

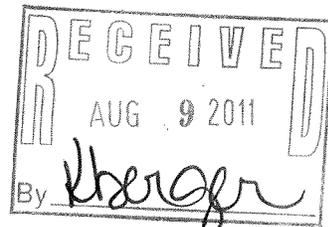
# *CITY OF PALACIOS*

## *ANNUAL BUDGET*

*Fiscal Year*  
*October 1, 2011*  
*to*  
*September 30, 2012*

“This budget will raise more total property taxes than last year’s budget by \$3,031 or .26%, and of that amount \$6,363.16 is tax revenue to be raised from new property added to the roll this year.”

Tax revenue amount from new property is more than budgeted difference over last year’s budgeted amount due to legislative calculation requirements.



**City Manager's  
Budget Message  
for the  
2011-2012 Fiscal Year**

**Budget Goals**

The Budget Goals for the 2011-2012 Fiscal year will be to continue to rebuild the fund balance to a three month supply of emergency funds. This year's budget is projected to only slightly increase fund balance, however, the purchase of capital outlay items may be delayed due to monitoring of cash flow. Another major goal is to continue with water and wastewater infrastructure projects. The replacement of outdated equipment is also a goal that will help provide more efficient services.

**Financial Policies**

The continued policy of the budget is to be as conservative as possible, while expending funds to provide and improve necessary services.

**Significant Changes in Expenditures**

General Fund

Most departments had relatively minor increases over last year's budget. Much of these increases are related to increases in electricity, supplies, and cost of living increases in salaries.

In the Special Items department, the line item for a 75% reimbursement of the taxes collected on the Beachside Subdivision is offset in the tax revenue section of the General Fund. It is important to note that reimbursements are only made from this line item when taxes from the Beachside Subdivision are paid.

Water Fund

The Water Department has no significant increase in Capital Outlay. The expenditures from the proceeds of the sale of Certificates of Obligation will be accounted for in a separate fund, but will be shown in the water fund in the annual audit.

The Sewer Department reflects the same Capital Outlay amount in the 2011-2012 fiscal year budget as was budgeted in previous budgets. Since the project for the \$350,000.00 TCDP grant was awarded late in the 2009-2010 fiscal year, the matching funds of \$52,500.00 will again be moved to the 2011-2012 budget. These funds are for major sewer line repairs.

### Airport Fund

The city participated in the RAMP program with TxDOT aviation in the previous year. A major rehabilitation of airport facilities is not planned for the 2011-2012 fiscal year.

### Equipment Fund

The increasing cost of fuel and oil continues to require increases in funding to this fund. Being that this is an Internal Service fund, this increase burdens the other funds in their transfers, which support this fund.

The Equipment Fund did not utilize all of its allocation for equipment in the 2010-2012 fiscal year due to cash flow concerns. These expenditures are again listed in the 2011-2012 budget and will be made when prudent.

### **Other Major Changes**

Insurance benefits throughout the budget will remain at the current fiscal year level due to the management of health care costs by the City's insurance carrier.

Most departments will reflect increases in electricity expenses.

### **Financial Condition**

#### General Fund

The financial condition of the city's General Fund is sound. Revenues are projected to exceed expenditures even with capital expenditures in the streets department.

Reserves for use on future projects have been slightly increased. Current reserve amounts are for a Fire Truck purchase, Swimming Pool major repairs, Emergency Management, and Parks. The amounts for the Safe to School projects were increased to their maximum one year ahead of schedule due to grant requirements.

The General Fund's ending cash balance is expected to be around \$188,720.00 by the end of the coming fiscal year. The restricted cash balance of \$92,600 will leave an unrestricted cash balance of \$96,120.00

#### Water Fund

The financial condition of the city's Water Fund is sound however increases in revenue are needed to stay current with rising expenditures and to fund debt. Expenditures are again projected to exceed revenue until final scheduled rate increases take effect.

The Water Fund's fund balance is expected to be around \$161,460.00 by the end of the coming fiscal year.

### Airport Fund

The financial condition of the city's Airport Fund is sound. The revenue from the oil and gas lease of the Airport's 1,500 acres has allowed the opportunity to finance major capital improvements; however a lack in interest in a new lease has reduced the fund balance. The upgrading of the facilities at the Airport will encourage the use of the Airport.

The Airport Fund's fund balance is expected to be around \$115,050.00 by the end of the coming fiscal year.

