The background of the entire page is a close-up, slightly blurred image of the American flag, showing the stars and stripes in a draped, wavy pattern. The colors are vibrant, with the red stripes appearing as a deep red and the white stripes as a bright white. The stars are a dark blue or black, creating a high-contrast pattern.

*City of
Odessa, Texas*

Annual Budget

FY 2008 - 2009



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO
**City of Odessa
Texas**

Special Performance Measures Recognition

For the Fiscal Year Beginning

October 1, 2007

Charles S. Cox

President

Jeffrey R. Egan

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Odessa, Texas for its annual budget for the fiscal year beginning October 1, 2007. Along with the award for Distinguished Presentation, the City of Odessa received for the first time, a "Special Performance Measures Recognition" for their document

In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

ANNUAL BUDGET

CITY OF ODESSA, TEXAS

Fiscal Year
October 1, 2008 through September 30, 2009

CITY COUNCIL

Larry L. Melton, Mayor
Bill Cleaver, District 1
James B. Goates, District 2
Royce Bodiford, Mayor Pro Tem, District 3
Dean Combs, District 4
Michael Sanchez, Mayor Pro Tem, District 5

Richard N. Morton, Jr., City Manager

Adopted
September 9, 2008

City of Odessa 2008-2009 Annual Budget

Prepared by

Finance Department
James Zentner, Assistant City Manager – Administrative Services
Felicia Nzere, Director of Finance
Kim Underwood, Budget Manager
Bobbi House, Budget Analyst

Printed by

Printing Services
Larry McKinnerney, Print Supervisor
Jimmy Norris, Print Assistant
Virginia Zamudio, Print Assistant

Front Cover

*"We can't all be heroes. Some of us have to stand on the curb and clap as they go by."
Will Rogers, Social Commentator / Humorist*

Every-town-America has their heroes, and the City of Odessa is no different. From the rest of us on the curb, we salute the men and women of public safety; the Police Officer, the Firefighter, the Soldier, the Reservist. To the ones who protect us at home and abroad.



Council Members

Front Row Left to Right: Royce Bodiford, Mayor Pro Tem, District 3; Larry Melton, Mayor; Back Row Left to Right: Michael Sanchez, Mayor Pro Tem, District 5; James B. Goates, District 2; Bill Cleaver, District 1; Dean Combs, District 4

MISSION STATEMENT

Motivated by a proactive, independent and diverse heritage, the City of Odessa will embrace the future through innovative and progressive leadership. Working in partnership with citizens of the community as well as other governmental agencies, we will provide Odessans of today and tomorrow with outstanding service and facilities that will protect and enhance the quality of life.

Adopted by Mayor and City Council on August 10, 1999

VALUE STATEMENT

We believe the quality of life in the city of **ODESSA** depends on a partnership between the citizens, business community, elected officials and City employees. We, as City employees, are committed to the following:

ORGANIZATION

Working together as teams and individuals toward common goals.

DIRECTION

Striving constantly to improve service to the community while preserving the quality of life and promoting growth in Odessa.

EXCELLENCE

Providing high levels of service for our community with available resources.

SERVICE

Consistently performing tasks with courtesy, pride, sincerity and professionalism in a timely fashion.

SUPPORT

Empowering all with the freedom and authority to accomplish tasks through sound work ethics and policies.

ATTITUDE

Responding positively to the needs of citizens with sincere honesty, integrity and loyalty.



Left to right: James Zentner, Assistant City Manager Administrative Services; Richard Morton, City Manager; Michael Marrero, Assistant City Manager Community Services

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Budget Message

October 1, 2008

To the Citizens of the City of Odessa, Texas,
Honorable Mayor Larry Melton, and
Members of the City Council:

I am pleased to submit the 2008-09 Annual Budget for the City of Odessa, Texas. The budget is one of the most important policy documents of the City because it presents the overall plan to accomplish the Council's program of services and priorities during the upcoming fiscal year in financial terms. The annual budget projects total revenues of \$156.1 million and total current expenditures of \$152.3 million. In comparison with last year's adopted budget, this budget represents an increase of 9.45% in revenues and 9.18% in current expenditures. Not normally funded from current revenues, the equipment replacement items totaled \$3.76 million for 2008-09. This budget is the culmination of our combined efforts in determining the proper resource allocation for the City based upon our agreed goals and objectives.

ECONOMIC CONDITION AND OUTLOOK

The City of Odessa has historically been very dependent upon the fortunes of the oil and gas industry. Fortunately, economic diversification efforts of city leaders over the past few years, and increases in oil prices and production have allowed Odessa to benefit from an upturn in the local economy. While the U.S. rig count was up 13.35% in 2008, the West Texas region rig count also increased by 17.89% for the same time period. A comparable rise occurred in the West Texas Intermediate Crude Oil price by 20.89% over last year's figures as well. As unemployment is leveling out at an annualized rate of 3.3% with a stabilizing oil and gas industry, the community continues to strive towards diversification of its local economy.

The City of Odessa has had the advantage of a line of dedicated community leaders who understand the importance of cohesive economic development efforts. Another promotion of our diversification efforts occurred during this last year when Odessa leaders along with the Odessa Development Corporation brought in another 95 new jobs with a cumulative annual payroll of \$4.4 million for the community.

2007-08 ACHIEVEMENTS

Our goals and objectives charted the course for fiscal year 2007-08, and we made considerable progress including:

- Economic diversification support efforts in 2007-08 also included the continuation of development along Billy Hext Road and Eastridge Road, as well as north JBS Parkway and 52nd Street. Significant private construction of subdivisions in the east section of Odessa are now rapidly developing in the residential and commercial areas. The construction of interchanges on Parkway at BI-20 and IH-20 continues on through this next year in coordination with the Texas Department of Transportation with completion of the IH-20 interchange in late 2007 and the BI-20 Interchange in 2009.
- Enhancement of a positive City image was achieved through park improvements and beautification with the continuation of the Shademakers Tree Planting program in coordination with Neighborhood Development Services and Keep Odessa Beautiful. This program is furthering urban forestry education and care throughout city neighborhoods. Major renovations to the Ratliff Ranch Golf Course, purchased in 2005, has provided new structures for public use, additions of turf and other special course equipment has contributed to other park improvement efforts for the city which officially reopened in August 2008. Another step towards a positive image can be noted in the successful completion of the “neighborhood sweeps” coordinated by the Neighborhood Development Services division. A neighborhood sweep encompasses specific days of neighborhood cleanup for targeted subdivisions through the cooperation of various city departments, external agencies, media, and community volunteers. These cleanup campaigns cleared approximately 30 tons of refuse from our neighborhoods.
- Crime for calendar year 2007 increased across the state in many offense areas, however, Odessa demonstrated a decrease in Part II crimes such as arson which was down 51.52% compared to the previous year. In corresponding Part I crime for 2007, rape and aggravated assault offenses were down 30.22% due to the cooperative efforts and assistance of surrounding law enforcement agencies, citizens of Odessa, and the Odessa Police Department. Additionally, the Odessa Special Investigations Division – Narcotics & Vice Unit seized in excess of \$869,000 (street value) in controlled substances in the last year.
- Productivity and service enhancements were seen in the Fire Department, which added 6 additional Front Line Medics (personnel) since run volumes had increased 27% over the last two years. The additional personnel will meet the expanding demand on the EMS system and the anticipated future growth of the community. Also, Public Safety Communications has updated to a ProCare Database System that has the ability to automatically call the elderly at specified times to leave medication reminders and can check on children who have to be home alone after school.

- Through the cooperative efforts of Ector County, Ector County Appraisal District, and the City, the Geographic Information System (GIS) put in operation reflects the City's commitment to intergovernmental cooperation. In the second phase of the implementation program, the use of this technology will speed up the development of other databases and create many extraneous benefits from the use of GIS information throughout the city. In this last year, personnel in the Billing and Collection Department were trained in GIS ArcView enabling the department to find existing water/sewer taps plus assisting with difficulties in identifying customer addresses. This program is allowing the City to expand the existing limited resources and provide better information to the citizens of Odessa.

GOALS AND OBJECTIVES FOR 2008-09 FISCAL YEAR

Encouraged by the accomplishments of 2007-08, and our commitment to the citizens of Odessa, we focus on the City's future goals and objectives:

- An important aspect of economic development continues to be enhancement of the City's image. The 2007 Bond Issue for capital improvements consisting of the development and redevelopment of city parks, street drainage/paving and traffic reconstruction in major thoroughfares are steps taken towards this effort in the 2008-09 budget. Also included are revitalization programs in urban forestry education, inmate work release community service clean-up and city-wide neighborhood "sweeps" litter campaigns in attracting new enterprises to Odessa and keeping the present vital workforce contributing to the current economic welfare of the area.
- Crime reduction remains a major goal for Odessa. Numerous programs funded in the 2008-09 budget include Citizen's Police Academy, Citizen's on Patrol, Juvenile Curfew, and the CopLogic Online System aiding citizens in reporting minor offenses via home computers. Additionally, a Call Center has been established to better facilitate citizen information requests and reports in the various areas within the Police Department. The Crisis Intervention Unit plans to sharpen crisis negotiation skills in conjunction with enhanced SWAT team training in this growing area of expertise. Intergovernmental cooperative efforts such as Narcotics and Vice, Street Crimes Unit and Neighborhood Watch programs will continue to target areas of concern.
- Retaining and recruiting qualified personnel through competitive compensation has become a priority in the last few years. Even in Odessa's diverse economy, city management strategically fashioned the continuation of a compensation plan funding a 5% salary increase for all full-time employees in keeping with this philosophy. Seeking the status as "Employer of Choice" for Odessa, accessibility to employment opportunities with the City has been enhanced through web site application processing and with the addition of a part time employment recruiter to attract needed personnel throughout the City.

- In keeping with intergovernmental cooperation, the Municipal Court continues to extend truancy operational hours to the public in a “night court” fashion through funding from the Ector County Independent School District. Also, Odessa’s Public Safety Communications center maintains services to Medical Center Hospital Flight For Life in dispatching and the monitoring of paramedics in flight as another service to the local and regional community. Another agreement with the Hospital District will allow both entities to comply with requisite hazardous materials, weapons of mass destruction and bio-terrorism training through an exchange of services.
- Productivity and service enhancements benefit the community as the Fire Department replaces 6 Front Line Medics since run volumes have increased 24.5% over the last two years. This update to the fleet will meet the expanding demand on the EMS system and anticipated future growth of the community.

GENERAL FUND

Decisions by the City Council on the budget for the general operating fund have a major impact on public services and the quality of life in the City of Odessa. Each year the City faces the challenge of balancing the City’s needs for services against limited financial resources. This challenge became even more of an opportunity as the City Council approved a decrease in the property tax rate by 1.671 cents for citizens, while the rising cost of operations and unfunded mandates continued to match the growth in revenues. This year the General Fund’s projected revenues of \$58.4 million will fund current expenditures of \$58.4 million as a balanced budget. Revenues increased 8.73%, or \$4,693,721 and expenditures increased by the same amount over the 2007-08 budget.

Sales Tax receipts excelled during the 2007-08 fiscal year, with a final revenue increase of 16.09%, or \$2,670,188 in receipts by the completion of the fiscal year. As 2007-08 economic indicators for the regional economy and the oil industry have continued in a positive direction, sales tax receipts are projected to show similar growth for 2008-09. The forecasted sales tax revenue for 2008-09 is budgeted at \$19,191,000, resulting in a 15.61% increase over the previous year’s budget and for the second year in a row, the leading revenue over the estimate for Property Tax in the new fiscal year.

A portion of this year’s increase in revenues can be attributed to an increase in the Sales and Charges area resulting from forecast adjustments indicating an increase in EMS charges by \$167,300 compared to the previous year. The second greatest positive change in a single revenue, however, will result in the area of property tax for the new year with the net amount of \$1,434,193.

Even though the property tax rate decreased to \$0.56229 from \$0.5790 for 2008-09, a 13.18% increase in assessed values resulted in a \$1,419,993 increase in current property tax revenue compared to last year. The projected expansions in these revenue sources generate 89.3% of the \$4.69 million increase in total revenue for the General Fund.

The budget for 2008-09 includes funding for a net 5 additional positions compared to the previous year's budget. In total, the number of General Fund positions funded in this year's budget equals 656 for the new year. Personnel enhancements to address recruitment and retention issues resulted in the continuation of the compensation plan funding a 5% salary increase with a cost of \$1,521,989 for 2008-09 for the General Fund.

Additional operational expenditures include medical insurance needs which increased by 7% due to rising costs in medical care and the expanding usage of the medical plan by employees and dependents, plus additional internal equipment rental allocations due to escalating costs in the areas of fuel and equipment repair / replacement supplies.

GENERAL FUND RESERVES

To ensure sufficient funds in maintaining its reserves at an appropriate level to support operations for at least 60 days, a Budget Stabilization Account is available with a 25-day balance based on the last adopted budget. One portion of the Budget Stabilization Account accommodates up to a 15% sales tax revenue decline. The remaining balance protects against a 10% decline in property tax revenues or any other revenue loss. Also, a Compensated Absences reserve is set aside to pay employees for accrued unileave and/or old sick leave upon their resignation, termination, or retirement. In addition to meeting these minimum reserve requirements, the General Fund also maintains a healthy undesignated balance, which allows the City to allocate those funds for special and unforeseeable projects as they occur.

In 2007-08, fund balance increased by 7.1%, or \$1,514,316 compared to the 2006-07 ending fund balance of \$21,314,471 (without encumbrances). The 2008-09 budget is a balanced budget with revenues and expenditures in equal amounts of \$58,450,099 with an unrestricted available fund balance of \$8,073,598.

WATER AND SEWER FUND

Major distribution system improvements, increases in water/wastewater plant chemical costs and CRMWD electrical costs, plus the 5% compensation increase for all full time employees highlight the Water and Sewer Fund budget for the 2008-09 fiscal year. The current rates for water and sewer services will increase 3% to cover operating expenditures and begin a new area for infrastructure improvements to aid in new residential development, other maintenance and upgrades of the current water and sewer infrastructure, and meeting requisite bond covenants. At the new rates, the City of Odessa still believes the cost of the water represents a good value for the citizens, as other cities that participate in the same water management district charge their citizens higher water rates. The total Water and Sewer revenues for FY 2008-09 are estimated at \$39.9 million, an increase of \$3,154,103 for the new year.

Water and Sewer operating expenditures are proposed at \$39.5 million, an 8.4 percent increase to that of the previous adopted budget. Personal services increases of \$619,042 will cover the continuation of compensation adjustments for full time employees and the 7% increase for medical insurance coverage. Allocations to cover the purchase of water from CRMWD for 2008-09 will increase to \$11,862,150 in this significant cost area.

In 2007-08, fund balance increased by \$2.69 million from the 2006-07 ending fund balance of \$6,209,908 (without encumbrances). The 2008-09 budget is appropriated with projected revenues (\$39,892,590) in excess of funded expenditures (\$39,506,099) returning \$386,491 to fund balance for this year.

The approved budget for the Water and Sewer Fund does not include an allocation for Capital Improvements as a \$65,000,000 Bond Issue in late 2007 will meet these needs in 2008-09 as projects are approved. A great deal of emphasis has been placed on the capital improvements program to satisfy State and Federal Mandates as well as City infrastructure requirements. The Utility will continue to implement state and federal mandated programs such as water conservation, water quality reporting, risk management, cross connection control, and enhanced surface water treatment issues.

SOLID WASTE FUND

The major contributing revenue sources for the Solid Waste Fund are Single-Family Residential (48.15%), Commercial (22.48%) and Roll-Off Charges (12.85%). These three sources of revenue account for over 83% of the total revenue for this fund. Total customer accounts and anticipated growth within the city limits, increased demand for roll-off usage in commercial and construction areas, and expanding service to outside-city-limits customers drive these revenue items. In 2007-08 residential rates increased 8% due to employee compensation increases and the addition of two driver positions plus the purchase of a new side-load truck and roll-off unit for the expanding routes.

In 2007-08, fund balance decreased by \$380,273 from the 2006-07 ending fund balance of \$526,321 (without encumbrances). The decrease, or use of fund balance was approved in the 2007-08 budget process to aid in funding needed equipment. The 2008-09 budget is appropriated with projected revenue of \$9,345,580 using the remaining available fund balance to provide for machinery and equipment.

Projected 2008-09 ending fund balance for the Solid Waste Fund is expected to be (\$229,360). Repayment will be extended over the next few years. Solid Waste expenditures for 2008-09 are estimated at \$9,720,988. The Solid Waste division continues to put much effort into recycling to slow the growth of tonnage hauled to the landfill each year.

This Keep Texas Beautiful award winning enterprise fund maintains a diversified focus of not only solid waste collection, but also recycling, backyard composting, tree limb recycling, household hazardous waste disposal, and education. The fund also supports

the local Keep Odessa Beautiful agency that provides education to the public on numerous environmental issues. The Keep Odessa Beautiful agency will receive a budget of \$129,443 for 2008-09.

NATURAL GAS UTILITY FUND

The objective of the Natural Gas Utility Fund is to reduce the natural gas rates for Odessa residents. The City negotiates a contract with a natural gas supplier, a transporter of natural gas and our local distributor. As a result, consumers have saved significantly in the cost of natural gas over the conventional method of buying gas. The revenues for FY 2008-09 are estimated at \$20.0 million for the sale of natural gas to our local distributor and the same amount in expenditures for the purchase of natural gas.

EQUIPMENT SERVICES FUND

The City provides for maintenance and replacement of its fleet and heavy equipment through an internal fund, which receives rental revenue from the operating funds. Equipment Services revenues for FY 2008-09 are estimated at \$10.1 million. Total expenditures of this internal service fund are \$10.4 million of which \$6.6 million is allocated for operating expenditures, while \$3.8 million is for designated for Equipment Replacement expenditures. One critical aspect of this fund is to maintain an adequate fund balance to replace the City's fleet based upon the estimated life when purchased. Early replacement of items in the Fire Department's rolling stock in previous years should aid in fund balance growth over the next few years since these items will not need to be replaced.

In 2007-08, fund balance decreased by \$150,557 from the 2006-07 ending fund balance of \$1,836,541 (without encumbrances). This decrease, or use of fund balance was approved in the 2007-08 budget process to aid in funding mobile computers for the Police fleet as an addition to the Equipment Replacement schedule. The 2008-09 budget is appropriated with projected revenues of \$10,147,362 using \$283,573 of available fund balance for needed equipment replacement. Repayment will be extended over the next few years. The scope of this fund is being broadened to include acquisitions of other major assets to be used by the operating funds. Projected 2008-09 ending fund balance for the Equipment Services Fund is expected to be \$1,402,411.

Through aggressive maintenance programs and streamlining of operations, the operating expenditures for this fund have experienced very little growth. However, adjustments were made to the rental rate schedules to ensure the Equipment Services Fund will have adequate available funds for the repair and replacement of capital items.

RISK MANAGEMENT FUND

The City's Risk Management Fund was budgeted at \$9.4 million for expenditures in 2008-09. The total insurance program will increase 7.9% over last year's 2007-08 adopted budget. The Risk Management Fund is comprised of a 74.3% (\$7.0 million) allocation for Benefits including Medical/Dental Claims and Clinical Services, with the Health and Wellness program at 2.18% (\$205,845), and an allocation for Liability Insurance at 9.0% (\$849,680), plus a 6.9% (\$657,220) allocation for Workers' Compensation, including a final 7.6% (\$715,699) budget for the administrative cost of managing the program.

The Medical/Dental insurance program represents the largest portion of expenditures for the Risk Management Fund. The city anticipates a 7% increase in medical coverage expenses due to increased medical costs and greater employee usage of the plan. The city's portion of the premiums that pay for the individual employee's insurance will primarily fund this budgeted increase.

The successful operations of the Family Health Clinic provides more accessible medical services to employees and their dependents without a related cost increase to employees and the City. A full service fitness center for medical plan covered individuals has also encouraged many employees and dependents to make preventative choices for greater health and a decreased need for medical services.

In 2007-08, fund balance of a negative \$1,726,080 increased from the 2006-07 fund deficit of \$1,608,406 (without encumbrances). This deficit fund balance position is due to escalating costs in the area of Medical/Dental Claims that have continued to increase over the last several years. The 2008-09 budget process will aid in slowing down this deficit situation as the creation of the Family Health Clinic, increases in premiums for employees and dependents, and the availability of the Health & Wellness center have shown positive influence in combating the ever present cost increases in health care occurring nationwide. Repayment of the 2008-09 projected ending fund balance deficit (\$1,726,080) will extend over the next several years.

GOLF COURSE FUND

The new and improved Ratliff Ranch Golf Course reopened in August 2008 with many positive changes and major renovations to benefit the citizens of Odessa. Major revenues for this fund include daily green fees (43.78%), golf cart rentals (21.31%), and Pro-Shop Sales (12.71%) bringing in 77.8% of the fund's total revenue. Revisions to some fees were adopted in 2007 that encourage play at the course at historically low usage times of the week.

In 2007-08, fund balance decreased to a negative \$778,173 from the 2006-07 deficit fund balance of \$81,836 (without encumbrances). This deficit fund balance position is due to the closure of the golf course for major renovation and construction during the majority of 2007 and 2008. The 2008-09 budget process shows an additional decrease

in fund balance as finishing touches are made to the course and new grass is adequately watered and preserved for the peak season. Repayment of the 2008-09 projected ending fund balance deficit (935,819) will extend over the next few years.

CONVENTION AND VISITORS FUND

The Convention and Visitors Fund receives its funding from Hotel/Motel taxes. The Outside Agencies received funding for FY 2008-09 in the amount of \$1,648,186.

CONCLUSION

This Annual Budget continues to provide for a sound financial plan, reflects the priorities and policies of the City Council, and provides the citizens of Odessa with quality municipal services. We commit our best efforts to the Mayor and City Council to ensure that the needs of our customers are met or exceeded.

The City's 2007-08 Annual Budget document received the Government Finance Officer Association's (GFOA) Distinguished Budget Presentation Award, representing the highest form of recognition in governmental budgeting. This was the twenty-second consecutive year that Odessa has received this honor. Additionally, this year's budget document earned the Special Performance Measures Recognition designation only given to that small group of cities whose departmental performance measurement reporting and presentation rated an "Outstanding" by all GFOA reviewers. In order to continue participating in this program, we have attempted to incorporate most recommended revisions, which were suggested by GFOA, into the 2008-09 Annual Budget.

The 2008-09 Budget document has been prepared with the assistance of the committed and dedicated employees who stand ready to accomplish the strategies outlined and adopted by the City Council. In closing, I would like to acknowledge the valuable effort of the Finance Department and Budget Personnel, and to extend special thanks to the Mayor and Members of the City Council for their continuing direction and support.

Respectfully submitted,

Richard N. Morton, Jr.
City Manager

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Policy Statements

POLICY STATEMENTS

BUDGET COMPLIANCE

BUDGET COMPLIANCE

The 2008-09 approved operating budget for the City of Odessa is submitted in accordance with the City Charter and all applicable State laws. The budget for the City of Odessa is based upon separate funds and sets forth the anticipated revenues and expenditures for the fiscal year for the General Fund, Water and Sewer Fund, Solid Waste Fund, Equipment Service Fund, Risk Management Fund, General Debt Service Fund, Community Development Fund, Golf Course Fund, Convention and Visitors Fund, Natural Gas Fund, and other miscellaneous funds.

ITEMIZED BUDGET AND CONTENTS

The annual budget developed by the City of Odessa is regulated throughout the process by the Local Government Code (LGC), which is the State statute regulating municipal budgets in Texas. State law requires an incorporated City to develop an annual budget which itemizes proposed expenditures in comparison to actual expenditures for the preceding year, and shows as definitely as possible each project for which expenditures are appropriated in the budget, (LGC, Sections 102.003, 102.003b). The annual operating budget developed by the City of Odessa contains a complete financial statement that shows:

- 1) the outstanding obligations of the municipality;
- 2) the cash on hand to the credit of each fund;
- 3) the funds received from all sources during the preceding year;
- 4) the funds available from all sources during the ensuing year;
- 5) the estimated revenue available to cover the proposed budget; and
- 6) the estimated tax rate required to cover the proposed budget.

INFORMATION FURNISHED

In preparing the budget, the budget officer (City Manager) may require any City officer or board to furnish information necessary for the budget officer to properly prepare the budget, (LGC, Section 102.004).

PROPOSED BUDGET FILED

The proposed budget is filed with the City Secretary and is available for public inspection at least thirty (30) days prior to the date when the City Council sets the property tax rate for the next fiscal year, (LGC, Section 102.005). The City Manager filed the Proposed 2008-09 Budget on August 1, 2008, which was more than 30 days from the scheduled adoption of the property tax rate on September 23, 2008.

POLICY STATEMENTS

BUDGET COMPLIANCE

PUBLIC HEARINGS ON PROPOSED BUDGET

The City Council shall hold a public hearing on the proposed budget in which any taxpayer may attend and participate. The Council shall set the hearing for a date occurring after the fifteenth (15th) day after the date the proposed budget was filed but before the date the City Council sets the property tax rate for the next fiscal year. Public notice of the date, time, and location of the hearing must be provided, (LGC, Section 102.006).

The City of Odessa published a notice, as required by law, on August 28, 2008 in the local newspaper, on the City of Odessa's web site, and on the local Government Access Channel, announcing a public hearing on the proposed budget on September 9, 2008.

ADOPTION OF BUDGET

At the conclusion of the public hearing, the City Council shall take action on the proposed budget; it may make any changes to the budget it considers warranted by law or deemed to be in the best interest of the taxpayers, (LGC, Section 102.007).

City of Odessa conducted a public hearing, as required by State law, on September 9, 2008, and adopted the Annual Budget immediately following the hearing.

APPROVED BUDGET FILED

After adoption by the City Council, the approved budget is filed with the City Secretary and the County Clerk, (LGC, Sections 102.008, 102.009d).

A complete copy of the final published budget document will be filed with the City Secretary and County Clerk. Although not required by law, the City will also file the final budget document with the State Comptroller. A copy of the Annual Budget is also placed in the Ector County Library for public access.

LEVY OF TAXES

The City may levy taxes only in accordance with the budget, (LGC, Section 102.009a). However, the adoption of the tax rate must be separate from the vote adopting the budget, (Property Tax Code, (PTC), Section 26.05b). The tax rate consists of two components, the amount of taxes to pay maintenance and operation expenditures, and the amount of taxes to pay debt service, (PTC, Section 26.05a). The tax rate, adopted by the governing body, may not exceed the calculated effective tax rate without additional legal notification and public hearing requirements, (PTC, Section 26.05d).

POLICY STATEMENTS

BUDGET COMPLIANCE

The City Council adopted a total tax rate of \$0.562290 per \$100 dollars of property valuation for the purpose of paying for City operations (\$0.477069) and for debt service payment (\$0.085221). This tax rate required two public hearings since the proposed tax rate exceeded the effective tax rate (\$0.515965). The City Council adopted a total tax rate of \$0.562290 on September 23, 2008.

EMERGENCY PROCEDURES

After final approval of the budget, the City Council may spend funds only in strict compliance with the budget, except in an emergency. The City Council may authorize emergency expenditures as an amendment to the original budget only in a case of public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget. If the budget is amended, a copy of the resolution shall be filed with the City Secretary and the County Clerk, (LGC, Section 102.009b,c,d).

CHANGES IN BUDGET

The City Council is not prevented from making changes in the budget for municipal purposes, (LGC, Section 102.010).

The City Manager is authorized to transfer budgeted amounts during the fiscal year between departments within any fund. All funds are subject to appropriation, and uses of additional revenue received during the fiscal year are appropriated through City Council approval resulting in an amendment to the budget. Changes to the budget that would increase the total appropriations to any fund must meet the appropriate legal requirements for public notice and citizen participation and be approved by the City Council.

POLICY STATEMENTS

BUDGET DEVELOPMENT

BUDGET DEVELOPMENT PHASES

Annual budgeting is a dynamic activity of resource allocation. Forecasting and the setting of strategic priorities start the cycle every spring. After the departments are given direction, they reassess their goals and objectives, and request their budgets. The City Manager compiles a Proposed Budget and presents it to Council. After input from citizens and Councilmembers, the Council adopts an Operating Budget. This new budget takes effect on October 1, at which time all Departments receive their new funding. All budgets are continually monitored throughout the year to ensure compliance.

FINANCIAL FORECASTING/BUDGET RELATIONSHIP

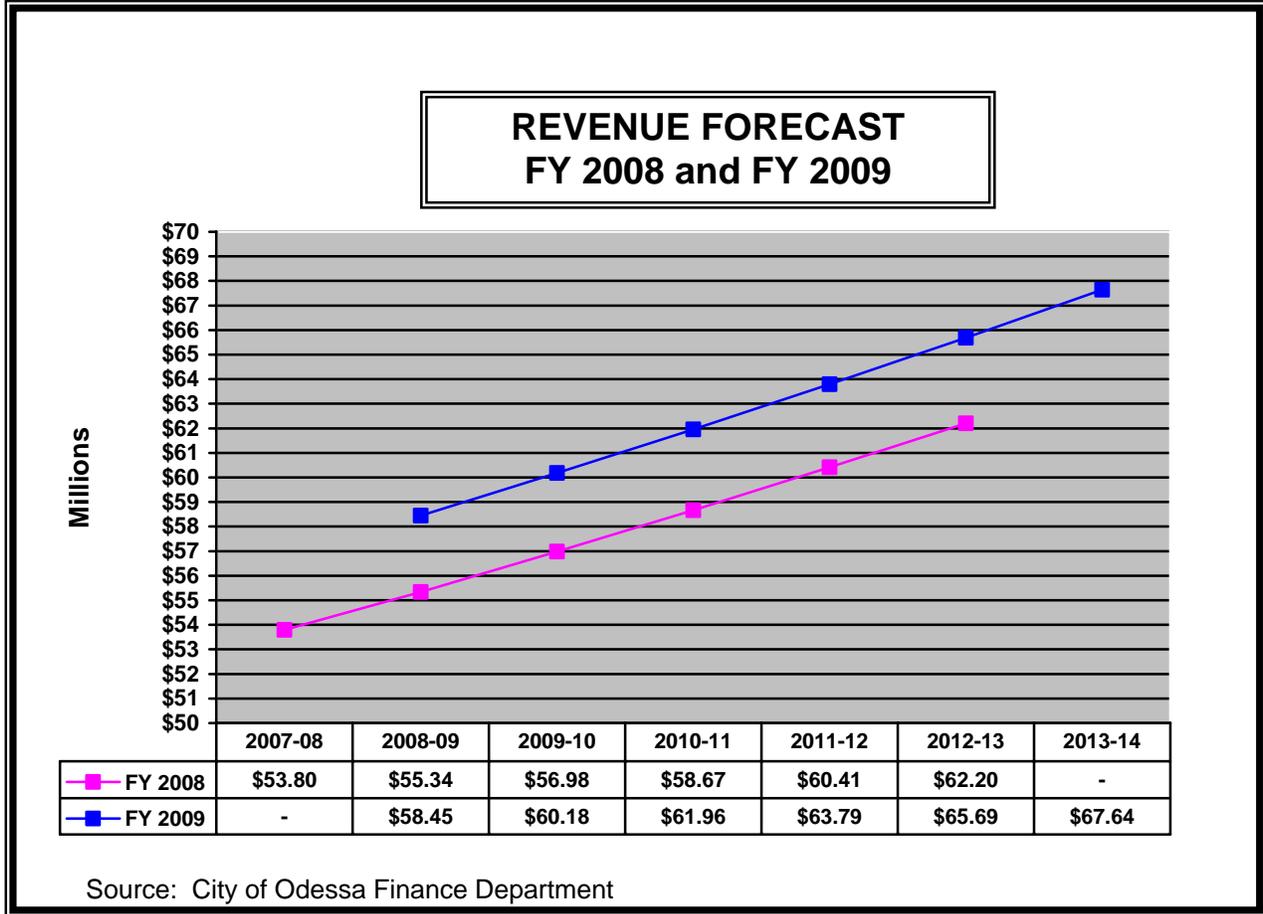
Financial forecasting is requisite to the success of the budgeting process in aiding in proper decision making for the current year and future years. Long-range and short-range projections are updated annually by staff for revenues, reserves, and expenditures based on current service levels for the General Fund. Trend and experiential analysis is used to calculate both expenditure and revenue patterns. For most revenue categories, a seven-year historical review is used to provide information in the various behaviors and trends of each particular account when applicable.

In the 2008 forecast, Property Tax revenue is conservatively projected to increase 3.00% in future years. Sales Tax receipts are expected to grow approximately 15.61% for the upcoming budget due to the last two years growth patterns. However, the projection for Sales Tax Receipts remains at the same conservative 2.75% for the next five years as a careful watch on the local as well as national economy continues. The trend for Franchise Fees (Gross Receipts Tax) from the major utilities projects increases of 3.00% in anticipation of gradual growth. Transfer-In Revenue allocations results from an outside study each year on administrative services provided to the other funds by the General Fund. It is assumed this revenue area will increase by 3.00% for each of next five fiscal years. Together, the increases in these four revenue groups generate approximately 70% of the General Fund increase, each year for the next five years. Total General Fund revenue is expected to increase from \$58.5 million to approximately \$67.6 million, an increase of 15.6% in five years.

Personal Services accounts for approximately 72% of the cost of operations for the General Fund. Therefore, the largest portion of increase of the forecast of expenditures is attributable to the current compensation strategy. The City is operating under a plan designed to enhance the City's ability to retain and recruit qualified applicants. The annual cost of the enhancement, the rising costs in employee benefits, and the net increase of five full-time positions will result in a budget increase of \$3,263,792 in 2008-09. Altogether, total General Fund expenses are expected to grow from \$58.5 million to \$66.4 million by 2013-14.

In 2008-09, significant increases in property values have made it possible to cut the property tax rate back from \$0.57900 to \$0.56229. Current projections indicate that over the next five years, revenues will increase at an approximate rate of 3.0% per year, while expenditures will increase at the rate of approximately 2.6% per year. (See Fund Narratives for more detailed revenue trends / analysis and related expenditure requirements.)

POLICY STATEMENTS
BUDGET DEVELOPMENT

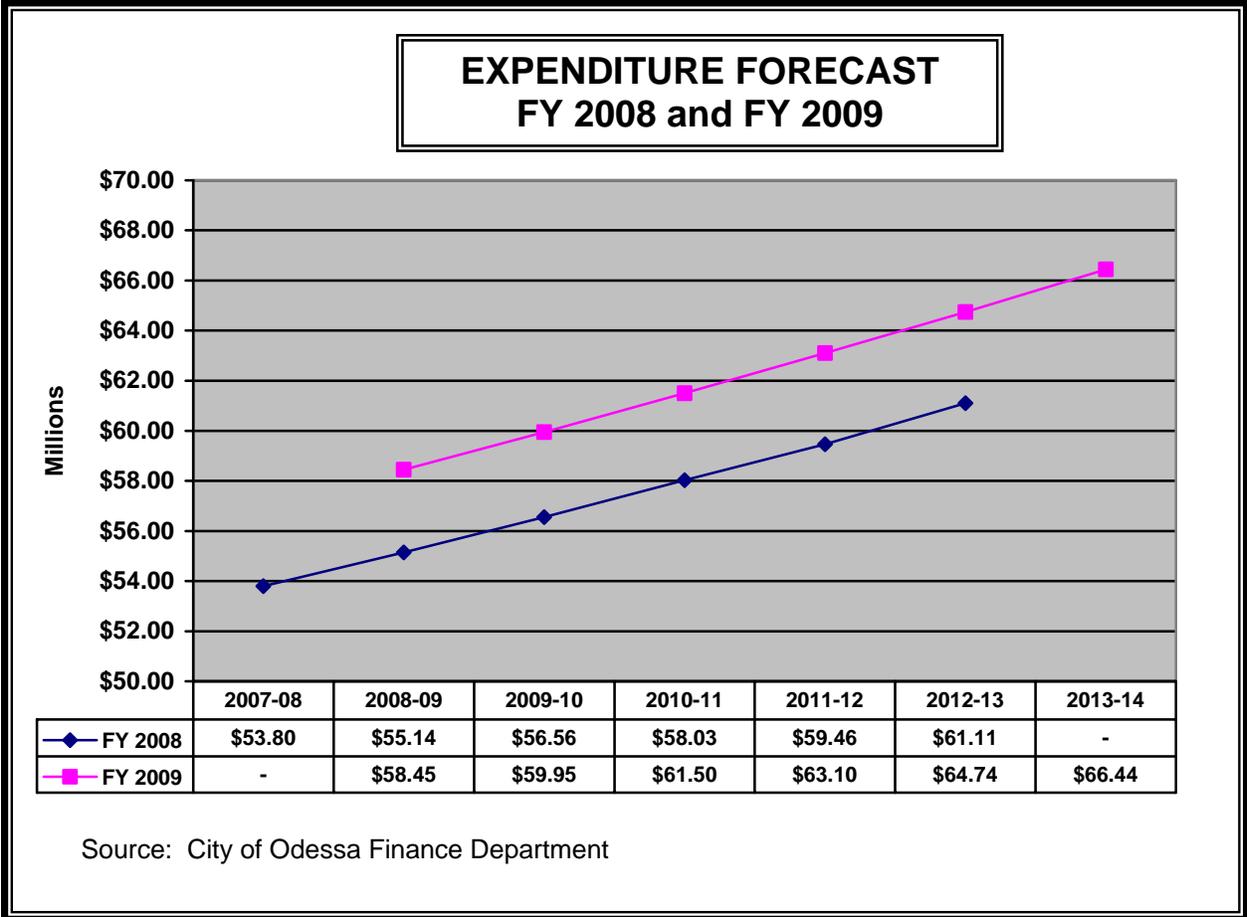


The above graph compares the revenue forecasts made in FY 2008 with those made in FY 2009. The FY 2009 forecast begins \$3,105,851 higher than the FY 2008 forecast due to an upturn in the local economy. Significant increases in the price of oil have had a positive effect on property tax and sales tax revenues, the City's two main sources of revenue.

In 2007-08, the projection for 2008-09 sales tax revenue was \$17,056,500. This year, it is anticipated that sales taxes will generate \$19,191,000, an increase of 12.51%. Property values are also on the rise and are 13.18% higher than last year's values. As a result, the City opted to lower the tax rate to 0.56229 per \$100 valuation. Even with the tax rate decrease, this year's projection for 2008-09 property tax revenue is 6.11% higher than last year's projection.

The FY 2009 forecast of revenues is projected to be \$58.5 million, with an average annual increase of 2.96% each year for the next five years. It is anticipated that revenues generated by property tax will exceed \$16.86 million in 2008-09, increasing at a rate of 3.00% each year for the next five years. City Sales Tax is expected to generate \$19.19 million in the upcoming fiscal year, up \$2,134,500 from last year's projection. Sales tax revenue is projected to increase at the conservative annual rate of 2.75% over the next five years.

POLICY STATEMENTS
BUDGET DEVELOPMENT



The FY 2009 financial forecast for expenditures begins with a projection that is \$3,311,068 higher than the 2008-09 projection set forth in the FY 2008 financial forecast. The FY 2009 forecast begins with a projection of \$58.45 million with an anticipated growth rate of approximately 2.6% for each of the next five years. Expenditures are expected to increase by \$7,988,095 over a five-year period.

The expenditure forecast provides for a comprehensive employee compensation plan, designed to improve the City's ability to retain and recruit qualified applicants. The plan calls for a 5% salary increase for all full-time city employees, resulting in an increase in General Fund expenditures of \$1.52 million. Additionally, funds have been set aside to help cover the costs associated with the creation of five new positions: two Building Codes Inspectors, one Fire Inspector, one Technical Applications Specialist, and one Public safety PC Support Specialist.

POLICY STATEMENTS

BUDGET DEVELOPMENT

STRATEGIC PRIORITIES PHASE

Council develops a consensus on the direction the City should take in the coming year. Council meets at a retreat to identify priorities, issues, and trends in order to determine the City's goals and objectives. These strategic priorities form the framework of the budget.

DEPARTMENTAL REQUESTS PHASE 1

Departments are given the strategic direction to formulate their budget requests from the Council's goals and objectives, and six-month expenditure reports are distributed. Target dollar amounts are determined for each department based on a projected revenue stream. Budget manuals containing instructions to the departments are distributed, and computer training is made available to those who will enter departmental data. Departmental due dates are communicated and budgeting guidelines are given.

DEPARTMENTAL REQUESTS PHASE 2

Departments formulate their budget requests within the target amount, assessing current conditions, programs, and needs. Departments are encouraged during this phase to thoroughly examine all activities for any way to achieve more efficiency, and each department then prepares preliminary budget requests. Department effectiveness and efficiency are measured against the results of addressing customer concerns. Supplemental requests from each department are identified at this stage.

PROPOSED BUDGET PHASE

Budget requests are reviewed and the initial work on the Operating Budget is begun. The City Manager conducts budget meetings with department directors regarding their budget requests, and City staff examines each departmental budget request and supplemental request during this phase. Departmental goals and objectives are also analyzed as part of this resource allocation process. The City receives preliminary property values from the Appraisal District and uses these estimated revenues to shape the Proposed Budget.

BUDGET ADOPTION PHASE 1

The City Manager presents the Proposed Budget to Council. This budget contains all proposed expenditures and financing sources for all City departments, and it is filed with the City Secretary. The City Manager holds Budget Workshops with Council.

BUDGET ADOPTION PHASE 2

The Operating Budget is formally adopted in this phase. Legal notices for public hearings on the budget and tax rate are published in the local newspaper, posted on the City's website, and advertised on the Government Access Channel. Public hearings are conducted to obtain citizen comments. The Operating Budget and corresponding ad valorem rate (property tax rate) are then adopted by Council vote, and the Tax Assessor is notified of the adopted tax rate.

POLICY STATEMENTS

BUDGET DEVELOPMENT

BUDGET IMPLEMENTATION PHASE

The new fiscal year begins October 1, and all departments operate under their new budgetary levels. Published copies of the approved Operating Budget are filed with the City Secretary, County Clerk, and State Comptroller. Budget documents are distributed to Council, Department Directors, and other interested parties.

BUDGET MONITORING PHASE

This final phase in the budget process is an ongoing one. To ensure budgetary compliance, all budgets are monitored at least monthly, comparing actual expenditures to budgeted expenditures. Variances are investigated, and appropriation adjustments are made when necessary. Appropriation adjustments are an accounting reallocation, which neither increases, nor decreases City budget amounts. In this way, expenditures can be accurately tracked, thus providing a good history from which budget trends can be seen.

OPERATING AND CAPITAL BUDGET RELATIONSHIP/ORGANIZATION

The Capital Budget and five-year Capital Improvement Plan are summarized in the policy section of the budget document with more detailed information for each project provided in a separate section. Projects accounted for in Enterprise funds are included in the Capital Budget. Capital Budget funding sources are matched with budgeted expenditures. All future year operating impacts are noted in the Capital Budget and included in the five-year balanced financial plan.

The City of Odessa prepares a separate capital budget from the operating budget, but the two budgets are closely linked. The Capital Improvement Program as distinguished from the operating budget, is a multi-year financial plan for the acquisition, expansion, or rehabilitation of infrastructure, capital assets, or productive capacity of City Services. Capital Projects typically apply to (1) expenditures which take place over two or more years requiring continuing appropriations beyond a single fiscal year; (2) funding with debt because of significant costs to be shared by current and future beneficiaries; and (3) scheduled replacement or maintenance of specific elements of physical assets.

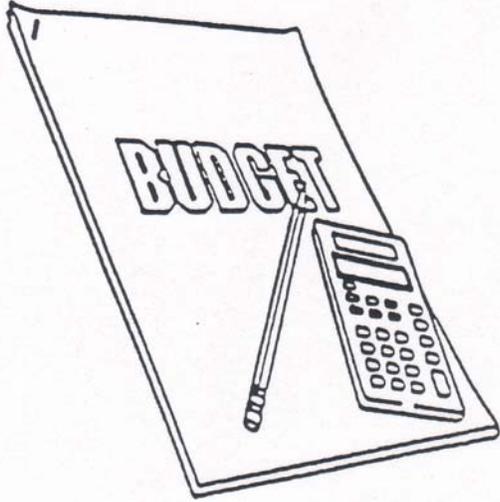
Expenditures for the Capital Improvement Program are presented on a budget basis. Budget for an entire contract is appropriated in the period in which a contract is entered. Any unspent funds at fiscal year-end are carried forward to the next budget year.

Revenues for the Capital Budget derive primarily from General Obligation Certificate sales, grant funding, and current revenues. The Capital Budget, unlike the Operating Budget, is a five-year plan that is updated annually. Only those projects scheduled during the first year of the plan are financed.

As part of the Capital Improvements Program, each department identifies those capital projects that have an operating budget impact. To illustrate the additional cost of capital projects, the additional tax rate needed to fund these costs is presented in the budget document as a separate tax analysis for each individual capital project.

POLICY STATEMENTS

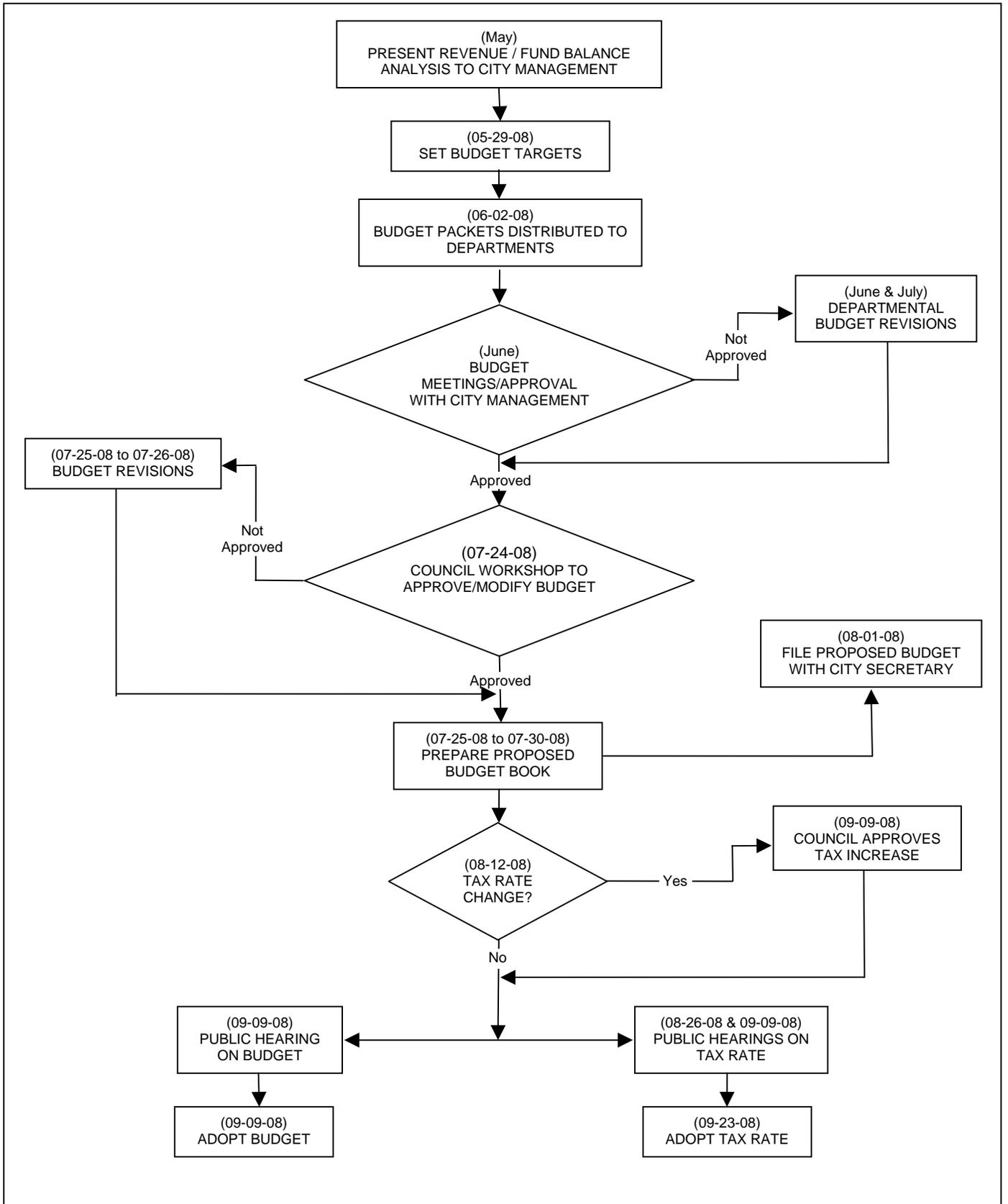
BUDGET CALENDAR



- March - April** Finance makes revenue projections and estimates fund balances for the upcoming fiscal year. After the City Manager reviews and approves the fund balance and revenue projections, departmental budget targets are set.
- June** Budget packets are distributed to department directors. The packets include all of the information the directors need to finalize their budgets and enter them into the system.
- June** Departments submit budget requests, and budget meetings with the City Management and Finance Staff are held. At this point, the department budgets are either approved or modified so as to meet with City Management's approval.
- July** City Council meets at its annual retreat where Council reviews the budget and makes any changes it deems necessary. Finance works on the Proposed Budget Book during this month, incorporating Council's changes into the document.
- August** City Manager files the Proposed Budget Book with the City Secretary for public review. Also during this month, the City Council votes on whether or not to increase the tax rate.
- August - September** City publishes legal notices for public hearings on the budget and tax rate (if tax rate is changed). After the public hearings, the budget and tax rate are adopted. The Tax Assessor is notified of the adopted tax rate.
- October** New fiscal year begins October 1.
Published copies of the approved budget are filed with the City Secretary.

POLICY STATEMENTS

BUDGET CALENDAR



POLICY STATEMENTS

FINANCIAL POLICIES

FINANCIAL POLICIES:

1. **REVENUE POLICIES.** Projected revenues are estimated using a realistic, objective, and analytical approach based upon economic trends. The entire cost of services is calculated periodically for activities supported by user fees, and such information is considered in determining those fees. An outside firm is used to review the City's user fees and determine whether the current fees are providing for full cost recovery. The study also identifies potential areas where fees are not currently being charged.

The City conducts an annual survey of twenty-eight Texas cities concerning their General Fund revenue fees. Through a comparative analysis, the City identifies areas in which Odessa's user fees fall below the mean of the survey group.

Enterprise funds establish user charges sufficient to finance the costs of providing the goods/services to the public. The water and sewer rates are periodically reviewed to determine if they are meeting this criterion and are in compliance with the City's debt covenants. Solid Waste rates must strike a delicate balance between funding operational costs and competing with the price of private commercial pick-up service. (See Fund Narratives for detail of major revenue sources / trends / analysis.)

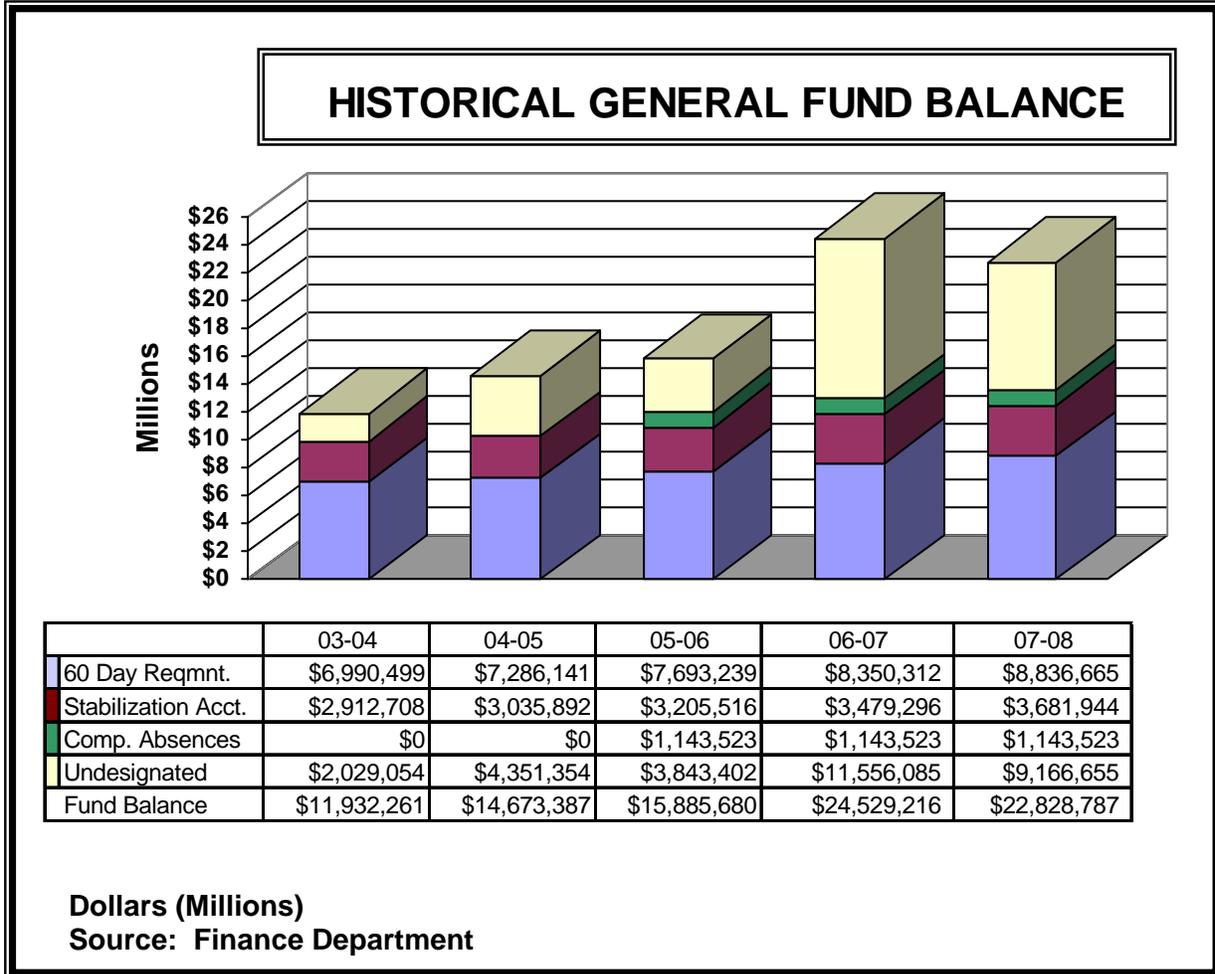
2. **FUND BALANCE/WORKING CAPITAL/RETAINED EARNINGS POLICIES.** The City should maintain the fund balance, working capital and retained earnings of the various operating funds at levels sufficient to protect the City's credit worthiness and its financial position, in the event of an emergency.

Several years ago, the City Council established a fiscal requirement that legally segregated a portion of the General Fund fund balance for a specific future use. The segregated fund balance should be sufficient to provide financing for 60 days of emergency operation. In 1998, the City Council established a \$1,000,000 reserve for Rate Stabilization for the Water and Sewer Fund to be used for unexpected water revenue fluctuations. Then again in 1999, the City Council revised the Fund Balance Policy for the General Fund (Ordinance No. 99-04) to include a reserve for a Budget Stabilization Account. The amount held in reserve is equal to the cost of operating the General Fund for 25 days, based on the previous year's adopted budget. The reserve account increases/decreases each year in proportion to the General Fund budgeted expenditures. One portion of the Budget Stabilization Account accommodates an approximate 15% sales tax revenue decline, and the remaining balance protects against a 10% decline in property tax revenues or any other revenue loss. In 2005-06, a portion of the fund balance was designated as "Compensated Absences". These funds have been set aside to reimburse employees for accumulated unileave and/or old sick leave upon their resignation, termination, or retirement from the city.

Any funds remaining after the 60-day Operating Requirement, the Budget Stabilization Account, and the Compensated Absences Reserve have been set aside are classified as undesignated fund balance. These funds are available for Council to appropriate for emergency expenditures, one-time capital project expenditures, or any special project that the City Council authorizes. (See Fund Narratives for detail of fund balance / working capital / retained earnings changes and uses.)

POLICY STATEMENTS

FINANCIAL POLICIES



Fund Balance History

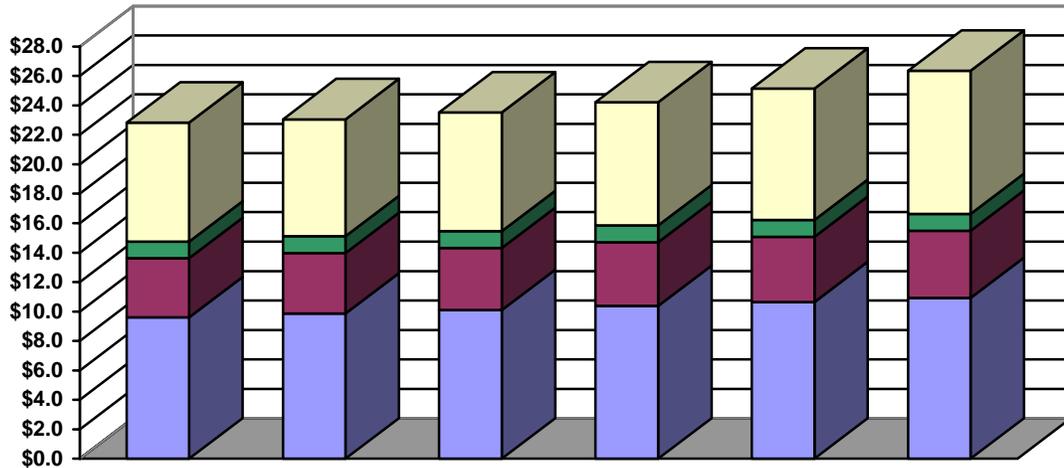
The fund balance for the General Fund is comprised of a 60-day operating requirement, a 25-day budget stabilization account, a compensated absences reserve, and a remaining undesignated reserve. Between fiscal years 2003-04 and 2007-08, the fund balance fluctuations have resulted in an overall increase of 91.32% in total fund balance. The total fund balance is estimated to be \$22.83 million by the end of the 2007-08 fiscal year.

The above graph presents the actual fund balance for the General Fund for fiscal years 2003-04 through 2006-07 and the estimated fund balance for 2007-08.

POLICY STATEMENTS

FINANCIAL POLICIES

PROJECTED GENERAL FUND BALANCE



	08-09	09-10	10-11	11-12	12-13	13-14
60 Day Reqmnt.	\$9,608,235	\$9,855,324	\$10,109,937	\$10,372,312	\$10,642,697	\$10,921,347
Stabilization Acct.	\$4,003,431	\$4,106,385	\$4,212,474	\$4,321,797	\$4,434,457	\$4,550,561
Comp. Absences	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523
Undesignated	\$8,073,598	\$7,947,934	\$8,043,284	\$8,366,833	\$8,925,983	\$9,728,378
Fund Balance	\$22,828,787	\$23,053,166	\$23,509,218	\$24,204,465	\$25,146,660	\$26,343,809

Dollars (Millions)

Source: Finance Department

Fund Balance Projections

The ending fund balance estimate for fiscal year 2008-09 is \$9.61 million in the 60-day operating requirement, \$4.00 million in the budget stabilization account, \$1.14 million in compensated absences reserve, and \$8.07 million as undesignated reserve. This is a total fund balance of \$22.83 million.

Projections indicate that over the next five years, revenues will be sufficient to maintain the 60-day operating requirement, the 25-day stabilization account, and the compensated absences reserve, as well as provide for a steady increase in the undesignated fund balance.

The above graph presents the ending fund balance projections for the General Fund for fiscal years 2008-09 through 2013-14.

POLICY STATEMENTS

FINANCIAL POLICIES

3. **FINANCIAL REPORTING POLICIES.** The financial reporting policies of the City will conform to generally accepted accounting principles and standards of the Government Finance Officers Association.

The monthly and annual financial reports will present a summary of financial activity by major fund type. The operations of each fund, as shown in the Annual Budget, are accounted for with a separate set of self-balancing accounts that comprise its revenues and expenditures as appropriate.

An independent accounting firm will perform an annual audit of the financial statements of the City and will publicly issue an opinion. The annual audit is conducted at the end of each fiscal year.

4. **GRANT POLICY.** The City of Odessa will seek a fair share of available State and Federal financial support unless conditions attached to that assistance are contrary to the City's best current and future interests. Prior to applying for and accepting intergovernmental aid, the City will examine the matching requirements so that the source and availability of these funds may be determined before the grant application is made. The City will also assess the merits of a particular program as if it were funded with local tax dollars. Local tax dollars will not be used to make up for losses of intergovernmental aid without first reviewing the program and its merits.

All departments requesting appropriations to participate in specific grants for the upcoming fiscal year are required to submit a City of Odessa Grant Application (COGA) form. This form can be submitted during one of the two review months (January or June) of each fiscal year. Departments will direct all requests to the Finance department for collective review by the Finance Committee and the City Council. The submission of the COGA will ensure adequate planning in funding the grant(s) for the next fiscal year (October 1 through September 30). All budget estimates in the COGA for the upcoming fiscal year will need to be submitted by either January 1 (or) June 1 of each year, regardless of the granting authority application due date.

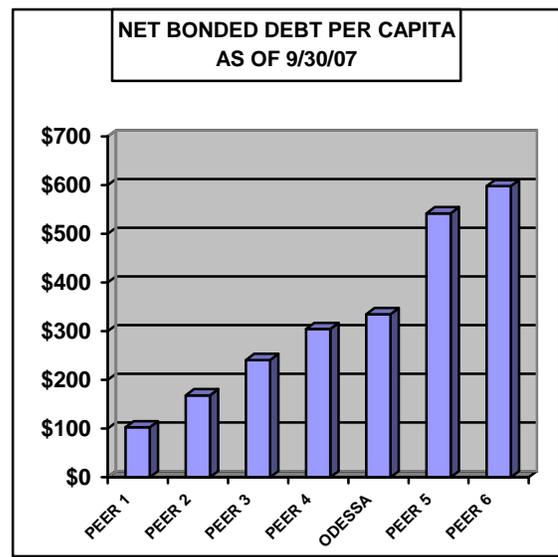
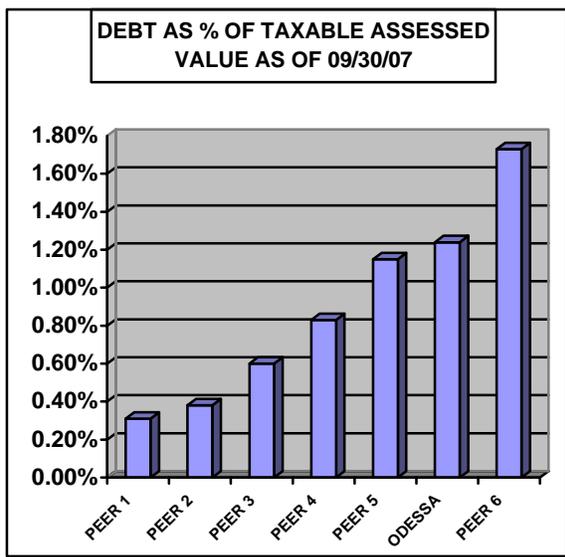
POLICY STATEMENTS

FINANCIAL POLICIES

5. **DEBT MANAGEMENT POLICIES.** The objective of the City of Odessa debt management policy is to maintain the City's ability to incur present and future debt at the most beneficial interest rates, and in the amounts needed, to finance the Capital Improvements Program without adversely affecting the City's ability to finance essential services. When long-term debt financing is utilized, the City will ensure that repayment will be made by levying sufficient ad valorem taxes to service General Obligation debt and realizing sufficient net revenues to service revenue debt while upholding all related bond covenant agreements.

