

CITY OF PALACIOS

ANNUAL BUDGET

Fiscal Year

October 1, 2010

to

September 30, 2011

“This budget will raise more total property taxes than last year’s budget by \$90,070 or 8.47%, and of that amount \$13,388 is tax revenue to be raised from new property added to the roll this year.”

**City Manager's
Budget Message
for the
2010-2010 Fiscal Year**

Budget Goals

The Budget Goals for the 2010-2011 Fiscal year will continue past fiscal years goals. After years of scheduled reductions in fund balances, a rebuilding of fund balances has been achieved to some extent. Increasing the fund balance to a three month supply of emergency funds will continue to be one of the major goals facing the city. Another major goal is to continue with infrastructure projects following the updated Infrastructure Master Plan. Replacement of outdated equipment is also a goal that will help provide more efficient services.

Financial Policies

The major goal of beginning to build back fund balances actually began during the 2008-2009 fiscal year. General Fund revenue exceeded spending in that fiscal year and is projected to exceed in the 2009-2010 fiscal year. The 2010-2011 fiscal year budget will continue that trend with a projected increase in fund balance.

The water fund, due to the council's continued commitment toward infrastructure improvements, continues to have spending exceed revenue. This trend is reflected in the 2010-2011 fiscal year budget. However, the development of a rate study for possible Certificates of Obligation and/or USDA funds will allow the city to set rates that will cover necessary expenses along with funding new debt.

Significant Changes in Expenditures

General Fund

Most departments had relatively minor increases over last year's budget. Much of which is related to increases in electricity, supplies, and normal 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.

A slight increase in the Streets Department reflects an increase in Capital outlay for streets. The 2010-2011 project will be a seal coating project.

Water Fund

The Water Department has no significant increase in Capital Outlay. However, a budget amendment will be requested for water tank painting and maintenance once the financing for the 2011 Infrastructure projects are completed.

The Sewer Department reflects the same Capital Outlay amount in the 2010-2011 fiscal year budget as was budgeted in the 2009-2010 budget. 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 be moved to the 2010-2011 budget. These funds are for major sewer line repairs.

Airport Fund

The City will continue funding to Special Services for the participation in the Texas Department of Transportation-Aviation Division's RAMP Program which provides grant funding for local maintenance projects.

Matching funds have again been allocated for the city's participation in the Texas Department of Transportation-Aviation Division's Capital Improvement program which utilizes State and Federal grant funds with a local match requirement.

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 is proposing an increase in Capital Expenditures due to the replacement of one Police Cruiser, and the purchase of a pickup truck.

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, Parks, and the Pavilion Roof.

The General Fund's fund balance is expected to be around \$275,990.00 by the end of the coming fiscal year.

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 the financial plan is finalized.

The Water Fund's fund balance is expected to be around \$102,470.00 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 \$ 70,660.00 by the end of the coming fiscal year.

Equipment Fund

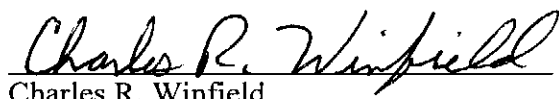
The financial status of this internal service fund is solvent due to the support by the other major funds. Any increase or decrease in needed funding will continue to be reflected by an increase or decrease in expenditures from the other major funds. The financial policy of this fund is to have revenues and expenditures match with little, if any, fund balance.

The Equipment Fund's fund balance is expected to be around \$5,070.00 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
2010-2011
FISCAL YEAR**

The following is a summary of Capital Expenditures for the City of Palacios. These amounts are reflected in the 2010-2011 fiscal year budget.

General Fund

The Administration department is proposing a Capital Expenditure line item of \$2,220.00. This includes the replacement of two computers with monitors. These items will be used for utility billing, permits, and Building Inspector's office.

The Municipal Court is proposing a Capital Expenditure of \$1,110.00 for a desktop computer to be used by the Municipal Court Clerk. This expenditure will be paid from the Court Technology Fund.

