

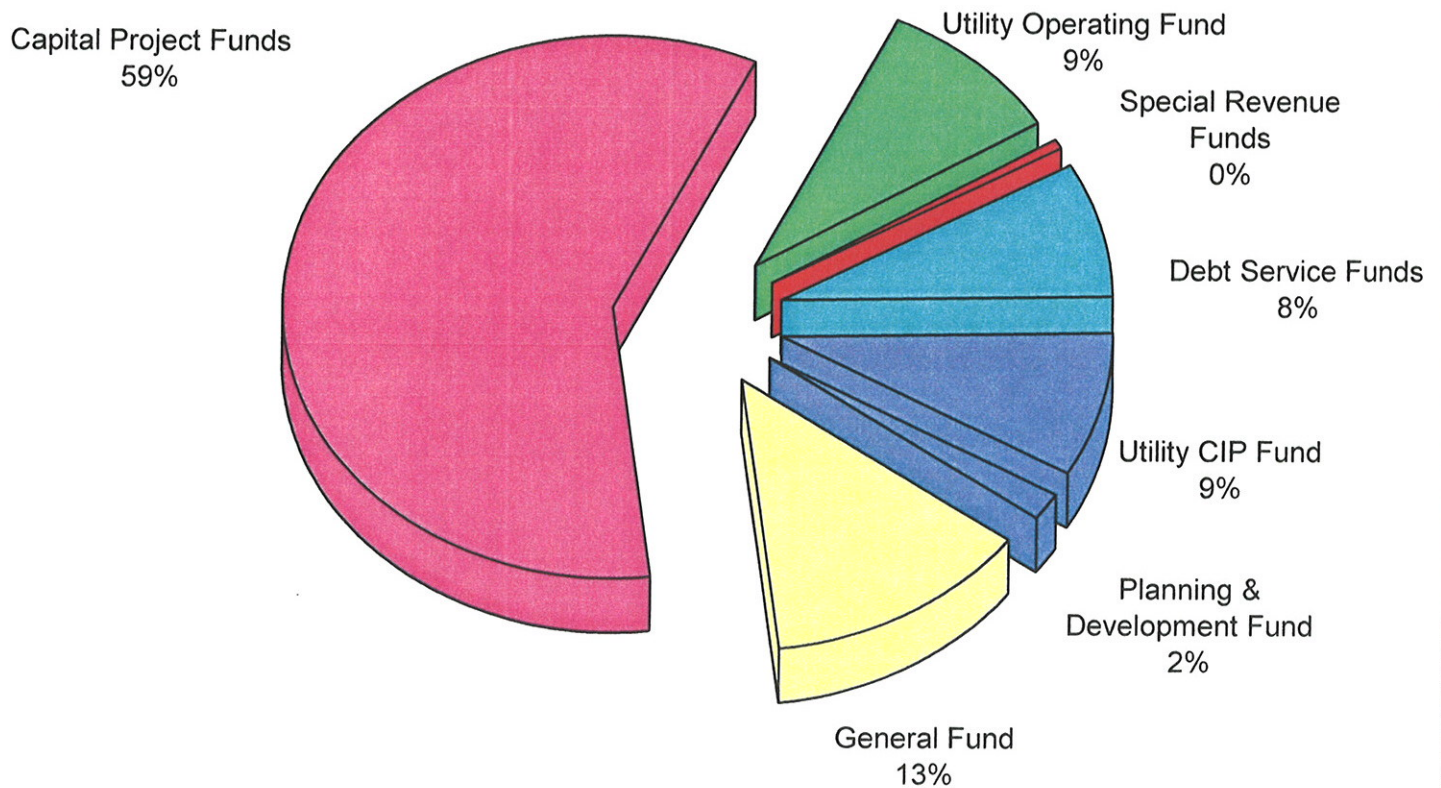
Combined Summary of Revenues and Expenditure All City Funds Fiscal Year 2007-08

