

# City of Abernathy

P.O. Box 310  
Abernathy, Texas 79311

---

July 28, 2009

## **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, 2009 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 same basic level of services offered by the City as last year.

## **Introduction**

The FY 2009-2010 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 "add-on" 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 2008-2009
- Overview of Fiscal Year 2009-2010
- Key Changes in the Budget
- Overview of the Budget
- Payroll Schedule
- Cash on Hand
- Outstanding Obligations
- Summary and Conclusion

## **Major Accomplishments in 2008-2009**

The City has again enjoyed a fruitful year with several projects.

Work has continued in the park with the installation of electricity at the pavilion, improvements on the west parking lot, and ballpark improvements.

Annexation of the Jody Myatt Addition expanded our city limits. Utility line extensions are underway to better serve this area that are extendable west for future growth.

The street sign replacement project is now complete with new 911 access signs at each intersection in town.

Gated rail crossings were installed on FM 2060 and FM 597 as a result of the negotiated 11<sup>th</sup> St. closing. The 16<sup>th</sup> Street crossing was gated in 07-08.

Repairs were made to the downtown water tower.

During the last year, at least 7 new businesses opened and now call Abernathy home.

And finally, 5 new homes were located in Abernathy this year.

## Overview of Fiscal Year 2009-2010

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 \$75,000 for the Water Fund for future projects. Likewise, The Airport Fund as a Revenue Reserve Fund payment of \$8,200.

All Water Fund debt will end this year. The City will retire the debt by making our final payment on the 2000 series Certificate of Obligation in February.

Ad Valorem tax rate has been proposed at .50/\$100 valuation. This is equal to the rate used during last 3 years.

The rising cost of employee health insurance has continued to be a major financial concern for several years.

Another major influence on the Budget continues to be the cost of fuel. While fuel prices have relaxed from the \$4.00 per gallon we experienced last year, cuts in the budget made last year to keep the budget in check have only been relaxed slightly. All fuel allowances in the budget have decreased some this year.

In keeping 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.

## Key Changes in the 2009-2010 Budget

This budget as presented is structurally the same as previous years. Last year, a human resource allowance to the General Fund was added to allow an expense item for drug testing, advertising, and other items related to hiring.

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 \$417,738 in General Fund for the JAG grant and the HOME grant this budget. As in previous years, adjustments may be made as we acquire other grants.

**Revenues and Other Income** - Budgeted operational revenues are expected to increase \$36,245 over the budgeted revenues for Fiscal Year 2008-2009. The General Fund increased \$31,275, the Water Fund increased \$4,500 and the Airport fund increased \$470.

**Expenditures** – The General Fund has expenditures balanced with revenues. The Water and Airport funds reflect projected revenues surpassing expenses. The Water Fund has \$75,000 set aside for reserve transfers and the Airport Fund has \$8,200 set aside for the same.

**Capital Expenditures** - Scheduled replacements have been minimized due to budgetary constraints.

**Personnel** – Personnel additions are included in this year's budget in the parks department as we are a full approved staffing. In the previous year's budget, there was one vacancy in the approved staffing level.

## Overview of the 2009-2010 Budget

The General Fund budget is \$1,434,013. This amount represents an increase of \$449,013 from the FY08-09 Budget. This increase is largely associated with the JAG and HOME grants amounting to \$417,738.

The Water/Sewer Fund budget is \$651,000. This amount represents an increase of 4,500 over the FY08-09 Budget. This amount represents the basic operating costs of the fund related businesses and No Capital Improvement Projects are scheduled for this fund. An allowance of \$75,000 has been set aside for transfer to reserve at the end of the year.

The Airport Fund budget is \$13,900. This amount represents an increase of \$470 over the FY08-09 Budget. No Capital Improvement Projects are scheduled for this fund. An allowance of \$8,200 has been set aside for transfer to reserve at the end of the year.

Total combined income and expenditures for all funds for FY 2009-2010 totals **\$2,098,913.**

## General Fund Payroll

### FULL-TIME SALARIED

	<b>Police Salaries</b>	<b>Position</b>	<b>Base Salary</b>	<b>Pay Sup.</b>	<b>End Pay</b>
01-037	Ballard, Chris	Police Chief	\$43,286	\$375	\$43,661
01-048	Owen, Marc	Police Sgt.	\$31,956	\$275	\$32,231
01-047	Brightbill, Matt	Patrolman	\$28,840	\$275	\$29,115
01-046	Lancaster, Jason	Patrolman	\$29,705	\$275	\$29,980
	<b>Totals</b>		<b>\$133,787</b>	<b>\$1,200</b>	<b>\$134,987</b>

	<b>Administrative Salaries</b>	<b>Position</b>	<b>Base Salary</b>	<b>Pay Sup.</b>	<b>End Pay</b>
01-082	Cannon, Heilda	City Sec.	\$36,950	\$375	\$37,325
01-085	Cypert, Mike	City Mgr.	\$54,636	\$475	\$55,111
	<b>Totals</b>		<b>\$91,586</b>	<b>\$850</b>	<b>\$92,436</b>

