

**City of Abernathy**

**Budget**

**For the Fiscal year  
Beginning October 1, 2017  
Ending September 30, 2018**

**Notice**

**This budget proposes increased property tax revenue of  
\$20,521 more than last year's budget.**

# City of Abernathy

P.O. Box 310  
Abernathy, Texas 79311

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July 26, 2017

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

In accordance with the Civil Statutes of the State of Texas, the proposed budget for the fiscal year beginning October 1, 2017 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 increased by 4.38% or \$63,427.

Expenses in the Water/Sewer Fund have increased by 1.27% or \$13,285. The increase includes \$242,743 for a transfer to the General Fund for payment in lieu of taxes.

### **Personnel**

Payroll activities account for the single largest expense (42.82%) within the City's budgeted expenses when debt service and grant project funds are removed. Personnel cost with benefits total \$1,050,012. In FY 16-17, personnel costs were calculated at 38.39%. The FY 17-18 personnel costs include a line item for workman's compensation insurance which was not included in the personnel costs calculated for FY 16-17 budget.

#### Salaries

Employee salaries were increased in the FY 2017-2018 budget for all employees. The U.S. Bureau of Labor Statistics CPI Report for March, 2017 was used to calculate the inflation adjusted wage rate increases at 2.4%.

#### Insurance

Medical insurance costs increased 30% for FY 2017-2018. 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. As directed by the City Council, a one-year cost share of 25% for dependant coverage was added for any employee hired on or after September 12, 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 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 \$100,760,647. This increase includes new property added to the tax rolls within the previous year. The ad valorem tax rate has been proposed at \$0.5900/\$100 valuation.

Major expenditures allocated in the General Fund Include:

Streets - Sealcoat Project	\$50,000
Purchase of a police vehicle	\$34,000
Contract Garbage Collection	\$151,600
EMS Contract	\$154,985

## **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.

Water and sewer rate increases contribute \$14,385 in additional revenue when the water revenue was adjusted for decreased anticipated sales with Golden Spread Electric Coop for FY 16-17.

Major expenditures allocated in the Water/Sewer Include:

Bond Debt Service	\$118,595
Water Production Utilities	\$55,000
Utility Maintenance	\$70,000

## Outstanding Debt

Balance of all outstanding debt as of October 1, 2017 is \$1,203,000.

### Source of Debt:

#### 2030 Certificate of Obligation

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>FY Total</u>	<u>FY</u>	<u>Balance</u>
2/15/2018	\$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 operated 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

<b>OPERATING REVENUES</b>		<b>FY 17-18</b>
014004	DISCOUNT CURRENT TAXES	-\$8,580
014007	AD VALOREM TAXES	\$526,555
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	\$3,000
014049	MUNICIPAL COURT FEES	\$23,000
014056	COURT TECHNOLOGY FEES	\$300
014057	COURT SECURITY FEE	\$200
014070	MISCELLANEOUS	\$1,000
014077	LEASES AND RENTS	\$68,000
014084	SANITATION CHARGES	\$268,000
014091	SANITATION FEES (HALE COUNTY)	\$4,800
014094	RECYCLING	\$2,000
014105	SALES TAX INCOME	\$125,000
014112	SALES TAX (AD VALOREM)	\$62,500
014119	MOSQUITO SPRAYING	\$15,500
014127	LIBRARY SERVICES	\$5,570
014133	INTEREST INCOME	\$2,800
014140	SALE OF PROPERTY	\$1,000
014398	INTERFUND TRANSFER	\$242,743
	<b>TOTAL</b>	<b>\$1,508,888</b>
	<b>TOTAL REVENUE - ALL SOURCES</b>	<b>\$1,508,888</b>

<b>CITY PARKS</b>		<b>FY 17-18</b>
015013	CONTRACTED MAINTENANCE	\$1,320
015014	CITY PARK MAINTENANCE	\$11,000
	<b>TOTAL</b>	<b>\$12,320</b>

<b>JUDICIAL</b>		<b>FY 17-18</b>
015056	JUDICIAL EXPENSES	\$13,500
015063	DUES, REGISTRATIONS & MEETINGS	\$1,400
	<b>TOTAL</b>	<b>\$14,900</b>

