



# CITY OF KYLE

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August 1, 2006

Mayor and City Council  
City of Kyle  
300 West Center Street  
Kyle, Texas 78640

Dear Mayor and Councilmembers,

In accordance with the provisions of Article VIII, Sections 8.04 and 8.05 of the Kyle City Charter, the proposed *Annual Operating Budget* for the City of Kyle, Hays County, Texas, for the Fiscal Year of October 1, 2006 through September 30, 2007, is hereby presented for your consideration.

The proposed spending plan, developed with the input of all Department Heads, is a zero-based, balanced spending plan, wherein all planned operating expenditures are totally supported by revenues generated through operations or fund transfers during the 2006-07 fiscal year. The total amount of all projected expenditures, including transfers, in FY2006-07 is **\$25,649,874**, which represents a significant increase over last year's spending plan.

The operating budget development process began in May with the initial development of the proposed *2006-07 Five-Year Capital Program*. Subsequently, all Department Heads were provided "Target Numbers" for the submission of their individual funding requests. The "Targets" were intended to establish maximum limits for each department's submission. Department Heads then prepared and submitted requests for funding of each individual city department. After which, the City Manager reviewed and coordinated these requests/needs with available funding as projected for next year.

The result is the proposed *FY2006-07 Annual Operating Budget* document, whose funding proposals are organized into seven (7) major categories:

1. General Fund - characterized revenues and expenditures to provide for primary municipal services, whose main financial support comes from property and sales taxes
2. Planning & Development Fund - Enterprise Fund created to describe all financial transactions relating to Building Inspection and Comprehensive Planning functions of the city. Costs for these services are wholly supported by fees or charges for same.
3. Water Fund - Enterprise Fund describing all financial transactions relating to the provision of water services through the city's system. Costs for these services are wholly supported by water rates or fees for such services.
4. Wastewater Fund - Enterprise Fund describing all financial transactions relating to the provision of wastewater collection and treatment services through the city's system. Costs for these services are wholly supported by wastewater rates or fees for such services.
5. Park Improvement Fund - budget-year financial plans for certain capital improvements to city-owned parks from dedicated funds.

6. Road Construction Capital Improvement Fund – (New for FY06-07) budget-year financial plans for major road improvement projects – Kohlers Crossing and Center Street/FM150 Extension. Funding in support will primarily come from a TBD debt issuance.
7. Building Program Fund - budget-year financial plans relating to construction activities as part of the program approved by Council in FY02-03.

Preceding each department's budget is a brief description of the department, staffing levels and its general activities called "Performance Indicators". Also provided therein is statistical data relative to the duties and volume of work generated by each department.

The proposed budget includes full-year funding for an all-time high of up to **one hundred (100) city employees**: seventy (79) full-time positions, ten (10) part-time positions, and eleven (11) seasonal positions. These numbers represent a proposed increase in current staffing levels with the addition of **nine (9) new full-time positions** and one (1) new part-time position from a year ago – all designed to provide improved and enhanced city services:

- A *Court Administrator* position to provide general management support of growing court operations within the Administration-Municipal Court department.
- An *Accounting Clerk* position to provide general support of the Director of Finance within the Administration-Finance department.
- Four new full-time positions to staff the newly-created Maintenance and Beautification Department: One (1) *Foreman* position, (2) *Maintenance Technician* positions, and one (1) *Building Maintenance/Custodian* position.
- Two (2) new *Maintenance Technician* positions within the Parks & Recreation-Operating department.
- A part-time *Administrative Assistant/Clerk* position within the Library department.
- A *Planner/Administrator* position in the Water-Operating Department.