- A five-year capital improvements program (CIP) will be developed and updated annually, along with the corresponding anticipated funding sources.
- It is the intent of the City to issue new Certificates of Obligation (CO) debt for general purpose CIP as old debt is retired, thus avoiding the need for additional revenues for debt service.
- Efforts will be made to maintain or improve the City's bond rating. Effective communication will continue with bond rating agencies, financial advisors, independent auditors, investors, and citizens regarding its financial condition.
- The City will develop and update comparative debt information in the form of ratios to determine the appropriate debt level for financing capital projects prior to the issuance of new debt. (Note: All debt is tax supported and does not include enterprise or overlapping debt.)

Below is a sample of the various comparative debt ratios as of September 30, 2007. The City selects certain neighboring cities as a peer group to compare debt information. As the graphs present, Odessa's net general bonded debt as a percentage of taxable assessed value (1.2394%) ranks second highest in the group. Odessa ranks third highest in net general bonded debt per capita (\$356).



POLICY STATEMENTS

FINANCIAL POLICIES

BUDGET POLICIES:

Staff and City Council follow established procedures in producing budgetary data.

1. In accordance with the City Charter, the City Manager is responsible for preparing and recommending an operating budget for City Council consideration prior to September 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year. The City Charter requires that the budget be submitted in summary form. In addition, more detailed line-item budgets are included for administrative control.
2. A multi-year financial forecast is prepared as a planning tool in developing the operating budget.
3. Budget work sessions and public hearings are conducted with public notice being given within statutory limits, for the purpose of obtaining taxpayer comments. Copies of the proposed budget are made available for City Council, media, and citizens' review prior to any work sessions or public hearings.
4. The City gives the highest priority to funding daily operational costs from current revenues and funding capital assets or non-recurring expenditures from one-time revenues or unreserved fund balance.
5. Each department's operational budget is developed within a targeted dollar amount designated by Finance. The target amount is based on the total projected revenues and the department's percentage of the previous year's budget. Any proposed increases or decreases in service levels to the citizens are noted. Requests requiring funds in addition to the targeted amount are submitted for consideration in a Supplemental Request along with suggestions on how to fund the request.
6. A high priority is placed on continuing the compensation plan adopted by Council. In setting the target amount for departmental budgets, Finance takes into consideration the funding of the merit pay plan and other increases in employee benefits.
7. Since the 1996-97 fiscal year, the Departments' submitted budget requests have been evaluated based on a customer focus measurement and customer concerns.
8. Budgeted revenues and expenditures for each fund should be realistic and based upon current trends.
9. Every effort is made to create a balanced budget (a budget in which revenues equal expenditures) for the General Fund. Property tax revenue is one of two major sources of revenue for the General Fund. This policy ensures that any revenues generated by an increase in the property tax rate are used to cover necessary expenditures, rather than to increase the fund balance.

POLICY STATEMENTS

FINANCIAL POLICIES

10. All departments providing services that are based on a user-fee concept should make every effort to be self-supported by those fees.
11. The budget provides for adequate maintenance, repair, and replacement of capital assets. Postponing of such items to balance the budget would only lead to short-term gain at the expense of long-term financial security.
12. Prior to October 1, the budget is legally enacted through passage of a resolution.
13. Activities of the General Fund, Internal Service Funds, Special Revenue Funds and Debt Service Fund are included in the annual appropriated budget, legally adopted. The City includes all proprietary funds in the annual budget adopted, but only as a financial plan.
14. Capital Projects are budgeted over the life of the respective projects rather than on a fiscal year basis.
15. Once the budget is adopted, the City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that increase budgeted appropriations of any fund must be approved by the City Council after appropriate public notice.
16. Reports prepared monthly compare actual revenues, expenditures and encumbrances to budgeted amounts. The monitoring of expenditures to budgeted appropriations, at the departmental level, is employed as a budgetary management tool for the General Fund, Internal Service Funds, Special Revenue Funds, and Debt Service Fund.
17. Encumbrances outstanding at year-end are reported as reserved fund balances in financial accounting. For budgetary accounting, any appropriations for encumbered or obligated funds are carried over to the subsequent fiscal year in order to complete these transactions.
18. Appropriations that are not expended or encumbered at the end of the fiscal year lapse at the end of that fiscal year. The unencumbered appropriation balances of any capital projects do not lapse at year-end.

POLICY STATEMENTS

BUDGET CONTINGENCY PLAN

BUDGET CONTINGENCY PLAN

A Budget Contingency Plan was developed in 1991-92 which details various courses of action that may be undertaken when varying levels of revenue shortfalls are anticipated. The basic provisions of the plan are:

If an anticipated shortfall in revenue is equal to:

1% Shortfall

- Prohibit unbudgeted expenditures. Budget amendments will not be made from fund balances.
- City Manager, Assistant City Managers, and Department Directors will be required to review, monitor, and control planned expenditures.
- Department Directors must re-justify planned capital outlay purchases to City Manager or Assistant City Managers prior to all expenditures.
- All overtime must be pre-approved by City Manager.

2% Shortfall

- Eliminate planned capital outlay.
- Eliminate travel and training.
- Freeze all vacant positions.

3% Shortfall

- Reduce all operating departmental budgets by 2%.

4% Shortfall

- Reduce all operating departmental budgets by 3%.

Over 4% Shortfall

- Service level reductions.
- Elimination of specific programs.
- Reduction of personnel.
- Re-evaluation of funding for Outside Agencies.

POLICY STATEMENTS

ACCOUNTING POLICIES

ACCOUNTING POLICIES

The accounting policies of the City conform to generally accepted accounting principles.

1. **PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY.** The basic criterion for including a potential component unit within the City's financial statements is the City's ability to exercise oversight responsibility. The most significant indication of having this ability is financial interdependency. Other conditions of having this ability to exercise oversight responsibility include, but are not limited to, the selection of governing boards, appointments of management, the ability to significantly influence operations, and the accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service and whether it benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relations, regardless of whether the government is able to exercise oversight responsibilities.

2. City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. Management is also charged with ensuring that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.
3. The cost of a control should not exceed the benefits likely to be derived.
4. The valuation of costs and benefits requires estimates and judgments by management.
5. **SINGLE AUDIT.** A single audit is made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments.

6. **ENCUMBRANCES.** Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of budgetary integration in the General Fund and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reserved fund balances, and do not constitute expenditures or liabilities, because the commitments will be honored during the subsequent year.

POLICY STATEMENTS

ACCOUNTING POLICIES

7. **CASH AND INVESTMENTS.** Cash includes amounts in demand deposits as well as short-term investments with maturity dates no longer than three months. The City has elected to implement GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" as of September 30, 1998. As a government entity other than an external investment pool in accordance with GASB 31, the City's investments are stated at fair value, except for external investment pools. Management's intent is to hold all investments to maturity and thereby recover the full value of the various investments made.

In compliance with the 1995 Public Funds Investment Act, Chapter 2256, Texas Government Code, the City of Odessa revised its investment policy effective September 1, 1995. It is the policy of the City of Odessa to invest public funds to provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City. The investment policies must conform to all State and local statutes governing the investment of public funds.

8. **WATER AND SEWER RECEIVABLES.** The City's Water and Sewer Enterprise Fund operates on a monthly billing cycle, issuing bills continuously throughout the month.
9. **TRANSACTIONS BETWEEN FUNDS.** Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved an organization external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Reimbursements from one fund to another for expenditures or expenses already made are recorded as expenditures or expenses in the reimbursing fund.

Non-recurring or non-routine transfers of equity between funds are treated as residual equity transfers and are reported as additions to, or deductions from, the fund balance of governmental funds. Residual equity transfers to proprietary funds are treated as contributed capital, and such transfers from proprietary funds are reported as reductions of retained earnings or contributed capital as is appropriate under the circumstances. All other transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

10. **INVENTORIES.** Inventories are valued at cost, which approximates market, using the first-in, first-out method and are recorded under the consumption method. Inventories in the General Fund consist of expendable supplies. The cost of individual items is included as inventory when acquired and included in expenditures as supplies are used.
11. **RESTRICTED ASSETS.** These assets consist of cash, certificates of deposit, and other short-term investments legally restricted for various purposes.

POLICY STATEMENTS

ACCOUNTING POLICIES

12. **GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT ACCOUNT GROUPS.**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated cost if actual historical cost is not available. Donated fixed assets are valued at their fair market value on the date donated. Interest costs incurred on debt-financed construction is capitalized during the construction period. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Special reporting methods are applied to governmental fund inventories using the consumption method to indicate that they do represent "available spendable resources."

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary and pension trust funds are accounted for on a cost of services of "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

POLICY STATEMENTS

ACCOUNTING POLICIES

13. **DEPRECIATION.** Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25 - 40 years
Improvements	25 - 40 years
Furniture and Office Equipment	7 - 10 years
Machinery and Equipment	5 - 20 years
Data Processing Equipment	5 years
Automotive Equipment	3 - 10 years
Radio Equipment	5 - 10 years

14. **ACCRUED EMPLOYEE BENEFITS PAYABLE.** During the year ending September 30, 1998, the City approved amendments to the Personnel Policy to implement a consolidated leave for sick leave, vacation, and emergency leave, to be referred to as unileave. The rate at which employees accrue unileave time is dependent upon length of service and ranges from seventeen days to twenty-seven days per year. Any unileave not used within the year in which it is accrued may be carried over to the following year without limitation, until termination of employment, at which time it will be paid to the employee at his or her current salary per hour. The vacation time that had accrued prior to the inception of this policy was transferred to the employee's unileave account and considered to be the beginning unileave balance. All sick leave an employee accrued prior to this policy was placed in an Old Plan accrual account. This sick leave is available to the employee to be utilized after the employee has utilized five consecutive full days of unileave and needs additional days for the same reason. At termination, those employees with sick leave hours remaining under the Old Plan will be paid for those hours at a rate of one-for-two, which means the employee will receive one hour of current pay for every two hours of sick leave accrued. The City accrues a liability for compensated absences that meets the following criteria:

- A. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' service already rendered.
- B. The obligation relates to rights that vest or accumulate.
- C. Payment of the compensation is probable.
- D. The amount can be reasonably estimated.

In accordance with the above criteria, the City has accrued a liability for unileave, remaining sick leave, and compensatory time which has been earned but not taken by City employees. For governmental funds, the liability for compensated absences has been recorded in the general long-term group of accounts that have accrued liability. The liability for compensated absences is recorded in proprietary fund types as an accrued liability in accordance with GASB Statement 16.

15. **GENERAL LONG-TERM OBLIGATIONS.** All unmatured long-term indebtedness other than that directly related to, and expected to be paid from, proprietary or fiduciary funds is reported in the general long-term obligations account group. This debt is secured by the full faith and credit of the City.

POLICY STATEMENTS

ACCOUNTING POLICIES

16. **BOND DISCOUNTS AND ISSUANCE COSTS.** Bond discounts and issuance costs for proprietary funds are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.
17. **RESERVED AND DESIGNATED FUND EQUITY.** The City records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use. Designations of fund balance set aside portions of fund balance for possible future uses. The City reserves retained earnings to indicate restrictions on retained earnings.

The following is a list of all reserved and designated fund balances and reserved retained earnings used by the City, along with a description of each:

RETAINED EARNINGS

Reserved for Debt Service - Net assets for the payment of proprietary long-term debt principal and interest.

Reserved for Obligated Projects - Funds necessary to complete ongoing projects related to additions to, or replacement of, the water and sewer system.

Reserved for Rate Stabilization-Funds necessary for unexpected water rate fluctuations.

FUND BALANCE

Reserved for Encumbrances - Encumbered but unspent funds to be recognized as expenditures upon vendors performance.

Reserved for Debt Service - Net assets legally restricted for retirement of general long-term debt.

Designated for Contingencies - Funds appropriated by City Council Resolution 83R-62 for the purpose of providing for contingencies with an amount based upon a minimum of 60 days emergency operation.

Designated for Budget Stabilization - Funds reserved by City Council Ordinance 99-04 for the purpose of protecting the City against a 15% sales tax revenue decline and a 10% decline in property tax revenues or any other revenue loss. The reserve amount is based upon a 25-day balance based on the last adopted budget.

Designated for Compensated Absences – Funds to be used to pay employees for accrued unileave and/or old sick leave upon their resignation, termination, or retirement.

Designated for Obligated Projects - Funds to be used for various capital projects currently in progress. The expenditures will be recognized as the costs are incurred.

Designated for Debt Service - Assets in excess of legally required minimums to be used for long-term debt principal and interest payments.

POLICY STATEMENTS

ACCOUNTING POLICIES

18. **REVENUE RECOGNITION - PROPERTY TAXES.** Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on the following October 1 and are due and payable at that time. Taxes are collected by the collecting agency beginning on September 1. All unpaid taxes levied October 1 become delinquent as of February 1 of the following year.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected soon enough after year-end to be used to pay current expenditures. This is approximately sixty (60) days after year-end. Delinquent taxes are considered fully collectible, and therefore, no allowance for uncollectible taxes is provided.

General property taxes are limited by Home Rule Charter to \$2.00 per \$100.00 of assessed valuation. There is no limitation within the \$2.00 ceiling for debt service.

Billing and collections are processed by the Ector County Appraisal District, which acts as an agent on the City's behalf. The Appraisal District also maintains the property tax rolls and processes all delinquent tax collections. Taxes collected by the Appraisal District for the coming fiscal year before September 30 are recognized as unearned revenue.

State statutes limit the debt service tax rate to an amount no greater than that needed to meet current year principal and interest requirements, but does provide for an allowance for the uncollected current year's tax levy. The City has adopted a policy to record all delinquent taxes in the General Fund. The effect of accounting for the delinquent taxes in this manner is to maximize the tax revenue earmarked for debt service and is not significant to the financial statements.

19. **FEDERAL AND STATE GRANTS AND ENTITLEMENTS.** Grants, entitlements, and shared revenues may be accounted for within any of the fund types. The purpose and requirement of each grant or entitlement are carefully analyzed to determine the proper fund type in which to record the related transactions. Grants or entitlements received for purposes normally financed through a particular fund type may be accounted for in that fund type provided that applicable legal restrictions can be appropriately satisfied.

POLICY STATEMENTS

ACCOUNTING / BUDGETARY BASIS

BASIS OF ACCOUNTING

Governmental and Agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include unmatured principal and interest on general long-term obligations which are recognized when due. This exception is in conformity with generally accepted accounting principles.

Property tax revenues and sales tax receipts are considered measurable and available when collected by the respective intermediary collecting agency and recognized as revenue at that time. Taxes collected by the collecting agency for the coming fiscal year before September 30 are recognized as unearned revenue. Licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded on the accrual basis in all funds. Grant and entitlement revenues are recorded on a basis applicable to the legal and contractual requirements of the various individual grant programs.

All enterprise, internal service, special revenue, and nonexpendable trust funds are accounted for using the accrual basis of accounting and “economic resources” measurement focus. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

BUDGETARY ACCOUNTING

This budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for certain items that are adjusted on the City’s accounting system at fiscal year end. During the year, the City’s accounting system is maintained on the same basis as the adopted budget. This enables departmental budgets to be easily monitored via accounting system reports on a monthly basis. The major differences between this adopted budget and GAAP for governmental funds are a) encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP); b) certain revenues and expenditures, (e.g., compensated absences) not recognized for budgetary purposes are accrued (GAAP). Enterprise Fund differences consist of the following: a) encumbrances are recorded as the equivalent of expenses (budget basis) as opposed to an expense of the following accounting period (GAAP); b) certain items, e.g., principal expenses and capital outlay, are recorded as expenditures for budgetary purposes, as opposed to adjustments of the appropriate balance sheet accounts (GAAP); c) depreciation is recorded as an expense (GAAP), and not recognized for budgetary purposes.

POLICY STATEMENTS

FUND DEFINITIONS

BASIS OF PRESENTATION - FUND ACCOUNTING

Accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund, as shown in the Annual Budget, are accounted for with a separate set of self-balancing accounts that comprise its revenues and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds, based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUNDS

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The General Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. Financing is provided by property tax levies.

The Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds).

ENTERPRISE FUNDS

The Water and Sewer Fund, Solid Waste Fund, Natural Gas Fund, Liquid Waste Fund, and Golf Course Fund are enterprise funds. Enterprise funds are used to account for operations:

- 1) which are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods/services to the general public on a continuing basis be financed primarily through user charges; or
- 2) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. These revenues are also used to retire revenue bond debt and to fund various capital construction projects.

POLICY STATEMENTS

FUND DEFINITIONS

INTERNAL SERVICE FUNDS

The Equipment Service Fund is an internal service fund. Internal service funds are used to account for the financing of goods/services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The Equipment Service Fund is primarily financed through monthly charges to other City departments/divisions, which pay for vehicle rental, maintenance, other services and capital replacement.

Equipment Replacement is used to acquire capital equipment based upon a portion of revenue generated for the monthly rental charges.

The Risk Management Fund is an internal service fund and is financed by operating transfers from other funds, and by charges to employees for benefits.

SPECIAL REVENUE FUNDS

The Community Development Fund is a special revenue fund which accounts for revenues derived from specific taxes or other earmarked revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The Community Development Fund is funded entirely by federal or state grants which are used to fund projects that benefit low and moderate income individuals, families, or areas.

The Convention and Visitors Fund is a special revenue fund. It is funded through receipts from an occupancy tax on local hotels/motels. This revenue must be used to fund projects that attract conventions and tourists to Odessa. This is not a City-operated department/division. The City collects and disburses the revenue and receives an administrative fee.

The Other Funds category used in the budget summary is comprised of various funds that are special revenue funds whose use is restricted by state statute. The Drug Forfeiture Fund is a special revenue fund, which accounts for funds received from the sale of narcotics-related, confiscated property. The Law Enforcement Officers Standards and Education Fund (LEOSE) accounts for revenue received from the State for law enforcement officers' educational needs. The Municipal Court Building Security Fund's revenue is generated by a \$3 court cost that is assessed for each misdemeanor conviction. This revenue is used to fund the security needs of the court. The Municipal Court Technology Fund's revenue is generated by a fee that is assessed for each misdemeanor conviction. These funds can only be used to purchase technology that will aid the court. Various federal and state grants are budgeted under this category for convenience. Each has a specific purpose, which is discussed in the Other Funds section of the budget book.

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Budget Summary

BUDGET SUMMARY

ALL FUNDS 2008-09

The accounts of the City of Odessa are organized by Fund. Each Fund is a separate accounting entity established to track specific revenues and expenditures. A brief description of each fund can be found in the Policy Statement section.

FUND NAME	PROJECTED BEGINNING BALANCE	REVENUES	EXPENDITURES	PROJECTED ENDING BALANCE	CHANGE IN FUND BALANCE
GENERAL	\$22,828,787	\$58,450,099	\$58,450,099	\$22,828,787	\$0
WATER AND SEWER	8,901,761	39,892,590	39,506,099	9,288,252	386,491
SOLID WASTE	146,048	9,345,580	9,720,988	(229,360)	(375,408)
NATURAL GAS FUND	0	20,000,000	20,000,000	0	0
EQUIPMENT SERVICE	1,685,984	10,147,362	10,430,935	1,402,411	(283,573)
RISK MANAGEMENT	(1,726,080)	9,451,947	9,451,947	(1,726,080)	0
DEBT SERVICE	399,504	3,026,112	3,026,112	399,504	0
COMMUNITY DEVELOPMENT	0	1,705,634	1,705,634	0	0
CONVENTION & VISITORS	2,486,351	2,246,000	1,648,186	3,084,165	597,814
GOLF COURSE FUND	(778,173)	1,180,035	1,337,681	(935,819)	(157,646)
OTHER FUNDS:					
DRUG FORFEITURE FUND	90,206	0	88,000	2,206	(88,000)
LEOSE FUND	1,376	12,769	12,769	1,376	0
MUNICIPAL CT. SECURITY	65,239	76,000	119,823	21,416	(43,823)
MUNICIPAL CT. TECHNOLOGY	272,386	101,000	112,000	261,386	(11,000)
LIQUID WASTE	13,551	38,531	52,082	0	(13,551)
911 DISPATCHER GRANT	0	111,000	111,000	0	0
GIS-EMERG. COMM. GRANT	0	25,000	25,000	0	0
SCHOOL ATTENDANCE CT.	0	245,867	245,867	0	0
TOTAL	\$34,386,940	\$156,055,526	\$156,044,222	\$34,398,244	\$11,304

BUDGET SUMMARY

ALL FUNDS 2008-09

Financing Sources:	General Fund	Water and Sewer Fund	Solid Waste Fund	Natural Gas Fund	Equipment Service Fund
Beginning Fund Balance	\$22,828,787	\$8,901,761	\$146,048	\$0	\$1,685,984
Less Required Reserves	14,755,189	1,000,000			
Available Fund Balance	\$8,073,598	\$7,901,761	\$146,048	\$0	\$1,685,984
CURRENT REVENUES:					
Property Tax	\$16,868,642				
Sales Tax	19,191,000				
Franchise/Gross Receipts	6,021,000				
Other Operating Revenues	10,836,846		8,752,080	20,000,000	
Water and Sewer		36,938,590			
Rental Revenue					9,859,362
Interest Income	800,000	2,120,000	15,000		120,000
Intergovernmental	971,500				
Other Revenue		834,000	578,500		168,000
Administrative Transfers					
General Fund					
Water/Sewer	2,441,940				
Equipment Service	394,579				
Risk Management	372,067				
Solid Waste	497,837				
Golf Course	4,504				
Odessa Develop. Corp.	44,184				
Motor MPO	6,000				
Total Current Revenues	\$58,450,099	\$39,892,590	\$9,345,580	\$20,000,000	\$10,147,362
Total Financing Sources	\$66,523,697	\$47,794,351	\$9,491,628	\$20,000,000	\$11,833,346
CURRENT EXPENDITURES:					
Personal Services	\$41,805,646	\$6,796,841	\$2,326,906	\$0	\$1,361,086
Supplies	1,091,380	13,464,451	52,528	19,979,718	2,405,600
Services	11,580,958	3,923,078	5,632,357	20,282	549,923
Maintenance	2,720,956	1,596,102	488,325		1,941,229
Capital Outlay	196,099	303,105	50,500		17,854
Other Requirements		5,252,871	1,039,778		394,579
Debt Service/Lease	646,060	7,669,651	1,151		714
Housing Incentive Program		500,000			
Insurance Requirements					
Outside Agencies	80,000		129,443		
Transfers Out	329,000				
Total Current Expenditures	\$58,450,099	\$39,506,099	\$9,720,988	\$20,000,000	\$6,670,985
Capital Outlay-Replacement					3,759,950
Total Expenditures	\$58,450,099	\$39,506,099	\$9,720,988	\$20,000,000	\$10,430,935
Ending Available Balance	\$8,073,598	\$8,288,252	(\$229,360)	\$0	\$1,402,411
Plus Required Reserves	14,755,189	1,000,000	0	0	0
Ending Fund Balance	\$22,828,787	\$9,288,252	(\$229,360)	\$0	\$1,402,411

BUDGET SUMMARY

ALL FUNDS 2008-09

Risk Mgt. Fund	Debt Service Fund	CDBG/HOME Funds	Convention & Visitors Fund	Golf Course Fund	Other Funds	Total All Funds
(\$1,726,080)	\$399,504	\$0	\$2,486,351 100,000	(\$778,173)	\$442,758	\$34,386,940 15,855,189
(\$1,726,080)	\$399,504	\$0	\$2,386,351	(\$778,173)	\$442,758	\$18,531,751
9,451,947	3,026,112	1,705,634	2,200,000 46,000	958,035 22,000 200,000	578,945 31,222	\$16,868,642 19,191,000 6,021,000 55,803,965 36,938,590 9,859,362 3,101,000 2,708,356 1,602,500 2,441,940 394,579 372,067 497,837 4,504 44,184 6,000
\$9,451,947	\$3,026,112	\$1,705,634	\$2,246,000	\$1,180,035	\$610,167	\$156,055,526
\$7,725,867	\$3,425,616	\$1,705,634	\$4,632,351	\$401,862	\$1,052,925	\$174,587,277
\$906,152 185,702 115,567 32,200 3,500 382,067	3,026,112	\$486,564 33,289 112,239 8,000 4,000 1,061,542	15,793	\$525,243 225,883 524,281 57,772 4,502	\$474,597 93,144 22,707 40,372 133,078 2,643	\$54,683,035 37,531,695 22,497,185 6,884,956 708,136 8,137,982 11,343,688 500,000 7,826,759 1,841,836 329,000
7,826,759			1,632,393			
\$9,451,947	\$3,026,112	\$1,705,634	\$1,648,186	\$1,337,681	\$766,541	\$152,284,272
\$9,451,947	\$3,026,112	\$1,705,634	\$1,648,186	\$1,337,681	\$766,541	3,759,950 \$156,044,222
(\$1,726,080)	\$399,504	\$0	\$2,984,165	(\$935,819)	\$286,384	\$18,543,055
0	0	0	100,000	0	0	15,855,189
(\$1,726,080)	\$399,504	\$0	\$3,084,165	(\$935,819)	\$286,384	\$34,398,244

BUDGET SUMMARY

AD VALOREM TAXES

Ad Valorem Tax Revenue and Distribution 2008-09 Budget

Certified 2008 Total Taxable Value =	\$3,548,501,378
Tax Rate per \$100	<u>0.562290</u>
Total Tax Levy	\$19,952,868
Estimated Collection Rate	<u>96.00%</u>
Estimated Current Collections	<u><u>\$19,154,754</u></u>

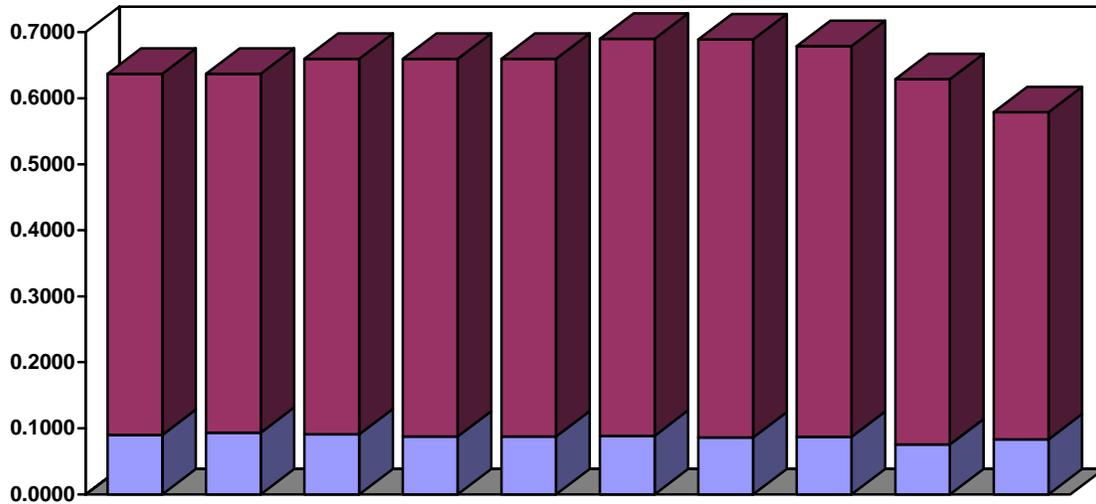
	<u>Amount</u>
General Fund -	\$16,128,642
Debt Service Fund -	<u>3,026,112</u>
TOTAL	<u><u>\$19,154,754</u></u>

BUDGET SUMMARY

AD VALOREM TAXES

PROPERTY TAX RATE

DURING PAST TEN YEARS



	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Debt	0.09320	0.09070	0.08760	0.08770	0.08870	0.08610	0.08690	0.07563	0.08330	0.08522
Operating	0.54390	0.56920	0.57230	0.57220	0.60120	0.60290	0.59210	0.55338	0.49570	0.47707
Total	0.63710	0.65990	0.65990	0.65990	0.68990	0.68900	0.67900	0.62900	0.57900	0.56229

Source: City of Odessa Finance Department

Between 1999-00 and 2000-01, the tax rate increased by 2.28 cents per \$100 valuation in order to help fund a new compensation plan. The tax rate remained constant for the following two years. However, in 2003-04, it was necessary to raise taxes by 3.00 cents in an effort to fund additional compensation needs.

Property valuations have increased significantly over the past five years, resulting in tax rate reductions totaling 12.67 cents. Certified property values for 2008-09 show a 13.18% increase over last year's numbers. This increase is high enough to warrant a 1.671 cent tax rate reduction, resulting in a 2008-09 proposed tax rate of 0.56229 per \$100 valuation.

The above graph presents the actual property tax rates for the General Fund for fiscal years 1999-00 through 2008-09.

BUDGET SUMMARY

AD VALOREM TAXES

Schedule of Property Valuations 1999 Through 2008 2008-09 Budget

Roll Year	Total Market Value	%	Non-Taxable Values	%	Assessed Valuations	%
1999	2,130,810,668	100%	286,787,401	13.5%	1,844,023,267	86.5%
2000	2,196,203,193	100%	307,841,770	14.0%	1,888,361,423	86.0%
2001	2,273,193,331	100%	312,014,576	13.7%	1,961,178,755	86.3%
2002	2,378,354,486	100%	325,991,920	13.7%	2,052,362,566	86.3%
2003	2,475,169,559	100%	366,682,131	14.8%	2,108,487,428	85.2%
2004	3,244,594,329	100%	978,288,872	30.15%	2,266,305,457	69.85%
2005	3,470,899,587	100%	1,038,923,251	29.93%	2,431,976,336	70.07%
2006	3,820,171,340	100%	1,105,062,056	28.93%	2,715,109,284	71.07%
2007	4,448,275,493	100%	1,313,131,214	29.52%	3,135,144,279	70.48%
2008	5,180,679,886	100%	1,632,178,508	31.51%	3,548,501,378	68.49%

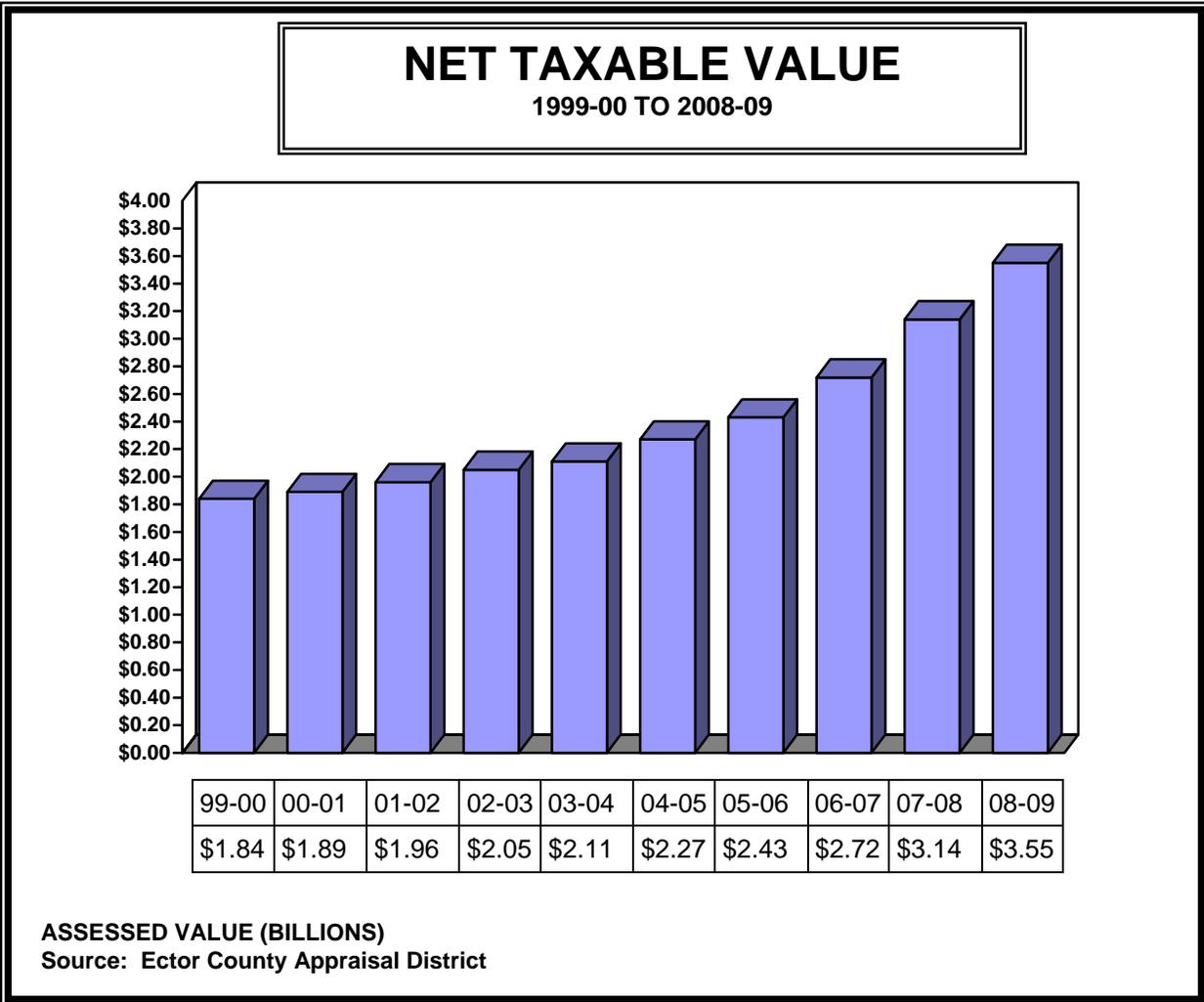
NOTES:

The Roll Year is one year prior to the Fiscal Year. For example, the 2008 roll is used to determine the Fiscal Year 2008-09 property tax revenues.

In addition to Constitutional Exemptions for property taxation, the City of Odessa provides tax exemptions to senior citizens, disabled veterans, disabled persons, and a general residential homestead exemption.

BUDGET SUMMARY

AD VALOREM TAXES

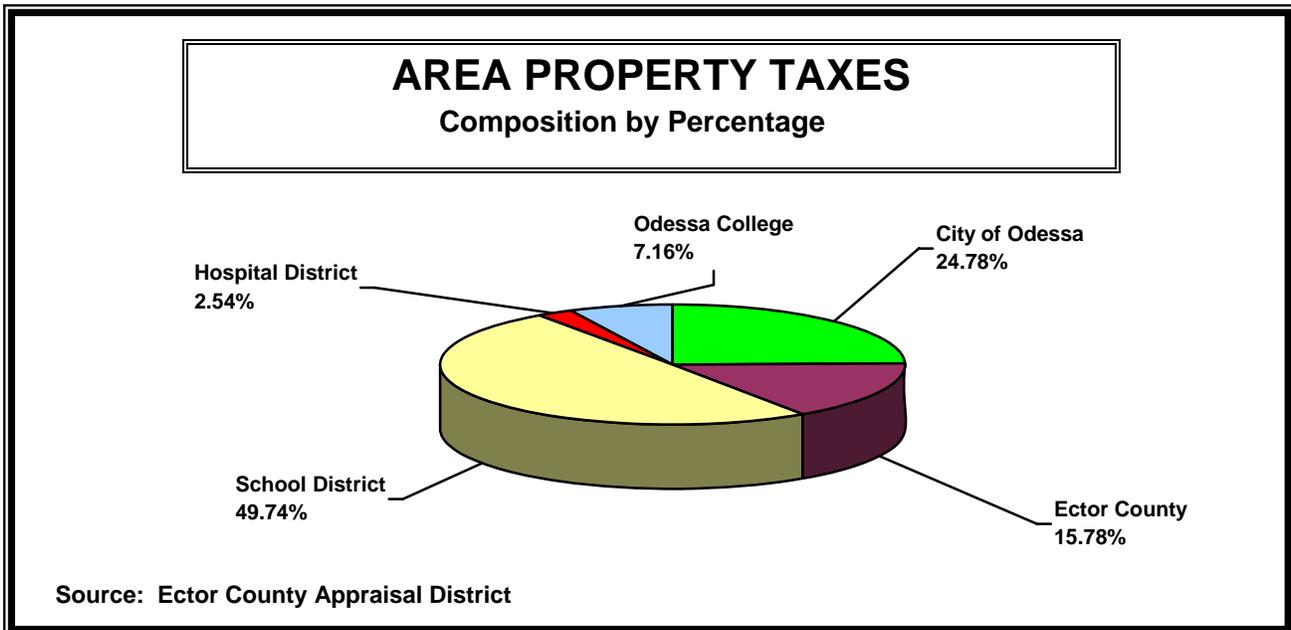
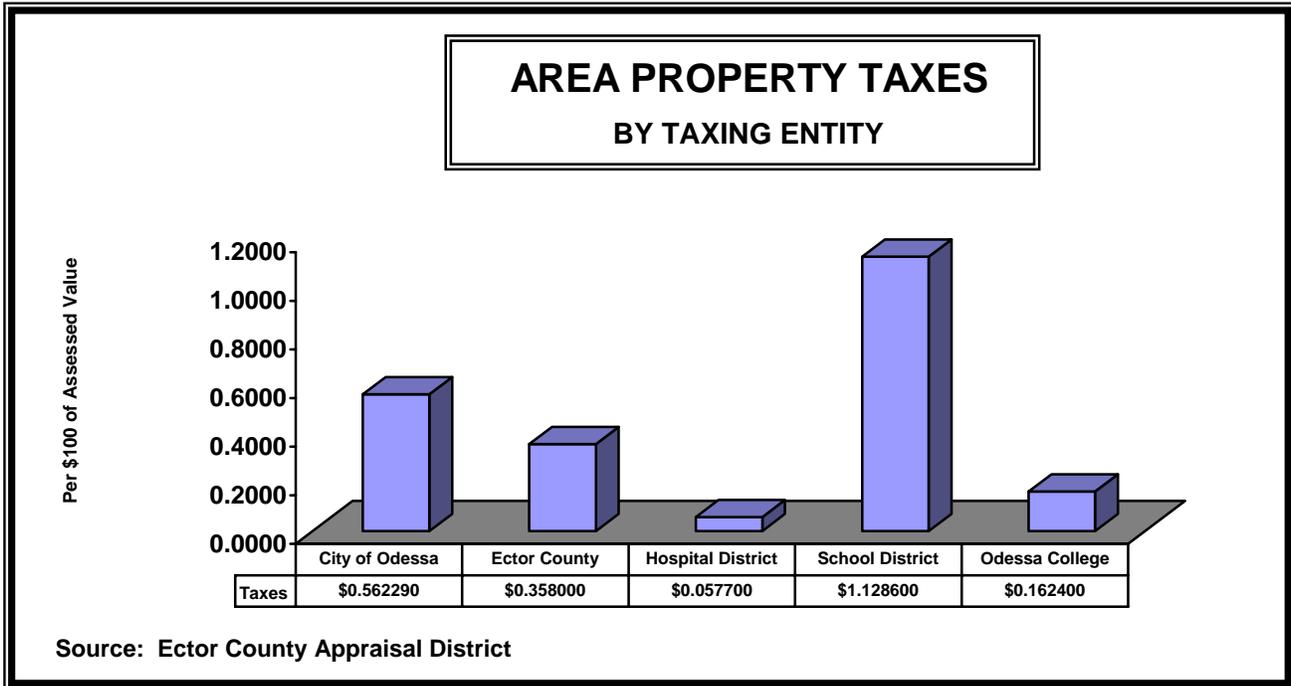


Net taxable values grew 14.67% from 1999-00 through 2003-04. During this period of steady growth, the average annual increase in assessed values was 3.49%. However, in 2004-05, net taxable values began to exhibit a more substantial rise due to a boom in the oil industry. From 2004-05 through 2008-09, net taxable values increased by 56.39%, with an average annual increase of 11.87%. Certified values for 2008-09 are \$3,548,501,378.

The substantial rise in property values over the past five years is the result of significant increases in the price of oil and its effect on the local economy. From August 2004 to August 2008, oil prices rose by 159.68%. The oil industry is thriving, unemployment is down, wages are up, and Odessa is growing as people move into the area in search of jobs. The resulting demand for homes has driven up the price of housing in the area, which in turn has had a positive impact on net taxable values.

BUDGET SUMMARY

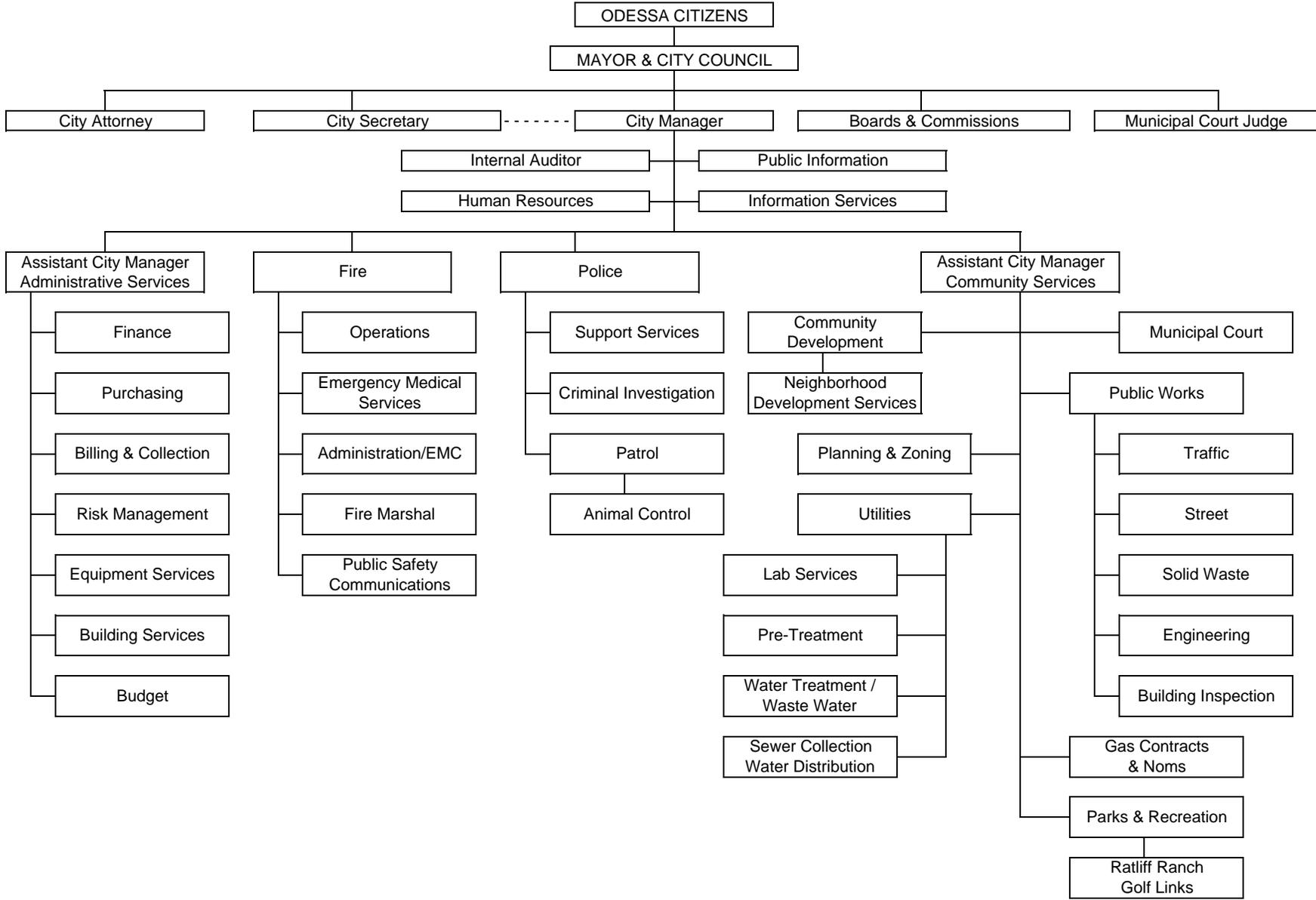
AD VALOREM TAXES



2008-09 Area Property Taxes include those from the City of Odessa, Ector County, the Hospital District, the School District, and Odessa College. Each of these entities receives its own Certified Property Values from the Ector County Appraisal District, and then each entity adopts its own ad valorem rate (property tax rate) for every fiscal year. These ad valorem rates are then applied per \$100 of assessed value.

BUDGET SUMMARY

CITY OF ODESSA ORGANIZATION CHART (By Reporting Authority, Not by Function)



BUDGET SUMMARY

ALL FUNDS 2008-09

DEPARTMENTS BY FUNCTION AND FUNDING SOURCE

FUNDING SOURCE KEY

GF	GENERAL FUND
WS	WATER AND SEWER FUND
SW	SOLID WASTE FUND
NG	NATURAL GAS UTILITY FUND
ES	EQUIPMENT SERVICE FUND
CD	COMMUNITY DEVELOPMENT FUND
RF	RISK MANAGEMENT FUND
GC	GOLF COURSE FUND

The breakdown on the following page makes it easier to locate the divisions' budgets in the budget book. To find a division's budget, look at the name of the fund listed across from it. Then go to the section of the book pertaining to that fund. (Some divisions are funded by more than one fund, so they appear in more than one section of the budget book.)

BUDGET SUMMARY

ALL FUNDS 2008-09

THREE YEAR COMPARISON ADOPTED BUDGET

	2006-07 Budget	2007-08 Budget	% Change	2008-09 Budget	% Change
GENERAL FUND					
City Council	\$31,433	\$31,476	0.14%	\$31,457	-0.06%
City Secretary	143,661	158,634	10.42%	165,144	4.10%
City Attorney	784,061	840,426	7.19%	910,494	8.34%
City Manager	552,158	735,748	33.25%	792,001	7.65%
Human Resources	442,905	488,158	10.22%	535,211	9.64%
Building Services	1,152,603	1,230,981	6.80%	1,302,164	5.78%
Public Safety Communications	1,600,407	1,689,080	5.54%	1,643,909	-2.67%
Planning and Development	280,321	296,868	5.90%	319,173	7.51%
Finance	833,020	736,764	-11.56%	795,265	7.94%
Purchasing	488,130	512,977	5.09%	534,705	4.24%
Municipal Court Administration	1,303,582	1,340,868	2.86%	1,422,552	6.09%
Information Services	808,871	842,937	4.21%	1,315,130	56.02%
Public Works	7,967,438	8,809,195	10.56%	9,592,839	8.90%
Parks and Recreation	3,744,304	3,935,029	5.09%	4,081,995	3.73%
Fire	12,184,229	12,934,568	6.16%	13,999,963	8.24%
Police	15,695,298	16,750,476	6.72%	18,683,640	11.54%
Neighborhood Services	304,257	379,929	24.87%	412,692	8.62%
Non-Departmental	2,275,173	1,637,887	-28.01%	1,502,765	-8.25%
External Agencies	76,877	75,377	-1.95%	80,000	6.13%
Operating Transfers Out	129,000	329,000	155.04%	329,000	0.00%
TOTAL GENERAL FUND	\$50,797,728	\$53,756,378	5.82%	\$58,450,099	8.73%
WATER AND SEWER FUND					
Billing and Collection	\$1,690,901	\$1,827,591	8.08%	\$2,090,730	14.40%
Utilities Administration	555,487	581,186	4.63%	618,924	6.49%
Water Distribution	1,752,144	1,892,435	8.01%	2,038,534	7.72%
Water Treatment	2,018,079	2,055,920	1.88%	2,463,672	19.83%
Bob Derrington W/W Plant	2,472,595	2,641,096	6.81%	2,845,271	7.73%
Wastewater Collection	839,974	865,278	3.01%	1,084,360	25.32%
Laboratory	702,028	741,718	5.65%	815,807	9.99%
Utilities GIS	0	130,000	n/a	147,414	13.40%
Repair and Replacement	587,829	695,554	18.33%	1,116,554	60.53%
Non-Departmental	5,736,632	5,558,748	-3.10%	5,748,414	3.41%
Water Purchases	11,209,698	11,209,698	0.00%	11,862,150	5.82%
Gulf Coast	325,000	310,000	-4.62%	310,000	0.00%
Debt Service	4,607,800	7,226,848	56.84%	7,664,269	6.05%
Housing Incentive Program	1,202,702	500,000	-58.43%	500,000	0.00%
Participation in Line Extensions	0	200,000	n/a	200,000	0.00%
TOTAL WATER & SEWER FUND	\$33,700,869	\$36,436,072	8.12%	\$39,506,099	8.43%

BUDGET SUMMARY

ALL FUNDS 2008-09

THREE YEAR COMPARISON ADOPTED BUDGET

	2006-07 Budget	2007-08 Budget	% Change	2008-09 Budget	% Change
SOLID WASTE FUND					
Solid Waste Division	7,694,693	8,597,677	11.74%	8,463,732	-1.56%
Neighborhood Services	75,735	79,678	5.21%	86,884	9.04%
Non-Departmental	801,628	822,744	2.63%	1,040,929	26.52%
External Agencies	118,825	109,000	-8.27%	129,443	18.76%
TOTAL SOLID WASTE FUND	8,690,881	9,609,099	10.57%	9,720,988	1.16%
NATURAL GAS FUND	17,000,000	17,000,000	0.00%	20,000,000	17.65%
EQUIPMENT SERVICE FUND					
Equipment Services	\$5,283,229	\$6,005,603	13.67%	\$6,404,530	6.64%
Equipment Replacement	2,877,500	2,969,606	3.20%	3,759,950	26.61%
Communications	233,301	239,774	2.77%	266,455	11.13%
TOTAL EQUIPMENT SERVICES	\$8,394,030	\$9,214,983	9.78%	\$10,430,935	13.20%
RISK MANAGEMENT FUND	\$8,339,448	\$8,760,205	5.05%	\$9,451,947	7.90%
GOLF COURSE FUND	\$988,842	\$1,206,453	22.01%	\$1,337,681	10.88%
COMMUNITY DEV. FUND	\$1,820,942	\$1,690,237	-7.18%	\$1,705,634	0.91%
CONVENTION & VISITORS FUND	\$1,229,703	\$1,349,947	9.78%	\$1,648,186	22.09%
GENERAL DEBT SERVICE FUND	\$2,094,395	\$2,637,759	25.94%	\$3,026,112	14.72%
MISCELLANEOUS FUNDS	\$558,885	\$782,280	39.97%	\$766,541	-2.01%
SUBTOTAL ALL FUNDS	\$133,615,723	\$142,443,413	6.61%	\$156,044,222	9.55%
WATER & SEWER CIP	\$6,888,158	\$0	-100.00%	\$0	n/a
TOTAL ALL FUNDS WTH CIP	\$140,503,881	\$142,443,413	1.38%	\$156,044,222	9.55%

BUDGET SUMMARY

PERSONNEL

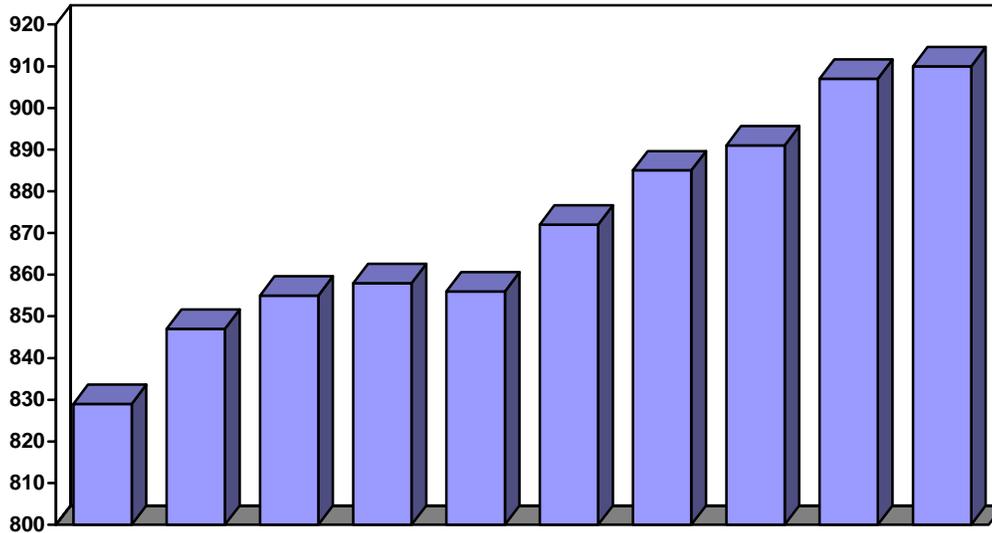
PERSONNEL HISTORY OF FULL-TIME POSITIONS BY FUNDING SOURCE

DEPARTMENT	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
City Secretary	1	1	1	1	2	2	2	2	2	2
City Attorney	8.5	8.5	8.5	8.5	8.5	8.5	9.5	9.5	9.5	9.5
City Manager	7	8	7	5	5	5	6	5	6	6
Neighborhood Services	3	3	4	4	4	4	4	5	6	6
Human Resources	5	5	5	5	5	5	5	5	6	6
Building Services	13	13	13	13	13	13	13	13	13	13
Public Safety Comm.	29	29	29	29	29.5	29.5	29.5	29.5	28.5	28.5
Planning/Develop.	4	4	4	4	4	4	4	4	4	4
Finance	12	12	13	13	12	12	12	12	11	11
Purchasing	8	8	8	8	8	8	8	8	8	8
Municipal Court	15	15	17	17	17	19	24	24	24	24
Information Svcs.	7	7	7	8	9	9	9	10	13	15
Public Works	84	85	85	85	85	85	87	87	89	91
Parks/Recreation	39	40	42	40	40	40	40	40	40	40
Fire	159	162	162	168	165	164	165	164	170	171
Police	213	217	218	218	217	217	217	220	221	221
GENERAL FUND	607.5	617.5	623.5	626.5	624	625	635	638	651	656
Billing/Collection	31.5	31.5	31.5	31.5	31.5	31.5	31.5	32.5	32.5	33.5
Utilities	93	99	99	99	99	99	99	99	102	102
CIP	0	0	3	3	3	3	3	3	0	0
WATER/SEWER FUND	124.5	130.5	133.5	133.5	133.5	133.5	133.5	134.5	134.5	135.5
NATURAL GAS FUND	1	1	1	1	1	1	0	0	0	0
SOLID WASTE FUND	43.5	43.5	43.5	44.5	45.5	46.5	47.5	47.5	49.5	49.5
GOLF COURSE FUND	0	0	0	0	0	0	8	8	9	9
EQUIPMENT SERVICE	26	26	26	26	25.5	24.5	25.5	25.5	25.5	25.5
CDBG / HOME	11.5	9.5	9.5	9.5						
RISK MGMT. FUND	5	5	5	5	5	14	14	14	14	14
LIQUID WASTE FUND	1									
MC SECURITY FUND	0	2								
GRANTS (VARIOUS)	9	9	8	7	7	13	7	11	11	8
TOTAL PERSONNEL	829	847	855	858	856	872	885	891	907	910

BUDGET SUMMARY

PERSONNEL

BUDGETED PERSONNEL HISTORICAL COMPARISON



99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
829	847	855	858	856	872	885	891	907	910

Source: City of Odessa Finance Department

Odessa's growing population has increased the demand for City services over the past few years. In order to continue to meet demand while still providing the same level of service, the 2008-09 budget has provided for a net increase of three full-time positions, compared to the previous year.

Changes in **General Fund** personnel include the addition of two Building Codes Inspectors in the Building Inspection Department. This department has been handling a significant increase in workload over the past four years due to a boom in the local economy. The growing economy has also impacted the Fire Inspection Division's workload. As a result, one additional Fire Inspector position was created in order to meet the growing demand for inspections. Information Services has added one Technical Applications Specialist position, and one Public Safety PC Support Specialist position in an effort to provide the best technical support possible to City departments. The only change in personnel for the **Water and Sewer Fund** was the addition of one Ambulance Billing Clerk. This position was created in order to provide clerical support to the EMS Billing Coordinators. The **Grants in Aid Fund** is the only fund which has experienced a net decrease in personnel. Three grant-funded positions, including one Police Sergeant, one Police Corporal, and one Secretary were eliminated in fiscal year 2008-09.

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

General Fund
Overview

GENERAL FUND

OVERVIEW

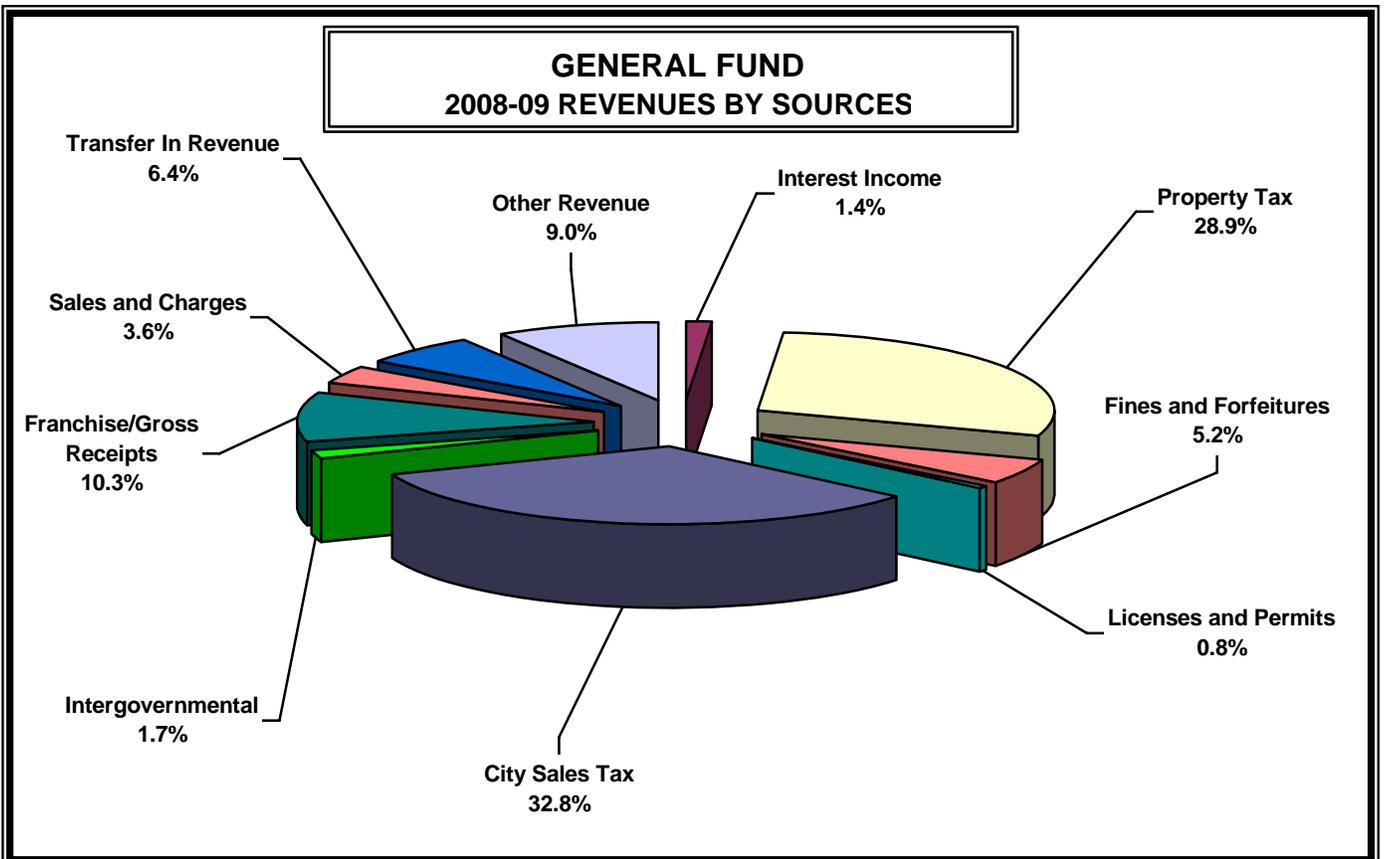
	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$18,933,901	\$24,529,216	\$17,926,077	\$22,828,787
Required 60 Day Reserves	8,350,312	8,836,665	8,836,665	9,608,235
Budget Stabilization Account	3,479,296	3,681,944	3,681,944	4,003,431
Compensated Absences	1,143,523	1,143,523	1,143,523	1,143,523
AVAILABLE FUND BALANCE	\$5,960,770	\$10,867,084	\$4,263,945	\$8,073,598
CURRENT REVENUES				
Operating	\$51,191,186	\$51,759,695	\$48,331,484	\$52,917,488
Interest Income	1,326,933	800,000	1,000,000	800,000
Intergovernmental	1,083,044	1,012,300	973,500	971,500
Administrative Transfer In	3,363,107	3,451,394	3,451,394	3,761,111
TOTAL CURRENT REVENUES	\$56,964,270	\$57,023,389	\$53,756,378	\$58,450,099
TOTAL FINANCING SOURCES	\$62,925,040	\$67,890,473	\$58,020,323	\$66,523,697
EXPENDITURES				
Personal Services	\$36,086,170	\$39,033,946	\$38,541,854	\$41,805,646
Supplies	1,158,484	1,234,450	1,097,539	1,091,380
Services	9,032,224	10,596,860	10,154,284	11,580,958
Maintenance	2,459,419	3,357,571	2,619,582	2,720,956
Capital Outlay	948,189	3,247,779	189,907	196,099
Outside Agencies	77,109	75,377	75,377	80,000
Transfers Out	97,472	329,000	329,000	329,000
Lease Payment	754,850	748,835	748,835	646,060
Debt Service	755,038	100,000	0	0
TOTAL EXPENDITURES	\$51,368,955	\$58,723,818	\$53,756,378	\$58,450,099
ENDING AVAILABLE BALANCE	\$11,556,085	\$9,166,655	\$4,263,945	\$8,073,598
Plus 60 Day Reserves	8,350,312	8,836,665	8,836,665	9,608,235
Budget Stabilization Account	3,479,296	3,681,944	3,681,944	4,003,431
Compensated Absences	1,143,523	1,143,523	1,143,523	1,143,523
ENDING FUND BALANCE BEFORE ENCUMBRANCES	\$24,529,216	\$22,828,787	\$17,926,077	\$22,828,787
Encumbrances	3,214,745	0	0	0
ENDING FUND BALANCE	\$21,314,471	\$22,828,787	\$17,926,077	\$22,828,787

GENERAL FUND

OVERVIEW

General Fund Revenue

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
Property Tax	\$15,227,944	\$15,540,000	\$15,434,449	\$16,868,642
City Sales Tax	17,250,365	19,191,000	16,600,000	19,191,000
Franchise/Gross Receipts	7,975,361	6,021,000	5,926,000	6,021,000
Licenses and Permits	430,234	467,100	372,500	467,100
Sales and Charges	2,172,919	2,161,800	1,921,700	2,089,000
Intergovernmental	1,083,044	1,012,300	973,500	971,500
Fines and Forfeitures	2,829,739	3,048,500	2,867,900	3,048,500
Interest Income	1,326,933	800,000	1,000,000	800,000
Transfer In Revenue	3,363,107	3,451,394	3,451,394	3,761,111
Other Revenue	5,304,624	5,330,295	5,208,935	5,232,246
Total Revenue	<u>\$56,964,270</u>	<u>\$57,023,389</u>	<u>\$53,756,378</u>	<u>\$58,450,099</u>



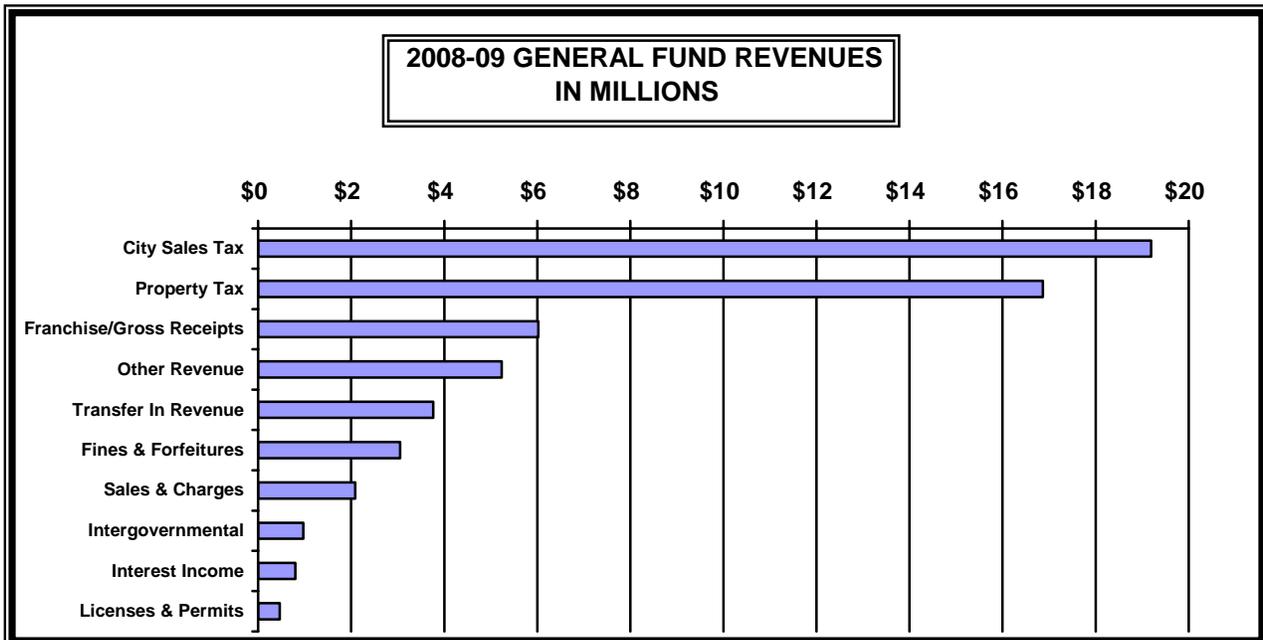
GENERAL FUND

OVERVIEW

Revenues

The 2008-09 adopted budget for General Fund reflects realistic revenue projections of \$58,450,099 based on historical information and economic trends. Total budgeted revenue increased 8.73% compared to 2007-08 budgeted revenue. A comparative summary below indicates the major revenue sources, their individual percentage of the total revenue, and an amount/percentage of increase/decrease compared to the 2007-08 Budget. The 8.73% revenue increase is largely attributable to increases in Sales Tax, Property Tax, and Transfer-In revenues. Together these three revenue categories make up 92.36% of the increase in projected revenue of approximately \$4.69 million.