	Total Budget	General Fund	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Bldg Inspection Planning	Utility Operating Fund	Utility Capital Improve. Fund
<i>Beginning Fund Balances/ Working Capital</i>	26,892,695	2,528,034	637,840	8,004,657	1,197,409	166,221	1,967,708	12,390,826
<i>Estimated 2007-08 Revenues and Resources</i>								
Property Taxes	3,316,331	1,355,747	115,000	-	1,845,584	-	-	-
Sales Taxes	2,205,790	2,205,790	-	-	-	-	-	-
Franchise Fees	485,276	485,276	-	-	-	-	-	-
Fines and Forfeitures	475,790	454,190	21,600	-	-	-	-	-
Use of Money and Prop.	1,426,637	329,709	11,581	315,000	100,000	-	220,347	450,000
Charges for Services	2,074,549	1,177,635	-	-	-	896,914	-	-
Impact/Development Fees	3,800,000	-	-	150,000	-	-	-	3,650,000
Other Utility Service Fees	4,906,349	85,722	3,373	622,666	-	-	4,906,349	-
Misc. Fees and Charges	711,761	-	-	25,000,000	-	-	-	-
Bond Proceeds	25,000,000	-	-	-	-	-	-	-
Transfers In	2,544,486	950,000	100,000	-	1,494,486	-	-	-
Total Estimated Revenue	46,946,969	7,044,069	251,554	26,087,666	3,440,070	896,914	5,126,696	4,100,000

Current Uses and Estimated Expenditures

Administration	1,900,867	1,825,772	70,095	-	5,000	-	-	-
Cultural	1,665,876	1,541,876	-	124,000	-	-	-	-
Public Safety	2,412,731	2,412,731	-	-	-	-	-	-
Public Works Maint.	6,522,843	1,468,230	-	-	-	-	5,054,613	-
Bldg Inspection/Planning	854,769	-	-	-	-	854,769	-	-
Capital Improvements/Grants	37,148,813	-	100,000	32,292,819	-	-	-	4,755,994
Debt Payments	3,320,365	-	-	-	3,320,365	-	-	-
Interfund Transfers Out	1,143,484	-	100,000	-	1,043,484	-	-	-
Total Estimated Expenditures	54,969,748	7,248,609	270,095	32,416,819	4,368,849	854,769	5,054,613	4,755,994
<i>Ending Fund Balances/ Working Capital</i>	18,869,916	2,323,494	619,299	1,675,504	268,630	208,366	2,039,791	11,734,832
<i>Reservations:</i>								
Contingency Reserve	(1,812,152)	(1,812,152)	-	-	-	-	-	-
Capital Projects/Other	-	-	-	-	-	-	-	-
<i>Available Fund Balances Working Capital</i>	17,057,764	511,342	619,299	1,675,504	268,630	208,366	2,039,791	11,734,832

FY2007-08
ANNUAL OPERATING BUDGET
GRAND TOTAL - ALL FUNDS



AN ORDINANCE OF THE CITY OF KYLE, TEXAS ADOPTING A BUDGET FOR THE ENSUING FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND ENDING SEPTEMBER 30, 2008; APPROPRIATING THE VARIOUS AMOUNTS THEREOF, AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE

Whereas, the City Manager of the City of Kyle, Texas has submitted to the Mayor and City Council on July 31, 2007 a proposed Operating Budget for the revenues and expenditures of conducting the affairs thereof and providing a complete financial plan for Fiscal Year 2007-08 in compliance with the Kyle City Charter; and which said proposed budget has been compiled from detailed information obtained from all departments and offices of the City; and,

Whereas, the Mayor and City Council received the City Manager's proposed budget and conducted a public hearing on the budget, a copy of which with all supporting materials has been filed with the City Secretary, all in compliance with state law and the Kyle City Charter; and,

Whereas, the Mayor and City Council have reviewed the FY2007-08 Operating Budget and, having considered any and all appropriate amendments, now deem this document to be the appropriate financial guide for the City of Kyle in the ensuing fiscal year.

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

Section 1. Findings. The following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Budget Adoption. The Operating Budget of the revenue of the City of Kyle and the expenses of conducting the affairs thereof providing a complete financial plan for the ensuing fiscal year beginning October 1, 2007 and ending September 30, 2008, a copy of which is attached hereto as "Exhibit A", be and the same is in all things adopted and approved as the fund budget for all expenditures/expenses as well as fixed charges against the City for the fiscal year beginning October 1, 2007 and ending September 30, 2008.

