



**CITY OF TYLER, TEXAS
CITY COUNCIL COMMUNICATION**

Agenda Number: O-1

Date: September 13, 2006

Subject: Request that the City Council consider adopting the proposed Fiscal Year 2006-2007 property tax rate ordinance and the Fiscal Year 2006-2007 annual budget(s) including outside agency contracts.

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Item Reference: FY 2006 – 2007 Annual Budget

I. Budget

The proposed annual budget(s) for the City of Tyler for the fiscal year beginning October 1, 2006 and ending September 30, 2007, is submitted to the City Council for adoption.

During reviews of the proposed Fiscal Year 2006-2007 annual budget(s), City Council agreed upon appropriation levels which established General Fund revenues at \$48,579,292 and expenditures at \$48,579,292 with an estimated operating reserve of \$7,286,894.

The public hearings on property taxes and the proposed budget(s) that were conducted on August 23, 2006 satisfy all local and state law requirements for the adoption of the Fiscal Year 2006-2007 annual budget(s). These hearings provided an opportunity for citizens to comment about the proposed budget.

The attached budget ordinance includes revenues and expenditure appropriations for all other funds proposed by the City Manager, as well as authorization for new outside agency contracts.

II. Tax Rate

The total proposed property tax rate of \$.223657 per \$100 valuation is less than the total current property tax rate of \$.0238375. The proposed property tax rate is equal to the “effective tax rate” and is divided into the following two parts:

\$.025577 for the debt service fund (debt)
\$.198080 for the general fund (maintenance and operations)
\$.223657 total proposed and effective rate


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RECOMMENDATION:

It is recommended that the City Council: adopt the ordinance adopting the Fiscal Year 2006-2007 budget(s) and related outside agency contracts, and adopt the ordinance setting the property tax rates for the General and Debt Service Funds.

**Drafted/Recommended By:
Department Leader**


**Daniel Crawford,
Chief Financial Officer**

**Edited /Submitted by:
City Manager**



ORDINANCE NO. O-2006-78

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF TYLER, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2006, AND ENDING SEPTEMBER 30, 2007.

WHEREAS, pursuant to the laws of the State of Texas and the Charter of the City of Tyler, the City Manager of Tyler prepared a budget covering proposed expenditures for the next fiscal year and caused the same to be published as required by law; and

WHEREAS, public hearings were held by the City Council of the City of Tyler, Texas, on said proposed budget on August 23, 2006 after compliance with all notice requirements and at which time said budget was fully considered, and interested taxpayers were heard and no changes were made to the recommendation of the City Manager by said Council, which said proposed budget is included below in PART 1 and PART 2. of this ordinance, and

WHEREAS, City Council affirms its policy of seeking to maintain a minimum operating reserve (net of transfers and capital expenditures) equal to 15% of the budgeted expenditures for the General Operating Fund, Utilities Operating Fund and the Solid Waste Operating Fund, and

WHEREAS, City Council also affirms its support of budget and financial policies that have been approved either by ordinances or administrative actions.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS:

PART 1: That the budget summary below originally proposed by the City Manager and without any changes by the City Council is hereby approved and appropriated as the Official Annual Budget(s) covering the City of Tyler for and during the fiscal year beginning October 1, 2006, and ending September 30, 2007, and expenditures by said City for and during such time shall be on the basis of said budget.

**COMBINED STATEMENT OF REVENUES
AND EXPENDITURES- ALL FUNDS
Fiscal Year 2006-2007**

Fund	Revenues	Expenditures
101 General	48,579,292	48,579,292
102 General Capital Projects	90,000	3,033,599
202 Development Services	1,380,750	1,380,750
204 Cemeteries Operating	86,500	204,076
205 Police Forfeitures	68,000	71,915
207 Court Technology	124,500	223,000
211 Motel Tax	1,703,448	1,678,771
219 Tourism and Convention	1,322,588	1,352,678
234 Passenger Facility	365,800	365,000
235 Oil and Natural Gas	950,000	200,000
274 Homeownership and Housing	132,000	158,500
276 Housing Assistance	6,762,435	6,762,435

