

City of Abernathy

Budget

**For the Fiscal year
Beginning October 1, 2015
Ending September 30, 2016**

Notice

**This budget proposes increased property tax revenue of
\$36,205 more than last year's budget.**

City of Abernathy

P.O. Box 310
Abernathy, Texas 79311

July 24, 2015

To the Honorable Mayor, Members of the City Council, and Citizens of Abernathy:

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, 2015 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.

Overview

Expenses in the General Fund have decreased by 18.93% or \$396,104.

Expenses in the Water/Sewer Fund have increased by 6.46% or \$60,221. The increase includes \$118,212 for debt service on the 2030 Certificate of Obligation.

Personnel

Payroll activities account for the single largest expense (36.97%) within the City's budgeted expenses when debt service and grant project funds are removed. Total personnel cost with benefits total \$844,855. In FY 14-15, Personnel costs were calculated at 45.02%.

Salaries

Employee salaries were increased 2% in the FY2015-2016 budget for all employees excepting Police Department employees whose scale increased \$3,000 per level.

Salaries for EMS personnel have been removed.

Insurance

Medical insurance costs increased 10% for FY2015-2016. The city offers 100% coverage for all full-time permanent employees and 50% of dependant coverage for employees, who were hired prior to September, 2012. Employees are required to purchase Dental Insurance.

The City provides \$15,000 life insurance for all full-time employees.

General Fund

The General Fund provides for basic services of the city including Mayor and City Council, Administration, Police Department, Fire Department, Street Maintenance, Sanitation Services, Parks and Recreation, Library, Municipal Court, Code Enforcement and Animal Control.

The General Fund is funded with revenues from property tax, sales tax, and franchise tax as well as a transfer from the Water/Sewer Fund and Prior Year Fund Balance for payment in lieu of taxes, and other miscellaneous fees. The Ad Valorem tax base increased 2.92 % from last year with total net taxable value of \$93,880,677. The ad valorem tax rate has been proposed at .5693/\$100 valuation. The proposed rate increased by \$0.0311 from FY 2014-15.

In March of 2013, the City Council voted to expand the Police Department Personnel by adding one officer for a 2-year trial period using Prior Year Fund Balance to cover this cost. In lieu of taxes, a transfer from the Water/Wastewater Fund will now pay for this expense.

In July 2015, the City Council approved the transferring of city EMS staffing to University Medical Center EMS for the day-to-day operations of Emergency Medical Services within the city. Under this agreement, the city will continue to contribute the facilities for UMC's use. In lieu of taxes, a transfer from the Water/Wastewater Fund will pay for this service.

Major projects allocated in the General Fund Include:

Non-Departmental

TDHCA HOME Reservation Grant - \$285,000

Sanitation

Shop Building - \$50,000

Streets

Sealcoat Project - \$50,000

Water/Sewer Fund

Proprietary Funds are used to account for the city's "businesslike" activities. A portion of the fund balances generated in the city's Water/Sewer Fund are transferred to the General Fund.

In December 2015, A water rate increase was approved for debt service associated with the 2030 Certificate of Obligation.

Capital improvements projects allocated in the Water/Sewer Fund Include:

Dockum Well Project - \$60,000

Outstanding Debt

John Deere Backhoe

<u>FY – Pmt. #</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2015-2016 - #5	19,802.69	\$18,539.73	\$1,262.96	\$19272.13
2016-2017 - #6	19,802.69	\$18,539.73	\$641.89	\$0.00