Section 3. Approval of Expenditures by Fund. The sums included within the budget as described herein are hereby appropriated from the respective funds for the payment of expenditures on behalf of the City of Kyle as established in the approved budget for the fiscal year beginning October 1, 2007.

Section 4. Conflict. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

Section 5. Open Meetings. That it is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Ch. 551, LGC.

Section 6. Effective Date. This Ordinance shall be in full force and effect from and after the date of its final passage and adoption in accordance with the provisions of applicable state law and the City Charter.

PASSED AND APPROVED on First Reading this _____ day of _____, 2007.

FINALLY PASSED AND APPROVED on this the _____ day of _____, 2007.

ATTEST:

CITY OF KYLE, TEXAS

Amelia Sanchez, City Secretary

Miguel Gonzalez, Mayor

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KYLE, TEXAS LEVYING AD VALOREM TAXES FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND TERMINATING SEPTEMBER 30, 2008; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; AND PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID.

Whereas, the City Council of the City of Kyle, Texas approved the municipal budget for the fiscal year beginning October 1, 2007 and ending September 30, 2008; and

Whereas, it is necessary that an ordinance be passed levying an ad valorem tax on all property, both real and personal, within the corporate limits of the City of Kyle, Texas in accordance with such budget and the Texas Tax Code.

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

Section 1. There is hereby levied and there shall be collected for the use and support of the municipal government of the City of Kyle (herein the "City") and to provide an Interest and Sinking fund for the 2007/2008 fiscal year, upon all property, real, personal and mixed, within the corporate limits of said City on January 1, 2007 subject to taxation, a tax of **\$.2707 on each \$100.00 valuation of property**, said tax being so levied and apportioned to the specific purposes here set forth:

1. For the maintenance and support of the general government (General Fund), **\$.1200** on each \$100.00 valuation of property; and
2. For the interest and sinking fund, **\$.1507** on each \$100.00 valuation of property.

Section 2. That taxes levied under this Ordinance shall be due October 1, 2007 and if not paid on or before January 31, 2008 shall immediately become delinquent.

Section 3. All taxes shall become a lien upon the property against which assessed, and the Hays County Tax Office as the assessor and collector of the City is hereby authorized and empowered to enforce the collection of such taxes according to the Constitution and laws of the state of Texas and ordinances of the City, and shall, by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty and interest, and the interest and penalty collected from such delinquent taxes shall be apportioned to the general fund of the City. All delinquent taxes shall bear interest from date of delinquency at the rate as prescribed by state law.

Section 4. Effective Date. This Ordinance shall take effect immediately from and after its passage.

Section 5. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

FINALLY PASSED AND APPROVED on this the ____ day of _____, 2007.

ATTEST:

CITY OF KYLE, TEXAS

Amelia Sanchez, City Secretary

Miguel Gonzalez, Mayor



CITY OF KYLE

300 W. Center • P.O. Box 40 • Kyle, Texas 78640 • (512) 268-5341 • FAX (512) 268-0675

NOTICE OF PUBLIC HEARING

PROPOSED FY2007-08 ANNUAL OPERATING BUDGET

Notice is hereby provided of a Public Hearing by the Kyle City Council on the proposed *FY2007-08 Annual Operating Budget* in accordance with the provisions of Section 8.05 of the Kyle City Charter.

The proposed *FY2007-08 Annual Operating Budget* is a complete financial plan for all City funds and activities for all municipal operations during the period of October 1, 2007 through September 30, 2008. The *FY2007-08 Budget* as proposed calls for total spending and transfers from all funds in the total amount of \$13,062,244; which includes General Fund expenditures in the amount of \$7,354,677 and Enterprise Fund expenditures in the total amount of \$5,707,067.

The Public Hearing will be conducted as part of the regular meeting of the Kyle City Council on **Tuesday, September 4, 2007 at 7:00PM** at the Kyle City Hall, 100 West Center Street, Kyle, Texas.

