



**CITY OF DICKINSON**  
**MULTI-YEAR FINANCIAL PLAN**  
**FY 2015 – FY 2019**

# CITY OF DICKINSON, TEXAS

## PRINCIPAL OFFICIALS

### Mayor

Julie Masters

### City Council

Position 1  
Position 2  
Position 3  
Position 4  
Position 5  
Position 6

Charles Suderman  
Bruce Henderson  
Walter Wilson  
Wally Deats  
Louis Decker  
William King III

### City Administrator

Julie M. Robinson

### City Secretary

Carolyn E. Anderson

### City Attorney

Donna L. Johnson, Olson & Olson

### Administrative Services Manager

Jessica Rogers

### Community Development Director

Zachary Meadows

### Court Administrator

Irma Rivera

### Police Chief

Ron Morales

### Fire Marshal

Lee Darrow

### Public Works Director

Kellis George

### Library Director

Vicki McCallister

### EMS Director

Derek Hunt

### Tourism & Museum Coordinator

Angela Forbes

**CITY OF DICKINSON  
MULTI-YEAR FINANCIAL PLAN  
FY 2015 – FY 2019**

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**CITY OF DICKINSON  
MULTI-YEAR FINANCIAL PLAN  
INTRODUCTION**

The City of Dickinson's Multi-Year Financial Plan is a roadmap for maintaining the fiscal health for the City. The Plan is designed to explore the City's current financial realities, analyze future financial circumstances, and provide direction on important policy issues facing the City of the next 5 years.

The Plan is a forward-thinking exercise that uses a given set of assumptions to develop financial scenarios. These assumptions allow the City to forecast future revenues and expenditures and prepare a plan of how to manage identifiable issues. Every year, as part of the budgeting process, the City Council makes financial policy decisions that can have impacts on revenues and expenditures in the future. However, the budget process is narrow, and focuses only on 1 given fiscal year. The Multi-Year Financial Plan utilizes these same policies, and places them in a long-term context, allowing the City to examine future impacts of current policies.

The process of developing the Multi-Year Financial Plan began in October 2011. Following the completion of the FY 2011-2012 budget development cycle, the City Council and City Administrator decided to pursue the development of long range forecasts. Staff compiled historical data from all of the City's major operating and capital funds, analyzed trends, measured policy impacts, and reviewed expected future development, economic conditions, and possible changes to City operations. During this period of analysis, City Staff reviewed their own operations and provided details on future needs and expectations to be included in the forecast.

In April 2014, the City Council began workshopping draft sections of the Multi-Year Financial Plan. The sections of the Plan addressed the major funds of the City, including the General Fund, Debt Service Fund, Municipal Utility Drainage Fund, and Street Maintenance Sales Tax Fund. Each section includes a brief analysis of the operations of the fund, the assumptions used in developing the forecast, the forecast data, and a plan to manage the fund over the forecast horizon. Policies set by City Council are included wherever appropriate.

The goal of the Multi-Year Financial Plan is to provide guidance to the City on financial matters and to design a framework through which to manage financial decisions. The Plan includes both revenue and expenditure forecasts, detailed assumptions, and a financial representation of the impact of policy decisions. By developing and utilizing this plan, the City has prepared itself to meet operational and fiscal needs, reduce the impact of unforeseen financial hardships, and move into the next 5 years in a strong financial position.

**CITY OF DICKINSON  
MULTI-YEAR FINANCIAL PLAN  
GENERAL FUND**

The General Fund is the principal operating fund for the City of Dickinson. Through the General Fund, the City manages revenues and expenditures for all general City functions that are not funded through a specifically designated revenue source and are not a business-type activity of the City.

Since the General Fund is the central fund of the City, a diversity of revenues flow into the fund and are allocated to a variety of departments and functions. Revenues include Property Taxes, Sales Taxes, Franchise Fees, License & Permit Fees, Charges for Service, and various Intergovernmental Grants and Transfers. General Fund expenditures include personnel and operational expenditures of a majority of City departments. Those departments include Administration, Finance, Community Development, Municipal Court, Law Enforcement, Fire Marshal, Emergency Management, Public Works, Information Technology, Library, Tourism and Museum Center, Emergency Medical Services, and Contractual and Government-Wide expenditures.

Revenues and expenditures in the General Fund are impacted by a variety of internal and external factors. Each of those factors creates challenges for future forecasts that must be addressed through assumptions about future conditions and those assumptions represent a given set of circumstances that the forecast is built around. The factors and assumptions are designed to create a representation of future financial conditions that are both realistic and conservative. The details of those factors are elaborated in each of the revenue and expenditure sections that follow.

The following page contains a summary of the revenue and expenditure forecasts for the General Fund. This shows the expected operating position of the City over the next 5 years. Based on the factors, assumptions and policies, the City's General Fund should remain solidly in a positive net operating position through Fiscal Year 2016-2017. Small deficits are shown in Fiscal Year 2017-2018 and Fiscal Year 2018-2019. As the City is dedicated to maintaining a positive net position, Staff will consistently review policies and processes that can increase revenue production and/or decrease expenditures to ensure that goal is met.

Details for each revenue source and department forecast shown in the summary chart are provided in the General Fund Revenues and General Fund Expenditures sections of the Multi-Year Financial Plan.

## GENERAL FUND FORECAST SUMMARY

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	Actuals	Budget	Forecast	Forecast	Forecast	Forecast
<b><u>Revenues</u></b>						
Property Tax	2,661,061	2,715,303	2,723,424	2,731,569	2,739,740	2,747,936
Sales Tax	7,986,680	8,513,801	8,684,077	8,857,759	9,034,914	9,215,612
Other Taxes	76,514	79,854	80,933	82,034	83,157	84,302
Franchise Fees	921,073	920,811	920,135	922,131	925,410	924,568
Licenses & Permits	401,994	325,792	341,721	356,502	341,338	346,521
Fines & Fees	726,176	784,400	789,898	761,556	766,766	778,618
Charges for Service	1,541,184	1,428,035	1,494,646	1,528,575	1,563,522	1,599,518
Miscellaneous	99,899	56,222	57,397	57,529	57,579	58,058
Intergovernmental	1,566,092	726,272	726,272	713,772	713,772	713,772
Transfers	19,500	15,000	15,000	15,000	15,000	15,000
<b>Total Revenues</b>	<b>16,000,172</b>	<b>15,565,490</b>	<b>15,833,503</b>	<b>16,026,428</b>	<b>16,241,198</b>	<b>16,483,904</b>
<b><u>Expenditures</u></b>						
Administration	1,364,232	467,917	482,962	502,225	510,433	543,846
Finance	182,724	197,617	200,464	208,632	212,341	221,361
Community Development	388,074	434,048	412,163	423,402	435,045	446,939
Municipal Court	263,562	271,171	277,933	285,093	292,522	300,159
Law Enforcement	3,233,928	3,658,864	3,775,764	3,890,441	4,013,279	4,140,627
Fire Marshal	169,622	195,670	190,610	196,912	201,458	207,162
Emergency Management	71,729	82,181	84,632	86,886	89,306	91,769
Public Works	571,005	575,937	589,672	602,419	621,900	638,395
Information Technology	297,345	281,709	284,719	287,814	290,995	294,265
Library	327,219	362,930	357,744	371,809	386,796	402,708
Tourism & Museum	81,167	87,458	89,883	92,584	95,397	98,292
EMS	728,911	745,615	773,948	797,591	822,803	848,915
Contractual & Govt-Wide	7,785,019	7,800,653	7,956,340	8,114,614	8,273,222	8,438,124
<b>Total Expenditures</b>	<b>15,464,537</b>	<b>15,161,770</b>	<b>15,476,835</b>	<b>15,860,421</b>	<b>16,245,497</b>	<b>16,672,561</b>
<b>Expected Surplus (Deficit)</b>	<b>535,635</b>	<b>403,721</b>	<b>356,667</b>	<b>166,007</b>	<b>(4,299)</b>	<b>(188,657)</b>

## **General Fund Revenue Summary**

The General Fund revenues account for all of the funds coming into the General Fund from a variety of sources. General Fund revenues include Property Taxes, Sales Taxes, Franchise Fees, License and Permit Fees, Court Fines and Fees, Charges for Service, Interest Income, Intergovernmental Grants, Transfers, and some miscellaneous revenues. These revenues flow into the General Fund because they are not designated for a specific purpose, but instead can be used for the general operations of the City.

## **Major Factors Affecting General Fund Revenue Forecast**

Since the City receives revenues from a variety of sources, the revenue forecast is influenced by many different factors and many individual revenues are influenced by multiple factors at once. For example, the City's property tax revenue is a function of the value of property in the City and the tax rate set by the City Council. In general, revenues can be influenced by either internal or external factors. Internal factors include such things as tax rates, fees, and service charges and can largely be controlled through policies set by the City Council. External factors include such things as property values, dollars spent on taxable items, available funds for grants and are not controllable by the City. Since some of the City's revenues are affected by both internal and external factors, they are much among the most difficult categories of revenues to forecast.

In order to produce functional forecasts, assumptions are made about both internal and external influences on revenues. This includes looking at local, regional, and national economic outlooks, measuring expected growth in market forces, and establishing baseline rates to apply to a given source of revenue. The forecasts presented in this section rest on the major assumption of the maintenance of the current policies and service levels as set during the FY 2014-2015 budget process. While some of the major factors affecting the General Fund Revenue forecast are outlined below, a detailed list of factors and assumptions are provided with the forecast for each revenue category.

## **Major Factors of the General Fund Revenue Projection**

- The economic outlook is positive and the City will experience a period of economic growth.
- The types of revenues received by the City will remain constant throughout the forecast horizon.
- Property tax rates, sales tax rates, and franchise fee rates will remain constant over the forecast horizon.
- Intergovernmental Grants will be reduced upon the completion of the CDBG-Disaster Recovery Program.
- Dickinson Economic Development Corporation and Dickinson Management District will continue to provide revenues to the City in exchange for services provided by the City.

**GENERAL FUND REVENUES SUMMARY**

<b>Revenue Source</b>	<b>FY 13-14 Actuals</b>	<b>FY 14-15 Budget</b>	<b>FY 15-16 Forecast</b>	<b>FY 16-17 Forecast</b>	<b>FY 17-18 Forecast</b>	<b>FY 18-19 Forecast</b>
Property Tax	2,661,061	2,715,303	2,723,424	2,731,569	2,739,740	2,747,936
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Other Taxes	76,514	79,854	80,933	82,034	83,157	84,302
Franchise Fees	921,073	920,811	920,135	922,131	925,410	924,568
Licenses & Permits	401,994	325,792	341,721	356,502	341,338	346,521
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Miscellaneous	99,899	56,222	57,397	57,529	57,579	58,058
Intergov't Grants	1,566,092	726,272	726,272	713,772	713,772	713,772
Transfers	19,500	15,000	15,000	15,000	15,000	15,000
<b>Total</b>	<b>16,000,172</b>	<b>15,565,490</b>	<b>15,833,503</b>	<b>16,026,428</b>	<b>16,241,198</b>	<b>16,483,904</b>

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**Property Tax**

The property tax collected by the City of Dickinson is assessed on property values located within the city limits. The Galveston Central Appraisal District (GCAD) is responsible for the valuation of properties in the jurisdiction and the property tax is administered by the Galveston County Tax Assessor and Collector. Each year, the Dickinson City Council receives the certified property tax rolls and adopts the property tax rate. The property tax rate set by the Council includes two rates. The first rate produces revenue that goes to general government operations and is deposited directly into the City’s General Fund. This rate is known as the Maintenance & Operations (M & O) rate. The second rate produces revenue to pay principal and interest on general obligation and/or tax-backed bonds (or an equivalent obligation) and is deposited into the City’s Debt Service Fund. This rate is known as the Interest and Sinking (I & S) rate.

