

City of
Odessa, Texas

Annual
Budget

FY 2007-2008



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Odessa
Texas**

For the Fiscal Year Beginning

October 1, 2006

A handwritten signature in cursive script, likely belonging to the President of the GFOA.

President

A handwritten signature in cursive script, likely belonging to the Executive Director of the GFOA.

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, 2006.

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, 2007 through September 30, 2008

CITY COUNCIL

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

Richard N. Morton, Jr., City Manager

Adopted
September 11, 2007

City of Odessa 2007-2008 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

“You are meant to play the ball as it lies, a fact that may help to touch on your own objective approach to life.” Grantland Rice

While the game of golf can be compared to an objective approach to life, for citizens of the City of Odessa, an afternoon outing to the green trees and the lush grass help the West Texas sunshine contribute to many Odessans *quality* of life. With this in mind, the Odessa City Council approved the purchase of Ratliff Ranch Golf Course in December 2005, establishing the City’s first municipal golf course. During fiscal year 2006-07 many renovations have been made to the course and clubhouse areas. The new and improved greens and structures will again reopen for the public’s enjoyment in mid-2008.



Council Members

Front Row Left to Right: Royce Bodiford, Mayor Pro Tem, District 3; Larry Melton, Mayor; Back Row Left to Right: Michael Sanchez, District 5; James B. Goates, District 2; Bill Cleaver, District 1; Dean Combs, Mayor Pro Tem, 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 2007-08
ADOPTED BUDGET

Table of Contents

TABLE OF CONTENTS
ANNUAL BUDGET

Summaries and Detail

<u>BUDGET MESSAGE</u>	<u>Page</u>
City Manager’s Letter of Transmittal	i
 <u>POLICY STATEMENTS</u>	
Budget Compliance.....	1
Budget Development Phases.....	4
Budget Calendar	9
Financial Policies	11
Budget Contingency Plan.....	18
Accounting Policies	19
Accounting/Budgetary Basis	25
Fund Definitions	26
 <u>BUDGET SUMMARY</u>	
Budget Summary of All Funds	29
Ad Valorem Tax Revenues	32
Graph: Property Tax Rate	33
Certified Appraisal Summary	34
Graph: Net Taxable Value.....	35
Graph: Property Tax Comparison	36
Chart: Organization Chart of City of Odessa.....	37
Summary of Funding Sources.....	38
Summary of Expenditures for Operating Funds – Three Year Comparison	40
Personnel History.....	42
Graph: Personnel History.....	43
 <u>GENERAL FUND</u>	
General Fund Overview	45
General Fund Revenue Summary	46
General Fund Revenue Overview.....	47
Graph: General Fund Revenue.....	51
Graph: Property Tax Revenue	52
Graph: Sales Tax Revenue.....	53
General Fund Expenditure Summary.....	54
General Fund Expenditure Overview	55
General Fund Expenditures by Function.....	59
Graph: General Fund Expenditures by Function – Three Year Comparison	60
Graph: General Fund Expenditure Budget by Function	61
General Fund Capital Outlay.....	62

Table of Contents	
Annual Budget	
Summaries and Detail	
(Continued)	

GENERAL FUND DETAIL BY DEPARTMENTS/DIVISIONS

City Council	64
City Secretary.....	66
City Attorney.....	68
Office of the City Manager	70
Human Resources	72
Building Services.....	74
Public Safety Communications	76
Planning and Development	78
Finance	80
Purchasing	82
Municipal Court	84
Information Services	86
Non-Departmental General Fund.....	88
Outside Agencies.....	89
Operating Transfers Out	89
Public Works Administration	90
Engineering.....	92
Building Inspection	94
Traffic Engineering.....	96
Street.....	98
Parks and Recreation.....	100
Fire	102
Police	104
Neighborhood Development Services.....	106

WATER AND SEWER FUND

Water and Sewer Fund Overview	109
Water and Sewer Fund System Overview and Trend Analysis	110
Water and Sewer Fund Revenue Summary	111
Water and Sewer Fund Revenue Overview.....	112
Graph: Water and Wastewater Rates	113
Graph: Water and Sewer Total Revenue	114
Graph: Water Revenue	115
Graph: Wastewater Revenue.....	116
Water and Sewer Fund Expenditure Summary.....	117
Water and Sewer Fund Expenditure Overview	118
Water and Sewer Fund Expenditures by Function.....	120
Water and Sewer Fund Capital Outlay.....	121

WATER AND SEWER FUND DETAIL BY DEPARTMENTS/DIVISIONS

Billing and Collection	124
Utilities Administration	126
Water Distribution	128
Water Treatment	130
Bob Derrington Water Reclamation Plant	132
Wastewater Collection	134
Laboratory Services	136
Repair and Replacement	138
Non-Departmental Water and Sewer Fund	138
Housing Incentive Program	138
Water Purchases	139
Gulf Coast Expenditures	139
Water and Sewer Fund Debt Service Payments	139
Water and Sewer Fund Capital Improvements	140

SOLID WASTE FUND

Solid Waste Fund Overview	141
Solid Waste Fund Revenue Summary	142
Solid Waste Fund Revenue Overview	143
Solid Waste Fund Expenditure Summary	144
Solid Waste Expenditure Overview	145
Solid Waste Fund Capital Outlay	147
Solid Waste Division	150
Neighborhood Development Services	152
Non-Departmental Solid Waste Fund	154
Outside Agencies	154

EQUIPMENT SERVICE FUND

Equipment Service Fund Overview	155
Equipment Service Fund Revenue Summary	156
Equipment Service Fund Revenue Overview	157
Equipment Service Fund Expenditure Summary	158
Equipment Service Fund Expenditure Overview	159
Equipment Service Fund Capital Outlay	161
Equipment Services Division	164
Communications	166
Equipment Replacement	168

Table of Contents
 Annual Budget
 Summaries and Detail
 (Continued)

RISK MANAGEMENT FUND

Risk Management Fund Overview 169
 Risk Management Fund Revenue Summary 170
 Risk Management Fund Revenue Overview..... 171
 Risk Management Fund Expenditure Summary 172
 Risk Management Fund Expenditure Overview..... 173
 Risk Management Fund Capital Outlay 175
 Risk Management Administration 178
 Medical and Dental Insurance Division 180
 Health and Wellness 180
 General Liability Division..... 181
 Workers' Compensation Division 181
 Clinical Services..... 182

DEBT SERVICE FUND

General Debt Service Fund Overview..... 183
 General Debt Service Narrative 184
 Water and Sewer Debt Service Narrative 185
 General Debt Service Schedule..... 186
 Water and Sewer Debt Service Schedule..... 190
 Outstanding Lease Agreements..... 192

COMMUNITY DEVELOPMENT FUND

Community Development Fund Overview..... 195
 Community Development Summary of Revenues and Allocations..... 196
 Community Development Fund Capital Outlay 197
 Community Development..... 198

RATLIFF RANCH GOLF COURSE FUND

Ratliff Ranch Golf Course Fund Overview 201
 Ratliff Ranch Golf Course Fund Revenue Summary 202
 Ratliff Ranch Golf Course Fund Revenue Overview..... 203
 Ratliff Ranch Golf Course Fund Expenditure Summary..... 204
 Ratliff Ranch Golf Course Fund Expenditure Overview 205
 Ratliff Ranch Golf Course 208

OTHER FUNDS

Convention and Visitors Fund	211
Natural Gas Utility Fund	212
Municipal Court Building Security Fund	213
Municipal Court Technology Fund	214
L.E.O.S.E. Fund	215
Drug Forfeiture Fund.....	216
Liquid Waste Fund	217
Grant Program Narrative.....	218
Grant Programs.....	219

CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program Overview	221
Capital Budgets, General Purpose.....	222
Capital Budgets, Enterprise Fund	222
Capital Budgets, Operational Impact	223
Capital Budgets, Operational Cost and Tax Rate Analysis.....	225
Capital Budgets, Description of General Purpose Projects.....	226
Capital Budgets, Summary of General Purpose Capital Projects	228
Capital Budgets, Description of Enterprise Fund Capital Projects	229
Capital Budgets, Summary of Enterprise Fund Capital Projects.....	230

COMMUNITY PROFILE

Odessa at a Glance	231
Graph: Odessa’s Employment Shifts	236
Graph: Odessa’s Economy by Sector	237
Graph: New Construction Values.....	238
Graph: New Construction Permits.....	239
Graph: Ethnic Projections in Ector County.....	240

APPENDIX

State Mandates	242
Federal Mandates	244
Debt Statistics	245
Resolution to Adopt Budget	247
Ordinance to Establish Ad Valorem Rate.....	250
Glossary of Budget Terms	255
Glossary of Budget Terms/Acronyms	263
Index	265

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Budget Message



RICHARD N. MORTON, Jr.
City Manager

October 1, 2007

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 2007-08 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 \$142.6 million and total current expenditures of \$139.5 million. In comparison with last year's adopted budget, this budget represents an increase of 7.14% in revenues and 6.73% in current expenditures. Not normally funded from current revenues, the equipment replacement items totaled \$2.97 million for 2007-08. 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 4.13% in 2007, the West Texas region rig count also increased by 18.52% for the same time period. A comparable rise occurred in the West Texas Intermediate Crude Oil price by 15.67% over last year's figures as well. As unemployment is leveling out at an annualized rate of 3.7% 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 127 new jobs with a cumulative annual payroll of \$7.8 million for the community. Consolidated endeavors to promote economic development through the additional funding from designated sales tax collections have created a minimum of 1,744 jobs with an annual payroll of \$50.8 million as of September 2007.

2006-07 ACHIEVEMENTS

Our goals and objectives charted the course for fiscal year 2006-07, and we made considerable progress including:

- Economic diversification support efforts in 2006-07 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. 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. 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 33.7 tons of refuse from our neighborhoods.
- Crime for calendar year 2006 increased across the state in many offense areas, however, Odessa demonstrated a decrease in Part II crimes such as larceny and arson, which was down an average of 5.78% compared to the previous year. In corresponding Part I crime for 2006, the murder rate was down by 33.33% while rape offenses held steady 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 \$2.2 million (street value) in controlled substances in the last year.
- Productivity and service enhancements were seen in the area of Billing and Collection as a Quality Assurance program for Customer Service was implemented in early 2007. With feedback for improvement in dealing with the various customer service needs in utility billing and collection, the program has been successful for random call evaluation purposes. For the top employee performers, an Outstanding Excellence Award is given to those best meeting the citizen customer needs in a given month. Other efficiency enhancements in new revenue sources continue to be a top priority as Municipal Court has been able to extend truancy operational hours

to the public in a “night court” fashion through funding from Ector County Independent School District.

- 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. 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 2007-08 FISCAL YEAR

Encouraged by the accomplishments of 2006-07, 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 2006 Bond Issues for capital improvements consisting of the replacement of three fire stations, street and traffic reconstruction in major thoroughfares with the addition of “Quiet Zones” in needed parts of the city, and various park improvements are steps taken towards this effort in the 2007-08 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 2007-08 budget include Citizen Police Academy, Citizen’s on Patrol, Juvenile Curfew, and a new 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, Auto Theft Task Force, 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 plans for computer kiosks for this purpose in various locations throughout the city.

- In keeping with intergovernmental cooperation, Odessa's Public Safety Communications center will continue to extend 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 is adding 6 additional Front Line Medics (personnel) since run volumes have increased 27% over the last two years. This additional personnel will meet the expanding demand on the EMS system and anticipated future growth of the community. Also, Public Safety Communications is updating 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.

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 five 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 \$53.8 million will fund current expenditures of \$53.8 million as a balanced budget. Revenues increased 5.8%, or \$2,958,650 and expenditures increased by the same amount over the 2006-07 budget.

Sales Tax receipts excelled during the 2006-07 fiscal year, with a final revenue increase of 18.07%, or \$2,640,365 in receipts by the completion of the fiscal year. As 2006-07 economic indicators for the general economy and the oil industry have continued in a positive direction, sales tax receipts are projected to show similar growth for 2007-08. The forecasted sales tax revenue for 2007-08 is budgeted at \$16,600,000, resulting in a 13.62% increase over the previous year's budget and for the first time, 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 \$100,000 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 \$316,106.

Even though the property tax rate decreased to \$0.5790 from \$0.6290 for 2007-08, a 15.47% increase in assessed values resulted in a \$345,306 increase in current property

tax revenue compared to last year. The projected expansions in these revenue sources generate 81.9% of the \$2.96 million increase in total revenue for the General Fund.

The budget for 2007-08 includes funding for a net 15 additional positions compared to the previous year's budget. In total, the number of General Fund positions funded in this year's budget equals 653 for the new year. Thirteen of these positions were added to the area of public safety alone. 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 \$1,554,780 for 2007-08 for the General Fund.

Additional operational expenditures include medical insurance needs which increased by 5% 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. 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 2006-07, fund balance increased by \$2.04 million from the 2005-06 ending fund balance of \$15,885,680. This increase was attributed to growth in sales tax receipts over and above revenue projections for fiscal year 2006-07. The 2007-08 budget is a balanced budget with revenues and expenditures in equal amounts of \$53,756,378 with an unrestricted available fund balance of \$4,263,945.

WATER AND SEWER FUND

Major distribution system improvements, increases in plant chemical and electrical costs and the 5% compensation increase for all full time employees highlight the Water and Sewer Fund budget for the 2007-08 fiscal year. The current rates for water and sewer services will increase 5% 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 2007-08 are estimated at \$36.7 million, an increase of \$1,624,107 for the new year.

Water and Sewer operating expenditures are proposed at \$36.4 million, an 8.1 percent increase to that of the previous adopted budget. Personal services increases of \$509,440 will cover the continuation of compensation adjustments for full time employees and the 5% increase for medical insurance coverage. Allocations to cover the purchase of water from CRMWD for 2007-08 will stabilize at \$11,209,698 in this significant cost area.

In 2006-07, beginning fund balance decreased by \$5.54 million from the 2005-06 ending fund balance of \$11,646,605. This decrease, or use of fund balance was approved in the 2006-07 budget process to aid in funding \$6,888,158 in Water and Sewer capital improvements. The 2007-08 budget is appropriated with projected revenues (\$36,738,487) in excess of funded expenditures (\$36,436,072) returning \$302,415 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 this fiscal year after the budget has been formally adopted. However, an increase in Debt Service for this fund has been assessed in the amount of \$2.62 million in anticipation of this new bond issue. 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

Solid Waste has operated as an enterprise fund in the City of Odessa since 1995. The major revenues for Solid Waste are Single-Family Residential (47.99%), Commercial (22.03%) and Roll-Off Charges (12.98%). 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 2006-07 residential rates increased 7.5% due to employee compensation costs and increasing fuel and equipment replacement costs.

In 2006-07, beginning fund balance decreased by \$166,091 from the 2005-06 ending fund balance of \$808,912. This decrease, or use of fund balance was approved in the 2006-07 budget process to aid in funding replacement solid waste containers for the routes. The 2007-08 budget is appropriated with projected revenues (\$9,321,580) using \$287,519 of available fund balance for the purchase of equipment; a new side-load truck and a new roll-off unit for the expanding routes. To facilitate these necessary expenditures with the 5% compensation program, and the addition of two solid waste driver positions, rates were increased 8% for all revenue sources.

Projected 2007-08 ending fund balance for the Solid Waste Fund is expected to be \$355,302. Solid Waste expenditures for FY 2007-08 are estimated at \$9,609,099. 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 continuation budget of \$109,000 for 2007-08.

NATURAL GAS UTILITY FUND

The Natural Gas Utility Fund was created in November 1996 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 2007-08 are estimated at \$17.0 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 2007-08 are estimated at \$8.9 million. Total expenditures of this internal service fund are at \$9.2 million of which \$6.2 million is for operating expenditures, and \$2.9 million is 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 2006-07, estimated ending fund balance decreased by \$564,090 from the 2005-06 ending fund balance of \$1,349,426. This decrease, or use of fund balance was approved in the 2006-07 budget process to aid in funding Mobile Video Equipment for Police Patrol cars as an addition to the Equipment Replacement schedule. The 2007-08 budget is appropriated with projected revenues (\$8,977,686) using \$237,297 of available fund balance to aid in the final balloon payment for a Fire Equipment Lease Contract. 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 2007-08 ending fund balance for Equipment Services Fund is expected to be \$548,039.

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 \$8.7 million for expenditures in 2007-08. The total insurance program will increase 6.01% over the 2006-07 adopted budget. The Risk Management Fund is comprised of 73.55% (\$6.4 million) allocation for Benefits including Medical/Dental Insurance and Clinical Services, the Health and Wellness program at 2.31% (\$202,064), an allocation for Liability Insurance at 9.7% (\$849,472), plus a 7.5% (\$657,220) allocated for Workers' Compensation, including a final 6.9%(\$608,211) for the administrative cost of managing the program.

The Medical/Dental Insurance program represents the largest portion of expenditures for the Risk Management Fund. In keeping with the prior year, the city anticipates a 5% 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 fund this budgeted increase.

In September 2003 land was purchased for the establishment of a health and wellness clinic to provide more accessible medical services to employees and their dependents without a related cost increase to employees or the City. The new health clinic was completed in late 2004 and began full operation in early 2005 as well as a full service fitness center for employees and their dependents. Also during this year, employee health benefits became self-administered as a cost cutting measure for the fund.

In 2006-07, estimated ending fund balance decreased to a negative \$2,037,085 from the 2005-06 negative fund balance of \$1,969,002. This deficit fund balance position is due to escalating costs in the area of Medical/Dental Claims which have continued to increase over the last several years. The 2007-08 budget process shows a new reversal of 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 2007-08 projected ending fund balance deficit (\$1,956,873) will extend over the next several years.

GOLF COURSE FUND

Since the purchase of the Ratliff Ranch Golf Course in December 2005, many positive changes and renovations have been occurring to the benefit of 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. The fee structure is projected to provide adequate revenue for the golf course to be self-supporting when renovations and construction are complete and normal public use of the course is available.

In 2006-07, estimated ending fund balance decreased to a negative \$958,840 from the 2005-06 negative fund balance of \$61,842. This deficit fund balance position is due to

the closure of the golf course for major renovation and construction during the majority of the 2006-07 fiscal year. The 2007-08 budget process shows almost no change in the fund balance as construction will continue during this fiscal year projected for completion in mid 2008 for peak season. Repayment of the 2007-08 projected ending fund balance deficit (985,258) 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 2007-08 in the amount of \$1,349,947.

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 2006-07 Annual Budget document received the Government Finance Officer Association's Distinguished Budget Presentation Award, representing the highest form of recognition in governmental budgeting. This was the twenty-first consecutive year that the City has received this honor. In order to continue participating in this program, we have attempted to incorporate most recommended revisions, which were suggested by GFOA, into the 2007-08 Annual Budget.

The 2007-08 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 2007-08
ADOPTED BUDGET

Policy Statements

POLICY STATEMENTS

BUDGET COMPLIANCE

BUDGET COMPLIANCE

The 2007-08 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, Natural Gas Fund, Equipment Service Fund, Risk Management Fund, Golf Course Fund, General Debt Service Fund, Community Development Fund, Convention and Visitors 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 2007-08 Budget on August 3, 2007, which was more than 30 days from the scheduled adoption of the property tax rate on September 25, 2007.

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 31, 2007 in the local newspaper and on the City of Odessa's web site, announcing a public hearing on the proposed budget on September 11, 2007.

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 the 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 11, 2007, 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 \$0.5790 per \$100 dollars of property valuation for the purpose of paying for City operations (\$0.4957) and for debt service payment (\$0.0833). This tax rate required two public hearings since the proposed tax rate exceeded the effective tax rate (\$0.5449). The City Council adopted a total tax rate of \$0.5790 on September 25, 2007.

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

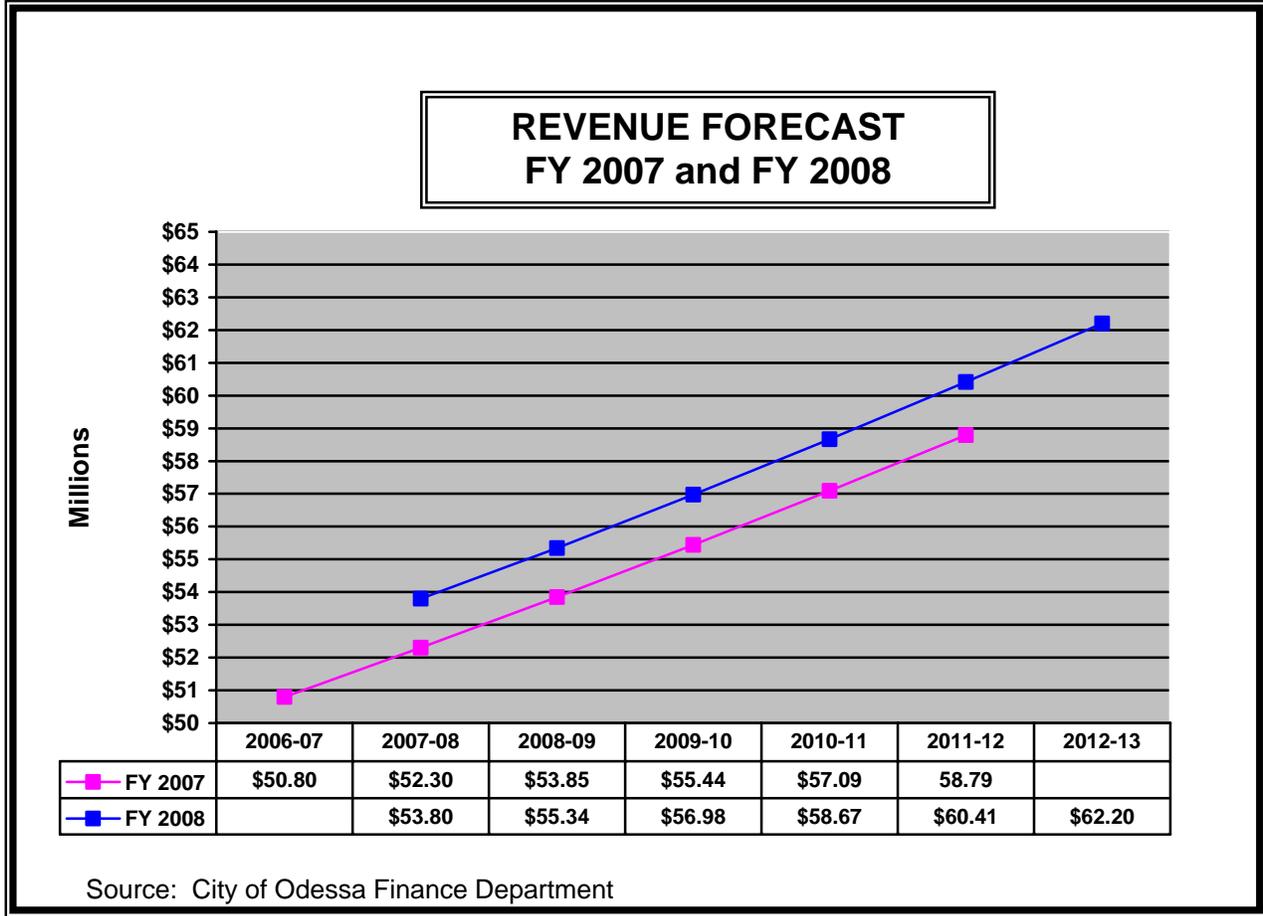
Financial forecasting is requisite to the success of the budgeting process in aiding in proper decision making for the current year and future years. Long-range and short-range projections are updated annually by staff for revenues, reserves, and expenditures based on current service levels for the General 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 2007 forecast, Property Tax revenue is projected to increase 3.00% in future years based on growth in appraised value as a reflection of a moderately growing local economy. Sales Tax receipts are expected to grow approximately 13.62% 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 75.63% of the General Fund increase, each year for the next five years. Total General Fund revenue is expected to increase from \$53.8 million to approximately \$62.2 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 fifteen full-time positions will result in a budget increase of \$2,485,942 in 2007-08. Altogether, total General Fund expenses are expected to grow from \$53.8 million to \$61.1 million by 2012-13.

In 2007-08, significant increases in property values have made it possible to cut the property tax rate back from \$0.6290 to \$0.5790. 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

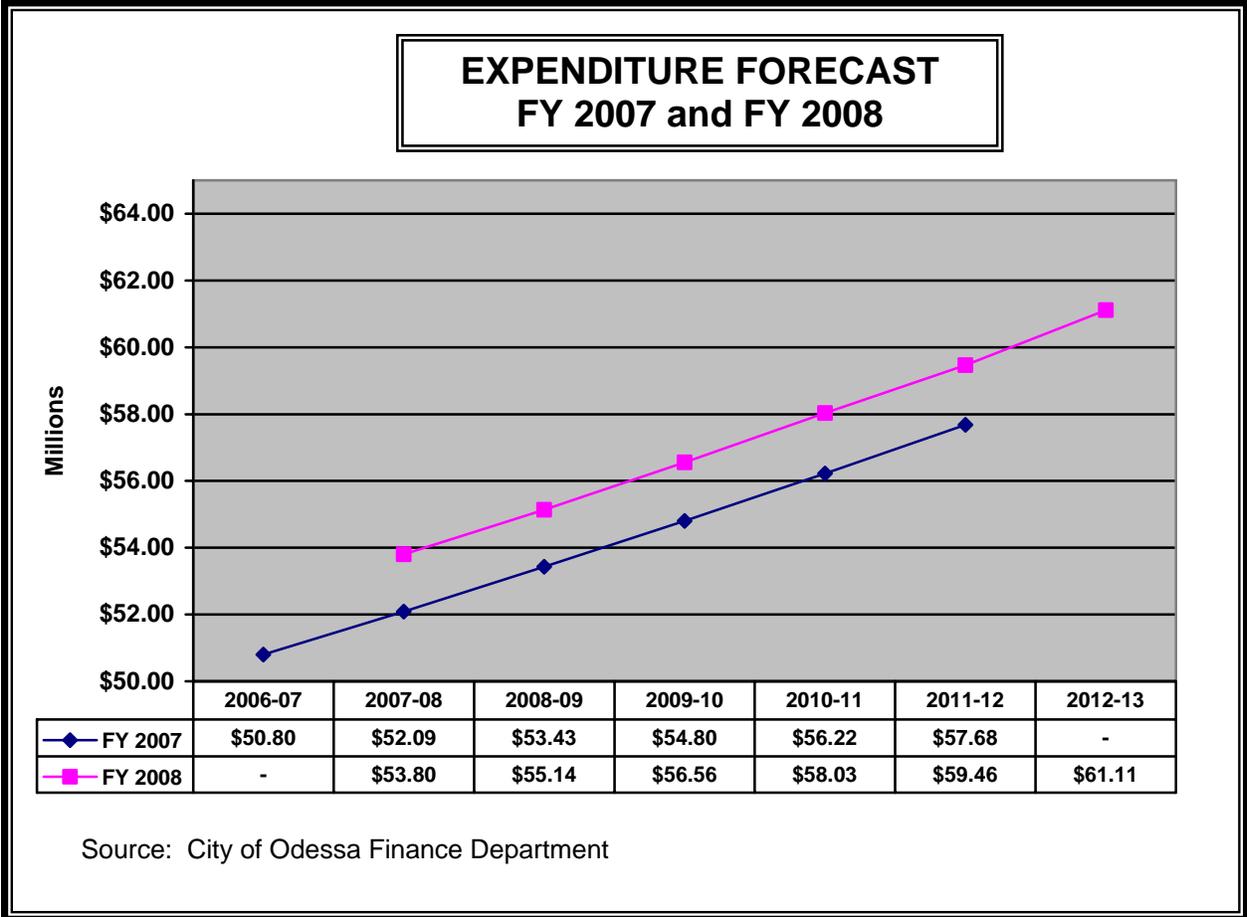


The above graph compares the revenue forecasts made in FY 2007 with those made in FY 2008. The FY 2008 forecast begins \$1,456,615 higher than the FY 2007 forecast due to an upturn in the local economy. Significant increases in the price of oil have had a positive effect on property tax and sales tax revenues, the City's two main sources of revenue.

In 2006-07, the projection for 2007-08 sales tax revenue was \$15,011,775. This year, it is anticipated that sales taxes will generate \$16,600,000, an increase of 10.58%. Property values are also on the rise and are 15.47% higher than last year's values. As a result, the City opted to lower the tax rate to 0.5790 per \$100 valuation. Even with the tax rate decrease, this year's projection for 2007-08 property tax revenue is 2.09% higher than last year's projection.

The FY 2008 forecast of revenues is projected to be \$53.8 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 \$15.43 million in 2007-08, increasing at a rate of 3.00% each year for the next five years. City Sales Tax is expected to generate \$16.6 million in the upcoming fiscal year, up \$1,588,225 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 2008 financial forecast for expenditures begins with a projection that is \$1,663,957 higher than the 2007-08 projection set forth in the FY 2007 financial forecast. The FY 2008 forecast begins with a projection of \$53.80 million with an anticipated growth rate of approximately 2.6% for each of the next five years. Expenditures are expected to increase by \$7,348,709 million 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 \$1.55 million. Additionally, funds have been set aside to cover the costs associated with the creation of seventeen new positions: one Human Resources Clerk, one Code Enforcement Officer, two Street Workers, six Firefighters/Paramedics, one Telephone Response Unit Supervisor, and six Telephone Response Unit Technicians.

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. The City publishes legal notices for public hearings on the budget and tax rate, and 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.

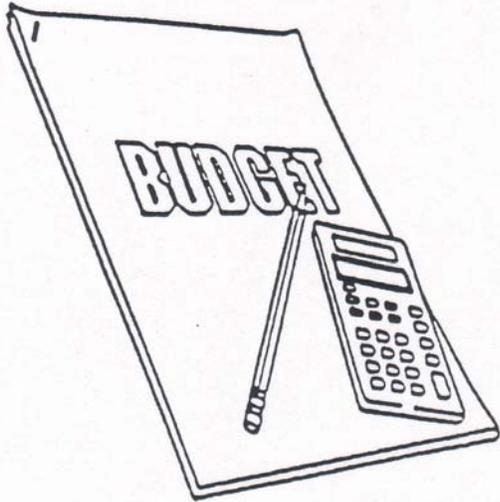
Expenditures for the Capital Improvement Program are presented on a budget basis. Budget for an entire contract is appropriated in the period in which a contract is entered. Any unspent funds at fiscal year-end are carried forward to the next budget year.

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

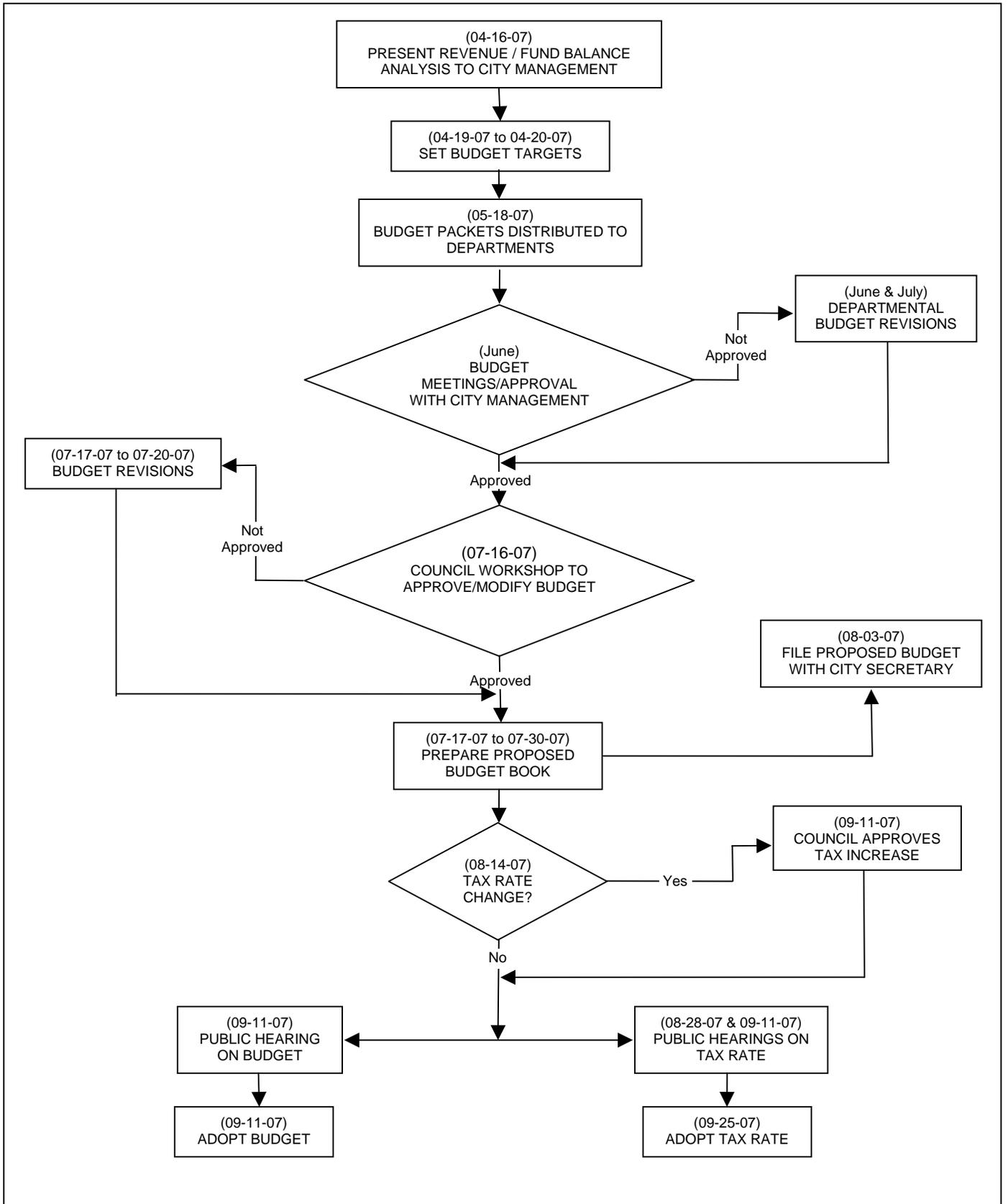
BUDGET CALENDAR



- 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.
- May** 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.
- May - 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.

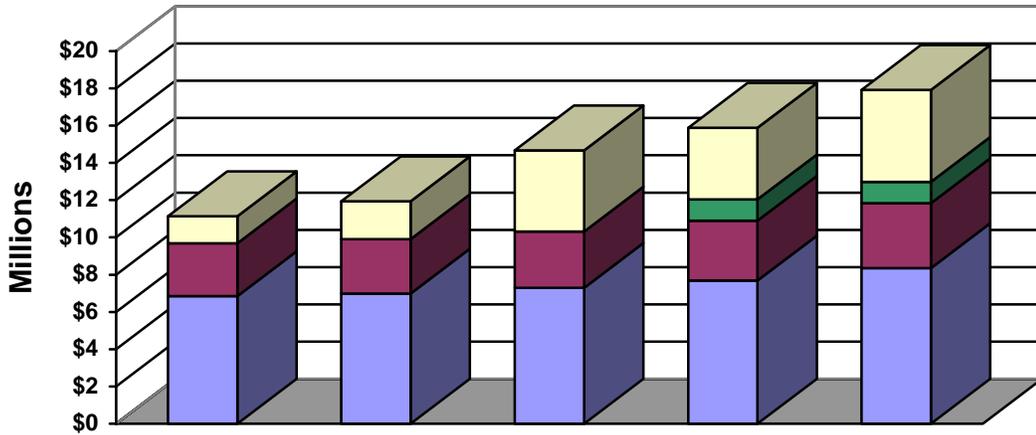
Several years ago, the City Council established a fiscal requirement that legally segregated a portion of the General Fund fund balance for a specific future use. The segregated fund balance should be sufficient to provide financing for 60 days of emergency operation. In 1998, the City Council established 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 and the budget stabilization account 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

HISTORICAL GENERAL FUND BALANCE



	02-03	03-04	04-05	05-06	06-07
60 Day Reqmnt.	\$6,841,462	\$6,990,499	\$7,286,141	\$7,693,239	\$8,350,312
Stabilization Acct.	\$2,850,610	\$2,912,708	\$3,035,892	\$3,205,516	\$3,479,296
Comp. Absences	\$0	\$0	\$0	\$1,143,523	\$1,143,523
Undesignated	\$1,440,737	\$2,029,054	\$4,351,354	\$3,843,402	\$4,952,946
Fund Balance	\$11,132,809	\$11,932,261	\$14,673,387	\$15,885,680	\$17,926,077

Dollars (Millions)

Source: Finance Department

Fund Balance History

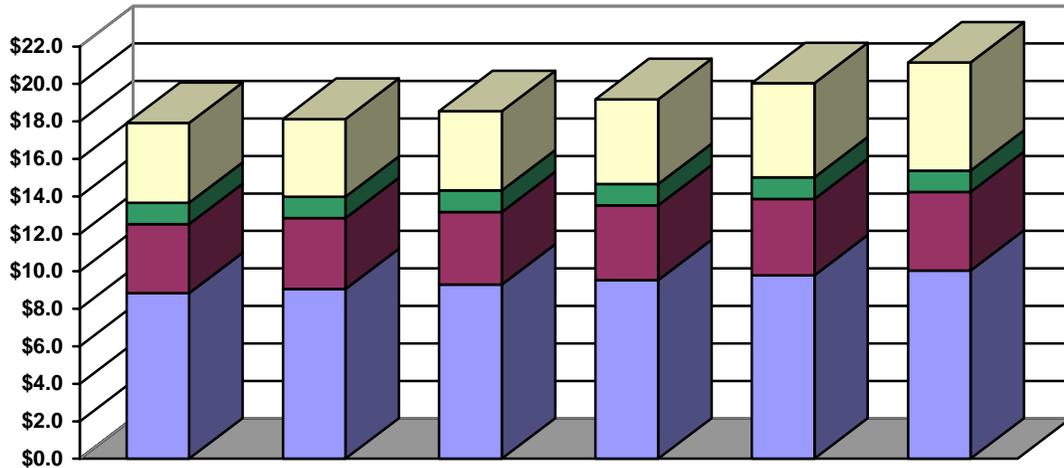
The fund balance for the General Fund is comprised of a 60-day operating requirement, a 25-day budget stabilization account, a compensated absences reserve, and a remaining undesignated reserve. Between fiscal years 2002-03 and 2006-07, the fund balance fluctuations have resulted in an overall increase of 61.02% in total fund balance. The total fund balance is estimated to be \$17.93 million by the end of the 2006-07 fiscal year.

The above graph presents the actual fund balance for the General Fund for fiscal years 2002-03 through 2005-06 and the estimated fund balance for 2006-07.

POLICY STATEMENTS

FINANCIAL POLICIES

PROJECTED GENERAL FUND BALANCE



	07-08	08-09	09-10	10-11	11-12	12-13
60 Day Reqmnt.	\$8,836,665	\$9,063,950	\$9,298,169	\$9,539,543	\$9,788,299	\$10,044,672
Stabilization Acct.	\$3,681,944	\$3,776,646	\$3,874,237	\$3,974,810	\$4,078,458	\$4,185,280
Comp. Absences	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523
Undesignated	\$4,263,945	\$4,147,175	\$4,232,407	\$4,526,142	\$5,035,085	\$5,766,150
Fund Balance	\$17,926,077	\$18,131,294	\$18,548,336	\$19,184,018	\$20,045,365	\$21,139,625

Dollars (Millions)

Source: Finance Department

Fund Balance Projections

The ending fund balance estimate for fiscal year 2007-08 is \$8.84 million in the 60-day operating requirement, \$3.68 million in the budget stabilization account, \$1.14 million in compensated absences reserve, and \$4.26 million as undesignated reserve. This is a total fund balance of \$17.93 million for next year.

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 2007-08 through 2012-13.

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.

