



CITY
OF
PALM VALLEY
BUDGET
(adopted)
2022-2023
September 14, 2022

**Prepared by:
City Council
City Staff**



City of Palm Valley

"Home of The Harlingen Country Club"

September 8, 2022

Citizens of Palm Valley

The following is a summary of our city's proposed budget for Fiscal year 2022-2023, which begins on October 1, 2022, and ends on September 30, 2023.

The budget was prepared by City Staff and the City Council, during our annual budget workshop, which was held on August 27, 2022. This year's budget reflects no property tax increase. The City's Property Tax Rate will remain at \$.0515463/\$100, generating \$661,892 in property tax revenue.

The proposed budget for the Fiscal year 2022-2023 incorporates the necessary financial strategies to fund the operations of the city, while maintaining financial stability into the future. This proposed budget further reflects the City Council's commitment to addressing the needs of a growing city. The City will remain focused on delivering core services while also finding innovative ways to provide those services with greater efficiency, higher effectiveness, and transparency.

This year's budget is a conservative plan to improve our community while maintaining a property tax rate that is among the lowest in the Rio Grande Valley. It includes funding to maintain competitive salaries and benefits, for retaining and attracting staff, and to replace and to upgrade vehicles and equipment for operational requirements, and to improve city infrastructure projects.

We would like to invite citizens to review the City of Palm Valley's Proposed Budget Plan. The Fiscal Year 2022-2023 proposed is scheduled to be adopted by the Council on September 14, 2022, at 6:00 p.m. The proposed budget would take effect on October 1, 2022.

Respectfully,

Eric Hoff
Mayor Pro Tem
City of Palm Valley

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This budget will raise more revenue from property taxes than last year's budget by 2.08% and of that amount \$13,547 is tax revenue to be raised from new property added to the tax roll this year.

Budget Highlights:

City General Fund Operating Budget:

Estimated Property Tax Revenue	\$ 661,892	70.0%
Estimated Sales Tax Revenue	\$ 150,000	15.9%
Estimated Other Revenue	\$ 78,400	8.3%
Estimated Franchise Fee Revenue	\$ 54,600	5.8%
Total Projected Revenue	\$ 944,892	
Estimated Public Safety Expense	\$ 363,037	38.7%
Estimated Administration Expense	\$ 343,758	36.7%
Estimated Streets & Infrastructure	\$ 190,361	20.3%
Estimated Court Expense	\$ 40,750	4.3%
Total Projected Expense	\$ 937,906	
Projected Surplus	\$ 6,986	0.7%

Water Operating Budget:

Estimated Water and Sewer Revenue	\$580,000	59.0%
Estimated Fire Service Fee Revenue	\$126,221	12.8%
Estimated Drainage Fee Revenue	\$230,000	23.4%
Estimated Other Revenue	\$ 47,000	4.8%
Total Projected Revenue	\$983,221	
Estimated Water Treatment	\$300,000	31.3%
Estimated Drainage Fee (Potential Projects)	\$160,000	16.7%
Estimated Fire Service Expense	\$128,407	13.4%
Estimated Personnel Expense	\$147,944	15.4%
Estimated Plant Operations	\$125,500	13.1%
Estimated Other Expense	\$ 97,200	10.1%
Total Estimated Expenses	\$959,051	
Estimated Surplus	\$ 24,170	2.5%

City Capital Spending

- Police: \$30,000 (New Radios)
- Public Works: \$31,550 (New Vehicle and Storage Building)

Water Capital Spending

- Sewer Plant Entrance Asphalt Overlay: \$25,000
- Chlorine Injector: \$5,000
- Sewer Plant Splitter Box Replacement: \$3,500

City Cash on Hand (As of September 9, 2022)

- City Operating Account: \$117,873.13
- Water Operating Account: \$342,430.67
- The City also maintains 4 money market accounts.

