

**CITY
OF
ODESSA**



**ADOPTED BUDGET
FISCAL YEAR
2012-13**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Odessa

Texas

For the Fiscal Year Beginning

October 1, 2011

Linda C. Dawson *Jeffrey R. Egan*

President

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, 2011.

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

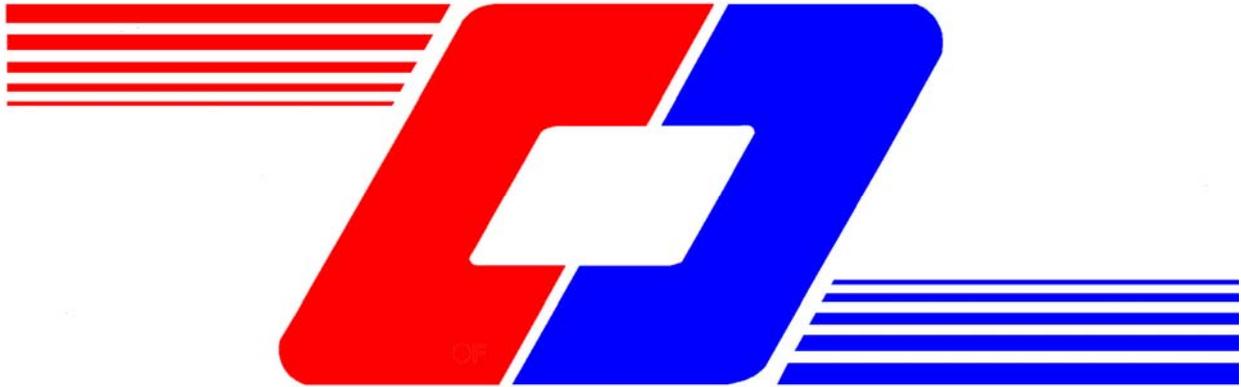
Fiscal Year
October 1, 2012 through September 30, 2013

CITY COUNCIL

Larry L. Melton, Mayor
Bill Cleaver, District 1
James B. Goates, Mayor Pro Tem, District 2
Barbara Graff, District 3
Dean Combs, Mayor Pro Tem, District 4
Sandra Carrasco, District 5

Richard N. Morton, Jr., City Manager

Adopted
September 11, 2012



City of Odessa 2012-2013 Annual Budget

Prepared by

James Zentner, Assistant City Manager – Administrative Services
Felicia Nzere, Director of Finance
Cindy Muncy, Financial Reporting Accountant
Bobbi House, Budget Analyst

Printed by

Printing Services
Jimmy Norris, Print Supervisor
Alba Sammer, Print Assistant

City Council



Larry L. Melton
Mayor



Bill Cleaver
District 1



James B. Goates
Mayor Pro Tem, District 2



Barbara Graff
District 3



Dean Combs
Mayor Pro Tem, District 4



Sandra Carrasco
District 5

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 services 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

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.....	19
Accounting Policies	20
Accounting/Budgetary Basis	26
Fund Definitions	27
 <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 Revenues for Operating Funds – Three Year Comparison	38
Summary of Funding Sources.....	40
Summary of Expenditures for Operating Funds – Three Year Comparison	42
Personnel History.....	44
Graph: Personnel History.....	45
 <u>GENERAL FUND</u>	
General Fund Overview	47
General Fund Revenue Summary	48
General Fund Revenue Overview.....	49
Graph: General Fund Revenue.....	53
Graph: Property Tax Revenue	54
Graph: Sales Tax Revenue.....	55
General Fund Expenditure Summary.....	56
General Fund Expenditure Overview	57
General Fund Expenditures by Function.....	61
Graph: General Fund Expenditures by Function – Three Year Comparison	62
Graph: General Fund Expenditure Budget by Function	63
General Fund Capital Outlay.....	64

Table of Contents	
Annual Budget	
Summaries and Detail	
(Continued)	

GENERAL FUND DETAIL BY DEPARTMENTS/DIVISIONS

City Council	66
City Secretary.....	68
City Attorney.....	70
Office of the City Manager	72
Human Resources	74
Building Services.....	76
Public Safety Communications	78
Planning and Development.....	80
Finance	82
Purchasing	84
Municipal Court	86
Information Technology.....	88
Non-Departmental General Fund.....	90
Outside Agencies	91
Operating Transfers Out	91
Special Projects	91
Public Works Administration	92
Engineering	94
Building Inspection	96
Traffic Engineering.....	98
Street.....	100
Public Works GIS	102
Parks and Recreation.....	104
Fire	106
Police	108
Neighborhood Development Services.....	110

WATER AND SEWER FUND

Water and Sewer Fund Overview	113
Water and Sewer Fund System Overview and Trend Analysis	114
Water and Sewer Fund Revenue Summary	115
Water and Sewer Fund Revenue Overview.....	116
Graph: Water and Wastewater Rates	117
Graph: Water and Sewer Total Revenue	118
Graph: Water Revenue	119
Graph: Wastewater Revenue.....	120
Water and Sewer Fund Expenditure Summary.....	121
Water and Sewer Fund Expenditure Overview	122
Water and Sewer Fund Expenditures by Function.....	124
Water and Sewer Fund Capital Outlay.....	125

WATER AND SEWER FUND DETAIL BY DEPARTMENTS/DIVISIONS

Billing and Collection	128
Utilities Administration	130
Water Distribution	132
Water Treatment Plant	134
Bob Derrington Water Reclamation Plant	136
Wastewater Collection	138
Laboratory Services	140
Utilities GIS	142
Repair and Replacement	144
Non-Departmental Water and Sewer Fund	144
Housing Incentive Program	144
Water Purchases	145
Gulf Coast Expenditures	145
Water and Sewer Fund Debt Service Payments	145
Participation in Line Extensions	146
Code Enforcement	146

SOLID WASTE FUND

Solid Waste Fund Overview	147
Solid Waste Fund Revenue Summary	148
Solid Waste Fund Revenue Overview	149
Solid Waste Fund Expenditure Summary	150
Solid Waste Fund Expenditure Overview	151
Solid Waste Fund Capital Outlay	153
Solid Waste Division	156
Neighborhood Development Services	158
Non-Departmental Solid Waste Fund	160
Outside Agencies	160
Keep Odessa Beautiful	160

STORM WATER FUND

Storm Water Fund Overview	161
Storm Water Fund Revenue Summary	162
Storm Water Fund Revenue Overview	163
Storm Water Fund Expenditure Summary	164
Storm Water Fund Expenditure Overview	165
Storm Water Division	166

Table of Contents
Annual Budget
Summaries and Detail
(Continued)

EQUIPMENT SERVICE FUND

Equipment Service Fund Overview	169
Equipment Service Fund Revenue Summary	170
Equipment Service Fund Revenue Overview	171
Equipment Service Fund Expenditure Summary	172
Equipment Service Fund Expenditure Overview	173
Equipment Service Fund Capital Outlay	175
Equipment Services Division	178
Communications	180
Equipment Replacement	182

INFORMATION TECHNOLOGY FUND

Information Technology Fund Overview	183
Information Technology Fund Revenue Summary	184
Information Technology Fund Revenue Overview	185
Information Technology Fund Expenditure Summary	186
Information Technology Fund Expenditure Overview	187
Information Technology Fund Capital Outlay	188
Information Technology Division	190
Computer Replacement	192

RISK MANAGEMENT FUND

Risk Management Fund Overview	193
Risk Management Fund Revenue Summary	194
Risk Management Fund Revenue Overview	195
Risk Management Fund Expenditure Summary	196
Risk Management Fund Expenditure Overview	197
Risk Management Fund Capital Outlay	199
Risk Management Administration	202
Medical and Dental Insurance Division	204
Health and Wellness	204
General Liability Division	205
Workers' Compensation Division	205
Clinical Services	206

DEBT SERVICE FUND

General Debt Service Fund Overview	207
General Debt Service Narrative	208
Water and Sewer Debt Service Narrative	209
General Debt Service Schedule	210
Water and Sewer Debt Service Schedule	214
Outstanding Lease Agreements	216

COMMUNITY DEVELOPMENT FUND

Community Development Fund Overview.....	217
Community Development Fund Summary of Revenues and Allocations.....	218
Community Development Fund Capital Outlay	219
Community Development.....	220

RATLIFF RANCH GOLF COURSE FUND

Ratliff Ranch Golf Course Fund Overview	223
Ratliff Ranch Golf Course Fund Revenue Summary	224
Ratliff Ranch Golf Course Fund Revenue Overview.....	225
Ratliff Ranch Golf Course Fund Expenditure Summary.....	226
Ratliff Ranch Golf Course Fund Expenditure Overview	227
Ratliff Ranch Golf Course	228

OTHER FUNDS

Convention and Visitors Fund	231
Municipal Court Building Security Fund	232
Municipal Court Technology Fund	233
LEOSE Fund	234
Drug Forfeiture Fund.....	235
Liquid Waste Fund	236
Grant Program Narrative.....	237
Grant Programs.....	238

CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program Overview	239
Capital Budgets, General Purpose.....	240
Capital Budgets, Enterprise Fund	240
Capital Improvement Project Photos.....	241
Capital Budgets, Operational Impact	245
Capital Budgets, General Purpose Projects.....	247
Capital Budgets, Enterprise Fund Projects	248
Summary of Proposed Capital Projects for Fiscal Years 2013-2017	249
Five-Year General Proposed Projects Operational Impact.....	250

COMMUNITY PROFILE

Odessa at a Glance	251
Graph: Odessa's Employment Shifts	256
Graph: Odessa's Economy by Sector	257
Graph: New Construction.....	258
Graph: Ethnic Projections in Ector County.....	260

Table of Contents
Annual Budget
Summaries and Detail
(Continued)

APPENDIX

State Mandates	262
Federal Mandates	264
Debt Statistics	265
Resolution to Adopt Budget	267
Ordinance to Establish Ad Valorem Rate.....	270
Glossary of Budget Terms	275
Glossary of Budget Terms/Acronyms	284
Index	287

October 1, 2012

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 2012-13 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 \$161.5 million and total current expenditures of \$164.2 million. In comparison with last year's adopted budget, this budget reflects an increase of 9.04% in revenues and an increase of 11.67% in current expenditures. The increase in expenditures is largely due to the implementation of a 5% pay increase for employees, the continuation of the position step, skill, and incentive pay programs for sworn personnel, higher fleet maintenance and replacement costs, the purchase of automotive equipment, a budgetary increase for street maintenance, and the introduction of technology charges. This year, the annual allocation for equipment replacement is \$7.99 million. This budget is the culmination of our combined efforts to determine the proper allocation of resources for the City based upon our 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. Over the past few years, economic diversification efforts of city leaders, rising oil prices, and increased oil production have resulted in a booming local economy. While the U.S. rig count was up 8.82% in 2011-12, the West Texas region rig count increased by 26.91% for the same time period. West Texas Intermediate Crude Oil prices have realized an increase as well, rising 3.05% over last year's figures. Additionally, unemployment has decreased to an annualized rate of 4.69%, a 30% decrease compared to the previous year.

The City of Odessa has been fortunate to have dedicated community leaders who understand the importance of cohesive economic development efforts. In order to promote economic diversification, Odessa leaders, along with the Odessa Development Corporation, brought in another 37 new jobs with a cumulative annual payroll of \$7.9 million for the community.

2011-12 ACHIEVEMENTS

Our goals and objectives have charted the course for fiscal year 2011-12 and considerable progress has been made, including the following achievements:

- Economic diversification efforts in 2011-12 have resulted in significant private construction of both residential and commercial subdivisions near the intersection of Billy Hext Road and Eastridge Road and the intersection of North JBS Parkway and 52nd Street. It is anticipated that the City's investment in street infrastructure in this area will continue to attract development in future years.
- Two major park improvement projects were completed in 2011-12, including the construction of two new playgrounds; one at San Jacinto Park and the other at O'Conner Park. These two projects were funded from the Utility Bill Dollar Donation Program.
- The Neighborhood Development Services division successfully conducted a series of "neighborhood sweeps" in 2011-12. A neighborhood sweep is a neighborhood cleanup, scheduled for specific days for targeted subdivisions. They require the cooperation of various city departments, external agencies, media, and community volunteers. These cleanup campaigns cleared approximately 100 tons of refuse from our neighborhoods in the last fiscal year.
- Odessa experienced a decrease in crime in calendar year 2011. Part II Crimes, such as vandalism, disorderly conduct, driving while intoxicated, drug offenses, and weapon offenses, were down 22% compared to 2010 numbers. In corresponding Part I Crimes for 2011, violent crimes realized a 3.17% increase, while property crimes experienced a 10.76% decrease. Overall, Part 1 Crimes have decreased by 9% compared to the previous year. The cooperative efforts and assistance of surrounding law enforcement agencies, the citizens of Odessa, and the Odessa Police Department are credited with this accomplishment.
- The Odessa Fire Department partnered with Medical Center Hospital and Odessa Regional Medical Center to help them obtain chest pain and stroke accreditation. Odessa Fire Rescue personnel attended numerous classes offered by the hospitals to obtain certifications to supplement their paramedic certification. These accreditations will allow both the hospitals and Odessa Fire/Rescue to provide the citizens of Odessa with a higher level of emergency care.
- The City of Odessa Municipal Court and the Ector County Independent School District continue to work together to support the School Attendance Court. This special court is proving successful in keeping students in class and off of the streets.
- The Information Technology Department added Webtrac to the Park Department's Rectrac environment to allow citizens to pay for and reserve park facilities online.

GOALS AND OBJECTIVES FOR 2012-13 FISCAL YEAR

Encouraged by the accomplishments of 2011-12 and our commitment to the citizens of Odessa, we focus on the City's future goals and objectives:

- Over \$1.6 million in revenues have been allocated for park improvement projects in the upcoming fiscal year. These projects include the installation of water wells at eight parks, the installation of a prefabricated restroom at Jim Parker Park, the replacement of lighting at Noel Plaza and the Sports Field, the removal and replacement of two pavilions and maintenance to the existing trail at Comanche Trail Park, the renovation of the community building at Sherwood Park, and the bay expansion and office renovations at the Parks Maintenance Shop.
- Street maintenance continues to be a priority. The reconstruction of JBS Parkway between University and 42nd Street is scheduled to begin on December 1, 2012. It is anticipated that the \$4.2 million project will be completed by March 1, 2013. The reconstruction of 8th Street between West County Road and Grant Street, which began in 2011-12, is also expected to be completed in the upcoming fiscal year.
- Several Water and Sewer projects will continue in 2012-13, including the renovation of three water towers, the replacement of a generator at the Bob Derrington Plant, the AMR Meter Replacement Project, the construction of Sewer Line "H", Phases III, IV, and V, and the repair and replacement of miscellaneous water and sewer lines throughout the city. A total of \$48,208,627 has been allocated to fund these projects.
- Crime reduction remains a major goal for Odessa. Numerous programs funded in the 2012-13 budget that address the topic of crime reduction include the Citizen's Police Academy, Citizens on Patrol, Juvenile Curfew, and the CopLogic Online System that allows citizens to report minor offenses via home computers.
- The Information Technology Department will centralize ownership of computer and network assets to simplify the management of a standardized replacement program.
- Neighborhood Development Services will continue to educate the public on environmental topics, such as recycling, composting, household hazardous waste disposal, and tree limb grinding. This department will conduct neighborhood meetings to provide an open forum for citizens to voice neighborhood concerns and plans to distribute 205,000 educational flyers in an effort to promote environmental awareness.
- The installation of the new Public Safety radio system is expected to be completed in 2012-13. The project encompasses the addition of a new radio network tower, new Motorola radios, mobile data terminals, dispatch equipment, and recordable software.

GENERAL FUND

Decisions made by the City Council that affect the general operating fund budget have a major impact on public services and on the quality of life in the City of Odessa. Each year the City faces the challenge of balancing the public's need for services against limited financial resources.

On September 25, 2012, the City Council approved a property tax rate of 51.2750 cents per \$100 of valuation, a rate above the effective tax rate but one cent lower than the 2011 adopted rate. Current property tax revenues are expected to be \$19,187,788, with the \$1,788,763 increase being attributed to higher property values. In 2012-13, assessed values will reach \$4,488,813,872, a 10.65% increase over the previous year. General Fund's projected revenues of \$70.82 million will fund current expenditures of \$70.82 million as a balanced budget. Both revenues and expenditures will increase by \$6,458,656, or 10.03%, compared to the previous year.

As 2011-12 economic indicators for the general economy and the oil industry have continued in an upward direction, sales tax receipts are projected to show similar trending. As a result, the estimate for 2012-13 sales tax revenues has been projected at \$25,240,023. Sales tax revenue continues to be the single largest source of revenue for the General Fund.

In 2012-13, the General Fund will realize a net increase of one (1) position. Fifteen (15) positions will be added to the fund. However, fourteen (14) Information Technology positions will be transferred from the General Fund to the newly-established Information Technology Fund. The positions that will be added to the General Fund include: eight (8) Firefighters, four (4) Police Officers, one (1) Senior Planner, one (1) Crime Scene Unit Technician, and one (1) Juvenile Case Manager that will be transferred from the Grants-in-Aid Fund.

In total, 662 positions have been approved for the 2012-13 General Fund budget. The Public Safety step/incentive pay plan for sworn employees, designed to attract and retain qualified personnel, will continue at a cost of \$494,728. Qualifying Police and Fire department personnel will be promoted to their next corresponding "step" in a program initiated by the City in 2008. Also, a 5% pay increase for full-time employees will go into effect on October 1, 2012, resulting in a budgetary increase of \$1,748,870.

Technology charges will be introduced to the budget for the first time in the upcoming fiscal year, accounting for \$2,072,034 of the General Fund budget. Departments will be assessed technology charges based on the quantity, cost, and useful life of their data processing equipment.

Fleet maintenance and replacement costs will increase by \$934,401 in 2012-13. Overhead costs tend to trend upward, and replacement costs almost always exceed the original purchase price of any capital asset. This is especially true when a capital asset is replaced several years after the original date of purchase.

The repair and maintenance of city streets continues to be a priority for the City of Odessa. To that end, additional funding in the amount of \$443,063 has been allocated to the Street Division's street maintenance and repair program, bringing the total budget for this line item up to \$2,040,339.

The September 30, 2011 City of Odessa Comprehensive Annual Financial Report (CAFR) shows a 2010-11 actual fund balance of \$35,013,921. Estimated revenues for 2011-12 are \$68,728,209 and expenditures, which include \$7,133,733 in encumbrances carried over from 2010-11, total \$79,022,921. The ending fund balance of \$24,719,209 represents a decrease of \$10,294,712, or 29.40%, compared to the previous year. This decrease is due to several major expenditures that took place in 2011-12, including a \$5 million radio system, parks improvement projects totaling \$1.02 million, the \$4.2 million reconstruction of JBS Parkway, the \$2.4 million reconstruction of 8th street, and the \$1.6 million construction of Phase II of the East Drainage Channel Basin Project.

GENERAL FUND - FUND BALANCE

The fund balance for the General Fund is segregated into five classifications. Within the Unassigned classification, the City has the 60 Day Requirement, the Budget Stabilization Account, and Unassigned (fund balance). The 60 Day Requirement includes enough funding to provide for at least 60 days of emergency operation, based on the current year's adopted budget. The Budget Stabilization Account provides sufficient funding to support operations for 25 days, based on the current year's 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. The Compensated Absences account is classified as Assigned. These funds are set aside to pay employees for accrued unileave and/or old sick leave upon their resignation, termination, or retirement. In addition, the General Fund maintains a healthy unassigned balance, which allows the City to allocate those funds for special and unforeseeable projects as they occur.

WATER AND SEWER FUND

Water and Sewer revenues are projected at \$44,924,300 in 2012-13, an increase of \$1,941,700, or 4.52%, compared to last year's budget. Last year, persistent drought conditions made it necessary for CRMWD to place restrictions on water sales to its member cities. This resulted in a dramatic decrease in 2011-12 revenues. In order to generate sufficient revenue to cover operating costs in the upcoming fiscal year, it was necessary to impose a 40% increase on water rates. Sewer rates will remain at the same level as last year.

Water and Sewer operating expenditures are proposed at \$44,730,023, a \$1,801,730, or 4.20%, increase compared to the previous year's adopted budget. The Personal Services increase of \$447,500 will cover the cost of a 5% pay raise and fund the

continuation of step increases and incentive pays for qualifying full-time employees. Other major increases impacting the Water and Sewer Fund budget include a \$573,617 increase in maintenance and replacement costs, the addition of \$429,590 in technology charges, and a \$364,935 increase in the Other Requirements budget. Other Requirements expenditures include the General Fund administrative fee, the 5% gross receipts tax, and payments made in lieu of tax.

The September 30, 2011 City of Odessa Comprehensive Annual Financial Report (CAFR) shows a 2010-11 actual fund balance of \$12,763,175. Estimated revenues for 2011-12 are \$36,518,200 and expenditures, which include \$1,192,124 in encumbrances carried over from 2010-11, total \$44,120,418. The ending fund balance of \$5,160,957 represents a decrease of \$7,602,218, or 59.56%, compared to the previous year. The decrease in fund balance results from a shortfall in 2011-12 revenues. Water restrictions imposed by CRMWD significantly reduced the amount of water available for the City to sell to its customers. Revenues generated were not sufficient to cover normal operating costs, so a portion of the operational costs had to be paid from fund balance.

Any Capital Improvements initiated in 2012-13 will be allocated and funded from the 2007 Bond Issue. A great deal of emphasis has been placed on the Capital Improvements Program to comply with state and federal mandates and City infrastructure requirements. The 2007 Bond Funds will continue to fund mandated programs such as water conservation, water quality reporting, risk management, cross connection control, and enhanced surface water treatment issues.

SOLID WASTE FUND

In 2012-13, Solid Waste revenues are projected at \$10,395,800, a \$363,000, or 3.62%, increase compared to the previous year. The major contributing revenue sources for the Solid Waste Fund are Single-Family Residential (48.10%), Commercial (24.53%), and Roll-Off Charges (12.26%). These three sources of revenue account for almost 85% of the total revenue for this fund. Total customer accounts, anticipated growth within the city limits, increased demand for roll-off usage in commercial and construction areas, and continuing service to current outside-city-limits customers drive these revenue items. In 2012-13, Solid Waste rates will remain at the same level as the previous year.

Solid Waste expenditures will increase by \$396,115 in the upcoming fiscal year. Personal Services will realize a gain of \$338,497, due to the creation of the new Keep Odessa Beautiful Division and the implementation of the 5% pay increase for full-time employees. Fleet maintenance and replacement costs will climb by \$373,999. These increases will be partially offset by a decrease in capital outlay expenditures.

The September 30, 2011 City of Odessa Comprehensive Annual Financial Report (CAFR) shows a 2010-11 actual fund balance of \$663,132. Estimated revenues for 2011-12 are \$10,263,800 and expenditures, which include \$293,793 in encumbrances

carried over from 2010-11, total \$10,440,115. The ending fund balance of \$486,817 represents a decrease of \$176,315, or 26.59%, compared to the previous year. In 2011-12, \$222,000 in one-time supplemental funding was allocated to ensure that the methane gas corrective measures undertaken at the Johnson Ranch Landfill were in compliance with state regulations and to purchase a pickup and trailer.

The Solid Waste Fund promotes recycling, backyard composting, tree limb recycling, household hazardous waste disposal, and education. Keep Odessa Beautiful, formerly an outside agency that received funding from the Solid Waste Fund, will become a division of the City Manager's Office in 2012-13, continuing to provide education to the public on various environmental issues. While the new division reports to the City Manager's Office, it is funded through the Solid Waste Fund.

EQUIPMENT SERVICES FUND

The City provides for maintenance and replacement of its fleet and heavy equipment through an internal service fund, which receives rental revenue from the other operating funds. Equipment Service Fund revenues for FY 2012-13 are estimated at \$12.23 million. Total expenditures of this support fund are \$15.77 million, with \$7.77 million being allocated for operating expenditures, and \$7.99 million being designated for Equipment Replacement expenditures. One critical aspect of this fund is the need to maintain an adequate fund balance to replace vehicles and machinery in the City's fleet as their useful lives expire.

The September 30, 2011 City of Odessa Comprehensive Annual Financial Report (CAFR) shows a 2010-11 actual fund balance of \$8,085,756. Estimated revenues for 2011-12 are \$11,185,736 and expenditures, which include \$582,474 in encumbrances carried over from 2010-11, total \$11,194,352. The ending fund balance of \$8,077,140 represents a decrease of \$8,616, or 0.11%, compared to the previous year.

The scope of this fund has been broadened to include acquisitions of other major assets to be used by the operating funds. Through aggressive maintenance programs and the streamlining of operations, operating expenditures for this fund have experienced relatively little growth. However, adjustments have been made to the rental rate schedules to ensure adequate funding for the repair and replacement of all capital items.

INFORMATION TECHNOLOGY FUND

The Information Technology Fund is a new internal service fund, established in 2012-13. It receives revenue from City departments in exchange for the services it provides. This fund provides technical support for hardware, software, and network-related issues and oversees the scheduled replacement of data processing equipment for all of the departments. It is funded by three sources of revenue: Rental Radio/Equipment revenue, Internet Charges revenue, and Technology Charges

revenue. Revenues for the Information Technology Fund are projected at \$3,323,485 in the upcoming fiscal year, while expenditures are estimated at \$3,011,049.

RISK MANAGEMENT FUND

Risk Management Fund revenues are projected at \$9.94 million; \$7.93 million in Medical/Dental revenues, \$899,300 in General Liability revenues, and \$1.11 million in Workers' Compensation revenues. Expenditures are budgeted at \$9.69 million, representing a \$182,955, or 1.92%, increase compared to the previous year's budget.

The Medical/Dental insurance program represents the largest portion of expenditures for the Risk Management Fund, with a budget of \$4.99 million. The City does not plan to increase insurance rates during the 2012-13 fiscal year, as efforts are made to minimize the cost to employees and retirees whenever possible.

The Family Health Clinic, Health and Wellness Program, and fitness center have contributed to the decrease in medical claim costs over the past few years. The Family Health Clinic provides medical services to employees and their dependents free of charge, encouraging them to seek medical attention early on before health issues become more serious and costly. The Health and Wellness Program and the full-service fitness center, made available to employees who are covered by the City's medical plan, have encouraged many employees and dependents to take preventative steps toward greater health, decreasing the need for medical services.

The September 30, 2011 City of Odessa Comprehensive Annual Financial Report (CAFR) shows a 2010-11 actual fund balance of \$1,721,047. Estimated revenues for 2011-12 are \$9,995,936 and expenditures, which include \$1,813 in encumbrances carried over from 2010-11, total \$9,507,733. The ending fund balance of \$2,209,250 represents an increase of \$488,203, or 28.37%, compared to the previous year. This increase is due to the policies that have been implemented to control the cost of medical claims. While other line item budgets increased in FY 2012, the Medical Claims category realized a \$1.6 million decrease.

GOLF COURSE FUND

The Ratliff Ranch Golf Course continues to benefit the citizens of Odessa by providing a quality municipal golf course. Major revenues for this fund include green fees (43.24%), golf cart rentals (21.89), and Pro-Shop Sales (16.61%). Together, these revenue sources account for 81.74% of the fund's total revenue.

In 2011-12, the fund balance for Ratliff Ranch was negative \$2,339,749. The negative fund balance is due to the closure of the golf course for major renovations during 2007 and 2008. The projected 2012-13 fund balance is slightly more positive, with a negative balance of \$2,258,865. To date, revenues have only incrementally begun to reverse the

negative balance. However, it is anticipated that the deficit will be repaid over the next few years as the Golf Course becomes more established and attendance increases.

STORM WATER FUND

The Storm Water Fund was established in 2009-10 in response to a federally mandated regulation for storm water runoff in cities of a prescribed population. A Storm Water fee of \$1.85 per utility customer account continues to fund this requirement in fiscal year 2012-13, with a method of allocation that seems most fair and equitable to all citizens. One opportunity that was presented by the implementation of this new mandate was the ability to transfer the City's street-sweeping operations from the General Fund to this new enterprise fund. Five street-sweeping positions were transferred to the Storm Water Fund in 2009-10. Manager and Technician positions were then created in order to run the program in accordance with federal mandates. Revenues for this fund are projected at \$705,000 in 2012-13, a \$30,000 increase over last year's budget. Expenditures are expected to reach \$795,039, a \$123,034 increase compared to the previous year.

CONCLUSION

This Annual Budget continues to provide for a sound financial plan, reflect the priorities and policies of the City Council, and provide 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 2011-12 Annual Budget document received the Government Finance Officer Association's (GFOA) Distinguished Budget Presentation Award, marking the twenty-sixth consecutive year that Odessa has received this honor. In order to continue participating in this program, we have attempted to incorporate recommended revisions, which were suggested by GFOA, into the 2012-13 Annual Budget.

Respectfully submitted,



Richard N. Morton, Jr.
City Manager

POLICY STATEMENTS

BUDGET COMPLIANCE

BUDGET COMPLIANCE

The 2012-13 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, Storm Water Fund, Equipment Service Fund, Information Technology Fund, Risk Management Fund, Debt Service Fund, Community Development Fund, Golf Course 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 2012-13 Proposed Budget on August 3, 2012, which was more than 30 days prior to the scheduled adoption of the property tax rate on September 11, 2012.

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 on which 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 notices as required by law, on August 16, 2012, in the local newspaper, on the City of Odessa's web site, and on the local Government Access Channel, announcing a public hearing on the proposed budget on August 28, 2012.

ADOPTION OF BUDGET

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

The City of Odessa conducted a public hearing on August 28, 2012, as required by state law, and on September 11, 2012, adopted the annual budget.

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). Should the tax rate adopted by the governing body exceed the calculated effective tax rate, additional legal notices and public hearings will be required (PTC, Section 26.05d).

POLICY STATEMENTS

BUDGET COMPLIANCE

On September 25, 2012, the City Council adopted a total tax rate of \$0.512750 per \$100 dollars of property valuation for the purpose of paying for City operations (\$0.448106) and for debt service payment (\$0.064644). This tax rate required two public hearings since the proposed tax rate exceeded the effective tax rate of \$0.502404.

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 to the budget for municipal purposes, (LGC, Section 102.010).

During the fiscal year, the City Manager is authorized to transfer budgeted amounts between departments of 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 must 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 council members, 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

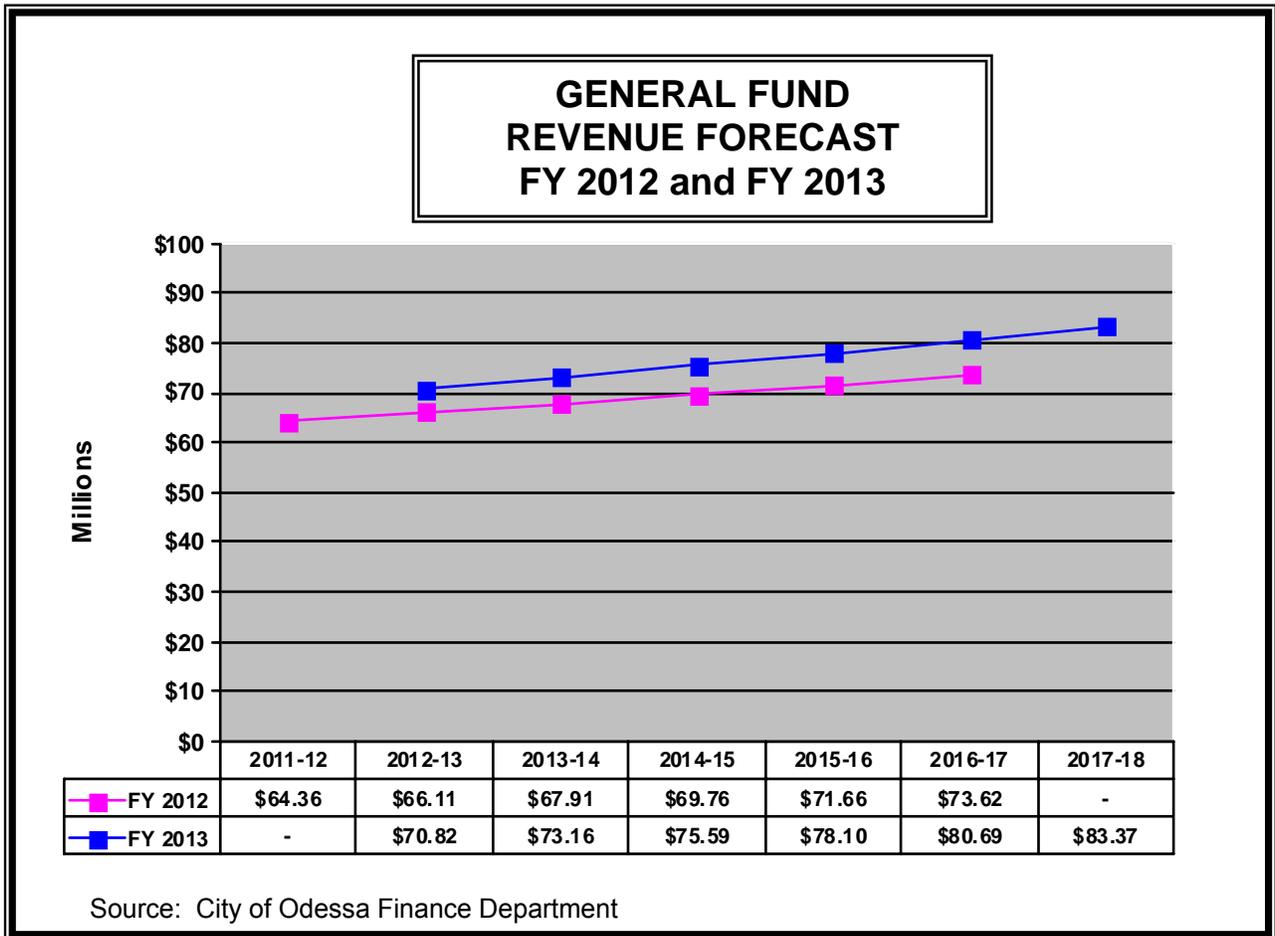
Financial forecasting is requisite to the success of the budgeting process, aiding in proper decision-making for current and future years. Long-range and short-range projections for revenues, reserves, and expenditures are updated annually, based on current service levels for the General Fund. Trend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

Sales Tax receipts are expected to reach \$25,240,023 in 2012-13, a 21.52% increase compared to last year's budget. This increase is due to the positive effects that the booming oil industry has had on the local economy. The FY 2013 forecast of Sales Tax receipts projects an increase of 4.00% per year over the next five years. Property taxes are expected to generate \$20,112,788 in 2012-13, up 9.76% compared to 2011-12 revenues, with a projected annual increase of 3.00% through FY 2018. Franchise Fees (gross receipts tax from major utilities projects) and Fines, Fees and Forfeiture Revenues (revenues generated by the issuance of citations) are also projected to grow by 3.00% for each of the next five fiscal years. Together, 2012-13 receipts for these four categories account for 90.82% of the overall \$6,458,656 increase in General Fund revenues. Between 2012-13 and 2017-18, total General Fund revenues will increase from \$70.82 million to \$83.37 million, or approximately 3.32% per year.

The major expenditure categories for the General Fund budget include Personal Services, Supplies, Services, Maintenance, and Capital Outlay. Personal Services makes up 66.21% of the General Fund budget. It funds the City's current compensation package, which has been designed to recruit and retain qualified employees. The FY 2013 forecast projects a 4.00% annual increase in Personal Services over the next five years to cover the costs associated with maintaining the compensation strategy that is currently in place. From 2012-13 to 2017-18, the Supplies, Services and Maintenance categories are all expected to realize annual increases of 2.00%. The adjustments to future budgets will help cover the rising cost of supplies, material, and external labor. Capital Outlay costs vary from year to year, depending upon the City's needs. For this reason, the forecast does not include an annual increase for Capital Outlay. Over the next five years, total General Fund expenses are expected to grow from \$70.82 million to \$83.03 million, at an average annual rate of 3.23%.

POLICY STATEMENTS

BUDGET DEVELOPMENT



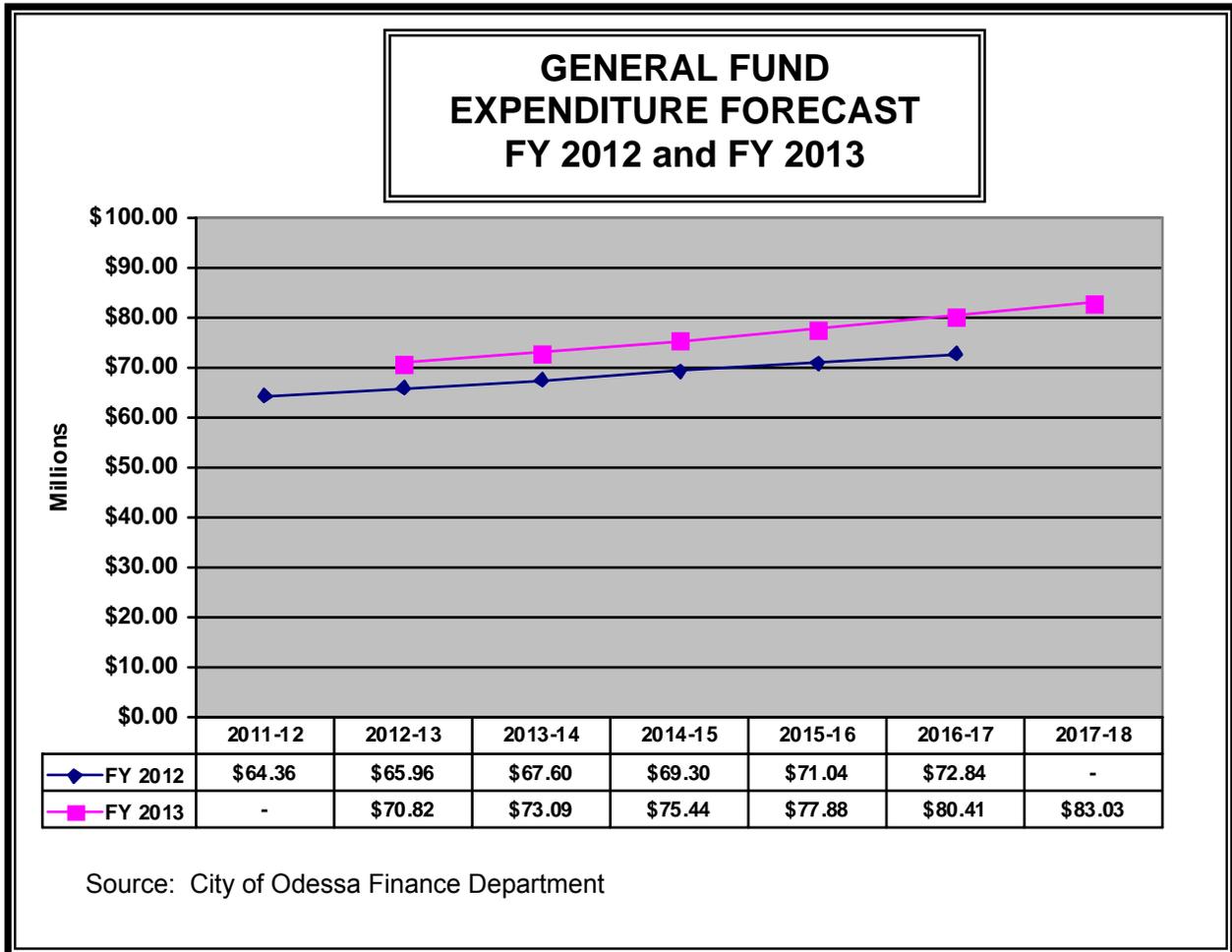
The above graph compares the revenue forecasts made in FY 2012 with those made in FY 2013. The FY 2013 forecast begins \$4,711,344 higher than that of the previous year. The majority of this increase is due to the positive impact that the booming oil industry has had on the City's two major sources of revenue: Sales Tax and Property Tax.

In 2011-12, the projection for 2012-13 sales tax receipts was \$21,185,763. This year, it is anticipated that sales taxes will generate \$25,240,023, an increase of 19.14%. Property tax revenues will realize a more modest gain. With an adopted tax rate of \$0.512750, FY 2013 property tax revenues are expected to reach \$20,112,788. This represents an increase of 6.56% compared to last year's projection. Over the next five years, sales tax revenues and property tax revenues are projected to increase at an average annual rate of 4.00% and 3.00%, respectively.

The FY 2013 forecast of General Fund revenues is \$70,820,923. By FY 2018, revenues are expected to reach \$83,371,542, an increase of \$12,550,619 in five years. During this time, General Fund revenues are projected to realize an average annual increase of 3.32%.

POLICY STATEMENTS

BUDGET DEVELOPMENT



The FY 2013 financial forecast for expenditures begins with a projection of \$70.82 million, \$4,863,171 higher than the 2012-13 projection set forth in the FY 2012 financial forecast. According to FY 2013 projections, expenditures are expected to increase by \$12,208,104 over a five-year period, at an average annual growth rate of 3.23%.

The expenditure forecast provides for a comprehensive employee compensation plan, designed to improve the City's ability to recruit and retain qualified applicants. The plan calls for a 5% salary increase for all full-time employees, as well as step increases and increases in skills/incentive pay for sworn personnel (police officers and fire fighters). The estimated cost to implement these pay increases in 2012-13 is \$2.24 million.

In 2012-13, the General Fund will realize a net increase of one full-time position. Fourteen new positions will be added to the General Fund: eight Firefighters, four Police Officers, one Senior Planner, and one Crime Scene Unit Technician. In addition, one Juvenile Case Manager position will be transferred to the General Fund from the Grants-in-Aid Fund. However, the General Fund will lose fourteen positions with the transfer of the Information Technology Department to the newly-established Information Technology Fund. Overall, General Fund salary and benefit costs will increase by \$2.54 million in the upcoming fiscal year.

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 established and budgeting guidelines are given.

DEPARTMENTAL REQUESTS PHASE 2

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

PROPOSED BUDGET PHASE

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

BUDGET ADOPTION PHASE 1

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

BUDGET ADOPTION PHASE 2

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

POLICY STATEMENTS

BUDGET DEVELOPMENT

BUDGET IMPLEMENTATION PHASE

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

BUDGET MONITORING PHASE

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

OPERATING AND CAPITAL BUDGET RELATIONSHIP/ORGANIZATION

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

The City of Odessa prepares separate, functional capital budgets from the operating budget, but they are all 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.

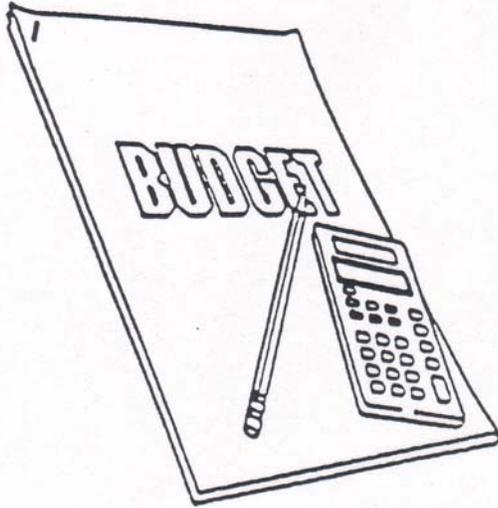
Expenditures for the Capital Improvement Program are presented on a budget basis. Budget for an entire contract is appropriated in the period in which a contract is entered. Any unspent funds at fiscal year-end are carried forward to the next budget year.

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.

POLICY STATEMENTS

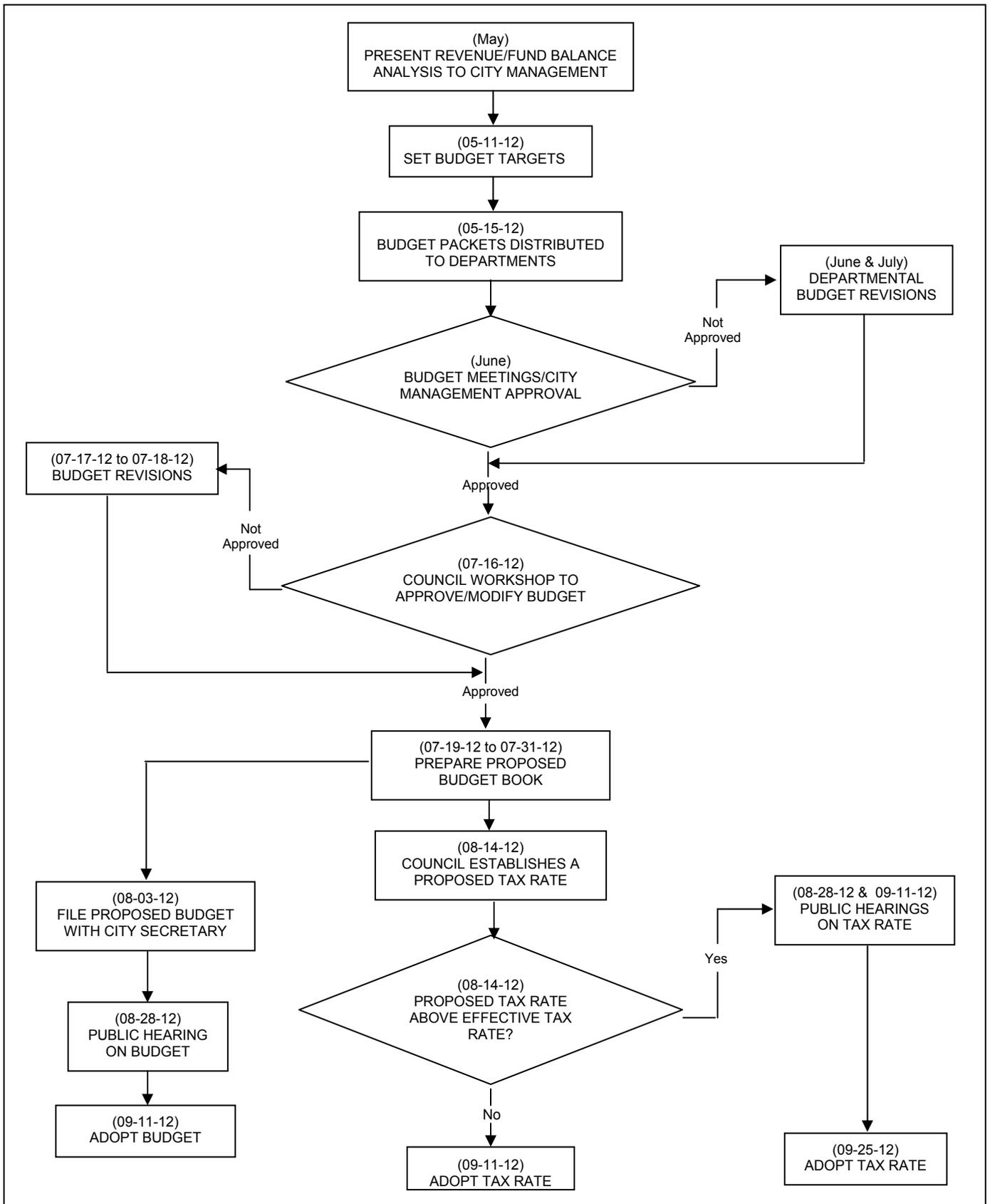
BUDGET CALENDAR



- 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.
- June** Departments submit budget requests and meet with city management and Finance staff. 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 goods/services to the public. Water and sewer rates are periodically reviewed to determine if they meet 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 private commercial pick-up service. Storm water rates must be sufficient to fund whatever costs are necessary to ensure compliance with EPA regulations for storm water. (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 separate portion for a Budget Stabilization Account. The amount segregated is equal to the cost of operating the General Fund for 25 days, based on the current year's adopted budget. This 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 segregated as "Compensated Absences". These funds have been set aside to reimburse employees for accumulated unleave and/or old sick leave upon their resignation, termination, or retirement from the city.

In accordance with GASB 54, the City revised its fund balance policy for governmental funds to comply with the requirements of this new reporting standard. For reporting purposes, fund balance of governmental funds will be classified as nonspendable, restricted, committed, assigned, and unassigned. Nonspendable, restricted, and committed balances

POLICY STATEMENTS

FINANCIAL POLICIES

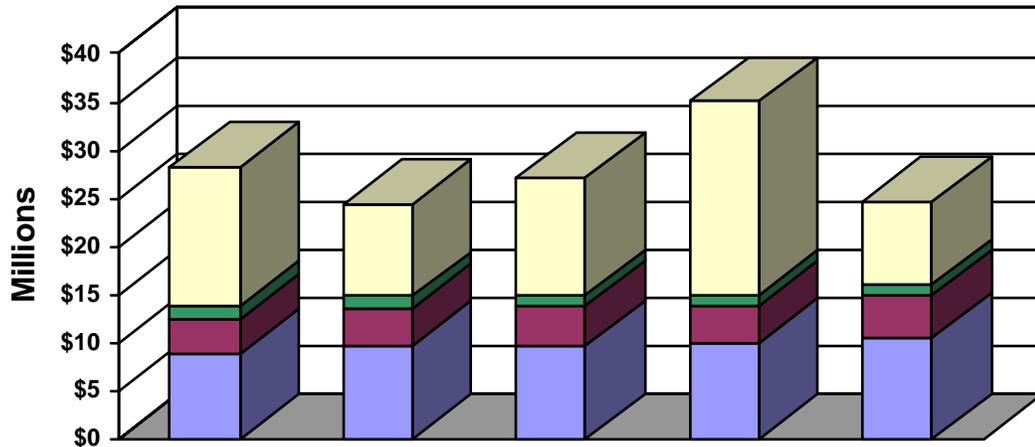
are determined and reported based on certain constraints. All other remaining balances are reported as assigned or unassigned within the governmental funds.

The 60-Day Emergency Requirement and the Budget Stabilization accounts within the General Fund continue in effect as before and are classified as unassigned. Compensated Absences is classified as assigned. All other remaining funds are classified as unassigned. City Council may appropriate any unassigned General Fund balance for emergency expenditures, one-time capital project expenditures, or any special project. (See fund narrative for detail of fund balance/working capital/retained earnings changes and uses.)

POLICY STATEMENTS

FINANCIAL POLICIES

HISTORICAL GENERAL FUND BALANCE



	07-08	08-09	09-10	10-11	11-12
ASSIGNED:					
Comp. Absences	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523
UNASSIGNED:					
60 Day Reqmnt.	8,836,665	9,608,235	9,692,830	9,775,059	10,580,099
Stabilization Acct.	3,681,944	4,003,431	4,038,679	4,072,941	4,408,374
Unassigned	14,452,140	9,610,681	12,198,852	20,022,398	8,587,213
Fund Balance	\$28,114,272	\$24,365,870	\$27,073,884	\$35,013,921	\$24,719,209

Dollars (Millions)

Source: Finance Department

Fund Balance History

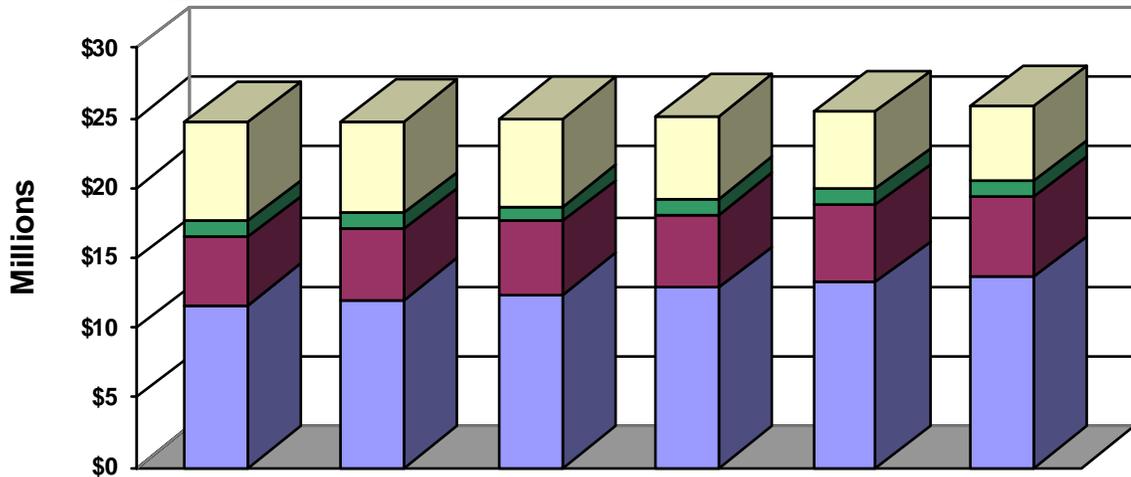
Unassigned fund balance for the General Fund is comprised of a 60-day operating requirement, a 25-day budget stabilization account, and a remaining unassigned account. Compensated absences is included in assigned fund balance. Between fiscal years 2007-08 and 2011-12, the fund balance fluctuations have resulted in an overall decrease of 12.08% in total fund balance. The total fund balance is estimated to be \$24.72 million by the end of the 2011-12 fiscal year.

The above graph presents the actual fund balance for the General Fund for fiscal years 2007-08 through 2010-11 and the estimated fund balance for 2011-12.

POLICY STATEMENTS

FINANCIAL POLICIES

PROJECTED GENERAL FUND BALANCE



	12-13	13-14	14-15	15-16	16-17	17-18
ASSIGNED:						
Comp. Absences	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523	\$1,143,523
UNASSIGNED:						
60 Day Reqmnt.	11,641,796	12,014,844	12,401,521	12,802,344	13,217,852	13,648,607
Stabilization Acct.	4,850,748	5,006,185	5,167,300	5,334,310	5,507,438	5,686,920
Unassigned	7,083,142	6,628,899	6,227,075	5,874,078	5,565,924	5,298,202
Fund Balance	\$24,719,209	\$24,793,451	\$24,939,419	\$25,154,255	\$25,434,737	\$25,777,252

Dollars (Millions)

Source: Finance Department

Fund Balance Projections

The ending fund balance estimate for fiscal year 2012-13 is \$11.64 million in the 60-day operating requirement, \$4.85 million in the budget stabilization account, \$1.14 million in compensated absences amount, and \$7.08 million as unassigned. This is a total fund balance of \$24.72 million.

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

The above graph presents the ending fund balance projections for the General Fund for fiscal years 2012-13 through 2017-18.

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.

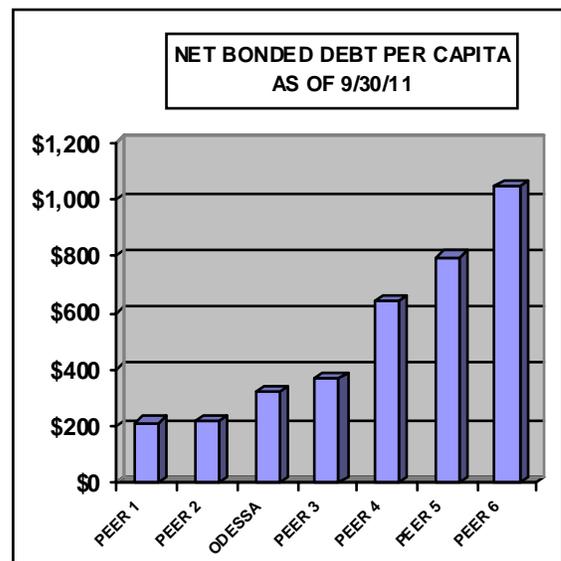
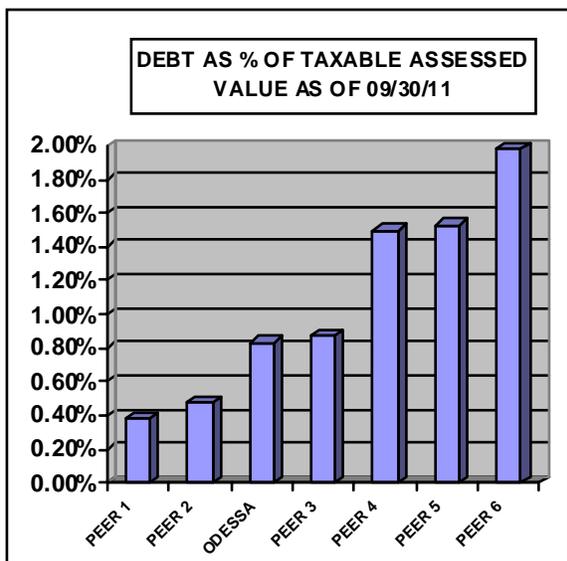
POLICY STATEMENTS

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, 2011. 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 (0.8365%) ranks third in the group. Odessa also ranks third in net general bonded debt per capita (\$322).



POLICY STATEMENTS

FINANCIAL POLICIES

BUDGET POLICIES:

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

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

POLICY STATEMENTS

FINANCIAL POLICIES

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

POLICY STATEMENTS

BUDGET CONTINGENCY PLAN

BUDGET CONTINGENCY PLAN

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

If an anticipated shortfall in revenue is equal to:

1% Shortfall

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

2% Shortfall

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

3% Shortfall

- Reduce all operating departmental budgets by 2%.

4% Shortfall

- Reduce all operating departmental budgets by 3%.

Over 4% Shortfall

- Service level reductions.
- Elimination of specific programs.
- Reduction of personnel.
- Re-evaluation of funding for outside agencies.

POLICY STATEMENTS

ACCOUNTING POLICIES

ACCOUNTING POLICIES

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

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

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

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

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

6. **ENCUMBRANCES.** Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to set aside 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 either restricted or committed fund balances, and do not constitute expenditures or liabilities, because the commitments will be honored during the subsequent year.

POLICY STATEMENTS

ACCOUNTING POLICIES

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

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

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

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

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

POLICY STATEMENTS

ACCOUNTING POLICIES

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

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

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

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

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

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

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

POLICY STATEMENTS

ACCOUNTING POLICIES

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

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

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

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

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

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

POLICY STATEMENTS

ACCOUNTING POLICIES

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

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

RETAINED EARNINGS

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

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

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

FUND BALANCE

Nonspendable fund balance represents amounts that are required to be maintained intact.

Restricted fund balance is defined as that portion of fund balance that can be spent only for the specific purposes stipulated by constitution, external resource, or through enabling legislation.

Committed fund balance includes amounts constrained to specific purposes determined by a formal action of the City itself, using its highest level of decision-making authority.

Assigned fund balance amounts are intended to be used by the government for specific purposes but do not meet the criteria to be restricted or committed.

Unassigned fund balance is the residual classification of the General Fund.

Within the General Fund unassigned fund balance, the City has established the following:

60 Day Requirement – 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.

Budget Stabilization – funds set aside by City Council Ordinance 99-04 for the purpose of protecting the City for an up-to-15% sales tax revenue decline and a 10% decline in property tax revenues or any other revenue loss. This amount is based upon a 25-day operations balance based on the last adopted budget.

