

ENTERPRISE FUNDS SUMMARY 2014-2015

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ENTERPRISE FUNDS

MISSION

2

Mission

Enterprise Funds are used for operations that are financed and operated in a manner similar to private business enterprises with the costs of providing goods or services being financed or recovered primarily through user charges.



PINNACLE ISSUES FOR FY 2015

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Utilities:

1. Continued reorganization of Water and Wastewater Utility
2. Increased rates due to aging infrastructure
3. Recruiting and retaining qualified staff
4. Consent Decree for Sanitary Sewer Overflows and Wastewater Treatment Plants

Airport:

1. Nation-wide airline mergers / restructuring, capacity reduction which will change fares, routes and customer service. (American Airline/U.S. Airways merger)
2. Impact of FAA's more stringent funding process for capital improvement projects

Marina:

1. Continue to maintain and replace deteriorating docks and equipment.
2. Ability to continue to provide on the water search and rescue.



MAJOR ACCOMPLISHMENTS FOR FY 2014

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Utilities:

1. Improved drinking water quality and pressure zone management
2. 60% reduction in Sanitary Sewer Overflows SSOs

Airport:

1. Groundbreaking and construction of USCG Headquarters.
2. Development and implementation of Public Safety Officer Pay Plan to retain and recruit employees.

Marina:

1. Received a Federal Grant from Texas Parks & Wildlife for \$34,742.00 to replace sewage pump-out system on the People Street T-Head.
2. Utilities Department funded purchase of a trash skimmer that the Marina installed and maintains to assist with floating debris.
3. Approved Grant from Fish and Wildlife through Texas Parks & Wildlife of \$500,000 towards replacement of R-Pier.

Gas:

1. Public Awareness and Damage Prevention Special Audit conducted by the TPRC received a “perfect score”
2. Interconnection of North Beach system to the City system has been completed.
3. CNG Program continues to be successful

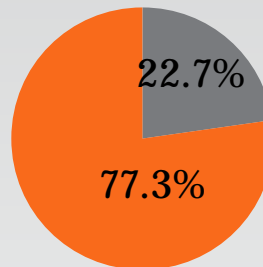
Fiscal Year	2012	2013	2014
Consumption of (GGE)	68,542	133,660	>230,000



EMPLOYEES

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	FY 2012-2013	FY2013-2014	FY2014-2015
Water	222.4	218.4	223.4
Waste Water	168	167	166
Storm Water	87	87	81
Gas	135	152	154
Airport	87	82	82
Marina	15	15	15
Golf Centers	0	0	0
Total	714.4	721.4	721.4



Total Enterprise

- Fund - 721.4
- City - 3,172



UTILITY RATE IMPACT

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Average Monthly Bill Increase

Utility		2013	2014	2015
Water:	ICL Residential (7,000 gal->6000 gal in 2015)	2.08	2.14	6.03
	ICL Commercial (50,000 gal)	23.04	25.87	57.15
	ICL Large Volume (25 mgl)	8,466	8,374	26,443
	OCL Large Volume (100 mgl)	(1,209)	3,570	10,103
Wastewater		0.00	3.75	4.45
Gas		0.00	0.52	1.08

UTILITY RATE IMPACT

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Average Monthly Bill

Utility		2013	2014	2015
Water:	ICL Residential (7,000 gal->6000 gal in 2015)	36.62	38.76	38.04
	ICL Commercial (50,000 gal)	309.95	335.82	392.97
	ICL Large Volume (25 mgl)	92,344	100,718	127,161
	OCL Large Volume (100 mgl)	71,840	75,410	85,513
Wastewater		43.21	46.96	51.41
Gas		21.07	21.59	22.67

REVENUE

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Source	Actual FY 2013	14 Month Estimated FY 2014	Proposed FY 2015
Cost of Service ICL/OCL - Water	86,093,540	94,254,383	92,509,408
Cost of Service ICL/OCL - Waste Water	56,069,076	71,765,631	70,514,885
Raw water	34,352,331	37,016,811	36,907,817
Transfer from other funds	38,469,565	34,240,533	33,092,284
Purchased gas adjustment	13,401,833	21,447,265	23,006,976
Cost of Service ICL/OCL - Gas	13,736,453	17,359,104	15,686,986
Airfield	9,563,073	11,360,544	10,374,236
Charges for Services	2,930,200	3,716,348	3,399,791
Disconnect fees	1,699,797	2,346,731	2,572,199
Bayfront revenues	1,717,105	2,095,715	1,945,100
Interdepartmental Services	258,231	233,864	1,712,512
Other revenue	1,654,049	1,675,546	1,634,108
Late fees on delinquent accts	1,789,114	1,494,565	811,474
Environmental Progs Cost Recov/ACM for Public Works Cost	583,728	582,232	751,356