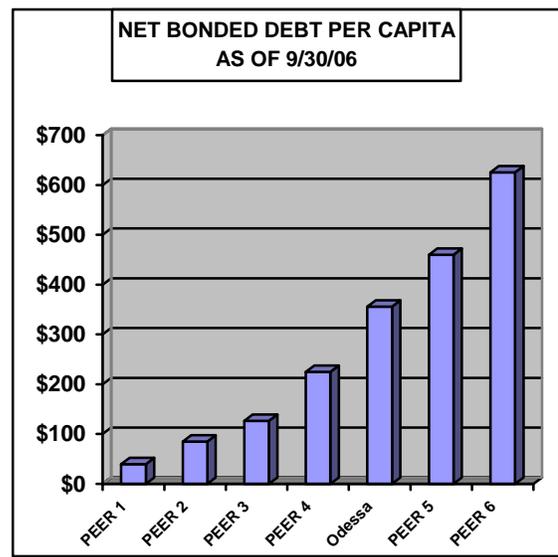
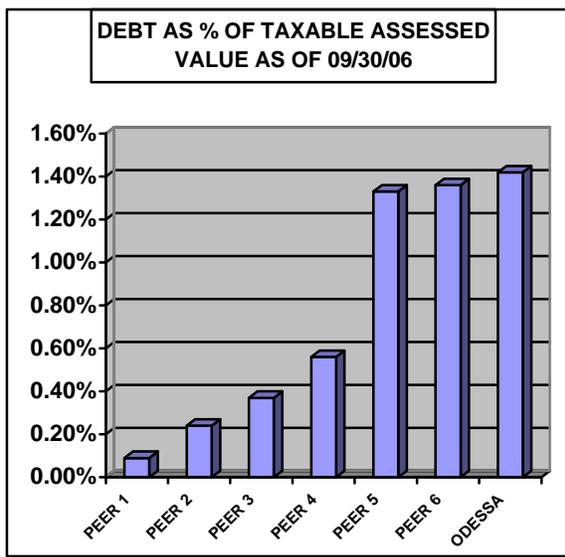
POLICY STATEMENTS

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, 2006. 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 (1.42%) ranks 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 will be 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 will give 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 will be 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 should be noted. Requests requiring funds in addition to the targeted amount can be submitted for consideration in a Supplemental Request along with suggestions on how to fund the request.
6. A high priority will be placed on continuing the compensation plan adopted by Council. In setting the target amount for departmental budgets, Finance will take 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 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 will be 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 will provide for adequate maintenance, repair, and replacement of capital assets. Postponing of such items to balance the budget will 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 will 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 will carry 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 will 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 Manager, 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 Manager 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 was 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 and 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 Independent School District, which acts as an agent on the City's behalf. The School District also maintains the property tax rolls and processes all delinquent tax collections. Taxes collected by the School 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 and is restricted for use on 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 is restricted for use on 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 received from a \$3 court cost per conviction of a misdemeanor that is used for the security needs of the court. The Municipal Court Technology Fund's revenue is received from a fee assessed per conviction of a misdemeanor. 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 2007-08
ADOPTED BUDGET

Budget Summary

BUDGET SUMMARY

ALL FUNDS 2007-08

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	\$17,926,077	\$53,756,378	\$53,756,378	\$17,926,077	\$0
WATER AND SEWER	6,103,113	36,738,487	36,436,072	6,405,528	302,415
SOLID WASTE	642,821	9,321,580	9,609,099	355,302	(287,519)
NATURAL GAS FUND	15,501	17,000,000	17,000,000	15,501	0
EQUIPMENT SERVICE	785,336	8,977,686	9,214,983	548,039	(237,297)
RISK MANAGEMENT	(2,037,085)	8,840,417	8,760,205	(1,956,873)	80,212
DEBT SERVICE	355,379	2,658,559	2,637,759	376,179	20,800
COMMUNITY DEVELOPMENT	0	1,690,237	1,690,237	0	0
CONVENTION & VISITORS	841,345	1,820,000	1,349,947	1,311,398	470,053
GOLF COURSE FUND	(958,840)	1,180,035	1,206,453	(985,258)	(26,418)
OTHER FUNDS:					
DRUG FORFEITURE FUND	132,291	0	129,000	3,291	(129,000)
LEOSE FUND	(1,151)	13,530	10,430	1,949	3,100
MUNICIPAL CT. SECURITY	61,343	76,000	113,606	23,737	(37,606)
MUNICIPAL CT. TECHNOLOGY	184,870	101,000	112,000	173,870	(11,000)
LIQUID WASTE	4,571	40,669	45,240	0	(4,571)
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	236,004	236,004	0	0
TOTAL	\$24,055,571	\$142,586,582	\$142,443,413	\$24,198,740	\$143,169

BUDGET SUMMARY

ALL FUNDS 2007-08

Financing Sources:	General Fund	Water and Sewer Fund	Solid Waste Fund	Natural Gas Fund	Equipment Service Fund
Beginning Fund Balance	\$17,926,077	\$6,103,113	\$642,821	\$15,501	\$785,336
Less Required Reserves	13,662,132	1,000,000			
Available Fund Balance	\$4,263,945	\$5,103,113	\$642,821	\$15,501	\$785,336
CURRENT REVENUES:					
Property Tax	\$15,434,449				
Sales Tax	16,600,000				
Franchise/Gross Receipts	5,926,000				
Other Operating Revenues	5,162,100		8,684,280	17,000,000	
Water and Sewer		35,262,487			
Rental Revenue					8,704,686
Interest Income	1,000,000	720,000	35,000		120,000
Intergovernmental	973,500				
Other Revenue	5,208,935	756,000	602,300		153,000
Administrative Transfers					
General Fund					
Water/Sewer	2,306,255				
Equipment Service	351,367				
Risk Management	290,838				
Solid Waste	437,441				
Golf Course	4,504				
Odessa Develop. Corp.	44,184				
Conv. And Visitors	10,805				
Motor MPO	6,000				
Total Current Revenues	\$53,756,378	\$36,738,487	\$9,321,580	\$17,000,000	\$8,977,686
Total Financing Sources	\$58,020,323	\$41,841,600	\$9,964,401	\$17,015,501	\$9,763,022
CURRENT EXPENDITURES:					
Personal Services	\$38,541,854	\$6,177,799	\$2,158,827		\$1,260,973
Supplies	1,097,539	12,430,400	52,528	16,807,135	1,939,300
Services	10,154,284	3,634,769	5,640,175	192,865	535,191
Maintenance	2,619,582	1,036,815	488,325		1,340,705
Capital Outlay	189,907	360,854	337,500		17,854
Other Requirements		5,061,411	821,210		351,367
Debt Service/Lease	748,835	7,234,024	1,534		799,987
Housing Incentive Program		500,000			
Insurance Requirements					
Outside Agencies	75,377		109,000		
Transfers Out	329,000				
Total Current Expenditures	\$53,756,378	\$36,436,072	\$9,609,099	\$17,000,000	\$6,245,377
Capital Outlay-Replacement					2,969,606
Total Expenditures	\$53,756,378	\$36,436,072	\$9,609,099	\$17,000,000	\$9,214,983
Ending Available Balance	\$4,263,945	\$5,405,528	\$355,302	\$15,501	\$548,039
Plus Required Reserves	13,662,132	1,000,000	0	0	0
Ending Fund Balance	\$17,926,077	\$6,405,528	\$355,302	\$15,501	\$548,039

BUDGET SUMMARY

ALL FUNDS 2007-08

Risk Mgt. Fund	Golf Course Fund	Debt Service Fund	CDBG/HOME Funds	Convention & Visitors Fund	Other Funds	Total All Funds
(\$2,037,085)	(\$958,840)	\$355,379	\$0	\$841,345 100,000	\$381,924	\$24,055,571 14,762,132
(\$2,037,085)	(\$958,840)	\$355,379	\$0	\$741,345	\$381,924	\$9,293,439
8,840,417	958,035	2,633,559		1,820,000	575,568	\$15,434,449 16,600,000 5,926,000 45,673,959 35,262,487 8,704,686 1,900,000 2,691,372 6,742,235
	22,000	25,000	1,690,237		27,635	
	200,000					2,306,255 351,367 290,838 437,441 4,504 44,184 10,805 6,000
\$8,840,417	\$1,180,035	\$2,658,559	\$1,690,237	\$1,820,000	\$603,203	\$142,586,582
\$6,803,332	\$221,195	\$3,013,938	\$1,690,237	\$2,561,345	\$985,127	\$151,880,021
\$836,067 200,702 101,351 32,200 13,500	\$488,913 228,883 429,383 54,772 4,502		\$436,001 41,250 134,382 8,000 8,500 1,062,104	15,060	\$447,170 68,094 18,866 36,400 207,750	\$50,347,604 32,865,831 20,856,326 5,616,799 1,135,865 7,300,594 11,422,139 500,000 7,576,385 1,519,264 333,000
		2,637,759		1,334,887		
7,576,385					4,000	
\$8,760,205	\$1,206,453	\$2,637,759	\$1,690,237	\$1,349,947	\$782,280	\$139,473,807 2,969,606
\$8,760,205	\$1,206,453	\$2,637,759	\$1,690,237	\$1,349,947	\$782,280	\$142,443,413
(\$1,956,873) 0	(\$985,258) 0	\$376,179 0	\$0 0	\$1,211,398 100,000	\$202,847 0	\$9,436,608 14,762,132
(\$1,956,873)	(\$985,258)	\$376,179	\$0	\$1,311,398	\$202,847	\$24,198,740

BUDGET SUMMARY

AD VALOREM TAXES

Ad Valorem Tax Revenue and Distribution 2007-08 Budget

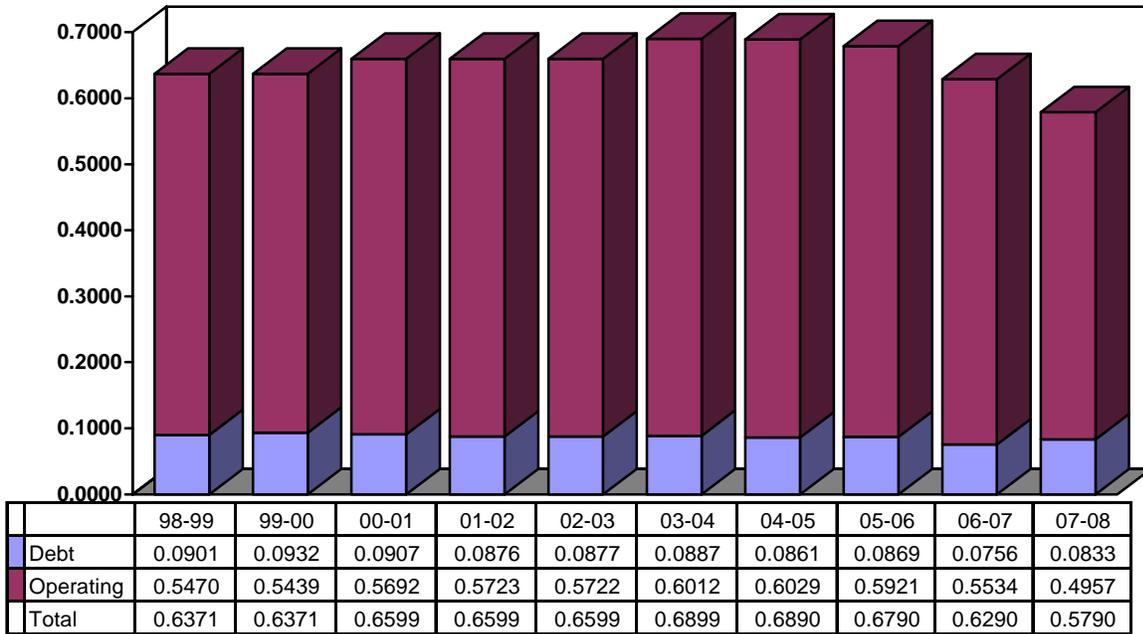
Certified 2007 Total Taxable Value =	\$3,135,144,279
Tax Rate per \$100	<u>0.5790</u>
Total Tax Levy	\$18,152,485
Estimated Collection Rate	<u>95.5363%</u>
Estimated Current Collections	<u><u>\$17,342,208</u></u>
	<u>Amount</u>
General Fund -	\$14,708,649
Debt Service Fund -	<u>2,633,559</u>
TOTAL	<u><u>\$17,342,208</u></u>

BUDGET SUMMARY

AD VALOREM TAXES

PROPERTY TAX RATE

DURING PAST TEN YEARS



Source: City of Odessa Finance Department

From 1998-99 through 1999-00, the property tax rate was held to 0.6371. Then, in 2000-01, a rate increase of 2.28 cents was implemented in order to help fund a new compensation plan. During the next two years, the tax rate remained constant. However, in 2003-04, it was necessary to raise taxes by 3.00 cents in an effort to fund additional compensation needs.

Increases in property valuations from 2004-05 through 2006-07 have resulted in tax rate reductions totaling 6.09¢ for this three-year period. Certified property values for 2007-08 show a 15.47% increase over last year's numbers. This increase is high enough to warrant a five-cent tax rate reduction, resulting in a 2007-08 proposed tax rate of 0.5790.

The above graph presents the actual property tax rates for the General Fund for fiscal years 1998-99 through 2007-08.

BUDGET SUMMARY

AD VALOREM TAXES

Schedule of Property Valuations 1998 Through 2007 2007-08 Budget

Roll Year	Total Market Value	%	Non-Taxable Values	%	Assessed Valuations	%
1998	2,087,980,819	100%	279,572,890	13.4%	1,808,407,929	86.6%
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%

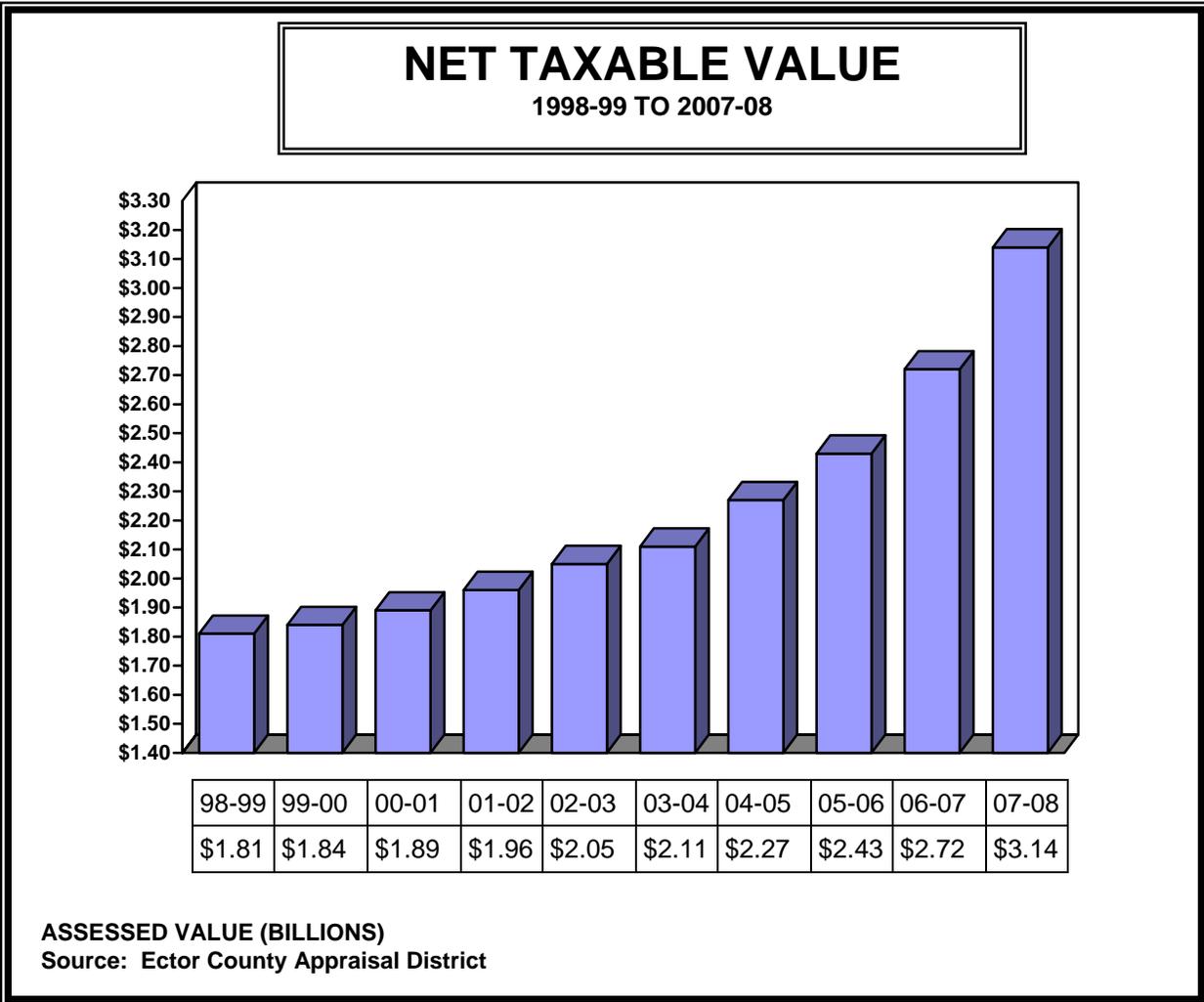
NOTES:

The Roll Year is one year prior to the Fiscal Year. For example, the 2007 roll is used to determine the Fiscal Year 2007-08 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

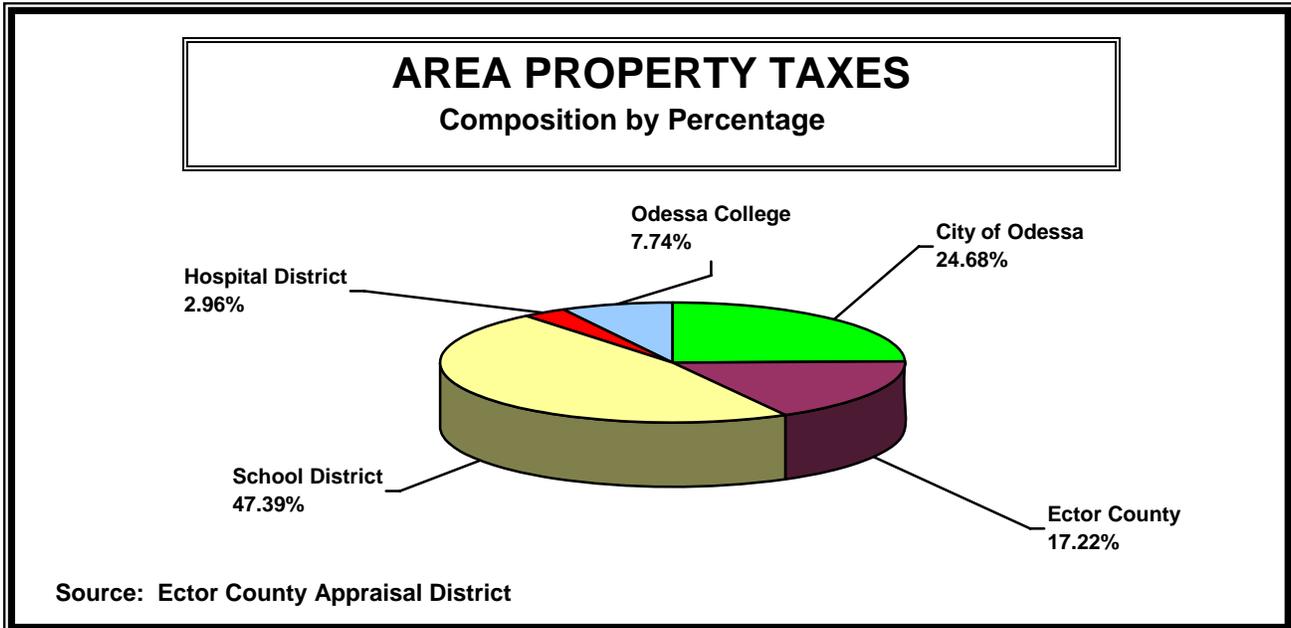
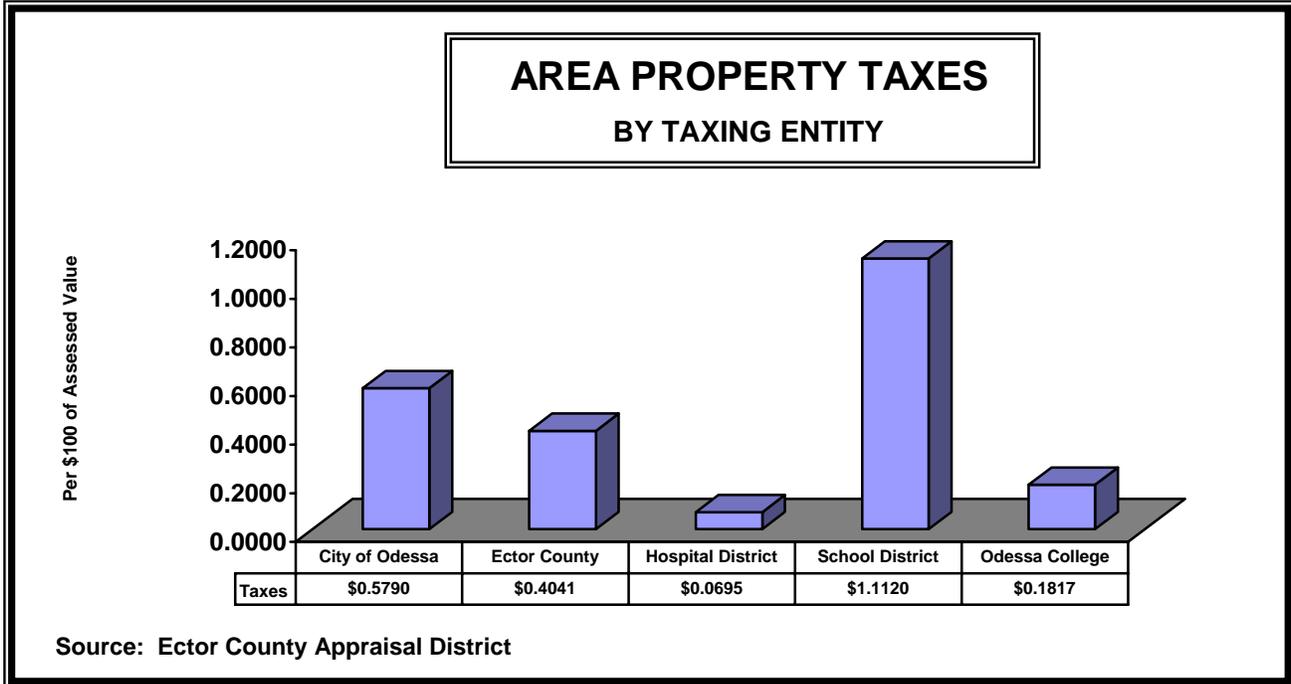


Net taxable values grew 13.26% from 1998-99 through 2003-04. During this period of steady growth, the average annual increase in assessed values was 2.76%. However, in 2004-05, net taxable values began to exhibit a more substantial rise due to a boom in the oil industry. From 2004-05 through 2007-08, net taxable values increased by 38.33%, with an average annual increase of 9.58%. Projected values for 2007-08 are 15.47% higher than those of the previous year.

The substantial rise in property values over the past four years is the result of significant increases in the price of oil and its effect on the local economy. From August 2004 to August 2007, oil prices have risen by 61.08%. 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

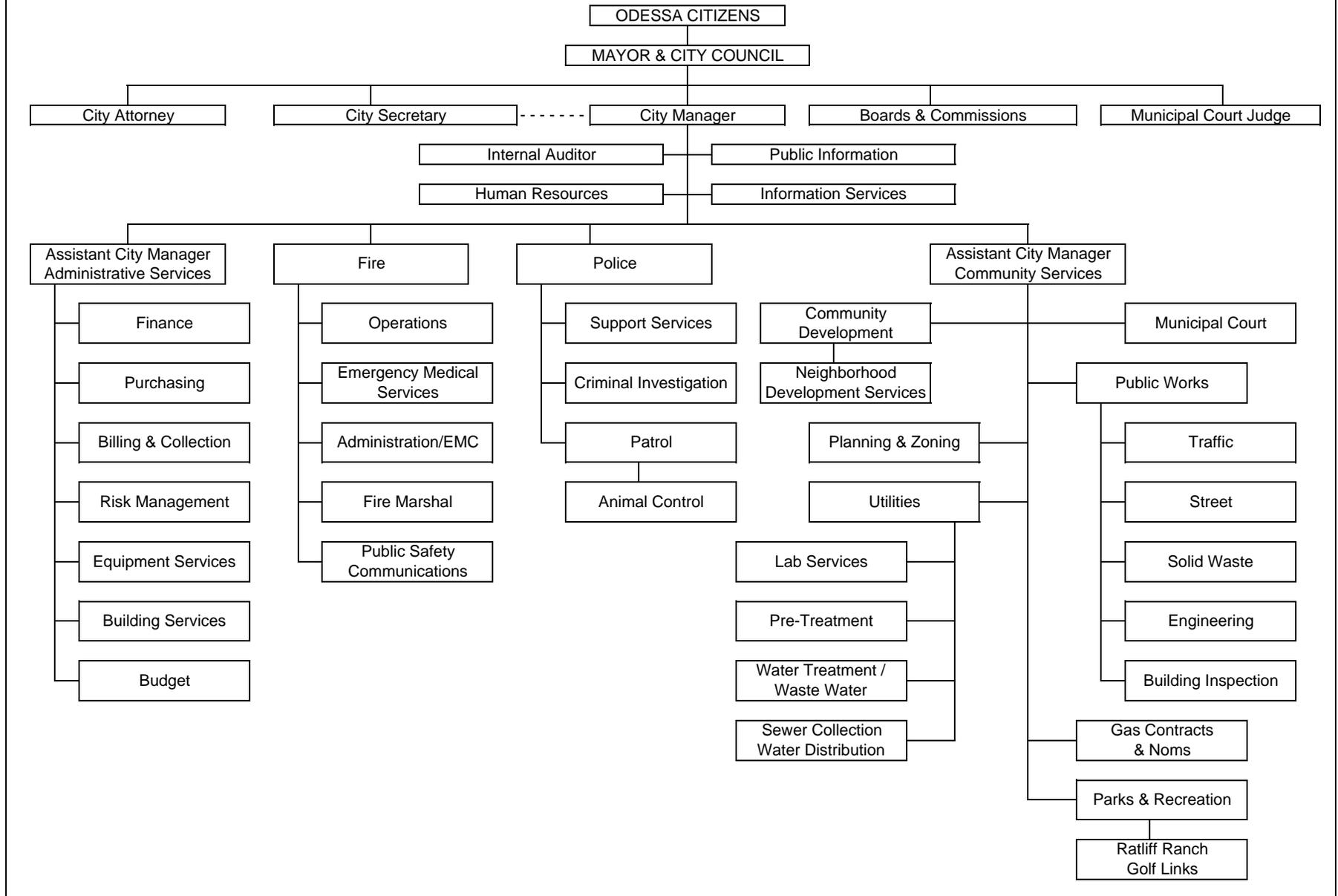
AD VALOREM TAXES



2007-08 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 2007-08

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 2007-08

DEPARTMENTS BY FUNCTION AND FUNDING SOURCE									
DIVISION	GEN. GOV'T.	ADMIN. SVCS.	FINANCE	PUBLIC WORKS	PARKS	PUBLIC SAFETY	WATER/SEWER	RISK MNGT.	COMM. DEV.
Building Services		GF							
City Attorney	GF								
City Council	GF								
City Secretary	GF								
Clinical Services								RF	
Community Development									CD
Equipment Replacement				ES					
Equipment Services				ES					
Finance			GF						
Fire Department						GF			
Information Services			GF						
General Liability								RF	
Health and Wellness								RF	
Human Resources	GF								
Medical & Dental Self Insurance								RF	
Municipal Court			GF						
Natural Gas Utility			NG						
Neighborhood Services	GF			SW					CD
Non-Departmental			GF				WS		
Office of the City Manager	GF		NG						
Outside Agencies			GF						
Parks & Recreation					GF				
Planning & Development	GF								
Police Department						GF			
Public Safety Communications						GF			
Public Works-Administration				GF					
Public Works-Building Inspection				GF					
Public Works-Engineering				GF					
Public Works-Solid Waste				SW					
Public Works-Street				GF					
Public Works-Traffic				GF					
Purchasing			GF						
Ratliff Ranch Golf Course					GC				
Risk Management Administration								RF	
Utilities Administration							WS		
Utilities Billing & Collection			WS						
Utilities Derrington W/W Plant							WS		
Utilities Laboratory							WS		
Utilities Repair & Replacement							WS		
Utilities W/W Collection							WS		
Utilities Water Distribution							WS		
Utilities Water Treatment							WS		
Worker's Compensation								RF	

BUDGET SUMMARY

ALL FUNDS 2007-08

THREE YEAR COMPARISON ADOPTED BUDGET

	2005-06 Budget	2006-07 Budget	% Change	2007-08 Budget	% Change
GENERAL FUND					
City Council	\$31,442	\$31,433	-0.03%	\$31,476	0.14%
City Secretary	138,933	143,661	3.40%	158,634	10.42%
City Attorney	688,044	784,061	13.96%	840,426	7.19%
City Manager	563,991	552,158	-2.10%	584,740	5.90%
Human Resources	426,220	442,905	3.91%	488,158	10.22%
Building Services	1,083,086	1,152,603	6.42%	1,230,981	6.80%
Public Safety Communications	1,537,676	1,600,407	4.08%	1,689,080	5.54%
Planning and Development	264,211	280,321	6.10%	296,868	5.90%
Finance	795,419	833,020	4.73%	887,772	6.57%
Purchasing	488,078	488,130	0.01%	512,977	5.09%
Municipal Court Administration	966,926	1,303,582	34.82%	1,340,868	2.86%
Information Services	721,330	808,871	12.14%	842,937	4.21%
Public Works	7,401,928	7,967,438	7.64%	8,809,195	10.56%
Parks and Recreation	3,576,640	3,744,304	4.69%	3,935,029	5.09%
Fire	11,288,572	12,184,229	7.93%	12,934,568	6.16%
Police	14,862,668	15,695,298	5.60%	16,750,476	6.72%
Neighborhood Services	199,795	304,257	52.28%	379,929	24.87%
Non-Departmental	2,094,553	2,275,173	8.62%	1,637,887	-28.01%
External Agencies	69,324	76,877	10.90%	75,377	-1.95%
Operating Transfers Out	129,000	129,000	0.00%	329,000	155.04%
TOTAL GENERAL FUND	\$47,327,836	\$50,797,728	7.33%	\$53,756,378	5.82%
WATER AND SEWER FUND					
Billing and Collection	\$1,605,202	\$1,690,901	5.34%	\$1,827,591	8.08%
Utilities Administration	527,024	555,487	5.40%	581,186	4.63%
Water Distribution	1,613,857	1,752,144	8.57%	1,892,435	8.01%
Water Treatment	1,525,806	2,018,079	32.26%	2,055,920	1.88%
Bob Derrington W/W Plant	2,278,079	2,472,595	8.54%	2,641,096	6.81%
Wastewater Collection	810,805	839,974	3.60%	865,278	3.01%
Laboratory	618,646	702,028	13.48%	741,718	5.65%
Repair and Replacement	587,829	587,829	0.00%	587,829	0.00%
Non-Departmental	5,773,248	5,736,632	-0.63%	5,558,748	-3.10%
Water Purchases	11,284,000	11,209,698	-0.66%	11,209,698	0.00%
Gulf Coast	270,000	325,000	20.37%	310,000	-4.62%
Debt Service	4,606,550	4,607,800	0.03%	7,226,848	56.84%
Housing Incentive Program	0	1,202,702	n/a	500,000	-58.43%
Capital Improvements	0	0	n/a	437,725	n/a
TOTAL WATER & SEWER FUND	\$31,501,046	\$33,700,869	6.98%	\$36,436,072	8.12%

BUDGET SUMMARY

ALL FUNDS 2007-08

THREE YEAR COMPARISON ADOPTED BUDGET

	2005-06 Budget	2006-07 Budget	% Change	2007-08 Budget	% Change
SOLID WASTE FUND					
Solid Waste Division	\$6,542,383	\$7,694,693	17.61%	\$8,597,677	11.74%
Neighborhood Services	72,696	75,735	4.18%	79,678	5.21%
Non-Departmental	805,268	801,628	-0.45%	822,744	2.63%
External Agencies	109,325	118,825	8.69%	109,000	-8.27%
TOTAL SOLID WASTE FUND	\$7,529,672	\$8,690,881	15.42%	\$9,609,099	10.57%
NATURAL GAS FUND	\$14,763,365	\$17,000,000	15.15%	\$17,000,000	0.00%
EQUIPMENT SERVICE FUND					
Equipment Services	\$4,169,878	\$5,283,229	26.70%	\$6,005,603	13.67%
Equipment Replacement	2,478,200	2,877,500	16.11%	2,969,606	3.20%
Communications	232,920	233,301	0.16%	239,774	2.77%
TOTAL EQUIPMENT SERVICES	\$6,880,998	\$8,394,030	21.99%	\$9,214,983	9.78%
RISK MANAGEMENT FUND	\$8,098,815	\$8,339,448	2.97%	\$8,760,205	5.05%
GOLF COURSE FUND	0	988,842	n/a	1,206,453	22.01%
COMMUNITY DEV. FUND	\$1,847,453	\$1,820,942	-1.44%	\$1,690,237	-7.18%
CONVENTION & VISITORS FUND	\$1,133,112	\$1,229,703	8.52%	\$1,349,947	9.78%
GENERAL DEBT SERVICE FUND	\$2,063,282	\$2,094,395	1.51%	\$2,637,759	25.94%
MISCELLANEOUS FUNDS	\$498,942	\$558,885	12.01%	\$782,280	39.97%
SUBTOTAL ALL FUNDS	\$121,644,521	\$133,615,723	9.84%	\$142,443,413	6.61%
WATER & SEWER CIP	2,681,455	6,888,158	156.88%	0	-100.00%
TOTAL ALL FUNDS WTH CIP	\$124,325,976	\$140,503,881	13.01%	\$142,443,413	1.38%

BUDGET SUMMARY

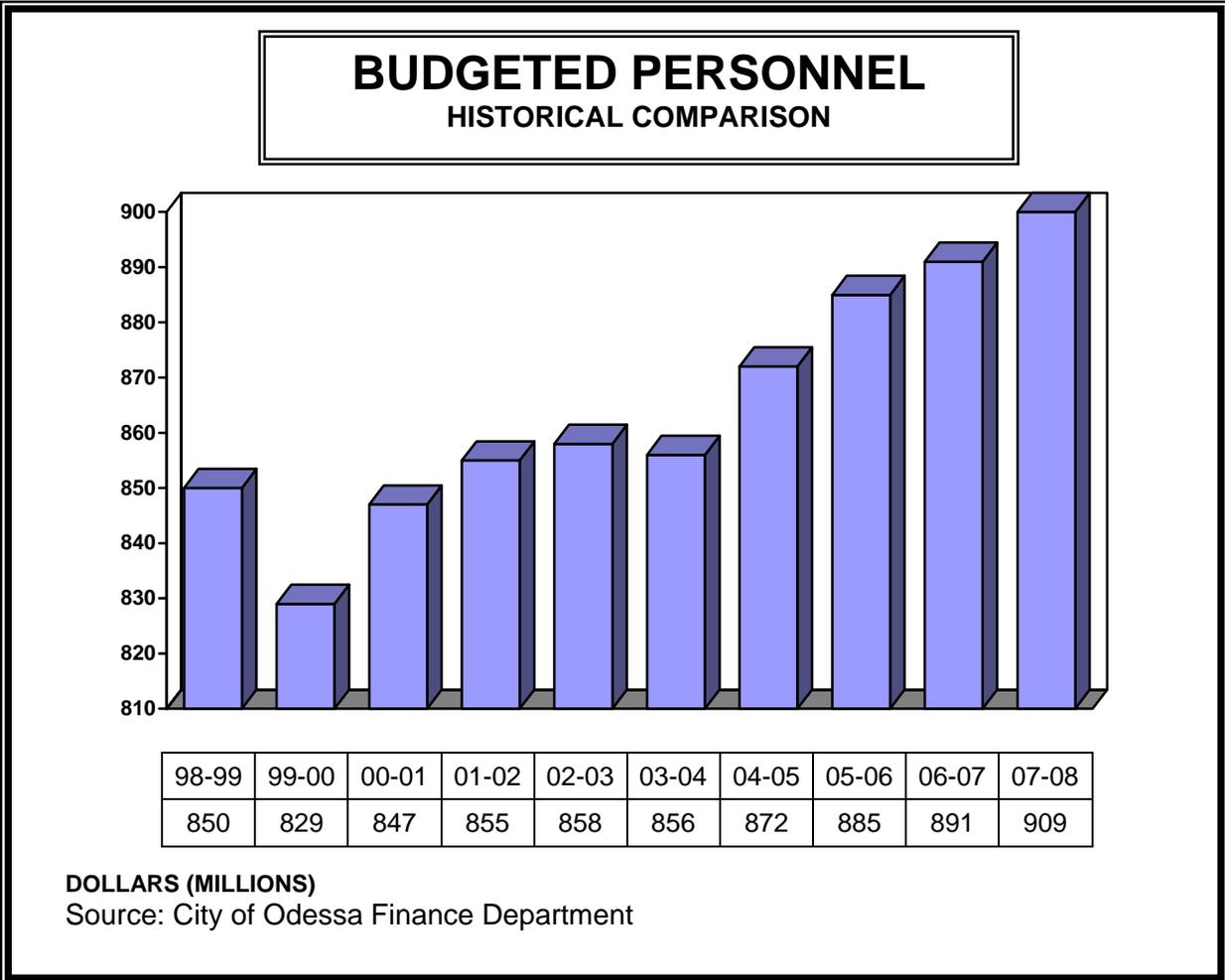
PERSONNEL

PERSONNEL HISTORY OF FULL-TIME POSITIONS BY FUNDING SOURCE

DEPARTMENT	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
City Secretary	1	1	1	1	1	2	2	2	2	2
City Attorney	8.5	8.5	8.5	8.5	8.5	8.5	8.5	9.5	9.5	9.5
City Manager	7	7	8	7	5	5	5	6	5	5
Neighborhood Services	3	3	3	4	4	4	4	4	5	6
Human Resources	5	5	5	5	5	5	5	5	5	6
Building Services	13	13	13	13	13	13	13	13	13	13
Public Safety Comm.	29	29	29	29	29	29.5	29.5	29.5	29.5	29.5
Planning/Develop.	4	4	4	4	4	4	4	4	4	4
Finance	12	12	12	13	13	12	12	12	12	12
Purchasing	8	8	8	8	8	8	8	8	8	8
Municipal Court	15	15	15	17	17	17	19	24	24	24
Information Svcs.	8	7	7	7	8	9	9	9	10	10
Public Works	86	84	85	85	85	85	85	87	87	89
Parks/Recreation	40	39	40	42	40	40	40	40	40	40
Fire	162	159	162	162	168	165	164	165	164	170
Police	221	213	217	218	218	217	217	217	220	225
GENERAL FUND	622.5	607.5	617.5	623.5	626.5	624	625	635	638	653
Billing/Collection	31.5	31.5	31.5	31.5	31.5	31.5	31.5	31.5	32.5	32.5
Utilities	94	93	99	99	99	99	99	99	99	99
CIP	0	0	0	3	3	3	3	3	3	3
WATER/SEWER FUND	125.5	124.5	130.5	133.5	133.5	133.5	133.5	133.5	134.5	134.5
NATURAL GAS FUND	1	0	0	0						
SOLID WASTE FUND	43.5	43.5	43.5	43.5	44.5	45.5	46.5	47.5	47.5	49.5
GOLF COURSE FUND	0	8	8	9						
EQUIPMENT SERVICE	26	26	26	26	26	25.5	24.5	25.5	25.5	25.5
COMMUNITY DEV.	12.5	11.5	9.5	9.5						
RISK MGMT. FUND	5	5	5	5	5	5	14	14	14	14
LIQUID WASTE FUND	1									
MC SECURITY FUND	0	0	2							
GRANTS (VARIOUS)	13	9	9	8	7	7	13	7	11	11
TOTAL PERSONNEL	850	829	847	855	858	856	872	885	891	909

BUDGET SUMMARY

PERSONNEL



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 2007-08 budget has provided for a net increase of eighteen full-time positions, compared to the previous year.

Changes in **General Fund** personnel include the addition of six frontline medics in the Fire Department to handle the increasing demand on the EMS system. An additional seven new positions were added to the Police Department in order to establish a call center. One Telephone Response Unit Supervisor and six Telephone Response Unit Technicians will more efficiently handle incoming calls and allow current personnel to direct their attention to other matters. Other additions to staff include one Human Resources Clerk, two Street Workers, and one Code Enforcement Officer. Other changes include the elimination of two Police Corporal positions. Funding for these positions will be used to cover the increasing cost of technological advances. The **Solid Waste Fund** will see an increase of two Solid Waste Drivers this year in order to maintain the same level of service for a growing population. The only change in personnel to the **Golf Course Fund** is the addition of one Grounds Maintenance Worker. This position will perform a higher degree of detailed maintenance than was previously provided.

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

General Fund
Overview

GENERAL FUND

OVERVIEW

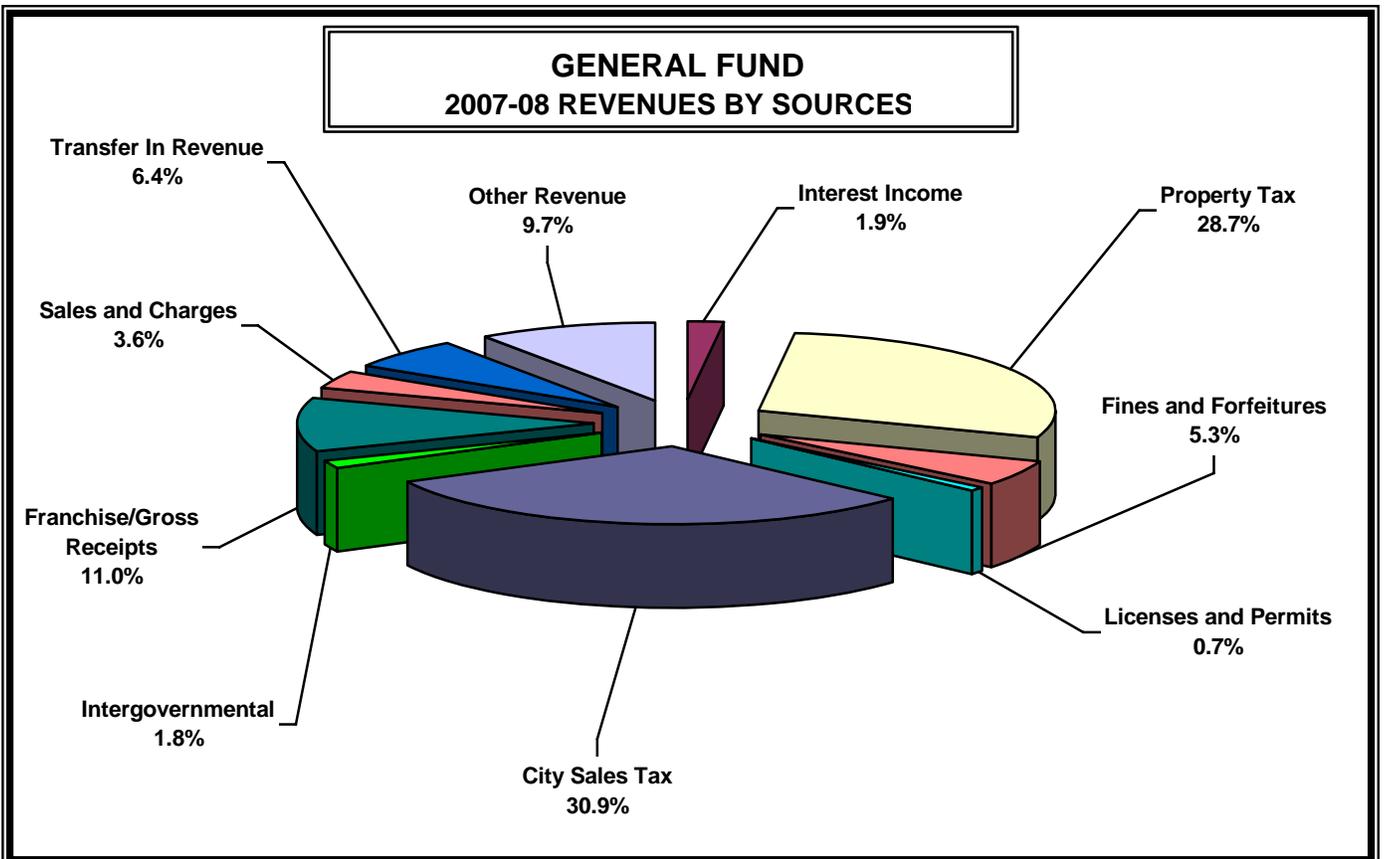
	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$15,771,629	\$15,885,680	\$14,278,853	\$17,926,077
Required 60 Day Reserves	7,693,239	8,350,312	8,350,312	8,836,665
Budget Stabilization Account	3,205,516	3,479,296	3,479,296	3,681,944
Compensated Absences	1,143,523	1,143,523	0	1,143,523
AVAILABLE FUND BALANCE	\$3,729,351	\$2,912,549	\$2,449,245	\$4,263,945
CURRENT REVENUES				
Operating	\$47,404,201	\$49,038,733	\$45,668,089	\$48,331,484
Interest Income	933,973	1,100,000	800,000	1,000,000
Intergovernmental	1,201,992	1,053,500	973,500	973,500
Administrative Transfer In	3,160,544	3,360,643	3,356,139	3,451,394
TOTAL CURRENT REVENUES	\$52,700,710	\$54,552,876	\$50,797,728	\$53,756,378
TOTAL FINANCING SOURCES	\$56,430,061	\$57,465,425	\$53,246,973	\$58,020,323
EXPENDITURES				
Personal Services	\$34,202,074	\$36,055,912	\$36,055,912	\$38,541,854
Supplies	942,899	1,193,412	1,125,562	1,097,539
Services	9,112,640	9,540,515	9,509,581	10,154,284
Maintenance	2,053,361	2,703,360	2,107,578	2,619,582
Capital Outlay	5,891,566	1,216,355	255,586	189,907
Outside Agencies	70,032	77,569	76,877	75,377
Transfers Out	93,996	129,000	129,000	329,000
Lease Payment	220,091	813,570	754,846	748,835
Debt Service	0	782,786	782,786	0
TOTAL EXPENDITURES	\$52,586,659	\$52,512,479	\$50,797,728	\$53,756,378
ENDING AVAILABLE BALANCE	\$3,843,402	\$4,952,946	\$2,449,245	\$4,263,945
Plus 60 Day Reserves	7,693,239	8,350,312	8,350,312	8,836,665
Budget Stabilization Account	3,205,516	3,479,296	3,479,296	3,681,944
Compensated Absences	1,143,523	1,143,523	0	1,143,523
ENDING FUND BALANCE	\$15,885,680	\$17,926,077	\$14,278,853	\$17,926,077

GENERAL FUND

OVERVIEW

General Fund Revenue

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
Property Tax	\$14,447,566	\$15,105,000	\$15,118,343	\$15,434,449
City Sales Tax	15,156,733	16,600,000	14,610,000	16,600,000
Franchise/Gross Receipts	6,074,127	7,126,000	6,141,000	5,926,000
Licenses and Permits	390,571	372,500	389,350	372,500
Sales and Charges	1,950,490	1,916,450	1,802,300	1,921,700
Intergovernmental	1,201,992	1,053,500	973,500	973,500
Fines and Forfeitures	2,929,181	2,867,900	2,786,060	2,867,900
Interest Income	933,973	1,100,000	800,000	1,000,000
Transfer In Revenue	3,160,544	3,360,643	3,356,139	3,451,394
Other Revenue	6,455,533	5,050,883	4,821,036	5,208,935
Total Revenue	<u>\$52,700,710</u>	<u>\$54,552,876</u>	<u>\$50,797,728</u>	<u>\$53,756,378</u>



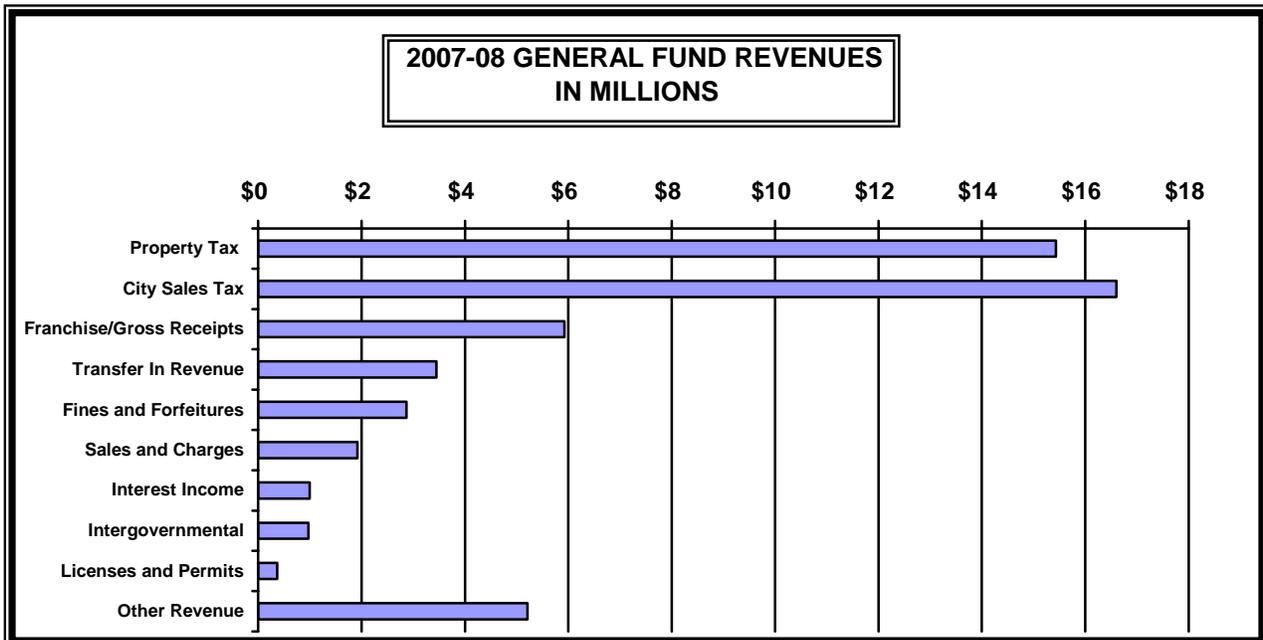
GENERAL FUND

OVERVIEW

Revenues

The 2007-08 adopted budget for General Fund reflects realistic revenue projections of \$53,756,378 based on historical information and economic trends. Total budgeted revenue increased 5.82% compared to 2006-07 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 2006-07 Budget. The 5.82% revenue increase is largely attributable to increases in Sales Tax, Property Tax, and Other revenues. Together these three revenue categories make up 91.06% of the increase in projected revenue of approximately \$2.96 million.

