

**City of Muleshoe**  
**FY2009-2010**  
**Annual Operating Budget**

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

In compliance with the provisions of the Civil Statutes of the State of Texas and the Charter of the City of Muleshoe, the FY2009-2010 Annual Operating Budget was duly adopted by the Muleshoe City Council at a regular meeting held on September 14, 2009. The budget is the city's financial plan for the operation of the city for the fiscal year October 1, 2009 through September 30, 2010.

The FY 2009-2010 budget is balanced without the use of fund balances from prior years.

**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, Animal Control and Airport.

The General Fund is funded with revenues from property tax, sales tax, and franchise tax as well as transfers from the Water/Wastewater Fund and other miscellaneous fees. The City Council adopted a Maintenance and Operation tax rate of \$0.6550 per \$100 evaluation to fund the FY2008-2009 budget. This tax rate is the as the tax rate adopted for the FY2008-2009 Budget and will reduce property tax revenues by \$6,616 (.23%).

Major capital improvement projects allocated in the General Fund include; \$25,000 for City Hall improvements, \$26,000 for Police Department vehicle replacement, \$25,128 as match funds for a grant to the Police and Fire Departments to complete the required radio upgrade, \$36,250 annual payment for the 2008 Fire Department pumper truck, \$15,000 for new softball facility, and \$18,000 for new library books and other media.

**Enterprise Funds**

Enterprise Funds are used to account for the city's "business-like" activities such as the Water/Wastewater Department. Revenues for Enterprise Funds are generated through fees that specifically pay for these services. A portion of the fund balances generated in the city's Water/Wastewater fund are transferred to the General Fund and to the Capital Projects Fund.

Water and wastewater rates for the FY 2009-2010 budget are unchanged from the FY2008-2009 budget. Water and wastewater fees provide funds for infrastructure improvements and expansion, and to retire Certificates of Obligation debt.

Major capital improvement projects for the Water/Wastewater Department include; \$28,000 for water mains and taps, \$10,000 for meters and settings and \$50,000 for water well improvements (SCADA System).

## **Certificates of Obligation Funds**

The City of Muleshoe issued \$4,000,000 in Certificates of Obligation in December of 2007. These funds are designated to provide for capital improvement projects including; \$500,000 for sewer line extension, \$500,000 for Police Department, \$1,000,000 for wastewater treatment facility expansion, \$500,000 for water storage tank upgrade, and \$1,500,000 for new aquatic facility.

The Certificates of Obligation are payable over a twenty (20) year period. Payments for the Certificates of Obligation are allocated 62% (\$186,904) to the Water/Sewer Fund and 38% (\$116,401) to Property Tax.

## **Special Revenue Funds**

Special Revenue Funds account for revenues generated for specific purposes. Use of revenues from Hotel/Motel taxes, Economic Development sales tax, and grants are statutorily restricted and can only be used for legally allowed projects and programs.

Expenditure of revenues from Hotel/Motel taxes are authorized to promote activities and events that impact the hotel/motel industry within the city and to provide funding for tourism and historical preservation.

Economic Development sales tax revenue is used to promote the growth of manufacturing and industrial activities in and around Muleshoe.

## **Personnel**

Salary and benefit adjustments are included in this budget as recommended by the City Manager and Department Heads and approved by the City Council.

### Salaries:

This budget provides for a \$50.00 per month increase for all employees. This increase is an overall increase of 2.3% from the FY2008-2009 Budget.

### Insurance

In response to the ever increasing cost of medical insurance cost, the City Manager and Department Heads recommended significant changes to the employee and dependent medical insurance coverage provided by the city. Those changes include a \$2,000 deductible for medical coverage and \$5,000 out-of-pocket expenses.

These changes resulted in a 28% decrease in employee insurance costs. A portion of that savings was returned to the employee in the form of a \$50.00 per month salary adjustment to help offset the additional deductible and out-of-pocket medical expense.

## Retirement

The City's portion of employee retirement increased 4.8%.

Salaries and employee benefits account for 38.25% of the city's total FY2009-2010 budget.

## **Summary**

The FY2009-2010 Annual Operating Budget for the City of Muleshoe is the product of many hours of deliberation and consideration by the City Council, Department Heads, Administrative, and Financial staff. I firmly believe that this financial plan indicates the commitment of the city to continue to provide excellent efficient services to the citizens of Muleshoe and provides a plan to implement and develop growth within the city.

David Brunson  
City Manager