**Historical City of Dickinson Tax Rate Information (Per \$100 of Assessed Value)**

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>M&amp;O Tax Rate</b>	0.32971	0.3331	0.33007	0.32984	0.32984
<b>I&amp;S Tax Rate</b>	0.07889	0.07551	0.07854	0.07877	0.07877
<b>Total Tax Rate</b>	\$0.4086	\$0.4086	\$0.4086	\$0.4086	\$0.4086

An important factor in projecting property tax revenues is the correlation between the tax year and the City’s fiscal year. Property tax is unique in that the tax year, or the year in which property values are appraised, does not line up to the fiscal year of the City. The property tax revenue collected in FY 2014 - 2015 is based on property values as of January 1, 2014. The appraised values the City receives to complete its property tax calculations in 2014 reflect changes to the market, building additions and improvements, and real estate changes that occurred during the preceding calendar year.

**General Property Tax Formulas**

$$\text{Property Tax Rate} = \text{M\&O Rate} + \text{I\&S Rate}$$

$$\text{I\&S Rate} = \frac{\text{Total Debt Service Paid through Tax Revenue}}{\text{Total Assessed Value}}$$

$$\text{Property Tax Revenue} = \frac{\text{Total Assessed Value} \times \text{Tax Rate} \times \text{Collection Rate}}{100}$$

Property tax revenue is determined by multiplying the City’s adopted tax rate by the amount of taxable value, given an estimated collection rate. Although there are many more detailed steps in the process, the simplified formula shows the process used to determine the tax rate and outlines many of the variables involved in the forecast.

Major Factors of the Property Tax Projection

- The total property tax rate will not exceed \$0.40861.
- Funds available for the general fund will be calculated as the property taxes collected at the assumed rate less the funds needed to make debt service payments.
- The assumed collection rate for current property taxes for budgeting purposes is 97%.
- Assessed values in the City of Dickinson are based on appraisal valuation of properties at 100% of market value.
- Residential and commercial construction will continue to increase at a similar pace as current rate.
- Assessed values will increase over the next five years at a rate established by the historical growth trend.

Forecast Method

- Historical total assessed values were analyzed to determine the patterns and trends the City experiences over the past 5 years.
- A reasonable rate of growth to expect in the future was determined based on the identified trends and expected future growth.
- The total assessed value growth was projected out along the forecast horizon.
- The total assessed value projection was multiplied times the property tax rates necessary to make the full debt service payments. The remaining portion of the total rate was multiplied times the assessed value projection.

<b>General Fund Property Tax Forecast</b>						
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals*</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Assessed Value (AV) - in millions</b>	805.16	822.11	824.65	827.20	829.75	832.31
<b>Total Property Tax Revenue</b>	3,191,257	3,258,453	3,303,185	3,311,377	3,321,600	3,331,855
<b>M&amp;O Tax Rate</b>	0.32984	0.32984	0.32984	0.32984	0.32984	0.32984
<b>Total Current General Fund Property Tax Revenue</b>	2,576,061	2,630,303	2,638,424	2,646,569	2,654,740	2,662,936
<b>Delinquent Property Taxes</b>	55,000	55,000	55,000	55,000	55,000	55,000
<b>Penalty &amp; Interest</b>	30,000	30,000	30,000	30,000	30,000	30,000
<b>Total General Fund Property Tax Revenue</b>	<b>2,661,061</b>	<b>2,715,303</b>	<b>2,723,424</b>	<b>2,731,569</b>	<b>2,739,740</b>	<b>2,747,936</b>

**General Sales Tax**

The general sales tax is a combination of rates levied by the City of Dickinson on taxable transactions within its jurisdiction. By law, the City and its component units can impose a sales tax of no greater than 2% beyond the State’s 6.25% general sales tax for a total of no more than 8.25%. Currently, the City of Dickinson has a combined rate of 2% broken down as follows: City of Dickinson General Sales Tax, 1%; Dickinson Management District Special District Sales Tax, 0.5%; Dickinson Economic Development Corporation 4B Sales Tax, 0.25%; City of Dickinson Street Maintenance Sales Tax, 0.25%.

Unlike property taxes, sales taxes are particularly sensitive to economic downturns, often making it more difficult to project sales tax revenues into the future. However, by using historical trend analysis and incorporating estimates of projected future growth in taxable sales, the City can produce a reasonable forecast of sale tax revenues.

**Historical City of Dickinson & DMD No. 1 Sales Tax Collections**

	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>
<b>City General Sales Tax</b>	2,574,285	3,273,532	4,371,129	5,324,454
<b>4B/DEDC Sales Tax</b>	1,287,142	818,383	1,092,782	1,331,113
<b>Street Maint. Sales Tax</b>	0	818,383	1,092,782	1,331,113
<b>DMD No. 1 Sales Tax</b>	1,169,475	1,532,908	2,118,787	2,597,973
<b>Total Sales Tax Collections</b>	5,030,903	6,443,206	8,675,479	10,584,654

Major Factors of the Sales Tax Projection

- The economic climate will continue to be favorable, leading to a period of average to above-average spending among consumers.
- Sales tax revenues are expected to increase, but at a decreasing rate.
- The expansion of retail facilities both within and near the City limits will increase traffic through Dickinson, leading to increased sales tax revenues for businesses.
- The number of retail sales tax collectors within the City will remain constant or slightly increase.
- The sales tax rates will remain the constant. No expected changes in either the State’s sales tax rate or the City’s sales tax rate.

Forecast Method

- Data on sales tax collections from the previous 5 years were analyzed.
- Compound growth rates, historical trends, and averages were calculated and tested for goodness of fit.
- A determination was made on the most reasonable expected growth, given the expected economic condition of the area, the population growth of the area, the retail business atmosphere, and the economic development efforts of the City.

**General Fund Sales Tax Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Expected Annual Growth Rate</b>		6.6%	2.0%	2.0%	2.0%	2.0%
<b>Total Forecasted Sales Tax</b>	7,986,680	8,513,801	8,684,077	8,857,759	9,034,914	9,215,612
<b>Less: DEDC (4B) Portion</b>	1,331,113	1,418,967	1,447,346	1,476,293	1,505,819	1,535,935
<b>Less: Street Maintenance Portion</b>	1,331,113	1,418,967	1,447,346	1,476,293	1,505,819	1,535,935
<b>Forecasted Net Revenue for City</b>	7,986,680	8,513,801	8,684,077	8,857,759	9,034,914	9,215,612

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## **Other Taxes**

In addition to the property and general sales taxes, the City collects a small amount of revenue from two other local taxes, the hotel occupancy tax and the mixed beverage tax.

The City's hotel occupancy tax is a 7% gross receipts tax applied to hotels or motels operating in the City during a given quarter. The mixed beverage tax is a combination gross receipts and sales tax applied on any sales of prepared alcoholic beverages. Prior to the 2013 Legislative session, the mixed beverage tax was a 14% gross receipts tax imposed by the State of Texas on mixed beverages from mixed beverage and private club permit holders, of which cities received a portion of the tax from businesses located in their jurisdictions. However, in the 83<sup>rd</sup> Legislative Session, this tax was changed to be a 6% gross receipts tax and an 8.25% sales tax, with 10.71% of the total taxes collected being returned to municipalities.

Prior to the City of Dickinson's 2013-2014 Fiscal Year, retained refuse sales tax was recorded as a tax collected by the City. However, due to changes in processing, this revenue was almost entirely moved into the general sales tax revenue for the City. A small amount of revenues may still be recorded as retained refuse sales tax due to the nature of the sales tax collections and payments processed by the City and WCID #1.

### Major Factors Affecting Franchise Fees and Other Taxes Projection

- The number of applicable businesses operating in the City of Dickinson (e.g. hotels, motels, restaurants that sell mixed beverages, etc.) will remain constant.
- Tax rates will remain constant.

### Forecast Method

- Data was collected for each tax in this revenue category for the past 5 years.
- The historical data was analyzed to determine growth rates and trends.
- Each category was forecast by a determined reasonable growth rate for that category.
- The revenues were aggregated to produce a total forecast for the revenue category.

### **General Fund Other Taxes Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b><u>Motel Occupancy Tax</u></b>						
<b>Expected Growth Rate</b>		0%	0%	0%	0%	0%
<b>Motel Occupancy Forecast</b>	25,900	25,900	25,900	25,900	25,900	25,900
<b><u>Mixed Beverage Tax</u></b>						
<b>Expected Growth Rate</b>		6.6%	2.0%	2.0%	2.0%	2.0%
<b>Mixed Beverage Forecast</b>	50,614	53,954	55,033	56,134	57,257	58,402
<b>Retained Refuse Sales Tax</b>	1,000	1,000	1,000	1,000	1,000	1,000
<b>Total Other Tax Forecast</b>	76,514	79,854	80,933	82,034	83,157	84,302

## **Franchise Fees**

The franchise fees for the City are collected from electric, natural gas, cable television, and telecommunications franchises that conduct business with customers located within the City limits. The franchises differ in how they are applied to utilities and produce revenues for the city. Some franchises are fees applied to gross receipts of a utility, while others are based on a rate being applied to the actual usage of the utility (e.g. kilowatt hours).

Since the growth of the major franchises is largely a function of population growth and usage of the particular franchise among households in the City, revenues from this major category should be expected to grow on a similar pace to population and/or inflation.

### Major Factors Affecting Franchise Fees and Other Taxes Projection

- The population of Dickinson (users of utilities and/or services that pay franchise fees) is expected to increase.
- The rates of the franchise fees are not expected to increase.

### Forecast Method

- Data was collected for each franchise in this revenue category for the past 5 years.
- The historical data was analyzed to determine growth rates and trends.
- Overall, the historical data showed relatively little variation in the annual collections of franchise fees.
- Moving averages were used to reflect the stability of the revenue.

### **General Fund Franchise Fee Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Electric</b>	575,000	578,051	575,349	576,133	576,511	575,997
<b>Telecommunications</b>	70,400	71,740	72,658	74,040	74,987	76,415
<b>Cable</b>	203,673	208,838	209,460	207,324	208,541	208,442
<b>Gas</b>	72,000	62,183	62,668	64,634	65,371	63,714
<b>Total Franchise Fee Forecast</b>	921,073	920,811	920,135	922,131	925,410	924,568

**Licenses & Permits**

Licenses and permits revenue is produced from a variety of licenses and permits required for various activities completed within the City limits. Some of the major revenue producers include building permits, plumbing permits, and other business permits. Licenses and permits revenues are driven by a number of variables, such as new and continuing businesses, new residential construction, home remodels, home and building improvements.

