

City of Hale Center

Budget

**For the Fiscal Year
Beginning October 1, 2022
Ending September 30, 2023**

Notice

**THIS BUDGET SUPPORTS AN UNCHANGED PROPERTY
TAX RATE OF \$0.6200/\$100.00 VALUATION.**

**THIS BUDGET WILL RAISE MORE REVENUE FROM
PROPERTY TAXES THAN LAST YEAR'S BUDGET BY AN
AMOUNT OF \$36,922 WHICH IS A 13.82 PERCENT
INCREASE FROM LAST YEAR'S BUDGET. THE PROPERTY
TAX REVENUE TO BE RAISED FROM NEW PROPERTY
ADDED TO THE TAX ROLL THIS YEAR IS \$2,559.83.**

CITY OF HALE CENTER

LIST OF ELECTED AND APPOINTED OFFICIALS

ELECTED

| | |
|-----------------------|----------------------|
| W. H. Johnson | Mayor |
| Israel Flores | Mayor Pro-Tem |
| Janet Peoples | Councilwoman |
| Karen Boyce | Councilwoman |
| Mario Martinez | Councilman |
| Junior Garcia | Councilman |

APPOINTED

| | |
|---------------------------|------------------------------|
| Mike Cypert | City Manager |
| Patricia Isaguirre | City Secretary |
| Brandon Richardson | Chief of Police |
| David Rowell | Municipal Judge |
| Johnny Ruiz | Public Works Director |
| Lanny Voss | City Attorney |

City of Hale Center

P.O. Box 532
Hale Center, Texas 79041

July 25, 2022

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

In accordance with the Civil Statutes of the State of Texas, the proposed budget for the fiscal year beginning October 1, 2022 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 6.31% or \$70,395

Expenses in the Water/Sewer Fund have increased by 57.4% or \$408,295. The increase includes a transfer of funds from the Water Fund to the General Fund totaling \$126,762.

In addition to grant projects totaling \$518,773, these increases are due in part to extraordinary inflation and supply chain issues.

PERSONNEL

Payroll activities account for the single largest expense. Payroll amounts to 43.76% (when grant project funds have been removed) of the City's budgeted operational expenses. Personnel cost with benefits total \$781,776. In FY 21-22, personnel costs were calculated at \$733,191 or 43.85% of the O&M budget.

The budget provides funding for 11 full-time and 5 part-time and 1 seasonal part-time positions. In FY 21-22, the budget provided for 12 full-time and 4 part-time positions.

Salaries

Employee salaries were increased in the FY 2022-2023 budget for all employees except the City Manager who is employed by contract. The U.S. Bureau of Labor Statistics CPI Report for March, 2022 was used to calculate the inflation adjusted wage rate increases at 8.5%.

Insurance

Insurance for each individual employee increased 7.39% from \$5,615 to \$6,030 per full-time employee. With one employee omitted from payroll, medical insurance costs decreased \$1,453 or 2.41% for FY 2022-2023. Total annual cost for full-times employee for medical, life, and accidental death/dismemberment is \$60,290. The city offers 100% coverage for all full-time permanent employees.

GENERAL FUND

The General Fund provides for basic services of the city including Legislative, Administration, Police Department, Street Maintenance, Sanitation Services, Parks and Recreation, Municipal Court, Code Enforcement and Animal Control. The General Fund also provides financial assistance to ancillary organizations with a public purpose that includes Fire Department, EMS, Library, and Senior Citizens.

The General Fund receives revenues from property tax, sales tax, and franchise tax as well as a transfer from the Water/Sewer Fund, and other miscellaneous fees. The Ad Valorem tax base has increased 13.82% with total net taxable value of \$51,660,819. This Increase includes \$412,875 in new property added to the tax rolls since the previous year totals. No change to the ad valorem tax rate of \$0.6200/\$100 valuation has been proposed.

A \$3,000 line item has been added for lighting in Caudle Lake Park. This line item is intentionally added to increase lighting in the short term, and in the future, will be used to replace solar batteries as they fail. An increase of \$9,000 has been added for the City's EMS contract. The budget utilizes a Fund Balance transfer in the amount of \$14,000 to be used as grant match for the Police Department vehicle grant.