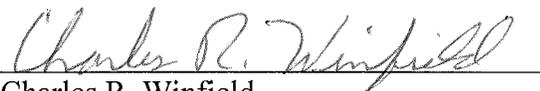
### Equipment Fund

The financial status of this internal service fund is solvent due to the support by the other major funds. Any increase or decrease in needed funding will continue to be reflected by an increase or decrease in expenditures from the other major funds. The financial policy of this fund is generally to have revenues and expenditures match with little, if any, fund balance. The 2010-2012 fiscal year will leave funds in this account for major purchases in 2011-2012. The Equipment Fund's fund balance is expected to be around \$4,310.00 by the end of the coming fiscal year.

### Summary

The major challenge of the City of Palacios is to provide services to its citizens with limited means. High unemployment, a low property tax base, low sales tax, and other modest income sources drastically hampers being able to provide basic services. Finding a way to get around these hindrances is difficult but not impossible. The plan of improving services and placing the improvement of infrastructure first will be less burdensome to all citizens in the long run.

Sincerely,



Charles R. Winfield  
City Manager  
City of Palacios

**CAPITAL EXPENDITURES  
FOR THE  
2011-2012  
FISCAL YEAR**

The following is a summary of Capital Expenditures for the City of Palacios. These amounts are reflected in the 2011-2012 fiscal year budget.

**General Fund**

The Administration department is proposing a Capital Expenditure line item of \$5,090.00. This includes the replacement of three computers and filing cabinets. These items will be used for the City Manager, City Secretary, and collections department.

The Municipal Court is proposing a Capital Expenditure of \$2,280.00 for a desktop computer to be used by the Municipal Court Judge and a ticket writer printer. These expenditures will be paid from the Court Technology Fund.

The Police Department is proposing a Capital Expenditure of \$10,300.00. This includes the monthly lease/purchase payments for the Police Software, two mountable/handheld radars and three laptop computers with docking stations for the police administration office.

The Fire Department includes a Capital Expenditure of \$16,000.00 for the purchase of bunker gear.

The Streets Department is again proposing a large Capital Expenditure, which includes \$119,000.00 for the seal-coating of city streets identified in the Comprehensive Plan. An allocation of \$12,550.00 has been designated for related services to support this seal coat project and an allocation of \$35,000.00 has been designated for reconstruction material for repairs prior to seal coating.

These items will be financed through General Fund revenues such as property tax, sales tax, and franchise taxes and the reduction of allocated reserves.

**Water Fund**

The City of Palacios will be utilizing its latest \$350,000.00 grant from the Texas Community Development Program (TCDP). Matching funds of \$52,500.00 has been again allocated in the Capital Expenditures line item for the sewer department. This amount was budgeted in previous years, but will not be spent until the 2011-2012 fiscal year.

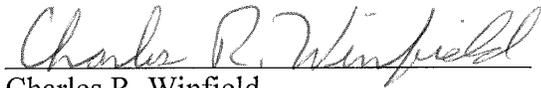
### **Airport Fund**

The Airport fund is not funding any Capital Outlay in this fiscal year.

### **Equipment Fund**

The Equipment Fund is proposing a Capital Expenditure of \$135,520.00. Capital Outlays for this fund include the lease/purchase expense and final balloon payment for a backhoe, lease/purchase payments for a dump truck and grade-all, replacement of two police vehicles, and the purchase of a pickup truck.

These items will be financed through the Equipment Fund revenue, which is funded by the General, Water, and Airport Funds.



Charles R. Winfield  
City Manager

**CITY OF PALACIOS  
OUTSTANDING BOND INDEBTEDNESS**

**2011-2012 Budget**

On August 16, 2004, the City of Palacios refinanced its General Obligation 1988 Permanent Improvement Bonds and its 1994 Combination Tax and Waterworks and Sewer System Certificates of Obligation and issued the General Obligation Refunding Bonds, Series 2004.

The debt service requirements for this combined issue are funded from property taxes and water/sewer revenues. The maturity dates are basically the same as the original issues. The tax supported portion matured on February 15, 2009 and the water/sewer revenue supported portion will mature on February 15, 2014. The interest rate is 3.357%.

The current balance outstanding for this issue is \$425,000.00 in Principal and \$24,205.00 in Interest. The tax supported portion of this issue is paid off leaving these balances to be paid from the Water Fund. A Principal amount of \$140,000.00 and Interest amount of \$13,280.00, for a total of \$153,280, will be paid for Fiscal Year 2011-2012.

