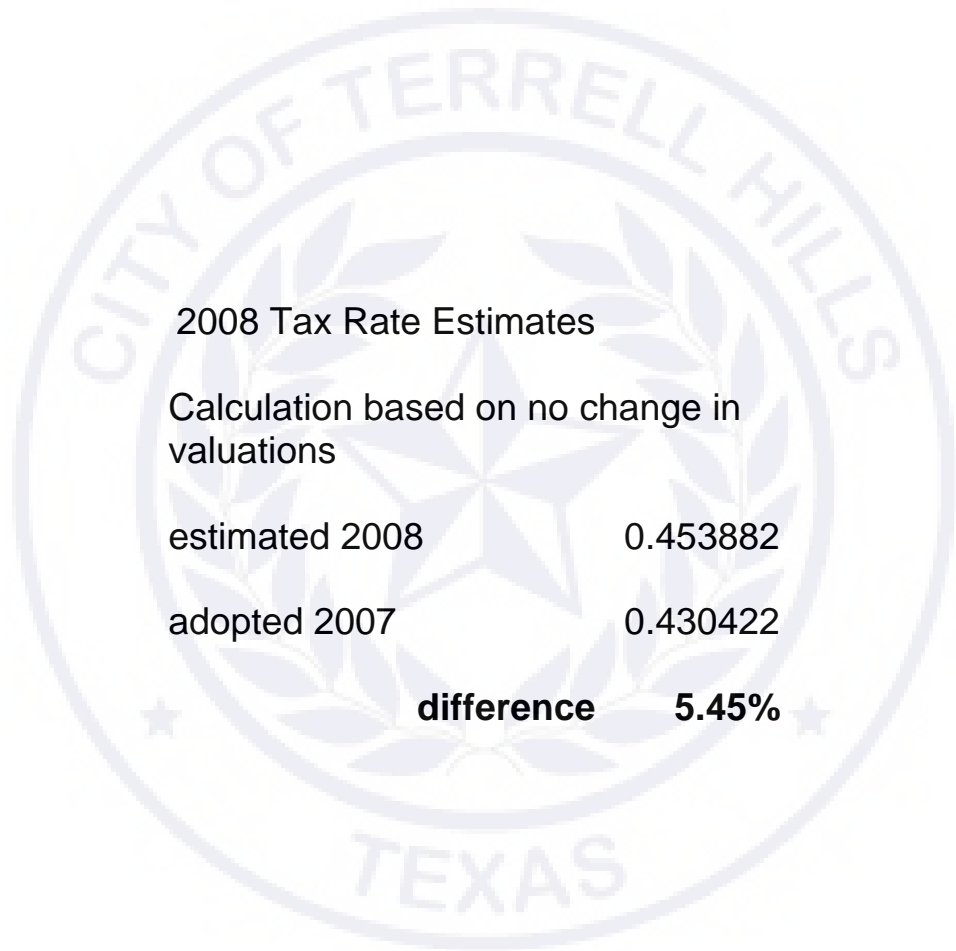




**City of Terrell Hills
2008 Budget**

Notice of Public Hearing
City of Terrell Hills

The City of Terrell Hills City Council will hold a Public Hearing on the Proposed 2008 Fiscal Year Budget on November 12, 2007 at 5:00 p.m. at the Terrell Hills City Hall located at 5100 N. New Braunfels Ave. The Budget will be available at the City Hall and available on the City Website at www.terrell-hills.com. This budget will raise more total property taxes than last year's budget by \$88,988, and of that amount, \$88,988 is tax revenue to be raised from new property added to the tax roll this year.



