

City of Kress

Budget

For the Fiscal Year

Beginning Oct 1 2023

Ending September 30, 2024

Notice:

**THIS BUDGET SUPPORTS A DECREASE IN
PROPERTY TAX RATE TO APPROXIMATELY
\$0.4355/\$100 VALUATION .**

CITY OF KRESS

LIST OF ELECTED AND APPOINTED OFFICIALS

ELECTED

Johnny Taylor Mayor

Galen Owen (or Galan Owen) Mayor Pro-Tem

Kelly Durham Councilman

Glenda Davis Councilwoman

Dane Sisemore Councilman

Sara Vutionett Councilwoman

APPOINTED

Kay Phillips as Municipal Judge

City of Kress

P.O. Box 236
Kress, Texas 79052

SEPTEMBER 26th, 2023

To the Members of the City Council, and Citizens of Kress:

In accordance with the Civil Statutes of the State of Texas, the proposed budget for the fiscal year beginning October 1, 2023, is submitted for your review and consideration. This budget is intended to present, in financial terms, the plan for providing municipal services during the forthcoming year. This budget provides funding for the continued basic level of services offered by the City of Kress.

OVERVIEW

Expenses in the General Fund have increased. With inflation, the fuel expense is going up causing surcharges on fuel to be passed on to the city for trash.

Expenses in the Water/Sewer Fund are uncertain with water wells continuing to have issues and communications not working to help operate efficiently. Electricity costs are going up, which will increase our expenses to operate also.

PERSONNEL

Payroll activities account for the single largest expense. Payroll amounts to a very large part of our budget, and we need to find ways to limit resources when possible. In the proposed budget, a part time animal control officer that can also help with condemnation, weed and clutter issues is included.

INSURANCE

Asset insurance will need to be reevaluated to verify proper evaluations to make sure we have the proper replacement costs. Need to make sure proper financial responsibility is met for the City properties in case of any disaster.

GENERAL FUND

The General Fund provides basic services of the city including Legislative, Administration, Street Maintenance, Sanitation Services, Parks and Recreation, Municipal Court, Code Enforcement and Animal Control. The General Fund also provides financial assistance to organizations with a public purpose such as the Fire Department.

The General Fund receives revenues from property tax, sales tax, and franchise tax as well as a transfer from the Water/Sewer Fund, and other miscellaneous fees.

WATER/SEWER FUND

Proprietary Funds are used to account for the city's "businesslike" activities. A portion of the funds generated in the city's Water/Sewer Fund are transferred to the General Fund.

Major expenditures allocated in the Water/Sewer Include:

Debt Service \$16,200 for John Deer Backhoe Lease

Water Production Utilities \$19,000

Utility Maintenance & Supplies \$25,000

At present, the city is working on an EPP Plan with TCEQ that requires a generator for back-up emergency power for water operations that will cost about \$30,000 plus another much smaller one to run small devices. We are looking at grant options. Neither of these have been included in the budget, which will be amended as necessary.

As of August 31, 2023, available cash includes:

Checking Accounts

General Fund \$282,507.12

WW & SS Funds 1,676.76

RESERVE FUND STRATEGY

The City has no reserve funds currently.

Budgeting - When the city's anticipated revenue will not cover expenses, reserve funds may be used to balance the budget. This budget does not include a reserve fund transfer.

Capital Improvement Projects - The reserve balance can 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.

Emergency Fund - Emergency funds typically consist of a 3–6-month 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.

Long Range Planning - One area involving large expenditures has been identified and anticipated the city's future: roads and improvements downtown. The City should continue to set aside additional capital to meet project needs without having to issue more debt.

Short Range Planning - Most of the most immediate needs involve the water system. The City of Kress will continue to look at upgrading the well water systems as well as communications to them. The City of Kress is still waiting on the IRS to assign an agent to our case for the penalties on 941 not being paid prior to 2022.

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 continue or any other unexpected expenses are foreseen.

I would like to express my appreciation to the City Council. They are all passionate about this community and understand that these difficult and challenging times will pass, and the joy of our community is soon to come. It is hoped that this budget reflects the thinking and policies of the City Council and stands as a representative of the Citizens of Kress.

