

City of League City
Texas

Five Year Financial Forecast 2011-2015



**CITY OF LEAGUE CITY, TEXAS
LONG RANGE FINANCIAL FORECAST
FY 2011 TO FY 2015**

MAY 14, 2010



www.leaguecity.com

City of League City

ORGANIZATIONAL VALUES

Promote Trust and Accountability

The City of League City is committed to public accountability through transparency, effective communication and active citizen involvement. Organizational activities will promote full disclosure and open, honest communication with the community, public officials and employees.

Plan Responsibly and Act Decisively

The City of League City recognizes that a sustainable future requires actions based upon sound planning. Planning must ensure demand-driven resource acquisition, continuous strengthening of available resources, and the effective and efficient implementation of adopted plans.

Maintain “World Class” Customer Service

The City of League City is committed to maintaining both a governing body and professional staff that recognizes, anticipates, and proactively responds to the needs of citizens. This requires a progressive and dynamic organizational culture that delivers “world class” customer service, is results oriented and incorporates innovation and technology to foster the most prudent use of public resources.

Promote a “Healthy” Community

The City of League City is focused on a future of physical and fiscal health and wellness that strives for balance and diversity in being an exceptional place to live, work, play, shop and gather. In doing so, the city will take a responsible, strategic approach to growth, economic development, infrastructure and major investments.



CITY OF LEAGUE CITY, TEXAS
PRINCIPAL OFFICIALS

MAYOR

Toni Randall

CITY COUNCIL

Position 1	Neil Baron
Position 2	Mike Barber
Position 3	Mick Phalen
Position 4	Mike Lee
Position 5	Phyllis Sanborn
Position 6	Tim Paulissen
Position 7	Jim Nelson
Position 7 Elect	Joanna Sharp Dawson

CITY MANAGER

Marcus Jahns

CITY SECRETARY

Barbara Long

CITY ATTORNEY

Arnold Polanco

DIRECTOR OF FINANCE

Michael W. Loftin

DIRECTOR OF PUBLIC SAFETY

Michael W. Jez,
Chief of Police

DIRECTOR OF PUBLIC WORKS

Rich Oller

DIRECTOR OF LAND MANAGEMENT

Tony Allender

DIRECTOR OF GENERAL SERVICES

Travis Doughty

DIRECTOR OF PARKS & CULTURAL SERVICES

Chien Wei

HUMAN RESOURCES MANAGER

Brian S. Hayes

Acknowledgements

Special thanks are due to all the City employees who contributed to this project

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Brian Russell
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**CITY OF LEAGUE CITY
LONG RANGE FINANCIAL FORECAST
FY 2011 to FY 2015
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**LONG RANGE FINANCIAL FORECAST
EXECUTIVE SUMMARY
FY 2011 – FY 2015**

May 14, 2010

**The Honorable Mayor and City Council
League City, Texas 77573**

League City's financial position has long been characterized as being strong. This strong position, like in other local governments in Texas and around the nation, is being challenged by the international economic downturn and recession. Texas has fared better than most states around the nation and likewise League City has fared better than other cities in Texas as well as in the Houston region. Regardless, unless corrective actions are taken through either increasing revenues and/or decreasing expenditures, League City's General Fund expenditures are projected to exceed revenues throughout most of the forecast period.

The Debt Service Fund has limited capacity throughout the forecast period but gains significant capacity as commitments to a number of municipal utility districts and tax increment districts expire and as existing debt is retired. The Utility Fund remains strong throughout the forecast period but is challenged with water supply and infrastructure needs. The Motor Pool Fund assumes full depreciation and amortization of all of the City's rolling stock but will be highly stressed with replacement expenditures for "big-ticket" heavy equipment and fire apparatus.

FORECAST PROCESS

The Long Range Financial Forecast (LRFF) is part of a larger financial management process (see diagram on opposite page) that provides an early assessment of the upcoming budget and provides a basis for making financial decisions that will have a long term impact. The LRFF is not a prediction! Rather the LRFF provides projected end results based upon stipulated assumptions. Change the assumptions and you will change the projected end results. The basic assumptions used in this forecast were presented to the City Council on March 2, 2010.

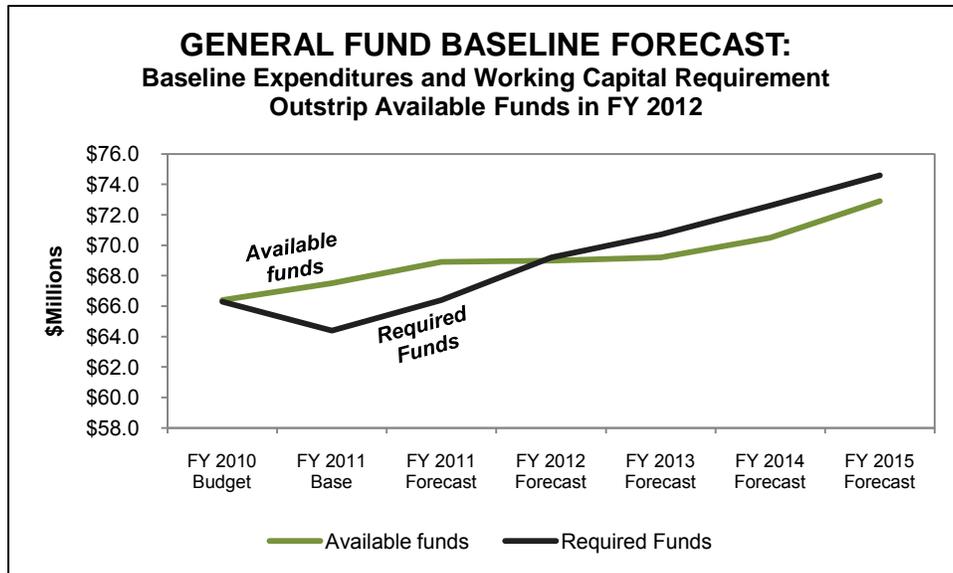
ECONOMIC TRENDS

The economic outlook for League City during the forecast period is for a flat economy in FY 2011 and FY 2012 with a return to slow growth in FY 2013. Because of the lagged effect of the recovery on employment, local employment is expected to recover last. A major threat to our local economy is the cancellation of the Constellation Project and potential job loss at NASA. League City population growth is projected at 3.4% per year with anticipated steady but slow growth in new homes. Natural gas prices are expected to rebound slightly and then remain flat, while oil prices are expected to achieve an overall slow growth trend. These are all drivers of our regional economy. Inflation, virtually nonexistent in 2009, is expected to resume but at a lower rate than in prior years. Energy prices are projected to grow somewhat faster than the core consumer price index (CPI), which is expected to remain under 3%. The City's insurance consultants are projecting increases in excess of 10% in health care costs. Finally, short term

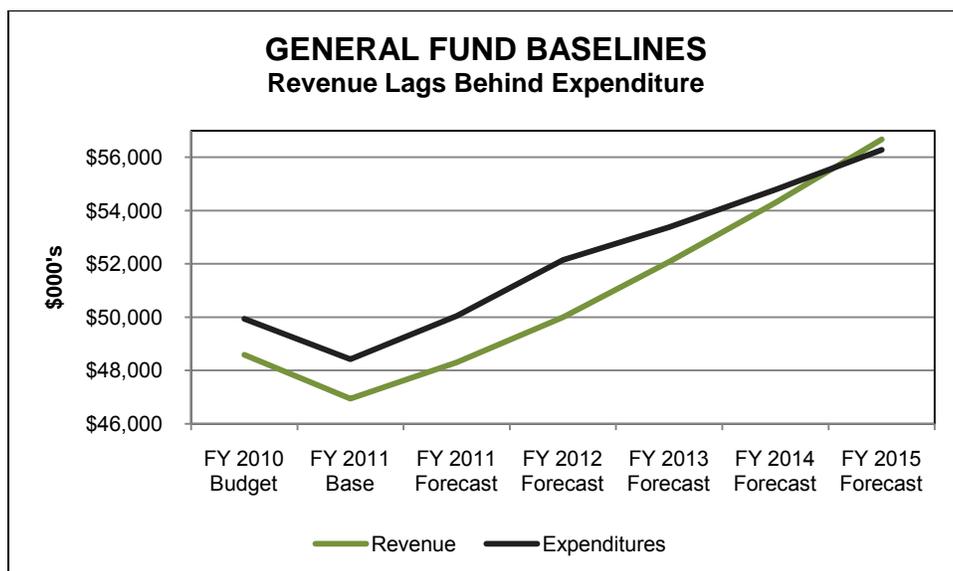
interest rates are expected to remain low for investment purposes, while long-term interest rates are expected to climb 100 basis points (1%) over the next eighteen months.

GENERAL FUND FORECAST

The LRFF reflects the impact of the economic downturn on the General Fund with required funds exceeding available funds for the latter portion of the forecast period. As shown in the following graph, the LRFF projects a surplus in FY 2011 of \$2.4 million with shortfalls occurring in the following four fiscal years ranging from \$172 thousand in FY 2012 to \$2.1 million in FY 2015.

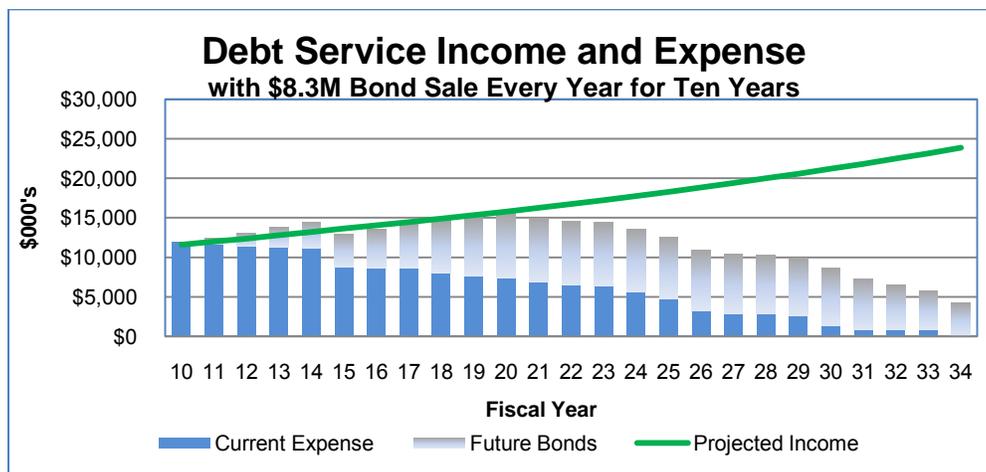


The graph below demonstrates the cause of the problem more clearly. Revenues fall below expenditures beginning in FY 2010 due to the impact of the downturn of the economy on sales tax and do not “catch up” until FY 2015.



DEBT SERVICE FUND

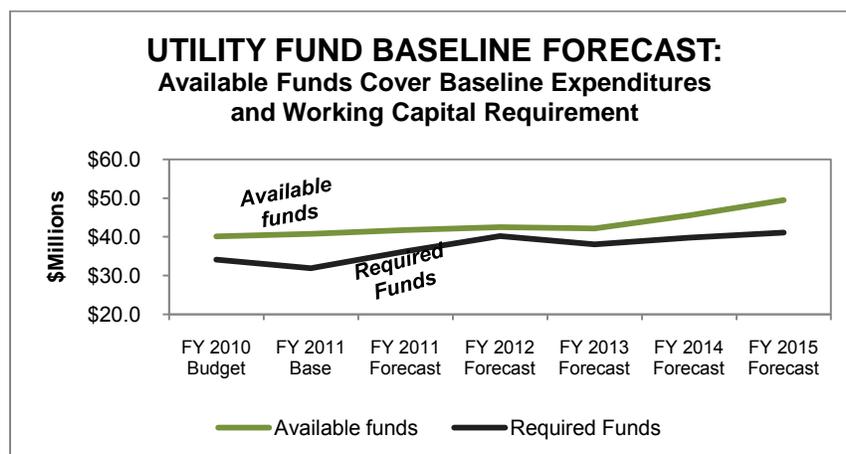
Debt Service Fund monies are used to make principal and interest payments for outstanding debt. The funds are almost entirely supported by ad valorem property taxes and have first call in terms of the City's available funds. In other words, debt service payments must be made prior to any other obligations of the City. As depicted in the graph below, the City has limited capacity (\$8.3 million per year) to issue new debt through the forecast period but gains capacity as commitments to a number of municipal utility districts and tax increment districts expire. New capacity is gained as the City pays down existing debt and revenues rise over time.



The Debt Service Fund has traditionally been used to fund construction of streets, drainage, parks and facility projects.

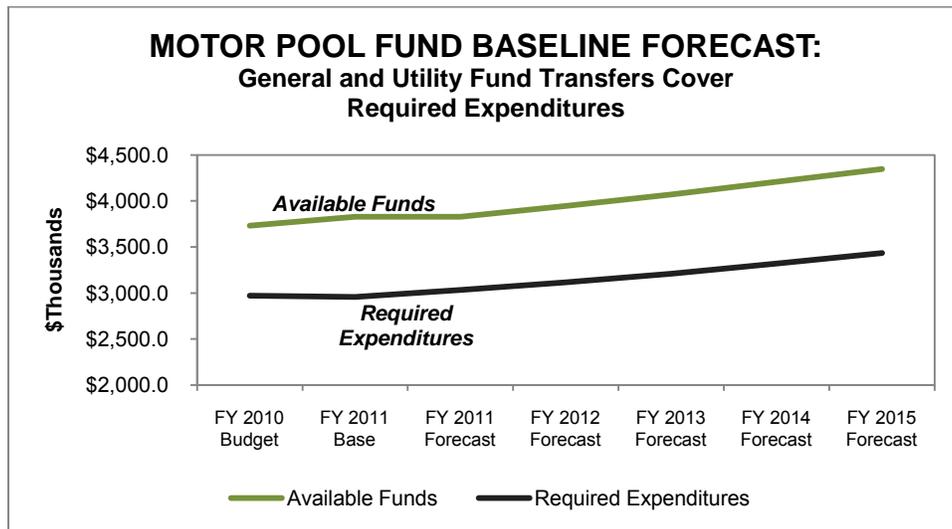
UTILITY FUND

The Utility Fund reflects both operating and capital expenditures for the City's water and wastewater utility. As shown in the graph below, the forecast projects surpluses throughout the forecast period, beginning with a surplus in FY 2011 of \$6.6 million, dipping to \$4.5 million in FY 2012 and increasing to \$13.8 million in FY 2015. It is important to note however, these surpluses do not include new expenditures for the purchase of additional needed water supplies or new infrastructure which may be required during the forecast period.



MOTOR POOL FUND

The City Motor Pool Fund provides for the operation and maintenance as well as the replacement of the vehicles in the City's Motor Pool consisting of 335 vehicles, including rolling fleet, heavy equipment and fire apparatus. The forecast assumes full depreciation and amortization of all of the City's rolling stock. As reflected in the graph below, the forecast projects surpluses throughout the forecast period. This begins with a surplus of \$872,000 in FY 2011 and ending with a balance of \$884,000 in FY 2015.



STRATEGIC ISSUES

In addition to presenting and analyzing financial and economic trends, the Long Range Financial Forecast serves as a planning document. The forecast provides a forum to address community and City strategic issues and stimulate discussions regarding how City leaders can effectively manage the impact of these issues on the City's financial future. The Strategic Issues Section addresses challenges and opportunities regarding:

PERFORMANCE MANAGEMENT

A critical aspect of city management is the need to instill a system of performance management that includes a philosophy of doing more with the same level of resources along with related management systems that support this overall goal. This includes the idea of managing for quality which means that employees are encouraged to take ownership of service outcomes as individuals and as teams. Doing the job right the first time should be a guiding principle, especially whenever it affects the City and its citizens directly.

Performance management also includes measurement of results. The goal of this exercise is not measurement for its own sake, but rather to establish an objective basis against which to determine whether services are efficient (e.g. cost-saving) and effective (e.g. outcome-successful) in achieving the desired result. Management must engage in a continuous

improvement process that involves consideration of alternative methods of accomplishing the same or better results.

It is imperative that this philosophy and approach be used in developing and adopting the FY 2011 Budget given the financial challenges facing the City this year.

LEAGUE CITY AS AN EMPLOYER

League City has adopted a performance based management philosophy. That philosophy must be supported by a human resource system, including recruiting, developing, and retaining a workforce of professionals that possess an entrepreneurial spirit and which continually works to add value to the organization. The City demands a workforce of creative, dynamic public servants who are encouraged to think, offer ideas and question the status quo.

To support a workforce of this caliber, deliberate steps must be taken to change the “corporate culture” and create an environment to attract high-quality individuals for employment. A more empowered workforce will result in enhanced productivity, improved customer service, and ultimately improved service delivery. During the budget process, staff will be working with the Mayor and City Council in determining “what kind of employer does League City want to be” while being fiscally responsible. What level of investment in terms of compensation, benefits, training and technology is appropriate needs to be discussed and resolved in a comprehensive manner.

INFRASTRUCTURE PLANNING AND INVESTMENT

As projected in the LRFF, the City has infrastructure needs greater than funds available. Staff is currently working to bring to the Mayor and City Council an updated and enhanced Capital Improvement Program (CIP). The CIP will include a comprehensive list of projects for streets, drainage, parks, facilities, utilities and other improvements including project descriptions, updated cost estimates, phasing priorities, estimates of operation and maintenance costs and their impact on future budgets and funding sources. Staff will be working with the Mayor and City Council to develop innovative funding strategies including the feasibility of developing a stormwater utility and a non-potable water reuse utility.

A limiting factor for new infrastructure is the operation and maintenance cost of facilities on future budgets. This must be given consideration as capital investment decisions are made given the operating revenues forecasted in the LRFF.

ECONOMIC DEVELOPMENT

League City is engaged in a number of economic development initiatives including the Municipal Improvement District (MID), the Community Improvement Committee (CIC), a destination branding initiative, the City Trails program, and initiatives funded through the 4-B Board. Staff believes that all of these initiatives have merit. What is needed is a focused approach with specific strategies and catalyst projects. Any implementation plan should include appropriate funding tools. Tools which may be evaluated include tax increment financing (TIRZ), 4-A

funding, public – private partnerships, development agreements, tax abatements and other incentives.

TECHNOLOGY PLANNING

Movement toward more productive employees requires provision of technology that best serves the unique business needs and processes of City offices and departments. The first step in this process is the development of a technology plan.

Implementation of the technology plan will require significant annual investments in technology. Funding options should provide flexibility for individual offices and departments to acquire the needed technology enhancements, and empower them with the responsibility and accountability to ensure that the investments produce the desired outcome for the City. Innovative approaches such as charge back systems and public-private competition could be explored and may suggest a changing role for technology.

UNFUNDED STATE AND FEDERAL MANDATES

The old proverb that says “nobody is safe when the Legislature or Congress is in session” comes into play. A number of Federal legislative initiatives could have potential impact on the City’s future budgets. Although no one knows the full impact of the Federal health care reforms at this time, our insurance consultants have estimated a 10% annual increase to future budgets. A better estimate will be forthcoming once the Federal regulations are published. Also, federal card check legislation may change the way the City deals with its public safety employees.

Staff proposes a work session with our insurance consultants during the budget process to better understand the healthcare issue. Staff will also propose additional workshops as other issues develop.

The LRFF essentially initiates the budget process. Staff looks forward to working with the Mayor and City Council and will propose a comprehensive budget calendar for the process. Staff stands ready to help!

Sincerely,

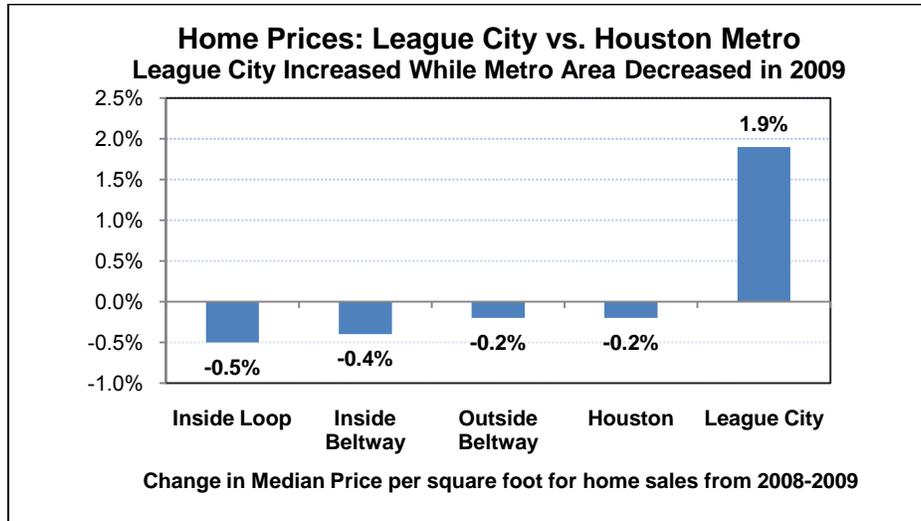
A handwritten signature in black ink, appearing to read 'MJ', with a long horizontal flourish extending to the right.

Marcus Jahns
City Manager

LONG RANGE FINANCIAL FORECAST ECONOMIC OUTLOOK

Economic Overview

League City, like the area in which it is located, has been characterized by steady long-term growth, resilient economic performance in the face of national economic downturn, and climate and geography considered attractive to families and businesses. In recent years, League City experienced growth significantly above its historical trend that coincided with the national housing boom and regional energy boom. Our growth during this most recent period of League City's history has outstripped that of the metropolitan area.



League City is faring better now than the region in terms of housing, employment, unemployment, and population growth. However, we are still being affected adversely by the national and regional economic downturns. This is depressing employment and wages while putting downward pressure on real estate market values and demand for single-family housing. The event which is most threatening to the local economy is the cancellation of the Constellation Project and potential job loss at NASA.

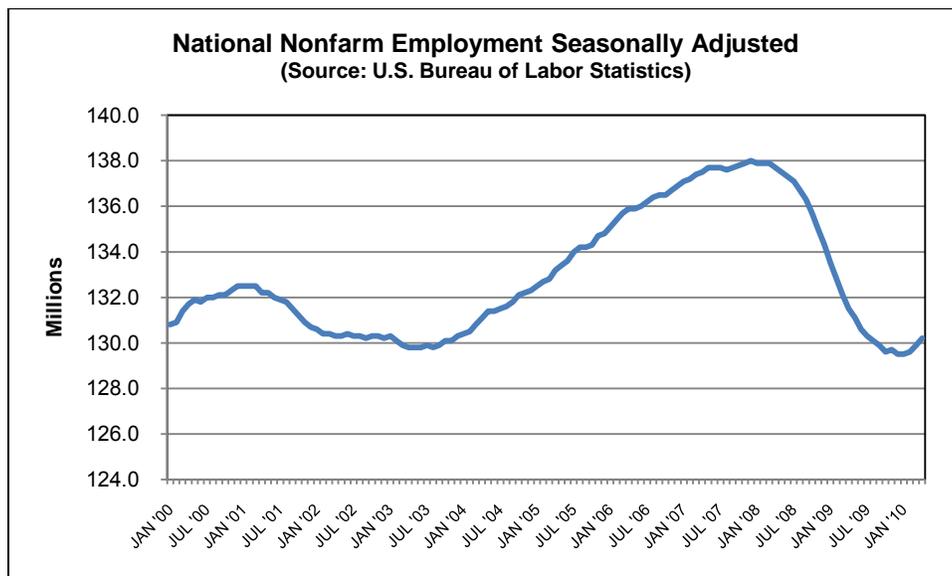
National Economy

The national economy began to decline in 2008 with the recession reaching its deepest point in the spring of 2009. The recession was largely generated by the massive issuance and financial packaging of sub-prime mortgage debt to individuals who could not afford it combined with the over commitment of consumer lending which contributed to the financial crisis of 2009. The recession at its worst was characterized by high home mortgage foreclosure rates, falling real estate prices, constricting credit and bank financing, dramatic losses in the stock market and 401K retirement plans and pensions, and high unemployment reaching 10.3%.

The Federal government in an effort to stem the economic slide downward has injected over \$3 trillion in stimulus funds, bailouts and consumer incentives to prop-up the economy. The question is: When will the Federal government withdraw from the economy and can the economy sustain a recovery? Will continued deficit spending lead to inflation and rising interest rates? How will the national debt be repaid and what impact will repayment have on any sustained recovery?

Signs of recovery are beginning to emerge nationally, but the improvement is projected to be gradual and the results are mixed:

- The growth in new unemployment claims, although fluctuating, seems to have stabilized;
- Real Gross Domestic Product grew nationally in the last two quarters of 2009;
- The stock market has rallied since the spring of 2009 but can this rally sustain itself, given concerns over rising sovereign debt in the United States and around the world as well as the potential for worldwide inflation?
- Corporate earnings are improving gradually though improvements in productivity and cost reduction;
- Consumer confidence is rising gradually;
- Interest rates remain low;
- Home prices have stabilized in most regional markets; and
- U.S. exports are improving but can this trend continue as the dollar continues to strengthen and US products become more expensive?



Negative economic factors include:

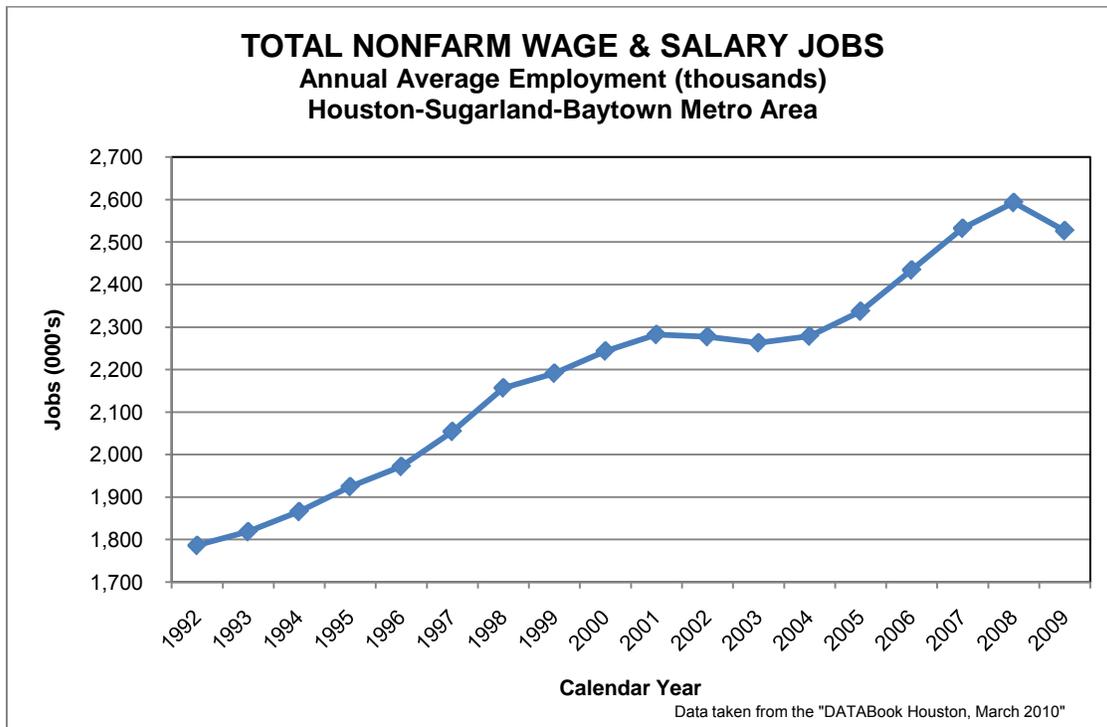
- The national unemployment rate remains high at 9.7%;
- Federal budget deficits continue to add to the national debt;
- States and cities around the country are being hit with revenue shortfalls and service cutbacks;
- Global economic growth is not rebounding as many had hoped;
- Mortgage delinquencies are continuing to rise;
- Commercial real estate has higher vacancy rates and lower rents causing loan defaults to increase;
- Interest rates are expected to begin climbing soon;
- Credit card defaults remain high; and
- Credit availability from banks is tight and demand is low as investors remain skeptical about borrowing for investments.

Employment is regarded as a lagging economic indicator. This is because employers are reluctant to release workers at the start of a recession until it appears to be permanent. Likewise, they are slow to bring workers back when recovery begins until the upturn proves to be permanent. With the mixed economic signals and the depth of the recession, national recovery is not projected to occur quickly, particularly in the area of employment. Most analysts believe it will take several years for employment and real economic growth to return to the levels of 2007 and 2008 (see graph above) when the recession

first began. There is also concern that the fragile nature of the recovery could easily lead to a double-dip recession, with more serious economic consequences yet to come.

State and Regional Economy

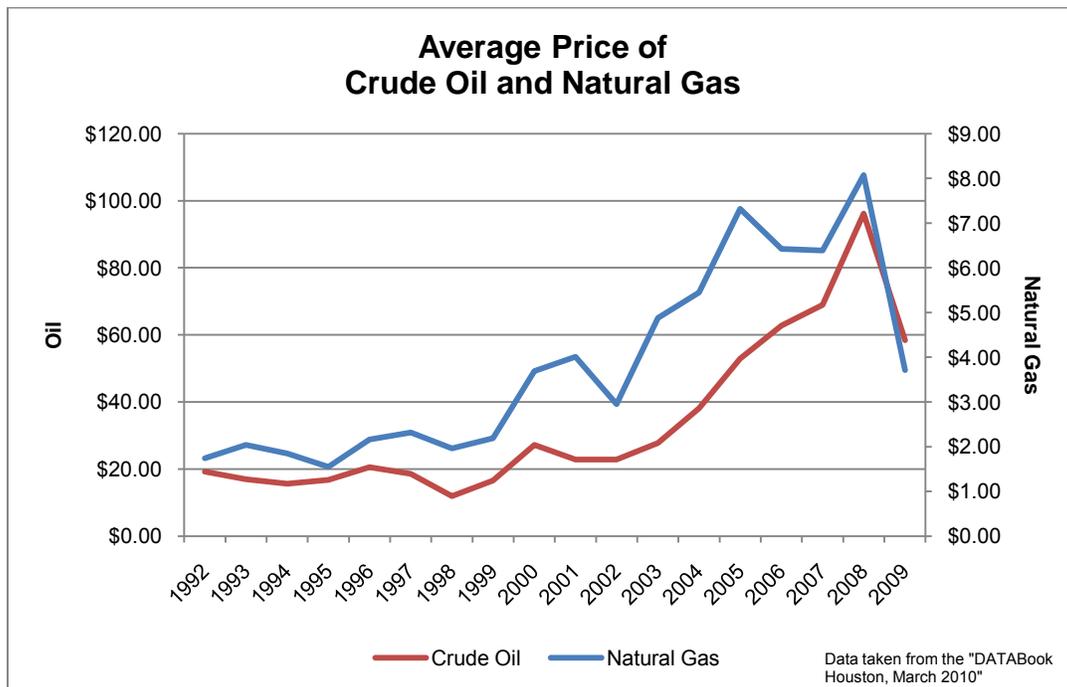
Texas and the Houston metropolitan area have fared better in recent decades during recessions than the rest of the country. This is due to our reasonably priced housing markets and the resiliency of energy as our economic engine. Because of our economic strength, we also tend to enter recessions late. This time, we may be facing a longer recovery period like the rest of the nation.



The Houston metropolitan area is in the midst of its most significant economic downturn since the mid 1980's. Employment is the key measurement of local economic activity for businesses and individuals. The metropolitan area lost almost 100,000 jobs in calendar year 2009 (see graph above), a 3.9% drop, ending the year at 8.2% unemployment. Prominent local economists believe that recovery to 2008 employment levels will not occur until 2011 or 2012. Calendar year 2010 is expected to be a sluggish, no-growth year for local employment. A significant reason for this forecast is the current state of the energy sector.

Natural gas exploration has become the most important portion of the metropolitan area's upstream energy sector in recent years. High natural gas prices drove the upstream energy employment engine between 2004 and 2009, with prices reaching \$8 per thousand cubic feet in 2008 and job growth of 4% to almost 10% annually from 2004 to 2008. This stopped abruptly in 2009 as prices were at their lowest point since 2002 (\$2.92 in September 2009), contributing to a 4.8% drop in upstream energy employment for the calendar year. Prices rose during the winter months to a high of \$5.01 in January, but this was disappointing in light of the severe winter experienced this year. Local energy analysts are expecting gas prices to remain low for several more years, in conjunction with the general economic trend.

Oil prices are showing resiliency in the face of reduced worldwide demand, which is a good long-term sign for the area economy. After dropping to the \$35/barrel range last February, prices currently range between \$80 and \$85/barrel. The speculation that drove prices over \$125/barrel is threatening to drive prices significantly higher once again, based on what most analysts regard as very slight evidence of recovery. Gradual increases are more likely, based on increased demand for gasoline in the U.S. and an expected return of slight growth in worldwide oil demand in 2010 due to gradual recovery from the worldwide recession. Short-term volatility in oil prices cannot be expected to drive energy employment up even if it occurs; however, the outlook over the next three to five years for oil prices can at least be viewed as potentially offsetting the effect of low natural gas prices on local energy employment.



The impact to the Texas and Houston regional economies of the huge oil spill off the coast of Louisiana is unknown at this time. It is rumored that the Obama Administration may re-think its plan to allow expanded oil and gas drilling offshore. There is also a potential impact on the fishing and tourism industry in the region.

Real estate markets in the metropolitan area have slowed considerably. Residential vacancy rates are over 10% and home sales are well below their peaks of 2006-2007 in spite of the federal tax credit programs for homebuyers. Home prices in the metropolitan area are down 3-4% overall from the peak of 2007, and foreclosures have been over 11,000 three years in a row, two to three times the lows of the 1998-2008 period. Commercial real estate is showing the greatest signs of stress locally, including higher vacancy rates and lower rents.

The League City Economy

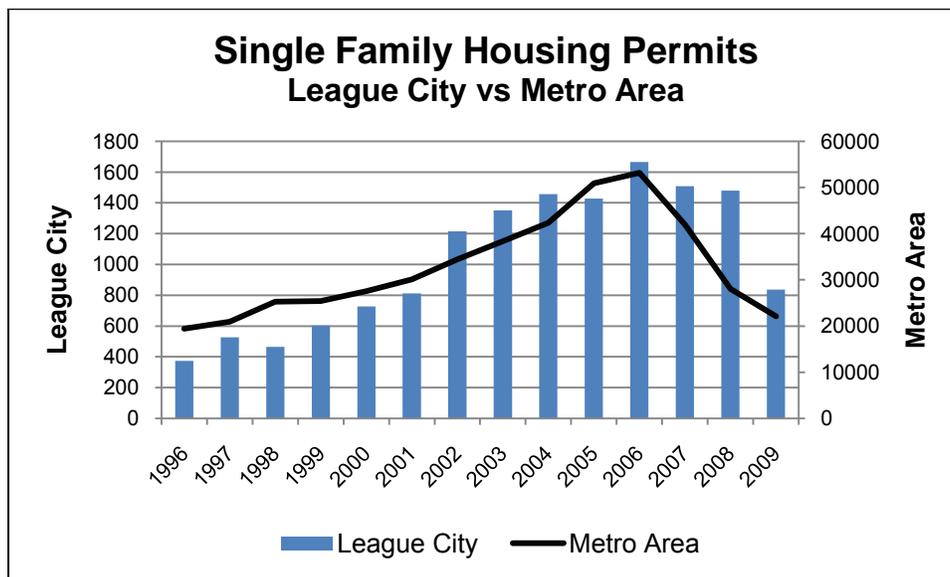
The performance of League City's economy has paralleled the metropolitan area's performance, with somewhat better results than the area as a whole. Like the region, League City has a sluggish economy that is performing below its 2009 level but significantly above its performance prior to 2004.

League City's population is estimated to have grown from 45,400 in 2000 to 74,000 in 2010, an increase of over sixty percent. According to the Texas Workforce Commission (TWC), League City employment

has grown from 32,000 jobs in January 2005 to 39,400 in February of 2010, a 23% increase. During the same time, employment in the metropolitan area increased by 8%. Currently, League City's unemployment rate, according to the TWC is 6.9%, which is also under the area's 8.8% figure.

The local economy has been buoyed during 2008 and 2009 by the addition of a variety of retail stores in the Interstate 45/SH 646 corridor. Major stores opened between late 2007 and early 2009, including Lowe's, Best Buy, Home Depot, Target, JC Penney, HEB, and Kohl's. This, and a number of smaller retail stores, added jobs to our workforce and attracted commerce to the City from travelers on Interstate 45. This undoubtedly kept our employment figures from showing the same downward effect as is being seen in the metropolitan area as a whole and helped diversify our tax base by increasing commercial real and personal property taxes as well as sales taxes.

The major portion of League City's real estate market, single-family homes, continued at a slower growth pace than the six years from 2003 through 2008. But the 2009 new home count of 770 showed the health of League City's single family housing market in a down economy. Given current inventories and building permit activity in early 2010, the 2010 new home count appears to be positioned to eclipse the total for 2009.

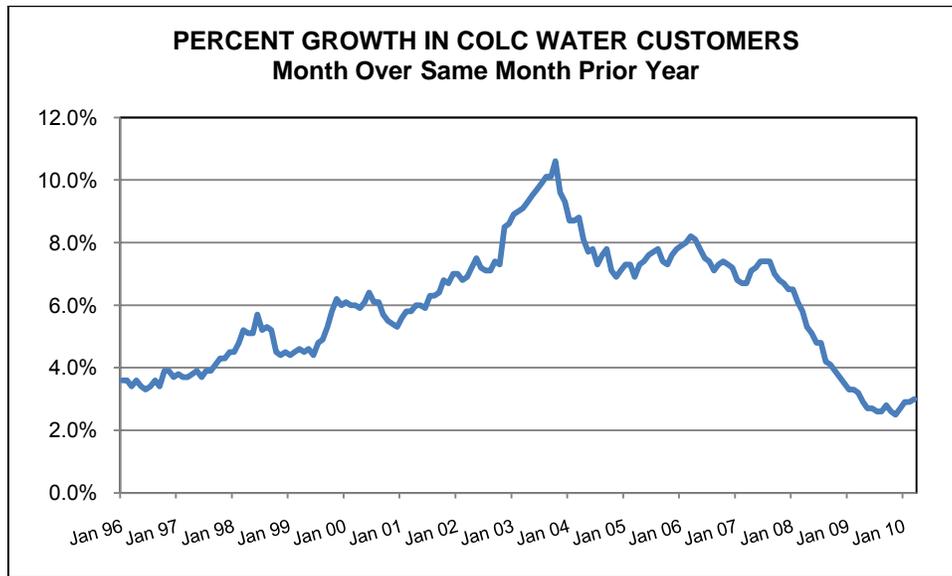


Any general sense of local economic health must be tempered by several factors. League City's boom of the middle part of the last decade which coincided with the national and regional housing boom and was subsidized by the Federal government through loan guaranties has clearly come to an end. A return to the long-term growth rate prior to 2003 in League City is now considered likely, and a reprise of the growth rates of the boom years is unlikely. Also, the President's proposed budget for NASA includes cuts that might affect the Johnson Space Center significantly. The impact of these reductions, if they occur, could be significant and would likely stretch over a 12-18 month period. Last, League City's lack of upscale commercial and office space remains a concern because of the City's dependence on a largely residential tax base.

General Economic Outlook for the FY2011-15 Period

The economic outlook for the forecast period is for a flat economy in FY2011 and FY2012, with a return to slight growth in FY2013. Because of the lagged effect of the recovery on employment, local employment is expected to recover last. League City population growth is projected at 3.4% per year

with anticipated steady but slow growth in new homes. Natural gas prices are expected to rebound slightly and then remain flat, while oil prices are expected to achieve an overall slow growth trend. Inflation, virtually nonexistent in 2009, should resume but at a lower rate than in prior years. Energy prices are projected to grow somewhat faster than the core consumer price index (CPI), which is expected to remain under 3%. The City's insurance consultants are projecting increases in excess of 10% in health care costs. Finally, interest rates are expected to remain low, and climb 100 basis points (1%) over the next eighteen months.



MAJOR ECONOMIC AND DEMOGRAPHIC ASSUMPTIONS

	2009	2010	2011	2012	2013	2014
REVENUE INDICATORS						
Metro Employment (000's)	2,530.3	2,510.1	2,542.7	2,588.5	2,640.3	2,693.1
Employment Annual Pct Chg	-2.3%	-0.8%	1.3%	1.8%	2.0%	2.0%
New Homes	770	796	823	851	880	910
Metro Home Sales	64,200	64,800	66,100	68,100	70,800	73,600
Oil Price per barrle	\$58.37	\$75.00	\$76.00	\$77.00	\$78.00	\$79.00
Natural Gas Price per mcf	\$3.77	\$4.00	\$4.50	\$5.00	\$5.00	\$5.00
<i>Water Customers Annual Pct Chg</i>	<i>3.15%</i>	<i>3.20%</i>	<i>3.25%</i>	<i>3.30%</i>	<i>3.35%</i>	<i>3.40%</i>
EXPENDITURE INDICATORS						
Population	71,530	73,960	76,470	79,070	81,760	84,540
Population Pct Change	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Inflation (Fiscal Year)	-0.3%	2.0%	2.2%	2.5%	3.0%	3.0%
Energy Inflation (FY)	0.0%	5.0%	5.5%	6.3%	7.5%	7.5%
Health Care Inflation (FY)	7.0%	<i>10.0%</i>	<i>10.0%</i>	<i>10.0%</i>	<i>10.0%</i>	<i>10.0%</i>

NOTE: Changes from the March Presentation to Council are in bold and italics.

