



CITY OF
Huntsville
Incorporated in 1845 under the Republic of Texas

Citizens of Walker County
City Council
City Manager
Directors and Staff

The budget for fiscal year 2008-09 is presented herein. The citywide appropriations total \$47,559,166 for operations, \$2,053,170 for general obligation debt supported by taxes, and \$3,596,973 for capital improvements. Appropriations for the major operating funds and for the Debt Fund are:

General Fund	\$	16,391,421
Debt Fund		2,053,170
Water Fund		10,668,945
Wastewater Fund		7,991,614
Solid Waste Fund		4,040,076
Street Fund		2,923,951
Capital		<u>3,596,973</u>
Total		47,666,150

The FY 2008-09 budget for the General and Debt Funds is supported by a tax rate of \$.4007, representing a 1.3% decrease overall and a 2.0 cent increase for debt. The rate adopted is the effective rate and divided as follows:

General Fund	\$.2108
Debt	<u>\$.1899</u>
Total	\$.4007

Primary objectives for this budget year were stabilization of retirement benefits and the health insurance fund. For retirement, this was accomplished with increased appropriations for retirement to meet the actuarial determined cost as determined from the Texas Municipal Retirement System new actuarial study. The retirement expenditure appropriations represented an increase of approximately 5%. Additionally, funds were set aside for the beginning of a reserve to fund the retirement liability.

The health insurance fund received transfers from all operating funds prior to the start of the year, and the city accepted a new policy adopting tiered plans and multiple options for new employees. The insurance plan should assist the city in reducing or moderating its overall unfunded liability. The financial reports for the year ending with this budget (FY2008-09) will require reporting of unfunded liabilities and payments from the city health insurance fund.

In the Capital Budget, funds were earmarked for sidewalks and were determined to be a priority. It is the objective of council to have funding that the city can sustain for the next few years. In November 2007, the voters approved a bond issue for a new fire station. The capital budget for the fire station is included at approximately \$2 million, including building and equipment.

FINANCE

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The budget adopted is, for the most part, the budget as presented by Interim City Manager Gene Pipes and is discussed in the following letter. Exceptions include the follows operating budget items:

101-112	City Council	\$ (21,000)	Eliminated Brazos Transit Contract
101-113	City Manager	\$(163,891)	Eliminated Special Projects Director Position
101-115	City Attorney	\$ (56,787)	Eliminated DA Contract, reduced Training & Seminars
101-421	Recreation	\$ 9,487	Added PT Recreation Assistant
101-550	Public Safety Admin	\$ 12,000	Increased Rita B. Huff account
101-551	Police	\$ 16,027	Police Overtime/Incentive Pay
		\$ 111,374	Addition of 2 Police Officers
101-552	Fire	\$ 1,460	Step Increase & Upgrade to Firefighter/EMC
101-700	Engineering	\$ 795	Sr. Designer Step Increase

The Finance and Budget staff wish to thank the city and council for their cooperation during this budget session.

Winston Duke
Director of Finance

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Our vision for the City of Huntsville is a community that is beautiful, historic, culturally diverse, affordable, safe, and well planned with great opportunity for our citizens.

City of Huntsville
Letter of Transmittal
FY 2008-09 Proposed Budgets
July 1, 2008

Honorable Mayor and Members of City Council:

Enclosed herewith is the Proposed Budget for fiscal year 2008 - 09 as required under the City Charter, Article XI, Section, 11.05. The proposed budget comports in all material aspects as specified in the Charter. It is balanced in respect to the total of estimated revenues, income and funds available being equal to or in excess of budgeted appropriations.

Your proposed budget is presented in loose leaf format to facilitate review and modification of the proposed program of work outlined therein. The City staff has spent over six weeks in compiling, reviewing, and preparing this document for your consideration. Comments, criticisms, and editing by the Council and public alike are solicited. Effort has been made to produce a workable plan at the lowest possible cost that will achieve the goals and objectives previously established in the Comprehensive Plan, and strategic implementation plan.

Some basic assumptions that were considered while preparing this proposed budget are as follows:

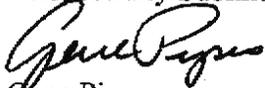
- Staffing levels in most departments are unchanged. A few areas, in which revenues are generated to cover costs and maintain a level of service expected by the public, have been presented in the supplemental requests area for your consideration.
- Given the extreme rise in fuel costs which has affected every aspect of our collective economic lives, a 2% adjustment to the pay and classification system has been built in the proposed budget.
- Fuel cost increases, health care insurance, and adjustments to the employee retirement system (TMRS) matching contributions have all been factored into the proposed budget and account for a major portion of increased costs in all funds and budgets. The 21.75% contribution (up from 16.45) rate will continue in future years until investments return to profitability and/or actuarial analysis standards stabilize.
- The City of Huntsville remains out of the Federal Social Security System (6.2% FICA) (12.4% for employer) except for Medicare contributions, thereby saving contribution levels paid by other local employers and employees alike.

The document is organized by fund and department and is presented in summary form to facilitate review and comprehension. The workbook version which originated with staff requests back in April has been maintained throughout the process and will be available at each review meeting to provide complete detail upon request.

A supplemental information section will be provided at the back of the document to provide organizational staffing and contextual details that may be helpful in review of the document. The initial presentation of the FY 2008-09 Proposed Budget will be given on July 1, 2008 and subsequent meetings will be scheduled at Council's convenience in consideration of the time requirements of the City Manager search process. The budget review may be set aside and resumed without concern throughout the months of July and most of August. Final budget review is scheduled on August 22nd and a public hearing on the Budget and tax rate is scheduled for September 2nd. Ample time will be available to thoroughly examine and deliberate the soundness of the proposed budget and the program of work outlined.

Your consideration of this document is greatly appreciated by all of those dedicated City employees who contributed to this effort. Special commendation and thank-you go to the capable staff of the Finance Department.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Gene Pipes". The signature is written in a cursive, flowing style.

Gene Pipes
Interim City Manager

Budget Overview

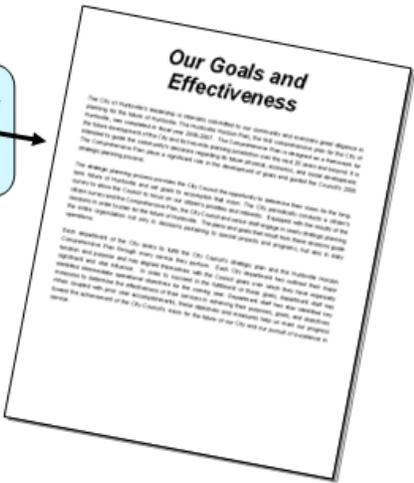
Guide to What's Inside

The Budget Overview section contains two subsections: Budget Summary and Goals and Effectiveness.



The **Budget Summary** section contains a general overview of the City of Huntsville's Annual Budget. A description of the budget process, a budget schedule, and operating funds budget summary charts and graphs are included.

The **Goals and Effectiveness** provides an overview of the City of Huntsville's guidelines to assist Departments in preparing their long- and short-term goals.



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Budget Summary

Budget Structure

The accounts of the City are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. Each fund can be generally thought of as a small business. The operations of each fund are maintained using a set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures. City resources are budgeted to the individual funds, by account, and are controlled within the individual fund.

General Governmental Funds

General Fund
General Debt Service Fund

Special Revenue Funds

Court Security Fund
Court Technology Fund
Street Fund
Airport Fund
Library Fund
Police Forfeiture Fund
School Resource Officers Fund
Public Safety Grants Fund
Arts Center Fund
Hotel/Motel Tax Fund

Enterprise Funds

Water Fund
Wastewater Fund
Solid Waste Fund
Cemetery Operations Fund

Internal Service Funds

Medical Insurance Fund
Capital Equipment Fund
Fire Equipment Fund
Computer Equipment Fund

Permanent Funds

Library Endowment Fund
Cemetery Endowment Fund

Capital Project Funds

General Capital Projects
Drainage Capital Projects
Water Capital Projects
Wastewater Capital Projects

The Fiscal and Budgetary Policies, adopted as part of this budget, require that a budget be prepared for each of these funds.

Basis of Budgeting

Operating budgets are adopted on a basis consistent with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board, with exceptions, including that depreciation is not included in the budget, capital purchases are budgeted in the year of purchase, un-matured interest on long-term debt is recognized when due, and debt principal is budgeted in the year it is to be paid (see pp 376-379).

Description of Funds

General Fund - The General Fund is the City's primary operating fund. The General Fund is used to account for all financial transactions of the general government except for those required to be accounted for in another fund. The principal sources of revenue of the General Fund are property taxes, sales taxes, municipal court fines, and administrative cost reimbursements from other funds. Expenditures in the General Fund are for general government, public safety, public services, parks and recreation, and other community services.

General Debt Service Fund - The General Debt Service Fund accounts for the financial resources accumulated for the payment of principal, interest, and related costs on long-term debt paid primarily from taxes levied by the City.

Special Revenue Funds - Special Revenue Funds are used to account for revenues either legally obligated for a special purpose, conditions of a grant, or funds designated by Council to be used for a specific purpose. The use of special revenue funds allows for a clearer picture of dedicated or special purpose revenues. The Streets Special Revenue Fund is used to account for the costs of street maintenance and repair with revenue received from utility franchise fees and use of right-of-way fees. Any difference between budgeted expenditures and expected revenues is funded through a transfer from the General Fund.

The Court Security and Court Technology Special Revenue Funds are used to account for the municipal court security and technology fees authorized by the Texas Code of Criminal Procedures. The Code authorizes a municipality to require a defendant convicted of a misdemeanor offense in the Municipal Court, to pay a \$3.00 security fee and up to a \$4.00 technology fee as a cost of court. The revenue from these fees can only be used for purposes outlined in Articles 102.017 and 102.0172 of the Texas Code of Criminal Procedure. The Airport Special Revenue Fund is used to account for the costs of airport maintenance and grants with revenue collected from the operator of the airport whose contract requires a fee be paid based on gallons of aviation fuel sold at the airport. Any difference between budgeted expenditures and expected revenues is funded through a transfer from the General Fund.

The Library Special Revenue Fund is used to account for grants and contributions received for library related purposes. The Police Forfeiture Special Revenue Fund retains money for police participation in drug forfeitures to be used for law enforcement purposes. The School Resource Officer Special Revenue Fund is used to account for police security services provided by the Huntsville Police Department to Huntsville Independent School District (HISD) with revenues received through a grant and a contract with HISD. The Public Safety Grants Special Revenue Fund is used to account for grants received for public safety related purposes. The Arts Center Special Revenue Fund is used to account for the operation and programs of the Wynne Home Arts Center with revenue received from the arts portion of the Hotel/Motel tax and transfers from General Fund. The Hotel/Motel Tax Funds are used to account for the revenues generated from the 7% Hotel/Motel occupancy tax. The tax is allocated as follows: 3% for tourism; 3% for debt and operations of a Visitors Center; and 1% for arts (accounted for in the Arts Center Special Revenue Fund).

Water Fund - The Water Fund is an enterprise fund used to account for the cost of providing water service to the community. The primary source of revenue for the Water Fund is water service charges. Water operations consist of production, distribution, capital construction, and utility billing.

Wastewater Fund - The Wastewater Fund is an enterprise fund used to account for the cost of providing wastewater collection and treatment service to the community. The primary source of revenue for the Wastewater Fund is wastewater service charges. Wastewater operations consist of collection, treatment, and environmental services.

Solid Waste Fund - The Solid Waste Fund is an enterprise fund used to for the cost of providing solid waste collection and disposal service to the community. The City of Huntsville operates a transfer station facility and transfers solid waste to the Polk County Solid Waste Management Center for disposal. The primary source of revenue for the Solid Waste Fund is solid waste user fees. Solid Waste operations consist of collection, disposal, and recycling.

Cemetery Operations Fund - The Cemetery Operations Fund is an enterprise fund used to account for the operation of the Oakwood Cemetery with revenue from sale of cemetery space, transfers from General Fund, and transfers from the Cemetery Endowment Fund interest earnings.

Internal Service Funds - Internal Service Funds are used to account for services furnished by a designated program to other programs within the City. The City of Huntsville uses Internal Service Funds (ISF) to accumulate funds for the replacement of equipment and to account for the cost of providing medical insurance coverage to City departments. The Medical Insurance Internal Service Fund is used to account for the City of Huntsville's self funded medical insurance program. Other operating funds pay into the fund for coverage for full-time employees. Dependent coverage is provided at a cost to the employee. The Medical Insurance Fund disperses claims and administration fees for health, dental, vision, and life insurance.

The Equipment Replacement Internal Service Funds provide fleet, capital equipment, and computer equipment replacements for the City of Huntsville. User divisions are charged an annual lease fee, based on the useful life and anticipated replacement cost for assets assigned to the division. The replacement funds then purchase replacement equipment as scheduled and/or as conditions warrant.

Permanent Funds - Permanent funds are used to report resources that are legally restricted to the extent that only interest earnings, not principal, may be used for purposes that support City programs. The City of Huntsville has two permanent funds, the Cemetery Endowment Fund and the Library Endowment Fund.

Capital Project Funds – Capital improvement projects are budgeted for the length of the project. All City revenue sources are funded at the time of budget passage. General Capital Projects include parks, general government facilities, fire stations, and the aquatic center. Street projects are accounted for as General Capital Projects. Enterprise Fund projects are accounted for separately but are accounted for in the City's annual report (CAFR) in their respective enterprise funds: water, wastewater, solid waste, or cemetery.

Planning and Budget Preparation

The City of Huntsville's budgeting process begins with citizen input and involves much planning, goal setting, and prioritizing by the City Council and staff. The below graph demonstrates how citizen input and City planning processes impact the preparation of the Annual Budget:



Comprehensive Plan

In 2006, our community developed a comprehensive plan. The comprehensive planning process provided citizens a forum to express their vision for the future of Huntsville. The Huntsville Horizon Plan, the first comprehensive plan for the City of Huntsville, is designed as a framework for the future development of the City and its two-mile planning jurisdiction over the next 20 years and beyond. It is intended to guide the community's decisions regarding its future physical, economic, and social development. The Comprehensive Plan plays a significant role in the development of goals and guides the Council's strategic planning process.

Strategic Plan

The City Council's Strategic Plan is a strategy to move our community from its current state to where the citizens and City Council desire the community to be in the future. The strategic planning process is an annual process that provides the City Council the opportunity to determine their vision for the long-term future of Huntsville and set goals to accomplish that vision. The City periodically conducts a citizen's survey to allow the Council to focus on our citizen's priorities and interests. Equipped with the results of the citizen survey and the Comprehensive Plan, the City Council and senior staff engage in yearly strategic planning sessions in order to develop the Strategic Plan for the future of Huntsville. The plans and goals that result from these sessions guide the development of the Capital Improvement Plan and Annual Budget.

Capital Improvement Plan

The Capital Improvement Plan is developed through a joint effort between City Council and City staff in order to respond to the City's infrastructure needs. On an annual basis, City professional staff, with consideration of citizen input, recommends appropriate projects to the City Council. Capital improvement projects are expenditures of a non-recurring nature related to the acquisition, construction, expansion, or major rehabilitation of an element of Huntsville's infrastructure. Capital improvement projects can include such things as parks, buildings, water and wastewater lines, streets, and sidewalks. After reviewing each project's purpose, impact, and cost, the City Council must prioritize projects and align those projects with the resources available for

funding. Based on priorities, goals, and issues, a five-year plan is developed for each area of the capital program. The projects in the first year of the program are considered for funding through the annual budgeting process.

Annual Budget

The annual budgeting process begins with a kick-off session to provide City staff members with instructions and directions for budget request preparation. In accordance with the goals and priorities that resulted from this strategic planning session, City staff then prepare their departmental budget requests. Each City department prepares a base budget request and a supplemental budget request for each of their divisions.

The Base Budget is the portion of the budget that provides for the continuation of operations at the current service level taking into account the updated costs required to provide these services. The Supplemental Budget is the portion of the budget that includes new programs and personnel, new equipment, and any changes to the present level of service. Each department of the City prepares a budget that seeks to fulfill the City Council's strategic plan and long-term vision for the future of our community through every service they perform, both in daily operations and special projects and programs. Because of Huntsville's limited resources, not every budget request can be funded.

The City Manager reviews department budget requests and weighs them against available funding and other requests. The City Manager then presents a proposed budget to the City Council that includes recommended supplemental requests for new or expanded programs, additional personnel, new equipment, and proposed projects. The City Council holds several budget sessions to review the proposed budget and supplemental requests. Council consideration is also given to requests presented by the public, Council members, and other Council appointed committees. Public hearings are held in August and final adoption of the annual budget occurs in September. The budget calendar for FY 2008-09 is provided on the following page:

City of Huntsville FY 08-09 Budget Calendar

City Council Strategic Planning Session	March 28 - 29
Budget Kick-off and Staff Training Session	April 7
Budget Request Submission Deadline	May 2
Public Works Capital Budget Review Deadline	May 16
Budget Narrative/Goals/Measures Update Submission Deadline	May 23
Budget Workbook Provided to City Manager	May 30
City Manager/Department Head Meetings	June 13
City Council Budget Work Session	June 24 & August 8, 12, 15
Proposed Budget Provided to City Council	July 1
Committee Budget Meeting – Personnel Committee	July 21, 31
Publication of Effective and Rollback Rates	August 13
Proposed Budget posted on Web	August 19
Public Hearing on the Budget	August 19 & September 2
Committee Budget Meeting – Finance Committee	August 25
Budget Adoption	September 2
Tax Rate Adoption	September 16

Budget Control & Amendment

The City of Huntsville's Annual Budget is adopted by division within the individual funds. The budget, as adopted by Council, is subject to change or amendment by formal action of the City Council. The City has a number of levels of detail in the operating budgets - the fund, the department, the division, the classification, and the line item. The below example shows the relationship between the different levels of budget detail:

Fund:	General Fund
Department:	Public Safety
Division:	Police
Classification:	Salaries/Other Pay/Benefits
Line Item:	Salaries - Full Time

The level at which management, without prior Council approval, loses the ability to reapply budgeted resources from one use to another is known as the budget's "legal level of control". The division level is the legal level of control for the City of Huntsville. The City Manager may, without prior City Council approval, authorize transfers between budget line items within a division and may authorize transfers of \$3,000 or less between divisions. The City Manager may authorize transfers of \$3,000 or less from the budgeted future appropriations account without prior City Council approval. Transfers between divisions and transfers from the future appropriations account are presented to Council at each Council meeting. Adjustments between funds or increased budget allocations greater than \$3,000 require Council approval.

