,575	611,500	620,200	610,000	-0.25%
Hotel/Motel Tax	261,959	230,000	265,000	260,000	13.04%
Licenses and Permits	97,740	80,000	102,305	81,000	1.25%
Service Charges	5,729,395	5,527,750	5,750,480	5,629,000	1.83%
Fines & Forfeitures	501,088	444,500	535,193	467,500	5.17%
Other Revenue	307,917	1,812,150	522,915	1,181,000	-34.83%
Grant & Contributions	386,004	250,500	249,889	250,500	0.00%
Interfund Transfers	496,835	359,250	329,250	636,000	77.04%
Total Revenues & Transfers	13,778,273	14,565,650	13,825,232	14,419,000	-1.01%
Expenditures					
General Government	863,619	1,014,477	994,385	1,053,683	3.86%
Streets	3,234,425	1,503,577	861,468	1,038,080	-30.96%
Public Safety	2,844,507	3,099,263	3,061,799	3,075,587	-0.76%
Public Works	249,809	297,177	272,783	265,750	-10.58%
Parks & Recreation	811,728	786,606	768,950	1,601,500	103.60%
Non- Departmental	852,627	1,016,900	974,045	796,400	-21.68%
Water & Sewer	4,490,672	5,854,713	5,634,193	5,500,000	-6.06%
Port Commission	450,711	692,187	428,515	734,000	6.04%
Hotel Motel	333,381	300,750	289,750	354,000	17.71%
Total Expenditures & Transfers	14,131,478	14,565,650	13,285,888	14,419,000	-1.01%
Net Revenue (Expenditures)	-353,205	0	539,345	0	
Beginning Balances	11,073,027	10,719,822	10,719,822	11,259,167	
Ending Balances	10,719,822	10,719,822	11,259,167	11,259,167	5.03%

BUDGET SUMMARIES

Combined Revenue and Expenditures for All Funds

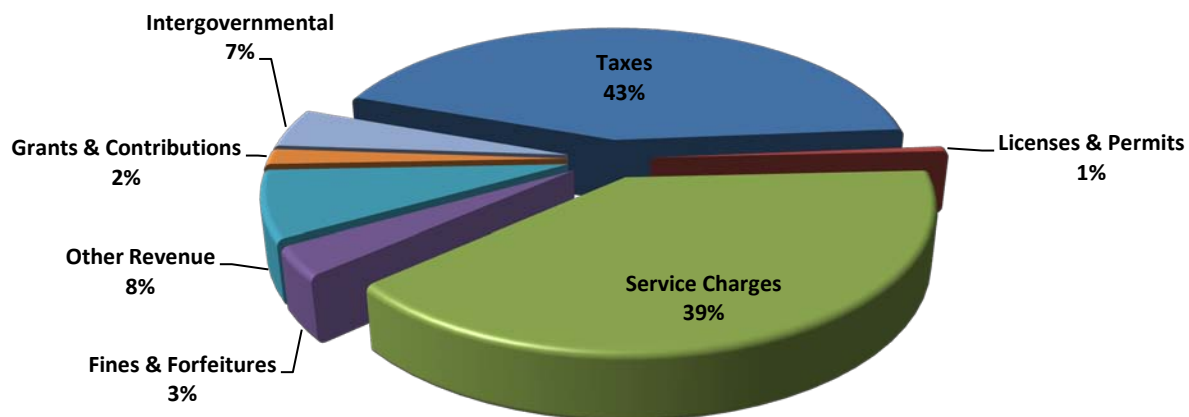
The following pages provide summaries related to City Wide Revenue by receipt type and City Wide Expense by function.

City Wide Revenue

The FY 2011-2012 budgeted revenues total \$14,419,000, which is \$146,650 below the FY 2010-2011 budget. The largest revenue source fund is taxes which represent 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 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Taxes	6,259,295	6,091,500	6,335,200	6,174,000
Licenses & Permits	97,740	80,000	102,305	81,000
Service Charges	5,729,395	5,527,750	5,750,480	5,629,000
Fines & Forfeitures	501,088	444,500	535,193	467,500
Other Revenue	307,917	1,812,150	522,915	1,181,000
Grants & Contributions	386,004	250,500	249,889	250,500
Intergovernmental	496,835	359,250	329,250	636,000
Total Revenue	13,778,273	14,565,650	13,825,232	14,419,000

Where do we get our dollars?



BUDGET SUMMARIES

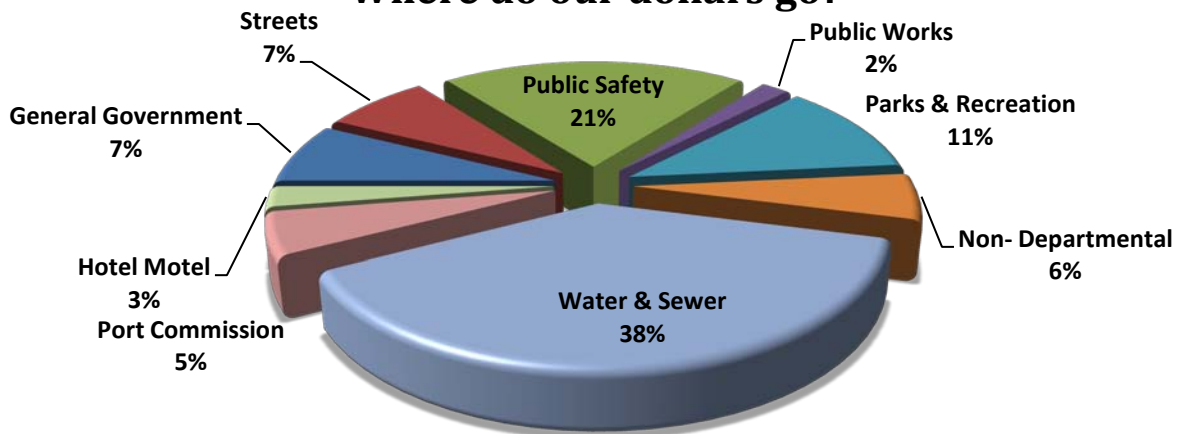
Combined Revenue and Expenditures for All Funds

City Wide Expenditure Summary

The FY 2011-2012 budgeted expenditures total \$14,419,000, which is \$95,063 below the FY 2010-2011 budget. The largest operational fund is Water and Sewer, which represents 38% of the total expenses.

By Object (Operational Funds)	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
General Government	863,619	1,014,477	994,385	1,053,683
Streets	3,234,425	1,503,577	861,468	1,038,080
Public Safety	2,844,507	3,099,263	3,061,799	3,075,587
Public Works	249,809	297,177	272,783	265,750
Parks & Recreation	811,728	786,606	768,950	1,601,500
Non- Departmental	852,627	1,016,900	974,045	796,400
Water & Sewer	4,490,672	5,854,713	5,634,193	5,500,000
Port Commission	450,711	692,187	428,515	734,000
Hotel Motel	333,381	300,750	289,750	354,000
Total Expenditures	14,131,478	14,565,650	13,285,888	14,419,000

Where do our dollars go?







REVENUE ASSUMPTIONS AND TRENDS

The City of Port Lavaca utilizes a very conservative strategy when projecting revenues. Historical trends, economic factors and departmental input all play a role in developing revenue and expenditure projections. The budget is monitored regularly to adjust for changes in planned expenditures. Revenue detail can be found with each respective fund.

REVENUE ASSUMPTIONS AND TRENDS

General Fund Revenue

General Fund Revenue

The Property Tax Rate and Property Tax Revenue

Property tax is the largest source of income for the General Fund and makes up **42%** of the budgeted revenue for the 2011-2012 fiscal year. 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. Certified values this year increased by 5%; however, properties on the tax roll last year actually remained flat due to a new depreciation model used this year by the Calhoun County Appraisal District (CCAD). New value (\$28,000,000) added to the tax roll was the sole contributor for property revenue increase in this budget.

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

	Current Year FY 2011-2012	Prior Year FY 2010-2011	Variance	Variance
Net Taxable Before Freeze	511,551,900	487,361,342	24,190,558	5%
*Freeze Adjusted Tax Value	441,693,224	419,489,568	22,203,656	5%

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

For the 2011-2012 Budget, the increase in new value will allow Council to reduce the tax rate of .75/\$100 value to .745/\$100 and still increase property tax revenue by approximately \$160,000 (4.5%) over prior year gross levy. This was a conservative figure taking into consideration the City's collection rate of 91.5%.

The table below shows the City's tax rate distribution as proposed in the budget.

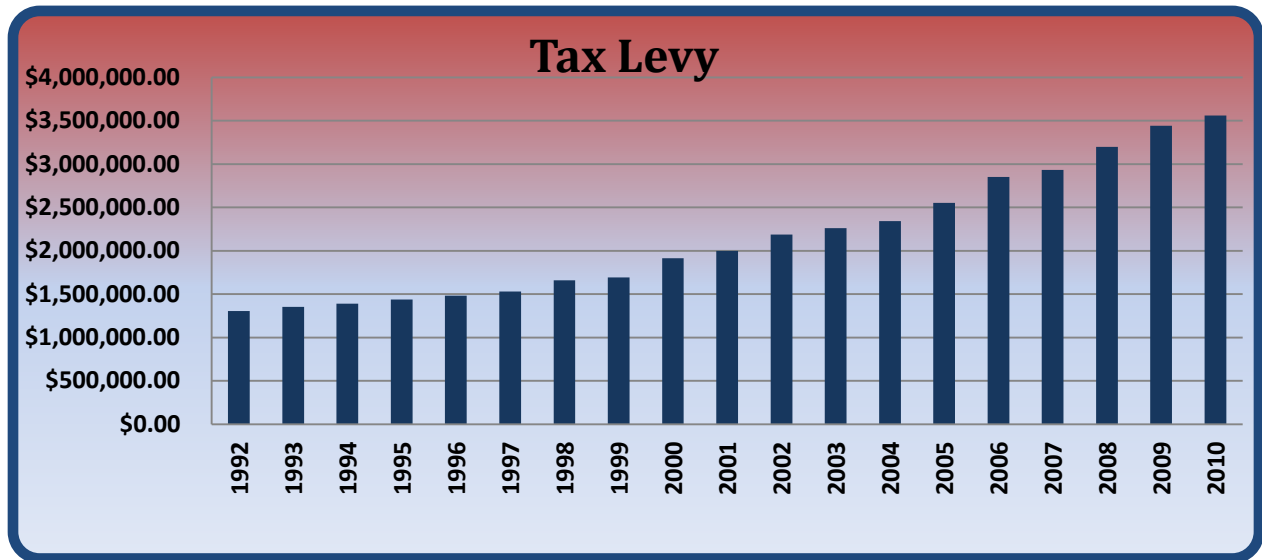
	Tax Rate	Tax Rate Percent	Total Gross Levy	FY 2011-2012 Budget*
Debt Service Funds:				
2003 Certificates of Obligation	.0528	.0709	264,042	254,050
2005 Certificates of Obligation	.0169	.0227	84,425	81,676
Total Debt Service	<u>.0697</u>	.0936	348,467	335,726
General Fund:				
Operation and Maintenance	<u>.6753</u>	.9064	3,373,646	3,069,000
Total	.7450	100.000%	3,722,113	3,404,726

*conservatively budgeted taking into consideration a 91.5% collection rate and excludes delinquency collections

REVENUE ASSUMPTIONS AND TRENDS

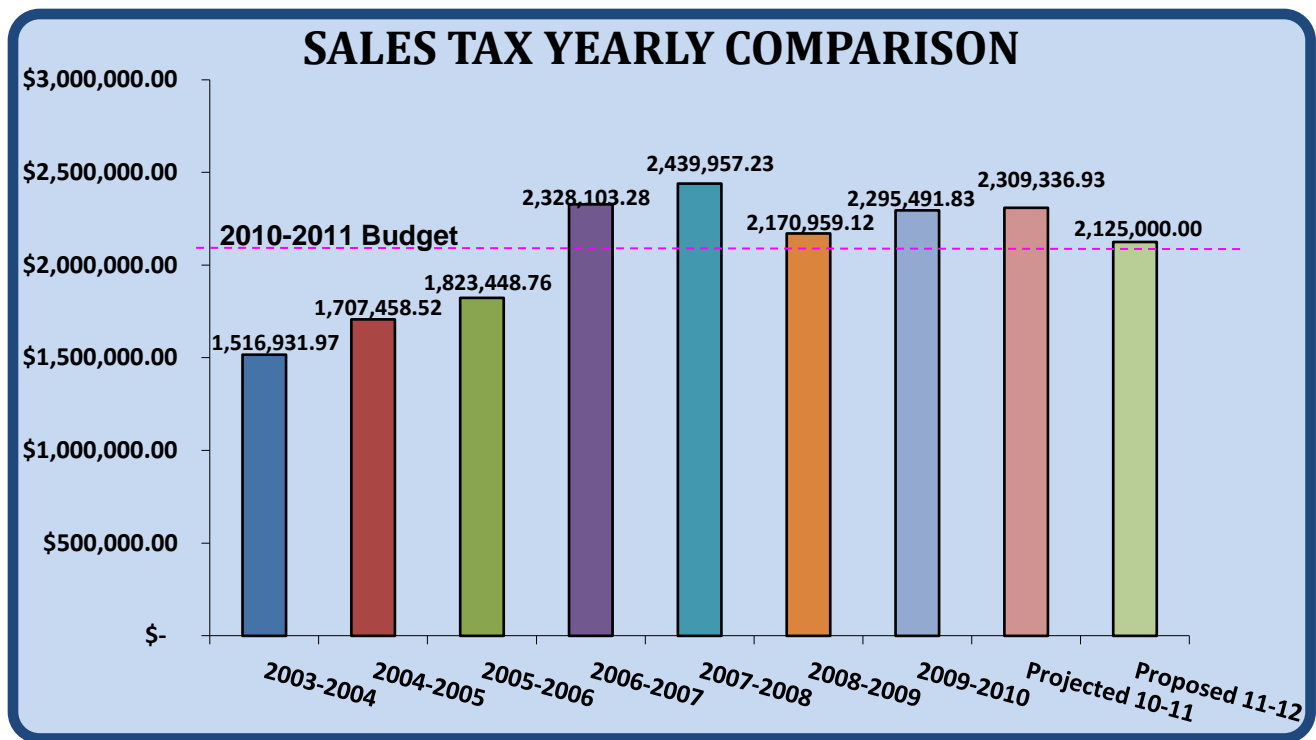
General Fund Revenue

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 **29%** of the City's General Fund budget. The City receives 1.5% of the 8.25% tax charged inside the city limits. The County received 0.5% and the remaining 6.25% goes to the state. With the volatile economy in mind, the City conservatively budgeted sales tax **8%** less than the sales tax projection for FY 2010-2011.



REVENUE ASSUMPTIONS AND TRENDS

General Fund Revenue

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 **\$610,000**, 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 licenses, and animal licenses. Historical averages are the basis of this budget assumption due to the timing of construction jobs.

Grant & 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**. Major Why is this word here by itself?

- Interlocal agreement with Calhoun County for Fire Protection- \$175,000
- Interlocal agreement with Calhoun County for Animal Control- \$ 65,000
- Interlocal agreement with the City of Point Comfort for Animal Control- \$6,000
- Lease Grant for Police and Fire Services- \$2,500

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 8% of the General Fund's budgeted revenues.

- Transfer In from Port Commission to recover administrative fees - \$14,000
- Transfer In from Public Utility Fund to recover administrative fees- \$175,000
- Transfer In from Public Utility Fund to recover costs related to Spring Clean-Up- \$25,000
- Transfer In from Beach Fund to recover administrative fees- \$7,000
- Transfer In from the Fixed Asset Replacement Fund (FARF)- 190,000
- Transfer In from the Hotel Occupancy Tax Fund to recover costs of the Bauer Convention Center- \$225,000

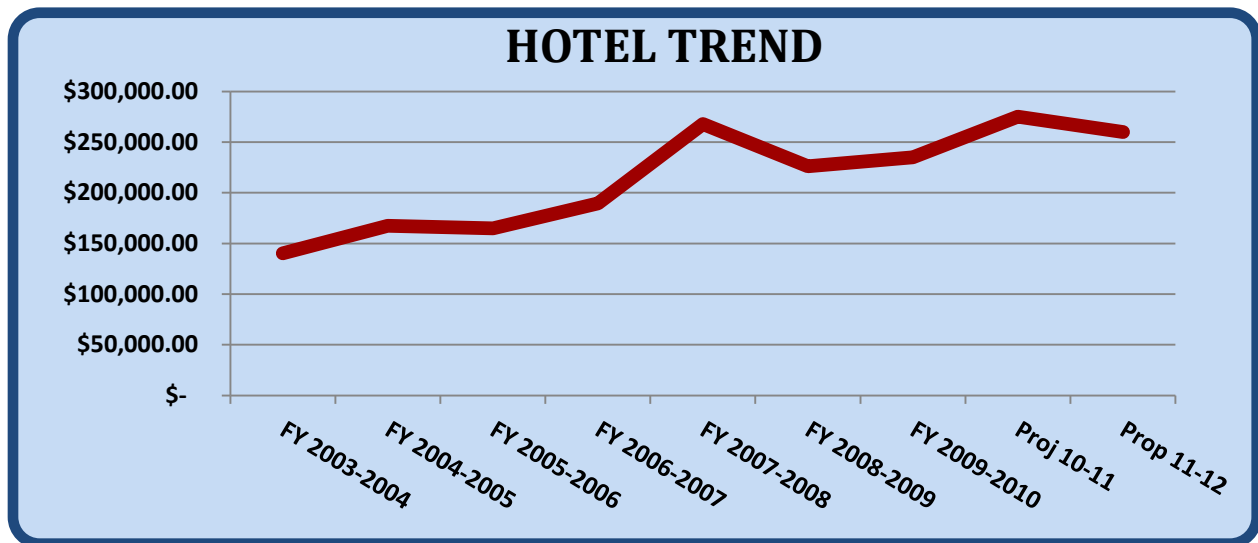
REVENUE ASSUMPTIONS AND TRENDS

Enterprise and Special Revenue Funds

Hotel Occupancy Tax 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 13% of the room cost. The City receives 7% of the revenue; however, 1% is exempted for timely filing. This money is used to promote the City of Port Lavaca following strict guidelines on the use of this tax. Historical trends are used to estimate this revenue. The City anticipates an increase from prior year's budget by \$30,000 (13%) taking into consideration prior year history.



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 **has not increased rates since October 1, 2007**, and proposes no increase this year. The City estimates revenue based on historical trends that consider weather and consumption history. *The City budgeted to use depreciation reserves of \$407,000 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.

REVENUE ASSUMPTIONS AND TRENDS

Enterprise and Special Revenue Funds

Beach Fund

RV rentals are the largest user fee in this fund and are estimated to be **\$180,500**, or **48%** of total 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 \$150,000 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 remain close to prior year based on assumptions of the acting Harbor Master and historical usage data. *The City budgeted to use depreciation reserves of \$300,000 to fund capital projects.*

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 **39%** of citywide revenue.

Service fees related to the General Fund equate to only **.4%** of revenue. These fees primarily relate to the City's convention center rentals. However, this is **97%** of the Public Utility Fund's revenue source, **98%** of the Beach Fund revenue, and **98%** 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 2011-2012 budgeted revenues in the City's major funds totaled \$14,419,000, which is down \$146,650, or 1% less than prior year's budget.

REVENUE ASSUMPTIONS AND TRENDS





GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those 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.