The budget addresses the Council's community priorities and focuses on basic city services. It provides significant investment in public safety, drainage infrastructure, water and wastewater, internal security controls, and employee retention by:

- Providing well-equipped Public Safety personnel
- Improving access and operations of Wastewater and Water System Plants
- Implementing Stormwater Drainage Improvements in Palm Valley South
- Increasing our city staff by two
- Increasing salaries of employees in a competitive market
- Providing streamlined Information Technology to improve citizen communication, implement internal security controls, and create new cyber security implementations.
- Hiring and Training of a new City Secretary

City Operations

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City Income	Current Budget	Current YTD	Current Projected Total	Proposed 2022-23 Budget
Municipal Court Fines	\$ 50,000	\$ 44,029	\$ 52,362	\$ 50,000
Franchise - AEP	\$ 30,000	\$ 33,581	\$ 38,581	\$ 30,000
Franchise - TGS	\$ 700	\$ 923	\$ 923	\$ 700
Franchise - ATT/SBC	\$ 500	\$ 390	\$ 473	\$ 500
Franchise - TWC	\$ 25,000	\$ 20,196	\$ 20,196	\$ 23,000
Franchise - MVEC	\$ 300	\$ 383	\$ 383	\$ 400
Interest Earned - Bank Accounts	\$ 600	\$ 344	\$ 444	\$ 600
License Fees	\$ 3,500	\$ 4,600	\$ 5,183	\$ 4,000
Permit Fees	\$ 9,000	\$ 23,656	\$ 25,156	\$ 15,000
Property Tax Revenue	\$ 650,600	\$ 652,130	\$ 666,621	\$ 661,892
Property Tax Collection Fees	\$ 1,000	\$ 786	\$ 953	\$ 1,000
Property Tax Penalty & Interest	\$ 3,000	\$ 4,603	\$ 5,103	\$ 3,000
Sales Tax	\$ 125,000	\$ 142,789	\$ 163,622	\$ 150,000
Taxes - Liquor	\$ 4,000	\$ 1,557	\$ 2,224	\$ 3,000
Municipal Court Technology Fund	\$ 1,000	\$ 809	\$ 975	\$ 1,000
Security Building Technology Fund	\$ 800	\$ 961	\$ 1,094	\$ 800
Police Grants	\$ -	\$ 726	\$ 726	
Park & Rec Board Donations	\$ -	\$ 1,825	\$ 1,825	
Miscellaneous	\$ -	\$ 10,001	\$ 10,001	
Total City Income	\$ 905,000	\$ 944,288	\$ 996,846	\$ 944,892
City Expenses				
Administrative Personnel	\$ 124,405	\$ 101,200	\$ 121,535	\$ 197,088
Administrative Expenses	\$ 181,560	\$ 148,548	\$ 174,831	\$ 146,670
Administrative Capital	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Total Administrative Expenses	\$ 330,965	\$ 274,748	\$ 321,366	\$ 343,758
Police Department Personnel	\$ 247,300	\$ 206,238	\$ 246,488	\$ 267,237
Police Department Expenses	\$ 54,400	\$ 43,511	\$ 52,344	\$ 65,800
Police Department Capital	\$ 43,434	\$ 43,484	\$ 43,484	\$ 30,000
Total Police Department Expenses	\$ 345,134	\$ 293,232	\$ 342,316	\$ 363,037
Public Works Personnel	\$ 81,900	\$ 68,705	\$ 82,072	\$ 87,811
Public Works Expenses	\$ 91,900	\$ 78,637	\$ 93,221	\$ 71,000
Public Works Capital	\$ 12,000	\$ 12,000	\$ 12,000	\$ 31,550
Total Public Works Expenses	\$ 185,800	\$ 159,343	\$ 187,293	\$ 190,361
Municipal Court Expenses	\$ 33,600	\$ 23,560	\$ 28,627	\$ 40,750
Municipal Court Capital	\$ -	\$ -	\$ -	\$ -
Total Municipal Court Expenses	\$ 33,600	\$ 23,560	\$ 28,627	\$ 40,750
Grand Total City Personnel	\$ 453,605	\$ 376,143	\$ 450,094	\$ 552,136
Grand Total City Expenses	\$ 361,460	\$ 294,256	\$ 349,023	\$ 324,220
Grand Total City Capital	\$ 80,434	\$ 80,484	\$ 80,484	\$ 61,550
Total City Expenses	\$ 895,499	\$ 750,883	\$ 879,601	\$ 937,906
Ending Balance	\$ 9,501	\$ 193,404	\$ 117,245	\$ 6,986

