

## Cover Page

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

**“THIS BUDGET WILL RAISE LESS REVENUE FROM PROPERTY TAXES THAN LAST YEAR’S BUDGET BY \$30,956 WHICH IS A .73% DECREASE FROM LAST YEAR’S BUDGET. THE PROPERTY TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR IS \$28,662.90.”**

	FY 2018	FY 2019
Actual Property Tax Rate	.77	.70
Effective Tax Rate	.750824	.711276
Effective M&O Tax Rate	.715124	.699662
Rollback Tax Rate	.809617	.777043
Debt Tax Rate	.084177	.080224
City Debt Obligations	\$4,800,000	\$4,015000
LEDC Debt Obligations	\$3,070,000	\$2,865,000
LCDC Debt Obligations	\$3,825,000	\$3,635,000

### **City Council meeting of September 10, 2018.**

Motion by Joe Bill Vardeman, second by Breann Buxkemper, to approve Ordinance #1032 setting the 2018 tax rate at \$.70.

FOR: Joe Bill Vardeman, Breann Buxkemper, Max Ledesma, Jim Myatt,  
AGAINST: None

ABSTAIN or NOT VOTING: Mayor Barbra Pinner

ABSENT: None

# TABLE OF CONTENTS

## BUDGET ADOPTION AND SUMMARY

Cover Page .....	i
Table of Contents .....	ii
Budget Message .....	v
Resolution Adopting Budget .....	vii
Ordinance Establishing Tax Rate .....	viii
Budget Summary .....	ix
Tax Structure .....	x

## Charts and Graphs

All Revenues by Source .....	xi
General Fund Revenues by Type.....	xii
General Fund Expenditures by Type.....	xiii
Enterprise Fund Revenues by Source .....	xiv
Enterprise Fund Expenditures by Type .....	xv
Assessed Property Valuations .....	xvi

## OPERATING FUNDS

<b>General Fund - Summary</b> [Fund 01] .....	1
Revenue Summary.....	2
Expenditure Summary .....	4
Capital Summary .....	5
City Council Department.....	6
City Administration Department .....	8
City Secretary Department .....	10
Finance Department.....	13
Municipal Court Department.....	15
Fire Department.....	18
Police Department .....	21
Inspection Department.....	25
Emergency & Health Services Department.....	27
Street Department.....	30
Shop Department .....	33
Park Department.....	35
Information Technology Department .....	38
Building Services Department.....	40
Engineering & Consulting Department .....	42
Community Development Department.....	44
Economic Development Department.....	46
Main Street .....	48
Developers Capital Improvements Department .....	50
<b>Airport Fund</b> [Fund 02] .....	52
<b>Cemetery Fund</b> [Fund 03] .....	55
<b>Enterprise Fund</b> [Fund 06] .....	59
Revenue Summary.....	60
Expenditure Summary .....	61
Capital Summary .....	62

Water & Wastewater Administration Department .....	63
Water Department .....	65
Wastewater Department .....	68
Resource Development Department.....	71
Developers Capital Improvement Department.....	73
Sanitation Department.....	75
Swimming Pool Department .....	78
Street Lights .....	80

## **CAPITAL IMPROVEMENT RELATED FUNDS**

<b>Public Safety Center Bond Fund [44].....</b>	<b>81</b>
<b>Capital Financing Fund [Fund 04] .....</b>	<b>83</b>
<b>Interesting &amp; Redemption Fund [Fund 07] .....</b>	<b>86</b>
<b>Sewer System Improvement Fund [Fund 26] .....</b>	<b>89</b>
<b>Tax Increment Financing Funds.....</b>	<b>91</b>
TIF #1 [Fund 33] .....	92
TIF #2 [Fund 40] .....	93

## **SPECIAL FUNDS**

<b>Civic Improvement Fund [Fund 08].....</b>	<b>94</b>
<b>Hotel Occupancy Tax Fund [Fund 12].....</b>	<b>96</b>
<b>Voluntary Park Donation Fund [Fund 17] .....</b>	<b>99</b>
<b>Main Street Activities [Fund 45].....</b>	<b>101</b>
<b>Court Special Funds.....</b>	<b>103</b>
Municipal Court Security Fund [Fund 09] .....	104
Municipal Court Time Payment Fund [Fund 10] .....	105
Municipal Court Technology Fund [Fund 13] .....	106
<b>Police Special Funds.....</b>	<b>107</b>
LEOSE [Fund 05].....	108
State Seized Funds [Fund 15].....	109
Federal Seized Funds [37] .....	110
<b>Grant Funds.....</b>	<b>111</b>
TPWD Park Grants [Fund 43].....	112
TCF Main Street [Fund 21] .....	113
CJD Criminal Justice Grants [Fund 38] .....	114
HSGD Homeland Security Grants [Fund 19].....	115

## **DEVELOPMENT CORPORATIONS**

<b>Levelland Community Development Fund [Fund 41] .....</b>	<b>116</b>
<b>Levelland Economic Development Corporation [Fund 22] .....</b>	<b>118</b>

## CAPITOL IMPROVEMENT PLANS

<b>Parks and Grounds .....</b>	121
<b>Inspections .....</b>	123
<b>Streets and Sanitation .....</b>	124
<b>Water and Wastewater .....</b>	125
<b>Emergency Management .....</b>	127
<b>Police Department .....</b>	128
<b>Fire Department .....</b>	129



September 10, 2018

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 2018-2019 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 to the City Manager Joe Cavazos, Director of Finance Dan Downs, and City Secretary Beth Walls.