<u>Source</u>	2008-09 Budget		Increase/(Decrease) Over 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
City Sales Tax	\$19,191,000	32.83%	\$2,591,000	15.61%
Property Tax	16,868,642	28.86%	1,434,193	9.29%
Franchise/Gross Receipts	6,021,000	10.30%	95,000	1.60%
Other Revenue	5,232,246	8.95%	23,311	0.45%
Transfer In Revenue	3,761,111	6.43%	309,717	8.97%
Fines and Forfeitures	3,048,500	5.22%	180,600	6.30%
Sales and Charges	2,089,000	3.57%	167,300	8.71%
Intergovernmental	971,500	1.66%	(2,000)	(0.21%)
Interest Income	800,000	1.37%	(200,000)	(20.00%)
Licenses and Permits	467,100	0.80%	94,600	25.40%
TOTAL	\$58,450,099	100.00%	\$4,693,721	8.73%



GENERAL FUND

OVERVIEW

Property Tax Revenue accounts for 28.86% of the General Fund total revenue, which is now the second largest source of revenue for the City, just behind sales tax revenue. Thus, any fluctuation in property value assessed by the City will have a major impact on the ability to fund operations for the General Fund. The assessed taxable value for the roll of January 1, 2008, upon which the fiscal year 2009 levy is based, is \$3,548,501,378. Net taxable property values have increased 13.18% over last year. This revenue is based on the assessed value of real estate, personal property and minerals within the taxing jurisdiction.

In the 2008-09 budget, the ad valorem tax rate will decrease by 1.67 cents, bringing the current tax rate down to 56.229 cents per \$100 valuation. The total property tax rate is comprised of the portion of taxes allocated to debt service (debt rate of \$0.08522) and the appropriations for the city's operating needs (O & M rate of \$0.47707).

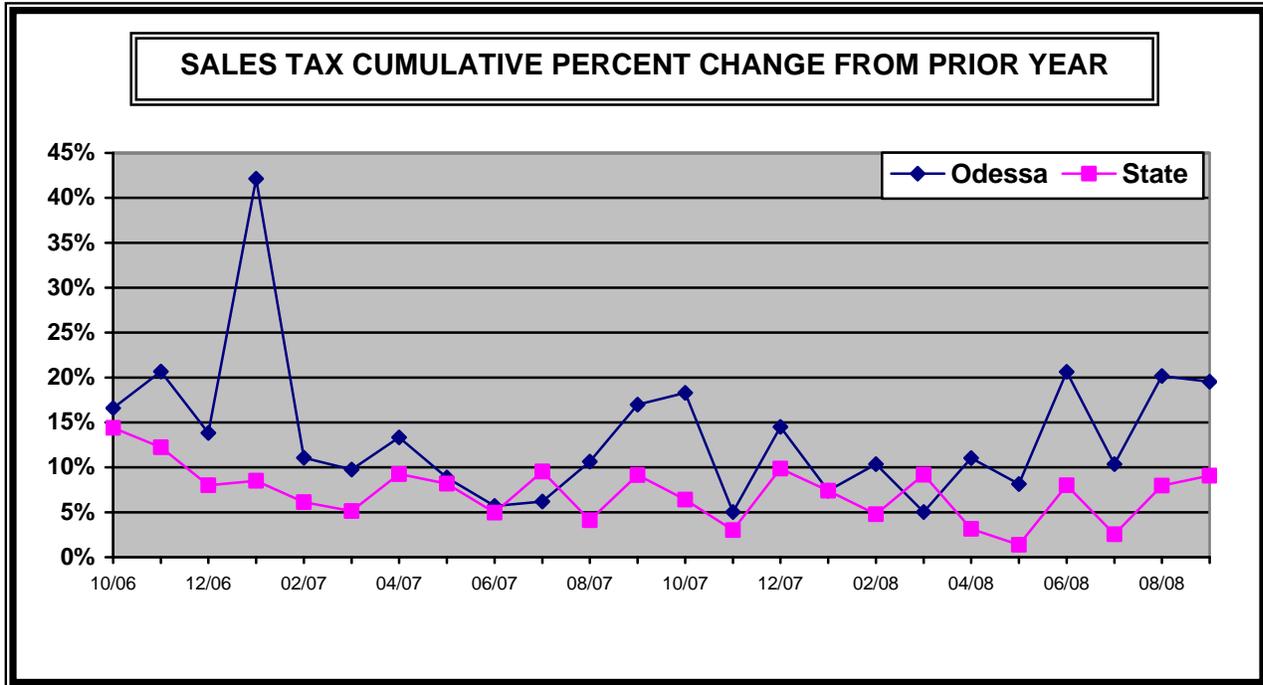
Taxes are due January 31st following the October 1st levy date and are considered delinquent after January 31st of each year. Based upon historical collection trends, current tax collections for the 2008-09 fiscal year are estimated to be 96.00% of levy and will generate \$19,154,754 in revenue, of which General Fund's portion is \$16,128,642. Delinquent taxes and penalties are expected to generate an additional \$740,000 for a total property tax revenue projection for General Fund of \$16,868,642, an increase of \$1,434,193 over the 2007-08 Adopted Budget. It is anticipated that the growth trend in this revenue will average about 3% per year for future fiscal years' projections.

City Sales Tax Revenue, which accounts for 32.83% of General Fund revenue, is projected to be \$19,191,000 in 2008-09, and is the single largest source of revenue for the City. The projection amount represents a 15.61% increase over the prior year's budget. The line graph on the following page plots the annual percent change in monthly sales tax collections for the City of Odessa and the State of Texas. As illustrated by the graph, the percent change in Odessa's 2007-08 monthly sales tax collections ranges from 5.02% to 42.12% compared to what was collected the previous year. In comparison, the annual percent change in the State's 2007-08 monthly collections ranges from 1.37% to 14.41%. As sales tax revenue is affected by both changes in population and the state of the economy, this revenue is conservatively projected at an average 2.75% increase for future years.

The sales tax rate in the City of Odessa is 8.25% of goods and services sold within the city boundaries. At the point of sale, businesses collect the tax and remit it to the State's Comptroller of Public Accounts on a monthly or quarterly basis. (Of the 8.25% tax, the City of Odessa receives 1%, the Hospital District receives 0.75%, the Odessa Development Corporation receives 0.25%, and the State retains 6.25%.) The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by the businesses.

Franchise/Gross Receipt Taxes are a set percentage of the gross receipts of the utility companies of gas (5%), electricity (4%), telephone (growth factor), and cable (5%). Franchise fees are assessed for the use of the City's streets, alleys, highways, and other public ways and places as authorized by Ordinance. Projections are based on historical data trends, adjusted for population and other factors known to impact this revenue. Demands for utility services have continued to rise. The trend is stable growth in these sources, similar to the trend in the Ad Valorem base and Water & Sewer connections. Franchise/gross receipt taxes represent 10.30% of General Fund revenue and are expected to increase by \$95,000 compared to the previous year's budget.

GENERAL FUND OVERVIEW



Transfer-In Revenue projections have increased by \$309,717 or 8.97%. The Transfer-In category primarily reflects administrative services provided by the General Fund to other funds. An independent study is conducted each year by an outside firm to determine the distribution of costs associated with the administrative services provided to the other funds. The transfer-in revenues account for 6.43% of General Fund revenue. Below is a breakdown of the inter-fund transfers.

<u>SOURCE</u>	<u>2008-09 Budget</u>	<u>2007-08 Budget</u>	<u>Increase/ Decrease</u>
Water and Sewer Fund	\$2,441,940	\$2,306,255	\$135,685
Equipment Service Fund	394,579	351,367	43,212
Risk Management Fund	372,067	290,838	81,229
Solid Waste Fund	497,837	437,441	60,396
Golf Course Fund	4,504	4,504	0
Economic Development Fee	44,184	44,184	0
Convention & Visitors Fund	0	10,805	(10,805)
MOTOR-MPO	6,000	6,000	0
TOTAL	\$3,761,111	\$3,451,394	\$309,717

GENERAL FUND

OVERVIEW

Major Sources of Revenue

The four preceding major revenue sources for the General Fund – Property Tax Revenue (28.86%), Sales Tax Revenue (32.83%), Franchise/Gross Receipts Tax Revenue (10.30%), and Transfer-In Revenue (6.43%), together represent 78.42% of all General Fund Revenue.

Fines and Forfeitures are revenues generated by police citations and represent 5.22% of all General Fund revenues. Projections indicate that this source of revenue will increase by \$180,600, or 6.30%, in 2008-09.

Sales and Charges Revenues represent fees charged for services rendered. The largest revenue item in this category consists of sales and charges for services provided for emergency medical service (EMS). It is projected that EMS revenue will exceed \$1.7 million in fiscal year 2009, and that the entire Sales and Charges category will increase by \$167,300.

Interest Income is expected to decrease \$200,000, or 20%, compared to the 2007-08 budget. It is anticipated that the City will maintain approximately the same daily cash balances as in 2007-08, with the decrease in interest income attributable to lower interest rates.

Intergovernmental Revenues are projected to decrease by \$2,000 compared to last year's numbers. The Fire Department maintains a Fire/EMS contract for first response services to a portion of the County. This contract generates the majority of the revenue in this category. Other items reimbursed under this category include Highway Lighting, School Crossing Guards, the demolition of buildings, and dispatch services for Medical Center Hospital's Care Star Helicopter Service.

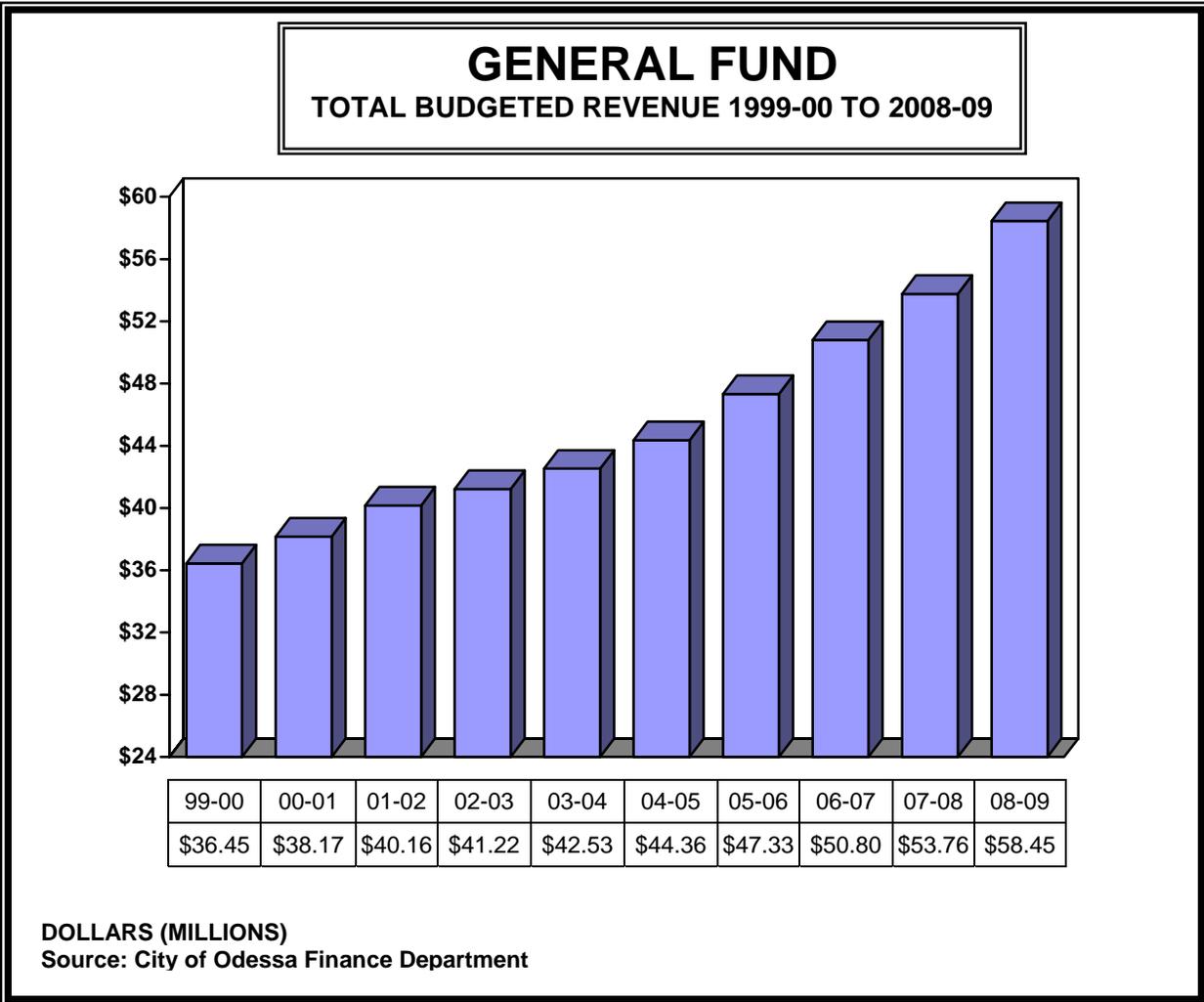
Licenses and Permits Revenues represent 0.80% of General Fund revenue and are expected to increase by \$94,600, or 25.40% in the upcoming year.

Other Revenue is made up of Industrial District contracts for water, sewer, and trash services provided by the City to districts outside the city limits. Also, included are Payments in Lieu of Taxes (Assessment) from the Water and Sewer Fund and the Solid Waste Fund. These payments include a 5% franchise fee on gross receipts and an assessment of property similar to an ad valorem tax. Other revenues account for 8.95% of the total General Fund revenues. This revenue category shows an increase of 0.45% compared to the prior year. Below is a breakdown of these revenues.

<u>SOURCE</u>	<u>2008-09 Budget</u>	<u>2007-08 Budget</u>	<u>Increase/ (Decrease)</u>
Water/Sewer Gross Receipt	\$1,722,510	\$1,768,236	(\$45,726)
Water/Sewer Assessment	1,026,195	1,200,000	(173,805)
Solid Waste Gross Receipt	506,449	385,359	121,090
Solid Waste Assessment	35,492	35,000	492
Industrial Contracts Lieu of Tax	1,200,000	1,100,000	100,000
Other Revenue	<u>741,600</u>	<u>720,340</u>	<u>21,260</u>
TOTAL	\$5,232,246	\$5,208,935	\$23,311

GENERAL FUND

OVERVIEW



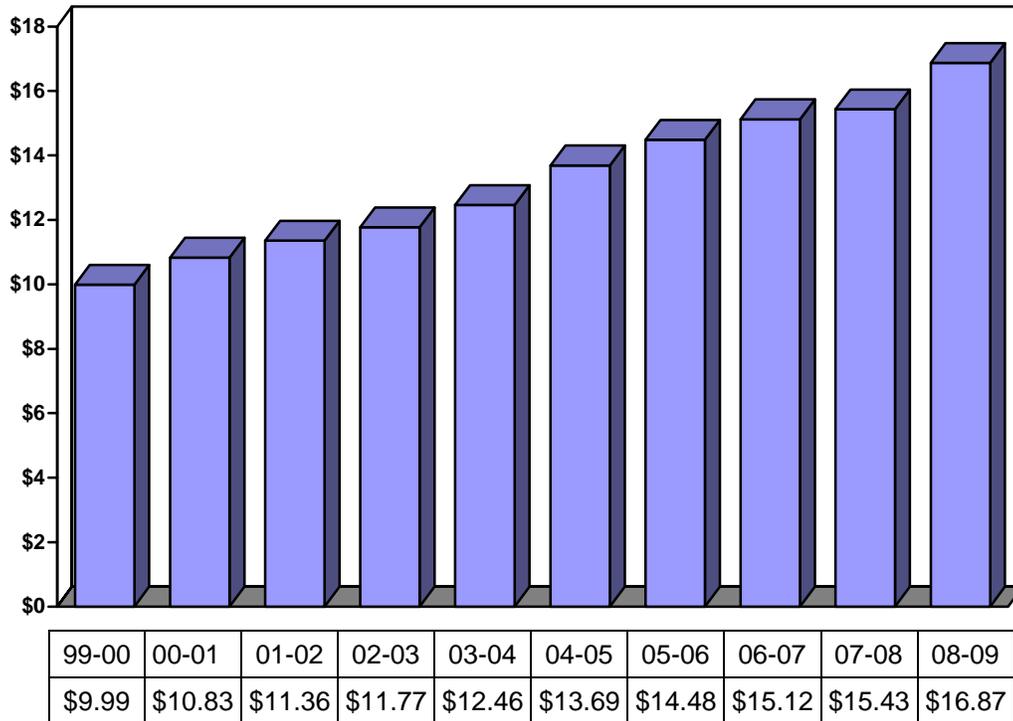
Revenues in the General Fund reflect continued growth from 1999-00 through 2008-09. Overall, General Fund revenues have realized a 60.36% increase over the past ten years. In 2008-09, revenues are expected to exceed \$58 million.

During the past five years, oil prices have significantly increased, and the resulting upturn in the economy has effected substantial increases in revenues across the board. Revenues in 2008-09 are projected to surpass those of 2007-08 by 8.73%, primarily due to increased sales tax revenue, which makes up approximately 55.20% of the General Fund increase.

GENERAL FUND

OVERVIEW

REVENUE: PROPERTY TAX BUDGETED REVENUES 1999-00 TO 2008-09



DOLLARS (MILLIONS)

Source: City of Odessa Finance Department

Property Tax revenue is the second largest single source of revenue for the City, accounting for 28.86% of all General Fund revenues in 2008-09. Property taxes are used to fund the City's operational costs and repay debt. In order to ensure that revenues are sufficient to cover these expenses without creating a large surplus of funds, the City periodically adjusts the tax rate, as required.

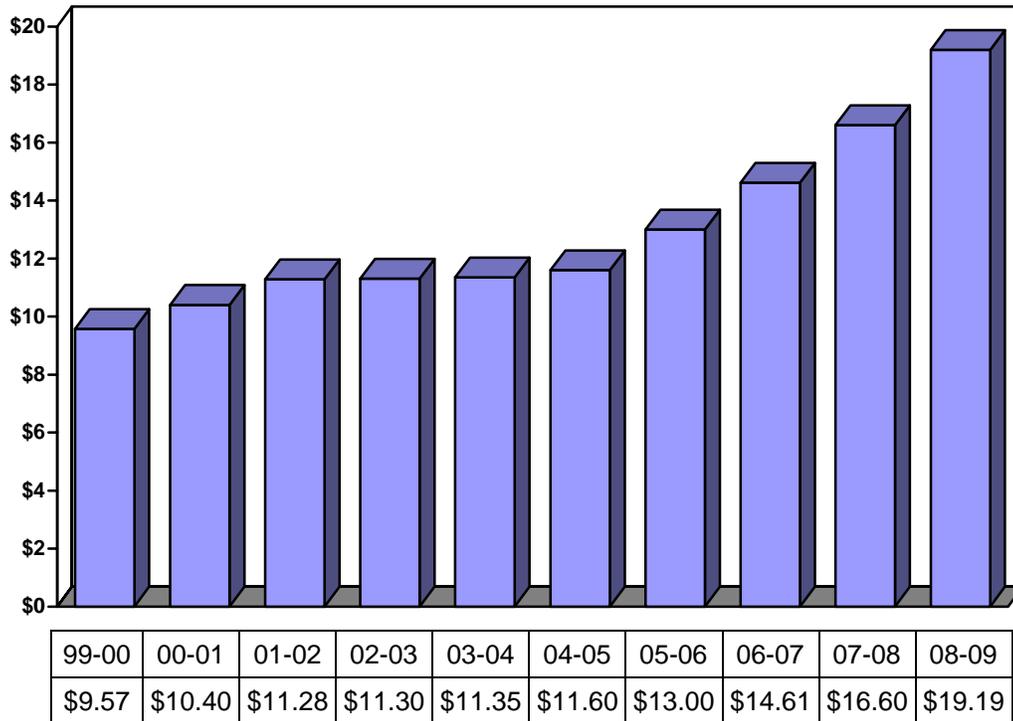
The City has reduced the property tax rate every year since 2003-04 due to rising property values and increases in revenues from other sources. Overall, the tax rate has experienced a reduction of 12.76 cents in the past six years.

Since 2004-05, the local economy has been experiencing an economic boom brought about by significant increases in the price of oil. Property values have risen by 59.67% during this time. Net taxable values for 2008-09 are up 13.18% compared to 2007-08 numbers. As a result, the tax rate for fiscal year 2009 has been reduced to \$0.5229 cents per \$100 valuation, a 1.671-cent reduction compared to the previous year.

GENERAL FUND

OVERVIEW

REVENUE: SALES TAX BUDGETED REVENUES 1999-00 TO 2008-09



DOLLARS (MILLIONS)

Source: City of Odessa Finance Department

Sales tax revenues are on the rise, due to a significant upturn in the local economy. Rising crude oil prices have driven up wages, created more jobs, and brought more businesses into the area. Positive changes in the local economy have resulted in an increase in the average household's disposable income. Consequently, Odessans are making more purchases, thereby generating more sales tax revenue for the city.

Sales Tax revenue is the largest single source of revenue for the City, accounting for 32.83% of all General Fund revenues in 2008-09. Over the past ten years, Sales Taxes have increased by 100.52%. This year, Sales Tax receipts are expected to exceed 2007-08 numbers by 15.61%.

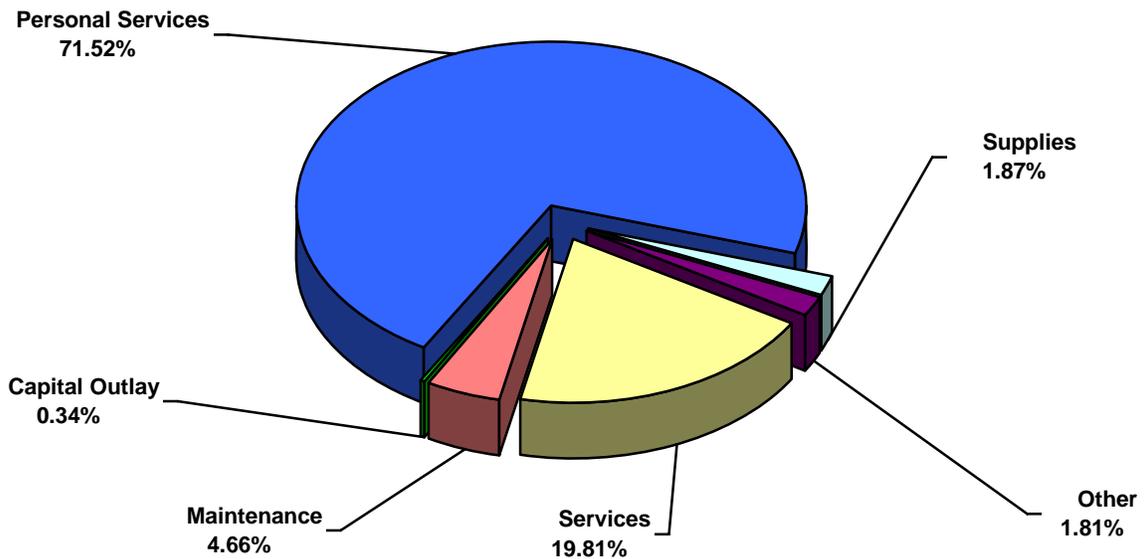
GENERAL FUND

OVERVIEW

Expenditures By Classification

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
Personal Services	\$36,086,170	\$39,033,946	\$38,541,854	\$41,805,646
Supplies	1,158,484	1,234,450	1,097,539	1,091,380
Services	9,032,224	10,596,860	10,154,284	11,580,958
Maintenance	2,459,419	3,357,571	2,619,582	2,720,956
Capital Outlay	948,189	3,247,779	189,907	196,099
Subtotal	\$49,684,486	\$57,470,606	\$52,603,166	\$57,395,039
Outside Agencies	77,109	75,377	75,377	80,000
Operating Transfers Out	97,472	329,000	329,000	329,000
Lease Payments	754,850	748,835	748,835	646,060
Debt Service	755,038	100,000	0	0
Total Expenditures and Other Uses of Funds	<u>\$51,368,955</u>	<u>\$58,723,818</u>	<u>\$53,756,378</u>	<u>\$58,450,099</u>

GENERAL FUND 2008-09 EXPENDITURES BY CLASSIFICATION



GENERAL FUND

OVERVIEW

Expenditures

For the 2008-09 fiscal year, General Fund budgeted expenditures are \$58,450,099 which is an increase of \$4,693,721, or 8.73%, over the 2007-08 adopted budget. The major factors contributing to the increase include:

- a full year's funding of a 5% pay increase for all full-time employees
- a net personnel increase of five positions
- an increase in internal rental rates for Equipment Services
- a 7% increase in medical insurance rates

As the chart below reflects, the resources allocated for General Fund operations of the new fiscal year can be broken down into six main functions of service.

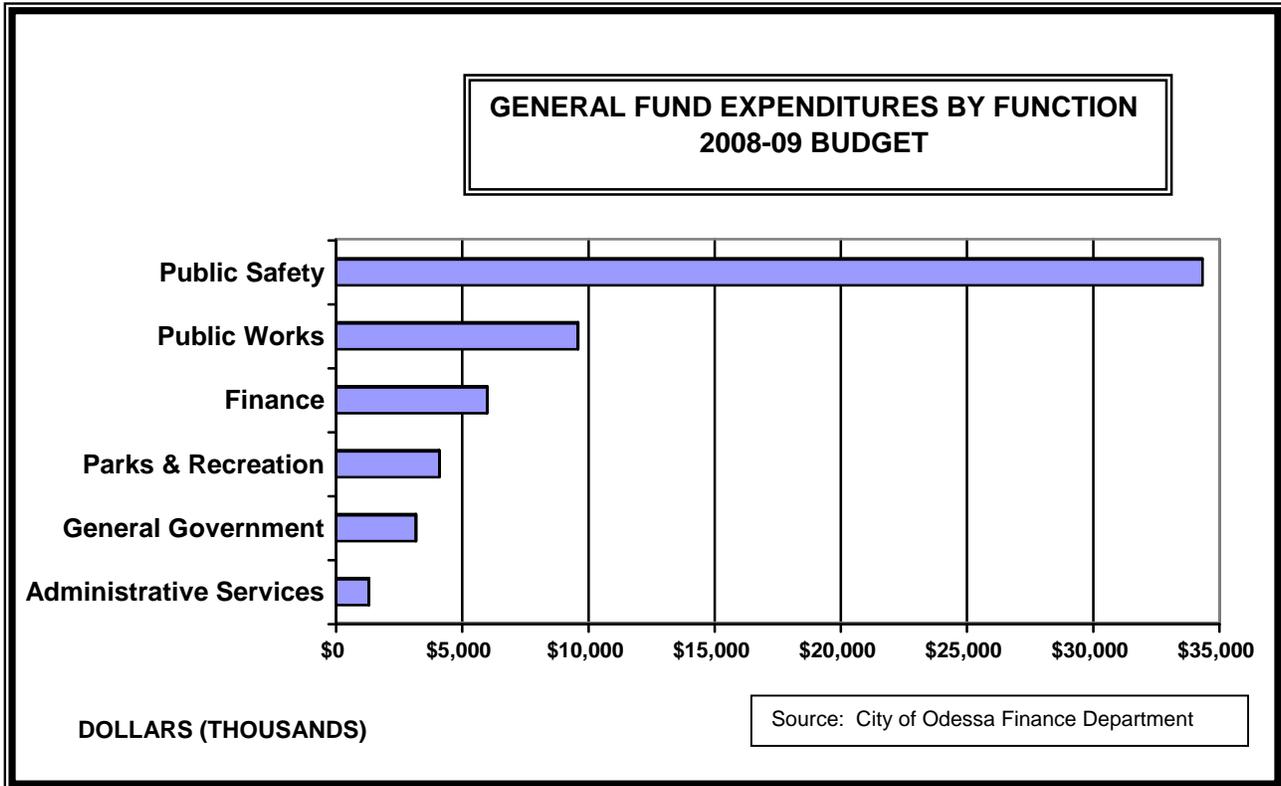
<u>Function</u>	2008-09 Budget		Increase / Decrease From 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
General Government	\$3,166,172	5.42%	\$234,933	8.01%
Administrative Services	1,302,164	2.23%	71,183	5.78%
Finance	5,979,417	10.23%	503,607	9.20%
Public Works	9,592,839	16.41%	783,644	8.90%
Parks & Recreation	4,081,995	6.98%	146,966	3.73%
Public Safety	<u>34,327,512</u>	<u>58.73%</u>	<u>2,953,388</u>	<u>9.41%</u>
TOTAL	\$58,450,099	100.00%	\$4,693,721	8.73%

The Public Safety function, which includes Police, Fire, and Public Safety Communication, comprises 58.73% of the total General Fund budget. The next largest function of General Fund is the Public Works Department at 16.41% of the total budget. The Finance function, which includes the departments of Finance, Purchasing, Municipal Court, and Information Services, constitutes another 10.23% of the total budget. The remaining functions of General Government, Administrative Services, and Parks comprise 14.63% of the total General Fund budget.

GENERAL FUND

OVERVIEW

Expenditures (cont'd.)



General Government function includes the departments of the City Council, City Secretary, City Attorney, Office of the City Manager, Human Resources, Planning and Development, and Neighborhood Development Services (NDS). Total expenditures for this function will increase by \$234,933. The majority of the increase will be used to cover the cost of a 5% pay increase for all City employees and to cover the increasing costs of employee benefits. The total General Government budget of \$3,166,172 funds 33.5 full-time positions, the same number of positions that was funded in the previous year.

Finance function consists of the divisions of Finance, Purchasing, Municipal Court, and Information Services. Also included in this function are Non-Departmental, Outside Agencies funding, and Operating Transfers-Out, which funds the anticipated cash match of grants. As the comparative summary reflects, this function's total budget has increased by \$503,607 compared to 2007-08 numbers. The majority of this increase is due to the new employee compensation package and to the restructuring of the Information Services Division. Beginning this year, Information Services will take on the responsibility of maintaining software for the Public Safety Departments. To that end, over \$100,000 has been transferred from the Public Safety Function to Information Services in order to cover the additional costs they are expected to incur in performing their newly assigned duties. In addition, one new Technical Applications Specialist position and one new Public Safety PC Support Specialist position have been created in order to maintain the same quality of service in spite of the increased workload. The total Finance budget of \$5,979,417 funds 58 positions, two more than were funded in the previous year.

GENERAL FUND

OVERVIEW

Expenditures (cont'd.)

Parks Department expenditures for the 2008-09 budget are anticipated to increase by \$146,966 over the previous fiscal year. This increase will be used to fund the 5% employee pay increase, increases in the cost of employee benefits, and the rising cost of fleet maintenance. The total Parks Department budget of \$4,081,995 funds 40 full-time positions, the same number of positions as last year.

Public Safety includes the Fire and Police Departments and Public Safety Communications. The function of Public Safety accounts for 58.73% of the total General Fund budget. The Police Department's budget increased \$1,933,164 for the 2008-09 fiscal year. The total budget of \$18,683,640 funds 221 full-time positions, the same number of positions that was funded last year. Part of the 11.54% increase is due to a restructuring of the pay scale for police officers, which was implemented in April 2008. The rest of the increase will primarily be used to fund the 5% employee compensation package and to cover increases in fleet and technology replacement costs. The Fire Department's budget shows an increase of \$1,065,395 for the 2008-09 budget. The total budget of \$13,999,963 funds 171 full-time positions, one more than in the previous year. Most of the Fire Department's 8.24% increase will be used to fund the new employee compensation plan, increases in the cost of fleet maintenance, one new Fire Inspector position, and increases in the cost of maintaining equipment. The Public Safety Communication Department runs the dispatch service for emergency calls for both Police and Fire. The total budget of \$1,643,909 has decreased by \$45,171, or 2.67%, compared to 2007-08 numbers. This decrease is attributed to the budget transfer to Information Services (I.S.). The transfer of monies will cover the cost of maintaining Public Safety Communications' software and help defray the cost of the two new I.S. positions that were created specifically to address software maintenance in the Public Safety sector.

Public Works function includes the divisions of Public Works Administration, Engineering, Building Inspection, Street and Traffic. Total expenditures for this function will increase \$783,644, or 8.90% over the 2007-08 adopted budget. The majority of the increase is due to the new employee compensation package, the addition of two Building Code Inspector positions, and increases in the cost of fleet maintenance. The Public Works function comprises 16.41% of the total General Fund budget with a budget of \$9,592,839 that includes funding for 91 full-time positions, two more positions than last year.

Administrative Services function includes the division of Building Services in the General Fund. The total budget of \$1,302,164 has increased by \$71,183, or 5.78%, compared to last year's budget. The majority of the increase will be used to pay for the new employee compensation package, the rising cost of employee benefits, and increases in the cost of fleet maintenance.

Expenditures by category groups all expenditures by eight major categories within each fund. As the chart on the following page indicates, Personal Services accounts for the largest portion of the General Fund budget at 71.52% of the total cost of operations. The 2008-09 budget for Personal Services will include funding for a net total of five additional positions, and a new employee compensation package. The new plan calls for a 5% pay raise for all full-time employees and covers increases in the cost of employee benefits.

Supplies has decreased by \$6,159. This decrease is due to the transfer of part of Municipal Court's Supplies budget to the Overtime budget for the Warrant Drive.

GENERAL FUND

OVERVIEW

Expenditures (cont'd.)

The Services category reflects a 14.05% increase over last year. While most of the projected costs associated with this category have remained fairly stable, fleet maintenance costs have increased by \$1,336,156 due to significant increases in the price of gasoline and the rising cost of supplies, equipment, and labor.

The Maintenance function shows an increase of \$101,374, or 3.87%, compared to last year's numbers. The majority of this increase is due to the rising cost of maintaining city streets and equipment.

Capital Outlay has realized an increase of \$6,192 in 2008-09. This category's budget fluctuates from year to year, depending upon the need for large-ticket items.

Expenditures by Category	2008-09 Budget		2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$41,805,646	71.52%	\$38,541,854	71.70%
Supplies	1,091,380	1.87%	1,097,539	2.04%
Services	11,580,958	19.81%	10,154,284	18.89%
Maintenance	2,720,956	4.66%	2,619,582	4.87%
Capital Outlay	196,099	0.34%	189,907	0.35%
Outside Agencies	80,000	0.14%	75,377	0.14%
Transfers Out	329,000	0.56%	329,000	0.61%
Lease Payments	<u>646,060</u>	<u>1.11%</u>	<u>748,835</u>	<u>1.39%</u>
TOTAL	\$58,450,099	100.00%	\$53,756,378	100.00%

Fund Balance

In 2007-08, fund balance increased by 7.1%, or \$1,514,316 compared to the 2006-07 ending fund balance of \$21,314,471 (without encumbrances). The 2008-09 budget is a balanced budget with revenues and expenditures in equal amounts of \$58,450,099 with an unrestricted available fund balance of \$8,073,598.

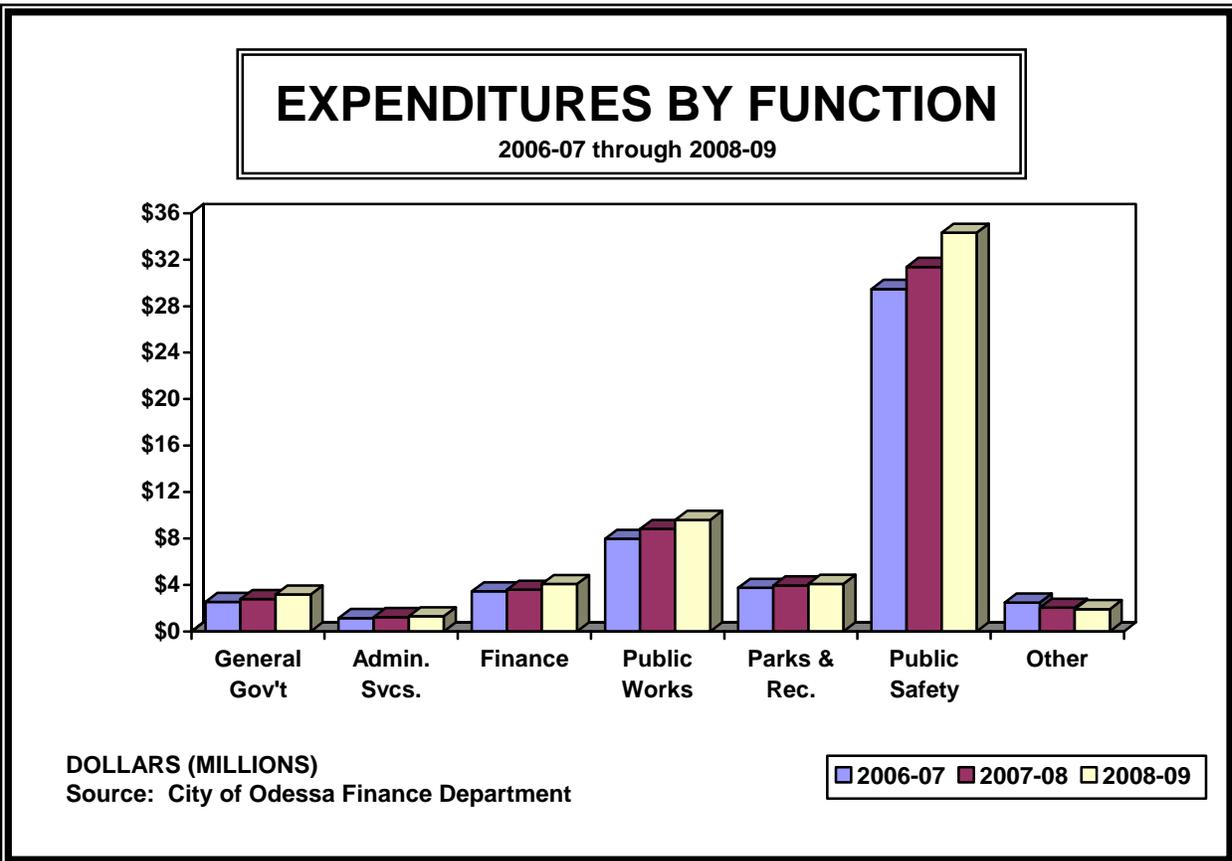
GENERAL FUND

OVERVIEW

Expenditures by Function	2006-07	2007-08	2007-08	2008-09
	Actual	Estimated	Budget	Budget
City Council	\$28,657	\$31,476	\$31,476	\$31,457
City Secretary	127,489	167,946	158,634	165,144
City Attorney	738,060	860,033	840,426	910,494
Office of the City Manager	552,039	741,261	735,748	792,001
Human Resources	429,033	523,705	488,158	535,211
Planning and Development	284,378	299,577	296,868	319,173
Neighborhood Services	270,627	449,122	379,929	412,692
TOTAL GENERAL GOVERNMENT	\$2,430,283	\$3,073,120	\$2,931,239	\$3,166,172
Building Services	\$1,208,965	\$1,677,303	\$1,230,981	\$1,302,164
TOTAL ADMINISTRATIVE SRVS.	\$1,208,965	\$1,677,303	\$1,230,981	\$1,302,164
Finance	\$817,730	\$746,456	\$736,764	\$795,265
Purchasing	480,618	560,376	512,977	534,705
Municipal Court	1,271,363	1,386,762	1,340,868	1,422,552
Information Services	836,447	850,346	842,937	1,315,130
Non-Departmental	2,475,025	1,964,502	1,637,887	1,502,765
Outside Agencies	77,109	75,377	75,377	80,000
Operating Transfers Out	97,472	329,000	329,000	329,000
2008 Special Projects	0	1,261,000	0	0
TOTAL FINANCE	\$6,055,764	\$7,173,819	\$5,475,810	\$5,979,417
Public Works Administration	\$185,984	\$197,363	\$195,536	\$210,375
Engineering	1,107,793	1,248,562	1,189,665	1,340,022
Building Inspection	568,405	623,753	601,065	759,452
Traffic	1,435,350	1,777,810	1,398,769	1,510,933
Street	4,887,778	5,467,629	5,424,160	5,772,057
TOTAL PUBLIC WORKS	\$8,185,310	\$9,315,117	\$8,809,195	\$9,592,839
PARKS AND RECREATION	\$3,549,333	\$5,071,806	\$3,935,029	\$4,081,995
Fire	\$12,409,743	\$13,536,140	\$12,934,568	\$13,999,963
Police	15,979,813	17,135,504	16,750,476	18,683,640
Public Safety Communications	1,549,744	1,741,009	1,689,080	1,643,909
TOTAL PUBLIC SAFETY	\$29,939,300	\$32,412,653	\$31,374,124	\$34,327,512
Total Expenditures	\$51,368,955	\$58,723,818	\$53,756,378	\$58,450,099

GENERAL FUND

OVERVIEW



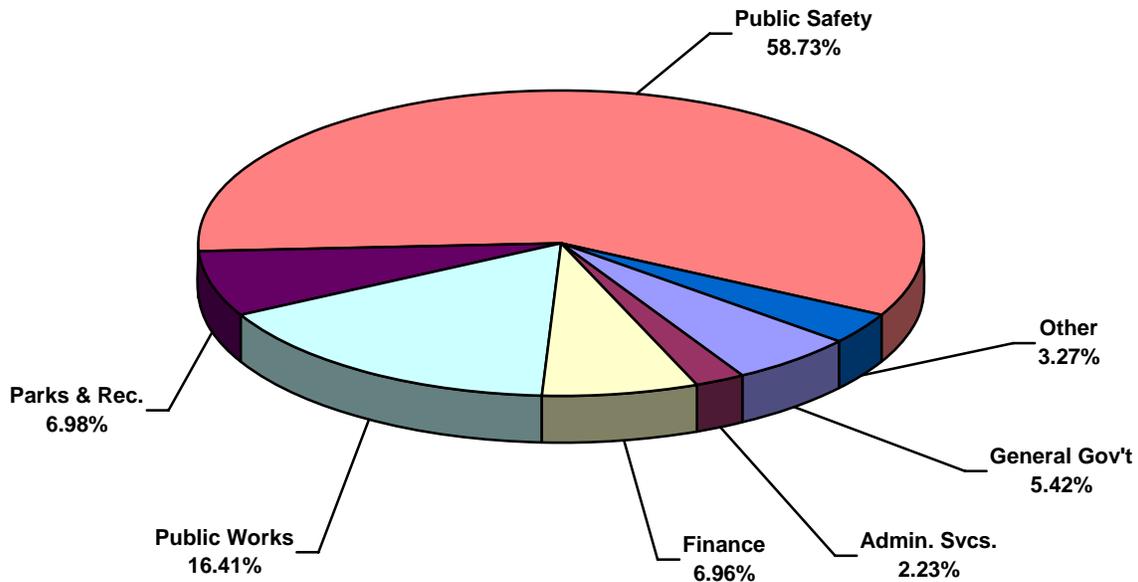
From 2006-07 through 2008-09, General Fund budgets have shown varied growths/declines by function. In 2008-09, all functions show an increase in salaries, with the majority of the increase being used to fund the new employee compensation package that went into effect on October 1, 2008. Other factors contributing to the increase in salaries include the net addition of 5 new positions and the rising cost of employee benefits.

General Government will realize an 8.01% increase due to the cost of the new employee compensation plan and the rising cost of employee benefits. Expenditure increases of 8.90% in Public Works are largely attributed to the new compensation plan, the addition of two new Code Enforcement Inspectors, and the rising cost of fleet maintenance. Parks and Administrative Services have realized increases of 3.73% and 5.78%, respectively. The additional costs are associated the new compensation plan and rising fleet costs. Public Safety will experience a 9.41% increase over last year's budget due to the April 2008 restructuring of the pay scale for police officers, the implementation of the new compensation plan, rising fleet costs, and the addition of one new Fire Inspector position. The Finance function will experience a 9.20% increase in expenditures, due to the new employee compensation package and the restructuring of the Information Services (I.S.) Department. This fiscal year, I.S. will take on the responsibility of maintaining software for the Public Safety Departments. To that end, two new positions have been added to the department, and approximately \$100,000 has been transferred to the I.S. budget to help cover the additional costs they are expected to incur.

GENERAL FUND

OVERVIEW

2008-09 GENERAL FUND BUDGETS BY FUNCTION



NOTE: The function of Other Includes Non-Departmental and Operating Transfers Out
Source: City of Odessa Finance Department

The Public Safety function including Fire (23.95%), Police (31.97%) and Public Safety Communication (2.81%), totals 58.73% of the total General Fund budget for 2008-09. The next largest use of the General Fund is the Public Works function (16.41%). Sharing the remaining 24.86% of the current General Fund budget are the functions of Parks & Recreation (6.98%), Finance (6.96%), General Government (5.42%), Administrative Services (2.23%), and Other (3.27%), which is comprised of Non-Departmental, External Agencies, and Operating Transfers Out.

GENERAL FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
GENERAL FUND			
Human Resources	Data Processing Equipment	<u>\$2,729</u>	
	Subtotal Human Resources		\$2,729
Public Safety Communications	Furniture & Office Equipment	<u>10,600</u>	
	Subtotal Pub. Safety Comm.		10,600
Information Services	Data Processing Equipment	<u>56,001</u>	
	Subtotal Information Services		56,001
Public Works			
Engineering	Data Processing Equipment	9,200	
Building Inspection	Office Equipment	4,698	
Traffic Engineering	Traffic Infrastructure Improvements & Other Traffic Projects	<u>24,998</u>	
	Subtotal Public Works		38,896
Fire Department			
Administration	Data Processing Equipment	3,128	
Fire - GIS	Data Processing Equipment	<u>15,000</u>	
	Subtotal Fire		18,128
Police Department			
Patrol Operations	Machinery & Equipment	56,000	
	Data Processing Equipment	<u>13,745</u>	
	Subtotal Police		69,745
TOTAL CAPITAL OUTLAY – GENERAL FUND			<u><u>\$196,099</u></u>

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

General Fund
Detail by Department/Division

GENERAL FUND
DEPARTMENTS/DIVISIONS

City Council
City Secretary
City Attorney
Office of the City Manager
Human Resources
Building Services
Public Safety Communications
Planning and Development
Finance
Purchasing
Municipal Court
Information Services
Non-Departmental
Outside Agencies
Operating Transfers Out
2008 Special Projects
Public Works Administration
Engineering
Building Inspection
Traffic Engineering
Street
Parks and Recreation
Fire
Police
Neighborhood Development Services

CITY COUNCIL

Mission

The City Council is the legislative policy-making body of the City that approves contracts, adopts regulatory ordinances and resolutions, approves the annual budget, determines the tax rate, provides direction to the City Manager and other Council appointees and provides a forum for active community participation in setting and achieving City policies, goals and objectives.

Departmental Goals/(City's Value Statement Goals)	Number of Services Provided										
<ol style="list-style-type: none"> 1. Continue participating in the Council of Government meetings./(Organization) 2. Publish the State of the City annual report for the citizens./(Service) 3. Address quality of life issues through the Capital Improvement Projects./(Direction) 	<table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Number of Services Provided</caption> <thead> <tr> <th>Fiscal Year</th> <th>Number of Services Provided</th> </tr> </thead> <tbody> <tr> <td>2006-07</td> <td>13</td> </tr> <tr> <td>2007-08</td> <td>12</td> </tr> <tr> <td>2008-09</td> <td>12</td> </tr> </tbody> </table>			Fiscal Year	Number of Services Provided	2006-07	13	2007-08	12	2008-09	12
Fiscal Year	Number of Services Provided										
2006-07	13										
2007-08	12										
2008-09	12										
Objectives / Performance Measures	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>								
<u>Effectiveness</u>											
<ol style="list-style-type: none"> 1. Provide cost effective and efficient City services to the citizens of Odessa. Review opportunities to consolidate like-services with other governmental entities. 2. Provide consistent and informative communication. Publish an annual report for the citizens of Odessa. 3. Offer the opportunity for citizen involvement and input. Encourage citizen involvement by the appointment of citizens to boards, commissions, and special task forces. Currently, 153 citizens participate on these boards, commissions and special task forces. 	13	12	12								
	100%	100%	100%								
	100%	100%	100%								

CITY COUNCIL

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$2,336	\$3,229	\$3,229	\$3,229
Supplies	8,479	6,794	6,794	8,500
Services	17,842	21,453	21,453	19,728
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$28,657	\$31,476	\$31,476	\$31,457

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Mayor	1	1	1
Councilmembers	<u>5</u>	<u>5</u>	<u>5</u>
Total Personnel	6	6	6

CITY SECRETARY

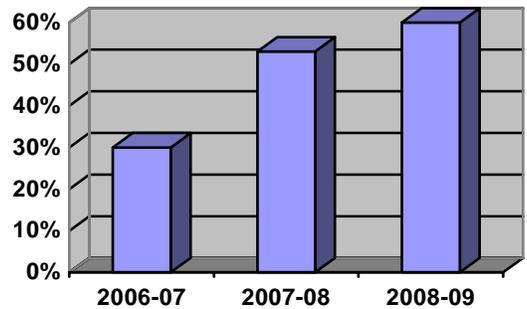
Mission

The City Secretary is primarily responsible for providing and preserving accurate records of minutes, ordinances, resolutions and proclamations; preparing agendas and attending all Council meetings and bid opening meetings; overseeing municipal elections, administering the City Seal, meeting legal requirements for posting and publishing all legal notices, accepting all bids and serving as Assistant Secretary to the Odessa Development Corporation. The City Secretary serves as a liaison between citizens and the Mayor and City Council.

Departmental Goals/(City's Value Statement Goals)

1. Be proficient in compiling the Council Agenda on electronic medium./(Excellence)
2. Strive for accurate and concise minutes./(Excellence)
3. Provide accurate records upon request in a timely manner./(Excellence)
4. Administer the Records Management Program for departments./(Service)

% of Resolutions & Ordinances Scanned



Objectives / Performance Measures

Effectiveness

1. Accurately record and transcribe the minutes of City Council and other meetings within 5 days.
2. Provide retrieval of information for citizens and staff within 5 days.
3. Maintain official documents including deeds, agreements, agendas, minutes, resolutions, ordinances, and election registers in an organized manner that provides quick retrieval of accurate information and the safe archival of records.
4. Ensure that the municipal elections are conducted in accordance with all state and federal laws; have fair and equitable processing of the candidates in a courteous and competent manner.
5. Scan all ordinances & resolutions for easy retrieval.
6. Systematically maintain all ordinances, minutes, and resolutions in the Council Minute Books.

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1.	100%	100%	100%
2.	100%	100%	100%
3.	100%	100%	100%
4.	N/A	100%	N/A
5.	30%	53%	60%
6.	100%	100%	100%

CITY SECRETARY

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$106,199	\$118,336	\$117,239	\$123,897
Supplies	7,277	12,775	7,775	8,000
Services	14,013	36,835	33,620	33,247
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$127,489	\$167,946	\$158,634	\$165,144

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
City Secretary	1	1	1
Administrative Assistant	1	1	1
Total Personnel	2	2	2

CITY ATTORNEY

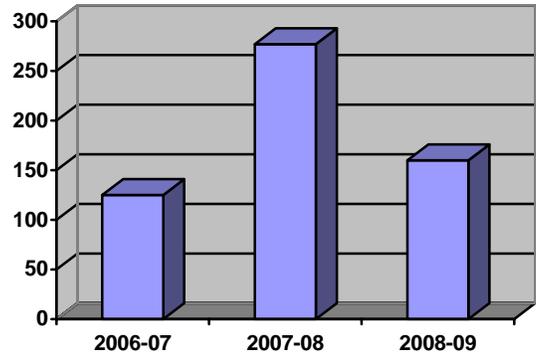
Mission

The mission of the Legal Department of the City is to serve the City Council, City Departments, and the public by providing legal counsel, preparing contracts and other legal documents. It is also to provide legislative assistance and representation before courts and boards, with ability and in a timely, courteous and professional manner. This includes insuring the legality of City operations and protecting the legal rights of the City, reducing liability risk and assisting the City in accomplishing its goals and objectives.

Departmental Goals/(City's Value Statement Goals)

- 1. Increase the Legal Department's level of performance for the 2008-09 fiscal year./(Excellence)

Number of Contracts Prepared



Objectives / Performance Measures

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Contracts Prepared – Includes the Following Types of Contracts: Consultant, Franchise & Public Utility, General, Leases, Water, Economic Development, and CDBG	125	277	160
2. Resolutions and Ordinances Prepared	164	135	135
3. Collections:			
Suits Filed	37	20	30
Collection from Suits	\$7,328	\$7,000	\$7,500
Total Collection from Payment Arrangements After Filing Suit	\$4,644	\$4,000	\$5,000
Total Collected from Judgments	\$2,074	\$4,000	\$4,500
Total Collected from Liens	\$2,239	\$2,500	\$3,000

CITY ATTORNEY

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$679,373	\$788,838	\$781,464	\$851,328
Supplies	12,634	23,496	12,230	12,230
Services	30,622	31,224	30,257	30,461
Maintenance	15,431	16,475	16,475	16,475
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$738,060	\$860,033	\$840,426	\$910,494

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
City Attorney	1	1	1
Senior Assistant Attorney	1	1	1
Assistant City Attorney	2	2	2
Assistant City Attorney – Civil	1	1	1
Juvenile Case Manager **	1	1	1
Legal Assistant*	1	1	1
Legal Assistant – Criminal	1	1	1
Executive Legal Secretary	1	1	1
Administrative Legal Secretary - Civil	1	1	1
Administrative Legal Secretary – Criminal	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	11	11	11
Funding Sources:			
General Fund	9.5	9.5	9.5
Water and Sewer *	0.5	0.5	0.5
School Attendance Court Grant **	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	11	11	11

OFFICE OF THE CITY MANAGER

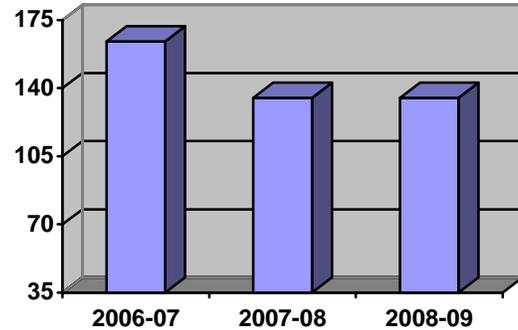
Mission

On behalf of City Council directives and policies, the Office of the City Manager administers City affairs to provide for all basic municipal services within set financial guidelines, advising the City Council on the financial condition, administrative activities and internal and external needs of the City, including plans for the City's future development, while acting as a liaison between the governing body, municipal employees, and the public.

Departmental Goals/(City's Value Statement Goals)

1. Provide leadership to the organization based on the City's Core Values./(Organization, Direction, Excellence, Service, Support, Attitude)
2. Ensure that the goals and objectives of City departments fulfill City Council directives./(Direction)
3. Provide leadership and coordinate the City's role in local, regional, state, and federal intergovernmental issues./(Direction)
4. Provide leadership and communicate with citizens and the news media on city-wide issues./(Direction)

Resolutions / Ordinances Posted For Citizen Review



Objectives / Performance Measures

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Economic Development Support			
a. Support Business Diversification– ODC Job Creation Initiatives	107	95	95
b. Support development at JBS Parkway and BI-20 interchange	100%	100%	100%
2. Enhancement of Positive City Image			
a. Ratliff Ranch Golf Course Renovation	50%	98%	100%
b. N'borhood "Sweeps" – Cleanup Campaign- Tons	28	30	30
c. Maintain status as Tree City USA	100%	100%	100%
d. Guide Parks Master Plan Priorities	N/A	N/A	100%
3. Crime Reduction			
a. Continue Citizens On Patrol / Academy	100%	100%	100%
b. Support CopLogic Online Reporting for Citizens	N/A	100%	100%
c. Continue Advertising PD Safe Zones - Patrolling	N/A	100%	100%
4. Productivity and Service Enhancements			
a. Fire Station Relocations (3)	30%	80%	100%
b. Normal Equipment Replacement (\$)	\$2,892,909	\$2,987,460	\$3,777,804
5. Intergovernmental Cooperation			
a. Continue School Attendance Court – E.C.I.S.D	50%	100%	100%
b. CAPP Membership – Co-op Electrical Purchases	100%	100%	100%
6. Retaining / Recruiting Qualified Personnel			
a. Continuation of Employee Compensation Plan	100%	100%	100%
b. Fund Recruiter for Employment Promotion	N/A	N/A	100%
c. Employee Incentives Paid for New Hire Referrals	N/A	\$16,000	\$20,000

OFFICE OF THE CITY MANAGER

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$510,797	\$692,427	\$687,133	\$743,562
Supplies	12,411	13,865	13,646	15,996
Services	28,831	34,419	34,419	31,893
Maintenance	0	550	550	550
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$552,039	\$741,261	\$735,748	\$792,001

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
City Manager	1	1	1
Assistant City Manager / Administrative Services	0	1	1
Assistant City Manager/Community Services	1	1	1
Internal Auditor	1	1	1
Public Information Coordinator	1	1	1
Executive Secretary to the City Manager	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	5	6	6

HUMAN RESOURCES

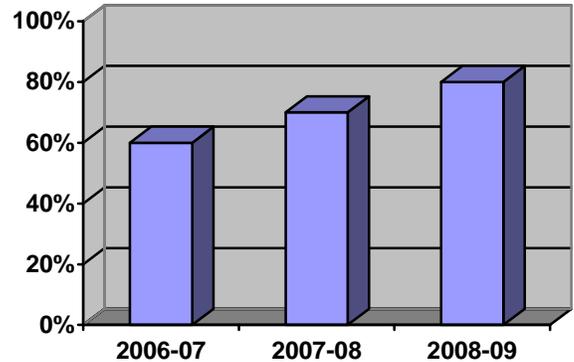
Mission

The Human Resources Department provides internal and external customer service within the City of Odessa municipal organization. The department exists to promote an environment that will optimize the relationship between the City of Odessa's mission and goals and employees' employment objectives. The department strives to achieve this mission through oversight of fair, equitable, and consistent employment policies, recruitment, and retention of employees with outstanding talent and abilities; promotion of an environment that provides stimulating and challenging work; and emphasis toward a unique and diverse organization.

Departmental Goals/(City's Value Statement Goals)

1. Recruit & hire quality employees./(Excellence)
2. With Legal Department, revise the Personnel Policies & Procedures Manual as needed./(Organization)
3. Use paperless alternatives when possible./(Direction)
4. Verify accuracy of position descriptions./(Excellence)
5. Follow-up on employees their first year./(Attitude)
6. Maintain/improve HR Information System./(Service)
7. Review and improve service./(Excellence)
8. Provide a kiosk in HR./(Service)
9. Maintain & improve HR website./(Excellence)

Provide Supervisory Training



Objectives / Performance Measures

Effectiveness

1. Acquire training videos and increase the number of qualified trainers.
2. Develop and promote training programs.
3. Offer monthly Lunch 'N Learn sessions.
4. Provide supervisory training.
5. Automate the job application process & employee history files.
6. Make recommendations concerning compensation.
7. Work to improve employee retention.
8. Follow up on employees during their first year.
9. Ensure that HR personnel visit every employee at his/her work site.
10. Coordinate Annual Employee Picnic & Service Awards Recognition Banquet.
11. Partner with schools to promote careers in public service.