During the fiscal year, budgetary control is maintained through monthly review of budget statements. The responsibility for budgetary control lies with the Department Head. A department is a major administrative segment of the City which indicates overall management responsibility for an operation or a group of related operations within a functional area (e.g., Public Safety Department, Community Services Department). Divisions are the smallest organizational unit budgeted and are grouped together under departments to demonstrate a broader responsibility. For example, the Public Safety Department is comprised of Public Safety Administration Division, Police Division, Fire Division, and School Resource Officer Division. Department Heads may not approve expenditures that exceed monies available at the classification code level within their divisions without prior approval. Appropriations not expended by departments at the end of the fiscal year will lapse. Therefore, funds that were budgeted but not used during the fiscal year are not available for use in the next fiscal year unless they are appropriated again by City Council.

The Finance Department routinely reviews budget items through the payable and purchase order process. The City Manager approves amendments with this authority on an ongoing daily basis. The City Council Finance Committee reviews amendments on a monthly basis before approval by the City Council.

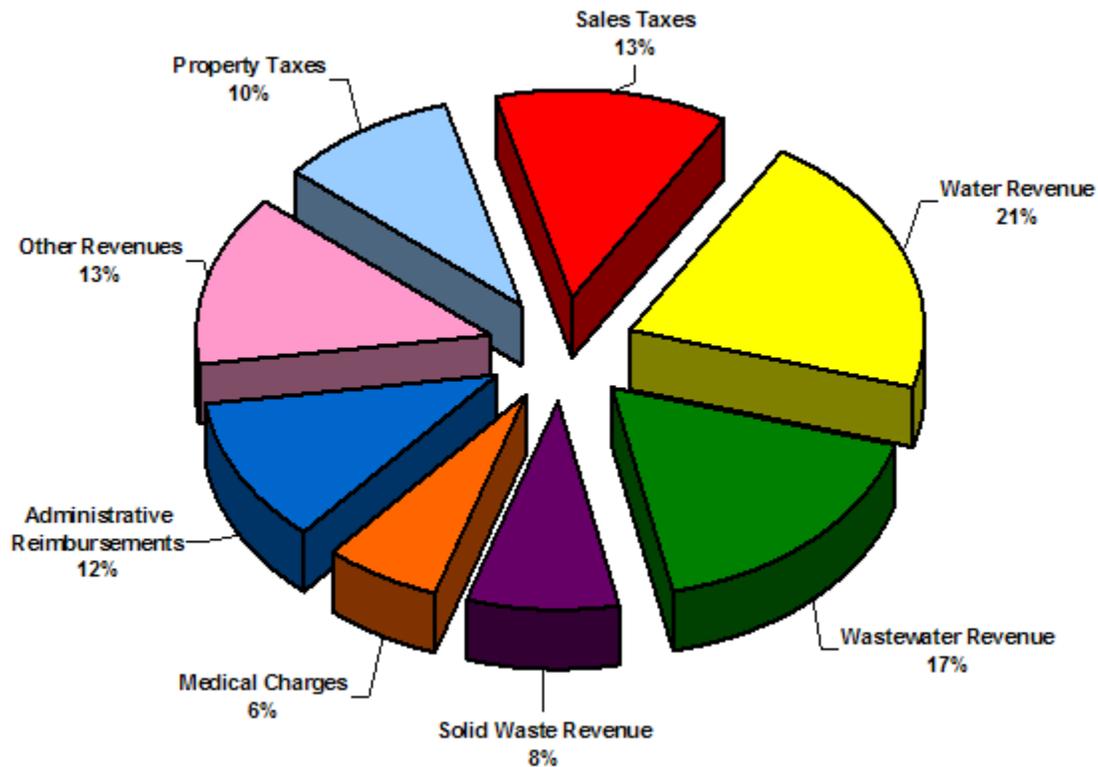
The table on the following page shows the relationship between the City of Huntsville's funds and divisions and indicates the department responsible for budgetary control of each division:

City of Huntsville
Departments, Divisions, and Funds

	General Fund	Water Fund	Wastewater Fund	Solid Waste Fund	Cemetery Operations	Street Special Revenue Funds	Other Special Revenue Funds
Charter Offices							
City Council	✓						
Office of City Manager	✓						
Office of City Secretary	✓						
Office of City Attorney	✓						
Office of City Judge	✓						
Administrative Services							
Human Resources	✓						
Risk and Safety Management	✓						
Office Services	✓						
Purchasing	✓						
Garage Operations	✓						
Building Maintenance	✓						
Information Technology	✓						
Finance Department							
Finance	✓						
Municipal Court	✓						
Court Security							✓
Utility Billing		✓					
Public Utilities Department							
Public Utilities Administration	✓						
Surface Water Plant		✓					
Water Production		✓					
Water Distribution		✓					
Meter Reading		✓					
Wastewater Collection			✓				
AJ Brown WWTP			✓				
NB Davidson WWTP			✓				
Robinson Creek WWTP			✓				
Lab Compliance			✓				
Commercial Collection				✓			
Solid Waste Disposal				✓			
Residential Collection				✓			
Recycling				✓			
Public Works Department							
Public Works Administration	✓						
Planning	✓						
Engineering	✓						
Surveying	✓						
Central Inspection	✓						
Health	✓						
Construction Crew		✓					
Street Sweeping						✓	
Streets						✓	
Drainage Maintenance						✓	
Airport							✓
Community Services Department							
Community Services Administration	✓						
Recreation	✓						
Parks Maintenance	✓						
Aquatic Center Operations	✓						
Library	✓						
Main Street	✓						
Cemetery					✓		
Arts Center							✓
Public Safety Department							
Public Safety Administration	✓						
Police	✓						
Fire	✓						
School Resource Officers							✓

Operating Budget Summary

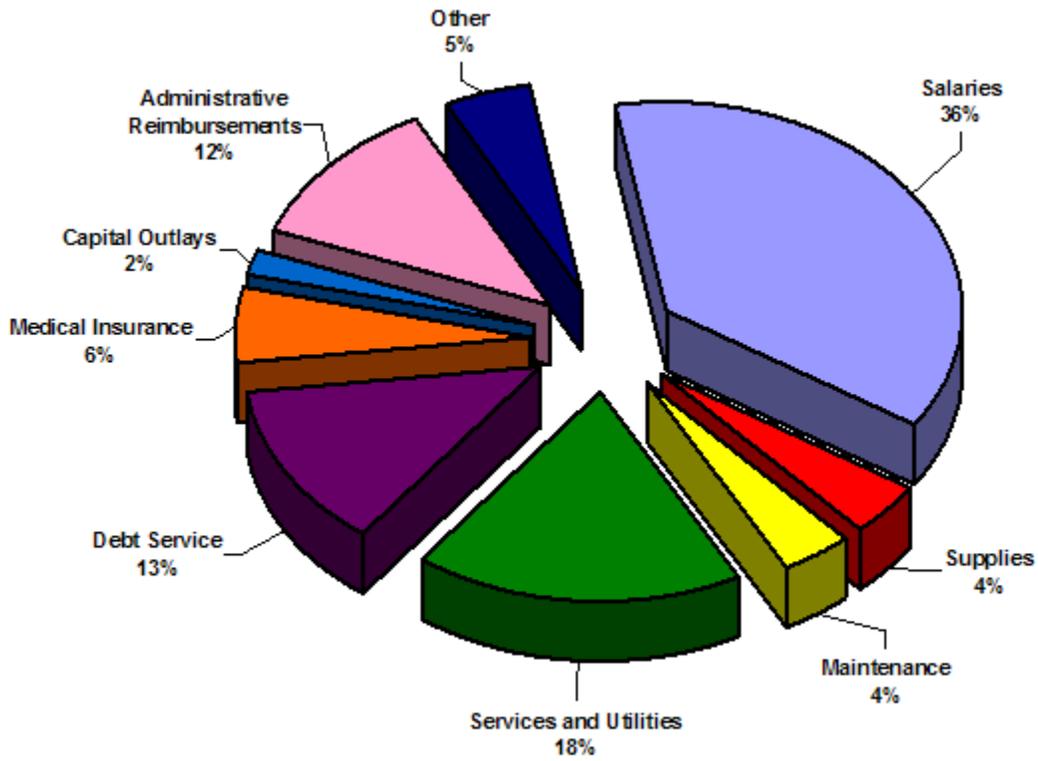
Where the Money Comes From...



Other Expenses Include:

Permits/Licenses/Development Fees	0.60%
Municipal Court Fines	1.75%
Fees/Charges/Sales	0.50%
Inter Governmental	1.30%
Interest Earnings	1.80%
Grants/Reimbursements/Contributions	0.30%
Other Revenues	1.00%
Utility Franchise Fees	3.00%
Hotel/Motel Taxes	1.00%
Right-of-Way Maintenance Charges	1.75%

Where the Money Goes...



Other Expenses Include:

Insurance/Sundry/Elections	1.50%
Programs/Projects	0.50%
Future Appropriations/Bad Debt	1.00%
Right-of-Way Charges	2.00%

Operating Budget Summary

	General Fund	Debt Service Fund	Water Fund	Wastewater Fund	Solid Waste Fund
Beginning Fund Balance Oct. 1	4,185,000	25,585	3,160,000	1,800,000	1,020,627
Sources of Funds					
Revenues					
Property Taxes	2,561,000	2,056,500	-	-	-
Sales Taxes	6,111,000	-	-	-	-
Other Taxes	71,150	-	-	-	-
Permits/Licenses/Development Fees	289,050	-	-	-	-
Municipal Court Fines	799,000	-	-	-	-
Fees/Charges/Sales	100,950	-	94,675	-	2,001
Inter Governmental	246,487	-	-	-	-
Interest Earnings	282,500	20,000	195,000	173,800	57,000
Grants/Reimbursements/Contributions	50,150	-	-	-	-
Other Revenues	362,080	-	-	-	40,988
Water Revenues	-	-	9,981,838	-	-
Wastewater Revenues	-	-	-	8,197,000	-
Solid Waste Revenues	-	-	-	-	4,028,974
Health Insurance Payments	-	-	-	-	-
Utility Franchise Fees	-	-	-	-	-
Hotel/Motel Taxes	-	-	-	-	-
Total Revenues	10,873,367	2,076,500	10,271,513	8,370,800	4,128,961
Administrative Reimbursements	5,132,427	-	317,505	65,000	-
Right-of-Way Maintenance Charges	-	-	-	-	-
Operating Transfers In	206,750	-	-	-	-
Total Sources of Funds	16,212,544	2,076,500	10,589,018	8,435,800	4,128,961
Uses of Resources					
Expenditures					
Operating Expenses					
Salaries/Other Pay/Benefits	11,377,909	-	1,535,475	1,396,042	1,217,872
Supplies	812,080	-	257,733	191,900	429,185
Maintenance of Structures	103,000	-	169,300	416,700	15,500
Maintenance of Equipment	204,054	-	112,862	61,944	142,049
Services and Utilities	2,415,551	-	3,850,599	791,841	729,298
Insurance/Sundry/Elections	283,985	-	128,441	95,322	159,297
Programs/Projects	137,390	-	-	-	2,000
Debt Service	158,850	1,894,320	1,640,310	2,065,917	85,957
Capital Outlays	72,000	-	-	99,000	-
Future Appropriations/Bad Debt	167,723	-	89,000	110,000	20,000
Medical Insurance	-	-	-	-	-
Total Operating Expenses	15,732,542	1,894,320	7,783,720	5,228,466	2,801,158
Administrative Reimbursements	-	-	2,371,376	2,000,832	695,135
Right-of-Way Charges	-	-	369,375	299,945	144,515
Total Expenditures	15,732,542	1,894,320	10,524,471	7,529,243	3,640,808
Operating Transfers Out	658,879	158,850	144,474	462,371	399,268
Total Uses of Resources	16,391,421	2,053,170	10,668,945	7,991,614	4,040,076
Ending Fund Balance Sept. 30	4,006,123	48,915	3,080,073	2,244,186	1,109,512
Inventory Cash Reservations	90,000	Not	150,000	20,000	-
Transfer to Capital	186,500	required	99,191	272,000	-
Projected Reserve	3,916,123		2,830,882	1,952,186	1,109,512
	25%		27%	25%	28%

Cemetery Operations	Street Special Revenue Fund	Other Special Revenue Funds	Internal Service Funds	Permanent Funds	Total Operating Budget
12,342	1,112,483	704,494	52,711	465,613	\$ 12,538,855
-	-	-	-	-	4,617,500
-	-	-	-	-	6,111,000
-	-	-	-	-	71,150
-	-	-	-	-	289,050
-	-	35,000	-	-	834,000
12,000	48,000	7,900	-	-	265,526
-	-	375,684	-	-	622,171
450	57,000	22,300	56,600	15,300	879,950
100	-	94,619	-	-	144,869
-	-	-	52,000	-	455,066
-	-	-	-	-	9,981,838
-	-	-	-	-	8,197,000
-	-	-	-	-	4,028,974
-	-	-	2,976,805	-	2,976,805
-	1,457,500	-	-	-	1,457,500
-	-	525,000	-	-	525,000
12,550	1,562,500	1,060,503	3,085,405	15,300	41,457,399
-	-	-	-	-	5,514,932
-	813,834	-	-	-	813,834
125,785	352,012	271,676	984,042	-	1,940,265
138,335	2,728,346	1,332,179	4,069,447	15,300	49,726,430
96,351	1,310,524	623,605	-	-	17,556,778
12,865	142,326	82,899	48,512	-	1,977,500
3,650	489,911	61,000	-	-	1,259,061
5,325	90,600	7,594	-	-	624,428
2,263	178,500	462,705	20,000	-	8,450,557
265	63,688	300	-	-	731,298
25,000	10,000	77,519	-	-	251,909
-	-	-	215,341	-	6,060,695
-	13,000	13,595	751,080	-	948,675
-	-	-	-	-	386,723
-	-	-	2,862,161	-	2,862,161
144,719	2,298,549	1,329,217	3,897,094	-	41,109,785
-	447,218	-	-	-	5,514,561
-	-	-	-	-	813,835
144,719	2,745,767	1,329,217	3,897,094	-	47,438,181
5,958	178,184	154,371	-	11,800	2,174,155
150,677	2,923,951	1,483,588	3,897,094	11,800	49,612,336
-	916,878	553,085	225,064	469,113	\$ 12,652,949
Not required	20,000 149,635 747,243	Not required	Not required	Not required	

26%

Operating Budget Summary

Three Year Historical

	06-07 Actual	07-08 Budget	08-09 Adopted
Sources of Funds			
Revenues			
Property Taxes	4,134,374	4,208,000	4,617,500
Sales Taxes	5,902,324	5,650,000	6,111,000
Other Taxes	70,454	71,100	71,150
Permits/Licenses/Development Fees	444,650	218,620	289,050
Municipal Court Fines	784,255	805,700	834,000
Fees/Charges/Sales	375,293	206,850	265,526
Inter Governmental	503,943	495,743	622,171
Interest Earnings	1,320,735	1,011,918	879,950
Grants/Reimbursements/Contributions	306,149	329,164	144,869
Other Revenues	498,300	1,457,080	455,066
Water Revenues	9,614,821	9,806,927	9,981,838
Wastewater Revenues	8,183,570	7,894,000	8,197,000
Solid Waste Revenues	3,809,917	3,918,550	4,028,974
Health Insurance Payments	2,424,562	2,743,976	2,976,805
Utility Franchise Fees	1,407,613	1,534,000	1,457,500
Hotel/Motel Taxes	511,507	464,000	525,000
Total Revenues	40,292,467	40,815,628	41,457,399
Administrative Reimbursements	4,653,364	5,326,107	5,514,932
Right-of-Way Maintenance Charges	750,228	786,679	813,834
Operating Transfers In	2,070,104	2,779,476	1,940,265
Total Sources of Funds	47,766,163	49,707,890	49,726,430
Uses of Resources			
Expenditures			
Operating Expenses			
Salaries/Other Pay/Benefits	15,240,734	16,329,569	17,542,214
Supplies	1,507,694	1,763,527	1,977,500
Maintenance of Structures	1,278,642	1,267,090	1,259,061
Maintenance of Equipment	679,057	601,252	624,428
Services and Utilities	7,547,368	8,470,445	8,447,844
Insurance/Sundry/Elections	538,907	656,772	731,298
Programs/Projects	159,171	384,721	251,909
Debt Service	5,722,355	6,035,357	6,060,695
Capital Outlays	1,011,615	3,300,474	948,675
Future Appropriations/Bad Debt	-	245,000	404,000
Medical Insurance	2,509,066	2,773,976	2,862,161
Total Operating Expenses	36,194,609	41,828,183	41,109,785
Administrative Reimbursements	4,977,600	5,326,107	5,514,561
Right-of-Way Charges	750,228	786,679	813,835
Total Expenditures	41,922,437	47,940,969	47,438,181
Operating Transfers Out	1,672,307	2,709,376	2,174,155
Total Uses of Resources	43,594,744	50,650,345	49,612,336
Transfers to Capital	2,660,600	2,696,773	707,326

Summary of Transfers and Internal Charges

Summary of Operating Transfers

		T O									
		General Fund	Cemetery Operations	Court Security	Street Fund	Police SRO SRF	Arts Center SRF	Capital Equipment	Computer Equipment	General CIP	Total Out
F	General Fund	-	113,985	42,634	-	91,521	-	180,911	43,328	186,500	658,879
R	Debt Service Fund	158,850	-	-	-	-	-	-	-	-	158,850
O	Water Fund	30,619	-	-	-	-	-	60,776	35,579	17,500	144,474
M	Wastewater Fund	5,610	-	-	352,012	-	-	61,353	25,896	17,500	462,371
	Solid Waste Fund	3,610	-	-	-	-	-	383,395	12,263	-	399,268
	Street Fund	8,061	-	-	-	-	-	143,648	8,975	17,500	178,184
	Cemetery Operations	-	-	-	-	-	-	5,958	-	-	5,958
	SRO Fund	-	-	-	-	-	-	16,850	-	-	16,850
	H/M - Visitors	-	-	-	-	-	38,661	-	-	-	38,661
	H/M - Tourism	-	-	-	-	-	98,860	-	-	-	98,860
	Cemetery Endowment	-	11,800	-	-	-	-	-	-	-	11,800
Total In		206,750	125,785	42,634	352,012	91,521	137,521	852,891	126,041	239,000	2,174,155

Summary of Administrative Reimbursements

		T O			
		General Fund	Water Fund	Wastewater Fund	Total Out
F	Water Fund	2,306,376	-	65,000	2,371,376
R	Wastewater Fund	1,728,096	272,736	-	2,000,832
O	Solid Waste Fund	650,737	44,398	-	695,135
M	Street SRF	447,218	-	-	447,218
Total In		5,132,427	317,134	65,000	5,514,561

Summary of Medical Insurance Charges

		T O	
		Medical Insurance	Total Out
F	General Fund	1,277,207	1,277,207
R	Water Fund	215,666	215,666
O	Wastewater Fund	207,724	207,724
M	Solid Waste Fund	161,958	161,958
	Cemetery Operations	15,365	15,365
	Court Security	7,728	7,728
	Street SRF	192,286	192,286
	SRO Fund	15,497	15,497
	Art Center SRF	46,559	46,559
Total In		2,139,990	2,139,990

Summary of Right-of-Way Maintenance Charges

		T O	
		Street SRF	Total Out
F	Water Fund	369,375	369,375
R	Wastewater Fund	299,945	299,945
O	Solid Waste Fund	144,515	144,515
M	Total In	813,835	813,835



Fund Balances

Fund Balance is defined as unreserved current assets less inventory and on-going receivables (ex. utility billing, sales tax) minus current liabilities payable from these assets. An adequate fund balance is necessary to pay expenditures caused by unforeseen emergencies or for shortfalls caused by revenue declines and to eliminate any short-term borrowing for cash flow purposes. In accordance with the City of Huntsville's Fiscal and Budgetary Policies, the fund balance reserve for all funds, excluding certain funds such as Special Revenue Funds, Internal Service Funds, and Capital Projects Funds, must be maintained at a minimum amount of 16.67% of the annual budget (excluding transfers to capital projects) for each fund and are maintained at 25% for budget projections to assume two months emergency and cash flow revenues throughout the year. Fund balance reserves are not used to support on-going operating expenditures. Fund Balance may be used for one time capital expenditures if surplus balances remain after all fund allocations are made.