There are approximately 27 individual license and permit fees that the City currently utilizes on a regular basis. Some of the fees are business licenses or registrations and do not experience much fluctuation year to year. Others, such as building or plumbing permits, are entirely dependent upon the amount of work and the value of the work being done in a given year. These value-based permits have a much larger impact on the overall amount of revenue produced. Building and plumbing permits alone account for almost 60% of all license and permit revenues. These revenues, which can be largely affected by the start of 1 large project in a given year, have to be measured against what would be considered reasonable growth in the future and

Major Factors Affecting Licenses & Permits Projection

- Residential and commercial growth will continue at a stable pace.
- Rehabilitation of structures will continue at a stable pace.
- Businesses that require permits will continue to operate within the City of Dickinson.
- The cost of licenses and permits will not change during the forecast period.

Forecast Method

- Data was collected for each license and permit in this revenue category for the past 5 years.
- The historical data was analyzed to determine growth rates and trends.
- Due to the reliance on construction projections, a moving average was used to forecast the Licenses & Permits revenue in order to capture the cyclical variations in the construction economy.
- The moving average was carried through the forecast horizon.

**General Fund Licenses & Permits Forecast**

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Total Licenses &amp; Permits Forecast</b>	401,994	325,792	341,721	356,502	341,338	346,521

**Court Fines & Fees**

This category is the combination of revenues received from the services provided by Dickinson law enforcement and municipal court activities. The revenues produced are court fines, warrant fees, and court tax fees.

Major Factors Affecting Fines and Fees Projection

- Dickinson will experience increased traffic on its major and minor roads and streets as residential and commercial development occurs in the area.
- Increased traffic on roads will most likely result in increased citations filed with the Municipal Court, but annual variation will continue.
- The Municipal Court will collect increased revenues over the forecast horizon.

Forecast Method

- Data was collected for each license and permit in this revenue category for the past 5 years.
- The historical data was analyzed to determine growth rates and trends.
- Based on the trends established in the data, a moving average was used to capture the variation and growth in the court fines, warrant fees and court tax fees categories.
- Since FY 2013-2014 was the first year in which bond forfeitures were collected by the Dickinson Municipal Court, a flat forecast was used.

**General Fund Fines & Fees Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Court Fines</b>	606,326	650,000	661,294	634,450	639,207	648,581
<b>Warrant Fees</b>	87,174	101,900	97,225	96,727	95,433	98,617
<b>Court Tax Fees</b>	26,500	26,500	25,379	24,379	26,126	25,419
<b>Bond Forfeitures</b>	6,176	6,000	6,000	6,000	6,000	6,000
<b>Total Fines &amp; Fees Forecast</b>	726,176	784,400	789,898	761,556	766,766	778,618



**Charges for Service**

This category represents the revenues produced by the City from the provision of fee-based services. Through FY 2013-2014, solid waste service was the only service which produces revenue for the General Fund. With the start of FY 2014-2015, EMS ambulance services were added to the General Fund.

Major Factors Affecting Charges for Service Projection

- Population growth will continue at a stable rate as seen over the past decade.
- Residents of Dickinson will continue to be required to have solid waste services.
- The revenue from garbage collection service is expected to increase annually since fees can be adjusted for inflation and new customers will sign up for the service.
- Dickinson EMS will continue to operate only 1 full-time ambulance.
- There will be no changes to the EMS service rates over the forecast horizon.

Forecast Method

- Data was collected for each license and permit in this revenue category for the past 5 years.
- The historical data was analyzed to determine growth rates and trends.
- A reasonable growth rate for solid waste service was established and applied over the forecast horizon. The growth rate takes into account both an increase in the cost of service and an increase in the number of customers over the next 5 years.
- A baseline for ambulance service fees was established in FY 2013-2014 during its first year in the current service model. However, due to the uncertainties surrounding the healthcare industry, this baseline was established as a ceiling for the future.
- A forecast of 90% of the baseline was carried forward through the forecast horizon.

<b>General Fund Charges for Service Forecast</b>						
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Garbage Fees (Provider)</b>	867,700	830,165	855,070	880,722	907,144	934,358
<b>Garbage Fees (City)</b>	183,445	180,842	186,267	191,855	197,611	203,539
<b>Solid Waste Franchise Fees</b>	85,579	86,779	89,382	92,064	94,826	97,671
<b>Discounts on Sales Tax</b>	383	249	256	264	272	280
<b>Ambulance Service Charges</b>	404,077	330,000	363,670	363,670	363,670	363,670
<b>Total Charges for Service Forecast</b>	1,541,184	1,428,035	1,494,646	1,528,575	1,563,522	1,599,518

## ***Intergovernmental Revenues***

Intergovernmental revenues are those revenues received by the City from other levels of government, typically in the form of grants or payments for services rendered by one entity to another. Most grants received by the City are yearly, thus making it extremely difficult to forecast beyond the presently known grants available to the City. However, a few multi-year grants and commitments from City component units are currently a significant part of the City's budget and should be accounted for in future periods. The major known grants include the City's Community Development Block Grant – Disaster Recovery (CDBG-DR) Round 2.2, transfers from the Dickinson Management District Number 1, transfers from the Dickinson Economic Development Corporation, the contract for jail services, and the fees paid by Galveston County for ambulance service.

Any expenditure-driven grants (those grants in which the City receives funds for reimbursement of expenditures in excess of normal operations) were not included in the forecast. The associated expenditures were also removed to give provide a more clear picture of baseline spending.

The forecasts for these grants are made based on the projected projects to be completed by the grant funds. All of the grant funds projected out represent earmarked funds that will be used for administrative or personnel costs directly related to approved CDBG-DR approved projects.

### Major Factors Affecting Intergovernmental Grants Projection

- The City will continue to receive CDBG disaster recovery funds over the forecast horizon.
- The Dickinson Management District No. 1 will continue to supplement funding for City projects and increases in service-levels for the City.
- The Dickinson Economic Development Corporation will continue to fund economic development related projects and functions performed by City staff.
- The City will continue to provide ambulance services in unincorporated areas of Galveston County and the County will continue to provide financial support to Dickinson EMS for that service.
- Dickinson Police Department will continue to provide jail services for the City of Clear Lake Shores.
- The City will continue its strategy of seeking federal and state grants for major projects.

### Forecast Method

- A review of all current intergovernmental revenues was conducted.
- Programs and activities that are funded through intergovernmental revenues were analyzed and were continued through the forecast horizon as needed.
- Payments from the DEDC and DMD were included based but held at FY 2014-2015 budgeted levels.
- The CDBG-DR program is in its final stages and will likely end during the forecast horizon.

- The revenues received from the Contract for Jail Services was held flat.
- Revenues received from Galveston County and DISD for ambulance service was held flat.

**General Fund Intergovernmental Grants Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Transfer from DEDC</b>	1,282,794	154,092	154,092	154,092	154,092	154,092
<b>Transfer from DMD</b>	118,368	325,430	325,430	325,430	325,430	325,430
<b>Transfer from DEFC</b>	20,000	0	0	0	0	0
<b>CDBG Admin. Reimbursement</b>	7,055	12,500	12,500	0	0	0
<b>Contract for Jail Services</b>	9,625	10,000	10,000	10,000	10,000	10,000
<b>Galv. Co. EMS Fee</b>	126,000	222,000	222,000	222,000	222,000	222,000
<b>DISD Ambulance Svc.</b>	2,250	2,250	2,250	2,250	2,250	2,250
<b>Total Intergovernmental Forecast</b>	<b>1,566,092</b>	<b>726,272</b>	<b>726,272</b>	<b>713,772</b>	<b>713,772</b>	<b>713,772</b>

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**Other Revenues**

Other non-major revenues recognized by the City include miscellaneous revenues venues that do not fall into one of the defined revenue categories or transfers to the General Fund from other City Funds. These revenues are can be non-recurring or one-time revenues received by the City, but do not necessarily have to be non-recurring. Other non-major revenues currently include one-time fees or service charges, private grants, income from property rentals, investment earnings, and transfers from the Bayou Lakes Public Improvement District.

Major Factors Affecting Other Non-Major Revenues Projection

- Miscellaneous revenues vary in whether they are ongoing revenues (collected each year by the City and) or one-time revenues.
- For the ongoing revenues, they are analyzed separately for trends.
- One-time revenues are evaluated based on whether there is a reasonable expectation that the City will receive the revenue in future years or whether it is more reasonable that the City will not receive that revenue.
- Private grants and donations are not considered ongoing unless the grant or donation specifies otherwise.
- The investment earnings for the City are determined by the prevailing interest rate and the amount of funds invested in a given type of investment or investment pool.
- The City’s investment policy will remain the same over the forecast horizon.
- Interest rates will likely remain low over the forecast horizon.

Forecast Method

- A review of all current miscellaneous revenues was conducted.
- Miscellaneous fees and revenues received by the City were evaluated based on the likely annual recurrence of such revenues.
- Interest income was increased by 5% per year as the City anticipates any surplus funds being included in future investments.
- Private donations were held at budgeted levels.
- The PID transfer was held at the required level.
- The Seized Funds transfer and the rental income received by the City were eliminated in the FY 2014-2015 budget.

**General Fund Non-Major Revenues Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Miscellaneous Fees &amp; Revenues</b>	66,347	29,964	30,891	30,764	30,540	30,732
<b>Interest Income</b>	4,722	4,958	5,206	5,466	5,739	6,026
<b>Rental Income</b>	3,463	0	0	0	0	0
<b>Private Donations or Grants</b>	25,368	21,300	21,300	21,300	21,300	21,300
<b>PID Transfer</b>	15,000	15,000	15,000	15,000	15,000	15,000
<b>Seized Funds Transfer</b>	4,500	0	0	0	0	0
<b>Total Non-Major Revenues</b>	119,399	71,222	72,397	72,529	72,579	73,058

## **General Fund Expenditure Summary**

Once the General Fund revenues for the City are determined, the funds are appropriated and apportioned among the various departments for operations. The General Fund accounts for the major City departments: Administration, Finance, Community Development, Municipal Court, Law Enforcement, Fire Marshal, Emergency Management, Public Works, Information Technology, Library, Tourism and Museum, Emergency Medical Services, and Government-Wide and Contractual Services. The difference between the General Fund and other governmental funds is that the revenues from the General Fund are not earmarked for a specific operation or function. Instead, the funds can be used to carry out any of the general functions of the City. Major expenditures from the General Fund include salaries and benefits and various operating expenditures.

Expenditures are driven by a number of factors, the most important of which is the projected revenues for a given year. Since the City must present a balanced budget each year and then operate accordingly, it is logical that expenditures follow the revenue cycle.

Unlike revenues, expenditures are driven largely by known factors, such as staffing levels, projected salaries and benefits, and the price of operating and capital items needed in a given year. The expenditure variables are largely a result of policy decisions and service level decisions and can, for the most part, be controlled. This is very different from revenues, which are largely driven by economic forces. However, assumptions are still needed when forecasting expenditures. The forecasts presented rest on the major assumption of the maintenance of the current policies and service levels as set during the FY 2014-2015 budget process.

### **Major Factors Affecting General Fund Expenditure Forecast: Personnel**

General Fund expenditures fall into two major categories, personnel and operations. Personnel expenditures include all outlays made in connection with staff, including salaries, insurances, and taxes. While personnel expenditures make up a large proportion of the City's overall budget, there is a limited set of variables that can lead to changes in the personnel forecast. The major considerations include such things as staffing levels and pay rates, insurance premium changes, and benefit rate adjustments.

