



**Adopted Budget**  
**For the Fiscal Year**

**Beginning April 1, 2026**  
**Ending March 31, 2027**

**Notice**

**THIS BUDGET SUPPORTS A LOWERED PROPERTY TAX RATE OF \$0.899766/\$100.00 VALUATION.**

**THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$1,799 OR 0.51%, AND OF THAT AMOUNT, \$851 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.**

**Tax Impact Statement FY 26-27**

<b>2024 Average Taxable Value of Residence</b>	<b>2025 Average Taxable Value of Residence</b>
\$85,630	\$93,840
<b>2024 Tax Rate</b>	<b>2025 Tax Rate</b>
0.909170	0.899766
<b>2024 Tax Due on Average Taxable Value Homestead</b>	<b>2025 Tax Due on Average Taxable Value Homestead</b>
\$778.52	\$844.34

**Budget created and prepared by: Michael Chambers, City Manager**

**Budget Adopted by City Council on March 23, 2026**

# CITY OF LORENZO

## LIST OF ELECTED AND APPOINTED OFFICIALS

### ELECTED

<b>Lori Landin</b>	<b>Mayor</b>
<b>Cheryl Birdwell</b>	<b>Mayor Pro-Tem</b>
<b>Earlene Rampy</b>	<b>Councilwoman</b>
<b>Janet Peterson-Gonzales</b>	<b>Councilwoman</b>
<b>Rhonda Cypert</b>	<b>Councilwoman</b>
<b>Steven Longoria</b>	<b>Councilman</b>

### APPOINTED

<b>Michael Chambers</b>	<b>City Manager</b>
<b>Lisa Hernandez</b>	<b>City Secretary</b>
<b>Chad Mobbs</b>	<b>Public Works Director</b>
<b>Irma Casias</b>	<b>Municipal Judge</b>
<b>Matt Murray</b>	<b>City Attorney</b>

**The members of the governing body voted on the budget as follows:**

<b>Councilwoman Earlene Rampy</b>	<b>AYE</b>
<b>Councilwoman Cheryl Birdwell</b>	<b>AYE</b>
<b>Councilwoman Janet Peterson-Gonzales</b>	<b>AYE</b>
<b>Councilwoman Rhonda Cypert</b>	<b>AYE</b>
<b>Councilman Steven Longoria</b>	<b>AYE</b>

# City of Lorenzo

P.O. Box 430  
Lorenzo, Texas 79343

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March 23, 2026

## **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, 2026 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 2026-2027 budget was developed to prepare a balanced base budget for the City of Lorenzo.

Expenses in the General Fund have increased by 13.7% or \$174,950.00. Main reason for this is the new fire truck the city is getting.

## **PERSONNEL**

Payroll activities account for the single largest expense. The following are included in calculating payroll activities: Salaries/ wages, insurance, and retirement. Payroll amounts to 25.6% of the city's budgeted operational expenses. Personnel cost with benefits total \$371,500.00. In FY 25-26, Payroll amounts to 28.4% of the city's budgeted operational expenses. Personnel cost with benefits total \$361,000.00.

The budget provides the funding for six full-time employees, and one part-time employee.

## **Salaries**

Employee salaries were increased in the FY 2026-2027 budget. A cost-of-living increase of 3% have been proposed for all full-time employees.

## **GENERAL FUND**

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

The General Fund receives revenues from property tax, local sales tax, and franchise tax as well as revenues from water and sewer. The Ad Valorem tax base has a total net taxable value of \$39,218,717.00 The ad valorem tax rate has decreased and is now the adopted rate of \$0.899766/\$100 valuation.

Notable expenditures allocated in the General Fund Include:

New fire truck (95% Grant)	\$204,650
Sanitation (Caprock Waste)	\$150,000
Crosby County Sheriff Department (contract)	\$80,000

## OUTSTANDING DEBT

Balance of all outstanding debt as of 03/02/2026 is \$ 981,000.00.

