

City of Abernathy

Budget

**For the Fiscal year
Beginning October 1, 2010
Ending September 30, 2011**

Notice

**This budget proposes increased property tax revenue of
\$10,759 more than last year's budget.**

City of Abernathy

P.O. Box 310
Abernathy, Texas 79311

July 13, 2010

To the Honorable Mayor and Members of the City Council:

In accordance with the Civil Statutes of the State of Texas and the Article of Incorporation of the City of Abernathy, the proposed budget for the fiscal year beginning October 1, 2010 is submitted for your review and consideration. The budget is intended to present, in financial terms, the overall plan for providing municipal services during the forthcoming year. This budget provides funding for the continued basic level of services offered by the City plus the addition of a code enforcement officer to work under the direction of the Police Chief.

Introduction

The FY 2010-2011 budget was developed with limited resources. City departments have met this challenge. To continue to meet its challenge in the future, the City must seek to strengthen revenue base. In the coming years, we will need to focus on economic development to maintain and enhance our fiscal position, as well as to diversify our revenue and tax base.

Sales tax receipts have remained stable, and we will continue to manage our affairs in a conservative and prudent manner in order to avoid any major negative impact on our operations.

With the seemingly continual high cost of price of fuel and commodity based goods, and with the overall health of the economy questionable. We should continue close scrutiny of "add-on" expenses throughout the coming year. That's not to say we shouldn't take advantage of strategic economic opportunities should they arise.

On the following pages of this letter you will find attached:

- Major Accomplishments in 2009-2010
- Overview of Fiscal Year 2010-2011
- Key Changes in the Budget
- Overview of the Budget
- Payroll Schedule
- Cash on Hand
- Outstanding Obligations
- Summary and Conclusion

Major Accomplishments in 2009-2010

The City has again enjoyed a fruitful year with several projects.

Work has continued in the park with the purchase of property for an additional parking lot to serve the tee-ball field.

Annexation of the Airport has expanded our city limits.

A Traffic Control (stop sign) Ordinance was passed making city streets safer and more comparable to universal traffic patterns recognized nationwide.

The Safe Routes to School project was completed adding new, safer sidewalks leading to and around the school.

The city began working with Golden Spread Electric Coop towards a long-term relationship that will increase jobs in our area.

New security cameras were added to City Hall.

The City's Code of Ordinances were updated.

Long term debt in the Water Department was retired making the fund debt free.

Reserve funds increased to over \$1 million.

The city became a "green" city with funding through SECO for the purchase and installation of wind generators at City Hall.

The city participated in the HOME Grant and has built 4 new houses with one more anticipated to be built.

Overview of Fiscal Year 2010-2011

The budget reflects that the fiscal goal of trying to match expenditures to revenues has been achieved. There is a Revenue Reserve Fund payment of \$120,000 for the Water Fund for future projects. Likewise, The Airport Fund as a Revenue Reserve Fund payment of \$7,940.

All Water Fund debt ended last year. To prepare for future projects, this budget incorporates the previous amounts used for debt service being added as reserve transfers. This is done so that future projects might be funded with local funds rather than taking on new debt.

Ad Valorem tax rate has been proposed at .5382/\$100 valuation. This rate increase from .50/\$100 is due primarily to a decrease of \$3 million in property appraisals.

The rising cost of employee health insurance has continued to be a major financial concern for several years. Insurance costs for the upcoming year have increased by 17%.

Another major influence on the Budget continues to be the cost of fuel. While fuel prices have stabilized somewhat last year, cuts in the budget made last year to keep the budget in check have only been relaxed slightly. All fuel allowances in the budget have been set using historical departmental need adjusted to current fuel prices.

Along with with the increases of fuel costs, higher oil prices have had an affect on cost of goods as well, especially in the plastics and street sealing.

Budgeted audit services have decreased from \$22,000 to \$13,000 with the hiring of the new audit firm, Terry and King.

Key Changes in the 2009-2010 Budget

This budget as presented as structurally the same as previous years. Workers compensation expense has been moved from the Payroll portion of the budget to the Non-Departmental area.

