



South Padre ISLAND

POPULAR ANNUAL FINANCIAL REPORT 2018-2019





*City of South Padre Island Popular Annual Financial Report
Year Beginning October 1, 2018 and Ending September 30, 2019*

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ABOUT THIS REPORT

This Popular Annual Financial Report (PAFR) has been prepared to inform citizens about the City of South Padre Island and its operations, services and programs, as well as its financial condition.

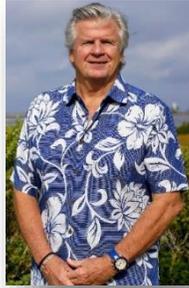
The PAFR is a summary of the major financial activities of the City's Governmental fund and does not include component unit non-major fund data. The information in this report was drawn from information found in the audited 2019 Comprehensive Annual Financial Report (CAFR) of the City of South Padre Island. The CAFR report is prepared in accordance with generally accepted accounting principles (GAAP) and includes financial statements audited by Carr, Riggs & Ingram, CPAs and Advisors, LLC. To view the City's past CAFR's, please visit: www.myspi.org/CAFR.

The financial information presented in this report is summarized and should not be used as a substitute for the City's CAFR. By its nature, this report is unaudited and presented on a non-GAAP basis.

ELECTED OFFICIALS



Patrick McNulty – Mayor



Kerry Schwartz – Council
Member Place 2



Alita Bagley – Council Member
Place 4



Ken Medders, Jr. – Mayor Pro-
Tem Place 1



Joe Ricco – Council Member
Place 3



Eva-Jean Dalton – Council
Member Place

CITY COUNCIL ROLE

The City Council Members are dedicated to serving the community by volunteering their time and expertise to maintaining and improving the quality of life for South Padre Island citizens. Their contribution is invaluable in shaping the future of South Padre Island.

The Council is proud to represent the citizens, and through policy making and legislative authority are vested in a governing council consisting of the Mayor and five Council Members. The Mayor and Council serve three-year staggered terms and are elected at large.

The City Council is responsible for passing ordinances, adopting the budget, and appointing committees, as well as hiring the City Manager and the City Attorney.

A MESSAGE FROM THE MAYOR



Dear Islanders, Welcome!

It is a great honor to serve you as Mayor! As Mayor of the City of South Padre Island, and in collaboration with my colleagues on the City Council and all city staff, I am proud to present this year's City of South Padre Island Popular Annual Financial Report (PAFR) for the year ended September 30, 2019.

This report is a summary of the City's Comprehensive Annual Financial Report (CAFR) and includes information regarding the City's revenue, spending, and financial condition. We provide this version for citizens to gain an understanding of where their tax dollars go and how they are spent, to demonstrate that our City leaders are responsible stewards of funds, and to remain transparent and accountable to the citizens of South Padre Island.

We are pleased to report that in 2019 the total net position for the City of South Padre Island increased by \$5,799,881 during the fiscal year from the results of current year activities. The City continues to be fiscally prudent and, for the 2018-2019 fiscal year, reflects our strong financial position with a AA+ general obligation bond rating.

In the next few years, you will see the City invest millions of dollars on infrastructure that will improve pedestrian and vehicle traffic. We are excited to break ground on the Padre Boulevard Median, Sidewalk and Boardwalk Project. Currently, we are in the design phase of Laguna Boulevard Reconstruction, Tompkins Park Phase II, Quiet Water Sports Park and exploring the possibilities of expanding the Convention Centre.

There are many projects that will focus on the comprehensive plan which will create a shared vision that will help guide future actions of the City for years to come. We continue to address the needs for Laguna Boulevard to be reconstructed and are currently surveying the boulevard and the design phase will take place this spring.

As a unique seaside community, our beaches and other amenities have been and remain particularly attractive to both pleasure seeking tourists and visitors, as well as permanent and seasonal residents. Our Island offers some of the cleanest, most scenic beaches in the Gulf and a variety of activities for everyone to enjoy.

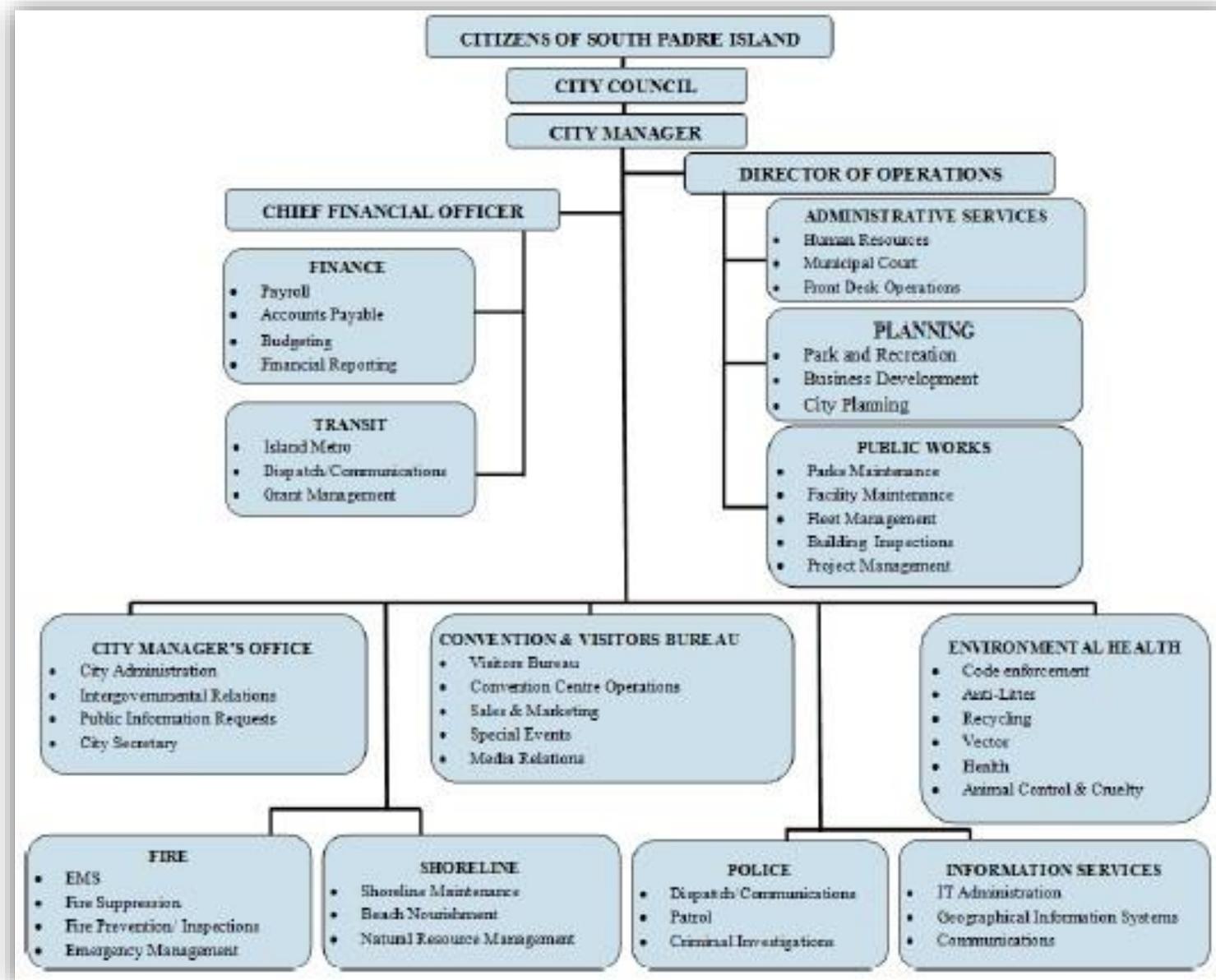
We appreciate your interest in the City of South Padre Island and together we welcome your feedback, suggestions, and comments regarding the information contained in this report.

Sincerely,

Patrick McNulty- Mayor
City of South Padre Island, Texas

Email: pmcnulty@myspi.org

ORGANIZATION CHART



LEADERSHIP TEAM



Ed Caum (CVB), Aaron Hanley (Planning), Mark Shellard (IT), Rodrigo Gimenez (Finance), Jon Wilson (Public Works), Angelique Soto (Public Information Officer), Susan Manning (City Secretary), Randy Smith (City Manager), Carlos A. Sanchez (Public Works), Kristina Boburka (Shoreline), Claudine O'Carrol (Police Chief), Victor Baldovinos (Environmental Health), David Travis III (Planning), Wendi Delgado (Administrative Services,) and Jesse Arriaga (Transit)
Not Pictured: Darla Lapeyre (EDC) and Jim Pigg (Fire)

The City's key staff ensure that local regulations comply with state and federal laws, enforce those regulations, and carry out the more service-oriented aspects of their jobs. Department heads come together as a team to lead the organization, they understand the critical role their departments play in the city. The work of each of these leaders is vital to providing for the health, safety and welfare of the community.