Under your guidance and leadership we have developed what I believe is a good budget after coming off of one of the longest economic downturns Levelland has experienced in recent history. Property values and sales tax collections continue to increase which is an indication the economy is now in an upturn and is recovering from the downturn. Despite the various challenges we have faced I feel we have developed the best budget possible to continue to maintain our high level of services to the community. Department heads have controlled cost and stayed well under budget while continuing to provide good customer service to our citizens. This budget continues to maintain services while concluding some necessary capitol related projects in the Water and Sanitation Departments.

There are two major capital related projects in the proposed budget, both of which are in the Enterprise Fund. Due to better compaction rates than anticipated, the excavation of a new Type IV pit at the Levelland Landfill was postponed by one year. However, it is now time to proceed with this project. Engineering began this fiscal year and construction is planned this next fiscal year. Also as we discussed during budget work sessions this budget also includes improvements to the Adams Street Water Tower. The projects include painting the Adams Street elevated water tower which is the primary distribution point for water consumption in Levelland.

While the proposed budget, like all of our budgets in recent times, is a conservative one, the decline in revenues that we experienced in the past couple of budget cycles and the need for some significant capital projects dictates that this budget remain conservative. As a result the budget includes no new personnel and no Cost of Living Adjustment for employees. The budget does however include a one-time payment to all regular full time and part time employees in the amount

of two (2) percent of their base pay. The budget also includes a small increase to the amount that the City contributes towards employee insurance. As we see healthcare costs continue to increase, it is important that we assist employees with this increased cost, particularly since no change in the contribution from the City occurred last year despite the large increase in healthcare costs.

As we discussed during budget work sessions we are anticipating our first surplus in both the General and Enterprise Fund at the end of the current fiscal year since fiscal year 2015. 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 2019 we will not end up with the significant budget deficits indicated.

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,



Erik Rejino  
City Manager

RESOLUTION 2018 – 14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEVELLAND, TEXAS, ADOPTING THE BUDGET FOR THE FISCAL YEAR OF 2018-2019 COMMENCING OCTOBER 1, 2018.

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, 2018; and

WHEREAS, the proposed budget has been reviewed by the City Council and a public hearing has been held at City Hall on August 27, 2018; 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, 2018 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 2018-2019 Budget shall be filed in the office of the City Secretary of Levelland, Texas.

PASSED, APPROVED AND ADOPTED THIS THE 10<sup>TH</sup> DAY OF SEPTEMBER, 2018.

Barbra Pinner  
Barbra Pinner, Mayor

ATTEST:

Beth A. Walls  
Beth A. Walls, TRMC, IPMA-HR SCP  
City Secretary

## ORDINANCE NO. 1032

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 2018-2019, PROVIDING FOR THE INTEREST AND REDEMPTION FUND FOR THE YEAR 2018-2019, 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 may be 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 2018-2019, and to provide an Interest and Redemption Fund for the Fiscal Year 2018-2019, upon all property located within the corporate limits of the City as of January 1, 2018, subject to taxation for the year 2018, a tax of \$0.70 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 \$0.6050 on each One Hundred Dollar valuation of property for the year 2018.
2. For the upkeep and maintenance of the Levelland Cemetery \$0.03 on each One Hundred Dollar valuation of property for the year 2018.
3. For the Interest and Redemption Fund \$0.065 on each one Hundred Dollar valuation of property for the year 2018.

**SECTION 2.** All monies collected as delinquent taxes after July 1, 2019 for the tax year 2018 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, 2018 through January 31, 2019.

**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:

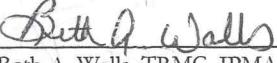
It is intended for the immediate preservation of the public business, property, health, safety and provides for the usual daily operation of all municipal departments, and to defray the current and other expenses of the City.

