

City of Abernathy

Budget

**For the Fiscal year
Beginning October 1, 2011
Ending September 30, 2012**

Notice

**This budget proposes increased property tax revenue of
\$12,720 more than last year's budget.**

City of Abernathy

P.O. Box 310
Abernathy, Texas 79311

July 13, 2011

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, 2011 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.

Introduction

The FY 2011-2012 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 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 2010-2011
- Overview of Fiscal Year 2011-2012
- Key Changes in the Budget
- Overview of the Budget
- Payroll Schedule
- Cash on Hand
- Outstanding Obligations
- Summary and Conclusion
- FY 2011-2012 Budget

Major Accomplishments in 2010-2011

The city has again enjoyed a fruitful year with several projects. In addition to routine maintenance and operational functions:

- Work has continued in the park with the development of an additional parking lot to serve the tee-ball field.
- Traffic signage was installed near the school prohibiting the use of cell phones during school hours.
- A code enforcement officer was hired.
- Repairs were started to renovate two ground storage water tanks.
- The city continued working with Golden Spread Electric Coop towards a long-term relationship that will increase jobs in our area.
- New chairs were purchased for the Community Center.
- The city's Code of Ordinances were updated.
- Debt for the city's motor grader was retired.
- A 5 block paving project has started using CDBG funds from the Office of Rural and Community Affairs.
- The city purchased a new vehicle for the Police Department, a used vehicle for Code Enforcement, and 2 new vehicles for the Water Department.
- The city completed its HOME Grant and has built 5 new houses
- The city applied for and was accepted to receive an additional HOME Grant in the amount of \$451,000.

Overview of Fiscal Year 2011-2012

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 \$7,900.

The Water Fund is debt free. 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 is unchanged from last years rate.

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 5%.

Another major influence on the Budget continues to be the cost of fuel. Unstable fuel prices could only be described as challenging last year. All fuel allowances in the budget have been set using historical departmental need and then adjusted up 12% to better meet unpredictable fuel prices.

Along 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.

One new area of concern that might affect this and future budgets will involve new rules imposed by the High Plains Underground Water Conservation District. These rules begin a new era of restricting for water production to limits established by their board. As the city's water needs grow, new sources will need to be developed.

Key Changes in the 2010-2011 Budget

This budget as presented as structurally the same as previous years.

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 \$701,000 in General Fund for the CDBG and HOME grant funds this budget.

Revenues and Other Income - Budgeted revenues are expected to increase \$544,230 over the budgeted revenues for Fiscal Year 2010-2011. The General Fund increased \$522,920, the Water Fund increased \$20,350 and the Airport fund increased \$960.

Expenditures – The goal of matching expenditures balanced with revenues has been accomplished in all funds. The Water and Airport funds reflect projected revenues surpassing expenses. The Water Fund has \$120,000 set-aside for reserve transfer. The Airport Fund has \$7,900 transferring to the reserve.

Capital Expenditures - Scheduled replacements have been minimized due to budgetary constraints. General Fund has capital expenditures of \$32,580 in CDBG match for paving in the Ave. A area and \$25,800 for the purchase of new radios. Water Fund has capital expenditure of \$22,000 for the purchase of a pickup truck, \$27,650 for sewer line extensions on Avenue A, and another \$4,200 for the purchase of radios.

Personnel – Personnel reductions have been included in this year's budget. The crossing guard position has been removed from the Police Department and a library aid has been removed from the Library.

Overview of the 2010-2011 Budget

The General Fund budget is \$1,791,000. This amount represents an increase of \$522,920 from the FY10-11 Budget. This increase is largely associated with the grant funding.

The Water/Sewer Fund budget is \$724,350. This amount represents an increase of \$20,350 over the FY10-11 Budget. This amount represents the basic operating costs of the fund related businesses Capital Improvement Projects for purchases including a new pickup, sewer line extensions on Avenue A and radio purchases. Additionally, the current Capital Improvement project involving ground storage tank is not included since the project is anticipated to be completed prior to the change in fund years. An allowance of \$120,000 has been set aside for transfer to reserve at the end of the year.

The Airport Fund budget is \$15,000. This amount represents an increase of \$960 over the FY10-11 Budget. No Capital Improvement Projects are scheduled for this fund. An allowance of \$7,900 has been set aside for transfer to reserve at the end of the year.

Total combined income and expenditures for all funds for FY 2011-2012 totals **\$5,530,350**. This is an increase of \$544,230 over the previous year.