2030 Certificate of Obligation

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>FY Total</u>	<u>FY</u>	<u>Balance</u>
2/15/2016	\$78,000.00	\$20,663.50	\$98,663.50			
8/15/2016		\$19,548.10	\$19,548.10	\$118,211.60	15-16	\$1,367,000.00
2/15/2017	\$81,000.00	\$19,548.10	\$100,548.10			
8/15/2017		\$18,389.80	\$18,389.80	\$118,937.90	16-17	\$1,286,000.00
2/15/2018	\$83,000.00	\$18,389.80	\$101,389.80			
8/15/2018		\$17,202.90	\$17,202.90	\$118,592.70	17-18	\$1,203,000.00
2/15/2019	\$85,000.00	\$17,202.90	\$102,202.90			
8/15/2019		\$15,987.40	\$15,987.40	\$118,190.30	18-19	\$1,118,000.00
2/15/2020	\$88,000.00	\$15,987.40	\$103,987.40			
8/15/2020		\$14,729.00	\$14,729.00	\$118,716.40	19-20	\$1,030,000.00
2/15/2021	\$90,000.00	\$14,729.00	\$104,729.00			
8/15/2021		\$13,442.00	\$13,442.00	\$118,171.00	20-21	\$940,000.00
2/15/2022	\$93,000.00	\$13,442.00	\$106,442.00			
8/15/2022		\$12,112.10	\$12,112.10	\$118,554.10	21-22	\$847,000.00
2/15/2023	\$96,000.00	\$12,112.10	\$108,112.10			
8/15/2023		\$10,739.30	\$10,739.30	\$118,851.40	22-23	\$751,000.00
2/15/2024	\$98,000.00	\$10,739.30	\$108,739.30			
8/15/2024		\$9,337.90	\$9,337.90	\$118,077.20	23-24	\$653,000.00
2/15/2025	\$101,000.00	\$9,337.90	\$110,337.90			
8/15/2025		\$7,893.60	\$7,893.60	\$118,231.50	24-25	\$552,000.00
2/15/2026	\$104,000.00	\$7,893.60	\$111,893.60			
8/15/2026		\$6,406.40	\$6,406.40	\$118,300.00	25-26	\$448,000.00
2/15/2027	\$107,000.00	\$6,406.40	\$113,406.40			
8/15/2027		\$4,876.30	\$4,876.30	\$118,282.70	26-27	\$341,000.00
2/15/2028	\$110,000.00	\$4,876.30	\$114,876.30			
8/15/2028		\$3,303.30	\$3,303.30	\$118,179.60	27-28	\$231,000.00
2/15/2029	\$114,000.00	\$3,303.30	\$117,303.30			
8/15/2029		\$1,673.10	\$1,673.10	\$118,976.40	28-29	\$117,000.00
2/15/2030	\$117,000.00	\$1,673.10	\$118,673.10	\$120,346.20	29-30	\$0.00

Summary

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 ran 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 15-16
014004	DISCOUNT CURRENT TAXES	-\$8,000
014007	AD VALOREM TAXES	\$480,000
014014	DELINQUENT AD VALOREM TAXES	\$12,500
014021	PENALTIES AND INTEREST	\$4,000
014028	FRANCHISE FEES	\$145,000
014035	LICENSES & PERMITS	\$4,000
014037	ANIMAL CONTROL FEES	\$800
014049	MUNICIPAL COURT FEES	\$30,000
014056	COURT TECHNOLOGY FEES	\$575
014057	COURT SECURITY FEE	\$330
014070	MISCELLANEOUS	\$1,800
014077	LEASES AND RENTS	\$66,000
014084	SANITATION CHARGES	\$265,000
014091	SANITATION FEES (HALE COUNTY)	\$4,800
014094	RECYCLING	\$2,000
014105	SALES TAX INCOME	\$120,000
014112	SALES TAX (AD VALOREM)	\$60,000
014119	MOSQUITO SPRAYING	\$16,000
014127	LIBRARY SERVICES	\$5,550
014133	INTEREST INCOME	\$2,600
014140	SALE OF PROPERTY	\$1,000
014398	INTERFUND TRANSFER	\$197,345
	TOTAL	\$1,411,300
GRANT PROJECT REVENUE		FY 15-16
014416	TDHCA PROJECT - HOME	\$285,000
	TOTAL	\$285,000
	TOTAL REVENUE - ALL SOURCES	\$1,696,300

CITY PARKS		FY 15-16
015013	CONTRACTED MAINTENANCE	\$1,100
015014	CITY PARK MAINTENANCE	\$9,000
TOTAL		\$10,100
JUDICIAL		FY 15-16
015056	JUDICIAL EXPENSES	\$13,500
015063	DUES, REGISTRATIONS & MEETINGS	\$1,400
TOTAL		\$14,900
NONDEPARTMENTAL		FY 15-16
015105	APPRAISAL DIST. EXPENSE	\$8,500
015112	LEGAL PUBLICATIONS	\$2,500
015113	CODIFICATION	\$1,200
015119	LEGAL	\$11,000
015126	ACCOUNTING	\$6,750
015140	JANITORIAL SUPPLIES	\$2,000
015147	TELEPHONES	\$14,700
015151	UTILITIES	\$31,500
015154	GENERAL INSURANCE/SAFETY	\$24,400
015182	VEHICLE REG. SUPPLIES	\$50
015189	CITY HALL MAINT	\$4,000
015195	SENIOR CITIZENS MAINT	\$3,000
015196	POST OFFICE MAINT	\$1,000
015197	EMS MAINT	\$1,000
015203	CLINIC MAINT	\$500
015207	HVAC CONTRACT MAINT.	\$2,500
015209	UMC-EMS CONTRACT	\$150,000
015210	ENVIRONMENTAL HEALTH INSP.	\$1,500
015211	LEASE PROPERTY EXPENSE	\$1,000
015226	TDHCA PROJECT - (RESERVE)	\$285,000
TOTAL		\$552,100
LEGISLATIVE		FY 15-16
015266	DUES, REGISTRATIONS & MEETINGS	\$5,000
015273	TRAVEL	\$1,000
TOTAL		\$6,000
ADMINISTRATION		FY 15-16
015301	ADMINISTRATIVE AUTO ALLOWANCE	\$6,000
015308	SOFTWARE / IT	\$1,500
015315	DUES, REGISTRATIONS & MEETINGS	\$4,000
015322	TRAVEL	\$1,000
015329	OFFICE SUPPLIES	\$6,000
015336	PRINTING	\$450

