

**CITY OF LAKE JACKSON  
Fiscal Year 2018-19  
Budget Cover Page**



**THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$625,764 OR 8.83%, AND OF THAT AMOUNT, \$436,298 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.**

## CITY COUNCIL

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The City of Lake Jackson operates under the Council/Manager form of government. Your City Council consists of a mayor and five council members, who serve two year staggered terms, and are elected on an “at-large” basis. Your City Council meets every first and third Monday of the month at 6:30 p.m. in City Hall. You are invited to attend any of these meetings. Operating under a Home Rule Charter and the Council/Manager plan, the City Council is the legislative body of your city government. The City Council appoints the City Manager who is responsible for the general administration of the City on a daily basis. The City Council appoints the City Attorney and Municipal Judges. Council also appoints the members of all the various boards and commissions, who volunteer their time and energy to the City.



First row left to right: Councilmember Matthew Broaddus, Mayor Bob Sipple, & City Manager William P. Yenne. Second row left to right: City Attorney Sherri Russell, Councilmembers Tim Scott, Gerald Roznovsky, Vinay Singhania, and Ralph “Buster” Buell, III, & City Secretary Alice Rodgers.

# TABLE OF CONTENTS



LAKE JACKSON

*City of Enchantment*



# TABLE OF CONTENTS

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2018-19 Budget Schedule -----	5
Letter to Citizen -----	6
Amendments to Proposed Budget -----	9
Vision -----	11
Manager’s Message -----	21
Budget Summaries -----	53
Major Revenue Sources -----	63
General Fund -----	77
General Debt Service Fund -----	83
Utility Fund -----	89
Utility Debt Service Fund -----	95
Capital Projects Funds -----	101
Economic Development Funds -----	145
Golf Course Funds -----	155
Other Funds -----	161
Multi-Year Funds -----	179

## 2018-2019 Budget Schedule

November 15, 2017	Staff Goals/Visioning Session
January 15, 2018	Martin Luther King Holiday
January 22, 2018	Goals/Visioning Workshop with City Council (5-8 pm)
February 12, 2018	Goals/Visioning Workshop with City Council (5-8 pm)
March 23, 2017	<b>Strict Deadline</b> - New & Updated CIP Projects submitted by Dept. Heads & Directors
March 30, 2018	Good Friday Holiday
April 4, 2018	Goals, Objectives, & Performance Measures Kickoff. Distribute Budget Pages to Department Heads – Staff (9 am)
April 18, 2018	Budget Kickoff. Distribute Budget Worksheets to Department Heads – Staff (9 am)
April 23, 2018	CIP Workshop with City Council (5-8 pm)
April 27, 2018	<b>Strict Deadline</b> – Goals and Accompl. & YTD Perform. Measures submitted by Dept. Heads & Directors
April 30-May 9, 2018	Review Goals and Accompl. & YTD Perform. Measures submitted by Dept. Heads & Directors
May 9, 2018	<b>Strict Deadline</b> – Department Heads Submit Budget Request(s) to City Manager
May 14-18, 2018	Budget Hearings with Department Heads & Budget Staff
May 21-June 8, 2018	Budget Staff prepares Preliminary Budget Requests
May 28, 2018	Memorial Day Holiday
June 11–June 29, 2018	Proposed Budget Request Prepared for Presentation to City Council
July 2, 2018	Regular City Council Meeting – Proposed Budget Delivered to City Council
July 3, 2018	File Proposed Budget with City Secretary and LJ Library; Add to Website
July 4, 2018	Independence Day Holiday
July 14, 2018	Saturday Budget Workshop
July 16, 2018	Regular City Council Meeting – Discussion Item on Agenda for Proposed Budget
July 21, 2018	Saturday Budget Workshop # 2 ( If Necessary)
July 24, 2018	Receive Certified Appraisal Roll, Calculate Effective Tax Rate
August 6, 2018	Publish Effective Tax Rate
August 6, 2018	Regular Council Meeting – Council will discuss tax rate; if proposed tax rate will exceed the rollback rate or the effective tax rate (whichever is lower), Schedule a public hearing for August 20 & 27 and take record vote to place a proposal to adopt the tax rate on the agenda of September 4th meeting (specifying rate); Call public hearing for Budget on August 27th by Resolution.
August 13, 2018	Notice of Public Hearing on Tax Increase – is the first quarter-page notice in newspaper and on TV and Website published at least 7 days before public hearing.
August 17, 2018	72-hour Open Meetings Notice for Public Hearing on Tax Rate & 10 day Newspaper Notice on Budget Public Hearing (required by charter).
August 20, 2018	Regular Council Meeting – First Public Hearing on Tax Rate (council announced date, time & place of vote)
August 20, 2018	Notice of Vote on Tax Rate published before meeting to adopt tax rate - is the second quarter-page notice in newspaper before meeting and published on TV and Website at least 7 days before meeting.
August 24, 2018	72-hour Open Meetings Notice for City Council to adopt Budget and Tax Rate
August 27, 2018	Special Council Meeting-Second Public Hearing on Tax Rate Increase and announce meeting to Adopt Tax Rate on September 6th. Public Hearing on Budget, announce meeting to Adopt Budget on September 5th.
August 28, 2018	Public notice of vote in paper, on internet, and on cable channel.
September 3, 2018	Labor Day Holiday
September 4, 2018	Regular Council Meeting: a) Final Adoption of Budget by Resolution. b) Adopt Tax Rate by Ordinance.
October 1, 2018	New Fiscal Year Begins

# ADOPTED TRANSMITTAL LETTER

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## CITY OF LAKE JACKSON

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25 Oak Drive • Lake Jackson, Texas 77566 • (979) 415-2400 • Fax (979) 297-9804

August 27, 2018

Dear Citizen,

Thank you for making the effort and taking the time to attend this very important public hearing. The following packet of information provides you with a summary of the proposed FY2018-2019 Annual Budget and Program of Services for the City of Lake Jackson. A copy of the full-proposed budget can be viewed at the Lake Jackson Public Library, at City Hall, or on our city web site at [www.lakejackson-tx.gov](http://www.lakejackson-tx.gov).

### **THE BUDGET PROCESS**

In January of each year the City Council, interested citizens and city staff meet to review the city's visioning process. City Council establishes vision elements and 3-5 years objectives. City staff then looks at what goals can be set during the fiscal year to work toward achieving the objectives and "vision" set by City Council.

Through the "vision and goal setting process" City Council reconfirmed the vision for our city:

"Our vision is to create an ideal community to live, work and play for all."

This visioning process, along with a pre-budget capital project workshop helped set the objectives and goals of the City Council for staff to follow in preparation of the FY2018-2019 budget.

Beginning in April of each year, Directors and Department Heads meet with the Budget Staff (composed of the City Manager, Assistant City Manager, Finance Director, and Assistant to the City Manager) to discuss their proposed budget requests. The Budget Staff reviews and considers these requests and balances them to meet projected revenues. The Budget Staff then prepares the proposed budget and work document. The proposed budget was submitted to the City Council on July 2, 2018.

Each year at least one public budget workshop is held in which the City Council, Budget Staff, Department Heads and interested citizens discuss the proposed budget. This year the workshop was held on July 14th. This workshop was open to the public and the press. The proposed budget and major issues facing the city were discussed in detail during this workshop and at subsequent regular city council meetings.

Reviewing the Manager's Letter, which was submitted to the City Council with the proposed budget and work document on July 2, 2018, will provide you with a good overview of the proposed budget.

The following pages of this letter will discuss the changes to the proposed budget made by City Council to date.

### **FY2018-19 BUDGET CHANGES**

#### **General Fund**

##### Certified Taxable Value/Tax Rate

The only changes to the fiscal year 2018-2019 budget relate to the certified taxable value and the proposed tax rate.

As a result of higher than expected property values the proposed tax rate is dropping from the current 33.75 cents \$100 assessed value to 33.52 cents.

## ADOPTED TRANSMITTAL LETTER

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We received the certified appraised values from the Brazoria County Appraisal District on July 24, 2018. Based on preliminary appraised values we had projected values to be \$2,285,431,300. I had also anticipated that new properties added to the tax rolls would be \$50 million. Well, the certified total appraised value came in at \$2,313,579,608. And, of this value \$130 million was the result of new properties be added to the tax rolls.

For FY2018-2019 I had proposed keeping the tax rate the same as the current rate of 33.75 cents. Based on the preliminary calculations the effective rate (the tax rate needed to bring in the same tax revenues as the previous year) was 31.594 cents. Therefore, keeping the tax rate at 33.75 cents was an increase of 6.8% over the effective rate.

But because of the better than anticipated appraised number and the much better than expected “new” property values, the final effective tax rate is 32.5475 cents.

The tax rate needed to fund the proposed General Operating Fund budget dropped to 33.52 cents. This amounts to a 2.99% increase over the final effective tax rate.

By reading the manager’s letter submitted on July 2, 2018 with the proposed FY2018-2019 budget you will see what the purpose for which the additional revenue was needed. In a nutshell, it is to fund two additional police dispatchers, an administrative sergeant in the PD and to increase the number and the pay for our school crossing guards.

In summary the changes are:

- 1)The certified appraised value is \$2,313,599,608; of which \$130 million is attributed to new properties added to the tax roll.
- 2)The increase of values on existing property is 4%.
- 3) The proposed tax rate will drop from 33.75 cents to 33.52 cents. The 33.52 cent tax rate is 2.99% more than the effective tax rate of 32.5475 cents.

There are no other changes made to the proposed budget submitted to City Council on July 2, 2018.

Thank you, again, for attending this important meeting.

We are scheduled to adopt the FY2018-2019 budget and tax rate on Tuesday, September 4th at 6:30pm in Council Chambers at Lake Jackson City Hall, 25 Oak Drive, Lake Jackson, Texas.

Sincerely,



William P. Yenne  
City Manager

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# AMENDMENTS TO PROPOSED BUDGET



LAKE JACKSON

*City of Enchantment*



## AMENDMENTS TO PROPOSED BUDGET

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No amendments were made to the proposed budget.

# VISION



the

VISION to make

LAKEJACKSON

an ideal community to live, work and play for all.

LAKEJACKSON **STRATEGIC PLAN 2018-21**



The Lake Jackson City Council has conducted strategic planning workshops for nine years. The purpose of these sessions is to focus on the results of the previous year and prepare a new Plan for the upcoming five years.

There are five Vision Elements that make up the Strategic Plan. Each Vision Element contains a series of objectives set by the City Council. Each objective has a series of goals prepared by the City staff and approved by the City Council. The goals are action steps intended to move the City toward implementation and completion of the stated Council Objectives.

## **MISSION STATEMENT**

It is the MISSION of the City of Lake Jackson to be a leader among cities and in the region at large in delivering outstanding quality services to all citizens through innovative and efficient use of resources.

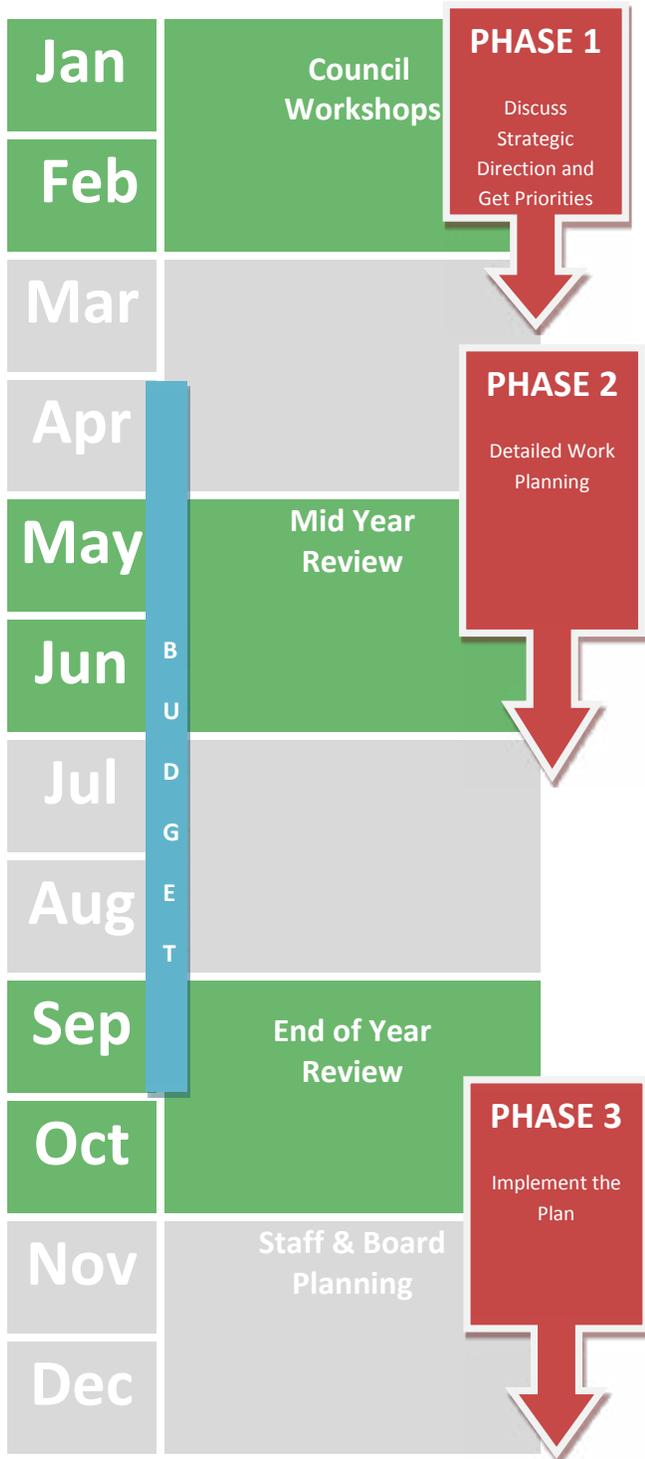
## **VISION STATEMENT**

Our Vision is to create an ideal community to live, work and play for all.

## **VISION ELEMENTS**

- Enable Growth and Revitalization
- Enhance Communication
- Maintain Infrastructure
- Maintain a Well Managed City
- Enhance Quality of Life

# STRATEGIC PLAN PROCESS & CALENDAR



Since 2006, the City Council has met, deliberated and established new priorities for the coming year. The establishment of new priorities sets the stage for budget formation beginning in April of each year.

The strategic planning process is used to develop, implement and monitor the actions necessary to achieve the results outlined in the City's Strategic Plan.

The following pages highlight the City's priorities and show how each of the goals align with Lake Jackson's vision for the future.

## VISION ELEMENTS

- Enable Growth & Revitalization
- Enhance Communication
- Maintain Infrastructure
- Maintain A Well Managed City
- Enhance Quality of Life

# 1 Enable Growth & Revitalization

*Promote quality growth following the established Master Plan*

## 1. Facilitate the Development of New Housing

Status

- 1.1.1 Convert TEEX findings into marketable data to assist in the recruitment of residential land developers.
- 1.1.2 Study the feasibility of extending North Yaupon to aid residential development.

## 2. Expand City's Economic Development Initiatives

- 1.2.1 Convert TEEX findings into marketable data that will assist in telling the success and opportunities for businesses in Lake Jackson.
- 1.2.2 Pursue retail business prospects identified in Buxton Study.

## 3. Facilitate the Revitalization of Downtown

- 1.3.1 Design Phase 4 infrastructure improvements for the Downtown Area (That Way, N. Parking Place, and Circle Way from Oak Drive to That Way).
- 1.3.2 Begin conceptual design of Madge Griffith Park that includes regional amenities and study desirability & feasibility of expanding the park.

## 4. Facilitate Development of Property Surrounding the Airport

- 1.4.1 Work with County to support development of airport business park.
- 1.4.2 Construct new water well and elevated water tank near airport. 2020

## 5. Facilitate Redevelopment of Older Neighborhoods

- 1.5.1 Reduce the number of substandard structures to create safer neighborhoods.
- 1.5.2 Target Neighborhood & Code Enforcement Clean-ups to reduce code violations.
- 1.5.3 Incentives to encourage reinvestment in older **residential** properties.
- 1.5.4 Complete street, water and sewer improvements in the Woodland Park subdivision. Under Design
- 1.5.5 Consider incentives/infrastructure to assist Lake Wood Manor redevelopment.
- 1.5.6 Implement single-family rental inspection program.

## 2 Enhance Communication

*Build relationships through communication, technology and training*

### 1. Improve Communication Externally & Internally

Status

- 2.1.1 Collaborate with BISD to create content that informs citizens through video. In Progress
- 2.1.2 Establish annual meeting with TXDOT Area Engineer's Office
- 2.1.3 **Establish a civic leadership training academy**
- 2.1.4 Build relationships with local builders & contractors through public education.
- 2.1.5 Improve the usability **and readability** of the City's Website.
- 2.1.6 Supplement printed newsletters with electronic one-page updates to residents.
- 2.1.7 **Create Public Information Officer to improve communication efforts**

### 2. Improve Interaction between City Council & Boards

- 2.2.1 Continue to maintain Council Liaisons for all Boards and Commissions On-going
- 2.2.2 Report regularly on progress of the Strategic Plan to **City Council and** Boards and Commissions

# 3 Maintain Infrastructure

*Maintain existing facilities and infrastructure at current high standards*

1. Upgrade and Maintain Infrastructure, Facilities & Equipment		Status
3.1.1	Complete Willow/Blossom Drainage Project.	Dec 2018
3.1.2	Provide safe, well maintained, and energy efficient facilities.	
3.1.3	Conduct feasibility study of expansion of City Hall and new Animal Shelter.	RFQ – Feb 18
3.1.4	Perform condition assessment of sanitary sewer basin 1 & 6 and initiate repairs to reduce infiltration and inflows.	In-Progress
3.1.5	Complete Plantation Bridge Crossover near Sea Center.	Summer 18
3.1.6	Prepare for next revenue bond issue for Utility Infrastructure Priorities.	
3.1.7	Review and begin to plan for expansion needs at City Service Center for Utilities, Public Works, PD and Southern Brazoria County Transit.	Under Study
3.1.8	Focus on key facilities in need of remodeling updates so that their appearance and useful life is improved	
3.1.9	Prepare for next G.O. bond election (i.e. City Hall, Animal Shelter and other identified projects).	

2. Improve Drainage in existing neighborhoods and watersheds	
3.2.1	Complete Master Drainage Plan for the East side of Lake Jackson.
3.2.2	Participate in Brazos River Study
3.2.3	Participate in Bastrop Bayou Study
3.2.4	<b>Improve drainage at Jackson Oaks II, Northwood and Brazos Canal</b>

# 4 Maintain a Well Managed City

*Promote a culture of innovation and service.*

## 3. Hire and Retain Qualified Employees Status

- 4.1.1 Study and recommend improvements to employee leave benefits that assist in employee retention (vacation, sick leave, longevity pay, etc.). On-going
- 4.1.2 Provide in-house training to improve manager skills in three key areas: interviewing, evaluating employees, and goal setting.
- 4.1.3 Maintain merit increase ranges at 2-3-4 percent. Implemented
- 4.1.4 Study the feasibility of a Police Cadet Program to improve recruitment of Sworn Personnel.
- 4.1.5 Benchmark salary midpoints from 50<sup>th</sup> to 65<sup>th</sup> percentile over next 5 years. Salary Survey

## 4. Provide Training Opportunities for Employees

- 4.2.1 Offer preparatory supervision classes to prepare potential managers.
- 4.2.2 Work with other local entities to provide regional training at a shared cost.

## 5. Improve Areas of Operations

- 4.3.1 Expand use of handheld computers to improve productivity in the field, i.e. code enforcement, inspections, playground inspections, etc.
- 4.3.2 Continue to improve GIS database of water, sanitary, and storm water facilities.
- 4.3.3 **Maintain 3-5 year Staffing Plan to address service improvements**
- 4.3.4 **Review competitiveness of Certificate Pay Policy**
- 4.3.5 **Study updates to service fees: water & sewer taps, building codes, park and rec.**

# 5 Enhance Quality of Life

*Provide an excellent quality of life for all Lake Jackson citizens.*

## 1. Enhance the Safety of Our Citizens Status

- 5.1.1 Increase Traffic Safety on roadways, i.e. - continue to install signal preemption systems for emergency vehicles (Opticom). 2023
- 5.1.2 Continue to improve efforts to retain & recruit volunteer firefighters **and explore feasibility of daytime shift coverage with full-time personnel.**
- 5.1.3 Integrate Text to 911, will expedite need for additional Dispatcher. Dec 2018

## 2. Assist BISD in Addressing Issues Facing the District

- 5.2.1 Explore possibilities with BISD of shared sports/park facilities **and playgrounds.**

## 3. Provide Quality Parks and Recreation Opportunities

- 5.3.1 Implement a 5-year plan that aggressively improves existing Park and Recreation facilities. On-going
- 5.3.2 Contract additional mowing so that Park crews can improve the maintenance of sports recreational facilities.

## 4. Provide Community with Affordable-Family Oriented Activities

- 5.4.1 Expand use of Hotel Occupancy Tax revenues to offer more activities and events for visitors. Preparing Strategic Plan
- 5.4.2 Continue to expand special event and program offerings.
- 5.4.3 Develop scholarship program for low-income children to attend recreation programs, i.e. swim lessons.
- 5.4.4 Open Farmers Market at Carriage Square Spring 2019. Assigned to Sandra Oliver
- 5.4.5 **Explore feasibility of Children’s Science Museum**
- 5.4.6 **Explore feasibility of minor-league baseball facility**

## 5. Provide Citizens with Reliable Public Transportation System

- 5.5.1 Work with Southern Brazoria County Transit to develop 30-minute routes. Under Study
- 5.5.2 Work with Southern Brazoria County Transit to develop plan to house their administrative offices and bus fleet at the City Service Center. Under Study

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# MANAGER'S MESSAGE



LAKE JACKSON

*City of Enchantment*



## MANAGER'S MESSAGE

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The Manager's Message is submitted as part of the Proposed Budget on July 2, 2018. Later, the Adopted Budget Transmittal Letter is published in the opening pages of this document, and itemizes any changes to the Proposed Budget as approved by the City Council.

The Manager's Message outlines major issues facing the City now and in the future. This section also provides a general overview of this City's financial status, as well as a discussion of proposed revenues and expenditures.



## CITY OF LAKE JACKSON

25 Oak Drive • Lake Jackson, Texas 77566 • (979) 415-2400 • Fax (979) 297-9804

July 2, 2018

The Honorable Mayor and City Council,

It is my honor to present for your review and consideration the proposed Fiscal Year 2018-2019 Annual Budget and Work Document.

### **Diamond Jubilee**

During 2018 we are celebrating our city's Diamond Jubilee. To honor our 75 years the Diamond Jubilee Committee, led by David Howarth and Tere Sandlin, have done a remarkable job at organizing various special events throughout the year.

Highlights to date have included several concerts (with more to come); a car show; and our big downtown parade and celebration on April 14<sup>th</sup>. We also held a very well attended reception for our "pioneers" and their families. A pioneer is a person who was here in 1943- the year of our founding. The reception was held at our Civic Center. A great time was had by all.

A real treat was the locally produced "Coming Home" concert held at the Clarion at Brazosport College. Local grown talent such as Zack Kibodeaux, Greg Essington and the Blue Water Highway Band; Claire Kibodeaux; Christian Wiggs; Robert Ellis; and Cole Degges headlined a wonderful evening of music and memories. Will Hearn produced and performed in the amazing show. All who attended these two concerts were left in awe by the talent our area has produced.

Great thanks go to the sponsors of our various events: Dow, BASF, Freeport LNG, Turner Industries, Olin, TDECU, Don Davis, SI Group, HEB, Brazosport Tire, Courtyard by Marriott, Best Western Plus, Killum Pest Control, Braskem, Franklin State Farm, All-State, PC Care, Shin-Tech, O'Reilly's and Yaklin Ford.

We opened the time capsules left by our 50<sup>th</sup> and 60<sup>th</sup> anniversary committees. The contents of the time capsules led us on a wonderful trip down memory lane.

We will bury another time capsule in January 2019 to be opened at our 100<sup>th</sup> anniversary in April 2043.

Again, many thanks to our hard-working Diamond Jubilee Committee.

### **Hurricane Harvey/Brazos River Flood**

We are still dealing with the aftermath of Hurricane Harvey and the massive Brazos River Flood we experienced in late August and early September of 2017.

## MANAGER'S MESSAGE

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The massive flooding of the Brazos River was about a “500 year” event and is the greatest Brazos River flood seen since 1913. The amount of water we saw far eclipsed what we experienced in 2016 and also in 1991/1992.

At one-point flood waters filled streets threatening nearly 1,000 homes. In the end two homes on Spanish Oaks flooded and there was water in a number of garages in the Jackson Oaks 2 subdivision on our northwest side of town.

Costs to fight and recover from the flood event exceeded \$2 million. Of this \$555,200 was expended in FY17-18. This affected our budget. But overall, I still expect us to end FY17-18 in the black.

We are working with FEMA and our insurance carrier to recover some of our costs. FEMA reimbursements take some time. We just received our final reimbursement from Hurricane Ike. Ike occurred in 2008. We just recently received an initial reimbursement from the 2016 flood. We have filed the paperwork seeking reimbursement for some of the costs related to the 2017 flood.

Insurance has paid for a portion of the repairs to the golf course. In fact, damage to the golf course amounts to about one half of the costs we experienced with the 2017 flood.

We also are working to address immediate and long-term solutions to problems we experienced during the flood. Along with the Velasco Drainage District, we made drainage improvements to the Jackson Oaks 2 s/d and these were completed in June 2018.

In the proposed budget we will be addressing improvements to the Northwood s/d and also to northeast Lake Jackson to help mitigate local flooding issues there.

We are also the lead party in a \$240,000 flood study of the Bastrop Bayou. Participants in the study are Lake Jackson, Brazoria County, Angleton Drainage District, and Velasco Drainage District. Our contribution to the study is \$140,000. The study should be complete in the spring of 2019. Our hope is that a project or series of projects are identified that will help improve/mitigate flooding affecting the Bastrop Bayou.

We learned a lot of lessons from the 2017 flood and will be working to make improvements that will help mitigate future flooding impacts on our city and our area.

### **The Proposed FY18-19 Budget at a glance**

As was the case back in FY16-17, the FY18-19 budget is a “public safety” budget.

#### **General Fund**

The FY18-19 General Fund Operating Budget is proposed at \$21,678,805. This is a \$1,186,233 (5.8%) increase over the FY17-18 adopted budget.

Of this \$1.1 million increase, \$609,061 (51.3%) is related to the Police Department. Three new employees are included in the proposed budget. These include two new dispatchers and one new Administrative Sergeant position.

Also, costs related to replacing portions of the police fleet have increased the Police Department's contributions to the Equipment Replacement Fund by \$205,999.

The new budget includes a 2% market salary increase across the board, as well as merit raises that will range from 2% to 4% depending on an employee's evaluation.

There are increases for property and liability insurance, maintenance contracts and for our Animal Shelter.

### Utility Operating Budget

The proposed Utility Operating Budget for FY18-19 is \$13,790,303. This is \$626,525 (4.7%) more than the adopted FY17-18 budget.

The largest single increase for the Utility Fund Operating budget is \$459,610 in additional transfers to the General Fund. These transfers cover costs for services the General Fund provides the Utility Operating Fund such as: administrative costs related to personnel, purchasing, finance and the like.

These transfers have remained the same over the years, as the Utility Fund Administrative struggled with revenues. But over the last several years we have done a much better job of adjusting water and sewer fees in order to cover costs. The Utility Fund is in much better financial shape, and the new transfer amounts more accurately reflect the costs the Utility Fund owes the General Fund for services.

The next largest increase in the proposed FY18-19 Utility Operating budget is for employee raises. Utility Fund employees will also see a 2% market increase, and then be eligible for a 2%, 3% or 4% merit raise based on their individual evaluation.

These raises, and increased costs in the various benefits totals \$203,100.

### Property Tax Rate

I am once again proposing to keep the current tax rate of 33.75 cents/\$100 valuation.

Based on very preliminary valuation estimates, the "effective rate" to bring in the same property tax revenues as last year would be 31.594 cents. So, keeping the tax rate at 33.75 cents is 6.8% more than the "effective rate". The "rollback" rate is 34.894 cents.

Keeping the tax rate the same helps raise just over \$200,000 to help pay for a portion of the increased costs to fund the 3 new Police positions, pay raises and the like.

Also affecting the tax rate this year is \$189,138 in increased debt service payments for FY18-19. In December 2018 we will sell the remaining \$9 million from the \$16.0 million bonds approved

## MANAGER'S MESSAGE

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by the voters in 2016. This final \$9 million issue will pay for the next phase of our downtown street improvements.

### Sales Tax

I anticipate we will collect about 3% more sales tax in FY18-19 than we are projected to collect in FY17-18.

This is based on strong growth in our local economy, which continues.

### Utility Rates

Utility rates will rise about 2% in FY18-19. The Brazosport Water Authority is increasing rates by 7 cents per thousand gallons (from \$3.05/1000 to \$3.12/1000). Our rate increase will pass along the BWA rate increase and cover \$123,428 in additional utility debt payments. As you know, we have been selling a series of revenue bonds to help finance much needed improvements to our utility infrastructure, and to extend water/sewer service to the airport area.

### **FY 2017-2018 In Review**

As mentioned earlier, Hurricane Harvey and the resulting massive Brazos River flood significantly affected our FY 17-18 budget. As previously noted some \$555,200 in flood related costs were expended in FY17-18. Also as a result of the flood we are working on a number of drainage projects and drainage studies to help mitigate future flooding incidents.

In spite of the flood, our area continues to prosper. This shows the resilience of the people of Brazoria County.

Our economy remains strong.

### Health Care

Rapidly increasing health insurance premiums was one of our biggest challenges we faced in FY17-18.

In FY16-17 our health insurance premiums went up 18%. In FY17-18 the initial estimate from our provider (TML-IEBP-Texas Municipal League Intergovernmental Employee Benefits Pool) projected an increase of another 20%.

These increases were based on the overall national climate of volatile health insurance, as well as heavy use, by employees, of emergency rooms for basic health issues. Also, we had experienced a spate of very expensive health issues with a handful of employees.

Working with Jose Sanchez, Human Resources Director, we set out to find more cost-effective solutions.

Eventually, we negotiated the 20% increase down to about 10% with TML-IEBP. In exchange for that reductions we committed to improving overall preventative health care for our employees.

To that end, we negotiated with Brazoria County so that our employees and dependents were eligible to use their health care clinic in Angleton. Employees were asked to pay about \$30/month toward their health insurance premiums (employees were covered at 100% prior to this. However, employees covered their dependent care at 100%. The City has not, and still does not pay toward dependent care). This amount would be reduced to \$10/month if the employee did a health risk assessment (what use to be called a physical) at the clinic, or with their own doctor.

We still budgeted a 20% health insurance increase in FY17-18. Half went to the premium increase and the other half went to “buying” into the County Health Clinic.

It is still too soon to determine if the clinic will truly help reduce costs. But, the initial results are promising. Employees and their dependents are making very good use of the clinic. And employees doing a “health risk assessment” have gone from a handful under the old system to over half of our employees doing their health risk assessments.

For FY18-19 the TML-IEBP has pegged our increase in premiums at 5%. This is better, but not where we ultimately want to be. Our goal is to lower these annual increases.

While this discussion has been about the cost, the best benefit is that our employees and their dependents are getting access to quality health care. Visits to the ER are down. Employees are better informed about their health and the steps needed to maintain a healthy lifestyle.

It will still take about three years to really see if this effort is successful. But, so far, so good.

A fallout of this health premium increase was that we could not provide the employee raise we had planned in order to keep our pay plan competitive. We did provide for a merit raise-but our compensation plan overall stayed the same.

### Area Economy

The Dow Texas Innovation Center is fully functioning now and provides a world class facility for some 2,000 employees. People from all over the world are coming to this remarkable research and development facility. Located adjacent to downtown, this facility is helping to re-invigorate our downtown area.

Industrial expansion in our area continues. While new facilities/plants open, more are being planned. Also, work continues on the massive Freeport LNG complex on Quintana island. It is estimated that while our city's permanent population is just under 30,000 people, we see a daytime population of close to 60,000 people. This is one of the reasons our sales tax revenues improved sharply in FY17-18. Our retail sector is doing very, very well. And, more businesses are choosing to come to Lake Jackson.

### Lake Jackson Projects

The Brazos Mall has seen a major upgrade of over \$20 million. The new TJ Maxx, Home Goods, ULTA, and Ashley Furniture wing has really boosted sales at the mall.

## MANAGER'S MESSAGE

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The new Courtyard by Marriott opened adjacent to the mall. And, according to its owner, is doing extremely well. I understand that Lake Jackson is the smallest city in the nation to have a Courtyard by Marriott. That is a tribute to the economic vitality of our area. Lake Jackson is the shopping hub for all of Southern Brazoria County.

The new Staybridge Suites (also adjacent to the mall) opened in June of this year. We expect this property will also be highly successful and we appreciate the faith the developers of these properties have shown in our city.

As hotels go, we also have the new Woodspring Suites under construction near the corner of SH288/332 and Plantation Drive.

Also under construction is a new retail building on the Target tract. This building will house a Jimmy Johns, a Smoothie King and possibly an ice cream parlor.

More businesses are opening downtown as well. The largest recent addition is the Heritage Bank building, which houses not only the bank, but also an attorney's office and a title company. Located on South Parking Place, this beautiful new facility is helping to transform our downtown area.

Speaking of South Parking Place, we have completed that phase of our downtown revitalization plan. South Parking Place is looking great. The pavilion built there will attract many activities to this area of downtown. This will include a possible farmers market, craft shows, concerts and other events. This redeveloped area has provided improved, well lighted and much needed parking for our busy downtown.

We will be starting work on the next phase of our downtown revitalization effort in 2019. This project will upgrade and replace North Parking Place, the rest of That Way street in downtown, and that portion of Circle Way between That Way and Oak Drive. This \$9 million project was authorized by the voters in 2016.

Our growth has not been limited to the business sector. Our residential growth continues as well. The Creekside subdivision has already started building its last phase. And, there is renewed interest in the "Alden" subdivision. This is the 987-acre tract just north of the city which holds great potential for our city. It is hoped we can make progress on this development next year.

As you know, we have extended water and sewer service to the airport area and that infrastructure would serve the Alden subdivision as well.

We are currently working with Brazoria County on the planned business park to be located next to the airport. This was the primary reason for extending utility service to the airport.

While the airport has not yet connected to our utilities, the Wayne Scott unit of the Texas Department of Criminal Justice has connected to our sewer service. TDCJ is an important new customer for us, and we have seen them send us as much as a half a million gallons of sewage a day to our system. This is helping generate new revenues for our utility system.

Other projects of note include the new Plantation Drive bridge (also authorized by the voters in 2016). The bridge will be done this summer and will complete the “4 laning” of Plantation Drive from Medical Drive to SH288/332.

The new traffic signal at Oak and Circle Way near city hall will also be done early this summer. It should already be complete. But, the vendor making the poles and masts to hold the new signals went out of business. We had to order these poles from another company. This delayed the project several months.

The Woodland Park subdivision residential street redevelopment project is out for bid and should start construction this summer as well. Streets affected include Hickory, Lotus, Bois D' Arc, Lotus Court and a portion of Oleander.

Again, in spite of Hurricane Harvey and the resulting Brazos River flood, our city has made significant progress in FY17-18. Let's look at how we fared financially in FY17-18.

### **FY17-18 Operating Budget Review**

#### **General Operating Fund**

I am projecting that revenues for FY17-18 in the General Operating fund will be \$20,689,962. This is \$197,390 (1%) higher than the adopted budget of \$20,492,572. This \$197,390 increase is primarily due to better than anticipated sales tax revenues (\$85,000), increased Municipal Court fine revenue (\$50,800) and slightly higher Industrial District revenues (\$15,828).

Sales tax numbers are up across the board this year, but were also positively affected by the opening of TJ Maxx, Home Goods, ULTA and Ashley Furniture at the Brazos Mall. I believe the two home improvement stores (Lowe's and Home Depot) have seen increased business from area residents recovering from the flood.

Municipal Court fine revenue is up after several down years. Fine revenues had been down the last few years as we saw turnover and injuries affect our traffic division. We now are fully staffed, including the two new positions authorized in FY16-17. This has resulted in increased traffic enforcement and consequentially additional fine revenue.

On the expenditure side, I expect expenses to be at \$20,674,844 or \$182,272 (0.9%) more than the FY17-18 budget of \$20,492,572.

The reason we expect to exceed the FY17-18 budget is the \$555,200 spent on flood recovery in this fiscal year.

If we had not had these flood expenditures in FY17-18, we would be projecting to end the year \$570,299 to the good!

# MANAGER'S MESSAGE

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## General Operating Fund (estimated at 9/30/18)

	<u>FY 17-18 Budget</u>	<u>FY 17-18 Projected</u>	<u>Difference</u>
Revenues	\$20,492,572	\$20,689,962	\$197,390
Expenditures	<u>\$20,492,572</u>	<u>\$20,674,844</u>	< <u>\$182,272</u> >
Excess <Deficit>	0	\$15,118	\$15,118

## Utility Operating Fund

I anticipate Utility Operating Fund revenues of \$13,392,616 in FY17-18. This is \$228,838 (1.7%) more than the FY17-18 budget of \$13,163,778.

This increase is basically due to the new sewer revenues generated when the Wayne Scott unit of the Texas Department of Criminal Justice (TDCJ) connected to the sewer lines extended north to serve TDCJ and the airport.

Expenditures are projected at \$12,767,160, \$396,618 or 3% less than the FY17-18 budget.

The savings is attributed to, primarily, employee turnover.

## Utility Operating Fund (estimated at 9/30/18)

	<u>FY 17-18 Budget</u>	<u>FY 17-18 Projected</u>	<u>Difference</u>
Revenues	\$13,163,778	\$13,392,616	\$228,838
Expenditures	<u>\$13,163,778</u>	<u>\$12,767,160</u>	<u>\$396,618</u>
Excess <Deficit>	0	\$625,456	\$625,456

## Year End Transfers

Each year we take positive operating fund balances and add some to the operating fund balance and put the rest as a transfer to our General or Utility Capital Projects Fund.

The General Operating Fund is projected to only be \$15,118 to the good at 9/30/18. So, I propose that simply remain in the General Operating Fund balance. There will be no transfer to General Capital Projects.

For the Utility Operating Fund, I propose that we take \$125,456 of the projected \$625,456 and apply that to the Utility Operating Fund balance. I suggest we transfer the remaining \$500,000 to Utility Capital Projects.

## **Preparing the FY2018-19 Budget**

### Goals and Objectives

For the past eleven years (since 2007) City Council and staff meet in January and February to go through our formalized goals and visioning process. From these sessions Council reviews and if necessary revises our annual strategic plan. This plan is the precursor for the budget process and sets the overall goals and objectives for the upcoming budget. This year City Council met on January 20, 2018 and February 12, 2018. In preparation for the annual goals and visioning sessions with City Council, the city staff met on November 15, 2017 to review our progress on the previous year's goals and objectives and to prepare key questions for Council consideration. The staff met again on January 31, 2018 to review Council's feedback from the "Council only"

session on January 22<sup>nd</sup>. Then Council and staff met jointly on February 12<sup>th</sup> to finalize the goals and objectives for FY2018-2019.

City Council reaffirmed our vision statement, which is:

“Our vision is to create an ideal community to live, work and play for all”.

Council also reaffirmed our mission statement:

“It is the mission of the City of Lake Jackson to be a leader among cities and in the region at large in delivering outstanding quality services to all citizens through innovative and efficient use of resources”

City Council renewed their commitments to infrastructure upgrades and expansions; public safety; and, keeping city employees at the “forefront” related to compensation and benefits. Council was supportive of finalizing the implementation of our compensation improvement plan

Other priorities of the City Council include:

- The eastside drainage master plan project
- Participate in Bastrop Bayou study
- Improve flood protection in Jackson Oaks 2, Northwood and Brazos Canal area
- Construct new water tower and water well near airport
- Emphasize development in the airport area supporting the proposed business park
- Continue efforts to attract mid to high end single family residential housing to Lake Jackson
- Promote economic development, pursue business prospects identified in Buxton study
- Work on implementing the Master Plan and Park’s Master Plan
- Explore options toward transitioning to a paid Fire Department
- Implement single-family rental inspection program

The final version of the FY2018-2019 strategic plan can be found under the “Vision” tab in this document. You will note that the strategic plan is fully incorporated into this budget document.

### **The FY 2018-2019 Budget**

#### Major Issues

##### 2016 Bond Issue

In May 2016 voters overwhelmingly approved five bond propositions totaling \$16 million. To lessen the impact of this bond issue on our tax rate, we scheduled the sale of these bonds over a three-year period.

We sold the first \$3 million of these bonds in the fall of 2016. This \$3 million provided funding for proposition 2 (\$1 million for the Plantation Drive bridge project); Proposition 4 (\$800,000) to provide drainage improvements in the Willow Drive, Daisy and Blossom area; Proposition 5

## MANAGER'S MESSAGE

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(\$500,000) for a traffic signal and right turn lanes at the busy intersection of Circle Way and Oak Drive near City Hall; and, \$450,000 to design the residential street work in Woodland Park (Proposition 3). Streets included in this design work are all or portions of Oleander, Hickory, South Yaupon, Bois D Arc, Lotus and Lotus Court. Also, \$250,000 in additional funding was provided to complete the previously approved South Parking Place project downtown.

In late 2017 we sold the second phase of the approved bond issue. This was for \$4 million. This will pay for the reconstruction of the streets previously mentioned in the Woodland Park subdivision. And, this is funding the design of the next phase of the downtown project which was approved in Proposition 1.

The plan is to sell the final \$9 million of the 2016 bond issue in late 2018 to construct the next phase of the downtown revitalization project. This next phase will include the remainder of That Way street in downtown; the portion of Circle Way from That Way to Oak Drive; and North Parking Place.

As noted, the South Parking Place project was completed in May 2018. It was the last piece of the previous phase of our downtown revitalization project. We will consider the final phase (s) of downtown in a potential bond issue in 2020.

### Potential Debt Issues (2018-2026)

Year	General Fund	Utility Fund	½ Cent	Total
2018	9,000,000			9,000,000
2019		5,000,000	4,600,000	9,600,000
2020	6,250,000			6,250,000
2021				0
2022	6,250,000	2,500,000		8,750,000
2023				0
2024	6,250,000	2,500,000		8,750,000
2025			6,000,000	6,000,000
2026	6,250,000	2,500,000		8,750,000
<b>Total</b>	<b>\$34,000,000</b>	<b>\$12,500,000</b>	<b>\$10,600,000</b>	<b>57,100,000</b>

As you can see in the chart above we are contemplating taking a bond issue to voters in May 2020. The current thinking is a bond issue totaling about \$25 million.

Currently we are working with a design architect to develop preliminary concepts and costs for an addition/remodeling of City Hall; a new evidence area at the Police Department; and a “city only” Animal Services Facility.

Our current City Hall (the third in our city’s history) was built in 1978 and was last added on to in 1988. This facility has served us well. But, it is time for an addition and remodeling to make more efficient use of the space available.

The police evidence area needs expanding. It specifically needs an area to store and process vehicles.

We are nearing the end of our 20-year contract with the cities of Clute and Freeport, and with the Brazoria County SPCA (BC-SPCA) for our joint animal facility. The contract ends in 2023.

Some 15-20 years ago I reached out to neighboring cities and the Brazoria County SPCA to consider a joint animal facility. A number of cities were contemplating new animal facilities, as was the BC-SPCA.

Ultimately the cities of Lake Jackson, Clute and Freeport, and the BC-SPCA created a partnership to build a "Southern Brazoria County Animal Shelter" which would serve the three cities and their residents. The BC-SPCA was also a partner in the facility. The BC-SPCA, by contract, was then chosen to operate the facility for the partnership under the terms of the contract.

The current animal shelter facility was designed to hold a maximum of about 150 animals. It was designed to be a "10 day" facility. After 10 days the animals still at the facility would become the sole property of the BC-SPCA. The plan was after 10 days that those animals would be moved to the BC-SPCA shelter in Angleton.

Shortly after the new Southern Brazoria County shelter was finished, the BC-SPCA unexpectedly closed their Angleton facility. They moved into the SBCAS. Their plan was to build another SPCA facility. Unfortunately, that has not happened yet.

Fast forward to today and the shelter designed for about 150 animals now holds two to three times that number of animals. And, as a result of such heavy usage, the building is not holding up well.

The BC-SPCA has announced plans to build a new \$4.5 to \$6 million animal shelter. The City of Lake Jackson has offered property on Canna Lane near the existing facility for this new shelter. This will be separate from the city facility. So, the current thinking is when the current contract ends in 2023 that the partners will go their separate ways.

That doesn't mean that there still won't be a relationship with the BC-SPCA, but we will operate separate facilities.

It has become apparent that the "law enforcement" component of a city animal services facility conflicts with some of the goals of the SPCA.

The plan now is that the City of Lake Jackson will build its own animal services facility. This will house lost pets and strays and other animals picked up by our animal control officers. This facility will also house animals taken as the result of animal abuse cases. The facility would also handle animals involved in bite cases or asked to be held by the court.

## MANAGER'S MESSAGE

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We would work to re-unite lost pets with their owners and take care of the strays brought to the facility for a period of time – say 5 to 10 days.

Once the timeline has run we would work with the BC-SPCA in hopes that they would then take these unclaimed animals to their facility to be adopted out.

We need to plan now so that our new facility is in place before our current contract expires.

Other projects will also be considered for this 2020 bond issue. These would include drainage projects, residential street projects; maybe another phase of our downtown project; and, other projects that may be considered.

The plan is to put together a citizen bond task force in 2019. This group of volunteers would work with City Council and city staff to put together a proposed bond issue that would go to the voters in May 2020.

### Tax Rate

I am proposing to keep our property tax rate at 33.75 cents/\$100 assessed valuation.

The Appraisal District has set our estimated property values as of May 17, 2018 at \$2,375,223,367. Once appeals by taxpayers are completed we believe the final number will be \$2,185,431,300. This is a substantial increase over the final FY 2017-2018 values of \$2,098,790,748. This is a 8.9% (\$186,640,552) increase in overall values from FY17-18. Of this \$186,640,552, \$50 million is estimated to be new values added to the tax roll for FY 18-19. This means \$136,640,552 or 6.5% is due to the increase of existing property values over FY17-18 values.

Based on this information we have calculated the “effective tax rate” per the state mandated formula to be 31.594 cents for FY18-19. The “rollback” tax rate calculates to be 34.894cents.

The 33.75 cent tax rate is comprised of 22.9606 cents for general operations and 10.7894 cents for debt service.

The 22.9606 cents rate for operations generates \$5,247,495. The Dow property tax rebate for FY18-19 is proposed to be \$599,252 and the HEB property tax rate rebate is expected to be \$50,000. When these rebate payments are removed, this will leave \$4,598,243 to be used for General Operations.

The debt service rate is decreasing slightly from 10.8025 cents in FY17-18 to 10.7894 cents in FY18-19. This raises the necessary \$2,465,835 to make our FY18-19 debt service payment.

The operations tax rate of 22.9606 cents is basically the same as the 22.9475 cent operations rate in FY17-18.

The proposed 33.75 cents tax rate is 6.8% higher than the FY18-19 “effective tax rate” of 31.594 cents.

Utility Rates

The Brazosport Water Authority has announced a rate increase of 7 cents for FY18-19. Therefore, the rate we pay per thousand gallons for our annual allotment of 730 million gallons is going up from \$3.05/1000 gallons to \$3.12/1000.