2008 Tax Rate Estimates

Calculation based on no change in valuations

estimated 2008	0.453882
adopted 2007	0.430422
difference	5.45%

The next calculation assumes 20 million increase in base

estimated 2008	0.444635
adopted 2007	0.430422
difference	3.30%

October 26, 2007

Mayor J. Bradford Camp
City Council Members
Terrell Hills, Texas

To the Honorable Mayor and City Council:

We are pleased to present to the City Council and citizens of the City of Terrell Hills the 2008 Proposed Operating Budget. The Proposed Budget has been developed with the goal of providing quality services and maintaining the quality of life for the citizens of the City through efficient fiscal and personnel management.

The Proposed General Fund Budget total revenue is \$4,514,013. The projected revenue increases are primarily the result of proposed increases in of \$88,988 in Ad Valorem tax. The budget proposes to raise \$3,879,537 in Ad Valorem taxes with franchise taxes of \$233,101, building permit fees of \$180,000, sales taxes of \$120,000 and interest income of \$50,000. Building permits are expected to rise only \$5,000 over FY07 levels; sales taxes are increased in this budget by \$17,000 reflecting increasing sales tax collection over the last two years.

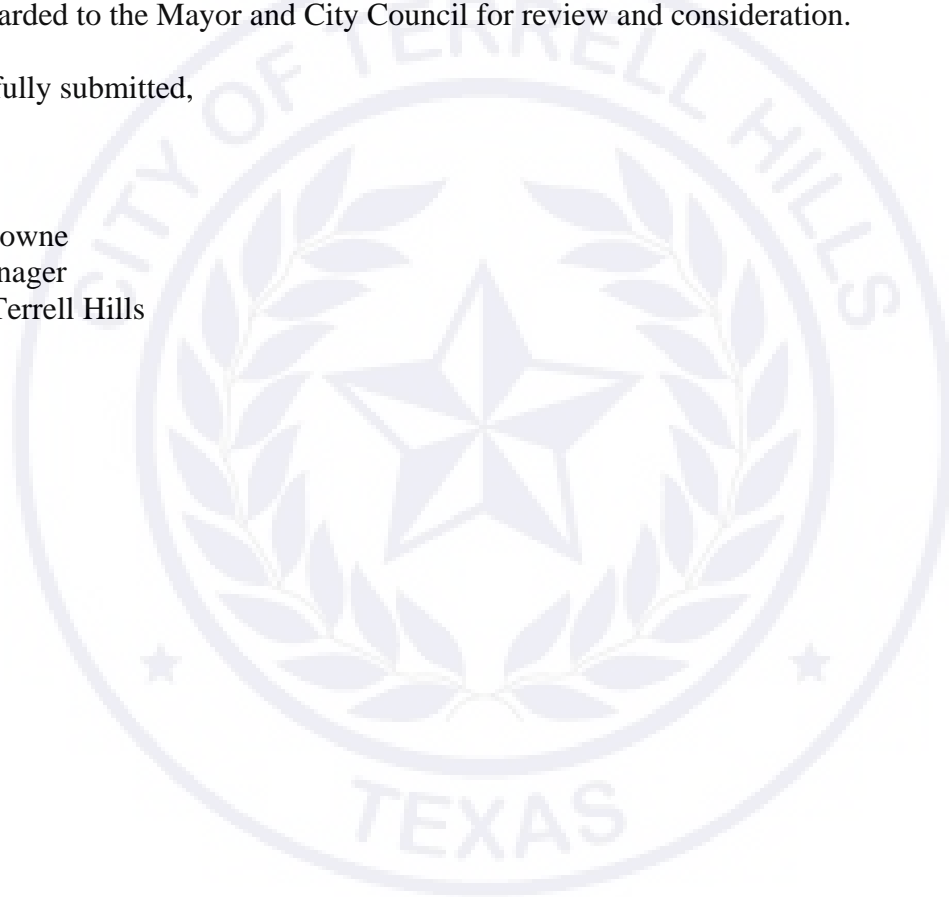
The total projected expenditures are \$5,014,013. Proposed expenditure increases are influenced by the implementation of a 3% cost of living increase for City employees and a \$100 per employee raise in health care coverage. Additionally, the budget proposes a \$1,202,000 budget for road construction; \$500K of this project is funded out of the City's operational reserve. This should still leave the City with a reserve exceeding 50% of the General Fund budget. This major project will see road construction on portions of six streets in Terrell Hills. Additionally, the city proposes to purchase two new police vehicles in accordance with the vehicle replacement schedule. This budget reflects the anticipated transfer of the sewer system to SAWS. If this transfer is accomplished, the City will no longer pay for sewer treatment and disposal services and will no longer receive income from SAWS according to rates set by the City. Additionally, the City will avoid paying sewer repair bills and the residents will pay "in San Antonio" rates for sewer service.