Major expenditures allocated in the General Fund Include:

| | |
|-------------------------------------------|-----------|
| Streets - Sealcoat Project | \$61,000 |
| Contract Garbage Collection and fuel fees | \$176,425 |
| Payments to ancillary services | \$78,300 |

Capital Improvement Projects for the General Fund Include:

| | |
|--------------------------------|----------|
| Texas Parks and Wildlife Grant | \$84,773 |
| Criminal Justice Grant | \$50,000 |

WATER/SEWER FUND

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

The budget utilizes a Fund Balance transfer in the amount of \$35,000 to be used as grant match for the CDBG grant. The primary project is construction of approximately ½ mile of 6" raw waterline that will tie 3 wells to the 14th street pump station.

Major expenditures allocated in the Water/Sewer Include:

| | |
|--------------------------------|----------|
| Debt Service | \$13,638 |
| Water Production Utilities | \$38,000 |
| Utility Maintenance & Supplies | \$69,000 |

Capital Improvement Projects for the Water/Sewer Fund include:

| | |
|----------------|-----------|
| TDA CDBG Grant | \$385,000 |
|----------------|-----------|

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)

In response to COVID 19, the City of Hale Center received a total of \$508,952.34 from the U.S. Department of Treasury. In August, 2021, the City received our first tranche totaling \$254,476.17. In August, 2022, the city will receive a final tranche of \$254,476.17.

On November 9, 2021, the City Council adopted a spending plan for ARPA funds that includes:

- Payroll replacement for employees responding to COVID 19.
- An \$85,000 allowance for the purchase of a John Deere backhoe.
- Improvements to infrastructure for water services that will help support sustainability.

In the ARPA Final Rule with an effective date of April 1, 2022, the city was allowed, and urged to report funds received up to \$10 million as revenue loss. This was a matter administrative convenience in reporting expenditures to the U.S. Treasury Dept. In keeping with the Final Rule, the city reported 100% of the funds as revenue loss. The reporting allows the city to deposit all funds in the city's treasury for use as needed, in keeping with the city's plan. To date, no funds have been expended and only \$85,000 has been allocated by the City Council, leaving a balance of ARPA funds in the amount of \$423,952.34.

Anticipated possible future use of ARPA funds:

In response to the winter storms of 2021, the Texas Commission on Environmental Quality (TCEQ) has implemented an unfunded mandate known as the Emergency Preparedness Plan (EPP). The EPP requires the city's water system to be able to provide a minimum of twenty (20) pounds of water pressure for a period of 24 hours without reliance on the electrical grid. At present, we anticipate the city has the ability to deliver water at the required 20 PSI for roughly 14 hours. This will require the purchase and installation of a back-up generator. This EPP generator is included in the city's CDBG grant as a bid alternate, however it is doubtful there will be enough funding to have it included in the project. Additionally, there is metering and an altitude valve included as bid alternates.

Once the CDBG bids have been received, the bid alternates will be presented for inclusion in the project, ARPA funds can be allocated to pay for any items not able to be funded as well as other system improvements. Any remaining funds will be presented for approval of payroll replacement. The city has until December 31, 2024 to obligate ARPA funding.

OUTSTANDING DEBT

Balance of all outstanding debt at present is \$73,604.47.

Source of Debt:

First Financial Bank, N. A. for a lease purchase originally secured from Government Capital Corporation on May 11, 2021. Pay schedule is as follows:

| Pmt. No. | Payment Date | Total Payment | Interest paid | principal paid | Early Redemption Value |
|---------------|--------------|--------------------|-------------------|--------------------|------------------------|
| 1 | 11/30/2021 | \$13,637.68 | \$1,395.15 | \$12,242.53 | n/a |
| 2 | 11/30/2022 | \$13,637.68 | \$2,290.57 | \$11,347.11 | n/a |
| 3 | 11/30/2023 | \$13,637.68 | \$1,937.45 | \$11,700.23 | \$51,428.43 |
| 4 | 11/30/2024 | \$13,637.68 | \$1,573.34 | \$12,064.34 | \$39,025.03 |
| 5 | 11/30/2025 | \$13,637.68 | \$1,197.90 | \$12,439.78 | \$26,323.95 |
| 6 | 11/30/2026 | \$13,637.68 | \$810.77 | \$12,826.91 | \$13,318.04 |
| 7 | 11/30/2027 | \$13,637.68 | \$411.58 | \$13,226.10 | \$0.00 |
| Totals | | \$95,463.76 | \$9,616.78 | \$85,847.00 | |