POLICY STATEMENTS

ACCOUNTING POLICIES

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

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

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

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

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

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

POLICY STATEMENTS

ACCOUNTING / BUDGETARY BASIS

BASIS OF ACCOUNTING

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

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

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

BUDGETARY ACCOUNTING

This budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for certain items that are adjusted on the City’s accounting system at fiscal year end. During the year, the City’s accounting system is maintained on the same basis as the adopted budget. This enables departmental budgets to be easily monitored via accounting system reports on a monthly basis. The major differences between this adopted budget and GAAP for governmental funds are a) encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a constraint 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 and report financial resources that are restricted, committed, or assigned to expenditure for 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 and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by enterprise funds).

ENTERPRISE FUNDS

The Water and Sewer Fund, Solid Waste Fund, Storm Water 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.

The Information Technology Fund is an internal service fund that provides other City departments/divisions with network, Internet, applications, and communications support. Departments are charged monthly technology fees to finance this fund's operations and to cover the cost of computer replacement.

SPECIAL REVENUE FUNDS

The Community Development Fund is a special revenue fund. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The Community Development Fund is funded entirely by federal or state grants that are used to fund projects that benefit low and moderate-income individuals, families, or areas.

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

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

BUDGET SUMMARY

ALL FUNDS 2012-13

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	\$24,719,209	\$70,820,923	\$70,820,923	\$24,719,209	\$0
WATER AND SEWER	5,160,957	44,924,300	44,730,023	5,355,234	194,277
SOLID WASTE	486,817	10,395,800	10,575,994	306,623	(180,194)
STORM WATER	397,455	705,000	795,039	307,416	(90,039)
EQUIPMENT SERVICE	8,077,140	12,231,283	15,765,937	4,542,486	(3,534,654)
INFORMATION TECH. FUND	0	3,323,485	3,011,049	312,436	312,436
RISK MANAGEMENT	2,209,250	9,940,860	9,688,875	2,461,235	251,985
DEBT SERVICE	547,865	2,907,949	2,907,949	547,865	0
COMMUNITY DEVELOPMENT	0	1,130,518	1,130,518	0	0
CONVENTION & VISITORS	5,574,549	3,200,000	2,449,697	6,324,852	750,303
GOLF COURSE	(2,339,749)	1,505,000	1,424,116	(2,258,865)	80,884
OTHER FUNDS:					
DRUG FORFEITURE	317,653	0	317,653	0	(317,653)
LEOSE	8,532	14,740	14,740	8,532	0
MUNICIPAL CT. SECURITY	46,241	60,000	99,918	6,323	(39,918)
MUNICIPAL CT. TECHNOLOGY	163,747	75,000	222,073	16,674	(147,073)
LIQUID WASTE	33,731	87,000	53,746	66,985	33,254
911 DISPATCHER GRANT	0	165,000	165,000	0	0
SCHOOL ATTENDANCE CT.	0	14,825	14,825	0	0
TOTAL	\$45,403,397	\$161,501,683	\$164,188,075	\$42,717,005	(\$2,686,392)

BUDGET SUMMARY

ALL FUNDS 2012-13

Financing Sources:	General Fund	Water and Sewer Fund	Solid Waste Fund	Storm Water Fund	Equipment Service Fund
Beginning Fund Balance	\$24,719,209	\$5,160,957	\$486,817	\$397,455	\$8,077,140
Less Required Reserves	17,533,522	1,000,000			
Available Fund Balance	\$7,185,687	\$4,160,957	\$486,817	\$397,455	\$8,077,140
CURRENT REVENUES:					
Property Tax	\$19,187,788				
Sales Tax	25,240,023				
Franchise/Gross Receipts	6,493,500				
Other Operating Revenues			\$9,875,000	\$705,000	
Water and Sewer		\$43,928,300			
Rental Revenue					\$11,989,099
Interest Income	100,000	130,000			
Intergovernmental	1,046,847				
Other Revenue	14,842,051	866,000	520,800		242,184
Administrative Transfers					
General Fund					
Water/Sewer	2,494,390				
Equipment Service	455,263				
Risk Management	377,235				
Solid Waste	437,661				
Storm Water	83,592				
Liquid Waste	3,224				
Hotel-Motel	9,165				
Odessa Development Corp.	44,184				
Motor MPO	6,000				
Total Current Revenues	\$70,820,923	\$44,924,300	\$10,395,800	\$705,000	\$12,231,283
Total Financing Sources	\$78,006,610	\$49,085,257	\$10,882,617	\$1,102,455	\$20,308,423
CURRENT EXPENDITURES:					
Personal Services	\$46,889,135	\$7,571,119	\$2,741,965	\$343,294	\$1,227,220
Supplies	1,326,257	17,081,278	86,620	6,000	2,869,500
Services	15,472,008	4,581,830	6,262,119	278,267	564,514
Maintenance	2,892,558	1,665,630	451,361	83,886	2,485,690
Capital Outlay	2,891,837	363,089	10,500		170,000
Other Requirements	934,751	5,781,173	1,023,429	83,592	455,263
Debt Service/Lease		7,685,904			
Insurance Requirements					
Outside Agencies	85,377				
Transfers Out	329,000				
Total Current Expenditures	\$70,820,923	\$44,730,023	\$10,575,994	\$795,039	\$7,772,187
Capital Outlay-Replacement					7,993,750
Total Expenditures	\$70,820,923	\$44,730,023	\$10,575,994	\$795,039	\$15,765,937
Ending Available Balance	\$7,185,687	\$4,355,234	\$306,623	\$307,416	\$4,542,486
Plus Required Reserves	17,533,522	1,000,000			
Ending Fund Balance	\$24,719,209	\$5,355,234	\$306,623	\$307,416	\$4,542,486

BUDGET SUMMARY

ALL FUNDS 2012-13

Information Tech. Fund	Risk Mngmnt Fund	Golf Course Fund	Debt Service Fund	CDBG/HOME Funds	Convention & Visitors Fund	Other Funds	Total All Funds
\$0	\$2,209,250	(\$2,339,749)	\$547,865	\$0	\$5,574,549	\$569,904	\$45,403,397 18,533,522
\$0	\$2,209,250	(\$2,339,749)	\$547,865	\$0	\$5,574,549	\$569,904	\$26,869,875
			\$2,907,949				\$22,095,737 25,240,023 6,493,500
\$62,235	\$9,940,860	\$1,299,900			\$3,200,000	\$222,000	25,304,995 43,928,300 15,250,349
3,261,250							230,000 2,371,930 16,476,135
		5,100		\$1,130,518		194,565	
		200,000					200,000 2,494,390 455,263 377,235 437,661 83,592 3,224 9,165 44,184 6,000
\$3,323,485	\$9,940,860	\$1,505,000	\$2,907,949	\$1,130,518	\$3,200,000	\$416,565	\$161,501,683
\$3,323,485	\$12,150,110	(\$834,749)	\$3,455,814	\$1,130,518	\$8,774,549	\$986,469	\$188,371,558
\$1,340,765	\$1,041,251	\$579,197		\$385,025		\$308,305	\$62,427,276
356,032	185,702	225,883		33,027		154,846	22,325,145
448,441	260,098	561,264		128,706	\$14,665	70,576	28,642,488
664,389	32,200	57,772		10,500		17,872	8,361,858
18,421	13,500			15,557		333,132	3,816,036
			\$2,907,949				8,278,208 10,593,853 8,156,124 3,078,112 332,224
	8,156,124			557,703	2,435,032	3,224	
\$2,828,048	\$9,688,875	\$1,424,116	\$2,907,949	\$1,130,518	\$2,449,697	\$887,955	\$156,011,324
183,001							8,176,751
\$3,011,049	\$9,688,875	\$1,424,116	\$2,907,949	\$1,130,518	\$2,449,697	\$887,955	\$164,188,075
\$312,436	\$2,461,235	(\$2,258,865)	\$547,865	\$0	\$6,324,852	\$98,514	\$24,183,483 18,533,522
\$312,436	\$2,461,235	(\$2,258,865)	\$547,865	\$0	\$6,324,852	\$98,514	\$42,717,005

BUDGET SUMMARY

AD VALOREM TAXES

Ad Valorem Tax Revenue and Distribution 2012-13 Budget

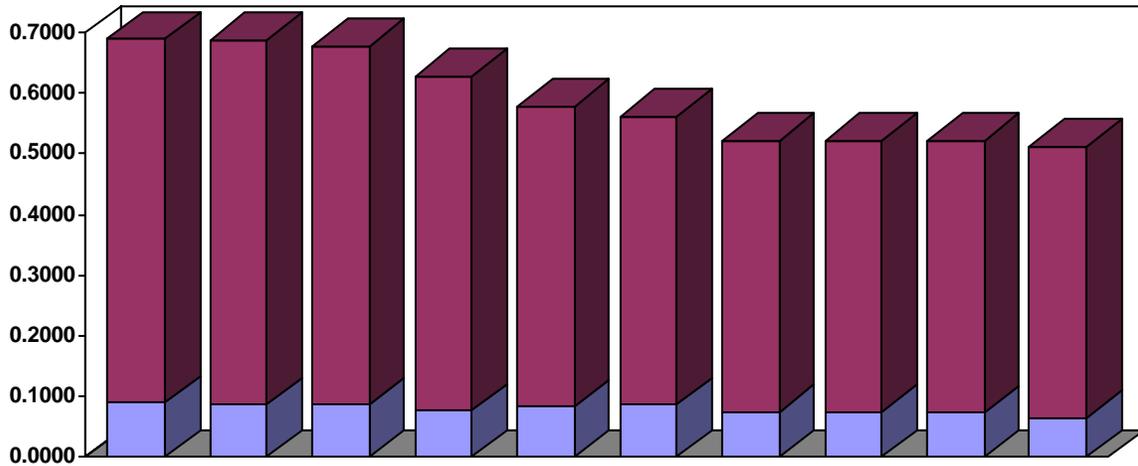
Certified 2012 Total Taxable Value =	\$4,488,813,872
Tax Rate per \$100	<u>0.51275</u>
Total Tax Levy	\$23,016,393
Estimated Collection Rate	<u>96.00%</u>
Estimated Current Collections	<u>\$22,095,737</u>
	<u>Amount</u>
General Fund -	\$19,187,788
Debt Service Fund -	<u>2,907,949</u>
TOTAL	<u>\$22,095,737</u>

BUDGET SUMMARY

AD VALOREM TAXES

PROPERTY TAX RATE

DURING PAST TEN YEARS



	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
Debt	0.088700	0.086100	0.086900	0.075630	0.083300	0.085221	0.074512	0.074635	0.072616	0.064644
Operating	0.601200	0.602900	0.592100	0.553400	0.495700	0.477069	0.448238	0.448115	0.450134	0.448106
Total	0.689900	0.689000	0.679000	0.629030	0.579000	0.562290	0.522750	0.522750	0.522750	0.512750

Source: City of Odessa Finance Department

Over the past ten years, property tax rates have fluctuated between \$0.512750 and \$0.689900 per \$100 valuation. During this time, tax rates have either remained the same from one year to the next, or decreased.

Fiscal year 2004-05 marked the beginning of a boom in the local economy, brought about by significant increases in the price of oil. From 2004-05 to 2009-10, assessed property valuations increased by over 71%. These increases made it possible for the City to lower the tax rate every year during this six-year period, resulting in an overall property tax decrease of 16.625 cents per \$100 valuation. Assessed values have continued to climb for the past four years, generating sufficient revenue to offset annual increases in operating expenditures. As a result, the City was able to hold the tax rate at \$0.522750 from 2009-10 to 2011-12 and implement a one-cent decrease in 2012-13.

The above graph presents the actual property tax rates for the General Fund for fiscal years 2003-04 through 2012-13.

BUDGET SUMMARY

AD VALOREM TAXES

Schedule of Property Valuations 2003 Through 2012 2012-13 Budget

Roll Year	Total Market Value	%	Non-Taxable Values	%	Assessed Valuations	%
2003	2,475,169,559	100%	366,682,131	14.81%	2,108,487,428	85.19%
2004	3,244,594,329	100%	978,288,872	30.15%	2,266,305,457	69.85%
2005	3,470,899,587	100%	1,038,923,251	29.93%	2,431,976,336	70.07%
2006	3,820,171,340	100%	1,105,062,056	28.93%	2,715,109,284	71.07%
2007	4,448,275,493	100%	1,313,131,214	29.52%	3,135,144,279	70.48%
2008	5,180,679,886	100%	1,632,178,508	31.51%	3,548,501,378	68.49%
2009	5,533,312,418	100%	1,655,083,564	29.91%	3,878,228,854	70.09%
2010	5,413,762,192	100%	1,506,811,876	27.83%	3,906,950,316	72.17%
2011	5,497,474,611	100%	1,440,889,244	26.21%	4,056,585,367	73.79%
2012	5,944,811,511	100%	1,455,997,639	24.49%	4,488,813,872	75.51%

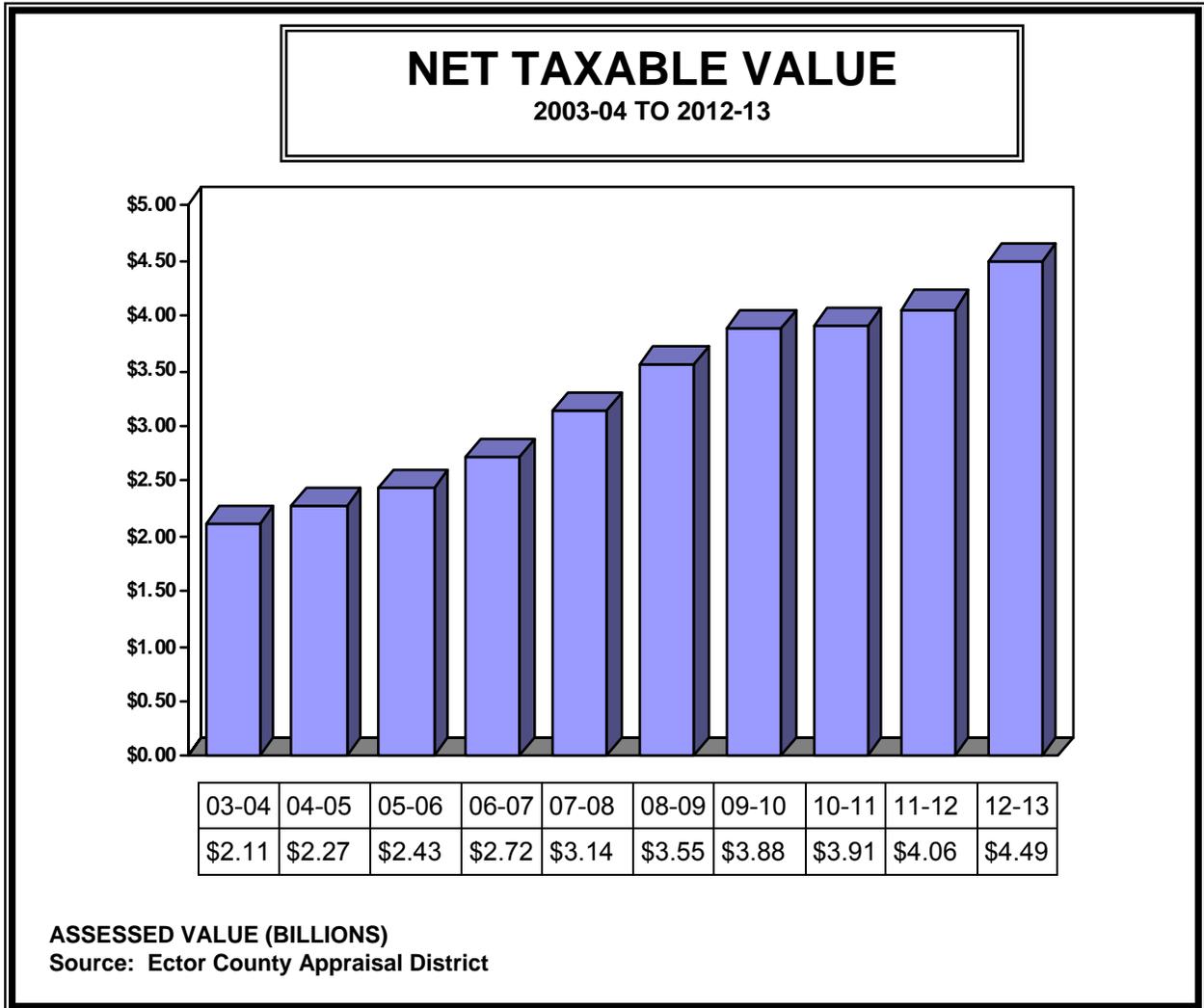
NOTES:

The Roll Year is one year prior to the Fiscal Year. For example, the 2012 roll is used to determine the Fiscal Year 2012-13 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



Over the past ten years, net taxable values have increased by almost 113%. Fiscal years 2004-05 and 2005-06 saw substantial gains of 7.48% and 7.31%, respectively. Even higher increases were realized between 2006-07 and 2009-10 due to a dramatic rise in the price of oil. The local economy boomed; wages increased, unemployment fell, and the population grew as people moved into the area in search of jobs. The increased demand for homes drove up housing prices, which in turn caused net taxable values to rise. From 2004-05 to 2009-10, assessed values climbed from \$2.27 billion to \$3.88 billion, an increase of 71.13% in a five-year period.

Net taxable values continued to trend upward over the next four years. Between 2009-10 and 2010-11, values increased by only 0.74% due to a decrease in oil prices. However, oil prices recovered, and net taxable values experienced a 14.89% increase over the next two years.

BUDGET SUMMARY

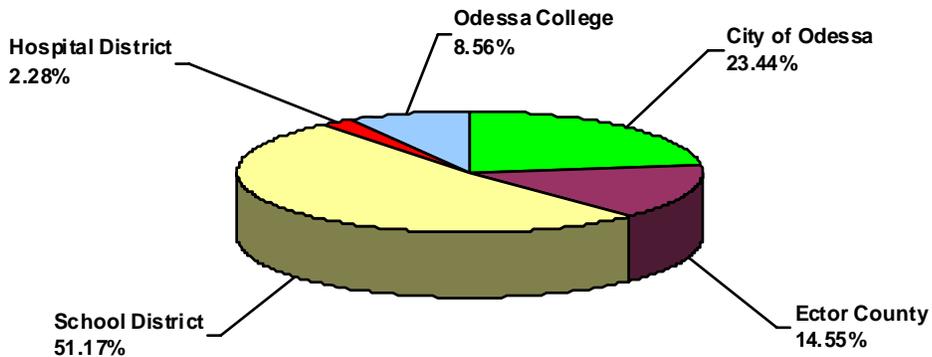
AD VALOREM TAXES

AREA PROPERTY TAXES BY TAXING ENTITY



Source: Ector County Appraisal District

AREA PROPERTY TAXES Composition by Percentage

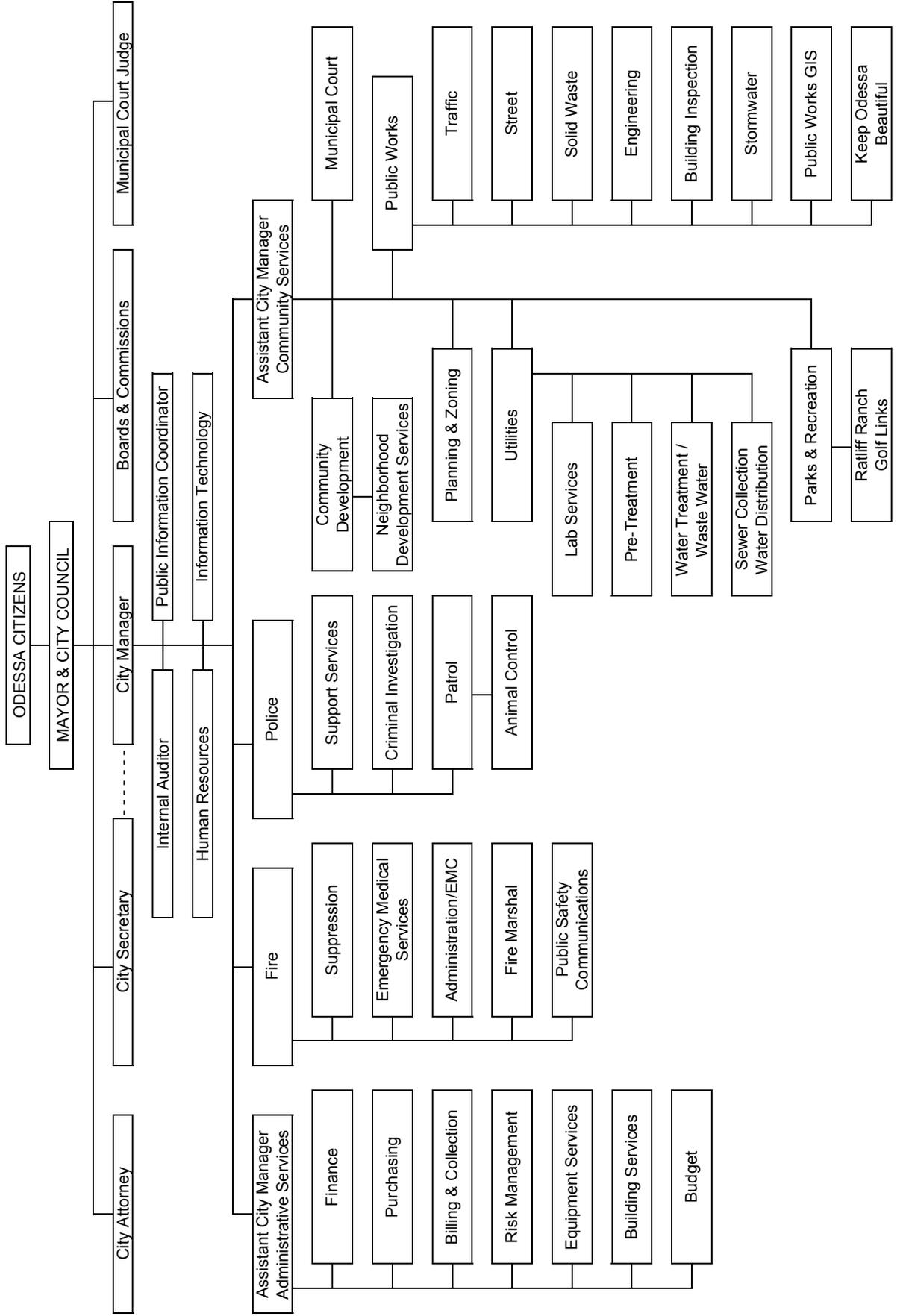


Source: Ector County Appraisal District

The 2012-13 area property taxes include those from the City of Odessa, Ector County, the Hospital District, the School District, and Odessa College. Every year, each of these entities receives its own certified property values from the Ector County Appraisal District and adopts its own ad valorem rate (property tax rate). 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 2012-13

THREE YEAR COMPARISON ADOPTED BUDGET REVENUES

	2010-11 Budget	2011-12 Budget	% Change	2012-13 Budget	% Change
GENERAL FUND					
Operating	\$54,658,692	\$59,514,518	8.88%	\$65,763,362	10.50%
Interest Income	50,000	75,000	50.00%	100,000	33.33%
Intergovernmental	975,300	991,800	1.69%	1,046,847	5.55%
Administrative Transfer In	3,780,949	3,780,949	0.00%	3,910,714	3.43%
TOTAL GENERAL FUND	\$59,464,941	\$64,362,267	8.24%	\$70,820,923	10.03%
WATER & SEWER FUND					
Water Revenue	\$25,409,200	\$27,705,600	9.04%	\$30,216,300	9.06%
Sewer Revenue	13,066,000	14,177,000	8.50%	13,712,000	-3.28%
Interest Income	233,000	232,000	-0.43%	130,000	-43.97%
Sales and Charges	910,000	858,000	-5.71%	856,000	-0.23%
Other Revenue	16,000	10,000	-37.50%	10,000	0.00%
TOTAL WATER & SEWER FUND	\$39,634,200	\$42,982,600	8.45%	\$44,924,300	4.52%
SOLID WASTE FUND					
Single Family	\$4,893,200	\$4,950,000	1.16%	\$5,000,000	1.01%
Multi-Family	1,035,700	1,040,000	0.42%	1,050,000	0.96%
Commercial	2,383,100	2,401,200	0.76%	2,550,000	6.20%
Roll-Off Charges	1,100,000	1,100,000	0.00%	1,275,000	15.91%
Interest Income	0	0	n/a	0	n/a
Other Revenue	534,200	541,600	1.39%	520,800	-3.84%
TOTAL SOLID WASTE FUND	\$9,946,200	\$10,032,800	0.87%	\$10,395,800	3.62%
STORM WATER FUND	\$650,000	\$675,000	3.85%	\$705,000	4.44%
EQUIPMENT SERVICE FUND					
Rental Revenue	\$10,758,268	\$10,917,552	1.48%	\$11,989,099	9.81%
Interest Income	0	0	n/a	0	n/a
Other Revenue	\$169,680	\$242,184	42.73%	242,184	0.00%
TOTAL EQUIP. SERVICES FUND	\$10,927,948	\$11,159,736	2.12%	\$12,231,283	9.60%
INFO. TECHNOLOGY FUND	\$0	\$0	n/a	\$3,323,485	n/a
RISK MANAGEMENT FUND	\$9,622,300	\$9,940,860	3.31%	\$9,940,860	0.00%
GOLF COURSE FUND	\$1,407,800	\$1,501,000	n/a	\$1,505,000	n/a
COMMUNITY DEV. FUND	\$1,881,179	\$1,465,302	-22.11%	\$1,130,518	-22.85%

BUDGET SUMMARY

ALL FUNDS 2012-13

THREE YEAR COMPARISON ADOPTED BUDGET REVENUES

	2010-11 Budget	2011-12 Budget	% Change	2012-13 Budget	% Change
CONVENTION & VISITORS FUND	\$1,800,000	\$2,600,000	44.44%	\$3,200,000	23.08%
GENERAL DEBT SERVICE FUND	\$2,931,982	\$2,958,543	0.91%	\$2,907,949	-1.71%
MISCELLANEOUS FUNDS	\$672,142	\$432,740	-35.62%	\$416,565	-3.74%
TOTAL ALL FUNDS	\$138,938,692	\$148,110,848	6.60%	\$161,501,683	9.04%

BUDGET SUMMARY

ALL FUNDS 2012-13

DEPARTMENTS BY FUNCTION AND FUNDING SOURCE

FUNDING SOURCE KEY

GF	GENERAL FUND
WS	WATER AND SEWER FUND
SW	SOLID WASTE FUND
ST	STORM WATER FUND
ES	EQUIPMENT SERVICE FUND
CD	COMMUNITY DEVELOPMENT FUND
IT	INFORMATION TECHNOLOGY 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 2012-13

DEPARTMENTS BY FUNCTION AND FUNDING SOURCE									
DIVISION	GENERAL GOV'T.	INTERNAL SERVICES	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			
General Liability								RF	
Golf Course					GC				
Health and Wellness								RF	
Human Resources	GF								
Information Technology			IT						
Keep Odessa Beautiful	SW								
Medical & Dental Self Insurance								RF	
Municipal Court			GF						
Neighborhood Services	GF			SW					CD
Non-Departmental			GF				WS		
Office of the City Manager	GF								
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 – GIS				GF					
Public Works-Solid Waste				SW					
Public Works-Street				GF					
Public Works-Traffic Engineering				GF					
Public Works – Storm Water Mgmt.				ST					
Purchasing			GF						
Risk Management Administration								RF	
Utilities Administration							WS		
Utilities Billing & Collection			WS						
Utilities Derrington W/W Plant							WS		
Utilities GIS							WS		
Utilities Laboratory							WS		
Utilities Repair & Replacement							WS		
Utilities W/W Collection							WS		
Utilities Water Distribution							WS		
Utilities Water Treatment							WS		
Workers' Compensation								RF	

BUDGET SUMMARY

ALL FUNDS 2012-13

THREE YEAR COMPARISON ADOPTED BUDGET EXPENDITURES

	2010-11 Budget	2011-12 Budget	% Change	2012-13 Budget	% Change
GENERAL FUND					
City Council	\$25,470	\$25,490	0.08%	\$28,327	11.13%
City Secretary	165,673	168,893	1.94%	201,331	19.21%
City Attorney	1,025,689	1,042,218	1.61%	1,205,721	15.69%
City Manager	795,511	878,726	10.46%	1,054,877	20.05%
Human Resources	514,677	517,740	0.60%	579,593	11.95%
Building Services	1,378,263	1,364,895	-0.97%	1,442,803	5.71%
Public Safety Communications	1,767,060	1,787,618	1.16%	2,015,992	12.78%
Planning and Development	323,397	312,676	-3.32%	432,116	38.20%
Finance	805,668	822,813	2.13%	883,742	7.40%
Purchasing	543,251	565,874	4.16%	650,795	15.01%
Municipal Court Administration	1,079,799	1,164,070	7.80%	1,410,972	21.21%
Information Services	1,392,148	1,560,693	12.11%	0	-100.00%
Public Works	9,169,707	11,728,741	27.91%	12,628,732	7.67%
Parks and Recreation	4,048,263	4,324,037	6.81%	4,568,276	5.65%
Fire	14,374,212	14,911,754	3.74%	18,184,190	21.95%
Police	19,862,758	20,748,568	4.46%	23,085,559	11.26%
Neighborhood Services	416,246	422,565	1.52%	431,289	2.06%
Non-Departmental	1,367,772	1,600,519	17.02%	1,602,231	0.11%
External Agencies	80,377	85,377	6.22%	85,377	0.00%
Operating Transfers Out	329,000	329,000	0.00%	329,000	0.00%
TOTAL GENERAL FUND	\$59,464,941	\$64,362,267	8.24%	\$70,820,923	10.03%
WATER AND SEWER FUND					
Billing and Collection	\$2,176,346	\$2,194,732	0.84%	\$2,282,745	4.01%
Utilities Administration	630,667	624,213	-1.02%	600,281	-3.83%
Water Distribution	2,110,208	2,190,615	3.81%	2,387,761	9.00%
Water Treatment	2,565,623	2,650,273	3.30%	2,887,016	8.93%
Bob Derrington W/W Plant	2,917,162	2,952,777	1.22%	3,297,999	11.69%
Wastewater Collection	1,128,969	1,119,616	-0.83%	1,148,003	2.54%
Laboratory	864,217	885,988	2.52%	1,032,755	16.57%
Utilities GIS	154,304	157,869	2.31%	164,853	4.42%
Repair and Replacement	587,829	587,829	0.00%	947,829	61.24%
Non-Departmental	5,979,767	5,942,595	-0.62%	6,548,335	10.19%
Water Purchases	13,078,020	15,296,542	16.96%	15,296,542	0.00%
Gulf Coast	310,000	310,000	0.00%	250,000	-19.35%
Debt Service	7,815,244	7,815,244	0.00%	7,685,904	-1.65%
Participation in Line Extensions	200,000	200,000	0.00%	200,000	0.00%
TOTAL WATER & SEWER FUND	\$40,518,356	\$42,928,293	5.95%	\$44,730,023	4.20%

BUDGET SUMMARY

ALL FUNDS 2012-13

THREE YEAR COMPARISON ADOPTED BUDGET EXPENDITURES

	2010-11 Budget	2011-12 Budget	% Change	2012-13 Budget	% Change
SOLID WASTE FUND					
Keep Odessa Beautiful	\$0.00	\$0.00	n/a	\$245,185.00	n/a
Solid Waste Division	8,618,012	8,848,986	2.68%	9,167,666	3.60%
Neighborhood Services	88,744	90,743	2.25%	93,490	3.03%
Non-Departmental	1,039,181	1,105,921	6.42%	1,069,653	-3.28%
External Agencies	134,229	134,229	0.00%	0	-100.00%
TOTAL SOLID WASTE FUND	\$9,880,166	\$10,179,879	3.03%	\$10,575,994	3.89%
STORM WATER FUND	\$649,167	\$672,005	3.52%	\$795,039	18.31%
EQUIPMENT SERVICE FUND					
Equipment Services	\$6,607,763	\$7,119,257	7.74%	\$7,772,187	9.17%
Equipment Replacement	1,939,000	3,173,550	63.67%	7,993,750	151.89%
Communications	318,045	319,571	0.48%	0	-100.00%
TOTAL EQUIPMENT SERVICES	\$8,864,808	\$10,612,378	19.71%	\$15,765,937	48.56%
INFO. TECHNOLOGY FUND	\$0	\$0	n/a	\$3,011,049	n/a
RISK MANAGEMENT FUND	\$9,481,684	\$9,505,920	0.26%	\$9,688,875	1.92%
GOLF COURSE FUND	\$1,404,588	\$1,421,489	1.20%	\$1,424,116	0.18%
COMMUNITY DEV. FUND	\$1,881,179	\$1,465,302	-22.11%	\$1,130,518	-22.85%
CONVENTION & VISITORS FUND	\$1,856,047	\$2,164,164	16.60%	\$2,449,697	13.19%
GENERAL DEBT SERVICE FUND	\$2,931,982	\$2,958,543	0.91%	\$2,907,949	-1.71%
MISCELLANEOUS FUNDS	\$1,012,919	\$765,417	-24.43%	\$887,955	16.01%
SUBTOTAL ALL FUNDS	\$137,945,837	\$147,035,657	6.59%	\$164,188,075	11.67%
WATER & SEWER CIP	\$0	\$0	n/a	\$0	n/a
TOTAL ALL FUNDS WTH CIP	\$137,945,837	\$147,035,657	6.59%	\$164,188,075	11.67%

BUDGET SUMMARY

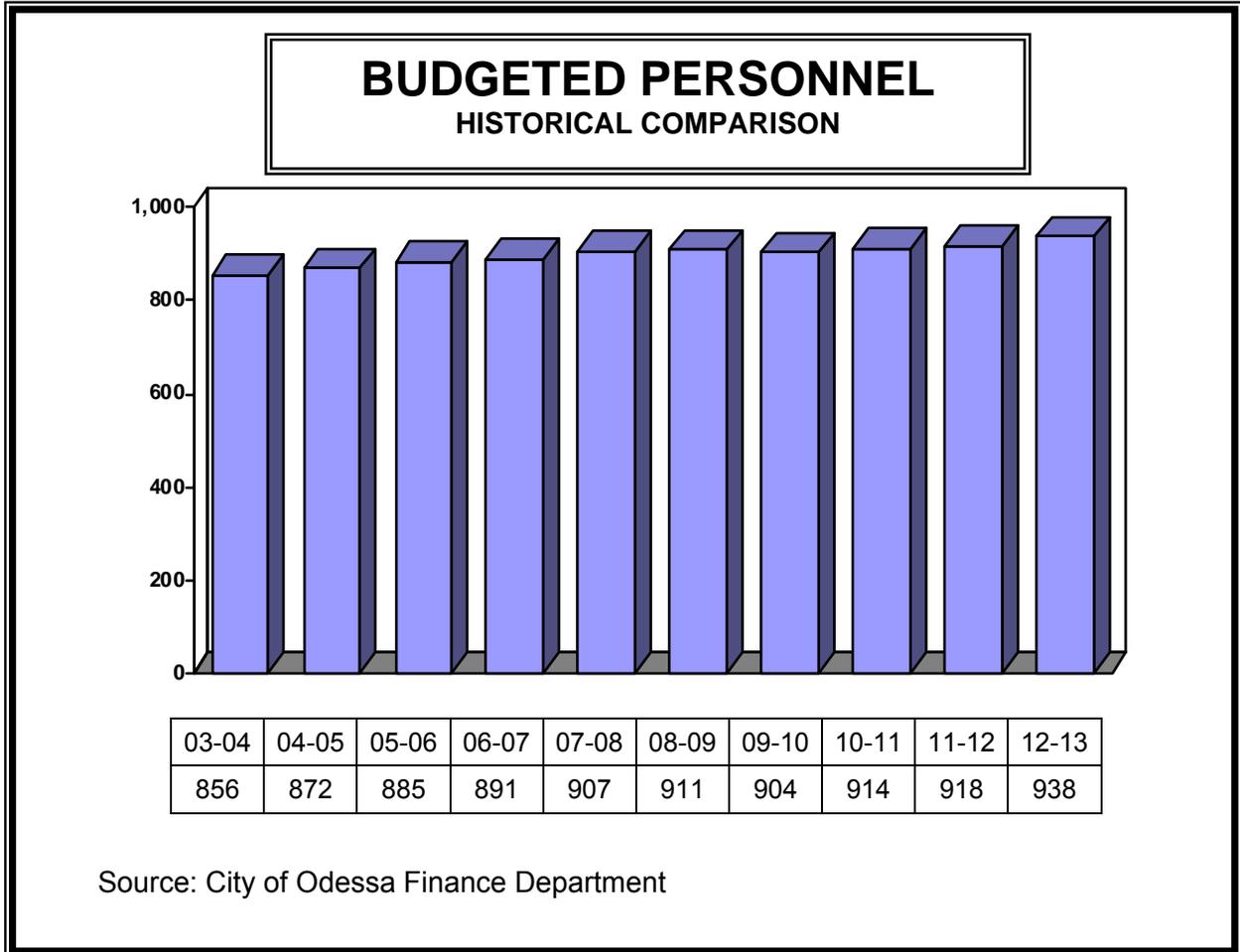
PERSONNEL

PERSONNEL HISTORY OF FULL-TIME POSITIONS BY FUNDING SOURCE

DEPARTMENT	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
City Secretary	2	2	2	2	2	2	2	2	2	2
City Attorney	8.5	8.5	9.5	9.5	9.5	9.5	9.5	10.5	10.5	11.5
City Manager	5	5	6	5	6	6	6	6	8	8
Neighborhood Services	4	4	4	5	6	6	6	6	6	6
Human Resources	5	5	5	5	6	6	6	6	6	6
Building Services	13	13	13	13	13	13	13	13	13	13
Public Safety Comm.	29.5	29.5	29.5	29.5	28.5	28.5	25.5	29.5	30	31
Planning/Development	4	4	4	4	4	4	4	4	4	5
Finance	12	12	12	12	11	11	11	11	11	11
Non-Departmental	0	0	0	0	0	0	0	.5	.5	.5
Purchasing	8	8	8	8	8	8	8	8	8	8
Municipal Court	17	19	24	24	24	24	21	19	20	20
Information Technology	9	9	9	10	13	15	15	14	14	0
Public Works	85	85	87	87	89	91	84	86	89	89
Parks/Recreation	40	40	40	40	40	40	38	39	40	40
Fire	165	164	165	164	170	171	172	172	171	179
Police	217	217	217	220	221	222	222	224	228	232
GENERAL FUND	624	625	635	638	651	657	643	650.5	661	662
Billing/Collection	31.5	31.5	31.5	32.5	32.5	33.5	33.5	33.5	33.5	33.5
Utilities	99	99	99	99	102	102	102	102.5	102.5	102.5
Bond Funds	3	3	3	3	0	0	1	1	1	3
WATER/SEWER FUND	133.5	133.5	133.5	134.5	134.5	135.5	136.5	137	137	139
NATURAL GAS FUND	1	1	0	0	0	0	0	0	0	0
SOLID WASTE FUND	45.5	46.5	47.5	47.5	49.5	49.5	49.5	49.5	49.5	53.5
STORM WATER FUND	0	0	0	0	0	0	7	7	7	7
GOLF COURSE FUND	0	0	8	8	9	9	9	9	9	9
EQUIP SERV FUND	25.5	24.5	25.5	25.5	25.5	25.5	25.5	26.5	25	22
CDBG/HOME	11.5	11.5	11.5	9.5	9.5	9.5	9.5	9.5	8.5	8.5
RISK MGMT. FUND	5	14	14	14	14	14	15	15	15	15
LIQUID WASTE FUND	1	1	1							
MC SECURITY FUND	2	2	2							
MC TECH FUND	0	0	0	0	0	0	1	1	1	1
GRANTS (VARIOUS)	7	13	7	11	11	8	5	5	2	1
INFORMATION TECH. FUND	0	0	17							
TOTAL PERSONNEL	856	872	885	891	907	911	904	913	918	938

BUDGET SUMMARY

PERSONNEL



Between 2003-04 and 2012-13, Odessa's population has grown from 93,385 to 107,158, increasing the demand for City services. In order to meet this demand while continuing to maintain the quality of City services, it has been necessary to increase the City workforce in nine of the past ten years.

In 2012-13, the City will fund 938 full-time positions; a net gain of twenty positions compared to 2011-12 numbers. Fourteen new positions will be added to the **General Fund**, including eight Firefighters, four Police Officers, one Senior Planner, and one Crime Scene Unit Technician. The **CIP Fund** will gain one Construction Inspector and one Design Technician. Finally, the **Solid Waste Fund** will realize an increase of four new positions: one Solid Waste Driver, one Solid Waste Worker, one Director of Keep Odessa Beautiful, and one Executive Assistant. The Director and Executive Assistant positions will staff the newly-created Keep Odessa Beautiful Division.

Additional changes include the transfer of fourteen Information Technology positions from the **General Fund** to the **Information Technology Fund** and three Communications positions from the **Equipment Services Fund** to the **Information Technology Fund**. One Juvenile Case Manager position will be transferred from the **Grants-in-Aid Fund** to the **General Fund**, and one Animal Control Clerk position will be reclassified as a Dispatcher I and transferred from the Police Department to the Public Safety Communications Department.

GENERAL FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$28,706,574	\$35,013,921	\$24,057,505	\$24,719,209
Compensated Absences	1,143,523	1,143,523	1,143,523	1,143,523
60-Day Requirement	9,775,059	10,580,099	10,580,099	11,641,796
Budget Stabilization Account	4,072,941	4,408,374	4,408,374	4,850,748
AVAILABLE FUND BALANCE	\$13,715,051	\$18,881,925	\$7,925,509	\$7,083,142
CURRENT REVENUES				
Operating	\$60,819,182	\$63,842,947	\$59,514,518	\$65,763,362
Interest Income	89,850	100,000	75,000	100,000
Intergovernmental	1,035,003	1,004,313	991,800	1,046,847
Administrative Transfer In	3,780,949	3,780,949	3,780,949	3,910,714
TOTAL CURRENT REVENUES	\$65,724,984	\$68,728,209	\$64,362,267	\$70,820,923
TOTAL FINANCING SOURCES	\$79,440,035	\$87,610,134	\$72,287,776	\$77,904,065
EXPENDITURES				
Personal Services	\$42,587,667	\$44,350,320	\$44,350,320	\$46,889,135
Supplies	1,053,331	1,294,013	1,192,312	1,326,257
Services	11,394,493	12,538,096	12,209,336	15,472,008
Maintenance	2,626,259	3,265,022	3,264,543	2,892,558
Capital Outlay	916,894	9,922,727	2,196,628	2,891,837
Outside Agencies	78,983	85,377	85,377	85,377
Transfers Out	225,259	329,000	329,000	329,000
Lease Payments	534,751	534,751	734,751	934,751
Supplemental Expenditures	0	6,703,615	0	0
TOTAL EXPENDITURES	\$59,417,637	\$79,022,921	\$64,362,267	\$70,820,923
ENDING AVAILABLE BALANCE	\$20,022,398	\$8,587,213	\$7,925,509	\$7,083,142
Compensated Absences	1,143,523	1,143,523	1,143,523	1,143,523
60-Day Requirement	9,775,059	10,580,099	10,580,099	11,641,796
Budget Stabilization Account	4,072,941	4,408,374	4,408,374	4,850,748
ENDING FUND BALANCE	\$35,013,921	\$24,719,209	\$24,057,505	\$24,719,209

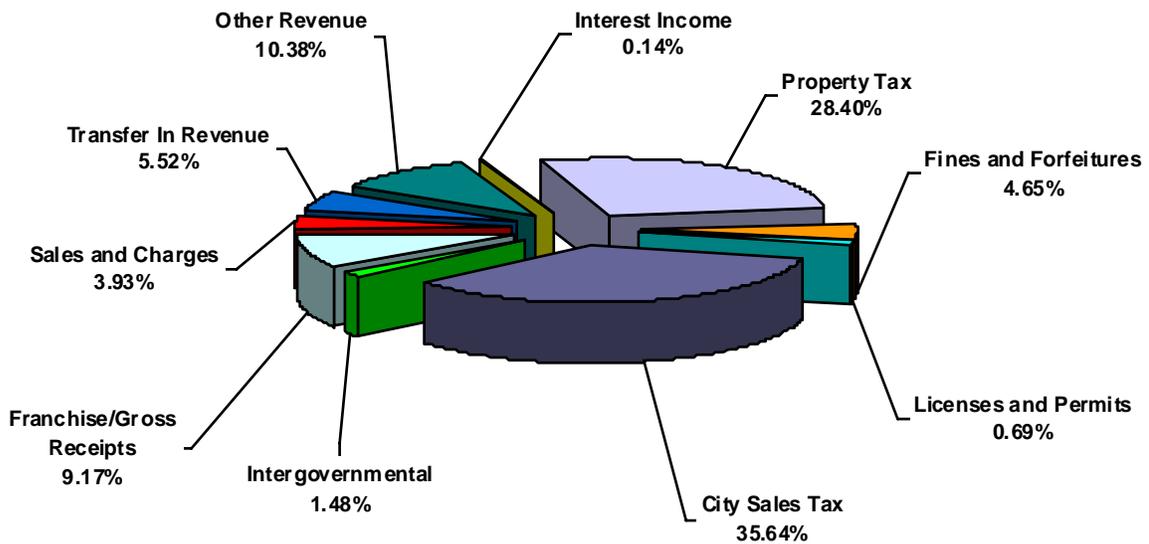
GENERAL FUND

OVERVIEW

General Fund Revenue

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Property Tax	\$17,883,573	\$18,324,025	\$18,324,025	\$20,112,788
City Sales Tax	22,062,609	25,240,023	20,770,356	25,240,023
Franchise/Gross Receipts	6,485,808	6,493,500	6,593,500	6,493,500
Licenses and Permits	525,418	619,250	420,700	491,000
Sales and Charges	3,161,778	2,778,100	2,695,108	2,780,900
Intergovernmental	1,035,003	1,004,313	991,800	1,046,847
Fines and Forfeitures	3,777,742	3,289,620	3,587,400	3,294,600
Interest Income	89,850	100,000	75,000	100,000
Transfer In Revenue	3,780,949	3,780,949	3,780,949	3,910,714
Other Revenue	6,922,254	7,098,429	7,123,429	7,350,551
Total Revenue	<u>\$65,724,984</u>	<u>\$68,728,209</u>	<u>\$64,362,267</u>	<u>\$70,820,923</u>

GENERAL FUND 2012-13 REVENUES BY SOURCES



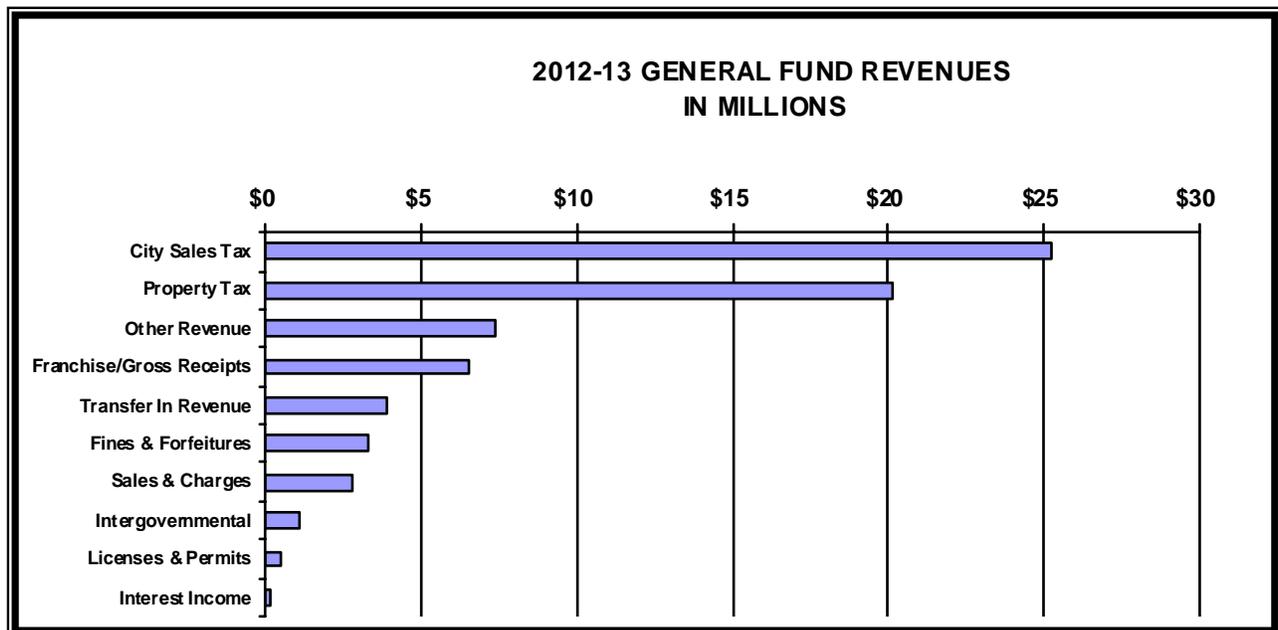
GENERAL FUND

OVERVIEW

Revenues

The 2012-13 adopted budget for General Fund reflects realistic revenue projections of \$70,820,923, based on historical information and economic trends. Total budgeted revenue increased by 10.03%, compared to 2011-12's 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 2011-12 Budget. The overall 10.03% increase is mostly due to a \$4,469,667 increase in Sales Tax Revenue and a \$1,788,763 increase in Property Tax Revenue. Together, Sales Tax and Property Tax receipts account for 96.90% of the \$6,458,656 increase in General Fund Revenues.

Source	2012-13 Budget		Increase/(Decrease) Over 2011-12 Budget	
	Amount	%	Amount	%
City Sales Tax	\$25,240,023	35.64%	\$4,469,667	21.52%
Property Tax	20,112,788	28.40%	1,788,763	9.76%
Other Revenue	7,350,551	10.38%	227,122	3.19%
Franchise/Gross Receipts	6,493,500	9.17%	(100,000)	(1.52%)
Transfer In Revenue	3,910,714	5.52%	129,765	3.43%
Fines and Forfeitures	3,294,600	4.65%	(292,800)	(8.16%)
Sales and Charges	2,780,900	3.93%	85,792	3.18%
Intergovernmental	1,046,847	1.48%	55,047	5.55%
Licenses and Permits	491,000	0.69%	70,300	16.71%
Interest Income	100,000	0.14%	25,000	33.33%
TOTAL	\$70,820,923	100.00%	\$6,458,656	10.03%



GENERAL FUND

OVERVIEW

City Sales Tax Revenue is the largest source of revenue for the City. It accounts for 35.64% of General Fund revenue, and is projected to be \$25,240,023 in 2012-13. This represents a 21.52% increase compared to last year's sales tax revenue projection. 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 annual percent change in Odessa's monthly sales tax collections ranges from 14.07% to 39.97%. In comparison, the annual percent change in the State's monthly collections ranges from 4.18% to 17.01%. Because sales tax revenue is so significantly impacted by the state of the economy, this revenue source is conservatively projected to increase at an average annual rate of 4.00% per year.

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.

Property Tax Revenue accounts for 28.40% of the General Fund total revenue, and is the second largest source of revenue for the City. Thus, any fluctuation in property values will have a major impact on General Fund revenues. The assessed taxable value for the roll of January 1, 2012, upon which the fiscal year 2013 levy is based, is \$4,488,813,872. Net taxable property values have increased by 10.65% compared to last year's values. This revenue is based on the assessed value of real estate, personal property and minerals within the taxing jurisdiction.

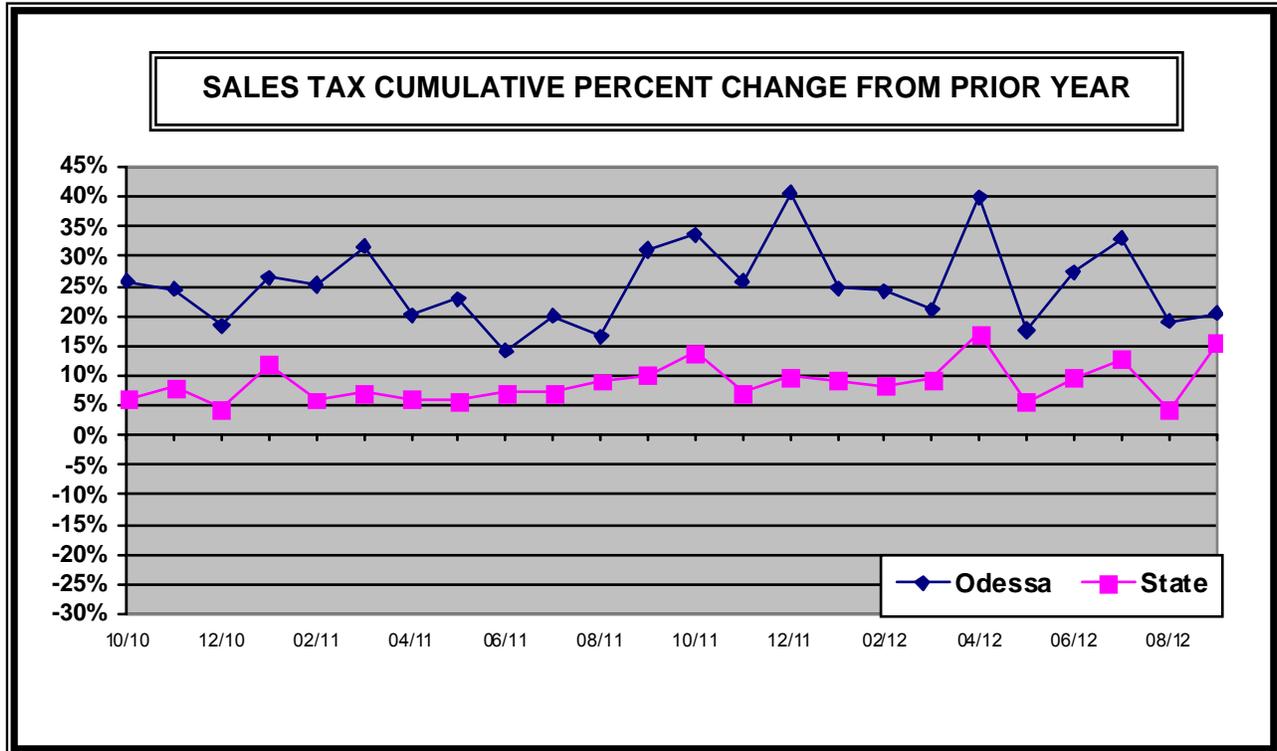
In the 2012-13 budget, the ad valorem tax rate will decrease by one cent to 51.275 cents per \$100 valuation. The total property tax rate is comprised of the portion of taxes allocated to debt service (debt rate of \$0.064644) and the appropriations for the city's operating needs (O & M rate of \$0.448106).

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 2012-13 are estimated to be 96.00% of levy and will generate \$22,095,737 in revenue, of which General Fund's portion is \$19,187,788. Delinquent taxes and penalties are expected to generate an additional \$925,000 for a total property tax revenue projection for General Fund of \$20,112,788. This represents an increase of \$1,788,763 over the 2011-12 adopted budget. It is anticipated that the growth trend for property tax revenue will average 3% per year for future fiscal years' projections.

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. Franchise/gross receipt taxes represent 9.17% of General Fund revenue and are expected to decrease by \$100,000 compared to the previous year's budget due to a reduced demand for natural gas.

GENERAL FUND

OVERVIEW



The projection for Transfer-In Revenue is \$3,910,714, an increase of \$129,765 over last year's number. Transfer-In revenues are monies that the other funds pay to the General Fund in exchange for certain administrative services. An independent study is conducted each year by an outside firm to determine the cost of these administrative services. Transfer-in revenues account for 5.52% of General Fund revenue. Below is a breakdown of the inter-fund transfers.

<u>SOURCE</u>	<u>2012-13 Budget</u>	<u>2011-12 Budget</u>	<u>Increase/ Decrease</u>
Water and Sewer Fund	\$2,494,390	\$2,358,920	\$135,470
Equipment Service Fund	455,263	446,188	9,075
Risk Management Fund	377,235	368,115	9,120
Hotel-Motel Tax Fund	9,165	12,184	(3,019)
Solid Waste Fund	437,661	542,810	(105,149)
Storm Water Fund	83,592	0	0
Odessa Development Corporation	44,184	44,184	0
Liquid Waste Fund	3,224	2,548	676
MOTOR-MPO	6,000	6,000	83,592
TOTAL	\$3,910,714	\$3,780,949	\$129,765

GENERAL FUND

OVERVIEW

Major Sources of Revenue

The four major revenue sources for the General Fund are City Sales Tax Revenue (35.64%), Property Tax Revenue (28.40%), Other Revenue (10.38%), and Franchise/Gross Receipts Tax Revenue (9.17%). Together, they represent 83.59% of all General Fund revenues.

Fines and Forfeitures Revenue is generated by police citations and represents 4.65% of all General Fund revenues. Projections indicate that this source of revenue will decrease by \$292,800, or 8.16%, in 2012-13.

Sales and Charges Revenue is generated by fees that the City charges for certain services. The largest revenue item in this category consists of sales and charges for services provided for emergency medical service (EMS). It is projected that EMS Revenue will reach \$2.4 million in fiscal year 2013, and that the entire Sales and Charges budget will increase by \$85,792.

Intergovernmental Revenue is projected to increase by \$55,047 compared to last year's numbers. The Fire Department maintains a Fire/EMS contract for first response services to a portion of the county. This contract generates the majority of the revenue in this category. Other items reimbursed under this category include expenditures for highway lighting, emergency management, animal control, school crossing guards, and dispatch services for Medical Center Hospital's Care Star Helicopter Service.

Licenses and Permits Revenue represents 0.69% of General Fund revenue and is expected to increase by \$70,300, or 16.71% in the upcoming year.