Source	2007-08 Budget		Increase/(Decrease) from 2006-07 Budget	
	Amount	%	Amount	%
Property Tax	\$15,434,449	28.71%	\$316,106	2.09%
City Sales Tax	16,600,000	30.88%	1,990,000	13.62%
Franchise/Gross Receipts	5,926,000	11.02%	(215,000)	(3.50%)
Transfer In Revenue	3,451,394	6.42%	95,255	2.84%
Fines and Forfeitures	2,867,900	5.33%	81,840	2.94%
Sales and Charges	1,921,700	3.57%	119,400	6.62%
Interest Income	1,000,000	1.86%	200,000	25.00%
Intergovernmental	973,500	1.81%	0	0.00%
Licenses and Permits	372,500	0.69%	(16,850)	(4.33%)
Other Revenue	<u>5,208,935</u>	<u>9.69%</u>	<u>387,899</u>	<u>8.05%</u>
TOTAL	\$53,756,378	100.00%	\$2,958,650	5.82%



GENERAL FUND

OVERVIEW

Property Tax Revenue accounts for 28.71% of the General Fund total revenue, which is now the second largest source of revenue for the City, just behind sales tax revenue for the first time in 2007-08. 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, 2007, upon which the fiscal year 2008 levy is based, is \$3,135,144,279. Net taxable property values have increased 15.47% over last year. This revenue is based on the assessed value of real estate, personal property and minerals within the taxing jurisdiction.

In the 2007-08 budget, the ad valorem tax rate will decrease by five cents, bringing the current tax rate down to 57.90 cents per \$100 valuation. The total property tax rate is comprised of the portion of taxes allocated to debt service (debt rate of \$0.0833) and the appropriations for the city's operating needs (O & M rate of \$0.4957).

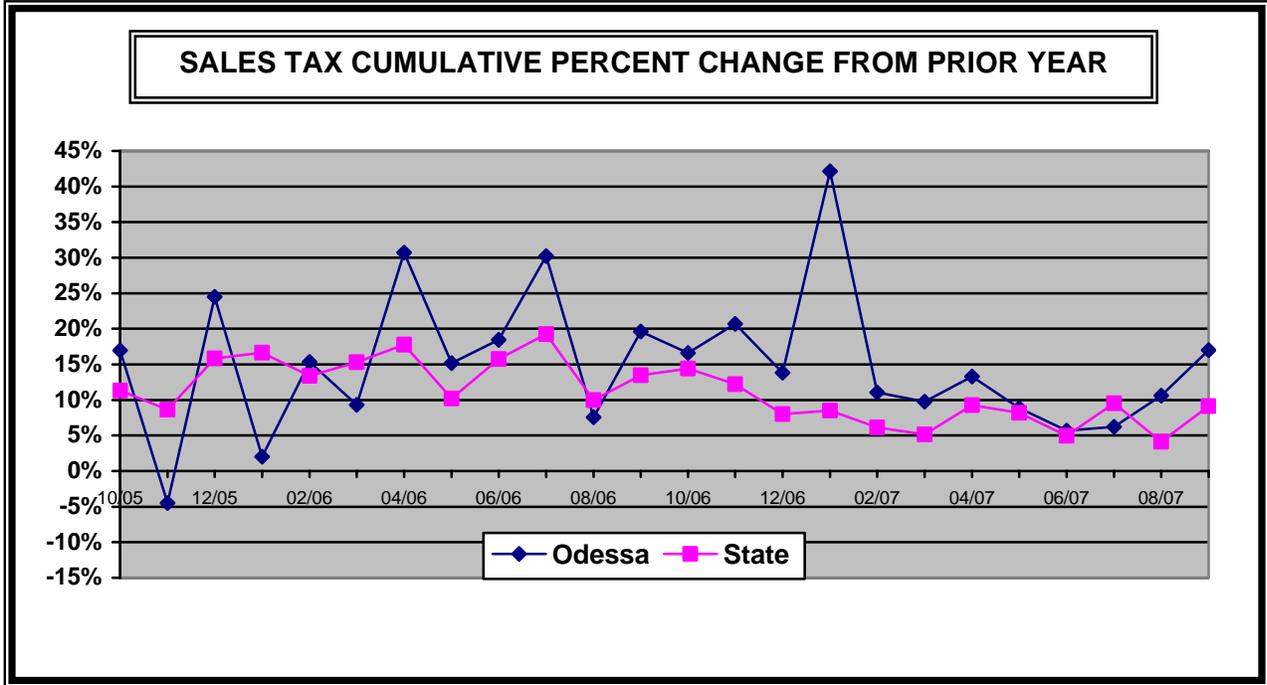
Taxes are due January 31st following the October 1st levy date and are considered delinquent after January 31st of each year. Based upon historical collection trends, current tax collections for the 2007-08 fiscal year are estimated to be 95.54% of levy and will generate \$17,342,208 in revenue, of which General Fund's portion is \$14,708,649. Delinquent taxes and penalties are expected to generate an additional \$725,800 for a total property tax revenue projection for General Fund of \$15,434,449, an increase of \$316,106 over the 2006-07 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 30.88% of General Fund revenue, is projected to be \$16,600,000 in 2007-08, and is the single largest source of revenue for the City. The projection amount represents a 13.62% 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 2006-07 monthly sales tax collections ranges from 5.70% to 42.12% compared to what was collected the previous year. In comparison, the annual percent change in the State's 2006-07 monthly collections ranges from 4.13% 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 11.02% of General Fund revenue and are expected to decrease by \$215,000 compared to the previous year's budget.

GENERAL FUND OVERVIEW



Transfer-In Revenue projections have increased \$95,255, or 2.84%. 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 6.42% of General Fund revenue. Below is a breakdown of the inter-fund transfers.

<u>SOURCE</u>	<u>2007-08 Budget</u>	<u>2006-07 Budget</u>	<u>Increase/ Decrease</u>
Water and Sewer Fund	\$2,306,255	\$2,305,408	\$847
Equipment Service Fund	351,367	331,573	19,794
Risk Management Fund	290,838	241,127	49,711
Solid Waste Fund	437,441	414,036	23,405
Golf Course Fund	4,504	0	4,504
Economic Development Fee	44,184	44,184	0
Convention & Visitors Fund	10,805	13,811	(3,006)
MOTOR-MPO	6,000	6,000	0
TOTAL	\$3,451,394	\$3,356,139	\$95,255

GENERAL FUND

OVERVIEW

Major Sources of Revenue

The four preceding major revenue sources for the General Fund – Property Tax Revenue (28.71%), Sales Tax Revenue (30.88%), Franchise/Gross Receipts Tax Revenue (11.02%), and Transfer-In Revenue (6.42%), together represent 77.03% of all General Fund Revenue.

Fines and Forfeitures are revenues generated by police citations and represent 5.33% of all General Fund revenues. Projections indicate that this source of revenue will increase by \$81,840, or 2.94%, in 2007-08.

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 revenues generated by EMS charges will realize a \$100,000 increase compared to the previous year, and that the entire Sales and Charges category will increase by \$119,400.

Interest Income is estimated to increase \$200,000, or 25%, compared to the 2006-07 budget. It is anticipated that the City will maintain approximately the same daily cash balances as in 2006-07, with the increase in interest income attributable to higher interest rates.

Intergovernmental Revenues are projected to remain at the same level as last year. 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.

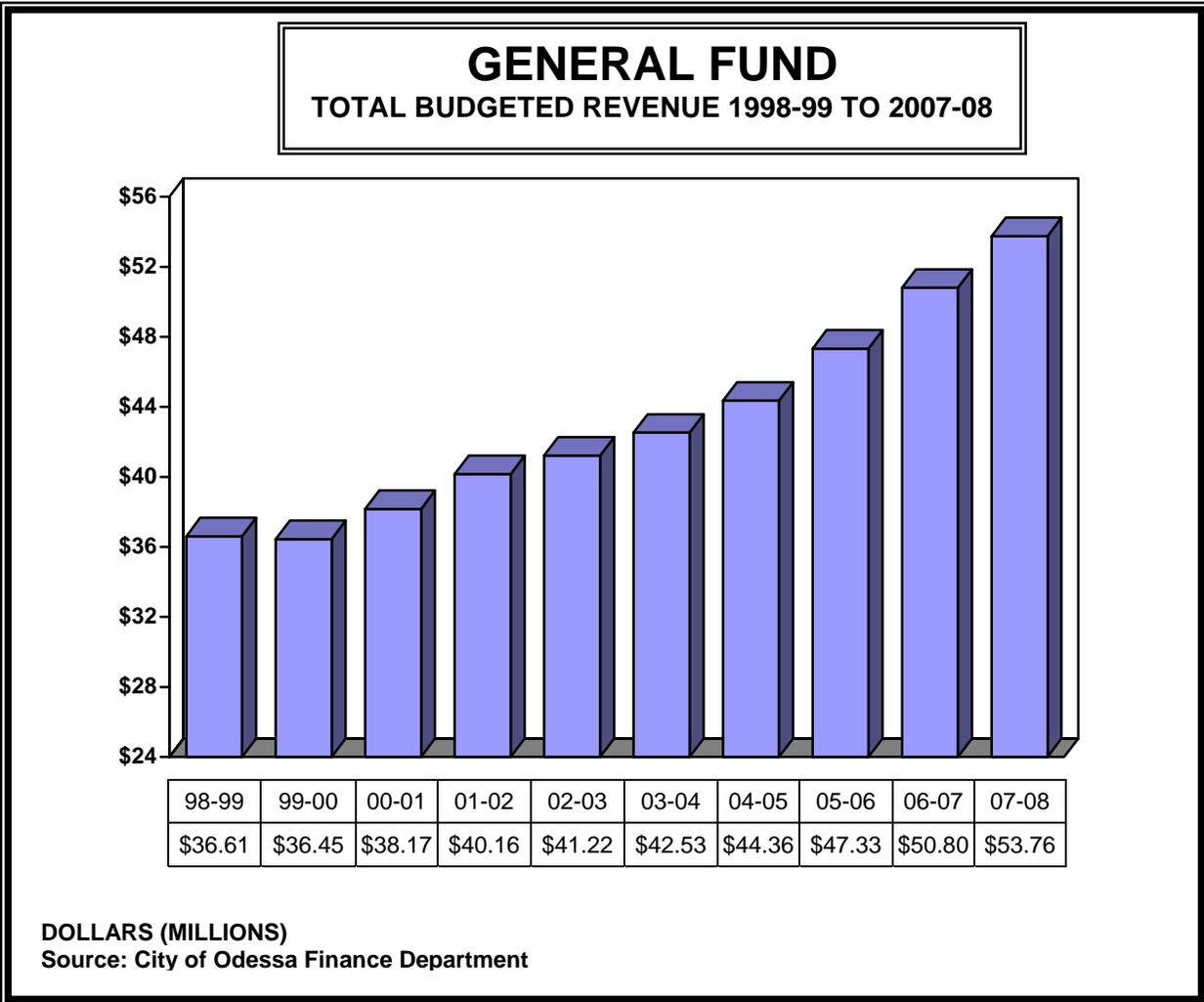
Licenses and Permits Revenues represent 0.69% of General Fund revenue and are expected to decrease by \$16,850, or 4.33% in the upcoming year.

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 9.69% of the total General Fund revenues. This revenue category shows an increase of 8.05% compared to the prior year. Below is a breakdown of these revenues.

<u>SOURCE</u>	<u>2007-08 Budget</u>	<u>2006-07 Budget</u>	<u>Increase/ (Decrease)</u>
Water/Sewer Gross Receipt	\$1,768,236	\$1,440,708	\$327,528
Water/Sewer Assessment	1,200,000	1,137,517	62,483
Solid Waste Gross Receipt	385,359	350,079	35,280
Solid Waste Assessment	35,000	35,979	(979)
Industrial Contracts Lieu of Tax	1,100,000	1,050,000	50,000
Other Revenue	<u>720,340</u>	<u>806,753</u>	<u>(86,413)</u>
TOTAL	\$5,208,935	\$4,821,036	\$387,899

GENERAL FUND

OVERVIEW



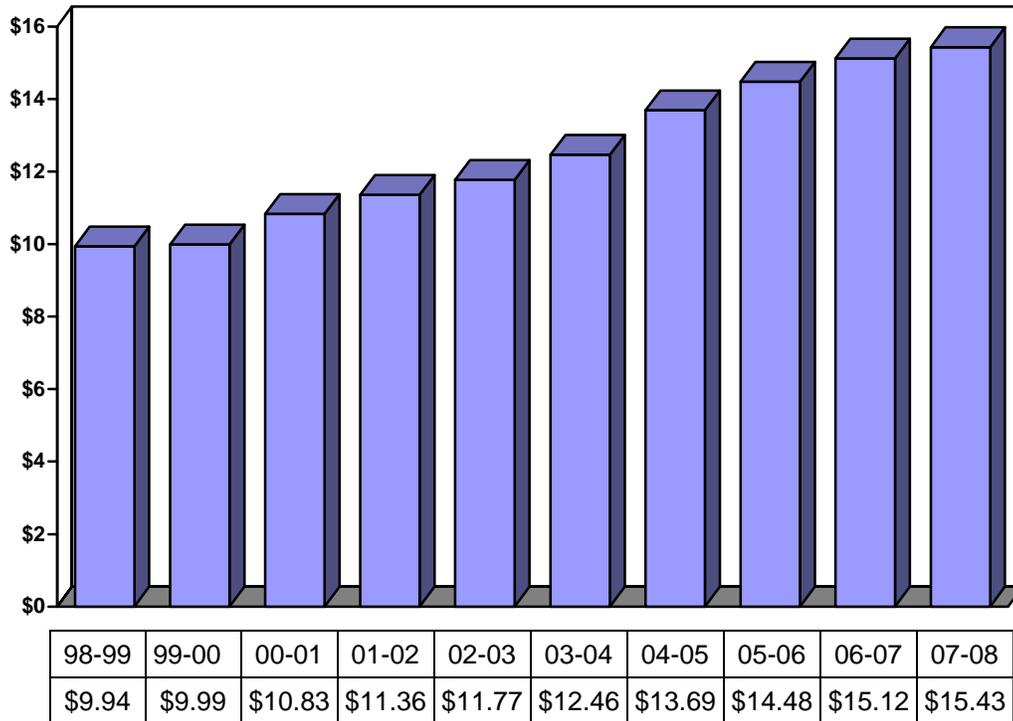
Aside from a small decrease in General Fund revenue reported in 1999-00, which was due to a downturn in the economy, revenues in the General Fund reflect continued growth through fiscal year 2007-08. Overall, General Fund revenues have realized a 46.85% increase in the past ten years. In 2007-08, revenues are expected to reach almost \$54 million.

During the past four years, oil prices have significantly increased, and the resulting upturn in the economy has effected substantial increases in revenues across the board. Revenues in 2007-08 are projected to surpass those of 2006-07 by 5.82%, primarily due to increased sales tax revenue, which makes up approximately 68% of the General Fund increase.

GENERAL FUND

OVERVIEW

REVENUE: PROPERTY TAX BUDGETED REVENUES 1998-99 TO 2007-08



DOLLARS (MILLIONS)

Source: City of Odessa Finance Department

Property Tax revenue is the second largest single source of revenue for the City, accounting for 28.71% of all General Fund revenues in 2007-08. 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.

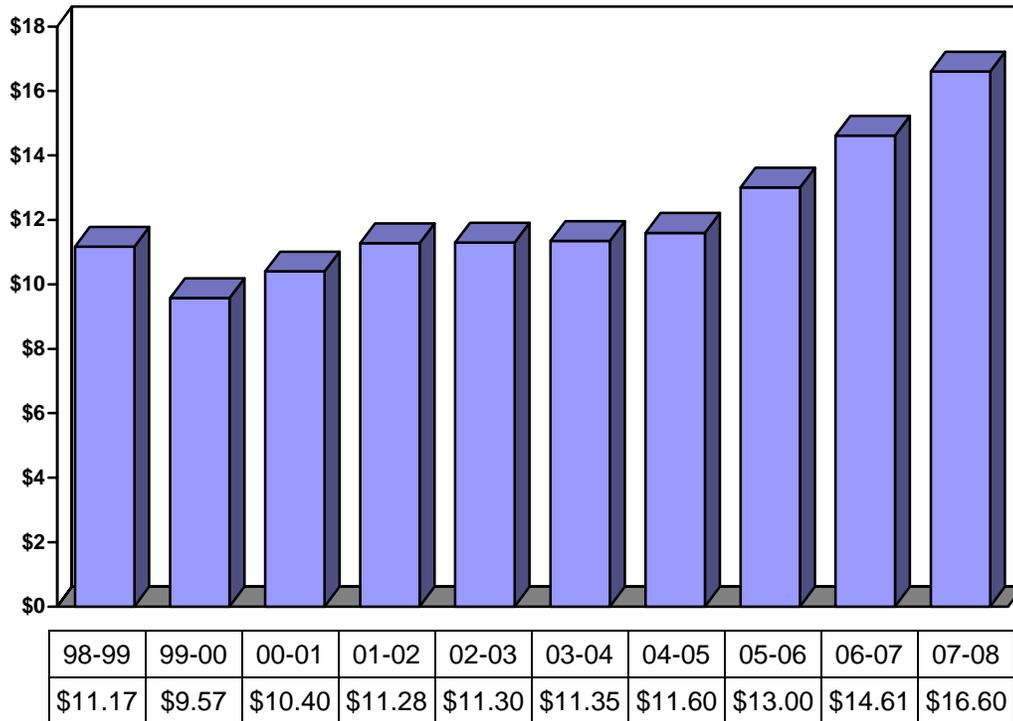
From 1997-98 to 1999-00, revenues were sufficient to cover expenses without increasing the property tax rate. However, the following year, a 2.28-cent property tax increase was imposed; the first time since 1996. The tax rate remained unchanged from 2000-01 until 2003-04, when an increase of 3 cents was implemented to fund increases in operational costs.

Over the past four years, the local economy has boomed due to significant increases in the price of oil. Property values have risen by 28.91%, generating more revenue than needed to fund operations and repay debt. As a result, the City Council has approved tax rate reductions every year for the past four years, including a 5-cent reduction for 2007-08.

GENERAL FUND

OVERVIEW

REVENUE: SALES TAX BUDGETED REVENUES 1998-99 TO 2007-08



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 30.88% of all General Fund revenues in 2007-08. This year, Sales Tax receipts are expected to exceed 2006-07 numbers by 13.62%.

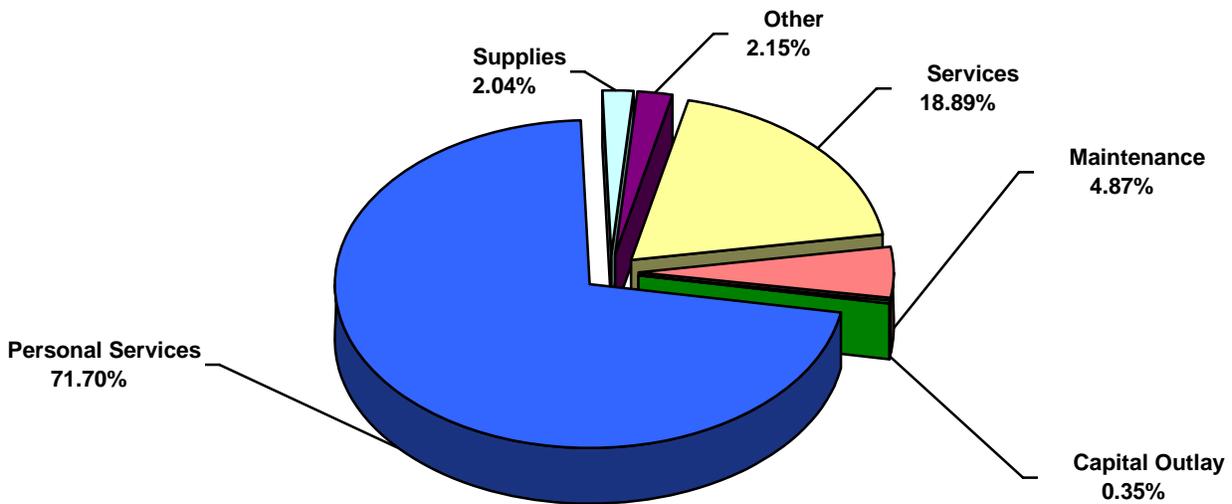
GENERAL FUND

OVERVIEW

Expenditures By Classification

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
Personal Services	\$34,202,074	\$36,055,912	\$36,055,912	\$38,541,854
Supplies	942,899	1,193,412	1,125,562	1,097,539
Services	9,112,640	9,540,515	9,509,581	10,154,284
Maintenance	2,053,361	2,703,360	2,107,578	2,619,582
Capital Outlay	5,891,566	1,216,355	255,586	189,907
Subtotal	\$52,202,540	\$50,709,554	\$49,054,219	\$52,603,166
Outside Agencies	70,032	77,569	76,877	75,377
Operating Transfers Out	93,996	129,000	129,000	329,000
Lease Payments	220,091	813,570	754,846	748,835
Debt Service	0	782,786	782,786	0
Total Expenditures and Other Uses of Funds	<u>\$52,586,659</u>	<u>\$52,512,479</u>	<u>\$50,797,728</u>	<u>\$53,756,378</u>

GENERAL FUND 2007-08 EXPENDITURES BY CLASSIFICATION



GENERAL FUND

OVERVIEW

Expenditures

For the 2007-08 fiscal year, General Fund budgeted expenditures are \$53,756,378 which is an increase of \$2,958,650, or 5.82%, over the 2006-07 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
- an increase in street maintenance costs
- the addition of six frontline medic positions
- an increase in internal rental rates for Equipment Services
- the addition of seven call taker positions at the Police Department
- a 5% 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.

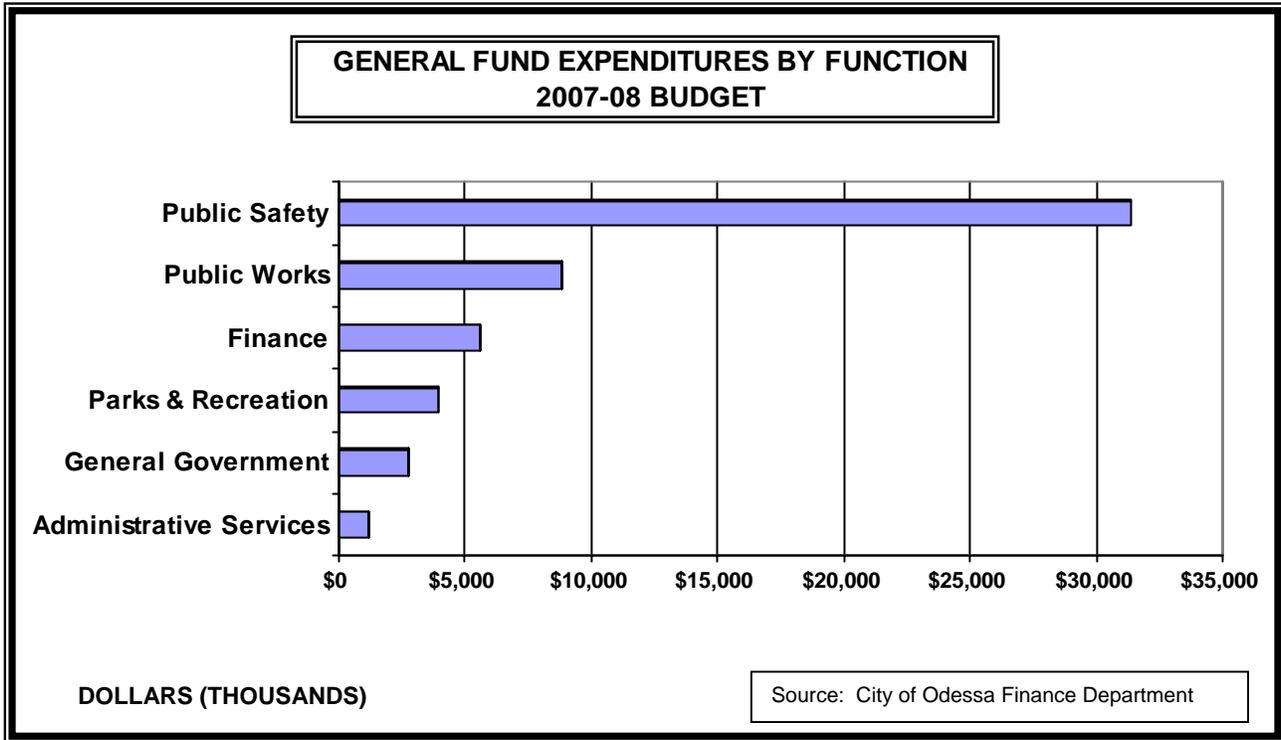
<u>Function</u>	<u>2007-08 Budget</u>		<u>Increase / Decrease From 2006-07 Budget</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
General Government	\$2,780,231	5.17%	\$241,435	9.51%
Administrative Services	1,230,981	2.29%	78,378	6.80%
Finance	5,626,818	10.47%	(287,835)	(4.87%)
Public Works	8,809,195	16.39%	841,757	10.56%
Parks & Recreation	3,935,029	7.32%	190,725	5.09%
Public Safety	<u>31,374,124</u>	<u>58.36%</u>	<u>1,894,190</u>	<u>6.43%</u>
TOTAL	\$53,756,378	100.00%	\$2,958,650	5.82%

The Public Safety function, which includes Police, Fire, and Public Safety Communication, comprises 58.36% of the total General Fund budget. The next largest function of General Fund is the Public Works Department at 16.39% of the total budget. The Finance function, which includes the departments of Finance, Purchasing, Municipal Court, and Information Services, constitutes another 10.47% of the total budget. The remaining functions of General Government, Administrative Services, and Parks comprise 14.78% 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 \$241,435. The majority of the increase will be used to cover the cost of a 5% pay increase for all City employees and to fund two new positions: one Human Resources Clerk and one Code Enforcement Officer. The total General Government budget of \$2,780,231 funds 32.5 full-time positions, two more than were funded in the previous year.

Finance function consists of the divisions of Finance, Purchasing, Municipal Court, and Information Services. Also included in this function is 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 decreased by \$287,835 compared to 2006-07 numbers. However, this decrease is entirely due to the transfer of an expenditure from the General Fund to the Debt Service Fund. In 2006-07, in anticipation of a bond issue, \$782,786 was budgeted in General Fund Non-Departmental to cover the payment for that issue. This year, the expenditure was moved to the Debt Service Fund, resulting in a net decrease in the Finance Function's budget. Although, as a whole, the Finance Function realized a decrease, budgetary increases for specific line items will cover the cost of the new employee compensation plan and increases in audit fees and bank charges. The total Finance budget of \$5,626,818 funds 54 positions, the same number as were funded in the previous year.

GENERAL FUND

OVERVIEW

Expenditures (cont'd.)

Parks Department expenditures for the 2007-08 budget are anticipated to increase by \$190,725 over the previous fiscal year. This increase will be used to fund the 5% employee pay increase, as well as to cover the rising costs of utilities, chemicals, and fleet maintenance. The total Parks Department budget of \$3,935,029 funds 40 full-time positions, the same number of positions as last year.

Public Safety includes the Fire and Police Departments and Public Safety Communication. The function of Public Safety accounts for 58.36% of the total General Fund budget. The Police Department's budget increased \$1,055,178 for the 2007-08 fiscal year. The total budget of \$16,750,476 funds 225 full-time positions, five more than were funded last year. The increase of 6.72% will primarily be used to fund the 5% employee compensation package, seven new call-taker positions, and increases in fleet and technology replacement costs. The Fire Department's budget shows an increase of \$750,339 for the 2007-08 budget. The total budget of \$12,934,568 funds 170 full-time positions, six more than in the previous year. Most of the Fire Department's 6.16% increase will be used to fund the new employee compensation plan, and six new frontline medic positions. The Public Safety Communication Department runs the dispatch service for emergency calls for both Police and Fire. The total budget of \$1,689,080 has increased by \$88,673, or 5.54%, compared to 2006-07 numbers. The majority of this increase will cover the cost of the 5% employee pay raise.

Public Works function includes the divisions of Public Works Administration, Engineering, Building Inspection, Street and Traffic. Total expenditures for this function will increase \$841,757 or 10.56% over the 2006-07 adopted budget. The majority of the increase is due to the new employee compensation package, the addition of two street worker positions, and increases in the cost of street maintenance, fleet maintenance, and software maintenance. The Public Works function comprises 16.39% of the total General Fund budget with a budget of \$8,809,195 that includes funding for 89 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 \$1,230,981 has increased by \$78,378, or 6.80%, compared to last year's budget. The majority of the increase will be used to pay for the new employee compensation package and increases in the cost of utilities and janitorial services.

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 71.70% of the total cost of operations. The 2007-08 budget for Personal Services will include funding for a net total of fifteen 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 \$28,023. This decrease is due to a reduction in outside funding for fire training supplies.

GENERAL FUND

OVERVIEW

Expenditures (cont'd.)

The Services category reflects a 6.78% increase over last year. While most of the projected costs associated with this category have remained fairly stable, fleet maintenance costs have increased by almost \$300,000, utilities by over \$100,000, and technology replacement costs by over \$60,000.

The Maintenance function shows an increase of \$512,004, or 24.29%, compared to last year's numbers. The majority of this increase is due to the rising cost of maintaining city streets.

Capital Outlay has realized a decrease of \$65,679 in 2007-08. This category's budget fluctuates from year to year, depending upon the need for large-ticket items.

Expenditures by Category	2007-08 Budget		2006-07 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$38,541,854	71.70%	\$36,055,912	70.98%
Supplies	1,097,539	2.04%	1,125,562	2.22%
Services	10,154,284	18.89%	9,509,581	18.72%
Maintenance	2,619,582	4.87%	2,107,578	4.15%
Capital Outlay	189,907	0.35%	255,586	0.50%
Outside Agencies	75,377	0.14%	76,877	0.15%
Transfers Out	329,000	0.61%	129,000	0.25%
Lease Payments	748,835	1.39%	754,846	1.49%
Debt Service	<u>0</u>	<u>0.00%</u>	<u>782,786</u>	<u>1.54%</u>
TOTAL	\$53,756,378	100.00%	\$50,797,728	100.00%

Fund Balance

In 2006-07, fund balance increased by \$2.04 million from the 2005-06 audited ending fund balance of \$15,885,680. This increase was attributed to growth in sales tax receipts over and above revenue projections for fiscal year 2006-07. The 2007-08 budget is a balanced budget with revenues and expenditures in equal amounts of \$53,756,378, with an unrestricted available fund balance of \$4,263,945.

GENERAL FUND

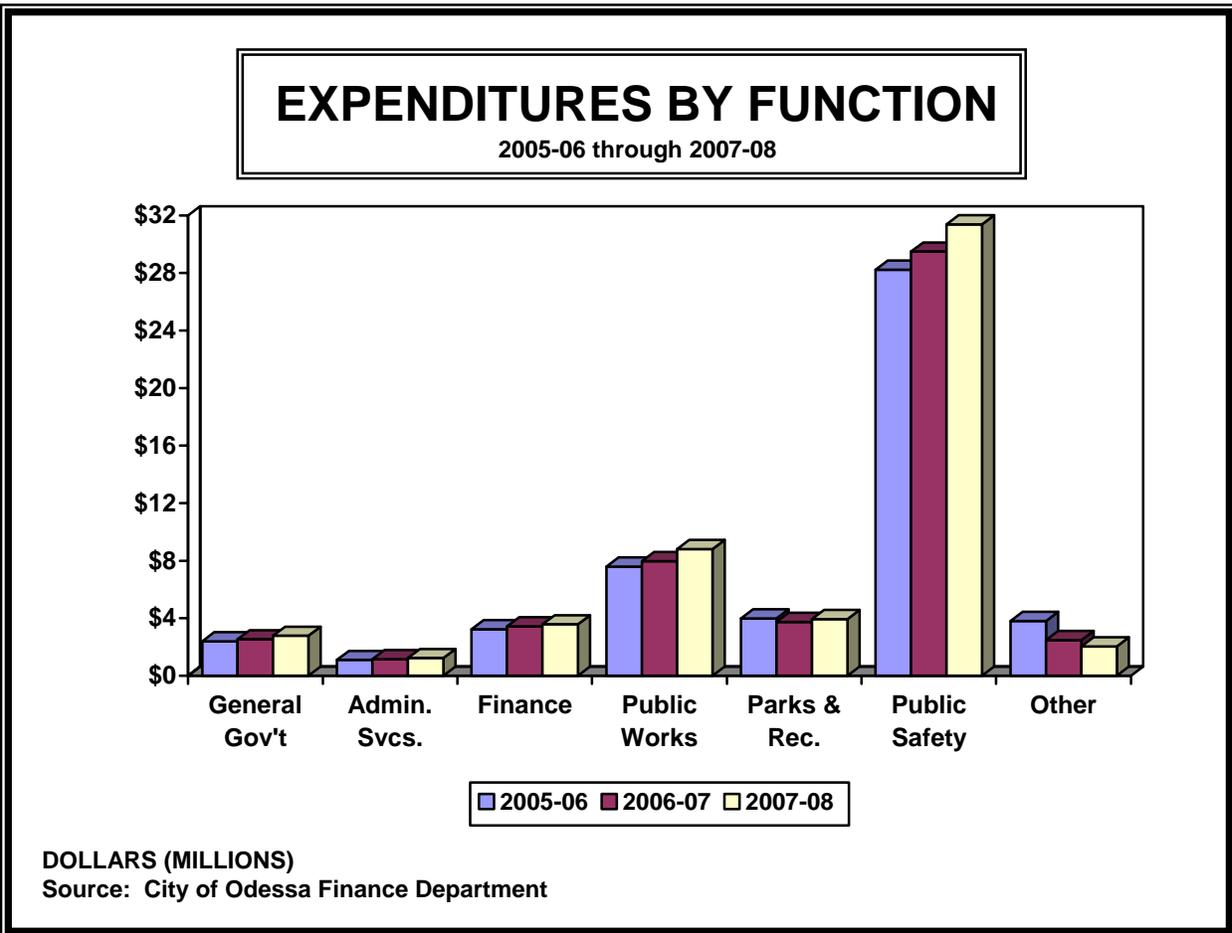
OVERVIEW

Expenditures by Function

	<u>2005-06</u> <u>Actual</u>	<u>2006-07</u> <u>Estimated</u>	<u>2006-07</u> <u>Budget</u>	<u>2007-08</u> <u>Budget</u>
City Council	\$31,314	\$31,433	\$31,433	\$31,476
City Secretary	144,158	143,661	143,661	158,634
City Attorney	718,780	787,906	784,061	840,426
Office of the City Manager	556,866	552,322	552,158	584,740
Human Resources	399,110	472,588	442,905	488,158
Planning and Development	268,651	280,321	280,321	296,868
Neighborhood Services	167,300	341,694	304,257	379,929
TOTAL GENERAL GOVERNMENT	<u>2,286,179</u>	<u>2,609,925</u>	<u>2,538,796</u>	<u>2,780,231</u>
Building Services	1,156,525	1,166,221	1,152,603	1,230,981
TOTAL ADMINISTRATIVE SRVS.	<u>1,156,525</u>	<u>1,166,221</u>	<u>1,152,603</u>	<u>1,230,981</u>
Finance	773,232	835,279	833,020	887,772
Purchasing	473,257	494,731	488,130	512,977
Municipal Court	1,208,425	1,332,013	1,303,582	1,340,868
Information Services	691,524	861,958	808,871	842,937
Non-Departmental	6,301,555	2,746,863	2,275,173	1,637,887
Outside Agencies	70,032	77,569	76,877	75,377
Operating Transfers Out	94,096	129,000	129,000	329,000
TOTAL FINANCE	<u>9,612,121</u>	<u>6,477,413</u>	<u>5,914,653</u>	<u>5,626,818</u>
Public Works Administration	176,655	186,722	186,722	195,536
Engineering	1,042,280	1,131,761	1,128,974	1,189,665
Building Inspection	523,708	570,282	568,780	601,065
Traffic	1,309,374	1,550,648	1,361,242	1,398,769
Street	4,319,311	5,072,409	4,721,720	5,424,160
TOTAL PUBLIC WORKS	<u>7,371,328</u>	<u>8,511,822</u>	<u>7,967,438</u>	<u>8,809,195</u>
	<u>3,841,483</u>	<u>4,044,255</u>	<u>3,744,304</u>	<u>3,935,029</u>
PARKS AND RECREATION	<u>3,841,483</u>	<u>4,044,255</u>	<u>3,744,304</u>	<u>3,935,029</u>
Fire	11,706,747	12,373,979	12,184,229	12,934,568
Police	15,033,268	15,728,348	15,695,298	16,750,476
Public Safety Communications	1,579,008	1,600,516	1,600,407	1,689,080
TOTAL PUBLIC SAFETY	<u>28,319,023</u>	<u>29,702,843</u>	<u>29,479,934</u>	<u>31,374,124</u>
Total Expenditures	<u>\$52,586,659</u>	<u>\$52,512,479</u>	<u>\$50,797,728</u>	<u>\$53,756,378</u>

GENERAL FUND

OVERVIEW



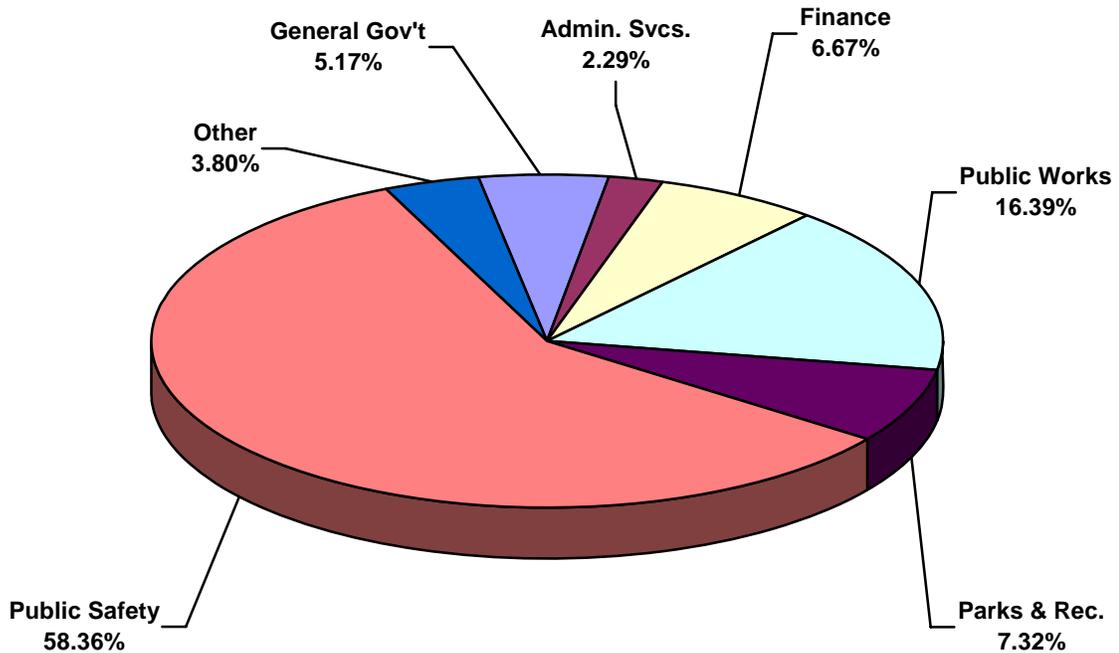
From 2005-06 through 2007-08, General Fund budgets have shown varied growths/declines by function. In 2007-08, all functions show an increase in salaries, with the majority of the increase being used to fund the new employee compensation package that went into effect on October 1, 2007. Another factor contributing to the increase in salaries is the net addition of 15 new positions.

General Government will realize a 9.51% increase due to the cost of the new employee compensation plan and the addition of a Code Enforcement Officer position and a Human Resource Clerk position. Expenditure increases of 10.56% in Public Works are largely attributed to seal-coat maintenance, the new compensation plan, and the rising cost of fleet maintenance and replacement. Parks and Administrative Services have realized 5.09% and 6.80% increases, respectively. The additional costs are associated with rising fleet costs, the new compensation plan, and increases in the price of electricity and gas. Public Safety will experience a 6.43% increase over last year's budget, due to the implementation of the new compensation plan, the addition of 13 new positions in the Fire and Police departments, and rising fleet replacement costs. The Finance function will experience a 4.87% decrease in expenditures, due to the movement of an expenditure from the General Fund to the Debt Service Fund. In 2006-07, in anticipation of a bond issue, \$782,786 was budgeted in General Fund to cover the payment for that issue. This year, the expenditure was moved to the Debt Service Fund, resulting in a net budgetary decrease in the Finance function.

GENERAL FUND

OVERVIEW

2007-08 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 (24.06%), Police (31.16%) and Public Safety Communication (3.14%), totals 58.36% of the total General Fund budget for 2007-08. The next largest use of the General Fund is the Public Works function (16.39%). Sharing the remaining 25.25% of the current General Fund budget are the functions of Parks & Recreation (7.32%), Finance (6.67%), General Government (5.17%), Administrative Services (2.29%), and Other (3.8%), 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	18,600	
	Data Processing Equipment	<u>11,139</u>	
	Subtotal Pub. Safety Comm.		29,739
Information Services	Data Processing Equipment	<u>30,670</u>	
	Subtotal Information Services		30,670
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>\$189,907</u></u>

CITY OF ODESSA
FY 2007-08
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
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: 0 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>2005-06</td> <td>13</td> </tr> <tr> <td>2006-07</td> <td>13</td> </tr> <tr> <td>2007-08</td> <td>12</td> </tr> </tbody> </table>			Fiscal Year	Number of Services Provided	2005-06	13	2006-07	13	2007-08	12
Fiscal Year	Number of Services Provided										
2005-06	13										
2006-07	13										
2007-08	12										
Objectives / Performance Measures	FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <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	13	12								
	100%	100%	100%								
	100%	100%	100%								

CITY COUNCIL

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$2,164	\$3,229	\$3,229	\$3,229
Supplies	6,261	8,794	8,794	6,794
Services	22,889	19,410	19,410	21,453
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$31,314	\$31,433	\$31,433	\$31,476

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Mayor	1	1	1
Councilmembers	<u>5</u>	<u>5</u>	<u>5</u>
Total Personnel	6	6	6

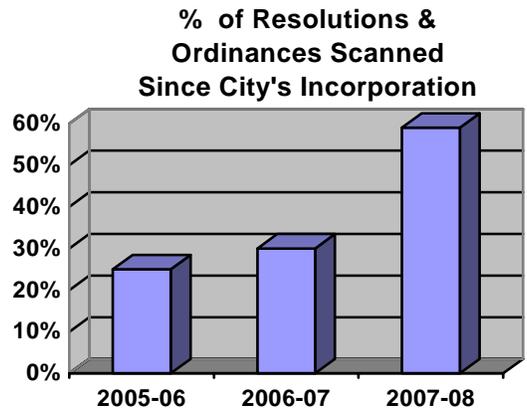
CITY SECRETARY

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)



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. Implement document imaging for all ordinances and resolutions for easy retrieval.
6. Systematically maintain all ordinances, minutes, and resolutions in the Council Minute Books.

	FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
1.	100%	100%	100%
2.	100%	100%	100%
3.	100%	100%	100%
4.	100%	N/A	100%
5.	25%	30%	59%
6.	100%	100%	100%

CITY SECRETARY

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$102,699	\$108,396	\$108,396	\$117,239
Supplies	8,980	8,000	8,000	7,775
Services	30,603	27,265	27,265	33,620
Maintenance	0	0	0	0
Capital Outlay	<u>1,876</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$144,158	\$143,661	\$143,661	\$158,634

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
City Secretary	1	1	1
Administrative Assistant	1	1	1
Total Personnel	2	2	2

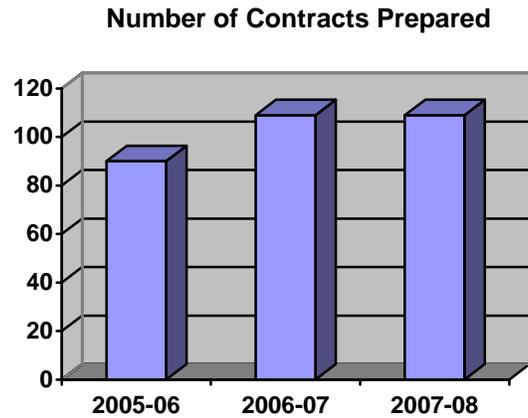
CITY ATTORNEY

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 2007-08 fiscal year./(Excellence)



Objectives / Performance Measures

	FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
1. Contracts Prepared – Includes the Following Types of Contracts: Consultant, Franchise & Public Utility, General, Leases, Water, Economic Development, and CDBG	90	109	109
2. Resolutions and Ordinances Prepared	180	165	165
3. Collections:			
Suits Filed	97	52	65
Collection from Suits	\$13,262	\$8,000	\$10,000
Total Collection from Payment Arrangements After Filing Suit	\$8,366	\$6,500	\$7,000
Total Collected from Judgments	\$8,277	\$1,000	\$4,000
Total Collected from Liens	\$153	\$1,800	\$2,000

CITY ATTORNEY

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$655,470	\$726,106	\$726,106	\$781,464
Supplies	11,510	14,067	11,537	12,230
Services	31,767	29,943	29,943	30,257
Maintenance	19,066	17,790	16,475	16,475
Capital Outlay	<u>967</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$718,780	\$787,906	\$784,061	\$840,426

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
City Attorney	1	1	1
Senior Assistant Attorney	2	1	1
Assistant City Attorney	1	2	2
Assistant City Attorney – Civil	1	1	1
Juvenile Case Manager **	0	1	1
Legal Assistant*	2	1	1
Legal Assistant – Criminal	0	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	10	11	11
Funding Sources:			
General Fund	9.5	9.5	9.5
Water and Sewer *	0.5	.5	.5
School Attendance Court Grant **	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	10	11	11

OFFICE OF THE CITY MANAGER

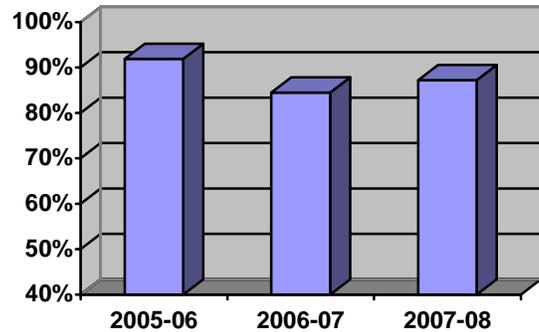
Mission

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)

Average Level of Customer Satisfaction



Objectives / Performance Measures

Effectiveness

1. Maintain the Citizen Survey Response of 85% for customer satisfaction with the City and its services rated as "good" or "adequate" in the community for the following service areas:

Traffic Signals & Signs

93.64%

81.51%

85.00%

Animal Control

86.13%

73.95%

85.00%

Zoning & Planning

88.89%

81.51%

85.00%

License & Permits

89.09%

84.87%

85.00%

Municipal Court

91.12%

78.99%

85.00%

Water & Sewer Billing

90.17%

84.04%

85.00%

Police

95.40%

89.08%

89.08%

Ambulance

98.85%

88.23%

88.23%

Water

85.00%

77.31%

85.00%

Trash Pickup

91.38%

93.28%

93.28%

Parks

91.33%

90.76%

90.76%

Street Maintenance

93.68%

89.92%

89.92%

Average Level Of Customer Satisfaction

91.90%

84.45%

87.19%

OFFICE OF THE CITY MANAGER

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$510,783	\$503,955	\$503,955	\$536,125
Supplies	9,632	13,810	13,646	13,646
Services	35,451	34,007	34,007	34,419
Maintenance	0	550	550	550
Capital Outlay	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$556,866	\$552,322	\$552,158	\$584,740

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
City Manager	1	1	1
Assistant City Manager / Administrative Services *	1	0	0
Assistant City Manager/Community Services	0	1	1
Internal Auditor	1	1	1
Public Information Coordinator	1	1	1
Executive Secretary to the City Manager	1	1	1
Senior Administrative Assistant	<u>1</u>	<u>0</u>	<u>0</u>
Total Personnel	6	5	5
<p>* The Assistant City Manager/Administrative Services position reports to the City Manager, but is funded by the Finance Department.</p>			

HUMAN RESOURCES

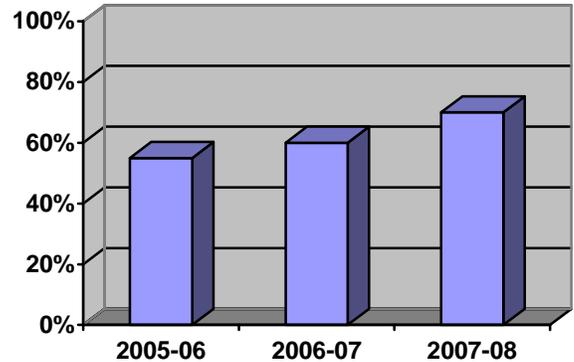
Mission

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 Supervisor 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 supervisor training.
5. Automate the job application process and 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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
1. Acquire training videos and increase the number of qualified trainers.	75%	80%	85%
2. Develop and promote training programs.	60%	70%	80%
3. Offer monthly Lunch 'N Learn sessions.	25%	35%	50%
4. Provide supervisor training.	55%	60%	70%
5. Automate the job application process and employee history files.	75%	80%	85%
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.	30%	40%	50%
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.	75%	80%	85%
1. Total City FTE's	869	876	876
2. Number of Grievances Filed	10	6	5
3. Percent of Grievances Resolved Before Passing From Management Control	100%	100%	100%

HUMAN RESOURCES

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$318,770	\$333,570	\$333,570	\$378,476
Supplies	12,117	12,985	12,777	12,777
Services	68,223	121,763	93,479	93,826
Maintenance	0	700	350	350
Capital Outlay	<u>0</u>	<u>3,570</u>	<u>2,729</u>	<u>2,729</u>
Total Expenditures	\$399,110	\$472,588	\$442,905	\$488,158

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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>0</u>	<u>1</u>
Total Personnel	5	5	6

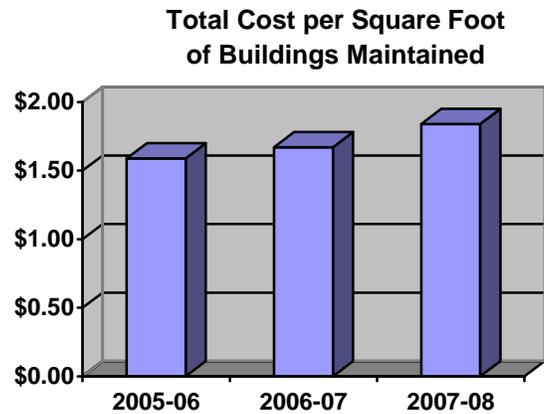
BUILDING SERVICES

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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
1. Clean and paint out 2,000 square feet of graffiti each month.	60%	75%	80%
2. Clean and paint out graffiti on all major thoroughfares.	93%	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.	12%	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%	12%	15%
1. Total Cost per Square Foot of City Office Buildings Maintained	\$1.59	\$1.67	\$1.84
2. Operating Cost (Minus Personal Services) per Square Foot of City Office Buildings Maintained	\$0.74	\$0.77	\$0.85
1. Janitorial Service Contract Costs	\$126,360	\$126,360	\$146,950

BUILDING SERVICES

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$593,736	\$620,438	\$620,438	\$661,045
Supplies	4,732	6,430	6,430	6,430
Services	411,666	376,325	376,325	414,096
Maintenance	144,717	151,098	149,410	149,410
Capital Outlay	<u>1,674</u>	<u>11,930</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,156,525	\$1,166,221	\$1,152,603	\$1,230,981

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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

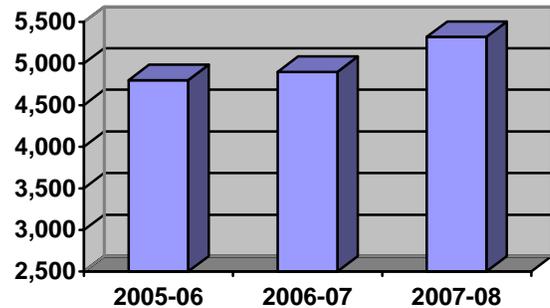
Mission

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)

Average Number of Incoming 9-1-1 Calls per Month



Objectives / Performance Measures

Effectiveness

1. Medical (Delta) Responses Entered Into CAD Within 30/50 Seconds
2. Fire Responses Entered Into CAD Within 30/50 Seconds
3. Police (Priority 1) Calls Entered Into CAD Within 60 Seconds
4. Police (Priority 2) Calls Entered Into CAD Within 90 Seconds
5. EMS (Delta) Calls Dispatched in 30/40 Seconds
6. Police (Priority 1) Calls Dispatched in 60 Seconds
7. Police (Priority 2) Calls Dispatched in 120 Seconds
8. Fire Calls Dispatched in 30/50 Seconds

FY 2005-06

Actual

99%
99%
99%
99%
99%
99%
99%
99%

FY 2006-07

Estimate

99%
99%
99%
99%
99%
99%
99%
99%

FY 2007-08

Target

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.

27,500
4,800
9.23 sec.
19,500
1,800

Monthly Avg.

29,000
4,900
9.25 sec.
23,000
1,900

Monthly Avg.

29,200
5,320
9.20 sec.
20,961
1,674

PUBLIC SAFETY COMMUNICATIONS

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$1,394,804	\$1,463,519	\$1,463,519	\$1,549,589
Supplies	11,006	12,109	12,000	12,097
Services	32,735	32,913	32,913	34,376
Maintenance	84,757	62,812	62,812	63,279
Capital Outlay	<u>55,706</u>	<u>29,163</u>	<u>29,163</u>	<u>29,739</u>
Total Expenditures	\$1,579,008	\$1,600,516	\$1,600,407	\$1,689,080

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Director of Public Safety Communications	1	1	1
System Administrator	1	1	1
Quality Assurance Supervisor*	1	1	1
Dispatcher IV	1	1	1
Dispatcher III	2	2	2
Dispatcher II	5	4	4
Dispatcher I *	3	2	2
Public Safety Communications Supervisor	3	3	3
Public Safety Communications Supervisor Night	2	2	2
Dispatcher III Night	3	5	5
Dispatcher II Night	8	5	5
Dispatcher I Night	2	5	5
Secretary III **	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	33	33	33
Funding Sources:			
General Fund	29.5	29.5	29.5
9-1-1 Funding *	3.0	3	3
Equipment Service Fund **	<u>.5</u>	<u>.5</u>	<u>.5</u>
Total Personnel	33	33	33
** ½ Funded by Public Safety Communications, ½ Funded by Communications.			

PLANNING AND DEVELOPMENT

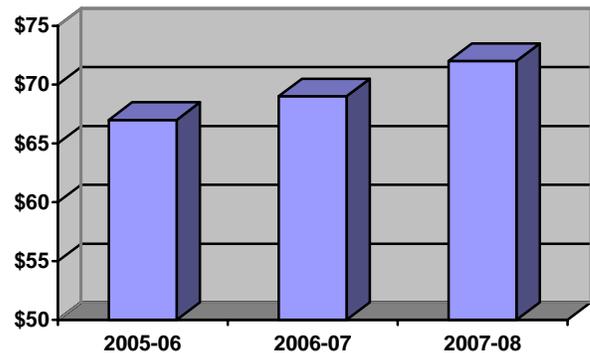
Mission

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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
1. Percentage of Initial Submittals Reviewed Within Two Days	93.5%	94%	94.5%
2. Percentage of Applicants Satisfied With Plan Review	95%	96%	96.5%
3. Percentage of Total Cases Meeting Approval	94.5%	95%	95.5%
1. Average Cost per Plan Reviewed	\$67	\$69	\$72
2. Average Cost per Information Request	\$28	\$28	\$30
3. 12-City Comparative Survey – Number of Cases Processed per Planner for the Fiscal Year	Mean: 22 Odessa: 36	Mean: 24 Odessa: 42	Mean: 25 Odessa: 43
1. Number of Plans Submitted for Review	410	425	450

PLANNING AND DEVELOPMENT

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$247,369	\$259,468	\$259,468	\$275,838
Supplies	4,666	3,800	3,800	3,800
Services	16,616	17,053	17,053	17,230
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$268,651	\$280,321	\$280,321	\$296,868

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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

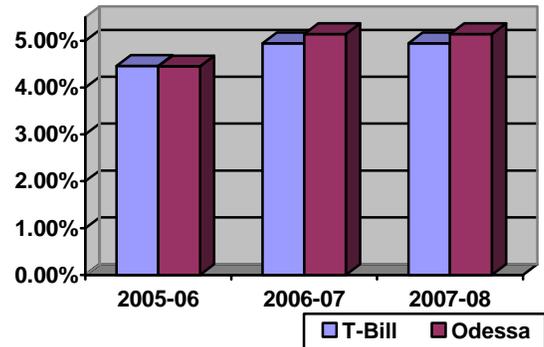
Mission

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

1. All Employee Payroll Checks Calculated, Printed and Distributed No Later Than the 5th and 20th of Each Month
2. Accurately Calculate Employee Payroll Checks 100% of the Time
3. Rate of Return on Investments to Equal or Exceed the Annual Average of the 3-Month T-Bill Rate of Return
4. Certified Annual Financial Report (CAFR) Awarded a "Clean Opinion" in External Audit
5. Annual GFOA Certificate of Achievement for Financial Reporting
6. Annual GFOA Distinguished Budget Award

Workload

1. Debt Service Per General Fund Expenditures
2. Number of Accounts Payable Checks Processed
3. Number of Payroll Checks Processed

	FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
	100%	100%	100%
	100%	100%	100%
	T-Bill: 4.46% Odessa:4.45%	T-Bill: 4.94% Odessa:5.14%	T-Bill: 4.94% Odessa:5.14%
	100%	100%	100%
	20	21	22
	20	21	22
	3.89%	4.12%	4.91%
	12,240	12,036	12,036
	20,763	20,266	20,266

FINANCE

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$657,953	\$702,084	\$702,084	\$743,936
Supplies	20,365	20,601	20,287	20,287
Services	89,371	104,894	104,149	117,049
Maintenance	82	7,700	6,500	6,500
Capital Outlay	<u>5,461</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$773,232	\$835,279	\$833,020	\$887,772

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Assistant City Manager/Administrative Services *	0	1	1
Director of Finance	1	1	1
Assistant Director of Finance	1	0	0
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	12	12
<p>* The Assistant City Manager/Administrative Services position reports to the City Manager, but is funded by the Finance Department.</p>			

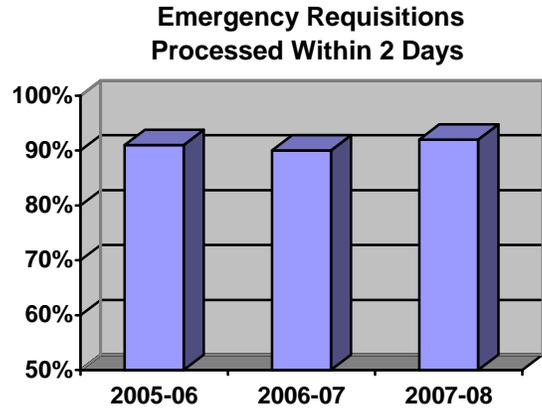
PURCHASING

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 2005-06	FY 2006-07	FY 2007-08
	<u>Actual</u>	<u>Estimate</u>	<u>Target</u>

	89%	90%	90%
	93%	90%	92%
	91%	90%	92%
	100%	100%	100%
	87%	90%	90%
	95%	95%	100%

PURCHASING

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$398,652	\$390,642	\$390,642	\$414,833
Supplies	11,549	13,434	13,434	13,434
Services	38,841	50,443	49,762	56,428
Maintenance	3,742	17,537	16,263	16,263
Capital Outlay	2,444	4,646	0	0
Lease Payments	<u>18,029</u>	<u>18,029</u>	<u>18,029</u>	<u>12,019</u>
Total Expenditures	\$473,257	\$494,731	\$488,130	\$512,977

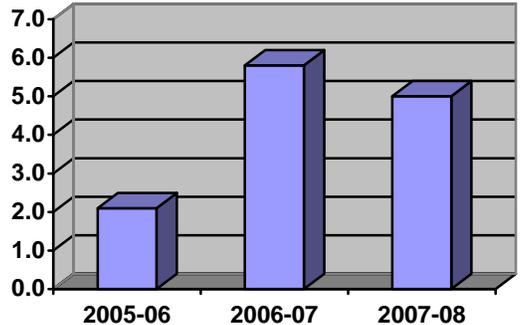
Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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.

<p>Departmental Goals/(City's Value Statement Goals)</p> <ol style="list-style-type: none"> 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) 	<p>Number of Days to Enter Citations Into System</p> 		
<p>Objectives / Performance Measures</p> <p><u>Effectiveness</u></p> <ol style="list-style-type: none"> 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). 	<p>FY 2005-06 <u>Actual</u></p>	<p>FY 2006-07 <u>Estimate</u></p>	<p>FY 2007-08 <u>Target</u></p>
	14 minutes	8 minutes	15 minutes
	9 minutes	6 minutes	5 minutes
	98%	92%	93.5%
	100%	100%	100%
	0	1	2
	2.1 days	5.8 days	5 days
	1.1 days	3.9 days	7 days
	57	95	75

MUNICIPAL COURT

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$1,069,253	\$1,149,477	\$1,149,477	\$1,173,555
Supplies	42,124	53,442	50,550	49,050
Services	89,825	93,041	92,955	106,430
Maintenance	7,223	16,053	10,600	11,833
Capital Outlay	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,208,425	\$1,332,013	\$1,303,582	\$1,340,868

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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	1	2	2
Senior Administrative Assistant	1	0	0
Deputy Court Clerk **	15	19	19
Collections Clerk	2	0	0
Associate Municipal Court Judge	1	1	1
Bailiff/Warrant Officer	1	1	1
Judicial Assistant	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	26	29	29
Funding Sources:			
General Fund	24	24	24
Security Fund *	2	2	2
School Attendance Court Grant **	<u>0</u>	<u>3</u>	<u>3</u>
Total Personnel	26	29	29

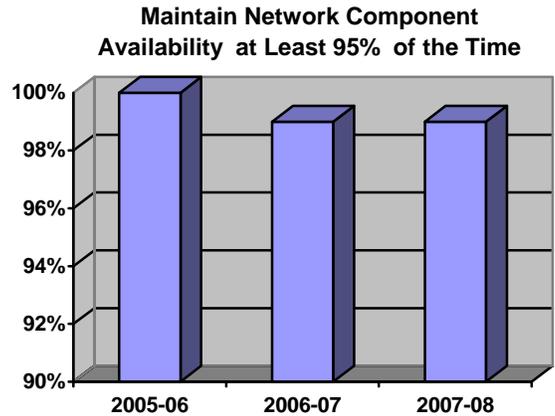
INFORMATION SERVICES

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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
	99%	99%	99%
	100%	99%	99%
	99%	99%	99%
	100%	100%	100%
	100%	100%	100%

INFORMATION SERVICES

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$521,048	\$631,421	\$631,421	\$660,425
Supplies	43,566	43,710	42,440	37,940
Services	86,439	27,729	27,729	32,684
Maintenance	12,615	76,611	76,611	81,218
Capital Outlay	<u>27,856</u>	<u>82,487</u>	<u>30,670</u>	<u>30,670</u>
Total Expenditures	\$691,524	\$861,958	\$808,871	\$842,937

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Director of Information Services	1	1	1
Network Support Specialist	2	2	2
Network Manager	1	1	1
Systems Manager*	1	1	1
Senior Programmer/Analyst	1	1	1
PC Support Specialist	2	2	2
Database Support Specialist	0	1	1
Web Master	1	1	1
System Support Specialist	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	10	11	11
Funding Sources:			
General Fund	9	10	10
Water and Sewer Fund *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	10	11	11

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

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	9,965	0	0	0
Services	1,210,454	1,344,551	1,343,978	1,489,478
Maintenance	0	12,000	0	0
Capital Outlay	4,932,731	400,393	0	0
Lease Payments	148,405	207,133	148,409	148,409
Debt Service	<u>0</u>	<u>782,786</u>	<u>782,786</u>	<u>0</u>
Total Expenditures	\$6,301,555	\$2,746,863	\$2,275,173	\$1,637,887

GENERAL FUND

Outside Agencies

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
M.O.H.R.E.	\$7,500	\$6,500	\$6,500	\$0
Teen Court	41,132	46,069	45,377	45,377
Crime Stoppers	20,000	25,000	25,000	30,000
Main Street	<u>1,400</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$70,032	\$77,569	\$76,877	\$75,377

Operating Transfers Out

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <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>94,096</u>	<u>129,000</u>	<u>129,000</u>	<u>329,000</u>
Total Expenditures	\$94,096	\$129,000	\$129,000	\$329,000

PUBLIC WORKS ADMINISTRATION

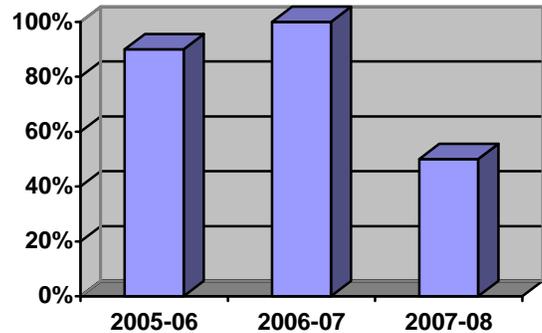
Mission

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), Equipment Services and Building Services. 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, equipment and buildings. The Administration section responds to requests from divisions and coordinates responses to private citizens, entities, and other governmental agencies.

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./(Service)
3. Implementation of Public Works Infrastructure Capital Improvement Plan./(Service)

**Public Works CIP Projects
Percent of Completion**



Objectives / Performance Measures

Effectiveness

1. Rapid, Consistent and Progressive Development Responses – Build upon current efforts to coordinate between developers and appropriate City departments to provide information in a turnkey manner for proposed new projects in Odessa.
2. Percent of completion of projects in the Public Works Infrastructure Capital Improvements Plan

**FY 2005-06
Actual**

95%

**FY 2006-07
Estimate**

97%

**FY 2007-08
Target**

99%

90%

100%

50% *

* New 2007 Funding for Street and Drainage Improvements

PUBLIC WORKS ADMINISTRATION

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$171,409	\$179,525	\$179,525	\$188,188
Supplies	1,462	1,687	1,687	1,687
Services	3,566	5,260	5,260	5,411
Maintenance	218	250	250	250
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$176,655	\$186,722	\$186,722	\$195,536

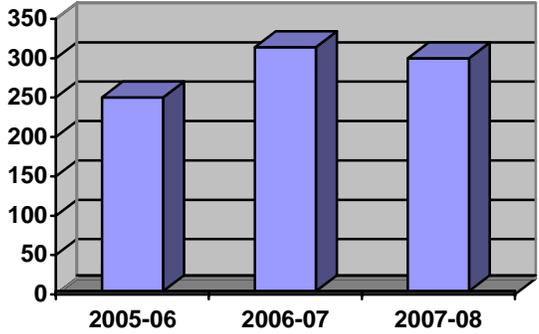
Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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>2005-06</td> <td>250</td> </tr> <tr> <td>2006-07</td> <td>314</td> </tr> <tr> <td>2007-08</td> <td>300</td> </tr> </tbody> </table>			Year	Permits Issued	2005-06	250	2006-07	314	2007-08	300
Year	Permits Issued										
2005-06	250										
2006-07	314										
2007-08	300										
<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 2005-06 <u>Actual</u></p>	<p>FY 2006-07 <u>Estimate</u></p>	<p>FY 2007-08 <u>Target</u></p>								
	12 Days	3 Days	< 10 Days								
	10 Minutes	30 Minutes	< 30 Minutes								
	934 Hours	400 Hours	> 800 Hours								
	97	136	100								
	12	13	15								
	250	314	300								
	52	45	50								
	46	30	40								
	14	13	20								
	38	88	90								
	279	381	40								

ENGINEERING

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$916,088	\$1,023,367	\$1,023,367	\$1,077,818
Supplies	24,532	17,868	16,210	16,210
Services	65,337	62,207	62,207	63,907
Maintenance	8,933	17,990	17,990	22,530
Capital Outlay	<u>27,390</u>	<u>10,329</u>	<u>9,200</u>	<u>9,200</u>
Total Expenditures	\$1,042,280	\$1,131,761	\$1,128,974	\$1,189,665

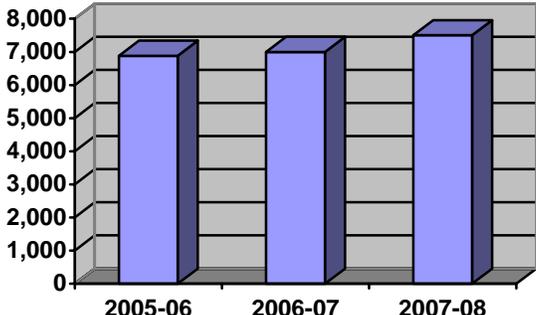
Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
City Engineer	1	1	1
Assistant City Engineer	1	1	1
Civil Engineer/Associate	2	1	1
Civil Engineer/Associate – CIP*	0	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	2	1	1
Survey Instrument Technician	2	2	2
Engineering GIS Technician	0	1	1
Administrative Assistant	1	1	1
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)	Total Number of Permits Issued 		
Objectives / Performance Measures <u>Effectiveness</u> 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. Annually update by ordinance the building, electrical, plumbing, fuel gas, mechanical, and energy codes, as needed, and as required by law. <u>Workload</u> 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 2005-06 <u>Actual</u> 100% 5 Days 7 Days 2.9 Hrs. 0 Code 215 36 \$38,450,751 \$144,237,990 6,881	FY 2006-07 <u>Estimate</u> 100% 6 Days 9 Days 3 Hrs. 7 Codes 242 57 \$42,000,000 \$59,000,000 7,000	FY 2007-08 <u>Target</u> 100% 4 Days 11 Days 4 Hrs. 5 Codes 325 70 \$46,000,000 \$62,000,000 7,500

BUILDING INSPECTION

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$452,880	\$501,371	\$501,371	\$525,749
Supplies	27,944	8,816	7,314	7,314
Services	42,801	54,647	54,647	55,283
Maintenance	83	750	750	8,021
Capital Outlay	<u>0</u>	<u>4,698</u>	<u>4,698</u>	<u>4,698</u>
Total Expenditures	\$523,708	\$570,282	\$568,780	\$601,065

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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	4
Administrative Assistant	1	1	1
Building Inspection Clerk	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	11	11	11

TRAFFIC ENGINEERING

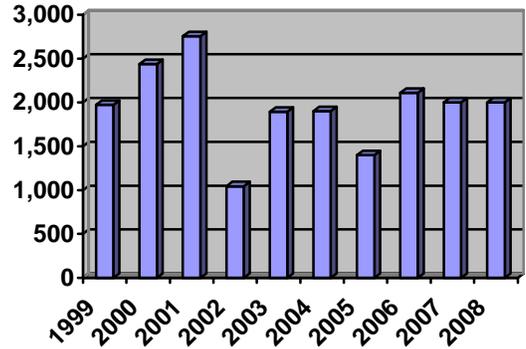
Mission

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. Continue to retrofit existing traffic signals with LED indications. / (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 (bulb 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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
1. Signal maintenance calls (bulb replacement, controller/detector malfunctions, other calls).	1,093	1,000	1,000
2. Number of signs repaired or replaced.	2,111	2,000	2,000
3. Traffic counts completed.	95	125	125
4. Lane miles of roadways striped.	202	200	200
5. Pavement markings painted (crosswalks, stopbars, arrow, etc.).	3,000	3,500	3,500
6. Upgrade ground-mounted street name signs.	786	1,150	1,150

TRAFFIC ENGINEERING

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$642,704	\$736,904	\$736,904	\$757,663
Supplies	14,688	20,429	19,150	19,150
Services	331,637	376,390	376,390	383,158
Maintenance	269,884	391,927	203,800	213,800
Capital Outlay	<u>50,461</u>	<u>24,998</u>	<u>24,998</u>	<u>24,998</u>
Total Expenditures	\$1,309,374	\$1,550,648	\$1,361,242	\$1,398,769

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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	2	1	1
Signal Technician II	1	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>2005-06</td> <td>\$15,934</td> </tr> <tr> <td>2006-07</td> <td>\$17,579</td> </tr> <tr> <td>2007-08</td> <td>\$17,879</td> </tr> </tbody> </table>			Year	Cost	2005-06	\$15,934	2006-07	\$17,579	2007-08	\$17,879
Year	Cost										
2005-06	\$15,934										
2006-07	\$17,579										
2007-08	\$17,879										
Objectives / Performance Measures	FY 2005-06	FY 2006-07	FY 2007-08								
	<u>Actual</u>	<u>Estimate</u>	<u>Target</u>								
<u>Efficiency</u>											
1. Maintenance Expenditure per Street Mile	\$15,934	\$17,579	\$17,879								
<u>Workload</u>											
1. Percentage of Crack Seal and Seal Coat Lane Miles to Total Lane Miles Maintained	12.0%	14.0%	14.0%								
2. Curb Miles Maintained by Street Sweepers	13,144	17,000	19,000								
3. Number of vacant lots mowed.	6,884	7,000	7,000								

STREET

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$1,332,747	\$1,546,323	\$1,546,323	\$1,699,827
Supplies	33,630	35,348	34,585	34,585
Services	1,680,908	1,894,241	1,894,241	1,980,177
Maintenance	1,260,723	1,596,497	1,246,571	1,709,571
Capital Outlay	<u>11,303</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$4,319,311	\$5,072,409	\$4,721,720	\$5,424,160

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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	12	14
Sweeper Operator	<u>5</u>	<u>5</u>	<u>5</u>
Total Personnel	38	38	40

PARKS AND RECREATION

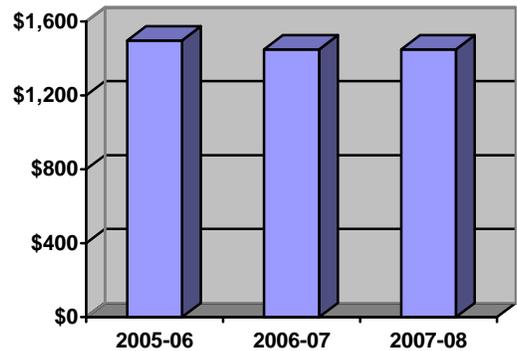
Mission

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. Develop and implement a Recreation Marketing Plan through the use of accurate community and departmental data, effective community partnerships, and efficient information technology systems./(Organization)
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)
8. Update facility inventory, historical records./(Organization)

Parks Irrigation Cost Per Acre



Objectives / Performance Measures

	FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
1. Re-development/Construction of McKinney Park	N/A	90%	100%
2. Re-development of Sherwood Park	N/A	25%	85%
3. Skate Park Development	N/A	10%	50%
4. Average Expenditure per Maintained Acre	\$6,667	\$6,900	\$7,107
5. Park Irrigation Cost per Acre	\$1,498	\$1,450	\$1,450
6. Average Cost per Community Center Rental	\$94	\$98	\$95
7. Recreation Marketing Plan	N/A	50%	100%
8. Recreation Program Events	8	14	18
9. Number of Acres Maintained	553	553	553
10. Number of Acres per FTE	13.8	13.8	13.8
11. Attendance Level at Floyd Gwin Pool	7,477	8,200	10,000
13. Attendance Level at Sherwood Pool	25,816	28,000	30,000
14. Attendance Level at Woodson Pool	15,148	18,000	20,000

PARKS AND RECREATION

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$1,563,317	\$1,644,771	\$1,644,771	\$1,733,587
Supplies	137,204	215,861	189,727	202,849
Services	1,735,096	1,721,011	1,721,011	1,809,798
Maintenance	184,960	213,188	188,795	188,795
Capital Outlay	<u>220,906</u>	<u>249,424</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$3,841,483	\$4,044,255	\$3,744,304	\$3,935,029

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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

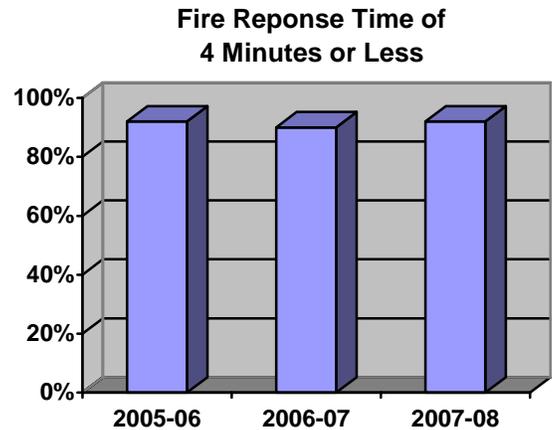
FIRE

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)

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)



Objectives / Performance Measures

Effectiveness

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.
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.
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".
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".
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".

FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
-----------------------------	-------------------------------	-----------------------------

92%	90%	92%
95%	93%	95%
1,620	1,846	1,882
405	461.5	470
106	106	108

FIRE

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$10,016,544	\$10,320,493	\$10,320,493	\$11,124,270
Supplies	218,260	323,708	297,295	258,792
Services	1,027,928	980,962	980,962	966,027
Maintenance	19,613	33,656	32,600	32,600
Capital Outlay	424,402	180,409	18,128	18,128
Lease Payments	<u>0</u>	<u>534,751</u>	<u>534,751</u>	<u>534,751</u>
Total Expenditures	\$11,706,747	\$12,373,979	\$12,184,229	\$12,934,568

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Fire Chief	1	1	1
Assistant Fire Chief	3	3	3
Chief Training Officer	1	0	0
Fire Battalion Chief - Training Officer	0	1	1
GIS Coordinator *	2	1	1
Battalion Chief	3	3	3
Senior Fire Captain	3	3	3
Fire Captain	24	24	24
Firefighter/Engineer	120	120	126
Fire Inspector	4	4	4
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	166	165	171
Funding Sources:			
General Fund	165	164	170
GIS Grant	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	166	165	171

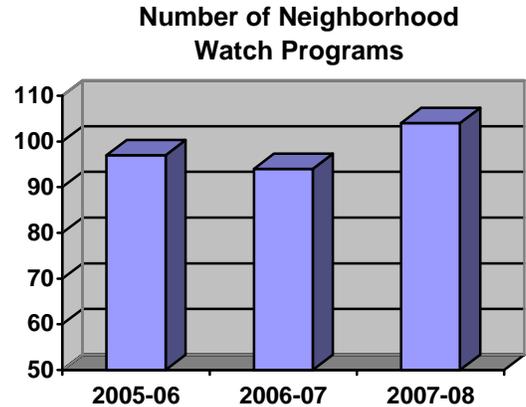
POLICE

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. Install laptops, radar units in all patrol cars./(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 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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
1.	6.1	6.1	5
2.	8.92	4.55	8.85
3.	97	94	104
4.	120	92	100
5.	253	300	221

POLICE

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$12,511,265	\$12,960,577	\$12,960,577	\$13,823,145
Supplies	274,673	336,785	334,300	337,263
Services	2,030,603	2,134,078	2,133,513	2,376,030
Maintenance	36,645	86,251	77,251	90,637
Capital Outlay	126,425	157,000	136,000	69,745
Lease Payments	<u>53,657</u>	<u>53,657</u>	<u>53,657</u>	<u>53,656</u>
Total Expenditures	\$15,033,268	\$15,728,348	\$15,695,298	\$16,750,476

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Chief of Police	1	1	1
Deputy Chief	3	3	3
Police Captain	3	3	3
Police Lieutenant	7	7	7
Police Sergeant*	27	27	27
Police Corporal*	90	86	84
Police Officer/Desk Officer II	33	36	36
Administrative Assistant*/Sr. Administrative Asst.	7	7	7
Crime Analyst	2	2	2
Coordinator	2	0	0
Police Recruit/Police Cadet	5	11	11
Clerk	16	16	16
Receptionist	1	0	0
Supervisor	3	3	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
Call Center Clerk	0	0	6
Fleet Equipment Specialist	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	220	223	228
Funding Sources:			
General Fund	217	220	225
Auto Theft Grant*	<u>3</u>	<u>3</u>	<u>3</u>
Total Personnel	220	223	228

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>2005-06</td> <td>47.7</td> </tr> <tr> <td>2006-07</td> <td>33.7</td> </tr> <tr> <td>2007-08</td> <td>33.7</td> </tr> </tbody> </table>			Fiscal Year	Tonnage	2005-06	47.7	2006-07	33.7	2007-08	33.7
Fiscal Year	Tonnage										
2005-06	47.7										
2006-07	33.7										
2007-08	33.7										
Objectives / Performance Measures	FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>								
<u>Effectiveness</u>											
1. Tonnage Collected From Neighborhood Sweeps Clean-Up Campaigns Annually	47.7	33.7	33.7								
<u>Efficiency</u>											
1. Average Number of Code Violations per Code Enforcement Officer/Inspector	3,253	3,553	3,753								
<u>Workload</u>											
1. Citizen Requests for Assistance with Neighborhood Concerns and/or Code Violations	5,788	5,988	6,188								
2. Neighborhood Meetings to Provide an Open Forum to Voice Neighborhood Concerns	36	40	40								
3. Citizen Education/Information Literature Provided	121,768	120,000	120,000								
4. Contacts Made with Internal and External Resources to Assist in Addressing Concerns	82	85	85								
5. Number of External Agencies Providing Assistance During Clean-Up Campaigns	73	75	75								

NEIGHBORHOOD DEVELOPMENT SERVICES

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$122,419	\$250,276	\$250,276	\$315,853
Supplies	14,033	21,728	21,599	23,429
Services	29,884	32,382	32,382	33,147
Maintenance	0	0	0	7,500
Capital Outlay	<u>964</u>	<u>37,308</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$167,300	\$341,694	\$304,257	\$379,929

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Neighborhood Services Supervisor ** ***	1	1	1
Code Enforcement Coordinator *	1	1	1
Code Enforcement Officer * **	6	6	7
Administrative Assistant ***	1	1	1
Director of Community Development *	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	9	10	11
 Funding Sources:			
General Fund *	4	5	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	9.0	10.0	11.0
The Supervisor position is funded ½ by CDBG and ½ by Solid Waste.			

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Water and Sewer Fund
Overview

WATER AND SEWER FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$11,548,739	\$11,646,605	\$11,516,115	\$6,103,113
Less Stabilization Reserve	1,000,000	1,000,000	1,000,000	1,000,000
AVAILABLE FUND BALANCE	\$10,548,739	\$10,646,605	\$10,516,115	\$5,103,113
CURRENT REVENUES				
Water Revenue	\$21,894,341	\$22,183,200	\$22,548,280	\$23,506,982
Sewer Revenue	10,646,214	11,153,150	11,240,100	11,755,505
Interest Income	789,830	950,000	570,000	720,000
Sales and Charges	698,157	726,000	721,000	721,000
Other Revenue	95,990	175,059	35,000	35,000
TOTAL CURRENT REVENUES	\$34,124,532	\$35,187,409	\$35,114,380	\$36,738,487
TOTAL FINANCING SOURCES	\$44,673,271	\$45,834,014	\$45,630,495	\$41,841,600
EXPENDITURES				
Personal Services	\$4,926,883	\$5,668,359	\$5,668,359	\$6,177,799
Supplies	12,381,724	12,477,243	12,432,044	12,430,400
Services	3,294,203	3,495,977	3,421,848	3,634,769
Maintenance	734,882	1,050,316	1,028,811	1,036,815
Capital Outlay	109,107	88,041	87,000	360,854
Other Requirements				
GF Administrative Fee	2,155,574	2,307,874	2,307,874	2,306,255
Gross Receipt Payment	1,649,717	1,440,708	1,440,708	1,666,735
In Lieu of Tax	1,120,364	1,137,517	1,137,517	1,088,421
Lease Payment	366,207	366,206	366,206	7,176
Debt Service	4,606,550	4,607,800	4,607,800	7,226,848
Housing Incentive Program	0	1,202,702	1,202,702	500,000
Total Operating Expenditures	\$31,345,211	\$33,842,743	\$33,700,869	\$36,436,072
Capital Improvement Program	2,681,455	6,888,158	6,888,158	0
TOTAL EXPENDITURES	\$34,026,666	\$40,730,901	\$40,589,027	\$36,436,072
ENDING AVAILABLE BALANCE	\$10,646,605	\$5,103,113	\$5,041,468	\$5,405,528
Plus Stabilization Reserve	1,000,000	1,000,000	1,000,000	1,000,000
ENDING FUND BALANCE	\$11,646,605	\$6,103,113	\$6,041,468	\$6,405,528

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 34,935. This is a 5.89% 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 260 customer account resolutions per day, whether by phone or walk-in. Approximately 450 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 6.488 billion gallons of water was processed and distributed throughout the system in fiscal year 2006-07. This delivery is slightly lower than the 5-year annual average of 6.806 billion gallons. However, maximum daily demand for treated water has decreased by 20.56% compared to the previous year. The maximum demand is approximately 28.97 million gallons per day (mgd).

The infrastructure needed to meet this demand each day consists of roughly 611.80 miles of water mains. Three booster pump stations aid in keeping the water distributed through the system and 2,090 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 2006-07, wastewater customer accounts numbered 29,823 showing a 3.35% increase since the 2003-04 fiscal year. Approximately 2.258 billion gallons of wastewater was treated in 2006-07, an increase of 10.74% compared to the previous year. Treatment of this effluent is only slightly higher than the 5-year annual average of 2.181 billion gallons since fiscal year 2004. The maximum daily flow of wastewater to the Bob Derrington Water Reclamation Plant is 11.26 million gallons per day (mgd) through 487.32 miles of sewer mains. Three lift stations aid in delivering wastewater to the plant and 6,367 manholes allow for continued maintenance of the system. The customer 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 95.98% 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.

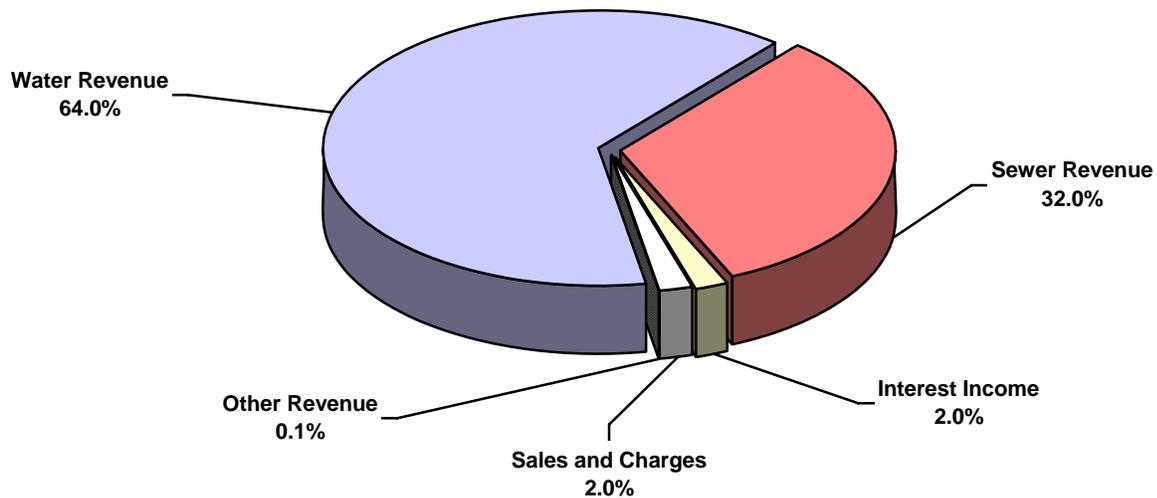
WATER AND SEWER FUND

OVERVIEW

Revenues

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
Water Revenue	\$21,894,341	\$22,183,200	\$22,548,280	\$23,506,982
Sewer Revenue	10,646,214	11,153,150	11,240,100	11,755,505
Interest Income	789,830	950,000	570,000	720,000
Sales and Charges	698,157	726,000	721,000	721,000
Other Revenue	95,990	175,059	35,000	35,000
Total Revenue	<u>\$34,124,532</u>	<u>\$35,187,409</u>	<u>\$35,114,380</u>	<u>\$36,738,487</u>

**WATER AND SEWER FUND
2007-08 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, 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>	2007-08 Budget		Increase / (Decrease) from 2006-07 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Water Revenue	\$23,506,982	63.98%	\$958,702	4.25%
Sewer Revenue	11,755,505	32.00%	515,405	4.59%
Interest Income	720,000	1.96%	150,000	26.32%
Sales and Charges	721,000	1.96%	0	0.00%
Other Revenue	<u>35,000</u>	<u>0.10%</u>	<u>0</u>	<u>0.00%</u>
TOTAL	\$36,738,487	100.00%	\$1,624,107	4.63%

In 2006-07, a 6% increase went into effect for both water and sewer rates. The additional revenue generated by the increase helped to fund a full year of a 5% across-the-board salary increase for all full-time employees, covered rising chemical, utilities, and fleet maintenance costs. In addition, \$1,202,702 was set aside to extend infrastructure into previously undeveloped areas in an effort to encourage housing development.