<b>NONDEPARTMENTAL</b>		<b>FY 17-18</b>
015105	APPRAISAL DIST. EXPENSE	\$13,000
015112	LEGAL PUBLICATIONS	\$2,500
015113	CODIFICATION	\$1,200
015119	LEGAL	\$18,000
015126	ACCOUNTING	\$7,500
015147	TELEPHONES	\$8,500
015151	UTILITIES	\$14,000
015154	GENERAL INSURANCE/SAFETY	\$19,640
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
015210	ENVIRONMENTAL HEALTH INSP.	\$1,400
015209	UMC-EMS CONTRACT	\$154,985
015211	LEASE PROPERTY EXPENSE	\$750
<b>TOTAL</b>		<b>\$251,085</b>
<b>LEGISLATIVE</b>		<b>FY 17-18</b>
015266	DUES, REGISTRATIONS & MEETINGS	\$6,000
015273	TRAVEL	\$1,000
<b>TOTAL</b>		<b>\$7,000</b>
<b>ADMINISTRATION</b>		<b>FY 17-18</b>
015301	ADMINISTRATIVE AUTO ALLOWANCE	\$6,000
015315	DUES, REGISTRATIONS & MEETINGS	\$2,300
015329	OFFICE SUPPLIES	\$4,500
015336	PRINTING	\$450
015343	POSTAGE	\$1,700
015350	ELECTION	\$4,000
015385	CIVIL DEFENSE	\$5,000
<b>TOTAL</b>		<b>\$23,950</b>
<b>SANITATION</b>		<b>FY 17-18</b>
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
015469	VECTOR CONTROL (MOSQUITO)	\$15,500
015476	SUPPLIES	\$1,400
015483	EQUIPMENT MAINTENANCE	\$5,000
015497	ANIMAL CONTROL	\$4,000
015501	CODE ENFORCEMENT	\$16,000
015503	BUILDING & GROUNDS	\$1,000
<b>TOTAL</b>		<b>\$219,500</b>

<b>STREETS</b>		<b>FY 17-18</b>
015525	STREET & POTHOLE REPAIR	\$14,000
015531	SEALCOAT PROJECT	\$50,000
015532	ENGINEERING FEES	\$4,500
015539	DUES, REGISTRATIONS & TRAINING	\$500
015546	UTILITIES - STREET LIGHTING	\$28,750
015553	FUEL - GASOLINE	\$8,950
015554	FUEL - DIESEL	\$5,000
015560	UNIFORMS	\$3,000
015567	SUPPLIES	\$5,000
015574	VEHICLE MAINTENANCE	\$3,000
015581	EQUIPMENT MAINTENANCE	\$13,000
015602	STREET BASE MATERIAL	\$9,000
015608	STREET SIGN REPAIRS	\$2,000
<b>TOTAL</b>		<b>\$146,700</b>

<b>FIRE</b>		<b>FY 17-18</b>
015616	FIRE DEPARTMENT FUND	\$26,400
015651	VEHICLE FUEL	\$3,500
015672	BUILDING & GROUNDS	\$1,000
<b>TOTAL</b>		<b>\$30,900</b>

<b>POLICE</b>		<b>FY 17-18</b>
015728	UNIFORMS	\$2,500
015735	SOFTWARE / IT	\$6,475
015742	DUES, REGISTRATIONS & TRAINING	\$7,000
015749	TRAVEL	\$1,000
015757	LEADS ONLINE	\$1,200
015791	VEHICLE FUEL	\$22,000
015812	SUPPLIES & EQUIPMENT	\$9,000
015819	VEHICLE MAINTENANCE	\$4,000
015826	VEHICLE REPLACEMENT	\$34,000
<b>TOTAL</b>		<b>\$87,175</b>

<b>LIBRARY</b>		<b>FY 17-18</b>
015868	LIBRARY SERVICES	\$7,800
015872	SOFTWARE SUPPORT	\$550
<b>TOTAL</b>		<b>\$8,350</b>

**TOTAL OPERATING EXPENSE** **\$801,880**



<b>PAYROLL</b>		<b>FY 17-18</b>
017007	JUDICIAL SALARY	\$10,815
017014	CUSTODIAL SALARY (PT)	\$8,970
017021	ADMINISTRATIVE SALARIES	\$135,053
017022	LIBRARY SALARIES	\$13,156
017029	SPS SALARIES	\$138,430
017035	FIRE SALARIES	\$560
017042	POLICE SALARIES	\$228,170
017049	TML - ADMIN. DEPARTMENT	\$19,960
017056	TML - SPS DEPARTMENT	\$33,570
017063	TML - POLICE DEPARTMENT	\$41,965
017071	TML - WORKMAN'S COMP	\$13,379
017105	TMRS - ADMIN. DEPARTMENT	\$5,140
017106	TMRS - LIBRARY	\$580
017112	TMRS - SPS DEPARTMENT	\$5,180
017119	TMRS - POLICE DEPARTMENT	\$10,085
017133	HR EXPENSES	\$1,000
017600	PAYROLL TAX EXPENSE (FICA)	\$40,995
<b>TOTAL</b>		<b>\$707,008</b>

<b>TOTAL EXPENSE</b>	<b>FY 17-18</b>
<b>TOTAL REVENUES</b>	<b>\$1,508,888</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$0</b>

