

Passion

Responsibility

Integrity

Desire

Example



CITY OF PORT LAVACA

Annual Budget

Fiscal Year

2012 - 2013



CITY OF PORT LAVACA

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Port Lavaca, Texas 77979
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www.portlavaca.org



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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**City of Port Lavaca
Texas**

For the Fiscal Year Beginning

October 1, 2011

Linda C. Dawson *Jeffrey R. Egan*

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, 2011. 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 and a summary narrative of the budget plan.

City Profile

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

Budget Summaries

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

Revenue Assumptions and Trends

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

General Fund

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

Enterprise Funds

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

Special Revenue Funds

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

Capital

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

City Wide Debt

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

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, glossary of terms, and acronyms.

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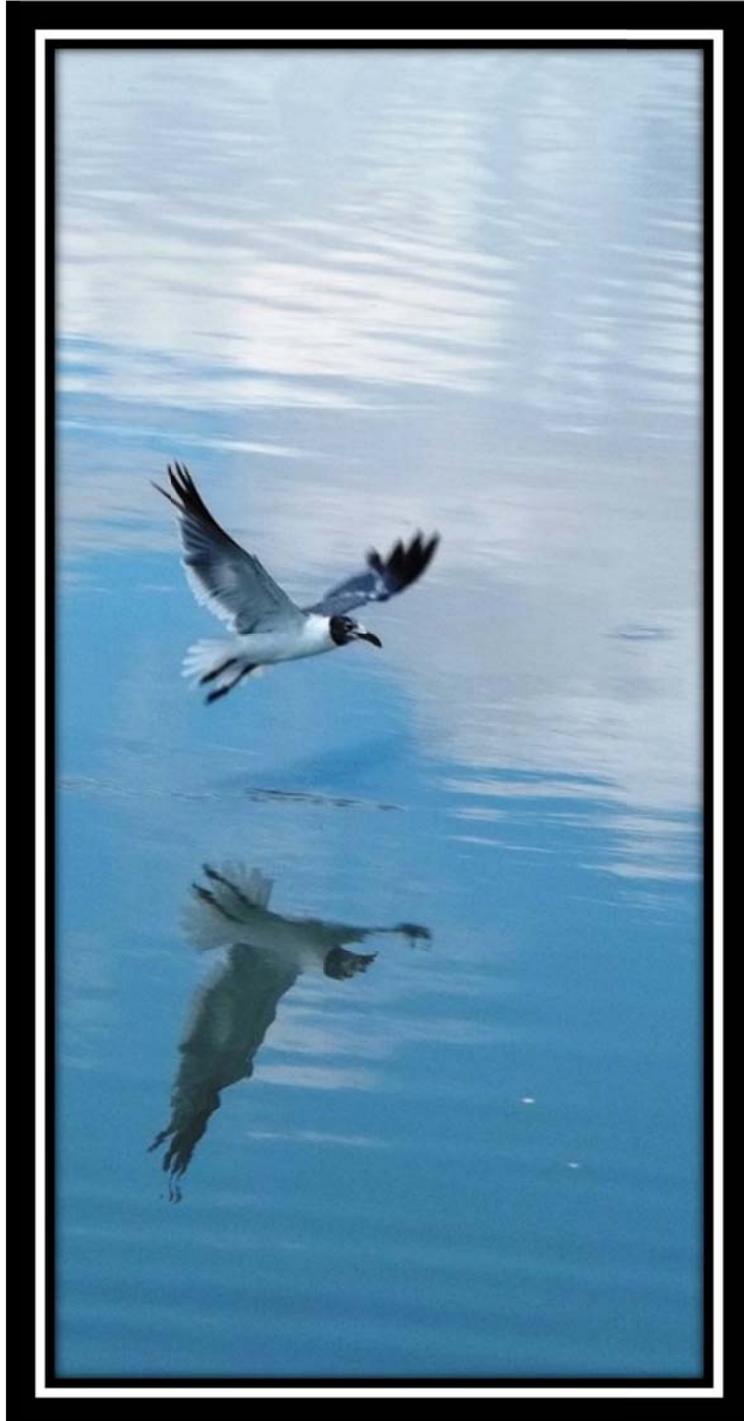
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Contributors

Inside Back Cover



BUDGET MESSAGE





Mayor and Council Members
City of Port Lavaca

Dear Mayor and Council Members,

As we begin budget year 2012-2013, we do so with great optimism, expectation, and commitment. I am “optimistic” that this will be a year of opportunity, growth, and development for Port Lavaca. We are only beginning to see the benefits of expanded activity at the Harbor of Refuge. The recent notification from the Corp of Engineers that we received our permit for the breakwater at Nautical Landings was welcome news. With continued improvements to our parks systems, our citizens are able to enjoy more amenities at home that once were only available by traveling out of town.



In addition to this optimism is the “expectation” that there will be some good news from both the housing and business development sectors. We met with many groups interested in establishing roots in Port Lavaca and we only need a few things to fall in place for us to notice some real growth in these areas. The housing market continues to be slow nationally, but interest in housing locally continues to be brisk. And while we are still waiting for a recognized national restaurant to become an anchor tenant in Port Lavaca, we have exchanged information with a group that could prove very promising.

And finally, we are “committed” to providing our citizens with a premium level of service at the lowest possible cost. We will be committed to our vision developed as a team when Council and staff set a direction for Port Lavaca. Recall, we talked about displaying Port Lavaca **PRIDE** in all we do.

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

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

Integrity: we will lead with integrity and follow with encouragement

Desire: we will share the desire to make things better

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

The City began many projects during fiscal year 2011-2012 which will carry over in the fiscal year 2012-2013 budget. Some of the more notable initiatives are the Waterfront Development Plan; the Strategic Plan; Downtown Revitalization; the Wilson Park Sports Complex; the Bayfront Peninsula Park Improvements; and our Infrastructure Replacement Plan.

BUDGET MESSAGE

Management consultant, Mark Towers, said there are only five competitive advantages that exist in the marketplace of human affairs. They are more, better, faster, different, and less expensive. Staff has been challenged to promise a lot, but deliver **more**, thereby assuring that we will go the extra mile. We will provide services **better**; constantly reminding ourselves that we are moving from Good to Great. We will be **faster**; never sacrificing quality in the process. We will be **different**; choosing to be innovative and inviting comments such as “we’ve never done it that way before”. And we will be **less expensive**; or as I prefer to say, more conservative. In the long term, substantive change is that which is embraced rather than forced. It manifests progress that is woven into the fabric of the community - a fabric that allows our citizens and all who visit our city to think of us as “Paradise on the Bay”.

Executive Financial Summary

The Adopted Budget for fiscal year 2012-2013 proposed no increase in property tax revenue nor recommended any change in utility rates. The City-Wide Budget totals \$14,910,900. Of this amount, \$7,265,000 is estimated for the operations and maintenance of the General Fund (a 3% decrease from prior year), \$346,100 for the Debt Service Funds, \$5,784,000 for the Public Utility Fund (a 5% increase from prior year), \$360,000 for the Beach Fund (a 5% decrease from prior year), and \$833,000 for the Port Commission Fund (a 13% increase from prior year). Within these budgets are capital costs of approximately \$2,500,000 to fund equipment and major public improvement projects. More information on the City’s Capital Program can be found in the Capital section of this document.

The City also appropriates for one of six Special Revenue Funds. The Hotel/Motel Tax Fund totals \$322,800. Spending plans are not provided for the City’s other Special Revenue Funds because activity is recorded on a project length basis or as it occurs. Even though the City is not required to adopt budgets for these funds, they are subject to an annual audit. More information on these funds (Forfeiture Fund, Building Security Fund, Redflex Traffic Fund, Court Technology Fund, and Juvenile Case Manager Fund) can be found behind the Special Revenue Fund section of this document.

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

- Installed lighting at Wilson Field Sport Complex
- Remodeled dayroom at Nautical Landings Marina
- Purchased new prefabricated restrooms at Lighthouse Beach Park
- Repaired boardwalk at Lighthouse Beach Park
- Added cabanas and umbrellas at Lighthouse Beach Park
- Added sand to the beach at Lighthouse Beach Park
- Constructed a splash pad at Bayfront Park

With the revamp of the City's Strategic plan, our budget focus "theme" transformed from "**Bringing Back the Pride**" to "**PRIDE**". *Before*, "pride" focused our budget around any initiative that improved the quality of life for our citizens, thereby bringing improvements back to the community that residents could be proud of. "*Pride*" *today* means displaying Passion, Responsibility, Integrity, Desire, and Example in all city initiatives. This theme has become the focus of the senior staff and employees--pride for the community and pride for the job.

A Change in Focus for the 2012-2013 Budget

The new strategic plan set the tone for the budget process that began in March. City Council, City Manager, and Department Leaders met to review the revised Strategic Initiatives, to discuss goals from the previous year, and to determine if the goals set were attained. Through these discussions, a new set of goals were prioritized for the budget to assist in the development of the departmental spending plans. These new goal statements supported the areas of Governance, Quality of Life, Infrastructure, Community, and Business Development. More information on the Strategic Plan can be found in the City Profile section of this book.

With **PRIDE** still as our central theme, the City's capital budget remained focused on continuing improvements in our parks and waterfront facilities. However, other infrastructure improvement measures were accounted for to assure replacement of aging infrastructure such as waterlines and sewer lines. Administrative departments focused on better ways to improve citizen communication and departmental training. Focus was also targeted to the City's downtown with sidewalk and façade improvements.

Budget Challenges Addressed

Issues to be addressed below:

1. The City's largest revenue sources for the General Fund are tied to Property Tax and Sales Tax. Both of these revenue streams continue to be areas of greatest concern. Overall property values declined by 1% or 3.8 million as presented on the July 2012 tax rolls. 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. Fiscal Year 2011-2012 was a very high claim year.
4. According to surveys, the City is considered to have a high tax rate if compared to other Texas cities its size. Population growth has increased only 5% (556 people) in 10 years.
5. The City needs a plan to react quickly to this volatile economy.

BUDGET MESSAGE

How we addressed the issues:

The 2012-2013 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. Departmental goals, objectives and financial plans were developed in support of the City’s **NEW Strategic Plan**. Those budget plans were given top priority. Capital projects and expenditures were prioritized early in the budget process based on these same guiding principles.

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

- Since the City’s property values dropped, the City adopted the effective tax rate in order to maintain the same revenue stream.
- Savings were achieved by outsourcing technological needs such as website design and network monitoring.
- The City increased employee contributions to our self-insured health plan. In prior years, employee’s health costs were paid 100% by City.
- Janitorial services were outsourced.
- The City maintains a reserve for the City’s health care plan that is evaluated annually for appropriate levels; any changes are updated in the City’s financial policy document.

With the decisions above and with savings resulting from incremental budgeting, the City was able to absorb the increased health insurance cost and was able to provide funding to support the City’s compensation plan.

The City annually reviews the budgetary/financial policy document to analyze the adequacy of reserve levels and revenue management practices. We would do this whether the economy was bad or good.

Budgetary Expenditure Highlights

The proposed expenditures of the City’s major funds total \$14,910,900, up \$142,874 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 2.0% (\$58,000)
- Capital Additions: Machinery and Equipment in General Fund (\$122,275) and Utility Fund (\$56,500)
- Capital Projects- General Fund: appropriated \$100,000 for soccer field at the Wilson Field Sports Complex and \$150,000 for a pavilion at Bayfront Park

- Capital Projects- Utility Fund: appropriated \$700,000 for sewer line replacements in the Bonorden Subdivision and along George Street
- Capital Project- 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 at Nautical Landings Marina

Outlook for the Future

While population growth for the City has only increased by 5% 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 “**PRIDE**” programs that will benefit our businesses and citizens. Some of these programs or missions are as follows:

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

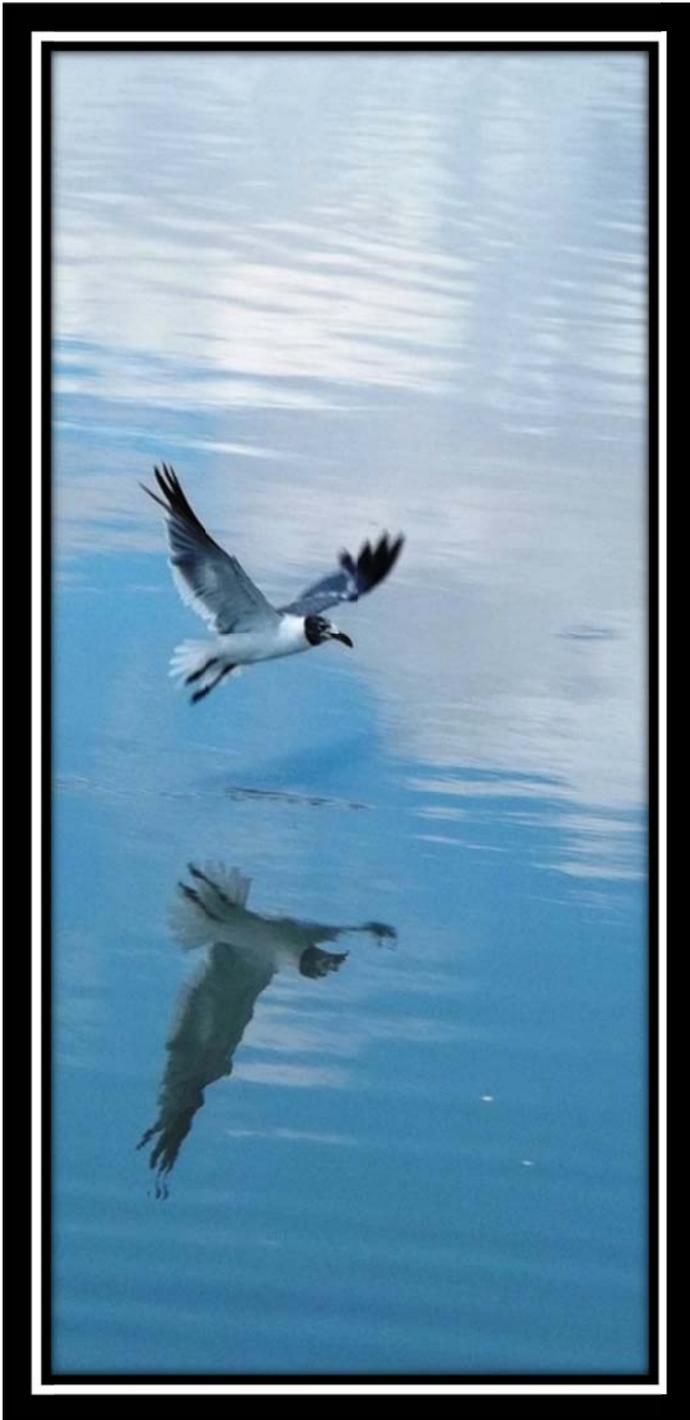
Programs such as these will help improve the image of our coastal front City. The City’s five year capital plan can be found in the Capital section of this budget document.

Conclusion

As we move forward, we will do so in a methodical way. We will continue to 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. 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 improved in future budgets so that the reader may also review the effectiveness of the City’s operations. We wish to extend our many thanks to City Council and staff for their input on this budget.



CITY PROFILE



Elected Officials

Vision And Mission

Strategic Plan and Goals

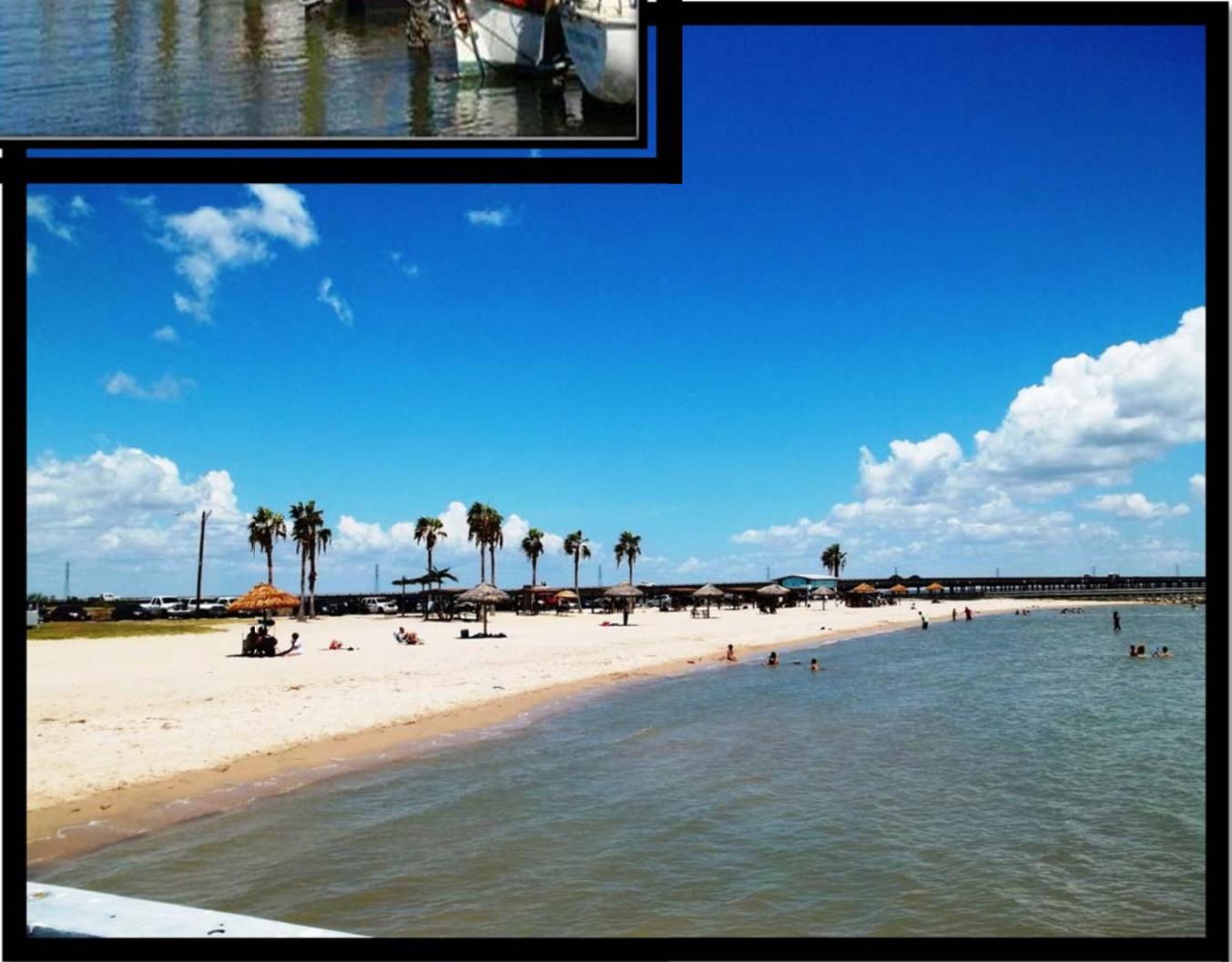
City Officials

Organizational Chart

History of Port Lavaca

Port Lavaca Today

Demographic Overview







Jack Whitlow
Mayor

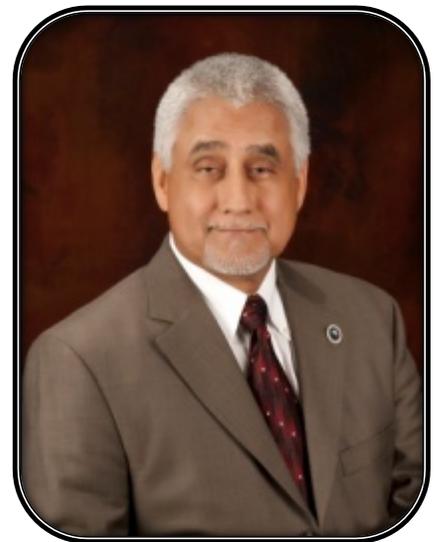
PORT LAVACA
CITY ELECTED OFFICIALS
FY 2012-2013



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

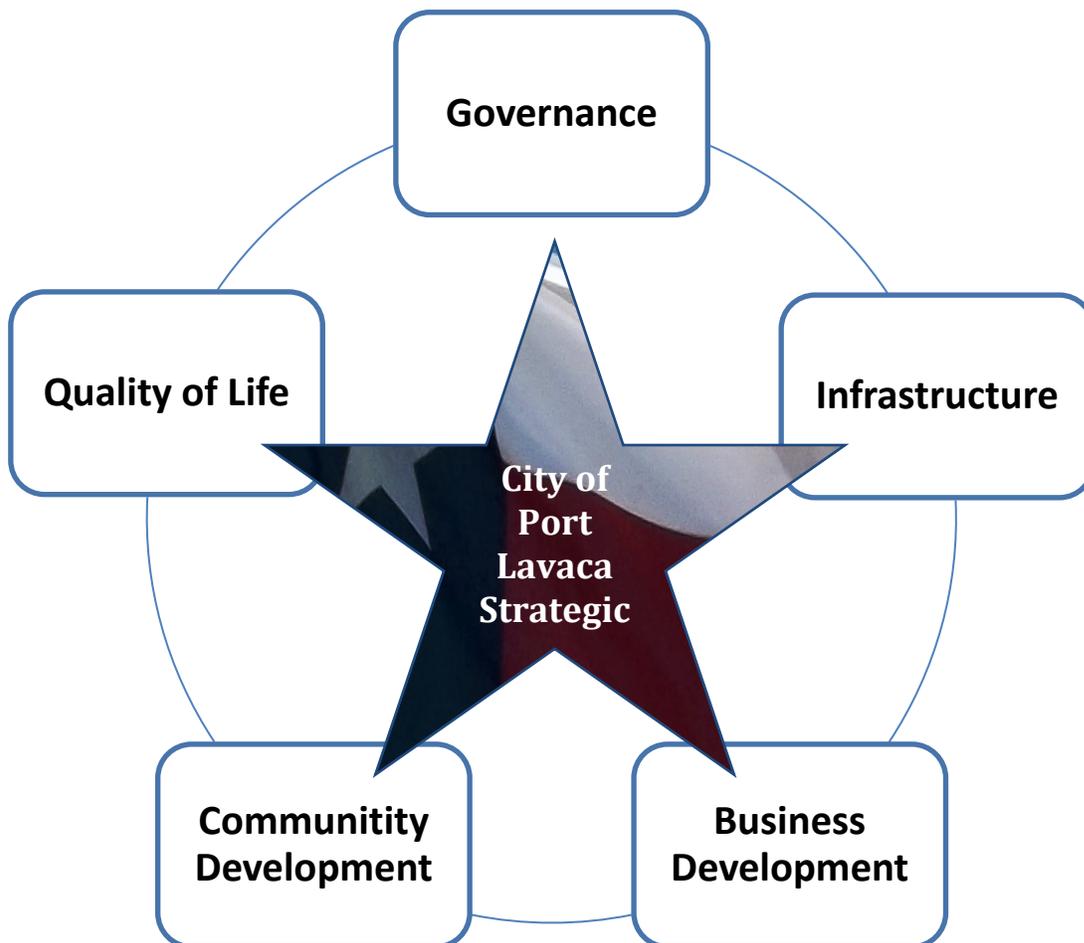


Ken Barr
Councilmember, District 6

Strategic Plan and Goals

Strategic Plan

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



City Council Area of Emphasis with Associated Goal Statement

Fiscal Year 2012-2013



Governance

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



Infrastructure

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



Business Development

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



Community Development

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



Quality of Life

Port Lavaca residents enjoy great amenities with affordable living.

OUR CITY PROFILE

Linking Long-Term Goals to Departmental Objectives

For the 2012-2013 Budget, each department has outlined a description of services and aligned themselves with the Council's Goals. In order to succeed in the fulfillment of these goals, department staff compiled their own operational goals and objectives for the coming year. When compared to prior year accomplishments, these goals and objectives help us mark our progress toward the achievement of the City Council's vision for the future of our City. The section below shows the linkage of our short-term departmental objectives to long-term council goals.

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

Fiscal Year 2012-2013 Departmental Goals & Objectives

City Manager Department

- Develop performance measures for city departments to measure our efficiency
- Provide prompt, friendly service to the citizens of Port Lavaca
- Increase visits to the City's website

City Secretary Department

- Assist the City departments with electronic data storage to promote transparency
- To increase the amount of public information available on the on City's website
- Establish data base for historical and current information on terms of elected officials
- Improve departmental page on City's website

Municipal Court

- To expand and promote website page to improve customer satisfaction & encourage online payment option

Technology

- To support public access of City's website by maintaining and ensuring that critical infrastructure is in place

Finance

- Promote financial transparency by easily making available all financial reports on City's website
- Lead the City to receive the Texas Comptrollers Leadership Circle Award for financial transparency
- Improve the budget document to create an easy, understandable format for our citizens

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

- Strengthen the relationship between the City's public safety departments and the public
- Designate a public information officer (PIO)
- Increase public interaction to emphasize safety is top priority
- Increase public awareness of spaying and neutering
- Educate citizens on new city codes

Public Works (Streets)

- Place street project information on City's website

Public Utility Departments (Utility Billing & Utility Maintenance)

- To increase the number of customer's using the City's online payment option
- To increase the utilization of city bills as an avenue to share city information

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

Fiscal Year 2012-2013 Departmental Goals & Objectives

City Manager Department

- Manage a sound capital plan

Finance Department

- Assist in the preparation of the City's capital plan
- Seek grants to aid in infrastructure replacement

Public Works (Streets)

- Assist in the development of the City's capital plan
- To improve the conditions of the streets through sealcoat, zipping, or reconstruction
- Maintain a updated street assessment plan

Parks Department (Parks, Bauer Convention Center, Swimming Pool, Light House Beach)

- Complete Parks Master Plan
- Repaint park signs & replace old equipment
- Install "kid friendly" improvements (splash pad, soccer field)
- Obtain grants to assist in funding park improvements
- Improve amenities at Lighthouse Beach Park
- To increase safety for guests on boardwalk at Lighthouse Beach Park

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

Fiscal Year 2012-2013 Departmental Goals & Objectives

City Manager Department

- Develop an economic development program that first supports existing business
- Promote a community that respects and embraces the multiple cultures
- Expand economic development opportunities in the City
- Implement a façade program to assist downtown businesses

Finance Department

- To increase data available on the economic development section of the City's website
- Maintain an up to date profile of the City of Port Lavaca for prospective businesses

Parks (Bauer Convention Center)

- To increase number of events related to business-type conferences
- Review convention center layout to accommodate break-out rooms for business-type conferences

Utility Departments (Maintenance)

- Assist in community development initiatives
- Develop a water and waste water master plan
- Provide information to prepare the City for future growth
- Improve pumps and pump controls of lift stations

Port Commission

- Develop a dredging plan to support our existing business

OUR CITY PROFILE

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

Fiscal Year 2012-2013 Departmental Goals & Objectives

City Manager

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

Hotel/Motel Fund (Chamber of Commerce)

- Promote the diversity of the City's culture into events sponsored by the City
- Provide cultural activities in City of Port Lavaca
- To increase tourism activities by enhancing both City and Chamber website

Port Commission

- Enhance and prepare for economic development and tourism opportunities for the City

Port Lavaca residents enjoy great amenities with affordable living.