REVENUE

9

Source	Actual FY 2013	14 Month Estimated FY 2014	Proposed FY 2015
Property Rentals	540,955	574,271	508,600
Contribution from Federal Gov	133,954	200,000	200,000
Interest earned	230,489	158,250	191,000
Green Fees	216,815	114,298	175,000
Contribution from Developers	7,869,819	0	0
Proceeds of sale of bonds	-31,647,286	0	0
Total	239,662,841	300,636,088	295,993,731

REVENUE

10

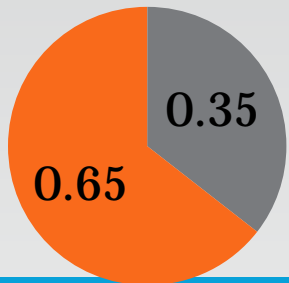
Source	Actual FY 2013	12 Month Budget 2014	Proposed FY 2015
Cost of Service ICL/OCL - Water	86,093,540	90,266,808	92,509,408
Cost of Service ICL/OCL - Waste Water	56,069,076	62,661,410	70,514,885
Raw water	34,352,331	33,125,894	36,907,817
Transfer from other funds	38,469,565	28,787,714	33,092,284
Purchased gas adjustment	13,401,833	18,004,458	23,006,976
Cost of Service ICL/OCL - Gas Airfield	13,736,453	14,591,601	15,686,986
	9,563,073	8,415,966	10,374,236
Charges for Services	2,930,200	3,023,654	3,399,791
Disconnect fees	1,699,797	1,210,500	2,572,199
Bayfront revenues	1,717,105	1,786,904	1,945,100
Interdepartmental Services	258,231	171,628	1,712,512
Other revenue	1,654,049	1,668,268	1,634,108
Late fees on delinquent accts	1,789,114	1,817,593	811,474
Environmental Progs Cost Recov/ACM for Public Works Cost	583,728	499,056	751,356



REVENUE

Source	Actual FY 2013	12 Month Budget 2014	Proposed FY 2015
Property Rentals	540,955	513,600	508,600
Contribution from Federal Gov	133,954	200,000	200,000
Interest earned	230,489	210,000	191,000
Green Fees	216,815	141,033	175,000
Contribution from Developers	7,869,819	0	0
Proceeds of sale of bonds	-31,647,286	0	0
Total	239,662,841	267,096,087	295,993,731

Enterprise



- Enterprise - \$295,993,731
- City Wide - 832,787,000



TOTAL EXPENDITURES

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	Actual FY 2013	14 Month Estimated FY 2014	Proposed FY 2015
	\$	\$	\$
Water Fund	108,182,292	135,468,140	132,717,082
Wastewater Fund	64,943,300	76,890,401	75,179,222
Gas Fund	28,942,220	42,780,111	41,556,953
Storm Water Fund	27,598,678	31,347,369	29,565,361
Airport Fund	7,046,532	9,704,953	8,253,929
Marina Fund	1,593,461	2,154,528	1,840,831
Airport Customer Facility Charge Fund	1,417,817	1,971,029	1,390,014



TOTAL EXPENDITURES

13

	Actual FY 2013	14 Month Estimated FY 2014	Proposed FY 2015
	\$	\$	\$
Choke Canyon Fund	1,750,163	1,284,163	1,274,163
Airport Capital Reserve Fd	850,980	1,138,856	1,218,786
Golf Capital Reserve Fund	98,814	125,000	125,000
Golf Center Fund	100,096	18,326	21,058
Raw Water Supply	22,044	1,080,735	0
Total	242,546,397	303,963,611	293,142,399



TOTAL EXPENDITURES

14

	Actual FY 2013	12 Month Budget 2014	Proposed FY 2015
	\$	\$	\$
Water Fund	108,182,292	123,318,888	132,717,082
Wastewater Fund	64,943,300	70,235,865	75,179,222
Gas Fund	28,942,220	36,414,332	41,556,953
Storm Water Fund	27,598,678	29,984,381	29,565,361
Airport Fund	7,046,532	7,769,100	8,253,929
Marina Fund	1,593,461	1,758,683	1,840,831
Airport Customer Facility Charge Fund	1,417,817	1,496,025	1,390,014



TOTAL EXPENDITURES

15

	Actual FY 2013	12 Month Budget 2014	Proposed FY 2015
	\$	\$	\$
Choke Canyon Fund	1,750,163	1,284,163	1,274,163
Airport Capital Reserve Fd	850,980	0	1,218,786
Golf Capital Reserve Fund	98,814	125,000	125,000
Golf Center Fund	100,096	15,708	21,058
Raw Water Supply	22,044	0	0
Total	242,546,397	272,402,145	293,142,399