## WATER/SEWER FUND BUDGET

<b>REVENUES</b>		<b>FY 17-18</b>
024007	ACH/CC FEES	\$1,800
024014	INTEREST INCOME	\$2,400
024021	RECONNECTION FEES	\$6,000
024028	RETURNED CHECK / LATE FEES	\$40,000
024035	LEASE INCOME	\$31,000
024042	CRP CROP INCOME	\$1,500
024056	METERED WATER SALES	\$790,000
024063	SEWER SERVICE SALES	\$185,000
024070	TAP FEES & PERMITS	\$3,000
024084	MISCELLANEOUS	\$1,000
<b>TOTAL</b>		<b>\$1,061,700</b>

<b>GRANT PROJECT REVENUE</b>		<b>FY 17-18</b>
<b>TOTAL REVENUE - ALL SOURCES</b>		<b>\$1,061,700</b>

<b>NONDEPARTMENTAL</b>		<b>FY 17-18</b>
025007	ACCOUNTING	\$7,500
025021	JANITORIAL SUPPLIES	\$2,500
025035	GENERAL INSURANCE/SAFETY	\$19,640
025049	TELEPHONES	\$8,500
025063	BOND INTEREST & SERVICE	\$118,595
025067	UTILITIES	\$14,000
025069	CITY HALL MAINT	\$5,000
025137	INTERFUND TRANSFER	\$242,743
<b>TOTAL</b>		<b>\$418,478</b>

<b>ADMINISTRATION</b>		<b>FY 17-18</b>
25147	SOFTWARE / IT	\$4,500
025154	LEGAL/PUBLICATIONS	\$2,500
025168	DUES, REGISTRATIONS & MEETINGS	\$2,300
025175	TRAVEL	\$1,000
025182	OFFICE SUPPLIES	\$4,500
025189	PRINTING	\$2,000
025196	POSTAGE	\$6,500
025231	ACH/CC EXPENSE	\$4,200
025238	EQUIPMENT MAINTENANCE	\$200
025245	EQUIPMENT LEASES/MAINT	\$800
025252	LEASES PAYABLE - BNSF	\$850
<b>TOTAL</b>		<b>\$29,350</b>

<b>WATER / SEWER MAINTENANCE</b>	<b>FY 17-18</b>
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025462	UNIFORMS	\$7,700
025476	ENGINEERING FEES	\$20,000
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	\$2,500
025574	VEHICLE MAINTENANCE	\$7,000
025581	EQUIPMENT MAINTENANCE	\$15,000
025595	BUILDING & GROUNDS	\$1,000
025602	WATER/SEWER TREATMENT	\$20,000
025609	UTILITY MAINTENANCE	\$70,000

	<b>TOTAL</b>	<b>\$229,700</b>
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		<b>\$677,528</b>
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		<b>\$41,168</b>
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<b>PAYROLL</b>	<b>FY 17-18</b>
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027007	ADMINISTRATIVE SALARIES	\$30,120
027014	MAINTENANCE SALARIES	\$211,035
027021	TML - ADMIN. DEPARTMENT	\$9,980
027056	TML - MAINTENANCE DEPARTMENT	\$55,855
027071	TML - WORKMAN'S COMP	\$5,880
027077	TMRS - ADMIN. DEPARTMENT	\$1,331
027084	TMRS - MAINTENANCE DEPARTMENT	\$9,328
027133	HR EXPENSES	\$1,000
027600	PAYROLL TAX EXPENSE (FICA)	\$18,475

	<b>TOTAL</b>	<b>\$343,004</b>
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	<b>FY 17-18</b>
<b>TOTAL EXPENSE</b>	<b>\$1,061,700</b>
<b>TOTAL REVENUES</b>	<b>\$1,061,700</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$0</b>

**AD VALOREM  
TAX WORKSHEET**

<b>Certified Totals</b>		<b>Lubbock</b>	<b>Hale</b>	<b>Total</b>
		7/21/2017	7/25/2017	
Total Net Taxable Value		\$24,817,987	\$77,055,546	\$101,873,533
Total Value of Protested Property	+			\$0
Transfer Adjustments				\$0
Total Tax Value, over 65 and Disabled	-	\$4,570,292	\$17,507,699	\$22,077,991
<b>Adjusted Tax Value</b>	<b>=</b>	<b>\$20,247,695</b>	<b>\$59,547,847</b>	<b>\$79,795,542</b>
Projected tax rate	x	0.5900	0.5900	0.5900
<b>Projected Levy without over 65/Disabled ceiling</b>	<b>=</b>	<b>\$119,461</b>	<b>\$351,332</b>	<b>\$470,794</b>
Total Levy to be collected over 65/Disabled	+	\$20,785	\$68,587	\$89,372
<b>Total Levy</b>	<b>=</b>	<b>\$140,246</b>	<b>\$419,919</b>	<b>\$560,165</b>
Anticipated Collection Rate (percentage)	x	0.94	0.94	0.94
<b>Anticipated Levy Amount</b>	<b>=</b>	<b>\$131,832</b>	<b>\$394,724</b>	<b>\$526,555</b>

<b>Proposed Tax Rate</b>	<b>\$0.5900</b>
<b>Budgeted Tax Levy</b>	<b>\$526,555</b>