FUNDS AVAILABLE

As of July 1, 2022 available cash includes:

| | |
|-------------------------|--------------|
| Checking Accounts | \$120,212.54 |
| Certificates of Deposit | \$581,869.64 |
| All Funds Total | \$702,082.18 |
| Restricted Funds | \$254,476.17 |
| Unrestricted Funds | \$447,606.01 |

RESERVE FUND STRATEGY

In the FY 19-20 financial audit, the city reported a fund balance of \$343,207 at the end of the fiscal year. In the FY 20-21 financial audit, the city reported a fund balance of \$380,020.

Budgeting – When the city’s anticipated revenue will not cover expenses, reserve funds may be used to balance the budget.

Capital Improvement Projects – The reserve balance can be used to fund (typically larger) capital projects including but not limited to the purchase of equipment, buildings, and other tangible assets or capital improvements. This budget includes reserve fund transfers totaling \$49,000 for capital improvement projects.

Emergency Fund - Emergency funds typically consist of a 3-6 months insurance for continued operating expenses following a natural disaster or other calamity where the city’s ability to generate or receive income might be affected.

Debt – As of this date, the principal balance on all city debt is 73,604.47, for an equipment lease/purchase of the city's vacutron and a water department vehicle. This debt is secured by water and wastewater system revenue.

Long Range Planning – One area involving large expenditures has been identified and anticipated in the city's future; water system improvements.

As discussed, there is a need for water improvements including power generation, consistent metering, and an altitude valve at the standpipe. The Community Development Block Grant application may cover some of the improvements which will require a \$35,000 match.

Additionally, the City has received notice of funds totaling \$508,952.34 as part of the American Rescue Plan Act. This will be distributed in two tranches over two years, one of which has been received previously. Budget accounting for these funds are not included in this budget and spending of the funds will be appropriated by special council action as needed.

The City should continue to set aside additional capital to meet project needs in order to avoid issuing additional debt.

Short Range Planning – Most of the most immediate needs involve the water system. Recently, the city installing a new SCADA system and variable speed drives. Since the installation of the drives, the water department has seen a significant decrease in the number of main leaks. There are some additional upgrades to SCADA that should be considered. This includes interfacing with pump and well metering, digital chlorine scale monitoring, as well as other enhanced features. To protect our well assets, the addition of low pumping alarms for water wells should be added.

With the closing of the downtown water station, the city will be reliant on the 14th Street station for 100% of the water distribution into the pressured system. This station needs upgrades that will last for many years in the future. In preparation, the electrical system serving the pump station has been renovated including a lightning suppression system with surge protection. TCEQ's EPP will require an electrical generation system to be installed at this location.

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.

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 Hale Center.