The Police Department is proposing a Capital Expenditure of \$58,420.00. This includes the monthly lease/purchase payments for the Police Software and the replacement of patrol car video systems.

The Fire Department includes a Capital Expenditure of \$1,000.00 for miscellaneous equipment purchase.

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 \$10,000.00 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 has received a notice of award for another \$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 the 2009-2010 budget, but will not be spent until the 2010-2011 fiscal year.

At this time, preliminary plans are being developed to finance the drilling of one to two additional water wells, the construction of a ground water storage facility, and the replacement of water mains identified by Mercer Engineering in the City's Comprehensive Plan. When the financing information is finalized, a budget amendment will be recommended to add the proceeds of the financing instrument as well as the Capital Expenditures and associated debt service payments.

Airport Fund

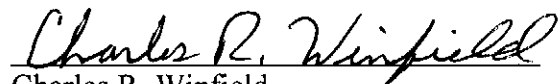
The Airport fund is not funding any Capital Outlay due to the 2009-2010 expenditures to fund the city's participation in TxDOT-Aviation's Capital Improvement program. This program utilizes State and Federal grant funds with a local match requirement. The anticipated project this funding will address is drainage improvements to the airport and take place in 2011.

The project is financed through the Airport Fund revenue such as leases for grazing, golf course, and oil and gas leases.

Equipment Fund

The Equipment Fund is proposing a Capital Expenditure of \$74,960.00. Capital Outlays for this fund include the lease/purchase expense and final balloon payment for a backhoe, replacement of one Police Cruiser, 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**

2010-2011 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 \$560,000.00 in Principal and \$42,297.50 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 \$135,000.00 and Interest amount of \$18,092.50, for a total of \$152,092.51, will be paid for Fiscal Year 2010-2011.

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.

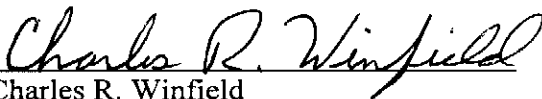
The refinancing and issuance of the bonds was handled by Steve Elliot of Southwest Securities in San Antonio, Texas.

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 \$196,700.00 in Principal and \$ 24,915.38 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 \$35,800.00 and Interest amount of \$7,891.66, for a total of \$43,691.66, will be paid for Fiscal Year 2010-2011.

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


Charles R. Winfield
City Manager

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

CASH PROJECTION SUMMARY

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Est. Beginning Balance	262,880.00	187,810.00	239,620.00
Revenues	2,247,380.00	2,374,440.00	2,388,220.00
Expenditures	2,199,890.00	2,322,630.00	2,351,850.00
Ending Cash Balances	310,370.00	239,620.00	275,990.00
Rev/Exp Difference	47,490.00	51,810.00	36,370.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND
SUMMARY OF REVENUE

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Taxes-Current	1,063,100.00	1,081,150.00	1,153,170.00
Taxes-Delinquent	44,620.00	59,700.00	45,500.00
Penalty and Interest	31,740.00	35,430.00	32,000.00
Other Fees	7,000.00	12,000.00	12,000.00
Plat fees	0.00	120.00	0.00
Permits	10,000.00	13,000.00	12,000.00
Liens Paid	500.00	0.00	500.00
Dog licenses and fees	1,500.00	2,500.00	2,000.00
Franchise Tax	143,000.00	145,500.00	146,000.00
Internet Contract	3,000.00	3,000.00	3,000.00
Sales Tax (General)	237,400.00	256,500.00	256,500.00
Property tax reduction	118,700.00	128,250.00	128,250.00
Mixed Beverage Tax	7,500.00	6,300.00	6,300.00
Bingo Tax	3,200.00	2,900.00	2,900.00
Fines and Court Costs	50,000.00	65,000.00	65,000.00
Sale of Labor & Material	4,500.00	5,900.00	5,000.00
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	1,810.00	2,610.00	1,110.00
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	1,100.00	1,250.00	1,200.00
Dock Rental	2,400.00	2,400.00	2,400.00
Interest Income	1,000.00	1,600.00	1,500.00
Misc. Receipts	1,000.00	38,850.00	1,500.00
Weed Lots	500.00	900.00	700.00
Seawall Maint. Contract	50,000.00	50,000.00	50,000.00
Sales of Recyclables	7,000.00	4,070.00	4,000.00
Recycle Trailer Leases	1,440.00	500.00	500.00
Park Reservation Fees	2,500.00	2,600.00	2,500.00
Insurance Reimb-FOEC	8,800.00	8,490.00	8,700.00
Insurance Reimb-Library	7,780.00	7,630.00	7,700.00
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	2,247,380.00	2,374,440.00	2,388,220.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