We anticipate our sanitation disposal rate will increase 2.07% as allowed in our current contract.

I am proposing the following rate increases for FY18-19:

Residential Rates

	<u>Current Rates</u>	<u>Proposed FY18-19 Rates</u>
Water Base Rate	\$13.25/month	\$13.50/month
2,000-20,000 Gallons	\$4.20/tgal	\$4.30/tgal
Over 20,000 Gallons	\$4.70/tgal	\$4.80/tgal
Sewer Base Rate	\$13.40/month	\$13.65/month
Over 2,000 Gallons	\$4.50/tgal	\$4.60/tgal
Sanitation Rate	\$17.00/month	\$17.35/month
Recycle Rate	\$2.45/month	\$2.50/month
State Sales Tax	<u>\$1.60/month</u>	<u>\$1.64/month</u>
<b>Total Base Bill</b>	<b>\$47.70/month</b>	<b>\$48.64/month</b>

<u>Avg. Residential Utility Bill</u>	<u>Current Rates</u>	<u>Proposed FY18-19 Rates</u>
Water (5,000 gallons)	\$25.85	\$26.40
Sewer (5,000 gallons)	\$26.90	\$27.45
Sanitation	\$17.00	\$17.35
Recycling	\$2.45	\$2.50
State Sales Tax	\$1.60	\$1.64
<b>Total Bill 5,000 Gals.</b>	<b>\$73.80/month</b>	<b>\$75.34/month</b>

Multi-family/commercial

The only change to the above rates for water and sewer is that the base rates for 2,000 gallons for water will be \$27.00/month and for sewer \$27.30/month for commercial and multi-family accounts.

New Employees/Upgrades

I am recommending three new employees for the Police Department for FY18-19. Including benefits, the cost will be:

Administrative Sergeant	\$92,236
Dispatcher	\$51,510
Dispatcher	<u>\$51,510</u>
	\$195,256

## MANAGER'S MESSAGE

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We are also increasing crossing guard hours and pay (by 25 cents/hour to \$15.25/hr) for an increase of \$19,620. There are a number of employee reclassifications proposed for FY18-19. They are:

Regrade Acct. Manager to Controller (Finance)	\$7,351
Regrade System Analyst to Lead System Analyst (Finance)	\$2,544
Regrade System Analyst to Lead System Analyst (Finance)	\$2,291
Regrade Court Clerk to Deputy Court Clerk (Court)	<u>\$1,377</u>
	\$13,563

I am also recommending a part-time custodian for our Garage/Service Center for \$15,602.

The new dispatchers will help with the increased call volume and help relieve the current dispatchers. We have “just enough” dispatchers to cover shifts. So, if one is off sick or vacation another dispatcher must cover that shift. These new dispatchers will help alleviate that problem, as well as handle the increasing call volume.

The Administrative Sergeant will provide additional supervisory help for the communications division (this includes dispatch). Currently the Administrative Lieutenant supervises this area.

As you know, I have asked Lt. Sidebottom (Admin. Lt.) to take on the duties of Assistant Emergency Management Coordinator (EMC). For years I have functioned as the sole EMC for the city. The demands for this function have increased exponentially over the years. So, working with Chief Park, we asked Lt. Sidebottom to accept these additional responsibilities. In time the plan is for LT. Sidebottom to ultimately become the EMC for our city. The other personnel change requests are pretty straight forward.

Working with the school district, the times for various school crossings have increased. And, at some locations we are doubling up on the number of crossing guards presently to safely cross the school children. Also, we are giving a modest 25 cent per hour increase for each guard.

The part-time custodian at the Service Center will help with a multitude of small things that need to be done to keep the Service Center in tip-top shape.

Toni Truly, Accounting Manager has taken on more and more responsibilities. The request is to make her title Controller to more accurately reflect her job duties.

Currently in our IT Department we have one MIS Manager and four system analysts (2 at City Hall and 2 at the PD). We would like to make our two senior system analysts each a Lead System Analyst. One would be at City Hall, the other at the PD.

Then we would like to make our senior Court Clerk into a Lead Deputy Court Clerk commiserate with their skills and to provide deputy assistance to the Municipal Court Clerk.

### COMPENSATION

As previously mentioned, we had to suspend the final year of our five-year plan to improve employee compensation because of the 20% increase in health care costs last year.

In FY18-19 I am proposing a 2% market increase for all positions. I also recommend merit raises ranging from 2% to 4% depending on an employee's individual evaluation. This will close out the current 5-year plan. Included in the FY18-19 budget is \$35,000 to hire a consultant to help us with our next evaluation of our compensation plan.

Overall, this final year of the 5-year plan will cost the General Operating Fund \$494,500 and the Utility Operating Fund \$171,800.

### **Highlights of the FY2018-2019 Budget**

- The combined General and Utility Operating budget for FY2018-2019 is proposed to be \$35,469,108. This is \$1,812,758 (5.4%) more than the FY17-18 adopted budget of \$33,656,350.
- The General Operating Budget is proposed to be \$21,678,805 for FY18-19. This is \$1,186,233 (5.8%) higher than the FY17-18 budget of \$20,492,572.
- The Utility Operating Budget for FY18-19 is proposed to be \$13,790,303. This is 626,525 (4.8%) greater than the adopted FY17-18 budget of \$13,163,778.
- The proposed tax rate remains at 33.75 cents for FY18-19. The proposed tax rate is 6.8% higher than the effective tax rate of 31.594 cents. The proposed "rollback" tax rate is 34.894 cents.
- Appraised property values, after appeals, are expected to be \$2,285,431,300. This is 8.9% (\$186,640,552) more than the final FY17-18 appraised value of \$2,098,790,748. New values contained within the proposed FY18-19 appraised values is estimated at \$50 million.
- Utility rates are projected to go up by about 2%.
- The Brazosport Water Authority rate for the water we buy is increasing from \$3.05/1000 gallons to \$3.12/1000 gallons. This is a 2.2% increase.
- I am recommending a 2% market increase for all positions and merit raises ranging from 2% to 4%. Cost to the General Operating Fund is \$494,500. Cost to the Utility Operating Fund is \$171,800.
- The Police Department budget is increasing \$609,061 to \$6,753,757. This is a 9.9% increase over the FY17-18 budget of \$6,144,696. Three new positions, employee raises and increased contributions to the Equipment Replacement Fund (a good portion of the police patrol fleet was replaced in FY17-18) comprise the majority of this increase.

# MANAGER'S MESSAGE

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- Transfers from the Utility Fund to the General Fund are increasing by \$457,610 in FY18-19. This more accurately reflects the cost of General Fund services (Human Resources, Personnel, Finance, Administration) provided to the Utility Fund.
- Sales tax revenue to the General Operating fund is estimated to be \$6,882,480 in FY18-19. This is \$222,480 more than the \$6,600,000 budgeted in FY17-18.
- Industrial District revenues are projected to be \$4,594,532 in FY18-19. This is 2.07% (the CPI-U for the 12 months from Dec 2016 to Dec 2017) more than the \$4,501,354 collected in FY17-18.
- Municipal Court fine revenue is projected to be \$515,000 in FY18-19. This is about what we anticipate collecting in FY17-18, and \$48,500 more than the FY17-18 budget of \$466,500.
- At the April 2018 Capital Projects Workshop City Council authorized \$763,000 in General Capital Projects and \$120,000 in Utility Capital Projects.

## **General Operating Fund** **FY2018-2019 Revenues**

### Property Tax

The Brazoria County Appraisal District has estimated our assessed value at \$2,375,223,367 – 13.2% over last year’s certified tax roll of \$2,098,790,748. I anticipate property owner appeals will reduce the final value (which we generally receive in late July) to \$2,285,431,300 or about 8.9% more than the FY17-18 certified roll.

I have estimated that \$50 million of the values comes from properties or improvements being added to the tax roll. If that is the case, and you remove that \$50 million from the estimate to determine the existing property value for FY17-18 we are talking a 6.5% increase in assessed values on existing properties. The history of value increase and decreases of existing properties from year to year is:

#### Assessed Value Increase (Decrease) for Existing Property Year to Year

2001	4.60%	2007	1.21%	2013	0.60%
2002	3.02%	2008	0.79%	2014	3.60%
2003	3.70%	2009	<0.40%>	2015	6.70%
2004	2.65%	2010	<2.40%>	2016	9.77%
2005	1.88%	2011	<3.90%>	2017	4.80%
2006	1.64%	2012	0.80%	2018	6.50%

The actual cost to any single taxpayer will depend on whether their individual appraised value increases, decreases, or remains the same.

Tax Rate

I am recommending maintaining our 33.75 cent tax rate. Based on the State calculated “effective tax rate” for FY18-19 of 31.594 cents, keeping the 33.75 cent tax rate is there by “increasing” the tax rate 6.5% from the “effective tax rate”. The “rollback rate” is estimated at 34.894.

I am recommending a maintenance and operations rate of 22.9606 cents, up slightly from FY17-18 rate of 22.9475 cents. The debt service rate for FY2018-2019 will be 10.7894 down ever so slightly from the FY17-18 rate of 10.8025 cents. This is how our tax rate compares with other communities:

<u>City</u>	<u>Population</u>	<u>Tax Rate</u>	<u>City</u>	<u>Population</u>	<u>Tax Rate</u>
Galena Park	10,900	1.04	Galveston	47,800	0.56
Baytown	75,418	0.82	Friendswood	38,479	0.52
Alvin	24,300	0.79	Katy	15,013	0.49
Brazoria	3,100	0.79	La Marque	14,600	0.49
Deer Park	32,100	0.72	Rosenberg	33,188	0.46
La Porte	34,654	0.71	Conroe	63,032	0.42
Angleton	19,280	0.71	Bellaire	17,849	0.42
Pearland	101,900	0.68	Dickinson	18,700	0.41
Bay City	17,700	0.66	Tomball	10,800	0.34
Richwood	5,100	0.63	Lake Jackson	28,000	.3375
Clute	10,500	0.63	Santa Fe	12,300	0.33
Freeport	12,800	0.63	West University	15,369	0.32
Missouri City	70,185	0.60	Sugar Land	84,511	0.32
Texas City	41,600	0.60	Webster	10,700	0.32
Houston	2,099,700	0.59	Humble	15,500	0.21
Pasadena	152,735	0.58	Stafford	19,900	0.00
Manvel	8,939	0.57			
League City	90,983	0.57			
Seabrook	12,649	0.57			

Sales Tax

I anticipate sales tax receipts to end FY17-18 at \$6,685,000 up from the \$6,600,000 million we budgeted in FY17-18. I am budgeting sales tax revenues to be \$6,882,480 in FY18-19. This is a proposed 3% increase.

## MANAGER'S MESSAGE

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The following chart shows our sales tax collection history since 1999:

Fiscal Year	one cent sales tax	half cent sales tax	One cent sales tax percentage growth
1999	\$3,460,834	\$1,730,417	3.52%
2000	3,601,981	1,800,991	4.08%
2001	3,673,682	1,896,841	1.99%
2002	3,778,512	1,889,256	2.85%
2003	3,726,533	1,863,267	<1.38%>
2004	3,810,459	1,905,230	2.25%
2005	3,914,130	1,957,065	2.72%
2006	4,261,667	2,130,834	8.88%
2007	4,618,469	2,309,235	8.37%
2008	4,553,842	2,337,052	<1.40%>
2009	4,634,553	2,408,688	1.77%
2010	4,432,443	2,277,196	<4.36%>
2011	4,562,725	2,355,777	2.94%
2012	4,772,141	2,457,990	4.59%
2013	5,098,359	2,619,312	6.73%
2014	5,226,636	2,752,237	2.62%
2015	6,276,467	3,138,233	20.00%
2016	6,190,271	3,227,460	<1.3>%
2017	6,377,917	3,188,958	3.0%
2018 (projected)	6,685,000	3,342,500	4.8%
2019 (budgeted)	6,882,480	3,441,240	3.0%

### Industrial District

For the first two years of the most recent Industrial District contract (signed in December 2011) the amount each city received was set by contract. In our case we received \$4.1 million in both FY11-12 and FY12-13. The growth factor calculation kicked into play in 2013-2014. The growth factor is either the CPI-U or growth in industrial values as determined by the formula included in the contract as applied to the previous year's payment. The CPI-U for calendar year 2017 was 2.07%. This 2.07% is applied to the \$4,501,354 million payment made in 2017-2018 resulting in an increase of \$93,178 for a total of \$4,594,532 for FY18-19.

### Franchise payments

Public utilities who provide services to our residents and use our public right of ways and easements make payments to the City based on State mandated formulas for the use of the public's property. These include electric, gas, cable, telecommunications and our own solid waste service.

For FY 2018-2019 franchise fees are increasing from \$1,722,000 budgeted in FY17-18 to \$1,831,700 in FY18-19, a difference of \$109,700.

The biggest projected increase is from Center Point (electric). This alone represents a \$100,000 increase.

Permit Fees

As growth to our area has peaked and the largest building projects behind us (ie, the Dow Texas Innovation Center), the amount we are collecting for building permits and related fees has leveled off and will drop this next year (for the second year in a row).

We expect to collect \$226,400 in permit fees this year (FY17-18). We had budgeted to receive \$265,300 in FY17-18. I anticipate this permit activity will level off and have budgeted for \$246,000 in permit fees for FY18-19.

Municipal Court Fines

Municipal Court fines have rebounded now that we have a full traffic division. We had budgeted \$490,000 in fine revenues in FY17-18. Projected collections in FY17-18 are \$540,800.

I am budgeting fine revenue at \$540,800 in FY18-19.

Fine revenue primarily covers the cost of our Municipal court operations (proposed at \$439,565 for FY18-19). It does not come close to covering the cost of our Police Department (\$6,753,757 for FY18-19). That is not its intent. The intent is to seek compliance with traffic laws.

Also of note, the State of Texas has tacked on (over the years) a litany of fees to each ticket issued that we must collect and then submit to the State.

**General Operating Fund**  
**FY 2018-19 Expenditures**

I am recommending a General Operating Budget of \$21,678,805. This is \$1,186,233 (5.8%) more than the FY17-18 budget of \$20,492,572.

I have already discussed the details of the increase in costs recommended for FY18-19.

Here is a summary of the major changes for FY18-19:

- Salary increases \$494,500
- Increase in maintenance contracts \$85,692
- New employees \$210,858
- Equipment replacement transfer \$275,707
- Increase in property/liability insurance \$55,699

# MANAGER'S MESSAGE

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## Utility Operating Fund

The Utility Operating Fund budget for FY 2018-2019 is proposed to be \$13,790,303. This is \$626,525 (4.8%) greater than the \$13,163,778 FY17-18 budget.

## Utility Operating Revenues

I have previously discussed the utility rate increases primarily to cover the increase in Brazosport Water Authority rate (7 cents per thousand gallons, up to \$3.12/tgal), increased utility debt service, and to cover employee raises.

The base bill for residential customers will increase 2.0% from \$47.70/month to \$48.64/month. The average residential customer uses 5,000 gallons of water. That cost will increase 1.7% from \$73.80/month to \$75.04/month.

The new water base rate will be \$13.50/month for residential customers. The new multi-family/commercial rate will be \$27.00/month. The residential base sewer will be \$13.65/month, so the multi-family/commercial sewer base rate will be \$27.30/month.

The new base rates for residential customers:

	<b><u>FY17-18</u></b>	<b><u>FY18-19</u></b>
Water	\$13.25/month	\$13.50/month
Sewer	\$13.40/month	\$13.65/month
Sanitation	\$17.00/month	\$17.35/month
Recycling	\$2.45/month	\$2.50/month
State Sales Tax	<u>\$1.60/month</u>	<u>\$1.64/month</u>
<b>Total Bill 2,000 Gals.</b>	<b>\$47.70/month</b>	<b>\$48.64/month</b>

Rates above the base bill increase as follows:

	<b><u>FY17-18</u></b>	<b><u>FY18-19</u></b>
Water		
2,000-20,000 gallons	\$4.20/tgal	\$4.30/tgal
Over 20,000 gallons	\$4.70/tgal	\$4.80/tgal
Sewer*		
Over 2,000 gallons	\$4.50/tgal	\$4.60/tgal

*\*Residential sewer is capped at 15,000 gallons per month*

## MANAGER'S MESSAGE

The following chart shows how our proposed rates compare with other cities in our region:

<u>Combined Monthly Rate</u>	<u>5,000 Gals.</u>	<u>Combined Monthly Rate</u>	<u>10,000 Gals.</u>
Galveston	78.85	Galveston	141.55
Conroe	77.34	Houston	128.03
Deer Park	75.83	Baytown	125.81
Manvel	72.00	Deer Park	123.08
Brazoria	71.88	Brazoria	112.38
Baytown	66.33	Sweeny	110.05
Clute	65.80	Seabrook	107.87
Pearland	64.86	Conroe	106.44
Houston	61.84	Clute	105.30
Angleton	61.62	West Columbia	103.35
Seabrook	59.38	League City	101.75
League City	58.28	<b>Lake Jackson</b>	<b>98.35</b>
West Columbia	57.85	Angleton	97.34
Sweeny	57.35	Webster	87.87
Bellaire	55.54	Manvel	82.00
West University Place	54.49	West University Place	80.74
<b>Lake Jackson</b>	<b>53.85</b>	Freeport	79.00
Sugarland	48.78	Sugarland	78.08
Humble	47.20	Pearland	75.48
Friendswood	46.95	Bellaire	72.58
Freeport	42.75	Friendswood	72.10
Tomball	42.73	Tomball	71.88
Webster	42.37	Rosenburg	70.08
Rosenburg	42.08	La Porte	66.14
La Porte	35.64	Humble	64.70
Pasadena	35.00	Pasadena	64.25
Katy	27.62	Katy	50.13

### Utility Operating Fund FY2018-19 Expenditures

I am recommending a Utility Operating Budget of \$13,790,303. This is \$626,525 (4.8%) more than the FY17-18 budget of \$13,163,778.

Here is the summary of the changes for FY18-19:

- Salary increases \$171,000
- Brazosport Water Authority rate increase \$51,100
- Increase in sanitation disposal costs \$20,000

## MANAGER'S MESSAGE

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- Transfer to Utility Capital Projects \$250,000
- Increase in transfers to General Fund \$459,610

### Other Funds

### Capital Project Funds

Here is what City Council set at the April 23, 2018 Capital Projects Workshop to fund in FY18-19:

#### The General Capital Projects for FY18-19

Northwood drainage improvements	\$81,000
Creekside s/d bridge (final payment)	\$70,000
Replace fire bunker gear	\$65,000
Transit system (annual)	\$75,000
A/C replacements (annual)	\$45,000
Sidewalk repairs (annual)	\$35,000
Demo of condemned buildings (annual)	\$20,000
School zone communication upgrade	\$80,000
Slope paving	\$70,000
Civic Center fountain repair	\$65,000
Buxton retail market survey	\$50,000
Records scanning	\$50,000
New a/c for IT/911 equipment room	\$50,000
Stream monitor system (1 <sup>st</sup> phase)	\$40,000
Traffic signal Priority (Opticom)	\$22,000
Old Angleton Road drainage pad	<u>\$10,000</u>
<b>Total</b>	<b>\$763,000</b>

#### Utility Capital Projects

Water meter replacement program (annual)	<u>\$120,000</u>
<b>Total</b>	<b>\$120,000</b>

We strive to maintain a \$500,000 balance in each Capital Projects Fund. We are budgeting a \$250,000 transfer to Utility Capital Projects from the Utility Operating Fund.

#### Bond Projects

As discussed earlier, a \$9 million G.O. bond will be sold in late 2018 to fund the next phase of downtown.

I previously discussed the progress of the second phase of the \$16 million General Obligation Bonds approved by voters in May 2016. These bonds are being sold in three increments. The first \$3 million were sold in late 2016. The next \$4 million was sold in late 2018, and the final \$9 million will be sold in late 2018. Selling the bonds in increments helps us “level off” the impact these bonds have on our tax rate. Also, selling these bonds in increments helps spread out the design and construction in manageable pieces. All projects in the 2016 bond issue should be done by 2020. In 2020, we will consider another general obligation bond issue to help chip away at the nearly \$100 million in identified General Fund infrastructure/facility projects.

We have sold revenue bonds over the last several years that are paying for some \$10 million in utility infrastructure projects.

These include projects to extend water and sewer service to the airport area (complete), improvements to the sewer system and lift station 25 to serve the mall area (complete), Marigold sewer line replacement (in progress), improvements to the sewer lines in the basin 6 area in the vicinity of Roberts Elementary School (in progress), Oak Drive water tower repairs (in progress), booster pump upgrades (in design phase), replace water well #5 (in progress), Lake Forest subdivision sewer rehab (in design phase) and Huisache sewer rehab (in design phase).

We strive to maintain a \$500,000 minimum balance in each Capital Projects Fund. While we are budgeting a \$250,000 transfer to Utility Capital Projects from the Utility Operating Fund, we will likely not be able to transfer funds to the General Capital Projects fund in FY18-19.

Parks Fund

Parks Board funds are dedicated to be used for park and recreation projects. The initial funding for the fund came from the sale of a portion of Dunbar Park to TxDot for the right of way for SH 288 almost 40 years ago. Additional funds came from developers who chose to make a cash payment in lieu of parkland when they developed a subdivision.

Over the years this fund balance has steadily dropped as the Parks Board funded improvements to our parks and youth sports facilities. Every now and then after a “good year” I would recommend a transfer from year end savings to the parks fund. The last time this was done was a \$100,000 transfer in FY 10-11. In May 2014 voters approved the sale of a small park area in the Oak Woods Addition area to HEB. The property sold for \$60,000 and was used for improvements at Morrison Park at Shy Pond.

Anyway, the current fund balance is \$60,899 and there is little prospect for future funding. The Parks board has voted to recommend the following budget for FY18-19:

Kid Fish	\$3,000
Community (matching) Park Improvement Funds	\$20,000
Contingency	<u>\$5,000</u>
<b>Total</b>	<b>\$28,000</b>

This will leave a projected balance of \$32,899 at 9/30/19.

Actually, our parks/recreation system now has a more stable source of funding from the Economic Development (1/2 cent optional sales tax). These funds have built the Recreation Center, the Civic Center, the Golf Course, the Outdoor Pool and the Youth Sports Complex.

Currently we are using these funds to make major repairs/improvements to our Parks/Recreation system and the Wilderness golf course. We set aside about \$980,000 in FY2017-2018 from the Economic Development Fund to meet the various capital priorities set by the Parks Board and City Council. In FY18-19 the Economic Development Fund will pay \$380,000 toward a dog park; \$50,000 for design of a new skateboard park; and \$130,000 in Golf Course improvements.

## MANAGER'S MESSAGE

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And as you can see in the potential debt issue chart discussed previously, we have some \$4.6 million in potential ½ cent optional sales tax funds available in FY2019-2020 as we pay off the debt on the Recreation Center, should we choose to issue new debt. Various parks projects identified by the Parks Master Plan will be considered at that time.

### Equipment Replacement Fund

For major pieces of equipment- (generally our “rolling stock”) we set aside an annual amount for each designated unit in an effort to provide available funds for when that particular unit needs replacing. This fund has been indispensable in keeping our fleet up to date.

This year I recommend the following purchases:

<u>Equipment type</u>	<u>Amount</u>
New CNG pickup (Humane)	\$45,000
Replace patrol vehicles (5)	\$204,000
Replace pickup (unit 824) - streets	\$45,000
Replace tractor (unit 600) - drainage	\$43,000
Replace ambulance (medic 7)	\$275,000
Replace pickup truck (#1005) parks	\$45,000
Replace field groomer (#816) parks	\$17,000
Two (2) new ex mark mower - parks	\$18,000
New pickup -CNG-garage	\$40,000
Replace pickup (640) civic center	\$40,000
New 5000 lb forklift – garage	\$40,000
Replace 1 residential garbage and commercial truck	\$600,000
Replace 2 pickups (762/889) utility admin	\$80,000
Replace wheel loader (833) sanitation	\$175,000
Replace 2 front end loader w/grappler(862/863) sanitation	\$190,000
Computer items	<u>\$251,115</u>
	\$2,108,115

### Motel Occupancy Tax Fund

The city collects a 7% motel occupancy tax on motel room rentals in the city. The State collects an additional 6%. Use of local hotel occupancy tax (HOT) funds is rigidly regulated by the State. These funds can only be used for purposes allowed by State law.

We currently have 6 hotels in operation (Candlewood Suites, the Clarion, Comfort Suites, Super 8, Best Western Plus and Courtyard by Marriott). We also have two additional hotels under construction (Staybridge Suites and Woodspring Suites). Staybridge Suites is scheduled to open June 2018.

We estimate \$595,100 in revenue from our hotels in FY18-19 and an ending balance of \$107,060 at 9/30/19.

A new method of distribution of these funds has been approved by City Council. This creates two levels of funds:

The first level of funds would receive a maximum allocation of HOT funds of \$533,200 for fiscal 2018-19 and would be distributed to the following organizations and/or activities:

- Brazosport Convention & Visitors Council; and or individual contractors who will advertise and promote the City – as much as 29%
- Brazosport Fine Arts Council – as much as 14%
- Museum of Natural Science at the Center for Arts and Sciences – as much as 21%
- Lake Jackson Historical Museum – as much as 21%
- Festival of Lights and other types of festivals or events that promote tourism – as much as 14%
- Tourism marketing material – as much as 1%

Any HOT funds collected in excess of \$533,200 would be allocated to Level 2 and could fund projects and/or activities that were lawful under the Hotel Occupancy Tax provisions. If the City did not collect more than the maximum set for Level 1, then there would be no allocation to Level 2 for that fiscal year.

Disbursement of Hotel Occupancy Tax is budgeted as follows in FY18-19:

<u><b>HOT Fund Recipient</b></u>	<u><b>FY18-19</b></u>
Fine Arts Center	\$74,650
Museum of Natural Science	\$111,975
Tourism (chamber)	\$154,630
LJ Historical Museum	\$111,975
Promotion of FOL and other events	\$74,650
Marketing brochure/items	\$5,300
<u>Level 2 funds</u>	<u>\$98,000</u>
<b>Total</b>	<b>\$631,210</b>

**Economic Development Fund**

This fund is administered by the Lake Jackson Development Corporation (LJDC). The corporation receives its funding from the ½ cent optional 4B economic development sales tax authorized by voters in May 1995. Use of these funds is restricted to the language on the ballot as approved by the voters and by State law. To fund a project the City Council reviews the initial request. If appropriate, City Council will send the proposal to one or more of our volunteer boards and commissions. City Council will then send the project to the LJDC. The bylaws of LJDC require a public hearing process. The LJDC determines if the project meets the criteria set by the ballot language and State law as an eligible project. The LJDC also determines if funding is available for the proposed project. Then the project is sent back to City Council for consideration and approval.

In FY2013-14 City Council spent considerable time discussing economic development and how to make the LJDC Board a more pro-active board.

## MANAGER'S MESSAGE

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To this end council revised the by-laws of the LJDC to change the composition of the board, to have this board meet more frequently and to give the board more responsibility in the economic development process. City Council then submitted to the voters in May 2014 a proposition to remove the current restrictive language on what ½ cent optional sales tax economic development funds could be spent on. They asked voters to give the LJDC/City the authority to spend these funds on any of the purposes allowed under state law. This included the hiring of a paid economic development staff (Voters rejected this proposition). The “new” board and the City Council are still restricted to the original ballot language approved by voters in 1995. This ballot language limits the use of our ½ cent funds to “...provisions for payment of the costs of land, buildings, equipment, facilities, improvements and maintenance and operation costs for public park purposes, recreational facilities to be used for sports and entertainment, and for infrastructure improvements for development of new or expanded business enterprises.”

Of course, it was a misnomer that the city was not promoting economic development. Yes, the initial use of the 4B ½ cent optional sales tax went to build recreational opportunities such as the outdoor pool, Recreation Center, Youth Sports Complex, the Wilderness Golf Course, and the Civic Center and Veteran’s Memorial Plaza. Since 2007 the city has used ½ cent funds and other economic development incentives to the tune of some \$28 million to invest in the economic growth of our city. The biggest of these projects is the revitalization of our downtown streets. We have spent or committed some \$20 million to the first three phases. We are planning to spend, over the next 5- 10 years another \$6 million to complete the full replacement of the downtown streets and city utilities. Much of this funding is projected to come from the LJDC.

The LJDC/City provided \$300,000 toward the \$700,000 plus mall entry road off of SH288. This work was completed in 2014. The mall has credited our participation on this road with helping to attract major new tenants to their property. And, it opened up an 8 acre outparcel on part of which The Courtyard by Marriott is located.

We also, along with the use of section 380 tax incentives, have leveraged use of our LJDC funds to pay for public infrastructure for the new Dow Texas Innovation Center (\$2.5 million). This is bringing into the heart of our city 2,000 employees.

We also leveraged the use of \$3 million in LJDC funds to facilitate the redevelopment of the 40-acre Oak Woods addition (HEB) development. We committed up to \$3 million to pay for the public infrastructure upgrades to upgrade this formerly blighted area into a first-class development. We paid for replacing and relocating the old roadways and building new roads, providing new water and sewer lines and providing drainage for the area.

We have used \$1.5 million in LJDC funds to help in the efforts to extend water service to the airport/Alden area. Another \$1.5 million was paid to expand sewer service to this same area as part of a larger \$4.5 million project.

Again, when you combine together the LJDC funds, revenue bonds and tax incentives for all of these projects, our economic development investments since 2007 are in excess of \$30 million.

The LJDC and City Council approved the \$5.5 million needed to pay for the infrastructure improvements necessary to help the Dow Innovation Center and the Oak Woods addition (HEB) projects. Those bonds were sold in late 2014.

The LJDC has held public hearings and is recommending the following “projects” for City Council to approve in the FY18-19 budget.

- |  |           |
|--|-----------|
| • Construction of dog park (2nd year-total is \$580,000)                                       | \$380,000 |
| • Increase downtown landscape maintenance<br>(From 55,000 to 70,000 annually) S. Parking Place | \$70,000  |
| • Golf Course repairs  | \$130,000 |
| • Skate park design and repair   | \$50,000  |

The ½ cent optional sales tax has been a tremendous benefit to our economic development efforts. Even with the ballot restrictions we have used these funds as intended by the voters and provided outstanding quality of life projects and been instrumental in providing infrastructure improvements to downtown as well as infrastructure public improvements that attracted the likes of Dow Chemical and HEB to our city center.

### The Golf Course Fund

The Golf Course was built using ½ cent sales tax funding that is administered by the LJDC. The fund initially provided \$550,000 annually to pay the debt service on the golf course. With the refunding of the Golf Course bonds (refinancing) this amount has decreased annually and in FY18-19 will be \$477,700. Beginning in 2006 LJDC, with council approval, provided \$100,000/yr to build a contingency fund. Over its nearly fourteen (14) years of operation the course has been close to breaking even on operating costs and actually did “make” money in 2008. The highest the fund balance got was \$330,701 in 2008. The aftermath of Hurricane Ike in September 2008 and two difficult years following put the course in the red. The LJDC and council put \$250,000 to the course in FY10-11 to put the course back in the “black”. Beginning in FY2012-2013 a \$150,000 transfer was authorized to support this fund. In FY14-15 \$300,000 was transferred to the Golf Course operating fund. And, in FY15-16, as the result of a substantial Brazos River Flood, which closed the course for about a month or so, \$424,296 was transferred to the Golf Course to cover projected loses. In FY16-17 the Golf Course transfer was \$300,000.

In 2017 another devastating Brazos River flood significantly damaged the golf course. Some \$1 million in damage was done to the course and its facilities – particularly the cart barn. While insurance and eventual FEMA reimbursement will help recover some of the costs, the ½ cent fund is relied on to get the course back up and running. The staff from Kemper Sports at the course did a remarkable job and had the course back operating much sooner than expected. Still, the transfer to cover operating losses at the course was \$500,000 in FY17-18.

For FY18-19 we anticipate returning to the \$300,000 transfer to operating reserves.

For FY18-19 Kemper Sports estimates revenues for the Golf Course to be \$1,489,954, while expenses are proposed to be \$1,729,908 (\$239,954 below revenues). Hence, the need for a

## MANAGER'S MESSAGE

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\$300,000 transfer from the ½ cent optional sales tax fund. In FY18-19 Kemper is asking for an increase in their management fee from \$89,952 to \$92,196.

The Golf Course stays very busy and Kemper Sports is expecting FY18-19 rounds to be 39,902-about the maximum the course can handle in a year.

Tremendous kudos to the Kemper team for getting the Golf Course back up and running after two major Brazos River flood inundated the course in June of 2016, and again in September 2017. They have done a remarkable job.

We will be doing a number of repairs, funded by the LJDC, including well repairs and lake dredging to remove silt and restore water storage capacity during rain events.

### **Conclusion**

As required by our City Charter, this budget is balanced and presented in a “line-item” format as required by our city charter. The budget is prepared using a modified program budget using performance based and outcome based budgeting techniques. The proposed budget contains my recommendations and projections. The “visioning process” guided my preparation of the budget. I also rely heavily on the advice and participation of my Directors and Department Heads. I am most appreciative of the valuable assistance provided by my budget staff (comprised of myself; Modesto Mundo, Assistant City Manager; Pam Eaves, Finance Director; and John Boehm, Assistant to the City Manager).

We welcome to City Council Mayor Bob Sipple and Councilmember Vinay Singhanian. They replace out-going term limited members Mayor Joe Rinehart and Councilmember Will Brooks, to whom we thank for 6 years, each, of service on City Council. We also welcome back Buster Buell for another term on City Council. Both Mayor Sipple and Councilmember Singhanian previously served in their respective capacities and “termed out”. They sat out the perquisite time period and have been re-elected by the voters.

While this document gives the appearance of the final budget, it is not. Our City Charter requires that I submit a full and balanced detailed budget proposal to you each year. The final adopted budget will be developed through the hard work and input of the City Council, interested citizens, and our dedicated city employees.

As I stress each year, the annual budget is far more than a financial document. The budget is an important planning tool. We set not only next year's expenditures, we also examine and set our near and long-term goals and objectives. This document shows what we have accomplished and what we hope to accomplish next year and in the years to come.

The budget staff strives to make the budget easy to read and use, yet thorough and comprehensive. As I noted earlier, the City charter requires that I submit the budget to City Council in a “line-item” format. This I do, but we also employ a “modified program based” budget format which reflects how our expenditures work to carry out the overall vision of the city.

We also follow the guidelines established by the Government Finance Officers Association (GFOA) in preparing the annual budget. We have been honored to have received twenty-six (26) consecutive “Distinguished Budget Presentation Awards” from GFOA for our budget documents. Our goal is to receive our 27<sup>th</sup> award for the final FY2018-2019 budget. Each year GFOA reviewers look at our budget document; grade us on our ability to meet the established guidelines and to make suggestions. We incorporate suggestions made each year by the reviewers as much as we can and still comply with our City charter requirements. Last year you saw a concerted effort to tie all our workload and performance measures to our Strategic Plans goals and objectives.

The FY18-19 General Operating budget is focused on improving the communications department at the Police Department and providing raises for employees across the board. The three new employees at the PD (2 new dispatchers and a new Administrative Sergeant); the proposed raises; and the cost to replace police vehicles and equipment accounts for some 83% (\$979,750) of the overall \$1.2 increase in the General Operating Fund.

It has been and continues to be our goal to maintain a low tax rate, and we have succeeded at that effort over the years. Our 33.75 cent tax rate still is one of the lowest tax rates for cities over 20,000 population in the State of Texas.

When appraised values go up, we strive to reduce the tax rate.

However, this year we need the revenue generated by increased appraisals to help fund the increases I have discussed in this letter. Also, we are selling the last \$9 million of the \$16 million bond issue approved by voters in 2016. This will increase our annual debt service payment.

Keeping our tax rate at 33.75 cents is a 6.8% increase over the “effective rate” of 31.594 cents.

On the Utility Operating side, the \$626,525 increase in the proposed FY18-19 budget provided funding for employee raises, increased debt service payments, increased payments to the Brazosport Water Authority, and increases in the transfers to the General Fund to more accurately cover the cost of administrative services (such as finance, personnel, purchasing, administration) the General Fund provides to the Utility Fund.

Work on our infrastructure continues.

The Plantation Drive bridge will be complete and opened this summer. Work will begin on the Woodland Park s/d residential streets this summer. Repairs to the Oak Drive water tower will be done this summer. Work on the sewer lines in the basin 6 area (the area near O.M. Roberts Elementary and the Plantation and Sycamore area) is underway. The work on the next \$9 million phase of the downtown revitalization program will begin in 2019. We will be making infrastructure improvements throughout our city.

During 2018 we have been and continue to celebrate our city's 75<sup>th</sup> year.

## MANAGER'S MESSAGE

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We are proud of our past and optimistic and excited by our future.

Our budget workshop will be held on Saturday July 14, 2018. It will begin at 8am here at City Hall and go until we are finished. All are welcome to attend.

Staff and I have worked hard to address the goals and priorities set by City Council, during the Strategic Plan process, in the preparation of this budget.

Staff and I look forward to working with you and our citizens on developing our final FY18-19 budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William P. Yenne". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William P. Yenne  
City Manager

# BUDGET SUMMARIES

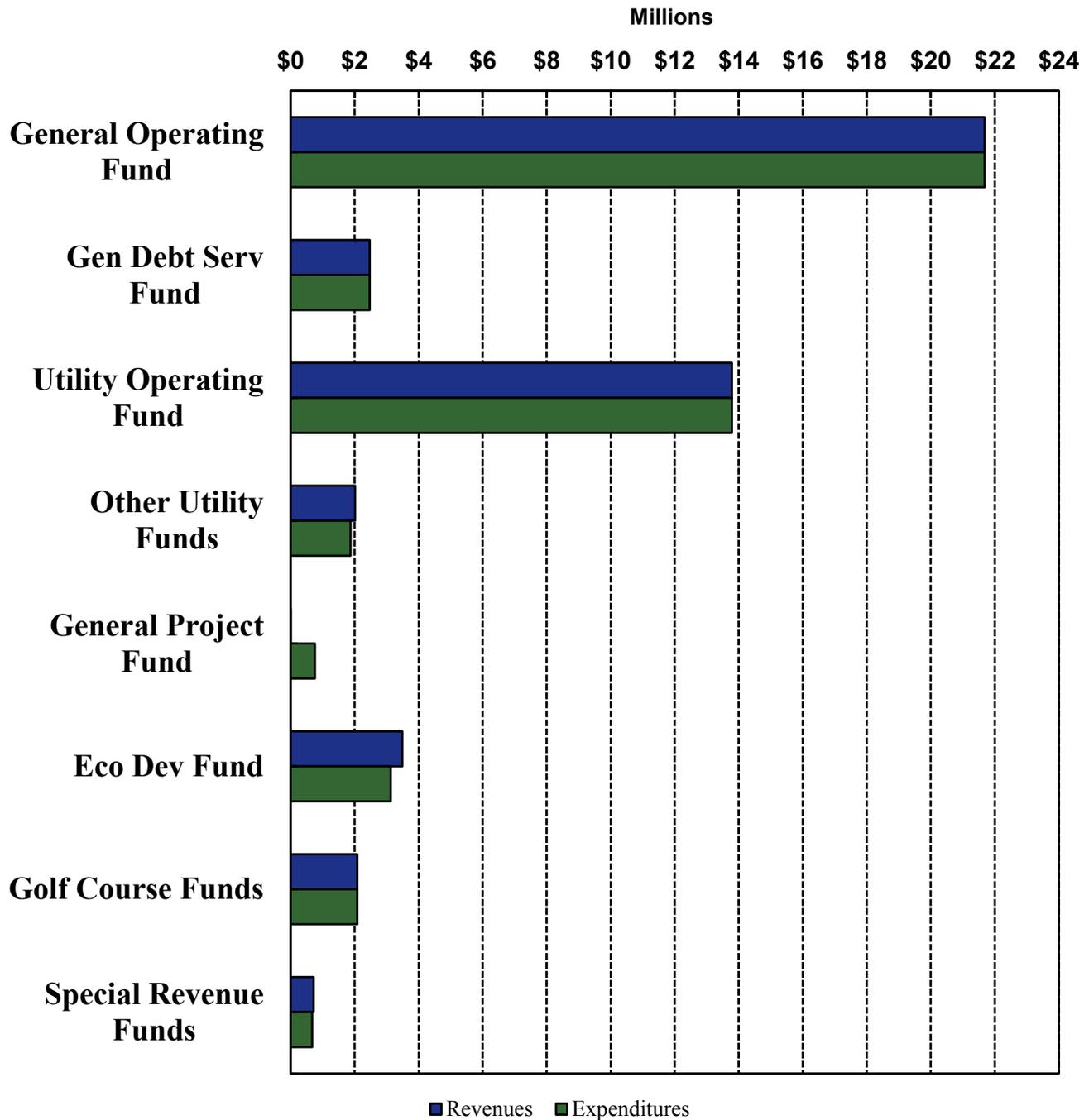


LAKE JACKSON

*City of Enchantment*



# ALL FUNDS REVENUES & EXPENDITURES



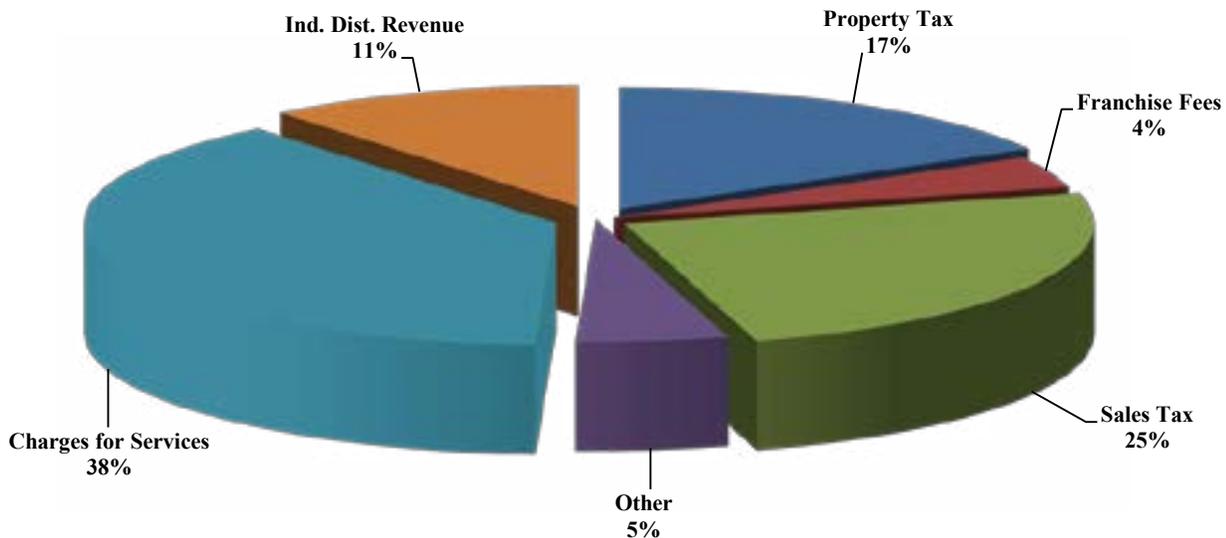
## ALL FUNDS SUMMARY

<i><b>REVENUES</b></i>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-18</b>	<b>ESTIMATED 2017-18</b>	<b>PROPOSED 2018-19</b>
GENERAL OPERATING FUND	\$ 19,679,608	20,492,572	20,689,962	21,678,805
OTHER GENERAL FUNDS	2,158,467	1,992,254	2,099,447	2,169,758
GEN DEBT SERV FUND	2,214,014	2,285,197	2,293,197	2,474,335
GENERAL PROJECT FUND	328,494	23,000	23,100	5,000
UTILITY OPERATING FUND	13,331,554	13,163,778	13,392,616	13,790,303
OTHER UTILITY FUNDS	1,361,242	1,881,415	1,889,835	2,009,263
ECONOMIC DEVELOPMENT FUND	3,267,803	3,976,500	3,976,500	3,492,000
GOLF COURSE FUNDS	1,899,838	2,300,608	2,132,099	2,079,521
SPECIAL REVENUE FUNDS	643,385	717,652	706,798	715,350
SUBTOTAL	\$ 44,884,405	\$ 46,832,976	\$ 47,203,554	\$ 48,414,335
INTERFUND TRANSFERS	(5,010,794)	(5,689,779)	(5,682,472)	(6,228,421)
<b>TOTAL</b>	<b>\$ <u>39,873,611</u></b>	<b>\$ <u>41,143,197</u></b>	<b>\$ <u>41,521,082</u></b>	<b>\$ <u>42,185,914</u></b>

<i><b>EXPENDITURES</b></i>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-18</b>	<b>ESTIMATED 2017-18</b>	<b>PROPOSED 2018-19</b>
GENERAL OPERATING FUND	\$ 20,057,357	\$ 20,492,572	\$ 20,674,844	\$ 21,678,805
OTHER GENERAL FUNDS	1,843,620	2,169,275	2,356,302	2,273,615
GEN DEBT SERV FUND	2,169,688	2,285,200	2,285,197	2,474,335
GENERAL PROJECT FUND	1,028,265	1,641,285	1,676,997	763,000
UTILITY OPERATING FUND	12,165,420	13,163,778	12,767,160	13,790,303
OTHER UTILITY FUNDS	2,011,608	2,020,819	2,288,069	1,866,975
ECONOMIC DEVELOPMENT FUND	3,461,658	4,502,895	4,524,871	3,134,178
GOLF COURSE FUNDS	2,031,434	2,091,811	2,016,979	2,079,451
SPECIAL REVENUE FUNDS	700,367	683,122	613,218	666,210
SUBTOTAL	\$ 45,469,417	\$ 49,050,757	\$ 49,203,637	\$ 48,726,872
INTERFUND TRANSFERS	(5,010,794)	(5,689,779)	(5,682,472)	(6,228,421)
<b>TOTAL</b>	<b>\$ <u>40,458,623</u></b>	<b>\$ <u>43,360,978</u></b>	<b>\$ <u>43,521,165</u></b>	<b>\$ <u>42,498,451</u></b>