Fiscal Year 2012-2013 Departmental Goals & Objectives

City Manager Department

- Manage a sound capital plan
- Form partnerships to improve housing conditions in our City

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

- Beautification of the City's parks and open spaces
- Install soccer field at Wilson Park
- Increase "kid friendly" amenities to parks (i.e. splash pad, new equipment)
- Maintain a quality community center and convention facility

Utility Departments (Utility Billing & Utility Maintenance)

- Implement a backflow prevention plan
- Replace aging infrastructure every year

Hotel/Motel (Chamber of Commerce)

- Promote the many amenities on the City's waterfront



City Officials FY 2012-2013

Administrative Offices

Bob Turner

City Manager

Dorothy Cunningham

Administrative Assistant to the City Manager

Administrative Services

Scotty Jones

Finance Director

Mandy Grant

City Secretary

Public Safety

Cleve Calagna

Director of Public Safety (Police and Fire)

James Martinez

Police Chief

Joe Robuck

Code Enforcement/Animal Control

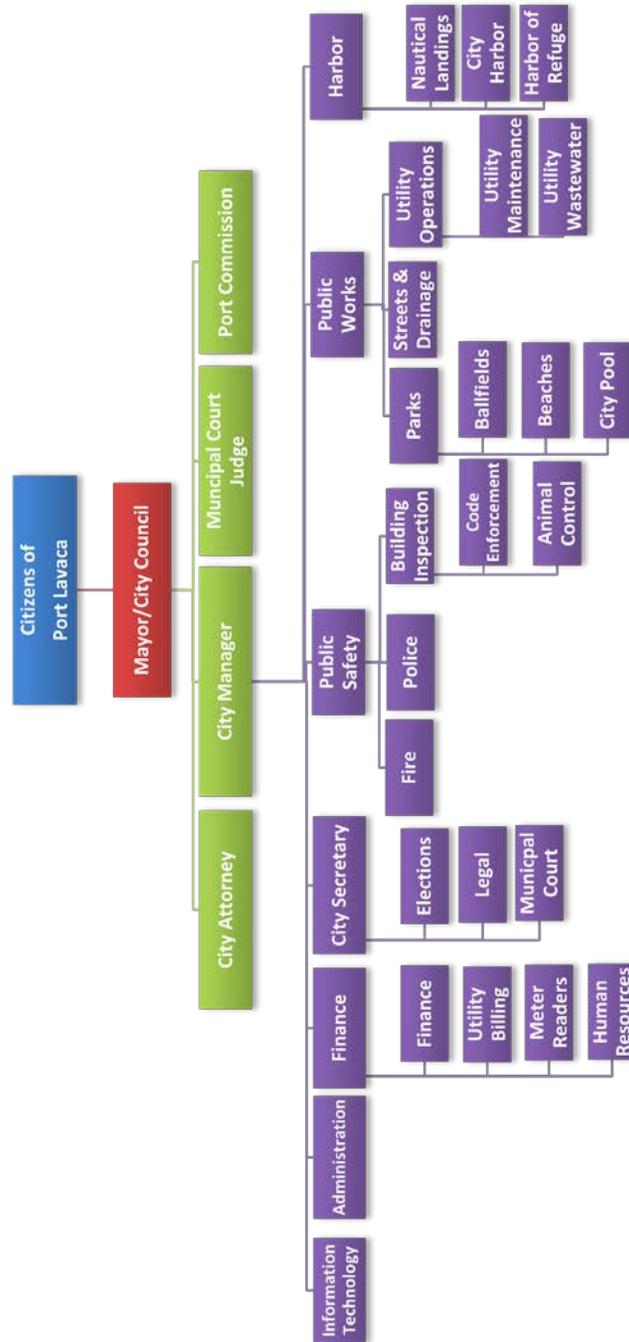
Public Works & Parks

Darren Gurley

Director of Public Works



Organizational Chart



History of Port Lavaca, Texas

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

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

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

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



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



OUR CITY PROFILE



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

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

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



Snapshot of Port Lavaca Today

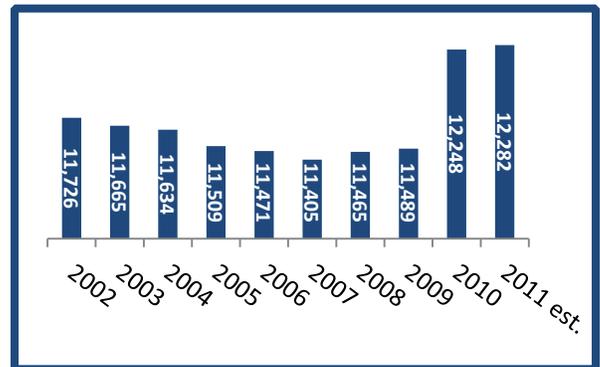
Location

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



Population

According to the 2010 census, Port Lavaca is currently home to about 12,248 residents. The graph to the right represents the City's population beginning in 2002 to the estimated 2011, based on the records of the U.S. Census Bureau. The City has seen a 5% growth over 10 years.



Schools

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



OUR CITY PROFILE

Culture and Recreation

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

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

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



“ Spectacular achievement is always preceded by spectacular preparation.” – Robert H. Schuller

CITY OF PORT LAVACA, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

(UNAUDITED)

Last ten fiscal years

<u>Fiscal Year</u>	(1) <u>Population</u>	Personal <u>Income</u>	(2) Per Capita Personal Income <u>(Calhoun County)</u>	(3) School <u>Enrollment</u>	(4) Unemployment <u>Rate</u>
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	361,662,231	31,479	4,349	8.3%
2010	12,035	N/A	N/A	4,230	9.1%
2011	12,248	N/A	N/A	4,276	8.7%

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



“Great things are not done by impulse, but by a series of small things brought together.” – Vincent Van Gogh

OUR CITY PROFILE

CITY OF PORT LAVACA, TEXAS

PRINCIPAL EMPLOYERS

(UNAUDITED)

Current Year Only

2011

<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County 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

*“Man’s mind stretched to a new idea
never goes back to its original dimension.”*
-Oliver Wendell Holmes



BUDGET SUMMARIES



Budget Overview

Changes in Fund Balances / Working Capital

Combined Revenue and Expenditure Summary

City Wide Revenue

City Wide Expenditures

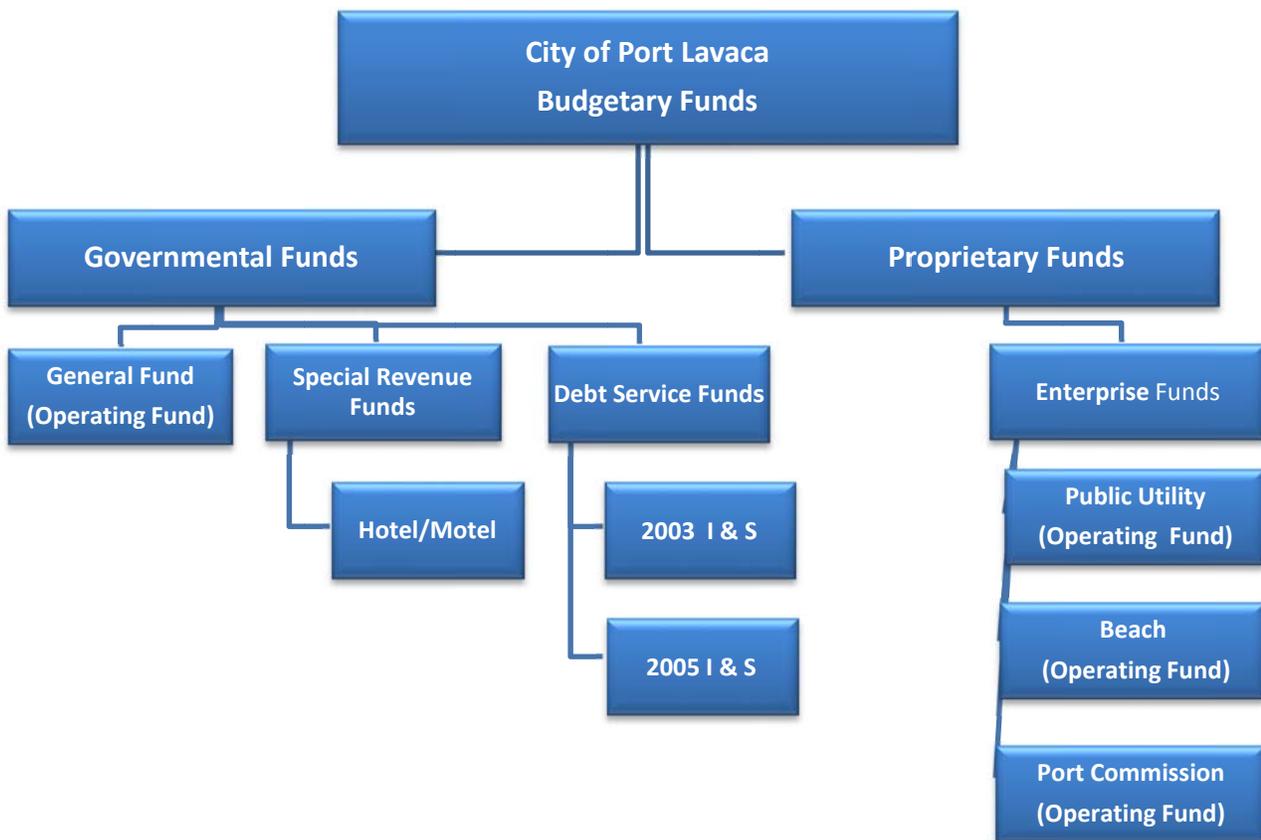


This section depicts the “big picture” of city wide revenue and expenditures, reflects the changes in fund balance or working capital for each budgeted fund, and provides comparison to prior year.



Budgetary Fund Structure

The illustration below is intended to serve as a “big picture” overview for the City of Port Lavaca’s Fiscal Year 2012-2013 budgeted fund structure. The adopted budget presents four operating funds (General, Public Utility, Beach, and Port), one special revenue fund (Hotel/Motel), and two debt service funds (2003 & 2005 Interest & Sinking). Not all funds of the City are appropriated (i.e., budgeted). Capital projects and most of the City’s special revenue funds are recorded on a project length basis as opposed to annual appropriation. Each fund is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The budgeted funds of the City can be divided into two categories: governmental funds and proprietary funds. Governmental Funds are supported primarily with taxes while proprietary funds are supported by user charges. Operating funds provide for the day to day operations of the City. They account for all routine expenditures and capital outlay items. Debt service funds, also known as interest and sinking funds, are governmental type funds used for the accumulation of resources to pay off long-term debt. Special Revenue funds such as the Hotel/Motel and used to account for the proceeds of specific revenue that are legally restricted to expenditures for specified purposes. A more in-depth explanation of the budget is depicted with graphs, charts, and a narrative of revenue and expenditures within the detail of each respective fund.



BUDGET SUMMARIES

Combined Budget Overview

The Fiscal Year 2012-2013 budget for all appropriated funds totals \$14,910,900 in revenues and expenditures, including transfers between funds. The goal of the budget process is to provide a balanced budget, in which expenditures do not exceed revenues.

The table below shows an overview of FY 2012-2013 Budget by Funds as it compares to the prior year.

	Final Amended FY 11-12	Adopted Budget FY 12-13	Variance	Variance By %
General Fund	7,453,000	7,265,000	-188,000	-3%
2003 I & S Fund	264,300	263,300	-1000	0%
2005 I & S Fund	84,726	82,800	-1926	-2%
Public Utility Fund	5,500,000	5,784,000	284,000	5%
Beach Fund	378,000	360,000	-18,000	-5%
Port Commission	734,000	833,000	99,000	13%
Hotel/Motel Fund	354,000	322,800	-31,200	-9%
Total Budget	14,768,026	14,910,900	142,874	1%



Changes in Fund Balance/Working Capital

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

BUDGETD FUNDS	Beginning Fund Balance Working Capital 10-1-12	Budgeted Revenue 2012-2013	Budgeted Expenditures 2012-2013	Ending Fund Balance/ Working Capital 9-30-13
General Fund	4,785,074	7,265,000	(7,265,000)	4,785,074
2003 I & S Fund	145,973	263,300	(263,300)	145,973
2005 I & S Fund	31,251	82,800	(82,800)	31,251
Utility Fund	4,665,540	5,784,000	(5,784,000)	4,665,540
Beach Fund	466,749	360,000	(360,000)	466,749
Port Commission Fund	902,497	833,000	(833,000)	902,497
Hotel Occupancy Tax Fund	551,491	322,800	(322,800)	551,491
Total Fund Balance/Working Capital	11,548,575	14,910,900	(14,910,900)	11,548,575

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

Fund Balance/Working Capital After Reserves and Designations	General Fund	I & S Funds	Public Utility Fund	Beach Fund	Port Commission	Hotel Occupancy Tax Fund
Projected Fund Balance/ Working Capital 10-1-12	4,785,074	177,224	4,665,540	466,749	902,497	551,491
Operating Reserves (4 months)	(2,306,152)	0	0	0	0	N/A
Operating Reserves (3 months)	N/A	0	(1,082,436)	(79,210)	(99,268)	N/A
Health Insurance Claim Reserve	(504,848)	N/A	N/A	N/A	N/A	N/A
Capital Asset Replacement Reserve	(382,265)	0	0	0	0	N/A
Reserves Used-Capital Projects	0	0	(693,200)	(128,000)	(370,000)	-
Reserves Used- Balance Budget*	0	0	0	0	0	(22,000)
Budgeted Depreciation**	0	0	479,000	98,000	185,000	-
Estimated Fund Balance/ Working Capital 9-30-13	1,591,809	177,224	3,368,904	357,539	618,229	529,491

Assumptions on the table above are as follows:

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

BUDGET SUMMARIES

Combined Revenue and Expenditures Summary

	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	% Change Budget to Budget
Funding Sources					
Property Tax	3,508,432	3,527,726	3,650,606	3,550,770	0.65%
Sales and Use Tax	2,313,247	2,125,000	2,300,000	2,165,000	1.88%
Franchise Tax	597,826	610,000	626,200	590,000	-3.28%
Hotel/Motel Tax	328,114	260,000	330,000	300,000	15.38%
Licenses and Permits	108,266	81,000	107,445	82,500	1.85%
Service Charges	6,131,536	5,629,000	5,852,450	5,661,300	0.57%
Fines & Forfeitures	573,828	467,500	534,420	473,200	1.22%
Other Revenue	556,790	1,181,300	166,245	1,342,300	13.63%
Grant & Contributions	257,253	250,500	250,740	250,830	0.13%
Interfund Transfers	357,792	636,000	636,518	495,000	-22.17%
Total Revenues & Transfers	14,733,084	14,768,026	14,454,624	14,910,900	0.97%
Expenditures					
General Government	994,232	1,053,683	982,579	1,077,640	2.27%
Streets	2,014,741	1,517,506	1,351,926	1,732,900	14.19%
Public Safety	3,235,401	3,210,937	3,079,909	2,964,888	-7.66%
Public Works	956,573	1,601,500	1,474,100	1,150,150	-28.18%
Parks & Recreation	1,068,743	796,400	1,165,000	1,045,522	31.28%
Non- Departmental	4,269,049	5,500,000	5,386,102	5,784,000	5.16%
Water & Sewer	437,848	734,000	416,800	833,000	13.49%
Port Commission	305,389	354,000	368,000	322,800	-8.81%
Hotel Motel	994,232	1,053,683	982,579	1,077,640	2.27%
Total Expenditures & Transfers	13,281,975	14,768,026	14,224,416	14,910,900	0.97%
Net Revenue (Expenditures)	1,451,108	0	230,209	0	
Beginning Balances	11,420,344	12,871,452	12,871,452	13,101,661	
Ending Balances	12,871,452	12,871,452	13,101,661	13,101,661	1.79%

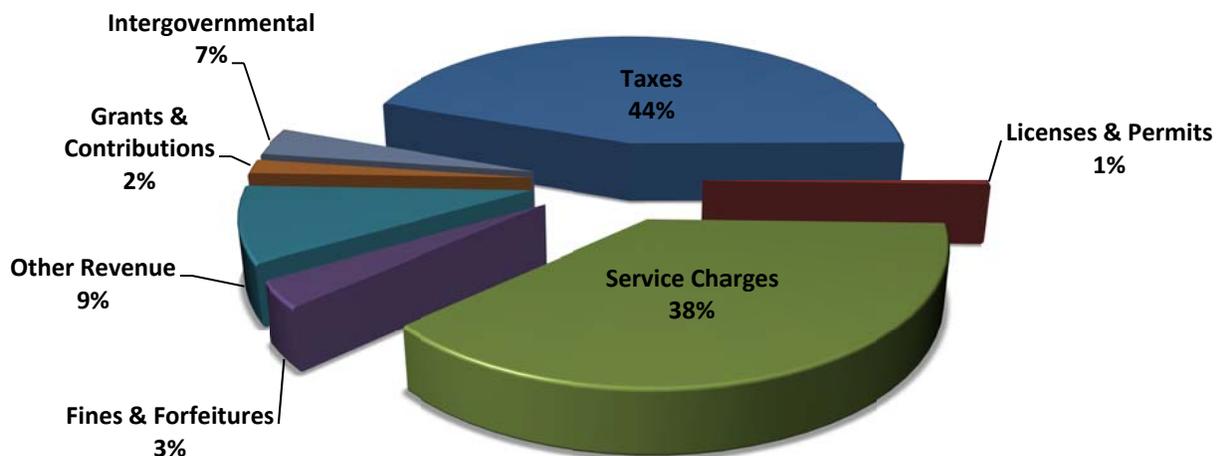
The following pages provide summaries related to City Wide Revenue by receipt type and City Wide Expense by function.

City Wide Revenue

The FY 2012-2013 budgeted revenues total \$14,910,900, which is up \$142,874 over prior year FY 2011-2012 budget. The use of reserves to fund current year capital projects attributes for this increase. The largest revenue source fund is taxes which represent 44% 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 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Taxes (Property, Sales, Franchise, Hotel/Motel)	6,747,619	6,522,726	6,906,806	6,605,770
Licenses & Permits	108,266	81,000	107,445	82,500
Service Charges	6,131,536	5,629,000	5,852,450	5,661,300
Fines & Forfeitures	573,828	467,500	534,420	473,200
Other Revenue	556,790	1,181,300	166,245	1,342,300
Grants & Contributions	257,253	250,500	250,740	250,830
Intergovernmental	357,792	636,000	636,518	495,000
Total Revenue	14,733,084	14,768,026	14,454,624	14,910,900

Where do we get our dollars?



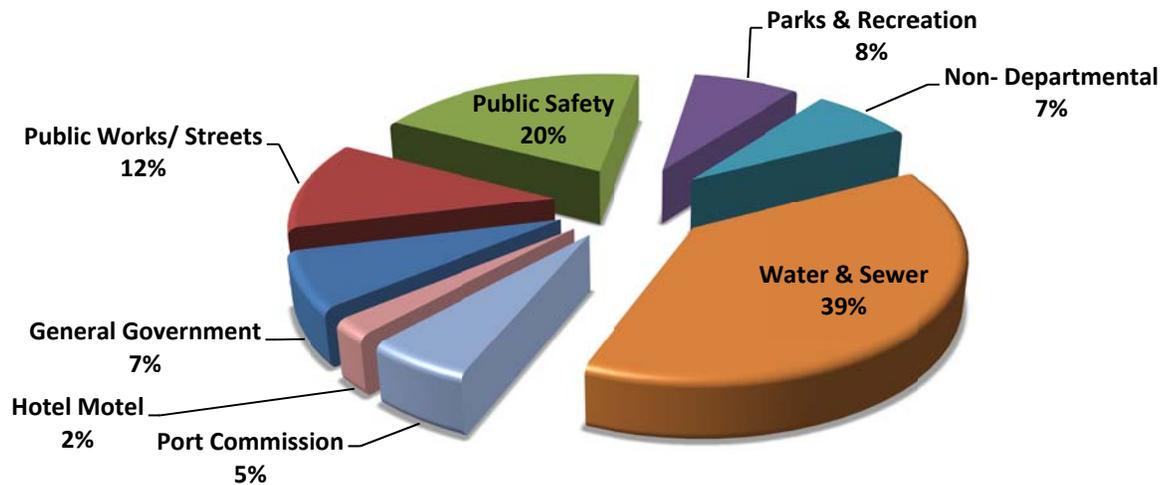
BUDGET SUMMARIES

City Wide Expenditures

The FY 2012-2013 budgeted expenditures total \$14,910,900, which is up \$142,874 over FY 2011-2012 budget. The largest operational fund is Water and Sewer, which represents 39% of the total expenses.

By Object (Operational Funds)	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
General Government	994,232	1,053,683	982,579	1,077,640
Streets	2,014,741	1,517,506	1,351,926	1,732,900
Public Safety	3,235,401	3,210,937	3,079,909	2,964,888
Public Works	956,573	1,601,500	1,474,100	1,150,150
Parks & Recreation	1,068,743	796,400	1,165,000	1,045,522
Non- Departmental	4,269,049	5,500,000	5,386,102	5,784,000
Water & Sewer	437,848	734,000	416,800	833,000
Port Commission	305,389	354,000	368,000	322,800
Hotel Motel	994,232	1,053,683	982,579	1,077,640
Total Expenditures	13,281,975	14,768,026	14,224,416	14,910,900

Where do our dollars go?



REVENUE ASSUMPTION AND TRENDS



General Fund

Special Revenue Funds

Enterprise Funds



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



*Lighthouse Beach & Bird Sanctuary
Port Lavaca, Texas*

General Fund Revenue

The Property Tax Rate and Property Tax Revenue

Property taxes are levied each year on October 1 on the assessed values as of the prior January 1st for all real and personal property located in the City. Assessed values are established by the Calhoun County Appraisal District (CCAD). Certified taxable values are provided to the City by the CCAD in July. Property tax is the largest source of income for the General Fund and makes up **44%** of the budgeted revenue for the 2012-2013 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.

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

	Current Year FY 2012-2013	Prior Year FY 2011-2012	Variance	Variance
Net Taxable Before Freeze	511,737,249	515,553,561	(3,816,312)	-1%
*Freeze Adjusted Tax Value	443,077,918	445,561,697	(2,483,779)	-1%

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

Certified taxable property valuations provided to the City by the CCAD on July 20, 2012 totaled \$511,737,249. Included in this amount is the tax freeze value of \$68,659,331 for homeowners over 65 years of age and/or disabled. Overall values this year decreased by 1% or 3.8 million. For the 2012-2013 Budget, the decrease in value required Council to increase the tax rate from .745/\$100 value to the effective tax rate of .7568/\$100 value in order to maintain the same service levels. The effective tax rate is the rate needed to maintain the same revenue stream as the prior year.

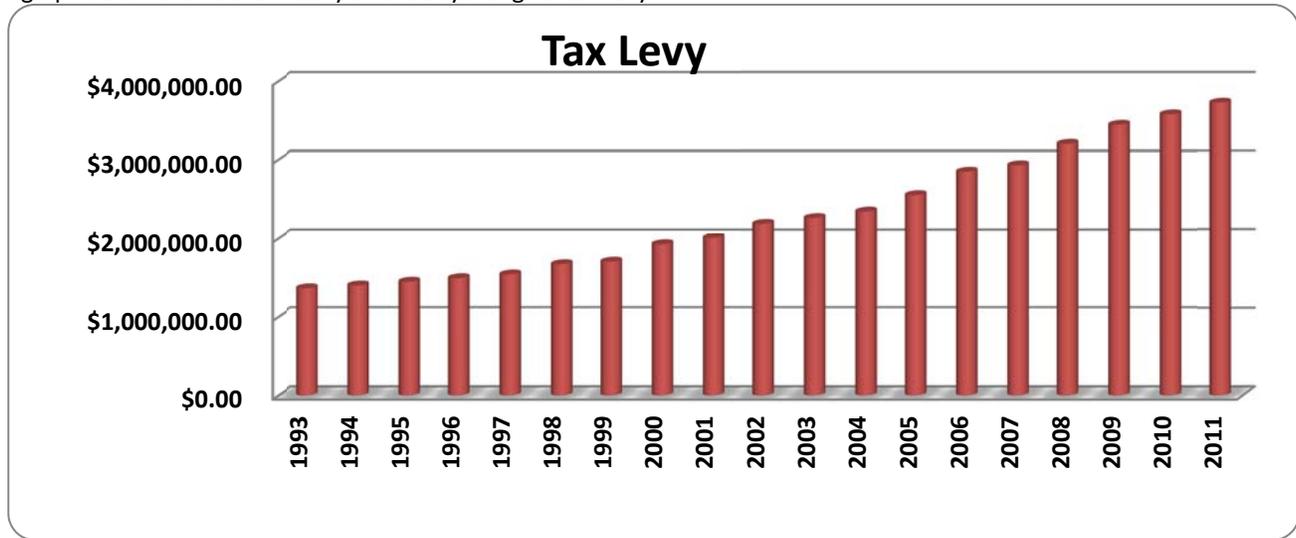
The table below shows the City's tax rate distribution & associated tax levy as approved in the budget.

	Tax Rate	Tax Rate Percent	Total Gross Levy ¹	FY 2012-2013 Budget ²
Debt Service Funds:				
2003 Certificates of Obligation	.0644	8.51%	285,342	253,000
2005 Certificates of Obligation	.0202	2.67%	89,502	82,770
Total Debt Service	.0846	11.18%	374,844	335,770
General Fund:				
Operation and Maintenance	.6722	88.82%	3,419,921	3,090,000
Total	.7568	100.00%	3,794,765	3,425,770

¹ Gross levy = Levy (\$2,978,370) plus tax freeze dollars (\$441,551); ² Conservatively budgeted taking into consideration 92.08 collection rate

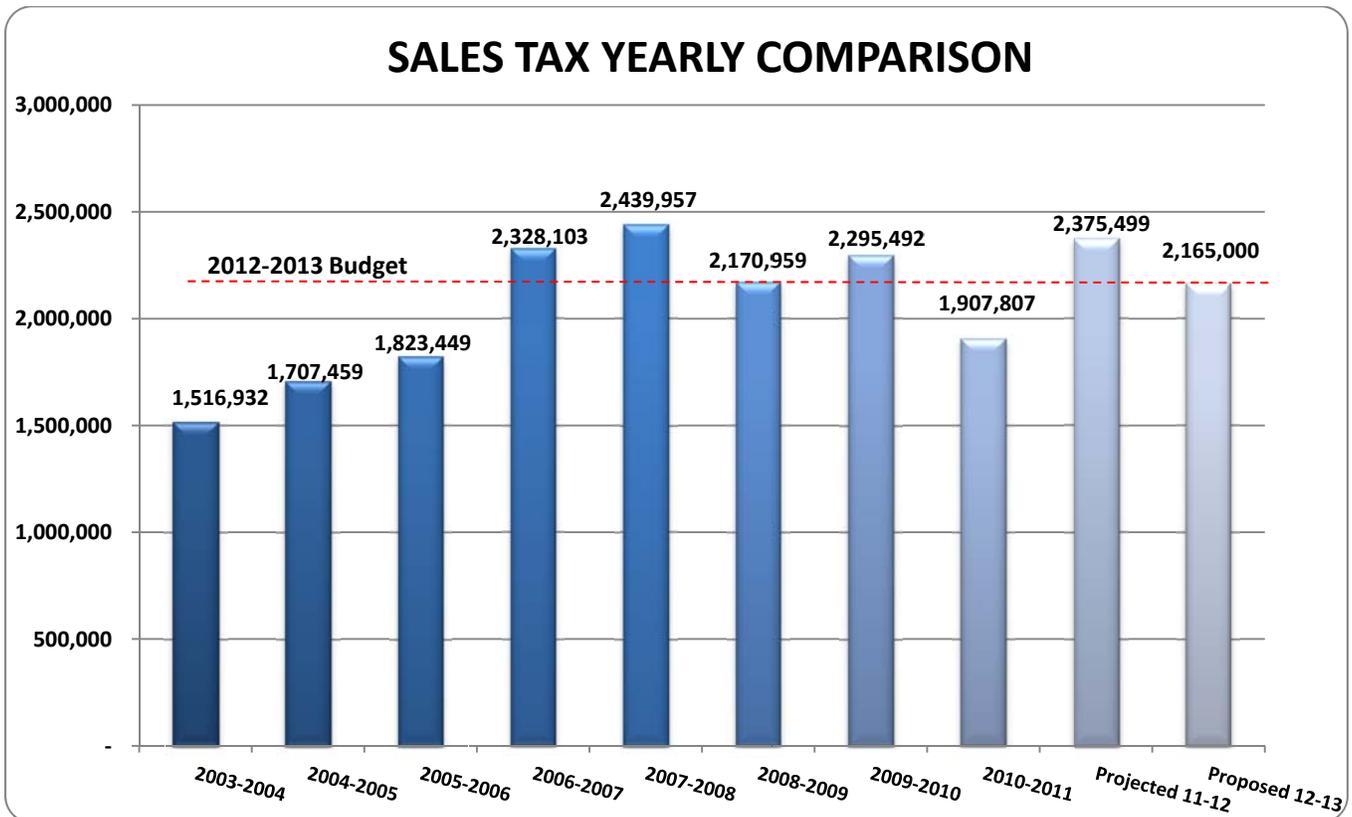
REVENUE ASSUMPTIONS AND TRENDS

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



Sales Tax

Sales tax is the second largest revenue source in the General Fund making up **30%** of the City's General Fund budget. The City receives 1.5% of the 8.25% tax charged inside the city limits. The County receives 0.5% and the remaining 6.25% goes to the State. With the volatile economy in mind, the City conservatively budgets sales tax **6%** less than the sales tax projection for FY 2011-2012.



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 **\$590,000**, 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.

Grants & Contributions

The City provides services to the County for Fire and Animal Control services. This revenue is budgeted based on Interlocal Agreements between the City and County. This year's annual contracts & local grants equate to **\$248,500**.