SUMMARY OF EXPENSES

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Mayor and Council	16,830.00	15,560.00	16,730.00
Elections	2,450.00	1,920.00	1,930.00
Administration	459,940.00	475,190.00	483,730.00
Legal	12,000.00	10,600.00	12,000.00
Corporation Court	78,000.00	77,530.00	78,630.00
Library	30,000.00	30,000.00	30,000.00
Police	888,690.00	891,070.00	968,900.00
Fire	17,320.00	15,180.00	17,320.00
Recycle	37,330.00	39,320.00	40,000.00
Pool	18,500.00	20,960.00	21,000.00
Parks	113,300.00	127,850.00	118,300.00
Streets	278,480.00	322,290.00	291,040.00
Animal Control	7,850.00	9,730.00	7,850.00
Special Items	239,200.00	285,430.00	264,420.00
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	2,199,890.00	2,322,630.00	2,351,850.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
MAYOR AND CITY COUNCIL			
Salaries and Wages	10,200.00	10,200.00	10,200.00
Office Supplies	300.00	300.00	300.00
Telephone	1,200.00	1,200.00	1,200.00
Special Services	100.00	540.00	500.00
Travel, Training, Dues	4,200.00	2,500.00	3,700.00
Social Security	790.00	790.00	790.00
Workmans Comp	40.00	30.00	40.00
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	16,830.00	15,560.00	16,730.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
ELECTIONS			
Office Supplies	1,100.00	1,150.00	1,150.00
Special Services	1,350.00	770.00	780.00
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	2,450.00	1,920.00	1,930.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
ADMINISTRATION			
Salaries and Wages	262,760.00	262,760.00	276,420.00
Overtime	3,000.00	3,900.00	4,200.00
Auto Allowance	6,000.00	6,000.00	6,000.00
Office Supplies	11,000.00	10,100.00	10,500.00
Maint. Office Equip	12,920.00	13,280.00	13,280.00
Maint. Heat and Air	300.00	200.00	300.00
Maint. Buildings	800.00	900.00	800.00
Telephone	7,090.00	7,680.00	7,700.00
Electricity	11,500.00	10,800.00	10,300.00
Gas (Entex)	300.00	280.00	300.00
Special Services	20,790.00	35,000.00	34,140.00
Drug Testing Services	3,000.00	2,700.00	3,000.00
Building Lease	0.00	0.00	0.00
Audit Services	7,950.00	9,980.00	9,980.00
Travel, Training, Dues	9,050.00	8,700.00	8,300.00
Capital Outlay	10,150.00	11,690.00	3,330.00
Social Security	20,790.00	20,790.00	21,930.00
Insurance Benefits	52,490.00	50,800.00	52,510.00
Retirement	18,320.00	18,320.00	18,930.00
Workmans Comp	1,730.00	1,310.00	1,810.00
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	459,940.00	475,190.00	483,730.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
LEGAL			
Contract Fees	12,000.00	10,600.00	12,000.00
