



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

Agenda Number: O-1

Date: September 26, 2007

Subject: Request that the City Council consider adopting the proposed Fiscal Year 2007-2008 property tax rate ordinance and the Fiscal Year 2007-2008 annual budget(s) including outside agency contracts, amending the 2006-2007 budget, and amending City Code Chapter 16 relating to Solid Waste fees.

Page: 1 of 2

Item Reference: FY 2007 – 2008 Annual Budget

I. Budget

The proposed annual budget(s) for the City of Tyler for the fiscal year beginning October 1, 2007 and ending September 30, 2008, is submitted to the City Council for adoption.

During reviews of the proposed Fiscal Year 2007-2008 annual budget(s), the City Council agreed upon appropriation levels which established General Fund revenues at \$52,737,004 and expenditures at \$52,737,004 with an estimated operating reserve of \$7,910,551.

The public hearings on property taxes and the proposed budget(s) that were conducted on August 22, 2007 and September 12, 2007 satisfy all local and state law requirements for the adoption of the Fiscal Year 2007-2008 annual budget(s). These hearings provided an opportunity for citizens to ask questions and to comment on 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.

The attached ordinance also amends the current year budget as set out in Part 4.

II. Tax Rate

The total proposed property tax rate of \$.199000 per \$100 valuation is less than the total current property tax rate of \$.223657. The proposed property tax rate is divided into the following two parts:

\$.002316 for the debt service fund (debt)
\$.196684 for the general fund (maintenance and operations)
\$.199000 total proposed property tax rate

Agenda Number: O-1

Page: 2 of 2

III. Code Amendments

The third ordinance in this package includes recommended amendments to Code Chapter 16 relating to Solid Waste. These amendments clarify language referring to receptacles and increase the street use fees paid by all Solid Waste haulers from 4 percent to 5 percent effective November 1, 2007. Other amendments remove outdated and no longer needed wording and increase pack out service to be effective January 1, 2008.

RECOMMENDATION:

It is recommended that the City Council approve the ordinance adopting the Fiscal Year 2007-2008 budget(s) plus related outside agency contracts, adopt the ordinance setting the property tax rates for the General and Debt Service Funds, and adopt the ordinance amending fees for the Solid Waste Department.

**Drafted/Recommended By:
Department Leader**


**Daniel Crawford,
Chief Financial Officer**

**Edited /Submitted by:
City Manager**

ORDINANCE NO. O-2007-110

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF TYLER, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2007, AND ENDING SEPTEMBER 30, 2008.

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 22, 2007 and on September 12, 2007 after compliance with all notice requirements and at which time said budget was fully considered, and interested taxpayers were heard and the only changes that were made by said Council to the recommendation of the City Manager, which is included below in PART. 1 and PART 2. of this ordinance, are set out in Part 3, 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 with those changes by the City Council as set out in Part 3 herein 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, 2007, and ending September 30, 2008, 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 2007-2008**

Fund	Revenues	Expenditures
101 General	52,737,004	52,737,004
102 General Capital Projects	75,000	2,599,906
202 Development Services	1,509,000	1,679,557
204 Cemeteries Operating	135,200	203,456
205 Police Forfeitures	70,000	218,426
207 Court Technology	125,000	328,614
211 Motel Tax	1,961,000	1,835,568
219 Tourism and Convention	1,223,882	1,223,653
234 Passenger Facility	370,850	370,850

235 Oil and Natural Gas	600,000	23,000
274 Homeownership and Housing	80,000	80,000
276 Housing Assistance	6,659,561	6,659,561
285 Miscellaneous Grants	3,013,419	3,013,419
286 Transit System	2,499,834	2,497,162
294 Community Development Grant	1,692,376	1,692,162
295 Home Grant	2,029,019	2,029,019
308 General Debt Service	175,046	3,393,211
502 Utilities Operations	27,497,592	27,597,319
503 Utilities Construction	200,000	3,017,397
504 Utilities Debt Service	5,322,885	5,322,885
524 Airport	1,155,765	1,270,331
560 Solid Waste	9,489,000	9,090,187
562 Solid Waste Capital	160,000	3,110,000
639 Productivity	867,868	1,218,554
640 Fleet Maintenance/Replacement	6,663,696	6,472,981
650 Property and Liability	1,898,311	1,554,807
661 Benefits	6,306,981	6,454,898
663 Facilities Maintenance	664,605	385,897
671 Technology	2,788,988	2,876,491
713 Cemeteries Trust	122,000	105,000
761 Retiree Benefits	2,678,548	2,552,330

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/SERVICES	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	Animal Shelter Services	113,400
101-0110-412-0638	Discovery Place	36,000
101-0110-412-0643	Juvenile Attention Center	115,000
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
101-0110-412-0648	Tyler Teen Court	9,649
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	11,756
211-0180-419-0649	Visitors & Convention Bureau	600,230
211-0180-419-0668	McClendon House	5,000

