



Budget

**For the Fiscal Year
Beginning April 1, 2022
Ending March 31, 2023**

Notice

THIS BUDGET SUPPORTS AN UNCHANGED PROPERTY TAX RATE OF \$0.903400/\$100.00 VALUATION. SAME REVENUE FROM PROPERTY TAXES OF LAST YEAR'S BUDGET WHICH IS A 0 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 \$2,631.00

CITY OF LORENZO
LIST OF ELECTED AND APPOINTED OFFICIALS

ELECTED

Tim Tiner	Mayor
Cheryl Birdwell	Mayor Pro-Tem
Karla Tiner	Councilwoman
Janet Peterson-Gonzales	Councilwoman
Rhonda Cypert	Councilwoman
Hilda Castillo	Councilwoman

APPOINTED

Michael Chambers	City Administrator
Lisa Hernandez	City Secretary
Chad Mobbs	Public Works Director
Irma Casias	Municipal Judge
Matt Wade	City Attorney

City of Lorenzo

P.O. Box 430
Lorenzo, Texas 79343

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

In accordance with the Civil Statutes of the State of Texas, the proposed budget for the fiscal year beginning April 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

The Fiscal Year 2022-2023 budget was developed to prepare a balanced base budget for the City of Lorenzo.

Salaries

Employee salaries were increased in the FY 2022-2023 budget for all employees. A 3% raise is proposed for the City Secretary, Public Works Director, City/Court Clerk, and Outside Maintenance.

GENERAL FUND

The General Fund provides for basic services of the city including Legislative, Administration, Sheriff Department contract, Street Maintenance, Water, Sewer, 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, Library, and Senior Citizens.

The General Fund receives revenues from property tax, sales tax, and franchise tax as well as Water/Sewer revenues, and other miscellaneous fees. The Ad Valorem tax base has a total net taxable value of \$35,993,887. No change to the ad valorem tax rate of \$0.90340/\$100 valuation has been adopted.

Major expenditures allocated in the General Fund include:

Streets - Sealcoat Project	\$49,500
Contract Garbage Collection	\$85,000
Payroll	\$242,000

AMERICAN RESCUE PLAN ACT FUND- GRANT ACCOUNT

The City has received notice of funds totaling \$281,980.42 as part of the American Rescue Act. This will be distributed in two tranches over two years. All spending of the funds will be appropriated by special council action as needed. We have already received the first half of it back in August. We are using the funds for fire hydrants. I am still in the process of receiving sealed bid. The 2nd half we receive I would like to purchase a vactron, and two fleet trucks with the city council's approval of course.

OUTSTANDING DEBT

Balance of all outstanding debt at present is \$52,100.40

Source of Debt:

De Lage Landen. for a lease purchase of the city backhoe on August 13, 2021. The total price of the backhoe is \$60,125.00. We pay a monthly lease of \$1,083.10. We are in a 36-month lease with the option of a buyout at the end of 36 months. The buyout will be \$21,133.40. I created a yearly Pay schedule is as follows:

Pmt. No.	Payment Date	Total Payment	Interest paid	principal paid	Early Redemption Value
1	3/31/2022	\$12,997.20	\$0	\$12,997.20	n/a
2	3/31/2023	\$12,997.20	\$0	\$12,997.20	n/a
3	3/31/2024	\$12,997.20		\$12,997.20	\$21,133.40
Totals		\$38,991.60	\$0	\$38,991.60	<u>\$21,133.40</u>

As of March 14, 2022 available cash includes:

Regular Checking Account	\$323,111.93
Certificates of Deposit	\$ 35,661.06
All Other Funds Total	\$142,483.91
 Total Funds	 \$501,256.90

RESERVE FUND STRATEGY

In the FY 21-22 financial audit, the City reported a cash balance of \$321,822.89 at the end of the fiscal year 21-22.

Budgeting – When the city's anticipated revenue will not cover expenses, reserve funds may be used to balance the budget. This budget **does not** include a reserve fund transfer.

Capital Improvement Projects – The general fund would 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 if needed. In the future we will be starting on the water tower project, but it is not estimated until next budget year.

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. We would use our general fund, and as of right now we could cover around 4-6 months if affected.

Debt – As of this date, the principal balance on all city debt is \$52,100.40 for an equipment lease/purchase of the city's backhoe. 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.

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 Lorenzo.