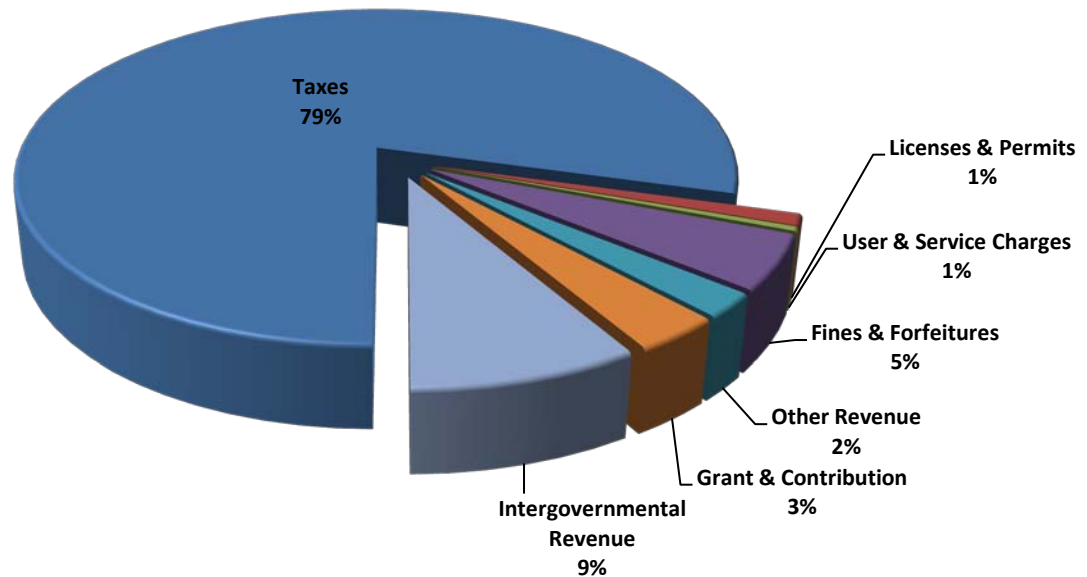
GENERAL FUND

Revenue

General Fund Revenue

Revenue By Receipt Type	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
Taxes	5,997,336	5,861,500	6,070,200	5,914,000	52,500
Licenses & Permits	97,740	80,000	102,305	81,000	1,000
User & Service Charges	28,693	35,750	34,380	30,500	-5,250
Fines & Forfeitures	407,479	354,000	444,293	377,000	23,000
Other Revenue	179,511	508,000	406,129	166,000	-342,000
Grant & Contributions	248,499	248,500	247,889	248,500	0
Intergovernmental Revenue	484,054	359,250	329,250	636,000	276,750
Total Revenue	7,443,312	7,447,000	7,634,446	7,453,000	6,000

Revenue by Receipt Type



Largest Revenue Source	Final Amended FY 2010-2011	% Of Total 10-11 General Fund Budget	Adopted Budget FY 2011-2012	% Of Total 11-12 General Fund Budget	Variance
Property Taxes	3,150,000	42%	3,179,000	43%	29,000
Sales Tax	2,100,000	28%	2,125,000	29%	25,000
Franchise Fees	611,500	8%	610,000	8%	(1,500)

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

GENERAL FUND

Revenue

General Fund Revenue Detail

General Fund Revenues	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Taxes				
Property Taxes Current	2,961,698	3,000,000	2,975,000	3,069,000
Property Taxes Delinquent	110,571	150,000	225,000	110,000
Sales Tax Revenue	2,295,492	2,100,000	2,250,000	2,125,000
Natural Gas Franchise Tax	47,846	50,000	49,000	48,000
Electrical Franchise Tax	345,256	330,000	340,000	335,000
Telephone Franchise Tax	50,766	55,000	50,000	50,000
Cable TV Franchise Tax	91,421	90,000	90,000	90,000
Waste Collection Franchise	83,965	78,000	82,000	78,000
Other Franchise Tax	992	500	700	500
Alcohol Beverage Tax	9,328	8,000	8,500	8,500
Total Taxes	5,997,336	5,861,500	6,070,200	5,914,000
Licenses & Permits				
Electrical Licenses	3,050	3,000	2,600	2,500
Builder Licenses	4,313	5,000	6,000	5,000
Electrical Permits	9,634	8,000	9,000	8,000
Building Permits	23,884	25,000	27,000	25,000
Plumbing Permits	9,868	6,000	7,000	6,500
Mechanical Permits	4,817	3,000	2,900	2,800
Trailer Permits	1,511	1,000	800	800
Food Handler's Permits	3,130	1,500	2,900	2,500
Liens	0	500	9,560	500
Other Permits & Fees	29,076	23,000	26,000	23,000
Alcoholic Beverage Licenses	5,035	1,500	4,000	1,900
Animal Licenses & Fee	1,968	2,000	3,500	2,000
Alarm Fees	1,455	500	1,045	500
Total Licenses & Permits	97,740	80,000	102,305	81,000
User & Service Charges				
Bauer Center Rentals	22,737	31,500	28,000	27,000
Rental- Bauer Center Sign	0	400	250	0
CVB Events	130	0	1,630	0
Police Services	5,826	3,500	4,500	3,500
Fire Service Fees	0	350	0	0
Total User & Service Charges	28,693	35,750	34,380	30,500

GENERAL FUND

Revenue

General Fund Revenues (Cont.)	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Fines & Forfeitures				
Penalties & Interest	96,761	80,000	100,000	90,000
Tax Attorney Fees	39,864	35,000	35,000	35,000
Court Fines	210,523	195,000	242,000	200,000
Municipal Court- Collection Agency	30,415	20,000	32,000	25,000
Local Time Payment Fees	9,480	7,000	9,500	8,000
Arrest Fees	20,437	17,000	25,000	19,000
Cash Over- Municipal Court	0	0	793	0
Total Fines & Forfeitures	407,479	354,000	444,293	377,000
Other Revenue				
Interest Income	52,145	50,000	45,000	36,000
Other Financing Sources	0	300,000	284,776	99,000
Photo Copies	554	0	600	0
Donations	0	0	1,500	0
Auction Proceeds	5,036	5,000	5,262	5,000
TML Reimbursements	38,305	30,000	26,991	15,000
Fire Training Reimbursement	0	0	1,000	0
Miscellaneous	72,221	5,000	30,000	5,000
Tower of Tex Usage Rights	11,250	6,000	11,000	6,000
Equity Balance Forward	0	112,000	0	0
Total Other Revenue	179,511	508,000	406,129	166,000
Grants and Contributions				
Contribution Lease- Police/Fire	2,499	2,500	1,889	2,500
Calhoun County- Fire	175,000	175,000	175,000	175,000
Calhoun County- Animal	65,000	65,000	65,000	65,000
Point Comfort- Animal	6,000	6,000	6,000	6,000
Total Grants and Contributions	248,499	248,500	247,889	248,500
Intergovernmental Revenue				
Transfer In- 504 Port Commission	4,000	14,500	14,500	14,000
Transfer In- 501 Utility Fund	190,000	200,000	200,000	200,000
Transfer In- 503 Beach Fund	6,000	7,000	7,000	7,000
Transfer In- 206 FARF Fund	119,300	30,000	0	190,000
Transfer In- 101 Hotel/Motel	164,000	107,750	107,750	225,000
Transfer In- Other	754	0	0	0
Total Intergovernmental Revenue	484,054	359,250	329,250	636,000
Total General Fund Revenue	7,443,312	7,447,000	7,634,446	7,453,000

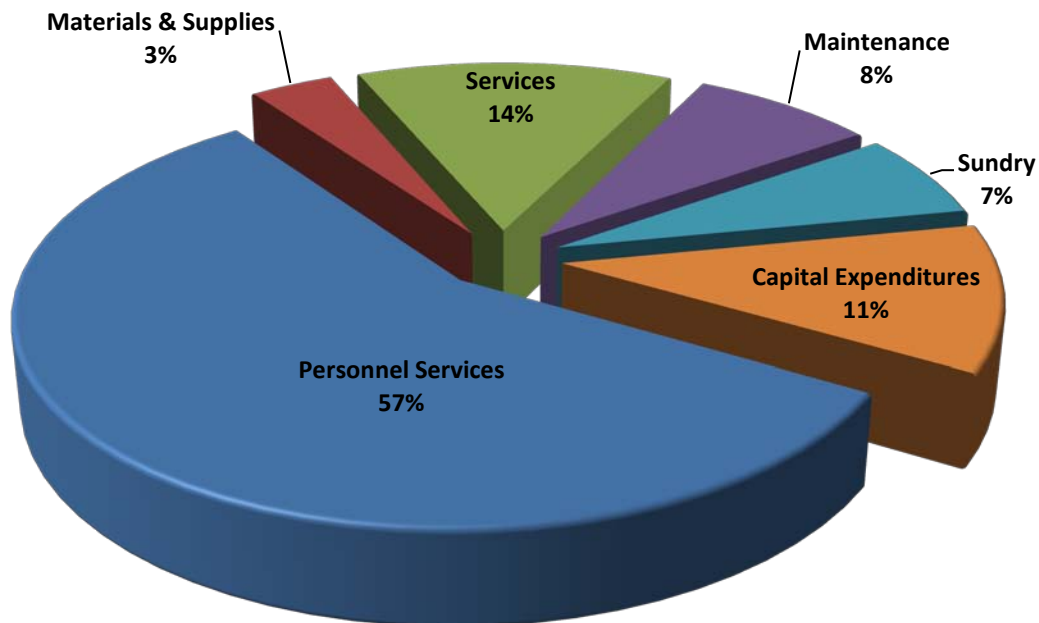
GENERAL FUND

Expenditures

General Fund Expenditures by Function

Expenses	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
Personnel Services	3,934,572	4,239,029	4,164,300	4,227,296	-11,733
Materials & Supplies	224,146	259,925	246,610	268,040	8,115
Services	1,044,559	942,945	915,540	1,021,024	78,079
Maintenance	526,987	697,470	491,530	591,975	-105,495
Sundry	2,740,632	507,631	464,050	494,665	-12,966
Capital Expenditures	152,606	800,000	388,950	850,000	50,000
Total Expenses General Fund	8,623,501	7,447,000	6,670,980	7,453,000	6,000

Expenditures by Function



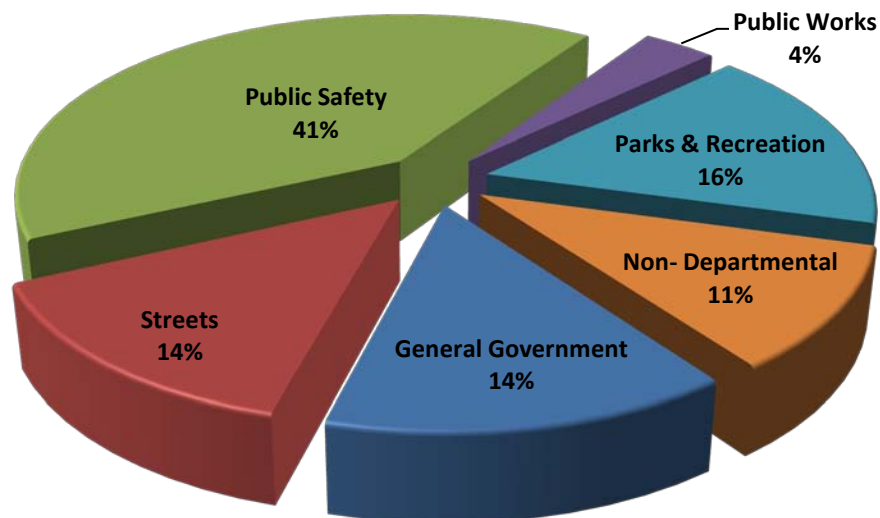
GENERAL FUND

Expenditures

General Fund Expenditures by Department

Department	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance	Variance by %
City Council	28,830	25,347	24,660	27,422	2,075	8%
City Manager	136,638	197,006	196,700	194,390	-2,616	-1%
City Secretary	74,691	73,223	66,857	68,542	-4,681	-7%
Human Resource	26,517	71,163	60,935	73,459	2,296	3%
Elections	13,350	10,900	1,800	11,900	1,000	9%
Legal	79,846	67,400	67,000	70,400	3,000	4%
Municipal Court	91,716	89,499	93,869	95,893	6,394	7%
Tax	101,791	112,935	112,000	116,054	3,119	3%
Technology	0	71,111	69,840	67,970	-3,141	-5%
Finance	197,082	194,332	193,724	193,250	-1,082	-1%
City Hall	113,158	101,561	107,000	134,403	32,842	32%
Police	1,667,673	1,639,218	1,589,828	1,657,190	17,972	1%
Fire	1,084,579	1,364,178	1,376,971	1,299,547	-64,631	-5%
Animal Control	92,255	95,867	95,000	118,850	22,983	24%
Public Works	125,096	148,565	146,783	130,400	-18,165	-14%
Code/Inspections	124,712	148,612	126,000	135,350	-13,262	-10%
Streets	3,234,425	1,503,577	861,468	1,038,080	-465,497	-45%
Parks	273,571	266,346	265,000	966,150	699,804	263%
Bauer Center	275,650	222,660	210,000	228,200	5,540	2%
Swimming Pool	29,293	26,600	31,500	29,150	2,550	10%
Non-Departmental	852,627	1,016,900	974,045	796,400	-220,500	-28%
Total Expenditures						
All Departments	8,623,501	7,447,000	6,670,980	7,453,000	6,000	0%

Expenditures by Department



GENERAL FUND

Departmental Summaries

CITY COUNCIL

Our Mission

The City of Port Lavaca is committed 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.

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.

2011-2012 Goals (Strategic Goals: 1,2,3,5)

- Explore annex possibilities
- Enhance Emergency Management Procedures
- Improve housing opportunities

Budget Summary

City Council	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	23,278	23,347	23,300	23,302
Materials & Supplies	710	1,350	160	3,190
Services	4,842	650	1,200	930
Total City Council	28,830	25,347	24,660	27,422

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 web site, prepares agenda and minutes to the Port Commission and provides general administrative assistance to other programs.

2011-2012 Goals (Strategic Goals: 2,3,5)

- Beautify the City through improved Code Enforcement
- Streamline departments to improve performance and organizational efficiency
- Review ordinances, policies and procedures City-wide for possible revision
- Expand economic development opportunities in the City

2010-2011 Accomplishments

- Developed a Five Year Capital Improvement Plan
- Developed Abatement Policy for the City of Port Lavaca
- Revised organizational chart

Budget Summary

City Manager	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	128,547	187,606	188,000	185,565
Materials & Supplies	3,278	1,900	1,200	1,925
Services	4,813	7,500	7,500	6,900
Total City Manager	136,638	197,006	196,700	194,390

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
City Manager	1	1	1
Administrative Assistant	1	1	1
Total	2	2	2

GENERAL FUND

Departmental Summaries

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 provide information to all 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.

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 Texas Open Meetings and Open Records Law; maintaining all official records of the City, including minutes, contracts, ordinances, resolutions and deeds; overseeing processing of all open records requests; attesting the signature of the Mayor and affixing the City Seal on all official documents.

2011-2012 Goals (Strategic Goals: 1,4)

- Update imaging records archival project
- Continue clerk certification

2010-2011 Accomplishments

- Improved department page on City website
- Installed new server for document imaging software
- Implemented new open records request form
- Improved delivery method and timeline for City Council agenda packets
- Implemented a power point presentation during City Council Meetings, to publicly display the agenda

GENERAL FUND

Departmental Summaries

Budget Summary

City Secretary	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	63,612	62,523	60,000	61,892
Materials & Supplies	2,055	1,900	750	1,150
Services	9,000	4,600	1,700	5,500
Maintenance	25	4,200	4,407	0
Total City Secretary	74,691	73,223	66,857	68,542

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
City Secretary	1	1	1
Administrative Assistant	1	0	0
Total	2	1	1

Performance Measures

<i>Our Workload</i>	FY 09-10 Actual	FY10-11 Estimated	FY 11-12 Projected
Number of Agendas/Meetings/Minutes	27	28	27
Number of requests for Public Information	14	17	15
Number of new ordinances approved	7	9	7
Number of closed sessions	13	16	10
Number of public hearings	9	12	10
Number of proclamations	10	14	15
Number of resolutions approved	12	17	15

Measuring our Effectiveness

Percentage of agendas posted 72 hours prior to meeting	100%	100%	100%
Percentage of minutes completed by next scheduling meeting	100%	100%	100%

GENERAL FUND

Departmental Summaries

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.

2011-2012 Goals (Strategic Goals: 3,4)

- Populate Human Resource Module within the Human Resource software application
- Develop Merit Policy
- Revise Personnel Policies and Procedures Manual
- Update Compensation Plan with Third Party Analysis
- Develop new employee orientation

2010-2011 Accomplishments

- Completed salary survey
- Revised forms/reduction of paper
- Revised key human resource policies- Family Medical Leave Act (FMLA)
- Implemented exit interview process

GENERAL FUND

Departmental Summaries

Budget Summary

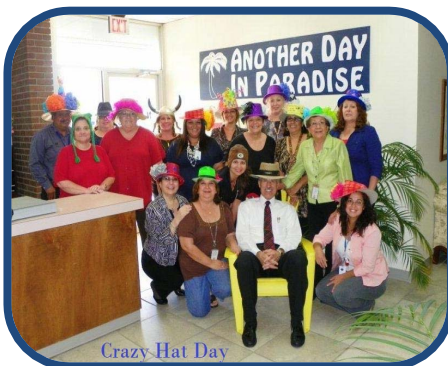
Human Resource	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	4,575	46,038	45,000	47,434
Materials & Supplies	1,178	1,900	1,900	2,400
Services	16,506	20,400	12,000	21,600
Maintenance	4,257	2,825	2,035	2,025
Total Human Resource	26,517	71,163	60,935	73,459

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Finance/Personnel Specialist	0	1	1
Total	0	1	1

Performance Measures

<i>Our Workload</i>	FY 09-10 Actual	FY10-11 Estimated	FY 11-12 Projected
Number of new employees processed	33	40	30
Number of applications received	241	320	350
<i>Measuring our Effectiveness</i>			
Average time to fill positions (days)	Not tracked	30	25



Customer Service Appreciation Week – October 2011

GENERAL FUND

Departmental Summaries

ELECTIONS

Our Mission

To conduct and monitor City elections in strict compliance with all applicable laws, in the most efficient and effective manner possible; and keep elected officials, staff and the general public well informed regarding elections and election procedures.

Description of our Services

The Elections Department prepares, posts and/or publishes all required notices; prepares and delivers election packets to candidates; conducts drawing for place on ballot; prepares and presents for action by City Council all resolutions, orders and notices calling election, naming election officers and designating polling places; prepares for and conducts official canvass of vote; prepares and presents for action resolution/order declaring election results; prepares Certificates of Election; Statements of Elected Officials and Oath of Elected Officials; adheres to strict maintenance of records; keeps current on the election code and manages the contract with the Elections Administrator.

2011-2012 Goals (Strategic Goals: 1,2)

- Complete archival of election records.
- Improve department page on City web site.

Budget Summary

Elections	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Materials & Supplies	226	400	400	400
Services	13,124	10,500	1,400	11,500
Total Elections	13,350	10,900	1,800	11,900

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 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Services	79,846	67,400	67,000	70,400
Total Legal	79,846	67,400	67,000	70,400

Budgeted Personnel**Position**

Contracted Service

GENERAL FUND

Departmental Summaries

MUNICIPAL COURT

Our Mission

To serve the public in a fair, 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. The 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.

2011-2012 Goals (Strategic Goal: 3)

- Improve Municipal Court software functionality
- Establish “walk-in” payment solution thru H-E-B and Wal-Mart Stores
- Establish Incode Connection for Court through Police Department
- Establish responsible plan to clear up Court Docket
- Implement amnesty program to complement warrant roundup

2010-2011 Accomplishments

- Established on-line payment options for court fines and warrants
- Implemented City Scofflaw software to “flag” vehicles for registration when warrant due
- Completed successful warrant round up statewide

GENERAL FUND

Departmental Summaries

Budget Summary

Municipal Court	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	64,639	63,654	65,000	68,533
Materials & Supplies	1,003	1,150	1,600	2,450
Services	25,088	23,400	25,500	24,110
Maintenance	942	1,295	1,769	800
Sundry	44	0	0	0
Total Municipal Court	91,716	89,499	93,869	95,893

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Municipal Court Judge - Exempt	1	1	1
Municipal Court Clerk	1	1 1/2	1 1/2
Total	2	2 1/2	2 1/2

Performance Measures

<i>Our Workload</i>	FY 09-10 Actual	FY10-11 Estimated	FY 11-12 Projected
Number of citations filed	2517	2280	2317
Number of warrants issued	1240	1044	1142

Measuring our Effectiveness

Percentage of case files created within 24 hours of citation receipt	Not tracked	95%	100%
Percentage of warrants issued within 30 days of failure to appear	96%	98%	98%

GENERAL FUND

Departmental Summaries

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 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Services	101,791	112,935	112,000	116,054
Total Tax	101,791	112,935	112,000	116,054

Budgeted Personnel

Position

Contracted Service



GENERAL FUND

Departmental Summaries

TECHNOLOGY

Our Mission

The mission of the Technology Department is to provide 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. The computer network technician is responsible for re-building the city's web site to promote open government.

2011-2012 Goals (Strategic Goals: 1,3)

- Install new Server and move to better location in City Hall
- Implement a new integrated software in Police Department
- Install new phone system
- Continue to upgrade and develop City website
- Ensure critical infrastructure is available for staff to perform job duties efficiently and for the public to access information

2010-2011 Accomplishments

- Hired an IT Specialist
- Updated and replaced several computers
- Redesigne City website
- Compiled a list of all computers for replacement
- Developed method to post warrants online
- Installed centralized Antivirus
- Established online payment system for Utility Billing

GENERAL FUND

Departmental Summaries

Budget Summary

Technology	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	0	55,411	54,500	55,170
Materials & Supplies	0	1,500	1,600	300
Services	0	500	740	2,500
Maintenance	0	13,700	13,000	10,000
Total Technology	0	71,111	69,840	67,970

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
IT Specialist	0	1	1
Total	0	1	1

Performance Measures

<i>Our Workload</i>	FY 09-10 Actual	FY10-11 Estimated	FY 11-12 Projected
Number of IT service requests	N/A	300	300
<i>Measuring our Effectiveness</i>			
Average time to resolve IT service requests	N/A	24hrs	20 hrs
Provide server and network maintenance	N/A	33%	33%

GENERAL FUND

Departmental Summaries

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 Finance Department is responsible for 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.

2011-2012 Goals (Strategic Goals: 1,2,3)

- Reduce audit costs
- Continue to assist in development of an ongoing Capital Plan
- Continue to improve budget document to achieve Budget Award
- Assist in maximizing hotel/motel tax revenues
- Obtain the Comprehensive Annual Financial Report (CAFR) Award
- Assist in linking strategic plan to budget
- Provide financial transparency to public by posting financial reports on City website

2010-2011 Accomplishments

- Developed a Financial, Budgetary & Debt Policy
- Received the Government Finance Officers Association (GFOA) Budget Award
- Completed the City's Statistical Section of Audit in order to apply for the Comprehensive Annual Financial Report (CAFR) Award
- Updated Internal Policy and Procedure Manuals
- Assisted in completion of five year Capital Plan
- Revised the City's Purchasing Policy
- Reorganized all grant files
- Implemented laser checks
- Completed fixed asset module project

GENERAL FUND

Departmental Summaries

Budget Summary

Finance	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	181,406	172,782	173,000	176,200
Materials & Supplies	7,271	13,200	11,000	8,100
Services	3,801	6,700	8,500	7,300
Maintenance	4,604	1,650	1,224	1,650
Total Finance	197,082	194,332	193,724	193,250

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Finance Director	1	1	1
Senior Accountant	1	0	0
Account Specialist	0	1	1
Accounting Clerk	1	1	1
Total	3	3	3

Performance Measures

<i>Our Workload</i>	FY 09-10 Actual	FY10-11 Estimated	FY 11-12 Projected
Number of voided vendor checks	506	150	125
Average number of invoices processed	7250	7500	8000
Average number of vendor checks issued	3384	3336	3000
Average number of payroll checks/ACH issued	2688	2592	2600
Number of comprehensive annual financial reports prepared	1	1	1
Number of official budget documents prepared	1	1	1

Measuring our Effectiveness

GFOA's Distinguished Budget Presentation Award received	Not Applicable	1	1
GFOA's Excellence in Financial Reporting Award received	Not Applicable	1	1
Percentage of months closed by 15 th business day of the following month	100%	95%	100%
Audit receives a clean opinion	Yes	Yes	Yes

GENERAL FUND

Departmental Summaries

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.

2011-2012 Goals (Strategic Goal: 3)

- Improve City parking lots
- Construct new office area for server
- Replace faulty electrical ballasts throughout City Hall
- Replace damaged ceiling tiles throughout City Hall
- Re-route air conditioner output ducts in Finance Department
- Provide service to public by responding to request for street light repairs

2010-2011 Accomplishments

- Completed landscaping around City Hall
- Installed storm shutters to City Hall sides on Railroad and Virginia Streets
- Lowered copier rent rate by leasing a newer copier
- Installed new payment window for Municipal Court

GENERAL FUND

Departmental Summaries

Budget Summary

City Hall	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	4,397	11,961	10,500	29,753
Materials & Supplies	6,057	9,000	7,500	8,425
Services	61,036	59,100	61,000	58,525
Maintenance	41,668	21,500	28,000	37,700
Total City Hall	113,158	101,561	107,000	134,403

2011- 2012 Major Additions: Install New Floor

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Janitor	1/2	1	1
Total	1/2	1	1



GENERAL FUND

Departmental Summaries

POLICE

Our Mission

To protect and preserve the rights of the people and serve the citizens of Port Lavaca; to treat all persons 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 investigations, illegal narcotics and vice control. Officers prepare and investigate reports of incidents, requiring constant contact with the public; make arrests, investigate when necessary; motor vehicle accidents and perform other duties.

