



Annual Budget

Fiscal Year

2020-21

This budget will raise more total property taxes than FY20 budget by \$15,979 (3.4%). \$4,279 is tax revenue from new property added to the tax roll this year. TX. LGC 102.007(c)

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Tax Statement

2020-2021 BUDGET (FY21)

This budget will raise more revenue from property taxes than the last year's budget by an amount of \$15,979, which is a 3.4% increase from last year's budget. The property tax revenue from new property added to the tax roll this year is \$4,279.

The average taxable value of a residential homestead in the City of Flatonia this year is \$146,969, a 3.52% increase from the previous year (2019-20), and a 5.42% increase from (2018-19). With the adopted rate of \$0.3150 per \$100 of taxable value (which is consistent with 2019-20, but \$0.0050/\$100 lower than 2018-19). However, your individual taxes may vary at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the adopted tax rate.

Elected and Appointed Officials

ELECTED OFFICIALS

Bryan Milson.....Mayor
Catherine Steinhauser.....Mayor Pro-Tem
Mark Eversole.....Councilmember
Dennis Geesaman.....Councilmember
Donna Cockrell.....Councilmember
Ginny Needham-Sears.....Councilmember

APPOINTED OFFICIALS

Sarah Novo.....City Manager
Angela Beck Esq.....City Attorney
Kathy Mladenka.....Municipal Court Judge

DEPARTMENT DIRECTORS

Lee Dick.....Chief of Police
Jack Pavlas.....Director of Utilities
Vacant.....City Secretary

Budget Letter

September 22, 2020

Honorable Mayor and City Council of Flatonia, Texas

Please accept on behalf of myself and the City's Executive Management Team the Budget for Fiscal Year 2020-2021.

INTRODUCTION

The Budget for Fiscal Year 2020-2021 was prepared during national and local efforts to combat COVID-19. The physical and fiscal challenges and uncertainties associated with the impacts of COVID-19 are anticipated to continue through this Fiscal Year and into the next budget year.

Much of the fiscal uncertainty for the City of Flatonia relates to revenue losses resulting from widespread business closures, required by a statewide stay-at-home order that has been in place since late March. Some easing of the business and personal restrictions appears to be under consideration for the May through June 2020 timeframe.

This Budget anticipates an 2.4% (\$5,734) increase in Sales Tax revenues for FY21 over the FY20 budget and a 48.82% decline between FY20 and FY21 revenue over expenditure due to the Shelter in Place order and state authorized deferral programs. Property Taxes are projected to be up approximately 4.73% (\$15,979) for FY 2020-2021. Additional reduction in some of the above categories is probable, but unpredictable at this time. We will continue to monitor and refine our projections, as the year progresses.

In light of the significant challenges outlined above, we have taken steps to control or reduce operating costs and have deferred several non-essential capital expenses.

The budget for Fiscal Year 2020-2021 is a balanced budget.

In accordance with Texas Statute and the City of Flatonia Code of Ordinances, the annual budget for fiscal year 2021 (FY21), beginning October 01, 2020, and ending September 30, 2021, is submitted for approval. The FY21 budget maintains existing service levels and implements budget requests and priorities identified during the strategic planning process with inputs from city departments and the city council. The budget relies on conservative revenues and is based on a tax rate of \$0.3150 per \$100 of valuation, which

is consistent with the FY20 budget, but is \$0.0050/\$100 lower than the FY19 budget. Total projected revenue from ad valorem is \$353,788 for FY21.

The budget also serves as a document for the City of Flatonia; establishing city priorities, goals, and programs for the upcoming year. The budget contains the appropriations necessary to achieve specified services, functions, and activities essential to the accomplishment of the city's objective to enhance the quality of life for the city's residents and businesses.

ECONOMIC OUTLOOK

For FY20, the real Gross Domestic Product (GDP) for the United States was forecast to slow to 2.0%, from 2.2% in 2019 supporting strong labor market conditions that feature low unemployment and rising wages. In just a few months, the COVID-19 pandemic devastated the U.S. economy. Growth declined by 5% in the first quarter, signaling the onset of a 2020 recession. In April, retail sales plummeted 16.4% nationwide as governors closed non-essential businesses. As companies furloughed workers, the number of unemployed shot up to 23 million across the country.

It is predicted that U.S. GDP growth will contract by 6.5% in 2020. It will rebound to a 5% growth rate in 2021 and 3.5% in 2022. (Federal Open Market Committee).

The unemployment rate for the United States will average 9.3% in 2020. That's much higher than the Fed's 6.7% target. It is expected to drop to 6.5% in 2021 and 5.5% in 2022. The rate peaked at 14.7% in April 2020.

More than 20 million workers were let go from their jobs in response to the pandemic.

The real unemployment rate includes the underemployed, the marginally attached, and discouraged workers. For that reason, it is around double the widely-reported rate. [Source: Bureau of Economic Analysis].

Inflation is expected to average 0.8% in 2020. It will rise to 1.6% in 2021 and 1.7% in 2022. The core inflation rate strips out volatile gas and food prices. The Fed prefers to use that rate when setting monetary policy. The core inflation rate will average 1.0% in 2020, 1.5% in 2021, and 1.7% in 2022. The core rate is well below the Fed's 2% target inflation rate. The U.S. Inflation Rate History and Forecast helps predict the coming years' inflation levels. [Source: Congressional Budget Office].

With the addition of Sonic at Amigos in FY20, the Amigos truck and car washes, and several historic district businesses opening in FY21, conservative estimates for total sales

tax projections for FY21 should increase by 2.4% (\$5,734) in Sales Tax revenues for a total of \$353,788. New home starts in FY21 are projected to see another 2-4 new homes built in Flatonia. The city budget maintains the same general sales tax rate going to the city general fund of 1%, while the Flatonia EDC receives a dedicated sales tax of .5%.

FUTURE CONCERNS

The budget addresses the immediate operational needs of the City of Flatonia. In contrast with FY 20, this budget places numerous capital outlay projects and purchases on hold for the Parks Department and the Utility Department. The city manager has prioritized capital outlays and other project lists and will program funding while balancing unknown/unexpected resource requirements that may arise.

