

ORDINANCE NO. 06-76

**AN APPROPRIATION ORDINANCE APPROVING AND ADOPTING A BUDGET FOR THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION FOR THE ENSUING FISCAL YEAR BEGINNING OCTOBER 1, 2006 AND ENDING SEPTEMBER 30, 2007 IN ACCORDANCE WITH SECTION 12.03 OF THE BYLAWS OF THE CORPORATION.**

**WHEREAS**, the City Council desires to approve and adopt the Budget attached hereto as Exhibit "A" as the Budget for Fiscal Year 2006-2007 for the City of Port Arthur Section 4A Economic Development Corporation (PAEDC); and

**WHEREAS**, this Ordinance is necessary for municipal/corporation purposes as delineated under Section 102.009 Local Government Code; and

**WHEREAS**, the Section 4A Economic Development Corporation Board approved the proposed budget on June 28, 2006; and

**WHEREAS**, the Section 4A Economic Development Corporation Budget was included in the City Manager's Budget as submitted to City Council on July 18, 2006; and

**WHEREAS**, the City Council conducted a Public Hearing on the proposed budget on August 29, 2006; and

**WHEREAS**, the City Council has approved a 4% increase for non civil service employees and desires a 4% increase be granted to PAEDC employees; and

**WHEREAS**, the PAEDC Board has approved an increase in the base salary of the Chief Executive Officer from \$72,000 to \$80,000, which the City Council hereby approves; and

**WHEREAS**, the PAEDC Board and the City Council approved an administrative services agreement at 4.6% of the annual sales tax revenue of the PAEDC.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT ARTHUR:**

**Section 1.** That the facts and opinions in the preamble are true and correct.

**Section 2.** That the budget of the City of Port Arthur Section 4A Economic Development Corporation is hereby adopted and approved as shown in Exhibit "A".

**Section 3.** That the budget be adjusted to reflect the changes listed above, in the amounts

as follows:

- 4% salary increase for authorized positions \$10,615
- Increase for Chief Executive Officer \$ 9,650
- Increase in Administrative Fee \$111,900

**Section 4.** That the Executive Director of the Economic Development Corporation shall file a true and correct copy of the Ordinance and the budget with the County Clerk of Jefferson County, the County Clerk of Orange County, and with the Texas Department of Economic Development.

**Section 5.** That this Ordinance is effective from and after its passage.

**Section 6.** That a copy of the caption of this Ordinance be spread upon the Minutes of the City Council.

**READ, ADOPTED AND APPROVED** on this 26<sup>th</sup> day of September, A.D., 2006, at a Regular Meeting of the City Council of the City of Port Arthur, Texas, by the following vote:

AYES Mayor Ortiz; Mayor Pro Tem Prince  
City Council members Lewis, Barker, Henderson,  
Flood, Beard and Williamson

NOES none.