The leadership team is proud to represent the City as a whole, not just their departments. This takes active work, and only becomes easier with experience.

FISCAL YEAR IN REVIEW

“On behalf of myself and staff, we are honored to serve the South Padre Island community! The following are a few of the departments’ highlights that help make the City great. This year brought a balance of new growth and development while preserving our Island’s culture and its amenities.”

-Randy Smith, South Padre Island City Manager



Comprehensive Plan:

The City focused on updating the City’s comprehensive plan during the 2019 fiscal year. "The Island Way: The South Padre Island Comprehensive Plan," outlines a path for achieving the shared vision for the City described by community members through the visioning and goal-setting process. The Island Way synthesizes a series of component master plans into one, seamless document that will guide the growth and evolution of the City between the writing of this plan and its horizon of 2050. The Component Plans will be updated every 5 to 10 years and will include: the Land Use Plan; Business, Economy, and Tourism Plan; Master Thoroughfare Plan; Parks and Recreation Master Plan; City Facilities Master Plan; Shoreline Master Plan; and Implementation Plan. As of September 30th, 2019, the plan was substantially complete and awaiting a final round of review from the steering committee prior to adoption.

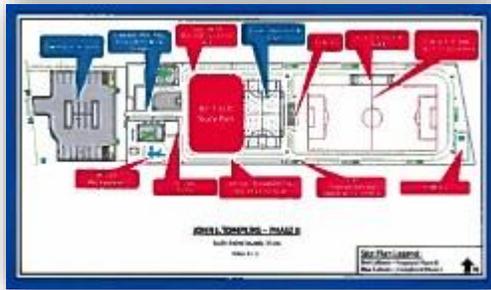
Wayfinding:

The South Padre Island wayfinding project has been developed as a community branding system that incorporates welcome, directional, informative, and culturally significant elements. Once completed, the project will enhance the visitor experience in South Padre Island by assisting each user in reaching their desired destination(s), unifying the Island identity and leading to discovery of all that South Padre Island has to offer. As of September 30th, 2019, the final review comments have been sent to the



contractor and the final document was being prepared.

Tompkins Park:



The City of South Padre Island is partnered with the Texas Department of Parks and Wildlife to complete Phase II of John L. Tompkins Park. A majority of the park design will be done in-house, however, the City is outsourcing the architectural and engineering services for the design of a skate park. The park will include a soccer field, a walking trail, exercise stations, a bocce ball court, benches, and shade structures. As of September 30th, 2019, the in-house

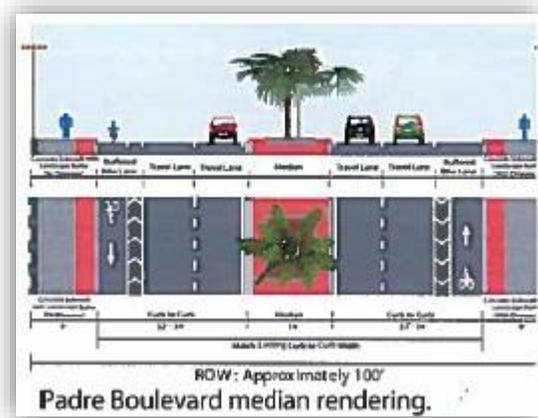
design for all of the park features except for the skate park, exercise equipment, and shade structures was at 90% complete, and the City had received and evaluated two statements of qualifications related to the solicitation of architectural and engineering services for the Skate park design.

Infrastructure

The Public Works Department has undertaken and completed many projects this past year to improve infrastructure and provide safer streets for pedestrians.



The City of South Padre Island's Padre Boulevard Sidewalk Improvement Project, which started in late May 2017, is about 95% complete. This project improves the sidewalk on both sides of Padre Boulevard from Park Road 100 to the Convention Centre, which is approximately 4.6 miles. The project consists of six foot sidewalks with landscaping improvements and bike lane markings. The project will also include enhancements to pedestrian crossings.



The 2018 Street Reconstruction Project, Phase 1, which consisted of reconstructing nine side streets primarily on the east side of Padre Boulevard, was completed with five newly reconstructed streets adding 4,108 linear feet of sidewalks this fiscal year. The streets improved were E. Atol, E. Jupiter, E. Lantana, E. Polaris, E.

Sunny Isle, E. Venus, E. Verna Jean, White Sands, and W. Palm Street. The total cost was approximately \$1.9 million.

In addition, the 2018 Street Reconstruction Project, Phase 2, was also completed which consisted of reconstructing four side streets on the west side of Padre Boulevard. The four side streets included W. Georgia Ruth, W. Mars, W. Polaris and portion of E. Mars. Improvements included five-foot sidewalks, improve drainage along these streets and improving the outfall for Venus Lane. The project total cost was approximately \$407,000 including engineering design and material testing.

Transit

The Transportation Department completed its Multimodal Facility Project. The basic function of the facility is serving as a “transfer station” between different modes of transportation. It serves as a point of transfer between Island Metro’s three different routes, enabling riders to wait for their transfers in a comfortable setting. These riders will have access to area shuttles, taxi services, and charter bus services.

The entire facility sits on property owned by the Texas Department of Transportation and is leased to the City for a thirty year period with extension options. It houses the Island Metro bus system, the City’s Visitors Center, the City’s Police Department satellite office, and the City’s Shoreline Department in addition to classroom/training/meeting space for rent. Lease space is being made available to Island businesses wanting to expand their opportunities with Metro riders.

The first phase was built in 2015 and included a “Park and Ride” parking lot that fits up to 125 vehicles. Visitors driving to South Padre Island via personal vehicle can park their cars in the parking lot and take alternate transportation to their destination, thus reducing the number of cars and thus traffic. Electric vehicle owners have access to an electric vehicle charging station.



SPI names new facility
The new Multimodal facility provides much-needed passenger amenities, driver amenities, administrative offices, rental space, and a permanent facility for the Island Metro rural bus service, Shoreline department and the Visitors Center.

This facility is named after South Padre Island’s longest-serving mayor, Robert N. Pinkerton, Jr., in honor of his dedication and contribution to the City.



Total project cost was approximately \$6.7 million and was fully funded through multiple grants.



The second phase included the actual building that comprises 11,772 square feet broken down into a common area, ten offices, reception area, a training room, conference room, restrooms and a break room for the transit drivers. It is a two-story facility that will soon be Silver LEED Certified. A \$4.6 million grant, known by its acronym “TIGER” (Transportation Investment Generating Economic Recovery) was obtained in 2014 to fund the construction of the building. Construction began May of 2018 and was completed on April 3, 2019.

Finance

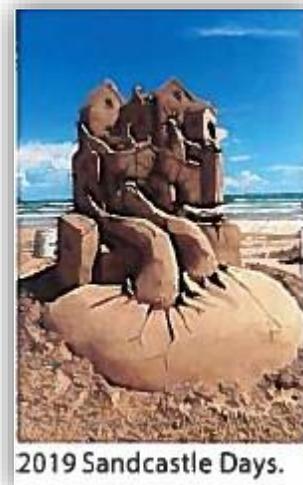
Excellence in finance continues with the City being awarded the Government Finance Officer’s Association’s (GFOA) Certificate of Achievement for Excellence in Finance for the 29th consecutive year for its 2018 fiscal year’s Comprehensive Annual Report. The City was also awarded the GFOA’s Distinguished Budget Presentation Award for the 8th consecutive year for the 2019 fiscal year’s budget document.

In June 2018, the City launched an online financial transparency portal. This portal provides multiple years of information that furthers the accountability of the City’s financial operations. The Texas Comptroller, Glen Hegar, announced that the City was one of the latest local governments to achieve specific transparency goals through the Comptroller’s Transparency Stars program. The City received a star in the area of Traditional Finances, which recognizes entities for their outstanding efforts in making their spending and revenue information readily available. The City looks forwards to attain more of the stars offered by the program.

Convention Center and Tourism

The South Padre Island Convention and Visitors Bureau (CVB) works to generate tourism through leisure, group travel, meetings, and convention markets. As tourism is the Island’s primary economic engine, success is critical. The CVB produced, sponsored, and directly supported more than 33 events on the Island. The economic impact of these events not only increases hotel occupancy and revenues, but also positively affects other diverse segments of the hospitality industry.