The Debt Service Fund reflects a budget of \$508,378 to cover bond principal and interest payments.

Overall, every effort has been made within the Proposed Budget to allocate resources in a sound manner that enables the effective delivery of municipal service for the safety, health, and welfare of the citizens of the City of Terrell Hills. These recommendations are forwarded to the Mayor and City Council for review and consideration.

Respectfully submitted,

Mark Browne
City Manager
City of Terrell Hills



Terrell Hills General Fund Budget Summary FY08

The budget for fiscal year 2008 balances the mission areas of the city of Terrell Hills and fully funds public safety, city services, infrastructure, and administrative programs while not creating a huge new burden on the taxpayers. Examining the budget for each of these mission areas reveals the following significant budget items:

Public Safety: The fire department requests an \$8500 uniform allowance, which is the same request as 2007. The department requests \$3,800 for gas and oil, representing a \$2,200 decrease due to lower than expected expenditures in 2007. Fire Department is not requesting any new vehicles for the upcoming year. The police department requests two new patrol vehicles as part of their normal vehicle rotation schedule as well as two new in car video systems and four handheld radios. The total cost of the new police equipment is \$66,871.

City Services: The street and sanitation department requests two gas powered weed eaters at a cost of \$878, two hedge trimmers at a cost of \$813.92, type 1 barricades at a cost of \$579.50 and a 5ft shredder to be used to cut and maintain all alleys and areas around the city at a cost of \$872.77. The total materials and equipment budget is \$81,000 and includes \$15K for tree trimming and \$20K for landscaping/new signage/beautification. The alley maintenance budget is raised from \$25,750 to \$30,000 to reflect increased costs of maintaining City alleys. The waste disposal budget is \$125,000 which is a \$10,000 increase over the current budget reflecting potential rate hikes for the City.

Infrastructure: The budget requests an increase from \$700K to \$1.2M for a significant street repair project. This project is scheduled to begin in the February/March timeframe of 2008 and is the second phase of our overall road capital improvement program.

Administration: In the area of administration, the proposed cost of living increase for City employees is 3%, reflecting increases in the CPI rate. This raise is not out of line with other communities in the area. The budget reflects the addition of one firefighter/paramedic to enhance overall manning for the fire department. Liability insurance expenses have increased as calculated by our insurance provider from \$27,757 to \$33,780. This is subject to yearly change. The rate for building maintenance has reduced to \$15,000 to better reflect actual expenditures. The engineering services budget has reduced from \$46.4K to \$25K to better reflect potential expenditures. EMS rates are still being negotiated with Alamo Heights. The computer budget is \$24K, including the purchase of six new systems at a cost of \$9.6K.

CITY OF TERRELL HILLS GENERAL FUND
SUMMARY OF FUND BALANCE
FY2008 BUDGET

	Actual FY2006	Estimated FY2007	Proposed FY2008
Beginning Fund Balance	2,562,681	3,566,548	4,235,005
Appropriations to Operating Budget			500,000
Excess of Revenue over Expenditure	<u>1,003,867</u>	<u>668,457</u>	<u>0</u>
Ending Fund Balance	3,566,548	4,235,005	3,735,005
Less Designated Reserve Vehicle Replacement			50,000
Less Operating Reserve (180 days)	<u>2,096,921</u>	<u>2,576,924</u>	<u>2,250,254</u>
Gross Ending Available Balance	1,469,627	1,658,081	1,434,751

The seal of the City of Terrell Hills, Texas, is a circular emblem. It features a central five-pointed star surrounded by a wreath of leaves. The words "CITY OF TERRELL HILLS" are inscribed around the top inner edge of the circle, and "TEXAS" is at the bottom. A small star is positioned at the bottom right of the seal.