Evangelina Green  
City Secretary

Oscar S. Ortiz  
Mayor Oscar Ortiz

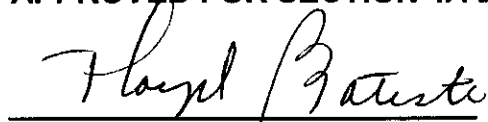
**APPROVED AS TO FORM:**

Mark Solomon  
City Attorney

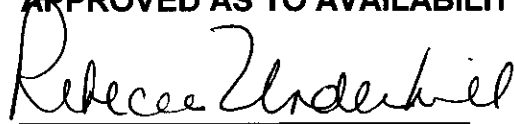
**APPROVED FOR ADMINISTRATION:**

  
City Manager

**APPROVED FOR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION:**

  
Floyd Batiste

**APPROVED AS TO AVAILABILITY OF FUNDS:**

  
Director of Finance

# EXHIBIT “A”

**CITY OF PORT ARTHUR 2006-2007 BUDGET**  
**ECONOMIC DEVELOPMENT CORPORATION**

	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>03-04</b>	<b>04-05</b>	<b>as amended</b>	<b>05-06</b>	<b>06-07</b>
			<b>05-06</b>		
<b><u>REVENUES AND OTHER SOURCES</u></b>					
Sales Tax	\$ 2,661,563	\$ 2,825,888	\$ 3,000,000	\$ 3,249,771	\$ 3,412,260
Transfer from reserve	-	1,000,000	2,250,000	2,250,000	-
Prior year refund expense	-	40,790	-	-	-
Miscellaneous revenue	-	1,379	-	-	-
Interest revenue	57,841	114,763	75,000	100,000	50,000
<b>TOTAL REVENUES</b>	<b>2,719,404</b>	<b>3,982,820</b>	<b>5,325,000</b>	<b>5,599,771</b>	<b>3,462,260</b>
<b><u>EXPENDITURES</u></b>					
EDC Operating Expenditures	1,639,689	1,595,963	6,868,085	6,166,487	2,466,304
Debt Service					
Business Park Bond	386,898	383,865	385,450	385,450	387,775
EDC Sales Tax Bond	616,656	588,991	585,991	585,991	582,491
Transfer to Reserves:					
Development Reserve	-	2,000,000	-	-	500,000
<b>TOTAL EXPENDITURES</b>	<b>2,643,243</b>	<b>4,568,819</b>	<b>7,839,526</b>	<b>7,137,928</b>	<b>3,936,570</b>
<b><u>EXCESS (DEFICIENCY) OF</u></b>					
<b><u>REVENUES OVER</u></b>					
<b><u>EXPENDITURES</u></b>					
	76,161	(585,999)	(2,514,526)	(1,538,157)	(474,310)
<b><u>OPERATING FUND BALANCE</u></b>					
Beginning of the year	3,965,187	4,041,348	3,455,349	3,455,349	1,917,192
End of the year	\$ 4,041,348	\$ 3,455,349	\$ 940,823	\$ 1,917,192	\$ 1,442,882
<b><u>Reserves</u></b>					
Operating	\$ 4,041,348	\$ 3,455,349	\$ 940,823	\$ 1,917,192	\$ 1,442,882
CDC	250,000	250,000	-	-	-
Westside Reserve	1,000,000	-	-	-	-
Development	1,000,000	3,000,000	1,000,000	1,000,000	1,500,000
	<b>\$ 6,291,348</b>	<b>\$ 6,705,349</b>	<b>\$ 1,940,823</b>	<b>\$ 2,917,192</b>	<b>\$ 2,942,882</b>

**CITY OF PORT ARTHUR 2006-2007 BUDGET**  
**BUDGET SUMMARY**  
**ECONOMIC DEVELOPMENT CORPORATION**

**Expenditures by Category**

	<b><u>Actual 03-04</u></b>	<b><u>Actual 04-05</u></b>	<b><u>Budget 05-06</u></b>	<b><u>Estimated 05-06</u></b>	<b><u>Proposed 06-07</u></b>
Salaries and Benefits	\$ 266,207	\$ 182,368	\$ 344,485	\$ 197,162	\$ 337,304
Supplies and Materials	19,773	13,492	30,400	35,415	15,700
Maintenance	39,427	10,066	16,700	8,152	6,500
Contractual Service	399,023	230,772	669,500	929,441	398,800
Capital Outlay	35,918	7,850	23,000	26,036	73,500
Special Projects	<u>879,341</u>	<u>1,151,415</u>	<u>5,784,000</u>	<u>4,970,281</u>	<u>1,634,500</u>
TOTAL EXPENDITURES	<u><u>\$ 1,639,689</u></u>	<u><u>\$ 1,595,963</u></u>	<u><u>\$ 6,868,085</u></u>	<u><u>\$ 6,166,487</u></u>	<u><u>\$ 2,466,304</u></u>

**Expenditures by Division**

Economic Development Corp.	<u><u>\$ 1,639,689</u></u>	<u><u>\$ 1,595,963</u></u>	<u><u>\$ 6,868,085</u></u>	<u><u>\$ 6,166,487</u></u>	<u><u>\$ 2,466,304</u></u>
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**Authorized Positions**

Economic Development Corp.	<u><u>6</u></u>	<u><u>6</u></u>	<u><u>6</u></u>	<u><u>6</u></u>
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**CITY OF PORT ARTHUR 2006-2007 BUDGET**  
**DETAIL EXPENDITURES**  
**ECONOMIC DEVELOPMENT CORPORATION**