The Island is unique in many ways and attracts a variety of events for all to enjoy. New events that marketed the Island were the Food Truck Festival, Pro WaterCross, and the Sea Turtle Arts Trail. South Padre Island holds many fishing tournaments yearly and bring an estimated \$1.3 million in economic impact



throughout the year. During the 2018-2019 Fiscal Year, the CVB booked 27,071 group room nights and the Visitors Information Center welcomed 46,764 guests from the United States, Mexico, Canada, and European countries.

Parks, Beautification, and Beaches

The American Shore and Beach Preservation Association awarded the *City of South Padre Island the Best Restored Beaches for 2019* award. The City of South Padre Island is the only beach community in Texas to win this award! The City's long and successful tradition of utilizing Beneficial Use of Dredge Material (BUDM) projects have allowed the City to remain the tourism center that it is. The BUDM is crucial to fighting beach erosion, improving the dune system through the creation of the aerial beach and protecting homes and businesses.



The public is invited to participate in beach clean-ups, educational activities, sandcastle contest and fun for all.

The City's Environmental Health and Services Department and the City's Recycling and Education Outreach team are committed to protecting the Island by providing environment-friendly solutions to waste management. This year, Keep Texas Beautiful (KTB), a statewide grassroots environmental and community improvement organization, recently named the City of South Padre Island as a Gold Star Affiliate. KTB works with governments to, businesses, civic groups, and volunteers to ensure the every Texan has the opportunity to

take individual responsibility for making Texas the cleanest, most beautiful state in the nation. The Gold Star recognition is the highest status any community affiliate can achieve.

The City continues to successfully implement local programs and campaigns to clean up litter, reduce and recycle waste, educate local citizens, and enhance the local community. On such campaign is "Treasure It...Don't Trash IT" which is an annual event to help raise awareness about the importance of protecting the delicate ecosystem.



The Shoreline Department received more than \$2 million in grants this year. Over \$2 million was received to continue re-nourishing the shoreline and

\$198,000 to improve White Sand Street beach access. These grants enhance the City's effort to further protect the shoreline.

Public Safety

The Police Department purchased two new vehicles and had them equipped for a total of \$88,000. One of the vehicles was purchased with grant funds received from the Office of the Governor. The vehicle is to be used in the Police Department's efforts in the Operation Stone Garden Program. The program funds' investments in joint efforts to secure the United States borders.

A Chief Marshal position was created in the fiscal year 2018-19. The Chief Marshal performs a variety of complex administrative and professional work in performing, planning, coordinating and directing the activities of the Marshal's division. He is responsible for collection efforts as it pertains to outstanding warrants for the Municipal Court. In addition, he is responsible for developing policies and procedures as it pertains to Law Enforcement activities and court collection strategies.

Furthermore, the Fire Department purchased five Physio Control LifePak-15 Monitor Defibrillators with accessories and five Lucas devices for a total of \$338,000. Grant funding was awarded to the Fire Department by the Valley Baptist Legacy Foundation for the purchase.

Economic Development

The South Padre Island's Economic Corporation, a component unit of the City, introduced a new art incubator program in the 2019 fiscal year. The ABISPI is an open and collaborative environment where participating artists can make art in their studio spaces as well as sell their completed pieces in a gallery. The incubator hosts monthly art-related events. Also in 2019, the EDC awarded Island Park and the new Jake's Restaurant the Façade Improvement Grant. This is an incentive program that allows businesses within the Form Based Code area to improve the appearance of the establishment.

New businesses on SPI

There were a number of new businesses opened on the Island in 2018/2019. These include restaurants such as Aloha Ice, Driftwood Landing, Jalapeno's Restaurant, Josephine's, KIC's Ice Cream, Liam's Steakhouse on the Bay, Margarita's and Willie Dean Bagels.

Retail development included City Garage, Island Metro Multimodal facility, Keller Williams, Lone Star Meats, NextHome on the Coast, Purple Piggy Toy Store, SPI Fun Rentals, Turnkey, Vacasa and Waters Edge Gallery.



Lone Star Meats is located at 3508 Padre Blvd.

Facade Improvement Grants

In 2019, the South Padre Island Economic Development Corporation (EDC) awarded Island Fun Park and the new Jake's Restaurant the Façade Improvement Grant.

This program allows businesses within the Form Based Code area to improve the appearance of the establishment.

Interested in applying?
Visit www.southpadreislandedc.com/facade-grant



Island Fun Park is located at 1201 Padre Blvd.

These are a few of the highlighted accomplishments of last fiscal year. We anticipate many improvements in the coming year for the Island's infrastructure that will boost the growth potential for the City.

FINANCIAL EXCELLENCE CONTINUES

South Padre Island WINS STATE and NATIONAL AWARDS

The Texas Comptroller Glenn Hegar announced the City of South Padre Island is the latest local government entity to achieve specific transparency goals through the Comptroller's Transparency Stars program. The City received a star in the area of Traditional Finances, which recognizes entities for their outstanding efforts in making their spending and revenue information available.

In June 2018, the City of South Padre Island launched an online financial transparency portal. This portal provides multiple years of information that furthers the accountability of the City's financial operations.

The City was awarded its 29th consecutive Certificate of Achievement for Excellence in Finance and its 8th consecutive Certificate of Recognition for Budget Presentation award from the Government Finance Officers Association of the United States and Canada.

29th
Year

2018 - 2019
Annual Financial Report
Government Finance
Officers Association's
Certificate of Achievement
for Excellence

8th
Year

2018 - 2019
Annual Budget
Government Finance
Officers Association's
Distinguished Budget
Presentation Award



Comptroller's Star in
Traditional
Finances for the Transparency
Performance Portal

NET POSITION

Net position may serve over time as a useful indicator of a government's financial position. For the City of South Padre Island, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$53,761,672 at the close of the most recent fiscal year.

	Total Governmental Activities 2019	Total Governmental Activities 2018
ASSETS		
Current and other assets	\$ 38,996,592	\$ 38,284,904
Capital assets	37,051,501	34,582,759
Total assets	76,048,093	72,867,663
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension liabilities	2,517,082	877,010
Deferred outflows related to OPEB liabilities	37,522	36,915
Deferred amount on refunding	140,137	163,494
Total deferred outflows of resources	2,694,741	1,077,419
LIABILITIES		
Current liabilities	1,212,479	2,618,753
Non-current liabilities	23,607,761	22,318,731
Total liabilities	24,820,240	24,937,484
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB liabilities	24,138	-
Deferred inflows related to pension liabilities	136,784	1,045,807
Total deferred inflows of resources	160,922	1,045,807
NET POSITION		
Net investment in capital assets	28,045,389	25,616,028
Restricted	19,918,111	17,386,999
Unrestricted	5,798,172	4,958,764
Total net position	\$ 53,761,672	\$ 47,961,791

A large portion of the City's net position (52%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

STATEMENT OF ACTIVITIES

The City's net position increased by \$5,799,881 from the beginning adjusted net position of \$47,961,791, as a result of current year governmental activities. Total revenues increased approximately \$1.9 million. This includes increases in grants of 34% or \$1,304,030 mainly associated with additional federal funding awarded for construction of the Transit Multimodal Facility.

- Property tax general revenues increased mainly due to increased property values for fiscal year 2018-2019.
- Sales tax collections increased by 6.8% or \$172,779.
- State and local occupancy taxes increased by 3.3% or \$432,641.
- Additional interest revenue of approximately \$268,912, due to favorable market conditions and appropriate cash management

	Total Governmental Activities 2019	Total Governmental Activities 2018
Program Revenues:		
Charges for Services	\$ 2,450,755	\$ 2,773,678
Operating Grants and Contributions	1,589,941	3,003,264
Capital Grants and Contributions	3,519,537	802,184
General Revenues:		
Property Tax	8,040,930	7,904,409
Sales Tax	2,729,632	2,556,853
Franchise Tax	886,318	885,011
Hotel Motel Tax	10,650,064	10,340,024
Hotel Motel Beach Maintenance Tax	2,741,917	2,619,316
Mixed Beverage Tax	361,391	339,170
Gain/(Loss) on Sale of Capital Assets	(9,839)	42,253
Interest and Other	901,409	671,562
Total Revenues	33,862,055	31,937,724
Program Expenses:		
General Government	4,034,629	4,073,602
Public Safety	6,965,278	6,363,761
Public Works/Shoreline	4,405,207	4,215,756
Transportation	1,866,276	1,794,636
Community Service	183,225	197,944
Convention and Visitors Bureau	10,041,264	9,379,337
Interest on Long-Term Debt	566,295	581,354
Total Expenses	28,062,174	26,606,390
Increase in Net Position	5,799,881	5,331,334
Beginning Net Position	47,961,791	42,915,192
Prior Period Adjustment	-	(284,735)
Beginning Net Position, as restated	47,961,791	42,630,457
Ending Net Position	\$ 53,761,672	\$ 47,961,791

Expenses during the fiscal period increased by \$1,455,784 or 5%. This increase was mostly due to additional sales and marketing allocations in the Hotel Motel Fund for approximately \$322,000 as well as portable restroom rentals for beach maintenance (\$181k).

REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

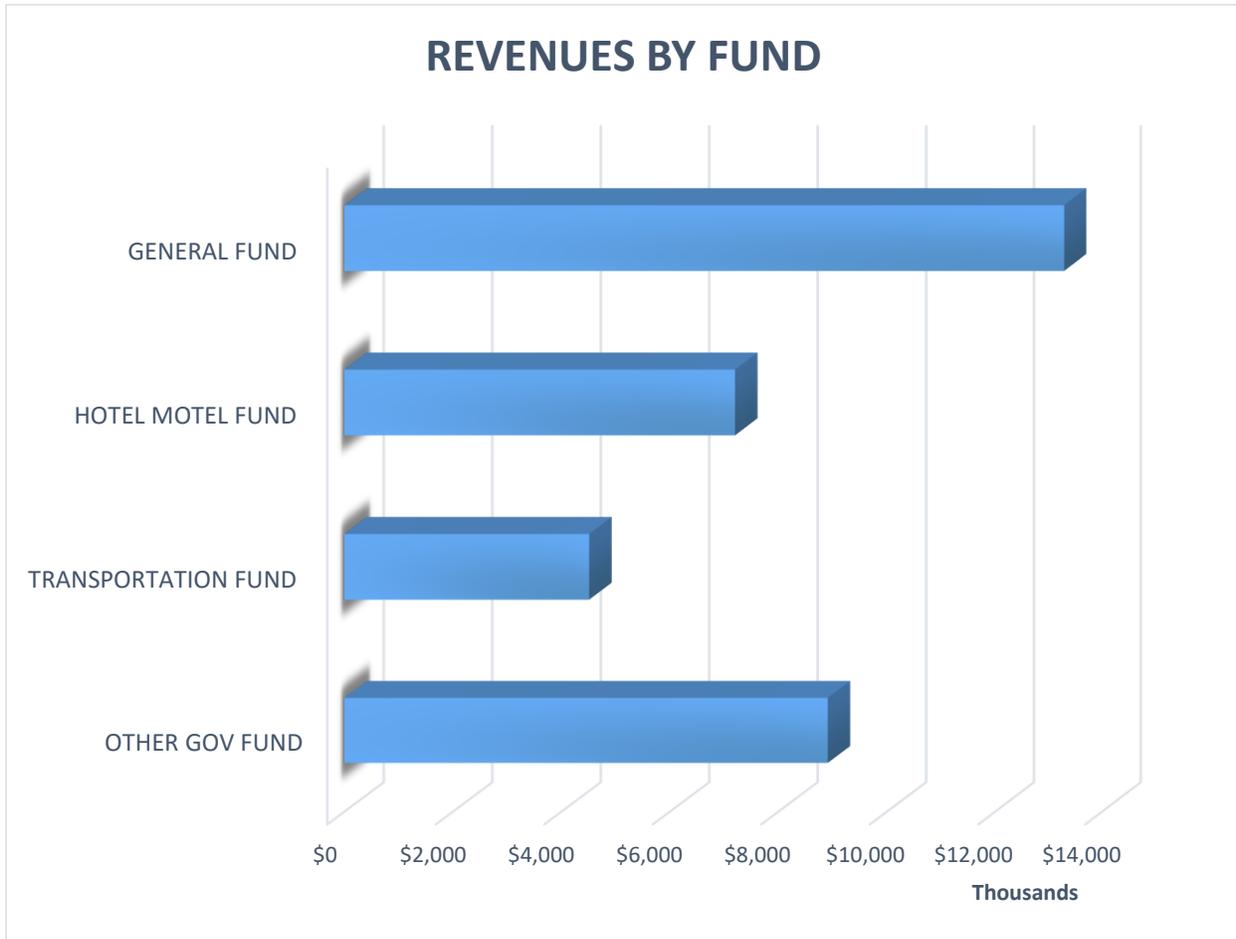
City of South Padre Island, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended September 30, 2019

	General Fund	Hotel Motel Fund	Transportation Grant Fund	Venue Tax Construction Fund	Venue Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 6,299,498	\$ -	\$ -	\$ -	\$ -	\$ 1,743,320	\$ 8,042,818
Nonproperty taxes	3,977,342	7,100,449	-	-	2,130,531	4,161,001	17,369,323
Fees and services	1,591,062	7,889	-	-	-	274,020	1,872,971
Fines and forfeitures	377,917	-	-	-	-	13,006	390,923
Licenses and permits	233,392	-	-	-	-	-	233,392
Intergovernmental	551,242	-	4,449,122	-	-	59,114	5,059,478
Miscellaneous	261,248	94,106	63,613	228,177	59,529	241,511	948,184
Total revenues	13,291,701	7,202,444	4,512,735	228,177	2,190,060	6,491,972	33,917,089
EXPENDITURES							
Current							
General government	3,504,571	-	-	-	25,218	85,019	3,614,808
Public safety	5,828,295	-	-	-	-	449,250	6,277,545
Public works	2,018,663	-	-	-	-	-	2,018,663
Shoreline	-	-	-	-	-	1,099,574	1,099,574
Transportation	-	-	1,504,305	-	-	-	1,504,305
Community service	-	-	-	-	-	64,598	64,598
Convention and visitors bureau	-	7,443,354	-	-	-	1,336,602	8,779,956
Capital outlay	739,884	86,430	3,103,653	255,775	-	1,867,602	6,053,344
Debt service							
Principal - bonds							
General obligation bonds	-	-	-	-	-	480,000	480,000
Tax anticipation notes	-	-	-	-	-	955,000	955,000
Venue tax revenue bonds	-	-	-	-	-	185,000	185,000
Principal - capital leases	142,804	-	-	-	-	-	142,804
Interest	10,594	-	-	-	-	614,338	624,932
Administrative charges	-	-	-	-	-	12,175	12,175
Total expenditures	12,244,811	7,529,784	4,607,958	255,775	25,218	7,149,158	31,812,704
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES							
	1,046,890	(327,340)	(95,223)	(27,598)	2,164,842	(657,186)	2,104,385
Other financing sources (uses)							
Sale of capital assets	42,129	-	194	-	-	4,413	46,736
Transfers in	195,691	-	125,757	-	-	1,178,866	1,500,314
Transfers out	(560,123)	-	-	-	(506,138)	(434,053)	(1,500,314)
Total other financing sources (uses)	(322,303)	-	125,951	-	(506,138)	749,226	46,736
Net change in fund balances	724,587	(327,340)	30,728	(27,598)	1,658,704	92,040	2,151,121
Fund balance -- beginning	7,632,244	4,280,538	85,242	8,946,229	2,626,997	11,516,015	35,087,265
Fund balance -- ending	\$ 8,356,831	\$ 3,953,198	\$ 115,970	\$ 8,918,631	\$ 4,285,701	\$ 11,608,055	\$ 37,238,386