All interested parties are invited to attend and provide input. Copies of the proposed *FY2007-08 Annual Operating Budget* document and the enabling legislation are available for inspection at the Kyle Administrative Offices, 100 West Center Street, during normal business hours.

Memorandum

Date: June 10, 2007
To: Mayor and City Council
Department Heads



Subject: Calendar for Formulation and Adoption of
FY2007-08 Five-Year Capital Program and
Annual Operating Budget - REVISED

Following is a projected schedule of events and activities relating to the development and formal adoption of the *2007-08 Five-Year Capital Program* and the *FY2007-08 Annual Operating Budget* for the City of Kyle, in accordance with the requirements of the Kyle City Charter:

JULY

Monday, July 9, 2007..... Review and discussion with staff relative to process for development of proposed *2007-08 Five-Year Capital Program* and *FY07-08 Operating Budget*

Friday, July 13, 2007.....Deadline for submission of all departmental requests for funding within the proposed *2007-08 Five-Year Capital Program*

Tuesday, July 17, 2007.....**Presentation of Proposed 2007-08 Five-Year Capital Program to Mayor and City Council by City Manager**
(Regular Council Meeting)

Wednesday, July 25, 2007.....Deadline for submission of all departmental requests for funding within the Proposed *FY2007-08 Annual Operating Budget*

Tuesday, July 31, 2007.....**Presentation of Proposed FY2007-08 Annual Operating Budget to Mayor & City Council by City Manager**
(Special Council Meeting)

.....Council Budget Review/Workshop

AUGUST

Tuesday, August 7, 2007.....Public Hearing on Proposed 2006-07 5YR-Capital Program
(Regular Council Meeting)

.....Council Budget Review/Workshop(tentative*)

Wednesday, August 15, 2007.....Publish General Budget Summary and Notice of Public Hearing on September 4

Tuesday, August 21, 2007.....Adoption of Resolution Approving the 2006-07 Five-Year Capital Program by Mayor and City Council
(Regular Council Meeting)

.....Council Budget Review/Workshop (tentative*)

SEPTEMBER

Tuesday, September 4, 2007.....First Reading of Appropriations Ordinance Adopting
(Regular Council Meeting) FY2007-08 Annual Operating Budget

..... Public Hearing on Proposed Annual Operating Budget

Tuesday, September 18, 2007.....Second Reading of Appropriations Ordinance and Final
(Regular Council Meeting) Adoption of FY2007-08 Annual Operating Budget

.....Second Public Hearing on Proposed Budget (if desired*)

Thursday, September 20, 2007.....Deadline established by City Charter for final adoption of
FY2007-08 Annual Operating Budget (“not later than
the third Thursday of September”)

Monday, October 1, 2007.....Beginning of FY2006-07 Fiscal Year

Certain aspects of the schedule are subject to change, as we continue to establish an appropriate and effective budget development process, including the adoption of a Five-Year Capital Program. In addition, the actual number and content of the Council Budget Workshops will be determined through the input of City Council.

Please let me know if you have any questions, problems, or suggestions; or need additional information relative to this schedule.



Thomas L. Mattis
City Manager

*Tentative dates for Council Budget Workshops and/or Public Hearings. Actual number and schedule for workshops to be determined by City Council.

FY 2007-08 ANNUAL BUDGET
CITY OF KYLE CHARTER SECTIONS

SECTIONS 8.04 **ANNUAL BUDGET**

The budget shall provide a complete work and financial plan for the city, including all city funds and activities. A budget message explaining the budget both in fiscal terms and in terms of the work programs shall be submitted with the budget. It shall outline the proposed financial policies of the city for the ensuing fiscal year; describe the important features of the budget; indicate any major changes from the current year in financial policies, expenditures, and revenues with reasons for such changes; summarize the city's debt position and include such other material as the city manager deems desirable or the council requires. The budget shall begin with a clear general summary of its contents; and shall show in detail all estimated revenues, indicating the proposed property tax levy, and all proposed expenditures, including debt service, for the ensuing fiscal year.