The savings from refinancing the General Obligation bonds was \$13,679.00 over the remainder of the bonds and \$117,438.00 for the Certificates of Obligation for a total savings of \$131,117.00

This issuance was rated an insurable AAA by Standard and Poor's due to the city's sound fiscal management practices and stability. This is the highest rating available and is equal to Fortune 500 companies' ratings.

The refinancing and issuance of the bonds was handled by Steve Elliot of Southwest Securities in San Antonio, Texas.

Tax Notes in the amount of \$264,000 were issued on August 5, 2008 for the purchase of the building that currently houses City Hall. Portions of the building will be utilized for additional Police Department, Code Enforcement, and Administrative Offices.

The proceeds from the City of Palacios Series 2008 Tax Notes were distributed with \$252,000 being allocated toward the purchase of the building and \$12,000 being allocated for related financial and legal expenses. The debt service requirements for this combined issue are funded from General Fund revenue sources.

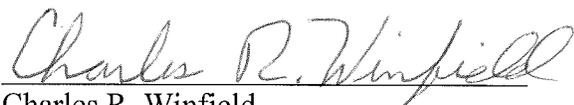
The current balance outstanding for this issue is \$160,900.00 in Principal and \$ 17,023.72 in Interest. The net interest cost for this issue is 4.005 %. The final maturity date of the issue is August 15, 2015. A Principal amount of \$37,500.00 and Interest amount of \$6,549.16, for a total of \$44,049.16, will be paid for Fiscal Year 2011-2012.

The refinancing and issuance of the bonds was handled by Victor Quiroga, Jr. of Southwest Securities in San Antonio, Texas.

Certificates of Obligation were issued on February 22, 2011 for the funding of water and wastewater infrastructure improvements. Such improvements were for the drilling of a new water well, new main line construction between the two elevated tanks, replacement of old water mains, and rehabilitation of structures at the wastewater treatment plant.

The current balance outstanding for this issue is \$3,580,000.00 in Principal and \$ 1,720,583.33 in Interest. The net interest cost for this issue is 4.375 %. The final maturity date of the issue is August 15, 2031. A Principal amount of \$0.00 and Interest amount of \$186,858.33, for a total of \$186,858.33, will be paid for Fiscal Year 2011-2012. The issuance was structured with interest only payments for the first two years to allow a buildup of reserves for the first principal payment. The interest in 2011-2012 is higher than in following years due to this structuring.

The issuance of the Certificates of Obligation was handled by Victor Quiroga, Jr. of Southwest Securities in San Antonio, Texas.



Charles R. Winfield  
City Manager

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

CASH PROJECTION SUMMARY

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Est. Beginning Balance	239,620.00	190,300.00	172,510.00
Revenues	2,388,220.00	2,526,560.00	2,489,630.00
Expenditures	2,370,090.00	2,544,350.00	2,473,420.00
Ending Cash Balances	257,750.00	172,510.00	188,720.00
Rev/Exp Difference	18,130.00	-17,790.00	16,210.00
Restricted Fund Balances	87,600.00	87,600.00	92,600.00
Unrestricted Fund Balances	170,150.00	84,910.00	96,120.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND  
SUMMARY OF REVENUE

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Taxes-Current	1,153,170.00	1,189,000.00	1,180,200.00
Taxes-Delinquent	45,500.00	63,200.00	63,200.00
Penalty and Interest	32,000.00	43,500.00	43,500.00
Other Fees	12,000.00	1,000.00	1,000.00
Plat fees	0.00	70.00	100.00
Permits	12,000.00	14,050.00	14,000.00
Liens Paid	500.00	200.00	500.00
Dog licenses and fees	2,000.00	2,200.00	2,200.00
Franchise Tax	146,000.00	144,700.00	145,000.00
Internet Contract	3,000.00	3,000.00	3,000.00
Sales Tax (General)	256,500.00	290,400.00	302,000.00
Property tax reduction	128,250.00	145,200.00	151,000.00
Mixed Beverage Tax	6,300.00	6,200.00	6,000.00
Bingo Tax	2,900.00	2,700.00	2,600.00
Fines and Court Costs	65,000.00	46,160.00	45,000.00
Sale of Labor & Material	5,000.00	6,700.00	6,500.00
Water Fund Transfers	382,500.00	382,500.00	382,500.00
Airport Fund Transfers	34,780.00	34,780.00	34,780.00
Court Tech Fund Transfer	1,110.00	4,420.00	2,280.00
Operating Transfer-EDC	0.00	18,170.00	0.00
Hotel/Motel Admin.	5,000.00	5,000.00	5,000.00
Rent - City Plaza	14,010.00	14,010.00	14,010.00
LEOSE-Police Grant	1,200.00	1,300.00	1,300.00
Dock Rental	2,400.00	2,400.00	2,400.00
Interest Income	1,500.00	900.00	900.00
Misc. Receipts	1,500.00	26,000.00	2,000.00
Weed Lots	700.00	910.00	800.00
Seawall Maint. Contract	50,000.00	50,000.00	50,000.00
Sales of Recyclables	4,000.00	8,130.00	8,000.00
Recycle Trailer Leases	500.00	360.00	360.00
Park Reservation Fees	2,500.00	2,700.00	2,800.00
Insurance Reimb-FOEC	8,700.00	9,100.00	9,100.00
Insurance Reimb-Library	7,700.00	7,600.00	7,600.00
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	2,388,220.00	2,526,560.00	2,489,630.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