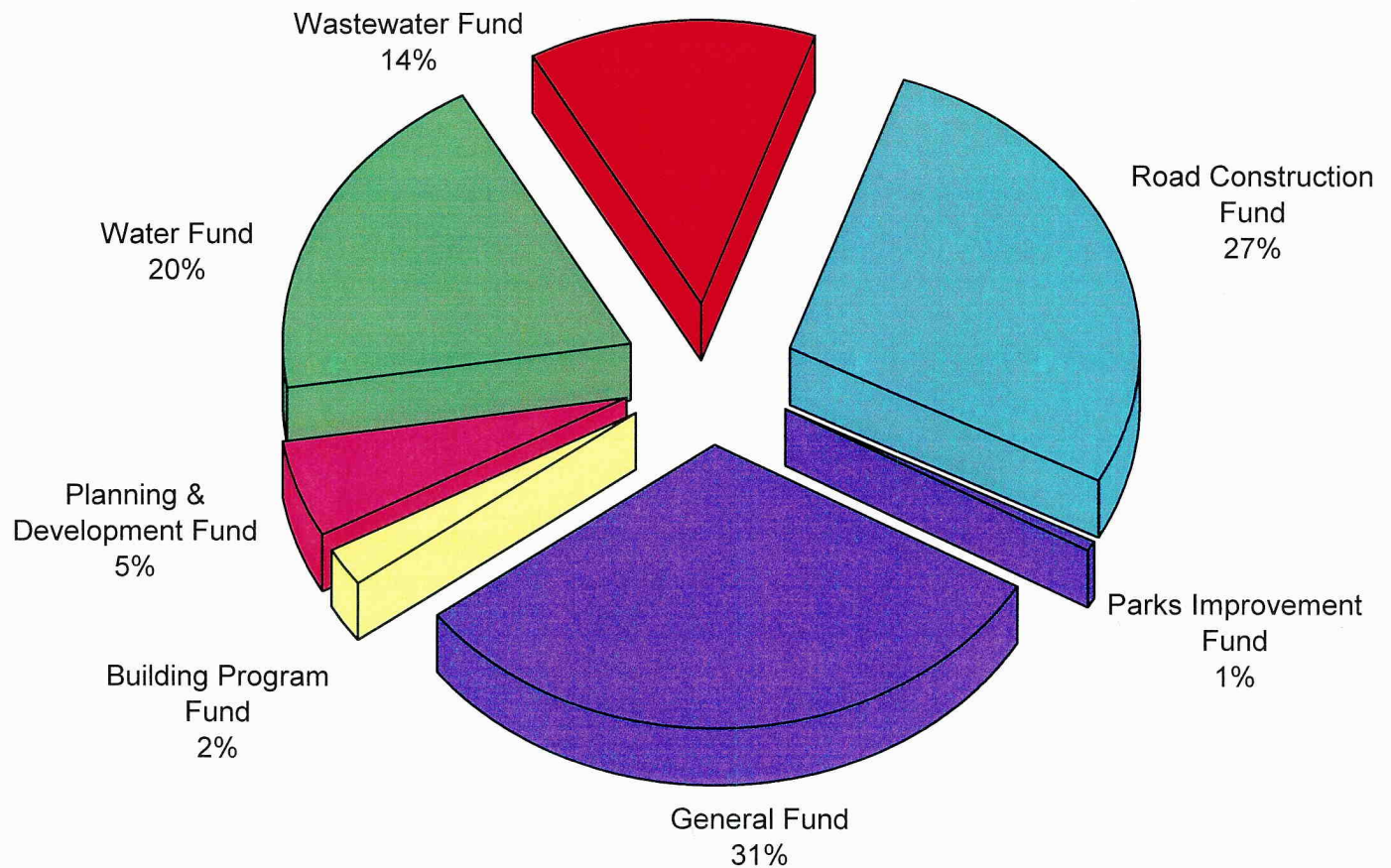
The proposed budget also includes full-year funding for all existing positions, including new administrative positions added in FY2005-06:

- *Assistant City Manager, Director of Planning and Director of Communications*
- *Director of Finance and Staff Accountant*

Although the primary focus of the proposed FY2006-07 Operating Budget is to fund the continuation of existing programs/service levels and properly respond to the increased demand for services from a growing community, there are certain characteristics that are unique to this spending plan:

- The *Annual Budget* has been developed to this stage without yet having received final calculations from the Hays County Tax Assessor relative to a projected property tax rate for the 2005-06 year. The preliminary tax rolls, however, indicate the continuing growth of the city's tax base over last year. As has been previously discussed with Council, the *Budget* has been developed based on the assumption that the property tax rate for FY2006-07 would remain at the same level as the current year - \$.2777/ per \$100 valuation.  
This increased funding is imperative to the city's goal of maintaining and improving service levels at the same time we are continuing to experience substantial growth.
- The restructuring of the *Annual Budget* that began last year has continued in an attempt to more accurately reflect and record costs for services. A re-alignment of certain personnel and services has occurred, so that all parties maintain a clearer understanding of the true costs for services.

**FY2006-07**  
**ANNUAL OPERATING BUDGET**  
***GRAND TOTAL - ALL FUNDS***



CITY OF KYLE  
PROPOSED FY2006-07 ANNUAL OPERATING BUDGET

GRAND TOTALS - ALL EXPENDITURES  
ALL CITY FUNDS

<i>DEPARTMENT</i>	<i>FY2003-04 Actual</i>	<i>FY2004-05 Actual</i>	<i>FY2005-06 Projected</i>	<i>FY2006-07 Proposed</i>	<i>FY2007-08 Projected</i>
GENERAL FUND	\$ 4,380,671	\$ 5,871,367	\$ 6,429,946	\$ 8,075,472	\$ 7,286,397
PLANNING & DEVELOPMENT FUND	\$ 1,052,007	\$ 989,089	\$ 1,298,380	\$ 1,374,459	\$ 1,310,149
WATER FUND	\$ 1,374,035	\$ 1,772,208	\$ 3,875,030	\$ 5,003,012	\$ 4,640,371
WASTEWATER FUND	\$ 1,621,111	\$ 1,886,346	\$ 2,730,264	\$ 3,464,187	\$ 4,127,031
ROAD CONSTRUCTION CAPITAL IMPROVEMENT FUND	\$ -	\$ -	\$ -	\$ 7,029,482	\$ -
PARK IMPROVEMENT FUND	\$ -	\$ 151,940	\$ 378,427	\$ 139,000	\$ 70,000
BUILDING PROGRAM FUND	\$ 2,318,790	\$ 873,264	\$ 2,258,331	\$ 564,262	\$ -
TOTALS	\$10,746,614	\$ 11,544,214	\$ 16,970,378	\$ 25,649,874	\$ 17,433,948