**LONG RANGE FINANCIAL FORECAST
REVENUE SUMMARY**

Revenue Overview

The City’s major revenue sources include property taxes, water and wastewater revenue, and sales taxes. Each of these revenue sources are driven by the growth of the local economy and the City’s population. This is also true of a number of the City’s other revenue sources including fees and charges for service, franchise taxes, and licenses and permits.

The revenue projections presented in the LRFF use summary categories of City revenue. These projections are based on an analysis of at least 10 years history for each revenue category, as well as the effects of economic and demographic change where the revenue has been shown to be related to specific economic and demographic factors.

Property Taxes

Property taxes, the City’s largest revenue source, are based on the tax rate adopted annually by City Council as applied to the certified property rolls prepared by the Galveston (GCAD) and Harris County Appraisal Districts (HCAD). The rate itself, and the resulting revenue, are then deposited in two parts, the first to support general city operations through the General Fund and the second part to pay principal and interest on tax supported bonds through the Debt Service Fund.

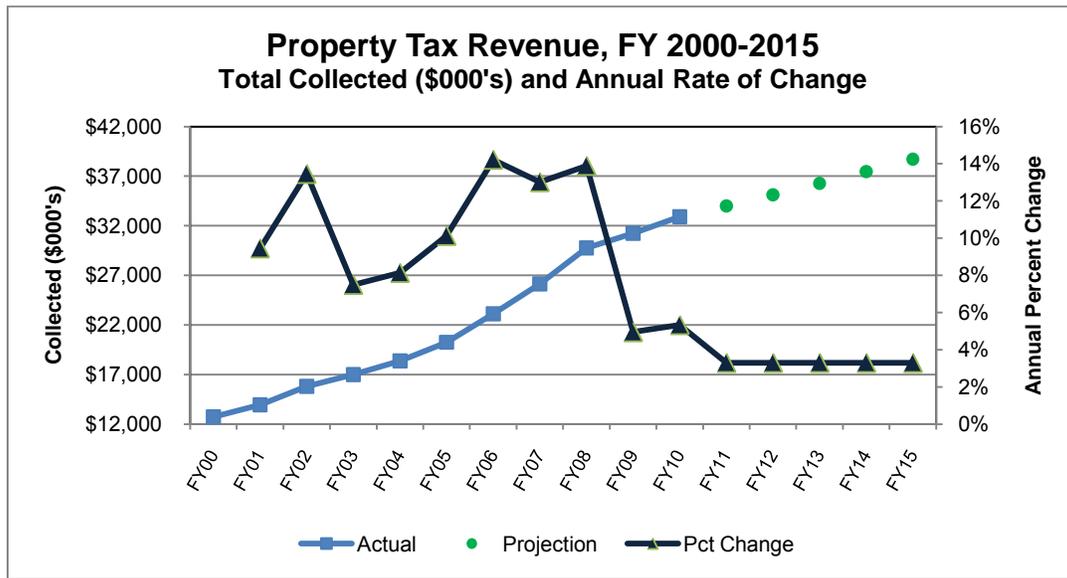
**PROPERTY TAX RATE
TOTAL LEVIED AT \$100 PER ASSESSED VALUE**

	FY05	FY06	FY07	FY08	FY09	FY10
General Fund (M&O)	\$0.42940	\$0.39190	\$0.38651	\$0.40400	\$0.41393	\$0.408871
Debt Service Fund (I&S)	\$0.20060	\$0.23560	\$0.22229	\$0.20480	\$0.21607	\$0.221129
Total Tax Rate	\$0.63000	\$0.62750	\$0.60880	\$0.60880	\$0.63000	\$0.630000

The timing of this important revenue source is important to understand as well. For instance, property tax revenue in the current FY 2010 is based on property values as of January 1, 2009. This means that construction and real estate market forces during calendar year 2008 combined to provide the basis for the FY 2010 property tax roll. This lag between the time that real estate market activity takes place and the tax roll is budgeted and collected is important. The delay provides an opportunity for the City to collect and analyze information on new construction and real estate markets well before the appraisal districts provide the annual certified tax roll.

As shown in the graph on the next page, while total property tax revenue has grown rapidly in the last ten years, the rate of growth in this important revenue source has slowed in the current fiscal year. Also, based on preliminary information from GCAD, it will grow even slower next fiscal year. This forecast projects property tax revenue to grow at a steady but lower rate than seen in recent years for two reasons. First, general economic growth in the City has slowed in ways that affect the property tax rolls, including the amount of new construction taking place. As discussed previously, economic activity precedes the property tax roll by almost two years. Secondly, this forecast assumes that new property tax revenue growth will be solely dependent on the amount of new construction that takes place each year with no appreciation in existing property values included in the taxable property calculation.

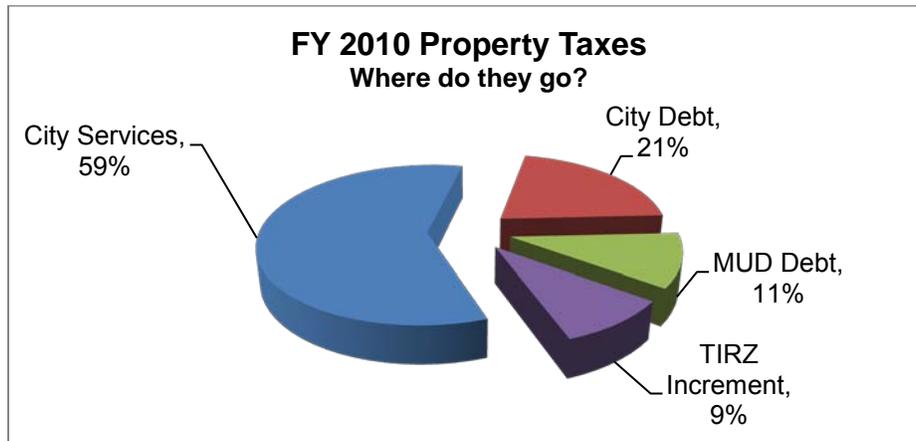
This means that the base property tax rate would be adjusted down each year to the “effective tax rate” so that existing property owners on the average would pay the same amount of taxes as in the previous year.



The estimates of new construction used to project the revenue growth shown in the graph below are based on the number of new homes built each year and average amounts for new construction of multifamily and commercial properties in the last few years. The estimated amount shown for tax year 2010 and Fiscal Year 2011 is based on preliminary information provided by GCAD.



It is also important to understand how property taxes are used. The pie chart on the next page illustrates that 20% or approximately one-fifth of total property tax revenue goes to in-city Municipal Utility Districts (MUDs) and Tax Increment Reinvestment Zones (TIRZs) combined. During the five-year LRFF period, this percentage of property tax revenue going to MUDs and TIRZs is projected to drop to approximately 15%. This is largely due to the decline in the payment schedule for MUD rebates from FY 2014 to FY 2015.

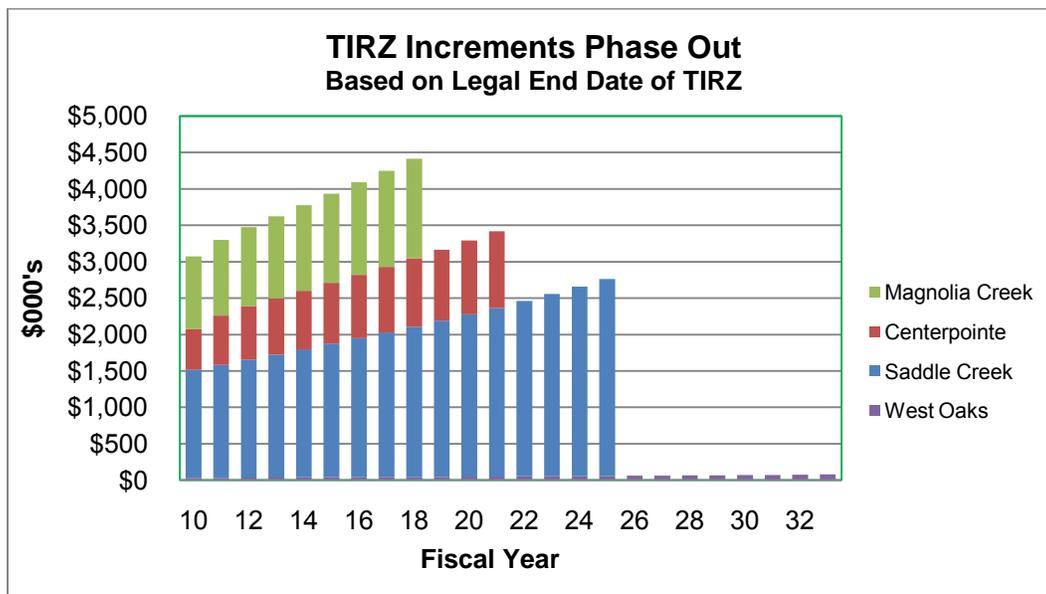


TIRZ property tax increments grew much faster than the City's property tax revenue as a whole over the last two fiscal years (see table below). While development has slowed, the three active TIRZ's are still in some stage of build out. This should cause higher growth rates than the City as a whole and this is built into the growth assumptions for the TIRZ increment. TIRZ increments and the related expense budgets are expected to rise during the forecast period at a faster pace than property tax revenue in total.

PROPERTY TAX REVENUE INCREASES OVER PRIOR YEAR: TIRZ INCREMENTS INCREASE FASTER THAN CITYWIDE TOTAL

Tax Jurisdiction Base	FY09 Actual	FY10 Actual	FY11 Forecast	FY12 Forecast	FY13 Forecast	FY14 Forecast	FY15 Forecast
#1 - Magnolia Creek	25.4%	5.5%	4.0%	4.1%	4.1%	4.1%	4.1%
#2 - Saddle Creek	33.9%	16.1%	4.2%	4.3%	4.3%	4.3%	4.3%
#3 - Centerpointe	31.3%	33.4%	22.6%	9.2%	4.2%	4.2%	4.2%
#4 - West Oaks	30.4%	-5.8%	4.0%	4.1%	4.1%	4.1%	4.1%
TIRZ Total	30.3%	14.7%	7.5%	5.3%	4.2%	4.2%	4.2%
Citywide Total	4.9%	3.8%	3.3%	3.3%	3.3%	3.3%	3.3%

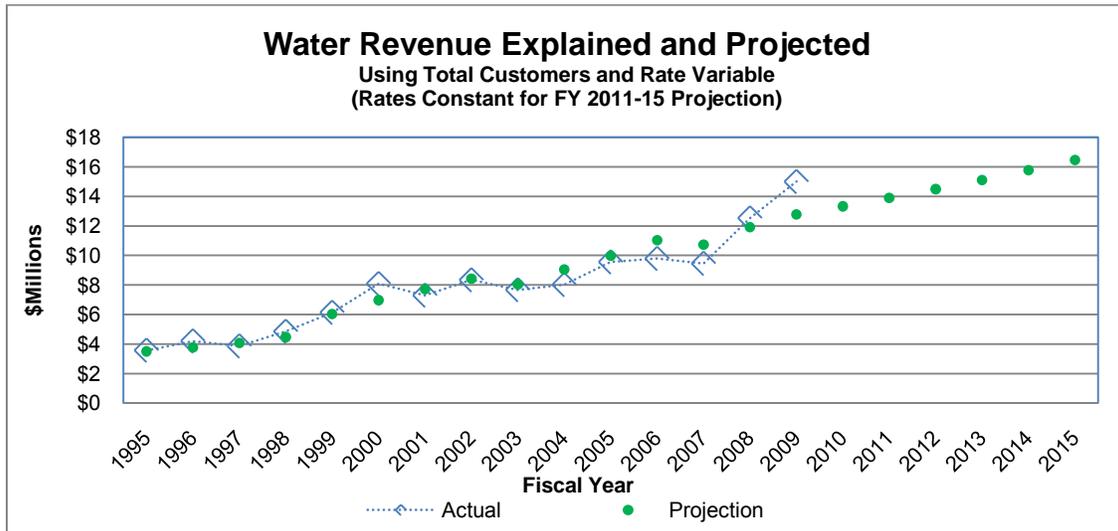
The baseline forecast projects TIRZ increments to continue through the end of each zone's legal life as established by ordinance and in the development agreements.



The City budget includes TIRZ property tax increments by splitting them between the General Fund and Debt Service Fund using the overall City property tax rate and the separation of the City tax rate into its M&O and debt portions. MUD's are budgeted differently. Property tax rebates to MUD's are budgeted in their entirety in the Debt Service Fund because they can only be used by each MUD to pay debt service. Since these payments relate to debt, a fuller discussion of MUD's can be found in the Debt Service Fund Forecast (see page 35).

Water and Wastewater Revenue

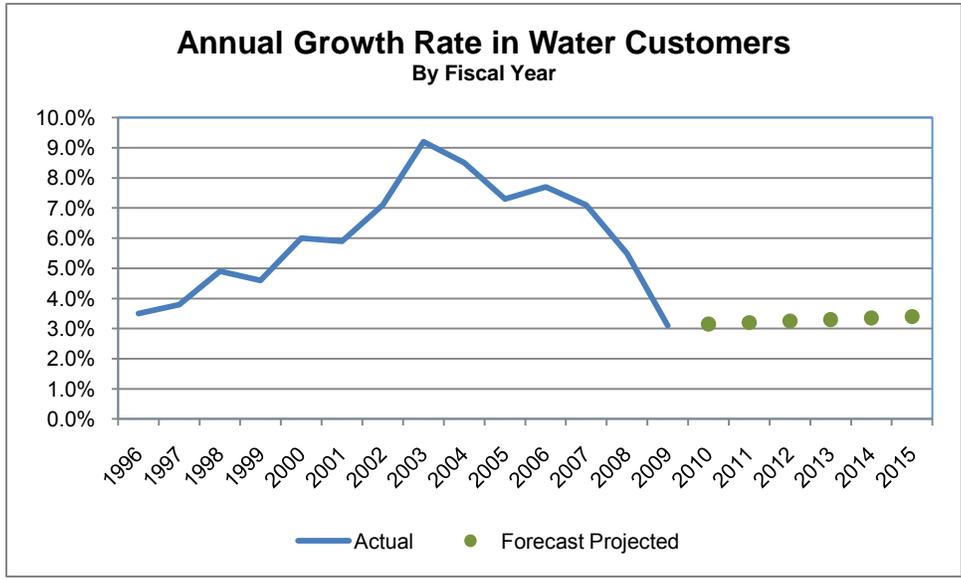
The City's second largest revenue source comes from monthly payments by the City's approximately 27,000 water system customers. It has grown at a steady pace during the last 10 years. The graph shows actual revenue explained largely by two factors: the number of total water and wastewater customers as well as rates. A third major factor is rainfall or the lack thereof and the impact this has on water consumption, particularly during hot, dry summer months. The water revenue model results presented here (see pages 62-63) does not incorporate actual rainfall and temperature from prior years but presents a "normal" weather type of projection, e.g. revenue that would be collected in an average or normal year.



As you can see in the graph, actual water revenue has jumped considerably in the last two years from \$9.5 million in FY 2007 to approximately \$15 million in FY2009. The estimated amount of revenue that would have come in during FY 2009, however, is approximately \$2.3 million less than the actual. Using the model, it appears that this \$2.3 million excess of actual revenue over the modeled estimate is attributable to the dry, hot conditions last summer.

The water revenue projection in this forecast: (1) is based on a "normal" or average climatic year in every year of the five year forecast, (2) assumes gradual improvement in the annual average growth rate of water customers from the current 3.1% level to 3.4% per fiscal year by FY 2015 (see graph on next page), and (3) assumes no change in water rates during the FY 2011-2015 period as a part of the Baseline forecast.

The wastewater revenue used in the forecast uses the average ratio of wastewater revenue to water revenue for the last three years and applies that ratio to the water revenue projections depicted here.

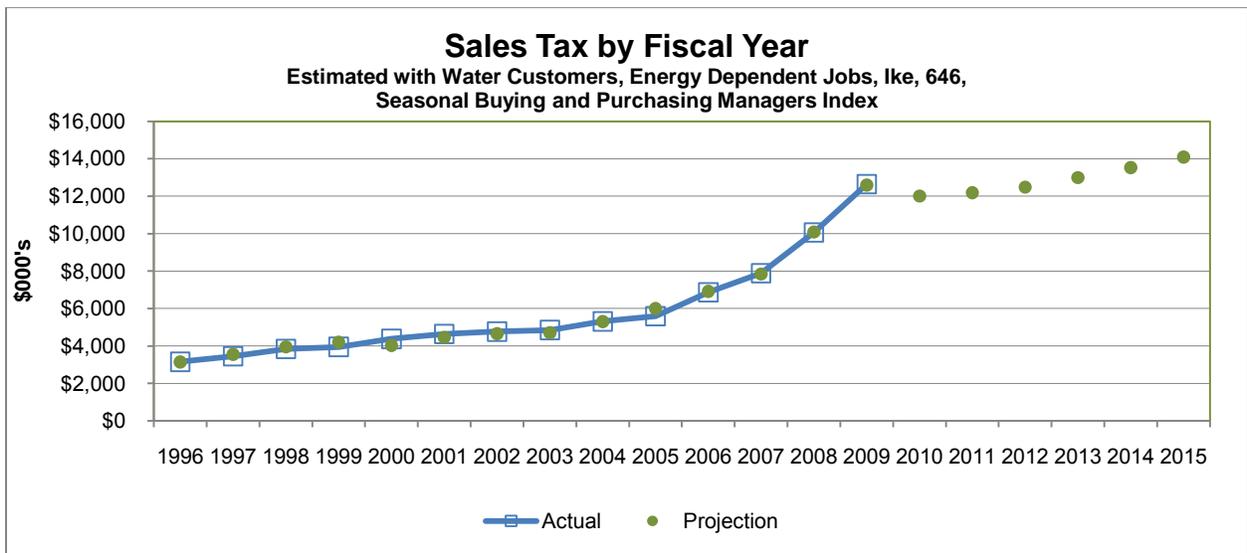


For more information on the water revenue projections see the detail provided in the Appendices for the water revenue model.

Sales Taxes

The City sales tax, which provides the City’s third largest revenue source, is 1.75% on taxable items. Of this amount, 0.25% goes to the City’s 4B economic development corporation “to promote and develop amateur sports complexes.” The remaining 1.5% goes into the City’s General Fund with 1% intended for support of general operations and 0.5% intended to provide property tax relief.

Sales taxes can be extremely volatile even in stable economic times, making it especially difficult to project revenue from this large, important source. In FY 2010, sales tax receipts are especially volatile because of the recession and a surge in sales tax receipts that occurred in FY 2009 partly because of the one-time impact on receipts of Hurricane Ike-related taxable materials and services.



Fiscal year-to-date revenue is \$699,000 or 11% less than last fiscal year after six months of collections. In addition, receipts for each month in this fiscal year have been less than receipts for the same month last fiscal year. And the percentage of the difference is highly erratic, ranging from 2.6% to 21.3% less in a given month this year than the same month last year.

The sales tax model used in the LRFF (see pages 64-67) attempts to measure the combined effect of six factors on past receipts and use that to project future receipts given conservative economic and demographic assumptions.

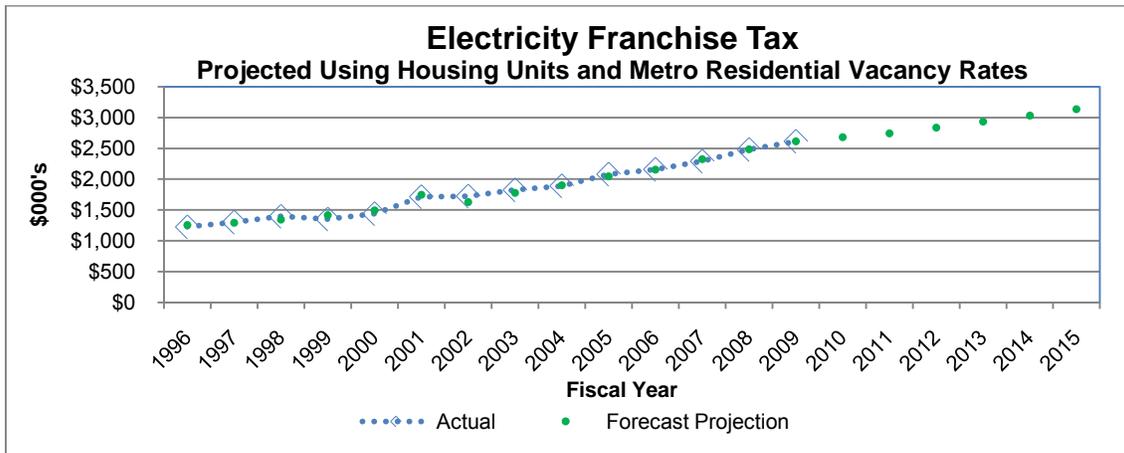
- First, League City's economy has seen a major growth in retail business in the I45/SH646 corridor (see discussion in the Economic Outlook). This growth occurred over FY 2008 and 2009 and is estimated to be producing \$3.5 to \$4 million per fiscal year in annual sales tax receipts.
- Second, as mentioned previously, Hurricane Ike produced additional sales tax revenue in FY 2009 as the result of one-time sales of building materials, supplies and equipment used in preparation and recovery. This benefitted taxable sales in every jurisdiction along the Gulf Coast that was affected by the landfall of Ike in September of 2008.
- Third, League City's metropolitan area is in the midst of its most serious economic downturn since the mid 1980's with the loss of approximately 100,000 jobs in the metro area during calendar 2009. Energy sector jobs, a critical part of the metropolitan economy, have declined at a rate comparable to the overall economy. Among regional employment data series, energy employment also provides the best explanation for sales tax variations in League City.
- Fourth, League City's economy has continued to fare marginally better than the metropolitan area based on the unemployment rate provided by the Texas Workforce Commission for League City.
- Fifth, League City's water customer count is used in the model in order to provide a reliable leading monthly indicator of the City's growth.
- Sixth, the Houston Area Purchasing Managers index reflects business buying activity. Business to business sales tax revenue in League City appears to be explained in part by this index.

The sales tax model shown in the previous graph presents projections using the combined effects of the economic and demographic factors discussed. The current estimate of sales tax revenue for FY 2010 is \$11.9 million, \$1.9 million under budget and roughly 6 percent less than last fiscal year. This projection is based on (1) the model using assumed gradual improvement in water customers and metropolitan area employment for the rest of this fiscal year and (2) the general year-to-date trend compared with the same trend for the FY 2002-2008 period. The forecast includes gradual growth in sales tax revenue for the FY 2011-2015 period using the national and local economic assumptions included in the forecast. For more detailed statistical information and projections on the sales tax model, see the Appendices.

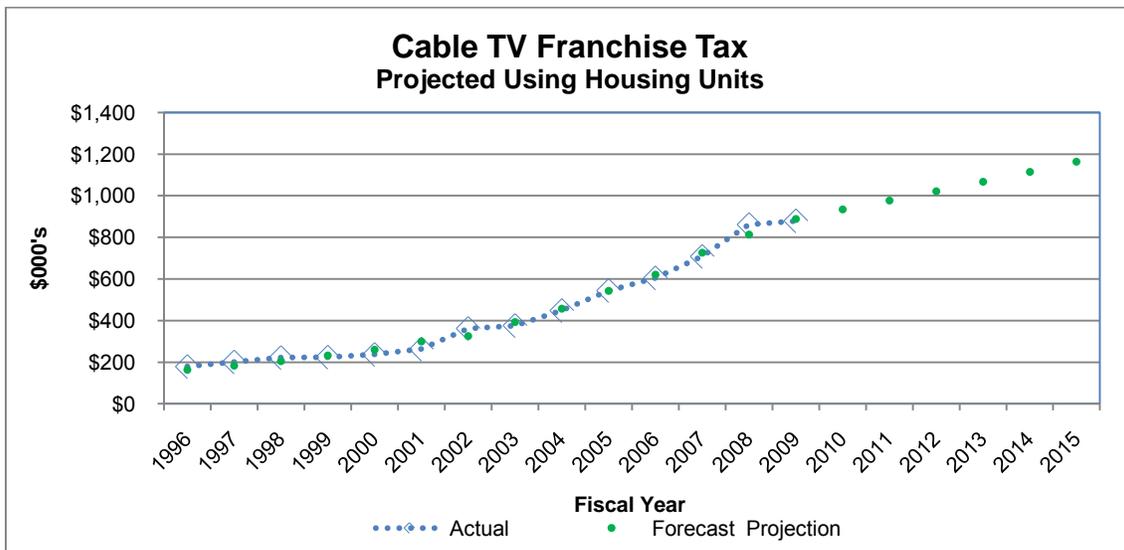
Franchise & Other Taxes

These revenue sources are accounted for as part of the General Fund including electricity, natural gas, cable television, and telephone franchise taxes as well as mixed beverage taxes.

Electricity franchise taxes, the largest of this group of revenues (\$2.5 million in the FY2010 Budget), is projected using two key indicators of electricity usage: the number of housing units shown on the property tax roll by the appraisal districts and the overall residential vacancy rate for the metropolitan area. The result is an average increase of approximately 3% per year. For more information on the electricity franchise tax model, see pages 68-69.



Cable TV franchise taxes, the second largest of this group of revenues at \$935,000 in the FY 2010 Budget, is projected using single family housing units on the property tax roll.



The average annual growth rate for Cable TV franchise revenue projected for the forecast period is 4.6%, reflecting slightly higher growth in revenue than in households or population, likely because of the growing usage of this communications product or media. For more information on the Cable Television Franchise tax model, see pages 70-71.

Telephone franchise taxes are held constant through the forecast period because of the increasing reliance on cellular technology in lieu of land lines. Natural Gas franchise taxes are projected at the general rate of growth projected for League City or 3.4%. Mixed Beverage taxes are projected to grow at the same rate as inflation.

Remaining Revenue Categories are projected in the forecast as follows:

Licenses and Permits: General population growth rate of 3.4% per year.

Grant revenue and expenditures are held flat. Individual grants would be incorporated as they are received.

Charges for Service: General population growth of 3.4% per year. This category includes garbage fees and ambulance fees. Park fees are also in this category, including anticipated fees from Eastern

Regional Park recreation and athletics programs. The new park revenue is phased in as follows: \$198,000 in FY 2012, \$195,000 in FY 2013 and \$95,000 in FY 2014 for a total of \$588,000 in new revenue annually from the Eastern Regional Park. (Note: Total costs for this project are estimated at just under \$1 million per year including maintenance and programming.)

Fines and Forfeits: General population growth rate of 3.4% per year.

Investment Earnings are expected to make a slight recovery from FY 2012 through FY 2014 from a current earnings rate of under 0.2% to 0.5%. The LRFF assumes that the prime lending rate will not be adjusted upward by the Federal Reserve Bank for a number of years, which will continue to depress short term interest rates earned on deposits invested by the City. This assumption does not include consideration of the possibility that the City will pursue a more active investments strategy within the overall bounds of safety and liquidity over the next few years.

Miscellaneous revenue is projected at FY 2010 levels.

**MAJOR REVENUE PROJECTIONS
(\$THOUSANDS)**

Revenue Source	FY 2010 Estimate	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
<i>Based on Models</i>						
Property Tax	\$32,902	\$33,908	\$35,110	\$36,269	\$37,466	\$38,702
Water & Wastewater Fees	\$23,923	\$24,947	\$26,017	\$27,135	\$28,313	\$29,550
Sales Tax	\$11,879	\$12,198	\$12,565	\$13,085	\$13,682	\$14,335
Electricity Franchise	\$2,683	\$2,746	\$2,839	\$2,937	\$3,034	\$3,137
Cable TV Franchise	\$934	\$977	\$1,021	\$1,067	\$1,114	\$1,163
<i>Based on Other Assumptions</i>						
Other Franchise Taxes	\$910	\$929	\$950	\$970	\$991	\$1,024
Charges for Service (NOTE)	\$3,959	\$4,075	\$4,495	\$5,038	\$5,646	\$6,383
Fines and Forfeits	\$1,420	\$1,468	\$1,518	\$1,570	\$1,623	\$1,678
Licenses and Permits	\$1,644	\$1,700	\$1,758	\$1,817	\$1,879	\$1,943

NOTE: The General Fund forecast includes certain additional revenues from recreation and athletics programs to be conducted through the new Eastern Regional Park beginning in FY 2013 and increasing over a three year period to \$490,000 in revenue per year in FY 2014.

LONG RANGE FINANCIAL FORECAST EXPENDITURE OVERVIEW

Baseline Forecast Methodology

Expenditures are forecasted for the City's four major funds: General, Utility, Debt Service and Motor Pool. A baseline forecast is presented herein that includes expenditures already approved by and/or committed to by the Mayor and City Council as well as those that are mandated by the State of Texas or the federal government. Rising costs due to inflation, population growth and/or interest rates are also anticipated and made a part of this forecast through growth factors applied to each forecast category.

The growth assumptions shown below are based on a slow increase in the core inflation rate, with proportionally higher rates for energy costs. Health care inflation is assumed to be 10% annually through the forecast period. Vehicle maintenance and motor pool replacement costs charged to the General and Utility Funds are based on projected increases in Motor Pool Fund expenditures using baseline assumptions.

EXPENDITURE GROWTH ASSUMPTIONS

EXPENDITURE CATEGORY	EXPLANATION	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
Personnel Services						
Salaries	Policy issue for City Council's consideration.	Baseline holds constant at FY 2010 Budget with allowance for steps for civil service employees.				
Other Pay						
TMRS/FICA	Required by federal law and local ordinance	Calculated at 21.65% of Salaries and Other Pay.				
Health and Life Insurance	Higher than core CPI.	10.0%	10.0%	10.0%	10.0%	10.0%
Supplies						
Energy Supplies	Higher than core CPI.	5.0%	5.5%	6.3%	7.5%	7.5%
General Supplies	Core CPI.	2.0%	2.2%	2.5%	3.0%	3.0%
Maintenance Supplies	Like energy supplies.	5.0%	5.5%	6.3%	7.5%	7.5%
Small Capital	Core CPI.	2.0%	2.2%	2.5%	3.0%	3.0%
Services						
Maintenance Services	Core CPI.	2.0%	2.2%	2.5%	3.0%	3.0%
Vehicle Maintenance	Based on Motor Pool Fund	3.4%	3.5%	3.6%	3.8%	3.8%
Office Services	Core CPI.	2.0%	2.2%	2.5%	3.0%	3.0%
Other Services	Core CPI.	2.0%	2.2%	2.5%	3.0%	3.0%
Professional Services	Core CPI.	2.0%	2.2%	2.5%	3.0%	3.0%
Utilities	Like energy supplies.	5.0%	5.5%	6.3%	7.5%	7.5%
Utilities for water services	Population plus energy CPI	8.4%	8.9%	9.7%	10.9%	10.9%
Water Purchases	Population plus core CPI.	5.4%	5.6%	5.9%	6.4%	6.4%
Contingency	Flat	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Outlay						
Motor Pool Replacement	Core CPI.	2.0%	2.2%	2.5%	3.0%	3.0%
Vehicles and Equipment	Core CPI.	2.0%	2.2%	2.5%	3.0%	3.0%
Transfers						
Utility Fund to General Fund		Flat \$1 million as in FY 2010 Budget.				
General Fund to Project Fund		Flat \$500,000 per year as set in the FY 2010 Budget.				
TIRZ Increment		Based on property tax revenue and TIRZ increment assumptions.				
Transfer to 4B		Based on 1/7 of forecasted sales tax revenue.				

Baseline expenditures are forecast over the five years through the following process:

1. Combine line items into forecast categories (shown on the previous page) summarizing similar line items into a single category;
2. Convert the FY 2010 Budget amount for each department and line item into summary amounts for the nineteen categories by department;
3. Adjust the FY 2010 Budget by category into the FY 2011 “Base” for the forecast by:
 - a. Adjusting personnel budgets to reflect twelve months of cost for current budgeted positions, incumbents’ salaries and benefit levels; (Note: This adjustment includes annualizing the cost of the April pay increase and new public safety personnel hired in April.)
 - b. Reducing budgets by the amount of one-time or non-recurring items included in this year’s budget; and
 - c. Adjusting budgeted payments to the Motor Pool Fund for vehicle replacement to 100% of the depreciation charge intended to fully fund replacements as scheduled from the Motor Pool Fund;
4. Identify individual programs for which expenditures and revenues will have to be budgeted in a future year as the result of a commitment by Mayor and City Council and/or a State or federal mandate.
5. Apply inflation and growth assumptions as displayed in the chart on the previous page.

The outcome of these projections and adjustments is discussed in each fund’s narrative section of this Forecast.

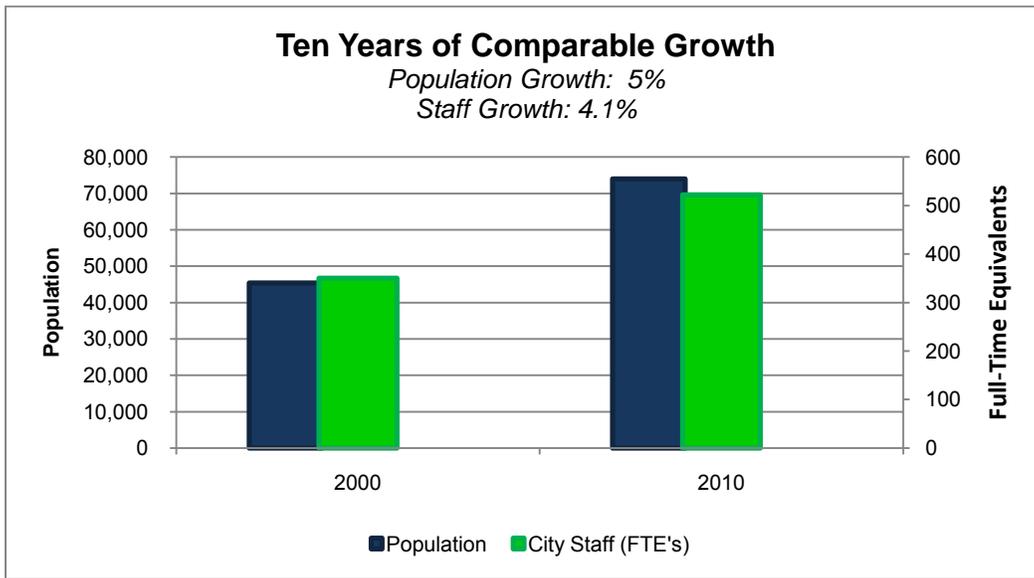
Beyond Baseline

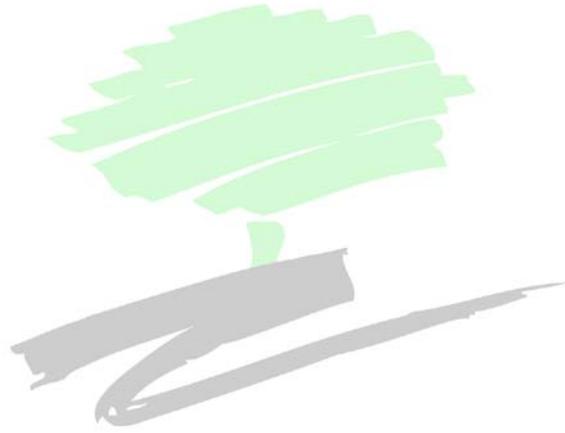
The baseline forecast does not presume to predict or propose a course of action in two important areas: pay raises and staffing growth. However, the forecast includes cost estimates of potential increases in these areas as “Alternative Cost Scenarios” for informational purposes. **Pay raises** are assumed to be in the form of performance or merit-based for civilian employees with an average amount based on the core Consumer Price Index used in the forecast. Baseline salary calculations for civil service employees include step increases by tenured anniversary dates according to city ordinance. Alternative Cost Scenarios include the estimated cost of across-the-board pay increases for civil service personnel that increase every step in the civil service pay plan by core CPI. The CPI-based increases are assumed to take place on October 1 each year for purposes of calculation.

Staffing increases are projected based on the trends of population and staffing changes over the last ten years. Staff has grown an average of 4.1% per year since 2000 while the population of the city has grown 5%. Without making any judgment that the city’s staff has grown at a rate that generally tracks the city’s growth in population, the forecast assumes that the relationship between the two statistics remains generally the same over the next five years.

The basic population growth assumption in this forecast is that the city will grow by 3.4% per year. If city staff were to grow by roughly the same proportionality to that number as in the last ten years, staff would grow approximately 2.8% per year. An alternative cost is presented for each of the three operating funds (General, Utility and Motor Pool) that show the effect of this staff growth each year. Projected costs

include proportional amounts of supply and service costs that would be associated with higher staffing levels.





LEAGUE CITY

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LONG RANGE FINANCIAL FORECAST GENERAL FUND OVERVIEW

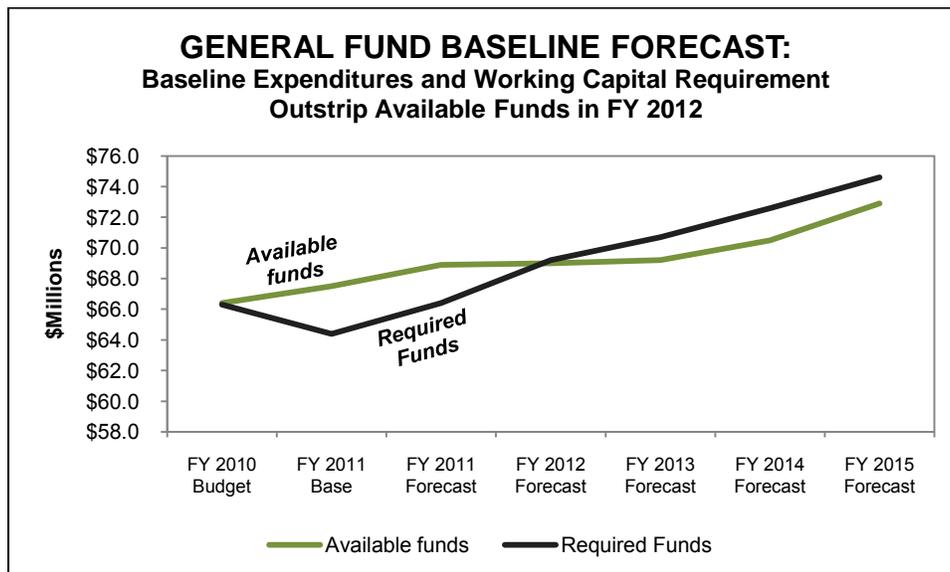
Baseline Forecast

The chart below summarizes the General Fund Forecast using Baseline Assumptions, including (1) adjustments to the FY 2010 Budget to arrive at a Base for the forecast shown above as “FY 2011 Base,” (2) the projected impact of state and federal mandates, (3) the cost of commitments by Mayor and City Council, and (4) the anticipated effect of inflation on costs. The General Fund begins the forecast period with more expenditures than revenue, \$1,676,000 in FY 2011, and ends with an excess of revenue over expenditures, \$914,000, in FY 2015.

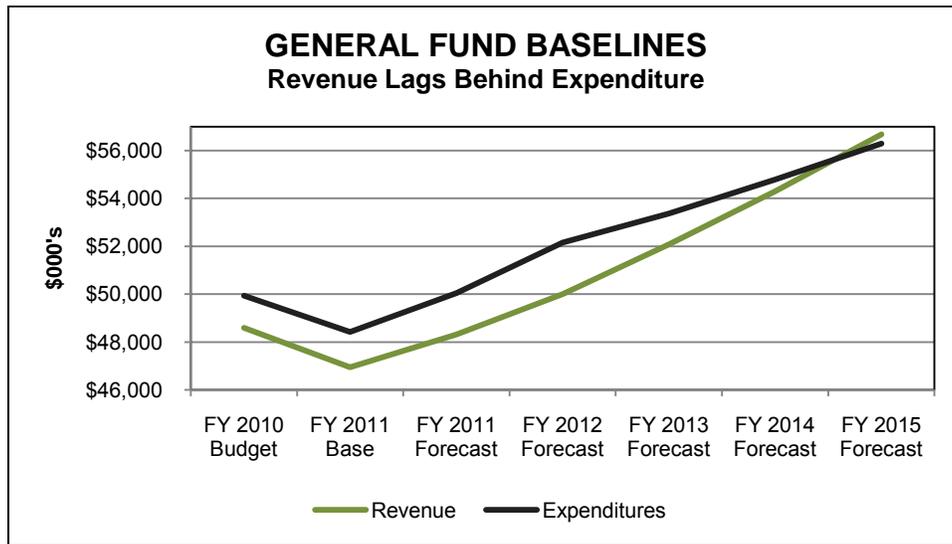
FORECAST SUMMARY GENERAL FUND BASELINE PROJECTIONS (\$THOUSANDS)

	FY 2010 Budget	FY 2011 Base	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Beginning Balance	\$17,806	\$20,554	\$20,554	\$18,878	\$16,944	\$15,945	\$15,856
Revenue	\$48,589	\$46,961	\$48,332	\$50,128	\$52,234	\$54,527	\$57,022
Expenditures	\$49,933	\$48,444	\$50,008	\$52,062	\$53,233	\$54,616	\$56,108
Revenue Over/(Under) Expenditures	(\$1,344)	(\$1,483)	(\$1,676)	(\$1,934)	(\$999)	(\$89)	\$914
Ending Balance	\$16,462	\$19,071	\$18,878	\$16,944	\$15,945	\$15,856	\$16,770
Less 120 Days of Working Capital	(\$16,416)	(\$15,927)	(\$16,441)	(\$17,116)	(\$17,501)	(\$17,956)	(\$18,446)
Forecast Over (Under) 120 Days	\$46	\$3,144	\$2,437	(\$172)	(\$1,556)	(\$2,100)	(\$1,676)
Days Working Capital Over/(Under) 120	0	24	18	(1)	(11)	(14)	(11)

This results in a gap beginning in FY 2012 when Required Funds (Expenditures plus 120 working days of capital) begin to exceed Available Funds (Beginning Fund Balance plus Revenues). See the graph below.