	Actual 03-04	Actual 04-05	Budget as amended 05-06	Estimated 05-06	Proposed 06-07
<u>Salaries and Benefits</u>					
Regular Earnings	\$ 129,884	\$ 105,462	\$ 213,297	\$ 105,732	\$ 221,478
Overtime	3,917	7,180	6,000	1,959	2,000
Allowances	-	-	4,500	5,040	6,360
Extra Help	72,379	37,544	25,000	27,182	5,500
Social Security	13,118	10,730	14,888	10,416	16,954
Retirement	17,072	14,224	30,806	21,534	30,529
Health Insurance	10,735	15,912	42,023	21,534	46,528
Workers Compensation	1,191	1,376	1,774	687	1,905
Terminating Pay	17,911	(10,060)	6,197	3,078	6,050
<u>Total Salaries and Benefits</u>	<u>266,207</u>	<u>182,368</u>	<u>344,485</u>	<u>197,162</u>	<u>337,304</u>
<u>Supplies and Materials</u>					
Office Supplies	13,848	9,979	16,500	26,378	12,000
Fuel & Lubrication	1,731	1,459	4,200	3,274	1,500
Minor Equipment	896	1,351	6,500	5,341	700
Uniform and Cleaning	288	187	700	249	500
Other Supplies	3,010	516	2,500	173	1,000
<u>Total Supplies and Materials</u>	<u>19,773</u>	<u>13,492</u>	<u>30,400</u>	<u>35,415</u>	<u>15,700</u>
<u>Maintenance</u>					
Building Maintenance	24,981	3,908	6,000	3,214	2,000
Land Maintenance	4,521	-	4,000	-	-
Equipment Maintenance	8,068	4,446	4,200	4,072	2,000
Motor Vehicle Maintenance	1,857	1,712	2,500	866	2,500
<u>Total Maintenance</u>	<u>39,427</u>	<u>10,066</u>	<u>16,700</u>	<u>8,152</u>	<u>6,500</u>
<u>Contractual Service</u>					
Rent	66,246	62,496	45,000	55,304	48,000
Insurance	43,663	4,966	7,000	4,000	2,500
Professional Services	216,589	91,427	120,000	300,000	172,000
Administrative Services	-	-	350,000	380,000	45,000
Advertising	17,404	22,432	50,000	35,000	12,000
Travel & Education	17,442	17,887	25,000	57,065	20,000
Dues & Subscriptions	5,556	1,791	12,000	52,143	14,000
Education and Training	7,902	755	15,000	-	-
Other Contractual Service	596	82	18,000	11,980	60,000
Utilities	9,036	18,045	17,500	23,715	15,500
Communications	14,589	10,891	10,000	10,234	9,800
<u>Total Contractual Services</u>	<u>399,023</u>	<u>230,772</u>	<u>669,500</u>	<u>929,441</u>	<u>398,800</u>
<u>Capital Outlay</u>	<u>35,918</u>	<u>7,850</u>	<u>23,000</u>	<u>26,036</u>	<u>73,500</u>
<u>Special Projects</u>					
Development	285,559	320,297	4,500,000	3,743,640	500,000
Business Park - WPA	58,310	48,696	50,000	77,688	75,000
Business Park Marketing	17,492	351,432	-	-	-
Westside Development	-	430,990	1,119,000	637,663	456,000
Hospital Project	500,000	-	-	-	-
Training Project	-	-	115,000	11,290	103,500
Promotional Programs	17,980	-	-	-	-
4B Development	-	-	-	500,000	500,000
<u>Total Special Projects</u>	<u>879,341</u>	<u>1,151,415</u>	<u>5,784,000</u>	<u>4,970,281</u>	<u>1,634,500</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,639,689</b>	<b>\$ 1,595,963</b>	<b>\$ 6,868,085</b>	<b>\$ 6,166,487</b>	<b>\$ 2,466,304</b>