The budget proposes a dedicated savings plan that goes into effect if the fund balance at the end of FY21 exceeds \$50,000. Should this occur, \$50,000 will be set aside in the money market account for the purpose of future wastewater treatment plant sludge removal or contribution toward a mechanical wastewater treatment facility should grant funding be awarded. This will be a planning factor in future budgets as well, to increase the funds available to address this project.

CONCLUSION

The budget authorizes spending within conservative revenue estimates while ensuring that the city will be able to continue to meet the needs of its residents and businesses. Budgeting and prioritizing the city's spending will continue to be monitored closely for FY21. The city cannot address all of its needs in any single budget year; however, working together, the city's staff and elected and appointed officials will continue to use a multi-year approach so that the city's long-term objectives of a sustainable, superior quality of life for the residents of Flatonia can be realized.

Sincerely,

Sarah Novo
City Manager, Flatonia, TX

FY₂₁ Proposed Budget

The proposed budget for FY21 is balanced with estimated revenues of \$5,680,882 and estimated expenses of \$5,636,166, which includes debt services expenses of \$171,270. This produces a positive balance sheet with a total fund balance at the end of FY21 of \$44,716. Starting FY21, the money market account will have at least \$52,655 (current balance as of 9/8/2020). The TexPool savings account is at \$366,693. Combined, the money market and TEXPOOL accounts equal \$419,348, which covers our 60-day reserve (\$418,000) to run the city in the event of a catastrophe. The master list of capital improvement projects totals \$131,617, with the other project lists for all other non-capital improvement projects totals \$38,250.

Budgetary Priorities and Focus

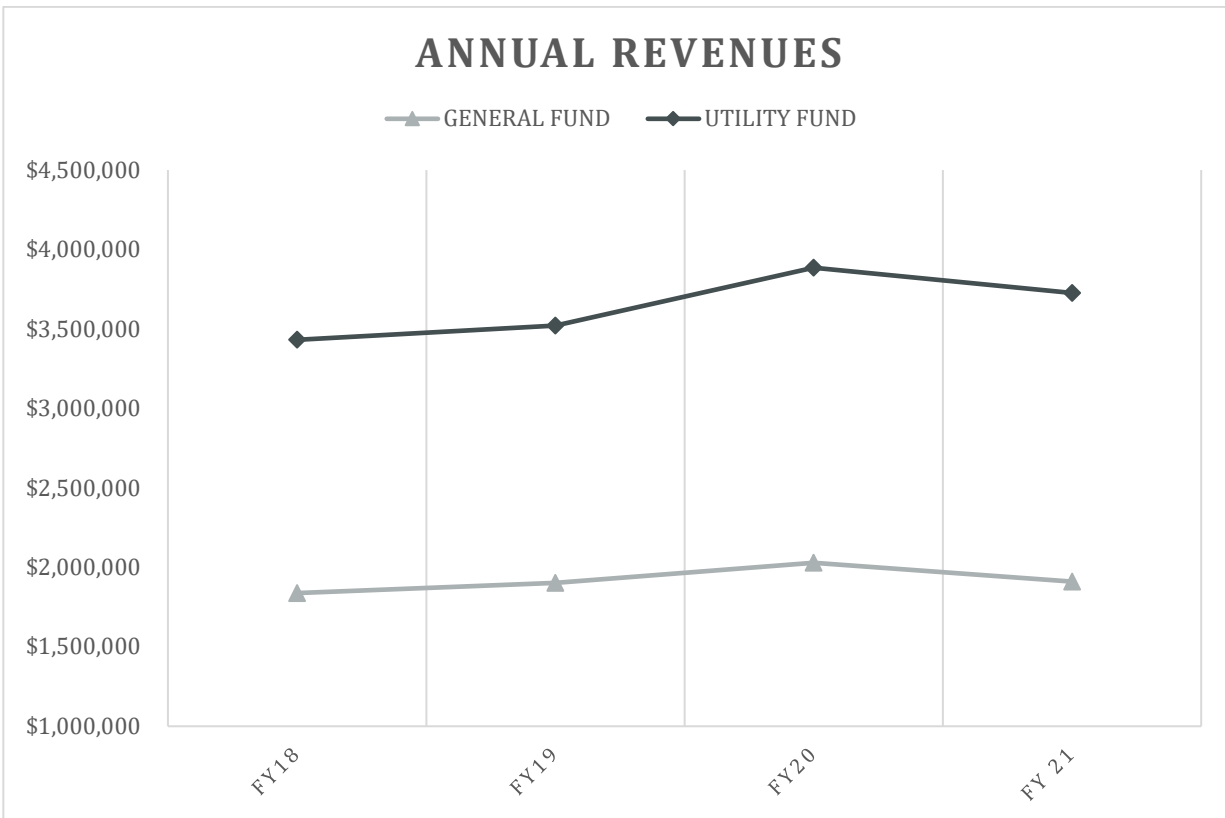
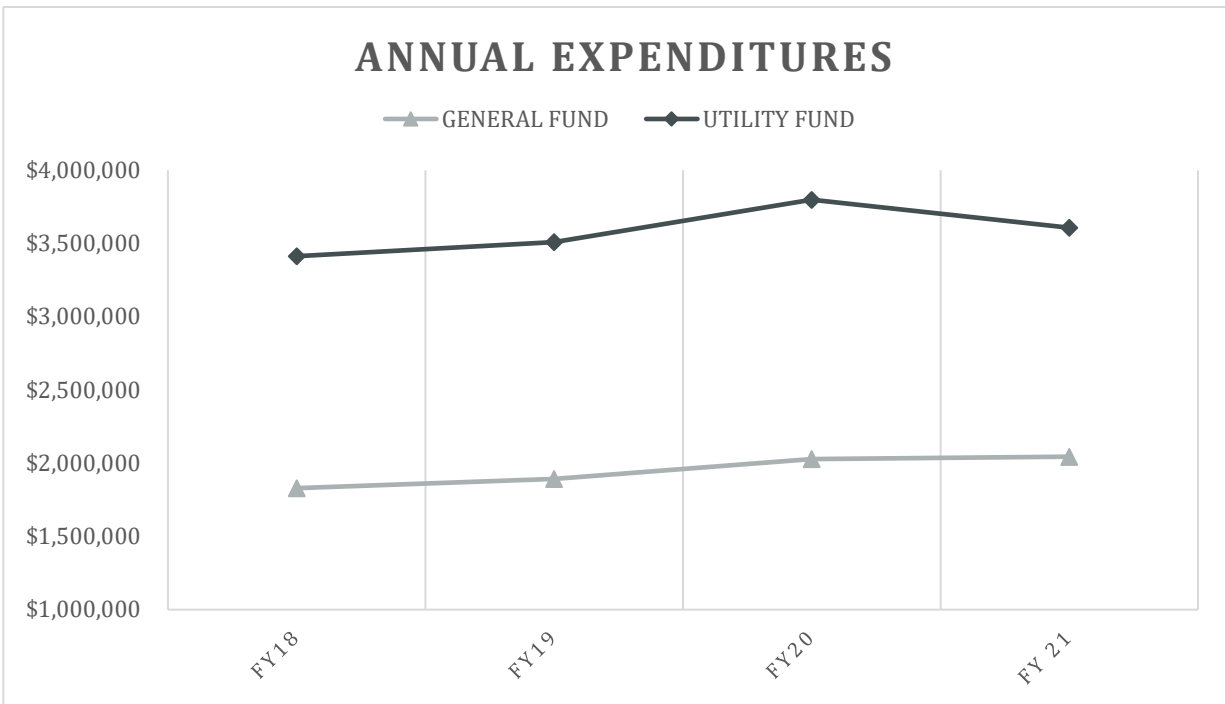
The FY21 proposed budget is designed to provide for the needs of Flatonia's residents as well as the needs of the city, including the continual need for equipment upgrades for the utility department. This budget takes into account the necessity to maintain or improve municipal service levels in a manner that is consistent with the financial policies adopted by the city council.