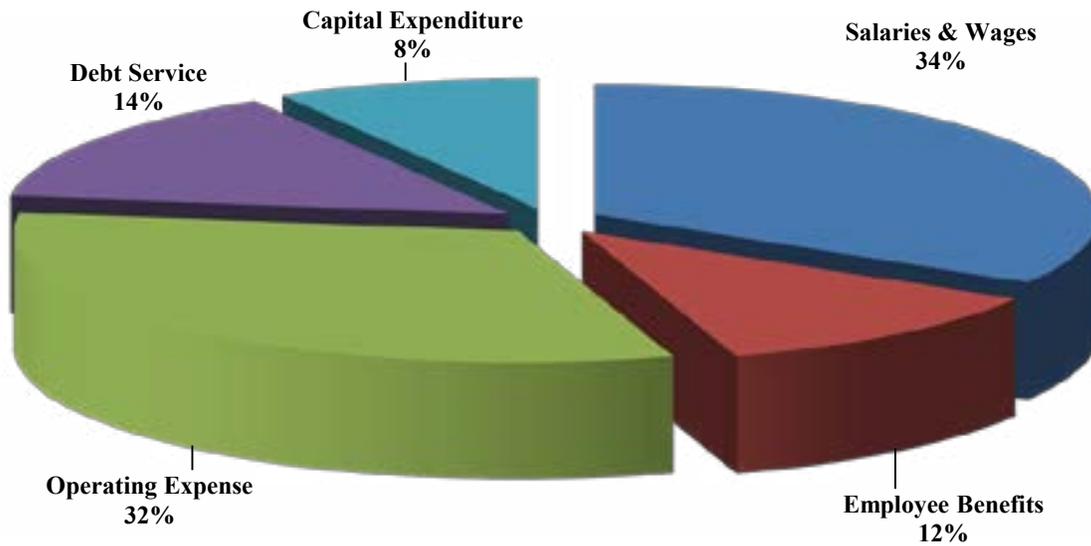
# ALL FUNDS REVENUES BY CATEGORY

<i>REVENUES</i>	2016-17 ACTUAL	2017-18 BUDGET	2017-18 ESTIMATED	2018-19 PROPOSED
PROPERTY TAX	\$ 6,087,819	\$ 6,665,123	\$ 6,665,123	\$ 7,064,078
CITY SALES & USE TAX	9,489,694	9,937,500	10,022,500	10,362,480
MOTEL OCCUPANCY TAX	539,553	590,102	586,448	595,000
FRANCHISE FEES	1,687,768	1,708,000	1,721,704	1,761,700
INDUSTRIAL DISTRICT REVENUE	4,394,560	4,485,526	4,501,354	4,594,532
LICENSES & PERMITS	358,408	399,800	443,400	458,200
CHARGES FOR SERVICES	15,498,054	15,656,930	15,613,809	16,209,623
MUNICIPAL COURT FINES	535,114	516,000	585,800	578,300
INTERGOVERNMENTAL	46,422	63,000	63,000	43,000
INTEREST	504,215	143,030	215,750	183,201
MISCELLANEOUS	732,005	978,186	1,102,194	335,800
<b><i>TOTAL REVENUES</i></b>	<b>\$ 39,873,611</b>	<b>\$ 41,143,197</b>	<b>\$ 41,521,082</b>	<b>\$ 42,185,914</b>



## ALL FUNDS EXPENDITURES BY CATEGORY

<i><b>EXPENDITURES</b></i>	<b>2016-17 ACTUAL</b>	<b>2017-18 BUDGET</b>	<b>2017-18 ESTIMATED</b>	<b>2018-19 PROPOSED</b>
SALARIES & WAGES	\$ 12,619,661	\$ 13,623,204	\$ 13,165,781	\$ 14,284,878
EMPLOYEE BENEFITS	4,055,952	4,682,762	4,329,817	4,866,542
OPERATING EXPENSES	14,037,805	13,485,810	14,071,854	13,682,448
DEBT SERVICE	5,925,720	5,778,103	5,778,100	6,075,488
CAPITAL PROJECTS	2,057,637	3,767,096	4,072,034	1,443,000
EQUIPMENT PURCHASES	<u>1,761,848</u>	<u>2,024,003</u>	<u>2,103,579</u>	<u>2,146,095</u>
<b><i>TOTAL EXPENDITURES</i></b>	<b><u>\$ 40,458,623</u></b>	<b><u>\$ 43,360,978</u></b>	<b><u>\$ 43,521,165</u></b>	<b><u>\$ 42,498,451</u></b>



## PERSONNEL SUMMARY BY DEPARTMENT

<i>GENERAL FUND</i>	2014-15 FT	2015-16 FT	2016-17 FT	2017-18 FT	2018-19 FT
ADMINISTRATION	10.50	11.50	12.50	12.50	12.50
FINANCE	10.00	10.00	10.00	11.00	11.00
TAX					
MUNICIPAL COURT	4.00	4.00	4.00	4.00	4.00
LEGAL	1.00	1.00	1.00	1.00	1.00
POLICE	60.00	60.00	62.00	62.00	65.00
FIRE	1.00	2.00	2.00	2.00	2.00
HUMANE	3.00	3.00	3.00	3.00	3.00
ENGINEERING	4.00	4.00	4.00	4.00	4.00
STREET	6.83	6.83	6.83	6.83	6.83
DRAINAGE	14.83	14.83	14.83	14.83	14.83
BUILDING/CODE ENFORCEMENT	7.50	7.50	7.50	7.50	7.50
PARKS	13.50	13.50	13.50	13.50	13.50
RECREATION	13.50	13.50	14.50	14.50	14.50
GARAGE	9.00	9.00	9.00	9.00	9.50
LIBRARY	0.50	0.50	0.50	0.50	0.50
CIVIC CENTER	5.00	5.00	5.00	5.00	5.00
<b>TOTAL GENERAL FUND</b>	<b>164.16</b>	<b>166.16</b>	<b>170.16</b>	<b>171.16</b>	<b>174.66</b>
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2017-18</b>
<i>UTILITY FUND</i>	<b>FT</b>	<b>FT</b>	<b>FT</b>	<b>FT</b>	<b>FT</b>
UTILITY ADMINISTRATION	6.00	6.00	8.00	8.00	8.00
WATER PRODUCTION	11.50	12.00	12.00	12.00	12.00
WATER DISTRIBUTION					
WASTEWATER COLLECTION	20.00	20.50	20.50	20.50	20.50
WASTEWATER TREATMENT					
SANITATION	25.34	25.34	25.34	25.34	25.34
<b>TOTAL UTILITY FUND</b>	<b>62.84</b>	<b>63.84</b>	<b>65.84</b>	<b>65.84</b>	<b>65.84</b>
<b>TOTAL ALL FUNDS COMBINED</b>	<b>227.00</b>	<b>230.00</b>	<b>236.00</b>	<b>237.00</b>	<b>240.50</b>

## OPERATING FUNDS SUMMARY

<b>REVENUE</b>	2016 - 17	2017 - 18	2017 - 18	2018 - 19
	ACTUAL	BUDGETED	ESTIMATED	PROPOSED
General Fund Resources	\$ 19,679,608	20,492,572	20,689,962	21,678,805
Utility Operating Revenues	13,331,552	13,163,778	13,392,616	13,790,303
<b>Total Revenue</b>	<b>\$ 33,011,160</b>	<b>33,656,350</b>	<b>34,082,578</b>	<b>35,469,108</b>

<b>EXPENDITURES</b>	2016 - 17	2017 - 18	2017 - 18	2018 - 19
	ACTUAL	BUDGETED	ESTIMATED	PROPOSED
Salaries & Wages	\$ 11,546,269	12,613,187	12,107,863	13,221,450
Group Insurance	1,497,359	1,953,100	1,756,728	2,008,400
Employer FICA	871,132	956,000	894,054	996,100
Retirement Contribution	1,565,829	1,570,600	1,511,964	1,647,400
Workers Compensation	109,896	164,000	133,664	171,200
Other Employee Benefits	2,451	24,062	18,407	28,442
Contract Labor	414,570	142,000	280,415	166,600
Salary Compensation Study	-	-	-	35,000
Emergency Medical Services	317,678	337,000	337,000	337,000
Animal Shelter Management	157,734	158,461	158,461	175,000
Fire fighting services	21,130	50,000	30,000	50,000
Recycling & Waste Disposal	1,005,179	1,060,000	1,075,000	1,080,000
Sludge Disposal	55,114	66,000	85,000	80,000
Street marking & Improvement	123,180	150,000	150,000	150,000
Contract Mowing	448,473	467,400	467,400	487,000
Contract Cleaning	142,631	155,700	144,670	144,670
Braz. Cty Water Conservation District	20,579	27,000	27,000	30,000
Other Prof/ Tech Services	423,516	580,265	567,491	627,305
Water / Wastewater State Fees	77,593	82,500	77,415	82,500
<b>Maintenance &amp; Repair</b>				
Water System	143,648	295,200	245,000	290,200
Wastewater System & Plant	365,263	367,430	347,430	367,430
Street & Drainage System	70,832	84,000	84,000	84,000
Fleet Vehicles and Equipment	511,925	416,300	459,692	462,300
Other Maintenance & Repair	1,130,072	1,227,212	1,306,442	1,387,809
<b>BWA - Water</b>	2,146,200	2,226,500	2,220,400	2,277,600
Other Property Services	210,262	211,360	177,050	177,061
Property & Liability Insurance	540,439	561,848	596,829	630,287
Other Purchased Services	369,759	580,281	564,424	594,744
Electricity & Natural Gas	1,586,731	1,333,840	1,334,260	1,151,904
General Supplies	1,374,755	1,454,310	1,384,602	1,468,655
Capital Outlay	79,791	63,000	73,299	32,980
Flood Related Expenditures	1,098,344		555,200	
<b>Transfers</b>				
To General Fund	540,390	540,390	540,390	1,000,000
To Equipment Replacement	1,920,551	1,833,069	1,826,119	2,008,308
To Special Events Fund	25,000	35,000	35,000	25,000
To Utility Debt Service	1,308,502	1,619,335	1,619,335	1,742,763
To Utility Projects	-	250,000	250,000	250,000
<b>Total Expenditures</b>	<b>\$ 32,222,777</b>	<b>33,656,350</b>	<b>33,442,004</b>	<b>35,469,108</b>

## SUMMARY OF CAPITAL ITEMS

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Typically, capital items are defined as any one item exceeding \$5,000 in cost, which has a useful life of more than one year. Based on the cost of a capital item, they may be budgeted in one of several funds.

Capital items costing less than \$5,000 are usually budgeted in the operating budget of the department making the request under a line-item called Capital Outlay - Equipment or Capital Outlay -Furniture & Fixtures.

Equipment replacement purchases are budgeted in the Equipment Replacement Fund. Each department then has a line-item in their budget called Operating Transfer - Equipment Replacement Fund. Each department is required to transfer money to the Equipment Replacement Fund based on the Equipment purchased for that department and its estimated useful life.

Drainage, street, facility, water and wastewater projects are budgeted in the General Projects Fund and the Utility Projects Fund if money is available. These funds accumulate money primarily from “budget savings” occurring in the operating funds.

Larger projects, typically those over \$500,000, are funded by issuing some form of debt, i.e., bonds. These expenditures are budgeted in multi-year bond construction funds.

### **Summary of Capital Purchases included in the FY 2018-19 Budget**

**Equipment Replacement Fund Purchases (see Other Funds Tab) \$2,168,115**

Once again the largest purchases proposed for FY 18-19 are for a replacement residential garbage truck (\$300,000) and a replacement commercial garbage truck (\$300,000). We replaced two garbage trucks in FY17-18 as well. The Sanitation Department is also replacing a wheel loader (\$175,000) and two front-end loaders with grappler for \$95,000 each.

The Police Department is replacing five vehicles totaling \$204,000.

We are also proposing to replace Medic 7 (ambulance) for \$275,000.

Computer related items add another \$251,115 to the budget.

The rest of the FY18-19 Equipment Replacement budget is to replace a number of pick-ups and mowing equipment.

**General & Utility Projects additional projects (see Capital Projects Tab) \$1,063,000**

We have a number of smaller drainage projects proposed in the General Projects in FY 18-19. These include a Northwood s/d drainage project (\$81,000); Starting a multi-year stream monitoring program (first year to add electronic stream gauge \$40,000); and \$10,000 for a pump pad and discharge pipe under Old Angleton Road.

We are into the second year (\$50,000) of the Buxton Retail Marketing Plan. We have the final of five \$70,000 payments to pay for the Creekside s/d bridge included in FY 18-19. We also have our annual allotment to replace fire bunker gear and air packs (\$65,000).

## SUMMARY OF CAPITAL ITEMS

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Also added for FY18-19 is \$80,000 to improve the communication system for our many school zone flashing lights.

On the Utility Project side we have \$180,000 for the new chemical building at Beechwood and \$120,000 for replacement water meters.

**Total Capital Expenditures from annually budgeted funds: \$32,980**

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# MAJOR REVENUES



LAKE JACKSON

*City of Enchantment*



# MAJOR REVENUE SOURCES

## PROPERTY TAX

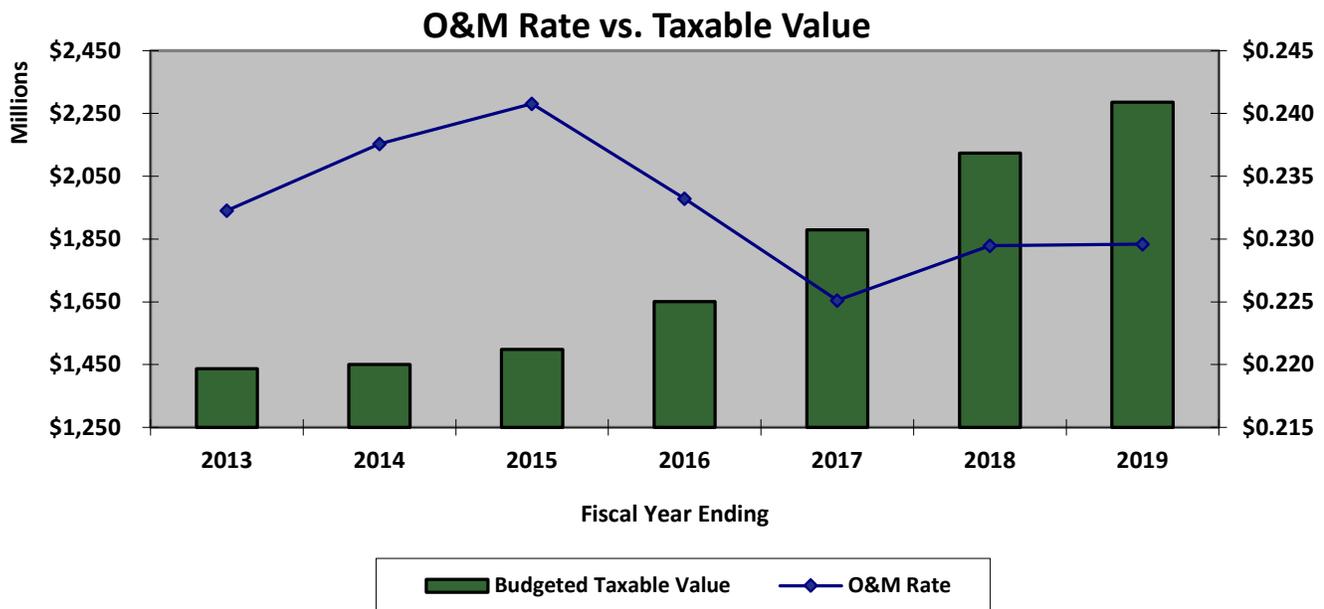
FY 2018-19

General Fund Budget	\$ 4,598,243
Debt Service Fund Budget	\$ 2,465,835
Total Property Taxes	<u>\$ 7,064,078</u>

Property taxes (ad valorem) attach as an enforceable lien on property as of each January 1st. The city’s property tax is levied each October 1st on the assessed value listed as of January 1st for all real and business personal property located in the City. Assessed values are established by the Central Appraisal District of Brazoria County at 100% of the estimated market value and certified by the Appraisal Review Board. Pursuant to state law, individual residential values cannot increase more than 10% annually. The FY 2018-19 (2018 Tax Year) certified net taxable value from the Brazoria County Appraisal District (including estimated values on appeals not yet resolved) is \$2,285,431,300. This is a 8.17% increase from the prior year’s current adjusted net taxable value.

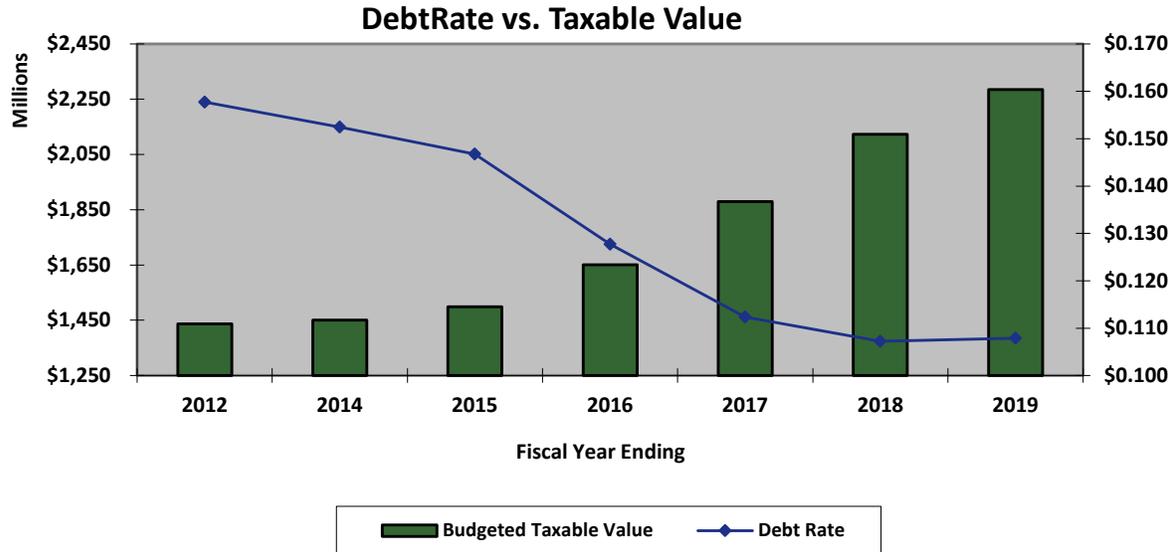
The City sets a tax rate on the basis of cents per \$100 of valuation. The tax rate is comprised of two components – the operations and maintenance (O&M) rate and the debt service rate. The O&M rate provides for the operation and maintenance of general government functions such as Police, Humane, Fire, EMS, Code Enforcement, Building Permits, Drainage, Streets, Parks, and Recreation. This portion of the tax rate is recorded as revenue in the General Operating Fund.

### Property Tax



The other component is the debt service rate. Revenue generated by the debt service rate is recorded in the Debt Service Fund. The debt rate is based on generating revenues sufficient to pay the principal and interest due on general obligation bonds. The issuance of all General Obligation Bonds are approved by the voters. All citizens are made aware of the projected increase in the tax rate the issuance of bonds will generate.

# MAJOR REVENUE SOURCES



Although there is no statutory debt limit for small municipalities, truth-in-taxation criterion does specify a maximum tax rate that a city may assess. Debt service requirements must be met first, followed by operation and maintenance. The property tax rate to meet these needs cannot exceed \$2.50 per \$100 of assessed valuation.

### AD VALOREM TAX REVENUES

Fiscal Year	2013	2014	2015	2016	2017	2018 Proj.	2019 Budget
General Fund	\$3,351,088	\$3,466,594	\$3,615,756	\$3,773,881	\$3,979,475	\$4,806,722	\$5,247,495
Debt Service Fund	\$2,258,417	\$2,208,460	\$2,190,688	\$2,087,252	\$2,112,160	\$2,276,697	2,465,835
<b>Total</b>	<b>\$5,609,505</b>	<b>\$5,675,054</b>	<b>\$5,806,444</b>	<b>\$5,861,133</b>	<b>\$6,091,635</b>	<b>\$7,083,419</b>	<b>\$7,713,330</b>

## SALES TAX

	<u>FY 2018-19</u>
<i>General Fund Budget</i>	<i>\$ 6,960,000</i>
<i>Economic Development Fund Budget</i>	<i><u>3,480,000</u></i>
<i>Total Sales Tax Revenue</i>	<i><u>\$10,440,000</u></i>

The sales tax rate in the City of Lake Jackson is 8.25% of taxable goods or services sold or delivered within the boundaries of the City. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts. Of the 8.25% tax rate, the State retains 6.25% and distributes 1.5% to the City and .5% to Brazoria County.

# MAJOR REVENUE SOURCES

1.00% is used for the City’s general operating purposes, and is the largest revenue source of the General Fund, accounting for approximately 32.2% of General Fund revenues.

0.50% is allocated to the Lake Jackson Development Corporation (LJDC), the City’s 4B Economic Development Corporation. Voters approved adding this additional ½ cent to the sales tax on May 6, 1995. As specified on the ballot, the use of this revenue is limited to payment of the costs of land, building, equipment, facilities, improvements and maintenance and operation costs for public park purposes, recreational facilities to be used for sports and entertainment, and for infrastructure improvements for development of new or expanded business enterprises. The LJDC provides financing services entirely to the City. The LJDC is considered a blended component unit for financial reporting purposes and is reported as if it were part of the City’s operations. The ½ cent (0.50%) of sales tax revenue and expenditures are accounted for in the Economic Development Fund.

0.50% is imposed by Brazoria County.

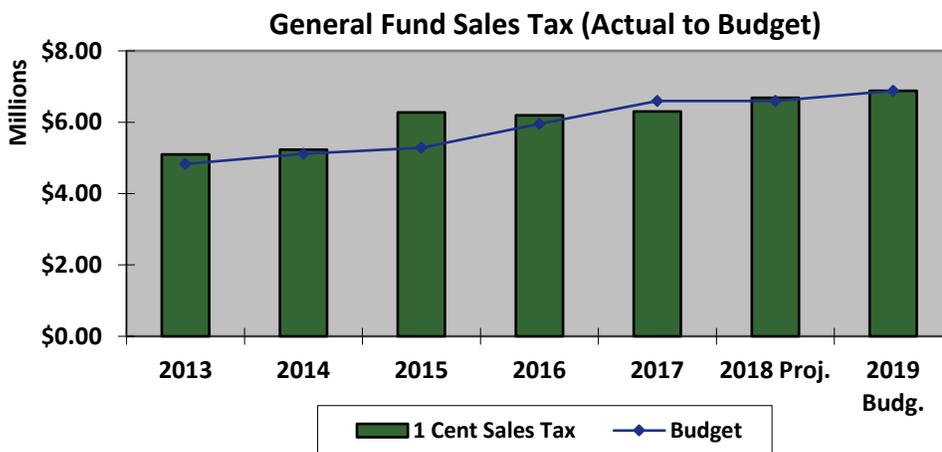
6.25% is retained by the State Comptroller of Public Accounts.

8.25% Total Sales Tax Rate

Aggregate historical data, adjusted for any known changes to the base, is used to project future sales tax revenues. Currently we are projecting fiscal year 2018 to surpass the 2018 budget by 1.6% (\$160,000). For FY 2018-19, sales tax receipts are expected to continue to modestly grow. As a result, for FY 2018-19 we are expecting \$10.5 million in sales tax revenues (\$7.0 million in General Fund, \$3.5 million Economic Development Fund).

This is a 3.3% increase (\$200,000 General Fund, \$142,500).

## SALES TAX

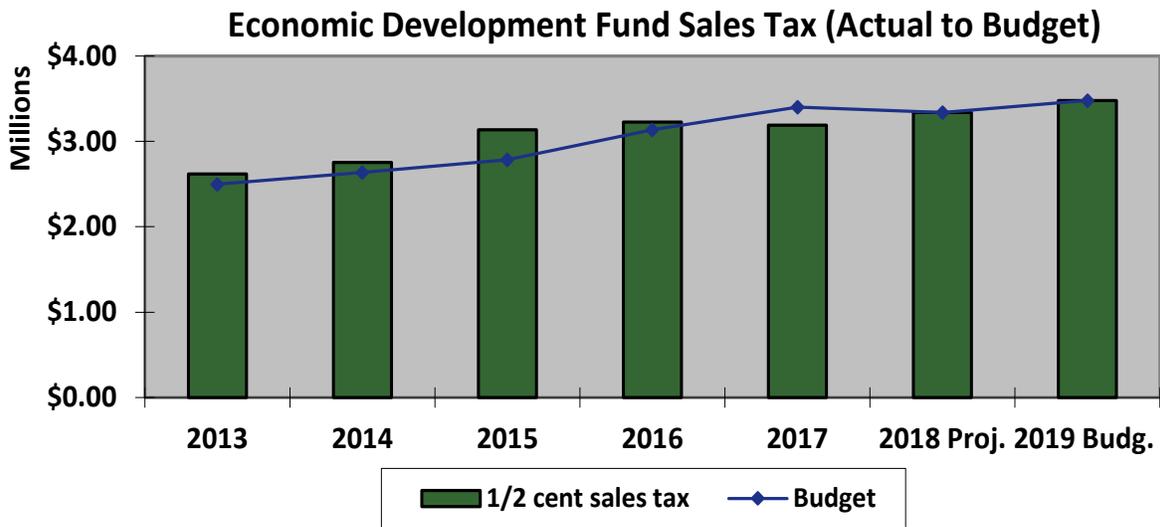
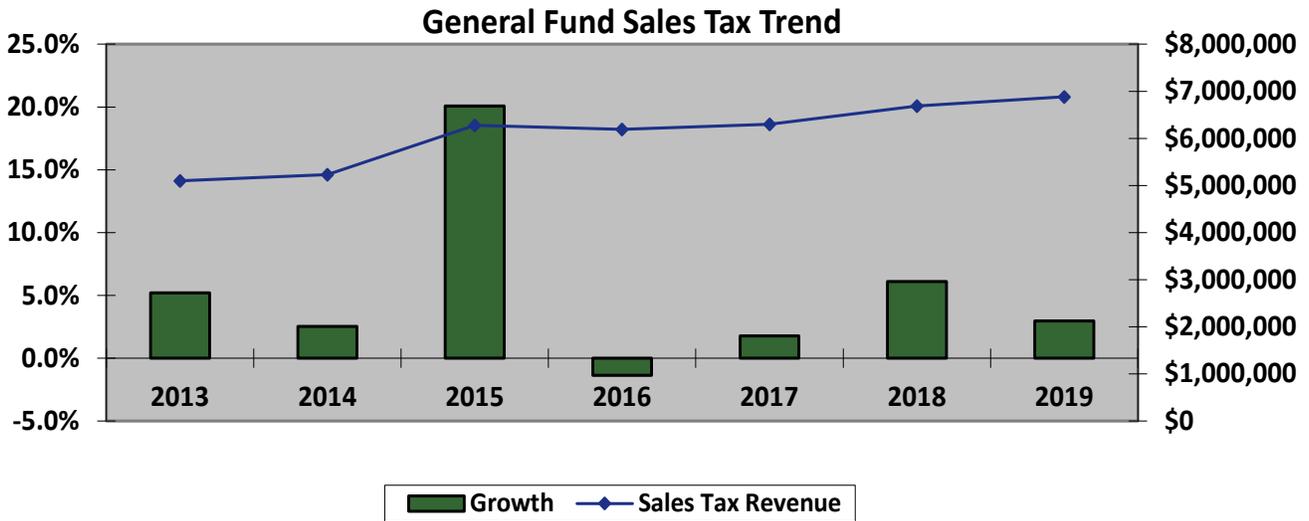


### *Sales Tax Agreements affecting the General Fund:*

Additionally, the State of Texas allows cities to enter into incentive agreements for companies to locate to the City and report sales tax collections from the City for local collections. In return, the City grants a portion of the collections to the company in the form of an incentive payment. The City currently has two incentive agreements in place and the City’s net receipts from companies under these agreements are estimated to exceed \$110,000 in fiscal 2018-19. Sales tax revenues are estimated to increase by \$200,000 from the FY 17-18 budget.

# MAJOR REVENUE SOURCES

A new incentive agreement with the Brazos Mall has been negotiated and a major expansion is underway. The city has anticipated only a modest increase in sales tax revenues from Brazos Mall for the FY 2018-19 budget.



Fiscal Year	2013	2014	2015	2016	2017	2018 Proj.	2019 Budg.
General Fund	\$5,093,359	\$5,226,636	\$6,276,467	\$6,190,271	\$6,377,917	\$6,760,000	\$6,960,000
Econ. Devlp Fund	\$2,619,312	\$2,752,237	\$3,138,233	\$3,227,460	\$3,188,958	\$3,337,500	\$3,480,000
<b>Total</b>	<b>\$7,712,671</b>	<b>\$7,978,873</b>	<b>\$9,414,700</b>	<b>\$9,417,731</b>	<b>\$9,566,875</b>	<b>\$10,097,500</b>	<b>\$10,440,000</b>

# MAJOR REVENUE SOURCES

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## FRANCHISE FEES

	<u>FY 2018-19</u>
<i>General Fund Budget</i>	<i>\$ 1,881,700</i>
<i>PEG Fund Budget</i>	<u><i>82,500</i></u>
<i>Total Franchise Fee Revenues</i>	<u><i>\$ 1,964,200</i></u>

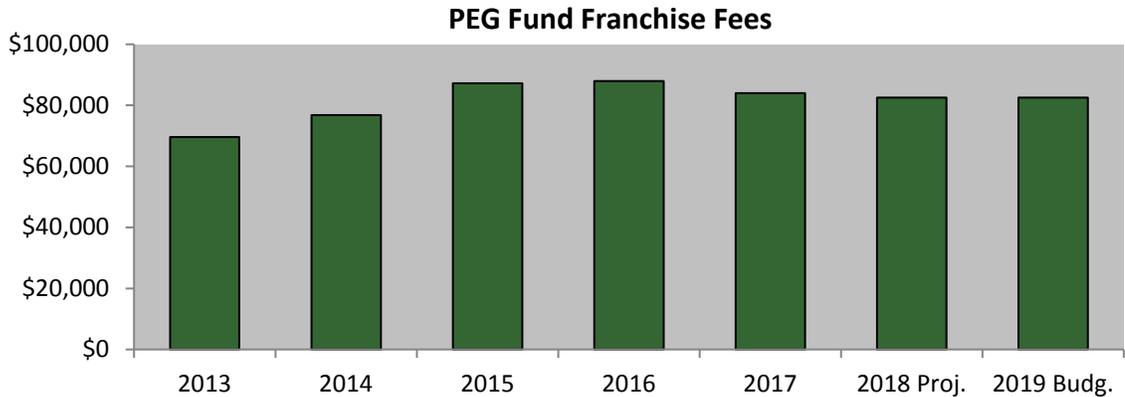
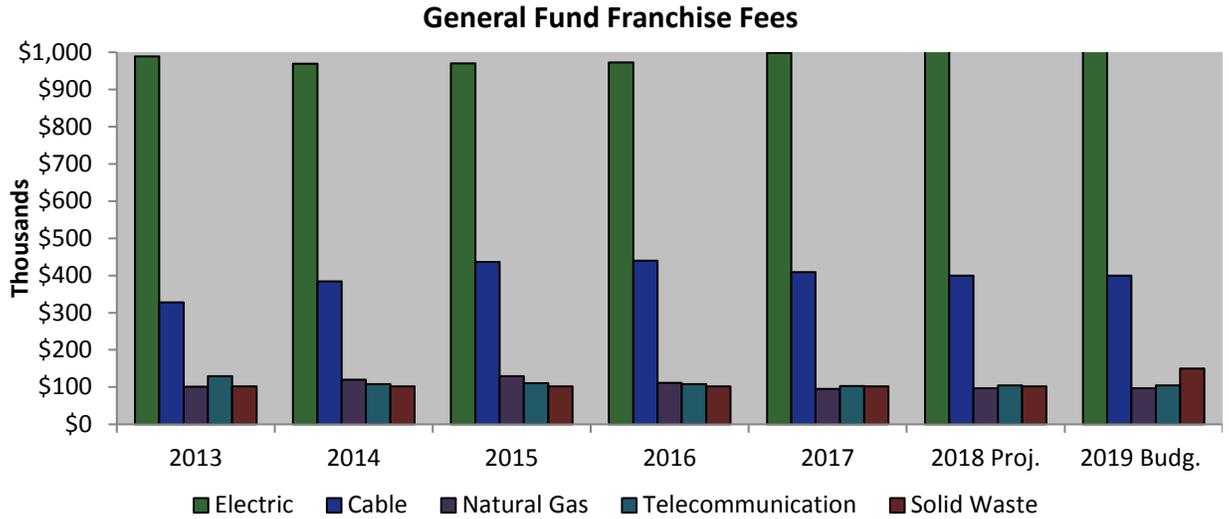
The City of Lake Jackson maintains franchise agreements with utilities that use the City's right-of-ways (ROW) to conduct their business. The agreements contain a franchise fee clause, which requires the utilities to compensate the City for use of ROW. Generally, the fees are based upon a percentage of a utility's gross receipts or a per-unit of usage charge (generated by customers located within the City's corporate limits that range from 2% - 5%). These revenues are accounted for in the General Operating Fund.

- Electric Franchise fees are charged for use of city streets and ROW's. These fees are received monthly and are based on kilowatt hours delivered within Lake Jackson city limits.
- Gas Franchise fees are charged for use of city streets and ROW's. This fee is based on a percentage of gross revenue.
- Telecommunication Franchise fees are received from Certificated Telecommunications Providers based on the number of lines within the municipality and the rate for each category of line calculated monthly. Fee-per-access line is regulated by the Public Utility Commission.
- Cable Television Franchise fees are paid to the City for use of city streets and ROWs. Payments are made quarterly and are based on a percentage of the cable operator's gross receipts. The General Operating Fund receives payments equivalent to 5% of the cable operator's gross receipts. An additional 1% of the cable operator's gross receipts for cable television are restricted –by law -- for capital cost related to public, educational, and governmental (PEG) programming. These revenues are accounted for in the PEG Special Revenue Fund.
- The City's sanitation department provides for the removal of all trash and rubbish. Each residential unit in the City receives regular collection service twice per week and special collection of large items and brush twice per month. To reimburse the General Fund for the "expense" of these services, the City annually transfers funds (\$102,000) from the Utility Fund to the General Fund to reimburse the General Fund for solid waste franchise fees that would be collected if a private company was contracted for these services.

The City's franchise fees are estimated to total \$1,743,704 in FY 2017-18, which is almost identical to the FY 2017-18 projections. Franchise fees are projected to increase by 5.0% (\$87,996) in FY2018-19, with electrical usage increasing by \$100,000. However, cable franchise fees are expected to decrease by \$40,000 based on FY 17-18 projections.

# MAJOR REVENUE SOURCES

## FRANCHISE FEES



## INDUSTRIAL DISTRICT

FY 2018-19

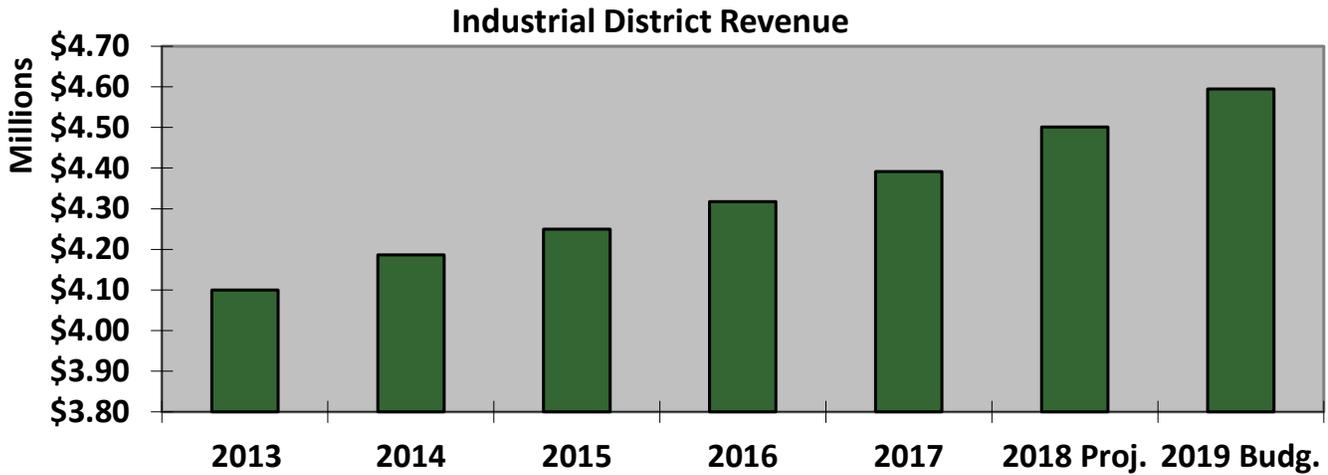
*General Fund Budget*

**\$ 4,594,532**

In concert with the cities of Clute and Freeport, Lake Jackson entered into an industrial district contract with Dow Chemical Company, BASF Corporation, and the Brock Interests. The contract calls for industry to make payments to the cities in lieu of being annexed and paying the full tax rate. In exchange, this relieves the cities from having to provide full city services, such as police and fire, to the industrial complex.

The industrial district contract was renegotiated in December, 2011, and ends December, 2026. Starting in fiscal year 2013-2014, the payments were calculated in accordance with the application of a percentage growth factor, based on the Consumer Price Index – All Urban consumers (“CPI-U”), or on a value based formula, whichever is greater. As a result of this calculation, an increase of 2.1% (\$93,178) will be paid to the City of Lake Jackson in fiscal year 2018-2019.

# MAJOR REVENUE SOURCES



## OPERATING TRANSFERS

FY 2018-19

*General Fund Budget*

\$ 1,200,000

The City’s water, wastewater, and sanitation operations annually reimburse the General Fund for administrative services provided during the year. These include general administration, computer services, personnel services, purchasing services, engineering services, and the like. These transfers insure that the Utility Fund is self supporting and self sufficient. The total of the transfers from the Utility Fund equate to \$850,000.

The General Fund also receives a \$350,000 transfer from the ½ ¢ optional sales tax (Economic Development Fund) to help offset the operating costs of the Recreation Center. Overall, operating transfers will equal \$788,390.

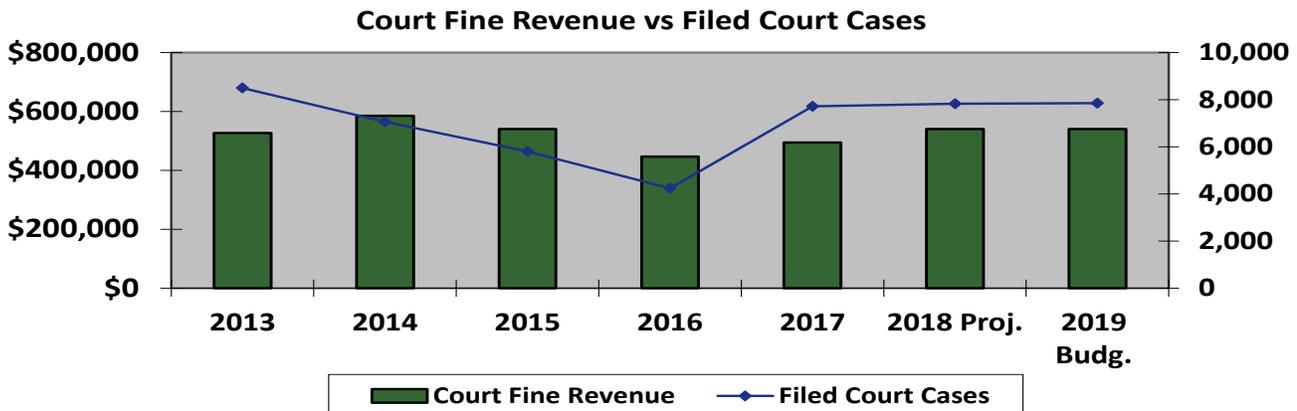
## COURT FINES

FY 2018-19

*General Fund Budget*

\$ 540,800

Court fine revenues fluctuate in relation to the number of citations issued and the amount of court fines collected. In FY 2016-17 the City added two new officers to the traffic division. Now that the new traffic division is fully operational, the city has budgeted a higher estimate for court fines by increasing court fine revenue by \$50,800 to \$540,800



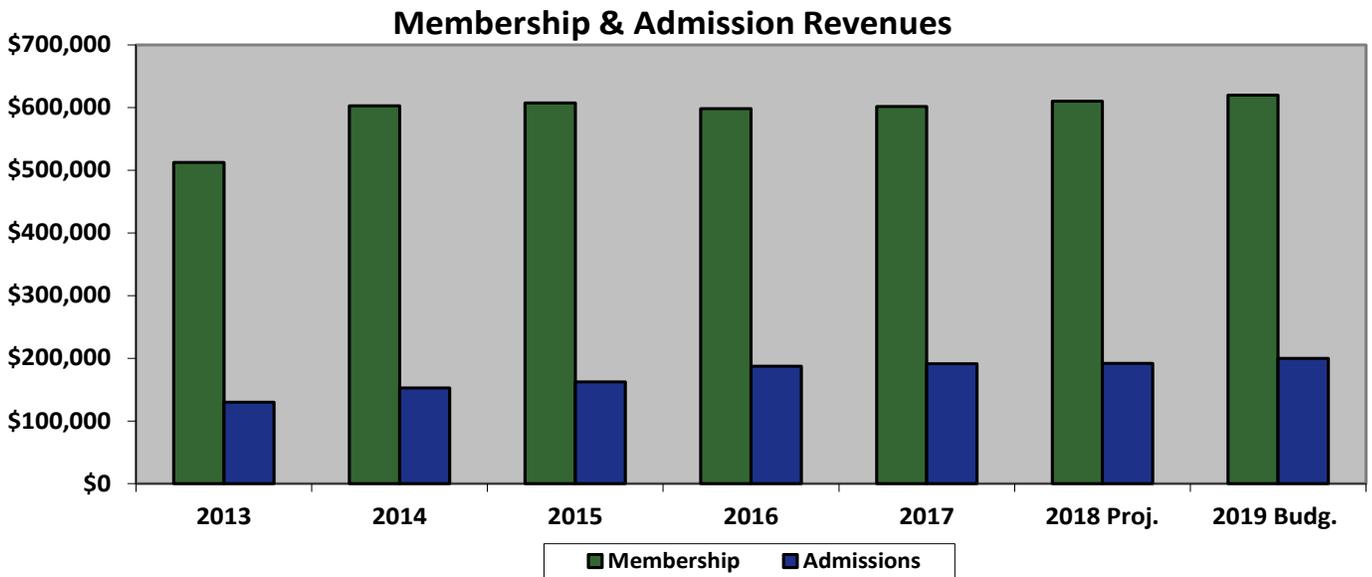
# MAJOR REVENUE SOURCES

## RECREATION FEES

*General Fund Budget* FY 2018-19  
\$ 952,150

Over 86% (\$821,150) of the recreation revenues are comprised of admissions and memberships. The other 14% (\$131,000) of recreation revenues are primarily comprised of fees collected from the youth and adult programs, as well as the rental of facilities. Membership revenue is contingent upon the number of memberships, and admission revenue is contingent on the number of times non-members utilize the Recreation Center. The FY 2018-19 revenues for memberships and admissions are projected to only slightly increase.

Membership revenue is contingent upon the number of memberships, and admission revenue is contingent on the number of times non-members utilize the Recreation Center. The FY 2018-19 revenues for memberships and admissions are projected to slightly increase by 2.2% (\$18,000).



The other recreation revenues for FY 2018-19 are projected to increase by 15.6% (\$20,500) over the FY 2017-18 projections. This increase is mainly attributed to expanded program offerings.

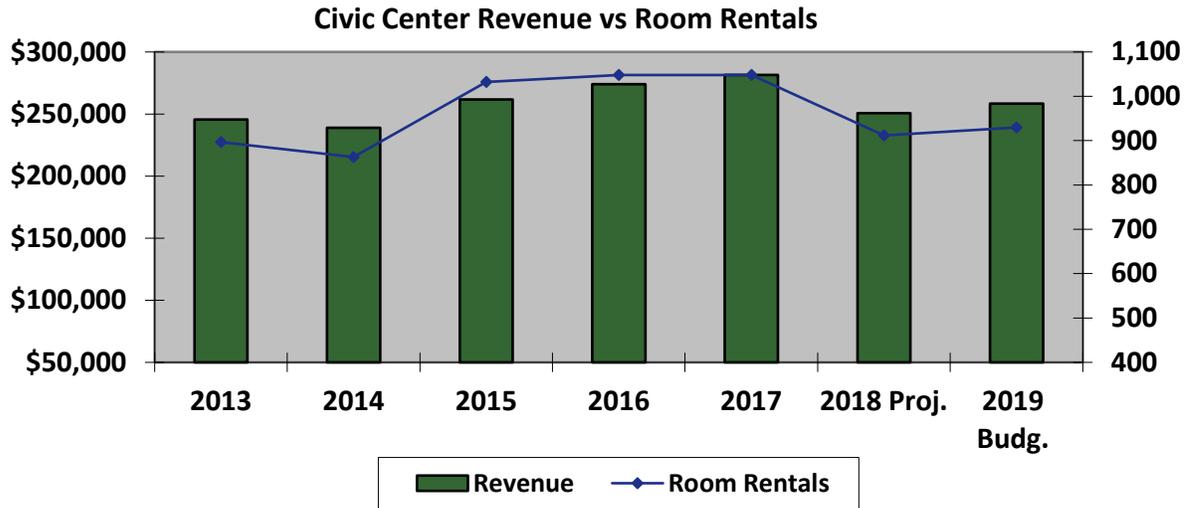
## CIVIC CENTER REVENUE

*General Fund Budget* FY 2018-19  
\$ 308,500

Civic Center revenues fluctuate in proportion to the number and type of rented rooms. The City is projecting to collect Civic Center revenues totaling \$250,685 for FY 2017-18 which is \$26,228 below last year's collections. Civic Center's revenues are anticipated to be \$7,815 more than the FY 2017-18 projections.

# MAJOR REVENUE SOURCES

## CIVIC CENTER REVENUE



## PERMITS

	<u>FY 2018-19</u>
General Fund Budget	\$ 265,000
Utility Fund Budget	<u>16,000</u>
<b>Total Permits</b>	<b><u>\$ 281,000</u></b>

Building Permit revenues include fees for the construction, alteration, removal, or demolition of buildings within the City. Building Permit revenue fluctuates based on the amount of building construction and the projected value of the structure.

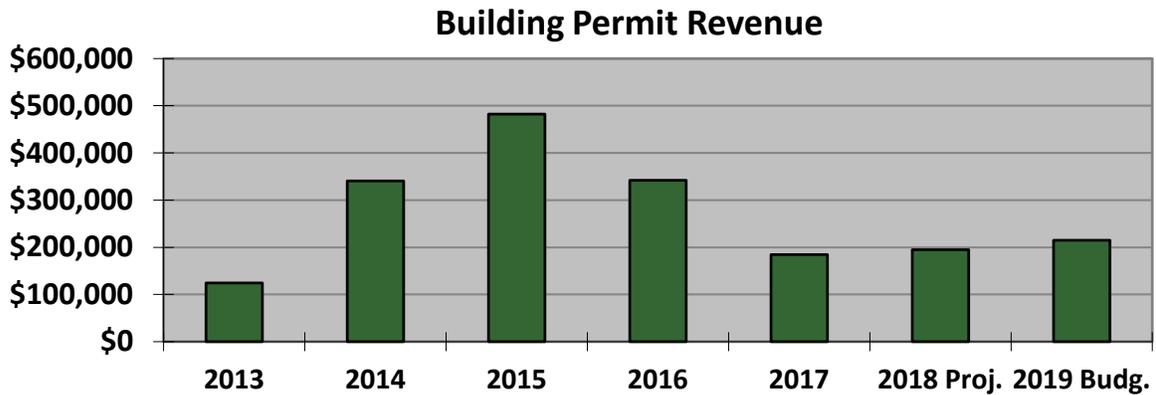
Electrical Permit revenues also include fees for inspection of installation or changes made in the electrical wiring or fixtures for use in connection the production of electrical light or heat for power. Electrical Permit revenue fluctuates based upon the type of electrical work.

Building and Electrical Permit revenues are accounted for in the General Fund.

Plumbing Permit revenues include fees for plumbing work connected with or intended to be connected with the sewer system. Plumbing Permit revenues are accounted for in the Utility Fund.

Permit revenues have normalized after back to back years of large projects such as such as the new A.P. Beutel Elementary, Courtyard by Marriott, Staybridge Suites, and the build out of the R&D Buildings at the Dow Texas Innovation Center and Brazos Mall expansion. We have slightly decreased permit revenue by 3.3% (\$7,200) based on FY 2017-18 projections.

