

## Cover Page

This Cover Page and the following disclosures are required by State Law.

**"THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$42,669 OR 1% AND OF THAT AMOUNT, \$30,479 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR."**

	FY 2017	FY 2018
Actual Property Tax Rate	.78	.77
Effective Tax Rate	.7526	.750824
Rollback Tax Rate	.896592	.809617
Debt Tax Rate	.083533	.084177
City Debt Obligations	\$5,570,000	\$4,800,000
LEDC Debt Obligations	\$3,265,000	\$3,070,000
LCDC Debt Obligations	\$4,005,000	\$3,825,000

### **City Council meeting of September 11, 2017.**

Motion by Billy Youngblood, second by Joe Bill Vardeman, to approve Ordinance #1024 setting the 2017 tax rate at \$.77.

FOR: Joe Bill Vardeman, Billy Youngblood, Mayor Barbra Pinner

AGAINST: Jim Myatt, Max Ledesma

ABSTAIN or NOT VOTING: None

ABSENT: None

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September 11, 2017

To the Honorable Mayor and City Council  
City of Levelland  
Levelland, Texas

Dear Mayor Pinner and Members of the City Council:

In accordance with the Civil Statutes of the State of Texas and the City Charter of the City of Levelland I am pleased to present the proposed City of Levelland Budget for Fiscal Year 2017-2018 for your review and consideration. This budget document will provide financial guidance for the operations of the municipal activities and services during the next twelve months. I want to thank the Mayor and Council for the hours of hard work you have put into developing this budget and for the confidence you have shown in me and the City's excellent staff throughout this past year and through the process of developing this budget. I am also very appreciative of the assistance and hard work contributed by our department heads in helping develop this budget, most notable being Assistant City Manager Erik Rejino, Director of Finance Dan Downs, and City Secretary Beth Walls.

While many contributed in the development of the proposed budget, as you know, Assistant City Manager Erik Rejino led the process. Under your guidance and leadership we have developed what I believe is a good budget in what continues to be a challenging financial environment. While our revenues have improved in recent months we are facing a year where we will be required to make some significant capital improvements after having recent budgets with declining revenues. Despite this challenge I feel we have developed the best budget possible to continue to maintain our high level of services to the community. The shrinking revenues in the early part of the year and continuously increasing costs this past fiscal year has been challenging, but our staff has risen to the occasion. Department heads have controlled cost and stayed well under budget while continuing to provide good customer service to our citizens.

There are a number of capital related items in the proposed budget. The general fund calls for the addition of two new fire engines which will replace a larger engine that is over twenty years in age. In the enterprise fund there are funds to replace the vactor in the Wastewater Department which will aide in cleaning out aging wastewater mains. In addition, the enterprise fund includes funds to dig a new Type IV pit at the Levelland Landfill to accommodate construction debris.

As we discussed during budget work sessions this budget also includes a number of water infrastructure projects, most of which are being mandated by the Texas Commission of Environmental Quality (TCEQ). These projects include painting the Adams Street elevated water tower, adding a roof to the Hickory Street ground storage tank, reworking several water wells, and making improvements to the water disinfection improvements.

While the proposed budget, like all of our budgets in recent times, is a conservative one, the decline in revenues and increased expenses over the past couple of years dictates that this budget remain conservative. As a result the budget includes no new personnel and no adjustment to the contribution the City makes towards employees' medical coverage. According to our insurance provider our employees can expect a 20 percent increase in their health care costs. Since the budget does not include an adjustment to the contribution the City makes towards employee's medical coverage, the employees will be responsible for any increases in medical costs that are seen this year. The distribution of the increase will vary on the plan they select. However, the budget does include a four (4) percent cost of living adjustment to the employee pay plan, which likely only cover a portion of the rising healthcare costs, particularly those that cover their family and dependents.

As in previous years this budget shows a fund balance decrease projected for both the General Fund and the Enterprise Fund. But, as in previous years, I am certain that under your continued leadership at the end of the year the reductions will not be as drastic as projected. I am also confident that our department heads will continue to work hard and be budget conscience throughout the coming year so that when this budget is completed in September of 2018 we will not end up with the significant budget deficits indicated. In addition, much of the capital projects included in the budget this year will not be necessary next year.

I feel this budget continues our conservative practices, and yet it continues to provide for progress and for future development. Through this budget we can continue to work together to meet the needs of Levelland and make Levelland an ever improving place to live, work and raise a family.

Respectfully Submitted,



Rick Osburn  
City Manager

RESOLUTION 2017 – 19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEVELLAND, TEXAS, ADOPTING THE BUDGET FOR THE FISCAL YEAR OF 2017-2018 COMMENCING OCTOBER 1, 2017.