2008 Debt Service Overview

Jan - Dec 08

Income	
4001 - Ad Valorem Taxes	<u>508,378</u>
Total Income	<u>508,378</u>
Expense	
5501500 - Bond Principal	360,000
5501510 - Bond Interest	147,578
Bond Service Charge	<u>800</u>
Total Expense	<u>508,378</u>
Net Income	<u><u>0</u></u>

**City of Terrell Hills - General Fund
Proposed Budget
2008**

	Jan - Dec 06	01-Jan Oct 18 2007	FY2007 Budget	FY2007 Predicted	FY2008 Budget
Ordinary Income/Expense					
Income					
4000 - Ad Valorem Tax					
4001 - Delinquent Ad Valorem	12,549	73,127	19,196	75,000	20,000
4003 - Prior Nondel Ad Valorem	1,562,952	50,815	1,923,390	1,923,390	2,147,465
4002 - Current Year Ad Valorem	1,669,901	1,871,255	1,847,963	1,747,963	1,712,072
Total 4000 - Ad Valorem Tax	3,245,402	1,995,197	3,790,549	3,746,353	3,879,537
4020 - Bldg Permits	236,555	188,442	175,000	200,000	180,000
4050 - Court Fines	32,820	20,618	25,750	26,000	26,000
4051 - Court Technology	0	812	0	1,001	1,000
4070 - Franchise Tax					
4071 - Franchise Cable TV	40,070	31,902	40,069	42,400	40,000
4072 - Franchise CPS	181,054	127,151	136,322	167,150	150,000
4073- Franchise SAWS	24,384	16,454	20,384	16,454	15,000
4075 - Franchise AT&T	27,464	21,292	26,938	28,000	25,000
4076 - Franchise Birch Telecom	225	61	224	86	100
4081 - Franchise Grande	939	1,206	939	1,360	1,300
4085 - Time Warner Telephone	365	0	365	0	0
4086 - Franchise NII Communications	33	4		6	6
4091 - Franchise TW Telecom	1,318	1,105	1,319	1,895	1,500
4095 - Franchise Verizon	311	162		191	150
4096 - XO Communications	93	26		45	45
Total 4070 - Franchise Tax	276,256	199,365	226,560	257,587	233,101
4150 - Judson Montessori	5,000	5,000	5,000	5,000	5,000
4200 - Miscellaneous					
4212 - Vehicle Sales	6,215	4,010	7,500	7,000	5,000
4213 - Board Fees	4,500	3,100	4,100	3,943	4,000
4214 - Burglar Alarms	420	180	433	206	200
4216 - Crossing Guard	5,972	5,222	6,054	6,318	6,300
4222 - Receipt Book	2,257	2,207	3,205	2,624	2,600
4223 - Recycling Income	1,290	937	1,658	1,277	1,275
Total 4200 - Miscellaneous	20,654	15,656	22,950	21,368	19,375
4300 - Sales Taxes	120,877	120,435	103,000	142,489	120,000
4500 - Interest Income					
4502 - Interest Income Money Mkt	61,272	25,520	25,000	32,757	30,000
4506 - TEXPOOL Interest		75,459		82,389	20,000
To Total 4500 - Interest Income	61,272	100,979	25,000	115,146	50,000
Gross Profit	3,998,836	2,646,503	4,373,809	4,514,944	4,514,013
Expense					
500000 - Administrative Expenses					
5001000 - Salaries Administrative	204,556	188,078	278,959	241,853	217,886
5001040 - TMRC	18,726	20,656	28,200	25,129	22,987
5001050 - Med 1	13,603	12,931	17,999	18,000	24,000
5001135 - Inspections	1,010	33	0	0	0
5001205 - Bank Charges	10	30	0	0	0
5001210 - Contingencies	0	284	9,818	500	9,000
5001220 - Dues & Subscriptions	900	405	0	0	0
5001235 - Miscellaneous	7,735	4,466	6,000	6,029	6,100
5001236 - Admin Gas and Oil	81	671	1,000	772	1,000
5001240 - Office Expense	6,386	2,380	5,000	3,037	5,000
Admin Training	0	0	0	0	2,500
5001242 - Court Office Supplies	696	101	1,030	173	250
Total 500000 - Administrative Expenses	253,702	230,035	348,006	295,493	288,723