As in previous budgets, Revenues are divided into Operating Revenues and Capital Improvement Fund Revenues. By maintaining this division, we can separate grant funds used for improvement projects from the operating funds, thereby reducing the amount of funds necessary to hold in reserve. There are Capital Improvement Fund Revenues of \$200,000 in General Fund for the HOME grant funds this budget. There are anticipated grants, however, the funds have not been issued and amounts are still to be determined and are not included. As in previous years, adjustments may be made as we acquire grant funds.

Revenues and Other Income - Budgeted revenues are expected to decrease \$112,793 over the budgeted revenues for Fiscal Year 2009-2010. The General Fund decreased \$165,933, while the Water Fund increased \$53,000 and the Airport fund increased \$140.

Expenditures – The General Fund has expenditures balanced with revenues. The Water and Airport funds reflect projected revenues surpassing expenses. The Water Fund initially borrows \$38,000 from the reserve and replaces it with a \$120,000 set-aside for reserve transfer. The Airport Fund has \$7,940 transferring to the reserve.

Capital Expenditures - Scheduled replacements have been minimized due to budgetary constraints. Water Fund has Capital expenditure of \$38,000 for the purchase of 2 pickup trucks.

Personnel – Personnel additions are included in this year's budget within the police department to provide for a code enforcement officer.

Overview of the 2009-2010 Budget

The General Fund budget is \$1,268,080. This amount represents a decrease of \$165,933 from the FY09-10 Budget. This decrease is largely associated with the grant funding in the previous year.

The Water/Sewer Fund budget is \$704,000. This amount represents an increase of 53000 over the FY09-10 Budget. This amount represents the basic operating costs of the fund related businesses Capital Improvement Projects for purchasing two pickups is scheduled for this fund. Additionally, the Capital Improvement project involving ground storage tank is not included since the amount of the anticipated project is yet to be determined. When that figure is available, an amendment will be presented for consideration. An allowance of \$120,000 has been set aside for transfer to reserve at the end of the year.

The Airport Fund budget is \$14,040. This amount represents an increase of \$140 over the FY09-10 Budget. No Capital Improvement Projects are scheduled for this fund. An allowance of \$7,940 has been set aside for transfer to reserve at the end of the year.

Total combined income and expenditures for all funds for FY 2010-2011 totals **\$1,986,120**.

General Fund Payroll

FULL-TIME SALARIED

	Police Salaries	Position	Base Salary	Pay Sup.	End Pay
01-037	Ballard, Chris	Police Chief	\$44,585	\$375	\$44,960
01-048	Owen, Marc	Police Sgt.	\$32,915	\$275	\$33,190
01-047	Brightbill, Matt	Patrolman	\$29,705	\$275	\$29,980
01-049	Brent Sharp	Patrolman	\$28,557	\$275	\$28,832
	Totals		\$135,762	\$1,200	\$136,962

	Administrative Salaries	Position	Base Salary	Pay Sup.	End Pay
01-082	Cannon, Heilda	City Sec.	\$38,059	\$375	\$38,434
01-085	Cypert, Mike	City Mgr.	\$56,275	\$475	\$56,750
	Totals		\$94,334	\$850	\$95,184

	Parks Salary	Position	Base Salary	Pay Sup.	End Pay
01-357	Cortez, Andrew	Park Maint.	\$20,070	\$275	\$20,345
	Totals		\$20,070	\$275	\$20,345

PART-TIME SALARIED

	Employee	Position	Base Salary	Pay Sup.	End Pay
01-110	Cecil, Oris	Fire Marshal	\$445	\$50	\$495
	New Hire	Code Enf.	\$10,300	\$100	\$10,400
01-351	Hill, Hugh	10 hr.	\$11,932	\$100	\$12,032
	<i>Apportioned Municipal Judge</i>		\$8,576	\$75	--
	<i>Apportioned Building Inspector</i>		\$3,356	\$25	--
	Totals		\$24,309	\$150	\$12,527

