

**City of Muleshoe
FY2011-2012
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 FY2011-2012 Annual Operating Budget was duly adopted by the Muleshoe City Council at a regular meeting held on September 12, 2011. The budget is the city's financial plan for the operation of the city for the fiscal year October 1, 2011 through September 30, 2012.

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 2011 tax base decreased 3.52% from last year. The City Council adopted the effective tax rate of \$0.6178 per \$100 evaluation to fund the Maintenance and Operation needs of the city. This tax rate is \$0.0218 (3.6%) higher than last year's tax rate.

Major capital improvements projects allocated in the General Fund Include:

Police Department

Vehicles – \$40,600

Fire Department

Vehicles (pumper and grass fire trucks) - \$86,250

Parks

Disc Golf Course - \$12,000

Playground Equipment - \$20,000

Concession Stand/Restroom for Softball Field - \$15,000

Interest and Sinking Fund

The Interest and Sinking Fund is a clearing account for the Certificates of Obligation payments. Funds are transferred in from the General Fund (\$116,254) and Water & Sewer Fund (\$185,559).

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 2011-2012 budget are unchanged from the FY2010-2011 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:

Water & Sewer

- Wastewater Treatment Plant Improvements - \$1,500,000
- Water System Improvements (wells, pumps, motors, and meters) - \$60,000
- Water Mains and Taps - \$20,000
- Vehicles - \$14,000

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 2.1% salary increase for city employees.

Insurance

In order to better serve a workforce with diverse health coverage needs, this year the city offered an option to employees for medical insurance that allowed the employee to choose from eight (8) medical plans. The plans offered various deductibles, out-of-pocket expenses, and co-pays. The city contributes \$279.38 toward the employee's health insurance coverage and \$253.10 for dependent health insurance coverage. The employee pays varying amounts depending on which coverage is selected.

The city also provides \$35.18 for employee dental and vision insurance.

Salaries and employee benefits account for 29.73% of the city's total FY2011-2012 budget.

Summary

The FY2011-2012 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