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 21-22 | FY 22-23 | CHANGE | % Change |
|------------------------|--------------------------------------------|---------------------|---------------------|--------------------|----------------|
| 014007 | Ad Valorem Taxes | 267,147.00 | 304,069.00 | 36,922.00 | 13.82% |
| 014021 | Ad Valorem P&I | 5,300.00 | 5,300.00 | 0.00 | 0.00% |
| 014028 | Delinquent Ad Valorem Taxes | 14,000.00 | 12,000.00 | (2,000.00) | -14.29% |
| 014035 | Delinquent Ad Valorem P&I | 6,700.00 | 5,800.00 | (900.00) | -13.43% |
| 014042 | Sales Tax | 88,000.00 | 100,000.00 | 12,000.00 | 13.64% |
| 014049 | Sales Tax EDC | 44,000.00 | 50,000.00 | 6,000.00 | 13.64% |
| 014056 | Franchise Fees | 99,000.00 | 107,000.00 | 8,000.00 | 8.08% |
| 014063 | Permits | 3,100.00 | 3,100.00 | 0.00 | 0.00% |
| 014070 | Food Permits | 1,100.00 | 1,100.00 | 0.00 | 0.00% |
| 014084 | Interest Income | 2,500.00 | 110.00 | (2,390.00) | -95.60% |
| 014098 | Animal Control Fees | 2,600.00 | 900.00 | (1,700.00) | -65.38% |
| 014105 | Misc. Income | 1,500.00 | 500.00 | (1,000.00) | -66.67% |
| 014112 | Leases and Rents | 10,000.00 | 8,325.00 | (1,675.00) | -16.75% |
| 014119 | Sanitation Charges | 162,000.00 | 200,100.00 | 38,100.00 | 23.52% |
| 014126 | Recycle Center Fees | 47,000.00 | 50,775.00 | 3,775.00 | 8.03% |
| 014133 | Recycling Income | 2,500.00 | 2,500.00 | 0.00 | 0.00% |
| 014140 | Mosquito Spray Fees | 9,380.00 | 18,860.00 | 9,480.00 | 101.07% |
| 014147 | Sale of Property | 2,000.00 | 2,000.00 | 0.00 | 0.00% |
| 014154 | Municipal Court Fees | 78,600.00 | 52,000.00 | (26,600.00) | -33.84% |
| 014161 | Court Technology Fees | 1,400.00 | 0.00 | (1,400.00) | -100.00% |
| 014168 | Court Security Fees | 1,125.00 | 0.00 | (1,125.00) | -100.00% |
| 014169 | PD Training | 740.00 | 640.00 | (100.00) | -13.51% |
| 014175 | Transfer From Water Fund | 110,674.00 | 126,762.00 | 16,088.00 | 14.54% |
| | TOTAL | 960,366.00 | 1,051,841.00 | 91,475.00 | 9.53% |
| NON-OPERATING REVENUES | | FY 21-22 | FY 22-23 | CHANGE | % Change |
| 014409 | TP&W Rec Grant | 84,773.00 | 84,773.00 | 0.00 | |
| 014410 | Park Grant Donation | 71,080.00 | 0.00 | (71,080.00) | |
| 014421 | Criminal Justice Grant - Vehicle | 0.00 | 36,000.00 | 36,000.00 | |
| | TOTAL | 155,853.00 | 120,773.00 | (35,080.00) | -22.51% |
| SLFRF | Fund Balance Transfer - Grant Match | 0.00 | 14,000.00 | 14,000.00 | |
| | TOTAL REVENUE - ALL SOURCES | 1,116,219.00 | 1,186,614.00 | 70,395.00 | 6.31% |

| ADMINISTRATION | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|----------------|--------------------------------|------------------|------------------|-----------------|--------------|
| 015007 | Appraisal Dist. Exp. | 5,320.00 | 5,320.00 | 0.00 | 0.00% |
| 015014 | Accounting | 50% 9,450.00 | 8,800.00 | (650.00) | -6.88% |
| 015021 | Attorney Fees | 50% 4,500.00 | 4,500.00 | 0.00 | 0.00% |
| 015028 | Legal Publications | 50% 1,200.00 | 1,200.00 | 0.00 | 0.00% |
| 015035 | Codification | 1,000.00 | 1,000.00 | 0.00 | 0.00% |
| 015042 | Dues, registrations & Meetings | 4,000.00 | 6,500.00 | 2,500.00 | 62.50% |
| 015049 | Office Supplies | 4,000.00 | 4,000.00 | 0.00 | 0.00% |
| 015056 | Postage | 700.00 | 750.00 | 50.00 | 7.14% |
| 015077 | Misc. Expense | 750.00 | 500.00 | (250.00) | -33.33% |
| TOTAL | | 30,920.00 | 32,570.00 | 1,650.00 | 5.34% |