Proposed Budget - City of Palm Valley, Texas
For Discussion Purposes Only

Administrative	Current Budget	Current YTD	Current Projected Total	Proposed 2022-23 Budget
Administrative Personnel				
Payroll	\$ 95,407	\$ 78,436	\$ 94,338	\$ 163,516
Payroll Taxes (7.65%)	\$ 7,299	\$ 6,000	\$ 7,217	\$ 12,509
Unemployment Tax for all employees	\$ 2,600	\$ 232	\$ 665	\$ 2,678
Retirement Match	\$ 2,200	\$ 2,613	\$ 2,979	\$ 2,200
Worker's Comp. Insurance (0.41%)	\$ 2,400	\$ 2,351	\$ 2,351	\$ 670
Health Insurance	\$ 14,500	\$ 11,568	\$ 13,985	\$ 15,515
Sub-Total	\$ 124,405	\$ 101,200	\$ 121,535	\$ 197,088
Administrative Expenses				
Audit	\$ 11,000	\$ 8,310	\$ 8,310	\$ 11,000
Building Inspector	\$ 10,500	\$ 9,780	\$ 11,530	\$ 10,000
Computer Programmer	\$ 35,360	\$ 36,660	\$ 41,660	\$ 40,000
Copier Maintenance	\$ 5,500	\$ 4,179	\$ 5,096	\$ 5,500
Dues and Memberships/subscriptions	\$ 3,000	\$ 1,869	\$ 1,869	\$ 2,000
Election Expense	\$ 5,000	\$ 4,410	\$ 5,243	\$ 5,000
Insurance (liability)	\$ 4,500	\$ 4,918	\$ 4,918	\$ 4,500
Legal Fees	\$ 10,000	\$ 7,825	\$ 9,492	\$ 10,000
Legal Notices	\$ 1,500	\$ 2,759	\$ 3,009	\$ 3,500
Miscellaneous	\$ 10,000	\$ 9,642	\$ 11,309	\$ 8,000
Manpower/PT Clerk (contract labor)	\$ 27,600	\$ 18,174	\$ 22,774	
Office Building Maintenance	\$ 5,000	\$ 2,671	\$ 3,504	\$ 3,500
Office Supplies & Printing	\$ 5,500	\$ 4,254	\$ 5,171	\$ 5,500
Tax Appraisal	\$ 8,000	\$ 6,153	\$ 7,486	\$ 9,070
Tax Collection Fees/Tax Attorney Fees	\$ 8,000	\$ 7,337	\$ 8,670	\$ 8,000
Telephone & Website	\$ 7,500	\$ 3,065	\$ 4,315	\$ 4,000
Travel and Training	\$ 6,000	\$ 3,464	\$ 4,464	\$ 5,000
Office Electricity	\$ 5,000	\$ 2,923	\$ 3,756	\$ 4,000
Marketing Services	\$ 9,000	\$ 7,500	\$ 9,000	\$ 4,500
Janitorial Service	\$ 3,600	\$ 2,655	\$ 3,255	\$ 3,600
Sub-Total	\$ 181,560	\$ 148,548	\$ 174,831	\$ 146,670
Administrative Capital				
Parking Lot Maintenance	\$ 25,000	\$ 25,000	\$ 25,000	
Sub-Total	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Total Administrative	\$ 330,965	\$ 274,748	\$ 321,366	\$ 343,758