General Fund Payroll

FULL-TIME SALARIED

	Police Salaries	Position	End Pay
01-037	Ballard, Chris	Police Chief	\$47,400
01-048	Andrews, James	Police Sgt.	\$31,825
01-049	Brent Sharp	Patrolman	\$30,185
xx-xxx	Open Position	Patrolman	\$29,025
	Totals		\$138,435

	Administrative Salaries	Position	End Pay
01-082	Cannon, Heilda	City Sec.	\$39,460
01-085	Cypert, Mike	City Mgr.	\$56,750
	Totals		\$96,210

	Parks Salary	Position	End Pay
01-357	Cortez, Andrew	Park Maint.	\$20,885
	Totals		\$20,885

PART-TIME SALARIED

	Employee	Position	End Pay
01-110	Cecil, Oris	Fire Marshal	\$500
01-351	Hill, Hugh	10 hr.	\$12,350
	<i>Apportioned Municipal Judge</i>		--
	<i>Apportioned Building Inspector</i>		--
	Totals		\$12,850

PART-TIME HOURLY

	Employee	Position	End Pay
01-090	Olivas, Margaret	House Keeping	\$10.25
01-355	Middleton, Sharla	Librarian	\$10.25
01-051	Kimberly Spraberry	Code Enf.	\$9.25
01-358	Rameriz, Joe	Parks	\$7.75
01-360	Mark Bastardo	Parks	\$7.50
	Totals		\$45.00

Vacated Positions

Library Assistant	Hourly
Cross Guard	Daily

Water/Sewer Fund Payroll

FULL-TIME SALARIED

	Administrative Salaries	Position	End Pay
00-352	Krista Villa	Bookkeeper	\$27,095
	Totals		\$27,095
	Water Dept. Salaries	Position	End Pay
02-020	Grimsley, Mike	Water Supt.	\$44,280
02-051	Marez, Alfredo III	Water Dept.	\$27,815
02-026	Marquez, Enrique	Water Dept.	\$34,200
02-030	Ponce, Ruben	Water Dept.	\$30,000
01-088	Martinez, Oscar	Water Dept.	\$26,900
01-094	Garcia, Alex	Park Maint.	\$18,140
	Totals		\$181,335

PART-TIME HOURLY

		Position	End Pay
02-031	Kitchens, Terri	Water Clerk	\$10.00
	Totals		\$10.00

Cash on Hand

As of July 1, 2011

Bank Balances

General Fund	\$	270,886.22
Water/Sewer Fund	\$	155,005.88
Airport Fund	\$	17,772.92
Total All Funds	\$	443,665.02

Investments

General Fund	\$	462,163.71
Water/Sewer Fund	\$	404,839.89
Airport Fund	\$	55,383.50
Total All Funds	\$	922,387.10

Cash on Hand – All Sources

General Fund	\$	733,049.93
Water/Sewer Fund	\$	559,845.77
Airport Fund	\$	73,156.42
Total All Funds	\$	1,366,052.12

Outstanding Obligations

Lease Purchases

Fire Star Pumper Truck

<u>FY – Pmt. #</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
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 continued in the area of developing growth within the City of Abernathy. This is a strategy leading 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 BUDGET

OPERATING REVENUES		FY 11-12
014007	AD VALOREM TAXES	\$380,820
014014	DELINQUENT AD VALOREM TAXES	\$10,000
014021	PENALTIES AND INTEREST	\$6,500
014028	FRANCHISE FEES	\$110,000
014035	LICENSES & PERMITS	\$2,500
014049	MUNICIPAL COURT FEES	\$20,500
014056	COURT TECHNOLOGY FEES	\$330
014057	COURT SECURITY FEE	\$250
014063	USE OF PROPERTY	\$1,800
014070	MISCELLANEOUS	\$1,500
014077	LEASES AND RENTS	\$20,000
014084	SANITATION CHARGES	\$255,000
014091	LANDFILL FEES (HALE COUNTY)	\$4,800
014105	SALES TAX INCOME	\$90,000
014112	SALES TAX (AD VALOREM)	\$45,000
014119	MOSQUITO SPRAYING	\$16,000
014126	AMBULANCE SERVICE	\$110,000
014127	LIBRARY SERVICES	\$5,500
014133	INTEREST INCOME	\$8,500
014140	SALE OF PROPERTY	\$1,000
	TOTAL	\$1,090,000
CAPITAL IMPROVEMENT FUNDS		FY 11-12
014409	CDBG PROJECT	\$250,000
014414	TDHCA PROJECT	\$451,000
	TOTAL	\$701,000
	<u>TOTAL REVENUE - ALL SOURCES</u>	<u>\$1,791,000</u>
CITY PARKS		FY 11-12
015013	CONTRACTED MAINTENANCE	\$1,000
015014	CITY PARK MAINTENANCE	\$9,000
	TOTAL	\$10,000
JUDICIAL		FY 11-12
015049	LEGAL - PROSECUTOR	\$500
015056	JUDICIAL EXPENSES	\$10,000
015063	DUES, REGISTRATIONS & MEETINGS	\$1,000
	TOTAL	\$11,500