Water Fund Debt	Description	FY 2026-2027 Payment
2021	Backhoe Payment	\$0
2023	Water Tower/Fire Hydrant Improvements	\$35,565.00

## USDA RURAL DEVELOPMENT

**Repayment-** Our project funding consists of a 55% loan which is \$999,000 & 45% Grant which is \$791,000. This is a 40-year loan with a 1.75% interest rate. Our annual payment is \$35,565.00. The City will pay annually a principle plus interest payment on April 5th, and an interest only payment on October 5th. Total payment for the FY 26-27 will be the \$35,565.00. Starting FY 26-27 I will start transferring \$3,000 a month from the General Fund to the USDA Loan Fund this way it's not one huge transfer in the month of March.

**Security-** The loan has been secured by a Revenue bond with first lien position on water revenue in the amount of \$999,000. The bond will be fully registered as to both principal and interest in the name of the United States of America, Acting through the United States Department of Agriculture.

**Loan-** As of today we have a balance of \$981,000.

## RESERVES FOR USDA RURAL DEVELOPMENT

**Debt Service Reserve-** As part of the agency loan proposal, we must establish a debt service reserve fund equal to at least one annual loan installment that accumulated at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. **We have one full payment in the Debt Service Reserve.**

**Short-Lived Asset Reserve-** In addition to the debt service reserve fund we must establish a short-lived asset reserve fund. Per letter of conditions, we have to transfer \$7,033 annually for the life of the loan to pay for repairs and/or replacement of major system assets. It is our responsibility to assess our facility's short-lived asset needs on a regular basis and adjust the amount deposited to meet those needs.

As of February 25, 2026 available cash includes:

CHECKING ACCOUNTS	\$509,381.02
CD SAVINGS FUND	\$40,372.71
TEXPOOL	\$21,805.24
<b>TOTAL FUNDS</b>	<b>\$571,558.97</b>

**\*\*\*Out of the total funds \$232,645.09 are Restricted Funds. (USDA, Grant Funds, and Property Clean-up Fund\*\*\***

## RESERVE FUND STRATEGY

In the FY 24-25 financial audit, the City reported a cash balance of \$405,934.00 at the end of the fiscal year 24-25.

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 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.

Emergency Fund - Emergency funds typically consist of at least 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. This is what surplus is for. If available

Debt – As of this date, the principal balance on all city debt is \$981,000.00 for an equipment lease of the city’s backhoe and for the USDA Rural Development for water improvements. This debt is secured by water system revenue.

Long Range Planning – Replacing all fire hydrants within the city limits. A chip/seal program to pave all streets that are currently dirt roads by 2033.

Short Range Planning- Painting both of the ground storage tanks at the Water Treatment Plant.