**City of Terrell Hills - General Fund
Proposed Budget
2008**

	Jan - Dec 06	01-Jan Oct 18 2007	FY2007 Budget	FY2007 Predicted	FY2008 Budget
510000 - Police Department					
5101000 - Salaries Police Department	488,389	397,351	537,251	521,908	561,075
5101040 - TMRC	52,268	42,293	54,830	54,226	59,193
5101050 - Med 1	40,193	33,443	46,800	46,800	62,400
5101090 - Uniforms	6,710	5,151	9,000	8,500	9,000
5101102 - Animal Control	159	150	1,000	750	1,000
5101105 - CID	933	1,309	2,200	1,500	1,500
5101132 - Gas & Oil	20,809	16,373	20,000	20,000	20,000
5101157 - Radio Maintenance	5,530	4,604	8,500	5,400	7,500
5101178 - Tire & Battery	2,197	2,132	4,200	4,000	4,500
5101179 - Vehicle Repairs	15,080	9,475	16,480	13,000	16,500
5101225 - Training	5,829	5,412	8,000	8,000	9,000
5101235 - Miscellaneous	5,002	4,308	7,000	5,500	6,500
5101240 - Office Expense	3,008	1,119	3,500	3,000	3,200
5101325 - Future Equipment	0	4,972	13,400	11,000	0
5101350 - Equipment	31,594	44,493	47,500	45,000	66,871
Total 510000 - Police Department	677,700	572,586	779,661	748,584	823,239
520000 - Fire Department					
5201000 - Salaries Fire Department	571,116	453,515	624,765	604,347	708,175
5201040 - TMRC	64,389	49,253	65,131	62,791	74,712
5201050 - Med 1	48,420	38,480	50,400	47,921	72,000
5201090 - Uniforms	6,279	5,395	8,500	7,000	8,500
5201128 - Fire Department Quarters	2,348	1,127	2,500	2,500	3,500
5201129 - Equipment & Maintenance	20,317	52,060	60,942	60,000	28,250
5201132 - Gas & Oil	4,024	2,537	6,000	3,650	3,800
5201157 - Radio Maintenance	1,473	900	2,500	2,200	2,500
5201178 - Tire & Battery	497	532	2,500	1,900	2,000
5201179 - Truck Repairs	1,711	538	3,200	3,000	2,500
5201225 - Training	8,609	5,764	9,500	8,500	9,500
5201235 - Miscellaneous	2,642	2,234	4,000	3,900	4,000
Total 520000 - Fire Department	731,825	612,335	839,938	807,709	919,437
530000 - Streets & Sanitation Dept					
5301000 - Salaries Streets & San	442,318	371,746	476,343	477,528	490,227
5301040 - TMRC	51,754	40,555	49,492	49,615	51,719
5301050 - Med 1	49,128	38,852	57,601	49,416	76,800
5301090 - Uniforms	8,095	7,312	9,785	9,067	9,800
5301100 - Alley Maintenance	12,362	23,029	25,750	30,000	30,000
5301112 - Waste Disposal	103,429	80,277	115,000	102,079	125,000
5301132 - Gas & Oil	37,267	25,402	30,900	32,058	35,000
5301157 - Radio Maintenance	843	1,100	1,000	1,000	1,000
5301160 - Sewer Repairs	34,221	8,190	45,000	18,000	0
5301165 - Sprinkler Repairs	884	14	500	150	600
5301170 - Street Repair	33,753	93,866	700,000	400,000	1,207,083
5301178 - Tire & Battery	22,756	23,128	20,000	26,000	25,000
5301179 - Equip Maint	25,342	30,148	28,840	42,000	35,000
5301235 - Miscellaneous	501	213	1,000	800	1,000
5301375 - Materials & Equipment	50,216	46,131	85,000	52,197	81,000
Total 530000 - Streets & Sanitation Dept	872,867	789,963	1,646,211	1,289,910	2,174,229