Revenue starts the five year forecast period about one year's growth behind expenditures. Revenue is projected to grow slowly and "catches up" with expenditures in FY 2015 as depicted in the graph below.



Building the Projections: FY 2010 Budget to FY 2011 Base Expenditures

The first step in projecting expenditures for the forecast is to adjust the FY 2010 Budget to produce an FY 2011 Base number that represents current budgeted costs on a twelve month basis. The adjustment is detailed in the Appendices (see pages 74-77) and in each department's summary page to follow. (Please refer to the table at the top of the opposite page as discussed below.)

The personnel cost adjustments to the FY 2010 Budget bring the FY 2010 Budget in line with the cost of current payroll for existing City staff as well as a full year's salaries for vacant positions budgeted in FY 2010. The net increase in salary savings was arrived at by using vacancy rates due to expected attrition of 2% or 3% for departments with more than six staff, and 2% for all departments below that size. Vacancy savings for the larger group of departments are shown as a part of each department's FY 2011 Base. Vacancy savings for smaller departments are centralized in the Non-Departmental budget. The FY 2011 Base also includes the cost of a full year for new staff and a full twelve months for the civilian raise approved for half of FY 2010. The remaining personnel cost adjustment brings the FY 2010 Budget for personnel in line with current personnel costs.

Contributions by the General and Utility Fund to the Motor Pool Fund are being increased as a part of the Baseline Forecast to recognize the full cost for vehicle replacement on an amortized or depreciated basis. One-time items budgeted in FY 2010 at \$1,884,000 have been removed from the Base. Mandatory cost increases include \$100,000 in increased liability insurance costs. Budget amendments include the net reduction in the Butler Museum budget, including transferring personnel to other departments, Park Operations and Parks Planning, and increasing the City's payment to the Museum.

Mid-year changes to budgets for mandatory costs included adjustments for higher Galveston Appraisal District fees, liability insurance premiums, property tax increments paid to TIRZ's, and lower sales taxes paid to the 4B Corporation. Budget amendments approved thus far in FY 2010 included grants for Police and Library, the National Pollutant Discharge Elimination System (NPDES) program, and the reduction in the General Fund budget for the Butler Museum as a separate department.

**GENERAL FUND ADJUSTMENTS (\$000'S)
TO FY 2010 BUDGET TO ARRIVE AT FY 2011 BASE**

Adjustment Category	Increase/(Decrease) in FY 2010 Budget
Personnel Adjustments	
Full year's cost of public safety personnel	\$282
Increased vacancy rate savings	(\$275)
Full year's cost of 3% civilian raise	\$220
Other personnel budget adjustments	(\$348)
Subtotal Personnel Adjustments	(\$121)
One-Time Adjustments	
Increase in Motor Pool Fund contributions	\$759
Removal of one-time items; consultants, equipment, technology	(\$1,884)
Reduce transfer to capital project fund to policy goal of \$200,000	(\$300)
Subtotal One-Time Adjustments	(\$1,425)
Mid-Year Changes in mandatory costs	\$143
New recurring costs added via amendment	(\$97)
Total Adjustment to FY 2010 Budget to Arrive at FY 2011 Base	(\$1,500)

Note: The adjustments total shown in the table above (\$1,500,000) differs by \$11,000 from the General Fund Summary table (e.g. FY 2011 Base expenditures amount less the FY 2010 Budget expenditures amount) on page 25 due to rounding.

Building the Projections: FY 2011-2015 Baseline Expenditures Explained

The chart on the next page explains the basis for the projected changes in expenditures after the FY 2011 Base is established. Between FY 2011 and FY 2015, baseline expenditures grow by a total of \$7,661,000 (see the chart).

Inflation and growth of the city account for over half of the annual projected change in cost for the General Fund in the Baseline Forecast. This specifically includes the cost of solid waste pickup as the number of households increase in the City. (Note: Solid waste revenues are assumed to grow by the same amount because of the pass through of costs charged by the contractor.) If the City's health benefits costs increase by ten percent per year due to price increases and utilization, this program will cost \$2.1 million more in FY 2015 than in the FY 2011 Base amount used to begin the forecast. Significant cost increases also come from energy related supplies (\$353,000) and the utilities category which is primarily electricity (\$636,000).

Significant cost increases caused by mandates and commitments occur in FY 2011 and FY 2012. In FY 2011, the City is expected to assume traffic signal maintenance responsibilities from the State once the U.S Census results show that League City has passed the 50,000 population mark. In FY 2012, the Eastern Regional Park is expected to begin operation generating expenses of \$937,000. (Note: Eastern Regional Park revenue is expected by the Parks department to begin at \$195,000 in FY 2012 and reach \$490,000 in the third year of operation, FY 2014.) Funding amounts shown for repairs to the City jail are preliminary as plans for the new police station and discussions of a joint facility with the County proceed.

**GENERAL FUND FORECAST
CUMULATIVE CHANGE IN BASELINE COST (\$000'S)**

Cost Factors	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Inflation/Growth	\$803	\$1,678	\$2,683	\$3,837	\$5,078
Mandates/Commitments					
Civil Service STEP	\$46	\$82	\$121	\$169	\$208
Eastern Regional Park	\$0	\$937	\$925	\$937	\$937
Traffic Signal Maintenance	\$475	\$485	\$497	\$512	\$527
Jail Repairs	\$40	\$70	\$30	\$0	\$0
TIRZ Property Tax Increment	\$150	\$263	\$358	\$458	\$561
Sales Tax Transfer to 4B	\$46	\$98	\$172	\$257	\$350
Subtotal Mandates/Commitments	\$757	\$1,935	\$2,103	\$2,333	\$2,583
Total Increases	\$1,560	\$3,613	\$4,786	\$6,170	\$7,661

Alternative Cost Increase Scenarios

The Baseline Forecast projections include current compensation and staffing levels as previously approved by City Council. The Alternative Expenditure Scenarios table (see the next page) presents the potential cost impact of annual decisions to increase budgets to fund additional staff and/or to adjust compensation levels.

The 2.8% staffing increase is based on the annual population growth assumption of 3.4%. A 2.8% growth in staff would parallel the 4.1% growth rate seen for staff in the last decade when population rose at an average rate of 5% annually (see Expenditure Overview). The estimate includes salaries and benefits as well as a proportional amount of supplies, services and equipment associated with the new staff positions.

The only increases to compensation included in the baseline forecast are those mandated by ordinance to provide step pay increases to Civil Service personnel and longevity pay for civilian personnel. Therefore, the issues of pay raises for city employees and increases in staff are left to Mayor and Council as a policy matter instead of being included in the Baseline Forecast.

Pay raises shown here are based on the core inflation rate discussed in the Economic Outlook and the baseline assumptions that are part of that section. It is assumed that the funds projected for raises would be performance-based for civilians and across the board for Civil Service employees.

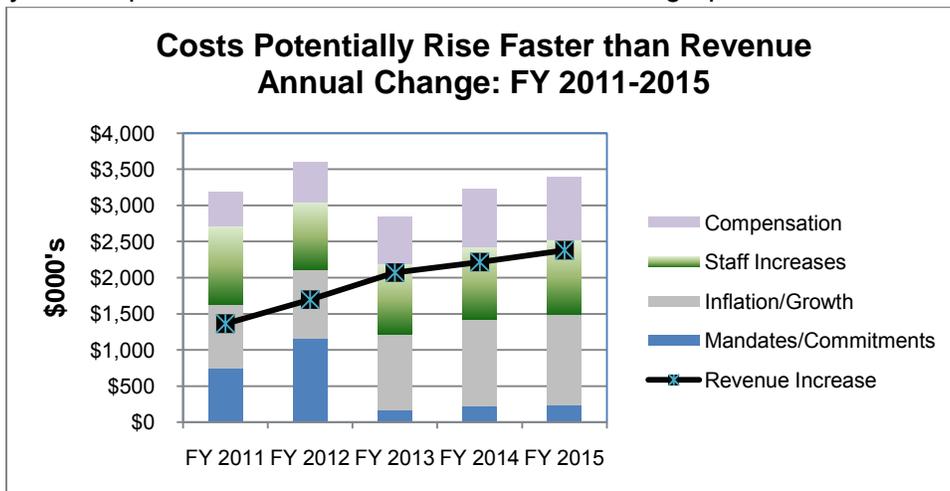
**ALTERNATIVE EXPENDITURE SCENARIOS:
COMPENSATION ADJUSTED BASED ON INFLATION
STAFF GROWTH USING HISTORICAL TREND
(\$THOUSANDS)**

Alternative Scenarios	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Forecast Baseline Expenditures	\$50,008	\$52,062	\$53,233	\$54,616	\$56,108
Staff Increase of 2.8% per Year	\$1,092	\$2,031	\$2,999	\$3,996	\$5,020
Annual Compensation Increase (CPI Based)					
Civil Service Employees	\$157	\$355	\$599	\$900	\$1,252
Civilian Employees	\$317	\$673	\$1,086	\$1,594	\$2,117
Compensation Increase Subtotal	\$474	\$1,028	\$1,685	\$2,494	\$3,369
Subtotal Staff and Compensation Increase	\$1,566	\$3,059	\$4,684	\$6,490	\$8,389
Adjusted Forecast					
Adjusted Baseline Expenditures	\$51,574	\$55,121	\$57,917	\$61,106	\$64,497
Baseline Revenue Estimate	\$48,332	\$50,128	\$52,234	\$54,527	\$57,022
Revenue Over/(Under) Expenditures	(\$3,242)	(\$4,993)	(\$5,683)	(\$6,579)	(\$7,475)
Fund Balance Impact					
Beginning Fund Balance	\$20,554	\$17,312	\$12,319	\$6,636	\$57
Ending Fund Balance	\$17,312	\$12,319	\$6,636	\$57	(\$7,418)
120 Days of Working Capital	\$16,956	\$18,122	\$19,041	\$20,090	\$21,205
Days of Working Capital Over/(Under) 120 Days	3	(38)	(78)	(120)	(162)

The projections reflected in the table above will never occur because the city charter does not permit deficit spending.

Summary of Five-Year Projections: Potential Expenditures Outstrip Revenue

General Fund revenue is projected to grow between \$1.36 and \$2.38 million per year over the next five years as compared with potential expenditure growth of \$2.95 to \$3.68 million per year. Clearly, this would deplete the General Fund's 120 days of working capital in a relatively short time. The annual increases in projected expenditures and revenue are shown in the graph below.



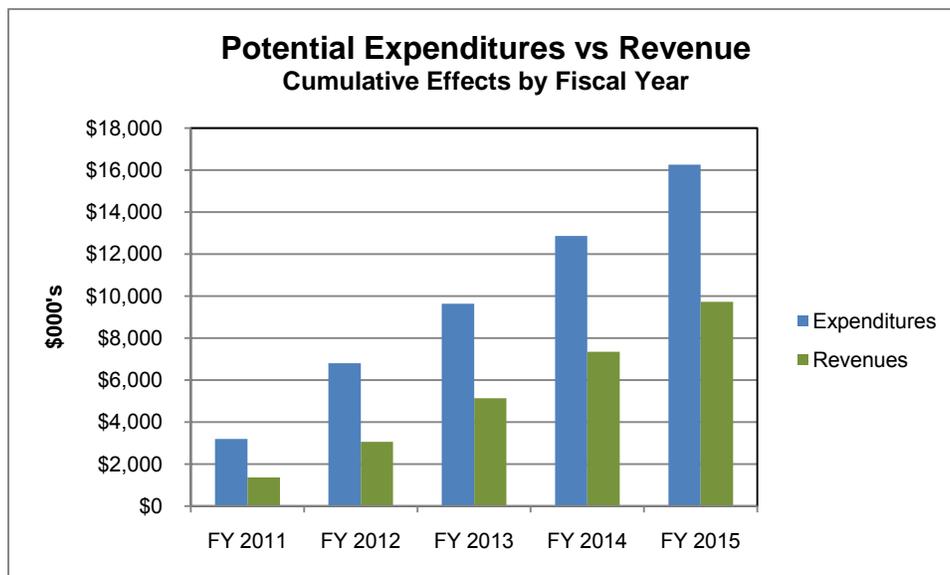
The cumulative effects of these annual increases are shown below.

**ANNUAL INCREASES IN GENERAL FUND
EXPENDITURES VERSUS REVENUE
FY 2011 – FY 2015
(\$THOUSANDS)**

Increase Category	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Staff	\$1,091	\$939	\$967	\$996	\$1,024
Compensation	\$474	\$554	\$657	\$809	\$875
Inflation	\$877	\$943	\$1,056	\$1,201	\$1,258
Mandates/Commitments	\$750	\$1,164	\$164	\$219	\$234
Total Expenditure Increases	\$3,192	\$3,600	\$2,844	\$3,225	\$3,391
Revenue Increases	\$1,364	\$1,696	\$2,072	\$2,216	\$2,381

It is important to remember that:

1. The revenue projections are based on conservative assumptions that anticipate a slow recovery from a significant economic downturn, and
2. The alternative cost scenarios reflect spending growth expectations that would require revenue growth like that experienced during the housing boom of the prior decade.



In reality, the projections reflected in the graph above will never occur because the city charter does not permit deficit spending. Budget decisions will continue to be made annually based on available revenue and the City's policy goals and priorities.

FY 2011 Budget Strategy

The table on the next page recaps the baseline projections for the General Fund. Given the uncertain economic situation, and the continuing growth of the city, several strategies are needed to guide the development of the FY 2011 Budget. The goal should be to consider the budget balanced if current revenues are sufficient to cover expenditures and to ensure that fund balance is used sparingly and only to fund non-recurring expenditures. ***This means that the current gap of \$1,676,000 between revenues and expenditures must be closed.***

**GENERAL FUND BASELINE FORECAST
FUND BALANCE, REVENUE AND EXPENDITURES
FY 2011 - FY2015
(\$THOUSANDS)**

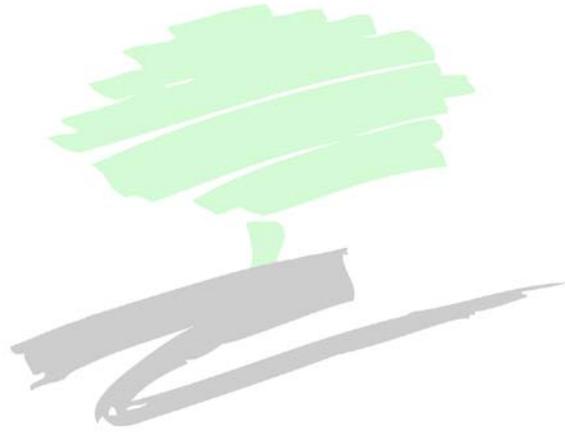
	FY 2010 Budget	FY 2011 Base	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Beginning Balance	\$17,806	\$20,554	\$20,554	\$18,878	\$16,944	\$15,945	\$15,856
Revenue							
Property Tax	\$20,794	\$21,353	\$22,058	\$22,786	\$23,538	\$24,315	\$25,117
Sales Tax	\$13,800	\$11,879	\$12,198	\$12,565	\$13,085	\$13,682	\$14,335
Franchise and Other Taxes	\$4,448	\$4,631	\$4,759	\$4,920	\$5,084	\$5,257	\$5,443
Licenses and Permits	\$1,644	\$1,644	\$1,700	\$1,758	\$1,817	\$1,879	\$1,943
Charges for Services	\$3,959	\$3,959	\$4,075	\$4,495	\$5,040	\$5,648	\$6,385
Fines and Forfeitures	\$1,720	\$1,420	\$1,468	\$1,518	\$1,570	\$1,623	\$1,678
Investment Earnings	\$200	\$50	\$50	\$63	\$78	\$98	\$98
Miscellaneous/Grants	\$1,024	\$1,025	\$1,024	\$1,023	\$1,022	\$1,025	\$1,023
Interfund Transfers	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Total Revenue	\$48,589	\$46,961	\$48,332	\$50,128	\$52,234	\$54,527	\$57,022
Expenditures by Directorate							
Administration	\$2,999	\$2,970	\$3,011	\$3,054	\$3,107	\$3,170	\$3,233
Police	\$15,082	\$14,854	\$15,150	\$15,446	\$15,700	\$16,008	\$16,362
Finance	\$2,138	\$2,074	\$2,096	\$2,120	\$2,149	\$2,181	\$2,216
General Services	\$1,661	\$1,475	\$1,508	\$1,543	\$1,584	\$1,632	\$1,687
Land Management	\$3,393	\$3,195	\$3,239	\$3,284	\$3,336	\$3,392	\$3,457
Emergency Services	\$3,939	\$4,246	\$4,327	\$4,416	\$4,522	\$4,648	\$4,781
Parks and Cultural Services	\$6,843	\$6,716	\$6,857	\$7,948	\$8,119	\$8,351	\$8,584
Public Works	\$9,262	\$8,101	\$8,794	\$9,041	\$9,315	\$9,623	\$9,954
Non-Departmental	\$4,616	\$4,813	\$5,026	\$5,210	\$5,401	\$5,611	\$5,834
Total Expenditures	\$49,933	\$48,444	\$50,008	\$52,062	\$53,233	\$54,616	\$56,108
Revenue Over/(Under) Expenditures	(\$1,344)	(\$1,483)	(\$1,676)	(\$1,934)	(\$999)	(\$89)	\$914
Ending Balance	\$16,462	\$19,071	\$18,878	\$16,944	\$15,945	\$15,856	\$16,770
Policy Goal - 120 Days of Working Capital	\$16,416	\$15,927	\$16,441	\$17,116	\$17,501	\$17,956	\$18,446
Excess/(Shortage) of Working Capital	\$46	\$3,144	\$2,437	(\$172)	(\$1,556)	(\$2,100)	(\$1,676)
Excess/(Shortage) of Working Capital in Days	0	24	18	(1)	(11)	(14)	(11)

Note: The Baseline Forecast includes the effect of inflation, growth and mandates and commitments on expenditures. Alternative cost scenarios including staff and compensation increases are not included in these numbers.

**GENERAL FUND BASELINE FORECAST
EXPENDITURES BY DEPARTMENT
FY 2011-2015 (\$THOUSANDS)**

	FY 2010	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
	Budget	Base	Forecast	Forecast	Forecast	Forecast	Forecast
Administrative Directorate							
Mayor and City Council	\$222	\$213	\$215	\$218	\$221	\$225	\$229
City Administrator	\$730	\$760	\$768	\$775	\$783	\$794	\$805
City Secretary	\$387	\$383	\$387	\$391	\$397	\$404	\$409
City Attorney	\$550	\$550	\$561	\$573	\$588	\$605	\$623
Civil Service	\$65	\$66	\$67	\$68	\$70	\$72	\$74
Human Resources	\$1,045	\$998	\$1,013	\$1,029	\$1,048	\$1,070	\$1,093
Subtotal - Administrative Directorate	\$2,999	\$2,970	\$3,011	\$3,054	\$3,107	\$3,170	\$3,233
Police Directorate							
Police	\$14,528	\$14,318	\$14,603	\$14,886	\$15,125	\$15,418	\$15,755
Animal Control	\$554	\$536	\$547	\$560	\$575	\$590	\$607
Subtotal - Police Directorate	\$15,082	\$14,854	\$15,150	\$15,446	\$15,700	\$16,008	\$16,362
Finance Directorate							
Finance Administration	\$444	\$411	\$415	\$419	\$425	\$431	\$437
Accounting	\$1,150	\$1,109	\$1,120	\$1,132	\$1,145	\$1,161	\$1,179
Municipal Court	\$544	\$554	\$561	\$569	\$579	\$589	\$600
Subtotal - Finance Directorate	\$2,138	\$2,074	\$2,096	\$2,120	\$2,149	\$2,181	\$2,216
General Services Directorate							
Purchasing	\$313	\$298	\$301	\$304	\$307	\$309	\$313
Information Technology	\$1,348	\$1,177	\$1,207	\$1,239	\$1,277	\$1,323	\$1,374
Subtotal - General Services Directorate	\$1,661	\$1,475	\$1,508	\$1,543	\$1,584	\$1,632	\$1,687
Land Management Directorate							
Economic Development	\$417	\$442	\$447	\$453	\$458	\$465	\$473
Building and Code Enforcement	\$1,408	\$1,390	\$1,412	\$1,434	\$1,459	\$1,486	\$1,518
Planning	\$1,568	\$1,363	\$1,380	\$1,397	\$1,419	\$1,441	\$1,466
Subtotal - Land Management Directorate	\$3,393	\$3,195	\$3,239	\$3,284	\$3,336	\$3,392	\$3,457
Emergency Services Directorate							
Fire Marshal	\$468	\$470	\$475	\$482	\$489	\$499	\$507
Fire Department	\$903	\$1,134	\$1,168	\$1,205	\$1,250	\$1,305	\$1,364
Drill Field	\$53	\$47	\$49	\$50	\$53	\$54	\$57
Emergency Medical Services	\$2,170	\$2,392	\$2,430	\$2,469	\$2,517	\$2,572	\$2,631
Emergency Management	\$345	\$203	\$205	\$210	\$213	\$218	\$222
Subtotal - Emergency Services Directorate	\$3,939	\$4,246	\$4,327	\$4,416	\$4,522	\$4,648	\$4,781
Parks and Cultural Services Directorate							
Helen Hall Library	\$2,170	\$2,160	\$2,187	\$2,217	\$2,250	\$2,288	\$2,330
Facilities Maintenance	\$1,882	\$1,779	\$1,841	\$1,911	\$1,995	\$2,100	\$2,212
Parks Operations	\$1,037	\$1,147	\$1,170	\$1,435	\$1,432	\$1,467	\$1,504
Parks Planning and Tourism	\$251	\$325	\$329	\$332	\$336	\$342	\$347
Butler Longhorn Museum	\$230	\$75	\$77	\$78	\$80	\$83	\$85
Parks Recreation	\$672	\$658	\$668	\$1,378	\$1,414	\$1,441	\$1,457
Sportsplex Operations	\$388	\$360	\$369	\$378	\$389	\$401	\$416
Sportsplex Recreation	\$213	\$212	\$216	\$219	\$223	\$229	\$233
Subtotal - Parks and Cultural Services Directorate	\$6,843	\$6,716	\$6,857	\$7,948	\$8,119	\$8,351	\$8,584
Public Works Directorate							
Public Works Administration	\$2,862	\$2,877	\$2,971	\$3,068	\$3,169	\$3,272	\$3,380
Engineering	\$2,226	\$1,209	\$1,224	\$1,242	\$1,263	\$1,284	\$1,309
Streets and Stormwater	\$4,174	\$4,015	\$4,599	\$4,731	\$4,883	\$5,067	\$5,265
Subtotal - Public Works Directorate	\$9,262	\$8,101	\$8,794	\$9,041	\$9,315	\$9,623	\$9,954
Non-Departmental							
General Government	\$177	\$653	\$668	\$685	\$705	\$727	\$752
Operating Transfers	\$4,169	\$3,890	\$4,088	\$4,255	\$4,426	\$4,614	\$4,812
Contingencies	\$270	\$270	\$270	\$270	\$270	\$270	\$270
Subtotal Non-Departmental	\$4,616	\$4,813	\$5,026	\$5,210	\$5,401	\$5,611	\$5,834
Total General Fund	\$49,933	\$48,444	\$50,008	\$52,062	\$53,233	\$54,616	\$56,108

Note: The Baseline Forecast includes the effect of inflation, growth and mandates and commitments on expenditures. Alternative cost scenarios including staff and compensation increases are not included in these numbers. See pages 80-112 for more information on each department as listed above.



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**LONG RANGE FINANCIAL FORECAST
DEBT SERVICE FUND**

Overview

The Debt Service Fund is used to budget property tax revenue and pay for property-tax supported debt obligations of the City. In this forecast, the term debt capacity is used to describe the city's ability to issue long-term debt given (1) scheduled Debt Service Fund expenses including principal and interest payments, MUD tax rebates and the debt portion of TIRZ tax increment payments; (2) realistic assumptions regarding growth rates in property tax revenue; and (3) realistic interest rate assumptions.

If the City of League City continues to set aside the current share of its property tax revenue (e.g. \$0.221129 of \$0.63 per \$100 assessed value) for debt service, the City could issue \$8.3 million per year for the next four years, with a resulting net balance of \$77,000 at the end of FY 2014 in the Debt Service Fund. While this approach, if all assumptions held, would lead to an unacceptably low fund balance in FY 2014, the City's debt capacity improves immediately thereafter in FY 2015.

**DEBT SERVICE FUND FORECAST SUMMARY, FY 2010 – FY 2015 (\$000'S)
ASSUMES \$8.3 MILLION IN NEW BONDS PER YEAR**

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
REVENUE						
Property Taxes	\$11,549	\$11,930	\$12,324	\$12,731	\$13,151	\$13,585
Other	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	\$44	\$50	\$50	\$50	\$50	\$50
TOTAL REVENUE	\$11,593	\$11,980	\$12,374	\$12,781	\$13,201	\$13,635
EXPENSE						
Transfers						
MUD Property Tax Rebates	\$3,563	\$3,412	\$3,236	\$3,332	\$3,395	\$2,014
TIRZ Property Tax Increment	\$1,078	\$1,159	\$1,220	\$1,272	\$1,325	\$1,381
Subtotal MUD's/TIRZ's	\$4,641	\$4,571	\$4,456	\$4,604	\$4,720	\$3,395
Current Debt Service						
Interest	\$2,832	\$2,734	\$2,556	\$2,376	\$2,195	\$2,039
Principal	\$4,526	\$4,308	\$4,420	\$4,310	\$4,249	\$3,352
Subtotal Current Debt Service	\$7,358	\$7,042	\$6,976	\$6,686	\$6,444	\$5,391
Subtotal Current Expense	\$11,999	\$11,613	\$11,432	\$11,290	\$11,164	\$8,786
Future Debt Service (POTENTIAL)						
Interest	\$0	\$326	\$664	\$1,014	\$1,353	\$1,682
Principal	\$0	\$340	\$686	\$1,038	\$1,397	\$1,762
Subtotal Future Debt Service	\$0	\$666	\$1,350	\$2,052	\$2,750	\$3,444
TOTAL EXPENSE	\$11,999	\$12,279	\$12,782	\$13,342	\$13,914	\$12,230
Revenue Over/(Under) Expense	(\$406)	(\$299)	(\$408)	(\$561)	(\$713)	\$1,405
Beginning Fund Balance	\$2,464	\$2,058	\$1,759	\$1,351	\$790	\$77
Ending Fund Balance	\$2,058	\$1,759	\$1,351	\$790	\$77	\$1,482
ASSUMPTIONS						
Property Tax Growth		3.3%	3.3%	3.3%	3.3%	3.3%
TIRZ Increment Growth		7.5%	5.3%	4.3%	4.2%	4.2%
Future Bond Issue (\$000's)		\$8,300	\$8,300	\$8,300	\$8,300	\$8,300
Interest Rate Diff with FY10		0.50%	0.75%	1.00%	1.00%	1.00%

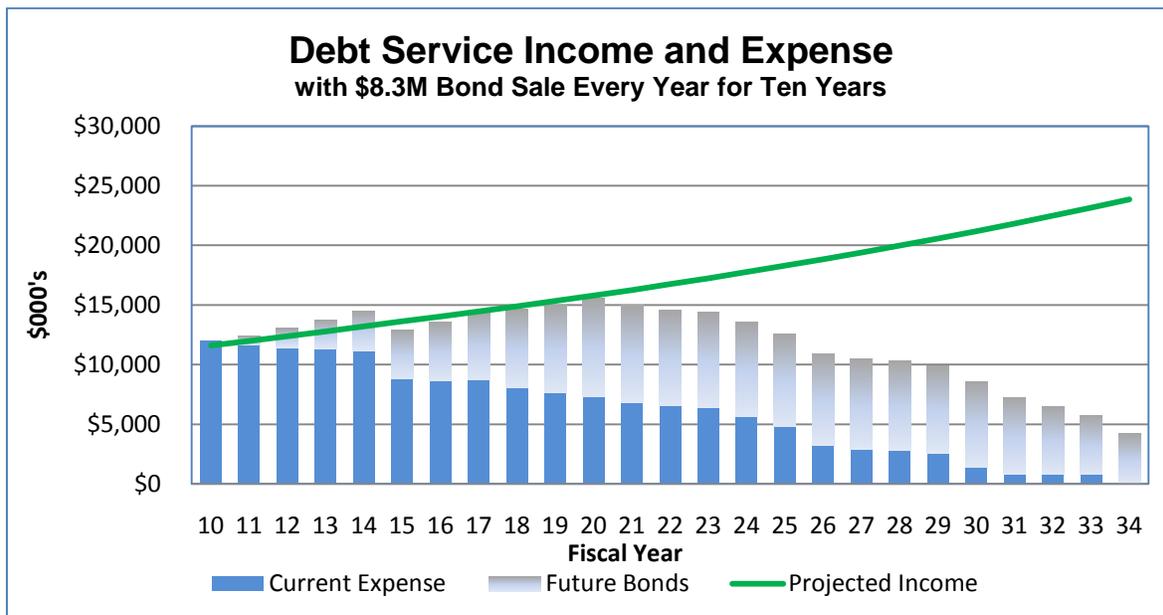
This increased capacity beginning in FY 2015 does not mean that the City necessarily must wait until that time to issue potentially higher annual amounts of debt. Rather, it means that alternative ways of structuring and managing debt capacity should be considered as each annual debt sale takes place. Consequently, a few alternative assumptions are presented to show how higher amounts bond sales can be sold annually and made affordable over the long term. Most notably, this includes the potential added capacity that can come from dissolving the Magnolia Creek TIRZ and allowing the net gain of \$1 million in revenue to be used to pay debt service on future bond sales beginning in FY 2011.

Base Forecast and Assumptions

The Debt Service Fund baseline forecast is based on the following elements.

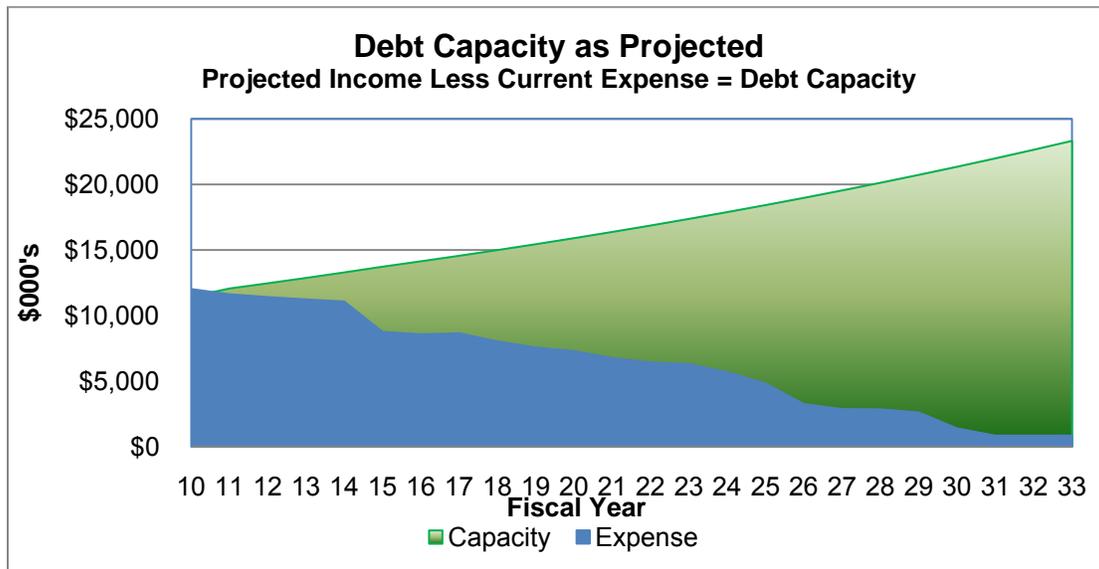
- Current obligations of the Debt Service Fund including:
 - Scheduled payments of debt service for existing tax-supported debt;
 - Property tax rebates to MUD’s at the lesser of (1) the scheduled rebate based on each MUD’s agreement or (2) actual payments for existing MUD debt only; and
 - The debt portion of TIRZ increment payments projected through the ending date for each TIRZ as provided by contractual agreement; and
- Property tax revenue assumptions as described in the Forecast Revenue Summary, including property tax revenue growth based on new construction and the effective property tax rate for maintenance and operations, as well as the current debt service property tax rate.

The base case for this forecast assumes \$8.3 million in tax-supported debt is issued each year for ten years. (See detail to support the Debt Service Fund base case forecast on pages 114-115.) This results in a positive fund balance in the Debt Service Fund for the forecast period that declines through FY 2014 to an ending balance of \$77,000 and then increases in FY 2015 to \$1.48 million. This sudden recovery in ending balance is projected to occur largely because scheduled payments to in-city Municipal Utility Districts (MUD’s) drop from \$3.34 million in FY 2014 to \$2.01 million in FY 2015. As depicted in the chart below, projected income (green line) is slightly less than the total of current expense and projected future bonds for the FY 2011-2014 period. Beginning in FY 2015 and continuing through FY 2020, revenues exceed expenses when the last of the base case bond sales (\$8.3 million) would take place.



Since the City's debt capacity is constrained between now and FY 2014, it is appropriate to consider improving that capacity. This can be accomplished in a number of ways. First, a greater portion of the City's property tax rate can be allocated to pay debt service than is currently the case (e.g., more than \$0.221129 per \$100 of assessed value). Secondly, principal payments on new bond sales could be rescheduled from the first four fiscal years during which we would pay interest only. In this option, principal could be amortized beginning in FY 2015 and extending proportionally through the life of the twenty year bond sale. Third, debt capacity can also be increased through reducing expenses further if (1) individual TIRZ project plans are completed ahead of schedule and tax increment payments decrease more rapidly than shown here or (2) interest rates and bond structures make debt service savings possible in the future through refinancing.

The City's debt capacity could also be affected either favorably or adversely if economic conditions change. Interest rates could rise more quickly than expected or remain at current low levels for an extended period of time. Also, new construction might be affected by improving or worsening economic conditions that would lead to different property tax revenues than projected here.



The graph above depicts the City's debt issuance capacity through FY 2033 in the green shaded area. This represents the net excess of projected property tax revenue allocated to debt service given the baseline assumptions in the forecast over projected current Debt Service Fund expenses, not including new bond sales. This capacity is the product of the combination of slowly rising revenue and slowly declining debt service expense.

A debt structure like this provides the City flexibility for each fiscal year's planning cycle. If economic conditions permit, and property tax revenues grow, then some additional debt capacity is available each fiscal year because of the declining payment schedule as seen in the graph above. If economic conditions worsen, then the declining payment schedule allows the City to pay a lesser amount for debt service expense and delay the issuance of new bonds to future years.

The following graphs of alternative debt issuance and payment scenarios illustrate how a few key decisions affect the City's future debt capacity. They also should serve to demonstrate how fluid the process of debt issuance is and the importance of assessing capital financing capabilities and needs on an annual basis.

Alternative Debt Issuance Scenarios

The following graphs illustrate how the City's debt capacity can be managed to address two specific issues. First, the additional debt capacity available in FY 2015 can be used to avoid a low ending fund balance in FY 2014 by strategically scheduling principal payment for annual sales between FY 2011 and 2014. Second, the dissolution of the Magnolia Creek TIRZ can add significant debt capacity beginning in FY 2011.

Alternative #1 – Revised Principal Payment Schedules - This alternative shows the effect of reducing the first principal payment for each projected bond sale in the FY 2011-2014 time frame by \$200,000, and adding that same amount to the principal payment scheduled for FY 2015.

**ALTERNATIVE #1
REVISED PRINCIPAL PAYMENT SCHEDULES TO PRESERVE FUND BALANCE**

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
REVENUE						
Property Taxes	\$11,549	\$11,930	\$12,324	\$12,731	\$13,151	\$13,585
Interest Income	\$44	\$50	\$50	\$50	\$50	\$50
TOTAL REVENUE	\$11,593	\$11,980	\$12,374	\$12,781	\$13,201	\$13,635
EXPENSE						
Transfers						
MUD Property Tax Rebates	\$3,563	\$3,412	\$3,236	\$3,332	\$3,395	\$2,014
TIRZ Property Tax Increment	\$1,078	\$1,159	\$1,220	\$1,272	\$1,325	\$1,381
Subtotal MUD's/TIRZ's	\$4,641	\$4,571	\$4,456	\$4,604	\$4,720	\$3,395
Current Debt Service						
Interest	\$2,832	\$2,734	\$2,556	\$2,376	\$2,195	\$2,039
Principal	\$4,526	\$4,308	\$4,420	\$4,310	\$4,249	\$3,352
Subtotal Current Debt Service	\$7,358	\$7,042	\$6,976	\$6,686	\$6,444	\$5,391
Subtotal Current Expense	\$11,999	\$11,613	\$11,432	\$11,290	\$11,164	\$8,786
Future Debt Service (POTENTIAL)						
Interest	\$0	\$326	\$669	\$1,024	\$1,369	\$1,704
Principal	\$0	\$140	\$486	\$838	\$1,197	\$2,562
Subtotal Future Debt Service	\$0	\$466	\$1,155	\$1,862	\$2,566	\$4,266
TOTAL EXPENSE	\$11,999	\$12,079	\$12,587	\$13,152	\$13,730	\$13,052
Revenue Over/(Under) Expense	(\$406)	(\$99)	(\$213)	(\$371)	(\$529)	\$583
Beginning Fund Balance	\$2,464	\$2,058	\$1,959	\$1,746	\$1,375	\$846
Ending Fund Balance	\$2,058	\$1,959	\$1,746	\$1,375	\$846	\$1,429
ASSUMPTIONS						
Assessed Value (\$millions)	\$5,230.9	\$5,403.6	\$5,582.0	\$5,766.3	\$5,956.6	\$6,153.1
Debt Service Tax Rate	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129
Over 65 Tax Freeze Pct Loss	0.200%	0.202%	0.204%	0.206%	0.208%	0.210%
Property Tax Growth		3.3%	3.3%	3.3%	3.3%	3.3%
TIRZ Increment Growth		7.5%	5.3%	4.3%	4.2%	4.2%
Future Bond Issue		\$8,300	\$8,300	\$8,300	\$8,300	\$8,300
Interest Rate Diff with FY10		0.50%	0.75%	1.00%	1.00%	1.00%

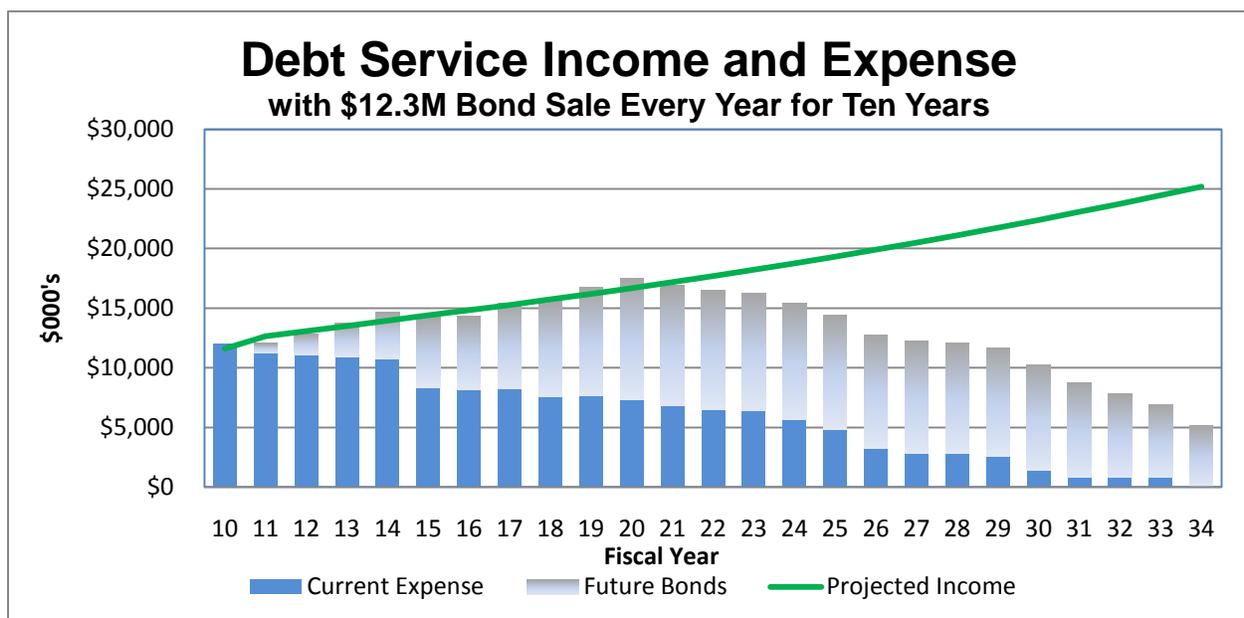
As the table demonstrates, this slight change in scheduled principal payments, given the same conditions in every other respect, serves to maintain a more acceptable ending fund balance for the Debt Service Fund. This alternative scenario results in a balance of \$846,000 at the end of FY 2014 instead of the \$77,000 balance shown as part of the baseline forecast. After the rescheduled principal payments are made in FY 2015, the ending fund balance is \$1,429,000 instead of \$1,482,000 as shown in the baseline forecast. This difference of \$53,000 is due to the added interest costs that result from the delayed principal payments.