## 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 City 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.

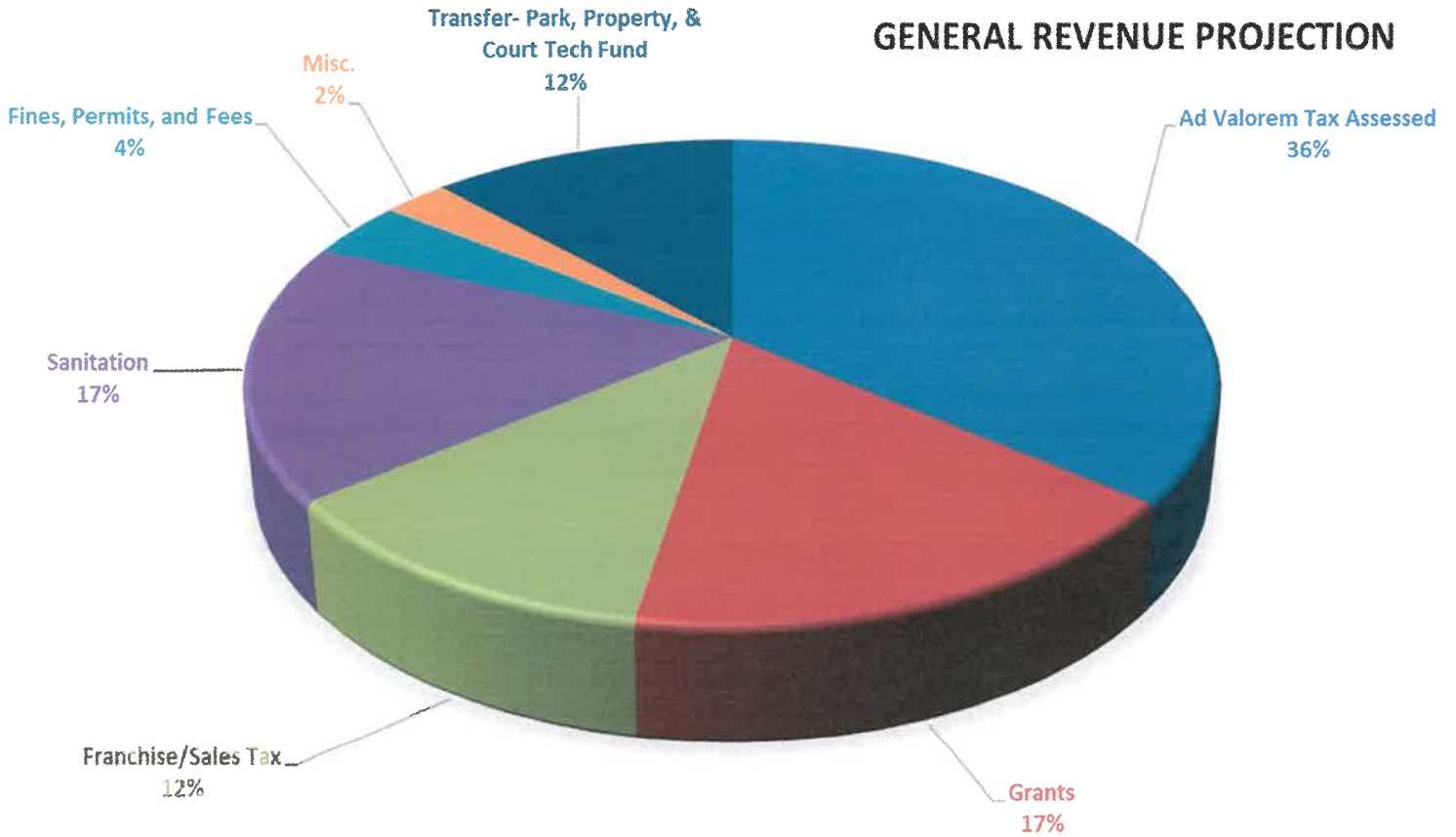
It is hoped that this budget reflects the thinking and policies of the City Council and is representative of the desires of the Citizens of Lorenzo.