| NONDEPARTMENTAL | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|-----------------|----------------------------|-------------------|-------------------|-----------------|--------------|
| 015203 | EMS Contract | 48,000.00 | 57,000.00 | 9,000.00 | 18.75% |
| 015210 | Fire Dept. Contract | 9,900.00 | 9,900.00 | 0.00 | 0.00% |
| 015217 | Library Contract | 5,400.00 | 5,400.00 | 0.00 | 0.00% |
| 015224 | Sr. Citizens Contract | 6,000.00 | 6,000.00 | 0.00 | 0.00% |
| 015231 | Civil Defense | 2,500.00 | 500.00 | (2,000.00) | -80.00% |
| 015238 | Hale Center EDC | 44,000.00 | 50,000.00 | 6,000.00 | 13.64% |
| 015245 | EMS Bld. Maint. | 250.00 | 250.00 | 0.00 | 0.00% |
| 015252 | Fire Bld. Maint. | 250.00 | 250.00 | 0.00 | 0.00% |
| 015259 | City Hall Bld. Maint. | 500.00 | 0.00 | (500.00) | -100.00% |
| 015266 | LeMond Bld. Maint | 1,000.00 | 1,000.00 | 0.00 | 0.00% |
| 015273 | Environmental Health Insp. | 1,100.00 | 1,100.00 | 0.00 | 0.00% |
| 015280 | Building Inspection Fees | 1,600.00 | 400.00 | (1,200.00) | -75.00% |
| 015287 | General Insurance | 50% 13,880.00 | 15,055.00 | 1,175.00 | 8.47% |
| 015294 | Utilities - Gas and Elect. | 12,500.00 | 17,205.00 | 4,705.00 | 37.64% |
| 015301 | Telephone/Internet | 50% 6,100.00 | 6,150.00 | 50.00 | 0.82% |
| 015308 | Software / IT | 50% 3,000.00 | 3,000.00 | 0.00 | 0.00% |
| 015337 | Capital Outlay - LeMond | 9,000.00 | 0.00 | (9,000.00) | -100.00% |
| TOTAL | | 164,980.00 | 173,210.00 | 8,230.00 | 4.99% |

| LEGISLATIVE | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|--------------|-------------------------------|------------------|------------------|-----------------|---------------|
| 015378 | Dues registrations & Meetings | 12,000.00 | 15,000.00 | 3,000.00 | 25.00% |
| 015385 | Election Expense | 5,500.00 | 5,500.00 | 0.00 | 0.00% |
| 015392 | Council Stipends | 2,500.00 | 2,500.00 | 0.00 | 0.00% |
| TOTAL | | 20,000.00 | 23,000.00 | 3,000.00 | 15.00% |

| JUDICIAL | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|--------------|--------------------------------|------------------|------------------|--------------|--------------|
| 015406 | Dues, registrations & Training | 2,000.00 | 2,000.00 | 0.00 | 0.00% |
| 015413 | State Traffic Fees | 27,000.00 | 27,000.00 | 0.00 | 0.00% |
| 015420 | Prosecutor Fees | 1,500.00 | 1,500.00 | 0.00 | 0.00% |
| 015427 | IT/Software | 2,785.00 | 2,870.00 | 85.00 | 3.05% |
| TOTAL | | 33,285.00 | 33,370.00 | 85.00 | 0.26% |

| POLICE | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|---------------|----------------------------------|------------------|------------------|------------------|---------------------|
| 015455 | Dues, registrations & Training | 3,000.00 | 3,000.00 | 0.00 | 0.00% |
| 015462 | Uniforms | 2,000.00 | 2,000.00 | 0.00 | 0.00% |
| 015476 | Software / IT | 1,500.00 | 2,250.00 | 750.00 | 50.00% |
| 015483 | Supplies & Equipment | 5,000.00 | 5,000.00 | 0.00 | 0.00% |
| 015490 | Vehicle Fuel | 16,800.00 | 20,250.00 | 3,450.00 | 20.54% |
| 015497 | Vehicle Maint. | 3,450.00 | 3,450.00 | 0.00 | 0.00% |
| 015504 | Misc. Expense | 500.00 | 500.00 | 0.00 | 0.00% |
| 015506 | Code Enforcement Expense | 8,000.00 | 0.00 | (8,000.00) | |
| 015511 | Criminal Justice Grant - Vehicle | 0.00 | 50,000.00 | 50,000.00 | |
| TOTAL | | 40,250.00 | 86,450.00 | 46,200.00 | 114.78% |

| STREETS | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|----------------|-------------------------------|-------------------|-------------------|-----------------|---------------------|
| 015532 | Sealcoat Project | 50,000.00 | 50,000.00 | 0.00 | 0.00% |
| 015539 | Engineering - Sealcoat | 10,000.00 | 11,000.00 | 1,000.00 | 10.00% |
| 015546 | Street & Pothole Repair | 8,000.00 | 8,000.00 | 0.00 | 0.00% |
| 015553 | Utilities - Street Lighting | 33,000.00 | 42,000.00 | 9,000.00 | 27.27% |
| 015560 | Street Base Materials | 2,000.00 | 2,000.00 | 0.00 | 0.00% |
| 015567 | Street Sign Repairs | 750.00 | 750.00 | 0.00 | 0.00% |
| 015574 | Equipment Maint. | 11,500.00 | 11,000.00 | (500.00) | -4.35% |
| 015581 | Weed Control | 2,500.00 | 2,500.00 | 0.00 | 0.00% |
| 015588 | Spray License Fees & Training | 1,500.00 | 1,000.00 | (500.00) | -33.33% |
| TOTAL | | 119,250.00 | 128,250.00 | 9,000.00 | 7.55% |