Respectfully submitted,
Johnny Taylor
Mayor

2023-2024 City of Kress Budget

WATER FUND OPERATING REVENUES			FY 23-24
024007	Metered Water Sales		\$137,000.00
024014	Sewer Service Sales		\$63,500.00
024021	Late Fees		\$3,000.00
024056	Reconnection Fees		\$1,000.00
024063	Water Tap Fees		\$0.00
024070	Misc. Income		\$2,500.00
TOTAL REVENUE - ALL SOURCES			\$207,000.00

ADMINISTRATION			FY 23-24
025007	Accounting	50%	\$8,000.00
025014	Attorney Fees	50%	\$3,000.00
025021	Legal Publications	50%	\$500.00
025028	ACH/CC Expense		\$348.00
025035	Dues, registrations & Meetings		\$2,000.00
025042	Office Supplies	50%	\$1,000.00
025049	Postage	50%	\$1,275.00
025063	Equipment Leasing / Maint.Printer		\$2,500.00
025070	Misc. Expense		\$500.00
TOTAL			\$19,123.00

NONDEPARTMENTAL			FY 23-24
025105	City Hall Maint.	50%	\$5,000.00
025112	General Insurance	50%	\$8,000.00
025119	Utilities - Gas and Elect.	50%	\$5,500.00
025126	Telephone/Internet	50%	\$4,000.00
025133	Software / IT	50%	\$2,500.00
025147	Pest Control		\$500.00
025154	Debt Service - Lease Purchase 2027	John Deer Lease/LOANS	\$16,192.44
025168	Transfer to General Fund		
025175	Transfer to Capital Reserve		
	911 Tulia Dispatch	50%	\$1,250.00
TOTAL			\$42,942.44

2023-2024 City of Kress Budget

WATER / SEWER MAINTENANCE		FY 23-24
025560	Dues, registrations & Training	\$1,300.00
025567	Uniforms	
025581	Engineering Fees	
025588	State Fees & Permits	\$1,000.00
025595	Production Utilities	\$19,000.00
025602	Lab Samples - Testing	\$3,700.00
025609	Building & Grounds Maint.	\$5,000.00
025616	Vehicle & Equip. Fuel	\$8,000.00
025623	Vehicle Maint.	\$6,500.00
025630	Equip. Maint.	
025651	Water Sewer Treatment	\$10,000.00
025658	Utility Repairs & Maint.	\$25,000.00
025665	USDA Water Tower Payment	\$7,546.00
014176	Sinking Fund for Water Tower	\$18,633.00
TOTAL		\$105,679.00
TOTAL OPERATING EXPENSE		\$167,744.44

WATER DEPARTMENT		FY 22-23
TOTAL REVENUES		\$207,000.00
TOTAL EXPENSE		\$167,744.44
NET SURPLUS (DEFICIT)		\$39,255.56

GENERAL FUND OPERATING REVENUES		FY 23-24
014007	Ad Valorem Taxes	\$92,000.00
014021	Ad Valorem P&I	\$1,500.00
014028	Delinquent Ad Valorem Taxes	
014035	Delinquent Ad Valorem P&I	
014042	Sales Tax	\$23,500.00
014056	Franchise Fees	\$32,500.00
014084	Interest Income	\$1,300.00
014098	Animal Control Fees	\$500.00
014105	Misc. Income	\$500.00
014112	Leases and Rents	\$2,100.00
014119	Sanitation Charges	\$103,000.00
014126	Recycle Center Fees	\$0.00
014133	Recycling Income	\$300.00
014140	Mosquito Spray Fees	\$8,000.00
014147	Sale of Property	\$0.00
014154	Municipal Court Fees	\$2,500.00
014161	Court Technology Fees	\$0.00
014168	Court Security Fees	\$0.00
014169	PD Training	\$0.00
014175	Transfer From Water Fund	\$0.00
014401	Insurance check received in/out	\$16,839
TOTAL REVENUE - ALL SOURCES		TOTAL \$267,700.00

2023-2024 City of Kress Budget

ADMINISTRATION			FY 23-24
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015007	Appraisal Dist. Exp.	50%	\$3,000.00
015014	Accounting	50%	\$8,000.00
015021	Attorney Fees	50%	\$3,000.00
015028	Legal Publications	50%	\$500.00
015035	Codification		
015042	Dues, registrations & Meetings		\$4,000.00
015049	Office Supplies	50%	\$1,000.00
015056	Postage	50%	\$1,275.00
015077	Misc. Expense		\$700.00
TOTAL			\$21,475.00