PART-TIME HOURLY

	Employee	Position	Hourly Wage	Pay Sup.
01-090	Olivas, Margaret	House Keeping	\$10.00	\$50
01-355	Middleton, Sharla	Librarian	\$9.00	\$50
01-356	Soles, Delisa Jo	Library Assistant	\$7.75	\$50
01-358	Rameriz, Joe	Parks	\$7.50	\$50
01-359	Olguin, Augustine	Parks	\$7.50	\$50

PART-TIME DAILY

	Employee	Position	Daily Wage	Pay Sup.
01-092	Olivas, Joe	Cross Guard *	\$10.00	\$50

* Lunch hour only

Water/Sewer Fund Payroll

FULL-TIME SALARIED

	Administrative Salaries	Position	Base Salary	Pay Sup.	End Pay
00-352	Krista Villa	Bookkeeper	\$26,112	\$275	\$26,387
	Totals		\$26,112	\$275	\$26,387

	Water Dept. Salaries	Position	Base Salary	Pay Sup.	End Pay
02-020	Grimsley, Mike	Water Supt.	\$42,752	\$375	\$43,127
02-051	Marez, Alfredo III	Water Dept.	\$26,816	\$275	\$27,091
02-026	Marquez, Enrique	Water Dept.	\$33,034	\$275	\$33,309
02-030	Ponce, Ruben	Water Dept.	\$28,940	\$275	\$29,215
01-088	Martinez, Oscar	Water Dept.	\$25,925	\$275	\$26,200
01-094	Garcia, Alex	Park Maint.	\$17,392	\$275	\$17,667
	Totals		\$174,859	\$1,475	\$176,609

	PART-TIME SALARIED	Position	Base Salary	Pay Sup.	End Pay
02-031	Hall, Jettie	Water Clerk	\$10,222	\$100	\$10,322
	Totals		\$10,222	\$100	\$10,322

Cash on Hand

As of June 30, 2010

Bank Balances

General Fund	\$	39,360.02
Water/Sewer Fund	\$	50,361.10
Airport Fund	\$	4,852.38
Total All Funds	\$	94,573.50

Investments

General Fund	\$	563,812.30
Water/Sewer Fund	\$	433,474.74
Airport Fund	\$	55,530.15
Total All Funds	\$	1,052,817.19

Cash on Hand – All Sources

General Fund	\$	603,172.32
Water/Sewer Fund	\$	483,835.84
Airport Fund	\$	60,382.53
Total All Funds	\$	1,147,390.69

Outstanding Obligations

Lease Purchases

John Deere Motorgrader

<u>FY – Pmt. #</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2010-2011 - #4	\$16,412.50	\$15,668.26	\$744.24	\$0.00

Fire Star Pumper Truck

<u>FY – Pmt. #</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2010-2011 - #4	\$13,841.51	\$10,897.49	\$2,944.02	\$49,753.35
2011-2012 - #5	\$13,841.51	\$11,431.36	\$2,410.15	\$38,109.45
2012-2013 - #6	\$13,841.51	\$11,991.39	\$1,850.12	\$25,951.23
2013-2014 - #7	\$13,841.51	\$12,578.84	\$1,262.67	\$13,255.99
2014-2015 - #8	\$13,841.51	\$13,195.09	\$646.42	\$0.00

Summary and Conclusion

We are continuing a process of evaluation of our financial strategy for the coming years. Adequate bank balances must be maintained, and the continuing efforts will be to find outside sources for funding.

City staff will continue to monitor the financial situation in a timely manner and will be prepared to bring recommendations to the Council at any time during the year if serious declines in revenues or unexpected expenses are foreseen.

Work has begun in the area of developing growth within the City of Abernathy. This is a step in the right direction and reinforces the fact that I am lucky to be able to work with a visionary Mayor and City Council.

I would like to express my appreciation to the Mayor and Council. What the staff works on and presents would be meaningless if the Council was not interested in striving for a professional, well run organization. I appreciate the opportunity to work for you, and will always attempt to be attentive to the desires of the Council.