NONDEPARTMENTAL		FY 11-12
015105	APPRAISAL DIST. EXPENSE	\$8,500
015112	LEGAL PUBLICATIONS	\$2,500
015113	CODIFICATION	\$1,000
015119	LEGAL	\$5,000
015126	ACCOUNTING	\$6,500
015140	JANITORIAL SUPPLIES	\$1,700
015147	TELEPHONES	\$12,300
015151	UTILITIES	\$30,000
015154	GENERAL INSURANCE/SAFETY	\$30,000
015168	PEST CONTROL	\$0
015189	BUILDING & GROUNDS	\$6,500
015196	POST OFFICE	\$1,000
015225	TDHCA PROJECT (HOME)	\$451,000
TOTAL		\$556,000

LEGISLATIVE		FY 11-12
015259	COUNCIL STIPENDS DUES, REGISTRATIONS & MEETINGS	\$0
015266	MEETINGS	\$1,700
015273	TRAVEL	\$1,000
015280	SUPPLIES	\$0
TOTAL		\$2,700

ADMINISTRATION		FY 11-12
015301	ADMINISTRATIVE AUTO ALLOWANCE	\$5,500
015308	SOFTWARE / IT DUES, REGISTRATIONS & MEETINGS	\$2,750
015315	MEETINGS	\$3,000
015322	TRAVEL	\$1,000
015329	OFFICE SUPPLIES	\$5,500
015336	PRINTING	\$300
015343	POSTAGE	\$1,500
015350	ELECTION	\$4,000
015357	EQUIPMENT LEASES	\$500
015378	EQUIPMENT MAINTENANCE	\$0
015385	CIVIL DEFENSE	\$25,800
TOTAL		\$49,850

SANITATION		FY 11-12
015434	CONTRACT SERVICES (Triple C)	\$153,000
015441	SUB-HOUSING DEMOLITION	\$0
015448	CONTRACT HAULING	\$20,000
015462	FUEL & OIL	\$1,350
015469	VECTOR CONTROL (MOSQUITO)	\$16,000
015476	SUPPLIES	\$1,000
015483	EQUIPMENT MAINTENANCE	\$1,500
TOTAL		\$192,850

STREETS		FY 11-12
015525	CONTRACT MAINTENANCE	\$8,000
015532	ENGINEERING FEES	\$3,500
015546	UTILITIES - STREET LIGHTING	\$24,000
015553	FUEL & OIL	\$7,300
015567	SUPPLIES	\$2,500
015574	VEHICLE MAINTENANCE	\$2,000
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	\$0
015611	CDBG - PAVING PROJECT	\$282,580
TOTAL		\$384,880

FIRE		FY 11-12
015630	TRAINING	\$2,000
015651	FUEL & OIL	\$4,800
015665	EQUIPMENT MAINTENANCE	\$2,500
015672	BUILDING & GROUNDS	\$1,000
015686	LEASE PAYABLE	\$13,850
015694	EQUIPMENT & SUPPLIES	\$4,000
TOTAL		\$28,150

POLICE		FY 11-12
015728	UNIFORMS	\$1,200
015735	SOFTWARE / IT	\$600
015742	DUES, REGISTRATIONS & TRAINING	\$750
015749	TRAVEL	\$750
015791	FUEL & OIL	\$16,800
015805	ANIMAL CONTROL	\$2,200
015812	SUPPLIES & EQUIPMENT	\$9,000
015819	VEHICLE MAINTENANCE	\$3,000
015833	CODE ENFORCEMENT	\$12,000
TOTAL		\$46,300

LIBRARY		FY 11-12
015868	LIBRARY SERVICES	\$7,800
015872	SOFTWARE SUPPORT	\$550
		\$8,350
EMS		FY 11-12
015896	CONTRACT EMS BILLING	\$11,000
015910	EMS FUND	\$22,200
015917	TRAINING	\$2,000
015959	FUEL & OIL	\$6,700
015966	SUPPLIES	\$6,000
015980	BUILDING & GROUNDS	\$500
TOTAL		\$48,400
<u>TOTAL OPERATING EXPENSE</u>		\$1,338,980