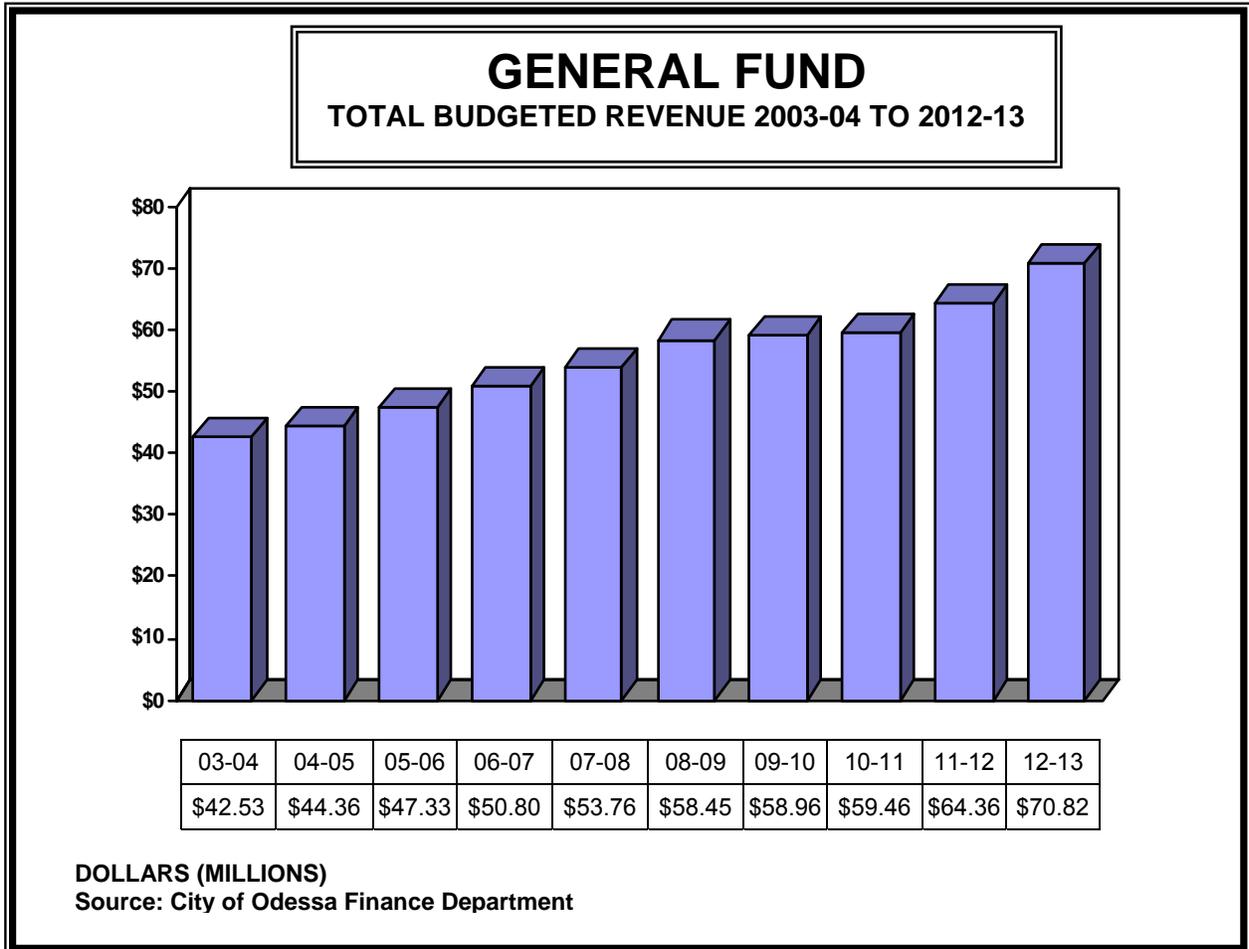
Interest Income is expected to increase by \$25,000, or 33.33%, compared to the 2011-12 budget.

Other Revenue includes revenue from several sources. The majority of Other Revenue is generated by Industrial District Contracts for water, sewer, and trash services provided by the City to districts outside the city limits. Another major source of income for this category 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 Revenue accounts for 10.38% of General Fund revenues and shows an increase of 3.19% over last year. Below is a breakdown of these revenues.

<u>SOURCE</u>	<u>2012-13 Budget</u>	<u>2011-12 Budget</u>	<u>Increase/ (Decrease)</u>
Water/Sewer Gross Receipt	\$2,137,530	\$1,993,360	\$144,170
Water/Sewer Assessment	1,108,586	1,064,800	43,786
Solid Waste Gross Receipt	501,640	497,310	4,330
Solid Waste Assessment	38,105	36,750	1,355
Industrial Contracts In Lieu of Tax	2,700,000	2,700,000	0
Other Revenue	<u>864,690</u>	<u>831,209</u>	<u>33,481</u>
TOTAL	\$7,350,551	\$7,123,429	\$227,122

GENERAL FUND

OVERVIEW



Since 2003-04, a booming oil industry has strengthened the local economy, resulting in increased property values and a higher average disposable income. These changes have had a major effect on property tax revenue and sales tax receipts, the City's two major sources of income. As a result, General Fund Revenue has realized continued growth over the past ten years, topping out at \$70.82 million in 2012-13. Budgeted revenues for 2012-13 reflect a \$28.29 million, or 66.52%, increase over 2003-04 revenues.

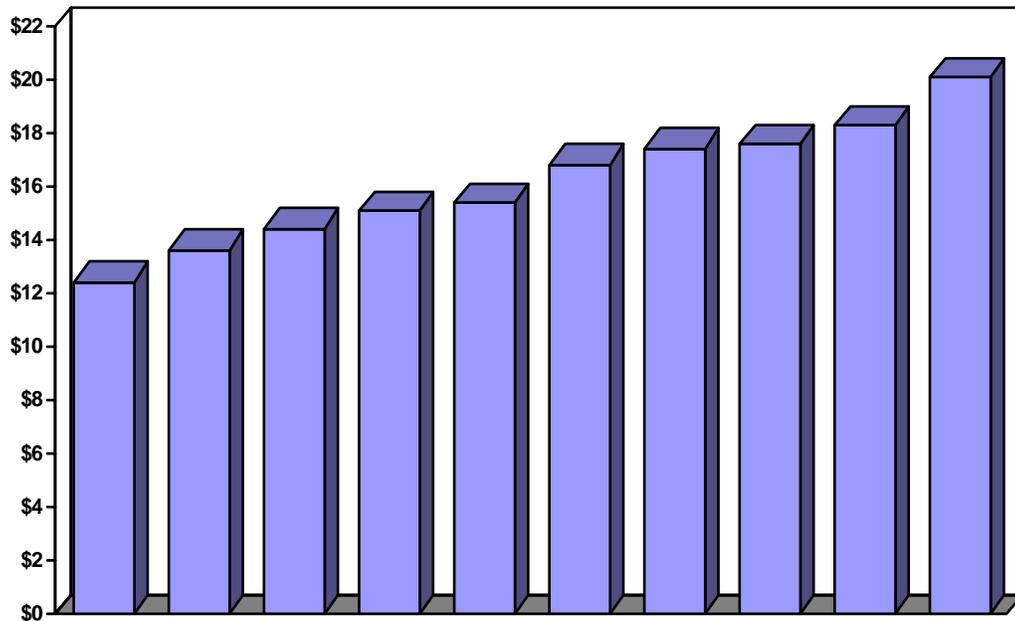
Between 2003-04 and 2008-09, General Fund Revenue increased by over 37%. However, between 2007-08 and 2008-09, oil prices dropped dramatically, bringing about a downturn in the local economy. Sales Tax revenues did not reach projected levels. As a result, the General Fund realized revenue increases of less than 1% for fiscal years 2009-10 and 2010-11.

By 2010-11, the economy had begun to recover. Over the next two years, General Fund Revenue consistently came in above projections. During this time, budgeted revenues increased from \$59.46 million to \$70.82 million, an increase of \$11.36 million, or 19.11%.

GENERAL FUND

OVERVIEW

REVENUE: PROPERTY TAX BUDGETED REVENUES 2003-04 TO 2012-13



03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
\$12.46	\$13.69	\$14.48	\$15.12	\$15.43	\$16.87	\$17.46	\$17.61	\$18.32	\$20.11

DOLLARS (MILLIONS)

Source: City of Odessa Finance Department

Property tax revenue is the second largest source of revenue for the General Fund, and accounts for 28.40% of all General Fund revenues in 2012-13. Revenues have steadily climbed over the past ten years, realizing an overall increase of 61.40%.

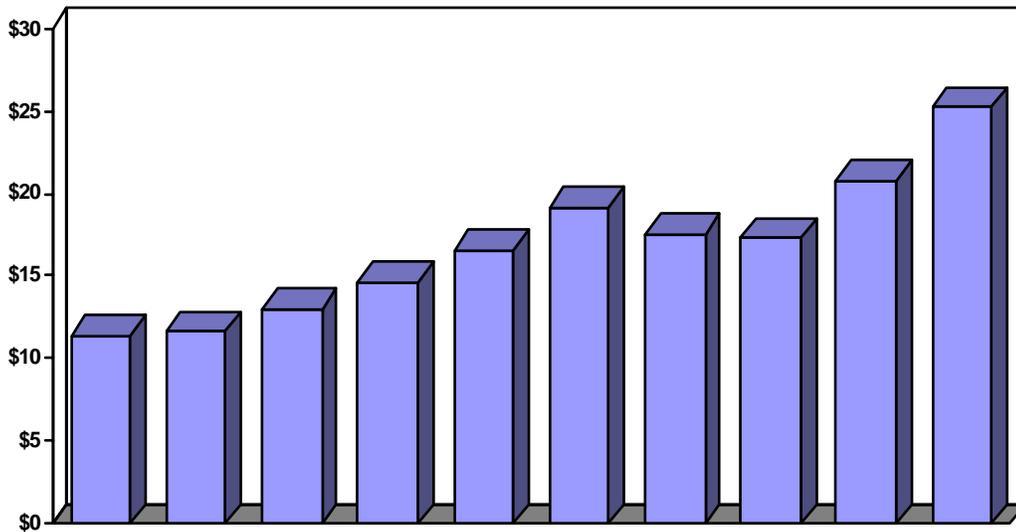
In 2004-05, the local economy experienced an economic boom brought about by dramatic increases in the price of oil. The resulting rise in property values drove up revenues by 23.23% over the next five years, even though the tax rate had undergone a cumulative 12.67-cent reduction during this same time period. Despite an economic downturn in 2008-09, property tax revenues have continued to rise and are expected to exceed \$20 million in 2012-13.

For nine of the past ten years, the City has opted to lower the property tax rate. This year's tax rate of \$0.51275 per \$100 valuation represents a one-cent decrease compared to the previous year and a reduction of almost eighteen cents compared to the 2003-04 tax rate. It is anticipated that the new rate will generate \$20.11 million in property tax revenues, a 9.77% increase over 2011-12 numbers.

GENERAL FUND

OVERVIEW

REVENUE: SALES TAX BUDGETED REVENUES 2003-04 TO 2012-13



03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
\$11.35	\$11.60	\$13.00	\$14.61	\$16.60	\$19.19	\$17.56	\$17.29	\$20.77	\$25.24

DOLLARS (MILLIONS)

Source: City of Odessa Finance Department

Sales tax revenue is the single largest source of income for the General Fund, accounting for 35.64% of all General Fund revenues in 2012-13. Between 2003-04 and 2008-09, sales tax receipts increased by 69.07%. During this time, rising oil prices had driven up wages, created more jobs, and brought more businesses into the area. The positive changes in the economy increased the average household's disposable income. Consequently, Odessans made more purchases, generating more sales tax revenue for the City.

Between 2007-08 and 2008-09, oil prices plummeted, the West Texas oil rig count dropped, and the local unemployment rate rose from 3.5% to 9.9% in a 10-month period. Oil prices began to trend upward in March of 2009 and had stabilized by 2009-10. Still, sales tax revenues trailed behind the previous year's receipts. As a result, 2009-10 and 2010-11 revenues were conservatively projected at \$17.56 million and \$17.29 million, respectively.

Sales tax receipts began to recover in 2010-11 and have exceeded projections for the past three years. As a result of the upturn in the economy, sales tax revenues for 2012-13 are expected to reach \$25,240,023, a 21.52% increase over 2011-12 projections.

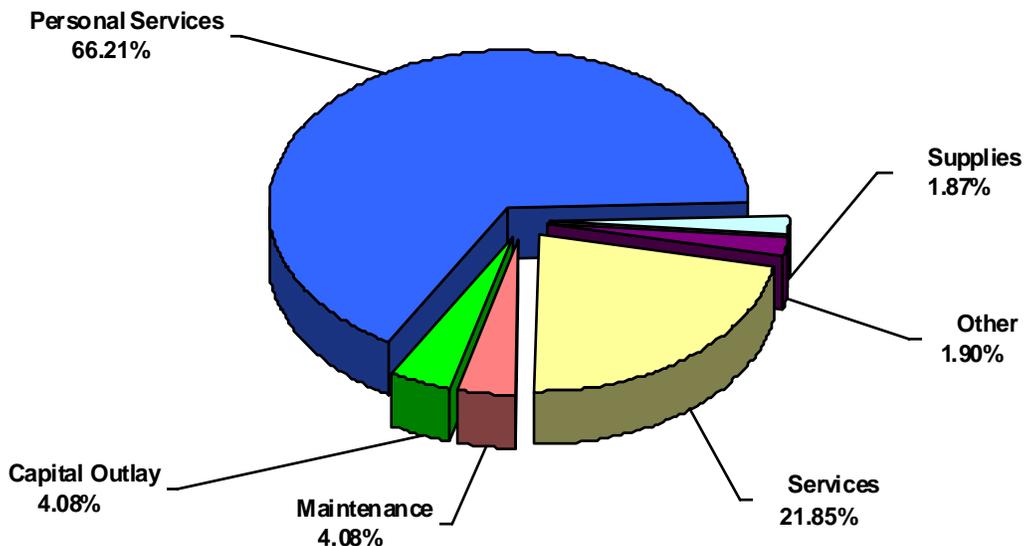
GENERAL FUND

OVERVIEW

Expenditures By Classification

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Personal Services	\$42,587,667	\$44,350,320	\$44,350,320	\$46,889,135
Supplies	1,053,331	1,294,013	1,192,312	1,326,257
Services	11,394,493	12,538,096	12,209,336	15,472,008
Maintenance	2,626,259	3,265,022	3,264,543	2,892,558
Capital Outlay	916,894	9,922,727	2,196,628	2,891,837
	<u>\$58,578,644</u>	<u>\$71,370,178</u>	<u>\$63,213,139</u>	<u>\$69,471,795</u>
Subtotal				
Outside Agencies	78,983	85,377	85,377	85,377
Operating Transfers Out	225,259	329,000	329,000	329,000
Lease Payments	534,751	534,751	734,751	934,751
Supplemental Expenditures	0	6,703,615	0	0
	<u>0</u>	<u>6,703,615</u>	<u>0</u>	<u>0</u>
Total Expenditures and Other Uses of Funds	<u><u>\$59,417,637</u></u>	<u><u>\$79,022,921</u></u>	<u><u>\$64,362,267</u></u>	<u><u>\$70,820,923</u></u>

GENERAL FUND 2012-13 EXPENDITURES BY CLASSIFICATION



GENERAL FUND

OVERVIEW

Expenditures

For the 2012-13 fiscal year, General Fund budgeted expenditures are \$70,820,923, which is an increase of \$6,458,656, or 10.03%, over the 2011-12 adopted budget. The major factors contributing to the increase include:

- the introduction of technology charges to fund computer replacement and cover the operating costs of the Information Technology Fund (a new internal service fund)
- a 5% pay increase for full-time employees
- position step increases and increases in skill and incentive pay
- increase in fleet maintenance and replacement costs
- increase in capital outlay expenditures
- increase in budget for street repair and maintenance

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.

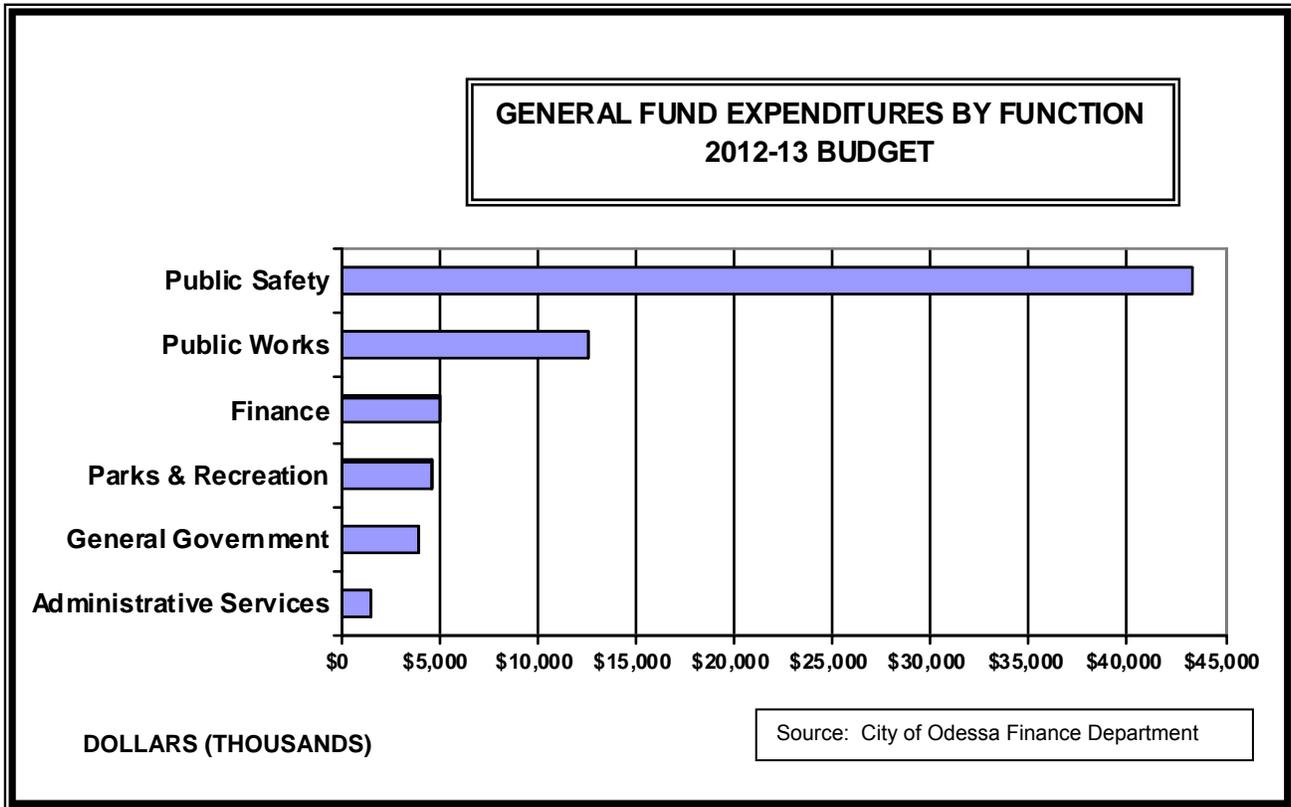
<u>Function</u>	2012-13 Budget		Increase / Decrease From 2011-12 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
General Government	\$3,933,254	5.55%	\$564,946	16.77%
Administrative Services	1,442,803	2.04%	77,908	5.71%
Finance	4,962,117	7.01%	(1,166,229)	(19.03%)
Public Works	12,628,732	17.83%	899,991	7.67%
Parks & Recreation	4,568,276	6.45%	244,239	5.65%
Public Safety	<u>43,285,741</u>	<u>61.12%</u>	<u>5,837,801</u>	<u>15.59%</u>
TOTAL	\$70,820,923	100.00%	\$6,458,656	10.03%

The Public Safety function, which includes Police, Fire, and Public Safety Communications, comprises 61.12% of the total General Fund budget. The next largest function of General Fund is the Public Works Department, at 17.83% of the total budget. The Finance function, which includes the departments of Finance, Purchasing, and Municipal Court, constitutes another 7.01% of the total budget. The remaining functions of General Government, Administrative Services, and Parks comprise 14.04% of the total General Fund budget.

GENERAL FUND

OVERVIEW

Expenditures (cont'd.)



The 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 \$564,946. The majority of the increase is due to the introduction of technology charges, the addition of one Senior Planner and one Juvenile Case Manager, and the implementation of a 5% pay raise for full-time employees. The total General Government budget of \$3,933,254 funds 38.5 full-time positions, two more positions than were funded in the previous year.

The Finance function consists of the Finance, Purchasing, and Municipal Court departments. Also included in this function are Non-Departmental, Outside Agency funding, Special Projects, and Operating Transfers-Out, which funds the anticipated cash match of grants. As the comparative summary reflects, this function has a total budget of \$4,962,117, a decrease of \$1,166,229 compared to 2011-12 numbers. This decrease is due to the transfer of the Information Technology Department, previously a division of the Finance function, to the newly-established Information Technology Fund. The transfer of this department reduced the total number of full-time positions funded by the Finance function from 53 to 39.

GENERAL FUND

OVERVIEW

Expenditures (cont'd.)

Parks and Recreation expenditures for the 2012-13 budget are expected to increase by \$244,239 compared to the previous year, with the majority of the increase being attributed to the high cost of water, a 5% pay increase for full-time employees, the implementation of technology charges, and the rising cost of fleet/equipment maintenance and replacement. The total Parks Department budget of \$4,568,276 funds 40 full-time positions, the same number as last year.

Public Safety includes the Fire, Police and Public Safety Communications departments. The function of Public Safety accounts for 61.12% of the total General Fund budget. The Police Department's budget increased by \$2,336,991 in fiscal year 2012-13. The total budget of \$23,085,559 funds 232 full-time positions. The majority of the 11.26% increase will be used to fund four new police officer positions, a 5% pay raise for all full-time personnel, step increases and increases in skills/incentive pay for sworn officers, the new technology charges, and the rising cost of fleet maintenance and replacement. The Fire Department's budget shows an increase of \$3,272,436 in 2012-13. The total budget of \$18,184,190 funds 179 full-time positions, eight more than were funded in the previous year. The Fire Department's 21.95% increase will be used to fund eight new Firefighter positions, a 5% pay increase, step increases and skills/incentive pay for sworn personnel, increases in fleet maintenance costs, the new technology charges, and the purchase of two new ambulances. The Public Safety Communications Department runs the dispatch service for emergency calls for both Police and Fire. The total budget of \$2,015,992 will increase by \$228,374, or 12.78%, compared to 2011-12 numbers. This increase will cover the cost of a 5% pay raise, the addition of one Dispatcher I position, and the new technology charges.

The Public Works function includes the divisions of Public Works Administration, Engineering, Building Inspection, Traffic, Street, and Public Works GIS. Total expenditures for this function will increase by \$899,991, or 7.67%, compared to the 2011-12 adopted budget. The increase is primarily due to the rising cost of maintaining and repairing city streets, a 5% pay raise for full-time employees, and the introduction of technology charges in FY 2013. The \$12,628,732 budget for the Public Works function comprises 17.83% of the total General Fund budget and includes funding for 89 full-time positions, the same number of positions that were funded last year.

The Administrative Services function includes the division of Building Services in the General Fund. The total budget of \$1,442,803 will increase by \$77,908, or 5.71%, compared to last year's budget. This increase is largely due to the implementation of a 5% pay increase for full-time employees, the rising cost of electricity, and the introduction of technology charges. Administrative Services funds 13 full-time positions, the same number as last year.

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 66.21% of the total cost of operations. The 2012-13 budget for Personal Services will fund 662 positions. The net increase of one position results from the addition of fifteen new positions to the General Fund and the transfer of fourteen positions from the General Fund to the Information Technology Fund. The budget includes funding for a 5% pay raise for full-time employees, as well as step increases and increases in skills/incentive pay for sworn personnel.

GENERAL FUND

OVERVIEW

Expenditures (cont'd.)

The Supplies category has experienced a net increase of \$133,945 compared to last year's budget. The majority of the increase will be used to replace all of the Fire Department's radios with digital radios.

The Services category reflects a \$3,262,672 increase compared to last year. This increase is largely due to the introduction of the technology charges and the rising cost of fleet/equipment maintenance and replacement.

The Maintenance function shows a decrease of \$371,985, or 11.39%, compared to last year's budget. The majority of the decrease is a result of the transfer of the Information Technology Department from the General Fund to the Information Technology Fund. The remainder of the decrease is due to the fact that, in 2011-12, various departments received one-time supplemental funding for necessary maintenance expenditures. This supplemental funding was not included in the 2012-13 budget.

Capital Outlay realized an increase of \$695,209 in 2012-13. This category's budget fluctuates from year to year, depending upon the need for large-ticket items.

Expenditures by Category	2012-13 Budget		2011-12 Budget	
	Amount	%	Amount	%
Personal Services	\$46,889,135	66.21%	\$44,350,320	68.91%
Supplies	1,326,257	1.87%	1,192,312	1.85%
Services	15,472,008	21.85%	12,209,336	18.97%
Maintenance	2,892,558	4.08%	3,264,543	5.07%
Capital Outlay	2,891,837	4.08%	2,196,628	3.41%
Outside Agencies	85,377	0.12%	85,377	0.13%
Transfers Out	329,000	0.46%	329,000	0.51%
Lease Payments	934,751	1.32%	734,751	1.14%
TOTAL	\$70,820,923	100.00%	\$64,362,267	100.00%

Fund Balance

In 2010-11, the audited fund balance was \$35,013,921. In 2011-12, the fund balance fell to \$24,719,209, a decrease of 29.40%, compared to the previous year. The \$10,294,712 taken from fund balance was used to pay for necessary improvements and capital assets. The 2012-13 budget is a balanced budget with revenues and expenditures in equal amounts of \$70,820,923 and an unrestricted available fund balance of \$7,083,142.

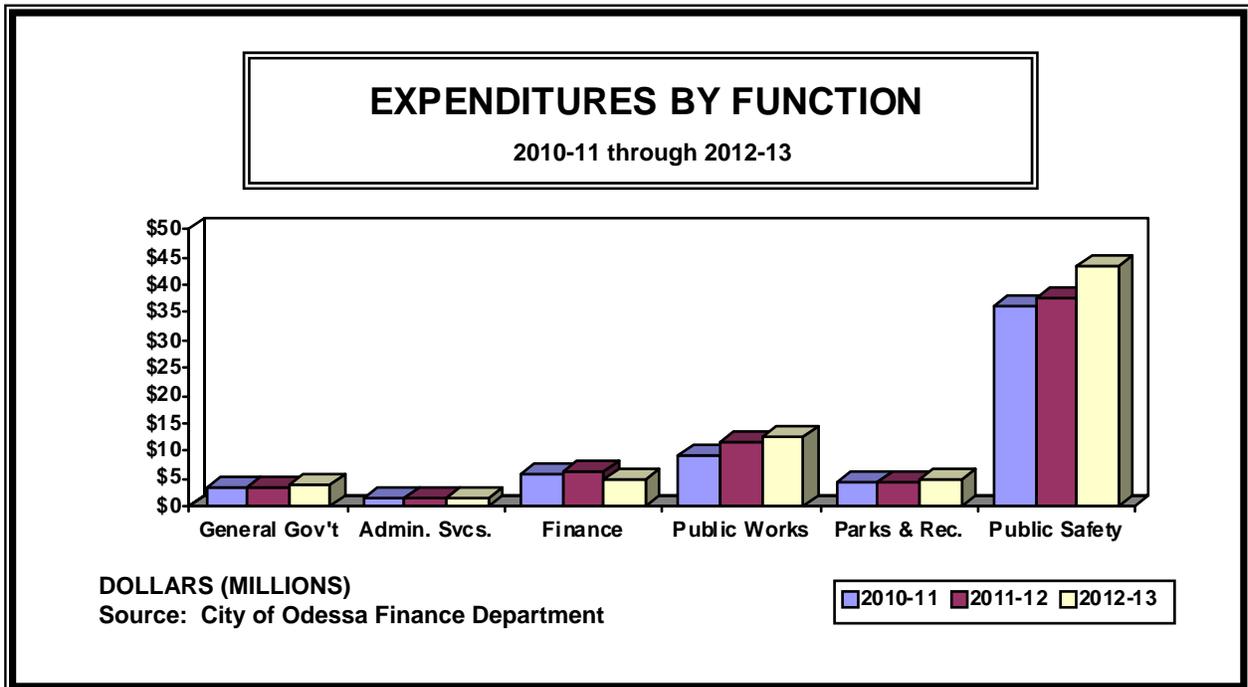
GENERAL FUND

OVERVIEW

Expenditures by Function	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
City Council	\$25,470	\$25,490	\$25,490	\$28,327
City Secretary	160,791	169,857	168,893	201,331
City Attorney	910,950	1,044,689	1,042,218	1,205,721
Office of the City Manager	794,270	879,401	878,726	1,054,877
Human Resources	515,323	523,630	517,740	579,593
Planning and Development	309,962	312,676	312,676	432,116
Neighborhood Services	389,995	438,517	422,565	431,289
TOTAL GENERAL GOVERNMENT	\$3,106,761	\$3,394,260	\$3,368,308	\$3,933,254
Building Services	\$1,327,671	\$1,382,029	\$1,364,895	\$1,442,803
TOTAL ADMINISTRATIVE SVCS.	\$1,327,671	\$1,382,029	\$1,364,895	\$1,442,803
Finance	\$818,488	\$823,212	\$822,813	\$883,742
Purchasing	530,444	573,252	565,874	650,795
Municipal Court	1,043,841	1,164,070	1,164,070	1,410,972
Information Technology	1,423,900	1,575,801	1,560,693	0
Non-Departmental	1,545,143	1,602,819	1,600,519	1,602,231
Outside Agencies	78,983	85,377	85,377	85,377
Operating Transfers Out	225,259	329,000	329,000	329,000
Special Projects	504,708	7,950,597	0	0
Supplemental Expenditures	0	6,703,615	0	0
TOTAL FINANCE	\$6,170,766	\$20,807,743	\$6,128,346	\$4,962,117
Public Works Administration	\$211,028	\$213,561	\$213,561	\$232,986
Engineering	1,340,088	1,385,941	1,382,480	1,434,867
Building Inspection	739,433	985,503	983,195	1,101,261
Traffic	1,479,851	1,640,643	1,631,462	1,636,951
Street	5,114,814	7,321,077	7,319,367	7,899,579
Public Works GIS	0	198,676	198,676	323,088
TOTAL PUBLIC WORKS	\$8,885,214	\$11,745,401	\$11,728,741	\$12,628,732
Parks and Recreation	\$4,058,604	\$4,347,669	\$4,324,037	\$4,568,276
TOTAL PARKS AND RECREATION	\$4,058,604	\$4,347,669	\$4,324,037	\$4,568,276
Fire	\$14,477,605	\$14,927,084	\$14,911,754	\$18,184,190
Police	19,717,316	20,628,511	20,748,568	23,085,559
Public Safety Communications	1,673,700	1,790,224	1,787,618	2,015,992
TOTAL PUBLIC SAFETY	\$35,868,621	\$37,345,819	\$37,447,940	\$43,285,741
Total Expenditures	\$59,417,637	\$79,022,921	\$64,362,267	\$70,820,923

GENERAL FUND

OVERVIEW



From 2010-11 through 2012-13, General Fund budgets have exhibited varied growths/declines by function. As a rule, expenditures have trended upward due to rising operating costs. Major factors contributing to the General Fund's 2012-13 budgetary increase include the rising cost of street maintenance and repair, increased fleet costs, a 5% pay increase for full-time employees, and the implementation of a computer replacement program. The new computer replacement program will be funded by annual technology charges paid by departments to the Information Technology Fund.

In the upcoming fiscal year, Administrative Services' budget will increase by \$77,908, or 5.71%. This function covers the cost of building maintenance. The majority of the increase is due to the 5% pay increase, the rising cost of electricity, and the introduction of technology charges to the 2012-13 budget.

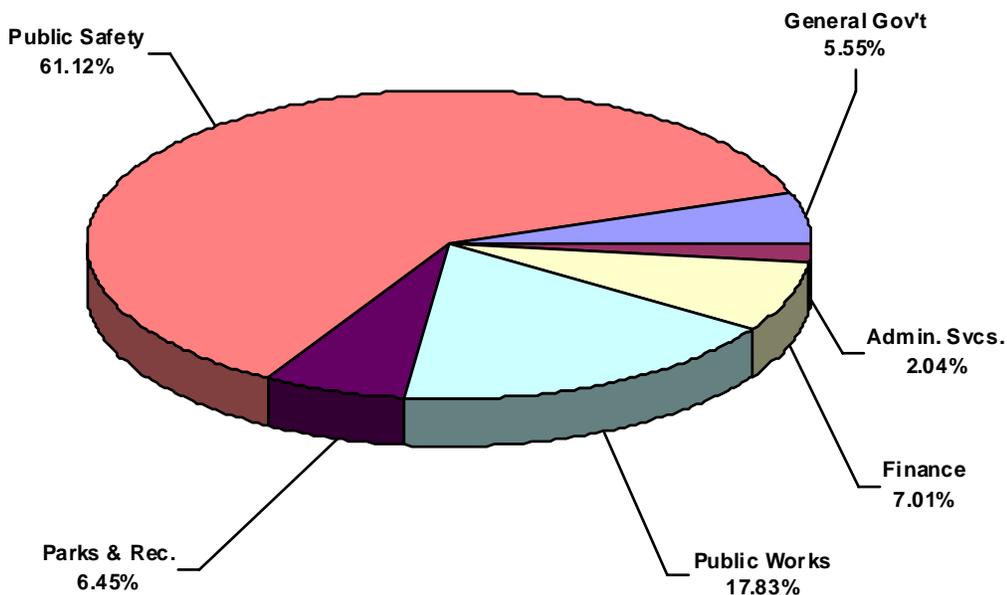
Of the remaining functions, Public Safety will realize the largest budgetary increase: \$5,837,801, or 15.59%. The majority of the increase will be used to fund the 5% pay increase for full-time employees, four new Police Officer positions and eight new Fire Fighter positions, the rising cost of fleet maintenance, and the new technology charges. Finance's budget will decrease by 19.03% due to the transfer of the Information Technology Department to the newly-established Information Technology Fund. The budget for the Parks function will increase by 5.65%. The additional funding will be used to cover the cost of the pay increase for full-time employees, the establishment of the new technology charges, and the rising cost of water. Public Works will use the bulk of its 7.67% budgetary increase to fund additional street maintenance projects, the new technology charges, and the 5% pay raise for full-time employees. Finally, the 16.77% increase in the General Government budget will be used to fund a Senior Planner position, a Juvenile Case Manager position, a 5% pay raise for full-time employees, and the new technology charges.

GENERAL FUND

OVERVIEW

2012-13 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 (25.68%), Police (32.60%) and Public Safety Communications (2.84%), comprises 61.12% of the total General Fund budget for 2012-13. The next largest use of the General Fund is the Public Works function (17.83%). Sharing the remaining 21.05% of the current General Fund budget are the Parks & Recreation (6.45%), Finance (7.01%), General Government (5.55%), and Administrative Services (2.04%) functions.

GENERAL FUND**CAPITAL OUTLAY**

Fund and Department/Division	Item	Item Total	Total
GENERAL FUND			
City Attorney	Data Processing Equipment	<u>\$1,500</u>	
	Subtotal City Attorney		\$1,500
City Manager	Data Processing Equipment	<u>1,900</u>	
	Subtotal City Manager		1,900
Human Resources	Data Processing Equipment	<u>2,729</u>	
	Subtotal Human Resources		2,729
Public Safety Communications	Furniture & Office Equipment	<u>8,600</u>	
	Subtotal Pub. Safety Comm.		8,600
Public Works			
Engineering	Data Processing Equipment	19,200	
Building Inspection	Office Equipment	4,698	
Traffic Engineering	Traffic Infrastructure Improvements & Other Traffic Projects	24,998	
Street	Infrastructure	2,040,339	
GIS	Data Processing Equipment	<u>15,000</u>	
	Subtotal Public Works		2,104,235
Fire Department			
Administration	Data Processing Equipment	3,128	
	Machinery and Equipment	<u>600,000</u>	
	Subtotal Fire		603,128
Police Department			
Patrol Operations	Machinery & Equipment	56,000	
	Data Processing Equipment	13,745	
	Technology Replacement	<u>100,000</u>	
	Subtotal Police		169,745
TOTAL CAPITAL OUTLAY – GENERAL FUND			<u><u>\$2,891,837</u></u>

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
Special Projects
Public Works Administration
Engineering
Building Inspection
Traffic Engineering
Street
Public Works GIS
Parks and Recreation
Fire
Police
Neighborhood Development Services

CITY COUNCIL

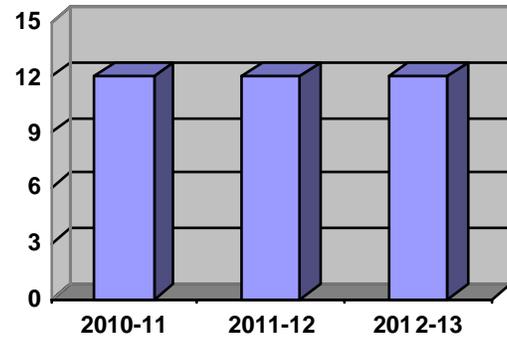
Mission

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)

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)

Number of Services Provided



Objectives / Performance Measures

Effectiveness

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.

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
--	-------------------------------------	---------------------------------------	-------------------------------------

	12	12	12
	100%	100%	100%
	100%	100%	100%

CITY COUNCIL

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$2,446	\$3,229	\$3,229	\$3,132
Supplies	8,409	8,519	8,519	8,804
Services	14,615	13,742	13,742	16,391
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$25,470	\$25,490	\$25,490	\$28,327

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Mayor	1	1	1
Council Members	<u>5</u>	<u>5</u>	<u>5</u>
Total Personnel	6	6	6

CITY SECRETARY

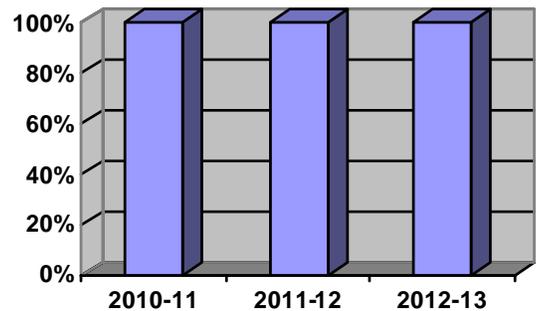
Mission

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, boards, and commissions 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)

**Minutes Transcribed
Within Five Days**



Objectives / Performance Measures

Effectiveness

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

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
1.	100%	100%	100%
2.	95%	95%	95%
3.	100%	100%	100%
4.	N/A%	N/A	100%
5.	100%	100%	100%
6.	100%	100%	100%

CITY SECRETARY

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$126,671	\$129,674	\$129,674	\$140,028
Supplies	11,265	4,892	3,928	7,500
Services	22,855	35,291	35,291	53,803
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$160,791	\$169,857	\$168,893	\$201,331

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
City Secretary	1	1	1
Administrative Assistant	1	1	1
Total Personnel	2	2	2

CITY ATTORNEY

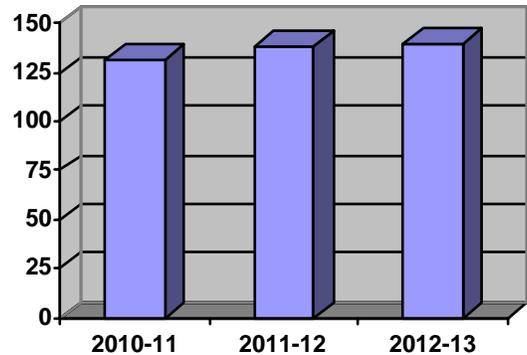
Mission

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 2012-13 fiscal year./(Excellence)

Number of Contracts Prepared



Objectives / Performance Measures

1. Contracts Prepared – Includes the following types of contracts: Consultant, Franchise & Public Utility, General (including CDBG and Outside Agencies), Leases, Water and Economic Development

Industrial District contracts renew every seven years. District 1 renewed in 08-09.

2. Resolutions and Ordinances Prepared

3. Collections:

- Suits Filed
- Collection From Suits
- Total Collection From Payment Arrangements After Filing Suit
- Total Collected from Judgments
- Total Collected from Liens

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
1. Contracts Prepared – Includes the following types of contracts: Consultant, Franchise & Public Utility, General (including CDBG and Outside Agencies), Leases, Water and Economic Development Industrial District contracts renew every seven years. District 1 renewed in 08-09.	131	138	140
2. Resolutions and Ordinances Prepared	148	113	110
3. Collections:			
Suits Filed	12	11	10
Collection From Suits	\$5,722	\$1,668	\$1,000
Total Collection From Payment Arrangements After Filing Suit	\$4,386	\$532	\$500
Total Collected from Judgments	\$1,436	\$1,640	\$1,500
Total Collected from Liens	\$4,138	\$500	\$500

CITY ATTORNEY

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$865,440	\$984,641	\$984,641	\$1,082,967
Supplies	8,396	11,230	11,230	11,230
Services	25,291	29,807	29,807	94,984
Maintenance	10,450	15,040	15,040	15,040
Capital Outlay	<u>1,373</u>	<u>3,971</u>	<u>1,500</u>	<u>1,500</u>
Total Expenditures	\$910,950	\$1,044,689	\$1,042,218	\$1,205,721

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
City Attorney	1	1	1
Senior Assistant Attorney	2	2	2
Assistant City Attorney	3	3	3
Juvenile Case Manager *	1	1	1
Legal Assistant **	1	1	1
Legal Assistant – Criminal	1	1	1
Executive Legal Secretary	1	1	1
Administrative Legal Secretary – Civil	1	1	1
Administrative Legal Secretary – Criminal	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	12	12	12
Funding Sources:			
General Fund	10.5	10.5	11.5
School Attendance Court Grant *	1	1	0
Water and Sewer **	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Personnel	12	12	12

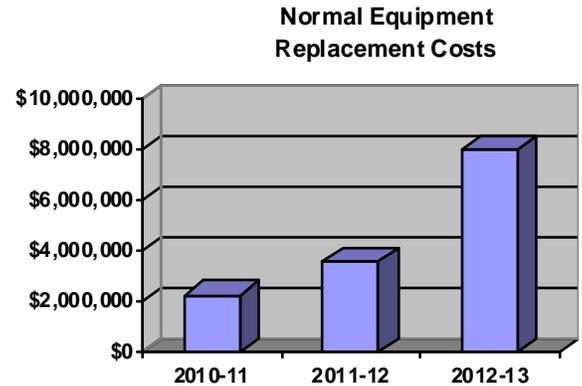
OFFICE OF THE CITY MANAGER

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 of organization, direction, support excellence, service, & attitude / (Direction)
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)



Objectives / Performance Measures

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
1. Economic Development Support			
a. Support business diversification– ODC job creation initiatives.	253	37	100
b. Support development of South JBS Parkway.	100%	100%	100%
2. Enhancement of Positive City Image			
a. Oversee continuing operation of storm water management program.	100%	100%	100%
b. N'borhood "Sweeps" Cleanup Campaign - Tons	82	100	105
c. Maintain status as Tree City USA.	100%	100%	100%
d. Guide Parks Master Plan priorities.	100%	100%	100%
3. Crime Reduction			
a. Continue Citizens On Patrol.	100%	100%	100%
b. Support CopLogic online reporting for citizens.	100%	100%	100%
c. Continue advertising PD safe zones.	100%	100%	100%
d. Maintain website citizen contact.	100%	100%	100%
4. Productivity and Service Enhancements			
a. Continue to provide enhanced IVR system 24/7 for water / sewer / trash customer payment arrangements	100%	100%	100%
b. Normal Equipment Replacement (\$)	\$2,258,473	\$3,583,048	\$7,993,750
5. Intergovernmental Cooperation			
a. Continue School Attendance Court – E.C.I.S.D	100%	100%	100%
b. TCAP Membership – Co-op Electrical Purchases	100%	100%	100%
6. Retaining / Recruiting Qualified Personnel			
a. Continuation of step increases, incentive pays for qualifying employees.	100%	100%	100%
b. Partner with schools/colleges to promote careers in public service.	90%	95%	100%

OFFICE OF THE CITY MANAGER

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$760,817	\$834,741	\$834,741	\$942,723
Supplies	9,997	16,671	15,996	17,496
Services	22,234	24,339	24,339	91,008
Maintenance	0	1,750	1,750	1,750
Capital Outlay	<u>1,222</u>	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>
Total Expenditures	\$794,270	\$879,401	\$878,726	\$1,054,877

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
City Manager	1	1	1
Assistant City Manager / Administrative Services	1	1	1
Assistant City Manager / Community Services	1	1	1
Internal Auditor	1	1	1
Public Information Coordinator	1	1	1
Multi Media Specialist	0	1	1
Development Coordinator	0	1	1
Financial Reporting Accountant *	1	1	1
Executive Secretary to the City Manager	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	7	9	9
Funding Sources:			
General Fund	6.5	8.5	8.5
Water and Sewer Fund *	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Personnel	7	9	9

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)	% of Jobs Posted Within 48 Hours of Authorized Request										
	<table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Data for % of Jobs Posted Within 48 Hours of Authorized Request</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>N/A</td> </tr> <tr> <td>2011-12</td> <td>96%</td> </tr> <tr> <td>2012-13</td> <td>94%</td> </tr> </tbody> </table>			Fiscal Year	Percentage	2010-11	N/A	2011-12	96%	2012-13	94%
Fiscal Year	Percentage										
2010-11	N/A										
2011-12	96%										
2012-13	94%										
Objectives / Performance Measures <u>Effectiveness</u> 1. Percentage of Time That the Initial Response to Inquiries and Requests for Information Is Made Within 48 Hours 2. Percentage of Jobs That Are Posted Within 48 Hours of Authorized Request 3. Percentage of Grievances Resolved Before Passing From Management's Control 4. Percentage of Employee Performance Evaluations Completed on Schedule 5. Percentage of Time Classification/Reclassification Requests Are Completed Within 28 Days	FY 2010-11 <u>Actual</u> *	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>								
	N/A	94%	100%								
	N/A	96%	100%								
	N/A	100%	100%								
	N/A	88%	100%								
	N/A	91%	100%								
* Management opted to change performance measures for the Human Resources department in FY 2011-12. Data for new measures are unavailable for FY 2010-11.											

HUMAN RESOURCES

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$447,748	\$389,121	\$389,121	\$409,813
Supplies	7,658	15,006	12,777	12,777
Services	48,648	106,298	103,763	144,924
Maintenance	11,269	9,350	9,350	9,350
Capital Outlay	<u>0</u>	<u>3,855</u>	<u>2,729</u>	<u>2,729</u>
Total Expenditures	\$515,323	\$523,630	\$517,740	\$579,593

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Director of Human Resources	1	1	1
Senior Human Resource Specialist	1	1	1
Human Resource Specialist – General	1	1	1
Human Resource Specialist – Administration	1	1	1
Human Resource Coordinator	1	1	1
Human Resource Clerk	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	6	6	6

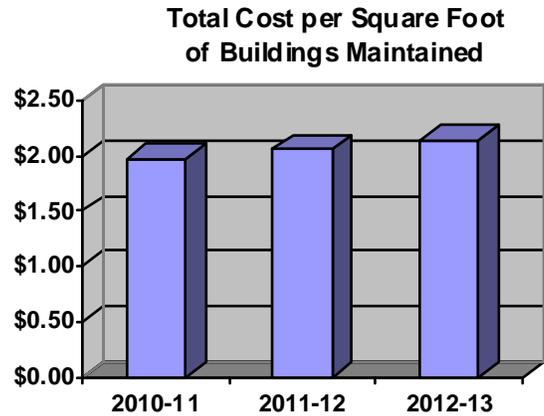
BUILDING SERVICES

Mission

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

Departmental Goals/(City's Value Statement Goals)

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



Objectives / Performance Measures

Effectiveness

1. Clean and paint out 2,000 square feet of graffiti each month.
2. Clean, 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.

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 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
	50%	50%	90%
	100%	100%	100%
	85%	85%	85%
	30%	50%	50%
	100%	100%	100%
	\$1.97	\$2.05	\$2.14
	\$1.00	\$1.00	\$1.05
	\$200,702	\$216,758	\$217,531

BUILDING SERVICES

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$653,897	\$707,325	\$707,325	\$738,264
Supplies	4,847	6,530	6,430	6,430
Services	508,204	501,730	501,730	548,699
Maintenance	160,723	166,444	149,410	149,410
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,327,671	\$1,382,029	\$1,364,895	\$1,442,803

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 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
Carpenter	1	1	1
HVAC Technician	2	2	2
Senior Building Maintenance Technician	2	2	2
Building Maintenance Technician	2	2	2
Painter	1	1	1
Total Personnel	13	13	13

PUBLIC SAFETY COMMUNICATIONS

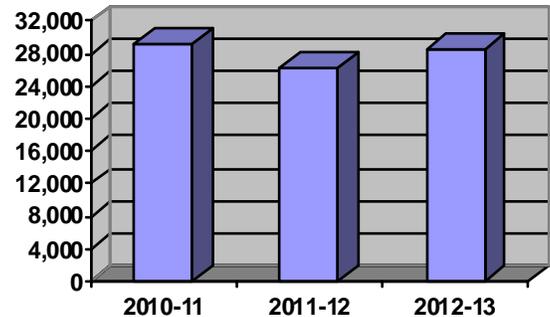
Mission

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)

Total Number of Calls Per Year



Objectives / Performance Measures

Effectiveness

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

FY 2010-11

Actual

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

FY 2011-12

Estimate

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

FY 2012-13

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. Police Administration
4. Fire Administration Lines

Monthly Avg.

29,100
6,450
21,050
1,650

Monthly Avg.

26,219
6,109
18,728
1,382

Monthly Avg.

28,500
6,004
21,100
1,396

PUBLIC SAFETY COMMUNICATIONS

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$1,616,835	\$1,702,242	\$1,702,242	\$1,826,267
Supplies	17,095	16,378	16,097	16,097
Services	29,180	39,713	37,388	153,942
Maintenance	2,714	23,291	23,291	11,086
Capital Outlay	<u>7,876</u>	<u>8,600</u>	<u>8,600</u>	<u>8,600</u>
Total Expenditures	\$1,673,700	\$1,790,224	\$1,787,618	\$2,015,992

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Director of Public Safety Communications	1	1	1
Dispatcher IV	1	1	1
Dispatcher III	6	6	6
Dispatcher II	1	0	0
Dispatcher I	4	4	5
Supervisor Public Safety Communications	3	2	2
Supervisor Public Safety Communications Night	2	2	2
Communications Training Supervisor	0	1	1
Dispatcher III Night	5	8	8
Dispatcher II Night	3	1	1
Dispatcher I Night	4	3	3
Senior Administrative Assistant *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	31	30	31
Funding Sources:			
General Fund	30.5	30	31
Equipment Service Fund *	<u>0.5</u>	<u>0</u>	<u>0</u>
Total Personnel	31	30	31

PLANNING AND DEVELOPMENT

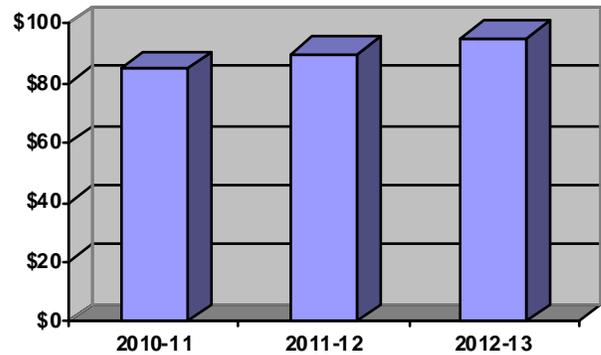
Mission

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

Workload

1. Number of Plans Submitted for Review

FY 2010-11

Actual

95%

97.5%

96%

\$85

\$35

400

FY 2011-12

Estimate

95%

98%

96%

\$90

\$35

390

FY 2012-13

Target

96%

98%

97%

\$95

\$35

435

PLANNING AND DEVELOPMENT

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$286,549	\$293,113	\$293,113	\$385,916
Supplies	4,779	3,800	3,800	3,800
Services	16,735	15,763	15,763	42,400
Maintenance	0	0	0	0
Capital Outlay	<u>1,899</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$309,962	\$312,676	\$312,676	\$432,116

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Director of Planning	1	1	1
Planner	1	1	1
Senior Planner	0	0	1
Planning Technician	1	1	1
Senior Administrative Assistant	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	4	4	5

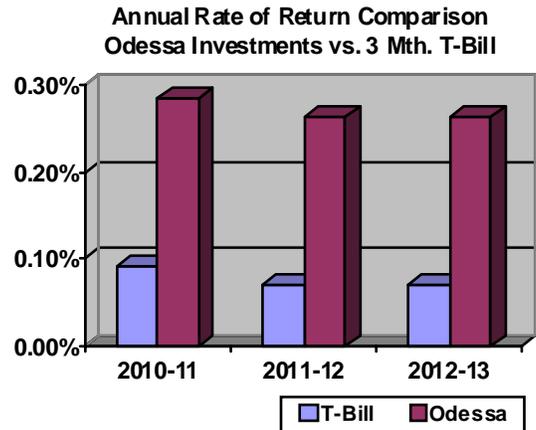
FINANCE

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)



Objectives / Performance Measures	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
<u>Effectiveness</u>			
1. All Employee Payroll Checks Calculated, Printed and Distributed No Later Than the 5 th and 20 th of Each Month	100%	100%	100%
2. Accurately Calculate Employee Payroll Checks 100% of the Time	100%	100%	100%
3. Rate of Return on Investments to Equal or Exceed the Annual Average of the 3-Month T-Bill Rate of Return	T-Bill: 0.0933% City: 0.2867%	T-Bill: 0.0708% City: 0.2642%	T-Bill: 0.0708% City: 0.2642%
4. Certified Annual Financial Report (CAFR) Awarded a "Clean Opinion" in External Audit	100%	100%	100%
5. Annual GFOA Certificate of Achievement for Financial Reporting	26	27	28
6. Annual GFOA Distinguished Budget Award	25	26	27
<u>Workload</u>			
1. Debt Service Per General Fund Expenditures	4.93%	3.74%	4.11%
2. Number of Accounts Payable Checks Processed	11,421	10,377	10,377
3. Number of Payroll Checks Processed	21,708	21,052	21,052

FINANCE

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$693,726	\$683,352	\$683,352	\$686,818
Supplies	15,466	20,287	20,287	20,287
Services	101,237	112,674	112,674	170,137
Maintenance	4,721	6,899	6,500	6,500
Capital Outlay	<u>3,338</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$818,488	\$823,212	\$822,813	\$883,742

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Director of Finance	1	1	1
Accountant Chief	1	1	1
Junior 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	11	11	11

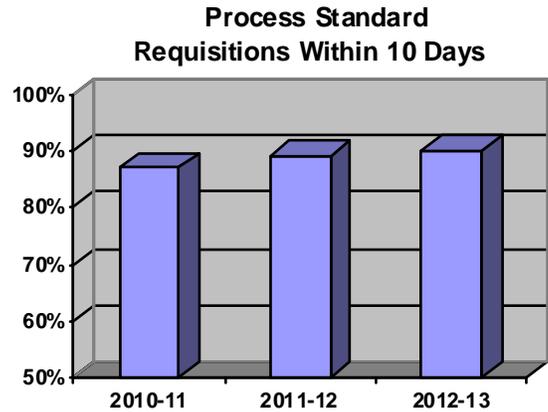
PURCHASING

Mission

The Purchasing Department 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 all 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 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
--	-------------------------------------	---------------------------------------	-------------------------------------

	88%	89%	90%
	87%	89%	90%
	93%	92%	92%
	100%	100%	100%
	91%	93%	93%
	97%	97%	100%

PURCHASING

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$462,221	\$469,935	\$469,935	\$488,199
Supplies	14,545	15,542	13,434	14,184
Services	47,568	67,273	66,242	132,149
Maintenance	2,748	20,502	16,263	16,263
Capital Outlay	<u>3,362</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$530,444	\$573,252	\$565,874	\$650,795

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Director of Purchasing	1	1	1
Senior Buyer	1	1	1
Buyer	1	1	1
Warehouse Supervisor	1	1	1
Warehouse Assistant	1	1	1
Print Shop Supervisor	1	1	1
Print Shop Assistant	1	1	1
Senior Administrative Assistant	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	8	8	8

MUNICIPAL COURT

Mission

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

Departmental Goals/(City's Value Statement Goals)	Average Number of Minutes to Complete Transaction										
<ol style="list-style-type: none"> 1. Enhance utilization of technology./(Excellence) 2. Become a court of record./(Direction) 3. Improve staffing levels (Direction) 4. Maintain an ongoing training program (Excellence) 	<table border="1" style="margin: 0 auto; border-collapse: collapse;"> <caption>Average Number of Minutes to Complete Transaction</caption> <thead> <tr> <th>Year</th> <th>Average Minutes</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>7.0</td> </tr> <tr> <td>2011-12</td> <td>4.6</td> </tr> <tr> <td>2012-13</td> <td>5.0</td> </tr> </tbody> </table>			Year	Average Minutes	2010-11	7.0	2011-12	4.6	2012-13	5.0
Year	Average Minutes										
2010-11	7.0										
2011-12	4.6										
2012-13	5.0										
Objectives / Performance Measures	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>								
<u>Effectiveness</u>											
1. On average, customers are to reach the service window within 10 minutes.	10 minutes	4 minutes	10 minutes								
2. On average, a clerk is to complete a customer's transaction within 5 minutes of reaching the window.	7 minutes	4.6 minutes	5 minutes								
3. Annual disposition rates of 98% each year.	107% *	110% *	100%								
4. 100% of all certified clerks should receive training each year to maintain certification.	100%	100%	100%								
6. On average, new citations should be entered into the system within 2 working days.	2 days	2 days	2 days								
7. All mailed payments should be processed within one day of receipt.	2 days	1 day	1 day								
<p>* Frequently, cases are not disposed in the same year in which they originated. As a result, the disposition rate for a given year sometimes exceeds 100%.</p>											

MUNICIPAL COURT

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$945,181	\$1,061,921	\$1,061,921	\$1,137,855
Supplies	37,285	32,481	32,481	32,481
Services	55,392	62,256	62,256	233,224
Maintenance	5,983	7,412	7,412	7,412
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,043,841	\$1,164,070	\$1,164,070	\$1,410,972

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Director of Municipal Court	1	1	1
Municipal Court Judge	1	1	1
Bailiff *	2	2	2
Municipal Court Supervisor	2	2	2
Deputy Court Clerk ***	16	14	14
Associate Municipal Court Judge	1	1	1
Judicial Assistant	1	1	1
Technology Specialist – Municipal Court **	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	25	23	23
Funding Sources:			
General Fund	19	20	20
Security Fund *	2	2	2
Municipal Court Technology Fund **	1	1	1
School Attendance Court Grant ***	<u>3</u>	<u>0</u>	<u>0</u>
Total Personnel	25	23	23

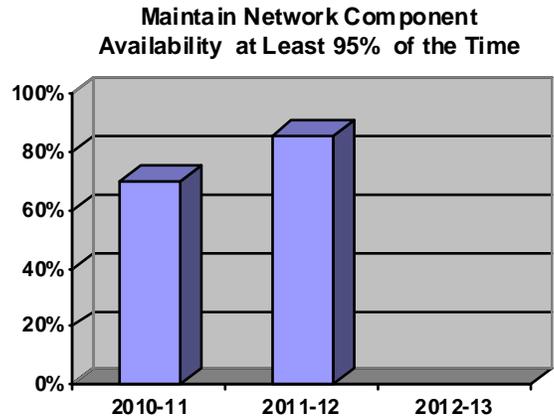
INFORMATION TECHNOLOGY

Mission

In order for City of Odessa employees to meet the business needs of the City, Information Technology 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. Execute Year One Strategic Planning Goals.
 - a. Phase 1 plan to re-architect network to create stability & establish customer confidence in accessing applications, data & Internet internally & for our mobile employees./(Direction)
 - b. Centralize Microsoft software spending & establish large discounts & software upgradeability in the future by purchasing a Microsoft Enterprise purchasing agreement./(Direction)
 - c. Provide extensive training to IT staff to maintain knowledge & skill sets required to support best of breed applications./(Excellence)
 - d. Centralize ownership of computer/network assets into IT to simplify management of a standardized replacement program based on type of equipment. /(Direction)
 - e. Purchase a management application to facilitate the ease of maintaining mobile data equipment while out in the field./(Support)



Objectives / Performance Measures

Effectiveness

1. Provide application 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 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target *</u>
1.	99%	99%	N/A
2.	70%	85%	N/A
3.	99%	99%	N/A
4.	100%	100%	N/A
5.	100%	100%	N/A

* In 2012-13, the Information Technology Department will be moved to the Information Technology Fund.

