

ORDINANCE # 2022-09-27-002

AN ORDINANCE OF THE CITY OF KEMPNER, TEXAS, ESTABLISHING AN AFFECTIVE AD VALOREM TAX RATE AND THE ADOPTED BUDGET FOR THE 2022-2023 FISCAL YEAR.

WHEREAS, a proposed annual budget for the fiscal year beginning on October 1st 2022 and ending on September 30th 2023 was filed with the City Secretary on July 14th 2022 by the municipal budget officer; and

WHEREAS, the municipal budget officer filed with the City Secretary the required “Truth in Taxation” documentation which was subsequently accepted and approved by the City Council on August 2nd 2022; and

WHEREAS, the City of Kempner has made available the Truth in Taxation documents, the proposed budget and supporting documents via its website; and

WHEREAS, the City of Kempner held a tax rate public hearing on September 13th 2022, where any citizen was able to attend and speak during an open and properly posted meeting; and

WHEREAS, the City of Kempner properly posted and held a public hearing on the proposed FY 22-23 budget on September 27th 2022.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KEMPNER, TEXAS;

SECTION 1. TAX RATE ADOPTED There is hereby levied and there shall be collected for the use and support of the municipal government of the City of Kempner the tax rate of 0.2449 which is categorized and broken down in the following manner:

The Maintenance and Operations (M&O) Tax Rate of 0.1822

The Debt (Interest & Sinking Fund) Tax Rate of 0.0627

Additionally, the following required language is made part of this ordinance:

This budget will raise more total property taxes than last year’s budget by \$18,622.32, and of that amount \$ 117.72 is tax revenue to be raised from new property added to the tax role this year.

This budget will raise more revenue from property taxes that last years budget by an amount of \$18,622.32, which is a 27.54 percentage increase from last years budget. The property tax

revenue to be raised from new property added to the tax roll
this year is \$117.72

SECTION 2 LEGAL REQUIREMENTS MET. It is hereby found that the City of Kempner is considered a special taxing unit due to its small tax base and is exempt from most legal requirements pertaining to the postings and hearings most municipalities are legally required to comply with. Notwithstanding the aforementioned, the City of Kempner exceeded the legal requirements and held open and properly posted meetings for the purpose of tax rate hearings, budget hearing(s), and budget workshop(s). Additionally, the City of Kempner posted the tax rate notice in the local newspaper and on our website, and the proposed budget was placed on the City of Kempner website.

SECTION 3. FINAL BUDGET HEARING HELD. The City of Kempner held a final budget hearing on September 27th, 2022, during its regular meeting. This meeting was properly posted on the City of Kempner website, message board and published in the newspaper of the Lampasas Dispatch Record.

SECTION 4. MUNICIPAL BUDGET ADOPTED. The City Council hereby adopts the annual budget of the City of Kempner for the fiscal year beginning on October 1st, 2022, and ending on September 30th 2023. The budget is attached to this ordinance and hereby made a part of this ordinance as "Attachment A".

SECTION 5. CONFLICTING ORDINANCES. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed on the effective date of this Ordinance unless the conflicting ordinance specifically identifies this ordinance and states in plain language that such ordinance prevails.

SECTION 6. SEVERABILITY. If any provision, section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such holding shall not affect the remaining portions of this ordinance and no other portion or provision hereof shall become inoperative or fail by reason of such holding. To this end, all provisions of this ordinance are declared to be severable.

SECTION 7. EFFECTIVE DATE. This ordinance shall take effect and be in full force on October 1st, 2022, and remain in effect until amended, or midnight on September 30th 2023, whichever occurs sooner.

SECTION 8 OPEN MEETINGS. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 Texas Government Code.