Workload

1. Total City FTE's
2. Number of Grievances Filed
3. Percent of Grievances Resolved Before Passing From Management Control

	FY 2006-07 Actual	FY 2007-08 Estimate	FY 2008-09 Target
1. Acquire training videos and increase the number of qualified trainers.	80%	85%	90%
2. Develop and promote training programs.	60%	70%	80%
3. Offer monthly Lunch 'N Learn sessions.	15%	20%	30%
4. Provide supervisory training.	60%	70%	80%
5. Automate the job application process & employee history files.	80%	85%	90%
6. Make recommendations concerning compensation.	100%	100%	100%
7. Work to improve employee retention.	90%	90%	90%
8. Follow up on employees during their first year.	45%	55%	75%
9. Ensure that HR personnel visit every employee at his/her work site.	25%	40%	50%
10. Coordinate Annual Employee Picnic & Service Awards Recognition Banquet.	100%	100%	100%
11. Partner with schools to promote careers in public service.	80%	85%	90%
1. Total City FTE's	869	876	876
2. Number of Grievances Filed	6	5	4
3. Percent of Grievances Resolved Before Passing From Management Control	100%	100%	100%

HUMAN RESOURCES

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$338,208	\$382,297	\$378,476	\$410,884
Supplies	10,595	14,694	12,777	12,777
Services	78,521	121,171	93,826	108,471
Maintenance	868	350	350	350
Capital Outlay	<u>841</u>	<u>5,193</u>	<u>2,729</u>	<u>2,729</u>
Total Expenditures	\$429,033	\$523,705	\$488,158	\$535,211

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Human Resources	1	1	1
Human Resource Assistant	1	1	1
Senior Human Resource Specialist	1	1	1
Human Resource Specialist	1	1	1
Human Resource Coordinator	1	1	1
Human Resource Clerk	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	5	6	6

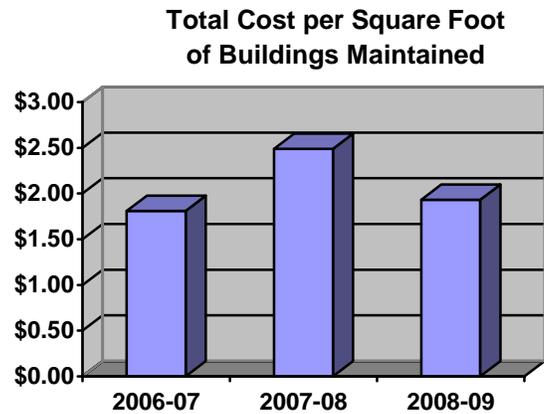
BUILDING SERVICES

Mission

Maintain and operate all City owned and operated buildings in a cost efficient, safe and comfortable manner.

Departmental Goals/(City's Value Statement Goals)

1. Remove graffiti and cover paint to return facilities to their original texture./(Service)
2. Provide training & cross-training to further employees' growth and development./(Excellence)
3. Inspect all City-owned buildings for black mold./(Service)
4. Remodel certain rooms in City-owned buildings as requested./(Service)



Objectives / Performance Measures

Effectiveness

1. Clean and paint out 2,000 square feet of graffiti each month.
2. Clean and paint out graffiti on all major thoroughfares.
3. Percentage of citizen survey responses indicating that neighborhood problems (including graffiti) are "not at all a problem" or "only a small problem" in the community.
4. Cross-train 100% of employees each year in multiple skills: carpenter-painter, plumber-HVAC technician, electrician-carpenter.
5. Inspect 100% of buildings for black mold annually.
6. Remove or replace Christmas lights located on Grant Ave. buildings from I-20 to 1700 N. Grant.

Efficiency

1. Total Cost per Square Foot of City Office Buildings Maintained
2. Operating Cost (Minus Personal Services) per Square Foot of City Office Buildings Maintained

Workload

1. Janitorial Service Contract Costs

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Clean and paint out 2,000 square feet of graffiti each month.	144%	85%	90%
2. Clean and paint out graffiti on all major thoroughfares.	96%	100%	100%
3. Percentage of citizen survey responses indicating that neighborhood problems (including graffiti) are "not at all a problem" or "only a small problem" in the community.	75%	82%	84%
4. Cross-train 100% of employees each year in multiple skills: carpenter-painter, plumber-HVAC technician, electrician-carpenter.	15%	25%	25%
5. Inspect 100% of buildings for black mold annually.	100%	100%	100%
6. Remove or replace Christmas lights located on Grant Ave. buildings from I-20 to 1700 N. Grant.	0%	10%	12%
1. Total Cost per Square Foot of City Office Buildings Maintained	\$1.81	\$2.49	\$1.93
2. Operating Cost (Minus Personal Services) per Square Foot of City Office Buildings Maintained	\$0.88	\$1.50	\$0.86
1. Janitorial Service Contract Costs	\$126,890	\$151,390	\$150,740

BUILDING SERVICES

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$621,452	\$667,480	\$661,045	\$721,366
Supplies	4,418	6,430	6,430	6,430
Services	412,944	414,096	414,096	424,958
Maintenance	165,382	579,651	149,410	149,410
Capital Outlay	<u>4,769</u>	<u>9,646</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,208,965	\$1,677,303	\$1,230,981	\$1,302,164

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Building Services	1	1	1
Building Service Superintendent	1	1	1
Maintenance Supervisor	1	1	1
Senior Administrative Assistant	1	1	1
Journeyman Electrician	1	1	1
Journeyman Plumber	1	1	1
Carpenter	1	1	1
HVAC Technician	1	1	1
Senior Building Maintenance Technician	2	2	2
Building Maintenance Technician	2	2	2
Painter	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	13	13	13

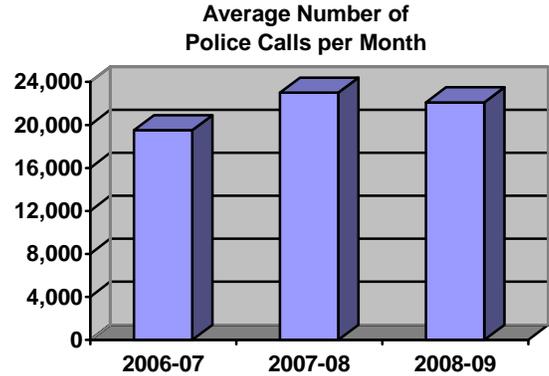
PUBLIC SAFETY COMMUNICATIONS

Mission

Public Safety Communications receives, processes, and dispatches calls for service for Police, Fire and Emergency Medical Service (EMS) in a timely, courteous manner for anyone requesting assistance. This is accomplished by obtaining complete, accurate information from callers and forwarding the necessary information to emergency service personnel in order to protect the lives and property of all individuals involved.

Departmental Goals/(City's Value Statement Goals)

1. Respond to an industry-wide 9-1-1 public safety shortage by:
 - a) recruiting & retaining staff/(Direction)
 - b) preventing a reduction in staff/(Direction)
2. Improve fire/law call taking and CAD skills by:
 - a) performing random supervisor review of calls & offering specific coaching/(Excellence)
 - b) improving EMD review/(Excellence)
 - c) increasing annual "Continuing Education" hours by both class and resource material/(Excellence)



Objectives / Performance Measures

Effectiveness

1. Medical (Delta) Responses Entered Into CAD per EMS Protocol
2. Fire Responses Entered Into CAD Within 30/50 Seconds Following Call-Taking Interview
3. Police (Priority 1) Calls Entered Into CAD Within 60 Seconds Following Call-Taking Interview
4. Police (Priority 2) Calls Entered Into CAD Within 90 Seconds Following Call-Taking Interview
5. EMS (Delta) Calls Dispatched in 40 Seconds
6. Police (Priority 1) Calls Dispatched in 60 Seconds or Advise Police Field Supervisor of Pending Priority Call
7. Police (Priority 2) Calls Dispatched in 120 Seconds or Advise Police Field Supervisor of Pending Priority Call
8. Fire Calls Dispatched in 30/50 Seconds

FY 2006-07
Actual

FY 2007-08
Estimate

FY 2008-09
Target

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

99%

Workload

1. All Telephone Calls to PSAP Serving Ector County
2. Incoming Calls That Are 9-1-1
3. Average Number of Seconds to Answer 9-1-1
4. Police Administration
5. Fire Administration Lines

Monthly Avg.

Monthly Avg.

Monthly Avg.

27,500

29,000

31,000

4,800

4,900

6,200

9.23 sec.

9.25 sec.

11.20 sec.

19,500

23,000

22,100

1,800

1,900

1,620

PUBLIC SAFETY COMMUNICATIONS

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$1,415,353	\$1,563,712	\$1,549,589	\$1,574,014
Supplies	12,321	12,197	12,097	20,097
Services	31,680	34,859	34,376	31,798
Maintenance	65,224	63,279	63,279	7,400
Capital Outlay	<u>25,166</u>	<u>66,962</u>	<u>29,739</u>	<u>10,600</u>
Total Expenditures	\$1,549,744	\$1,741,009	\$1,689,080	\$1,643,909

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Public Safety Communications	1	1	1
System Administrator	1	0	0
Quality Assurance Supervisor *	1	1	1
Dispatcher IV	1	1	1
Dispatcher III	2	2	2
Dispatcher II	4	4	4
Dispatcher I *	2	3	3
Public Safety Communications Supervisor	3	3	3
Public Safety Communications Supervisor Night	2	2	2
Dispatcher III Night	5	5	5
Dispatcher II Night *	5	6	6
Dispatcher I Night	5	3	3
Senior Administrative Assistant **	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	33	32	32
Funding Sources:			
General Fund	29.5	28.5	28.5
9-1-1 Funding *	3	3	3
Equipment Service Fund **	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Personnel	33	32	32
** ½ Funded by Public Safety Communications, ½ Funded by Communications.			

PLANNING AND DEVELOPMENT

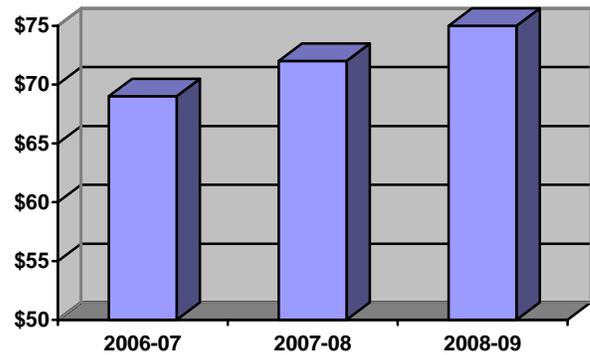
Mission

The Planning Department is responsible for coordinating the comprehensive planning activities of the City, administering the subdivision regulations and coordinating the pre-development phase of the development of private property. The program activities include processing zoning change requests, special user permits, preliminary plats, final plats, replats, annexations, technical site plans, variances, special exceptions, appeals and certificates of appropriateness. The Department is responsible for maintaining and updating the zoning ordinance based on state law, demographic database and development trends. The Department provides staff support to the City Council, Planning and Zoning Commission, Historic Preservation Commission and Zoning Board of Adjustment.

Departmental Goals/(City's Value Statement Goals)

1. Provide Planning and Zoning Commission, Zoning Board of Adjustment & Historic Preservation Commission with up-to-date information & professional staff assistance./(Support)
2. Respond to inquiries in a timely and accurate manner./(Service)
3. Provide high quality and cost-effective services to the public./(Excellence)

Average Cost Per Plan Reviewed



Objectives / Performance Measures

Effectiveness

1. Percentage of Initial Submittals Reviewed Within Two Days
2. Percentage of Applicants Satisfied With Plan Review
3. Percentage of Total Cases Meeting Approval

Efficiency

1. Average Cost per Plan Reviewed
2. Average Cost per Information Request
3. 12-City Comparative Survey – Number of Cases Processed per Planner for the Fiscal Year

Workload

1. Number of Plans Submitted for Review

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
	94%	94.5%	95%
	96%	96.5%	97%
	95%	95.5%	96%
	\$69	\$72	\$75
	\$28	\$30	\$33
	Mean: 24 Odessa: 42	Mean: 25 Odessa: 43	Mean: 26 Odessa: 44
	425	450	460

PLANNING AND DEVELOPMENT

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$262,431	\$278,547	\$275,838	\$297,943
Supplies	4,955	3,800	3,800	3,800
Services	16,992	17,230	17,230	17,430
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$284,378	\$299,577	\$296,868	\$319,173

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Planning	1	1	1
Planner	1	1	1
Planning Technician	1	1	1
Senior Administrative Assistant	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	4	4	4

FINANCE

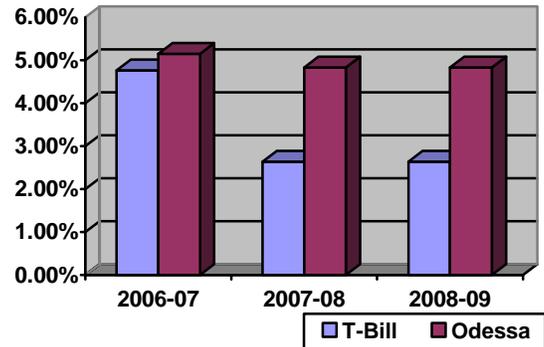
Mission

The Finance Department strives to provide timely and accurate financial information to the citizens, Council, and the employees of the City of Odessa. The main objective is to minimize short and long term costs of financial services by efficiently monitoring and managing City resources.

Departmental Goals/(City's Value Statement Goals)

1. Administer the budget process as a sound basis for planning, financial analysis and decision-making for departments, management and Council. (Service)
2. Account, analyze, and report financial data internally and externally on a timely basis. (Excellence)
3. Generate cash disbursements in an accurate and timely manner. (Support)
4. Invest & maintain city funds in an efficient & prudent manner for maximum fiscal stability. (Excellence)

**Annual Rate of Return Comparison
Odessa Investments vs. 3 Mth. T-Bill**



Objectives / Performance Measures

Effectiveness

	FY 2006-07 Actual	FY 2007-08 Estimate	FY 2008-09 Target
1. All Employee Payroll Checks Calculated, Printed and Distributed No Later Than the 5 th and 20 th of Each Month	100%	100%	100%
2. Accurately Calculate Employee Payroll Checks 100% of the Time	100%	100%	100%
3. Rate of Return on Investments to Equal or Exceed the Annual Average of the 3-Month T-Bill Rate of Return	T-Bill: 4.76% Odessa: 5.15%	T-Bill: 2.64% Odessa: 4.83%	T-Bill: 2.64% Odessa: 4.83%
4. Certified Annual Financial Report (CAFR) Awarded a "Clean Opinion" in External Audit	100%	100%	100%
5. Annual GFOA Certificate of Achievement for Financial Reporting	22	23	24
6. Annual GFOA Distinguished Budget Award	21	22	23

Workload

1. Debt Service Per General Fund Expenditures	4.03%	7.19%	5.18%
2. Number of Accounts Payable Checks Processed	10,309	12,234	12,234
3. Number of Payroll Checks Processed	20,574	20,320	20,320

FINANCE

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$691,313	\$600,296	\$592,928	\$651,405
Supplies	19,296	20,315	20,287	20,287
Services	94,224	117,946	117,049	117,073
Maintenance	1,200	6,500	6,500	6,500
Capital Outlay	<u>11,697</u>	<u>1,399</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$817,730	\$746,456	\$736,764	\$795,265

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Assistant Director of Finance	1	0	0
Director of Finance	1	1	1
Chief Accountant	1	1	1
Jr. Accountant	1	1	1
Bookkeeper	1	1	1
Budget Manager	1	1	1
Payroll Specialist	1	1	1
Accountant	1	1	1
Budget Analyst	1	1	1
Senior Administrative Assistant	1	1	1
Finance Clerk	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	12	11	11

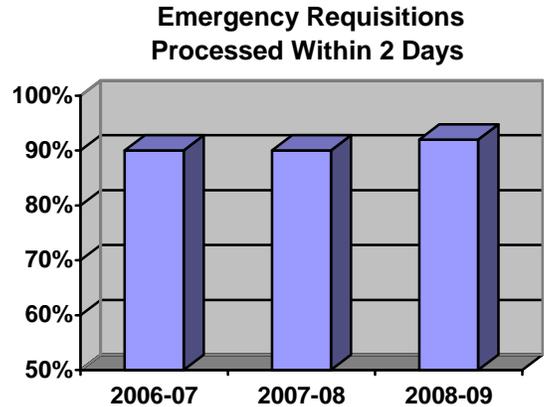
PURCHASING

Mission

The Purchasing Division supports all departments and divisions within the City of Odessa by providing centralized procurement of quality goods and services in an accurate, timely, cost effective and courteous manner while ensuring compliance with City policy and State of Texas statutes.

Departmental Goals/(City's Value Statement Goals)

1. Continue to achieve/improve upon performance measures./(Excellence)
2. Edit vendor base for formal bids in an effort to maintain a competitive environment./(Organization)
3. Expand local market for fleet purchases./(Excellence)



Objectives / Performance Measures

Effectiveness

1. Process routine requisitions (under \$500) within three (3) days.
2. Process standard requisitions (informal) within ten (10) days.
3. Process emergency requisitions within two (2) days.
4. Meet user specifications for goods/services.
5. Obtain from user departments a minimum rating of "satisfactory" for process time.
6. Obtain from user departments a rating which indicates that Purchasing personnel are helpful throughout the purchasing process.

FY 2006-07

Actual

89%

FY 2007-08

Estimate

90%

FY 2008-09

Target

90%

92%

90%

92%

90%

90%

92%

100%

100%

100%

88%

90%

90%

96%

95%

100%

PURCHASING

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$398,803	\$418,827	\$414,833	\$448,693
Supplies	14,711	13,810	13,434	13,434
Services	40,865	57,109	56,428	56,315
Maintenance	1,715	25,685	16,263	16,263
Capital Outlay	6,495	32,926	0	0
Lease Payments	<u>18,029</u>	<u>12,019</u>	<u>12,019</u>	<u>0</u>
Total Expenditures	\$480,618	\$560,376	\$512,977	\$534,705

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Purchasing	1	1	1
Senior Buyer	1	1	1
Buyer	1	1	1
Warehouse Supervisor	1	1	1
Warehouse Assistant	1	1	1
Print Shop Supervisor	1	1	1
Print Shop Assistant	1	1	1
Senior Administrative Assistant	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	8	8	8

MUNICIPAL COURT

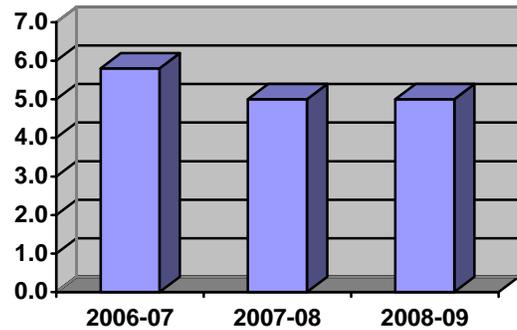
Mission

The Municipal Court exists to provide defendants and all other individuals and agencies involved in the judicial process with impartial, competent, effective, and efficient case management.

Departmental Goals/(City's Value Statement Goals)

1. Upgrade Case Management System to JEMS version 5.0/(Service)
2. Sign payment contract with Western Union./(Direction)
3. Implement VOIP Telephone System./(Excellence)
4. Implement Incentive Pay Program for Translators./ (Direction)

Number of Days to Enter Citations Into System



Objectives / Performance Measures

Effectiveness

1. On average, customers are to reach the service window within 15 minutes.
2. On average, a clerk is to complete a customer's transaction within 5 minutes of reaching the window.
3. Increase annual disposition rates by 1.5% each year.
4. 100% of all employees should receive training each year.
5. Number of employees who voluntarily pass a certification exam.
6. On average, new citations should be entered into the system within 5 working days.
7. All letters and payments should be processed within 7 days of receipt.
8. The number of unplanned absences for the department should be no more than 76 (4 for each administrative employee).

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
--	-----------------------------	-------------------------------	-----------------------------

	8 minutes	16 minutes	15 minutes
	6 minutes	7 minutes	5 minutes
	92%	106%	94%
	100%	100%	100%
	1	1	2
	5.8 days	5 days	5 days
	3.9 days	7.4 days	7 days
	95	5	4

MUNICIPAL COURT

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$1,089,426	\$1,184,238	\$1,173,555	\$1,279,599
Supplies	46,131	49,263	49,050	22,300
Services	97,549	106,430	106,430	110,820
Maintenance	12,551	23,165	11,833	9,833
Capital Outlay	<u>25,706</u>	<u>23,666</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,271,363	\$1,386,762	\$1,340,868	\$1,422,552

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Municipal Court	1	1	1
Municipal Court Judge	1	1	1
Bailiff *	2	2	2
Warrant Officer (Corporal)	1	1	1
Municipal Court Supervisor	2	2	2
Deputy Court Clerk **	19	19	19
Associate Municipal Court Judge	1	1	1
Bailiff/Warrant Officer	1	1	1
Judicial Assistant	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	29	29	29
Funding Sources:			
General Fund	24	24	24
Security Fund *	2	2	2
School Attendance Court Grant **	<u>3</u>	<u>3</u>	<u>3</u>
Total Personnel	29	29	29

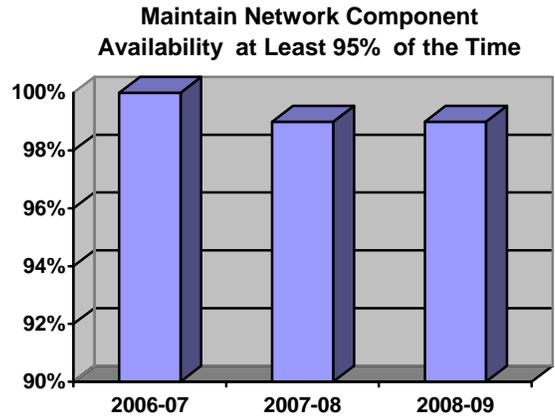
INFORMATION SERVICES

Mission

In order for City of Odessa employees to meet the business needs of the City, Information Services offers City departments telecommunications and data processing services that provide comprehensive electronic communications, responsive system access, data integrity and data security in a way that reflects service excellence qualities of technical ability, timeliness, reliability and personalized attention.

Departmental Goals/(City's Value Statement Goals)

1. Continue efforts to eliminate paper forms by creating & managing electronic documents./(Support)
2. Continue to provide state-of-the-art computer and communications tools for City staff./(Excellence)



Objectives / Performance Measures

Effectiveness

1. Provide AS/400 system availability to meet all critical application scheduling requirements.
2. Maintain critical network component availability at 95% or better of scheduled availability.
3. Maintain central radio system availability 100% of the time.
4. Respond to all critical computer and radio system emergencies within two hours.
5. Maintain a customer work order satisfaction level of good/excellent 95% of the time.

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Provide AS/400 system availability to meet all critical application scheduling requirements.	99%	99%	99%
2. Maintain critical network component availability at 95% or better of scheduled availability.	100%	99%	99%
3. Maintain central radio system availability 100% of the time.	99%	99%	99%
4. Respond to all critical computer and radio system emergencies within two hours.	100%	100%	100%
5. Maintain a customer work order satisfaction level of good/excellent 95% of the time.	100%	100%	100%

INFORMATION SERVICES

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$628,971	\$667,420	\$660,425	\$999,777
Supplies	32,501	37,940	37,940	35,500
Services	25,297	33,098	32,684	41,039
Maintenance	81,396	81,218	81,218	182,813
Capital Outlay	<u>68,282</u>	<u>30,670</u>	<u>30,670</u>	<u>56,001</u>
Total Expenditures	\$836,447	\$850,346	\$842,937	\$1,315,130

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Information Services	1	1	1
Network Support Specialist	2	2	2
Network Manager	1	0	0
Systems Manager *	1	1	1
Senior Programmer/Analyst	1	1	1
PC Support Specialist	2	2	2
Database Support Specialist	1	1	1
Web Master	1	1	1
System Administrator	0	1	1
Technical Applications Specialist	0	2	3
Public Safety PC Support Specialist	0	0	1
System Support Specialist	1	1	1
Communications Manager	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	11	14	16
Funding Sources:			
General Fund	10	13	15
Water and Sewer Fund *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	11	14	16

GENERAL FUND – NONDEPARTMENTAL

Mission

General Fund Non-Departmental provides services beneficial to all General Fund operations. These include: general liability, property insurance, City-wide memberships, and property appraisal and collection of taxes by the Ector County Appraisal District.

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$0	\$0	\$0	(\$102,622)
Supplies	309	0	0	0
Services	1,217,100	1,548,318	1,489,478	1,494,078
Maintenance	8,205	0	0	0
Capital Outlay	345,960	167,775	0	0
Lease Payments	148,413	148,409	148,409	111,309
Debt Service	<u>755,038</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$2,475,025	\$1,964,502	\$1,637,887	\$1,502,765

GENERAL FUND

Outside Agencies

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
M.O.H.R.E.	\$6,500	\$0	\$0	\$0
Teen Court	45,609	45,377	45,377	45,377
Crime Stoppers	<u>25,000</u>	<u>30,000</u>	<u>30,000</u>	<u>34,623</u>
Total Expenditures	\$77,109	\$75,377	\$75,377	\$80,000

Operating Transfers Out

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	0	0	0	0
Capital Outlay	0	0	0	0
Operating Transfers Out	<u>97,472</u>	<u>329,000</u>	<u>329,000</u>	<u>329,000</u>
Total Expenditures	\$97,472	\$329,000	\$329,000	\$329,000

2008 Special Projects

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Additional Demolition Funds	\$0	\$300,000	\$0	\$0
Civic Center Study	0	100,000	0	0
Voice Over IP System	0	400,000	0	0
Comprehensive Plan/Downtown Growth Plan	0	200,000	0	0
GIS Upgrade	0	61,000	0	0
HTE Upgrade, Tiburon Upgrade	<u>0</u>	<u>200,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$0	\$1,261,000	\$0	\$0

PUBLIC WORKS ADMINISTRATION

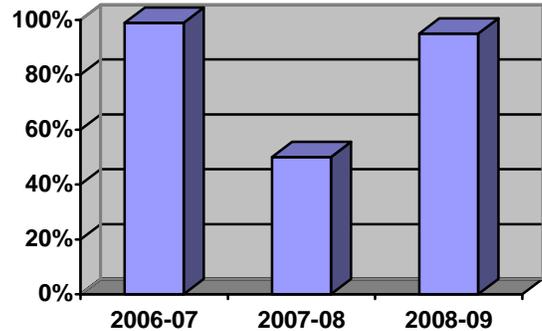
Mission

Public Works Administration provides direction and coordination of divisions in Public Works, consisting of Engineering, Building Inspection, Street, Traffic, and Solid Waste, including Household Hazardous Waste Management. These divisions of Public Works are responsible for the design, operation, and maintenance of public works improvements including streets, alleys, drainage improvements, trash pick-up and disposal, signing and traffic signal light improvements. The Administration section responds to requests from divisions and coordinates responses to private citizens, developers, and other governmental entities.

Departmental Goals/(City's Value Statement Goals)

1. Promote development and make infrastructure improvements throughout the city./(Direction)
2. Continue to work with the GIS Office to create databases for the GIS System./(Support)
3. Continue project development for the JBS Parkway/FM 3503 extension project & the extension of Spur 588, Faudree Rd./(Service)
4. Implementation of Public Works Infrastructure Capital Improvement Plan./(Service)

**Public Works CIP Projects
Percent of Completion**



Objectives / Performance Measures

Effectiveness

1. Timely Developer Responses – Continue current efforts to coordinate between developers and City departments to provide information for proposed projects in Odessa by value of completed right-of-way construction permits.
2. Percent of completion of projects in the Public Works Infrastructure Capital Improvements Plan.

	FY 2006-07 Actual	FY 2007-08 Estimate	FY 2008-09 Target
	\$5.42 million	\$5.8 million	\$6.0 million
	99%	50% *	95%

* New 2007 Funding for Street and Drainage Improvements

PUBLIC WORKS ADMINISTRATION

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$180,702	\$190,015	\$188,188	\$203,176
Supplies	1,100	1,687	1,687	1,687
Services	4,182	5,411	5,411	5,262
Maintenance	0	250	250	250
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$185,984	\$197,363	\$195,536	\$210,375

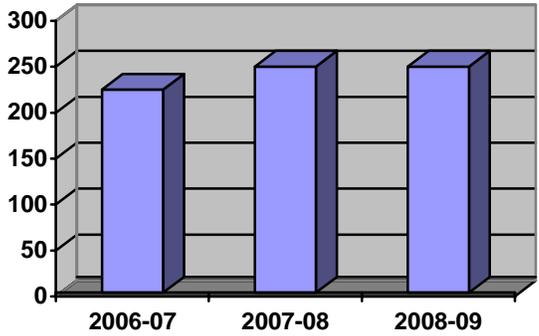
Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Public Works	1	1	1
Senior Administrative Assistant	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	2	2	2

ENGINEERING

Mission

In order to promote public safety and accessibility and to maintain the quality of design, information and construction standards, the Engineering Division provides clear and concise technical design advice and services, and implements City ordinances in a courteous and timely manner for City divisions, governmental agencies, private entities, and citizens.

<p>Departmental Goals/(City's Value Statement Goals)</p> <ol style="list-style-type: none"> 1. Review plans within 10 days./(Excellence) 2. Provide right-of-way inspections no later than 30 minutes after requested./(Excellence) 3. Provide 800 man-hours of training to division personnel./(Excellence) 	<p>Right-of-Way Permits Issued</p>  <table border="1" style="display: none;"> <caption>Right-of-Way Permits Issued Data</caption> <thead> <tr> <th>Year</th> <th>Permits Issued</th> </tr> </thead> <tbody> <tr> <td>2006-07</td> <td>225</td> </tr> <tr> <td>2007-08</td> <td>250</td> </tr> <tr> <td>2008-09</td> <td>250</td> </tr> </tbody> </table>			Year	Permits Issued	2006-07	225	2007-08	250	2008-09	250
Year	Permits Issued										
2006-07	225										
2007-08	250										
2008-09	250										
<p>Objectives / Performance Measures</p> <p><u>Effectiveness</u></p> <ol style="list-style-type: none"> 1. Timely Plan Review (Goal: 10 Days) 2. Timely Right-of-Way Inspections (Goal: 30 Min.) 3. Division Personnel Training (Goal: 800 Man-Hours) <p><u>Workload</u></p> <ol style="list-style-type: none"> 1. Customer Service Questionnaires Distributed 2. Construction Contracts Awarded 3. Right-of-Way Permits Issued 4. Flood Permits Issued 5. Plats Processed 6. Map Sales 7. Plan Reviews 8. Building Permit Plan Reviews 	<p>FY 2006-07 <u>Actual</u></p>	<p>FY 2007-08 <u>Estimate</u></p>	<p>FY 2008-09 <u>Target</u></p>								
	10 Days	< 10 Days	< 10 Days								
	30 Minutes	< 30 Minutes	< 30 Minutes								
	880 Hours	> 800 Hours	> 800 Hours								
	81	80	100								
	12	15	15								
	225	250	250								
	80	100	120								
	46	40	40								
	6	10	10								
	59	50	70								
	305	300	250								

ENGINEERING

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$934,183	\$1,088,364	\$1,077,818	\$1,212,665
Supplies	29,337	16,561	16,210	16,210
Services	63,300	111,907	63,907	79,417
Maintenance	15,958	22,530	22,530	22,530
Capital Outlay	<u>65,015</u>	<u>9,200</u>	<u>9,200</u>	<u>9,200</u>
Total Expenditures	\$1,107,793	\$1,248,562	\$1,189,665	\$1,340,022

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
City Engineer	1	1	1
Assistant City Engineer	1	1	1
Civil Engineer	1	1	1
Civil Engineering Associate – CIP *	1	1	1
Survey Party Chief	2	2	2
Construction Supervisor	1	1	1
Survey/GIS Supervisor	1	1	1
Drafting Supervisor	1	1	1
Right-of-Way Technician	2	2	2
Construction Inspector	3	3	3
Senior Drafting Technician	2	2	2
Drafting Technician	1	1	1
Survey Instrument Technician	2	2	2
Engineering GIS Technician	1	0	0
Administrative Assistant	1	1	1
GIS Analyst	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	21	21	21
Funding Sources:			
General Fund	20	20	20
Water & Sewer *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	21	21	21

BUILDING INSPECTION

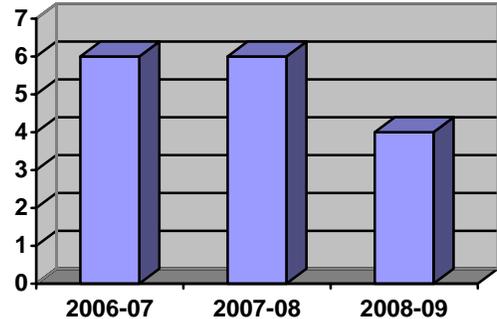
Mission

The Building Inspection Division protects the property, life, health and welfare of the community by enforcing State and Local building codes and provides courteous, efficient plan review, inspections and code enforcement and technical assistance to community building construction/planning advisory boards.

Departmental Goals/(City's Value Statement Goals)

1. Respond to each Customer Suggestion./(Attitude)
2. Review residential plans submitted for permits within 5 days./(Excellence)
3. Review commercial plans submitted for permits within 11 days./(Excellence)
4. Respond to requests for inspections in a timely manner./(Service)
5. Annually update the building, electrical, plumbing, fuel gas, mechanical and energy codes as needed, and as required by law./ (Excellence)

**Review of Residential Plans
(Number of Days)**



Objectives / Performance Measures

Effectiveness

1. Utilize and respond to customer suggestions as a means of monitoring Building Inspection services.
2. Provide timely review of residential plans submitted for permits. (5 days)
3. Provide timely review of commercial plans submitted for permits. (11 days)
4. Provide timely response for requests for inspections. (3 hrs. average)
5. Modify and update building, electrical, plumbing, mechanical and energy codes and ordinances, as required by State and Federal laws.

Workload

1. New Residential Construction Permits Issued
2. New Commercial Construction Permits Issued
3. Total New Residential Construction Value
4. Total New Commercial Construction Value
5. Total Permits Issued

FY 2006-07

Actual

100%
6 Days
7 Days
2.9 Hrs.
0 Code

FY 2007-08

Estimate

100%
6 Days
9 Days
3 Hrs.
7 Codes

FY 2008-09

Target

100%
4 Days
11 Days
4 Hrs.
5 Codes

237
51
\$50,903,754
\$50,936,811
7,568

284
63
\$60,000,000
\$70,000,000
8,000

400
80
\$75,000,000
\$93,000,000
9,000

BUILDING INSPECTION

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$511,423	\$530,813	\$525,749	\$663,453
Supplies	6,699	9,679	7,314	7,314
Services	46,658	55,283	55,283	75,966
Maintenance	1,973	8,021	8,021	8,021
Capital Outlay	<u>1,652</u>	<u>19,957</u>	<u>4,698</u>	<u>4,698</u>
Total Expenditures	\$568,405	\$623,753	\$601,065	\$759,452

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Building Official	1	1	1
Assistant Building Official	1	1	1
Plans Examiner	2	2	2
Building Codes Inspector	4	4	6
Administrative Assistant	1	1	1
Building Inspection Clerk	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	11	11	13

TRAFFIC ENGINEERING

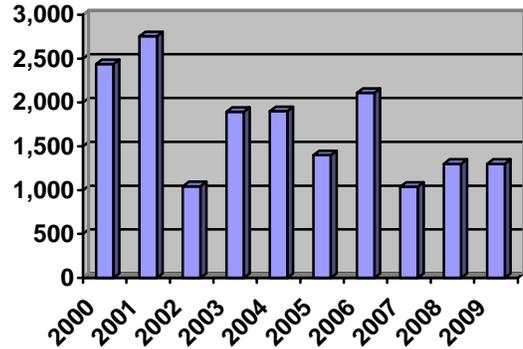
Mission

The Traffic Division installs and maintains uniform traffic control devices and responds to citizen requests and concerns in a timely, consistent manner in order to provide the safe and efficient movement of people and goods for the Odessa community.

Departmental Goals/(City's Value Statement Goals)

1. Upgrade overhead street name signs. / (Service)
2. Continue to install pavement legends using thermo-plastic for improved visibility/performance. / (Service)

Number of Signs Repaired or Replaced Each Fiscal Year



Objectives / Performance Measures

Workload

1. Signal maintenance calls (LED replacement, controller/detector malfunctions, other calls).
2. Number of signs repaired or replaced.
3. Traffic counts completed.
4. Lane miles of roadways striped.
5. Pavement markings painted (crosswalks, stopbars, arrow, etc.).
6. Upgrade ground-mounted street name signs.

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Signal maintenance calls (LED replacement, controller/detector malfunctions, other calls).	1,097	1,000	1,000
2. Number of signs repaired or replaced.	1,037	1,300	1,300
3. Traffic counts completed.	144	125	125
4. Lane miles of roadways striped.	202	200	200
5. Pavement markings painted (crosswalks, stopbars, arrow, etc.).	5,466	4,000	4,000
6. Upgrade ground-mounted street name signs.	1,413	1,150	1,150

TRAFFIC ENGINEERING

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$673,838	\$764,681	\$757,663	\$823,407
Supplies	10,758	19,922	19,150	19,150
Services	331,927	383,158	383,158	429,578
Maintenance	348,108	361,016	213,800	213,800
Capital Outlay	<u>70,719</u>	<u>249,033</u>	<u>24,998</u>	<u>24,998</u>
Total Expenditures	\$1,435,350	\$1,777,810	\$1,398,769	\$1,510,933

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Traffic Coordinator	1	1	1
Lead Signal Technician	1	1	1
Traffic Administration Supervisor	1	1	1
Data Entry Technician	1	1	1
Signal Technician I	1	1	1
Signal Technician II	2	2	2
Traffic Counter Technician	1	1	1
Traffic Operations Supervisor	1	1	1
Striping Supervisor	1	1	1
Sign Supervisor	1	1	1
Legend Supervisor	1	1	1
Paint Technician	<u>4</u>	<u>4</u>	<u>4</u>
Total Personnel	16	16	16

STREET

Mission

The Street Division provides well-maintained streets, alleys and drainage channels. We respond to customer complaints in a courteous and efficient manner so that the public may enjoy clean, smooth, and safe roadways.

Departmental Goals/(City's Value Statement Goals)	Maintenance Cost Per Street Mile										
<ol style="list-style-type: none"> 1. Maintain streets/roads in good condition./(Service) 2. Maintain adequate street lighting./(Service) 3. Maintain cleanliness of streets./(Service) 	<table border="1" style="display: none;"> <caption>Maintenance Cost Per Street Mile Data</caption> <thead> <tr> <th>Year</th> <th>Cost (\$)</th> </tr> </thead> <tbody> <tr> <td>2006-07</td> <td>9,710</td> </tr> <tr> <td>2007-08</td> <td>10,621</td> </tr> <tr> <td>2008-09</td> <td>10,908</td> </tr> </tbody> </table>			Year	Cost (\$)	2006-07	9,710	2007-08	10,621	2008-09	10,908
Year	Cost (\$)										
2006-07	9,710										
2007-08	10,621										
2008-09	10,908										
Objectives / Performance Measures	FY 2006-07	FY 2007-08	FY 2008-09								
	<u>Actual</u>	<u>Estimate</u>	<u>Target</u>								
<u>Efficiency</u>											
1. Maintenance Expenditure per Street Mile	\$9,710	\$10,621	\$10,908								
<u>Workload</u>											
1. Percentage of Crack Seal and Seal Coat Lane Miles to Total Lane Miles Maintained	12.0%	13.0%	14.0%								
2. Curb Miles Maintained by Street Sweepers	13,016	17,000	19,000								
3. Number of vacant lots mowed.	8,157	7,000	7,000								

STREET

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$1,461,652	\$1,715,823	\$1,699,827	\$1,837,484
Supplies	31,940	36,267	34,585	34,585
Services	1,884,051	1,980,177	1,980,177	2,190,417
Maintenance	1,510,135	1,735,362	1,709,571	1,709,571
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$4,887,778	\$5,467,629	\$5,424,160	\$5,772,057

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Street Superintendent	1	1	1
Street Operations Supervisor	1	1	1
Maintenance/H.E. Supervisor	1	1	1
Administrative Assistant	1	1	1
Right-of-Way Maintenance Technician	1	1	1
Maintenance Mechanic	1	1	1
Heavy Equipment Operator	4	4	4
Heavy Equipment Relief Operator	1	1	1
Street Supervisor	1	1	1
Sweeper Supervisor	1	1	1
Street Maintenance Crew Leader	4	4	4
Street Equipment Operator	4	4	4
Street Worker	12	14	14
Sweeper Operator	<u>5</u>	<u>5</u>	<u>5</u>
Total Personnel	38	40	40

PARKS AND RECREATION

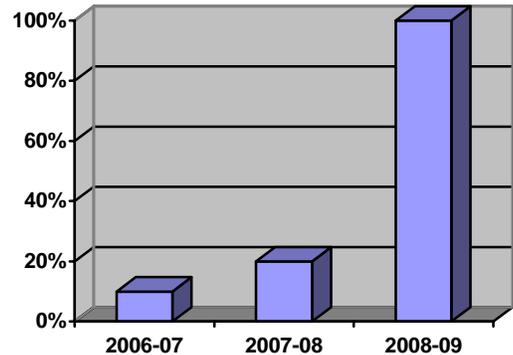
Mission

The Parks Department is responsible for creating and maintaining a system of parks dedicated to providing quality services to improve the quality of life for the citizens of Odessa. The Recreation Division is responsible for offering various training classes and activities for the citizens of Odessa.

Departmental Goals/(City's Value Statement Goals)

1. Continue to develop a system of parks, recreation facilities, open space to meet the needs of an expanding community as adopted in the 2005 Parks & Recreation Open Space & Urban Landscapes Master Plan./(Direction)
2. Update the 2005 Parks & Recreation Open Space & Urban Landscapes Master Plans Project Priority List./(Direction)
3. Provide a recreation system that includes a sufficient diversity of areas & facilities to effectively serve a population with varied characteristics, needs, & interests./ (Direction)
4. Increase special event programming through increased use of parks and facilities and successful collaborations and sponsorships with non-profit, government, & private businesses./(Organization)
5. Ensure that new and innovative programming is constantly being developed and implemented./(Direction)
6. Maintain the City's recognition from the National Arbor Day Foundation as a Tree City USA recipient./(Organization)
7. Evaluate operational efficiency versus service levels to determine cost effectiveness./(Excellence)

Skate Park Development



Objectives / Performance Measures

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Re-development of Sherwood Park	N/A	35%	85%
3. Skate Park Development	10%	20%	100%
4. Average Expenditure per Developed Acre	\$6,566	\$6,700	\$6,750
5. Average Cost per Community Center Rental	\$95	\$95	\$95
7. Recreation Program Events	10	20	25
9. Number of Acres Maintained (Developed)	553	553	553
10. Number of Acres per FTE (Maintenance)	15.8	15.8	15.8
11. Attendance Level at Floyd Gwin Pool	9,919	10,000	10,500
13. Attendance Level at Sherwood Pool	35,284	36,000	36,000
14. Attendance Level at Woodson Pool	16,115	16,500	18,000
15. Update the 2005 Master Plan Project Priority List	N/A	N/A	100%

PARKS AND RECREATION

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$1,630,548	\$1,749,487	\$1,733,587	\$1,869,112
Supplies	309,674	238,808	202,849	205,349
Services	1,381,721	1,811,532	1,809,798	1,821,239
Maintenance	167,340	263,782	188,795	186,295
Capital Outlay	<u>60,050</u>	<u>1,008,197</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$3,549,333	\$5,071,806	\$3,935,029	\$4,081,995

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Parks	1	1	1
Assistant Director of Parks	1	1	1
Irrigation Supervisor	1	1	1
Horticulturist	2	2	2
Recreation/Special Events Coordinator	1	1	1
Senior Administrative Assistant	1	1	1
Administrative Assistant	1	1	1
Small Engine Mechanic	1	1	1
Irrigation Technician	4	4	4
Parks Operations Supervisor	1	1	1
Parks Maintenance Supervisor	2	2	2
Athletic Field Supervisor	1	1	1
Parks Equipment Operator	10	10	10
Grounds Maintenance Worker	11	11	11
Parks Repairer	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	40	40	40

FIRE

Mission

The mission of the Odessa Fire Department is to save lives and property by providing services that include Fire Prevention, Fire Suppression, Emergency Medical Services, Disaster Preparedness and Fire Investigations.

Departmental Goals/ (City's Value Statement Goals)	Number of Fire Inspections										
<ol style="list-style-type: none"> 1. Increase Lifeline enrollment by 5%./(Direction) 2. Continue and expand annual PPE gear replacement program through Lifeline funds/ (Direction). 3. Continue Capital Improvement Plan for replacement of, 3 fire stations & administrative offices. / (Direction) 4. Complete apparatus replacement plan for next fleet./ (Direction) 5. Continued monitoring of response loads and review of available resources./(Organization) 	<table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Number of Fire Inspections Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Number of Inspections</th> </tr> </thead> <tbody> <tr> <td>2006-07</td> <td>1,937</td> </tr> <tr> <td>2007-08</td> <td>1,976</td> </tr> <tr> <td>2008-09 (Target)</td> <td>2,015</td> </tr> </tbody> </table>			Fiscal Year	Number of Inspections	2006-07	1,937	2007-08	1,976	2008-09 (Target)	2,015
Fiscal Year	Number of Inspections										
2006-07	1,937										
2007-08	1,976										
2008-09 (Target)	2,015										
Objectives / Performance Measures	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>								
<u>Effectiveness</u>											
1. Fire response time of 4 minutes or less 90% of the time within the City for the arrival of the first due engine company to an emergency fire suppression incident, as per NFPA 1710.	90%	90%	91%								
2. Advanced life support response time of 4 minutes or less 90% of the time within the City to an emergency medical incident, as per NFPA 1710.	93%	94%	95%								
3. To achieve an increase of 2% each year of the total number of fire inspections by the Inspection Division until we are at or above the median for the "Pick Six Comparables".	1,937	1,976	2,015								
4. To achieve an increase of 2% each year of the total number of inspections per Fire Inspector until we are at or above the median for the "Pick Six Comparables".	484	494	504								
5. To achieve an increase of 2% in the percentage of total Public Education Programs conducted each year by the Inspection Division until we are at or above the "Pick Six Comparables".	110	112	114								

FIRE

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$10,433,718	\$11,236,035	\$11,124,270	\$11,997,668
Supplies	278,798	282,988	258,792	267,042
Services	1,000,136	966,027	966,027	1,076,574
Maintenance	14,974	32,600	32,600	105,800
Capital Outlay	147,366	483,739	18,128	18,128
Lease Payments	<u>534,751</u>	<u>534,751</u>	<u>534,751</u>	<u>534,751</u>
Total Expenditures	\$12,409,743	\$13,536,140	\$12,934,568	\$13,999,963

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Fire Chief	1	1	1
Assistant Fire Chief	3	3	3
Fire Battalion Chief - Training Officer	1	1	1
GIS Coordinator *	1	1	1
Fire Battalion Chief	3	3	3
Senior Fire Captain	3	0	0
Training Captain	0	6	6
Fire Captain	24	21	21
Firefighter/Engineer/Driver	120	126	126
Fire Inspector	4	4	5
Assistant Fire Marshal	1	1	1
Fire Marshal	1	1	1
Senior Administrative Assistant	1	1	1
Administrative Assistant	1	1	1
Support Clerk	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	165	171	172
Funding Sources:			
General Fund	164	170	171
GIS Grant *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	165	171	172

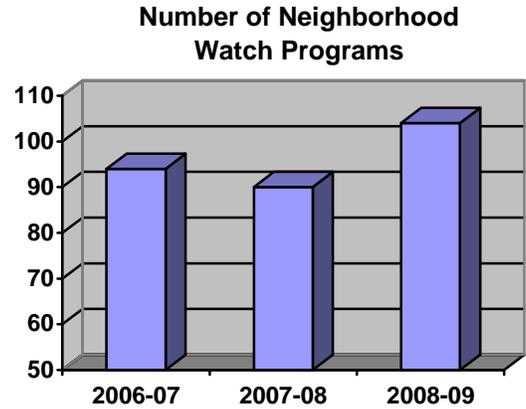
POLICE

Mission

To protect life and property in the most professional and ethical manner by providing the highest levels of contemporary law enforcement service while efficiently utilizing given resources to the maximum allowable extent.

Departmental Goals/(City's Value Statement Goals)

1. Work with citizens, businesses and other law enforcement agencies to reduce crime./(Service)
2. Increase arrests for various crimes./(Excellence)
3. Recover more stolen property./(Excellence)
4. Continue to aggressively recruit qualified personnel./(Service)
5. Obtain grants for various purposes./(Service)
6. Improve effectiveness by upgrading software, providing additional training, & procuring equipment that will allow officers & administrative personnel to work more effectively./(Excellence)



Objectives / Performance Measures

Effectiveness

1. Maintain number of DWI/DUI arrests per 1,000 population.
2. Maintain juvenile and adult part II drug arrests per 1,000 population.
3. Maintain neighborhood watch programs.
4. Maintain the production of narcotics search warrants.
5. Maintain auto theft count.

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
--	-----------------------------	-------------------------------	-----------------------------

1. Maintain number of DWI/DUI arrests per 1,000 population.	4.86	2.88	3.7
2. Maintain juvenile and adult part II drug arrests per 1,000 population.	9.22	5.34	9.0
3. Maintain neighborhood watch programs.	94	90	104
4. Maintain the production of narcotics search warrants.	81	40	100
5. Maintain auto theft count.	444	366	250

POLICE

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$13,324,908	\$14,074,631	\$13,823,145	\$14,859,745
Supplies	275,027	375,805	337,263	337,263
Services	2,187,492	2,376,030	2,376,030	3,339,292
Maintenance	48,959	129,637	90,637	77,595
Capital Outlay	89,770	125,745	69,745	69,745
Lease Payments	<u>53,657</u>	<u>53,656</u>	<u>53,656</u>	<u>0</u>
Total Expenditures	\$15,979,813	\$17,135,504	\$16,750,476	\$18,683,640

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Chief of Police	1	1	1
Deputy Chief	3	2	2
Police Captain	3	2	2
Police Lieutenant	7	8	8
Police Sergeant *	27	25	24
Police Corporal *	86	80	79
Police Officer/Desk Officer II	36	33	33
Administrative Assistant */Sr. Administrative Asst.	7	7	6
Crime Analyst	2	2	2
Police Recruit/Police Cadet	11	17	17
Clerk	16	16	16
Supervisor	3	4	4
Parking Control Officer	2	2	2
Animal Control Manager	1	1	1
Animal Control Officer	6	6	6
Kennel Attendant	4	4	4
Fiscal Affairs	1	1	1
Background Investigator	1	1	1
Criminalist	5	5	5
Public Safety Telephone Response Specialist	0	6	6
Fleet Equipment Specialist	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	223	224	221
Funding Sources:			
General Fund	220	221	221
Auto Theft Grant *	<u>3</u>	<u>3</u>	<u>0</u>
Total Personnel	223	224	221

NEIGHBORHOOD DEVELOPMENT SERVICES

Mission

To develop a working partnership involving the neighborhood residents, public officials, and service organizations to identify effective solutions to concerns or needs in city neighborhoods.

Departmental Goals/(City's Value Statement Goals)	Tonnage Collected In Clean-Up Campaigns										
<ol style="list-style-type: none"> 1. Coordinate with citizens to keep neighborhoods free of litter, junked vehicles, and clutter./(Organization) 2. Organize major clean-up/revitalization neighborhood sweeps with Keep Odessa Beautiful./(Organization) 3. Encourage citizens to plant and maintain trees in cooperation with Keep Odessa Beautiful, the City of Odessa Parks Department, and the Texas Forestry Department./(Organization) 	<table border="1" style="display: none;"> <caption>Tonnage Collected In Clean-Up Campaigns</caption> <thead> <tr> <th>Fiscal Year</th> <th>Tonnage</th> </tr> </thead> <tbody> <tr> <td>2006-07</td> <td>28</td> </tr> <tr> <td>2007-08</td> <td>30</td> </tr> <tr> <td>2008-09</td> <td>30</td> </tr> </tbody> </table>			Fiscal Year	Tonnage	2006-07	28	2007-08	30	2008-09	30
Fiscal Year	Tonnage										
2006-07	28										
2007-08	30										
2008-09	30										
Objectives / Performance Measures	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>								
<u>Effectiveness</u>											
1. Tonnage Collected From Neighborhood Sweeps Clean-Up Campaigns Annually	28	30	30								
<u>Efficiency</u>											
1. Average Number of Code Violations per Code Enforcement Officer/Inspector	2,321	3,400	3,600								
<u>Workload</u>											
1. Citizen Requests for Assistance with Neighborhood Concerns and/or Code Violations	5,415	5,600	5,800								
2. Neighborhood Meetings to Provide an Open Forum to Voice Neighborhood Concerns	50	55	55								
3. Citizen Education/Information Literature Provided	185,911	190,000	190,000								
4. Contacts Made with Internal and External Resources to Assist in Addressing Concerns	82	85	85								
5. Number of External Agencies Coordinated by NDS and Partnerships to Provide Assistance During a Clean Up Campaign.	75	80	80								

NEIGHBORHOOD DEVELOPMENT SERVICES

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$190,536	\$318,450	\$315,853	\$335,861
Supplies	29,113	37,354	23,429	23,429
Services	26,277	33,147	33,147	45,902
Maintenance	0	7,500	7,500	7,500
Capital Outlay	<u>24,701</u>	<u>52,671</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$270,627	\$449,122	\$379,929	\$412,692

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Neighborhood Services Supervisor ** ***	1	1	1
Code Enforcement Coordinator *	1	1	1
Code Enforcement Officer * **	6	7	7
Administrative Assistant ***	1	1	1
Director of Community Development *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	10	11	11
 Funding Sources:			
General Fund *	5	6	6
Community Development **	3.5	3.5	3.5
Solid Waste ***	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
Total Personnel	10	11	11
The Supervisor position is funded ½ by CDBG and ½ by Solid Waste.			

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Water and Sewer Fund
Overview

WATER AND SEWER FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$10,344,213	\$6,341,126	\$6,103,113	\$8,901,761
Less Stabilization Reserve	1,000,000	1,000,000	1,000,000	1,000,000
AVAILABLE FUND BALANCE	\$9,344,213	\$5,341,126	\$5,103,113	\$7,901,761
CURRENT REVENUES				
Water Revenue	\$19,990,609	\$24,048,000	\$23,506,982	\$24,714,900
Sewer Revenue	11,223,371	11,875,000	11,755,505	12,223,690
Interest Income	1,058,878	2,620,000	720,000	2,120,000
Sales and Charges	732,013	810,000	721,000	810,000
Other Revenue	160,048	27,800	35,000	24,000
TOTAL CURRENT REVENUES	\$33,164,919	\$39,380,800	\$36,738,487	\$39,892,590
TOTAL FINANCING SOURCES	\$42,509,132	\$44,721,926	\$41,841,600	\$47,794,351
EXPENDITURES				
Personal Services	\$4,971,230	\$6,227,173	\$6,177,799	\$6,796,841
Supplies	11,634,249	12,439,283	12,430,400	13,464,451
Services	3,363,445	3,712,176	3,634,769	3,923,078
Maintenance	580,233	1,062,744	1,036,815	1,596,102
Capital Outlay	54,545	405,854	360,854	303,105
Other Requirements				
GF Administrative Fee	2,307,874	2,306,255	2,306,255	2,441,940
Gross Receipt Payment	1,440,708	1,666,735	1,666,735	1,722,510
In Lieu of Tax	1,137,517	1,088,421	1,088,421	1,088,421
Lease Payment	366,207	7,176	7,176	5,382
Debt Service	4,389,340	7,226,848	7,226,848	7,664,269
Housing Incentive Program	34,500	677,500	500,000	500,000
Total Operating Expenditures	\$30,279,848	\$36,820,165	\$36,436,072	\$39,506,099
Capital Improvement Program	6,888,158	0	0	0
TOTAL EXPENDITURES	\$37,168,006	\$36,820,165	\$36,436,072	\$39,506,099
ENDING AVAILABLE BALANCE	\$5,341,126	\$7,901,761	\$5,405,528	\$8,288,252
Plus Stabilization Reserve	1,000,000	1,000,000	1,000,000	1,000,000
ENDING FUND BALANCE BEFORE ENCUMBRANCES	\$6,341,126	\$8,901,761	\$6,405,528	\$9,288,252
Encumbrances	131,218	0	0	0
ENDING FUND BALANCE	\$6,209,908	\$8,901,761	\$6,405,528	\$9,288,252

WATER AND SEWER FUND

SYSTEM OVERVIEW AND TREND ANALYSIS

The City of Odessa Water and Sewer Fund is a utility enterprise fund which provides for the treatment of water entering the system, the distribution of water to customers, wastewater collection and reclamation processes, laboratory services to ensure customer safety and compliance with federal and state mandates, and the billing and collection of the costs of service to both water and sewer customers.

The current number of customer accounts for water services equals 35,675. This is a 7.11% increase in customer accounts over the last five years. The majority of the same customers have sewer accounts as well. The billing and collection office currently handles an average of 280 customer account resolutions per day, whether by phone or walk-in. Approximately 480 customers per day pay their bills in person.

Raw water transportation is administered by the Colorado River Municipal Water District and delivered to the City's water treatment plant. A total of 7.438 billion gallons of water was processed and distributed throughout the system in fiscal year 2007-08. This delivery is 7.59% higher than the 5-year annual average of 6.913 billion gallons. The maximum demand is approximately 37.94 million gallons per day (mgd).

The infrastructure needed to meet this demand each day consists of roughly 617.67 miles of water mains. Three booster pump stations aid in keeping the water distributed through the system and 2,106 fire hydrants provide emergency access to water for fire services. Water storage in the system consists of 3 elevated tanks holding a total of 6 million gallons of treated water, and 4 ground storage tanks with a capacity of 14.0 million gallons of treated water.

Demand for treated water reciprocally creates the demand in most cases for wastewater collection as well. In fiscal year 2007-08, wastewater customer accounts numbered 30,194, showing a 4.18% increase since the 2003-04 fiscal year. Approximately 2.207 billion gallons of wastewater was treated in 2007-08, a decrease of 2.26% compared to the previous year. The amount of effluent treated is only slightly higher than the 5-year annual average of 2.189 billion gallons since fiscal year 2004. The maximum daily flow of wastewater to the Bob Derrington Water Reclamation Plant is 10.37 million gallons per day (mgd) through 489.14 miles of sewer mains. Three lift stations aid in delivering wastewater to the plant and 6,408 manholes allow for continued maintenance of the system. Residential billing of wastewater services is calculated based on water consumption during the winter months of December, January and February of each year.

While the average customer base and water delivery do not vary dramatically over a span of five years, incremental increases in water and sewer rates have been necessary to continue the compensation program and cover rising costs for raw water, chemicals, equipment maintenance and electricity.

Water and Sewer revenue accounts for 92.60% of the total revenue supporting the fund. The following discussion illustrates the resulting revenue requirements based on the above trends, while also driven by the requisite expansion in operating expenditures.

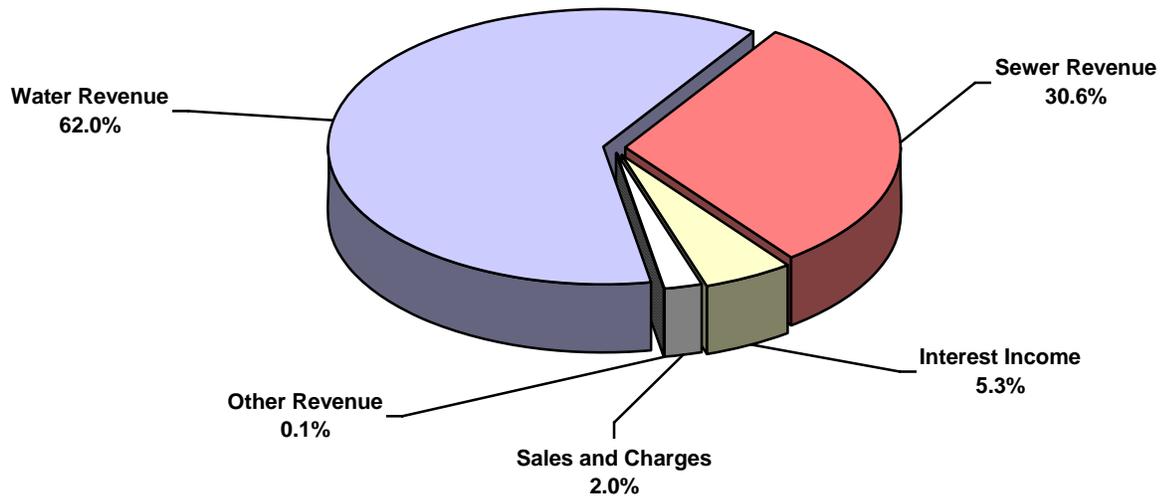
WATER AND SEWER FUND

OVERVIEW

Revenues

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
Water Revenue	\$19,990,609	\$24,048,000	\$23,506,982	\$24,714,900
Sewer Revenue	11,223,371	11,875,000	11,755,505	12,223,690
Interest Income	1,058,878	2,620,000	720,000	2,120,000
Sales and Charges	732,013	810,000	721,000	810,000
Other Revenue	160,048	27,800	35,000	24,000
Total Revenue	<u>\$33,164,919</u>	<u>\$39,380,800</u>	<u>\$36,738,487</u>	<u>\$39,892,590</u>

**WATER AND SEWER FUND
2008-09 REVENUES BY SOURCES**



WATER AND SEWER FUND

OVERVIEW

Revenues

The Water and Sewer Fund is an "Enterprise Fund" which is self-supported by user fees. The water and sewer rates are structured as uniform volume rates designed to promote water conservation. Revenue generated is used for the operation and maintenance of the water and sewer system, infrastructure improvements, plant security and for annual debt service requirements of revenue bonds issued for the construction of system facilities. The following is a comparative summary of Water and Sewer Fund revenues.

<u>Source</u>	2008-09 Budget		Increase / (Decrease) from 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Water Revenue	\$24,714,900	61.95%	\$1,207,918	5.14%
Sewer Revenue	12,223,690	30.64%	468,185	3.98%
Interest Income	2,120,000	5.31%	1,400,000	194.44%
Sales and Charges	810,000	2.03%	89,000	12.34%
Other Revenue	<u>24,000</u>	<u>0.06%</u>	<u>(11,000)</u>	<u>(31.43%)</u>
TOTAL	\$39,892,590	100.00%	\$3,154,103	8.59%

In 2008-09 water and wastewater rates will experience a 3% increase compared to the previous year. The additional revenue generated by the rate increases will help cover water purchases costs, a 5% salary increase for all full time personnel and the rising costs of chemicals, water and sewer line repair and replacement, and fleet maintenance.

The total 2008-09 budgeted revenues for the Water and Sewer Fund equal \$39,892,590 and represent an increase of \$3,154,103, or 8.59%, compared to 2007-08 numbers. It is anticipated that water revenue will increase by \$1,207,918, or 5.14%, and sewer revenue will increase by \$468,185, or 3.98%, compared to the previous year.

Interest income is expected to rise by 194.44%. The additional interest is projected to be generated by the \$62,855,000 Certificate of Obligation bond issue of 2007 that consultants are currently evaluating for a revised Water and Sewer Master Plan.