SUMMARY OF EXPENSES

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Mayor and Council	19,850.00	24,420.00	19,750.00
Elections	1,930.00	100.00	1,930.00
Administration	482,220.00	482,890.00	526,230.00
Legal	12,000.00	11,000.00	11,000.00
Corporation Court	79,760.00	78,960.00	88,260.00
Library	30,000.00	30,000.00	30,000.00
Police	969,350.00	999,730.00	993,820.00
Fire	17,320.00	12,200.00	37,920.00
Recycle	40,030.00	38,220.00	42,140.00
Pool	21,000.00	23,150.00	24,000.00
Parks	118,300.00	109,500.00	113,300.00
Streets	291,060.00	274,340.00	298,180.00
Animal Control	7,850.00	8,010.00	6,940.00
Special Items	279,420.00	451,830.00	279,950.00
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	2,370,090.00	2,544,350.00	2,473,420.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
MAYOR AND CITY COUNCIL			
Salaries and Wages	10,200.00	10,200.00	10,200.00
Office Supplies	300.00	500.00	200.00
Telephone	1,200.00	1,200.00	1,200.00
Special Services	3,620.00	540.00	3,620.00
Travel, Training, Dues	3,700.00	3,400.00	3,700.00
Capital Outlay	0.00	7,750.00	0.00
Social Security	790.00	790.00	790.00
Workmans Comp	40.00	40.00	40.00
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	19,850.00	24,420.00	19,750.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
ELECTIONS			
Office Supplies	1,150.00	100.00	1,150.00
Special Services	780.00	0.00	780.00
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	1,930.00	100.00	1,930.00

**CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET**

**GENERAL FUND**

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
ADMINISTRATION			
Salaries and Wages	276,420.00	276,420.00	295,460.00
Overtime	4,200.00	4,100.00	4,200.00
Auto Allowance	6,000.00	6,000.00	6,000.00
Office Supplies	10,500.00	9,000.00	9,000.00
Maint. Office Equip	13,280.00	13,000.00	16,980.00
Maint. Heat and Air	300.00	0.00	300.00
Maint. Buildings	800.00	840.00	840.00
Telephone	7,700.00	7,300.00	7,400.00
Electricity	10,300.00	6,500.00	6,500.00
Gas (Entex)	300.00	260.00	300.00
Special Services	34,140.00	41,000.00	38,660.00
Drug Testing Services	3,000.00	2,000.00	2,000.00
Audit Services	9,980.00	9,980.00	9,980.00
Travel, Training, Dues	8,300.00	7,700.00	7,600.00
Capital Outlay	2,220.00	4,250.00	5,090.00
Social Security	21,930.00	21,930.00	23,390.00
Insurance Benefits	52,110.00	52,310.00	52,160.00
Retirement	18,930.00	18,930.00	38,440.00
Workmans Comp	1,810.00	1,370.00	1,930.00
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	482,220.00	482,890.00	526,230.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
LEGAL			
Contract Fees	12,000.00	11,000.00	11,000.00
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	12,000.00	11,000.00	11,000.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
CORPORATION COURT			
Salaries	57,990.00	57,990.00	62,470.00
Office Supplies	300.00	250.00	300.00
Maint. Office Equip.	3,680.00	3,800.00	4,030.00
Telephone	600.00	580.00	600.00
Special Services	970.00	890.00	950.00
Travel, Training, Dues	1,500.00	260.00	1,500.00
Capital Outlay	1,110.00	1,650.00	2,280.00
Social Security	4,440.00	4,440.00	4,780.00
Insurance Benefits	6,800.00	6,800.00	6,810.00
Retirement	2,090.00	2,090.00	4,240.00
Workmans Compensation	280.00	210.00	300.00
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	79,760.00	78,960.00	88,260.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
LIBRARY			
Special Services	30,000.00	30,000.00	30,000.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET  
GENERAL FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
POLICE			
Salaries and Wages	615,570.00	615,570.00	641,650.00
Overtime	5,380.00	48,000.00	5,670.00
Tools and Supplies	2,400.00	3,600.00	3,300.00
Office Supplies	6,000.00	5,500.00	5,500.00
Clothing	4,500.00	3,700.00	4,000.00
Maint-Office Equip.	13,900.00	14,700.00	15,980.00
Maint.-Radios & Radar	500.00	0.00	500.00
Maint.-Buildings	800.00	890.00	890.00
Telephone	13,680.00	12,500.00	12,000.00
Electricity	3,000.00	4,700.00	5,000.00
Natural Gas	300.00	480.00	480.00
Special Services	11,820.00	12,500.00	11,820.00
Travel, Training, Dues	8,000.00	5,100.00	8,000.00
Support of Prisoners	700.00	600.00	700.00
Capital Outlay	58,420.00	57,500.00	10,300.00
Office Equipment	300.00	0.00	300.00
Social Security	47,510.00	47,510.00	49,520.00
Insurance Benefits	109,100.00	109,100.00	109,170.00
Retirement	41,280.00	41,280.00	81,750.00
Workmans Comp	26,190.00	16,500.00	27,290.00
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	969,350.00	999,730.00	993,820.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
FIRE			
Tools and Supplies	500.00	250.00	500.00
Chemicals	500.00	0.00	500.00
Maint. Mach, Tools, Imp	200.00	0.00	200.00
Maint.-Radios	300.00	0.00	0.00
Maint. Building	100.00	0.00	2,000.00
Telephone	1,100.00	1,100.00	1,100.00
Electricity	2,200.00	1,200.00	1,200.00
Gas (Entex)	200.00	200.00	200.00
Special Services/Pension	9,220.00	8,950.00	9,220.00
Travel, Training, Dues	1,000.00	0.00	1,500.00
Instrument/Apparatus	500.00	0.00	5,000.00
Capital Outlay	1,000.00	0.00	16,000.00
Workers Compensation	500.00	500.00	500.00
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	17,320.00	12,200.00	37,920.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

RECYCLE	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Salaries	21,200.00	21,200.00	22,690.00
Tools and Supplies	1,300.00	1,200.00	1,300.00
Chemicals	20.00	0.00	0.00
Telephone	750.00	700.00	700.00
Electricity	1,700.00	1,100.00	1,100.00
Special Services	2,800.00	1,870.00	2,000.00
Travel, Training, Dues	600.00	940.00	950.00
Other-Capital Outlay	0.00	0.00	0.00
Social Security	1,630.00	1,630.00	1,740.00
Insurance Benefits	6,780.00	6,780.00	6,780.00
Retirement	1,470.00	1,470.00	2,970.00
Workers Comp	1,780.00	1,330.00	1,910.00
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	40,030.00	38,220.00	42,140.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

POOL	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Special Services	21,000.00	23,150.00	24,000.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

PARKS	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Salaries	0.00	0.00	0.00
Overtime	0.00	0.00	0.00
Tools and Supplies	6,000.00	6,500.00	6,800.00
Chemicals	1,000.00	1,100.00	1,200.00
Clothing	0.00	0.00	0.00
Reconstruction Material	5,000.00	0.00	1,000.00
Electricity	32,000.00	26,000.00	28,000.00
Special Services	74,300.00	75,900.00	76,300.00
Capital Outlay	0.00	0.00	0.00
Social Security	0.00	0.00	0.00
Insurance Benefits	0.00	0.00	0.00
Retirement	0.00	0.00	0.00
Workmans Comp	0.00	0.00	0.00
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	118,300.00	109,500.00	113,300.00