PAYROLL		FY 11-12
017007	JUDICIAL SALARY	\$9,690
017014	CUSTODIAL SALARY (PT)	\$8,283
017021	ADMINISTRATIVE SALARIES	\$104,000
017022	LIBRARY SALARIES	\$12,000
017029	PARK SALARIES	\$40,831
017035	FIRE SALARIES	\$529
017042	POLICE SALARIES	\$178,034
017049	TML - ADMIN. DEPARTMENT	\$9,525
017056	TML - PARKS DEPARTMENT	\$6,550
017063	TML - POLICE DEPARTMENT	\$31,600
017105	TMRS - ADMIN. DEPARTMENT	\$7,041
017112	TMRS - PARKS DEPARTMENT	\$2,764
017119	TMRS - POLICE DEPARTMENT	\$12,053
017133	HR EXPENSES	\$2,000
017600	PAYROLL TAX EXPENSE (FICA)	\$27,120
TOTAL		\$452,020

TOTAL EXPENSE	FY 11-12
TOTAL REVENUES	\$1,791,000
NET SURPLUS (DEFICIT)	\$1,791,000
	\$0

WATER/SEWER FUND BUDGET

REVENUES		FY 11-12
024014	INTEREST INCOME	\$6,700
024021	RECONNECTION FEES	\$8,500
024028	RETURNED CHECK / LATE FEES	\$25,000
024035	LEASE INCOME	\$30,000
024042	CRP CROP INCOME	\$950
024049	SALE OF PROPERTY	\$200
024056	METERED WATER SALES	\$493,000
024063	SEWER SERVICE SALES	\$158,000
024070	WATER SEWER PERMITS	\$1,000
024084	MISCELLANEOUS	\$1,000
TOTAL		\$724,350
<u>TOTAL REVENUE - ALL SOURCES</u>		<u>\$724,350</u>

NONDEPARTMENTAL		FY 11-12
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 11-12
025147	SOFTWARE / IT	\$1,600
025154	LEGAL/PUBLICATIONS	\$1,500
025168	DUES, REGISTRATIONS & 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
025261	CIVIL DEFENSE	\$4,200
TOTAL		\$20,400

WATER / SEWER MAINTENANCE		FY 11-12
025462	UNIFORMS	\$9,000
025476	ENGINEERING FEES	\$2,000
025483	DUES, REGISTRATIONS & TRAINING	\$4,000
025490	TRAVEL	\$1,500
025525	UTILITIES	\$55,000
025539	STATE FEES & PERMITS	\$5,000
025546	FUEL & OIL	\$25,750
025567	SUPPLIES	\$9,000
025574	VEHICLE MAINTENANCE	\$5,000
025581	EQUIPMENT MAINTENANCE	\$10,000
025595	BUILDING & GROUNDS	\$3,000
025602	WATER/SEWER TREATMENT	\$15,000
025609	UTILITY MAINTENANCE	\$33,000
025610	VEHICLE REPLACEMENT	\$22,000
025630	CAPITAL OUTLAY (SEWER LINE EXT)	\$27,650
	TOTAL	\$226,900
	TOTAL OPERATING EXPENSE	\$286,600

PAYROLL		FY 11-12
027007	ADMINISTRATIVE SALARIES	\$41,100
027014	MAINTENANCE SALARIES	\$202,000
027021	TML - ADMIN. DEPARTMENT	\$6,550
027056	TML - MAINTENANCE DEPARTMENT	\$33,000
027077	TMRS - ADMIN. DEPARTMENT	\$2,780
027084	TMRS - MAINTENANCE DEPARTMENT	\$13,700
027600	PAYROLL TAX EXPENSE (FICA)	\$18,620
	TOTAL	\$317,750
	REVENUE RESERVE FUND	\$120,000

TOTAL EXPENSE	FY 11-12
TOTAL REVENUES	\$724,350
NET SURPLUS (DEFICIT)	\$724,350
	\$0

AIRPORT FUND BUDGET

OPERATING REVENUES		FY 11-12
034014	INTEREST INCOME	\$600
034021	LEASE INCOME	\$14,400
TOTAL		\$15,000
TOTAL REVENUE - ALL SOURCES		\$15,000

EXPENSE

EXPENDITURES		FY 11-12
035056	UTILITIES	\$2,000
	GENERAL INSURANCE /	
035070	SAFETY	\$1,100
035077	CHEMICALS	\$500
035084	SUPPLIES	\$200
035091	EQUIPMENT MAINTENANCE	\$1,000
035098	BUILDING & GROUNDS	\$500
035105	RUNWAY MAINTENANCE	\$1,500
035119	MISCELLANEOUS	\$300
TOTAL		\$7,100
REVENUE RESERVE FUND		\$7,900
TOTAL OPERATING EXPENSE		\$15,000

	FY 10-11
TOTAL EXPENSE	\$15,000
TOTAL REVENUES	\$15,000
NET SURPLUS (DEFICIT)	\$0