

City of Abernathy

Budget

**For the Fiscal year
Beginning October 1, 2016
Ending September 30, 2017**

Notice

**This budget proposes increased property tax revenue of
\$26,034 more than last year's budget.**

City of Abernathy

P.O. Box 310
Abernathy, Texas 79311

July 25, 2016

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, 2016 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 14.88% or \$252,839.

Expenses in the Water/Sewer Fund have increased by 5.51% or \$54,800. The increase includes \$154,077 for a transfer to the General Fund for payment in lieu of taxes.

Personnel

Payroll activities account for the single largest expense (38.39%) within the City's budgeted expenses when debt service and grant project funds are removed. Personnel cost with benefits total \$945,716. In FY 15-16, Personnel costs were calculated at 36.97%.

Salaries

Employee salaries were increased 1% in the FY2016-2017 budget for all employees and one employee was added to the Water/Sewer Department and one employee was added to the SPS Department. An additional adjustment was made by the City Council in July 2016 for the Police Department wage rate for Master Certified officers and Sergeant salaries.

Insurance

Medical insurance costs increased 7% for FY2016-2017. The city offers 100% coverage for all full-time permanent employees and 50% of dependant coverage for any employee was hired prior to September, 2012 and who has been continually employed since. 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 for a payment in lieu of taxes, and other miscellaneous fees. The Ad Valorem tax base increased 5.42 % from last year with total net taxable value of \$100,847,005. The ad valorem tax rate has been proposed at .5693/\$100 valuation. The proposed rate is the same as set for FY 2015-16.

Major projects allocated in the General Fund Include:

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 May 2016, Golden Spread Electric Coop began using water at the new power station. Without a history of use, it is difficult to estimate the projected revenue associated with sales to the plant for the year. A conservative estimate of \$80,000 was added to the water sales revenue and a Water Source Development Reservation has been established in the amount of \$80,000 for the purpose of setting aside funds for future source development.

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

Purchase of 1 pickup - \$26,500

Outstanding Debt

John Deere Backhoe

<u>FY – Pmt. #</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
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>
2/15/2017	\$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,

A handwritten signature in blue ink, appearing to read "Mike Cypert", with a stylized flourish at the end.

Mike Cypert, City Manager

GENERAL FUND BUDGET

OPERATING REVENUES		FY 16-17
014004	DISCOUNT CURRENT TAXES	-\$8,000
014007	AD VALOREM TAXES	\$506,034
014014	DELINQUENT AD VALOREM TAXES	\$12,500
014021	PENALTIES AND INTEREST	\$4,800
014028	FRANCHISE FEES	\$145,000
014035	LICENSES & PERMITS	\$4,000
014037	ANIMAL CONTROL FEES	\$2,000
014049	MUNICIPAL COURT FEES	\$30,000
014056	COURT TECHNOLOGY FEES	\$450
014057	COURT SECURITY FEE	\$225
014070	MISCELLANEOUS	\$1,800
014077	LEASES AND RENTS	\$68,000
014084	SANITATION CHARGES	\$268,000
014091	SANITATION FEES (HALE COUNTY)	\$4,800
014094	RECYCLING	\$1,200
014105	SALES TAX INCOME	\$130,000
014112	SALES TAX (AD VALOREM)	\$65,000
014119	MOSQUITO SPRAYING	\$15,500
014127	LIBRARY SERVICES	\$5,550
014133	INTEREST INCOME	\$3,000
014140	SALE OF PROPERTY	\$1,000
014398	INTERFUND TRANSFER	\$154,077
	TOTAL	\$1,414,936
GRANT PROJECT REVENUE		FY 16-17
014417	CRIMINAL JUSTICE GRANT	\$30,525
	TOTAL	\$30,525
	TOTAL REVENUE - ALL SOURCES	\$1,445,461
CITY PARKS		FY 16-17
015013	CONTRACTED MAINTENANCE	\$1,100
015014	CITY PARK MAINTENANCE	\$9,000
	TOTAL	\$10,100