INFORMATION TECHNOLOGY

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$1,093,375	\$1,060,119	\$1,060,119	\$0
Supplies	41,697	65,140	64,032	0
Services	28,053	88,397	88,397	0
Maintenance	226,341	263,144	263,144	0
Capital Outlay	<u>34,434</u>	<u>99,001</u>	<u>85,001</u>	<u>0</u>
Total Expenditures	\$1,423,900	\$1,575,801	\$1,560,693	\$0

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year *</u>
Director of Information Technology	1	1	0
Network Support Specialist	2	2	0
Systems Manager *	1	0	0
Application Services Manager *	0	1	0
Senior Programmer / Analyst	1	0	0
PC Support Specialist	1	0	0
Software Systems Specialist *	0	4	0
Database Support Specialist	1	1	0
Web Master	1	0	0
Web Services Administrator	0	1	0
System Administrator	1	0	0
Public Safety Systems Administrator	0	1	0
I.T. Support Specialist	0	2	0
Technical Applications Specialist	3	0	0
Public Safety PC Support Specialist	1	0	0
System Support Specialist	0	0	0
Projects and Support Manager	1	1	0
Communications Manager	1	0	0
Application Analyst	0	1	0
Infrastructure & Communications Manager	<u>0</u>	<u>1</u>	<u>0</u>
Total Personnel	15	16	0
Funding Sources:			
General Fund	14	14	0
Water and Sewer Fund *	<u>1</u>	<u>2</u>	<u>0</u>
Total Personnel	15	16	0
* In 2012-13, the Information Technology Dept. will be moved to the Information Technology Fund.			

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

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services *	\$35,000	\$36,196	\$36,196	\$37,908
Supplies	0	0	0	0
Services	1,508,143	1,566,623	1,564,323	1,564,323
Maintenance	0	0	0	0
Capital Outlay	2,000	0	0	0
Lease Payments	0	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,545,143	\$1,602,819	\$1,600,519	\$1,602,231
* Funds ½ of Financial Reporting Accountant position.				

GENERAL FUND

Outside Agencies

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Teen Court	\$46,565	\$45,377	\$45,377	\$45,377
Crime Stoppers	<u>32,418</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Total Expenditures	\$78,983	\$85,377	\$85,377	\$85,377

Operating Transfers Out

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 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>225,259</u>	<u>329,000</u>	<u>329,000</u>	<u>329,000</u>
Total Expenditures	\$225,259	\$329,000	\$329,000	\$329,000

Special Projects

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
2008 Elevator Upgrade – Plaza	\$3,600	\$0	\$0	\$0
2008 Parks Dept Supplementals	0	14,860	0	0
2008 Civic Center Study	0	75,000	0	0
2008 Voice Over IP	50,576	28,119	0	0
2008 Downtown Growth Plan	0	200,000	0	0
2009 Fire Dept Supplementals	4,898	0	0	0
2009 Parks Dept Supplementals	0	6,275	0	0
2011 Contingency	0	233,442	0	0
2011 Traffic Signal Improvements	413,653	0	0	0
2011 5th St Medical Corridor Project	31,009	325,599	0	0
2011 St Recon – 8th/ W County Rd	0	2,400,000	0	0
2011 Radio Backup System	972	3,067,302	0	0
2011 E Drain Channel Basin Ph II	0	1,600,000	0	0
2012 Proposed Supplemental Expenditures	<u>0</u>	<u>6,703,615</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$504,708	\$14,654,212	\$0	\$0

PUBLIC WORKS ADMINISTRATION

Mission

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

<p>Departmental Goals/(City's Value Statement Goals)</p> <ol style="list-style-type: none"> 1. Promote development and make infrastructure improvements throughout the city./(Direction) 2. Continue to work with the GIS Division to create databases for the GIS System./(Organization) 3. Continue project development for the JBS Parkway/FM 3503 extension project & the extension of Spur 588, Faudree Rd./(Service) 4. Implementation of Public Works Infrastructure Capital Improvement Plan./(Service) 	<p style="text-align: center;">Public Works CIP Projects Percent of Completion</p> <table border="1" style="margin: 10px auto; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Year</th> <th>Percent of Completion</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>100%</td> </tr> <tr> <td>2011-12</td> <td>80%</td> </tr> <tr> <td>2012-13</td> <td>60%</td> </tr> </tbody> </table>	Year	Percent of Completion	2010-11	100%	2011-12	80%	2012-13	60%	
Year	Percent of Completion									
2010-11	100%									
2011-12	80%									
2012-13	60%									
<p>Objectives / Performance Measures</p> <p><u>Effectiveness</u></p> <ol style="list-style-type: none"> 1. Facilitate private development and construction by continuing to coordinate between developers and City departments to provide information for proposed projects, measured by the value of completed right-of-way construction. 2. Percent of completion of projects in the Public Works Infrastructure Capital Improvements Plan. 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">FY 2010-11 <u>Actual</u></th> <th style="text-align: left;">FY 2011-12 <u>Estimate</u></th> <th style="text-align: left;">FY 2012-13 <u>Target</u></th> </tr> </thead> <tbody> <tr> <td>\$17 million</td> <td>\$19 million</td> <td>\$19 million</td> </tr> <tr> <td>100%</td> <td>80%</td> <td>60%</td> </tr> </tbody> </table>	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>	\$17 million	\$19 million	\$19 million	100%	80%	60%
FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>								
\$17 million	\$19 million	\$19 million								
100%	80%	60%								

PUBLIC WORKS ADMINISTRATION

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$207,112	\$207,313	\$207,313	\$216,581
Supplies	859	1,687	1,687	1,687
Services	3,057	4,311	4,311	14,468
Maintenance	0	250	250	250
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$211,028	\$213,561	\$213,561	\$232,986

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 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.

Departmental Goals/(City's Value Statement Goals)	Right-of-Way Permits Issued										
<ol style="list-style-type: none"> 1. Review plans within 10 days./(Service) 2. Provide right-of-way inspections no later than 30 minutes after requested./(Service) 3. Provide 800 man-hours of training to division personnel./(Support) 	<table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Right-of-Way Permits Issued Data</caption> <thead> <tr> <th>Year</th> <th>Permits Issued</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>332</td> </tr> <tr> <td>2011-12</td> <td>500</td> </tr> <tr> <td>2012-13</td> <td>500</td> </tr> </tbody> </table>			Year	Permits Issued	2010-11	332	2011-12	500	2012-13	500
Year	Permits Issued										
2010-11	332										
2011-12	500										
2012-13	500										
Objectives / Performance Measures	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Target								
<u>Effectiveness</u>											
1. Timely Plan Review (Goal: 10 Days)	<10 Days	< 10 Days	< 10 Days								
2. Timely Right-of-Way Inspections (Goal: 30 Min.)	<30 Minutes	< 30 Minutes	< 30 Minutes								
3. Division Personnel Training (Goal: 800 Man-Hours)	300 Hours	300 Hours	300 Hours								
<u>Workload</u>											
1. Customer Service Questionnaires Distributed	60	70	100								
2. Construction Contracts Awarded	9	10	10								
3. Right-of-Way Permits Issued	332	500	500								
4. Flood Permits Issued	58	80	80								
5. Plats Processed	41	50	50								
6. Map Sales	3	4	5								
7. Plan Reviews	69	70	70								
8. Building Permit Plan Reviews	507	600	600								

ENGINEERING

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$1,139,781	\$1,238,061	\$1,238,061	\$1,148,705
Supplies	22,858	16,131	13,210	13,210
Services	82,360	80,689	80,689	222,432
Maintenance	34,095	31,320	31,320	31,320
Capital Outlay	<u>60,994</u>	<u>19,740</u>	<u>19,200</u>	<u>19,200</u>
Total Expenditures	\$1,340,088	\$1,385,941	\$1,382,480	\$1,434,867

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
City Engineer	1	1	1
Assistant City Engineer	1	1	1
Civil Engineer	1	1	1
Civil Engineer Associate *	1	1	1
Survey Party Chief	2	2	2
Construction Supervisor	1	1	1
Survey / GIS Supervisor	1	0	0
Drafting Supervisor	1	1	1
Right-of-Way Technician	2	2	2
Construction Inspector **	4	4	5
Senior Drafting Technician	2	2	2
Drafting Technician	1	1	1
Survey Instrument Technician	2	2	2
Administrative Assistant	1	1	1
Design Technician	0	0	1
GIS Analyst	<u>1</u>	<u>0</u>	<u>0</u>
Total Personnel	22	20	22
Funding Sources:			
General Fund	20	18	18
Water & Sewer *	1	1	1
Bond Funds **	<u>1</u>	<u>1</u>	<u>3</u>
Total Personnel	22	20	22

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)	Review of Commercial Plans (Number of Days)										
<ol style="list-style-type: none"> 1. Respond to each customer suggestion. (Attitude) 2. Review residential plans submitted for permits within 4 days. (Service) 3. Review commercial plans submitted for permits within 11 days. (Service) 4. Provide timely response for requests for inspections. (Service) 5. Annually update the building, electrical, plumbing, fuel gas, mechanical and energy codes as required by law. (Direction) 	<table border="1" style="margin: 0 auto; border-collapse: collapse;"> <caption>Review of Commercial Plans (Number of Days)</caption> <thead> <tr> <th>Year</th> <th>Number of Days</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>14</td> </tr> <tr> <td>2011-12</td> <td>18</td> </tr> <tr> <td>2012-13</td> <td>11</td> </tr> </tbody> </table>			Year	Number of Days	2010-11	14	2011-12	18	2012-13	11
Year	Number of Days										
2010-11	14										
2011-12	18										
2012-13	11										
Objectives / Performance Measures	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Target								
<u>Effectiveness</u>											
1. Utilize and respond to customer suggestions as a means of monitoring Building Inspection services.	100%	100%	100%								
2. Provide timely review of residential plans submitted for permits. (5 days)	6 Days	6 Days	4 Days								
3. Provide timely review of commercial plans submitted for permits. (11 days)	14 Days	18 Days	11 Days								
4. Provide timely response for requests for inspections. (4 hrs. average)	4.75 Hrs.	5.75 Hrs.	4 Hrs.								
5. Modify and update building, electrical, plumbing, mechanical and energy codes and ordinances as required by State and Federal laws.	0 Codes	5 Codes	5 Codes								
<u>Workload</u>											
1. New Residential Construction Permits Issued	299	333	350								
2. New Commercial Construction Permits Issued	68	80	85								
3. Total New Residential Construction Value	\$52,666,472	\$55,000,000	\$65,000,000								
4. Total New Commercial Construction Value	\$34,467,606	\$68,000,000	\$75,000,000								
5. Total Permits Issued	7,256	7,400	7,600								

BUILDING INSPECTION

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$618,731	\$782,732	\$782,732	\$815,538
Supplies	16,507	23,905	22,972	16,492
Services	81,584	102,261	102,261	254,754
Maintenance	670	9,779	9,779	9,779
Capital Outlay	<u>21,941</u>	<u>66,826</u>	<u>65,451</u>	<u>4,698</u>
Total Expenditures	\$739,433	\$985,503	\$983,195	\$1,101,261

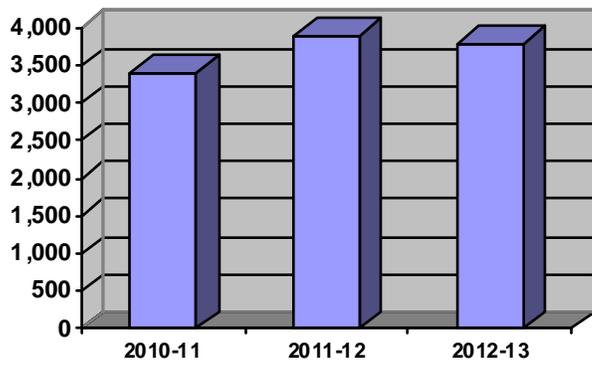
Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Building Official	1	1	1
Assistant Building Official	1	1	1
Plans Examiner	2	2	2
Building Codes Inspector	5	7	7
Administrative Assistant	1	1	1
Building Inspection Clerk	<u>3</u>	<u>3</u>	<u>3</u>
Total Personnel	13	15	15

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.

<p>Departmental Goals/(City's Value Statement Goals)</p> <ol style="list-style-type: none"> 1. Upgrade overhead street name signs./(Service) 2. Continue to install pavement legends using thermo-plastic for improved visibility/performance./(Service) 	<p>Pavement Markings Painted</p>  <table border="1" style="display: none;"> <caption>Pavement Markings Painted Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Markings Painted</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>3,411</td> </tr> <tr> <td>2011-12</td> <td>3,900</td> </tr> <tr> <td>2012-13</td> <td>3,800</td> </tr> </tbody> </table>			Fiscal Year	Markings Painted	2010-11	3,411	2011-12	3,900	2012-13	3,800
Fiscal Year	Markings Painted										
2010-11	3,411										
2011-12	3,900										
2012-13	3,800										
<p>Objectives / Performance Measures</p> <p><u>Workload</u></p> <ol style="list-style-type: none"> 1. Signal maintenance calls (LED replacement, controller/detector malfunctions, other calls). 2. Number of signs repaired or replaced. 3. Traffic counts completed. 4. Lane miles of roadways striped. 5. Pavement markings painted (crosswalks, stopbars, arrow, etc.). 6. Number of signalized intersections upgraded to count down pedestrian signals 	<p>FY 2010-11 <u>Actual</u></p>	<p>FY 2011-12 <u>Estimate</u></p>	<p>FY 2012-13 <u>Target</u></p>								
	1,158	1,000	1,000								
	1,027	1,000	1,000								
	146	125	125								
	171	200	200								
	3,411	3,900	3,800								
	21	20	20								

TRAFFIC ENGINEERING

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$715,632	\$853,937	\$853,937	\$841,651
Supplies	39,855	25,276	19,150	19,150
Services	336,837	442,077	442,077	507,352
Maintenance	240,137	291,300	291,300	243,800
Capital Outlay	<u>147,390</u>	<u>28,053</u>	<u>24,998</u>	<u>24,998</u>
Total Expenditures	\$1,479,851	\$1,640,643	\$1,631,462	\$1,636,951

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Traffic Coordinator	1	1	1
Lead Signal Technician	1	1	1
Traffic Administration Supervisor	1	1	1
Data Entry Technician	1	0	0
Signal Technician I	2	3	3
Signal Technician II	1	0	0
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	15	15

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="margin: 10px auto; border-collapse: collapse;"> <caption>Maintenance Cost Per Street Mile Data</caption> <thead> <tr> <th>Year</th> <th>Cost (\$)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>\$11,970</td> </tr> <tr> <td>2011-12</td> <td>\$14,250</td> </tr> <tr> <td>2012-13</td> <td>\$15,000</td> </tr> </tbody> </table>			Year	Cost (\$)	2010-11	\$11,970	2011-12	\$14,250	2012-13	\$15,000
Year	Cost (\$)										
2010-11	\$11,970										
2011-12	\$14,250										
2012-13	\$15,000										
Objectives / Performance Measures	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Target								
<u>Efficiency</u>											
1. Maintenance Expenditure per Street Mile	\$11,970	\$14,250	\$15,000								
<u>Workload</u>											
1. Percentage of Crack Seal and Seal Coat Lane Miles to Total Lane Miles Maintained	15%	17%	17%								
2. Number of Vacant Lots Mowed	3,167	3,000	3,000								

STREET

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$1,489,488	\$1,667,115	\$1,667,115	\$1,751,850
Supplies	31,132	34,585	34,585	34,585
Services	2,007,410	2,098,436	2,098,436	2,129,526
Maintenance	1,565,745	1,923,665	1,921,955	1,943,279
Capital Outlay	<u>21,039</u>	<u>1,597,276</u>	<u>1,597,276</u>	<u>2,040,339</u>
Total Expenditures	\$5,114,814	\$7,321,077	\$7,319,367	\$7,899,579

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <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	<u>14</u>	<u>14</u>	<u>14</u>
Total Personnel	35	35	35

PUBLIC WORKS GIS

Mission

The GIS Division provides leadership, expertise, communication, coordination, and relevant services to support the core business functions of the City of Odessa in an effort to increase operational effectiveness, ensure GIS data integrity, and to oversee the distribution and alignment of reliable, accurate, high-quality, and accessible geospatial data. Using the Geographic Information System (GIS), the staff will enable the managers and citizens to make decisions impacting the future of the City of Odessa in an informed and logical manner.

Departmental Goals/(City's Value Statement Goals) 1. Continue development of right-of-way base layer (Goal: 80%)./(Direction) 2. Begin development of Parks Department facility layer (Goal: 25%)./(Direction) 3. Begin development of Street and Traffic asset layers (Goal: 25%)./(Direction)	Establish Operating Procedures										
	<table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Establish Operating Procedures Progress</caption> <thead> <tr> <th>Year</th> <th>Progress (%)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>0%</td> </tr> <tr> <td>2011-12</td> <td>80%</td> </tr> <tr> <td>2012-13</td> <td>90%</td> </tr> </tbody> </table>			Year	Progress (%)	2010-11	0%	2011-12	80%	2012-13	90%
Year	Progress (%)										
2010-11	0%										
2011-12	80%										
2012-13	90%										
Objectives / Performance Measures	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>								
1. Establish GIS organization, operations and facilities.	N/A *	90%	100%								
2. Establish GIS operating procedures.	N/A *	80%	100%								
* Public Works GIS Division was created in FY 2012.											

PUBLIC WORKS - GIS

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$0	\$72,219	\$72,219	\$245,993
Supplies	0	32,042	32,042	12,092
Services	0	9,715	9,715	24,863
Maintenance	0	17,600	17,600	25,140
Capital Outlay	<u>0</u>	<u>67,100</u>	<u>67,100</u>	<u>15,000</u>
Total Expenditures	\$0	\$198,676	\$198,676	\$323,088

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
GIS Manager	0	1	1
GIS Coordinator	0	1	1
GIS Analyst	<u>0</u>	<u>2</u>	<u>2</u>
Total Personnel	0	4	4

PARKS AND RECREATION

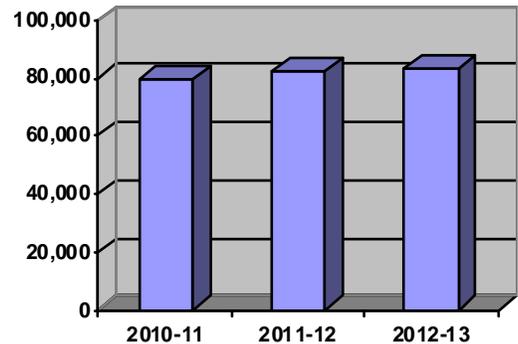
Mission

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, and 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. Provide a recreation system that includes a sufficient diversity of areas & facilities to effectively serve a population with varied characteristics, needs, & interests./(Direction)
3. Increase special event programming through increased use of parks and facilities and successful collaborations and sponsorships with non-profit, government, & private businesses./(Organization)
4. Ensure that new and innovative programming is constantly being developed and implemented./(Direction)
5. Maintain the City's recognition from the National Arbor Day Foundation as a Tree City USA recipient./(Organization)
6. Continue to monitor efficiency levels versus service levels to determine cost effectiveness./(Excellence)

Pool Attendance Level



Objectives / Performance Measures

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
1. Re-development of Sherwood Park	100%	N/A	N/A
3. Average Expenditure per Developed Acre	\$6,808	\$6,808	\$6,820
4. Average Cost per Community Center Rental	\$98	\$98	\$98
5. Recreation Program Events	16	20	20
6. Number of Acres Maintained (Developed)	553	553	553
7. Number of Acres per FTE (Maintenance)	15.8	16.75	15.8
8. Attendance Level at Floyd Gwin Pool	11,003	12,000	12,000
9. Attendance Level at Sherwood Pool	47,576	48,000	48,000
10. Attendance Level at Woodson Pool	21,006	22,000	23,000

PARKS AND RECREATION

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$1,887,699	\$1,958,364	\$1,958,364	\$2,058,413
Supplies	159,508	217,874	200,349	200,349
Services	1,752,437	1,874,029	1,874,029	2,108,219
Maintenance	254,631	207,402	201,295	201,295
Capital Outlay	<u>4,329</u>	<u>90,000</u>	<u>90,000</u>	<u>0</u>
Total Expenditures	\$4,058,604	\$4,347,669	\$4,324,037	\$4,568,276

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Director of Parks & Recreation	1	1	1
Assistant Director of Parks & Recreation	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	9	10	10
Grounds Maintenance Worker	11	11	11
Parks Repairer	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	39	40	40

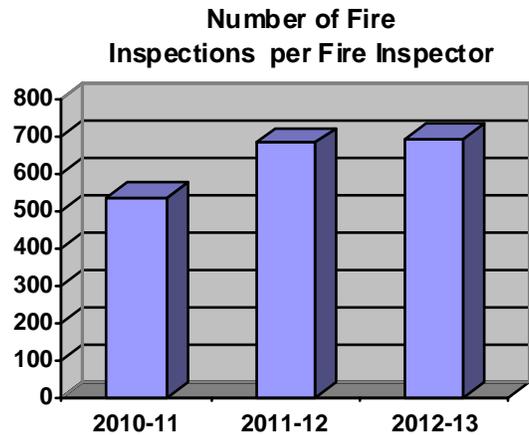
FIRE

Mission

Odessa Fire/Rescue is dedicated to providing the community with the highest level of service excellence through emergency response, prevention and community support.

Departmental Goals/ (City's Value Statement Goals)

1. Continue to provide a health & wellness program for our personnel, improve recruitment & retention processes, & improve the family support system. (Organization)
2. Continue to provide the most advanced tools & equipment through an increase in Lifeline enrollment (5%), grant opportunities, and alternative funding sources. (Direction)
3. Continue to provide personnel with professional & career development tools to improve service delivery & decrease injuries & accidents. (Organization)
4. Continue to investigate ways to enhance infrastructure of fire stations & training facilities. (Direction)
5. Increase educational programs provided to the community in emergency preparedness & fire safety. (Organization)
6. Develop a capital improvement plan through a community needs analysis. (Direction)



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/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 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
--	-----------------------------	-------------------------------	-----------------------------

89.4%

90%

90%

92.6%

94%

93%

2,675

2,728 *

2,782 *

535

682 *

695 *

140

142

145

* Projections based on five inspector positions being filled in 2010-11 and four inspector positions being filled in 2011-12 and 2012-13.

FIRE

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$12,298,258	\$12,481,709	\$12,481,709	\$14,203,692
Supplies	246,815	274,459	260,119	423,619
Services	1,298,419	1,412,747	1,412,747	2,289,700
Maintenance	86,886	160,290	189,300	129,300
Capital Outlay	12,476	63,128	33,128	603,128
Lease Payments	<u>534,751</u>	<u>534,751</u>	<u>534,751</u>	<u>534,751</u>
Total Expenditures	\$14,477,605	\$14,927,084	\$14,911,754	\$18,184,190

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Fire Chief	1	1	1
Assistant Fire Chief	3	3	3
Fire Battalion Chief – Training Officer	1	1	1
GIS Coordinator	1	0	0
Fire Battalion Chief	3	3	3
Senior Fire Captain	3	3	3
Fire Training Captain	1	1	1
Paramedic Training Captain	1	1	1
Fire Captain	21	21	21
Paramedic	0	0	0
Firefighter / Engineer / Driver	127	127	135
Fire Inspector	5	5	5
Assistant Fire Marshal	1	1	1
Fire Marshal	1	1	1
Senior Administrative Assistant	1	1	1
Administrative Assistant	1	1	1
Support Clerk	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	172	171	179

POLICE

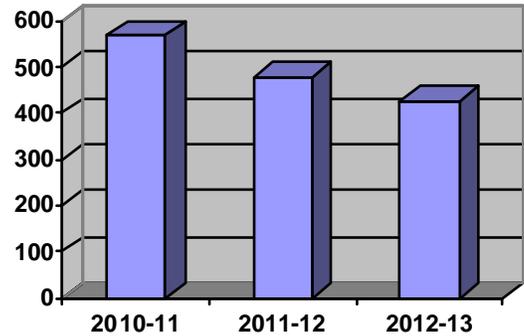
Mission

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./(Organization)
2. Establish a more proactive approach to prevent crime./(Direction)
3. Improve road safety./(Excellence)
4. Obtain grants for various purposes./(Direction)
5. Increase authorized resource strength./(Direction)
6. Continue to improve effectiveness & efficiency of law enforcement goals by integration of technology (i.e. radio system CAD)/(Direction)

Number of Traffic Accidents Where Injuries Were Sustained



Objectives / Performance Measures

Effectiveness

1. Develop community-based crime enforcement and prevention program.
2. Increase self-initiated activity.
3. Decrease the number of injury-related traffic crashes.
4. Maintain grant funding.
5. Recruit and hire qualified applicants.
(Number of applicants/number of new hires.)
6. Implement technology projects to enhance efficiency.

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
1.	3	3	3
2.	43,436	28,248	38,248
3.	567	478	428
4.	\$858,592 *	\$173,359 *	\$864,893
5.	689 / 63	800 / 85	900 / fill all open positions
6.	10	6	8

* Approved

POLICE

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$15,915,841	\$16,385,938	\$16,385,938	\$17,370,604
Supplies	333,583	426,672	376,758	434,558
Services	3,323,735	3,486,858	3,484,268	4,626,793
Maintenance	11,646	101,859	101,859	83,859
Capital Outlay	132,511	227,184	199,745	169,745
Lease Payments	<u>0</u>	<u>0</u>	<u>200,000</u>	<u>400,000</u>
Total Expenditures	\$19,717,316	\$20,628,511	\$20,748,568	\$23,085,559

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Chief of Police	1	1	1
Deputy Chief	2	2	2
Police Captain	3	3	3
Police Lieutenant	8	9	9
Police Sergeant	27	27	27
Police Corporal	73	61	61
Warrant Officer	2	2	2
Police Officer	49	60	64
Administrative Assistant / Sr. Administrative Asst.	5	5	5
Crime Analyst	2	2	2
Crime Victim Liaison	0	1	1
Criminal Intelligence Analyst	0	1	1
Police Recruit / Police Cadet	6	10	10
Clerk	15	13	12
Supervisor	3	3	3
Parking Vehicle Control Officer	2	2	2
Animal Control Manager	1	1	1
Animal Control Officer	6	6	6
Kennel Attendant	3	3	3
Fiscal Affairs	1	1	1
Background Investigator	1	1	1
Crime Scene Unit Technician	5	5	6
Property Evidence Technician	2	2	2
Public Safety Telephone Response Specialist	4	4	4
Research and Grants Specialist	1	1	1
Assistant Training Coordinator	1	1	1
Administrative Specialist	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	224	228	232

NEIGHBORHOOD DEVELOPMENT SERVICES

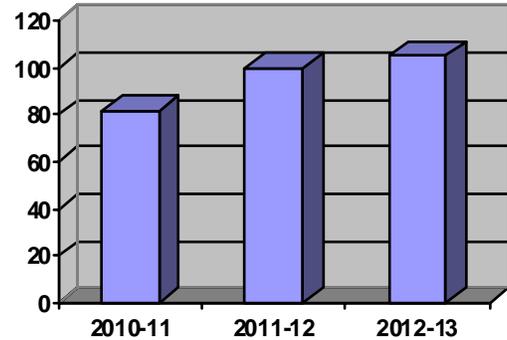
Mission

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)

1. Encourage citizens to keep neighborhoods free of litter, junked vehicles, junk, debris, illegal dumping, etc. (Organization)
2. Build on existing community resources to become more effective & efficient in resolving code violation within the City of Odessa. Encourage continued partnership with Keep Odessa Beautiful & community partners in promoting & maintaining neighborhood clean-up revitalization sweeps. (Organization)
3. Increase educational opportunities, improve access to information & resources, and address other code issues, including customer satisfaction and Code Enforcement's efforts to decrease code violations. (Direction)

Tonnage Collected In Clean-Up Campaigns



Objectives / Performance Measures

Effectiveness

1. Tonnage Collected From Neighborhood Sweeps Clean-Up Campaigns Annually

Efficiency

1. Average Number of Code Violations per Code Enforcement Officer/Inspector

Workload

1. Citizen Requests for Assistance with Neighborhood Concerns and/or Code Violations
2. Neighborhood Meetings to Provide an Open Forum to Voice Neighborhood Concerns
3. Citizen Education/Information Literature Provided
4. Contacts Made with Internal and External Resources to Assist in Addressing Concerns
5. Number of External Agencies Coordinated by NDS and Partnerships to Provide Assistance During a Clean-Up Campaign.

**FY 2010-11
Actual**

**FY 2011-12
Estimate**

**FY 2012-13
Target**

82

100

105

1,850

2,000

2,200

3,980

4,200

4,400

61

64

67

196,264

200,000

205,000

4,296

4,400

4,500

67

69

71

NEIGHBORHOOD DEVELOPMENT SERVICES

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$325,219	\$347,323	\$347,323	\$356,218
Supplies	20,775	24,907	22,429	19,429
Services	36,501	45,088	45,088	47,917
Maintenance	7,500	7,725	7,725	7,725
Capital Outlay	<u>0</u>	<u>13,474</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$389,995	\$438,517	\$422,565	\$431,289

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Director of Community Development *	1	1	1
Neighborhood Services Supervisor ** ***	1	1	1
Code Enforcement Coordinator *	1	1	1
Code Enforcement Officer * **	7	7	7
Administrative Assistant ***	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	11	11	11
Funding Sources:			
General Fund *	6	6	6
Community Development **	3.5	3.5	3.5
Solid Waste ***	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
Total Personnel	11	11	11
The Supervisor position is funded ½ by CDBG and ½ by Solid Waste.			

WATER AND SEWER FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$11,187,003	\$12,763,175	\$8,445,265	\$5,160,957
Less Stabilization Reserve	1,000,000	1,000,000	1,000,000	1,000,000
AVAILABLE FUND BALANCE	\$10,187,003	\$11,763,175	\$7,445,265	\$4,160,957
CURRENT REVENUES				
Water Revenue	\$25,321,007	\$21,715,400	\$27,705,600	\$30,216,300
Sewer Revenue	13,054,757	13,789,800	14,177,000	13,712,000
Interest Income	201,289	129,000	232,000	130,000
Sales and Charges	903,300	856,000	858,000	856,000
Other Revenue	412,111	28,000	10,000	10,000
TOTAL CURRENT REVENUES	\$39,892,464	\$36,518,200	\$42,982,600	\$44,924,300
TOTAL FINANCING SOURCES	\$50,079,467	\$48,281,375	\$50,427,865	\$49,085,257
EXPENDITURES				
Personal Services	\$6,344,533	\$7,123,619	\$7,123,619	\$7,571,119
Supplies	13,792,207	17,109,423	17,059,278	17,081,278
Services	3,669,461	4,165,592	4,108,812	4,581,830
Maintenance	768,988	1,299,643	1,092,013	1,665,630
Capital Outlay	132,338	967,159	313,089	363,089
Other Requirements				
GF Administrative Fee	2,358,920	2,358,920	2,358,920	2,494,390
Gross Receipt Payment	2,086,459	1,992,518	1,992,518	2,178,197
In Lieu of Tax	1,012,396	1,064,800	1,064,800	1,108,586
Debt Service	8,065,490	7,815,244	7,815,244	7,685,904
Housing Incentive Program	85,500	223,500	0	0
Total Operating Expenditures	\$38,316,292	\$44,120,418	\$42,928,293	\$44,730,023
Capital Improvement Program	0	0	0	0
TOTAL EXPENDITURES	\$38,316,292	\$44,120,418	\$42,928,293	\$44,730,023
ENDING AVAILABLE BALANCE	\$11,763,175	\$4,160,957	\$7,499,572	\$4,355,234
Plus Stabilization Reserve	1,000,000	1,000,000	1,000,000	1,000,000
ENDING FUND BALANCE	\$12,763,175	\$5,160,957	\$8,499,572	\$5,355,234

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.

In 2011-12, there were 38,324 customer accounts for water services. This is a 7.43% 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 350 customer account resolutions per day, whether by phone or walk-in. Approximately 707 customers per day pay their bills in person.

Raw water transportation is administered by the Colorado River Municipal Water District and delivered to the City's water treatment plant. A total of 7.048 billion gallons of water was processed and distributed throughout the system in fiscal year 2011-12. This delivery is 0.27% lower than the 5-year annual average of 7.067 billion gallons. The maximum demand is approximately 23.22 million gallons per day (mgd).

The infrastructure needed to meet this demand each day consists of 656.12 miles of water mains. Three booster pump stations aid in keeping the water distributed through the system and 2,290 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.

In most cases, demand for treated water reciprocally creates the demand for wastewater collection. In fiscal year 2011-12, wastewater customer accounts numbered 31,694, a 4.97% increase compared to 2007-08 numbers. Approximately 2.410 billion gallons of wastewater was treated in 2011-12, representing a 0.58% increase compared to the previous year. The amount of effluent treated is 1.35% higher than the 5-year annual average of 2.378 billion gallons. The maximum daily flow of wastewater to the Bob Derrington Water Reclamation Plant is 25.30 million gallons per day (mgd) through 512.20 miles of sewer mains. Three lift stations aid in delivering wastewater to the plant and 6,784 manholes allow for continued maintenance of the system. Residential billing of wastewater services is calculated based on water consumption during the winter months of December, January and February of each year.

While the average customer base and water delivery have not varied dramatically over the past five years, incremental increases in water and sewer rates have been necessary to cover rising overhead costs and the higher prices of raw water, chemicals, equipment maintenance and electricity.

Water and Sewer revenue accounts for 97.78% 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.

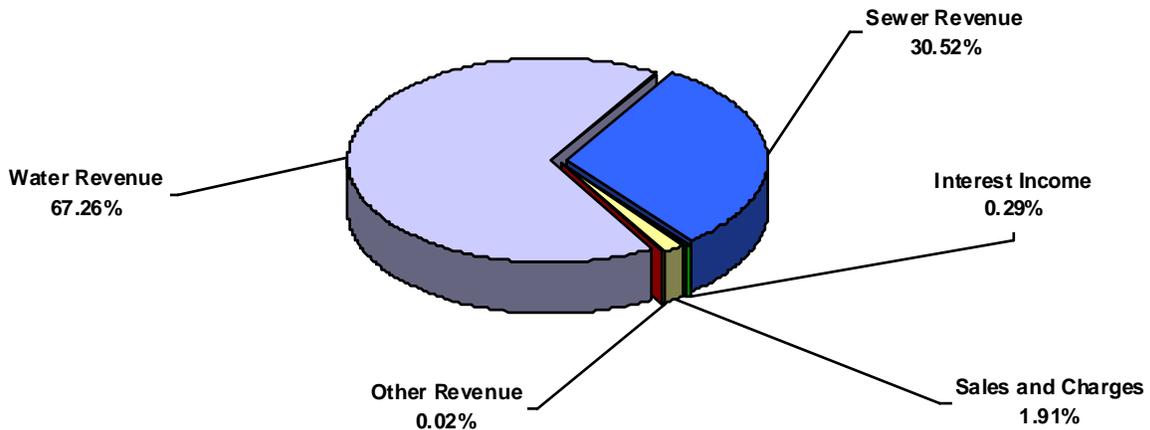
WATER AND SEWER FUND

OVERVIEW

Revenues

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Water Revenue	\$25,321,007	\$21,715,400	\$27,705,600	\$30,216,300
Sewer Revenue	13,054,757	13,789,800	14,177,000	13,712,000
Interest Income	201,289	129,000	232,000	130,000
Sales and Charges	903,300	856,000	858,000	856,000
Other Revenue	412,111	28,000	10,000	10,000
Total Revenue	<u>\$39,892,464</u>	<u>\$36,518,200</u>	<u>\$42,982,600</u>	<u>\$44,924,300</u>

WATER AND SEWER FUND 2012-13 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. Revenue generated is used for the operation and maintenance of the water and sewer system, infrastructure improvements, plant security and for annual debt service requirements of revenue bonds issued for the construction of system facilities. The following is a comparative summary of Water and Sewer Fund revenues.

<u>Source</u>	2012-13 Budget		Increase / (Decrease) from 2011-12 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Water Revenue	\$30,216,300	67.26%	\$2,510,700	9.06%
Sewer Revenue	13,712,000	30.52%	(465,000)	(3.28%)
Interest Income	130,000	0.29%	(102,000)	(43.97%)
Sales and Charges	856,000	1.91%	(2,000)	(0.23%)
Other Revenue	10,000	0.02%	0	0.00%
TOTAL	\$44,924,300	100.00%	\$1,941,700	4.52%

Due to an extreme water shortage brought on by years of drought, the City was forced to restructure its water rates in 2011-12. The new rate schedule, designed to increase revenue and encourage water conservation, called for a tiered rate plan for consumption in excess of 2,000 gallons.

Effective October 1, 2012, all water rates will increase by 40%, except for the minimum charge for senior citizen and disability rate classes. This increase was necessitated by a significant drop in water revenue in 2011-12. The revenue shortfall was caused by water restrictions imposed on the City by the Colorado River Municipal Water District (CRMWD). The quantity of water the City had available to sell could not generate sufficient revenue to offset operating costs. As a result, fund balance was used to cover a portion of the operating expenditures. To avoid having to use fund balance in 2012-13, water rates had to be increased. Wastewater rates will remain at 2011-12 levels.

The total revenue for the Water and Sewer Fund is \$44,924,300 for FY 2013, an increase of \$1,941,700 compared to 2011-12 numbers. Water revenue will increase by \$2,510,700, and sewer revenue will decrease by \$465,000 compared to the previous year.

The projection for Interest Income is \$130,000, a decrease of \$102,000 compared to the previous year.

Sales and Charges are expected to generate \$856,000 in revenue, a \$2,000 decrease compared to last year's projection.

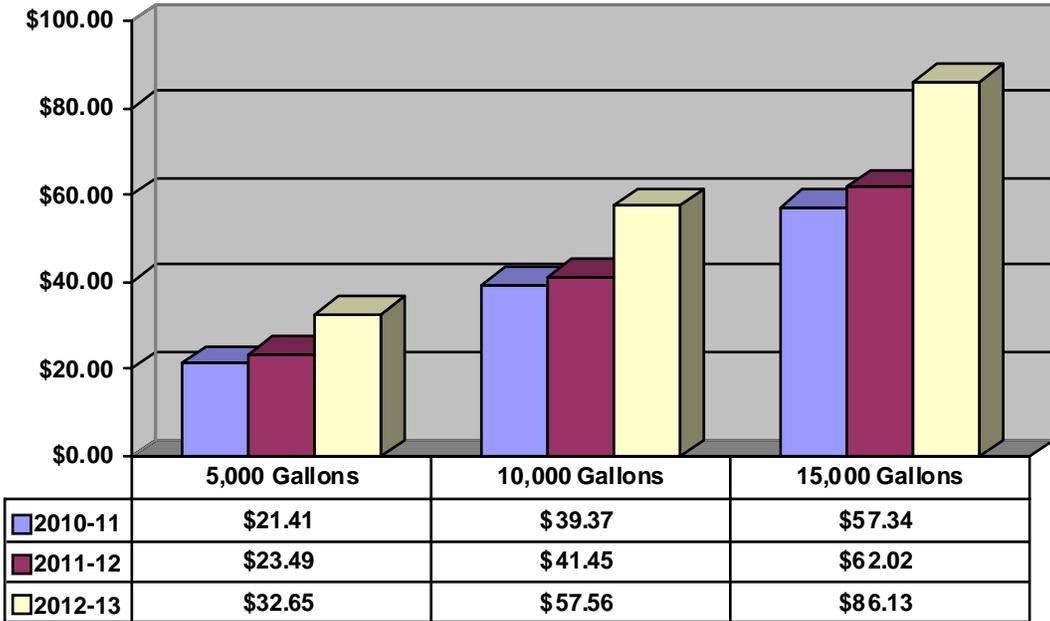
Other Revenue, generated by the sale of scrap or junk, and water for construction projects, is expected to generate \$10,000 in revenue in the upcoming fiscal year, the same amount that was budgeted last year.

The graphs on the following page illustrate the impact that the 2012-13 water and sewer rates will have on consumers.

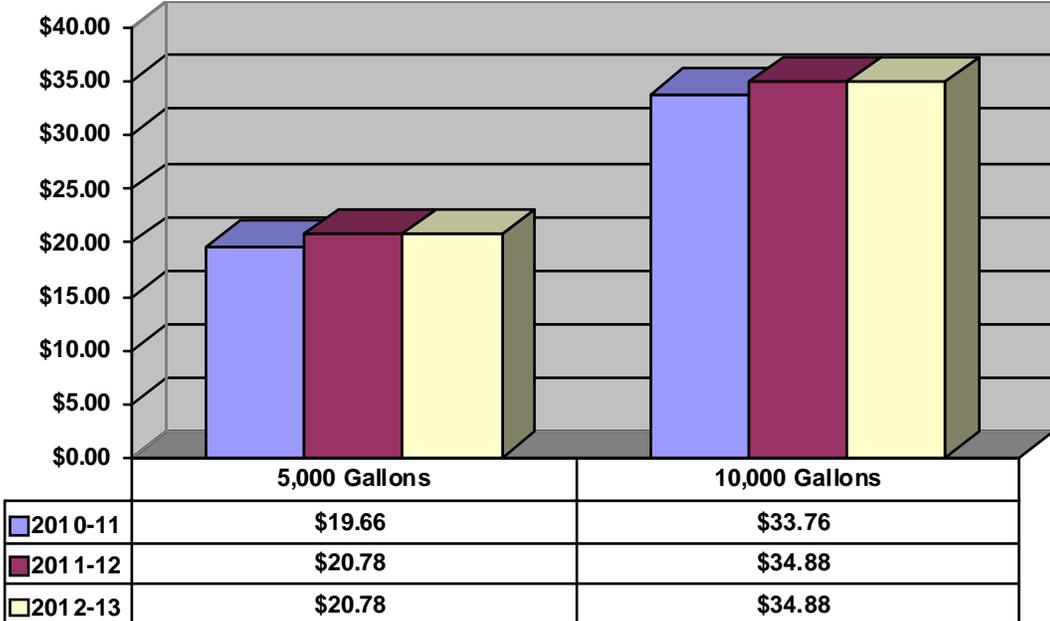
WATER AND SEWER FUND

OVERVIEW

WATER RATES
COMPARED BY GALLON USAGE

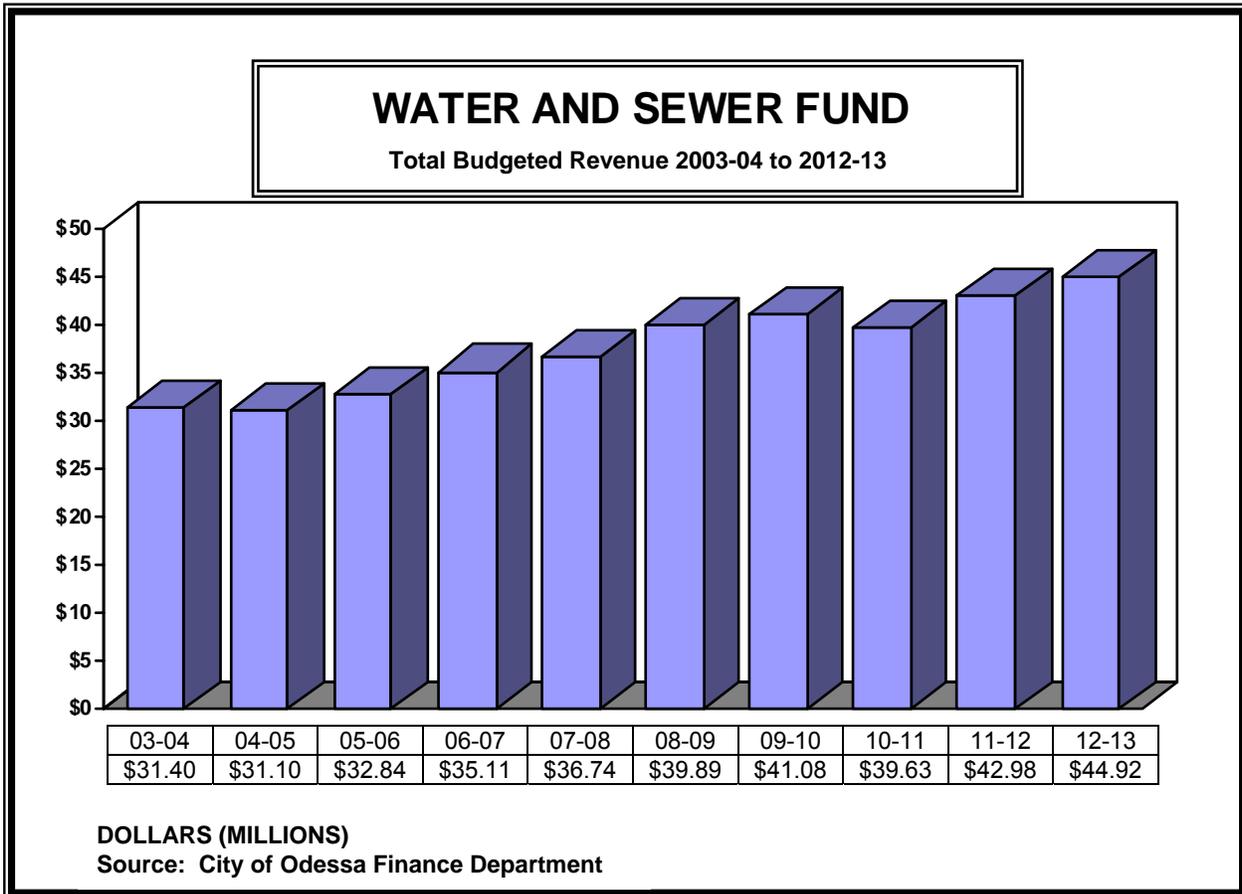


WASTEWATER RATES
COMPARED BY GALLON USAGE



WATER AND SEWER FUND

OVERVIEW



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 eight of the past ten years to cover normal operating costs, fund improvements, and maintain regulatory compliance.

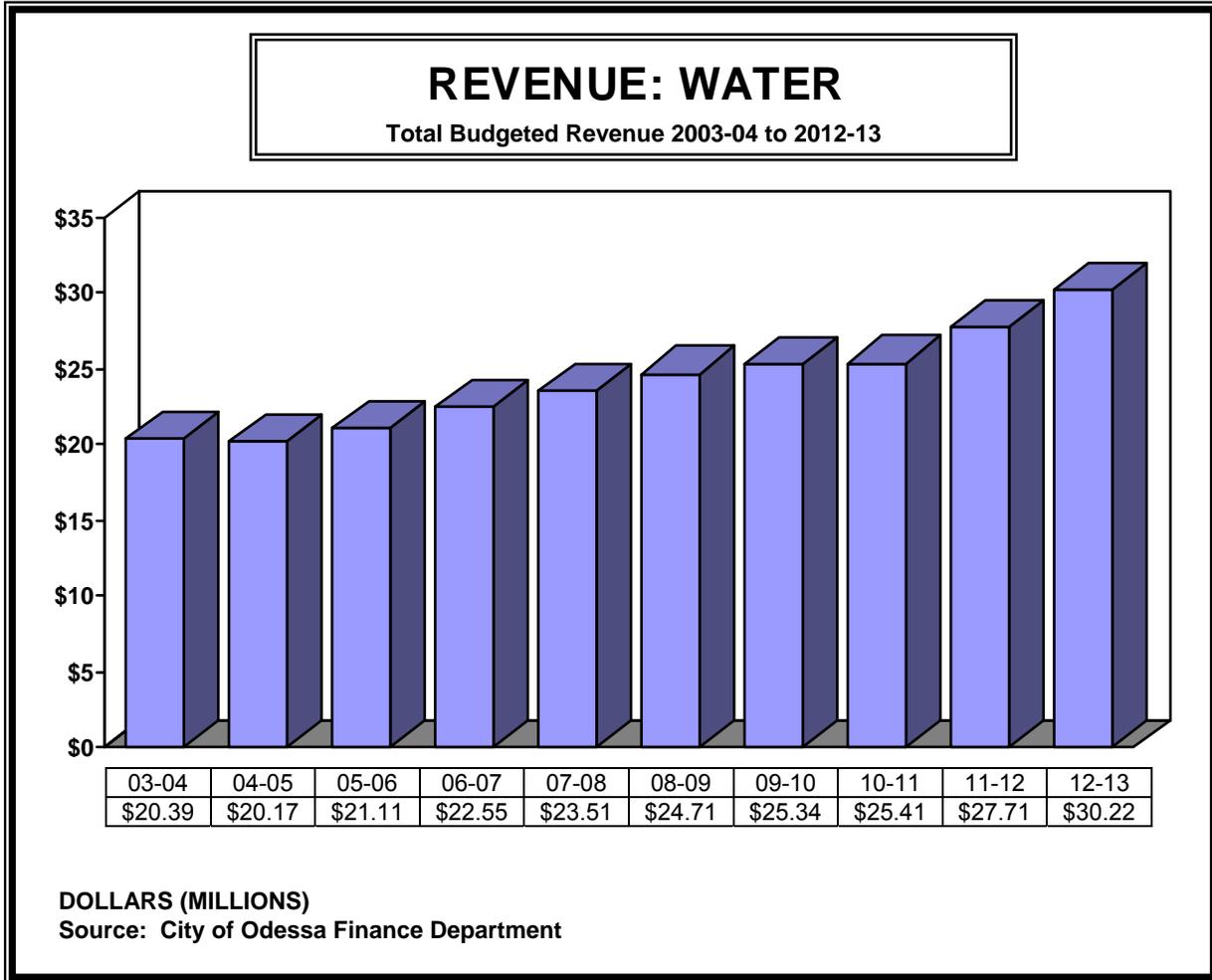
Due to years of drought, current water sources are being depleted. In 2011-12, the City's water supplier, the Colorado River Municipal Water District (CRMWD), was forced to issue new debt to begin construction of a pipeline from its water well fields in order to meet its member cities' demand for water. CRMWD passed the cost of building the pipeline on to member cities by increasing its water costs. In order to generate sufficient revenue to cover these increases, the City implemented a tiered water rate plan in 2011-12. The new plan also called for a 20% increase in base water rates and a 10% increase in base sewer rates.

Unfortunately, water shortages resulted in CRMWD restricting the amount of water available for purchase in 2011-12. This had a negative impact on water revenues. The City was not able to sell enough water to meet revenue projections, so certain operating costs were paid from fund balance.

In 2012-13, all water rates, with the exception of senior citizens' and disabled citizens' base water rates, will increase by 40% to ensure that sufficient revenues be generated to cover Water and Sewer Fund operating costs. Sewer rates will remain at 2011-12 levels.

WATER AND SEWER FUND

OVERVIEW

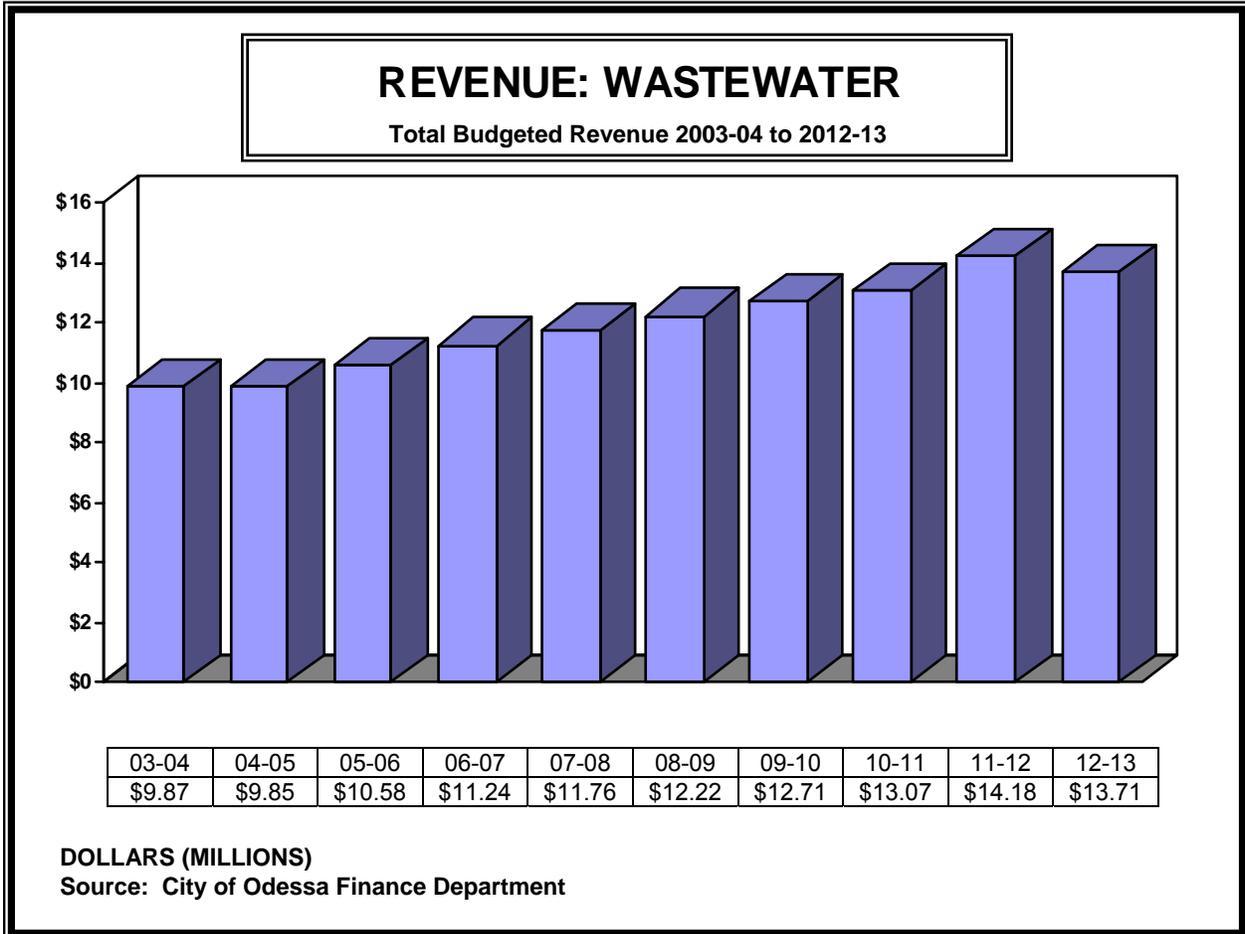


Over the years, the City of Odessa has invested significantly in the areas of water infrastructure, water analysis, treatment and distribution efficiencies, and maintenance of regulatory compliance. During this same time period, electrical and overhead costs and the City's cost in purchasing water from the Colorado Municipal Water District (CRMWD) have risen significantly. As operating costs increase, so too must revenues. In order to generate sufficient revenue to ensure the high quality of service that has always been provided by the Water and Sewer Fund, water rates have been increased in eight of the past ten years.

Water revenues have risen from \$20.39 million to \$30.22 million since 2003-04, an increase of \$9.83 million, or 48.21%, in a ten-year period. The most significant increases in revenue have occurred in the past two years, following the approval of a tiered water rate plan in 2011-12. The new plan was designed to encourage water conservation and to generate sufficient funds to cover the ever increasing cost of water in a drought-stricken region.

WATER AND SEWER FUND

OVERVIEW



Over the past ten years, 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 this time, thousands of feet of sewer lines and manholes have been replaced or rehabilitated. In order to continue to maintain and improve the sewer infrastructure and provide high quality service to the citizens of Odessa, wastewater rates have been increased seven times during this time period.

In 2011-12, the City implemented a new wastewater rate plan, calling for a 10% increase in the base wastewater rate. The plan also called for an additional charge to be assessed for every 1,000 gallons used in excess of 2,000 gallons. Set rates were identified for each type of account: residential, senior/disabled, multi-family, commercial, and industrial. The residential and senior/disabled rates per 1,000 gallons remained at 2010-11 levels, while rates for multi-family, commercial, and industrial accounts increased by 18 cents per 1,000 gallons.

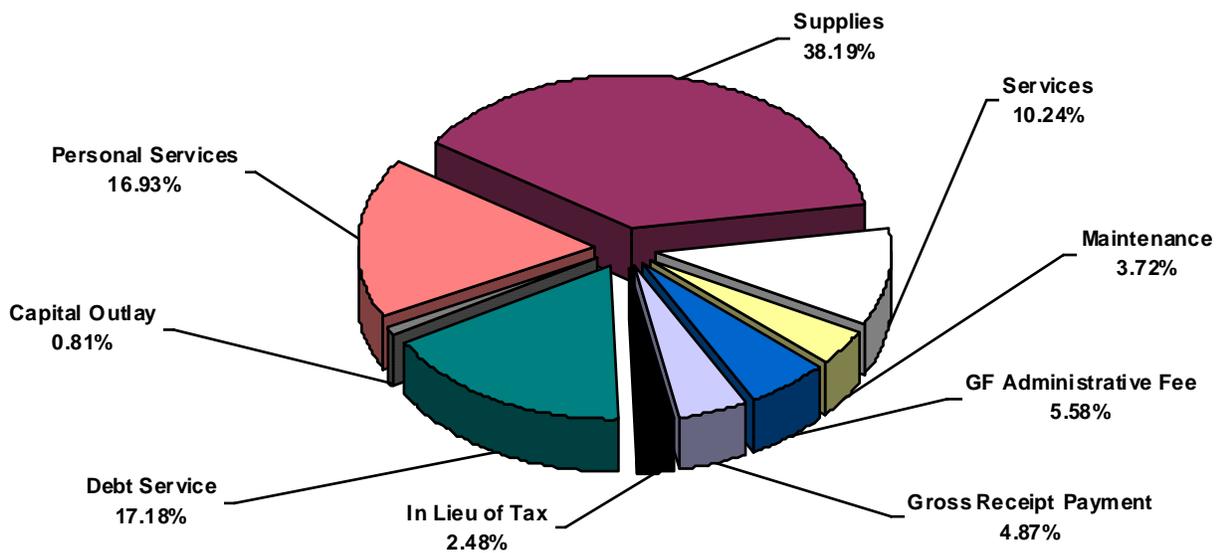
No wastewater rate increase is anticipated for fiscal year 2012-13.