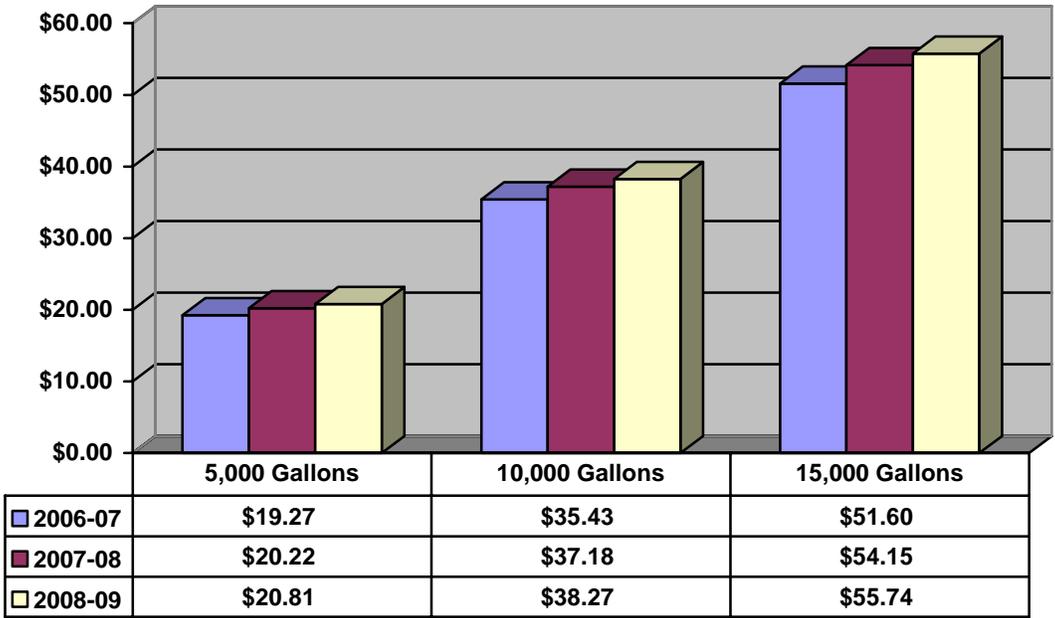
It is anticipated that Sales and Charges will generate an additional \$89,000 in revenue due to an increase in delinquent account fees. This represents an increase of 12.34% compared to 2007-08 numbers.

Other Revenue is expected to fall by \$11,000 or 31.43% in 2008-09. This year's projection is in line with actual and estimated revenues generated in previous years.

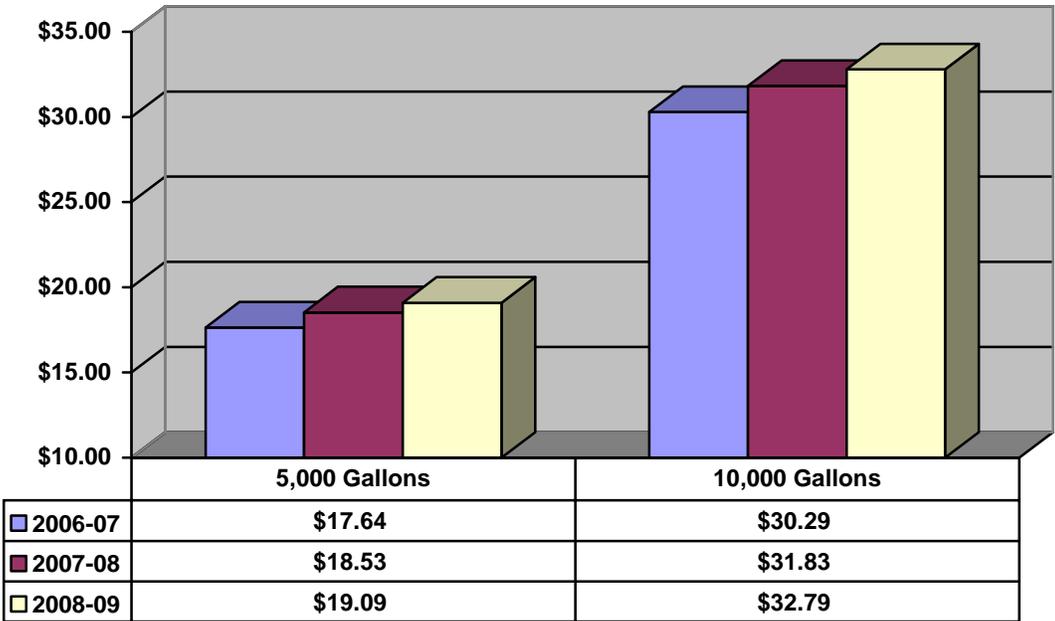
The following graphs illustrate the impact that the 2008-09 water and sewer rates will have on consumers.

WATER AND SEWER FUND OVERVIEW

WATER RATES
COMPARED BY GALLON USAGE

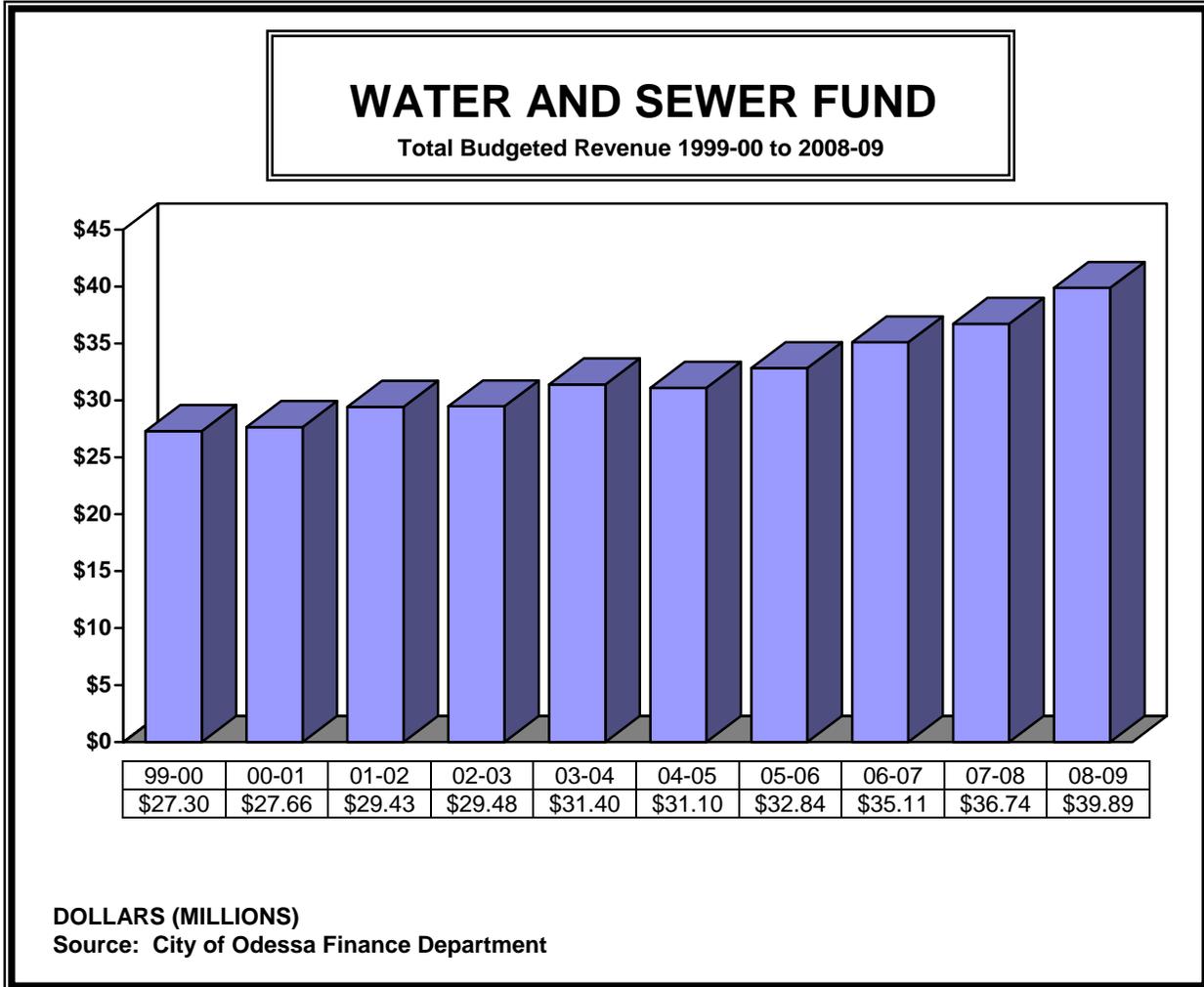


WASTEWATER RATES
COMPARED BY GALLON USAGE



WATER AND SEWER FUND

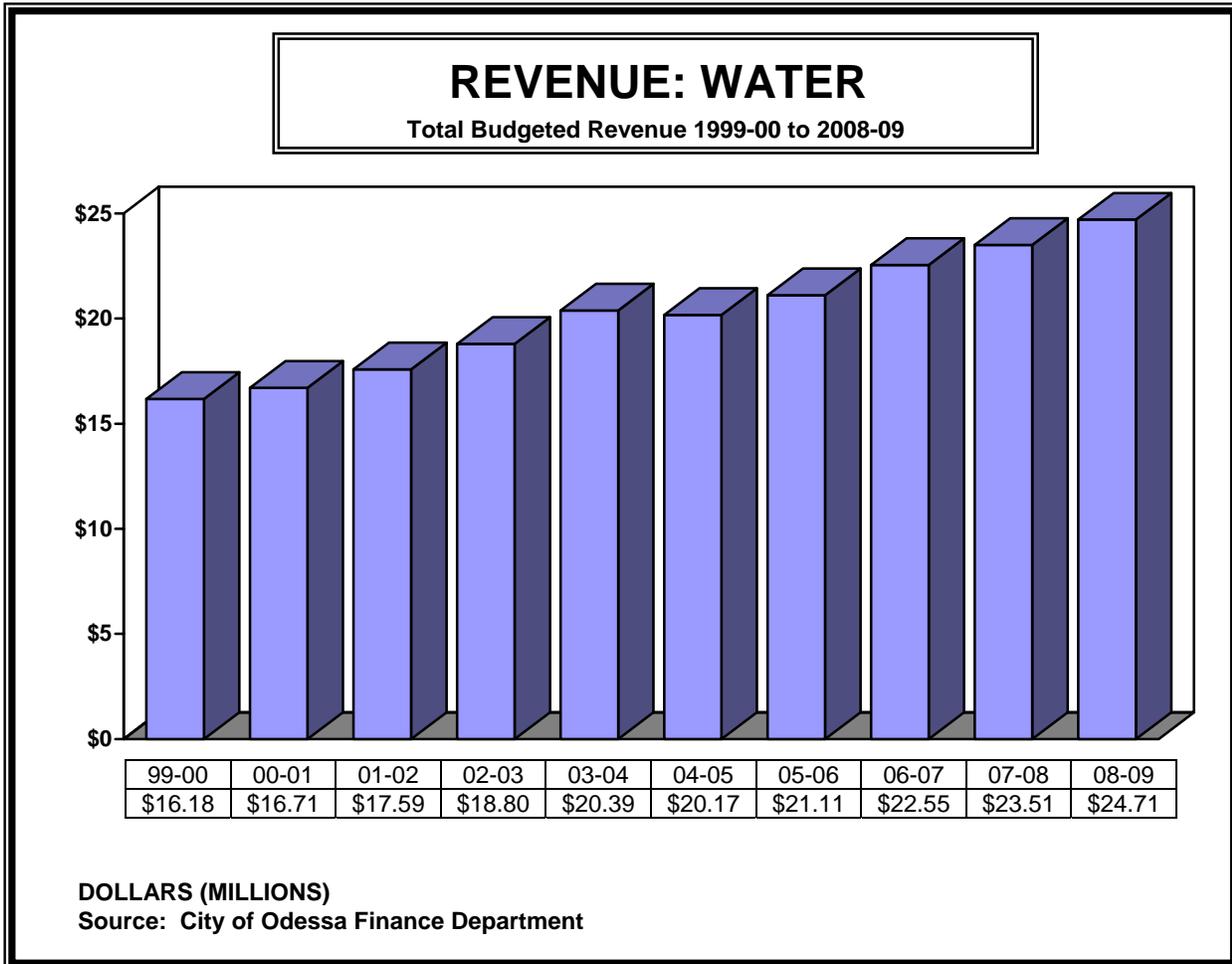
OVERVIEW



Over the past ten years, water and sewer revenue has risen by 46.12%. It is anticipated that approximately \$39.89 million in revenue will be generated in 2008-09. This reflects an 8.57% increase over last year's numbers. As the Water and Sewer Fund is an enterprise fund, its revenues must be adequate to offset its expenditures. Consequently, it has been necessary to increase water and sewer rates in 6 of the past 10 years in order to fund improvements, maintain regulatory compliance, and increase plant capacities. Funded by this revenue, in the last fiscal year an engineering firm was selected to conduct the Infrastructure Rehabilitation Program, and the AMR meter replacement project was evaluated for city-wide implementation. In 2008-09, a 3% rate increase will be implemented for both water and sewer services. Revenue generated by the rate adjustments will fund certain capital projects, continuation of the assessment of safety/security needs of the plants, meet the rising cost of chemicals and fleet maintenance, and the market based necessity for increases in compensation of Water and Sewer personnel.

WATER AND SEWER FUND

OVERVIEW



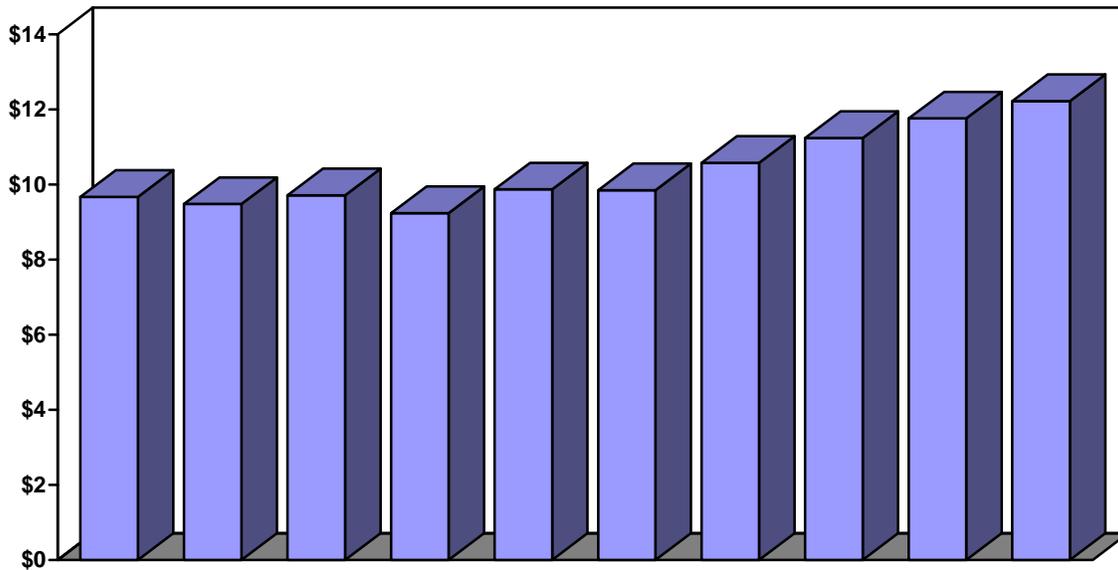
Water revenue has increased by 52.72% in the past ten years. It is anticipated that \$24.71 million in revenue will be generated in 2008-09, a 5.10% increase over last year's budgeted revenues. Over the years, the City of Odessa has invested significantly in the areas of water infrastructure, water analysis, treatment and distribution efficiencies and maintenance of regulatory compliance. During this same time period, the City's cost in purchasing water from the Colorado Municipal Water District has risen significantly due to escalating electrical costs and overhead. Water rates have been adjusted six times in the past ten years to generate sufficient revenue to offset these delivery costs. In 2008-09, water rates will increase by 3%. The additional revenue generated by the adjustment will fund rehabilitation of a plant filter effluent line, replacement of pumps, a sludge disposal study and reestablishment of the valve replacement program. Also, funding has been allocated for fleet maintenance increases, and a 5% personnel compensation adjustment, plus training and support for licensing personnel to meet TCEQ requirements. In an effort to preserve the revenue base, new methods are being evaluated to reduce water treatment costs as the influx of international exports of specific chemicals (sodium hydroxide) from U.S. suppliers has caused shortages throughout the country in the last fiscal year.

WATER AND SEWER FUND

OVERVIEW

REVENUE: WASTEWATER

Total Budgeted Revenue 1999-00 to 2008-09



99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
\$9.67	\$9.48	\$9.71	\$9.24	\$9.87	\$9.85	\$10.58	\$11.24	\$11.76	\$12.22

DOLLARS (MILLIONS)

Source: City of Odessa Finance Department

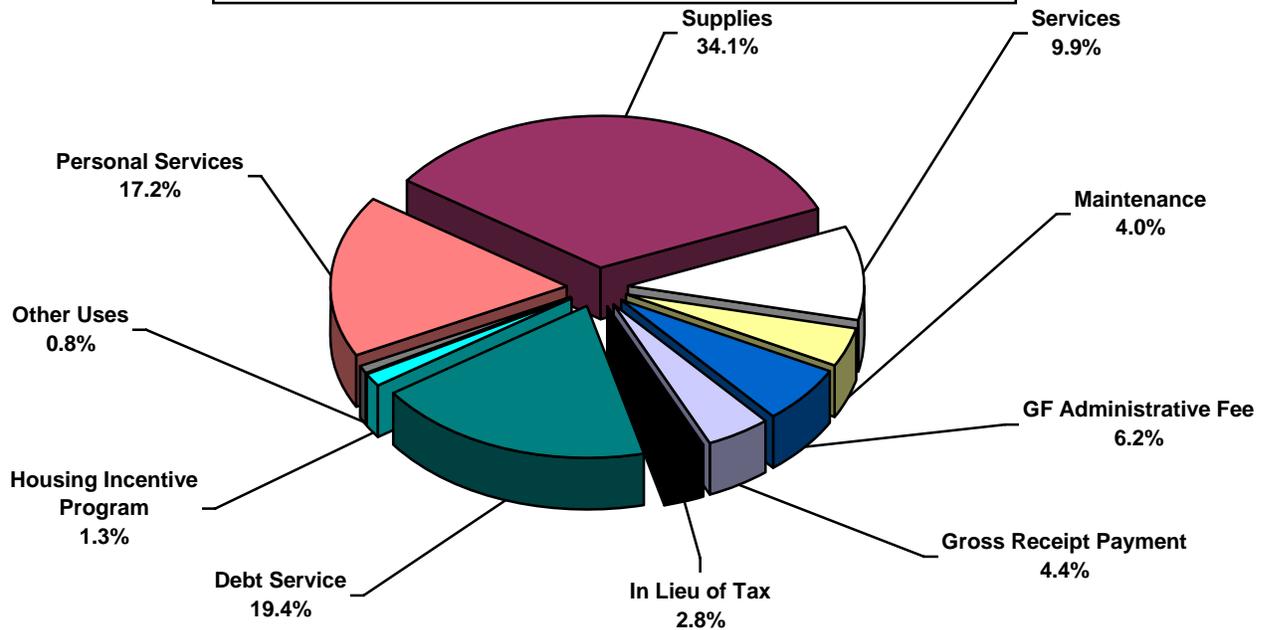
Over the past ten years, wastewater revenue has increased by 26.37%. It is anticipated that approximately \$12.22 million in revenue will be generated in 2008-09. This reflects an increase of 3.91% compared to budgeted revenue for 2007-08. The City of Odessa has allocated substantial monies toward the funding of numerous wastewater capital improvements, collection/reclamation efficiencies, and mandated state and federal regulatory compliance issues during the last decade like the TCEQ Sanitary Overflow initiative in the last fiscal year. Operating as an enterprise fund, the revenues collected must compensate for the inherent expenditures. As a result, wastewater rates have been increased six times during this time period to pay for enhancements such as the first three phases of sewer Line "H" and the Manhole Replacement program. In 2008-09, a 3% wastewater rate increase will be implemented to aid in funding the replacement of four aerator shafts, a scum baffle in a final clarifier and an upgrade to the PLC system. Also the third round of aerator disc replacements is to begin along with the installation of standby gas induction pumps. Lastly, revenue generated by the rate adjustment will help fund the rising cost of chemicals and fleet maintenance, and a 5% increase in personnel compensation.

WATER AND SEWER FUND OVERVIEW

Expenditures by Classification

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
Personal Services	\$4,971,230	\$6,227,173	\$6,177,799	\$6,796,841
Supplies	11,634,249	12,439,283	12,430,400	13,464,451
Services	3,363,445	3,712,176	3,634,769	3,923,078
Maintenance	580,233	1,062,744	1,036,815	1,596,102
Capital Outlay	54,545	405,854	360,854	303,105
GF Administrative Fee	2,307,874	2,306,255	2,306,255	2,441,940
Gross Receipt Payment	1,440,708	1,666,735	1,666,735	1,722,510
In Lieu of Tax	1,137,517	1,088,421	1,088,421	1,088,421
Lease Payment	366,207	7,176	7,176	5,382
Debt Service	4,389,340	7,226,848	7,226,848	7,664,269
Housing Incentive Program	34,500	677,500	500,000	500,000
Total Expenditures	<u>\$30,279,848</u>	<u>\$36,820,165</u>	<u>\$36,436,072</u>	<u>\$39,506,099</u>

WATER AND SEWER FUND 2008-09 EXPENDITURES BY CLASSIFICATION



WATER AND SEWER FUND

OVERVIEW

Expenditures

Increases in chemical costs, the construction of new infrastructure, the rising cost of fleet maintenance, and the implementation of a new employee compensation plan highlight the Water and Sewer Fund budget for the 2008-09 fiscal year. Total operating expenditures for 2008-09 increased by 8.43% compared to 2007-08 numbers. The largest increase in expenditures occurred in the Supplies category, with an increase of \$1,034,051, or 8.32%. This increase is largely due to the higher cost of water purchases from the Colorado River Municipal Water District and substantial chemical costs. Overall expenditures for the Water and Sewer Fund have increased 8.43% compared to the previous 2007-08 budget.

<u>Source</u>	2008-09 Budget		Increase / (Decrease) from 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$6,796,841	17.20%	\$619,042	10.02%
Supplies	13,464,451	34.08%	1,034,051	8.32%
Services	3,923,078	9.93%	288,309	7.93%
Maintenance	1,596,102	4.04%	559,287	53.94%
Capital Outlay	303,105	0.77%	(57,749)	(16.00%)
Other Requirements	5,258,253	13.31%	189,666	3.74%
Debt Service	7,664,269	19.40%	437,421	6.05%
Housing Incentive Program	500,000	1.27%	0	0.00%
TOTAL OPERATING	\$39,506,099	100.00%	\$3,070,027	8.43%
CIP Program	0	0.00%	0	0.00%
TOTAL	\$39,506,099	100.00%	\$3,070,027	8.43%

In 2008-09, the staffing levels of the Water and Sewer Fund are at 135.5 positions, one more position than last year. Most of the 10.02% increase in Personal Services will be used to fund a 5% salary increase for full time employees and increases in the cost of employee benefits, such as TMRS (retirement) and health insurance coverage.

The budget for Supplies has increased by \$1,034,051, or 8.32%. Most of this increase is due to the rising costs of water purchases and chemicals.

The Services category has experienced a \$288,309, or 7.93% increase compared to last year's budget. The majority of this increase is due to the rising cost of fleet maintenance.

The budget for Maintenance has increased by 53.94% compared to last year. Most of the \$559,287 increase will be used to fund the repair and replacement of water and sewer lines and plant rehab.

The Capital Outlay category has decreased by \$57,749, or 16.00%. The budget for this category varies from year to year, depending upon the need to purchase big-ticket items.

WATER AND SEWER FUND

OVERVIEW

Expenditures (cont.)

Other Requirements are reimbursement payments to the General Fund for administrative fees, gross receipt payments, and Water and Sewer assessment charges. An indirect cost allocation plan to determine administrative cost reimbursements due to the General Fund is performed each year by an outside consultant. In keeping with the percentage assessed to other utilities operating in Odessa, 5% is charged on actual gross receipts.

Refunding Revenue Bonds, Series 2001 were issued in 2001-02 in order to refund the outstanding Waterworks and Sewer System Revenue Bonds, Series 1992, 1992A and 1992B. The bonds were issued to lower the overall debt service requirement by taking advantage of a lower interest rate, reducing the cash reserve fund and purchasing a \$5,000,000 surety bond. The issuance of the refunding bonds reduced the annual debt service payment to \$4.6 million, a savings of approximately \$500,000 per year.

In 2006-07, the Housing Incentive Program category was created in order to facilitate the development of housing. Funds in the amount of \$500,000 have been set aside in 2008-09 to cover the cost of extending water and sewer mains into previously undeveloped areas.

General Obligation Refunding Bonds, Series 2006, were issued in 2006-07 in the amount of \$18,735,000 at a 4% interest rate. Of this amount, \$12,830,000 was issued to advance refund a portion of the outstanding Waterworks and Sewer System Revenue Bonds, Series 2001, in the amount of \$12,225,000 in order to lower the overall debt service requirements of the City. The issuance of the advance refunding bonds reduced the total debt service requirements by \$651,551 over the life of the issue.

Combination Tax and Revenue Certificates of Obligation, Series 2007, were issued in 2007-08 in the amount of \$62,855,000 at a 5% interest rate. These funds will be used to make various water and sewer improvements as a master plan is developed.

Fund Balance

In 2007-08, fund balance increased by \$2.69 million from the 2006-07 ending fund balance of \$6,209,908 (without encumbrances). The approved budget for the Water and Sewer Fund does not include an allocation for Capital Improvements as a \$65,000,000 Bond Issue in late 2007 will meet these needs in 2008-09 as projects are approved. The 2008-09 budget is appropriated with projected revenues (\$39,892,590) in excess of funded expenditures (\$39,506,099) returning \$386,491 to fund balance for this year.

WATER AND SEWER FUND

OVERVIEW

Expenditures by Function

	<u>2006-07</u> <u>Actual</u>	<u>2007-08</u> <u>Estimated</u>	<u>2007-08</u> <u>Budget</u>	<u>2008-09</u> <u>Budget</u>
Billing and Collection	\$1,630,767	\$1,858,795	\$1,827,591	\$2,090,730
Non-Departmental	5,710,408	5,559,379	5,558,748	5,748,414
Debt Service	4,389,340	7,226,848	7,226,848	7,664,269
TOTAL FINANCE	<u>\$11,730,515</u>	<u>\$14,645,022</u>	<u>\$14,613,187</u>	<u>\$15,503,413</u>
Utilities Administration	\$521,547	\$586,279	\$581,186	\$618,924
Water Distribution	1,396,207	1,916,565	1,892,435	2,038,534
Water Treatment	1,632,643	2,076,608	2,055,920	2,463,672
Bob Derrington W/R Plant	2,387,242	2,661,434	2,641,096	2,845,271
Wastewater Collection	624,077	869,651	865,278	1,084,360
Laboratory	675,523	762,922	741,718	815,807
Utilities GIS	0	130,886	130,000	147,414
Repair and Replacement	221,042	700,064	695,554	1,116,554
Water Purchase	10,731,426	11,209,698	11,209,698	11,862,150
Gulf Coast	325,126	383,536	310,000	310,000
Housing Incentive Program	34,500	677,500	500,000	500,000
Participation In Line Extensions	0	200,000	200,000	200,000
TOTAL UTILITIES	<u>\$18,549,333</u>	<u>\$22,175,143</u>	<u>\$21,822,885</u>	<u>\$24,002,686</u>
Capital Improvement Program	<u>\$6,888,158</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL CIP PROGRAM	<u>\$6,888,158</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Expenditures	<u>\$37,168,006</u>	<u>\$36,820,165</u>	<u>\$36,436,072</u>	<u>\$39,506,099</u>

WATER AND SEWER FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
WATER & SEWER FUND			
Utilities			
Billing & Collection	Furniture and Office Equipment	\$4,000	
	Data Processing Equipment	<u>9,816</u>	
	Subtotal Billing & Collection		\$13,816
Non-Departmental	Data Processing Equipment	<u>35,000</u>	
	Subtotal Water Treatment		35,000
Utility Administration	Data Processing Equipment	<u>1,041</u>	
	Subtotal Administration		1,041
Water Treatment	Machinery & Equipment	31,000	
	Data Processing Equipment	<u>3,000</u>	
	Subtotal Water Treatment		34,000
Bob Derrington Plant	Machinery & Equipment	14,748	
	Data Processing Equipment	<u>3,000</u>	
	Subtotal Derrington Plant		17,748
Utilities GIS	Furniture & Office Equipment	<u>1,500</u>	
	Subtotal Derrington Plant		1,500
Utility Infrastructure	Line Extensions	<u>200,000</u>	
	Subtotal Utilities Infrastructure		200,000
TOTAL CAPITAL OUTLAY – WATER / SEWER FUND			<u>\$303,105</u>

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Water and Sewer Fund
Detail by Department/Division

WATER AND SEWER FUND

DEPARTMENTS/DIVISIONS

Billing and Collection

Utilities Administration

Water Distribution

Water Treatment Plant

Bob Derrington Water Reclamation Plant

Wastewater Collection

Laboratory Services

Utilities GIS

Repair and Replacement

Non-Departmental

Housing Incentive Program

Water Purchases

Gulf Coast

Debt Service Payment

Participation in Line Extensions

BILLING AND COLLECTION

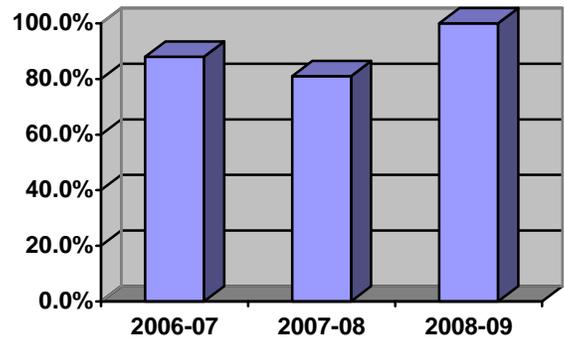
Mission

To provide outstanding service to the citizens and City of Odessa through timely and accurate billing and collection for utility, ambulance, license and permit and miscellaneous accounts receivable transactions. To partner with the citizens of Odessa in meeting their information and service needs in relation to the variety of services provided.

Departmental Goals/(City's Value Statement Goals)

1. Allow customers to make payments online and to access the interactive voice response telephone system, 24 hours per day, 7 days a week. (Service)
2. Improve the quality of customer service using the voice recording management equipment as a principal training tool. (Excellence)
3. Improve the efficiency of operations through utilization of our software vendor. (Excellence)
4. Process mail-in payments more efficiently using new electronic remittance technology. (Excellence)

Perform All Customer-Requested Meter Reads in 7 Days



Objectives / Performance Measures

Effectiveness

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Maintain meter reading accuracy at an annual average of 99.8% or greater.	99.98%	99.98%	99.80%
2. Perform all customer requested re-reads in 7 days or less.	88%	81%	100%
3. Collect 55% of billed ambulance charges annually.	64%	65.5%	55%
4. Percentage of payments processed through automated means.	14.3%	16.3%	18.0%
5. Notify all license and permit customers 30 days prior to expiration of their licenses.	100%	100%	100%
6. Quality assurance monitoring of customer service - Maintain an average rating of 90%	86.3%	85.2%	90%

BILLING AND COLLECTION

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$1,291,282	\$1,435,404	\$1,423,573	\$1,580,946
Supplies	146,546	172,873	167,500	189,469
Services	103,969	129,200	129,200	167,619
Maintenance	84,893	116,318	102,318	138,880
Capital Outlay	<u>4,077</u>	<u>5,000</u>	<u>5,000</u>	<u>13,816</u>
Total Expenditures	\$1,630,767	\$1,858,795	\$1,827,591	\$2,090,730

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Billing and Collection	1	1	1
Systems Manager *	1	1	1
Legal Assistant/Paralegal **	1	1	1
Supervisor of Customer Service	1	1	1
Billing & Collection Manager	1	1	1
Utility Field Supervisor	1	1	1
Cashier Supervisor	1	1	1
Senior Billing Clerk	1	1	1
Senior Administrative Assistant	1	1	1
Secretary	1	1	1
Cashier	4	4	4
Field Collector	2	2	2
Billing Clerk	2	2	2
Customer Service Representative ***	7	7	7
Field Representative	2	2	2
Water Meter Reader	5	5	5
EMS Billing Coordinator	0	0	2
EMS Billing Clerk	<u>2</u>	<u>2</u>	<u>1</u>
Total Personnel	34	34	35
Funding Sources:			
General Fund **	0.5	0.5	0.5
Solid Waste Fund ***	1	1	1
Water & Sewer*	<u>32.5</u>	<u>32.5</u>	<u>33.5</u>
Total Personnel	<u>34</u>	<u>34</u>	<u>35</u>
* Reports to Information Services			
** Reports to City Attorney			

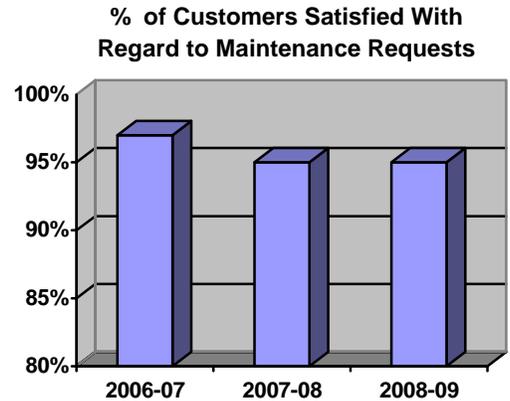
UTILITIES ADMINISTRATION

Mission

The Utilities Administration Division assumes overall responsibility for providing water and wastewater treatment as well as distribution and collection services, ensuring regulatory compliance, monitoring customer satisfaction, providing managerial and clerical support to all Utilities divisions, and overseeing the Utilities Capital Improvement Program.

Departmental Goals/(City's Value Statement Goals)

1. Comply with the TCEQ Sanitary Sewer Overflow Initiative./(Organization)
2. Utilize Utilities GIS information to make operation of the distribution and collection system more efficient./ (Excellence)
3. Develop Utilities Capital Improvements & Rehabilitation Program Projects./(Service)
4. Implement infrastructure rehabilitation program./(Direction)
5. Develop Strategy to recruit & maintain employees for budgeted positions./(Direction)



Objectives / Performance Measures

Effectiveness

1. Percentage of Customers Requesting Water and Sewer Maintenance Services Surveyed as to Their Level of Satisfaction (Goal: 100%)
2. Percentage of Customers Satisfied with Utilities Administration's Handling of Maintenance Requests (Goal: 100% Satisfaction)
3. Percentage of State, Treatment Plants, and Contract Customer Reports Which are Reported Within Established Time Frames (Goal: 100% of the Time)
4. Percentage of Capital Improvement Program Projects Initiated in Fiscal Year Proposed (Goal: 100% of the Time)

FY 2006-07
Actual

FY 2007-08
Estimate

FY 2008-09
Target

100%

100%

100%

97%

95%

95%

99%

100%

100%

100%

100%

100%

UTILITIES ADMINISTRATION

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$428,924	\$464,877	\$460,934	\$497,829
Supplies	32,334	44,166	43,947	43,947
Services	56,302	75,197	74,266	75,109
Maintenance	150	998	998	998
Capital Outlay	<u>3,837</u>	<u>1,041</u>	<u>1,041</u>	<u>1,041</u>
Total Expenditures	\$521,547	\$586,279	\$581,186	\$618,924

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Utilities	1	1	1
Asst. Dir. Utilities/Treatment	1	1	1
Utilities GIS Supervisor	1	1	1
Utilities GIS Technician*	1	1	1
Utilities Office Manager	1	1	1
Utilities GIS Clerk*	1	0	0
Utilities Radio Dispatcher	1	1	1
Utilities Payroll/Purchasing Clerk	1	1	1
Utilities Receptionist	1	1	1
Utilities GIS Analyst*	0	1	1
Utilities GIS Worker*	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	10	10	10
Funding Sources:			
Water & Sewer	7	7	10
Water & Sewer CIP (GIS)*	<u>3</u>	<u>3</u>	<u>0</u>
Total Personnel	10	10	10

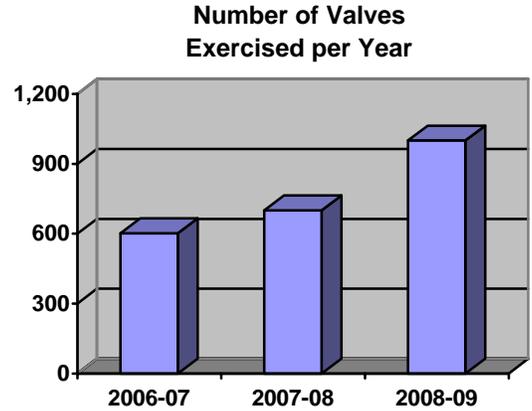
WATER DISTRIBUTION

Mission

The Water Distribution Division maintains the water distribution system through a proactive operations and maintenance program so that a safe potable water supply is delivered to customers continuously and in compliance with state regulations.

Departmental Goals/(City's Value Statement Goals)

1. With the assistance of Engineering and/or outside agencies, identify, design, and contract CIP and infrastructure rehabilitation program projects for the distribution system. (Organization)
2. Continue developing standard operating procedures for the remaining tasks and functions. (Direction)
3. Continue Division Accident Review Board. (Direction)
4. Develop task-oriented training program for new and existing employees. (Excellence)



Objectives / Performance Measures

Effectiveness

1. Percentage of Compliance With TCEQ Regulations (Goal: 100%)

Workload

1. Number of ¾" Meters Changed Out (Goal: Change out all ¾" water meters seven years of age and older.)
2. Number of 1" Meters Changed Out (Goal: Change out all 1" meters that are seven years of age and older.)
3. Number of Valves Exercised (Goal: 2,000/year)

FY 2006-07

Actual

100%

697 *

53 *

602

FY 2007-08

Estimate

100%

N/A *

N/A *

700

FY 2008-09

Target

100%

N/A *

N/A *

1,000

* Change outs pending determination of status of proposed AMR project.

WATER DISTRIBUTION

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$861,106	\$1,312,613	\$1,302,603	\$1,399,674
Supplies	25,565	38,554	37,984	37,984
Services	362,180	415,956	415,956	464,984
Maintenance	139,641	135,892	135,892	135,892
Capital Outlay	<u>7,715</u>	<u>13,550</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,396,207	\$1,916,565	\$1,892,435	\$2,038,534

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Assistant Director of Utilities/Field Operations	1	1	1
Civil Engineer Associate*	1	1	1
Utilities Field Operations Clerk	1	1	1
Utilities Field Operations Supervisor	3	3	3
Field Operations Crewleader	6	6	6
Meter Operations Coordinator	1	1	1
Utilities Field Equipment Operator	6	6	6
Field Operations Technician	11	7	7
Utility Field Operations Worker	<u>0</u>	<u>4</u>	<u>4</u>
Total Personnel	30	30	30
* Reports to the Engineering division of Public Works.			

WATER TREATMENT PLANT

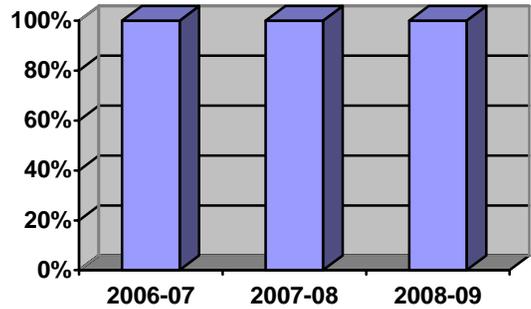
Mission

The Water Treatment Plant treats raw water to produce potable water meeting all federal and state primary drinking water standards and delivers treated water of sufficient volume and pressure to meet state requirements.

Departmental Goals/(City's Value Statement Goals)

1. Conduct engineering study to determine best option for disposal of water treatment plant sludge./(Excellence)
2. Continue to evaluate, initiate, and install security improvements./(Direction)
3. Continue to evaluate personnel positions, job requirements, and performance in a tight labor market./(Organization)
4. License or recruit operators with C or B licenses./(Direction)
5. Complete installation of second electrical feed into plant for back-up power./(Direction)

% of Time That Customer Demand for Water is Met



Objectives / Performance Measures

Effectiveness

1. Comply with state and federal Primary Drinking Water Standards 100% of the time.
2. Meet customer water quantity demands 100% of the time.
3. Maintain TCEQ requirements for water system pressures 100% of the time.
4. Ensure that, during days of peak usage, less than 90% of plant capacity is used 100% of the time.

FY 2006-07
Actual

FY 2007-08
Estimate

FY 2008-09
Target

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

WATER TREATMENT PLANT

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$475,889	\$577,173	\$572,611	\$635,367
Supplies	468,199	663,209	663,209	987,684
Services	641,192	734,180	732,600	750,121
Maintenance	38,110	70,346	68,500	56,500
Capital Outlay	<u>9,253</u>	<u>31,700</u>	<u>19,000</u>	<u>34,000</u>
Total Expenditures	\$1,632,643	\$2,076,608	\$2,055,920	\$2,463,672

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Water Plant Chief Operator	1	1	1
Water Treatment Supervisor	1	1	1
Plant Operator D	3	3	3
Plant Operator C	1	2	2
Plant Operator B	4	3	3
Utilities Maintenance Technician	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	12	12	12

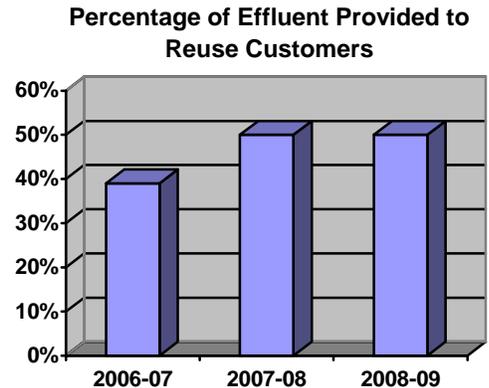
BOB DERRINGTON WATER RECLAMATION PLANT

Mission

The operation personnel of the Bob Derrington Water Reclamation Plant provide outstanding treatment of wastewater so that the requirements of the state permits are consistently met and the effluent is suitable for industrial and irrigation reuse. The inspection personnel work with commercial and industrial customers through inspection and monitoring activities to ensure that their discharges will not adversely affect plant operations and will consistently meet local, state, and federal requirements.

Departmental Goals/(City's Value Statement Goals)

1. Continue to assess the safety/security needs of the plant and make provisions for the installation and/or implementation. (Direction)
2. License or recruit operators with B licenses. (Organization)
3. Continue to evaluate personnel positions, job requirements, and performance in a tight labor market. (Organization)
4. Continue aerator renovation project. (Direction)



Objectives / Performance Measures

Effectiveness

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Percentage of Compliance with TCEQ Permit Requirements (Goal: 100%)	100%	100%	100%
2. Percentage of Compliance with TCEQ Reuse Requirements (Goal: 100%)	100%	100%	100%
3. Percentage of Effluent Provided to Reuse Customers (Goal: 50%)	39%	50%	50%
4. Percentage of Significant Industrial Users Inspected (Goal: 100%)	100%	100%	100%
5. Update all required Commercial/Industrial Discharge Applications (Goal: 100% of those required for the year)	100%	100%	100%
6. Percentage of New Commercial/Industrial Customers That Complete a Wastewater Discharge Application (Goal: 100%)	100%	100%	100%

BOB DERRINGTON WATER RECLAMATION PLANT

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$1,060,195	\$1,238,409	\$1,228,623	\$1,371,981
Supplies	129,554	162,715	160,530	172,985
Services	1,130,858	1,180,305	1,180,305	1,229,007
Maintenance	43,087	58,167	53,550	53,550
Capital Outlay	<u>23,548</u>	<u>21,838</u>	<u>18,088</u>	<u>17,748</u>
Total Expenditures	\$2,387,242	\$2,661,434	\$2,641,096	\$2,845,271

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Rec. Plant Chief Operator	1	1	1
Utilities Inspector	2	2	2
Plant Clerk	1	1	1
Manager Wastewater Operations	1	1	1
Utilities Technology Supervisor	1	1	1
Plant Operator D	2	4	4
Plant Operator B	3	4	4
Utilities Maintenance Supervisor	1	1	1
Plant Operator C	6	3	3
Utilities Maintenance Technician	2	2	2
Utilities Electr/Instr Technician	2	2	2
Liquid Waste Inspector *	1	1	1
Utilities Maintenance Worker	3	3	3
Utilities Maintenance Assistant	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	28	28	28
Funding Sources:			
Water & Sewer Fund	27	27	27
Liquid Waste Fund *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	28	28	28

WASTEWATER COLLECTION

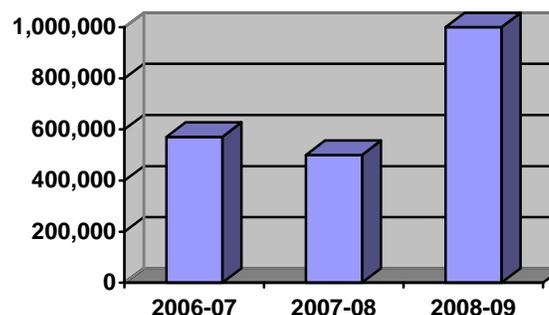
Mission

The Wastewater Collection Division maintains the wastewater collection system through a proactive operations and maintenance program so that wastewater services are delivered to customers continuously and in compliance with state regulations.

Departmental Goals/(City's Value Statement Goals)

1. Continue developing standard operating procedures for remaining tasks & functions./(Direction)
2. With the assistance of Engineering and/or outside agencies, identify, design, and contract CIP and infrastructure rehabilitation program projects./ (Organization)
3. Continue Division Accident Review Board./(Direction)
4. Comply with SSO initiative plan./(Direction)

No. of Manholes Rehabbed or Repaired



Objectives / Performance Measures

Effectiveness

1. Percentage of Compliance with TCEQ Regulations (Goal: 100%)
2. Reduce SSOs (sanitary sewer overflows). (Goal: reduce by 5%/mile using 2006-07 as the baseline.)

Workload

1. Number of Manholes Rehabbed or Repaired (Goal: 50 Annually)
2. Number of Feet of Sewer Lines Televised (Goal: 30,000 Annually)
3. Number of Feet of Sewer Main Cleaned (Goal: 1,000,000 Annually)

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Percentage of Compliance with TCEQ Regulations (Goal: 100%)	99%	100%	100%
2. Reduce SSOs (sanitary sewer overflows). (Goal: reduce by 5%/mile using 2006-07 as the baseline.)	N/A	0	5%
1. Number of Manholes Rehabbed or Repaired (Goal: 50 Annually)	0	N/A *	N/A *
2. Number of Feet of Sewer Lines Televised (Goal: 30,000 Annually)	0	2,500 **	15,000
3. Number of Feet of Sewer Main Cleaned (Goal: 1,000,000 Annually)	571,193	500,000 **	1,000,000

* Pending implementation of utilities infrastructure rehabilitation program.

** Reduction in workload performance measure numbers is due to limited workforce available to perform the work.

WASTEWATER COLLECTION

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$381,439	\$566,511	\$562,138	\$612,776
Supplies	21,756	67,452	67,452	67,452
Services	182,803	180,460	180,460	348,904
Maintenance	38,079	55,228	55,228	55,228
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$624,077	\$869,651	\$865,278	\$1,084,360

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Utilities Field Operations Manager	1	1	1
Utilities Field Operations Supervisor	1	1	1
Field Operations Crewleader	3	3	3
Utilities Field Equipment Operator	4	4	4
Field Operations Technician	<u>4</u>	<u>4</u>	<u>4</u>
Total Personnel	13	13	13

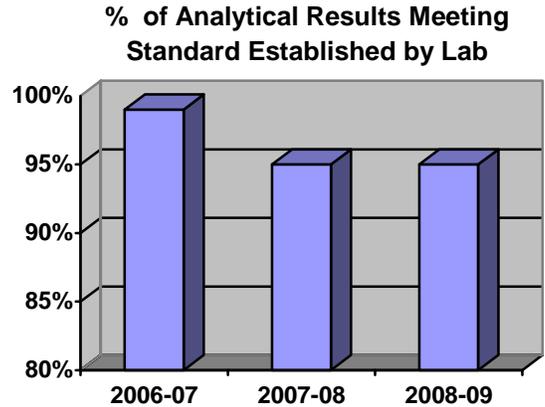
LABORATORY SERVICES

Mission

The Laboratory Services Division generates, interprets, and reports analytical data in a timely and reliable manner to: assist in the current and future operation of the water, wastewater and industrial treatment facilities, provide water quality information, provide quality service to internal and external customers and ensure compliance with federal and state regulations governing the operation of the Utilities Department.

Department Goals/(City's Value Statement Goals)

1. Provide ongoing updates for all procedures & quality control criteria./(Direction)
2. Obtain NELAC accreditation./(Excellence)



Objectives / Performance Measures

Effectiveness

1. Percentage of Results Submitted in NELAC Proficiency Test (PT) That Are Evaluated as Acceptable.
2. Percentage of Analytical Results That Meet the Quality Control Acceptance Criteria Established by the Laboratory

FY 2006-07
Actual

FY 2007-08
Estimate

FY 2008-09
Target

95%

95%

100%

99%

95%

95%

LABORATORY SERVICES

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$472,395	\$501,300	\$497,317	\$574,844
Supplies	78,869	80,616	80,080	98,680
Services	102,913	132,550	131,821	103,783
Maintenance	15,231	33,456	32,500	38,500
Capital Outlay	<u>6,115</u>	<u>15,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$675,523	\$762,922	\$741,718	\$815,807

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Laboratory Manager	1	1	1
Laboratory Chemist	5	5	5
Laboratory Senior Chemist	1	1	1
Laboratory Supervisor	1	1	1
Laboratory Field Specialist	1	1	1
Custodian	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	10	10	10

WATER AND SEWER FUND

Repair and Replacement

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	25,000	25,000	0
Maintenance	221,042	592,339	587,829	1,116,554
Capital Outlay	<u>0</u>	<u>82,725</u>	<u>82,725</u>	<u>0</u>
Total Expenditures	\$221,042	\$700,064	\$695,554	\$1,116,554

Non-Departmental Expenditures

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	458,102	455,792	455,161	455,161
Maintenance	0	0	0	0
Capital Outlay	0	35,000	35,000	35,000
Other	<u>5,252,306</u>	<u>5,068,587</u>	<u>5,068,587</u>	<u>5,258,253</u>
Total Expenditures	\$5,710,408	\$5,559,379	\$5,558,748	\$5,748,414

Housing Incentive Program

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Housing Incentive Program	<u>\$34,500</u>	<u>\$677,500</u>	<u>\$500,000</u>	<u>\$500,000</u>
Total Expenditures	\$34,500	\$677,500	\$500,000	\$500,000

WATER AND SEWER FUND

Water Purchases Expenditures

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Purchase of Water CRMWD	\$3,445,144	\$4,017,186	\$4,017,186	\$4,252,069
Service Charges CRMWD	<u>7,286,282</u>	<u>7,192,512</u>	<u>7,192,512</u>	<u>7,610,081</u>
Total Expenditures	\$10,731,426	\$11,209,698	\$11,209,698	\$11,862,150

Gulf Coast Expenditures

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Other Service Payments	<u>\$325,126</u>	<u>\$383,536</u>	<u>\$310,000</u>	<u>\$310,000</u>
Total Expenditures	\$325,126	\$383,536	\$310,000	\$310,000

Debt Service Payment

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Debt Service Payments	<u>\$4,389,340</u>	<u>\$7,226,848</u>	<u>\$7,226,848</u>	<u>\$7,664,269</u>
Total Expenditures	\$4,389,340	\$7,226,848	\$7,226,848	\$7,664,269

WATER AND SEWER FUND

Participation in Line Extensions

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Total Expenditures	\$0	\$200,000	\$200,000	\$200,000

Utilities GIS

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$0	\$130,886	\$130,000	\$123,424
Supplies	0	0	0	4,100
Services	0	0	0	18,390
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,500</u>
Total Expenditures	\$0	\$130,866	\$130,866	\$147,414

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Solid Waste Fund
Overview

SOLID WASTE FUND

OVERVIEW

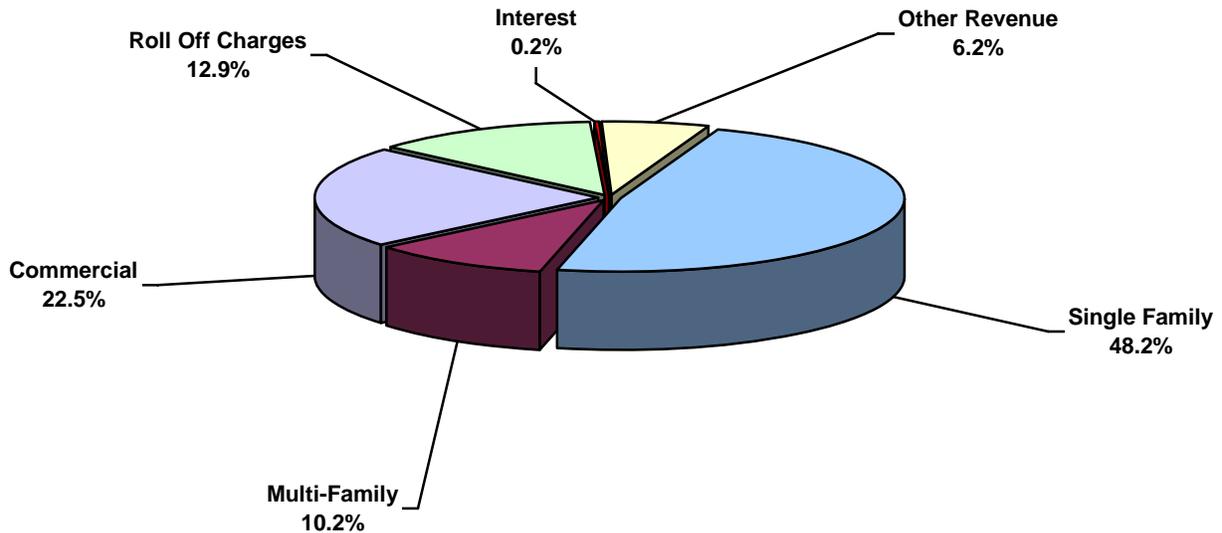
	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$529,620	\$549,160	\$642,821	\$146,048
CURRENT REVENUES				
Single Family	\$4,154,226	\$4,500,000	\$4,473,360	\$4,500,000
Multi-Family	878,846	950,000	948,240	950,000
Commercial	1,900,700	2,101,080	2,053,080	2,101,080
Roll-Off Charges	1,109,568	1,151,000	1,209,600	1,201,000
Interest Income	28,850	15,000	35,000	15,000
Other Revenue	526,393	528,500	602,300	578,500
TOTAL CURRENT REVENUES	\$8,598,583	\$9,245,580	\$9,321,580	\$9,345,580
TOTAL FINANCING SOURCES	\$9,128,203	\$9,794,740	\$9,964,401	\$9,491,628
EXPENDITURES				
Personal Services	\$2,028,941	\$2,175,581	\$2,158,827	\$2,326,906
Supplies	48,103	54,918	52,528	52,528
Services	5,137,683	5,640,175	5,640,175	5,632,357
Maintenance	420,178	498,050	488,325	488,325
Capital Outlay	41,143	348,224	7,500	7,500
Capital Outlay Supplemental	0	0	330,000	43,000
Other Requirements				
GF Administrative Fee	414,036	437,441	437,441	497,837
Gross Receipt Payment	350,079	345,338	345,338	506,449
In Lieu of Tax	35,979	38,431	38,431	35,492
Lease Payment	1,525	1,534	1,534	1,151
Outside Agencies	101,376	109,000	109,000	129,443
TOTAL EXPENDITURES	\$8,579,043	\$9,648,692	\$9,609,099	\$9,720,988
ENDING FUND BALANCE BEFORE ENCUMBRANCES	\$549,160	\$146,048	\$355,302	(\$229,360)
Encumbrances	22,839	0	0	0
ENDING FUND BALANCE	\$526,321	\$146,048	\$355,302	(\$229,360)

SOLID WASTE FUND OVERVIEW

Revenues

	<u>2006-07 Actual</u>	<u>2007-08 Estimated</u>	<u>2007-08 Budget</u>	<u>2008-09 Budget</u>
Single Family	\$4,154,226	\$4,500,000	\$4,473,360	\$4,500,000
Multi-Family	878,846	950,000	948,240	950,000
Commercial	1,900,700	2,101,080	2,053,080	2,101,080
Roll Off Charges	1,109,568	1,151,000	1,209,600	1,201,000
Interest Income	28,850	15,000	35,000	15,000
Other Revenue	526,393	528,500	602,300	578,500
Total Revenue	<u>\$8,598,583</u>	<u>\$9,245,580</u>	<u>\$9,321,580</u>	<u>\$9,345,580</u>

SOLID WASTE FUND 2008-09 REVENUES BY SOURCES



SOLID WASTE FUND

OVERVIEW

Revenues

Solid Waste has operated as an Enterprise Fund in the City of Odessa since 1995-96. The functions of this cost center were formerly within the General Fund, Department of Public Works. As with all enterprise funds, this separate fund has been established to account for operations that are financed and operated in a manner similar to private business. The rate schedules for these services were established to ensure that revenues would be adequate to meet all necessary expenditures. The following is a comparative summary of revenues by source of the Solid Waste Fund.

<u>Source</u>	2008-09 Budget		Increase/(Decrease) from 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Single Family	\$4,500,000	48.15%	\$26,640	0.60%
Multi-Family	950,000	10.17%	1,760	0.19%
Commercial	2,101,080	22.48%	48,000	2.34%
Roll Off Charges	1,201,000	12.85%	(8,600)	(0.71%)
Interest Income	15,000	0.16%	(20,000)	(57.14%)
Other Revenue	<u>578,500</u>	<u>6.19%</u>	<u>(23,800)</u>	<u>(3.95%)</u>
TOTAL	\$9,345,580	100.00%	\$24,000	0.26%

The major revenues for Solid Waste; Single-Family Residential (48.15%), Commercial (22.48%), and Roll-Off Charges (12.85%), account for over 83% of this fund's total revenue. Total customer accounts and anticipated growth within city limits, increased demand for roll-off usage in commercial and construction areas, and expanding outside city limits customers drive these revenue items.

The total revenue for 2008-09 is expected to increase by 0.26% over the previous year's budget. Single Family, Multi-Family, and Commercial accounts will realize a slight increase, while Roll-Off Charges and Other Revenue will experience a slight decrease. Interest income is expected to fall by over 57% due to lower interest rates.

Solid Waste rates will not increase in fiscal year 2008-09. Inside the city limits, single family accounts will be charged \$14.25 per month, while the rate for multi-family customers has been set at \$7.45 per month. The commercial rate for regular twice-a-week pickup is \$49.00 per month, but customers can reduce their rate to \$25.00 per month if they are willing to share a trash receptacle with another business.

Outside the city limits, customers pay a higher rate for solid waste service than do those located within the city limits. In 2008-09, Residential customers will pay \$38.00 per month, and Commercial customers will pay \$61.00 per month, for twice-a-week service. The higher rates are charged in order to defray the additional costs involved in providing service to customers living beyond the city limits.

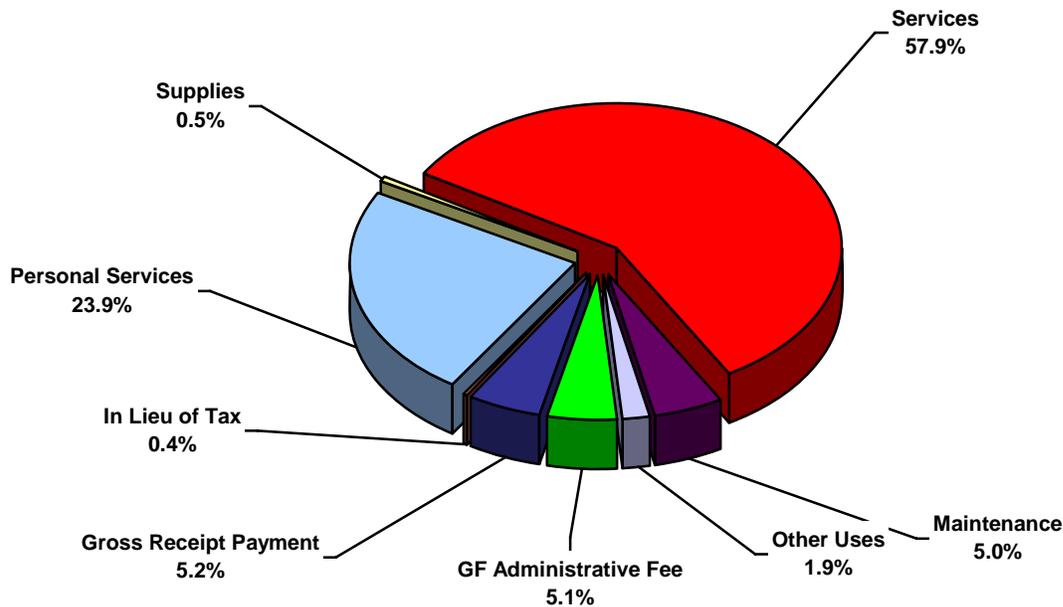
SOLID WASTE FUND

OVERVIEW

Expenditures By Classification

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
Personal Services	\$2,028,941	\$2,175,581	\$2,158,827	\$2,326,906
Supplies	48,103	54,918	52,528	52,528
Services	5,137,683	5,640,175	5,640,175	5,632,357
Maintenance	420,178	498,050	488,325	488,325
Capital Outlay	41,143	348,224	337,500	50,500
GF Administrative Fee	414,036	437,441	437,441	497,837
Gross Receipt Payment	350,079	345,338	345,338	506,449
In Lieu of Tax	35,979	38,431	38,431	35,492
Lease Payment	1,525	1,534	1,534	1,151
Outside Agencies	101,376	109,000	109,000	129,443
Total Expenditures	\$8,579,043	\$9,648,692	\$9,609,099	\$9,720,988

SOLID WASTE FUND 2008-09 EXPENDITURES BY CLASSIFICATION



SOLID WASTE FUND

OVERVIEW

Expenditures

The total approved expenditures for 2008-09 are anticipated to increase 1.16% over the previous year for a total of \$9,720,988. Below is a comparative summary of expenditures by classification.

<u>Classification</u>	2008-09 Budget		Increase / (Decrease) From 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$2,326,906	23.94%	\$168,079	7.79%
Supplies	52,528	0.54%	0	0.00%
Services	5,632,357	57.94%	(7,818)	(0.14%)
Maintenance	488,325	5.02%	0	0.00%
Capital Outlay	50,500	0.52%	(287,000)	(85.04%)
Other Requirements	1,040,929	10.71%	218,185	26.52%
Outside Agencies	<u>129,443</u>	<u>1.33%</u>	<u>20,443</u>	<u>18.76%</u>
TOTAL	\$9,720,988	100.00%	\$111,889	1.16%

The increase to the Personal Services funding level results primarily from the implementation of the new employee compensation plan and the rising cost of employee benefits. Overtime expenses have been budgeted to assure full staffing on all routes, and temporary labor funds have been set aside to provide backup personnel in the event of vacant positions. All of these factors have contributed to a 7.79%, or \$168,079 increase in Personal Services. The staffing level for this fund is 49.5, the same number of positions as was funded last year.

The budget for Supplies will remain at the same level as last year.

The Services category will realize a 0.14%, decrease in 2008-09. Tipping fees are expected to increase by almost \$50,000. However, it is anticipated that fleet maintenance costs will fall by almost \$58,000, resulting in a net decrease of \$7,818 for the Services category.

The budget for Maintenance is \$488,325; the same as last year.