Minimum Fund Balances

The City Manager, as the budget officer for the City of Flatonia, has established the following:

1. A 60-day reserve shall be maintained between the city's money market and TexPool accounts which is equivalent to \$418,000. The current 60-day reserve fund is \$419,348.
2. The city shall have a TexPool municipal government investment savings account. As debt is closed, those payments are expected to be made to the TexPool account to build for a larger future capital outlay if required.

GENERAL AND UTILITY BUDGET COMPARISONS



Overview of Proposed Budget and Significant Funds

The FY21 Budget includes total revenues of \$5,680,882 and total expenditures of \$5,636,166 with a funds balance of \$44,716.

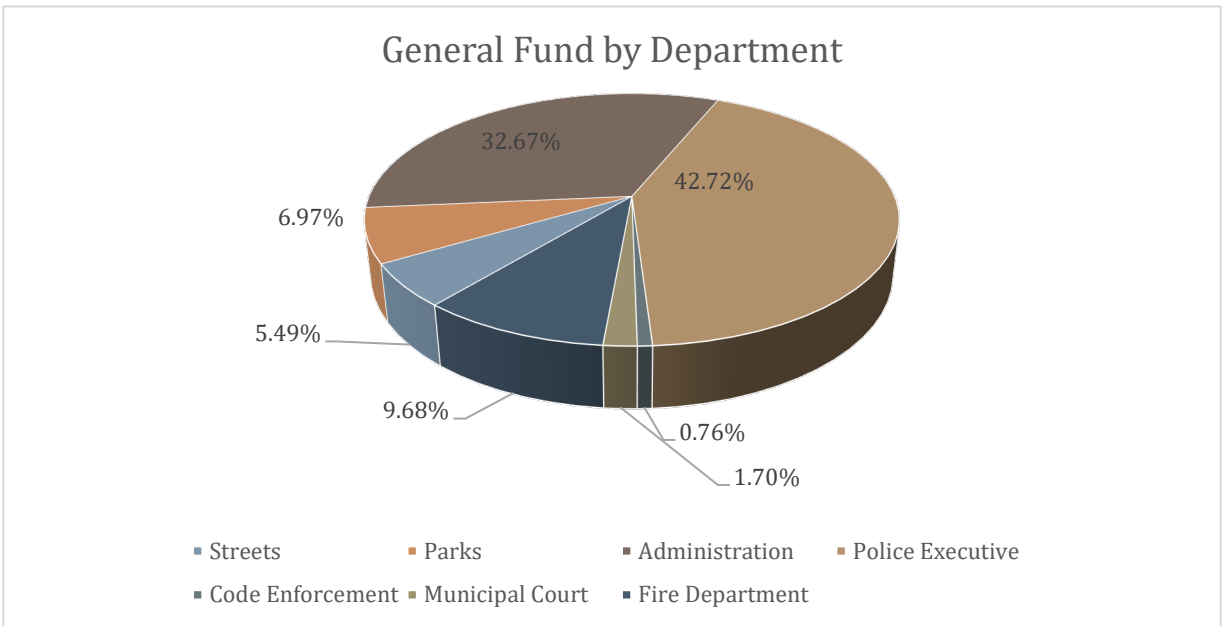
General and Utility Fund Summary

BUDGET SUMMARY								
							\$ Difference from Prev FY	% Difference from Prev FY
			FY18	FY19	FY20	FY 21		
GENERAL FUND								
REVENUES			\$1,838,222	\$1,903,287	\$2,028,768	\$1,954,154	(\$74,614)	-3.92%
EXPENDITURES			\$1,829,464	\$1,893,429	\$2,028,395	2,028,808	413	0.02%
GENERAL FUND BALANCE			\$8,758	\$9,858	\$372	(\$74,654)		
UTILITY FUND								
REVENUES			\$3,431,750	\$3,521,754	\$3,885,532	\$3,726,728	(\$158,804)	-4.51%
EXPENDITURES			\$3,413,027	\$3,508,215	\$3,798,524	\$3,607,358	(\$191,166)	-5.45%
UTILITY FUND BALANCE			\$18,723	\$13,539	\$87,008	\$119,370		
Total Revenue			\$5,269,972	\$5,425,041	\$5,914,300	\$5,680,882	(\$233,418)	-4.30%
Total Expenditures			\$5,242,491	\$5,401,644	\$5,826,919	5,636,166	(\$190,753)	-3.53%
Total Remaining Balances			\$27,481	\$23,397	\$20,029	\$44,716		

General Fund Summary

The information below illustrates the percentage divisions of the budget for each general fund department. Administration and Police are the two largest departments in terms of expenditures representing 32.67% and 42.27% of the proposed FY21 budget respectively. The general fund is projected to collect -6.23% less and spend 0.02% more in FY21 than in FY20. Expenditures equate to \$413 more in FY21 than in FY20, and \$135,379 more than in FY19 signifying a substantial reduction of non-essential operational costs.