General Fund

The General Fund has a projected ending fund balance for FY 2008-09 of \$4,006,123 after transfers to capital projects of \$186,500. The projected balance includes reserves after final payoff of \$517,000 on the fire department ladder truck. Fund balance reserve – 25%.

Debt Service Fund

The General Debt Service Fund has a projected ending fund balance for FY 2008-09 of \$48,915. A portion of the Debt Service Fund's reserve was used in FY 2005-06 for a down payment on the Tax Notes, Series 2005 issue for the aquatic center facility. The reserves of the Debt Service Fund may only be used for the payment of debt.

Water Fund

The Water Fund has a projected ending fund balance for FY 2008-09 of \$3,080,073 (27%) after transfers to capital projects of \$116,691. Fund balance reserve – 27%.

Wastewater Fund

The Wastewater Fund has a projected ending fund balance for FY 2008-09 of \$2,244,186 (25%) after transfers to capital projects of \$289,500. Fund balance reserve – 25%.

Solid Waste Fund

The Solid Waste Fund has a projected ending fund balance for FY 2008-09 of \$1,109,512 (28%). No transfers to capital are planned for the Solid Waste Fund for FY 2008-09. Fund balance reserve – 28%.

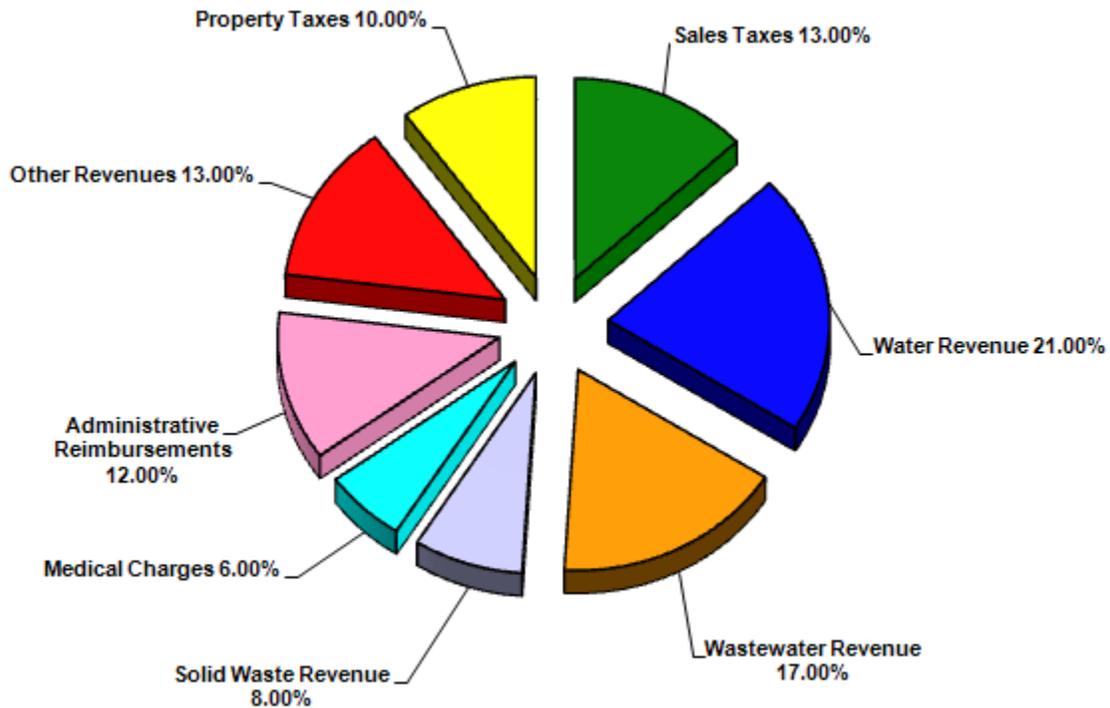
Street Fund

The Street Fund has a projected ending fund balance for FY 2008-09 of \$916,878 after transfers to capital projects of \$167,135. Fund balance reserve – 26%.

Revenues

The cornerstone of the City of Huntsville's annual budget is the projection of revenue expected for the coming fiscal year. Accurate revenue projections are an important element in budgeting because decisions on spending must be made within the limits of available funds. Revenues received by the City support the various services provided to the citizens of Huntsville. Accurate revenue projections allow sound management of our resources. The City of Huntsville practices a conservative approach to budgeting and employs various forecasting methods to ensure the most accurate revenue projections possible.

The City of Huntsville receives revenue from several different sources. The below graph shows the sources of income for the City of Huntsville for fiscal year 08-09:



Other Revenues Include:

Mixed Drink Taxes	0.20%
Municipal Court Fines	1.75%
Permits, Licenses, Development Fees	0.60%
Fees, Charges, Sales	0.50%
Utility Franchise Fees	3.00%
Right-of-way Maintenance	1.75%
Grants, Reimbursements, Contributions	0.30%
Interest Earnings	2.00%
Hotel/Motel Taxes	1.00%
Intergovernmental Payments	1.30%
Other Revenues	1.00%



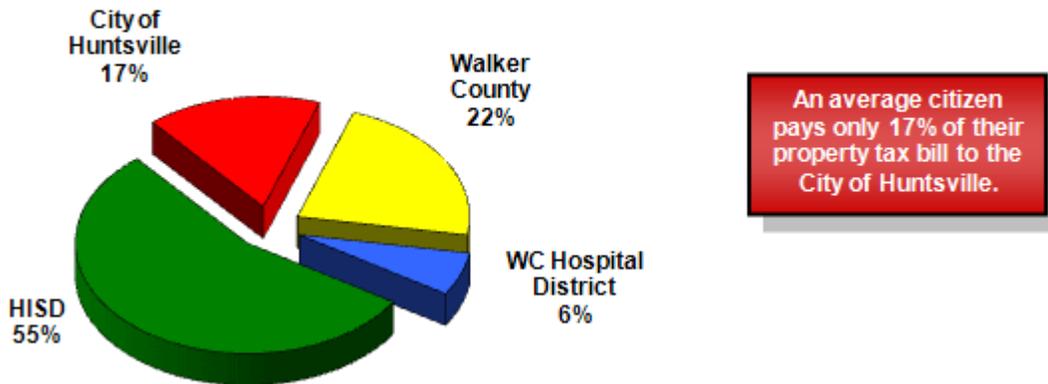
Property Taxes

Revenues from property taxes account for 10% of overall City revenues. Taxes are assessed on all property in the city except for certain property that is eligible for exemption such as state owned property. All exemptions from property tax are governed by Federal and State law. The Walker County Appraisal District assesses the value of property in Huntsville and processes applications for exemptions. Based on the total property valuation certified by the Appraisal District, the Huntsville City Council sets a tax rate that will provide sufficient revenue to support public safety services such as police and fire protection and community services such as parks, recreation, and library. The total tax rate set by Council includes a rate for debt service payments as well as a rate for general day-to-day maintenance and operations.

The City of Huntsville contracts with the Walker County Appraisal District for property tax billing and collections. Because property taxes are paid per one-hundred dollars of assessed property value, the amount of property tax levied by the City is calculated by dividing the total appraised value of property by one-hundred and then multiplying by the adopted tax rate.

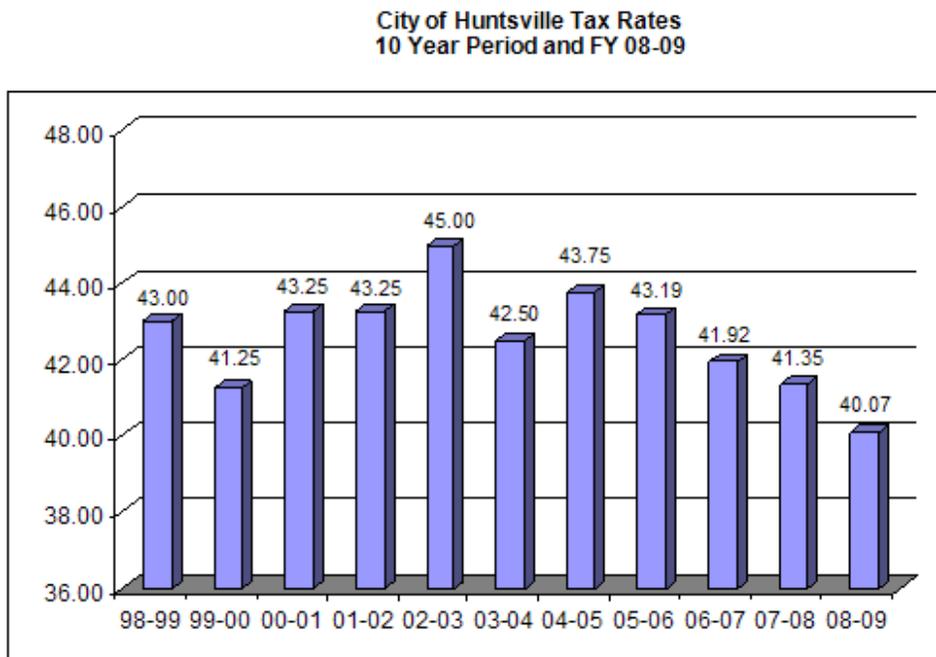
The City is not the only jurisdiction that taxes property located in Huntsville. Other entities including Walker County, Huntsville Independent School District, and the Walker County Hospital District also levy a property tax. Most citizens of Huntsville pay only 17% of their total property tax bill to the City. The other 83% is collected by the other taxing jurisdictions. The below graph demonstrates each entity's portion of the overlapping tax rate:

2008 Overlapping Tax Rate



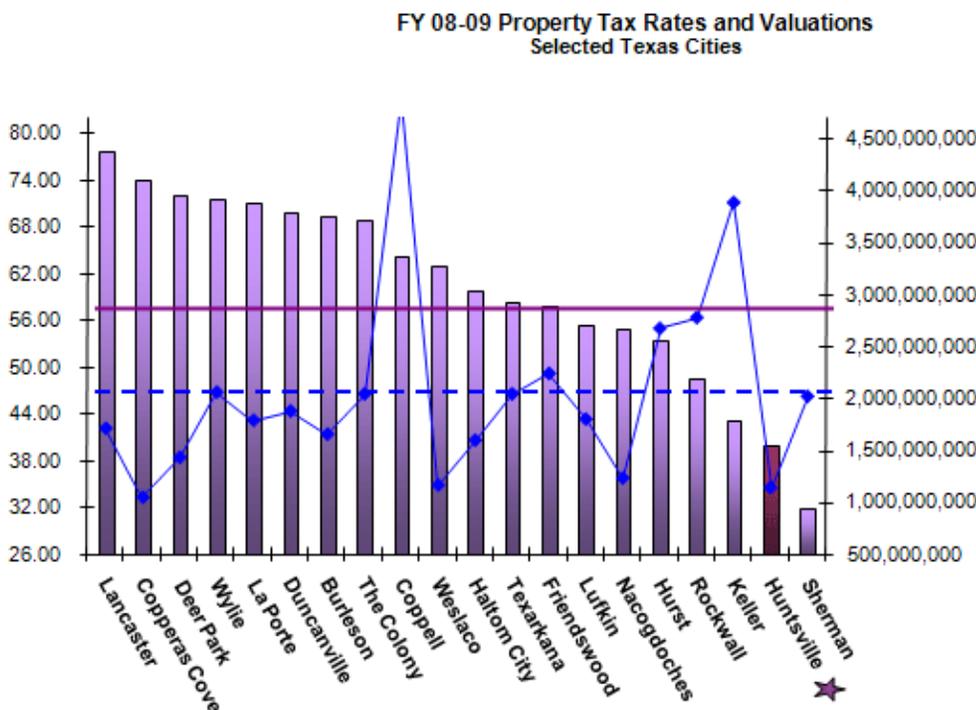
In fiscal year 08-09 the City Council approved a 3.2% decrease in the tax rate. This year's adopted tax rate of 40.07 cents per one-hundred dollars of assessed valuation is the lowest tax rate the City Council has adopted in the past ten years. This marks the fourth consecutive year the City has been able to set the tax rate at the effective rate. The effective tax rate is the tax rate that provides the City with the same amount of tax revenue as the prior year from existing property plus additional tax revenue from any new property.

The below graph compares the current tax rate with the tax rates from ten prior years:



This year the City Council adopted a tax rate 3.2% below last year's rate.

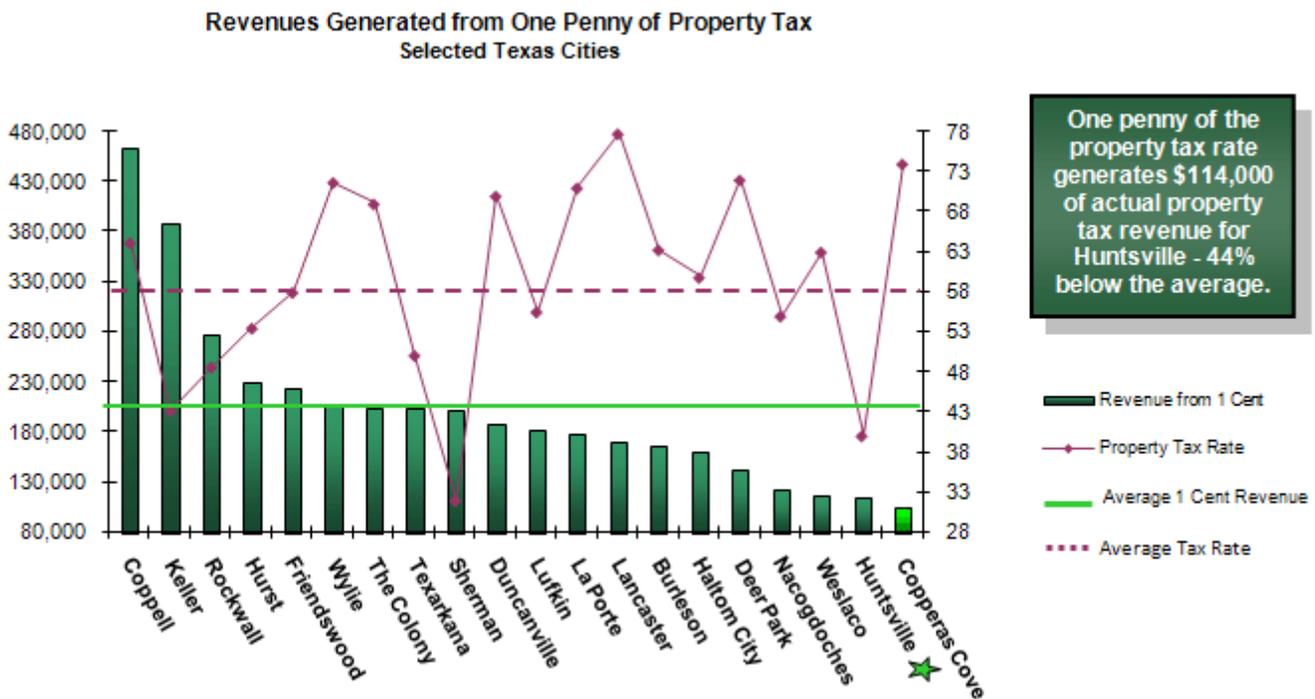
The City Council has been able to decrease the tax rate while continuing to provide excellent essential services to the citizens of Huntsville all while facing unique challenges in property tax management. Because several state institutions are located in Huntsville, including the Texas Department of Criminal Justice and Sam Houston State University, the total value of property subject to property tax is much lower in Huntsville than in other communities comparable in population. The City of Huntsville is still able to maintain one of the lowest property tax rates of all Texas cities with populations between 30,000 and 40,000 even though Huntsville has one of the lowest taxable valuations within that group. The below graph shows the taxable valuations and the tax rates of selected Texas cities with populations between 30,000 and 40,000:



Although Huntsville's tax base is 46% below the average, the Council has been able to maintain one of the lowest tax rates among Texas cities our size. Huntsville's tax rate is over 30% below the average.