Respectfully submitted,



Michael Chambers, City Administrator

Ad Valorem Tax Calculations

Certified Totals **7/26/2021**

Total Net Taxable Value		\$35,993,877
Total Value of Protested Property	+	\$0.00
Transfer Adjustments		\$0.00
Total Tax Value, over 65 and disabled	-	\$0.00
Adjusted Tax Value	=	\$35,993,887
Projected tax rate		0.90340
Projected Levy	=	\$280,731.00
Total Levy	=	\$280,731.00

Adopted Tax Rate **\$0.90340**

Budgeted Tax Levy **\$280,731.00**

Major Accomplishments in 2021-2022

One of our biggest accomplishments of the 2021-2022 fiscal year, was the lift station project. Both of our lift stations were completely remodeled. Variable Frequency Drives were added to the lift station, this will help the life span of our pumps. There are (2) pumps in each lift station, so a total of (4) pumps. These are flight pumps these are the very best pumps, and they are very expensive, but worth every penny.

Our new backhoe is another addition that we absolutely needed. With the back boom on our old backhoe kept falling down and created a serious safety hazard. With the new backhoe it has work tremendously and we are enjoying it.

Well # 3 has a new motor/pump installed. With this well being our best produced well it will improve efficiency.

For the first time in years, we were able to do a seal coat. It consisted of west 5th and west 6th street, Van Buren between 5th and 6th St. Our goal is to continue the seal coating moving forward.

We had Washington street paved. Washington street was a nightmare consisting of pot holes everywhere. Now Washington street is smooth and looks great. I am hoping we can pave another street this budget year if we are able to.

Senior citizens have a new bathroom that was reimbursed by donation. The bathroom looks great. I know it is an old building, but it's doing ok now.

The new windows in the community center have created great sunlight in the building and definitely looks great. I know the windows were expensive, but I do feel it was a great addition.

We were able to replace the fire hydrant on the corner of 4th and Harrison. It is a great start, and I am in the process of having up to 6 more repaired. One thing we will need to do is have the road repaved for the parts we dig up. That way it will look professional. Rather than just putting caliche.

The new animal shelter was a big project that took some time, especially with us installing sewer/water lines having to bust through concrete, but it was well worth it!

Profit Loss Budget vs. Actual 2021 - 2022

	Adopted 21-22	Proposed 22-23	CHANGE	% Change
024000 Income Revenue				
024000 Revenue	\$ -	\$ -	-	
024007 Franchise Tax	\$ 45,000.00	\$ 50,000.00	(5,000.00)	11%
024014 Ad Valorem Tax Assessed	\$ 278,100.00	\$ 280,731.00	(2,631.00)	1%
024028 Sales Tax Revenue (from businesses)	\$ 50,000.00	\$ 56,000.00	(6,000.00)	12%
024063 Fines	\$ 8,000.00	\$ 8,000.00	-	0%
024098 Animal Control	\$ 500.00	\$ 500.00	-	0%
024112 Cemetery	\$ 4,000.00	\$ 4,000.00	-	0%
024119 Fire Department	\$ 1,800.00	\$ 2,500.00	(700.00)	39%
024126 Interest	\$ -	\$ -	-	
024132 LTF Adjustment	\$ 11,000.00	\$ 13,000.00	(2,000.00)	18%
024133 Rental Income	\$ 9,000.00	\$ 8,800.00	200.00	-2%
024134 Community Center	\$ 1,500.00	\$ 1,500.00	-	0%
024135 Senior Citizens	\$ 1,500.00	\$ 1,500.00	-	0%
024154 Extra Work	\$ 500.00	\$ 500.00	-	0%
024161 Miscellaneous Sales	\$ 20,000.00	\$ 27,769.00	(7,769.00)	39%
024168 State & Federal Revenue	\$ -	\$ -	-	
024169 Coronavirus Local Fiscal Fund	\$ -	\$ 141,000.00	(141,000.00)	100%
024203 Water Revenue	\$ 220,000.00	\$ 235,000.00	(15,000.00)	7%
024210 Sewer / Mosquito Revenue	\$ 135,000.00	\$ 133,000.00	2,000.00	-1%
024217 Water / Sewer Taps	\$ 500.00	\$ 500.00	-	0%
024224 Sanitation	\$ 105,000.00	\$ 101,000.00	4,000.00	-4%
024231 Utility Deposits	\$ 4,000.00	\$ 4,000.00	-	0%
TOTAL REVENUE	\$ 895,400.00	\$ 1,069,300.00	(173,900.00)	19%

	Adopted 21-22	Proposed 22-23	CHANGE	% Change
025000 Administrative Expenditures				
025007 Administrative Office Expense	\$ 8,000.00	\$ 8,000.00	-	0%
025010 Lorenzo Senior Citizens	\$ 1,500.00	\$ 1,500.00	\$	0%
025014 Attorney Fees	\$ 10,000.00	\$ 10,000.00	\$	0%
025021 Audit	\$ 11,200.00	\$ 10,000.00	\$ 1,200.00	-11%
025028 CCAD	\$ 9,500.00	\$ 9,500.00	\$	0%