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

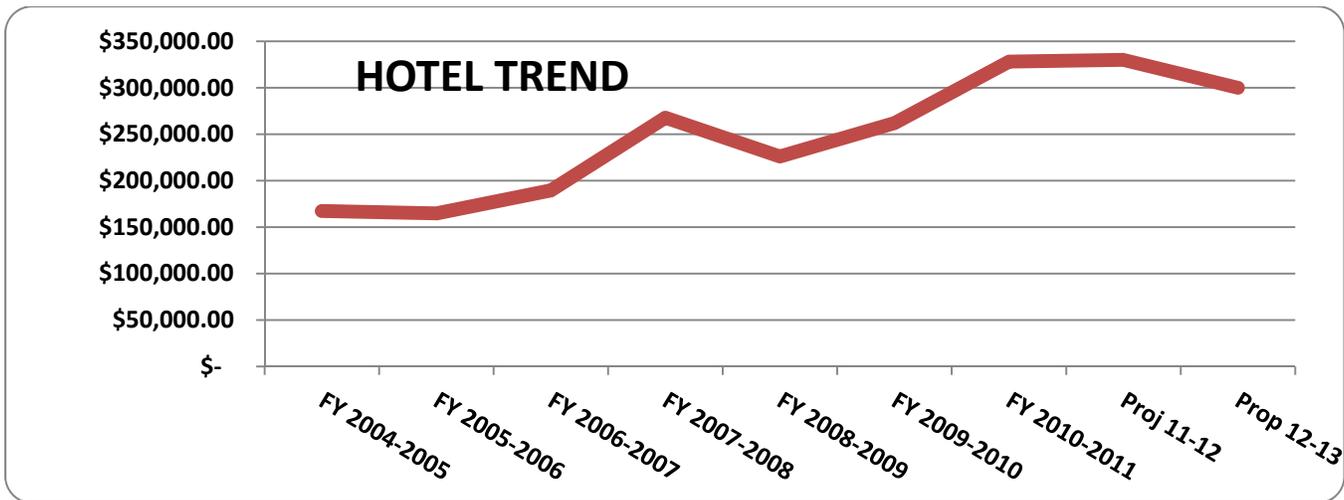
- Transfer In from Port Commission to recover administrative fees - \$16,000
- Transfer In from Public Utility Fund to recover administrative fees- \$175,000
- Transfer In from Public Utility Fund to recover costs related to Spring Clean-Up- \$25,000
- Transfer In from Beach Fund to recover administrative fees- \$8,000
- Transfer In from the Fixed Asset Replacement Fund (FARF)- 71,000
- Transfer In from the Hotel Occupancy Tax Fund to recover costs of the Bauer Convention Center- \$200,000

Enterprise and Special Revenue Funds

Hotel Occupancy Tax (HOT) Fund

Hotel Tax

All occupants staying overnight in hotels or motels in the City of Port Lavaca for a period less than 30 days are charged a hotel tax of 13% of the room cost. The City receives 7% of the revenue. This money is used to promote the City of Port Lavaca following strict guidelines on the use of this tax set up by the State Comptroller’s Office. Historical trends are used to estimate this revenue. The City anticipates an increase from prior year’s budget by \$40,000 (15%) 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 \$693,200 to fund capital projects.*

Garbage Fees

Residential garbage pickup is provided by a private contractor. This is primarily a pass through to the customer; however, it is shown as part of the City’s budgeted revenue. The estimated revenue is derived by the average number of customers multiplied by the rate, then annualized. Expenditures that offset this revenue can be found under the “Solid Waste Collection” Department in the Public Utility Fund’s section of this budget.

Beach Fund

RV rentals are the largest user fee in this fund and are estimated to be **\$185,000**, or **80%** 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 \$128,000 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 Harbor Master and historical usage data. *The City budgeted to use depreciation reserves of \$370,000 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.

Less than 1% of the General Fund revenue come from service fees. 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 2012-2013 budgeted revenues for the City totaled \$14,910,900. This is *up* \$142,874 or 1% more than prior year's budget.



GENERAL FUND



Revenue

Expenditures

Department Summaries

City Council

City Manager

City Secretary

Human Resources

Legal

Municipal Court

Tax

Technology

Finance

City Hall

Police

Fire

Animal Control

Public Works

Code Enforcement

Streets

Parks

Bauer Center

Swimming Pool Operations

Non –Departmental

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



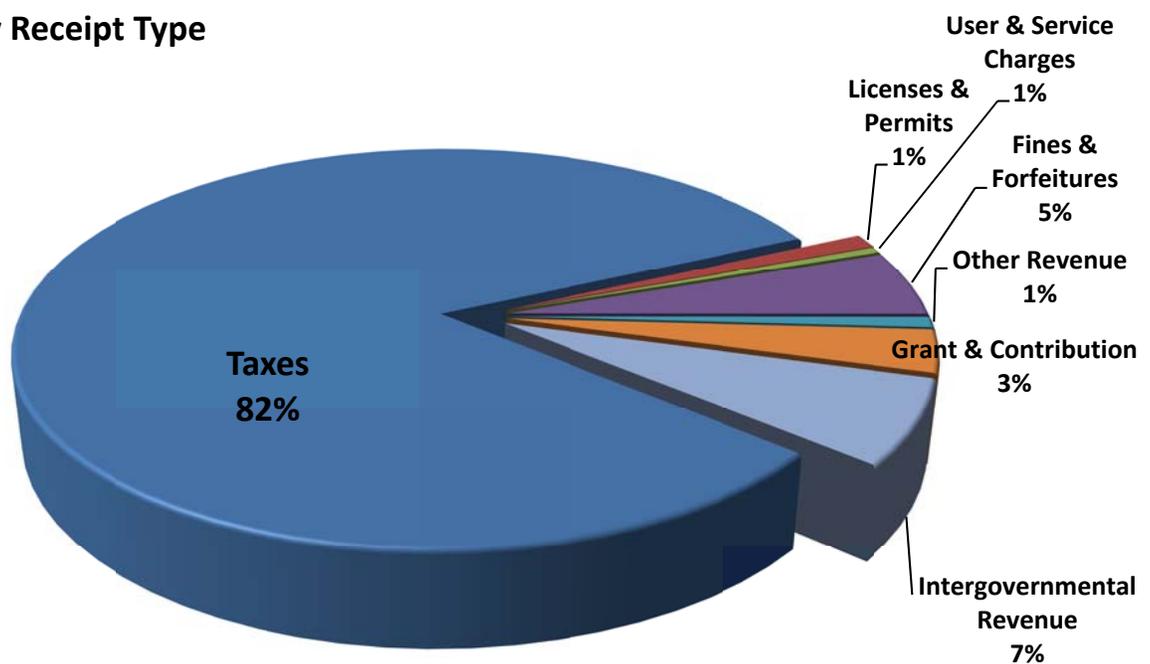
This section provides a three year comparative summary and detailed information for revenue and expenditures. You will also find each operating department's mission, upcoming goals, budget history, performance measures and major additions related to the General Fund.



General Fund Revenue

Receipt Type	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance
Taxes	6,057,088	5,914,000	6,226,200	5,960,000	46,000
Licenses & Permits	108,266	81,000	107,445	82,500	1,500
User & Service Charges	38,305	30,500	47,750	35,000	4,500
Fines & Forfeitures	478,812	377,000	442,020	383,000	6,000
Other Revenue	420,587	166,000	82,180	61,000	-105,000
Grant & Contributions	247,881	248,500	248,500	248,500	0
Intergovernmental Revenue	357,792	636,000	636,518	495,000	-141,000
Total Revenue	7,708,730	7,453,000	7,790,613	7,265,000	-188,000

Revenue by Receipt Type



Largest Revenue Sources	Final Amended FY 2011-2012	% Of Total 11-12 General Fund Budget	Adopted Budget FY 2012-2013	% Of Total 12-13 General Fund Budget	Variance
Property Taxes	3,179,000	43%	3,205,000	44%	26,000
Sales Tax	2,125,000	29%	2,165,000	30%	40,000
Franchise Fees	610,000	8%	590,000	8%	-20,000
Total	5,914,000	79%	5,960,000	82%	46,000

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

GENERAL FUND

General Fund Revenue Detail

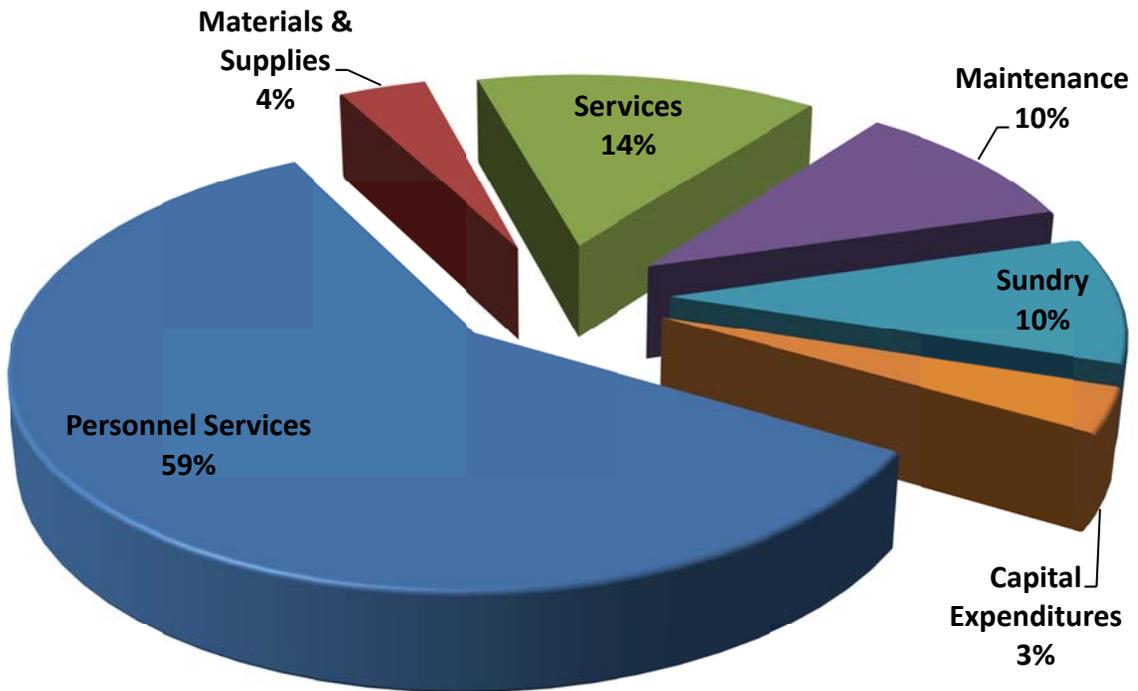
General Fund Revenues	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Taxes				
Property Taxes Current	2,907,430	3,069,000	3,100,000	3,090,000
Property Taxes Delinquent	238,586	110,000	200,000	115,000
Sales Tax Revenue	2,313,247	2,125,000	2,300,000	2,165,000
Natural Gas Franchise Tax	39,504	48,000	49,000	42,000
Electrical Franchise Tax	351,350	335,000	345,000	335,000
Telephone Franchise Tax	33,267	50,000	50,000	35,000
Cable TV Franchise Tax	91,615	90,000	91,000	90,000
Waste Collection Franchise	69,985	78,000	82,000	78,000
Other Franchise Tax	855	500	700	500
Alcohol Beverage Tax	11,252	8,500	8,500	9,500
Total Taxes	6,057,088	5,914,000	6,226,200	5,960,000
Licenses & Permits				
Electrical Licenses	2,200	2,500	2,600	2,500
Builder Licenses	7,174	5,000	6,000	5,000
Electrical Permits	8,644	8,000	9,000	8,000
Building Permits	33,825	25,000	38,000	25,000
Plumbing Permits	9,450	6,500	8,000	7,000
Mechanical Permits	3,100	2,800	4,000	3,000
Trailer Permits	505	800	800	500
Food Handler's Permits	3,029	2,500	3,000	2,500
Liens	9,560	500	2,000	500
Other Permits & Fees	19,380	23,000	25,000	22,000
Alcoholic Beverage Licenses	5,613	1,900	4,500	4,000
Animal Licenses & Fee	4,446	2,000	3,500	2,000
Alarm Fees	1,340	500	1,045	500
Total Licenses & Permits	108,266	81,000	107,445	82,500
User & Service Charges				
Bauer Center Rentals	30,425	27,000	42,000	30,000
Rental- Bauer Center Sign	355	0	1,000	0
CVB Events	1,680	0	1,250	0
Police Services	5,845	3,500	3,500	5,000
Fire Service Fees	0	0	0	0
Total User & Service Charges	38,305	30,500	47,750	35,000

General Fund Revenues (Continued)	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Fines & Forfeitures				
Penalties & Interest	149,273	90,000	150,000	95,000
Tax Attorney Fees	25,044	35,000	40,000	35,000
Court Fines	235,167	200,000	200,000	200,000
Municipal Court- Collection Agency	31,927	25,000	25,000	25,000
Local Time Payment Fees	9,582	8,000	8,000	8,000
Arrest Fees	27,026	19,000	19,000	20,000
Cash Over- Municipal Court	793	0	20	0
Total Fines & Forfeitures	478,812	377,000	442,020	383,000
Other Revenue				
Interest Income	36,609	36,000	27,000	24,000
Other Financing Sources	284,776	99,000	0	0
Photo Copies	790	0	700	0
Donations	2,250	0	11,180	0
Auction Proceeds	5,262	5,000	4,100	5,000
TML Reimbursements	29,883	15,000	15,000	15,000
Fire Training Reimbursement	1,000	0	0	0
Miscellaneous	47,406	5,000	12,600	5,000
Tower of Tex Usage Rights	12,613	6,000	11,600	12,000
Equity Balance Forward	0	0	0	0
Total Other Revenue	420,587	166,000	82,180	61,000
Grants and Contributions				
Contribution Lease - Police/Fire	1,881	2,500	2,500	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	247,881	248,500	248,500	248,500
Intergovernmental Revenue				
Transfer In- 504 Port Commission	14,500	14,000	14,500	16,000
Transfer In- 501 Utility Fund	200,000	200,000	200,000	200,000
Transfer In- 503 Beach Fund	7,000	7,000	7,000	8,000
Transfer In- 206 FARF Fund	28,542	190,000	190,018	71,000
Transfer In- 101 Hotel/Motel	107,750	225,000	225,000	200,000
Transfer In- Other	0	0	0	0
Total Intergovernmental Revenue	357,792	636,000	636,518	495,000
Total General Fund Revenue	7,708,730	7,453,000	7,790,613	7,265,000

General Fund Expenditures by Function

Expenses by Function	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance
Personnel Services	4,277,698	4,210,296	4,381,887.68	4,281,367	71,071
Materials & Supplies	289,057	289,983	279,400	261,805	-28,178
Services	924,767	996,231	951,400	1,044,543	48,312
Maintenance	564,142	579,625	551,200	740,225	160,600
Sundry	1,031,455	527,665	506,400	693,785	166,120
Capital Expenditures					-
	550,113	849,200	725,200	243,275	605,925
Total Expenditures					-
	7,637,232	7,453,000	7,395,488	7,265,000	188,000

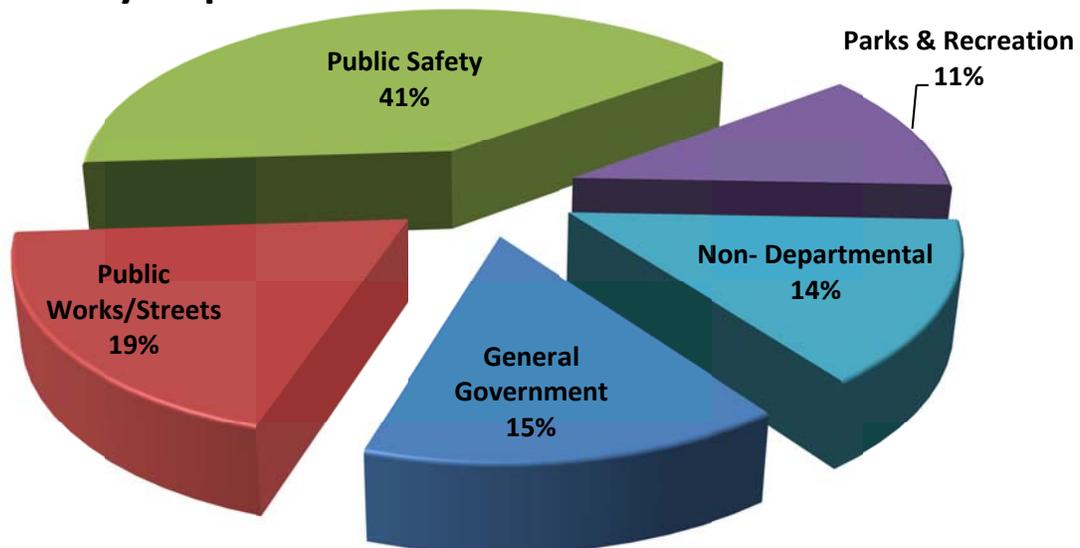
Expenditures by Function



General Fund Expenditures by Department

Department	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance	Variance by %
City Council	25,198	27,422	27,403	26,719	-703	-3%
City Manager	201,736	194,390	197,006	203,782	9,392	5%
City Secretary	73,987	80,442	77,400	80,919	477	1%
Human Resource	53,295	73,459	67,370	75,932	2,473	3%
Legal	48,904	70,400	48,000	63,000	-7,400	-11%
Municipal Court	103,446	95,893	90,800	104,310	8,417	9%
Tax	95,946	116,054	115,000	111,983	-4,071	-4%
Technology	72,449	67,970	33,900	74,000	6,030	0%
Finance	214,804	193,250	191,700	205,950	12,700	7%
City Hall	104,467	134,403	134,000	131,045	-3,358	-2%
Police	1,584,098	1,657,190	1,553,000	1,563,975	-93,215	-6%
Fire	1,421,336	1,299,547	1,286,500	1,155,663	-143,884	-11%
Animal Control	99,395	118,850	112,609	102,550	-16,300	-14%
Code/Inspections	130,572	135,350	127,800	142,700	7,350	5%
Public Works/Streets	1,668,083	1,168,480	1,002,900	1,386,800	218,320	19%
Parks & Recreation	395,355	966,150	920,100	527,500	-438,650	-45%
Bauer Center	242,022	228,200	217,000	234,100	5,900	3%
Swimming Pool	33,396	29,150	28,000	28,550	-600	-2%
Non-Departmental	1,068,743	796,400	1,165,000	1,045,522	249,122	31%
Total Expenditures	7,637,232	7,453,000	7,395,488	7,265,000	-188,000	-3%

Expenditures by Department



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.

Our Leadership Philosophy

The City Council of Port Lavaca will lead...

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

Strategic Plan Area Dimensions

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

2012-2013 Strategic Goal Statements

- Port Lavaca residents are well informed and involved with the affairs of local city government.
- Port Lavaca residents enjoy new streets, sidewalks, or improved parks year after year.
- Port Lavaca is known for a business development program that is responsive to existing business needs.
- Port Lavaca is a culturally diverse community encompassing strong facets of tourism.
- Port Lavaca residents enjoy great amenities with affordable living.

2011-2012 Accomplishments

- Adopted new strategic plan
- Reviewed and approved various ordinances & policies consistent to support Council's goals

Budget Summary

City Council	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	23,303	23,302	23,303	23,264
Materials & Supplies	613	3,190	2,500	1,130
Services	1,282	930	1,600	1,025
Maintenance	0	0	0	1,300
Total City Council	25,198	27,422	27,403	26,719

CITY MANAGER

Our Mission

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

Description of our Services

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

2012-2013 Goals & Objectives

- Promote a community that respects and embraces the multiple cultures
- Develop performance measures for organizational efficiency
- Expand economic development opportunities in the City
- Provide prompt friendly service to the citizens of Port Lavaca
- Assist in the design and installation of new entrance signs in to the City
- To increase visits to the City's web site
- Form partnerships to improve housing conditions in our City
- Build an economic development program for the City that first supports existing business
- Implement a façade program to assist downtown businesses
- Manage a sound capital plan
- Assist the Council is ordinance revisions for the well-being of the City's residents and businesses
- Finalize the City's waterfront master plan

2011-2012 Accomplishments

- A strategic plan for City staff
- Completed Phase 1 of Waterfront Development Plan
- Finalized contract with Chamber of Commerce

Budget Summary

City Manager	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	191,564	185,565	188,006	193,277
Materials & Supplies	987	1,925	2,200	1,355
Services	9,185	6,900	6,800	9,150
Maintenance	0	0	0	0
Sundry	0	0	0	0
Total City Manager	201,736	194,390	197,006	203,782

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
City Manager	1	1	1
Administrative Assistant	1	1	1
Total	2	2	2

“The best preparation for tomorrow is to do today’s work extremely well.”

-Sir William Osler

CITY SECRETARY

Our Mission

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

Description of our Services

The Office of the City Secretary is responsible for the preparation of agendas and minutes for all City Council meetings; ensuring compliance with the 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. This office prepares and posts all required notices and administers City elections.

2012-2013 Goals & Objectives

- Establish electronic data storage for all City departments information to promote transparency
- Obtain Clerk Certification
- Establish data base for historical and current information on terms of elected officials
- Improve department page on City web site
- Increase the amount of public information available on the City's website

2011-2012 Accomplishments

- Revised records retention schedule to coincide with the Texas State Library
- Interacted with departments to improve process of record retention and destruction
- Coordinated Laser Fiche training with other City departments
- Streamlined timeline for City Council agendas and meetings
- Completed re-districting lines and map from statistics compiled from 2010 census
- Completed archival of election records
- Updated election package to electronic forms & conducted city elections in-house

Budget Summary

City Secretary	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	61,842	61,892	62,000	63,719
Materials & Supplies	3,858	1,550	1,400	1,200
Services	3,815	17,000	14,000	16,000
Maintenance	4,472	0	0	0
Capital Expenditures	0	0	0	0
Total City Secretary	73,987	80,442	77,400	80,919

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
City Secretary	1	1	1
Administrative Assistant	1	0	0
Total	2	1	1

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY11-12 Estimated	FY 12-13 Projected
Number (#) of Agendas	28	27	28
# of requests for Public Information	17	18	19
Number of new ordinances approved	9	5	7
Number of closed sessions	19	16	12
Number of public hearings	9	8	8
Number of proclamations	14	15	15
Number of resolutions approved	16	17	15
<i>Measuring our Effectiveness</i>			
% of agendas posted 72 hours prior to meeting	100%	99%	100%
% of minutes completed by next scheduling meeting	100%	100%	100%

HUMAN RESOURCE

Our Mission

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

Description of our Services

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

2012-2013 Goals & Objectives

- Reduce the number of risk and work-related injuries
- Maintain a competitive salary for the City workforce
- Improve the applicant recruiting effort
- Provide ongoing training to educate supervisors on various policies
- Improve management of health insurance plan to ensure a balance between city risk exposure and employee contributions
- Revise the Safety Personnel Policies and Procedures Manual
- Develop new employee orientation program
- Remain up to date on federal changes affecting Human Resource and Payroll

2011-2012 Accomplishments

- Completed salary survey
- Revised Employee Disciplinary Action Form
- Revised the Family Medical Leave Act (FMLA) & Sexual Harassment Policy
- Trained supervisors on the FMLA Act and Sexual Harassment Act
- Reorganized personnel files to separate documents not subject to the public information act
- Populated payroll module with city "leave" and performance evaluation data
- Implemented a departmental retention schedule on all personnel files

Budget Summary

Human Resource	Actual FY 2010- 2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	35,948	47,434	46,970	48,907
Materials & Supplies	2,195	4,200	1,700	1,400
Services	13,117	17,300	15,000	23,600
Maintenance	2,036	4,525	3,700	2,025
Capital Expenditures	0	0	0	0
Total Human Resource	53,295	73,459	67,370	75,932

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Finance/Personnel Specialist	0	1	1
Total	0	1	1

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY11-12 Estimated	FY 12-13 Projected
Number of new employees processed	35	34	30
Number of employee terminations	32	26	25
Number of work related injuries	20	11	15
Number of performance evaluations	74	57	75
Number of applications received	320	235	300
<i>Measuring our Effectiveness</i>			
Average time to fill positions (days)	30	25	30

GENERAL FUND

LEGAL

Our Mission

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

Description of our Services

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

Budget Summary

Legal	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012 -2013
Services	48,904	70,400	48,000	63,000
Total Legal	48,904	70,400	48,000	63,000

Budgeted Personnel

Position

Contracted Service

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 and is responsible for the collection of fines and fees, court scheduling, issuing, tracking and clearing warrants, maintaining court records and reporting to state agencies.

2012-2013 Goals & Objectives

- Increase collections by streamlining the warrant issue process and participating in the statewide warrant round-up
- Review and update Judge’s Standing Order Manual and other court forms
- Establish a “Youth at Risk” prevention program within the community
- Establish an orientation training for new personnel on court case processing
- Track workload and effectiveness of citations filed, warrants issued, etc.
- Establish INCODE connection for Municipal Court Department through the Police Department
- Complete INCODE training process on Police Department’s Brazos ticket writers
- Improve and enhance Municipal Court’s website to improve customer service & encourage online payment option
- Clerk to achieve level 1 certification

2011-2012 Accomplishments

- Implemented a Juvenile Case Manager Program
- Implemented an upgrade to the Municipal Court software that allows customers to make partial payments online once they have been granted a payment plan by the court
- Established “walk-in” payment solution thru H.E.B. and Wal-Mart stores
- Evaluated new laws passed during the 2011 Texas State Legislative session to determine their impact on Court procedures and implemented necessary changes
- Established an Identity Theft Prevention Process through photo technology
- Senior court clerk successfully achieved level II certification

GENERAL FUND

Budget Summary

Municipal Court	Actual FY 2010- 2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	71,997	68,533	67,000	77,450
Materials & Supplies	2,078	2,450	1,800	1,200
Services	27,603	24,110	22,000	24,460
Maintenance	1,769	800	0	1,200
Sundry	-1	0	0	0
Total Municipal Court	103,446	95,893	90,800	104,310

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Municipal Court Judge - Exempt	1	1	1
Municipal Court Clerk	1	1	1
Municipal Court Assistant	1/2	1	1
Total	2 1/2	3	3

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY11-12 Estimated	FY 12-13 Projected
Number of citations/complaints filed	2386	2492	2530
Number of warrants issued	1071	1267	1365
<i>Measuring our Effectiveness</i>			
Percentage of case files created within 24 hours of citation receipt	95%	100%	98%
Percentage of warrants issued within 30 days of failure to appear	98%	95%	98%

TAX

Description of our Services

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

Budget Summary

Tax	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Services	95,946	116,054	115,000	111,983
Total Tax	95,946	116,054	115,000	111,983

Budgeted Personnel

Position

Contracted Service

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

-D. H. Burnham

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.

2012-2013 Goals & Objectives

- Provide prompt, effective services to all City departments
- Ensure critical infrastructure is available for staff to perform job duties efficiently and for the public to access information
- Monitor and replace technology as needed to provide efficient service
- Assist the City finding an upgraded phone system
- Add a City intranet for internal communications
- Monitor and analyze website activity for better functionality
- Review proposals and secure a back- up solution for City data

2011-2012 Accomplishments

- Hired out of town IT service company (ETS)
- Updated and replaced several computers
- Redesigned City's website
- Transferred all information to new server
- Established online payment system for Utility Billing Department
- DeltAlert setup in Police Department
- Installed new racks to organize the computer room
- Installed air conditioner in computer room to keep equipment working properly

Budget Summary

Technology	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	55,020	35,170	6,700	0
Materials & Supplies	1,596	300	1,700	0
Services	738	2,500	500	0
Maintenance	15,095	30,000	25,000	74,000
Total Technology	72,449	67,970	33,900	74,000

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
IT Specialist	1	1	0
Total	1	1	0

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY 11-12 Estimated	FY 12-13 Projected
Number of IT service requests	N/A	300	400
<i>Measuring our Effectiveness</i>			
Average time to resolve IT service requests	N/A	24 hrs.	1 hr.

FINANCE

Our Mission

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

Description of our Services

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

2012-2013 Goals & Objectives

- Enhance accounting knowledge of staff through ongoing training
- Promote financial transparency for the City by posting financial reports on City's website
- Receive the Texas Comptroller's Leadership Circle Award for financial transparency
- Improve the budget document to create an easy, understandable format for our citizens
- Increase the number of outstanding ratings on the City's budget document that is submitted to the Government Finance Officers Association for review
- Provide for timely financial reporting to departments, managers, and City Council
- Reduce paper by digitally archiving retention documents
- Reduce number of adjusting audit entries performed by auditors
- Assist in the preparation of the City's capital plan
- Seek grants to aid in infrastructure replacement
- Assist in gathering data to place on the City's Economic Development page
- Maintain an updated profile of the City's statistical information for prospective businesses

2011-2012 Accomplishments

- Received the Government Finance Officers Association (GFOA) Budget Award
- Received the Comprehensive Annual Financial Report (CAFR) Award through Government Finance Officers Association (GFOA)
- Cross-trained staff to support Utility Billing
- Assisted in completion of five year Capital Plan
- Trained city staff on purchasing policy revisions
- Reduced audit risk on grants by maintaining organized and complete files
- Assisted in linking strategic plan to budget
- Supplied city departments with a uniform retention form
- Reduced audit cost

Budget Summary

Finance	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	193,858	176,200	175,000	184,650
Materials & Supplies	11,036	8,850	8,300	8,200
Services	8,686	7,300	7,500	7,400
Maintenance	1,224	900	900	5,700
Total Finance	214,804	193,250	191,700	205,950

2012-2013 Major Additions: Desk area upgrade

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Finance Director	1	1	1
Senior Accountant	1	0	1
Account Specialist	0	1	0
Accounting Clerk	1	1	1
Total	3	3	3

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY 11-12 Estimated	FY 12-13 Projected
Average number of invoices processed	6710	5982	6346
Average number of vendor checks issued	2491	2392	2440
Average number of payroll checks/ACH issued	2887	2877	2900
Number of manual journal entries	2212	2064	2752
<i>Measuring our Effectiveness</i>			
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

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.