NONDEPARTMENTAL			FY 23-24
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015210	Fire Dept. Contract		\$6,000.00
015211	Fire Dept Truck		\$2,000.00
015212	Fire Dept New Buliding		\$2,000.00
015224	Sr. Citizens Contract	FUTURE	\$0.00
015231	Civil Defense	FUTURE	\$0.00
015252	Fire Bld. Maint.		\$0.00
015259	City Hall Bld. Maint.		\$5,000.00
015287	General Insurance	50%	\$8,000.00
015294	Utilities - Gas and Elect.		\$4,500.00
015301	Telephone/Internet	50%	\$4,000.00
015308	Software / IT	50%	\$2,500.00
015337	Capital Outlay - City Hall		\$7,000.00
			\$1,250.00
TOTAL			\$42,250.00

LEGISLATIVE			FY 23-24
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015378	Dues registrations & Meetings		\$1,500.00
015385	Election Expense		\$7,000.00
015392	Council Stipends	CITY COUNCIL MEETINGS	\$900.00
TOTAL			\$9,400.00

JUDICIAL			FY 23-24
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015406	Dues, registrations & Training	Judge Training	\$1,000.00
015413	State Traffic Fees		
015420	Prosecutor Fees		
015427	IT/Software		
TOTAL			\$1,000.00

2023-2024 City of Kress Budget

POLICE		FY 23-24
015455	Dues, registrations & Training	\$0.00
015462	Uniforms	\$0.00
015476	Software / IT	\$0.00
015483	Supplies & Equipment	\$0.00
015490	Vehicle Fuel	\$0.00
015497	Vehicle Maint.	\$0.00
015504	Misc. Expense	\$0.00
015506	Code Enforcement Expense	\$0.00
015511	Criminal Justice Grant - Vehicle	\$0.00
TOTAL		\$0.00

STREETS		FY 23-24
015532	Sealcoat Project	\$0.00
015539	Engineering - Sealcoat	\$0.00
015546	Street & Pothole Repair	\$5,000.00
015553	Utilities - Street Lighting	\$15,000.00
015560	Street Base Materials	\$10,000.00
015567	Street Sign Repairs	\$500.00
015574	Equipment Maint.	\$6,000.00
015581	Weed Control	\$3,000.00
015588	Spray License Fees & Training	\$300.00
TOTAL		\$39,800.00

CITY PARKS		FY 23-24
015609	City Park Maint.	\$1,000.00
015620	Park Lighting	\$1,200.00
015623	Utilities - Parks	\$0.00
TOTAL		\$2,200.00

SANITATION		FY 23-24
015651	Contracted Alley Service	\$69,000.00
015652	Contracted Fuel Adj. Fees	FUTURE \$0.00
015658	Recycle Center Disposal	ROLL OFFS \$0.00
015665	Plainview Recycle Prog.	PLAINVIEW RECYCLE \$0.00
015672	Tire Recycling	RECYCLE CENTER \$900.00
015679	Vector Control (Mosq.)	\$3,000.00
015686	Animal Control	\$1,000.00
TOTAL		\$73,900.00

GENERAL FUND

TOTAL REVENUES	\$267,700.00
TOTAL EXPENSE	\$189,025.00
NET SURPLUS (DEFICIT)	\$78,675.00
Water Dept Surplus SURPLUS	\$39,255.56
SURPLUS BEFORE PAYROLL	\$117,930.56

2023-2024 City of Kress Budget

PAYROLL			FY 23-24
017007	Administrative Payroll	Secretary when hired	\$30,000.00
017014	Police Payroll		\$10,000.00
017021	Judicial Payroll	JUDGE PHILLIPS	\$6,000.00
017028	Sanitation Payroll		\$54,000.00
017032	Animal Control Officer	Part Time Officer	\$2,400.00
017035	TML - Admin		\$0.00
017042	TML - Police		
017056	TMRS - Admin & Sanitation	5% of Income	
017063	TMRS - Police	5% of Income	
017098	TWC		\$0.00
017105	Workman's Comp		\$8,000.00
017175	HR Expense		
017600	Payroll Tax Expense	7.66%	\$7,384.24

TOTAL PAYROLL	\$117,784.24
SURPLUS	\$117,930.56

Surplus	-\$146.32
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