Proposed Budget - City of Palm Valley, Texas
For Discussion Purposes Only

Police Department	Current Budget	Current YTD	Current Projected Total	Proposed 2022-23 Budget
Police Department Personnel				
Payroll	\$ 204,000	\$ 168,106	\$ 202,106	\$ 216,000
Payroll Taxes (7.65%)	\$ 15,700	\$ 12,861	\$ 15,477	\$ 16,524
Retirement Match	\$ 1,800	\$ 2,425	\$ 2,725	\$ 1,800
Worker's Comp. Insurance (5.33%)	\$ 5,800	\$ 2,351	\$ 2,351	\$ 11,513
Insurance - Health	\$ 20,000	\$ 20,496	\$ 23,829	\$ 21,400
Sub-Total	\$ 247,300	\$ 206,238	\$ 246,488	\$ 267,237
Police Department Expenses				
Gas & Oil	\$ 20,000	\$ 14,438	\$ 17,771	\$ 24,000
Insurance (liability)	\$ 5,200	\$ 4,918	\$ 4,918	\$ 5,200
Vehicle Maintenance	\$ 12,000	\$ 13,436	\$ 15,436	\$ 12,000
Miscellaneous	\$ 5,000	\$ 4,412	\$ 5,245	\$ 7,000
National Night Out	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Physicals / Drug Testing	\$ 700	\$ -	\$ 117	\$ 700
Cell Phones	\$ 1,300	\$ 998	\$ 1,215	\$ 1,300
Travel and Training	\$ 3,000	\$ 807	\$ 1,307	\$ 3,000
Ammo	\$ 2,500	\$ 2,308	\$ 2,725	\$ 2,500
Radio Airway Usage	\$ 1,200	\$ 1,322	\$ 1,322	\$ 1,200
Uniforms	\$ 1,600	\$ 273	\$ 539	\$ 7,000
Tasers	\$ 900	\$ 599	\$ 749	\$ 900
Sub-Total	\$ 54,400	\$ 43,511	\$ 52,344	\$ 65,800
Police Department Capital				
New Police Unit	\$ 43,434	\$ 43,484	\$ 43,484	
New Portable Radios (5 Radios)	\$ -	\$ -	\$ -	\$ 30,000
Sub-Total	\$ 43,434	\$ 43,484	\$ 43,484	\$ 30,000
Total Police Department	\$ 345,134	\$ 293,232	\$ 342,316	\$ 363,037

Proposed Budget - City of Palm Valley, Texas
For Discussion Purposes Only

Public Works	Current Budget	Current YTD	Current Projected Total	Proposed 2022-23 Budget
Public Works Personnel				
Payroll	\$ 60,500	\$ 50,440	\$ 60,523	\$ 62,315
Payroll Taxes (7.65%)	\$ 4,700	\$ 3,859	\$ 4,642	\$ 4,767
Retirement Match	\$ 1,000	\$ 488	\$ 654	\$ 1,000
Worker's Comp. Insurance (7.62%)	\$ 1,700	\$ 2,351	\$ 2,351	\$ 4,748
Insurance - Health	\$ 14,000	\$ 11,569	\$ 13,902	\$ 14,980
Sub-Total	\$ 81,900	\$ 68,705	\$ 82,072	\$ 87,811
Public Works Expenses				
Gas & Oil	\$ 4,500	\$ 2,147	\$ 2,897	\$ 3,500
Insurance (liability)	\$ 4,400	\$ 4,918	\$ 4,918	\$ 5,000
Vehicle and Machine Maintenance	\$ 4,500	\$ 6,960	\$ 7,710	\$ 4,500
Street Lights (electrical)	\$ 26,000	\$ 22,658	\$ 26,991	\$ 28,000
Miscellaneous	\$ 4,000	\$ 2,209	\$ 2,875	\$ 4,000
Park and Recreation Board	\$ 35,200	\$ 34,371	\$ 40,238	\$ 8,000
Street Signs and Street Repairs	\$ 3,500	\$ 260	\$ 844	\$ 3,500
Weed Control & Debris Hauling	\$ 3,500	\$ 1,539	\$ 2,123	\$ 4,000
Recycling Services	\$ 1,800	\$ 1,329	\$ 1,629	\$ 4,500
License and Training				\$ 1,500
Mosquito Control	\$ 4,500	\$ 2,246	\$ 2,996	\$ 4,500
Sub-Total	\$ 91,900	\$ 78,637	\$ 93,221	\$ 71,000
Public Works Capital				
Riding Lawn Mower	\$ 12,000	12000	\$ 12,000	
New Vehicle	\$ -	\$ -	\$ -	\$ 26,300
Storage Metal Building	\$ -	\$ -	\$ -	\$ 5,250
Sub-Total	\$ 12,000	\$ 12,000	\$ 12,000	\$ 31,550
Total Public Works Department	\$ 185,800	\$ 159,343	\$ 187,293	\$ 190,361