**City of Terrell Hills - General Fund
Proposed Budget
2008**

	Jan - Dec 06	01-Jan Oct 18 2007	FY2007 Budget	FY2007 Predicted	FY2008 Budget
540000 - General					
5401041 - Elections	0	1,299	2,000	1,300	2,000
5401101 - Appraisal District	26,083	18,827	30,000	27,000	27,579
5401103 - Audit	18,476	14,500	19,570	14,500	14,500
5401104 - Consultant	46,159	44,516	50,000	50,000	50,000
5401105 - Engineering Services	2,218	116	46,350	2,000	25,000
5401106 - Prosecutor	2,700	2,025	2,000	2,314	2,400
5401107 - Judge	2,400	1,800	3,193	2,057	2,400
5401108 - City Attorney	9,874	14,241	40,000	20,000	25,000
5401109 - Telephone	4,635	3,628	5,150	4,530	5,000
5401110 - CPS	11,904	8,408	12,875	11,400	12,000
5401111 - Street Lights CPS	14,366	12,046	16,480	15,500	16,000
5401112 - Water	4,838	2,454	4,200	3,158	5,000
5401114 - Dispatch	33,530	32,336	65,832	65,000	100,000
5401125 - EMS Contract	106,289	74,738	150,000	135,000	150,000
5401130 - Health Inspections	1,875	1,425	3,090	1,800	1,800
5401138 - Insect control	720	917	2,060	1,000	2,000
5401145 - Liability Insurance	30,498	27,757	35,896	27,757	33,780
5401146 - Workers' Compensation Insurance	49,318	61,749	67,514	61,748	75,908
5401150 - Newsletter	2,621	1,611	3,090	2,761	3,000
5401200 - Appreciation Dinner	2,650	3,811	4,635	4,500	5,000
5401210 - Contingencies	546	37,557	44,103	46,000	30,000
5401220 - Dues & Subscriptions	5,201	2,442	4,841	3,000	5,000
5401240 - Office Expense	1,071	623	927	704	750
5401245 - Postage	2,199	2,615	2,060	3,489	3,000
5401300 - Building Maintenance	20,990	8,402	25,000	11,682	15,000
5401325 - Computers	21,370	17,969	25,300	25,239	24,000
5401600 - Payroll Taxes					
5401610 - City Life	3,927	4,066	5,500	5,161	5,500
5401670 - FICA	101,198	85,558	117,945	114,429	122,596
5401675 - SUI	13,930	14,764	15,000	15,000	15,500
5401685 - Medicare	23,667	19,751	29,863	26,762	28,672
5401680 FUTA		2,592	0	0	0
Total 5401600 - Payroll Taxes	142,723	126,730	168,308	161,352	172,268
Total 540000 - General	565,252	524,543	834,474	704,791	808,385
Total Expenses	3,101,957	2,729,462	4,448,290	3,846,487	5,014,013
Net Ordinary Income	896,879	-82,958		668,457	-500,000
Fund Balance	3,566,548			4,235,005	3,735,005

2008 Payroll Overview