Alternative #2 – Dissolution of the Magnolia Creek TIRZ and dedication of new revenue to Debt Service payments

Discussions surrounding the Magnolia Creek TIRZ #1 indicate that the project plan has been completed with the exception of the section of Bay Area Blvd south of League City Parkway and the section of League City Parkway west of Bay Area Blvd. There are two collector streets yet to be built in the planned community, but they are not of primary concern as those residential sections have not yet been developed. Based on preliminary estimates, these improvements would cost approximately \$2 million. Also, there is a small balance due to the developer which should more than be covered with this fiscal year’s property tax increment.

As these discussions continue, this alternative is presented as a part of the forecast to demonstrate the potential value to the City of (1) dissolving the TIRZ early (it is scheduled to end in FY 2018), (2) assuming responsibility for finishing the remaining improvements, and (3) also having the full tax increment available for the City’s use.

The full property tax increment for the Magnolia Creek TIRZ is approximately \$1 million, thirty five percent of that total is recorded as revenue in the Debt Service Fund and paid to the TIRZ as expense of the Fund. Alternative #2 assumes that (1) the payment of thirty five percent of the increment to the TIRZ ceases in FY 2011 and (2) the remainder of the Magnolia Creek TIRZ tax increment is deposited in the Debt Service Fund as revenue to that fund. This scenario increases net revenue to the Debt Service Fund by \$1 million annually and provides additional debt capacity to sell \$4 million in bonds per year.

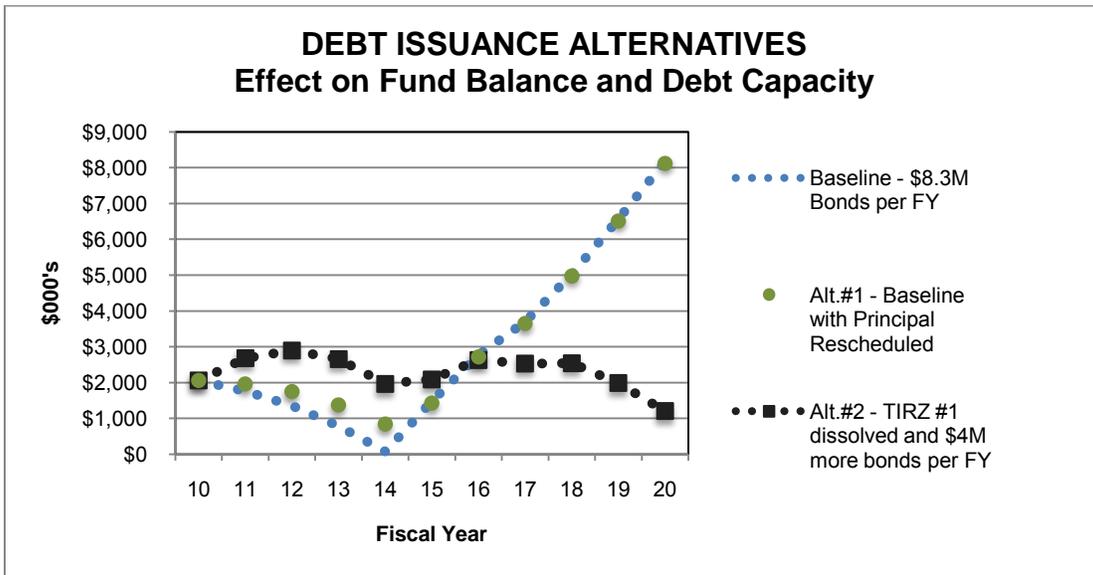


The table below shows the Debt Service Fund for the forecast period given the Alternative #2 approach. The principal payment approach used in Alternative #1 to preserve fund balance through FY 2014 is also a part of this alternative.

ALTERNATIVE #2
DISSOLVE TIRZ #1, PLACE THE NET GAIN REVENUE IN THE DEBT SERVICE FUND
AND AFFORD \$4 MILLION MORE IN BOND SALES EACH YEAR

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
REVENUE						
Property Taxes	\$11,549	\$11,930	\$12,324	\$12,731	\$13,151	\$13,585
TIRZ #1 Revenue Gain	\$0	\$675	\$697	\$720	\$744	\$769
Interest Income	\$44	\$50	\$50	\$50	\$50	\$50
TOTAL REVENUE	\$11,593	\$12,655	\$13,071	\$13,501	\$13,945	\$14,404
EXPENSE						
Transfers						
MUD Property Tax Rebates	\$3,563	\$3,412	\$3,236	\$3,332	\$3,395	\$2,014
TIRZ Property Tax Increment (Less current TIRZ #1 increment beginning in FY11)	\$1,078	\$794	\$840	\$876	\$913	\$952
Subtotal MUD's/TIRZ's	\$4,641	\$4,206	\$4,076	\$4,208	\$4,308	\$2,966
Current Debt Service						
Interest	\$2,832	\$2,734	\$2,556	\$2,376	\$2,195	\$2,039
Principal	\$4,526	\$4,308	\$4,420	\$4,310	\$4,249	\$3,352
Subtotal Current Debt Service	\$7,358	\$7,042	\$6,976	\$6,686	\$6,444	\$5,391
Subtotal Current Expense	\$11,999	\$11,248	\$11,052	\$10,894	\$10,752	\$8,357
Future Debt Service (POTENTIAL)						
Interest	\$0	\$482	\$985	\$1,508	\$2,016	\$2,509
Principal	\$0	\$304	\$817	\$1,339	\$1,870	\$3,411
Subtotal Future Debt Service	\$0	\$786	\$1,802	\$2,847	\$3,886	\$5,920
TOTAL EXPENSE	\$11,999	\$12,034	\$12,854	\$13,741	\$14,638	\$14,277
Revenue Over/(Under) Expense	(\$406)	\$621	\$217	(\$240)	(\$693)	\$127
Beginning Fund Balance	\$2,464	\$2,058	\$2,679	\$2,896	\$2,656	\$1,963
Ending Fund Balance	\$2,058	\$2,679	\$2,896	\$2,656	\$1,963	\$2,090
ASSUMPTIONS						
Assessed Value (\$millions)	\$5,230.9	\$5,403.6	\$5,582.0	\$5,766.3	\$5,956.6	\$6,153.1
Debt Service Tax Rate	0.22112	0.22112	0.22112	0.22112	0.22112	0.22112
Over 65 Tax Freeze Pct Loss	9	9	9	9	9	9
Property Tax Growth	0.200%	0.202%	0.204%	0.206%	0.208%	0.210%
TIRZ Increment Growth		3.3%	3.3%	3.3%	3.3%	3.3%
Future Bond Issue		-26.3%	5.8%	4.3%	4.2%	4.3%
Interest Rate Diff with FY10		\$12,300	\$12,300	\$12,300	\$12,300	\$12,300
		0.50%	0.75%	1.00%	1.00%	1.00%

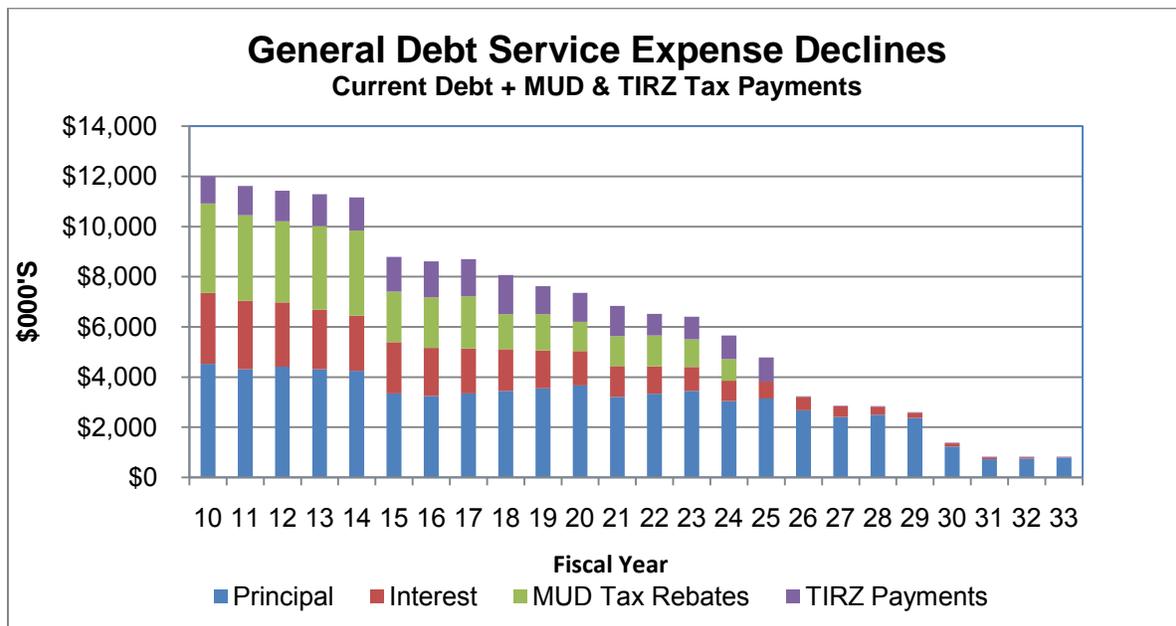
The graph on the next page shows the projected impact on the Debt Service Fund Balance of these three options – Base and Alternatives #1 and #2. The Debt Service Fund balance improves markedly beginning in FY 2015 under the Baseline and Alternative #1. Fund balance and debt capacity is maintained at an acceptable level throughout the ten year period shown under Alternative #2 which assumes the dissolution of the Magnolia Creek TIRZ #1 and the use of the increment from TIRZ #1 to fund the issuance of \$4 million more in bonds per fiscal year.



This is not an exhaustive list of alternatives but merely serves to illustrate how the City’s debt capacity can and should be managed to achieve strategic results.

Debt Service Fund Expense

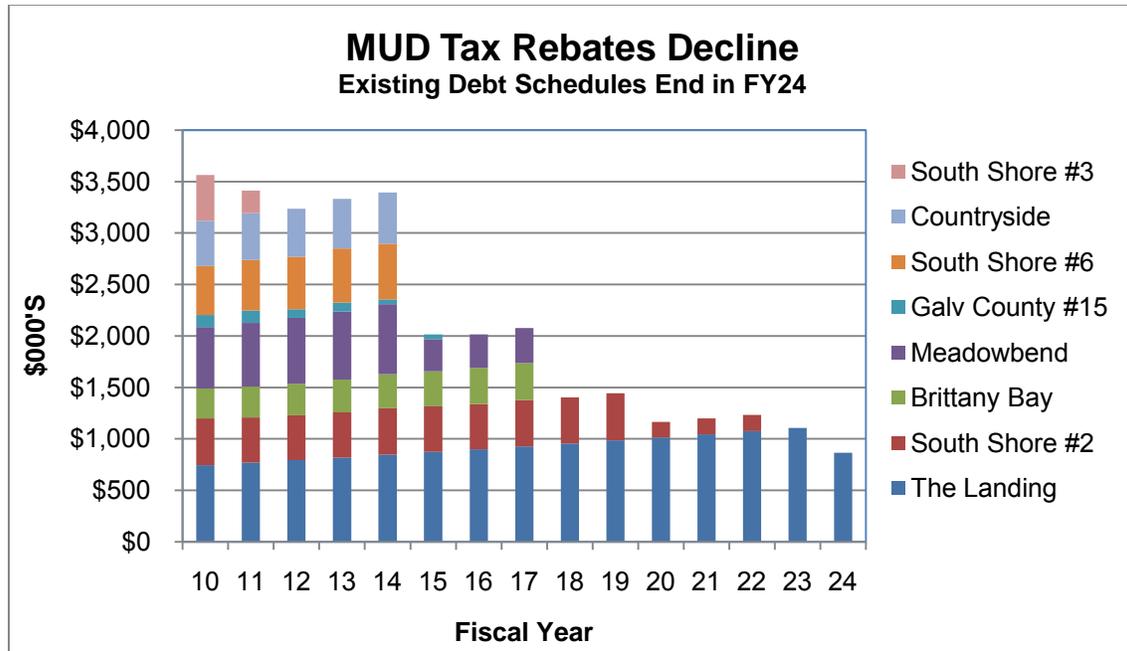
Debt Service Fund expenses is largely but not totally comprised of principal and interest payments on tax-supported debt issued by the City. Currently, 61.2% of current expense is debt service payments for city-issued bonds. The remainder, or 38.8%, goes to pay MUD property tax rebates and the debt portion of TIRZ property tax increments.



As shown in the graph above, MUD and TIRZ payments as scheduled decline more rapidly than do the City’s debt service payments.

Municipal Utility Districts

The City currently makes property tax rebates to eight water districts with agreements that date to the 1970's and 1980's. In all but two cases, the rebate is provided by development contract to be paid until the individual MUD's debt is discharged. All of these rebates are paid through the Debt Service Fund because they are dedicated to the retirement of MUD debt.



The payments in every case are less than the total debt service paid by the MUD because each MUD has its own property tax levy in addition to the City's tax rate. Also, the payments in every case are limited to the lesser of the formula payment as described below or the actual debt service payment for the specific year in question. As you can see from the graph above, the latter rule affects rebate payments to three MUD's (South Shore #3, Meadowbend, and South Shore #2) that have debt payments which drop off in the latter few years to their payment schedules.

The MUD property tax rebates are calculated without the benefit of taxes collected on personal property in the MUD (see table on the next page). Also, the City retains three percent of the total MUD rebate for administrative costs.

Tax Increment Reinvestment Zones

The City currently has four Tax Increment Reinvestment Zones (TIRZ's). Each of these zones was established by the City to encourage development and building, the taxable value of which could be used to generate incremental growth in property tax revenues. These incremental revenues were then used to finance the construction of infrastructure – streets, sewers, water lines, and amenities – inside the boundaries of the respective TIRZ.

This is accomplished by using the annual property tax increment (1) to reimburse developers for completed construction and/or (2) to pay for bonds issued to reimburse the developer. As shown in the

next chart, developers are typically reimbursed including simple interest at a rate higher than the rate paid by the City on its own bond issues. In January, 2010, \$10 million in certificates of obligation were sold to reimburse the developers of TIRZ #2 at the all inclusive true interest cost of 3.575%.

MUNICIPAL UTILITY DISTRICT PROPERTY TAX REBATE SUMMARY

Municipal Utility District	FY2010 Estimated Rebate	% Property Tax Revenue Rebated	FY2010 MUD Debt Payment	FY2009 MUD Property Tax Rate	Rebate End Date
Galveston Co MUD No 2 (Countryside)	\$438,205	40%	\$1,004,603	\$0.24	FY2014 when bonds are discharged.
Galveston Co MUD No 3 (Meadowbend)	\$599,487	40%	\$1,085,579	\$0.13	FY2017 when bonds are discharged.
Galveston Co MUD No 6 (The Landing)	\$743,156	40%	\$2,206,591	\$0.44	FY2024 when bonds are discharged.
Galveston Co MUD No 13 (Brittany Bay)	\$288,904	35%	\$1,131,153	\$0.585	FY2017 when bonds are discharged.
Galveston Co MUD No 15	\$116,958	12%	\$1,371,380	\$0.795	Rebate for 5 more years, 12%, 8%, 8%, 4%, 4%; MUD 15's debt runs through FY2023.
South Shore Harbour MUD No 2	\$455,787	35%	\$1,168,580	\$0.24	FY2022 when bonds are discharged.
South Shore Harbour MUD No 3	\$445,399	35%	\$963,575	\$0.16	FY2011 when bonds are discharged.
South Shore Harbour MUD No 6,	\$476,162	35%	\$1,304,333	\$0.29	FY2014 when bonds are discharged.
TOTALS	\$3,564,058		\$11,671,945		

TAX INCREMENT REINVESTMENT ZONE CHARACTERISTICS

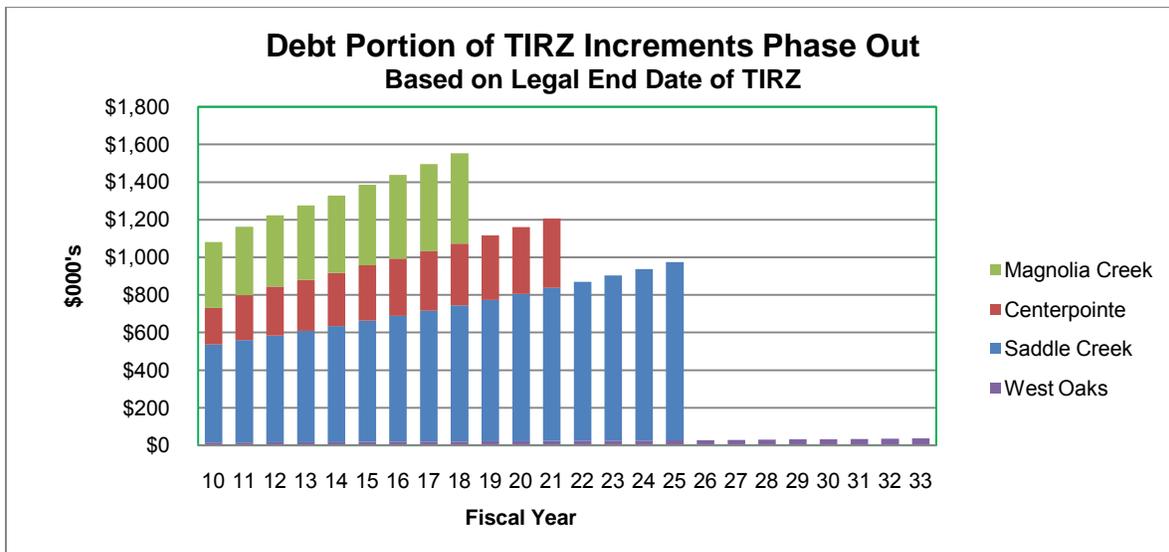
Zone	Base Year	Increment Period	Increment Payment Period	City Participation	Developer Reimbursement Interest Rates	Other Participation	Outstanding Debt
#1 - Magnolia Creek (1997)	1997	1998-2017	20 years	100%	6.5%	County ended in calendar year 2008/ FY09	None
#2 - Saddle Creek (1999)	1999	2000-2024	25 years	100%	Bond Buyer Municipal Index plus 1% (currently 5.94%) up to 8%	County, CCISD	\$6.37M 2005A CO's and \$10M 2010 CO's
#2 - Saddle Creek Annex	2006	2007-2024	18 years	100%		County	
#3 - Centerpointe	2000	2001-2020	20 years	100%	Bond Buyer 25 Year Revenue Bond Rate (currently 4.94%)	County (drops from 100% to 50% in calendar year 2011/ FY12)	None
#4 - West Oaks	2003	2004-2034	30 years	75%	City bond rate	County through calendar year 2018/FY19	None

The incremental taxable value growth has been considerable in three of the four TIRZ's. The total tax increment payable to the TIRZ's is approaching \$3.1 million annually, as shown below.

TAX INCREMENT REINVESTMENT ZONE TAX INFORMATION

Zone	Base Taxable Value (\$000's)	FY2010 Taxable Value (\$000's)	Incremental Value Growth (\$000's)	Current Year Incremental Revenue
#1 - Magnolia Creek (1997)	\$507	\$159,205	\$158,698	\$999,797
#2 - Saddle Creek (1999)	\$4,161	\$205,598	\$201,437	\$1,269,053
#2 - Saddle Creek Annex	\$9,303	\$43,692	\$34,389	\$216,651
#3 - Centerpointe	\$2,350	\$90,177	\$87,827	\$553,310
#4 - West Oaks	\$32	\$7,011	\$5,234	\$32,974
Totals	\$16,353	\$505,683	\$487,585	\$3,071,785

Over time, as taxable value increases inside the TIRZ, so will the increment until the TIRZ reaches the end of its legal life. If the project plan is completed, a TIRZ can be closed out as well.



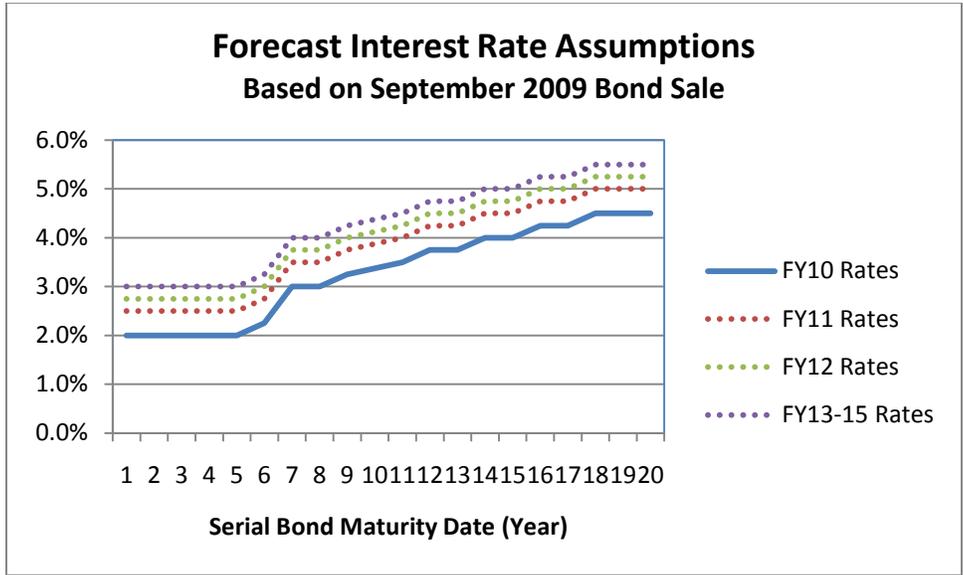
The City does have options in this regard. It appears that each of the three major TIRZ's (Magnolia Creek, Saddle Creek and Centerpointe) will be fully built out and the developers fully reimbursed at some point before the end of the TIRZ period. In any event, the City has the option to close down the TIRZ before the end of its life by assuming any remaining obligations to the developers or to bond holders. When a TIRZ ends, the TIRZ increment then becomes a part of the City's property tax revenue stream and is a part of the annual statutory process to receive the certified tax roll and set a property tax rate. If any remaining obligations exist when a TIRZ is terminated, such as outstanding developer cost or unfinished projects called for in the original project plan, the City can elect to issue bonds to reimburse the developers or complete the projects itself. This affords the City an opportunity to obtain a more favorable financial structure through paying lower interest rates and/or restructuring the payments over a longer period of time.

Future Bond Sales

Future debt service schedules are based on the following assumptions:

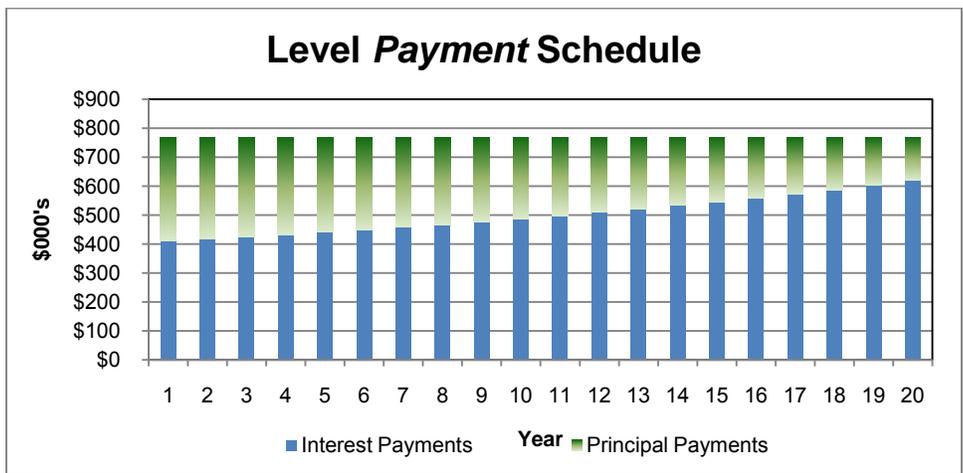
- All potential future bond sales are for a twenty year period.

- Interest rates follow the rate “curve” (e.g. lower in early years and higher in later years) from the City’s September 2009 CO sale but are higher beginning in FY 2011 in anticipation of rising rates. Rates for the FY 2011 bond sale are 50 basis points higher than FY 2010, FY 2012 rates are 75 basis points higher, and FY 2013-15 rates are 100 basis points higher. As a reference point, the Congressional Budget Office in its January 2010 economic forecast projects that the ten year Treasury Bill interest rate will rise 30 basis points per year over the next five years.

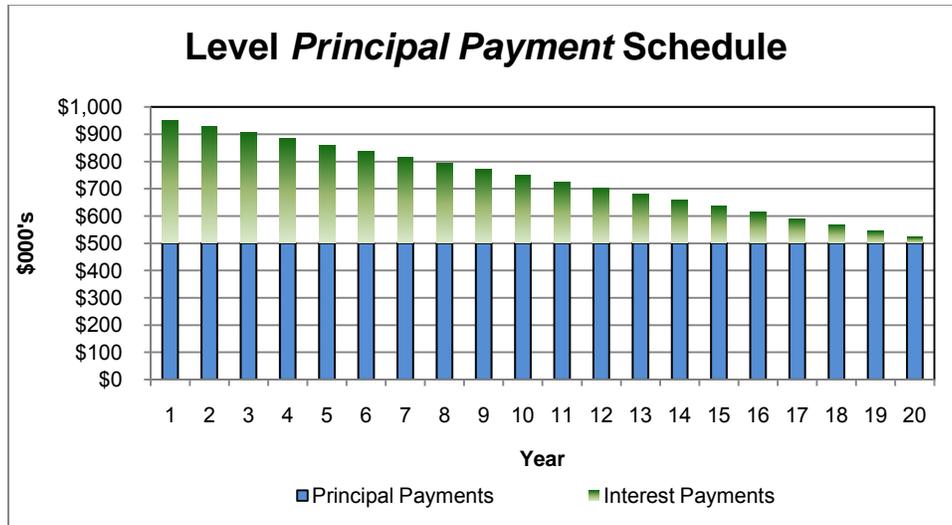


- The base case for the Debt Service Forecast assumes \$8.3 million in tax-supported bonds are issued annually for ten years.
- Principal amortization schedules are based on average principal amount derived from “level principal” payment and “level payment” debt service scenarios. (Alternate ways of structuring the debt service for the same bond sale is shown as an example on the next page).

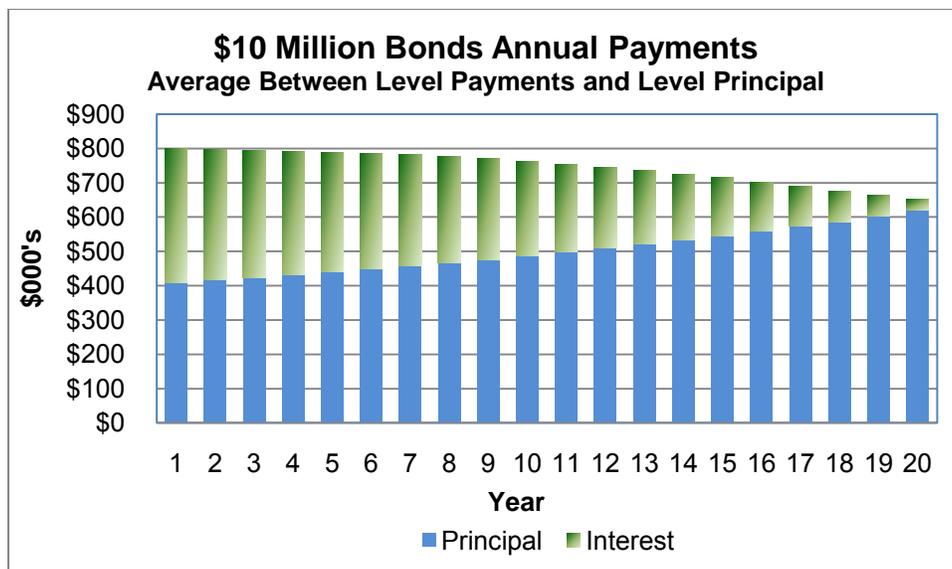
The level payment scenario can best be likened to a consumer loan in which more interest is paid on the first payment than the last with principal payments rising over time. This approach, if applied to municipal debt, provides a very flat debt structure that lessens flexibility by requiring the same debt payment each year.



The level principal payment scenario is considered by many to be a more conservative debt service approach for a bond sale of any given length of payoff period. In this approach, principal is paid in equal installments, with interest payments declining over time. The result is declining total payments as shown in the graph below. A municipal debt structure fashioned on this principle leaves considerable flexibility each year through a declining payment that provides the option to issue more debt if revenues will allow, or issue no debt if revenues decline.



Using the average of the more conservative approach (Level Principal) and the less conservative (Level Payments) achieves a more affordable schedule with total payments that still decline with time.



The structure shown above is the structure used in the debt service projections included in this forecast.

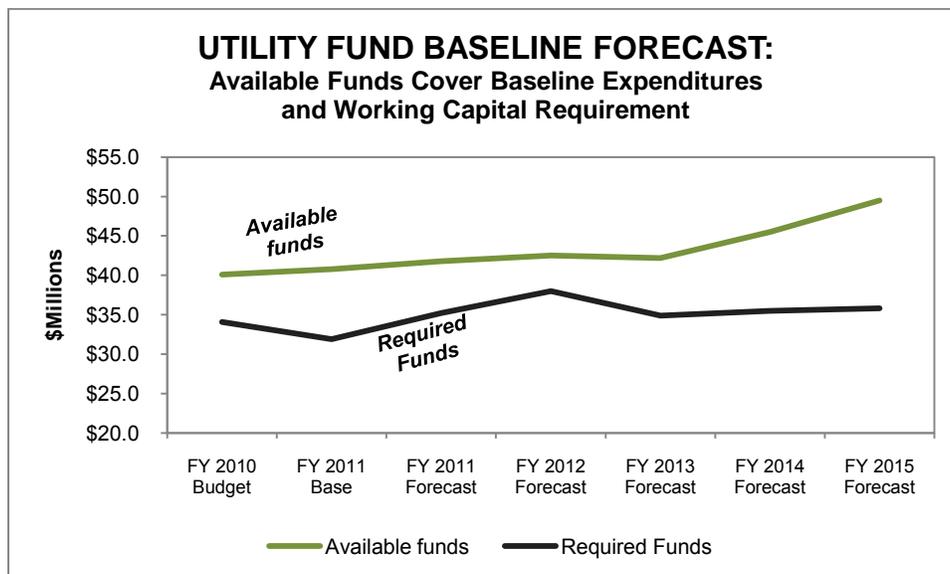
LONG RANGE FINANCIAL FORECAST UTILITY FUND OVERVIEW

Baseline Forecast

The chart below summarizes the Utility Fund Forecast using baseline assumptions, including (1) adjustments to the FY 2010 Budget to arrive at a Base for the forecast as “FY 2011 Base,” (2) the projected impact of state and federal mandates, (3) the cost of commitments approved by Mayor and City Council, and (4) the anticipated effect of inflation on costs. The Utility Fund begins the forecast period in a very strong financial position as far as baseline expenditure assumptions are concerned. After the water meter replacement program is completed in FY 2011 and 2012, expenditures drop and the Utility Fund balance grows through FY 2015 to an amount that equals 307 days of working capital, 187 more than the policy goal. Again, these projections include no change in current water rates.

FORECAST SUMMARY UTILITY FUND BASELINE PROJECTIONS (\$THOUSANDS)

	FY 2010 Budget	FY2011 Base	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Beginning Balance	\$14,155	\$15,755	\$15,755	\$15,339	\$13,883	\$15,949	\$18,736
Revenue	\$25,919	\$25,034	\$26,080	\$27,175	\$28,322	\$29,535	\$30,809
Expenditures							
Operating Expenditures	\$15,381	\$14,823	\$17,292	\$19,482	\$17,308	\$17,330	\$18,030
Debt Service	\$10,254	\$9,204	\$9,204	\$9,149	\$8,948	\$9,418	\$8,891
Total Expenditures	\$25,635	\$24,027	\$26,496	\$28,631	\$26,256	\$26,748	\$26,921
Revenue Over/(Under) Expenditures	\$284	\$1,007	(\$416)	(\$1,456)	\$2,066	\$2,787	\$3,888
Ending Balance	\$14,439	\$16,762	\$15,339	\$13,883	\$15,949	\$18,736	\$22,624
Less 120 Days of Working Capital	(\$8,428)	(\$7,899)	(\$8,711)	(\$9,413)	(\$8,632)	(\$8,794)	(\$8,851)
Forecast Over (Under) 120 Days	\$6,011	\$8,863	\$6,628	\$4,470	\$7,317	\$9,942	\$13,773
Days of Working Capital Over/(Under) 120	86	135	91	57	102	136	187



Building the Projections: FY 2010 Budget to FY 2011 Base Expenditures

The Forecast begins with an adjustment to the FY 2010 Budget that annualizes recurring costs. The adjustment is detailed in the Appendices on pages 118-119 and in each department's summary on pages 122-127.

UTILITY FUND ADJUSTMENTS (\$000'S) FY 2010 BUDGET TO ARRIVE AT FY 2011 BASE

Adjustment Category	Increase/(Decrease) in FY 2010 Budget
Personnel Adjustments	
Full year's cost of civilian raise	\$59
Utility Director position removed	(\$136)
Other Personnel Adjustments	(\$280)
Subtotal Personnel Adjustments	(\$357)
Increase in Motor Pool Fund Adjustments	\$59
Reduction in current debt service payments	(\$1,050)
Removal of one-time items in FY 2010 Budget	(\$291)
Total Adjustments to FY 2010 Budget	(\$1,639)

The personnel cost adjustments to the FY 2010 Budget are based on the current payroll for existing City staff as well as a full year's salaries for positions budgeted in FY 2010. The net increase in salary savings was arrived at by using vacancy rates of 3% and less for departments with more than six staff, and 2% for all departments below that size. The remaining personnel cost adjustment brings the FY 2010 Budget for personnel in line with current personnel costs.

Contributions by the General and Utility Fund to the Motor Pool Fund are being increased as a part of the Baseline Forecast to recognize the full charge for vehicle replacement on an amortized or depreciated basis. One-time items budgeted in FY 2010 at a total of \$1,341,000 have been removed from the Base.

Building the Projections: FY 2011-2015 Expenditures Explained

The chart below explains the basis for the projected changes in expenditures for the five year forecast period.

UTILITY FUND FORECAST CUMULATIVE CHANGE IN BASELINE COST (\$000'S)

Cost Factors	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Inflation/Growth	\$420	\$888	\$1,423	\$2,059	\$2,745
Mandates/Commitments					
Hwy 3 Pump Station	\$0	\$329	\$298	\$307	\$316
Southwest Water Reclamation Facility	\$45	\$135	\$138	\$142	\$146
Meter Change Program	\$2,005	\$3,308	\$626	\$0	\$0
Subtotal Mandates/Commitments	\$2,050	\$3,772	\$1,062	\$449	\$462
Total Baseline Expenditure Increases	\$2,470	\$4,660	\$2,485	\$2,508	\$3,207

Inflation and population growth account for the vast majority of the permanent increase in Utility Fund cost, adding \$2,745,000 to costs over the five year forecast period. This is largely due to the anticipated

increase in costs resulting from higher electricity prices combined with continuing increases in the amount of water pumped and wastewater flow caused by the growth of the city. The Baseline Forecast also includes funds to change out meters and radio units installed citywide in 2002 and 2003 that are near the end of their ten year useful life. Units installed after that time have twenty year useful lives and are not expected to require replacement during the forecast period.

Alternative Cost Increase Scenarios Including Future Debt Service

The Baseline Forecast projections include current compensation and staffing levels as approved by City Council. The only increases to compensation are those mandated by ordinance to provide step pay increases to Civil Service personnel and longevity pay for civilian personnel. Therefore, the issues of pay raises for city employees and increases in staff are left to Mayor and Council as a policy matter instead of being treated as a part of the Baseline Forecast. Pay raises shown here are based on the core inflation rate discussed in the Economic Outlook and the baseline assumptions that are part of that section. It is assumed that the funds set aside for raises would be performance-based for civilians and across the board for Civil Service employees.

Baseline projections for the Utility Fund also include only existing debt service, anticipating no new bond sales in the baseline not already approved by City Council. Therefore, this presentation of alternative cost scenarios includes potential new debt service for revenue bonds used to implement new water and wastewater projects through the Capital Improvement Plan (CIP). Specific projects will be included in the proposed CIP at a later time.

The staffing increase is based on the annual population growth assumption of 3.4%. A 2.8% growth in staff would parallel the 4.1% growth rate seen for staff in the last decade when population rose at an average rate of 5% annually (see Expenditure Overview). The estimate assumes that a proportional amount of supplies, services and equipment associated with the new staff positions also would be added to the budget each year as staff increased.

The debt service alternative presented above is based on the sale of \$9 million in new bonds per year, a twenty year amortization schedule, and slightly higher rates than those used for the Debt Service Fund Forecast. Annual sales of \$9 million per year increase total Utility Fund debt service at the same approximate rate as that assumed for Utility Fund revenue in this forecast.

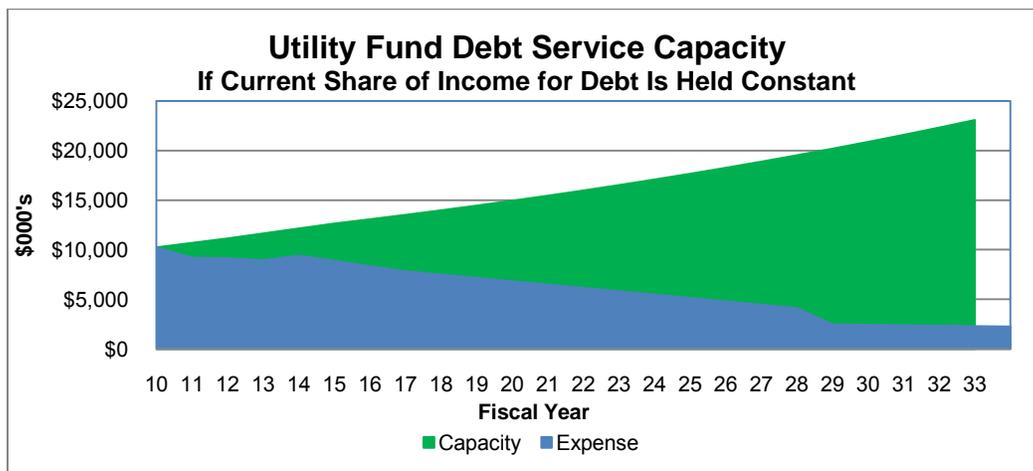
**ALTERNATIVE UTILITY FUND EXPENDITURE SCENARIOS:
STAFF GROWTH, COMPENSATION
AND NEW DEBT SERVICE
(\$THOUSANDS)**

Alternative Scenarios	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Forecast Baseline Expenditures	\$27,281	\$30,216	\$28,658	\$29,959	\$30,932
Alternative Expenditures					
Staff Increase of 2.8% per Year	\$208	\$404	\$584	\$769	\$959
Compensation Increase (CPI Based)	\$82	\$174	\$281	\$413	\$549
New Debt Service (\$9 Million Bonds Per Year)	\$785	\$1,585	\$2,402	\$3,211	\$4,011
Subtotal Alternative Expenditures	\$1,075	\$2,163	\$3,267	\$4,393	\$5,519
Adjusted Forecast					
Adjusted Baseline Expenditures	\$28,356	\$32,379	\$31,925	\$34,352	\$36,451
Baseline Revenue Estimate	\$26,080	\$27,175	\$28,322	\$29,535	\$30,809
Revenue Over/(Under) Expenditures	(\$2,276)	(\$5,204)	(\$3,603)	(\$4,817)	(\$5,642)
Fund Balance Impact					
Beginning Fund Balance	\$15,755	\$13,479	\$8,275	\$4,672	(\$145)
Ending Fund Balance	\$13,479	\$8,275	\$4,672	(\$145)	(\$5,787)
120 Days of Working Capital	\$9,323	\$10,645	\$10,496	\$11,294	\$11,984
Ending Balance Over/(Under) 120 Days Goal	\$4,156	(\$2,370)	(\$5,824)	(\$11,439)	(\$17,771)
Days of Working Capital Over/(Under) 120 Days	53	(27)	(67)	(122)	(178)

The projections reflected in the table above will never occur because the city charter does not permit deficit spending.