Respectfully submitted,

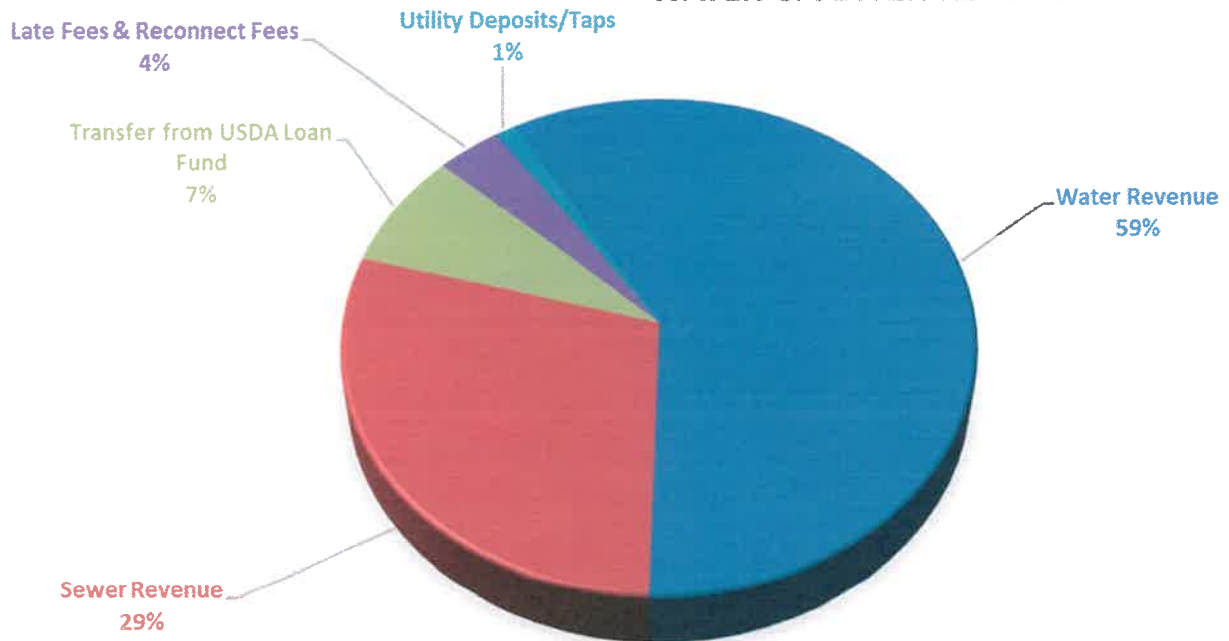


Michael Chambers,  
City Manager

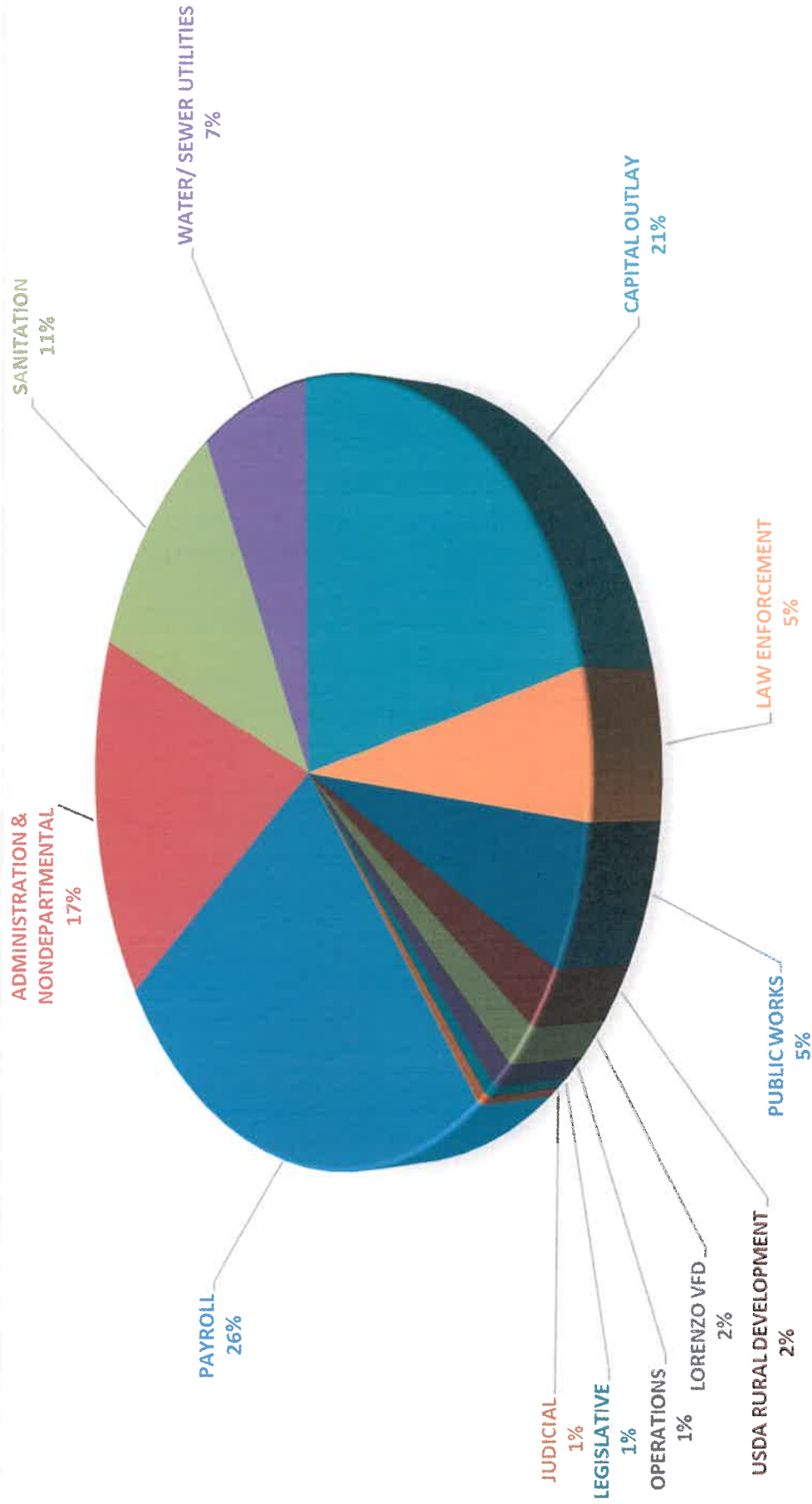
## GENERAL REVENUE PROJECTION



## WATER & SEWER REVENUE PROJECTION



# EXPENDITURES BY CATEGORY



	<b>General Revenue</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
24007	Franchise Tax	\$ 56,000.00	\$ 52,000.00
24014	Ad Valorem Tax Assessed	\$ 351,000.00	\$ 352,000.00
24028	Local Sales Tax	\$ 59,000.00	\$ 63,250.00
24063	Fines	\$ 12,000.00	\$ 8,000.00
24098	Animal Control	\$ 2,000.00	\$ 1,000.00
24112	Cemetery	\$ 4,000.00	\$ 5,000.00
24119	Fire Department	\$ 2,000.00	\$ 4,000.00
24126	Interest	\$ 4,000.00	\$ 8,000.00
24133	Rental Income	\$ 8,800.00	\$ 8,800.00
24134	Community Center	\$ 1,500.00	\$ 1,500.00
24135	Senior Citizens	\$ 1,200.00	\$ 1,200.00
24154	Extra Work	\$ 500.00	\$ 500.00
24161	Miscellaneous Sales	\$ 10,000.00	\$ 1,200.00
24161	Misc. Reimbursement	\$ -	\$ 11,800.00
24161	Misc. Opioid Settlement	\$ -	\$ -
24166	TCG Property Bids	\$ 2,800.00	\$ 12,000.00
24170	USDA RD Income	\$ -	\$ -
24224	Sanitation	\$ 165,000.00	\$ 156,000.00
24226	Sanitation Sales Tax	\$ 9,000.00	\$ 13,000.00
	Park Fund Transfer	\$ -	\$ 27,000.00
	Property Fund Transfer	\$ 20,000.00	\$ 89,000.00
	Court Tech Fund Transfer	\$ 3,500.00	\$ 3,500.00
	LVFD Grant-Fire Truck	\$ -	\$ 165,000.00