REVENUES BY FUND

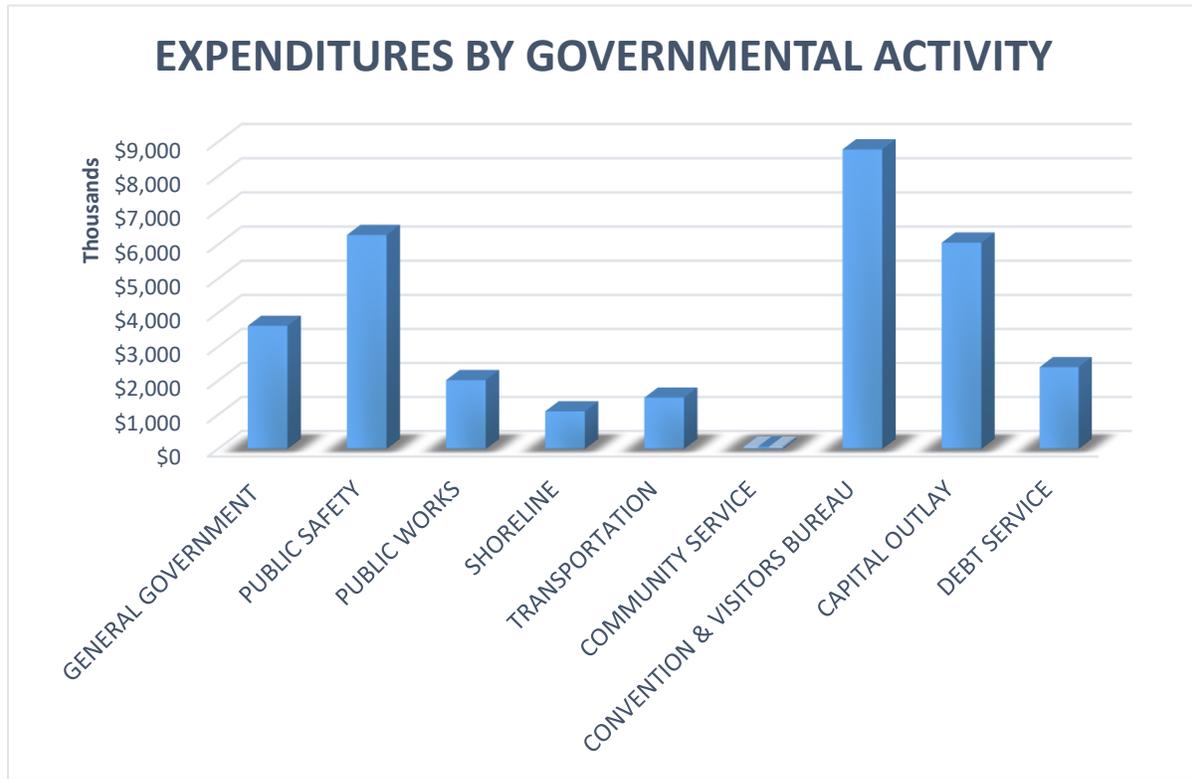
General Fund revenues represent 39.5% of total revenues.



REVENUES	ACTUAL
ALL FUNDS	2019
OTHER GOV FUND	\$8,910,209
TRANSPORTATION FUND	4,512,735
HOTEL MOTEL FUND	7,202,444
GENERAL FUND	13,291,701
TOTAL REVENUES	\$33,917,089

EXPENDITURES BY GOVERNMENTAL ACTIVITY

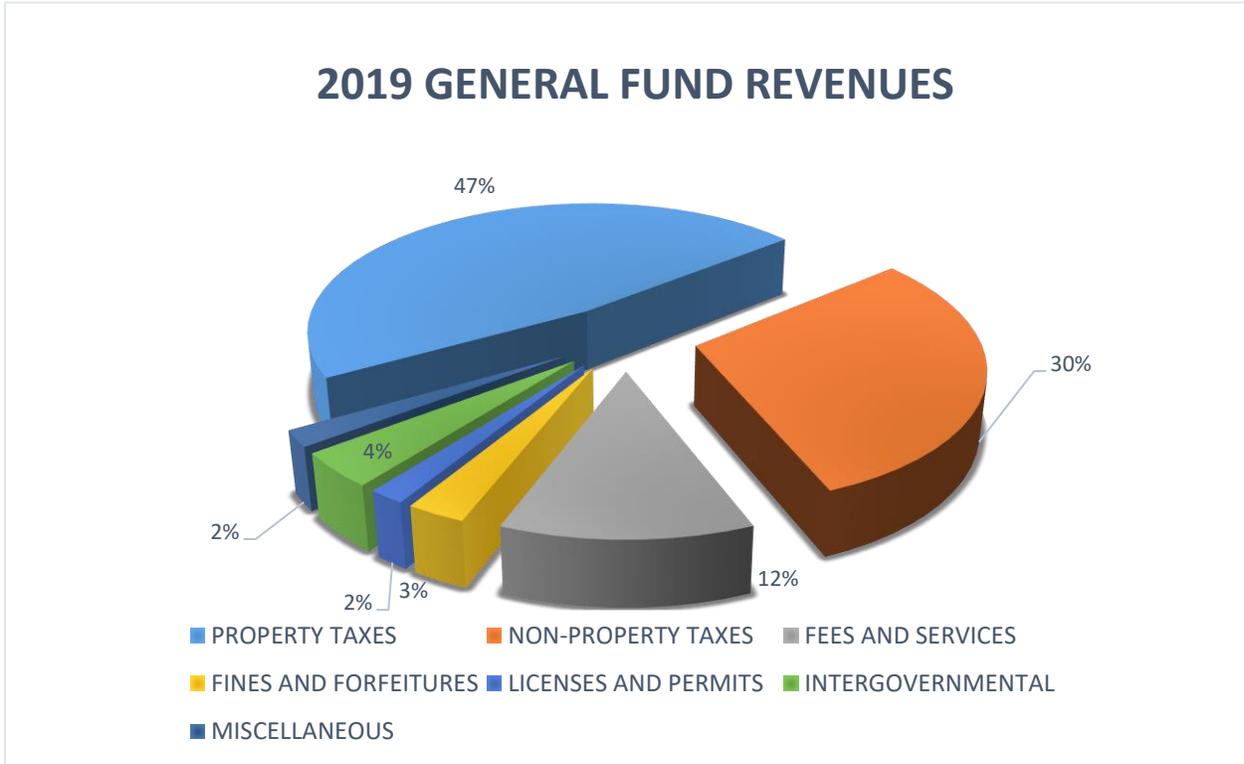
Community Service includes Convention Centre and Marketing activities and is the City of South Padre Island's greatest expenditure. This is due to the fact that all business and economic activity on the Island centers on tourism. As the area gains more recognition as a year-round vacation retreat, there will be a growing need to preserve, improve, and add to the amenities and attractions sought by the rising tide of tourists.



EXPENDITURES BY GOVERNMENTAL ACTIVITY	ACTUAL 2019
GENERAL GOVERNMENT	\$3,614,808
PUBLIC SAFETY	6,277,545
PUBLIC WORKS	2,018,663
SHORELINE	1,099,574
TRANSPORTATION	1,504,305
COMMUNITY SERVICE	64,598
CONVENTION & VISITORS BUREAU	8,779,956
CAPITAL OUTLAY	6,053,344
DEBT SERVICE	2,399,911
TOTAL REVENUES	\$31,812,704