JUDICIAL		FY 16-17
015056	JUDICIAL EXPENSES	\$13,500
015063	DUES, REGISTRATIONS & MEETINGS	\$1,400
TOTAL		\$14,900
NONDEPARTMENTAL		FY 16-17
015105	APPRAISAL DIST. EXPENSE	\$10,400
015112	LEGAL PUBLICATIONS	\$2,500
015113	CODIFICATION	\$1,200
015119	LEGAL	\$18,000
015126	ACCOUNTING	\$7,500
015147	TELEPHONES	\$7,500
015151	UTILITIES	\$14,000
015154	GENERAL INSURANCE/SAFETY	\$24,400
015182	VEHICLE REG. SUPPLIES	\$110
015189	CITY HALL MAINT	\$5,000
015195	SENIOR CITIZENS MAINT	\$1,500
015196	POST OFFICE MAINT	\$1,000
015197	EMS MAINT	\$1,000
015203	CLINIC MAINT	\$1,000
015207	HVAC CONTRACT MAINT.	\$2,500
015210	ENVIRONMENTAL HEALTH INSP.	\$1,700
015209	UMC-EMS CONTRACT	\$151,350
015211	LEASE PROPERTY EXPENSE	\$750
TOTAL		\$251,410
LEGISLATIVE		FY 16-17
015266	DUES, REGISTRATIONS & MEETINGS	\$5,000
015273	TRAVEL	\$1,000
TOTAL		\$6,000
ADMINISTRATION		FY 16-17
015301	ADMINISTRATIVE AUTO ALLOWANCE	\$6,000
015315	DUES, REGISTRATIONS & MEETINGS	\$2,300
015329	OFFICE SUPPLIES	\$5,500
015336	PRINTING	\$450
015343	POSTAGE	\$1,700
015350	ELECTION	\$4,000
015385	CIVIL DEFENSE	\$2,000
TOTAL		\$21,950
SANITATION		FY 16-17
015434	CONTRACT ALLEY SERVICE	\$141,600
015435	CONTRACTED FUEL ADJUSTMENT FEES	\$10,000
015448	TRANSFER STATION DISPOSAL	\$22,000

015452	PLAINVIEW RECYCLE PROG.	\$3,000
015462	FUEL - GASOLINE	\$1,650
015469	VECTOR CONTROL (MOSQUITO)	\$15,500
015476	SUPPLIES	\$1,400
015483	EQUIPMENT MAINTENANCE	\$5,000
015497	ANIMAL CONTROL	\$3,000
015501	CODE ENFORCEMENT	\$16,000
015503	BUILDING & GROUNDS	\$1,000

TOTAL	\$220,150
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STREETS	FY 16-17
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015525	POTHOLE REPAIR	\$14,000
015532	ENGINEERING FEES	\$4,500
015539	DUES, REGISTRATIONS & TRAINING	\$500
015546	UTILITIES - STREET LIGHTING	\$26,500
015553	FUEL - GASOLINE	\$7,300
015554	FUEL - DIESEL	\$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	\$144,085
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FIRE	FY 16-17
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015616	FIRE DEPARTMENT FUND	\$26,400
015651	VEHICLE FUEL	\$3,500
015672	BUILDING & GROUNDS	\$1,000

TOTAL	\$30,900
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POLICE	FY 16-17
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015728	UNIFORMS	\$2,500
015735	SOFTWARE / IT	\$6,475
015742	DUES, REGISTRATIONS & TRAINING	\$7,000
015749	TRAVEL	\$1,000
015756	CRIMINAL JUSTICE GRANT	\$30,525
015757	LEADS ONLINE	\$1,200
015791	VEHICLE FUEL	\$22,000
015812	SUPPLIES & EQUIPMENT	\$9,000
015819	VEHICLE MAINTENANCE	\$4,000

TOTAL	\$83,700
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LIBRARY		FY 16-17
015868	LIBRARY SERVICES	\$7,800
015872	SOFTWARE SUPPORT	\$550
TOTAL		\$8,350
TOTAL OPERATING EXPENSE		\$791,545

PAYROLL		FY 16-17
017007	JUDICIAL SALARY	\$10,560
017014	CUSTODIAL SALARY (PT)	\$8,735
017021	ADMINISTRATIVE SALARIES	\$131,770
017022	LIBRARY SALARIES	\$12,815
017029	SPS SALARIES	\$128,539
01703	FIRE SALARIES	\$545
017042	POLICE SALARIES	\$229,390
017049	TML - ADMIN. DEPARTMENT	\$13,200
017056	TML - SPS DEPARTMENT	\$26,400
017063	TML - POLICE DEPARTMENT	\$33,000
017105	TMRS - ADMIN. DEPARTMENT	\$4,560
017106	TMRS - LIBRARY	\$445
017112	TMRS - SPS DEPARTMENT	\$4,172
017119	TMRS - POLICE DEPARTMENT	\$7,940
017133	HR EXPENSES	\$2,000
017600	PAYROLL TAX EXPENSE (FICA)	\$39,845
TOTAL		\$653,916