	<b>General Revenue Total</b>	<b>\$ 712,300.00</b>	<b>\$ 983,750.00</b>

	<b>Water/Sewer Revenue</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
24132	Late Fees & Reconnect Fees	\$ 18,000.00	\$ 17,000.00
24203	Water Revenue	\$ 300,000.00	\$ 275,000.00
24204	Water Taps	\$ 1,500.00	\$ 1,500.00
24210	Sewer / Mosquito Revenue	\$ 133,000.00	\$ 135,000.00
24217	Sewer Taps	\$ 500.00	\$ 500.00
24231	Utility Deposits	\$ 3,000.00	\$ 3,500.00
	Grant Fund Transfer	\$ 73,000.00	\$ -
	USDA Loan Fund Transfer	\$ 35,565.00	\$ 35,565.00
	<b>Water/Sewer Revenue Total</b>	<b>\$ 564,565.00</b>	<b>\$ 468,065.00</b>

	<b>REVENUE COMBINED</b>	<b>\$ 1,276,865.00</b>	<b>\$ 1,451,815.00</b>
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	<b>ADMINISTRATION Expense</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
25014	Attorney Fees	\$ 9,000.00	\$ 13,500.00
25021	Audit	\$ 15,500.00	\$ 14,500.00
25028	CCAD	\$ 15,500.00	\$ 16,000.00
25053	Miscellaneous	\$ 2,000.00	\$ 1,000.00
25056	Dues & Schools	\$ 7,000.00	\$ 5,500.00
25058	Computer/Software	\$ 13,750.00	\$ 16,750.00
25060	Supplies/Repairs/Expense	\$ 8,000.00	\$ 6,500.00
25065	Publications / Advertisements	\$ 4,000.00	\$ 4,500.00
25205	Uniforms (Administration)	\$ 200.00	\$ -
	<b>Administration Total</b>	<b>\$ 74,950.00</b>	<b>\$ 78,250.00</b>