WATER AND SEWER FUND OVERVIEW

Expenditures by Classification

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Personal Services	\$6,344,533	\$7,123,619	\$7,123,619	\$7,571,119
Supplies	13,792,207	17,109,423	17,059,278	17,081,278
Services	3,669,461	4,165,592	4,108,812	4,581,830
Maintenance	768,988	1,299,643	1,092,013	1,665,630
Capital Outlay	132,338	967,159	313,089	363,089
GF Administrative Fee	2,358,920	2,358,920	2,358,920	2,494,390
Gross Receipt Payment	2,086,459	1,992,518	1,992,518	2,178,197
In Lieu of Tax	1,012,396	1,064,800	1,064,800	1,108,586
Debt Service	8,065,490	7,815,244	7,815,244	7,685,904
Housing Incentive Program	85,500	223,500	0	0
Total Expenditures	\$38,316,292	\$44,120,418	\$42,928,293	\$44,730,023

WATER AND SEWER FUND 2012-13 EXPENDITURES BY CLASSIFICATION



WATER AND SEWER FUND

OVERVIEW

Expenditures

Rising maintenance and repair costs, the implementation of the new employee compensation plan, and the introduction of technology charges highlight the Water and Sewer Fund budget for the 2012-13 fiscal year. Total operating expenditures for 2012-13 climbed 4.20% compared to 2011-12 numbers.

<u>Source</u>	2012-13 Budget		Increase / (Decrease) from 2011-12 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$7,571,119	16.93%	\$447,500	6.28%
Supplies	17,081,278	38.19%	22,000	0.13%
Services	4,581,830	10.24%	473,018	11.51%
Maintenance	1,665,630	3.72%	573,617	52.53%
Capital Outlay	363,089	0.81%	50,000	15.97%
Other Requirements	5,781,173	12.93%	364,935	6.74%
Debt Service	<u>7,685,904</u>	<u>17.18%</u>	<u>(129,340)</u>	<u>(1.65%)</u>
TOTAL OPERATING	\$44,730,023	100.00%	\$1,801,730	4.20%
CIP Program	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>
TOTAL	\$44,730,023	100.00%	\$1,801,730	4.20%

In 2012-13, the staffing level of the Water and Sewer Fund is at 139 positions, two more than were funded in the previous year. Most of the 6.28% increase in Personal Services will be used to fund the new employee compensation plan, and to cover the salary and benefit costs of a new Design Technician position and a new Construction Inspector position.

The budget for Supplies has increased by \$22,000, or 0.13%, with the majority of the increase being used to purchase laboratory supplies.

The Services category has experienced a \$473,018, or 11.51%, increase compared to last year's budget. This increase is largely due to the introduction of technology charges.

The budget for Maintenance has increased by \$573,617 compared to last year, with most of the additional funds being used to maintain and repair equipment at the Water Treatment Plant and the Bob Derrington Plant.

The Capital Outlay category has increased by \$50,000. The budget for this category varies from year to year, depending upon the need to purchase big-ticket items.

WATER AND SEWER FUND

OVERVIEW

Expenditures (cont.)

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

In 2006-07, the Housing Incentive Program was created in order to facilitate the development of housing. Between 2006-07 and 2009-10, funds were set aside each year to cover the cost of extending water and sewer mains into previously undeveloped areas. This program was discontinued in 2010-11.

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

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

In 2008-09, General Obligation Refunding Bonds, Series 2009 were issued in the amount of \$4,065,000. These funds have been used to refund a portion of the Refunding Revenue Bonds, Series 2001.

Fund Balance

In 2011-12, fund balance decreased by \$7,602,218 compared to the 2010-11 ending fund balance of \$12,763,175. The 59.56% decrease was due to a significant shortfall in 2011-12 water revenue. Last year, continuing drought conditions forced the Colorado River Municipal Water District (CRMWD) to impose water restrictions on its member cities, reducing the amount of water available for the cities to sell to their customers. As a result, the City was unable to generate sufficient revenues, and fund balance had to be used to offset operating costs. In the upcoming fiscal year, revenues are expected to reach \$44,924,300 and expenditures are estimated to be \$44,730,023, resulting in a projected fund balance of \$5,355,234.

WATER AND SEWER FUND

OVERVIEW

Expenditures by Function	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Billing and Collection	\$2,089,058	\$2,207,732	\$2,194,732	\$2,282,745
Non-Departmental	5,992,395	5,942,595	5,942,595	6,548,335
Debt Service	8,065,490	7,815,244	7,815,244	7,685,904
Code Enforcement	65,861	0	0	0
TOTAL FINANCE	\$16,212,804	\$15,965,571	\$15,952,571	\$16,516,984
Utilities Administration	\$530,595	\$624,213	\$624,213	\$600,281
Water Distribution	2,032,710	2,191,827	2,190,615	2,387,761
Water Treatment	2,210,463	3,146,699	2,650,273	2,887,016
Bob Derrington W/R Plant	2,748,622	3,113,229	2,952,777	3,297,999
Wastewater Collection	751,899	1,121,736	1,119,616	1,148,003
Laboratory	842,367	958,621	885,988	1,032,755
Utilities GIS	145,764	157,869	157,869	164,853
Repair and Replacement	227,734	754,041	587,829	947,829
Water Purchase	12,285,388	15,296,542	15,296,542	15,296,542
Gulf Coast	242,446	366,570	310,000	250,000
Housing Incentive Program	85,500	223,500	0	0
Participation In Line Extensions	0	200,000	200,000	200,000
TOTAL UTILITIES	\$22,103,488	\$28,154,847	\$26,975,722	\$28,213,039
Capital Improvement Program	\$0	\$0	\$0	\$0
TOTAL CIP PROGRAM	\$0	\$0	\$0	\$0
Total Expenditures	\$38,316,292	\$44,120,418	\$42,928,293	\$44,730,023

WATER AND SEWER FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
WATER & SEWER FUND			
Utilities			
Billing & Collection	Furniture and Office Equipment	\$4,000	
	Data Processing Equipment	<u>9,816</u>	
	Subtotal Billing & Collection		\$13,816
Non-Departmental	Data Processing Equipment	<u>35,000</u>	
	Subtotal Non-Departmental		35,000
Utility Administration	Data Processing Equipment	<u>1,041</u>	
	Subtotal Administration		1,041
Water Treatment	Machinery & Equipment	32,500	
	Data Processing Equipment	<u>1,500</u>	
	Subtotal Water Treatment		34,000
Bob Derrington Plant	Machinery & Equipment	<u>26,870</u>	
	Subtotal Derrington Plant		26,870
Laboratory	Machinery & Equipment	<u>50,000</u>	
	Subtotal Laboratory		50,000
Utilities GIS	Furniture & Office Equipment	<u>2,362</u>	
	Subtotal Utilities GIS		2,362
Utilities Infrastructure	Line Extensions	<u>200,000</u>	
	Subtotal Utilities Infrastructure		200,000
TOTAL CAPITAL OUTLAY – WATER / SEWER FUND			<u>\$363,089</u>

WATER AND SEWER FUND

DEPARTMENTS/DIVISIONS

Billing and Collection
Utilities Administration
Water Distribution
Water Treatment Plant
Bob Derrington Water Reclamation Plant
Wastewater Collection
Laboratory Services
Utilities GIS
Repair and Replacement
Non-Departmental
Housing Incentive Program
Water Purchases
Gulf Coast
Debt Service Payment
Participation in Line Extensions
Code Enforcement

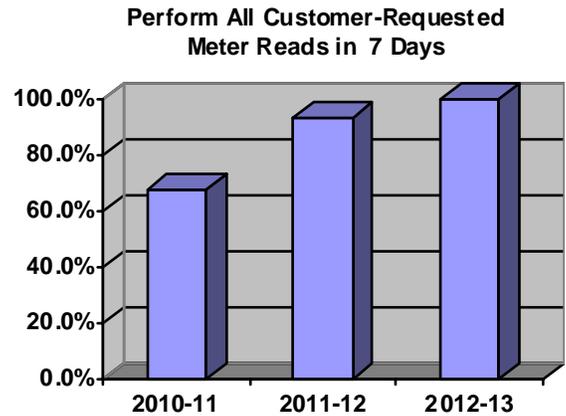
BILLING AND COLLECTION

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 in the Quality Assurance Monitoring Program./(Excellence)
3. Improve the efficiency of operations through utilization of our software vendor./(Excellence)
4. Process mail-in payments more efficiently using electronic remittance technology./(Excellence)



Objectives / Performance Measures

Effectiveness

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
1. Maintain meter reading accuracy at an annual average of 99.8% or greater.	99.15%	99.15%	99.80%
2. Perform all customer requested re-reads in 7 days or less.	67.05%	92.93%	100%
3. Collect 60% of billed ambulance charges annually.	56.89%	55.95%	60%
4. Percentage of payments processed through automated means.	28.53%	31.19%	33%
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%.	85.79%	83.60%	90%

BILLING AND COLLECTION

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$1,592,279	\$1,629,324	\$1,629,324	\$1,580,441
Supplies	187,460	200,103	199,469	203,469
Services	184,729	193,137	193,137	387,416
Maintenance	119,340	163,192	158,986	97,603
Capital Outlay	<u>5,250</u>	<u>21,976</u>	<u>13,816</u>	<u>13,816</u>
Total Expenditures	\$2,089,058	\$2,207,732	\$2,194,732	\$2,282,745

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Director of Billing and Collection	1	1	1
Supervisor of Customer Service	1	1	1
Billing and Collection Manager	1	1	1
Utility Field Supervisor	1	1	1
Cashier Supervisor	1	1	1
Senior Administrative Assistant	1	1	1
Secretary	1	1	1
Cashier	4	4	4
Field Collector	2	2	2
Billing Clerk	2	2	2
Customer Service Representative ****	7	7	7
Field Representative	2	2	2
Water Meter Reader	5	5	5
EMS Billing Coordinator	2	2	2
EMS Billing Clerk	1	1	1
Billing Supervisor	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	33	33	33
Funding Sources:			
Water & Sewer	32	32	32
Solid Waste Fund ****	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	33	33	33

UTILITIES ADMINISTRATION

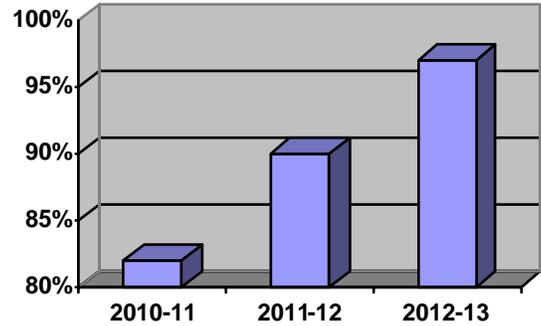
Mission

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

Departmental Goals/(City's Value Statement Goals)

1. Comply with the TCEQ Sanitary Sewer Overflow Initiative./(Organization)
2. Develop Utilities Capital Improvements and Rehabilitation Program Projects./(Service)
3. Continue infrastructure rehabilitation program./(Direction)
4. Develop water conservation strategy consistent with availability of CRMWD water supply./(Direction)
5. Stay abreast of upcoming regulatory issues and implement projects required to consistently meet all state and federal requirements./(Direction)

% of Customers Satisfied With Regard to Maintenance Requests



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 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
--	-------------------------------------	---------------------------------------	-------------------------------------

	100%	100%	100%
	82%	90%	97%
	100%	100%	100%
	100%	100%	100%

UTILITIES ADMINISTRATION

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$442,526	\$496,177	\$496,177	\$469,360
Supplies	36,757	50,947	50,947	50,947
Services	45,038	75,050	75,050	77,935
Maintenance	0	998	998	998
Capital Outlay	<u>6,274</u>	<u>1,041</u>	<u>1,041</u>	<u>1,041</u>
Total Expenditures	\$530,595	\$624,213	\$624,213	\$600,281

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Director of Utilities	1	1	1
Assistant Director Utilities / Treatment	1	1	1
Utilities Office Manager	1	1	1
Utilities Radio Dispatcher	1	1	1
Utilities Payroll / Purchasing Clerk	1	1	1
Utilities Receptionist	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	6	6	6

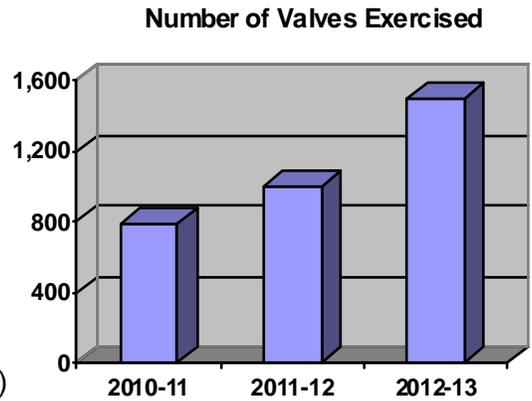
WATER DISTRIBUTION

Mission

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

Departmental Goals/(City's Value Statement Goals)

1. With the assistance of Engineering and/or outside agencies, identify, design, and contract CIP and infrastructure rehabilitation program projects for the distribution system./(Organization)
2. Continue developing standard operating procedures for the remaining tasks and functions./(Direction)
3. Develop task-oriented training program for new and existing employees./(Excellence)
4. Implement large meter change out program./(Direction)
5. Increase number of TCEQ-licensed personnel./(Excellence)



Objectives / Performance Measures

Effectiveness

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

Workload

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

	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Target
1. Percentage of Compliance With TCEQ Regulations (Goal: 100%)	100%	100%	100%
1. Number of ¾” Meters Changed Out (Goal: Change out all ¾” water meters ten years of age and older.)	3,130	3,000	5,000
2. Number of 1” Meters Changed Out (Goal: Change out all 1” meters ten years of age and older.)	62	100	200
3. Number of Valves Exercised (Goal: 2,000/year)	791	1,000	1,500

WATER DISTRIBUTION

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$1,330,876	\$1,500,026	\$1,500,026	\$1,700,674
Supplies	35,058	37,001	36,484	36,484
Services	487,709	518,213	518,213	514,711
Maintenance	146,372	136,587	135,892	135,892
Capital Outlay	<u>32,695</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$2,032,710	\$2,191,827	\$2,190,615	\$2,387,761

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Assistant Director of Utilities / Field Operations	1	1	1
Utilities Field Operations Clerk	1	1	1
Utilities Field Operations Supervisor	3	3	3
Field Operations Crewleader	6	6	6
Meter Operations Coordinator	1	1	1
Utilities Field Equipment Operator	6	6	6
Field Operations Technician	8	9	9
Utility Field Operations Worker	<u>3</u>	<u>2</u>	<u>2</u>
Total Personnel	29	29	29

WATER TREATMENT PLANT

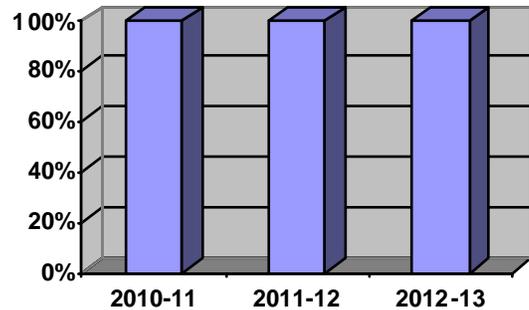
Mission

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. Maintain minimum of 4 out of 8 operator positions with individuals possessing a TCEQ B license or higher./(Excellence)
2. Hire qualified maintenance staff to fill vacant positions./(Excellence)
3. Develop & implement plan for SCADA & PLC network management by staff and/or consultant./(Direction)
4. Implement new disinfection process to lower disinfection by-products (DBP's) & reduce nitrification in distribution system./(Excellence)

% 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 2010-11
Actual

FY 2011-12
Estimate

FY 2012-13
Target

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

WATER TREATMENT PLANT

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$568,637	\$683,618	\$683,618	\$779,568
Supplies	902,534	1,095,871	1,053,894	1,053,894
Services	665,499	817,231	817,231	833,024
Maintenance	58,087	65,979	61,530	186,530
Capital Outlay	<u>15,706</u>	<u>484,000</u>	<u>34,000</u>	<u>34,000</u>
Total Expenditures	\$2,210,463	\$3,146,699	\$2,650,273	\$2,887,016

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 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	3	3
Plant Operator B	3	3	3
Utilities Maintenance Technician	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	12	13	13

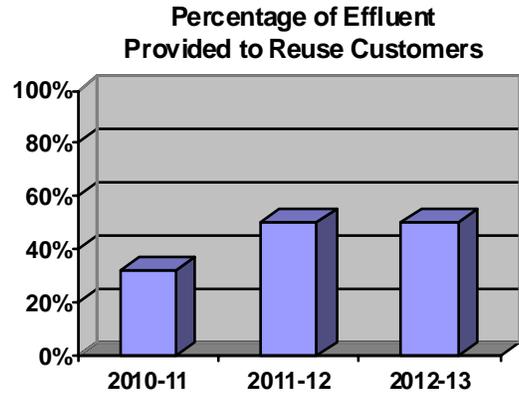
BOB DERRINGTON WATER RECLAMATION PLANT

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. Maintain minimum of 7 of 11 operators with a TCEQ B license or higher. (Excellence)
2. Fill all operations & maintenance positions with qualified applicants. (Excellence)
3. Develop and implement plan for SCADA and PLC network management by staff and/or consultant. (Excellence)



Objectives / Performance Measures	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
<u>Effectiveness</u>			
1. Percentage of Compliance with TCEQ Permit Requirements (Goal: 100%)	92%	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%)	32%	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

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$1,313,041	\$1,417,588	\$1,417,588	\$1,547,861
Supplies	195,618	208,960	208,960	208,960
Services	1,068,601	1,241,809	1,241,809	1,306,758
Maintenance	128,825	89,618	57,550	207,550
Capital Outlay	<u>42,537</u>	<u>155,254</u>	<u>26,870</u>	<u>26,870</u>
Total Expenditures	\$2,748,622	\$3,113,229	\$2,952,777	\$3,297,999

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Reclamation Plant Chief Operator	1	1	1
Utilities Inspector	2	2	2
Plant Clerk	1	1	1
Manager Wastewater Operations	1	1	1
Utilities Technology/SCADA Manager	1	0	0
Plant Operator D	3	2	2
Plant Operator B	6	5	5
Utilities Maintenance Supervisor	1	1	1
Plant Operator C	2	3	3
Utilities Maintenance Technician	2	2	2
Utilities Electr / Instr Technician	2	2	2
Liquid Waste Inspector *	1	1	1
Utilities Maintenance Worker	3	3	3
Utilities Maintenance Assistant	<u>2</u>	<u>2</u>	<u>2</u>
Total Personnel	28	26	26
Funding Sources:			
Water & Sewer Fund	27	25	25
Liquid Waste Fund *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	28	26	26

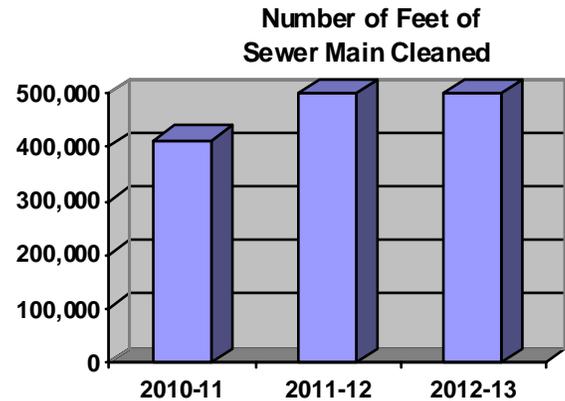
WASTEWATER COLLECTION

Mission

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

Departmental Goals/(City's Value Statement Goals)

1. Continue developing standard operating procedures for remaining tasks & functions./(Direction)
2. With the assistance of Engineering and/or outside agencies, identify, design, and contract CIP and infrastructure rehabilitation program projects./(Organization)
3. Comply with SSO initiative plan./(Direction)
4. Implement more aggressive tv inspection and line cleaning programs./(Excellence)
5. Increase the number of TCEQ licensed personnel./(Excellence)



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 FY 2006-07 as the baseline. Baseline value: 0.17 SSO's/mile)

Workload

1. Number of Manholes Repaired, Replaced, or Rehabilitated (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 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
--	-------------------------------------	---------------------------------------	-------------------------------------

	100%	100%	100%
--	------	------	------

	31.90%	5%	5%
--	--------	----	----

	109	60	50
--	-----	----	----

	151,139	15,000	30,000
--	---------	--------	--------

	411,508	500,000	500,000
--	---------	---------	---------

WASTEWATER COLLECTION

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$301,755	\$624,224	\$624,224	\$634,275
Supplies	17,337	68,572	66,452	66,452
Services	376,567	373,712	373,712	392,048
Maintenance	47,538	55,228	55,228	55,228
Capital Outlay	<u>8,702</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$751,899	\$1,121,736	\$1,119,616	\$1,148,003

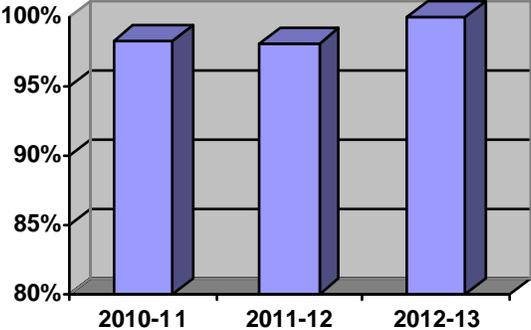
Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Utilities Field Operations Manager	1	1	1
Utilities Field Operations Supervisor	1	1	1
Field Operations Crewleader	3	3	3
Utilities Field Equipment Operator	4	4	4
Field Operations Technician	3	3	3
Utility Field Operations Worker	<u>1</u>	<u>1</u>	<u>1</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 Customers That are Satisfied With Laboratory Services										
<ol style="list-style-type: none"> 1. Provide ongoing audits and updates for all procedures and quality control criteria./(Direction) 2. Maintain NELAP accreditation./(Excellence) 3. Provide analytical reporting and customer service which meet internal and external customer needs./ (Direction) 4. Implement use of inductively coupled plasma (ICP) technology./(Excellence) 	 <table border="1" style="margin: 0 auto; border-collapse: collapse;"> <caption>Customer Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>98.3%</td> </tr> <tr> <td>2011-12</td> <td>98.9%</td> </tr> <tr> <td>2012-13</td> <td>92.9%</td> </tr> </tbody> </table>			Year	Percentage	2010-11	98.3%	2011-12	98.9%	2012-13	92.9%
Year	Percentage										
2010-11	98.3%										
2011-12	98.9%										
2012-13	92.9%										
Objectives / Performance Measures	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>								
<u>Effectiveness</u>											
1. Percentage of Results Submitted in NELAP Proficiency Test (PT) That Are Evaluated as Acceptable	98.3%	98%	100%								
2. Percentage of Analytical Results That Meet the Quality Control Acceptance Criteria Established by the Laboratory	98.9%	99%	98%								
3. Survey Internal and External Customers to Determine Level of Satisfaction With Laboratory Services (Goal: 95%)	92.9%	94%	95%								

LABORATORY SERVICES

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$572,790	\$607,130	\$607,130	\$684,712
Supplies	129,566	147,827	142,930	160,930
Services	85,828	102,138	101,928	103,113
Maintenance	41,092	34,000	34,000	34,000
Capital Outlay	<u>13,091</u>	<u>67,526</u>	<u>0</u>	<u>50,000</u>
Total Expenditures	\$842,367	\$958,621	\$885,988	\$1,032,755

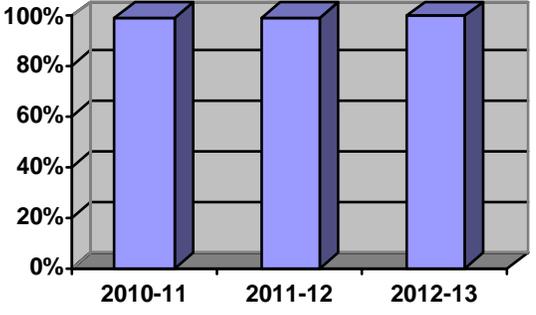
Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Laboratory Manager	1	1	1
Laboratory Chemist	5	5	5
Laboratory Senior Chemist	1	1	1
Laboratory Supervisor	1	1	1
Laboratory Field Specialist	1	1	1
Custodian	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	10	10	10

UTILITIES GIS

Mission

The Utilities GIS maintains the accuracy of the distribution and collection digital mapping system, through constant updates via field observations and research so that it may assist in timely service to customers and management.

Departmental Goals/(City's Value Statement Goals)	% of Time GIS Mapping System is Available to Utilities Personnel										
<ol style="list-style-type: none"> 1. Provide the Utilities Department with mapping information which will facilitate the efficient maintenance and operation of the distribution and collection systems./ (Service) 2. Collect GPS coordinates for CIP and new water/sewer line construction projects for the Geographical Information System (GIS)./(Organization) 3. Provide locates of underground facilities for DigTess./ (Direction) 4. Assist in complying with the Sanitary Sewer Overflow Initiative Plan./ (Direction) 	 <table border="1" style="margin: 0 auto; border-collapse: collapse;"> <caption>Data for GIS Availability Bar Chart</caption> <thead> <tr> <th>Fiscal Year</th> <th>Availability (%)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>99%</td> </tr> <tr> <td>2011-12</td> <td>99%</td> </tr> <tr> <td>2012-13</td> <td>100%</td> </tr> </tbody> </table>			Fiscal Year	Availability (%)	2010-11	99%	2011-12	99%	2012-13	100%
Fiscal Year	Availability (%)										
2010-11	99%										
2011-12	99%										
2012-13	100%										
Objectives / Performance Measures	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>								
<u>Effectiveness</u>											
<ol style="list-style-type: none"> 1. Percentage of time that the GIS mapping system is available to Utilities personnel (Goal: 100%) 2. Percentage of GPS collections completed for CIP and new construction projects in fiscal year (Goal: 100%) 3. Percentage of responses to non-emergency line locate requests that are made within the allotted 48-hour time period (Goal: 100% of the Time) 4. Percentage of responses to emergency line locate requests that are made within the allotted 2-hour time period (Goal: 100% of the Time) 5. Percentage of line locates that have been marked in which subsequent digging resulted in no water or wastewater system interruption. (Goal: 100% of the Time) 	99%	99%	100%								
	100%	100%	100%								
	100%	100%	100%								
	100%	100%	100%								
	N/A	99%	100%								

UTILITIES GIS

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$123,622	\$129,336	\$129,336	\$136,320
Supplies	2,489	3,600	3,600	3,600
Services	19,273	22,571	22,571	22,571
Maintenance	0	0	0	0
Capital Outlay	<u>380</u>	<u>2,362</u>	<u>2,362</u>	<u>2,362</u>
Total Expenditures	\$145,764	\$157,869	\$157,869	\$164,853

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Utilities GIS Supervisor *	1	1	1
Utilities GIS Analyst	1	1	1
Utilities GIS Technician	1	1	1
Utilities GIS Worker	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	4	4	4

* The Utilities GIS Supervisor position is funded by Utilities Administration.

WATER AND SEWER FUND

Repair and Replacement

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	227,734	754,041	587,829	947,829
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$227,734	\$754,041	\$587,829	\$947,829

Non-Departmental Expenditures

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services *	\$33,146	\$36,196	\$36,196	\$37,908
Supplies	0	0	0	0
Services	493,771	455,161	455,161	694,254
Maintenance	0	0	0	0
Capital Outlay	7,703	35,000	35,000	35,000
Other	<u>5,457,775</u>	<u>5,416,238</u>	<u>5,416,238</u>	<u>5,781,173</u>
Total Expenditures	\$5,992,395	\$5,942,595	\$5,942,595	\$6,548,335
<p>* Funds half of Financial Reporting Accountant position. Two Construction Inspector positions & one Design Technician position are funded by Bond Funds.</p>				

Housing Incentive Program

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Housing Incentive Program	<u>\$85,500</u>	<u>\$223,500</u>	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$85,500	\$223,500	\$0	\$0

WATER AND SEWER FUND

Water Purchases Expenditures

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Purchase of Water CRMWD	\$5,021,250	\$4,687,933	\$4,687,933	\$4,687,933
Service Charges CRMWD	<u>7,264,138</u>	<u>10,608,609</u>	<u>10,608,609</u>	<u>10,608,609</u>
Total Expenditures	\$12,285,388	\$15,296,542	\$15,296,542	\$15,296,542

Gulf Coast Expenditures

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Other Service Payments	<u>\$242,446</u>	<u>\$366,570</u>	<u>\$310,000</u>	<u>\$250,000</u>
Total Expenditures	\$242,446	\$366,570	\$310,000	\$250,000

Debt Service Payment

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Debt Service Payments	<u>\$8,065,490</u>	<u>\$7,815,244</u>	<u>\$7,815,244</u>	<u>\$7,685,904</u>
Total Expenditures	\$8,065,490	\$7,815,244	\$7,815,244	\$7,685,904

WATER AND SEWER FUND

Participation in Line Extensions

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Total Expenditures	\$0	\$200,000	\$200,000	\$200,000

Code Enforcement

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$65,861	\$0	\$0	\$0
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$65,861	\$0	\$0	\$0

SOLID WASTE FUND

OVERVIEW

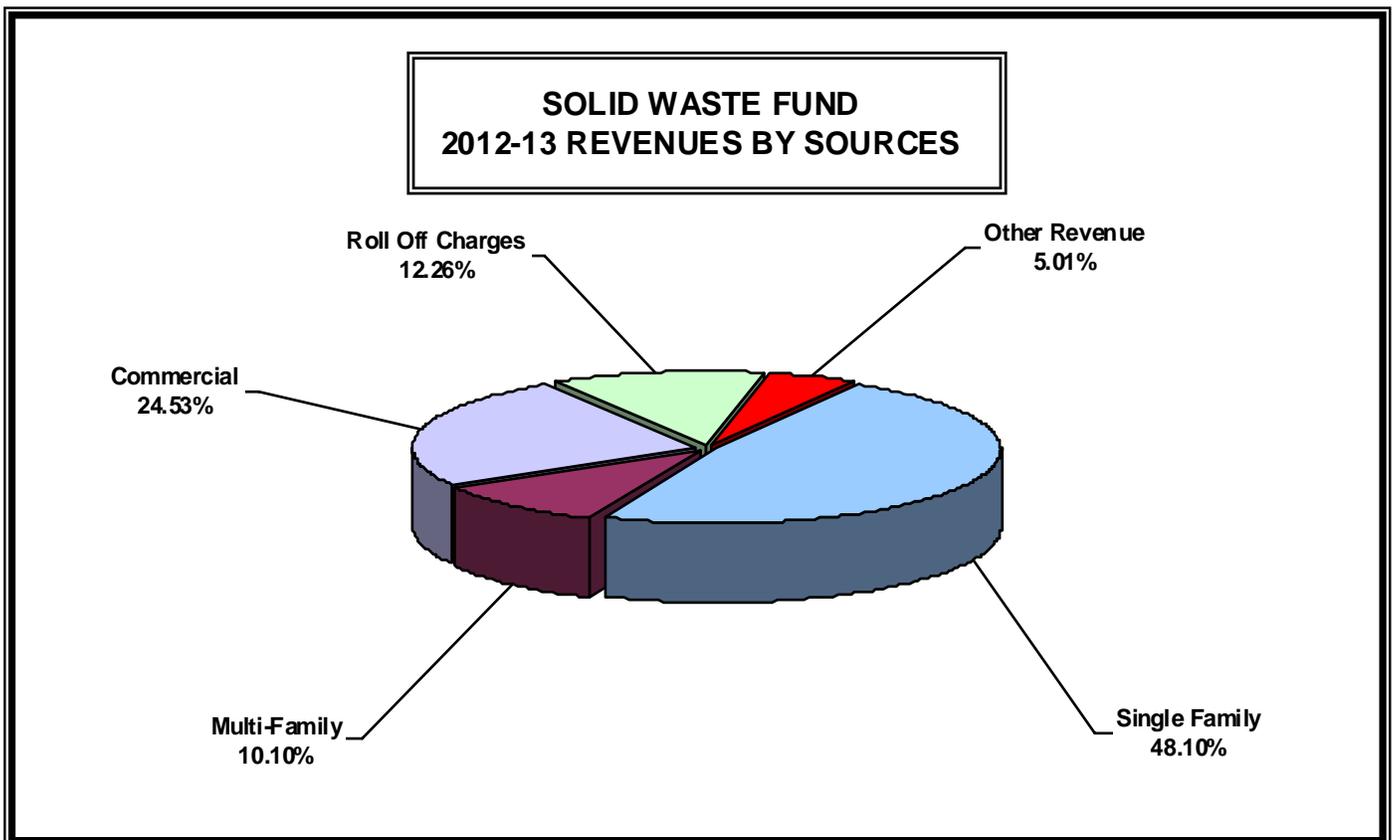
	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	(\$7,719)	\$663,132	\$163,605	\$486,817
CURRENT REVENUES				
Single Family	\$5,007,930	\$5,000,000	\$4,950,000	\$5,000,000
Multi-Family	1,042,335	1,040,000	1,040,000	1,050,000
Commercial	2,466,467	2,500,000	2,401,200	2,550,000
Roll-Off Charges	1,161,171	1,200,000	1,100,000	1,275,000
Interest Income	2,095	3,000	0	0
Other Revenue	534,644	520,800	541,600	520,800
TOTAL CURRENT REVENUES	\$10,214,642	\$10,263,800	\$10,032,800	\$10,395,800
TOTAL FINANCING SOURCES	\$10,206,923	\$10,926,932	\$10,196,405	\$10,882,617
EXPENDITURES				
Personal Services	\$2,532,885	\$2,403,468	\$2,403,468	\$2,741,965
Supplies	46,927	79,736	76,620	86,620
Services	5,536,238	5,809,305	5,779,780	6,262,119
Maintenance	272,614	711,513	450,361	451,361
Capital Outlay	6,512	229,500	7,500	10,500
Capital Outlay Supplemental	0	0	222,000	0
Other Requirements				
GF Administrative Fee	542,810	542,810	542,810	437,661
Gross Receipt Payment	461,379	526,361	526,361	547,663
In Lieu of Tax	34,992	36,750	36,750	38,105
Outside Agencies	109,434	100,672	134,229	0
TOTAL EXPENDITURES	\$9,543,791	\$10,440,115	\$10,179,879	\$10,575,994
ENDING FUND BALANCE	\$663,132	\$486,817	\$16,526	\$306,623

SOLID WASTE FUND

OVERVIEW

Revenues

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Single Family	\$5,007,930	\$5,000,000	\$4,950,000	\$5,000,000
Multi-Family	1,042,335	1,040,000	1,040,000	1,050,000
Commercial	2,466,467	2,500,000	2,401,200	2,550,000
Roll-Off Charges	1,161,171	1,200,000	1,100,000	1,275,000
Interest Income	2,095	3,000	0	0
Other Revenue	534,644	520,800	541,600	520,800
Total Revenue	<u>\$10,214,642</u>	<u>\$10,263,800</u>	<u>\$10,032,800</u>	<u>\$10,395,800</u>



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.

Source	2012-13 Budget		Increase/(Decrease) from 2011-12 Budget	
	Amount	%	Amount	%
Single Family	\$5,000,000	48.10%	\$50,000	1.01%
Multi-Family	1,050,000	10.10%	10,000	0.96%
Commercial	2,550,000	24.53%	148,800	6.20%
Roll-Off Charges	1,275,000	12.26%	175,000	15.91%
Other Revenue	<u>520,800</u>	<u>5.01%</u>	<u>(20,800)</u>	<u>(3.84%)</u>
TOTAL	\$10,395,800	100.00%	\$363,000	3.62%

The major revenues for the Solid Waste Fund, Single Family (48.10%), Commercial (24.53%), and Roll-Off Charges (12.26%), account for almost 85% of the fund's total revenue. Total customer accounts and anticipated growth within city limits, demand for roll-off usage in commercial and construction areas, and an expanding outside-city-limit customer base drive these revenue items.

The total revenue for 2012-13 is expected to increase by 3.62% compared to the previous year's budget. Single Family and Multi-Family revenue will realize increases of 1.01% and 0.96%, respectively. Commercial revenue will increase by 6.20%, Other Revenue will increase by 3.84%, and income generated by Roll-Off Charges will realize an increase of 15.91%.

In 2012-13, for the third year in a row, there will be no increase in solid waste rates. Inside the city limits, single family accounts will be charged \$15.11 per month, while the rate for multi-family customers has been set at \$7.90 per month. The commercial rate for regular twice-a-week pickup is \$51.94 per month. However, customers who are willing to share a trash receptacle with another business can reduce their rate to \$26.50 for a 3-cubic-yard container, or \$34.62 for a 4-cubic-yard container.

Outside the city limits, customers pay a higher rate for solid waste service than do those located within the city limits. In 2011-12, residential customers will pay \$40.28 per month for once-a-week service, and commercial customers will pay \$64.66 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.

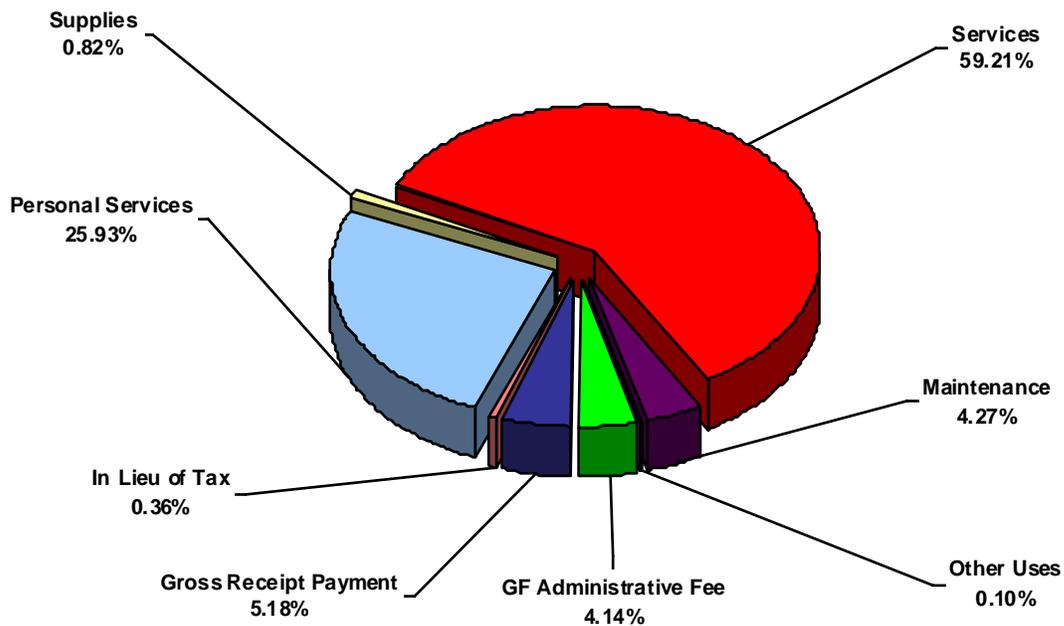
SOLID WASTE FUND

OVERVIEW

Expenditures By Classification

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Personal Services	\$2,532,885	\$2,403,468	\$2,403,468	\$2,741,965
Supplies	46,927	79,736	76,620	86,620
Services	5,536,238	5,809,305	5,779,780	6,262,119
Maintenance	272,614	711,513	450,361	451,361
Capital Outlay	6,512	229,500	229,500	10,500
GF Administrative Fee	542,810	542,810	542,810	437,661
Gross Receipt Payment	461,379	526,361	526,361	547,663
In Lieu of Tax	34,992	36,750	36,750	38,105
Outside Agencies	109,434	100,672	134,229	0
Total Expenditures	<u>\$9,543,791</u>	<u>\$10,440,115</u>	<u>\$10,179,879</u>	<u>\$10,575,994</u>

SOLID WASTE FUND 2012-13 EXPENDITURES BY CLASSIFICATION



SOLID WASTE FUND

OVERVIEW

Expenditures

Approved expenditures for 2012-13 total \$10,575,994. This represents an increase of 3.89% compared to the previous year. Below is a comparative summary of expenditures by classification.

<u>Classification</u>	2012-13 Budget		Increase / (Decrease) From 2011-12 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$2,741,965	25.93%	\$338,497	14.08%
Supplies	86,620	0.82%	10,000	13.05%
Services	6,262,119	59.21%	482,339	8.35%
Maintenance	451,361	4.27%	1,000	0.22%
Capital Outlay	10,500	0.10%	(219,000)	(95.42%)
Other Requirements	1,023,429	9.68%	(82,492)	(7.46%)
Outside Agencies	0	0.00%	(134,229)	(100%)
TOTAL	\$10,575,994	100.00%	\$396,115	3.89%

Keep Odessa Beautiful (KOB), a new division funded through the Solid Waste Fund, will be created in 2012-13. KOB coordinates neighborhood clean-up campaigns and educates the public on such topics as recycling, composting, and the disposal of household hazardous waste. In previous years, KOB received Solid Waste funding as an outside agency, independent of the City.

The \$338,497, increase in Personal Services is due to the addition of four new positions and the implementation of a 5% pay raise for all full-time employees. Two positions, the Director of Keep Odessa Beautiful and the Executive Assistant, will staff the newly-established Keep Odessa Beautiful Division. The other two positions, a Solid Waste Driver and a Solid Waste Worker, will be added to the Solid Waste Division to help address heavy workload issues. Each year, overtime expenses are budgeted to ensure full staffing on all routes, and temporary labor funds are set aside to provide backup personnel in the event of vacant positions.

The Supplies budget will realize a \$10,000, or 13.05%, increase in 2012-13. The additional funds will be used to purchase supplies for the new Keep Odessa Beautiful Division.

The budget for Services will increase by \$482,339 in the upcoming fiscal year. The majority of the increase will be used to cover increases in fleet maintenance costs, establish computer replacement costs, and establish advertising and travel/training budgets for the Keep Odessa Beautiful Division.

The 2012-13 budget for Maintenance is \$451,361. This represents a \$1,000 increase compared to last year's budget. The additional funds will be used to cover furniture and equipment maintenance costs for the new Keep Odessa Beautiful Division.

This year, the Solid Waste Capital Outlay budget will experience a \$219,000 decrease compared to 2011-12 numbers. The majority of this decrease is due to the fact that \$180,000 was budgeted

SOLID WASTE FUND

OVERVIEW

Expenditures (cont.)

last year to cover the nonrecurring cost of implementing gas corrective measures at the Johnson Landfill. Since the cost of the corrective measures was nonrecurring, it was not included in the 2012-13 budget. The remainder of the decrease in Capital Outlay is due to the fact that capital expenditures vary from one year to the next, depending on the department's needs.

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 2012-13, the Other Requirements budget will realize an \$82,492 decrease compared to 2011-12 numbers.

The Outside Agencies category will experience a \$134,229 decrease in 2012-13, as Keep Odessa Beautiful changes its status from that of an outside agency to that of a City division. Although KOB will continue to be funded through the Solid Waste Fund, it will no longer be funded out of the Outside Agencies category.

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. Rates were not adjusted from 2003-04 to 2004-05, because revenues generated were sufficient to cover operating costs. However, by 2005-06, the customer base had been steadily expanding. As a result, new positions were created and additional vehicles were purchased to keep pace with the demand for service. To help defray these costs, solid waste rates were increased by 3.89% in 2005-06. The rate increase also helped fund the new employee compensation package and the rising cost of fleet maintenance. 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 2007-08, an 8% rate increase went into effect to accommodate the rising fuel and maintenance costs of the Solid Waste truck fleet. No rate increases were implemented in fiscal year 2008-09; however, in 2009-10, a 6% increase was approved to cover increases in employee retirement benefits and fleet maintenance costs, as well as to rebuild the fund balance. No rate increases were implemented between 2010-11 and 2011-12, and none are anticipated for fiscal year 2012-13.

Fund Balance

In 2011-12, the fund balance decreased by \$176,315, or 26.59%, compared to the 2010-11 ending fund balance of \$663,132. The decrease in fund balance was approved in order to balance the budget. In the upcoming fiscal year, revenues are expected to reach \$10,395,800, and expenditures are estimated to be \$10,575,994, resulting in a projected fund balance of \$306,623.

SOLID WASTE FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
SOLID WASTE FUND			
Keep Odessa Beautiful	Data Processing Equipment	\$3,000	
	Subtotal Keep Odessa Beautiful	<u> </u>	\$3,000
Solid Waste	Machinery & Equipment	2,500	
	Data Processing Equipment	<u>5,000</u>	
	Subtotal Solid Waste		7,500
TOTAL CAPITAL OUTLAY – SOLID WASTE FUND			<u>\$10,500</u>

SOLID WASTE FUND
DEPARTMENTS/DIVISIONS

Solid Waste Division
Neighborhood Development Services
Non-Departmental
Outside Agencies
Keep Odessa Beautiful

SOLID WASTE

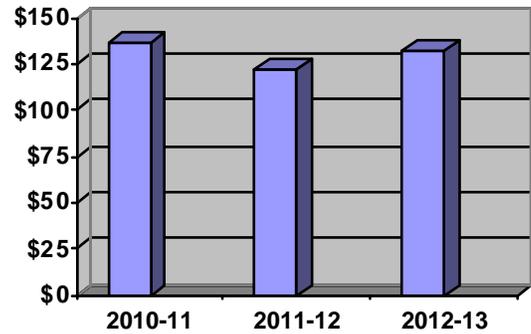
Mission

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

Effectiveness

1. Median Number of Containers Collected per Refuse Vehicle per Hour

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
Effectiveness			
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	\$136.81	\$122.16	\$131.58
2. Operating and Maintenance Expenditures for Disposal per Account	\$60.59	\$57.31	\$58.39
<u>Workload</u>			
1. Solid Waste Customer Accounts	41,932	46,122	46,121
2. FTE's per 1,000 Refuse Collection Accounts	1.07	0.98	0.98
3. Landfill Tonnage	101,606	104,666	106,642
4. Number of Containers Refurbished	1,620	1,750	1,500
5. Bulk Items Picked Up (Tons)	1,440	1,100	1,250
6. Tree Limbs Recycled (Cubic Yards)	29,304	34,000	32,000
7. Household Hazardous Waste Collected (Lbs.)	86,007	36,000	37,344

Efficiency

1. Operating and Maintenance Expenditures per Refuse Collection Account
2. Operating and Maintenance Expenditures for Disposal per Account

Workload

1. Solid Waste Customer Accounts
2. FTE's per 1,000 Refuse Collection Accounts
3. Landfill Tonnage
4. Number of Containers Refurbished
5. Bulk Items Picked Up (Tons)
6. Tree Limbs Recycled (Cubic Yards)
7. Household Hazardous Waste Collected (Lbs.)

SOLID WASTE

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$2,455,394	\$2,323,951	\$2,323,951	\$2,477,326
Supplies	46,877	79,208	76,092	76,092
Services	5,498,976	5,800,857	5,771,332	6,158,637
Maintenance	269,791	709,263	448,111	448,111
Capital Outlay	<u>6,512</u>	<u>229,500</u>	<u>229,500</u>	<u>7,500</u>
Total Expenditures	\$8,277,550	\$9,142,779	\$8,848,986	\$9,167,666

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Solid Waste Superintendent	1	1	1
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	34	34	35
Solid Waste Worker	2	2	3
Welder	1	1	1
Solid Waste Operations Supervisor	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	47	47	49

SOLID WASTE – NEIGHBORHOOD DEVELOPMENT SERVICES

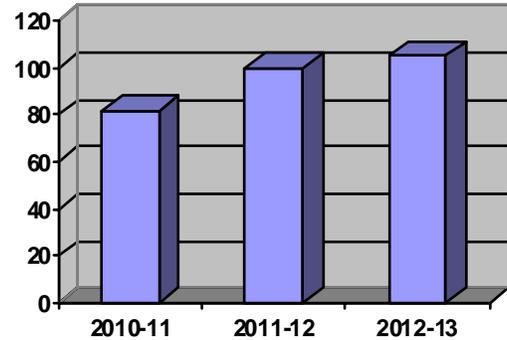
Mission

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)

1. Encourage citizens to keep neighborhoods free of litter, junked vehicles, junk, debris, illegal dumping, etc. (Organization)
2. Build on existing community resources to become more effective & efficient in resolving code violation within the City of Odessa. Encourage continued partnership with Keep Odessa Beautiful & community partners in promoting & maintaining neighborhood clean-up revitalization sweeps. (Organization)
3. Increase educational opportunities, improve access to information & resources, and address other code issues, including customer satisfaction and Code Enforcement’s efforts to decrease code violations. (Direction)

Tonnage Collected In Clean-Up Campaigns



Objectives / Performance Measures

Effectiveness

1. Tonnage Collected From Neighborhood Sweeps Clean-Up Campaigns Annually

Efficiency

1. Average Number of Code Violations per Code Enforcement Officer/Inspector

Workload

1. Citizen Requests for Assistance with Neighborhood Concerns and/or Code Violations
2. Neighborhood Meetings to Provide an Open Forum to Voice Neighborhood Concerns
3. Citizen Education/Information Literature Provided
4. Contacts Made with Internal and External Resources to Assist in Addressing Concerns
5. Number of External Agencies Coordinated by NDS and Partnerships to Provide Assistance During a Clean-Up Campaign.

	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Target
1. Tonnage Collected From Neighborhood Sweeps Clean-Up Campaigns Annually	82	100	105
1. Average Number of Code Violations per Code Enforcement Officer/Inspector	1,850	2,000	2,200
1. Citizen Requests for Assistance with Neighborhood Concerns and/or Code Violations	3,980	4,200	4,400
2. Neighborhood Meetings to Provide an Open Forum to Voice Neighborhood Concerns	61	64	67
3. Citizen Education/Information Literature Provided	196,264	200,000	205,000
4. Contacts Made with Internal and External Resources to Assist in Addressing Concerns	4,296	4,400	4,500
5. Number of External Agencies Coordinated by NDS and Partnerships to Provide Assistance During a Clean-Up Campaign.	67	69	71

SOLID WASTE – NEIGHBORHOOD DEVELOPMENT SERVICES

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$77,491	\$79,517	\$79,517	\$82,106
Supplies	50	528	528	528
Services	7,099	8,448	8,448	8,606
Maintenance	2,823	2,250	2,250	2,250
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$87,463	\$90,743	\$90,743	\$93,490

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Director of Community Development *	1	1	1
Neighborhood Services Supervisor ** ***	1	1	1
Administrative Assistant ***	1	1	1
Code Enforcement Coordinator *	1	1	1
Code Enforcement Officer * **	<u>7</u>	<u>7</u>	<u>7</u>
Total Personnel	11	11	11
Funding Sources:			
General Fund *	6	6	6
Community Development **	3.5	3.5	3.5
Solid Waste ***	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
Total Personnel	11	11	11
The Supervisor position is funded ½ by CDBG and ½ by Solid Waste			

SOLID WASTE FUND

Non-Departmental Expenditures

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	0	0	0
Services	30,163	0	0	46,224
Maintenance	0	0	0	0
Capital Outlay	0	0	0	0
Other	<u>1,039,181</u>	<u>1,105,921</u>	<u>1,105,921</u>	<u>1,023,429</u>
Total Expenditures	\$1,069,344	\$1,105,921	\$1,105,921	\$1,069,653

Outside Agencies

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Keep Odessa Beautiful	<u>\$109,434</u>	<u>\$100,672</u>	<u>\$134,229</u>	<u>\$0</u>
Total Expenditures	\$109,434	\$100,672	\$134,229	\$0

Keep Odessa Beautiful

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$0	\$0	\$0	\$182,533
Supplies	0	0	0	10,000
Services	0	0	0	48,652
Maintenance	0	0	0	1,000
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
Total Expenditures	\$0	\$0	\$0	\$245,185

STORM WATER FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$211,284	\$382,798	\$206,961	\$397,455
CURRENT REVENUES				
Storm Water Fees	\$702,731	\$705,000	\$675,000	\$705,000
Interest Income	0	1,000	0	0
TOTAL CURRENT REVENUES	\$702,731	\$706,000	\$675,000	\$705,000
TOTAL FINANCING SOURCES	\$914,015	\$1,088,798	\$881,961	\$1,102,455
EXPENDITURES				
Personal Services	\$229,574	\$335,659	\$335,659	\$343,294
Supplies	0	6,000	6,000	6,000
Services	228,090	246,460	246,460	278,267
Maintenance	73,553	103,224	83,886	83,886
Capital Outlay	0	0	0	0
GF Administrative Fee	0	0	0	83,592
TOTAL EXPENDITURES	\$531,217	\$691,343	\$672,005	\$795,039
ENDING FUND BALANCE	\$382,798	\$397,455	\$209,956	\$307,416

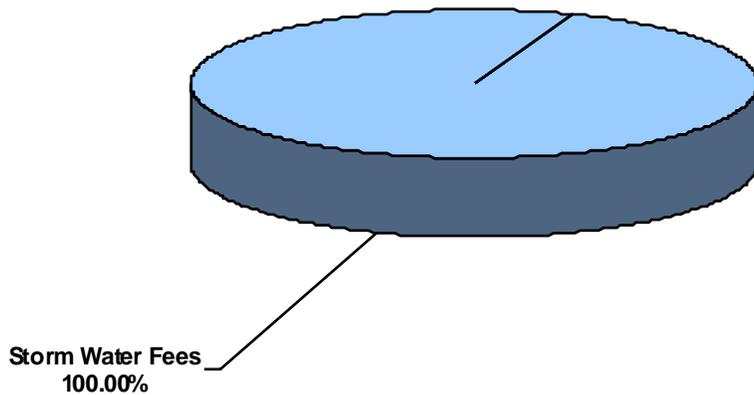
STORM WATER FUND

OVERVIEW

Revenues

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Storm Water Fees	\$702,731	\$705,000	\$675,000	\$705,000
Interest Income	0	1,000	0	0
Total Revenue	<u>\$702,731</u>	<u>\$706,000</u>	<u>\$675,000</u>	<u>\$705,000</u>

STORM WATER FUND 2012-13 REVENUES BY SOURCES



STORM WATER FUND

OVERVIEW

Revenues

On December 8, 1999, the final Phase II Storm Water Rules were published in the Federal Register. These rules address the implementation of Urban Run-Off Management Programs in cities across the country. More specifically, they regulate the discharge of storm water to surface water in the state from municipal separate storm sewer systems. ("Surface water in the state" includes lakes, bays, ponds, springs, rivers, creeks, wetlands, marshes, canals, the Gulf of Mexico, impounding reservoirs, etc.)

In Texas, cities will look to the Texas Commission on Environmental Quality (TCEQ) for instruction and guidance in the establishment of storm water programs. Odessa's Storm Water Program has been approved, and will be fully implemented over the next few years. During this time, the program will be evaluated and its effectiveness documented as required by the permit.

The following is a summary of budgeted Storm Water Fund revenues.

<u>Source</u>	2012-13 Budget		Increase/(Decrease) from 2011-12 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Storm Water Fees	<u>\$705,000</u>	<u>100.00%</u>	<u>\$30,000</u>	<u>4.44%</u>
TOTAL	\$705,000	100.00%	\$30,000	4.44%

One of several possible revenue sources could have been considered for the funding of the new Storm Water Program. Options included General Fund monies, long-term borrowing, pro-rata fees based on lot size, dedicated revenue from storm water fees, and environmental fees. In the end, the City elected to include a \$1.85 storm water fee on each customer's monthly water bill, as this seemed to be the most efficient and equitable way to fund the operational costs of the new program.

It is anticipated that the Storm Water fee will generate \$705,000 in 2012-13. These monies will be used to cover the cost of fees and program activities, including street sweeping and drainage system maintenance functions.

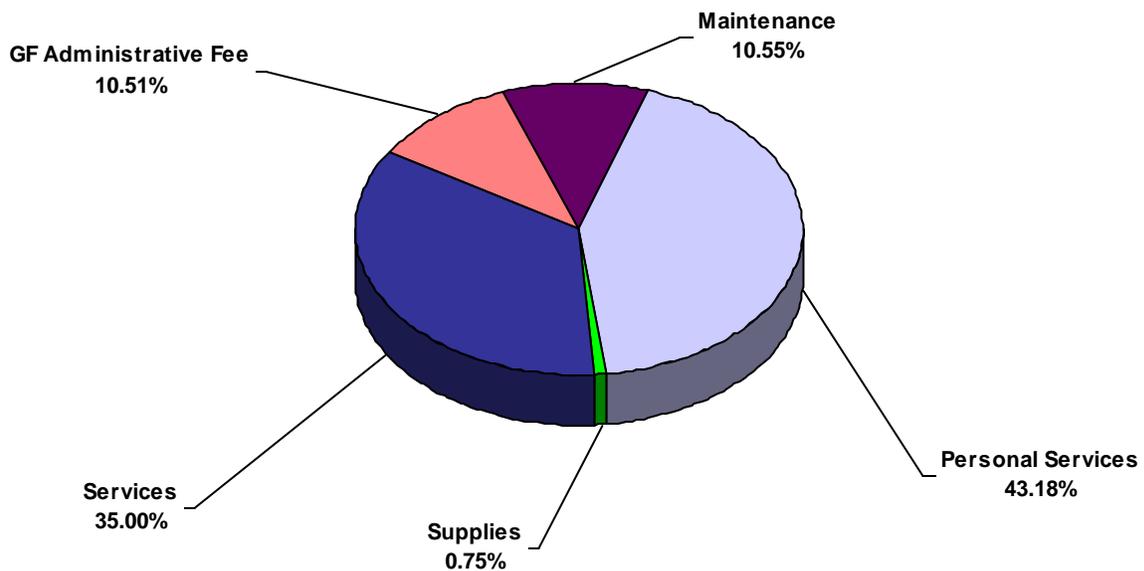
STORM WATER FUND

OVERVIEW

Expenditures By Classification

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Personal Services	\$229,574	\$335,659	\$335,659	\$343,294
Supplies	0	6,000	6,000	6,000
Services	228,090	246,460	246,460	278,267
Maintenance	73,553	103,224	83,886	83,886
Capital Outlay	0	0	0	0
GF Administrative Fee	0	0	0	83,592
Total Expenditures	\$531,217	691,343	\$672,005	\$795,039

STORM WATER FUND 2012-13 EXPENDITURES BY CLASSIFICATION



STORM WATER FUND

OVERVIEW

Expenditures

The Storm Water program is federally mandated. However, in Texas, cities will work closely with a state agency, the Texas Commission on Environmental Quality (TCEQ), to ensure compliance with regulations as set forth in the final Phase II Storm Water Rules that were published in the Federal Register on December 8, 1999.