WHEREAS, the City Manager of Levelland, Texas has prepared and submitted a proposed budget in compliance with the City Charter for the fiscal year commencing October 1, 2017; and

WHEREAS, the proposed budget has been reviewed by the City Council and a public hearing has been held at City Hall on August 28, 2017; and

WHEREAS, after full and final consideration, a majority of the members of the City Council being present and voting are of the opinion that said budget is appropriate and correct in all respects, and presents a program of service that is in the best interest of the community, and that all requirements of the City Charter and other applicable laws have been satisfied.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF LEVELLAND, TEXAS:

Section 1. That the budget proposal for the fiscal year beginning October 1, 2017 as filed and submitted to the City Council is hereby approved and adopted.

Section 2. That there is hereby appropriated from the funds indicated in such budget, and for the accomplishment of each of the departments, project, operations, activities, purchases, and other expenditures proposed in such budget, not to exceed the total amount of the estimated costs of the departments, projects, operations, activities, purchases, and other expenditures proposed for each fund.

Section 3. That the City Council expressly finds that the amounts budgeted in the various funds for employee benefits, longevity pay, employee awards and recognition, and other similar items promote employee morale, which is a proper, public purpose for those expenditures.

Section 4. That a copy of the FY 2017-2018 Budget shall be filed in the office of the City Secretary of Levelland, Texas.

PASSED, APPROVED AND ADOPTED THIS THE 11<sup>TH</sup> DAY OF SEPTEMBER, 2017.

Barbra Pinner  
Barbra Pinner, Mayor

ATTEST:

Beth A. Walls  
Beth A. Walls, TRMC, IPMA-CP  
City Secretary

## ORDINANCE NO. 1024

AN ORDINANCE PROVIDING FOR THE LEVYING OF TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF LEVELLAND FOR THE FISCAL YEAR 2017-2018, PROVIDING FOR THE INTEREST AND REDEMPTION FUND FOR THE YEAR 2017-2018, APPROPRIATING SAID LEVY FOR THE SPECIFIC PURPOSE, PROVIDING SAID LEVY FOR THE SPECIFIC PURPOSE, PROVIDING FOR THE TIME AND MANNER OF PAYING THE AD VALOREM TAXES LEVIED, PROVIDING FOR PUBLICATION BY CAPTION ONLY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council finds that conducting of budget work sessions open to the public and publication of the proposed tax rate in the local news media and the City's website have collectively provided adequate and legal notice so that this ordinance maybe adopted as an emergency measure and thereby made effective immediately:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF LEVELLAND, TEXAS:

SECTION 1. That there is hereby levied and there shall be collected for the use and support of the Municipal Government of the City of Levelland for the Fiscal Year 2017-2018, and to provide an Interest and Redemption Fund for the Fiscal Year 2017-2018, upon all property located within the corporate limits of the City as of January 1, 2017, subject to taxation for the year 2016, a tax of \$0.77 on each one hundred dollar valuation of property. Said tax is levied and appropriated to the specific purposes herein set forth:

1. For the maintenance and support of the General Fund \$0.6820 on each One Hundred Dollar valuation of property for the year 2017.
2. For the upkeep and maintenance of the Levelland Cemetery \$0.0150 on each One Hundred Dollar valuation of property for the year 2017.
3. For the Interest and Redemption Fund \$0.073 on each one Hundred Dollar valuation of property for the year 2017.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.56 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$19.20.

SECTION 2. All monies collected as delinquent taxes after July 1, 2018 for the tax year 2017 for the Interest and Redemption Fund, General Fund, and Cemetery Fund will be deposited in their funds as collected.

SECTION 3. All monies collected under this Ordinance for the specific items named shall be and the same are hereby appropriated and set apart for the specific purposes indicated in each item; and the Finance Director of the City of Levelland, Texas shall keep these accounts so as to readily show the amount collected, the amounts expended and the amount collected, and the amount on hand in each item at all times.

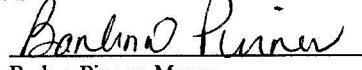
SECTION 4. All taxes shall be payable at the office of the Hockley County Tax Assessor Collector in the City of Levelland, Texas and the period for the payment of taxes without penalty or interest shall be October 1, 2017 through January 31, 2018.

SECTION 5. That this is an emergency measure, which shall be in full force and effect from and after the date hereof for the following reasons:

It is intended for the immediate preservation of the public business, property, health, safety and provides for the usual daily operation of all municipal departments, and to defray the current and other expenses of the City.

SECTION 6. This Ordinance may be published by caption only pursuant to V T.C.A., Local Government Code 52.013 and Article V, Section XXIII of the Levelland City Charter.