- Property Tax Rate
- Taxable Value
- Average Tax Rate
- Average Taxable Value

Huntsville's total taxable property valuation of \$1,144,767,579 is 44% below the average valuation of these cities, but Huntsville's tax rate is over 32% below the average tax rate. Because taxes are collected based on property value and Huntsville's total taxable property value is so low, Huntsville collects significantly less actual dollars in tax revenue per penny of the tax rate than most other Texas cities of comparable size. Each penny on Huntsville's tax rate generates approximately \$114,500 in revenue for City services. In contrast, each penny on Sherman's tax rate generates approximately \$202,000 in revenue for their city services (excluding an uncollectible allowance). So, even though Sherman's tax rate is 25% lower than Huntsville's, Sherman collects 43% more in property tax revenue per penny of tax than does Huntsville. The below graph shows the tax revenue generated from one penny on the property tax rate of selected Texas cities with populations between 30,000 and 40,000:



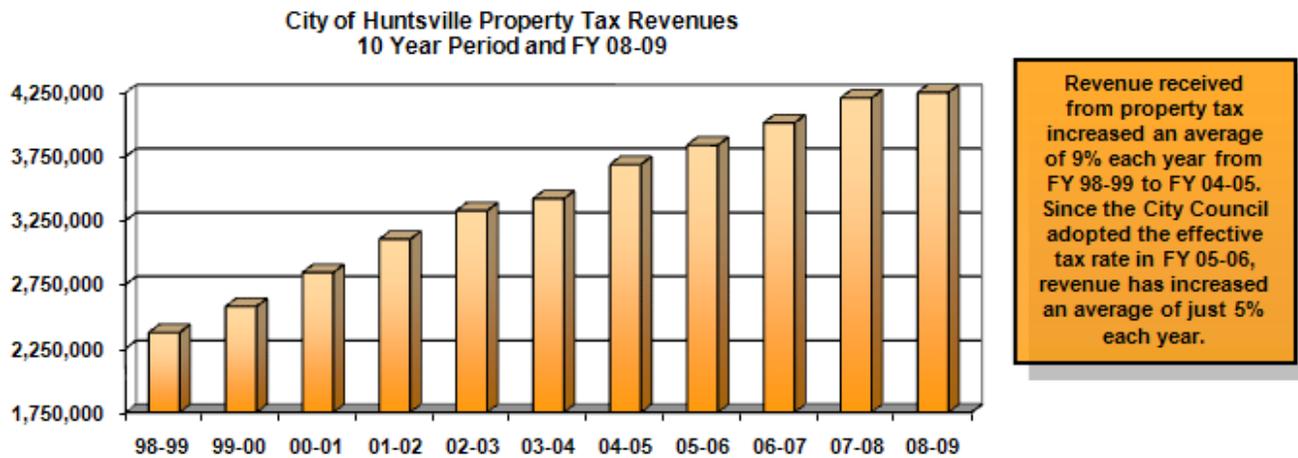
Because of relatively low taxable property value, Huntsville indeed faces a challenge in keeping property taxes low and quality of essential services high. With sound management of our resources and strategic, long-range planning, this task can be accomplished.

The preparation of our budget for property tax revenue begins with the receipt of the certified tax roll from the Walker County Appraisal District. Information about Huntsville's total existing and new property value eligible for taxation is included in the documentation received from the Appraisal District. The Appraisal District also calculates the effective tax rate that will provide the City with the same amount of tax revenue as the prior year from existing property plus additional tax revenue from any new property.

The Huntsville City Council is committed to keeping the property tax rates in Huntsville among the lowest in Texas and in recent years every effort has been made to reduce the tax rate to the effective rate. In accordance with this effort, our budget for property tax revenue is derived by applying the effective tax rate to the certified taxable property valuation. Based on our historical trends, a provision is made for property tax that is owed but not paid on time or not paid at all. The actual collection rate is traditionally fairly high and we expect to collect at least 97.5% of what is owed. For fiscal year 08-09, we have also included a provision for property that is under protest as to its eligibility for taxation. Additionally, the City Council passed an ordinance in 2004 that freezes tax payments to the amount of taxes paid in fiscal year 04-05 for citizens who are at least 65 or disabled. The Appraisal District calculates this tax freeze and its influence on the effective tax rate.

The City Council adopted the effective tax rate in fiscal years 05-06, 06-07, 07-08, and 08-09. Even though the taxable property value in Huntsville has risen 31% since fiscal year 04-05, the amount of property tax revenue collected by the City has remained the same as in fiscal year 04-05, except for the additional revenue generated from new property. It should be noted that although, overall, the City will collect the same amount of taxes from existing property as it did the year before, an individual taxpayer may see a change in their tax bill. If the valuation of an individual taxpayer's property increased at a rate higher than the average overall rate, their tax bill is likely to be slightly higher this year than it was last year. If it increased at a rate lower than the average overall rate or not at all, their tax bill is likely to be slightly lower than it was last year.

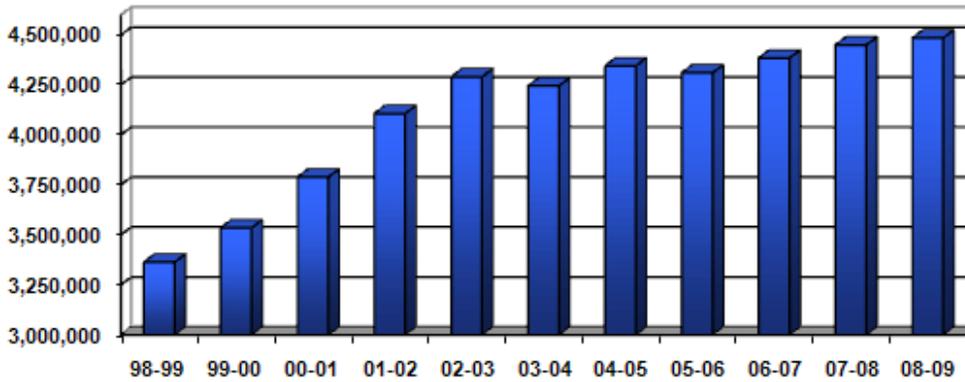
Inflation and the rising cost of doing business affects city government just as it does businesses and individuals. The Municipal Cost Index shows that the average cost of providing city services has risen by 12% over the past three years. Huntsville has been able to absorb these ever rising costs while still collecting the same amount of tax revenue from existing properties in fiscal years 05-06, 06-07, 07-08, and 08-09 as it did in fiscal year 04-05. This has been possible in large part through additional property tax revenues from new property and increasing revenues from sales tax. The below graph shows the actual property tax revenue received by the City of Huntsville over the past ten years and the revenue projected for fiscal year 08-09:



The average yearly increase in property tax revenue in fiscal years 98-99 through 04-05 was 9%. In fiscal years 05-06 through 08-09, the years the City Council adopted the effective rate, the average yearly increase was just 5% and is solely the result of the additional revenue received from new property. When the effective rate is adopted, the same amount of revenue is collected as in the prior year from existing property and the additional revenue needed to support the inflated cost of providing city services at current levels must be obtained either through growth and the addition of new taxable property in the community or from increases in other revenue sources such as sales tax.

With the cost of gasoline, utilities, construction materials, healthcare, and so many other daily expenses ever increasing, one-hundred dollars does not have the same purchasing power today as it did even five years ago. In order to evaluate the effect inflation has on Huntsville's ability to provide excellent city services using our limited resources we must consider the purchasing power of the property tax revenues we received in recent history in terms of today's dollar values. The graph on the following page shows property tax revenue received by the City of Huntsville over the past ten years inflated to current value and the revenue projected for fiscal year 08-09:

**City of Huntsville Property Tax Revenues
Inflated to Current Value
10 Year Period and FY 08-09**



While facing stagnant or declining purchasing power, the City of Huntsville continues to provide quality basic services at sustained or increasing levels year after year.

Note: Inflation for all graphs calculated based on Municipal Cost Index

Inflation outpaced the increase in property tax revenue the City received in fiscal year 05-06 (the first year the City Council adopted the effective tax rate). In fiscal year 06-07, additional revenue generated from new property narrowly offset the effects of inflation. Even with stagnant or declining purchasing power, the City of Huntsville continues to provide quality basic services at sustained or increasing levels year after year. The City of Huntsville is providing improved basic service quality and quantity with fewer resources than in years past. The City Council and staff strives everyday to manage the property tax revenue and rates in an effective manner and provide the Citizens of Huntsville with better service for less money.

The below table shows total property tax revenue received in prior years and property tax revenue budgeted for fiscal year 08-09 for both General and Debt Service Funds:



Property Tax Revenue

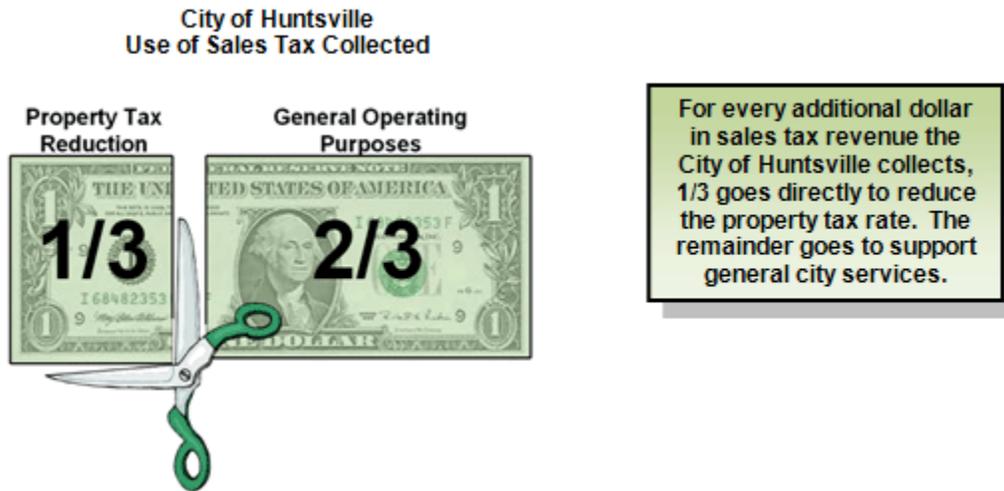
	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Current	3,686,935	3,837,143	3,952,000	4,071,000	4,207,000	4,485,000
Delinquent	106,910	77,817	82,000	77,000	80,000	82,000
Penalty & Interest	54,150	66,579	60,000	60,000	46,500	50,500
Total	3,847,995	3,981,539	4,094,000	4,208,000	4,333,500	4,617,500



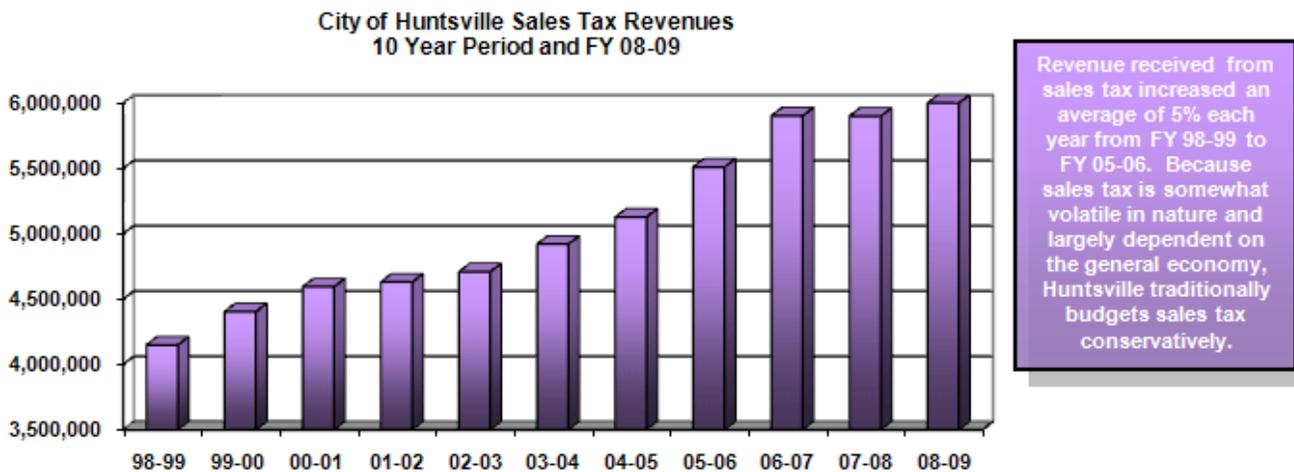
Sales Taxes

Revenues from sales taxes account for 13% of overall city revenues. All taxable sales in Huntsville are charged a sales tax at a rate of 8.25%. The City of Huntsville receives 1.5% of the 8.25% sales taxes that are remitted by retailers in the city limits, the State of Texas retains 6.25%, and Walker County receives 0.5%. One cent of Huntsville's portion of the sales tax is used for general operating purposes and one-half cent is used for property tax relief. The Texas Legislature gave voters in Texas cities the option of increasing local sales taxes from one cent to one and one-half cent in order to provide property tax relief. Voters in Huntsville approved the sales tax option in August 1987 and the additional one-half cent sales tax began to be collected in January 1988.

For every dollar of sales tax revenue the city receives, two-thirds is used to support general operating services such as police and fire protection, parks, recreation, and library and one-third goes directly to reduce the property tax rate. The below graph demonstrates the City of Huntsville's use of sales tax revenue:

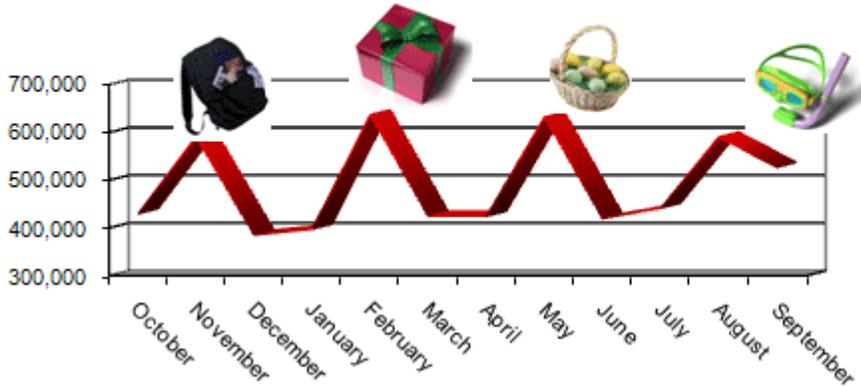


The preparation of our budget for sales tax revenue begins with a review of Huntsville's historical sales tax revenue collection trends. Because sales tax revenue is somewhat volatile in nature and is dependent on the general economic conditions of the region and nation, the City of Huntsville has traditionally budgeted sales tax revenue conservatively. The average yearly increase in sales tax revenue over the past ten years was 4.7%. However, in fiscal years 01-02 and 02-03, the years immediately following the terrorist attacks of September 11, 2001, the average increase in sales tax revenue was just 1.3%. In the most recent two years the average increase was 5.8%. In line with the historical average increases and taking into consideration the rate of increase in the most recent years, the fiscal year 08-09 sales tax revenue budget was increased by 9%. The below graph shows the actual sales tax revenue received by the City of Huntsville over the past ten years and the revenue budgeted for fiscal year 08-09:



The fact that sales tax revenue is closely associated with the general economy is easily observed when examining the monthly sales tax revenue collection trends. Sales tax revenue receipts climb sharply in months following traditionally active retail seasons such as Christmas, Easter, back-to-school, and the start of summer travel. The graph on the following page demonstrates the cyclic nature of sales tax and its close association with the general economy: (Note: The City of Huntsville's receipt of sales tax revenue lags approximately two months behind the date of actual sale.)

**City of Huntsville
Monthly Sales Tax Receipt Cycle**

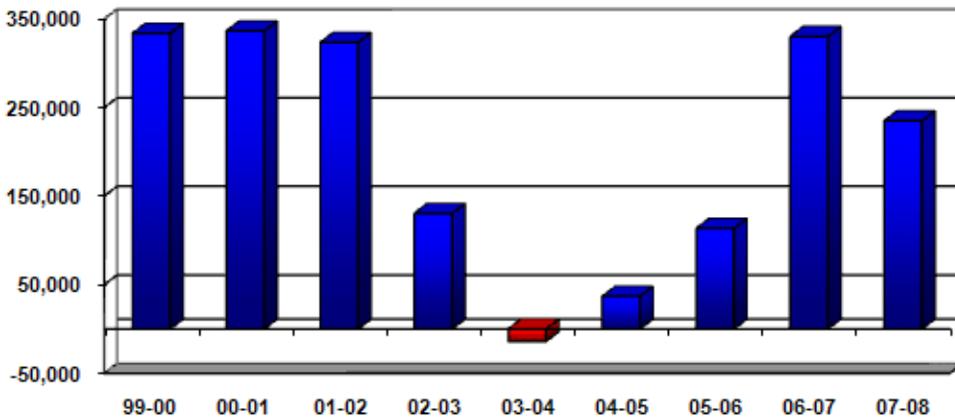


Sales tax revenue is closely associated with the general economy. Huntsville's sales tax receipts increase sharply in months following traditionally active retail seasons.

Sales tax is an extremely important source of revenue for the City of Huntsville. Huntsville's relatively low property tax base, the rising cost of providing city services due to inflation, and the adoption of the effective tax rate make a continuously increasing sales tax revenue stream an essential component in the success of the City Council's efforts to keep the property tax rates in Huntsville among the lowest in Texas. Inflation causes each revenue dollar Huntsville receives to lose more purchasing power year after year. In order for the City of Huntsville to continue to provide city services at current levels, collecting the same amount of revenue as in the prior year is not sufficient. Enough additional sales tax revenue must be generated in order to keep pace with the inflated cost of providing services to Huntsville citizens and must supplement the loss of purchasing power of static property tax revenue when the effective rate is adopted.

To evaluate if Huntsville's sales tax revenue is able to keep pace with the effect of inflation, the net gain or loss of the purchasing power of Huntsville's sales tax revenues and property tax revenues combined must be considered. A net gain indicates that Huntsville's sales tax revenue was able to keep pace with inflation, cover any loss of purchasing power in property tax revenue due to the adoption of the effective rate, and provide additional revenue for general operating purposes. A net loss indicates that Huntsville's sales tax revenue was not able to keep pace with inflation and cover the loss of purchasing power in property tax revenue due to the adoption of the effective rate. The below graph shows the net gain or loss in purchasing power in terms of current dollar value of the property tax revenue and sales tax revenue received by the City of Huntsville over the past nine years:

**City of Huntsville Property and Sales Tax
Net Gain or Loss when Inflated to Current Value
9 Year Period**



For the most part, Huntsville's sales tax revenue has been able to keep pace with inflation and cover any purchasing power loss from adoption of the effective property tax rate.

The below table shows total sales tax revenue received in prior years and sales tax revenue budgeted for fiscal year 08-09 for General Fund:



Sales Tax Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Sales Tax	5,127,306	5,511,005	5,902,324	5,650,000	5,900,000	6,111,000
Total	5,127,306	5,511,005	5,902,324	5,650,000	5,900,000	6,111,000



Mixed Drink Taxes

Revenues from mixed drink taxes account for 0.2% of overall city revenues. A tax is assessed on all mixed drinks sold within the city limits of Huntsville. The mixed drink tax revenue budget is prepared based on Huntsville’s historical collection trends. The average yearly increase in mixed drink tax revenue over the past nine years was 6%. The fiscal year 08-09 mixed drink tax budget was not increased from the previous year.