Municipal Court	Current Budget	Current YTD	Current Projected Total	Proposed 2022-23 Budget
Municipal Court Expenses				
Jail Fees	\$ 400	\$ -	\$ 67	\$ 400
Judge	\$ -	\$ -	\$ -	\$ 5,400
Court Software	\$ 3,100	\$ -	\$ -	\$ 3,150
State Court Costs	\$ 30,000	\$ 23,560	\$ 28,560	\$ 25,000
Judges Training	\$ 100	\$ -	\$ -	\$ 100
Court Collections Service		\$ -	\$ -	\$ 5,500
Credit Card Admin Fee		\$ -	\$ -	\$ 1,200
Sub-Total	\$ 33,600	\$ 23,560	\$ 28,627	\$ 40,750
Municipal Court Capital				
	\$ -	\$ -	\$ -	
Sub-Total	\$ -	\$ -	\$ -	\$ -
Total Municipal Court	\$ 33,600	\$ 23,560	\$ 28,627	\$ 40,750

Water Operations

Proposed Budget - City of Palm Valley, Texas
For Discussion Purposes Only

Water Income	Current Budget	Current YTD	Current Projected Total	Proposed 2022-23 Budget
Connect & Reconnect Fees	\$ 6,000	\$ 5,250	\$ 6,250	\$ 6,000
Fire Service Fees	\$ 126,221	\$ 111,469	\$ 111,469	\$ 126,221
Fuel Adjustment Fee	\$ 14,000	\$ 11,198	\$ 13,532	\$ 14,000
Interest Earned - Bank Accounts	\$ 2,000	\$ 1,048	\$ 1,381	\$ 2,000
Sewer Fees	\$ 270,000	\$ 233,122	\$ 278,122	\$ 270,000
Drainage Fees		\$ 189,228	\$ 189,228	\$ 230,000
Water Sales	\$ 310,000	\$ 266,861	\$ 318,528	\$ 310,000
Past Due Penalty Fees	\$ 2,500	\$ 2,443	\$ 2,860	\$ 2,500
Miscellaneous	\$ 1,000	\$ 8,720	\$ 8,887	\$ 1,000
Backflow Prevention Program	\$ 21,500	\$ 10,675	\$ 14,258	\$ 21,500
Total Water Income	\$ 753,221	\$ 840,015	\$ 944,515	\$ 983,221

Water Expenses	Current Budget	Current YTD	Current Projected Total	Proposed 2022-23 Budget
Water Department Personnel	\$ 139,800	\$ 92,333	\$ 115,099	\$ 147,944
Water Department Expenses	\$ 582,521	\$ 686,079	\$ 761,345	\$ 777,607
Water Department Capital	\$ 30,000	\$ -	\$ 38,666	\$ 33,500
Total Water Expenses	\$ 752,321	\$ 817,077	\$ 915,111	\$ 959,051
Ending Balance	\$ 900	\$ 22,938	\$ 29,405	\$ 24,170