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	12,000.00	10,600.00	12,000.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
CORPORATION COURT			
Salaries	55,960.00	55,960.00	57,990.00
Office Supplies	300.00	250.00	300.00
Maint. Office Equip.	3,680.00	3,680.00	3,680.00
Telephone	500.00	550.00	600.00
Special Services	970.00	950.00	970.00
Travel, Training, Dues	1,500.00	300.00	1,500.00
Capital Outlay	1,810.00	2,610.00	1,110.00
Social Security	4,290.00	4,290.00	4,440.00
Insurance Benefits	6,770.00	6,770.00	6,780.00
Retirement	1,950.00	1,950.00	2,090.00
Workmans Compensation	270.00	220.00	280.00
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	78,000.00	77,530.00	79,740.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
LIBRARY			
Special Services	30,000.00	30,000.00	30,000.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET
GENERAL FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
POLICE			
Salaries and Wages	589,220.00	589,220.00	615,570.00
Overtime	5,220.00	15,000.00	5,380.00
Tools and Supplies	1,700.00	2,300.00	2,400.00
Office Supplies	6,200.00	5,900.00	6,000.00
Clothing	2,500.00	4,300.00	4,500.00
Maint-Office Equip.	13,900.00	13,900.00	13,900.00
Maint.-Radios & Radar	500.00	280.00	500.00
Maint.-Buildings	800.00	810.00	800.00
Telephone	13,680.00	12,500.00	13,680.00
Electricity	3,000.00	5,600.00	3,000.00
Natural Gas	380.00	250.00	300.00
Special Services	11,820.00	10,200.00	11,820.00
Travel, Training, Dues	8,000.00	5,100.00	8,000.00
Support of Prisoners	500.00	700.00	700.00
Capital Outlay	12,420.00	12,420.00	58,420.00
Office Equipment	300.00	0.00	300.00
Social Security	45,480.00	45,480.00	47,510.00
Insurance Benefits	108,570.00	108,570.00	108,650.00
Retirement	39,480.00	39,480.00	41,280.00
Workmans Comp	25,020.00	19,060.00	26,190.00
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	888,690.00	891,070.00	968,900.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
FIRE			
Tools and Supplies	500.00	0.00	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	300.00
Maint. Building	100.00	0.00	100.00
Telephone	1,100.00	1,200.00	1,100.00
Electricity	2,200.00	2,300.00	2,200.00
Gas (Entex)	200.00	190.00	200.00
Special Services/Pension	9,220.00	9,220.00	9,220.00
Travel, Training, Dues	1,000.00	0.00	1,000.00
Instrument/Apparatus	500.00	0.00	500.00
Capital Outlay	1,000.00	1,840.00	1,000.00
Workers Compensation	500.00	430.00	500.00
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	17,320.00	15,180.00	17,320.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