	<b>Non-Departmental Expense</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
25008	Postage & Mailing	\$ 6,000.00	\$ 4,000.00
25009	Printing & Copying	\$ 3,000.00	\$ 3,000.00
25010	Lorenzo Senior Citizens	\$ 1,500.00	\$ 1,200.00
25049	TML Insurance	\$ 40,000.00	\$ 43,000.00
25051	Janitorial	\$ 2,500.00	\$ 2,000.00
25063	Telephone	\$ 3,600.00	\$ 3,600.00
25070	Utilities (Non-Electric)	\$ 7,000.00	\$ 7,000.00
25147	Common utilities	\$ 2,000.00	\$ 1,000.00
25161	Electrical Utilities	\$ 76,200.00	\$ 76,200.00
25623	Community Center	\$ 1,000.00	\$ 1,000.00
25630	Cemetary	\$ 3,000.00	\$ 3,000.00
25651	Building Repairs	\$ 8,500.00	\$ 10,500.00
25655	Property Clean up	\$ 20,000.00	\$ 9,000.00
	<b>Non-Departmental Total</b>	<b>\$ 174,300.00</b>	<b>\$ 164,500.00</b>

	<b>Legislative Expense</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
25035	Council Expenditures	\$ 1,000.00	\$ 1,000.00
25042	Council Dues & Meetings	\$ 2,500.00	\$ 2,500.00
25043	TML Annual Conference	\$ -	\$ -
25044	Election Expense	\$ 10,000.00	\$ 5,000.00
	<b>Legislative Total</b>	<b>\$ 13,500.00</b>	<b>\$ 8,500.00</b>

	<b>Water/Sewer Expense</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
25140	Chemicals	\$ 15,000.00	\$ 11,000.00
25154	Dues & Schools	\$ 3,000.00	\$ 2,000.00
25168	Engineering Fees	\$ -	\$ 6,000.00
25175	Lab Analysis	\$ 4,000.00	\$ 3,500.00
25182	Mosquito & Pest Control	\$ 2,500.00	\$ 2,500.00
25196	Sewerplant & Collections	\$ 8,000.00	\$ 8,500.00
25203	Vehicle Expense	\$ 18,000.00	\$ 14,500.00
25205	Uniforms	\$ 6,000.00	\$ 6,000.00
25238	Water Plant & Distribution Supplies	\$ 20,000.00	\$ 20,000.00
25322	Water Utility Tools, & Equipment	\$ 20,000.00	\$ 20,000.00
25324	Equipment Maintenance	\$ 14,000.00	\$ 12,000.00
25640	Backhoe	\$ 13,000.00	\$ -
	<b>Water/SewerTotal</b>	<b>\$ 123,500.00</b>	<b>\$ 106,000.00</b>

	<b>Public Works Expense</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
25301	Paving Streets	\$ 40,000.00	\$ 65,000.00
25308	Public Works Supplies & Repairs	\$ 7,000.00	\$ 6,500.00
25323	Streets	\$ 10,000.00	\$ 5,000.00
25416	Animal Control	\$ 2,000.00	\$ 1,000.00
25636	Public Works Miscellaneous	\$ 4,500.00	\$ 2,500.00
	<b>Public Works Total</b>	<b>\$ 63,500.00</b>	<b>\$ 80,000.00</b>

	<b>Sanitation Expense</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
25210	Waste Disposal - Garbage	\$ 156,000.00	\$ 150,000.00
25217	Waste Disposal - Roll Off	\$ 6,000.00	\$ 3,000.00
25224	Waste Disposal - Sales Tax	\$ 9,000.00	\$ 13,000.00
	<b>Sanitation Total</b>	<b>\$ 171,000.00</b>	<b>\$ 166,000.00</b>

	<b>Law Enforcement Expense</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
25406	Crosby County Sheriff Dept.	\$ 80,000.00	\$ 80,000.00
	<b>Law Enforcement Total</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>

	<b>Judicial Expense</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
25461	State Court Expense	\$ 3,000.00	\$ 2,000.00
25472	Dues & Schools	\$ 1,000.00	\$ 750.00
25474	Office Software	\$ 3,500.00	\$ 3,250.00
25475	Office Supplies & Expense	\$ 1,000.00	\$ 1,500.00
	<b>Judicial Total</b>	<b>\$ 8,500.00</b>	<b>\$ 7,500.00</b>