| CITY PARKS | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|-------------------|-------------------|-------------------|-------------------|--------------------|---------------------|
| 015609 | City Park Maint. | 7,000.00 | 7,000.00 | 0.00 | 0.00% |
| 015617 | TP&W Rec Grant | 155,853.00 | 84,773.00 | (71,080.00) | |
| 015620 | Park Lighting | 0.00 | 3,000.00 | 3,000.00 | |
| 015623 | Utilities - Parks | 7,400.00 | 6,500.00 | (900.00) | -12.16% |
| TOTAL | | 170,253.00 | 101,273.00 | (68,980.00) | -40.52% |

| SANITATION | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|-------------------|---------------------------|-------------------|-------------------|------------------|---------------------|
| 015651 | Contracted Alley Service | 137,000.00 | 161,425.00 | 24,425.00 | 17.83% |
| 015652 | Contracted Fuel Adj. Fees | 0.00 | 15,000.00 | 15,000.00 | |
| 015658 | Recycle Center Disposal | 12,500.00 | 14,500.00 | 2,000.00 | 16.00% |
| 015665 | Plainview Recycle Prog. | 1,800.00 | 1,800.00 | 0.00 | 0.00% |
| 015672 | Tire Recycling | 1,200.00 | 900.00 | (300.00) | -25.00% |
| 015679 | Vector Control (Mosq.) | 5,000.00 | 10,000.00 | 5,000.00 | 100.00% |
| 015686 | Animal Control | 2,000.00 | 2,000.00 | 0.00 | 0.00% |
| TOTAL | | 159,500.00 | 205,625.00 | 46,125.00 | 28.92% |

| PAYROLL | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|--------------|------------------------|-------------------|-------------------|------------------|--------------|
| 017007 | Administrative Payroll | 94,745.00 | 100,120.00 | 5,375.00 | 5.67% |
| 017014 | Police Payroll | 179,282.00 | 194,790.00 | 15,508.00 | 8.65% |
| 017021 | Judicial Payroll | 22,942.00 | 18,880.00 | (4,062.00) | -17.71% |
| 017028 | Sanitation Payroll | 7,862.00 | 8,525.00 | 663.00 | 8.43% |
| 017035 | TML - Admin | 5,615.00 | 6,030.00 | 415.00 | 7.39% |
| 017042 | TML - Police | 22,450.00 | 24,115.00 | 1,665.00 | 7.42% |
| 017056 | TMRS - Admin | 4,690.00 | 5,405.00 | 715.00 | 15.25% |
| 017063 | TMRS - Police | 8,875.00 | 10,520.00 | 1,645.00 | 18.54% |
| 017098 | TWC | 50% 1,100.00 | 1,550.00 | 450.00 | 40.91% |
| 017105 | Workman's Comp | 100% 6,370.00 | 7,741.00 | 1,371.00 | 21.52% |
| 017175 | HR Expense | 500.00 | 500.00 | 0.00 | 0.00% |
| 017600 | Payroll Tax Expense | 7.66% 23,350.00 | 24,690.00 | 1,340.00 | 5.74% |
| TOTAL | | 377,781.00 | 402,866.00 | 25,085.00 | 6.64% |

| | | | | |
|------------------------------|---------------------|---------------------|------------------|--------------|
| TOTAL REVENUES | 1,116,219.00 | 1,186,614.00 | 70,395.00 | 6.31% |
| TOTAL EXPENSE | 1,116,219.00 | 1,186,614.00 | 70,395.00 | 6.31% |
| NET SURPLUS (DEFICIT) | 0.00 | 0.00 | | |