The determination of personnel expenditures in the forecast are consistent across departments. As such, each type of personnel expenditure received the same treatment across departments unless otherwise noted. The chart below details the rates and forecast methods used for each type of personnel expenditure.

<b>FORECAST METHODS: PERSONNEL</b>		
	<b><u>Rate Information</u></b>	<b><u>Forecast Method</u></b>
<b><u>Salary</u></b>		
Full-Time Base	Based on current personnel/staffing levels	3% annual increase for all personnell
Part-Time Base	Based on current personnel/staffing levels	Held constant at FY 2014-2015 budgeted levels
Overtime	Based on current personnel/staffing levels	Held constant at FY 2014-2015 budgeted levels
<b><u>Allowances</u></b>		
Clothing	\$650 per year for eligible employees	Held constant at FY 2014-2015 budgeted levels
Cell Phone	\$35/\$55/\$75 per month for eligible employees	Held constant at FY 2014-2015 budgeted levels
<b><u>Benefits</u></b>		
Certification/Education Pay	Multiple Rates based on Level of Certification/Education	Held constant at FY 2014-2015 budgeted levels
Longevity Pay	\$5 per month of employment	Increased at rate of \$5 per month per employee in department
FICA Tax (Social Security)	1.45% of eligible pay	Rate held constant; Variation based on changes to eligible pay
Payroll Tax (Medicare)	6.2% of eligible pay	Rate held constant; Variation based on changes to eligible pay
Unemployment Tax	2.3% of employee salary; Maximum of \$207 per employee	Rate held constant
Retirement (TMRS)	8.57% of eligible pay (varies annually)	3% annual growth rate based on historical trend
Employee Insurances	Premium rate (varies annually)	5% annual growth rate based on historical trend
Workers Compensation Insurance	Premium rate (varies annually)	3 year moving average on premium rates

### Major Factors Affecting General Fund Expenditure Forecast: Operations

General Fund operating expenditures include all of the supplies, services, and contracts needed for the City's departments to function. For the purpose of this forecast, operating expenditures were divided into 7 major categories: supplies, maintenance, general services, professional and contract services, capital outlays, special projects and programs, and interfund transfers. The accounts within a category are closely related and typically respond to forecast variables in a similar manner.

Unlike the personnel expenditure forecasts, the operating expenditure forecast is largely a function of economic variables that cannot be controlled by the City or a change in policy. In order to account for the economic variables in the forecast, corresponding consumer price index (CPI) inflators were used. When a CPI inflator was not applicable, historical trend analysis was used to determine the forecast.

<b>FORECAST METHODS: OPERATIONS</b>		
	<b>Rate</b>	<b>Applicable Expenditures</b>
Houston Metro CPI	2.8%	General supplies and materials; standard service contracts; regular maintenance expenditures
Fuel CPI	1.4%	Gas and diesel fuel
Energy CPI	11.9%	Electric and gas utilities

Major Factors of the General Fund Expenditure Projection

- Staffing levels will remain the same throughout the forecast; Positions will remain the same and will be forecasted as filled positions.
- Salaries were forecasted to increase at a rate of 3% per year with the baseline year being the FY 2014-2015 budgeted levels.
- Allowances and benefits tied to positions will remain constant through the forecast.
- Departments will require the same types of goods and services to maintain operations over the forecast horizon.

Forecast Method

- Salary levels were increased at a rate of 3% per year.
- Allowances were held constant.
- Benefits will be adjusted based on applicable rate changes (detailed in chart above).
- Operational expenditures will be influenced by applicable CPI factor over the forecast horizon.
- Operational expenditures will be adjusted by a rate determined through historical trend analysis as needed.

**GENERAL FUND EXPENDITURES SUMMARY**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b><u>Departments</u></b>						
Administration	1,364,232	467,917	482,962	502,225	510,433	543,846
Finance	182,724	197,617	200,464	208,632	212,341	221,361
Community Development	388,074	434,048	412,163	423,402	435,045	446,939
Municipal Court	263,562	271,171	277,933	285,093	292,522	300,159
Law Enforcement	3,233,928	3,658,864	3,775,764	3,890,441	4,013,279	4,140,627
Fire Marshal	169,622	195,670	190,610	196,912	201,458	207,162
Emergency Management	71,729	82,181	84,632	86,886	89,306	91,769
Public Works	571,005	575,937	589,672	602,419	621,900	638,395
Information Technology	297,345	281,709	284,719	287,814	290,995	294,265
Library	327,219	362,930	357,744	371,809	386,796	402,708
Tourism & Museum	81,167	87,458	89,883	92,584	95,397	98,292
EMS	728,911	745,615	773,948	797,591	822,803	848,915
Contractual & Govt-Wide	7,785,019	7,800,653	7,956,340	8,114,614	8,273,222	8,438,124
<b>Total</b>	<b>15,464,537</b>	<b>15,161,770</b>	<b>15,476,835</b>	<b>15,860,421</b>	<b>16,245,497</b>	<b>16,672,561</b>

## Administration

The Administration Department is composed of the City Administrator, City Secretary, and Management Assistant. The department is responsible for the implementation of City Council policies, managing the City's daily operations, and overseeing department heads in the administration and implementation of policies, procedures and ordinances. The department is also responsible for making recommendations to Council regarding programs and policies and developing methods to ensure the effective and efficient operation of City services. The City Administrator also serves as Executive Director of Dickinson Economic Development Corporation and Dickinson Management District No. 1 and provides services to the Fair Housing Work Group and the Dickinson Education Finance Corporation.

### Current Staffing Level:

- 3 Full Time
- 0 Part Time

### General Fund: Administration (Dept. 01) Forecast

	FY 13-14 Actuals	FY 14-15 Forecast	FY 15-16 Forecast	FY 16-17 Forecast	FY 17-18 Forecast	FY 18-19 Forecast
<b><u>Personnel</u></b>						
Salary	235,841	241,107	248,340	255,790	263,464	271,368
Benefits & Allowances	57,965	60,191	62,220	64,262	66,434	68,673
<b>Total Personnel</b>	<b>293,807</b>	<b>301,298</b>	<b>310,561</b>	<b>320,052</b>	<b>329,898</b>	<b>340,041</b>
<b><u>Operations</u></b>						
Supplies	10,855	11,700	10,535	10,830	11,133	11,445
Maintenance	19,731	17,000	17,000	17,000	17,000	17,000
General Services	106,531	127,919	134,866	144,343	142,402	165,359
Contract/Profession Svcs.	0	0	0	0	0	0
Capital Outlays	926,627	0	0	0	0	0
Special Programs	6,681	10,000	10,000	10,000	10,000	10,000
Transfers	0	0	0	0	0	0
<b>Total Operations</b>	<b>1,070,425</b>	<b>166,619</b>	<b>172,401</b>	<b>182,173</b>	<b>180,535</b>	<b>203,804</b>
<b>Total Dept. Expenditures</b>	<b>1,364,232</b>	<b>467,917</b>	<b>482,962</b>	<b>502,225</b>	<b>510,433</b>	<b>543,846</b>



## Finance

The Finance Department is composed of the Administrative Services Manager and two Administrative Services Coordinators. The department is responsible for monitoring the City's finances, providing accurate and timely accurate financial information, providing the City's accounting services, processing payments, performing the human resources function, providing grants management for all City departments, and enforcing the City's financial, purchasing, and personnel policies. In addition, the department also monitors the City's debt, manages the City's annual budgeting process, and performs financial forecasts and analysis for the City. The department also provides support services to the Dickinson Economic Development Corporation and the Dickinson Management District No. 1.

### Current Staffing Level

- 3 Full Time
- 0 Part Time

### General Fund: Finance (Dept. 02) Forecast

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Personnel</b>						
Salary	136,218	139,898	144,095	148,418	152,870	157,456
Benefits & Allowances	34,040	34,719	36,055	37,400	38,832	40,305
<b>Total Personnel</b>	<b>170,258</b>	<b>174,617</b>	<b>180,150</b>	<b>185,818</b>	<b>191,702</b>	<b>197,762</b>
<b>Operations</b>						
Supplies	2,882	5,000	2,962	5,140	3,045	5,284
Maintenance	0	0	0	0	0	0
General Services	9,584	18,000	17,352	17,674	17,594	18,315
Contract/Professional Svs.	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Special Programs	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
<b>Total Operations</b>	<b>12,466</b>	<b>23,000</b>	<b>20,314</b>	<b>22,814</b>	<b>20,639</b>	<b>23,599</b>
<b>Total Dept. Expenditures</b>	<b>182,724</b>	<b>197,617</b>	<b>200,464</b>	<b>208,632</b>	<b>212,341</b>	<b>221,361</b>

**Community Development**

The Community Development Department is composed of the Community Development Director, Building Official, Code Compliance Officer, Community Development Coordinator, and Permit Technician. The department is responsible for the development services of the City, including issuing commercial and residential permits and licenses, reviewing site plans, conducting inspections, enforcing the City’s zoning requirements and City codes, and enforcing the signage and nuisance abatement ordinances of the City. Staff also provides support services for the Planning and Zoning Commission, Building Standards Commission and the Board of Adjustments.

**Current Staff Level**

- 5 Full Time
- 0 Part Time

**General Fund: Community Development (Dept. 03) Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b><u>Personnel</u></b>						
Salary	214,729	221,181	227,756	234,529	241,505	248,690
Benefits & Allowances	86,941	87,123	90,843	94,679	98,558	102,746
<b>Total Personnel</b>	<b>301,670</b>	<b>308,304</b>	<b>318,599</b>	<b>329,208</b>	<b>340,063</b>	<b>351,436</b>
<b><u>Operations</u></b>						
Supplies	12,274	15,457	13,052	13,304	13,561	13,825
Maintenance	13,437	14,800	14,878	14,959	15,042	15,127
General Services	39,018	60,487	60,634	60,931	61,379	61,551
Contract/Professional Svs.	21,676	35,000	5,000	5,000	5,000	5,000
Capital	0	0	0	0	0	0
Special Programs	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
<b>Total Operations</b>	<b>86,404</b>	<b>125,744</b>	<b>93,564</b>	<b>94,194</b>	<b>94,982</b>	<b>95,503</b>
<b>Total Dept. Expenditures</b>	<b>388,074</b>	<b>434,048</b>	<b>412,163</b>	<b>423,402</b>	<b>435,045</b>	<b>446,939</b>

## ***Municipal Court***

The Municipal Court is composed of the Court Administrator, 3 Court Clerks, and the Municipal Court Judge and Prosecutor. The department is responsible for the timely, impartial, and accurate processing of warrants and violations filed with the City of Dickinson Municipal Court. In addition, the Municipal Court is responsible for collecting assessed fines and fees and setting the dockets of cases for adjudication.