The communications section is responsible as the point of contact for telephone and walk-in requests for service; act as a liaison with other law enforcement agencies, dispatching calls and relaying information in an expedient manner.



2011-2012 Goals (Strategic Goals: 1,2,3,4)

- Increase community involvement of officers in a non-official capacity
- Train staff to improve customer service
- Continue updates to department facility
- Obtain computers for patrol vehicles to allow better access to information and ability to complete majority of reports without down time at the department

2010-2011 Accomplishments

- Updated communications to dispatch our officers to departments with 800mhz radios
- Increased involvement in community affairs allowing officers to become better known and more approachable
- Increased communication and collaborations with all law enforcement agencies in Calhoun County (County, State, Federal)

GENERAL FUND

Departmental Summaries

Budget Summary

Police	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	1,369,592	1,362,290	1,362,000	1,294,475
Materials & Supplies	62,556	66,100	65,000	63,800
Services	84,675	92,000	84,000	94,150
Maintenance	61,307	64,000	58,000	53,000
Sundry	22,780	24,828	20,828	22,765
Capital Expenditures	66,763	30,000	0	129,000
Total Police	1,667,673	1,639,218	1,589,828	1,657,190

2011- 2012 Major Additions: Vehicle and Hardware/Software (Copsync)

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Police Chief- Exempt	1	1	1
Police Lieutenant	0	1	1
Administrative Sergeant	1	0	0
Police Sergeants	3	4	4
Police Detectives	4	4	4
Senior Police Officer	4	4	4
Police Officer	7	6	6
Reserve Police Officers	4	4	4
Lead Dispatcher	1	1	1
Police Dispatcher	4	4	4
Reception Clerk/Dispatcher	1	1	1
Total	30	30	30

Performance Measures

Our Workload	FY 09-10 Actual	FY10-11 Estimated	FY 11-12 Projected
Number of service calls responded to	16,635	22,374	18,722
Number of cases cleared by arrest	460	446	523

Measuring our Effectiveness

Average response time per call (i.e. minutes: seconds)	1:57	1:48	1:50
Percentage of service calls that are officer initiated	58%	60%	58%

GENERAL FUND

Departmental Summaries

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 Marshall's inspection program. Requests are answered promptly for the protection of life and property within the City limits and for the surrounding vicinity. Fire suppression, hazardous materials response, water rescue and vehicle accidents are some of the emergency services provided by the Fire Department for the well being of our community and its guests. The Fire Department also serves as the point of coordination for emergency services during disaster and other emergency situations.

GENERAL FUND

Departmental Summaries

2011-2012 Goals (Strategic Goals: 2,3,4)

- Ensure all personnel are trained and safety remains priority
- Operate with a sense of pride and ownership within the organization
- Ensure that the fire departments' prevention program stays proactive with business fire inspections
- Be present at all local and regional drills

2010-2011 Accomplishments

- To date no loss of time injuries within the Fire Department
- Hosted Phase IV of SFFMA fire certification training
- Expanded the Fire Prevention Education Program
- Completed over 500 fire inspections to bring over 200 commercial occupancies up to City Fire and Life Safety Code standards
- Maintained the Fire Departments smoke detector program
- Improved our safety and reliability through the acquisition of a new fire engine and equipment
- Extended training opportunities county wide and improved volunteer training and retention
- Started working on lowering the City's ISO grade
- Implemented new Pre Fire Plan Program to enhance departments knowledge of potential hazards at local businesses
- Received 10 sets of new structural firefighting gear
- Improved relations with local industrial plants through combined training
- Maintained 100% departmental compliance for the Brian Hunton National Fire Service Seatbelt Pledge
- Reduced overtime through improved scheduling techniques

Budget Summary

Fire	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	805,341	892,600	900,000	951,992
Materials & Supplies	46,944	63,000	62,000	74,200
Services	108,567	42,400	42,000	50,455
Maintenance	44,177	31,400	30,000	30,900
Sundry	34,278	34,778	33,195	192,000
Capital Expenditures	45,272	300,000	309,776	0
Total Fire	1,084,579	1,364,178	1,376,971	1,299,547

2011- 2012 Major Additions: Fire Hose, Air Packs/Bottles, Payoff '06 Fire Truck

GENERAL FUND

Departmental Summaries

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 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 09-10 Actual	FY 10-11 Estimate	FY 11-12 Target
Number of calls responded to	476	525	525
Inside City Limits	271	302	301
Outside City Limits	144	163	123
Number of Inspections conducted	128	341	345
Number of Public Education presentations	40	65	65

Measuring our Effectiveness

Average response time to emergency calls (i.e. minutes: seconds)	4:24	3:47	3:34
Percentage of final inspections completed within one working day of request	96%	100%	100%
Percentage of participants satisfied or very satisfied with public safety education programs	100%	100%	100%



GENERAL FUND

Departmental Summaries

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 service 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 Service activities are conducted to ensure the health, safety and welfare of the community.

2011-2012 Goals (Strategic Goals: 2,3)

- Spend more time in the central part of the city where the largest part of animals are observed running at large
- To continue to focus on a spay/neuter program to reduce the roaming packs of animals within and outside the city limits

2010-2011 Accomplishments

- Hired a second full time animal control officer
- Implemented seven day animal control service
- Decreased the number of animals allowed to run at large



GENERAL FUND

Departmental Summaries

Budget Summary

Animal Control	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	65,193	71,317	71,000	71,800
Materials & Supplies	12,125	11,100	11,000	14,000
Services	9,379	9,950	9,000	10,050
Maintenance	5,558	3,500	4,000	3,000
Sundry	0	0	0	0
Capital Expenditures	0	0	0	20,000
Total Animal Control	92,255	95,867	95,000	118,850

2011- 2012 Major Additions: Vehicle

Budgeted Personnel

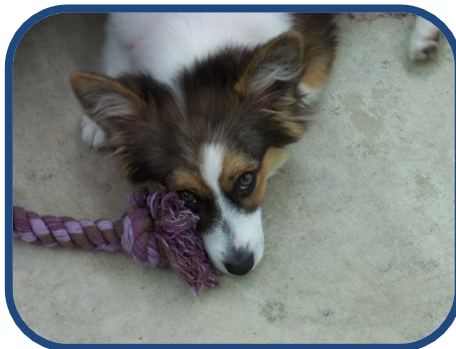
Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Animal Control Officer	2	2	2
Total	2	2	2

Performance Measures

Our Workload	FY 09-10 Actual	FY10-11 Estimated	FY 11-12 Projected
Number of calls received to pick-up animals			
animals	1801	2240	1800
Number of animals detained	436	447	400

Measuring our Effectiveness

Average response time to pick-up animals	Less than 2 hours	Less than 2 hours	Less than 2 hours
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GENERAL FUND

Departmental Summaries

PUBLIC WORKS

Our Mission

The mission of the City of Port Lavaca Public Works Department is to provide outstanding services and facilities through cooperative efforts with our citizens; to enhance the quality of life in our community. The department is dedicated to making Port Lavaca the most desirable place to live, work, play and visit. The department envisions a safe and secure environment, an informed citizenry, enhanced economic opportunity and expanded educational, recreational and cultural opportunities.

Working as a team, the department pledges to give customer service a top priority, be respectful of individual dignity and rights, be financially responsible, ethical and responsive to our customers, innovative in addressing community needs and be an organization which serves with pride.

Description of our Services

The Public Works Department is responsible for providing basic city services to the citizens, including water, wastewater, street maintenance, park maintenance, and Lighthouse Beach maintenance, including a fully functional RV Park.



GENERAL FUND

Departmental Summaries

2011-2012 Goals (Strategic Goals: 2,3,5)

- Continue drainage ditch cleaning
- Continue the replacement of the City's infrastructure
- Develop a wastewater master plan
- Continue grant applications for water, wastewater and parks

2010-2011 Accomplishments

- Added approximately 100 feet of pier at Lighthouse Beach
- Secured grant for the TDCP Bonorden Street sewer line replacement
- Completed the 2010 Capital Improvement Project for Seadrift Street
- Completed Lynn Haven sewer line replacement

Budget Summary

Public Works	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	116,682	118,680	119,000	120,850
Materials & Supplies	5,512	5,325	6,000	5,250
Services	2,339	4,060	2,500	3,900
Maintenance	563	500	550	400
Capital Expenditures	0	20,000	18,733	0
Total Public Works	125,096	148,565	146,783	130,400

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Public Works Director	1	1	1
Administrative Assistant	1	1	1
Total	2	2	2

GENERAL FUND

Departmental Summaries

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; burglar and fire alarm registration; animal control registration; park event permits; and permits for peddlers, solicitors and itinerant merchants.

2011-2012 Goals (Strategic Goals: 1,2,3)

- Track our projects with more preciseness
- Increase number of code enforcement inspections and maintain compliance
- Update ordinances to bring into compliance with the State
- Increase public awareness of departmental rules and regulations

2010-2011 Accomplishments

- 508 permits issued with a valuation of \$3,500,680 in the first nine months of the budget year
- Completed 760 code enforcement inspections in the first nine months of this budget year
- Collected \$6,093 in liens

GENERAL FUND

Departmental Summaries

Budget Summary

Code Enforcement	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	92,233	121,612	110,000	115,250
Materials & Supplies	7,468	7,100	6,500	6,500
Services	6,947	16,400	6,500	10,100
Maintenance	2,644	3,500	3,000	3,500
Capital Expenditures	15,420	0	0	0
Total Code Enforcement	124,712	148,612	126,000	135,350

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 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 09-10 Actual	FY10-11 Estimated	FY 11-12 Projected
Number of building permits issued	711	793	800
Number of garage sale permits issued	328	350	375
Number of building inspections completed	697	935	1000
Number of code enforcement requests/complaints	1302	2025	2300
<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%

GENERAL FUND

Departmental Summaries

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.

2011-2012 Goals (Strategic Goals: 2,3,5)

- Seal coat areas assigned by Public Works Director
- Reclaim several streets within the city with zipper
- Clean out several sections of ditches within the city
- Create a herbicide program for curbs and gutters

2010-2011 Accomplishments

- Reclaimed approximately 3500 linear feet of streets with zipper
- Cleaned all major storm water outflows
- Implemented the new city wide cleanup program

GENERAL FUND

Departmental Summaries

Budget Summary

Streets	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	352,471	391,252	360,000	367,980
Materials & Supplies	33,825	37,100	36,000	36,500
Services	190,380	179,700	170,000	170,200
Maintenance	128,371	410,500	200,000	328,500
Sundry	2,521,027	35,025	35,027	134,900
Capital Expenditures	8,350	450,000	60,441	0
Total Streets	3,234,425	1,503,577	861,468	1,038,080

2011- 2012 Major Additions: Seal Coat Program

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Maintenance Superintendent	1	1	1
Heavy Equipment Operator	4	4	4
Maintenance Worker	4	4	4
Temporary Worker (summer)	5	5	5
Total	14	14	14

Performance Measures

<i>Our Workload</i>	FY 09-10 Actual	FY10-11 Estimated	FY 11-12 Projected
Miles of curb swept by street sweeper	250	360	400
Tons of litter and debris removed	140	150	150

Measuring our Effectiveness

% of emergency calls responded to within 4 hrs	95%	98%	100%
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GENERAL FUND

Departmental Summaries

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.

2011-2012 Goals (Strategic Goals: 2,3,5)

- Beautification of the City's parks and open spaces
- Continue updates and repairs at all parks
- Install lights at Wilson Park
- Start implementing Parks Master Plan

2010-2011 Accomplishments

- Completed Parks Master Plan
- Installed five cabanas at Light House Beach
- Installed five cabanas with BBQ pits at Bay Front Peninsula
- Renovated bathrooms at Wilson Field
- Purchased and installed two sets of aluminum bleachers at Wilson Field
- Installed new pirate ship playground at Bay Front Peninsula

GENERAL FUND

Departmental Summaries

Budget Summary

	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Parks & Recreation				
Personnel Services	162,088	159,896	158,000	162,800
Materials & Supplies	17,981	20,800	20,000	22,700
Services	40,284	34,650	38,000	33,650
Maintenance	36,418	51,000	49,000	46,000
Capital Expenditures	16,800	0	0	701,000
Total Parks & Recreation	273,571	266,346	265,000	966,150

2011- 2012 Major Additions: Improvements to Bay Front Park; Wilson Park Lighting, & Mower

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Lead Parks Maintenance Worker	1	1	1
Maintenance Worker	4	4	4
Temporary Worker (summer)	1	1	1
Total	6	6	6

Performance Measures

Our Workload	FY 09-10 Actual	FY10-11 Estimated	FY 11-12 Projected
Acres of park grounds maintained	170.4	170.4	170.4
Number of playground inspections performed	N/A	24	45
Measuring our Effectiveness			
% of park maintenance completed on schedule	95%	98%	100%

GENERAL FUND

Departmental Summaries

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.

2011-2012 Goals (Strategic Goals: 1,2,3,5)

- Create a more extensive marketing plan
- Book at least two special events a year
- Continue long range maintenance program for the facility

2010-2011 Accomplishments

- Repainted the Bauer Center
- Upgraded the lighting system
- Rentals on Bauer – 75 average due to the price changes, the numbers on the rentals were low for 2010 -2011
- 2011 – 2012 rentals currently booked
- Attended 2 trade shows to advertise the center for rental
- Advertised in the bridal section of the Port Lavaca Wave newspaper
- Marquee sign was replaced
- Changed the rental rates to try to rent the Bauer Center more during the week

GENERAL FUND

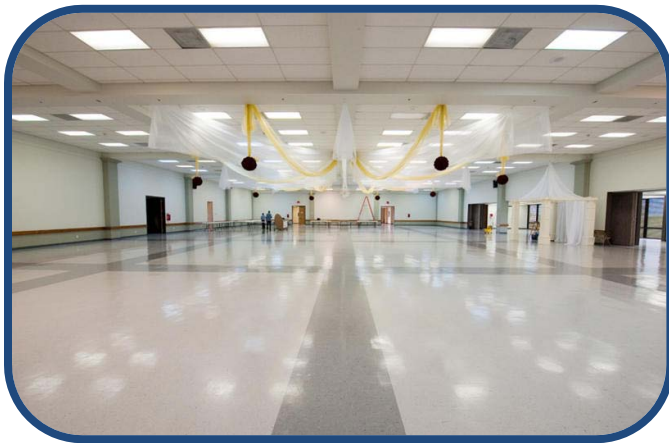
Departmental Summaries

Budget Summary

Bauer Center	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	47,415	64,060	45,000	60,300
Materials & Supplies	8,765	6,000	5,000	5,650
Services	96,676	90,700	90,000	114,300
Maintenance	122,794	61,900	70,000	47,950
Total Bauer Center	275,650	222,660	210,000	228,200

Budgeted Personnel

Position	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual
Maintenance Worker	2	2	2
Total	2	2	2



Main Room



Front Entrance



Stage



Side Entrance

GENERAL FUND

Departmental Summaries

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 fresh water and high quality 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

	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Swimming Pool Operations				
Materials & Supplies	7,190	11,100	9,000	11,100
Services	13,393	8,500	13,000	10,500
Maintenance	8,710	7,000	9,500	7,550
Total Swimming Pool Operations	29,293	26,600	31,500	29,150

Budgeted Personnel

Position

Contracted YMCA

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 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	453,103	434,000	420,000	434,000
Services	172,072	150,900	162,000	198,400
Maintenance	64,950	19,000	17,045	19,000
Sundry	162,503	413,000	375,000	145,000
Capital Expenditures	0	0	0	0
Total Non-Departmental	852,627	1,016,900	974,045	796,400





ENTERPRISE FUNDS

Public Utility

Beach

Port Commission

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business 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.



PUBLIC UTILITY FUND

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

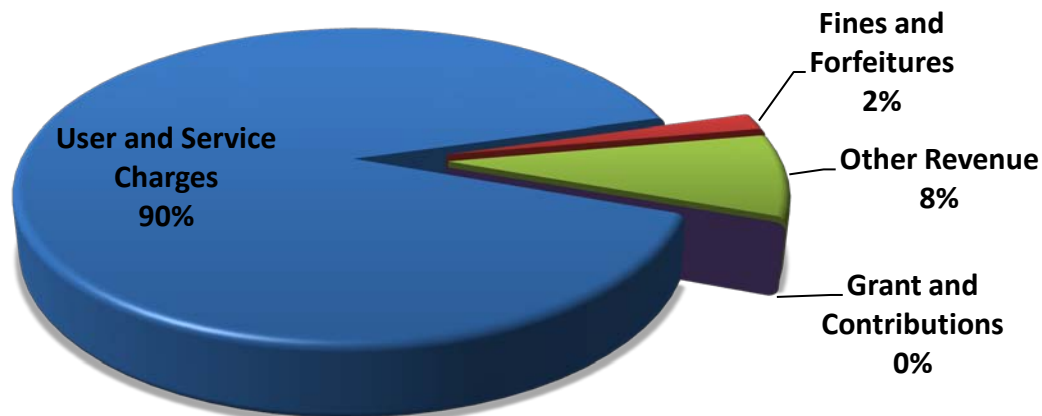
ENTERPRISE FUNDS

Public Utility Fund Revenue

Public Utility Fund Revenue

Revenue Summary	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
User and Service Charges	4,994,628	4,883,500	5,026,600	4,948,500	65,000
Fines and Forfeitures	92,835	90,000	90,500	90,000	0
Other Revenue	107,079	881,213	101,704	461,500	-419,713
Grant and Contributions	135,505	0	0	0	0
Total Revenues	5,330,047	5,854,713	5,218,804	5,500,000	-354,713

Public Utility Fund Revenue



ENTERPRISE FUNDS

Public Utility Fund Revenue

Public Utility Revenue Detail

Public Utility Fund Revenue	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
User & Service Charges				
Water- Metered	2,196,102	2,175,000	2,197,000	2,180,000
Water- Bulk	344	0	400	0
Water- Metered County	71,993	78,000	80,000	78,000
Sewer Residential	1,179,782	1,135,000	1,180,000	1,135,000
Sewer Commercial	690,434	681,000	690,000	685,000
Sewer County	33,297	32,000	33,000	32,000
Waste- Garbage Collection	712,925	690,000	690,000	690,000
Spring Cleanup	27,666	25,000	77,000	84,000
Water Taps	13,375	12,000	8,700	10,000
Sewer Taps	10,831	4,000	13,500	4,000
Service Call Fees	1,990	1,500	1,000	1,500
Service Transfer Fees	2,990	3,000	3,000	2,500
Service Reconnection Fees	41,537	35,000	41,000	35,000
Service Temporary Water	2,535	2,000	2,000	1,500
Sales Tax- Garbage	8,829	10,000	10,000	10,000
Total User & Service Charges	4,994,628	4,883,500	5,026,600	4,948,500
Fines & Forfeitures				
Late Payment Penalties	92,835	90,000	90,500	90,000
Cash Over- Utility Billing	0	0	0	0
Total Fine & Forfeitures	92,835	90,000	90,500	90,000
Other Revenue				
Interest Income	16,119	18,000	11,500	10,000
Other Financing Sources	0	0	0	0
Returned Check Fees	3,390	3,000	3,000	2,500
Bad Debt Account Collection	23,143	5,000	8,500	7,000
CCRWSS- GBRA Transmission	32,605	35,000	35,000	35,000
Auction Proceeds	0	6,400	13,239	0
TML Reimbursements	29,594	13,000	24,311	0
Miscellaneous	2,229	0	6,154	0
Equity Balance Forward	0	800,813	0	407,000
Total Other Revenue	107,079	881,213	101,704	461,500
Grant & Contributions				
Capital Contributions	135,505	0	0	0
Total Grant & Contributions	135,505	0	0	0
Total Public Utility Revenue	5,330,047	5,854,713	5,218,804	5,500,000

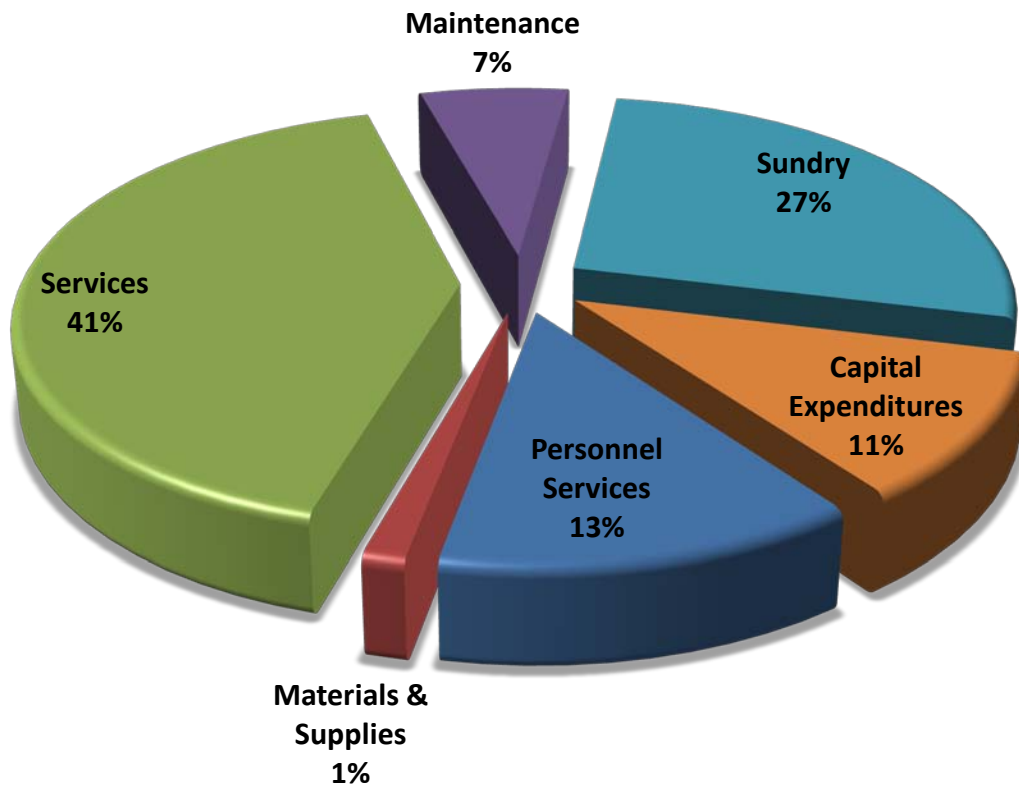
ENTERPRISE FUNDS

Public Utility Fund Expenditures

Public Utility Expenditures by Function

Expenditure Summary	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
Personnel Services	680,522	777,078	699,000	716,209	-60,869
Materials & Supplies	78,740	76,535	76,000	73,200	-3,335
Services	2,346,210	2,297,949	2,286,000	2,275,350	-22,599
Maintenance	346,532	372,912	251,000	352,350	-20,562
Sundry	1,038,669	1,407,426	1,406,432	1,470,891	63,465
Capital Expenditures	0	922,813	915,761	612,000	-310,813
Total Expenditures	4,490,672	5,854,713	5,634,193	5,500,000	-354,713