General Fund by Department					
Department	Budget 2019	Budget 2020	Proposed 2021	Percent of Budget	Change 2020-2021
Streets	106,665	\$105,342	112,318	5.49%	6,976
Parks	111,204	\$132,913	142,475	6.97%	9,563
Administration	699,056	681,053	667,955	32.67%	(13,098)
Police Executive	737,684	857,459	873,370	42.72%	15,911
Code Enforcement	24,300	20,890	15,500	0.76%	(5,390)
Municipal Court	24,154	\$32,951	34,780	1.70%	1,828
Fire Department	190,366	197,787	197,910	9.68%	122
	\$1,893,429	\$2,028,395	\$2,044,308		15,913



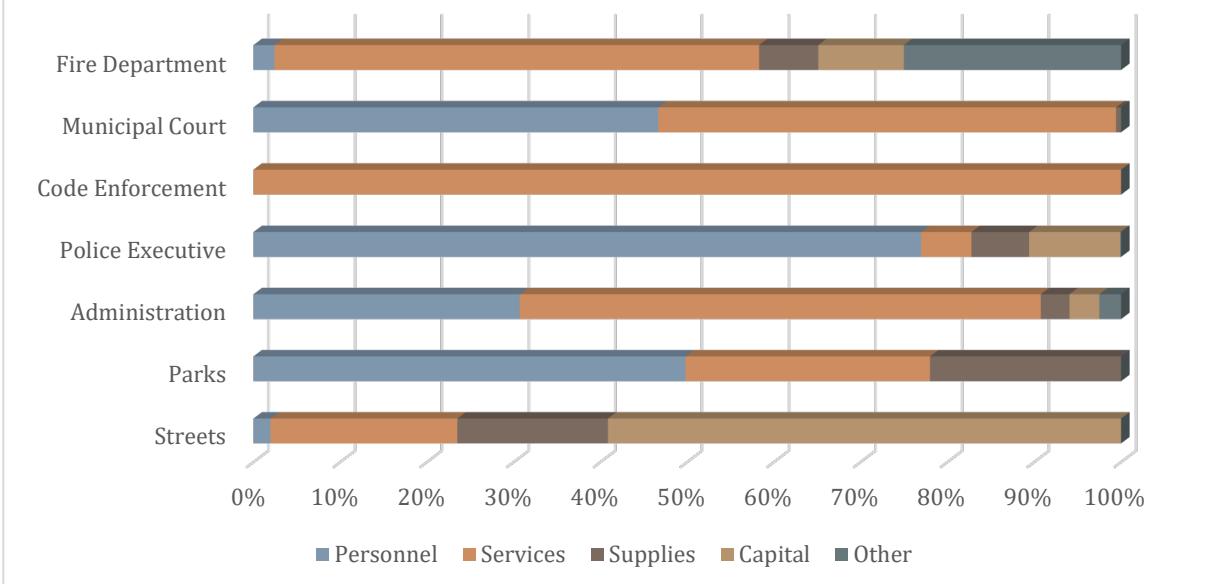
General Fund Department Detail

The information below illustrates the breakdown within each division of the departments that are tied to the general fund. Total labor expenses in the general fund for FY21 are projected to be \$971,396.

General Fund Expenses Budget FY21 - Department Detail

Department	Personnel	Services	Supplies	Capital	Other	TOTAL
Streets	2,200	24,201	19,500	66,417	-	\$112,318
Parks	70,970	40,155	31,350	-	-	\$142,475
Administration	205,015	401,233	22,095	22,959	16,653	\$667,955
Police Executive	672,203	50,703	58,000	91,715	750	\$873,370
Code Enforcement	-	15,500	-	-	-	\$15,500
Municipal Court	16,235	18,345	200	-	-	\$34,780
Fire Department	4,773	110,610	13,500	19,527	49,500	\$197,910
TOTALS	\$971,396	\$660,747	\$144,645	\$200,617	\$66,903	\$2,044,308