**CITY OF PORT ARTHUR 2006-2007 BUDGET**  
**ECONOMIC DEVELOPMENT CORPORATION**  
**DEBT SERVICE FUND**

	<b>Actual 03-04</b>	<b>Actual 04-05</b>	<b>Budget 05-06</b>	<b>Estimated 05-06</b>	<b>Proposed 06-07</b>
<b><u>REVENUES AND OTHER SOURCES</u></b>					
Transfer from operations	\$ 616,656	\$ 588,991	\$ 585,991	\$ 588,991	\$ 582,491
Interest Revenue	13,335	12,406	13,000	28,000	30,000
<b>TOTAL REVENUES</b>	<b>629,991</b>	<b>601,397</b>	<b>598,991</b>	<b>616,991</b>	<b>612,491</b>
<b><u>EXPENDITURES</u></b>					
Principal Retirements	220,000	260,000	270,000	260,000	280,000
Interest	396,156	328,991	315,991	328,991	302,491
Fiscal Charges	500	500	500	500	500
<b>TOTAL EXPENDITURES</b>	<b>616,656</b>	<b>589,491</b>	<b>586,491</b>	<b>589,491</b>	<b>582,991</b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u></b>	<b>13,335</b>	<b>11,906</b>	<b>12,500</b>	<b>27,500</b>	<b>29,500</b>
<b><u>OPERATING FUND BALANCE</u></b>					
Beginning of the year	595,607	608,942	620,848	620,848	648,348
End of the year	<u>\$ 608,942</u>	<u>\$ 620,848</u>	<u>\$ 633,348</u>	<u>\$ 648,348</u>	<u>\$ 677,848</u>



**CITY OF PORT ARTHUR 2006-2007 BUDGET**  
**ECONOMIC DEVELOPMENT CORPORATION**  
**RESERVE FUNDS**

	<u>Actual</u> <u>03-04</u>	<u>Actual</u> <u>04-05</u>	<u>Budget</u> <u>as amended</u> <u>05-06</u>	<u>Estimated</u> <u>05-06</u>	<u>Proposed</u> <u>06-07</u>
<b><u>DEVELOPMENT RESERVE</u></b>					
Transfer from (to) Operating Fund	\$ -	\$ 2,000,000	\$ (2,000,000)	\$ (2,000,000)	\$ 500,000
Fund Balance, Beginning of Year	<u>1,000,000</u>	<u>1,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>1,000,000</u>
Development Reserve Balance	\$ 1,000,000	\$ 3,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000
<b><u>WEST SIDE DEVELOPMENT RESERVE</u></b>					
Transfer from (to) Operating Fund	\$ -	\$ (1,000,000)	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
West Side Development Reserve	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
<b><u>BANK CDC</u></b>					
Transfer from (to) Operating Fund	\$ -	\$ -	\$ (250,000)	\$ (250,000)	\$ -
Fund Balance, Beginning of Year	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Bank CDC Reserve	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
<b><u>DEBT SERVICE RESERVE</u></b>					
Excess (deficiency) of revenue over expenditures	\$ 13,335	\$ 11,906	\$ 12,500	\$ 27,500	\$ 29,500
Fund Balance, Beginning of Year	<u>595,607</u>	<u>608,942</u>	<u>620,848</u>	<u>620,848</u>	<u>648,348</u>
Debt Service Reserve	\$ 608,942	\$ 620,848	\$ 633,348	\$ 648,348	\$ 677,848
<b><u>OPERATING RESERVE</u></b>					
Excess (deficiency) of revenue over expenditures	\$ 76,161	\$ (585,999)	(2,514,526)	(1,538,157)	(474,310)
Fund Balance, Beginning of Year	<u>3,965,187</u>	<u>4,041,348</u>	<u>3,455,349</u>	<u>3,455,349</u>	<u>1,917,192</u>
Operating Reserve, End of Year	\$ 4,041,348	\$ 3,455,349	940,823	\$ 1,917,192	\$ 1,442,882
<b><u>TOTAL RESERVES</u></b>	<b>\$ 6,900,290</b>	<b>\$ 7,326,197</b>	<b>\$ 2,574,171</b>	<b>\$ 3,565,540</b>	<b>\$ 3,620,730</b>