Expenditures by Function



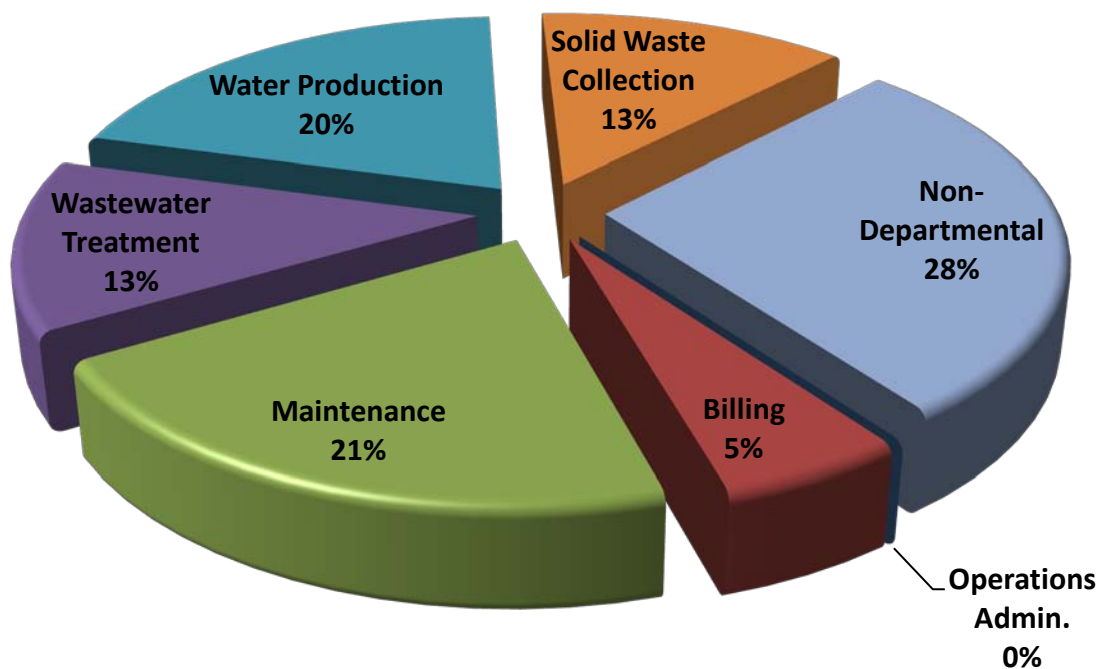
ENTERPRISE FUNDS

Public Utility Fund Expenditures

Public Utility Expenditures by Department

Department Expenses	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
Operations Administration	77,840	83,179	79,000	0	-83,179
Billing	268,808	292,494	282,000	305,225	12,731
Maintenance	537,758	1,389,566	1,358,411	1,155,733	-233,833
Wastewater Treatment	627,470	726,332	649,782	698,710	-27,622
Water Production	1,135,675	1,109,332	1,109,000	1,099,000	-10,332
Solid Waste Collection	715,025	715,000	715,000	715,000	0
Non-Departmental	1,128,095	1,538,810	1,441,000	1,526,332	-12,478
Total Expenses	4,490,672	5,854,713	5,634,193	5,500,000	-354,713

Expenditure by Department



ENTERPRISE FUNDS

Public Utility Departmental Summaries

OPERATIONS

(Merged with Utility Maintenance)

Our Mission

The mission of the City of Port Lavaca Operations Department is to produce and supply safe and palatable water to the City of Port Lavaca customers in sufficient quantity and pressure to meet demands and to safely collect, transport and treat wastewater.

Description of our Services

The Operations Administration Department oversees construction and capital projects for the Utility Department. The department also oversees water inspections and testing reporting to Texas Commission on Environmental Quality (TCEQ).

2010-2011 Accomplishments

- Inspected water towers per Texas Commission on Environmental Quality (TCEQ) rules and regulations
- Implemented a maintenance program at the wastewater treatment plant
- Smoke tested area II of Inflow and Infiltration study and implemented program to repair

Budget Summary

	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Operations Administration				
Personnel Services	67,620	70,894	68,000	0
Materials &Supplies	3,040	4,135	4,000	0
Services	6,909	8,150	7,000	0
Maintenance	271	0	0	0
Total Operations Administration	77,840	83,179	79,000	0

Budgeted Personnel

Position	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Actual
Utility Supervisor	1	1	0*
Total	1	1	0*

*Position merged with Utility Maintenance



ENTERPRISE FUNDS

Public Utility 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.

2011-2012 Goals (Strategic Goals: 1,3,4)

- Strategize training methods
- Revise "To Turn It On" web page on City policies
- Improve image of the City through excellent customer service
- Implement online bill pay
- Improve process between Utility Billing and Utility Maintenance
- Add a more secure utility payment night drop
- Send drafts online to bank
- Update Utility forms in efforts to reduce paper and further protect customer's information

2010-2011 Accomplishments

- Implemented Bad Debt Policy and delegated ownership with proven results
- Revised internal processes related to cutoffs to be more efficient
- Implemented extended hours of service
- Reduced the City's liability for customer's deposits by refunding deposits to customers with good credit history

ENTERPRISE FUNDS

Public Utility Departmental Summaries

Budget Summary

Utility Billing	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	175,348	181,657	177,000	178,300
Materials &Supplies	9,972	14,975	15,000	10,775
Services	32,952	36,650	35,000	39,300
Maintenance	50,530	54,212	55,000	51,850
Sundry	5	5,000	0	25,000
Total Utility Billing	268,808	292,494	282,000	305,225

2011-2012 Major Additions: Vehicle

Budgeted Personnel

Position	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Actual
Customer Service Specialist	1	1	1
Utility Billing Specialist	0	1	1
Account Billing Clerk	2	1	1
Meter Reader	2	2	2
Total	5	5	5

ENTERPRISE FUNDS

Public Utility Departmental Summaries

MAINTENANCE

(Merged with Utility Operations)

Our Mission

The mission of the City of Port Lavaca Maintenance Department is to provide the City of Port Lavaca 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.

2011-2012 Goals (Strategic Goals: 2,3,5)

- Update water maps for implementation of Leak Detection Program
- Assist the City with the continuation of the recommended distribution and collection system improvements
- Continue working on Inflow and Infiltration improvements throughout the city
- Identify and compile a database of all cast iron/ductile water lines in the distribution system and develop a schedule for replacement
- Keep customer complaints below 2% of total customers per month

2010-2011 Accomplishments

- Replaced several failed sewer mains throughout the system
- Upgraded water line from 2" cast iron to 6" C900 on Tommy Street and Charlotte Street
- Replaced 2" cast iron line with 4" C900 on Guadalupe Street

ENTERPRISE FUNDS

Public Utility Departmental Summaries

Budget Summary

Maintenance	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	266,054	282,892	282,000	333,349
Materials & Supplies	30,472	28,100	28,000	33,275
Services	30,888	39,150	37,000	41,700
Maintenance	203,682	156,200	130,000	148,000
Sundry	6,662	37,411	37,411	37,409
Capital Expenditures	0	845,813	844,000	562,000
Total Maintenance	537,758	1,389,566	1,358,411	1,155,733

2011-2012 Major Additions: Sewer Line- Mariemont; Sewer Line-Bonorden

Budgeted Personnel

Position	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Actual
Utility Superintendent	0	0	1*
Utility Operator	1	1	1
Heavy Equipment Operator	0	3	3
Utility Maintenance Worker	7	4	4
Total	8	8	9*

*Position merged with Utility Operations

ENTERPRISE FUNDS

Public Utility Departmental Summaries

WASTEWATER

Our Mission

The mission of the City of Port Lavaca Wastewater Department is to provide the City of Port Lavaca 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 our lift stations and Supervisory Control and Data Acquisition System (SCADA) operations.

2011-2012 Goals (Strategic Goals: 2,3,5)

- 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
- Achieve and maintain Whole Effluent Toxicity Testing (WET) limits for bio-monitoring of the mysid shrimp
- Replace/upgrade pumps/pump controls in lift stations where needed
- Continue SCADA additions to collection system

2010-2011 Accomplishments

- Added two lift stations to SCADA system
- Upgraded Ultraviolet (UV) System to include bypass per TCEQ requirements
- Implemented use of M65 at Main and Vela lift stations for odor control
- Worked with engineering firm to raise the copper limits in our permits for the effluent

ENTERPRISE FUNDS

Public Utility Departmental Summaries

Budget Summary

Wastewater Treatment	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	120,221	122,935	122,000	116,860
Materials & Supplies	35,255	29,325	29,000	29,150
Services	377,092	320,050	346,000	335,150
Maintenance	92,049	161,000	65,000	151,500
Sundry	2,853	16,022	16,021	16,050
Capital Expenditures	0	77,000	71,761	50,000
Total Wastewater Treatment	627,470	726,332	649,782	698,710

2011-2012 Major Additions: Lift Station Improvements (SCADA)

Budgeted Personnel

Position	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Actual
Wastewater Operator	1	1	1
Utility Operator	2	2	2
Temp. Maintenance Worker	1	1	1
Total	4	4	4

“It is amazing how much you can accomplish when it doesn’t matter who gets the credit.” - Unknown

ENTERPRISE FUNDS

Public Utility Departmental Summaries

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 the City purchases and provides to its 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 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Services	1,135,675	1,109,332	1,109,000	1,099,000
Total Water Production	1,135,675	1,109,332	1,109,000	1,099,000

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 through Allied Waste, Inc. Residential and small office solid waste is collected twice weekly.

Budget Summary

Solid Waste Collection	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Services	690,025	690,000	690,000	690,000
Sundry	25,000	25,000	25,000	25,000
Total Solid Waste	715,025	715,000	715,000	715,000

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 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Personnel Services	51,279	118,700	50,000	87,700
Services	72,668	94,617	62,000	70,200
Maintenance	0	1,500	1,000	1,000
Sundry	1,004,148	1,323,993	1,328,000	1,367,432
Total Non-Departmental	1,128,095	1,538,810	1,441,000	1,526,332





BEACH FUND

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

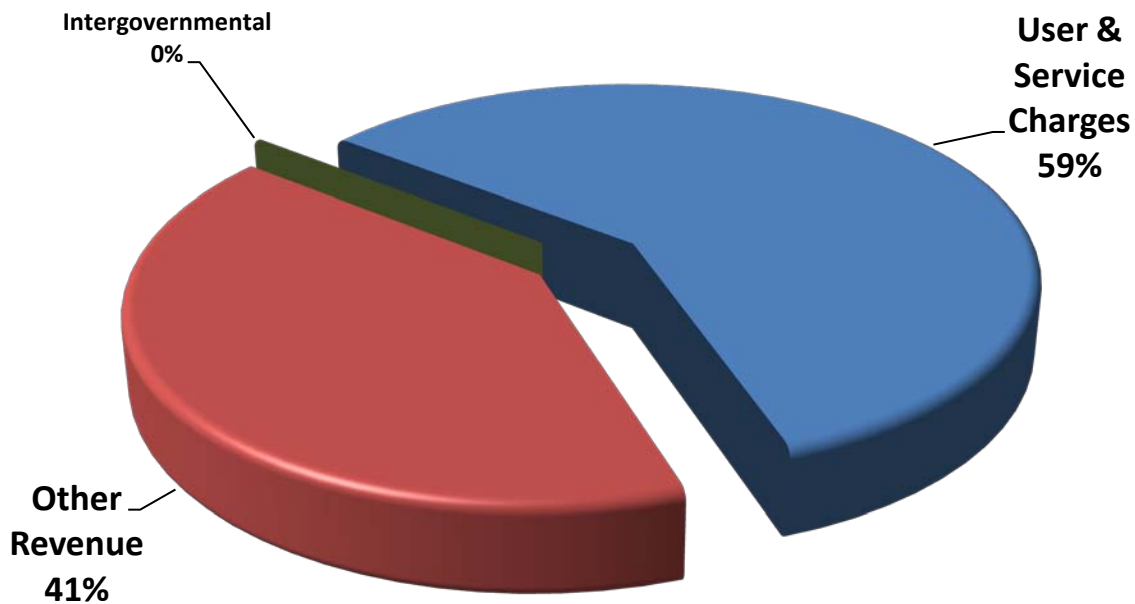
ENTERPRISE FUNDS

Beach Fund Revenue

Beach Revenue

Revenue Summary	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
USER & SERVICE CHARGES	270,146	216,500	272,500	224,000	7,500
OTHER REVENUE	8,141	54,500	5,968	154,000	99,500
INTERGOVERNMENTAL REVENUE	12,781	0	0	0	0
Total Revenue	291,068	271,000	278,468	378,000	107,000

Revenue by Receipt Type



ENTERPRISE FUNDS

Beach Fund Revenue

Beach Revenue Detail

Beach Operating Revenue	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
User & Service Charges				
Gate Fee- Daily	45,511	35,000	35,000	35,000
Gate Fee- Annual	2,941	3,500	7,000	3,500
Gate Fee- Senior Citizens	4,038	2,500	3,500	2,500
R V Rentals	213,238	173,000	224,000	180,500
Pavilion Rentals	3,710	2,000	3,000	2,500
Cabana Rentals	708	500	0	0
Concession	0	0	0	0
Special Events	0	0	0	0
Total User & Service Charges	270,146	216,500	272,500	224,000
Other Revenue				
Interest Income	2,844	2,000	1,500	1,500
Returned Check Fee	0	0	28	0
TML Reimbursement	114	0	677	0
Washer-Dryer Income	5,184	2,500	3,763	2,500
Miscellaneous	0	0	0	0
Equity Balance Forward	0	50,000	0	150,000
Total Other Revenue	8,141	54,500	5,968	154,000
Intergovernmental Revenue				
Transfer In- Fund 162	12,781	0	0	0
Transfer In- Fund 218	0	0	0	0
Transfer In- Fund 221	0	0	0	0
Total Intergovernmental Revenue	12,781	0	0	0
Total Beach Revenue	291,068	271,000	278,468	378,000

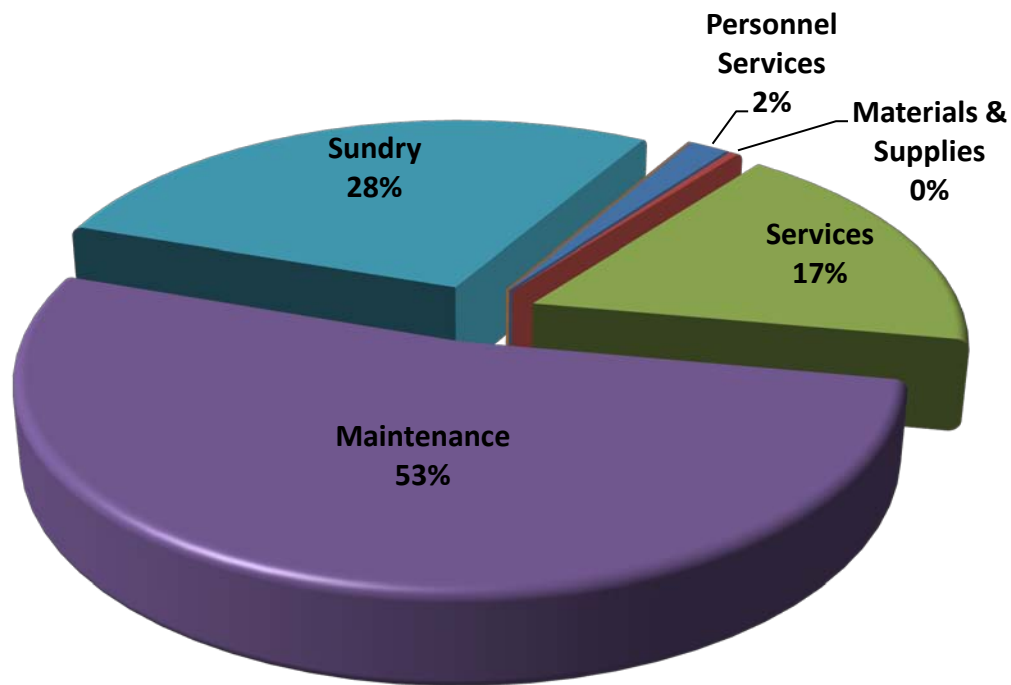
ENTERPRISE FUNDS

Beach Fund Expenditures

Beach Fund Expenditures

Beach Operations Expense	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
Personnel Services	53	6,500	6,000	6,520	20
Materials & Supplies	2,419	1,500	1,450	1,500	0
Services	78,940	78,200	78,000	65,800	-12,400
Maintenance	48,056	37,800	30,000	198,180	160,380
Sundry	103,746	147,000	147,000	106,000	-41,000
Total Operations	233,213	271,000	262,450	378,000	107,000

Expenditures by Function



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 by 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 that enjoy the beach facilities. The Beach revenues are generated by the following activities: rental of RV Spaces, access fees to Lighthouse Beach and pavilion rentals.

2011-2012 Goals (Strategic Goals: 2,3,5)

- Continue work on the appearance of the RV Park and Beach
- Begin looking at options for expansion of RV Park
- Add shade structures to the beach
- Replace rusted bolts on boardwalk

2010-2011 Accomplishments

- Added shade structures to the beach – five umbrellas and two cabanas
- Added sidewalk beside Recreation Room
- Dredged channel at boat ramp
- Replaced dome posts around park
- Repaved and added to trail to make it 0.9 miles





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.

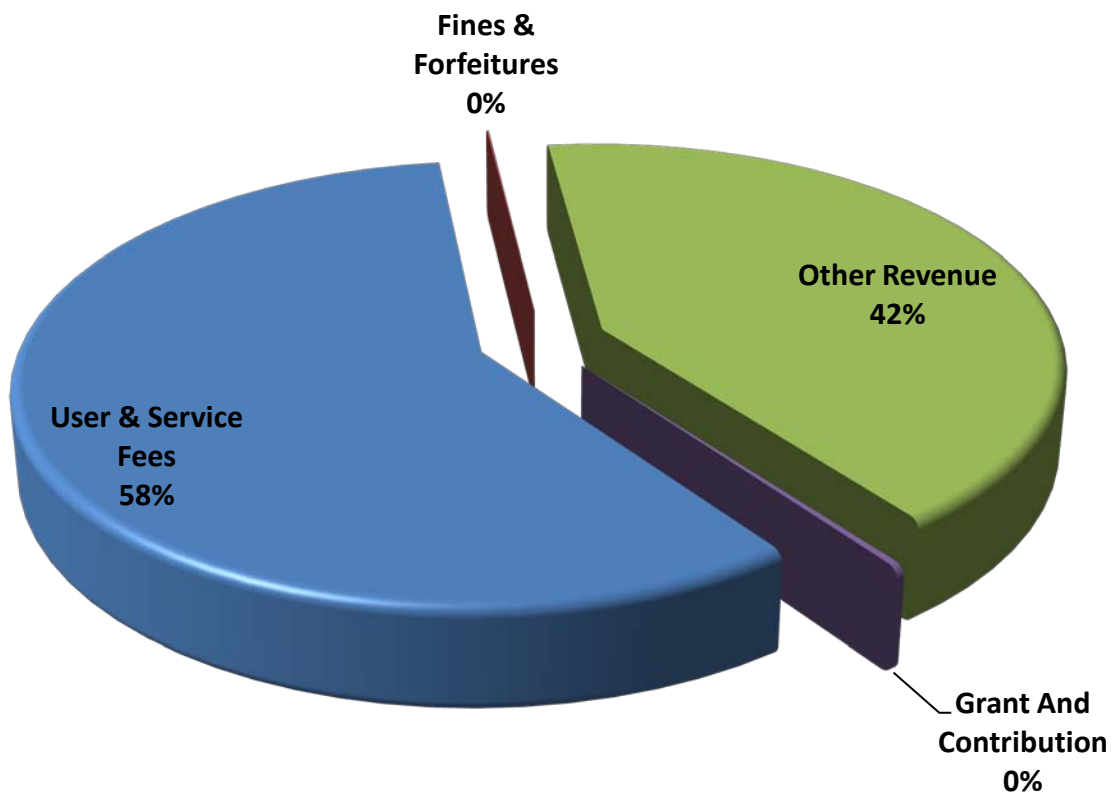
ENTERPRISE FUNDS

Port Commission Fund Revenue

Port Commission Fund Revenue

Port Operations Revenue	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
User & Service Fees	435,928	392,000	417,000	426,000	34,000
Fines & Forfeitures	773	500	400	500	0
Other Revenue	12,009	297,687	9,115	305,500	7,813
Grant & Contributions	2,000	2,000	2,000	2,000	0
Total Revenue	450,711	692,187	428,515	734,000	41,813

Revenue by Receipt Type



ENTERPRISE FUNDS

Port Commission Fund Revenue

Port Commission Fund Revenue Detail

Port Revenue	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
User & Service Charges				
City Harbor- Dock Leases	139,140	87,000	80,000	87,000
Harbor of Refuge- Dock Leases	137,059	183,000	185,000	183,000
Harbor of Refuge- Tariffs	50,352	32,000	50,000	82,000
Nautical Landing- Dock Leases	72,243	66,000	65,000	50,000
Nautical Landing- Building Leases	37,135	24,000	37,000	24,000
Bad Debt	0	0		0
Total User & Service Charges	435,928	392,000	417,000	426,000
Fines & Forfeitures				
Late Payment Penalties	773	500	400	500
Total Fines & Forfeitures	773	500	400	500
Other Revenue				
Interest Income	8,919	8,000	7,500	5,000
TML Reimbursements	2,048	0	550	0
Washer-Dryer Income	1,042	800	800	500
Miscellaneous	0	0	265	0
Equity Balance Forward	0	288,887	0	300,000
Total Other Revenue	12,009	297,687	9,115	305,500
Grant And Contribution				
State Grant Revenue	2,000	2,000	2,000	2,000
Total Grant And Contribution	2,000	2,000	2,000	2,000
Intergovernmental Revenue				
XFER IN- FD 165	0	0	0	0
Total Intergovernmental	0	0	0	0
Total Port Revenue	450,711	692,187	428,515	734,000