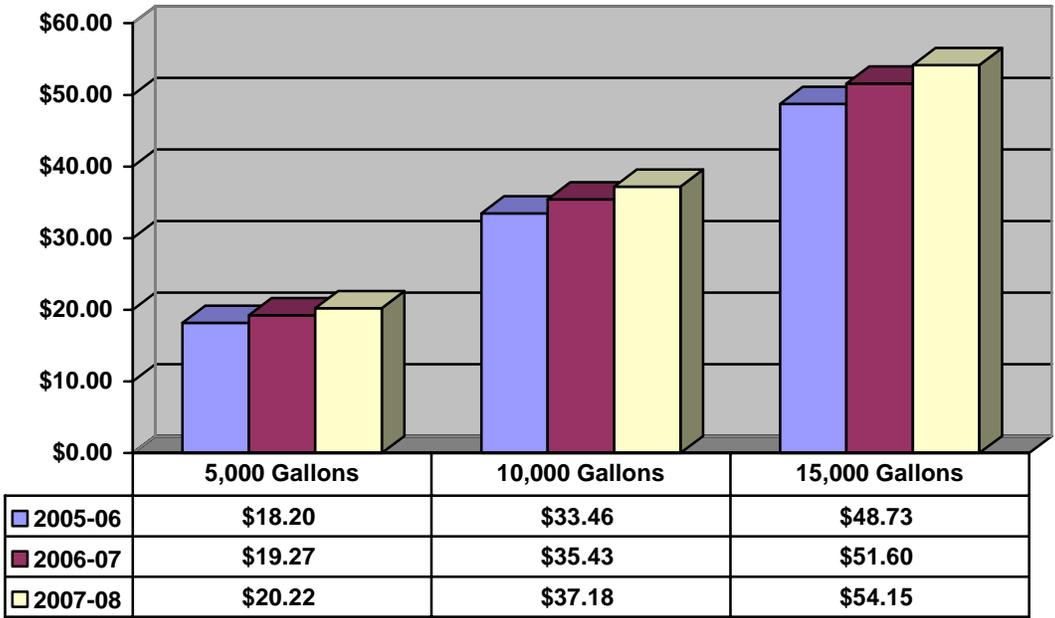
Water and sewer rates will realize a 5% increase in fiscal year 2007-08. The additional revenue generated by the rate hikes will help fund the new employee compensation package, the cost of certain line extensions, increases in the cost of electricity, position step increases and incentive pays, and the rising costs of fleet maintenance and replacement.

The total 2007-08 budgeted revenues for the Water and Sewer Fund equal \$36,738,487 and represent an increase of \$1,624,107, or 4.63%, compared to 2006-07 numbers. It is anticipated that water revenue will increase by \$958,702, or 4.25%, and sewer revenue will increase by \$515,405, or 4.59%, compared to the previous year. Interest income is expected to rise by 26.32% due to higher interest rates, while sales and charges revenue and other revenue are projected to remain at the same levels as last year.

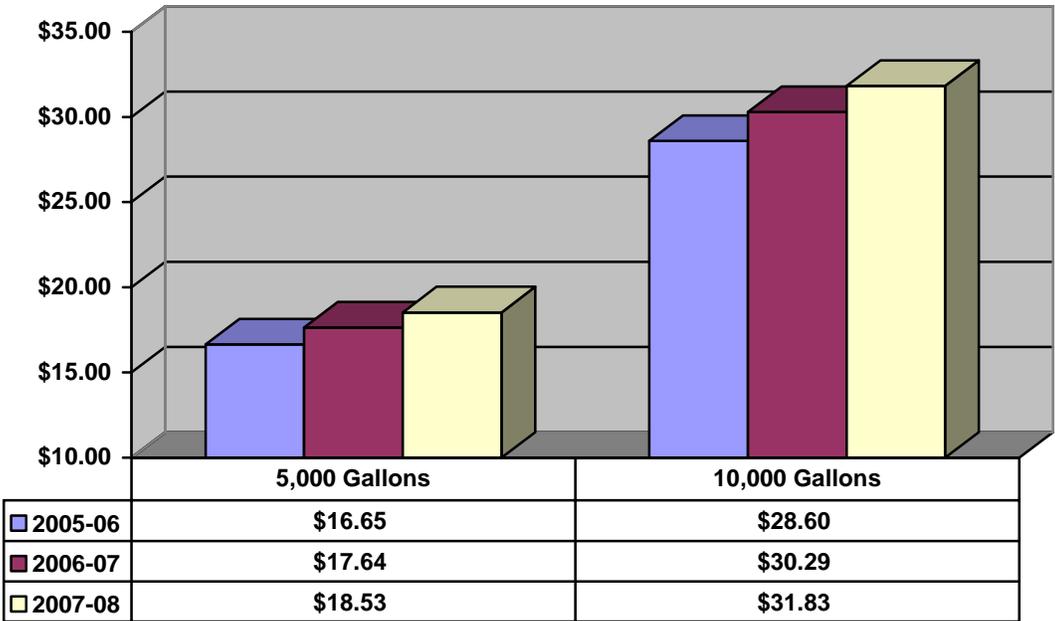
The following graphs illustrate the impact to consumers for both the water and sewer rates of 2007-08.

WATER AND SEWER FUND OVERVIEW

WATER RATES
COMPARED BY GALLON USAGE

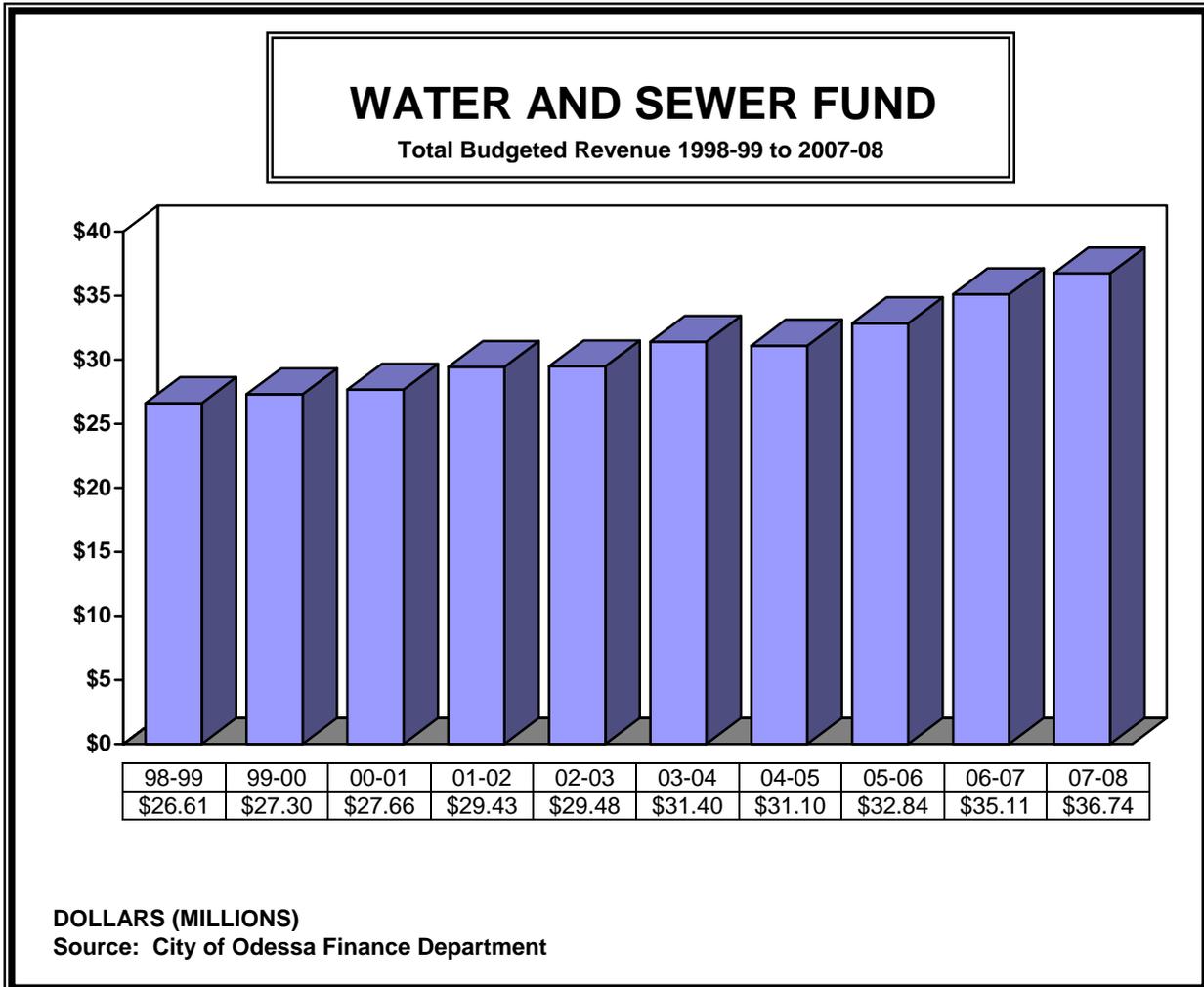


WASTEWATER RATES
COMPARED BY GALLON USAGE



WATER AND SEWER FUND

OVERVIEW



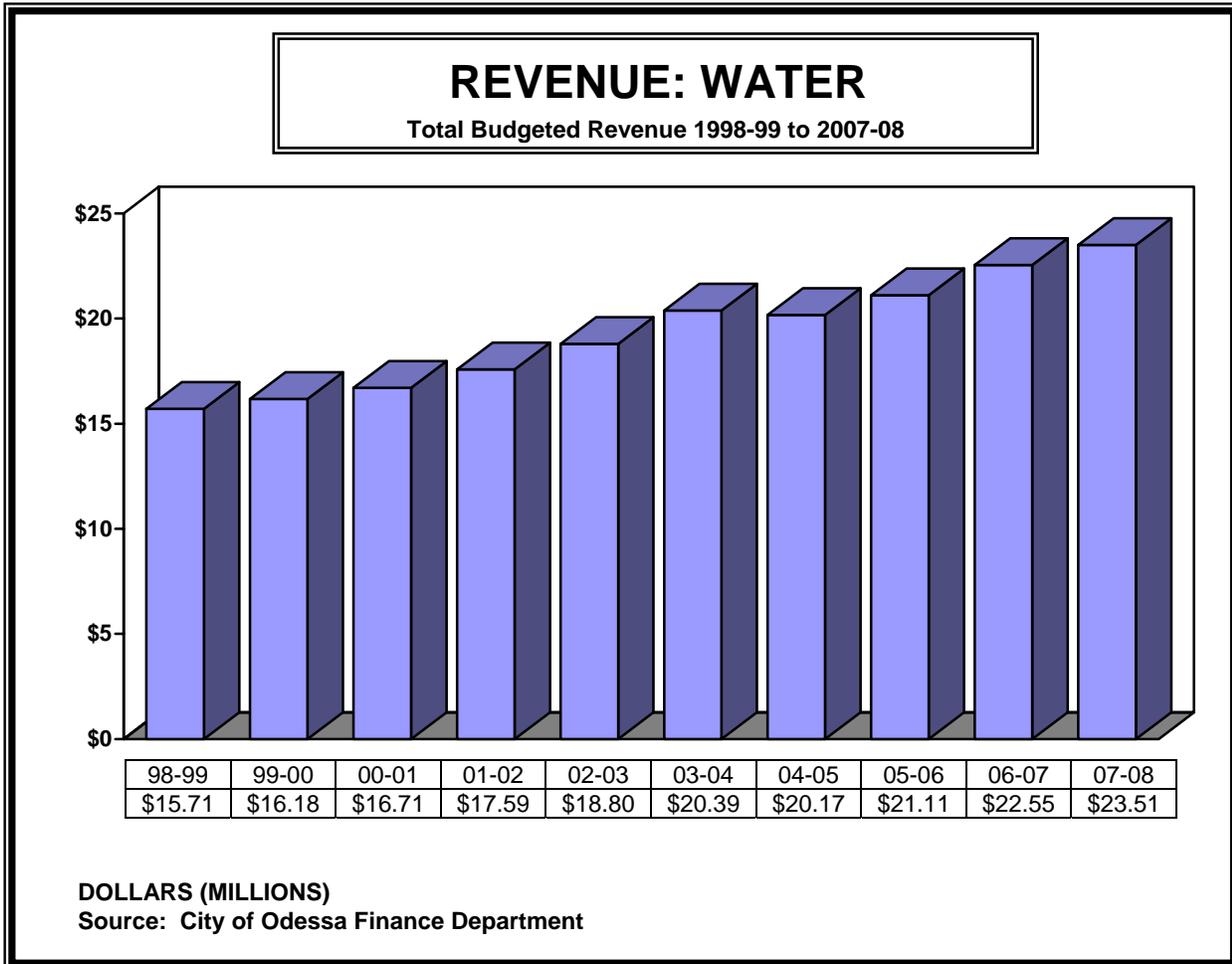
Over the past ten years, water and sewer revenue has risen by 38.07%. It is anticipated that approximately \$36.74 million in revenue will be generated in 2007-08. This reflects a 4.64% increase over last year's numbers.

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 7 of the past 10 years in order to fund improvements, maintain regulatory compliance, and increase plant capacities.

In 2007-08, a 5% rate increase will be implemented for both water and sewer services. Revenue generated by the rate adjustments will fund certain capital outlay projects, the addition of one full-time meter reader position, and the new employee compensation plan.

WATER AND SEWER FUND

OVERVIEW



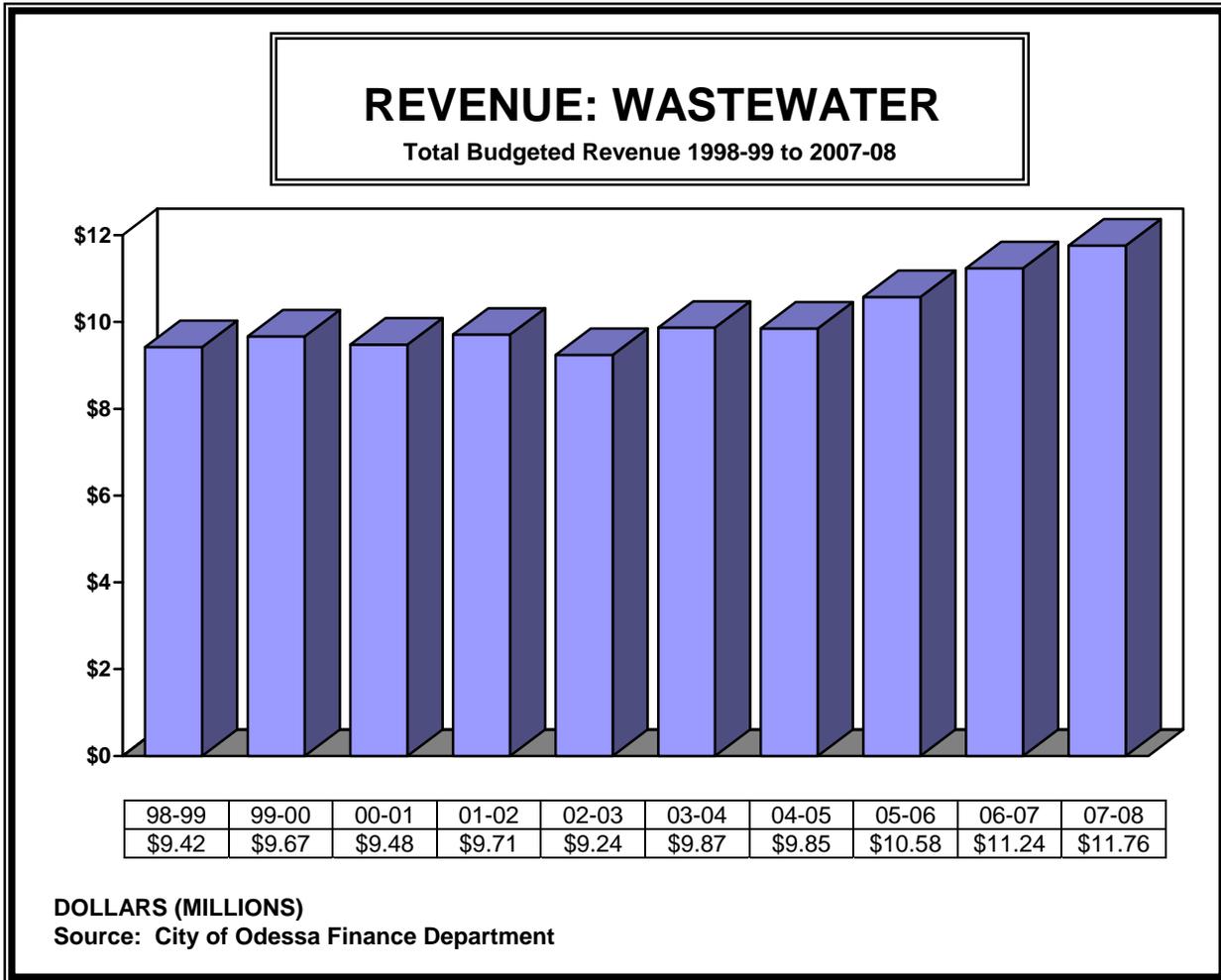
Water revenue has increased by 49.65% in the past ten years. It is anticipated that \$23.51 million in revenue will be generated in 2007-08, a 4.26% increase over last year's budgeted revenues.

Over the years, the City of Odessa has invested significantly in the areas of water infrastructure, water treatment/distribution efficiencies and maintenance of regulatory compliance. During this same time period, the City's cost in purchasing water has risen significantly. Water rates have been adjusted seven times in the past ten years in order to generate sufficient revenue to offset these costs.

In 2007-08, water rates will increase by 5%. The additional revenue generated by the adjustment will fund certain capital outlay projects, the addition of one full-time meter reader position, and the new employee compensation plan.

WATER AND SEWER FUND

OVERVIEW



Over the past ten years, wastewater revenue has increased by 24.84%. It is anticipated that approximately \$11.76 million in revenue will be generated in 2007-08. This reflects an increase of 4.62% compared to budgeted revenue for 2006-07.

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. Operating as an enterprise fund, the revenues collected must compensate for the inherent expenditures. As a result, wastewater rates have been increased during this time period to pay for enhancements.

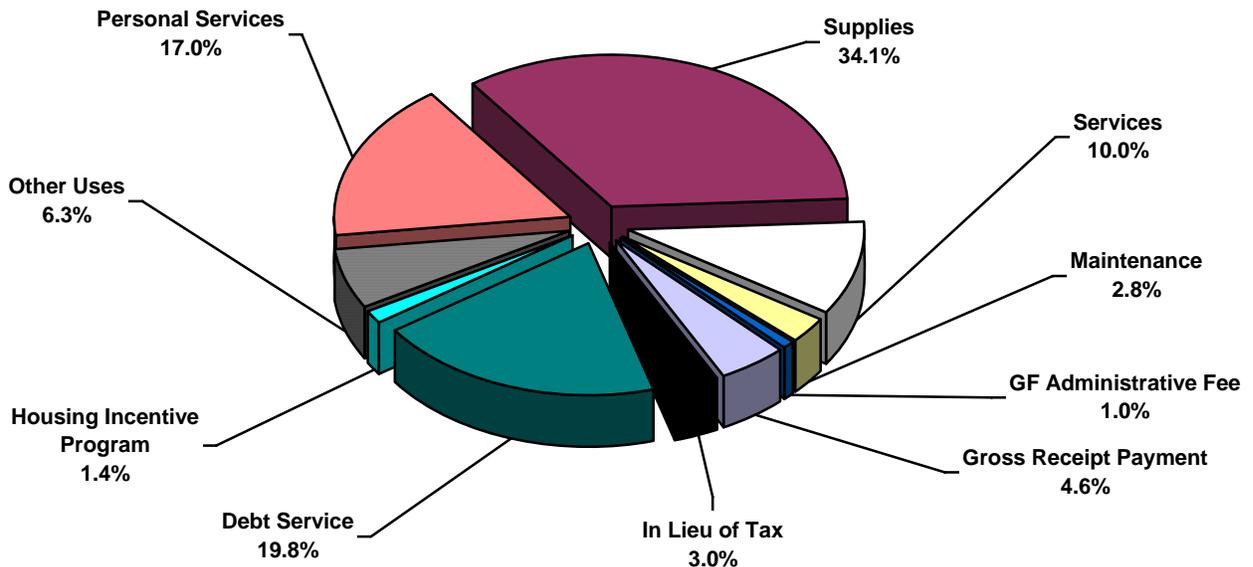
In 2007-08, a 5% wastewater rate increase will be implemented. Revenue generated by the rate adjustment will fund certain capital outlay projects, the addition of one full-time meter reader position, and the new employee compensation plan.

WATER AND SEWER FUND OVERVIEW

Expenditures by Classification

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
Personal Services	\$4,926,883	\$5,668,359	\$5,668,359	\$6,177,799
Supplies	12,381,724	12,477,243	12,432,044	12,430,400
Services	3,294,203	3,495,977	3,421,848	3,634,769
Maintenance	734,882	1,050,316	1,028,811	1,036,815
Capital Outlay	109,107	88,041	87,000	360,854
GF Administrative Fee	2,155,574	2,307,874	2,307,874	2,306,255
Gross Receipt Payment	1,649,717	1,440,708	1,440,708	1,666,735
In Lieu of Tax	1,120,364	1,137,517	1,137,517	1,088,421
Lease Payment	366,207	366,206	366,206	7,176
Debt Service	4,606,550	4,607,800	4,607,800	7,226,848
Housing Incentive Program	0	1,202,702	1,202,702	500,000
Total Expenditures	<u>\$31,345,211</u>	<u>\$33,842,743</u>	<u>\$33,700,869</u>	<u>\$36,436,072</u>

WATER AND SEWER FUND 2007-08 EXPENDITURES BY CLASSIFICATION



WATER AND SEWER FUND

OVERVIEW

Expenditures

Increases in chemical costs, the construction of new infrastructure, the rising cost of utilities and fleet maintenance, and the implementation of a new employee compensation plan highlight the Water and Sewer Fund budget for the 2007-08 fiscal year. Total operating expenditures for 2007-08 increased by 8.12% compared to 2006-07 numbers. The largest increase in expenditures occurred in the Debt Service category, with an increase of \$2,619,048, due to an anticipated \$65,000,000 bond issue scheduled for late 2007. Overall expenditures for the Water and Sewer Fund have decreased 10.23% compared to the previous 2006-07 budget.

<u>Source</u>	2007-08 Budget		Increase / (Decrease) from 2006-07 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$6,177,799	16.96%	\$509,440	8.99%
Supplies	12,430,400	34.12%	(1,644)	(0.01%)
Services	3,634,769	9.98%	212,921	6.22%
Maintenance	1,036,815	2.85%	8,004	0.78%
Capital Outlay	360,854	0.99%	273,854	314.77%
Other Requirements	5,068,587	13.91%	(183,718)	(3.50%)
Debt Service	7,226,848	19.83%	2,619,048	56.84%
Housing Incentive Program	500,000	1.37%	(702,702)	(58.43%)
TOTAL OPERATING	\$36,436,072	100.00%	\$2,735,203	8.12%
CIP Program	0	0.00%	(6,888,158)	(100.00%)
TOTAL	\$36,436,072	100.00%	(\$4,152,955)	(10.23%)

In 2007-08, the staffing levels of the Water and Sewer Fund remain at 134.5 positions. Most of the 8.99% increase in Personal Services will be used to fund the new employee compensation plan. The increase in the cost of employee benefits also contributes to the overall increase in Personal Services.

The budget for Supplies has remained at approximately the same level as last year, decreasing by only \$1,644, or 0.01%.

The Services category has experienced a \$212,921, or 6.22% increase compared to last year's budget. Most of this increase is due to the rising cost of electricity and fleet maintenance.

The budget for Maintenance has only increased by 0.78% compared to last year. The additional \$8,004 will be used to cover increases in the costs of building and software maintenance.

The Capital Outlay category has increased by \$273,854, or 314.77%. The additional funds will primarily be used to extend lines and to replace certain equipment, including aeration discs and a total organic carbon analyzer.

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 2007-08 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.

Fund Balance

In 2006-07, beginning fund balance decreased by \$5.54 million from the 2005-06 audited ending fund balance of \$11,646,605. This decrease, or use of fund balance, was approved in the 2006-07 budget process to aid in funding \$6,888,158 in Water and Sewer capital improvements. The 2007-08 budget is appropriated with projected revenues (\$36,738,487) in excess of funded expenditures (\$36,436,072) returning \$302,415 to fund balance for this year. No expenditures were budgeted for Water and Sewer Capital Improvements awaiting a \$65,000,000 bond issue for such improvements later in 2007.

WATER AND SEWER FUND

OVERVIEW

Expenditures by Function

	<u>2005-06</u> <u>Actual</u>	<u>2006-07</u> <u>Estimated</u>	<u>2006-07</u> <u>Budget</u>	<u>2007-08</u> <u>Budget</u>
Billing and Collection	\$1,588,059	\$1,691,186	\$1,690,901	\$1,827,591
Non-Departmental	5,801,106	5,737,365	5,736,632	5,558,748
Debt Service	4,606,550	4,607,800	4,607,800	7,226,848
TOTAL FINANCE	<u>\$11,995,715</u>	<u>\$12,036,351</u>	<u>\$12,035,333</u>	<u>\$14,613,187</u>
Utilities Administration	\$475,370	\$557,459	\$555,487	\$581,186
Water Distribution	1,461,117	1,754,003	1,752,144	1,892,435
Water Treatment	1,764,499	2,069,375	2,018,079	2,055,920
Bob Derrington W/R Plant	2,353,049	2,479,341	2,472,595	2,641,096
Wastewater Collection	634,957	840,551	839,974	865,278
Laboratory	610,928	703,127	702,028	741,718
Repair and Replacement	334,761	598,270	587,829	587,829
Water Purchase	11,449,385	11,209,698	11,209,698	11,209,698
Gulf Coast	265,430	391,866	325,000	310,000
Housing Incentive Program	0	1,202,702	1,202,702	500,000
Capital Improvements	0	0	0	437,725
TOTAL UTILITIES	<u>\$19,349,496</u>	<u>\$21,806,392</u>	<u>\$21,665,536</u>	<u>\$21,822,885</u>
Total Expenditures	<u>\$31,345,211</u>	<u>\$33,842,743</u>	<u>\$33,700,869</u>	<u>\$36,436,072</u>

WATER AND SEWER FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
WATER & SEWER FUND			
Utilities			
Billing & Collection	Data Processing Equipment	<u>\$5,000</u>	
	Subtotal Billing & Collection		\$5,000
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	<u>19,000</u>	
	Subtotal Water Treatment		19,000
Bob Derrington Plant	Machinery & Equipment	<u>18,088</u>	
	Subtotal Derrington Plant		18,088
Utility Infrastructure	Line Extensions	200,000	
	Aeration Discs	52,725	
	Total Organic Carbon Analyzer	<u>30,000</u>	
	Subtotal Utilities Infrastructure		282,725
TOTAL CAPITAL OUTLAY – WATER / SEWER FUND			<u>\$360,854</u>

CITY OF ODESSA
FY 2007-08
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

Repair and Replacement

Housing Incentive Program

Non-Departmental

Water Purchases

Gulf Coast

Debt Service

Capital Improvements

BILLING AND COLLECTION

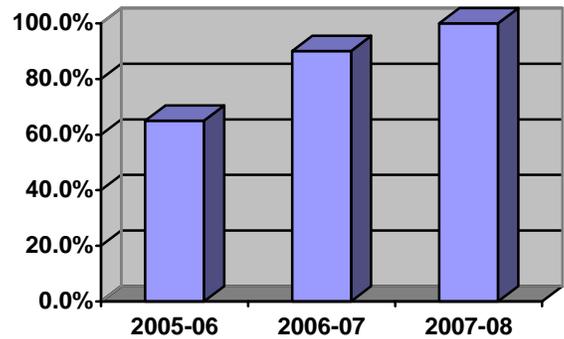
Mission

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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
1. Maintain meter reading accuracy at an annual average of 99.8% or greater.	99.99%	99.99%	99.80%
2. Perform all customer requested re-reads in 7 days or less.	65%	90%	100%
3. Collect 55% of billed ambulance charges annually.	64.7%	64.6%	55.0%
4. Percentage of payments processed through automated means.	13.6%	13.8%	15.0%
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%	N/A	89%	90%

BILLING AND COLLECTION

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$1,216,363	\$1,315,933	\$1,315,933	\$1,423,573
Supplies	164,641	152,735	152,500	167,500
Services	89,518	117,279	117,279	129,200
Maintenance	82,803	95,239	95,189	102,318
Capital Outlay	<u>34,734</u>	<u>10,000</u>	<u>10,000</u>	<u>5,000</u>
Total Expenditures	\$1,588,059	\$1,691,186	\$1,690,901	\$1,827,591

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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	0	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	3	2	2
Billing Clerk	2	2	2
Customer Service Representative ***	7	7	7
Field Representative	2	2	2
Water Meter Reader	4	5	5
EMS Billing Clerk	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	33	34	34
Funding Sources:			
General Fund **	0.5	0.5	0.5
Solid Waste Fund ***	1	1	1
Water & Sewer*	<u>31.5</u>	<u>32.5</u>	<u>32.5</u>
Total Personnel	33	34	34
* Reports to Information Services			
** Reports to City Attorney			

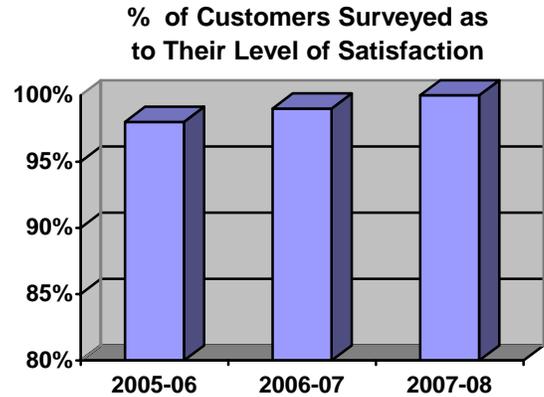
UTILITIES ADMINISTRATION

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 Initial Distribution System Evaluation (IDSE) sampling requirements./(Direction)
2. Comply with sampling for the Long Term Surface Water 2 (LTSW2) Rule requirements./(Excellence)
3. Comply with the TCEQ Sanitary Sewer Overflow Initiative./(Organization)
4. Utilize Utilities GIS information to make operation of the distribution and collection system more efficient./ (Excellence)
5. Develop Utilities Capital Improvements Projects./(Service)
6. Initiate Unregulated Contaminant Monitoring Requirements (UCMR) Sampling./(Direction)
7. Implement infrastructure rehabilitation program./(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 2005-06
Actual

FY 2006-07
Estimate

FY 2007-08
Target

98%

99%

100%

93%

95%

95%

100%

99%

100%

100%

100%

100%

UTILITIES ADMINISTRATION

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$405,248	\$439,661	\$439,661	\$460,934
Supplies	30,315	39,488	39,488	43,947
Services	39,356	74,771	73,840	74,266
Maintenance	451	2,498	2,498	998
Capital Outlay	<u>0</u>	<u>1,041</u>	<u>0</u>	<u>1,041</u>
Total Expenditures	\$475,370	\$557,459	\$555,487	\$581,186

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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	1	1
Utilities Radio Dispatcher	1	1	1
Utilities Payroll/Purchasing Clerk	1	1	1
Utilities Receptionist	1	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	7
Water & Sewer CIP (GIS)*	<u>3</u>	<u>3</u>	<u>3</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)	Number of 3/4" Meters Changed Out Per Year										
<ol style="list-style-type: none"> 1. With the assistance of Engineering and/or outside agencies, identify, design, and contract CIP infrastructure rehabilitation 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) 	<table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Number of 3/4" Meters Changed Out Per Year</caption> <thead> <tr> <th>Fiscal Year</th> <th>Number of Meters</th> </tr> </thead> <tbody> <tr> <td>2005-06</td> <td>2,821</td> </tr> <tr> <td>2006-07</td> <td>2,500 *</td> </tr> <tr> <td>2007-08</td> <td>4,800</td> </tr> </tbody> </table>			Fiscal Year	Number of Meters	2005-06	2,821	2006-07	2,500 *	2007-08	4,800
Fiscal Year	Number of Meters										
2005-06	2,821										
2006-07	2,500 *										
2007-08	4,800										
Objectives / Performance Measures	FY 2005-06	FY 2006-07	FY 2007-08								
	<u>Actual</u>	<u>Estimate</u>	<u>Target</u>								
<u>Effectiveness</u>											
1. Percentage of Compliance With TCEQ Regulations (Goal: 100%)	100%	100%	100%								
<u>Workload</u>											
1. Number of 3/4" Meters Changed Out (Goal: Change out all 3/4" water meters seven years of age and older.)	2,821	2,500 *	4,800								
2. Number of 1" Meters Changed Out (Goal: Change out all 1" meters that are seven years of age and older.)	85	50 *	64								
3. Number of Valves Exercised (Goal: 2,000/year)	1,394	700 *	1,000								
* Reduction in workload performance measure numbers is due to limited workforce available to perform the work.											

WATER DISTRIBUTION

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$969,027	\$1,219,084	\$1,219,084	\$1,302,603
Supplies	30,337	36,333	34,474	37,984
Services	302,791	365,194	365,194	415,956
Maintenance	154,170	133,392	133,392	135,892
Capital Outlay	<u>4,792</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,461,117	\$1,754,003	\$1,752,144	\$1,892,435

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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	0	6	6
Field Operations Technician	<u>17</u>	<u>11</u>	<u>11</u>
Total Personnel	30	30	30
* Reports to the Engineering division of Public Works.			

WATER TREATMENT PLANT

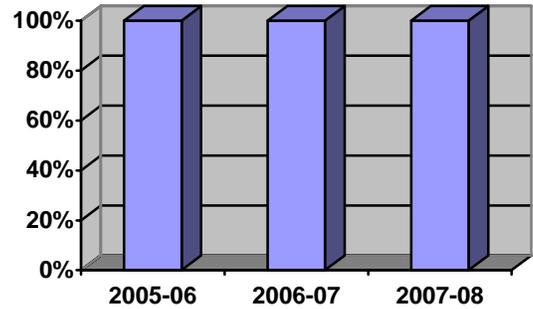
Mission

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. Increase efficiency of waste sludge dewatering and removal from plant lagoons./(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. Rehab 3 out-of-service filters./(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 2005-06

Actual

100%

FY 2006-07

Estimate

100%

FY 2007-08

Target

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

WATER TREATMENT PLANT

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$502,233	\$535,022	\$535,022	\$572,611
Supplies	504,057	740,731	698,702	663,209
Services	687,221	692,855	687,855	732,600
Maintenance	42,382	58,767	54,500	68,500
Capital Outlay	<u>28,606</u>	<u>42,000</u>	<u>42,000</u>	<u>19,000</u>
Total Expenditures	\$1,764,499	\$2,069,375	\$2,018,079	\$2,055,920

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Water Plant Chief Operator	1	1	1
Water Treatment Supervisor	1	1	1
Plant Operator D	1	3	3
Plant Operator C	4	1	1
Plant Operator B	3	4	4
Utilities Maintenance Technician	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	12	12	12

BOB DERRINGTON WATER RECLAMATION PLANT

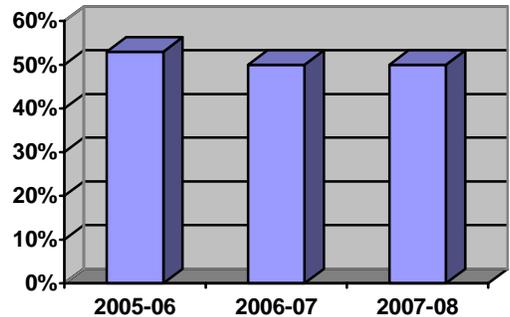
Mission

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 2 existing plant 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)

Percentage of Effluent Provided to Reuse Customers



Objectives / Performance Measures

	FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
<u>Effectiveness</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%)	53%	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

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$1,010,029	\$1,159,200	\$1,159,200	\$1,228,623
Supplies	121,228	156,139	155,640	160,530
Services	1,147,232	1,095,080	1,095,080	1,180,305
Maintenance	45,558	68,922	62,675	53,550
Capital Outlay	<u>29,002</u>	<u>0</u>	<u>0</u>	<u>18,088</u>
Total Expenditures	\$2,353,049	\$2,479,341	\$2,472,595	\$2,641,096

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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	4	2	2
Plant Operator B	4	3	3
Utilities Maintenance Supervisor	1	1	1
Plant Operator C	3	6	6
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

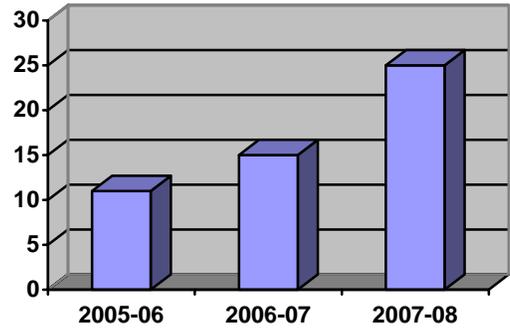
Mission

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 outside agencies, identify, design, and construct CIP sewer rehabilitation projects./(Organization)
3. Continue manhole rehab projects./(Direction)
4. Continue Division Accident Review Board./(Direction)
5. Develop & implement SSO initiative projects./(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 2005-06

Actual

100%

N/A

11

10,816

1,046,151

FY 2006-07

Estimate

100%

N/A

15 *

10,000 *

490,000 *

FY 2007-08

Target

100%

5%

25

30,000

1,000,000

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

WASTEWATER COLLECTION

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$386,006	\$531,730	\$531,730	\$562,138
Supplies	15,922	66,339	65,762	67,452
Services	180,059	187,254	187,254	180,460
Maintenance	52,970	55,228	55,228	55,228
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$634,957	\$840,551	\$839,974	\$865,278

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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	0	4	4
Field Operations Technician	<u>8</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)	% of Analytical Results Meeting Standard Established by Lab										
<ol style="list-style-type: none"> 1. Provide ongoing updates for all procedures & quality control criteria./(Direction) 2. Obtain NELAC accreditation./(Excellence) 	<table border="1" style="display: none;"> <caption>Data for % of Analytical Results Meeting Standard</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2005-06</td> <td>98%</td> </tr> <tr> <td>2006-07</td> <td>97%</td> </tr> <tr> <td>2007-08</td> <td>95%</td> </tr> </tbody> </table>			Fiscal Year	Percentage	2005-06	98%	2006-07	97%	2007-08	95%
Fiscal Year	Percentage										
2005-06	98%										
2006-07	97%										
2007-08	95%										
Objectives / Performance Measures	FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>								
<u>Effectiveness</u>											
1. Percentage of Bacteriological Results Submitted in TCEQ Proficiency Evaluation (PE) That Are Evaluated as Acceptable.	100%	100%	100%								
2. Percentage of Analytical Results Submitted in EPA Performance Evaluation That Are Evaluated as Acceptable	100%	100%	100%								
3. Percentage of Analyses Performed and Submitted Within Scheduled Time Frame	100%	100%	97%								
4. Percentage of Analytical Results That Meet the Quality Control Acceptance Criteria Established by the Laboratory	97%	97%	95%								

LABORATORY SERVICES

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$437,977	\$467,729	\$467,729	\$497,317
Supplies	65,839	75,780	75,780	80,080
Services	73,602	121,618	121,019	131,821
Maintenance	22,961	38,000	37,500	32,500
Capital Outlay	<u>10,549</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$610,928	\$703,127	\$702,028	\$741,718

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Laboratory Manager	1	1	1
Laboratory Analyst	1	0	0
Laboratory Chemist	4	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

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	333,587	598,270	587,829	587,829
Capital Outlay	<u>1,174</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$334,761	\$598,270	\$587,829	\$587,829

Non-Departmental Expenditures

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	508,994	450,060	449,327	455,161
Maintenance	0	0	0	0
Capital Outlay	250	35,000	35,000	35,000
Other	<u>5,291,862</u>	<u>5,252,305</u>	<u>5,252,305</u>	<u>5,068,587</u>
Total Expenditures	\$5,801,106	\$5,737,365	\$5,736,632	\$5,558,748

Housing Incentive Program

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Housing Incentive Program	<u>\$0</u>	<u>\$1,202,702</u>	<u>\$1,202,702</u>	<u>\$500,000</u>
Total Expenditures	\$0	\$1,202,702	\$1,202,702	\$500,000

WATER AND SEWER FUND

Water Purchases Expenditures

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Purchase of Water CRMWD	\$3,229,239	\$4,017,186	\$4,017,186	\$4,017,186
Service Charges CRMWD	<u>8,220,146</u>	<u>7,192,512</u>	<u>7,192,512</u>	<u>7,192,512</u>
Total Expenditures	\$11,449,385	\$11,209,698	\$11,209,698	\$11,209,698

Gulf Coast Expenditures

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Other Service Payments	<u>\$265,430</u>	<u>\$391,866</u>	<u>\$325,000</u>	<u>\$310,000</u>
Total Expenditures	\$265,430	\$391,866	\$325,000	\$310,000

Debt Service Payment

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Debt Service Payments	<u>\$4,606,550</u>	<u>\$4,607,800</u>	<u>\$4,607,800</u>	<u>\$7,226,848</u>
Total Expenditures	\$4,606,550	\$4,607,800	\$4,607,800	\$7,226,848

WATER AND SEWER FUND

Capital Improvements

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$130,000
Supplies	0	0	0	0
Services	0	0	0	25,000
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>282,725</u>
Total Expenditures	\$0	\$0	\$0	\$437,725

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Solid Waste Fund
Overview

SOLID WASTE FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$682,693	\$808,912	\$765,961	\$642,821
CURRENT REVENUES				
Single Family	\$3,823,536	\$4,142,000	\$4,085,000	\$4,473,360
Multi-Family	848,384	878,000	913,750	948,240
Commercial	1,612,819	1,901,000	1,666,250	2,053,080
Roll-Off Charges	947,988	1,120,000	913,750	1,209,600
Interest Income	30,676	35,000	35,000	35,000
Other Revenue	474,449	563,500	604,650	602,300
TOTAL CURRENT REVENUES	\$7,737,852	\$8,639,500	\$8,218,400	\$9,321,580
TOTAL FINANCING SOURCES	\$8,420,545	\$9,448,412	\$8,984,361	\$9,964,401
EXPENDITURES				
Personal Services	\$1,871,549	\$1,992,992	\$1,992,992	\$2,158,827
Supplies	36,094	55,890	52,000	52,528
Services	4,577,530	5,233,186	5,231,861	5,640,175
Maintenance	234,732	595,570	486,075	488,325
Capital Outlay	4,090	7,500	7,500	7,500
Capital Outlay Supplemental	0	0	0	330,000
Other Requirements				
GF Administrative Fee	394,583	414,036	414,036	437,441
Gross Receipt Payment	372,661	350,079	350,079	345,338
In Lieu of Tax	36,490	35,979	35,979	38,431
Lease Payment	1,529	1,534	1,534	1,534
Outside Agencies	82,375	118,825	118,825	109,000
TOTAL EXPENDITURES	\$7,611,633	\$8,805,591	\$8,690,881	\$9,609,099
ENDING FUND BALANCE	\$808,912	\$642,821	\$293,480	\$355,302

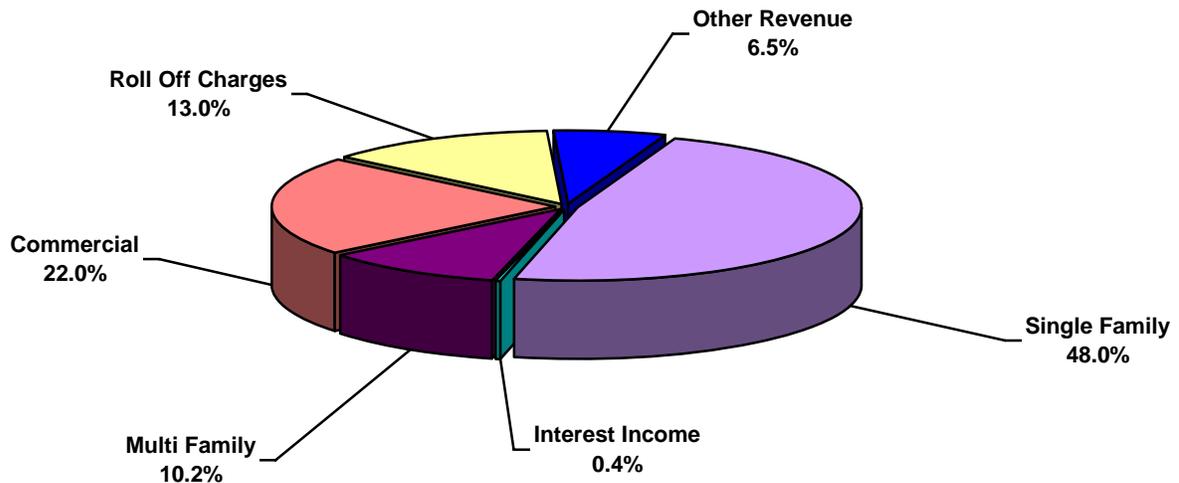
SOLID WASTE FUND

OVERVIEW

Revenues

	<u>2005-06 Actual</u>	<u>2006-07 Estimated</u>	<u>2006-07 Budget</u>	<u>2007-08 Budget</u>
Single Family	\$3,823,536	\$4,142,000	\$4,085,000	\$4,473,360
Multi-Family	848,384	878,000	913,750	948,240
Commercial	1,612,819	1,901,000	1,666,250	2,053,080
Roll Off Charges	947,988	1,120,000	913,750	1,209,600
Interest Income	30,676	35,000	35,000	35,000
Other Revenue	474,449	563,500	604,650	602,300
Total Revenue	<u>\$7,737,852</u>	<u>\$8,639,500</u>	<u>\$8,218,400</u>	<u>\$9,321,580</u>

**SOLID WASTE FUND
2007-08 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>	2007-08 Budget		Increase/(Decrease) from 2006-07 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Single Family	\$4,473,360	47.99%	\$388,360	9.51%
Multi-Family	948,240	10.17%	34,490	3.77%
Commercial	2,053,080	22.03%	386,830	23.22%
Roll Off Charges	1,209,600	12.98%	295,850	32.38%
Interest Income	35,000	0.38%	0	0.00%
Other Revenue	<u>602,300</u>	<u>6.46%</u>	<u>(2,350)</u>	<u>(0.39%)</u>
TOTAL	\$9,321,580	100.00%	\$1,103,180	13.42%

The major revenues for Solid Waste; Single-Family Residential (47.99%), Commercial (22.03%), and Roll-Off Charges (12.98%), 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 2007-08 is expected to increase 13.42% over the previous year's budget. Single Family, Multi-Family, and Commercial accounts are responsible for approximately 73% of the increase in revenue. Most of the remaining portion of the increase is attributed to a higher demand for roll-off pickup.