Utility Fund Debt Service

Existing Utility Fund debt is structured based on the same declining balance principle as that observed with tax-supported debt that is payable through the Debt Service Fund. The effect of this structuring is to give the City future debt capacity for water and wastewater bonds given continued commitment of funding for debt service for such projects as shown below.

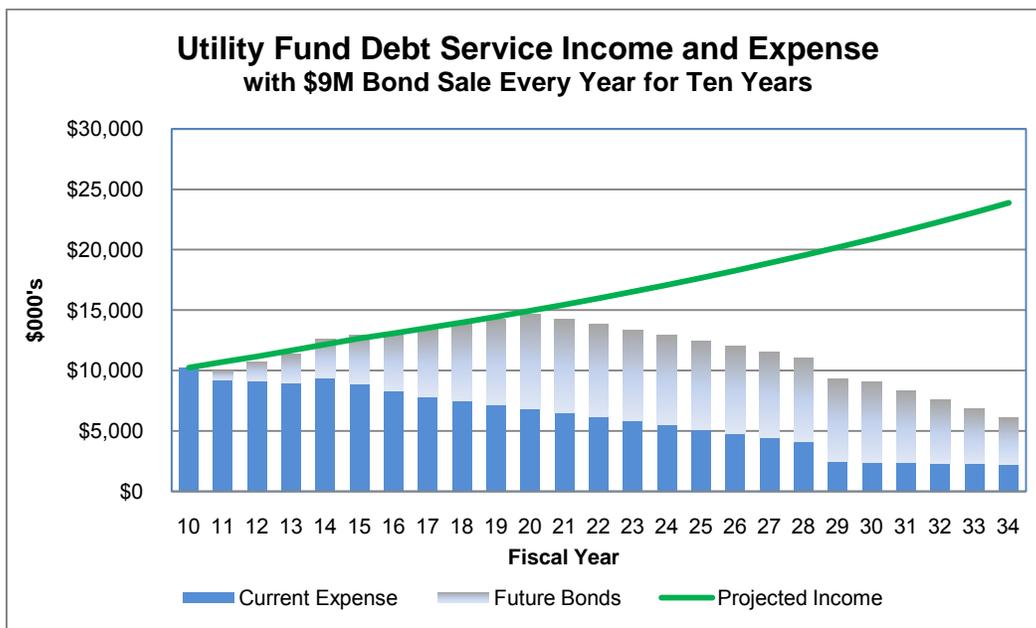


As you can see from the table below, the scenario presented for the sale of \$9 million in new bonds per year maintains approximately the same level of funding for Utility Fund Debt as in the FY 2010 Budget using the percent of revenue dedicated to debt service approach. (See pages 130-131 for detail supporting the Utility Fund Debt Service base case forecast shown below.)

**UTILITY FUND REVENUE AND DEBT
(\$THOUSANDS)**

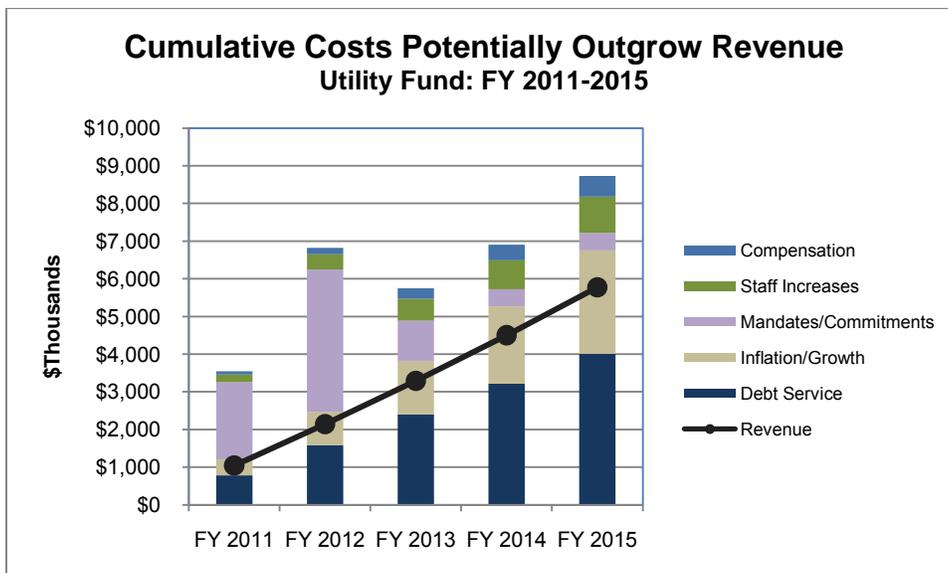
	FY 2010 Budget	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Utility Fund Revenue	\$25,034	\$26,080	\$27,175	\$28,322	\$29,535	\$30,809
Future Total Debt	\$10,251	\$9,989	\$10,734	\$11,350	\$12,628	\$12,903
% of revenue	40.9%	38.3%	39.5%	40.1%	42.8%	41.9%

The effect on the Utility Fund’s debt service structure when compared with projected Utility Fund revenue set aside for debt service is shown below.



Summary of Five-Year Projections: Potential Expenditures Outstrip Revenue

Utility Fund revenue is projected to grow approximately \$1 million per year over the next five years, as compared with potential expenditure growth of \$1.3 million per year. Clearly, this depletes the Utility Fund’s ample reserves in a relatively short time.



Expenditure growth must be limited to the annual increase in revenue through the annual budget process. It is also important to remember that the Utility Fund revenue estimates assume no water and wastewater rate increases during the five year forecast period.

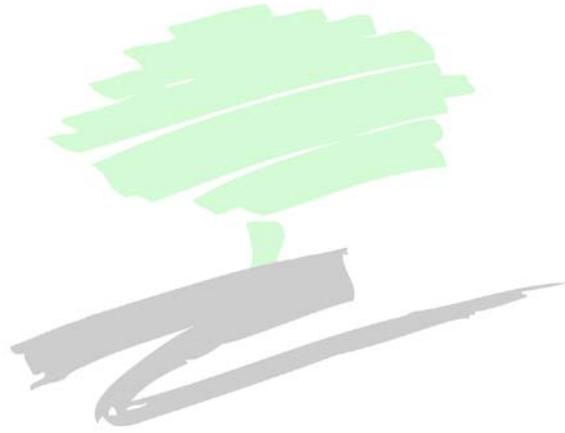
Utility Fund Strategic Issues

The composition of Utility Fund expenditures is dominated by debt service and non-salary costs, reflecting the capital intensive nature of any water and wastewater system. And it appears that significant investments will continue to be needed, particularly in regard to the city’s water supply. The Utility Fund’s strong reserves can accommodate bond sales in support of an active capital construction program in FY 2011, even if combined with other projected expenditure increases.

In the near term, other assumed expenditure increases are subject to policy choices. Compensation increases will be tied to citywide policy decisions on that subject by Mayor and City Council. The water meter change out project, included as \$6 million in direct expense in this forecast, could be financed with bond proceeds rather than using available fund balance. This would preserve the Utility Fund’s fund balance, but add to the list of water and wastewater projects in need of bond financing.

**UTILITY FUND BASELINE FORECAST
FUND BALANCE, REVENUE AND EXPENDITURES
FY 2011 - FY2015
(\$THOUSANDS)**

	FY 2010 Budget	FY 2011 Base	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Beginning Balance	\$14,155	\$15,755	\$15,755	\$15,339	\$13,883	\$15,949	\$18,736
Revenue							
Water Sales	\$13,921	\$13,325	\$13,895	\$14,491	\$15,114	\$15,770	\$16,459
Wastewater Sales	\$10,887	\$10,598	\$11,052	\$11,526	\$12,021	\$12,543	\$13,091
Charges for Other Services	\$986	\$986	\$1,006	\$1,028	\$1,054	\$1,085	\$1,118
Interest Income	\$125	\$125	\$127	\$130	\$133	\$137	\$141
Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$25,919	\$25,034	\$26,080	\$27,175	\$28,322	\$29,535	\$30,809
Expenditures by Department							
Utility Billing	\$1,586	\$1,502	\$3,544	\$4,890	\$2,257	\$1,691	\$1,755
Water	\$4,845	\$4,434	\$4,622	\$5,159	\$5,362	\$5,644	\$5,948
Wastewater	\$3,554	\$3,407	\$3,585	\$3,826	\$4,006	\$4,225	\$4,464
Public Works Administration	\$272	\$136	\$136	\$137	\$138	\$139	\$140
Facilities Maintenance and Repair	\$2,993	\$2,951	\$3,006	\$3,065	\$3,133	\$3,210	\$3,293
Existing Debt Service	\$10,253	\$9,204	\$9,204	\$9,149	\$8,948	\$9,418	\$8,891
Non-Departmental	\$22	\$283	\$289	\$295	\$302	\$311	\$320
Contingencies	\$110	\$110	\$110	\$110	\$110	\$110	\$110
Interfund Transfers	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Total Expenditures	\$25,635	\$24,027	\$26,496	\$28,631	\$26,256	\$26,748	\$26,921
Ending Balance	\$14,439	\$16,762	\$15,339	\$13,883	\$15,949	\$18,736	\$22,624
Policy Goal - 120 days of Working Capital	\$8,428	\$7,899	\$8,711	\$9,413	\$8,632	\$8,794	\$8,851
Excess/(Shortage) of Working Capital	\$6,011	\$8,863	\$6,628	\$4,470	\$7,317	\$9,942	\$13,773



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LONG RANGE FINANCIAL FORECAST MOTOR POOL FUND OVERVIEW

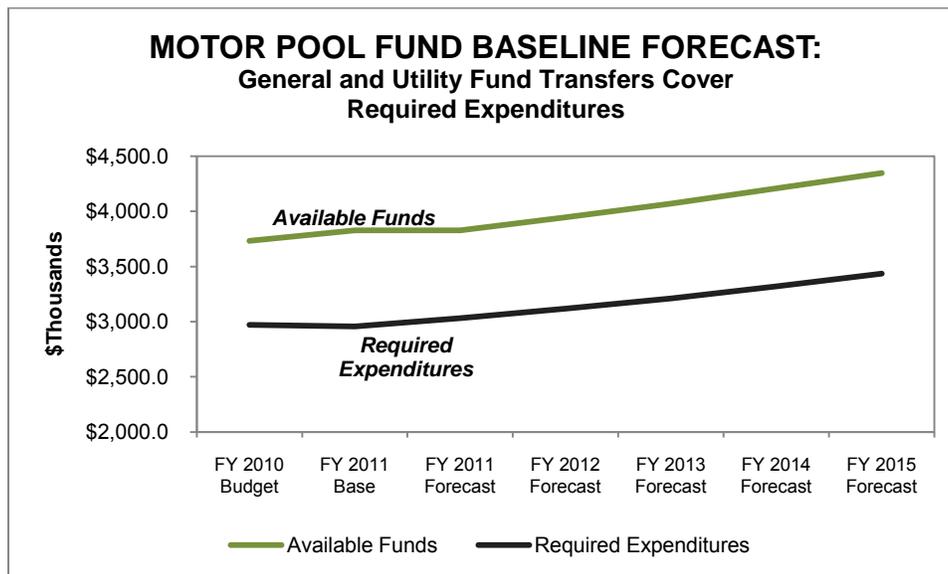
Baseline Forecast

The chart below summarizes the Motor Pool Forecast using baseline assumptions.

FORECAST SUMMARY MOTOR POOL FUND BASELINE PROJECTIONS (\$THOUSANDS)

	FY 2010 Budget	FY 2011 Base	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Beginning Balance	\$1,524	\$761	\$761	\$795	\$828	\$859	\$887
Revenue	\$2,208	\$3,067	\$3,067	\$3,150	\$3,242	\$3,349	\$3,459
Expenditures	\$2,971	\$2,956	\$3,033	\$3,117	\$3,211	\$3,321	\$3,435
Revenue Over/(Under) Expenditures	(\$763)	\$111	\$34	\$33	\$31	\$28	\$24
Ending Balance	\$761	\$872	\$795	\$828	\$859	\$887	\$911
Total Days of Working Capital	93	108	96	97	98	97	97

Revenue for the Motor Pool Fund comes from the General Fund and Utility Fund as payment for (1) maintenance of the fleet including salaries, supplies and services funded through the Motor Pool Fund and (2) an amount equal to the annual depreciation on each vehicle and piece of equipment replaced and maintained through the Motor Pool Fund. These payments are shown as an expense to the General Fund and Utility Fund.



Motor Pool Fund Baseline Projections

The Motor Pool Fund was underfunded in the FY 2010 Budget, as demonstrated by the shortage of fund revenue to cover expenditures by \$763,000 (see above). Accordingly, the General Fund and Utility Fund

FY 2010 Budget to FY 2011 base adjustments include increases that cover Motor Pool Fund expenses in FY 2011. Likewise, as Motor Pool Fund baseline expenses increase through FY 2015, General Fund and Utility Fund expenses are adjusted to cover them. These increases include baseline cost projections only. Alternative cost scenarios, including staff growth and compensation increases for Motor Pool personnel, have not been included in the baseline forecast in the General Fund or the Utility Fund.

Minor adjustments have been made to the FY 2010 Budget to arrive at the FY 2011 Base (see page 134). Also, inflation is expected to add from \$77,000 to \$115,000 per year to Motor Pool Fund costs through FY 2015.

Alternative Cost Scenarios

The alternative forecast includes estimates of staff increases based on historical trends using population growth and staffing growth as well as compensation increases at an average amount equal to the core inflation rate used in the forecast. The table below illustrates the impact of these assumptions applied to the Motor Pool Fund. With a current staff of ten, gradual increases based on the 2.8% staff growth rate used in other funds is impractical. Staff growth in the General and Utility Funds would require proportional staff growth at some point in the Motor Pool Fund to provide support for the added number of vehicles needed by the additional General Fund and Utility Fund staff.

**ALTERNATIVE EXPENDITURE SCENARIOS
MOTOR POOL FUND
FY 2011 – FY 2015 (\$000'S)**

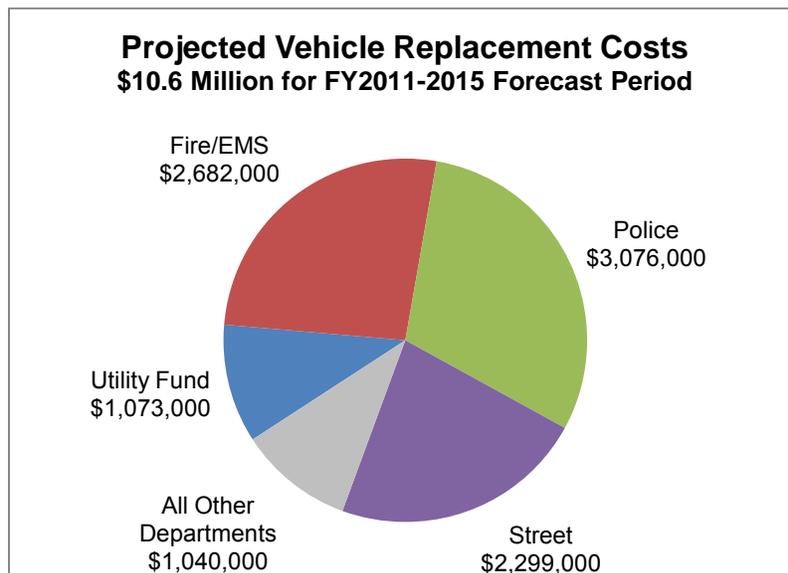
Alternative Scenarios	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Forecast Baseline Expenditures	\$3,033	\$3,117	\$3,211	\$3,321	\$3,436
Alternative Costs					
Staffing Increase of 2.8% per Year	\$29	\$59	\$89	\$121	\$153
Compensation Increase (CPI Based)	\$10	\$21	\$34	\$49	\$65
Subtotal Alternative Costs	\$39	\$80	\$123	\$170	\$218
Subtotal Adjusted Baseline Expenditures	\$3,072	\$3,197	\$3,334	\$3,491	\$3,654
Baseline Revenues	\$3,067	\$3,150	\$3,242	\$3,349	\$3,459
Revenue Over/(Under) Expense	(\$5)	(\$47)	(\$92)	(\$142)	(\$195)
Fund Balance Impact					
Beginning Fund Balance	\$761	\$795	\$828	\$859	\$887
Ending Fund Balance	\$756	\$748	\$736	\$717	\$692
Days of Working Capital	90	85	81	75	69

These alternative costs do not exhaust the Motor Pool Fund's balance. However, they would need to be addressed in the payments made by the General Fund and Utility Funds in order to fund any increase in Motor Pool expenses.

Equipment Replacement

Equipment replacement is the largest component of the Motor Pool Fund budget, comprising almost two-third of its total spending. Based on the age and condition of the current fleet, and the expected useful life of individual vehicles, the City may need to replace up to \$10.6 million in vehicles and rolling equipment. The chart on the below depicts the functional areas to be served by these purchases.

Initial indications are that this replacement may need to front end load the forecast period, but the baseline forecast simply uses an average amount in each year. Adhering to scheduled replacement for more costly equipment such as heavy off-the-road public works equipment and fire apparatus is difficult unless General Fund and Utility Fund contributions can be increased to provide enough funding in the Motor Pool Fund to cover larger purchasing amounts when necessary. Unless and until the Motor Pool Fund balance can be increased to a higher level, smaller vehicles will have to be scheduled around major purchases to smooth the necessary funding from the General and Utility Funds. Or the City would need to use debt financing appropriate to the useful life of its more costly vehicles.

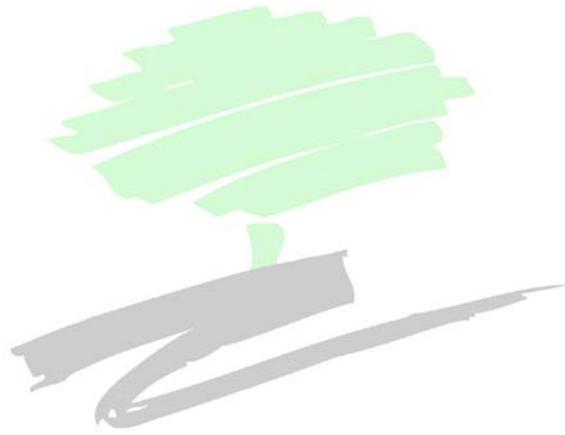


**MOTOR POOL FUND
BASELINE FORECAST
FY 2011-2015
(\$THOUSANDS)**

	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast
Beginning Balance	\$761	\$795	\$828	\$859	\$887
Revenue					
Charges for Service (Lease Fees)	\$1,911	\$1,953	\$2,002	\$2,062	\$2,123
Charges for Service (Maint Fees)	\$1,154	\$1,194	\$1,237	\$1,284	\$1,333
Investment Earnings	\$2	\$3	\$3	\$3	\$3
Transfers	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$3,067	\$3,150	\$3,242	\$3,349	\$3,459
Expenditures					
Personnel	\$626	\$636	\$647	\$659	\$672
Supplies	\$447	\$479	\$512	\$548	\$586
Services	\$26	\$26	\$27	\$28	\$29
Capital Outlay	\$1,934	\$1,976	\$2,025	\$2,086	\$2,149
Total Expenditures	\$3,033	\$3,117	\$3,211	\$3,321	\$3,436
Revenue Over/(Under) Expenditures	\$34	\$33	\$31	\$28	\$23
Ending Fund Balance	\$795	\$828	\$859	\$887	\$910
Days of Working Capital	96	97	98	97	97

APPENDICES





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REVENUE MODELS



**WATER REVENUE MODEL STATISTICS
APRIL 2010**



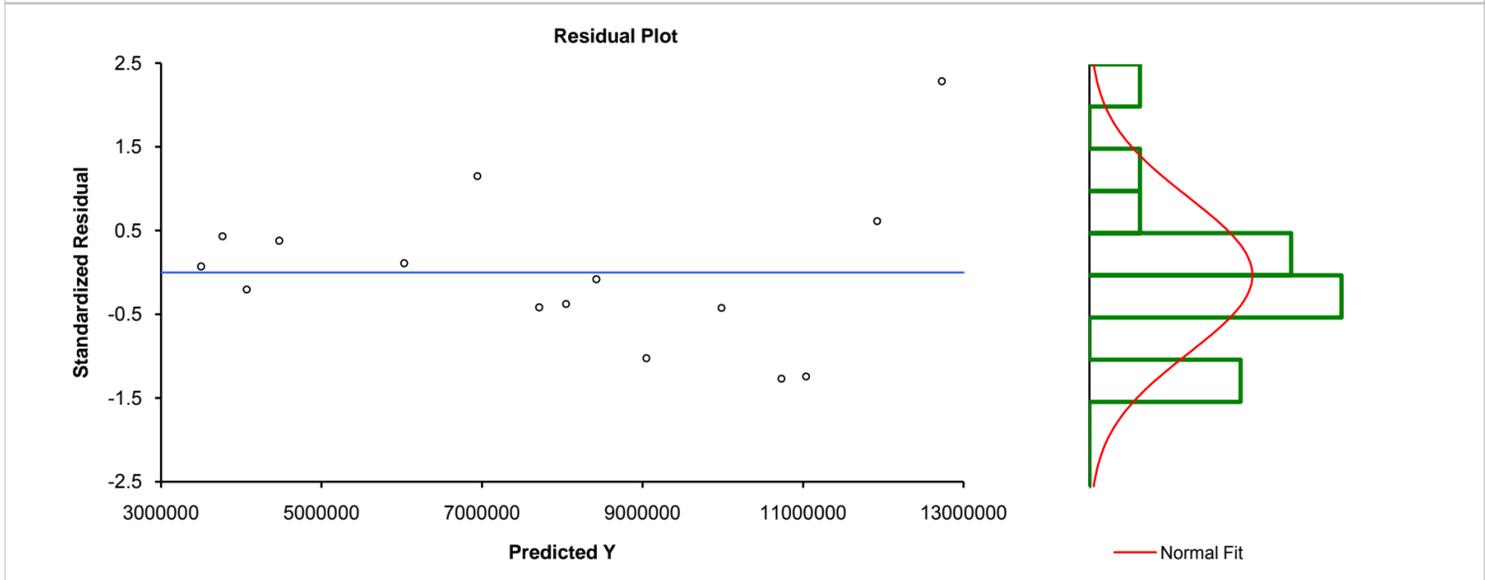
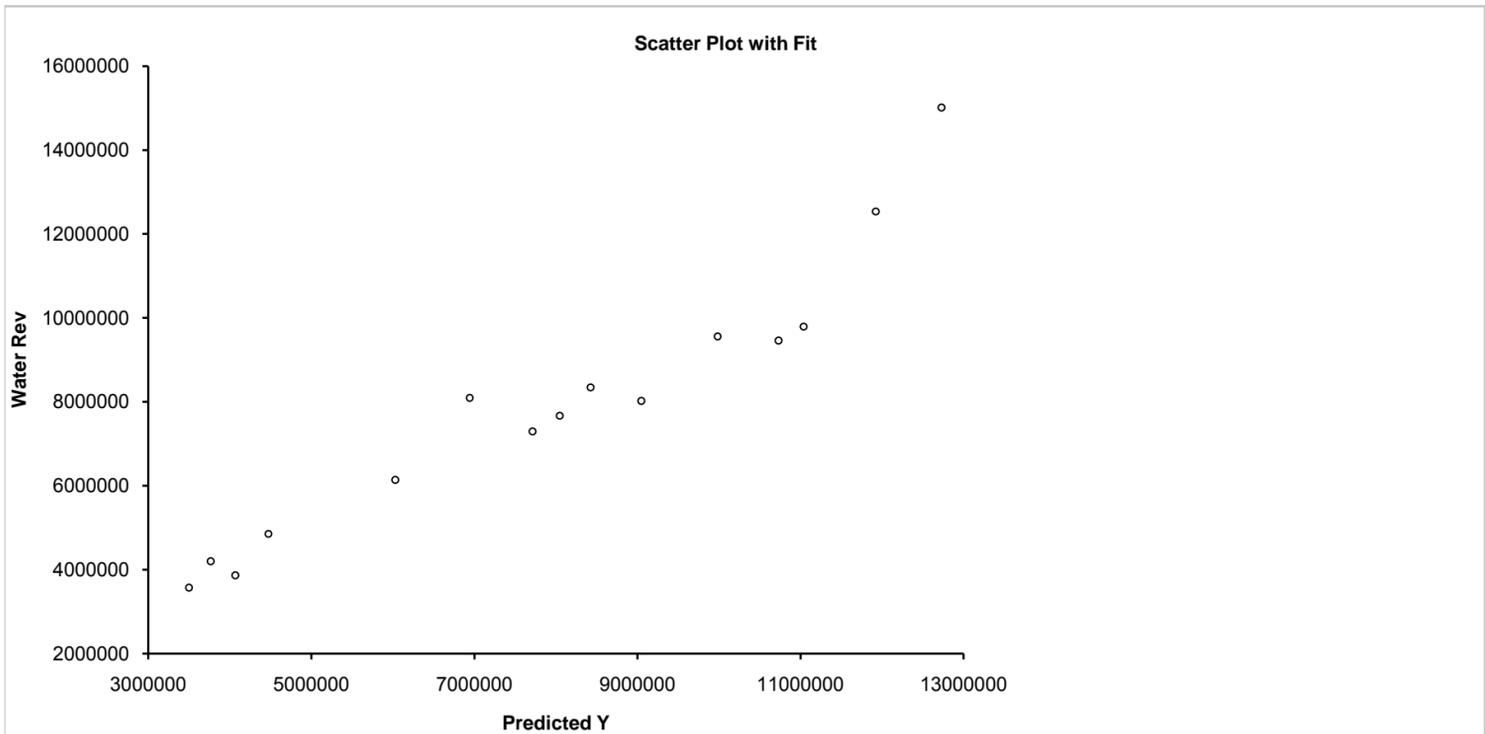
Test	Regression - Linear	Date	22 April 2010
Performed by	Water Rev v Water Rates, Total Customers		

n | 15 (cases excluded: 6 due to missing values)

R² | 0.91568
Adjusted R² | 0.90163
SE | 1,001,130.2

Term	Coefficient	95% CI	SE	t statistic	DF	p
Intercept	-8593507	-13847827 to -3339188	2411552	-3.56	12	0.0039
Water Rates	4479549	982133 to 7976966	1605194	2.79	12	0.0163
Total Customers	662.5	533.0 to 792.0	59.44	11.15	12	<0.0001

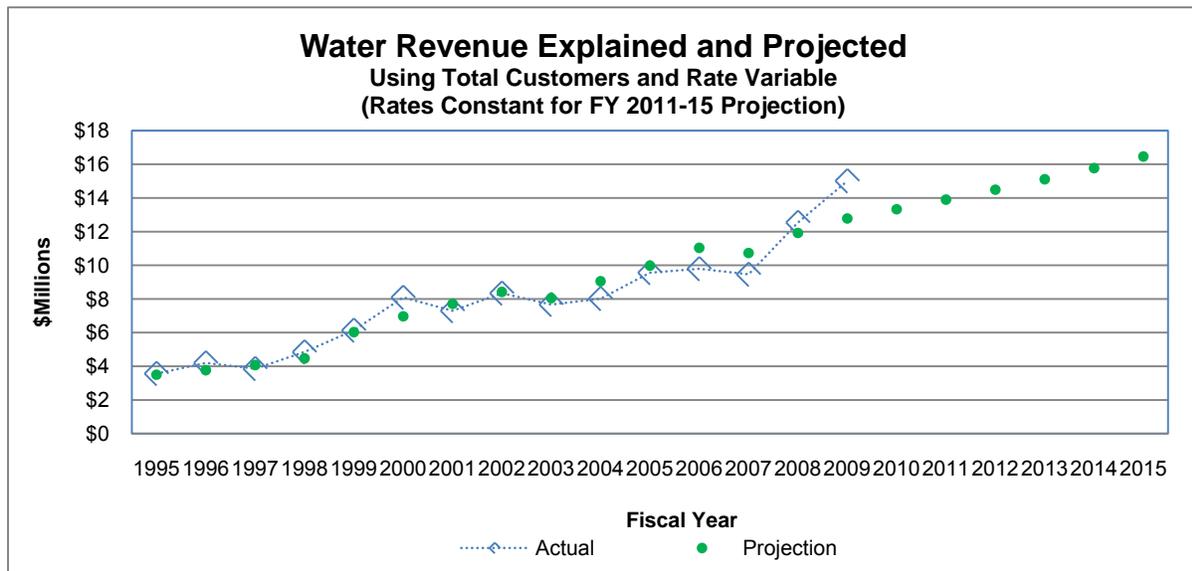
Source of variation	Sum squares	DF	Mean square	F statistic	p
Model	130,614,220,311,917.0	2	65,307,110,155,958.3	65.16	<0.0001
Residual	12,027,140,167,949.2	12	1,002,261,680,662.4		
Total	142,641,360,479,866.0	14			



WATER REVENUE MODEL CALCULATIONS

APRIL, 2010

FY	Actual Water Revenue	Total Water Customers	Water Rate Factor	Estimated Water revenue	Estimate (Over)/ Under Actual
1995	\$3,571,039	11,492	1.00	\$3,499,000	\$72,039
1996	\$4,198,839	11,894	1.00	\$3,766,000	\$432,839
1997	\$3,864,342	12,350	1.00	\$4,068,000	(\$203,658)
1998	\$4,852,428	12,961	1.00	\$4,473,000	\$379,428
1999	\$6,140,107	13,560	1.26	\$6,034,000	\$106,107
2000	\$8,093,527	14,379	1.35	\$6,972,000	\$1,121,527
2001	\$7,295,072	15,222	1.39	\$7,712,000	(\$416,928)
2002	\$8,342,438	16,297	1.39	\$8,424,000	(\$81,562)
2003	\$7,668,143	17,792	1.08	\$8,046,000	(\$377,857)
2004	\$8,020,733	19,302	1.08	\$9,046,000	(\$1,025,267)
2005	\$9,559,073	20,715	1.08	\$9,982,000	(\$422,927)
2006	\$9,793,462	22,306	1.08	\$11,036,000	(\$1,242,538)
2007	\$9,460,441	23,894	0.78	\$10,730,000	(\$1,269,559)
2008	\$12,535,654	25,218	0.85	\$11,921,000	\$614,654
2009	\$15,013,544	26,002	0.93	\$12,783,000	\$2,230,544
2010		26,820	0.93	\$13,325,000	
2011		27,680	0.93	\$13,895,000	
2012		28,580	0.93	\$14,491,000	
2013		29,520	0.93	\$15,114,000	
2014		30,510	0.93	\$15,770,000	
2015		31,550	0.93	\$16,459,000	
Constant/ Correlation Coefficients	-8593507	662.5	4479549		



**SALES TAX MODEL STATISTICS
MAY 2010**



v2.21

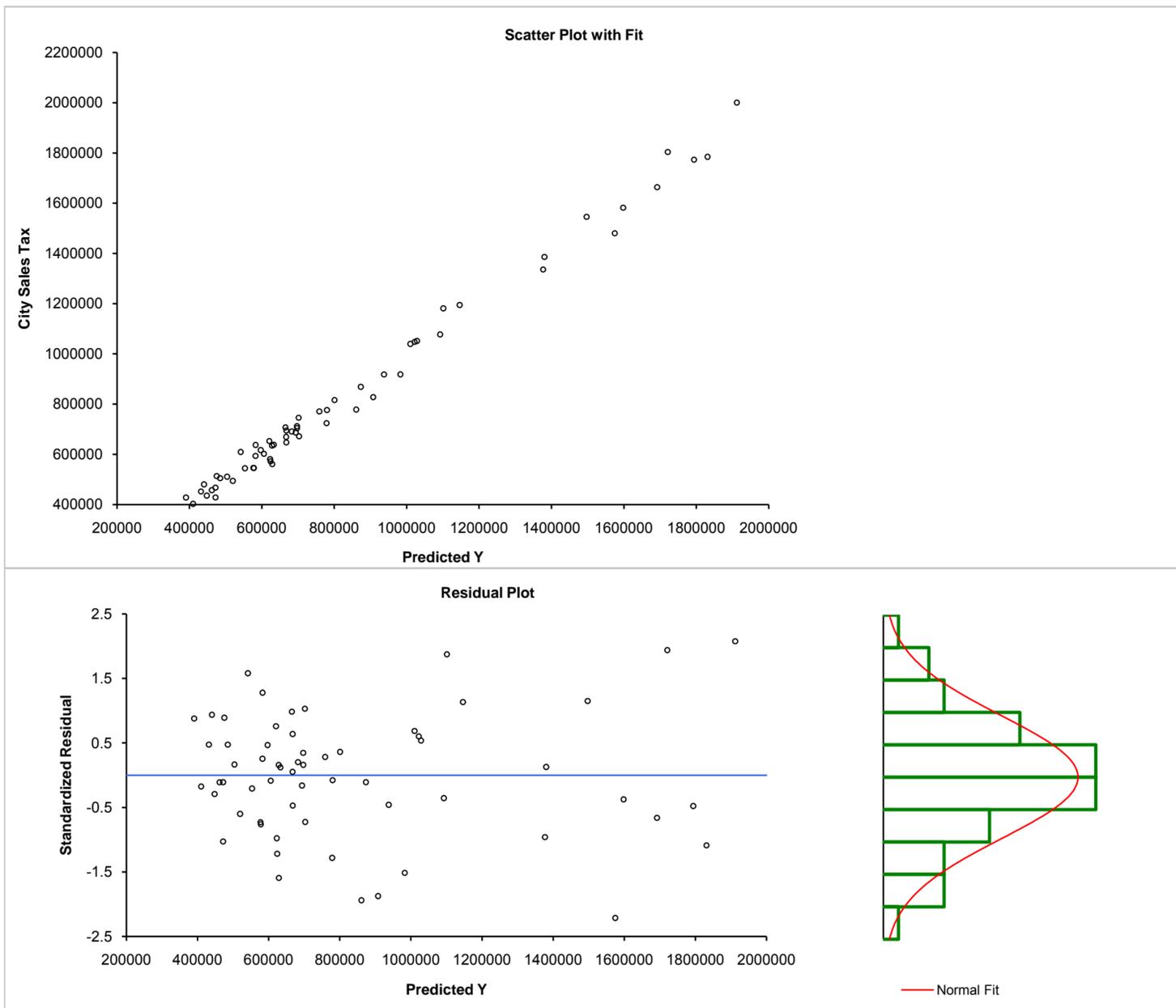
Test	Regression - Linear	
Performed by	City Sales Tax v 646 variable, Ike Variable, Energy Dep BE + 2 Qtr 2 Qtr Mavg, Seasonal Adjustment Var, Houston Purch Mgrs Index	Date 12 May 2010

n | 61 (cases excluded: 85 due to missing values)

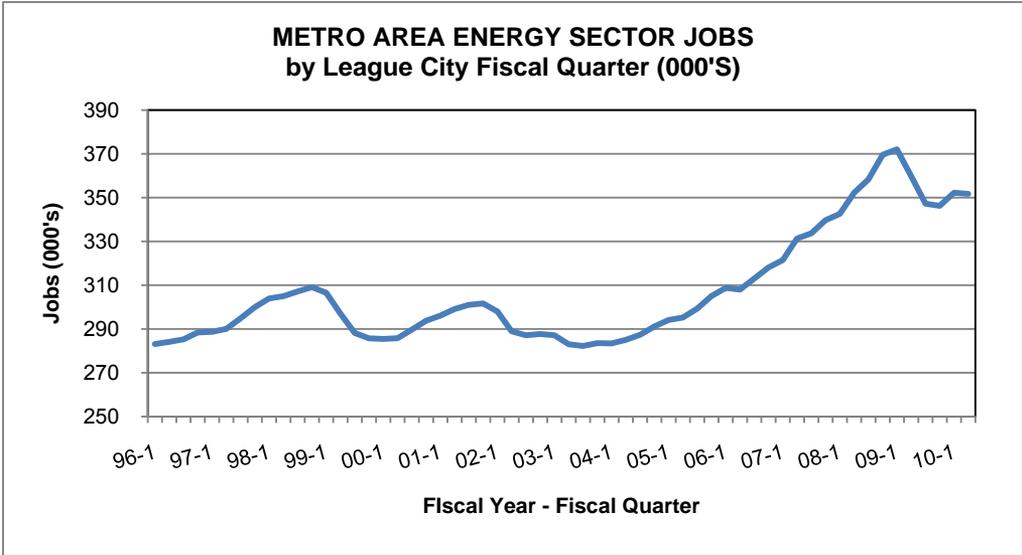
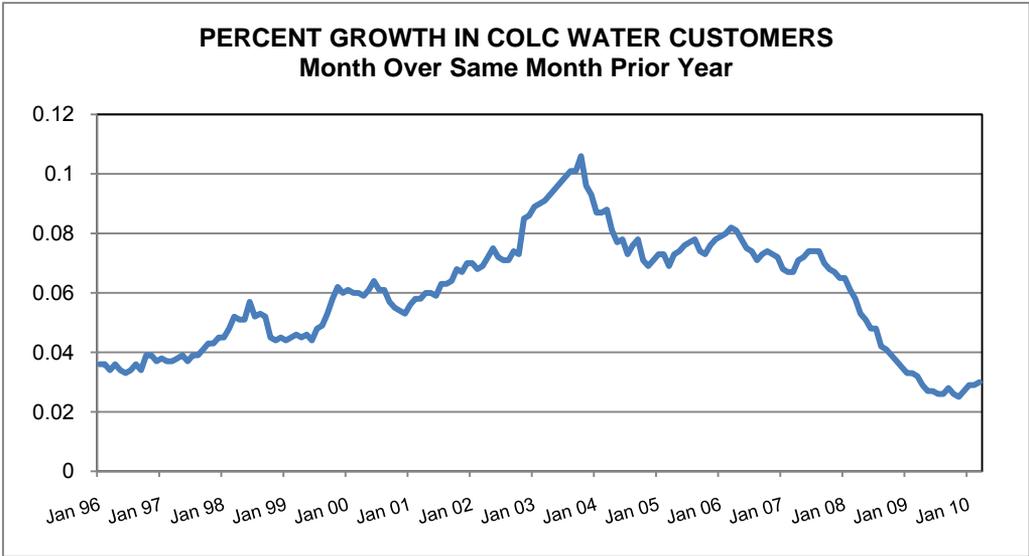
R² | 0.99014
Adjusted R² | 0.98905
SE | \$42,664.5

Term	Coefficient	95% CI	SE	t statistic	DF	p
Intercept	-1708327	-2166869 to -1249785	228713	-7.47	54	<0.0001
646 variable	127467	95030 to 159903	16179	7.88	54	<0.0001
Ike Variable	1613	1153 to 2073	229.4	7.03	54	<0.0001
Energy Dep BE + 2 Qtr 2 Qtr Mavg	5040	3646 to 6433	695.0	7.25	54	<0.0001
Seasonal Adjustment Var	31880	22014 to 41745	4921	6.48	54	<0.0001
Houston Purch Mgrs Index	5376	2296 to 8456	1536.3	3.50	54	0.0009
Water Customers	37.16	32.59 to 41.73	2.281	16.29	54	<0.0001

Source of variation	Sum squares	DF	Mean square	F statistic	p
Model	\$9,875,402,144,476.0	6	\$1,645,900,357,412.7	904.21	<0.0001
Residual	\$98,293,809,859.4	54	\$1,820,255,738.1		
Total	\$9,973,695,954,335.4	60			