015343	POSTAGE	\$1,700
015350	ELECTION	\$4,000
015385	CIVIL DEFENSE	\$2,000

TOTAL **\$26,650**

SANITATION	FY 15-16
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015434	CONTRACT ALLEY SERVICE	\$141,600
	CONTRACTED FUEL ADJUSTMENT	
015435	FEES	\$10,000
015448	TRANSFER STATION DISPOSAL	\$22,000
015452	PLAINVIEW RECYCLE PROG.	\$3,000
015462	FUEL - GASOLINE	\$1,650
015469	VECTOR CONTROL (MOSQUITO)	\$16,000
015476	SUPPLIES	\$1,400
015483	EQUIPMENT MAINTENANCE	\$5,000
015497	ANIMAL CONTROL	\$3,000
015501	CODE ENFORCEMENT	\$16,000
015504	CAPITAL IMPROVEMENTS	\$50,000

TOTAL **\$269,650**

STREETS	FY 15-16
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015525	POTHOLE REPAIR	\$14,000
015532	ENGINEERING FEES	\$4,500
015546	UTILITIES - STREET LIGHTING	\$26,500
015553	FUEL - GASOLINE	\$7,300
015554	FUEL - DIESEL	50% \$5,000
015560	UNIFORMS	\$4,285
015567	SUPPLIES	\$5,000
015574	VEHICLE MAINTENANCE	\$3,000
015581	EQUIPMENT MAINTENANCE	\$13,000
015595	SEALCOAT PROJECT	\$50,000
015602	STREET BASE MATERIAL	\$9,000
015608	STREET SIGN REPAIRS	\$2,000

TOTAL **\$143,585**

FIRE	FY 15-16
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015616	FIRE DEPARTMENT FUND	\$26,400
015651	VEHICLE FUEL	\$3,500
015672	BUILDING & GROUNDS	\$1,000

TOTAL **\$30,900**

POLICE	FY 15-16
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015728	UNIFORMS	\$2,000
015735	SOFTWARE / IT	\$6,475
015742	DUES, REGISTRATIONS & TRAINING	\$4,500
015749	TRAVEL	\$1,000
015757	LEADS ONLINE	\$1,200

015791	VEHICLE FUEL	\$22,000
015812	SUPPLIES & EQUIPMENT	\$7,000
015819	VEHICLE MAINTENANCE	\$4,000

TOTAL **\$48,175**

LIBRARY	FY 15-16
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015868	LIBRARY SERVICES	\$7,800
015872	SOFTWARE SUPPORT	\$550

TOTAL **\$8,350**

TOTAL OPERATING EXPENSE **\$1,110,410**

PAYROLL	FY 15-16
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017007	JUDICIAL SALARY		\$10,450
017014	CUSTODIAL SALARY (PT)		\$8,650
017021	ADMINISTRATIVE SALARIES		\$126,850
017022	LIBRARY SALARIES		\$12,680
017029	PARK SALARIES	5%OT	\$97,935
017035	FIRE SALARIES		\$540
017042	POLICE SALARIES	9% OT	\$212,340
017049	TML - ADMIN. DEPARTMENT	10.00%	\$12,335
017056	TML - PARKS DEPARTMENT	10.00%	\$18,500
017063	TML - POLICE DEPARTMENT	10.00%	\$30,840
017105	TMRS - ADMIN. DEPARTMENT	4.00%	\$4,415
017106	TMRS - LIBRARY	4.00%	\$505
017112	TMRS - PARKS DEPARTMENT	4.00%	\$3,400
017119	TMRS - POLICE DEPARTMENT	4.00%	\$8,490
017133	HR EXPENSES		\$2,000
017600	PAYROLL TAX EXPENSE (FICA)	7.66%	\$35,960

TOTAL **\$585,890**

TOTAL EXPENSE	FY 14-15
TOTAL REVENUES	\$1,696,300
NET SURPLUS (DEFICIT)	\$1,696,300
	\$0

Water Fund Budget

REVENUES		FY 15-16
024014	INTEREST INCOME	\$3,500
024021	RECONNECTION FEES	\$12,000
024028	RETURNED CHECK / LATE FEES	\$28,000
024035	LEASE INCOME	\$34,000
024042	CRP CROP INCOME	\$1,500
024056	METERED WATER SALES	\$711,615
024063	SEWER SERVICE SALES	\$168,000
024070	TAP FEES & PERMITS	\$2,000
024084	MISCELLANEOUS	\$1,000
TOTAL		\$961,615