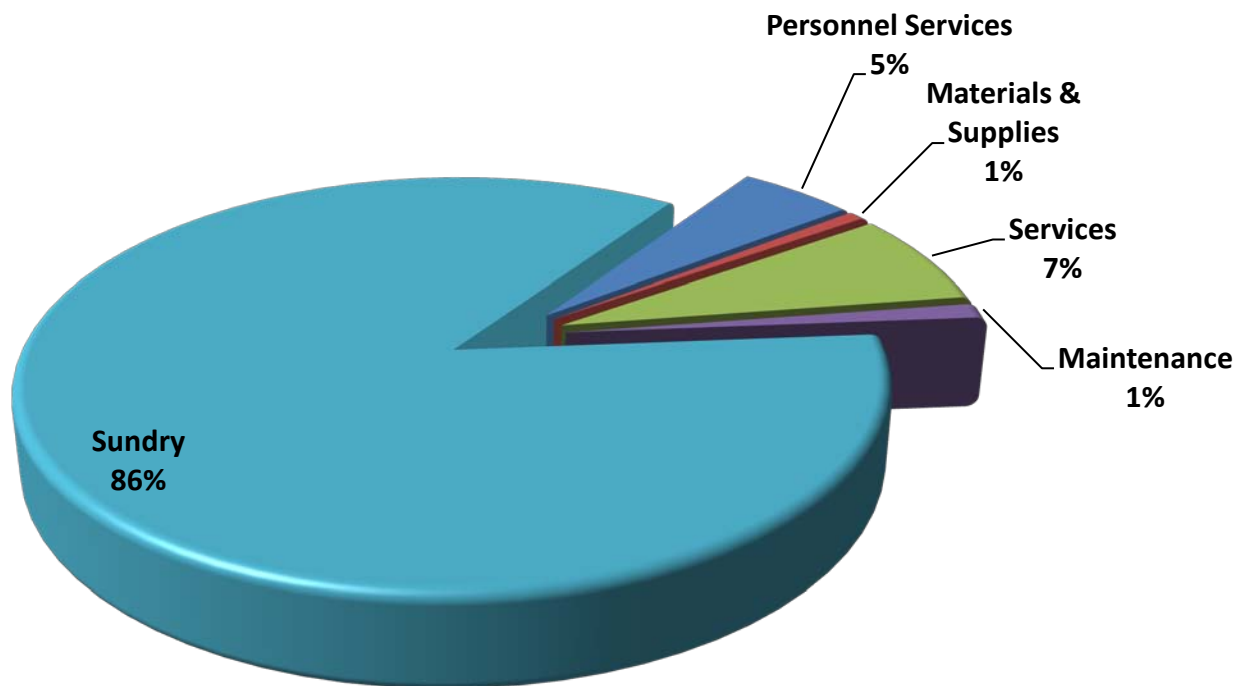
ENTERPRISE FUNDS

Port Commission Fund Expenditures

Port Revenue Fund Expenditures

Port Operations	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
Personnel Services	38,449	37,300	20,500	37,400	100
Materials & Supplies	1,357	2,600	3,000	5,250	2,650
Services	73,737	89,600	75,000	53,900	-35,700
Maintenance	26,152	13,700	14,000	8,450	-5,250
Sundry	261,360	548,987	550,000	629,000	80,013
Total Expense	401,054	692,187	662,500	734,000	41,813

Expenditures by Function



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 for 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



2011-2012 Goals (Strategic Goals: 2,3,5)

- Design and install additional breakwater facility at Nautical Landings Marina
- Develop a plan to dredge and maintain the depth of the entrance channel at Nautical Landings Marina
- Complete replacement of A-Dock facility as necessary
- Develop marketing plan for City Harbor
- Improve bulk head facilities at all three (3) locations; i.e., Bay Front, City Harbor and Harbor of Refuge

Budgeted Personnel

Position	FY 09/10 Actual	FY 10/11 Actual	FY 11/12 Actual
Harbor Master	1	1	1/2
Maintenance Worker	½	1/2	1
Total	1 1/2	1 1/2	1 1/2





SPECIAL REVENUE FUNDS

Hotel/Motel Forfeiture Building Security Redflex Traffic Court Technology

The Special Revenue Funds are used to account for the proceeds of specific resources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific 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 Fund

Hotel/Motel Fund

2011-2012 Goals (Strategic Goal: 2,5)

- Increase Tourism by marketing the City's "Hot Spots"
- To grow our special events
- Bring in additional conventions to the City
- Enhance and assist in downtown events and attractions

2010-2011 Accomplishments

- Developed a Convention Bid Folder
- Performed a three year analysis on setting rates at the convention center
- Created surveys to send to tourists to track performance and improve marketing strategies
- Developed website to improve functionality and communication to citizens and tourists
- Added tracking devise to website and billboards to gather data on tourism
- Added all social media (i.e. facebook, twitter, linkin and YouTube) communication devises to enhance advertising nationwide to all
- Hired a consulting firm to perform a downtown assessment



"Twenty years from now you will be more disappointed by the things you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover."

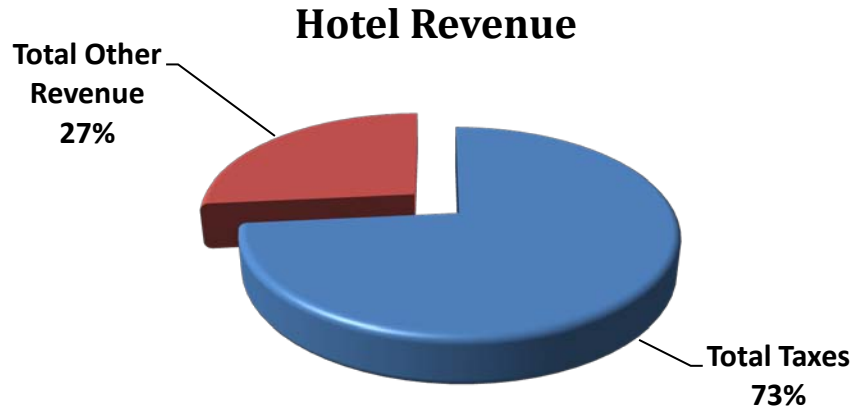
- Mark Twain

SPECIAL REVENUE FUNDS

Hotel / Motel Fund

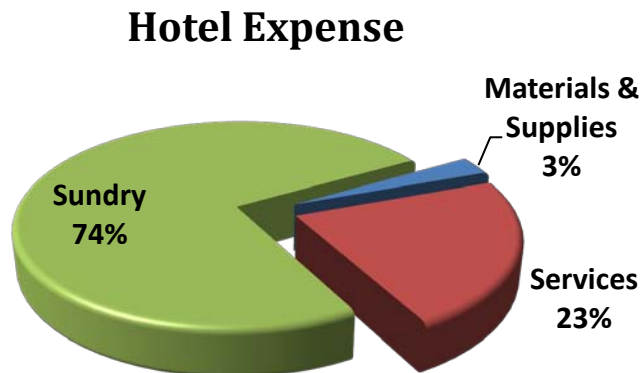
Hotel / Motel Revenue

Hotel Occupancy Revenue	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
Total Taxes	261,959	230,000	265,000	260,000	30,000
Total Other Revenue	1,176	70,750		94,000	23,250
Total Revenue	263,135	300,750	265,000	354,500	53,250



Hotel / Motel Expenditures

Hotel Occupancy Tax	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012	Variance
Materials & Supplies	344	15,000	20,000	10,000	-5,000
Services	82,036	91,000	75,000	80,000	-11,000
Sundry	251,000	194,750	194,750	264,000	69,250
Total Expense	333,381	300,750	289,750	354,500	53,250





FORFEITURE FUND

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

SPECIAL REVENUE FUNDS

Forfeiture Fund

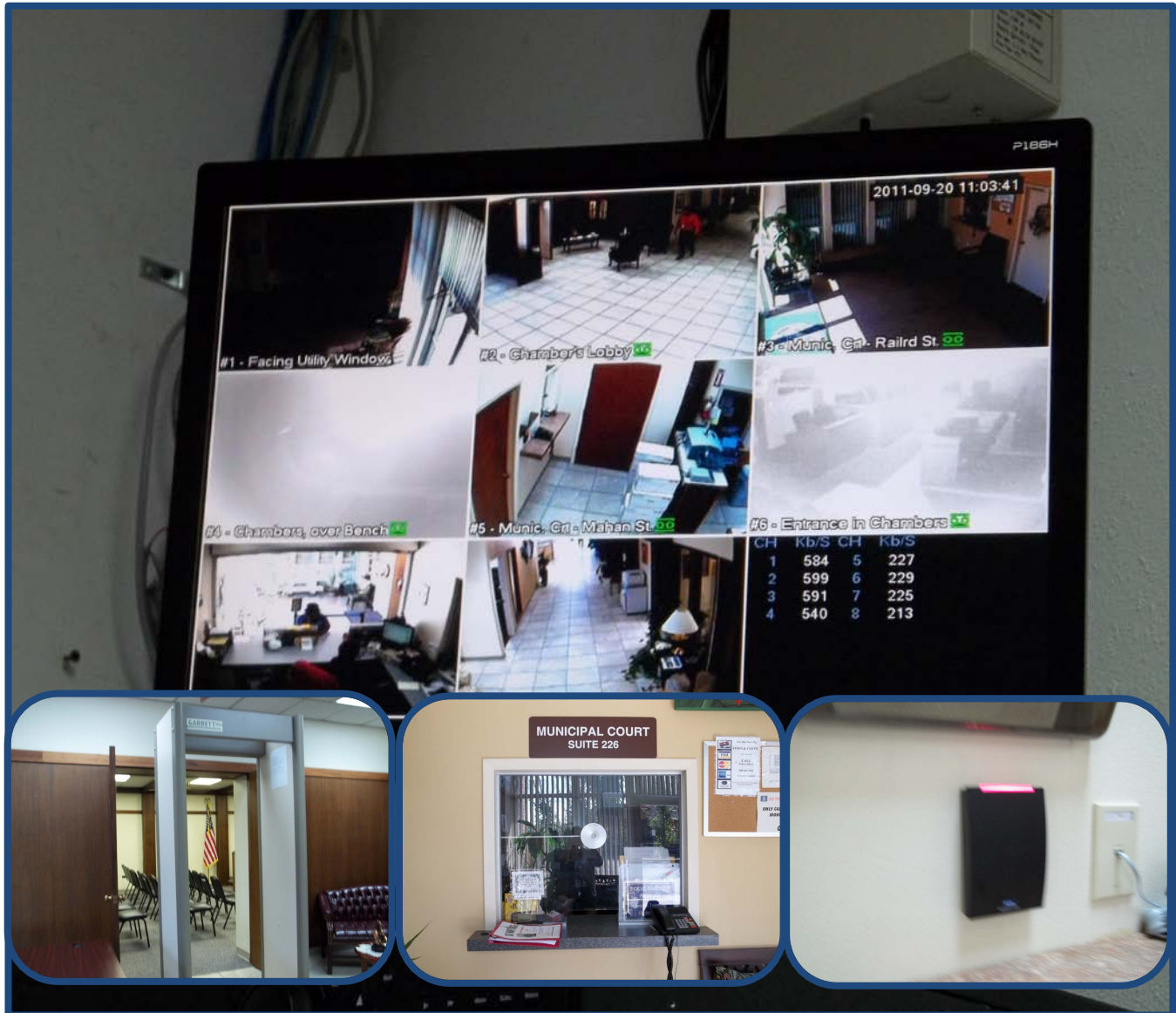
Forfeiture Fund Revenue

Forfeitures Revenue	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Fines & Forfeitures	8272	0	4,000	0
Other Revenue	2,016	0	50	0
Intergovernmental	0	0		0
Total Revenue	10,288	0	4,050	0

Forfeiture Fund Expenditures

Forfeitures Expense	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Materials & Supplies	3,993	0	1,000	0
Services	1,297	0	300	0
Maintenance	584	0	0	0
Sundry	6,495	0	1,500	0
Capital Expenditures	4000	0	0	0
Total Expense	16,369	0	2,800	0

SPECIAL REVENUE FUNDS



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

Building Security Fund Revenue

Building Security Revenue	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Fines & Forfeitures	4483	0	5,800	0
Other Revenue	6	0	20	0
Total Revenue	4,489	0	5,820	0

Building Security Expenditures

Building Security Expense	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Materials & Supplies	0	0	2,000	0
Services	0	0	0	0
Total Expense	0	0	2,000	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

Redflex Traffic Fund Revenue

Redflex Traffic Revenue	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Other Revenue	87	0	85	0
Intergovernmental	342,933	0	0	0
Total Revenue	343,020	0	85	0

Redflex Traffic Expenditures

Redflex Traffic Expense	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Materials & Supplies	297,602	0	3,395	0
Total Expense	297,602	0	3,395	0

SPECIAL REVENUE FUNDS



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.

SPECIAL REVENUE FUNDS

Court Technology Fund

Court Technology Revenue

Court Technology Revenue	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Fines & Forfeitures	6362	6000	7,668	7000
Other Revenue	60	0	60	0
Intergovernmental	0	0	0	0
Total Revenue	6,422	6,000	7,728	7,000

Court Technology Expenditures

Court Technology Expense	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted Budget FY 2011-2012
Materials & Supplies	21,153	0	1,140	0
Materials & Supplies	446	0	0	0
Maintenance	5,651	5,400	6,568	7000
Total Expense	27,250	5,400	7,708	7,000

SPECIAL REVENUE FUNDS





CAPITAL EXPENDITURES AND PROJECTS

This section contains the City's Five Year Capital Improvement Plan and a summary schedule for major capital expenditures and projects. The current year operating capital expenditures can also be found in each respective department. The Capital Policy for the City can be found in the appendix section of this budget document.

CAPITAL EXPENDITURES AND PROJECTS

Five Year Capital Improvement Program

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

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 current 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

	FY 2011-2012 Budget	FY 2012-2013 Budget	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget
General Fund					
Streets	\$ 150,000	\$ 150,000	\$ 1,262,000	\$ 150,000	\$ 150,000
Parks	\$ 692,000	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
Total General Fund	\$ 842,000	\$ 400,000	\$ 1,262,000	\$ 400,000	\$ 400,000
Utility Fund					
Water	\$ -	\$ 257,000	\$ 290,000	\$ 290,000	\$ 300,000
Wastewater	\$ 985,000	\$ 850,000	\$ 800,000	\$ 800,000	\$ 100,000
Total Utility Fund	\$ 985,000	\$ 1,107,000	\$ 1,090,000	\$ 1,090,000	\$ 400,000
Lighthouse Beach	\$ 175,000	\$ 225,000	\$ 100,000	\$ 100,000	\$ 160,000
Port Commission	\$ 300,000	\$ 150,000	\$ 100,000	\$ -	\$ -
Total	\$ 2,302,000	\$ 1,882,000	\$ 2,552,000	\$ 1,590,000	\$ 960,000

CAPITAL EXPENDITURES AND PROJECTS

Five Year Capital Improvement Program

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM BY FUND

General Fund

Project Description	FY 2011-2012 Budget	FY 2012-2013 Budget	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget
Streets & Right of Ways					
Seal Coat Program	\$ 150,000	\$ 150,000		\$ 150,000	\$ 150,000
Bonorden Street			\$ 1,262,000		
Street & Right of Way Subtotals					
	\$ 150,000	\$ 150,000	\$ 1,262,000	\$ 150,000	\$ 150,000
Parks					
Bay Front Park Improvements	\$ 150,000	\$ 100,000		\$ 150,000	\$ 100,000
Wilson Park Improvements		\$ 150,000		\$ 100,000	\$ 150,000
Wilson Park Lighting	\$ 542,000				
Parks Subtotals:	\$ 692,000	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
General Fund CIP Fund Totals:					
	\$ 842,000	\$ 400,000	\$ 1,262,000	\$ 400,000	\$ 400,000
Funding Source:					
Operating Budget	\$ 800,000	\$ 800,000	\$ 650,000	\$ 650,000	\$ 650,000
Operating Budget- Bay Front Park Improvements	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Other Financing Sources	-				
Operational Savings (Reserve)	\$ 154,000	\$ 50,000	\$ 612,000		
Total Resources Planned	\$ 979,000	\$ 875,000	\$ 1,287,000	\$ 675,000	\$ 675,000
Building Reserve	137,000	475,000	25,000	275,000	275,000
Balance Excess Reserve		612,000	25,000	300,000	575,000

CAPITAL EXPENDITURES AND PROJECTS

Five Year Capital Improvement Program

Water and Wastewater Utility

Project Description	FY 2011-2012 Budget	FY 2012-2013 Budget	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget
Water System					
Shofner Water Line		\$ 182,000			
Jackson Street Water Line		\$ 75,000			
Hospital Area					
Water Line Phase I and II			\$ 290,000	\$ 290,000	
Smith Road Water Line					\$ 300,000
Water System Subtotals	\$ -	\$ 257,000	\$ 290,000	\$ 290,000	\$ 300,000
Wastewater System					
Lift Station Upgrades	\$ 50,000	50,000			
Inflow & Infiltration					
Improvements	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Bonorden					
Sewer Line Phase I and II	\$ 300,000	\$ 300,000			
Mariemont					
Sewer Line Replacement	535,000				
Center Street					
Sewer Line Phase I and II			\$ 300,000	\$ 300,000	
Alamo Heights					
Sewer Line Phase I, II and III		\$ 400,000	\$ 400,000	400,000	
Wastewater Subtotals:	\$ 985,000	\$ 850,000	\$ 800,000	\$ 800,000	\$ 100,000
Utility System CIP Fund					
Totals:	\$ 985,000	\$ 1,107,000	\$ 1,090,000	\$ 1,090,000	\$ 400,000
Funding Source:					
Operating Budget	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Normal Capital Expense					
Budget	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Grant	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	
Depreciation Reserves Used					
to Balance	\$ 335,000	\$ 457,000	\$ 440,000	\$ 440,000	\$ -
Total Resources Planned	\$ 985,000	\$ 1,107,000	\$ 1,090,000	\$ 1,090,000	\$ 400,000

CAPITAL EXPENDITURES AND PROJECTS

Five Year Capital Improvement Program

Lighthouse Beach

Project Description	FY 2011-2012 Budget	FY 2012-2013 Budget	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget
Dredging			\$ 40,000		
Restroom Rehab		\$ 75,000			
Recreation Center Showers	\$ 75,000				
Expansion of Trailer Spaces	\$ 100,000				
Fishing Pier Extension		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Subtotals:	\$ 175,000	\$ 175,000	\$ 140,000	\$ 100,000	\$ 100,000
Light House Beach CIP					
Fund Totals:	\$ 175,000	\$ 175,000	\$ 140,000	\$ 100,000	\$ 100,000
Funding Source:					
Operating Budget	\$ 25,000	\$ 50,000	\$ 50,000	\$ 40,000	\$ 40,000
Grant	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Dredging Savings			\$ 30,000		
Operational Savings (Reserve)	\$ 150,000	\$ 65,000			
Total Resources Planned	\$ 175,000	\$ 175,000	\$ 140,000	\$ 100,000	\$ 100,000

CAPITAL EXPENDITURES AND PROJECTS

Five Year Capital Improvement Program

Port Commission

Project Description	FY 2011-2012 Budget	FY 2012-2013 Budget	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget
Break Water	\$ 300,000				
Bulkhead-Harbor of Refuge			\$ 1,000,000		
Nautical Landing Retaining Wall		\$ 100,000			
Nautical Landing Day Room Improvements		\$ 50,000			
Subtotals:	\$ 300,000	\$ 150,000	\$ 1,000,000	\$ -	\$ -
Light House Beach CIP Fund Totals:	\$ 300,000	\$ 150,000	\$ 1,000,000	\$ -	\$ -
Funding Source:					
Operating Budget					
Grant					
Other Funding Sources			\$ 70,000		
Operational Savings (Reserve)	\$ 300,000	\$ 150,000	\$ 230,000		
Total Resources Planned	\$ 300,000	\$ 150,000	\$ 1,000,000	\$ -	\$ -

CAPITAL EXPENDITURES AND PROJECTS

2011-2012 Project Details

General Fund

Project Scope	
This project provides for seal coats on seven miles of street based on condition of roads within the City.	
Project Name:	Seal Coat Program
Construction Start:	
Project Completion:	September 30, 2012
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:	
General Contractor:	

Approved Project Funding	
Funding Source	Fiscal Year 2011 – 2012
Grant Funds	
Transfer from General Fund	\$ 150,000
Project Budget & Expenditures	
Project Budget:	\$ 150,000
Expended to Date:	
Operational Impact	
Reduced maintenance demand and related personnel expenses	
Current Activity	
Project is scheduled to bid by the end of May 2012. Street repairs are scheduled to begin July 2012.	

CAPITAL EXPENDITURES AND PROJECTS

2011-2012 Project Details

General Fund

Project Scope	
This project provides additional lighting for current and future fields.	
Project Name:	Wilson Park Lighting
Construction Start:	
Project Completion:	April 31, 2012
Current Phase:	Bid
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:	Musco

Approved Project Funding	
Funding Source	Fiscal Year 2011 – 2012
Grant Funds	
Transfer from General Fund	\$ 542,000
Project Budget & Expenditures	
Project Budget:	\$ 542,000
Expended to Date:	
Operational Impact	
No maintenance costs for twenty five years	
Current Activity	
Design is complete. Bid was awarded through Buyboard.	