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08/10/2010

RECYCLE	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Salaries	20,990.00	20,990.00	21,200.00
Tools and Supplies	1,300.00	1,500.00	1,300.00
Chemicals	20.00	30.00	20.00
Telephone	750.00	900.00	750.00
Electricity	1,600.00	1,700.00	1,700.00
Special Services	500.00	2,700.00	2,800.00
Travel, Training, Dues	600.00	440.00	600.00
Other-Capital Outlay	0.00	0.00	0.00
Social Security	1,610.00	1,620.00	1,630.00
Insurance Benefits	6,750.00	6,750.00	6,750.00
Retirement	1,450.00	1,460.00	1,470.00
Workers Comp	1,760.00	1,230.00	1,780.00
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	37,330.00	39,320.00	40,000.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

POOL	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Special Services	18,500.00	20,960.00	21,000.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

PARKS	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Salaries	0.00	0.00	0.00
Overtime	0.00	0.00	0.00
Tools and Supplies	6,000.00	5,500.00	6,000.00
Chemicals	1,000.00	950.00	1,000.00
Clothing	0.00	0.00	0.00
Reconstruction Material	5,000.00	0.00	5,000.00
Electricity	30,000.00	34,600.00	32,000.00
Special Services	71,300.00	71,300.00	74,300.00
Capital Outlay	0.00	15,500.00	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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	113,300.00	127,850.00	118,300.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET
GENERAL FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
STREETS			
Salaries	52,410.00	28,250.00	28,250.00
Overtime	6,000.00	3,600.00	4,000.00
Tools and Supplies	7,000.00	6,500.00	7,000.00
Chemicals	2,600.00	2,900.00	3,000.00
Clothing	400.00	380.00	400.00
Maint. Radios	100.00	0.00	100.00
Reconstruction Material	10,000.00	44,000.00	10,000.00
Pipe and Culvert	4,000.00	8,600.00	10,000.00
Electricity	38,000.00	80,000.00	80,000.00
Special Services	12,550.00	15,350.00	12,900.00
Other-Capital Outlay	115,500.00	115,500.00	119,000.00
Social Security	4,470.00	2,590.00	2,620.00
Insurance Benefits	13,540.00	6,500.00	6,790.00
Retirement	4,030.00	1,890.00	2,360.00
Workers Comp	7,880.00	6,230.00	4,620.00
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	278,480.00	322,290.00	291,040.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

ANIMAL CONTROL

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Tools and Supplies	1,000.00	2,800.00	1,000.00
Dog/Cat Food	700.00	850.00	700.00
Chemicals	700.00	90.00	100.00
Telephone	700.00	690.00	700.00
Electricity	2,500.00	3,100.00	3,600.00
Special Services	550.00	2,200.00	550.00
Travel, Training, Dues	200.00	0.00	200.00
Capital Outlay	1,500.00	0.00	1,000.00
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	7,850.00	9,730.00	7,850.00

*Timer
on lights*

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
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SPECIAL ITEMS

Tax Notes - Principal	34,100.00	34,100.00	35,800.00
Tax Notes - Interest	9,090.00	9,090.00	7,900.00
Unemployment	2,000.00	11,500.00	5,000.00
Insurance and Bonds	55,830.00	70,340.00	55,830.00 -
Community Improvement	5,000.00	4,700.00 ←	5,000.00 - Tax
Transfers to Equip Fund	35,000.00	50,000.00	55,000.00 -
Mayor/Council Contingency	5,000.00	2,520.00	5,000.00
Hospital Assistance	10,000.00	20,000.00 →	10,000.00 -
Dev. Agreement Rebate	83,180.00	83,180.00	84,890.00
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	239,200.00	285,430.00	264,420.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

GENERAL FUND

Presented
08/10/2010

SUMMARY OF RESTRICTED FUND BALANCE

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Firetruck	5,000.00	5,000.00	5,000.00
Street Rehabilitation	0.00	0.00	0.00
Street Tax Fund	0.00	0.00	0.00
Swimming Pool	0.00	0.00	0.00
Reward Fund	0.00	40,000.00	0.00
Parks Restroom	0.00	20,000.00	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

	5,000.00	25,000.00	5,000.00

RESTRICTED FUND HISTORY BALANCES

	BALANCE AS OF 2008-2009	BALANCE AS OF 2009-2010	PROPOSED BALANCE 2010-2011
Firetruck	55,000.00	60,000.00	65,000.00
Street Rehabilitation	0.00	0.00	0.00
Street Tax Fund	0.00	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	20,000.00	20,000.00
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	10,000.00	10,000.00

	87,600.00	112,600.00	117,600.00

117,600.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

WATER/SEWER FUND

Presented
08/10/2010

CASH PROJECTION SUMMARY

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Est. Beginning Balance	997,010.00	341,060.00	262,710.00
Revenues	1,358,700.00	1,336,710.00	1,331,500.00
Expenditures	1,405,700.00	1,415,060.00	1,491,740.00
Ending Cash Balances	950,010.00	262,710.00	102,470.00
Rev/Exp Difference	-47,000.00	-78,350.00	-160,240.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