GRANT PROJECT REVENUE		FY 15-16
024401	HPWD PROJECT - WELL	\$30,000
TOTAL		\$30,000
TOTAL REVENUE - ALL SOURCES		\$991,615

NONDEPARTMENTAL		FY 15-16
025007	ACCOUNTING	\$6,750
025021	JANITORIAL SUPPLIES	\$500
025035	GENERAL INSURANCE/SAFETY	\$24,400
025049	TELEPHONES	\$5,500
025063	BOND INTEREST & SERVICE	\$118,210
025065	BAD DEBT / RETURNED CHECKS	\$3,000
025067	UTILITIES	\$6,000
025069	BUILDING & GROUNDS	\$11,770
025137	INTERFUND TRANSFER	\$197,345
TOTAL		\$373,475

ADMINISTRATION		FY 15-16
025147	SOFTWARE / IT	\$3,000
025154	LEGAL/PUBLICATIONS	\$2,000
025168	DUES, REGISTRATIONS & MEETINGS	\$500
025182	OFFICE SUPPLIES	\$12,500
025189	PRINTING	\$2,000
025196	POSTAGE	\$6,500
025231	ACH/CC EXPENSE	\$1,800
025238	EQUIPMENT MAINTENANCE	\$200

025245	EQUIPMENT LEASES		\$525
025252	LEASES PAYABLE - BNSF		\$800
025259	MISCELLANEOUS		\$550
TOTAL			\$30,375

WATER / SEWER MAINTENANCE	FY 15-16
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025462	UNIFORMS		\$6,500
025476	ENGINEERING FEES		\$27,000
025483	DUES, REGISTRATIONS & TRAINING		\$5,000
025490	TRAVEL		\$1,500
025525	UTILITIES		\$55,000
025539	STATE FEES & PERMITS		\$9,000
025546	FUEL - GASOLINE		\$11,000
025547	FUEL - DIESEL	50%	\$5,000
025567	SUPPLIES		\$12,000
025574	VEHICLE MAINTENANCE		\$7,000
025581	EQUIPMENT MAINTENANCE		\$14,000
025595	BUILDING & GROUNDS		\$6,000
025602	WATER/SEWER TREATMENT		\$20,000
025609	UTILITY MAINTENANCE		\$70,000
025623	BACKHOE LEASE PAYMENT		\$19,800
025624	HPWD PROJECT - WELL		\$60,000
TOTAL			\$328,800

TOTAL OPERATING EXPENSE	\$732,650
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PAYROLL	FY 15-16
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027007	ADMINISTRATIVE SALARIES		\$29,120
027014	MAINTENANCE SALARIES	6% OT	\$168,300
027021	TML - ADMIN. DEPARTMENT	10.00%	\$8,380
027056	TML - MAINTENANCE DEPARTMENT	10.00%	\$30,140
027077	TMRS - ADMIN. DEPARTMENT	4.00%	\$1,165
027084	TMRS - MAINTENANCE DEPARTMENT	4.00%	\$6,730
027600	PAYROLL TAX EXPENSE (FICA)	7.66%	\$15,130
TOTAL			\$258,965

TOTAL EXPENSE	FY 14-15
TOTAL REVENUES	\$991,615
NET SURPLUS (DEFICIT)	\$991,615
	\$0

Tax Calculation

<u>Certified Totals</u>		Lubbock	Hale	Total
Total Net Taxable Value		\$21,611,490	\$72,269,187	\$93,880,677
Total Value of Protested Property	+	\$1,637,565	\$0	\$1,637,565
Transfer Adjustments		\$0	\$0	\$0
Total Tax Value, over 65 and Disabled	-	\$5,205,026	\$16,311,262	\$21,516,288
Adjusted Tax Value	=	\$18,044,029	\$55,957,925	\$74,001,954
Projected tax rate	x	0.5693	0.5693	0.5693
Projected Levy without over 65/Disabled ceiling	=	\$102,725	\$318,568	\$421,293
Total Levy to be collected over 65/Disabled	+	\$24,053	\$65,302	\$89,355
Total Levy	=	\$126,778	\$383,870	\$510,648
Anticipated Collection Rate (percentage)	x	0.94	0.94	0.94
Anticipated Levy Amount	=	\$119,171	\$360,838	\$480,009

Proposed Tax Rate	\$0.5693
Budgeted Tax Levy	\$480,009