2012-2013 Goals & Objectives

- Improve the appearance and atmosphere of City Hall to make it more customer friendly
- Re-route air conditioner output ducts in Finance Department
- Add location signs in city hall to assist customers
- To decrease electricity costs in City Hall
- Review efficiencies of city hall maintenance contracts

2011-2012 Accomplishments

- Installed new floor tile in Finance Lobby, hallway and Finance break room
- Installed new floor tile in Police Department's kitchen and hallways
- Installed new cabinets in Finance break room
- Purchased a stove for City Hall kitchen
- Upholstered furniture to improve appearance

Budget Summary

City Hall	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	10,941	29,753	25,000	0
Materials & Supplies	8,167	8,425	6,000	10,670
Services	58,165	58,525	58,000	84,625
Maintenance	27,193	37,700	45,000	35,750
Total City Hall	104,467	134,403	134,000	131,045

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Janitor	1/2	1	0
Total	1/2	1	0



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 investigate reports of incidents, requiring constant contact with the public; investigate 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; acts as a liaison with other law enforcement agencies, dispatches calls and relays emergency information in an expedient manner.



2012-2013 Goals & Objectives

- Operate with a sense of Pride and Ownership within the organization
- Strengthen the relationship between the City's public safety departments and the public
- Foster strong working relationships among all City departments
- Implement standardized recruitment practices for the City's public safety departments
- Standardize hiring practices for the City's public safety departments
- Standardize promotional practices for the City's public safety departments
- Pursue grant opportunities for new equipment and technology funding

2011-2012 Accomplishments

- Increased community interaction to stay involved in community events
- Remodeled two (2) administrative offices
- Updated and improved the Police Department building
- Implemented mobile computers in the department's vehicles

Budget Summary

Police	Actual FY 2010- 2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	1,314,115	1,294,475	1,250,000	1,294,900
Materials & Supplies	76,518	62,793	68,000	68,050
Services	84,905	91,157	90,000	85,450
Maintenance	56,328	57,000	65,000	59,300
Sundry	23,690	22,765	23,000	2,000
Capital Expenditures	28,542	129,000	57,000	54,275
Total Police	1,584,098	1,657,190	1,553,000	1,563,975

2012- 2013 Major Additions: Vehicle & Remote Mobile Solutions- software

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Police Chief – Exempt	1	1	1
Police Lieutenant – Exempt	1	1	1
Patrol Sergeants	4	2	2
Patrol Corporals	4	4	4
Patrol Officers	6	8	8
Senior Sergeant Detective	N/A	1	1
Police Detectives	4	3	3
Administrative Assistant / Lead	1	1	1
Dispatcher	4	4	4
Dispatchers	1	1	1
Records Clerk / Dispatcher	26	26	26
Total			

GENERAL FUND

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY11-12 Estimated	FY 12-13 Projected
Number of community programs & events attended by department personnel	14	18	16
Number of training hours received by department personnel	1,050	1,545	1,296
Number of recruiting events attended	N/A	N/A	4
Total number of calls for service	20,840	18,222	19,531
Number of officer initiated calls	11,959	7,738	9,849
Number of traffic citations	1,754	2,048	1,901
Number of warnings	1,624	893	1,259
Number of motor vehicle accidents worked by patrol	243	233	238
<i>Measuring our Effectiveness</i>			
Average response time per call (i.e. minutes: seconds)	4.19	4.50	4.35
Percentage of service calls that are officer initiated	58%	43%	51%
Number of cases assigned to CID	449	384	417
Number of cases cleared by arrest	896	888	892

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

2012-2013 Goals & Objectives

- Operate with a sense of Pride and Ownership within the organization
- Strengthen the relationship between the City's public safety departments and the public by designating a public information officer (PIO)
- Foster strong working relationships among all City departments
- Implement and standardize recruitment practices for the City's public safety departments
- Standardize hiring practices for the City's public safety departments
- Pursue grant opportunities to aid in funding for new equipment
- Interact with the public and inform them that their best interest and safety are the department's top priorities

2011-2012 Accomplishments

- No loss of time injuries within the Fire Department
- Updated implementation phase grading system for new hires
- Hosted Phase IV of SFFMA fire certification training
- Expanded the Fire Prevention Education Program
- Completed over 400 fire inspections to bring over 200 commercial occupancies up to City Fire and Life Safety Code standards
- Maintained the implementation of the Fire Department's smoke detector program
- 100% departmental compliance for the Brian Hunton National Fire Service Seatbelt Pledge
- Sent four (4) firemen to Industrial Fire School at Brayton Fire Field
- Improved safety and reliability through the acquisition of a new fire engine
- Improved volunteer training and retention
- Lowered the City's ISO grade from a 4 to a 2
- Completed Pre Fire Plan Program that improved the Fire Department's knowledge of potential hazards at local businesses
- Improved relations with local industrial plants through combined training
- Extended training opportunities to all Calhoun County fire departments once a month
- Reduced overtime through improved scheduling techniques
- Conducted county wide water shuttling training improving our efficiency for fire incidents
- Implemented the Baby Moses Safe Baby Drop site program

Budget Summary

Fire	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	918,345	951,992	945,000	955,100
Materials & Supplies	59,324	78,300	75,000	62,200
Services	62,135	49,455	50,000	55,700
Maintenance	28,761	27,800	26,000	30,900
Sundry	33,995	192,000	190,500	51,763
Capital Expenditures	318,776	0	0	0
Total Fire	1,421,336	1,299,547	1,286,500	1,155,663

2012- 2013 Major Additions: Upgrade air packs

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 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 10-11 Actual	FY 11-12 Estimated	FY 12-13 Projected
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
<i>Measuring our Effectiveness</i>			
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%

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.

2012-2013 Goals & Objectives

- Seek grants for the animal shelter
- Increase public awareness of spaying and neutering
- Assist in providing a safe atmosphere for the citizens
- Efficiently manage animal control calls provided through the County
- Reduce the number of loose animals

2011-2012 Accomplishments

- Enforced fee collection for animals that were picked up and returned
- Kept cost for animal feed to less than one-third of projected budget thru a donation program with Wal-Mart, Tractor Supply and the Victoria Animal Shelter
- Eliminated rabbit problem on Avalon Street by working with the courts and Police Department
- Picked up over 3,600 animals in Port Lavaca and Calhoun County

Budget Summary

Animal Control	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	74,719	71,800	71,909	75,900
Materials & Supplies	10,649	14,000	10,500	13,150
Services	9,529	10,050	9,000	10,500
Maintenance	4,497	3,000	3,000	3,000
Sundry	0	0	0	0
Capital Expenditures	0	20,000	18,200	0
Total Animal Control	99,395	118,850	112,609	102,550

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Animal Control Officers	2	2	2
Total	2	2	2

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY11-12 Estimated	FY 12-13 Projected
Number of calls received to pick-up animals	1801	2240	1800
Number of animals detained	436	447	400
<i>Measuring our Effectiveness</i>			
Average response time to pick-up animals	Less than 2 hours	Less than 2 hours	Less than 2 hours



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.

2012-2013 Goals & Objectives

- Provide for a safer community by enforcement of codes
- Develop a program for keeping the City cleaner involving citizens
- Collect outstanding liens owed to the City for code violations
- Increase communication to citizens regarding city codes
- Increase the number of code enforcement inspections
- Assist other nearby communities as needed
- Revise public nuisance ordinance for Council approval
- Decrease the number of substandard structures

2011-2012 Accomplishments

- Issued 839 permits with a valuation of \$6,102,389 within the first nine months of the budget year
- Completed 1,033 code enforcement inspections within the first nine months of the budget year
- Increased department production while staying under budget

Budget Summary

Code Enforcement	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	118,072	115,250	115,000	116,750
Materials & Supplies	5,789	6,500	5,300	6,900
Services	4,678	10,100	5,000	15,550
Maintenance	2,034	3,500	2,500	3,500
Capital Expenditures	0	0	0	0
Total Code Enforcement	130,572	135,350	127,800	142,700

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 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 10-11 Actual	FY 11-12 Estimated	FY 12-13 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%

STREETS

(Merged with Public Works)

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.

2012-2013 Goals & Objectives

- Maintain an updated street assessment plan
- Provide council and citizens with a sound plan for infrastructure replacement
- Decrease drainage problem areas in the City
- Develop a herbicide program for curbs and gutters
- Improve the condition of city streets through sealcoat, zipping, or reconstruction
- Place street project information on City's website

2011-2012 Accomplishments

- Reclaimed approximately 7200 linear feet of streets with zipper
- Installed City way finder signs for the Chamber of Commerce
- Assisted in installing trailer spaces at Lighthouse Beach
- Implemented state right of way mowing schedule
- Implemented plan for Wilson complex which included installing the field lighting

Budget Summary

Streets	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	483,259	488,830	352,000	455,450
Materials & Supplies	55,460	53,250	53,000	45,150
Services	152,498	162,600	155,000	160,800
Maintenance	257,093	295,900	275,000	320,400
Sundry	613,527	167,900	167,900	375,000
Capital Expenditures	106,246	0	0	30,000
Total Streets	1,668,083	1,168,480	1,002,900	1,386,800

2012- 2013 Major Additions: Truck & seal coat program

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Public Works Director*	1	1	1/2*
Administrative Assistant*	1	1	1/2*
Maintenance Superintendent	1	1	1
Heavy Equipment Operators	4	4	4
Maintenance Workers	4	4	4
Temporary Workers (Summer)	5	5	5
Total	16	16	15

*Position funded 1/2 Utility Maintenance

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY 11-12 Estimated	FY 12-13 Projected
Miles of curb swept by street sweeper	250	360	400
Tons of litter and debris removed	140	150	150
<i>Measuring our Effectiveness</i>			
% of emergency calls responded to within 4 hrs.	95%	98%	100%

PARKS



Our Mission

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

Description of our Services

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

2012-2013 Goals & Objectives

- Beautify the City’s parks and open spaces
- Complete Park’s Master Plan
- Increase “kid friendly” amenities to parks
- Obtain grants to assist in funding park improvements
- Install splash pad at Bayfront Park
- Repaint park signs & replace old park equipment
- Build soccer field at Wilson Field

2011-2012 Accomplishments

- Implemented Parks Master Plan
- Installed three (3) cabanas and three (3) umbrellas at Light House Beach
- Installed two (2) cabanas at Bay Front Peninsula
- Installed benches at Wilson Field playground area
- Installed lights at Wilson Field
- Installed new lighted Christmas tree at Bayfront Park

Budget Summary

Parks & Recreation	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	155,605	162,800	163,000	167,500
Materials & Supplies	34,715	25,500	25,000	24,100
Services	47,487	33,650	42,000	44,800
Maintenance	60,998	44,000	40,100	132,100
Capital Expenditures	96,549	700,200	650,000	159,000
Total Parks & Recreation	395,355	966,150	920,100	527,500

2012- 2013 Major Additions: Mower, Bay Front Pavilion & Wilson Park soccer field

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Lead Parks Maintenance Worker	1	1	1
Maintenance Workers	4	4	4
Temporary Worker (Summer)	1	1	1
Total	6	6	6

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY 11-12 Estimated	FY 12-13 Projected
Acres of park grounds maintained	170.4	170.4	170.4
Number of playground inspections performed	N/A	24	45
<i>Measuring our Effectiveness</i>			
% of park maintenance completed on schedule	95%	98%	100%

BAUER CENTER



Our Mission

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

Description of our Services

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

2012-2013 Goals & Objectives

- Maintain a quality community and convention facility for all residents and visitors
- Review convention center layout to establish other “break out” rooms for business-type conferences
- Expand customer base
- Increase number of events related to business
- Create a maintenance program for the facility

2011-2012 Accomplishments	
•	Repainted the Bauer Center
•	Upgraded the lighting system
•	2012 – 2013 rentals currently booked
•	Attended two (2) trade shows to advertise the center for rental
•	Advertised in the bridal section of the Port Lavaca Wave newspaper

Budget Summary

Bauer Center	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	69,060	60,300	61,000	68,500
Materials & Supplies	4,761	7,650	6,000	6,000
Services	92,615	114,300	110,000	115,550
Maintenance	75,585	45,950	40,000	44,050
Total Bauer Center	242,022	228,200	217,000	234,100

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Maintenance Workers	2	2	2
Total	2	2	2



GENERAL FUND

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

Swimming Pool Operations	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011- 2012	Adopted Budget FY 2012-2013
Materials & Supplies	11,312	11,100	11,000	11,100
Services	12,982	10,500	12,000	12,450
Maintenance	9,102	7,550	5,000	5,000
Sundry	0	0	0	0
Total Swimming Pool Operations	33,396	29,150	28,000	28,550

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 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	500,050	437,000	830,000	556,000
Services	190,496	193,400	190,000	202,500
Maintenance	17,953	21,000	20,000	22,000
Sundry	360,244	145,000	125,000	265,022
Capital Expenditures	0	0	0	0
Total Non-Departmental	1,068,743	796,400	1,165,000	1,045,522



ENTERPRISE FUNDS



Public Utility Fund

Revenue and Expenditures

Departmental Summaries

Operations

Utility Billing

Maintenance

Wastewater

Water Production

Solid Waste

Non – Departmental

Beach Fund

Revenue and Expenditures

Departmental Summaries

Beach Operations

Port Commission Fund

Revenue and Expenditures

Departmental Summaries

Port Commission Operations

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

This section provides a three year comparative summary and detailed information for revenue and expenditures.

You will also find each department's mission, upcoming goals, budget history, performance measures and major additions related to the Public Utility, Beach and Port Commission Funds.





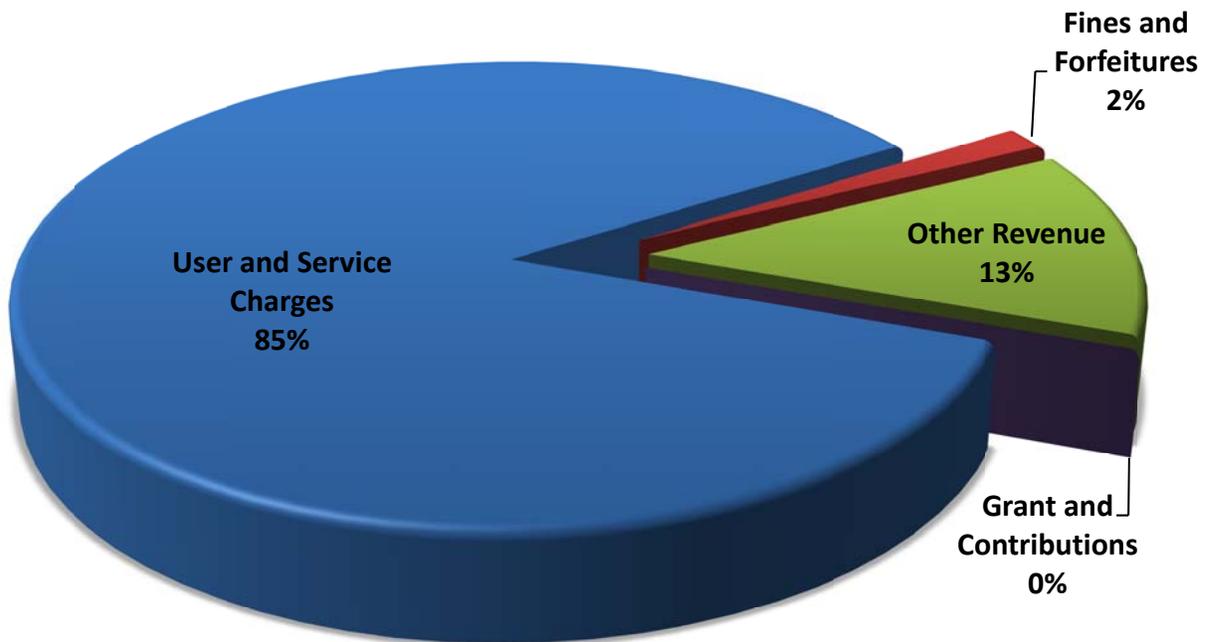
PUBLIC UTILITY FUND

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

Public Utility Fund Revenue

Revenue Summary	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2010-2012	Adopted Budget FY 2012-2013	Variance
User and Service Charges	5,393,332	4,948,500	5,128,900	4,942,300	-6,200
Fines and Forfeitures	94,588	90,000	92,000	90,000	0
Other Revenue	116,269	461,500	72,500	751,700	290,200
Grant and Contributions	5,158	0	0	0	0
Total Revenue	5,609,348	5,500,000	5,293,400	5,784,000	284,000

Public Utility Fund Revenue



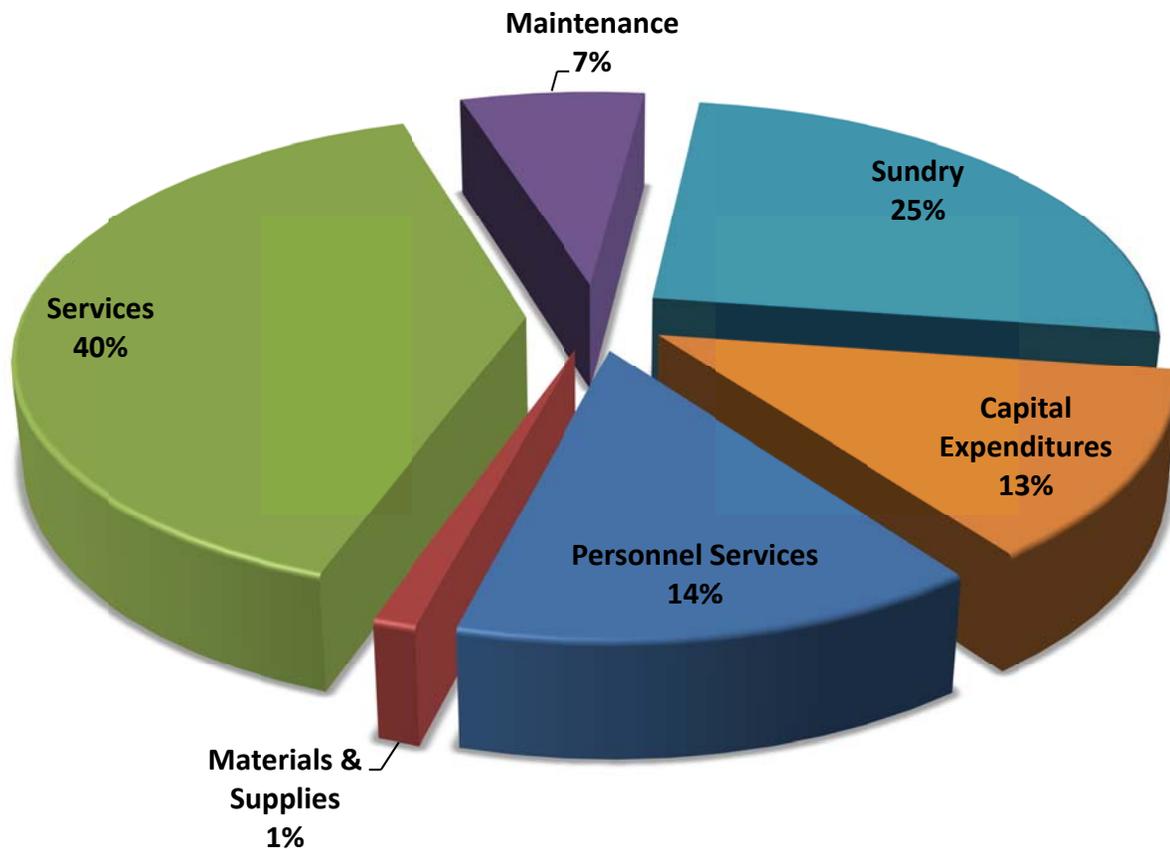
Public Utility Revenue Detail

Public Utility Fund Revenue	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
User & Service Charges				
Water- Metered	2,511,463	2,180,000	2,300,000	2,200,000
Water- Bulk	351	0	2,400	0
Water- Metered County	90,026	78,000	85,000	77,000
Sewer Residential	1,155,008	1,135,000	1,150,000	1,135,000
Sewer Commercial	775,552	685,000	725,000	690,000
Sewer County	33,657	32,000	33,000	30,000
Waste- Garbage Collection	656,117	690,000	676,000	676,800
Spring Cleanup	81,144	84,000	67,000	67,000
Water Taps	12,460	10,000	28,000	10,000
Sewer Taps	16,545	4,000	5,000	4,000
Service Call Fees	986	1,500	1,500	1,500
Service Transfer Fees	2,684	2,500	2,500	2,500
Service Reconnection Fees	41,640	35,000	40,000	37,000
Service Temporary Water	1,710	1,500	2,500	1,500
Sales Tax- Garbage	13,989	10,000	11,000	10,000
Total User & Service Charges	5,393,332	4,948,500	5,128,900	4,942,300
Fines & Forfeitures				
Late Payment Penalties	94,588	90,000	92,000	90,000
Cash Over- Utility Billing	0	0	0	0
Total Fine & Forfeitures	94,588	90,000	92,000	90,000
Other Revenue				
Interest Income	11,977	10,000	11,000	11,000
Other Financing Sources	0	0	0	0
Returned Check Fees	2,820	2,500	2,700	2,500
Bad Debt Account Collection	10,745	7,000	10,000	10,000
CCRWSS- GBRA Transmission	46,211	35,000	45,000	35,000
Auction Proceeds	13,239	0	300	0
TML Reimbursements	24,311	0	700	0
Miscellaneous	6,967	0	2,800	0
Equity Balance Forward	0	407,000	0	693,200
Total Other Revenue	116,269	461,500	72,500	751,700
Grant & Contributions				
Capital Contributions	5,158	0	0	0
Total Grant & Contributions	5,158	0	0	0
Total Public Utility Revenue	5,609,348	5,500,000	5,293,400	5,784,000

Public Utility Expenditures by Function

Expenses by Function	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance
Personnel Services	701,737	716,209	824,241	816,010	99,801
Materials & Supplies	82,799	75,200	69,828	69,300	-5,900
Services	2,207,462	2,273,350	2,120,560	2,303,000	29,650
Maintenance	291,943	351,350	293,450	397,550	46,200
Sundry	992,612	1,445,891	1,453,433	1,462,640	16,749
Capital Expenditures	-7,504	638,000	624,589	735,500	97,500
Total Expenditures	4,269,049	5,500,000	5,386,102	5,784,000	284,000

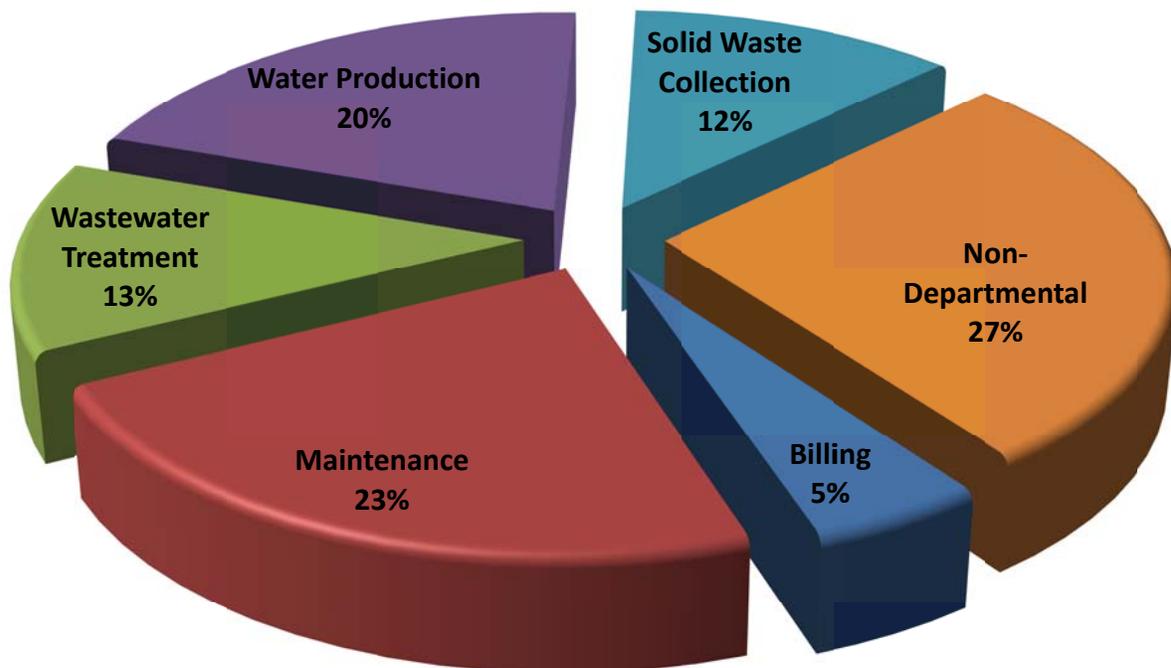
Expenditure by Function



Public Utility Expenditures by Department

Expenses by Department	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance
Billing	277,299	305,225	294,544	281,425	-23,800
Maintenance	566,246	1,155,733	1,076,972	1,315,467	159,734
Wastewater Treatment	580,952	698,710	623,286	741,709	42,999
Water Production	1,071,960	1,099,000	1,050,000	1,167,400	68,400
Solid Waste Collection	681,596	715,000	700,000	701,800	-13,200
Non-Departmental	1,090,997	1,526,332	1,641,300	1,576,199	49,867
Total Expenses	4,269,049	5,500,000	5,386,102	5,784,000	284,000

Expenditure by Department



Departmental Summaries

UTILITY BILLING

Our Mission

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

Description of our Services

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

2012-2013 Goals & Objectives

- Revise customer service ordinance
- Be a leader in customer service among peers
- Increase the amount of customer's using the City's online payment option
- Use technology to improve departmental operations
- Increase the utilization of utility bills as an avenue to share city information

2011-2012 Accomplishments

- Cross trained meter reader in cash collections
- Added a more secure utility payment night drop
- Streamlined bank drafts by processing them online
- Trained cash collection clerks to support the billing process and back up municipal court payment processing

Budget Summary

Utility Billing	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	175,333	178,300	177,241	181,550
Materials &Supplies	15,464	10,775	9,450	9,375
Services	31,716	39,300	33,900	38,350
Maintenance	54,836	51,850	57,550	52,150
Sundry	-50	0	0	0
Capital Expenditures	0	25,000	16,403	0
Total Utility Billing	277,299	305,225	294,544	281,425

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Customer Service Specialist	1	1	1
Utility Billing Specialist	0	1	1
Account Billing Clerk	2	1	1
Meter Reader	2	2	2
Total	5	5	5

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY 11-12 Estimated	FY 12-13 Projected
Number of utility account bills generated	54,414	54,801	54,826
Number of utility payments received	48,040	47,646	47,729
Number of port commission bills generated	678	747	735
Number of port commission payments received	615	621	545
Number of bad debt write offs	499	376	365
Amount of bad debt recoveries	5,907.62	4,695.87	4,800.00
Meter reading service orders generated	4,396	5,200	5,257
<i>Measuring our Effectiveness</i>			
Percentage of monthly bills posted to customer accounts on time	100%	100%	100%
Percentage of billing adjustments to correct meter reading and/or billing errors	Less than 1%	Less than 1%	Less than 1%
Number of work orders outstanding after thirty (30) days	0	0	0

MAINTENANCE

Our Mission

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

Description of our Services

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

2012-2013 Goals & Objectives

- Implement a backflow prevention plan
- Resolve customer complaints in a professional and timely manner
- Replace sewer line on George Street
- Replace water line on Shofner Drive
- Upgrade water line on Jackson Street
- Replace sewer line at Bonorden Street
- Develop a water and wastewater master plan
- Assist in community development initiatives
- Assist in preparing the City for future growth

2011-2012 Accomplishments

- Replaced several failed sewer mains throughout the system
- Upgraded water line from 2" line to 4" line on Shofner Drive
- Completed sewer replacement in the Mariemont Subdivision
- Smoke tested two (2) areas to determine infiltration
- Kept customer complaints below 1% of total customers per month

Budget Summary

Maintenance	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	333,998	333,349	330,000	406,000
Materials & Supplies	43,465	35,275	35,025	34,225
Services	26,971	39,700	27,549	32,800
Maintenance	163,853	147,000	83,800	148,000
Sundry	5,463	37,409	37,411	37,442
Capital Expenditures	-7,504	563,000	563,186	657,000
Total Maintenance	566,246	1,155,733	1,076,972	1,315,467

2012-2013 Major Additions: Sewer Line- George Street and Bonorden; Water Line- Alamo Heights

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Public Works Director*	0	0	1/2*
Administrative Assistant*	0	0	1/2*
Utility Superintendent	1	1	1
Utility Operator	1	1	1
Heavy Equipment Operator	0	3	3
Utility Maintenance Workers	7	4	4
Total	9	9	10

*Position funded 1/2 by Streets

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY 11-12 Estimated	FY 12-13 Projected
Number of work orders completed	977	1334	1200
Number of quality samples taken	180	180	180
Number of water main leaks repaired	58	313	150
Measuring our Effectiveness			
Water service complaints as a % of total customer accounts	Less than 1 %	Less than 1 %	Less than 1 %
Sewer service complaints as a % of total customer accounts	Less than 1 %	Less than 1 %	Less than 1 %

WASTEWATER

Our Mission

The mission of the City of Port Lavaca Wastewater Department is to provide 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 wastewater treatment plant and 20 lift stations. In addition, the department is responsible for sludge disposal, laboratory/process control, a pretreatment program, monitoring through our lift stations and Supervisory Control and Data Acquisition System (SCADA) operations.