(This section intentionally left blank)

SECTION 9. RECORD VOTE. A record vote was taken on the passage of this ordinance and the following results are hereby recorded:

Mayor (John "JW" Wilkerson)

Voted FOR Voted AGAINST Not Permitted to Vote due to state law

Councilmember Place 1 (David Richardson)

Voted FOR Voted AGAINST Abstained from the vote Was absent

Councilmember Place 2 (Tom Combs)

Voted FOR Voted AGAINST Abstained from the vote Was absent

Councilmember Place 3 (Rob Green)

Voted FOR Voted AGAINST Abstained from the vote Was absent

Councilmember Place 4 / Mayor Pro-Tem (Dan Long)

Voted FOR Voted AGAINST Abstained from the vote Was absent

Councilmember Place 5 (Debbie Hernandez)

Voted FOR Voted AGAINST Abstained from the vote Was absent

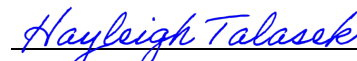
PASSED AND APPROVED ON THIS THE 27TH DAY OF SEPTEMBER 2022

THE CITY OF KEMPNER, TEXAS



John "JW" Wilkerson
Mayor

ATTEST:



Hayleigh Talasek
City Secretary



Ordinance Number 2022-09-27-002
Attachment A

Goals

Tax Rate reflective of Community Needs

Kempner Tax Rate \$0.244900

- City of Lampasas Tax Rate: \$0.3156 - **28.86% higher than Kempner**
- Lometa Tax Rate: \$0.352314* - **43.8% higher than Kempner**
- Copperas Cove Tax Rate: \$0.721028* **194.4% higher than Kempner**

• *From FY 2021 - 2022 budget

Financial Accountability

Revamp manner in which budget is itemized

- Easier to read and understand
- Develop strategic planning for future

Improve Public Safety & Human Resources

Hire and keep quality staff

- Provide commensurate compensation package
- Provide citizens higher quality services through knowledgeable & experienced staff.

Budgetary Priorities:

Fiscal Responsibility and considerations.

- (a) The City Manager is directed to continue to operate in a manner which focuses on eliminating financial waste.
- (b) The City Manager is directed to continue to seek grant opportunities and provide such to the City Council for approval.
- (c) The City Manager is directed to develop a budget while being mindful of the current state of inflation occurring in the State of Texas and the United States
- (d) The City Manager is directed to work with subject matter experts in determining the anticipated revenue and costs of the city during the budget year under development.
- (e) The City Manager is directed to refrain from unreasonably anticipating revenue and expenditures during the budget development.

Personnel. The City Council understands the importance of having qualified and dedicated employees that serve the stakeholders of the City of Kempner.

- (a) The City Manager is directed to find ways to improve employee overall compensation and working conditions package.

Reserve Fund.

- (a) The City Manager is directed to provide an up-to-date report on the amount of monies in the City Reserve fund at the time of the budget presentation to the City Council.
- (b) The City Manager is directed to provide recommendations (if any) for any modifications to the currently adopted practice of having a minimum of 180 day reserve funds. These recommendations shall be accompanied by supporting documentation.

Establishment of Capital Outlay (or similar) fund.

- (a) It is the desire of the City of Kempner to explore options which will establish a line item which will be funded with the intent to replace outdated, worn out, or otherwise not cost-effective larger items such as police vehicles when needed.
- (b) The City Manager is directed to explore the options to achieve this concept and build them into a proposed budget under this resolution.

Mandatory Truth in Taxation Statements

This budget will raise more total property taxes than last year's budget by (\$18,622.32), and of that amount (\$117.72) is tax revenue to be raised from new property added to the tax roll this year.

This budget will raise more revenue from property taxes than last year's budget by an amount of (\$18,622.32), which is a (27.54%) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (\$117.72).

Total Proposed Property tax Rate



Maintenance & Operations Tax Rate: 0.1822

Debt Service (I&S): 0.0627

Total Tax Rate: 0.244900

Last Year's Property Tax Rate



Maintenance & Operations Tax Rate: 0.165500

Debt Service (I&S): 0.0794

Total Tax Rate: 0.244900

OVERALL

City of Kempner FY 22-23 Budget Proposal			
Revenue			
Departments	Budget 2021 - 2022	YTD August 2022	Budget FY 2022 - 2023
Administrative	\$348,442.00	\$213,723.54	\$ 390,350.00
Police Department	\$ 500.00	\$ 4,865.82	\$ 500.00
Municipal Court	\$ 40,000.00	\$ 25,840.43	\$ 65,000.00
Municipal Court Building & Tech		\$ 10,252.95	\$ 15,379.43
Debt Service Fund	\$ 40,000.00	\$ 38,474.43	\$ 40,700.00
Street Maintenance Fund	\$ 21,250.00	\$ 20,905.92	\$ 25,050.00
Parks Department	\$ 2,500.00	\$ 2,299.60	\$ 2,500.00
Total	\$452,692.00	\$306,109.74	\$ 539,479.43