CITY OF PALACIOS  
 2011-2012 ANNUAL BUDGET  
 GENERAL FUND

Presented  
 08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
STREETS			
Salaries	28,250.00	28,250.00	29,870.00
Overtime	4,000.00	0.00	6,000.00
Tools and Supplies	7,000.00	8,500.00	8,000.00
Chemicals	3,000.00	0.00	3,000.00
Clothing	400.00	0.00	200.00
Maint. Radios	100.00	0.00	100.00
Reconstruction Material	10,000.00	21,000.00	25,000.00
Pipe and Culvert	10,000.00	7,500.00	10,000.00
Electricity	80,000.00	55,000.00	60,000.00
Special Services	12,900.00	17,700.00	17,900.00
Other-Capital Outlay	119,000.00	119,000.00	119,000.00
Social Security	2,620.00	2,620.00	2,750.00
Insurance Benefits	6,810.00	6,810.00	6,820.00
Retirement	2,360.00	2,360.00	4,700.00
Workers Comp	4,620.00	5,600.00	4,840.00
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	291,060.00	274,340.00	298,180.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

ANIMAL CONTROL	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Tools and Supplies	1,000.00	2,800.00	1,500.00
Dog/Cat Food	700.00	600.00	600.00
Chemicals	100.00	1,500.00	1,500.00
Telephone	700.00	790.00	800.00
Electricity	3,600.00	1,200.00	1,200.00
Special Services	550.00	1,100.00	1,140.00
Travel, Training, Dues	200.00	20.00	200.00
Capital Outlay	1,000.00	0.00	0.00
	----- 7,850.00	----- 8,010.00	----- 6,940.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
SPECIAL ITEMS			
Tax Notes - Principal	35,800.00	35,800.00	37,500.00
Tax Notes - Interest	7,900.00	7,900.00	6,550.00
Unemployment	5,000.00	17,300.00	5,000.00
Insurance and Bonds	55,830.00	69,240.00	70,000.00
Community Improvement	5,000.00	1,500.00	2,000.00
Transfers to Equip Fund	70,000.00	70,000.00	70,000.00
Mayor/Council Contingency	5,000.00	4,200.00	5,000.00
Hospital Assistance	10,000.00	10,000.00	10,000.00
Dev. Agreement Rebate	84,890.00	84,890.00	73,900.00
Safe to School Transfer	0.00	151,000.00	0.00
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	279,420.00	451,830.00	279,950.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

GENERAL FUND

Presented  
08/09/2011

SUMMARY OF RESTRICTED FUND BALANCE

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Firetruck	5,000.00	5,000.00	5,000.00
Street Rehabilitation	0.00	0.00	0.00
Safe to School Bridge	20,000.00	151,000.00	0.00
Swimming Pool	0.00	0.00	0.00
Reward Fund	0.00	0.00	0.00
Parks Restroom	0.00	0.00	0.00
Legal	0.00	0.00	0.00
City Service Facilities	0.00	0.00	0.00
Animal Shelter	0.00	0.00	0.00
Drainage Fund	0.00	0.00	0.00
Council Contingency	0.00	0.00	0.00
Emergency Management	0.00	0.00	0.00
Pavilion Roof	0.00	0.00	0.00
	-----	-----	-----
	25,000.00	156,000.00	5,000.00

RESTRICTED FUND HISTORY BALANCES

	BALANCE AS OF 2009-2010	BALANCE AS OF 2010-2011	PROPOSED BALANCE 2011-2012
Firetruck	60,000.00	65,000.00	70,000.00
Street Rehabilitation	0.00	0.00	0.00
Safe to School Bridge	20,000.00	0.00	0.00
Swimming Pool	10,000.00	10,000.00	10,000.00
Reward Fund	0.00	0.00	0.00
Parks	0.00	0.00	0.00
Legal	0.00	0.00	0.00
City Service Facilities	0.00	0.00	0.00
Animal Shelter	0.00	0.00	0.00
Drainage Fund	0.00	0.00	0.00
Council Contingency	0.00	0.00	0.00
Emergency Management	12,600.00	12,600.00	12,600.00
Pavilion Roof	10,000.00	0.00	0.00
	-----	-----	-----
	112,600.00	87,600.00	92,600.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