It is hoped that this budget reflects the thinking and policies of the City Council and is representative of the desires of the Citizens of Abernathy. I especially hope you will let me know if you have any questions about this budget or the overall budget process.

Respectfully submitted,

Mike Cypert, City Manager

GENERAL FUND

OPERATING REVENUES		FY 10-11
014007	AD VALOREM TAXES	\$368,100
014014	DELINQUENT AD VALOREM TAXES	\$10,000
014021	PENALTIES AND INTEREST	\$7,500
014028	FRANCHISE FEES	\$110,000
014035	LICENSES & PERMITS	\$4,000
014049	MUNICIPAL COURT FEES	\$20,500
014056	COURT TECHNOLOGY FEES	\$330
014057	COURT SECURITY FEE	\$250
014063	USE OF PROPERTY	\$1,200
014070	MISCELLANEOUS	\$1,000
014077	LEASES AND RENTS	\$20,000
014084	SANITATION CHARGES	\$250,500
014091	LANDFILL FEES (HALE COUNTY)	\$4,800
014105	SALES TAX INCOME	\$86,000
014112	SALES TAX (AD VALOREM)	\$43,000
014119	MOSQUITO SPRAYING	\$16,000
014126	AMBULANCE SERVICE	\$110,000
014127	LIBRARY SERVICES	\$5,000
014133	INTEREST INCOME	\$8,900
014140	SALE OF PROPERTY	\$1,000
	TOTAL	\$1,068,080

CAPITAL IMPROVEMENT FUNDS		FY 10-11
014414	TDHCA PROJECT	\$200,000
	TOTAL	\$200,000

	TOTAL REVENUE - ALL SOURCES	\$1,268,080
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CITY PARKS		FY 10-11
015013	CONTRACTED MAINTENANCE	\$1,000
015014	CITY PARK MAINTENANCE	\$9,000
	TOTAL	\$9,000

GENERAL FUND

JUDICIAL		FY 10-11
015049	LEGAL - PROSECUTOR	\$500
015056	JUDICIAL EXPENSES DUES, REGISTRATIONS & MEETINGS	\$10,000
015063		\$1,000
TOTAL		\$11,500
NONDEPARTMENTAL		FY 10-11
015105	APPRAISAL DIST. EXPENSE	\$8,000
015112	LEGAL PUBLICATIONS	\$2,500
015113	CODIFICATION	\$1,200
015119	LEGAL	\$8,500
015126	ACCOUNTING	\$6,500
015140	JANITORIAL SUPPLIES	\$1,000
015147	TELEPHONES	\$12,300
015151	UTILITIES	\$30,000
015154	GENERAL INSURANCE/SAFETY	\$30,000
015168	PEST CONTROL	\$400
015189	BUILDING & GROUNDS	\$6,500
015196	POST OFFICE	\$1,000
015225	TDHCA PROJECT (HOME)	\$200,000
TOTAL		\$307,900
LEGISLATIVE		FY 10-11
015259	COUNCIL STIPENDS DUES, REGISTRATIONS & MEETINGS	\$1,250
015266		\$1,500
015273	TRAVEL	\$4,000
015280	SUPPLIES	\$1,000
TOTAL		\$7,750
ADMINISTRATION		FY 10-11
015301	ADMINISTRATIVE AUTO ALLOWANCE	\$5,500
015308	SOFTWARE / IT DUES, REGISTRATIONS & MEETINGS	\$2,750
015315		\$2,500
015322	TRAVEL	\$1,000
015329	OFFICE SUPPLIES	\$4,000
015336	PRINTING	\$500
015343	POSTAGE	\$1,250
015350	ELECTION	\$4,000
015357	EQUIPMENT LEASES	\$500
015378	EQUIPMENT MAINTENANCE	\$1,000
015385	CIVIL DEFENSE	\$1,500
TOTAL		\$24,500