Capital Outlay will realize a \$287,000 decrease compared to last year's numbers. This is due to the fact that \$330,000 in additional funds had been budgeted last year to purchase a side-load truck and a roll-off unit. The \$330,000 was not budgeted this year, although supplemental monies in the amount of \$43,000 were approved for the purchase and maintenance of a new yard sweeper.

Other Requirements includes payments made to the General Fund for administrative fees, gross receipt payments, payments in lieu of tax, and lease payments. The administrative fees are based on the cost of services provided by General Fund to the Solid Waste Fund. Gross receipt payments are calculated by taking 5% of the gross receipts collected from users for solid waste services. The gross receipt fee is paid to the General Fund as compensation for the use of streets, alleys, and other rights-of-way. In 2008-09, the Other Requirements budget will realize a \$218,185 increase compared to 2007-08 numbers.

SOLID WASTE FUND

OVERVIEW

Expenditures (cont.)

The Outside Agencies category provides funding for the Keep Odessa Beautiful Organization. This year, the Outside Agencies category will experience a \$20,443, or 18.76% increase, because City Council approved an increase in funding for Keep Odessa Beautiful in 2008-09.

The Solid Waste Fund is an "Enterprise Fund" which is self-supported by user fees. Efforts are made to provide quality service at the lowest possible rate. However, at times rate increases are unavoidable. In 2001-02, for the first time since 1993-94, a solid waste rate increase was implemented in order to keep pace with increases in operating costs. Rates were not adjusted from 2002-03 to 2004-05, because revenues generated from the 2001-02 rate structure were sufficient to cover all expenditures during that time period. In the years leading up to 2005-06, the customer base had been steadily expanding. As a result, new positions had been created and additional vehicles had been purchased to keep pace with the demand for service. By 2005-06, rates were increased slightly to help defray the increasing cost of providing quality service. The rate increase also helped fund the new employee compensation plan and rising fleet costs. Solid Waste rates were again raised in 2006-07 in order to fund a 5% pay increase and cover the rising costs of fleet maintenance, landfill tipping fees, and trash container replacement. Last year, an 8% rate increase went into effect to accommodate the rising fuel and maintenance costs of the Solid Waste truck fleet. No rate increases will be implemented in fiscal year 2008-09.

Fund Balance

In 2007-08, fund balance decreased by \$380,273 from the 2006-07 ending fund balance of \$526,321 (without encumbrances). The decrease, or use of fund balance was approved in the 2007-08 budget process to aid in funding needed equipment. The 2008-09 budget is appropriated with projected revenue of \$9,345,580 using the remaining available fund balance to provide for machinery and equipment.

Projected 2008-09 ending fund balance for the Solid Waste Fund is expected to be (\$229,360). Repayment will be extended over the next few years. Solid Waste expenditures for 2008-09 are estimated at \$9,720,988. The Solid Waste division continues to put much effort into recycling to slow the growth of tonnage hauled to the landfill each year.

SOLID WASTE FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
SOLID WASTE FUND			
Solid Waste	Machinery & Equipment	\$45,500	
	Data Processing Equipment	<u>5,000</u>	
	Subtotal Solid Waste		\$50,500
TOTAL CAPITAL OUTLAY – SOLID WASTE FUND			<u>\$50,500</u>

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Solid Waste Fund
Detail by Department/Division

SOLID WASTE FUND
DEPARTMENTS/DIVISIONS

Solid Waste Division
Neighborhood Development Services
Non-Departmental
Outside Agencies

SOLID WASTE

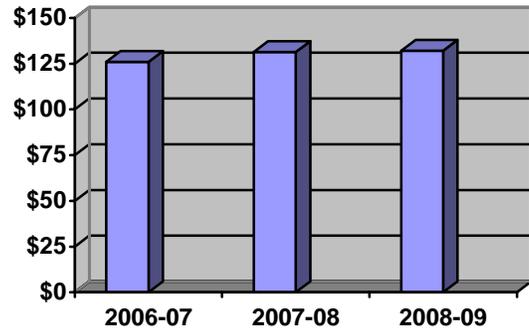
Mission

The Solid Waste Division provides a reliable and efficient system of collection and transportation of municipal solid waste from residential and commercial customers in a professional, cost effective and environmentally safe method, resulting in the enhancement of public welfare.

Departmental Goals/(City's Value Statement Goals)

1. Improve all operations of the division, including solid waste collection, recycling, backyard composting, tree limb recycling, household hazardous waste facility, and education./(Excellence)

**Operating & Maint. Expenditures
per Refuse Collection Account**



Objectives / Performance Measures	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
<u>Effectiveness</u>			
1. Median Number of Containers Collected per Refuse Vehicle per Hour	35	35	35
<u>Efficiency</u>			
1. Operating and Maintenance Expenditures per Refuse Collection Account	\$125.96	\$131.36	\$132.00
2. Operating and Maintenance Expenditures for Disposal per Account	\$61.00	\$69.51	\$71.00
<u>Workload</u>			
1. Solid Waste Customer Accounts	40,665	40,700	40,900
2. FTE's per 1,000 Refuse Collection Accounts	1.05	1.11	1.11
3. Landfill Tonnage	112,195	115,000	118,000

SOLID WASTE

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$1,962,848	\$2,105,027	\$2,088,860	\$2,251,231
Supplies	47,709	54,390	52,000	52,000
Services	5,131,141	5,633,242	5,633,242	5,623,926
Maintenance	420,178	495,800	486,075	486,075
Capital Outlay	<u>41,143</u>	<u>348,224</u>	<u>337,500</u>	<u>50,500</u>
Total Expenditures	\$7,603,019	\$8,636,683	\$8,597,677	\$8,463,732

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Solid Waste Superintendent	1	1	1
Solid Waste Sales Representative	0	0	0
Administrative Assistant	1	1	1
Compactor Mechanic	1	1	1
Container Maintenance Technician	1	1	1
Route Support Supervisor	1	1	1
Collection Supervisor	3	3	3
Roll Off Supervisor	1	1	1
Solid Waste Driver	32	34	34
Solid Waste Worker	2	2	2
Welder	1	1	1
Solid Waste Operations Supervisor	1	1	1
Customer Service Representative *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	46	48	48
* Reports to Billing & Collection			

SOLID WASTE - NEIGHBORHOOD DEVELOPMENT SERVICES

Mission

To develop a working partnership involving the neighborhood residents, public officials, and service organizations to identify effective solutions to concerns or needs in city neighborhoods.

Departmental Goals/(City's Value Statement Goals)	Tonnage Collected In Clean-Up Campaigns										
<ol style="list-style-type: none"> 1. Coordinate with citizens to keep neighborhoods free of litter, junked vehicles, and clutter./(Organization) 2. Organize major clean-up/revitalization neighborhood sweeps with Keep Odessa Beautiful./(Organization) 3. Encourage citizens to plant and maintain trees in cooperation with Keep Odessa Beautiful, the City of Odessa Parks Department, and the Texas Forestry Department./(Organization) 	<table border="1" style="margin: 0 auto; border-collapse: collapse;"> <caption>Tonnage Collected In Clean-Up Campaigns</caption> <thead> <tr> <th>Fiscal Year</th> <th>Tonnage</th> </tr> </thead> <tbody> <tr> <td>2006-07</td> <td>28</td> </tr> <tr> <td>2007-08</td> <td>30</td> </tr> <tr> <td>2008-09</td> <td>30</td> </tr> </tbody> </table>			Fiscal Year	Tonnage	2006-07	28	2007-08	30	2008-09	30
Fiscal Year	Tonnage										
2006-07	28										
2007-08	30										
2008-09	30										
Objectives / Performance Measures	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>								
<u>Effectiveness</u>											
1. Tonnage Collected From Neighborhood Sweeps Clean-Up Campaigns Annually	28	30	30								
<u>Efficiency</u>											
1. Average Number of Code Violations per Code Enforcement Officer/Inspector	2,321	3,400	3,600								
<u>Workload</u>											
1. Citizen Requests for Assistance with Neighborhood Concerns and/or Code Violations	5,415	5,600	5,800								
2. Neighborhood Meetings to Provide an Open Forum to Voice Neighborhood Concerns	50	55	55								
3. Citizen Education/Information Literature Provided	185,911	190,000	190,000								
4. Contacts Made with Internal and External Resources to Assist in Addressing Concerns	82	85	85								
5. Number of External Agencies Coordinated by NDS and Partnerships to Provide Assistance During a Clean Up Campaign.	75	80	80								

SOLID WASTE – NEIGHBORHOOD DEVELOPMENT SERVICES

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$66,093	\$70,554	\$69,967	\$75,675
Supplies	394	528	528	528
Services	6,542	6,933	6,933	8,431
Maintenance	0	2,250	2,250	2,250
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$73,029	\$80,265	\$79,678	\$86,884

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Neighborhood Services Supervisor ** ***	1	1	1
Administrative Assistant ***	1	1	1
Code Enforcement Coordinator *	1	1	1
Code Enforcement Officer * **	6	7	7
Director of Community Development *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	10	11	11
Funding Sources:			
General Fund *	5	6	6
Community Development **	3.5	3.5	3.5
Solid Waste ***	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
Total Personnel	10	11	11
The Supervisor position is funded ½ by CDBG and ½ by Solid Waste			

SOLID WASTE FUND

Non-Departmental Expenditures

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	0	0	0	0
Capital Outlay	0	0	0	0
Other	<u>801,619</u>	<u>822,744</u>	<u>822,744</u>	<u>1,040,929</u>
Total Expenditures	\$801,619	\$822,744	\$822,744	\$1,040,929

Outside Agencies

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Keep Odessa Beautiful	<u>\$101,376</u>	<u>\$109,000</u>	<u>\$109,000</u>	<u>\$129,443</u>
Total Expenditures	\$101,376	\$109,000	\$109,000	\$129,443

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Equipment Service Fund
Overview

EQUIPMENT SERVICE FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$1,783,187	\$2,938,054	\$785,336	\$1,685,984
CURRENT REVENUES				
Rental Revenue	\$7,702,953	\$8,129,268	\$8,124,938	\$9,859,362
Interest Income	185,789	120,000	120,000	120,000
Transfer In - General Fund	0	0	0	0
Fire Truck Reserve	0	579,748	579,748	0
Other Revenue	315,066	279,200	153,000	168,000
TOTAL CURRENT REVENUES	\$8,203,808	\$9,108,216	\$8,977,686	\$10,147,362
TOTAL FINANCING SOURCES	\$9,986,995	\$12,046,270	\$9,763,022	\$11,833,346
EXPENDITURES				
Personal Services	\$1,171,323	\$1,271,352	\$1,260,973	\$1,361,086
Supplies	1,673,028	1,946,374	1,939,300	2,405,600
Services	442,320	535,491	535,191	549,923
Maintenance	1,280,759	1,594,484	1,340,705	1,941,229
Capital Outlay	15,723	17,854	17,854	17,854
Lease Payment	288,607	799,987	799,987	714
GF Administrative Fee	331,573	351,367	351,367	394,579
Total Operating Expenditures	\$5,203,333	\$6,516,909	\$6,245,377	\$6,670,985
Equipment Replacement	1,845,608	3,843,377	2,969,606	3,759,950
TOTAL EXPENDITURES	\$7,048,941	\$10,360,286	\$9,214,983	\$10,430,935
ENDING FUND BALANCE BEFORE ENCUMBRANCES	\$2,938,054	\$1,685,984	\$548,039	\$1,402,411
Encumbrances	1,101,513	0	0	0
ENDING FUND BALANCE	\$1,836,541	\$1,685,984	\$548,039	\$1,402,411

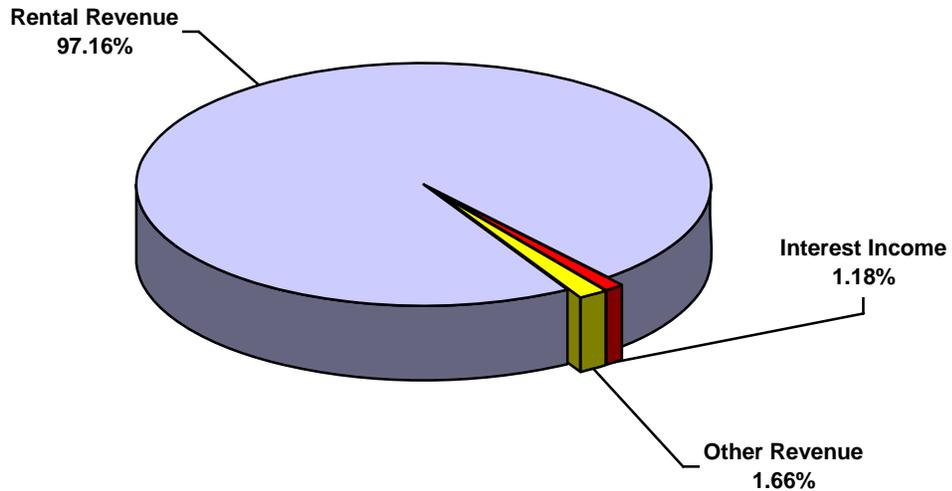
EQUIPMENT SERVICE FUND

OVERVIEW

Revenues

	<u>2006-07 Actual</u>	<u>2007-08 Estimated</u>	<u>2007-08 Budget</u>	<u>2008-09 Budget</u>
Rental Revenue	\$7,702,953	\$8,129,268	\$8,124,938	\$9,859,362
Interest Income	185,789	120,000	120,000	120,000
Transfer In	0	0	0	0
Fire Truck Reserve	0	579,748	579,748	0
Other Revenue	315,066	279,200	153,000	168,000
Total Revenue	<u><u>\$8,203,808</u></u>	<u><u>\$9,108,216</u></u>	<u><u>\$8,977,686</u></u>	<u><u>\$10,147,362</u></u>

EQUIPMENT SERVICE FUND 2008-09 REVENUES BY SOURCES



EQUIPMENT SERVICE FUND

OVERVIEW

Revenues

The City provides for the maintenance and replacement of its fleet and heavy equipment through an internal fund that receives rental revenue from the operating funds. The cost to replace the equipment is calculated as part of the rental rate. The replacement cost of a piece of equipment or vehicle is calculated based on the projected useful life of the equipment combined with the original purchase price. Also included in the rental rate is the estimated cost of maintaining the equipment based on historical maintenance costs. Prior to 1997-98, the City managed the replacement of the communication equipment in the same manner. However, in the 1996-97 fiscal year, the city completed the replacement of the public safety radio system and all hand-held radios through the use of more than \$1.0 million in certificates of obligations. Because of the significant cost of replacement of the radio system, management determined that the replacement cost would not be captured through the equipment replacement method; instead, the city would use alternative financing when the system became obsolete and needed replacing. Each department contributes funds toward the cost of maintaining the communications system. The amount of the contribution is based upon the number of users in the department. The scope of this fund is also being broadened to include acquisitions of other major assets to be used by the operating funds.

For fiscal year 2008-09, the Equipment Service Fund total revenue will increase by \$1,169,676 over the previous year. The following is a comparative summary of revenues by source of the Equipment Service Fund.

<u>Source</u>	2008-09 Budget		Increase / (Decrease) from 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Rental Revenue	\$9,859,362	97.16%	\$1,734,424	21.35%
Interest Income	120,000	1.18%	0	0.00%
Fire Truck Reserve	0	0.00%	(579,748)	(100.00%)
Other Revenue	<u>168,000</u>	<u>1.66%</u>	<u>15,000</u>	<u>9.80%</u>
TOTAL	\$10,147,362	100.00%	\$1,169,676	13.03%

Rental revenue continues to increase as the replacement prices of vehicles and heavy machinery increase each year. The rising price of fuel also has a direct effect on the cost of maintaining the fleet. Fuel cost is included in rental revenue since all operating costs incurred by user departments must be reimbursed to this fund.

One critical aspect of this fund is to maintain an adequate fund balance to replace the City's fleet. Since replacement cost is calculated based on historical cost, the cost to replace the old asset with a new similar asset usually exceeds the funds collected due to inflation. As a result, each year, a forecast for replacement funding level must be performed to ensure the stability of this fund through adequate charges in rental rates to operating funds of the City. The ending fund balance is projected at \$1,402,411 for fiscal year 2008-09.

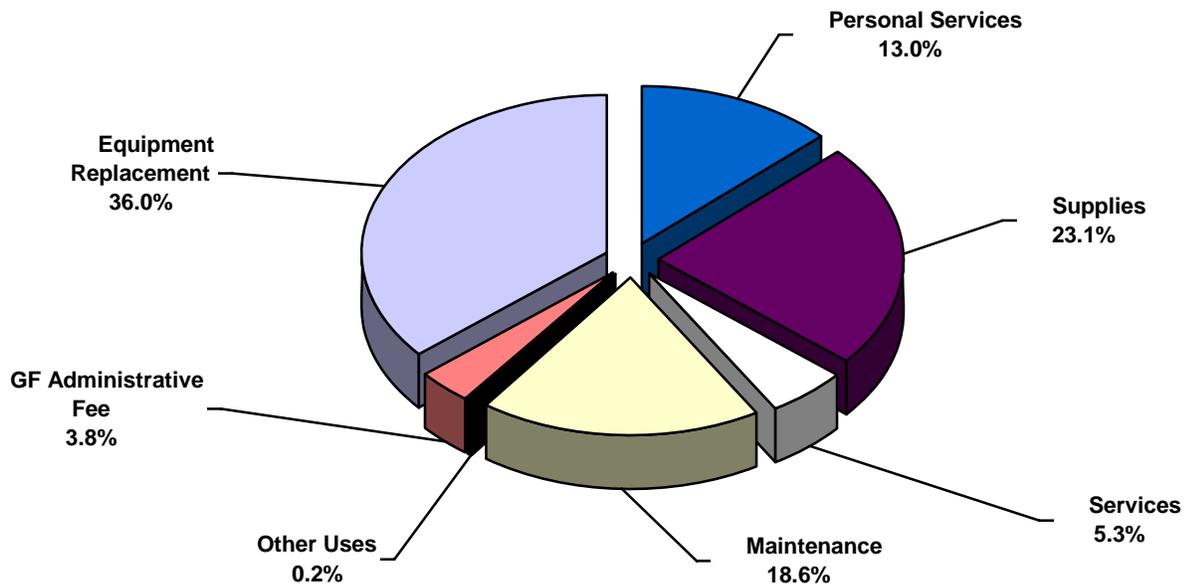
EQUIPMENT SERVICE FUND

OVERVIEW

Expenditures By Classification

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
Personal Services	\$1,171,323	\$1,271,352	\$1,260,973	\$1,361,086
Supplies	1,673,028	1,946,374	1,939,300	2,405,600
Services	442,320	535,491	535,191	549,923
Maintenance	1,280,759	1,594,484	1,340,705	1,941,229
Capital Outlay	15,723	17,854	17,854	17,854
Lease Payment	288,607	799,987	799,987	714
GF Administrative Fee	331,573	351,367	351,367	394,579
Equipment Replacement	1,845,608	3,843,377	2,969,606	3,759,950
Total Expenditures	<u>\$7,048,941</u>	<u>\$10,360,286</u>	<u>\$9,214,983</u>	<u>\$10,430,935</u>

EQUIPMENT SERVICE FUND 2008-09 EXPENDITURES BY CLASSIFICATION



EQUIPMENT SERVICE FUND

OVERVIEW

Expenditures

The operating expenditures for the 2008-09 fiscal year are expected to increase by \$425,608 over the 2007-08 budgeted operating expenditures. The overall budget, including Equipment Replacement, for this fund will increase by a total of \$1,215,952, or 13.20%. The following is a comparative summary of expenditures by classification.

<u>Classification</u>	<u>2008-09 Budget</u>		<u>Increase/(Decrease) From 2007-08 Budget</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$1,361,086	13.05%	\$100,113	7.94%
Supplies	2,405,600	23.06%	466,300	24.04%
Services	549,923	5.27%	14,732	2.75%
Maintenance	1,941,229	18.61%	600,524	44.79%
Capital Outlay	17,854	0.17%	0	0.00%
Other Requirements	<u>395,293</u>	<u>3.79%</u>	<u>(756,061)</u>	<u>(65.67%)</u>
Total Operating	\$6,670,985	63.95%	\$425,608	6.81%
Equipment Replacement	<u>3,759,950</u>	<u>36.05%</u>	<u>790,344</u>	<u>26.61%</u>
TOTAL	\$10,430,935	100.00%	\$1,215,952	13.20%

The staffing level for the Equipment Service Fund is at 25.5, the same number as last year. The majority of the increase in the budget for Personal Services is attributed to the implementation of the new employee compensation plan and to the rising cost of benefits. The Personal Services category has realized an overall increase of \$100,113, or 7.94%, over last year's numbers.

Expenditures have increased in both the Supplies and Services categories. Rising fuel costs are responsible for most of the \$466,300 increase in Supplies, while the \$14,732 increase in Services is primarily due to rising Internet costs.

Maintenance expenditures have increased by 44.79% compared to last year's budget in order to keep pace with the cost of maintaining a growing fleet. The maintenance program maintains the vehicle and equipment fleet in a good, safe, and serviceable condition in an effort to reduce or eliminate costly repairs.

The budget for Capital Outlay will remain at the same level as last year.

The Other Requirements category consists of two line items: Lease Payments and General Fund Administrative Fee. The administrative fee is paid as compensation for services the General Fund provides to the Equipment Services fund. In 2008-09, the budget for Other Requirements will decrease by \$756,061, or 65.67%. This decrease is entirely due to a decrease in lease payments.

Equipment Replacement has increased by \$790,344, or 26.61%, compared to the 2007-08 budget. Scheduling of replacement is based on the life of the equipment or vehicle at the time of original purchase and is subject to review during the budget process.

EQUIPMENT SERVICE FUND

OVERVIEW

Expenditures (cont'd.)

Fund Balance

In 2007-08, fund balance decreased by \$150,557 from the 2006-07 ending fund balance of \$1,836,541 (without encumbrances). This decrease, or use of fund balance was approved in the 2007-08 budget process to aid in funding mobile computers for the Police fleet as an addition to the Equipment Replacement schedule. The 2008-09 budget is appropriated with projected revenues of \$10,147,362 using \$283,573 of available fund balance for needed equipment replacement. Repayment will be extended over the next few years. The scope of this fund is being broadened to include acquisitions of other major assets to be used by the operating funds. Projected 2008-09 ending fund balance for the Equipment Services Fund is expected to be \$1,402,411.

EQUIPMENT SERVICE FUND

CAPITAL OUTLAY

Fund & Department/Division	Item	Item Total	Total
Equipment Service Fund			
Equipment Replacement	Police Sedan (23)	644,000	
	Sedan, Mid-Size (1)	18,000	
	½ Ton Regular Cab Pickup (12)	252,000	
	½ Ton Crew Cab Pickup (1)	23,000	
	¾ Ton Regular Cab Pickup (3)	66,000	
	SUV, Midsize (2)	52,000	
	1-Ton DRW Cab & Chassis (1)	30,000	
	Cargo Van, Extended w/Shelving (1)	28,000	
	Cargo Van w/Windows (1)	26,000	
	Bucket Truck, 40-Foot (2)	280,000	
	Pot Hole Patch Truck (1)	130,000	
	Articulated Loader (1)	150,000	
	Ambulance (8)	700,000	
	Refuse Truck (5)	1,000,000	
	Utility Vehicle, Industrial (1)	12,000	
	Forklift (1)	28,000	
	Utility Body (3)	30,000	
	Crack Sealer (1)	60,000	
	Air Compressors (2)	30,000	
	Riding Mower (1)	15,000	
	Stake Bed (1)	14,000	
	Flail Mower (1)	12,000	
	Tandem Trailer (1)	5,200	
	Police Consoles (10)	8,000	
	LED Light Bars/Siren, Red/Blue (10)	35,000	
	LED Light Bars, Amber/Clear (8)	20,000	
	Digital Camera Systems (3)	24,000	
	Spotlights (5)	1,250	
	Lift Gate (1)	3,500	
	Electrical Generator (2)	13,000	
	Bunker Gear	50,000	
	Subtotal Equipment Replacement		\$3,759,950
Communications	Machinery & Equipment	17,854	
	Subtotal Communications		<u>17,854</u>
TOTAL CAPITAL OUTLAY – EQUIPMENT SERVICE FUND			<u><u>\$3,777,804</u></u>

CITY OF ODESSA

FY 2008-09

ADOPTED BUDGET

Equipment Service Fund
Detail by Department/Division

EQUIPMENT SERVICE FUND

DEPARTMENTS/DIVISIONS

**Equipment Services
Communications
Equipment Replacement**

EQUIPMENT SERVICES

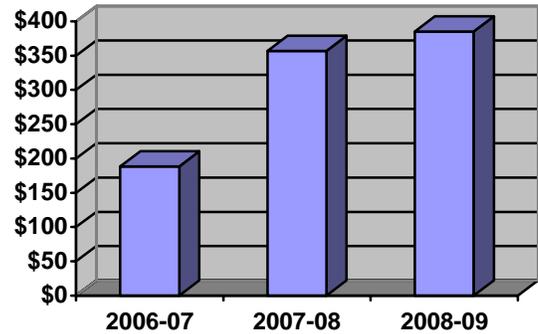
Mission

The Equipment Services Division provides the service and maintenance needed to ensure the automotive and machinery fleet is in a safe and high degree of operational readiness for all internal departments. The service is to be provided in a professional, timely, cost effective, and customer friendly manner.

Departmental Goals/(City's Value Statement Goals)

1. Focus on preventative maintenance to reduce future costs, and keep pace with the increasing volume of work orders while maintaining the level of customer satisfaction./(Service)

Average Fleet Maintenance Expenditure per Work Order



Objectives / Performance Measures

	FY 2006-07	FY 2007-08	FY 2008-09
	<u>Actual</u>	<u>Estimate</u>	<u>Target</u>
Effectiveness			
1. Percentage of Fleet Available for Use	99%	99%	99%
2. Quality of Service – Average Customer Satisfaction Ranking	99%	99%	99%
Efficiency			
1. Fleet Expenditure (All Vehicles & Equipment)	\$1,886	\$3,124	\$2,452
a. Solid Waste (Refuse Trucks)	\$20,032	\$16,992	\$26,042
b. Fire (Fire Trucks, Ambulances)	\$4,098	\$7,439	\$5,328
c. Police (Marked Police Units Only)	\$6,248	\$2,841	\$8,125
d. Light Vehicles	\$2,051	\$1,050	\$2,667
2. Maintenance Expenditure per Work Order	\$126	\$117	\$165
a. Solid Waste	\$308	\$1,216	\$1,100
b. Fire	\$169	\$67	\$220
c. Police	\$167	\$282	\$218
d. Light Vehicles	\$171	\$102	\$222
3. Preventative Maintenance Cost per Vehicle	\$417	\$486	\$542
a. Solid Waste	\$2,856	\$2,697	\$3,714
b. Fire	\$461	\$863	\$600
c. Police	\$513	\$1,010	\$668
d. Light Vehicles	\$240	\$438	\$560
4. Preventative Maintenance Cost per Work Order	\$111	\$31	\$145
a. Solid Waste	\$257	\$212	\$334
b. Fire	\$102	\$26	\$133
c. Police	\$58	\$58	\$85
d. Light Vehicles	\$66	\$64	\$86

EQUIPMENT SERVICES

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$1,101,946	\$1,196,852	\$1,187,091	\$1,281,518
Supplies	1,661,294	1,929,374	1,922,300	2,388,600
Services	366,734	439,668	439,368	441,614
Maintenance	1,239,965	1,559,269	1,305,490	1,897,505
Capital Outlay	26	0	0	0
Lease Payments	288,607	799,987	799,987	714
Other Requirements	<u>331,573</u>	<u>351,367</u>	<u>351,367</u>	<u>394,579</u>
Total Expenditures	\$4,990,145	\$6,276,517	\$6,005,603	\$6,404,530

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Director of Equipment Services	1	1	1
Garage Supervisor	1	1	1
Delivery Clerk	1	1	1
Golf Course Mechanic *	1	1	1
Equipment Mechanic Assistant	1	1	1
Tire Repairer	1	1	1
Senior Administrative Assistant	1	1	1
Auto Parts Supervisor	1	1	1
Secretary	1	1	1
Auto Parts Clerk	1	1	1
Paint & Body Technician	1	1	1
Auto/Truck Technician	11	11	11
Fleet Worker	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	24	24	24
* Reports to Golf Course.			

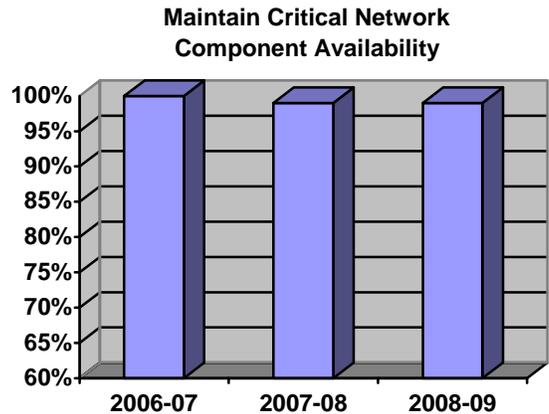
COMMUNICATIONS

Mission

In order for City of Odessa employees to meet the business needs of the City, Information Services offers City departments telecommunications and data processing services that provide comprehensive electronic communications, responsive system access, data integrity and data security in a way that reflects service excellence qualities of technical ability, timeliness, reliability and personalized attention.

Departmental Goals/(City's Value Statement Goals)

1. Continue efforts to eliminate paper forms by creating & managing electronic documents. (Organization)
2. Continue to provide state-of-the-art computer and communications tools for City staff. (Excellence)



Objectives / Performance Measures

Effectiveness

1. Provide AS/400 system availability to meet all critical application scheduling requirements.
2. Maintain critical network component availability at 95% or better of scheduled availability.
3. Maintain central radio system availability 100% of the time.
4. Respond to all critical computer and radio system emergencies within two hours.
5. Maintain a customer work order satisfaction level of good/excellent 95% of the time.

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Provide AS/400 system availability to meet all critical application scheduling requirements.	99%	99%	99%
2. Maintain critical network component availability at 95% or better of scheduled availability.	100%	99%	99%
3. Maintain central radio system availability 100% of the time.	99%	99%	99%
4. Respond to all critical computer and radio system emergencies within two hours.	100%	100%	100%
5. Maintain a customer work order satisfaction level of good/excellent 95% of the time.	100%	100%	100%

COMMUNICATIONS

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$69,377	\$74,500	\$73,882	\$79,568
Supplies	11,734	17,000	17,000	17,000
Services	75,586	95,823	95,823	108,309
Maintenance	40,794	35,215	35,215	43,724
Capital Outlay	<u>15,697</u>	<u>17,854</u>	<u>17,854</u>	<u>17,854</u>
Total Expenditures	\$213,188	\$240,392	\$239,774	\$266,455

Personnel by Job Title

	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>	2008-09 <u>Fiscal Year</u>
Senior Administrative Assistant *	1	1	1
Communications Technician	1	0	0
Communications Coordinator	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	2	2	2
Funding Sources:			
General Fund *	.5	.5	.5
Equipment Service Fund	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
Total Personnel	2	2	2
* ½ Funded by Communications, ½ Funded by Public Safety Communications.			

EQUIPMENT REPLACEMENT

Mission

Equipment Replacement is for the replacement of vehicles, machinery, and communication equipment. Replacement is scheduled when equipment has reached the end of its economic useful life. Replacement was established as a means of providing a funding mechanism that would help alleviate wide fluctuations in expenditures that occur on a year-to-year basis with regard to equipment replacement needs of the City. Annual transfers are made to the Equipment Service Fund from user departments/divisions as rental charges on vehicles, machinery, and communication equipment utilized during the fiscal year. After the useful life is exhausted, the equipment is replaced with rental funds paid by user departments/divisions.

Expenditures by Classification

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	48,649	0	0	0
Capital Outlay	1,796,959	3,843,377	2,969,606	3,759,950
Other Requirements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,845,608	\$3,843,377	\$2,969,606	\$3,759,950

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Risk Management Fund
Overview

RISK MANAGEMENT FUND

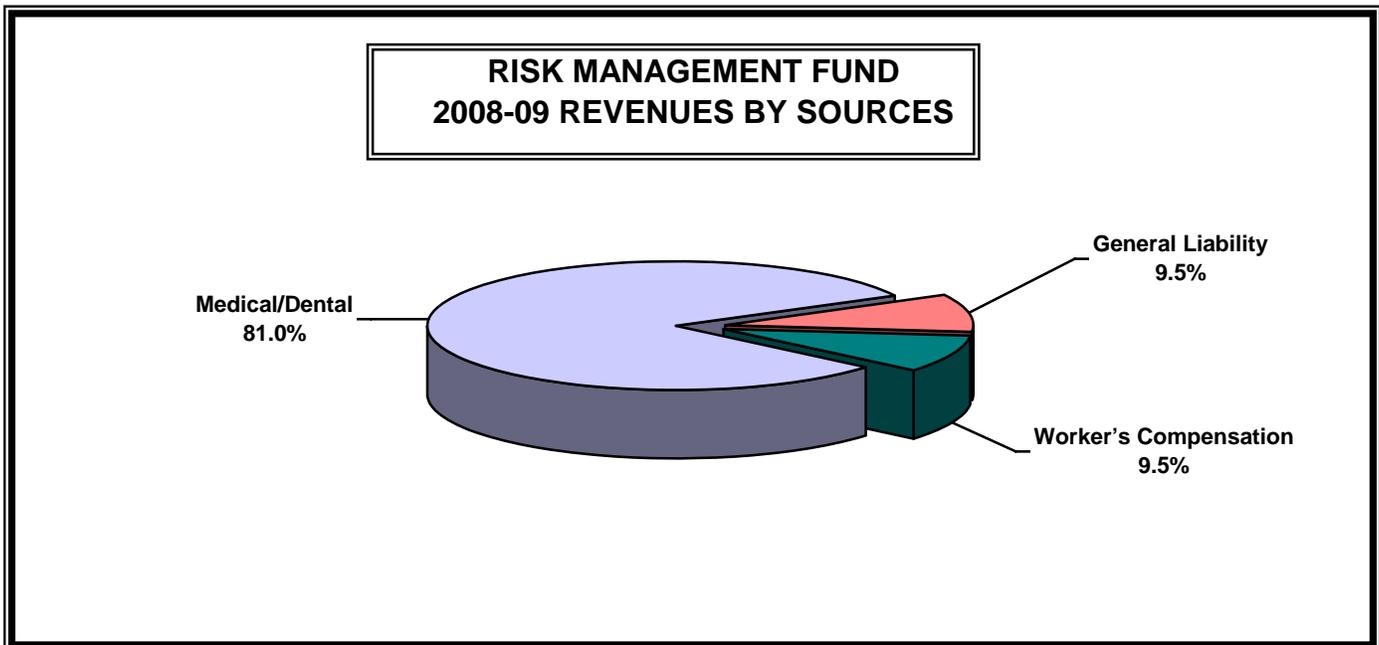
OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	(\$1,934,716)	(\$1,599,630)	(\$2,037,085)	(\$1,726,080)
CURRENT REVENUES				
Medical/Dental	\$6,124,481	\$6,822,484	\$7,020,575	\$7,632,105
General Liability	929,498	890,000	890,000	890,000
Workers' Compensation	924,239	885,542	885,542	885,542
Insurance Claim Recovery	93,985	51,454	44,300	44,300
TOTAL CURRENT REVENUES	\$8,072,203	\$8,649,480	\$8,840,417	\$9,451,947
TOTAL FINANCING SOURCES	\$6,137,487	\$7,049,850	\$6,803,332	\$7,725,867
EXPENDITURES				
Administration	\$311,761	\$322,123	\$317,484	\$343,632
Benefits	2,708,007	1,071,331	1,069,089	1,630,688
Medical/Dental Claims	2,350,841	4,989,859	4,989,859	4,989,859
General Liability	931,773	849,472	849,472	849,680
Workers' Compensation	541,029	657,220	657,220	657,220
Health and Wellness	324,872	208,531	202,064	205,845
Clinical Services	327,707	386,556	384,179	402,956
GF Administrative Fee	241,127	290,838	290,838	372,067
TOTAL EXPENDITURES	\$7,737,117	\$8,775,930	\$8,760,205	\$9,451,947
ENDING FUND BALANCE BEFORE ENCUMBRANCES	(\$1,599,630)	(\$1,726,080)	(\$1,956,873)	(\$1,726,080)
Encumbrances	8,776	0	0	0
ENDING FUND BALANCE	(\$1,608,406)	(\$1,726,080)	(\$1,956,873)	(\$1,726,080)

RISK MANAGEMENT FUND

OVERVIEW

Revenues	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
Medical/Dental				
Insurance Claim Recovery	\$48,000	\$25,000	\$25,000	\$25,000
Self Funding Insurance	6,048,730	6,746,284	6,944,375	7,555,905
Life Insurance	75,751	76,200	76,200	76,200
Subtotal Revenue	\$6,172,481	\$6,847,484	\$7,045,575	\$7,657,105
General Liability				
Self Funding Insurance	\$929,498	\$890,000	\$890,000	\$890,000
Auto Claim Recovery	2,639	11,000	4,000	4,000
G/L Claim Recovery	5,523	5,300	5,300	5,300
Property Insurance Recovery	13,201	0	0	0
Subtotal Revenue	\$950,861	\$906,300	\$899,300	\$899,300
Worker's Compensation				
Self Funding Insurance	\$924,239	\$885,542	\$885,542	\$885,542
WC Claim Recovery	24,622	10,154	10,000	10,000
Subtotal Revenue	\$948,861	\$895,696	\$895,542	\$895,542
Total Revenue	\$8,072,203	\$8,649,480	\$8,840,417	\$9,451,947



RISK MANAGEMENT FUND

OVERVIEW

Revenues

It is the policy of the City not to purchase commercial insurance for the risks of losses to which it is exposed, except for certain stop-loss provisions. Instead, the City believes it is more economical to manage its risks internally and set aside assets for claim settlements in the Risk Management Fund. The fund is responsible for all claims for risk of loss to which the City is exposed, including general liability, property and casualty, employee health and accident, environmental, and antitrust. Medical claims exceeding \$250,000 per covered individual and workers' compensation claims in excess of \$350,000 (civilian) and \$500,000 (public safety) are covered through private insurance carriers. The City also carries catastrophic stop-loss reinsurance for general liability claims exceeding \$250,000. All other City funds participate in this fund.

The cost of providing claim servicing and claim payments are allocated by charging a "premium" to each fund. Medical/Dental is the largest revenue source for this fund at \$7,657,105, or 81.01% of total revenue for the entire fund. This revenue is obtained through internal service deductions to all applicable funds employing full-time personnel (84.94%), dependent coverage premiums collected through payroll deduction (4.71%), where applicable, and retiree premium collections (10.35%). Workers' Compensation premiums are charged by a percentage of salary per type of position and General Liability premiums are charged to each fund based on its percentage of the total budget.

In 2008-09, medical/dental rates increased 7% over the previous year. The majority of the additional revenue will be used to offset the rising cost of health care and to fund the new employee compensation package.

<u>Source</u>	2008-09 Budget		Increase/(Decrease) from 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Medical/Dental	\$7,657,105	81.01%	\$611,530	8.68%
General Liability	899,300	9.51%	0	0.00%
Workers' Compensation	<u>895,542</u>	<u>9.47%</u>	<u>0</u>	<u>0.00%</u>
TOTAL	\$9,451,947	100.00%	\$611,530	6.92%

The 2008-09 budgeted revenues total \$9,451,947, an increase of 6.92% over the 2007-08 budget. The City has taken a pro-active approach to containing the cost of health care by creating the Family Health Program, which focuses on health rather than medicine. The benefit plan includes well-care for men, women, and children under the age of twelve. There is currently no co-payment for well-man care; however, there is a \$50 co-pay for well-woman check-ups, and a \$25 co-pay for well-child visits. Depending upon which insurance plan the employee chooses, the co-pay for emergency room visits ranges from \$80 to \$160, and a co-pay of between \$240 and \$480 applies to hospital stays. Through contract providers, preferred providers, co-pays, and the establishment of the new employee health clinic and fitness center, employees enjoy a wide array of benefits while the City maintains cost.

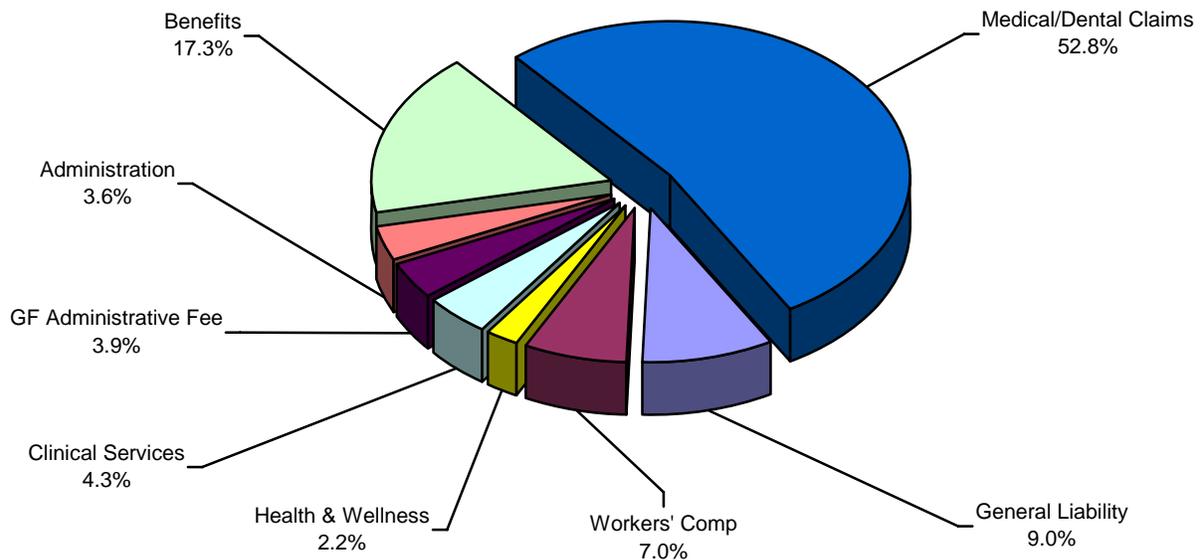
RISK MANAGEMENT FUND

OVERVIEW

Expenditures By Classification

	<u>2006-07 Actual</u>	<u>2007-08 Estimated</u>	<u>2007-08 Budget</u>	<u>2008-09 Budget</u>
Administration	\$311,761	\$322,123	\$317,484	\$343,632
Benefits	2,708,007	1,071,331	1,069,089	1,630,688
Medical/Dental Claims	2,350,841	4,989,859	4,989,859	4,989,859
General Liability	931,773	849,472	849,472	849,680
Worker's Compensation	541,029	657,220	657,220	657,220
Health and Wellness	324,872	208,531	202,064	205,845
Clinical Services	327,707	386,556	384,179	402,956
GF Administrative Fee	241,127	290,838	290,838	372,067
Total Expenditures	<u><u>\$7,737,117</u></u>	<u><u>\$8,775,930</u></u>	<u><u>\$8,760,205</u></u>	<u><u>\$9,451,947</u></u>

RISK MANAGEMENT FUND 2008-09 EXPENDITURES BY CLASSIFICATION



RISK MANAGEMENT FUND

OVERVIEW

Expenditures

The total projected expenditures for the 2008-09 fiscal year are anticipated to increase \$691,742, or 7.90%, over the 2007-08 operating expenditures budgeted. The following is a comparative summary of expenditures by classification.

<u>Classification</u>	2008-09 Budget		Increase/(Decrease) From 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Administration	\$343,632	3.64%	\$26,148	8.24%
Benefits	1,630,688	17.25%	561,599	52.53%
Medical/Dental Claims	4,989,859	52.79%	0	0.00%
General Liability	849,680	8.99%	208	0.02%
Workers' Compensation	657,220	6.95%	0	0.00%
Health & Wellness	205,845	2.18%	3,781	1.87%
Clinical Services	402,956	4.26%	18,777	4.89%
Other Requirements	<u>372,067</u>	<u>3.94%</u>	<u>81,229</u>	<u>27.93%</u>
TOTAL	\$9,451,947	100.00%	\$691,742	7.90%

In 2006-07, the Health and Wellness Center opened its doors. The new center provides information about health-related issues and encourages employees, retirees, and their dependents to pursue healthy lifestyles. Eligible participants can attend informal classes on health and wellness issues or schedule an appointment to speak one-on-one with the Wellness Coordinator about wellness issues that are specific to them.

This year, most of the Risk Management division budgets have realized an increase compared to the previous year, with the majority of the increase being attributed to the Benefits Division. The Benefits increase of \$561,599 represents 81.19% of the overall increase in the fund's budget. The additional monies will be used to satisfy GASB 45 requirements.

Budgetary increases for Administration, Benefits, the Health and Wellness Division, and the Health Clinic collectively make up over 88% of the overall increase in fund expenditures. These budgets have been adjusted upward, for the most part, to cover the cost of the new employee compensation package.

The additional \$81,229 budgeted in Other Requirements will pay for the increase in the General Fund Administrative Fee, which covers the cost of various internal services. The additional funds budgeted in this category make up 11.74% of the total fund increase.

Two divisions did not realize budgetary increases in 2008-09, and one experienced an increase of less than 1%. The Medical/Dental Claims and Workers' Compensation budgets will remain at the same funding level as last year, and the General Liability Division will realize a budgetary increase of 0.02%.

RISK MANAGEMENT FUND

OVERVIEW

Expenditures (cont'd.)

Fund Balance

In 2007-08, fund balance of a negative \$1,726,080 increased from the 2006-07 fund deficit of \$1,608,406 (without encumbrances). This deficit fund balance position is due to escalating costs in the area of Medical/Dental Claims that have continued to increase over the last several years. The 2008-09 budget process will aid in slowing down this deficit situation as the creation of the Family Health Clinic, increases in premiums for employees and dependents, and the availability of the Health & Wellness center have shown positive influence in combating the ever present cost increases in health care occurring nationwide. Repayment of the 2008-09 projected ending fund balance deficit (\$1,726,080) will extend over the next several years.

RISK MANAGEMENT FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
RISK MANAGEMENT FUND			
Health and Wellness	Data Processing Equipment	<u>\$3,500</u>	
	Subtotal Health and Wellness		\$3,500
Clinical Services	Data Processing Equipment		
	Subtotal Clinical Services	<u>10,000</u>	10,000
TOTAL CAPITAL OUTLAY – RISK MANAGEMENT FUND			<u><u>\$13,500</u></u>

CITY OF ODESSA

FY 2008-09

ADOPTED BUDGET

Risk Management Fund
Detail by Department/Division

RISK MANAGEMENT FUND

DEPARTMENTS/DIVISIONS

Risk Management Administration
Benefits / Medical & Dental Claims
Health and Wellness
General Liability
Workers' Compensation
Clinical Services

RISK MANAGEMENT

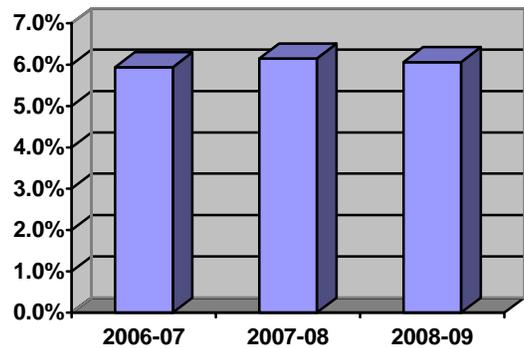
Mission

Risk Management provides services in the following areas: Employee Health Services, Personnel Safety and Property Loss Prevention, Property and Liability Insurance/Self-Insurance, Medical and Dental Insurance, and Workers' Compensation. Risk Management endeavors to control the cost of risk through activities that relate to risk finance, risk control, risk avoidance, and risk transfer. The department works to improve employees' safety and health, and thereby reduce the costs associated with injury and illness. The department also works to reduce claims for injury and damage from the public, and attempts to control their costs through investigation, negotiation and defense. Communication with employees, the public, City Management and key vendors and providers of services is key to the success of the Risk Management service mission.

Departmental Goals/(City's Value Statement Goals)

1. Complete Family Health & Wellness Center and occupy./(Organization)
2. Expand network of physicians & facilities./(Excellence)
3. Open Health & Wellness Education Center & begin classes & outreach./(Excellence)

% of Risk Management Expenditures to Total City Budget



Objectives / Performance Measures

Effectiveness

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Percentage of Risk Management Expenditures to Total City Budget	5.94%	6.15%	6.06%
2. At Fault Motor Vehicle Accidents	40	40	40
3. Number of Vehicle Accidents Per 100,000 Miles Driven	.77	.77	.77
4. Workers' Compensation Lost Work Days	297	276	250
5. Workers' Compensation Expenditures Per Lost Work Day	\$1,000	\$1,000	\$1,000
6. Average Cost Per Medical/Dental/Rx Claims Per Member Per Year	\$1,923	\$1,623	\$1,593

RISK MANAGEMENT

Expenditures by Classification (Administration)

	<u>2006-07 Actual</u>	<u>2007-08 Estimated</u>	<u>2007-08 Budget</u>	<u>2008-09 Budget</u>
Personal Services	\$256,732	\$267,504	\$265,184	\$286,282
Supplies	26,188	28,899	26,800	26,800
Services	25,806	25,220	25,000	30,050
Maintenance	300	500	500	500
Capital Outlay	2,735	0	0	0
Lease Payment	0	0	0	0
GF Administrative Fee Transfer	<u>241,127</u>	<u>290,838</u>	<u>290,838</u>	<u>372,067</u>
Total Expenditures	\$552,888	\$612,961	\$608,322	\$715,699

Personnel by Job Title

	<u>2006-07 Fiscal Year</u>	<u>2007-08 Fiscal Year</u>	<u>2008-09 Fiscal Year</u>
Director of Risk Management	1	1	1
Claims Processor	2	2	2
Health & Wellness Coordinator	1	1	1
Director of Employee Health Services	1	1	1
Medical Assistant	3	3	3
Benefits Supervisor	1	1	1
Benefits Coordinator	1	1	1
Benefits Customer Service Representative	1	1	1
Safety Coordinator	1	1	1
Claims Coordinator	1	1	1
Fitness Coordinator	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	14	14	14

RISK MANAGEMENT FUND

Benefits/Medical & Dental Claims

	<u>2006-07 Actual</u>	<u>2007-08 Estimated</u>	<u>2007-08 Budget</u>	<u>2008-09 Budget</u>
Personal Services	\$200,159	\$230,039	\$228,297	\$250,092
Supplies	19,851	21,382	20,882	20,882
Services	6,656	16,510	16,510	15,102
Maintenance	5,208	4,000	4,000	4,000
Capital Outlay	0	0	0	0
Insurance Requirements	<u>4,826,974</u>	<u>5,789,259</u>	<u>5,789,259</u>	<u>6,330,471</u>
Total Expenditures	\$5,058,848	\$6,061,190	\$6,058,948	\$6,620,547

Health and Wellness

	<u>2006-07 Actual</u>	<u>2007-08 Estimated</u>	<u>2007-08 Budget</u>	<u>2008-09 Budget</u>
Personal Services	\$94,199	\$103,072	\$102,201	\$110,561
Supplies	27,537	40,019	39,330	39,330
Services	37,024	32,483	31,833	27,254
Maintenance	42	25,200	25,200	25,200
Capital Outlay	<u>166,070</u>	<u>7,757</u>	<u>3,500</u>	<u>3,500</u>
Total Expenditures	\$324,872	\$208,531	\$202,064	\$205,845

RISK MANAGEMENT FUND

General Liability Expenditures

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$10,151	\$10,404	\$10,404	\$10,612
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	0	0	0	0
Capital Outlay	0	0	0	0
Insurance Requirements	<u>921,622</u>	<u>839,068</u>	<u>839,068</u>	<u>839,068</u>
Total Expenditures	\$931,773	\$849,472	\$849,472	\$849,680

Workers' Compensation Expenditures

	2006-07 <u>Actual</u>	2007-08 <u>Estimated</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	0	0	0	0
Capital Outlay	0	0	0	0
Insurance Requirements	<u>541,029</u>	<u>657,220</u>	<u>657,220</u>	<u>657,220</u>
Total Expenditures	\$541,029	\$657,220	\$657,220	\$657,220

RISK MANAGEMENT FUND

Clinical Services

	<u>2006-07 Actual</u>	<u>2007-08 Estimated</u>	<u>2007-08 Budget</u>	<u>2008-09 Budget</u>
Personal Services	\$196,544	\$231,996	\$229,981	\$248,605
Supplies	113,744	114,052	113,690	98,690
Services	17,179	28,008	28,008	43,161
Maintenance	240	2,500	2,500	2,500
Capital Outlay	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total Expenditures	\$327,707	\$386,556	\$384,179	\$402,956

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Debt Service Fund
Overview

DEBT SERVICE FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$311,980	\$378,704	\$355,379	\$399,504
CURRENT REVENUES				
Ad Valorem Tax Revenue	\$2,091,795	\$2,633,559	\$2,633,559	\$3,026,112
Interest Income	47,091	25,000	25,000	0
TOTAL CURRENT REVENUES	\$2,138,886	\$2,658,559	\$2,658,559	\$3,026,112
TOTAL FINANCING SOURCES	\$2,450,866	\$3,037,263	\$3,013,938	\$3,425,616
EXPENDITURES				
1998 Certificates of Obligation	\$392,355	\$391,355	\$391,355	\$395,390
2000 Certificates of Obligation	713,484	414,255	414,255	412,055
2001 Certificates of Obligation	223,420	222,473	222,473	221,220
2004 Certificates of Obligation	379,341	294,879	294,879	346,073
2005 Certificates of Obligation	361,283	253,098	253,098	325,338
2006 Certificates of Obligation	0	782,099	782,099	778,536
2006 Refunding Issue	0	275,400	275,400	278,700
2007 Certificates of Obligation	0	0	0	263,800
Bank Services Charges	2,279	4,200	4,200	5,000
TOTAL EXPENDITURES	\$2,072,162	\$2,637,759	\$2,637,759	\$3,026,112
ENDING FUND BALANCE	\$378,704	\$399,504	\$376,179	\$399,504

SCHEDULE OF OUTSTANDING DEBT

OVERVIEW

General Debt Service Fund

General Debt Service is used to account for the monies set aside for the payment of principal and interest to holders of the City's general obligation bonds, the sale of which finance long-term capital improvements such as facilities, streets, drainage, and parks.

A general obligation (GO) bond is a legal debt instrument used to finance permanent public projects within city limits. The GO bond is backed by the tax base and the City's ability to tax for repayment of indebtedness. The state requires incorporated cities to submit proposed bond issues to a public referendum and receive voter authorization prior to bond issuance (Article 701). City Council must issue a "Public Notice" on the same day for two successive weeks, fourteen days prior to the bond election (Article 704). City Council is authorized to enact a tax rate sufficient to pay annual principal and interest requirements (Article 707). State law allows an incorporated city to refund a bond issue in order to reduce bonded indebtedness (Article 802b-2).

In 1998, the City Council approved an ordinance authorizing the issuance of \$5,100,000 in Certificates of Obligation, Series 1998, in order to make certain park and street improvements.

Two years later, Certificates of Obligation, Series 2000 were issued in the amount of \$7,800,000. The funds generated from the sale were designated for street, park, and facility improvements.

Early in 2001, an ordinance authorizing the issuance of \$2,550,000 in Certificates of Obligations, Series 2001 was approved, with the proceeds being used to construct the aquatic facility.

In 2004, City Council approved an ordinance authorizing the issuance of \$5,795,000 in Certificates of Obligation, Series 2004. Proceeds were used to fund certain Capital Improvement projects, including the construction of two major street interchanges, improvements to the City's computer system, and various park and street improvements.

In 2005, Certificates of Obligation, Series 2005 were issued in the amount of \$5,400,000. Monies generated from this issue were used to renovate certain parks and to fund the Drainage Improvement Program, the Paving/Curb & Gutter Program, and the JBS/BI-20 Interchange.

After the 2006-07 Proposed Budget was filed, the City Council authorized the issuance of \$10,150,000 in Certificates of Obligation, Series 2006. Proceeds were used to replace three fire stations, upgrade the radio system, and make certain improvements to Ratliff Ranch Golf Course.

General Obligation Refunding Bonds, Series 2006 were issued in 2006-07 in the amount of \$18,735,000 at a 4% interest rate. Of this amount, \$5,905,000 was issued to advance refund a portion of the outstanding Certificates of Obligation, Series 2000 in the amount of \$5,580,000. The issuance of the advance refunding bonds reduced the City's total debt service requirements by \$299,897 over the life of the issue.

After the 2007-08 Proposed Budget was filed, City Council authorized the issuance of \$4,345,000 in Certificates of Obligation, Series 2007. Proceeds were used to fund a new skate park, improvements to existing parks, and certain street and traffic improvements.

SCHEDULE OF OUTSTANDING DEBT

OVERVIEW

Water and Sewer Debt Service

Water and Sewer Debt Service is used to finance long-term capital improvements. A revenue bond is a legal debt instrument used to finance permanent public projects. The bond is backed by the full faith and credit of the issuing government, and is paid for by revenue from user rates. Unlike GO bonds, revenue bonds do not require voter approval. The City Council is authorized to approve the bond and set the user rates to make the annual payments. State law allows an incorporated city to refund a bond as a method to reduce bonded indebtedness (Article 802b-2).

In 2001, the City refunded and restructured all outstanding revenue bonds to take advantage of lower interest rates (Series 1992A, 1992B, and Series 1992). The bonds were reissued to lower the overall debt service requirement, reducing the cash reserve fund by purchasing a \$5,000,000 assurity bond.

The debt service requirement for 2002-03 of \$4,604,175 decreased \$2,000 compared to the previous year and represented 16.2% of the operating expenditure budget of the Water and Sewer Enterprise Fund.

In 2003-04, the debt service requirement of \$4,604,800 increased \$625 compared to the previous year. The debt service requirement represented 15.4% of the operating budget of the Water and Sewer Enterprise Fund.

The debt service requirement for 2004-05 was \$4,604,800, the same requirement as in 2003-04, and represented 15.2% of the operating budget of the Water and Sewer Enterprise Fund.

In 2005-06, the debt service requirement was \$4,606,550, a \$1,750 increase over the previous year. This requirement made up 14.6% of the operating budget of the Water and Sewer Fund.

General Obligation Refunding Bonds, Series 2006 were issued in 2006-07 in the amount of \$18,735,000 at a 4% interest rate. Of this amount, \$12,830,000 was issued to advance refund a portion of the outstanding Waterworks and Sewer System Revenue Bonds, Series 2001 in the amount of \$12,225,000. The issuance of the refunding bonds reduced the total debt service requirements by \$651,551 over the life of the issue.

After the 2007-08 Proposed Budget was filed, Certificates of Obligation, Series 2007 were issued in the amount of \$62,855,000. Proceeds were used to fund major water and sewer improvements.

The debt service requirement for 2008-09 is \$7,664,269, a \$437,421 increase over last year's number. This year's debt service requirement represents 19.40% of the operating budget of the Water and Sewer Enterprise Fund.