<b>Lorenzo VFD Expense</b>		<b>FY 25-26</b>	<b>FY 26-27</b>
25490	Building Maintenance/Repairs	\$ 3,000.00	\$ 2,050.00
25497	Disability Insurance	\$ 1,000.00	\$ 800.00
25504	Meetings & Calls	\$ 10,000.00	\$ 10,500.00
25518	Vehicle Expense	\$ 10,500.00	\$ 7,000.00
25531	LVFD Uniforms	\$ -	\$ 500.00
25532	Supplies & Equipment	\$ 5,000.00	\$ 3,000.00
25560	Training, Schools, & Dues	\$ 3,500.00	\$ 3,500.00
	<b>Lorenzo VFD Total</b>	<b>\$ 33,000.00</b>	<b>\$ 27,350.00</b>
<b>Capital Outlay Expense</b>		<b>FY 25-26</b>	<b>FY 26-27</b>
25135	Texas Parks Grant Expense	\$ 27,000.00	\$ 27,000.00
25242	Ground Storage Repair	\$ -	\$ -
25642	TxCDBG Grant	\$ 15,000.00	\$ -
	Home Program Expense	\$ -	\$ 80,000.00
25646	Covid Local Fiscal Recovery	\$ 73,000.00	\$ -
25647	Fire Hydrant Expense	\$ 9,050.00	\$ -
	LVFD Grant Expense-Truck	\$ -	\$ 204,650.00
	<b>Capitol Outlay Total</b>	<b>\$ 124,050.00</b>	<b>\$ 311,650.00</b>

<b>USDA RD Expense</b>		<b>FY 25-26</b>	<b>FY 26-27</b>
25668	USDA Water Project	\$ -	\$ -
25669	USDA Engineering Fees	\$ -	\$ -
25671	USDA Annual Payment	\$ 35,565.00	\$ 35,565.00
	<b>USDA RD Total</b>	<b>\$ 35,565.00</b>	<b>\$ 35,565.00</b>

<b>Operations Expense</b>		<b>FY 25-26</b>	<b>FY 26-27</b>
27014	Contracts	\$ 13,000.00	\$ 13,000.00
27015	City Membership & Dues	\$ 1,000.00	\$ 2,000.00
	<b>Operations Total</b>	<b>\$ 14,000.00</b>	<b>\$ 15,000.00</b>

<b>Payroll Expense</b>		<b>FY 25-26</b>	<b>FY 26-27</b>
27007	Salaries	\$ 272,000.00	\$ 278,500.00
27021	TML Health Insurance	\$ 67,000.00	\$ 70,000.00
27035	TMRS Retirement	\$ 22,000.00	\$ 23,000.00
	<b>Payroll Total</b>	<b>361,000.00</b>	<b>371,500.00</b>

<b>TOTAL REVENUES</b>	<b>\$ 1,276,865.00</b>	<b>\$ 1,451,815.00</b>
<b>TOTAL EXPENSE</b>	<b>\$ 1,276,865.00</b>	<b>\$ 1,451,815.00</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>

## Ad Valorem Tax Calculations

**Certified Totals** **07/07/2025**

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Total Net Taxable Value		\$39,218,717
Total Value of Protested Property	+	\$0.00
Transfer Adjustments		\$0.00
Total Tax Value, over 65 and disabled	-	\$0.00
<b>Adjusted Tax Value</b>	<b>=</b>	<b>\$39,218,717</b>
Projected tax rate	x	0.899766
<b>Divide by 100 = Projected Levy</b>		
<b>Projected Levy</b>	<b>=</b>	<b>\$352,877.00</b>
<b>Total Levy</b>	<b>=</b>	<b>\$352,877.00</b>

**Adopted Tax Rate** **\$0.899766**

**Budgeted Tax Levy** **\$352,000.00**



## **2026-2027 Holiday Schedule**

New Year's Day
Martin Luther King, Jr. Day
President's Day
Good Friday
Memorial Day
Juneteenth
Independence Day
Labor Day
Columbus Day
Veteran's Day
Thanksgiving & Friday After Thanksgiving
Christmas Eve & Christmas Day (Dec 24-25)