The below table shows total mixed drink tax revenue received in prior years and mixed drink tax revenue budgeted for fiscal year 08-09 for General Fund:



Mixed Drink Tax Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Mixed Drink Tax	66,604	61,396	69,296	70,000	70,000	70,000
Total	66,604	61,396	69,296	70,000	70,000	70,000



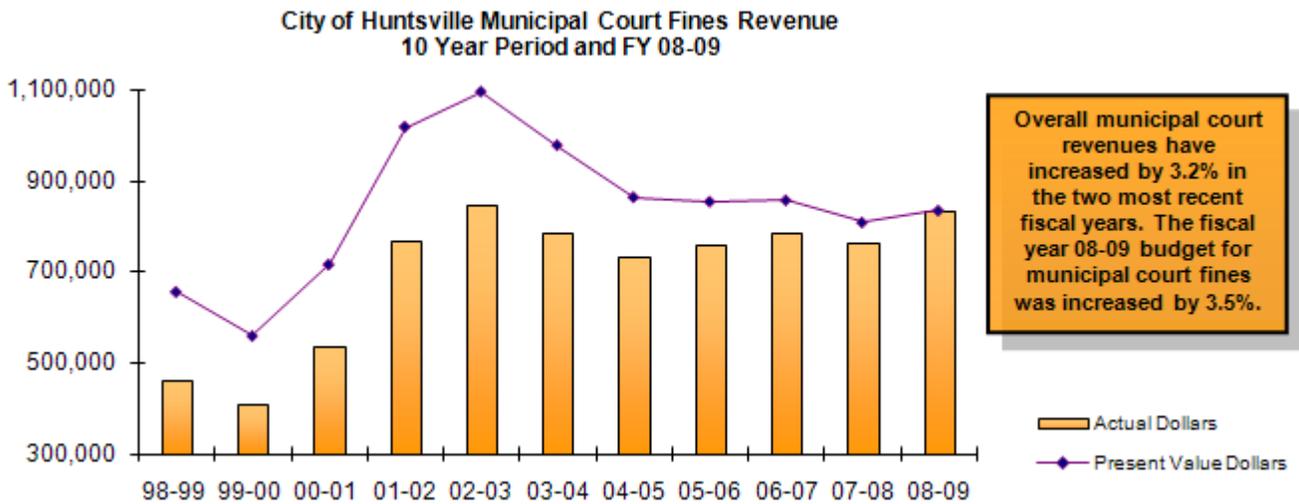
Municipal Court Fines

Revenues from municipal court fines account for 1.75% of overall city revenues. The City of Huntsville Municipal Court is presided over by the City Judge, who is appointed by the City Council. The Municipal Court handles violations in accordance with State law and City ordinances and collects fines that are established by the City Judge. The City contracts with a commercial collection agency to trace and collect fines that are uncollectible by the Municipal Court.

The preparation of our budget for municipal court fines revenue begins with a review of Huntsville’s historical court revenue collection trends. From fiscal years 98-99 to 02-03 court fines increased by 83% but have since experienced a 17% decline from the fiscal year 02-03 high of \$848,237 to estimated actual collections in fiscal year 07-08 of \$732,342. Revenue from municipal court fines is volatile and many factors affect the amount of revenue collected each year by the Court. Staffing levels and vacancies in the police department and prosecutors office affects the number of cases filed and prosecuted each year. Judgments entered and defendant’s compliance with court orders also has an effect. During fiscal year 05-06 a marshal position was added and assigned full-time to the Municipal Court. The marshal’s ability to serve warrants in a timely manner contributes to a higher level of compliance with court orders.

State law allows Texas cities the option of collecting an additional five dollar fine on each conviction in order to offset the cost of salary expense for a juvenile case coordinator position. Beginning in fiscal year 06-07 the Huntsville City Council chose to enact the new fine and approved the addition of a juvenile case coordinator position to oversee and maintain case files, court procedures, parent notification and contact for juvenile cases. This new fine provided approximately \$15,000 in additional court fine revenue in fiscal year 06-07 and is expected to provide approximately \$24,000 in court fine revenue in fiscal year 07-08. Municipal court revenues decreased 2.6% from fiscal year 06-07 to fiscal year 07-08.

In fiscal year 06-07, the position of Marshal was added for court security and to enhance fine collection. The fiscal year 08-09 budget accounts for a rising but stabilizing trend and the first full year for the fully equipped Marshal position. Taking into consideration the many factors affecting this revenue source, including the rate of increase in the most recent years, the fiscal year 08-09 budget for municipal court fines was increased by 3.7%. The below graph shows the actual municipal court fine revenue and the present value of the revenue received by the City of Huntsville over the past ten years and the revenue budgeted for fiscal year 08-09 :



The below table shows total municipal court fines revenue received in prior years and revenue budgeted for fiscal year 08-09 for General, Court Security, and Court Technology Funds:



Municipal Court Fine Revenue

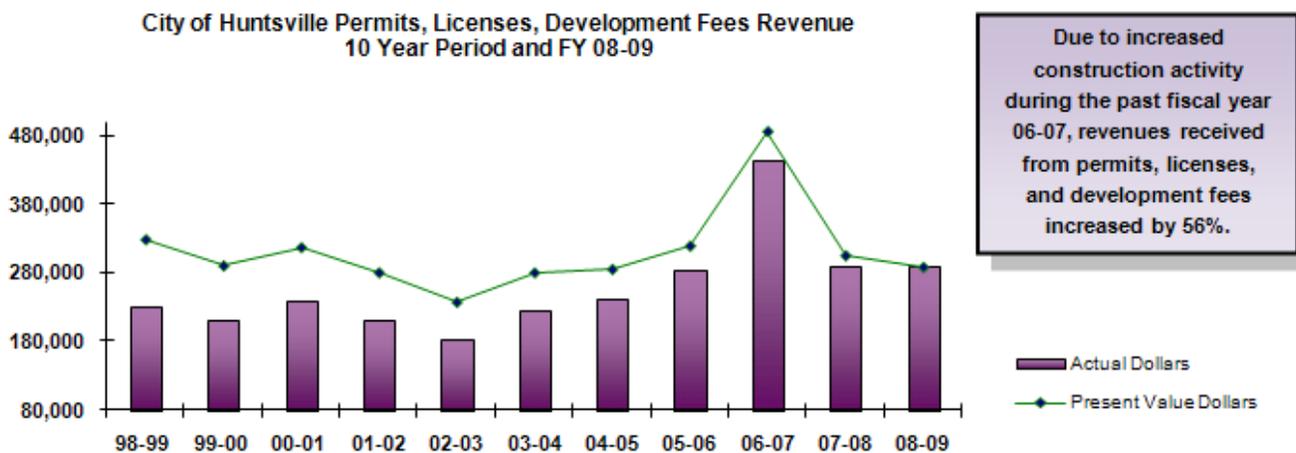
	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Municipal Court Fines	699,122	724,177	750,179	770,700	730,342	799,000
Court Security Fines	15,004	15,314	14,604	15,000	14,400	15,000
Court Technology Fines	18,578	20,421	19,472	20,000	19,320	20,000
Total	732,704	759,912	784,255	805,700	764,062	834,000



Permits, Licenses, Development Fees

Revenues from permits, licenses, and development fees account for 0.6% of overall city revenues. The City administers various permits, licenses, and development fees. Permits issued by the City include building, electrical, refrigeration, plumbing, wrecker, taxi, food establishment, and public improvement. Licenses including electrical, sign contractors, construction trade, liquor, beer, and wine are monitored by the City. The permits, licenses, and development fee revenue budget is prepared based on Huntsville's historical collection trends and activity estimates from the City's Public Works Department staff.

The average yearly increase in revenue from this source from fiscal year 98-99 through 05-06 was 3.2%. In fiscal year 03-04, fees for development related services were charged for the first time and in fiscal year 05-06, fees for construction trade licenses and public improvement permits were charged for the first time. When the revenue from these additional fees is excluded, the average yearly increase over the same time period drops to 1.2%. Fiscal year 06-07 saw a 56% increase in revenues received from permits, licenses, and development fees due to increased construction activity. The below graph shows the actual permits, licenses and development fee revenue and the present value of the revenue received by the City of Huntsville over the past ten years as well as the revenue budgeted for fiscal year 08-09 :



The below table shows total permits, licenses, and development fee revenue received in prior years and revenue budgeted for fiscal year 08-09 for the General Fund:



Permits, Licenses, Development Fee Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Licenses	14,141	20,120	24,444	20,700	24,500	24,500
Permits	216,025	251,958	411,252	188,900	255,000	254,800
Development Fees	12,518	12,781	9,873	9,020	9,750	9,750
Total	242,684	284,859	445,569	218,620	289,250	289,050



Water Service Charges

Revenues from water service charges account for 21% of overall city revenues. The City of Huntsville provides treatment and distribution of water to the residents, businesses, and visitors of Huntsville as well as for Texas Department of Criminal Justice facilities, Sam Houston State University facilities, and industrial users such as Tenaska. Except for contractual customers, both residential and commercial customers are charged a water rate based on their meter size and amount of water used. There is a minimum bill based on meter size and a volume charge for water used in excess of 3,000 gallons.

The rate structure for Tenaska, an electric cogenerating plant, is established by contract. Tenaska pays to the City the amount of annual debt service payments on improvements at the surface water treatment plant that were required in order to provide the quantity of water used by Tenaska. In addition, Tenaska pays a fixed payment of \$450,000 plus the cost of the purchase and treatment of the actual amount of water used. The below table shows the rate schedule for City of Huntsville water service:

City of Huntsville Water Rates

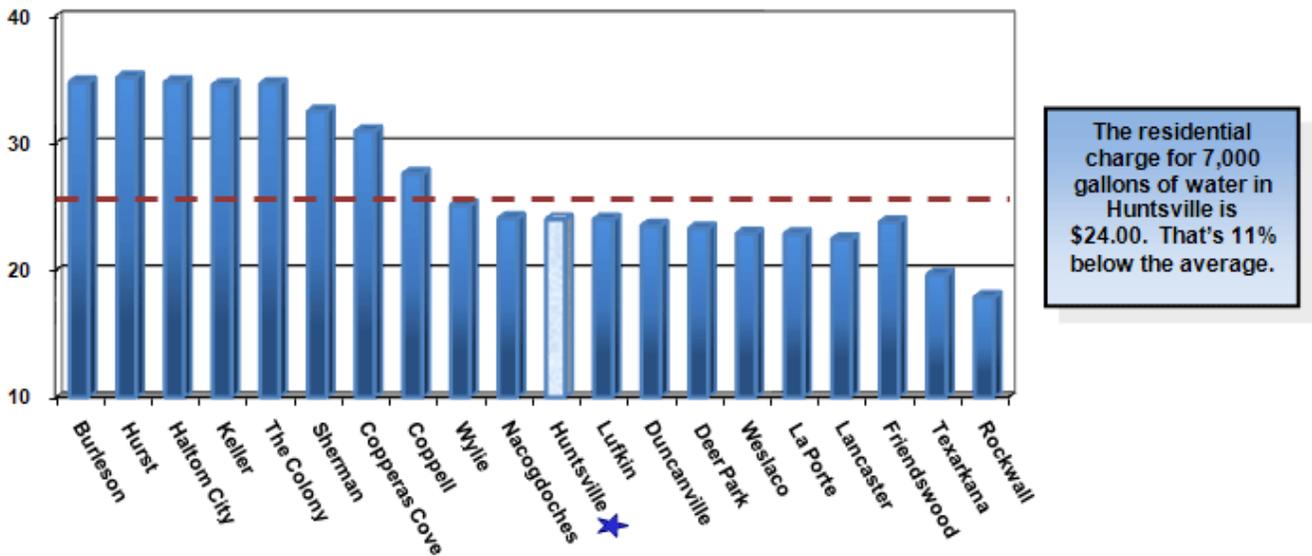
Minimum Bill Based on meter size

Usage Charges Based on gallons used

<u>Meter Size</u>	<u>Rate Charged</u>	<u>Single Family Residential</u>	
0.75	\$ 15.00	<u>Gallons Used</u>	<u>Rate Charged</u>
1.00	21.00		
1.50	27.00	Under 3,000	See Minimum Bill
2.00	43.50	3,000 – 12,999	\$2.25 per 1,000 gallons
3.00	165.00	Over 13,000	\$2.64 per 1,000 gallons
4.00	210.00		
6.00	315.00		
8.00	435.00		
		<u>Commercial</u>	
		<u>Gallons Used</u>	<u>Rate Charged</u>
		Under 3,000	See Minimum Bill
		Over 3,000	\$2.64 per 1,000 gallons

It is a priority of the Huntsville City Council to provide sufficient amounts of high quality water at the lowest rate possible to the citizens and customers of Huntsville. The City Council and City staff have worked diligently to keep water rates in Huntsville low, quantity of water sufficient, and quality of water and service high. The water distributed by the City of Huntsville exceeds all the standards set by the Texas Commission on Environmental Quality (TCEQ) and has been awarded the Superior Water Systems rating by the TCEQ. The City of Huntsville is able to maintain among the lowest water rates in Texas cities similar in population to Huntsville while providing an excellent quality of water and service to Huntsville water customers. The graph on the following page shows the residential costs for 7,000 gallons of water in selected Texas cities with populations between 30,000 and 40,000:

**Residential Charge for 7,000 Gallons of Water
Selected Texas Cities**



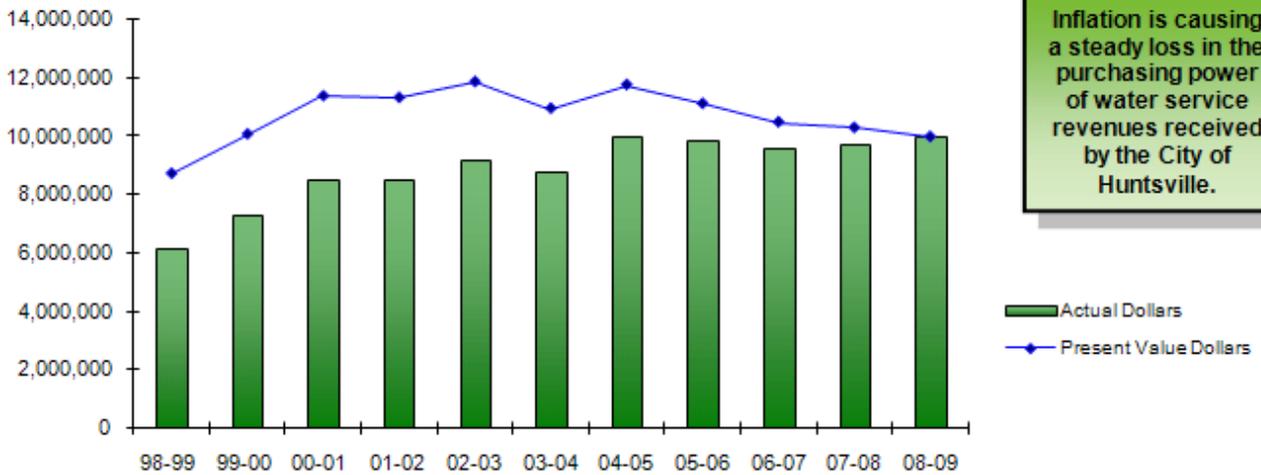
Compared to other Texas cities similar in size, Huntsville's water rates are extremely competitive. The cost for 7,000 gallons of water to a residential customer in Huntsville is \$24 and is 11% below the average charge from these cities. The City of Huntsville is able to provide outstanding water service to its customers while maintaining affordable water rates.

The preparation of our budget for water service revenue begins with a review of Huntsville's historical water service revenue collection trends. Because charges for water service are comprised of two components - a minimum base charge and a consumption charge - the water service revenues received by the City of Huntsville are affected not only by the total number of current water customers but also by the amount of water consumed by those customers. As the population of Huntsville grows, so does the demand for and usage of water. But population growth is not the only factor that affects how much water is consumed in Huntsville. The water systems in Huntsville supplies water not only to those who live in our city, but also to those who conduct business, attend school, or travel through Huntsville.

Weather conditions also affect consumption patterns. During years when rainfall is scarce and temperatures are hot, both water consumption and revenue climb. During years when rainfall is more plentiful, consumption is not as high and less revenue is collected. Because weather conditions are largely unpredictable, the City of Huntsville budgets water revenue conservatively. The average yearly increase in water service revenue over the past ten years was 6%. During fiscal year 06-07, the City of Huntsville experienced higher than normal rainfall contributing to less water use for irrigation purposes and as a result water service revenues collection saw a 3% decline from actual collections in fiscal year 05-06. The fiscal year 08-09 water service revenue budget was increased approximately 3.8% from prior year budget.

Inflation affects the purchasing power of water service revenue just as it does property tax, sales tax, and all sources of revenue for the City of Huntsville. As inflation rises, the purchasing power of water service revenue falls. The City Council and City staff of Huntsville endeavor to ensure the delivery of high quality water while maintaining low water rates, all while battling against the rising cost of providing service. The graph on the following page shows both the actual and present value of the water service revenue received by the City of Huntsville over the past ten years as well as the revenue budgeted for fiscal year 08-09:

**City of Huntsville Water Service Charges Revenue
10 Year Period and FY 08-09**



The below table shows total water service charges revenue received in prior years and revenue budgeted for fiscal year 08-09 for the Water Fund:



Water Service Charges Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Water Sales	9,856,526	9,786,855	9,506,969	9,719,527	9,627,936	9,884,838
Water Taps	63,254	55,344	49,873	50,000	60,000	52,000
Late Payment Penalties	56,857	52,735	42,794	37,400	45,000	45,000
Total	9,976,636	9,894,934	9,599,634	9,806,927	9,732,936	9,981,838



Wastewater Service Charges

Revenues from wastewater service charges account for 17% of overall city revenues. The City of Huntsville provides the collection and treatment of wastewater for the residents, businesses, and visitors of Huntsville as well as for Texas Department of Criminal Justice facilities and Sam Houston State University facilities. Because wastewater usage is not metered for most customers, charges for wastewater service are based on water usage. Water that is flushed and drained enters the City of Huntsville's wastewater system and is treated in one of Huntsville's wastewater treatment plants. Both residential and commercial customers are charged a wastewater rate that includes a minimum base bill and a consumption charge for amount of water used. For residential customers, the consumption charge is based on the average volume of water used in the winter months of November, December, January, and February in order to adjust for seasonal water usage for outdoor irrigation purposes. For commercial customers the consumption charge is based on actual volume of water used each month. The table on the following page shows the rate schedule for City of Huntsville wastewater service:

City of Huntsville Wastewater Rates

Minimum Bill

<u>Customer Type</u>	<u>Rate Charged</u>
Residential	\$15.00
Commercial	15.00

Usage Charges

Based on Gallons of Water Used

Single Family Residential and Commercial

<u>Gallons Used</u>	<u>Rate Charged</u>
Under 2,000	See Minimum Bill
Over 2,000	\$4.87 per 1,000 gallons

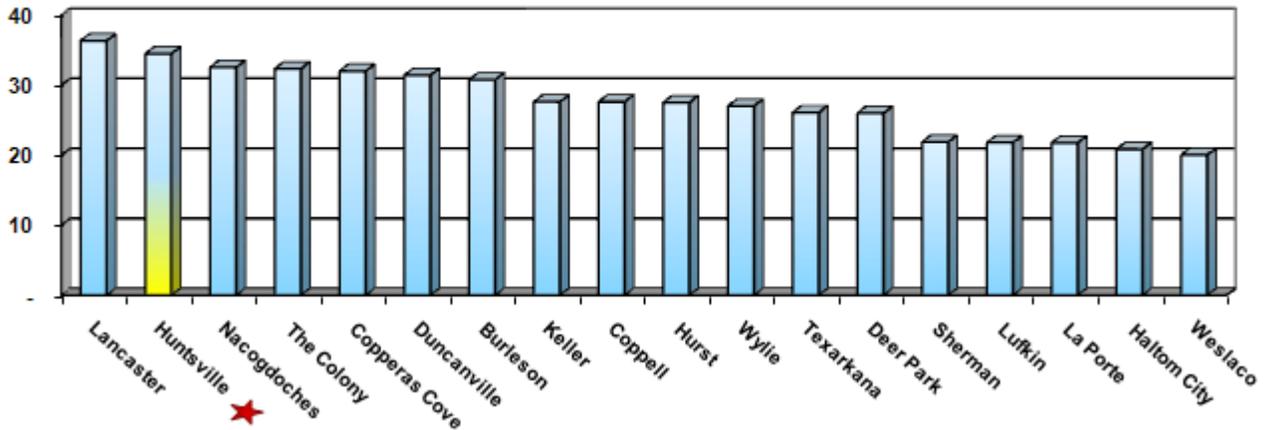
The Huntsville City Council is committed to providing high quality service to its citizens at the lowest possible cost. Huntsville's beautiful topography of seven hills and seven streams creates a stunning natural setting enjoyed by those who call Huntsville home, but it also causes wastewater service in Huntsville to be more expensive than most other similarly populated cities in Texas. Wastewater collection systems consist of buried pipelines that transport sewage to a wastewater treatment plant where it is treated to reduce the level of contaminants it contains. Whenever possible wastewater systems employ the force of gravity to transport sewage from homes and businesses to centralized treatment plants, but gravity cannot cause sewage to flow uphill. When a wastewater line reaches the base of a hill a lift station must be installed to "lift" sewage to a higher elevation where it can then continue to flow by gravity to the treatment plant.