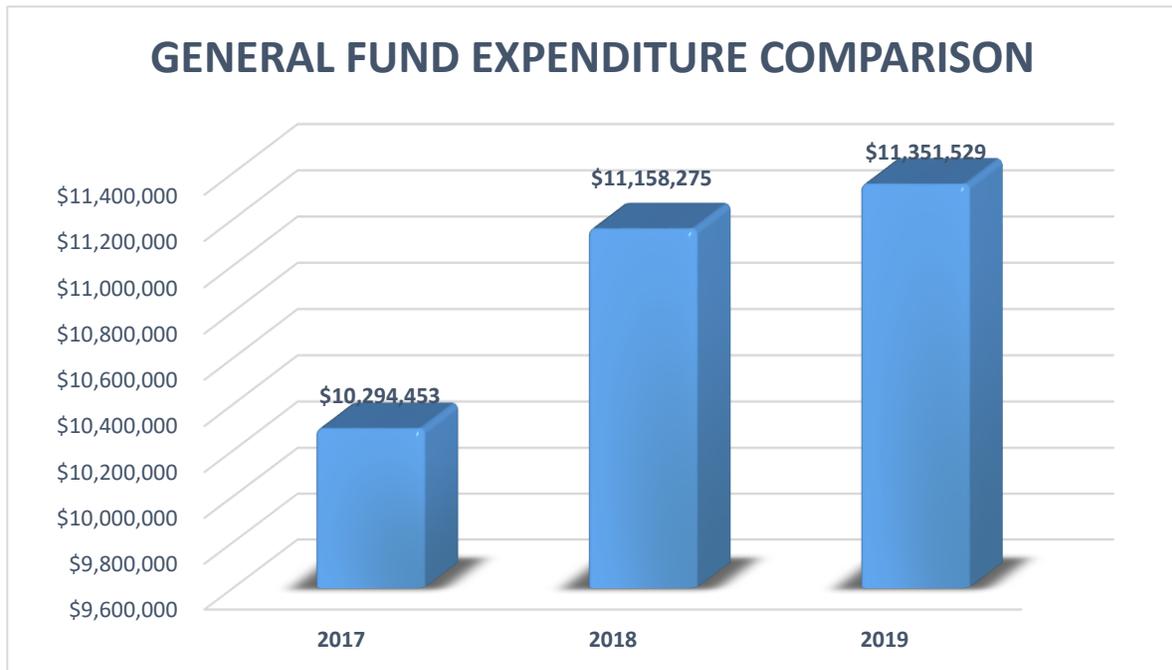
*Excludes Other Financing Uses

GENERAL FUND REVENUES



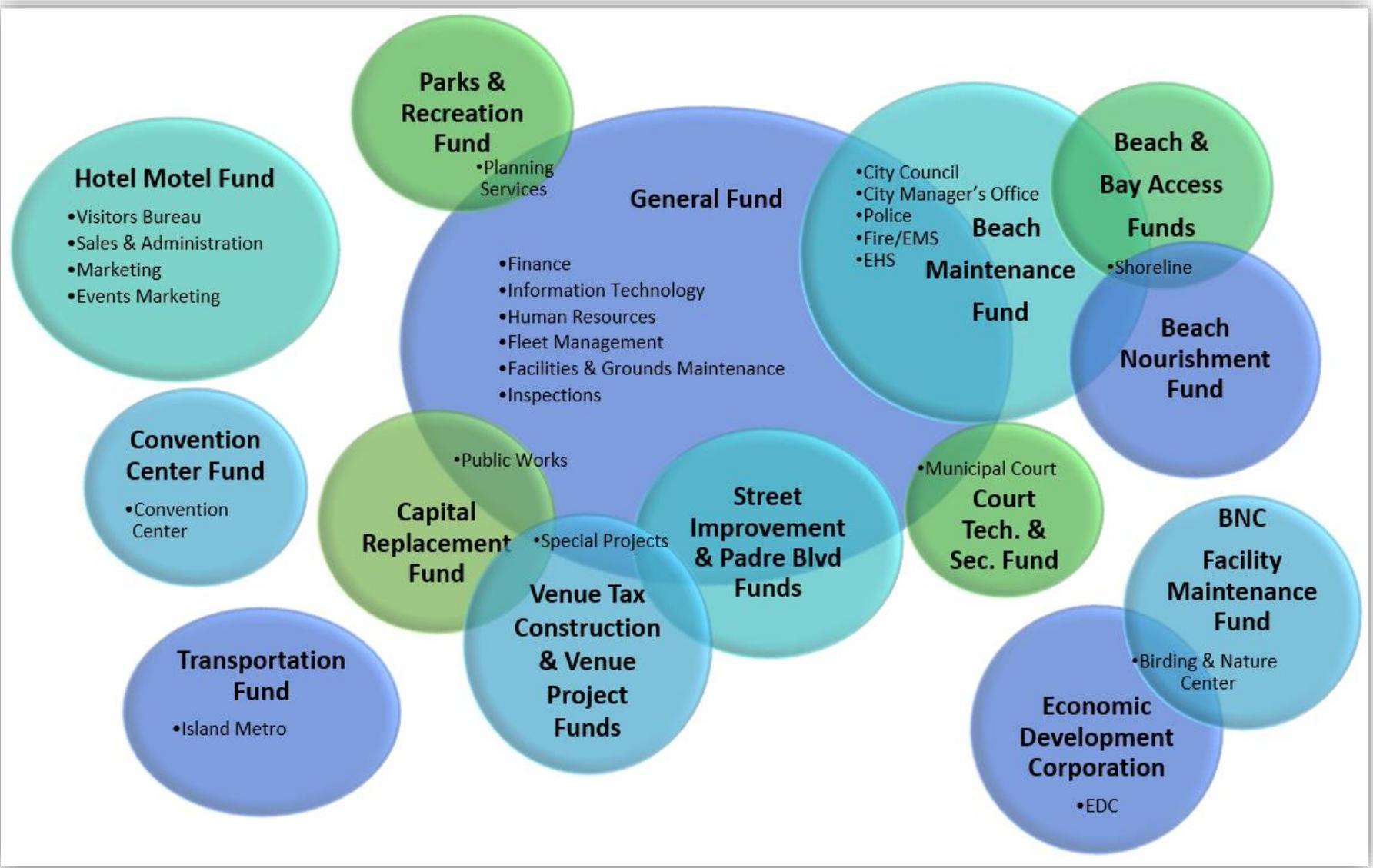
REVENUES	ACTUAL	ACTUAL	ACTUAL
GENERAL FUND	2017	2018	2019
PROPERTY TAXES	\$5,859,887	\$6,169,298	\$6,299,498
NON-PROPERTY TAXES	3,658,020	3,781,034	3,977,342
FEEES AND SERVICES	955,034	1,458,098	1,591,062
FINES AND FORFEITURES	556,656	449,740	377,917
LICENSES AND PERMITS	447,276	214,353	233,392
INTERGOVERNMENTAL	205,663	285,694	551,242
MISCELLANEOUS	136,496	219,023	261,248
TOTAL REVENUES	\$11,819,032	\$12,577,240	\$13,291,701

GENERAL FUND EXPENDITURES

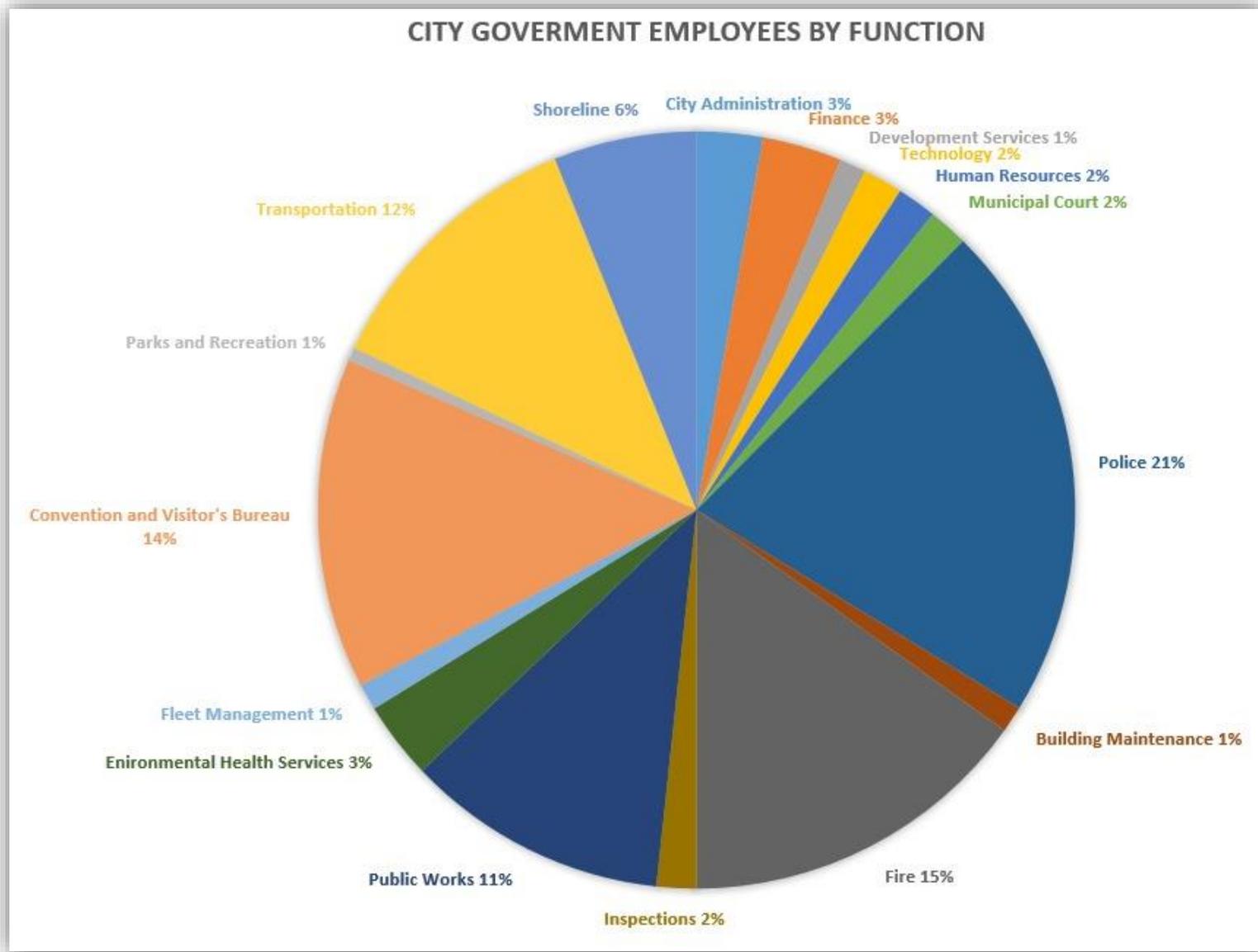


EXPENDITURES BY DEPT	ACTUAL	ACTUAL	ACTUAL
GENERAL FUND	2017	2018	2019
CITY COUNCIL	\$1,706	\$10,239	\$5,147
CITY MANAGER'S OFFICE	782,773	622,282	601,470
FINANCE	345,901	423,637	418,888
PLANNING	221,302	157,219	170,823
TECHNOLOGY	489,465	522,186	535,416
HUMAN RESOURCES		267,665	270,005
MUNICIPAL COURT	183,954	178,583	199,538
POLICE	2,611,950	3,019,965	3,099,562
FIRE	2,166,579	2,389,630	2,517,899
ENVIRONMENTAL HEALTH SERVICES	422,084	426,391	442,455
FACILITIES & GROUNDS MTN	190,365	143,449	163,004
INSPECTIONS	193,496	191,852	203,235
FLEET MANAGEMENT	440,353	463,829	442,735
PUBLIC WORKS	1,065,661	1,197,265	1,209,689
EMERGENCY MANAGEMENT	10,327	14,335	11,296
GENERAL SERVICE	920,415	846,414	884,893
SPECIAL PROJECTS	248,122	283,334	175,474
TOTAL EXPENDITURES	\$10,294,453	\$11,158,275	\$11,351,529

DEPARTMENT/FUND RELATIONSHIP



CITY GOVERNMENT EMPLOYEES BY FUNCTION



COMMUNITY PROFILE



South Padre Island lies on the southernmost tip of Texas and is situated on the south end of Padre Island, the longest Barrier Island in the world and the largest stretch of undeveloped ocean beach in North America. It sits just 30 miles north of Mexico and is linked to the mainland by a two and a half mile long bridge, the Queen Isabella Memorial Causeway.