PASSED, APPROVED AND ADOPTED THIS THE 11<sup>th</sup> DAY OF SEPTEMBER 2017

  
Barbra Pinner, Mayor

ATTEST

  
Beth A. Walls, TRMC, IPMA-CP  
City Secretary

# BUDGET SUMMARY

	Estimated Balance Oct. 1, 2017	Estimated Revenues FY 2017-18	Estimated Expenditures FY 2017-18	Estimated Balance Sept. 30, 2018
<b><u>Operating Funds</u></b>				
General Fund	\$2,954,902	\$8,086,739	\$9,571,618	\$1,470,023
Airport Fund	\$71,681	\$56,900	\$78,540	\$50,041
Cemetery Fund	\$296,317	\$210,118	\$320,811	\$185,623
Enterprise Fund	\$2,877,011	\$7,841,188	\$9,485,793	\$1,232,405
<b>Subtotal</b>	<b>\$6,199,911</b>	<b>\$16,194,944</b>	<b>\$19,456,763</b>	<b>\$2,938,093</b>
<b><u>Capital Improvement Related Funds</u></b>				
Capital Financing Fund	\$472,108	\$275,000	\$0	\$287,208
Interest & Redemption Fund	\$74,394	\$1,483,397	\$1,490,000	\$67,791
Public Safety Center Bond Fund	\$103,050	\$0	\$0	\$103,050
Wastewater System Imp. Fund	\$1,280,827	\$192,800	\$0	\$1,473,627
Tax Increment Financing #1	\$366,944	\$96,713	\$0	\$463,657
Tax Increment Financing #2	\$2,904	(\$673)	\$0	\$2,231
<b>Subtotal</b>	<b>\$2,300,227</b>	<b>\$2,047,237</b>	<b>\$1,490,000</b>	<b>\$2,397,564</b>
<b><u>Special Funds</u></b>				
Civic Improvement Fund	\$133,848	\$4,800	\$10,100	\$128,548
Motel Occupancy Tax Fund	\$429,423	\$153,000	\$263,950	\$318,473
Voluntary Park Fund	\$35,239	\$15,200	\$0	\$50,439
Main Street Activities	\$14,935	\$0	\$0	\$14,935
LEOSE Fund	(\$1,185)	\$0	\$0	(\$1,185)
Court Building Security Fund	\$193	\$2,008	\$0	\$2,201
Court Time Payment Fund	\$2,748	\$760	\$0	\$3,508
Court Technology Fund	\$4,379	\$3,530	\$0	\$7,909
Police Special Fund	\$3,167	\$0	\$0	\$3,167
Federal Seized Funds	\$22,038	\$0	\$0	\$22,038
TPWD Park Grants	\$0	\$107,594	\$107,594	\$0
TCF Main Street	\$0	\$350,000	\$350,000	\$0
CJD Criminal Justice Grants	\$0	\$0	\$0	\$0
HSGD Homeland Security Grants	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$644,785</b>	<b>\$636,892</b>	<b>\$731,644</b>	<b>\$550,033</b>
<b><u>Development Corporations</u></b>				
Community Development Corp.	\$311,387	\$425,000	\$366,000	\$370,387
Economic Development Corp.	\$1,017,691	\$930,800	\$732,765	\$1,215,726
<b>Subtotal</b>	<b>\$1,329,078</b>	<b>\$1,355,800</b>	<b>\$1,098,765</b>	<b>\$1,586,113</b>
<b>GRAND TOTAL</b>	<b>\$10,474,001</b>	<b>\$20,234,873</b>	<b>\$22,777,172</b>	<b>\$7,471,803</b>

# **City of Levelland Tax Structure Fiscal Year 2017-2018**

<b>Net Taxable Value</b>	<b>\$575,971,268</b>		
Taxable Value of Frozen Senior Property	\$107,410,589		
<b>Non Frozen Taxable Value</b>	<b>\$468,560,679</b>		
Proposed Tax Rate	\$0.7700		
Non Frozen Taxes	\$3,607,917		
Frozen Taxes from Seniors	\$610,313		
Total Taxes	\$4,218,230		
Estimated Percent of Collection	96%		
<hr/>			
<b>Estimated Collected Ad Valorem</b>	<b>@ 96%</b>		
	<b>\$4,049,501</b>		
<hr/>			
<b>Increment</b>			
TIF #1	\$8,627,429	\$63,774	\$66,431
TIF #2	\$14,071,615	\$104,017	\$108,351
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<b>Estimated Net Ad Valorem</b>	<b>\$3,881,710</b>	<b>\$4,043,447</b>	

## 2017-2018 DISTRIBUTION

	Amount of Rate	% of Rate	Amount at 96%	Amount at 100%
<b>General Fund</b>	\$0.6820	88.57%	\$3,438,086	\$3,581,339
<b>Cemetery Fund</b>	\$0.0150	1.95%	\$75,618	\$78,768
<b>Interest &amp; Redemption Fund</b>	\$0.0730	9.48%	\$368,006	\$383,340
<b>SUBTOTAL</b>	<b>0.77</b>	<b>100.00%</b>	<b>\$3,881.710</b>	<b>\$4,043.447</b>

## Senior Tax Freeze Information

**Taxes Lost to Freeze** \$216,749

**Resulting Tax Rate On Frozen Property** \$0.568

## AFFECT ON OVERALL TAX RATE

**Without Freeze Rate (raise same revenue)** \$0.732

**Portion of Proposed Tax Rate  
That Will Subsidize Frozen Property** \$0.038