SALES TAX MODEL TWO KEY ECONOMIC FACTORS

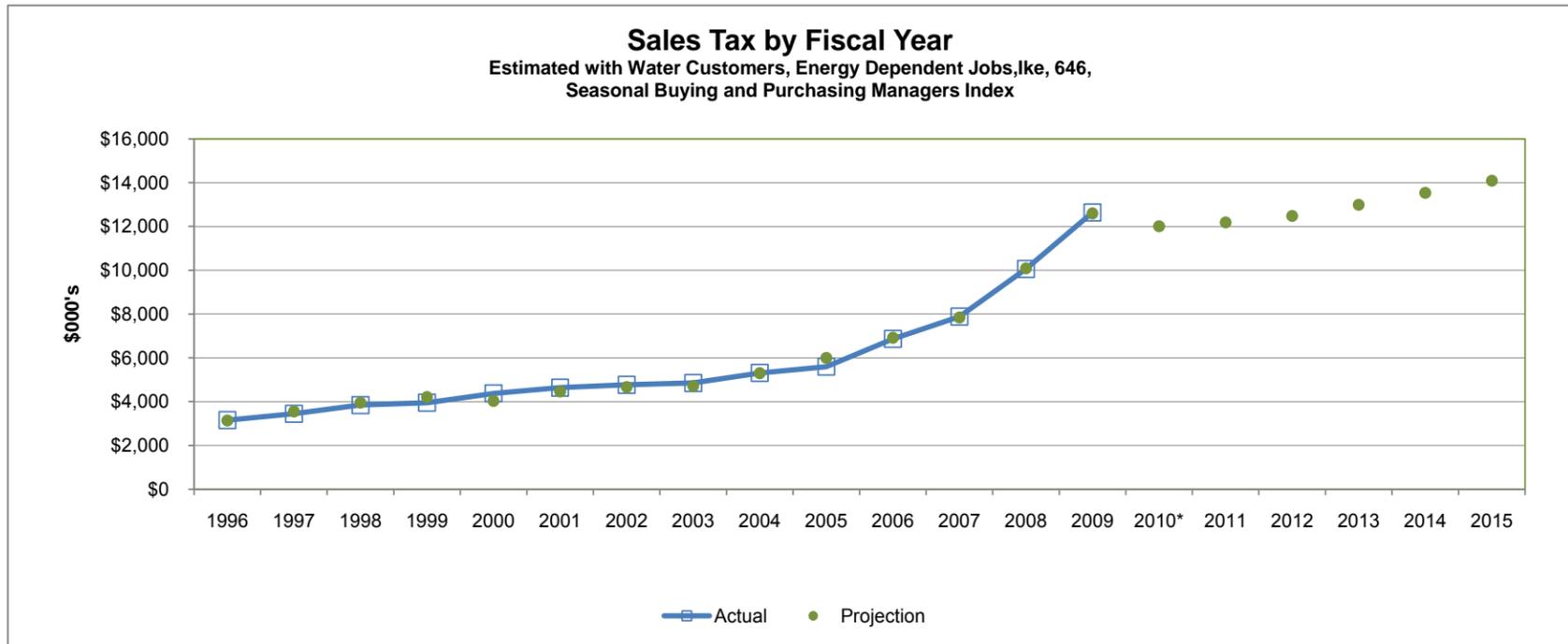


**SALES TAX MODEL CALCULATIONS
MAY 2010**

Multiplier	-1708327	37.16	5040	31880	5376	127467	1613		
Fiscal Year-Quarter	Actual COLC Sales Tax on 1% Base	Total COLC Water Customers	Metro Area Energy Dependent Base Empl + 2 Qtr 2 Qtr Mvg Avg	Christmas Season Adjustment Variable	Metro Area Purch Mgrs Index	646 Retail Corridor Variable	Hurricane Ike Related Sales Variable	Model's Estimated Tax	Est (Over)/ Under Actual
1995-4	\$435,563	11,659	281.1	0.00	57.0	0.00	0.00	\$448,097	(\$12,534)
1996-1	\$428,154	11,738	280.9	1.35	53.1	0.00	0.00	\$472,097	(\$43,943)
1996-2	\$428,043	11,831	282.2	(1.35)	52.1	0.00	0.00	\$390,653	\$37,390
1996-3	\$480,295	11,946	282.9	0.00	51.9	0.00	0.00	\$440,417	\$39,878
1996-4	\$467,189	12,063	283.6	0.00	56.3	0.00	0.00	\$471,947	(\$4,758)
1997-1	\$494,180	12,188	284.7	1.37	55.2	0.00	0.00	\$519,898	(\$25,718)
1997-2	\$457,090	12,273	286.8	(1.37)	58.1	0.00	0.00	\$461,880	(\$4,790)
1997-3	\$513,236	12,400	288.5	0.00	50.0	0.00	0.00	\$475,297	\$37,939
1997-4	\$505,175	12,540	289.4	0.00	50.0	0.00	0.00	\$485,035	\$20,140
1998-1	\$545,839	12,722	292.4	1.39	54.8	0.00	0.00	\$577,037	(\$31,198)
1998-2	\$510,965	12,869	297.4	(1.39)	52.0	0.00	0.00	\$504,020	\$6,945
1998-3	\$593,544	13,054	301.9	0.00	52.9	0.00	0.00	\$582,726	\$10,818
1998-4	\$545,551	13,198	304.4	0.00	48.7	0.00	0.00	\$578,098	(\$32,547)
1999-1	\$581,103	13,291	306.1	1.40	46.5	0.00	0.00	\$622,927	(\$41,824)
1999-2	\$544,517	13,450	308.1	(1.40)	47.2	0.00	0.00	\$553,414	(\$8,897)
1999-3	\$560,787	13,640	307.8	0.00	51.9	0.00	0.00	\$628,862	(\$68,075)
1999-4	\$571,957	13,861	301.8	0.00	55.1	0.00	0.00	\$624,037	(\$52,080)
2000-1	\$638,279	14,086	292.6	1.43	55.4	0.00	0.00	\$633,232	\$5,047
2000-2	\$609,213	14,261	287.0	(1.43)	59.4	0.00	0.00	\$541,838	\$67,375
2000-3	\$616,930	14,479	285.6	0.00	61.0	0.00	0.00	\$597,073	\$19,857
2000-4	\$637,341	14,689	285.6	0.00	56.9	0.00	0.00	\$582,835	\$54,506
2001-1	\$647,459	14,845	287.7	1.49	60.8	0.00	0.00	\$667,683	(\$20,224)
2001-2	\$602,159	15,081	291.7	(1.49)	61.6	0.00	0.00	\$605,911	(\$3,752)
2001-3	\$707,165	15,342	294.9	0.00	59.0	0.00	0.00	\$665,262	\$41,903
2001-4	\$694,776	15,618	297.6	0.00	55.0	0.00	0.00	\$667,622	\$27,154
2002-1	\$711,909	15,860	300.1	1.50	47.6	0.00	0.00	\$697,252	\$14,657
2002-2	\$652,990	16,124	301.3	(1.50)	48.2	0.00	0.00	\$620,696	\$32,294
2002-3	\$691,066	16,459	299.8	0.00	49.9	0.00	0.00	\$682,544	\$8,522
2002-4	\$669,421	16,744	293.5	0.00	51.0	0.00	0.00	\$667,296	\$2,125
2003-1	\$686,855	17,150	288.0	1.53	49.2	0.00	0.00	\$693,763	(\$6,908)
2003-2	\$634,956	17,573	287.4	(1.53)	52.8	0.00	0.00	\$628,258	\$6,698
2003-3	\$745,706	18,023	287.4	0.00	54.3	0.00	0.00	\$701,820	\$43,886
2003-4	\$704,274	18,421	285.1	0.00	52.9	0.00	0.00	\$697,492	\$6,782
2004-1	\$770,971	18,837	282.6	1.57	54.5	0.00	0.00	\$759,004	\$11,967
2004-2	\$671,849	19,111	282.9	(1.57)	60.5	0.00	0.00	\$702,850	(\$31,001)
2004-3	\$776,547	19,439	283.5	0.00	62.7	0.00	0.00	\$779,941	(\$3,394)
2004-4	\$816,185	19,820	284.2	0.00	63.3	0.00	0.00	\$800,853	\$15,332
2005-1	\$777,990	20,169	286.2	1.63	60.5	0.00	0.00	\$860,813	(\$82,823)
2005-2	\$723,932	20,480	289.2	(1.63)	59.6	0.00	0.00	\$778,723	(\$54,791)
2005-3	\$868,759	20,881	292.6	0.00	61.6	0.00	0.00	\$873,477	(\$4,718)
2005-4	\$827,671	21,330	294.7	0.00	62.9	0.00	0.00	\$907,734	(\$80,063)
2006-1	\$918,225	21,700	297.2	1.70	61.9	0.00	0.00	\$982,903	(\$64,678)
2006-2	\$917,923	22,126	302.1	(1.70)	66.1	0.00	0.00	\$937,617	(\$19,694)
2006-3	\$1,039,629	22,512	306.9	0.00	62.4	0.00	0.00	\$1,010,457	\$29,172
2006-4	\$1,047,792	22,885	308.4	0.00	60.6	0.00	0.00	\$1,022,201	\$25,591
2007-1	\$1,077,378	23,281	310.5	1.72	58.8	0.00	0.00	\$1,092,657	(\$15,279)
2007-2	\$1,051,507	23,616	315.6	(1.72)	60.2	0.00	0.00	\$1,028,669	\$22,838
2007-3	\$1,181,340	24,139	315.3	0.00	60.2	0.00	0.00	\$1,101,425	\$79,915
2007-4	\$1,194,700	24,541	321.9	0.00	59.6	0.0	0.00	\$1,146,402	\$48,298
2008-1	\$1,385,982	24,839	332.5	1.78	56.9	1.00	0.00	\$1,380,598	\$5,384
2008-2	\$1,336,077	25,063	336.7	(1.78)	54.1	1.75	0.00	\$1,377,145	(\$41,068)
2008-3	\$1,546,038	25,356	341.2	0.00	59.6	1.75	0.00	\$1,497,027	\$49,011
2008-4	\$1,480,261	25,613	347.4	0.00	54.8	1.80	35.00	\$1,574,848	(\$94,587)
2009-1	\$2,000,723	25,761	355.3	1.81	48.7	2.44	150.00	\$1,912,147	\$88,576
2009-2	\$1,784,770	25,885	361.3	(1.81)	39.4	2.45	180.00	\$1,831,257	(\$46,487)
2009-3	\$1,773,439	26,061	368.5	0.00	42.1	2.52	80.00	\$1,793,926	(\$20,487)
2009-4	\$1,663,690	26,300	367.0	0.00	46.9	2.52	0.00	\$1,692,012	(\$28,322)
2010-1	\$1,803,943	26,433	354.3	1.84	51.2	2.57	0.00	\$1,721,264	\$82,679
2010-2	\$1,582,075	26,643	346.7	(1.84)	53.9	2.65	0.00	\$1,598,158	(\$16,083)
2010-3		26,880	349.2	0.00	55.0	2.65	0.00	\$1,684,137	
2010-4		27,130	352.0	0.00	57.0	2.65	0.00	\$1,718,123	
2011-1		27,280	354.3	1.88	58.0	2.65	0.00	\$1,800,600	
2011-2		27,500	351.2	(1.88)	57.0	2.65	0.00	\$1,667,906	
2011-3		27,740	353.8	0.00	56.0	2.65	0.00	\$1,744,487	
2011-4		28,000	356.6	0.00	54.0	2.65	0.00	\$1,757,509	
2012-1		28,170	358.9	1.93	53.0	2.65	0.00	\$1,831,570	
2012-2		28,390	359.3	(1.93)	53.0	2.65	0.00	\$1,718,705	
2012-3		28,640	361.9	0.00	53.0	2.65	0.00	\$1,802,627	
2012-4		28,910	364.8	0.00	53.0	2.65	0.00	\$1,827,276	
2013-1		29,100	367.2	1.99	53.0	2.65	0.00	\$1,909,874	
2013-2		29,330	366.8	(1.99)	53.0	2.65	0.00	\$1,789,522	

**SALES TAX MODEL CALCULATIONS
MAY 2010**

Multiplier	-1708327	37.16	5040	31880	5376	127467	1613		
Fiscal Year-Quarter	Actual COLC Sales Tax on 1% Base	Total COLC Water Customers	Metro Area Energy Dependent Base Empl + 2 Qtr 2 Qtr Mvg Avg	Christmas Season Adjustment Variable	Metro Area Purch Mgrs Index	646 Retail Corridor Variable	Hurricane Ike Related Sales Variable	Model's Estimated Tax	Est (Over)/ Under Actual
2013-3		29,590	369.5	0.00	53.0	2.65	0.00	\$1,876,233	
2013-4		29,860	372.5	0.00	53.0	2.65	0.00	\$1,901,386	
2014-1		30,070	374.9	2.05	53.0	2.65	0.00	\$1,986,640	
2014-2		30,310	377.1	(2.05)	53.0	2.65	0.00	\$1,875,938	
2014-3		30,580	379.8	0.00	53.0	2.65	0.00	\$1,964,933	
2014-4		30,860	382.9	0.00	53.0	2.65	0.00	\$1,990,962	
2015-1		31,090	385.4	2.11	53.0	2.65	0.00	\$2,079,376	
2015-2		31,340	388.0	(2.11)	53.0	2.65	0.00	\$1,967,236	
2015-3		31,620	390.8	0.00	53.0	2.65	0.00	\$2,059,020	
2015-4		31,910	394.0	0.00	53.0	2.65	0.00	\$2,085,924	



SALES TAX BY FISCAL YEAR AND CONVERTED FROM 1% TO 1.75%

Fiscal Year	1% Tax		1.75% Tax (\$000's)		
	Actual	Estimate	Actual	Estimate	Est Over/(Under) Actual
1996	\$1,803,681	\$1,775,114	\$3,156	\$3,106	(\$50)
1997	\$1,969,681	\$1,942,110	\$3,447	\$3,399	(\$48)
1998	\$2,195,899	\$2,241,881	\$3,843	\$3,923	\$80
1999	\$2,258,364	\$2,429,240	\$3,952	\$4,251	\$299
2000	\$2,501,763	\$2,354,978	\$4,378	\$4,121	(\$257)
2001	\$2,651,559	\$2,606,478	\$4,640	\$4,561	(\$79)
2002	\$2,725,386	\$2,667,788	\$4,769	\$4,669	(\$100)
2003	\$2,771,791	\$2,721,333	\$4,851	\$4,762	(\$89)
2004	\$3,035,552	\$3,042,648	\$5,312	\$5,325	\$13
2005	\$3,198,352	\$3,420,747	\$5,597	\$5,986	\$389
2006	\$3,923,569	\$3,953,178	\$6,866	\$6,918	\$52
2007	\$4,504,925	\$4,369,153	\$7,884	\$7,646	(\$238)
2008	\$5,748,358	\$5,829,618	\$10,060	\$10,202	\$142
2009	\$7,222,622	\$7,229,342	\$12,640	\$12,651	\$11
2010		\$6,788,278		\$11,879	
2011		\$6,970,502		\$12,198	
2012		\$7,180,178		\$12,565	
2013		\$7,477,015		\$13,085	
2014		\$7,818,473		\$13,682	
2015		\$8,191,556		\$14,335	

**ELECTRICITY FRANCHISE TAX MODEL STATISTICS
APRIL 2010**



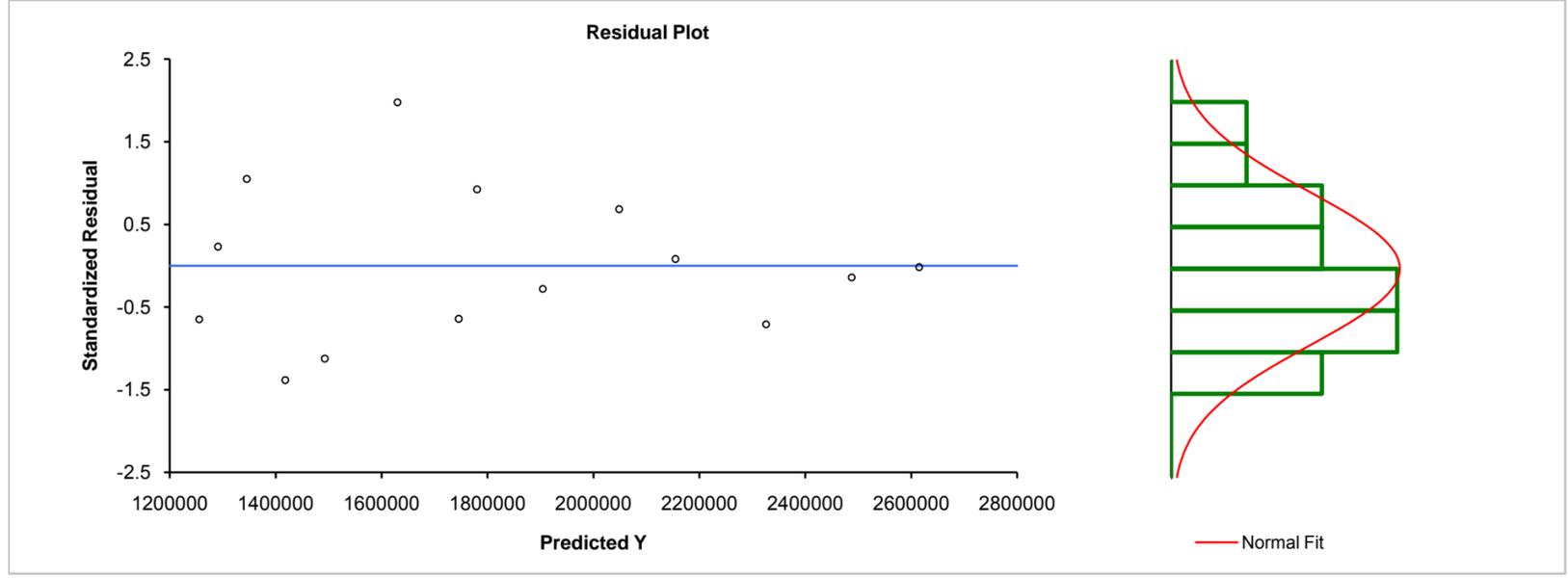
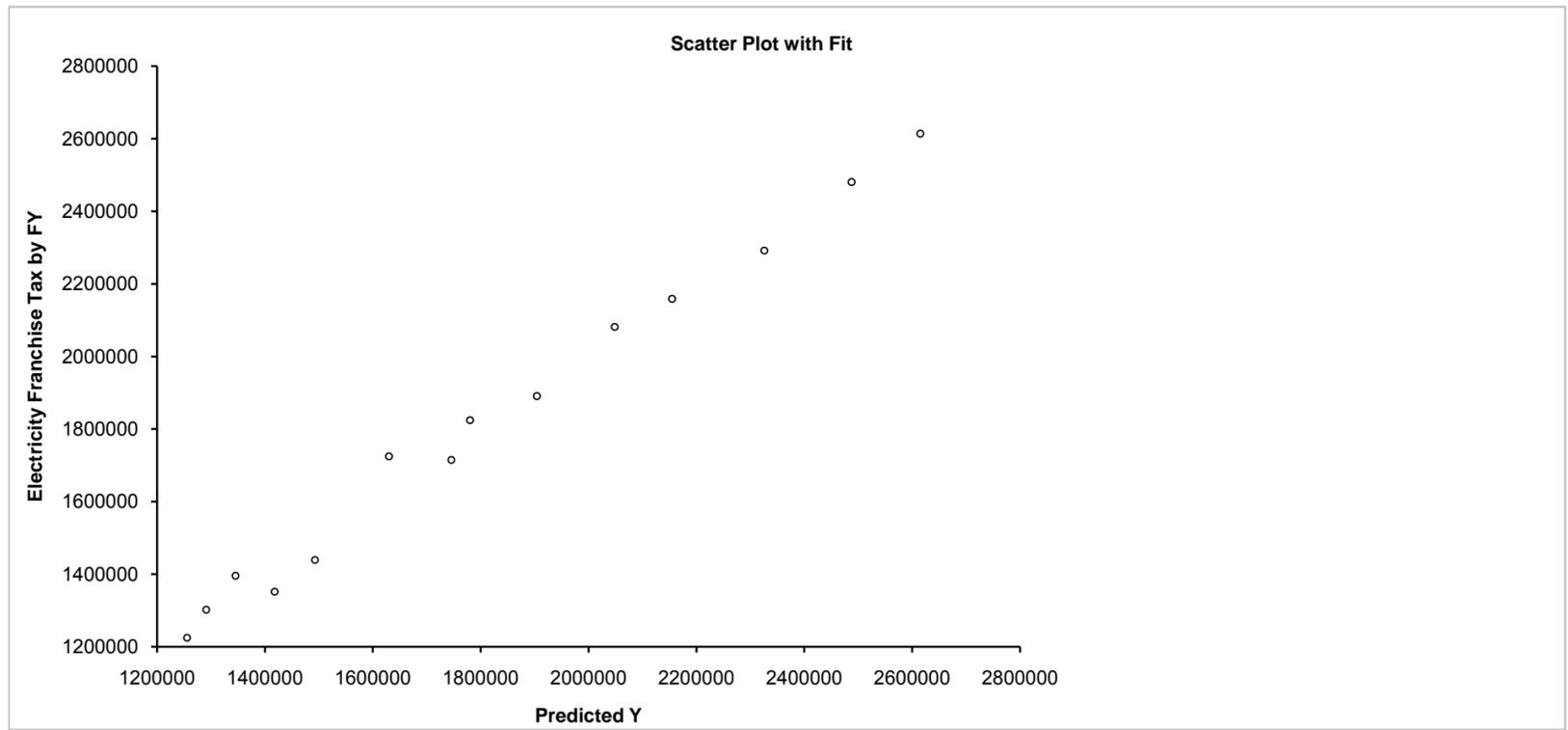
Test **Regression - Linear**
 Performed by Electricity Franchise Tax by FY v SF Cat A Housing Units per CAD, Residential Vacancy Rates Lagged 1 Year
 Date 5 March 2010

n | 14 (cases excluded: 44 due to missing values)

R² | 0.99055
 Adjusted R² | 0.98883
 SE | 47850.9666

Term	Coefficient	95% CI	SE	t statistic	DF	p
Intercept	366359	232697 to 500022	60729	6.03	11	<0.0001
SF Cat A Housing Units per CAD	99.78	93.30 to 106.27	2.945	33.89	11	<0.0001
Residential Vacancy Rates Lagged 1 Year	-2295703	-3377903 to -1213503	491689	-4.67	11	0.0007

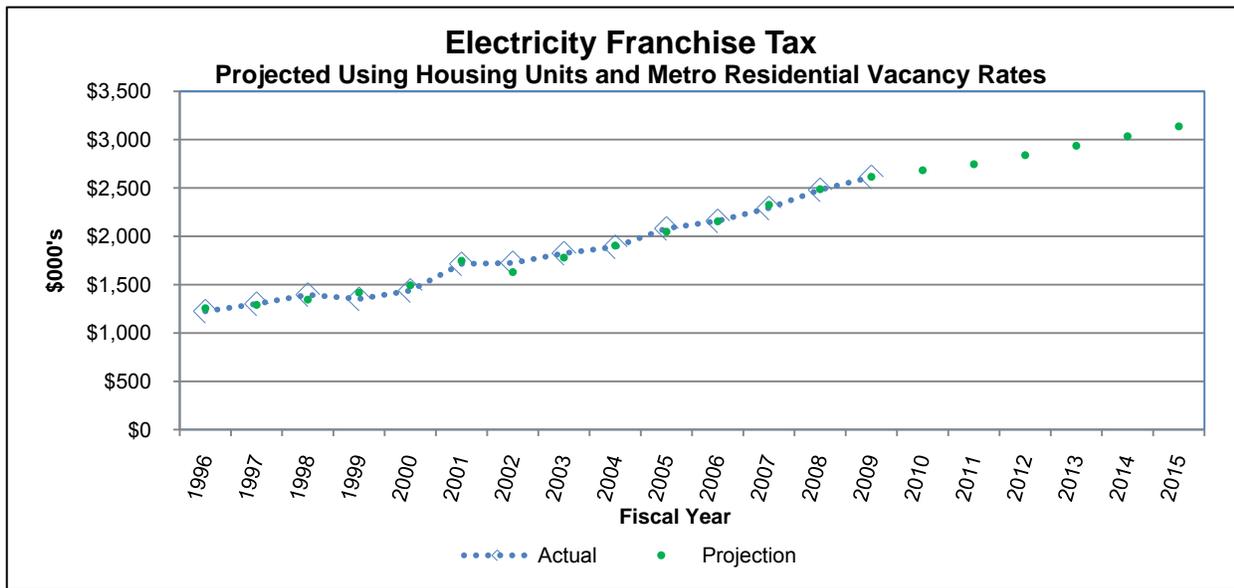
Source of variation	Sum squares	DF	Mean square	F statistic	p
Model	2640283259272.4900	2	1320141629636.2400	576.55	<0.0001
Residual	25186865059.7931	11	2289715005.4357		
Total	2665470124332.2800	13			



ELECTRICITY FRANCHISE TAX MODEL CALCULATIONS

APRIL 2010

FY	Actual	Constant	Single Family Housing Units per Appraisal District	Metro Area Residential Vacancy Rates Prior Year	Estimate	Est (Over)/ Under Actual
1996	\$1,224,573	366359	11,323	10.48%	\$1,255,578	(\$31,005)
1997	\$1,302,107	366359	11,674	10.46%	\$1,291,060	\$11,047
1998	\$1,395,669	366359	12,083	9.87%	\$1,345,415	\$50,254
1999	\$1,351,848	366359	12,592	8.92%	\$1,418,012	(\$66,164)
2000	\$1,439,041	366359	13,104	7.89%	\$1,492,745	(\$53,704)
2001	\$1,714,847	366359	13,840	0.08%	\$1,745,510	(\$30,663)
2002	\$1,724,543	366359	14,313	7.17%	\$1,629,908	\$94,635
2003	\$1,824,511	366359	15,578	6.12%	\$1,780,235	\$44,276
2004	\$1,890,852	366359	16,756	5.84%	\$1,904,204	(\$13,352)
2005	\$2,081,282	366359	18,333	6.41%	\$2,048,471	\$32,811
2006	\$2,158,710	366359	19,789	8.11%	\$2,154,724	\$3,986
2007	\$2,291,895	366359	21,742	9.15%	\$2,325,719	(\$33,824)
2008	\$2,480,874	366359	23,364	9.15%	\$2,487,562	(\$6,688)
2009	\$2,614,195	366359	24,732	9.55%	\$2,614,878	(\$683)
2010		366359	25,584	10.30%	\$2,682,673	
2011		366359	26,380	11.00%	\$2,746,028	
2012		366359	27,200	10.50%	\$2,839,326	
2013		366359	28,050	10.00%	\$2,935,618	
2014		366359	28,930	9.50%	\$3,034,903	
2015		366359	29,840	9.00%	\$3,137,181	
	Correlation Coefficients	366359	99.78	-2295703		



**CABLE TELEVISION FRANCHISE TAX MODEL STATISTICS
APRIL 2010**



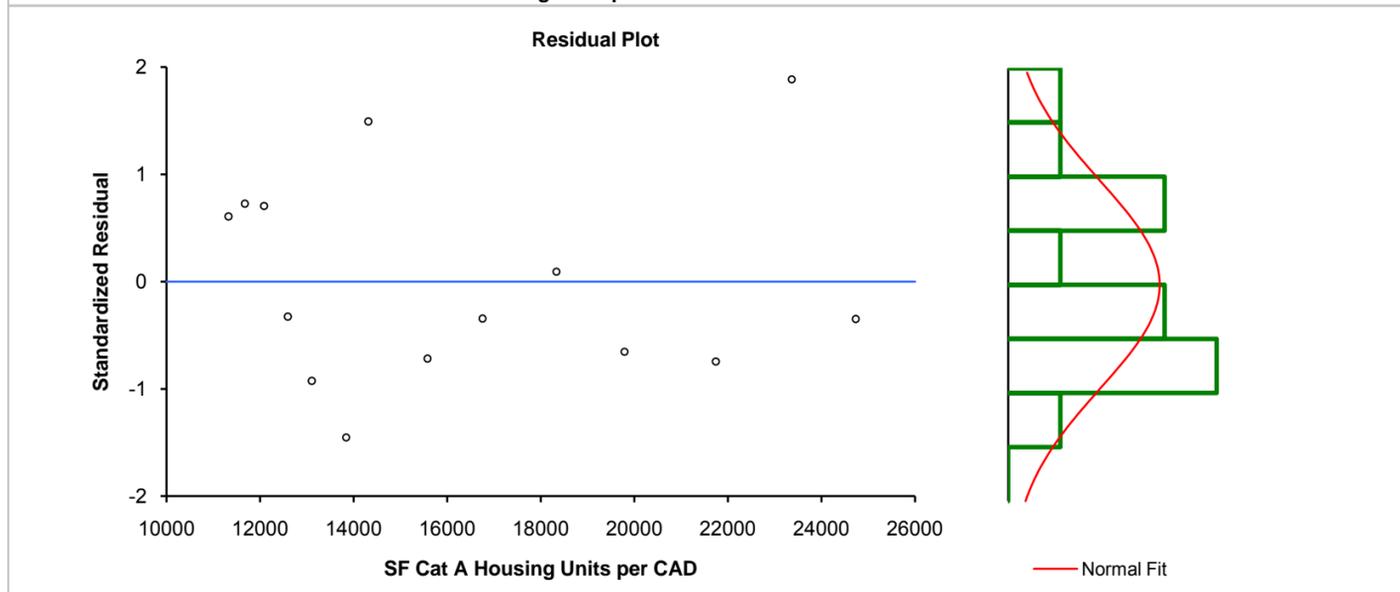
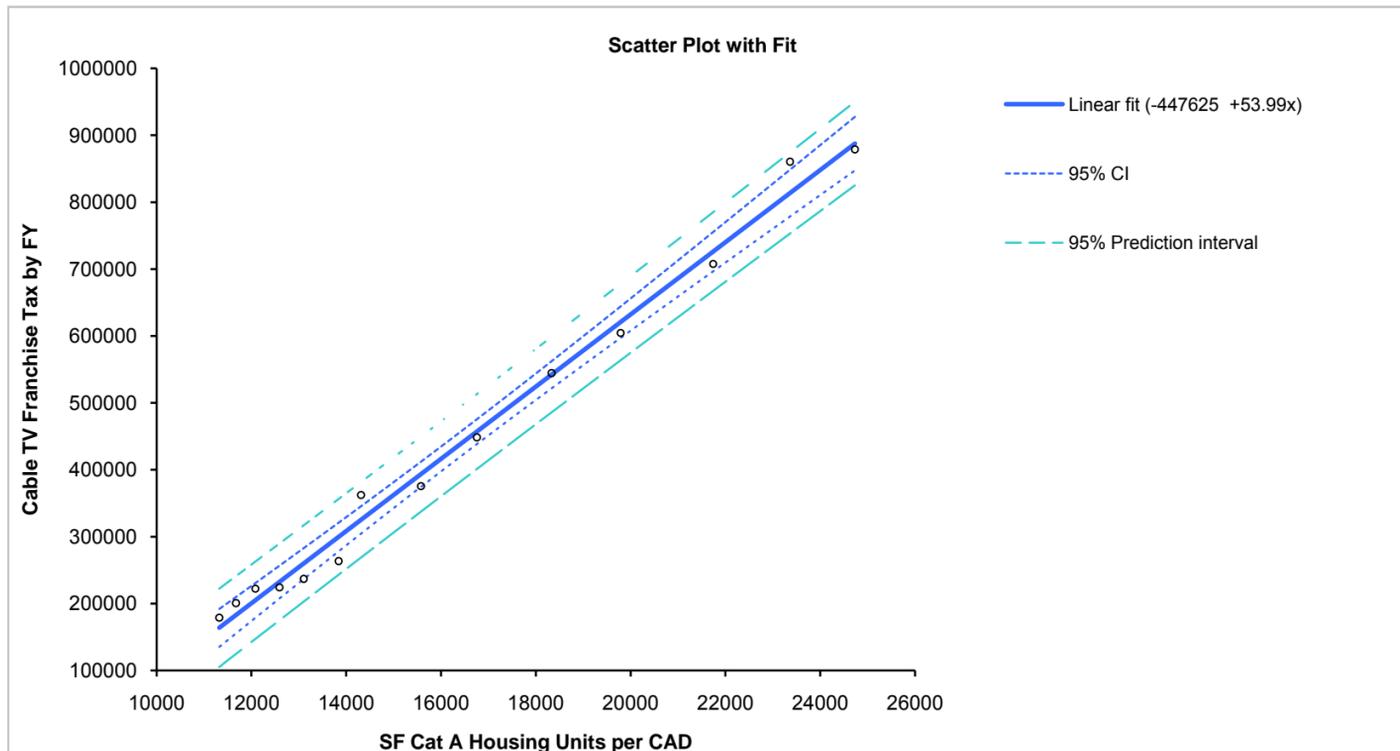
Test | **Regression - Linear**
 Cable TV Franchise Tax by FY v SF Cat A Housing Units per CAD
 Performed by | _____ Date | 5 March 2010

n | 14 (cases excluded: 44 due to missing values)

R² | 0.9905
 Adjusted R² | 0.9897
 SE | 24840.9116

Term	Coefficient	95% CI	SE	t statistic	DF	p
Intercept	-447625	-503903 to -391348	25829	-17.33	12	<0.0001
Slope	53.99	50.67 to 57.31	1.525	35.41	12	<0.0001

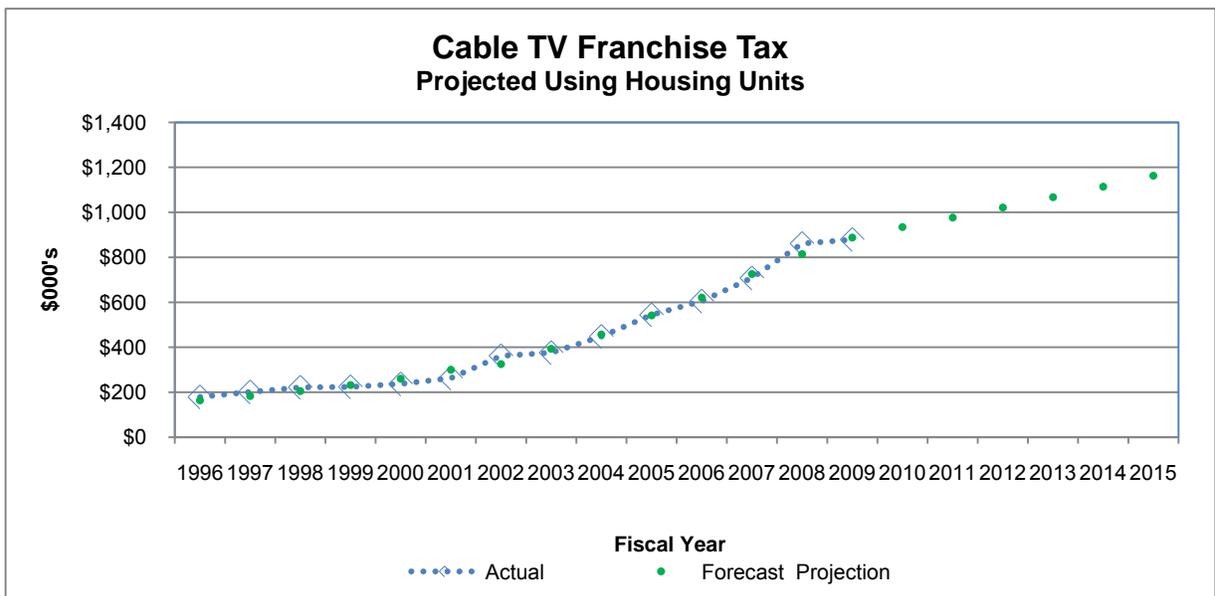
Source of variation	Sum squares	DF	Mean square	F statistic	p
Model	773864004534.0790	1	773864004534.0790	1254.09	<0.0001
Residual	7404850673.0622	12	617070889.4218		
Total	781268855207.1410	13			

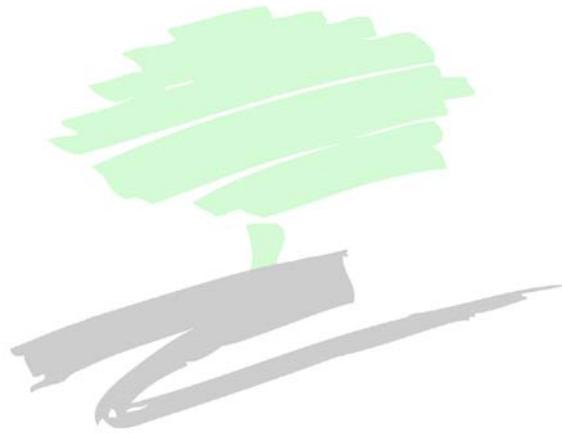


CABLE TELEVISION FRANCHISE TAX MODEL CALCULATIONS

APRIL 2010

FY	Actual	Constant	Single Family Housing Units per Appraisal District	Estimate	Est (Over)/ Under Actual
1996	\$178,806	-447625	11,323	\$163,704	\$15,102
1997	\$200,690	-447625	11,674	\$182,654	\$18,036
1998	\$222,260	-447625	12,083	\$204,736	\$17,524
1999	\$224,116	-447625	12,592	\$232,217	(\$8,101)
2000	\$236,873	-447625	13,104	\$259,860	(\$22,987)
2001	\$263,497	-447625	13,840	\$299,597	(\$36,100)
2002	\$362,231	-447625	14,313	\$325,134	\$37,097
2003	\$375,594	-447625	15,578	\$393,431	(\$17,837)
2004	\$448,468	-447625	16,756	\$457,031	(\$8,563)
2005	\$544,451	-447625	18,333	\$542,174	\$2,277
2006	\$604,528	-447625	19,789	\$620,783	(\$16,255)
2007	\$707,701	-447625	21,742	\$726,226	(\$18,525)
2008	\$860,613	-447625	23,364	\$813,797	\$46,816
2009	\$878,984	-447625	24,732	\$887,656	(\$8,672)
2010		-447625	25,584	\$933,655	
2011		-447625	26,380	\$976,631	
2012		-447625	27,200	\$1,020,903	
2013		-447625	28,050	\$1,066,795	
2014		-447625	28,930	\$1,114,306	
2015		-447625	29,840	\$1,163,437	
	Correlation Coefficients	-447625	53.99		





LEAGUE CITY

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GENERAL FUND ADJUSTMENTS



City of League City
Long Range Financial Forecast Adjustments & Notes
General Fund

	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base	Base Over/(Under) Budget	Difference
Mayor and Council									
5016 FICA	\$92				\$92				
5305 Professional Fees	(\$10,000)	(\$10,000)			(\$10,000)				
	\$92	(\$10,000)		\$0	(\$9,908)	\$221,691	\$211,783	(\$9,908)	\$0
City Manager									
5305 Professional Fees	(\$226,000)				(\$226,000)				
Various Various Personnel Accounts	\$256,109				\$256,109				
	\$30,109	\$0	\$0	\$0	\$30,109	\$730,263	\$760,372	\$30,109	\$0
City Secretary									
Various Various Personnel Accounts	\$867				\$867				
5240 Equipment Repair & Maint	(\$6,000)	(\$6,000)			(\$6,000)				
	(\$5,133)	(\$6,000)		\$0	(\$5,133)	\$387,334	\$382,201	(\$5,133)	\$0
Human Resources									
Various Various Personnel Accounts	(\$26,992)				(\$26,992)				
5346 Education Reimbursement	(\$15,000)	(\$15,000)			(\$15,000)				
5194 Computer Equip	(\$2,500)	(\$2,500)			(\$2,500)				
5119 Office Furniture	(\$2,500)	(\$2,500)			(\$2,500)				
	(\$46,992)	(\$20,000)		\$0	(\$46,992)	\$1,045,241	\$998,249	(\$46,992)	\$0
Police									
Various Various Personnel Accounts	\$107,851				\$107,851				
5050 Overtime	(\$313,900)				(\$313,900)				
5455 Special Events	\$500				\$500				
5194 Computer Equip	(\$99,200)	(\$99,200)			(\$99,200)				
5194 Computer Equip	(\$11,350)	(\$11,350)			(\$11,350)				
5194 Computer Equip	(\$6,000)	(\$6,000)			(\$6,000)				
5194 Computer Equip	(\$4,200)	(\$4,200)			(\$4,200)				
5194 Computer Equip	(\$5,000)	(\$5,000)			(\$5,000)				
5240 Equipment Repair & Maint	\$20,842	\$20,842			\$20,842				
5327 Motor Pool Lease Fees	\$230,068	\$230,068			\$230,068				
	(\$210,649)	(\$8,600)		\$4,000	(\$210,649)	\$14,528,364	\$14,317,715	(\$210,649)	\$0
Animal Control									
Various Various Personnel Accounts	(\$26,543)				(\$26,543)				
5313 Printing & Binding	(\$490)	(\$490)			(\$490)				
5123 Small Tools & Minor Equipment	(\$1,000)	(\$1,000)			(\$1,000)				
5327 Motor Pool Lease Fees	\$9,755	\$9,755			\$9,755				
	(\$18,278)	(\$8,285)			(\$18,278)	\$554,030	\$535,752	(\$18,278)	\$0

City of League City
Long Range Financial Forecast Adjustments & Notes
General Fund