GENERAL DEBT SERVICE FUND
GENERAL DEBT SERVICE FUND 2008-09

CITY OF ODESSA
COMBINED SCHEDULE OF GENERAL DEBT SERVICE
SEPTEMBER 30, 2008

	SERIES 1998			SERIES 2000		
	CERTIFICATES OF OBLIGATION			CERTIFICATES OF OBLIGATION		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	240,000	155,390	395,390	380,000	32,055	412,055
2010	250,000	144,425	394,425	405,000	10,328	415,328
2011	265,000	132,838	397,838	-	-	-
2012	275,000	120,550	395,550	-	-	-
2013	290,000	107,555	397,555	-	-	-
2014	310,000	93,600	403,600	-	-	-
2015	325,000	78,678	403,678	-	-	-
2016	340,000	62,880	402,880	-	-	-
2017	360,000	46,080	406,080	-	-	-
2018	380,000	28,320	408,320	-	-	-
2019	400,000	9,600	409,600	-	-	-
	<u>\$3,435,000</u>	<u>\$979,916</u>	<u>\$4,414,916</u>	<u>\$785,000</u>	<u>\$42,383</u>	<u>\$827,383</u>

GENERAL DEBT SERVICE FUND
GENERAL DEBT SERVICE FUND 2008-09

CITY OF ODESSA
COMBINED SCHEDULE OF GENERAL DEBT SERVICE
SEPTEMBER 30, 2008

	SERIES 2001			SERIES 2004		
	CERTIFICATES OF OBLIGATION			CERTIFICATES OF OBLIGATION		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	105,000	116,220	221,220	100,000	246,073	346,073
2010	110,000	109,718	219,718	50,000	242,135	292,135
2011	115,000	103,485	218,485	55,000	239,379	294,379
2012	125,000	97,365	222,365	75,000	235,966	310,966
2013	130,000	90,863	220,863	110,000	231,110	341,110
2014	140,000	83,978	223,978	115,000	225,779	340,779
2015	145,000	76,710	221,710	125,000	220,679	345,679
2016	150,000	69,188	219,188	220,000	213,348	433,348
2017	160,000	61,243	221,243	250,000	203,360	453,360
2018	170,000	52,703	222,703	315,000	191,354	506,354
2019	180,000	43,558	223,558	350,000	177,048	527,048
2020	245,000	32,401	277,401	470,000	158,978	628,978
2021	490,000	12,985	502,985	570,000	135,695	705,695
2022	-	-	-	840,000	103,760	943,760
2023	-	-	-	890,000	64,180	954,180
2024	-	-	-	940,000	21,855	961,855
	<u>\$2,265,000</u>	<u>\$950,417</u>	<u>\$3,215,417</u>	<u>\$5,475,000</u>	<u>\$2,910,699</u>	<u>\$8,385,699</u>

GENERAL DEBT SERVICE FUND
GENERAL DEBT SERVICE FUND 2008-09

CITY OF ODESSA
COMBINED SCHEDULE OF GENERAL DEBT SERVICE
SEPTEMBER 30, 2008

	SERIES 2005			SERIES 2006		
	CERTIFICATES OF OBLIGATION			CERTIFICATES OF OBLIGATION		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	110,000	215,338	325,338	345,000	433,536	778,536
2010	115,000	210,694	325,694	365,000	414,011	779,011
2011	125,000	205,594	330,594	380,000	393,524	773,524
2012	130,000	200,013	330,013	400,000	372,074	772,074
2013	135,000	194,050	329,050	415,000	349,661	764,661
2014	140,000	187,863	327,863	435,000	329,549	764,549
2015	145,000	181,450	326,450	460,000	311,649	771,649
2016	170,000	174,660	344,660	480,000	292,609	772,609
2017	190,000	167,190	357,190	500,000	272,144	772,144
2018	320,000	156,608	476,608	525,000	250,231	775,231
2019	350,000	142,705	492,705	550,000	226,844	776,844
2020	475,000	125,586	600,586	580,000	201,839	781,839
2021	495,000	105,459	600,459	605,000	175,321	780,321
2022	515,000	84,373	599,373	635,000	147,421	782,421
2023	550,000	61,870	611,870	670,000	117,724	787,724
2024	555,000	38,250	593,250	705,000	86,099	791,099
2025	605,000	13,159	618,159	740,000	52,864	792,864
2026	-	-	-	775,000	17,922	792,922
	<u>\$5,125,000</u>	<u>\$2,464,862</u>	<u>\$7,589,862</u>	<u>\$9,565,000</u>	<u>\$4,445,022</u>	<u>\$14,010,022</u>

GENERAL DEBT SERVICE FUND
GENERAL DEBT SERVICE FUND 2008-09

CITY OF ODESSA
COMBINED SCHEDULE OF GENERAL DEBT SERVICE
SEPTEMBER 30, 2008

	SERIES 2006 REFUNDING ISSUE			SERIES 2007 CERTIFICATES OF OBLIGATION		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2009	45,000	233,700	278,700	50,000	213,800	263,800
2010	45,000	231,900	276,900	20,000	212,400	232,400
2011	475,000	221,500	696,500	20,000	211,600	231,600
2012	495,000	202,100	697,100	30,000	210,600	240,600
2013	515,000	181,900	696,900	40,000	209,200	249,200
2014	540,000	160,800	700,800	45,000	207,500	252,500
2015	565,000	138,700	703,700	40,000	205,800	245,800
2016	595,000	115,500	710,500	45,000	203,875	248,875
2017	630,000	91,000	721,000	45,000	201,625	246,625
2018	655,000	65,300	720,300	55,000	199,125	254,125
2019	690,000	38,400	728,400	65,000	196,125	261,125
2020	615,000	12,300	627,300	80,000	192,500	272,500
2021	-	-	-	450,000	179,250	629,250
2022	-	-	-	475,000	156,125	631,125
2023	-	-	-	490,000	132,000	622,000
2024	-	-	-	530,000	106,500	636,500
2025	-	-	-	545,000	79,625	624,625
2026	-	-	-	610,000	50,750	660,750
				710,000	17,750	727,750
	<u>\$5,865,000</u>	<u>\$1,693,100</u>	<u>\$7,558,100</u>	<u>\$4,345,000</u>	<u>\$3,186,150</u>	<u>\$7,531,150</u>

GENERAL DEBT SERVICE FUND
GENERAL DEBT SERVICE FUND 2008-09

CITY OF ODESSA
COMBINED SCHEDULE OF GENERAL DEBT SERVICE
SEPTEMBER 30, 2008

	<u>PRINCIPAL</u>	<u>TOTAL INTEREST</u>	<u>TOTAL</u>
2009	1,375,000	1,646,112	3,021,112
2010	1,360,000	1,575,611	2,935,611
2011	1,435,000	1,507,920	2,942,920
2012	1,530,000	1,438,668	2,968,668
2013	1,635,000	1,364,339	2,999,339
2014	1,725,000	1,289,069	3,014,069
2015	1,805,000	1,213,666	3,018,666
2016	2,000,000	1,132,060	3,132,060
2017	2,135,000	1,042,642	3,177,642
2018	2,420,000	943,641	3,363,641
2019	2,585,000	834,280	3,419,280
2020	2,465,000	723,604	3,188,604
2021	2,610,000	608,710	3,218,710
2022	2,465,000	491,679	2,956,679
2023	2,600,000	375,774	2,975,774
2024	2,730,000	252,704	2,982,704
2025	1,890,000	145,648	2,035,648
2026	1,385,000	68,672	1,453,672
2027	710,000	17,750	727,750
	<u>\$36,860,000</u>	<u>\$16,672,549</u>	<u>\$53,532,549</u>

SCHEDULE OF REVENUE BOND REQUIREMENT

WATER AND SEWER DEBT 2008-09

CITY OF ODESSA COMBINED SCHEDULE OF REVENUE BOND REQUIREMENTS SEPTEMBER 30, 2008

	SERIES 2001 REFUNDING REVENUE BONDS			SERIES 2006 REFUNDING REVENUE BONDS		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2009	3,195,000	752,219	3,947,219	65,000	509,300	574,300
2010	3,365,000	584,481	3,949,481	70,000	506,600	576,600
2011	3,540,000	407,819	3,947,819	70,000	503,800	573,800
2012	915,000	213,119	1,128,119	2,955,000	443,300	3,398,300
2013	965,000	163,937	1,128,937	3,070,000	322,800	3,392,800
2014	1,015,000	112,069	1,127,069	3,205,000	197,300	3,402,300
2015	1,070,000	57,512	1,127,512	3,330,000	66,600	3,396,600
	<u>\$14,065,000</u>	<u>\$2,291,156</u>	<u>\$16,356,156</u>	<u>\$12,765,000</u>	<u>\$2,549,700</u>	<u>\$15,314,700</u>

SCHEDULE OF REVENUE BOND REQUIREMENT

WATER AND SEWER DEBT 2008-09

CITY OF ODESSA COMBINED SCHEDULE OF REVENUE BOND REQUIREMENTS SEPTEMBER 30, 2008

	SERIES 2007 CERTIFICATES OF OBLIGATION			TOTAL		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2009	0	3,142,750	3,142,750	3,260,000	4,404,269	7,664,269
2010	0	3,142,750	3,142,750	3,435,000	4,233,831	7,668,831
2011	0	3,142,750	3,142,750	3,610,000	4,054,369	7,664,369
2012	0	3,142,750	3,142,750	3,870,000	3,799,169	7,669,169
2013	0	3,142,750	3,142,750	4,035,000	3,629,487	7,664,487
2014	0	3,142,750	3,142,750	4,220,000	3,452,119	7,672,119
2015	0	3,142,750	3,142,750	4,400,000	3,266,862	7,666,862
2016	3,920,000	3,044,750	6,964,750	3,920,000	3,044,750	6,964,750
2017	4,120,000	2,843,750	6,963,750	4,120,000	2,843,750	6,963,750
2018	4,330,000	2,632,500	6,962,500	4,330,000	2,632,500	6,962,500
2019	4,555,000	2,410,375	6,965,375	4,555,000	2,410,375	6,965,375
2020	4,785,000	2,176,875	6,961,875	4,785,000	2,176,875	6,961,875
2021	5,035,000	1,931,375	6,966,375	5,035,000	1,931,375	6,966,375
2022	5,290,000	1,673,250	6,963,250	5,290,000	1,673,250	6,963,250
2023	5,560,000	1,402,000	6,962,000	5,560,000	1,402,000	6,962,000
2024	5,850,000	1,116,750	6,966,750	5,850,000	1,116,750	6,966,750
2025	6,150,000	816,750	6,966,750	6,150,000	816,750	6,966,750
2026	6,465,000	501,375	6,966,375	6,465,000	501,375	6,966,375
2027	6,795,000	169,875	6,964,875	6,795,000	169,875	6,964,875
	<u>\$62,855,000</u>	<u>\$42,718,875</u>	<u>\$105,573,875</u>	<u>\$89,685,000</u>	<u>\$47,559,731</u>	<u>\$137,244,731</u>

2008-09 OUTSTANDING LEASE AGREEMENTS

CITY OF ODESSA, TEXAS SCHEDULE OF CAPITAL LEASE REQUIREMENTS

Year	Honeywell Lease Contract			Fire Truck Lease Contract		
	Principal	Interest	Total	Principal	Interest	Total
2008-09	115,851	2,705	118,556	391,941	142,810	534,751
				407,976	126,775	534,751
				424,666	110,085	534,751
				442,039	92,712	534,751
				460,123	74,628	534,751
				478,947	55,804	534,751
				498,540	36,211	534,751
				<u>518,935</u>	<u>15,815</u>	<u>534,750</u>
TOTAL	<u>\$ 115,851</u>	<u>\$ 2,705</u>	<u>\$ 118,556</u>	<u>\$ 3,623,167</u>	<u>\$ 654,840</u>	<u>\$ 4,278,007</u>

Year	Total - All Lease Obligations		
	Principal	Interest	Total
2008-09	507,792	145,515	653,307
2009-10	407,976	126,775	534,751
2010-11	424,666	110,085	534,751
2011-12	442,039	92,712	534,751
2012-13	460,123	74,628	534,751
2013-14	478,947	55,804	534,751
2014-15	498,540	36,211	534,751
2015-16	518,935	15,815	534,750
TOTAL	<u>\$ 3,739,018</u>	<u>\$ 657,545</u>	<u>\$ 4,396,563</u>

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Community Development Fund
Overview

COMMUNITY DEVELOPMENT FUND

OVERVIEW

	2005-06 Budget	2006-07 Budget	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$0	\$0	\$0	\$0
CURRENT REVENUES				
Block Grant Funds (CDBG)	\$1,288,914	\$1,161,037	\$1,157,999	\$1,118,287
Unprogrammed Funds	62,942	194,254	70,760	139,953
HOME Grant Funds	495,597	465,651	461,478	447,394
TOTAL CURRENT REVENUES	\$1,847,453	\$1,820,942	\$1,690,237	\$1,705,634
TOTAL FINANCING SOURCES	\$1,847,453	\$1,820,942	\$1,690,237	\$1,705,634
EXPENDITURES				
Personal Services	\$486,775	\$429,275	\$436,001	\$486,564
Supplies	48,814	46,288	41,250	33,289
Services	132,344	146,714	134,382	112,239
Maintenance	300	500	8,000	8,000
Capital Outlay	3,500	6,410	8,500	4,000
Projects/Programs	1,175,720	1,191,755	1,062,104	1,061,542
TOTAL EXPENDITURES	\$1,847,453	\$1,820,942	\$1,690,237	\$1,705,634
ENDING FUND BALANCE	\$0	\$0	\$0	\$0

COMMUNITY DEVELOPMENT FUND

OVERVIEW

	2008-09 Budget
Beginning Fund Balance	\$0
Current Revenues	
Block Grant Funds (CDBG)	\$1,118,287
Unprogrammed Funds	139,953
HOME Grant Funds	447,394
Total Current Revenues	\$1,705,634
Total Financing Sources	
Expenditures:	
Program Administration	\$211,750
Housing Rehabilitation	283,566
Demolition Program	223,000
Neighborhood Development Services	211,970
HOME Program	447,394
Parks Scholarship Program	15,000
Odessa Links	15,000
Kids' Cafe (Operations)	15,000
Boys/Girls Club – Wilkerson	30,000
Boys/Girls Club - Woodson	40,000
Odessa Affordable Housing	80,000
Main Street Facade Improvement Program	13,933
Vacant Lot Clearance Program	15,000
Meals on Wheels	25,592
Permian Basin Centers (MHMR)	67,429
Catholic Charities	8,000
PBRC - Alcohol & Drug Abuse	3,000
Total Expenditures	\$1,705,634
Ending Fund Balance	\$0

COMMUNITY DEVELOPMENT FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
COMMUNITY DEVELOPMENT			
CD Administration	Furniture & Office Equipment	\$1,000	
	Machinery & Equipment	1,000	
	Data Processing Equipment	<u>2,000</u>	
	Subtotal CD Administration		\$4,000
TOTAL CAPITAL OUTLAY – COMMUNITY DEV. FUND			<u>\$4,000</u>

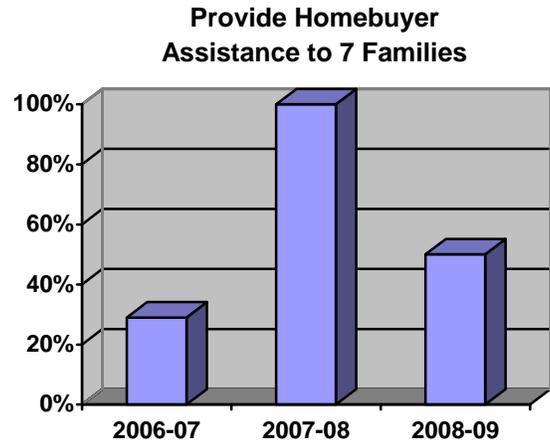
COMMUNITY DEVELOPMENT

Mission

The primary objective of the Community Development Block Grant Program and the HOME Program is to develop and revitalize communities by providing decent housing, a suitable living environment, and expanding economic opportunities and human services for persons of low and moderate income.

Departmental Goals/(City's Value Statement Goals)

1. Offer down payment & closing cost assistance to eligible homebuyers./(Service)
2. Eliminate slum & blight./(Service)
3. Provide rehab & emergency rehab assistance to eligible applicants./(Service)
4. Fund social service agencies that offer services to low-moderate income citizens./(Service)



Objectives / Performance Measures

Effectiveness

1. Provide reconstruction/rehabilitation assistance to 4 households.
2. Assist 2 families through the Community Development Housing Organization.
3. Provide homebuyer assistance to 7 families through a down payment and closing cost assistance program.
4. Continue to provide human services assistance (assist proposed 300 persons).

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
--	-------------------------------------	---------------------------------------	-------------------------------------

1.	350%	100%	100%
2.	0%	300%	50%
3.	29%	100%	50%
4.	86%	100%	100%

COMMUNITY DEVELOPMENT

Expenditures by Classification

	<u>2005-06</u> <u>Budget</u>	<u>2006-07</u> <u>Budget</u>	<u>2007-08</u> <u>Budget</u>	<u>2008-09</u> <u>Budget</u>
Personal Services	\$486,775	\$429,275	\$436,001	\$486,564
Supplies	48,814	46,288	41,250	33,289
Services	132,344	146,714	134,382	112,239
Maintenance	300	500	8,000	8,000
Capital Outlay	3,500	6,410	8,500	4,000
Projects/Programs	<u>1,175,720</u>	<u>1,191,755</u>	<u>1,062,104</u>	<u>1,061,542</u>
Total Expenditures	\$1,847,453	\$1,820,942	\$1,690,237	\$1,705,634

Personnel by Job Title

	<u>2006-07</u> <u>Fiscal Year</u>	<u>2007-08</u> <u>Fiscal Year</u>	<u>2008-09</u> <u>Fiscal Year</u>
Director of Community Development**	1	1	1
Program Manager	1	1	1
Program Assistant	1	1	1
Neighborhood Svcs Supervisor***	1	1	1
Housing Assistant	1	1	1
Demolition Inspector	1	1	1
Housing Rehab Specialist *	1	1	1
Code Enforcement Officer	3	3	3
Housing Construction Coordinator	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	11	11	11
Funding Sources:			
Community Development	8.5	8.5	8.5
HOME*	1	1	1
General Fund**	1	1	1
Solid Waste***	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Personnel	11	11	11

CITY OF ODESSA

FY 2008-09

ADOPTED BUDGET

Ratliff Ranch Golf Course Fund
Overview

RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$774,719	(\$61,842)	(\$958,840)	(\$778,173)
CURRENT REVENUES				
Green Fees	\$43,791	\$131,373	\$516,575	\$516,575
Pro Shop Sales	32,813	98,439	150,000	150,000
Range Tokens	2,516	7,548	20,000	20,000
Grill Rental	3,016	9,048	20,000	20,000
Carts	22,372	67,053	251,460	251,460
GF Transfer In	0	200,000	200,000	200,000
Other Revenue	864	0	22,000	22,000
TOTAL CURRENT REVENUES	\$105,372	\$513,461	\$1,180,035	\$1,180,035
TOTAL FINANCING SOURCES	\$880,091	\$451,619	\$221,195	\$401,862
EXPENDITURES				
Personal Services	\$390,795	\$492,258	\$488,913	\$525,243
Supplies	85,133	232,948	228,883	225,883
Services	362,149	444,383	429,383	524,281
Maintenance	75,629	54,772	54,772	57,772
Capital Outlay	23,725	929	0	0
Other	4,502	4,502	4,502	4,502
TOTAL EXPENDITURES	\$941,933	\$1,229,792	\$1,206,453	\$1,337,681
ENDING FUND BALANCE BEFORE ENCUMBRANCES	(\$61,842)	(\$778,173)	(\$985,258)	(\$935,819)
Encumbrances	19,994	0	0	0
ENDING FUND BALANCE	(\$81,836)	(\$778,173)	(\$985,258)	(\$935,819)

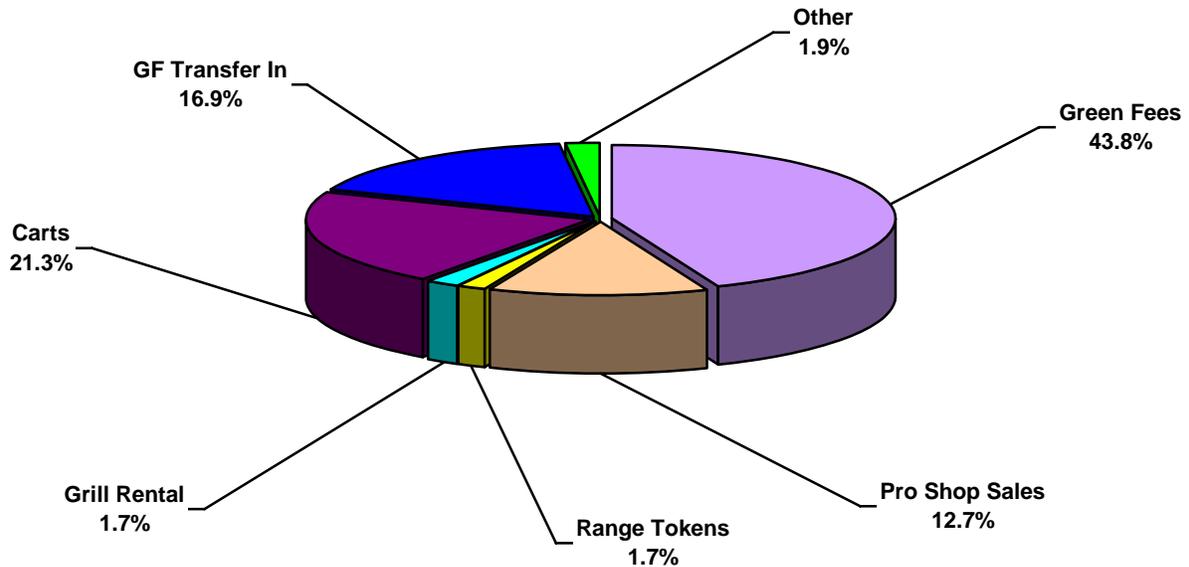
RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Revenues

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
Green Fees	\$43,791	\$131,373	\$516,575	\$516,575
Pro Shop Sales	32,813	98,439	150,000	150,000
Range Tokens	2,516	7,548	20,000	20,000
Grill Rental	3,016	9,048	20,000	20,000
Carts	22,372	67,053	251,460	251,460
GF Transfer In	0	200,000	200,000	200,000
Other Revenue	864	0	22,000	22,000
Total Revenue	\$105,372	\$513,461	\$1,180,035	\$1,180,035

**RATLIFF RANCH GOLF COURSE FUND
2008-09 REVENUES BY SOURCES**



RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Revenues

The City of Odessa purchased the Ratliff Ranch Golf Course in December, 2005, with the intention of providing the general public with access to its first municipal golf course. Over time, it is anticipated that revenues generated by user fees will be sufficient to cover the maintenance and operating expenses associated with running the facility.

The following is a comparative summary of Ratliff Ranch Golf Course Revenues.

<u>Source</u>	2008-09 Budget		Increase / (Decrease) from 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Green Fees	\$516,575	43.78%	\$0	0.00%
Pro Shop Sales	150,000	12.71%	0	0.00%
Range Tokens	20,000	1.69%	0	0.00%
Grill Rental	20,000	1.69%	0	0.00%
Carts	251,460	21.31%	0	0.00%
GF Transfer In	200,000	16.95%	0	0.00%
Other Revenue	<u>22,000</u>	<u>1.87%</u>	<u>0</u>	<u>0.00%</u>
TOTAL	\$1,180,035	100.00%	\$0	0.00%

Major revenues for this fund include daily green fees (43.78%), golf cart rentals (21.31%), and Pro-Shop Sales (12.71%), bringing in 77.8% of the fund's total revenue. Revisions to some fees were adopted in 2007 that encourage play at the course at historically low usage times of the week.

From December 2005 through September 2006, user fees and rental fees generated \$584,624 in revenue. This represents a \$32,324, or 5.85%, increase over estimates made in the summer of 2006.

The Golf Course was shut down in November 2006, and remained closed through August 7, 2008 in order to make necessary repairs and improvements to the grounds and buildings. Due to the fact that no user fees or rental fees were collected during this time, actual revenues for 2006-07 were only \$105,372, and revenues for 2007-08 are estimated to be \$513,461.

The golf course will be open for the entire 2008-09 fiscal year, and revenues are projected to be approximately \$1.18 million.

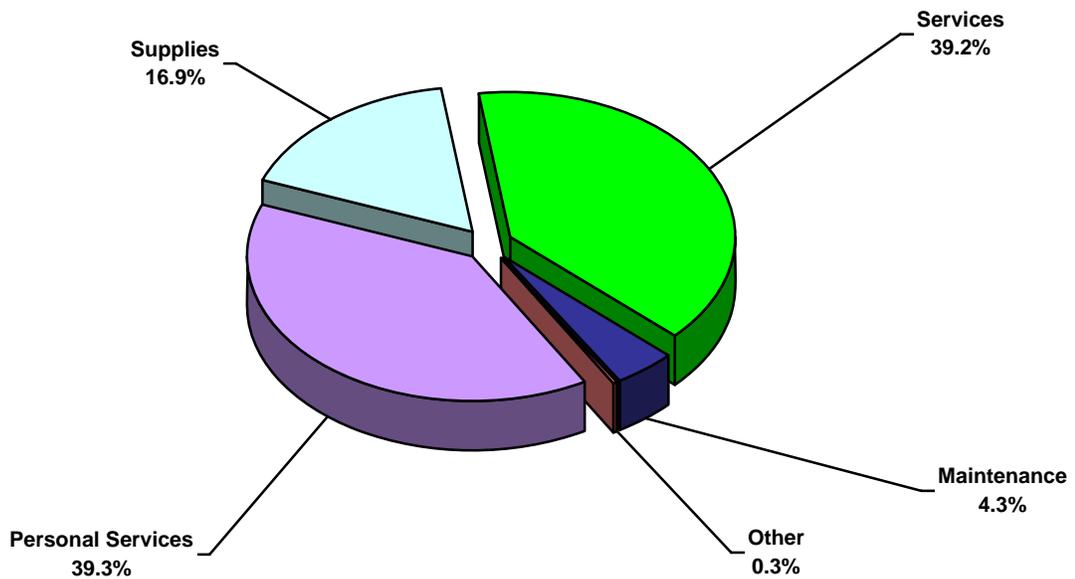
RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Expenditures By Classification

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
Personal Services	\$390,795	\$492,258	\$488,913	\$525,243
Supplies	85,133	232,948	228,883	225,883
Services	362,149	444,383	429,383	524,281
Maintenance	75,629	54,772	54,772	57,772
Capital Outlay	23,725	929	0	0
Other	4,502	4,502	4,502	4,502
	<u>\$941,933</u>	<u>\$1,229,792</u>	<u>\$1,206,453</u>	<u>\$1,337,681</u>

RATLIFF RANCH GOLF COURSE FUND 2008-09 EXPENDITURES BY CLASSIFICATION



RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Expenditures

Ratliff Ranch Golf Course Fund's budgeted expenditures are \$1,337,681 for 2008-09. This represents an increase of 10.88% compared to last year's budget. Major factors contributing to the increase include: the new employee compensation plan, the rising cost of employee benefits, and increases in the cost of water and sewer services. Below is a comparative summary of 2007-08 and 2008-09 budgeted expenditures.

<u>Source</u>	2008-09 Budget		Increase / (Decrease) from 2007-08 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$525,243	39.27%	\$36,330	7.43%
Supplies	225,883	16.89%	(3,000)	(1.31%)
Services	524,281	39.19%	94,898	22.10%
Maintenance	57,772	4.32%	3,000	5.48%
Capital Outlay	0	0.00%	0	0.00%
Other	<u>4,502</u>	<u>0.34%</u>	<u>0</u>	<u>0.00%</u>
TOTAL	\$1,337,681	100.00%	\$131,228	10.88%

In 2008-09, the Golf Course budgeted for 9 positions, the same number of positions as was funded last year. Most of the 7.43% increase in Personal Services will be used to cover the cost of the new employee compensation package and increases in the cost of employee benefits.

The budget for Supplies has decreased by \$3,000 compared to last year's numbers. This 1.31% decrease is due to a reduction in the need to purchase inventory. From November 2006 to August 2008, the golf course was closed for repairs and renovations, and it was not necessary to replenish the stock.

The Services category has experienced a \$94,898, or 22.10% increase compared to the 2007-08 budget. This increase is primarily due to rising equipment replacement costs and increases in the cost of water and sewer services.

The Maintenance Category has realized a \$3,000, or 5.48% increase compared to last year. This increase will be used to cover irrigation costs.

Budgets for the Capital Outlay and Other categories have not experienced any changes compared to the previous year.

RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Expenditures (cont'd.)

Fund Balance

In 2007-08, fund balance decreased to a negative \$778,173 from the 2006-07 deficit fund balance of \$81,836 (without encumbrances). This deficit fund balance position is due to the closure of the golf course for major renovation and construction during the majority of 2007 and 2008. The 2008-09 budget process shows an additional decrease in fund balance as finishing touches are made to the course and new grass is adequately watered and preserved for the peak season. Repayment of the 2008-09 projected ending fund balance deficit (935,819) will extend over the next few years.

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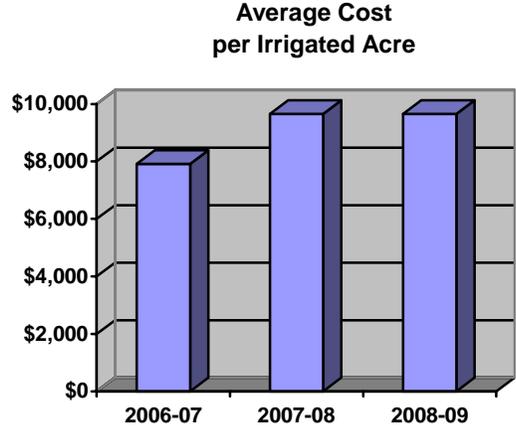
RATLIFF RANCH GOLF COURSE

Mission

Ratliff Ranch Golf Links is responsible for providing an outstanding golf experience at an affordable price through superior customer service, high quality playing conditions, and a wide variety of golf support services to all ages and skill levels.

Departmental Goals/(City's Value Statement Goals)

1. Provide and maintain a high quality public golf course for the citizens of Odessa. /(Direction)
2. Develop and implement a wide variety of programs to advance the playing ability of all skill levels./(Direction)
3. Increase rounds and tournaments through promotions and networking./(Organization)
4. Provide high quality merchandise and equipment for the patrons of Ratliff Ranch Golf Links./(Excellence)



Objectives / Performance Measures

	FY 2006-07 <u>Actual</u>	FY 2007-08 <u>Estimate</u>	FY 2008-09 <u>Target</u>
1. Complete re-development/construction and support facilities.	5% complete	100% complete	N/A
2. Average expenditure per irrigated acre.	\$7,911	\$9,651	\$9,651
3. Golf course water cost per irrigated acre.	\$311	\$480	\$480
4. Number of irrigated acres maintained per full-time employee.	20.83	17.86	17.86
5. Number of rounds.	2,866 *	8,700 *	33,000
6. Total golf shop / food and beverage sales.	\$28,835 *	\$45,500 *	\$185,000

* The golf course was closed for renovations from 11-01-06 through 08-07-08.

RATLIFF RANCH GOLF COURSE

Expenditures by Classification

	<u>2006-07</u> <u>Actual</u>	<u>2007-08</u> <u>Estimated</u>	<u>2007-08</u> <u>Budget</u>	<u>2008-09</u> <u>Budget</u>
Personal Services	\$390,795	\$492,258	\$488,913	\$525,243
Supplies	85,133	232,948	228,883	225,883
Services	362,149	444,383	429,383	524,281
Maintenance	75,629	54,772	54,772	57,772
Capital Outlay	23,725	929	0	0
Lease Payment	0	0	0	0
GF Administrative Fee Transfer	<u>4,502</u>	<u>4,502</u>	<u>4,502</u>	<u>4,502</u>
Total Expenditures	\$941,933	\$1,229,792	\$1,206,453	\$1,337,681

Personnel by Job Title

	<u>2006-07</u> <u>Fiscal Year</u>	<u>2007-08</u> <u>Fiscal Year</u>	<u>2008-09</u> <u>Fiscal Year</u>
Golf Course Pro/Manager	1	1	1
Assistant Golf Course Pro	2	2	2
Golf Course Superintendent	1	1	1
Assistant Golf Course Superintendent	1	1	1
Golf Course Mechanic *	1	1	1
Golf Course Irrigation Technician	1	1	1
Golf Course Equipment Operator	<u>2</u>	<u>3</u>	<u>3</u>
Total Personnel	9	10	10
Funding Sources:			
Golf Course Fund	8	9	9
Equipment Service Fund *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	9	10	10

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Other Funds
Overview

CONVENTION AND VISITORS FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$1,193,516	\$1,613,033	\$841,345	\$2,486,351
Less Reserve	100,000	100,000	100,000	100,000
AVAILABLE FUND BALANCE	\$1,093,516	\$1,513,033	\$741,345	\$2,386,351
CURRENT REVENUES				
Hotel/Motel Tax	\$2,007,317	\$2,200,000	\$1,800,000	\$2,200,000
Other	0	0	0	0
Interest Income	43,942	46,000	20,000	46,000
TOTAL CURRENT REVENUES	\$2,051,259	\$2,246,000	\$1,820,000	\$2,246,000
TOTAL FINANCING SOURCES	\$3,144,775	\$3,759,033	\$2,561,345	\$4,632,351
EXPENDITURES				
Black Cultural Council	\$15,000	\$25,000	\$25,000	\$30,000
Chamber of Commerce	0	22,735	0	0
Commemorative Air Force	40,000	50,000	50,000	60,000
Convention & Visitors Bureau	712,968	748,620	748,620	832,514
Council for the Arts & Humanities	173,224	230,067	230,067	300,419
Friends of Ector Theatre	9,739	0	0	15,000
Heritage Holiday	30,000	35,000	35,000	40,000
Jackalopes Hockey Team	0	0	0	40,000
LULAC Young Adult Council #4798	0	0	0	5,000
Main Street Odessa	59,000	64,200	64,200	70,460
Permian Basin Fair & Exposition	30,000	50,000	50,000	55,000
Rho Iota Omega	20,000	0	0	40,000
Sandhills Stock Show & Rodeo	55,000	60,000	60,000	65,000
Southwest Shakespeare Festival	20,000	22,000	22,000	24,000
Westside LULAC Council #4938	0	0	0	5,000
Ector County Coliseum	50,000	50,000	50,000	50,000
McKinney Park	400,000	0	0	0
Administrative Cost/Audit Fees	16,811	15,060	15,060	15,793
TOTAL EXPENDITURES	\$1,631,742	\$1,372,682	\$1,349,947	\$1,648,186
ENDING AVAILABLE BALANCE	\$1,513,033	\$2,386,351	\$1,211,398	\$2,984,165
Plus Reserve	100,000	100,000	100,000	100,000
ENDING FUND BALANCE	\$1,613,033	\$2,486,351	\$1,311,398	\$3,084,165

NATURAL GAS FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$15,502	(\$3,140)	\$15,501	\$0
CURRENT REVENUES				
Operating	\$19,664,090	\$20,003,140	\$17,000,000	\$20,000,000
Interest Income	188	100	0	0
TOTAL CURRENT REVENUES	\$19,664,278	\$20,003,240	\$17,000,000	\$20,000,000
TOTAL FINANCING SOURCES	\$19,679,780	\$20,000,100	\$17,015,501	\$20,000,000
EXPENDITURES				
Supplies	19,645,144	19,803,730	16,807,135	19,979,718
Services	37,776	196,370	192,865	20,282
TOTAL EXPENDITURES	\$19,682,920	\$20,000,100	\$17,000,000	\$20,000,000
ENDING FUND BALANCE	(\$3,140)	\$0	\$15,501	\$0

MUNICIPAL COURT SECURITY FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$103,418	\$102,845	\$61,343	\$65,239
CURRENT REVENUES				
MC Security Fee	72,758	76,000	76,000	76,000
Interest Income	4,116	0	0	0
TOTAL CURRENT REVENUES	\$76,874	\$76,000	\$76,000	\$76,000
TOTAL FINANCING SOURCES	\$180,292	\$178,845	\$137,343	\$141,239
EXPENDITURES				
Personal Services	\$67,136	\$73,306	\$73,306	\$79,239
Supplies	1,376	1,900	1,900	1,900
Services	835	1,400	1,400	1,684
Maintenance	0	17,000	17,000	17,000
Capital Outlay	8,100	20,000	20,000	20,000
TOTAL EXPENDITURES	\$77,447	\$113,606	\$113,606	\$119,823
ENDING FUND BALANCE	\$102,845	\$65,239	\$23,737	\$21,416

MUNICIPAL COURT TECHNOLOGY FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$199,869	\$283,386	\$153,273	\$272,386
CURRENT REVENUES				
MC Technology Fee	106,126	101,000	101,000	101,000
TOTAL CURRENT REVENUES	\$106,126	\$101,000	\$101,000	\$101,000
TOTAL FINANCING SOURCES	\$305,995	\$384,386	\$254,273	\$373,386
EXPENDITURES				
Supplies	\$3,853	\$9,000	\$9,000	\$9,000
Services	10,511	0	0	0
Maintenance	0	13,000	13,000	13,000
Capital Outlay	8,245	90,000	90,000	90,000
TOTAL EXPENDITURES	\$22,609	\$112,000	\$112,000	\$112,000
ENDING FUND BALANCE	\$283,386	\$272,386	\$142,273	\$261,386

LEOSE FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$2,181	(\$1,550)	(\$1,151)	\$1,376
CURRENT REVENUES				
Grants & Entitlements	\$13,595	\$12,768	\$13,530	\$12,769
Interest Income	10	14	0	0
TOTAL CURRENT REVENUES	\$13,605	\$12,782	\$13,530	\$12,769
TOTAL FINANCING SOURCES	\$15,786	\$11,232	\$12,379	\$14,145
EXPENDITURES				
Fire Training	\$1,054	\$998	\$1,030	\$1,030
Police Training	16,282	8,858	9,400	11,739
TOTAL EXPENDITURES	\$17,336	\$9,856	\$10,430	\$12,769
ENDING FUND BALANCE	(\$1,550)	\$1,376	\$1,949	\$1,376

DRUG FORFEITURE FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$379,435	\$159,610	\$132,291	\$90,206
CURRENT REVENUES				
State Funds	\$14,848	\$48,814	\$0	\$0
Federal Funds	5,740	5,039	0	0
Interest Income	18,393	6,368	0	0
TOTAL CURRENT REVENUES	\$38,981	\$60,221	\$0	\$0
TOTAL FINANCING SOURCES	\$418,416	\$219,831	\$132,291	\$90,206
EXPENDITURES				
Supplies	\$26,771	\$40,000	\$40,000	\$62,000
Services	4,150	0	0	10,000
Capital Outlay	218,221	85,625	85,000	16,000
Operating Transfers Out	9,664	4,000	4,000	0
TOTAL EXPENDITURES	\$258,806	\$129,625	\$129,000	\$88,000
ENDING FUND BALANCE	\$159,610	\$90,206	\$3,291	\$2,206

LIQUID WASTE FUND

OVERVIEW

	2006-07 Actual	2007-08 Estimated	2007-08 Budget	2008-09 Budget
BEGINNING FUND BALANCE	\$1,561	\$18,258	\$4,571	\$13,551
CURRENT REVENUES				
City Participation	\$0	\$16,570	\$13,034	\$7,309
County Participation	16,571	0	13,034	7,309
Liquid Waste Fees	20,568	23,913	14,601	23,913
Interest Income	573	370	0	0
TOTAL CURRENT REVENUES	\$37,712	\$40,853	\$40,669	\$38,531
TOTAL FINANCING SOURCES	\$39,273	\$59,111	\$45,240	\$52,082
EXPENDITURES				
Personal Services	\$14,014	\$37,759	\$37,439	\$42,009
Supplies	619	1,075	1,075	1,075
Services	6,382	6,726	6,726	6,355
Other	0	0	0	2,643
TOTAL EXPENDITURES	\$21,015	\$45,560	\$45,240	\$52,082
ENDING FUND BALANCE	\$18,258	\$13,551	\$0	\$0

2008-09 GRANT SUMMARY

PUBLIC SAFETY COMMUNICATIONS

9-1-1 District Dispatcher Grant - The 9-1-1 Grant provides for one Quality Control position and 2 call taker positions for Public Safety Communications. These additional call takers will give more extensive pre-arrival instructions to callers needing emergency assistance.

Ector County Emergency Communications District GIS System Development - Graphical Interface System (GIS) development will aid public safety employees in emergency response and area communications throughout the the City of Odessa and Ector County with specialized mapping and database interfacing. This grant provides for a GIS Technician and various supplies and equipment for the system design.

School Attendance Court Grant - Ector County has awarded the City the School Court Attendance Grant in an effort to address the issue of truancy in Ector County ISD. Funds will be used to help staff the court and cover a portion of the operational costs.

2008-09 GRANT PROGRAMS

Grant Name and Description		Total Program Cost	Grant Reimbursement	Net City Contribution
<u>PUBLIC SAFETY COMMUNICATIONS</u>				
911 Dispatcher Funding	Term: (Oct-Sep) 3 Positions	\$111,000	\$111,000	\$0
<u>FIRE DEPARTMENT</u>				
Ector County Emergency Communication District GIS System Devel.	Term: (Oct-Sep) 1 Position	\$25,000	\$25,000	\$0
<u>MUNICIPAL COURT</u>				
School Attendance Court	Term: (Oct-Sep) 3 Positions	\$167,601	\$167,601	\$0
<u>CITY ATTORNEY'S OFFICE</u>				
School Attendance Court	Term: (Oct-Sep) 1 Positions	\$78,266	\$78,266	\$0
Total FY 2008-09 Grants		\$381,867	\$381,867	\$0

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Capital Improvement Fund
Overview

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Overview

The total Work In Process Capital Improvement Program (CIP) for the City of Odessa totals \$80,685,048 for the 2008-09 fiscal year, an increase of almost \$59.0 million from the 2007-08 capital improvement program year. Such a large increase is due to a \$62.9 million C. O. bond issue in the Water and Sewer Fund in late 2007. This year's program focuses on the planning and development of land use, maintenance of existing infrastructure, and development of parklands that will enhance the quality of life for our citizens. The CIP program is grouped into two major capital programs including \$10,650,285 General Purpose capital programs and \$70,034,763 for Enterprise capital programs. Funding for the CIP is comprised of 100% from operating revenue. For the 2008-2009 fiscal year, no new Enterprise capital programs were adopted during the budgeting process. All of the projects are a part of the work in process CIP and are presented below in a comparative summary of the capital budgets of the City of Odessa.

Summary of Work In Process Capital Improvements Program

	<u>Planned WIP 2007-08</u>	<u>Planned WIP 2008-09</u>
General Purpose		
Parks / Golf Improvements	\$4,787,872	\$6,021,356
Public Works Improvements	624,164	1,895,073
Public Safety Improvements	6,594,689	2,171,576
Information Tech Improvements	0	562,280
Miscellaneous / Contingencies	0	0
Enterprise Fund		
Water and Sewer	9,724,588	70,034,763
Total Work in Process Capital Budget	<u>\$21,731,313</u>	<u>\$80,685,048</u>

Funding Sources of the Capital Improvement Program

	<u>2008-2009</u>	<u>Percentage</u>
Certificates of Obligation	\$8,570,320	10.62%
General Fund	2,079,965	2.58%
Water and Sewer Revenue	70,034,763	86.80%
Total Funding Sources	<u>\$80,685,048</u>	<u>100.00%</u>

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

General Purpose Capital Budgets

Prior to 1998-99, the City of Odessa did not have a formalized CIP for General Purpose projects. The City did target critical capital replacement items within the General Fund and issued debt to pay for them. In 1996-97, the City decided to begin the steps involved in formalizing a CIP program for General Purpose in the development of master plans for both Parks and Public Works. These master plans became the blueprints for the CIP program presented here. However, the blueprints were not set in stone because a critical aspect was missing: citizen input. A steering committee was formed and co-chaired by prominent leaders of the community. The objective of the approximately 30 citizens who served on the committee was to solicit feedback from the community and recommend an implementation plan for the recently completed Parks Master Plan and other needed capital improvements within the City.

The steering committee divided into several sub committees and over the next nine months to a year held public hearings and numerous committee meetings. The recommended \$65 million funding needs were pared to a final recommendation of funding totaling \$50 million. The original steering committee evolved into a CIP advisory committee used for reviewing a ten-year CIP plan.

Perhaps the greatest challenge of a formalized CIP is the development of a funding plan that creates the least possible financial burden to the community. After numerous discussions with the City's financial advisors, First Southwest, and a careful review of existing revenues and debt service commitments, a win-win solution to parks/infrastructure needs was devised.

A 1/4 cent sales tax for economic development was adopted in November 1997, enabling the City to redirect \$400,000 from economic development to debt service payments. This allowed the City to issue \$5.1 million in debt without raising property taxes in 1998-1999. In 1999-2000, the 1995 Limited Tax Notes issue was retired and the City issued another \$7.8 million in debt without raising property taxes. This was made possible through the additional funding from the redirection of economic development funds and retirement of old debt.

Each year, the plan is reviewed and updated through review of the Parks Open Space Master Plan, Public Works Master Plan, Traffic Master Plan and various engineering studies and cost studies. The most recent revision to the Capital Improvement plan took place in early 2007, prior to the 2007 GO bond issue in the amount of \$4,345,000. Proceeds of this issue provided funding for a skate park, redevelopment of 5 existing parks, various traffic improvements, drainage projects and paving / curb and gutter rehab. No new capital improvement funds were approved for the 2008-09 budget.

Enterprise Fund Capital Budget

As a separate fund with separate funding sources, Water and Sewer developed its own Capital Improvement Plan that will guide the City in its future water and wastewater improvements. In the 2008-09 budget, no new CIP projects for water and sewer were included as part of the budget awaiting completion of a Water/Sewer Master Project update allocating funds from the 2007 Bond Issue. Currently, a study will establish what items are needed to address state regulations, maintenance and improvements of infrastructure along with expansion of infrastructure.

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Operational Impact of Capital Improvement Program

The City of Odessa prepares a separate capital budget from the operating budget, but the two budgets are closely linked. The Capital Improvement Program as distinguished from the operating budget is a multi-year financial plan for the acquisition, expansion, or rehabilitation of infrastructure, capital assets, or productive capacity of City Services. Capital Projects typically apply to (1) expenditures which take place over two or more years requiring continuing appropriations beyond a single fiscal year; (2) funding with debt because of significant costs to be shared by current and future beneficiaries; and (3) scheduled replacement or maintenance of specific elements of physical assets.

Revenues for the Capital Budget are derived primarily from General Obligation Certificate sales, grant funding, and current revenues. The Capital Budget, unlike the Operating Budget, is a five-year plan that is reviewed annually.

The estimated impact of the Capital Budget on the Operating Budget is approximately \$36.8 million in outstanding general debt service incurred from long term financing of capital projects approved in prior years. In mid 2007, the issuance of \$4.3 million in new general debt brought the total general debt service to this level. The tax rate designated for debt service is set at \$0.085221 per \$100 or 15.2% of the tax rate.

Historically, the 2001 debt service payment for the Water and Sewer fund showed a 12.93% reduction due to the re-issuance of the fund's revenue bonds. Proceeds from the sale of the bonds were used to refund the outstanding Waterworks and Sewer System Revenue Bonds Series 1992, 1992A, and 1992B. The bonds were reissued to lower the overall debt service requirement by taking advantage of a lower interest rate. Again in 2006, General Obligation Refunding Bonds, Series 2006 were issued during the 2006-07 fiscal year in the amount of \$18,735,000 at a 4% interest rate. Of this amount, \$12,830,000 was issued to advance refund a portion of the outstanding Waterworks and Sewer System Revenue Bonds, Series 2001 in the amount of \$12,225,000. The issuance of these bonds reduced the total debt service requirements by \$651,551 over the life of the issue.

The Water and Wastewater projects in process have been funded in prior years from the rates set for Water and Wastewater. Water and Wastewater rates were increased 3% in the 2008-09 budget. This rate increase will aid in funding the debt service requirement of \$7,664,269. This year's debt service requirement represents 19.40% of the operating budget of the Water and Sewer Enterprise Fund, which amounts to a \$437,421 increase over last year's budget. A Certificates of Obligation issue in late 2007 in the amount of \$62,855,000 is the result of this increase in the debt service requirement for the Water and Sewer Fund.

As part of the Capital Improvement Program, each department is asked to identify those capital projects that have an operating budgetary impact. To illustrate the additional cost of capital projects, through operational budgets and debt service payments, this section includes a display of the CIP General Purpose projects and the additional tax rate needed to fund these costs. This does not imply that the City would raise the tax rate as many variables impact the establishment of the tax rate. However, the City has chosen to use this method of demonstrating the fact that capital projects do indeed impact the operational budget.

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

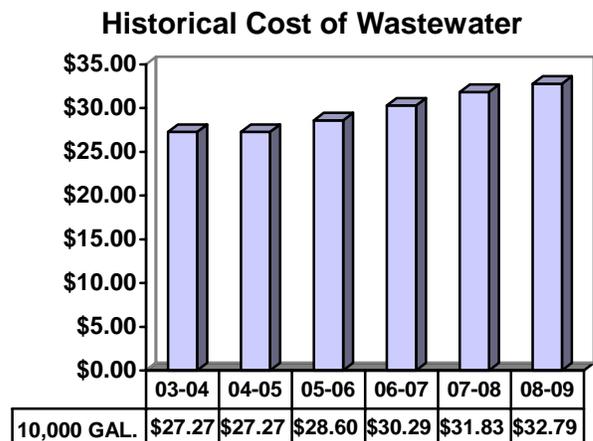
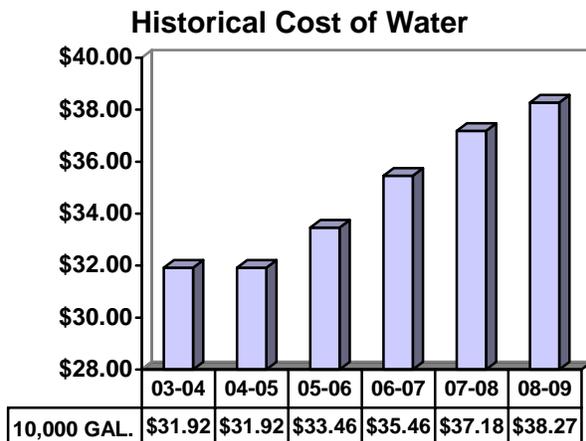
Operational Impact of Capital Improvement Program cont.

For example, replacing incandescent signal lamps with energy saving LED lamps at major intersections should generate an annual 38% energy savings in the Traffic division of Public Works when completed. No change in operating budgets for the Traffic division occurred in this year's budget, but upon completion of this project those savings should be realized each year.

The street extension projects should eventually increase the operational budget of Public Works in maintenance costs by approximately \$1,500 per lane mile. The JBS / BI20 Overpass Interchange development is to continue this year with the actual street extension already into mid-Phase I with encumbered costs of \$1.2 million to the General Fund. The operational impact to the City in funding this \$5.4 million project has been minimized by contribution agreements with the Odessa Industrial Development Corporation and the Odessa Development Corporation in the amounts of \$250,000 and \$1,000,000 respectively.

The Water and Sewer capital improvement projects include maintenance, replacement and state or federally mandated obligations that allow requisite water treatment and distribution and wastewater collection, treatment and disposal to the community of nearly 100,000 citizens. Annual replacement and maintenance of water and sewer lines assures the sale of water and sewer services to cover the \$39.5 million in operating expenses ensuring continuous, uninterrupted service to over 35,000 utility accounts.

A goal of 2,000 water valves is exercised each year to insure their effectiveness in shutting down lines during regular and emergency maintenance situations. This application will allow immediate cut off of water flows for maintenance and emergency line break repair. The maximum demand for water is approximately 37.94 million gallons per day (mgd). Prompt cut off of water via the valve system is requisite as the approximate cost for lost water is roughly \$111,000 per day of otherwise deliverable water.



Additional information on projects can be found under the heading of Descriptions of 2008-09 Capital Projects in the Work In Process Capital Improvement Program section of this document.

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Capital Improvement Program Increased Operational Costs and Tax Rate Analysis

Bond Sale Year	Total Funding Needs	Increased Operational Costs	Fiscal Year Impact	Tax Rate Increase in Cents		
				Operations	Debt	Total
2007	\$3,710,000	\$569,000	2007-08	\$0.0234	\$0.0000	\$0.0234
2008	5,665,000	612,000	2008-09	0.0252	0.0147	0.0399
2009	5,955,000	590,000	2009-10	0.0243	0.0221	0.0464
2010	4,825,000	110,000	2010-11	0.0045	0.0000	0.0045
TOTAL	<u>\$20,155,000</u>	<u>\$1,881,000</u>		<u>\$ 0.0774</u>	<u>\$ 0.0368</u>	<u>\$ 0.1142</u>

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Descriptions of 2008-09 General Purpose Work In Process Capital Projects

Parks Improvements

Sherwood Park – Renovation is in the design phase of this 65-acre park under the direction of Parkhill, Smith and Cooper. Objectives evaluated in the renovations include maintaining flood control levels of the Muskingum Draw, providing critical improvements in the irrigation system, rest-rooms, additional parking lots, additional picnic facilities, lighted basketball court, walking trails, baseball field improvements, security lighting, landscaping, park signage and other infrastructure upgrades.

Develop / Redevelop Parks – With the assistance of the Skate Park Committee, begin the design/construction of a skate park. Miscellaneous renovations and improvements are to be made during 2008-09 to Murry Fly, Lion's Club, Western Manor, Central and Preston Oaks parks.

Progressive Park Safety Improvements – Renovation of the playground safety surfacing and replacement of NBGS sensory garden play structures. The playground safety surfacing was installed in 1996 and the rubberized surfacing in the play areas has exceeded its useful lifespan. The NBGS planets are in need of replacement due to the amount of use they have received over the last five years.

McKinney Park – The construction phase is scheduled to be completed in 2009, which includes a sprayground, two additional baseball fields, playground, amphitheater, renovated tennis and volleyball courts and picnic pavilion.

Noel Plaza Shade Structure – The shade structure will be installed over the stage area and will extend into the walkway in front of the stage.

Freedom Park Fountain – Project will allow for the replacement and enhancement of the center fountain in the retention basin. This existing fountain is no longer operational.

Memorial Gardens Fountain – The center fountain in the playa lake is to be replaced as the existing fountain is no longer operational and has been removed.

Floyd Gwin Soccer Turf – Field use has increased at Floyd Gwin with the development of an additional league. Project will allow for the removal of the existing variety of turf and replace with a more compatible sports turf similar to the fields at UTPB Park.

Civic Center Study – Feasibility study on the possibility of design and construction of a Civic Center in Odessa.

Aquatic Facilities Funbrella Tops – Replacement of shade tops in Sherwood and Woodson pools.

Parks Master Plan Update – Secure professional services and complete update to the 2005 Parks and Recreation Open Space & Urban Landscapes Master Plan project list. Texas Parks & Wildlife requires that the project list be reviewed and updated on a five-year basis.

Golf Course Fencing – Phase I will add fencing along the maintenance road and along hole #1 to separate out of bounds and the maintenance barn area. Phase II will add fencing along Grandview Ave. which will include the entrance and areas on the course for traffic control (holes 7, 8, 14, 15 and 17 tee area facing the loop).

Public Works Improvements

Drainage Improvements – Project is under design and will be bid in the next 6 months.

Paving, Curb and Gutter – Complete improvements in targeted developments throughout the city.

Downtown Growth Plan – Initiate study for downtown redevelopment in Odessa.

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Descriptions of 2008-09 General Purpose Work In Process Capital Projects cont.

Traffic Improvements – Upgrading signal poles to mast arms will improve signal visibility at various locations within the city, and provide new installations where warranted in conjunction with the Traffic Master Plan. The recent project of replacing incandescent signal lamps with energy saving Light Emitting Diode (LED) lamps at major intersections should begin to manifest a savings for the City by approximately 38% on energy costs by maintaining traffic signals replaced. Also, provides for installation of six battery back-up systems at strategic intersections around town. This equipment automatically switched to the back-up system without interruption to the operation of the traffic signal and therefore keeps the police from having to manually direct traffic at a location. Pilot programs have proven to work efficiently.

Demolition Funds – Monies allocated for various sites identified for demolition within the city.

JBS / BI20 Interchange – Construction of interchanges on JBS Parkway at BI-20 is under construction by the Texas Department of Transportation with expected completion sometime in 2009. Will open a corridor to Odessa businesses from the Business Interstate connecting to Midland.

Public Safety Improvements

Fire Stations – Fire Stations #4, 7 and Central are being replaced by new construction, in addition to being moved. Stations 4 & 7 were both built in 1963 and Central was built in 1950. As the City has expanded, the need for the stations to be repositioned has become imperative.

Police Live Shoot House – Will provide critical training in close-quarter tactical skills in a realistic training environment. Would also be available for live fire training in simulated commercial or residential structures.

Public Safety Communications – Upgrade to Higher Ground system. Remainder of funds from last year's Dispatch System upgrade for the Public Safety Communications department will be used for various system software and hardware needs this year.

Information Technology Improvements

Voice Over IP – VoIP can be a benefit for reducing communication and infrastructure costs by routing phone calls over existing data networks and avoiding duplicate network systems. Bids have currently been requested from vendors.

HTE/Tiburon Upgrade – SunGard Public Sector offers enterprise-wide software and service solutions that aid in helping municipalities, government agencies, and utilities connect their departments, staff, citizens, and businesses with critical information and services. Tiburon, Inc. provides fully integrated command and control, information management and analysis solutions to public safety organizations. HTE upgrade is currently in process; upgrade to Tiburon system has just been initiated.

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Summary of Work In Process Projects General Purpose Capital Projects, 2008-09

Project Description	WIP	Funding Source	
		Gen Fund/ Gen Const	City Debt
Park Improvements			
Sherwood Park	\$2,928,755		\$2,928,755
Develop /Redevelop Parks	2,250,977		2,250,977
Progressive Park Safety Impr.	200,000	200,000	
McKinney Park	120,950	120,950	
Noel Plaza Shade Structure	100,511	100,000	511
Freedom Park Fountain	100,000	100,000	
Memorial Gardens Fountain	88,163	85,000	3,163
Floyd Gwin Soccer Turf	60,000	60,000	
Civic Center Study	75,000	75,000	
Aquatic Fac. Funbrella Tops	32,000	32,000	
Parks Master Plan Update	20,000	20,000	
Golf Course Fencing	45,000	45,000	
Public Works Improvements			
Drainage Improvements	1,024,111		1,024,111
Paving, Gutter Improvements	327,722		327,722
Downtown Growth Plan	200,000	200,000	
Traffic Improvements	253,461	81,000	172,461
Demolition Funds	54,999	54,999	
JBS BI20 Interchange	34,780		34,780
Public Safety Improvements			
Fire Stations	1,859,875	60,000	1,799,875
Police Live Fire Shoot House	250,000	250,000	
Public Safety Communications	61,701	33,736	27,965
Information Tech Improvements			
Voice Over I P	400,000	400,000	
HTE /Tiburon Upgrade	162,280	162,280	
Total General Purpose Projects	\$ 10,650,285	\$2,079,965	\$8,570,320

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Descriptions of 2008-09 Enterprise Fund Work In Process Capital Projects

Water Line Replacement - An ongoing project that remains necessary because as the system continues to age more lines are determined to be in need of replacement. In addition, there are still numerous 4" lines, which need to be upgraded to a minimum of 6" lines. Replacement of the lines will assist in improving water pressures and water quality in the affected areas.

Sewer Line Replacement - An ongoing project budgeted to replace miscellaneous deteriorated sewer collection lines throughout the city.

Participation in Line Extension – Miscellaneous projects for upgrading the size of lines or otherwise participate in construction of utilities in areas of new development.

A Graphical Interface System (GIS) - The process of locating all utility facilities and the inputting of data into the software programs will continue throughout this year. Investigation into the best means to implement providing GIS data to field personnel will take place as well.

Various other repairs and improvements will be made to both water and wastewater systems throughout the year. Eight hundred sixty-three thousand dollars has been budgeted to complete the refurbishment of three filters at the Water Treatment Plant. Three major waterline projects will include 52nd St. to Loop 338 at a completion cost of \$785,229, another line from Billy Hext Rd. to Marco at BI20 and Stonegate at a cost of \$315,495 and lastly, line BI 20 at Loop 338 expending the remaining \$307,805.

Other water delivery related projects include the AMR meters located in the Country Club will be replaced according to a seven-year change out plan for \$100,000 this year. Also for these higher consumption times of the year, a backup electrical feed from TXU at a cost of \$124,999 will maintain normal water delivery to water customers over the usual reliance on backup generators during occasional outages. The Water Treatment Plant will also spend \$50,000 for the removal of asbestos floor tile, with installation of new vinyl tile, at the Water Treatment Plant. Funding has also been set aside for several water projects to be determined later in the fiscal year from a pending study. Implementation of security items identified in the vulnerability assessment for the Water plant will take place in 2008-09 as well.

Projects for the wastewater treatment plant include completion of the design of phases III, IV and V of Sewer Line "H" rehab in the city. Also, Manhole Rehabilitation for the repair and replacement of disintegrating manholes is a requisite program each year.

Alan Plummer and Associates, being the WSSIP Consultants for the Water / Sewer Fund is currently conducting a study to identify and prioritize infrastructure to be replaced and repaired using 2007 C.O. bond monies in the amount of \$62,873,705 in water and sewer unallocated improvements. Projects will be initiated upon completion of their review.

Completion of the construction projects listed above will improve the ability of treatment personnel to meet the increasing demands of Odessa's water and sewer customers. Contingencies have been allocated for all project costs and budgeted at \$802,099 for the above Capital Improvements Projects for the 2008-09 fiscal year.

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Summary of Work In Process Projects Enterprise Fund Capital Projects, 2008-09

<u>Project Description</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Water Line Replacement	\$ 614,184	\$	\$ 614,184
Sewer Line Replacement		200,264	200,264
Participation In Line Extensions	100,000	100,000	200,000
GIS Program	17,226	17,227	34,453
Water System Improvements			
Water Line – 52 nd St. & Loop 338	785,229		785,229
Water Line – BI 20 & Loop 338	307,805		307,805
Water Line – B. Hext/Marco/BI20/Stonegate	315,495		315,495
Water Treat. Plant Filter (3) Refurbish	863,009		863,009
Water Treat. Plant – Replace Asbestos Flr.	50,000		50,000
Water Treat. Plant – Back-up Elec Feed	124,999		124,999
Water Treat. Plant – Vulnerability Assess.	339,903		339,903
Water Project	1,443,173		1,443,173
Replace AMR Meters	100,000		100,000
Wastewater System Improvements			
Manhole Rehabilitation		100,000	100,000
Sewer Line H, Ph III, IV, V		203,764	203,764
Water / Sewer Unallocated (2007 Bond Is)	31,436,853	31,436,852	62,873,705
WSSIP Consultants	338,341	338,340	676,681
Contingency	708,911	93,188	802,099
Total Enterprise Fund Capital Projects	<u><u>\$37,545,128</u></u>	<u><u>\$32,489,635</u></u>	<u><u>\$70,034,763</u></u>

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Community Profile

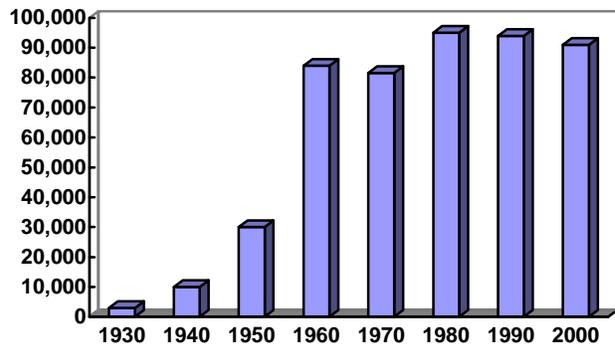
COMMUNITY PROFILE

The City of Odessa is located in the heart of West Texas between Dallas/Ft. Worth and El Paso along Interstate 20. Odessa, located in Ector County, covers approximately 37.62 square miles and is 2,851 feet above sea level.



Odessa is located in the Permian Basin, a geological phenomenon that contains one of the nation's largest reserves of oil and natural gas. Above ground, the terrain is relatively flat or slightly undulating.

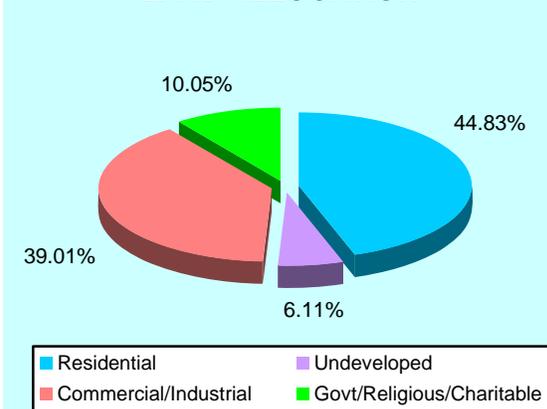
ODESSA POPULATION



Odessa's population is 100,118. For statistical purposes, Odessa is grouped together with a neighboring city, Midland, to form the Odessa-Midland Standard Metropolitan Statistical Area (S.M.S.A.) This S.M.S.A. consists of approximately 256,000 people, making it the second largest in West Texas, the 7th largest in Texas, and the 81st largest in the U.S.



LAND ALLOCATION



Odessans enjoy an average of 266 sunny days a year, and an average rainfall of approximately 14.8 inches. The mean temperature is about 63.4 degrees. Winds average 11.1 miles per hour, which puts Odessa in the top 16% of the windiest cities in the U.S.

COMMUNITY PROFILE



The City of Odessa was incorporated in April 1927, and adopted a home rule charter in April 1945. The Council-Manager form of government was adopted in December 1969. The Council consists of a Mayor at Large plus five Council Members representing the different districts within the City of Odessa.

The City Manager serves as the budget officer of the City of Odessa. He is required to prepare an annual budget of the proposed expenditures of the City. However, only the elected City Council is authorized to set the appropriate revenue mix, thereby also determining the appropriate expenditure levels. When the City Council formally approves the proposed budget, the budget is adopted.

SERVICE STATISTICS

FIRE

Fire Stations	8
Professional Firefighters	161
Fire Inspectors/Investigators	6
Support Personnel*	4
Fire Safety House	1
ALS Fire Engines	6
ALS Quint Apparatus	2
Hazmat Truck	1
Frontline ALS Ambulances	5
Demand ALS Ambulances	3
Tankers	2
Rescue Truck	1
Reserve Engines	2

POLICE

Police Station	1
Commissioned Officers*	174
Marked Patrol Cars	54
Other Marked Police Vehicles	13
Tactical K-9's	6
Public Relations Display Cars	1

*includes grant positions

Major Employers in Odessa:

Ector County Independent School District
 Medical Center Hospital
 Saulsbury Companies
 City of Odessa
 Wal-Mart Super Centers
 Halliburton Services
 Odessa College
 Odessa Regional Hospital
 University of Texas of the Permian Basin
 Hollman Companies

Major Tax Payers in Odessa:

Four Star Oil & Gas
 Oncor Electric Delivery Co.
 MCM Properties II, LTD
 CA New Plan Texas Assets
 Southwestern Bell Telephone
 Lithia Real Estate, Inc.
 Odessa Regional Hospital
 TRA Midland Properties
 Wal-Mart Stores East, LP
 Cable One, Inc.