### **Current Staff Level**

- 4 Full Time
- 0 Part Time
- 2 Contract

### **General Fund: Municipal Court (Dept. 04) Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b><u>Personnel</u></b>						
Salary	154,564	155,158	159,794	164,570	169,489	174,556
Benefits & Allowances	47,559	48,824	50,776	52,981	55,307	57,688
<b>Total Personnel</b>	<b>202,123</b>	<b>203,982</b>	<b>210,570</b>	<b>217,551</b>	<b>224,796</b>	<b>232,244</b>
<b><u>Operations</u></b>						
Supplies	6,201	6,214	6,388	6,567	6,751	6,940
Maintenance	3,771	4,000	4,000	4,000	4,000	4,000
General Services	-620	175	175	175	175	175
Contract/Professional Svs.	52,086	56,800	56,800	56,800	56,800	56,800
Capital	0	0	0	0	0	0
Special Programs	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
<b>Total Operations</b>	<b>61,439</b>	<b>67,189</b>	<b>67,363</b>	<b>67,542</b>	<b>67,726</b>	<b>67,915</b>
<b>Total Dept. Expenditures</b>	<b>263,562</b>	<b>271,171</b>	<b>277,933</b>	<b>285,093</b>	<b>292,522</b>	<b>300,159</b>

## Law Enforcement

The Law Enforcement Department is composed of the Dickinson Police Department under the management of the Chief of Police, and 3 Captains. The Department is charged with enforcing all applicable laws, protecting the citizens against the criminal activities of others, serving as a visible entity in the community, interacting with the public to facilitate the delivery of professional law enforcement services, while maintaining understanding and compassion for citizen needs and concerns. The department is responsible for ensuring that Dickinson is and remains a safe place in which to live, work, and visit.

### Current Staff Level

- 45 Full Time
- 6 Part Time

*\*Police Chief and one Police Captain are split between the Law Enforcement and Emergency Management Departments*

### General Fund: Law Enforcement (Dept. 05) Forecast

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Personnel</b>						
Salary	2,133,196	2,330,394	2,400,306	2,472,315	2,546,484	2,622,879
Benefits & Allowances	733,072	793,830	827,678	855,253	888,127	922,529
<b>Total Personnel</b>	<b>2,866,269</b>	<b>3,124,224</b>	<b>3,227,983</b>	<b>3,327,568</b>	<b>3,434,611</b>	<b>3,545,408</b>
<b>Operations</b>						
Supplies	155,237	191,686	197,795	201,480	205,244	209,088
Maintenance	65,204	64,900	66,717	68,585	70,506	72,480
General Services	102,811	123,689	129,203	135,136	141,532	148,440
Contract/Professional Svs.	31,562	31,663	31,663	31,663	31,663	31,663
Capital	3,077	3,800	0	0	0	0
Special Programs	0	2,200	2,200	2,200	2,200	2,200
Transfers	84,663	116,702	120,203	123,809	127,523	131,349
<b>Total Operations</b>	<b>442,555</b>	<b>534,640</b>	<b>547,781</b>	<b>562,874</b>	<b>578,668</b>	<b>595,220</b>
<b>Total Dept. Expenditures</b>	<b>3,308,823</b>	<b>3,658,864</b>	<b>3,775,764</b>	<b>3,890,441</b>	<b>4,013,279</b>	<b>4,140,627</b>

## **Fire Marshal's Office**

The Fire Marshal's Office is composed of the Fire Marshal, an Assistant Fire Marshal, and a contract Inspector. The department is responsible for enforcing the City's ordinances regarding fire prevention and suppression, conducting inspections, reviewing construction plans, and investigating causes of fires. In addition, the department aids in law enforcement, code enforcement, and emergency management, when necessary and appropriate. The Office of the Fire Marshal was previously a part of the Dickinson Public Safety Department which was reorganized to separate the Fire Marshal's Office and Emergency Medical Services in 2013.

### **Current Staff Level**

- 2 Full Time
- 0 Part Time
- 1 Contract

### **General Fund: Fire Marshal's Office (Dept. 10) Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Personnel</b>						
Salary	99,790	111,589	114,877	118,263	121,751	125,343
Benefits & Allowances	31,563	35,588	36,737	38,045	39,481	40,953
<b>Total Personnel</b>	<b>131,353</b>	<b>147,177</b>	<b>151,613</b>	<b>156,308</b>	<b>161,232</b>	<b>166,297</b>
<b>Operations</b>						
Supplies	10,699	15,621	11,161	12,290	11,423	11,557
Maintenance	5,091	5,300	5,440	5,584	5,732	5,884
General Services	10,926	12,072	12,396	12,729	13,072	13,424
Contract/Professional Svs.	7,050	10,000	10,000	10,000	10,000	10,000
Capital	4,503	5,500	0	0	0	0
Special Programs	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
<b>Total Operations</b>	<b>38,269</b>	<b>48,493</b>	<b>38,997</b>	<b>40,603</b>	<b>40,226</b>	<b>40,865</b>
<b>Total Dept. Expenditures</b>	<b>169,622</b>	<b>195,670</b>	<b>190,610</b>	<b>196,912</b>	<b>201,458</b>	<b>207,162</b>

## ***Emergency Management***

The Emergency Management Department is under the direction of the City's Police Chief and is dedicated to providing the community with a planned and coordinated response in the events of major natural or man-made disaster in the City.

### **Current Staff Level**

- 0 Full Time
- 3 Part Time

*\*Police Chief and one Police Captain are split between the Law Enforcement and Emergency Management Departments*

### **General Fund: Emergency Management (Dept. 11) Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b><u>Personnel</u></b>						
Salary	53,661	58,807	60,432	62,105	63,829	65,604
Benefits & Allowances	14,681	15,557	16,243	16,679	17,227	17,762
<b>Total Personnel</b>	<b>68,342</b>	<b>74,364</b>	<b>76,674</b>	<b>78,785</b>	<b>81,056</b>	<b>83,366</b>
<b><u>Operations</u></b>						
Supplies	0	1,275	1,288	1,302	1,316	1,330
Maintenance	337	2,000	2,000	2,000	2,000	2,000
General Services	3,050	4,542	4,669	4,800	4,934	5,072
Contract/Professional Svs.	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Special Programs	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
<b>Total Operations</b>	<b>3,387</b>	<b>7,817</b>	<b>7,957</b>	<b>8,102</b>	<b>8,250</b>	<b>8,403</b>
<b>Total Dept. Expenditures</b>	<b>71,729</b>	<b>82,181</b>	<b>84,632</b>	<b>86,886</b>	<b>89,306</b>	<b>91,769</b>

## Public Works - Streets

The Public Works Department is split into two sub-departments, the Street Department (operated out of the General Fund) and the Drainage Department (operated out of the Municipal Drainage Utility Fund). Public Works – Streets is managed by the Public Works Director and the Assistant to the Public Works Director. The department is responsible for operating and maintaining the public infrastructure of the City, providing infrastructure improvements, and maintaining the City’s street system and rights-of-way, street lights and street signage, and flood/drainage system. The department is responsible for ensuring that Dickinson’s public infrastructure is and continues to be safe for public use.

### Current Staffing Level

- 7 Full Time
- 0 Part Time

*\*Publics Works Director and Assistant to the Public Works Director positions are split between the General Fund and the Drainage Fund*

### General Fund: Public Works (Dept. 12) Forecast

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast
<b><u>Personnel</u></b>						
Salary	239,161	239,161	246,313	253,680	261,267	269,082
Benefits & Allowances	97,499	102,338	107,002	110,030	114,543	118,948
<b>Total Personnel</b>	<b>336,660</b>	<b>341,499</b>	<b>353,315</b>	<b>363,709</b>	<b>375,810</b>	<b>388,030</b>
<b><u>Operations</u></b>						
Supplies	15,849	19,572	19,850	20,134	20,424	20,720
Maintenance	11,463	13,869	14,074	14,285	14,502	14,724
General Services	166,621	173,731	177,797	182,031	186,444	191,049
Contract/Professional Svs.	16,349	27,015	24,385	22,010	24,470	23,621
Capital	23,885	0	0	0	0	0
Special Programs or Transfers	179	250	250	250	250	250
<b>Total Operations</b>	<b>234,345</b>	<b>234,438</b>	<b>236,357</b>	<b>238,710</b>	<b>246,090</b>	<b>250,365</b>
<b>Total Dept. Expenditures</b>	<b>571,005</b>	<b>575,937</b>	<b>589,672</b>	<b>602,419</b>	<b>621,900</b>	<b>638,395</b>

## Information Technology

The Information Technology department is currently under the direction of the Administrative Captain for the Dickinson Police Department who works closely with the City's contract IT company. The department is responsible for the proper care and maintenance of City technology and ensuring the effective and efficient use of available technology to carry out City functions and programs that will improve the service levels provided by the City.

### Current Staff

- 0 Full Time
- 0 Part Time

### General Fund: Information Technology (Dept. 13) Forecast

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Personnel</b>						
Salary	0	0	0	0	0	0
Benefits & Allowances	0	0	0	0	0	0
<b>Total Personnel</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operations</b>						
Supplies	3,778	4,769	4,900	5,034	5,172	5,314
Maintenance	137,286	169,100	169,100	169,100	169,100	169,100
General Services	113,815	91,840	94,412	97,055	99,773	102,566
Contract/Professional Svs.	23,258	0	0	0	0	0
Capital	19,208	16,000	16,308	16,625	16,950	17,285
Special Programs or Transfers	0	0	0	0	0	0
<b>Total Operations</b>	<b>297,345</b>	<b>281,709</b>	<b>284,719</b>	<b>287,814</b>	<b>290,995</b>	<b>294,265</b>
<b>Total Dept. Expenditures</b>	<b>297,345</b>	<b>281,709</b>	<b>284,719</b>	<b>287,814</b>	<b>290,995</b>	<b>294,265</b>



## Library

The Dickinson Public Library is composed of the Library Director, an Assistant Library Director, a Youth/IT Librarian, a Catalog/Processing Librarian and Library Technicians. The Library is responsible for enriching the lives of people in the community by providing open access to a wide variety of materials, services and information in a responsive and friendly environment that promotes lifelong learning.

### Current Staff Level

- 3 Full Time
- 5 Part Time

### General Fund: Library (Dept. 15) Forecast

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast
<b><u>Personnel</u></b>						
Salary	191,933	205,869	211,530	217,876	224,412	231,145
Benefits & Allowances	40,992	56,949	59,435	61,439	63,579	65,782
<b>Total Personnel</b>	<b>232,926</b>	<b>262,818</b>	<b>270,965</b>	<b>279,315</b>	<b>287,991</b>	<b>296,927</b>
<b><u>Operations</u></b>						
Supplies	33,367	28,349	28,762	29,187	29,623	30,072
Maintenance	15,812	13,000	13,364	13,738	14,123	14,518
General Services	45,114	58,763	44,653	49,569	55,059	61,191
Contract/Professional Svs.	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Special Programs or Transfers	0	0	0	0	0	0
<b>Total Operations</b>	<b>94,294</b>	<b>100,112</b>	<b>86,779</b>	<b>92,494</b>	<b>98,805</b>	<b>105,781</b>
<b>Total Dept. Expenditures</b>	<b>327,219</b>	<b>362,930</b>	<b>357,744</b>	<b>371,809</b>	<b>386,796</b>	<b>402,708</b>

**Tourism and Museum Department**

The Tourism and Museum Center is under the management of the Tourism & Museum director. The department is responsible for the operation and maintenance of the Dickinson Historical Rail Road Center and Museum and working with the Dickinson Economic Development Corporation to contribute to the economic well-being of the community.