The Storm Water Fund will operate as an Enterprise Fund, meaning that its operation is financed in a manner similar to that of a private business. To that end, a \$1.85 storm water fee will be included on each customer's monthly water bill to cover the cost of the program. Below is a summary of budgeted expenditures for the Storm Water Fund.

Classification	2012-13 Budget		Increase / (Decrease) From 2011-12 Budget	
	Amount	%	Amount	%
Personal Services	\$343,294	43.18%	\$7,635	2.27%
Supplies	6,000	0.75%	0	0.00%
Services	278,267	35.00%	31,807	12.91%
Maintenance	83,886	10.55%	0	0.00%
Other	<u>83,592</u>	<u>10.51%</u>	<u>83,592</u>	<u>N/A</u>
TOTAL	\$795,039	100.00%	\$123,034	18.31%

Personal Services comprises 43.18% of the 2012-13 Storm Water budget and provides funding for seven full-time positions. This category will experience a \$7,635 increase compared to last year's budget, with the additional funds being used to cover the cost of the new employee compensation plan.

This year's budget for Supplies is \$6,000, the same amount that was budgeted in the previous year.

The Services category reflects a budget of \$278,267, up \$31,807 compared to last year's number. The increase will offset the rising cost of fleet maintenance and replacement.

The \$83,886 budget for Maintenance will remain at the same level as last year.

The \$83,592 increase in Other expenditures will cover the cost of the 2012-13 administrative fee paid by the Storm Water Fund to the General Fund in exchange for certain services.

This year, no funds have been budgeted for the Capital Outlay category. The current budget is in line with the priorities that have been established for the Storm Water Program. Funding for capital expenses will be budgeted in future years, as necessary.

Fund Balance

In 2011-12, fund balance increased by \$14,657, or 3.83%, compared to the 2010-11 ending fund balance of \$382,798. In the upcoming fiscal year, revenues are expected to reach \$705,000 and expenditures are estimated to be \$795,039, resulting in a projected fund balance of \$307,416.

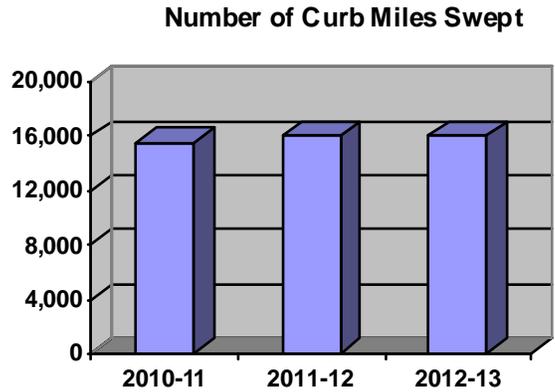
STORM WATER MANAGEMENT

Mission

The Storm Water Management Section provides reporting and services for City compliance with the General Permit (TXR040000) to Discharge Storm Water for small Municipal Separate Storm Sewer Systems (MS4).

Departmental Goals/(City's Value Statement Goals)

1. Maintain compliance as a Phase II MS4./(Excellence)
2. Perform and monitor activities of the six minimum control measures./(Direction)



Objectives / Performance Measures	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
<u>Effectiveness</u>			
1. Prepare required annual reporting document.	100%	100%	100%
<u>Workload</u>			
1. Conduct community-wide clean ups/educational events with Keep Odessa Beautiful.	2	2	2
2. Conduct household hazardous waste collection events.	2	2	2
3. Conduct good housekeeping/pollution prevention employee training (number of employees trained)	173	150	160
4. Number of curb miles swept.	15,504	16,000	16,000
5. Conduct visual inspection and cleaning of drainage facilities.	2	2	2

STORM WATER MANAGEMENT

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$229,574	\$335,659	\$335,659	\$343,294
Supplies	0	6,000	6,000	6,000
Services	228,090	246,460	246,460	278,267
Maintenance	73,553	103,224	83,886	83,886
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>83,592</u>
Total Expenditures	\$531,217	\$691,343	\$672,005	\$795,039

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Storm Water Program Manager	1	1	1
Storm Water Program Technician	1	1	1
Sweeper Operator	<u>5</u>	<u>5</u>	<u>5</u>
Total Personnel	7	7	7

EQUIPMENT SERVICE FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$5,635,947	\$8,085,756	\$6,808,476	\$8,077,140
CURRENT REVENUES				
Rental Revenue	\$10,626,773	\$10,861,392	\$10,917,552	\$11,989,099
Interest Income	24,312	24,000	0	0
Other Revenue	690,326	300,344	242,184	242,184
TOTAL CURRENT REVENUES	\$11,341,411	\$11,185,736	\$11,159,736	\$12,231,283
TOTAL FINANCING SOURCES	\$16,977,358	\$19,271,492	\$17,968,212	\$20,308,423
EXPENDITURES				
Personal Services	\$1,245,353	\$1,374,858	\$1,374,858	\$1,227,220
Supplies	2,395,772	2,499,039	2,498,100	2,869,500
Services	461,353	586,483	582,103	564,514
Maintenance	1,902,911	2,603,664	2,520,658	2,485,690
Capital Outlay	181,552	101,072	78,421	170,000
GF Administrative Fee	446,188	446,188	446,188	455,263
Total Operating Expenditures	\$6,633,129	\$7,611,304	\$7,500,328	\$7,772,187
Equipment Replacement	2,258,473	3,583,048	3,112,050	7,993,750
TOTAL EXPENDITURES	\$8,891,602	\$11,194,352	\$10,612,378	\$15,765,937
ENDING FUND BALANCE	\$8,085,756	\$8,077,140	\$7,355,834	\$4,542,486

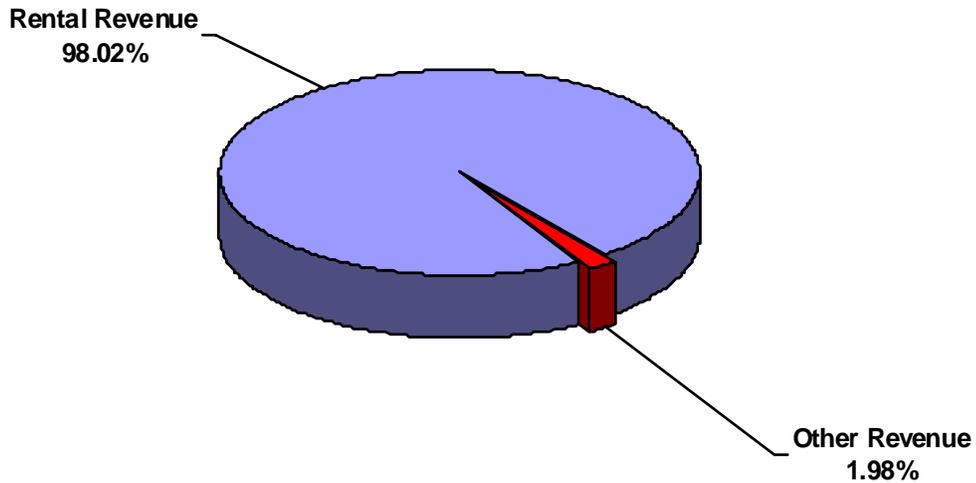
EQUIPMENT SERVICE FUND

OVERVIEW

Revenues

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Rental Revenue	\$10,626,773	\$10,861,392	\$10,917,552	\$11,989,099
Interest Income	24,312	24,000	0	0
Other Revenue	690,326	300,344	242,184	242,184
Total Revenue	<u>\$11,341,411</u>	<u>\$11,185,736</u>	<u>\$11,159,736</u>	<u>\$12,231,283</u>

**EQUIPMENT SERVICE FUND
2012-13 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. 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 2012-13, the Equipment Service Fund total revenue will increase by \$1,071,547 over the last year's budget. The following is a comparative summary of revenues by source of the Equipment Service Fund.

<u>Source</u>	2012-13 Budget		Increase / (Decrease) from 2011-12 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Rental Revenue	\$11,989,099	98.02%	\$1,071,547	9.81%
Interest Income	0	0.00%	0	n/a
Other Revenue	<u>242,184</u>	<u>1.98%</u>	<u>0</u>	<u>0.00%</u>
TOTAL	\$12,231,283	100.00%	\$1,071,547	9.60%

Rental Revenue continues to increase as the replacement prices of vehicles and heavy machinery increase each year. Fluctuating fuel prices and rising overhead costs also have a direct effect on the cost of maintaining the fleet. Fuel and overhead costs are included in Rental Revenue since all operating costs incurred by user departments must be reimbursed to this fund. In 2012-13, Rental Revenue will increase by 9.81% compared to the previous year, and will account for over 98% of the total revenue for this fund.

Over the past few years, the decline in interest rates has had a negative impact on Interest Income. As a result of this trend, Interest Income has not been identified as a source of revenue in the 2012-13 budget.

Other Revenue includes various miscellaneous sources of revenue. This category makes up 1.98% of the fund's total revenue and is expected to remain at the same level as last year.

One critical aspect of the Equipment Service fund is to maintain an adequate fund balance to replace the City's fleet. Rental rates are based on the actual costs of the assets. However, the cost to replace an old asset with a new similar asset usually exceeds the funds collected due to inflation. As a result, each year, rental rates are reviewed and adjusted to ensure the stability of this fund.

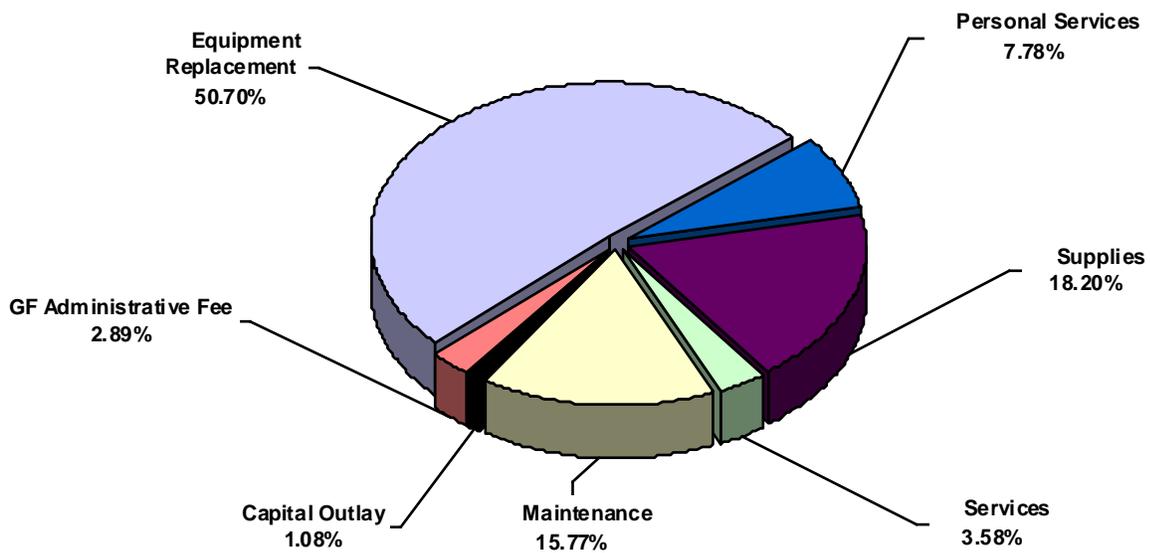
EQUIPMENT SERVICE FUND

OVERVIEW

Expenditures By Classification

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Personal Services	\$1,245,353	\$1,374,858	\$1,374,858	\$1,227,220
Supplies	2,395,772	2,499,039	2,498,100	2,869,500
Services	461,353	586,483	582,103	564,514
Maintenance	1,902,911	2,603,664	2,520,658	2,485,690
Capital Outlay	181,552	101,072	78,421	170,000
GF Administrative Fee	446,188	446,188	446,188	455,263
Equipment Replacement	2,258,473	3,583,048	3,112,050	7,993,750
Total Expenditures	\$8,891,602	\$11,194,352	\$10,612,378	\$15,765,937

EQUIPMENT SERVICE FUND 2012-13 EXPENDITURES BY CLASSIFICATION



EQUIPMENT SERVICE FUND

OVERVIEW

Expenditures

The operating expenditures for fiscal year 2012-13 are expected to increase by \$271,859 over 2011-12 budgeted operating expenditures. The overall budget for this fund, including Equipment Replacement, will increase by a total of \$5,153,559, or 48.56%. The following is a comparative summary of expenditures by classification.

Classification	2012-13 Budget		Increase/(Decrease) From 2011-12 Budget	
	Amount	%	Amount	%
Personal Services	\$1,227,220	7.78%	(\$147,638)	(10.74%)
Supplies	2,869,500	18.20%	371,400	14.87%
Services	564,514	3.58%	(17,589)	(3.02%)
Maintenance	2,485,690	15.77%	(34,968)	(1.39%)
Capital Outlay	170,000	1.08%	91,579	116.78%
GF Administrative Fee	<u>455,263</u>	<u>2.89%</u>	<u>9,075</u>	<u>2.03%</u>
Total Operating	\$7,772,187	49.30%	\$271,859	3.62%
Equipment Replacement	<u>7,993,750</u>	<u>50.70%</u>	<u>4,881,700</u>	<u>156.86%</u>
TOTAL	\$15,765,937	100.00%	\$5,153,559	48.56%

The 2012-13 staffing level for the Equipment Service Fund is at 22, three fewer positions than were funded in the previous year. The Communications Division, which had formerly been funded through the Equipment Services Fund, was transferred to the newly-established Information Technology Fund in fiscal year 2012-13. As a result, the Personal Services category has realized a decrease of \$147,638, or 10.74%.

The Supplies budget will increase by \$371,400 this year, with the 14.87% increase being used to offset the rising cost of motor fuel and oil.

The Services category will realize a decrease of \$17,589, or 3.02%, due to the transfer of the Communications Division to another fund. If Communications had not been transferred, this category would have experienced a budgetary increase of over 27% due to the addition of technology charges to the 2012-13 budget.

The Maintenance category will also experience a decrease in the upcoming fiscal year. The \$34,968 decrease is entirely due to the transfer of the Communications Division.

The budget for Capital Outlay will increase by \$91,579, or 116.78%. Adjustments are made to the budget for this category from year to year depending upon which big-ticket items, if any, are needed.

The General Fund Administrative Fee is paid as compensation for services that the General Fund provides to the Equipment Service Fund. The 2012-13 budget for this line item will reflect an increase of \$9,075, or 2.03%.

EQUIPMENT SERVICE FUND

OVERVIEW

Expenditures (cont'd.)

Equipment Replacement has increased by \$4,881,700, or 156.86%, compared to the 2011-12 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.

Fund Balance

In 2011-12, the fund balance decreased by \$8,616 compared to the 2010-11 ending fund balance of \$8,085,756. The 2012-13 ending fund balance for the Equipment Services Fund is projected to be \$4,542,486, a decrease of \$3,534,654 compared to the 2011-12 estimated fund balance.

EQUIPMENT SERVICE FUND

CAPITAL OUTLAY

Fund & Department/Division	Item	Item Total	Total
Equipment Service Fund			
Equipment Replacement	SUV (6)	\$180,000	
	SUV, Police Package (14)	420,000	
	½-Ton Pickup (20)	420,000	
	½ Ton Pickup, Extended Cab (1)	24,000	
	½-Ton Pickup, Crew Cab (3)	75,000	
	½-Ton Pickup, Crew Cab 4x4 (1)	45,000	
	¾-Ton Pickup (21)	483,000	
	¾-Ton Pickup, Extended Cab (3)	84,000	
	¾-Ton Pickup, Crew Cab (5)	150,000	
	1-Ton Pickup (4)	112,000	
	1-Ton Pickup, Crew Cab (3)	105,000	
	1-Ton Pickup, Welding (1)	28,000	
	Sedan, Police Package (2)	56,000	
	Sedan, Police Package, Unmarked (9)	207,000	
	Dump Truck, 15-yd, 66,000 GVWR (7)	735,000	
	Dump Truck, 6-yd, 33,000 GVWR (3)	255,000	
	Refuse Truck, 66,000 GVWR (4)	780,000	
	Refuse Truck, Automated (1)	280,000	
	Vacuum Truck (1)	100,000	
	Small Vactor Truck (1)	75,000	
	Large Vactor Truck (1)	100,000	
	Roller, Towed (1)	8,000	
	Roller, 12-Tire (1)	80,000	
	Backhoe, Loader (5)	425,000	
	Loader (2)	290,000	
	Sweeper (1)	225,000	
	Spreader (1)	8,500	
	Ditch Witch Ditcher (1)	48,000	
	Trailer, Utility (3)	15,000	
	Trailer, Mower (2)	10,000	
	Trailer, Tandem (1)	5,000	
	Trailer, Tilt (2)	10,000	
	Trencher, Walk-Behind (2)	96,000	
	Mule, ATV (3)	45,000	
	Mower, Zero Turn (1)	15,000	
	Mower, Groundmaster 580D (2)	170,000	
	Mower, Groundmaster 4500D (1)	60,000	
	Mower, Groundmaster 7210 (1)	21,000	
	Mower, Greensmaster 3400 (1)	40,000	
	Spray Rig (1)	35,000	
	Aerifier (1)	25,000	
	Mower, Buffalo Cyclone (1)	8,000	
	Tractor, Kubota (1)	28,000	
	Top Dresser (1)	10,000	

EQUIPMENT SERVICE FUND

CAPITAL OUTLAY

Fund & Department/Division	Item	Item Total	Total
Equipment Service Fund			
Equipment Replacement	Sand Pro (1)	18,000	
	Reelmaster, Toro (1)	50,000	
	Excavator, Mini (1)	40,000	
	¾ Ton Utility Body (9)	90,900	
	Utility Body, Hitch Console (2)	15,300	
	1 Ton Utility Body (3)	30,650	
	½ Ton Hitch (1)	150	
	Hitch, Lift Gate, Console (1)	3,850	
	Hitch, Console (4)	2,600	
	¾ Ton Pioneer (2)	4,000	
	Dump Body, Tarp, Hitch for 15-Yd Dump Truck (7)	140,000	
	Tarp, Hitch for 6-Yd Dump Truck (3)	45,000	
	Survey Body (2)	20,000	
	Flatbed, Winch, Gin Poles, Hitch (1)	12,000	
	LED Light Bars (11)	150,500	
	Stealth Light Bar, Console (6)	21,000	
	Stealth Light Bar, Console, Cencom (1)	3,800	
	Computer Mount (11)	22,200	
	Console (13)	19,500	
	Prisoner Seat, Cage (2)	3,000	
	Rifle Rack (2)	3,200	
	Decals (2)	3,200	
	Equip./Installation for Patrol SUV (14)	358,400	
	Animal Control Body (3)	75,000	
	Vacuum Unit (1)	45,000	
	Vactor Body for Small Unit (1)	200,000	
	Vactor Body for Large unit (1)	225,000	
	EQUIPMENT REPLACEMENT TOTAL		<u><u>\$7,993,750</u></u>
Capital Outlay	Fire Bunker Gear	\$70,000	
	Eq. Services Automotive Equipment	100,000	
	Total Capital Outlay		<u><u>\$170,000</u></u>

EQUIPMENT SERVICE FUND

DEPARTMENTS/DIVISIONS

**Equipment Services
Communications
Equipment Replacement**

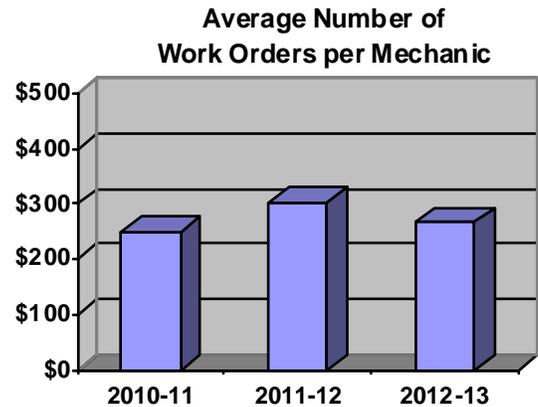
EQUIPMENT SERVICES

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. Administer the Equipment Services budget to achieve a sound basis for analysis, planning, and management of the city fleet./(Service)
2. Maintain and invest the capital and labor to sustain a growing fleet./(Service)



Objectives / Performance Measures

Workload

1. Labor Hours
2. Work Orders Written

Effectiveness

1. Maintenance Costs – Total Fleet
2. Number of Mechanics

Efficiency

1. Average Number of Work Orders per Mechanic
2. Average Number of Hours per Work Order

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
<u>Workload</u>			
1. Labor Hours	24,030	20,198	20,000
2. Work Orders Written	5,021	4,542	4,000
<u>Effectiveness</u>			
1. Maintenance Costs – Total Fleet	\$1,666,464	\$2,147,350	\$2,450,112
2. Number of Mechanics	20	15	9
<u>Efficiency</u>			
1. Average Number of Work Orders per Mechanic	251	302	266
2. Average Number of Hours per Work Order	4.78	4.44	5.0

EQUIPMENT SERVICES

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$1,160,201	\$1,288,946	\$1,288,946	\$1,227,220
Supplies	2,381,645	2,482,039	2,481,100	2,869,500
Services	359,526	445,930	441,550	564,514
Maintenance	1,821,088	2,544,339	2,462,973	2,485,690
Capital Outlay	156,585	74,651	60,000	170,000
Lease Payments	0	0	0	0
Other Requirements	<u>446,188</u>	<u>446,188</u>	<u>446,188</u>	<u>455,263</u>
Total Expenditures	\$6,325,233	\$7,282,093	\$7,180,757	\$7,772,187

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Director of Equipment Services	1	1	1
Garage Supervisor	1	1	1
Senior Administrative Assistant	1	1	1
Auto Parts Supervisor	1	0	0
Service Advisor	1	1	1
Auto Parts Clerk	1	0	0
Paint & Body Technician	1	1	1
Auto/Truck Technician	11	11	11
Lubrication Specialist	2	2	2
Fleet Worker	<u>3</u>	<u>3</u>	<u>3</u>
Total Personnel	23	21	21

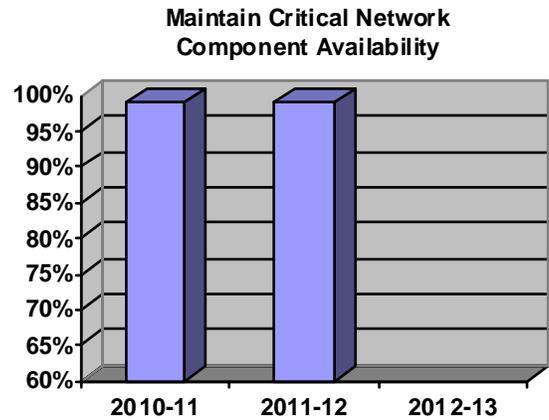
COMMUNICATIONS

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 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
1. Provide AS/400 system availability to meet all critical application scheduling requirements.	99%	99%	N/A *
2. Maintain critical network component availability at 95% or better of scheduled availability.	99%	99%	N/A *
3. Maintain central radio system availability 100% of the time.	99%	99%	N/A *
4. Respond to all critical computer and radio system emergencies within two hours.	100%	100%	N/A *
5. Maintain a customer work order satisfaction level of good/excellent 95% of the time.	100%	100%	N/A *

* In 2012-13, the Communications Division will be combined with the Information Technology Department & transferred to the Information Technology Fund.

COMMUNICATIONS

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$85,152	\$85,912	\$85,912	\$0
Supplies	14,127	17,000	17,000	0
Services	101,827	140,553	140,553	0
Maintenance	81,323	59,325	57,685	0
Capital Outlay	<u>25,467</u>	<u>26,421</u>	<u>18,421</u>	<u>0</u>
Total Expenditures	\$307,896	\$329,211	\$319,571	\$0

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year *</u>
Senior Administrative Assistant **	1	1	0
I.T. Support Specialist	0	1	0
Communications Coordinator	1	1	0
Communications Technician	<u>1</u>	<u>0</u>	<u>0</u>
Total Personnel	3	3	0
Funding Sources:			
General Fund **	.5	0	0
Equipment Service Fund	<u>2.5</u>	<u>3</u>	<u>0</u>
Total Personnel	3	3	0
<p>* In 2012-13, the Communications Division will be combined with the Information Technology Department and transferred to the Information Technology Fund.</p>			

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

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 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	2,258,473	3,583,048	3,112,050	7,993,750
Other Requirements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$2,258,473	\$3,583,048	\$3,112,050	\$7,993,750

INFORMATION TECHNOLOGY FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$0	\$0	\$0	\$0
CURRENT REVENUES				
Rental Radio/Elec. Equipment	\$0	\$0	\$0	\$396,488
Internet Charges	0	0	0	62,235
Technology Charges	0	0	0	2,864,762
Interest Income	0	0	0	0
Other Revenue	0	0	0	0
TOTAL CURRENT REVENUES	\$0	\$0	\$0	\$3,323,485
TOTAL FINANCING SOURCES	\$0	\$0	\$0	\$3,323,485
EXPENDITURES				
Personal Services	\$0	\$0	\$0	\$1,340,765
Supplies	0	0	0	356,032
Services	0	0	0	448,441
Maintenance	0	0	0	664,389
Capital Outlay	0	0	0	18,421
Total Operating Expenditures	\$0	\$0	\$0	\$2,828,048
Computer Replacement	\$0	\$0	\$0	\$183,001
TOTAL EXPENDITURES	\$0	\$0	\$0	\$3,011,049
ENDING FUND BALANCE	\$0	\$0	\$0	\$312,436

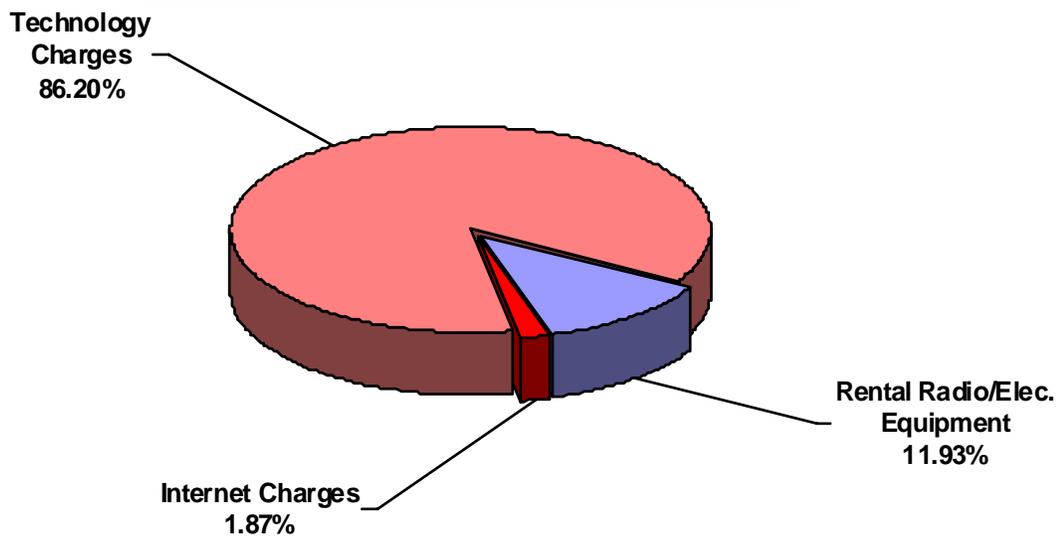
INFORMATION TECHNOLOGY FUND

OVERVIEW

Revenues

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Rental Radio/Elec. Equipment	\$0	\$0	\$0	\$396,488
Internet Charges	0	0	0	62,235
Technology Charges	0	0	0	2,864,762
Total Revenue	\$0	\$0	\$0	\$3,323,485

**INFORMATION TECHNOLOGY FUND
2012-13 REVENUES BY SOURCES**



INFORMATION TECHNOLOGY FUND

OVERVIEW

Revenues

Fiscal year 2013 marks the first year of existence for the Information Technology Fund. This new fund will support the Information Technology Department which had, in previous years, been comprised of two divisions: Information Technology, funded through the General Fund, and Communications, funded through the Equipment Service Fund.

The Information Technology Fund is an internal service fund. It receives revenue from City departments in exchange for the services it provides. Currently, this fund receives three types of revenue: Rental Radio/Electric Equipment revenue, Internet Charges revenue, and Technology Charges revenue.

Rental Radio/Electric Equipment revenue is paid to the fund for the use and repair of telephone lines and the maintenance and replacement of radio equipment.

Internet Charges revenue covers the cost of Internet access. Departments are charged based upon the number and type of Internet accounts they request.

Technology Charges revenue is a new source of revenue. Previously, departments were responsible for replacing their own computer equipment. However, in 2012-13, the Information Technology Department will implement the computer replacement program. Departments will be assessed Technology Charges based upon the quantity, cost, and useful life of their data processing equipment. This type of revenue will cover Information Technology operating costs and fund the replacement of data processing equipment.

The following is a summary of budgeted Information Technology revenues.

<u>Source</u>	2012-13 Budget		Increase/(Decrease) from 2011-12 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Rental Radio/Elec. Equip.	\$396,488	11.93%	\$396,488	n/a
Internet Charges	62,235	1.87%	62,235	n/a
Technology Charges	<u>2,864,762</u>	<u>86.20%</u>	<u>2,864,762</u>	<u>n/a</u>
TOTAL	\$3,323,485	100.00%	\$3,323,485	n/a

Together, Rental Radio/Electric Equipment and Internet Charges revenues comprise \$458,723, or 13.80%, of the total fund revenue in 2012-13.

Technology Charges revenue is expected to reach \$2,864,762 in the upcoming fiscal year, accounting for 86.20% of Information Technology Fund's budgeted revenue.

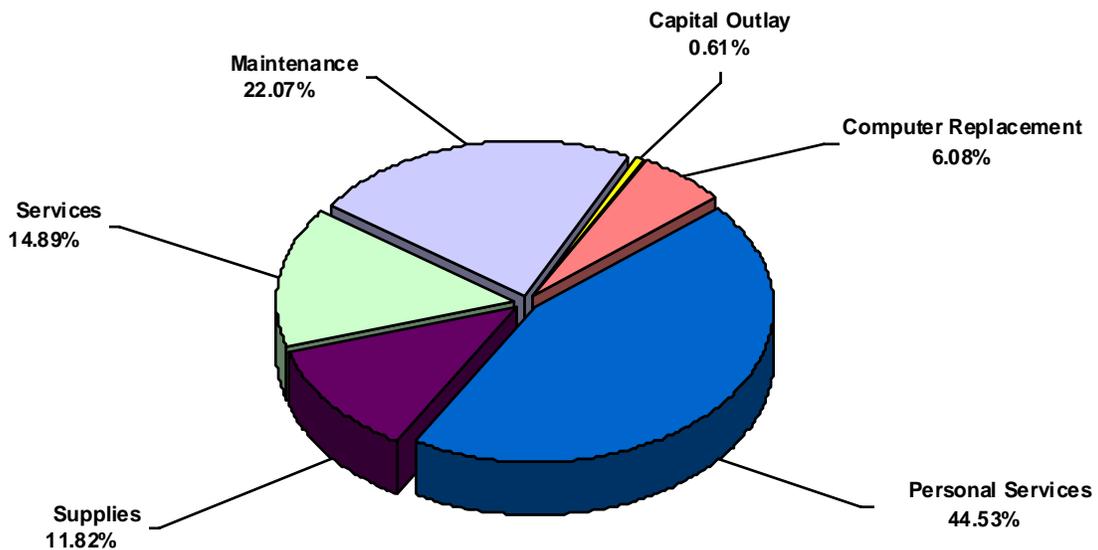
INFORMATION TECHNOLOGY FUND

OVERVIEW

Expenditures By Classification

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Personal Services	\$0	\$0	\$0	\$1,340,765
Supplies	0	0	0	356,032
Services	0	0	0	448,441
Maintenance	0	0	0	664,389
Capital Outlay	0	0	0	18,421
Computer Replacement	<u>0</u>	<u>0</u>	<u>0</u>	<u>183,001</u>
Total Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,011,049</u>

INFORMATION TECHNOLOGY FUND 2012-13 EXPENDITURES BY CLASSIFICATION



INFORMATION TECHNOLOGY FUND

OVERVIEW

Expenditures

The 2012-13 operating expenditures for the newly-established Information Technology Fund are expected to reach \$2,828,048. The total budget for this fund, including \$183,001 in Computer Replacement costs, is \$3,011,049. Below is a summary of budgeted expenditures for the Information Technology Fund.

Classification	2012-13 Budget		Increase / (Decrease) From 2011-12 Budget	
	Amount	%	Amount	%
Personal Services	\$1,340,765	44.53%	\$1,340,765	n/a
Supplies	356,032	11.82%	356,032	n/a
Services	448,441	14.89%	448,441	n/a
Maintenance	664,389	22.07%	664,389	n/a
Capital Outlay	<u>18,421</u>	<u>0.61%</u>	<u>18,421</u>	<u>n/a</u>
Total Operating	\$2,828,048	93.92%	\$2,828,048	n/a
Computer Replacement	<u>183,001</u>	<u>6.08%</u>	<u>183,001</u>	<u>n/a</u>
TOTAL	\$3,011,049	100.00%	\$3,011,049	n/a

The 2012-13 Personal Services budget of \$1,340,765 comprises 44.53% of the Information Technology budget and provides funding for seventeen full-time positions. Funding for this category includes a 5% pay increase for all full-time employees.

The Supplies category reflects a budget of \$356,032. This accounts for almost 12% of the total budget. The majority of the funding will be used to purchase new computer programs.

The Services budget accounts for 14.89% of the total budget. The majority of the funds set aside for this category will cover the cost of special services, fleet maintenance and replacement, travel, training, and Internet services.

The \$664,389 budget for Maintenance makes up 22.07% of the budget. Of this amount, \$625,969 has been budgeted for software maintenance costs.

The Capital Outlay category reflects a budget of \$18,421 to cover the cost of purchasing or replacing office machinery and equipment in the upcoming fiscal year.

The 2012-13 Computer Replacement budget is \$183,001. Annual technology charges will increase this budget over time, making it possible to replace computers every four years.

Fund Balance

This is the first year that the Information Technology Fund has been in operation. The 2012-13 fiscal year begins with a fund balance of \$0. Revenues are expected to reach \$3,323,485, and expenditures are estimated at \$3,011,049, resulting in a projected fund balance of \$312,436.

INFORMATION TECHNOLOGY FUND

CAPITAL OUTLAY

<u>Fund and Department/Division</u>	<u>Item</u>	<u>Item Total</u>	<u>Total</u>
INFORMATION TECHNOLOGY FUND			
Computer Replacement	Data Processing Equipment	<u>\$183,001</u>	
	TOTAL COMPUTER REPLACEMENT		<u>\$183,001</u>
Information Technology	Machinery and Equipment	<u>\$18,421</u>	
	Subtotal Information Technology		<u>\$18,421</u>

This page intentionally left blank.

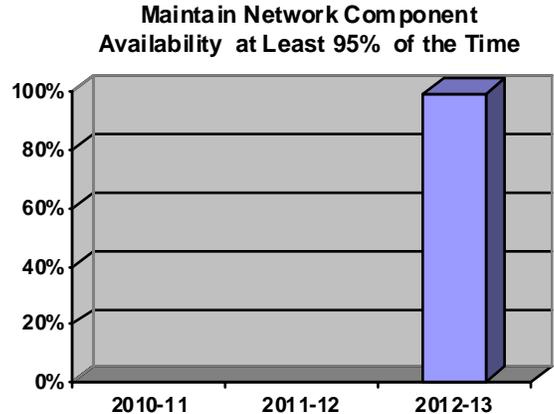
INFORMATION TECHNOLOGY

Mission

Information Technology provides City departments' network, Internet, applications and communications support; technology project management and consulting services. Information Technology proactively uses strategic planning, governance and a high communicative process to align with the City of Odessa's business and service mission goals while employing the highest level of customer service.

Departmental Goals/(City's Value Statement Goals)

1. Execute Year One Strategic Planning Goals.
 - a. Phase 1 plan to re-architect network to create stability & establish customer confidence in accessing applications, data & Internet internally & for our mobile employees./(Direction)
 - b. Centralize Microsoft software spending & establish large discounts & software upgradeability in the future by purchasing a Microsoft Enterprise purchasing agreement./(Direction)
 - c. Provide extensive training to IT staff to maintain knowledge & skill sets required to support best of breed applications./(Excellence)
 - d. Centralize ownership of computer/network assets into IT to simplify management of a standardized replacement program based on type of equipment. /(Direction)
 - e. Purchase a management application to facilitate the ease of maintaining mobile data equipment while out in the field./(Support)



Objectives / Performance Measures

Effectiveness

1. Provide application 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 2010-11 <u>Actual</u> *	FY 2011-12 <u>Estimate</u> *	FY 2012-13 <u>Target</u>
1.	N/A	N/A	99%
2.	N/A	N/A	99%
3.	N/A	N/A	99%
4.	N/A	N/A	100%
5.	N/A	N/A	100%

* In 2012-13, Information Services and the Communications Division were combined to form the Information Technology Department (Information Technology Fund). For 2010-11 and 2011-12 data, see Communications (Equipment Service Fund) and Information Technology (General Fund).

INFORMATION TECHNOLOGY

Expenditures by Classification

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$0	\$0	\$0	\$1,340,765
Supplies	0	0	0	356,032
Services	0	0	0	448,441
Maintenance	0	0	0	664,389
Capital Outlay	0	0	0	18,421
Computer Replacement	<u>0</u>	<u>0</u>	<u>0</u>	<u>183,001</u>
Total Expenditures	\$0	\$0	\$0	\$3,011,049

Personnel by Job Title

	2010-11 <u>Fiscal Year</u>	2011-12 <u>Fiscal Year</u>	2012-13 <u>Fiscal Year</u>
Director of Information Technology	0	0	1
Network Support Specialist	0	0	2
Application Services Manager *	0	0	1
Software Systems Specialist *	0	0	4
Database Support Specialist	0	0	1
Web Services Administrator	0	0	1
Public Safety Systems Administrator	0	0	1
I.T. Support Specialist	0	0	3
Projects and Support Manager	0	0	1
Application Analyst	0	0	1
Infrastructure & Communications Manager	0	0	1
Communications Coordinator	0	0	1
Administrative Assistant	<u>0</u>	<u>0</u>	<u>1</u>
Total Personnel	0	0	19
Funding Sources:			
General Fund	0	0	17
Water and Sewer Fund *	<u>0</u>	<u>0</u>	<u>2</u>
Total Personnel	0	0	19

INFORMATION TECHNOLOGY

Computer Replacement

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 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	183,001
Other Requirements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$0	\$0	\$0	\$183,001

RISK MANAGEMENT FUND

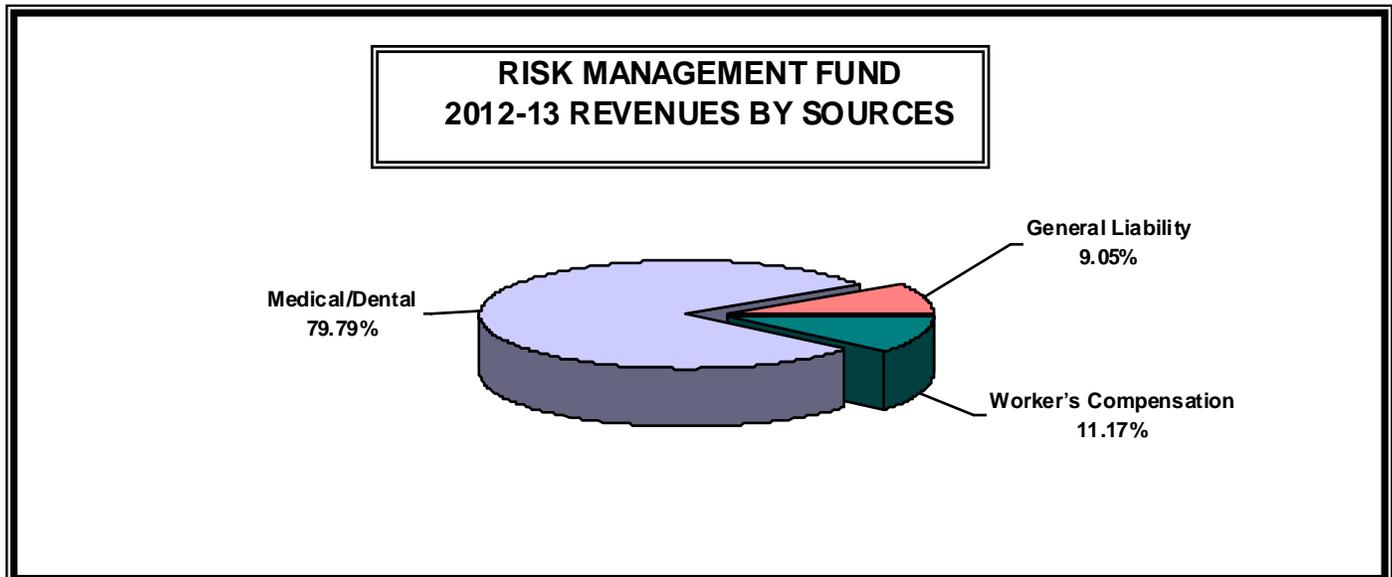
OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$894,074	\$1,721,047	\$1,230,760	\$2,209,250
CURRENT REVENUES				
Medical/Dental	\$7,709,563	\$7,916,560	\$7,906,560	\$7,906,560
General Liability	877,874	890,000	890,000	890,000
Workers' Compensation	1,123,190	1,100,000	1,100,000	1,100,000
Insurance Claim Recovery	1,551,682	80,376	44,300	44,300
Interest Income	8,437	9,000	0	0
Miscellaneous Income	530	0	0	0
TOTAL CURRENT REVENUES	\$11,271,276	\$9,995,936	\$9,940,860	\$9,940,860
TOTAL FINANCING SOURCES	\$12,165,350	\$11,716,983	\$11,171,620	\$12,150,110
EXPENDITURES				
Administration	\$363,866	\$369,117	\$368,128	\$507,350
Benefits	1,058,679	1,644,793	1,644,598	1,658,083
Medical/Dental Claims	6,583,644	4,989,859	4,989,859	4,989,859
General Liability	781,644	849,680	849,680	849,680
Workers' Compensation	668,784	657,220	657,220	657,220
Health and Wellness	184,477	216,448	215,819	221,271
Clinical Services	435,094	412,501	412,501	428,177
GF Administrative Fee	368,115	368,115	368,115	377,235
TOTAL EXPENDITURES	\$10,444,303	\$9,507,733	\$9,505,920	\$9,688,875
ENDING FUND BALANCE	\$1,721,047	\$2,209,250	\$1,665,700	\$2,461,235

RISK MANAGEMENT FUND

OVERVIEW

Revenues	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Medical/Dental				
Insurance Claim Recovery	\$1,473,759	\$51,000	\$25,000	\$25,000
Self Funding Insurance	7,611,680	7,820,560	7,810,560	7,810,560
Life Insurance	97,883	96,000	96,000	96,000
Miscellaneous	7,378	10,076	0	0
Interest	6,696	7,185	0	0
Subtotal Revenue	<u>\$9,197,396</u>	<u>\$7,984,821</u>	<u>\$7,931,560</u>	<u>\$7,931,560</u>
General Liability				
Self Funding Insurance	\$877,874	\$890,000	\$890,000	\$890,000
Auto Claim Recovery	27,469	4,000	4,000	4,000
G/L Claim Recovery	32,873	5,300	5,300	5,300
Property Insurance Recovery	0	0	0	0
Interest	834	813	0	0
Subtotal Revenue	<u>\$939,050</u>	<u>\$900,113</u>	<u>\$899,300</u>	<u>\$899,300</u>
Worker's Compensation				
Self Funding Insurance	\$1,123,190	\$1,100,000	\$1,100,000	\$1,100,000
WC Claim Recovery	10,733	10,000	10,000	10,000
Interest	907	1,002	0	0
Subtotal Revenue	<u>\$1,134,830</u>	<u>\$1,111,002</u>	<u>\$1,110,000</u>	<u>\$1,110,000</u>
Total Revenue	<u><u>\$11,271,276</u></u>	<u><u>\$9,995,936</u></u>	<u><u>\$9,940,860</u></u>	<u><u>\$9,940,860</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 the Risk Management Fund. The fund is responsible for all claims for risk of loss to which the City is exposed, including general liability, property and casualty, employee health and accident, environmental, and antitrust. Medical claims exceeding \$250,000 per covered individual and workers' compensation claims in excess of \$350,000 (civilian) and \$500,000 (public safety) are covered through private insurance carriers. The City also carries catastrophic stop-loss reinsurance for general liability claims exceeding \$250,000. All other City funds participate in this fund.

The cost of providing claim servicing and claim payments are allocated by charging a "premium" to each fund. Medical/Dental is the largest revenue source for this fund at \$7,931,560, or 79.79%, of total revenue for the entire fund. This revenue is obtained through internal service deductions to all applicable funds employing full-time personnel (84.60%), dependent coverage premiums collected through payroll deduction (4.60%), and retiree premium collections (10.80%). 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.

Medical/dental rates will not increase in fiscal year 2012-13. It is anticipated that the revenues generated in the upcoming year will be sufficient to offset any increases in expenditures.

Source	2012-13 Budget		Increase/(Decrease) from 2011-12 Budget	
	Amount	%	Amount	%
Medical/Dental	\$7,931,560	79.79%	\$0	0.00%
General Liability	899,300	9.05%	0	0.00%
Workers' Compensation	<u>1,110,000</u>	<u>11.17%</u>	<u>0</u>	<u>0.00%</u>
TOTAL	\$9,940,860	100.00%	\$0	0.00%

The 2012-13 budgeted revenues total \$9,940,860, the same amount that was budgeted in 2011-12. 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. Annual well-man, well-woman, and well-child visits are free of charge. Depending upon which insurance plan the employee chooses, the co-pay for emergency room visits costs between \$80 and \$160, and the co-pay for hospital stays costs between \$240 and \$480. Through contract providers, preferred providers, co-pays, and the employee health clinic and fitness center, employees enjoy a wide array of benefits while the City maintains costs.

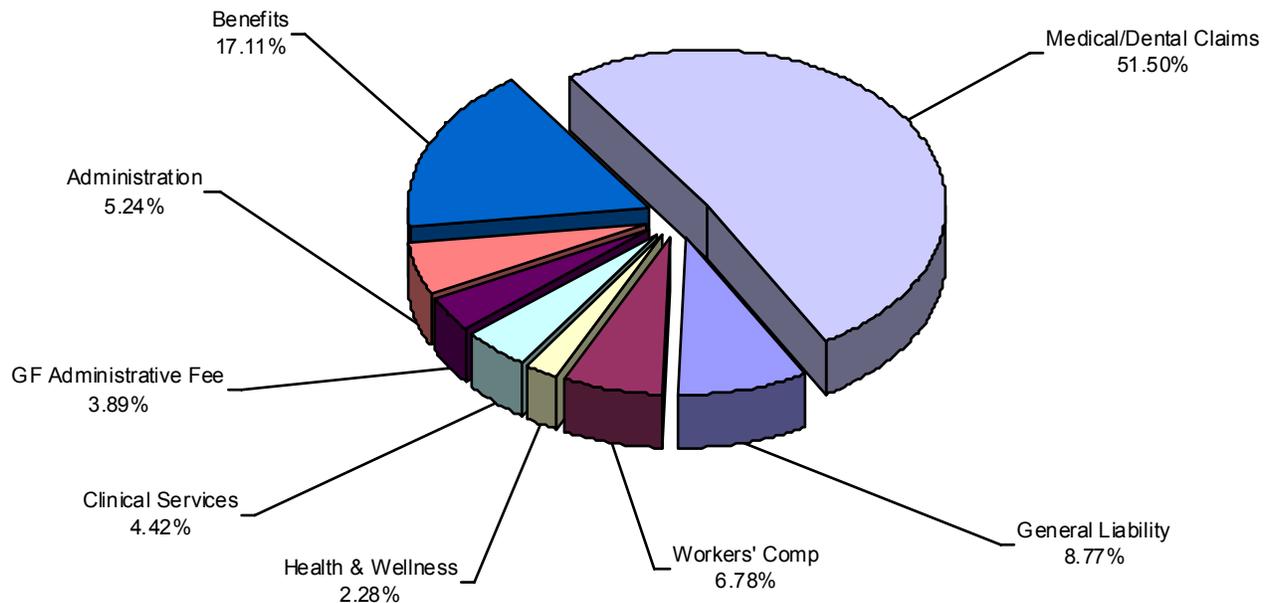
RISK MANAGEMENT FUND

OVERVIEW

Expenditures By Classification

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Administration	\$363,866	\$369,117	\$368,128	\$507,350
Benefits	1,058,679	1,644,793	1,644,598	1,658,083
Medical/Dental Claims	6,583,644	4,989,859	4,989,859	4,989,859
General Liability	781,644	849,680	849,680	849,680
Workers' Compensation	668,784	657,220	657,220	657,220
Health and Wellness	184,477	216,448	215,819	221,271
Clinical Services	435,094	412,501	412,501	428,177
GF Administrative Fee	368,115	368,115	368,115	377,235
Total Expenditures	<u>\$10,444,303</u>	<u>\$9,507,733</u>	<u>\$9,505,920</u>	<u>\$9,688,875</u>

RISK MANAGEMENT FUND 2012-13 EXPENDITURES BY CLASSIFICATION



RISK MANAGEMENT FUND

OVERVIEW

Expenditures

The total projected expenditures for the 2012-13 fiscal year are anticipated to increase by \$182,955 over the 2011-12 adopted budget. The following is a comparative summary of expenditures by classification.

<u>Classification</u>	2012-13 Budget		Increase/(Decrease) From 2011-12 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Administration	\$507,350	5.24%	\$139,222	37.82%
Benefits	1,658,083	17.11%	13,485	0.82%
Medical/Dental Claims	4,989,859	51.50%	0	0.00%
General Liability	849,680	8.77%	0	0.00%
Workers' Compensation	657,220	6.78%	0	0.00%
Health & Wellness	221,271	2.28%	5,452	2.53%
Clinical Services	428,177	4.42%	15,676	3.80%
GF Administrative Fee	<u>377,235</u>	<u>3.89%</u>	<u>9,120</u>	<u>2.48%</u>
TOTAL	\$9,688,875	100.00%	\$182,955	1.92%

In 2012-13, expenditures for the Risk Management Fund will be held to a 1.92% increase over the previous year's budget, with the budgets of three of the divisions remaining at 2011-12 levels. The Administration budget for the upcoming fiscal year is \$507,350. The \$139,222, or 37.82%, increase is due to the 5% pay increase for full-time employees and the introduction of the technology charges to fund computer replacement and help cover the operating costs of the newly-established Information Technology Fund.

The Benefits Division will realize a net increase of \$13,485, only a 0.82% increase compared to the previous year's budget. This division has succeeded in controlling costs over the past several years by processing claims and pre-certifications that had previously been outsourced to private companies.

The budgets for Medical/Dental Claims, General Liability, and Workers' Compensation will remain at the same level as last year, as efforts continue to be made to control these types of costs.

The Health and Wellness division will experience a budgetary increase of \$5,452 in 2012-13, up 2.53% compared to the previous year. The additional funding will be used to cover the cost of the new employee compensation plan.

The Clinical Services budget for the upcoming fiscal year will be \$428,177, an increase of \$15,676, or 3.80%, compared to last year's budget. The majority of the additional monies will be used to fund the 5% pay raise and a small increase in janitorial services costs.

The General Fund Administrative Fee is paid as compensation for services that the General Fund provides to the Risk Management Fund. In 2012-13, the General Fund Administrative Fee will be \$377,235, a \$9,120 increase over the previous year's budget.

RISK MANAGEMENT FUND

OVERVIEW

Expenditures (cont'd.)

Fund Balance

In 2010-11, the actual ending fund balance for the Risk Management Fund was \$1,721,047. In 2011-12, the estimated fund balance was \$2,209,250, a \$488,203, or 28.37%, increase compared to the previous year's actual balance. The increase in fund balance is due to the efforts that have been made to control insurance costs. The upward trend continues into 2012-13 with a projected ending fund balance of \$2,461,235, a clear indication that the strategies that have been implemented to control costs over the past few years are working.

RISK MANAGEMENT FUND

CAPITAL OUTLAY

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

RISK MANAGEMENT FUND

DEPARTMENTS/DIVISIONS

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

RISK MANAGEMENT

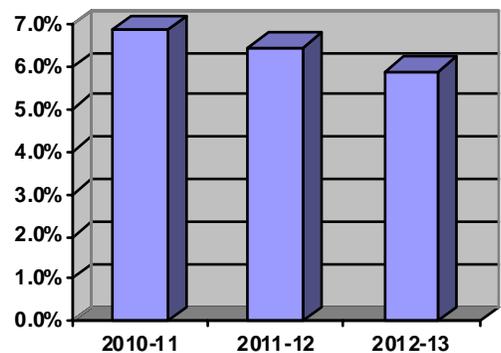
Mission

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. Continue developing Direct Provider Network./(Service)
2. Complete in-sourcing Utilization Management./(Service)
3. Create state association of onsite clinics./(Direction)
4. Expand direct contracts with providers./(Excellence)
5. Renew/renegotiate all insurances without increases./ (Excellence)
6. Develop Joint Venture Child Care Center./(Excellence)
7. Continue maintaining control over costs./(Direction)

% of Risk Management Expenditures to Total City Budget



Objectives / Performance Measures

Effectiveness

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
1. Percentage of Risk Management Expenditures to Total City Budget	6.87%	6.47%	5.90%
2. At Fault Motor Vehicle Accidents	30	16	20
3. Number of Vehicle Accidents per 100,000 Miles Driven	.77	.77	.77
4. Workers' Compensation Lost Work Days	130	150	150
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	\$2,500	\$2,500	\$2,000

RISK MANAGEMENT

Expenditures by Classification (Administration)

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$296,906	\$299,873	\$299,873	\$313,293
Supplies	24,189	27,789	26,800	26,800
Services	42,771	40,955	40,955	166,757
Maintenance	0	500	500	500
Capital Outlay	0	0	0	0
GF Administrative Fee Transfer	<u>368,115</u>	<u>368,115</u>	<u>368,115</u>	<u>377,235</u>
Total Expenditures	\$731,981	\$737,232	\$736,243	\$884,585

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Director of Risk Management	1	1	1
Claims Processor	2	2	2
Health and Wellness Coordinator	1	1	1
Director of Employee Health Services	1	1	1
Medical Assistant	3	3	3
Benefits Supervisor	1	1	1
Utilization Review Coordinator	1	1	1
Benefits Coordinator	1	1	1
Benefits Customer Service Representative	1	1	1
Safety Coordinator	1	1	1
Claims Coordinator	1	1	1
Fitness Coordinator	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	15	15	15

RISK MANAGEMENT FUND

Benefits/Medical & Dental Claims

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$283,372	\$311,294	\$311,294	\$324,088
Supplies	8,036	20,882	20,882	20,882
Services	8,997	15,875	15,680	16,371
Maintenance	13,131	4,000	4,000	4,000
Capital Outlay	1,173	0	0	0
Insurance Requirements	<u>7,327,614</u>	<u>6,282,601</u>	<u>6,282,601</u>	<u>6,282,601</u>
Total Expenditures	\$7,642,323	\$6,634,652	\$6,634,457	\$6,647,942

Health and Wellness

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$130,494	\$115,818	\$115,818	\$120,974
Supplies	17,045	39,959	39,330	39,330
Services	22,914	31,971	31,971	32,267
Maintenance	368	25,200	25,200	25,200
Capital Outlay	<u>13,656</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
Total Expenditures	\$184,477	\$216,448	\$215,819	\$221,271

RISK MANAGEMENT FUND

General Liability Expenditures

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$13,758	\$10,612	\$10,612	\$10,612
Supplies	0	0	0	0
Services	0	0	0	0
Maintenance	0	0	0	0
Capital Outlay	0	0	0	0
Insurance Requirements	767,886	839,068	839,068	839,068
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$781,644	\$849,680	\$849,680	\$849,680

Workers' Compensation Expenditures

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <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>668,784</u>	<u>657,220</u>	<u>657,220</u>	<u>657,220</u>
Total Expenditures	\$668,784	\$657,220	\$657,220	\$657,220

RISK MANAGEMENT FUND

Clinical Services

	2010-11 <u>Actual</u>	2011-12 <u>Estimated</u>	2011-12 <u>Budget</u>	2012-13 <u>Budget</u>
Personal Services	\$254,414	\$260,591	\$260,591	\$272,284
Supplies	117,267	98,690	98,690	98,690
Services	60,270	40,720	40,720	44,703
Maintenance	0	2,500	2,500	2,500
Capital Outlay	<u>3,143</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total Expenditures	\$435,094	\$412,501	\$412,501	\$428,177

DEBT SERVICE FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$541,064	\$545,365	\$541,064	\$547,865
CURRENT REVENUES				
Ad Valorem Tax Revenue	\$2,931,982	\$2,958,543	\$2,958,543	\$2,907,949
Interest Income	2,780	2,500	0	0
TOTAL CURRENT REVENUES	\$2,934,762	\$2,961,043	\$2,958,543	\$2,907,949
TOTAL FINANCING SOURCES	\$3,475,826	\$3,506,408	\$3,499,607	\$3,455,814
EXPENDITURES				
2001 Certificates of Obligation	\$218,485	\$222,365	\$222,365	\$0
2004 Certificates of Obligation	294,379	310,966	310,966	112,888
2005 Certificates of Obligation	330,594	330,013	330,013	329,050
2006 Certificates of Obligation	773,524	772,074	772,074	764,661
2006 Refunding Issue	696,500	697,100	697,100	696,900
2007 Certificates of Obligation	231,600	240,600	240,600	249,200
2009 Certificates of Obligation	382,525	381,050	381,050	382,925
2012 Refunding Issue	0	0	0	367,950
Bank Services Charges	2,854	4,375	4,375	4,375
TOTAL EXPENDITURES	\$2,930,461	\$2,958,543	\$2,958,543	\$2,907,949
ENDING FUND BALANCE	\$545,365	\$547,865	\$541,064	\$547,865

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 2004, City Council approved an ordinance authorizing the issuance of \$5,795,000 in Certificates of Obligation, Series 2004. Proceeds funded the construction of two street interchanges, improvements to the City's computer system, and park and street improvements.

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

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

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

After the 2007-08 Proposed Budget was filed, City Council authorized the issuance of \$4,345,000 in Certificates of Obligation, Series 2007 to fund park, street, and traffic improvements.

In 2008-09, the 2009 Refunding Bonds were issued to refund the Series 1998 Certificates of Obligation in the amount of \$3,195,000. The issuance of these bonds resulted in a net present-value savings of 4.674% of the refunded principal.

The City issued \$6,780,000 in Refunding Bonds in 2011-12. The refunding issue and debt service funds were used to pay off the \$1,810,000 balance of the 2001 bond series and pay \$5,085,000 against the 2004 bond series balance. The refunding issue resulted in a present value savings of \$810,758.