# MAJOR REVENUE SOURCES



## WATER FEES

FY 2018-19

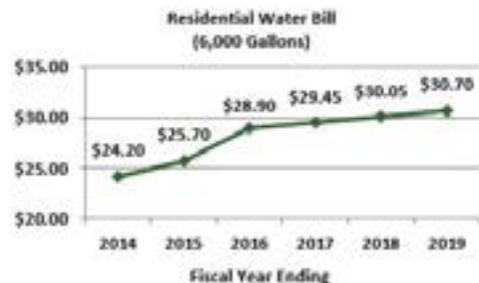
*Utility Fund Budget*                      \$ 4,776,880

Water revenues account for \$4,776,880 (35%) of the budgeted utility revenues for FY 2018-19. This rate is set based on generating revenues to cover the cost of purchasing water from the Brazosport Water Authority (BWA), operating 12 water wells, maintaining the water distribution system, and related portions of debt service requirements.

For FY 2018-19 BWA is increasing water rates by 7 cents, from \$3.05/1,000 gallons to \$3.12/1,000 gallons

These revenues are based on the following water rates

Residential Base (2,000 gals.)	\$13.50 per month
Commercial Base (2,000 gals.)	\$27.00 per month
2,000 to 20,000 gallons	\$4.30 per 1,000 gallons
Over 20,000 gallons	\$4.80 per 1,000 gallons



We will increase our base rate to \$13.50 for 2,000 gallons and our per thousand to \$4.30 for amounts over the base. As requested by TCEQ, the City will continue to charge ‘tiered’ water rate which adds \$.50 per thousand gallons for usage over 20,000 gallons. We will continue to provide a discount (40% of the base monthly bill) for senior citizens, which is applied to their base water and sewer bill. The city pumps an average of 3 million gallons per day. Our contract with BWA requires the City to purchase 2 million gallons of water per day on a take or pay basis. The difference is made up with well water.

The 2018-19 fiscal year water revenue budget projection is determined by using the City’s customer base of 24 apartment complexes, 414 commercial accounts, 57 institutional accounts, 94 irrigation accounts, and 8,325 residences.

# MAJOR REVENUE SOURCES

Utilizing historical trends, we have estimated the following water usages for these customer types:

CLASS	FY 2018-19		Avg. Gallons	Annual	Over Base	Base Dollars
	Avg. No. of Customers	Per Customer /Unit	Over Base	Estimated Gallons Over Base	Dollars	@ \$27.00 per Customer
<b>USAGE UNDER 20 TGALS</b>					<b>@\$4.30 per 1,000</b>	
Multi - Family	24 (3,485 units)	3.00		9,400	\$40,420	\$14,258
Commercial	414	27.15		27,000	\$116,100	\$134,136
Institutional	57	81.00		5,500	\$23,650	\$18,468
Irrigation	94	22.00		8,200	\$35,260	\$30,456
Residential	8,325	3.30		316,500	\$1,360,950	\$1,348,650
<b>USAGE OVER 20 TGALS</b>					<b>@\$4.80 per 1,000</b>	
Multi - Family				116,100	\$557,280	
Commercial				107,900	\$517,920	
Institutional				16,700	\$80,160	
Irrigation				50,000	\$240,000	
Residential				13,200	\$63,360	
Dow				17,142	\$82,282	
<b>Total Water Fees</b>					<b>\$4,663,350</b>	

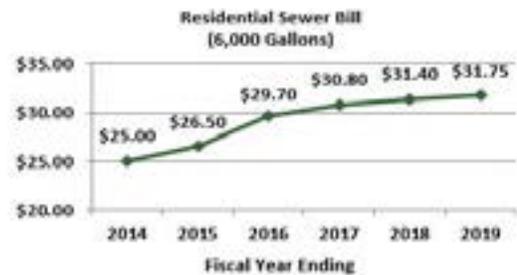
## SEWER FEES

*Utility Fund Budget* FY 2018-19  
\$ 4,728,350

These revenues are based on the following sewer rates:

- Residential Base (2,000 gals.) \$13.65 per month
- Commercial Base (2,000 gals.) \$27.30 per month
- Over 2,000 gallons \$ 4.60 per 1,000 gallons

\*Residential customers are capped at 15,000 gallons/month.



Sewer revenues account for \$4,798,350 (or 35%) of the projected utility revenues for FY 2017-18.

When compared to the FY 2017-18 budget, these rates reflect a \$.15 increase in the residential base rate, a \$.10 increase in the per 1,000 gallon rate, and a \$.30 increase in the commercial base rate.

This rate is based on covering the cost of maintaining the city’s wastewater collection and treatment system, which includes 39 lift stations, a 5.89 million gallons per day Wastewater Treatment Plant, as well as any debt service and administration costs allocated to the wastewater system.

## MAJOR REVENUE SOURCES

Based on the previously mentioned customer base, revenues from sewer fees are projected as follows:

FY 2018-19	Avg. Gallons Over Base Per Customer /Unit	Annual Estimated Gallons Over Base	Over Base Dollars @\$4.60 per 1,000	Base Dollars @ \$27.30 per Customer
CLASS	Avg. No. of Customers			
SEWER				
Multi - Family	24 (3,485 units)	3.20	125,460	\$577,116
Commercial	400	27.15	130,320	\$599,472
Institutional	52	82.00	51,168	\$235,373
Residential	8,325	3.20	297,942	\$1,370,533
TDCJ	91,250			\$419,750
<b>Total Sewer Fees</b>			<b>\$4,728,350</b>	

### SANITATION FEES

FY 2018-19  
*Utility Fund Budget*      \$ 4,071,522

Sanitation fees account for \$4,071,522 or 29% of projected utility revenues for FY 2018-19. These revenues are based on the following sanitation rates:

Residential Garbage/Trash	\$17.35 per month
Residential Recycling	\$ 2.50 per month
Apartment Garbage/Trash	\$17.35 per unit per month
Apartment Recycling	\$ 1.50 per unit per month

#### Dumpster Rates

##### Number Of Pickups Per Week

	2x	3x	4x	5x	6x
3 Cubic Yard Container	\$75.70	\$113.40	\$151.30	\$189.15	\$226.90
4 Cubic Yard Container	\$100.85	\$151.30	\$201.70	\$252.10	\$302.55

#### Shared Dumpster Rates

Small Business	\$27.90
Medium Business	\$36.35
Large Business	\$44.80

These fees are set based on covering the cost of providing residential customers twice weekly garbage collection, once weekly co-mingled recyclable collection, and twice monthly heavy trash collection. Heavy trash collection includes appliances and furniture.

Commercial and apartment customers are provided with side loading dumpsters, which are serviced based on a set schedule.

## MAJOR REVENUE SOURCES

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The Sanitation Department contains 25 employees and a fleet of 9 residential garbage/recycle trucks, 4 commercial trucks, 2 roll-off trucks, 5 flatbed trucks, 2 landscape loaders, 1 front-end loader, and 1 dumpster container truck.

The 2018-19 budgeted sanitation revenues were determined as follows: Residential  
The projected revenue for residential garbage is \$1,733,265.

### Residential Recycling

8,325 customers x \$2.50 per month x 12 month = \$249,750.

### Apartment/Multi-family Garbage

The projected revenue for apartment and multi-family garbage collection is \$725,577.

### Apartment/Multi-family Recycling

The projected revenue for apartment and multi-family recycling is \$62,730.

### Commercial Garbage

The projected revenue for commercial garbage is \$798,200.

# GENERAL FUND



LAKE JACKSON

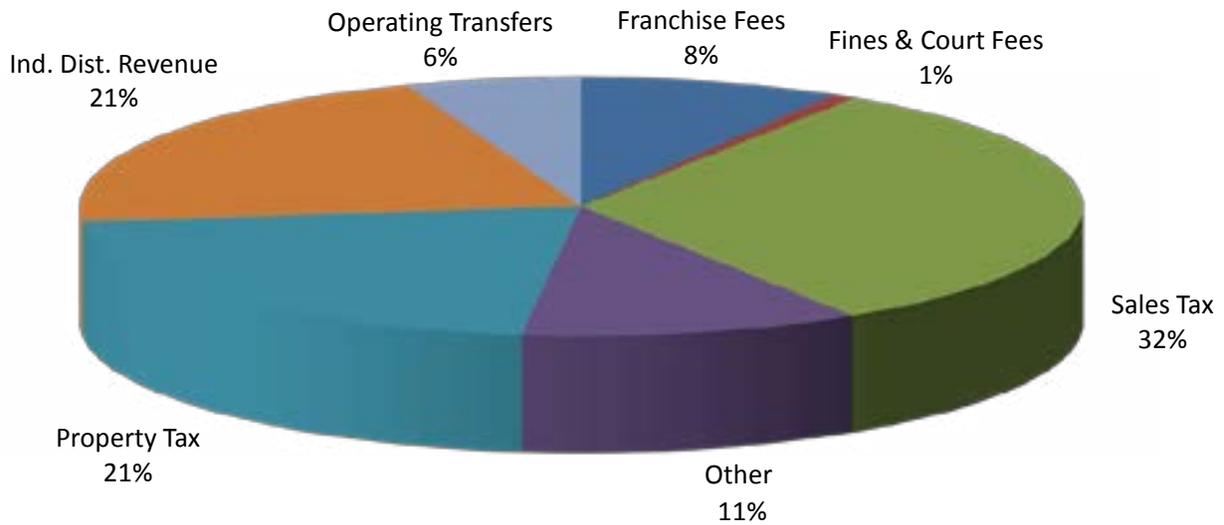
*City of Enchantment*



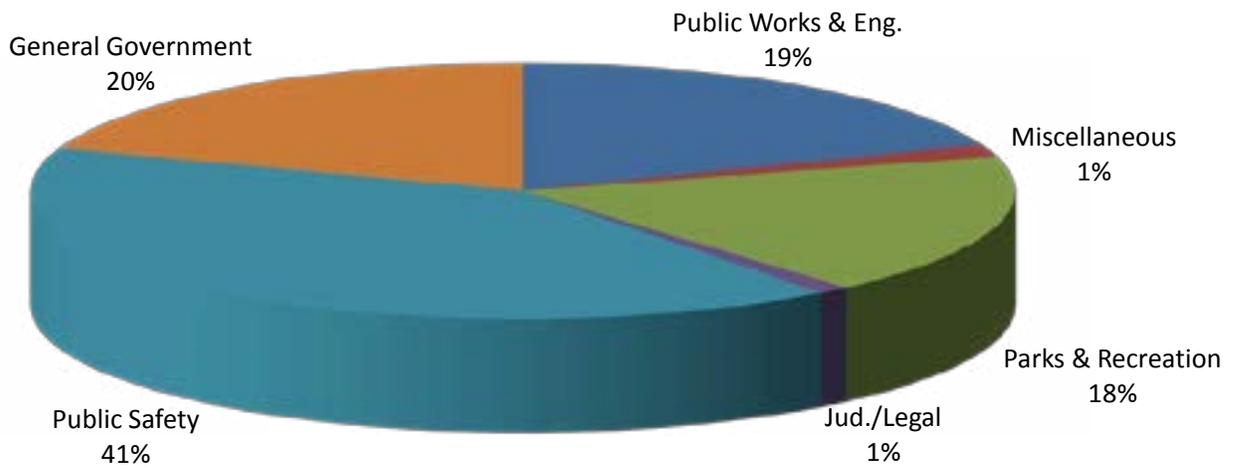
# GENERAL FUND REVENUES VS EXPENDITURES

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## FY 2018-19 Revenues



## FY 2018-19 Expenditures



## GENERAL FUND BUDGET SUMMARY

<i><b>Revenues</b></i>	<b>2016-17 Actual</b>	<b>2017-18 Budget</b>	<b>2017-18 Estimated</b>	<b>2018-19 Proposed</b>
Property Tax	\$3,976,175	\$4,388,426	\$4,388,426	\$4,598,243
Sales Tax	6,300,736	6,600,000	6,685,000	6,882,480
Other Taxes	143,358	144,500	160,000	157,500
Franchise Fees	1,707,847	1,722,000	1,743,704	1,831,700
Industrial District	4,394,560	4,485,526	4,501,354	4,594,532
Charges for Services	1,236,704	1,257,630	1,214,335	1,260,650
Licenses & Permits	420,206	460,800	423,400	442,200
Fines & Court Fees	535,603	516,000	585,800	578,300
Intergovernmental	46,422	43,000	43,000	43,000
Miscellaneous	71,288	31,700	96,553	29,700
Interest	48,640	40,000	50,000	50,000
Grants	9,679	14,600	10,000	10,500
Operating Transfers	788,390	788,390	788,390	1,200,000
<b><i>Total Resources</i></b>	<b>\$19,679,608</b>	<b>\$20,492,572</b>	<b>\$20,689,962</b>	<b>\$21,678,805</b>

<i><b>Expenditures</b></i>	<b>2016-17 Actual</b>	<b>2017-18 Budget</b>	<b>2017-18 Estimated</b>	<b>2018-19 Proposed</b>
General Government Services				
Non-Departmental	\$1,083,133	\$124,400	\$672,545	\$140,800
Administration	1,496,087	1,587,513	1,614,123	1,703,272
Elections	4,595	12,500	4,864	12,500
Civic Center	637,786	667,615	700,918	676,386
Legal Services	197,973	213,229	217,718	225,719
Financial Services				
Finance	1,023,755	1,162,839	1,155,692	1,271,200
Municipal Court	407,706	439,355	428,463	439,565
Public Safety Services				
Police	5,946,168	6,144,696	6,047,455	6,753,757
Humane	341,514	340,533	358,097	382,272
Fire	1,035,022	1,087,544	1,118,997	1,144,966
Emergency Medical Services	487,532	506,821	487,135	553,845
Engineering Services	478,836	517,351	526,668	547,450
Public Works Services				
Street	908,609	1,102,088	1,071,596	1,090,075
Drainage	750,648	1,001,625	808,121	1,050,570
Code Enforcement/Inspections	619,147	644,000	640,747	655,634
Garage	751,662	776,739	777,752	807,845
Parks and Recreation Services				
Parks	1,313,591	1,407,573	1,339,331	1,452,740
Recreation	2,257,680	2,424,832	2,380,135	2,441,925
Miscellaneous Services				
KLJB	30,981	55,000	54,700	60,000
Library	183,781	166,884	161,792	160,454
Museum	66,804	68,435	66,995	66,830
Youth Advisory	9,722	16,000	16,000	16,000
Senior Advisory	24,625	25,000	25,000	25,000
<b><i>Total Expenditures</i></b>	<b>\$20,057,357</b>	<b>\$20,492,572</b>	<b>\$20,674,844</b>	<b>\$21,678,805</b>

# GENERAL FUND PROJECTED REVENUE

<i>Revenues - Detail</i>	2016-17 Actual	2017-18 Budget	2017-18 Estimated	2018-19 Proposed
<b>Property Tax</b>				
Ad Valorem Taxes	\$4,249,875	\$4,836,340	\$4,388,426	\$5,247,495
Dow 380 Agreement	-249,818	-415,875		-599,252
HEB 380 Agreement	-23882	-32039		-50,000
<b>Subtotal</b>	<b>3,976,175</b>	<b>4,388,426</b>	<b>4,388,426</b>	<b>4,598,243</b>
<b>Sales Tax</b>				
City Sales & Use Tax	6,377,917	6,675,000	6,760,000	6,960,000
Mall 380 Agreement	0	0	0	0
Kohl's 380 Agreement	0	0	0	0
HEB 380 Sales Tax Agreement	(77,181)	(75,000)	(75,000)	(77,520)
<b>Subtotal</b>	<b>6,300,736</b>	<b>6,600,000</b>	<b>6,685,000</b>	<b>6,882,480</b>
<b>Other Taxes</b>				
Alcohol Beverage Taxes	121,918	121,000	130,000	130,000
Criminal Justice Tax	21,440	23,500	30,000	27,500
<b>Subtotal</b>	<b>143,358</b>	<b>144,500</b>	<b>160,000</b>	<b>157,500</b>
<b>Franchise Fees</b>				
Electric	998,297	980,000	1,040,000	1,080,000
Natural Gas	95,367	95,500	97,204	97,200
Telecommunications	102,577	104,500	104,500	104,500
Cable	409,606	440,000	400,000	400,000
Solid Waste	102,000	102,000	102,000	150,000
<b>Subtotal</b>	<b>1,707,847</b>	<b>1,722,000</b>	<b>1,743,704</b>	<b>1,831,700</b>
<b>Industrial District</b>	<b>4,394,560</b>	<b>4,485,526</b>	<b>4,501,354</b>	<b>4,594,532</b>
<b>Charges for Services</b>				
Recreation Center	795,886	813,650	803,150	821,150
Outdoor Pool	6,080	6,000	6,500	6,500
Youth Athletics	23,778	20,000	20,000	20,000
Youth Programs	8,403	25,000	10,000	20,000
Adult Programs	11,225	19,500	12,000	19,500
Aquatics Programs	39,016	30,000	35,000	35,000
MacLean Sportsplex	11,591	12,000	12,000	15,000
Misc. Park Use	14,824	10,000	15,000	15,000
Special Events	30,126	25,000	30,000	30,000
Civic Center Rentals	276,913	276,480	250,685	258,500
Jasmine Hall Rentals	18,862	20,000	20,000	20,000
<b>Subtotal</b>	<b>1,236,704</b>	<b>1,257,630</b>	<b>1,214,335</b>	<b>1,260,650</b>
<b>Licenses &amp; Permits</b>				
Alcohol Beverage License	4,210	3,300	4,000	4,000
Donation Box License	200	200	300	200
Wrecker License	1,500	1,500	2,200	2,000

## GENERAL FUND PROJECTED REVENUE

<i>Revenues - Detail</i>	2016-17 Actual	2017-18 Budget	2017-18 Estimated	2018-19 Proposed
<b>Licenses &amp; Permits (Cont.)</b>				
Health Inspections	48,444	43,000	45,000	45,000
Apartment Inspection Fee	79,609	81,500	80,400	80,500
Alarm Fees	61,938	60,000	60,000	60,000
Building Permits	184,485	222,300	195,000	215,000
Electrical Permits	29,669	40,000	28,000	28,000
Peddler Permit	1,325	3,000	1,500	1,500
Storm Water Permit	3,915	2,500	3,000	2,500
Sign Permits	4,911	3,500	4,000	3,500
<b>Subtotal</b>	<b>420,206</b>	<b>460,800</b>	<b>423,400</b>	<b>442,200</b>
<b>Fines &amp; Court Fees</b>				
Municipal Court Fines	494,563	490,000	540,800	540,800
Court Fees	41,040	26,000	45,000	37,500
<b>Subtotal</b>	<b>535,603</b>	<b>516,000</b>	<b>585,800</b>	<b>578,300</b>
<b>Intergovernmental</b>				
Brazosport College - SRO	5,672	0	0	0
Richwood Dispatching	40,750	43,000	43,000	43,000
<b>Subtotal</b>	<b>46,422</b>	<b>43,000</b>	<b>43,000</b>	<b>43,000</b>
<b>Miscellaneous</b>	<b>71,288</b>	<b>31,700</b>	<b>96,553</b>	<b>29,700</b>
<b>Interest</b>	<b>48,640</b>	<b>40,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Grants</b>				
Department of Justice Grants	6,411	7,000	6,500	7,000
LEOSE - Training	3,268	7,600	3,500	3,500
Step/DWI Grant	0	0	0	0
<b>Subtotal</b>	<b>9,679</b>	<b>14,600</b>	<b>10,000</b>	<b>10,500</b>
<b>Operating Transfers</b>				
From Economic Development	350,000	350,000	350,000	350,000
From Utility Fund:				
Admin. Fee - Sanitation	127,100	127,100	127,100	300,000
Admin. Fee - Water/WW	311,290	311,290	311,290	550,000
<b>Subtotal</b>	<b>788,390</b>	<b>788,390</b>	<b>788,390</b>	<b>1,200,000</b>
	<b>\$19,679,608</b>	<b>\$20,492,572</b>	<b>\$20,689,962</b>	<b>\$21,678,805</b>

## GENERAL FUND EXPENDITURES BY CATEGORY

<i><b>EXPENDITURES</b></i>	<b>2016 - 17 ACTUAL</b>	<b>2017 - 18 BUDGET</b>	<b>2017 - 18 ESTIMATED</b>	<b>2018 - 19 PROPOSED</b>
SALARIES & WAGES	\$ 9,263,690	\$ 9,917,487	\$ 9,687,169	\$ 10,462,450
EMPLOYEE BENEFITS	2,990,912	3,540,862	3,309,977	3,699,942
OPERATING EXPENSES	6,461,769	5,790,567	6,430,703	6,007,070
CAPITAL OUTLAY	49,899	33,000	43,299	32,980
<b>INTERFUND TRANSFERS:</b>				
EQUIPMENT REPLACEMENT	1,266,088	1,175,656	1,168,696	1,451,363
SPECIAL EVENTS FUND	25,000	35,000	35,000	25,000
<b><i>Total General Fund</i></b>	<b>\$ 20,057,358</b>	<b>\$ 20,492,572</b>	<b>\$ 20,674,844</b>	<b>\$ 21,678,805</b>

<i><b>AUTHORIZED PERSONNEL</b></i>	<b>FISCAL 2014 - 15</b>	<b>FISCAL 2016 - 17</b>	<b>FISCAL 2017 - 18</b>	<b>FISCAL 2018 - 19</b>
SERVICE / MAINTENANCE	41.00	42.00	42.00	42.50
OFFICE / CLERICAL	21.00	20.00	20.00	20.00
TECHNICAL	29.00	29.00	29.00	31.00
SWORN PERSONNEL	40.00	42.00	42.00	43.00
PROFESSIONAL	7.00	10.00	11.00	11.00
MANAGEMENT / SUPERVISION	28.16	27.16	27.16	27.16
TOTAL FT EMPLOYEES	166.16	170.16	171.16	174.66
SPECIAL AGREEMENT	2.00	2.00	2.00	2.00
TEMPORARY / SEASONAL	24.23	23.18	23.18	23.27
<b><i>Total General Fund Personnel</i></b>	<b>192.39</b>	<b>195.34</b>	<b>196.34</b>	<b>199.93</b>

# GENERAL DEBT SERVICE FUND



LAKE JACKSON

*City of Enchantment*



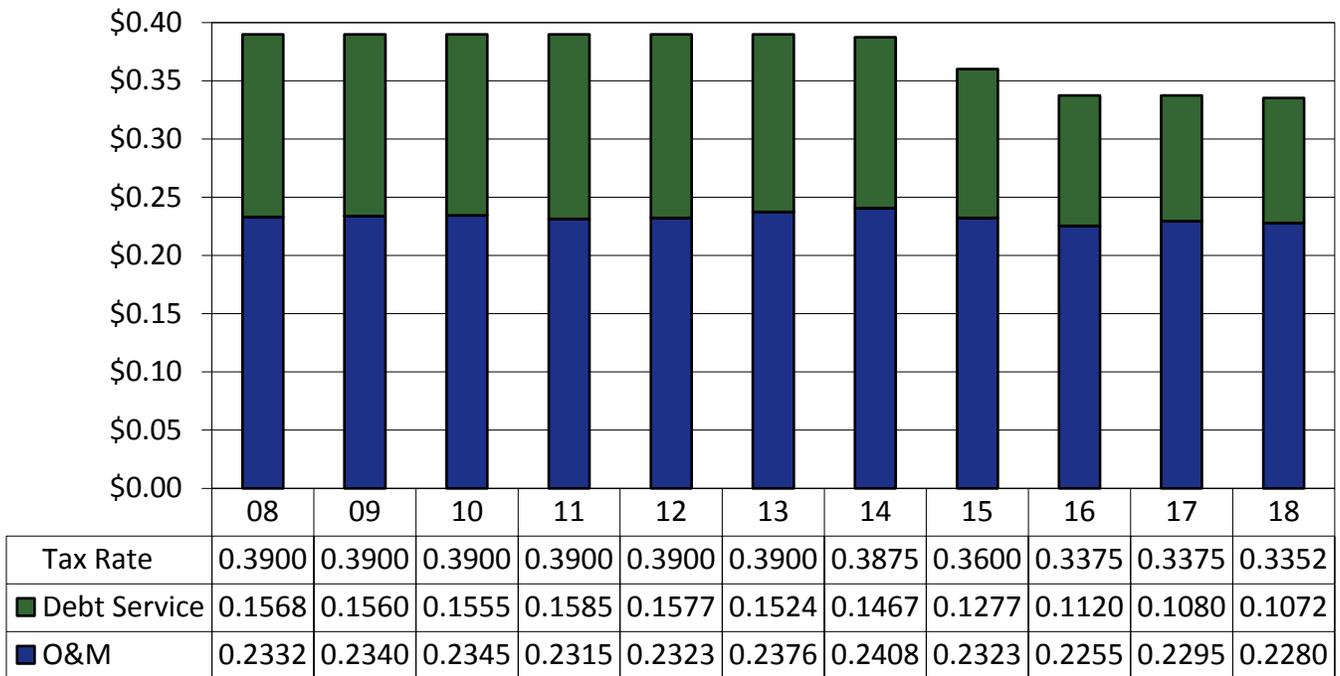
# GENERAL DEBT SERVICE FUND

The General Debt Service Fund is used for the accumulation of resources to provide for the payment of debt service on the City’s General Obligation Bonds and to provide a reserve for such payment. Resources include a portion of the Ad Valorem Tax Levy and earnings from investments of the fund. (The Ad Valorem Tax Levy is pledged as security on all outstanding General Obligation Bonds.)

The portion of the current year Tax Levy allocated to General Debt Service is based on current year principal and interest requirements less anticipated interest earnings of the fund. This calculation gives the necessary dollar figure, the debt service portion of the tax rate is then calculated based on a 100% collection rate.

Tax Rate Limitations. The City is a Home Rule Charter City with a maximum authorized rate for all purposes of \$2.50 per \$100 assessed valuation. This maximum tax rate is imposed both by the Constitution of the State of Texas and the City Charter. Under the rules of the Texas Attorney General, the City may issue general obligation debt in an amount no greater than that which can be serviced by a debt service tax of \$1.50 per \$100 assessed valuation, based on 90% collections. Using 90% collections in our calculation of the tax rate the City’s debt service rate would be \$0.1198 or about \$1.38 below the City’s legal limit imposed by the City Charter and Attorney General.

**Historic Tax Rate Distribution**



## GENERAL DEBT SERVICE FUND

<b>RESOURCES</b>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-2018</b>	<b>ESTIMATED 2017-2018</b>	<b>PROPOSED 2018-19</b>
<b>Fund Balance</b>	\$ 685,096	\$ 729,421	\$ 729,421	\$ 737,421
<b>Revenues</b>				
Ad Valorem Taxes	\$ 2,111,644	\$ 2,276,697	\$ 2,276,697	\$ 2,465,835
Interest Income	19,199	8,500	16,500	8,500
Bond Proceeds	83,171			
	<u>\$ 2,214,014</u>	<u>\$ 2,285,197</u>	<u>\$ 2,293,197</u>	<u>\$ 2,474,335</u>
<b>Total Resources</b>	<b>\$ 2,899,110</b>	<b>\$ 3,014,618</b>	<b>\$ 3,022,618</b>	<b>\$ 3,211,756</b>
<b>EXPENDITURES</b>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-2018</b>	<b>ESTIMATED 2017-2018</b>	<b>PROPOSED 2018-19</b>
Principal	\$ 1,614,593	\$ 1,730,000	\$ 1,730,000	\$ 1,685,000
Interest	467,585	546,697	546,697	780,835
Paying Agent Fees	87,510	8,500	8,500	8,500
Bond Issue Costs				
Refunded Bond Agent				
	<u>\$ 2,169,688</u>	<u>\$ 2,285,197</u>	<u>\$ 2,285,197</u>	<u>\$ 2,474,335</u>
<b>Total Expenditures</b>	<b>\$ 2,169,688</b>	<b>\$ 2,285,197</b>	<b>\$ 2,285,197</b>	<b>\$ 2,474,335</b>
<b>Ending Fund Balance</b>	<b>\$ 729,421</b>	<b>\$ 729,421</b>	<b>\$ 737,421</b>	<b>\$ 737,421</b>

# ESTIMATED AD VALOREM TAX COLLECTION

Assessed Valuation for 2017 as of 4-30-18	\$ 2,098,790,748
Gain (Loss) in Value	202,321,663
Anticipated Assessed Valuation for 2018	2,301,112,411
Tax Rate Per \$100 Valuation	0.3352
Revenue from 2018 Tax Roll	7,713,329
Estimated Collections	100.0%
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 7,713,328</b>

## SCHEDULE OF TAX LEVY AND COLLECTION RATE

TAX YEAR	TOTAL ASSESSED VALUATION	TAX RATE	TAX LEVY	TAX * COLLECTIONS	% COLLECTIONS TO LEVY
2002	1,116,753,175	0.3750	4,187,824	4,171,444	99.609%
2003	1,185,429,367	0.3703	4,389,645	4,391,567	100.044%
2004	1,236,071,214	0.3700	4,573,463	4,578,873	100.118%
2005	1,273,059,582	0.3800	4,837,626	4,819,017	99.615%
2006	1,351,219,282	0.3700	4,999,511	4,971,255	99.435%
2007	1,391,772,727	0.3850	5,358,325	5,371,880	100.253%
2008	1,460,686,450	0.3900	5,696,677	5,672,153	99.570%
2009	1,454,833,720	0.3900	5,673,852	5,552,979	97.870%
2010	1,437,060,336	0.3900	5,604,535	5,647,099	100.759%
2011	1,419,681,558	0.3900	5,536,758	5,549,653	100.233%
2012	1,437,118,606	0.3900	5,604,763	5,623,676	100.337%
2013	1,450,607,167	0.3900	5,657,368	5,675,054	100.313%
2014	1,498,269,814	0.3875	5,805,796	5,799,654	99.894%
2015	1,639,706,525	0.3600	5,902,943	5,886,497	99.721%
2016	1,879,514,589	0.3375	6,343,362	6,342,357	99.984%
2017	* 2,098,790,748	0.3375	7,083,419	6,666,557 *	94.115%
2018	** 2,301,112,411	0.3352	7,713,329		

\* Tax collections as of April 30, 2018

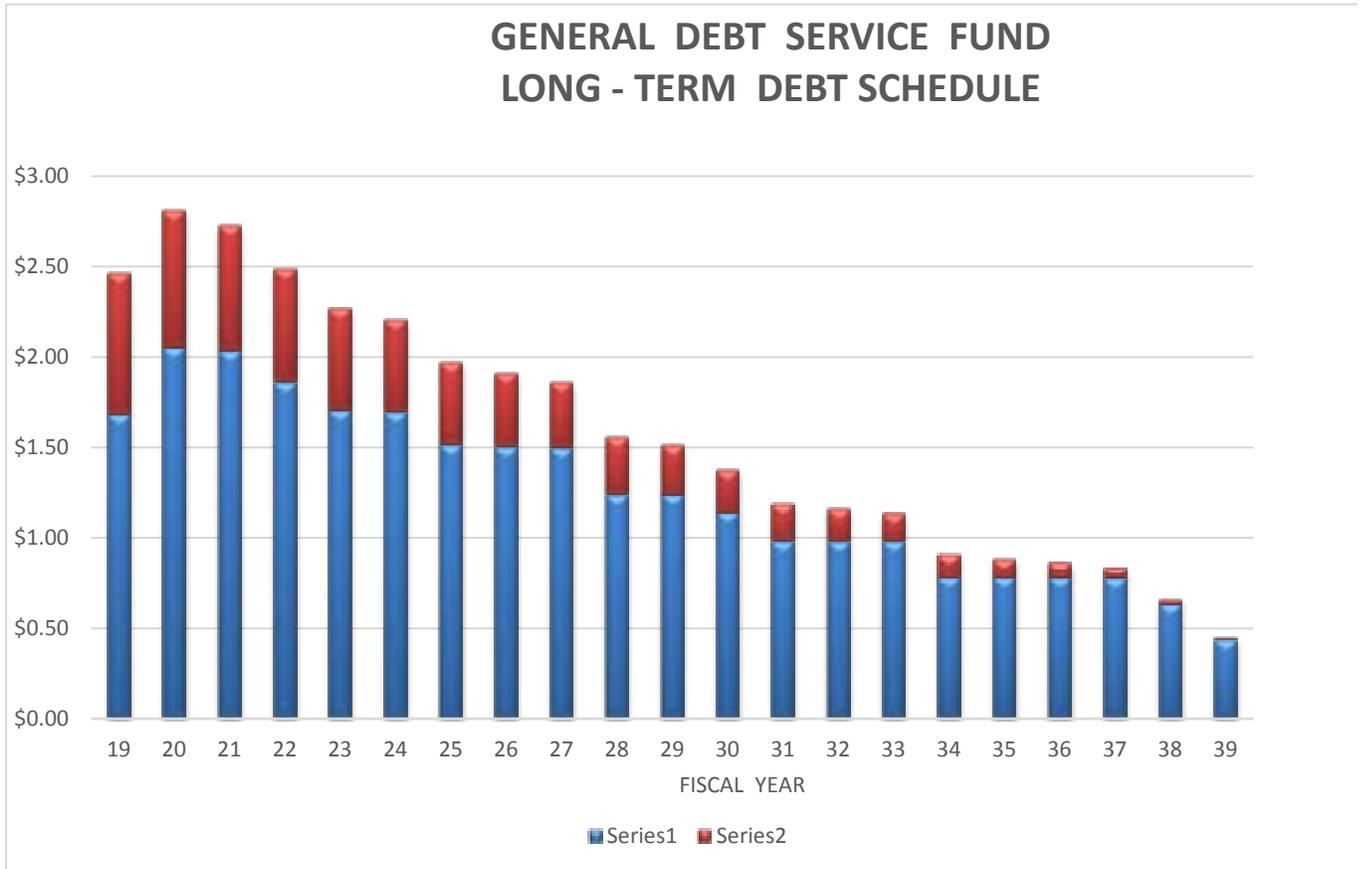
\*\* Projected per appraisal district certificate of estimated value.

## PROPOSED DISTRIBUTION OF COLLECTED TAXES

FUND	ADOPTED TAX RATE 2017 - 18	PROPOSED TAX RATE 2018 - 19	PROPOSED AMOUNT 2018 - 19	%
General Fund	0.229475	0.228042	\$5,247,495	68.03%
General Debt Service Fund	0.108025	0.107158	2,465,835	31.97%
<b>TOTAL</b>	<b>\$0.3375</b>	<b>0.3352</b>	<b>\$7,713,328</b>	<b>100.00%</b>

# GENERAL OBLIGATION BOND DEBT SERVICE SCHEDULE

DATE	CURRENTLY OUTSTANDING BONDS			PROPOSED BOND ISSUE		FISCAL		
	FISCAL YEAR GRAND TOTALS			FISCAL TOTALS		GRAND TOTALS		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL
2018-19	1,685,000	501,349	2,186,349	0	279,486	1,685,000	780,835	2,465,835
2019-20	1,610,000	448,989	2,058,989	445,000	311,531	2,055,000	760,520	2,815,520
2020-21	1,591,933	398,260	1,990,192	445,000	293,732	2,036,933	691,992	2,728,924
2021-22	1,418,466	350,254	1,768,720	445,000	275,931	1,863,466	626,185	2,489,651
2022-23	1,261,534	307,804	1,569,337	445,000	258,131	1,706,534	565,935	2,272,469
2023-24	1,254,601	268,562	1,523,163	445,000	240,331	1,699,601	508,893	2,208,494
2024-25	1,072,874	233,149	1,306,024	445,000	222,531	1,517,874	455,681	1,973,555
2025-26	1,061,811	202,338	1,264,149	445,000	204,731	1,506,811	407,069	1,913,880
2026-27	1,055,748	172,484	1,228,232	445,000	186,931	1,500,748	359,415	1,860,163
2027-28	798,784	146,246	945,030	445,000	169,131	1,243,784	315,378	1,559,162
2028-29	797,162	123,471	920,633	445,000	153,556	1,242,162	277,027	1,519,189
2029-30	695,000	101,154	796,154	445,000	140,206	1,140,000	241,360	1,381,360
2030-31	540,000	82,913	622,913	445,000	126,578	985,000	209,491	1,194,491
2031-32	540,000	68,218	608,218	445,000	112,672	985,000	180,889	1,165,889
2032-33	540,000	53,328	593,328	445,000	98,488	985,000	151,815	1,136,815
2033-34	340,000	41,061	381,061	445,000	84,025	785,000	125,086	910,086
2034-35	340,000	31,419	371,419	445,000	69,284	785,000	100,703	885,703
2035-36	340,000	21,581	361,581	445,000	53,988	785,000	75,569	860,569
2036-37	340,000	11,500	351,500	440,000	38,500	780,000	50,000	830,000
2037-38	195,000	3,169	198,169	440,000	23,100	635,000	26,269	661,269
2038-39	0	0	0	440,000	7,700	440,000	7,700	447,700
<b>TOTAL</b>	<b>17,477,913</b>	<b>3,567,246</b>	<b>21,045,159</b>	<b>8,885,000</b>	<b>3,350,565</b>	<b>26,362,913</b>	<b>6,917,811</b>	<b>33,280,724</b>



# GENERAL DEBT SCHEDULE OF BONDS OUTSTANDING

GENERAL OBLIGATION ISSUE	AMOUNT OF ISSUE	INTEREST RATE	YEAR OF MATURITY	AMOUNT OUTSTANDING @ 10/01/18	2018-19 PRINCIPAL DUE	2018-19 INTEREST DUE	2018-19 TOTAL DUE
G. O. 2009	2,400,000	4.33	2029	240,000	120,000	6,750	126,750
G.O. 2009 Ref.	3,010,368	2.97	2019	60,000	60,000	1,086	61,086
G.O. 2010	3,000,000	3.60	2030	1,800,000	150,000	69,375	219,375
G.O. 2011 Ref.	3,360,000	3.81	2022	1,140,000	340,000	38,800	378,800
G.O. 2013	4,000,000	2.22	2033	3,000,000	200,000	68,500	268,500
G.O. 2015 Ref	5,427,913	1.94	2029	4,487,913	465,000	125,329	590,329
G.O. 2016	3,000,000	2.22	2037	2,815,000	150,000	71,825	221,825
G.O. 2017	4,000,000	2.66	2038	3,935,000	200,000	119,684	319,684
G.O. 2018	9,000,000	Planned Issuance		0	0	279,486	279,486
<b>TOTAL ALL ISSUES</b>				<b>\$17,477,913</b>	<b>\$1,685,000</b>	<b>\$780,835</b>	<b>\$2,465,835</b>

**Bond Ratings : Moody's - Aa2, S&P's - AA+**

**REFUNDING BONDS - Series 2009 refunded the following:**

*General Obligation Bond Series 1997 - \$2,100,000 ---REFUNDED*

Originally funded the connection of Circle Way by the Museum and Civic Center  
Conversion of Canna Lane from asphalt to concrete  
Reconstruction of Elm, Cherry and a portion of Winding Way

*General Obligation Bond 1999 - \$4,250,000 ---REFUNDED*

Replace the Northern two lanes of Oyster Creek Drive from Dixie Drive to Forest Drive  
\$500,000 for the complete reconstruction of Laurel from Acacia to the drainage structure just past Elm.  
Enlarged the drainage structure crossing State Highway 332 near Compass Bank.  
Complete reconstruction of Acacia, Mimosa, and a portion of Oleander, Walnut, and Lotus  
Medical Drive new construction from Canna to Sea Center Texas  
\$275,000 to fund the complete reconstruction of Oleander Street from Oak Drive to Hickory.

**REFUNDING BONDS - Series 2015 refunded the following:**

*General Obligation Bond 2004 - \$3,600,000 originally funded*

\$1,130,000 for Oak Drive reconstruction  
\$355,000 for South Yaupon reconstruction  
\$1,075,000 for Dixie Drive asphalt to concrete  
\$390,000 for South Magnolia reconstruction  
\$650,000 for Brazos Oaks Spot Repairs combined with 2007 money to become complete reconstruction

*General Obligation Bond 2007 - \$5,300,000 originally funded*

\$2,800,000 for the reconstruction of streets and drainage in the Brazos Oaks Subdivision.  
\$2,500,000 to provide renovations of the old Fire Station into an expanded Municipal Court Facility, emergency dispatch and emergency operations center.

*General Obligation Bond 2009 - \$2,400,000 Advanced refunded, originally funded*

For reconstruction of streets, water, sewer & drainage improvements on portions of Oak Drive, Jasmine and Winding Way.

**General Obligation Bond 2010 - \$3,000,000**

\$1,000,000 for spot repairs to arterial streets  
\$2,000,000 for drainage improvements downstream of the SH288/332 and smaller ditches including Willow / Blossom Anchusa, Timbercreek park outfall, upper slave ditch.

**REFUNDING BONDS - Series 2011 refunded the following:**

*General Obligation Bond Series 2001 - originally funded*

Humane Facility, two bays at Fire station 2, reconstruction of Magnolia from Hwy 332 to Acacia

**General Obligation Bond 2013 - \$4,000,000**

For the replacement of the remainder of the paving on Magnolia, Laurel, Gardenia, Chinaberry, Camellia, Viinca, Periwinkle, Lupine, Bluebonnet, Lantana, Hybiscus, and Elm.

**General Obligation Bond 2016 - \$3,000,000**

Projects include Plantation Dr. Bridge, Willow/Blossom Drainage, Circle Way / Oak Dr Traffic signal, Woodland Park Subdivision engineering, Downtown phase 4 planning and the completion of South Parking Place.

**General Obligation Bond 2017 - \$4,000,000**

Projects include Woodland Park infrastrucure improvements and Phase 4 Downtown engineering

**General Obligation Bond 2018 - \$9,000,000**

Projects include Phase 4 of the Downtown revitalization

# UTILITY FUND



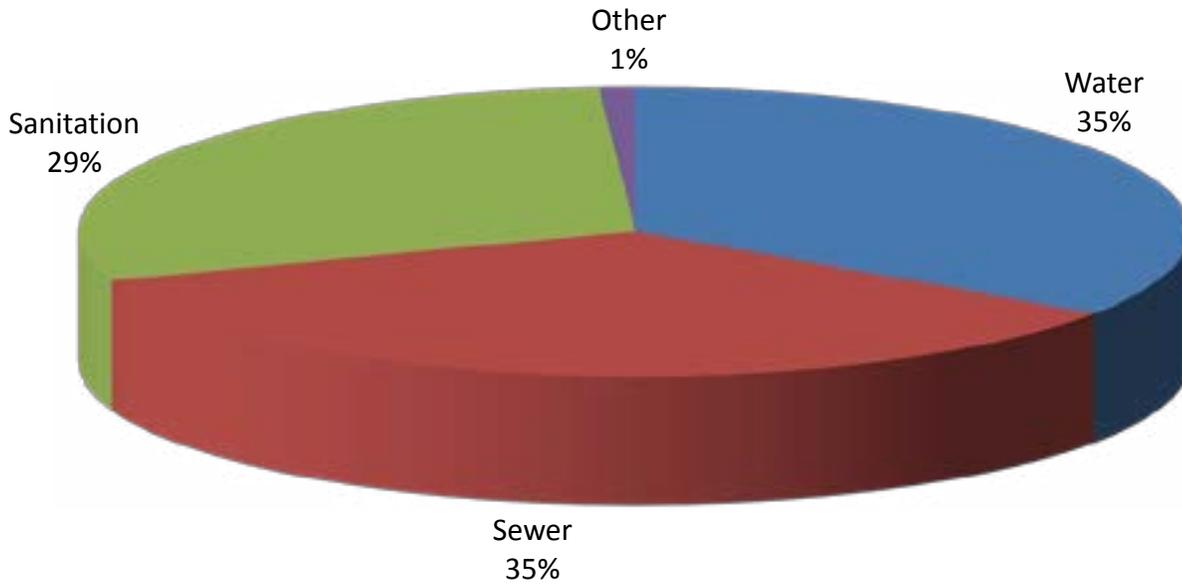
LAKE JACKSON

*City of Enchantment*

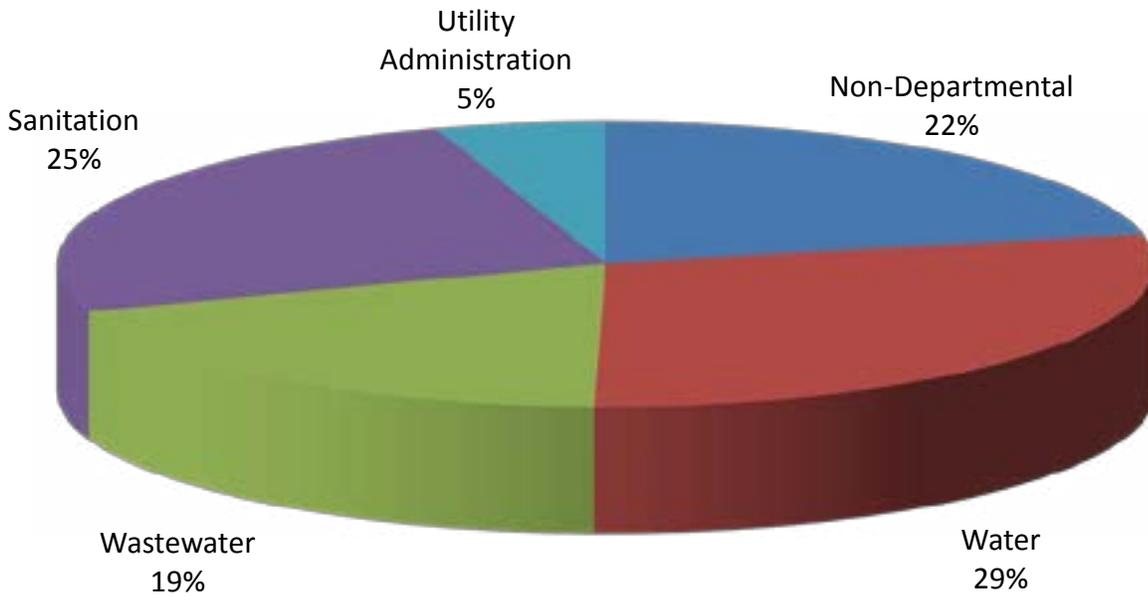


# UTILITY FUND REVENUES VS EXPENDITURES

## FY 2018-2019 Revenues



## FY 2018-2019 Expenditures



## UTILITY FUND BUDGET SUMMARY

<i>Revenues</i>	<b>2016-17 Actual</b>	<b>2017-18 Budget</b>	<b>2017-18 Estimated</b>	<b>2018-19 Proposed</b>
Plumbing Fees	\$17,287	\$20,000	\$16,200	\$16,000
Tap Fees	74,555	50,000	49,300	50,000
Administrative Fees	188,715	195,500	210,400	200,400
Water Sales	4,768,431	4,679,482	4,713,530	4,776,880
Senior Discount	(240,208)	(250,000)	(250,000)	(250,000)
Sewer Sales	4,444,307	4,290,177	4,570,000	4,798,350
Sanitation Sales	3,923,534	4,035,033	3,966,745	4,071,522
Other Revenues	118,581	123,586	53,441	69,600
Interest	36,350	20,000	63,000	57,551
<b><i>Total Resources</i></b>	<b>\$13,331,552</b>	<b>\$13,163,778</b>	<b>\$13,392,616</b>	<b>\$13,790,303</b>
<i>Expenditures</i>	<b>2016-17 Actual</b>	<b>2017-18 Budget</b>	<b>2017-18 Estimated</b>	<b>2018-19 Proposed</b>
Non-Departmental	\$1,848,892	\$2,409,725	\$2,409,725	\$2,992,763
Water	3,668,139	4,002,292	3,701,202	3,949,960
Wastewater	2,667,472	2,696,595	2,592,238	2,643,270
Sanitation	3,370,803	3,416,537	3,414,103	3,511,200
Utility Administration	610,114	638,629	649,892	693,110
<b><i>Total Expenditures</i></b>	<b>\$12,165,420</b>	<b>\$13,163,778</b>	<b>\$12,767,160</b>	<b>\$13,790,303</b>

## UTILITY FUND PROJECTED REVENUE

<i>Revenues - Detail</i>	2016-17 Actual	2017-18 Budget	2017-18 Estimated	2018-19 Proposed
<b>Plumbing Fees</b>	<b>\$17,287</b>	<b>\$20,000</b>	<b>\$16,200</b>	<b>\$16,000</b>
<b>Tap Fees</b>	<b>74,555</b>	<b>50,000</b>	<b>49,300</b>	<b>50,000</b>
<b>Administrative Fees</b>				
Late Payment Penalties	188,255	195,000	210,000	200,000
Transfer Fees	460	500	400	400
	<b>188,715</b>	<b>195,500</b>	<b>210,400</b>	<b>200,400</b>
<b>Water Sales</b>				
Water Fees	4,657,857	4,565,952	4,600,000	4,663,350
Brazoria Co. Conservation District	22,024	25,000	25,000	25,000
City Water Usage	88,550	88,530	88,530	88,530
	<b>4,768,431</b>	<b>4,679,482</b>	<b>4,713,530</b>	<b>4,776,880</b>
<b>Senior Discount</b>	<b>(240,208)</b>	<b>(250,000)</b>	<b>(250,000)</b>	<b>(250,000)</b>
<b>Sewer Sales</b>				
Sewer Fees	4,374,307	4,220,177	4,500,000	4,728,350
Reclaimed Water	70,000	70,000	70,000	70,000
	<b>4,444,307</b>	<b>4,290,177</b>	<b>4,570,000</b>	<b>4,798,350</b>
<b>Sanitation Sales</b>				
Residential Fees	1,647,460	1,698,300	1,698,300	1,733,265
Household Recycling	237,984	244,755	236,000	249,750
Commercial Garbage	765,784	782,558	775,000	798,200
Apartment Garbage Fee	664,002	710,940	710,940	725,577
Apartment Recycling	48,169	52,275	48,950	62,730
Special Pick Up Fees	13,271	10,000	10,000	10,000
Roll-Off Fees	328,331	342,705	270,000	300,000
Compactor Fees	170,267	150,000	170,255	150,000
Landfill Fees	111	0	0	0
Recycle Goods	9,823	5,000	10,000	5,000
Mulch Sales	24,157	26,000	24,000	24,000
Dumpster Initial Set Up Fees	14,175	12,500	13,300	13,000
	<b>3,923,534</b>	<b>4,035,033</b>	<b>3,966,745</b>	<b>4,071,522</b>
<b>Other Revenues</b>	<b>118,581</b>	<b>123,586</b>	<b>53,441</b>	<b>69,600</b>
<b>Interest</b>	<b>36,350</b>	<b>20,000</b>	<b>63,000</b>	<b>57,551</b>
<b>Total Utility Revenue</b>	<b>\$13,331,552</b>	<b>\$13,163,778</b>	<b>\$13,392,616</b>	<b>\$13,790,303</b>

## UTILITY FUND EXPENDITURES BY CATEGORY

<i><b>EXPENDITURES</b></i>	<b>2016 - 17 ACTUAL</b>	<b>2017 - 18 BUDGET</b>	<b>2017 - 18 ESTIMATED</b>	<b>2018 - 19 PROPOSED</b>
SALARIES & WAGES	\$ 2,697,149	\$ 2,837,700	\$ 2,701,109	\$ 2,925,600
EMPLOYEE BENEFITS	1,055,755	1,126,900	1,004,840	1,151,600
OPERATING EXPENSES	5,879,268	6,102,040	5,964,063	6,163,395
CAPITAL OUTLAY	29,892	30,000	30,000	0
<b>INTERFUND TRANSFERS:</b>				
GENERAL FUND				
ADMIN FEE - SANITATION	127,100	127,100	127,100	300,000
ADMIN FEE - WATER W/WATER	311,290	311,290	311,290	550,000
FRANCHISE FEE	102,000	102,000	102,000	150,000
EQUIPMENT REPLACEMENT	654,464	657,413	657,423	556,945
UTILITY PROJECTS	0	250,000	250,000	250,000
UTILITY DEBT SERVICE	1,308,502	1,619,335	1,619,335	1,742,763
<b><i>Total Utility Fund</i></b>	<b>\$ 12,165,420</b>	<b>\$ 13,163,778</b>	<b>\$ 12,767,160</b>	<b>\$ 13,790,303</b>

<i><b>AUTHORIZED PERSONNEL</b></i>	<b>FISCAL 2015 - 16</b>	<b>FISCAL 2016 - 17</b>	<b>FISCAL 2017 - 18</b>	<b>FISCAL 2018 - 19</b>
SERVICE / MAINTENANCE	41.00	43.00	43.00	43.00
OFFICE / CLERICAL	5.00	5.00	5.00	5.00
TECHNICAL	10.00	10.00	10.00	10.00
PROFESSIONAL	0.00	0.00	0.00	0.00
MANAGEMENT / SUPERVISION	7.84	7.84	7.84	7.84
TEMP / SEASONAL	0.00	0.00	0.00	0.00
<b><i>Total Utility Fund Personnel</i></b>	<b>63.84</b>	<b>65.84</b>	<b>65.84</b>	<b>65.84</b>

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# UTILITY DEBT SERVICE FUND



LAKE JACKSON

*City of Enchantment*



## UTILITY DEBT SERVICE FUND

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The Utility Debt Service Fund is used for the accumulation of resources for the payment of Water and Sewer Revenue Bonds; and also to provide a reserve as provided by the City's bond ordinances. The debt service on these bonds, i.e., the amount transferred from the Utility Fund, is provided by water and sewer fees. Issuance of additional bonds may impact water and sewer fees, but will have no impact on property tax rates.