Solid Waste rates have been increased this year to help cover rising fuel and fleet maintenance costs, higher tipping fees at the privately-owned landfill, the cost of a 5% raise for full-time employees, and the replacement of old and damaged trash containers. 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 2007-08, 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.

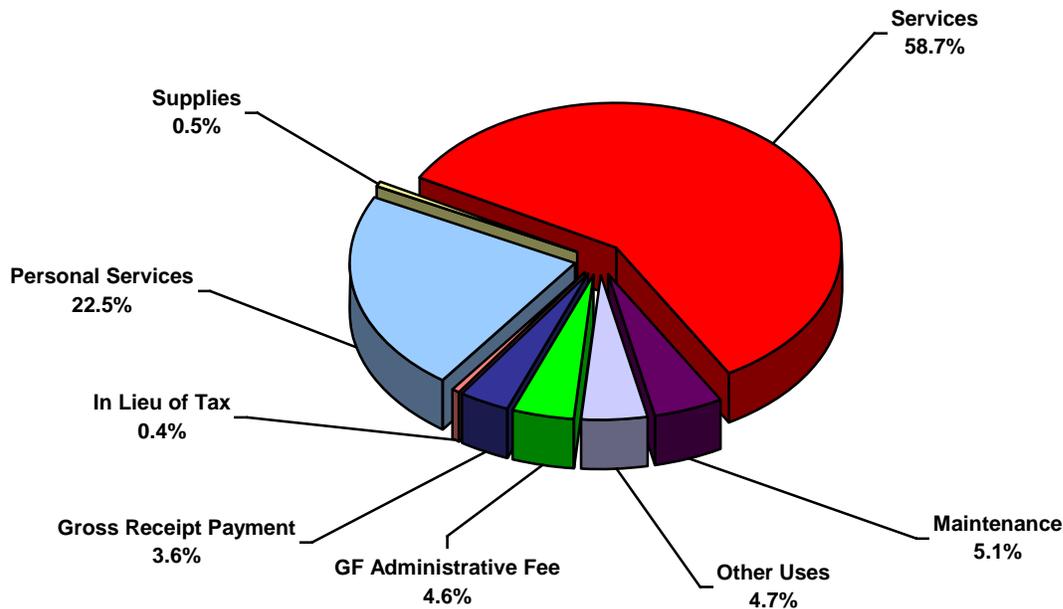
SOLID WASTE FUND

OVERVIEW

Expenditures By Classification

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
Personal Services	\$1,871,549	\$1,992,992	\$1,992,992	\$2,158,827
Supplies	36,094	55,890	52,000	52,528
Services	4,577,530	5,233,186	5,231,861	5,640,175
Maintenance	234,732	595,570	486,075	488,325
Capital Outlay	4,090	7,500	7,500	337,500
GF Administrative Fee	394,583	414,036	414,036	437,441
Gross Receipt Payment	372,661	350,079	350,079	345,338
In Lieu of Tax	36,490	35,979	35,979	38,431
Lease Payment	1,529	1,534	1,534	1,534
Outside Agencies	82,375	118,825	118,825	109,000
Total Expenditures	<u>\$7,611,633</u>	<u>\$8,805,591</u>	<u>\$8,690,881</u>	<u>\$9,609,099</u>

SOLID WASTE FUND 2007-08 EXPENDITURES BY CLASSIFICATION



SOLID WASTE FUND

OVERVIEW

Expenditures

The total approved expenditures for 2007-08 are anticipated to increase 10.57% over the previous year for a total of \$9,609,099. Below is a comparative summary of expenditures by classification.

<u>Classification</u>	<u>2007-08 Budget</u>		<u>Increase / (Decrease) From 2006-07 Budget</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$2,158,827	22.47%	\$165,835	8.32%
Supplies	52,528	0.55%	528	1.02%
Services	5,640,175	58.70%	408,314	7.80%
Maintenance	488,325	5.08%	2,250	0.46%
Capital Outlay	337,500	3.51%	330,000	4400%
Other Requirements	822,744	8.56%	21,116	2.63%
Outside Agencies	<u>109,000</u>	<u>1.13%</u>	<u>(9,825)</u>	<u>(8.27%)</u>
TOTAL	\$9,609,099	100.00%	\$918,218	10.57%

The increase to the Personal Services funding level results primarily from the implementation of the new employee compensation plan and the addition of two new Solid Waste Driver positions. 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 an 8.32%, or \$165,835 increase in Personal Services. The staffing level for this fund is 49.5, two more than last year.

The budget for Supplies will remain at approximately the same level as last year, increasing by only \$528, or 1.02%

The Services category will realize a \$408,314, or 7.80%, increase in 2007-08. The majority of the increase is due to the rising costs of fleet maintenance and tipping fees. Since last year, tipping fees have risen by \$24,000, and fleet maintenance costs have risen by \$157,824.

The budget for Maintenance is \$488,325; \$2,250 higher than last year. The increase will be used to cover the increasing cost of software maintenance.

Capital Outlay will realize a \$330,000 increase compared to last year's numbers. The additional funds will be used to purchase a side-load truck and a roll-off unit.

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 2007-08, the Other Requirements budget will realize a \$21,116 increase compared to 2006-07 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 \$9,825 decrease, due to the fact that Keep Odessa Beautiful requested less funding than it did in 2006-07, in expectation of additional grant monies.

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 2005-06, rates were increased slightly to help fund the new employee compensation plan and to cover increases in 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. In fiscal year 2007-08, an 8% rate increase will go into effect to accommodate the rising fuel and maintenance costs of the Solid Waste truck fleet.

Fund Balance

In 2006-07, beginning fund balance decreased by \$166,091 from the 2005-06 audited ending fund balance of \$808,912. This decrease, or use of fund balance, was approved in the 2006-07 budget process to aid in funding replacement solid waste containers for the routes. The 2007-08 budget is appropriated with projected revenues (\$9,321,580) using \$287,519 of available fund balance for the purchase of equipment; a new side-load truck and a new roll-off unit for the expanding routes. Projected 2007-08 ending fund balance for the Solid Waste Fund is expected to be \$355,302.

SOLID WASTE FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
SOLID WASTE FUND			
Solid Waste	Machinery & Equipment	\$332,500	
	Data Processing Equipment	<u>5,000</u>	
	Subtotal Solid Waste		\$337,500
TOTAL CAPITAL OUTLAY – SOLID WASTE FUND			<u>\$337,500</u>

CITY OF ODESSA
FY 2007-08
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

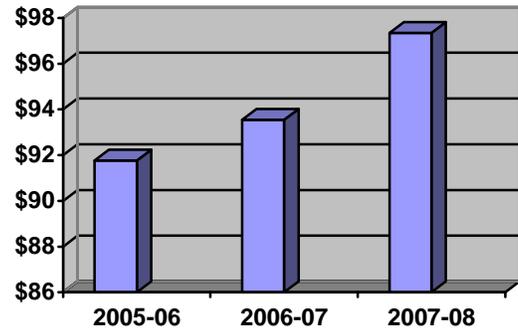
Mission

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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <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	\$91.76	\$93.54	\$97.34
2. Operating and Maintenance Expenditures for Disposal per Account	\$52.60	\$51.45	\$56.93
<u>Workload</u>			
1. Solid Waste Customer Accounts	40,300	40,470	40,600
2. FTE's per 1,000 Refuse Collection Accounts	1.19	1.05	1.05
3. Landfill Tonnage	113,419	120,224	127,437

SOLID WASTE

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$1,808,623	\$1,926,895	\$1,926,895	\$2,088,860
Supplies	33,659	55,736	52,000	52,000
Services	4,537,910	5,222,548	5,222,223	5,633,242
Maintenance	234,732	595,570	486,075	486,075
Capital Outlay	<u>3,218</u>	<u>7,500</u>	<u>7,500</u>	<u>337,500</u>
Total Expenditures	\$6,618,142	\$7,808,249	\$7,694,693	\$8,597,677

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Solid Waste Superintendent	1	1	1
Solid Waste Sales Representative	1	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	32	34
Solid Waste Worker	2	2	2
Welder	1	1	1
Solid Waste Operations Supervisor	0	1	1
Customer Service Representative *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	46	46	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>2005-06</td> <td>47.7</td> </tr> <tr> <td>2006-07</td> <td>33.7</td> </tr> <tr> <td>2007-08</td> <td>33.7</td> </tr> </tbody> </table>			Fiscal Year	Tonnage	2005-06	47.7	2006-07	33.7	2007-08	33.7
Fiscal Year	Tonnage										
2005-06	47.7										
2006-07	33.7										
2007-08	33.7										
Objectives / Performance Measures	FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>								
<u>Effectiveness</u>											
1. Tonnage Collected From Neighborhood Sweeps Clean-Up Campaigns Annually	47.7	33.7	33.7								
<u>Efficiency</u>											
1. Average Number of Code Violations per Code Enforcement Officer/Inspector	3,253	3,553	3,753								
<u>Workload</u>											
1. Citizen Requests for Assistance with Neighborhood Concerns and/or Code Violations	5,788	5,988	6,188								
2. Neighborhood Meetings to Provide an Open Forum to Voice Neighborhood Concerns	36	40	40								
3. Citizen Education/Information Literature Provided	121,768	120,000	120,000								
4. Contacts Made with Internal and External Resources to Assist in Addressing Concerns	82	85	85								
5. Number of External Agencies Providing Assistance During Clean-Up Campaigns	73	75	75								

SOLID WASTE – NEIGHBORHOOD DEVELOPMENT SERVICES

Expenditures by Classification

	<u>2005-06</u> <u>Actual</u>	<u>2006-07</u> <u>Estimated</u>	<u>2006-07</u> <u>Budget</u>	<u>2007-08</u> <u>Budget</u>
Personal Services	\$62,926	\$66,097	\$66,097	\$69,967
Supplies	2,435	154	0	528
Services	5,451	10,638	9,638	6,933
Maintenance	0	0	0	2,250
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$70,812	\$76,889	\$75,735	\$79,678

Personnel by Job Title

	<u>2005-06</u> <u>Fiscal Year</u>	<u>2006-07</u> <u>Fiscal Year</u>	<u>2007-08</u> <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	6	7
Director of Community Development *	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	9	10	11
Funding Sources:			
General Fund *	4	5	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	9	10	11
The Supervisor position is funded ½ by CDBG and ½ by Solid Waste			

SOLID WASTE FUND

Non-Departmental Expenditures

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	34,169	0	0	0
Maintenance	0	0	0	0
Capital Outlay	872	0	0	0
Other	<u>805,263</u>	<u>801,628</u>	<u>801,628</u>	<u>822,744</u>
Total Expenditures	\$840,304	\$801,628	\$801,628	\$822,744

Outside Agencies

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Keep Odessa Beautiful	<u>\$82,375</u>	<u>\$118,825</u>	<u>\$118,825</u>	<u>\$109,000</u>
Total Expenditures	\$82,375	\$118,825	\$118,825	\$109,000

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Equipment Service Fund
Overview

EQUIPMENT SERVICE FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$1,726,597	\$1,349,426	\$1,631,944	\$785,336
CURRENT REVENUES				
Rental Revenue	\$6,309,686	\$7,724,080	\$7,723,857	\$8,124,938
Interest Income	134,128	150,000	110,000	120,000
Transfer In - General Fund	0	112,065	0	0
Fire Truck Reserve	0	0	0	579,748
Other Revenue	284,946	227,842	153,000	153,000
TOTAL CURRENT REVENUES	\$6,728,760	\$8,213,987	\$7,986,857	\$8,977,686
TOTAL FINANCING SOURCES	\$8,455,357	\$9,563,413	\$9,618,801	\$9,763,022
EXPENDITURES				
Personal Services	\$1,128,821	\$1,218,812	\$1,218,812	\$1,260,973
Supplies	1,661,362	1,901,548	1,893,600	1,939,300
Services	490,877	528,090	522,893	535,191
Maintenance	1,103,325	1,350,932	1,245,640	1,340,705
Capital Outlay	16,677	15,409	15,409	17,854
Lease Payment	288,611	288,603	288,603	799,987
GF Administrative Fee	323,338	331,573	331,573	351,367
Total Operating Expenditures	\$5,013,011	\$5,634,967	\$5,516,530	\$6,245,377
Equipment Replacement	2,092,920	3,143,110	2,877,500	2,969,606
TOTAL EXPENDITURES	\$7,105,931	\$8,778,077	\$8,394,030	\$9,214,983
ENDING FUND BALANCE	\$1,349,426	\$785,336	\$1,224,771	\$548,039

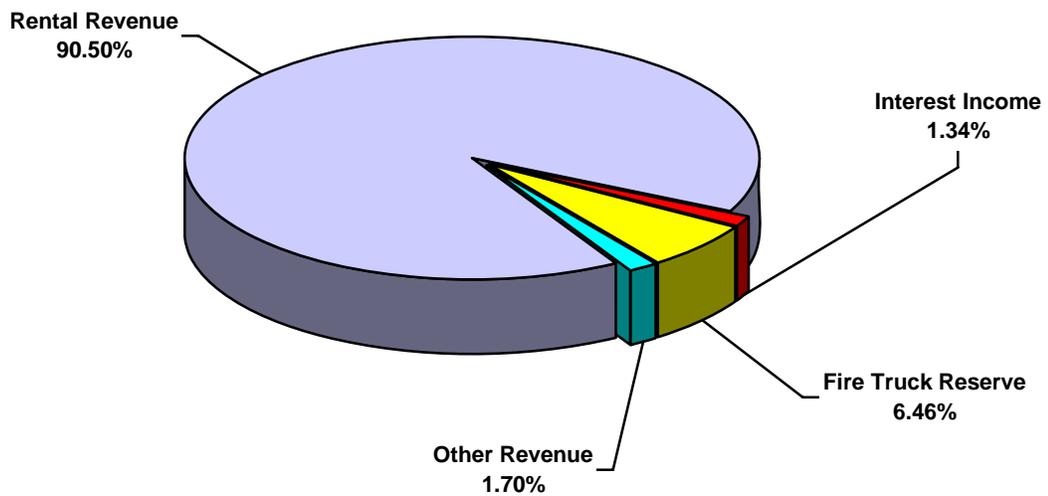
EQUIPMENT SERVICE FUND

OVERVIEW

Revenues

	<u>2005-06 Actual</u>	<u>2006-07 Estimated</u>	<u>2006-07 Budget</u>	<u>2007-08 Budget</u>
Rental Revenue	\$6,309,686	\$7,724,080	\$7,723,857	\$8,124,938
Interest Income	134,128	150,000	110,000	120,000
Transfer In	0	112,065	0	0
Fire Truck Reserve	0	0	0	579,748
Other Revenue	284,946	227,842	153,000	153,000
Total Revenue	<u><u>\$6,728,760</u></u>	<u><u>\$8,213,987</u></u>	<u><u>\$7,986,857</u></u>	<u><u>\$8,977,686</u></u>

EQUIPMENT SERVICE FUND 2007-08 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 2007-08, the Equipment Service Fund total revenue will increase by \$990,829 over the previous year. The following is a comparative summary of revenues by source of the Equipment Service Fund.

<u>Source</u>	2007-08 Budget		Increase / (Decrease) from 2006-07 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Rental Revenue	\$8,124,938	90.50%	\$401,081	5.19%
Interest Income	120,000	1.34%	10,000	9.09%
Fire Truck Reserve	579,748	6.46%	579,748	n/a
Other Revenue	<u>153,000</u>	<u>1.70%</u>	<u>0</u>	<u>0.00%</u>
TOTAL	\$8,977,686	100.00%	\$990,829	12.41%

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 \$548,039 for fiscal year 2007-08.

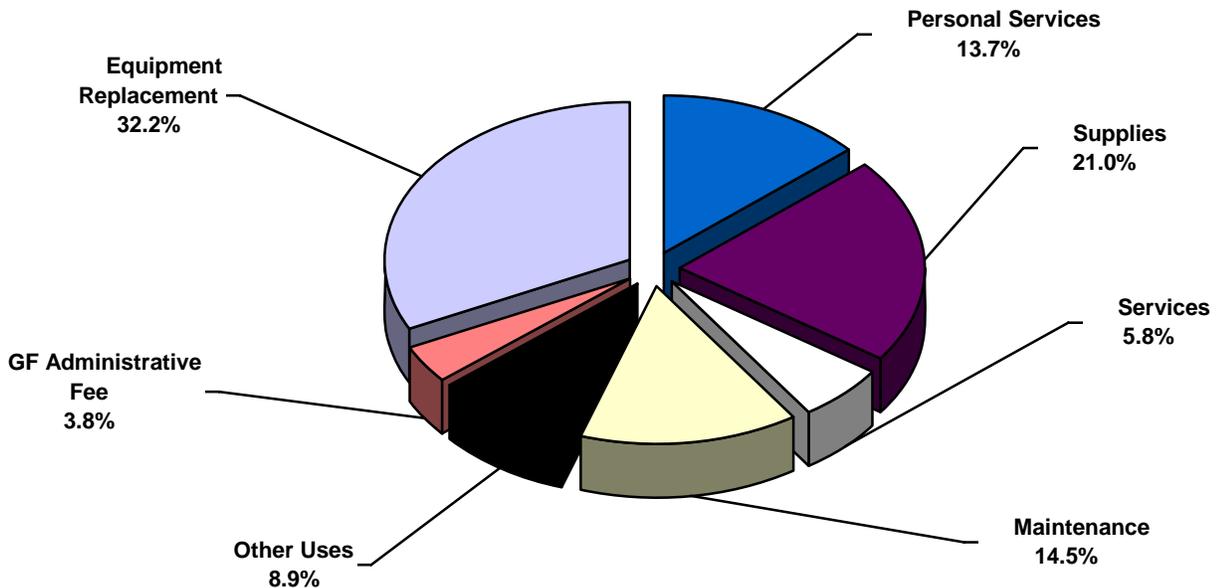
EQUIPMENT SERVICE FUND

OVERVIEW

Expenditures By Classification

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
Personal Services	\$1,128,821	\$1,218,812	\$1,218,812	\$1,260,973
Supplies	1,661,362	1,901,548	1,893,600	1,939,300
Services	490,877	528,090	522,893	535,191
Maintenance	1,103,325	1,350,932	1,245,640	1,340,705
Capital Outlay	16,677	15,409	15,409	17,854
Lease Payment	288,611	288,603	288,603	799,987
GF Administrative Fee	323,338	331,573	331,573	351,367
Equipment Replacement	2,092,920	3,143,110	2,877,500	2,969,606
Total Expenditures	\$7,105,931	\$8,778,077	\$8,394,030	\$9,214,983

EQUIPMENT SERVICE FUND 2007-08 EXPENDITURES BY CLASSIFICATION



EQUIPMENT SERVICE FUND

OVERVIEW

Expenditures

The operating expenditures for the 2007-08 fiscal year are expected to increase by \$728,847 over the 2006-07 budgeted operating expenditures. The overall budget, including Equipment Replacement, for this fund will increase a total of \$820,953, or 9.78%. The following is a comparative summary of expenditures by classification.

<u>Classification</u>	<u>2007-08 Budget</u>		<u>Increase/(Decrease) From 2006-07 Budget</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$1,260,973	13.68%	\$42,161	3.46%
Supplies	1,939,300	21.05%	45,700	2.41%
Services	535,191	5.81%	12,298	2.35%
Maintenance	1,340,705	14.55%	95,065	7.63%
Capital Outlay	17,854	0.19%	2,445	15.87%
Other Requirements	<u>1,151,354</u>	<u>12.49%</u>	<u>531,178</u>	<u>85.65%</u>
Total Operating	\$6,245,377	67.77%	\$728,847	13.21%
Equipment Replacement	<u>2,969,606</u>	<u>32.23%</u>	<u>92,106</u>	<u>3.20%</u>
TOTAL	\$9,214,983	100.00%	\$820,953	9.78%

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 \$42,161, or 3.46%, over last year's numbers.

Expenditures have increased in both the Supplies and Services categories. Rising fuel costs are entirely responsible for the \$45,700 increase in Supplies, while the \$12,298 increase in Services is primarily due to higher electricity prices.

Maintenance expenditures have increased by 7.63% compared to last year's budget in order to keep pace with the cost of maintaining the 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 Capital Outlay budget reflects a \$2,445 increase over last year's budget. The additional funds will be used to purchase equipment for the Communications Division.

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 2007-08, the budget for Other Requirements has risen by \$531,178, or 85.65%. The majority of this increase is due to an increase in lease payments.

Equipment Replacement has increased \$92,106, or 3.20%, compared to the 2006-07 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 2006-07, estimated ending fund balance decreased by \$564,090 from the 2005-06 audited ending fund balance of \$1,349,426. This decrease, or use of fund balance, was approved in the 2006-07 budget process to aid in funding mobile video equipment for police patrol cars as an addition to the Equipment Replacement Schedule. The 2007-08 budget is appropriated with projected revenues (\$8,977,686) using \$237,297 of available fund balance to aid in the final balloon payment for a fire equipment lease contract. 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 2007-08 ending fund balance for the Equipment Services Fund is expected to be \$548,039.

EQUIPMENT SERVICE FUND

CAPITAL OUTLAY

Fund & Department/Division	Item	Item Total	Total
Equipment Service Fund			
Equipment Replacement	Police Sedan (23)	644,000	
	½ Ton Regular Cab Pickup (3)	63,000	
	½ Ton Extended Cab Pickup (1)	26,000	
	¾ Ton Regular Cab Pickup (3)	66,000	
	¾ Ton Extended Cab Pickup (6)	168,000	
	Police SUV (6)	228,000	
	Medium Duty Truck (5)	325,000	
	1-Ton Crew Cab Stake Bed (2)	60,000	
	Utility Tractor (1)	26,000	
	Backhoes, Buy-Back (2)	160,000	
	Backhoe Trailers (2)	40,000	
	Prisoner Seats (13)	10,400	
	Prisoner Cages (13)	10,400	
	Police Consoles (36)	28,800	
	K-9 Cages (6)	24,000	
	Animal Cages (6)	31,800	
	Gun Racks (6)	2,400	
	LED Light Bars/Siren, Red/Blue (59)	59,500	
	LED Light Bars, Amber/Clear (14)	35,000	
	Dump Bodies (4)	72,000	
	Utility Body (1)	22,000	
	Stake Bed (2)	28,000	
	Air Compressor (2)	5,600	
	Lift Gate (2)	6,000	
	Automated Vehicle Locator (1)	120,000	
	Laptop (58)	336,400	
	Greensmaster 3250-D (1)	40,156	
	Reelmaster 3100-D (1)	24,871	
	Multi-Pro Spray Rig (1)	24,486	
	Lely Spreader (1)	9,344	
	Light Duty Tractor (1)	30,000	
	Core Harvester (1)	5,254	
	Range Ball Picker (5 Gang Unit)	2,995	
	Police – Misc. Machinery/Equipment	184,200	
	Bunker Gear	50,000	
	Subtotal Equipment Replacement		<u>\$2,969,606</u>
Communications	Machinery & Other Equipment	17,854	
	Subtotal Communications		<u>17,854</u>
			<u>_____</u>
	TOTAL CAPITAL OUTLAY – EQUIPMENT SERVICE FUND		<u>\$2,987,460</u>

CITY OF ODESSA

FY 2007-08

ADOPTED BUDGET

Equipment Service Fund
Detail by Department/Division

EQUIPMENT SERVICE FUND

DEPARTMENTS/DIVISIONS

**Equipment Services
Communications
Equipment Replacement**

EQUIPMENT SERVICES

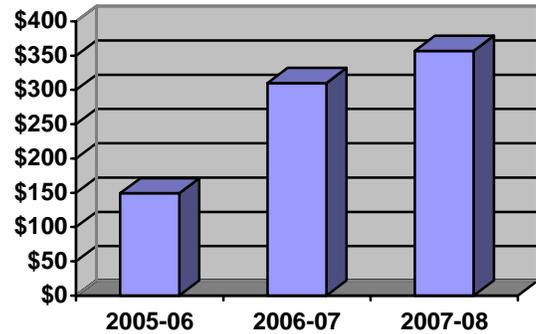
Mission

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./(Service)

Average Fleet Maintenance Expenditure per Work Order



Objectives / Performance Measures

	FY 2005-06	FY 2006-07	FY 2007-08
	<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)	\$1,900	\$2,717	\$3,124
a. Solid Waste (Refuse Trucks)	\$11,837	\$14,775	\$16,992
b. Fire (Fire Trucks, Ambulances)	\$5,600	\$6,469	\$7,439
c. Police (Marked Police Units Only)	\$3,502	\$2,470	\$2,841
d. Light Vehicles	\$843	\$913	\$1,050
2. Maintenance Expenditure per Work Order	\$108	\$102	\$117
a. Solid Waste	\$160	\$1,057	\$1,216
b. Fire	\$152	\$58	\$67
c. Police	\$240	\$245	\$282
d. Light Vehicles	\$86	\$89	\$102
3. Preventative Maintenance Cost per Vehicle	\$505	\$423	\$486
a. Solid Waste	\$2,630	\$2,345	\$2,697
b. Fire	\$2,193	\$750	\$863
c. Police	\$453	\$878	\$1,010
d. Light Vehicles	\$273	\$381	\$438
4. Preventative Maintenance Cost per Work Order	\$112	\$27	\$31
a. Solid Waste	\$205	\$184	\$212
b. Fire	\$248	\$23	\$26
c. Police	\$58	\$50	\$58
d. Light Vehicles	\$64	\$56	\$64

EQUIPMENT SERVICES

Expenditures by Classification

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$1,063,545	\$1,148,539	\$1,148,539	\$1,187,091
Supplies	1,650,044	1,884,120	1,876,600	1,922,300
Services	417,172	430,208	429,934	439,368
Maintenance	1,067,289	1,307,209	1,207,980	1,305,490
Capital Outlay	7,285	0	0	0
Lease Payments	288,611	288,603	288,603	799,987
Other Requirements	<u>323,338</u>	<u>331,573</u>	<u>331,573</u>	<u>351,367</u>
Total Expenditures	\$4,817,284	\$5,390,252	\$5,283,229	\$6,005,603

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <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.			

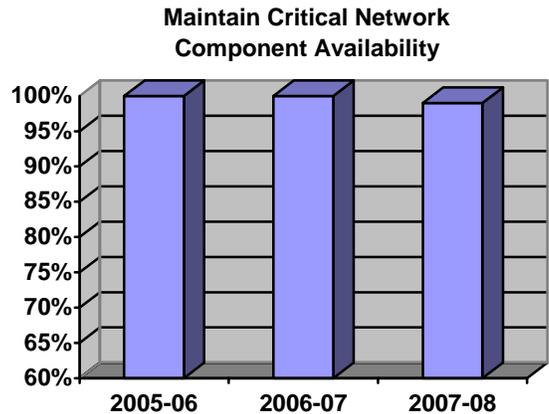
COMMUNICATIONS

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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <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

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$65,276	\$70,273	\$70,273	\$73,882
Supplies	11,318	17,428	17,000	17,000
Services	73,705	97,882	92,959	95,823
Maintenance	36,036	43,723	37,660	35,215
Capital Outlay	<u>9,392</u>	<u>15,409</u>	<u>15,409</u>	<u>17,854</u>
Total Expenditures	\$195,727	\$244,715	\$233,301	\$239,774

Personnel by Job Title

	2005-06 <u>Fiscal Year</u>	2006-07 <u>Fiscal Year</u>	2007-08 <u>Fiscal Year</u>
Senior Administrative Assistant *	1	1	1
Communications Technician	<u>1</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	<u>2</u>	<u>2</u>	<u>2</u>
* 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

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	39,580	40,030	40,000	0
Capital Outlay	2,053,340	3,103,080	2,837,500	2,969,606
Other Requirements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$2,092,920	\$3,143,110	\$2,877,500	\$2,969,606

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Risk Management Fund
Overview

RISK MANAGEMENT FUND

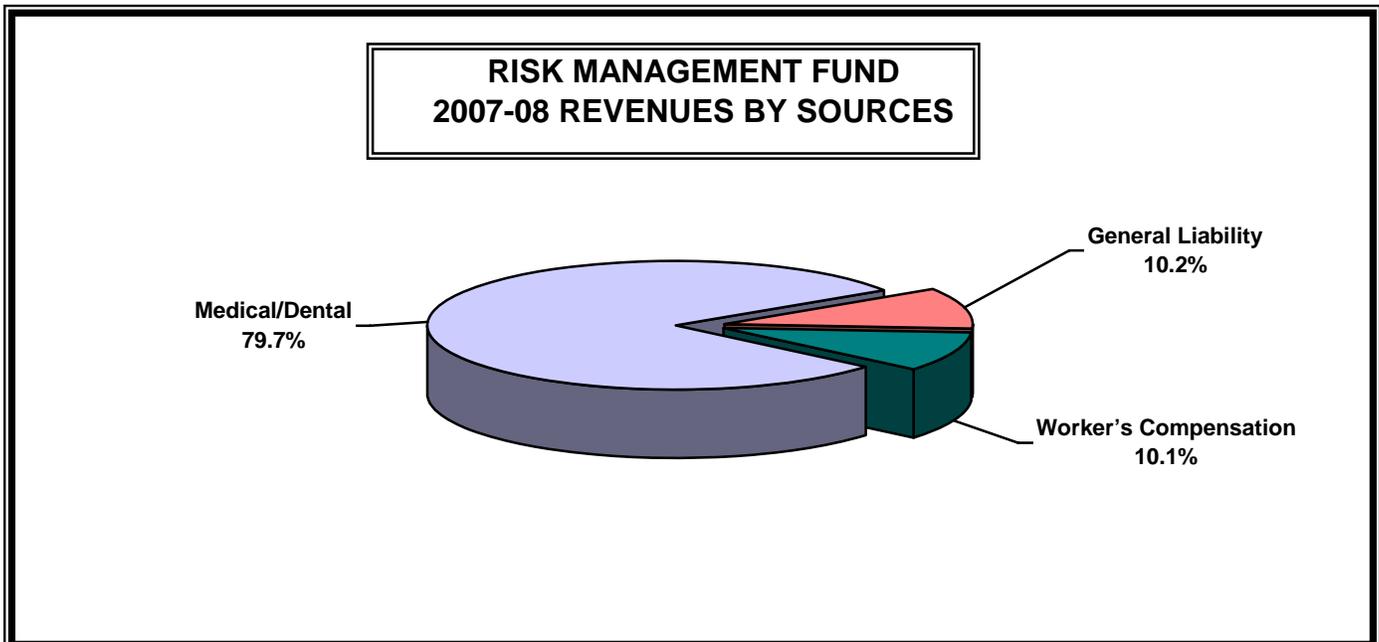
OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	(\$1,965,604)	(\$1,969,002)	(\$2,155,895)	(\$2,037,085)
CURRENT REVENUES				
Medical/Dental	\$5,935,252	\$6,441,417	\$6,610,148	\$7,020,575
General Liability	890,156	890,000	890,000	890,000
Workers' Compensation	875,920	880,000	795,000	885,542
Insurance Claim Recovery	284,229	79,300	44,300	44,300
TOTAL CURRENT REVENUES	\$7,985,557	\$8,290,717	\$8,339,448	\$8,840,417
TOTAL FINANCING SOURCES	\$6,019,953	\$6,321,715	\$6,183,553	\$6,803,332
EXPENDITURES				
Administration	\$311,335	\$304,001	\$302,432	\$317,484
Benefits	917,426	1,059,885	1,057,861	1,069,089
Medical/Dental Claims	4,361,055	4,664,441	4,664,441	4,989,859
General Liability	825,745	849,472	849,472	849,472
Workers' Compensation	758,675	657,220	657,220	657,220
Health and Wellness	232,487	212,054	196,493	202,064
Clinical Services	355,918	370,600	370,402	384,179
GF Administrative Fee	226,314	241,127	241,127	290,838
TOTAL EXPENDITURES	\$7,988,955	\$8,358,800	\$8,339,448	\$8,760,205
ENDING FUND BALANCE	(\$1,969,002)	(\$2,037,085)	(\$2,155,895)	(\$1,956,873)

RISK MANAGEMENT FUND

OVERVIEW

Revenues	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
Medical/Dental				
Insurance Claim Recovery	\$231,117	\$60,000	\$25,000	25,000
Self Funding Insurance	5,861,212	6,365,217	6,525,148	6,944,375
Life Insurance	74,040	76,200	85,000	76,200
Interest Income	0	0	0	0
Other	0	0	0	0
Subtotal Revenue	<u>\$6,166,369</u>	<u>\$6,501,417</u>	<u>\$6,635,148</u>	<u>\$7,045,575</u>
General Liability				
Self Funding Insurance	\$890,156	\$890,000	\$890,000	\$890,000
Auto Claim Recovery	3,701	4,000	4,000	4,000
G/L Claim Recovery	5,580	5,300	5,300	5,300
Property Insurance Recovery	18,830	0	0	0
Interest Income	0	0	0	0
Subtotal Revenue	<u>\$918,267</u>	<u>\$899,300</u>	<u>\$899,300</u>	<u>\$899,300</u>
Worker's Compensation				
Self Funding Insurance	\$875,920	\$880,000	\$795,000	\$885,542
WC Claim Recovery	25,001	10,000	10,000	10,000
Interest Income	0	0	0	0
Subtotal Revenue	<u>\$900,921</u>	<u>\$890,000</u>	<u>\$805,000</u>	<u>\$895,542</u>
Total Revenue	<u><u>\$7,985,557</u></u>	<u><u>\$8,290,717</u></u>	<u><u>\$8,339,448</u></u>	<u><u>\$8,840,417</u></u>



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 its internal service fund, the Risk Management Fund. The fund services 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 \$250,000 are covered through private insurance carriers. For the first time, in 1997-98, the City carried 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 \$7,045,575, or 79.70% of total revenue for the entire fund. This revenue is obtained through internal service deductions to all applicable funds employing full-time personnel (84.68%), dependent coverage premiums collected through payroll deduction (5.01%), where applicable, and retiree premium collections (10.31%). 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 2007-08, medical/dental rates increased 5% 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>	2007-08 Budget		Increase/(Decrease) from 2006-07 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Medical/Dental	\$7,045,575	79.70%	\$410,427	6.19%
General Liability	899,300	10.17%	0	0.00%
Workers' Compensation	<u>895,542</u>	<u>10.13%</u>	<u>90,542</u>	<u>11.25%</u>
TOTAL	\$8,840,417	100.00%	\$500,969	6.01%

The 2007-08 budgeted revenues total \$8,840,417, an increase of 6.01% over the 2006-07 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.

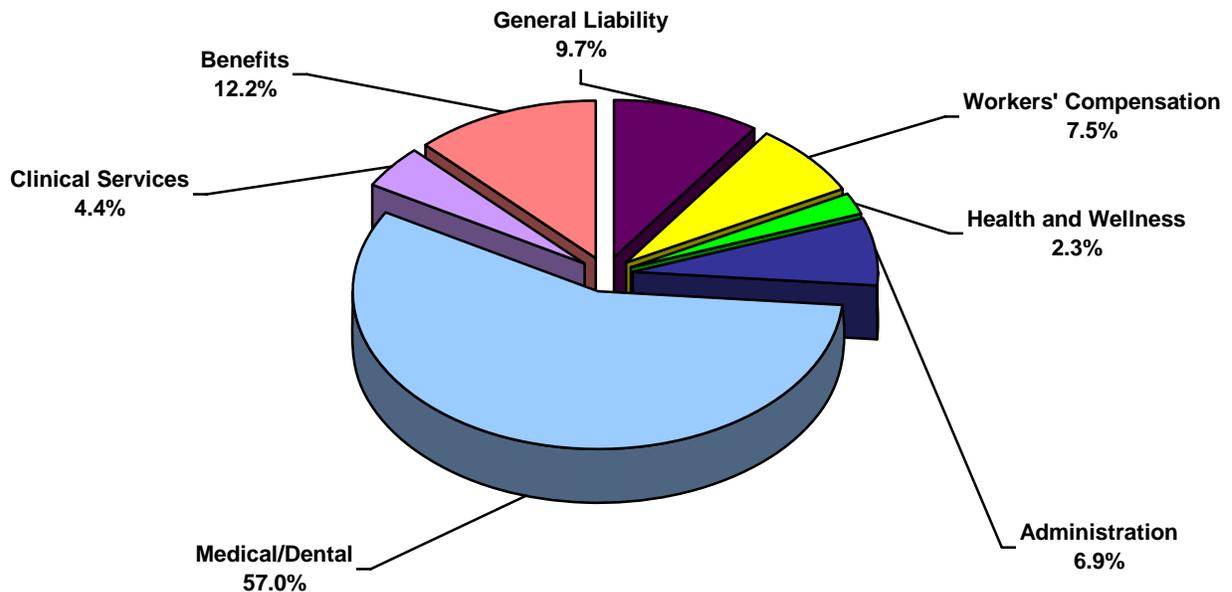
RISK MANAGEMENT FUND

OVERVIEW

Expenditures By Classification

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
Administration	\$311,335	\$304,001	\$302,432	\$317,484
Benefits	917,426	1,059,885	1,057,861	1,069,089
Medical/Dental Claims	4,361,055	4,664,441	4,664,441	4,989,859
General Liability	825,745	849,472	849,472	849,472
Worker's Compensation	758,675	657,220	657,220	657,220
Health and Wellness	232,487	212,054	196,493	202,064
Clinical Services	355,918	370,600	370,402	384,179
GF Administrative Fee	226,314	241,127	241,127	290,838
Total Expenditures	\$7,988,955	\$8,358,800	\$8,339,448	\$8,760,205

RISK MANAGEMENT FUND 2007-08 EXPENDITURES BY CLASSIFICATION



RISK MANAGEMENT FUND

OVERVIEW

Expenditures

The total projected expenditures for the 2007-08 fiscal year are anticipated to increase \$420,757, or 5.05%, over the 2006-07 operating expenditures budgeted. The following is a comparative summary of expenditures by classification.

<u>Classification</u>	2007-08 Budget		Increase/(Decrease) From 2006-07 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Administration	\$317,484	3.62%	\$15,052	4.98%
Benefits	1,069,089	12.20%	11,228	1.06%
Medical/Dental Claims	4,989,859	56.96%	325,418	6.98%
General Liability	849,472	9.70%	0	0.00%
Workers' Compensation	657,220	7.50%	0	0.00%
Health & Wellness	202,064	2.31%	5,571	2.84%
Clinical Services	384,179	4.39%	13,777	3.72%
Other Requirements	<u>290,838</u>	<u>3.32%</u>	<u>49,711</u>	<u>20.62%</u>
TOTAL	\$8,760,205	100.00%	\$420,757	5.05%

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 Medical/Dental Claims. The Medical/Dental Claims increase of \$325,418 represents 77.34% of the overall increase in the fund's budget.

Budgetary increases for Administration, Benefits, the Health and Wellness Division, and the Health Clinic collectively make up 10.84% of the overall increase in fund expenditures. These budgets have been adjusted upward in order to cover the cost of the new employee compensation package.

The additional \$49,711 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 11.81% of the total fund increase.

Two divisions did not realize budgetary increases in 2007-08. The General Liability and Workers' Compensation budgets will remain at the same funding level as last year.

RISK MANAGEMENT FUND

OVERVIEW

Expenditures (cont'd.)