Expenditures			
Administrative	\$190,460.00	\$ 165,063.83	\$ 149,370.92
Police Department	\$169,850.00	\$ 71,874.57	\$ 238,496.73
Municipal Court	\$ 15,022.00	\$ 4,699.11	\$ 5,600.00
Municipal Court Building & Tech		\$ 5,455.00	\$ 10,000.00
Debt Service Fund	\$ 40,000.00	\$ 3,104.74	\$ 38,134.54
Street Maintenance Fund	\$ 21,250.00	\$ 4,012.64	\$ 25,050.00
Parks Department	\$ 16,041.00	\$ 8,771.79	\$ 17,100.00
Total	\$452,623.00	\$ 266,092.13	\$ 483,752.20
Net Difference	\$69.00	\$40,017.61	\$55,727.23

Administrative

Revenue

Revenue - Administrative			
Departments	Budget FY 2021-2022	YTD August 2022	Budget FY 2022 - 2023
Donations	\$ -	\$ 1,557.00	\$ -
Sales & Use Tax	\$ 98,000.00	\$105,050.22	\$100,000.00
Ad Valorem Tax	\$ 78,492.00	\$ 83,805.94	\$100,000.00
Delinquent Taxes	\$ 950.00	\$ 1,188.53	\$ 1,000.00
Franchise Fees	\$ 40,000.00	\$ 44,917.89	\$ 45,000.00
Interest Income	\$ 2,500.00	\$ 297.90	\$ 250.00
Building and Permit Fees	\$ 100.00	\$ 265.00	\$ 200.00
Event Income	\$ -	\$ 2,888.00	\$ 500.00
Other Revenue	\$ 2,400.00	\$ 1,897.53	\$ 2,400.00
Other Revenue - Insurance	\$ 10,000.00	\$ 15,670.00	\$ -
Grant Proceeds	\$141,000.00	\$ 779.13	\$141,000.00
Total	\$373,442.00	\$258,317.14	\$390,350.00

Expenditures

Expenditures - Administrative			
Total Admin Employee Cost	\$119,956.67	\$116,944.57	\$ 77,520.92
Advertising	\$ 350.00	\$ 359.60	\$ 350.00
Website Fees	\$ 100.00	\$ -	\$ 100.00
Bank Charges	\$ -	\$ 552.00	\$ 600.00
Donations	\$ -	\$ 1,428.19	\$ -
Election Expenses	\$ 5,200.00	\$ -	\$ 5,200.00
Freight & Postage	\$ 500.00	\$ 568.53	\$ 600.00
Insurance	\$ 2,600.00	\$ 2,563.11	\$ 2,600.00
Attorney Fees	\$ 12,000.00	\$ 5,869.34	\$ 10,500.00
Professional Fees	\$ 10,400.00	\$ 2,680.00	\$ 19,900.00
Misc. Expense	\$ 500.00	\$ 776.26	\$ 1,000.00
Membership Fees	\$ 1,800.00	\$ 2,434.91	\$ 2,300.00
Office Supplies	\$ 1,800.00	\$ 2,302.19	\$ 2,200.00
Office Equipment	\$ 4,500.00	\$ 3,717.94	\$ 2,500.00
Lease Maintenance Contract	\$ 1,500.00	\$ 547.91	\$ 1,000.00
Events	\$ -	\$ 3,546.74	\$ 2,000.00
Vehicle Maintenance & supply	\$ -	\$ 1,102.58	\$ 3,000.00
Repairs & Maintenance	\$ 5,000.00	\$ 5,348.48	\$ 4,000.00
Travel & Training	\$ 4,800.00	\$ 4,400.44	\$ 5,000.00
Travel Reimbursement	\$ 750.00	\$ 19.94	\$ 500.00
Telecommunications	\$ 3,200.00	\$ 3,903.37	\$ 3,500.00
Email	\$ 600.00	\$ 2,333.28	\$ 1,000.00
Utilities	\$ 4,500.00	\$ 3,664.45	\$ 4,000.00
Total	\$180,056.67	\$165,063.83	\$149,370.92