The proposed budget expenditures shall not exceed the total of estimated funds available from all sources. The budget shall be so arranged as to show comparative figures for estimated revenues and expenditures of the current fiscal year and the actual revenues and expenditures of the preceding two (2) fiscal years, compared to the estimate for the budgeted year. It shall include in separate sections:

- (a) An itemized estimate of the expense of conducting each department, division and office
- (b) Reasons for proposed increase or decrease of such items of expenditure compared with the current fiscal year
- (c) A narrative statement for each department indicating projects to be accomplished by the department. The narrative shall state specifically all capital expenditures proposed during the year, all major projects on which work will be performed and any extraordinary items included in the budget.
- (d) A statement of the total probable revenues of the city from taxes by category for the fiscal year.
- (e) Tax Levies, rates, and collections for the preceding five years.
- (f) An itemization of all anticipated revenue from utilities and all sources other than the taxes.
- (g) The amount required for interest on the City's debts, for sinking fund and for maturing bonds or other obligations.
- (h) The total amount of outstanding city debts and other obligations, with a schedule of payments and maturities.

- (i) The total amount established for addition to reserve funds.
- (j) A capital program, which may be revised and extended each year to indicate capital expenditures pending or in process construction or acquisition.
- (k) A provision regarding health coverage for retired employees. This provision may give consideration to the years of service of each retired employee but shall not obligate the city to any specific continuing level of funding for such benefits.
- (l) Such other information as may be required by the council.

SECTION 8.05: BUDGET PROCESS AND ADOPTION

The city manager shall be responsible for the timely preparation and presentation of the budget, and shall present his or her recommended budget to the city council no later than sixty (60) days prior to the October 1st of each year. The proposed budget shall become a public document and record when presented to the council. From and after its receipt of the budget, the city council shall:

- (a) At the first council meeting for which timely notice may be given, cause to be posted in city hall and published in a newspaper of general circulation in the city a general summary of the proposed budget and a notice stating the time and places where copies of the budget are available for public inspection; the time and place, not less than fifteen (15) days after such publication, of a public hearing on the budget; and such other public hearings as are necessary
- (b) After the first public hearing the council may adopt the budget with or without amendment. The council may amend the proposed budget to add, increase, decrease or delete any programs or amount, except expenditures required by law or for debt service; provided that no amendment shall increase the authorized expenditures to an amount greater than the total of estimated funds available from all sources.
- (c) The budget shall be finally adopted by ordinance not later than the third Thursday of September; provided that if the council takes no final action on or prior to such day, the budget as submitted by the city manager shall be deemed to have been finally adopted by the council.

COMPENSATION POLICY

In previous years appropriations have consistently been made for adjustments to salaries of full time permanent employees based on increases in cost-of-living and a general assessment of the need for adjustments based on market conditions. However, the City has continued to experience problems with maintaining appropriate compensation levels consistent with the general marketplace. For 2007-08, a comprehensive survey was made of all full time classifications used by the City to determine the average wages and salaries paid by comparable cities in central Texas. The list of cities surveyed included:

Cedar Park	San Marcos
Georgetown	Schertz
New Braunfels	Seguin
Pflugerville	Universal City

Data was gathered from The Texas Municipal League who contracts with a consulting group that collects and compiles the data then makes it available to all Texas cities. Based on the results of the survey, the following policies were recommended to guide the application of adjustments to City Employees:

Maximum increase 10% for any individual employee

There is a ceiling of 15% above the average for all classifications. If an employee is currently above 15% of the average, there is a mandatory freeze on that employee's pay until the average exceeds the current pay level.

City Manager has discretion to grant up to 10% increase effective October 7th 2007, for those employees below average by more than 10%. Considerations for market adjustment include length of experience with the City or experience in a current or similar position in another City and overall value to the organization.

If differential less than 10% the maximum allowable is only up to the amount of the percentage differential.

Employees will still be eligible for a maximum 5% merit increase on their anniversary date based on a written performance evaluation.

Entry level pay shall be set at 10% below the average pay for each classification.

City Manager has discretion to consider override in excess of 10% if employee is still 10% below the average after the 10% increase is given. This is to avoid the possibility that an entry level employee is paid more than a fully qualified current employee that came in at a lower rate.