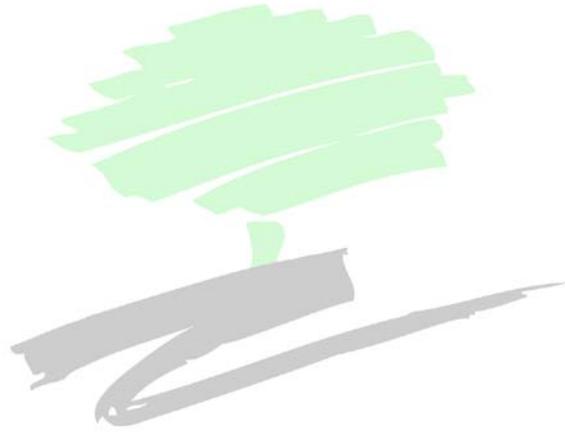
		Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base	Base Over/(Under) Budget	Difference
Finance Administration										
Various Personnel Accounts	Adjustment to Personnel to annualize prior year, merit and add part time position	(\$30,967)				(\$30,967)				
5305 Professional Fees	MBA Consulting Fee		(\$1,800)			(\$1,800)				
5110 Books & Periodicals	Books		(\$770)			(\$770)				
		(\$33,537)	(\$2,570)			(\$33,537)	\$443,613	\$410,076		(\$33,537)
Accounting										
Various Personnel Accounts	Adjustment to Personnel to annualize prior year, includes Vacancy Savings of (\$6,936)	(\$12,292)				(\$12,292)				
	Reflect actual GCAD fees for FY 2010			\$12,930		\$12,930				
5194 Computer Equip	Remove Executive Software		(\$43,000)			(\$43,000)				
		(\$12,292)	(\$43,000)	\$12,930		(\$42,362)	\$1,150,358	\$1,107,996		(\$42,362)
Municipal Court										
Various Personnel Accounts	Adjustment to Personnel to annualize prior year, includes Vacancy Savings of (\$10,606)	\$9,342				\$9,342				
		\$9,342				\$9,342	\$543,609	\$552,951		\$9,342
Non-Departmental										
5004 Attrition	Remove attrition (Credit Balance on the expenditure side)	\$450,000				\$450,000				
5004 Attrition	Vacancy Savings - Purchasing, Econ Dev, Finance Admin, City Sec, City Admin, IT, Emerg Mgmt, Fire Marshal, Fire, PW Admin, Sportsplex Ops, Sportsplex Rec, and Parks Planning	(\$74,204)				(\$74,204)				
5333 Insurance	Adjust liability insurance for current premiums	\$100,122		\$100,122		\$100,122				
	Increase TRIZ payments	\$295,643		\$295,643		\$295,643				
	Transfers to 4B	(\$274,260)		(\$274,260)		(\$274,260)				
5636 Transfer to Capital Project Fund	Transfer to Capital Project Fund		(\$300,000)			(\$300,000)				
		\$197,301	(\$300,000)	\$121,505		\$197,301	\$4,615,688	\$4,812,989		\$197,301
Purchasing										
Various	Adjustment to Personnel to annualize prior year	\$65				\$65				
5194 Computer Equip	Peard Software		(\$15,000)			(\$15,000)				
			(\$15,000)			(\$14,935)	\$513,057	\$298,122		(\$14,935)
Information Technology										
Various Personnel Accounts	Adjustments to Personnel to annualize prior year	(\$62,448)				(\$62,448)				
5194 Computer Equip	VOIP Upgrade		(\$120,000)			(\$120,000)				
5240 Equip Maintenance	Maint Agreement for Execltime and Peard Software	\$8,675		\$8,675		\$8,675				
5327 Motor Pool Lease Fees	Increase lease fees for 100% Funding of Motor Pool Fund	\$2,583		\$2,583		\$2,583				
		(\$171,190)	(\$117,417)	\$8,675	\$0	(\$171,190)	\$1,348,060	\$1,176,870		(\$171,190)
Economic Development										
Various Personnel Accounts	Adjustments to Personnel to annualize prior year	\$94,504				\$94,504				
5305 Professional Fees	Marketing Study		(\$70,000)			(\$70,000)				
			(\$70,000)	\$0		(\$24,504)	\$417,237	\$441,741		\$24,504
Building & Code Enforcement										
Various personnel accounts	Adjustments to Personnel to annualize prior year, includes Vacancy Savings of (\$24,566)	(\$34,624)				(\$34,624)				
5327 Motor Pool Lease Fees	Increase lease fees for 100% Funding of Motor Pool Fund	\$16,708		\$16,708		\$16,708				
		(\$17,916)	(\$16,708)	\$0		(\$17,916)	\$1,408,138	\$1,380,222		(\$17,916)

City of League City
Long Range Financial Forecast Adjustments & Notes
General Fund

		Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base	Base Over/(Under) Budget	Difference
Planning										
Various Personnel Accounts	Adjustments to Personnel to annualize prior year. Includes Vacancy Savings of (\$20,812).	(\$22,763)				(\$22,763)				
5335 Advertising & Recording	Advertising for Charities (\$1,000)	(\$1,000)				(\$1,000)				
5305 Professional Fees	Comprehensive Plan (\$180,450)	(\$180,450)				(\$180,450)				
		(\$22,763)				(\$22,763)	\$1,567,521	\$1,363,308	(\$204,213)	\$0
Fire Marshal										
Various Personnel Accounts	Adjustments to Personnel to annualize prior year	(\$5,867)				(\$5,867)				
5327 Motor Pool Lease Fees	Increase lease fees for 100% Funding of Motor Pool Fund	\$7,142	\$7,142	\$0	\$0	\$7,142	\$468,150	\$469,425	\$1,275	\$0
		(\$5,867)				(\$5,867)				
Fire Department										
Various Personnel Accounts	Adjustments to Personnel to annualize prior year	(\$21,974)				(\$21,974)				
5215 Building & Ground Maint	Mowing and Pest control in other department budgets	(\$9,500)	(\$9,500)			(\$9,500)				
5225 Contract Maint	Vehicle Maintenance is taking care of all generator maintenance now.	(\$3,500)	(\$3,500)			(\$3,500)				
5327 Motor Pool Lease Fees	Increase lease fees for 100% Funding of Motor Pool Fund and include Fire trucks	\$266,327	\$266,327	\$0	\$0	\$266,327	\$903,145	\$1,133,498	\$230,353	\$0
		(\$21,974)				(\$21,974)				
Drill Field										
5215 Building & Ground Maint	Mowing and Pest control in other department budgets	(\$2,750)	(\$2,750)			(\$2,750)				
5333 Insurance	In non-departmental budget	(\$3,200)	(\$3,200)			(\$3,200)				
		(\$5,950)	(\$5,950)			(\$5,950)	\$53,200	\$47,250	(\$5,950)	\$0
EMS										
Various Personnel Accounts	Adjustments to Personnel to annualize prior and full year of paramedics, previously funded at 6 mo. Includes Vacancy Savings of (\$37,384).	\$183,150				\$183,150				
5327 Motor Pool Lease Fees	Increase lease fees for 100% funding of Motor Pool Fund	\$38,623	\$38,623	\$0	\$0	\$38,623	\$2,169,606	\$2,391,379	\$221,773	\$0
		\$221,773	\$221,773	\$0	\$0	\$221,773				
Emergency Management										
Various Personnel Accounts	Adjustments to Personnel to annualize prior year	(\$148,391)				(\$148,391)				
5327 Motor Pool Lease Fees	Increase lease fees for 100% funding of Motor Pool Fund	\$5,178	\$5,178	\$0	\$0	\$5,178	\$345,418	\$202,205	(\$143,213)	\$0
		(\$143,213)	(\$143,213)			(\$143,213)				
Library										
Various Personnel Accounts	Adjustments to Personnel to annualize prior year.	\$15,340				\$15,340				
5137 Children's Materials	Lone Star Grant	\$27,530			\$27,530	\$27,530				
5119 Office Furniture	Lone Star Grant	\$2,000			\$2,000	\$2,000				
Various Personnel Accounts	Vacancy Savings	(\$54,726)				(\$54,726)				
		(\$9,856)	\$0	\$0	\$29,530	(\$9,856)	\$2,170,221	\$2,160,365	(\$9,856)	\$0
Facilities										
Various Personnel Accounts	Adjustments to Personnel to annualize prior year. Includes Vacancy Savings of (\$9,750).	(\$37,324)				(\$37,324)				
5215 Building & Ground Maint	Renovation of Sr. Center	(\$70,000)	(\$70,000)			(\$70,000)				
5327 Motor Pool Lease Fees	Increase lease fees for 100% funding of Motor Pool Fund	\$3,542	\$3,542	\$0	\$0	\$3,542	\$1,881,789	\$1,778,007	(\$103,782)	\$0
		(\$103,782)	(\$66,458)	\$0	\$0	(\$103,782)				

City of League City
Long Range Financial Forecast Adjustments & Notes
General Fund

		Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base	Base Over/(Under) Budget	Difference
Parks Operations										
Various	Various Personnel Accounts	Adjustments to Personnel to annualize prior year and to move Museum employees. Includes Vacancy Savings of (\$15,354).				\$68,600				
5327	Motor Pool Lease Fees	Increase lease fees for 100% funding of Motor Pool Fund	\$40,306			\$40,306				
		\$108,906	\$40,306	\$0	\$0	\$108,906	\$1,037,407	\$1,146,313	\$108,906	\$0
Parks Planning & Tourism										
Various	Various Personnel Accounts	Moving of employees from Museum to Parks Planning				\$73,935				
			\$0	\$0	\$0	\$73,935	\$251,219	\$325,154	\$73,935	\$0
Butler Museum										
Various	Various Personnel Accounts	Remove Budget For Museum from 2010				(\$226,629)				
5305	Professional Fees	Payment to Friends of Museum				\$71,500				
			\$0	\$0	(\$155,129)	(\$155,129)	\$230,129	\$75,000	(\$155,129)	\$0
Parks Recreation										
Various	Various Personnel Accounts	Adjustment to Personnel to annualize prior year. Includes Vacancy Savings of (\$3,889).				(\$14,066)				
			\$0	\$0	\$0	(\$14,066)	\$672,043	\$657,977	(\$14,066)	\$0
SportsPlex Operations										
Various	Various Personnel Accounts	Adjustments to Personnel to annualize prior year				(\$9,896)				
5240	Equipment Repair & Maint	Replace Scoreboards	(\$25,000)			(\$25,000)				
5327	Motor Pool Lease Fees	Increase lease fees for 100% funding of Motor Pool Fund	\$6,406			\$6,406				
			(\$18,594)	\$0	\$0	(\$18,594)	\$388,104	\$359,614	(\$28,490)	\$0
SportsPlex Recreation										
Various	Various Personnel Accounts	Adjustments to Personnel to annualize prior year				(\$1,639)				
			\$0	\$0	\$0	(\$1,639)	\$213,488	\$211,849	(\$1,639)	\$0
Public Works Administration										
Various	Various Personnel Accounts	Adjustments to Personnel to annualize prior year				\$15,288				
			\$0	\$0	\$0	\$15,288	\$2,861,533	\$2,876,821	\$15,288	\$0
Engineering										
Various	Various Personnel Accounts	Adjustments to personnel to annualize prior year. Includes Vacancy Savings of (\$21,948).				(\$99,322)				
5305	Professional Fees	Drainage contract and maintenance	(\$950,000)			(\$950,000)				
5310	Memberships & Dues	NPDES public program	\$24,085			\$24,085				
5327	Motor Pool Lease Fees	Increase lease fees for 100% funding of Motor Pool Fund	\$6,009			\$6,009				
			(\$941,991)	\$0	\$24,085	(\$993,322)	\$2,225,947	\$1,208,719	(\$1,017,228)	\$0
Streets										
Various	Various Personnel Accounts	Adjustments to personnel to annualize prior year				(\$67,387)				
5305	Professional Fees	Vacancy Savings	(\$105,280)			(\$105,280)				
5327	Motor Pool Lease Fees	School Zone Lights	(\$112,050)			(\$112,050)				
			\$125,805			\$125,805				
			\$13,755	\$0	\$0	(\$158,912)	\$4,174,002	\$4,015,090	(\$158,912)	\$0
Total General Fund Adjustments		(\$1,500,592)	(\$1,424,726)	\$143,110	(\$97,514)	(\$1,500,592)	\$49,319,605	\$47,819,013	(\$1,500,592)	\$0



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GENERAL FUND DEPARTMENT DETAIL



**GENERAL FUND - MAYOR AND COUNCIL
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$77	\$78	\$78	\$78	\$78	\$78	\$78
5100	Supplies	\$4	\$5	\$5	\$5	\$5	\$5	\$5
5300	Services	\$140	\$130	\$132	\$135	\$138	\$142	\$146
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$222	\$213	\$215	\$218	\$221	\$225	\$229

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
5016 FICA	Adjustments to Personnel to annualize prior year and merit.	\$92	\$0	\$0	\$0	\$92		
5305 Professional Fees	Ron Cox Spring and Fall Workshops	\$0	(\$10,000)	\$0	\$0	(\$10,000)		
Total		\$92	(\$10,000)	\$0	\$0	(\$9,908)	\$221,691	\$211,783

**GENERAL FUND - CITY MANAGER
FY 2011-15 FORECAST
(\$ THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$374	\$630	\$635	\$639	\$644	\$650	\$656
5100	Supplies	\$12	\$12	\$12	\$13	\$13	\$14	\$15
5300	Services	\$344	\$118	\$121	\$123	\$126	\$130	\$134
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$730	\$760	\$768	\$775	\$783	\$794	\$805

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
5305	Remove contract pay that is now paid out of salaries	(\$226,000)	\$0	\$0	\$0	(\$226,000)		
Various Accounts	Adjustments to Personnel to annualize prior year, merit and adding back City Manager as permanent position rather than contract.	\$256,109	\$0	\$0	\$0	\$256,109		
Total		\$30,109	\$0	\$0	\$0	\$30,109	\$730,263	\$760,372

**GENERAL FUND - CITY SECRETARY
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$300	\$301	\$304	\$308	\$311	\$315	\$319
5100	Supplies	\$21	\$22	\$22	\$22	\$23	\$24	\$24
5300	Services	\$66	\$60	\$61	\$62	\$64	\$66	\$68
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$387	\$383	\$387	\$392	\$398	\$405	\$411

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various Accounts	Adjustments to Personnel to annualize prior year and merit.	\$867	\$0	\$0	\$0	\$867		
5240 Equipment Repair & Maint	Shredder Maintenance (Can't get contract)	\$0	(\$6,000)	\$0	\$0	(\$6,000)		
Total		\$867	(\$6,000)	\$0	\$0	(\$5,133)	\$387,334	\$382,201

**GENERAL FUND - CITY ATTORNEY
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5100	Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300	Services	\$550	\$550	\$561	\$573	\$588	\$605	\$623
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$550	\$550	\$561	\$573	\$588	\$605	\$623

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars: N/A

**GENERAL FUND - CIVIL SERVICE
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$2	\$2	\$2	\$2	\$2	\$2	\$2
5100	Supplies	\$3	\$4	\$4	\$4	\$4	\$4	\$4
5300	Services	\$60	\$60	\$61	\$62	\$64	\$66	\$68
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$65	\$66	\$67	\$68	\$70	\$72	\$74

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars: N/A

**GENERAL FUND - HUMAN RESOURCES
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$661	\$634	\$643	\$652	\$662	\$673	\$684
5100	Supplies	\$14	\$9	\$10	\$10	\$10	\$11	\$11
5300	Services	\$370	\$355	\$362	\$370	\$380	\$391	\$403
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$1,045	\$998	\$1,015	\$1,032	\$1,052	\$1,075	\$1,098

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year and merit. Includes Vacancy Savings of (\$12,930).	(\$26,992)	\$0	\$0	\$0	(\$26,992)		
5346	Education Reimbursement	\$0	(\$15,000)	\$0	\$0	(\$15,000)		
5194 Computer Equipment	Computer for new employee	\$0	(\$2,500)	\$0	\$0	(\$2,500)		
5119 Office Furniture	Office furniture new employee	\$0	(\$2,500)	\$0	\$0	(\$2,500)		
Total		(\$26,992)	(\$20,000)	\$0	\$0	(\$46,992)	\$1,045,241	\$998,249

**GENERAL FUND - POLICE
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$12,466	\$12,264	\$12,450	\$12,636	\$12,839	\$13,068	\$13,307
5100	Supplies	\$694	\$533	\$556	\$582	\$613	\$653	\$695
5300	Services	\$883	\$904	\$968	\$1,025	\$1,014	\$1,018	\$1,054
5500	Capital Outlay	\$486	\$617	\$629	\$643	\$659	\$679	\$699
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$14,528	\$14,318	\$14,603	\$14,886	\$15,125	\$15,418	\$15,755

Mandates & Commitments:			FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
	Jail Repairs		\$40,000	\$70,000	\$30,000	\$0	\$0
	Civil Service STEP		included	included	included	included	included

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year and merit. (Full year of new officers, previously at 6 mo)	\$107,851				\$107,851		
Various	Vacancy Savings	(\$313,900)				(\$313,900)		
5050	Tobacco Grant				\$3,500	\$3,500		
5455	Tobacco Grant				\$500	\$500		
5550	Patrol Cars for New Traffic Officers		(\$99,200)			(\$99,200)		
5194	OSSI for new computers		(\$130,260)			(\$130,260)		
5194	Replace desktops with laptops		(\$11,350)			(\$11,350)		
5194	New Computers and dock stations		(\$6,000)			(\$6,000)		
5194	VOIP installation at 600 W. Walker		(\$4,200)			(\$4,200)		
5194	Cisco Switch 600 W. Walker		(\$5,000)			(\$5,000)		
5194	Breathalyzer		(\$3,500)			(\$3,500)		
5240	OSSI additional maint for new computers		\$20,842			\$20,842		
5327	Increase lease fees for 100% Funding of Motor Pool Fund		\$230,068			\$230,068		
Total		(\$206,049)	(\$8,600)	\$0	\$4,000	(\$210,649)	\$14,528,364	\$14,317,715

**General Fund - Animal Control
FY 2011-15 Forecast
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$463	\$437	\$447	\$458	\$469	\$482	\$494
5100	Supplies	\$34	\$33	\$35	\$36	\$39	\$41	\$44
5300	Services	\$43	\$43	\$44	\$45	\$46	\$48	\$49
5500	Capital Outlay	\$13	\$23	\$23	\$24	\$25	\$25	\$26
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$554	\$536	\$549	\$563	\$579	\$596	\$613

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year and merit. Includes Vacancy Savings of (\$13,512).	(\$26,543)				(\$26,543)		
5313	Business Cards		(\$490)			(\$490)		
5123	Replace as needed refrigerators etc.		(\$1,000)			(\$1,000)		
5327	Increase lease fees for 100% Funding of Motor Pool Fund		\$9,755			\$9,755		
Total		(\$26,543)	\$8,265	\$0	\$0	(\$18,278)	\$554,030	\$535,752

**GENERAL FUND - FINANCE ADMINISTRATION
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$396	\$366	\$370	\$375	\$379	\$385	\$390
5100	Supplies	\$6	\$5	\$5	\$5	\$5	\$5	\$5
5300	Services	\$42	\$40	\$41	\$41	\$43	\$44	\$45
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$444	\$411	\$416	\$421	\$427	\$434	\$440

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustment to Personnel to annualize prior year, merit and add part time position.	(\$30,967)				(\$30,967)		
5305	MBIA Consulting Fee		(\$1,800)			(\$1,800)		
5110	Books		(\$770)			(\$770)		
Total		(\$30,967)	(\$2,570)	\$0	\$0	(\$33,537)	\$443,613	\$410,076

**GENERAL FUND - ACCOUNTING
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$699	\$687	\$696	\$707	\$718	\$730	\$742
5100	Supplies	\$51	\$8	\$8	\$8	\$8	\$8	\$9
5300	Services	\$401	\$414	\$417	\$420	\$424	\$429	\$434
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$1,150	\$1,109	\$1,121	\$1,135	\$1,150	\$1,167	\$1,185

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustment to Personnel to annualize prior year. Includes Vacancy Savings of (\$6,936).	(\$12,292)				(\$12,292)		
5345	Reflect actual GCAD fees for FY 2010			\$12,930		\$12,930		
5194	Remove Executime Software		(\$43,000)			(\$43,000)		
Total		(\$12,292)	(\$43,000)	\$12,930	\$0	(\$42,362)	\$1,150,358	\$1,107,996

**GENERAL FUND - MUNICIPAL COURT
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$510	\$520	\$528	\$537	\$547	\$557	\$568
5100	Supplies	\$14	\$14	\$14	\$14	\$15	\$15	\$16
5300	Services	\$20	\$20	\$20	\$21	\$21	\$22	\$22
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$544	\$554	\$562	\$572	\$583	\$594	\$606

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustment to Personnel to annualize prior year. Includes Vacancy Savings of (\$10,606).	\$9,342				\$9,342		
Total		\$9,342	\$0	\$0	\$0	\$9,342	\$543,609	\$552,951

**GENERAL FUND - NON-DEPARTMENTAL
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	(\$210)	\$166	\$172	\$179	\$186	\$194	\$202
5100	Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300	Services	\$657	\$757	\$767	\$778	\$791	\$806	\$823
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$4,169	\$3,887	\$4,084	\$4,237	\$4,404	\$4,580	\$4,762
Total		\$4,616	\$4,810	\$5,023	\$5,194	\$5,381	\$5,580	\$5,787

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
5004	Remove attrition (Credit Balance on the expenditure side)	\$450,000				\$450,000		
5004	Vacancy Savings - Purchasing, Econ Dev, Finance Admin, City Sec, City Admin, IT, Emerg Mgmt, Fire Marshal, Fire, PW Admin, Sportsplex Ops, Sportsplex Rec, and Parks Planning	(\$74,204)				(\$74,204)		
5333	Adjust Insurance		\$100,122			\$100,122		
	Increase TIRZ payments			\$295,643		\$295,643		
	Transfers to 4B			(\$277,260)		(\$277,260)		
5636	Transfer to Capital Project Fund	(\$300,000)				(\$300,000)		
Total		\$75,796	\$100,122	\$18,383	\$0	\$194,301	\$4,615,688	\$4,809,989

**GENERAL FUND - PURCHASING
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$276	\$276	\$278	\$281	\$284	\$287	\$290
5100	Supplies	\$21	\$6	\$7	\$7	\$7	\$7	\$7
5300	Services	\$16	\$16	\$16	\$17	\$17	\$17	\$18
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$313	\$298	\$301	\$305	\$308	\$311	\$315

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustment to Personnel to annualize prior year	\$65				\$65		
5194	Pcard Software		(\$15,000)			(\$15,000)		
Total		\$65	(\$15,000)	\$0	\$0	(\$14,935)	\$313,057	\$298,122

**GENERAL FUND - INFORMATION TECHNOLOGY
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$552	\$489	\$497	\$505	\$514	\$524	\$533
5100	Supplies	\$262	\$142	\$145	\$148	\$152	\$157	\$163
5300	Services	\$534	\$543	\$562	\$584	\$610	\$643	\$678
5500	Capital Outlay	\$1	\$3	\$4	\$4	\$4	\$4	\$4
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$1,348	\$1,177	\$1,208	\$1,241	\$1,280	\$1,328	\$1,378

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year	(\$62,448)				(\$62,448)		
5194	VOIP Upgrade		(\$120,000)			(\$120,000)		
5240	Maint Agreement for Executime and Pcard Software		\$8,675			\$8,675		
5327	Increase lease fees for 100% Funding of Motor Pool Fund		\$2,583			\$2,583		
Total		(\$62,448)	(\$108,742)	\$0	\$0	(\$171,190)	\$1,348,060	\$1,176,870

**GENERAL FUND - ECONOMIC DEVELOPMENT
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$256	\$350	\$354	\$358	\$362	\$367	\$371
5100	Supplies	\$2	\$2	\$2	\$2	\$2	\$2	\$2
5300	Services	\$160	\$90	\$92	\$94	\$96	\$99	\$102
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$417	\$442	\$448	\$454	\$460	\$468	\$475

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Various Personnel Accounts	\$94,504				\$94,504		
5305	Professional Fees		(\$70,000)			(\$70,000)		
Total		\$94,504	(\$70,000)	\$0	\$0	\$24,504	\$417,237	\$441,741

**GENERAL FUND - BUILDING
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$1,238	\$1,204	\$1,223	\$1,243	\$1,264	\$1,287	\$1,311
5100	Supplies	\$29	\$29	\$30	\$32	\$33	\$35	\$38
5300	Services	\$127	\$128	\$131	\$134	\$138	\$142	\$147
5500	Capital Outlay	\$13	\$30	\$31	\$31	\$32	\$33	\$34
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$1,408	\$1,391	\$1,415	\$1,440	\$1,467	\$1,497	\$1,530

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year. Includes Vacancy Savings of (\$24,566).	(\$34,624)				(\$34,624)		
5327	Increase lease fees for 100% Funding of Motor Pool Fund		\$16,708			\$16,708		
Total		(\$34,624)	\$16,708	\$0	\$0	(\$17,916)	\$1,408,138	\$1,390,222

**GENERAL FUND - PLANNING
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$1,043	\$1,020	\$1,031	\$1,043	\$1,056	\$1,069	\$1,083
5100	Supplies	\$17	\$17	\$18	\$18	\$19	\$19	\$20
5300	Services	\$508	\$326	\$333	\$340	\$349	\$359	\$370
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$1,568	\$1,363	\$1,382	\$1,401	\$1,424	\$1,447	\$1,473

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year. Includes Vacancy Savings of (\$20,812).	(\$22,763)				(\$22,763)		
5335	Advertising for Charettes		(\$1,000)			(\$1,000)		
5305	Comprehensive Plan		(\$180,450)			(\$180,450)		
Total		(\$22,763)	(\$181,450)	\$0	\$0	(\$204,213)	\$1,567,521	\$1,363,308

**GENERAL FUND - FIRE MARSHAL
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$408	\$402	\$407	\$413	\$418	\$424	\$430
5100	Supplies	\$19	\$19	\$19	\$20	\$21	\$23	\$24
5300	Services	\$36	\$36	\$37	\$38	\$39	\$41	\$42
5500	Capital Outlay	\$5	\$13	\$13	\$13	\$13	\$14	\$14
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$468	\$470	\$476	\$484	\$491	\$502	\$510

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One- Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year	(\$5,867)				(\$5,867)		
5327	Increase lease fees for 100% Funding of Motor Pool Fund		\$7,142			\$7,142		
Total		(\$5,867)	\$7,142	\$0	\$0	\$1,275	\$468,150	\$469,425

**GENERAL FUND - FIRE DEPARTMENT
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$75	\$53	\$55	\$56	\$56	\$57	\$58
5100	Supplies	\$343	\$343	\$359	\$378	\$401	\$430	\$462
5300	Services	\$460	\$447	\$458	\$469	\$483	\$498	\$515
5500	Capital Outlay	\$25	\$291	\$297	\$303	\$311	\$320	\$330
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$903	\$1,134	\$1,169	\$1,206	\$1,251	\$1,305	\$1,365

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year	(\$21,974)				(\$21,974)		
5215	Mowing and Pest control in other department budgets		(\$9,500)			(\$9,500)		
5225	Vehicle Maintenance is taking care of all generator maintenance now.		(\$3,500)			(\$3,500)		
5327	Increase lease fees for 100% Funding of Motor Pool Fund and include Fire trucks		\$265,327			\$265,327		
Total		(\$21,974)	\$252,327	\$0	\$0	\$230,353	\$903,145	\$1,133,498

**GENERAL FUND - DRILL FIELD
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5100	Supplies	\$29	\$29	\$30	\$31	\$33	\$34	\$36
5300	Services	\$24	\$18	\$19	\$19	\$20	\$20	\$21
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$53	\$47	\$49	\$50	\$53	\$54	\$57

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One- Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
5215	Mowing and Pest control in other department budgets		(\$2,750)			(\$2,750)		
5333	Insurance in non-departmental budget		(\$3,200)			(\$3,200)		
Total		\$0	(\$5,950)	\$0	\$0	(\$5,950)	\$53,200	\$47,250

**GENERAL FUND - EMS
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$1,649	\$1,832	\$1,856	\$1,881	\$1,908	\$1,937	\$1,967
5100	Supplies	\$174	\$174	\$183	\$192	\$204	\$219	\$235
5300	Services	\$277	\$277	\$284	\$291	\$300	\$311	\$321
5500	Capital Outlay	\$70	\$109	\$111	\$113	\$116	\$119	\$123
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$2,170	\$2,392	\$2,434	\$2,477	\$2,528	\$2,586	\$2,646

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One- Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior and full year of paramedics, previously funded at 6 mo. Includes Vacancy Savings of (\$37,384).	\$183,150				\$183,150		
5327	Increase lease fees for 100% funding of Motor Pool Fund		\$38,623			\$38,623		
Total		\$183,150	\$38,623	\$0	\$0	\$221,773	\$2,169,606	\$2,391,379

**GENERAL FUND - EMERGENCY MANAGEMENT
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$287	\$139	\$140	\$142	\$144	\$146	\$148
5100	Supplies	\$16	\$16	\$16	\$17	\$18	\$19	\$19
5300	Services	\$39	\$39	\$40	\$41	\$42	\$44	\$46
5500	Capital Outlay	\$4	\$9	\$9	\$10	\$10	\$10	\$10
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$345	\$203	\$205	\$210	\$214	\$219	\$223

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One- Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year	(\$148,391)				(\$148,391)		
5327	Increase lease fees for 100% funding of Motor Pool Fund		\$5,178			\$5,178		
Total		(\$148,391)	\$5,178	\$0	\$0	(\$143,213)	\$345,418	\$202,205

**GENERAL FUND - LIBRARY
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$1,809	\$1,769	\$1,792	\$1,815	\$1,840	\$1,866	\$1,894
5100	Supplies	\$239	\$268	\$274	\$281	\$289	\$299	\$310
5300	Services	\$123	\$123	\$125	\$128	\$131	\$135	\$139
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$2,170	\$2,160	\$2,191	\$2,224	\$2,260	\$2,300	\$2,343

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One- Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year.	\$15,340				\$15,340		
5137	Lone Star Grant		\$27,530			\$27,530		
5119	Lone Star Grant		\$2,000			\$2,000		
Various	Vacancy Savings	(\$54,726)				(\$54,726)		
Total		(\$39,386)	\$29,530	\$0	\$0	(\$9,856)	\$2,170,221	\$2,160,365

**GENERAL FUND - FACILITIES MAINTENANCE
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$515	\$478	\$487	\$498	\$509	\$520	\$532
5100	Supplies	\$102	\$102	\$105	\$108	\$113	\$118	\$124
5300	Services	\$1,264	\$1,194	\$1,245	\$1,303	\$1,373	\$1,461	\$1,556
5500	Capital Outlay	\$1	\$5	\$5	\$5	\$5	\$6	\$6
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$1,882	\$1,779	\$1,842	\$1,914	\$2,000	\$2,105	\$2,218

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year. Includes Vacancy Savings of (\$9,750).	(\$37,324)				(\$37,324)		
5215	Building & Ground Maint		(\$70,000)			(\$70,000)		
5327	Motor Pool Lease Fees		\$3,542			\$3,542		
Total		(\$37,324)	(\$66,458)	\$0	\$0	(\$103,782)	\$1,881,789	\$1,778,007

**GENERAL FUND - PARKS OPERATIONS
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$694	\$762	\$775	\$869	\$885	\$902	\$920
5100	Supplies	\$127	\$127	\$132	\$198	\$206	\$215	\$225
5300	Services	\$181	\$190	\$194	\$262	\$268	\$275	\$282
5500	Capital Outlay	\$36	\$68	\$69	\$106	\$73	\$75	\$77
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$1,037	\$1,147	\$1,170	\$1,435	\$1,432	\$1,467	\$1,504

Mandates & Commitments:			FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
Eastern Regional Park			\$0	\$238,200	\$203,200	\$203,200	\$203,200

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year and to move Museum employees. Includes Vacancy Savings of (\$15,554).	\$68,600				\$68,600		
5327	Increase lease fees for 100% funding of Motor Pool Fund		\$40,306			\$40,306		
Total		\$68,600	\$40,306	\$0	\$0	\$108,906	\$1,037,407	\$1,146,313

**GENERAL FUND - BUTLER LONGHORN MUSEUM
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$97	\$0	\$0	\$0	\$0	\$0	\$0
5100	Supplies	\$8	\$0	\$0	\$0	\$0	\$0	\$0
5300	Services	\$125	\$75	\$77	\$78	\$80	\$83	\$85
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$230	\$75	\$77	\$78	\$80	\$83	\$85

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Remove Budget For Museum from 2010		(\$226,629)			(\$226,629)		
5305	Payment to Friends of Museum		\$71,500			\$71,500		
Total		\$0	(\$155,129)	\$0	\$0	(\$155,129)	\$230,129	\$75,000

**GENERAL FUND - PARKS PLANNING
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$198	\$272	\$275	\$278	\$281	\$285	\$288
5100	Supplies	\$4	\$4	\$4	\$4	\$4	\$5	\$5
5300	Services	\$49	\$49	\$50	\$51	\$52	\$54	\$55
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$251	\$325	\$329	\$333	\$337	\$344	\$348

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Moving of employees from Museum to Parks Planning	\$73,935				\$73,935		
Total		\$73,935	\$0	\$0	\$0	\$73,935	\$251,219	\$325,154

**GENERAL FUND - PARKS RECREATION
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$399	\$385	\$389	\$755	\$760	\$766	\$773
5100	Supplies	\$85	\$85	\$87	\$151	\$164	\$172	\$175
5300	Services	\$188	\$188	\$192	\$472	\$490	\$503	\$509
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$672	\$658	\$668	\$1,378	\$1,414	\$1,441	\$1,457

Mandates & Commitments:			FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
	Eastern Regional Park		\$0	\$699,000	\$722,100	\$733,650	\$733,650

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustment to Personnel to annualize prior year. Includes Vacancy Savings of (\$3,889).	(\$14,066)				(\$14,066)		
Total		(\$14,066)	\$0	\$0	\$0	(\$14,066)	\$672,043	\$657,977

**GENERAL FUND - SPORTSPLEX OPERATIONS
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$222	\$212	\$217	\$222	\$227	\$233	\$239
5100	Supplies	\$77	\$77	\$80	\$83	\$87	\$92	\$98
5300	Services	\$80	\$55	\$56	\$58	\$59	\$61	\$63
5500	Capital Outlay	\$10	\$16	\$17	\$17	\$18	\$18	\$19
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$388	\$360	\$370	\$380	\$391	\$404	\$419

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year	(\$9,896)				(\$9,896)		
5240	Replace Scoreboards		(\$25,000)			(\$25,000)		
5327	Increase lease fees for 100% funding of Motor Pool Fund		\$6,406			\$6,406		
Total		(\$9,896)	(\$18,594)	\$0	\$0	(\$28,490)	\$388,104	\$359,614

**GENERAL FUND - SPORTSPLEX RECREATION
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$98	\$96	\$97	\$99	\$100	\$101	\$103
5100	Supplies	\$62	\$63	\$64	\$65	\$67	\$69	\$71
5300	Services	\$53	\$53	\$55	\$56	\$57	\$59	\$60
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$213	\$212	\$216	\$220	\$224	\$229	\$234

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year	(\$1,639)				(\$1,639)		
Total		(\$1,639)	\$0	\$0	\$0	(\$1,639)	\$213,488	\$211,849

**GENERAL FUND - PUBLIC WORKS ADMINISTRATION
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$108	\$124	\$124	\$125	\$125	\$126	\$126
5100	Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300	Services	\$2,753	\$2,753	\$2,847	\$2,944	\$3,044	\$3,147	\$3,254
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$2,862	\$2,877	\$2,971	\$3,069	\$3,169	\$3,273	\$3,380

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year	\$15,288				\$15,288		
Total		\$15,288	\$0	\$0	\$0	\$15,288	\$2,861,533	\$2,876,821

**GENERAL FUND - ENGINEERING
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$1,175	\$1,075	\$1,091	\$1,107	\$1,125	\$1,143	\$1,163
5100	Supplies	\$17	\$17	\$17	\$18	\$19	\$20	\$21
5300	Services	\$1,029	\$103	\$105	\$108	\$111	\$114	\$118
5500	Capital Outlay	\$6	\$14	\$14	\$14	\$15	\$15	\$16
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$2,226	\$1,209	\$1,227	\$1,247	\$1,270	\$1,292	\$1,318

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to personnel to annualize prior year. Includes Vacancy Savings of (\$21,948).	(\$99,322)				(\$99,322)		
5305	Drainage contract and maintenance		(\$950,000)			(\$950,000)		
5310	NPDES public program		\$24,085			\$24,085		
5327	Increase lease fees for 100% funding of Motor Pool Fund		\$8,009			\$8,009		
Total		(\$99,322)	(\$917,906)	\$0	\$0	(\$1,017,228)	\$2,225,947	\$1,208,719

**GENERAL FUND - STREETS AND DRAINAGE
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$2,173	\$2,000	\$2,242	\$2,290	\$2,341	\$2,396	\$2,454
5100	Supplies	\$519	\$518	\$705	\$739	\$779	\$829	\$884
5300	Services	\$1,243	\$1,133	\$1,286	\$1,335	\$1,392	\$1,463	\$1,539
5500	Capital Outlay	\$239	\$365	\$373	\$381	\$390	\$402	\$414
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$4,174	\$4,016	\$4,606	\$4,745	\$4,902	\$5,090	\$5,291

Mandates & Commitments:		FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
	Traffic Signal Maintenance	\$ 475,000	\$ 485,450	\$ 497,586	\$ 512,514	\$ 527,889

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to personnel to annualize prior year	(\$67,387)				(\$67,387)		
Various	Vacancy Savings	(\$105,280)				(\$105,280)		
5305	School Zone Lights		(\$112,050)			(\$112,050)		
5327	Increase lease fees for 100% funding of Motor Pool Fund		\$125,805			\$125,805		
Total		(\$172,667)	\$13,755	\$0	\$0	(\$158,912)	\$4,174,002	\$4,015,090