General Fund Department Detail FY21

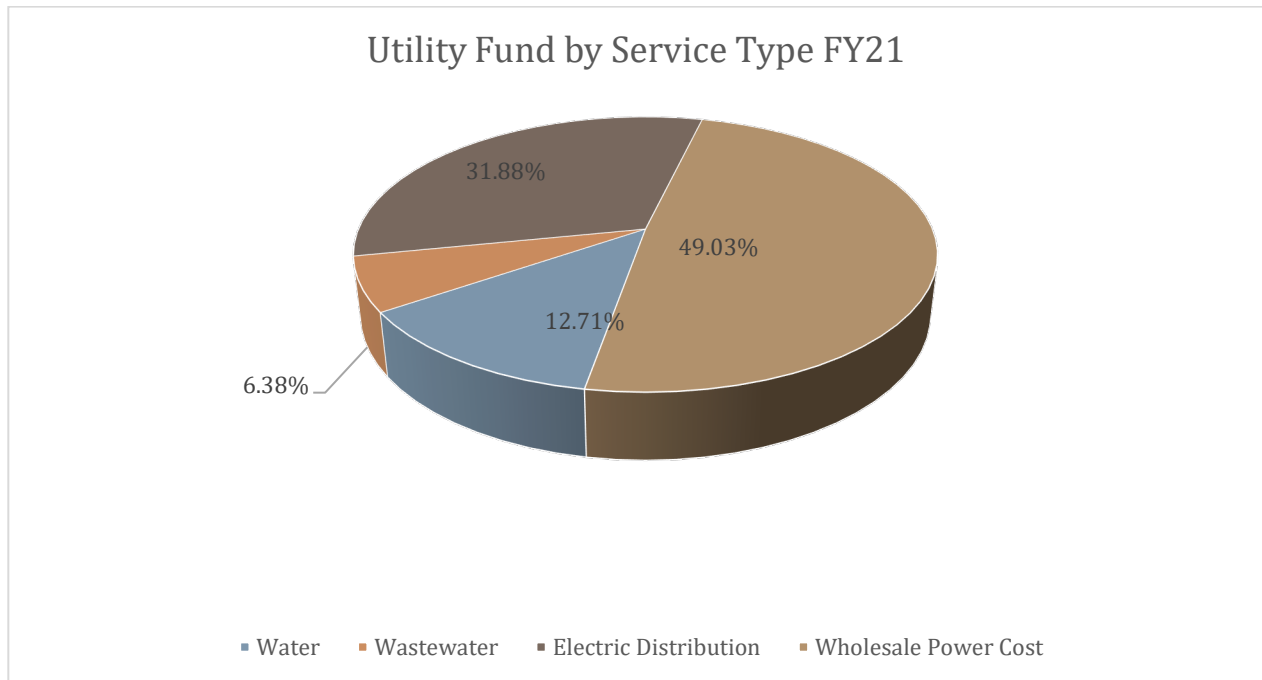


Utility Funds Summary

The proposed utility funds budget expenses are projected to see a 5.03% decrease in comparison to FY20. The decreases are due to a planned suspension of non-essential citywide capital expenditures and equipment purchases for this FY. Amigos is expected to open truck and car wash facilities within this FY, and expansion of the Flatonia ISD facility is nearing completion. The implementation of these projects are anticipated to increase water and wastewater expenses.

Utility Funds by Service Area

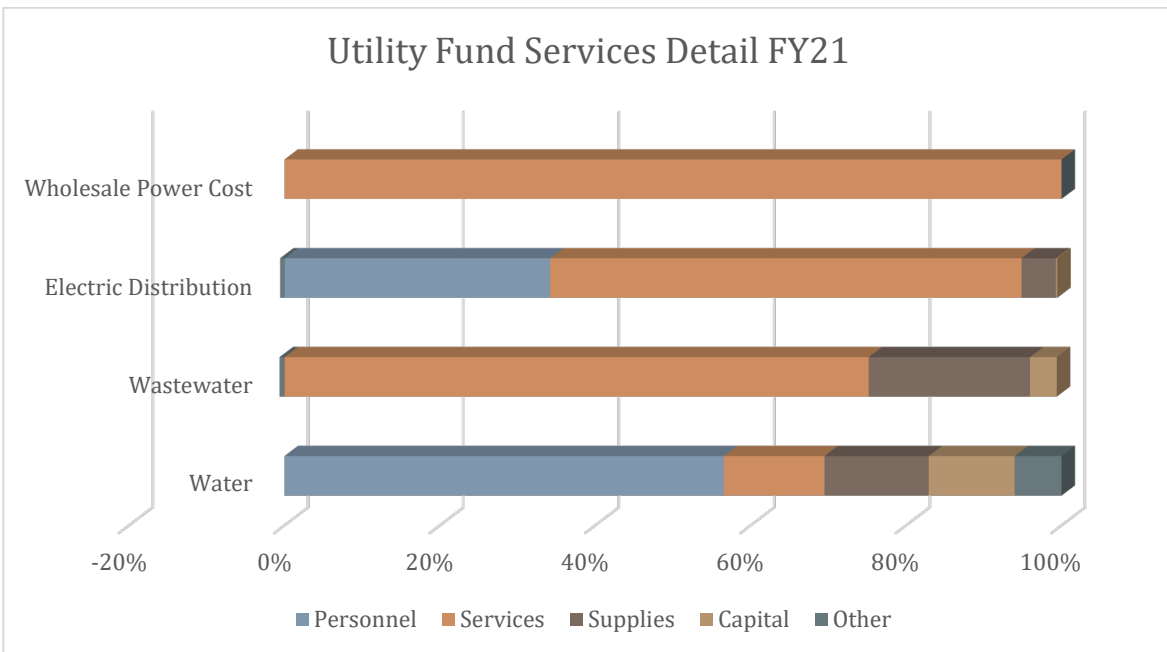
Utility Fund by Department					
Department	Budget	Budget	Proposed	Percent	Change
	2019	2020	2021	of Budget	2020-2021
Water	419,717	488,472	458,451	12.71%	(30,020)
Wastewater	\$255,168	\$273,551	\$230,080	6.38%	(\$43,471)
Electric Distribution	\$1,107,626	\$1,267,786	\$1,150,111	31.88%	(\$117,674)
Wholesale Power Cost	\$1,725,704	\$1,768,715	\$1,768,715	49.03%	\$0
	\$3,508,215	\$3,798,524	\$3,607,358		(\$191,166)



As indicated in the pie chart above, wholesale power cost represents 49.03% of all utility fund expenditures. The City of Flatonia owns its electric distribution system and purchases power from The Lower Colorado River Authority (LCRA). In addition to the cost of power purchase, the city charges distribution fees to cover the costs of utility infrastructure and labor. Total fully burdened labor charges in the utility fund total \$656,507.

Utility Fund Expenses Budget FY21 - Department Detail

Department	Personnel	Services	Supplies	Capital	Other	TOTAL
Water	259,192	59,418	61,450	50,751	27,640	\$458,451
Wastewater	-	175,135	48,381	8,000	(1,436)	\$230,080
Electric Distribution	397,314	705,604	51,548	2,000	(6,355)	\$1,150,111
Wholesale Power Cost	-	1,768,715	-	-	-	\$1,768,715
TOTALS	\$656,507	\$2,708,872	\$161,379	\$60,751	\$19,849	\$3,607,358
COMBINED TOTALS	\$1,627,903	\$3,369,619	\$306,024	\$261,368	\$86,752	\$5,651,666



As the table and chart above illustrate, the wholesale power cost and wastewater line items do not currently have personnel allocated to them. Any personnel associated with power purchase and wastewater services are allocated to the electric distribution and water service areas respectively. "Other" expenses in water and wastewater are attributed to debt service for past capital projects including the city's arsenic filter system and wastewater pond maintenance.