PART 3: That the fiscal year 2007-2008 budget(s) as previously filed by the City Manager be amended as follows:

- a. Include funding for two additional Solid Waste automated collection vehicles by increasing the Solid Waste Capital expense account 562-0752-752-2604 from \$0 to \$370,000.
- b. Include use of funds designated for the Oak Grove Park project by increasing the General Capital Projects miscellaneous income account 102-0000-361-5701 from \$0 to \$49,500, and the Park Improvements expense account 102-0450-451-2403 from \$421,580 to \$471,080.
- c. Include use of funds designated for the 2006 Justice Assistance Grants by increasing the associated revenue and expense accounts 101-0000-371-6042 and 101-0310-421-0696 from \$0 to \$48,000.
- d. Include use of funds designated for the 2007 Justice Assistance Grants by increasing the associated revenue and expense accounts 101-0000-371-6048 and 101-0310-421-0698 from \$0 to \$32,000.
- e. Include funding for Faulkner Park paving and drainage work by increasing the General Capital Projects expense account 102-0450-451-2403 from \$421,580 to \$516,357.

PART 4: That the fiscal year 2006-2007 budget(s) are amended as follows:

- a. The General Fund expenses will be amended as follows to represent changes in expected costs.

Account Number	Account Name	Current Budget	Change	Revised Budget
101-0140-415-0492	Retained Legal Services	35,000	64,000	99,000
101-0730-438-8286	Transfer to Transit	230,000	147,750	377,750
101-0000-331-5421	Collection Fees	100	196,644	196,744
101-0860-471-0464	Collection Costs	0	196,744	196,744
	GF Unreserved Balance	824,903	(211,850)	613,053

- b. The Technology Fund expenses will be amended as follows to represent changes in expected costs.

Account Number	Account Name	Current Budget	Change	Revised Budget
671-0150-416-2737	Miscellaneous Equipment	-	62,600	62,600
	Tech Unreserved Balance	333,177	(62,600)	270,577

- c. The Employee Health Benefits Fund revenue and expenses will be amended to reflect the creation of a separate Retiree Health Benefits Fund. Activity will be transferred to reflect appropriate activity in each fund.

Account Number	Account Name	Current Budget	Change	Revised Budget
661-0000-341-5531	Interest Distribution	300,000	(135,612)	164,388
761-0000-341-5531	Interest Distribution	-	135,612	135,612
661-0000-361-5731	City Health Prem Retiree	1,870,548	(1,870,548)	-
761-0000-361-5731	City Health Prem Retiree	-	1,870,548	1,870,548
661-0000-361-5736	Retiree Health Premium	404,470	(404,470)	-
761-0000-361-5736	Retiree Health Premium	-	404,470	404,470

661-0000-361-5745	Retiree Dental Premium	49,353	(49,353)	-
761-0000-361-5745	Retiree Dental Premium	-	49,353	49,353
661-0000-361-5747	Medicare Retiree Rx	124,701	(124,701)	-
761-0000-361-5747	Medicare Retiree Rx	-	124,701	124,701
661-0180-419-8761	Transfer to Retiree Fund	-	1,338,115	1,338,115
761-0000-399-9661	Transfer fm Employee Fund	-	1,338,115	1,338,115
661-0180-419-0207	Life Insurance	220,000	(49,500)	170,500
761-0180-419-0207	Life Insurance	-	49,500	49,500
661-0180-419-0408	Special Services	45,000	(16,800)	28,200
761-0180-419-0408	Special Services	-	16,800	16,800
661-0180-419-0437	Medicare Rx Card	482,724	(482,724)	-
761-0180-419-0437	Medicare Rx Card	-	482,724	482,724
661-0180-419-0438	Medicare Supplement	650,367	(650,367)	-
761-0180-419-0438	Medicare Supplement	-	650,367	650,367
661-0180-419-0440	Health Claims	4,200,000	(951,924)	3,248,076
761-0180-419-0440	Health Claims	-	951,924	951,924
661-0180-419-0441	Rx Claims	1,209,227	(255,000)	954,227
761-0180-419-0441	Rx Claims	-	255,000	255,000
661-0180-419-0442	Dental Admin Fees	30,000	(5,040)	24,960
761-0180-419-0442	Dental Admin Fees	-	5,040	5,040
661-0180-419-0443	Dental Claims	521,166	(113,000)	408,166
761-0180-419-0443	Dental Claims	-	113,000	113,000
661-0180-419-0484	Health Admin Fees	280,000	(52,632)	227,368
761-0180-419-0484	Health Admin Fees	-	52,632	52,632
661-0180-419-0485	Health Stop Loss Policy	500,000	(81,000)	419,000
761-0180-419-0485	Health Stop Loss Policy	-	81,000	81,000

PART 5: 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 6: That this ordinance shall become effective upon approval.

PASSED AND APPROVED this the 26th day of September, A.D., 2007.

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

ATTEST:

APPROVED:

CASSANDRA BRAGER, CITY CLERK

CITY ATTORNEY