The debt requirement for 2012-13 is \$2,907,949. This represents a decrease of 1.71% compared to the previous year.

SCHEDULE OF OUTSTANDING DEBT

OVERVIEW

Water and Sewer Debt Service

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

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

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

After the 2007-08 proposed budget was filed, Certificates of Obligation, Series 2007 were issued in the amount of \$62,855,000. Proceeds were designated for major water and sewer improvements, including water and sewer line replacements, Water Treatment Plant improvements, and other major water and sewer projects.

In 2008-09, the 2009 Refunding Bonds were issued to refund a portion of the 2001 Series Refunding Revenue Bonds in the amount of \$3,965,000. The issuance of these bonds resulted in a net present-value savings of 8.073% of this refunded principal.

No new water and sewer debt was issued between 2009-10 and 2011-12. During this time, CIP monies and proceeds from the 2007 bond issue were sufficient to cover the cost of all major water and sewer projects. In fiscal years 2010 through 2012, the debt service requirements were \$7,820,456, \$7,602,125, and \$7,609,625, respectively.

No additional debt is expected to be issued in FY 2013. The 2012-13 debt service requirement is \$7,602,350. This represents a decrease of \$7,275 compared to the previous year and comprises 17.00% of the Water and Sewer Fund operating budget.

GENERAL DEBT SERVICE FUND

GENERAL DEBT SERVICE FUND 2012-13

**CITY OF ODESSA
COMBINED SCHEDULE OF GENERAL DEBT SERVICE
SEPTEMBER 30, 2012**

	SERIES 2004			SERIES 2005		
	CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION		CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2013	110,000	2,888	112,888	135,000	194,050	329,050
2014	-	-	-	140,000	187,863	327,863
2015	-	-	-	145,000	181,450	326,450
2016	-	-	-	170,000	174,660	344,660
2017	-	-	-	190,000	167,190	357,190
2018	-	-	-	320,000	156,608	476,608
2019	-	-	-	350,000	142,705	492,705
2020	-	-	-	475,000	125,586	600,586
2021	-	-	-	495,000	105,459	600,459
2022	-	-	-	515,000	84,373	599,373
2023	-	-	-	550,000	61,870	611,870
2024	-	-	-	555,000	38,250	593,250
2025	-	-	-	605,000	13,159	618,159
	<u>\$110,000</u>	<u>\$2,888</u>	<u>\$112,888</u>	<u>\$4,645,000</u>	<u>\$1,633,223</u>	<u>\$6,278,223</u>

GENERAL DEBT SERVICE FUND

GENERAL DEBT SERVICE FUND 2012-13

**CITY OF ODESSA
COMBINED SCHEDULE OF GENERAL DEBT SERVICE
SEPTEMBER 30, 2012**

	SERIES 2006 CERTIFICATES OF OBLIGATION			SERIES 2006 REFUNDING ISSUE		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2013	415,000	349,661	764,661	515,000	181,900	696,900
2014	435,000	329,549	764,549	540,000	160,800	700,800
2015	460,000	311,649	771,649	565,000	138,700	703,700
2016	480,000	292,609	772,609	595,000	115,500	710,500
2017	500,000	272,144	772,144	630,000	91,000	721,000
2018	525,000	250,231	775,231	655,000	65,300	720,300
2019	550,000	226,844	776,844	690,000	38,400	728,400
2020	580,000	201,839	781,839	615,000	12,300	627,300
2021	605,000	175,321	780,321	-	-	-
2022	635,000	147,421	782,421	-	-	-
2023	670,000	117,724	787,724	-	-	-
2024	705,000	86,099	791,099	-	-	-
2025	740,000	52,864	792,864	-	-	-
2026	775,000	17,922	792,922	-	-	-
	\$8,075,000	\$2,831,877	\$10,906,877	\$4,805,000	\$803,900	\$5,608,900

GENERAL DEBT SERVICE FUND

GENERAL DEBT SERVICE FUND 2012-13

**CITY OF ODESSA
COMBINED SCHEDULE OF GENERAL DEBT SERVICE
SEPTEMBER 30, 2012**

	SERIES 2007 CERTIFICATES OF OBLIGATION			SERIES 2009 REFUNDING ISSUE		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2013	40,000	209,200	249,200	300,000	82,925	382,925
2014	45,000	207,500	252,500	315,000	73,700	388,700
2015	40,000	205,800	245,800	325,000	63,288	388,288
2016	45,000	203,875	248,875	335,000	50,900	385,900
2017	45,000	201,625	246,625	350,000	37,200	387,200
2018	55,000	199,125	254,125	370,000	22,800	392,800
2019	65,000	196,125	261,125	385,000	7,700	392,700
2020	80,000	192,500	272,500	-	-	-
2021	450,000	179,250	629,250	-	-	-
2022	475,000	156,125	631,125	-	-	-
2023	490,000	132,000	622,000	-	-	-
2024	530,000	106,500	636,500	-	-	-
2025	545,000	79,625	624,625	-	-	-
2026	610,000	50,750	660,750	-	-	-
2027	710,000	17,750	727,750	-	-	-
	<u>\$4,225,000</u>	<u>\$2,337,750</u>	<u>\$6,562,750</u>	<u>\$2,380,000</u>	<u>\$338,513</u>	<u>\$2,718,513</u>

GENERAL DEBT SERVICE FUND

GENERAL DEBT SERVICE FUND 2012-13

**CITY OF ODESSA
COMBINED SCHEDULE OF GENERAL DEBT SERVICE
SEPTEMBER 30, 2012**

	SERIES 2012 REFUNDING ISSUE			TOTAL		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2013	170,000	197,950	367,950	1,685,000	1,218,574	2,903,574
2014	290,000	193,350	483,350	1,765,000	1,152,762	2,917,762
2015	300,000	187,450	487,450	1,835,000	1,088,337	2,923,337
2016	395,000	180,500	575,500	2,020,000	1,018,044	3,038,044
2017	425,000	172,300	597,300	2,140,000	941,459	3,081,459
2018	485,000	163,200	648,200	2,410,000	857,264	3,267,264
2019	520,000	150,550	670,550	2,560,000	762,324	3,322,324
2020	695,000	132,325	827,325	2,445,000	664,550	3,109,550
2021	1,025,000	106,525	1,131,525	2,575,000	566,555	3,141,555
2022	785,000	79,375	864,375	2,410,000	467,294	2,877,294
2023	825,000	51,100	876,100	2,535,000	362,694	2,897,694
2024	865,000	17,300	882,300	2,655,000	248,149	2,903,149
2025	-	-	-	1,890,000	145,648	2,035,648
2026	-	-	-	1,385,000	68,672	1,453,672
2027	-	-	-	710,000	17,750	727,750
	<u>\$6,780,000</u>	<u>\$1,631,925</u>	<u>\$8,411,925</u>	<u>\$31,020,000</u>	<u>\$9,580,076</u>	<u>\$40,600,076</u>

SCHEDULE OF REVENUE BOND REQUIREMENT

WATER AND SEWER DEBT 2012-13

CITY OF ODESSA COMBINED SCHEDULE OF REVENUE BOND REQUIREMENTS SEPTEMBER 30, 2012

	SERIES 2006 REFUNDING REVENUE BONDS			SERIES 2007 CERTIFICATES OF OBLIGATION		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2013	3,070,000	322,800	3,392,800	-	3,142,750	3,142,750
2014	3,205,000	197,300	3,402,300	-	3,142,750	3,142,750
2015	3,330,000	66,600	3,396,600	-	3,142,750	3,142,750
2016	-	-	-	3,920,000	3,044,750	6,964,750
2017	-	-	-	4,120,000	2,843,750	6,963,750
2018	-	-	-	4,330,000	2,632,500	6,962,500
2019	-	-	-	4,555,000	2,410,375	6,965,375
2020	-	-	-	4,785,000	2,176,875	6,961,875
2021	-	-	-	5,035,000	1,931,375	6,966,375
2022	-	-	-	5,290,000	1,673,250	6,963,250
2023	-	-	-	5,560,000	1,402,000	6,962,000
2024	-	-	-	5,850,000	1,116,750	6,966,750
2025	-	-	-	6,150,000	816,750	6,966,750
2026	-	-	-	6,465,000	501,375	6,966,375
2027	-	-	-	6,795,000	169,875	6,964,875
	<u>\$9,605,000</u>	<u>\$586,700</u>	<u>\$10,191,700</u>	<u>\$62,855,000</u>	<u>\$30,147,875</u>	<u>\$93,002,875</u>

SCHEDULE OF REVENUE BOND REQUIREMENT

WATER AND SEWER DEBT 2012-13

CITY OF ODESSA COMBINED SCHEDULE OF REVENUE BOND REQUIREMENTS SEPTEMBER 30, 2012

	SERIES 2009 REFUNDING REVENUE BONDS			TOTAL		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2013	985,000	81,800	1,066,800	4,055,000	3,547,350	7,602,350
2014	1,015,000	51,800	1,066,800	4,220,000	3,391,850	7,611,850
2015	1,045,000	18,288	1,063,288	4,375,000	3,227,638	7,602,638
2016	-	-	-	3,920,000	3,044,750	6,964,750
2017	-	-	-	4,120,000	2,843,750	6,963,750
2018	-	-	-	4,330,000	2,632,500	6,962,500
2019	-	-	-	4,555,000	2,410,375	6,965,375
2020	-	-	-	4,785,000	2,176,875	6,961,875
2021	-	-	-	5,035,000	1,931,375	6,966,375
2022	-	-	-	5,290,000	1,673,250	6,963,250
2023	-	-	-	5,560,000	1,402,000	6,962,000
2024	-	-	-	5,850,000	1,116,750	6,966,750
2025	-	-	-	6,150,000	816,750	6,966,750
2026	-	-	-	6,465,000	501,375	6,966,375
2027	-	-	-	6,795,000	169,875	6,964,875
	<u>\$3,045,000</u>	<u>\$151,888</u>	<u>\$3,196,888</u>	<u>\$75,505,000</u>	<u>\$30,886,463</u>	<u>\$106,391,463</u>

2012-13 OUTSTANDING LEASE AGREEMENTS

CITY OF ODESSA, TEXAS SCHEDULE OF CAPITAL LEASE REQUIREMENTS

Fire Truck Lease

Year	Principal	Interest	Total
2012-13	\$ 460,123	\$ 74,628	\$ 534,751
2013-14	478,947	55,804	534,751
2014-15	498,540	36,211	534,751
2015-16	<u>518,935</u>	<u>15,815</u>	<u>534,750</u>
TOTAL	<u>\$ 1,956,545</u>	<u>\$ 182,458</u>	<u>\$ 2,139,003</u>

Motorola Lease

Year	Principal	Interest	Total
2012-13	\$ 592,006	\$ 205,973	\$ 797,979
2013-14	678,071	119,908	797,979
2014-15	696,725	101,254	797,979
2015-16	715,892	82,087	797,979
2016-17	735,586	62,393	797,979
2017-18	755,822	42,157	797,979
2018-19	<u>776,615</u>	<u>21,364</u>	<u>797,979</u>
TOTAL	<u>\$ 4,950,717</u>	<u>\$ 635,136</u>	<u>\$ 5,585,853</u>

COMMUNITY DEVELOPMENT FUND

OVERVIEW

	2009-10 Budget	2010-11 Budget	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$0	\$0	\$0	\$0
CURRENT REVENUES				
Block Grant Funds (CDBG)	\$1,133,482	\$1,228,954	\$1,027,852	\$799,585
Unprogrammed Funds	247,999	157,300	0	102,816
HOME Grant Funds	497,182	494,925	437,450	228,117
TOTAL CURRENT REVENUES	\$1,878,663	\$1,881,179	\$1,465,302	\$1,130,518
TOTAL FINANCING SOURCES	\$1,878,663	\$1,881,179	\$1,465,302	\$1,130,518
EXPENDITURES				
Personal Services	\$503,436	\$493,455	\$475,062	\$385,025
Supplies	24,561	26,303	26,394	33,027
Services	135,032	125,962	118,600	128,706
Maintenance	8,000	8,000	10,000	10,500
Capital Outlay	4,000	4,000	5,249	15,557
Projects/Programs	1,203,634	1,223,459	829,997	557,703
TOTAL EXPENDITURES	\$1,878,663	\$1,881,179	\$1,465,302	\$1,130,518
ENDING FUND BALANCE	\$0	\$0	\$0	\$0

COMMUNITY DEVELOPMENT FUND

OVERVIEW

	2012-13 Budget
Beginning Fund Balance	\$0
Current Revenues	
Block Grant Funds (CDBG)	\$799,585
Unprogrammed Funds	102,816
HOME Grant Funds	228,117
Total Current Revenues	\$1,130,518
Total Financing Sources	\$1,130,518
Expenditures:	
Program Administration	\$159,917
Housing Rehabilitation	191,659
Demolition Program	147,005
Neighborhood Development Services	228,820
HOME Program	228,117
Boys & Girls Club – Woodson	10,000
Odessa Affordable Housing	40,000
Main Street Facade Improvement Program	10,000
Vacant Lot Clearance Program	15,000
Meals on Wheels	25,000
Permian Basin Centers (MHMR)	75,000
Total Expenditures	\$1,130,518
Ending Fund Balance	\$0

COMMUNITY DEVELOPMENT FUND

CAPITAL OUTLAY

Fund and Department/Division	Item	Item Total	Total
COMMUNITY DEVELOPMENT			
CD Administration	Furniture & Office Equipment	\$4,308	
	Data Processing Equipment	<u>11,249</u>	
	Subtotal CD Administration		\$15,557
TOTAL CAPITAL OUTLAY – COMMUNITY DEV. FUND			<u><u>\$15,557</u></u>

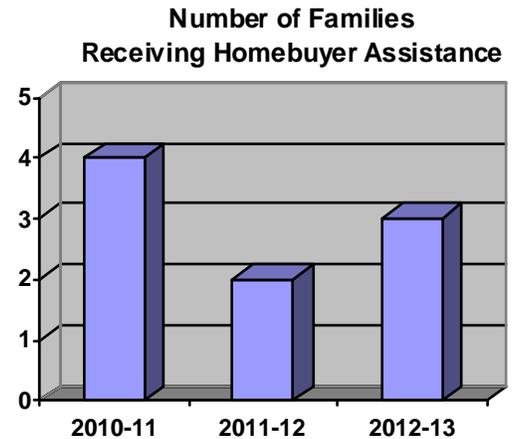
COMMUNITY DEVELOPMENT

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 families through a down payment and closing cost assistance program.
4. Continue to provide human services assistance (assist proposed 300 persons).

	FY 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
--	-----------------------------	-------------------------------	-----------------------------

	5	4	4
	0	2	2
	2	3	4
	94%	66%	100%

COMMUNITY DEVELOPMENT

Expenditures by Classification

	<u>2010-11 Budget</u>	<u>2011-12 Budget</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$503,436	\$493,455	\$475,062	\$385,025
Supplies	24,561	26,303	26,394	33,027
Services	135,032	125,962	118,600	128,706
Maintenance	8,000	8,000	10,000	10,500
Capital Outlay	4,000	4,000	5,249	15,557
Projects/Programs	<u>1,203,634</u>	<u>1,223,459</u>	<u>829,997</u>	<u>557,703</u>
Total Expenditures	\$1,878,663	\$1,881,179	\$1,465,302	\$1,130,518

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Director of Community Development**	1	1	1
Program Manager	1	1	1
Program Assistant	1	1	1
Neighborhood Development Svcs. Supervisor***	1	1	1
Housing Assistant	1	1	1
Demolition Inspector	1	1	1
Housing Rehab Specialist *	1	1	1
Code Enforcement Officer	3	3	3
Housing Construction Coordinator	1	0	0
Housing Construction Manager	<u>0</u>	<u>1</u>	<u>1</u>
Total Personnel	11	10	10
Funding Sources:			
Community Development	8.5	8.5	8.5
HOME*	1	0	0
General Fund**	1	1	1
Solid Waste***	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Personnel	11	10	10

RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	(\$2,201,551)	(\$2,285,860)	(\$2,099,013)	(\$2,339,749)
CURRENT REVENUES				
Green Fees	\$600,153	\$558,000	\$646,800	\$650,800
Pro Shop Sales	270,318	237,000	250,000	250,000
Range Tokens	37,340	40,000	37,700	37,700
Grill Rental	34,223	34,000	32,000	32,000
Carts	332,229	298,000	329,400	329,400
GF Transfer In	200,000	200,000	200,000	200,000
Other Revenue	7,713	5,400	5,100	5,100
TOTAL CURRENT REVENUES	\$1,481,976	\$1,372,400	\$1,501,000	\$1,505,000
TOTAL FINANCING SOURCES	(\$719,575)	(\$913,460)	(\$598,013)	(\$834,749)
EXPENDITURES				
Personal Services	\$588,564	\$557,336	\$557,336	\$579,197
Supplies	300,867	230,683	225,883	225,883
Services	587,704	580,498	580,498	561,264
Maintenance	89,150	57,772	57,772	57,772
Capital Outlay	0	0	0	0
TOTAL EXPENDITURES	\$1,566,285	\$1,426,289	\$1,421,489	\$1,424,116
ENDING FUND BALANCE	(\$2,285,860)	(\$2,339,749)	(\$2,019,502)	(\$2,258,865)

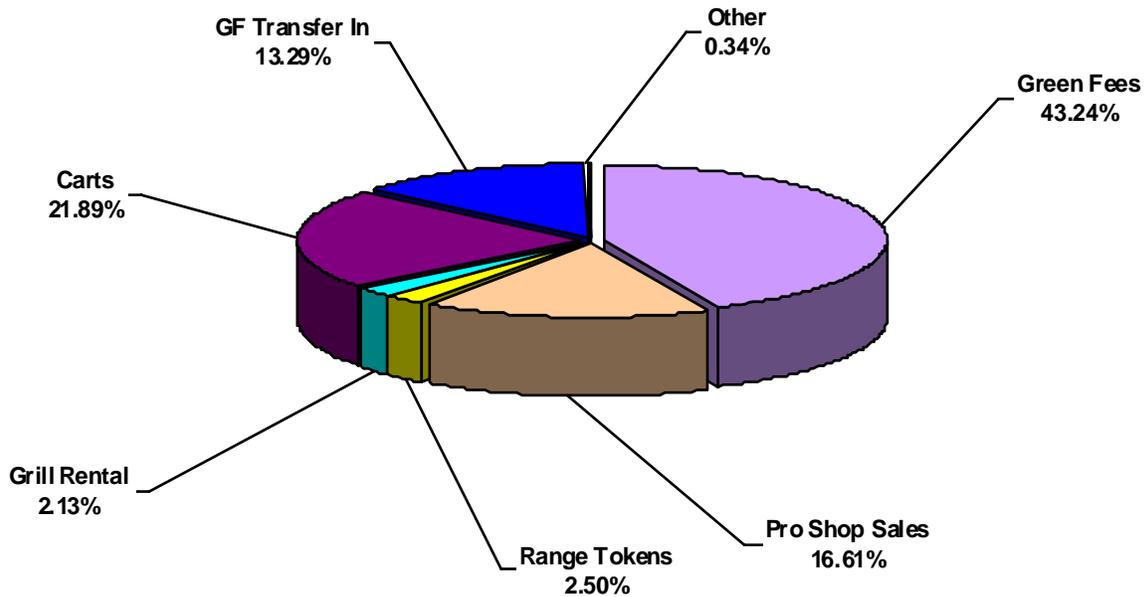
RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Revenues

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Green Fees	\$600,153	\$558,000	\$646,800	\$650,800
Pro Shop Sales	270,318	237,000	250,000	250,000
Range Tokens	37,340	40,000	37,700	37,700
Grill Rental	34,223	34,000	32,000	32,000
Carts	332,229	298,000	329,400	329,400
GF Transfer In	200,000	200,000	200,000	200,000
Other Revenue	7,713	5,400	5,100	5,100
Total Revenue	<u>\$1,481,976</u>	<u>\$1,372,400</u>	<u>\$1,501,000</u>	<u>\$1,505,000</u>

**RATLIFF RANCH GOLF COURSE FUND
2012-13 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 the years, several improvements have been made to the golf course. Together with an advertising campaign aimed at building the customer base, these improvements have led to increased attendance and revenues.

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

Source	2012-13 Budget		Increase / (Decrease) from 2011-12 Budget	
	Amount	%	Amount	%
Green Fees	\$650,800	43.24%	\$4,000	0.62%
Pro Shop Sales	250,000	16.61%	0	0.00%
Range Tokens	37,700	2.50%	0	0.00%
Grill Rental	32,000	2.13%	0	0.00%
Carts	329,400	21.89%	0	0.00%
GF Transfer In	200,000	13.29%	0	0.00%
Other Revenue	<u>5,100</u>	<u>0.34%</u>	<u>0</u>	<u>0.00%</u>
TOTAL	\$1,505,000	100.00%	\$4,000	0.27%

In 2012-13, it is anticipated that Golf Course revenues will reach \$1,505,000. Revenues are very close to last year's projection, realizing an increase of just \$4,000, or 0.27%.

The Green Fees category is the single largest source of income for the Golf Course, comprising 43.24% of the overall budget. Projections indicate that this category will experience a \$4,000, or 0.62%, increase compared to 2011-12 numbers.

The second largest source of revenue, Golf Cart Rentals, makes up 21.89% of the total revenue for this fund. This category is not expected to bring in any additional revenue in 2012-13. The budget of \$329,400 remains at the same level as last year.

Pro Shop Sales, Range Tokens, and Grill Rental revenues will remain at 2011-12 levels, generating \$250,000, \$37,700, and \$32,000, respectively. Together, these three categories account for 21.24% of total Golf Course revenue.

The General Fund transfer-in for the upcoming fiscal year is \$200,000, the same as it was last year. The budget for this line item accounts for 13.29% of all Golf Course revenues.

The budget for Other Revenue is the same as last year. This category accounts for \$5,100, or 0.34%, of the total revenue for this fund.

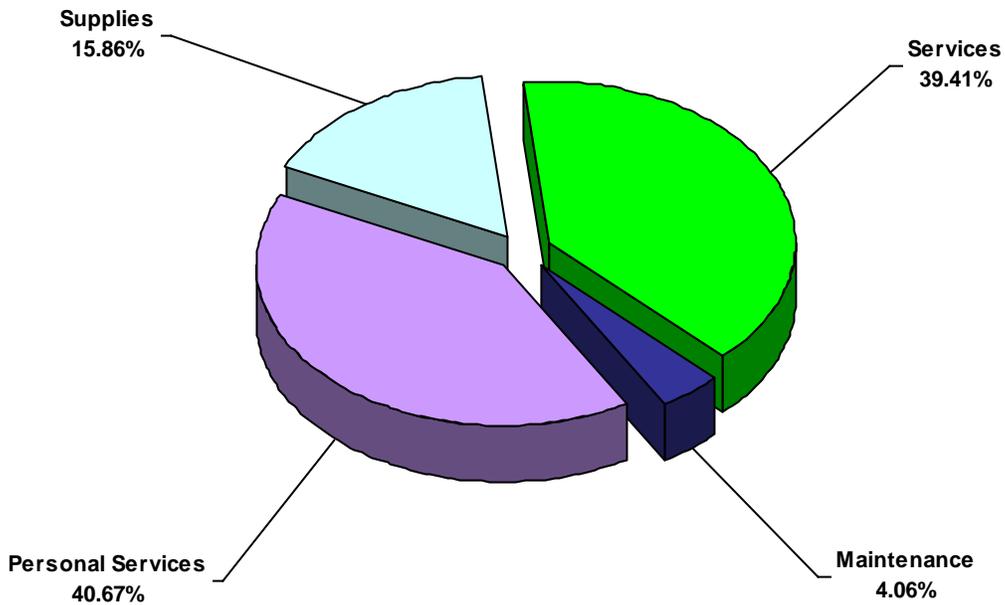
RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Expenditures By Classification

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
Personal Services	\$588,564	\$557,336	\$557,336	\$579,197
Supplies	300,867	230,683	225,883	225,883
Services	587,704	580,498	580,498	561,264
Maintenance	89,150	57,772	57,772	57,772
Capital Outlay	0	0	0	0
	<u>\$1,566,285</u>	<u>\$1,426,289</u>	<u>\$1,421,489</u>	<u>\$1,424,116</u>

RATLIFF RANCH GOLF COURSE FUND 2012-13 EXPENDITURES BY CLASSIFICATION



RATLIFF RANCH GOLF COURSE FUND

OVERVIEW

Expenditures

Ratliff Ranch Golf Course Fund's budgeted expenditures are \$1,424,116 for 2012-13. This represents an increase of 0.18% compared to last year's budget. The major factors contributing to the increase include the implementation of the new employee compensation plan and the introduction of technology charges to the budget. Below is a comparative summary of budgeted expenditures by classification.

<u>Source</u>	2012-13 Budget		Increase / (Decrease) from 2011-12 Budget	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$579,197	40.67%	\$21,861	3.92%
Supplies	225,883	15.86%	0	0.00%
Services	561,264	39.41%	(19,234)	(3.31%)
Maintenance	57,772	4.06%	0	0.00%
Capital Outlay	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>n/a</u>
TOTAL	\$1,424,116	100.00%	\$2,627	0.18%

In 2012-13, the Golf Course budgeted for 9 positions, the same number of positions that were funded last year. The 3.92% increase in Personal Services is due to the implementation of the 5% pay raise for full-time employees.

Together, the Supplies and Maintenance budgets comprise 19.92% of the total Golf Course budget. Funding levels for both categories will remain the same as last year, as it is anticipated that no additional funds will be necessary to cover normal operating costs.

Services expenditures make up 39.41% of the total Golf Course budget. The bulk of this category's budget is used to maintain the fleet, lease golf carts, and pay for water and electricity. The \$19,234 decrease is due to a decrease in fleet maintenance and telephone inline maintenance costs.

No funds have been designated for Capital Outlay expenditures in the current fiscal year. This category's budget fluctuates from year to year, depending upon the need for large-ticket items.

Fund Balance

The actual fund balance in 2010-11 was negative \$2,285,860. By 2011-12, the estimated fund balance was negative \$2,339,749, a 2.4% increase over the previous year. The projected 2012-13 fund balance is negative \$2,258,865. The deficit fund balances are a carryover from 2007 and 2008, when the Golf Course was closed for major renovation and construction projects. It is anticipated that the deficit will be repaid over the next few years, as the Golf Course becomes more established and attendance increases.

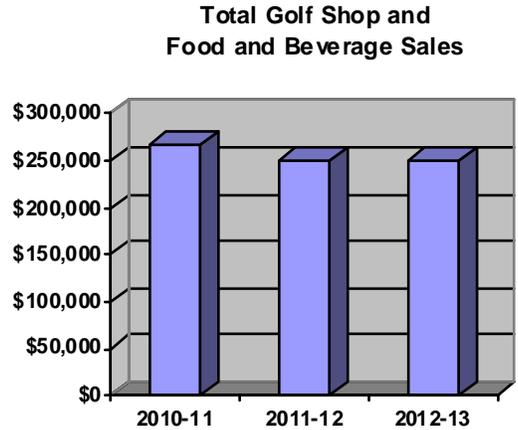
RATLIFF RANCH GOLF COURSE

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 2010-11 <u>Actual</u>	FY 2011-12 <u>Estimate</u>	FY 2012-13 <u>Target</u>
1. Average Expenditure per Irrigated Acre	\$11,407	\$11,407	\$11,407
2. Number of Irrigated Acres Maintained per Full-Time Golf Course Maintenance Employee (Based on 9 Employees)	13.89	13.89	13.89
3. Number of Rounds	41,080	39,000	41,000
4. Total Golf Shop / Food and Beverage Sales	\$266,264	\$250,000	\$250,000
5. Number of Player Development / Clinics Provided	7	8	8
6. Increase Number of Tournaments	31	36	36

RATLIFF RANCH GOLF COURSE FUND

Expenditures by Classification

	<u>2010-11 Actual</u>	<u>2011-12 Estimated</u>	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>
Personal Services	\$588,564	\$557,336	\$557,336	\$579,197
Supplies	300,867	230,683	225,883	225,883
Services	587,704	580,498	580,498	561,264
Maintenance	89,150	57,772	57,772	57,772
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$1,566,285	\$1,426,289	\$1,421,489	\$1,424,116

Personnel by Job Title

	<u>2010-11 Fiscal Year</u>	<u>2011-12 Fiscal Year</u>	<u>2012-13 Fiscal Year</u>
Golf Course Pro/Manager	1	1	1
Assistant Golf Course Pro	2	2	2
Golf Course Superintendent	1	1	1
Assistant Golf Course Superintendent	1	1	1
Golf Course Mechanic *	1	1	1
Golf Course Equipment Operator	<u>4</u>	<u>4</u>	<u>4</u>
Total Personnel	10	10	10
Funding Sources:			
Golf Course Fund	9	9	9
Equipment Service Fund *	<u>1</u>	<u>1</u>	<u>1</u>
Total Personnel	10	10	10

CONVENTION AND VISITORS FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$3,600,468	\$4,528,713	\$3,910,158	\$5,574,549
CURRENT REVENUES				
Hotel/Motel Tax	\$2,899,294	\$3,200,000	\$2,600,000	\$3,200,000
Interest Income	8,466	10,000	0	0
TOTAL CURRENT REVENUES	\$2,907,760	\$3,210,000	\$2,600,000	\$3,200,000
TOTAL FINANCING SOURCES	\$6,508,228	\$7,738,713	\$6,510,158	\$8,774,549
EXPENDITURES				
Black Cultural Council	\$20,000	\$20,000	\$20,000	\$25,000
Commemorative Air Force	50,000	50,000	50,000	50,000
Convention & Visitors Bureau	865,232	905,153	905,153	934,832
C&V Bureau/Sports Event Recruit.	99,100	100,000	100,000	100,000
Ector County-Judges/Comm. Conf.	15,000	0	0	0
Fiesta West Texas	20,000	20,000	20,000	21,000
Friends of Ector Theatre	29,958	30,000	30,000	35,000
Globe of the Great Southwest	25,000	25,000	25,000	0
Heritage Holiday	14,000	14,000	14,000	17,200
Junior League of Odessa	0	10,000	10,000	12,000
Main Street Odessa	75,000	76,500	76,500	80,000
Odessa Council for Arts & Human.	330,791	308,672	308,672	400,000
Odessa Jackalopes Hockey Team	40,000	50,000	50,000	60,000
Odessa Links	0	10,000	10,000	20,000
Odessa Student Crime Stoppers	10,000	0	0	0
Parks - Fall Festival	10,000	22,000	22,000	30,000
Parks - Ratliff Ranch Golf Links	56,186	80,000	80,000	100,000
Parks - Starbright Village	62,830	74,000	74,000	125,000
Permian Basin Fair & Exposition	75,000	75,000	75,000	85,000
RIO Education Fund, Inc.	15,000	0	0	25,000
Rock the Desert	0	50,000	50,000	50,000
Sandhills Stockshow & Rodeo	70,000	75,000	75,000	75,000
Texas Nonprofit Theatres, Inc.	0	0	0	10,000
Texas Tours Entertainment	0	20,000	20,000	40,000
West Texas Crossroads Marathon	10,000	22,400	22,400	25,000
West Texas Roughnecks	0	20,000	20,000	25,000
West Texas Track Club	20,000	40,000	40,000	40,000
Ector County Coliseum	50,000	50,000	50,000	50,000
Administrative Cost/Audit Fees	16,418	16,439	16,439	14,665
TOTAL EXPENDITURES	\$1,979,515	\$2,164,164	\$2,164,164	\$2,449,697
Ending Available Balance	\$4,528,713	\$5,574,549	\$4,345,994	\$6,324,852
ENDING FUND BALANCE	\$4,528,713	\$5,574,549	\$4,345,994	\$6,324,852

MUNICIPAL COURT SECURITY FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$66,471	\$63,200	\$50,378	\$46,241
CURRENT REVENUES				
MC Security Fee	\$75,115	\$78,500	\$78,500	\$60,000
Interest	192	0	0	0
TOTAL CURRENT REVENUES	\$75,307	\$78,500	\$78,500	\$60,000
TOTAL FINANCING SOURCES	\$141,778	\$141,700	\$128,878	\$106,241
EXPENDITURES				
Personal Services	\$77,451	\$81,802	\$81,802	\$86,063
Supplies	0	1,900	1,900	1,900
Services	1,127	1,757	1,757	1,955
Maintenance	0	10,000	10,000	10,000
Capital Outlay	0	0	0	0
TOTAL EXPENDITURES	\$78,578	\$95,459	\$95,459	\$99,918
ENDING FUND BALANCE	\$63,200	\$46,241	\$33,419	\$6,323

MUNICIPAL COURT TECHNOLOGY FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$383,601	\$276,658	\$197,969	\$163,747
CURRENT REVENUES				
MC Technology Fee	\$99,583	\$103,500	\$103,500	\$75,000
Interest	856	0	0	0
TOTAL CURRENT REVENUES	\$100,439	\$103,500	\$103,500	\$75,000
TOTAL FINANCING SOURCES	\$484,040	\$380,158	\$301,469	\$238,747
EXPENDITURES				
Personal Services	\$61,761	\$69,023	\$69,023	\$66,369
Supplies	348	5,000	5,000	5,000
Services	12,498	20,000	20,000	60,704
Maintenance	26,649	32,388	32,388	0
Capital Outlay	106,126	90,000	90,000	90,000
TOTAL EXPENDITURES	\$207,382	\$216,411	\$216,411	\$222,073
ENDING FUND BALANCE	\$276,658	\$163,747	\$85,058	\$16,674

LEOSE FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$2,290	\$8,532	\$9,126	\$8,532
CURRENT REVENUES				
Grants & Entitlements	\$12,553	\$14,740	\$14,740	\$14,740
Interest Income	17	0	0	0
TOTAL CURRENT REVENUES	\$12,570	\$14,740	\$14,740	\$14,740
TOTAL FINANCING SOURCES	\$14,860	\$23,272	\$23,866	\$23,272
EXPENDITURES				
Fire Training	\$1,678	\$1,030	\$1,030	\$1,030
Police Training	4,650	13,710	13,710	13,710
TOTAL EXPENDITURES	\$6,328	\$14,740	\$14,740	\$14,740
ENDING FUND BALANCE	\$8,532	\$8,532	\$9,126	\$8,532

DRUG FORFEITURE FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	\$233,804	\$409,405	\$209,950	\$317,653
CURRENT REVENUES				
State Funds	\$37,592	\$51,528	\$0	\$0
Federal Funds	176,472	65,570	0	0
Interest Income	821	1,100	0	0
TOTAL CURRENT REVENUES	\$214,885	\$118,198	\$0	\$0
TOTAL FINANCING SOURCES	\$448,689	\$527,603	\$209,950	\$317,653
EXPENDITURES				
Personal Services	\$0	\$0	\$0	\$0
Supplies	0	144,415	144,415	74,521
Services	0	0	0	0
Capital Outlay	31,794	65,535	65,535	243,132
Operating Transfers Out	7,490	0	0	0
TOTAL EXPENDITURES	\$39,284	\$209,950	\$209,950	\$317,653
ENDING FUND BALANCE	\$409,405	\$317,653	\$0	\$0

LIQUID WASTE FUND

OVERVIEW

	2010-11 Actual	2011-12 Estimated	2011-12 Budget	2012-13 Budget
BEGINNING FUND BALANCE	(\$17,924)	\$26,588	\$17,240	\$33,731
CURRENT REVENUES				
City Participation	\$0	\$0	\$0	\$0
County Participation	0	0	0	0
Liquid Waste Fees	61,071	60,000	60,000	87,000
Interest Income	42	0	0	0
TOTAL CURRENT REVENUES	\$61,113	\$60,000	\$60,000	\$87,000
TOTAL FINANCING SOURCES	\$43,189	\$86,588	\$77,240	\$120,731
EXPENDITURES				
Personal Services	\$6,923	\$42,946	\$42,946	\$43,245
Supplies	1,224	1,075	1,075	1,075
Services	5,906	6,288	6,288	6,202
Maintenance	0	0	0	0
Capital Outlay	0	0	0	0
Other	2,548	2,548	2,548	3,224
TOTAL EXPENDITURES	\$16,601	\$52,857	\$52,857	\$53,746
ENDING FUND BALANCE	\$26,588	\$33,731	\$24,383	\$66,985

2011-12 GRANT SUMMARY

PUBLIC SAFETY COMMUNICATIONS

9-1-1 District Dispatcher Grant - The 9-1-1 Grant provides overtime funding for dispatchers in the Public Safety Communications Department.

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.

2012-13 GRANT PROGRAMS

Grant Name and Description		Total Program Cost	Grant Reimbursement	Net City Contribution
<u>PUBLIC SAFETY</u>				
	Term: (Oct-Sep)			
<u>COMMUNICATIONS</u>				
911 Dispatcher Funding	Salaries/Wages	\$102,128	\$102,128	\$0
	Computer Programs	55,000	55,000	0
	Maintenance	7,872	7,872	0
		\$165,000	\$165,000	\$0
<u>MUNICIPAL COURT</u>				
School Attendance Court	Term: (Oct-Sep)	\$7,500	\$7,500	\$0
	Incentive pay	\$7,500	\$7,500	\$0
<u>CITY ATTORNEY</u>				
School Attendance Court	Term: (Oct-Sep)			
	Part-Time	\$3,000	\$3,000	\$0
	Supplies	2,610	2,610	0
	Services	1,715	1,715	0
		\$7,325	\$7,325	\$0
Total FY 2012-13 Grants		\$179,825	\$179,825	\$0

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

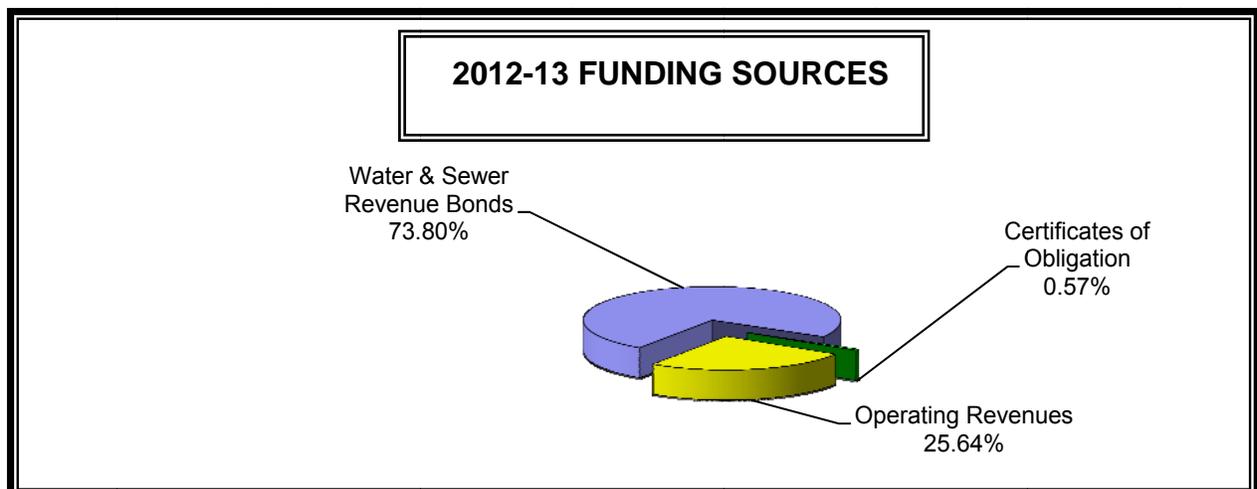
Overview

The total Work In Process Capital Improvement Program (CIP) for the City of Odessa totals \$54,531,302 for the 2012-13 fiscal year, a decrease of \$2.06 million compared to 2011-12 numbers. This year's program focuses on the planning and development of land use, maintenance of existing infrastructure, the installation of the P25 Motorola Radio System, and development of parklands that will enhance the quality of life for our citizens.

The CIP program is grouped into two major capital programs: the General Purpose Capital Program and the Enterprise Fund Capital Program. General Purpose capital projects are funded by certificates of obligation and/or operating revenues, while Enterprise Fund capital projects are funded by Water and Sewer Fund revenue bonds. Both capital programs are five-year plans that are reviewed and updated annually. All projects are 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

	Planned WIP 2011-12	Planned WIP 2012-13
General Purpose		
Parks / Golf Improvements	\$178,435	\$1,631,111
Public Works Improvements	4,880,046	8,957,629
Public Safety Improvements	0	0
Information Tech Improvements	3,095,422	3,467,303
Miscellaneous / Contingencies	233,442	232,766
Enterprise Fund		
Water and Sewer Revenue Bonds	48,208,627	40,242,493
Total Work in Process Capital Budget	\$56,595,972	\$54,531,302



CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

General Purpose Capital Budgets

Prior to 1998-99, the City of Odessa did not prepare a separate 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 capital improvements program for General Purpose with the initiation of master plans for both Parks and Public Works. These master plans became the blueprints for the CIP presented here. However, the plans 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 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 amount of financial burden to the community. Also, a 1/4 cent sales tax for economic development was later adopted in November 1997, enabling the City to begin redirecting additional funds towards this effort as well.

Each year, the plan is reviewed and updated through review of the Parks Open Space Master Plan, Public Works Master Plan, Traffic Master Plan and various engineering studies and cost studies. The most recent revision to the Capital Improvement plan took place in early 2007, prior to the 2007 GO bond issue in the amount of \$4,345,000. Proceeds of this issue provided funding for a skate park, redevelopment of 5 existing parks, various traffic improvements, drainage projects and paving / curb and gutter rehab. Since 2007, several projects have been cash-funded with excess revenues and savings from other projects. In 2008-09, the 2009 Refunding Bonds were issued to refund the 1998 Certificates of Obligation in the amount of \$3,195,000. The issuance of these bonds resulted in a net present-value savings of 4.674% of this refunded principal.

Enterprise Fund Capital Budget

As a separate fund with separate funding sources, Water and Sewer developed its own Capital Improvement Plan for water and wastewater improvements. In 2012-13, \$7,564,072 has been specifically allocated from the 2007 \$62.0 million bond issue for Water and Sewer CIP projects. These projects include Water Treatment Plant improvements, water and sewer line replacements, and improvements at the Bob Derrington Water Reclamation Plant. The Water/Sewer Master Project Plan prioritizes future CIP projects that are needed in order to ensure compliance with state regulations, maintain and improve existing infrastructure, and expand the infrastructure to meet the needs of a growing community. The infrastructure needed to meet this demand each day consists of roughly 656 miles of water mains and 512 miles of sewer lines. Three booster pump stations aid in keeping the water distributed through the system and 2,290 fire hydrants provide emergency access to water for fire services. Water storage in the system consists of 3 elevated tanks and 4 ground storage tanks. Three lift stations aid in delivering wastewater to the plant and 6,784 manholes allow for continued maintenance of the system.



PUEBLO STREET BRIDGE



SEWER LINE REHAB



PUEBLO STREET BRIDGE



NEW WATER LINE UNDER GRANT ST.



NEW WATER LINE INSTALLATION

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Operational Impact of Capital Improvement Program

The City of Odessa currently prepares separate departmental capital budgets from the operating budget, but they are all 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.

The estimated impact of the Capital Budget on the Operating Budget is approximately \$31.02 million in outstanding general debt service incurred from long term financing of capital projects approved in prior years. In mid 2012, the issuance of \$6.78 million in refunding bonds brought the total general debt service to this level. The refunding issue was used to pay off the 2001 Bond Series and to pay \$5,085,000 against the 2004 Bond Series balance, resulting in a present value savings of \$810,758. The tax rate designated for debt service is set at \$0.064644 per \$100 or 12.61% of the tax rate.

In 2006, General Obligation Refunding Bonds, 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.

A Certificates of Obligation issue in late 2007 was made in the amount of \$62,855,000 increasing the debt service requirement for the Water and Sewer Fund. However, in 2009, refunding bonds were issued to refund a portion of the 2001 Series in the amount of \$3,965,000. The issuance of these bonds resulted in a net present-value savings of 8.073% of the refunded principal.

The Water and Wastewater projects in process have been funded in prior years from the rates set for Water and Wastewater. In 2012-13, all water rates, with the exception of the minimum rate for senior citizen and disability rate classes, will increase by 40%. Part of the rate increase will help fund the debt service requirement of \$7,685,904. The 2012-13 debt service requirement represents 17.18% of the operating budget of the Water and Sewer Enterprise Fund.

As part of the Capital Improvement Program, each department is asked to identify those proposed future 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 future CIP General Purpose projects and the operating impact in funding these costs. This does not imply that the City would raise the tax rate to fund these costs, however, as many variables impact the establishment of the tax rate. But the City has chosen to use this method of demonstrating the fact that capital projects do indeed impact the operational budget.

CAPITAL IMPROVEMENT PROGRAM

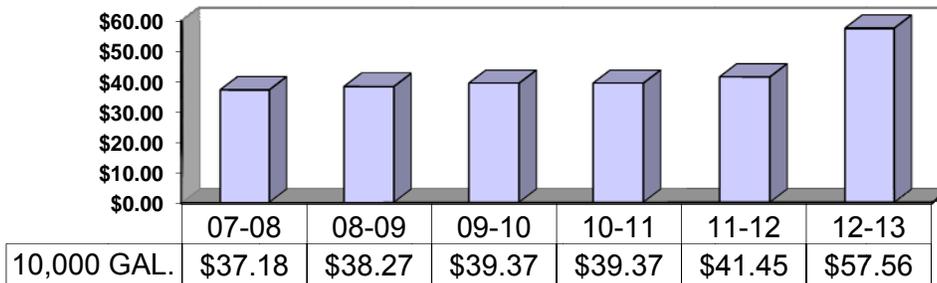
OVERVIEW

Operational Impact of Capital Improvement Program cont.

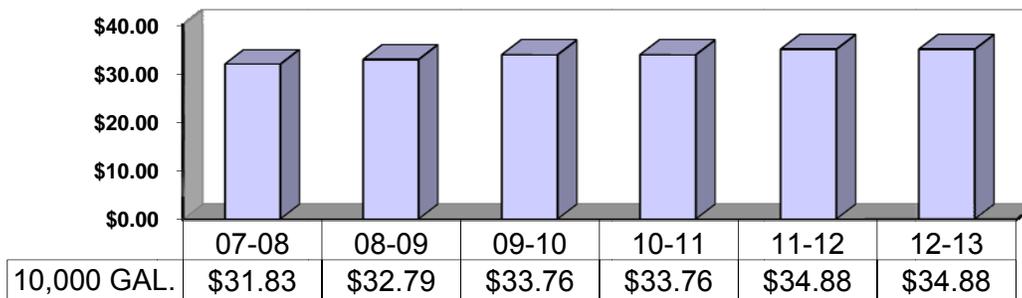
The street extension projects should eventually increase annual street maintenance costs by approximately \$1,500 per lane mile. The JBS / BI20 Extension South development coordinated with the County is to continue this year. The operational impact to the City in funding this \$2.4 million project has been minimized by contribution agreements with the Odessa Industrial Development Corporation and the Odessa Development Corporation in the amounts of \$800,000 and \$1,600,000 respectively. The Water and Sewer capital improvement projects include maintenance, replacement and state or federally mandated obligations that allow requisite water treatment and distribution and wastewater collection, treatment and disposal to the community of over 100,000 citizens. Annual replacement and maintenance of water and sewer lines assures the sale of water and sewer services to cover the \$44.73 million in operating expenses ensuring continuous, uninterrupted service to over 38,000 utility accounts.

A goal of 2,000 water valves is exercised each year to insure their effectiveness in shutting down lines during regular and emergency maintenance situations. This application will allow immediate cut off of water flows for maintenance and emergency line break repair. The maximum demand for water is approximately 23.22 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 \$122,000 per day of otherwise deliverable water.

Historical Cost of Water



Historical Cost of Wastewater



CITY OF ODESSA - 2012-13 GENERAL PURPOSE CAPITAL PROJECTS

Project Type	Project Description	Funded by Operating Rev.	Funded by CO's	2012-13 Total Budget	Recurring vs. Non-Recurring
Parks	Develop/Redevelop Parks - ongoing park improvements	\$ 396,275	\$ 20,976	\$ 417,251	Recurring
Parks	Noel Plaza Lighting	175,000	-	175,000	Non-Recurring
Parks	Sherwood Park Improvements	125,000	-	125,000	Non-Recurring
Parks	San Jacinto Pavilion	45,000	-	45,000	Non-Recurring
Parks	Civic Center Study - feasibility study on possible design and construction of Civic Center	75,000	-	75,000	Non-Recurring
Parks	Parks Master Plan Update - hire consultant to update 2005 Parks Master Plan Projects List	14,860	-	14,860	Recurring
Parks	Jim Parker Park Restroom	140,000	-	140,000	Non-Recurring
Parks	Lawndale Community Building	639,000	-	639,000	Non-Recurring
	Subtotal Parks Improvements	\$ 1,610,135	\$ 20,976	\$ 1,631,111	
Public Works	Drainage Improvements	\$ -	\$ 100,757	\$ 100,757	Recurring
Public Works	Over-Width Paving - improvements in targeted developments throughout the city	-	187,552	187,552	Recurring
Public Works	Downtown Growth Plan - study to redevelop downtown area	200,000	-	200,000	Non-Recurring
Public Works	Reconstruction of JBS Parkway from 42nd Street to University	4,200,000	-	4,200,000	Non-Recurring
Public Works	5th Street Medical Corridor Project	325,599	-	325,599	Non-Recurring
Public Works	Reconstruction of 8th Street	2,375,217	-	2,375,217	Non-Recurring
Public Works	East Channel Drainage Basin Improvements, Ph II	1,568,504	-	1,568,504	Non-Recurring
Public Works	Contingencies	232,766	-	232,766	Recurring
	Subtotal Public Works Improvements	\$ 8,902,086	\$ 288,309	\$ 9,190,395	
Info. Technology	Installation of P25 Motorola Radio System	3,467,303	-	3,467,303	Non-Recurring
	Subtotal Information Technology Improvements	\$ 3,467,303	\$ -	\$ 3,467,303	
	TOTAL GENERAL PURPOSE CAPITAL PROJECTS	\$ 13,979,524	\$ 309,285	\$ 14,288,809	

CITY OF ODESSA - 2012-13 ENTERPRISE FUND CAPITAL PROJECTS

Project Description	Funding Source	Water Funds	Sewer Funds	2012-13		Recurring vs. Non-Recurring
				Total Budget	Total Budget	
Conoco-Phillips Waterline	W/S Revenue Bonds	\$ 286,117	\$ -	286,117	286,117	Recurring
Replace Golder Pump Station Roof	W/S Revenue Bonds	110,000	-	110,000	110,000	Non-Recurring
24" Water Line at Dawn/JBS/52nd Streets	W/S Revenue Bonds	34,190	-	34,190	34,190	Non-Recurring
Vulnerability Assessment - Water Treatment Plant	W/S Revenue Bonds	100,000	-	100,000	100,000	Non-Recurring
Miscellaneous Water Lines	W/S Revenue Bonds	1,178,108	-	1,178,108	1,178,108	Recurring
AMR Meter Replacement Project	W/S Revenue Bonds	967,750	-	967,750	967,750	Recurring
Renovate Three Water Towers	W/S Revenue Bonds	816,301	-	816,301	816,301	Non-Recurring
Pump Repairs at Plants	W/S Revenue Bonds	34,909	34,909	34,909	69,818	Non-Recurring
Water Treatment Plant Study	W/S Revenue Bonds	34,483	-	34,483	34,483	Non-Recurring
Unallocated 2007 Bond Issue Funds - W/S Impr.	W/S Revenue Bonds	20,322,278	20,322,277	40,644,555	40,644,555	Recurring
Water & Sewer Line Replacements	W/S Revenue Bonds	949,862	949,862	1,899,724	1,899,724	Recurring
Sewer Line Replacements	W/S Revenue Bonds	-	334,748	334,748	334,748	Recurring
Sewer Line "H", Phases III, IV, and V	W/S Revenue Bonds	-	749,236	749,236	749,236	Non-Recurring
Replace Generator at Bob Derrington Plant	W/S Revenue Bonds	-	300,000	300,000	300,000	Non-Recurring
Storage Building to House TV & Vacuum Trucks	W/S Revenue Bonds	-	71,113	71,113	71,113	Non-Recurring
Contingencies	W/S Revenue Bonds	306,242	306,242	612,484	612,484	Recurring
TOTAL ENTERPRISE FUND CAPITAL PROJECTS		\$ 25,140,240	\$ 23,068,387	\$ 48,208,627	\$ 48,208,627	

**SUMMARY OF PROPOSED CAPITAL PROJECTS
FISCAL YEARS 2014 - 2018**

<u>Project Type</u>	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total
<u>General Purpose</u>						
Public Works Street Improvements	\$3,460,000	\$9,500,000	\$5,190,000	\$4,900,000	\$7,600,000	\$30,650,000
Public Works Traffic Improvements	590,000	296,000	219,000	295,000	0	1,400,000
Public Works Other Improvements	4,900,000	800,000	0	800,000	0	6,500,000
<u>Enterprise Fund</u>						
Water and Sewer Projects *	17,000,000	3,000,000	3,000,000	2,000,000	3,000,000	28,000,000
TOTAL CAPITAL IMPROVEMENTS	<u>\$25,950,000</u>	<u>\$13,596,000</u>	<u>\$8,409,000</u>	<u>\$7,995,000</u>	<u>\$10,600,000</u>	<u>\$66,550,000</u>

* Water & Sewer Projects Allocated From 2007 Bond Issue of \$62 Million

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

General Purpose Capital Improvement Program

Five Year Proposed Projects Operational Impact

Fiscal Year Budget	Total Funding Needs	Estimated Operational Impact
2013-14	\$8,950,000	\$447,500
2014-15	10,596,000	529,800
2015-16	5,409,000	270,450
2016-17	5,995,000	299,750
2017-18	7,600,000	380,000
TOTAL	\$38,550,000	\$1,927,500

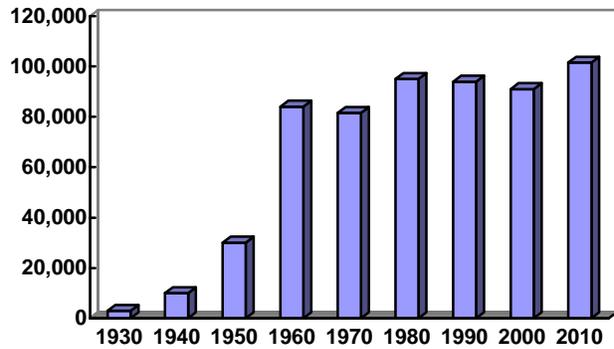
COMMUNITY PROFILE

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 45.2 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.

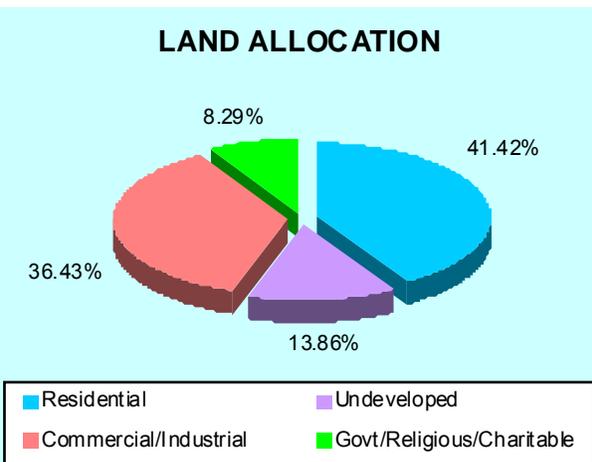
ODESSA POPULATION



Odessa's population is 107,158. For statistical purposes, Odessa is grouped together with a neighboring city, Midland, to form the Midland-Odessa Combined Statistical Area (C.S.A.) This C.S.A. consists of approximately 270,484 people, making it the largest in West Texas, the 8th largest in Texas, and the 90th largest in the U.S.



LAND ALLOCATION



Odessans enjoy an average of 266 sunny days a year, and an average rainfall of approximately 14.61 inches. The mean temperature is 63.9 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	168
Fire Inspectors/Investigators	7
Support Personnel	3
Fire Safety House	1
ALS Fire Engines	6
ALS Quint Apparatus	2
Hazmat Truck	1
ALS Ambulances	10
Tankers	3
Reserve Engines	2

POLICE

Police Station	1
Sworn Officers	180
Marked Patrol Cars	43
Other Marked Police Vehicles	10
Tactical K-9's	4

MAJOR EMPLOYERS IN ODESSA

Ector County I.S.D.	3,336
Medical Center Hospital	1,687
Saulsbury Companies	1,315
Halliburton Services	1,250
Odessa Regional Medical Ctr.	1,090
City of Odessa	884
Wal-Mart	803
Ector County	628
Nurses Unlimited, Inc.	560
Weatherford CPS	536

MAJOR TAX PAYERS IN ODESSA

2012 TAXABLE VALUE

Midland Investors, LLC	\$31,012,351
Oncor Electric Delivery Co.	\$29,328,010
MCM Properties II, LTD	\$24,062,399
Four Star Oil and Gas	\$22,092,944
CA New Plan Texas Assets	\$21,044,860
Faudree, LLC	\$18,734,979
Archer Pressure Pumping, LLC	\$15,297,688
Lithia Real Estate, Inc.	\$13,741,566
ICA Properties, Inc.	\$13,245,148
Odessa Regional Medical Center	\$13,041,244

COMMUNITY PROFILE



COMMUNITY AND RECREATIONAL RESOURCES

Land Area (Acres)	756
Parks	37
Community Centers	4
Public Swimming Pools	3
Public Tennis Courts	16
Public Basketball Courts	9
Public Baseball & Softball Fields	40
Public Volleyball Courts	14
Public Soccer Fields	27
Gymnasium	1
Playgrounds	45
Picnic Pavilions	19
Walking Trails	4
Golf Course	1
Skate Park	1

POPULATION AND ECONOMIC CHARACTERISTICS

Population by Sex (U.S. Census Bureau –2011 Estimates)

Male	49.36%
Female	50.64%

Population by Age (U.S. Census Bureau – 2011 Estimates)

Under 5 years	8.81%
5 to 19 years	23.47%
20 to 24 years	7.96%
25 to 44 years	26.33%
45 to 64 years	23.25%
65 to 74 years	5.58%
75 years and older	4.59%

Median Age 31.2

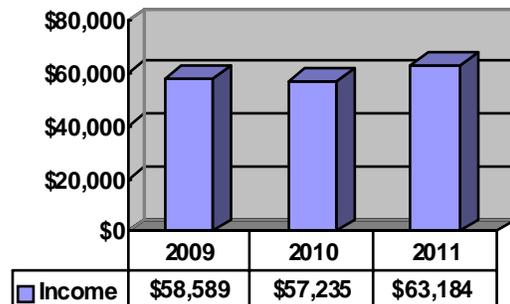
Population by Race/Ethnicity (2011 American Community Survey)

Hispanic	53.87%
Anglo	39.85%
African-American	4.35%
Other	1.93%

Single Family Homesteads (Ector County Appraisal District)

Less than \$50,001	12.74%
\$50,001 to \$99,000	35.88%
\$99,001 to \$149,000	27.26%
\$149,001 to \$299,000	21.18%
\$299,001 to \$1,000,000	2.89%
\$1,000,001 to \$10,000,000	0.06%

AVERAGE HOUSEHOLD INCOME



(U.S. Census Bureau)

COMMUNITY PROFILE



The University of Texas of the Permian Basin, a 600 acre campus, is 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. Two of its schools, Business and Education, and two programs, Social Work and Visual Arts, are nationally accredited. Two new degrees, the B.S. in Mechanical Engineering and the Ed.D in Educational Leadership (in collaboration with UT San Antonio), were added in 2009. Construction began on the new Science and Technology Building in the summer of 2008. In addition, ground was broken in the spring of 2009 for a state-of-the-art performing arts center midway between Odessa and Midland and for a student multipurpose center on the main campus.