The bond ordinances require that amounts sufficient to pay the next scheduled principal and interest payment be paid into a sinking account in monthly installments. Additionally, bond ordinances require a reserve in an amount equal to the succeeding fiscal year's interest and principal payment be accumulated and maintained. The reserve is to be accumulated within 61 months from the date additional bonds are issued. Thus, each month there must be deposited in this fund 1/6th of the next maturing interest (which is paid semiannually), and 1/12th of the next maturing principal (which is paid annually).

On September 30, 2018 our required balance in this fund for the current debt issuances will be:

Reserve Portion	\$1,505,415
Interest and Sinking Portion:	
October 15, 2017 interest payment (5/6th)	184,573
April 15, 2018 principal payment (5/12th)	<u>541,667</u>
	\$2,231,655

On September 30, 2019 our required balance in this fund, after accounting for the new bond issuance, will be:

Reserve Portion	\$1,397,490
Interest and Sinking Portion:	
October 15, 2016 interest payment (5/6th)	248,323
April 15, 2017 principal payment (5/12th)	<u>643,750</u>
	\$2,289,563

It is the City's policy to fund as many projects as possible from the Utility Projects Fund and to incur new debt on only the larger projects. In determining the timing for issuance of new debt, the objective is to minimize the overall debt service. Therefore, new debt issuance is usually timed to coincide with a decrease in current debt service.

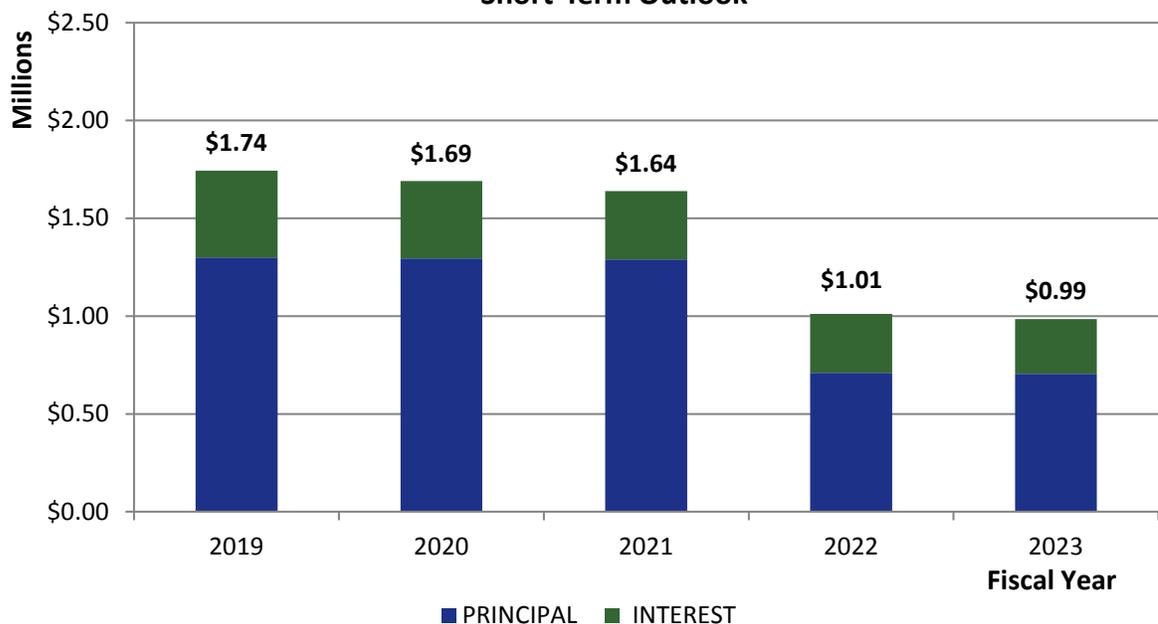
## UTILITY DEBT SERVICE FUND BUDGET SUMMARY

<b>RESOURCES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2017-18</b>	<b>2018-19</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Cash Balance</b>	<b>\$2,428,639</b>	<b>\$2,275,655</b>	<b>\$2,275,655</b>	<b>\$2,304,171</b>
<b>Revenues</b>				
Transfer From Utility Fund	1,308,502	1,619,335	1,619,335	1,742,763
Interest Income	14,788	10,000	10,000	6,500
Bond proceeds	33,568	0	0	0
	<b>\$1,356,858</b>	<b>\$1,629,335</b>	<b>\$1,629,335</b>	<b>\$1,749,263</b>
<b>Total Resources</b>	<b>\$3,785,497</b>	<b>\$3,904,990</b>	<b>\$3,904,990</b>	<b>\$4,053,434</b>
<b>EXPENDITURES</b>				
	<b>2016-17</b>	<b>2017-18</b>	<b>2017-18</b>	<b>2018-19</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Projected</b>
<b>Expenditures</b>				
Principal	\$1,175,000	\$1,200,000	\$1,200,000	\$1,300,000
Interest	333,135	396,819	396,819	442,975
Paying Agent Fees	1,707	4,000	4,000	4,000
<b>Total Expenditures</b>	<b>\$1,509,842</b>	<b>\$1,600,819</b>	<b>\$1,600,819</b>	<b>\$1,746,975</b>
<b>Ending Cash Balance</b>	<b>\$2,275,655</b>	<b>\$2,304,171</b>	<b>\$2,304,171</b>	<b>\$2,306,459</b>
<b>REQUIRED BALANCE</b>	<b>2,260,812</b>	<b>2,260,812</b>	<b>2,260,812</b>	<b>2,289,563</b>

# UTILITY DEBT SERVICE SCHEDULE

		CURRENT DEBT FISCAL TOTALS		PROPOSED None		GRAND TOTALS		
		Principal	Interest	Principal	Interest	PRINCIPAL	INTEREST	TOTAL
2018	2019	1,300,000	442,975	0	0	1,300,000	442,975	1,742,975
2019	2020	1,295,000	395,975	0	0	1,295,000	395,975	1,690,975
2020	2021	1,290,000	348,925	0	0	1,290,000	348,925	1,638,925
2021	2022	710,000	302,075	0	0	710,000	302,075	1,012,075
2022	2023	705,000	280,175	0	0	705,000	280,175	985,175
2023	2024	705,000	255,463	0	0	705,000	255,463	960,463
2024	2025	705,000	230,750	0	0	705,000	230,750	935,750
2025	2026	700,000	205,787	0	0	700,000	205,787	905,787
2026	2027	695,000	180,975	0	0	695,000	180,975	875,975
2027	2028	605,000	158,851	0	0	605,000	158,851	763,851
2028	2029	600,000	139,425	0	0	600,000	139,425	739,425
2029	2030	600,000	120,225	0	0	600,000	120,225	720,225
2030	2031	520,000	101,025	0	0	520,000	101,025	621,025
2031	2032	520,000	85,425	0	0	520,000	85,425	605,425
2032	2033	520,000	69,825	0	0	520,000	69,825	589,825
2033	2034	415,000	54,225	0	0	415,000	54,225	469,225
2034	2035	415,000	41,775	0	0	415,000	41,775	456,775
2035	2036	415,000	29,325	0	0	415,000	29,325	444,325
2036	2037	270,000	16,875	0	0	270,000	16,875	286,875
2037	2038	270,000	8,436	0	0	270,000	8,436	278,436
		<b>13,255,000</b>	<b>3,468,512</b>	<b>0</b>	<b>0</b>	<b>13,255,000</b>	<b>3,468,512</b>	<b>16,723,512</b>

**Proposed Utility Debt Service Schedule  
Short-Term Outlook**



# SCHEDULE OF OUTSTANDING UTILITY BONDS

REVENUE BOND ISSUE	AMOUNT OF ISSUE	INTEREST RATE	YEAR OF MATURITY	AMOUNT OUTSTANDING @ 10/01/18	2018-19 PRINCIPAL DUE	2018-19 INTEREST DUE	2018-19 TOTAL DUE
SERIES 2009	1,690,000	4.14	2029	1,010,000	85,000	42,900	127,900
SERIES 2010 Ref	8,775,000	3.00	2021	2,280,000	765,000	91,200	856,200
SERIES 2013	2,000,000	2.90	2033	1,500,000	100,000	43,250	143,250
SERIES 2016	4,000,000	2.26	2036	3,515,000	250,000	105,450	355,450
SERIES 2017	5,000,000	2.84	2038	4,950,000	100,000	160,176	260,176
<b>TOTAL ALL ISSUES</b>				<b>\$13,255,000</b>	<b>\$1,300,000</b>	<b>\$442,976</b>	<b>\$1,742,976</b>

## Water and Sewer Revenue Bonds Series 2007

Proceeds from the 2007 Series funded the following projects:

Non potable irrigation, Lift Station repair & upgrades, Center Way Sewer 400 block; painting of the Balsam Tower, and

## Water and Sewer Revenue Bonds Series 2009

Proceeds from the 2009 Series funded 3 water wells (2 replacements & 1 new)

## SERIES 2009 REFUNDING BONDS

### *Water and Sewer Revenue Bonds Series 1993 A (REFUNDED)*

Proceeds from the 1993A Series funded the following projects:

Sewer line replacements on all or a portion of Poinsettia, Wisteria, Palm Lane, Camellia, Jasmine, Circle Way, Cherry, Acacia, Mimosa, Oak Dr. South, Circle Way / Oak Drive, Camellia, Gardenia, Blackberry, Caladium, Cypress and Jonquil.

Lift Station Rehabilitations at Lift Station # 1 and at Huisache, Magnolia, and Sycamore Lift Stations.

### *Water and Sewer Revenue Bonds Series 1996 (REFUNDED)*

Proceeds from the 1996 Series funded the following projects:

Water line replacements on all or a portion of Pin Oak, Palm Lane, Caladium, Redwood, Cypress, Jonquil, Gardenia, Hawthorn, Daisy, Blossom, Moss, Bois D' Arc, Walnut, FM 2004, Winding Way, Trumpet Vine, Grapevine and Azalea.

Sewer line replacements on all or a portion of Carnation, Caladium Court and Winding Way.

Construction of a new one million gallon ground storage tank.

Construction of new and rehabilitation of existing Sewer lines and lift stations to enable the City to provide sewer service to undeveloped areas in the northeast portion of the City.

## SERIES 2010 REFUNDING BONDS

### *Wastewater Treatment Plant Revenue Bonds Series 2000 (REFUNDED)*

Proceeds from the 2000 Series funded the expansion of the Wastewater Treatment Plant.

## Water and Sewer Revenue Bonds Series 2013

Proceeds from the 2013 Series funded the following projects:

Water system expansion Northwest production and storage.

Repair and repaint Dow elevated storage tank, Local lift station renovation, Sanitary sewer on Center Way and Begonia

## Water and Sewer Revenue Bonds Series 2016

Proceeds from the 2016 issue will fund a portion of the Northwest Sewer Expansion

## Water and Sewer Revenue Bonds Series 2017

Proceeds from the 2017 issue will fund a sewer repairs to Basin 6. Lake Forest and Huisache.

# UTILITY PLEDGED REVENUE COVERAGE PROJECTIONS

	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Projected</b>	<b>2019 Proposed</b>
<b>OPERATING REVENUES:</b>					
Water Sales	\$ 3,848,378	\$ 4,165,965	\$ 4,657,857	\$ 4,600,000	\$ 4,663,350
Braz. Cty. Cons. Dist.	24,943	20,233	22,024	25,000	25,000
Water for City	184,717	88,550	88,530	88,530	88,530
Senior disc.	(209,334)	(234,849)	(240,208)	(250,000)	(250,000)
Write-offs	0	0	-	0	0
Sewer Sales	3,622,813	3,983,417	4,374,307	4,500,000	4,728,350
Write-offs	0	0	-	0	0
Reclaimed Water	70,000	70,000	70,000	70,000	70,000
Permits	36,349	18,773	17,287	16,200	16,000
Tap Fees	89,370	78,445	74,555	49,300	50,000
Reconnection penalty	203,533	191,279	188,715	210,400	200,400
Miscellaneous	146,214	166,095	118,581	53,551	69,600
<b>Interest</b>					
Utility Fund	6,408	14,670	36,350	63,000	57,551
Contingency fund	880	1,160	1,791	2,500	2,000
Capital Project Fund	1,257	2,030	2,593	8,000	8,000
Debt Service Fund	5,146	8,346	14,788	10,000	6,500
Bond Construction Funds	1,810	0	50,000	79,000	0
<b>Total Operating Revenues</b>	<b>8,032,484</b>	<b>8,574,114</b>	<b>9,477,170</b>	<b>9,525,481</b>	<b>9,735,281</b>
<b>OPERATING EXPENDITURES:</b>					
Utility Admin.	473,848	475,159	610,114	649,892	693,110
Depreciation	0	0	0	0	0
Equip. Repl transfer	(35,935)	(36,725)	(38,468)	(37,800)	(46,565)
<b>Water Production</b>	<b>3,228,737</b>	<b>3,384,949</b>	<b>3,668,139</b>	<b>3,701,202</b>	<b>3,949,960</b>
Depreciation	0	0	0	0	0
Equip. Repl. Transfer	(77,820)	(85,398)	(78,868)	(77,838)	(78,870)
<b>Wastewater collection</b>	<b>2,629,258</b>	<b>2,605,915</b>	<b>2,667,472</b>	<b>2,592,238</b>	<b>2,643,270</b>
Depreciation	0	0	0	0	0
Equip Repl. Transfer	(152,940)	(162,301)	178,806	(183,463)	(103,580)
<b>Total Operating Expenditures</b>	<b>6,065,148</b>	<b>6,181,599</b>	<b>7,007,195</b>	<b>6,644,231</b>	<b>7,057,325</b>
<b>NET AVAILABLE</b>					
<b>OPERATING REVENUES</b>	<b>\$ 1,967,336</b>	<b>\$ 2,392,515</b>	<b>\$ 2,469,975</b>	<b>\$ 2,881,250</b>	<b>\$ 2,677,956</b>
<b>Debt Service: (Maximum Annual Requirement)</b>					
Principal	\$ 1,230,000	\$ 1,165,000	\$ 1,175,000	\$ 1,200,000	\$ 1,300,000
Interest	408,500	321,875	287,383	326,375	472,050
<b>Maximum debt service Requirements</b>	<b>\$ 1,638,500</b>	<b>\$ 1,486,875</b>	<b>\$ 1,462,383</b>	<b>\$ 1,526,375</b>	<b>\$ 1,772,050</b>
<b>Net Available Revenues per Maximum Debt Service Requirments</b>	<b>\$ 1.20</b>	<b>\$ 1.61</b>	<b>\$ 1.69</b>	<b>\$ 1.89</b>	<b>\$ 1.51</b>
The bond ordinances require that before new revenue bonds can be issued, the net earnings of the system for the last fiscal year, or for any twelve consecutive calendar month period ending not more than 90 days prior to the adoption of the ordinance authorizing the issuance of such additional bonds, were at least 1.25 times the <u>average annual</u>					
<b>Debt Service: (Average Annual Requirements)</b>					
Principal & Interest	\$ 697,008	601,178	649,505	606,722	836,176
<b>Average Debt Service Requirements</b>	<b>\$ 2.82</b>	<b>\$ 3.98</b>	<b>\$ 3.80</b>	<b>\$ 4.75</b>	<b>\$ 3.20</b>

# CAPITAL PROJECTS FUND



LAKE JACKSON

*City of Enchantment*



## GENERAL PROJECT FUND

The General Projects Fund provides for a wide variety of capital projects including occasional large equipment purchases.

The major revenue source for this fund is “year-end transfers” from the General Fund. At the end of each fiscal year actual General Fund revenues and expenditures are compared. If there are excess revenues a portion of these will be transferred to the General Projects Fund. Some will be left in the General Fund to increase the fund balance if necessary.

In some years, we are able to budget in the General Fund a transfer to the General Projects Fund. FY 07-08 was the last time we were able to budget a transfer (\$112,339 was budgeted). Since that time we have relied on “year- end” savings to provide transfers to this fund.

Over the last 19 years this fund has received the following transfers from the General Fund.

FY 99-00	\$678,000	FY 05-06	\$660,000	FY 11-12	\$765,000	FY 17-18	\$0
FY 00-01	700,000	FY 06-07	0	FY12-13	750,000	FY 18-19	\$0
FY 01-02	790,000	FY 07-08	1,912,339	FY13-14	1,000,000		
FY 02-03	325,000	FY 08-09	0	FY14-15	1,000,000		
FY 03-04	370,000	FY 09-10	900,000	FY15-16	1,350,000		
FY 04-05	500,000	FY 10-11	650,000	FY16-17	1,300,000		

### GENERAL PROJECTS FUND

Projects may be submitted for inclusion in the document from multiple sources, including council members, City Staff, Boards and Commission members, and residents. The visioning process has helped to formalize the manner in which these projects are reviewed and funded.

#### Vision Process

In 2006 under the Vision element “Maintain Infrastructure”, City Council set a goal to reorganize the CIP document to better prioritize projects. To accomplish this a standalone CIP workshop date is included as part of annual budget calendar.

## GENERAL PROJECT FUND

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This year Council held its 12th annual workshop. Working with staff, City Council rated and prioritized projects. The ability to accomplish these projects in the established time frame is based strictly on available funding. Often times a project of greater importance and urgency will arise and one of more projects of less importance and urgency will be pushed back. Priorities established by City Council for FY 18-19 are listed below:

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Northwood Drainage Improvements	\$ 81,000
School Zone Communication Upgrade	80,000
Slope Paving	70,000
Oyster Bend Bridge (Final of 5 Payments)	70,000
Replace Fire Bunker Gear & Air Packs	65,000
New A/C for IT/911 Equipment Room	50,000
Buxton Retail Market Study	50,000
Transit	75,000
Records Scanning	50,000
HVAC Replacements	45,000
Stream Monitoring Stations	40,000
Sidewalks / ADA Ramps	35,000
Demo Condemned Buildings (Annual)	20,000
Traffic Preemptive System Priority Control	22,000
Old Angleton Road Drainage Pad	<u>10,000</u>
	\$ 763,000

### IMPACT ON OPERATING BUDGET

While some of these projects may have minor impacts on the operating budget, the primary impact on the year-to-year operating budget is the existence of this fund. Because staff is aware budget savings in the general operating fund are transferred here to fund projects in the next fiscal year, they are encouraged to save money with the idea one or more of their sought after projects will be approved in the next fiscal year. Additionally the budget staff does not have to attempt to predict what air conditioners (for example) will go out in what department and budget for that occurrence. By eliminating the need to budget for these non-reoccurring expenditures in the departmental operating budgets wide swings in the department's year to year budget are minimized. In turn this makes it easier for City Council to see and analyze year to year departmental budget changes.

Also, the use of these funds allows us to do small to mid-sized projects on a cash basis. We then use our debt process to do the larger more complex projects as are approved by the voters from time to time. Each approved project is further explained on the project detail pages included in this section. Operating impacts of the specific project, the majority of which are minor, are included here.

# GENERAL PROJECT FUND ANTICIPATED CASH FLOW

<b>RESOURCES</b>	<b>ACTUAL 2014 - 15</b>	<b>ACTUAL 2015 - 16</b>	<b>ACTUAL 2016-17</b>	<b>ESTIMATED 2017-18</b>	<b>PROPOSED 2018-19</b>
<b>Fund Balance</b>	<b>\$ 1,903,546</b>	<b>\$ 2,185,721</b>	<b>\$ 2,044,549</b>	<b>\$ 2,644,777</b>	<b>\$ 1,440,880</b>
<b>Revenues</b>					
Special Assessment Fees	2,323	900	2,931	100	
Radio Grant		125,000			
Reimbursement - dow	159,303				
Interest Income	2,652	4,153	7,900	3,000	5,000
Reimbursement - SECO Grant					
Keep America Beautiful - Recycle Program	0	0	0	20,000	
CDBG Grant	103,172				
Contributions-Traffic Signal Control Equip		24,268			
FEMA-Golf Course Flood Damage		120,263	77,558		
Roof Claim - Loss April 2015		340,173	240,105		
Proceeds from Asset Disposal					
Transfer from General Fund	1,000,000	1,350,000	1,300,000	0	
Transfer from Utility Fund				450,000	
<b>Total Revenues</b>	<b>1,267,450</b>	<b>1,964,758</b>	<b>1,628,494</b>	<b>473,100</b>	<b>5,000</b>
<b>Total Resources</b>	<b>\$ 3,170,996</b>	<b>\$ 4,150,479</b>	<b>\$ 3,673,042</b>	<b>\$ 3,117,877</b>	<b>\$ 1,445,880</b>
<b>EXPENDITURES</b>	<b>ACTUAL 2014 - 15</b>	<b>ACTUAL 2015 - 16</b>	<b>ACTUAL 2016-17</b>	<b>ESTIMATED 2017-18</b>	<b>PROPOSED 2018-19</b>
<b>Previously Approved Projects</b>	<b>\$ 985,275</b>	<b>\$ 2,105,930</b>	<b>\$ 1,028,265</b>	<b>\$ 1,676,997</b>	
<b>Additional Proposed Projects</b>					763,000
<b>Total Expenditures</b>	<b>985,275</b>	<b>2,105,930</b>	<b>1,028,265</b>	<b>1,676,997</b>	<b>763,000</b>
<b>Ending Fund Balance</b>	<b>\$ 2,185,721</b>	<b>\$ 2,044,549</b>	<b>\$ 2,644,777</b>	<b>\$ 1,440,880</b>	<b>\$ 682,880</b>

# GENERAL PROJECT FUND PROJECT HISTORY

## EXPENDITURES

	BUDGET								
	YEAR APPROVED	PROJECT BUDGET	PRIOR YEARS	ACTUAL 2014-15	ACTUAL 2015-16	ACTUAL 2016-17	PROJECTED 2017-18	PROPOSED 2018-19	PROJECT TOTALS
<b>Completed Projects</b>									
Aerway Fairway Aerifier	14-15	15,000		11,886					11,886
Backhoe Purchase-Golf	15-16	55,000			60,000				60,000
BRA Flood Study	16-17	25,000				13,749	11,251		25,000
Buxton Retail Market Study	17-18	110,000					60,000	50,000	110,000
Demo of Condemned Bldgs	15-18	80,000			7,850		20,000	20,000	47,850
Fire Hose Replacement	16-17	25,000					25,000		25,000
Floodplain - FEMA		103,308	30,291	59,193					89,484
Lake Jackson Market Study	15-16	20,000			20,000				20,000
Master Plan	13-16	403,679	28,292	89,737	104,356				222,385
New Quint 77' ladder truck	16-17	553,000				510,837			510,837
Oyster Creek Maintenance		5,500	(1,750)	1,750					-
Paralympic Sports Chairs	14-15			19,440					19,440
Parks & Rec Masterplan	15-16	75,000			77,819	1,719			79,539
Records Scanning	17-18	100,000					50,000	50,000	100,000
Replace Fire bunker Gear and Air Packs	14-19	360,000		60,059	86,805	50,996	65,000	65,000	327,860
Replace Radios-Law Enforcement	15-16	500,000			498,382				498,382
Share of CR 223 Project	15-16	50,000			50,000				50,000
Traffic Preemptive System/Priority Control	15-19	91,000			48,535		20,000	22,000	90,535
Transit	09-18	585,000	231,494	49,952	49,952	49,952	60,000	75,000	516,350
Utility Rate Study	14-15	40,000		39,950					39,950
School recycling	17-18	20,000					20,000		20,000
Water Fountains	14-15			9,038					9,038
<b><u>FACILITIES:</u></b>									
A/C Repl Animal Shelter	12-13	40,000	49,743						49,743
Air Conditioning Replacements	97 - 19	440,000	183,998	25,000	43,189	48,401	45,000	45,000	390,588
A/C IT/911 Equipment room	18-19	50,000						50,000	50,000
Animal Shelter Repairs	13-14	36,000	24,856						24,856
Animal Shelter Trailer	16-17	50,000					56,000		56,000
Artificial Range Tee - FEMA	15-16	20,000					20,000		20,000
Bunker Renovation Program	07-15	105,000	66,547	34,837					101,384
Bunker Repairs - FEMA	15-16	79,583			79,582				79,582
City Hall Remodel Office Space-IT	17-18	25,000					25,000		25,000
Civic Center Carpet	14-18	120,000		41,125			68,000		109,125
CNG Public Access	14-16	125,000		0	37,094				37,094
Dog Park-Plan Development	15-17	60,000			14,791	38,594	6,615		60,000
Facility Master Plan	17-18	35,000					35,000		35,000
Fire Station 1 Exterior Painting	16-17	20,000				16,551			16,551
GIS Protocols for Developers	07-16	74,480	25,520	0	0				25,520
Golf Course Misc - FEMA	15-16	12,000				9,427	3,400		12,827
Jasmine Hall Repairs	17-18	15,000					10,235		10,235
Move antennae from hospital	14-15	20,000		15,573					15,573
Museum Elevator Repair	14-15	13,300		13,286					13,286
Repair Museum Facing	17-18	65,000					83,650		83,650
Police Station Flat Roof	14-15	135,000		133,964					133,964
Pump Replacement - FEMA	15-16	6,600			6,565				6,565
Range Ball Dispensing Machine	11-12	5,595	5,195						5,195
Rec Center Gym Curtain	14-15	15,000		18,250					18,250
Rec Center Roof Repair	14-15	7,000		6,900					6,900
Remodel Council Chambers	14-16	40,700		10,354	31,401				41,754
Repl A/C golf Course	14-15	10,000		8,262					8,262
Roof Repairs - 5 Buildings	15-16	580,795			581,895				581,895
<b><u>PAVING:</u></b>									
Medical Drive paving	14-15	150,000		153,483					153,483
Old Angleton Rd Repairs	12-13	250,000	197,736						197,736
Oak Drive South at Sportsplex	17-18	190,000					190,000		190,000
Oyster Bend Bridge	14-19	350,000		70,000	70,000	70,000	70,000	70,000	350,000
Pedes. Crossing Imp - Equip Only	14-15			74,695					74,695
Pedestrian Crossing installation	14-16	66,000		17,860		15,225			33,085
Plantation Dr Transition	14-16	238,000			190,869				190,869
Sidewalks / ADA Ramps	96 - 19	1,079,800	860,155			47,329	62,671	35,000	1,005,155
School Zone Communicatio upgrade	18-19	80,000						80,000	80,000
Walnut St Cushions	15-16	15,000			11,505				11,505
<b><u>DRAINAGE PROJECTS:</u></b>									
Culvert @ Circle & Azalea	14-15			20,683					20,683
East Side Drainage Study	15-18	600,000			20,114	170,710	409,175		599,999
Bastrop Bayou Drainage Study	17-18	140,000					140,000		140,000
Magnolia Ditch Lining	14-16	40,000							-
Northwood Drainage Project	18-19	81,000						81,000	81,000
Old Angleton Pad site	18-19	10,000						10,000	10,000
Pecan Lake Ditch Lining	14-16	71,500					25,000		25,000
Jackson Oaks II drainage proj	17-18						60,000		60,000
Slope Paving	18-19	70,000						70,000	70,000
Stream Monitoring	18-19	40,000						40,000	40,000
River Oaks Outfall	17-18	35,000					36,000		36,000
		<b>\$ 8,928,840</b>	<b>\$ 1,702,077</b>	<b>\$ 985,275</b>	<b>\$ 2,105,930</b>	<b>\$ 1,028,265</b>	<b>\$ 1,676,997</b>	<b>\$ 763,000</b>	<b>\$ 8,261,545</b>

## GENERAL PROJECT FUND CAPITAL IMPROVEMENT PLAN

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This plan is designed to set Capital Project priorities for the future. This plan includes projects that may be funded from several sources, including bond issues.

As part of the annual budget process and the visioning process, City Council and City Staff, discuss projects appearing on the plan. At this meeting priorities and estimated costs are reassessed and new projects are discussed and added to the plan.

To help everyone understand the details of each particular project in the plan, a Capital Improvement Plan book was created. This book has several pages dedicated to each project. It gives a full description of the project, details on estimated cost, who proposed the project and why.

Citizen input is received throughout the year and requested projects are considered during goal setting and budget preparation. Citizens are also given an opportunity to provide their input at all budget workshops and hearings.

After all goal setting, capital projects, budget workshops, and public hearings, the Capital Improvement Plan is adopted as part of the annual budget.

# GENERAL PROJECT FUND CAPITAL IMPROVEMENT PLAN

## General Projects Fund

Proj No.	Description	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Future
<a href="#">121</a>	SD Phase 4 Downtown & Complete S. Parking Place	GO \$ 9,000,000				
<a href="#">1806</a>	DR Northwood Drainage Improvements	GP \$ 81,000				
<a href="#">1804</a>	SR School Zone Communication Upgrade	GP \$ 80,000				
<a href="#">1</a>	OT Transit Annually	GP \$ 75,000	GP \$ 110,000	GP \$ 155,000		
<a href="#">117</a>	SR Oyster Bend S/D Bridge Share	GP \$ 70,000				
<a href="#">1602</a>	DR Slope Paving	GP \$ 70,000	GP \$ 70,000	GP \$ 70,000	GP \$ 70,000	GP \$ 70,000
<a href="#">230</a>	F Replace Fire Bunker Gear & Air Packs	GP \$ 65,000	GP \$ 38,000	GP \$ 38,000		GP \$ 38,000
<a href="#">1702</a>	OT Buxton Retail Market Study	GP \$ 50,000	GP \$ 50,000			
<a href="#">1607</a>	F Records Scanning	GP \$ 50,000	GP \$ 50,000			
<a href="#">1801</a>	F New AC for IT/911 Equipment Room	GP \$ 50,000				
<a href="#">15</a>	F Air Conditioning Replacement	GP \$ 45,000	GP \$ 45,000	GP \$ 45,000		GP \$ 45,000
<a href="#">1808</a>	DR Stream Monitoring Stations	GP \$ 40,000	GP \$ 40,000	GP \$ 25,000	GP \$ 40,000	GP \$ 25,000
<a href="#">2</a>	PED Annual Sidewalk Repairs	GP \$ 35,000	GP \$ 35,000	GP \$ 35,000	\$ 35,000	GP \$ 35,000
<a href="#">42</a>	SC Traffic Signal Priority Control	GP \$ 22,000	GP \$ 22,000	GP \$ 22,000		GP \$ 100,000
<a href="#">2</a>	OT Demo of Condemned Buildings Annual	GP \$ 20,000	GP \$ 20,000	GP \$ 20,000	GP \$ 20,000	
<a href="#">1807</a>	DR Old Angleton Drainage Pad	GP \$ 10,000				
<a href="#">252</a>	FP Dog Park	ST \$ 380,000				
<a href="#">147</a>	FG Lake Dredging	ST \$ 65,000	ST \$ 75,000			
<a href="#">238</a>	FP New Skate Park at MacLean / Repairs	ST \$ 50,000	ST \$ 425,000			
<a href="#">1803</a>	FG ConVault Fuel Containment System	ST \$ 40,000				
<a href="#">1707</a>	FG Wet Well Repairs for Recharging Irrigation	ST \$ 25,000	ST \$ 25,000			
<a href="#">248</a>	F New Pumper Fire Truck		GP \$ 381,500	GP \$ 381,500		
<a href="#">98</a>	SR Willenberg Asphalt Overlay		GP \$ 85,000			
<a href="#">1701</a>	F Civic Center Fountain Repair		GP \$ 70,000			
<a href="#">12</a>	PED Lake Rd. Sidewalk (FM 2004 to Target Driveway)		GP \$ 35,000			
<a href="#">203</a>	F Fire Station No. 1 Rear Drive		GP \$ 35,000			
<a href="#">1606</a>	F Library Carpet & Meeting Room Tile		GP \$ 30,000	GP \$ 150,000		
<a href="#">176</a>	F Fire Station Security Camera Upgrade		GP \$ 30,000			
<a href="#">1708</a>	F Civic Center Interior Painting		GP \$ 24,000			
<a href="#">1611</a>	F Library Front Entry Tile		GP \$ 22,000			
<a href="#">1802</a>	F Replace Fire Station No. 1 Carpet		GP \$ 20,000			
<a href="#">1704</a>	F Jasmine Hall Repairs		GP \$ 16,000			
<a href="#">1604</a>	F Facility Master Plan		GP \$ 16,000		GP \$ 16,000	
<a href="#">102</a>	F Fire Station Storage Room		GP \$ 15,000			
<a href="#">1628</a>	FP Recreation Center Renovation		ST \$ 350,000	ST \$ 375,000	ST \$ 90,000	ST \$ 330,000
<a href="#">1629</a>	FP MacLean Park Improvements		ST \$ 300,000			ST \$ 3,560,000
<a href="#">115</a>	FP Dunbar Pavillion Restrooms		ST \$ 275,000			
<a href="#">122</a>	FP Jasmine Park Renovation		ST \$ 220,000			ST \$ 440,000
<a href="#">1709</a>	FP Canoe / Kayak Launch - College		ST \$ 74,000			
<a href="#">245</a>	FG Misc Repairs at Golf Course		ST \$ 60,000	ST \$ 44,000		ST \$ 50,000
<a href="#">1633</a>	FP Madge Griffith Park Renovation		ST \$ 60,000			ST \$ 5,252,000
<a href="#">1810</a>	PED Strawberry-Timbercreek Sidewalk					GP \$ 32,000
<a href="#">12</a>	F City Hall Expansion			GO \$ 6,300,000		
<a href="#">253</a>	F New Animal Shelter			GO \$ 3,000,000		
<a href="#">102</a>	SC Plantation Spur			GP \$ 140,000		
<a href="#">55</a>	F Large Truck Wash Down Area			GP \$ 110,000		
<a href="#">43</a>	SC Plantation Drive Curb Replacement			GP \$ 100,000		
<a href="#">234</a>	FP Garland Park Renovation			ST \$ 330,000		

# GENERAL PROJECT FUND CAPITAL IMPROVEMENT PLAN

## General Projects Fund

Proj No.	Description	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Future
262	FP Lighting & Benches - Gardner Campbell Trail			ST \$ 185,000		
105	FG De-Watering Pump			ST \$ 65,000		
78	FG Bunker Renovation Semi -Annual			ST \$ 40,000		
1623	FP Timbercreek Park Fencing & Playground			ST \$ 10,000	ST \$ 200,000	
115	FP Dunbar Pavillion Restroom			ST \$ 275,000		
91	SD Circle Way Downtown				GO \$ 7,100,000	
122	SC Oyster Creek Drive				GO \$ 5,500,000	
2	SD Parking Way Center Downtown				GO \$ 5,270,000	
124	SR North Yaupon				GO \$ 5,200,000	
12	SR S. Hollow Subdivision - Concrete				GO \$ 5,100,000	
125	SR Sycamore				GO \$ 4,900,000	
127	SR Moss - Chestnut				GO \$ 4,500,000	
123	SC Lake Road				GO \$ 4,200,000	
101	F Fire Station #3				GO \$ 4,100,000	
1632	FP Recreation Center Expansion				GO \$ 4,025,000	
83	SD West Way Downtown				GO \$ 3,700,000	
103	SC This Way - FM 2004 to Lake Road				GO \$ 2,500,000	
72	SC Plantation - Sycamore to 332 Turnout 4 Lane				GO \$ 2,100,000	
13B	SR Southern Oaks - North of Willow Drive				GO \$ 2,000,000	
13A	SR Southern Oaks - South of Willow Drive				GO \$ 1,900,000	
126	SR Huisache/Pecan - Holly to Oak Drive				GO \$ 1,900,000	
94	SC Plantation Drive - Sycamore to Dixie				GO \$ 1,800,000	
105	SC This Way - Lake Road to SH 332				GO \$ 1,200,000	
13	DR Flag Lake Drainage				GO \$ 1,150,000	
7	SR Willenberg Paving				GO \$ 1,100,000	
22	PED SH 332 Sidewalks (SH 288 to Dixie Dr.)				GO \$ 1,000,000	
28	F Service Center Expansion				GO \$ 900,000	
73	SC Medical Dr. - Sea Center to Canna 2 - Lane				GO \$ 900,000	
38	SR Pin Oak				GO \$ 800,000	
45	SR Forest Oaks Lane				GO \$ 800,000	
23	DR Lake Sealy/Lake Jackson Outfall Ditch				GO \$ 650,000	
17	PED Connect Dow Centennial Trail to Wilderness				GO \$ 600,000	
39	SR North Shady Oaks				GO \$ 600,000	
6	SR Balsam				GO \$ 300,000	
81	SC Plantation - Plantation Ct. to SH 332 Turnout				GO \$ 250,000	
24	SR Chestnut Extension				GO \$ 210,000	
40	DR Sycamore and Ditch 9 Crossing				GO \$ 120,000	
116	SR Asphalt Street Overlay Program				GP \$ 1,010,000	
1624	SC Failed Panel Replacement Program				GP \$ 860,000	
1625	SC 300 Block of Oak Drive South Repairs				GP \$ 225,000	
100	SC Plantation/Garland Traffic Signal				GP \$ 200,000	
1710	SC Right Turn Lane OCD at SH 288				GP \$ 200,000	
4	OT GIS - Water & Sewer Phase				GP \$ 180,000	
57	F Vehicle Canopy at Service Center				GP \$ 150,000	
1805	SC Willow Drive Left Turn Lane at Old Angleton Road				GP \$ 90,000	
183	F Service Center Yard Expansion				GP \$ 35,000	
226	F Sign Shop Improvements				GP \$ 35,000	
15	PED OM Roberts Plantation Sidewalk				GP \$ 30,000	

# GENERAL PROJECT FUND CAPITAL IMPROVEMENT PLAN

## General Projects Fund

Proj No.	Description	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Future
66	SC OCD Median Restoration				GP	\$ 30,000
115	SR Old Angleton Road Marigold Turn Lane Extension				GP	\$ 30,000
16	PED LJ Manor Walk - Garland/Plantation				GP	\$ 20,000
19	PED Dow Centennial Trail Expansion				ST	\$ 590,000
79	FG Driving Range Expansion				ST	\$ 470,000
20	PED Complete Mall to College Trail				ST	\$ 470,000
167	FP Replace Lighting with LED at Suggs Park				ST	\$ 320,000
21	PED MacLean Sidewalk Replacement				ST	\$ 140,000
148	FG Additional Parking Paving				ST	\$ 120,000
18	PED Jasmine Pocket Park Trail				ST	\$ 120,000
165	FP New Concession at Suggs Field				ST	\$ 110,000
157	FP Boat Ramp / Pier at Wilderness Park				ST	\$ 90,000
1622	FP Suggs Park - Bleacher Replacement				ST	\$ 30,000

DEBT ISSUANCE TIMELINE	FY 18-19	FY 19-20	FY 20-21	Future
FUNDING SOURCE GO	\$ 9,000,000		\$ 6,250,000	\$ 18,750,000
FUNDING SOURCE GP	\$ 791,900	\$ 1,000,000	\$ 1,000,000	
FUNDING SOURCE ST		\$ 1,000,000	\$ 1,000,000	\$ 6,000,000
General Project Fund	GP \$ <b>763,000</b>	GP \$ 1,259,500	GP \$ 1,291,500	GP \$ 3,440,000
General Obligation Funds	GO \$ <b>9,000,000</b>	GO \$ -	GO \$ 9,300,000	GO \$ 76,375,000
Certificates of Obligation	CO \$ -	CO \$ -	CO \$ -	CO \$ -
Economic Development (Half Cent Sales Tax)	ST \$ 560,000	ST \$ 1,864,000	ST \$ 1,324,000	ST \$ 12,292,000
Other	OT \$ -	OT \$ -	OT \$ -	OT \$ -
<b>Total Project Costs</b>	<b>\$ 10,323,000</b>	<b>\$ 3,123,500</b>	<b>\$ 11,915,500</b>	<b>\$ 92,107,000</b>

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>121 SD</b>	<b>Downtown Phase 4</b>	<b>GO</b>
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<b>Project Type</b>	Streets
<b>Strategic Plan</b>	Enable Growth

	Prior Year	Projected				Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	
Design	600,000	500,000				1,100,000
Construct		8,500,000				8,500,000
Other	300,000					300,000

**Description :**  
 Package of downtown streets consisting of the following:  
 That Way 4,300,000  
 Circle Way 3,000,000  
 North Parking Place 2,300,000  
 Complete S. Parking PI 300,000



<b>Estimated Project Cost:</b>		<u>Original</u>	<u>Revised</u>
Design			1,100,000
Construct			8,500,000
Other			0
<b>Total</b>		<u>0</u>	<u>9,600,000</u>

Base CCI	222.8	Increase	1.24
Current CCI	277.35		

**Assigned:** Assistant City Manager

**Funding:** General Obligation Bond

**Justification**

<b>Supplemental Information:</b>		<u>FY 09-10</u>		<u>Revised</u>	
Construction	2,525	\$ 2,140.00	\$ 5,403,500	\$ 6,730,000	\$ 7,770,000
Construction Admin	24	\$ 12,500.00	\$ 270,000	\$ 300,000	
Construction Oversight	24	\$ 25,000.00	\$ 250,000	\$ 600,000	
Materials Testing	2.00%		\$ 108,070	\$ 140,000	
Survey	0.50%		\$ 27,018	\$ 40,000	
Contingency	10.00%		\$ 540,350	\$ 680,000	
Bid Phase Advertisement	1.00%		\$ 54,035	\$ 70,000	
Engineering	15.00%		\$ 810,525	\$ 1,010,000	
			\$ 7,463,498	\$ 9,600,000	

**Impact of capital investment on operating budget:** \$30,000

**Estimated Useful Life of Capital Investment:** 35 Years

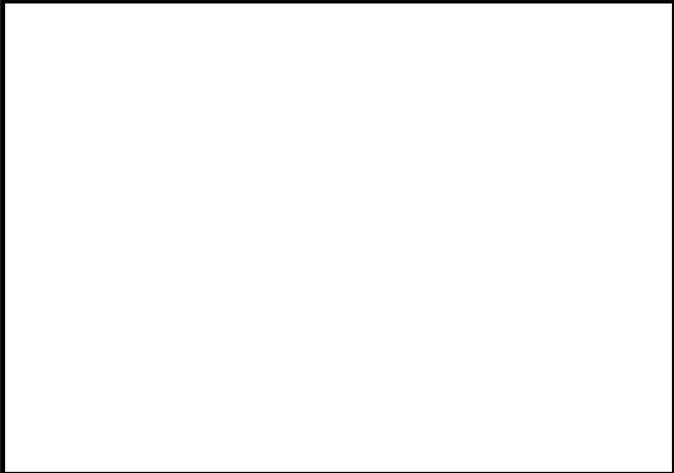
# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1806 DR</b>	<b>Northwood Drainage Improvements</b>	<b>GP</b>
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<b>Project Type</b>	Drainage
<b>Strategic Plan</b>	Enhance Quality of Life

Financial Plan							
	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Debt	No						
Design	0						
Construct	0	81,000					81,000
Other	0						

**Description :**  
 Proposed flood protection berm for existing Northwood development. Construct 1,500 lf of 12' top x 24' bottom x 2' high compacted earthen clay trapezoidal berm to Elevation 18. Length of run to extend from north limits of developed section 2 and around the northern rim of the Northwood detention lake to the north limit of developed section 3. Install additional flow check valve controlled discharge pipe at the current lake cut with emergency pump station pad at location.