COMMUNITY PROFILE



NEIGHBORHOOD AND RECREATIONAL RESOURCES

Land Area (Acres)	756
Parks	36
Community Centers	4
Public Swimming Pools	3
Public Tennis Courts	16
Public Basketball Courts	9
Public Baseball Fields	19
Public Softball Fields	21
Public Volleyball Courts	14
Public Soccer Fields	27
Gymnasium	1
Playgrounds	45
Picnic Pavilions	19
Walking Trails	4
Golf Course	1

POPULATION AND ECONOMIC CHARACTERISTICS

Population by Sex
(2006 TX State Data Center Estimates)

Male	48.95%
Female	51.05%

Population by Age
(2006 TX State Data Center Estimates)

Under 5 years	9.08%
5 to 19 years	23.11%
20 to 24 years	8.19%
25 to 44 years	25.80%
45 to 64 years	22.61%
65 to 74 years	5.94%
75 years and older	5.26%
 Median Age	 32.0

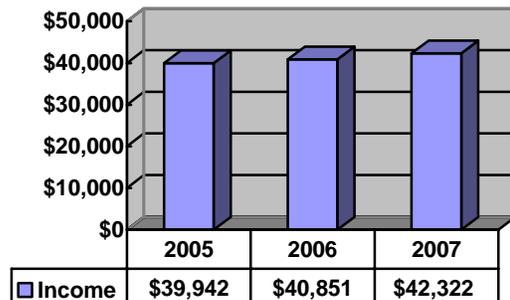
Racial Characteristics
(2006 TX State Data Center Estimates)

Anglo	44.37%
Hispanic	49.48%
African-American	4.72%
Other	1.43%

% of Single Family Homesteads
(Ector County Appraisal District)

Less than \$50,001	22.09%
\$50,001 to \$99,000	38.43%
\$99,001 to \$149,000	21.06%
\$149,001 to \$299,000	16.08%
\$299,001 to \$1,000,000	2.31%
\$1,000,001 to \$10,000,000	0.04%

AVERAGE DISPOSABLE INCOME PER HOUSEHOLD



(Odessa Chamber of Commerce)

COMMUNITY PROFILE



Odessa is the home of the University of Texas of the Permian Basin, a 600 acre campus located on Odessa's east side. UTPB opened its doors in 1973 as a public upper-level university, and became a four-year university in 1991. The university boasts a state-of-the-art library lecture center, a world-class visual arts complex, and a student center. In order to serve the growing student population, 12 apartment-style buildings and a clubhouse were added in the fall of 2005, and construction began on a new Science/Technology Building in the summer of 2008.

Odessa is also the home of Odessa College. Established in 1946, this two-year community college offers freshman and sophomore university-parallel courses for students planning to complete four year degrees. OC also offers a variety of occupational-technical programs, in addition to providing credit and non-credit continuing educational programs.

QUALITY OF LIFE

PUBLIC EDUCATION IN ODESSA

Elementary Schools	25
Early Education Centers *	2
Junior High Schools	6
High Schools	2
Advanced Technical Center *	1
Virtual High School *	1
Teen Parent Center *	1
Alternative Center *	1
Youth Center *	1
Junior College	1
University	1
Health Science Center	1

* Special School District Programs



Odessans are served by two hospitals: the 362-bed Medical Center Hospital (shown at left), and Odessa Regional Medical Center (196 beds).

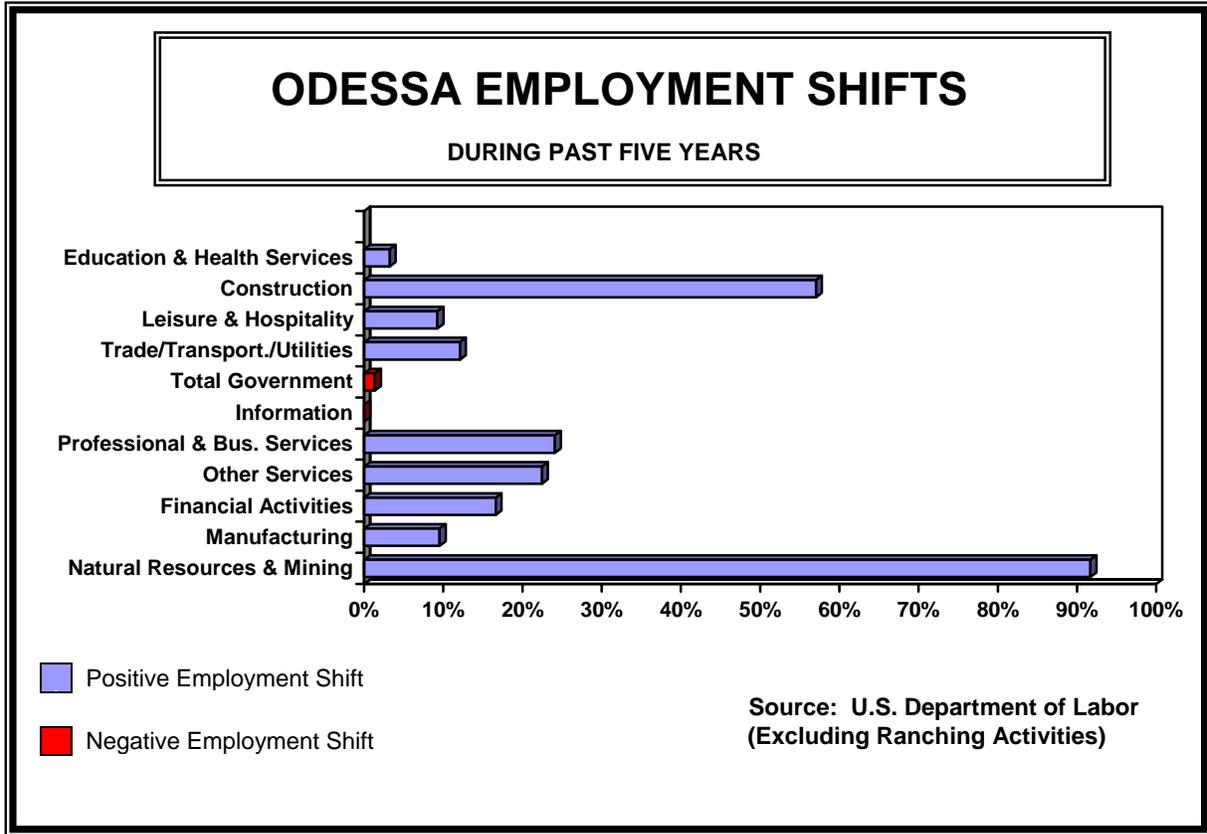
COMMUNITY PROFILE



The Citizens of Odessa enjoy a diverse variety of recreational and cultural amenities. From active pursuits such as supporting the local Jackalopes Hockey Team or attending the Permian Basin Fair to more serene pastimes such as visiting the local duck pond, recreational opportunities abound. A wide variety of cultural advantages are also available, such as the Globe of the Great Southwest Theatre, the Permian Playhouse, the Midland-Odessa Symphony Chorale, the Art Institute of the Permian Basin, and Heritage Holiday events, including the annual Christmas Tree Lighting Ceremony and Starbright Village.

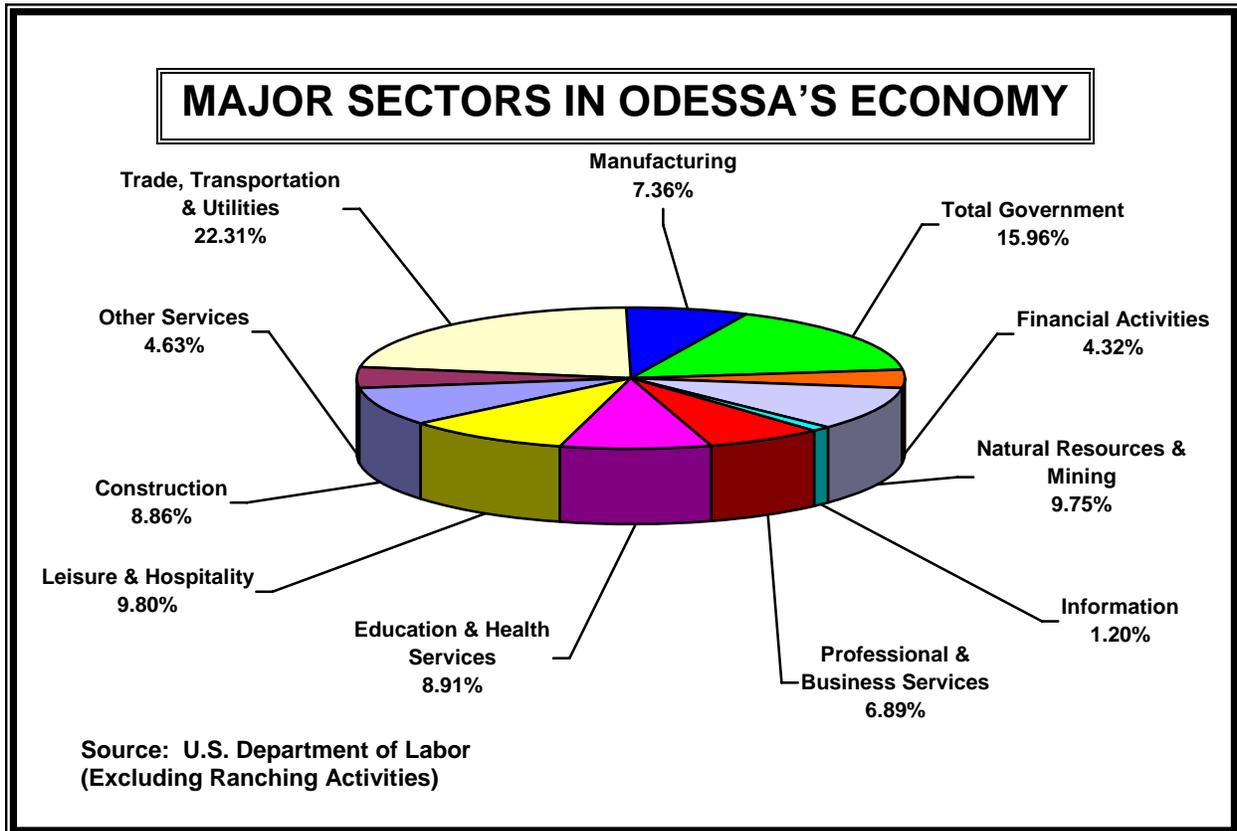


COMMUNITY PROFILE



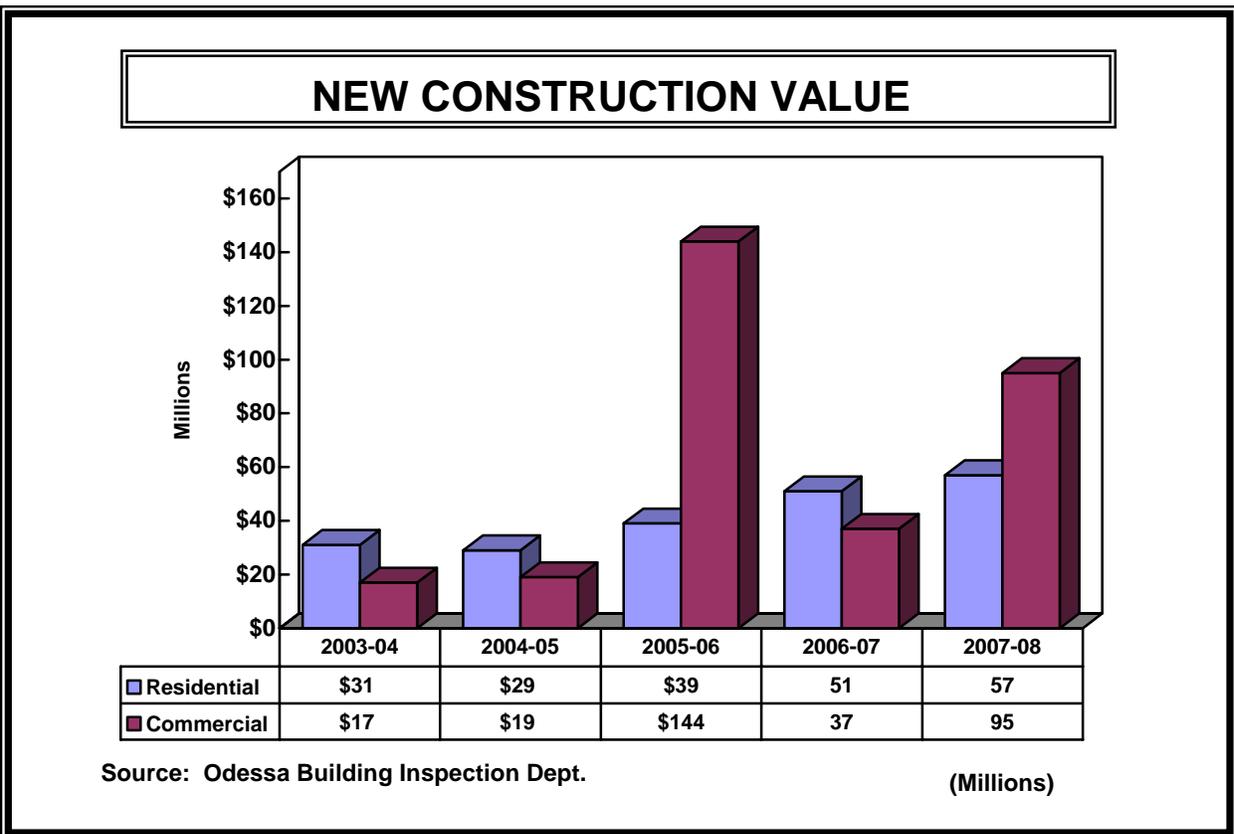
Over the past five years, significant changes have occurred in Odessa's employment sectors. Natural Resources/Mining experienced the largest employment gains, with a 91.69% increase, followed by Construction (57.05%), Professional and Business Services (24.09%), Other Services (22.45%), and Financial Activities (16.61%). Less significant gains were made in the areas of Trade/Transportation/Utilities (12.10%), Manufacturing (9.54%), Leisure and Hospitality (9.26%), Education and Health Services (3.25%), and Total Government (1.38%). The Information sector is the only sector that experienced a decline in employment during the past five years. Employment numbers for this sector were down by 22.12%

COMMUNITY PROFILE



Odessa's economy is comprised of many sectors of employment. The largest sector is Trade, Transportation & Utilities, at 22.31%, followed by Total Government (15.96%) and Leisure and Hospitality (9.80%). Natural Resources/Mining (9.75%), Education and Health Services (8.91%), and Construction (8.86%) follow, collectively providing 75.59% of the jobs in the area. The remaining sectors of the local economy include Manufacturing (7.36%), Professional Business Services (6.89%), Other Services (4.63%), Financial Activities (4.32%), and Information (1.20%).

COMMUNITY PROFILE

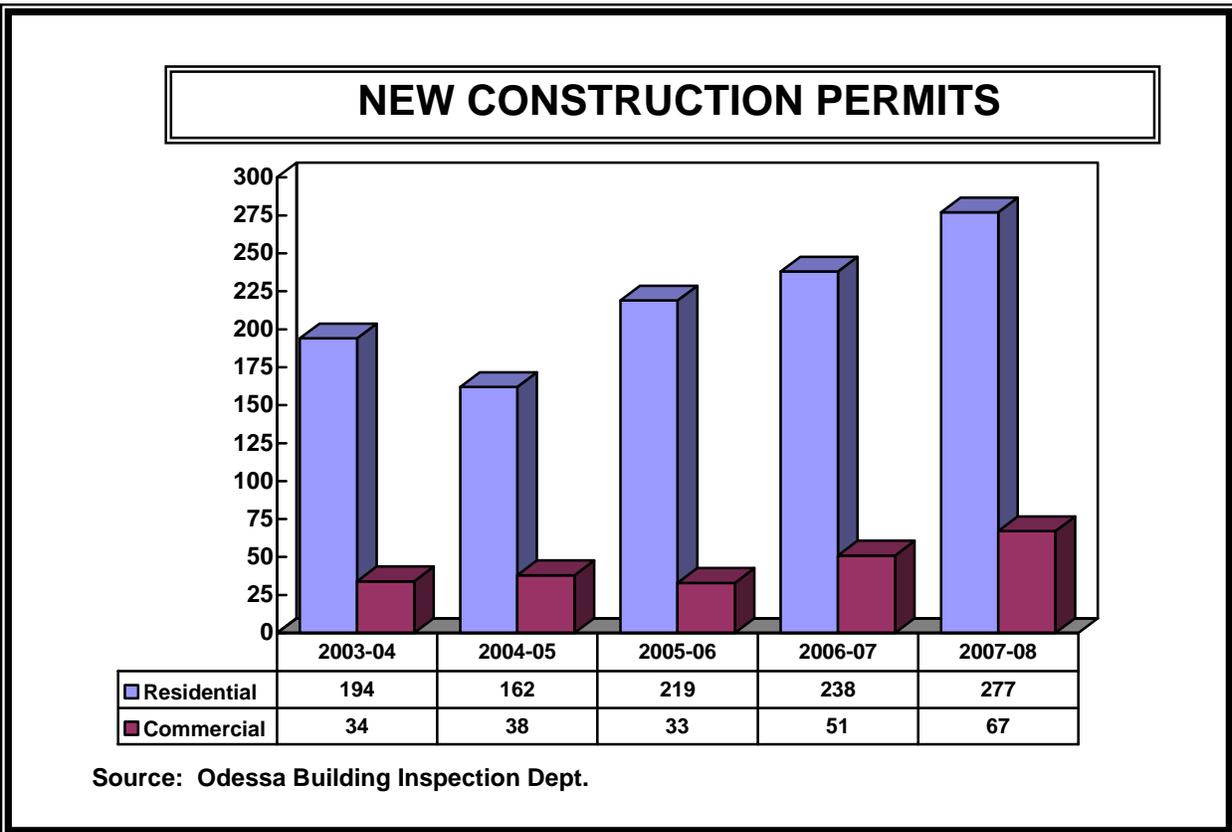


From 2003-04 to 2004-05, residential construction values of single-family homes fell slightly from \$31 million to \$29 million. The 6.45% decrease was attributed to rising interest rates. However, between 2004-05 and 2007-08, significant and sustained increases in the price of oil brought about a boom in the local economy. Odessa's population experienced an increase due to the rise in employment opportunities in the area. The demand for housing went up and, residential construction values increased by 96.55%.

The boom has also resulted in significant increases in commercial construction values over the past five years. Values have fluctuated between \$17 million and \$144 million over the past 5 years, and spiked in two of those five years due to the cost of two major construction projects in the area.

In 2005-06, the construction of the Quail Run Energy Center, a 550 MW power plant, brought Odessa's total annual commercial construction value up to \$144 million. Construction costs of this one project alone exceeded \$102 million, or 70.83% of the year's total. In 2007-08, construction costs of the University of Texas of the Permian Basin's new Science/Technology Building made up 49.47% of the \$95 million annual construction value.

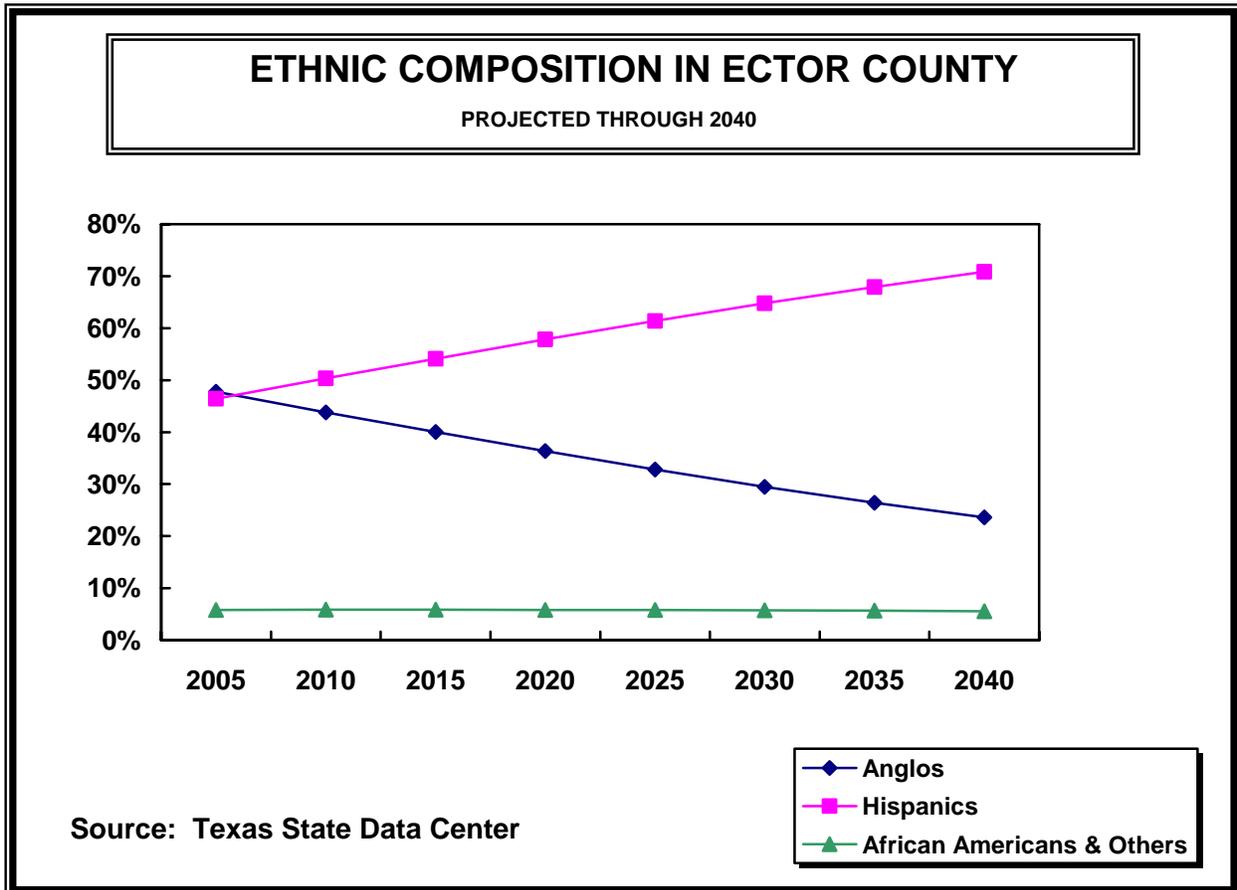
COMMUNITY PROFILE



From 2003-04 to 2007-08, the number of permits issued for new residential construction fluctuated between 162 and 277 per year, with an average annual demand of 218 permits. From 2003-04 to 2004-05, the City realized a 16.49% decrease in the number of residential permits issued annually. This decrease is largely attributed to rising interest rates. During this time, the prime rate increased from 4.00% to 6.75%. In 2005-06, 219 new residential permits were issued, 35.19% more than were issued in the previous year. This increase is a direct result of the booming local economy, brought about by significantly higher oil prices and the resulting impact on the oil industry. The economy has continued to grow. In fiscal year 2007-08, 277 residential permits were issued, a 16.39% increase over the previous year's numbers.

New commercial construction permits have averaged 45 annually, fluctuating between 33 and 67 permits per year. The number of permits has increased by 9.71% over the past five years. Fiscal year 2006-07 saw the most significant rise in the number of permits issued. During this time, 54.55% more permits were issued than in fiscal year 2005-06. In 2007-08, 67 permits were issued; an increase of 31.37% over the previous year's numbers.

COMMUNITY PROFILE



The chart above projects the changes in ethnic composition in Ector County, the county in which the City of Odessa is located, over a period of 35 years. The most current Race/Ethnicity projections (based on the June 2000 study, updated in 2006) by the Texas State Data Center indicate that 48.813% of Ector County's current estimated population is Hispanic and 45.35% of the population is Anglo. This same trend analysis shows the remaining population, including African-American, to be 5.84%.

Over the next 35 years, the Hispanic population will continue to rise, while the Anglo population continues to fall. Current projections indicate that by the year 2040, Odessa will be comprised of a population that is 70.83% Hispanic and 23.60% Anglo. The remaining population, including African-Americans, will make up 5.57% of the total.

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Appendix

APPENDIX

State and Federal Mandates

Debt Ratio Calculation

Per Capita Calculation

Budget Resolution

Tax Ordinance

APPENDIX

ESTIMATED STATE AND FEDERAL MANDATES

State Mandates	FY 2006-07 Estimated	FY 2007-08 Estimated	FY 2008-09 Estimated
<u>General Fund:</u>			
Election Mandates	\$9,000	\$9,000	\$9,000
Records Management	9,000	9,000	9,000
Legal - State Bar Association Training	15,000	15,000	15,000
Parks Backflow Prevention	4,000	4,000	4,000
Aquatic Facility Operator Certification Fees/Renewal	1,000	1,000	1,000
Structural Pest Control Certification Fees/Renewal	1,500	1,500	1,500
Texas Irrigator Certification Fees/Renewal	1,200	1,800	1,800
Texas Department of Agriculture	1,000	1,100	1,100
Bob Derrington Elevator Inspection (Bldg Serv)	400	400	400
Risk Management Elevator Inspection (Bldg Serv)	0	0	400
Firefighter / EMS Protective Clothing - Title 37	44,100	44,100	50,000
SCBA Testing & Certification	2,500	2,500	3,500
Firefighter Inoculations	2,000	2,000	2,000
Fire Code Enforcement Training	5,127	5,127	5,127
EMS Materials - IFSTA	1,500	1,500	4,600
Haz - Mat Physicals	2,500	2,500	2,500
Firefighter / EMS Certification Fees & Renewal	6,500	7,019	8,500
Certification of Ambulances (every other year)	0	0	690
Public Safety VTCA Code Compliance	12,875	12,875	12,875
Police Open Records Act	30,020	30,020	30,020
Police Training	244,640	244,640	244,640
Police Officer ID Cards	0	10,000	10,000
Carbon Monoxide Chamber (Animal Control)	6,150	6,150	6,150
Animal Control Officer Certification	0	790	790
<u>Public Safety - Other Mandates:</u>			
Psychological Testing of Police Applicants	3,300	3,300	3,300
Police Fire Alarm Extinguisher System Inspection	2,420	2,420	2,420
Crime Victim Compensation Coordinator	9,922	9,922	9,922
Police NCIC / TCIC Validation of all Entries	21,021	21,021	21,021
Sexual Assault Exam	11,330	11,330	11,330
Sexual Offender Registration	10,000	10,000	10,000
Uniform Crime Report (U.C.R.)	27,500	27,500	27,500
Auction of Abandoned Vehicle-Public Notice	11,500	11,500	11,500
Dispatcher Training (TCLEOSE/DPS/EMD/TDD)	6,000	6,000	6,000
Public Safety Communications Logging Recorder	5,609	5,609	6,170
Total General Fund	\$508,614	\$520,623	\$533,755
<u>Risk Management Fund:</u>			
Workers' Compensation	\$657,220	\$657,220	\$657,220
Total Risk Management Fund	\$657,220	\$657,220	\$657,220

APPENDIX

ESTIMATED STATE AND FEDERAL MANDATES

State Mandates	FY 2006-07 Estimated	FY 2007-08 Estimated	FY 2008-09 Estimated
<u>Solid Waste:</u>			
Solid Waste - Landfill Gas Management	\$2,000	\$2,000	\$3,000
Solid Waste - Groundwater Monitoring	25,000	25,000	40,000
TDA Structural Pest Control Certification	1,260	1,260	1,260
Total Solid Waste Fund	\$28,260	\$28,260	\$44,260
<u>Water / Sewer Fund:</u>			
Water Conservation Information - TWDB	\$6,000	\$1,000	\$1,000
Water Quality Assessment & Wastewater			
Plant Inspection Fee - TCEQ	55,900	55,900	55,900
Water Plant Inspection Fee	13,000	13,000	13,000
Landfill Tipping Fee - TCEQ (Water/Wwater)	16,000	16,000	16,000
Operator Licensing Training - TCEQ	10,000	18,000	18,000
Operator Licensing Renewal Fees - TCEQ	2,000	2,500	2,500
Overhead Crane Inspections	2,750	2,000	2,000
TCEQ - Water Testing *	4,000	0	0
Bacteriological Laboratory Certification	1,200	1,200	0
NELAC Laboratory Certification	8,000	8,000	12,000
Sludge Transportation Fee	0	500	500
Sanitary Sewer Overflow Initiative	50,000	10,000	250,000
Electrical License Renewal	0	0	150
Bacteriological Testing **	30,000	30,000	30,000
Annual Certification of Backflow Assemblies	2,500	2,500	2,500
Elevator Inspection/Maintenance	2,000	2,000	2,000
Fire Alarm Inspection	175	500	500
Total Water / Sewer Fund	\$203,525	\$163,100	\$406,050
<u>Equipment Services Fund:</u>			
Underground Fuel Storage Tanks Activity	\$62,000	\$62,000	\$62,000
Total Equipment Services Fund	\$62,000	\$62,000	\$62,000
<u>Community Development:</u>			
Asbestos Survey	\$5,000	\$5,000	\$5,000
Asbestos Abatement	50,000	50,000	50,000
Total Community Development Fund	\$55,000	\$55,000	\$55,000
Total State Mandates	\$1,514,619	\$1,486,203	\$1,758,285
* Included with EPA/TCEQ monitoring.			
** Included with NELAC certification.			

APPENDIX

ESTIMATED STATE AND FEDERAL MANDATES

Federal Mandates	FY 2006-07 Estimated	FY 2007-08 Estimated	FY 2008-09 Estimated
<u>General Fund:</u>			
Mandatory Soc. Security for Part-Time Employees	\$20,228	\$18,860	\$25,709
Freedom of Information Act / Open Records	4,000	4,000	4,000
Police Record Keeping per Library of Congress	345,170	345,170	345,170
Pre-Employment Exams and ADA Compliance	9,500	9,500	11,000
GASB 34 & 39 Financial Reporting, SAS 99 & SAS 103-112 Compliance	25,000	20,000	30,000
GASB 43 & 45 Financial Reporting	25,000	25,000	2,000,000
Storm Water Rules - EPA	325,000	22,000	22,000
Overtime Due to FMLA	92,000	92,000	92,000
Overtime Due to 2-In-2-Out Policy	90,000	90,000	90,000
Total General Fund	\$935,898	\$626,530	\$2,619,879
<u>Equipment Services Fund:</u>			
Oil Filter Disposal - EPA	\$720	\$720	\$720
Battery Disposal Fee - EPA	500	500	500
Vehicle Wash Waste Disposal - EPA	1,500	1,500	1,500
Shop Hazardous Waste Disposal - EPA	7,900	7,900	7,900
Total Equip. Services Fund	\$10,620	\$10,620	\$10,620
<u>Water / Sewer Fund:</u>			
Lead / Copper Monitoring - EPA /TCEQ	500	0	0
Biomonitoring - EPA / TCEQ	2,000	1,600	2,000
Consumer Confidence Report - EPA/TCEQ	9,300	9,300	10,000
Permit Testing - EPA/TCEQ *	8,000	8,000	18,000
Enhanced Surface Water Treatment & Disinfection By-Product Rules - EPA/TCEQ	32,000	32,000	0
Laboratory Performance Samples - EPA **	2,000	500	0
Stormwater Permit - EPA/TCEQ	100	200	200
Emergency Response Plan - EPA	0	2,000	0
Long-Term Enhanced Surf. Water Trtmnt-EPA/TCEQ	9,200	0	0
Unregulated Contaminate Monitoring-EPA/TCEQ	0	5,800	2,000
Permit Renewal	0	0	2,500
Total Water / Sewer Fund	\$63,100	\$59,400	\$34,700
<u>Risk Management Fund:</u>			
Commercial Drivers Testing - DOT	\$10,000	\$10,000	\$10,000
HIPPA	25,000	25,000	25,000
Total Risk Management Fund	\$35,000	\$35,000	\$35,000
Total Federal Mandates	\$1,044,618	\$731,550	\$2,700,199
Total State and Federal Mandates	\$2,559,237	\$2,217,753	\$4,458,484

* Includes testing for permit renewal.

** Included in NELAC Laboratory Certification.

APPENDIX

DEBT RATIO CALCULATION

**Ratio Of Annual Debt Service Expenditures For
General Bonded Debt To Total General Expenditures
Ten Year Period Ended September 30, 2008**

Fiscal Year	Total Current General Fund Expenditures	Total Debt Service Expenditures	Percentage	\$ Ratio
1998-99	\$35,844,198	\$1,617,140	4.51%	\$22.17 TO 1
1999-00	\$36,369,713	\$1,734,367	4.77%	\$20.97 TO 1
2000-01	\$38,752,714	\$1,870,624	4.83%	\$20.72 TO 1
2001-02	\$40,427,429	\$1,916,713	4.74%	\$21.09 TO 1
2002-03	\$41,505,429	\$1,883,874	4.54%	\$22.03 TO 1
2003-04	\$42,536,447	\$1,899,498	4.47%	\$22.39 TO 1
2004-05	\$44,646,621	\$1,935,881	4.34%	\$23.06 TO 1
2005-06	\$52,586,659	\$2,047,128	3.89%	\$25.69 TO 1
2006-07	\$51,368,955	\$2,072,162	4.03%	\$24.79 TO 1
2007-08	\$58,723,818	\$2,637,759	4.49%	\$22.26 TO 1

Note:

The City of Odessa is governed by the home rule amendment to the Constitution of the State of Texas and, consequently, has no legal debt margin requirement.

APPENDIX

PER CAPITA DEBT CALCULATION

Net General Bonded Debt To Assessed Value and Net General Bonded Debt Per Capita Ten Year Period Ended September 30, 2007

Fiscal Year	Population	Assessed Value	Gross General Bonded Debt	Amount in Debt Service Fund	% of Net General Bonded Debt To Assessed Value	Net General Bonded Debt Per Capita
1998-99	96,195	\$1,844,023,287	\$9,900,000	\$159,679	0.54%	\$103
1999-00	96,195	\$1,888,361,423	\$16,385,000	\$173,879	0.87%	\$170
2000-01	90,943	\$1,961,178,755	\$17,990,000	\$245,552	0.92%	\$198
2001-02	93,195	\$2,052,362,566	\$17,005,000	\$196,186	0.83%	\$182
2002-03	93,385	\$2,108,487,428	\$15,975,000	\$150,401	0.76%	\$171
2003-04	93,195	\$2,266,305,457	\$20,675,000	\$142,866	0.91%	\$222
2004-05	93,952	\$2,431,976,336	\$25,170,000	\$171,777	1.03%	\$268
2005-06	96,948	\$2,715,109,284	\$24,345,000	\$279,952	0.90%	\$251
2006-07	98,214	\$3,135,144,279	\$33,650,000	\$355,379	1.42%	\$356
2007-08	100,118	\$3,548,501,378	\$36,860,000	\$399,504	1.04%	\$368

Note:

The City of Odessa is governed by the home rule amendment to the Constitution of the State of Texas, and consequently has no legal debt limit.

Source of Population Data: City of Odessa Planning and Development Department

RESOLUTION NO. 2008R-74

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ODESSA, TEXAS, ADOPTING THE ANNUAL BUDGET FOR THE CITY OF ODESSA, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2009, A SUMMARY COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT "A"; ESTABLISHING POLICY FOR ENCUMBERED AND UNENCUMBERED FUNDS; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, in compliance with Chapter 102 of the Local Government Code, the City Manager filed with the City Secretary a copy of the budget of the proposed expenditures for the fiscal year beginning October 1, 2008 and ending September 30, 2009, such filing being done thirty (30) days prior to the date on which the City Council makes its tax levy for said fiscal year; and

WHEREAS, notice of a public hearing to consider said budget was published in a newspaper of general circulation in the City of Odessa, Ector County, Texas; and

WHEREAS, the public hearing, notice of which was published in a newspaper of general circulation in the City of Odessa, Ector County, Texas, was held to consider said budget; and

WHEREAS, all legal requirements of Chapter 102, Local Government Code, Section 72 of the Charter of the City of Odessa, a well as all other pertinent laws, have been complied with and fulfilled;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ODESSA, TEXAS:

Section 1. That the budget for the proposed expenditures for the fiscal year beginning October 1, 2008 and ending September 30, 2009, a summary copy of which is attached hereto as Exhibit "A", and a complete copy of which is located on the 2nd floor of City Hall and available for inspection, is hereby approved and adopted as the official budget for the City of Odessa, Texas, for the fiscal year beginning October 1, 2008 and ending September 30, 2009.

Section 2. That all unencumbered or unobligated funds for the prior fiscal year shall lapse at the end of the prior fiscal year. All appropriations for encumbered or obligated funds shall carry over to the subsequent fiscal year in order to complete these transactions.

Section 3. That this resolution shall be effective at the time of its adoption.

The foregoing resolution was approved and adopted on the 9th day of September, A.D., 2008, by the following vote:

Bill Cleaver	AYE
James B. Goates	AYE
Royce Bodiford	AYE
Dean Combs	AYE
Michael Sanchez	AYE

Approved the 9th day of September, A.D., 2008.

Larry L. Melton

Larry L. Melton, Mayor

ATTEST:

Norma Aguilar

Norma Aguilar, City Secretary

APPROVED AS TO FORM:

Larry Long

Larry Long, City Attorney



EXHIBIT A - PROPOSED BUDGET 2008-09

Financing Sources:	Total All Funds
Beginning Fund Balance	\$34,386,940
Less Required Reserves	15,855,189
Available Fund Balance	\$18,531,751
CURRENT REVENUES:	
Property Tax	\$16,868,642
Sales Tax	19,191,000
Franchise/Gross Receipts	6,021,000
Other Operating Revenues	55,803,965
Water and Sewer	36,938,590
Rental Revenue	9,859,362
Interest Income	3,101,000
Intergovernmental	2,708,356
Other Revenue	1,602,500
Administrative Transfers	
General Fund	
Water/Sewer	2,441,940
Equipment Service	394,579
Risk Management	372,067
Solid Waste	497,837
Golf Course	4,504
Odessa Develop. Corp.	44,184
Motor MPO	6,000
Total Current Revenues	\$156,055,526
Total Financing Sources	\$174,587,277
CURRENT EXPENDITURES:	
Personal Services	\$54,683,035
Supplies	37,531,695
Services	22,497,185
Maintenance	6,884,956
Capital Outlay	708,136
Other Requirements	8,137,982
Debt Service/Lease	11,343,688
Housing Incentive Program	500,000
Insurance Requirements	7,826,759
Outside Agencies	1,841,836
Transfers Out	329,000
Total Current Expenditures	\$152,284,272
Capital Outlay-Replacement	3,759,950
Total Expenditures	\$156,044,222
Ending Available Balance	\$18,543,055
Plus Required Reserves	15,855,189
Ending Fund Balance	\$34,398,244

ORDINANCE NO. 2008-45

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ODESSA, TEXAS, LEVYING TAXES FOR THE OPERATION OF THE MUNICIPAL GOVERNMENT OF THE CITY OF ODESSA, TEXAS, FOR THE 2008 TAX YEAR AND THE 2008-2009 FISCAL YEAR; ESTABLISHING THE AD VALOREM TAX RATE OF 56.229 CENTS PER ONE HUNDRED DOLLARS PROPERTY VALUATION; PROVIDING FOR THE APPORTIONMENT OF TAXES FOR INTEREST AND SINKING FUND FOR CERTAIN BOND INDEBTEDNESS AND FOR GENERAL OPERATING NEEDS; AND DECLARING AN EFFECTIVE DATE OF OCTOBER 1, 2008.

WHEREAS, a budget has been adopted by the City Council of the City of Odessa, Texas, covering the proposed expenditures of the municipal government of the City of Odessa for the fiscal year beginning October 1, 2008 and ending September 30, 2009; and

WHEREAS, said budget reflects the needs for revenue to meet the expenses proposed therein;

WHEREAS, the City is required to accumulate interest and a sinking fund for certain outstanding bond indebtednesses; and

WHEREAS, it has been moved that property taxes be increased by the adoption of a tax rate of Fifty-Six and Two Hundred Twenty-Nine Thousandandths Cents (56.229¢) on each One Hundred Dollars (\$100.00) property valuation;

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

Section 1. That there is hereby levied, and there shall be collected, for the use and support of the municipal government of the City of Odessa, Texas, and to provide the legally

required interest and sinking fund on certain outstanding bond indebtednesses for the 2008 tax year and the 2008-2009 fiscal or budget year upon all property, real, personal or mixed within the corporate limits of Odessa, Texas, which is subject to taxation, an ad valorem tax of Fifty-Six and Two Hundred Twenty-Nine Thousandandths Cents (56.229¢) on each One Hundred Dollars (\$100.00) property valuation, said tax levied for and apportioned to the following specified purposes:

- (1) The rate of 8.5221¢ on each One Hundred Dollars (\$100.00) valuation of taxable property to be levied, assessed and ordered collected for the purpose of paying the interest on and creating a sinking fund for the redemption of the City of Odessa, Texas, Series 1998, 2000, 2001, 2004, 2005, 2006 and 2007 Certificates of Obligation, plus a 2006 Refunding Issue.
- (2) The rate of 47.7069¢ on each One Hundred Dollars (\$100.00) valuation of taxable property to be levied, ordered and collected for the purpose of creating a General Fund for the City operations, as provided by law and ordered collected to meet the requirements.

Section 2. That the citizens of Odessa are hereby advised:

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY A NEGATIVE FOURTEEN DOLLARS AND NINETY CENTS (NEGATIVE \$14.90).

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$1,812,546 OR 10.45%, AND OF THAT AMOUNT, \$324,843 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE ROLL THIS YEAR.

Section 3. That there is hereby levied and there shall be collected from every person, partnership firm, association or corporation pursuing any occupation or business whatsoever which is taxable by the City of Odessa under the general laws of the State of Texas, an annual occupation tax equal in each instance to one-half of the State occupation tax on each such person, partnership, firm, association or corporation, and said taxes shall be paid annually in advance except where otherwise provided by State laws, in which event the same may be paid to the City in the manner as is provided by State law.

Section 4. That there is hereby levied and there shall be collected from every person, partnership, corporation, association or firm holding any permit under the Texas Liquor Control Act and which is subject to the imposition of a license fee by municipalities by virtue of said Texas Liquor Control Act, a license fee in the maximum amount that municipalities are authorized to impose pursuant to said Act.

Section 5. That all monies collected under this ordinance for the specific items described in Section 1, shall be and the same are hereby appropriated and set apart for the specific purposes indicated in each item and the Assessor and Collector of taxes and the Comptroller shall keep these accounts so as to readily and distinctly show the amount collected and the amounts expended and the amount on hand at any time belonging to such funds. It is hereby made the duty of the Assessor and Collector of taxes and the Controller at the time of depositing any monies, to make a statement showing to what fund such deposit should be made and from what sources it was received. All receipts for the City not specifically apportioned by this ordinance are hereby made payable to the General Fund of the City.

Section 6. That at the time of first approval on September 16, 2008, after the public hearing, the Council Members voting on the ordinance announced and declared by the approval of this ordinance that the City Council will finally vote on the tax rate on September 23, 2008, 6:00 p.m., City Council Chamber, 411 W. 8th Street, Odessa, Texas, and such notice shall be published. Section 6 is effective on September 16, 2008.

Section 7. That this ordinance shall go into effect on October 1, 2008.

The foregoing ordinance was first approved on the 16th day of September, A.D., 2008, by the following vote:

Bill Cleaver	AYE
James B. Goates	ABSENT
Royce Bodiford	AYE
Dean Combs	AYE
Michael Sanchez	AYE

The foregoing ordinance was adopted on second and final approval on the 23rd day of September, A.D., 2008, by the following vote:

Bill Cleaver	AYE
James B. Goates	AYE
Royce Bodiford	AYE
Dean Combs	ABSENT
Michael Sanchez	AYE

Approved this the 23rd day of September, A.D., 2008.

Larry L. Melton

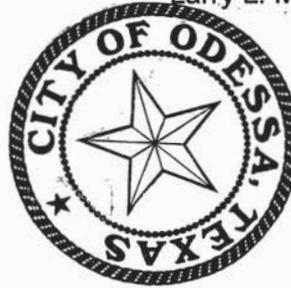
Larry L. Melton, Mayor

ATTEST:

Norma Aguilar
Norma Aguilar, City Secretary

APPROVED AS TO FORM:

Larry Long
Larry Long, City Attorney



CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

Glossary

APPENDIX

GLOSSARY

The Annual Budget contains specialized and/or technical terminology, along with acronyms, that are unique to public finance and budgeting. To assist the reader in understanding the Annual Budget document, a glossary of terms is provided.

Account Classification: A basis for distinguishing types of expenditures. The five major classifications used by the City of Odessa are: personal services (001's), supplies/materials (002's), services (003's), maintenance (004's), and capital outlay (005's).

Accrual Basis of Accounting: A method of accounting wherein revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period. This is the accounting basis that generally is required to be used in order to conform to generally accepted accounting principles (GAAP) in preparing financial statements for external users.

Ad Valorem Taxes: Also referred to as property tax, this is the charge levied on all real personal, and mixed property according to the property's assessed valuation and the tax rate, in compliance with the State Property Tax Code.

Aeration Disc: A component of a machine that mechanically beats wastewater to oxygenate it during treatment.

Annual Budget: The total budget as approved by the City Council, as revised.

Appropriation: A legal authorization made by the City Council, which permits City officials to incur obligations against and to make expenditures of governmental resources.

Assessed Property Valuation: A value established by the Ector County Appraisal District which approximates market value of real or personal property. By state law, one hundred percent (100%) of the property value is used for determining the basis for levying property taxes.

Bond: A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayments of the principal are detailed in a bond ordinance. The most common type of bonds are general obligation (G.O.) and revenue bonds. These are most frequently used for construction for large capital projects, such as buildings, streets, and water and sewer lines.

Balanced Budget: A budget in which the expenditures incurred during a given period are matched by revenues.

Budget: A financial plan for a specified period of time (fiscal year) that matches planned revenues with appropriations. The "preliminary" budget designates the financial plan initially developed by departments and presented by the City Manager to the Council for approval. The "adopted budget" is the plan as modified and finally approved by that body. The "approved" budget is authorized by resolution and thus specifies the legal spending limits for the fiscal year.

Budget Contingency Plan: Details various courses of action that may be undertaken when varying levels of revenue shortfalls are anticipated.

APPENDIX

GLOSSARY

Budget Document: The compilation of the spending plans for the various funds, along with supporting schedules, tables and charts which, in total, comprises the annual revenue and expenditure plan.

Budget Highlights: Significant changes in expenditures or programs within a fund, department or division.

Budget Message: The opening section of the budget provides the City Council and the public with a general summary of the most important aspects of the budget. The message explains principal budget issues against the background of financial experience in recent years, and represents the assumptions and policies upon which the City's budget is based.

Budget Stabilization Account: Monies set aside in the General Fund or the Water & Sewer Fund for those years that expenditures exceed revenues.

Budget Summary: Provides a listing of revenues, expenditures, and available resources for all funds.

Budgetary Integration: The means by which expenses are incurred during one fiscal year and paid in the next. (Examples of such expenditures include purchase orders and contracts.)

Capital Budget: Covers outlays for the acquisition of major long-lived assets, including assets to be purchased from restricted monies, and the resources (current monies and debt) to be employed for purchase of the assets.

Capital Outlay: Expenditures for equipment, vehicles, or machinery, and other improvements that result in the acquisition of assets with an estimated useful life of more than one year, a unit cost of \$1,000 or more, and capable of being identified as an individual unit of property.

Certificates of Obligation: Legal debt instruments that finance a variety of public projects such as streets, building, and improvements. These bonds are backed by the full faith and credit of the issuing government and are financed through property tax revenues. In Texas, Certificates of Obligation do not have to be authorized by public referenda.

Certified Property Values: To be in compliance with the Property Tax Code, the chief appraiser certifies the approved appraisal roll to each taxing unit on or before July 25.

Co-Pay: A per-service charge paid by employees for approved medical services.

Compensated Absences Reserve: Funds that are set aside to compensate employees for unleave and/or old sick leave upon their retirement, resignation, or termination from the City.

Council of Governments: The Council of Governments is a voluntary association of local governments formed under Texas law to deal with the problems and planning needs that cross the boundaries of individual local governments or that require regional attention. (Also referred to as regional planning commissions, associations of governments, regional councils and area councils.)

APPENDIX

GLOSSARY

Curb Miles: Linear miles of actual curbing multiplied by two when both edges of the street have curbing.

Debt Service Fund: A fund used to account for the monies set aside for the payment of interest and principal to holders of the City's general obligation and revenue bonds, the sale of which finances long-term capital improvements, such as facilities, streets and drainage, parks and water/wastewater systems.

Delinquent Taxes: Real or personal property taxes that remain unpaid on and after February 1st of each year, and upon which penalties and interest are assessed.

Department: A major administrative segment responsible for management of operating Divisions that provide services within a functional area.

Disposition Rate: Rate that court cases are finalized and closed within a 12-month period.

Division: A basic organizational unit that is functionally unique and provides service under the administrative direction of a Department.

Economic Diversification: Having more than one financial or monetary factor, industry or sector contributing to the production, development and consumption of commodities within a specific region.

Effective Tax Rate: The prior year's taxes divided by the current year's taxable values of properties that were on the tax roll in both years. Excludes taxes on properties no longer in the taxing unit and the current taxable value of new properties.

Encumbrances: Commitments for the expenditure of monies.

Enterprise Fund: A fund established to account for operations that are financed and operated in a manner similar to private business. The rate schedules are established to insure that revenues are adequate to meet all necessary expenditures. The Water/Sewer Fund, Solid Waste Fund and Natural Gas Fund are enterprise funds in the City of Odessa.

Entitlement: Funds supporting or distributed by a government program which provides benefits to members of a specified group.

Estimated Revenue: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

Expenditure: Funds spent in accordance with budgeted appropriations on assets or goods and services obtained.

Family Health Clinic: Free health clinic created for all city employees and their dependents covered under the City's health plan.

Fines & Forfeitures: Monies imposed as penalty for an offense and collected as revenue by the municipal court for the city.

APPENDIX

GLOSSARY

Fiscal Year: A consecutive 12-month period that signifies the beginning and ending dates for recording financial transactions. The City of Odessa's fiscal year begins October 1 and ends September 30 of the following calendar year. This is also called the budget year.

Fund: An accounting device established to control receipt and disbursement of income from sources set aside to support specific activities or attain certain objectives. Each fund is treated as a distinct fiscal entity with a self-balancing set of accounts. In the budget process, a formal Annual Budget is adopted for the General Fund, General Debt Service Fund, Water/Sewer Fund, Solid Waste Fund, Risk Management Fund, Convention & Visitors Fund, and Community Development Fund.

Fund Balance: The excess of current assets over current liabilities, representing the cumulative effect of revenues and other financing sources over expenditures and other financing uses.

GASB 31: A statement issued by the Government Accounting Standards Board, requiring that investments be reported in financial statements at their fair value.

GASB 34: Requires state and local governments to report the value of their infrastructure assets, including roads, bridges, water and sewer facilities, and dams, in their annual financial reports on an accrual accounting basis.

GASB 39: Amends Statement 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units. Generally, it requires reporting , as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Organizations that are legally separate, tax-exempt entities and that meet certain criteria are also required to be presented as component units.

GASB 43: Establishes uniform financial reporting standards for Other Post-employment Benefit (OPEB) plans and supersedes the interim guidance included in Statement 26.

GASB 45: Establishes standards for the measurement, recognition, and display of Other Post-employment Benefit expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers.

General Fund: The largest fund within the City, the General Fund accounts for the majority of the financial resources of the government. General Fund revenues include property taxes, sales taxes, licenses and permits, service charges, and other type of revenue. This fund includes most of the basic operating functions such as fire and police protection, municipal court, finance, planning and inspection, public works, parks/recreation, and general administration.

General Obligation (G.O.) Bonds: Legal debt instruments that finance a variety of public projects such as streets, building, and improvements. These bonds are backed by the full faith and credit of the issuing government and are financed through property tax revenues. In Texas, G.O. Bonds must be authorized by public referenda.

APPENDIX

GLOSSARY

Geographic Information System: A system which has the ability to translate implicit geographic data (such as a street address, national grid coordinates or latitude and longitude coordinates) into an explicit map location.

Goal: Long-term continuing target of an organization (vision of the future).

Gulf Coast Authority: Operates the Industrial Wastewater Treatment Plant.

Homestead: A tax exempt qualifying declaration by a property taxpayer for his actual dwelling place or home.

Hospital District: Entity within the city supported by a portion of sales taxes for the local hospital.

Industrial District Contract: Contract with businesses in the Industrial District for water, sewer and/or trash services.

Infrastructure: General fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

Infrastructure Transfer: Funds that have been set aside to encourage development in certain areas by extending water and sewer mains to those areas.

Intergovernmental Revenue: Grants, entitlements and cost reimbursements from another federal, state or local governmental unit.

Internal Service Fund: Accounts for the financing of goods or services provided by one City department to other departments of the governmental unit on a cost reimbursement basis. The Equipment Services Fund and the Risk Management Fund are operated as internal service funds in the City of Odessa.

Lane Miles: Centerline miles of actual lane(s) multiplied by the number of lanes.

Levy: To impose or collect by legal authority. The City Council has the authority to levy taxes, special assessments, and service charges as stated in the City Charter.

Lift Station: A type of pump station that pumps wastewater to the waste treatment plant when there is a lack of gravitational flow.

Limited Tax Note: Direct obligations of the City payable from ad valorem taxes levied against taxable property located therein, within the limits prescribed by law.

Long Term Debt: Debt with a maturity of more than one year after the date of issuance.

Maintenance: Cost of upkeep of property or equipment (account classification 004's)

APPENDIX

GLOSSARY

Mandates or Mandated Expenses: Any expenses relating to an authoritative command or instruction. Refers to the federal and state mandates governing municipalities, such as regulations establishing testing for water quality.

Metropolitan Statistical Area: A cluster of heavily settled communities that are geographically, socially and economically related to one another and to a central urban core. A core consists of at least one central city having at least 50,000 inhabitants, or "twin cities with a combined population of at least 50,000.

Modified Accrual Basis of Accounting: A method of accounting that is a mixture of the cash and accrual basis. The modified accrual basis should be used for governmental funds. To be recognized as a revenue or expenditure, the actual receipt or disbursement of cash must occur soon enough after a transaction or event has occurred to have an impact on current spendable resources. In other words, revenues must be both measurable and available to pay for the current period's liabilities. Revenues are considered available when collectible either during the current period or after the end of the current period, but in time to pay year-end liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable resources rather than future resources.

MOTOR-MPO: A state-funded agency that is involved with metropolitan transportation issues.

Neighborhood Sweep: An organized neighborhood clean up event within the city utilizing city personnel and community volunteers.

Net Taxable Value: The total assessed value of all property within the city that is available for taxation minus property eligible for tax exemption.

Objectives: Time bound and measurable result of an organization's activity which advances the organization toward a goal.

Odessa Development Corporation: Separate entity responsible for pursuing, negotiating and administering economic development tax monies to enhance increased development within the community.

Operating Budget: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the City are controlled. The use of an annual operating budget is required by State law.

Ordinance: A statute or regulation especially enacted by a city government.

Outside Agencies: Non-profit service organizations funded partially or entirely by the General Fund.

Participation In Line Extensions: Miscellaneous projects for upgrading the size of lines or otherwise participate in construction of utilities in areas of new development.

APPENDIX

GLOSSARY

Payment In Lieu Of Tax: Monies received for provision of city services to property owners located outside the municipal taxing district.

Performance Measures: Specific quantitative and qualitative measures of work performed or results obtained within an activity or program.

Personal Services: Costs relating to compensating employees, including salaries, wages, insurance, payroll taxes, and retirement contributions (account classification 001's).

Property Tax: Also called ad valorem tax, this is the charge levied on all real, personal, and mixed property according to the property's valuation and the tax rate, in compliance with the State Property Tax Code.

Proprietary Fund: The activities of proprietary funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. The activities are usually financed with user charges that are directly related to the services received. Proprietary funds include enterprise funds and internal service funds.

Reserve: An account used to indicate that a portion of fund resources is restricted for a specific purpose, or is not available for appropriation and subsequent spending.

Resolution: A formal statement of a decision, determination or course of action placed before a city council and adopted.

Revenues: Funds received by the government as income, including tax payments, fees for specific services, receipts from other governments, fines and forfeitures, grants and interest income.

Revenue Bonds: Legal debt instruments that finance public projects for such services as water or sewer. Revenues from the public project are pledged to pay principal and interest of the bonds. In Texas, revenue bonds may or may not be authorized by public referenda.

Right-of-Way: Land over which public roads/access are located.

Roll-Off Containers: Large open top rectangular containers for holding trash, debris, brush and other non-food waste. There is a charge for container use depending on the size of the container and the amount of use.

Roll Year: Refers to the calendar year in which the property valuations that form the basis for the current fiscal year's property tax revenue projections were certified.

Rollback Rate: A property tax rate that is 3 percent above the effective tax rate.

Seal Coat: Asphalt restoration and maintenance technique used to recondition city streets and thoroughfares.

APPENDIX

GLOSSARY

Service and Work Programs: Tangible “end products” provided to the public or user department/division.

Services: Professional or technical expertise purchased from external sources (account classification 003's).

Special Revenue Fund: A separate fund that accounts for resources that are legally restricted to expenditures for specific operational purposes. Convention and Visitors Fund would be an example of a special revenue fund.

Standard Metropolitan Statistical Area: See “metropolitan statistical area”.

Strategy: A plan to achieve an objective.

Street Miles: Centerline miles of actual street.

Supplies: Cost of goods consumed by the City in the course of its operation (account classification 002's).

Tax Rate: The amount of tax levied for each \$100 of assessed value for real, personal, or mixed property. The rate is set by September 1 of each year by the City Council of the City of Odessa, Texas.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

Tiburon: Tiburon, Inc. provides fully integrated command and control, information management and analysis solutions to public safety organizations.

Total Tax Rate: Property tax rate including both of the portions used for operations and that for debt service.

Transfer In Revenue: Primarily reflects administrative services provided by the General Fund to other funds. An independent study is conducted each year by an outside firm to determine the distribution of costs associated with the administrative services provided to the other funds.

Transmittal Letter: A general discussion of the proposed budget presented in writing by the City Manager to the Mayor and City Council. The transmittal letter highlights the major budget items including any changes made in the current budget year, issues affecting the decisions and priorities of the current year, and actions incorporated into the adopted budget.

Trend Analysis: Graphs which analyze historical data, projected information, or comparisons from one year to the next. A brief narrative or summary data is included with the graphs.

Unileave: Paid Employee Leave; A combination of Sick Leave and Vacation Leave. Can be used for any reason.

APPENDIX

GLOSSARY

User Fee (User Charge): The payment of a fee for direct receipt of a public service by the part benefiting from the service.

Voice Over IP: Voice Over Internet Protocol phone system can be a benefit for reducing communication and infrastructure costs by routing phone calls over existing data networks and avoiding duplicate network systems.

Warrant Drive: Annual or semi-annual serving of arrest warrants to individuals who have past due Municipal Court tickets and have not contacted the Court or paid their fines.

West Texas Intermediate: Also known as Texas Light Sweet is a type of crude oil used as a benchmark in oil pricing and oil futures contracts. Very relative to the economy of Odessa, Texas.

APPENDIX

ACRONYMS

ADA	American Disabilities Act
ALS	Advanced Life Support
AMR	Automated Meter Reading (Water Meters)
AS/400	Network Computer System
BI-20	Business Interstate 20
BLS	Basic Life Support
CAD	Computer Aided Dispatch
CAFR	Certified Annual Financial Report
CD	Community Development
CDBG	Community Development Block Grant
CIP	Capital Improvements Program
CO	Certificate of Obligation
COGA	City of Odessa Grant Application
CRMWD	Colorado River Municipal Water District
DOT	Department of Transportation
DPS	Department of Public Safety
DUI	Driving Under Influence
ECISD	Ector County Independent School District
EMD	Emergency Medical Dispatcher
EMS	Emergency Medical Services
EPA	Environmental Protection Agency
ES	Equipment Service Fund
FMLA	Family Medical Leave Act
FTE	Full-Time Employee
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GC	Golf Course Fund
GF	General Fund
GFOA	Government Finance Officers Association
GIS	Graphical Interface System
G/L	General Liability
GO	General Obligation (Bond)
HAZMAT	Hazardous Materials
H.E.	Heavy Equipment
HIPAA	Health Insurance Portability and Accountability Act
HOME	Home Investment Partnerships Program
HR	Human Resources (Department)
HVAC	Heating Vent Air Conditioning
I-20	Interstate 20
IDSE	Initial Distribution System Evaluation
IFSTA	International Fire Service Training Association
ISD	Independent School District
IVR	Interactive Voice Response
JBS	John Ben Shepperd (Parkway), a local thoroughfare
JEMS	Judicial Enforcement Management System
K-9	Canine
LED	Light-Emitting Diode

APPENDIX

ACRONYMS

LEOSE	Law Enforcement Officers Standard Education
LGC	Local Government Code
LTSW2	Long Term Surface Water 2
MC	Municipal Court
mgd	Millions of Gallons per Day
MHMR	Mental Health and Mental Retardation
MOHRE	Midland-Odessa Health Retirement Endeavor
MOTOR-MPO	Midland-Odessa Transportation Organization – Metropolitan Planning Organization
NCIC/TCIC	National Crime Information Center/Texas Crime Information Center
NDS	Neighborhood Development Services
NELAC	National Environmental Laboratory Accreditation Conference
NELAP	National Environmental Laboratory Accreditation Program
NFPA	National Fire Protection Association
NG	Natural Gas
OC	Odessa College
O&M	Operating and Maintenance or Operation & Maintenance
PB	Permian Basin
PC	Personal Computer
PE	Proficiency Evaluation
PPE	Personal Protective Equipment
PSAP	Public Safety Answering Point
PTC	Property Tax Code
RF	Risk Management Fund
Rx	Medical prescription
SAS	Statements of Auditing Standards
SCBA	Self Contained Breathing Apparatus
SMSA	Standard Metropolitan Statistical Area
SSO	Sanitary Sewer Overflow
SUV	Sport Utility Vehicle
SW	Solid Waste
SWAT	Special Weapons And Tactics
T-Bill	Treasury Bill
TCEQ	Texas Commission on Environmental Quality
TCLEOSE	Texas Commission on Law Enforcement Officer Standards and Education
TDA	Texas Department of Agriculture
TDD	Telecommunication Device for the Deaf
TMRS	Texas Municipal Retirement System
TX	Texas
TWDB	Texas Water Development Board
UCMR	Unregulated Contaminant Monitoring Requirements
UCR	Uniform Crime Report
US	United States
USA	United States of America
UTPB	University of Texas of the Permian Basin
VOIP	Voice Over Internet Protocol Phone System
VTCA	Vernon's Texas Civil Statutes Annotations
WC	Workers' Compensation
W/R	Water Reclamation

APPENDIX

ACRONYMS

WS
W/W

Water and Sewer Fund
Wastewater

CITY OF ODESSA
FY 2008-09
ADOPTED BUDGET

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APPENDIX

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