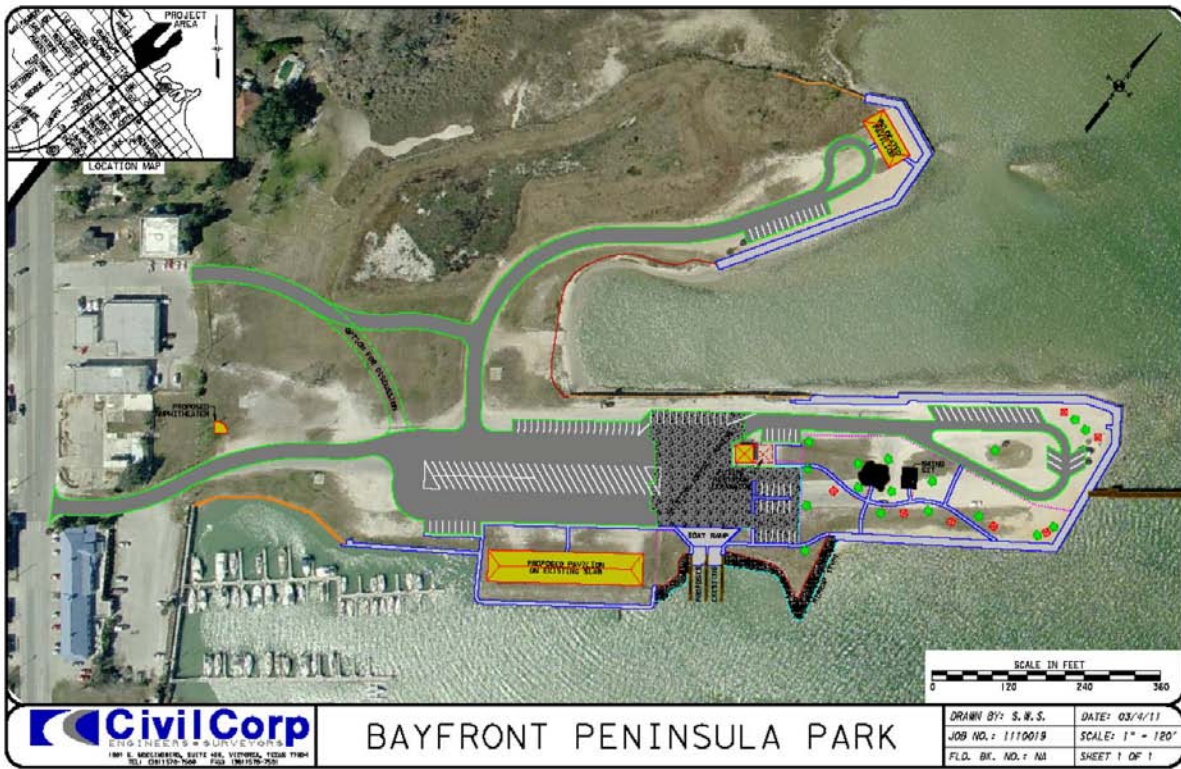


CAPITAL EXPENDITURES AND PROJECTS

2011-2012 Project Details

General Fund

Project Scope		Approved Project Funding	
This project provides a new pavilion for the Bay Front Peninsula Park.		Funding Source	Fiscal Year 2011 – 2012
		Grant Funds	
		Transfer from General Fund	\$ 150,000
Project Contract Information		Project Budget & Expenditures	
Project Name:	Bay Front Park Pavilion	Project Budget:	\$ 150,000
Construction Start:		Expended to Date:	
Project Completion:	September 30, 2012	Operational Impact	
Current Phase:	Design	No operational impact for at least five years.	
Project Contract Information		Current Activity	
Project Manager:	Darren Gurley	This project is currently in the Design phase.	
Phone Number:	361-552-3347		
Email Address:	dgurley@portlavaca.org		
Grant Administrator:	N/A		
Engineer:			
General Contractor:			



CAPITAL EXPENDITURES AND PROJECTS

2011-2012 Project Details

Water and Wastewater Utility

Project Scope		Approved Project Funding	
This project provides the replacement of 5,350 linear feet of sewer lines in the Mariemont Subdivision. This will complete the subdivision.		Funding Source	Fiscal Year 2011 – 2012
		Grant Funds	
		Transfer from Utility Fund	\$ 535,000
Project Contract Information		Project Budget & Expenditures	
Project Name:	Mariemont Sewer	Project Budget:	\$ 535,000
Construction Start:		Expended to Date:	
Project Completion:	September 30, 2011	Operational Impact	
Current Phase:	Design	Reduced maintenance demand and related personnel cost	
Project Contract Information		Current Activity	
Project Manager:	Darren Gurley	Design is complete. Project is scheduled to bid by the end of February 2012.	
Phone Number:	361-552-3347		
Email Address:	dgurley@portlavaca.org		
Grant Administrator:	N/A		
Engineer:	Civil Corp		
General Contractor:			

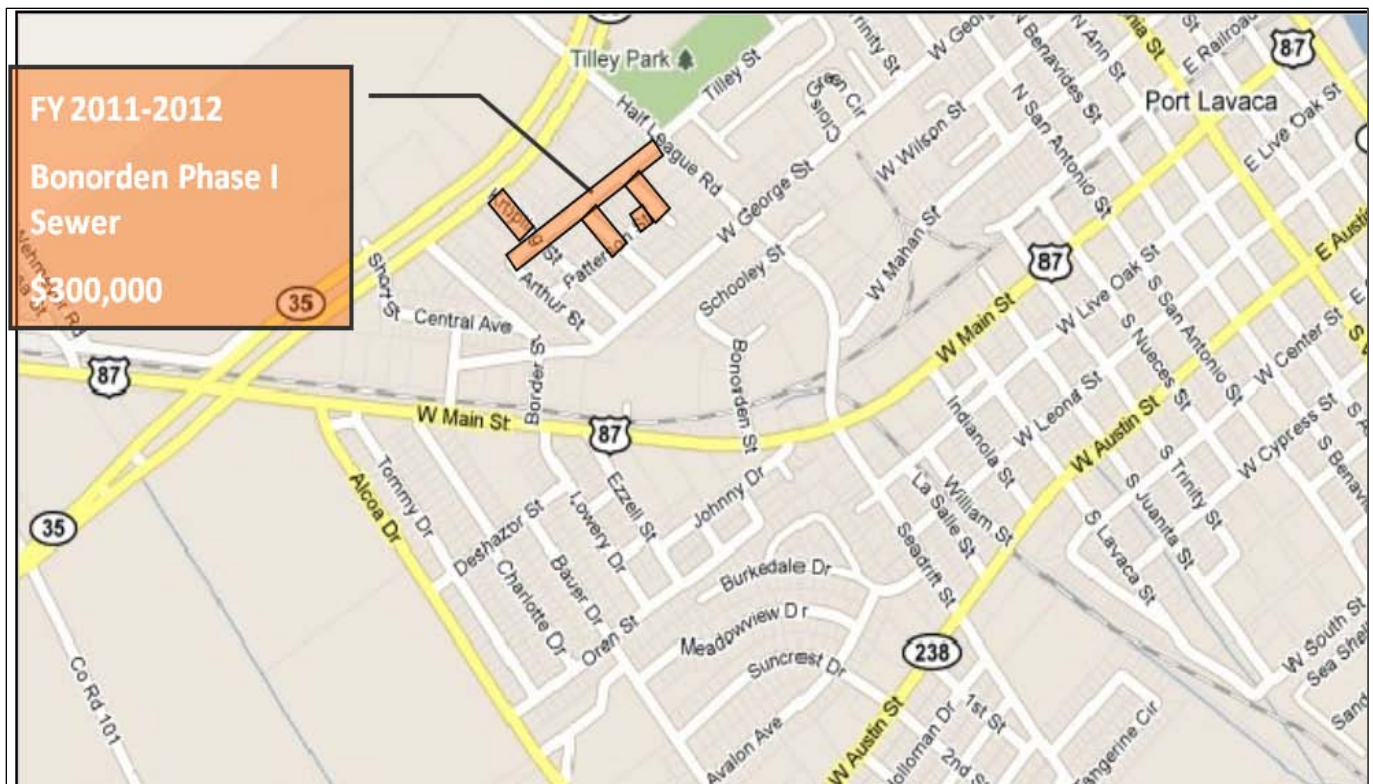


CAPITAL EXPENDITURES AND PROJECTS

2011-2012 Project Details

Water and Wastewater Utility

Project Scope		Approved Project Funding	
This project provides the replacement of 2,090 linear feet of sewer lines in the Bonorden Subdivision. This shall benefit 100 persons, of which 95 (95%) are low to moderate income.		Funding Source	Fiscal Year 2011 – 2012
		Grant Funds	\$ 250,000
		Transfer from Utility Fund	\$ 50,000
Project Contract Information		Project Budget & Expenditures	
Project Name:	Bonorden Sewer Phase I	Project Budget:	\$ 300,000
Construction Start:		Expended to Date:	-
Project Completion:	September 30, 2012	Operational Impact	
Current Phase:	Design	Reduced maintenance demand and related personnel cost.	
Project Contract Information		Current Activity	
Project Manager:	Darren Gurley	Design is complete. The City is currently awaiting grant approval.	
Phone Number:	361-552-3347		
Email Address:	dgurley@portlavaca.org		
Grant Administrator:	Grant Works		
Engineer:	Civil Corp		
General Contractor:			




CAPITAL EXPENDITURES AND PROJECTS

2011-2012 Project Details

Water and Wastewater Utility

Project Scope		Approved Project Funding	
This project provides Supervisory and Control Data Acquisitions (SCADA) to the following three lift stations: Village, Shellfish and Blardone		Funding Source	Fiscal Year 2011 – 2012
		Grant Funds	
		Transfer from Utility Fund	\$ 50,000
		Project Budget & Expenditures	
Project Name: SCADA		Project Budget:	\$ 50,000
Construction Start:		Expended to Date:	
Project Completion: January 31, 2012		Operational Impact	
Current Phase: N/A		Reduced maintenance demand and related personnel costs with updated technology	
Project Contract Information		Current Activity	
Project Manager: Darren Gurley		The City anticipates completion of installation by January 31, 2012.	
Phone Number: 361-552-3347			
Email Address: dgurley @portlavaca.org			
Grant Administrator: N/A			
Engineer:			
General Contractor:			



CAPITAL EXPENDITURES AND PROJECTS

2011-2012 Project Details

Beach Fund

Project Scope	
This project adds showers to the recreations center at Lighthouse Beach for campers.	
Project Name:	Recreation Showers
Construction Start:	
Project Completion:	September 30, 2011
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:	

Approved Project Funding	
Funding Source	Fiscal Year 2011 – 2012
Grant Funds	
Transfer from Beach Fund	\$ 75,000
Project Budget & Expenditures	
Project Budget:	\$ 75,000
Expended to Date:	
Operational Impact	
Minimal increase in water costs.	
Current Activity	
Project is scheduled to bid by February 2012.	

CAPITAL EXPENDITURES AND PROJECTS

2011-2012 Project Details

Port Commission Fund

Project Scope		Approved Project Funding	
This project is to bulkhead the Nautical Landings Marina to protect the City's infrastructure.		Funding Source	Fiscal Year 2011 – 2012
		Grant Funds	
		Transfer from Port Commission Fund	\$ 300,000
Project Contract Information		Project Budget & Expenditures	
Project Name:	Breakwater	Project Budget:	\$ 300,000
Construction Start:		Expended to Date:	
Project Completion:	September 30, 2012	Operational Impact	
Current Phase:	Design	Reduced maintenance demand and related personnel costs.	
		Current Activity	
		The City is currently waiting on the core permit.	

CAPITAL EXPENDITURES AND PROJECTS

Operating Capital Outlay

OPERATING CAPITAL OUTLAY

GENERAL FUND

Vehicles and Equipment

Department Number	Department	Description	Qty	Cost
0110	Police	Vehicle	1	30,000*
0110	Police	Hardware/Software	1	99,000*
0120	Fire	Air Packs/Bottles	3	17,000
0120	Fire	Fire Hose	1	10,000
0210	Animal Control	Vehicle	1	20,000*
0501	Parks	Mower	1	9,000
		Total General Fund Equipment		185,000

**Funded by Fixed Asset Replacement Fund or Other Financing Sources*

(Supported by current revenues \$36,000)

Capital Projects

Department Number	Department	Description	Qty	Cost
0410	Streets	Seal Coat Program	1	150,000
0501	Parks	Bay Front Park Playground	1	150,000
0501	Parks	Wilson Park Lighting	1	542,000
		Total General Fund Projects		842,000

Note: Funding Sources for Capital Projects can be found in the City's five year Capital Improvement Plan.

(Supported by current revenues and reserves \$842,000)

CAPITAL EXPENDITURES AND PROJECTS

Operating Capital Outlay

ENTERPRISE FUNDS

UTILITY FUND

Vehicles and Equipment

Department Number	Department	Description	Qty	Cost
5132	Utility Billing	Truck	1	25,000
5133	Utility Maintenance	Vehicle	1	27,000
		Total Utility Equipment		52,000

(Supported by current revenues \$52,000)

Capital Projects

Department Number	Department	Description	Qty	Cost
5133	Utility Maintenance	Sewer Line- Mariemont	1	535,000
5133	Utility Maintenance	Sewer Line- Bonorden	1	300,000*
5134	Waste Water Plant	SCADA Lift Stations	3	50,000
		Total Utility Projects		885,000

*Grant 250,000/City's Match 50,000

(Supported by current revenues and reserves \$635,000)

BEACH FUND

Capital Projects

Department Number	Department	Description	Qty	Cost
1000	Beach	Trailer Space Expansion	1	100,000
1000	Beach	Recreation Showers	1	75,000
		Total Beach Projects		175,000

(Supported by current revenues and reserves \$175,000)

PORT COMMISSION FUND

Capital Projects

Department Number	Department	Description	Qty	Cost
1000	Port Commission	Breakwater	1	300,000
		Total Port Projects		300,000

Note: Funding Sources for Capital Projects can be found in the City's five year Capital Improvement Plan.

(Supported by reserves \$300,000)

CAPITAL EXPENDITURES AND PROJECTS





CITY WIDE DEBT

Long Term Debt Service Funds

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 assets 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, 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 \$.07 of the current property tax rate of \$.745. Even though the City has issued five Certificates of Obligation (C.O.'s), the 2003 and 2005 are the only issues funded by property taxes. Other issues are supported by the respective fund's revenues. **The City has no plans to issue additional debt in the next 12 months.**

Assessed value, 2011 tax roll	\$580,421,719	Actual amount of tax-secured debt service - Year ended September 30, 2012	\$1,130,660
Limit on amount designated for debt service per \$100 assessed valuation	x \$ 1.50		
Legal Debt Service Limit	\$8,706,326	Legal Debt Margin	\$7,575,666

The following tables list each debt issue separately with its clearly stated principal and interest payment due. At the end of Fiscal Year 2012, outstanding general obligation bond and certificates of obligation bonds will be \$11,020,000 however only \$3,095,000 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.

CITY WIDE DEBT

Property Tax Supported Debt

2003 Certificates of Obligation

\$3,575,000 - 2003 Certificates of Obligation issued to fund various street projects. The payments are secured by property taxes due in annual installments ranging from \$140,000 to \$260,000 through February 15, 2017; interest varying between 3.00% and 4.45%.

Street Debt Service 2003	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted FY 2011-2012
Taxes				
Property Taxes- Current	253,286	251,496	268,260	254,050
Property Taxes- Delinquent	13,173	13,237	7,100	10,000
Total Taxes	266,459	264,733	275,360	264,050
Other Revenue				
Interest Income	291	300	241	250
Total Other Revenue	291	300	241	250
Total Street Debt Service	266,750	265,033	275,601	264,300
Sundry				
Debt Service Principal	155,000	160,000	160,000	165,000
Debt Service Interest	109,874	104,733	122,445	99,000
Debt Service Amortization	300	300	300	300
Total Sundry	265,174	265,033	282,745	264,300
Total Street Debt Service	265,174	265,033	282,745	264,300

FY 11/12 Requirements:

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$165,000	\$99,042	\$264,042

CITY WIDE DEBT

Property Tax Supported Debt

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 \$80,000 through February 15, 2024; interest varying between 4.00% and 4.50%.

Street Debt Service 2005	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted FY 2011-2012
Taxes				
Property Taxes- Current	79,530	77,259	84,232	81,676
Property Taxes- Delinquent	3,807	4,066	2,036	3,000
Total Taxes	83,338	81,325	86,268	84,676
Other Revenue				
Interest Income	31.73	300	47	50
Equity Balance Forward	0	0	0	0
Total Other Revenue	31.73	300	47	50
Total Street Debt Service	83,369	81,625	86,315	84,726
Sundry				
Debt Service Principal	45,000	45,000	45,000	50,000
Debt Service Interest	38,125	36,325	36,325	34,426
Debt Service Admin Fee	300	300	300	300
Total Sundry	83,425	81,625	81,625	84,726
Total Street Debt Service	83,425	81,625	81,625	84,726

FY 11/12 Requirements:

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$50,000	\$34,426	\$84,426

CITY WIDE DEBT

Public Utility Fund Supported Debt

2007 Revenue Bond and Certificate of Obligation

\$2,895,000 - 2007 Utility System General Obligation and Refunding Bond was issued to do 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% & 5.75%.

\$925,000 - Series 2007 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 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted FY 2011-2012
Other Revenue				
Interest Income	5.73	500	6	500
Equity Balance Forward	0	500	0	500
Total Other Revenue	5.73	1,000	6	1,000
Intergovernmental Revenue				
Transfer In- Fund 501	200,525	202,813	202,813	195,100
Total Intergovernmental	200,525	202,813	202,813	195,100
Total Water Debt Service	200,531	203,813	202,819	196,100
Sundry				
Debt Service Principal	40,000	45,000	45,000	40,000
Debt Service Interest	104,498	102,813	102,813	100,900
Debt Service- Admin Fee	500	500	0	500
Miscellaneous	0	0	0	0
Debt Service- Principle Clearwell	20,000	20,000	20,000	20,000
Debt Service – Interest Clearwell	35,699	35,000	35,000	34,200
Debt Service- Administrative Fee Clearwell	500	500	500	500
Total Sundry	201,197	203,813	203,313	196,100
Total Water Debt Service	201,197	203,813	203,313	196,100

FY 11/12 Requirements:

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$60,000	\$135,100	\$195,100

CITY WIDE DEBT

Public Utility Fund Supported Debt

2011 Revenue Bond

\$2,265,000 - 2011 General Obligation Refunding Bonds was 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 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted FY 2011-2012
Other Revenue				
Interest Income	15	100	10	0
Equity Balance Forward	0	400	0	500
Total Other Revenue	15	500	10	500
Intergovernmental Revenue				
Transfer In- Fund 501	363,063	367,310	367,310	354,642
Total Intergovernmental	363,063	367,310	367,310	354,642
Total Sewer Debt Service	363,078	367,810	367,320	355,142
Sundry				
Debt Service Principal	250,000	265,000	275,000	295,000
Debt Service Interest	111,752	102,310	85,809	59,642
Debt Service Amortization	769	500	500	500
Total Sundry	362,520	367,810	361,309	355,142
Total Sewer Debt Service	362,520	367,810	361,309	355,142

FY 11/12 Requirements:

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$295,000	\$59,642	\$354,642

CITY WIDE DEBT

Public Utility Fund Supported Debt

2004 Loan Commitment

\$1,535,000 - 2004 Loan Commitment 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 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted FY 2011-2012
Other Revenue				
Interest Income	257	300	194	150
Equity Balance Forward	0	0	0	150
Total Other Revenue	257	300	194	300
Intergovernmental Revenue				
Transfer In- Fund 501	93,870	97,645	97,645	101,190
Total Intergovernmental	93,870	97,645	97,645	101,190
Total TWDB Debt Service	94,127	97,945	97,839	101,490
Sundry				
Debt Service Principal	60,000	60,000	65,000	65,000
Debt Service Interest	40,171	37,645	38,991	36,190
Debt Service Amortization	300	300	300	300
Total Sundry	100,471	97,945	104,291	101,490
Total TWDB Debt Service	100,471	100,471	104,291	101,490

FY 11/12 Requirements:

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$65,000	\$101,190	\$166,190

CITY WIDE DEBT

Port Commission Fund Supported Debt

2008 Revenue Bond and Certificate of Obligation

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

Port Debt Service	Actual FY 2009-2010	Final Amended FY 2010-2011	Projected FY 2010-2011	Adopted FY 2011-2012
Other Revenue				
Interest Income	58.88	250	54	250
Equity Balance Forward	0	250	0	250
Total Other Revenue	58.88	500	54	500
Intergovernmental Revenue				
Transfer In- Fund 504	124,845	122,487	122,487	125,000
Total Intergovernmental	124,845	122,487	122,487	125,000
Total Port Debt Service	124,904	122,987	122,541	125,500
Sundry				
Debt Service Principal	60,000	60,000	60,000	65,000
Debt Service Interest	64,547	62,487	62,487	60,000
Debt Service Amortization	0	0	0	0
Paying Agent	0	500	0	500
Total Sundry	124,547	122,987	122,487	125,500
Total Port Debt Service	124,547	122,987	122,487	125,500

FY 11/12 Requirements:

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$65,000	\$60,031	\$125,031

CITY WIDE DEBT

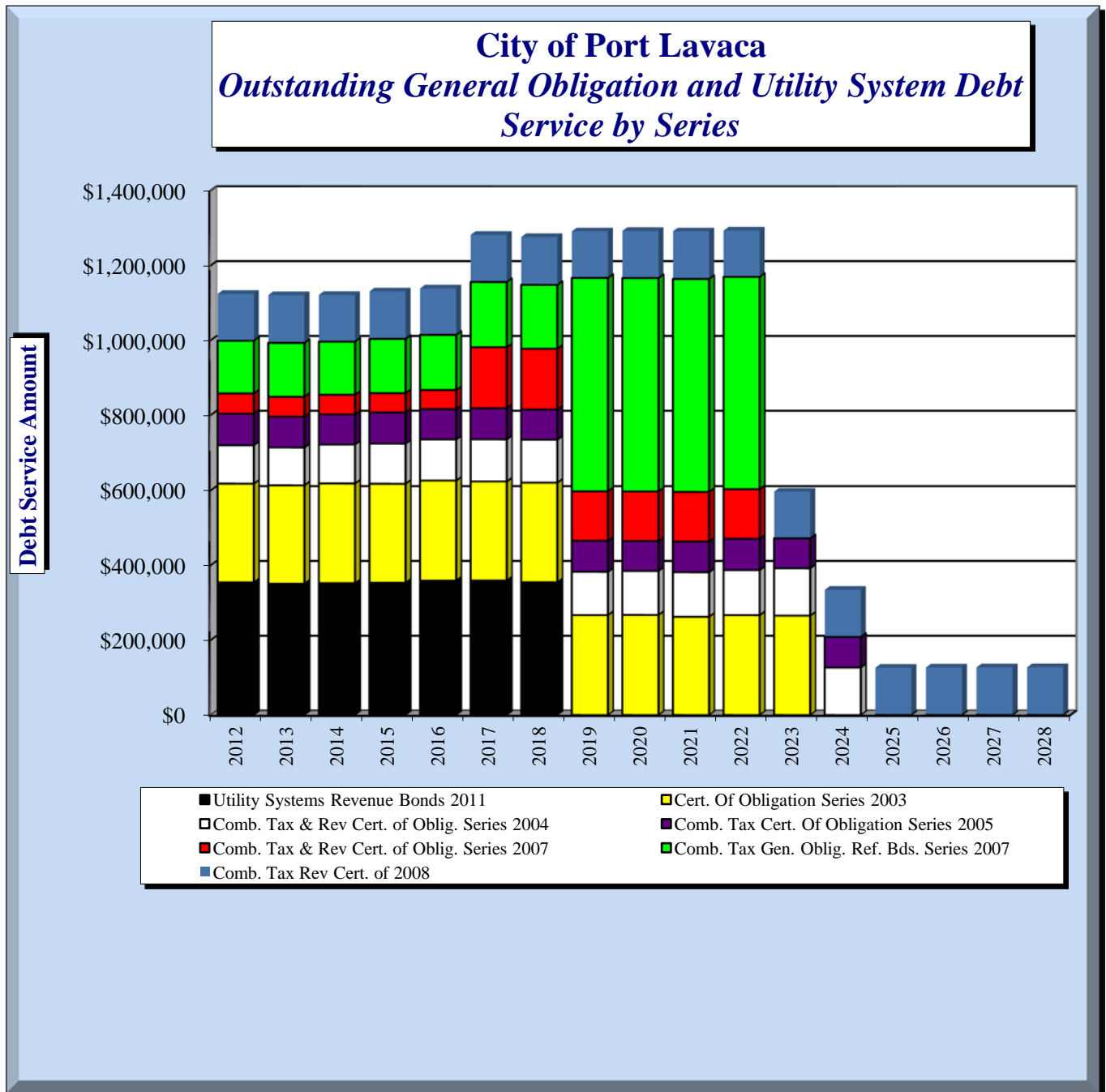
Outstanding Debt Issue by Series

Outstanding Debt Issue by Series

Supporting Fund	Public Utility Fund	General Fund	Public Utility Fund	General Fund	Public Utility Fund	Public Utility Fund	Port Commission	
Fiscal Year End	General Obligation Refunding Bond Series 2011	Certificate of Obligation Series 2003	Combination Tax & Revenue Certificate of Obligation Series 2004	Certificate of Obligation Series 2005	Combination Tax & Revenue Certificate of Obligation Series 2007	General Obligation Refunding Bonds Series 2007	Combined Tax & Surplus Harbor System Revenue Certificate of Obligation Series 2008	Total
2012	354,642	264,042	101,190	84,425	54,200	140,900	125,031	1,124,430
2013	351,223	262,970	99,581	82,425	53,400	143,988	127,378	1,120,965
2014	352,592	266,514	102,825	80,425	52,600	141,963	124,627	1,121,545
2015	353,677	264,670	105,848	83,325	51,800	144,825	126,778	1,130,922
2016	359,409	267,423	108,638	80,988	51,000	147,463	123,830	1,138,750
2017	359,787	264,645	111,203	83,400	162,900	174,313	125,785	1,282,031
2018	354,953	266,288	113,533	80,700	162,400	170,700	127,542	1,276,115
2019		267,310	115,641	82,888	132,300	569,100	124,202	1,291,441
2020		267,745	117,520	79,963	132,600	568,900	125,763	1,292,491
2021		262,748	119,136	81,925	132,700	567,900	127,128	1,291,537
2022		267,133	120,508	83,663	132,600	566,100	123,394	1,293,397
2023		265,785	126,538	80,288	-	-	124,563	597,173
2024		-	127,219	81,800	-	-	125,534	334,553
2025		-	-	-	-	-	126,310	126,310
2026		-	-	-	-	-	126,888	126,888
2027		-	-	-	-	-	127,271	127,271
2028		-	-	-	-	-	127,456	127,456
Total	\$ 2,486,282	\$ 3,187,271	\$ 1,469,378	\$ 1,066,213	\$ 1,118,500	\$ 3,336,150	\$ 2,139,479	\$14,803,272

CITY WIDE DEBT

Outstanding Debt Issue by Series







PERSONNEL

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 memo will describe the changes that are being recommended.

2011-2012 Goals

- **Develop a schedule to update Compensation Plan to include third party analysis**
- **Implement retention procedures**
- **Continue to develop City wide customer service training**
- **Assist in hiring and maintaining quality personnel**

2010-2011 Accomplishments

- **Revised and implemented a range table that recommends the minimum, midpoint and maximum ranges for all departments**
- **Revised performance evaluation form**
- **Revised Policy Manual**
- **Certified to teach customer service**
- **Trained Division Leaders in Customer Service**

Maximum Merit Increase (Annual Approval)

The staff recommends that the Council approve 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 2011-2012(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 2 years the Human Resource staff surveys City's in close proximity to make sure the City is maintaining a competitive salary and adjusts salary ranges if necessary. Every 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 guarantee is 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 should 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.

PERSONNEL

Approved Positions for FY 2011-2012 (Annual Approval)

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 were not recommended to change this year.**

Administrative changes can be made to this schedule during the year, which does not require approval by the Council. For example, there might be a job title or a change in grade to accommodate changing circumstances, but the total number of full-time and part-time positions must be approved by Council.

Approved by Council for 2011-2012 Budget:

- Amount of Merit Increase Allocated- \$82,000 (2.5%)
- Number of Positions (95)

Occupational Department	Description	No. Of Positions FY 2009-2010	No. Of Positions FY 2010-2011	No. Of Positions FY 2011-2012
City Manager		2	2	2
City Secretary		2	2	1
Human Resources		0	0	1
Municipal Court		1 1/2	1 1/2	1 1/2
IT Support		0	1	1
Finance		3	3	3
City Hall		1/2	1	1
Police		26	26	26
Fire		17	17	17
Animal Control		2	2	2
Public Works		2	2	2
Code Enforcement		3	3	3
Streets	5 are Temporary	14	14	14
Parks & Recreation	1 is Temporary	6	6	6
Bauer Center		2	2	2
Utility Maintenance	1 is Temporary	9	9	9
Waste Water		4	4	4
Utility Billing & Support		5	5	5
Harbor		1 1/2	1 1/2	1 1/2
Total Positions		100.5	102	102
	Full Time/Part Time	93.5	95	95
	Temporary	7	7	7



STATISTICAL INFORMATION



STATISTICAL INFORMATION

Net Assets by Component

NET ASSETS BY COMPONENT (1)

Last seven 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	3,622,128	3,971,998	5,022,591
Total governmental activities net assets	\$ 21,260,370	\$ 23,520,921	\$ 17,731,355
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	2,282,096	3,138,979	4,353,647
Total business-type activities net assets	\$ 17,204,299	\$ 16,966,158	\$ 14,828,154
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	5,904,224	7,110,977	9,376,238
Total primary government activities net assets	\$ 38,464,669	\$ 40,487,079	\$ 32,559,509

(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

NET ASSETS BY COMPONENT (1) CONTINUED

Fiscal Year			
2007	2008	2009	2010
\$ 13,105,824	\$ 13,815,306	\$ 15,787,249	\$ 18,383,147
221,392	848,885	876,554	784,798
6,556,521	7,374,943	6,394,379	4,732,493
<u>\$ 19,883,737</u>	<u>\$ 22,039,134</u>	<u>\$ 23,058,182</u>	<u>\$ 23,900,438</u>
\$ 11,569,600	\$ 11,052,199	\$ 11,334,652	\$ 11,536,833
129,592	12,681	233,544	51,469
4,022,664	4,953,062	5,642,701	6,841,071
<u>\$ 15,721,856</u>	<u>\$ 16,017,942</u>	<u>\$ 17,210,897</u>	<u>\$ 18,429,373</u>
\$ 24,675,424	\$ 24,867,505	\$ 27,121,901	\$ 29,919,980
350,984	861,566	1,110,098	836,267
10,579,185	12,328,005	12,037,080	11,573,564
<u>\$ 35,605,593</u>	<u>\$ 38,057,076</u>	<u>\$ 40,269,079</u>	<u>\$ 42,329,811</u>

STATISTICAL INFORMATION

Changes in Net Assets

CHANGES IN NET ASSETS (1)

Last seven 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	<u>229,039</u>	<u>167,922</u>	<u>195,885</u>
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	<u>130,951</u>	<u>620,816</u>	<u>517,067</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
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

CHANGES IN NET ASSETS (1) CONTINUED

Fiscal Year			
2007	2008	2009	2010
\$ 1,300,514	\$ 1,499,965	\$ 1,847,859	\$ 1,886,794
2,204,124	2,490,358	2,598,507	3,191,293
1,352,679	1,974,638	1,615,002	1,406,502
522,218	167,594	547,013	686,747
<u>180,891</u>	<u>-</u>	<u>154,696</u>	<u>147,266</u>
<u>5,560,426</u>	<u>6,132,555</u>	<u>6,763,077</u>	<u>7,318,602</u>
703,077	412,420	484,632	804,307
3,903	269,784	378,324	322,510
<u>335,671</u>	<u>407,223</u>	<u>51,589</u>	<u>125,279</u>
<u>1,042,651</u>	<u>1,089,427</u>	<u>914,545</u>	<u>1,252,096</u>
(4,517,775)	(5,043,128)	(5,848,532)	(6,066,506)
2,887,459	2,894,987	3,214,039	3,414,317
2,328,103	2,439,957	2,170,959	2,295,492
597,082	623,987	613,509	620,247
197,276	277,757	235,571	271,287
325,364	258,739	123,127	54,319
43,049	338,701	235,375	277,928
252,449	364,397	275,000	182,943
<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,000)</u>
<u>6,630,782</u>	<u>7,198,525</u>	<u>6,867,580</u>	<u>6,931,533</u>
<u>\$ 2,113,007</u>	<u>\$ 2,155,397</u>	<u>\$ 1,019,048</u>	<u>\$ 865,027</u>

(continued)

STATISTICAL INFORMATION

Changes in Net Assets

CHANGES IN NET ASSETS (1) CONTINUED

Last seven 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	<u>267,928</u>	<u>115,506</u>	<u>171,037</u>
Total expenses	<u>4,762,758</u>	<u>4,597,361</u>	<u>3,825,901</u>
Program revenues			
Charges for services	4,397,815	4,807,141	4,948,781
Operating grants and contributions	-	-	16,887
Capital grants and contributions	<u>124,000</u>	<u>75,207</u>	<u>227,284</u>
Total program revenues	<u>4,521,815</u>	<u>4,882,348</u>	<u>5,192,952</u>
Total governmental 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	<u>20,920</u>	<u>(1,413,260)</u>	<u>(140,472)</u>
Total general revenues and other changes in net assets	<u>164,687</u>	<u>(1,208,156)</u>	<u>33,313</u>
Prior period adjustment	-	685,028	-
Total business-type activities change in net assets	<u>\$ (76,256)</u>	<u>\$ (238,141)</u>	<u>\$ 1,400,364</u>
Total primary government change in net assets	<u>\$ 784,603</u>	<u>\$ 2,022,410</u>	<u>\$ 2,559,886</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

Changes in Net Assets

CHANGES IN NET ASSETS (1) CONTINUED

Fiscal Year			
2007	2008	2009	2010
\$ 3,835,279	\$ 3,913,016	\$ 4,288,109	\$ 4,283,432
345,062	328,525	379,371	395,332
<u>129,800</u>	<u>150,828</u>	<u>162,064</u>	<u>218,240</u>
<u>4,310,141</u>	<u>4,392,369</u>	<u>4,829,544</u>	<u>4,897,004</u>
5,088,403	5,612,806	5,966,101	5,893,741
3,000	2,000	2,000	2,000
<u>178,859</u>	<u>153,218</u>	<u>236,338</u>	<u>374,396</u>
<u>5,270,262</u>	<u>5,768,024</u>	<u>6,204,439</u>	<u>6,270,137</u>
960,121	1,375,655	1,374,895	1,373,133
234,879	176,704	75,060	28,286
-	-	18,000	-
-	(891,876)	-	-
<u>(252,449)</u>	<u>(364,397)</u>	<u>(275,000)</u>	<u>(182,943)</u>
<u>(17,570)</u>	<u>(1,079,569)</u>	<u>(181,940)</u>	<u>(154,657)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>942,551</u>	\$ <u>296,086</u>	\$ <u>1,192,955</u>	\$ <u>1,218,476</u>
<u>\$ 3,055,558</u>	<u>\$ 2,451,483</u>	<u>\$ 2,212,003</u>	<u>\$ 2,083,503</u>

STATISTICAL INFORMATION

Changes in Fund Balances of Governmental Funds

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last seven fiscal years

	Fiscal Year		
	2004	2005	2006
General Fund			
Reserved for:			
Prepaid Items	\$ -	\$ -	\$ 25,800
Unreserved, designated for:			
Operating reserves	-	-	2,529,900
Health insurance claims	-	-	500,000
Street improvements	-	-	300,000
Capital asset replacement	-	-	250,000
Unreserved, undesignated	<u>3,207,924</u>	<u>3,339,465</u>	<u>574,072</u>
Total general fund	<u>\$ 3,207,924</u>	<u>\$ 3,339,465</u>	<u>\$ 4,179,772</u>
All Other Governmental Funds			
Unreserved, undesignated reported in:			
Special revenue funds	\$ 87,034	\$ 268,151	\$ 379,336
Debt service funds	168,794	137,977	118,931
Capital projects funds	<u>1,649,852</u>	<u>1,445,804</u>	<u>664,705</u>
Total all other governmental funds	<u>\$ 1,905,680</u>	<u>\$ 1,851,932</u>	<u>\$ 1,162,972</u>

(1) Modified accrual basis of accounting

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

STATISTICAL INFORMATION

Changes in Fund Balances of Governmental Funds

FUND BALANCES, GOVERNMENTAL FUNDS (1) CONTINUED

Fiscal Year			
2007	2008	2009	2010
\$ 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
<u>1,576,413</u>	<u>2,543,671</u>	<u>2,534,443</u>	<u>1,750,753</u>
<u>\$ 5,266,894</u>	<u>\$ 6,319,527</u>	<u>\$ 6,429,499</u>	<u>\$ 4,614,747</u>
\$ 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>

STATISTICAL INFORMATION

Changes in Fund Balances of Governmental Funds

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last seven 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	<u>121,392</u>	<u>128,464</u>	<u>24,640</u>
Total revenues	<u>5,689,467</u>	<u>6,325,139</u>	<u>6,258,381</u>
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	<u>222,473</u>	<u>141,278</u>	<u>203,243</u>
Total expenditures	<u>7,437,442</u>	<u>7,489,023</u>	<u>6,788,615</u>
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	<u>-</u>	<u>-</u>	<u>17,099</u>
Total other financing sources (uses)	<u>(202,283)</u>	<u>1,241,677</u>	<u>672,626</u>
Change in fund balances	<u>\$ (1,950,258)</u>	<u>\$ 77,793</u>	<u>\$ 142,392</u>
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 of Governmental Funds

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1) CONTINUED

Fiscal Year			
2007	2008	2009	2010
\$ 5,927,214	\$ 6,298,996	\$ 6,198,734	\$ 6,609,092
94,271	98,076	96,535	97,740
409,948	402,550	501,345	769,529
5,120	11,080	5,332	5,956
514,747	262,384	429,913	447,789
-	-	-	-
325,364	258,739	123,127	54,319
47,582	36,535	37,390	22,737
43,049	267,720	96,453	135,191
<u>7,367,295</u>	<u>7,636,080</u>	<u>7,488,829</u>	<u>8,142,353</u>
1,310,596	1,588,358	1,846,671	1,859,894
2,389,811	2,565,946	2,742,639	3,213,266
200,936	1,301,846	1,422,306	1,016,111
924,048	-	-	-
408,748	447,281	440,345	579,783
-	-	-	-
1,142,459	454,855	1,947,494	2,922,769
568,939	180,000	195,000	200,000
174,400	161,865	155,465	148,599
<u>7,119,937</u>	<u>6,700,151</u>	<u>8,749,920</u>	<u>9,940,422</u>
247,358	935,929	(1,261,091)	(1,798,069)
662,379	1,053,450	1,019,558	3,271,834
(409,930)	(689,053)	(744,558)	(3,071,834)
295,392	257,054	-	-
19,762	9,439	14,141	5,036
<u>567,603</u>	<u>630,890</u>	<u>289,141</u>	<u>205,036</u>
<u>\$ 814,961</u>	<u>\$ 1,566,819</u>	<u>\$ (971,950)</u>	<u>\$ (1,593,033)</u>
<u>15.57%</u>	<u>6.11%</u>	<u>5.81%</u>	<u>5.37%</u>

STATISTICAL INFORMATION

Actual and Taxable Assessed Value of Property

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last nine 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			
2002	2001	\$134,037,735	\$ 110,465,516	\$60,092,990	\$26,251,850	\$278,344,391
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

(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

Actual and Taxable Assessed Value of Property

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY CONTINUED

Total Freeze Taxable	Freeze Adjusted Taxable	Total Direct Tax Rate	Estimated Tax Value Before Freeze Ceiling	Freeze Ceiling	Estimated Tax Value Including Freeze Ceiling	Assessed Value (1) as a Percentage of Actual Value
\$ -	\$ 78,344,391	\$ 0.7182	\$ 1,999,069	\$ -	\$ 1,999,069	100.00%
-	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%

STATISTICAL INFORMATION

Direct and Overlapping Property Tax Rates

DIRECT AND OVERLAPPING PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE

Last ten fiscal years

Fiscal Year	City Direct Rates			Overlapping Rates			Total
	Debt Service	General Fund	Total	School District	Calhoun County	Port Authority	
2001	\$0.1000	\$0.6175	\$0.7175	\$1.3078	\$0.3750	\$0.0047	\$ 1.6875
2002	0.0842	0.6340	0.7182	1.3078	0.4244	0.0047	1.7369
2003	0.1334	0.5866	0.7200	1.3668	0.5210	0.0047	1.8925
2004	0.0864	0.6336	0.7200	1.4176	0.5210	0.0046	1.9432
2005	0.0864	0.6360	0.7200	1.4176	0.5210	0.0043	1.9429
2006	0.0938	0.6562	0.7500	1.2969	0.4900	0.0041	1.7910
2007	0.0878	0.6622	0.7500	1.0968	0.4900	0.0039	1.5907
2008	0.0821	0.6679	0.7500	1.1100	0.4900	0.0039	1.6039
2009	0.0770	0.6730	0.7500	1.1201	0.4900	0.0039	1.6140
2010	0.0770	0.6730	0.7500	1.1331	0.4900	0.0039	1.6270

Source: Calhoun County Appraisal District

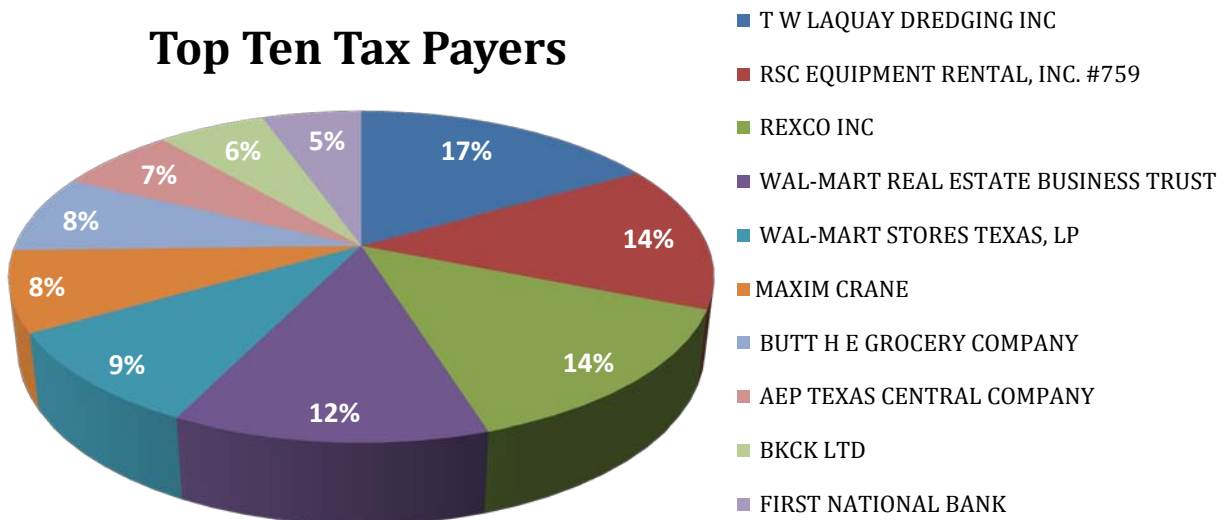
STATISTICAL INFORMATION

Top Ten Taxpayers

PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)

2010		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
T W Laquay Dredging Inc	\$ 10,921,650	2.74%
RSC Equipment Rental Inc.#759	9,305,130	2.33%
Rexco Inc	9,146,840	2.29%
Wal-Mart Real Estate Business Trust	7,922,650	1.99%
Wal-Mart Stores Texas, LP	6,113,300	1.53%
Maxim Crane Works, LP	5,128,770	1.29%
H E Butt Grocery Company	4,912,400	1.23%
AEP Texas Central Company	4,226,010	1.06%
BKCK Ltd	3,850,480	0.97%
Port Lavaca Dodge	3,549,940	0.89%
	\$ 65,077,170	16.31%

Top Ten Tax Payers



STATISTICAL INFORMATION

Property Tax Levies and Collections

PROPERTY TAX LEVIES AND COLLECTIONS

Last ten fiscal years

Fiscal Year	Taxes Levied for the Fiscal Year		Total Adjusted Levy	Collections within the Fiscal Year of the Levy	
	(Original Levy)	Adjustments		Amount	Percentage of Levy
2001	\$ 1,915,989	\$ (2,646)	\$ 1,913,343	\$ 1,840,439	96.19%
2002	1,997,548	262	1,997,810	1,911,268	95.67%
2003	2,186,081	(7,108)	2,178,973	2,055,277	94.32%
2004	2,260,396	5,910	2,266,306	2,111,960	93.19%
2005	2,343,372	(9,994)	2,333,378	2,199,525	94.26%
2006	2,552,795	(5,340)	2,547,455	2,434,551	95.57%
2007	2,850,290	(6,724)	2,843,566	2,698,948	94.91%
2008	2,931,382	(5,944)	2,925,438	2,771,551	94.74%
2009	3,199,645	(5,324)	3,194,321	3,014,618	94.37%
2010	3,440,702	(44,490)	3,396,212	3,231,724	95.16%

SOURCE: Calhoun County Appraisal District

STATISTICAL INFORMATION

Property Tax Levies and Collections

PROPERTY TAX LEVIES AND COLLECTIONS CONTINUED

Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy
\$	65,617	\$ 1,906,056	99.62%
	78,316	1,989,584	99.59%
	106,171	2,161,448	99.20%
	144,032	2,255,992	99.54%
	119,635	2,319,160	99.39%
	96,009	2,530,560	99.34%
	121,346	2,820,294	99.18%
	120,405	2,891,956	98.86%
	118,817	3,133,435	98.09%
	-	3,231,724	95.16%

STATISTICAL INFORMATION

Water Produced and Consumed and Wastewater Treated

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
2001	565,195	453,202	111,993	20%	N/A
2002	549,278	440,610	108,668	20%	N/A
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

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

STATISTICAL INFORMATION

Water Produced and Consumed and Wastewater Treated

WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED CONTINUED

Total Direct Rate				
<u>Water</u>		<u>Sewer</u>		
Base Rate \$	Usage Rate \$	Base Rate \$	Usage Rate \$	
8.91	10.47	8.52	10.47	
8.98	10.65	8.52	10.65	
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	

STATISTICAL INFORMATION

Water and Sewer Rates

WATER AND SEWER RATES

Last ten fiscal years

	Fiscal Year				
	2001	2002	2003	2004	2005
Water Rates					
Base Rate (includes 2,000 gallons)					
Base Rate by					
Meter Size					
3/4"					
to					
5/8"	\$ 8.91	\$ 8.98	\$ 10.98	\$12.46	\$13.46
1"	10.19	10.19	12.19	13.84	14.84
1 1/2"	12.76	12.76	14.76	16.75	17.75
2"	15.32	15.32	17.32	19.66	20.66
3"	20.54	20.54	22.54	25.58	26.58
4"	25.56	25.56	27.56	31.28	32.28
6"	36.61	36.61	38.61	44.16	45.16
Per 1,000 gallons over					
base charge	3.49	3.55	3.90	4.43	4.45
Sewer Rates					
Base Rate (includes					
2,000 gallons)	8.52	8.52	8.59	9.75	9.75
Per 1,000 gallons over					
base charge	3.49	3.55	3.87	4.39	4.39

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 (3) 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.