GENERAL FUND

SANITATION		FY 10-11
015434	CONTRACT SERVICES (Triple C)	\$153,000
015441	SUB-HOUSING DEMOLITION	\$6,500
015448	CONTRACT HAULING	\$20,000
015462	FUEL & OIL	\$1,200
015469	VECTOR CONTROL (MOSQUITO)	\$16,000
015476	SUPPLIES	\$1,000
015483	EQUIPMENT MAINTENANCE	\$1,500
	TOTAL	\$199,200
STREETS		FY 10-11
015525	CONTRACT MAINTENANCE	\$8,000
015532	ENGINEERING FEES	\$3,500
015546	UTILITIES - STREET LIGHTING	\$23,400
015553	FUEL & OIL	\$6,500
015567	SUPPLIES	\$4,000
015574	VEHICLE MAINTENANCE	\$4,000
015581	EQUIPMENT MAINTENANCE	\$6,000
015595	SEALCOAT PROJECT	\$40,000
015602	STREET BASE MATERIAL	\$4,000
015608	STREET SIGN REPAIRS	\$5,000
015609	MOTORGRADER LEASE	\$16,430
	TOTAL	\$120,830
FIRE		FY 10-11
015630	TRAINING	\$9,500
015651	FUEL & OIL	\$4,300
015665	EQUIPMENT MAINTENANCE	\$2,500
015672	BUILDING & GROUNDS	\$2,000
015686	LEASE PAYABLE	\$13,850
015694	EQUIPMENT & SUPPLIES	\$14,000
	TOTAL	\$46,150
POLICE		FY 10-11
015728	UNIFORMS	\$1,500
015735	SOFTWARE / IT	\$600
	DUES, REGISTRATIONS &	
015742	TRAINING	\$750
015749	TRAVEL	\$750
015791	FUEL & OIL	\$15,000
015805	ANIMAL SHELTER	\$2,000
015812	SUPPLIES & EQUIPMENT	\$9,000
015819	VEHICLE MAINTENANCE	\$5,000
015833	CODE ENFORCEMENT	\$12,800
	TOTAL	\$47,400

GENERAL FUND

LIBRARY		FY 10-11
015868	LIBRARY SERVICES	\$3,000
015872	SOFTWARE SUPPORT	\$550
		<hr/>
		\$3,550
EMS		FY 10-11
015896	CONTRACT EMS BILLING	\$11,000
015910	EMS FUND	\$22,200
015917	TRAINING	\$3,000
015959	FUEL & OIL	\$6,000
015966	SUPPLIES	\$5,000
015980	BUILDING & GROUNDS	\$500
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TOTAL		\$47,700
TOTAL OPERATING EXPENSE		<hr/> \$825,480

PAYROLL		FY 10-11
017007	JUDICIAL SALARY	\$9,435
017014	CUSTODIAL SALARY (PT)	\$8,065
017021	ADMINISTRATIVE SALARIES	\$102,794
017022	LIBRARY SALARIES	\$16,995
017029	PARK SALARIES	\$39,758
017035	FIRE SALARIES	\$515
017042	POLICE SALARIES	\$174,633
017049	TML - ADMIN. DEPARTMENT	\$14,500
017056	TML - PARKS DEPARTMENT	\$4,680
017063	TML - POLICE DEPARTMENT	\$20,475
017105	TMRS - ADMIN. DEPARTMENT	\$6,960
017112	TMRS - PARKS DEPARTMENT	\$2,690
017119	TMRS - POLICE DEPARTMENT	\$11,120
017133	HR EXPENSES	\$3,000
017600	PAYROLL TAX EXPENSE (FICA)	\$26,980
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TOTAL		\$442,600

	FY 10-11
TOTAL EXPENSE	\$1,268,080
TOTAL REVENUES	\$1,268,080
NET SURPLUS (DEFICIT)	\$0

WATER FUND

REVENUES		FY 10-11
024014	INTEREST INCOME	\$6,300
024021	RECONNECTION FEES	\$8,500
024028	RETURNED CHECK / LATE FEES	\$20,000
024035	LEASE INCOME	\$30,000
024042	CRP CROP INCOME	\$1,200
024049	SALE OF PROPERTY	\$500
024056	METERED WATER SALES	\$452,000
024063	SEWER SERVICE SALES	\$143,000
024070	WATER SEWER PERMITS	\$3,500
024084	MISCELLANEOUS	\$1,000
	TOTAL	\$666,000
	From Pryor Year Fund Balance	\$38,000
	TOTAL REVENUE - ALL SOURCES	\$704,000