**Current Staff Level**

- 1 Full Time
- 2 Part Time

**General Fund: Tourism & Museum (Dept. 16) Forecast**

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast
<b><u>Personnel</u></b>						
Salary	62,814	68,036	70,077	72,179	74,345	76,575
Benefits & Allowances	14,668	15,402	15,786	16,384	17,032	17,697
<b>Total Personnel</b>	<b>77,482</b>	<b>83,438</b>	<b>85,863</b>	<b>88,564</b>	<b>91,377</b>	<b>94,272</b>
<b><u>Operations</u></b>						
Supplies	0	0	0	0	0	0
Maintenance	0	0	0	0	0	0
General Services	3,685	4,020	4,020	4,020	4,020	4,020
Contract/Professional Svcs.	0	0	0	0	0	0
Capital	0	0	0	0	0	0
Special Programs or Transfers	0	0	0	0	0	0
<b>Total Operations</b>	<b>3,685</b>	<b>4,020</b>	<b>4,020</b>	<b>4,020</b>	<b>4,020</b>	<b>4,020</b>
<b>Total Dept. Expenditures</b>	<b>81,167</b>	<b>87,458</b>	<b>89,883</b>	<b>92,584</b>	<b>95,397</b>	<b>98,292</b>

## **Emergency Medical Services**

The Emergency Medical Services department is under the director of the EMS Director and includes a staff of EMTs, Paramedics, and a part-time Administrative Assistant. The EMS department is responsible for providing emergency care and transport to the sick and injured citizens or visitors to the City of Dickinson. The department also provides public health education to the community. The EMS department was previously part of the City's Public Safety department, which was separated into the Fire Marshal's Office and EMS departments in 2013.

### **Current Staff Level**

- 5 Full Time
- 23 Part Time (can vary based on service needs)

### **General Fund: EMS (Dept. 17) Forecast**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>Actuals</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b><u>Personnel</u></b>						
Salary	421,028	457,327	471,047	485,178	499,734	514,726
Benefits & Allowances	95,273	121,408	131,098	135,324	140,296	145,289
<b>Total Personnel</b>	<b>516,301</b>	<b>578,735</b>	<b>602,145</b>	<b>620,502</b>	<b>640,029</b>	<b>660,015</b>
<b><u>Operations</u></b>						
Supplies	47,427	49,500	50,676	51,882	53,119	54,387
Maintenance	33,923	31,550	32,418	33,310	34,228	35,171
General Services	42,288	36,830	39,709	42,897	46,427	50,342
Contract/Professional Svcs.	52,289	51,250	51,250	51,250	51,250	51,250
Capital	36,684	0	0	0	0	0
Special Programs or Transfers						
<b>Total Operations</b>	<b>212,610</b>	<b>169,130</b>	<b>174,053</b>	<b>179,339</b>	<b>185,024</b>	<b>191,150</b>
<b>Total Dept. Expenditures</b>	<b>728,911</b>	<b>747,865</b>	<b>773,948</b>	<b>797,591</b>	<b>822,803</b>	<b>848,915</b>

**Contractual Services & Government-Wide Expenditures**

The Contractual Services and Government-Wide Expenditures department is the department in which the City budgets and accounts for expenditures that extend to all departments of the City and are related to the overall service-provision levels offered by the City. Expenditures of this fund include, but are not limited to, legal services retained by the City, real and personal property insurances, local economic development grants, and transfers made from the General Fund to other funds or other units of government that provide the City of Dickinson services through an established contract.

**Current Staff Level**

- 0 Full Time
- 0 Part Time

*\*The contracts and services attributed to this department are managed by the appropriate City department staff.*

**General Fund: Contractual Services & Government-Wide Expenditures (Dept. 18) Forecast**

	FY 13-14 Actuals	FY 14-15 Forecast	FY 15-16 Forecast	FY 16-17 Forecast	FY 17-18 Forecast	FY 18-19 Forecast
<b><u>Personnel</u></b>						
Salary	0	0	0	0	0	0
Benefits & Allowances	0	0	0	0	0	0
<b>Total Personnel</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Operations</u></b>						
Facilities Management	42,213	47,873	44,888	44,991	45,918	45,266
Admin/Financial Services	343,001	337,064	346,075	351,408	353,006	359,158
Animal Services	113,593	118,328	118,328	118,328	118,328	118,328
DVFD	134,967	144,223	144,223	144,223	144,223	144,223
Economic Development	2,770,576	3,490,659	3,560,472	3,631,681	3,704,315	3,778,401
Solid Waste Services	834,153	824,573	847,661	871,396	895,795	920,877
Transfers	3,546,517	2,837,934	2,894,692	2,952,586	3,011,638	3,071,871
<b>Total Operations</b>	<b>7,785,019</b>	<b>7,800,653</b>	<b>7,956,340</b>	<b>8,114,614</b>	<b>8,273,222</b>	<b>8,438,124</b>
<b>Total Dept. Expenditures</b>	<b>7,785,019</b>	<b>7,800,653</b>	<b>7,956,340</b>	<b>8,114,614</b>	<b>8,273,222</b>	<b>8,438,124</b>

## **Financial Plan for Managing the General Fund**

The key to managing the General Fund is to track and monitor the revenues coming into the General Fund and manage expenditures to fit operational needs. The General Fund is the largest fund of the City and is impacted by a variety of factors on both the revenue and expenditure side that can influence the financial condition of the City. Due to the complexity and variability of those factors, there is no single method to maintain financial health of the General Fund. Instead, the City should rely on a number of strategies to ensure that the General Fund maintains a strong financial position.

The most important strategy to maintain financial health in the General Fund is to continue to present and administer a balanced budget. The City Council has made it a priority for the City to ensure that all services are provided within the revenue projections for each fiscal year. Additionally, the Council has effectively used any surpluses to meet the needs of the City during a given year, including opting to use surplus funds to finance capital needs, advance purchases, or support special City projects. The Council's decisions to maintain a balanced budget and use surpluses effectively has ensured that the City has an adequate fund balance and is prepared to handle any issues that may arise in the future.

Another strategy the City should use is to continually monitor and evaluate economic trends and estimate impacts to General Fund revenues. This is accomplished by tracking local, regional, and state-wide economic indicators and measuring those indicators against General Fund revenues. For example, Staff can focus on changes to regional personal income levels and use that information to adjust sales tax forecasts.

Additionally, Staff should consider changes in local circumstances that can impact financial variables and service needs. Things like new housing and commercial developments, additional retail outlets, or businesses relocations can all have an impact on both revenue and expenditures for the City. Staff should be aware of and track the impact of such changes.

Staff should also monitor any expenditures related to personnel. Personnel expenditures account for over one-third of all Fund Expenditures and almost half of all non-transfer expenditures. Changes to personnel policies, staffing levels, salaries, insurances, and taxes can significantly impact the General Fund. These items can sometimes be controlled internally, but are often a function of changes made outside the organization. When changes are proposed, Staff should consistently evaluate personnel expenditures to ensure that changes will not negatively affect the General Fund's financial health.

The current expenditure forecasts provide for a 3% increase per year in salary costs. The City Council policy is to work towards providing a 3% salary increase each year and also complete a salary market study every 3 years. The completion of a market study can add additional expenditures for the City if an outside contract firm were to be used. Using an outside firm to complete a comprehensive market and pay classification study

could result in a one-time expenditure of as much as \$50,000 for the study itself and any adjustments to salaries that Council chooses to make based on the results of that study. Alternatively the salary market study could be completed in-house as has been done in the past.

The current City Council policy is to complete a market study every 3 years. The previous study was completed as part of the budget process and market adjustments were partially implemented during Fiscal Year 2013-2014. The next study is scheduled for FY 2016-2017. In the event that Council chooses to utilize an outside firm to complete a comprehensive market and pay classification study, it is recommended that the City Council consider setting aside additional funds to complete a market study in that year.

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**CITY OF DICKINSON  
MULTI-YEAR FINANCIAL PLAN  
DEBT SERVICE FUND**

The Debt Service Fund is the mechanism through which the City of Dickinson accumulates resources for the payment of interest and principal on its long-term debts.

**Debt Service Fund Revenue**

The Debt Service Fund receives the majority of its revenues through current property tax assessments collected through the Interest and Sinking (I&S) tax rate. This portion of the tax rate is equal to the tax rate that, when applied to total assessed value, provides revenue equal to the debt service payment. In addition to current property tax revenues, the Debt Service Fund also receives delinquent tax payments and penalties and interest on those delinquent payments, as well as contractual payments from Galveston County Water Control Improvement District No. 1 (“WCID”) and the Dickinson Economic Development Corporation (“DEDC”) for those entities’ share of the debt.

The City of Dickinson I&S tax rate is calculated by subtracting the contractual amounts owed to the City from WCID and DEDC and the expected delinquent payments from the corresponding year from the total debt cost for a given fiscal year. The balance that remains is the levy that must be collected from current property tax revenue. Using the certified assessed value of properties in the City, staff calculates an I&S rate which, given an estimated collection rate of 97%, will produce the revenue needed to cover the balance of debt service payments for the year.

<b>Determining Property Tax Rates</b>	
<i>Simple:</i>	
Property Tax Rate	= $\frac{\text{Property Tax Levy}}{\text{Total Assessed Value}}$
<i>Complex:</i>	
I&S Rate	= $\frac{\text{Total Debt Service Payment} - \text{Other Revenues for Fund}}{\text{Total Assessed Value of Property}}$
M&O Rate	= Total Property Tax Rate – I&S Rate

**Major Factors and Assumptions in the Revenue Forecast:**

- The overall property tax rate will remain at \$0.40861.
- The I&S rate will be determined as the amount of current property tax revenue needed to make the full payment as required by the City’s debt service schedule, less the payments received from WCID and DEDC.
- The I&S rate can and will fluctuate based on the required debt service payment in any given year and the total assessed value of property in the City.

- The City has budgeted a use of fund balance in the amount of \$22,804 in the Debt Service Fund for FY 2014-15.
- The City will continue to experience a similar growth rate in property values to the average annual growth rate that has been measured over the past 3 fiscal years.

### **Debt Service Expenditures**

The debt service expenditures are composed solely of the costs of paying principal and interest on outstanding debt held by the City. The Debt Service Fund expenditures come directly from the official debt service schedule for the City and can only be changed by a new issuance or refinance of current outstanding debt.

<b>City of Dickinson Debt Service Schedule</b>						
	<b>Budget</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
Continuing Disclosure	4,399	5,300	5,300	5,300	5,300	5,300
COs, Series 2006 Principal	115,000	120,000	0	0	0	0
COs, Series 2006 Interest	90,049	3,000	0	0	0	0
COs, Series 2007 Principal	260,000	275,000	0	0	0	0
COs, Series 2007 Interest	202,528	7,219	0	0	0	0
GO Refunding, Series 2009, Principal	110,000	110,000	120,000	120,000	110,000	115,000
GO Refunding, Series 2009, Interest	82,370	79,070	75,320	71,120	66,958	62,595
COs, Series 2009, Interest	50,695	50,695	50,695	50,695	50,695	50,695
GO Refunding, Series 2014, Principal	0	0	465,000	475,000	500,000	510,000
GO Refunding, Series 2014, Interest	0	172,440	156,175	146,775	137,025	126,925
<b>Total Debt Service</b>	<b>915,041</b>	<b>822,724</b>	<b>872,490</b>	<b>868,890</b>	<b>869,978</b>	<b>870,515</b>

### **Major Factors and Assumptions in the Expenditure Forecast:**

- The City will not issue any new debt in the forecast horizon.
- The City will not refinance any existing debt in the forecast horizon.
- The expenditures will be determined solely by the amount required to be paid per the City's official combined debt service schedule.