Nestled between the Lower Laguna Madre and the Gulf of Mexico, South Padre Island sits at the southernmost tip of Texas. Once you're here, you'll instantly fall into the tropical island experience. And with the widest point of the Island just a half-mile long, you're never too far from the white, sandy beach and crystal clear ocean.

Known for its clean, wide, white beaches, South Padre Island holds the title of Sand Castle Capital of the World, Fireworks Capital of Texas, and the Kiteboarding and Windsurfing Capital of Texas. The Island also hosts the Texas International Fishing Tournament (TIFT), the largest saltwater fishing tournament in the state, attracting fishing enthusiasts and visitors from all over the world.



South Padre Island boasts about nightly firework shows which are displayed during all summer weekends. Hundreds of hours of brilliant nighttime entertainment rack up thousands of annual visitors.

According to the last census, the City of South Padre Island is home to an estimated 2,900 people, and based on statistics provided by the Convention and Visitors Bureau, over 1 million people visit the Island every year. It is a hotspot for retirees from northern regions to stay throughout the winter months. These residents are known throughout the Rio Grande Valley as "Winter Texans."

At South Padre Island, it's never business as usual. With a variety of meeting and convention space available to fit large and small groups, first-class hotel and dining accommodations as well as shopping, and of course, the cleanest, widest beach in Texas, South Padre Island is the perfect place to host your next conference or meeting.



With 45,000 square feet of meeting and conference space and plentiful parking, the South Padre Island Convention Centre is the ideal place to host events. The Centre includes 22,500 square feet of exhibit hall space with a clear ceiling height of 36 feet for concerts, large meetings, and sporting events, as well as a large, media-ready conference auditorium that seats 250 people.

The South Padre Island Birding & Nature Center is a five (5) story tower with spectacular views of the Laguna Madre, beaches & dunes of South Padre Island, the Gulf of Mexico, & the South Padre Island Skyline.



The Island Metro is a fare-free system, which runs 365 days a year on South Padre Island, with connections to the Laguna Madre and surrounding areas. It provides unlimited hop-on-hop off access, free Wi-Fi, and the best 'Island Friendly' service in Texas.



SPI Bikefest attracts over 5,000 bikers and their families to our sunny and sandy shores with multiple events throughout the calendar year.

Sand Castle Days brings worldwide recognition from a truly international sculpture competition every fall.



CLIMATE

South Padre Island is a year-round vacation destination located at the same latitude as Fort Lauderdale, Florida. The Island enjoys a sub-tropical environment with mild, dry winters and warm, breezy summers.

Weather is one of the major attractions for people visiting and living on South Padre Island. Enjoying a nice walk on the beach in the middle of winter in a short sleeve shirt and shorts is a common indulgence. And during the summer, a constant ocean breeze makes even the hottest of days enjoyable.

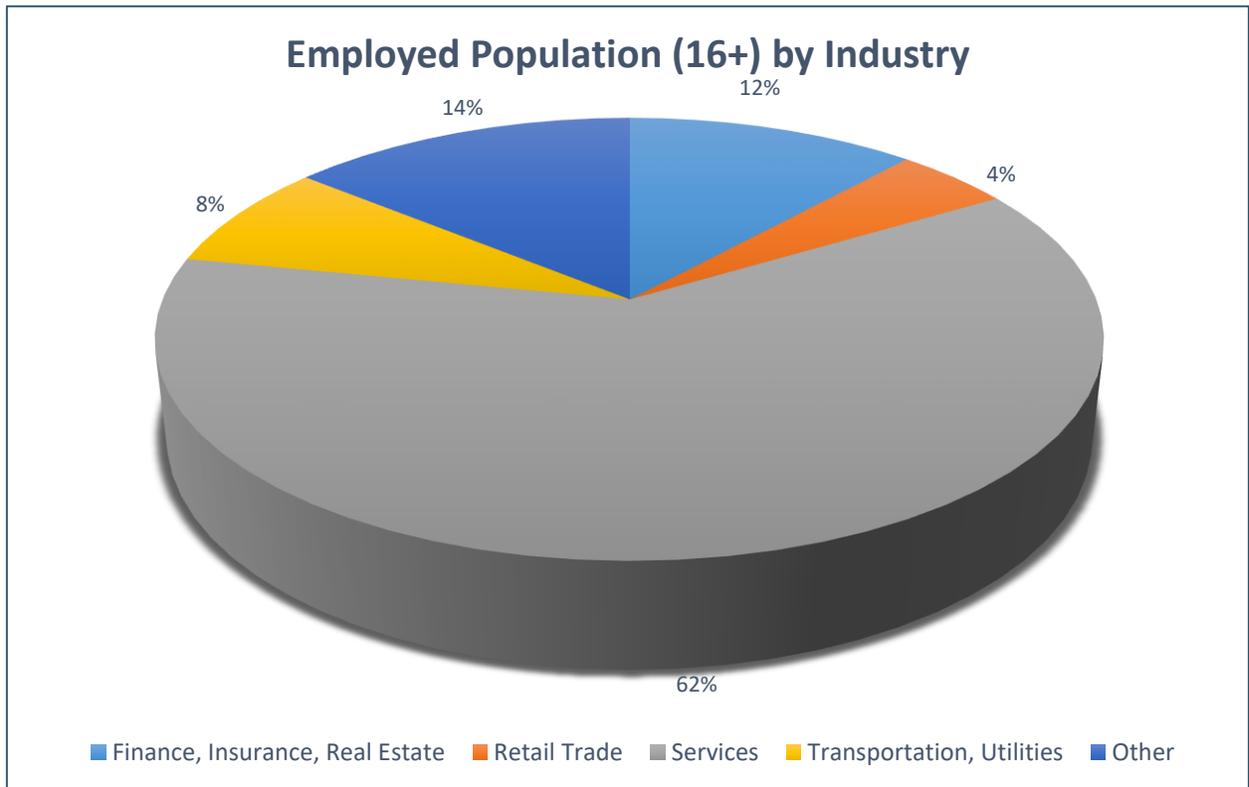
Climatic Profile	
Winter Average Temp.	65 degrees
Summer Average Temp.	82 degrees
Average Daily Temp.	74 degrees
Average Sunshine Days	253 days
Average Growing Season	336 days
Average Annual Rainfall	27 inches

DEMOGRAPHICS

The current median age for the City of South Padre Island is 59, while the average age is 61. Five years from now, the median age is projected to be 63.

The average household income is estimated to be \$66,703 for the current year, while the average household income for the base area is estimated to be \$33,137.

It is estimated that 22.9% of the population age 25 and over had earned a Bachelor's Degree, and 20.3% had earned a Graduate/Professional School Degree.