<b>Estimated Project Cost:</b>	<u>Original</u>	<u>Revised</u>
Design		0
Construct	81,000	81,000
Other		<u>0</u>
<b>Total</b>	<u>81,000</u>	<u>81,000</u>

Base CCI	278.67	Increase	1.00
Current CCI	278.67		

**Assigned:** City Engineer

**Funding:** General Projects Fund

**Justification**

**Supplemental Information:**

<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Subtotal</u>
Clear & Grub 24' wide (lf)	1,500	5	7,500
Clay fill embankment (cy)	3,400	13	44,200
24" pipe (lf)	40	100	4,000
24" duckbill valve	1	12,000	12,000
mobilization	1	5,000	5,000
contingency	1	8,000	<u>8,000</u>
			\$ 81,000

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 30 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1804 SR</b>	<b>School Zone Communication Upgrade</b>	<b>ST</b>
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<b>Project Type</b>	Streets
<b>Strategic Plan</b>	Maintain Infrastructure

Financial Plan							
	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Debt	No						
Design	0						
Construct	0	80,000					
Other	0						

**Description :**  
 Upgrade existing school zone communication with the latest version of our system. The upgrade will entail replacing antenna system with cell modem technology. Upgrade to DC Guardian Board with wiring harness and large panel, includes a five year plan with Modem. Control Center will be a Google Map system on a touch screen at locations. This is a 41 Unit system covering 11 separate zones.



<b>Estimated Project Cost:</b>	<b>Original</b>	<b>Revised</b>
Design		0
Construct	80,000	80,000
Other		<u>0</u>
<b>Total</b>	<u>80,000</u>	<u>80,000</u>

Base CCI	278.67	Increase	1.00
Current CCI	278.67		

**Assigned:** Public Works Director

**Funding:** General Projects Fund

**Justification**  
 The School Zone communication system has not been upgraded since it's initial installation. This is an upgrade to an existing system not a replacement.

**Supplemental Information:**

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 10 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1 OT</b>	<b>Transit Annually</b>	<b>GP</b>
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<b>Project Type</b>	Other
<b>Strategic Plan</b>	Enhance Quality of Life

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design							
Construct	0						
Other	260,000	75,000	110,000	155,000	155,000	155,000	910,000

**Description :**  
 Annual transit share for fixed bus route service in city. Service is provided by Connect Transit and is primarily funded by Federal Transportation grant dollars allotted to our region. The fixed route links the cities of Angleton, Lake Jackson, Clute and Freeport and provides services to key areas such as hospitals, county offices, college and shopping centers. Staff recommends expanding service in FY 2018 to include bi-directional service to the fixed routes. The increase in the first year represents 9 months of expanded service.



<b>Estimated Project Cost:</b>	<u>Original</u>	<u>Revised</u>
Design		0
Construct		0
Other	50,000	<b>50,000</b>
<b>Total</b>	50,000	<b>50,000</b>

Base CCI	278.67	Increase
Current CCI	278.67	

**Assigned:** City Manager

**Funding:** General Projects Fund

**Justification**

**Supplemental Information:**

Impact of capital investment on operating budget: N/A

Estimated Useful Life of Capital Investment: N/A

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>117 SR</b>	<b>Oyster Bend S/D Bridge</b>	<b>GP</b>
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<b>Project Type</b>	Streets
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Year	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct	280,000	70,000					350,000
Other	0						

**Description :**

This is the City's commitment to fund 50% of the bridge cost to the Oyster Bend Subdivision through the CIP beginning in FY 2015. Our funding commitment is \$70,000 annually for five years (last year FY 18-19). The remaining bridge cost will be reimbursed through the 380 Agreement and the sharing of increased tax revenue for the subdivision.



<b>Estimated Project Cost:</b>	<u>Original</u>	<u>Revised</u>
Design		0
Construct	70,000	70,000
Other		0
<b>Total</b>	<u>70,000</u>	<u>70,000</u>

Base CCI	249.5	Increase	1.00
Current CCI	249.5		
Submitted	2014		

**Assigned:** Assistant City Manager

**Funding:** General Projects Fund

**Justification**

**Supplemental Information:**

Years 1 - 4 paid.

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 50 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1602 DR</b>	<b>Slope Paving</b>	<b>GP</b>
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<b>Project Type</b>	Drainage
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						0
Construct	0	70,000	70,000	70,000	70,000	70,000	350,000
Other	0						0

**Description :**  
 The proposed project will pave ditches throuout the City to improve drainage.



<b>Estimated Project Cost:</b>	<u>Original</u>	<u>Revised</u>
Design	-	0
Construct	70,000	76,000
Other	-	0
<b>Total</b>	<b>0</b>	<b>76,000</b>

Base CCI	259.7	Increase	1.07
Current CCI	278.67		

**Assigned:** Public Works Director

**Funding:** General Projects Fund

**Justification**

**Supplemental Information:**

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 30 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>230 F</b>	<b>Replace Fire Bunker Gear &amp; Air Packs</b>	<b>GP</b>
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<b>Project Type</b>	Other
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct	0						
Other	230,000	65,000	65,000	38,000	38,000	38,000	474,000

**Description :**  
 Replace aging personal protective equipment which includes fire bunker gear and air packs. Propose to replace 10 bunker gear and 5 air packs each year.



<b>Estimated Project Cost:</b>	<u>Original</u>	<u>Revised</u>
Design	0	0
Construct	0	0
Other	475,000	<b>540,000</b>
<b>Total</b>	<b>475,000</b>	<b>540,000</b>

Base CCI	249.5	Increase	1.12
Current CCI	278.67		
Submit Date	2014		

**Assigned:** Fire Marshal

**Funding:** General Projects Fund

**Justification**

**Supplemental Information:**

Fire Bunker Gear (50) at \$2,500 ea.; Air Packs (50) at \$7,000 ea.

**Impact of capital investment on operating budget:**

No Impact

**Estimated Useful Life of Capital Investment:**

Bunker Gear 10 Years / Air Packs 12 - 15 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1702 OT</b>	<b>Buxton Retail Market Study</b>	<b>GP</b>
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<b>Project Type</b>	Other
<b>Strategic Plan</b>	Enable Growth

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct	0						
Other	60,000	50,000	50,000				

**Description :**  
 Retail market study consisting of the following steps: define our current retail situation; evaluate our local trade area; profile our trade area's residential and visitor customers; match retailers and restaurants to our market's potential; ; create marketing packages. Year 2 and Year 3 deliverables include a Retail Recruitment model refresh, up to twenty (20) retail marketing packages, and full SCOUT and SCOUT Touch Access.



<b>Estimated Project Cost:</b>	<u>Original</u>	<u>Revised</u>
Design		0
Construct		0
Other	160,000	<b>160,000</b>
<b>Total</b>	<u>160,000</u>	<u>160,000</u>

Base CCI	278.67	Increase	1.00
Current CCI	278.67		

**Assigned:** City Manager

**Funding:** General Projects Fund

**Justification**  
 Recommended by the Lake Jackson Development Corporation.

**Supplemental Information:**  
 Buxton will assemble individualized marketing packages for up to twenty (20) targeted retailers and will notify each retailer's key real estate decision maker, by letter that they have been qualified by Buxton as a potential viable fit for your site and should expect to be contacted by a representative of the city. Marketing packages will be delivered in SCOUT and include: 1) Map of the retail site and trade area; 2) Map of retailer's potential customers; 3) Retailer match report that compares the site's trade area characteristics and consumer profile with the retailer's sites in similar trade areas.

**Impact of capital investment on operating budget:** N/A

**Estimated Useful Life of Capital Investment:** N/A

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1607 F</b>	<b>Records Scanning</b>	<b>GP</b>
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<b>Project Type</b>	Other
<b>Strategic Plan</b>	Well Managed City

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct	0						
Other	50,000	50,000	50,000				

**Description :**  
 Scan all engineering paper files for permanent records, approximately 203,000 pages; scan all inactive personnel files for permanent records, approximately 130,000 pages; and scan all permit files for permanent records, approximately 107,000 pages.



<b>Estimated Project Cost:</b>	<b>Original</b>	<b>Revised</b>
Design		0
Construct	-	0
Other	135,000	<b>145,000</b>
<b>Total</b>	<b>135,000</b>	<b>145,000</b>

Base CCI	259.7	Increase	1.07
Current CCI	278.67		

**Assigned:** City Secretary

**Funding:** General Projects Fund

**Justification**  
 There are over 70 years of construction files, permit files and personnel files. The filing cabinets have overflowed and the data needs to be moved to another location. The scanning of these permanent files would preserve them digitally and make them readily accessible. The hard copies would then be stored off-site.

**Supplemental Information:**

	<u>Scanning</u>	<u>Indexing</u>	<u>Large Files</u>	<u>Pages</u>	<u>Cost</u>
Engineering	25,000		25,000	203,000	\$50,000
Personnel	10,000			130,000	\$10,000
Permits	13,000	62,000		107,000	<u>\$75,000</u>
					\$135,000

**Impact of capital investment on operating budget:** N/A

**Estimated Useful Life of Capital Investment:** N/A

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1801 F</b>	<b>New AC for IT/911 Equipment Room</b>	<b>GP</b>
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<b>Project Type</b>	Facility						
<b>Strategic Plan</b>	Maintain Infrastructure						
<b>Financial Plan</b>							
	<b>Prior Years</b>	<b>Projected</b>					
		<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>Total</b>
Debt	No						
Design	0						
Construct	0	50,000					50,000
Other	0						

**Description :**  
 Replace (2) 2-ton with (2) 6-ton AC units for upgrading air conditioning for PD/City/EOC IT-Equipment room. When it gets hot we cannot keep the room below 68 degrees, it may stay at 82 degrees during the summer. The two 2-ton ac's would remain as backup.



<b>Estimated Project Cost:</b>	<b>Original</b>	<b>Revised</b>
Design		0
Construct	41,000	41,000
Other	9,000	<b>9,000</b>
<b>Total</b>	<b>50,000</b>	<b>50,000</b>
Base CCI	278.67	Increase
Current CCI	278.67	1.00

**Assigned:** Police Chief

**Funding:** General Projects Fund

**Justification**  
 With the addition of police and city servers/network equipment, and the expansion of the radio system in 2015 and the UPS devices needed to support this equipment, the air conditioning capacity of the PD 911 room has been overtaxed, and is no longer able to keep the space at recommended temperature. Note that the air conditioning in the room was spec'ed for radio/911/EOC equipment that was installed in 2010, and was originally purchased via grant funding.

**Supplemental Information:**  
 This installation could also be funded as an IT project, but was placed in Capital due to cost.

**Impact of capital investment on operating budget:** \$1,500

**Estimated Useful Life of Capital Investment:** 10 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>15 F</b>	<b>Air Conditioning Replacement</b>	<b>GP</b>
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<b>Project Type</b>	Facility
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Year	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct	122,000	45,000	45,000	45,000	45,000	45,000	347,000
Other	0						

**Description :**

The City has historically replaced two to three units per year. This past fiscal year repairs were made to units over City Hall.



<b>Estimated Project Cost:</b>		<b>Original</b>	<b>Revised</b>
Design			
Construct		45,000	50,000
Other			
<b>Total</b>		<u>45,000</u>	<u>50,000</u>

Base CCI	259.7	Increase	1.07
Current CCI	278.67		

**Assigned:** Assistant City Manager

**Funding:** General Projects Fund

**Justification**

**Supplemental Information:**

Impact of capital investment on operating budget: N/A

Estimated Useful Life of Capital Investment: 10 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1808 DR</b>	<b>Stream Monitoring Stations</b>	<b>GP</b>
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<b>Project Type</b>	Drainage						
<b>Strategic Plan</b>	Enhance Quality of Life						
<b>Financial Plan</b>							
	<b>Prior Years</b>	<b>Projected</b>					<b>Total</b>
		<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	
Debt	No						
Design	0						
Construct	0	40,000	40,000	25,000	40,000	25,000	
Other	0						

**Description :**  
Install stream monitoring stations to gauge water levels at 5 separate locations along Bastrop Bayou and Oyster Creek.



<b>Estimated Project Cost:</b>	<u>Original</u>	<u>Revised</u>
Design	0	0
Construct	0	0
Other	0	0
<b>Total</b>	0	0

Base CCI	278.67	Increase	1.00
Current CCI	278.67		

**Assigned:** City Engineer

**Funding:** General Projects Fund

**Justification**  
Provide accurate and timely stream information during a storm event and information that can be used in future study of flood mitigation projects in the norther portion of the City.

**Supplemental Information:**

Water Level & Flow Monitoring Station	Bastrop Bayou	@	CR 288	\$ 40,000
Water Level & Flow Monitoring Station	Oyster Creek	@	CR 288	\$ 40,000
Water Level Monitoring Station	Bastrop Bayou	@	SH 288	\$ 25,000
Water Level & Flow Monitoring Station	Brazos River	@	FM 2004	\$ 40,000
Water Level Monitoring Station	Oyster Creek	@	FM 2004	\$ 25,000
				\$ 170,000

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 20 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>2 PED</b>	<b>Annual Sidewalk Repairs</b>	<b>GP</b>
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<b>Project Type</b>	Sidewalks
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Year	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct		35,000	35,000	35,000	35,000	35,000	175,000
Other	0						

**Description :**  
 Annual allotment of \$35,000 to repair sidewalks on public property. This project does not include sidewalks on homeowner property which is the responsibility of the homeowner.



<b>Estimated Project Cost:</b>		<u>Original</u>	<u>Revised</u>
Design			0
Construct		35,000	40,000
Other			0
<b>Total</b>		<u>35,000</u>	<u>40,000</u>
Base CCI	249.5	Increase	1.12
Current CCI	278.67		
Submitted	2014		

**Assigned:** Assistant City Manager

**Funding:** General Projects Fund

**Justification**  
 Numerous repairs of public owned sidewalks are in need of repair.

**Supplemental Information:**

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 15 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>42 SC</b>	<b>Traffic Signal Priority Control System</b>	<b>GP</b>
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<b>Project Type</b>	Streets
<b>Strategic Plan</b>	Enhance Quality of Life

	Prior Year	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct	50,500	22,000	22,000	22,000	22,000	22,000	110,000
Other	0						

**Description :**  
 Opticom system allows emergency vehicles equipped with a GPS signal to give emergency vehicles a priority green signal at intersections. **FY 18-19 recommended intersection are: Oyster Creek Drive at Yaupon and Oyster Creek Drive at Dixie.**



<u>Estimated Project Cost:</u>		<u>Original</u>	<u>Revised</u>
Design		0	0
Intersection	Unit Cost	9,000	9,000
Vehicle	Unit Cost	4,000	<b>4,000</b>
<b>Total</b>		<b>13,000</b>	<b>13,000</b>
Base CCI	278.67	Increase	1.00
Current CCI	278.67		

**Assigned:** Fire Marshal

**Funding:** General Projects Fund

**Justification**  
 Increased traffic flow at rush hour can cause erratic behavior. Police, Fire and EMS must still respond quickly and safely through intersections during emergencies and by giving priority at intersections to emergency vehicles this will help with response times and overall safety at intersections. Lake Jackson PD vehicles have been struck twice at a lighted intersection in the last 5 years while responding to calls.

**Supplemental Information:**  
 By the end of FY 2017-18 ten of twenty-six intersections will have the Opticom system installed. The cost per intersection is approximately \$9,000. The extra \$4,000 budgeted is for adding an emitter to one of the fire trucks. Emitters for patrol units are funded through the equipment replacement fund when the vehicle is scheduled to be replaced.

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 20 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>2 OT</b>	<b>Demo of Condemned Buildings</b>	<b>GP</b>
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<b>Project Type</b>	Drainage
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct	0						
Other		20,000	20,000	20,000	20,000	20,000	100,000

**Description :**  
 Appropriation for condemnations that may occur where property owners fail to demolish structure as ordered. Costs incurred by the city are assessed to the owner and a lien placed against the property. Residential structures are around \$5,000 each.



<b>Estimated Project Cost:</b>	<u>Original</u>	<u>Revised</u>
Design		0
Construct		0
Other	20,000	<b>23,000</b>
<b>Total</b>	<b>20,000</b>	<b>23,000</b>

Base CCI	249.5	Increase	1.12
Current CCI	278.67		

**Assigned:** Public Works Director

**Funding:** General Projects Fund

**Justification**

**Supplemental Information:**

Impact of capital investment on operating budget: No Impact

Estimated Useful Life of Capital Investment: N/A

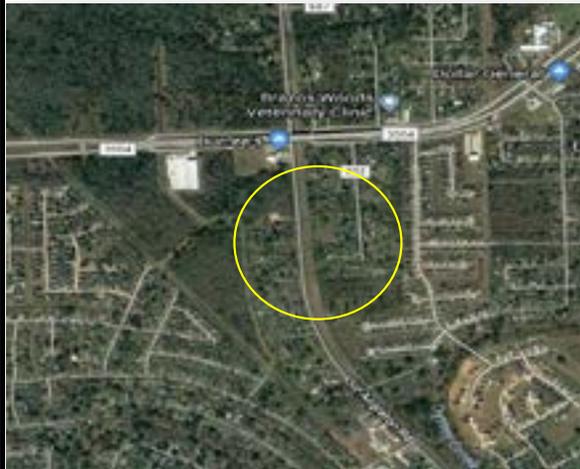
# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1807 DR</b>	<b>Old Angleton Drainage Pad</b>	<b>GP</b>
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<b>Project Type</b>	Drainage
<b>Strategic Plan</b>	Enhance Quality of Life

Financial Plan						
	Prior Years	Projected				Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	
Debt	No					
Design	0					
Construct	0	10,000				81,000
Other	0					

**Description :**  
 Construct drainage pad and culvert under Old Angleton Road to improve pumping capacity during a storm event. Storm water would be pumped across Old Angleton Road to Oyster Creek via the Ross Switch Ditch.



<u>Estimated Project Cost:</u>	<u>Original</u>	<u>Revised</u>
Design		0
Construct	10,000	10,000
Other		0
Total	10,000	10,000

Base CCI	278.67	Increase	1.00
Current CCI	278.67		

**Assigned:** Public Works Director

**Funding:** General Projects Fund

**Justification**

**Supplemental Information:**

Impact of capital investment on operating budget: No Impact

Estimated Useful Life of Capital Investment: 30 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>252 FP</b>	<b>Dog Park</b>	<b>GP</b>
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<b>Project Type</b>	Facility
<b>Strategic Plan</b>	Enhance Quality of Life

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	60,000						60,000
Construct	200,000	380,000					380,000
Donations	85,000						85,000

**Description :**  
 Construct a dog park that includes a separate large and small dog area and a number of park elements such as benches, paths, shade structures, water features, drinking fountains, etc.



<b>Estimated Project Cost:</b>	<b>Original</b>	<b>Revised</b>
Design	60,000	60,000
Construct	665,000	665,000
Other		0
<b>Total</b>	<b>725,000</b>	<b>725,000</b>

Base CCI	278.67	Increase	1.00
Current CCI	278.67		

**Assigned:** Parks & Recreation Director

**Funding:** General Obligation Bond

**Justification**  
 There is a need for a quality dog park facility in Lake Jackson. Many citizens do not have a safe area to allow their dogs to be off leash. If the best location for the Dog Park is confirmed to be behind the Recreation Center, the skatepark would need to be relocated to another location in the near future (238 FP).

**Supplemental Information:**

Demolition and Site Prep	25,000
Grading and Drainage	116,000
Hardscape	111,000
Dog Spray Ground (includes electrical)	115,000
Pavilions	51,000
Fence	75,000
Irrigation / Water Supply	3,000
Planting	24,000
Site Furnishings	30,000
Electric	27,000

**Impact of capital investment on operating budget:** \$15,000

**Estimated Useful Life of Capital Investment:** 20 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>147 FG</b>	<b>Dredging of Irrigation Lake</b>	<b>ST</b>
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<b>Project Type</b>	Fac-Golf
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct	75,000	65,000	75,000				
Other	0						

**Description :**  
Dredge Main Irrigation Lake (Lake between Holes No. 1 & 2), and connector Lake #18, approximately two (2) acres in area. Remove silt and re-establish the original holding capacity for irrigation water, as well as seasonal rain water. This will help to improve the overall quality of the lake and irrigation system. **Additionally, the spoils could help create a new Driving Range expansion of the tee line in an effort to minimize disruption and enhance better uniformity of turfgrass for the patron during their practice session.**



<b>Estimated Project Cost:</b>		<u>Original</u>	<u>Revised</u>
Design			0
Construct		69,500	73,000
Other			
Total		69,500	73,000
Base CCI	265.33	Increase	1.05
Current CCI	278.67		

**Assigned:** Finance Director

**Funding:** Half-Cent Sales Tax Fund

**Justification**  
Proposed by the The Wilderness GC maintenance staff to help with improvement of overall water quality around the golf course and will additionally serve to increase the holding capacity of the lake during large rain events. If the matter is not addressed, this could potentially cause premature failure of the irrigation and dewatering system resulting in loss of play/revenue and repairs to exceed \$250,000.

**Supplemental Information:**  
Improve quality and holding capacity of irrigation water, while enhancing overall aesthetics of golf course and clubhouse view.

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 10 years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>238 FP</b>	<b>New Skatepark at MacLean Park</b>	<b>ST</b>
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<b>Project Type</b>	Facility
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0	40,000					
Construct	0		425,000				
Repairs	0	10,000					

**Description :**  
 Replace the portable skatepark elements with a larger (poured in place) park that would meet the needs of the local youth. Temporary repairs to the current skatepark are proposed until construction can begin on new skate park.



<b>Estimated Project Cost:</b>			<u>Original</u>	<u>Revised</u>
Design			25,000	30,000
Construct			425,000	425,000
Other				<u>0</u>
<b>Total</b>			<u>450,000</u>	<u>455,000</u>
Base CCI	278.67	Increase		1.00
Current CCI	278.67			

**Assigned:** Parks & Recreation Director

**Funding:** Half-Cent Sales Tax Fund

**Justification**  
 The current park is small and uses portable elements. The elements are showing their age and our long-term goal should be to replace the current configuration with a modern skate area.



# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1803 FG</b>	<b>ConVault Fuel Containment System</b>	<b>ST</b>
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<b>Project Type</b>	Fac-Golf
<b>Strategic Plan</b>	Maintain Infrastructure

Financial Plan							
	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Debt	No						
Design	0						
Construct	0	40,000					
Other	0						

**Description :**  
New ConVault Fuel Containment System for the Wilderness Golf Course



Estimated Project Cost:	Original	Revised
Design		
Construct		0
Other	40,000	<u>40,000</u>
Total	<u>40,000</u>	<u>40,000</u>
Base CCI	278.67	Increase
Current CCI	278.67	1.00

**Assigned:** Assistant City Manager

**Funding:** Half-Cent Optional Sales Tax

**Justification**  
After 15 years of being subjected to the environmental conditions, the current ConVault is beginning to fatigue. There are several large cracks in the concrete housing, as well as blistered piping. Due to its proximity of open drainage and access to the lake interconnectors, it is the recommendation of The Wilderness GC staff that it be replaced before any catastrophic environmental issues arise.

**Supplemental Information:**

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 15 Years

# GENERAL PROJECT FUND CIP PROJECT DETAILS

<b>1707 FG</b>	<b>Water Well Repairs for Recharging Irrigation Lakes</b>	<b>ST</b>
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<b>Project Type</b>	Fac-Golf
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Years	Projected				Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	
Design	0					
Construct	25,000	25,000	25,000			
Other	0					

**Description :**  
 Repair or replace three (3) water well pumps that are used to recharge the irrigation lakes in the event of a drought. Additionally they are necessary to maintain adequate lake levels to support both fish and wildlife, as per Audubon International Sanctuary standards.



<b>Estimated Project Cost:</b>		<u>Original</u>	<u>Revised</u>
Design			0
Construct		17,250	19,000
Other			<u>0</u>
<b>Total</b>		<u>17,250</u>	<u>19,000</u>
Base CCI	266.25	Increase	1.05
Current CCI	278.67		

**Assigned:** Finance Director

**Funding:** Half-Cent Sales Tax Fund

**Justification**  
 The three (3) wells have deteriorated, leaving one (1) permanently offline, because of the harsh environmental conditions that they have been subjected to over the past 15 years. The current status of the units have also been recognized by the Brazoria Groundwater District as being out of compliance, due to the lack of flow meters and no working gauges on the wells themselves.

**Supplemental Information:**

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 10 Years

## UTILITY PROJECT FUND

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Utility Projects provides funding for a wide variety of water and sewer projects. These major projects are significant in cost but less than the amount requiring a bond issue. The sources of revenue in this fund are transfers from the Utility Fund and interest income and in rare cases from the General Fund. It is the policy of the City to transfer positive budget variances in the Utility Fund to the Utility Projects Fund, once the minimum Utility Fund balance is achieved.

A fund balance of \$500,000 is the regular goal for this fund. Based on our FY 2017-18 budget the balance available will be \$1,291,900. At the April 23rd, 2018 capital projects workshop City Council proposed an allocation of \$420,000 for an project(s) from the fund in 2018-2019. The balance would be held to respond to emergency repairs. The Council also discussed issuing a series of revenue bonds over the next 5 years to address the backlog of utility projects.

In late 2016 we sold \$3.0 million in revenue bonds. This was dedicated to extending sewer to the Airport/Alden area. In 2017 another \$5.0 million in revenue bonds will be sold for various utility projects. Then in 2019 another \$5.0 million would be sold to add a new water tower, and drill a new water well at the airport pump station. The new rate structure has generated enough revenue to allow a year-end transfer of \$250,000 to this fund in FY 2018-2019.

### UTILITY PROJECTS FUND

#### Vision Process

One of the FY2006-07 goals set by City Council was to:

#### Reorganize the C.I.P. Document

- Break into Maintenance and Capital
- Prioritize Items
- Modify Timelines (1 yr, 3-5, 5-10, 10+)

This goal was under the objective to “Reorganize CIP document to better prioritize projects”. This was under the Vision Element to “Maintain Infrastructure”.

This goal was accomplished in large part as the result of an April 9, 2007 C.I.P. Workshop with City Council. Working with staff, City Council rated and prioritized projects in two areas; “Capital” and “Maintenance Projects”. Those were then combined into one set of priorities. Then based on their rating, projects were placed in categories of 1-3 years, 3-5 years, 6-10 years, and “future bond issues.” In April of 2017, City Council held its 11<sup>th</sup> annual C.I.P. Workshop to continue the efforts of its visioning process.

### IMPACT ON OPERATING BUDGET

There is \$120,000 of projects proposed for FY18-19 from this fund. The balance is being held to respond to emergency repairs if needed. The new utility fee rate structure has generated enough revenues to allow us to resume year end transfers to this fund.

## UTILITY PROJECT FUND ANTICIPATED CASH FLOW

<b>RESOURCES</b>	ACTUAL 2014 - 15	ACTUAL 2015 -16	ACTUAL 2016-17	ESTIMATED 2017-18	PROPOSED 2018-19
<b>Cash Balance</b>	\$ 890,484	\$ 622,195	\$ 1,495,141	\$ 1,370,968	\$ 1,491,718
<b>Revenues</b>					
Interest Income	1,257	2,030	2,593	8,000	8,000
Transfer from Utility Fund	-	150,000	375,000	800,000	250,000
Transfer from General Fund	100,000	750,000	-	-	-
Contributions & Donations	-	-	-	-	-
Misc. Income	-	-	-	-	-
<b>Total Revenues</b>	<u>101,257</u>	<u>902,030</u>	<u>377,593</u>	<u>808,000</u>	<u>258,000</u>
<b>Total Resources</b>	<u>\$ 991,741</u>	<u>\$ 1,524,225</u>	<u>\$ 1,872,734</u>	<u>\$ 2,178,968</u>	<u>\$ 1,749,718</u>

<b>EXPENDITURES</b>	ACTUAL 2014 - 15	ACTUAL 2015 -16	ACTUAL # 2016-17	ESTIMATED 2017 -18	PROPOSED 2018-19
<b>Previously Approved Projects</b>	\$ 369,546	\$ 29,084	\$ 501,766	687,250	
<b>Additional Proposed Projects</b>					120,000
<b>Total Expenditures</b>	<u>369,546</u>	<u>29,084</u>	<u>501,766</u>	<u>687,250</u>	<u>120,000</u>
<b>Ending Cash Balance</b>	<u>\$ 622,195</u>	<u>\$ 1,495,141</u>	<u>1,370,968</u>	<u>1,491,718</u>	<u>1,629,718</u>

# UTILITY PROJECT FUND PROJECT HISTORY

## EXPENDITURES

### Completed Projects

	BUDGET								PROJECT TOTALS
	YEAR APPROVED	PROJECT BUDGET	PRIOR YEARS	ACTUAL 2014 - 15	ACTUAL 2015-16	ACTUAL 2016-17	ESTIMATED 2017-18	PROPOSED 2018-19	
<b>WATER PROJECTS:</b>									
Meter Replacement Program	02-18	\$ 931,000	\$845,176				\$ 120,000	\$ 120,000	\$ 1,085,176
Dow Tower 10" Water Main Replace	17-18	\$ 300,000					\$ 300,000		300,000
Beechwood Chemical Storage	17-18	\$ 180,000					\$ 180,000		180,000
Scada Radio	14-15	95,000		132,413					132,413
Copper treatment	14-15	82,000		53,750					53,750
Chlorine Addition	14-15	55,000		43,574					43,574
Ground Storage Level Transmitters	14-15	50,000		34,770					34,770
Ground Storage Tank Access	14-15	25,000		19,080					19,080
Beechwood Elevat Tank Rehabilitation	15-16	750,000			29,084	489,016			518,100
<b>Total Water Projects</b>		<b>\$ 2,468,000</b>	<b>\$845,176</b>	<b>\$ 283,587</b>	<b>\$ 29,084</b>	<b>\$ 489,016</b>	<b>\$ 600,000</b>	<b>\$ 120,000</b>	<b>\$ 2,366,862</b>
<b>SEWER PROJECTS:</b>									
Huisache Emergency Sewer Repair	14-15	54,000		57,234					57,234
Sanitary Sewer Rehabilitation	16-17	100,000				12,750	87,250		100,000
N Shady Oaks /plantation	14-15	32,000		28,726					28,726
<b>Total Sewer Projects</b>		<b>\$ 186,000</b>	<b>\$ -</b>	<b>\$ 85,959</b>	<b>\$ -</b>	<b>\$ 12,750</b>	<b>\$ 87,250</b>	<b>\$ -</b>	<b>\$ 185,959</b>
<b>Total Water and Sewer Projects</b>		<b>\$ 2,654,000</b>	<b>\$845,176</b>	<b>\$ 369,546</b>	<b>\$ 29,084</b>	<b>\$ 501,766</b>	<b>\$ 687,250</b>	<b>\$ 120,000</b>	<b>\$ 2,552,821</b>

## UTILITY PROJECT FUND CAPITAL IMPROVEMENT PLAN

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This plan is designed to set Capital Project priorities for the future, and to designate projects that will soon need to appear on the plan. This plan includes projects that may be funded from several sources, including bond issues.

As part of the annual budget and visioning process, the City Council and City Staff meet to review and discuss each of the projects appearing on the plan. At this meeting priorities and estimated costs are reassessed and new projects are discussed and added to plan.

To help everyone understand the details of each particular project on the five year plan, a Capital Improvement Plan book was created. This book has several pages dedicated to each project. It gives a full description of the project, details on estimated cost, who proposed the project and why.

Citizen input is received throughout the year and requested projects are considered during budget preparation. Citizens are also given an opportunity to provide their input at all budget workshops and hearings.

After all capital projects budget workshops and public hearings, the five-year Capital Improvement Plan is adopted as part of the annual budget.

# Utility Projects Fund

Proj No.	Project Description	FY 18-19	FY 19-20	Future
1705	SEW Lake Forest Sanitary Sewer Rehab			RB \$ 1,800,000
1602	WAT Water Meter Replacement Program	UP \$ 120,000	UP \$ 120,000	
1802	WAT Water Master Plan		UP \$ 100,000	
1705	WAT New Water Well Airport		RB \$ 1,000,000	
1803	WAT New Water Tower Airport		RB \$ 4,000,000	
1707	SEW Waste Water Plant Expansion			RB \$ 7,130,000
1710	WAT Oak Drive Water Tower - Replacement			RB \$ 4,000,000
1702	WAT Phase I North Water Line Replacement			RB \$ 2,900,000
1701	WAT Phase II North Cast Iron Water Replacement			RB \$ 2,640,000
1708	WAT South Water Line Replacement			RB \$ 1,830,000
1703	WAT Phase III North Water Line Replacement			RB \$ 1,240,000
1709	WAT Water Well Replacement Program			RB \$ 680,000
1706	SEW Lift Station 25 Renovation			RB \$ 650,000
1704	WAT Dunbar Water Tower Rehab			RB \$ 590,000
1602	SEW Lift Station 6 Improvements			UP \$ 165,000
<b>Utility Project Total</b>		<b>\$ 120,000</b>	<b>\$ 5,220,000</b>	<b>\$ 23,625,000</b>

FUNDING TIMELINE	FY 18-19	FY 19-20	Future
FUNDING SOURCE UP	\$ 628,134	\$ 300,000	
FUNDING SOURCE RB		\$ 5,000,000	\$ 7,500,000
Utility Projects Fund	\$ 120,000	\$ 220,000	\$ 165,000
Revenue Bond	\$ -	\$ 5,000,000	\$ 23,460,000
Sales Tax	\$ -	\$ -	\$ -

# UTILITY PROJECT FUND CIP PROJECT DETAILS

<b>1602 WAT</b>	<b>Meter Replacement Program</b>	<b>UP</b>
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<b>Project Type</b>	Water
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct	120,000	120,000	100,000	120,000	120,000	120,000	
Other	0						

**Description :**  
 Replace old meters and meters that are different brands. Reduce revenue loss and accuracy. Eventually move to AMI system.



<b>Estimated Project Cost:</b>		<u>Original</u>	<u>Revised</u>
Design			0
Construct	120,000	120,000	130,000
Other			0
<b>Total</b>		<u>120,000</u>	<u>130,000</u>
Base CCI	265.33	Increase	1.05
Current CCI	278.67		

**Assigned:** Public Works Director

**Funding:** Utility Projects Fund

**Justification**  
 Meters need to be changed on an ongoing 10-15 year cycle as meters age and slow down.

**Supplemental Information:**

	<u>Qty</u>	<u>Unit Cost</u>	<u>Total</u>
Water Meter FY 2016-17 Cost	1,200	\$95.93	\$115,116

**Impact of capital investment on operating budget:** No Impact

**Estimated Useful Life of Capital Investment:** 10 Years

# UTILITY PROJECT FUND CIP PROJECT DETAILS

<b>1802 WAT</b>	<b>Water Master Plan</b>	<b>UP</b>
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<b>Project Type</b>	Water						
<b>Strategic Plan</b>	Enable Growth						
<b>Financial Plan</b>							
	<b>Prior Years</b>	<b>Projected</b>					<b>Total</b>
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Debt	No						
Design	0						
Construct	0						
Other	0		100,000				

**Description :**  
 A master plan for the water system is essential for predicting infrastructure growth and future water needs. The master plan is an important tool for prioritizing CIP projects. Analyzing the pressure planes and proper sizing of all lines. The project could be completed in two phases. The project will accomplish the following: 1) Establish design criteria for future projects 2) Develop Facility Plans for future growth and demands 3) Create a distribution model for future growth and needed improvements 4) Determine and Prioritize needed improvements for future growth 5) Prepare cost estimates for future projects



<b>Estimated Project Cost:</b>		<u>Original</u>	<u>Revised</u>
Design	100,000	100,000	
Construct			0
Other			<u>0</u>
<b>Total</b>	<u>100,000</u>	<u>100,000</u>	

Base CCI	278.67	Increase	1.00
Current CCI	278.67		

**Assigned:** Public Works Director

**Funding:** Utility Projects Fund

**Justification**

**Supplemental Information:**

Impact of capital investment on operating budget: N/A  
 Estimated Useful Life of Capital Investment: N/A

# UTILITY PROJECT FUND CIP PROJECT DETAILS

<b>1705 WAT</b>	<b>New Water Well Airport</b>	<b>RB</b>
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<b>Project Type</b>	Water
<b>Strategic Plan</b>	Maintain Infrastructure

	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Design	0						
Construct	0		1,000,000				
Other	0						

**Description :**  
New 500gpm well setup at Airport to pump directly into the distribution system.



<b>Estimated Project Cost:</b>		<u>Original</u>	<u>Revised</u>
Design			0
Construct	1,000,000		1,000,000
Other			<b>0</b>
<b>Total</b>		<b>1,000,000</b>	<b>1,000,000</b>
Base CCI	278.67	Increase	1.00
Current CCI	278.67		

**Assigned:** Public Works Director

**Funding:** Revenue Bond

**Justification**

**Supplemental Information:**

Impact of capital investment on operating budget: Minimal Electrical Cost  
 Estimated Useful Life of Capital Investment: 50 Years

# UTILITY PROJECT FUND CIP PROJECT DETAILS

<b>1803 WAT</b>	<b>New Water Tower Airport</b>	<b>RB</b>
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<b>Project Type</b>	Water
<b>Strategic Plan</b>	Enable Growth

Financial Plan							
	Prior Years	Projected					Total
		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	
Debt	No						
Design	0		150,000				
Construct	0		3,850,000				
Other	0						

**Description :**  
Install new water tower to support growth in the northern corridor.



<b>Estimated Project Cost:</b>	Original	Revised
Design	150,000	150,000
Construct	3,850,000	3,850,000
Other	0	0
<b>Total</b>	<b>4,000,000</b>	<b>4,000,000</b>

Base CCI	278.67	Increase	1.00
Current CCI	278.67		

**Assigned:** Public Works Director

**Funding:** Utility Projects Fund

**Justification**

**Supplemental Information:**

**Impact of capital investment on operating budget:** Paint Every 10 Years  
**Estimated Useful Life of Capital Investment:** 50 Years

# LONG TERM CAPITAL PROJECTS

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In June, 2016 City Council adopted the latest 20-year Master Plan. Lake Jackson started as a privately developed, master planned city back in the early 1940's. The original Master Plan for the City was done by Alden Dow, a student of Frank Lloyd Wright. The first residents moved into the City in 1943 and the City incorporated in 1944. Every twenty years the City does a major update of its Master Plan. Every five years or so the Planning Commission reviews the existing Master Plan and makes adjustments when needed.

The new Master Plan was developed using the consultant Kendig Keast Collaborative. Gary Mitchell and his team worked with our City Council, Planning Commission, and an incredible group of volunteers on the Comprehensive Plan Advisory Committee (CPAC). Together they developed the 2016 Master Plan that will help guide our growth for the next 20 years.

Part of that plan is to look at our near term and long term infrastructure and facility needs. Shown below is the "Framework for Action" provided in the new Master Plan.

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## Framework for Action

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The Growth Capacity and Management framework for action is organized in three tiers: (1) Guiding Principles, (2) Goals, and (3) Strategic Action Priorities. These topics are intended to mesh with and support the other aspects of this Comprehensive Plan. The Strategic Action Priorities convey tangible actions that will, in the long run, lead to achievement of the Goals in line with the Guiding Principles.

### **Guiding Principles**

The Comprehensive Plan includes a set of six overall guiding principles, several of which relate to growth and infrastructure:

- GP2:** Lake Jackson will insist on **QUALITY** and long-lasting value in its private development, public facilities and services, and community appearance.
- GP5:** Lake Jackson will be **WELL-MANAGED** through effective long-range and strategic planning, prudent management and allocation of public resources, attention to maintenance and rehabilitation of older streets/infrastructure, and ongoing citizen engagement for setting and accomplishing community priorities.
- GP6:** Lake Jackson will be **GREEN** through sound management of its parks and parkways, responsible stewardship of its water use and waste management, and by staying focused on mature tree cover and preserved open spaces as the physical elements that have always shaped and set apart this master-planned city.

Other guiding principles specifically for the Growth Capacity and Management topic area include:

*Lake Jackson will meet the functional needs of residents and businesses (e.g., water supply, waste management, and storm drainage) in a cost-effective manner.*

*Lake Jackson will, in collaboration with private property owners, make provisions for the timely availability of required public services to lands that remain to be developed in the community's targeted growth areas.*

*Lake Jackson will provide and maintain adequate, modern sanitary sewer and potable water facilities to serve both existing land uses and planned growth and development.*

*Lake Jackson will ensure that adequate flood and storm drainage protection to safeguard life and property is provided as new areas are developed.*

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## Framework for Action Continued

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*Lake Jackson will locate police and fire facilities in the most efficient manner to allow rapid response times.*

*Lake Jackson will annually allocate sufficient monies to upgrade substandard infrastructure in the community's older neighborhoods.*

### **Goals**

1. An orderly progression of phased future development of the community so as to avoid premature extension of municipal facilities and services and the associated operating and maintenance costs.
2. Well-planned and maintained utility infrastructure systems with adequate capacity to support community economic development objectives, the continued integrity of older developed areas, and public health and safety in conformance with applicable federal and state standards.
3. Public safety services that are supported and maintained at the high standard long enjoyed and expected by residents.

### **Strategic Action Priorities**

- ▶ Preparations to fund and design/construct next significant upgrades to key components of the City's water and sanitary sewer systems based on the expected timing for reaching key capacity thresholds as indicated by projected population growth and land development.
- ▶ Prompt resolution of updated floodplain mapping for the Lake Jackson area to reduce uncertainty and confirm the parameters within which future development must be designed in flood-prone areas.
- ▶ Coordinated land use and infrastructure planning to position north-side areas around the SH 288 corridor and new interchange for desired residential, commercial and airport-related development.
- ▶ Expedited rehabilitation of street, drainage and utility infrastructure in the remainder of Downtown to complete the Downtown Lake Jackson revitalization initiative sooner than later.
- ▶ Ongoing and phased reconstruction of local streets and associated storm drainage in older areas of the community.

The plan provides more specifics as well.

In the short-term we want to complete the last of the major projects from the 1995/96 Master Plan that are still viewed as goals for this Master Plan. They include:

- Complete the \$16.0 million in projects authorized by the voters in the May, 2016 Bond Issue. These projects include:
  - \$9.9 million to continue the Downtown Revitalization Project. This will include all or portions of That Way, Circle Way, and North Parking Place (design work to begin late 2018).
  - \$1.0 million to build a second two-lane bridge on Plantation Drive over the Flag Lake Channel (in design phase, construction to begin late 2017).
  - \$3.8 million for residential street replacement on all or parts of Oleander, Hickory, South Yaupon, Bois D Arc, and Lotus (construction began in 2018).

## LONG TERM CAPITAL PROJECTS

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- \$0.8 million for drainage improvements to the Willow/Blossom/Daisy area (construction began 2018).
- \$0.5 million for a traffic light and right turn lanes at Oak Drive and Circle Way near City Hall (construction to began late 2017).
- Complete the extension of water/sewer lines and facilities to the Airport/Alden Area (complete).
- Resolve FEMA mapping issues for the areas that include Alden, the northern City limits, and the ETJ. LJA Engineering has completed their work and FEMA has “verbally” accepted their recommendations (complete, awaiting formal FEMA approval).
- Conduct facility assessments of City Hall, Civic Center, Library, and Recreation Center and consider taking expansion proposals to the voters in the 2019/20 time frame.
- Implement Parks Master Plan and identify projects to be considered to be funded by the ½ Cent Optional Sales Tax Fund (project schedule in place).
- Replace major force mains from lift stations 1 and 25 to the Wastewater Treatment Plant and upgrade these and other lift stations (lift station 25 complete).
- Replace the water tower and water well at the Oak Drive pump station (scheduled FY 19-20).
- Work with BWA on the new desalination project and consider allocating water for the City’s future needs. (in design phase).
- Improve water pumping capacity (scheduled FY 18-19).

The new Master Plan focuses on our water and sewer system as well. In the short-term this will include:

- Increasing the maximum amount of surface water supply available from BWA from the current 2.0 million gallons per day (MGD) to 3.0 MGD.
- Increasing the groundwater production from the City’s 12 existing well by 0.7 MGD.
- Increasing the productivity of booster pumps in the system by 0.7 MGD.
- Adding 0.45 million gallons of elevated water storage, from the current 2.55 million gallons.
- Adding 0.05 million gallons of ground storage, from the current 4.25 million gallons.

This would take the water system’s capacity to 14,439 connections, or 579 more than the projected need of 13,860 after short-term growth. However, long-term development will involve another 7,065 connections for an ultimate total of 20,925. The upgraded capacity to handle 14,439 connections would need to increase by roughly another 6,500 connections. Potential actions to reach this long-term capacity could include:

- Increasing the maximum amount of surface water supply available from BWA by another 2.5 MGD (to a long-term total of 5.5 MGD).
- Increasing the groundwater production from the City’s 12 existing well by another 3.6 MGD.

## LONG TERM CAPITAL PROJECTS

- Increasing the productivity of booster pumps in the system by an additional 6.1 MGD.
- Adding another 1.3 million gallons of elevated water storage, for a new total of 4.25 million gallons (the same as the ground water storage total after the short-term upgrades).

Long-term we will also need to plan for an expansion to our Wastewater Treatment Plant:

### Wastewater System Connection and Capacity Outlook

Capacity	Flow	% of Capacity	Connections	Condition
5.85 MGD	--	100%	22,075	Current Permitted by State of Texas
--	3.11 MGD	53%	11,725	Current Actual (May 2016)
--	--	63%	13,860	Current + Short-Term Growth
--	4.39 MGD	75%	16,557	Threshold for Mandated Planning/
--	5.26 MGD	90%	19,868	Design Threshold for Mandated
--	--	99.1%	21,785	Construction With all Long-Term Growth

Other long-term projects for the City include:

- Complete the revitalization of downtown Lake Jackson.
- Continue the ongoing residential street revitalization program.
- Continue the City’s ongoing commitment to alternate fuels, such as CNG.