SOURCE: City of Port Lavaca Utility Department

STATISTICAL INFORMATION

Water and Sewer Rates

WATER AND SEWER RATES CONTINUED

Fiscal Year							
2006	2007	2008		2009		2010	
		<u>Residential</u>	<u>Commercial</u>	<u>Residential</u>	<u>Commercial</u>	<u>Residential</u>	<u>Commercial</u>
\$13.96	\$13.96	\$ 15.00	\$ 17.50	\$ 15.00	\$ 17.50	\$ 15.00	\$ 17.50
15.34	15.34	15.00	17.50	15.00	17.50	15.00	17.50
18.25	18.25	15.00	17.50	15.00	17.50	15.00	17.50
21.16	21.16	15.00	35.00	15.00	35.00	15.00	35.00
27.08	27.08	15.00	35.00	15.00	35.00	15.00	35.00
32.78	32.78	15.00	35.00	15.00	35.00	15.00	35.00
45.66	45.66	15.00	35.00	15.00	35.00	15.00	35.00
4.45	4.65	4.75	4.95	4.75	4.95	4.75	4.95
11.75	12.25	14.00	15.75	14.00	15.75	14.00	15.75
4.39	4.89	4.90	4.95	4.90	4.95	4.90	4.95

STATISTICAL INFORMATION

Ten Largest Water Customers

TEN LARGEST WATER CUSTOMERS

(UNAUDITED)

Current Year and Nine Years Ago

<u>2010</u>			
Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
Memorial Medical Center	Hospital	13,862	3.67%
Calhoun County	County Offices	9,779	2.59%
Calhoun County I.S.D.	Schools	9,548	2.53%
City of Port Lavaca	City Accounts	8,941	2.37%
Bordeaux Apartments	Apartment Complex	6,626	1.76%
Regency Nursing Home	Senior Center (Home)	6,607	1.75%
Hillman Shrimp & Oyster	Fishing Industry	4,394	1.16%
Splash & Dash	Car Wash	3,866	1.02%
Days Inn	Hotel/Motel	3,241	0.86%
The Laundromat	Laundry	2,817	0.75%
<u>2001</u>			
Customer	Type of Business	12-Month Water Consumption	Percent of Total Billed
Calhoun County I.S.D.	Schools	8,931	1.97%
Memorial Medical Center	Hospital	7,898	1.74%
Regency Nursing Home	Senior Center (Home)	7,148	1.58%
H.E.B.	Grocery Store	6,985	1.54%
Bordeaux Apartments	Apartment Complex	6,479	1.43%
King Fisher	Marina	5,856	1.29%
City of Port Lavaca	City Accounts	5,775	1.27%
Days Inn	Hotel/Motel	3,122	0.69%
Calhoun County	County Offices	3,007	0.66%
Sea Breeze	Apartment Complex	2,587	0.57%

SOURCE: City of Port Lavaca Utility Billing Department



STATISTICAL INFORMATION

Ratios of Outstanding Debt by Type

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
2001	\$ 403,305	\$1,010,000	\$ -	\$ 63,504	\$ 536,695	\$ 7,120,000	\$ 33,449
2002	355,812	900,000	-	80,400	424,188	6,910,000	22,266
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

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

STATISTICAL INFORMATION

Ratios of Outstanding Debt by Type

RATIOS OF OUTSTANDING DEBT BY TYPE CONTINUED

Total Primary Government	Percentage of Personal Income	Per Capita
\$ 9,166,953	3.5%	\$ 770.27
8,692,666	3.3%	741.32
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

STATISTICAL INFORMATION

Ratios of Net General Bonded Debt Outstanding

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last ten fiscal years

Fiscal Year	General Bonded Debt Outstanding			Debt Service Monies Available	Debt Payable from Enterprise Funds
	Certificates of Obligation	General Obligation Bonds	Total		
2001	\$ 940,000	\$ 1,010,000	\$ 1,950,000	\$ 101,493	\$ 536,695
2002	780,000	900,000	1,680,000	130,910	424,188
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

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

N/A denotes information not available.

STATISTICAL INFORMATION

Ratios of Net General Bonded Debt Outstanding

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING CONTINUED

Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
1,311,812	N/A	\$ 110.23
1,124,902	0.40%	95.93
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

STATISTICAL INFORMATION

Direct and Overlapping Governmental Activities Debt

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

(UNAUDITED)

September 30, 2010

	Gross Debt Outstanding		Percentage Applicable to City	Amount Applicable to City
	Date	Amount		
Direct Debt:				
City of Port Lavaca	09/30/2010	<u>\$ 3,515,000</u>	100.00%	<u>\$ 3,515,000</u>
Overlapping Debt:				
Calhoun County	09/30/2010	12,410,000	15.65%	1,942,523
Calhoun Independent School District	09/30/2010	16,430,000	15.11%	2,482,203
Calhoun Port Authority	09/30/2010	<u>32,400,000</u>	24.60%	<u>7,971,614</u>
Total Overlapping Debt		<u>61,240,000</u>		<u>12,396,340</u>
Total		<u>\$ 64,755,000</u>		<u>\$ 15,911,340</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

STATISTICAL INFORMATION

Pledged Revenue Coverage

PLEDGED-REVENUE COVERAGE

Last ten fiscal years

Fiscal Year		Gross Revenue	Direct Operating Expenses	Net Available Revenue	Average Debt Service Requirements	Times Debt Coverage
2001	(1)	\$ 4,090,217	\$ 3,110,570	\$ 979,647	\$ 539,000	1.82
2002	(1)	3,905,575	2,760,874	1,144,701	541,221	2.12
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	647,326	3.00
2009	(2)	5,331,869	3,478,632	1,853,237	656,105	2.82
2010	(2)	5,194,828	3,470,112	1,724,716	657,458	2.62

(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

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2001	2002	2003	2004
General Government				
Building permits issued	N/A	N/A	N/A	316
Building inspections conducted	N/A	N/A	N/A	653
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	N/A	N/A
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	N/A	N/A
Lighthouse Beach Park				
Annual	299	272	237	352
Daily	6,855	6,732	4,784	7,398
Pavillion	N/A	N/A	16	54
Water and Wastewater				
Water				
Water Customers	4,413	4,353	4,455	4,455
Water Taps	12	33	19	24
Average daily consumption	1.55 mgd	1.53 mgd	1.28 mgd	1.20 mgd
Peak daily consumption	1.87 mgd	1.90 mgd	1.61 mgd	1.52 mgd
Wastewater				
Sewer Customers	4,146	4,096	4,193	4,193
Sewer Taps	7	25	15	26
Average daily sewage treatment	N/A	N/A	N/A	1.28 mgd

NOTE: N/A denotes information not available.

SOURCE: Various City departments

STATISTICAL INFORMATION

Operating Indicators by Function/Program

OPERATING INDICATORS BY FUNCTION/PROGRAM CONTINUED

Fiscal Year					
2005	2006	2007	2008	2009	2010
329	283	491	202	564	548
676	499	456	436	564	732
N/A	N/A	N/A	398	409	336
N/A	N/A	N/A	431	450	422
234	222	200	230	192	175
49.3	49.3	50.1	50.1	50.1	50.1
64	73	65	88	71	65
464	451	496	536	551	533
8,619	6,932	7,093	9,516	11,111	15,170
43	43	54	38	25	42
4,455	4,492	4,456	4,548	4,514	4,552
25	8	10	13	19	11
1.29 mgd	1.29 mgd	1.18 mgd	1.34 mgd	1.38 mgd	1.27 mgd
1.55 mgd	1.57 mgd	1.40 mgd	1.61 mgc	1.66 mgd	1.49 mgd
4,175	4,190	4,173	4,253	4,217	4,267
18	7	8	7	2	7
1.09 mgd	1.14 mgd	1.37 mgd	1.05 mgd	1.01 mgd	1.19 mgd

STATISTICAL INFORMATION

Capital Asset Statistics by Function/Program

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last ten fiscal years

	Fiscal Year			
	2001	2002	2003	2004
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	676	677	678	672
Culture and Recreation				
Acreage	150	150	150	150
Parks	6	6	6	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	66	66	67
Fire hydrants	245	245	245	245
Storage capacity	1.761	1.761	1.761	1.761
Wastewater				
Sanitary sewers (miles)	55	55	55	55
Treatment capacity	2	2	2	2

SOURCE: Various City departments

STATISTICAL INFORMATION

Capital Asset Statistics by Function/Program

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM CONTINUED

Fiscal Year					
2005	2006	2007	2008	2009	2010
1	1	1	1	1	1
7	7	7	7	7	7
2	2	2	2	2	2
49.3	49.3	50.1	50.1	50.1	50.1
672	680	686	686	684	686
150	150	150	150	150	150
7	7	7	7	7	7
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
67	68.5	68.5	68.5	69	69
250	250	250	250	259	259
1	1	1	1	1	1
56	56	58	58	58	58
2.5	2.5	2.5	2.5	2.5	2.5





APPENDIX

FY 2011- 2012 Budget Planning Calendar

Date	Activity	Responsible Party
March	Capital Planning	City Manager Finance Director
April-May	Mailing of notices of appraised value	Calhoun County Appraisal District
April 26	Distribute budget package to Division Heads	Finance Director
May 9	Regular Council Meeting	City Council
May 26	Turn in budget package to Finance Director	Department Heads
June 6	Submit first draft of budget to City Manager	Finance Director
June 7-10	Budget review with Department Heads Capital Planning	City Manager Finance Director Department Heads
June 13	Budget Workshop- Capital Plan Regular Council Meeting	City Manager City Council
June 20-24	Budget review with Department Heads	City Manager Finance Director Department Heads
July 11	Regular Council Meeting	City Manager City Council
July 25	Certification of appraisal roll	Chief Appraiser
August 2	Distribute budget package to Division Heads	Finance Director
August 3	Budget Workshop 8:00-5:00	City Manager Finance Director Department Heads
August 6	Publishes notice of effective and rollback tax rates	Calhoun County Appraisal District
August 8	Proposed budget filed with City Secretary	City Manager
August 8	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 29	Special Called Meeting- 5:30 -Public Hearings on budget & tax rate (if required)	City Council
September 1	Special Called Meeting- 5:30 -Public Hearing on budget -Public Hearing on tax rate (if required) -First Reading on budget & tax rate ordinance -First Reading on fees ordinance	City Council
September 12	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 27	Distribute budgets	Finance Director
October 1	Budget becomes effective	N/A

APPENDIX

Budgetary Guidelines

Budget 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 Summary

March	City Council Strategic Work Session
March-May	Departments develop budgets and submit by end of May
June	City Manager reviews with Departments
July	City Manager submits preliminary budget to Council Certification of tax roll by Chief Appraiser
August	Publication of proposed tax rate and Public Hearings
September	Proposed Budget is submitted and approved by City Council (2 readings)
October 1	Budget becomes effective

Summary Description of the Budget Process - City Charter

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 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, 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.

APPENDIX

Budgetary Guidelines

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 Officer's 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, which budget shall provide a complete financial plan for the fiscal year, and shall contain the following:

1. A budget message, explanatory of the budget, which 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, including municipal utility 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 or for the number of years for which records are available.
6. General fund resources in detail.

7. Summary of proposed expenditures by fund, department and activity.
8. Summary of proposed expenditures by character and object.
9. Detailed estimates of expenditures shown separately for each activity to support the summaries Number 7 and 8 above. Such estimates of expenditures are to include an itemization of positions showing the number of persons having each title and the rate of pay.
10. A revenue and expense statement for all types of bonds.
11. A description of all bond issues outstanding showing rate of interest, date of issue, maturity date, amount authorized, amount issued, and amount outstanding.
12. A schedule of requirements for the principal and interest on each issue of bonds.
13. A special funds section.
14. The appropriation ordinance.
15. The tax levying ordinance.
16. The capital improvement program for the budget year and proposed method of financing.
17. A plan for capital improvement covering the succeeding five years and proposed method of financing.
18. A summary of the condition of machinery, equipment and buildings.
19. A suggested legislative program and the highlights of the proposed administrative program

Anticipated Revenues 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

Budgetary Guidelines

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.

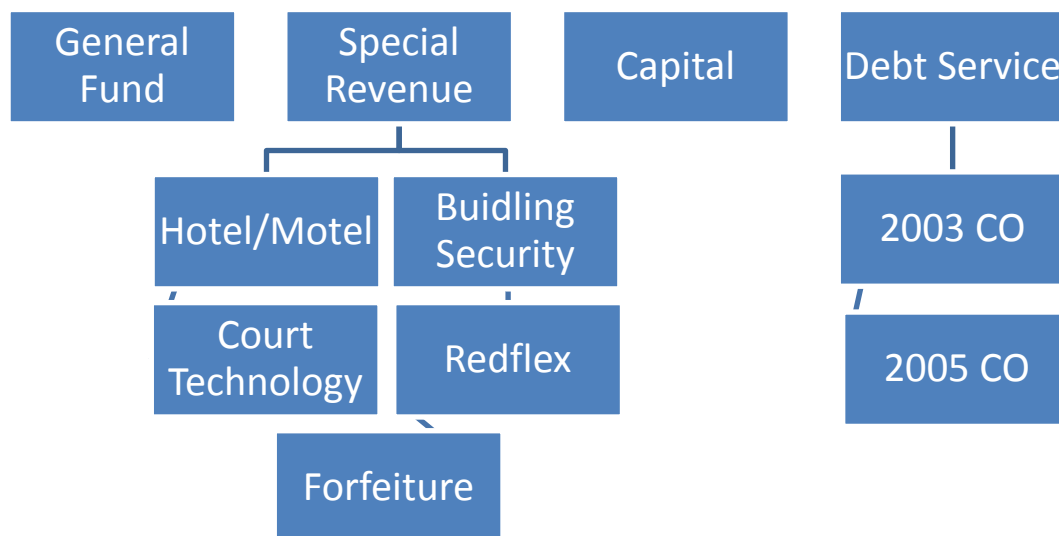
Budgetary Basis

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.

Governmental Funds

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. Their 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, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

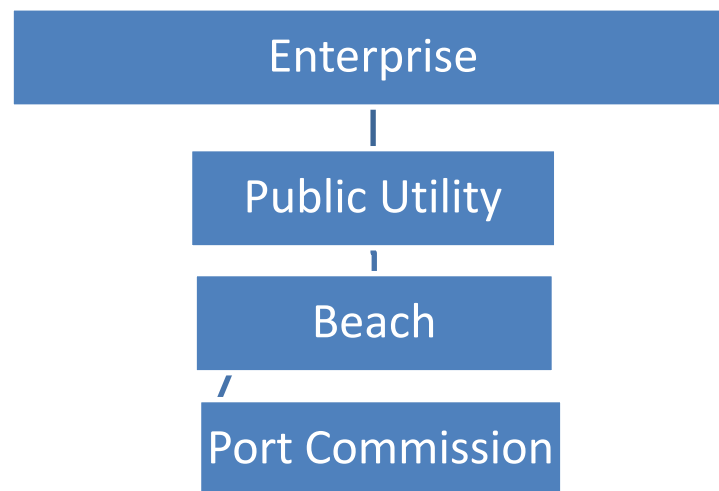
Fund Structure – Modified Basis



Proprietary Funds

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 does not budget depreciation expense, while the income statement does account for this line item. Lease-purchases are accounted for in the City budget by reflecting each year's expected interest expenditure as interest expense and budgeting the principal portion as capital outlay expenditure. Of necessity, the accounting system capitalizes the full present value of principal as an asset and sets up the debts a long-term debt. Finally, capital expenditures made from operating funds are budgeted as capital outlay expenditures. For proprietary funds, the measure used to identify those assets available for allocation in the budget process is working capital, which is current assets minus current liabilities. As in governmental funds, our debt service expenditures for revenue bonds are shown as a reservation and bond project funds, if not encumbered and reserved, are shown as a designation.

Fund Structure – Accrual Basis



General

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. It is assumed in the budget that there will be no encumbrances at year end to be carried forward.

APPENDIX

Budgetary Guidelines

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 objects of 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.

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.

Budget Ordinance

ORDINANCE #S-3-11

AN ORDINANCE APPROVING THE ANNUAL BUDGET FOR THE CITY OF PORT LAVACA, TEXAS AND ADOPTING THE BUDGET DOCUMENT FOR THE FISCAL YEAR OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012; 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, 2011 through September 30, 2012, 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, 2011 through September 30, 2012 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 2011/2012.

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 1st day of September, 2011

SECOND AND FINAL READING this 12TH day of September, 2011

ORDINANCE NUMBER S-3-2011

Passed and adopted 09-12-11

Recorded Volume 3B

APPENDIX

Tax Rate Ordinance

Tax Rate Ordinance

ORDINANCE #S-4-11

AN ORDINANCE FIXING THE TAX RATE AND TAX LEVY FOR THE CITY OF PORT LAVACA, TEXAS, FOR THE YEAR 2011, UPON ALL TAXABLE PROPERTY IN SAID CITY OF PORT LAVACA, TEXAS SUBJECT TO TAXATION BY SAID CITY ON THE FIRST DAY OF JANUARY, 2011 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 I. That there shall be and there is hereby levied and assessed for the year 2011 upon all property of every description subject to taxation by the City of Port Lavaca, Texas on the 1st day of January, 2011 , the following tax rate, to-wit:

An Ad Valorem Tax at the rate of \$0.7450 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, 2012.

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	\$.6730	90.64%
Tax Supported Debt Service Fund		
2003 Certificates of Obligation	\$.0528	7.09%
2005 Certificates of Obligation	\$.0169	2.27%
	<u>\$.0697</u>	<u>9.36%</u>
Total Tax Rate	\$.7450	100.00%

Tax Rate Ordinance

SECTION 3. The duly authorized official responsible for the assessment and collection of taxes for the City of P011 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 connect 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 1st day of September, 2011

SECOND READING this 12th day of September, 2011

Ordinance Number S-4-11

Tax Rate 2011

Passed and Adopted 09-12-2011

Recorded Volume 3B

APPENDIX

Financial Management and Budgetary Policies



Resolution of the City of Port Lavaca, Texas No. R-91211-2

Financial Management and Budgetary 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.

APPENDIX

Financial Management and Budgetary Policies

Financial Management

Fund Balances and Sinking Funds

Fund Balances

- *Operating Reserve*- 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 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.
- *Fixed or Capital Asset Replacement*- the City designates an additional portion of the General Fund Reserve for fixed asset replacement related to machinery and equipment. The goal is to designate dollars equal to one year's depreciation expense of machinery and equipment. The balance in this account will vary based on replacement needs.
- *Health Reserve*- the City designates 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 designation will be based on the most recent three year history (average) plus 15%.
- *Enterprise funds*- 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.
- *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 designation 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.

Revenue Management

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.

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.

APPENDIX

Financial Management and Budgetary Policies

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

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 Policies

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.

APPENDIX

Financial Management and Budgetary Policies

Debt Policies

- 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. The following table defines governmental funds found in the City's financial structure.

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.

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-91211-1

Amended Resolution No. R-91310 on September 12, 2011

Investment Policy and Strategy

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.

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.

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.

APPENDIX

Investment Policy and Strategy

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.

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 for operating, enterprise, and special revenue funds has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided.

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.

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.

Delegation of Investment Authority

The Finance Director 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.

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."

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.

Any security requiring a credit rating by the Act and this Policy will not be authorized during the time that a security does not hold that rating. The Investment Officer will monitor, on at least a monthly basis the credit rating and should the rating fall below accepted levels; 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.

APPENDIX

Investment Policy and Strategy

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, collateralized with 102% coverage with:
 - Obligations of the US Government, its agencies or instrumentalities
 - 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. 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;
- D. SEC registered money market mutual funds as defined by the Act.
- E. AAA-rated, constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act; and,

The weighted average maturity of the portfolio shall not exceed 1 year. 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%
Commercial Paper	not to exceed 25%
Money Market Funds	100%
Local Government Investment Pools	100%

Authorized Financial Dealers and Institutions

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, and

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.

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.

APPENDIX

Investment Policy and Strategy

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.

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.

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 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,
- Weighted average maturity (WAM) of the portfolio,
- Total earnings for the period,
- 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 of the City.

Depositories

The City will designate one banking institution through a competitive process as its central banking services provider at least every five years. 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.

Investment Policy Amendments

The Director of Finance and the Investment Committee shall review the Investment policy and strategies on an annual basis. Future recommended changes will be approved by the City Council amending the current Investment Policy 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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Capital Asset Policy

- 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.

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Capital Asset Policy

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.

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.

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.

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Glossary of Terms

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 charges 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.

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.

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Glossary of Terms

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.





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