285 Miscellaneous Grants	1,999,916	1,999,916
286 Transit System	1,954,311	1,989,311
294 Community Development Grant	965,457	965,457
295 Home Grant	487,789	487,789
308 General Debt Service	1,344,832	1,240,832
502 Utilities Operations	26,443,100	26,377,928
503 Utilities Construction	1,027,450	3,558,967
504 Utilities Debt Service	5,062,097	5,062,097
524 Airport	1,149,442	1,231,714
560 Solid Waste	8,793,658	13,808,416
562 Solid Waste Capital	5,218,158	1,655,000
639 Productivity	842,000	979,986
640 Fleet Maintenance/Replacement	3,202,656	3,117,326
650 Property and Liability	1,733,531	1,397,000
661 Benefits	8,446,714	8,468,484
663 Facilities Maintenance	564,205	349,844
671 Technology	2,749,964	2,776,264
713 Cemeteries Trust	96,000	60,000

PART 2: The annual budget for the Visitors and Convention Bureau is hereby approved, and contracts with and payments to the following list of entities in the amounts shown are hereby approved:

ACCOUNT	AGENCY	AMOUNT
101-0110-412-0453	Child Welfare Unit	31,108
101-0110-412-0633	Main Street Program	32,000
101-0110-412-0634	TABS Program	18,000
101-0110-412-0637	Humane Society	113,400
101-0110-412-0638	Discovery Place	36,000
101-0110-412-0643	Juvenile Attention Center	115,000
101-0110-412-0648	Teen Court Board	9,649
101-0110-412-0650	Metro Chamber of Commerce	25,000
101-0110-412-0651	Animal/Vector Service	317,000
101-0110-412-0652	Northeast Texas Public Health District	675,000
101-0110-412-0653	Tyler Civic Theatre	9,000
101-0110-412-0681	Bright and Fair Home	8,991
101-0110-412-0696	Hispanic Alliance	15,000
211-0180-419-0644	East Texas Symphony Orchestra	12,500
211-0180-419-0645	Tyler Museum of Art	49,500
211-0180-419-0646	Smith County Historic Society	9,500
211-0180-419-0649	Visitors & Convention Bureau	548,033
211-0180-419-0668	McClendon House	5,000
502-0741-741-0649	Tyler Economic Development	50,000

PART 3: That any ordinance, resolution, policy or any provision or section of the Code of the City of Tyler, Texas, as amended in conflict herewith, be and the same is hereby repealed to the extent of any conflict.

PART 4: That section 2-4 of the code of ordinances shall be amended to state the following:

Operating Reserve Target

It is the City of Tyler's policy of seeking to maintain a minimum operating reserve (net of transfers and capital expenditures) equal to 15% of the budgeted expenditures for the General Operating Fund, Utilities Operating Fund and the Solid Waste Operating Fund. (0-2006-78, 9/13/06)

PART 5: That the fiscal year 2006-2007 budget(s) are amended as follows:

a. The General Fund expense account 101-0110-412-8102 "Transfer to the General Capital Projects Fund" shall be increased from \$0 to \$2,631,938 to reflect the transfer of monies (that are above the targeted 15% operating reserve for the General Fund) to the General Capital Projects Fund. The General Capital Projects Fund revenue account 102-0000-399-9101 "Transfer from the General Fund" shall be increased from \$0 to \$2,631,938 to reflect this transfer of monies into the General Capital Project Fund from the General Fund.

b. The General Fund expense account 101-0110-412-0629 "Productivity Pay (F 639)" shall be increased from \$102,000.00 to \$1,102,000.00 to reflect the transfer of monies (that are above the targeted 15% operating reserve for the General Fund) to the Productivity Fund. The Productivity Fund revenue account 639-0000-351-5661 "Productivity Pay (F 101)" shall be increased from \$102,000.00 to \$1,102,000.00 to reflect this transfer of monies into the Productivity Fund from the General Fund.

c. The utility rate reserve, account 101-0000-255-0200, shall be increased from \$363,238 to \$500,000.

d. A new "Solid Waste Capital Projects" fund will be created to track non-operating costs associated with solid waste collection and disposal.

e. The "Property & Liability Fund" will be renamed the "Property, Liability, Disability & Workers Compensation" fund to reflect mandatory changes in the financial reporting for "other post employment benefit" costs such as allowing retirees to participate in the City of Tyler's health benefits coverage.

PART 6: That this ordinance shall become effective upon approval.

PASSED AND APPROVED this the 13th day of September, A.D., 2006.

JOSEPH O. SEEBER, MAYOR
OF THE CITY OF TYLER, TEXAS

ATTEST:

APPROVED:

CASSANDRA BRAGER, CITY CLERK

CITY ATTORNEY