## Debt Service Fund Forecast

<b>DEBT SERVICE FUND FORECAST</b>						
	<b>Budget</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
Total Property Value (in millions)	805.16	822.11	824.65	827.20	829.75	832.31
Total Tax Rate	0.40861	0.40861	0.40861	0.40861	0.40861	0.40861
M&O Rate	0.32984	0.32984	0.32984	0.32984	0.32984	0.32984
I&S Rate	0.07877	0.07877	0.07877	0.07877	0.07877	0.07877
Total Property Tax Revenue	3,191,257	3,258,453	3,268,513	3,278,604	3,288,726	3,298,879
M&O Revenue	2,576,061	2,630,303	2,638,424	2,646,569	2,654,740	2,662,936
I&S Revenue	615,196	628,150	630,089	632,035	633,986	635,943
*Revenue at 97% collections						
<b>Production Factor for 1 Cent of Tax Rate</b>	78,100	79,745	79,991	80,238	80,486	80,734
<b><u>Revenue</u></b>						
Current Property Tax	615,154	628,150	630,089	632,035	633,986	635,943
Delinquent Taxes	12,000	12,000	12,000	12,000	12,000	12,000
Penalty & Interest	10,000	10,000	10,000	10,000	10,000	10,000
Interest Income	100	100	100	100	100	100
DEDC Contribution	64,205	62,705	65,993	68,980	66,805	69,380
WCID Contribution	86,965	86,965	86,965	86,965	86,965	86,965
Use of Fund Balance or Transfer	127,581	22,804	67,343	58,810	60,122	56,127
<b>Total Revenue</b>	<b>916,005</b>	<b>822,724</b>	<b>872,490</b>	<b>868,890</b>	<b>869,977</b>	<b>870,515</b>
<b><u>Expenditures</u></b>						
Continuing Disclosure	4,399	5,300	5,300	5,300	5,300	5,300
Principal	485,000	505,000	585,000	595,000	610,000	625,000
Interest	425,642	312,424	282,190	268,590	254,678	240,215
<b>Total Expenditures</b>	<b>915,041</b>	<b>822,724</b>	<b>872,490</b>	<b>868,890</b>	<b>869,978</b>	<b>870,515</b>

## **Financial Plan for Managing Debt Service Fund**

Based on the Debt Service Fund Forecast, the only financial management issue to consider is the change in the property tax revenues needed to cover debt service payments. In Fiscal Year 2014-2015, the City Council set a policy of maintaining the same M&O and I&S rates moving forward. To carry out this policy, a transfer of \$262,000 was made from the General Fund to the Debt Service Fund. This amount was designed to cover any shortfall in revenues in the Debt Service Fund that would lead to a shift in the M&O and I&S rates. By using the supplemental funds to offset any revenue shortfalls, the rates can remain constant at their FY 2014-2015 rates.

While these funds should be more than adequate to cover the forecasted shortfall over the forecast horizon, the Debt Service Fund should continually be monitored and to ensure fiscal stability. Throughout the forecast horizon, Staff should consistently review the assessed value of properties in the City and any refinancing options that could provide debt service savings for the City.

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**CITY OF DICKINSON  
MULTI-YEAR FINANCIAL PLAN  
MUNICIPAL DRAINAGE UTILITY FUND**

The Municipal Drainage Utility Fund (“MDUF”) is the enterprise fund that accounts for the revenue and expenditures related to the the maintenance of the City’s drainage infrastructure and related capital projects.

The MDUF is self-funding, producing its own revenues to cover the required expenditures. Revenues for the MDUF are collected through residential and commercial drainage fees assessed each month on households, multi-family complexes, and commercial establishments in the City. Expenditures for the MDUF are largely driven by staff costs for the drainage crew, operating and capital expenditures for the department, and the costs associated with individual drainage projects undertaken in a given fiscal year.

Major Factors and Assumptions in the Revenue Forecast:

- The drainage utility fees will not change.
- Population increases and residential and commercial development will lead to a higher number of properties being billed drainage utility fees which will increase fund revenue over the forecast horizon.

**MUNICIPAL DRAINAGE UTILITY FUND REVENUE FORECAST**

	<b>Actuals*</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
Residential Drainage Assessment	273,773	275,571	281,083	286,704	292,439	298,287
Commercial Drainage Assessment	23,124	23,586	24,058	24,539	25,030	25,531
Multi-Family/Mobile Home Drainage Assessment	56,749	57,884	59,042	60,223	61,427	62,656
<b>Total Revenues</b>	<b>353,646</b>	<b>357,042</b>	<b>364,183</b>	<b>371,466</b>	<b>378,896</b>	<b>386,474</b>

Based on recent trends, MDUF revenues are expected to grow over the forecast period. Any increase in expected development could lead to revenues growing faster than the forecast over the next five years.

Major Factors and Assumptions in the Operating Expenditure Forecast:

- Personnel:
  - All personnel-related expenditures are based on current staff and staffing levels remaining constant.
  - The baseline for salaries is set at the FY 2014-2015 levels and a 3% annual increase is included.
  - Salary-driven benefits are adjusted based on salary levels.

- Health Insurance costs are expected to rise at above average rates. Based on information available, rates are expected to increase 12% in Year 1 and 5% annually throughout the remainder of the forecast
- Other benefits are forecasted using historical trends analysis.
- Non-personnel
  - Relevant CPI inflation factors for inflation are used for supplies, maintenance and service items.
  - Increased maintenance of aging vehicles and equipment and increased maintenance of drainage ditches, culverts, and driveways is included.

**MUNICIPAL DRAINAGE UTILITY FUND OPERATING EXPENDITURE FORECAST**

	<b>Actuals</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
Personnel						
Salary	122,255	140,560	144,776	149,120	153,593	158,201
Benefits	57,844	63,587	66,646	68,850	71,121	73,848
Supplies	16,144	16,144	16,397	16,654	16,916	17,183
Maintenance	22,644	22,644	23,278	23,930	34,600	40,289
Services	55,197	55,197	95,813	96,642	97,543	98,524
Programs	1,369	1,369	5,500	5,500	5,500	5,500
<b>Total Oper. Expenditures</b>	<b>275,454</b>	<b>345,135</b>	<b>354,149</b>	<b>372,529</b>	<b>386,210</b>	<b>405,593</b>

Major Factors and Assumptions in the Project Expenditure Forecast:

- Drainage projects scheduled for completion in the next 5 years are included.
- Projects were provided by Public Works Director with approximate costs to complete project.

**PROJECTS PROPOSED FOR MUNICIPAL UTILITY DRAINAGE FUND**

Previous Budget Year (FY 2013-2014)

<b>Project</b>	<b>Total Estimated Cost</b>
Bayou Drive	22,900
Gum Bayou	61,510
501 Old Bayou Drive	16,420
5032 Scenic Drive	11,099
<b>Total Cost</b>	<b>111,929</b>

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**PROJECTS PROPOSED FOR MUNICIPAL UTILITY DRAINAGE FUND**

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**Year 1 (FY 2014-2015)**

<b><u>Project</u></b>	<b>Total Estimated Cost</b>
Gum Bayou (Phase 2) - Hot Spot #7	20,000
Casa Grande – Hot Spot	30,000
Country Club Drive West - Outfall Ditch Mowing	18,000
<b>Total Cost</b>	<b>68,000</b>

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**PROJECTS PROPOSED FOR MUNICIPAL UTILITY DRAINAGE FUND**

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**Year 2 (FY 2015-2016)**

<b><u>Project</u></b>	<b>Total Estimated Cost</b>
Moore's Addition - Upgrading	28,000
Pabst Drive - Outfall Ditch Mowing	10,000
Country Club Drive West - Outfall Ditch Mowing	14,000
Church Street - Siphoning/Cleaning of Culvert	12,000
GreenLee Lane - Phase 2 (Completion of Hot Spot #13)	10,000
<b>Total Cost</b>	<b>74,000</b>

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**PROJECTS PROPOSED FOR MUNICIPAL UTILITY DRAINAGE FUND**

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**Year 3 (FY 2016-2017)**

<b><u>Project</u></b>	<b>Total Estimated Cost</b>
FM 517 – Hot Spot #1	18,000
Spruce Drive - Outfall Ditch Mowing	8,000
Country Club Drive West - Outfall Ditch Mowing	14,000
Pabst Drive - Mowing	10,000
<b>Total Cost</b>	<b>50,000</b>

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**PROJECTS PROPOSED FOR MUNICIPAL UTILITY DRAINAGE FUND**

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**Year 4 (FY 2017-2018)**

<b><u>Project</u></b>	<b>Total Estimated Cost</b>
29th Street - Outfall Ditch Mowing	15,000
<b>Total Cost</b>	<b>15,000</b>

## Municipal Drainage Utility Fund Forecast

### MUNICIPAL DRAINAGE UTILITY FUND REVENUE FORECAST

	Actuals*	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
<b><u>Revenues</u></b>						
Operating Revenues	353,646	357,042	364,183	371,466	378,896	386,474
Use of Fund Balance	33,737	56,093	63,966	51,063	22,314	19,119
<b>Total Revenues</b>	<b>387,383</b>	<b>413,135</b>	<b>428,149</b>	<b>422,529</b>	<b>401,210</b>	<b>405,593</b>
<b><u>Expenditures</u></b>						
Operating Expenditures	275,454	345,135	354,149	372,529	386,210	405,593
Project Expenditures	111,929	68,000	74,000	50,000	15,000	0
<b>Total Expenditures</b>	<b>387,383</b>	<b>413,135</b>	<b>428,149</b>	<b>422,529</b>	<b>401,210</b>	<b>405,593</b>
<b>Net Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Beginning Fund Balance</i>	356,616	322,879	266,786	202,820	151,757	129,443
<i>Ending Fund Balance</i>	322,879	266,786	202,820	151,757	129,443	110,324

In addition to the operating and project expenditures, the MDUF has 2 pieces of equipment expected to be replaced during the forecast: a culvert cleaner (\$42,000) scheduled for replacement in FY 2014-2015 and an excavator (\$200,000) scheduled for replacement in FY 2015-2016. These expenditures have been funded through the transfer of unexpended unassigned Fund Balance from Fiscal Year 2012-2013 to the Vehicle/Equipment Replacement Fund by Council action and, consequently, have not been included in the total forecast.

However, throughout the forecast period, the annual depreciation costs for vehicles and equipment utilized by the MDUF will be incorporated into the drainage fee model which will be analyzed annually as part of the City's budget process to ensure that the drainage fee provides the revenues needed for the expenditures associated with the MDUF. It is expected that the drainage fee model will provide information on the cost of offsetting the depreciation costs.

## **Financial Plan for Managing Municipal Drainage Utility Fund**

The Municipal Drainage Utility Fund is a self-contained enterprise fund that produces its own revenues to cover its expenditures. In terms of functions of the City, the MDUF operates like a business in that it charges a fee directly related to the cost of performing its function in order to operate. It does not regularly receive nor provide supplemental transfers to or from any other fund of the City. Revenues only come from one source, the drainage fee, and expenditures are limited to operations, projects, and equipment. Due to the nature of the MDUF operation, management of the drainage fund is limited to very few options.