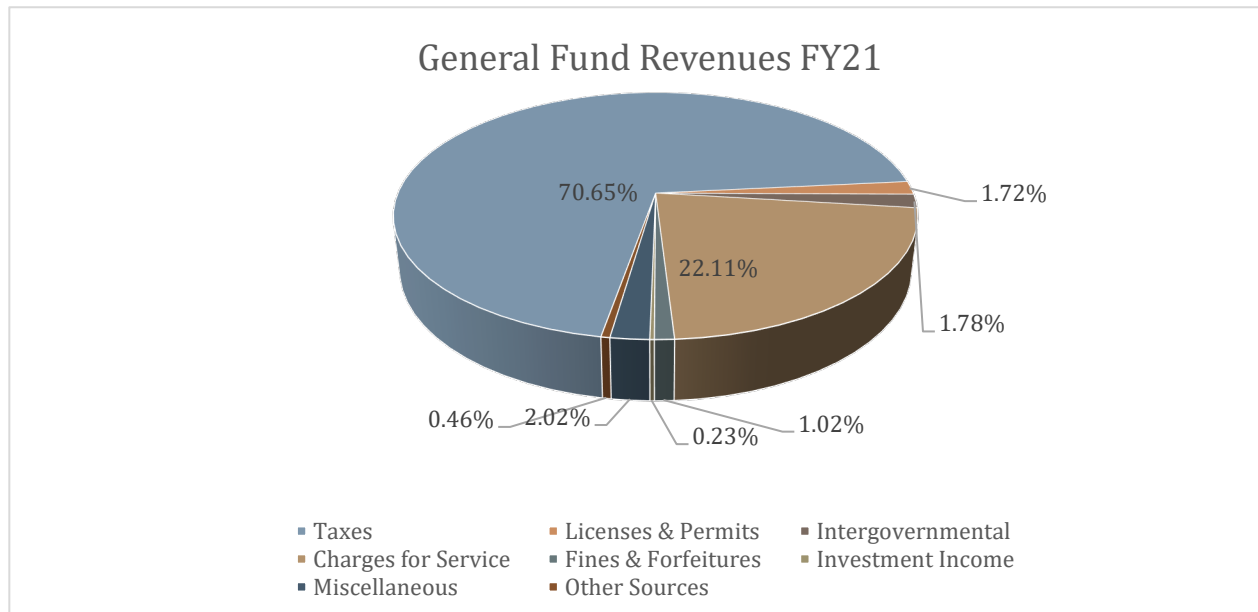
CITY OF FLATONIA

FY21 BUDGET

Major Sources of Revenue

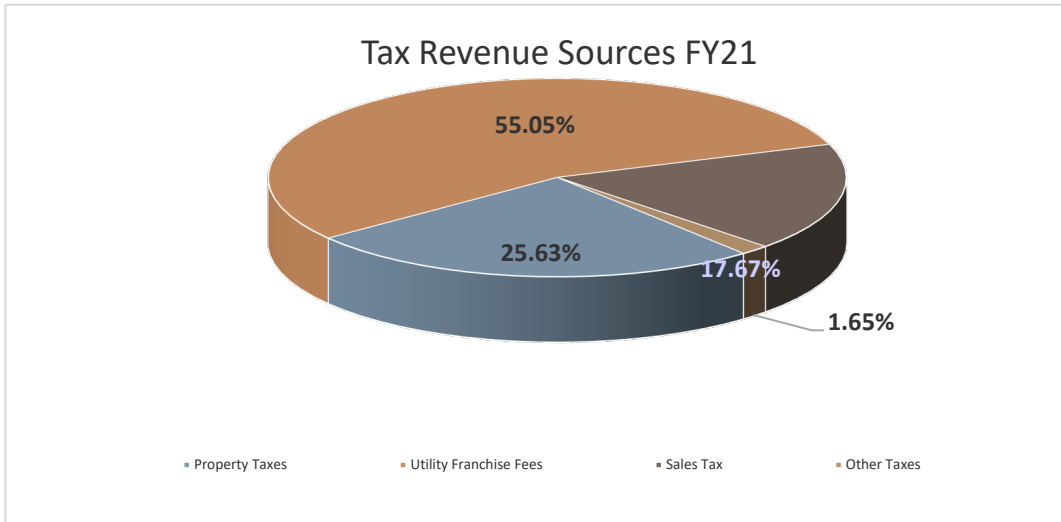
General Fund Sources of Revenue									Budget	Percent	Change
Revenue Source	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY 20	FY 21	of Budget	2020-2021
Taxes	1,068,436	1,108,764	1,044,527	1,131,768	\$1,218,628	\$1,278,722	\$1,362,455	\$1,375,700	1,380,608	70.65%	4,908
Licenses & Permits	13,414	17,284	9,350	9,350	\$39,026	\$19,500	\$16,400	\$32,850	33,600	1.72%	750
Intergovernmental	112,148	76,979	-	1,217	\$3,452	\$1,000	\$0	\$33,009	34,841	1.78%	1,832
Charges for Service	330,898	376,202	343,425	374,425	\$459,332	\$409,200	\$443,100	\$484,831	\$432,100	22.11%	(\$52,731)
Fines & Forfeitures	65,662	62,054	62,000	62,000	\$22,834	\$46,500	\$7,400	\$31,623	20,000	1.02%	(11,623)
Investment Income	831	691	350	350	\$10,430	\$4,800	\$7,500	\$11,250	4,500	0.23%	(6,750)
Miscellaneous	41,759	148,678	24,590	24,590	\$158,756	\$69,000	\$57,432	\$59,505	39,505	2.02%	(20,000)
Other Sources	559,587	600,754	9,000	9,000	\$9,072	\$9,500	\$9,000	\$0	9,000	0.46%	9,000
TOTALs	\$2,192,735	\$2,391,406	\$1,493,242	\$1,612,700	\$1,921,530	\$1,838,222	\$1,903,287	\$2,028,768	\$1,954,154		(74,614)

The majority of the city’s revenue is derived from taxes (70.65%) and charges for service (22.11%). Over 90% of the revenue from “Charges for Service” is related to the city’s solid waste services which are provided by Texas Disposal Systems (TDS). In addition to collecting the TDS fees, the city charges a service fee for administering trash service to our customers.