DEBT SERVICE FUND DETAIL

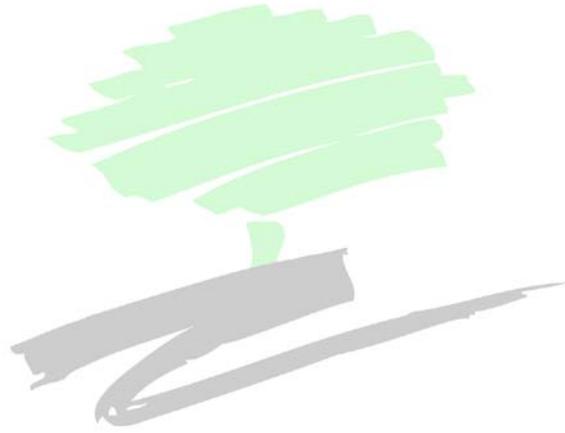


**DEBT SERVICE FUND FORECAST
PROJECTIONS FY 2011 TO FY 2034
(\$ THOUSANDS)**

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
REVENUE													
Property Taxes	\$11,549	\$11,930	\$12,324	\$12,731	\$13,151	\$13,585	\$13,985	\$14,404	\$14,836	\$15,280	\$15,739	\$16,211	\$16,696
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	\$44	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
TOTAL REVENUE	\$11,593	\$11,980	\$12,374	\$12,781	\$13,201	\$13,635	\$14,035	\$14,454	\$14,886	\$15,330	\$15,789	\$16,261	\$16,746
EXPENSE													
Transfers													
MUD Property Tax Rebates	\$3,563	\$3,412	\$3,236	\$3,332	\$3,395	\$2,014	\$2,014	\$2,076	\$1,404	\$1,442	\$1,163	\$1,198	\$1,232
TIRZ Property Tax Increment	\$1,078	\$1,159	\$1,220	\$1,272	\$1,325	\$1,381	\$1,435	\$1,491	\$1,549	\$1,111	\$1,155	\$1,200	\$864
Subtotal MUD's/TIRZ's	\$4,641	\$4,571	\$4,456	\$4,604	\$4,720	\$3,395	\$3,449	\$3,567	\$2,953	\$2,553	\$2,318	\$2,398	\$2,096
Current Debt Service													
Interest	\$2,832	\$2,734	\$2,556	\$2,376	\$2,195	\$2,039	\$1,914	\$1,791	\$1,660	\$1,520	\$1,374	\$1,231	\$1,093
Principal	\$4,526	\$4,308	\$4,420	\$4,310	\$4,249	\$3,352	\$3,249	\$3,344	\$3,448	\$3,547	\$3,662	\$3,210	\$3,335
Subtotal Current Debt Service	\$7,358	\$7,042	\$6,976	\$6,686	\$6,444	\$5,391	\$5,163	\$5,135	\$5,108	\$5,067	\$5,036	\$4,441	\$4,428
Subtotal Current Expense	\$11,999	\$11,613	\$11,432	\$11,290	\$11,164	\$8,786	\$8,612	\$8,702	\$8,061	\$7,620	\$7,354	\$6,839	\$6,524
Future Debt Service (POTENTIAL)													
Interest	\$0	\$326	\$664	\$1,014	\$1,353	\$1,682	\$2,000	\$2,306	\$2,597	\$2,872	\$3,130	\$3,002	\$2,865
Principal	\$0	\$340	\$686	\$1,038	\$1,397	\$1,762	\$2,135	\$2,515	\$2,903	\$3,299	\$3,703	\$3,776	\$3,852
Subtotal Future Debt Service	\$0	\$666	\$1,350	\$2,052	\$2,750	\$3,444	\$4,135	\$4,821	\$5,500	\$6,171	\$6,833	\$6,778	\$6,717
TOTAL EXPENSE	\$11,999	\$12,279	\$12,782	\$13,342	\$13,914	\$12,230	\$12,747	\$13,523	\$13,561	\$13,791	\$14,187	\$13,617	\$13,241
Revenue Over/(Under) Expense	(\$406)	(\$299)	(\$408)	(\$561)	(\$713)	\$1,405	\$1,288	\$931	\$1,325	\$1,539	\$1,602	\$2,644	\$3,505
Beginning Fund Balance	\$2,464	\$2,058	\$1,759	\$1,351	\$790	\$77	\$1,482	\$2,770	\$3,701	\$5,026	\$6,565	\$8,167	\$10,811
Ending Fund Balance	\$2,058	\$1,759	\$1,351	\$790	\$77	\$1,482	\$2,770	\$3,701	\$5,026	\$6,565	\$8,167	\$10,811	\$14,316
ASSUMPTIONS													
Assessed Value (\$millions)	\$5,230.9	\$5,403.6	\$5,582.0	\$5,766.3	\$5,956.6	\$6,153.1	\$6,337.7	\$6,527.8	\$6,723.6	\$6,925.3	\$7,133.1	\$7,347.1	\$7,567.5
Debt Service Tax Rate	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129
Over 65 Tax Freeze Pct Loss	0.200%	0.202%	0.204%	0.206%	0.208%	0.210%	0.212%	0.214%	0.216%	0.218%	0.220%	0.222%	0.224%
Property Tax Growth		3.3%	3.3%	3.3%	3.3%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
TIRZ Increment Growth		7.5%	5.3%	4.3%	4.2%	4.2%	3.9%	3.9%	3.9%	-28.3%	4.0%	3.9%	-28.0%
Future Bond Issue		\$8,300	\$8,300	\$8,300	\$8,300	\$8,300	\$8,300	\$8,300	\$8,300	\$8,300	\$8,300	\$8,300	\$8,300
Interest Rate Diff with FY10		0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
MUD Payment Detail													
South Shore #3	\$445	\$220	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Countryside	\$438	\$453	\$468	\$483	\$499	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
South Shore #6	\$476	\$492	\$508	\$525	\$542	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
County # 15	\$117	\$121	\$83	\$86	\$44	\$46	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meadowbend	\$599	\$619	\$640	\$661	\$683	\$311	\$325	\$338	\$0	\$0	\$0	\$0	\$0
Brittany Bay	\$289	\$298	\$308	\$319	\$329	\$340	\$350	\$361	\$0	\$0	\$0	\$0	\$0
South Shore #2	\$456	\$441	\$436	\$439	\$452	\$443	\$439	\$450	\$449	\$458	\$150	\$154	\$157
The Landing	\$743	\$768	\$793	\$819	\$846	\$874	\$900	\$927	\$955	\$984	\$1,013	\$1,044	\$1,075
MUD Totals	\$3,563	\$3,412	\$3,236	\$3,332	\$3,395	\$2,014	\$2,014	\$2,076	\$1,404	\$1,442	\$1,163	\$1,198	\$1,232
TIRZ Payment (Debt Service Only)													
#1 - Magnolia Creek	\$351	\$365	\$380	\$396	\$412	\$429	\$445	\$462	\$480	\$0	\$0	\$0	\$0
#2 - Saddle Creek	\$522	\$544	\$568	\$592	\$618	\$644	\$670	\$696	\$724	\$753	\$782	\$813	\$845
#3 - Centerpointe	\$194	\$238	\$260	\$271	\$282	\$294	\$305	\$317	\$329	\$342	\$355	\$369	\$0
#4 - West Oaks	\$12	\$12	\$13	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$17	\$18	\$18
TIRZ Totals	\$1,079	\$1,159	\$1,221	\$1,272	\$1,326	\$1,381	\$1,435	\$1,490	\$1,549	\$1,111	\$1,154	\$1,200	\$863
Future Debt Service Schedules													
Interest													
FY2011		\$326	\$317	\$308	\$299	\$290	\$281	\$271	\$258	\$244	\$229	\$213	\$196
FY2012			\$347	\$338	\$328	\$318	\$308	\$298	\$287	\$273	\$258	\$242	\$225
FY2013				\$368	\$358	\$348	\$337	\$326	\$315	\$303	\$288	\$272	\$255
FY2014					\$368	\$358	\$348	\$337	\$326	\$315	\$303	\$288	\$272
FY2015						\$368	\$358	\$348	\$337	\$326	\$315	\$303	\$288
FY2016							\$368	\$358	\$348	\$337	\$326	\$315	\$303
FY2017								\$368	\$358	\$348	\$337	\$326	\$315
FY2018									\$368	\$358	\$348	\$337	\$326
FY2019										\$368	\$358	\$348	\$337
FY2020											\$368	\$358	\$348
Subtotal Interest		\$326	\$664	\$1,014	\$1,353	\$1,682	\$2,000	\$2,306	\$2,597	\$2,872	\$3,130	\$3,002	\$2,865
Principal													
FY2011		\$340	\$346	\$352	\$359	\$365	\$373	\$380	\$388	\$396	\$404	\$413	\$422
FY2012			\$340	\$346	\$352	\$359	\$365	\$373	\$380	\$388	\$396	\$404	\$413
FY2013				\$340	\$346	\$352	\$359	\$365	\$373	\$380	\$388	\$396	\$404
FY2014					\$340	\$346	\$352	\$359	\$365	\$373	\$380	\$388	\$396
FY2015						\$340	\$346	\$352	\$359	\$365	\$373	\$380	\$388
FY2016							\$340	\$346	\$352	\$359	\$365	\$373	\$380
FY2017								\$340	\$346	\$352	\$359	\$365	\$373
FY2018									\$340	\$346	\$352	\$359	\$365
FY2019										\$340	\$346	\$352	\$359
FY2020											\$340	\$346	\$352
Subtotal Principal		\$340	\$686	\$1,038	\$1,397	\$1,762	\$2,135	\$2,515	\$2,903	\$3,299	\$3,703	\$3,776	\$3,852
Total by Year													
FY2011		\$666	\$663	\$660	\$658	\$655	\$654	\$651	\$646	\$640	\$633	\$626	\$618
FY2012			\$687	\$684	\$680	\$677	\$673	\$671	\$667	\$661	\$654	\$646	\$638
FY2013				\$708	\$704	\$700	\$696	\$691	\$688	\$683	\$676	\$668	\$659
FY2014					\$708	\$704	\$700	\$696	\$691	\$688	\$683	\$676	\$668
FY2015						\$708	\$704	\$700	\$696	\$691	\$688	\$683	\$676
FY2016							\$708	\$704	\$700	\$696	\$691	\$688	\$683
FY2017								\$708	\$704	\$700	\$696	\$691	\$688
FY2018									\$708	\$704	\$700	\$696	\$691
FY2019										\$708	\$704	\$700	\$696
FY2020											\$708	\$704	\$700
Subtotal by Year		\$666	\$1,350	\$2,052	\$2,750	\$3,444	\$4,135	\$4,821	\$5,500	\$6,171	\$6,833	\$6,778	\$6,717

**DEBT SERVICE FUND FORECAST
PROJECTIONS FY 2011 TO FY 2034
(\$ THOUSANDS)**

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
REVENUE												
Property Taxes	\$17,197	\$17,712	\$18,243	\$18,790	\$19,354	\$19,934	\$20,531	\$21,147	\$21,781	\$22,434	\$23,107	\$23,799
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
TOTAL REVENUE	\$17,247	\$17,762	\$18,293	\$18,840	\$19,404	\$19,984	\$20,581	\$21,197	\$21,831	\$22,484	\$23,157	\$23,849
EXPENSE												
Transfers												
MUD Property Tax Rebates	\$1,107	\$865	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIRZ Property Tax Increment	\$897	\$933	\$969	\$21	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$29
Subtotal MUD's/TIRZ's	\$2,004	\$1,798	\$969	\$21	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$29
Current Debt Service												
Interest	\$947	\$805	\$668	\$539	\$425	\$315	\$206	\$126	\$83	\$51	\$17	\$0
Principal	\$3,455	\$3,050	\$3,145	\$2,675	\$2,410	\$2,500	\$2,370	\$1,230	\$720	\$750	\$785	\$0
Subtotal Current Debt Service	\$4,402	\$3,855	\$3,813	\$3,214	\$2,835	\$2,815	\$2,576	\$1,356	\$803	\$801	\$802	\$0
Subtotal Current Expense	\$6,406	\$5,653	\$4,782	\$3,235	\$2,857	\$2,838	\$2,600	\$1,381	\$829	\$828	\$830	\$29
Future Debt Service (POTENTIAL)												
Interest	\$2,718	\$2,562	\$2,395	\$2,216	\$2,024	\$1,822	\$1,610	\$1,387	\$1,154	\$937	\$739	\$562
Principal	\$3,932	\$4,015	\$4,103	\$4,194	\$4,290	\$4,389	\$4,493	\$4,604	\$4,191	\$3,769	\$3,337	\$2,895
Subtotal Future Debt Service	\$6,650	\$6,577	\$6,498	\$6,410	\$6,314	\$6,211	\$6,103	\$5,991	\$5,345	\$4,706	\$4,076	\$3,457
TOTAL EXPENSE	\$13,056	\$12,230	\$11,280	\$9,645	\$9,171	\$9,049	\$8,703	\$7,372	\$6,174	\$5,534	\$4,906	\$3,486
Revenue Over/(Under) Expense	\$4,191	\$5,532	\$7,013	\$9,195	\$10,233	\$11,878	\$13,825	\$15,657	\$16,950	\$18,251	\$20,363	\$20,363
Beginning Fund Balance	\$14,316	\$18,507	\$24,039	\$31,052	\$40,247	\$50,480	\$61,415	\$73,293	\$87,118	\$102,775	\$119,725	\$137,976
Ending Fund Balance	\$18,507	\$24,039	\$31,052	\$40,247	\$50,480	\$61,415	\$73,293	\$87,118	\$102,775	\$119,725	\$137,976	\$158,339
ASSUMPTIONS												
Assessed Value (\$millions)	\$7,794.5	\$8,028.3	\$8,269.1	\$8,517.2	\$8,772.7	\$9,035.9	\$9,307.0	\$9,586.2	\$9,873.8	\$10,170.0	\$10,475.1	\$10,789.4
Debt Service Tax Rate	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129	\$0.221129
Over 65 Tax Freeze Pct Loss	0.226%	0.228%	0.230%	0.232%	0.234%	0.236%	0.238%	0.240%	0.242%	0.244%	0.246%	0.248%
Property Tax Growth	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
TIRZ Increment Growth	3.8%	4.0%	3.9%	-97.8%	4.8%	4.5%	4.3%	4.2%	4.0%	3.8%	3.7%	3.6%
Future Bond Issue												
Interest Rate Diff with FY10												
MUD Payment Detail												
South Shore #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Countryside	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
South Shore #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
County # 15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meadowbend	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Brittany Bay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
South Shore #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
The Landing	\$1,107	\$865	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MUD Totals	\$1,107	\$865	\$0									
TIRZ Payment (Debt Service Only)												
#1 - Magnolia Creek	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
#2 - Saddle Creek	\$879	\$913	\$949	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
#3 - Centerpointe	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
#4 - West Oaks	\$19	\$20	\$21	\$21	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$0
TIRZ Totals	\$898	\$933	\$970	\$21	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$0
Future Debt Service Schedules												
Interest												
FY2011	\$178	\$160	\$140	\$120	\$98	\$75	\$51	\$26				
FY2012	\$207	\$188	\$169	\$148	\$126	\$103	\$79	\$53	\$27			
FY2013	\$237	\$218	\$198	\$177	\$155	\$132	\$108	\$83	\$56	\$28		
FY2014	\$255	\$237	\$218	\$198	\$177	\$155	\$132	\$108	\$83	\$56	\$28	
FY2015	\$272	\$255	\$237	\$218	\$198	\$177	\$155	\$132	\$108	\$83	\$56	\$28
FY2016	\$288	\$272	\$255	\$237	\$218	\$198	\$177	\$155	\$132	\$108	\$83	\$56
FY2017	\$303	\$288	\$272	\$255	\$237	\$218	\$198	\$177	\$155	\$132	\$108	\$83
FY2018	\$315	\$303	\$288	\$272	\$255	\$237	\$218	\$198	\$177	\$155	\$132	\$108
FY2019	\$326	\$315	\$303	\$288	\$272	\$255	\$237	\$218	\$198	\$177	\$155	\$132
FY2020	\$337	\$326	\$315	\$303	\$288	\$272	\$255	\$237	\$218	\$198	\$177	\$155
Subtotal Interest	\$2,718	\$2,562	\$2,395	\$2,216	\$2,024	\$1,822	\$1,610	\$1,387	\$1,154	\$937	\$739	\$562
Principal												
FY2011	\$432	\$442	\$453	\$464	\$476	\$487	\$500	\$515				
FY2012	\$422	\$432	\$442	\$453	\$464	\$476	\$487	\$500	\$515			
FY2013	\$413	\$422	\$432	\$442	\$453	\$464	\$476	\$487	\$500	\$515		
FY2014	\$404	\$413	\$422	\$432	\$442	\$453	\$464	\$476	\$487	\$500	\$515	
FY2015	\$396	\$404	\$413	\$422	\$432	\$442	\$453	\$464	\$476	\$487	\$500	\$515
FY2016	\$388	\$396	\$404	\$413	\$422	\$432	\$442	\$453	\$464	\$476	\$487	\$500
FY2017	\$380	\$388	\$396	\$404	\$413	\$422	\$432	\$442	\$453	\$464	\$476	\$487
FY2018	\$373	\$380	\$388	\$396	\$404	\$413	\$422	\$432	\$442	\$453	\$464	\$476
FY2019	\$365	\$373	\$380	\$388	\$396	\$404	\$413	\$422	\$432	\$442	\$453	\$464
FY2020	\$359	\$365	\$373	\$380	\$388	\$396	\$404	\$413	\$422	\$432	\$442	\$453
Subtotal Principal	\$3,932	\$4,015	\$4,103	\$4,194	\$4,290	\$4,389	\$4,493	\$4,604	\$4,191	\$3,769	\$3,337	\$2,895
Total by Year												
FY2011	\$610	\$602	\$593	\$584	\$574	\$562	\$551	\$541				
FY2012	\$629	\$620	\$611	\$601	\$590	\$579	\$566	\$553	\$542			
FY2013	\$650	\$640	\$630	\$619	\$608	\$596	\$584	\$570	\$556	\$543		
FY2014	\$659	\$650	\$640	\$630	\$619	\$608	\$596	\$584	\$570	\$556	\$543	
FY2015	\$668	\$659	\$650	\$640	\$630	\$619	\$608	\$596	\$584	\$570	\$556	\$543
FY2016	\$676	\$668	\$659	\$650	\$640	\$630	\$619	\$608	\$596	\$584	\$570	\$556
FY2017	\$683	\$676	\$668	\$659	\$650	\$640	\$630	\$619	\$608	\$596	\$584	\$570
FY2018	\$688	\$683	\$676	\$668	\$659	\$650	\$640	\$630	\$619	\$608	\$596	\$584
FY2019	\$691	\$688	\$683	\$676	\$668	\$659	\$650	\$640	\$630	\$619	\$608	\$596
FY2020	\$696	\$691	\$688	\$683	\$676	\$668	\$659	\$650	\$640	\$630	\$619	\$608
Subtotal by Year	\$6,650	\$6,577	\$6,498	\$6,410	\$6,314	\$6,211	\$6,103	\$5,991	\$5,345	\$4,706	\$4,076	\$3,457



LEAGUE CITY

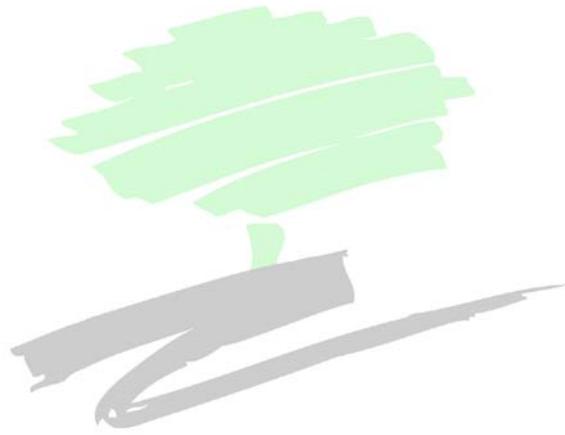
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UTILITY FUND ADJUSTMENTS



City of League City Long Range Financial Forecast Adjustments & Notes Utility Fund										Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base	Base Over/(Under) Budget	Difference		
Public Works Admin.																				
5001	Salaries	(\$4,502)								(\$4,502)										
5009	Certificate Pay	(\$4,800)								(\$4,800)										
	Worker's Comp	(\$83)								(\$83)										
5014	Retirement	(\$10,440)								(\$10,440)										
5015	Longevity	(\$148)								(\$148)										
5016	FICA	(\$5,704)								(\$5,704)										
5018	Employee Insurance	(\$6,228)								(\$6,228)										
5020	Employee Allowance	(\$7,425)								(\$7,425)										
5025	Dependent Insurance	(\$5)								(\$5)										
5101	Office Supplies	(\$2,000)								(\$2,000)										
5194	Computer Equipment	(\$3,000)								(\$3,000)										
5305	Professional Fees	(\$5,000)								(\$5,000)										
5310	Memberships & Dues	(\$693)								(\$693)										
5311	Postage	(\$200)								(\$200)										
5337	Subscriptions	(\$390)								(\$390)										
5344	Training & Travel	(\$5,000)								(\$5,000)										
5352	Utilities - Telephone	(\$840)								(\$840)										
									\$0	\$0	\$0	\$0	\$0	\$272,102	\$135,644	(\$136,458)		\$0		
Utility Billing																				
Adjustments to Personnel to annualize prior year and merit.										(\$54,146)										
5119	Office Furniture	(\$625)								(\$625)										
5194	Computer Equip	(\$10,250)								(\$10,250)										
5305	Professional Fees	(\$25,000)								(\$25,000)										
5327	Motor Pool Lease Fees	\$5,367								\$5,367										
									(\$30,508)	\$0	\$0	\$0	\$0	\$1,586,390	\$1,501,736	(\$84,654)		(\$0)		
Water																				
Adjustments to Personnel to annualize prior year and merit.										(\$64,048)										
5119	Office Furniture	(\$8,000)								(\$8,000)										
5194	Computer Equip	(\$4,000)								(\$4,000)										
5305	Professional Fees	(\$300,000)								(\$300,000)										
5327	Motor Pool Lease Fees	\$6,873								\$6,873										
5352	Telephone	(\$140)								(\$140)										
5552	Autos & Trucks	(\$41,263)								(\$41,263)										
									(\$346,530)	\$0	\$0	\$0	\$0	\$4,844,698	\$4,434,120	(\$410,578)		(\$0)		



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UTILITY FUND DEPARTMENT DETAIL



**UTILITY FUND - PW ADMIN
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$241	\$122	\$122	\$123	\$123	\$124	\$124
5100	Supplies	\$0	\$2	\$2	\$2	\$2	\$2	\$2
5300	Services	\$24	\$12	\$12	\$13	\$13	\$14	\$14
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$272	\$136	\$136	\$137	\$138	\$139	\$140

Mandates & Commitment: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year and merit.	(\$119,335)				(\$119,335)		
Various	Remove cost of 2nd Director (supplies, equipment, etc)		(\$17,123)			(\$17,123)		
Total		(\$119,335)	(\$17,123)	\$0	\$0	(\$136,458)	\$272,102	\$135,644

**UTILITY FUND - UTILITY BILLING
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$707	\$653	\$664	\$677	\$690	\$703	\$718
5100	Supplies	\$358	\$348	\$2,175	\$3,372	\$974	\$439	\$472
5300	Services	\$509	\$484	\$689	\$827	\$580	\$535	\$552
5500	Capital Outlay	\$12	\$17	\$18	\$18	\$19	\$19	\$20
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$1,586	\$1,502	\$3,546	\$4,893	\$2,263	\$1,697	\$1,762

Mandates & Commitment:			FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
	Meter Change Program		\$2,005	\$3,308	\$627	\$0	\$0

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year and merit.	(\$54,146)				(\$54,146)		
5119	Remove replacement guest chairs		(\$625)			(\$625)		
5194	Remove supplemental for handheld mobile data collector		(\$10,250)			(\$10,250)		
5305	Portable Building		(\$25,000)			(\$25,000)		
5327	Increase funding of Motor Pool Lease fees to 100%		\$5,367			\$5,367		
Total		(\$54,146)	(\$30,508)	\$0	\$0	(\$84,654)	\$1,586,390	\$1,501,736

**UTILITY FUND - WATER PRODUCTION
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$1,306	\$1,242	\$1,263	\$1,284	\$1,307	\$1,332	\$1,358
5100	Supplies	\$79	\$67	\$70	\$118	\$82	\$88	\$94
5300	Services	\$3,373	\$3,067	\$3,234	\$3,703	\$3,919	\$4,172	\$4,442
5500	Capital Outlay	\$87	\$58	\$60	\$61	\$62	\$64	\$66
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$4,845	\$4,434	\$4,626	\$5,165	\$5,371	\$5,656	\$5,960

Mandates & Commitments:			FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
	Hwy 3 Pumping Station			\$328,900	\$297,450	\$306,256	\$315,327

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year	(\$64,048)				(\$64,048)		
5119	remove supplemental for office furniture		(\$8,000)			(\$8,000)		
5194	Remove computer purchases		(\$4,000)			(\$4,000)		
5305	CRF master plan/water distribution and design modeling		(\$300,000)			(\$300,000)		
5327	Increase funding of Motor Pool Lease fees to 100%		\$6,873			\$6,873		
5352	Air Card Purchase		(\$140)			(\$140)		
5552	Remove purchase of 2 new trucks		(\$41,263)			(\$41,263)		
Total		(\$64,048)	(\$346,530)	\$0	\$0	(\$410,578)	\$4,844,698	\$4,434,120

**UTILITY FUND - WASTEWATER
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$1,238	\$1,190	\$1,255	\$1,277	\$1,301	\$1,326	\$1,353
5100	Supplies	\$177	\$172	\$180	\$280	\$294	\$312	\$331
5300	Services	\$2,097	\$1,988	\$2,095	\$2,217	\$2,360	\$2,536	\$2,728
5500	Capital Outlay	\$43	\$56	\$57	\$59	\$60	\$62	\$64
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$3,554	\$3,407	\$3,588	\$3,833	\$4,015	\$4,236	\$4,476

Mandates & Commitments:			FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
	SWWRF		\$44,500	\$134,500	\$137,863	\$141,998	\$146,258

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year and merit.	(\$47,750)				(\$47,750)		
5171	Remove supplemental for refrigerator		(\$5,000)			(\$5,000)		
5215	Remove supplemental for DSWWTP HVAC improvements		(\$10,000)			(\$10,000)		
5240	Remove supplementals for CSWWTP Sand Filter media replacement; Mud #6 lift station pump rise replacement; Smith Ln. lift station pump riser replacement; Smith Ln odor control media replacement.		(\$59,000)			(\$59,000)		
5327	Increase funding of Motor Pool Lease fees to 100%		\$13,801			\$13,801		
5393	Remove supplemental for sludge removal DSWWTP		(\$45,000)			(\$45,000)		
Total		(\$47,750)	(\$105,199)	\$0	\$0	(\$152,949)	\$3,554,400	\$3,407,196

**UTILITY FUND - LINE REPAIR
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	\$2,035	\$1,979	\$2,016	\$2,053	\$2,093	\$2,136	\$2,181
5100	Supplies	\$118	\$103	\$109	\$115	\$122	\$131	\$140
5300	Services	\$689	\$689	\$705	\$722	\$742	\$766	\$791
5500	Capital Outlay	\$151	\$179	\$183	\$187	\$191	\$197	\$203
5600	Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$2,993	\$2,951	\$3,012	\$3,077	\$3,149	\$3,230	\$3,315

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
Various	Adjustments to Personnel to annualize prior year and merit.	(\$55,230)				(\$55,230)		
5125	Remove supplemental for service line camera and portable Generators		(\$14,500)			(\$14,500)		
5327	Increase funding of Motor Pool Lease fees to 100%		\$27,603			\$27,603		
Total		(\$55,230)	\$13,103	\$0	\$0	(\$42,127)	\$2,992,714	\$2,950,587

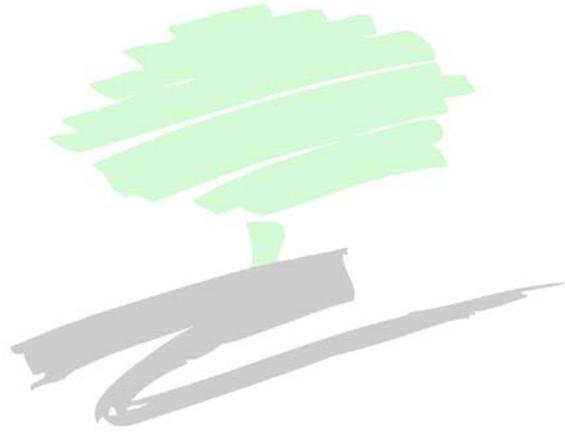
**UTILITY FUND - NON-DEPARTMENTAL
FY 2011-15 FORECAST
(\$THOUSANDS)**

Rounded to Thousands		FY2010 BUDGET	FY 2011 BASE	FY 2011 FORECAST	FY 2012 FORECAST	FY 2013 FORECAST	FY 2014 FORECAST	FY 2015 FORECAST
5000	Personnel Services	(\$190)	\$10	\$10	\$10	\$10	\$10	\$10
5100	Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300	Services	\$321	\$383	\$389	\$395	\$402	\$411	\$420
5500	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5600	Transfers	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
5600	Debt Service	\$10,254	\$9,204	\$9,204	\$9,149	\$8,948	\$9,418	\$8,891
5600	New Debt Service	\$0	\$0	\$785	\$1,585	\$2,402	\$3,211	\$4,011
Total		\$12,384	\$11,598	\$12,388	\$13,139	\$13,762	\$15,050	\$15,332

Mandates & Commitments: N/A

Multi Year Forecast Adjustments from FY2010 Budget to FY2011 Base in whole dollars:

Account	Description	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base
	Debt Service - Bring to FY2011 Payment Amount		(1,049,272)			(1,049,272)		
5333	Adjust Insurance Rates		62,771			62,771		
5008	Remove Attrition savings from the expenditure budget.	200,000				\$200,000		
Total		\$200,000	(\$986,501)	\$0	\$0	(\$786,501)	\$12,384,253	\$11,597,752



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UTILITY FUND DEBT SERVICE DETAIL

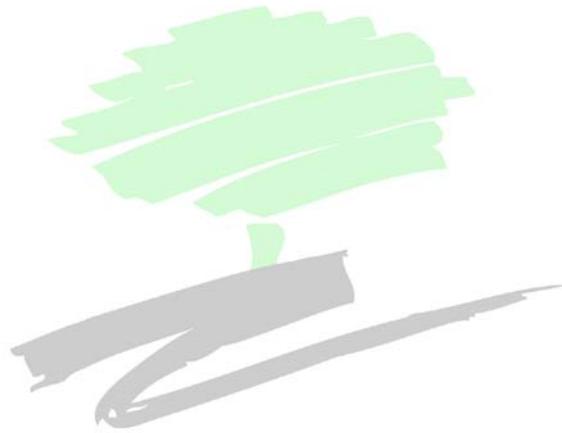


**UTILITY FUND DEBT SERVICE DETAIL
(\$THOUSANDS)**

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
REVENUE													
W/WW Revenue	\$10,251	\$10,702	\$11,151	\$11,653	\$12,154	\$12,652	\$13,082	\$13,527	\$13,987	\$14,463	\$14,955	\$15,463	\$15,989
TOTAL REVENUE	\$10,251	\$10,702	\$11,151	\$11,653	\$12,154	\$12,652	\$13,082	\$13,527	\$13,987	\$14,463	\$14,955	\$15,463	\$15,989
Revenue Growth Assumption		4.4%	4.2%	4.5%	4.3%	4.1%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
EXPENSE													
Current Debt Service													
Interest	\$4,582	\$4,027	\$3,809	\$3,593	\$3,371	\$3,149	\$2,939	\$2,737	\$2,541	\$2,345	\$2,151	\$1,959	\$1,771
Principal	\$5,669	\$5,177	\$5,340	\$5,355	\$6,046	\$5,743	\$5,421	\$5,096	\$4,962	\$4,823	\$4,683	\$4,540	\$4,390
Subtotal Current Debt Service	\$10,251	\$9,204	\$9,149	\$8,948	\$9,417	\$8,892	\$8,360	\$7,833	\$7,503	\$7,168	\$6,834	\$6,499	\$6,161
Future Debt Service													
Interest	\$0	\$416	\$841	\$1,276	\$1,696	\$2,100	\$2,487	\$2,856	\$3,205	\$3,533	\$3,840	\$3,663	\$3,479
Principal	\$0	\$369	\$744	\$1,126	\$1,515	\$1,911	\$2,315	\$2,727	\$3,147	\$3,576	\$4,014	\$4,093	\$4,176
Subtotal Future Debt Service	\$0	\$785	\$1,585	\$2,402	\$3,211	\$4,011	\$4,802	\$5,583	\$6,352	\$7,109	\$7,854	\$7,756	\$7,655
TOTAL EXPENSE	\$10,251	\$9,989	\$10,734	\$11,350	\$12,628	\$12,903	\$13,162	\$13,416	\$13,855	\$14,277	\$14,688	\$14,255	\$13,816
Revenue Over/(Under) Expense	\$0	\$713	\$417	\$303	(\$474)	(\$251)	(\$80)	\$111	\$132	\$186	\$267	\$1,208	\$2,173
Beginning Debt Service Balance	\$0	\$0	\$713	\$1,130	\$1,433	\$959	\$708	\$628	\$739	\$871	\$1,057	\$1,324	\$2,532
Ending Debt Service Balance	\$0	\$713	\$1,130	\$1,433	\$959	\$708	\$628	\$739	\$871	\$1,057	\$1,324	\$2,532	\$4,705
Future Bond Issue Amounts		\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000		
Interest Rate Difference with FY10 CO Sale		0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%		
Future Debt Service Schedules													
Interest													
FY2011		\$416	\$403	\$390	\$377	\$363	\$348	\$332	\$314	\$295	\$276	\$256	\$236
FY2012			\$438	\$424	\$410	\$396	\$381	\$365	\$348	\$329	\$309	\$289	\$268
FY2013				\$462	\$447	\$432	\$417	\$401	\$384	\$366	\$346	\$325	\$304
FY2014					\$462	\$447	\$432	\$417	\$401	\$384	\$366	\$346	\$325
FY2015						\$462	\$447	\$432	\$417	\$401	\$384	\$366	\$346
FY2016							\$462	\$447	\$432	\$417	\$401	\$384	\$366
FY2017								\$462	\$447	\$432	\$417	\$401	\$384
FY2018									\$462	\$447	\$432	\$417	\$401
FY2019										\$462	\$447	\$432	\$417
FY2020											\$462	\$447	\$432
Subtotal Interest		\$416	\$841	\$1,276	\$1,696	\$2,100	\$2,487	\$2,856	\$3,205	\$3,533	\$3,840	\$3,663	\$3,479
Principal													
FY2011		\$369	\$375	\$382	\$389	\$396	\$404	\$412	\$420	\$429	\$438	\$448	\$458
FY2012			\$369	\$375	\$382	\$389	\$396	\$404	\$412	\$420	\$429	\$438	\$448
FY2013				\$369	\$375	\$382	\$389	\$396	\$404	\$412	\$420	\$429	\$438
FY2014					\$369	\$375	\$382	\$389	\$396	\$404	\$412	\$420	\$429
FY2015						\$369	\$375	\$382	\$389	\$396	\$404	\$412	\$420
FY2016							\$369	\$375	\$382	\$389	\$396	\$404	\$412
FY2017								\$369	\$375	\$382	\$389	\$396	\$404
FY2018									\$369	\$375	\$382	\$389	\$396
FY2019										\$369	\$375	\$382	\$389
FY2020											\$369	\$375	\$382
Subtotal Principal		\$369	\$744	\$1,126	\$1,515	\$1,911	\$2,315	\$2,727	\$3,147	\$3,576	\$4,014	\$4,093	\$4,176
Total by Year													
FY2011		\$785	\$778	\$772	\$766	\$759	\$752	\$744	\$734	\$724	\$714	\$704	\$694
FY2012			\$807	\$799	\$792	\$785	\$777	\$769	\$760	\$749	\$738	\$727	\$716
FY2013				\$831	\$822	\$814	\$806	\$797	\$788	\$778	\$766	\$754	\$742
FY2014					\$831	\$822	\$814	\$806	\$797	\$788	\$778	\$766	\$754
FY2015						\$831	\$822	\$814	\$806	\$797	\$788	\$778	\$766
FY2016							\$831	\$822	\$814	\$806	\$797	\$788	\$778
FY2017								\$831	\$822	\$814	\$806	\$797	\$788
FY2018									\$831	\$822	\$814	\$806	\$797
FY2019										\$831	\$822	\$814	\$806
FY2020											\$831	\$822	\$814
Subtotal by Year		\$785	\$1,585	\$2,402	\$3,211	\$4,011	\$4,802	\$5,583	\$6,352	\$7,109	\$7,854	\$7,756	\$7,655

**UTILITY FUND DEBT SERVICE DETAIL
(\$THOUSANDS)**

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
REVENUE												
W/WW Revenue	\$16,533	\$17,095	\$17,676	\$18,277	\$18,898	\$19,541	\$20,205	\$20,892	\$21,602	\$22,336	\$23,095	\$23,880
TOTAL REVENUE	\$16,533	\$17,095	\$17,676	\$18,277	\$18,898	\$19,541	\$20,205	\$20,892	\$21,602	\$22,336	\$23,095	\$23,880
Revenue Growth Assumption	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
EXPENSE												
Current Debt Service												
Interest	\$1,588	\$1,408	\$1,228	\$1,049	\$873	\$702	\$568	\$471	\$372	\$269	\$164	\$55
Principal	\$4,235	\$4,080	\$3,920	\$3,755	\$3,590	\$3,420	\$1,910	\$1,965	\$2,020	\$2,080	\$2,140	\$2,205
Subtotal Current Debt Service	\$5,823	\$5,488	\$5,148	\$4,804	\$4,463	\$4,122	\$2,478	\$2,436	\$2,392	\$2,349	\$2,304	\$2,260
Future Debt Service												
Interest	\$3,286	\$3,084	\$2,873	\$2,650	\$2,417	\$2,174	\$1,920	\$1,655	\$1,378	\$1,120	\$884	\$673
Principal	\$4,263	\$4,354	\$4,449	\$4,548	\$4,652	\$4,760	\$4,873	\$4,994	\$4,546	\$4,088	\$3,619	\$3,139
Subtotal Future Debt Service	\$7,549	\$7,438	\$7,322	\$7,198	\$7,069	\$6,934	\$6,793	\$6,649	\$5,924	\$5,208	\$4,503	\$3,812
TOTAL EXPENSE	\$13,372	\$12,926	\$12,470	\$12,002	\$11,532	\$11,056	\$9,271	\$9,085	\$8,316	\$7,557	\$6,807	\$6,072
Revenue Over/(Under) Expense	\$3,161	\$4,169	\$5,206	\$6,275	\$7,366	\$8,485	\$10,934	\$11,807	\$13,286	\$14,779	\$16,288	\$17,808
Beginning Debt Service Balance	\$4,705	\$7,866	\$12,035	\$17,241	\$23,516	\$30,882	\$39,367	\$50,301	\$62,108	\$75,394	\$90,173	\$106,461
Ending Debt Service Balance	\$7,866	\$12,035	\$17,241	\$23,516	\$30,882	\$39,367	\$50,301	\$62,108	\$75,394	\$90,173	\$106,461	\$124,269
Future Bond Issue Amounts												
Interest Rate Difference with FY10 CC												
Future Debt Service Schedules												
Interest												
FY2011	\$214	\$192	\$169	\$144	\$118	\$90	\$61	\$31				
FY2012	\$247	\$224	\$201	\$176	\$150	\$123	\$93	\$63	\$32			
FY2013	\$282	\$260	\$236	\$211	\$185	\$158	\$130	\$99	\$67	\$34		
FY2014	\$304	\$282	\$260	\$236	\$211	\$185	\$158	\$130	\$99	\$67	\$34	
FY2015	\$325	\$304	\$282	\$260	\$236	\$211	\$185	\$158	\$130	\$99	\$67	\$34
FY2016	\$346	\$325	\$304	\$282	\$260	\$236	\$211	\$185	\$158	\$130	\$99	\$67
FY2017	\$366	\$346	\$325	\$304	\$282	\$260	\$236	\$211	\$185	\$158	\$130	\$99
FY2018	\$384	\$366	\$346	\$325	\$304	\$282	\$260	\$236	\$211	\$185	\$158	\$130
FY2019	\$401	\$384	\$366	\$346	\$325	\$304	\$282	\$260	\$236	\$211	\$185	\$158
FY2020	\$417	\$401	\$384	\$366	\$346	\$325	\$304	\$282	\$260	\$236	\$211	\$185
Subtotal Interest	\$3,286	\$3,084	\$2,873	\$2,650	\$2,417	\$2,174	\$1,920	\$1,655	\$1,378	\$1,120	\$884	\$673
Principal												
FY2011	\$469	\$480	\$491	\$503	\$516	\$528	\$542	\$559				
FY2012	\$458	\$469	\$480	\$491	\$503	\$516	\$528	\$542	\$559			
FY2013	\$448	\$458	\$469	\$480	\$491	\$503	\$516	\$528	\$542	\$559		
FY2014	\$438	\$448	\$458	\$469	\$480	\$491	\$503	\$516	\$528	\$542	\$559	
FY2015	\$429	\$438	\$448	\$458	\$469	\$480	\$491	\$503	\$516	\$528	\$542	\$559
FY2016	\$420	\$429	\$438	\$448	\$458	\$469	\$480	\$491	\$503	\$516	\$528	\$542
FY2017	\$412	\$420	\$429	\$438	\$448	\$458	\$469	\$480	\$491	\$503	\$516	\$528
FY2018	\$404	\$412	\$420	\$429	\$438	\$448	\$458	\$469	\$480	\$491	\$503	\$516
FY2019	\$396	\$404	\$412	\$420	\$429	\$438	\$448	\$458	\$469	\$480	\$491	\$503
FY2020	\$389	\$396	\$404	\$412	\$420	\$429	\$438	\$448	\$458	\$469	\$480	\$491
Subtotal Principal	\$4,263	\$4,354	\$4,449	\$4,548	\$4,652	\$4,760	\$4,873	\$4,994	\$4,546	\$4,088	\$3,619	\$3,139
Total by Year												
FY2011	\$683	\$672	\$660	\$647	\$634	\$618	\$603	\$590				
FY2012	\$705	\$693	\$681	\$667	\$653	\$639	\$621	\$605	\$591			
FY2013	\$730	\$718	\$705	\$691	\$676	\$661	\$646	\$627	\$609	\$593		
FY2014	\$742	\$730	\$718	\$705	\$691	\$676	\$661	\$646	\$627	\$609	\$593	
FY2015	\$754	\$742	\$730	\$718	\$705	\$691	\$676	\$661	\$646	\$627	\$609	\$593
FY2016	\$766	\$754	\$742	\$730	\$718	\$705	\$691	\$676	\$661	\$646	\$627	\$609
FY2017	\$778	\$766	\$754	\$742	\$730	\$718	\$705	\$691	\$676	\$661	\$646	\$627
FY2018	\$788	\$778	\$766	\$754	\$742	\$730	\$718	\$705	\$691	\$676	\$661	\$646
FY2019	\$797	\$788	\$778	\$766	\$754	\$742	\$730	\$718	\$705	\$691	\$676	\$661
FY2020	\$806	\$797	\$788	\$778	\$766	\$754	\$742	\$730	\$718	\$705	\$691	\$676
Subtotal by Year	\$7,549	\$7,438	\$7,322	\$7,198	\$7,069	\$6,934	\$6,793	\$6,649	\$5,924	\$5,208	\$4,503	\$3,812



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MOTOR POOL FUND ADJUSTMENTS



City of League City Long Range Financial Forecast Adjustments & Notes Motor Pool Fund									
	Personnel Adjustment	One-Time	Mandates	Amendments	Subtotal	FY 2010 Budget	FY 2011 Base	Base Over/(Under) Budget	Difference
Various	(2,355)				(2,355)				
5125		(13,000)			(13,000)				
	(2,355)	(13,000)	0	0	(15,355)	2,971,188	2,955,833	(15,355)	0

Adjustments to Personnel to annualize prior year and merit.
Replacement of Vicon Spreader placed here because it was not enough to capitalize but is included in replacement costs for future years.

Motor Pool Lease Fees in FY 2011 increased by 25% of previous years total to fund motor pool at 100% instead of 75% that was budgeted in FY 2010

Replacement Costs are actual per year based on Vehicle Maintenance Replacement Schedule averaged over 5 years.



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