TOTAL EXPENDITURES

16

	Actual FY 2013		14 Month Estimated FY 2014		Proposed FY 2015	
	\$	%	\$	%	\$	%
Personnel	31,418,422	12.95%	39,433,890	12.97%	38,115,959	13.00%
Materials/Supplies	71,461,675	29.46%	104,101,150	34.25%	99,502,872	33.94%
Capital Outlay	3,057,470	1.26%	8,416,854	2.77%	3,592,140	1.23%
Debt Service	75,399,389	31.09%	80,291,011	26.41%	89,393,370	30.49%
Other	61,209,441	25.24%	71,720,706	23.60%	62,538,058	21.33%
Total	242,546,397	100%	303,963,611	100%	293,142,399	100%



TOTAL EXPENDITURES

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	Actual FY 2013		12 Month Budget 2014		Proposed FY 2015	
	\$	%	\$	%	\$	%
Personnel	31,418,422	12.95%	36,407,591	13.37%	38,115,959	13.00%
Materials/Supplies	71,461,675	29.46%	86,733,665	31.84%	99,502,872	33.94%
Capital Outlay	3,057,470	1.26%	7,909,752	2.90%	3,592,140	1.23%
Debt Service	75,399,389	31.09%	78,807,868	28.93%	89,393,370	30.49%
Other	61,209,441	25.24%	62,543,269	22.96%	62,538,058	21.33%
Total	242,546,397	100%	272,402,145	100%	293,142,399	100%



SUMMARY OF FUND BALANCES

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Fund	Actual 2013	Estimated Beginning Fund Balance at 10/1/14	Revenues	Expenditures	Projected Ending Fund Balance at 9/30/15
Water Fund	\$108,182,292	\$32,402,757	\$135,122,559	\$132,717,082	\$34,808,234
Wastewater Fund	\$64,943,300	\$28,426,121	\$74,244,137	\$75,179,222	\$27,491,036
Choke Canyon Fund	\$1,750,163	\$20,303,043	\$80,000	\$1,274,163	\$19,108,880
Raw Water Supply Development	\$22,044	\$9,020,673	\$1,859,592	\$0	\$9,799,530
Gas Fund	\$28,942,220	\$6,120,368	\$41,556,991	\$41,556,953	\$6,120,406
Airport Fund	\$7,046,532	\$5,060,646	\$8,318,192	\$8,253,929	\$5,124,909
Storm Water Fund	\$27,598,678	\$8,657,938	\$29,565,000	\$29,565,361	\$8,657,577
Marina Fund	\$1,593,461	\$804,866	\$2,082,840	\$1,840,831	\$1,046,875



SUMMARY OF FUND BALANCES

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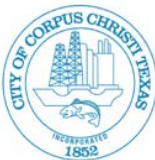
Fund	Actual 2013	Estimated Beginning Fund Balance at 10/1/14	Revenues	Expenditures	Projected Ending Fund Balance at 9/30/15
Airport Customer Facility Charge Fund	\$850,980	\$51,107	\$1,539,420	\$1,390,014	\$200,513
Golf Capital Reserve Fund	\$98,814	\$120,745	\$175,000	\$125,000	\$170,745
Airport PFC	\$1,234,600	\$2,272,572	\$1,300,000	\$1,218,786	\$2,353,786
Golf Center Fund	\$100,096	(\$703,935)	150,000	\$21,058	(\$574,993)
Total		\$112,536,901	\$295,993,731	\$293,142,399	\$115,388,232



TOTAL ENTERPRISE FUND BALANCE

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• Estimated Beginning Balance 10/1/14		<u>\$112,536,901</u>
• Projected Changes		<u>\$(2,851,332)</u>
• Total Projected Ending Balance 9/30/15		<u>\$115,388,232</u>
• Restricted	<u>\$ 75,564,937</u>	
• Unrestricted	<u>\$ 39,823,296</u>	



DECISION PACKAGES FOR FY 2015

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Department	Title	Impact
RECOMMENDED		
Gas	6% Rate Increase	\$752,178
Wastewater	System-wide cleaning and condition assessment	\$1,400,000
Wastewater	Sludge/Grit handling program	\$460,000
Wastewater	Addition of four FTE's to Water Quality Section	\$216,942
Wastewater	Addition of two FTE/s to Pre-treatment Program	\$120,000
Wastewater	UV-light maintenance contract	\$120,000
Wastewater	Addition of two temporary employees at Broadway WWTP	\$53,000
Wastewater	Addition of two temporary employees at Allison WWTP	\$53,000
Airport	(2) interns for operations, marketing and business development initiatives	\$34,586
	TOTAL	\$3,209,706

QUESTIONS

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