Tax Revenue Detail

Only 43.3% of all general fund tax revenue is derived from property and sales taxes.



General Fund Tax Revenue Sources									Budget	Percent	Change
Taxes	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY 20	FY21	of Budget	2020-2021
Property Taxes	\$191,689	\$205,300	\$235,127	\$286,368	337,888	312,922	333,155	337,809	353,788	25.63%	15,979
Utility Franchise Fees	\$482,328	\$465,302	\$486,500	\$493,000	673,750	700,000	735,000	771,000	760,000	55.05%	(11,000)
Sales Tax	\$341,789	\$380,151	\$268,000	\$275,000	191,628	250,000	270,000	238,286	244,020	17.67%	5,734
Other Taxes	\$1,985	\$4,469	\$2,400	\$2,400	3,461	2,800	24,300	28,605	22,800	1.65%	(5,805)
TOTALS	\$1,017,791	\$1,055,222	\$992,027	\$1,056,768	\$1,206,727	\$1,265,722	\$1,362,455	\$1,375,700	\$1,380,608		\$4,908

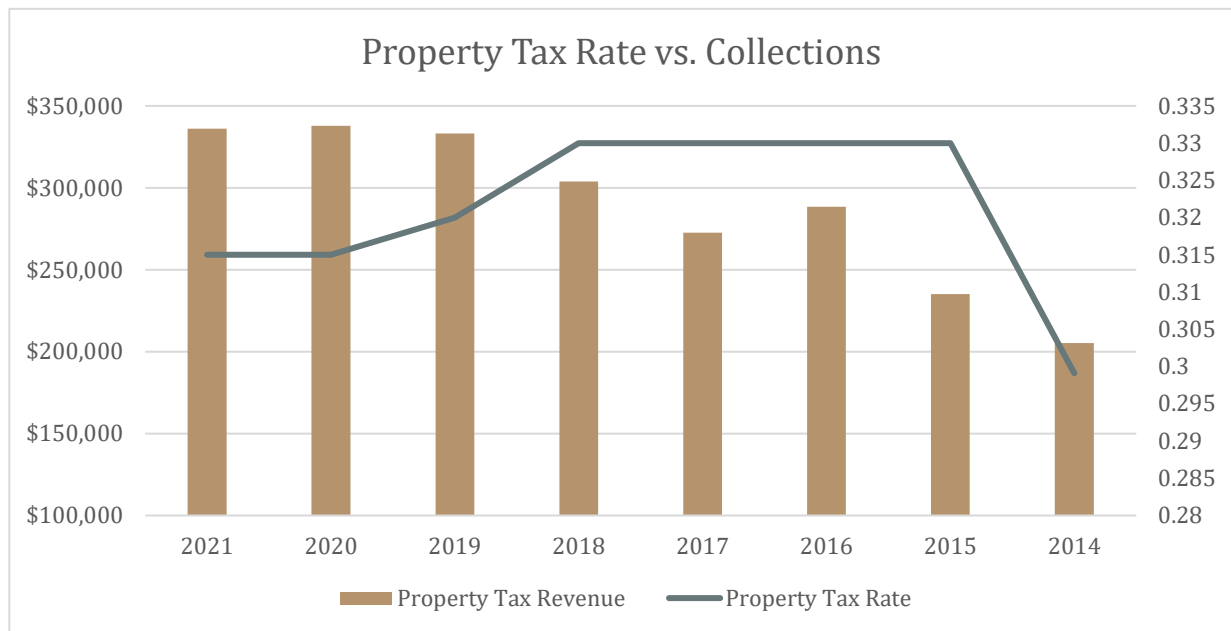
Property Tax

The proposed FY21 budget is based on a property tax rate of \$0.3150 per \$100 valuation, which is consistent with FY20 valuation, but \$0.0050/\$100 less than in FY19 and less than both the 2019 effective tax rate and rollback rate.

2020 saw an increase in the value of property in Fayette County. The average family home value in Flatonia was \$141,875 in 2019 and increased to \$146,969 in 2020. Based on the tax numbers received from the Fayette County Appraisal District, the total taxable value for the City of Flatonia increased from 107,240,843 in 2019 to \$112,313,801 in 2020. The 2020 no new revenue rate is \$.3048/\$100 of valuation and the voter approval rate is \$0.3157/\$100 of valuation.

The no new revenue rate is the tax rate necessary to collect the same dollar amount of property tax revenue as in the previous year based upon the taxing jurisdiction’s total appraised value. This FY21 budget continues a trend dating back a number of years where the adopted tax rate had been \$0.3300/\$100 of valuation or less. In the last two years (FY19 and FY20), the city council has lowered the adopted tax rate to the current level used in the FY20 budget of \$0.3150/\$100 of valuation. FY21 maintains this valuation. This budget is predicated on levying a rate of \$0.3150/\$100 of valuation.

The revenue derived from sales tax is allocated to the general fund and available for any use authorized.



	2021	2020	2019	2018	2017	2016	2015	2014
Property Tax Revenue	\$336,169	\$337,809	\$333,155	\$303,922	\$272,550	\$288,466	\$235,127	\$205,300
Property Tax Rate	0.315	\$ 0.3150	\$ 0.3200	\$ 0.3300	\$ 0.3300	\$ 0.3300	\$ 0.3300	\$ 0.2991
Certified Appraised Value	\$ 112,313,801	\$ 107,240,843	\$ 104,110,991	\$ 92,097,460	\$82,591,147	\$ 89,568,044	\$ 69,347,005	\$ 65,090,874

The bar graph above reflects both the historic property tax rate and dollar amount of revenues collected for the City of Flatonia since 2014.