Water Department	Current Budget	Current YTD	Current Projected Total	Proposed 2022-23 Budget
Water Department Personnel				
Payroll	\$ 111,200	\$ 71,783	\$ 90,316	\$ 116,000
Payroll Taxes (7.65%)	\$ 8,600	\$ 5,491	\$ 6,925	\$ 8,874
Retirement Match	\$ 1,800	\$ 1,075	\$ 1,375	\$ 1,800
Worker's Comp. Insurance (4.50%)	\$ 3,200	\$ 2,360	\$ 2,360	\$ 5,220
Health Insurance	\$ 15,000	\$ 11,623	\$ 14,123	\$ 16,050
Sub-Total	\$ 139,800	\$ 92,333	\$ 115,099	\$ 147,944

Water Department Expenses				
Audit	\$ 11,000	\$ 8,310	\$ 10,143	\$ 11,000
Gas & Oil	\$ 5,000	\$ 3,306	\$ 4,139	\$ 5,000
Vehicle and Machine Maintenance	\$ 3,000	\$ 579	\$ 1,079	\$ 1,000
Electricity - Plant	\$ 40,000	\$ 21,762	\$ 28,429	\$ 40,000
Engineering	\$ 5,000	\$ 19,774	\$ 20,608	\$ 1,500
Fire Service Fee	\$ 126,221	\$ 154,400	\$ 154,400	\$ 128,407
Insurance (liability)	\$ 4,700	\$ 4,918	\$ 4,918	\$ 4,700
Laboratory Testing	\$ 10,000	\$ 5,891	\$ 7,558	\$ 10,000
Miscellaneous	\$ 5,000	\$ 5,364	\$ 6,197	\$ 5,000
Training	\$ 4,500	\$ 250	\$ 1,000	\$ 2,500
Permit & Licensing	\$ 4,000	\$ 3,663	\$ 4,329	\$ 5,000
Postage	\$ 7,000	\$ 4,299	\$ 5,466	\$ 7,000
Cell Phone	\$ 1,000	\$ 859	\$ 1,026	\$ 1,000
Uniforms	\$ 6,000	\$ 5,030	\$ 6,030	\$ 6,000
Stormwater Program	\$ 4,000	\$ 1,527	\$ 2,194	\$ 4,000
Water Treatment	\$ 260,000	\$ 192,479	\$ 235,812	\$ 300,000
Plant Operations	\$ 50,000	\$ 41,198	\$ 49,531	\$ 50,000
Plant, Clarifier & Lift Station Maintenance	\$ 35,000	\$ 23,241	\$ 29,075	\$ 35,500
Estimated Drainage Fee (Potential Projects)		\$ 189,228	\$ 189,228	\$ 160,000
Legal Notices	\$ 1,100		\$ 183	
Sub-Total	\$ 582,521	\$ 686,079	\$ 761,345	\$ 777,607

Water Department Capital				
New Vehicle	\$ 30,000	\$ 28,966	\$ 28,966	
Stormwater Drainage Expenses	\$	\$ 9,700	\$ 9,700	
Sewer Plant Entrance Asphalt Overlay	\$ -	\$ -	\$ -	\$ 25,000
Chlorine Injector	\$ -	\$ -	\$ -	\$ 5,000
Fire Hydrant Installation	\$ -	\$ -	\$ -	\$ -
Splitter Box/Sewer Plant Pipe Replacement	\$ -	\$ -	\$ -	\$ 3,500
Sub-Total	\$ 30,000	\$ 38,666	\$ 38,666	\$ 33,500

Total Water Department **\$ 752,321** **\$ 817,077** **\$ 915,111** **\$ 959,051**

City of Palm Valley Organizational Chart