2012-2013 Goals & Objectives

- Implement operation process and control procedures necessary for Lynn's Bayou to maintain Texas Commission on Environmental Quality (TCEQ) and Environmental Protection Agency (EPA) permitted parameters
- To assist Texas Commission on Environmental Quality (TCEQ) on the wastewater treatment plant effluent discharge
- Maintain whole effluent toxicity testing (WET) limits for bio-monitoring of the mysid shrimp
- Improve pumps and pump controls of lift stations
- Add SCADA to blowers at Waste Water Treatment Plant

2011-2012 Accomplishments

- Added three lift stations and a clarifier alarm to the SCADA system at the Waste Water Treatment Plant
- Had zero (0) violations from TCEQ inspections
- Completed installation of the variable frequency drives on the blowers to reduce energy costs
- Completed Copper WER study for permit amendment

Budget Summary

Wastewater Treatment	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	117,898	116,860	117,000	119,660
Materials & Supplies	23,869	29,150	25,353	25,700
Services	364,398	335,150	269,111	305,150
Maintenance	72,447	151,500	150,800	196,100
Sundry	2,340	16,050	16,022	16,599
Capital Expenditures	0	50,000	45,000	78,500
Total Wastewater Treatment	580,952	698,710	623,286	741,709

2012-2013 Major Additions: Skid Steer, SCADA lift stations & Replace roof at plant

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Wastewater Operator	1	1	2
Utility Operator	2	2	1
Temp. Maintenance Worker	1	1	1
Total	4	4	4

Performance Measures

<i>Our Workload</i>	FY 10-11 Actual	FY 11-12 Estimated	FY 12-13 Projected
Total gallons of wastewater treated per year in millions	425.56	392.92	400
Number of sanitary sewer overflows	5	2	0
Tons of sludge per year	961.07	1698.14	1500
<i>Measuring our Effectiveness</i>			
Percentage of solids removed from wastewater treatment plant	98%	97.47%	96% to 98%

WATER PRODUCTION

Description of our Services

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

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

Budget Summary

Water Production	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Services	1,071,960	1,099,000	1,050,000	1,167,400
Total Water Production	1,071,960	1,099,000	1,050,000	1,167,400

SOLID WASTE

Description of our Services

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

Budget Summary

Solid Waste Collection	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Services	656,596	690,000	675,000	676,800
Sundry	25,000	25,000	25,000	25,000
Total Solid Waste Collection	681,596	715,000	700,000	701,800

ENTERPRISE FUNDS

NON-DEPARTMENTAL

Description of our Services

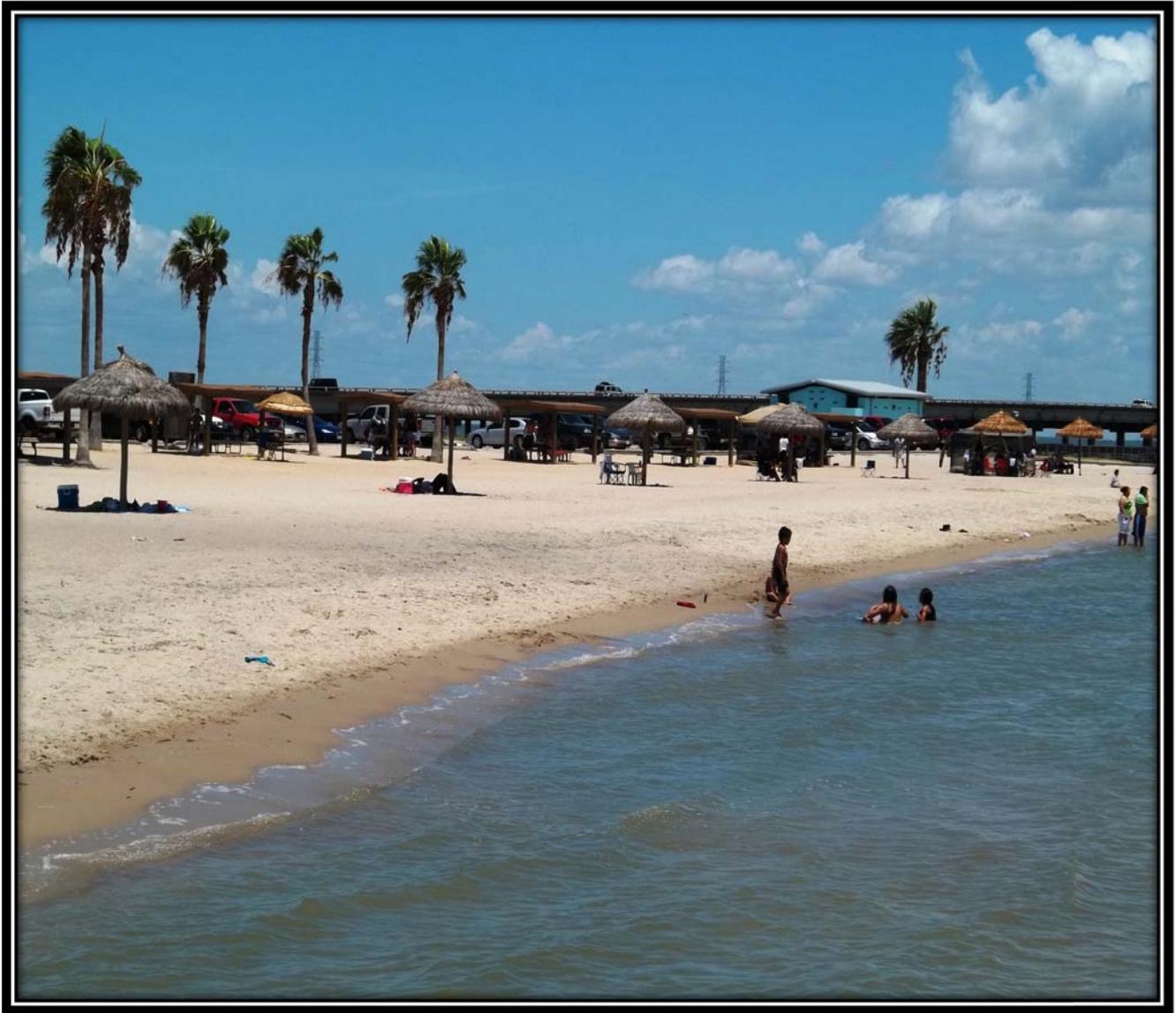
Expenditures considered to be of a non-departmental nature include: health insurance claims, safety plan, Texas Workforce Commission (TWC), audit fees, general liability insurance, contingency, etc.

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 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	74,509	87,700	200,000	108,800
Services	55,822	70,200	65,000	82,500
Maintenance	807	1,000	1,300	1,300
Sundry	959,859	1,367,432	1,375,000	1,383,599
Total Non-Departmental	1,090,997	1,526,332	1,641,300	1,576,199



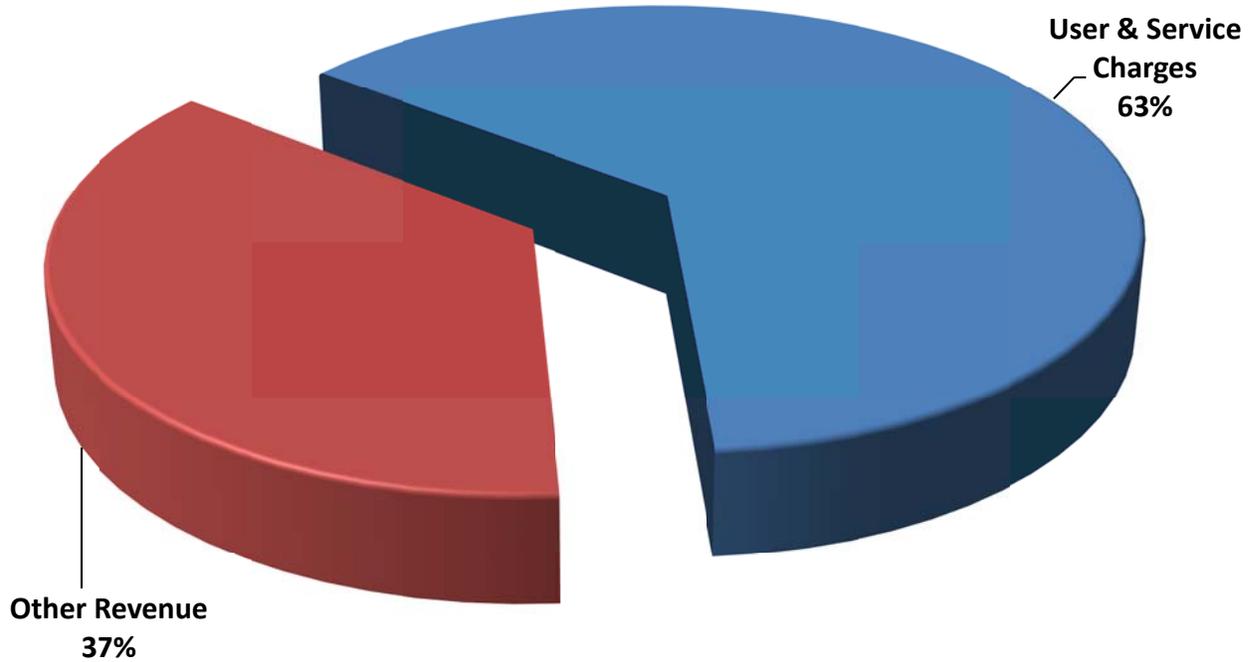
BEACH FUND

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

Beach Revenue

Revenue Summary	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance
User & Service Charges	280,182	224,000	267,300	228,000	4,000
Other Revenue	5,326	154,000	5,030	132,000	-22,000
Intergovernmental Revenue	0	0	0	0	0
Total Revenue	285,508	378,000	272,330	360,000	-18,000

Revenue by Receipt Type



Beach Revenue Detail

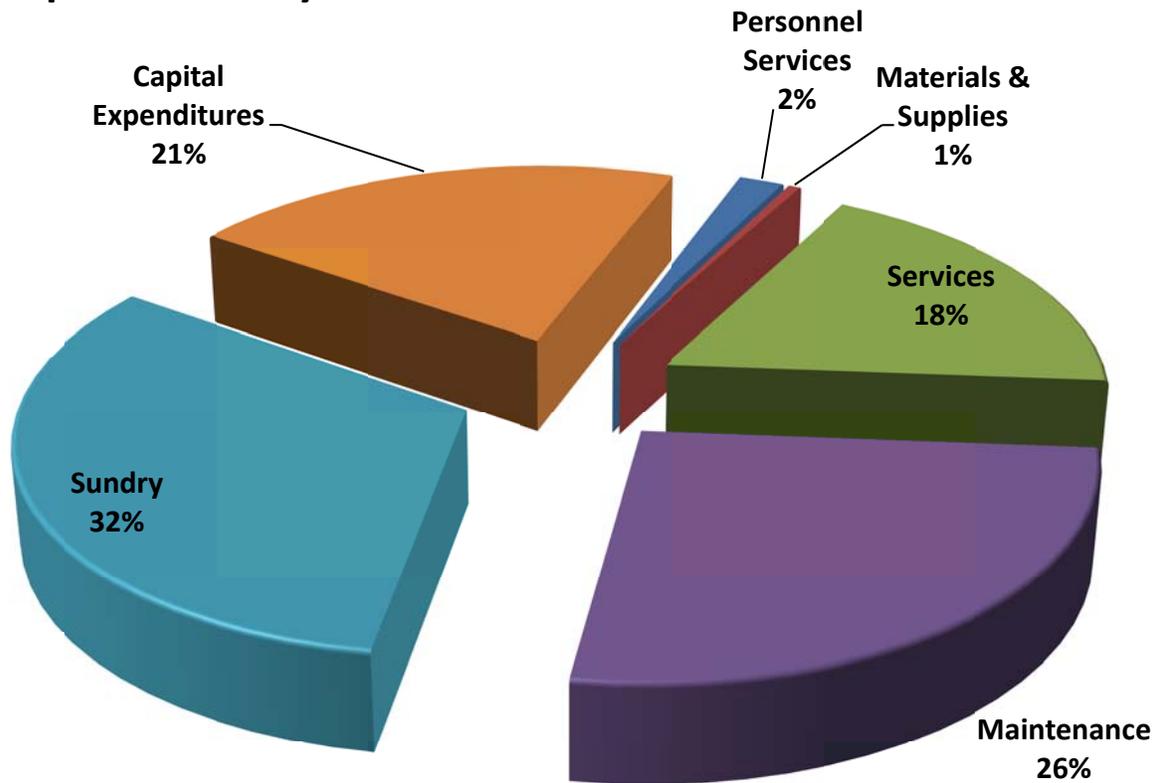
Beach Operating Revenue	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
User & Service Charges				
Gate Fee- Daily	48,330	41,000	42,000	40,500
Gate Fee- Annual	0	0	0	0
Gate Fee- Senior Citizens	0	0	0	0
R V Rentals	217,165	180,500	222,000	185,000
Pavilion Rentals	14,687	2,500	3,300	2,500
Cabana Rentals	0	0	0	0
Concession	0	0	0	0
Special Events	0	0	0	0
Total User & Service Charges	280,182	224,000	267,300	228,000
Other Revenue				
Interest Income	1,789	1,500	1,500	1,500
Returned Check Fee	53	0	30	0
TML Reimbursement	677	0	0	0
Washer-Dryer Income	2,822	2,500	3,500	2,500
Miscellaneous	-15	0	0	0
Equity Balance Forward	0	150,000	0	128,000
Total Other Revenue	5,326	154,000	5,030	132,000
Intergovernmental Revenue				
Transfer In- Fund 162	0	0	0	0
Transfer In- Fund 218	0	0	0	0
Transfer In- Fund 221	0	0	0	0
Total Intergovernmental Revenue	0	0	0	0
Total Beach Revenue	285,508	378,000	272,330	360,000

Beach Fund Expenditures

Beach Operations Expense	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance
Personnel Services	7,484	12,520	9,000	6,550	-5,970
Materials & Supplies	1,587	1,500	2,000	1,700	200
Services	76,311	77,800	65,000	66,100	-11,700
Maintenance	35,901	178,180	125,000	94,650	-83,530
Sundry	164,516	108,000	108,000	116,000	8,000
Capital Expenditures	0	0	0	75,000	75,000
Total Beach Expenditures	285,800	378,000	309,000	360,000	-18,000

2012-2013 Major Additions: Restroom Rehabilitation and Lighting of Boardwalk

Expenditures by Function



Departmental Summaries

BEACH OPERATIONS

Our Mission

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



Description of our Services

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

2012-2013 Goals & Objectives

- Improve amenities at Lighthouse Beach Park
- Increase safety for guests on boardwalk
- Replace old park equipment

2011-2012 Accomplishments

- Added shade structures to the beach – three (3) umbrellas and three (3) cabanas
- Added showers to the bathroom in the recreation room
- Replaced one (1) restroom
- Added RV spaces
- Repainted all bathrooms and the gatehouse
- Replaced all the lights under the pavilion
- Added five hundred (500) tons of sand to the beach





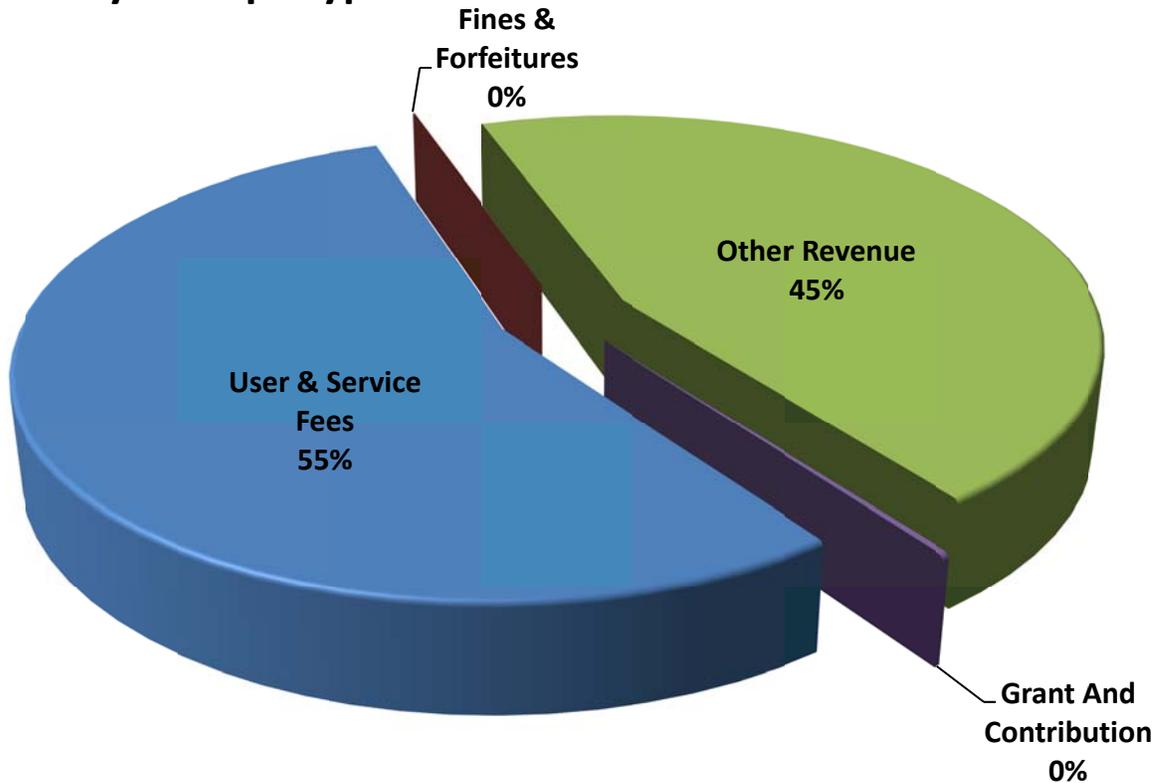
PORT REVENUE FUND

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

Port Commission Fund Revenue

Port Revenue	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance
User & Service Fees	419,717	426,000	408,500	456,000	30,000
Fines & Forfeitures	429	500	400	200	-300
Other Revenue	13,489	305,500	5,900	374,800	69,300
Grant & Contributions	4,214	2,000	2,000	2,000	0
Total Revenue	437,848	734,000	416,800	833,000	99,000

Revenue by Receipt Type



Port Commission Fund Revenue Detail

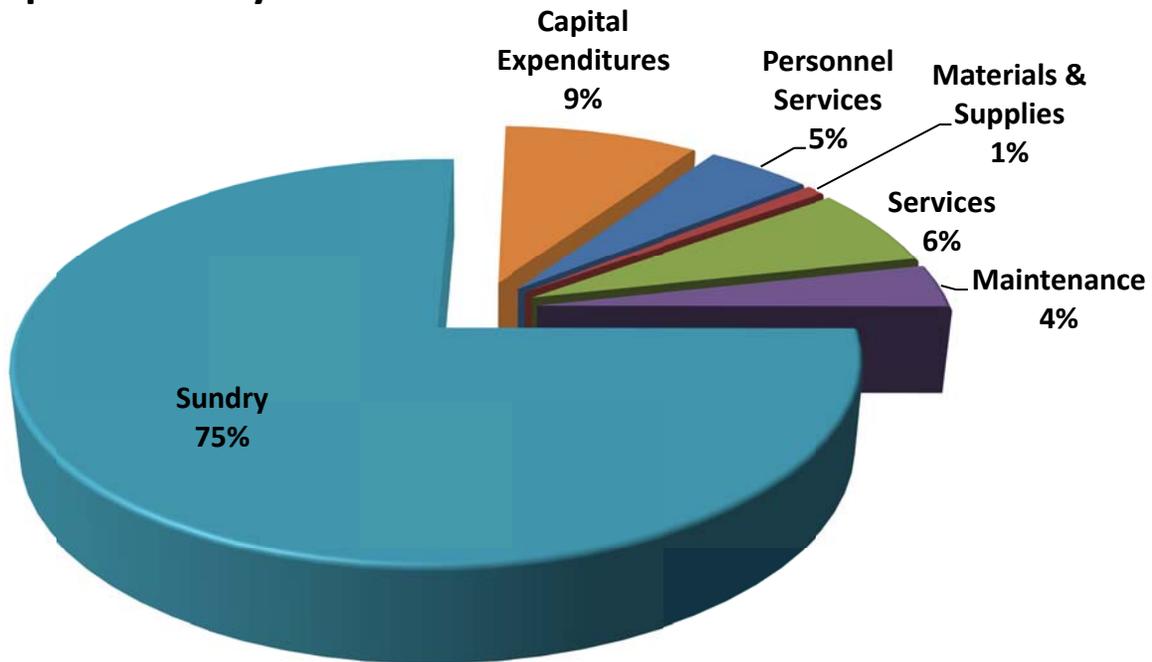
Port Revenue	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
User & Service Charges				
City Harbor- Dock Leases	81,165	87,000	87,000	87,000
Harbor of Refuge- Dock Leases	212,733	183,000	199,000	200,000
Harbor of Refuge- Tariffs	46,988	82,000	25,000	80,000
Nautical Landing- Dock Leases	55,346	50,000	71,000	65,000
Nautical Landing- Building Leases	23,485	24,000	26,500	24,000
Bad Debt	0	0		0
Total User & Service Charges	419,717	426,000	408,500	456,000
Fines & Forfeitures				
Late Payment Penalties	429	500	400	200
Total Fines & Forfeitures	429	500	400	200
Other Revenue				
Interest Income	5,730	5,000	4,000	4,300
TML Reimbursements	6,945	0	600	0
Washer-Dryer Income	549	500	1,300	500
Miscellaneous	265	0	0	0
Equity Balance Forward	0	300,000	0	370,000
Total Other Revenue	13,489	305,500	5,900	374,800
Grant And Contribution				
State Grant Revenue	2,438	2,000	2,000	2,000
Capital Contributions	1,776	0		0
Total Grant And Contribution	4,214	2,000	2,000	2,000
Intergovernmental Revenue				
Transfer in- Fund 165	0	0	0	0
Total Intergovernmental	0	0	0	0
Total Port Revenue	437,848	734,000	416,800	833,000

Port Revenue Fund Expenditures

Port Operations	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance
Personnel Services	23,437	37,400	33,000	39,350	1,950
Materials & Supplies	2,926	7,400	6,000	7,000	1,750
Services	69,372	68,900	65,000	54,250	350
Maintenance	14,683	60,750	30,000	29,400	20,950
Sundry	480,736	559,550	329,000	628,000	-1,000
Capital Expenditures	0	0	0	75,000	75,000
Total Expense	591,155	734,000	463,000	833,000	99,000

2012-2013 Major Additions: Breakwater and Building Renovation

Expenditures by Function



Departmental Summaries

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 and tariffs collected on commodities shipped out of our harbor. The Port Fund encompasses the following activities:

- Rental of dock and harbor facilities
- Maintenance of dock, harbor facilities, and channels

2012-2013 Goals & Objectives

- Provide additional breakwater facility at Nautical Landings Marina
- Deepen the entrance channel at marina to support our existing businesses
- Protect our waterfront assets by improving bulk head facilities at Harbors
- Support economic development and tourism of City's waterfront properties

2011-2012 Accomplishments

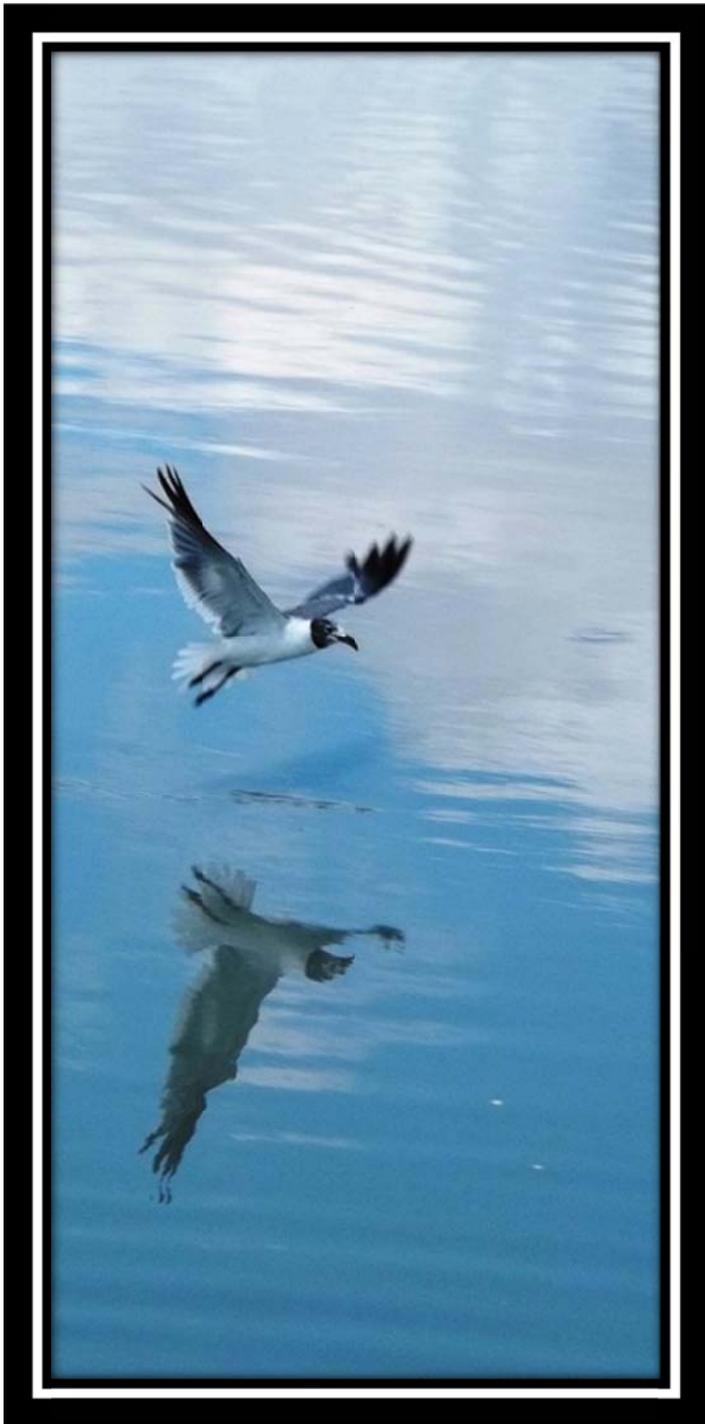
- Improved Nautical Landing Marina (new docks, retaining wall, & added a sewer pump-out)
- Replaced boards on existing break water at Nautical Landings Marina
- Replaced rest room in day room at Nautical Landings Marina
- Increased security at Harbor Refuge
- Partially funded the Waterfront Development Ordinance

Budgeted Personnel

Position	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Harbor Master	1	1	1
Maintenance Worker	1/2	1/2	1/2
Total	1 1/2	1 1/2	1 1/2



SPECIAL REVENUE FUNDS



Hotel / Motel Fund

Forfeiture Fund

Building Security Fund

Redflex Traffic Fund

Court Technology Fund

Juvenile Case Manager 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.

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.





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.

Hotel/Motel Fund

2012-2013 Goals & Objectives

- Increase Tourism by marketing the City's "Hot Spots" (waterfront amenities)
- Promote the diversity of the City's culture through events sponsored by the City
- Increase attendance of residence and visitors to our special events
- Bring in additional conventions to the City
- Promote the City's façade program

2011-2012 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

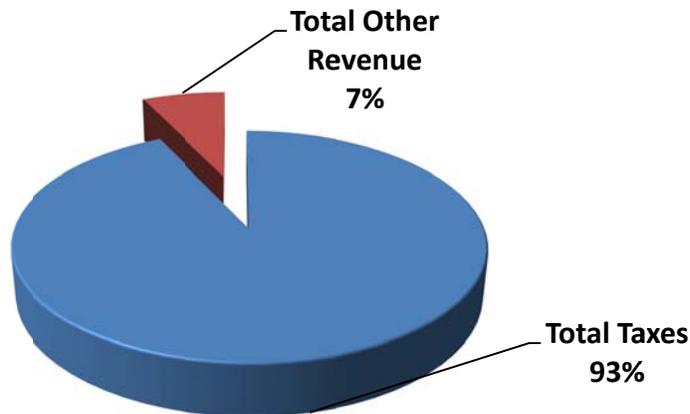


"And the day came when the risk to remain tight in a bud was more painful than the risk it took to blossom."
- Anais Nin

Hotel / Motel Revenue

Hotel Occupancy Revenue	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance
Total Taxes	328,114	260,000	330,000	300,000	40,000
Total Other Revenue	830	94,000	635	22,800	-71,200
Total Revenue	328,944	354,000	330,635	322,800	-31,200

Hotel Revenue



Hotel / Motel Expenditures

Hotel Occupancy Tax	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013	Variance
Materials & Supplies	19,541	10,000	12,000	10,000	0
Services	91,097	80,000	92,000	73,800	-6,200
Sundry	194,750	264,000	264,000	239,000	-25,000
Total Expense	305,389	354,000	368,000	322,800	-31,200



FORFEITURE FUND

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

Forfeiture Fund Revenue

Forfeitures Revenue	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Fines & Forfeitures	5933	0	25,000	0
Other Revenue	12	0	50	0
Intergovernmental	0	0	0	0
Total Revenue	5,945	0	25,050	0

Forfeiture Fund Expenditures

Forfeitures Expense	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Materials & Supplies	809	0	5,000	0
Services	210	0	0	0
Maintenance	0	0	8,000	0
Sundry	2,373	0	8,600	0
Capital Expenditures	0	0	6,349	0
Total Expense	3,392	0	27,949	0



BUILDING SECURITY FUND

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

Building Security Fund Revenue

Building Security Revenue	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Fines & Forfeitures	4990	0	3,000	0
Other Revenue	12	0	20	0
Total Revenue	5,002	0	3,020	0

Building Security Expenditures

Building Security Expense	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Materials & Supplies	0	0	3,000	0
Services	0	0	0	0
Total Expense	0	0	3,000	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.