**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 10<sup>TH</sup> DAY OF SEPTEMBER 2018.

  
Barbra Pinner, Mayor

ATTEST:

  
Beth A. Walls, TRMC, IPMA-HR SCP  
City Secretary

# BUDGET SUMMARY

	Estimated Balance Oct. 1, 2018	Estimated Revenues FY 2018-19	Estimated Expenditures FY 2018-19	Estimated Balance Sept. 30, 2019
<b><u>Operating Funds</u></b>				
General Fund	\$3,182,433	\$7,942,889	\$8,989,438	\$2,135,884
Airport Fund	\$174,406	\$56,900	\$80,351	\$150,954
Cemetery Fund	\$239,643	\$300,653	\$427,662	\$112,634
Enterprise Fund	\$2,797,941	\$7,425,274	\$8,104,779	\$2,118,436
<b>Subtotal</b>	<b>\$6,394,422</b>	<b>\$15,725,716</b>	<b>\$17,602,230</b>	<b>\$4,517,908</b>
<b><u>Capital Improvement Related Funds</u></b>				
Capital Financing Fund	\$736,438	\$275,000	\$0	\$146,438
Interest & Redemption Fund	\$74,394	\$1,483,397	\$1,490,000	\$67,791
Public Safety Center Bond Fund	\$0	\$0	\$0	\$0
Wastewater System Imp. Fund	\$1,463,535	\$198,800	\$0	\$1,662,335
Tax Increment Financing #1	\$465,804	\$105,144	\$0	\$570,948
Tax Increment Financing #2	\$1,265	(\$417)	\$0	\$848
<b>Subtotal</b>	<b>\$2,741,436</b>	<b>\$2,061,924</b>	<b>\$1,490,000</b>	<b>\$2,448,360</b>
<b><u>Special Funds</u></b>				
Civic Improvement Fund	\$140,331	\$5,800	\$14,100	\$132,031
Motel Occupancy Tax Fund	\$335,533	\$153,000	\$280,700	\$207,833
Voluntary Park Fund	\$57,784	\$15,200	\$0	\$72,984
Main Street Activities	\$22,213	\$0	\$0	\$22,213
LEOSE Fund	\$862	\$0	\$0	\$862
Court Building Security Fund	\$3,280	\$2,010	\$0	\$5,290
Court Time Payment Fund	\$3,645	\$760	\$0	\$4,405
Court Technology Fund	\$6,063	\$3,530	\$0	\$9,593
Police Special Fund	\$4,762	\$0	\$0	\$4,762
Federal Seized Funds	\$129,569	\$0	\$0	\$129,569
TPWD Park Grants	\$0	\$0	\$0	\$0
TCF Main Street	\$259,580	\$330,051	\$307,648	\$50,000
CJD Criminal Justice Grants	\$0	\$0	\$0	\$0
HSGD Homeland Security Grants	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$963,622</b>	<b>\$510,351</b>	<b>\$602,448</b>	<b>\$639,542</b>
<b><u>Development Corporations</u></b>				
Community Development Corp.	\$551,349	\$527,353	\$372,000	\$706,702
Economic Development Corp.	\$2,241,894	\$1,111,500	\$1,366,400	\$1,986,994
<b>Subtotal</b>	<b>\$2,793,243</b>	<b>\$1,638,853</b>	<b>\$1,738,400</b>	<b>\$2,693,696</b>
<b>GRAND TOTAL</b>	<b>\$12,892,723</b>	<b>\$19,936,843</b>	<b>\$21,433,078</b>	<b>\$10,299,505</b>

# **City of Levelland Tax Structure Fiscal Year 2018-2019**

<b>Net Taxable Value</b>	<b>\$618,465,854</b>		
Taxable Value of Frozen Senior Property	\$115,138,828		
<b>Non Frozen Taxable Value</b>	<b>\$503,327,026</b>		
Proposed Tax Rate	\$0.7000		
Non Frozen Taxes	\$3,523,289		
Frozen Taxes from Seniors	\$663,985		
Total Taxes	\$4,187,274		
Estimated Percent of Collection	96%		
<hr/>			
<b>Estimated Collected Ad Valorem</b>	<b>@ 96%</b>	<b>@ 100%</b>	
	<b>\$4,019,783</b>	<b>\$4,187,274</b>	
<hr/>			
<b>Increment</b>			
TIF #1	\$9,985,079	\$67,100	\$69,896
TIF #2	\$11,277,015	\$75,782	\$78,939
<b>Estimated Net Ad Valorem</b>	<b>\$3,876,902</b>	<b>\$4,038,439</b>	

## 2018-2019 DISTRIBUTION

	Amount of Rate	% of Rate	Amount at 96%	Amount at 100%
<b>General Fund</b>	\$0.6050	86.43%	\$3,350,751	\$3,490,365
<b>Cemetery Fund</b>	\$0.0300	4.29%	\$166,153	\$173,076
<b>Interest &amp; Redemption Fund</b>	\$0.0650	9.29%	\$359,998	\$374,998
<b>SUBTOTAL</b>	<b>0.70</b>	<b>100.00%</b>	<b>\$3,876,902</b>	<b>\$4,038,439</b>

## Senior Tax Freeze Information

**Taxes Lost to Freeze** \$141,987

**Resulting Tax Rate On Frozen Property** \$0.577

#### AFFECT ON OVERALL TAX RATE

**Without Freeze Rate (raise same revenue)** \$0.677

**Portion of Proposed Tax Rate  
That Will Subsidize Frozen Property** \$0.023