WATER/SEWER FUND

Presented
08/10/2010

SUMMARY OF REVENUE

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Water Revenue	720,000.00	708,000.00	708,000.00
Sewer Revenue	560,000.00	550,000.00	550,000.00
Penalty Charges	45,000.00	49,280.00	45,000.00
Water Taps	6,000.00	3,300.00	3,000.00
Sewer Taps	3,500.00	1,500.00	1,500.00
Service Connect Charges	12,700.00	16,830.00	16,000.00
Interest Income	3,500.00	500.00	500.00
Misc. Receipts	8,000.00	7,300.00	7,500.00
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	1,358,700.00	1,336,710.00	1,331,500.00

SUMMARY OF EXPENSES

Water Department	519,280.00	555,270.00	553,390.00
Sewer Department	233,550.00	188,510.00	260,780.00
Special Items	652,870.00	671,280.00	677,570.00
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	1,405,700.00	1,415,060.00	1,491,740.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

WATER/SEWER FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
WATER DEPARTMENT			
Salaries	255,050.00	248,250.00	259,110.00
Overtime	5,500.00	5,500.00	5,500.00
Tools and Supplies	44,000.00	63,600.00	65,000.00
Utility Office Supplies	600.00	520.00	550.00
Chemicals	2,700.00	4,200.00	4,500.00
Clothing	1,600.00	1,100.00	1,200.00
Maint. Office Equipment	8,200.00	9,800.00	10,200.00
Telephone	5,400.00	4,600.00	4,700.00
Electricity	40,000.00	39,500.00	40,000.00
Gas (Entex)	100.00	100.00	100.00
Special Services	14,200.00	58,000.00	14,200.00
Statement Printing/Mailing	16,000.00	15,800.00	16,000.00
Audit	10,000.00	10,000.00	10,000.00
Travel, Training, Dues	800.00	500.00	800.00
Instuments/Apparatus	7,000.00	16,000.00	12,000.00
Capital Outlay	0.00	0.00	0.00
Social Security	19,420.00	16,600.00	20,250.00
Insurance Benefits	54,200.00	40,400.00	54,230.00
Retirement	17,960.00	14,600.00	18,240.00
Workers Comp	16,550.00	6,200.00	16,810.00
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	519,280.00	555,270.00	553,390.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

WATER/SEWER FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
SEWER DEPARTMENT			
Salaries	0.00	0.00	22,480.00
Overtime	0.00	5,900.00	0.00
Tools and Supplies	20,000.00	12,400.00	15,000.00
Chemicals	10,000.00	12,500.00	13,000.00
Clothing	200.00	170.00	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	85,000.00	80,900.00	80,000.00
Special Services	63,500.00	64,000.00	63,500.00
Travel, Training, Dues	400.00	800.00	700.00
Capital Outlay	52,500.00	0.00	52,500.00
Social Security	0.00	2,650.00	1,720.00
Insurance Benefits	0.00	5,000.00	6,750.00
Retirement	0.00	2,550.00	1,550.00
Workers Comp	0.00	290.00	1,430.00
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	233,550.00	188,510.00	260,780.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

WATER/SEWER FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
SPECIAL ITEMS			
Gen Fund Contribution	382,500.00	382,500.00	382,500.00
Unemployment	1,000.00	0.00	1,000.00
Insurance and Bonds	16,800.00	16,210.00	16,500.00
Transfers to Equip Fund	100,000.00	120,000.00	125,000.00
Bond Payments	152,570.00	152,570.00	152,570.00
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	652,870.00	671,280.00	677,570.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

AIRPORT FUND

Presented
08/10/2010

CASH PROJECTION SUMMARY

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Est. Beginning Balance	124,920.00	240,750.00	127,930.00
Revenues	63,230.00	91,360.00	70,850.00
Expenditures	164,700.00	204,180.00	128,120.00
Subtotals	23,450.00	127,930.00	70,660.00
Difference	-101,470.00	-112,820.00	-57,270.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