Redflex Traffic Fund Revenue

Redflex Traffic Revenue	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Other Revenue	95	0	0	0
Intergovernmental	191,156	0	0	0
Total Revenue	191,251	0	0	0

Redflex Traffic Expenditures

Redflex Traffic Expense	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Materials & Supplies	186,269	0	0	0
Total Expense	186,269	0	0	0



COURT TECHNOLOGY FUND

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

Court Technology Revenue

Court Technology Revenue	Actual FY 2010-2011	Final Amended FY 2010-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Fines & Forfeitures	6,901	7,000	6,500	7,000
Other Revenue	42	0	40	0
Intergovernmental	5,935	0	0	0
Total Revenue	12,878	7,000	6,540	7,000

Court Technology Expenditures

Court Technology Expense	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Materials & Supplies	5,873	0	1,797	0
Services	0	0	0	0
Maintenance	7,069	7,000	8,092	7000
Total Expense	12,942	7,000	9,889	7,000



JUVENILE CASE MANAGER FUND

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

Juvenile Case Manager Fund Revenue

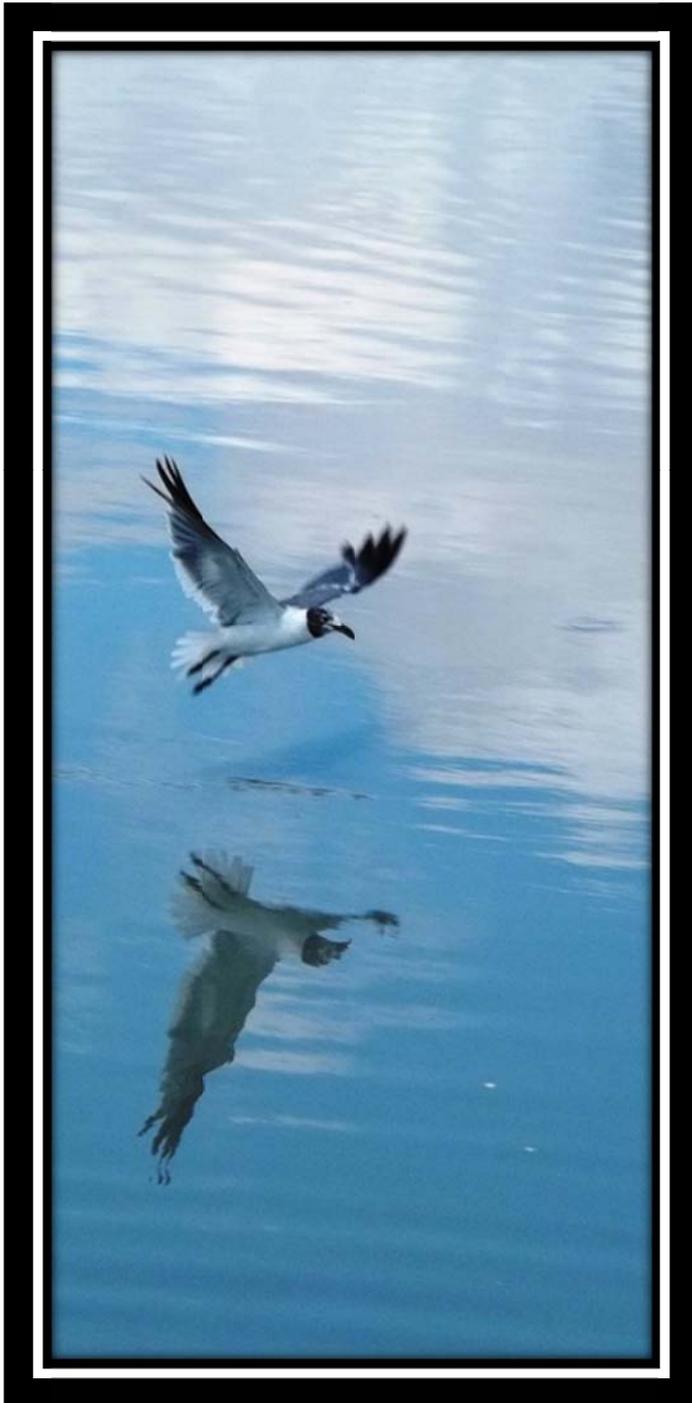
Juv. Case Mgr. Revenue	Actual FY 2010-2011	Final Amended FY 2010-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Other Revenue	0	0	0	0
Fines & Forfeitures	0	0	1,500	2,500
Intergovernmental	0	0	0	10,700
Total Revenue	0	0	1,500	13,200

Juvenile Case Manager Fund Expenditures

Juv. Case Mgr. Expense	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted Budget FY 2012-2013
Personnel Services	0	0	9,100	13,200
Materials & Supplies	0	0	0	0
Total Expense	0	0	9,100	13,200



CAPITAL



Five Year Capital Improvement Program

2012 – 2013 Project Details

Operating Capital Outlay



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



A **capital 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.

Capital Improvement Plan

Presented herewith is the adopted fiscal year 2012-2013 Capital Improvement Plan (CIP) as approved on the final reading, September 10, 2012. This document reflects input from City Staff, City Council, and City Advisory Boards.

This document serves as both a budget for fiscal year 2012-2013 and as a major planning tool for subsequent years. The five year CIP is dynamic in nature, and as such, is reviewed and revised annually to ensure projects with the greatest need receive the highest priority. Project priorities and available funding are constantly monitored throughout the fiscal year to ensure there is adequate funding for critical projects. The plan reflects the City's strategic investment in municipal infrastructure and facilities over the next five years and the continuation of capital projects approved in prior years.

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

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

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

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

CAPITAL

The CIP for Beach Fund projects focus on tourism and quality of life of our citizens. Projects include restroom rehabilitation, adding sand and cabanas to the beach, dredging of the boat ramp, and expansion of the Lighthouse Beach RV Park.

The CIP for Port Commission funded projects protects the infrastructure of our two ports and marina. These improvements will support existing and future businesses at our ports.

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 2012-2013 Budget	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget
General Fund					
Streets	\$ 150,000	\$ 1,250,000	\$ 150,000	\$ 150,000	\$ 1,275,000
Parks	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ -
Total General Fund	\$ 400,000	\$ 1,250,000	\$ 400,000	\$ 400,000	\$ 1,275,000
Utility Fund					
Water	\$ 257,000	\$ 290,000	\$ 290,000	\$ 300,000	\$ 300,000
Wastewater	\$ 850,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 500,000
Total Utility Fund	\$ 1,107,000	\$ 1,090,000	\$ 1,090,000	\$ 1,100,000	\$ 800,000
Lighthouse Beach	\$ 300,000	\$ 215,000	\$ 350,000	\$ 50,000	\$ 200,000
Port Commission	\$ 450,000	\$ 150,000	\$ 2,000,000	\$ 500,000	\$ 500,000
Total All Funds	\$ 2,257,000	\$ 2,705,000	\$ 3,840,000	\$ 2,050,000	\$ 2,775,000

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM BY FUND

General Fund

Project Description	FY 2012-2013 Budget	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget
Streets & Right of Ways					
Seal Coat Program	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	\$ -
George Street	\$ -	\$ 1,250,000	\$ -	\$ -	\$ -
Bonorden Street	\$ -	\$ -	\$ -	\$ -	\$ 1,275,000
Street & Right of Way Subtotals	\$ 150,000	\$ 1,250,000	\$ 150,000	\$ 150,000	\$ 1,275,000
Parks					
Bay Front Park Improvements	\$ 150,000	\$ -	\$ 100,000	\$ 150,000	\$ -
Wilson Park Improvements	\$ 100,000	\$ -	\$ 150,000	\$ 100,000	\$ -
Wilson Park Lighting	\$ -	\$ -	\$ -	\$ -	\$ -
Parks Subtotals:	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ -
General Fund CIP Fund Totals:	\$ 400,000	\$ 1,250,000	\$ 400,000	\$ 400,000	\$ 1,275,000
Funding Source:					
Operating Budget	\$ 775,000	\$ 750,000	\$ 725,000	\$ 700,000	\$ 650,000
Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Operational Savings (Reserve)	\$ -	\$ 500,000	\$ -	\$ -	\$ 625,000
Total Resources Planned	\$ 775,000	\$ 1,250,000	\$ 725,000	\$ 700,000	\$ 1,275,000
Transfer to Street Reserve	\$ 375,000	\$ -	\$ 325,000	\$ 300,000	\$ -
Street Reserve Balance	\$ 500,000	\$ -	\$ 325,000	\$ 625,000	\$ -

General Fund

Project Scope		Approved Project Funding	
<p>The City will be following the capital improvement plan by building one of the soccer fields included in the Wilson Parks master plan. The City also plans to install water well.</p>		Funding Source	Fiscal Year 2012 – 2013
<p>Project Name: Wilson Park Soccer Field</p>		Grant Funds	N/A
<p>Construction Start: January 2013</p>		General Fund	\$ 100,000
<p>Project Completion: April 2013</p>		Project Budget & Expenditures	
<p>Current Phase: Design</p>		Project Budget:	\$ 100,000
<p>Project Contract Information</p>		Expended to Date:	N/A
<p>Project Manager: Darren Gurley</p>		Operational Impact	
<p>Phone Number: 361-552-3347</p>		<p>The field will be maintained by existing City staff. The field will be mowed, fertilized and watered at an added cost of \$2,000 per year.</p>	
<p>Email Address: dgurley@portlavaca.org</p>		Other Information	
<p>Grant Administrator: N/A</p>		<p>The ball field lights for all of the fields were installed in fiscal year 11-12.</p>	
<p>Engineer: N/A</p>			



CAPITAL

General Fund

Project Scope	
The City will be following the capital improvement plan by building a 200' X 50' pavilion included in the Bay Front master plan. The pavilion will be used for special events to attract tourism.	
Project Name:	Bay Front Park Pavilion
Construction Start:	August 2012
Project Completion:	November 2012
Current Phase:	Construction
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:	B&B Metal Buildings

Approved Project Funding	
Funding Source	Fiscal Year 2012 – 2013
Grant Funds	N/A
General Fund	\$ 150,000
Project Budget & Expenditures	
Project Budget:	\$ 150,000
Expended to Date:	N/A
Operational Impact	
Operational cost will be very minimal. As of now the only maintenance foreseen is the occasional pressure washing and the changing out of light bulbs. Electrical costs will be minimal; timers will be installed for lighting control.	
Other Information	
This project has been awarded to the contractor. The twenty two footing required for the pavilion have been installed. We are currently waiting on the delivery of the pavilion.	



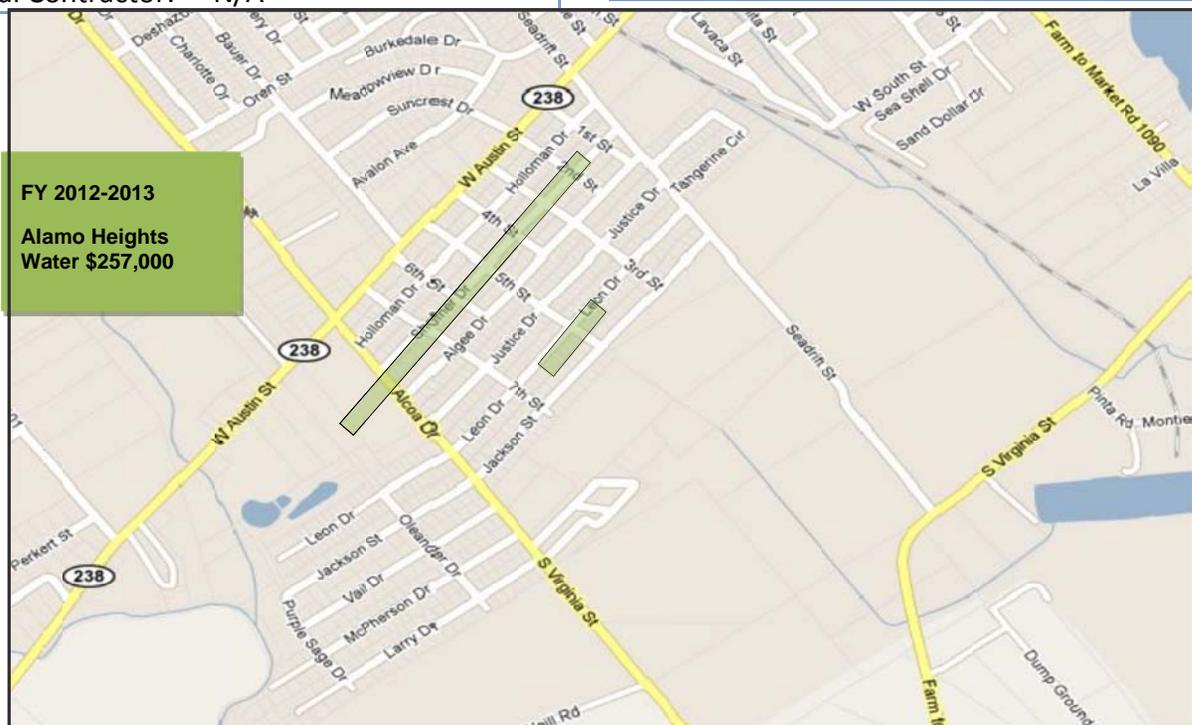
Water and Wastewater Utility

Project Description	FY 2012-2013 Budget	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 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	\$ -
Brookhollow Drive	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Water System Subtotals	\$ 257,000	\$ 290,000	\$ 290,000	\$ 300,000	\$ 300,000
Wastewater System					
Lift Station Upgrades	\$ 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	\$ -	\$ -	\$ -
George Street Sewer Line Replacement	\$ 400,000	\$ -	\$ -	\$ -	\$ -
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	\$ -
Deshazor Phase I	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Wastewater Subtotals:	\$ 850,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 500,000
Utility System CIP Fund Totals:	\$ 1,107,000	\$ 1,090,000	\$ 1,090,000	\$ 1,100,000	\$ 800,000
Funding Source:					
Operating Budget	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Grants	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Depreciation Reserves	\$ 457,000	\$ 440,000	\$ 440,000	\$ 450,000	\$ 400,000
Total Resources Planned	\$ 1,107,000	\$ 1,090,000	\$ 1,090,000	\$ 1,100,000	\$ 800,000

Water and Wastewater Utility

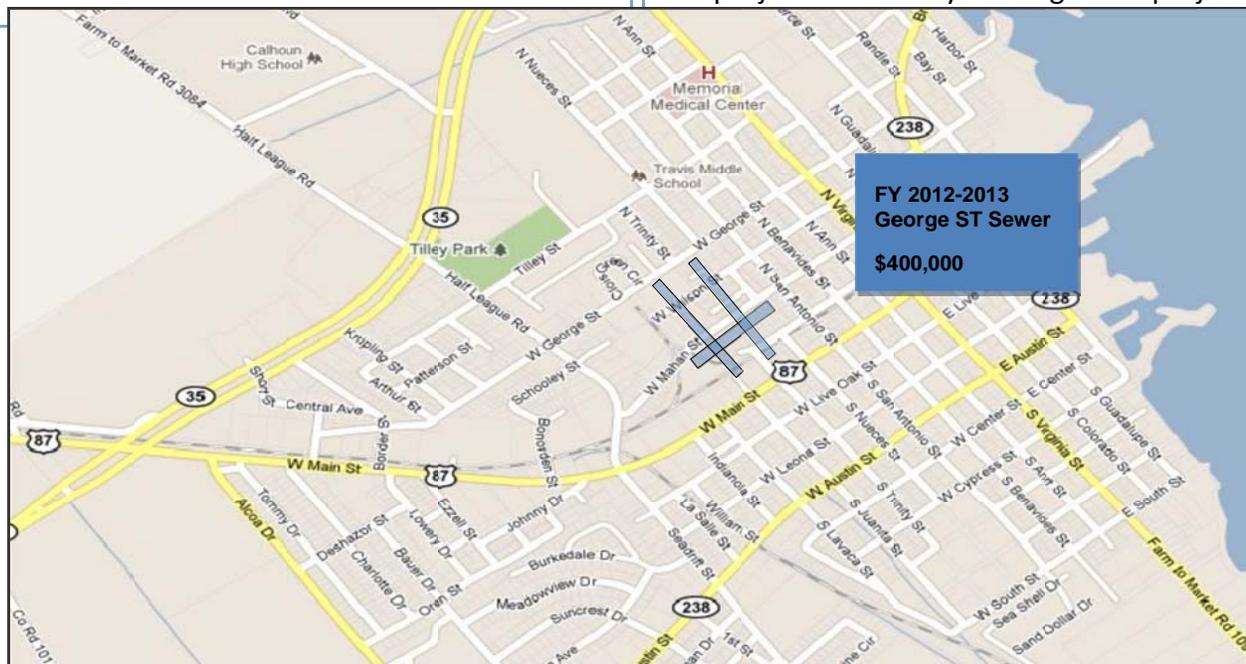
Project Scope	
Replace 2400' of 6" cast iron waterline with 6" PVC waterline on Shofner Dr. from Seadrift to Seventh Street and replace 1200' of 2" cast iron waterline with 6" C900 waterline on Jackson from Third Street to Fifth Street.	
Project Name:	Alamo Heights Water
Construction Start:	April 2013
Project Completion:	September 2013
Current Phase:	Design
Project Contract Information	
Project Manager:	Darren Gurley
Phone Number:	361-552-3347
Email Address:	dgurley@portlavaca.org
Grant Administrator:	N/A
Engineer:	Civil Corp
General Contractor:	N/A

Approved Project Funding	
Funding Source	Fiscal Year 2012 – 2013
Grant Funds	N/A
Utility Fund	\$257,000
Project Budget & Expenditures	
Project Budget:	\$ 257,000
Expended to Date:	N/A
Operational Impact	
The new waterlines will reduce maintenance demand and related personnel cost. Based on the previous two years of work orders the City will save approx. \$8,000 per year.	
Other Information	
The project is currently in design. The project is scheduled to bid by the end of February 2013.	



Water and Wastewater Utility

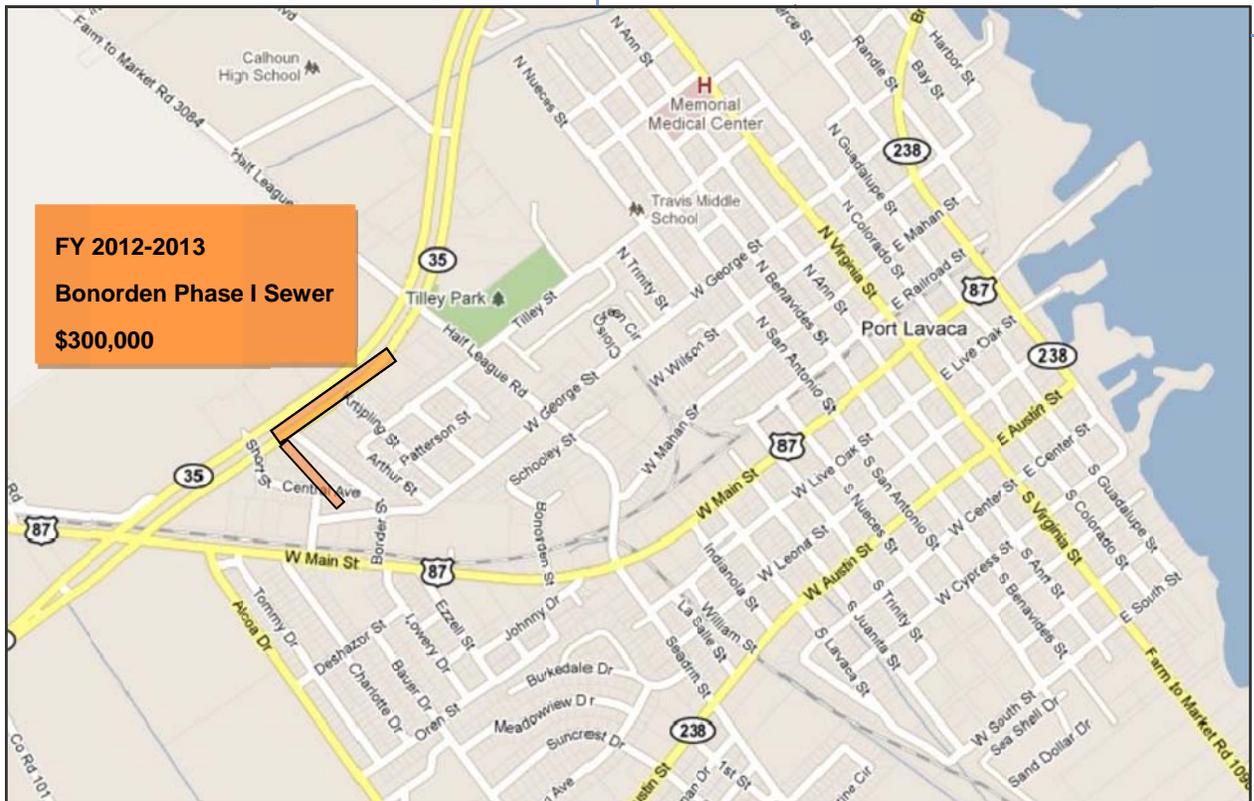
Project Scope		Approved Project Funding	
This project provides the replacement of 880' of sewer lines on George Street from Virginia to San Antonio, 1100' on Ann Street from Tilley to Wilson and 1100' on Benavides Street from Tilley to Wilson.		Funding Source	Fiscal Year 2012 – 2013
Project Name: George Street Sewer		Grant Funds	N/A
Construction Start: April 2013		Transfer from Utility Fund	\$ 400,000
Project Completion: September 2013		Project Budget & Expenditures	
Current Phase: Design		Project Budget:	\$ 400,000
Project Contract Information		Expended to Date:	N/A
Project Manager: Darren Gurley		Operational Impact	
Phone Number: 361-552-3347		The new sewer lines will help reduce the infiltration and inflow that affects the operational cost of the Wastewater Treatment Plant. As we continue to replace the sewer system, staff will be able to determine actual savings. This will also allow the City to rebuild George Street in accordance to the capital improvement plan in 2013-2014.	
Email Address: dgurley@portlavaca.org		Other Information	
Grant Administrator: N/A		The project is currently in design. The project is	
Engineer: Civil Corp			
General Contractor: N/A			



Water and Wastewater Utility

Project Scope	
This project provides the replacement of 2,090' of sewer lines in the Bonorden Subdivision. This shall benefit 50 residences, of which 95% are low to moderate income.	
Project Name:	Bonorden Sewer Phase I
Construction Start:	April 2013
Project Completion:	September 2013
Current Phase:	Design
Project Contract Information	
Project Manager:	Darren Gurley
Phone Number:	361-552-3347
Email Address:	dgurley@portlavaca.org
Grant Administrator:	Grant Works
Engineer:	Civil Corp
General Contractor:	N/A

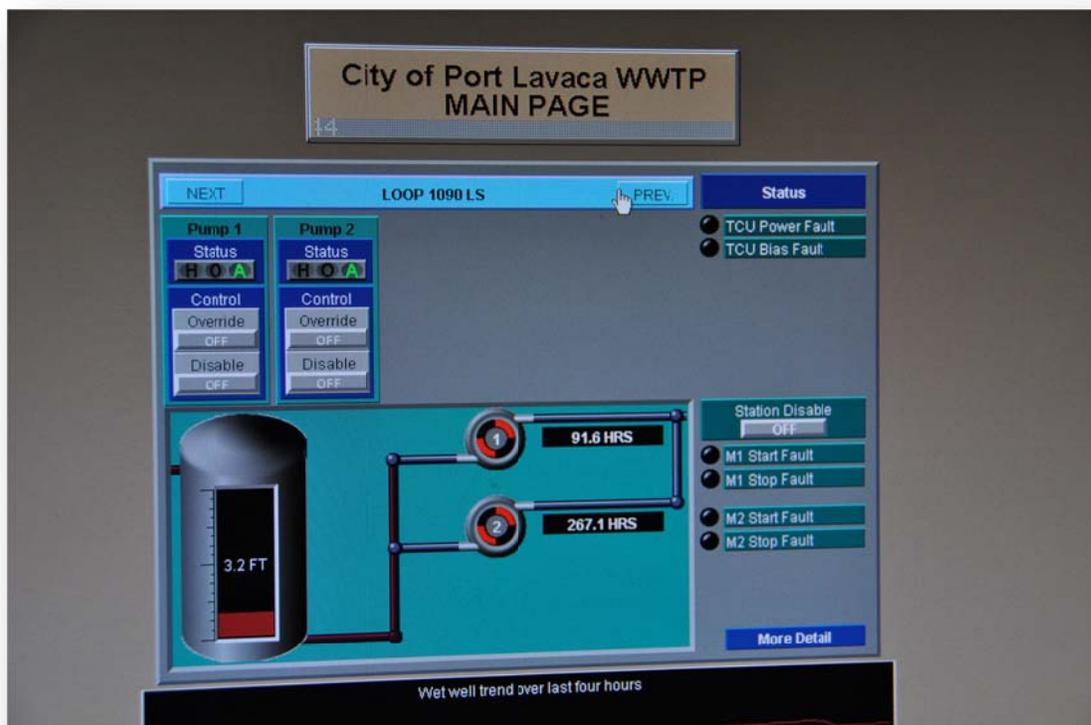
Approved Project Funding	
Funding Source	Fiscal Year 2012 – 2013
Grant Funds	\$ 250,000
Utility Fund	\$ 50,000
Project Budget & Expenditures	
Project Budget:	\$ 300,000
Expended to Date:	N/A
Operational Impact	
The new sewer lines will reduce maintenance demand and related personnel cost. Based on the previous two years of work orders the City will save approx. \$4,000 per year. This will also help reduce the infiltration and inflow that affects the Wastewater Treatment Plant.	
Current Activity	
The project is currently in design. The project is scheduled to bid by the end of February 2013. The	



Water and Wastewater Utility

Project Scope	
This project provides Supervisory and Control Data Acquisitions (SCADA) to the Wastewater Treatment Plant.	
This will finish the City's SCADA project.	
Project Name:	SCADA
Construction Start:	April 2013
Project Completion:	July 2013
Current Phase:	Phase IV
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:	Data Flow

Approved Project Funding	
Funding Source	Fiscal Year 2012 – 2013
Grant Funds	N/A
Utility Fund	\$ 50,000
Project Budget & Expenditures	
Project Budget:	\$ 50,000
Expended to Date:	\$350,000
Operational Impact	
The SCADA system saves the City money by determining problems in real time and informs the wastewater operator as the problems occur. This prevents overtime and costly mechanical failures. The actual savings will be determined as the system becomes fully operational.	
Other Information	
This project is currently in the final phase. The City anticipates completion of installation by July 2013.	



CAPITAL

Lighthouse Beach

Project Description	FY 2012-2013 Budget	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget
Dredging	\$ -	\$ 40,000	\$ -	\$ -	\$ -
Restroom Rehab	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Lighting of the Boardwalk	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Demolition of Abandoned Pier (Grant)	\$ -	\$ -	\$ 250,000	\$ -	\$ -
Fishing Pier Extension (Grant)	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Splash Pad	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
Playground	\$ -	\$ -	\$ 100,000	\$ 50,000	\$ -
Lighthouse Beach CIP Fund Totals:	\$ 175,000	\$ 340,000	\$ 350,000	\$ 50,000	\$ 200,000
Funding Source:					
Operating Budget	\$ 30,000	\$ 32,000	\$ 34,000	\$ 36,000	\$ 38,000
Grant	\$ -	\$ 60,000	\$ 200,000	\$ -	\$ -
Dredging Savings	\$ -	\$ 30,000	\$ -	\$ -	\$ -
Operational Savings (Reserve)	\$ 145,000	\$ 218,000	\$ 116,000	\$ 14,000	\$ 162,000
Total Resources Planned	\$ 175,000	\$ 340,000	\$ 350,000	\$ 50,000	\$ 200,000

Beach Fund

Project Scope	
This project will replace the current restroom with a pre-fabricated restroom facility. This restroom replacement will enhance the beach-goers experience and will hopefully attract more tourism.	
Project Name:	Restroom Replacement
Construction Start:	May 2013
Project Completion:	May 2013
Current Phase:	Design
Project Contract Information	
Project Manager:	Darren Gurley
Phone Number:	361-552-3347
Email Address:	dgurley@portlavaca.org
Grant Administrator:	N/A
Engineer:	N/A
General Contractor:	CXT Precast Buildings

Approved Project Funding	
Funding Source	Fiscal Year 2012 – 2013
Grant Funds	N/A
Beach Fund	\$ 100,000
Project Budget & Expenditures	
Project Budget:	\$ 100,000
Expended to Date:	N/A
Operational Impact	
This new facility will lower the City's operation costs due to less maintenance. The restrooms will be easier to clean which will result in less man hours. The City's approx. savings in maintenance and man hours are \$2,000 per year.	
Current Activity	
Staff is currently evaluating the location for the new restroom.	