The topography of a community is a major factor in determining the number of lift stations that must be used. Communities with many hills such as Huntsville require many lift stations to be operated as part of the wastewater collection system and as a result the cost of wastewater service is higher. The City of Huntsville operates 27 lift stations as part of the wastewater collection system, but the average number of lift stations operated by Texas cities similar in population is just 17. The number of wastewater treatment plant facilities a city must operate also effects wastewater service costs. When a treatment facility nears its daily flow capacity, a city must construct another treatment facility or expand an existing facility.

The debt resulting from expansion of treatment capacity contributes to higher wastewater service costs. Along with infrastructure considerations, many additional factors must be taken into account when comparing the costs of wastewater service among cities. Methods of calculating sewer charges vary from city to city and caution must be used to ensure the comparison is not skewed. Minimum base costs, gallons included in minimum, consumption charges per gallon, and whether or not a city practices winter averaging must be considered when performing a comparison.

The following graph shows the residential costs for wastewater service in selected Texas cities with populations between 30,000 and 40,000. (Because using a winter averaging method typically reduces the amount of gallons of wastewater a Huntsville customer is billed for on an annual basis to at least 80% of actual annual water consumption, the cities who use actual water consumption are based on 7,000 gallons of water usage and cities who use a winter averaging method are based on 80% of that volume.)

Residential Charge for Wastewater
 (Includes Storm Drainage Charges)
 Selected Texas Cities

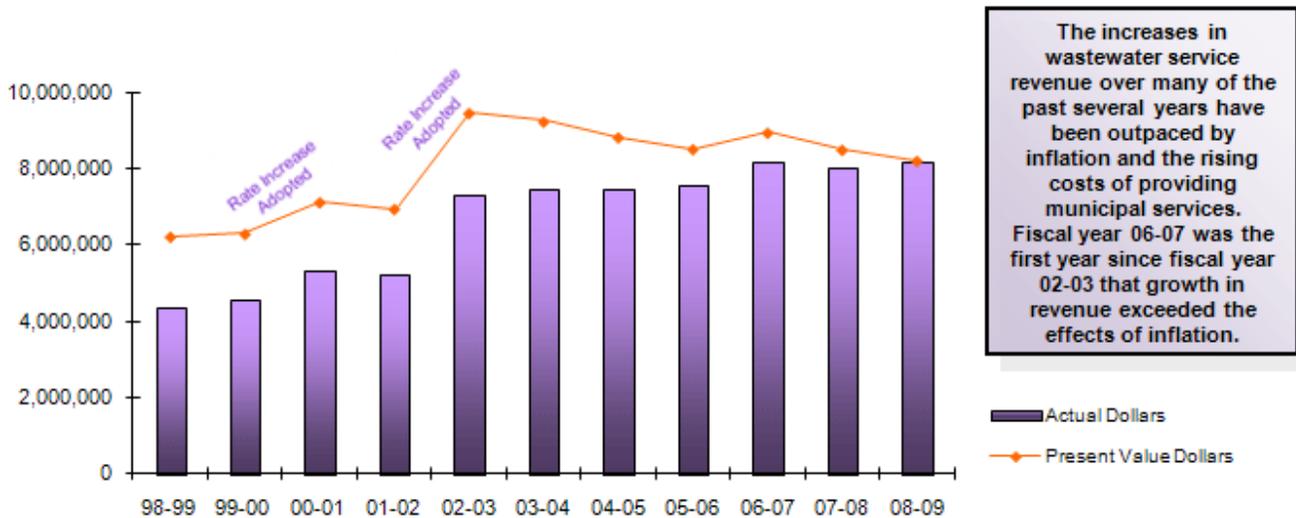


The preparation of our budget for wastewater service revenue begins with a review of Huntsville’s historical wastewater service revenue collection trends. Charges for wastewater service are comprised of two components- a minimum charge and a consumption charge based on the amount of water used. For most customers wastewater consumption is calculated from water usage. Wastewater service revenue, like water service revenue, is affected by total current wastewater customers and also by amount of water consumed by those customers. Although wastewater revenue trends and water revenue trends are related, significant differences do exist between them. Not all City of Huntsville water customers are also served by our wastewater system. Additionally, residential customers are charged a wastewater rate based on average winter water usage, so hot and dry weather conditions have a lesser impact on wastewater revenues than they do on water revenues.

The average yearly increase in wastewater service revenue in fiscal years 98-99 through 06-07 was 10.2%. In both fiscal year 00-01 and 02-03, wastewater rate increases were adopted and resulted in significant revenue increases. The average yearly increase since the last wastewater rate increase in fiscal year 02-03 was just 2.9%. In fiscal year 06-07 wastewater service revenue increased by 8% and actual wastewater collections exceeded budget by 9%, due, partially, to meter repairs or change outs. The wastewater service revenue budget for fiscal year 08-09 was increased by 3.8% from the prior year budget.

The increases in wastewater service revenue over many of the past several years have been outpaced by inflation and the rising costs of providing municipal services. Fiscal year 06-07 was the first year since fiscal year 02-03 that growth in revenue exceeded the effects of inflation. Each year the purchasing power of this revenue source declines as inflation rises, but the City Council and City staff continue to provide excellent service with fewer resources. The graph on the following page shows both the actual and present value of the wastewater service revenue received by the City of Huntsville over the past ten years as well as the revenue budgeted for fiscal year 08-09:

**City of Huntsville Wastewater Service Charges Revenue
10 Year Period and FY 08-09**



The below table shows total wastewater service charges revenue received in prior years and revenue budgeted for fiscal year 08-09 for the Wastewater Fund:



Wastewater Service Charges Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Wastewater Charges	7,376,575	7,468,551	8,075,460	7,800,000	7,933,000	8,100,000
Wastewater Taps	40,507	45,119	56,646	45,000	45,000	45,000
Late Payment Penalties	65,025	60,012	51,464	49,000	49,000	52,000
Total	7,482,107	7,573,682	8,183,570	7,894,000	8,027,000	8,197,000



Solid Waste Service Charges

Revenues from solid waste service charges account for 8% of overall city revenues. The City of Huntsville provides the collection and disposal of solid waste for the residents and businesses of Huntsville. Residential customers in single family dwellings are charged \$17.90 per month for these services and have their waste collected twice per week. Commercial rates are based on the size of the container and number of times waste is collected each month. In addition to Huntsville residents and businesses, the City also provides the disposal of solid waste for the Texas Department of Criminal Justice, Sam Houston State University, and areas throughout Walker County. The City of Huntsville operates a transfer station facility and transfers solid waste to the Polk County Solid Waste Management Center for disposal. The City of Huntsville charges a disposal fee based on tonnage of waste brought to the transfer facility.

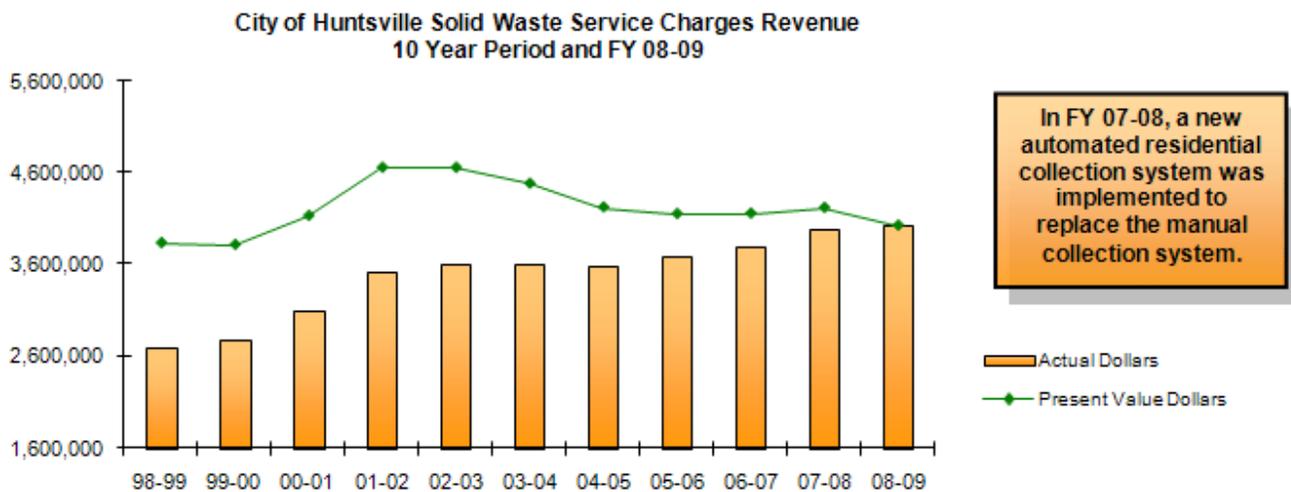
The monthly residential solid waste collection rate was adjusted in fiscal year 07-08 for the first time since fiscal year 01-02. Each year the City of Huntsville evaluates its utility revenues and costs of utility service provision to determine if the utility

rates being charged are still sufficient to cover the cost of providing the service. Our analysis looks at costs associated with operations and maintenance as well as crucial capital investments. Associated costs include employee services (labor and benefits), services and utilities (electricity, waste disposal, etc), chemicals, fuel, equipment (vehicles, containers, tools, etc), and, debt service. Based on cost increases associated with curbside collection and disposal of garbage it was determined that residential rates would need to be increased in order to continue to provide twice per week curbside collection and disposal of residential solid waste, as well as yard and bulk waste collection.

In September 2008, the City of Huntsville implemented a new automated system of residential collection in place of the manual collection system. Automation is a more efficient way to collect garbage and is safer for the employees of Solid Waste Services. After the initial capital investment for automated equipment is fully paid (5-6 years), automated collection is projected to cost approximately 40% less.

The preparation of our budget for solid waste service revenue begins with a review of Huntsville’s historical solid waste service revenue collection trends. The average yearly increase in solid waste service revenue over the past nine years was 4.7%, but the average yearly increase over the past five years was 2.6%. The average yearly increase in the past two years was 4.5%. In accordance with historical increases and Huntsville’s conservative budgeting, the solid waste service revenue budget for fiscal year 08-09 was increased by 2.8% from the prior year budget, but just slightly over current year estimates (.08%).

Like water and wastewater service revenue, the increases in solid waste service revenue over many of the past several years have been outpaced by inflation. The below graph shows both the actual and present value of the solid waste service revenue received by the City of Huntsville over the past nine years as well as the revenue budgeted for fiscal year 08-09:



The below table shows total solid waste service charges revenue received in prior years and revenue budgeted for fiscal year 08-09 for the Solid Waste Fund:



Solid Waste Service Charges Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Residential Collections	1,282,245	1,295,265	1,307,744	1,472,550	1,460,000	1,486,474
Commercial Collections	1,615,419	1,665,840	1,744,310	1,702,000	1,772,000	1,775,000
Disposal Fees	652,392	699,945	723,037	711,000	726,000	728,000
Late Payment Penalties	39,525	39,168	34,826	33,000	37,000	39,500
Total	3,589,580	3,700,218	3,809,917	3,918,550	3,995,000	4,028,974

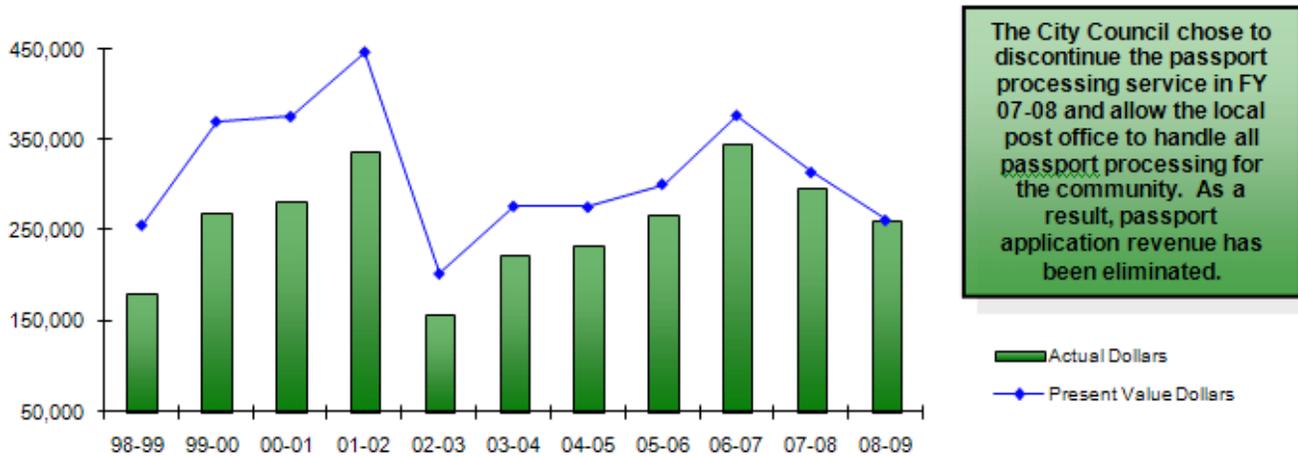


Fees, Charges, Sales

Revenues from fees, charges, and sales account for 0.5% of overall city revenues. The City collects fees and charges for certain services in order to partially offset the cost of providing and administering these services. These fees and charges include such things as park rental fees, recreation program and aquatic center fees, library fees, returned check charges, and utility service connection and reconnection charges. The fees, charges, and sales revenue budget is prepared based on Huntsville's historical collection trends and activity estimates from City staff. The average yearly increase in revenue from fees, charges, and sales over the past nine years was 9%.

In General Fund, fees from passport applications increased by over 161% from fiscal year 02-03 through fiscal year 06-07 and contributed approximately \$46,000 to the General Fund fees, charges, and sales revenue. In fiscal year 07-08, the City Council chose to discontinue the passport processing service and allow the local post office to handle all passport processing for the community; however, the service was not discontinued until the end of July, 2008. As a result, passport application revenue has been eliminated from the fiscal year 08-09 fees, charges, and sales budget contributing to a decrease in the budgeted revenue from this revenue source. The below graph shows both the actual and present value of the fees, charges, and sales revenue received by the City of Huntsville over the past ten years as well as the revenue budgeted for fiscal year 08-09:

**City of Huntsville Fees, Charges, and Sales Revenue
10 Year Period and FY 08-09**



Fees, Charges, Sales Revenue

The below table shows total fees, charges, and sales revenue received in prior years and revenue budgeted for fiscal year 08-09 for the General, Special Revenue, and Enterprise Funds:

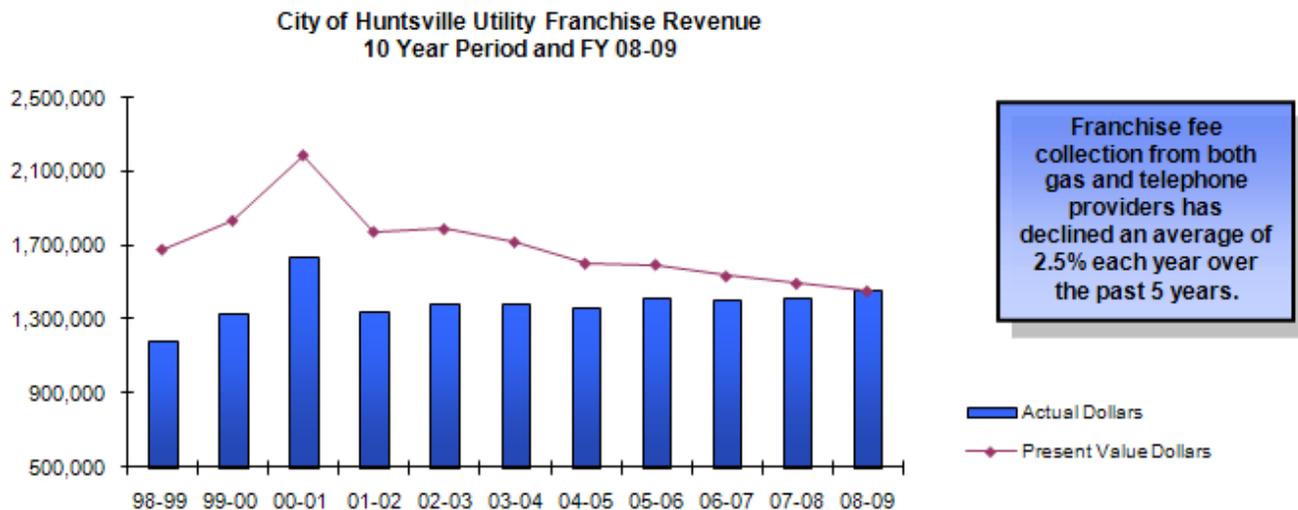
	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
General Fund	78,921	102,200	146,752	64,650	146,995	100,950
Special Revenue Funds	49,909	60,352	77,453	60,700	59,886	52,500
Water Fund	67,127	64,786	95,072	66,500	76,500	94,675
Wastewater Fund	12,890	29,752	-	-	-	-
Solid Waste Fund	1,086	1,105	2,036	-	2,001	2,001
Cemetery Fund	24,732	10,470	23,930	15,000	12,176	12,000
Total	\$234,665	\$268,665	\$345,243	\$206,850	297,558	262,126



Utility Franchise Fees

Revenues from utility franchise fees account for 3% of overall city revenues. The City of Huntsville collects franchise fees from utility companies and allows them to place facilities (i.e. poles and wires) on public property (i.e. right-of-ways/easements). Utilities companies such as electrical providers, gas providers, telephone providers, and telecable providers which utilize public right-of-ways in the City of Huntsville pay a franchise fee. The preparation of our budget for utility franchise fee revenue begins with a review of Huntsville's historical franchise fee revenue collection trends. The average yearly increase in revenue from this source over the past nine years was 2.2%, but the average yearly increase over the past five years was just 0.4%. Franchise fee collection from both gas and telephone providers has declined an average of 2.5% each year over the past five years, although telephone franchise revenue has remained relatively constant since fiscal year 04-05.