PUBLIC SAFETY

Revenue

Revenue - Public Safety			
Departments	Budget FY 2021 - 2022	YTD August 2022	Budget FY 2022 - 2023
Donations	\$ -	\$ 575.00	
Other Revenue	\$ -	\$ 2,193.37	\$ -
Sale of Capital Assets	\$ -	\$ 1,500.00	\$ -
Grants	\$ 500.00	\$ 597.45	\$ 500.00
Total	\$ 500.00	\$ 4,865.82	\$ 500.00

PUBLIC SAFETY

Expenditures

Expenditures - Public Safety			
Total Police Employee Cost	\$ 94,459.54	\$ 54,198.92	\$ 134,546.73
Kempner Volunteer Fire Dept.	\$ 15,000.00	\$ 15,000.00	\$ 5,000.00
Information Technology (IT)	\$ -	\$ -	\$ 12,000.00
Donations	\$ -	\$ 55.00	\$ -
Freight & Postage	\$ 100.00	\$ 380.18	\$ 250.00
Insurance	\$ 6,450.00	\$ 5,272.75	\$ 6,450.00
License & Certification Fees	\$ 250.00	\$ -	\$ 250.00
Misc. Expense	\$ 100.00	\$ 325.89	\$ 500.00
Membership Fees	\$ 500.00	\$ 416.24	\$ 500.00
Office Supplies	\$ 1,500.00	\$ 2,151.61	\$ 2,000.00
Equipment - PD	\$ 2,190.00	\$ 34,953.02	\$ 6,000.00
Vehicle Maintenance	\$ 2,500.00	\$ 5,253.85	\$ 5,000.00
Equipment Maintenance	\$ 3,900.00	\$ 1,653.89	\$ 2,000.00
Vehicle Gas & Oil	\$ 8,000.00	\$ 5,524.99	\$ 8,000.00
Training - State Funded	\$ 500.00	\$ 597.45	\$ 500.00
Travel and Training	\$ 2,500.00	\$ 165.93	\$ 2,500.00
Telecommunications	\$ 1,800.00	\$ 2,852.53	\$ 3,000.00
New Police Vehicle	\$ 55,000.00	\$ 9,000.00	\$ 45,000.00
911 Dispatch	\$ -	\$ -	\$ 5,000.00
Total	\$194,749.54	\$ 137,802.25	\$ 238,496.73

Municipal Court

City of Kempner Budget 2022 - 2023			
Revenue - Court			
Departments	Budget	YTD August 2022	Proposed
Court Fees & Fines	\$ 40,000.00	\$ 40,657.54	\$ 65,000.00
Total	\$ 40,000.00	\$ 40,657.54	\$ 65,000.00
Expenditures - Court			
Freight & Postage	\$ 300.00	\$ 80.66	\$ 300.00
Insurance	\$ 1,500.00	\$ 1,426.12	\$ 1,500.00
Professional Fees	\$ 4,000.00	\$ 971.21	\$ 2,000.00
Outside Services	\$ 400.00	\$ -	\$ -
Misc. Expense	\$ 50.00	\$ 851.70	\$ 100.00
Jury Compensation	\$ 72.00	\$ -	\$ 100.00
Membership Fees	\$ 300.00	\$ -	\$ -
Office Supplies	\$ 300.00	\$ 65.56	\$ 300.00
Office Equipment	\$ -	\$ 639.00	\$ -
Lease Maintenance Contract	\$ 300.00	\$ 114.83	\$ 300.00
Buidling Security Fund	\$ 2,000.00	\$ -	\$ -
Technology	\$ 4,000.00	\$ 1,040.00	\$ -
Repairs & Maintenance	\$ -	\$ 90.00	\$ -
Travel and Training	\$ 1,800.00	\$ 1,052.80	\$ 1,000.00
Judge Compensation	\$ -	\$ -	\$ -
Total	\$ 15,022.00	\$ 6,331.88	\$ 5,600.00
<p>Building and security fund and technology fund line items are being moved to a separate account due to legal restrictions on how the funds are expended.</p>			