TOTAL EXPENSE	FY 16-17
TOTAL REVENUES	\$1,445,461
NET SURPLUS (DEFICIT)	\$0

WATER FUND BUDGET

REVENUES		FY 16-17
024007	ACH/CC FEES	\$1,300
024014	INTEREST INCOME	\$3,500
024021	RECONNECTION FEES	\$6,000
024028	RETURNED CHECK / LATE FEES	\$38,000
024035	LEASE INCOME	\$34,000
024042	CRP CROP INCOME	\$1,500
024056	METERED WATER SALES	\$793,615
024063	SEWER SERVICE SALES	\$167,000
024070	TAP FEES & PERMITS	\$2,500
024084	MISCELLANEOUS	\$1,000
TOTAL		\$1,048,415
 TOTAL REVENUE - ALL SOURCES		 \$1,048,415

NONDEPARTMENTAL		FY 16-17
025007	ACCOUNTING	\$7,500
025021	JANITORIAL SUPPLIES	\$2,500
025035	GENERAL INSURANCE/SAFETY	\$25,000
025049	TELEPHONES	\$7,500
025063	BOND INTEREST & SERVICE	\$118,940
025065	BAD DEBT / RETURNED CHECKS	\$3,000
025067	UTILITIES	\$14,000
025069	CITY HALL MAINT	\$5,000
025137	INTERFUND TRANSFER	\$154,077
TOTAL		\$337,517

ADMINISTRATION		FY 16-17
25147	SOFTWARE / IT	\$4,500
025154	LEGAL/PUBLICATIONS	\$2,500
025168	DUES, REGISTRATIONS & MEETINGS	\$2,300
025175	TRAVEL	\$1,000
025182	OFFICE SUPPLIES	\$6,100
025189	PRINTING	\$2,000
025196	POSTAGE	\$6,500
025231	ACH/CC EXPENSE	\$3,500
025238	EQUIPMENT MAINTENANCE	\$200
025245	EQUIPMENT LEASES/MAINT	\$800
025252	LEASES PAYABLE - BNSF	\$850
025259	MISCELLANEOUS	\$0
TOTAL		\$30,250

WATER / SEWER MAINTENANCE		FY 16-17
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	\$5,000
025567	SUPPLIES	\$7,500
025574	VEHICLE MAINTENANCE	\$7,000
025581	EQUIPMENT MAINTENANCE	\$15,000
025595	BUILDING & GROUNDS	\$6,000
025602	WATER/SEWER TREATMENT	\$20,000
025609	UTILITY MAINTENANCE	\$70,000
025610	VEHICLE REPLACEMENT	\$26,500
025623	BACKHOE LEASE PAYMENT	\$19,800
025624	HPWD PROJECT - WELL	\$0
TOTAL		\$291,800
TOTAL OPERATING EXPENSE		\$659,567
WATER SOURCE DEVELOPMENT RESERVE		\$80,595

PAYROLL		FY 16-17
027007	ADMINISTRATIVE SALARIES	\$29,410
027014	MAINTENANCE SALARIES	\$205,775
027021	TML - ADMIN. DEPARTMENT	\$8,063
027056	TML - MAINTENANCE DEPARTMENT	\$38,850
027077	TMRS - ADMIN. DEPARTMENT	\$1,020
027084	TMRS - MAINTENANCE DEPARTMENT	\$7,120
027600	PAYROLL TAX EXPENSE (FICA)	\$18,015
TOTAL		\$308,253

TOTAL EXPENSE	FY 16-17
TOTAL REVENUES	\$1,048,415
NET SURPLUS (DEFICIT)	\$1,048,415
	\$0

TAX CALCULATION

Certified Totals		Lubbock	Hale	Total
Total Net Taxable Value		\$23,841,170	\$76,919,477	\$100,760,647
Total Value of Protested Property	+	\$86,358	\$0	\$86,358
Transfer Adjustments		\$0	\$0	\$0
Total Tax Value, over 65 and Disabled	-	\$5,080,309	\$16,975,345	\$22,055,654
Adjusted Tax Value	=	\$18,847,219	\$59,944,132	\$78,791,351
Projected tax rate	x	0.5693	0.5693	0.5693
Projected Levy without over 65/Disabled ceiling	=	\$107,297	\$341,262	\$448,559
Total Levy to be collected over 65/Disabled	+	\$23,166	\$66,609	\$89,775
Total Levy	=	\$130,463	\$407,871	\$538,334
Anticipated Collection Rate (percentage)	x	0.94	0.94	0.94
Anticipated Levy Amount	=	\$122,635	\$383,399	\$506,034

Proposed Tax Rate	\$0.5693
Budgeted Tax Levy	\$506,034