025035 Council Expenditures	\$ 2,000.00	\$ 2,000.00	\$ -	0%
025042 Council Dues & Meetings	\$ 2,500.00	\$ 2,500.00	\$ -	0%
025044 Election Expense	\$ 7,500.00	\$ 4,000.00	\$ 3,500.00	-47%
025049 Liability / WC Insurance	\$ 26,000.00	\$ 26,000.00	\$ -	0%
025051 Janitorial	\$ 2,000.00	\$ 2,500.00	\$ (500.00)	25%
025053 Miscellaneous	\$ 1,000.00	\$ 1,500.00	\$ (500.00)	50%
025056 Administrative Dues & Schools	\$ 3,000.00	\$ 4,000.00	\$ (1,000.00)	33%
025058 Computer/software	\$ 12,000.00	\$ 12,000.00	\$ -	0%
025060 Supplies / Repairs	\$ 1,500.00	\$ 3,000.00	\$ (1,500.00)	100%
025063 Telephone	\$ 3,600.00	\$ 3,600.00	\$ -	0%
025065 Publications / Advertisements	\$ 6,000.00	\$ 6,000.00	\$ -	0%
025070 Utilities (Non-Electric)	\$ 5,000.00	\$ 5,000.00	\$ -	0%
TOTAL ADMINISTRATIVE EXP.	\$ 112,300.00	\$ 111,100.00	\$ 1,200.00	-1%

	Adopted 21-22	Proposed 22-23	CHANGE	% Change
025132 WATER/SEWER UTILITIES				
025140 Chemicals	\$ 11,000.00	\$ 12,000.00	(1,000.00)	9%
025168 Engineering Fees	\$ 8,000.00	\$ 10,000.00	(2,000.00)	25%
025175 Lab Analysis	\$ 4,000.00	\$ 4,000.00	-	0%
025182 Mosquito & Pest Control	\$ 1,000.00	\$ 1,500.00	(500.00)	50%
025196 Sewerplant/Collection	\$ 4,000.00	\$ 4,000.00	-	0%
025238 Water Plant / distribution	\$ 19,000.00	\$ 20,000.00	(1,000.00)	5%
025322 water utilities supplies, &equipment	\$ 11,000.00	\$ 15,000.00	(4,000.00)	36%
	\$ -		-	0%
025132 WATER/SEWER UTILITIES	\$ 58,000.00	\$ 66,500.00	(8,500.00)	15%

	Adopted 21-22	Proposed 22-23	CHANGE	% Change
025300 Public Works Expenditures				

025147 Common utility Exp	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	-	0%
025154 Public Works Dues & Schools	\$ 2,000.00	\$ 3,000.00	(1,000.00)		50%
025161 Electrical Utilities	\$ 51,000.00	\$ 56,000.00	(5,000.00)		0%
025203 Vehicle Expense	\$ 15,000.00	\$ 10,000.00	5,000.00		-33%
025205 Uniforms	\$ 4,000.00	\$ 5,000.00	(1,000.00)		25%
025210 Waste Disposal - Garbage	\$ 85,000.00	\$ 85,000.00	-		0%
025217 Waste Disposal - Roll Off	\$ 6,000.00	\$ 6,000.00	-		0%
025224 Waste Disposal Sales Tax	\$ 10,000.00	\$ 10,000.00	-		0%
025308 public works Supplies / Repairs	\$ 4,000.00	\$ 5,000.00	(1,000.00)		25%
025323 Streets	\$ 10,000.00	\$ 30,000.00	(20,000.00)		0%
025324 Equipment Maintenance	\$ 10,000.00	\$ 10,000.00	-		0%
025416 Animal Control	\$ 1,500.00	\$ 1,500.00	-		0%
TOTAL PUBLIC WORKS EXPENDITURES	\$ 200,500.00	\$ 223,500.00	(23,000.00)		11%

025405 Law Enforcement Expenditures	Adopted 21-22	Proposed 22-23	CHANGE	% Change
025406 Contract for Service	\$ 75,000.00	\$ 77,000.00	(2,000.00)	3%
TOTAL LAW ENFORCEMENT EXPENDITURES	\$ 75,000.00	\$ 77,000.00	(2,000.00)	3%

025460 Court Expenditures	Adopted 21-22	Proposed 22-23	CHANGE	% Change
025461 State Court Expense	\$ 2,000.00	\$ 2,000.00	-	0%
025472 Dues & Schools	\$ 500.00	\$ 1,000.00	(500.00)	100%
025474 Office Expense	\$ 3,000.00	\$ 3,000.00	-	0%
025475 Supplies / Repairs	\$ 1,000.00	\$ 500.00	500.00	-50%
TOTAL COURT EXPENDITURES	\$ 6,500.00	\$ 6,500.00	\$ -	0%
025489 Emergency Services Exp.	Adopted 21-22	Proposed 22-23	CHANGE	% Change
025490 Building Maintenance	\$ 2,500.00	\$ 3,000.00	(500.00)	20%
025504 Meetings & Calls	\$ 7,000.00	\$ 7,000.00	-	0%
025518 FD Vehicle Expense	\$ 5,000.00	\$ 5,000.00	-	0%
025532 Supplies / Equipment	\$ 2,500.00	\$ 3,000.00	(500.00)	20%
025560 Training, Schools & Dues	\$ 3,500.00	\$ 3,500.00	-	0%
025561 EMS Expense	\$ -	\$ 12,000.00	(12,000.00)	
TOTAL EMERGENCY SERVICES EXP.	\$ 20,500.00	\$ 33,500.00	(13,000.00)	63%

