



City of Palm Valley

"Home of The Harlingen Country Club"

September 22, 2022

Citizens of Palm Valley

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

The budget was prepared by the City staff and the City Council, during our annual budget workshop 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 budget incorporates the necessary financial strategies to fund the operations of the City, while maintaining financial stability into the future. This 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, to replace and upgrade vehicles and equipment for operational requirements, and to improve city infrastructure projects.

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.

Respectfully,

Eric Hoff
Mayor Pro Tem
City of Palm Valley

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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