Water/Sewer Fund Budget

| OPERATING REVENUES | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|--------------------|------------------------|-------------------|-------------------|------------------|--------------|
| 024007 | Metered Water Sales | 525,000.00 | 563,186.00 | 38,186.00 | 7.27% |
| 024014 | Sewer Service Sales | 149,000.00 | 149,000.00 | 0.00 | 0.00% |
| 024021 | Late Fees | 18,200.00 | 19,200.00 | 1,000.00 | 5.49% |
| 024035 | ACH/CC Processing Fees | 7,000.00 | 7,200.00 | 200.00 | 2.86% |
| 024056 | Reconnection Fees | 8,700.00 | 8,700.00 | 0.00 | 0.00% |
| 024063 | Water Tap Fees | 2,400.00 | 2,400.00 | 0.00 | 0.00% |
| 024070 | Misc. Income | 1,000.00 | 1,000.00 | 0.00 | 0.00% |
| TOTAL | | 711,300.00 | 750,686.00 | 39,386.00 | 5.54% |

| NON-OPERATING REVENUES | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|------------------------------------|--------------------------------------------|-------------------|---------------------|-------------------|---------------|
| 024407 | CDBG Funds | 0.00 | 350,000.00 | 350,000.00 | |
| TOTAL | | 0.00 | 350,000.00 | 350,000.00 | |
| SLFRF | Fund Balance Transfer - Grant Match | 0.00 | 35,000.00 | 35,000.00 | |
| TOTAL REVENUE - ALL SOURCES | | 711,300.00 | 1,135,686.00 | 424,386.00 | 59.66% |

| ADMINISTRATION | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|----------------|--------------------------------|------------------|------------------|-------------------|---------------|
| 025007 | Accounting | 50% 9,450.00 | 8,800.00 | (650.00) | -6.88% |
| 025014 | Attorney Fees | 50% 4,500.00 | 4,500.00 | 0.00 | 0.00% |
| 025021 | Legal Publications | 50% 750.00 | 250.00 | (500.00) | -66.67% |
| 025028 | ACH/CC Expense | 5,500.00 | 0.00 | (5,500.00) | -100.00% |
| 025035 | Dues, registrations & Meetings | 50% 4,000.00 | 6,500.00 | 2,500.00 | 62.50% |
| 025042 | Office Supplies | 50% 4,000.00 | 4,000.00 | 0.00 | 0.00% |
| 025049 | Postage | 5,200.00 | 5,250.00 | 50.00 | 0.96% |
| 025063 | Equipment Leasing / Maint. | 4,500.00 | 6,400.00 | 1,900.00 | 42.22% |
| 025070 | Misc. Expense | 500.00 | 500.00 | 0.00 | 0.00% |
| TOTAL | | 38,400.00 | 36,200.00 | (2,200.00) | -5.73% |

| NONDEPARTMENTAL | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|-----------------|------------------------------------|-------------------|-------------------|------------------|---------------|
| 025105 | City Hall Maint. | 500.00 | 8,000.00 | 7,500.00 | 0.00% |
| 025112 | General Insurance | 50% 13,880.00 | 15,055.00 | 1,175.00 | 8.47% |
| 025119 | Utilities - Gas and Elect. | 8,600.00 | 9,870.00 | 1,270.00 | 14.77% |
| 025126 | Telephone/Internet | 50% 6,100.00 | 6,150.00 | 50.00 | 0.82% |
| 025133 | Software / IT | 50% 3,000.00 | 3,000.00 | 0.00 | 0.00% |
| 025147 | Pest Control | 1,320.00 | 1,320.00 | 0.00 | 0.00% |
| 025154 | Debt Service - Lease Purchase 2027 | 13,640.00 | 13,638.00 | (2.00) | -0.01% |
| 025168 | Transfer to General Fund | 110,674.00 | 126,762.00 | 16,088.00 | 14.54% |
| 025175 | Transfer to Capital Reserve | 0.00 | 0.00 | 0.00 | |
| TOTAL | | 157,214.00 | 175,795.00 | 18,581.00 | 11.82% |