WATER/SEWER FUND

Presented  
08/09/2011

CASH PROJECTION SUMMARY

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Est. Beginning Balance	262,710.00	311,420.00	325,140.00
Revenues	1,331,500.00	1,637,000.00	1,795,950.00
Expenditures	1,509,470.00	1,623,280.00	1,959,630.00
Ending Cash Balances	84,740.00	325,140.00	161,460.00
Rev/Exp Difference	-177,970.00	13,720.00	-163,680.00
Restricted Fund Balances	0.00	115,900.00	60,000.00
Unrestricted Fund Balances	84,740.00	209,240.00	101,460.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

WATER/SEWER FUND

Presented  
08/09/2011

SUMMARY OF REVENUE

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Water Revenue	708,000.00	855,400.00	943,200.00
Sewer Revenue	550,000.00	701,300.00	774,500.00
Penalty Charges	45,000.00	47,500.00	47,000.00
Water Taps	3,000.00	2,500.00	2,500.00
Sewer Taps	1,500.00	1,500.00	1,500.00
Service Connect Charges	16,000.00	18,000.00	17,000.00
Interest Income	500.00	300.00	250.00
Misc. Reciepts	7,500.00	10,500.00	10,000.00
	-----	-----	-----
	1,331,500.00	1,637,000.00	1,795,950.00

SUMMARY OF EXPENSES

Water Department	556,090.00	510,250.00	617,520.00
Sewer Department	260,810.00	285,800.00	321,770.00
Special Items	828,100.00	827,230.00	1,020,340.00
	-----	-----	-----
	1,645,000.00	1,623,280.00	1,959,630.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

WATER/SEWER FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
WATER DEPARTMENT			
Salaries	261,160.00	205,160.00	285,580.00
Overtime	5,500.00	16,000.00	10,000.00
Tools and Supplies	65,000.00	62,000.00	60,000.00
Utility Office Supplies	550.00	580.00	600.00
Chemicals	4,500.00	6,500.00	7,000.00
Clothing	1,200.00	2,150.00	1,500.00
Stationary Equipment	0.00	1,850.00	0.00
Maint. Office Equipment	10,200.00	7,770.00	7,770.00
Telephone	4,700.00	4,800.00	4,800.00
Electricity	40,000.00	30,900.00	32,000.00
Gas (Entex)	100.00	90.00	90.00
Special Services	14,200.00	34,000.00	35,000.00
Statement Printing/Mailing	16,000.00	15,400.00	15,100.00
Audit	10,000.00	10,000.00	10,000.00
Travel, Training, Dues	800.00	300.00	500.00
Instuments/Apparatus	12,000.00	11,500.00	12,000.00
Capital Outlay	0.00	830.00	950.00
Social Security	20,400.00	20,400.00	22,620.00
Insurance Benefits	54,460.00	54,460.00	54,540.00
Retirement	18,380.00	18,380.00	38,700.00
Workers Comp	16,940.00	7,180.00	18,770.00
	-----	-----	-----
	556,090.00	510,250.00	617,520.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

WATER/SEWER FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
SEWER DEPARTMENT			
Salaries	22,480.00	22,480.00	23,440.00
Overtime	0.00	3,600.00	3,000.00
Tools and Supplies	15,000.00	29,000.00	25,000.00
Chemicals	13,000.00	12,000.00	12,050.00
Clothing	200.00	260.00	200.00
Maint. Radios	100.00	0.00	100.00
Maint. - Buildings	500.00	0.00	500.00
Telephone	1,350.00	1,350.00	1,350.00
Electricity	80,000.00	96,800.00	98,000.00
Special Services	63,500.00	110,000.00	90,990.00
Travel, Training, Dues	700.00	0.00	700.00
Capital Outlay	52,500.00	0.00	52,500.00
Social Security	1,720.00	1,720.00	2,030.00
Insurance Benefits	6,780.00	6,780.00	6,790.00
Retirement	1,550.00	1,550.00	3,510.00
Workers Comp	1,430.00	260.00	1,610.00
	-----	-----	-----
	260,810.00	285,800.00	321,770.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

WATER/SEWER FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
SPECIAL ITEMS			
Bond Payments - Principal	135,000.00	135,000.00	140,000.00
Bond Payments - Interest	18,100.00	18,100.00	200,140.00
Gen Fund Contribution	382,500.00	382,500.00	382,500.00
Unemployment	1,000.00	0.00	1,000.00
Insurance and Bonds	16,500.00	16,630.00	16,700.00
Transfers to Equip Fund	140,000.00	140,000.00	140,000.00
Bond Payments-Principal	135,000.00	135,000.00	140,000.00
Bond Payments - Interest	18,100.00	18,100.00	200,140.00
	-----	-----	-----
	828,100.00	827,230.00	1,020,340.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