Over the past 3 fiscal years, it has been City policy to use unexpended fund balance to increase the number of large drainage projects undertaken each year. This was done due to reserve funds far exceeding the necessary fund balance requirements. It is also the policy of the City to keep at least 25% of operating expenditures in reserve. Based on the forecast and the policy of the City Council, the policy of using excess fund balance will continue through the forecast period. However, the use of reserves only covers drainage projects currently planned and will not cover any costs for equipment purchases or any unexpected and unforeseen drainage projects that could arise in the next 5 years.

In order to maintain fiscal stability in the MDUF, the City will review the drainage fee on an annual basis as part of the City's budget process to ensure that the revenues being generated by the drainage fee are both correct and appropriate. The drainage fee relates directly to the amount of development within the City. As development increases, so will the fees received by the City. However, relying only on revenue enhancements through development assumes that development will occur at a faster pace than expenditures will increase. And while increased development will help provide for revenue enhancement, it will also create more work for the MDUF to manage. In order to ensure that the revenues being generated by the drainage fee is correct, the City anticipates bringing the billing of the drainage fee in-house during Fiscal Year 2014-2015. As part of the transition process, the City will be reviewing all accounts to ensure that they are being billed the correct drainage fee. In order to ensure that the drainage fee is appropriate, the City will utilize its Utility Fee Model Software Program to review the drainage fee on an annual basis during the City's budget process throughout the forecast period. The current fee structure was adopted in 2003 and has not been evaluated or adjusted since then. However, expenditures continue to rise due to both increased workload and general inflation in prices. Just like a business would increase its price of goods sold to offset a price in raw materials, the MDUF should evaluate its fee to determine whether it is appropriate and covers the annual expenditures.

**CITY OF DICKINSON  
MULTI-YEAR FINANCIAL PLAN  
STREET MAINTENANCE SALES TAX FUND**

The Street Maintenance Sales Tax Fund is the fund in which a portion of sales tax revenues collected by the City are dedicated solely to the maintenance and repair of existing City streets. After approval by the voters in May of 2011 and starting in FY 2011-2012, the City has dedicated 0.25 cents of its 1.5 cent sales tax directly into the Street Maintenance Sales Tax Fund. Expenditures out of the Fund are driven by the City's Street Prioritization Program, which guides City staff when choosing street projects to undertake in a given year.

The Street Maintenance Sales Tax Fund is funded solely through dedicated sales tax for streets. As such, the revenue forecast for the City is driven by the overall sales tax forecast. The table below shows the projected sales tax revenue for the Street Maintenance Sales Tax Fund over the forecast horizon.

<b>SALES TAX FORECAST</b>						
	<b>Actuals</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
<b><u>Sales Taxes</u></b>						
City (General)	4,713,734	4,898,463	4,996,432	5,096,361	5,198,288	5,302,254
DEDC (4B)	1,178,434	1,224,616	1,249,108	1,274,090	1,299,572	1,325,564
Street Maintenance	1,178,434	1,224,616	1,249,108	1,274,090	1,299,572	1,325,564
<b>Total Sales Tax Revenue</b>	<b>7,070,601</b>	<b>7,347,695</b>	<b>7,494,649</b>	<b>7,644,542</b>	<b>7,797,433</b>	<b>7,953,381</b>

\*The sales tax budget numbers have been adjusted based on a preliminary forecast for the current fiscal year.

Each year, after the estimated revenue for the Fund is projected, the City uses the Street Prioritization Program to determine which street projects will be funded with the Street Maintenance Sales Tax Fund and which projects will be funded by an alternative funding source. The streets selected for completion are then funded through the Street Maintenance Sales Tax available for that fiscal year.

**STREETS FUNDED BY STREET MAINTENANCE SALES TAX**

<b><u>FY 2011-2012</u></b>	<b><u>FY 2012-2013</u></b>
42 <sup>nd</sup> Street (Missouri to California)	29 <sup>th</sup> Street (West of Highway 3)
47 <sup>th</sup> Street (Minnesota to Plum)	36 <sup>th</sup> Street (East of Kansas)
Oak lane	Avenue G (South of Falco)
Yacht Club Drive	Avenue H (South of Deats)
28 <sup>th</sup> Street (California to Kansas)	Imite Street
	Pine Oak Drive
<b>Cost of Capital Improvements: \$610,490</b>	<b>Cost of Capital Improvements: \$778,707</b>



**STREETS FUNDED BY STREET MAINTENANCE SALES TAX FUND**

**Previous Budget Year (FY 2013-2014)**

<u>Street</u>	<b>Estimated Cost</b>
48th Street (West of Highway 3)	129,899
Avenue L	640,618
Dakota	338,089
Desel Drive	282,294
MLK (South of Salvato)	110,141
<b>Total Cost</b>	<b>1,501,041</b>

Streets for the Budget Year (FY2013-2014) are approved to be funded with a forecasted \$1,162,123 of current year sales tax revenue and approximately \$358,000 of unexpended fund balance from this fund from previous years.

Major Factors and Assumptions in the Expenditure Forecast:

- The City will continue to follow the Street Prioritization Program to select streets over the forecast horizon.
- Any changes made to the ranking of a street through the Street Prioritization Program in the future or securing alternative funding for any street project may result in a change in the streets scheduled for completion in the forecast horizon.
- Costs per street are determined using an approximate “cost-per-linear foot” basis and include all aspects of construction of that street, including any equipment necessary to complete the project.

**STREETS PROPOSED FOR STREET MAINTENANCE SALES TAX FUND**

**Year 1 (FY 2014-2015)**

<b>Forecasted Street Maintenance Sales Tax Revenue:</b>		<b>1,224,616</b>
<u>Street</u>	<b>Linear Feet</b>	<b>Estimated Cost</b>
48th Street (East of Highway 3)	800	92,800
33rd Street (East)	2230	258,680
28th Street (West of Highway 3)	1700	197,200
Leonetti	990	114,840
Oleander (Palm to Bridge)	860	99,760
<b>Greenbriar Street</b>	<b>700</b>	<b>81,200</b>
Construction Contingency Fund		168,896
Estimated Engineering Cost		152,006
<b>Total Cost</b>		<b>1,165,382</b>

**STREETS PROPOSED FOR STREET MAINTENANCE SALES TAX FUND**

**Year 2 (FY 2015-2016)**

**Forecasted Street Maintenance Sales Tax Revenue:** **1,249,108**

<b>Street</b>	<b>Linear Feet</b>	<b>Estimated Cost</b>
35th Street (East of Kansas)	2600	304,200
Nebraska Street	724	84,708
Hollywood Street	1400	163,800
<b>Gill Road</b>	<b>1350</b>	<b>157,950</b>
Johnson Street	600	70,200
Mariner's Way	600	70,200
Pine Oak Cr.	560	65,520
Construction Contingency Fund		183,315
Estimated Engineering Cost		164,984
<b>Total Cost</b>		<b>1,264,877</b>

**STREETS PROPOSED FOR STREET MAINTENANCE SALES TAX FUND**

**Year 3 (FY 2016-2017)**

**Forecasted Street Maintenance Sales Tax Revenue:** **1,274,090**

<b>Street</b>	<b>Linear Feet</b>	<b>Estimated Cost</b>
Winding Way	2400	283,200
Pine Lane	560	66,080
Timber Lane	400	47,200
Chicago Street	1200	141,600
Holly Drive	1260	148,680
Woodlawn	800	94,400
Benson Street	720	84,960
Construction Contingency Fund		173,224
Estimated Engineering Cost		155,901
<b>Total Cost</b>		<b>1,195,245</b>

**STREETS PROPOSED FOR STREET MAINTENANCE SALES TAX FUND**

**Year 4 (FY 2017-2018)**

**Forecasted Street Maintenance Sales Tax Revenue:**

**1,299,572**

<b>Street</b>	<b>Linear Feet</b>	<b>Estimated Cost</b>
Salvato Street	1320	157,080
45th Street (West of Highway 3)	1580	188,020
Avenue F (From 20th to 25th Street)	1850	220,150
32nd Street (East)	2950	351,050
Utah Street	450	53,550
Construction Contingency Fund		193,970
Estimated Engineering Cost		174,573
<b>Total Cost</b>		<b>1,338,393</b>

**STREETS PROPOSED FOR STREET MAINTENANCE SALES TAX FUND**

**Year 5 (FY 2018-2019)**

**Forecasted Street Maintenance Sales Tax Revenue:**

**1,325,564**

<b>Street</b>	<b>Linear Feet</b>	<b>Estimated Cost</b>
Avenue F (From Deats Rd. to 25th Street)	2150	258,000
Nevada Street (South of FM 517)	1800	216,000
Georgia Avenue	450	54,000
Falco	1320	158,400
Texas Avenue (South of FM 517)	950	114,000
Iowa (42 <sup>nd</sup> to 43 <sup>rd</sup> Street)	400	48,000
Luhning	1500	180,000
Construction Contingency Fund		202,800
Estimated Engineering Cost		182,520
<b>Total Cost</b>		<b>1,413,720</b>

*\*Streets eligible for CDBG-Disaster Recovery funding are highlighted in yellow.*

## Street Maintenance Sales Tax Fund Forecast

STREET MAINTENANCE SALES TAX FUND FORECAST						
	Budget	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
<b><u>Revenues</u></b>						
Sales Tax Revenue	1,178,434	1,224,616	1,249,108	1,274,090	1,299,572	1,325,564
Interest Income	500	550	600	650	700	750
Use of Fund Balance	358,108	0	51,169	0	74,121	123,406
<b>Total Revenues</b>	<b>1,537,041</b>	<b>1,225,166</b>	<b>1,300,877</b>	<b>1,274,740</b>	<b>1,374,393</b>	<b>1,449,720</b>
<b><u>Expenditures</u></b>						
Street Repairs/Patch	35,000	35,000	35,000	35,000	35,000	35,000
Advertising/Legal Notices	1,000	1,000	1,000	1,000	1,000	1,000
Street Projects	1,501,041	1,165,382	1,264,877	1,195,245	1,338,393	1,413,720
<b>Total Expenditures</b>	<b>1,537,041</b>	<b>1,201,382</b>	<b>1,300,877</b>	<b>1,231,245</b>	<b>1,374,393</b>	<b>1,449,720</b>
<b>Net Revenues</b>	<b>0</b>	<b>23,784</b>	<b>0</b>	<b>43,495</b>	<b>0</b>	<b>0</b>

Planned 5-Year Capital Expenditures: **\$6,377,617**

Total Street Maintenance Sales Tax Capital Expenditures (FY 2012 through FY 2019 Forecast): **\$9,549,609**

### Financial Plan for Managing Street Maintenance Sales Tax Fund

The key to managing the Street Maintenance Sales Tax Fund is to track trends in the sales tax forecast. By developing reasonable estimates of the dedicated funds available each fiscal year for street repairs and reconstructions, the City can match planned street expenditures to the available revenue. As the sales tax forecast changes over the forecast horizon, streets can be moved up or down in the street maintenance schedule. There are no long term issues related to the management of this fund due to the ability of the City to match street expenditures to the forecasted revenues in a given fiscal year.