Municipal Court Building and Tech Fund

City of Kempner Budget 2022 - 2023			
Municipal Court Building and Tech Fund			
Departments	Budget	YTD August 2022	Proposed
Interest Income		\$ 17.96	\$ 26.94
Building Security Fees		\$ 5,470.43	\$ 8,205.65
Technology Fees		\$ 4,764.56	\$ 7,146.84
Total	\$ -	\$ 10,252.95	\$ 15,379.43
Expenditures - Court			
Building Security	\$ -	\$ -	\$ 3,000.00
Banking Fees			
Technology Expenses	\$ -	\$ 5,455.00	\$ 7,000.00
Total	\$ -	\$ 5,455.00	\$ 10,000.00
<p>This is a new fund that needs to be created for the next budget due to legal requirements and limitations on money spent out of this account.</p>			

Parks

City of Kempner Budget 2022 - 2023			
Revenue - Parks			
Departments	Budget	YTD August 2022	Proposed
Donations	\$ -	\$ 376.80	\$ -
Park Fees/ Special Events	\$ -	\$ 5,552.94	\$ -
Vendor Permit	\$ 2,500.00	\$ 20.00	\$ 2,500.00
Total	\$ 2,500.00	\$ 5,949.74	\$ 2,500.00
Expenditures - Parks			
Insurance	\$ 941.00	603.02	\$ 750.00
Misc. Expense	\$ 750.00	\$ 75.00	\$ 500.00
Office Supplies	\$ 250.00	347.74	\$ 350.00
Office Equipment	\$ 100.00	\$ 25.00	\$ -
Special Events	\$ -	\$ 1,721.28	\$ 2,500.00
Repairs & Maintenance	\$ 10,000.00	\$ 7,312.85	\$ 10,000.00
Utilities	\$ 2,000.00	\$ 1,836.06	\$ 2,000.00
Park Improvements	\$ 2,000.00	\$ -	\$ 1,000.00
Total	\$ 16,041.00	\$ 11,920.95	\$ 17,100.00

Street Fund

City of Kempner Budget 2022 -2023			
Revenue - Street			
Departments	Budget	YTD August 2022	Proposed
Interest Income	\$ 750.00	\$ 64.28	\$ 50.00
Sales Tax	\$20,500.00	\$21,324.93	\$25,000.00
Court Income		\$ 2,280.62	\$ 2,000.00
Total	\$21,250.00	\$23,669.83	\$27,050.00
Expenditures - Street			
Repair & Maint	\$19,000.00	\$ 4,593.66	\$20,050.00
Street Lights	\$ 500.00	\$ -	\$ 1,000.00
Professional Fees	\$ 1,000.00	\$ -	\$ 1,000.00
Installation of Signs	\$ 250.00	\$ 537.02	\$ 1,000.00
Sign Materials	\$ 500.00	\$ 562.28	\$ 2,000.00
Bank Fees			\$ 250.00
Total	\$21,250.00	\$ 5,692.96	\$25,300.00

Debt Service Fund

City of Kempner Budget 2022 -2023			
Revenue - Debt Service			
Departments	Budget	YTD August 2022	Proposed
Debt Property Tax	\$ 38,037.00	\$ 40,718.56	\$ 40,000.00
Delinquent Taxes		\$ 656.99	\$ 650.00
Interest		\$ 50.81	\$ 50.00
Total	\$ 38,037.00	\$ 41,426.36	\$ 40,700.00
Expenditures - Debt Service			
Note Payable- Interest	\$ 3,037.00	\$ 3,104.74	\$ 3,037.00
Note Payable Principle Debt	\$ 35,000.00	\$ 38,102.00	\$ 35,000.00
Bank Charges	\$ -		\$ 97.54
Total	\$ 38,037.00	\$ 41,206.74	\$ 38,134.54