Legislation changing the way electric franchise fees could be charged went in to effect in 2002. This change in methodology resulted in a decrease in electric franchise fee revenues the City receives. However, the legislation does allow the City to enact a franchise fee recovery rider in order to offset the impact of the reduction in revenue. The City Council has decided to pursue implementation of the franchise recovery fee rider for the electric utilities. Due to negotiation with the electric utility and renewal of the franchise agreement, the fee was not implemented. Additionally, electric usage decreased in 07-08. The fiscal year 08-09 revenue budget for franchise fees has been increased 2.8% from the prior year estimates. The below graph shows both the actual and present value of the utility franchise fee revenue received by the City of Huntsville over the past ten years as well as the revenue budgeted for fiscal year 08-09:



The below table shows total utility franchise fee revenue received in prior years and revenue budgeted for fiscal year 08-09 for the Street Special Revenue Fund:



Utility Franchise Fees Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Electric	816,192	861,313	851,582	979,000	826,520	860,000
Telephone	255,480	242,455	242,540	240,000	242,357	242,500
Gas	100,696	110,831	100,564	115,000	107,841	115,000
Telecable	190,904	209,720	212,927	200,000	240,968	240,000
Total	1,363,271	1,424,319	1,407,613	1,534,000	1,417,686	1,457,500



Right-of-way Maintenance

Revenues from right-of-way maintenance charges account for 1.75% of overall city revenues. The City of Huntsville's Water, Wastewater, and Solid Waste Funds pay the Street Special Revenue Fund a portion of their revenues in order to offset the Street Fund's cost of maintaining the public streets and right-of-ways for use in operating the Water, Wastewater, and Solid Waste utilities. The City's water and wastewater transmission lines are located in City streets and right-of-ways and it is important that they be maintained in manner that ensures the City's infrastructure investment is protected and can be accessed for maintenance, repair, and replacement when needed. Well-maintained streets and right-of-ways also ensure that City staff is able to provide high quality service to citizens and utility customers. The right-of-way maintenance revenue budget is prepared based on Water, Wastewater, and Solid Waste fund revenue budgets. The Street Fund receives 3.5% of the utility fund's budgeted revenue.

The below table shows total right-of-way maintenance revenue received in prior years and revenue budgeted for fiscal year 08-09 for the Street Special Revenue Fund:



Right-of-Way Maintenance Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Charge to Water Fund	217,500	302,566	366,009	364,690	363,165	369,375
Charge to Wastewater Fund	219,000	226,215	272,144	287,659	287,500	299,945
Charge to Solid Waste Fund	108,375	108,243	112,074	134,330	114,930	144,514
Total	544,875	637,024	750,227	786,679	765,595	813,834



Grants, Reimbursements, Contributions

Revenues from grants, reimbursements, and contributions account for .3% of overall city revenues. The City of Huntsville receives grants and contributions from various sources, for various purposes, and in various amounts. The reimbursement and contribution revenue budget is prepared conservatively based on Huntsville's historical collection trends and estimates from City staff. The grant revenue budget is prepared based on grants awarded to the City, grants applied for by the City, and City staff's knowledge of any upcoming grants for which the City may apply. Every effort is made to include all grants that can reasonably be anticipated, but given the nature of grant announcements and cycles, occasionally the budget must be amended during the year to provide for grants that are sought or received that were not included in the original budget. The below table shows total grants, reimbursements, and contributions revenue received in prior years and revenue budgeted for fiscal year 08-09 for all operating funds:



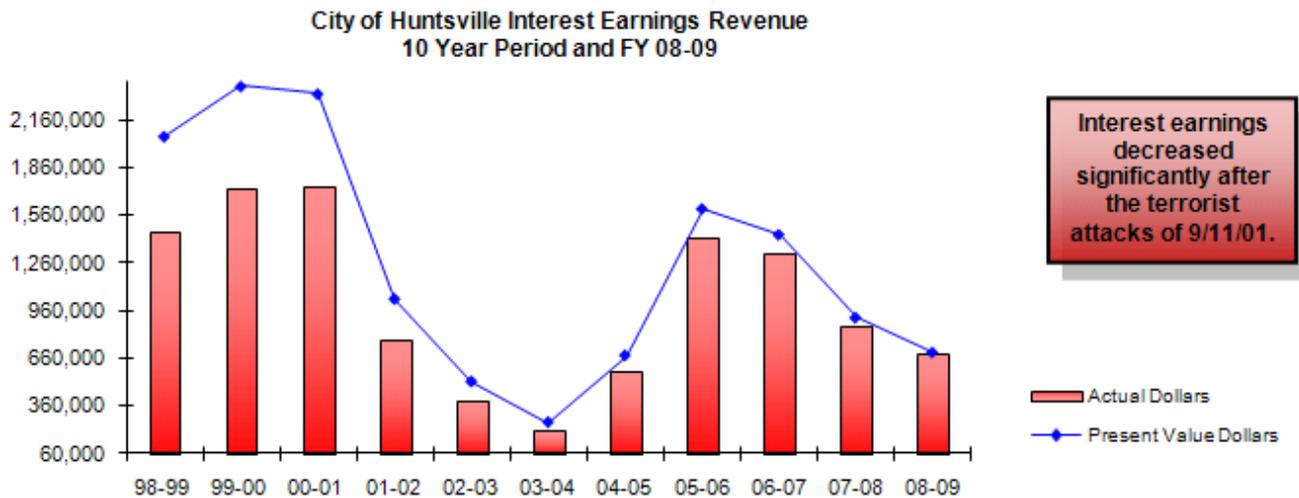
Grants, Reimbursements, Contributions Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Grants	578,608	107,613	278,463	317,760	595,274	126,765
Reimbursements	109,114	49,416	3,734	-	-	-
Contributions	44,277		18,677	11,404	71,272	18,104
Total	731,999	157,029	300,874	329,164	666,546	144,869



Interest Earnings

Revenues from interest earnings account for 2% of overall city revenues. The City of Huntsville earns interest on invested funds. The City of Huntsville must invest funds according to the Texas Public Funds Investment Act. The interest earnings revenue budget is prepared based on City financial staff's and advisor's analysis of interest rates, historical trends and projection of amount of funds to be invested. A conservatively projected interest rate was applied to the average fund balance over the past several years and compared to expected fiscal year 07-08 collections. During the years immediately following the terrorist attacks of September 11, 2001, interest rates decreased dramatically. The fiscal year 08-09 budget reflects decreased revenue with falling rates. The below graph shows both the actual and present value of the interest earnings revenue received by the City of Huntsville over the past ten years as well as the revenue budgeted for fiscal year 08-09:



The below table shows total interest earnings revenue received in prior years and revenue budgeted for fiscal year 08-09 for all operating funds:



Interest Earnings Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Interest Earnings	575,640	1,427,321	901,950	1,318,002	1,011,918	838,650
Total	575,640	1,427,321	901,950	1,318,002	1,011,918	838,650



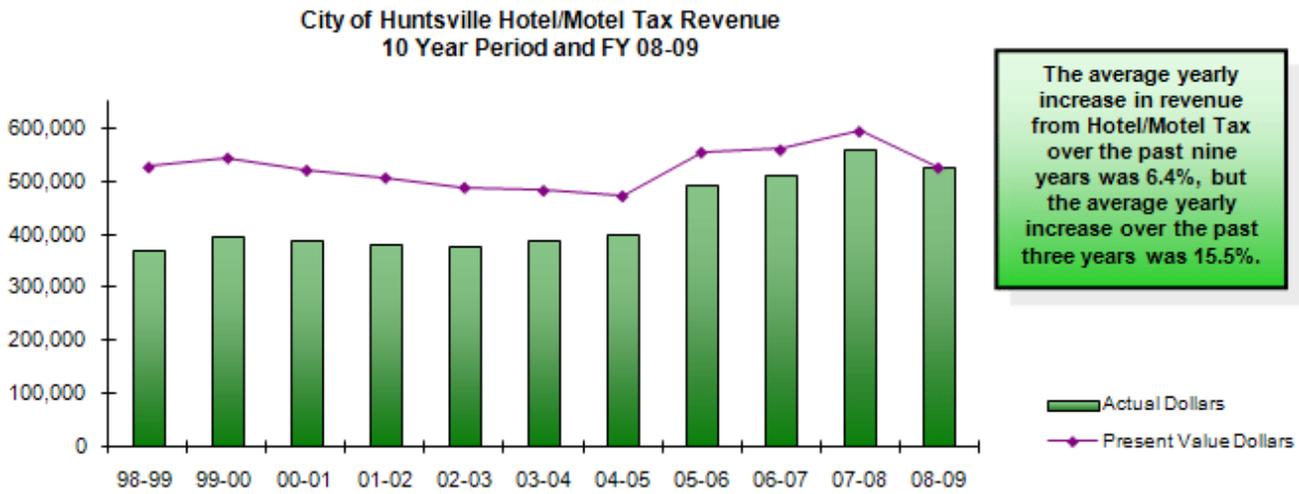
Hotel/Motel Taxes

Revenues from hotel/motel taxes account for 1% of overall City revenues. The Tax Code allows most cities the option of levying an occupancy tax of up to 7% on the price of a hotel or motel room. Texas counties are also authorized to adopt a tax amount between 2% and 7% of the amount paid for a hotel room and the State of Texas imposes a hotel occupancy tax of 6%. Unlike the local sales tax, the hotel occupancy tax is optional and can be imposed without the approval of voters. Under the law, local government proceeds from this tax must be earmarked for certain specified purposes, including the

advertising and promotion of the city and its vicinity to attract tourism, arts and cultural activities, historical restoration and preservation activities, registration of convention delegates, operation of visitor information centers, the construction of civic centers and auditoriums, and sporting events.

Two questions must be answered to determine if a proposed use for the hotel occupancy tax is valid. First, does the expenditure directly enhance and promote tourism and the convention and hotel industry? In other words, does it put “heads in beds”? Secondly, does the expenditure fall under one of the six statutory categories for expenditures of these revenues? The six categories are as follows: funding the establishment, improvement, or maintenance of a convention center or visitor information center; paying the administrative costs for facilitation convention registration; paying for tourism-related advertising and promotions of the city or its vicinity; funding programs which enhance the arts; funding historical restoration or preservation programs; and funding for sporting events in a county under 290,000 in population. Texas statutes include additional rules regarding the actual percentages of the hotel occupancy tax revenue that can be spent on each of these six categories. These rules, however, differ depending on the population of the city. The hotel occupancy tax cannot be used for general revenue purposes or to pay for expenses that are not directly related to the promotion of tourism.

The hotel/motel tax revenue budget is prepared based on Huntsville’s historical collection trends and activity estimates from the City staff and financial consultants. The average yearly increase in revenue from this source over the past nine years was 6.4%, but the average yearly increase over the past three years was 15.5%. In accordance with historical average increases with emphasis on most recent historical activity, the City of Huntsville’s conservative budgeting approach, and input from the City’s financial advisors hotel/motel tax revenue budget for fiscal year 08-09 was increased by 13.1% from the prior year budget, but in line with 07-08 estimates. The below graph shows both the actual and present value of the hotel/motel tax revenue received by the City of Huntsville over the past ten years as well as the revenue budgeted for fiscal year 08-09:



The below table shows total hotel/motel tax revenue received in prior years and revenue budgeted for fiscal year 08-09 for the Hotel/Motel and Arts Center Funds:



Hotel/Motel Tax Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
H/M Tax - Arts	57,055	70,490	73,012	64,000	83,000	85,000
H/M Tax - Tourism	171,171	211,470	219,216	200,000	241,000	220,000
H/M Tax - Visitors Center	171,171	211,471	219,279	200,000	238,000	220,000
Total	399,397	493,432	511,507	464,000	562,000	525,000



Intergovernmental Payments

Revenues from intergovernmental payments received account for 1% of overall City revenues. The City of Huntsville receives payments from Walker County and Huntsville Independent School District for public safety related services. Walker County contracts with the City for fire protection services and the Huntsville Independent School District contracts with the City for the operation of the School Resource Officer program. The intergovernmental payments revenue budget is prepared based on Huntsville's payment amount agreements included in the respective contracts.

The below table shows total intergovernmental payments revenue received in prior years and revenue budgeted for fiscal year 08-09 for the General and School Resource Officer Funds:



Intergovernmental Payments Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Walker County Payments	246,487	246,487	246,487	246,487	246,487	246,487
HISD Payments	224,000	246,282	257,456	249,256	249,256	375,684
Total	470,487	492,769	470,487	503,944	495,743	622,171



Health Insurance Payments

Revenues to the Insurance Fund from City and employee health insurance payments account for 6% of overall city revenues. Of the 6%, 5% consists of payments from City funds for the City's portion of the cost of providing city employee and retiree health insurance which includes medical, dental and life insurance; 1% consists of payments from city employees and retirees for their portion of the cost of their health insurance. The preparation of our budget for health insurance payments revenue begins with the receipt of health plan proposals from the City's benefits consulting company. Payment amounts are set at the appropriate level to provide adequate funding for the City's health plan. Payment amounts for employees and retirees are based on the coverage option they choose.

Revenue in fiscal year 05-06 reflects beginning of monthly charge to participants. In fiscal year 08-09, the revenue reflects enrollment and a new option plan for new employees.

The below table shows total health insurance payments revenue received in prior years and revenue budgeted for fiscal year 08-09 for the Medical Insurance Fund:



Health Insurance Payments Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
City Fund Payments	1,434,773	1,656,072	1,950,081	2,303,976	2,303,976	2,506,805
Employee/Retiree Payments	295,646	413,385	454,904	440,000	452,700	470,000
Total	1,730,419	2,069,457	2,404,985	2,743,976	2,756,676	2,976,805



Administrative Reimbursements

Revenues from administrative reimbursements account for 12% of overall city revenues. Water, Wastewater, Solid Waste, and Street Fund reimburse the General Fund for their portion of the administrative costs. Administrative services are budgeted in the General Fund, but provide management and administrative services for each of these other funds as well. The costs of providing these services are divided among the funds that utilize them. The method of calculation for the allocation of costs is dependent on the nature of the service being provided. The below table shows the different methods of allocation:

FY 2008-2009 Administrative Reimbursements

General Fund

General Administrative Reimbursements

The allocations for the below divisions are based on percent of total adjusted budget in each fund.

- City Council
- Office of City Manager
- Office of City Attorney
- Risk & Safety Management
- Finance
- Office Services
- Purchasing
- Building Services

Human Resources Reimbursements

The allocation for the below division is based on number of employees in each fund.

- Human Resources

Fleet Administrative Reimbursements

The allocations for the below divisions are based on the value of warehoused inventory and the insured value of fleet belonging to each fund respectively.

- Fleet and Warehouse Administration
- Garage Services

Technology Administrative Reimbursements

The allocation for Information Technology administration is based on percent of total adjusted budget in each fund

The allocation of Information Technology software maintenance is based on the costs of the software and computer applications used by each fund.

Public Works Administrative Reimbursements

Allocations for the below divisions are based on estimates of personnel time usage in each fund.

- Public Works Administration
- Planning
- Engineering
- Surveying
- Central Inspection
- Health Inspection

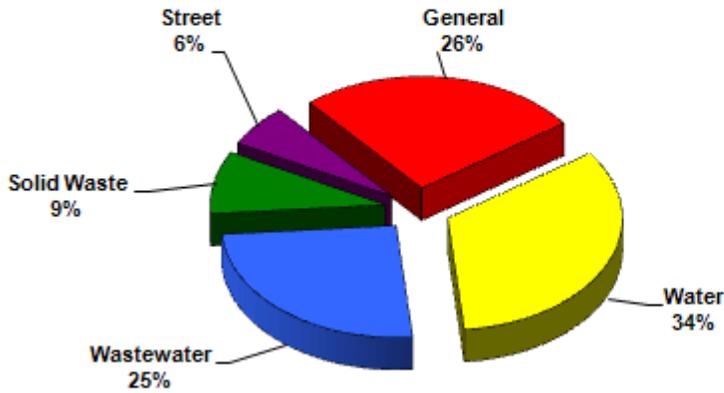
Public Utilities Administrative Reimbursements

The allocation for the below division is based on percent of utility related budget in each fund.

- Public Utilities Administration

The below graph shows the portion of General Fund administrative costs paid by each fund in fiscal year 08-09:

**City of Huntsville Administrative Costs Paid by Each Fund
FY 08-09**



Each fund pays a portion of the costs necessary for the successful management and administration of the services the City of Huntsville provides.

In addition to reimbursements to the General Fund, the Enterprise Funds also receive reimbursement for certain services. Water Fund is reimbursed by the Wastewater and Solid Waste Funds for utility billing and meter reading services. Wastewater Fund is reimbursed by the Water Fund for environmental lab services.

Actual revenue for fiscal year 07-08 will equal estimated, as reimbursements are made according to the budget as projected. The increase for the General Fund is 3.5% and approximates the inflation rate. Reimbursement for water and wastewater for particular divisions and services are increased by the exact amount budgeted for those services or divisions.