Odessa is also home to 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.

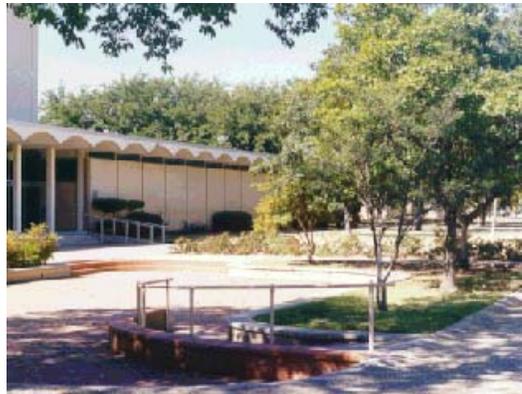


QUALITY OF LIFE

PUBLIC EDUCATION IN ODESSA

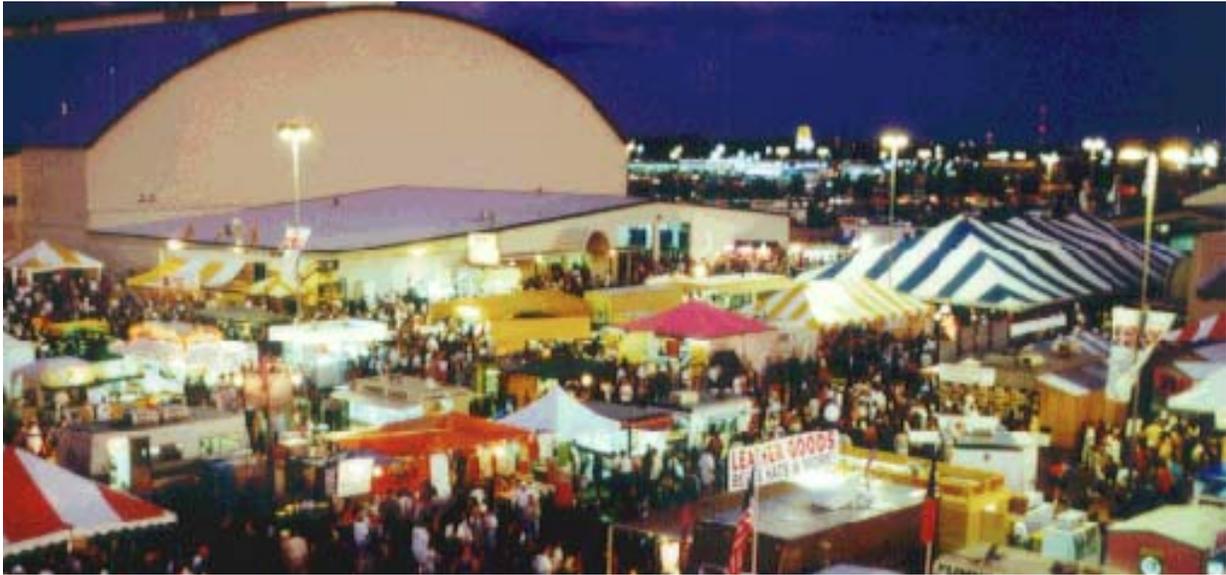
Elementary Schools	25
Early Education Centers *	2
Junior High Schools	6
High Schools	3
Advanced Technical Center *	1
Alternative Center *	1
Youth Center *	1
Junior College	1
University	1
Health Science Center	1

* Special School District Programs



Odessans are served by two hospitals: the 402-bed Medical Center Hospital (shown at left), and Odessa Regional Medical Center (230 beds).

COMMUNITY PROFILE



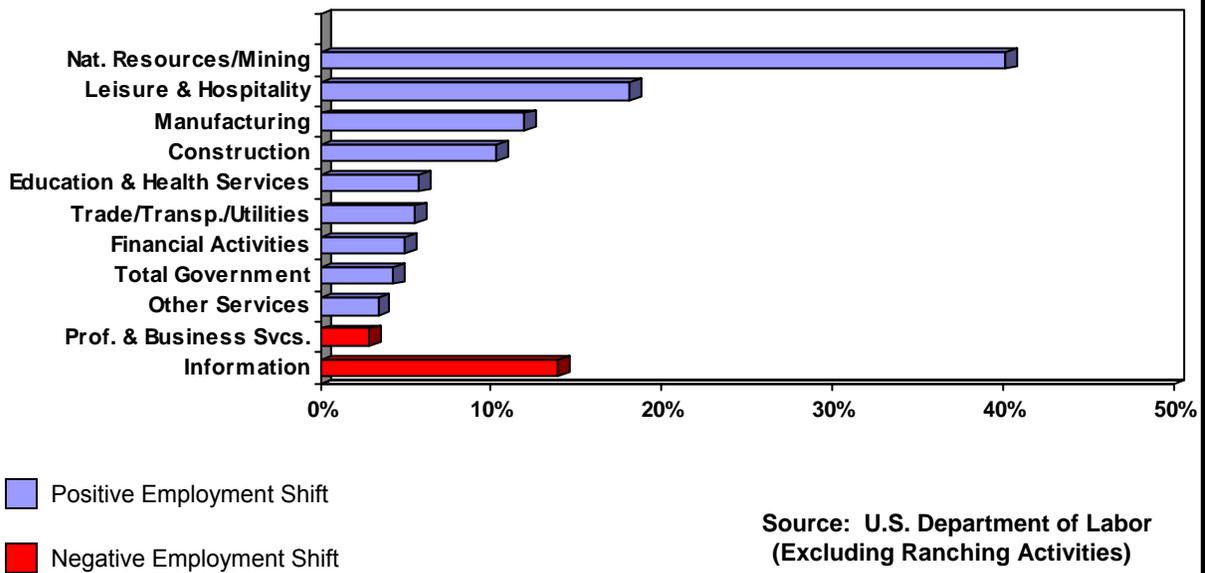
The Citizens of Odessa enjoy a diverse variety of recreational and cultural amenities. From active pursuits such as supporting the local Jackalopes Hockey Team or attending the Permian Basin Fair to more serene pastimes such as visiting the local duck pond, recreational opportunities abound. A wide variety 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

ODESSA EMPLOYMENT SHIFTS

January 2007 to December 2011

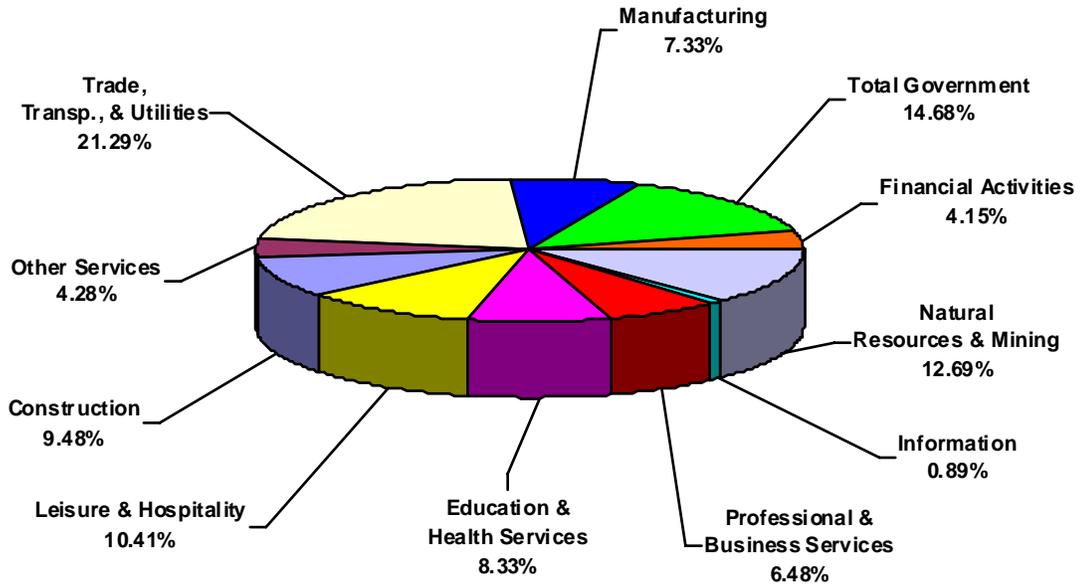


Over the past five years, fluctuating oil prices have resulted in significant shifts in Odessa's employment sectors. Natural Resources and Mining experienced the largest employment gains, with a 40.19% increase, followed by Leisure and Hospitality (18.12%), Manufacturing, (11.98%), Construction (10.35%), and Education and Health Services (5.78%). Less significant gains were made in the areas of Trade/Transportation/Utilities (5.55%), Financial Activities (4.95%), Total Government (4.24%), and Other Services (3.38%). The two remaining sectors, Professional and Business Services and Information, realized employment losses of 2.90% and 13.97%, respectively.

COMMUNITY PROFILE

MAJOR SECTORS IN ODESSA'S ECONOMY

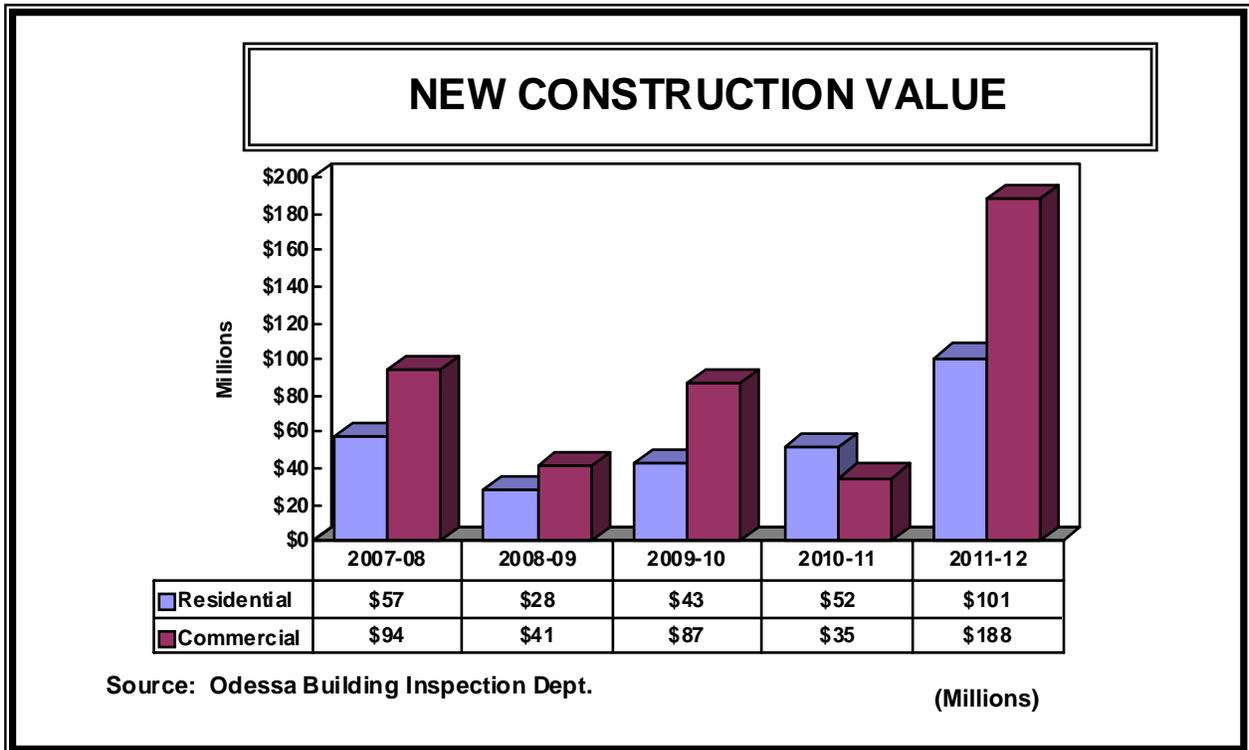
4th QUARTER 2011



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

Odessa's economy is comprised of many sectors of employment. The largest sector in Odessa's economy is Trade/Transportation/Utilities, at 21.29%, followed by Total Government (14.68%) and Natural Resources & Mining (12.69%). Leisure and Hospitality (10.41%), Construction (9.48%), and Education and Health Services (8.33%) follow, collectively providing 28.22% of the jobs in the area. The remaining sectors of the local economy include Manufacturing (7.33%), Professional and Business Services (6.48%), Other Services (4.28%), Financial Activities (4.15%), and Information (0.89%).

COMMUNITY PROFILE

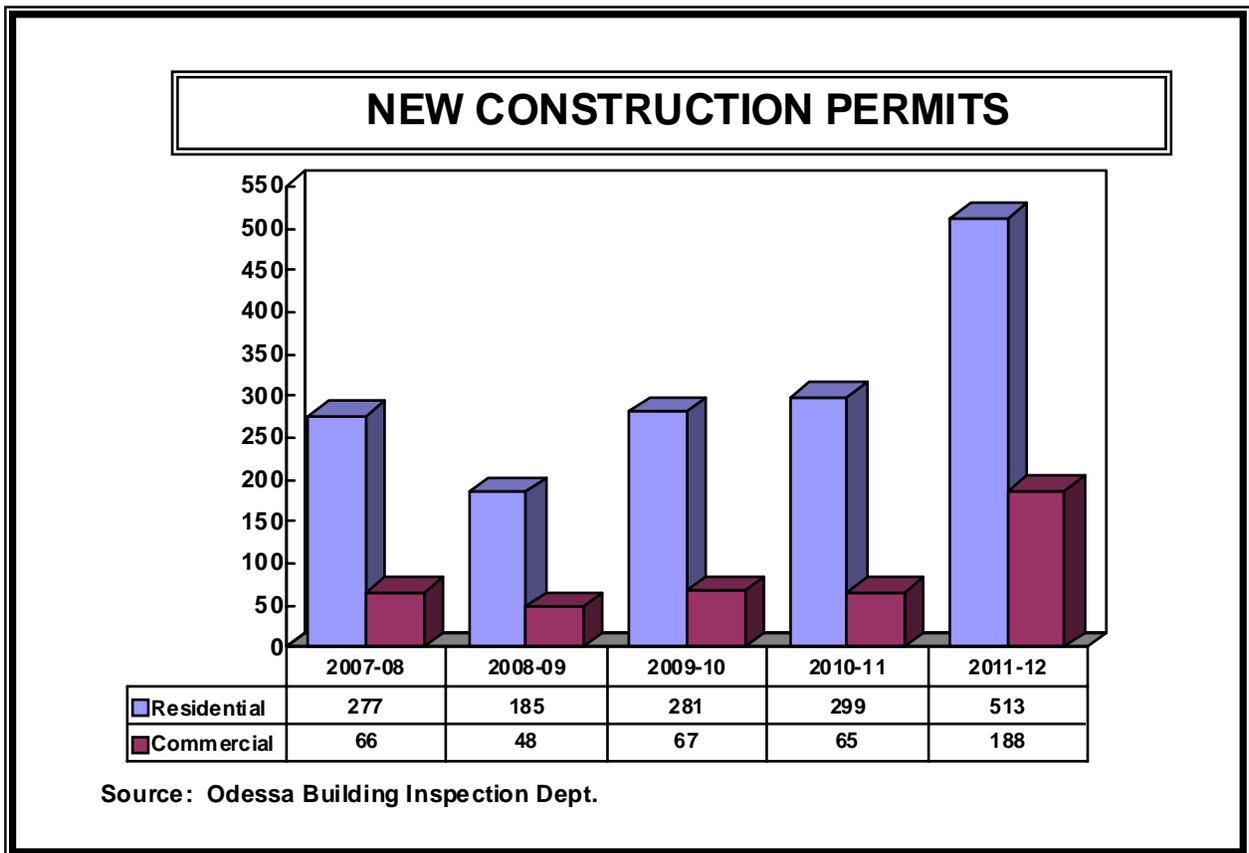


Over the past five years, new residential construction values have fluctuated between \$28 million and \$101 million. Values have, for the most part, trended upward during this time period. However, from June 2008 to February 2009, the price of crude oil fell from \$133.93 per barrel to \$39.16 per barrel. This brought about a downturn in the local economy, resulting in a decrease of \$29 million in residential construction values between 2007-08 and 2008-09.

Oil prices began to turn around in March 2009 and have continued to increase. The local economy is booming. Wages are high, unemployment is low, and the population continues to grow as new families move into the area in search of work. As a result, more homes are being built in an effort to meet the increasing demand for housing. All of these factors have contributed to a 261% increase in new residential construction values over the past four years.

New commercial construction values are also affected by the economic factors described above. However, there is not always a direct cause-and-effect relationship between them. The commercial values charted above do not reflect any particular trends. This, in part, is due to the nature of commercial construction. A few major commercial projects can skew the construction values for an entire year. For example, five construction projects, the Odessa College Math/Science Building, the First Baptist Church Worship Center, the Latana Gardens Apartments, the Residence Inn, and the Andalucia Apartments, comprise over 56% of the \$188 million new commercial construction values for fiscal year 2011-12.

COMMUNITY PROFILE

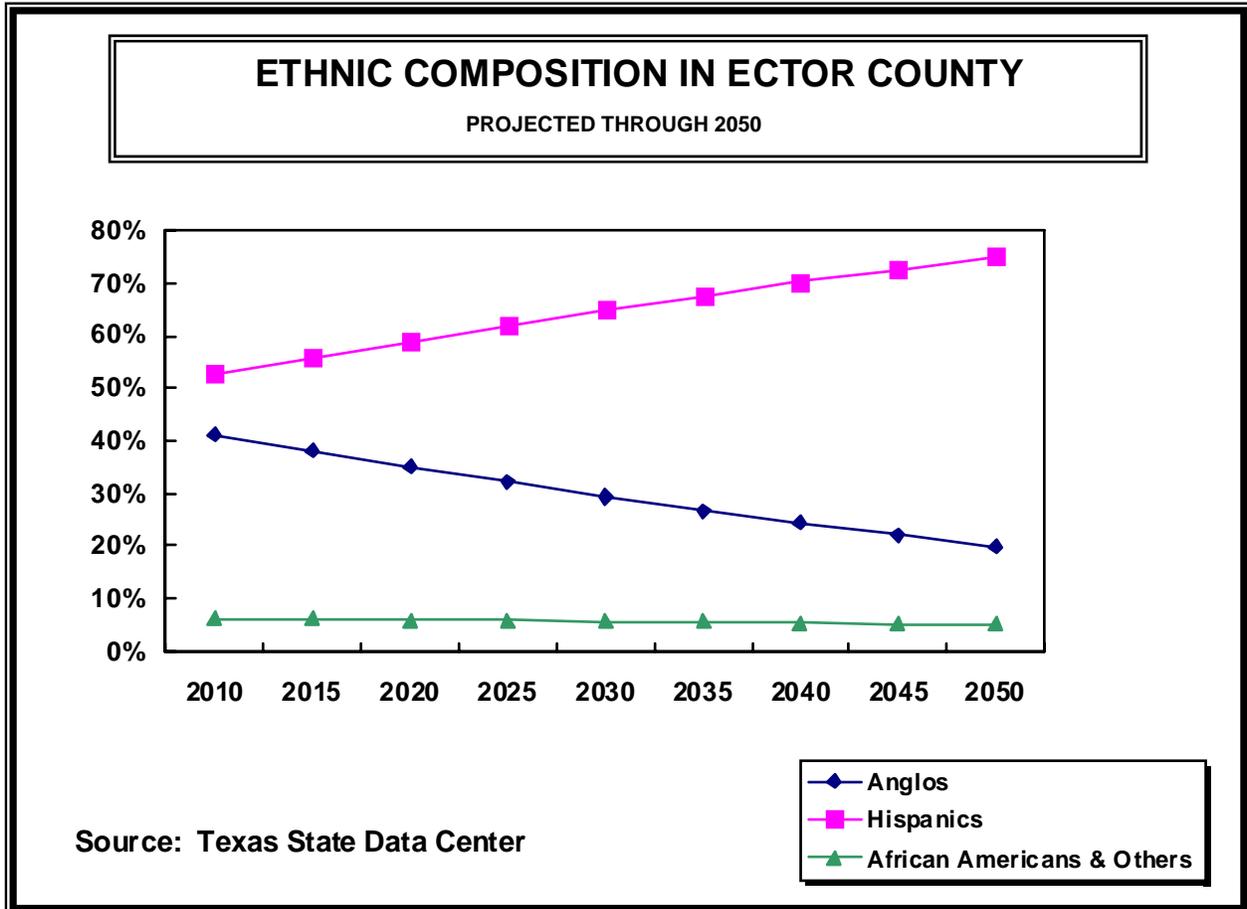


In 2007-08, the City issued 277 new residential construction permits. However, in late 2007-08, plummeting oil prices resulted in a sudden economic downturn. From June 2008 to February 2009, the price of oil fell 70.76% in an eight-month period. The negative economic impact resulting from the drop in oil prices is reflected in the 33.21% decrease in the number of new residential permits issued in 2008-09.

Between 2008-09 and 2011-12, the price of oil increased from \$76.66 to \$94.72 per barrel, boosting the local economy, driving up wages, and creating a greater demand for housing as people from other parts of the country moved to the area in search of work. The number of permits issued increased every year during this four-year period. In 2012-13, it is anticipated that 513 new residential permits will be issued by fiscal year end.

The strength of the local economy is also reflected in commercial construction. From 2007-08 to 2008-09, the local economy slowed and the number of commercial permits decreased by 27.27% as oil prices steadily fell. However, the following year, construction permits realized a gain of almost 40% when the price of oil began to trend upward. Between 2008-09 and 2010-11, the economy recovered, and commercial permits increased by 35.42%. Finally, the massive growth in the economy from 2010-11 to 2011-12 resulted in a 189% increase in the issuance of new commercial construction permits in a single year.

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 40 years. The most current race/ethnicity projections by the Texas State Data Center indicate that 54.02% of Ector County's current estimated population is Hispanic, 39.81% of the population is Anglo, and the remaining 6.17% is comprised of African-Americans and other races.

Over the next 30 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 75.03% Hispanic and 19.93% Anglo. The remaining population, including African-Americans, will account for 5.05% of the total.

State and Federal Mandates
Debt Ratio Calculation
Per Capita Calculation
Budget Resolution
Tax Ordinance

ESTIMATED STATE AND FEDERAL MANDATES

State Mandates	FY 2010-11 Estimated	FY 2011-12 Estimated	FY 2012-13 Estimated
<u>General Fund:</u>			
Election Mandates	\$15,000	\$24,000	\$15,000
Legal - State Bar Association Training	15,000	15,000	15,000
Parks Backflow Prevention	4,000	4,000	4,000
Aquatic Facility Operator Certification Fees/Renewal	1,000	1,000	1,000
Structural Pest Control Certification Fees/Renewal	1,500	1,500	1,500
Texas Irrigator Certification Fees/Renewal	1,800	1,800	1,800
Texas Department of Agriculture	1,100	1,100	1,100
Pool Water Quality	5,000	18,000	25,000
Bob Derrington Elevator Insp. (Bldg Serv-1 elevator)	600	600	600
RM Elevator Inspection (Bldg Serv-1 elevator)	600	600	600
City Hall Elevator Inspection (Bldg Serv-2 elevators)	1,200	1,200	1,200
PD Elevator Inspection (Bldg Serv-2 elevators)	1,200	1,200	1,200
Municipal Plaza Elevator Inspection	600	600	600
Firefighter / EMS Protective Clothing - Title 37	55,000	60,000	60,000
SCBA Testing & Certification	3,500	3,500	3,500
Firefighter Inoculations	2,000	2,500	2,500
Fire Code Enforcement Training	5,127	5,127	5,127
EMS Materials - IFSTA	4,600	5,000	5,000
Haz - Mat Physicals	2,500	3,000	3,000
Firefighter / EMS Certification Fees & Renewal	8,500	18,450	18,450
Certification of Ambulances	975	1,060	1,060
Breathing Air Quality Test	3,000	3,506	3,506
Annual Ladder Test	2,150	2,175	2,175
Training Facility Certification (every 3 years)	4,850	0	0
Fire Extinguishers	0	1,015	1,015
Hose Test	0	500	500
Pump Test	0	500	500
Rescue Tool Service	0	2,895	2,895
Public Safety VTCA Code Compliance	12,875	12,875	12,875
Police Open Records Act	30,020	30,020	30,020
Police Training	244,640	244,640	244,640
Police Officer ID Cards	10,000	10,000	10,000
Carbon Monoxide Chamber (Animal Control)	6,150	6,150	6,150
Animal Control Officer Certification	790	790	790
<u>Public Safety - Other Mandates:</u>			
Psychological Testing of Police Applicants	3,300	3,300	3,300
Police Fire Alarm Extinguisher System Inspection	2,420	2,420	2,420
Crime Victim Compensation Coordinator	9,922	9,922	44,934
Police NCIC / TCIC Validation of all Entries	21,021	21,021	21,021
Sexual Assault Exam	11,330	11,330	11,330
Sexual Offender Registration	10,000	10,000	10,000
Uniform Crime Report (U.C.R.)	27,500	27,500	27,500
Auction of Abandoned Vehicle-Public Notice	11,500	11,500	11,500
Dispatcher Training (TCLEOSE/DPS/EMD/TDD/TLETS)	6,000	8,100	8,100
Public Safety Communications Logging Recorder	6,900	6,900	6,900
Total General Fund	<u>\$555,170</u>	<u>\$596,296</u>	<u>\$629,308</u>

ESTIMATED STATE AND FEDERAL MANDATES

State Mandates	FY 2010-11 Estimated	FY 2011-12 Estimated	FY 2012-13 Estimated
<u>Solid Waste:</u>			
Solid Waste - Landfill Gas Management	\$40,000	\$50,000	\$180,000
Solid Waste - Groundwater Monitoring	54,000	40,000	50,000
TDA Structural Pest Control Certification	1,400	1,400	1,500
Total Solid Waste Fund	\$95,400	\$91,400	\$231,500
<u>Water / Sewer Fund:</u>			
Water Conservation Information - TWDB	\$5,000	\$5,000	\$5,000
Water Quality Assessment & Wastewater Plant Inspection Fee - TCEQ	85,000	85,000	85,000
Water Plant Inspection Fee	100,000	95,000	95,000
Landfill Tipping Fee - TCEQ (Water/Wwater)	17,000	18,100	18,100
Operator Licensing Training - TCEQ	18,000	18,000	18,000
Operator Licensing Renewal Fees - TCEQ	2,700	2,700	2,700
Overhead Crane Inspections	2,000	2,000	2,000
NELAC Laboratory Certification	14,000	14,000	14,000
Sludge Transportation Fee	750	750	750
Sanitary Sewer Overflow Initiative **	3,000,000	4,424,000	3,000,000
Bacteriological Testing	30,000	30,000	30,000
Annual Certification of Backflow Assemblies	3,000	2,500	2,500
Elevator Inspection/Maintenance	2,000	2,000	2,000
Fire Alarm Inspection	500	500	500
Manhole Installation Requirements	32,000	32,000	32,000
Total Water / Sewer Fund	\$3,311,950	\$4,731,550	\$3,307,550
<u>Equipment Services Fund:</u>			
Underground Fuel Storage Tanks Activity	\$62,000	\$62,000	\$62,000
Total Equipment Services Fund	\$62,000	\$62,000	\$62,000
<u>Community Development:</u>			
Asbestos Survey	\$5,000	\$5,000	\$5,000
Asbestos Abatement	50,000	50,000	50,000
Total Community Development Fund	\$55,000	\$55,000	\$55,000
<u>Risk Management Fund:</u>			
Workers' Compensation	\$657,220	\$657,220	\$657,220
Total Risk Management Fund	\$657,220	\$657,220	\$657,220
Total State Mandates	\$4,736,740	\$6,193,466	\$4,942,578

** Includes rehab of wastewater collection lines to reduce sanitary sewer overflows.

ESTIMATED STATE AND FEDERAL MANDATES

Federal Mandates	FY 2010-11 Estimated	FY 2011-12 Estimated	FY 2012-13 Estimated
<u>General Fund:</u>			
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	20,000	22,404	25,000
GASB 34 & 39 Financial Reporting, SAS 99 & SAS 103-112 Compliance	30,000	30,000	30,000
GASB 43 & 45 Financial Reporting	4,000,000	1,500,000	1,500,000
Storm Water Rules - EPA	650,000	655,000	797,000
Overtime Due to FMLA	92,000	92,000	92,000
Overtime Due to 2-In-2-Out Policy	90,000	90,000	90,000
Total General Fund	\$5,231,170	\$2,738,574	\$2,883,170
<u>Equipment Services Fund:</u>			
Oil Filter Disposal - EPA	\$720	\$720	\$720
Battery Disposal Fee - EPA	500	500	500
Vehicle Wash Waste Disposal - EPA	1,500	1,500	1,500
Shop Hazardous Waste Disposal - EPA	7,900	7,900	7,900
Total Equip. Services Fund	\$10,620	\$10,620	\$10,620
<u>Water / Sewer Fund:</u>			
Lead / Copper Monitoring - EPA /TCEQ	\$0	\$2,500	\$0
Biomonitoring - EPA / TCEQ	2,000	2,000	2,000
Consumer Confidence Report - EPA/TCEQ	11,000	12,000	12,000
Wastewater Permit Testing - EPA/TCEQ *	13,575	15,000	15,000
Stormwater Permit - EPA/TCEQ	300	300	300
Long-Term Enhanced Surf. Water Trtmnt-EPA/TCEQ	0	0	450,000
TCEQ Treatment Plant Testing	39,000	39,000	39,000
Disinfection By-Product Testing-TECQ/EPA	1,400	1,400	10,000
Total Water / Sewer Fund	\$67,275	\$72,200	\$528,300
<u>Risk Management Fund:</u>			
Commercial Drivers Testing - DOT	\$10,000	\$10,000	\$10,000
HIPPA	25,000	25,000	25,000
Total Risk Management Fund	\$35,000	\$35,000	\$35,000
Total Federal Mandates	\$5,344,065	\$2,856,394	\$3,457,090
Total State and Federal Mandates	\$10,080,805	\$9,049,860	\$8,399,668

* Included in NELAC Laboratory Certification.

APPENDIX

DEBT RATIO CALCULATION

**Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Ten Year Period Ended September 30, 2012**

Fiscal Year	Total Current General Fund Expenditures	Total Debt Service Expenditures	Percentage	\$ Ratio
2002-03	\$41,505,429	\$1,883,874	4.54%	\$22.03 TO 1
2003-04	\$42,536,447	\$1,899,498	4.47%	\$22.39 TO 1
2004-05	\$44,646,621	\$1,935,881	4.34%	\$23.06 TO 1
2005-06	\$52,586,659	\$2,047,128	3.89%	\$25.69 TO 1
2006-07	\$51,368,955	\$2,072,162	4.03%	\$24.79 TO 1
2007-08	\$55,240,644	\$2,637,148	4.77%	\$20.95 TO 1
2008-09	\$62,519,727	\$2,924,318	4.68%	\$21.38 TO 1
2009-10	\$57,804,473	\$2,508,212	4.34%	\$23.05 TO 1
2010-11	\$59,417,637	\$2,930,461	4.93%	\$20.28 TO 1
2011-12	\$79,022,921	\$2,958,543	3.74%	\$26.71 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, 2012**

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
2002-03	93,385	\$2,052,362,566	\$15,975,000	\$150,401	0.78%	\$171
2003-04	93,195	\$2,108,487,428	\$20,675,000	\$142,866	0.98%	\$222
2004-05	93,952	\$2,266,305,457	\$25,170,000	\$217,553	1.11%	\$268
2005-06	96,948	\$2,431,976,336	\$24,345,000	\$311,979	1.00%	\$251
2006-07	98,214	\$2,715,109,284	\$33,650,000	\$378,704	1.24%	\$343
2007-08	100,118	\$3,135,144,279	\$36,860,000	\$308,390	1.18%	\$368
2008-09	102,876	\$3,548,501,378	\$35,520,000	\$517,217	1.00%	\$345
2009-10	103,704	\$3,878,228,854	\$34,135,000	\$541,064	0.88%	\$329
2010-11	101,459	\$3,906,950,316	\$32,680,000	\$545,365	0.84%	\$322
2011-12	101,459	\$4,056,585,367	\$29,335,000	\$547,865	0.72%	\$289

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. 2012R-81

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, 2012 THROUGH SEPTEMBER 30, 2013, 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, 2012 and ending September 30, 2013, 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, a 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, 2012 and ending September 30, 2013, a summary copy of which is attached hereto as Exhibit "A", and a complete copy of which is located in the Finance Department 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, 2012 and ending September 30, 2013.

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 and be considered committed 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., 2012, by the following vote:

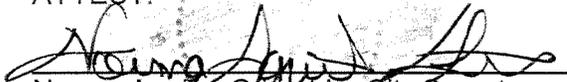
Bill Cleaver	AYE
James B. Goates	AYE
Barbara Graff	AYE
Dean Combs	AYE
Sandra Carrasco	AYE

Approved the 11th day of September, A.D., 2012.



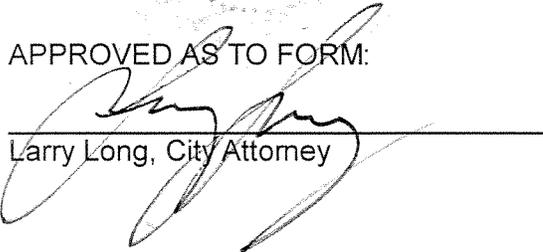
Larry L. Melton, Mayor

ATTEST:



Norma Aguilar-Griñaldo, City Secretary

APPROVED AS TO FORM:



Larry Long, City Attorney

EXHIBIT A

	Total All Funds
Financing Sources:	
Beginning Fund Balance	\$45,403,397
Less Required Reserves	18,533,522
Available Fund Balance	\$26,869,875
CURRENT REVENUES:	
Property Tax	\$22,095,737
Sales Tax	25,240,023
Franchise/Gross Receipts	6,493,500
Other Operating Revenues	25,304,995
Water and Sewer	43,928,300
Rental Revenue	15,250,349
Interest Income	230,000
Intergovernmental	2,371,930
Other Revenue	16,476,135
Administrative Transfers	
General Fund	200,000
Water/Sewer	2,494,390
Equipment Service	455,263
Risk Management	377,235
Solid Waste	437,661
Storm Water	83,592
Liquid Waste	3,224
Hotel-Motel	9,165
Odessa Development Corp.	44,184
Motor MPO	6,000
Total Current Revenues	\$161,501,683
Total Financing Sources	\$188,371,558
CURRENT EXPENDITURES:	
Personal Services	\$62,427,276
Supplies	22,325,145
Services	28,642,488
Maintenance	8,361,858
Capital Outlay	3,816,036
Other Requirements	8,278,208
Debt Service/Lease	10,593,853
Insurance Requirements	8,156,124
Outside Agencies	3,078,112
Transfers Out	332,224
Total Current Expenditures	\$156,011,324
Capital Outlay-Replacement	8,176,751
Total Expenditures	\$164,188,075
Ending Available Balance	\$24,183,483
Plus Required Reserves	18,533,522
Ending Fund Balance	\$42,717,005

ORDINANCE NO. 2012-58

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 2012 TAX YEAR AND THE 2012-2013 FISCAL YEAR; ESTABLISHING THE AD VALOREM TAX RATE OF 51.2750 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, 2012.

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, 2012 and ending September 30, 2013; 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-One and Two Hundred Seventy-five Thousandths Cents (51.275¢) 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 2012 tax year and the 2012-2013 fiscal 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-One and Two Hundred Seventy-five Thousandths Cents (51.275¢) on each One Hundred Dollars (\$100.00) property valuation, said tax levied for and apportioned to the following specified purposes:

- (1) The rate of 6.4644¢ 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 2004, 2005, 2006 and 2007 Certificates of Obligation, plus a 2006, 2009 and 2012 Refunding Issue.
- (2) The rate of 44.8106¢ 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 EFFECTIVELY BE RAISED BY THREE AND FIVE HUNDRED EIGHT-ONE THOUSANDTHS PERCENT (3.581%) AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY TWELVE DOLLARS AND THIRTY-NINE CENTS (\$12.39).

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$1,738,169 OR 8.54%, AND OF THAT AMOUNT, \$412,329 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, 2012, 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, 2012, 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 25, 2012.

Section 7. That this ordinance shall go into effect on October 1, 2012.

The foregoing ordinance was first approved on the 18th day of September, A.D., 2012, by the following vote:

Bill Cleaver	AYE
James B. Goates	AYE
Barbara Graff	NAY
Dean Combs	AYE
Sandra Carrasco	AYE

The foregoing ordinance was adopted on second and final approval on the 25th day of September, A.D., 2012, by the following vote:

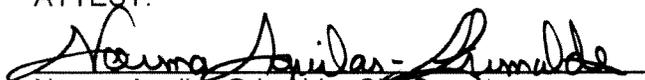
Bill Cleaver	AYE
James B. Goates	AYE
Barbara Graff	NAY
Dean Combs	AYE
Sandra Carrasco	AYE

Approved this the 25th day of September, A.D., 2012.



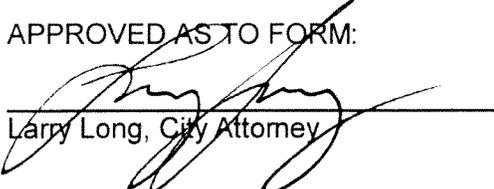
Larry L. Melton, Mayor

ATTEST:



Norma Aguilar-Grimaldo, City Secretary

APPROVED AS TO FORM:



Larry Long, City Attorney



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.

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

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.

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.

Compensated Absences Account: Funds that are set aside to compensate employees for unileave and/or old sick leave upon their retirement, resignation, or termination from the City.

Co-Pay: A per-service charge paid by employees for approved medical services.

CopLogic: The name of an online police reporting system made available for citizens' use.

Council of Governments: 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.

Depreciation: A method of recovering the cost of an asset over the asset's useful life or recovery period.

Disposition Rate: Rate that court cases are finalized and closed within a 12-month period.

Division: A basic organizational unit that is functionally unique and provides service under the administrative direction of a Department.

Economic Diversification: Having more than one financial or monetary factor, industry or sector contributing to the production, development and consumption of commodities within a specific region.

Effective Tax Rate: The prior year's taxes divided by the current year's taxable values of properties that were on the tax roll in both years. Excludes taxes on properties no longer in the taxing unit and the current taxable value of new properties.

Encumbrances: Commitments for the expenditure of monies.

Enterprise Fund: A fund established to account for operations that are financed and operated in a manner similar to private business. The rate schedules are established to insure that revenues are adequate to meet all necessary expenditures. The Water/Sewer Fund, Solid Waste Fund and Natural Gas Fund are enterprise funds in the City of Odessa.

Entitlement: Funds supporting or distributed by a government program which provides benefits to members of a specified group.

Estimated Revenue: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

Expenditure: Funds spent in accordance with budgeted appropriations on assets or goods and services obtained.

Family Health Clinic: Free health clinic created for all city employees and their dependents covered under the City's health plan.

APPENDIX

GLOSSARY

Fines & Forfeitures: Monies imposed as penalty for an offense and collected as revenue by the municipal court for the city.

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.

GASB 54: Enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

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.

APPENDIX

GLOSSARY

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.

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).

Government Access Channel: A type of TV channel created by government entities. Government Access TV programming generally deals with public affairs, board meetings, explanation of government services, and other public service related programming.

Governmental Fund: Any fund that is not a profit and loss fund (e.g. enterprise fund, internal service fund, or trust and agency fund). Examples of governmental funds include: general fund, special assessment fund, special revenue fund, capital projects fund, and debt service fund.

Gulf Coast Authority: Operates the Industrial Wastewater Treatment Plant.

Homestead: A tax-exempt qualifying declaration by a property taxpayer for his actual dwelling place or home.

Hospital District: Entity within the city supported by a portion of sales taxes for the local hospital.

Industrial District Contract: Contract with businesses in the Industrial District for water, sewer and/or trash services.

Infrastructure: General fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

Infrastructure Transfer: Funds that have been set aside to encourage development in certain areas by extending water and sewer mains to those areas.

Intergovernmental Revenue: Grants, entitlements and cost reimbursements from another federal, state or local governmental unit.

Internal Service Fund: Accounts for the financing of goods or services provided by one City department to other departments of the governmental unit on a cost reimbursement basis. The Equipment Services Fund and the Risk Management Fund are operated as internal service funds in the City of Odessa.

Lane Miles: Centerline miles of actual lane(s) multiplied by the number of lanes.

Levy: To impose or collect by legal authority. The City Council has the authority to levy taxes, special assessments, and service charges as stated in the City Charter.

APPENDIX

GLOSSARY

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.

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.

Minimum Control Measures: Six minimum control measures that must be included in a storm water management program for municipal separate storm sewer systems (MS4s).

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.

APPENDIX

GLOSSARY

Operating Budget: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of the City are controlled. The use of an annual operating budget is required by State law.

Ordinance: A statute or regulation especially enacted by a city government.

Outside Agencies: Non-profit service organizations funded partially or entirely by the General Fund.

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

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).

Pick-Six Cities (or Pick-Six Comparables): Six Texas cities that Odessa compares itself to in several areas, including salaries, services, permit fees, property tax rates, performance measures.

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.

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.

APPENDIX

GLOSSARY

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.

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.

Roll-Off Containers: Large open top rectangular containers for holding trash, debris, brush and other non-food waste. There is a charge for container use depending on the size of the container and the amount of use.

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".

Storm Water Program: A program that is implemented by government entities to control storm water run-off in urban areas.

Strategy: A plan to achieve an objective.

Street Miles: Centerline miles of actual street.

Supplies: Cost of goods consumed by the City in the course of its operation (account classification 002's).

Tax Rate: The amount of tax levied for each \$100 of assessed value for real, personal, or mixed property. The rate is set by September 1 of each year by the City Council of the City of Odessa, Texas.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

APPENDIX

GLOSSARY

Tiburon: Tiburon, Inc. provides fully integrated command and control, information management and analysis solutions to public safety organizations.

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

Transfer In Revenue: Primarily reflects administrative services provided by the General Fund to other funds. An independent study is conducted each year by an outside firm to determine the distribution of costs associated with the administrative services provided to the other funds.

Transmittal Letter: A general discussion of the proposed budget presented in writing by the City Manager to the Mayor and City Council. The transmittal letter highlights the major budget items including any changes made in the current budget year, issues affecting the decisions and priorities of the current year, and actions incorporated into the adopted budget.

Trend Analysis: Graphs which analyze historical data, projected information, or comparisons from one year to the next. A brief narrative or summary data is included with the graphs.

Unileave: Paid Employee Leave; A combination of Sick Leave and Vacation Leave. Can be used for any reason.

Urban Run-Off Management Program: A program implemented by government entities to control storm water run-off in urban areas.

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

Voice Over IP: Voice Over Internet Protocol phone system can be a benefit for reducing communication and infrastructure costs by routing phone calls over existing data networks and avoiding duplicate network systems.

West Texas Intermediate: Also known as Texas Light Sweet is a type of crude oil used as a benchmark in oil pricing and oil futures contracts. Very relative to the economy of Odessa, Texas.

Working Capital: The difference between current assets and current liabilities. Working Capital measures the margin of protection for current creditors and reflects the ability of a company to finance current operations.

APPENDIX

ACRONYMS

ADA	American Disabilities Act
ALS	Advanced Life Support
AMR	Automated Meter Reading (Water Meters)
ATV	All Terrain Vehicle
AS/400	Network Computer System
BI-20	Business Interstate 20
C&V	Convention and Visitors
CAD	Computer Aided Dispatch
CAFR	Certified Annual Financial Report
CAPP	Cities Aggregation Power Project
CD	Community Development Fund
CDBG	Community Development Block Grant
CIP	Capital Improvements Program
CMMS	Computerized Maintenance Management Software
CO	Certificate of Obligation
COGA	City of Odessa Grant Application
CRMWD	Colorado River Municipal Water District
C.S.A.	Combined Statistical Area
DBP	Disinfection By-Product
DOT	Department of Transportation
DPS	Department of Public Safety
DRW	Dual Rear Wheel
E.C.I.S.D.	Ector County Independent School District
EMD	Emergency Medical Dispatcher
EMS	Emergency Medical Services
EPA	Environmental Protection Agency
ES	Equipment Service Fund
FMLA	Family Medical Leave Act
FTE	Full-Time Employee
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GC	Golf Course Fund
GF	General Fund
GFOA	Government Finance Officers Association
GIS	Graphical Interface System
G/L	General Liability
GO	General Obligation (Bond)
GPS	Global Positioning System
GVWR	Gross Vehicle Weight Rating
HAZMAT	Hazardous Materials
H.E.	Heavy Equipment
HIPAA	Health Insurance Portability and Accountability Act
HOME	Home Investment Partnerships Program
HR	Human Resources (Department)
HTE	Accounting Software Company
HVAC	Heating Vent Air Conditioning
I-20	Interstate 20

APPENDIX

ACRONYMS

ICP	Inductively Coupled Plasma
ID	Identification
IP	Internet Protocol
IFSTA	International Fire Service Training Association
ISD	Independent School District
IT	Information Technology
IVR	Interactive Voice Response
JBS	John Ben Shepperd (Parkway), a local thoroughfare
K-9	Canine
KOB	Keep Odessa Beautiful
LED	Light-Emitting Diode
LEOSE	Law Enforcement Officers Standard Education
LGC	Local Government Code
MC	Municipal Court
MCM	Minimum Control Measures
mgd	Millions of Gallons per Day
MHMR	Mental Health and Mental Retardation
MOTOR-MPO	Midland-Odessa Transportation Organization – Metropolitan Planning Organization
MS4	Municipal Separate Storm Sewer System
MW	Mega Watt
NCIC/TCIC	National Crime Information Center/Texas Crime Information Center
NDS	Neighborhood Development Services
NELAP	National Environmental Laboratory Accreditation Program
NFPA	National Fire Protection Association
OC	Odessa College
ODC	Odessa Development Corporation
O&M	Operating and Maintenance or Operation & Maintenance
PC	Personal Computer
PD	Police Department
PGA	Professional Golf Association
PH	Phase
PLC	Programmable Logic Controller
PSAP	Public Safety Answering Point
PT	Proficiency Test
PTC	Property Tax Code
RF	Risk Management Fund
RIO	Rho Iota Omega
RM	Risk Management
Rx	Medical prescription
SAS	Statements of Auditing Standards
SCADA	Supervisory Control and Data Acquisition
SCBA	Self Contained Breathing Apparatus
SSO	Sanitary Sewer Overflow
ST	Storm Water Fund
SUV	Sports Utility Vehicle
SW	Solid Waste, Solid Waste Fund
SWAT	Special Weapons And Tactics
TALHFA	Texas Association of Local Housing Finance Agencies

APPENDIX

ACRONYMS

T-Bill	Treasury Bill
TCAP	Texas Coalition for Affordable Power
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
TLETS	Texas Law Enforcement Telecommunication System
TMRS	Texas Municipal Retirement System
TX	Texas
TWDB	Texas Water Development Board
UCR	Uniform Crime Report
US	United States
USA	United States of America
UT	University of Texas
UTPB	University of Texas of the Permian Basin
VDC	Vehicle Data Collector
VTCA	Vernon's Texas Civil Statutes Annotations
WC	Workers' Compensation
WIP	Work in Process
W/R	Water Reclamation
W/S	Water and Sewer
WS	Water and Sewer Fund
WSSIP	Water Sewer System Infrastructure Program
WT	Water Treatment
W/W	Wastewater

APPENDIX

INDEX

A

Accounting Policies.....	20
Acronyms.....	284
Ad Valorem Tax Revenue.....	32
Adoption of Budget	2
Approved Budget Filed	2
Average Household Income	253

B

Basis of Accounting	26
Billing and Collection	128
Bob Derrington Water Reclamation Plant..	136
Budget Calendar.....	9
Budget Compliance	1
Budget Contingency Plan	19
Budget Development Phases	4
Budget Policies.....	17
Budget Summary All Funds.....	29
Community Development.....	217
Convention and Visitors	231
Drug Forfeiture Fund.....	235
Equipment Service Fund.....	169
General Debt Service.....	207
General Fund	47
Grants	238
Information Technology Fund	183
LEOSE	234
Liquid Waste Fund.....	236
Municipal Court Bldg. Security Fund....	232
Municipal Court Technology Fund	233
Ratliff Ranch Golf Course Fund	223
Risk Management Fund.....	193
Solid Waste Fund.....	147
Storm Water Fund.....	161
Water & Sewer Fund.....	113
Building Inspection.....	96
Building Services	76

C

Capital Improvements Program	239
Capital Outlay-Community Development...	219
Capital Outlay-Equipment Services	175
Capital Outlay-General Fund	64
Capital Outlay-Information Technology Fund	188

Capital Outlay-Risk Management Fund.....	199
Capital Outlay-Solid Waste Fund.....	153
Capital Outlay-Water & Sewer Fund.....	125
Cash and Investments Policies.....	21
Certified Appraisal Summary	34
Chart: Organization Chart of City of Odessa	37
Changes in Budget	3
City Attorney	70
City Council.....	66
City Manager's Letter of Transmittal.....	i
City Secretary	68
Communications	180
Community Development	220
Community Development Fund Overview .	217
Community Development Summary of Revenues and Allocations	218
Community Profile	251
Computer Replacement.....	192
Construction Permits	259
Construction Values.....	258
Convention and Visitors Fund Overview....	231

D

Debt Management Policies.....	16
Debt Service Narrative – General Fund....	208
Debt Service Narrative – Water and Sewer Fund	209
Debt Service Overview	207
Debt Service Schedule – General Fund ...	210
Debt Service Schedule – Water & Sewer Fund.....	214
Debt Statistics.....	265
Detail Summary of All Funds	30
Drug Forfeiture Fund	235

E

Economy by Sector.....	257
Emergency Procedures	3
Employment Shifts.....	256
Encumbrances.....	20
Engineering.....	94
Enterprise Fund Definition	27
Equipment Replacement Division.....	182
Equipment Service Fund Expenditure Overview	173

APPENDIX

INDEX

E (cont'd)

Equipment Service Fund Expenditure Summary	172
Equipment Service Fund Overview	169
Equipment Service Fund Revenue Overview.....	171
Equipment Service Fund Revenue Summary	170
Equipment Services Division	178
Ethnic Projections	260

F

Federal Mandates.....	262
Finance	82
Financial Forecasting/Budget Relationship ...	4
Financial Policies	11
Fire	106
Flow Chart - Budget.....	10
Full-Time Positions	44
Fund Definitions.....	27

G

General Debt Service Fund Overview	207
General Debt Service Narrative.....	208
General Debt Service Schedule	210
General Fund Balance – Historical	13
General Fund Balance – Projected.....	14
General Fund Expenditure Overview.....	57
General Fund Expenditure Summary	56
General Fund Expenditure Forecast.....	6
General Fund Expenditures by Function	61
General Fund Overview.....	47
General Fund Revenue Forecast	5
General Fund Revenue Overview	49
General Fund Revenue Summary	48
GIS Division (Public Works).....	102
GIS Division (Utilities).....	142
Glossary of Budget Terms	275
Golf Course Fund Expenditure Overview ..	227
Golf Course Fund Expenditure Summary..	226
Golf Course Fund Overview	223
Golf Course Fund Revenue Overview	225
Golf Course Fund Revenue Summary.....	224
Golf Course.....	228
Governmental Funds Definition	27

Grants	237
Graphs	
Average Household Income.....	253
Equipment Service Fund Expenditures	172
Equipment Service Fund Revenues	170
Ethnic Projections in Ector County.....	260
General Fund Budgets by Function	58,62-64
General Fund Expenditures	56,58,62-64
General Fund Revenue.....	48,49,53
General Fund Expenditure Forecast.....	6
General Fund Revenue Forecast.....	5
Golf Course Fund Expenditures.....	226
Golf Course Fund Revenues	224
Historical Cost of Wastewater	246
Historical Cost of Water	246
Historical General Fund Balance	13
Information Technology Fund Expenditures	186
Information Technology Fund Revenues.....	184
Net Bonded Debt Per Capita	16
Net Taxable Values.....	35
New Construction Permits	259
New Construction Values.....	258
Odessa's Economy by Sector	257
Odessa's Employment Shifts	256
Odessa's Land Allocation	251
Odessa's Population	251
Percent of Debt to Taxable Value	16
Personnel History.....	45
Projected General Fund Balance.....	14
Property Tax Comparison	36
Property Tax Rate	33
Property Tax Revenue	54
Risk Management Fund Expenditures..	196
Risk Management Fund Revenues.....	194
Sales Tax Revenue.....	55
Sales Tax Revenue - Percent Change ...	51
Solid Waste Fund Expenditures.....	150
Solid Waste Fund Revenues	148
Storm Water Fund Expenditures.....	164
Storm Water Fund Revenues	162
Water & Sewer Fund Expenditures.....	121
Water & Sewer Fund Revenues	115,118
Water Rate Comparison	117

APPENDIX

INDEX

G (cont'd)

Graphs (con'td)	
Water Revenue	119
Wastewater Revenue.....	120
Gulf Coast.....	145

H

Health and Wellness.....	204
Housing Incentive Program	123,144
Human Resources	74

I

Information Furnished.....	1
Information Technology (General Fund).....	88
Information Technology (Information Technology Fund).....	190
Information Technology Fund Expenditure Overview.....	187
Information Technology Fund Expenditure Summary	186
Information Technology Fund Overview ...	183
Information Technology Fund Revenue Overview.....	185
Information Technology Fund Revenue Summary	184
Internal Service Funds Definition.....	28
Itemized Budget and Contents	1

L

Laboratory Services.....	140
Land Allocation	251
Lease Agreements.....	216
LEOSE Fund.....	234
Levy of Taxes	2
Liability Insurance	205
Liquid Waste Fund.....	236

M

Mandates	262
Medical and Dental	204
Municipal Court.....	86
Municipal Court Building Security Fund.....	232
Municipal Court Technology Fund	233

N

Net Bonded Debt Per Capita	16,266
Net Taxable Values	35
Neighborhood Services General Fund	110
Neighborhood Services – Solid Waste	158
Non-Departmental-General Fund	90
Non-Departmental-Solid Waste Fund.....	160
Non-Departmental-Water & Sewer Fund...	144

O

Office of the City Manager	72
Operating Transfers Out.....	91
Ordinance - Taxes	270
Organization Chart City of Odessa	37
Outside Agencies Convention And Visitors Fund.....	231
Outside Agencies General Fund.....	91
Outside Agencies Solid Waste Fund	160

P

Parks and Recreation	104
Participation in Line Extensions.....	146
Percent of Debt to Taxable Value.....	16,266
Personnel History	44
Planning and Development.....	80
Police	108
Population.....	251
Property Tax Comparison.....	36
Property Tax Rate.....	33
Property Tax Revenue.....	54
Proposed Budget Filed	1
Public Hearings on Proposed Budget.....	2
Public Safety Communications.....	78
Public Works Administration	92
Public Works (GIS)	102
Purchasing.....	84

R

Ratio of Annual Debt Service Expenditures	265
Ratliff Ranch Golf Course Fund Expenditure Overview	227
Ratliff Ranch Golf Course Fund Expenditure Summary	226

APPENDIX

INDEX

R (cont'd)

Ratliff Ranch Golf Course Fund Overview	223
Ratliff Ranch Golf Course Fund Revenue Overview.....	225
Ratliff Ranch Golf Course Fund Revenue Summary	224
Ratliff Ranch Golf Course	228
Repair and Replacement.....	144
Reserve Policy.....	11
Resolution - Budget	267
Revenue Policies.....	11
Risk Management.....	202
Risk Management-Clinical Services	206
Risk Management Fund Expenditure Overview.....	197
Risk Management Fund Expenditure Summary	196
Risk Management Fund Overview.....	193
Risk Management Fund Revenue Overview.....	195
Risk Management Fund Revenue Summary	194
Risk Management-General Liability.....	205
Risk Management-Health and Wellness....	204
Risk Management-Medical and Dental.....	204
Risk Management-Worker's Compensation.....	205

S

Sales Tax Revenue	55
Sales Tax Revenue – Percent Change	51
Schedule of Outstanding Bonded Debt	210
Schedule of Payments General Debt Service.....	210
Water & Sewer Revenue Bonds	214
Solid Waste Division	156
Solid Waste Fund Expenditure Overview ..	151
Solid Waste Fund Expenditure Summary..	150
Solid Waste Fund Overview	147
Solid Waste Fund Revenue Overview	149
Solid Waste Fund Revenue Summary.....	148
Solid Waste - Neighborhood Development Services	158
Special Projects	91
Special Revenue Fund Definition	28

State Mandates	262
Storm Water Division	166
Storm Water Fund Expenditure Overview .	165
Storm Water Fund Expenditure Summary	164
Storm Water Fund Overview	161
Storm Water Fund Revenue Overview	163
Storm Water Fund Revenue Summary.....	162
Street	100
Summary of Funding Sources	40
Summary of Operating Funds-Three Year Comparison of Expenditures	42
Summary of Operating Funds-Three Year Comparison of Revenues	38

T

Tax Ordinance	270
Traffic Engineering.....	98
Transmittal Letter.....	i

U

Utilities Administration	130
Utilities GIS Division	142

W

Wastewater Collection	138
Water & Sewer Debt Service Narrative	209
Water & Sewer Debt Service Payments	145, 214
Water & Sewer Debt Service Schedule	214
Water & Sewer Fund Expenditure Overview	122
Water & Sewer Fund Expenditure Summary	121
Water & Sewer Fund Expenditures by Function	124
Water & Sewer Fund Overview	113
Water & Sewer Fund Revenue Overview.....	116
Water & Sewer Fund Revenue Summary	115
Water & Sewer Fund Repair and Replacement	144
Water & Sewer Fund System Overview and Trend Analysis	114

APPENDIX

INDEX

W (cont'd)

Water & Sewer Rates	117
Water Distribution	132
Water Purchases	145
Water Treatment Plant.....	134
Worker's Compensation	205