AIRPORT FUND

Presented  
08/09/2011

CASH PROJECTION SUMMARY

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Est. Beginning Balance	124,920.00	116,120.00	179,096.00
Revenues	70,850.00	170,946.00	89,500.00
Expenditures	118,140.00	107,970.00	153,550.00
Subtotals	77,630.00	179,096.00	115,046.00
Difference	-47,290.00	62,976.00	-64,050.00
Restricted Fund Balances		50,000.00	50,000.00
Unrestricted Fund Balances		129,096.00	65,046.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

AIRPORT FUND

Presented  
08/09/2011

SUMMARY OF REVENUE

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
Fuel Sales	20,000.00	116,126.00	35,000.00
Hangar Rental	4,100.00	4,150.00	4,200.00
School Barn Lease	150.00	150.00	150.00
Golf Assoc. Lease	100.00	100.00	100.00
Flight Service Lease	20,200.00	23,400.00	23,400.00
T-Hangar Lease	5,300.00	4,800.00	4,500.00
Farming Lease	10,000.00		
Grazing Lease	10,230.00	21,900.00	21,900.00
Interest	720.00	250.00	200.00
Mineral Lease	0.00	0.00	0.00
Misc. Income	50.00	70.00	50.00
	-----	-----	-----
	70,850.00	170,946.00	89,500.00

SUMMARY OF EXPENSES

MISC. EXPENSES	59,620.00	49,450.00	75,210.00
SPECIAL ITEMS	58,520.00	58,520.00	78,340.00
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	118,140.00	107,970.00	153,550.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

AIRPORT FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
MISC. EXPENSES			
Tools and Supplies	1,000.00	1,600.00	1,700.00
Chemicals	100.00	0.00	100.00
Aviation Fuel & Oil	10,000.00	22,850.00	25,000.00
Maint. Mach, Tools, Imp	1,500.00	1,500.00	1,500.00
Maint. - Heat and A/C	200.00	0.00	200.00
Maint. Buildings	500.00	0.00	500.00
Maint. Other Structures	500.00	1,160.00	1,000.00
Telephone	1,700.00	1,740.00	1,750.00
Electricity	12,000.00	9,600.00	11,000.00
Special Services	31,320.00	11,000.00	32,460.00
Travel, Training, Dues	800.00	0.00	0.00
Capital Outlay	0.00	0.00	0.00
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	59,620.00	49,450.00	75,210.00

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
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SPECIAL ITEMS

General Fund Transfers	34,920.00	34,920.00	44,040.00
Equipment Fund Transfers	10,000.00	10,000.00	20,000.00
Insurance and Bonds	13,600.00	13,990.00	14,300.00
	-----	-----	-----
	58,520.00	58,520.00	78,340.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

EQUIPMENT FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
CASH PROJECTIONS:			
Est. Beginning Balance	220.00	0.00	53,780.00
Revenues	230,050.00	230,020.00	230,050.00
Expenditures	249,680.00	176,240.00	279,520.00
Transfer/Other Funds	0.00	0.00	0.00
	-----	-----	-----
Est. Ending Balance	-19,410.00	53,780.00	4,310.00

CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

EQUIPMENT FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
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REVENUES

General Fund Transfers	70,000.00	70,000.00	70,000.00
Water Fund Transfers	140,000.00	140,000.00	140,000.00
Airport Fund Transfers	20,000.00	20,000.00	20,000.00
Interest Income	50.00	20.00	50.00
Misc. Receipts	0.00	0.00	0.00
Donations	0.00	0.00	0.00
	-----	-----	-----
	230,050.00	230,020.00	230,050.00

EXPENSES

Equipment	249,680.00	176,240.00	279,520.00
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CITY OF PALACIOS  
2011-2012 ANNUAL BUDGET

EQUIPMENT FUND

Presented  
08/09/2011

	ADOPTED BUDGET 2010-2011	ESTIMATED BUDGET 2010-2011	PROPOSED BUDGET 2011-2012
EQUIPMENT			
Fuel and Oil	80,000.00	93,800.00	97,000.00
Tools and Supplies	6,000.00	1,700.00	2,000.00
Special Services	53,000.00	42,000.00	45,000.00
Capital Outlay	110,680.00	38,740.00	135,520.00
	-----	-----	-----
	249,680.00	176,240.00	279,520.00