NONDEPARTMENTAL		FY 10-11
025007	ACCOUNTING	\$6,500
025021	JANITORIAL SUPPLIES	\$500
025035	GENERAL INSURANCE/SAFETY	\$24,000
025049	TELEPHONES	\$3,800
025067	UTILITIES	\$4,000
025069	BUILDING & GROUNDS	\$500
	TOTAL	\$39,300

ADMINISTRATION		FY 10-11
025147	SOFTWARE / IT	\$1,600
025154	LEGAL/PUBLICATIONS DUES, REGISTRATIONS &	\$1,500
025168	MEETINGS	\$500
025182	OFFICE SUPPLIES	\$4,700
025189	PRINTING	\$800
025196	POSTAGE	\$5,800
025238	EQUIPMENT MAINTENANCE	\$200
025252	LEASES PAYABLE	\$700
025259	MISCELLANEOUS	\$400
	TOTAL	\$16,200

WATER FUND

WATER / SEWER MAINTENANCE		FY 10-11
025462	UNIFORMS	\$7,600
025476	ENGINEERING FEES DUES, REGISTRATIONS &	\$3,000
025483	TRAINING	\$4,000
025490	TRAVEL	\$1,500
025525	UTILITIES	\$53,000
025539	STATE FEES & PERMITS	\$5,000
025546	FUEL & OIL	\$23,000
025567	SUPPLIES	\$9,000
025574	VEHICLE MAINTENANCE	\$7,000
025581	EQUIPMENT MAINTENANCE	\$10,000
025595	BUILDING & GROUNDS	\$3,000
025602	WATER/SEWER TREATMENT	\$15,000
025609	UTILITY MAINTENANCE	\$28,000
025630	CAPITAL OUTLAY	\$38,000
TOTAL		\$207,100
TOTAL OPERATING EXPENSE		\$262,600

PAYROLL

PAYROLL		FY 10-11
027007	ADMINISTRATIVE SALARIES	\$40,000
027014	MAINTENANCE SALARIES	\$203,940
027021	TML - ADMIN. DEPARTMENT	\$6,450
027056	TML - MAINTENANCE DEPARTMENT	\$35,800
027077	TMRS - ADMIN. DEPARTMENT	\$2,710
027084	TMRS - MAINTENANCE DEPARTMENT	\$13,800
027600	PAYROLL TAX EXPENSE (FICA)	\$18,700
TOTAL		\$321,400
REVENUE RESERVE FUND		\$120,000

TOTAL EXPENSE	FY 1011
TOTAL REVENUES	\$704,000
NET SURPLUS (DEFICIT)	\$704,000
	\$0

AIRPORT FUND

OPERATING REVENUES		FY 10-11
034014	INTEREST INCOME	\$640
034021	LEASE INCOME	\$13,400
	TOTAL	\$14,040
	TOTAL REVENUE - ALL SOURCES	\$14,040

EXPENDITURES		FY 10-11
035056	UTILITIES	\$2,000
	GENERAL INSURANCE /	
035070	SAFETY	\$1,100
035077	CHEMICALS	\$500
035084	SUPPLIES	\$200
035091	EQUIPMENT MAINTENANCE	\$500
035098	BUILDING & GROUNDS	\$500
035105	RUNWAY MAINTENANCE	\$1,000
035119	MISCELLANEOUS	\$300
	TOTAL	\$6,100
	REVENUE RESERVE FUND	\$7,940
	TOTAL OPERATING EXPENSE	\$14,040

	FY 10-11
TOTAL EXPENSE	\$14,040
TOTAL REVENUES	\$14,040
NET SURPLUS (DEFICIT)	\$0