The below table shows total administrative reimbursements revenue received in prior years and revenue budgeted for fiscal year 08-09 for the General, Water, Wastewater, and Street Fund:



Administrative Reimbursement Revenue

	Actual 04-05	Actual 05-06	Actual 06-07	Adopted 07-08	Estimated 07-08	Budget 08-09
Reimbursements- General	3,696,776	4,215,525	4,653,361	4,958,864	4,958,864	5,132,427
Reimbursements- Water	376,433	397,637	311,619	306,410	312,620	317,505
Reimbursements- Wastewater	56,570	55,046	55,208	60,833	55,208	65,000
Total	4,129,779	4,668,208	5,020,188	5,326,107	5,326,692	5,514,932

City of Huntsville

Summary of Revenue Projection Methods

Revenue Category	%	Historical/Time Series Trend	Informed/Expert Judgment	Activity Estimates	Contract Terms
 Property Taxes	10.0%	✓	✓		
 Sales Taxes	13.0%	✓	✓	✓	
 Mixed Drink Taxes	0.2%	✓	✓	✓	
 Municipal Court Fines	1.75%	✓	✓	✓	
 Permits, Licenses, Development Fees	0.6%	✓	✓	✓	
 Water Service Charges	21.0%	✓	✓	✓	✓
 Wastewater Service Charges	17.0%	✓	✓	✓	
 Solid Waste Service Charges	8.0%	✓	✓	✓	✓
 Fees, Charges, Sales	0.5%	✓	✓	✓	
 Utility Franchise Fees	3.0%	✓	✓	✓	✓
 Right-of-Way Maintenance	1.75%			✓	
 Grants, Reimbursements, Contributions	0.3%	✓	✓	✓	
 Interest Earnings	2.0%	✓	✓	✓	
 Hotel/Motel Taxes	1.0%	✓	✓	✓	
 Intergovernmental Payments	1.0%				✓
 Health Insurance Payments	6.0%	✓	✓	✓	
 Administrative Reimbursements	12.0%			✓	

Our Goals and Effectiveness

The City of Huntsville's leadership is intensely committed to our community and exercises great diligence in planning for the future of Huntsville. The Huntsville Horizon Plan, the first comprehensive plan for the City of Huntsville, was completed in fiscal year 2006-2007. The Comprehensive Plan is designed as a framework for the future development of the City and its two-mile planning jurisdiction over the next 20 years and beyond. It is intended to guide the community's decisions regarding its future physical, economic, and social development. The Comprehensive Plan plays a significant role in the development of goals and guided the Council's 2008 strategic planning process.

The strategic planning process provides the City Council the opportunity to determine their vision for the long-term future of Huntsville and set goals to accomplish that vision. The City periodically conducts a citizen's survey to allow the Council to focus on our citizen's priorities and interests. Equipped with the results of the citizen survey and the Comprehensive Plan, the City Council and senior staff engage in yearly strategic planning sessions in order to plan for the future of Huntsville. The plans and goals that result from these sessions guide the entire organization not only in decisions pertaining to special projects and programs, but also in daily operations.

Each department of the City seeks to fulfill the City Council's strategic plan and the Huntsville Horizon Comprehensive Plan through every service they perform. Each City department has outlined their major function and purpose and has aligned themselves with the Council goals over which they have especially significant and vital influence. In order to succeed in the fulfillment of these goals, department staff has identified intermediate operational objectives for the coming year. Department staff has also identified key measures to determine the effectiveness of their services in achieving their purposes, goals, and objectives. When coupled with prior year accomplishments, these objectives and measures help us mark our progress toward the achievement of the City Council's vision for the future of our City and our pursuit of excellence in service.

City of Huntsville
Mission Statement

We serve Huntsville by providing high quality, continuously-improving public services for present and future generations.

City of Huntsville
Vision Statement

The City of Huntsville's guiding vision is...

...to be a community that values "community" first and foremost by capitalizing on its resourceful citizens, community groups, businesses, the Texas Department of Criminal Justice and Sam Houston State University in the spirit of partnership and continuous improvement;

...to be a community that promotes diverse and high quality opportunities for families, youth, education, and health care;

...to be a community that takes pride in a positive image and appearance that is recognized and enjoyed by residents and visitors alike;

...to be a community that strives to balance residential, commercial, industrial, and public/institutional development supported by quality infrastructure and transportation systems;

...to be a community that values the safety of its citizens through effective law enforcement programs and sound development practices that buffer neighborhoods from incompatible development and excessive traffic;

...to be a community that celebrates and builds on its rich history, image, and population diversity;

...to be a community that welcomes visitors, students, and new residents with affordable housing, livable neighborhoods, quality schools, an unmatched parks and recreation system, and efficient public service delivery;

...to be a community that is prepared for and amenable to new development while recognizing the fundamental importance of its established neighborhoods, commercial corridors, and historic areas;

...to be a community that appreciates its land and natural resources and continues to be a leader among municipalities in local land use management and land character preservation;

...to be a community that embraces managed growth and sustainable employment and economic development that increases the wealth of the entire community; and

...to be a community known for its outstanding public and private leadership, responsiveness to the needs of its residents and businesses, and positive and innovative approaches to community development challenges.

City of Huntsville

Values Statement

Public service is our business and our goal. We believe in commitment - not just to our job, but to our faith, our beliefs, and our family. Our pride in our work and the organization compels us to a high degree of professionalism.

Honesty in all our actions.

United in our commitment to ensure a safe work environment, fair wages and benefits, and opportunities for advancement.

Nurture an environment of cooperation between the city and its citizens.

Teamwork, depending on one another to improve the quality of life.

Service excellence provided at every level in an efficient and economical manner.

Vision of an enriched future, enhanced by encouraging skills, talents, and potential of our employees through training, opportunity, and recognition.

Integrity demonstrated in the treatment of our coworkers and those we serve and protect.

Leadership through communication in a responsive manner, while maintaining a high degree of professionalism.

Loyalty to our faith, our beliefs, and our families.

Embrace the diversity of our employees as the strength of our organization.

City of Huntsville

City Council Goal Statements



The City of Huntsville is a safe, healthy and historic community with high quality, affordable housing.



The City of Huntsville is an economically thriving community.



The City of Huntsville is an attractive city with great parks and full of educational and cultural opportunities.



The City of Huntsville is a well-managed and well-planned community with "best in class" public services.

Establishing our Long-term Goals and Short-term Objectives

Long-term Goal

The City of Huntsville is a safe, healthy, and historic community with high quality, affordable housing.

FY 2008-09 Objectives

Charter Offices

- Fund and continue implementation of Comprehensive Plan
- Administer effective and impartial justice for citizens in matters related to Class “C” offenses filed within the city limits of the City of Huntsville

Administrative Services

- Review security and safety at each city owned facility
- Monitor workers compensation claims to reduce lost time and to offer early return to work programs to injured workers
- Continue to administer the random drug/alcohol testing program
- Develop a point system for safety/driving rules violations
- Intensify a comprehensive work safety program
- Revamp safety procedures within areas equipped with self-contained breathing apparatus equipment

Finance Department

- Participate in 2009 Warrant Roundup, along with nearly 200 other municipal courts throughout the state
- Research possibility of photo insertion capability in current case management software system to enhance warrant service and identification of defendants

Public Utilities Department

- Continue to assist low income and non-profit organizations by supplying construction materials from the Trash Into Plow Share (TIPS) Warehouse Program

Public Works Department

- Develop departmental mapping websites for internal and external usage; such as a sexual offender website for the public and a 911 address look-up for utility billing and the Service Center front desk
- Reduce the number of violations found in food service establishments
- Reduce the number of re-inspections due to poor initial inspection results
- Continue to respond to health related complaints within a 24 hour period

Public Safety Department

- Complete north side fire station
- Continue discussions with county volunteer fire departments for conversion to 800 MHz radio system
- Hire two additional police officers
- Increase patrol minimum staffing to 4 on a permanent basis
- Complete conversion of HPD's In-car Video Systems (ICVS) to digital base
- Fully implement CRIMES mobile package for all on-duty patrol officers
- Implement “Offender Watch” program to track local sex offenders and provide the citizens with e-mail alerts and educational materials
- Conduct a needs analysis and develop proposals for “rotating detective” program
- Convert donated camera truck to Mobile Command Post to be used by HPD during major incidents
- Establish Certified Arson Investigator position

Long-term Goal

The City of Huntsville is an economically thriving community.

FY 2008-09 Objectives

Charter Offices

- Fund and continue implementation of the Comprehensive Plan
- Continue to assist in the revision of the City's Development Code

Public Works Department

- Complete comprehensive update of the Development Code

Community Services Department

- Continue to assist the Huntsville Downtown Business Alliance (HDBA)
- Expand downtown marketing with the help of the HDBA
- Assist the HDBA with the development of its own website
- Continue the Sign Grant and Pedestrian Sign Grant programs; add a minimum of 2 new signs to each
- Place marker signs on existing traffic posts announcing to drivers they are entering a Texas Main Street Program area

Long-term Goal

The City of Huntsville is an attractive city with great parks and full of educational and cultural opportunities.

FY 2008-09 Objectives

Charter Offices

- Fund and continue implementation of the Comprehensive Plan

Public Utilities Department

- Continue to provide regularly scheduled pickup of heavy recyclables and clearance of vacant or substandard demolished structures
- Continue waste minimization through composting, recycling and other methods of solid waste reduction

Public Works Department

- Continue to target major entrances into the City for clean-up

Community Services Department

- Expand swim lessons at the Aquatic Center
- Provide educational opportunities to a broad audience by continuing to increase school field trips, the Open Studio Program, classes and tours
- Continue outreach by assisting local arts organizations with support and participate in events such as Winter in the Park and downtown events
- Complete primary equipping of arts center
- Continue to create marketing plan to attract visitors to the Art Center
- Increase class time to 31,000 hours for literacy students
- Re-inventory the library collection to improve the catalog system
- Assist City in addressing Library space needs
- Review/evaluate cataloging and organization options to improve patrons' ability to locate materials
- Complete Eastham/Thomason Park gazebo, barrier posts, and restroom improvements
- Install outfield fence at field 5 at Kate Barr Ross. Replace light poles on fields 6, 7, and 8.
- Increase participation in Texas Amateur Athletic Federation to provide more local sports organizations the opportunity to participate in State tournaments
- Establish additional sports leagues

Long-term Goal

The City of Huntsville is a well-managed and well-planned community with “best in class” public services.

FY 2008-09 Objectives

Charter Offices

- Fund and continue implementation of the Comprehensive Plan
- Continue training and development so as to mature new management team and increase effectiveness
- Initiate ongoing performance auditing. Continue to refine measurable and reporting. Post monthly reports to website
- Continue development of contract database of contracts and agreements
- Continue re-codification of Code of Ordinances

Administrative Services

- Continue to manage and adjust employee/retiree benefit plan as required by Government Accounting Standards Board (GASB) Statement 45
- Continue to monitor and manage employee health care costs for employees and retirees
- Continue efforts to improve strategies for recruiting and retaining a qualified workforce
- Restructure new hire orientations to include information from the City University program
- Develop and conduct city-wide training, utilizing the updated purchasing manual
- Continue to review City purchases for consolidation by vendor and/or commodity
- Increase buying power by increasing vendor base and joining more co-ops
- Perform a records management application hardware upgrade for the Police Department
- Perform a need/cost analysis and demo vendors to integrate and/or replace several applications, including financial software, inventory, permits, code enforcement, cash receipting, and public works requests
- Redesign several City websites, including the Police Department, Wynne Home, Main Street, Huntsville Horizon, and the Library

Finance

- Complete fixed asset module installation
- Review method of gas and oil inventory accounting
- Initiate utility rating review
- Obtain Comprehensive Annual Financial Report Award for 32nd year
- Obtain Budget Award for 22nd year
- Continue efforts to minimize utility account charge offs
- Explore alternative delivery methods of billings to institutional account customers
- Review feasibility of scanning customers' service application forms and attaching copies to the customer's account
- Determine benefits of remote capture of payments when process becomes available through the bank
- Complete project of scanning utility applications for records retention
- Develop and utilize Report Writer software for case management and statistical purposes and monthly reporting
- Audit and project review of customer service center financial functions

Public Utilities Department

- Obtain NELAC accreditation of Microbiology Drinking Water Laboratory Program
- Develop web-based Industrial User forms and information on City's website
- Provide reliable data and reporting efficiency for safe and compliant operation of City water/wastewater utility services
- Continue E-waste Recycling Day once yearly in coordination with state, local, and private entities
- Upgrade SCADA equipment at 9 lift stations
- Implement upgrade or rehabilitation of 2 lift stations
- Replace submersible pump at main lift at Robinson Creek WWTP
- Inspect 19 miles of sewer collection system
- Reduce brown water by filtration at the Spring Creek water plant
- Continue waterline cleaning program (pigging)
- Implement an aggressive water meter change out program
- Begin a valve maintenance program in the water distribution system

Public Works Department

- Create 100% paperless files for Code Enforcement cases
- Continue the Comprehensive Infrastructure program
- Continue to improve, review, administer, complete, and document improvements on all construction projects
- Complete the revisions to the City Standards and Specifications
- Continue organization of the CIP program into a more efficient process for budgeting and scheduling
- Streamline GIS workflows through process improvement
- Continue to create paperless reports and files for food service establishment inspections
- Seal coat 4.91 miles of City streets
- Reconstruct .31 lane miles of City streets
- Overlay 2.14 lane miles of City streets
- Crack seal 1.60 miles of City streets
- Repair 48 inch diameter culvert on Bearkat Boulevard just east of Bowers Boulevard
- Reconstruct drainage structures at old railroad tracks at Bearkat Boulevard
- Construct Kate Barr Ross parking lot

Measuring our Effectiveness

Charter Offices



Office of City Manager

- % of citizens satisfied with overall quality of life in Huntsville
- % of citizens satisfied with City's communication with citizens
- % of citizens satisfied with City's efforts to plan for the future
- % of citizens satisfied with City's efforts to encourage economic growth
- % of citizens satisfied with City's efforts to maintain a reasonable tax rate
- % of citizens satisfied with city employee's responsiveness
- % of citizens satisfied with the efficiency & economy of service



Office of City Secretary

- % of citizens satisfied with City's communication with citizens
- % of citizens satisfied with City's efforts to provide an adequate forum for public input
- % of open records request processed within required time period
- % of City Council meeting minutes prepared on-time and error free



Office of City Attorney

- % of open records request processed within required time period
- % of contracts and other documents processed within 30 days
- % of opinion request processed within 30 days



Office of City Judge

- % of total cases appealed

Administrative Services Department



Human Resources

- % of eligible employees enrolled in benefit program
- % of new hires that successfully complete probation
- % of citizens satisfied with City's efforts to maintain qualified workforce



Risk and Safety Management

- % of new assets reported to insurance carrier within 5 days of receipt in Risk Management office
- % of employees attending one or more safety training classes
- % of total employees filing worker's compensation claims



Purchasing

- % increase in the number of annual contracts
- % of vendors placed in vendor management program
- % of purchase orders processed within 5 business days
- level of Purchasing Services customer satisfaction



Fleet and Warehouse Administration

- level of Garage Services customer satisfaction
- level of Warehouse Services customer satisfaction
- % of shrinkage in warehouse inventory

Measuring our Effectiveness



Building Services

% of non-emergency service calls responded to within 3 days

% of emergency service calls responded to within 24 hours

level of Building Services customer satisfaction



Information Technology

Average time to resolve help desk request based on priority

Finance Department



Finance

% of monthly financial reports released on-schedule

GFOA's Distinguished Budget Presentation Award received

GFOA's Excellence in Financial Reporting Certificate received

Unqualified audit opinion received

City of Huntsville's Bond Rating



Municipal Court

of warrants served

% of cases disposed/completed



Utility Billing

% of monthly bills posted to customer accounts on-time

of billing adjustments to correct meter reading and/or billing errors

% of utility accounts with balances more than 30 days past due

Uncollectible account charge-offs as a % of total dollars billed

Public Utilities Department



Water Services

Service complaints as a % of total customer accounts

% of water taps completed within 14 days

% of preventative maintenance work orders at water plant

% of Water Production Accountability

% of citizens rating Water Services as good or excellent



Wastewater Services

Service complaints as a % of total customer accounts

of sanitary sewer overflows

% of preventative maintenance work orders

% of citizens rating Wastewater Services as good or excellent



Solid Waste Services

Service complaints as a % of total customer accounts

Waste recycled as a % of total waste brought to Transfer Station

% of citizens rating Solid Waste Services as good or excellent

% of Bacteriological Proficiency Tests performed with acceptable scores of 90% or better with no false negatives

Measuring our Effectiveness



Environmental Services

% of Discharge Monitoring Report Quality Assurance Proficiency Tests with acceptable scores of 90% or better

Number of "Required Action" Result received from EPA and TCEQ laboratory and pretreatment program audits and inspections

Public Works Department



GIS

of internal data requests completed

of external data request completed



Planning

% of plats reviewed within 10 days of submittal

% of citizens satisfied with City's efforts to plan for the future



Engineering

% of utility permits reviewed within 5 days

% of capital improvement projects completed within budget

% of capital improvement projects completed on-schedule

% of development projects completed

% on Inter-Departmental programs completed



Central Inspection

% of inspections performed within 24 hours of request

% of complaints investigated within 24 hours of receipt

% of citizens rating Building Inspections Services as good or excellent

% of citizens rating Code Enforcement Services as good or excellent



Health Inspection

% of complaints investigated within 24 hours of request

% of total food establishments receiving a minimum of two inspections

of reinspections required as a % of total inspections

% of citizens rating Health Inspection Services as good or excellent



Street Services/ Drainage

% of annual line mile scheduled maintenance completed

% of increase (decrease) in tons of hot mix used for street failure patches

% of emergency calls responded to within 4 hours

% of citizens rating Street Maintenance Services as good or excellent

% of citizens rating Drainage Maintenance Services as good or excellent

Measuring our Effectiveness

Community Services Department



Recreation

- % change in in-house recreation program participation
- % change in contracted recreation program participation
- % of citizens rating recreation services as good or excellent



Parks Maintenance

- % of parks maintenance completed on-schedule
- % of time spent on improvements to parks/recreation facilities
- % of time spent on special projects (non-maintenance related)
- % of citizens rating parks maintenance services as good or excellent



Aquatic Center

- % of successful water quality tests
- # of reported Injuries as a % of total annual customers
- % of citizens rating aquatic services as good or excellent



Library

- Rate of collection turnover
- % of collection less than 5 years old
- Circulation per capita
- % increase (decrease) in literacy program student hours
- % increase (decrease) in adult program attendance
- % increase (decrease) in children's program attendance
- % of citizens rating library services as good or excellent



Cultural Services

- % increase (decrease) in visitors to Wynne Home
- % increase (decrease) in number of events/activities held
- % increase (decrease) in number of community activities/rentals
- % of citizens rating cultural services as good or excellent



Main Street

- % of occupancy in the downtown district
- % of total downtown businesses participating in the Downtown Business Alliance
- % of increase (decrease) in participants in Main Street events/programs
- % of citizens rating Main Street services as good or excellent

Public Safety Department



Police Services

- # officer initiated calls as a % of total calls
- % of cases rejected by the District Attorney
- % of citizens rating Police Services as good or excellent
- % of citizens rating Animal Control Services as good or excellent



Fire Services

- # of buildings inspected as a % of total buildings
- Average # of training hours received per firefighter
- % of citizens rating Fire Services as good or excellent