Beach Fund

Project Scope		Approved Project Funding	
This project will add lighting to the current boardwalk at Lighthouse Beach. The City will install lighting under the handrails for extra security.		Funding Source	Fiscal Year 2012 – 2013
		Grant Funds	N/A
		Beach Fund	\$ 75,000
		Project Budget & Expenditures	
		Project Budget:	\$ 75,000
		Expended to Date:	N/A
		Operational Impact	
		Cost for electricity and maintenance will be approximately \$500 per year due to lighting.	
		Current Activity	
		None at this time.	
Project Contract Information			
Project Name:	Boardwalk Lighting		
Construction Start:	April 2013		
Project Completion:	May 2013		
Current Phase:	Design		
Project Manager:	Darren Gurley		
Phone Number:	361-552-3347		
Email Address:	dgurley@portlavaca.org		
Grant Administrator:	N/A		
Engineer:	N/A		
General Contractor:	N/A		



Port Commission

Project Description	FY 2012-2013 Budget	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Budget
Break Water	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Bulkhead-Harbor of Refuge	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -
Nautical Landing Retaining Wall	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Nautical Landing Building Renovations	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Bayfront Peninsula Bulkhead & Sidewalk	\$ -	\$ 150,000	\$ -	\$ -	\$ -
Bayfront Boardwalk	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
<u>Port Commission CIP Fund Totals:</u>	<u>\$ 450,000</u>	<u>\$ 150,000</u>	<u>\$ 2,000,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
<i>Funding Source:</i>					
Operating Budget	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Other Funding Sources	\$ -	\$ -	\$ 1,770,000	\$ -	\$ -
Operational Savings (Reserve)	\$ 450,000	\$ 150,000	\$ 230,000	\$ 450,000	\$ 450,000
<u>Total Resources Planned</u>	<u>\$ 450,000</u>	<u>\$ 150,000</u>	<u>\$ 2,000,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

Port Commission Fund

Project Scope		Approved Project Funding	
This project is to extend the current breakwater at the Nautical Landings Marina to protect the City's infrastructure.		Funding Source	Fiscal Year 2012 – 2013
		Grant Funds	N/A
		Port Commission Fund	\$ 300,000
Project Budget & Expenditures			
Project Name:		Project Budget:	\$ 300,000
Breakwater		Expended to Date:	N/A
Construction Start:		Operational Impact	
January 2013		There are not any anticipated operational costs for the next five years.	
Project Completion:		Other Information	
April 2013		This project is currently in design.	
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:	Urban Engineering		
General Contractor:	N/A		



Port Commission Fund

Project Scope		Approved Project Funding	
This project is to rebuild the retaining wall at Nautical Landings Marina. The City will replace the current deck from the bulk head to the retaining wall at the same time.		Funding Source	Fiscal Year 2012 – 2013
		Grant Funds	N/A
		Port Commission Fund	\$ 75,000
		Project Budget & Expenditures	
		Project Budget:	\$ 75,000
		Expended to Date:	\$20,000
		Operational Impact	
		With the retaining wall being out of cinder block and treated wood used for the deck, there are not any anticipated operational costs for the next five years.	
		Other Information	
		Parts of the retaining wall and deck have been replaced. The project is about 40% complete.	
Project Name:	Retaining Wall		
Construction Start:	August 2012		
Project Completion:	December 2012		
Current Phase:	Construction		
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:	Sylva Construction		



CAPITAL

Port Commission Fund

Project Scope		Approved Project Funding							
<p>This project is to remodel Nautical Landing Marina Building. The Day Room Dayroom will have rebuilt bathrooms, kitchen and leisure area. In addition, three small offices will be converted to a conference and training room that will be available to the public for rent.</p>		<table border="1"> <thead> <tr> <th>Funding Source</th> <th>Fiscal Year 2012 – 2013</th> </tr> </thead> <tbody> <tr> <td>Grant Funds</td> <td>N/A</td> </tr> <tr> <td>Port Commission Funds</td> <td>\$ 75,000</td> </tr> </tbody> </table>	Funding Source	Fiscal Year 2012 – 2013	Grant Funds	N/A	Port Commission Funds	\$ 75,000	
Funding Source	Fiscal Year 2012 – 2013								
Grant Funds	N/A								
Port Commission Funds	\$ 75,000								
<p>Project Name: Building Renovations</p>		<p>Project Budget & Expenditures</p>							
<p>Construction Start: August 2012</p>		<p>Project Budget: \$ 150,000</p>							
<p>Project Completion: March 2013</p>		<p>Expended to Date: \$70,000</p>							
<p>Current Phase: Construction</p>		<p>Operational Impact</p>							
<p>Project Contract Information</p>		<p>By rebuilding the Nautical Landing Marina Day Room, the City will save approximately \$5,000 per year on maintenance and utilities. By converting the offices into a conference and training room, the City has the potential of increasing revenue by \$6,000 per year.</p>							
<p>Project Manager: Darren Gurley</p>		<p>Other Information</p>							
<p>Phone Number: 361-552-3347</p>		<p>The Nautical Landings Marina Day Room is currently undergoing renovations and is about 75% complete.</p>							
<p>Email Address: dgurley@portlavaca.org</p>									
<p>Grant Administrator: N/A</p>									
<p>Engineer: N/A</p>									
<p>General Contractor: N/A</p>									



OPERATING CAPITAL OUTLAY BY FUND

GENERAL FUND

Vehicles and Equipment

Department	Description	Qty	Cost
Finance	Desk Area Upgrade	1	5,000
Police	Vehicle (patrol unit)	1	32,000*
Police	Remote Mobile Solutions-Software	1	22,275
Fire	Upgrade Air Packs	10	24,000
Streets	Truck	1	30,000*
Parks	Mower	1	9,000*
Total General Fund Equipment			122,275

**Funded by Fixed Asset Replacement Fund
(Supported by current revenues \$51,275)*

Capital Projects

Department	Description	Qty	Cost
Streets	Seal Coat Program	1	150,000
Parks	Bay Front Park Pavilion	1	150,000
Parks	Wilson Park Improvements – Soccer Field	1	100,00
Total General Fund Projects			400,000

(Supported by current revenues \$400,000)

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

ENTERPRISE FUNDS

UTILITY FUND

Vehicles and Equipment

Department	Description	Qty	Cost
Wastewater Plant	Skid Steer	1	56,500
	Total Utility Equipment		56,500

(Supported by current revenues \$56,500)

Capital Projects

Department	Description	Qty	Cost
Utility Maintenance	Alamo Heights Water	1	257,000
Utility Maintenance	George St. Sewer	1	400,000
Utility Maintenance	Bonorden Phase I Sewer	1	300,000*
Waste Water Plant	SCADA Lift Stations	1	50,000
	Total Utility Projects		1,007,000

**Grant funds 250,000*

(Supported by current revenues and reserves \$757,000)

BEACH FUND

Capital Projects

Department	Description	Qty	Cost
Beach	Restroom Replacement	1	100,000
Beach	Boardwalk Lighting	1	75,000
	Total Beach Projects		175,000

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

PORT COMMISSION FUND

Capital Projects

Department	Description	Qty	Cost
Port Commission	Breakwater	1	300,000
Port Commission	Retaining Wall	1	75,000
Port Commission	Building Renovations	1	75,000
	Total Port Projects		450,000

(Supported by current revenues and reserves \$450,000)

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

CITY WIDE DEBT



Long-Term Debt

Property Tax Supported Debt

Public Utility Fund Supported Debt

Port Commission Supported Debt

Outstanding Debt Issue by Series

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



Long Term Debt

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

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

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

Debt service requirements for the City of Port Lavaca are currently \$.07 of the current property tax rate of \$.7568. 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, 2012 tax roll	\$591,550,431	Actual amount of tax-secured debt service - Year ended September 30, 2013	\$1,127,071
Limit on amount designated for debt service per \$100 assessed valuation	x \$ 1.50		
Legal Debt Service Limit	\$8,873,256	Legal Debt Margin	\$7,746,185

The following tables list each debt issue separately with its clearly stated principal and interest payment due. At the end of Fiscal Year 2013, outstanding general obligation bond and certificates of obligation bonds will be \$10,295,000 however only \$2,875,000 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 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted FY 2012-2013
Taxes				
Property Taxes- Current	268,561	254,050	255,406	253,000
Property Taxes- Delinquent	7,411	10,000	10,200	10,000
Total Taxes	275,971	264,050	265,606	263,000
Other Revenue				
Interest Income	241	250	200	300
Total Other Revenue	241	250	200	300
Total Street Debt Service	276,212	264,300	265,806	263,300
Sundry				
Debt Service Principal	160,000	165,000	165,000	170,000
Debt Service Interest	104,733	99,000	99,000	93,000
Debt Service Amortization	300	300	300	300
Total Sundry	265,033	264,300	264,300	263,300
Total Street Debt Service	265,033	264,300	264,300	263,300

FY 12/13 Requirements:

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$170,000	\$92,970	\$262,970

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 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted FY 2012-2013
Taxes				
Property Taxes- Current	84,326	81,676	82,000	79,770
Property Taxes- Delinquent	2,120	3,000	3,000	3,000
Total Taxes	86,446	84,676	85,000	82,770
Other Revenue				
Interest Income	46.83	50	40	30
Equity Balance Forward	0	0	0	0
Total Other Revenue	46.83	50	40	30
Total Street Debt Service	86,493	84,726	85,040	82,800
Sundry				
Debt Service Principal	45,000	50,000	50,000	50,000
Debt Service Interest	36,325	34,426	34,426	32,500
Debt Service Admin Fee	300	300	300	300
Total Sundry	81,625	84,726	84,726	82,800
Total Street Debt Service	81,625	84,726	84,726	82,800

FY 12/13 Requirements:

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$50,000	\$32,425	\$82,425

CITY WIDE DEBT

Public Utility Fund Supported Debt

2007 General Obligation (GO) Refunding Bonds

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

2007 Combination Tax and Revenue Certificate of Obligation (CO)

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

Water Debt Service 2007	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted FY 2012-2013
Other Revenue				
Interest Income	5.84	500	10	0
Equity Balance Forward	0	500	0	1012
Total Other Revenue	5.84	1,000	10	1,012
Intergovernmental Revenue				
Transfer In- Fund 501	202,813	195,100	195,100	197,388
Total Intergovernmental	202,813	195,100	195,100	197,388
Total Water Debt Service	202,819	196,100	195,110	198,400
Sundry				
Debt Service Principal	45,000	40,000	40,000	45,000
Debt Service Interest	102,557	100,900	100,900	99,000
Debt Service- Admin Fee	0	500	500	500
Miscellaneous	0	0	0	0
Debt Service- Principle Clearwell	20,000	20,000	20,000	20,000
Debt Service – Interest Clearwell	34,899	34,200	34,200	33,400
Debt Service- Administrative Fee Clearwell	500	500	500	500
Total Sundry	202,956	196,100	196,100	198,400
Total Water Debt Service	202,956	196,100	196,100	198,400

FY 12/13 Requirements:

Principal	Interest	Total
\$65,000	\$132,388	\$197,388

2011 General Obligation Refunding Bonds

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

Sewer Debt Service 2011	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted FY 2012-2013
Other Revenue				
Interest Income	10	0	10	0
Equity Balance Forward	0	500	0	477
Total Other Revenue	10	500	10	477
Intergovernmental Revenue				
Transfer In- Fund 501	367,310	354,642	354,642	351,223
Total Intergovernmental	367,310	354,642	354,642	351,223
Total Sewer Debt Service	367,320	355,142	354,652	351,700
Sundry				
Debt Service Principal	275,000	295,000	295,000	300,000
Debt Service Interest	77,046	59,642	59,642	51,200
Debt Service Amortization	500	500	500	500
Total Sundry	352,546	355,142	355,142	351,700
Total Sewer Debt Service	352,546	355,142	355,142	351,700

FY 12/13 Requirements:

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$300,000	\$51,223	\$351,223

CITY WIDE DEBT

2004 Certificates of Obligation

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

Texas Water Development Board (TWDB) Debt Service 2004	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted FY 2012-2013
Other Revenue				
Interest Income	194	150	190	150
Equity Balance Forward	0	150	0	162
Total Other Revenue	194	300	190	312
Intergovernmental Revenue				
Transfer In- Fund 501	93,870	101,190	101,190	105,688
Total Intergovernmental	93,870	101,190	101,190	105,688
Total TWDB Debt Service	94,064	101,490	101,380	106,000
Sundry				
Debt Service Principal	65,000	65,000	70,000	70,000
Debt Service Interest	38,806	36,190	36,190	35,700
Debt Service Amortization	300	300	300	300
Total Sundry	104,106	101,490	106,490	106,000
Total TWDB Debt Service	104,106	101,490	106,490	106,000

FY 12/13 Requirements:

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$70,000	\$35,688	\$105,688

Port Commission Supported Debt

2008 Combination Tax & Surplus Harbor System Revenue Certificates of Obligation

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

Port Debt Service	Actual FY 2010-2011	Final Amended FY 2011-2012	Projected FY 2011-2012	Adopted FY 2012-2013
Other Revenue				
Interest Income	53.69	250	50	100
Equity Balance Forward	0	250	0	900
Total Other Revenue	53.69	500	50	1000
Intergovernmental Revenue				
Transfer In- Fund 504	122,487	125,000	125,000	127,000
Total Intergovernmental	122,487	125,000	125,000	127,000
Total Port Debt Service	122,541	125,500	125,050	128,000
Sundry				
Debt Service Principal	60,000	65,000	65,000	70,000
Debt Service Interest	62,189	60,000	60,000	57,500
Debt Service Amortization	0	0	0	0
Paying Agent	0	500	500	500
Total Sundry	122,189	125,500	125,500	128,000
Total Port Debt Service	122,189	125,500	125,500	128,000

FY 12/13 Requirements:

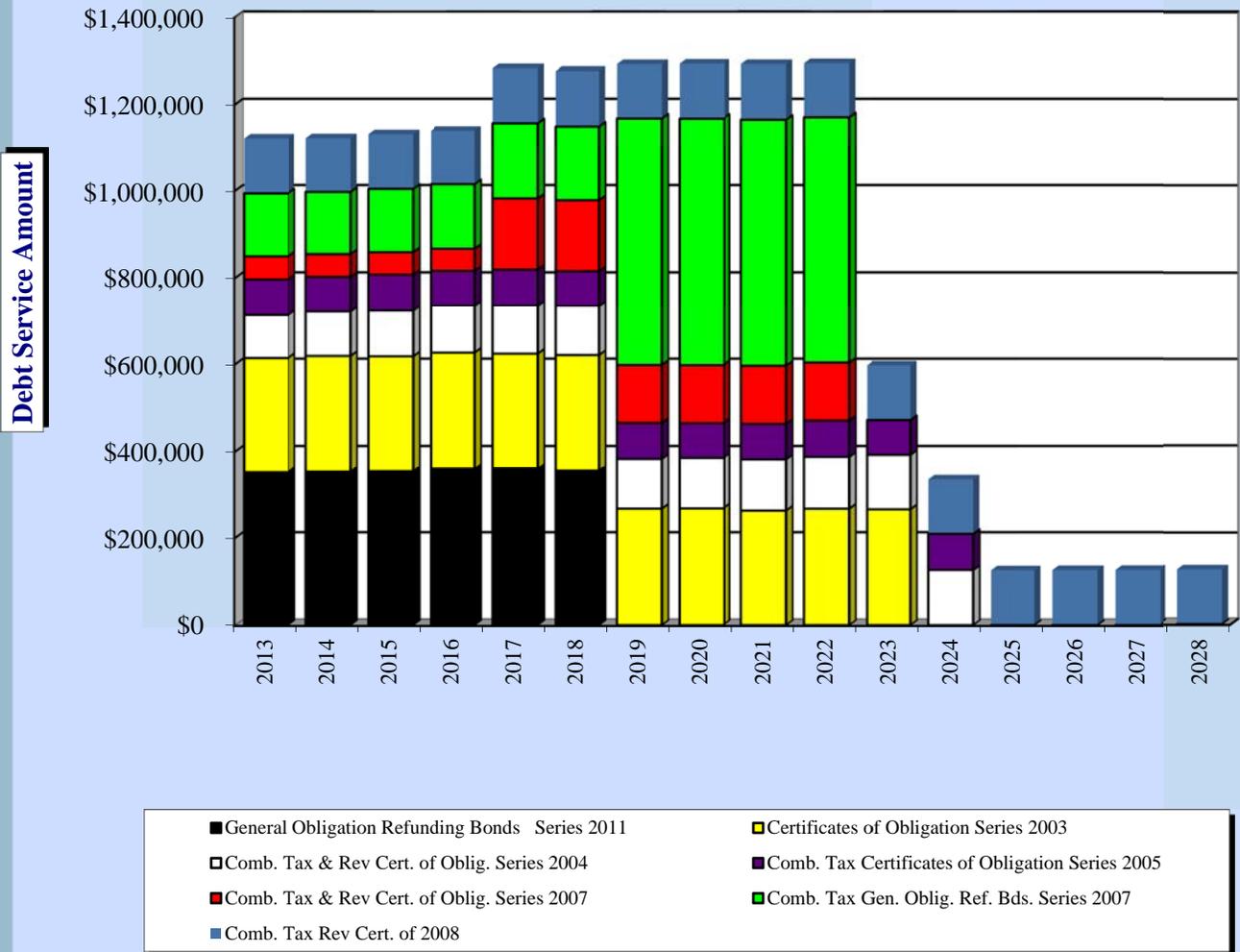
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$70,000	\$57,378	\$127,378

CITY WIDE DEBT

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 Bonds 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
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	\$ 2,131,641	\$ 2,923,231	\$ 1,368,190	\$ 981,790	\$ 1,064,300	\$ 3,195,252	\$ 2,014,449	\$13,678,845

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





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.



Compensation and Staffing Plan

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

Goals

- **Provide a competitive benefit package**
- **Evaluate staffing levels to meet service needs**
- **Assist in staff developmental training**

2012-2013 Objectives

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

2011-2012 Accomplishments

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

Maximum Merit Increase (City Council Annual Approval)

City Council approved a budgeted merit increase of 2% 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 2012-2013 (City Manager Approval)

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

The starting salary for a new hire will be at least the minimum of the pay range for the job. Department Heads have the authority to increase the starting pay up to 5% above the minimum if the applicant exceeds the minimum qualifications for the job. If the Department Head would like to request an amount above the 5%, this request must be submitted in writing to Human Resources stipulating reasons for the request. The request will be forwarded to the City Manager with a recommendation from Human Resources. This request must be made prior to the job offer.

PERSONNEL

Approved Positions for FY 2012-2013 (City Council Annual Approval)

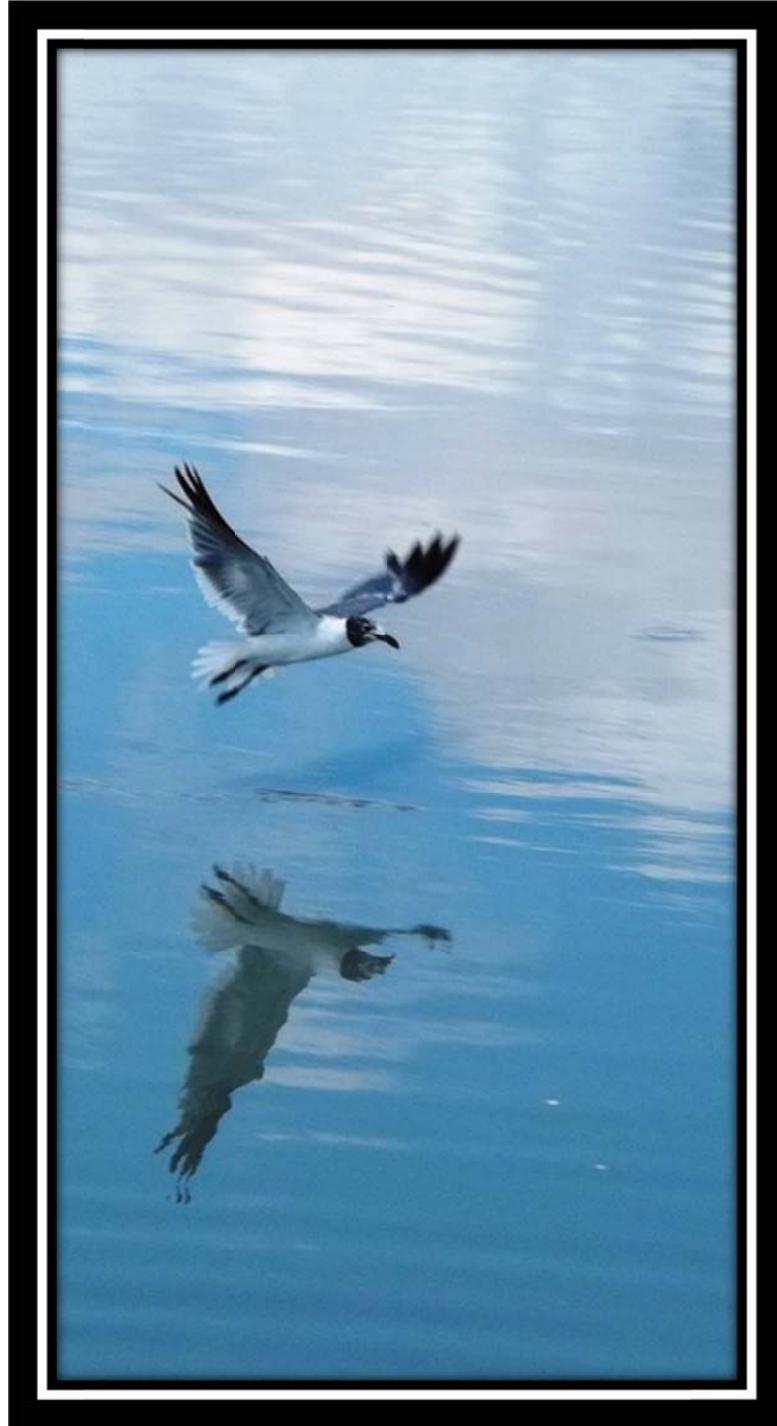
The City Council approves the number of part-time and full-time positions annually. The purpose of this schedule is to designate how many positions are authorized. The information about each department is included in the Staffing Levels Table. **Staffing levels decreased by 1.5 positions.** These changes are reflected in the chart below in the Information Technology (IT), Municipal Court, and City Hall Departments. The City increased staffing levels in the Municipal Court to provide for a Juvenile Case Manager and decreased staffing levels to afford contracting out services for janitorial and IT.

Approved by Council for 2012-2013 Budget:

- Amount of Merit Increase Allocated- \$90,000 (2%)
- Number of Positions (93.5)

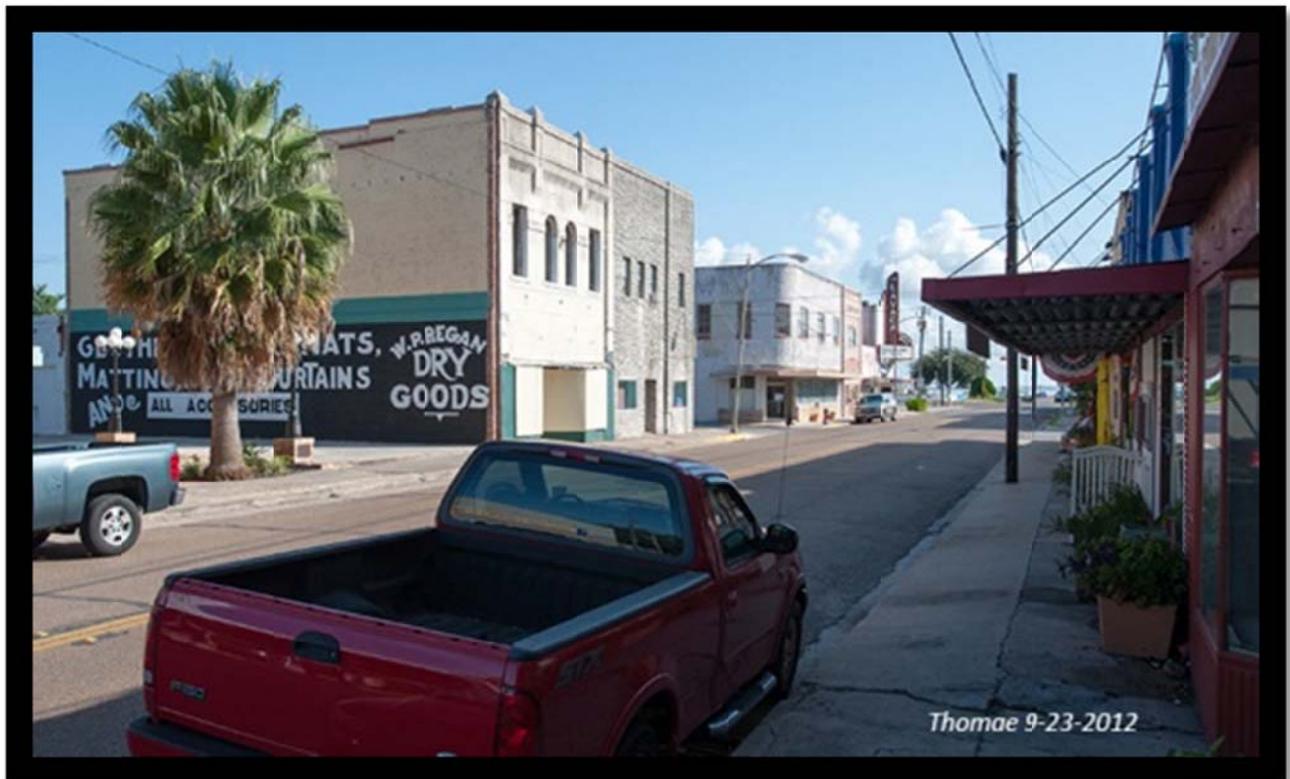
Occupational Department	Description	No. Of Positions FY 2010-2011	No. Of Positions FY 2011-2012	No. Of Positions FY 2012-2013
City Manager		2	2	2
City Secretary		2	1	1
Human Resources		0	1	1
Municipal Court		1 1/2	1 1/2	2
Information Technology		1	1	0
Finance		3	3	3
City Hall		1	1	0
Police		26	26	26
Fire		17	17	17
Animal Control		2	2	2
Public Works		2	2	0
Code Enforcement		3	3	3
Streets	5 are Temporary	14	14	15
Parks & Recreation	1 is Temporary	6	6	6
Bauer Center		2	2	2
Utility Maintenance	1 is Temporary	9	9	10
Waste Water		4	4	4
Utility Billing		5	5	5
Port Commission		1 1/2	1 1/2	1 1/2
Total Positions		102	102	100.5
	Full Time/Part Time	95	95	93.5
	Temporary	7	7	7

STATISTICAL INFORMATION





This section provides statistical and historical information.