Source of Demographics Statistics: South Padre Island Economic Development Corporation

ECONOMIC FACTORS

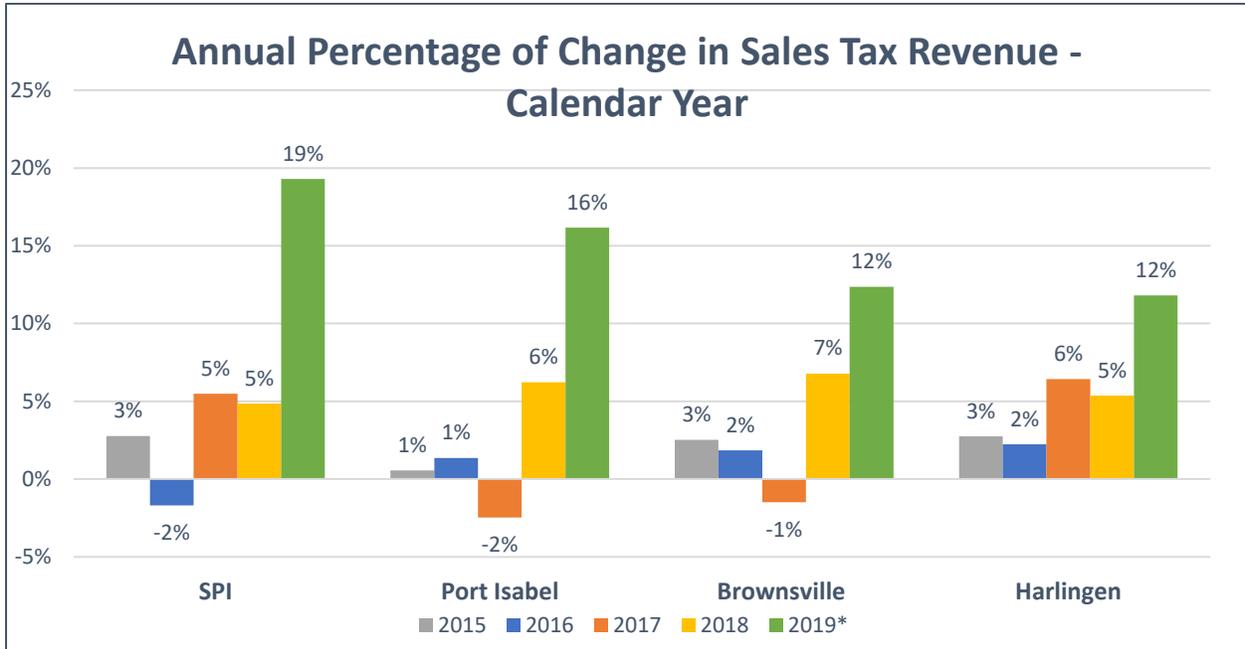
Assessed Value and Actual Value of Taxable Property: The City of South Padre Island has experienced stable assessed property values for the past ten years.

City of South Padre Island, Texas					
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY					
Last Ten Fiscal Years					
Fiscal Year Ended September 30,	Net Taxable Assessed Value		Less:	Total Taxable	Total
	Real Property	Personal Property	Exempt Property & Homestead Cap	Assessed Value	Direct Tax Rate
2010	\$ 2,539,540,899	\$ 29,230,095	\$ 76,526,864	\$ 2,492,244,130	0.24561
2011	2,635,413,859	30,316,814	84,535,004	2,581,195,669	0.24561
2012	2,656,625,431	29,055,461	77,035,264	2,608,645,628	0.25040
2013	2,653,041,784	28,324,135	75,246,646	2,606,119,273	0.25270
2014	2,629,536,569	31,256,298	77,229,580	2,583,563,287	0.25438
2015	2,574,041,045	32,621,783	90,276,002	2,516,386,826	0.26275
2016	2,535,461,500	34,181,366	91,123,668	2,478,519,198	0.28564
2017	2,553,862,437	33,883,054	91,934,403	2,495,811,088	0.30564
2018	2,579,281,031	35,135,283	90,801,714	2,523,614,600	0.31564
2019	2,613,444,214	39,663,066	94,519,162	2,558,588,118	0.31564

Source: Cameron County Appraisal District

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

Sales Tax: The greatest contributor of sales tax revenue is our full-service restaurant industry, which is mostly dependent on tourism as is most of the local economy. Compared to other cities in Cameron County, the City of South Padre Island has experienced a substantial increase in sales tax revenue recently.



Source: Texas Comptroller of Public Accounts as of September 2019*

PRINCIPLE PROPERTY TAXPAYERS

Taxpayer	Taxable Assessed Valuation
Sapphire VP LP	\$22,081,428
SPI Management Co.	\$18,609,334
Affiliated Hospitality LLC	\$17,036,846
SPI Beach Water Resort Waterpark LLC	\$13,780,605
SPI La Copa Ltd.	\$12,642,720
SPI Oleander Ltd.	\$12,479,775
Agora USA LP	\$10,312,156
Peninsula Island Resort & Spa LLC	\$10,045,054
Modern Resort Lodging LLC	\$8,663,761
7 Hills Hospitality LLC	\$8,414,010

Source: Cameron Appraisal District – 2019 Top Taxpayers



Schlitterbahn Beach
Resort and Waterpark

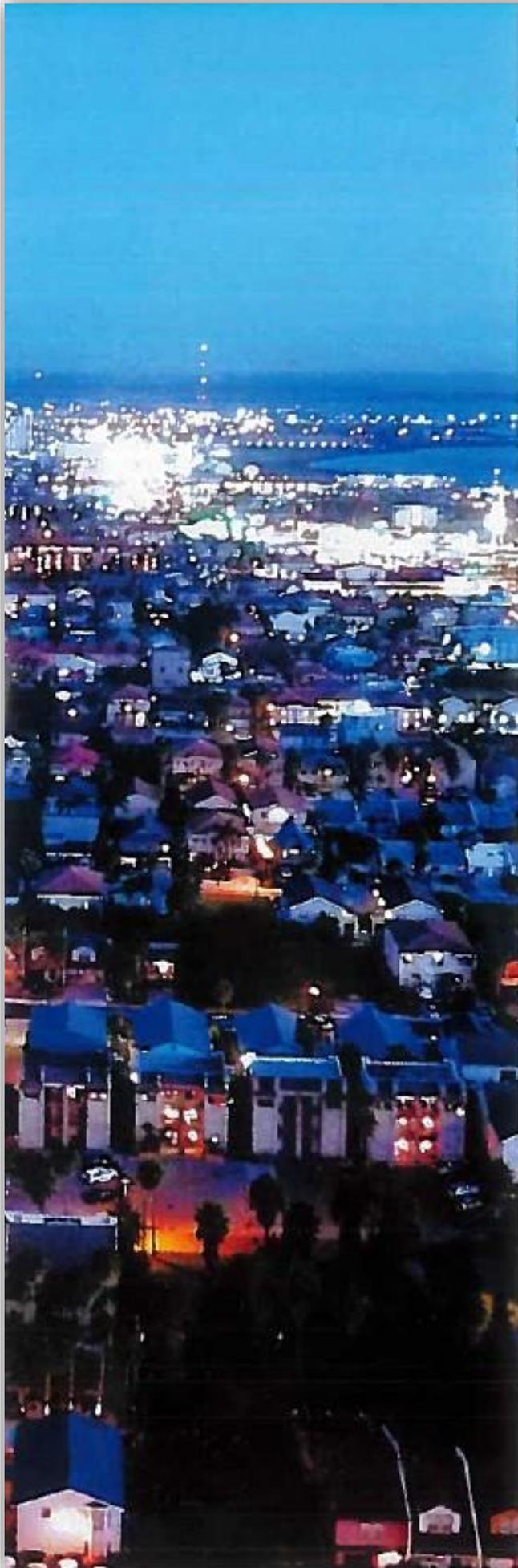
PRINCIPLE EMPLOYERS

Employer	Number of Employees (Peak)
Schlitterbahn Beach Resort & Water Park	1,127
Dirty Al's Management Co.*	497
City of South Padre Island	317
Sea Ranch Enterprises**	206
Isla Grand Resort	204
Louie's Backyard	160
Cameron County Parks	159
Hilton Garden Inn	155
The Pearl Beach Resort	148
Blackbeard's Restaurant	138
Total	3,111

Source: South Padre Island Economic Development Corporation

* Includes Dirty Al's, Daddy's, Señor Donkey, Liam's, and Josephine's

**Includes Sea Ranch, Pier 19, and Laguna Bob's



Key Contacts

Building Division (956) 761-8104
City Hall (956) 761-6456
City Manager's Office (956) 761-8110
Community Center (956) 761-8168
Convention & Visitors Bureau (956) 761-3000
Economic Development Corporation (956) 761-6805
Environmental Health (956) 761-8123
Finance (956) 761-8130
Fire Department (956) 761-3830
Municipal Court (956) 761-3225
Parks (956) 761-8168
Planning (956) 761-8112
Police Non-Emergency (956) 761-5454
Public Works (956) 761-8159
Shoreline (956) 761-8166
Transit (956) 761-8178
Visitors Center (956) 761-6433

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For tourism and event information follow us at:
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Website

The City's website has the most information about your Island!
www.myspi.org

Meetings

View upcoming meeting agendas, live stream meetings in session or watch archived meetings.
<http://www.myspi.org/egov/apps/services/index.egov?view=detail;id=20>