	<b>Parks Salary</b>	<b>Position</b>	<b>Base Salary</b>	<b>Pay Sup.</b>	<b>End Pay</b>
01-357	Cortez, Andrew	Park Maint.	\$19,485	\$275	\$19,760
	<b>Totals</b>		<b>\$19,485</b>	<b>\$275</b>	<b>\$19,760</b>

### PART-TIME SALARIED

	<b>Employee</b>	<b>Position</b>	<b>Base Salary</b>	<b>Pay Sup.</b>	<b>End Pay</b>
01-110	Cecil, Oris	Fire Marshal	\$445	\$50	\$495
01-351	Hill, Hugh	10 hr.	\$11,435	\$100	\$11,535
		<i>Apportioned Municipal Judge</i>	\$8,326	\$75	--
		<i>Apportioned Building Inspector</i>	\$2,859	\$25	--
	<b>Totals</b>		<b>\$11,880</b>	<b>\$150</b>	<b>\$12,030</b>

### PART-TIME HOURLY

	<b>Employee</b>	<b>Position</b>	<b>Hourly Wage</b>	<b>Pay Sup.</b>
01-090	Olivas, Margaret	House Keeping	\$9.75	\$50
01-355	Middleton, Sharla	Librarian	\$8.50	\$50
01-356	Soles, Delisa Jo	Library Assistant	\$7.50	\$50
01-350	Gereau, Anton	Parks	\$7.25	\$50
01-358	Rameriz, Joe L	Parks	\$7.25	\$50

### PART-TIME DAILY

	<b>Employee</b>	<b>Position</b>	<b>Daily Wage</b>	<b>Pay Sup.</b>
01-092	Olivas, Joe	Cross Guard *	\$10.00	\$50

\* Changes to Lunch hour only

## Water/Sewer Fund Payroll

### FULL-TIME SALARIED

	<b>Administrative Salaries</b>	<b>Position</b>	<b>Base Salary</b>	<b>Pay Sup.</b>	<b>End Pay</b>
00-352	Krista Villa	Bookkeeper	\$25,351	\$275	\$25,626
	<b>Totals</b>		<b>\$25,351</b>	<b>\$275</b>	<b>\$25,626</b>

	<b>Water Dept. Salaries</b>	<b>Position</b>	<b>Base Salary</b>	<b>Pay Sup.</b>	<b>End Pay</b>
02-020	Grimsley, Mike	Water Supt.	\$41,507	\$375	\$41,882
02-051	Marez, Alfredo III	Water Dept.	\$26,035	\$275	\$26,310
02-026	Marquez, Enrique	Water Dept.	\$32,072	\$275	\$32,347
02-030	Ponce, Ruben	Water Dept.	\$28,097	\$275	\$28,372
01-088	Martinez, Oscar	Water Dept.	\$25,170	\$275	\$25,445
01-093	Brewer, Stephen	Park Maint.	\$19,485	\$275	\$19,760
	<b>Totals</b>		<b>\$152,881</b>	<b>\$1,475</b>	<b>\$154,356</b>

	<b>PART-TIME SALARIED</b>	<b>Position</b>	<b>Base Salary</b>	<b>Pay Sup.</b>	<b>End Pay</b>
02-031	Hall, Jettie	Water Clerk	\$9,924	\$100	\$10,024
	<b>Totals</b>		<b>\$9,924</b>	<b>\$100</b>	<b>\$10,024</b>

	<b>Summary Totals</b>		<b>444,905</b>		
--	-----------------------	--	----------------	--	--

## Cash on Hand

As of July 28, 2009

### Bank Balances

General Fund	\$	50,151.48
Water/Sewer Fund	\$	98,218.56
Airport Fund	\$	4,613.46
Total All Funds	\$	152,983.50

### Investments

General Fund	\$	404,288.11
Water/Sewer Fund	\$	341,758.99
Airport Fund	\$	40,786.76
Total All Funds	\$	786,833.86

### Cash on Hand – All Sources

General Fund	\$	454,439.59
Water/Sewer Fund	\$	439,977.55
Airport Fund	\$	45,400.22
Total All Funds	\$	939,817.36

# Outstanding Obligations

## Lease Purchases

### John Deere Motorgrader

<u>FY – Pmt. #</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2009-2010 - #3	\$16,412.50	\$14,957.77	\$1,454.74	\$16,138.31
2010-2011 - #4	\$16,412.50	\$15,668.26	\$744.24	\$0.00

### Fire Star Pumper Truck

<u>FY – Pmt. #</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2009-2010 - #3	\$13,841.51	\$10,388.56	\$3,452.95	\$60,904.70
2010-2011 - #4	\$13,841.51	\$10,897.49	\$2,944.02	\$49,753.35
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

## General Obligation Bond

### Certificate of Obligation - 2000 Issue

Feb	10	Prin.	\$45,000
Feb	10	Int.	\$1,350
<b>Total</b>			<b>\$46,350</b>