Fund Balance

In 2006-07, estimated ending fund balance decreased to a negative \$2,037,085 from the 2005-06 audited negative fund balance of \$1,969,002. This deficit fund balance position is due to rising costs in the area of Medical/Dental Claims, which have continued to increase over the last several years. The 2007-08 budget process shows a new reversal of 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 escalation in health care occurring nationwide. Repayment of the 2007-08 projected ending fund balance deficit (\$1,956,873) 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	<u>10,000</u>	
	Subtotal Clinical Services		10,000
TOTAL CAPITAL OUTLAY – RISK MANAGEMENT FUND			<u>\$13,500</u>

CITY OF ODESSA

FY 2007-08

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

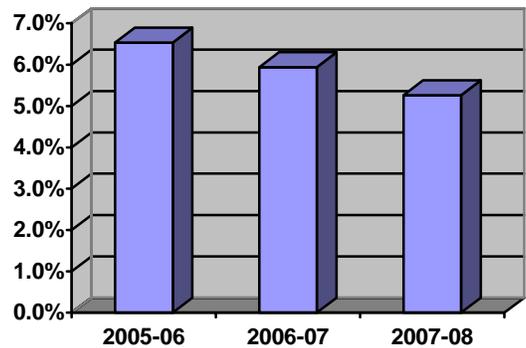
Mission

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	FY 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
<u>Effectiveness</u>			
1. Percentage of Risk Management Expenditures to Total City Budget	6.53%	5.94%	5.26%
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	343	288	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	\$2,703	\$1,768	\$1,593

RISK MANAGEMENT

Expenditures by Classification (Administration)

	<u>2005-06</u> <u>Actual</u>	<u>2006-07</u> <u>Estimated</u>	<u>2006-07</u> <u>Budget</u>	<u>2007-08</u> <u>Budget</u>
Personal Services	\$260,955	\$250,404	\$250,404	\$265,184
Supplies	28,631	28,369	26,800	26,800
Services	20,852	24,728	24,728	25,000
Maintenance	877	500	500	500
Capital Outlay	20	0	0	0
Lease Payment	0	0	0	0
GF Administrative Fee Transfer	<u>226,314</u>	<u>241,127</u>	<u>241,127</u>	<u>290,838</u>
Total Expenditures	\$537,649	\$545,128	\$543,559	\$608,322

Personnel by Job Title

	<u>2005-06</u> <u>Fiscal Year</u>	<u>2006-07</u> <u>Fiscal Year</u>	<u>2007-08</u> <u>Fiscal Year</u>
Director of Risk Management	1	1	1
Coordinator VIII	1	0	0
Coordinator V	0	0	0
Coordinator VI	1	0	0
Supervisor VII	2	0	0
Claims Processor	2	2	2
Customer Service Representative	2	0	0
Health & Wellness Coordinator	1	1	1
Director of Employee Health Services	1	1	1
Nurse	1	0	0
Medical Assistant	2	3	3
Benefits Supervisor	0	1	1
Benefits Coordinator	0	1	1
Benefits Customer Service Representative	0	1	1
Safety Coordinator	0	1	1
Claims Coordinator	0	1	1
Fitness Coordinator	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	14	14	14

RISK MANAGEMENT FUND

Benefits/Medical & Dental Claims

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$178,536	\$218,099	\$218,099	\$228,297
Supplies	17,440	20,982	20,882	20,882
Services	9,231	16,380	16,380	16,510
Maintenance	0	4,000	4,000	4,000
Capital Outlay	0	0	0	0
Insurance Requirements	5,073,274	5,464,865	5,462,941	5,789,259
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$5,278,481	\$5,724,326	\$5,722,302	\$6,058,948

Health and Wellness

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$71,943	\$97,273	\$97,273	\$102,201
Supplies	28,582	55,757	52,330	39,330
Services	41,742	18,190	18,190	31,833
Maintenance	92	25,200	25,200	25,200
Capital Outlay	<u>90,128</u>	<u>15,634</u>	<u>3,500</u>	<u>3,500</u>
Total Expenditures	\$232,487	\$212,054	\$196,493	\$202,064

RISK MANAGEMENT FUND

General Liability Expenditures

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <u>Budget</u>
Personal Services	\$5,514	\$10,404	\$10,404	\$10,404
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	0	0	0	0
Capital Outlay	0	0	0	0
Insurance Requirements	<u>820,231</u>	<u>839,068</u>	<u>839,068</u>	<u>839,068</u>
Total Expenditures	\$825,745	\$849,472	\$849,472	\$849,472

Workers' Compensation Expenditures

	2005-06 <u>Actual</u>	2006-07 <u>Estimated</u>	2006-07 <u>Budget</u>	2007-08 <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>758,675</u>	<u>657,220</u>	<u>657,220</u>	<u>657,220</u>
Total Expenditures	\$758,675	\$657,220	\$657,220	\$657,220

RISK MANAGEMENT FUND

Clinical Services

	<u>2005-06</u> <u>Actual</u>	<u>2006-07</u> <u>Estimated</u>	<u>2006-07</u> <u>Budget</u>	<u>2007-08</u> <u>Budget</u>
Personal Services	\$215,909	\$217,058	\$217,058	\$229,981
Supplies	122,848	106,388	106,190	113,690
Services	11,270	29,654	29,654	28,008
Maintenance	240	2,500	2,500	2,500
Capital Outlay	<u>5,651</u>	<u>15,000</u>	<u>15,000</u>	<u>10,000</u>
Total Expenditures	\$355,918	\$370,600	\$370,402	\$384,179

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Debt Service Fund
Overview

DEBT SERVICE FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$244,716	\$311,979	\$279,952	\$355,379
CURRENT REVENUES				
Ad Valorem Tax Revenue	\$2,060,681	\$2,091,795	\$2,091,795	\$2,633,559
Interest Income	53,710	46,000	20,000	25,000
TOTAL CURRENT REVENUES	\$2,114,391	\$2,137,795	\$2,111,795	\$2,658,559
TOTAL FINANCING SOURCES	\$2,359,107	\$2,449,774	\$2,391,747	\$3,013,938
EXPENDITURES				
1998 Certificates of Obligation	392,855	392,355	392,355	391,355
2000 Certificates of Obligation	713,284	713,484	713,484	414,255
2001 Certificates of Obligation	224,063	223,420	223,420	222,473
2004 Certificates of Obligation	370,510	379,341	379,341	294,879
2005 Certificates of Obligation	344,608	383,195	383,195	253,098
2006 Certificates of Obligation	0	0	0	782,099
2006 Refunding Issue	0	0	0	275,400
Bank Service Charges	1,808	2,600	2,600	4,200
TOTAL EXPENDITURES	\$2,047,128	\$2,094,395	\$2,094,395	\$2,637,759
ENDING FUND BALANCE	\$311,979	\$355,379	\$297,352	\$376,179

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 \$70,298,331 in Certificates of Obligation, Series 2007. Proceeds will be used to fund Water/Sewer systems improvements, the development of a 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 September 1992, the City refunded all its outstanding revenue bonds to remove restrictive covenants in the City's bond indenture (Series 1992A and 1992B). Additionally, \$42,780,558 in revenue bonds were issued in December 1992 to upgrade/expand the Water Reclamation Plant.

The increased debt service has required a series of yearly rate increases on both water and sewer services. In July 1992, the City developed a long-term financial plan for the Water/Sewer Enterprise Fund. Part of the plan called for restructuring the City's water rates. The original financial plan, along with periodic updates, also identified the rate increase that would be necessary to provide sufficient net revenues to meet the debt coverage requirement outlined in the City's bond indenture.

In 2001, the City refunded and restructured all its 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.

The debt service requirement for 2006-07 is \$4,607,800, a \$1,250 increase over last year's number. This year's debt service requirement represents 13.7% of the operating budget of the Water and Sewer Enterprise 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.

GENERAL DEBT SERVICE FUND

GENERAL DEBT SERVICE FUND 2007-08

CITY OF ODESSA COMBINED SCHEDULE OF GENERAL DEBT SERVICE SEPTEMBER 30, 2007

	SERIES 1998 CERTIFICATES OF OBLIGATION			SERIES 2000 CERTIFICATES OF OBLIGATION		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2008	225,000	166,355	391,355	360,000	54,255	414,255
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>\$3,660,000</u>	<u>\$1,146,271</u>	<u>\$4,806,271</u>	<u>\$1,145,000</u>	<u>\$96,638</u>	<u>\$1,241,638</u>

GENERAL DEBT SERVICE FUND

GENERAL DEBT SERVICE FUND 2007-08

CITY OF ODESSA COMBINED SCHEDULE OF GENERAL DEBT SERVICE SEPTEMBER 30, 2007

	SERIES 2001 CERTIFICATES OF OBLIGATION			SERIES 2004 CERTIFICATES OF OBLIGATION		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2008	100,000	122,473	222,473	45,000	249,879	294,879
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>\$2,365,000</u>	<u>\$1,072,890</u>	<u>\$3,437,890</u>	<u>\$5,520,000</u>	<u>\$3,160,578</u>	<u>\$8,680,578</u>

GENERAL DEBT SERVICE FUND

GENERAL DEBT SERVICE FUND 2007-08

CITY OF ODESSA COMBINED SCHEDULE OF GENERAL DEBT SERVICE SEPTEMBER 30, 2007

	SERIES 2005			SERIES 2006		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2008	35,000	218,098	253,098	330,000	452,099	782,099
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>\$5,160,000</u>	<u>\$2,682,960</u>	<u>\$7,842,960</u>	<u>\$9,895,000</u>	<u>\$4,897,121</u>	<u>\$14,792,121</u>

GENERAL DEBT SERVICE FUND

GENERAL DEBT SERVICE FUND 2007-08

CITY OF ODESSA COMBINED SCHEDULE OF GENERAL DEBT SERVICE SEPTEMBER 30, 2007

	SERIES 2006 REFUNDING ISSUE			TOTAL		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2008	40,000	235,400	275,400	1,135,000	1,498,559	2,633,559
2009	45,000	233,700	278,700	1,325,000	1,432,312	2,757,312
2010	45,000	231,900	276,900	1,340,000	1,363,211	2,703,211
2011	475,000	221,500	696,500	1,415,000	1,296,320	2,711,320
2012	495,000	202,100	697,100	1,500,000	1,228,068	2,728,068
2013	515,000	181,900	696,900	1,595,000	1,155,139	2,750,139
2014	540,000	160,800	700,800	1,680,000	1,081,569	2,761,569
2015	565,000	138,700	703,700	1,765,000	1,007,866	2,772,866
2016	595,000	115,500	710,500	1,955,000	928,185	2,883,185
2017	630,000	91,000	721,000	2,090,000	841,017	2,931,017
2018	655,000	65,300	720,300	2,365,000	744,516	3,109,516
2019	690,000	38,400	728,400	2,520,000	638,155	3,158,155
2020	615,000	12,300	627,300	2,385,000	531,104	2,916,104
2021	-	-	-	2,160,000	429,460	2,589,460
2022	-	-	-	1,990,000	335,554	2,325,554
2023	-	-	-	2,110,000	243,774	2,353,774
2024	-	-	-	2,200,000	146,204	2,346,204
2025	-	-	-	1,345,000	66,023	1,411,023
2026	-	-	-	775,000	17,922	792,922
	<u>\$5,905,000</u>	<u>\$1,928,500</u>	<u>\$7,833,500</u>	<u>\$33,650,000</u>	<u>\$14,984,958</u>	<u>\$48,634,958</u>

SCHEDULE OF REVENUE BOND REQUIREMENT

WATER AND SEWER DEBT 2007-08

CITY OF ODESSA COMBINED SCHEDULE OF REVENUE BOND REQUIREMENTS SEPTEMBER 30, 2007

	SERIES 2001			SERIES 2006		
	REFUNDING REVENUE BONDS			REFUNDING REVENUE BONDS		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2008	3,040,000	911,819	3,951,819	65,000	511,900	576,900
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>\$17,105,000</u>	<u>\$3,202,975</u>	<u>\$20,307,975</u>	<u>\$12,830,000</u>	<u>\$3,061,600</u>	<u>\$15,891,600</u>
---------------------	--------------------	---------------------	---------------------	--------------------	---------------------

SCHEDULE OF REVENUE BOND REQUIREMENT

WATER AND SEWER DEBT 2007-08

CITY OF ODESSA COMBINED SCHEDULE OF REVENUE BOND REQUIREMENTS SEPTEMBER 30, 2007

	TOTAL		
	PRINCIPAL	INTEREST	TOTAL
2008	3,105,000	1,423,719	4,528,719
2009	3,260,000	1,261,519	4,521,519
2010	3,435,000	1,091,081	4,526,081
2011	3,610,000	911,619	4,521,619
2012	3,870,000	656,419	4,526,419
2013	4,035,000	486,737	4,521,737
2014	4,220,000	309,369	4,529,369
2015	4,400,000	124,112	4,524,112

<u>\$29,935,000</u>	<u>\$6,264,575</u>	<u>\$36,199,575</u>
---------------------	--------------------	---------------------

2007-08 OUTSTANDING LEASE AGREEMENTS

CITY OF ODESSA, TEXAS SCHEDULE OF CAPITAL LEASE REQUIREMENTS

Year	Honeywell Lease Contract		
	Principal	Interest	Total
2007-08	148,348	9,723	158,071
2008-09	<u>115,851</u>	<u>2,705</u>	<u>118,556</u>
TOTAL	<u>\$ 264,199</u>	<u>\$ 12,428</u>	<u>\$ 276,627</u>

Year	Ambulance Lease Contract			Tiburon Lease Contract		
	Principal	Interest	Total	Principal	Interest	Total
2007-08	98,790	4,158	102,948	51,523	2,133	53,656
2008-09	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 98,790</u>	<u>\$ 4,158</u>	<u>\$ 102,948</u>	<u>\$ 51,523</u>	<u>\$ 2,133</u>	<u>\$ 53,656</u>

2007-08 OUTSTANDING LEASE AGREEMENTS

CITY OF ODESSA, TEXAS SCHEDULE OF CAPITAL LEASE REQUIREMENTS

Year	Printing Press Lease Contract			Fire Equipment Lease Contract		
	Principal	Interest	Total	Principal	Interest	Total
2007-08	11,781	238	12,019	657,368	38,719	696,087
2008-09	-	-	-	-	-	-
TOTAL	<u>\$ 11,781</u>	<u>\$ 238</u>	<u>\$ 12,019</u>	<u>\$ 657,368</u>	<u>\$ 38,719</u>	<u>\$ 696,087</u>

Year	Fire Truck Lease Contract			Total - All Lease Obligations		
	Principal	Interest	Total	Principal	Interest	Total
2007-08	376,537	158,214	534,751	1,344,347	213,185	1,557,532
2008-09	391,941	142,810	534,751	507,792	145,515	653,307
2009-10	407,976	126,775	534,751	407,976	126,775	534,751
2010-11	424,666	110,085	534,751	424,666	110,085	534,751
2011-12	442,039	92,712	534,751	442,039	92,712	534,751
2012-13	460,123	74,628	534,751	460,123	74,628	534,751
2013-14	478,947	55,804	534,751	478,947	55,804	534,751
2014-15	498,540	36,211	534,751	498,540	36,211	534,751
2015-16	518,935	15,815	534,750	518,935	15,815	534,750
TOTAL	<u>\$ 3,999,704</u>	<u>\$ 813,054</u>	<u>\$ 4,812,758</u>	<u>\$ 5,083,365</u>	<u>\$ 870,730</u>	<u>\$ 5,954,095</u>

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Community Development Fund
Overview

COMMUNITY DEVELOPMENT FUND

OVERVIEW

	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$0	\$0	\$0	\$0
CURRENT REVENUES				
Block Grant Funds (CDBG)	\$1,363,000	\$1,288,914	\$1,161,037	\$1,157,999
Unprogrammed Funds	107,547	62,942	194,254	70,760
HOME Grant Funds	516,433	495,597	465,651	461,478
TOTAL CURRENT REVENUES	\$1,986,980	\$1,847,453	\$1,820,942	\$1,690,237
TOTAL FINANCING SOURCES	\$1,986,980	\$1,847,453	\$1,820,942	\$1,690,237
EXPENDITURES				
Personal Services	\$482,961	\$486,775	\$429,275	\$436,001
Supplies	30,442	48,814	46,288	41,250
Services	115,001	132,344	146,714	134,382
Maintenance	300	300	500	8,000
Capital Outlay	1,500	3,500	6,410	8,500
Projects/Programs	1,356,776	1,175,720	1,191,755	1,062,104
TOTAL EXPENDITURES	\$1,986,980	\$1,847,453	\$1,820,942	\$1,690,237
ENDING FUND BALANCE	\$0	\$0	\$0	\$0

COMMUNITY DEVELOPMENT FUND

OVERVIEW

	2007-08 Budget
Beginning Fund Balance	\$0
Current Revenues	
Block Grant Funds (CDBG)	\$1,157,999
Unprogrammed Funds	70,760
HOME Grant Funds	461,478
Total Current Revenues	\$1,690,237
Total Financing Sources	
Expenditures:	
Program Administration	\$191,837
Housing Rehabilitation	355,244
Demolition Program	225,000
Neighborhood Development Services	196,079
HOME Program	461,478
Meals on Wheels	18,000
Odessa Affordable Housing	70,000
Odessa Links	8,000
Permian Basin Community Centers (MHMR)	67,429
Permian Basin Rehabilitation Center	13,000
Permian Basin Workforce Development Board	25,000
Regional Council on Alcohol & Drug Abuse	4,270
Vacant Lot Clearance Program	15,000
West TX Food Bank – Kids' Cafe Renovations	16,900
West TX Food Bank – Kids' Cafe Operating	23,000
Total Expenditures	\$1,690,237
Ending Fund Balance	\$0

COMMUNITY DEVELOPMENT FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
COMMUNITY DEVELOPMENT			
CD Administration	Furniture & Office Equipment	\$3,500	
	Machinery & Equipment	3,000	
	Data Processing Equipment	<u>2,000</u>	
	Subtotal CD Administration		\$8,500
TOTAL CAPITAL OUTLAY – COMMUNITY DEV. FUND			<u>\$8,500</u>

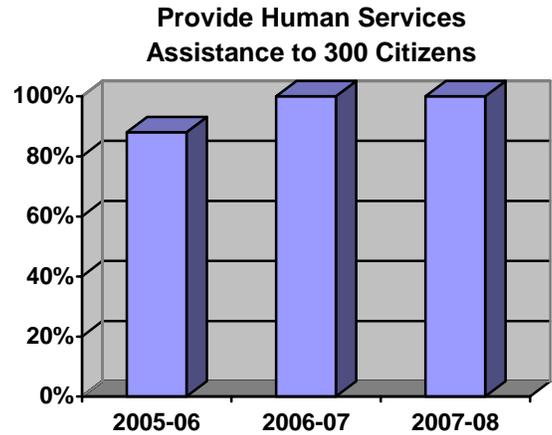
COMMUNITY DEVELOPMENT

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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
--	-------------------------------------	---------------------------------------	-------------------------------------

	275%	250%	150%
	450%	300%	100%
	225%	50%	100%
	88%	100%	100%

COMMUNITY DEVELOPMENT

Expenditures by Classification

	<u>2004-05</u> <u>Budget</u>	<u>2005-06</u> <u>Budget</u>	<u>2006-07</u> <u>Budget</u>	<u>2007-08</u> <u>Budget</u>
Personal Services	\$482,961	\$486,775	\$429,275	\$436,001
Supplies	30,442	48,814	46,288	41,250
Services	115,001	132,344	146,714	134,382
Maintenance	300	300	500	8,000
Capital Outlay	1,500	3,500	6,410	8,500
Projects/Programs	<u>1,356,776</u>	<u>1,175,720</u>	<u>1,191,755</u>	<u>1,062,104</u>
Total Expenditures	\$1,986,980	\$1,847,453	\$1,820,942	\$1,690,237

Personnel by Job Title

	<u>2005-06</u> <u>Fiscal Year</u>	<u>2006-07</u> <u>Fiscal Year</u>	<u>2007-08</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	2	1	1
Demolition Inspector	1	1	1
Housing Rehab Specialist	2	1	1
Code Enforcement Officer	3	3	3
Housing Construction Coordinator	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	12	11	11
Funding Sources:			
Community Development	10.5	8.5	8.5
HOME*	1	1	1
General Fund**	0	1	1
Solid Waste***	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Personnel	12	11	11

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Ratliff Ranch Golf Course Fund
Overview

RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	(\$9,936)	(\$61,842)	(\$81,252)	(\$958,840)
CURRENT REVENUES				
Green Fees	\$292,379	\$43,801	\$60,000	\$516,575
Pro Shop Sales	73,704	31,860	12,000	150,000
Range Tokens	12,368	2,516	2,800	20,000
Grill Rental	9,895	3,016	1,500	20,000
Carts	182,110	22,274	43,000	251,460
GF Transfer In	0	0	0	200,000
Other Revenue	14,168	0	0	22,000
TOTAL CURRENT REVENUES	\$584,624	\$103,467	\$119,300	\$1,180,035
TOTAL FINANCING SOURCES	\$574,688	\$41,625	\$38,048	\$221,195
EXPENDITURES				
Personal Services	\$265,155	\$403,952	\$403,952	\$488,913
Supplies	124,092	140,195	132,888	228,883
Services	178,750	396,944	392,728	429,383
Maintenance	59,665	54,872	54,772	54,772
Capital Outlay	8,868	0	0	0
Other	0	4,502	4,502	4,502
TOTAL EXPENDITURES	\$636,530	\$1,000,465	\$988,842	\$1,206,453
ENDING FUND BALANCE	(\$61,842)	(\$958,840)	(\$950,794)	(\$985,258)

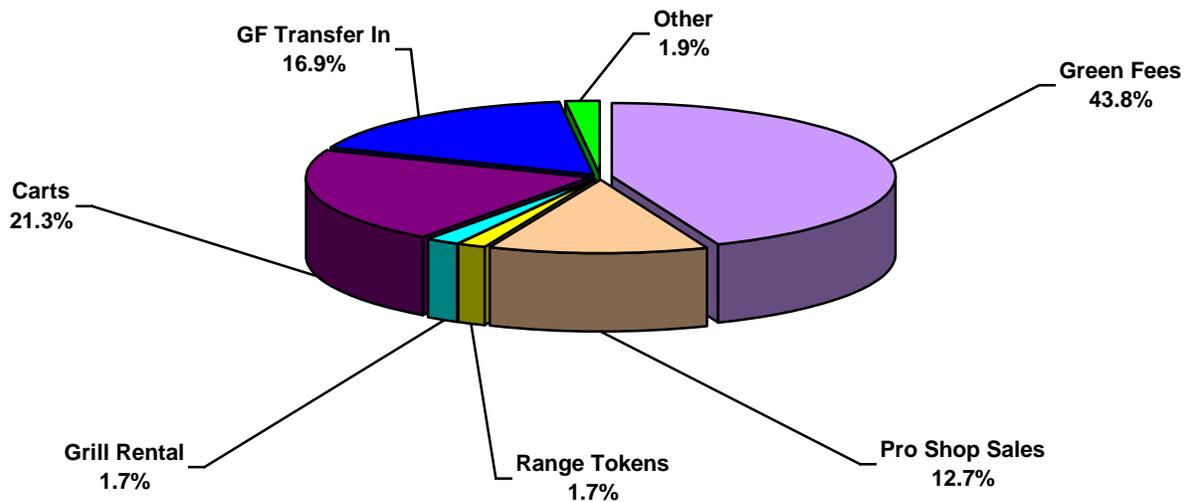
RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Revenues

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
Green Fees	\$292,379	\$43,801	\$60,000	\$516,575
Pro Shop Sales	73,704	31,860	12,000	150,000
Range Tokens	12,368	2,516	2,800	20,000
Grill Rental	9,895	3,016	1,500	20,000
Carts	182,110	22,274	43,000	251,460
GF Transfer In	0	0	0	200,000
Other Revenue	14,168	0	0	22,000
Total Revenue	\$584,624	\$103,467	\$119,300	\$1,180,035

**RATLIFF RANCH GOLF COURSE FUND
2007-08 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>	2007-08 Budget		Increase / (Decrease) from 2006-07 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Green Fees	\$516,575	43.78%	\$456,575	760.96%
Pro Shop Sales	150,000	12.71%	138,000	1150.00%
Range Tokens	20,000	1.69%	17,200	614.29%
Grill Rental	20,000	1.69%	18,500	1233.33%
Carts	251,460	21.31%	208,460	484.79%
GF Transfer In	200,000	16.95%	200,000	n/a
Other Revenue	<u>22,000</u>	<u>1.86%</u>	<u>22,000</u>	<u>n/a</u>
TOTAL	\$1,180,035	100.00%	\$1,060,735	889.13%

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. The fee structure is projected to provide adequate revenue for the golf course to be self-supporting when renovations and construction are complete and normal public use of the course is available.

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 the end of the 2006-07 fiscal year 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 for eleven months, revenues decreased by 82.30% compared to 2005-06 numbers.

The Golf Course is expected to remain closed through April, 2008, while renovations are underway. Once the renovations are completed and the facility is reopened, it is anticipated that revenues will exceed \$1.18 million for fiscal year 2007-08.

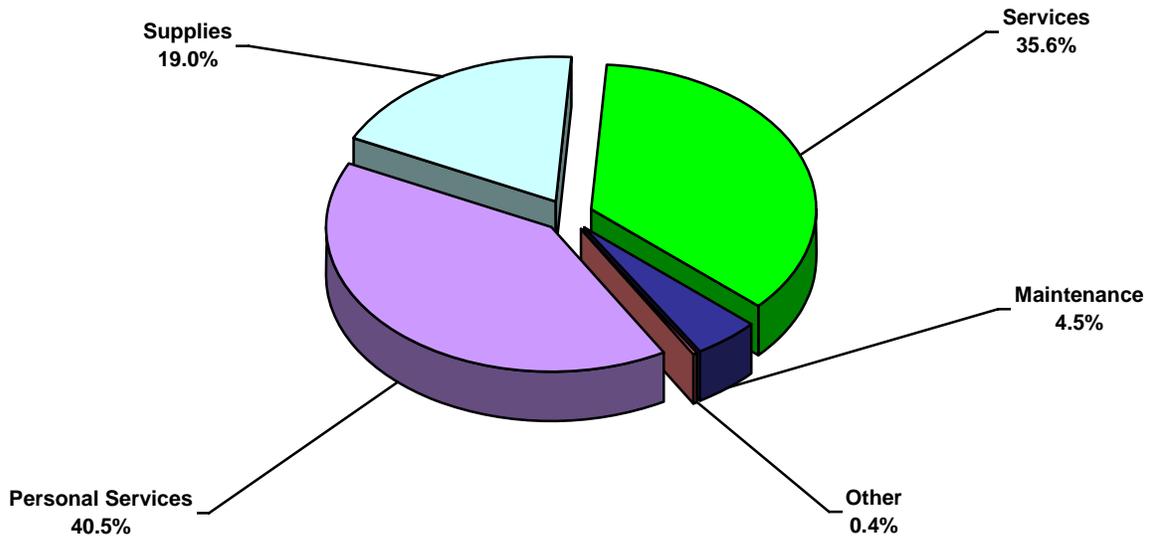
RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Expenditures By Classification

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
Personal Services	\$265,155	\$403,952	\$403,952	\$488,913
Supplies	124,092	140,195	132,888	228,883
Services	178,750	396,944	392,728	429,383
Maintenance	59,665	54,872	54,772	54,772
Capital Outlay	8,868	0	0	0
Other	0	4,502	4,502	4,502
	<u>\$636,530</u>	<u>\$1,000,465</u>	<u>\$988,842</u>	<u>\$1,206,453</u>

**RATLIFF RANCH GOLF COURSE FUND
2007-08 EXPENDITURES BY CLASSIFICATION**



RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Expenditures

Ratloff Ranch Golf Course Fund's budgeted expenditures are \$1,206,453 for 2007-08. This represents an increase of 22.01% compared to last year's budget. Major factors contributing to the increase include: one new Golf Course Grounds Maintenance Worker position, funding for part-time staff, funding for consultant fees, and increases in the cost of water and sewer services. Below is a comparative summary of 2006-07 and 2007-08 budgeted expenditures.

<u>Source</u>	2007-08 Budget		Increase / (Decrease) from 2006-07 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$488,913	40.52%	\$84,961	21.03%
Supplies	228,883	18.97%	95,995	72.24%
Services	429,383	35.59%	36,655	9.33%
Maintenance	54,772	4.54%	0	0.00%
Capital Outlay	0	0.00%	0	0.00%
Other	<u>4,502</u>	<u>0.37%</u>	<u>0</u>	<u>0.00%</u>
TOTAL	\$1,206,453	100.00%	\$217,611	22.01%

In 2007-08, the Golf Course budgeted for 9 positions, one more position than last year. Most of the 21.03% increase will be used to fund part-time positions that were previously funded out of the General Fund.

The budget for Supplies has increased significantly compared to last year's numbers. The majority of the 72.24% increase will be used to purchase inventory for the Pro Shop. In 2006-07, it was not necessary to replenish the stock, since the Golf Course was closed for the majority of the year.

The Services category has experienced a \$36,655, or 9.33% increase compared to the 2006-07 budget. This increase is primarily due to increases in equipment replacement costs, the rising cost of water and sewer services, and an increase in the cost of leasing golf carts. The 2007-08 line item for leasing golf carts reflects the cost associated with leasing the carts for an entire year, while the 2006-07 budget only had to be sufficient to lease carts for the single month the golf course was in operation.

Budgets for the Maintenance, 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 2006-07, estimated ending fund balance decreased to a negative \$958,840 from the 2005-06 audited negative fund balance of \$61,842. This deficit fund balance position is due to the closure of the golf course for major renovation and construction during the majority of the 2006-07 fiscal year. The 2007-08 budget process shows almost no change in the fund balance as construction will continue during this fiscal year projected for completion in mid-2008 for peak season. Repayment of the 2007-08 projected ending fund balance deficit (\$985,258) will extend over the next few years.

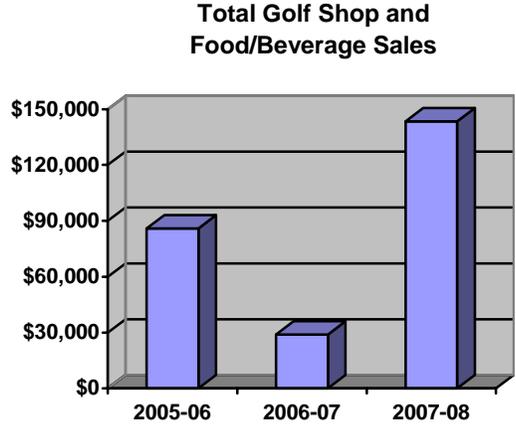
RATLIFF RANCH GOLF COURSE

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 2005-06 <u>Actual</u>	FY 2006-07 <u>Estimate</u>	FY 2007-08 <u>Target</u>
1. Complete re-development/construction and support facilities.	N/A	90% complete	100% complete
2. Average expenditure per maintained acre.	\$7,911	\$7,911	\$7,911
3. Golf course water cost per acre.	\$337	\$337	\$522
4. Number of maintained acres.	125	125	125
5. Number of acres (FTE).	13.89	13.89	13.89
6. Number of rounds.	2,866	23,885	33,000
7. Total golf shop / food and beverage sales.	\$85,918	\$28,835	\$143,441

RATLIFF RANCH GOLF COURSE

Expenditures by Classification

	<u>2005-06</u> Actual	<u>2006-07</u> Estimated	<u>2006-07</u> Budget	<u>2007-08</u> Budget
Personal Services	\$265,155	\$403,952	\$403,952	\$488,913
Supplies	124,092	140,195	132,888	228,883
Services	178,750	396,944	392,728	429,383
Maintenance	59,665	54,872	54,772	54,772
Capital Outlay	8,868	0	0	0
Lease Payment	0	0	0	0
GF Administrative Fee Transfer	<u>0</u>	<u>4,502</u>	<u>4,502</u>	<u>4,502</u>
Total Expenditures	\$636,530	\$1,000,465	\$988,842	\$1,206,453

Personnel by Job Title

	<u>2005-06</u> Fiscal Year	<u>2006-07</u> Fiscal Year	<u>2007-08</u> Fiscal Year
Golf Course Pro/Manager	1	1	1
Assistant Golf Course Pro	1	2	2
Golf Course Superintendent	1	1	1
Golf Shop Assistant	1	0	0
Assistant Golf Course Superintendent	1	1	1
Golf Course Mechanic *	1	1	1
Golf Course Irrigation Technician	1	1	1
Golf Course Equipment Operator	1	2	2
Golf Course Grounds Maintenance Worker	<u>1</u>	<u>0</u>	<u>1</u>
Total Personnel	9	9	10
Funding Sources:			
Golf Course Fund	8	8	9
Equipment Service Fund *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	9	9	10

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Other Funds
Overview

CONVENTION AND VISITORS FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$326,628	\$644,048	\$367,440	\$841,345
Less Reserve	100,000	100,000	100,000	100,000
AVAILABLE FUND BALANCE	\$226,628	\$544,048	\$267,440	\$741,345
CURRENT REVENUES				
Hotel/Motel Tax	\$1,455,681	\$1,800,000	\$1,220,000	\$1,800,000
Other	0	0	0	0
Interest Income	19,392	27,000	10,000	20,000
TOTAL CURRENT REVENUES	\$1,475,073	\$1,827,000	\$1,230,000	\$1,820,000
TOTAL FINANCING SOURCES	\$1,701,701	\$2,371,048	\$1,497,440	\$2,561,345
EXPENDITURES				
Black Cultural Council	\$15,000	\$15,000	\$15,000	\$25,000
Commemorative Air Force	40,000	45,000	45,000	50,000
Convention and Visitors Bureau	679,016	712,968	712,968	748,620
Council for the Arts & Humanities	152,870	173,224	173,224	230,067
Friends of Ector Theatre	24,541	0	0	0
Heritage Holiday	30,000	30,000	30,000	35,000
Main Street	56,975	59,000	59,000	64,200
Permian Basin Fair & Exposition	25,000	30,000	30,000	50,000
Rho Iota Omega	0	20,000	20,000	0
Sandhills Stock Show & Rodeo	50,000	55,000	55,000	60,000
Southwest Shakespeare Festival	20,000	22,000	22,000	22,000
Ector County Coliseum	50,000	50,000	50,000	50,000
McKinney Park	0	400,000	0	0
Administrative Cost/Audit Fees	14,251	17,511	17,511	15,060
TOTAL EXPENDITURES	\$1,157,653	\$1,629,703	\$1,229,703	\$1,349,947
ENDING AVAILABLE BALANCE	\$544,048	\$741,345	\$267,737	\$1,211,398
Plus Reserve	100,000	100,000	100,000	100,000
ENDING FUND BALANCE	\$644,048	\$841,345	\$367,737	\$1,311,398

NATURAL GAS FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$27,807	\$15,501	\$24,697	\$15,501
CURRENT REVENUES				
Operating	\$20,309,882	\$20,000,000	\$17,000,000	\$17,000,000
Interest Income	488	300	0	0
TOTAL CURRENT REVENUES	\$20,310,370	\$20,000,300	\$17,000,000	\$17,000,000
TOTAL FINANCING SOURCES	\$20,338,177	\$20,015,801	\$17,024,697	\$17,015,501
EXPENDITURES				
Supplies	20,300,698	19,803,930	16,807,135	16,807,135
Services	21,978	196,370	192,865	192,865
TOTAL EXPENDITURES	\$20,322,676	\$20,000,300	\$17,000,000	\$17,000,000
ENDING FUND BALANCE	\$15,501	\$15,501	\$24,697	\$15,501

MUNICIPAL COURT SECURITY FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$95,302	\$103,597	\$76,751	\$61,343
CURRENT REVENUES				
MC Security Fee	73,491	72,000	72,000	76,000
TOTAL CURRENT REVENUES	\$73,491	\$72,000	\$72,000	\$76,000
TOTAL FINANCING SOURCES	\$168,793	\$175,597	\$148,751	\$137,343
EXPENDITURES				
Personal Services	\$51,550	\$69,207	\$69,207	\$73,306
Supplies	240	1,847	1,300	1,900
Services	798	1,200	1,200	1,400
Maintenance	8,663	2,000	2,000	17,000
Capital Outlay	3,945	40,000	40,000	20,000
TOTAL EXPENDITURES	\$65,196	\$114,254	\$113,707	\$113,606
ENDING FUND BALANCE	\$103,597	\$61,343	\$35,044	\$23,737

MUNICIPAL COURT TECHNOLOGY FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$139,143	\$199,870	\$153,273	\$184,870
CURRENT REVENUES				
MC Technology Fee	97,037	95,000	90,000	101,000
TOTAL CURRENT REVENUES	\$97,037	\$95,000	\$90,000	\$101,000
TOTAL FINANCING SOURCES	\$236,180	\$294,870	\$243,273	\$285,870
EXPENDITURES				
Supplies	3,540	7,000	7,000	9,000
Services	10,001	13,000	13,000	0
Maintenance	0	10,000	10,000	13,000
Capital Outlay	22,769	80,000	80,000	90,000
TOTAL EXPENDITURES	\$36,310	\$110,000	\$110,000	\$112,000
ENDING FUND BALANCE	\$199,870	\$184,870	\$133,273	\$173,870

LEOSE FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$2,840	\$2,179	\$1,294	(\$1,151)
CURRENT REVENUES				
Grants & Entitlements	\$13,420	\$13,595	\$15,000	\$13,530
Interest Income	60	10	0	0
TOTAL CURRENT REVENUES	\$13,480	\$13,605	\$15,000	\$13,530
TOTAL FINANCING SOURCES	\$16,320	\$15,784	\$16,294	\$12,379
EXPENDITURES				
Fire Training	\$200	\$1,054	\$1,000	\$1,030
Police Training	13,941	15,881	14,000	9,400
TOTAL EXPENDITURES	\$14,141	\$16,935	\$15,000	\$10,430
ENDING FUND BALANCE	\$2,179	(\$1,151)	\$1,294	\$1,949

DRUG FORFEITURE FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$385,494	\$382,336	\$148,203	\$132,291
CURRENT REVENUES				
State Funds	\$43,436	\$14,848	\$0	\$0
Federal Funds	8,034	5,740	0	0
Interest Income	19,867	14,594	0	0
TOTAL CURRENT REVENUES	\$71,337	\$35,182	\$0	\$0
TOTAL FINANCING SOURCES	\$456,831	\$417,518	\$148,203	\$132,291
EXPENDITURES				
Supplies	19,878	63,045	136,000	40,000
Services	0	12,000	12,000	0
Capital Outlay	42,721	210,182	0	85,000
Operating Transfers Out	11,896	0	0	4,000
TOTAL EXPENDITURES	\$74,495	\$285,227	\$148,000	\$129,000
ENDING FUND BALANCE	\$382,336	\$132,291	\$203	\$3,291

LIQUID WASTE FUND

OVERVIEW

	2005-06 Actual	2006-07 Estimated	2006-07 Budget	2007-08 Budget
BEGINNING FUND BALANCE	\$3,391	\$884	\$256	\$4,571
CURRENT REVENUES				
City Participation	\$13,455	\$16,570	\$15,661	\$13,034
County Participation	13,455	16,570	15,661	13,034
Liquid Waste Fees	14,412	16,391	14,600	14,601
Interest Income	144	334	0	0
TOTAL CURRENT REVENUES	\$41,466	\$49,865	\$45,922	\$40,669
TOTAL FINANCING SOURCES	\$44,857	\$50,749	\$46,178	\$45,240
EXPENDITURES				
Personal Services	\$38,369	\$38,381	\$38,381	\$37,439
Supplies	620	1,075	1,075	1,075
Services	4,984	6,722	6,722	6,726
TOTAL EXPENDITURES	\$43,973	\$46,178	\$46,178	\$45,240
ENDING FUND BALANCE	\$884	\$4,571	\$0	\$0

2007-08 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.

2007-08 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	\$158,096	\$158,096	\$0
<u>CITY ATTORNEY'S OFFICE</u>				
School Attendance Court	Term: (Oct-Sep) 1 Positions	\$77,908	\$77,908	\$0
Total FY 2007-08 Grants		\$372,004	\$372,004	\$0

CITY OF ODESSA
FY 2007-08
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 \$21,731,313 for the 2007-08 fiscal year, a decrease of almost \$1.5 million from the 2006-07 capital improvement program year. 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 \$12,006,725 General Purpose capital programs and \$9,724,588 for Enterprise capital programs. Funding for the CIP is comprised of 100% from operating revenue. For the 2007-2008 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 New / WIP 2006-07</u>	<u>Planned WIP 2007-08</u>
General Purpose		
Public Works Street Improvements	\$1,374,124	\$514,040
Public Works Traffic Improvements	247,016	110,124
Park Improvements	6,862,324	4,787,872
Public Safety Improvements	7,493,071	6,594,689
Miscellaneous / Contingencies	371,048	0
Enterprise Fund		
Water and Sewer	6,888,158	9,724,588
Total Work in Process Capital Budget	<u>\$23,235,741</u>	<u>\$21,731,313</u>

Funding Sources of the Capital Improvement Program

	<u>2007-2008</u>	<u>Percentage</u>
Certificates of Obligation	\$11,076,725	50.97%
General Fund	930,000	4.28%
Water and Sewer Revenue	9,724,588	44.75%
Total Funding Sources	<u>\$21,731,313</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 2006, prior to the 2006 GO bond issue in the amount of \$10,150,000. Proceeds of this issue provided funding for replacement of three fire stations, a public safety radio system upgrade and extensive golf course renovations. No new capital improvement funds were approved for the 2007-08 budget pending a new bond issue later in the fiscal year.

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 2007-08 budget, no new CIP projects for water and sewer were included as part of the budget awaiting a new bond issue later in the fiscal year. At that time, 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 \$33.6 million in outstanding general debt service incurred from long term financing of capital projects approved in prior years. In mid 2006, the issuance of \$10.1 million in new general debt and the advance refund of a portion of the outstanding Certificates of Obligation, Series 2000 in the amount of \$5,580,000 brought the total general debt service to this level. The issuance of the advance refunding bonds reduced the City's total debt service requirements by \$299,897 over the life of the issue. The tax rate designated for debt service is set at \$0.0833 per \$100 or 14.4% of the tax rate.

The debt service payment for the Water and Sewer fund showed a 12.93% reduction in 2001 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.

As a 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.

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.

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Operational Impact of Capital Improvement Program cont.

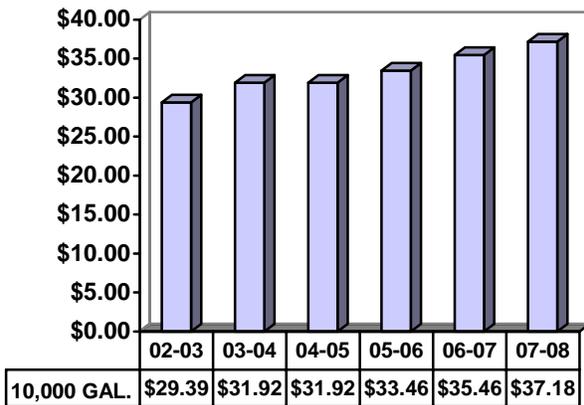
The street extension projects should eventually increase the operational budget of Public Works in maintenance costs by approximately \$1,500 per lane mile. The JBS / BI20 Overpass Interchange development is to continue this year with the actual street extension already into mid-Phase I with encumbered 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 newly created Ratliff Ranch Golf Course Fund will see an operational impact of a \$985,258 deficit in fund balance as construction continues through mid-2008 while improvements are made in upgrading the facility. Two million dollars worth of improvements were initiated in 2007 keeping the course inoperable for peak revenue generating portions of the year.

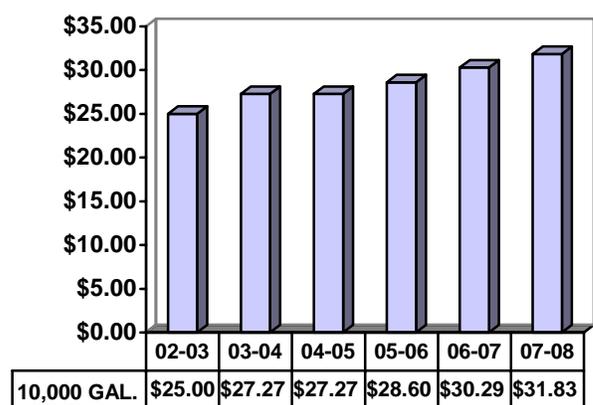
The Water and Sewer capital improvement projects include maintenance, replacement and state or federally mandated obligations that allow requisite water treatment and distribution and wastewater collection, treatment and disposal to the community of 93,000 citizens. Annual replacement and maintenance of water and sewer lines assures the sale of water and sewer services to cover the \$40.5 million in operating expenses ensuring continuous, uninterrupted service to over 30,000 utility accounts.

A goal of 2,000 valves are exercised each year to insure their effectiveness in shutting down lines during regular and emergency maintenance situations. The replacement of four intersections listed in this year's CIP are to be replaced to allow immediate cut off of water flows for maintenance and emergency line break repair. The maximum demand for water is approximately 33.09 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.

Historical Cost of Water



Historical Cost of Wastewater



Additional information on projects can be found under the heading of Descriptions of 2007-08 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 2007-08 General Purpose Work In Process Capital Projects

Parks Improvements

Sherwood Park – Professional services were solicited in late 2006 with the design phase of this 65-acre park project to begin in January 2007. Construction is to begin in late 2007 while maintaining flood control levels of the Muskingum Draw providing critical improvements in the irrigation system of the entire park, 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.

Ratliff Ranch Golf Course – Improvements are underway for the golf course which include the installation of a new irrigation system, renovation of 17,200 linear feet of cart paths, renovations to various sand traps, fairways, greens, amendments to top soil in various areas and the establishment of turfgrass throughout the course. Scheduled completion with course re-opened for play is scheduled for mid-2008. The City of Odessa purchased the golf course in December 2005.

McKinney Park – The construction phase is scheduled to begin in January 2007 for this park site, which will include the development of the 14 acres that neighbors the park site to the east but also the addition of a basketball court, rest-rooms, playground, sprayground, picnic pavilion, walking trails, electrical improvements, parking lot, renovated tennis court, baseball field improvements, lighting, amphitheatre, soccer fields and a public art display.

Progressive / Noel Parks – 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.

Renovate Existing Parks – Miscellaneous renovations and improvements are to be made during 2007-08 to Murry Fly, Lion's Club, Western Manor, Central and Preston Oaks parks.

Traffic Improvements

Signal Visibility and New Signal Improvement Program – 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.

Intersection Battery Backup System – 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.

Street Improvements

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

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Descriptions of 2007-08 General Purpose Work In Process Capital Projects cont.

2007. Will open a corridor to Odessa businesses from the Business Interstate connecting to Midland, sister city in SMSA.

8th St. Reconstruction, Phase 2 – Complete street / intersection improvements downtown by installing “bulb-outs” to improve visibility of traffic control devices and pedestrians.

Drainage Improvements – Outlines construction of a culvert on Pueblo St. north of 8th St. to eliminate low water crossing.

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

Public Safety / System 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.

Fire Truck Equipment – Complete purchase of miscellaneous equipment related to the lease purchase agreement for one (1) Freightliner, Model M2, 106MD Conventional Chassis with an 18' rescue body; two (2) Pierce 105' Dash, Heavy Duty Aerial Ladder Trucks; and eight (8) Pierce Enforcer, Triple Combination Pumpers.

Console Upgrade – 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. The software and hardware upgrade to the Centracom Gold Elite dispatch system should promote effectiveness in requisite city-wide emergency communications.

Public Safety Software System – A Project 25 compliant radio system was purchased for use by Public Safety personnel. This includes all of the infrastructure, portable and mobile radios and Emergency Operations Center / Dispatch upgrades. The Project 25 standard was designed to assure interoperability between agencies. The purchase includes: 80 mobile radios for Police; 54 mobile radios for Fire; 217 portable radios for Police and 82 portable radios for Fire, plus various infrastructure components.