In the end, the Master Plan estimates a 2040 population of 36,100. This would mean finding homes for some 9,250 new residents. We will need some 20,925 water connections by then and the commensurate sewer system to accommodate that growth. While planning for our new residents we must renew our commitment to our existing residents and make sure that the infrastructure and facilities servicing our City are in the best possible condition. The 2016 Master Plan will guide this effort.

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# ECONOMIC DEVELOPMENT FUNDS



LAKE JACKSON

*City of Enchantment*



## ECONOMIC DEVELOPMENT FUND

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The Economic Development Fund is used to account for the revenue from the half cent sales tax. Voters approved the half-cent sales tax on May 6, 1995 and collection of the tax began in October, 1995. As specified on the ballot the use of this revenue is limited to payment of the costs of land, building, equipment, facilities, improvements and maintenance, and operation costs for public park purposes, recreational facilities to be used for sports and entertainment, and for infrastructure improvements for development of new or expanded business enterprises. Since its approval, the half-cent sales tax(Economic Development Fund) has provided funding for:

Outdoor Pool - \$595,865, opened June of 1996. Replaced a forty-year-old outdoor pool with new facility.

Recreation Center - Opened May of 1998. The fund provided the money for debt service payments on the \$7.3M Certificates of Obligation which were issued to fund the construction of “The Recreation Center- Lake Jackson”, these bonds were paid off in 2017. Additionally, this fund directly paid \$288,801 in architect fees and provides an annual subsidy of \$350,000 to the General Fund for the operation of the facility. The board has also approved providing \$600,000 in repairs to the center over a 2 year period, FY11-12 and FY12-13. Additional repairs (to the HVAC and ventilation sock) of \$188,000 were included in the FY13-14 LJDC budget. In FY2014-15, \$249,620 was provided for Recreation Center improvements. In FY15-16, \$218,000 is budgeted to finish the various A/C repairs at the center and to improve Natatorium and Gym lighting (LED).

Civic Center/Plaza - Opened April 1, 2000. This fund is providing the money to pay the debt service on the \$3,250,000 Certificates of Obligation issued to provide the construction funding. These Certificates have since been refunded but this fund continues to pay its share of the refunding bonds

Youth Sportsplex - Completed in the fall of 1999. This fund provided the money to pay the debt service on \$2.7M Certificates of Obligation issued to provide construction funding. These bonds are now paid off.

Golf Course - This fund provided \$350,000 to pay for the service of the golf course architect. Additionally, the Lake Jackson Development Corporation has approved providing an annual subsidy of up to \$550,000 for Golf Course debt service through the 2023. The Wilderness Golf Course opened to the public in May 2004. The Lake Jackson Development Corporation recommended, and City Council approved \$300,000 be budgeted through the 2016-17 fiscal year to provide a contingency for golf course operational expenses. In FY2017-2018, the City Council set the annual contingency at \$300,000.

Downtown Revitalization Project - \$600,000 was authorized to hire an engineering and design team to develop a master plan for the replacement of downtown infrastructure. The first and second phases of the downtown project are complete. \$5M in Certificates of Obligation were issued for phase 2. This fund will provide up to \$500,000 a year for 20 years to pay the debt service on the certificates.

A \$2 million Certificate of Obligation was sold in March 2013 to fund Phase 3 (South Parking Place). This project has been completed and open to the public in April 2018. Also, \$385,000 was provided in FY12-13 to fund the final portion of Phase 2 (This Way from Circle Way to SH332).

Downtown Maintenance - The Lake Jackson Development Board approved providing \$55,000 per year for maintenance of new landscaping and walks downtown. In FY 2018-19, staff has requested that downtown maintenance be increased to \$70,000 to cover maintenance costs of S. Parking Place.

Maclean Jogging Trail - The Lake Jackson Development Board provided \$150,000 to repave drought damage to MacLean Jogging Trail in FY11-12.

## ECONOMIC DEVELOPMENT FUND

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Park/Golf Course Projects - The LJDC funded \$324,213 in FY15-16 and \$569,028 in FY16-17 to fund various parks and golf course projects. In FY2017-18, \$910,000 was budgeted for Park Recreation Center improvements identified in the City's recent Park's Master Plan and \$115,000 in improvements to the golf course.

Airport/Alden Business Park - We have proposed the Gulf Coast Airport and Lake Jackson Business Park. In FY2013-14, \$1.5 million in debt was sold to help extend water to the airport. This debt was combined with \$1 million in revenue bonds sold in 2014 to fund the initial \$2.5 million water system to service the airport and the several hundred acres of potential business park located east and south of airport.

Also, Council designated \$4.5 million to provide sewer service to this area. \$3 million came from revenue bonds. \$1.5 million came from the LJDC.

The initial impetus for the utility extension was to provide water to the county airport. Brazoria County has built a new terminal building and their current well and septic system is inadequate. The County has donated a 4 acre site for us to place the new water facilities.

We have contracted with the Wayne Scott Unit of the Texas Department of Criminal Justice (TDCJ) located just west of the proposed Alden Subdivision to sewer service to them as well. They are an important customer for us in this area that will help make this utility expansion affordable. Sewer service began in September 2017. Water service will follow at a future date.

This opens the potential for this proposed business park which could encompass several hundred acres in the northern area of the proposed Alden development and the acreage currently controlled by TDCJ around the airport.

Representative Bonnen worked with Brazoria County and the city to get a portion of the TDCJ property sold to the county and also provide for a road and utility easement through the remaining TDCJ property that will connect the airport and Alden.

HEB & Dow Texas Innovations Center - The LJDC sold \$5.5 million in certificates of obligations in late 2014 to fund public infrastructure improvements for the redevelopment of Oak Woods and the HEB project (\$3 million) and the Dow Texas Innovations Center (\$2.5 million). The HEB project is complete. Dow has moved into their new administrative and amenities buildings. The two research and development buildings were both operational in 2018.

Lift Station 25 Force Main – In 2017 the LJDC funded a \$2.4 million force main project from lift station 25, behind the Brazos Mall, to the Wastewater Treatment Plant. This increased capacity for this important commercial area and relieved pressure on lift station 25.

2019 Parks & Recreation Projects - Recommended in FY 2018/19 are various Parks & Recreation projects, which include a new dog park, design of a new skate park and minor repairs to current skate park equipment, and lake dredging for the golf course.

## ECONOMIC DEVELOPMENT FUND BUDGET SUMMARY

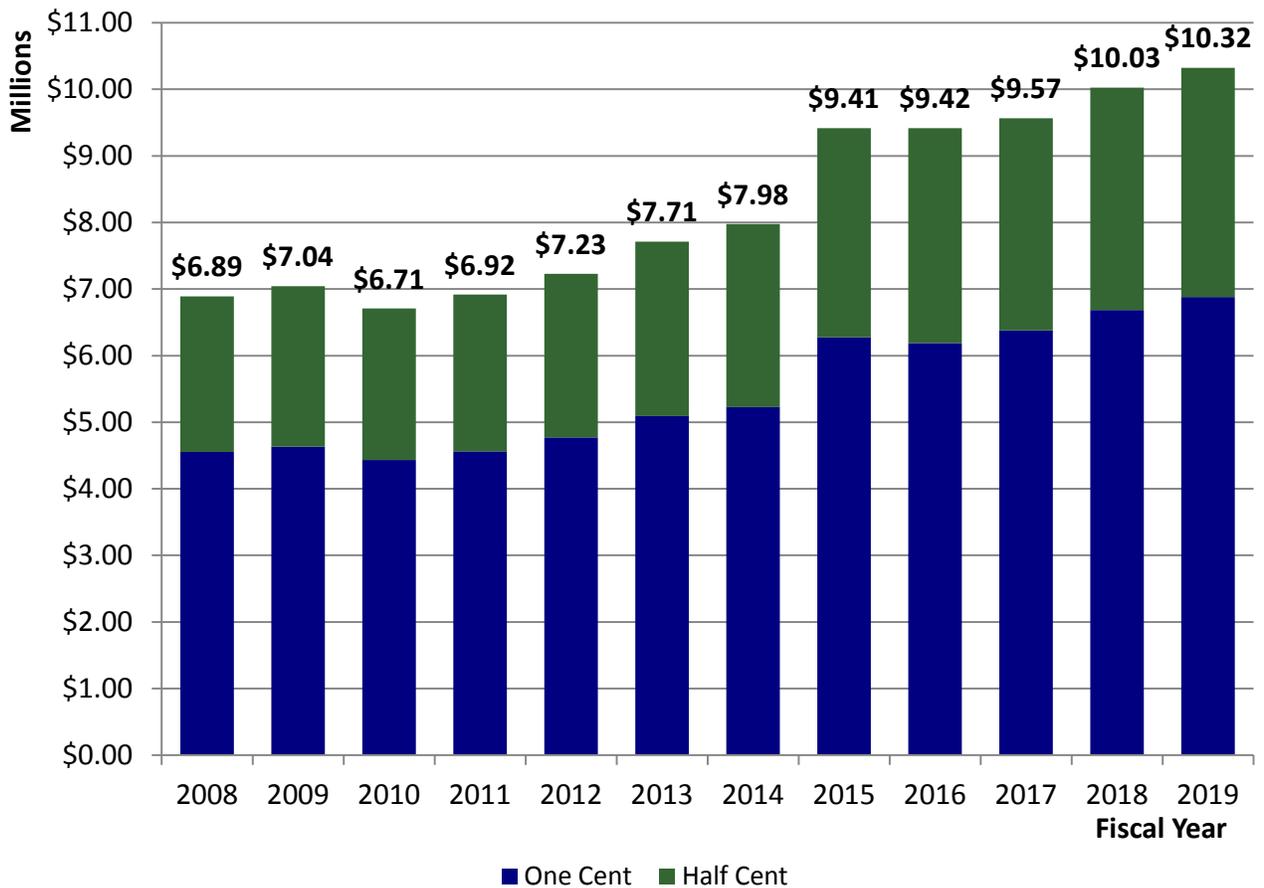
<b>RESOURCES</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>ESTIMATED</b>	<b>PROPOSED</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Fund Balance</b>	\$ 1,901,917	\$ 1,708,061	\$ 1,708,061	1,159,690
<b>Revenues</b>				
Half Cent Sales Tax	\$ 3,188,958	\$ 3,337,500	\$ 3,337,500	3,480,000
Miscellaneous	59,711	627,000	627,000	0
Interest Income	19,133	12,000	12,000	12,000
	<b>\$ 3,267,802</b>	<b>\$ 3,976,500</b>	<b>\$ 3,976,500</b>	<b>3,492,000</b>
<b>Total Resources</b>	<b>\$ 5,169,719</b>	<b>\$ 5,684,561</b>	<b>\$ 5,684,561</b>	<b>4,651,690</b>
<b>EXPENDITURES</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>ESTIMATED</b>	<b>PROPOSED</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2017-18</b>	<b>2018-19</b>
Transfer to Econ. Devl. Debt Serv.	\$ 1,751,590	\$ 1,403,284	\$ 1,403,284	1,376,478
Electronic Reader Board	15,000		1,532	
Landscaping Maintenance	37,863	55,000	75,000	70,000
Rec Repairs & Maintenance	73,138	35,861	35,861	
Natatorium & Aerobics LED	37,646			
MacLean Park Improvements		435,000	435,000	
New Skate Park at MacLean/ Repairs				50,000
Dog Park (\$580,000)		200,000	200,000	380,000
Golf Course Irrigation Pump Station Repairs		115,000	115,000	
Golf Course Lake Dredging		75,000	75,000	65,000
Wet Well Repairs for Recharging Irrigation		25,000	25,000	25,000
Misc Repairs at Golf Course		15,000	15,000	
S. Parking Place	28,255			
Golf Course & Bunker Renovations - June Flood	3,020			
202 Winding Way	80,776	4,950	5,394	
Security Cameras	25,141	0	0	
Sound System	7,688			
Park Facility Signs	44,776	0		
MacLean Park Pavilion Repairs	54,204	0		
Jasmine Tennis Complex Renovations	56,510	0		
JSL Park Picnic Shelter	49,304	0		
Bunker Reconstruction	52,045			
Golf Course Pump House	100			
ConVault Fuel Containment System				40,000
Golf Course 2017 Harvey		800,000	800,000	
Transfer to Golf Debt Service	494,600	488,800	488,800	477,700
Golf Course Operating	300,000	500,000	500,000	300,000
Transfer to General Fund	350,000	350,000	350,000	350,000
<b>Total Expenditures</b>	<b>\$ 3,461,658</b>	<b>\$ 4,502,895</b>	<b>\$ 4,524,871</b>	<b>3,134,178</b>
<b>Ending Fund Balance</b>	<b>\$ 1,708,061</b>	<b>\$ 1,181,666</b>	<b>\$ 1,159,690</b>	<b>1,517,512</b>

# Lake Jackson Development Corporation Financial Plan

	Actuals		Actual		Actual		Actual		Estimated	Proposed	Projected	Projected
	2014 - 15	2015 - 16	2015 - 16	2016 - 17	2016 - 17	2016 - 17	2017 - 18	2018 - 19	2018 - 19	2019 - 20	2020 - 21	
<b>FUND BALANCE</b>	<b>\$2,412,766</b>	<b>\$2,519,354</b>	<b>\$1,901,916</b>	<b>\$1,901,916</b>	<b>\$1,901,916</b>	<b>\$1,708,061</b>	<b>\$1,159,690</b>	<b>\$1,517,512</b>	<b>\$1,510,000</b>	<b>\$1,810,000</b>	<b>\$1,299,259</b>	
<b>REVENUES</b>												
Half Cent Sales Tax	3,138,233	3,227,460	3,250,000	3,188,958	3,337,500	3,480,000	3,580,000	3,690,000				
Miscellaneous		9,599	21,586	59,711	627,000	12,000	12,000					
Interest Income	6,832	12,077	12,000	19,133	12,000	12,000	12,000					
<b>Total Revenues</b>	<b>\$3,145,065</b>	<b>\$3,249,136</b>	<b>\$3,283,586</b>	<b>\$3,267,802</b>	<b>\$3,976,500</b>	<b>\$3,492,000</b>	<b>\$3,592,000</b>	<b>\$3,702,000</b>				
<b>EXPENDITURES</b>												
<b>Recreation</b>												
Recreation Debt Service	384,489	370,000	351,019	351,019	350,000	350,000	350,000	350,000	350,000	350,000	350,000	
Transfer to Recreation Operations	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	
202 Winding Way				80,776	80,776	37,393	430,000	900,000	900,000	900,000	900,000	
16-17carryover Park and rec projects												
Park & Recreation Projects	280,556	324,213	400,586	363,408	635,000	780,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	
<b>Subtotal</b>	<b>1,015,045</b>	<b>1,044,213</b>	<b>1,101,605</b>	<b>1,145,203</b>	<b>1,027,787</b>	<b>780,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	
<b>Economic Development</b>												
Economic Development Debt Service	1,133,954	1,109,945	1,409,873	1,400,571	1,403,284	1,376,478	1,349,140	1,326,074	1,326,074	1,326,074	1,326,074	
S. Parking Place Design	29,137	10,366	25,765	28,255	28,255	75,000	70,000	70,000	70,000	70,000	70,000	
This Way - Center Way to 332		385,303	50,000	37,863	1,478,284	1,446,478	1,419,140	1,396,074	1,396,074	1,396,074	1,396,074	
Downtown Maintenance	52,893	44,435	50,000	37,863	75,000	70,000	70,000	70,000	70,000	70,000	70,000	
<b>Subtotal</b>	<b>1,215,984</b>	<b>1,550,049</b>	<b>1,485,638</b>	<b>1,466,889</b>	<b>1,478,284</b>	<b>1,446,478</b>	<b>1,419,140</b>	<b>1,396,074</b>	<b>1,396,074</b>	<b>1,396,074</b>	<b>1,396,074</b>	
<b>Golf Course</b>												
Golf Course Projects	3,025		115,000	0	115,000	130,000	160,000	160,000	160,000	160,000	160,000	
Golf Course Project carryover - pump house						115,000						
Golf Course 2016 Brazos River Flood		349,916	53,442	55,165	800,000	477,700	471,300	459,600	459,600	459,600	459,600	
Golf Course 2017 Harvey						500,000	300,000	300,000	300,000	300,000	300,000	
Golf Course Debt Service	504,425	498,100	494,600	494,600	494,600	477,700	471,300	459,600	459,600	459,600		
Golf Course Operating Reserve	300,000	424,296	250,000	300,000	500,000	300,000	300,000	300,000	300,000	300,000		
<b>Subtotal</b>	<b>807,450</b>	<b>1,272,312</b>	<b>913,042</b>	<b>849,765</b>	<b>2,018,800</b>	<b>907,700</b>	<b>931,300</b>	<b>759,600</b>	<b>759,600</b>	<b>759,600</b>	<b>759,600</b>	
<b>Total Expenditures</b>	<b>3,038,479</b>	<b>3,866,574</b>	<b>3,500,285</b>	<b>3,461,657</b>	<b>4,524,871</b>	<b>3,134,178</b>	<b>3,600,440</b>	<b>3,405,674</b>	<b>3,405,674</b>	<b>3,405,674</b>	<b>3,405,674</b>	
<b>Net Revenues ( Expenditures)</b>	<b>106,586</b>	<b>(617,438)</b>	<b>(216,699)</b>	<b>(193,855)</b>	<b>(548,371)</b>	<b>357,822</b>	<b>(10,000)</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	
<b>ENDING FUND BALANCE</b>	<b>\$2,519,352</b>	<b>\$1,901,916</b>	<b>\$1,685,217</b>	<b>\$1,708,061</b>	<b>\$1,159,690</b>	<b>\$1,517,512</b>	<b>\$1,510,000</b>	<b>\$1,810,000</b>	<b>\$1,810,000</b>	<b>\$1,810,000</b>	<b>\$1,810,000</b>	
<b>TARGET FUND BALANCE</b>	<b>1,479,945</b>	<b>1,760,892</b>	<b>1,403,284</b>	<b>1,403,284</b>	<b>1,376,478</b>	<b>1,349,140</b>	<b>1,326,074</b>	<b>1,299,259</b>	<b>1,299,259</b>	<b>1,299,259</b>	<b>1,299,259</b>	
Over/ (under) target balance	\$1,039,407	\$141,024	\$281,933	\$304,777	(\$216,788)	\$168,372	\$183,926	\$510,741	\$510,741	\$510,741	\$510,741	

# SALES TAX HISTORY

	Fiscal Year	One Cent Sales Tax	Half Cent Sales Tax	Percentage Growth
	2008	4,553,842	2,337,052	-1.40%
	2009	4,634,553	2,408,688	1.77%
	2010	4,432,443	2,277,196	-4.36%
	2011	4,562,725	2,355,777	2.94%
	2012	4,772,141	2,457,990	4.59%
	2013	5,093,359	2,619,312	6.73%
	2014	5,226,636	2,752,237	2.62%
	2015	6,276,467	3,138,233	20.09%
	2016	6,190,271	3,227,460	-1.37%
Actual	2017	6,377,917	3,188,958	3.03%
Projected	2018	6,685,000	3,342,500	4.81%
Budgeted	2019	6,882,480	3,441,240	2.95%



## **ECONOMIC DEVELOPMENT DEBT SERVICE FUND**

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The Economic Development Debt Service Fund is used for the accumulation of resources to provide for the payment of principal, interest, and agent fees on debt authorized by the Lake Jackson Economic Development Corporation.

The Economic Development Fund will make a transfer to this fund equal to the required debt service payments.

Current debt includes \$5 million in Certificates of Obligation sold to provide funding for Phase 2 of the Downtown Revitalization Program, \$2.0 million for the construction of South Parking Place (Phase 3 of the Downtown Revitalization Project), \$1.5 million to fund the extension of water lines to the airport, \$2.3 million in refunding bonds, and \$3.9 million to fund the extension of sewer lines to the airport and improvements to the main from lift station 25 (near Brazos Mall) to the wastewater treatment plant.

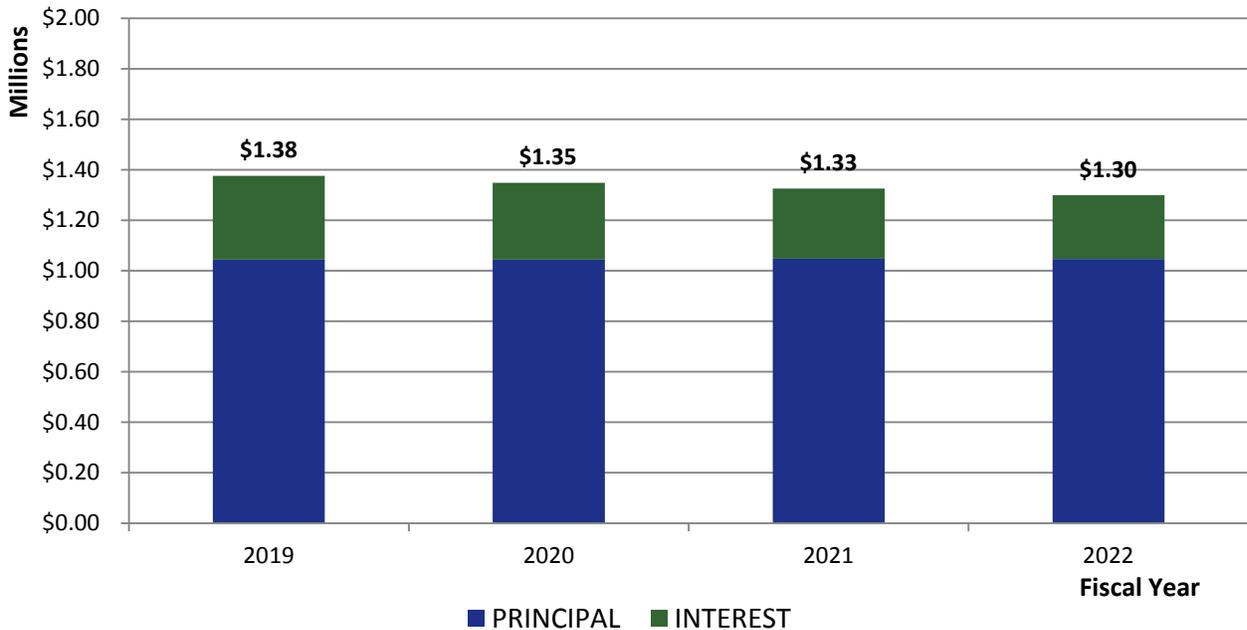
# ECONOMIC DEVELOPMENT DEBT SERVICE BUDGET SUMMARY

<b>RESOURCES</b>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-18</b>	<b>ESTIMATE 2017-18</b>	<b>PROPOSED 2018-19</b>
<b>Fund Balance</b>	\$ 9,303	\$ 7,244	\$ 7,244	\$ 7,243
<b>Revenues</b>				
Transfer from Econ. Devl.	1,751,590	1,403,284	1,403,284	1,376,478
Bond Premium	150,357			
Proceeds from Bonds	3,855,000	0	0	0
	<b>5,756,947</b>	<b>1,403,284</b>	<b>1,403,284</b>	<b>1,376,478</b>
<b>Total Resources</b>	<b>\$ 5,766,249</b>	<b>\$ 1,410,528</b>	<b>\$ 1,410,528</b>	<b>\$ 1,383,721</b>
<b>EXPENDITURES</b>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-18</b>	<b>ESTIMATE 2017-18</b>	<b>PROPOSED 2018-19</b>
Principal	\$ 1,390,407	\$ 1,045,000	\$ 1,045,000	\$ 1,045,000
Interest	368,996	358,285	358,285	331,478
Bond Issue Cost	99,602	0	0	0
Transfr to North Sewer Construction	3,900,000	0	0	0
	<b>\$ 5,759,005</b>	<b>\$ 1,403,285</b>	<b>\$ 1,403,285</b>	<b>\$ 1,376,478</b>
<b>Total Expenditures</b>	<b>\$ 5,759,005</b>	<b>\$ 1,403,285</b>	<b>\$ 1,403,285</b>	<b>\$ 1,376,478</b>
<b>Ending Fund Balance</b>	<b>\$ 7,244</b>	<b>\$ 7,243</b>	<b>\$ 7,243</b>	<b>\$ 7,243</b>

# ECONOMIC DEVELOPMENT DEBT SERVICE SCHEDULE

DATE	CURRENT DEBT FISCAL TOTALS		FY 18-19 PROPOSED DEBT FISCAL TOTALS		FISCAL GRAND TOTALS		
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL
2018 - 19	1,045,000	331,478	0	0	1,045,000	331,478	1,376,478
2019 - 20	1,045,000	304,140	0	0	1,045,000	304,140	1,349,140
2020 - 21	1,048,067	278,007	0	0	1,048,067	278,007	1,326,074
2021 - 22	1,046,534	252,725	0	0	1,046,534	252,725	1,299,259
2022 - 23	1,043,466	227,013	0	0	1,043,466	227,013	1,270,479
2023 - 24	890,399	201,823	0	0	890,399	201,823	1,092,222
2024 - 25	887,126	177,036	0	0	887,126	177,036	1,064,161
2025 - 26	883,189	153,754	0	0	883,189	153,754	1,036,943
2026 - 27	729,252	133,561	0	0	729,252	133,561	862,813
2027 - 28	706,216	114,923	0	0	706,216	114,923	821,139
2028 - 29	702,838	95,989	0	0	702,838	95,989	798,827
2029 - 30	680,000	76,269	0	0	680,000	76,269	756,269
2030 - 31	490,000	58,844	0	0	490,000	58,844	548,844
2031 - 32	490,000	43,744	0	0	490,000	43,744	533,744
2032 - 33	490,000	28,013	0	0	490,000	28,013	518,013
2033 - 34	390,000	13,438	0	0	390,000	13,438	403,438
2034 - 35	115,000	5,175	0	0	115,000	5,175	120,175
2035 - 36	115,000	1,725	0	0	115,000	1,725	116,725
<b>TOTAL</b>	<b>12,797,087</b>	<b>2,497,653</b>	<b>0</b>	<b>0</b>	<b>12,797,087</b>	<b>2,497,653</b>	<b>15,294,741</b>

**Proposed Economic Development Debt Service Schedule  
Short-Term Outlook**



# SCHEDULE OF OUTSTANDING ECON. DEVELOPMENT BONDS

CERTIFICATE OF OBLIGATION ISSUE	AMOUNT OF ISSUE	INTEREST RATE	YEAR OF MATURITY	AMOUNT OUTSTANDING @ 10/01/18	2018-19 PRINCIPAL DUE	2018-19 INTEREST DUE	2018-19 TOTAL DUE
C.O. 2009	\$5,000,000	3.84	2020	500,000	250,000	15,000	265,000
C.O. 2013	\$2,000,000	2.40	2033	1,500,000	100,000	37,750	137,750
C.O. 2013A	\$1,500,000	1.98	2023	750,000	150,000	18,375	168,375
C.O. 2014	\$5,500,000	2.00	2034	4,400,000	275,000	117,219	392,219
C.O. 2015 Ref	\$2,332,087	1.94	2030	2,332,087	0	67,234	67,234
C.O. 2016	\$3,900,000	2.09	2036	3,315,000	270,000	75,900	345,900
<b>TOTAL ALL ISSUES</b>				<b>\$ 9,482,087</b>	<b>\$ 1,045,000</b>	<b>\$ 331,478</b>	<b>\$ 1,376,478</b>

**Bond Ratings : Moody's - Aa2, S&P's - AA+**

**C.O. 2009:**

*Certificates of Obligation 2009*

\$5,000,000 for Phase 2 of Downtown revitalization, This Way, That Way, Parking Way

**C.O. 2015 Refunding:**

*Certificates of Obligation 2009 - \$5,000,000 advance refunded*

\$2,332,087 to fund the construction of the Downtown Revitalization Project.

**C.O. 2013**

\$2,000,000 to fund Phase 3 of the Downtown Revitalization Project (S. Parking Place)

**C.O. 2013A**

\$1,500,000 to fund the extension of water to the airport.

**C.O. 2014**

\$5,500,000 to fund incentives agreed upon for the new HEB & Dow facilities.

**C.O. 2016**

\$1,500,000 to assist in the funding of the extension of sewer to the airport area

\$2,400,000 to replace the lift station 14 force main to the Wastewater Treatment Plant

# GOLF COURSE FUNDS



LAKE JACKSON

*City of Enchantment*



# WILDERNESS GOLF COURSE

<b>REVENUES</b>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-18</b>	<b>ESTIMATE 2017-18</b>	<b>PROPOSED 2018-19</b>
Course & Ground	\$ 724,286	\$ 834,797	\$ 741,146	\$ 827,196
Cart Revenue	148,987	207,148	168,430	207,149
Golf Shop	134,162	139,351	125,810	135,065
Range	43,602	63,323	46,931	62,116
Food & Beverage	228,279	256,207	236,824	258,428
General & Administrative	0	0		
<b>Total Revenues</b>	<b>\$ 1,279,316</b>	<b>\$ 1,500,826</b>	<b>\$ 1,319,141</b>	<b>\$ 1,489,954</b>
<b>Cost of Sales</b>				
COGS - Merchandise	83,820	87,554	80,927	85,227
COGS - Food & beverage	90,258	101,464	94,915	102,906
<b>Total Cost of Sales</b>	<b>\$ 174,078</b>	<b>\$ 189,018</b>	<b>\$ 175,842</b>	<b>\$ 188,133</b>
<b>Gross Profit</b>	<b>\$ 1,105,238</b>	<b>\$ 1,311,808</b>	<b>\$ 1,143,299</b>	<b>\$ 1,301,821</b>
<b>EXPENSES</b>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-18</b>	<b>ESTIMATE 2017-18</b>	<b>PROPOSED 2018-19</b>
Salaries & Wages (with benefits)	\$ 850,468	\$ 890,016	\$ 857,918	\$ 896,828
Course & Ground	355,880	379,335	370,527	379,764
Cart	87,918	89,459	75,261	87,600
Golf Shop	16,568	19,499	10,640	11,655
Range	0	3,082	2,885	2,600
Food & Beverage	17,763	16,334	17,009	20,040
General & Administrative	120,403	115,334	103,999	111,080
<b>Total Expenses</b>	<b>\$ 1,449,000</b>	<b>\$ 1,513,059</b>	<b>\$ 1,438,239</b>	<b>\$ 1,509,567</b>
<b>Net Operating Income</b>	<b>\$ (343,762)</b>	<b>\$ (201,251)</b>	<b>\$ (294,940)</b>	<b>\$ (207,746)</b>
<b>Non-Operating Revenues (Expenses)</b>				
Kemper Management Fee	(87,834)	(89,952)	(89,940)	(92,184)
Trsf from General Fund	0	0	0	0
Trsf from Econ. Devl	300,000	500,000	500,000	300,000
<b>NET INCOME</b>	<b>\$ (131,596)</b>	<b>\$ 208,797</b>	<b>\$ 115,120</b>	<b>\$ 70</b>

## **GOLF COURSE DEBT SERVICE SCHEDULE**

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This fund is established to account for the resources necessary to pay the principal and interest on the \$6.0M golf course general obligation bonds, issued in June of 2001, the \$1.2M Certificates of Obligation, issued in June of 2003; and the \$4M Refunding Bonds, issued in October, 2011 -- used to refund the \$6M G.O. and \$1.2M C.O. bonds.

It is anticipated the operations of the Golf Course will not provide sufficient revenues to provide funds for all of the necessary debt service. Therefore, the Lake Jackson Development Corporation has set aside \$550,000 in ½ cent sales tax revenues (Economic Development Fund) for the life of the bonds to insure funds are available for debt service payments. In 2018-2019 it is anticipated that the debt service will be paid by the \$477,700 transfer from the Economic Development Fund.

## GOLF COURSE DEBT SERVICE BUDGET SUMMARY

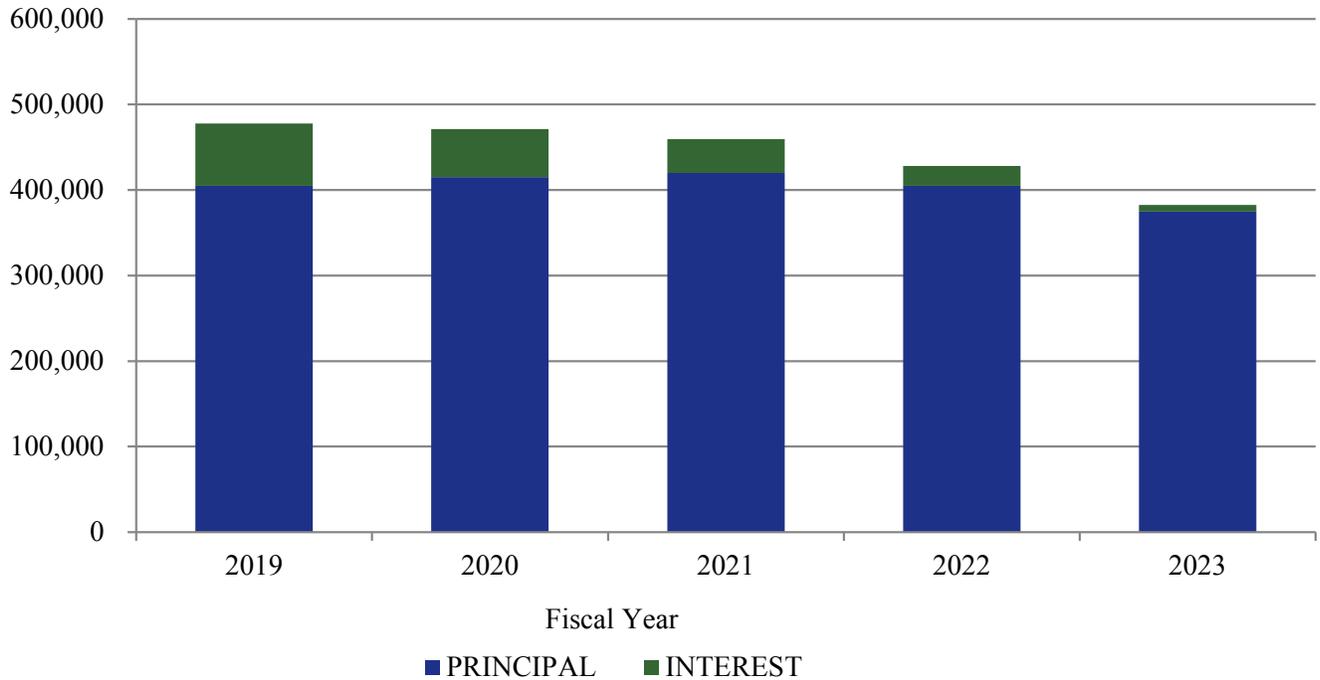
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<i><b>RESOURCES</b></i>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>ESTIMATE</b>	<b>PROPOSED</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Fund Balance</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Revenues</b>				
Transfer from Econ. Devl.	494,600	488,800	488,800	477,700
	<b>494,600</b>	<b>488,800</b>	<b>488,800</b>	<b>477,700</b>
<b>Total Resources</b>	\$ <b>494,600</b>	\$ <b>488,800</b>	\$ <b>488,800</b>	\$ <b>477,700</b>
<b>EXPENDITURES</b>				
<i><b>EXPENDITURES</b></i>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>ESTIMATE</b>	<b>PROPOSED</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2017-18</b>	<b>2018-19</b>
Principal	\$ 390,000	\$ 400,000	\$ 400,000	\$ 405,000
Interest	104,600	88,800	88,800	72,700
Paying Agent Fees				
	<b>494,600</b>	<b>488,800</b>	<b>488,800</b>	<b>477,700</b>
<b>Total Expenditures</b>				
<b>Ending Fund Balance</b>	\$ 0	\$ 0	\$ 0	\$ 0

# GOLF COURSE DEBT SERVICE SCHEDULE

2011 REFUNDING SERIES FISCAL TOTALS			Fiscal Year
DATE	PRINCIPAL	INTEREST	TOTALS
2018 - 19	405,000	72,700	477,700
2019 - 20	415,000	56,300	471,300
2020 - 21	420,000	39,600	459,600
2021 - 22	405,000	23,100	428,100
2022 - 23	375,000	7,500	382,500
<b>TOTAL</b>	<b>\$2,020,000</b>	<b>\$199,200</b>	<b>\$2,219,200</b>

### Long-Term Debt Schedule



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# OTHER FUNDS



LAKE JACKSON

*City of Enchantment*



# EQUIPMENT REPLACEMENT FUND

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The objectives of this fund are:

1. To provide the necessary cash to replace equipment as it becomes obsolete or worn out and at the same time minimize the year to year budgetary impact of equipment purchases.
2. To provide a means, other than short term borrowing, to purchase additional equipment; and, at the same time minimize the year to year budgetary impact of such new acquisitions.
3. To serve as our self-insurance on our equipment/vehicles for values under \$20,000.

How the fund functions:

Rather than budget for equipment purchases in each department, each department pays a calculated amount into the equipment replacement fund on a yearly basis. This amount is budgeted in each department's operating budget as a transfer to equipment replacement. Equipment purchases are then budgeted in the Equipment Replacement Fund.

The amount a department budgets as their transfer to Equipment Replacement is based on the equipment used by the department, the equipment's estimated cost and its estimated life. For example, if a mower was purchased for the Parks Department for \$10,000 in 2015 with an estimated life of five years, the Parks Department would transfer \$2,000 ( $10,000 \div 5$ ) into the Equipment Replacement Fund in each of the years 2015 thru 2020.

The following purchases have been recommended for FY18-19:

Replace 2 Sanitation Trucks (CNG)	\$600,000
Replace 5 Police Vehicles	204,000
Replace Ambulance (Medic 7)	275,000
Computer Equipment & Software	251,115
Replace Wheel Loader	175,000
Replace Two Front-End Loaders with Grapppler	190,000
Replace Mowing Tractor-Drainage	43,000
Replace Seven Pickups (CNG)	295,000
Replace Forklift-Garage	40,000
Replace Ballfield Groomer	17,000
Two Ex Mark Mowers (Parks)	<u>18,000</u>
	\$2,108,115

# EQUIPMENT REPLACEMENT FUND

In planning for FY 19-20 the following major purchases are contemplated:

New Fire Pumper Truck	\$850,000
Replace Vacuum Jet-Router (Sewer/Water)	310,000

Along with these pieces of equipment will come the standard replacement of Police Patrol Units, various pickup replacements and the annual allotment for computers and software. Together these will likely require FY19-20 purchases in the \$2.2 million range.

## IMPACT ON OPERATING BUDGET

Purchases made in the current fiscal year and budgeted purchases for FY 18-19 will ultimately increase transfers from the General and Utility Funds. Transfers to equipment replacement are budgeted in each department and calculated based on the department's equipment which has been purchased from this fund.

When we make major purchases in a given year, the following year the impact on the operating fund is felt. For example, purchases made in FY 17-18 are impacting FY 18-19 as follows: Increase (Decrease) in operating budget.

### General Fund Contributions:

Administration	\$4,000
Municipal Court	0
Finance	8,765
Engineering	0
Legal	0
Police	205,999
Fire	(6,391)
EMS	63,420
Humane	3,380
Streets	3,425
Drainage	6,920
Building/Code Enforcement	(10,130)
Parks	2,414
Recreation	0
Garage	(6,295)
Civic Center	0
Total	<u>\$275,707</u>

### Utility Fund Contributions:

Utility Admin	8,765
Water	1,032
Wastewater	(79,873)
Sanitation	<u>(30,392)</u>
Total	<u>\$(100,468)</u>

# EQUIPMENT REPLACEMENT FUND BUDGET SUMMARY

<b>RESOURCES</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>ESTIMATED</b>	<b>PROPOSED</b>
	<b>2016-17</b>	<b>2017 - 18</b>	<b>2017 - 18</b>	<b>2018 - 19</b>
<b>Fund Balance</b>	\$ 6,284,424	\$ 6,648,936	\$ 6,648,936	\$ 6,481,243
<b>Revenues</b>				
Transfer from General Fund	1,266,088	1,175,656	1,168,696	1,451,363
Transfer from Utility Fund	654,464	657,413	657,423	556,945
Interest Income	29,347	18,000	30,000	25,000
Body Worn Camera Grant	42,949			-
Insurance Proceeds	25,192	-	-	-
Sale of Fixed Assets	4,950	-	3,240	-
	<b>\$ 2,022,989</b>	<b>\$ 1,851,069</b>	<b>\$ 1,859,359</b>	<b>\$ 2,033,308</b>
<b>Total Resources</b>	<b>\$ 8,307,413</b>	<b>\$ 8,500,005</b>	<b>\$ 8,508,295</b>	<b>\$ 8,514,551</b>
<b>EXPENDITURES</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>ESTIMATED</b>	<b>PROPOSED</b>
	<b>2016-17</b>	<b>2017 - 18</b>	<b>2017 - 18</b>	<b>2018 - 19</b>
Computer Equipment & Software	\$ 235,305	\$ 243,975	\$ 243,975	\$ 251,115
Airboat Repair	11,272	-	-	-
<b>ADMINISTRATION:</b>				
Van	-		33,575	-
<b>POLICE:</b>				
Replace Unit 1106 / 2017 Chevy Tahoe-Complete	47,320			-
Replace Unit 1107 / 2017 Chevy Tahoe-Complete	47,320			-
Video security system	71,949			-
Body Worn Cameras	57,265			-
Replace Unit #1124	-	48,100	48,100	
Replace Unit #1019	-	48,100	48,100	
Replace Unit #1128	-	48,100	48,100	
Replace Unit #1135	-	48,100	48,100	
Replace Unit #1048	-	28,000	28,000	
Replace Unit #868	-	28,000	28,000	
Replace Unit #1137	-	48,100	48,100	
Replace Unit #1136	-	48,100	48,100	
Replace Tactical Team gear	-	33,200	33,200	
Replace Unite 1125 - Totaled			35,827	
Replace #1141 Tahoe				48,000
Replace #1147 Tahoe				48,000
Replace #1148 Tahoe				48,000
Replace #864 Tahoe or Smiliar				32,000
Replace #868 1/2 ton pickup				28,000
<b>ENGINEERING:</b>				
Replace Pickup Truck #746		40,000	40,000	

# EQUIPMENT REPLACEMENT FUND BUDGET SUMMARY

<b>EXPENDITURES</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>ESTIMATED</b>	<b>PROPOSED</b>
	<b>2016-17</b>	<b>2017 - 18</b>	<b>2017 - 18</b>	<b>2018 - 19</b>
<b><u>FIRE:</u></b>				
New Pick Up Truck		34,500	34,500	-
Replace Unit #721(Engine#5) / Ferrara Fire Apparatu	570,000			-
New 2017 Ford Interceptor Utility				
<b><u>EMS:</u></b>				
Replace Unit #1059 / Frazer Type 1	153,850			-
New Frazer Type I 2017 Dodge 3500	-	263,000	262,875	
Replace medic 7				275,000
<b><u>HUMANE</u></b>				
Replace #1031 / 2017 Ford F-150 4DR	31,177			-
New F-250 Pick-up				45,000
<b><u>BUILDING</u></b>				
<b><u>PARKS:</u></b>				
Replace Exmark Mower #1082	9,227			-
Replace Exmark Mower #1083	9,227			-
New Exmark Mower for New Crew	9,227			-
Replace single cab MacLean Pickup #744	35,373			-
Replace unit #1005 F250				45,000
Replace #816 Toro Field Groomer				17,000
New Ex Mark mower				9,000
New Ex Mark mower				9,000
<b><u>STREETS:</u></b>				
Replace #824 - Ford Crew Cab	37,619			-
Replace Z-Speed Trailer	12,221			-
Replace Altec AT-40 Bucket Truck	-	120,000	120,000	
Replace 824 Crew Cab Pickup				45,000
<b><u>DRAINAGE:</u></b>				
Replace Slope Mower #497	-	120,000	120,000	
Replace 600 tractor with AC				43,000
<b><u>RECREATION:</u></b>				
<b><u>GARAGE:</u></b>				
New F150 (keep 888 as loaner) CNG				40,000
New 5,000 lb forklift				40,000
<b><u>UTILITY ADMIN:</u></b>				
Replace Handhelds and software	-	25,000	25,000	
Replace Meter reading probes	-	6,500	6,500	
Replace Unit #762 F150 with CNG				40,000
Replace Unit #889 Chevy Silverado with CNG				40,000
<b><u>WATER PRODUCTION:</u></b>				
Replace / Backhoe with ability to dig deeper	86,000			
New Van = 2018 Transit 250	-	37,000	37,000	

## EQUIPMENT REPLACEMENT FUND BUDGET SUMMARY

<b><i>EXPENDITURES</i></b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>ESTIMATED</b>	<b>PROPOSED</b>
	<b>2016-17</b>	<b>2017 - 18</b>	<b>2017 - 18</b>	<b>2018 - 19</b>
<b><u>SANITATION:</u></b>				
Replace #752 / Commercial Roll Off	213,776			
Replace Residential Garbage Truck #823	-	295,000	295,000	
Replace Residential Garbage Truck #827 New	-	295,000	295,000	
John Deere 20 EL w/ Grappler Attachment	-	100,000	100,000	
Replace Residential Garbage Truck				300,000
Replace Residential Garbage Truck				300,000
Replace #833 Rubber Tire Loader 427HT				175,000
Replace #862 Front End Loader w/Grappler				95,000
Replace #863 Front End Loader w/Grappler				95,000
<b><u>CIVIC CENTER:</u></b>				
Replace #640 F-150				40,000
New Dance Floor	20,349			-
<b><i>Total Expenditures</i></b>	<b>\$ 1,658,477</b>	<b>\$ 1,957,775</b>	<b>\$ 2,027,052</b>	<b>\$ 2,108,115</b>
<b>Ending Fund Balance</b>	<b>\$ 6,648,936</b>	<b>\$ 6,542,230</b>	<b>\$ 6,481,243</b>	<b>\$ 6,406,436</b>

## PARKS FUND

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The Parks Fund was created by City Ordinance in 1977. This Ordinance requires a developer to dedicate a site or sites to the public for park purposes at a ratio of one-half acre of park for every one hundred persons in the subdivision or development. This ordinance further provided that the City Council may elect to accept money as an alternative to the dedication of land where there is no park designated by the Comprehensive Master Plan or no park or recreation facility is recommended in the area by the Parks Board. If money is to be donated, the rate is \$295 per lot in the subdivision or \$252 per living unit in a duplex, townhouse, apartment or other multifamily units. Due to a decreasing number of new subdivisions (developing subdivisions have already made their contributions), and the fact the last couple of new subdivisions donated land rather than money, income in this fund has decreased steadily.

The City's Park Board develops the budget for this fund. Expenditures are typically dedicated to small park related capital improvements and maintenance items. Projects primarily include ball field and general park enhancements, as well as some small park facility and equipment acquisitions.

In May 2014, voters authorized the sale of a small parcel of Parkland located in the Oak Woods Addition Subdivision. This property was then sold to HEB as part of their overall project in the amount of \$60,000. This funding was earmarked for improvements to Morrison Park at Shy Pond and helped pay for the \$110,000 playground upgrade.

### **PROJECTS FOR FY 2018-19**

Kid Fishing Event	\$3,000
Community (matching) Park Improvement Funds	20,000
Contingency	<u>5,000</u>
	<u>\$28,000</u>

### **IMPACT ON THE BUDGET**

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There will be no impact on the operating budget.