025622 Other Expenditures		Adopted 21-22	Proposed 22-23	CHANGE	% Change
025008	Postage permits card stock	\$ 3,500.00	\$ 5,000.00	(1,500.00)	43%
025009	printing and Copying	\$ 2,000.00	\$ 3,000.00	(1,000.00)	50%
025623	Community Center	\$ 8,000.00	\$ 1,500.00	6,500.00	-81%
025630	Cemetery	\$ 3,000.00	\$ 3,000.00	-	0%
025651	Building Repairs	\$ 12,500.00	\$ 5,000.00	7,500.00	-60%
TOTAL OTHER EXPENDITURES		\$ 29,000.00	\$ 17,500.00	11,500.00	-40%
025637 CAPITAL OUTLAY		Adopted 21-22	Proposed 22-23	CHANGE	% Change
025301	Seal Coat Project	\$ 50,000.00	\$ 49,500.00	500.00	-1%
025640	Backhoe	\$ 14,000.00	\$ 13,000.00	1,000.00	-7%
025413	Vehicle Purchase (Two Pick ups)	\$ -	\$ -	-	
Jayhawk		\$ 10,000.00	\$ -	10,000.00	-100%
TOTAL CAPITAL OUTLAY		\$ 74,000.00	\$ 62,500.00	11,500.00	-16%
GRANT EXPENDITURES		Adopted 21-22	Proposed 22-23	CHANGE	% Change
025646	Coronavirus local fiscal recovery expense	\$ -	\$ 141,000.00	(141,000.00)	
TOTAL GRANT EXPENDITURES		\$ -	\$ 141,000.00	(141,000.00)	
TOTAL PAYROLL EXPENDITURES		Adopted 21-22	Proposed 22-23	CHANGE	% Change
027007	Salaries / Wages	\$ 232,600.00	\$ 242,000.00	(9,400.00)	3%
027008	Longevity	\$ -	\$ 1,200.00	(1,200.00)	
027014	Part time Salary/Contract Labor	\$ 12,000.00	\$ 12,000.00	-	0%
027035	TMRS Retirement/Health Insurance	\$ 75,000.00	\$ 75,000.00	-	0%
TOTAL PAYROLL EXPENDITURES		\$ 319,600.00	\$ 330,200.00	(10,600.00)	3%
TOTAL EXPENDITURES		\$ 895,400.00	\$ 1,069,300.00	(173,900.00)	19%
TOTAL REVENUE		\$ 895,400.00	\$ 1,069,300.00	(173,900.00)	19%

City of Lorenzo

Memo to: Mayor Tiner and City Council
From: Michael Chambers City Administrator
Subject: Staff Salaries for 2022-2023

I recommend the following for the 2022-2023 budget year: 3% raise

I have included "Longevity pay" for December. This is an incentive for employees as a thank you for years of service. 1-5 years = 10 Hours of pay. 6-9 years = 15 hours of pay. 10+ years = 20 hours of pay

1. **City Administrator, Michael Chambers:**
A Salary of **\$62,500.00** which would be a 0% increase.
Current salary is \$62,500.00
2. **City Secretary, Lisa Hernandez**
A salary of **\$44,557.80** including Longevity of 15 hours to be paid on December 15th.
Current salary is \$43,260.00
3. **Public Works Director, Chad Mobbs**
A salary of **\$45,068.29** including Longevity of 15 hours to be paid on December 15th.
Current salary is \$43,755.62.
4. **City Utility/Court Clerk, Isabel Martinez**
A salary of **\$27,851.20** including Longevity of 10 hours to be paid on December 15th.
Current salary is \$27,040.00.
5. **Outside Maintenance, Scott Sanders**
A salary of **\$31,491.20** including Longevity of 10 hours to be paid on December 15th.
Current salary is \$30,580.00
6. **Outside Maintenance:**
A salary of **\$24,960** including Longevity of \$100 to be paid on December 15th.
Current salary is 24,960.00
7. **Municipal Judge, Irma Casias:**
A salary of **\$4,800** including \$50 to be paid on December 15th.
Current salary is \$4,800

This is my recommendation to Mayor Tiner and the City Council to concur with the above request for the salaries for the employees for the City of Lorenzo.