AIRPORT FUND

Presented
08/10/2010

SUMMARY OF REVENUE

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
Fuel Sales	12,000.00	33,200.00	20,000.00
Hangar Rental	4,100.00	4,100.00	4,100.00
School Barn Lease	150.00	150.00	150.00
Golf Assoc. Lease	100.00	100.00	100.00
Flight Service Lease	20,200.00	20,200.00	20,200.00
T-Hangar Lease	4,900.00	5,370.00	5,300.00
Farming Lease	10,000.00	0.00	10,000.00
Grazing Lease	10,230.00	20,470.00	10,230.00
Interest	1,500.00	720.00	720.00
Mineral Lease	0.00	0.00	0.00
Misc. Income	50.00	7,050.00	50.00
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	63,230.00	91,360.00	70,850.00

SUMMARY OF EXPENSES

MISC. EXPENSES	105,520.00	145,000.00	59,620.00
SPECIAL ITEMS	59,180.00	59,180.00	68,500.00
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	164,700.00	204,180.00	128,120.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

AIRPORT FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
MISC. EXPENSES			
Tools and Supplies	3,000.00	650.00	1,000.00
Chemicals	100.00	0.00	100.00
Aviation Fuel & Oil	10,000.00	24,110.00	10,000.00
Maint. Mach, Tools, Imp	1,500.00	0.00	1,500.00
Maint. - Heat and A/C	200.00	180.00	200.00
Maint. Buildings	500.00	1,080.00	500.00
Maint. Other Structures	500.00	0.00	500.00
Telephone	1,800.00	1,650.00	1,700.00
Electricity	11,000.00	11,300.00	12,000.00
Special Services	31,320.00	14,500.00	31,320.00
Travel, Training, Dues	600.00	770.00	800.00
Capital Outlay	45,000.00	90,760.00	0.00
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	105,520.00	145,000.00	59,620.00

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
SPECIAL ITEMS			
General Fund Transfers	34,780.00	34,780.00	34,900.00
Equipment Fund Transfers	10,000.00	10,000.00	20,000.00
Insurance and Bonds	14,400.00	13,100.00	13,600.00
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	59,180.00	59,180.00	68,500.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

EQUIPMENT FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
CASH PROJECTIONS:			
Est. Beginning Balance	220.00	14,170.00	19,980.00
Revenues	150,050.00	188,060.00	200,050.00
Expenditures	163,610.00	182,250.00	214,960.00
Transfer/Other Funds	0.00	0.00	0.00
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Est. Ending Balance	-13,340.00	19,980.00	5,070.00

CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

EQUIPMENT FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
REVENUES			
General Fund Transfers	35,000.00	50,000.00	55,000.00
Water Fund Transfers	100,000.00	120,000.00	125,000.00
Airport Fund Transfers	15,000.00	18,000.00	20,000.00
Interest Income	50.00	60.00	50.00
Misc. Receipts	0.00	0.00	0.00
Donations	0.00	0.00	0.00
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	150,050.00	188,060.00	200,050.00

EXPENSES

Equipment	163,610.00	182,250.00	214,960.00
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CITY OF PALACIOS
2010-2011 ANNUAL BUDGET

EQUIPMENT FUND

Presented
08/10/2010

	ADOPTED BUDGET 2009-2010	ESTIMATED BUDGET 2009-2010	PROPOSED BUDGET 2010-2011
EQUIPMENT			
Fuel and Oil	60,000.00	78,900.00	80,000.00
Tools and Supplies	7,000.00	5,800.00	6,000.00
Special Services	40,000.00	53,000.00	54,000.00
Capital Outlay	56,610.00	44,550.00	74,960.00
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	163,610.00	182,250.00	214,960.00