STATISTICAL INFORMATION

NET ASSETS BY COMPONENT (1) *Last eight 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	<u>\$ 21,260,370</u>	<u>\$ 23,520,921</u>	<u>\$ 17,731,355</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 14,830,163	\$ 13,735,139	\$ 10,460,620
Restricted	92,040	92,040	13,887
Unrestricted	2,282,096	3,138,979	4,353,647
Total business-type activities net assets	<u>\$ 17,204,299</u>	<u>\$ 16,966,158</u>	<u>\$ 14,828,154</u>
Primary government			
Invested in capital assets, net of related debt	\$ 30,649,759	\$ 31,700,281	\$ 22,970,003
Restricted	1,910,686	1,675,821	213,268
Unrestricted	5,904,224	7,110,977	9,376,238
Total primary government activities net assets	<u>\$ 38,464,669</u>	<u>\$ 40,487,079</u>	<u>\$ 32,559,509</u>

1 Accrual basis of accounting

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

NET ASSETS BY COMPONENT (1) CONTINUED

Fiscal Year				
2007	2008	2009	2010	2011
\$ 13,105,824	\$ 13,815,306	\$ 15,787,249	\$ 18,383,147	\$ 18,380,797
221,392	848,885	876,554	784,798	1,049,987
6,556,521	7,374,943	6,394,379	4,732,493	5,231,769
<u>\$ 19,883,737</u>	<u>\$ 22,039,134</u>	<u>\$ 23,058,182</u>	<u>\$ 23,900,438</u>	<u>\$ 24,662,553</u>
\$ 11,569,600	\$ 11,052,199	\$ 11,334,652	\$ 11,536,833	\$ 13,321,583
129,592	12,681	233,544	51,469	-
4,022,664	4,953,062	5,642,701	6,841,071	6,892,206
<u>\$ 15,721,856</u>	<u>\$ 16,017,942</u>	<u>\$ 17,210,897</u>	<u>\$ 18,429,373</u>	<u>\$ 20,213,789</u>
\$ 24,675,424	\$ 24,867,505	\$ 27,121,901	\$ 29,919,980	\$ 31,702,380
350,984	861,566	1,110,098	836,267	1,049,987
10,579,185	12,328,005	12,037,080	11,573,564	12,123,975
<u>\$ 35,605,593</u>	<u>\$ 38,057,076</u>	<u>\$ 40,269,079</u>	<u>\$ 42,329,811</u>	<u>\$ 44,876,342</u>

STATISTICAL INFORMATION

CHANGES IN NET ASSETS (1)

Last eight fiscal years

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

CHANGES IN NET ASSETS (1) CONTINUED

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

(continued)

STATISTICAL INFORMATION

CHANGES IN NET ASSETS (1) Last eight fiscal years

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

1 Accrual basis of accounting

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

STATISTICAL INFORMATION

CHANGES IN NET ASSETS (1) CONTINUED

		Fiscal Year				
2007	2008	2009	2010	2011		
\$ 3,835,279	\$ 3,913,016	\$ 4,288,109	\$ 4,283,432	\$ 4,123,809		
345,062	328,525	379,371	395,332	382,570		
129,800	150,828	162,064	218,240	309,838		
<u>4,310,141</u>	<u>4,392,369</u>	<u>4,829,544</u>	<u>4,897,004</u>	<u>4,816,217</u>		
5,088,403	5,612,806	5,966,101	5,893,741	6,303,875		
3,000	2,000	2,000	2,000	175,303		
178,859	153,218	236,338	374,396	330,595		
<u>5,270,262</u>	<u>5,768,024</u>	<u>6,204,439</u>	<u>6,270,137</u>	<u>6,809,773</u>		
960,121	1,375,655	1,374,895	1,373,133	1,993,556		
234,879	176,704	75,060	28,286	20,175		
-	-	18,000	-	-		
-	(891,876)	-	-	-		
<u>(252,449)</u>	<u>(364,397)</u>	<u>(275,000)</u>	<u>(182,943)</u>	<u>(229,315)</u>		
<u>(17,570)</u>	<u>(1,079,569)</u>	<u>(181,940)</u>	<u>(154,657)</u>	<u>(209,140)</u>		
-	-	-	-	-		
<u>\$ 942,551</u>	<u>\$ 296,086</u>	<u>\$ 1,192,955</u>	<u>\$ 1,218,476</u>	<u>\$ 1,784,416</u>		
<u>\$ 3,055,558</u>	<u>\$ 2,451,483</u>	<u>\$ 2,212,003</u>	<u>\$ 2,083,503</u>	<u>\$ 2,546,531</u>		

STATISTICAL INFORMATION

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

	Fiscal Year		
	2004	2005	2006
General Fund			
Nonspendable			
Deferred expenditures	\$ -	\$ -	\$ -
Committed			
Operating reserves	-	-	-
Health insurance claims	-	-	-
Capital asset replacement	-	-	-
Unassigned	-	-	-
Reserved			
Deferred expenditures	-	-	25,800
Unreserved, designated			
Operating reserves	-	-	2,529,900
Health insurance claims	-	-	500,000
Street improvements	-	-	300,000
Capital asset replacement	-	-	250,000
Unreserved, undesignated	3,207,924	3,339,465	574,072
Total general fund	\$3,207,924	\$3,339,465	\$4,179,772
All Other Governmental Funds			
Restricted			
Retirement of long-term debt	-	-	-
Various capital projects	-	-	-
Tourism and conventions	-	-	-
Public safety	-	-	-
Municipal court	-	-	-
Bayfront park pier	-	-	-
Unreserved, undesignated reported in			
Special revenue funds	87,034	268,151	379,336
Debt service fund	168,794	137,977	118,931
Capital project funds	1,649,852	1,445,804	664,705
Total all other governmental funds	\$ 1,905,680	\$ 1,851,932	\$ 1,162,972

1 Modified accrual basis of accounting

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

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

STATISTICAL INFORMATION

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

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

STATISTICAL INFORMATION

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

	Fiscal Year		
	2,004	2,005	2006
Revenues			
Taxes	\$ 4,509,736	\$ 4,819,327	\$ 5,158,276
Licenses and permits	89,072	60,706	118,146
Fines and forfeitures	314,135	326,594	369,567
Charges for services	7,250	35,598	13,206
Intergovernmental	186,967	159,000	209,081
Grants and contributions	391,941	636,313	55,424
Investment	68,974	159,137	266,681
Rental	-	-	43,360
Miscellaneous	121,392	128,464	24,640
Total revenues	5,689,467	6,325,139	6,258,381
Expenditures			
Current			
General government	830,178	895,756	1,273,434
Public safety	2,048,339	2,156,627	2,315,618
Public works	186,164	216,640	226,067
Streets and highways	857,161	1,068,252	1,323,173
Parks and recreation	400,793	518,847	506,380
Non-departmental	719,977	382,723	-
Capital outlay	2,062,357	1,703,900	724,162
Debt service			
Principal retirement	110,000	405,000	216,538
Interest and fiscal charges	222,473	141,278	203,243
Total expenditures	7,437,442	7,489,023	6,788,615
Excess (deficiency) of revenues over expenditures	(1,747,975)	(1,163,884)	(530,234)
Other financing sources (uses)			
Transfers in	55,855	1,212,024	693,606
Transfers out	(258,138)	(992,266)	(553,134)
Debt issued	-	1,021,919	515,055
Sale of capital assets	-	-	17,099
Total other financing sources (uses)	(202,283)	1,241,677	672,626
Change in fund balances	\$ (1,950,258)	\$ 77,793	\$ 142,392
Debt service as a percentage of noncapital expenditures	6.59%	10.43%	8.47%

1 Modified accrual basis of accounting

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

STATISTICAL INFORMATION

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

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

STATISTICAL INFORMATION

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last ten fiscal years

Fiscal Year	Tax Roll	Real Property			Less: Tax Exempt Real Property	Total Taxable Assessed Value Before Freeze
		Residential Property	Non-Residential Property	Personal 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
2011	2010	266,000,516	182,017,744	97,590,700	58,619,346	486,989,614

1 Includes tax-exempt property

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

Information for ten years ago was not readily available.

SOURCE: Calhoun County Appraisal District

STATISTICAL INFORMATION

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY CONTINUED

Last ten fiscal years

<u>Total Freeze Taxable</u>	<u>Freeze Adjusted Taxable</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Tax Value Before Freeze Ceiling</u>	<u>Freeze Ceiling</u>	<u>Estimated Tax Value Including Freeze Ceiling</u>	<u>Assessed Value (1) as a Percentage of Actual Value</u>
\$ -	\$ 278,344,391	\$ 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%
(68,945,245)	418,044,369	0.7500	3,135,333	423,648	3,558,981	100.00%

STATISTICAL INFORMATION

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

<u>Fiscal Year</u>	<u>City Direct Rates</u>			<u>Overlapping Rates</u>			
	<u>Debt Service</u>	<u>General Fund</u>	<u>Total</u>	<u>School District</u>	<u>Calhoun County</u>	<u>Port Authority</u>	<u>Total</u>
2002	\$0.1000	\$0.6175	\$0.7175	\$1.3078	\$0.3750	\$0.0047	\$ 1.6875
2003	0.0842	0.6340	0.7182	1.3668	0.5210	0.0047	1.8925
2004	0.1334	0.5866	0.7200	1.4176	0.5210	0.0046	1.9432
2005	0.0864	0.6336	0.7200	1.4176	0.5210	0.0043	1.9429
2006	0.0864	0.6360	0.7224	1.2969	0.4900	0.0041	1.7910
2007	0.0938	0.6562	0.7500	1.0968	0.4900	0.0039	1.5907
2008	0.0878	0.6622	0.7500	1.1100	0.4900	0.0039	1.6039
2009	0.0821	0.6679	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
2011	0.0770	0.6730	0.7500	1.1262	0.4900	0.0036	1.6198

Source: Calhoun County Appraisal District

STATISTICAL INFORMATION

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

2011		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
T W Laquay Dredging, Inc.	\$ 39,130,458	9.36%
Rexco, Inc.	9,933,530	2.38%
RSC Equipment Rental Inc.#759	8,888,380	2.13%
Wal-Mart Real Estate Business Trust	8,536,890	2.04%
Wal-Mart Stores Texas, LP	5,986,780	1.43%
H E Butt Grocery Company	4,854,930	1.16%
Port Lavaca Dodge	4,677,710	1.12%
AEP Texas Central Company	4,462,816	1.07%
BKCK Ltd (Port Lavaca Chevrolet)	3,743,880	0.90%
Desai Raj (La Quinta)	<u>3,360,220</u>	<u>0.80%</u>
	<u>\$ 93,575,594</u>	<u>22.38%</u>

2002		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
H E Butt Grocery Company	\$ 6,374,332	2.29%
Verizon Southwest	5,419,790	1.95%
Rexco Inc	4,913,181	1.77%
AEP Central Power & Light Co.	3,968,030	1.43%
First National Bank	2,907,180	1.04%
Formosa Plastics Dev. Corp.	2,722,007	0.98%
Wal-Mart Stotes, Inc.	2,662,718	0.96%
Maxim Crane Works LP	2,652,456	0.95%
International Bank of Commerce	2,489,770	0.89%
T W Laquay Dredging, Inc.	<u>2,227,322</u>	<u>0.80%</u>
	<u>\$ 36,336,786</u>	<u>13.05%</u>

Source: Calhoun County Appraisal District

STATISTICAL INFORMATION

PROPERTY TAX LEVIES AND COLLECTIONS *Last ten fiscal years*

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year (Original Levy)</u>			<u>Collections within the Fiscal Year of the Levy</u>	
	<u>Adjustments</u>	<u>Total Adjusted Levy</u>	<u>Amount</u>	<u>Percentage of Levy</u>	
2002	\$ 1,997,548	\$ (4,252)	\$ 1,993,296	\$ 1,911,268	95.88%
2003	2,186,081	(8,026)	2,178,055	2,055,277	94.36%
2004	2,260,396	(702)	2,259,694	2,111,960	93.46%
2005	2,343,372	(13,709)	2,329,663	2,199,525	94.41%
2006	2,552,795	(5,689)	2,547,106	2,434,551	95.58%
2007	2,850,290	(10,704)	2,839,586	2,698,948	95.05%
2008	2,931,382	(6,969)	2,924,413	2,771,551	94.77%
2009	3,199,645	(10,608)	3,189,037	3,014,618	94.53%
2010	3,440,702	(50,304)	3,390,398	3,231,724	95.32%
2011	3,574,357	(15,087)	3,559,270	3,437,198	96.57%

SOURCE: Calhoun County Appraisal District

PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 75,586	\$ 1,986,854	99.68%
106,017	2,161,294	99.23%
138,451	2,250,411	99.59%
117,819	2,317,344	99.47%
98,145	2,532,696	99.43%
121,735	2,820,683	99.33%
126,874	2,898,425	99.11%
134,454	3,149,072	98.75%
62,239	3,293,963	97.16%
-	3,437,198	96.57%

STATISTICAL INFORMATION

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

Fiscal Year	Gallons of GBRA Water Purchased	Gallons of Metered Consumption	Gallons of Water Unaccounted	Average Percent Unaccounted	Gallons of Wastewater Treated
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
2011	559,150	462,107	97,043	17%	368,780

NOTES: The City purchases water from the Guadalupe-Blanco River Authority.
Water and Sewer Usage Rates shown are for 5,000 gallons usage.
N/A denotes information not available.

SOURCE: City of Port Lavaca Utility Department

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

Total Direct Rate			
Water		Sewer	
Base Rate	Usage Rate	Base Rate	Usage Rate
\$ 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
15.00	14.25	14.00	10.65

STATISTICAL INFORMATION

WATER AND SEWER RATES

Last ten fiscal years

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Water Rates						
Base Rate (includes 2,000 gallons)						
Base Rate by Meter Size						
3/4" to 5/8"	\$ 8.98	\$ 10.98	\$ 12.46	\$ 13.46	\$ 13.96	\$ 13.96
1"	10.19	12.19	13.84	14.84	15.34	15.34
1 1/2"	12.76	14.76	16.75	17.75	18.25	18.25
2"	15.32	17.32	19.66	20.66	21.16	21.16
3"	20.54	22.54	25.58	26.58	27.08	27.08
4"	25.56	27.56	31.28	32.28	32.78	32.78
6"	36.61	38.61	44.16	45.16	45.66	45.66
Per 1,000 gallons over base charge	3.55	3.90	4.43	4.45	4.45	4.65
Sewer Rates						
Base Rate (includes 2,000 gallons)	8.52	8.59	9.75	9.75	11.75	12.25
Per 1,000 gallons over base charge	3.55	3.87	4.39	4.39	4.39	4.89

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

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

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

The City changed the rate classification in 2008.

SOURCE: City of Port Lavaca Utility Department

STATISTICAL INFORMATION

WATER AND SEWER RATES CONTINUED
Last ten fiscal years

Fiscal Year							
2008		2009		2010		2011	
Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial
\$ 15.00	\$ 17.50	\$ 15.00	\$ 17.50	\$ 15.00	\$ 17.50	\$ 15.00	\$ 17.50
15.00	17.50	15.00	17.50	15.00	17.50	15.00	17.50
15.00	17.50	15.00	17.50	15.00	17.50	15.00	17.50
15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00
15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00
15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00
15.00	35.00	15.00	35.00	15.00	35.00	15.00	35.00
4.75	4.95	4.75	4.95	4.75	4.95	4.75	4.95
14.00	15.75	14.00	15.75	14.00	15.75	14.00	15.75
4.90	4.95	4.90	4.95	4.90	4.95	4.90	4.95

STATISTICAL INFORMATION

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

2011			
<u>Customer</u>	<u>Type of Business</u>	<u>12-Month Water Consumption</u>	<u>Percent of Total Billed</u>
Calhoun County I.S.D.	Schools	18,007	4.77%
City of Port Lavaca	City Accounts	8,843	2.34%
Hillman Shrimp & Oyster	Fishing Industry	8,436	2.24%
Bordeaux Apartments	Apartment Complex	8,013	2.12%
Memorial Medical Center	Hospital	7,671	2.03%
Regency Nursing Home	Senior Center (Home)	6,589	1.75%
Calhoun County	County Offices	5,176	1.37%
Splash & Dash	Car Wash	4,414	1.17%
Seabreeze Apartments	Apartment Complex	2,920	0.77%
Days Inn	Hotel/Motel	2,730	0.72%

2002			
<u>Customer</u>	<u>Type of Business</u>	<u>12-Month Water Consumption</u>	<u>Percent of Total Billed</u>
Hillman Shrimp & Oyster	Fishing Industry	15,264	4.05%
H.E.B.	Commercial	10,270	2.72%
Calhoun County I.S.D.	Schools	9,613	2.55%
Memorial Medical Center	Hospital	8,475	2.25%
Seabreeze Apartments	Apartment Complex	5,317	1.41%
Regency Nursing Home	Senior Center (Home)	5,314	1.41%
Bordeaux Apartments	Apartment Complex	4,211	1.12%
Days Inn	Hotel/Motel	2,584	0.68%
King Fisher Marine Service	Industrial	2,504	0.66%
Regency Apartments	Apartment Complex	1,742	0.46%

SOURCE: City of Port Lavaca Utility Billing Department



STATISTICAL INFORMATION

RATIOS OF OUTSTANDING DEBT BY TYPE *Last ten fiscal years*

Fiscal Year	Governmental Activities				Business-type Activities		
	Certificates of Obligation	General Obligation Bonds	Note Agreement	Capital Leases	Certificates of Obligation	Revenue Bonds	Capital Leases
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
2011	3,310,000	-	-	471,758	3,655,000	4,760,000	148,282

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

RATIOS OF OUTSTANDING DEBT BY TYPE CONTINUED
Last ten fiscal years

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ 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
12,345,040	N/A	1,007.92

STATISTICAL INFORMATION

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		
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
2011	6,965,000	-	6,965,000	177,224	3,655,000

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

N/A denotes information not available.

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

<u>Net Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
\$ 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
3,132,776	0.64%	255.78

STATISTICAL INFORMATION

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)
September 30, 2011**

	Gross Debt Outstanding		Percentage Applicable to City	Amount Applicable to City
	Date	Amount		
Direct Debt:				
City of Port Lavaca	9/30/2011	\$ 3,515,000	100.00%	\$ 3,515,000
Overlapping Debt:				
Calhoun County	9/30/2011	11,435,000	15.45%	1,766,708
Calhoun Independent School District	9/30/2011	14,390,000	14.76%	2,123,964
Calhoun Port Authority	9/30/2011	<u>32,400,000</u>	23.89%	<u>7,740,360</u>
Total Overlapping Debt		<u>58,225,000</u>		<u>11,631,032</u>
Total		<u>\$ 61,740,000</u>		<u>\$ 15,146,032</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

PLEDGED-REVENUE COVERAGE

Last ten fiscal years

<u>Fiscal Year</u>		<u>Gross Revenue</u>	<u>Direct Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Average Debt Service Requirements</u>	<u>Times Debt Coverage</u>
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	861,629	2.25
2009	(2)	5,331,869	3,478,632	1,853,237	869,487	2.13
2010	(2)	5,194,828	3,470,112	1,724,716	867,219	1.99
2011	(2)	5,604,515	3,368,233	2,236,282	877,114	2.55

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

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

STATISTICAL INFORMATION

OPERATING INDICATORS BY FUNCTION/PROGRAM Last ten fiscal years

Function/Program	Fiscal Year			
	2002	2003	2004	2005
General government				
Building permits issued	N/A	N/A	316	329
Building inspections conducted	N/A	N/A	653	676
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	234
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	64
Lighthouse Beach Park				
Annual	272	237	352	464
Daily	6,732	4,784	7,398	8,619
Pavillion	N/A	16	54	43
Water and wastewater				
Water				
Water Customers	4,353	4,455	4,455	4,455
Water Taps	33	19	24	25
Average daily consumption	1.53 mgd	1.28 mgd	1.20 mgd	1.29 mgd
Peak daily consumption	1.90 mgd	1.61 mgd	1.52 mgd	1.55 mgd
Wastewater				
Sewer Customers	4,096	4,193	4,193	4,175
Sewer Taps	25	15	26	18
Average daily sewage treatment	N/A	N/A	1.28 mgd	1.09 mgd

NOTE: N/A denotes information not available.

SOURCE: Various City departments

STATISTICAL INFORMATION

OPERATING INDICATORS BY FUNCTION/PROGRAM CONTINUED *Last ten fiscal years*

Fiscal Year						
2006	2007	2008	2009	2010	2011	
283	491	202	564	548	801	
499	456	436	564	732	822	
N/A	N/A	966	1,155	1,022	807	
N/A	N/A	3,562	2,618	2,326	1,642	
599	542	502	484	476	568	
49.3	50.1	50.1	50.1	50.1	50.1	
73	65	88	71	65	63	
451	496	536	551	533	465	
6,932	7,093	9,516	11,111	15,170	12,753	
43	54	38	25	42	39	
4,492	4,456	4,548	4,514	4,552	4,544	
8	10	13	19	11	11	
1.29 mgd	1.18 mgd	1.34 mgd	1.38 mgd	1.27 mgd	1.53 mgd	
1.57 mgd	1.40 mgd	1.61 mgc	1.66 mgd	1.49 mgd	5.65 mgd	
4,190	4,173	4,253	4,217	4,267	4,258	
7	8	7	2	7	9	
1.14 mgd	1.37 mgd	1.05 mgd	1.01 mgd	1.19 mgd	1.01 mgd	

STATISTICAL INFORMATION

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last ten fiscal years

Function/Program	Fiscal Year			
	2002	2003	2004	2005
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	677	678	672	672
Culture and recreation				
Acreage	150	150	150	150
Parks	6	6	7	7
Baseball/softball diamonds	2	2	2	2
Community centers	1	1	1	1
Swimming pools	1	1	1	1
Water and wastewater				
Water				
Water mains (miles)	66	66	67	67
Fire hydrants	245	245	245	250
Storage capacity	1.761	1.761	1.761	1
Wastewater				
Sanitary sewers (miles)	55	55	55	56
Treatment capacity	2	2	2	2.5

SOURCE: Various City departments

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

Fiscal Year						
2006	2007	2008	2009	2010	2011	
1	1	1	1	1	1	1
7	7	7	7	7	7	6
2	2	2	2	2	2	2
49.3	50.1	50.1	50.1	50.1	50.1	50.1
680	686	686	684	686	686	686
150	150	150	150	150	150	150
7	7	7	7	7	7	7
2	2	2	2	2	2	2
1	1	1	1	1	1	1
1	1	1	1	1	1	1
68.5	68.5	68.5	69	69	69	69
250	250	250	259	259	259	259
1	1	1	1	1	1	1
56	58	58	58	58	58	58
2.5	2.5	2.5	2.5	2.5	2.5	2.5



APPENDIX



Budgetary Guidelines

Budget Ordinance

Tax Rate Ordinance

Financial Management and Budgetary Policies

Investment Policy and Strategy

Capital Asset Policy

Capital Improvement Program Resolution

Glossary of Terms

Acronyms



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



FY 2012- 2013 Budget Planning Calendar

Date	Activity	Responsible Party
April	Capital Planning	Public Works Director Finance Director
April-May	Mailing of notices of appraised value	Calhoun County Appraisal District
April 24	Distribute budget package to Division Heads	Finance Director
May 14	Regular Council Meeting	City Council
May 25	Turn in budget package to Finance Director	Department Heads
May 29-31	Capital Planning Review	City Manager Finance Director Department Heads
June 11	Budget Workshop- Capital Plan Regular Council Meeting	City Manager City Council
June 13	Submit first draft of budget to City Manager	Finance Director
June 18-22	Budget review with Department Heads	City Manager Finance Director Department Heads
July 9	Regular Council Meeting	City Manager City Council
July 25	Certification of appraisal roll	Chief Appraiser
August 1	Distribute budget package to Division Heads	Finance Director
August 4	Publishes notice of effective and rollback tax rates	Calhoun County Appraisal District
August 9	Budget Workshop 8:00-12:00	City Manager Finance Director Department Heads
August 10	Proposed budget filed with City Secretary	City Manager
August 13	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 27	Special Called Meeting- 5:30 -Public Hearings on budget & tax rate (if required)	City Council
August 30	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 fee ordinance	City Council
September 10	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 24	Distribute budgets	Finance Director
October 1	Budget becomes effective	N/A

APPENDIX

Budgetary 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 of the budget hearing, a public notice of such hearing must be published. The Charter requires that the Council adopt a budget prior to the beginning of the fiscal year. Normally, the Council sets the tax rate for the coming fiscal year during the same meeting in which they adopt the budget ordinance.

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

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

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

Legal Requirements

A. City Charter.

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

B. State Law.

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

APPENDIX

C. Federal Law.

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

Budgeting Standards

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

Budget Policies as set forth in the City Charter

Fiscal Year

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

Preparation, Submission and Content of Budget

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

1. A budget message, explanatory of the budget, in which the message shall contain an outline of the financial policies of the City for the Fiscal year, shall set forth the fiscal year, shall set forth the reasons for salient changes from the previous fiscal year in expenditure and items, and shall explain any major changes in financial policy.
2. A consolidated statement of receipts and expenditures for all funds, 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 and Proposed Expenditures Compared With Other Years

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

Estimated Expenditures Shall Not Exceed Estimated Resources

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

APPENDIX

Surplus and Encumbrances

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

Budgetary Basis

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

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.

Governmental Fund Structure – Modified Basis



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

Proprietary Funds

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 capitals, which are 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.

Proprietary Fund Structure – Accrual Basis



*All funds above are appropriated for and audited annually.

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

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-1-12

AN ORDINANCE APPROVING THE ANNUAL BUDGET FOR THE CITY OF PORT LAVACA, TEXAS AND ADOPTING THE BUDGET DOCUMENT FOR THE FISCAL YEAR OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2013; 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, 2012 through September 30, 2013, 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, 2012 through September 30, 2013 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 2012/2013.

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 30th day of August, 2012

SECOND AND FINAL READING this 10TH day of September, 2012

ORDINANCE NUMBER S-1-2012

Passed and adopted 09-10-12

Recorded Volume 3B

APPENDIX

Tax Rate Ordinance

ORDINANCE #S-2-12

AN ORDINANCE FIXING THE TAX RATE AND TAX LEVY FOR THE CITY OF PORT LAVACA, TEXAS, FOR THE YEAR 2012, UPON ALL TAXABLE PROPERTY IN SAID CITY OF PORT LAVACA, TEXAS SUBJECT TO TAXATION BY SAID CITY ON THE FIRST DAY OF JANUARY, 2012 IN CONFORMITY WITH THE CHARTER PROVISIONS AND ORDINANCES OF SAID CITY OF PORT LAVACA; APPROPRIATING THE FUNDS DERIVED FROM SAID TAX LEVY TO VARIOUS FUNDS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND ESTABLISHING AN EFFECTIVE DATE

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

SECTION 1. That there shall be and there is hereby levied and assessed for the year 2012 upon all property of every description subject to taxation by the City of Port Lavaca, Texas on the 1st day of January, 2012 , the following tax rate, to-wit:

An Ad Valorem Tax at the rate of \$0.7568 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, 2013.

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	\$.6722	88.82%
Tax Supported Debt Service Fund		
2003 Certificates of Obligation	\$.0644	8.51%
2005 Certificates of Obligation	<u>\$.0202</u>	2.67% <u>11.18%</u>
Total Tax Rate	\$.7568	100.00%

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 30th day of August, 2012

SECOND AND FINAL READING this 10th day of September, 2012

Ordinance Number S-2-12

Tax Rate 2012

Passed and Adopted 09-10-2012

Recorded Volume 3B



**Resolution of the City of Port Lavaca, Texas
No. R-083012-1**

Amended Resolution No. R-91211-2 on August 30, 2012

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.

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.

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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.

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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-83012-2

Amended Resolution No. R-91211-1 on August 30, 2012

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.

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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.

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Authorized Investments

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

- A. Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, not to exceed five years to stated maturity, including collateralized mortgage obligations (CMOs); CMO's cannot be either an Interest-Only or Principal Only CMO nor can it be an inverse floater.
- B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas, with a maximum maturity of 18 months, collateralized with 102% coverage with:
 - In accordance with 2256.010 of the Act, certificates of deposit may be purchased from a Texas depository institution through a nationally coordinated program in which (a) the depository arranges for deposits in one or more federally insured depositories allowing for full FDIC coverage and (b) the depository receives comparable deposits from other linked depositories.
 - Collateral agreements must be in writing and require a bank resolution of approval.
- C. 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. Obligations of the States, agencies thereof, Counties, Cities, and other political subdivisions of any state, with a maximum maturity not to exceed five years, and having been rated as investment quality by a nationally recognized investment rating firm of not less than "A" or its equivalent.
- F. 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.

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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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- 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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Construction in Progress (CIP)

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

Capital Leases

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

Fixed Asset Components

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



**Resolution of the City of Port Lavaca, Texas
No. R-091012-3**

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

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

WHEREAS the City Manager reviewed and submitted a Five Year Capital Program to the City Council on June 11, 2012 in compliance with the City Charter; and,

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

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

THAT the Five Year Capital Program (October 1, 2012 – September 30, 2017), a copy of which is attached hereto and incorporated in the Fiscal Year Budget 2012-2013, is hereby adopted in compliance with the City Charter.

PASSED and APPROVED this 10th day of September 2012.

Handwritten signature of Jack Whitlow in blue ink.

Jack Whitlow
Mayor

ATTEST:

Handwritten signature of Mandy Grant in blue ink.
Mandy Grant
City Secretary

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX

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.

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.

APPENDIX

Taxes – Compulsory charges levied by a government for the purpose of financing services performed by the government for the common benefit of the public it serves.

Working Capital – The excess of current assets over current liabilities.

Acronyms

A/P – Accounts Payable

CAFR – Comprehensive Annual Financial Report (Audit)

CCAD – Calhoun County Appraisal District

CCRWSS – Calhoun County Rural Water Supply System

CIP – Capital Improvement Plan

C.O. – Certificates of Obligation

COG – Council of Governments

ETJ – Extra Territorial Jurisdiction

FASB – Financial Accounting Standards Board

FEMA – Federal Emergency Management Administration

FICA – Federal Insurance Contribution Act

FTE – Full-Time Equivalent

FY – Fiscal Year

GAAFR – Governmental Accounting, Auditing and Financial Reporting

GAAP – Generally Accepted Accounting Principles

GBRA – Guadalupe-Blanco River Authority

GASB – Governmental Accounting Standards Board

GF – General Fund

GFOA – Government Finance Officers Association

- GIS** – Geographical Information Systems
- GO** – General Obligation
- GPD** – Gallons per Day
- HR** – Human Resources
- I & S** – Interest and Sinking
- IT** – Information Technology
- LF** – Linear Foot
- MGD** – Millions of Gallons per Day
- PD** – Police Department
- RFP** – Request for Proposal
- RFQ** – Request for Qualifications
- ROW** – Right of Way
- SCADA** – System Control and Data Acquisition
- TCEQ** – Texas Commission on Environmental Quality
- TML** – Texas Municipal League
- TMRS** – Texas Municipal Retirement System
- TWDB** – Texas Water Development Board
- TXDOT** – Texas Department of Transportation
- WWTP** – Wastewater Treatment Plant

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