## PARKS FUND BUDGET SUMMARY

<b>RESOURCES</b>	<b>ACTUAL 2016 - 17</b>	<b>BUDGET 2017 - 18</b>	<b>ESTIMATED 2017 - 18</b>	<b>BUDGET 2018 - 19</b>
<b>Fund Balance</b>	\$ 146,532	\$ 87,574	\$ 87,574	\$ 60,899
<b>Revenues</b>				
Interest Income	\$ 567	\$ 0	\$ 600	\$ 0
Contributions and Donations		0	325	0
	<u>\$ 567</u>	<u>\$ 0</u>	<u>\$ 925</u>	<u>\$ 0</u>
<b>Total Resources</b>	<b>\$ 147,099</b>	<b>\$ 87,574</b>	<b>\$ 88,499</b>	<b>\$ 60,899</b>

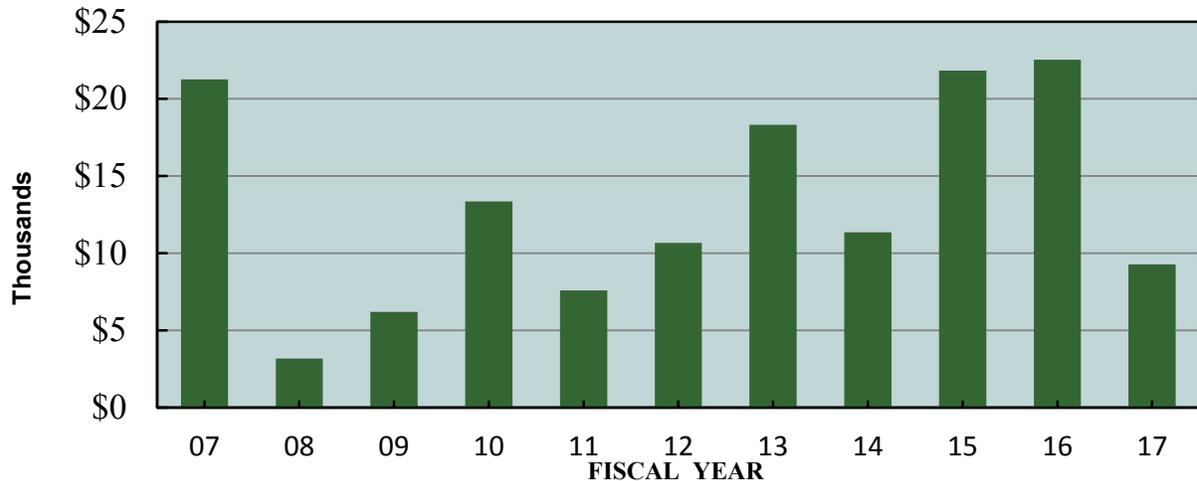
<b>EXPENDITURES</b>	<b>ACTUAL 2016 - 17</b>	<b>BUDGET 2017 - 18</b>	<b>ESTIMATED 2017 - 18</b>	<b>BUDGET 2018 - 19</b>
Electronic Reader Board - Rec Center	\$ 28,459	\$	\$	\$
Park Projects - CM (Soccer Goals)				
Park Projects - CM (Pool Starting Blocks)	5,000			
Park Projects - CM (JSL Park Picnic Shelter)	4,781			
Park Projects - CM (Soccer Goals)	5,000			
Park Projects - CM (1st Baptist-Security Fence)	0			
Park Projects -CM (Pee Wee /Community Impv)	0			
Park Projects - CM (B'Wood Base. / Suggs Improv)	4,020			
Morrison Park Memorial Bench	5,775			0
Kid Fishing Event	2,600	3,000	2,600	3,000
Community (matching) Park Improvement Funds	3,890	20,000	20,000	20,000
Contingency Fund	0	5,000	5,000	5,000
<b>Total Expenditures</b>	<b>\$ 59,525</b>	<b>\$ 28,000</b>	<b>\$ 27,600</b>	<b>\$ 28,000</b>
<b>Ending Fund Balance</b>	<b>\$ 87,574</b>	<b>\$ 59,574</b>	<b>\$ 60,899</b>	<b>\$ 32,899</b>

# UNEMPLOYMENT INSURANCE FUND

<i>RESOURCES</i>	ACTUAL 2016-17	BUDGET 2017-18	ESTIMATED 2017-18	PROPOSED 2018-19
<b>Fund Balance</b>	\$ 125,052	\$ 116,289	\$ 116,289	\$ 102,089
<b>Revenues</b>				
Transfer From Utility Fund	\$ 0	\$ 0	\$ 0	\$ 0
Transfer From General Fund	0	0	0	0
Interest	525	0	800	800
	<u>\$ 525</u>	<u>\$ 0</u>	<u>\$ 800</u>	<u>\$ 800</u>
<b>Total Resources</b>	<b>\$ 125,577</b>	<b>\$ 116,289</b>	<b>\$ 117,089</b>	<b>\$ 102,889</b>

<i>EXPENDITURES</i>	ACTUAL 2016-17	BUDGET 2017-18	ESTIMATED 2017-18	PROPOSED 2018-19
Unemployment Claims	\$ 9,288	\$ 15,000	\$ 15,000	\$ 15,000
<b>Total Expenditures</b>	<b>\$ 9,288</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Ending Fund Balance</b>	<b>\$ 116,289</b>	<b>\$ 101,289</b>	<b>\$ 102,089</b>	<b>\$ 87,889</b>

## HISTORICAL UNEMPLOYMENT CLAIMS



## SPECIAL EVENTS FUND

RESOURCES		ACTUAL 2016-17	BUDGET 2017-18	ESTIMATED 2017-18	PROPOSED 2018-19
<b>Fund Balance</b>	\$	50,934	64,943	64,943	10,156
<b>Revenues</b>					
Transfer from General Fund	\$	25,000	35,000	35,000	25,000
Transfer from Motel Occ.		71,750	73,185	72,828	74,650
Revenues from FOL		16,918	14,000	17,761	14,000
Miscellaneous (Special Events)		16,671	17,000	22,481	17,000
75th Revenue		0	0	83,793	0
	\$	<u>130,339</u>	<u>\$ 139,185</u>	<u>\$ 231,863</u>	<u>\$ 130,650</u>
<b>Total Resources</b>	\$	<b>181,273</b>	<b>\$ 204,128</b>	<b>\$ 296,806</b>	<b>\$ 140,806</b>
<b>EXPENDITURES</b>					
		ACTUAL 2016-17	BUDGET 2017-18	ESTIMATED 2017-18	PROPOSED 2018-19
Festival of Lights	\$	56,350	45,000	49,215	45,000
Concerts in the Park		24,792	25,000	34,318	25,000
July 4th Celebration		23,790	25,000	25,000	25,000
Misc / Advertising		2,500	2,500	4,114	2,500
Tournaments		0	6,000	0	6,000
Misc./Pay Concerts		8,701	15,000	15,000	15,000
Senior Fest		0	0	0	4,000
75th Celebration		197	50,000	159,003	0
	\$	<u>116,330</u>	<u>\$ 168,500</u>	<u>\$ 286,650</u>	<u>\$ 122,500</u>
<b>Total Expenditures</b>	\$	<b>116,330</b>	<b>\$ 168,500</b>	<b>\$ 286,650</b>	<b>\$ 122,500</b>
<b>Ending Fund Balance</b>	\$	<u>64,943</u>	<u>\$ 35,628</u>	<u>\$ 10,156</u>	<u>\$ 18,306</u>

# GENERAL CONTINGENCY FUND

<b>RESOURCES</b>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-18</b>	<b>ESTIMATED 2017-18</b>	<b>PROPOSED 2018-19</b>
<b>Fund Balance</b>	\$ 906,260	\$ 910,308	\$ 910,308	\$ 916,808
<b>Revenues</b>				
Transfer from General Fund	\$ 0	\$ 0	\$ 0	\$ 0
Interest Income	4,047	2,000	6,500	5,000
	<u>\$ 4,047</u>	<u>\$ 2,000</u>	<u>\$ 6,500</u>	<u>\$ 5,000</u>
<b>Total Resources</b>	<b>\$ 910,308</b>	<b>\$ 912,308</b>	<b>\$ 916,808</b>	<b>\$ 921,808</b>
<b>EXPENDITURES</b>				
	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-18</b>	<b>ESTIMATED 2017-18</b>	<b>PROPOSED 2018-19</b>
Transfer to Utility Fund	\$ 0	\$ 0	\$ 0	\$ 0
Transfer to General Fund	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Ending Fund Balance</b>	<b>\$ 910,308</b>	<b>\$ 912,308</b>	<b>\$ 916,808</b>	<b>\$ 921,808</b>

## UTILITY CONTINGENCY FUND

<b>RESOURCES</b>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-18</b>	<b>ESTIMATED 2017-18</b>	<b>PROPOSED 2018-19</b>
<b>Fund Balance</b>	\$ 401,039	\$ 402,830	\$ 402,830	\$ 405,330
<b>Revenues</b>				
Transfer from Utility Fund	\$ 0	\$ 0	\$ 0	0
Interest Income	1,791	880	2,500	2,000
	<u>\$ 1,791</u>	<u>\$ 880</u>	<u>\$ 2,500</u>	<u>\$ 2,000</u>
<b>Total Resources</b>	<b>\$ 402,830</b>	<b>\$ 403,710</b>	<b>\$ 405,330</b>	<b>\$ 407,330</b>
<b>EXPENDITURES</b>	<b>ACTUAL 2016-17</b>	<b>BUDGET 2017-18</b>	<b>ESTIMATED 2017-18</b>	<b>PROPOSED 2018-19</b>
Transfer to Utility Fund	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Total Expenditures</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Ending Fund Balance</b>	<u><b>\$ 402,830</b></u>	<u><b>\$ 403,710</b></u>	<u><b>\$ 405,330</b></u>	<u><b>\$ 407,330</b></u>

## MOTEL OCCUPANCY TAX FUND

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The purpose of this fund is to account for resources generated from the local hotel/motel occupancy tax, which collects at the rate of 7% of the cost of a hotel room. It is the policy of the City of Lake Jackson to use and distribute the Hotel Occupancy Tax using two levels of funding to encourage tourism:

1. The first level of funds (Level 1) assists the following organizations and events and is distributed on a percentage basis. The maximum level of funds allocated to Level 1 is \$533,200 for FY 2018-2019. The maximum may be adjusted annually by the City Council, taking into consideration inflation and increases in operating expenditures. This year, the base amount was adjusted 2.5%.
  - As much as 29% of Level 1 Funds to be used for promotion of tourism through:
    1. Brazosport Convention & Visitors Council; and/or
    2. Individual contractors who will advertise and promote the City;
  - As much as 14% of Level 1 Funds to the Brazosport Fine Arts Council to be used for the promotion of the arts;
  - As much as 21% of Level 1 Funds to the Museum of Natural Science at the Center for Arts and Sciences operated by the Brazosport Fine Arts Council to encourage visitations to museums;
  - As much as 21% of Level 1 Funds to the Lake Jackson Historical Museum to encourage visitations to historical museums and sites;
  - As much as 14% of Level 1 Funds to be used to promote Festival of Lights and other types of festivals or events that promote tourism;
  - As much as 1% of Level 1 Funds to be used to fund tourism-marketing material.
2. The second level of funds (Level 2) is the remainder and residue of the Hotel Occupancy Tax the City collects and can be allocated for some other lawful method of advertising the City or encouraging tourism, including preservation of historical sites, promoting visitation through attraction of conventions, and encouraging visitations to museums.

Requests for Level 2 funds are made to the Hotel Occupancy Tax (HOT) Committee assigned with the responsibility to recommend expenditures of Level 2 funds to the City Council. The HOT Committee is recommending that level 2 funds for FY 2018-19 be used to fund a regional marketing campaign to increase tourism to Lake Jackson and that \$18,00 be set aside for special event grants.

Lake Jackson is home to 7 hotels, totaling 460 rooms: Courtyard by Marriott, Staybridge Suites (opening late 2018), Woodspring Suites, Clarion Inn (140), Super 8 (108), Candlewood Suites (85), Best Western (68), Comfort Suites (59), Courtyard by Marriott (116), and Staybridge Suites (100).

Woodspring Suites is now under construction.

## MOTEL OCCUPANCY TAX FUND BUDGET SUMMARY

RESOURCES	ACTUAL 2016-17	BUDGET 2017-18	ESTIMATED 2017-18	PROPOSED 2018-19
<b>Fund Balance</b>	\$ 45,334	\$ 45,434	\$ 74,822	\$ 141,170
<b>Revenues</b>				
Motel Occupancy Tax				
Best Western	137,928	136,741	135,614	138,000
Super 8	53,121	60,777	60,659	62,000
Clarion	133,621	122,610	155,772	159,000
Comfort Suites	100,690	87,105	97,039	99,000
Courtyard by Marriott		271,390	203,942	204,000
Less Rebate		(203,543)	(152,957)	(153,000)
Candlewood	114,193	115,022	86,379	86,000
<b>Total Occupancy Tax</b>	<b>\$ 539,553</b>	<b>\$ 590,102</b>	<b>\$ 586,448</b>	<b>\$ 595,000</b>
Interest Income	160	0	100	100
	<b>\$ 539,713</b>	<b>\$ 590,102</b>	<b>\$ 586,548</b>	<b>\$ 595,100</b>
<b>Total Resources</b>	<b>\$ 585,047</b>	<b>\$ 635,536</b>	<b>661,370</b>	<b>\$ 736,270</b>
<b>EXPENDITURES</b>				
	ACTUAL 2016-17	BUDGET 2017-18	ESTIMATED 2017-18	PROPOSED 2018-19
Fine Arts Council	\$ 71,750	\$ 73,185	72,828	\$ 74,650
Brazosport Area C of C	148,625	151,598	150,858	154,630
Museum of Natural Science	107,625	109,778	109,242	111,975
L.J. Historical Museum	107,625	109,778	109,242	111,975
Softball Tournament				
TAAF Conf Promotion Items				
Level 2 Expenditures		67,352		
- Marketing Campaign				80,000
- Special Event Grants				18,000
Marketing Items / Brochure	2,850	5,228	5,202	5,330
Transfer to Special Events	71,750	73,185	72,828	74,650
<b>Total Expenditures</b>	<b>\$ 510,225</b>	<b>\$ 590,104</b>	<b>520,200</b>	<b>\$ 631,210</b>
<b>Ending Fund Balance</b>	<b>\$ 74,822</b>	<b>\$ 45,432</b>	<b>141,170</b>	<b>\$ 105,060</b>

Note: Ending Fund Balance for FY 17/18 includes \$98,170 commitment to Level 2 Funds

## PEG FUND

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The purpose of this fund is to account for Public, Educational and Government (PEG) cable television fees – 1% of the cable operator’s gross receipts. These funds are restricted by federal law and may be used only for capital costs related to PEG access facilities.

In 2017 the City of Lake Jackson and the Brazosport Independent School District entered into an interlocal agreement. The agreement provides that the City will provide funds to the school district to buy audio visual/ recording equipment. Students in the Audio/Visual Programs in the BISD will work with the City to create programming to be run on City Channel 16, which will promote the City of Lake Jackson and to educate citizens on the programs and services provided by the City.

An initial payment of \$186,343 was made to BISD in 2017, with programming beginning during the 2017-2018 school year. The first year was successful in creating initial videos and establishing a baseline for video expectations, which generated several ideas to continue growing the program in both scope and creativity in future years.

In FY 18-19 we plan to expand the program and begin running more videos on City Channel 16, with the major focus of promoting city events and how to find additional information about the city. Our goal is to eventually have at least half of the information shared on the channel being video-based, as well as incorporating the videos on the city website.

## PEG FUND BUDGET SUMMARY

RESOURCES	ACTUAL 2016-17	BUDGET 2017-18	ESTIMATED 2017-18	PROPOSED 2018-19
<b>Fund Balance</b>	\$ 366,271	284,202	284,202	302,183
<b>Revenues</b>				
PEG fees	\$ 81,920	88,000	80,000	80,000
Interest	2,084	1,800	2,500	2,500
	<u>\$ 84,005</u>	<u>\$ 89,800</u>	<u>\$ 82,500</u>	<u>\$ 82,500</u>
<b>Total Resources</b>	\$ 450,275	\$ 374,002	\$ 366,702	\$ 384,683
<b>EXPENDITURES</b>	ACTUAL 2016-17	BUDGET 2017-18	ESTIMATED 2017-18	PROPOSED 2018-19
<b>Operating Expenses</b>				
Operating Supplies	\$ 3,147	1,500	1,500	1,500
BISD Grant	162,926	59,790	59,790	
Computer Equipment	<u>\$ 0</u>	<u>3,228</u>	<u>3,228</u>	<u>5,000</u>
<b>Total Expenditures</b>	\$ 166,073	\$ 64,518	\$ 64,518	\$ 6,500
<b>Ending Fund Balance</b>	<u>\$ 284,202</u>	<u>\$ 309,483</u>	<u>\$ 302,183</u>	<u>\$ 378,183</u>

## **POLICE SEIZURE FUNDS**

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This Police Seizure Fund is used to account for federal and state seized funds. These funds are to be used for law enforcement purposes.

In lieu of the disposition of forfeited property, Section 59.06 of the Code of Criminal Procedure grants spending authority to the Police Department. The Police Department is required to keep the governing body informed of aggregate expenditures of forfeiture funds by category. This entails submitting a budget for these funds that only lists and defines the categories that the forfeiture funds will be spent on.

## POLICE SEIZURE FUNDS BUDGET SUMMARY

RESOURCES	ACTUAL 2016-17	BUDGET 2017-18	ESTIMATED 2017-18	PROPOSED 2018-19
<b>Fund Balance</b>	\$ 96,797	\$ 89,425	\$ 89,425	\$ 98,675
<b>Revenues</b>				
Seizures	\$ 19,457	\$ 35,000	35,000	35,000
Misc	0	2,500	2,500	2,500
Interest	90	250	250	250
	<u>\$ 19,547</u>	<u>\$ 37,750</u>	<u>\$ 37,750</u>	<u>\$ 37,750</u>
<b>Total Resources</b>	<b>\$ 116,344</b>	<b>\$ 127,175</b>	<b>\$ 127,175</b>	<b>\$ 136,425</b>

EXPENDITURES	ACTUAL 2016-17	BUDGET 2017-18	ESTIMATED 2017-18	PROPOSED 2018-19
Reimbursement (30% to DA)	\$ 613	\$ 1,500	\$ 1,500	\$ 1,500
Undercover Operations	0	4,000	4,000	4,000
Operating Supplies	2,727	15,000	15,000	15,000
Equipment	23,579			
Miscellaneous	0	8,000	8,000	8,000
	<u>\$ 26,919</u>	<u>\$ 28,500</u>	<u>\$ 28,500</u>	<u>\$ 28,500</u>
<b>Total Expenditures</b>	<b>\$ 26,919</b>	<b>\$ 28,500</b>	<b>\$ 28,500</b>	<b>\$ 28,500</b>
<b>Ending Fund Balance</b>	<b>\$ 89,425</b>	<b>\$ 98,675</b>	<b>\$ 98,675</b>	<b>\$ 107,925</b>

# MULTI-YEAR FUNDS



LAKE JACKSON

*City of Enchantment*



## **MULTI-YEAR FUNDS SUMMARY**

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This section includes all our active Bond Construction Funds. It presents the projects and money spent since the original sale of the bonds along with the plan for the expenditure of the remaining funds. Projects included in these funds typically take multiple years to complete. All Infrastructure Improvement bonds were worded to include Water, Sewer, Drainage and Sidewalk and Street reconstruction. Therefore, when the designated projects are complete, the remaining funds can be used on like projects. Construction funds include:

### **2010 Infrastructure Improvement Bond Construction Fund**

This is the first phase of bonds approved by the voters in May 2010. Projects include drainage and street spot repairs. The project for \$1 million in street spot repairs and the first two major drainage project are complete. Due to the need for additional funding the Willow/Blossom drainage project will be completed from the 2016 Infrastructure bond fund. The South Yaupon drainage structure crossings includes three separate drainage structures. Two of these structures will be completed with street reconstruction in Woodland Park. Therefore, we are transferring funds necessary for those structures to the 2016-17 Infrastructure Bond Fund which includes the Woodland Park subdivision. The remaining structure will be put out for bid following completion of the Woodland Park project in order to maintain traffic flow in the area.

### **2013 Downtown Revitalization Bond Construction Fund**

This fund will account for the proceeds from the issuance of \$2 million in Certificates of Obligation sold in March 2013. Proceeds will be used for the completion of Phase III of the downtown plan – South Parking Place. This project is nearing completion and close out.

### **2014 Economic Incentives Infrastructure Reimbursement Fund**

This fund accounts for the proceeds from the issuance of \$5.5 million in Certificates of Obligation. The proceeds are to reimburse HEB for the public infrastructure installed to redevelop the Oak Woods subdivision and to reimburse Dow for public infrastructure associated with the development of the Dow Texas Innovation Center. Dow did not request reimbursement for all their allotted funds. An additional project to replace damaged street panels in areas around the Dow facility is also complete. Less than \$100,000 of the original bond proceeds remains and can be used for an infrastructure project in the HEB or Dow area.

### **2016-2017 Infrastructure Improvement Bond Construction Fund**

This fund accounts for the first and second phase of bonds approved by the voters in May 2016. The first phase consist of \$3 million to add an additional 2-lane bridge on Plantation Drive at the Flag Lake Channel (construction nearing completion), drainage improvements in the Willow/Blossom/ Daisy area (Engineering in progress), add traffic lights and right turn lanes at Circle Way & Oak Drive at City Hall(turn lanes complete manufacturing delay on light stanchions), and fund the design for replacement of residential streets in Woodland Park (design complete). The second \$4 million phase includes the construction funding of the Woodland Park project. Included in this project will be two of the drainage structures on Yaupon that were originally funded by the 2010 Bond Fund. As with all our residential street reconstruction projects it includes Water and Sewer line replacement. Because we have several Water and Sewer Bond funds with projects completed under budget, the Water and Sewer portion of Woodland Park will be moved to these funds. Specifically, the 2016 Water and Sewer Bond Fund. This will free an estimated \$700,000 in this fund to be available to address drainage related concerns that came to light in the 2017 flood. The second phase also includes \$650,000 for the engineering of the next portion of the downtown revitalization. (Engineers responding to request for qualifications are being reviewed).

## MULTI-YEAR FUNDS SUMMARY

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### **2018 Infrastructure Improvement Bond Construction Fund**

This is the planned issuance of the third and final phase of the bonds approved by the voters in May of 2016. It will consist of \$9 million to fund the next phase of the downtown revitalization. Phase 3 of the Downtown Revitalization project includes the reconstruction of 2,525 linear feet of streets, sidewalks, utility lines, and public parking along North Parking Place, That Way from Parking Way to Oyster Creek Drive, and Circle Way from Oak Drive to That Way. The project will also include adding public gathering spaces and pedestrian improvements to the area.

### **2013 Water and Sewer Bond Construction Fund**

This fund will account for the proceeds from the issuance of \$2 million in Revenue Bonds and \$1.5 million in Certificates of Obligation. Projects funded included the Northwest water system expansion, Sewer line replacements, local lift station renovations and repair, and repainting of the Dow Ag water tower. All of the original projects are complete and under original estimated amounts. Remaining funds are being used to complete the Marigold Sewer line repair and additional local lift station renovation.

### **2016 Water and Sewer Bond Construction Fund**

This fund will account for the proceeds from the issuance of \$3.0 million in Water and Sewer Bonds and \$3.9 million in Certificates of Obligation. The largest part of these funds (\$4.5 million) will be used to extend Sewer to the Airport/ Alden Development. The remaining \$2.4 million will be used to replace and upgrade the force main from Lift Station 25 to the Wastewater Treatment Plant. These two projects are complete and substantially under budget. With the remaining funds we will be able to complete additional water and sewer projects. Planned projects are the replacement of Water well 5, Woodland Park Water and Sewer, repair and paint the Oak Drive Water Tower, Booster Pump replacement at Oak Drive, and SCADA for monitoring of the water system.

### **2017 Water and Sewer Bond Construction Fund**

This fund will account for the issuance \$5.0 million of Water and Sewer bonds. This will include rehabilitation of the entire basin 6 area. This project has been divided into three phases. The first phase has been bid and construction contract awarded. Engineering on Phase 2 has commenced. Basin 6 includes Plantation Drive, Cedar, Post Oak, North Shady Oaks and Garland to Garland Court. (\$3.5 million) Other projects will include the first phase of the Lake Forest sewer rehab (\$1.1 million) and Huisache Sewer (\$400,000).

#### SPECIAL NOTE:

In May 2016 the voters approved \$16.0 million in bonds. The first phase of these bonds was sold in December 2016 and another issue will be sold in December 2017. The last issue will be sold in December 2018. The ballot for the bonds consisted of 5 propositions, all were approved by the voters.

- **Proposition 1** – \$9.9 million to continue with the next phase of the Downtown Revitalization
- **Proposition 2** – \$1.0 million to add second 2-lane bridge at Plantation Drive & the Flag Lake Channel
- **Proposition 3** – \$3.8 million for residential streets in the Woodland Park Subdivision
- **Proposition 4** – \$0.8 million for drainage improvements in the Willow/Blossom/Daisy area
- **Proposition 5** – \$0.5 million for traffic lights & right turn lanes at Oak Dr. & Circle Way at City Hall

## **2010 INFRASTRUCTURE IMPROV. BOND CONSTRUCTION FUND**

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In May of 2010 voters approved the issuance of \$7 million in General Obligation Bonds. This fund was established to account for the bonds sold in July 2010.

### **Drainage Projects**

\$2 million was allocated for Drainage projects.

The major focus of these projects is ditch improvements downstream from the State Highway 288 project. During the construction of the Highway project, the State improved the sizing on all of the drainage crossings. To take advantage of the increased crossing size downstream improvements need to be made to all ditches. Work is complete on three Oak Drive crossings and the Elm crossings. The remaining project is the completion of the three Yaupon crossings. Two of these crossings will be bid with the Woodland Park project in the 2016-17 Infrastructure Bond Fund and as such \$735,000 will be transferred to that fund. The remaining money will fund the completion of the third crossing. In general terms, these projects will improve drainage in the area between Oyster Creek Drive and SH 288/332 or all of the area that drains into the Clute/Lake Jackson (Velasco) ditch.

Due to the rising costs of concrete, the Willow/Blossom drainage project designed to reduce localized street flooding in that area of the City was moved to the 2016 Bond Issue.

All other projects planned for this bond issue have been completed.

### **IMPACT ON OPERATING BUDGET**

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There is minimal direct impact of these projects, however the ditch linings will lessen the long-term maintenance of these ditches necessary to control erosion. Mowing will also be simpler and quicker. Localized minor street flooding during 10 year rain events will be minimized.

# 2010 INFRASTRUCTURE IMPROV. BOND CONSTRUCTION FUND

**As of March 2018**

<b>Resources</b>	<b>Project To Date *</b>	<b>Total Projected</b>
Net Proceeds from Bond Issuance	\$ 3,003,735	\$ 3,003,735
Transfer From 2004 Infrastructure Bond Fund	67,177	67,177
Transfer from 2007 Infrastructure Bond Fund	24,025	24,025
Transfer from 2009 Infrastructure Bond Fund	5	5
Interest Earned		
Prior years	18,782	18,782
Fiscal 2018 (thru period 6)	5,281	10,000
Total Interest Earned	<u>24,064</u>	<u>28,782</u>
<b>Total Resources</b>	<b>\$ 3,119,006</b>	<b>\$ 3,123,724</b>

<b>Expenditures</b>	<b>Original Budget</b>	<b>Project To Date *</b>	<b>Remaining to be spent</b>	<b>Total Projected</b>
Willow Blossom Drainage	\$ 400,000	\$ 0	\$	\$ 0
Oak Dr. Structure Crossings (3)	470,000	462,884		462,884
S. Yaupon Structure Crossings (3)	311,700	66,966	219,381	286,347
Elm Structure Crossings (2)	149,200	397,045		397,045
S Yaupon, Elm & Magnolia linings	399,200	62,689		62,689
Anchusa, Timbercreek Park, Upper Slave	185,000	178,717		178,717
Arterial Streets Drought Repair	1,000,000	1,001,042		1,001,042
Contingency	84,900			0
Transfer to 2016/2017 Infrastructure (135)				735,000
<b>Total Expenditures</b>	<b>\$ 3,000,000</b>	<b>\$ 2,169,343</b>	<b>\$ 219,381</b>	<b>\$ 3,123,724</b>

## **2013 DOWNTOWN REVITALIZATION BOND CONSTR. FUND**

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The Lake Jackson Development Corporation approved the funding of Phase 3 of the Downtown revitalization plan. The Economic Development Fund, whose primary revenue is the optional half-cent sales tax, will provide the funding to service the debt payments on \$2,000,000 in Certifications of Obligation. The Certificates were sold in March 2013.

### **Phase 3 Downtown Revitalization**

Phase 3 involves the complete restoration of South Parking Place and adds a pavilion to the center of the roadway that will provide covered parking during the week and a pavilion on the weekend. The design allows South Parking Place to serve as an additional outdoor plaza that can host a Farmer's Market, concerts or other outdoor events.

This project is in the final stages of completion and closeout.

### **IMPACT ON OPERATING BUDGET**

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Because the master plan for downtown includes considerable streetscape and landscaping we anticipate an increase in maintenance cost. These will not impact our general operating budget as we will provide \$70,000 a year for maintenance to be paid from the Lake Jackson Economic Development Fund. Plans for the addition of a farmer's market and other events to attract patrons downtown are not currently finalized but the financial plan is for any additional cost to be offset by revenues.

# 2013 DOWNTOWN REVITALIZATION BOND CONSTR. FUND

**As of March 31, 2018**

<b>Resources</b>	<b>Project To Date</b>	<b>Total Projected</b>
Net Proceeds from Bond Issuance	\$ 2,001,211	\$ 2,001,211
Interest Earned		
Prior Years	21,707	21,707
Fiscal 2018	9,944	12,000
Total Interest Earned	31,651	33,707
 <i>Total Resources</i>	 <b>\$ 2,032,861</b>	 <b>\$ 2,034,918</b>

<b>Expenditures</b>	<b>Original Budget</b>	<b>Project To Date</b>	<b>Remaining to be spent</b>	<b>Total Projected</b>
South Parking Place	\$ 2,000,000	\$ 1,484,138	\$ 504,870	\$ 1,989,008
This Way-C/Way to 332		45,910		45,910
 <i>Total Expenditures</i>	 <b>\$ 2,000,000</b>	 <b>\$ 1,530,048</b>	 <b>\$ 504,870</b>	 <b>\$ 2,034,918</b>
 <b>Projected Remaining Funds</b>				 <b>\$ 0</b>

## **2014 ECONOMIC INCENTIVES INFRASTRUCTURE BOND**

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### **Economic Development Incentive for Redevelopment of Oak Woods Subdivision (HEB)**

In 2013 the City Council and LJDC approved a \$3 million infrastructure reimbursement agreement for the redevelopment of the Oak Woods subdivision. The Oak Woods subdivision was the first residential area built in Lake Jackson located east of downtown and had over 102 duplexes built there during WWII. HEB will construct an 83,000 sq. ft. store on about 13 acres of the 38 acre site. The remainder of the acreage is slated for a combination of office, retail and residential. The \$3 million agreement will reimburse HEB for all public infrastructure installed to serve the site.

### **Economic Development Incentive for Texas Innovation Center**

In 2013 the City Council and LJDC approved a \$2.5 million infrastructure reimbursement agreement for the development of the Dow Texas Innovation Center. The site will consist of nearly one million square feet of office and research space consisting of a major administrative building, two large research and development buildings, amenities/activity building and a central plant/warehousing building. The project will put approximately 2,100 Dow employees in the middle of the city.

Both of these projects are now complete. Dow did not request the entire \$2.5 million reimbursement. An additional project to repair streets in the area of the Dow complex that were compromised during construction is also complete. There remains slightly less than \$100,000 that can be used for a project in the Dow / HEB area.

### **IMPACT ON OPERATING BUDGET**

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The impact on the operating budget should be minimal. These projects will decrease maintenance costs for repairs that are currently coming out of the operating budget and extend the life of existing infrastructure. Overall, the incentives offered these companies continue to pay off in a direct increase to the property tax base as well as serving to attract other commercial entities to the area.

# 2014 ECONOMIC INCENTIVES INFRASTRUCTURE BOND

**As of March 31, 2018**

<b>Resources</b>	<b>Project To Date</b>	<b>Total Projected</b>
Net Proceeds from Bond Issuance	\$ 5,501,029	\$ 5,501,029
Prior Interest Earned	14,301	14,301
Fiscal 2018	755	900
Total Interest Earned	15,056	15,201
<b>Total Resources</b>	<b>\$ 5,516,085</b>	<b>\$ 5,516,230</b>

<b>Expenditures</b>	<b>Original Budget</b>	<b>Project To Date</b>	<b>Remaining to be spent</b>	<b>Total Projected</b>
Dow Innovation Center	\$ 2,500,000	\$ 2,344,193	\$ 0	\$ 2,344,193
Off-Site Utilities				
Abner Jackson Street Repair		49,156	0	49,156
Oak Woods Re development	3,000,000	3,000,000	0	3,000,000
HEB				
This Way spot repair		33,446		33,446
<b>Total Expenditures</b>	<b>\$ 5,500,000</b>	<b>\$ 5,426,795</b>	<b>\$ 0</b>	<b>\$ 5,426,795</b>

<b>Projected remaining Funds</b>	<b>\$ 89,435</b>
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## **2016-2017 INFRASTRUCTURE IMPROV. BOND CONSTRUCTION**

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In May of 2016 voters approved the issuance of an additional \$16 million in General Obligation Bonds. This fund was established to account for the first phase (\$3 million) and the second phase (\$4 million). These bonds were sold in December 2016 and December 2017 respectively.

### **Plantation Drive Bridge**

With the construction of the Plantation Park Apartments, Plantation Drive is now a 4-lane road from SH 332 to Oleander Street, at which point there is currently only a 2-lane bridge to cross the Flag Lake Channel. There is \$1.0 million allocated to build an additional 2-lane bridge so that there are 4 lanes of traffic going all the way to Medical Drive. Construction of this project is nearing completion.

### **Willow/Blossom/Daisy Drainage**

There is \$0.8 million allocated for this project. The drainage project for the Willow/Blossom/Daisy area will be designed to reduce localized street flooding. Engineering on this project is nearing completion.

### **Circle Way & Oak Drive Traffic Improvements**

Due to increased traffic and the growth of the Downtown area, \$0.5 million has been allocated to install traffic lights and right turn lanes at Circle Way and Oak Drive near City Hall. Turn lanes are complete. Installation of the traffic light is pending due to a manufacturing delay of the light stanchions.

### **Residential Street Replacement – Woodland Park Subdivision**

Phase 1 including funding for the engineering of this project and phase 2 included the construction funding. Also, two of the drainage crossings originally funded by the 2010 bond issue will be completed with this project. Money from the 2010 Infrastructure Construction Fund will be transferred here to pay for this portion of the project. As with all our street replacement projects, water and sewer lines will also be replaced. Because projects in the 2016 Water and Sewer construction fund were completed significantly under budget, the water and sewer portion of this project will be paid from that fund. This will free approximately \$700,000 in this fund to be utilized on drainage and other issues identified during 2017 flood.

### **Downtown Revitalization**

Phase 2 of the bond sale includes funding for the engineering / design portion for phase 4 of the Downtown Revitalization Project. The funds for the construction of Phase 4 will not be issued until December of 2018.

## **IMPACT ON OPERATING BUDGET**

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There is minimal direct impact of these projects on the operating funds. There will be a minor increase in the City's electricity usage associated with the new lights for the Plantation Drive Bridge and with the traffic signals. However, the drainage improvements will lessen the long-term maintenance of the ditches in that area and the improvements will help to reduce some localized street flooding that occurs during heavy rains.

# 2016-2017 INFRASTRUCTURE IMPROV. BOND CONSTRUCTION

As of June 22, 2016

<b>Resources</b>	<b>Project To Date *</b>	<b>Total Projected</b>
Net Proceeds from Bond Issuance	\$ 5,502,525	\$ 5,502,525
Interest Earned	7,560	10,000
Total Interest Earned	7,560	10,000
<b>Total Resources</b>	<b>\$ 5,510,085</b>	<b>\$ 5,512,525</b>

<b>Expenditures</b>	<b>Original Budget</b>	<b>Project To Date *</b>	<b>Total Projected</b>
Dow Innovation Center Off-Site Utilities	\$ 2,500,000	\$ 2,344,193	\$ 2,344,193
Oak Woods Re development HEB	3,000,000	0	3,000,000
<b>Total Expenditures</b>	<b>\$ 5,500,000</b>	<b>\$ 2,344,193</b>	<b>\$ 5,344,193</b>

<b>PROJECTED REMAINING FUNDS (DEFICIT)</b>	<b>\$ 168,332</b>
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## **2013 WATER AND SEWER BOND CONSTRUCTION FUND**

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In May of 2013 we issued \$2 million in Water and Sewer Bonds. The proceeds from these bonds will fund the Northwest water system expansion (\$1,000,000) Sewer line replacements (\$250,000), local lift station renovations (\$250,000), and repair and repaint the Dow water tower (\$500,000).

In addition, the Lake Jackson Development Corporation approved the funding of the Northwest water system. The Economic Development Fund, whose primary revenue is the optional half-cent sales tax, will provide the funding to service the debt payments on \$1,500,000 in Certifications of Obligation. The Certificates were sold in October, 2013.

### **Northwest Water System Expansion**

This project entails providing a phased approach to providing utilities to the airport.

The initial phase will include a connection to the existing Brazosport Water Authority main, a 100,000 gallon ground storage tank, a 10,000 gallon pressure tank, booster pumps, chemical treatment facilities and a control room. These facilities will be located on a plant site donated by the County east of the airport. Water mains will be extended from this plant to the airport to the west, to CR 220 to the north, and to the Alden development to the South.

The initial phase will serve up to the first 400 equivalent single family connections around the airport and in the Alden development. Future phases would include additional ground storage and booster pumps, elevated storage, and a well system. With development of the Alden tract this system will eventually connect back to the existing city water system.

### **Repair and Repaint Water Tower**

This will repair and repaint the Water Tower known as the Dow Ag Tower (Leo Martin). (\$500,000)

This project was the first completed from this bond issue.

### **Local Lift Station Renovations**

This will replace the pumps and controls and upgrade the flow capacity of the existing Lift Station #16 to meet the requirements for the full build out of the Creekside subdivision (\$150,000) and will replace major pumping equipment and controls at smaller lift stations including Lift Station #16 (\$100,000).

All of the planned projects for this bond fund are complete. Because these projects were completed under budget we have funded additional projects. This includes a project to asphalt the access road to the water plant (complete), additional lift station renovations (ongoing) and the repair of the Marigold sewer line (on going).

### **IMPACT ON OPERATING BUDGET**

The impact on the operating budget should be minimal. The Northwest Water System expansion will add some maintenance and operating costs but these will be minimal until a customer base is established and consumption increases, at that point the revenue from increased sales should more than offset the increased operating costs. All of the other projects will decrease maintenance costs for repairs that are currently coming out of the operating budget and extend the life of existing infrastructure.

# 2013 WATER AND SEWER BOND CONSTRUCTION FUND

**As of March 31, 2018**

<b>Resources</b>	<b>Project To Date</b>	<b>Total Projected</b>
Net Proceeds from Bond Issues 2013 Water & Sewer Bonds	\$ 2,000,000	\$ 2,000,000
Net Proceeds from Bond Issues 2013A CO's	\$ 1,504,241	1,504,241
Interest Earned		
Prior years interest	16,100	16,100
Fiscal 2018	2,111	4,000
Total Interest Earned	18,211	20,100
<b>Total Resources</b>	<b>\$ 3,522,452</b>	<b>3,524,341</b>

<b>Expenditures</b>	<b>Original Budget</b>	<b>Project To Date</b>	<b>Remaining to be Spent</b>	<b>Total Projected</b>
Replace Sewer Line - Center Way	\$ 125,000	\$ 77,232	\$ 0	\$ 77,232
Replace Sewer Line - Begonia	125,000	94,344	0	94,344
NW Water Expansion-Engineering	2,500,000	117,173	0	
NW Water Expansion		2,279,787	0	2,396,960
Local Lift Station Renovations 83-97	137,000	113,951	23,049	137,000
Lift station 16 renovation	150,000	83,247	0	83,247
Marigold Sewer Line	100,000	3,600	56,400	60,000
Repaint Water Tower - Dow Ag	500,000	436,675	0	436,675
<b>Total Expenditures</b>	<b>\$ 3,637,000</b>	<b>\$ 3,206,009</b>	<b>\$ 79,449</b>	<b>\$ 3,285,458</b>

<b>Projected Remaining funds</b>	<b>\$ 238,883</b>
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## **2016 INFRASTRUCTURE IMPROV. BOND CONSTRUCTION FUND**

In May of 2016 voters approved the issuance of an additional \$16 million in General Obligation Bonds. This fund was established to account for the first \$3 million Phase. These bonds will be sold in 2016.

### **Plantation Drive Bridge**

With the construction of the Plantation Park Apartments, Plantation Drive is now a 4-lane road from SH 332 to Oleander Street, at which point there is currently only a 2-lane bridge to cross the Flag Lake Channel. There is \$1.0 million allocated to build an additional 2-lane bridge so that there are 4 lanes of traffic going all the way to Medical Drive.

### **Willow/Blossom/Daisy Drainage**

There is \$0.8 million allocated for this project. The drainage project for the Willow/Blossom/Daisy area will be designed to reduce localized street flooding.

### **Circle Way & Oak Drive Traffic Improvements**

Due to increased traffic and the growth of the Downtown area, \$0.5 million has been allocated to install traffic lights and right turn lanes at Circle Way and Oak Drive near City Hall.

### **Residential Street Replacement**

This phase of the bond issue also includes \$0.45 million to begin the engineering for the replacement of all our parts of Hickory, Oleander, Bois D Arc, South Yaupon, and Lotus. In 2017 additional bonds will be issued to fund the construction of the streets.

### **Downtown Revitalization**

In 2016 \$0.25 million will be issued to help complete the construction of South Parking Place and to begin the design of the next phase of the Downtown Revitalization Project. The majority of the funds for Phase 4 will not be issued until 2018.

### **IMPACT ON OPERATING BUDGET**

There is minimal direct impact of these projects on the operating funds. There will be a minor increase in the City's electricity usage associated with the new lights for the Plantation Drive Bridge and with the traffic signals. However, the drainage improvements will lessen the long-term maintenance of the ditches in that area and the improvements will help to reduce some localized street flooding that occurs during heavy rains.

# 2016 INFRASTRUCTURE IMPROV. BOND CONSTRUCTION FUND

As of March 2018

<b>Resources</b>	<b>Project To Date *</b>	<b>Total Projected</b>
Net Proceeds from Water and Sewer Bonds	\$ 3,000,000	\$ 3,000,000
net Proceeds from Certificates of Obligation	3,900,000	3,900,000
Prior period interest	43,336	43,336
Interest Earned Fiscal 2018	22,407	35,000
Total Interest Earned	65,743	78,336
<b>Total Resources</b>	<b>\$ 6,965,743</b>	<b>\$ 6,978,336</b>

<b>Expenditures</b>	<b>Original Budget</b>	<b>Project To Date *</b>	<b>Remaining to be Spent</b>	<b>Total Projected</b>
Northwest Sewer expansion extend sewer service to airport & Lift Station 25 force main	\$ 6,900,000	\$ 4,628,267	\$ 71,733	\$ 4,700,000
Replace Water Well 5		15,000	300,000	315,000
Woodland Park Water/Sewer		0	700,000	700,000
Oak Drive Water Tower		0	280,000	280,000
Booster Pumps		0	250,000	250,000
SCADA		0	150,000	150,000
<b>Total Expenditures</b>	<b>\$ 6,900,000</b>	<b>\$ 4,643,267</b>	<b>1,751,733</b>	<b>\$ 6,395,000</b>

<b>Projected Remaining Funds</b>	<b>\$ 570,743</b>
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## **2018 INFRASTRUCTURE IMPROV. BOND CONSTRUCTION FUND**

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In May of 2016 Voters approved the issuance of an additional \$16 million in General Obligation Bonds. This fund was established to account for the third phase and final issuance of those bonds. These bonds will be sold in December 2018.

### **Downtown Revitalization**

This bond issue will include \$9 million for the fourth phase of the Downtown Revitalization Project. This project includes project includes the reconstruction of 2,525 linear feet of streets, sidewalks, utility lines, and public parking along North Parking Place, That Way from Parking Way to Oyster Creek Drive, and Circle Way from Oak Drive to That Way. The project will also include adding public gathering spaces and pedestrian improvements to the area.

# 2018 INFRASTRUCTURE IMPROV. BOND CONSTRUCTION FUND

**As of March 2018**

<b>Resources</b>	<b>Project To Date *</b>		<b>Total Projected</b>	
Net Proceeds from Bonds to be Issued	\$	9,000,000	\$	9,000,000
Interest Earned Fiscal 2019				10,000
Total Interest Earned		0		10,000
<b><i>Total Resources</i></b>	<b>\$</b>	<b>9,000,000</b>	<b>\$</b>	<b>9,010,000</b>

<b>Expenditures</b>	<b>Original Budget</b>	<b>Project To Date</b>		<b>Remaining to be spent</b>	<b>Total Projected</b>	
Downtown Revitalization	\$ 9,000,000	\$	0	\$ 9,000,000	\$	9,000,000
<b><i>Total Expenditures</i></b>	<b>\$ 9,000,000</b>	<b>\$</b>	<b>0</b>	<b>9,000,000</b>	<b>\$</b>	<b>9,000,000</b>
<b>Projected Remaining Funds</b>					<b>\$</b>	<b>10,000</b>

## 2017 WATER AND SEWER BOND CONSTRUCTION FUND

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This fund accounts for the issuance of \$5.0 million of water and Sewer bonds in December of 2017. This sewer project includes \$3.5 Million for the rehabilitation of the entire basin 6 area. Basin 6 includes Plantation Drive, Cedar, Post Oak, North Shady Oaks and Garland to Garland Court. Also included is \$1.1 Million for Phase 1 of the Lake Forest Sewer Rehabilitation and \$400,000 for the Huisache sewer rehabilitation.

### IMPACT ON OPERATING BUDGET

The direct impact on the operating budget will be minimal, however lift station 6 experiences significant flow from infiltration during rain events. If this project successfully reduces that, electricity usage will decrease as will man-hours spent monitoring the area.

# 2017 WATER AND SEWER BOND CONSTRUCTION FUND

## As of March 2018

<b>Resources</b>	<b>Project To Date *</b>	<b>Total Projected</b>
Net Proceeds from Bonds to be Issued	\$ 5,000,000	\$ 5,000,000
Interest Earned Fiscal 2018	24,579	40,000
Total Interest Earned	<u>24,579</u>	<u>40,000</u>
<b><i>Total Resources</i></b>	<b><u>\$ 5,024,579</u></b>	<b><u>\$ 5,040,000</u></b>

<b>Expenditures</b>	<b>Original Budget</b>	<b>Project To Date</b>	<b>Remaining to be spent</b>	<b>Total Projected</b>
Basin 6 subbasin b phase I	\$ 1,042,000	\$ 80,100	\$ 961,900	\$ 1,042,000
Basin 6 subbasin b phase II	1,342,000	0	1,342,000	1,342,000
Basin 6 subbasin a	1,116,000	0	1,116,000	1,116,000
Lake Forest Sewer Rehab Phase 1	1,100,000	0	1,100,000	1,100,000
Huisache Sewer Rehab	400,000	0	400,000	400,000
<b><i>Total Expenditures</i></b>	<b><u>\$ 5,000,000</u></b>	<b><u>\$ 80,100</u></b>	<b><u>4,919,900</u></b>	<b><u>\$ 5,000,000</u></b>

**Projected Remaining Funds** \$ 40,000