| WATER / SEWER MAINTENANCE | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|----------------------------------|--------------------------------|-------------------|-------------------|-------------------|-----------------|
| 025560 | Dues, registrations & Training | 6,000.00 | 6,000.00 | 0.00 | 0.00% |
| 025567 | Uniforms | 3,200.00 | 2,500.00 | (700.00) | -21.88% |
| 025581 | Engineering Fees | 4,000.00 | 2,000.00 | (2,000.00) | -50.00% |
| 025588 | State Fees & Permits | 1,500.00 | 1,400.00 | (100.00) | -6.67% |
| 025595 | Production Utilities | 36,100.00 | 38,000.00 | 1,900.00 | 5.26% |
| 025602 | Lab Samples - Testing | 4,200.00 | 4,600.00 | 400.00 | 9.52% |
| 025609 | Building & Grounds Maint. | 1,000.00 | 1,000.00 | 0.00 | 0.00% |
| 025616 | Vehicle & Equip. Fuel | 14,000.00 | 17,000.00 | 3,000.00 | 21.43% |
| 025623 | Vehicle Maint. | 7,000.00 | 7,000.00 | 0.00 | 0.00% |
| 025630 | Equip. Maint. | 9,000.00 | 6,000.00 | (3,000.00) | -33.33% |
| 025644 | Materials & Supplies | 16,000.00 | 16,000.00 | 0.00 | 0.00% |
| 025651 | Water Sewer Treatment | 6,000.00 | 6,000.00 | 0.00 | 0.00% |
| 025658 | Utility Repairs & Maint. | 52,276.00 | 53,000.00 | 724.00 | 1.38% |
| 025665 | CDBG Grant Project | 0.00 | 385,000.00 | 385,000.00 | |
| TOTAL | | 160,276.00 | 545,500.00 | 385,224.00 | 240.35% |

| | | | | |
|--------------------------------|-------------------|-------------------|-------------------|----------------|
| TOTAL OPERATING EXPENSE | 355,890.00 | 757,495.00 | 401,605.00 | 246.44% |
|--------------------------------|-------------------|-------------------|-------------------|----------------|

| PAYROLL | | FY 21-22 | FY 22-23 | CHANGE | % Change |
|----------------|------------------------|-------------------|-------------------|------------------|-----------------|
| 027007 | Administrative Payroll | 89,740.00 | 103,055.00 | 13,315.00 | 14.84% |
| 027014 | W/S Maint Payroll | 189,000.00 | 198,335.00 | 9,335.00 | 4.94% |
| 027021 | TML - Admin. | 5,615.00 | 6,030.00 | 415.00 | 7.39% |
| 027028 | TML - Maint. | 28,063.00 | 24,115.00 | (3,948.00) | -14.07% |
| 027035 | TMRS - Admin. | 4,442.00 | 5,275.00 | 833.00 | 18.75% |
| 027042 | TMRS - Maint. | 9,256.00 | 10,055.00 | 799.00 | 8.63% |
| 027056 | TWC | 50% 1,100.00 | 0.00 | (1,100.00) | -100.00% |
| 027063 | Workman's Comp | 50% 6,370.00 | 7,741.00 | 1,371.00 | 21.52% |
| 027175 | HR Expense | 500.00 | 500.00 | 0.00 | 0.00% |
| 027600 | Payroll Tax Expense | 7.66% 21,324.00 | 23,085.00 | 1,761.00 | 8.26% |
| TOTAL | | 355,410.00 | 378,191.00 | 22,781.00 | 6.41% |

| | FY 21-22 | FY 22-23 | CHANGE | % Change |
|------------------------------|-------------------|---------------------|-------------------|-----------------|
| TOTAL REVENUES | 711,300.00 | 1,135,686.00 | 424,386.00 | 59.66% |
| TOTAL EXPENSE | 711,300.00 | 1,135,686.00 | 424,386.00 | 59.66% |
| NET SURPLUS (DEFICIT) | 0.00 | 0.00 | | |

Ad Valorem Tax Calculations

| <u>Certified Totals</u> | | <u>HCAD</u> <u>7/25/2022</u> |
|--------------------------------------------------------|----------|---------------------------------|
| Total Net Taxable Value | | \$51,660,819 |
| Total Value of Protested Property | + | \$0.00 |
| Transfer Adjustments | | \$0.00 |
| Total Tax Value, over 65 and Disabled | - | \$101,384 |
| Adjusted Tax Value | = | \$51,559,435 |
| Projected tax rate | x | \$0.6200 |
| Projected Levy without over 65/Disabled ceiling | = | \$319,668 |
| Total Levy to be collected over 65/Disabled | + | \$404 |
| Total Levy | = | \$320,072 |
| Anticipated Collection Rate (percentage) | x | 0.95 |
| Anticipated Levy Amount | = | \$304,069 |

| | |
|--------------------------|------------------|
| Proposed Tax Rate | \$0.6200 |
| Budgeted Tax Levy | \$304,069 |