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Summary of Work In Process Projects General Purpose Capital Projects, 2007-08

<u>Project Description</u>	<u>WIP</u>	<u>Funding Source</u>	
		<u>Grant/ General</u>	<u>City Debt</u>
Park Improvements			
Sherwood Park	\$2,989,022		\$2,989,022
Ratliff Ranch Golf Course	537,041	\$468,000	69,041
McKinney Park	564,000		564,000
Noel / Progressive Parks	279,000	279,000	
Renovate Existing Parks	418,809	150,000	268,809
Traffic Improvements			
Signal Visibility and New Signal Improvement Program	77,124		77,124
Intersection Battery Backup System	33,000	33,000	
Street Improvements			
JBS / BI20 Interchange	34,780		34,780
8 th St. Reconstruction, Phase 2	145,914		145,914
Drainage Improvements	316,436		316,436
Paving Curb & Gutter	16,910		16,910
Public Safety Improvements			
Fire Stations	5,664,171		5,664,171
Fire Truck Equipment	160,380		160,380
Console Upgrade	15,230		15,230
Public Safety Software System	754,908		754,908
Total General Purpose Projects	<u>\$ 12,006,725</u>	<u>\$930,000</u>	<u>\$11,076,725</u>

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Descriptions of 2007-08 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. Three million dollars has been budgeted for a total refurbishment of three filters at the Water Treatment Plant. Two major waterline projects will include 52nd St. to Loop 338 and from Billy Hext Rd. to SH 191 at a cost of \$785,400 and \$202,500 respectively.

Other water delivery related projects include the replacement of four major distribution valves to ensure proper pressure shutdown during line maintenance, the rebuilding of the Golder Pump Station at a cost of \$20,000, and the AMR meters in the Country Club are to 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 \$125,000 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 a water project 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 2007-08 as well.

Projects for the wastewater treatment plant include the replacement of Aeration Discs in the oxidation ditches and a \$75,000 repair to the concrete diversion box connecting to the Gulf Coast Authority system. Also, Manhole Rehabilitation for the repair and replacement of disintegrating manholes is a requisite program each year.

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 calculated at 15% of all project costs and budgeted at \$1,217,913 for the above Capital Improvements Projects for the 2007-08 fiscal year.

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Summary of Work In Process Projects Enterprise Fund Capital Projects, 2007-08

<u>Project Description</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Water Line Replacement	\$ 1,501,445	\$	\$ 1,501,445
Sewer Line Replacement		487,031	487,031
Participation In Line Extensions	32,075	32,076	64,151
GIS Program	31,361	31,360	62,721
Water System Improvements			
Water Distribution Valve Replacement	200,027		200,027
Water Line – Billy Hext & Hwy 191	202,500		202,500
Water Line – 52 nd St. & Loop 338	785,400		785,400
Water Treat. Plant Filter (3) Refurbish	2,928,103		2,928,103
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.	350,000		350,000
Water Project	1,443,173		1,443,173
Rebuild Golder Pump Station	20,000		20,000
Replace AMR Meters	100,000		100,000
Wastewater System Improvements			
Replace Aeration Discs		12,125	12,125
Repair Diversion Box – Gulf Coast		75,000	75,000
Manhole Rehabilitation		100,000	100,000
Contingency	<u>1,112,320</u>	<u>105,593</u>	<u>1,217,913</u>
Total Enterprise Fund Capital Projects	<u><u>\$8,881,403</u></u>	<u><u>\$843,185</u></u>	<u><u>\$9,724,588</u></u>

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Community Profile

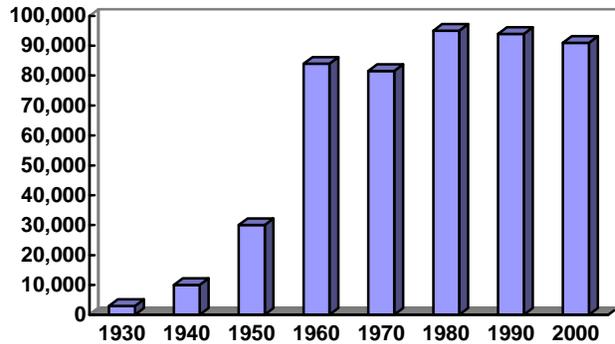
COMMUNITY PROFILE

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 37.63 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.

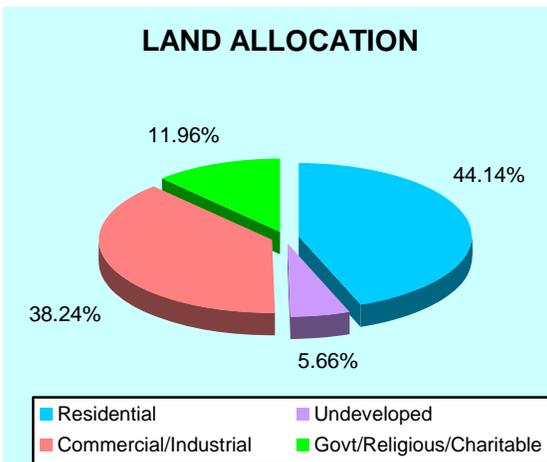
ODESSA POPULATION



Odessa's population is 98,214. For statistical purposes, Odessa is grouped together with a neighboring city, Midland, to form the recently designated Odessa-Midland Standard Metropolitan Statistical Area (S.M.S.A.) This S.M.S.A. consists of approximately 245,000 people, making it the third largest in West Texas, the 12th largest in Texas, and the 152nd 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*	161
Marked Patrol Cars	48
Other Marked Police Vehicles	7
Tactical K-9's	5
Public Relations Display Cars	1

*includes grant positions

Major Employers in Odessa:

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

Major Tax Payers in Odessa:

Four Star Oil & Gas
 TXU Electric Delivery Co.
 Ultra Premium Oilfield Service
 MCM Properties II, LTD
 Odessa Regional Hospital
 CA New Plan Texas Assets
 Southwestern Bell Telephone
 Lithia Real Estate, Inc.
 ICA Properties, Inc.
 Wal-Mart Stores East

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
(2005 TX State Data Center Estimates)

Male	48.91%
Female	51.09%

Population by Age
(2005 TX State Data Center Estimates)

Under 5 years	8.99%
5 to 19 years	23.32%
20 to 24 years	8.32%
25 to 44 years	25.84%
45 to 64 years	22.35%
65 to 74 years	5.99%
75 years and older	5.20%

Median Age 32.1

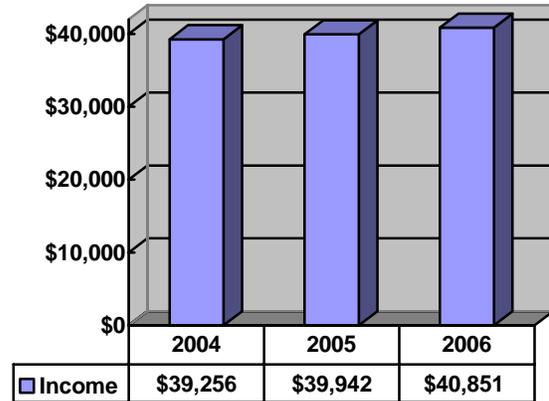
Racial Characteristics
(2005 TX State Data Center Estimates)

Anglo	45.58%
Hispanic	48.33%
African-American	4.71%
Other	1.38%

% of Single Family Homesteads
(Ector County Appraisal District)

Less than \$50,001	26.30%
\$50,001 to \$99,000	40.81%
\$99,001 to \$149,000	19.10%
\$149,001 to \$299,000	12.24%
Over \$299,000	1.54%

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 newly completed student center. In the fall of 2005, 12 apartment-style buildings and a club house were added to serve the growing student population.

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
Career Center *	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 three hospitals: the 340-bed Medical Center Hospital (shown at left), and Odessa Regional Medical Center (196 beds).

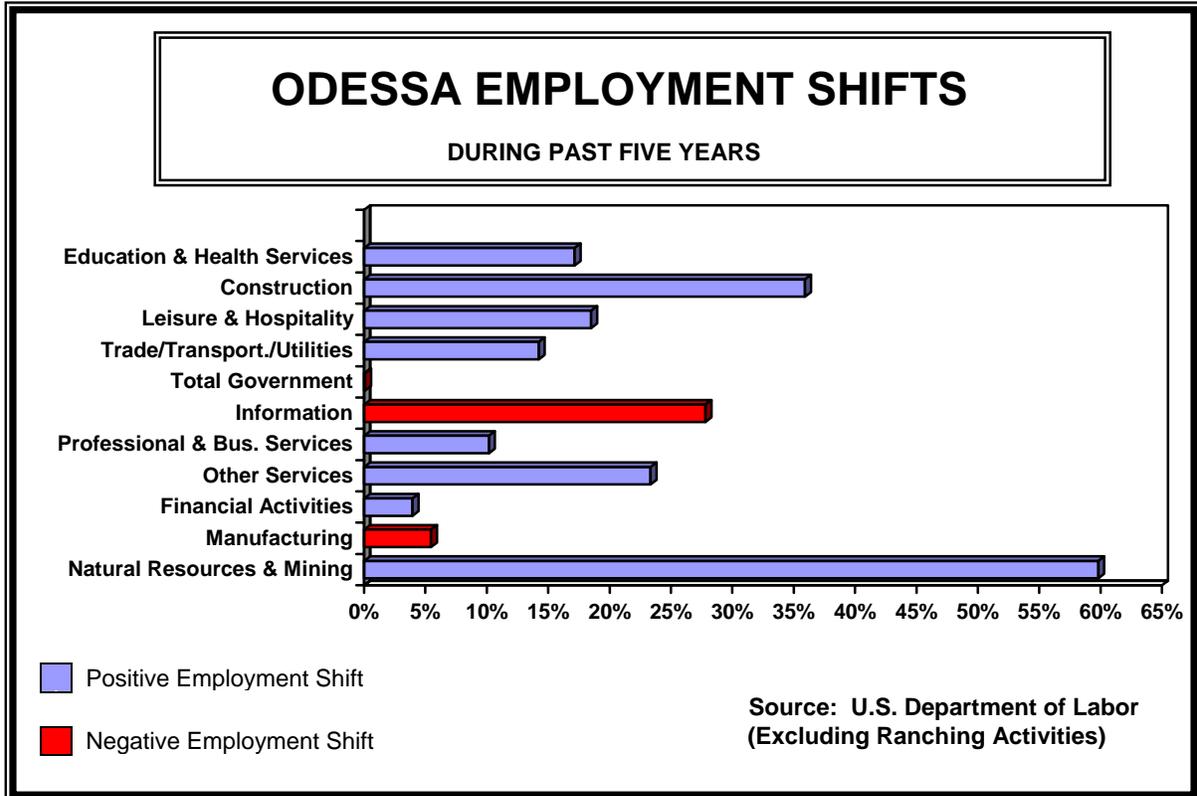
COMMUNITY PROFILE



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

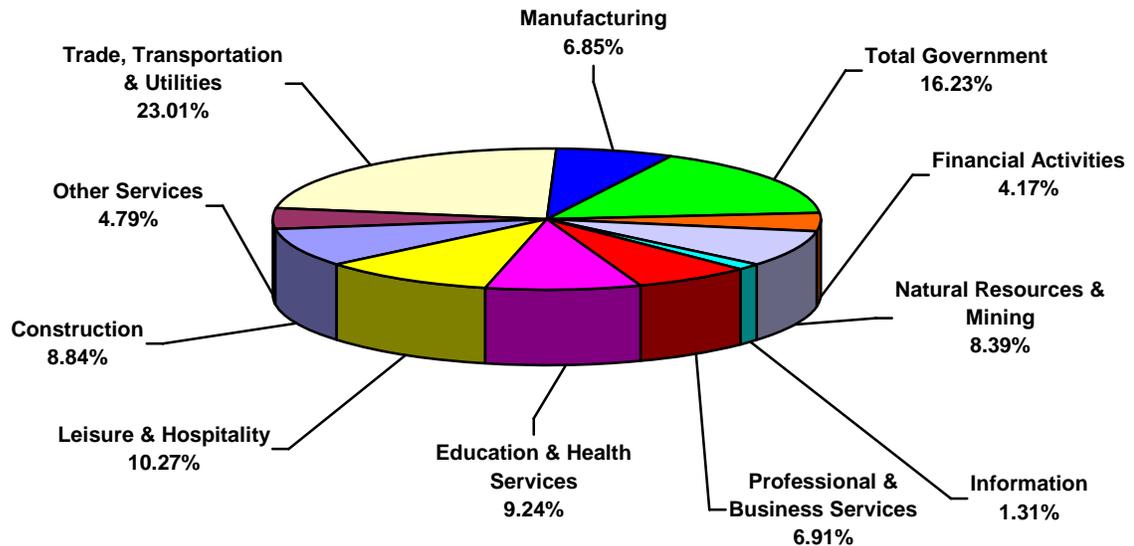


Over the past five years, significant changes have occurred in Odessa's employment sectors. Natural Resources/Mining experienced the largest employment gains, with a 59.81% increase, followed by Construction (35.92%), Other Services (23.34%), Leisure and Hospitality (18.51%), and Education and Health Services (17.16%). Less significant gains were made in the areas of Trade/Transportation/Utilities (14.23%), Professional Business Services (10.18%), Financial Activities (3.96%), and Total Government (0.08%).

Two of the employment sectors experienced a decline in employment over the past five years. Information realized a 27.81% decrease, while Manufacturing experienced a 5.46% decline in job opportunities.

COMMUNITY PROFILE

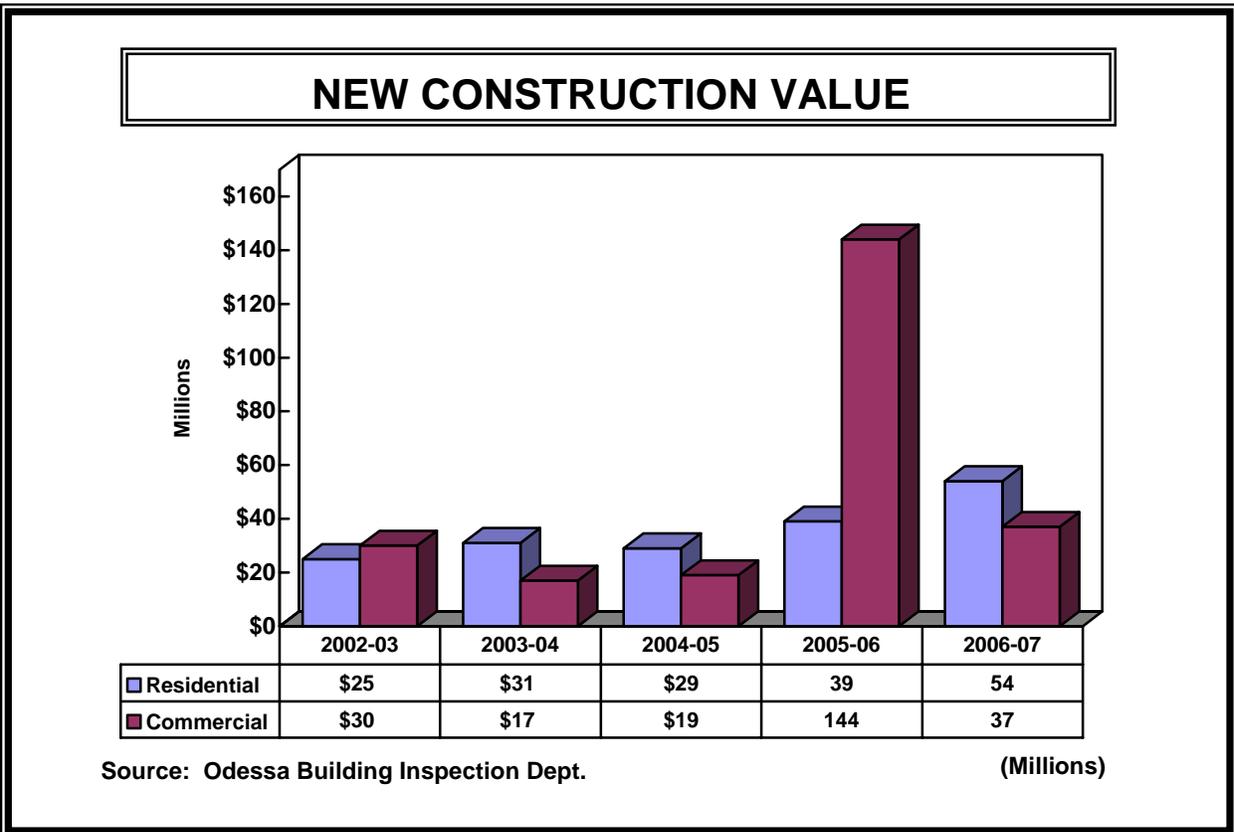
MAJOR SECTORS IN ODESSA'S ECONOMY



Source: U.S. Department of Labor
(Excluding Ranching Activities)

Odessa's economy is comprised of many sectors of employment. The largest sector is Trade, Transportation & Utilities, at 23.01%, followed by Total Government (16.23%) and Leisure and Hospitality (10.27%). Education & Health Services (9.24%), Construction (8.84%), and Natural Resources/Mining (8.39%) follow, collectively providing 75.98% of the jobs in the area. The remaining sectors of the local economy are Professional Business Services (6.91%), Manufacturing (6.85%), Other Services (4.79%), Financial Activities (4.17%), and Information (1.31%).

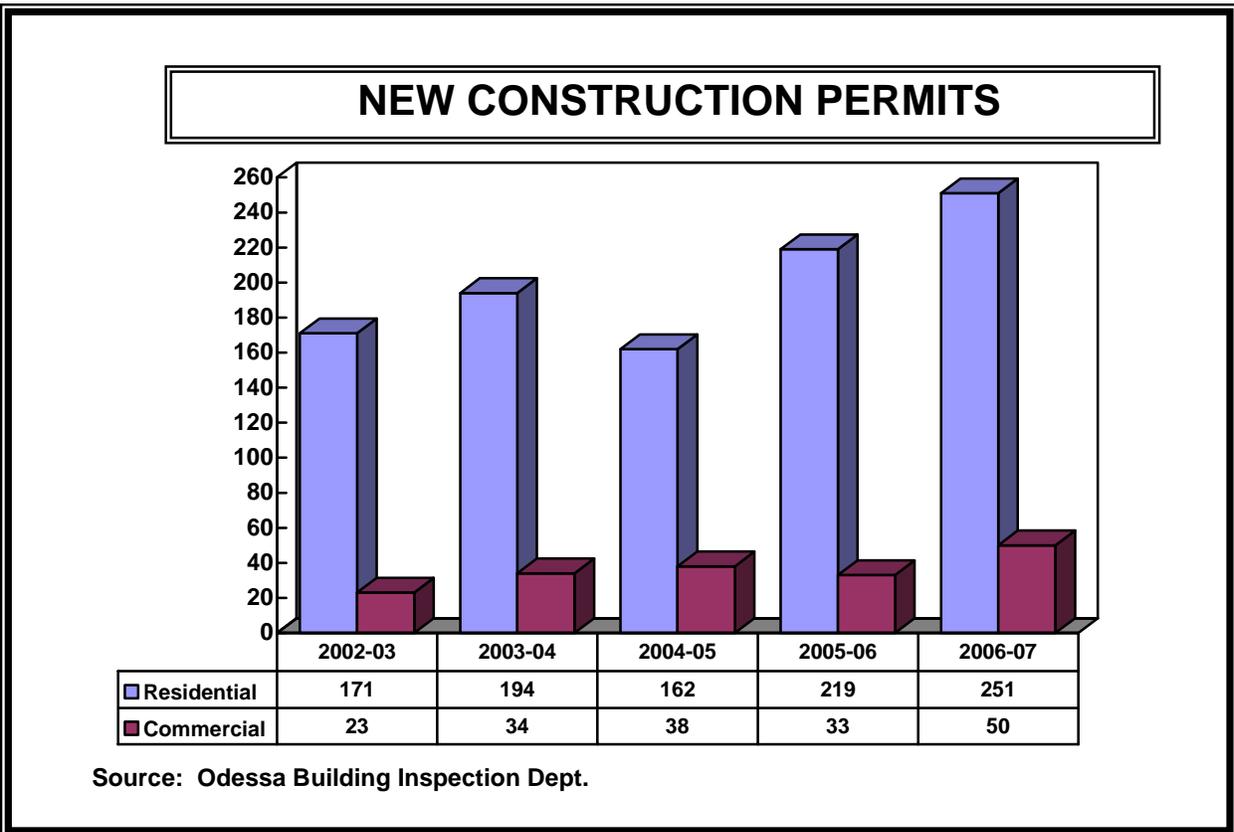
COMMUNITY PROFILE



From 2002-03 through 2003-04, residential construction values of single-family homes increased from \$25 million to \$31 million. The following year, construction values fell slightly to \$29 million, with the 6.45% decrease being attributed to rising interest rates. Between 2004-05 and 2006-07, 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, from 2004-05 to 2006-07, residential construction values increased by 86.21%.

Commercial construction values have fluctuated between \$17 million and \$144 million over the past 5 years. From 2004-05 to 2005-06, construction values increased by more than 657% due to the increasing price of oil and the resulting boom in the economy. The following year, construction values decreased to \$37 million as oil prices stabilized. Businesses that secured new commercial construction permits in 2006-07 include: the City of Odessa, Tractor Supply Company, Navasoto Energy, Southwestern Electric Supply, First Basin Credit Union, and Bluebell Creameries.

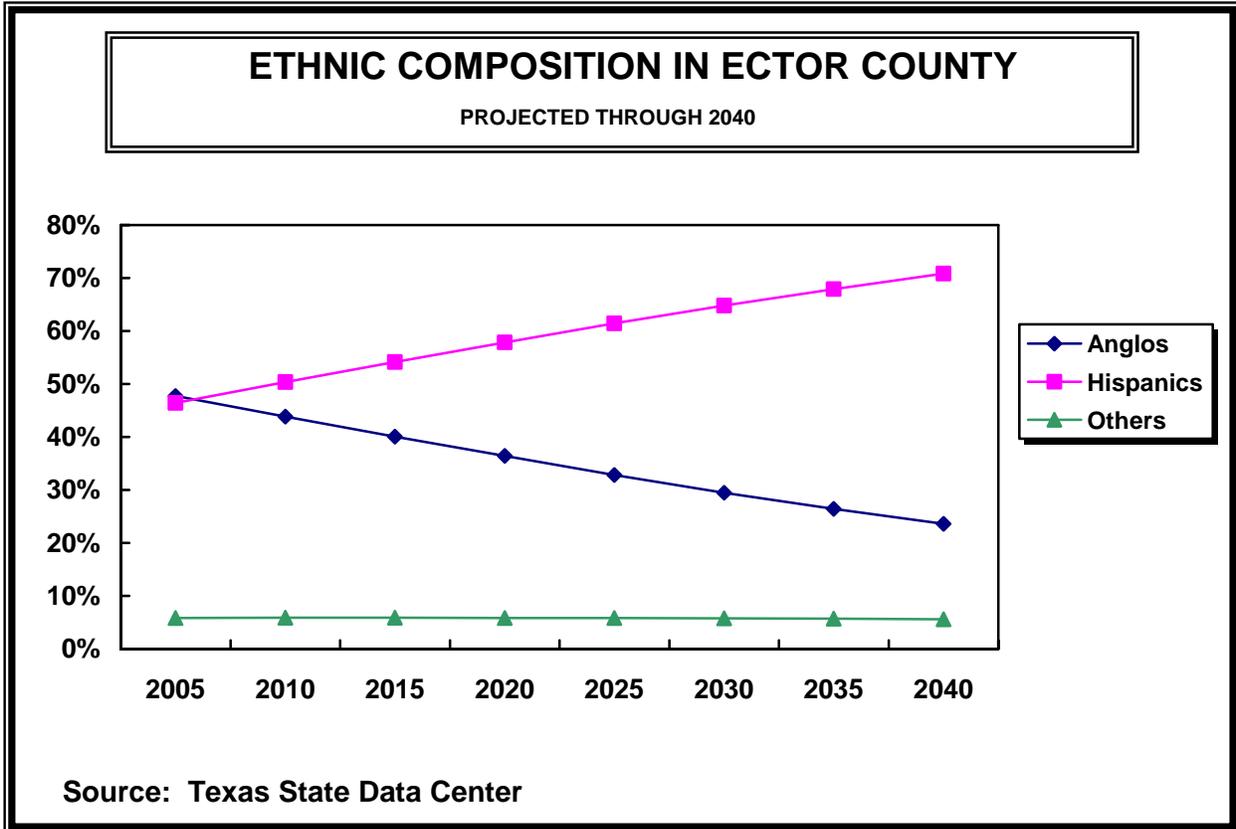
COMMUNITY PROFILE



From 2002-03 through 2006-07, the number of permits issued for new residential construction fluctuated between 162 and 251 per year, with an average annual demand of 199 permits. From 2002-03 through 2003-04, the City realized a 13.45% increase in the number of residential permits issued annually. This increase is largely attributed to a sustained, low prime rate. During this time, the prime rate fluctuated between 4.00% and 4.75%, with an average rate of less than 4.20%. In 2004-05, the number of new residential permits issued fell to 162, while the prime rate increased from 4.75% to 6.75%. In 2005-06, 219 new residential permits were issued, a 35.19% increase compared to the previous year. This increase is attributed to the booming local economy, brought about by significant increases in the price of oil and its resulting effect on the oil industry. The economy has continued to grow, and projections indicate that approximately 251 residential permits will be issued in 2006-07.

New commercial construction permits have averaged 36 annually, fluctuating between 23 and 50 permits per year. It is estimated that approximately 50 commercial permits will be issued in fiscal year 2006-07; an increase of 51.52% compared to the previous year, and an increase of 38.89% compared to the five-year average.

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 48.03% of Ector County's current estimated population is Hispanic and 46.13% of the population is Anglo. This same trend analysis shows the remaining population, including African-American, to be 5.83%.

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 2007-08
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 2005-06 Estimated	FY 2006-07 Estimated	FY 2007-08 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	12,000	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	1,200	1,800
Texas Department of Agriculture	0	1,000	1,100
Bob Derrington Elevator Inspection (Bldg Serv)	400	400	400
Firefighter / EMS Protective Clothing - Title 37	30,500	44,100	44,100
SCBA Testing & Certification	2,500	2,500	2,500
Firefighter Inoculations	18,000	2,000	2,000
Fire Code Enforcement Training	5,127	5,127	5,127
EMS Materials - IFSTA	1,500	1,500	1,500
Haz - Mat Physicals	10,000	2,500	2,500
Firefighter / EMS Certification Fees & Renewal	8,580	6,500	7,019
Certification of Ambulances (every other year)	1,950	0	0
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
Carbon Monoxide Chamber (Animal Control)	6,000	6,150	6,150
Animal Control Officer Certification	0	0	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	13,200	10,000	10,000
Uniform Crime Report (U.C.R.)	27,500	27,500	27,500
Auction of Abandoned Vehicle-Public Notice	10,780	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	5,609
Total General Fund	\$520,874	\$508,614	\$510,623
<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

<u>State Mandates</u>	FY 2005-06 Estimated	FY 2006-07 Estimated	FY 2007-08 Estimated
<u>Solid Waste:</u>			
Solid Waste - Landfill Gas Management	\$2,000	\$2,000	\$2,000
Solid Waste - Groundwater Monitoring	25,000	25,000	25,000
TDA Structural Pest Control Certification	1,260	1,260	1,260
Total Solid Waste Fund	\$28,260	\$28,260	\$28,260
<u>Water / Sewer Fund:</u>			
Water Conservation Information - TWDB	\$6,000	\$6,000	\$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	10,000	18,000
Operator Licensing Renewal Fees - TCEQ	2,000	2,000	2,500
Overhead Crane Inspections	2,750	2,750	2,000
TCEQ - Water Testing	4,000	4,000	0 *
Bacteriological Laboratory Certification	1,200	1,200	1,200
NELAC Laboratory Certification	8,000	8,000	8,000
Sludge Transportation Fee	1,000	0	500
Sanitary Sewer Overflow Initiative	0	50,000	10,000
Total Water / Sewer Fund	\$119,850	\$168,850	\$128,100
<u>Equipment Services Fund:</u>			
Underground Fuel Storage Tanks Activity	\$62,000	\$62,000	\$62,000
Refrigerant Recycling Machine	2,500	2,500	0
Total Equipment Services Fund	\$64,500	\$64,500	\$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	\$1,445,704	\$1,482,444	\$1,441,203

APPENDIX

ESTIMATED STATE AND FEDERAL MANDATES

Federal Mandates	FY 2005-06 Estimated	FY 2006-07 Estimated	FY 2007-08 Estimated
<u>General Fund:</u>			
Mandatory Soc. Security for Part-Time Employees	\$17,896	\$27,803	\$15,823
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	9,500
GASB 34 & 39 Financial Reporting & SAS 99 Compliance	20,000	25,000	20,000
GASB 43 & 45 Financial Reporting	0	25,000	25,000
Storm Water Rules - EPA	325,000	325,000	325,000
Overtime Due to FMLA	30,240	92,000	92,000
Overtime Due to 2-In-2-Out Policy	120,000	90,000	90,000
Total General Fund	\$871,806	\$943,473	\$926,493
<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>			
Pretreatment Study - EPA/TCEQ	\$20,000	\$0	\$0
Lead / Copper Monitoring - EPA /TCEQ	1,500	500	0
Biomonitoring - EPA / TCEQ	2,000	2,000	1,600
Consumer Confidence Report - EPA/TCEQ	9,300	9,300	9,300
Permit Testing - EPA/TCEQ	8,000	8,000	8,000
Enhanced Surface Water Treatment & Disinfection By-Product Rules - EPA/TCEQ	2,000	32,000	32,000
Laboratory Performance Samples - EPA	1,000	2,000	500
Stormwater Permit - EPA/TCEQ	100	100	200
Emergency Response Plan - EPA	5,000	0	0
Filter Backwash Recycle Rule - EPA/TCEQ	0	0	0
Long-Term Enhanced Surface Water Treatment	9,200	9,200	0
Annual Certification of Backflow Assemblies	1,500	2,500	2,500
Elevator Inspection/Maintenance	2,000	2,000	2,000
Fire Alarm Inspection	175	175	500
Total Water / Sewer Fund	\$61,775	\$67,775	\$56,600
<u>Risk Management Fund:</u>			
Commercial Drivers Testing - DOT	\$10,000	\$10,000	\$10,000
HIPPA	25,000	25,000	25,000
Total Self Insurance Fund	\$35,000	\$35,000	\$35,000
Total Federal Mandates	\$979,201	\$1,056,868	\$1,028,713
Total State and Federal Mandates	\$2,424,905	\$2,539,312	\$2,469,916

APPENDIX

DEBT RATIO CALCULATION

Ratio Of Annual Debt Service Expenditures For General Bonded Debt To Total General Expenditures Ten Year Period Ended September 30, 2007

Fiscal Year	Total Current General Fund Expenditures	Total Debt Service Expenditures	Percentage	\$ Ratio
1997-98	\$36,348,136	\$1,357,855	3.74%	\$26.77 TO 1
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	\$50,365,899	\$2,063,282	4.10%	\$24.41 TO 1
2006-07	\$53,756,378	\$2,094,395	3.90%	\$25.67 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
1997-98	95,708	\$1,808,407,929	\$11,020,000	\$129,581	0.61%	\$115
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%	\$267.90
2005-06	96,948	\$2,715,109,284	\$24,345,000	\$279,952	0.90%	\$251.11
2006-07	98,214	\$3,135,144,279	\$33,650,000	\$355,379	1.4184%	\$356

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. 2007R-89

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, 2007 THROUGH SEPTEMBER 30, 2008, 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, 2007 and ending September 30, 2008, 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, 2007 and ending September 30, 2008, 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, 2007 and ending September 30, 2008.

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 11th day of September, A.D., 2007, by the following vote:

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

Approved the 11th day of September, A.D., 2007.

Larry L. Melton

Melton, Mayor

ATTEST:

Norma Aguilar

Norma Aguilar, City Secretary

APPROVED AS TO FORM:

Larry Long

Larry Long, City Attorney



EXHIBIT A - PROPOSED BUDGET 2007-08

	Proposed Budget
Financing Sources:	
Beginning Fund Balance	24,055,571
Less Required Reserves	14,762,132
Available Fund Balance	9,293,439
CURRENT REVENUES:	
Property Tax	15,434,449
Sales Tax	16,600,000
Franchise/Gross Receipts	5,926,000
Other Operating Revenues	45,673,959
Water and Sewer	35,262,487
Rental Revenue	8,704,686
Interest Income	1,900,000
Intergovernmental	2,691,372
Other Revenue	6,742,235
Administrative Transfers	
General Fund	
Water/Sewer	2,306,255
Equipment Service	351,367
Risk Management	290,838
Solid Waste	437,441
Golf Course	4,504
Odessa Develop. Corp.	44,184
Conv. And Visitors	10,805
Motor MPO	6,000
Total Current Revenues	142,586,582
Total Financing Sources	151,880,021
CURRENT EXPENDITURES:	
Personal Services	50,347,604
Supplies	32,865,831
Services	20,856,326
Maintenance	5,616,799
Capital Outlay	1,135,865
Other Requirements	7,300,594
Debt Service/Lease	11,422,139
Housing Incentive Program	500,000
Insurance Requirements	7,576,385
Outside Agencies	1,519,264
Transfers Out	333,000
Total Current Expenditures	139,473,807
Capital Outlay-Replacement	2,969,606
Total Expenditures	142,443,413
Ending Available Balance	9,436,608
Plus Required Reserves	14,762,132
Ending Fund Balance	24,198,740

ORDINANCE NO. 2007-36

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 2007 TAX YEAR AND THE 2007-2008 FISCAL YEAR; ESTABLISHING THE AD VALOREM TAX RATE OF 57.90 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, 2007.

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, 2007 and ending September 30, 2008; 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-Seven and Ninety Hundredths Cents (57.90¢) 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 2007 tax year and the 2007-2008 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-Seven and Ninety Hundredths Cents (57.90¢) on each One Hundred Dollars (\$100.00) property valuation, said tax levied for and apportioned to the following specified purposes:

- (1) The rate of 8.3300¢ 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 and 2006 Certificates of Obligation, plus the 2006 Refunding Issue.
- (2) The rate of 49.5700¢ 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 FORTY-SIX DOLLARS AND SIXTEEN CENTS (NEGATIVE \$46.16).

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$887,070 OR 5.39%, AND OF THAT AMOUNT, \$215,322 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 18, 2007, 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 25, 2007, 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 18, 2007.

Section 7. That this ordinance shall go into effect on October 1, 2007.

The foregoing ordinance was first approved on the 18th day of September, A.D., 2007, by the following vote:

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

The foregoing ordinance was adopted on second and final approval on the 25th day of September, A.D., 2007, by the following vote:

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

Approved this the 25th day of September, A.D., 2007.

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 2007-08
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.

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.

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)

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.

APPENDIX

GLOSSARY

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.

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).

APPENDIX

GLOSSARY

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 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.

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.

APPENDIX

GLOSSARY

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.

Total Tax Rate: Property tax rate including both of the portions used for operations and that for debt service.

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.

User Fee (User Charge): The payment of a fee for direct receipt of a public service by the part benefiting from the service.

APPENDIX

ACRONYMS

ADA	American Disabilities Act
ALS	Advanced Life Support
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
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
LEOSE	Law Enforcement Officers Standard Education
LGC	Local Government Code

APPENDIX

ACRONYMS

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
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
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
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
WS	Water and Sewer Fund
W/W	Wastewater

CITY OF ODESSA
FY 2007-08
ADOPTED BUDGET

Index

APPENDIX

INDEX

A

Accounting Policies.....	19
Acronyms.....	263
Ad Valorem Tax Revenue.....	32
Adoption of Budget.....	2
Approved Budget Filed.....	2

B

Basis of Accounting.....	25
Billing and Collection.....	124
Bob Derrington Water Reclamation Plant..	132
Budget Calendar.....	9
Budget Compliance.....	1
Budget Contingency Plan.....	18
Budget Development Phases.....	4
Budget Policies.....	16
Budget Summary All Funds.....	29
Community Development.....	195
Convention and Visitors.....	211
Drug Forfeiture Fund.....	216
Equipment Service Fund.....	155
General Debt Service.....	183
General Fund.....	45
Grants.....	218
LEOSE.....	215
Liquid Waste Fund.....	217
Municipal Court Bldg. Security Fund....	213
Municipal Court Technology Fund.....	214
Natural Gas Utility Fund.....	212
Ratliff Ranch Golf Course Fund.....	201
Risk Management Fund.....	169
Solid Waste Fund.....	141
Water and Sewer Fund.....	109
Building Inspection.....	94
Building Services.....	74

C

Capital Improvements Program.....	221
Capital Outlay-Community Development...	197
Capital Outlay-Equipment Services.....	161
Capital Outlay-General Fund.....	62
Capital Outlay-Risk Management Fund....	175
Capital Outlay-Solid Waste Fund.....	147
Capital Outlay-Water and Sewer Fund.....	121
Cash and Investments Policies.....	20

Certified Appraisal Summary.....	34
Chart: Organization Chart of City of Odessa.....	37
Changes in Budget.....	3
City Attorney.....	68
City Council.....	64
City Goals.....	iii
City Manager's Letter of Transmittal.....	i
City Secretary.....	66
Communications.....	166
Community Development.....	198
Community Development Fund Overview .	195
Community Development Summary of Revenues and Allocations.....	196
Community Profile.....	231
Construction Permits.....	239
Construction Values.....	238
Convention and Visitors Fund Overview....	211

D

Debt Management Policies.....	15
Debt Service General Fund.....	184
Debt Service Overview.....	183
Debt Service Schedule – General Fund	186
Debt Service Schedule – Water and Sewer Fund.....	190
Debt Service Water and Sewer Fund.....	185
Debt Statistics.....	245
Detail Summary of All Funds.....	30
Disposable Income Per Household.....	233
Drug Forfeiture Fund.....	216

E

Economy by Sector.....	237
Emergency Procedures.....	3
Employment Shifts.....	236
Encumbrances.....	19
Engineering.....	92
Enterprise Fund Definition.....	26
Equipment Replacement Division.....	168
Equipment Service Fund Expenditure Overview.....	159
Equipment Service Fund Expenditure Summary.....	158
Equipment Service Fund Overview.....	155

APPENDIX

INDEX

E (cont'd)

Equipment Service Fund Revenue Overview.....	157
Equipment Service Fund Revenue Summary	156
Equipment Services Division	164
Ethnic Projections	240

F

Federal Mandates.....	244
Finance	80
Financial Policies	11
Fire	102
Flow Chart - Budget.....	10
Full Time Positions	42
Fund Definitions.....	26

G

General Debt Service Fund Overview	183
General Debt Service Narrative.....	184
General Debt Service Schedule	186
General Fund Balance – Historical	12
General Fund Balance – Projected.....	13
General Fund Expenditure Overview.....	55
General Fund Expenditure Summary	54
General Fund Expenditure Forecast.....	6
General Fund Expenditures by Function	59
General Fund Overview.....	45
General Fund Revenue Forecast	5
General Fund Revenue Overview	47
General Fund Revenue Summary	46
Glossary of Budget Terms	255
Golf Course Fund Expenditure Overview ..	205
Golf Course Fund Expenditure Summary ..	204
Golf Course Fund Overview	201
Golf Course Fund Revenue Overview	203
Golf Course Fund Revenue Summary.....	202
Golf Course.....	208
Governmental Funds Definition	26
Grants	218
Graphs	
Disposable Income Per Household.....	233
Equipment Service Fund Expenditures.	158
Equipment Service Fund Revenues	156
Ethnic Projections in Ector County.....	240

General Fund Budgets by Function	56,60,61
General Fund Expenditures	54,56,60,61
General Fund Revenue.....	46,47,51
General Fund Expenditure Forecast.....	6
General Fund Revenue Forecast.....	5
Golf Course Fund Expenditures.....	204
Golf Course Fund Revenues	202
Historical Cost of Wastewater.....	
Historical Cost of Water	
Historical General Fund Balance	12
Net Bonded Debt Per Capita	15
Net Taxable Values.....	35
New Construction Permits	224
New Construction Values.....	224
Odessa's Economy by Sector	237
Odessa's Employment Shifts	236
Odessa's Land Allocation	231
Odessa's Population	231
Percent of Debt to Taxable Value	15
Personnel History.....	43
Projected General Fund Balance.....	13
Property Tax Comparison	36
Property Tax Rate.....	33
Property Tax Revenue	52
Risk Management Fund Expenditures..	172
Risk Management Fund Revenues.....	170
Sales Tax Revenue.....	53
Sales Tax Revenue - Percent Change ...	49
Solid Waste Fund Expenditures.....	144
Solid Waste Fund Revenues	142
Water and Sewer Fund Expenditures ...	117
Water and Sewer Fund Revenues.	111,114
Water Rate Comparison	113
Water Revenue	115
Wastewater Revenue.....	116
Gulf Coast.....	139

H

Health and Wellness.....	180
Housing Incentive Program	118,138
Human Resources	72

I

Information Furnished.....	1
Information Services	86

APPENDIX

INDEX

I (cont'd)

Internal Service Funds Definition.....	27
Itemized Budget and Contents	1

L

Laboratory Services.....	136
Land Allocation	231
Lease Agreements.....	192
LEOSE Fund.....	215
Levy of Taxes	2
Liability Insurance.....	181
Liquid Waste Fund.....	217

M

Mandates.....	242
Medical and Dental.....	180
Municipal Court.....	84
Municipal Court Building Security Fund....	213
Municipal Court Technology Fund.....	214

N

Natural Gas Fund	212
Net Bonded Debt Per Capita	15,246
Net Taxable Values	35
Neighborhood Services General Fund	106
Neighborhood Services Solid Waste	152
Net General Bonded Debt per Capita... ..	15,232
Non-Departmental-General Fund	88
Non-Departmental-Solid Waste Fund.....	154
Non-Departmental-Water & Sewer Fund... ..	138

O

Office of the City Manager.....	70
Operating Transfers Out.....	89
Ordinance - Taxes	250
Organization Chart City of Odessa	37
Outside Agencies Convention And Visitors Fund.....	211
Outside Agencies General Fund.....	89
Outside Agencies Solid Waste Fund	154

P

Parks and Recreation	100
Percent of Debt to Taxable Value.....	15,246
Personnel History	42
Planning and Development.....	78
Police	104
Population.....	231
Property Tax Comparison.....	36
Property Tax Rate.....	33
Property Tax Revenue.....	52
Proposed Budget Filed	1
Public Hearings on Proposed Budget.....	2
Public Safety Communications	76
Public Works Administration	90
Purchasing.....	82

R

Ratio of Annual Debt Service Expenditures	245
Ratliff Ranch Golf Course Fund Expenditure Overview	205
Ratliff Ranch Golf Course Fund Expenditure Summary	204
Ratliff Ranch Golf Course Fund Overview .	201
Ratliff Ranch Golf Course Fund Revenue Overview.....	203
Ratliff Ranch Golf Course Fund Revenue Summary	202
Ratliff Ranch Golf Course Fund.....	208
Repair and Replacement.....	138
Reserve Policy.....	11
Resolution - Budget	247
Revenue Policies	11
Risk Management Administration.....	178
Risk Management-Clinical Services	182
Risk Management Fund Expenditure Overview	173
Risk Management Fund Expenditure Summary	172
Risk Management Fund Overview.....	169
Risk Management Fund Revenue Overview.....	171
Risk Management Fund Revenue Summary	170
Risk Management-General Liability.....	181
Risk Management-Health and Wellness....	180

APPENDIX

INDEX

R (cont'd)

Risk Management-Medical and Dental.....	180
Risk Management-Worker's Compensation.....	181

S

Sales Tax Revenue	53
Sales Tax Revenue – Percent Change	49
Schedule of Outstanding Bonded Debt	186
Schedule of Payments	
General Debt Service.....	186
Water and Sewer Revenue Bonds.....	190
Solid Waste Fund Expenditure Overview ..	145
Solid Waste Fund Expenditure Summary..	144
Solid Waste Fund Overview	141
Solid Waste Fund Revenue Overview	143
Solid Waste Fund Revenue Summary.....	142
Solid Waste Division.....	150
Special Revenue Fund Definition	27
State Mandates	242
Street	98
Summary of Operating Funds-Three	
Year Comparison of Expenditures	40
Summary of Funding Sources	38

T

Table of Contents	
Tax Ordinance	250
Traffic Engineering.....	96
Transmittal Letter.....	i

U

Utilities Administration	126
--------------------------------	-----

W

Wastewater Collection.....	134
Water and Sewer Debt Service Narrative..	185
Water and Sewer Debt Service Payments	190
Water and Sewer Debt Service Schedule .	190
Water and Sewer Fund	
Expenditure Overview.....	118
Water and Sewer Fund	
Expenditure Summary	117

Water and Sewer Fund	
Expenditures by Function	120
Water and Sewer Fund Overview.....	109
Water and Sewer Fund	
Revenue Overview.....	112
Water and Sewer Fund	
Revenue Summary	111
Water and Sewer Fund	
Repair and Replacement	138
Water and Sewer Fund System	
Replacement and Trend Analysis	110
Water and Sewer Rates.....	113
Water Distribution	128
Water Purchases	139
Water Treatment Plant.....	130
Worker's Compensation	181