CITY OF FLATONIA

FY21 BUDGET

Sales Tax

The tables below may look busy, but they are easy to understand. **Table 1** is the historic and projected sales tax numbers collected (**to be collected**) for the City of Flatonia. In 2018, the total sales tax collected was re-apportioned with 1% going to the City and 0.5% going to the Flatonia Economic Development Corporation (EDC). **Table 2** shows that portion of the City's sales tax and **Table 3** is the portion going to the Flatonia EDC. All numbers in red are projections using historical data. For FY21, the historical data collected is averaged for the year prior.

In summary, the City expects in FY21 to collect a total of \$366,408 in sales tax, of which, \$244,020 goes to the City's general fund and \$122,388 goes to the Flatonia EDC.

Table 1: Monthly City Sales Tax Collected (City & EDC since Feb 2016)

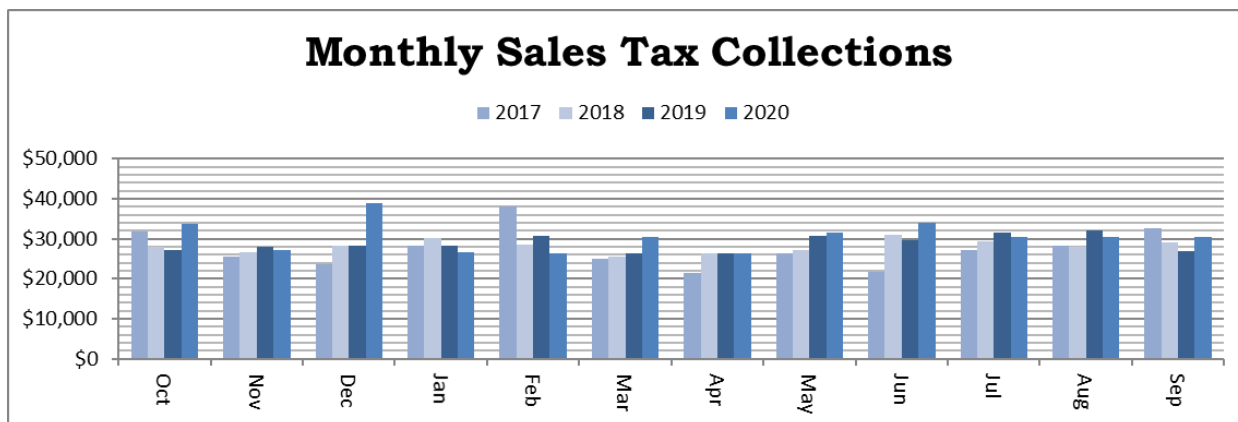
FY	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	TOTAL
2005	\$16,092	\$13,538	\$20,816	\$14,015	\$12,184	\$18,833	\$14,852	\$15,417	\$20,269	\$17,109	\$17,624	\$30,917	\$211,666
2006	\$15,984	\$18,905	\$29,292	\$15,314	\$13,666	\$17,522	\$14,947	\$16,069	\$18,773	\$17,482	\$15,530	\$17,103	\$210,588
2007	\$15,884	\$16,467	\$21,845	\$16,458	\$13,293	\$18,272	\$14,725	\$14,653	\$20,914	\$17,110	\$16,570	\$18,213	\$204,404
2008	\$15,408	\$15,353	\$20,588	\$14,256	\$14,081	\$18,754	\$15,908	\$15,581	\$20,186	\$20,270	\$17,394	\$21,439	\$209,219
2009	\$15,887	\$16,651	\$23,181	\$15,415	\$14,331	\$19,755	\$17,008	\$17,638	\$20,605	\$18,011	\$18,845	\$18,124	\$215,449
2010	\$16,328	\$18,954	\$20,729	\$15,164	\$19,771	\$19,423	\$13,527	\$19,070	\$24,517	\$19,356	\$15,308	\$24,396	\$226,542
2011	\$18,857	\$18,807	\$21,850	\$16,989	\$14,246	\$23,735	\$18,242	\$15,423	\$24,877	\$15,322	\$23,671	\$20,757	\$232,774
2012	\$16,424	\$21,174	\$24,862	\$18,582	\$18,704	\$29,274	\$16,942	\$24,848	\$25,806	\$22,436	\$28,019	\$22,790	\$269,860
2013	\$29,570	\$27,700	\$32,700	\$34,698	\$35,955	\$54,354	\$11,498	\$27,940	\$24,694	\$31,017	\$27,719	\$23,394	\$361,238
2014	\$29,595	\$28,802	\$34,140	\$39,940	\$24,734	\$36,487	\$38,547	\$38,425	\$24,466	\$45,171	\$30,913	\$37,031	\$408,251
2015	\$36,917	\$23,937	\$25,580	\$23,158	\$23,627	\$23,229	\$28,547	\$24,333	\$33,942	\$34,177	\$26,729	\$26,117	\$330,293
2016	\$26,022	\$25,388	\$37,405	\$20,823	\$36,249	\$24,603	\$14,156	\$32,057	\$21,173	\$22,404	\$31,502	\$22,825	\$314,607
2017	\$31,934	\$25,623	\$23,610	\$28,368	\$38,099	\$24,927	\$21,546	\$26,393	\$21,830	\$27,240	\$28,304	\$32,743	\$330,617
2018	\$27,874	\$26,655	\$28,291	\$30,222	\$28,469	\$25,403	\$26,234	\$27,225	\$31,115	\$29,412	\$28,117	\$29,096	\$338,114
2019	\$27,189	\$27,954	\$28,243	\$28,294	\$30,644	\$26,488	\$26,368	\$30,749	\$29,552	\$31,634	\$31,962	\$27,029	\$346,106
2020	\$33,658	\$27,057	\$39,009	\$26,557	\$26,309	\$30,475	\$26,253	\$31,465	\$34,018	\$30,534	\$30,534	\$30,534	\$366,404
2021	\$30,534	\$30,534	\$30,534	\$30,534	\$30,534	\$30,534	\$30,534	\$30,534	\$30,534	\$30,534	\$30,534	\$30,534	\$366,408

Table 2: Monthly City Sales Tax Collected (City Only)

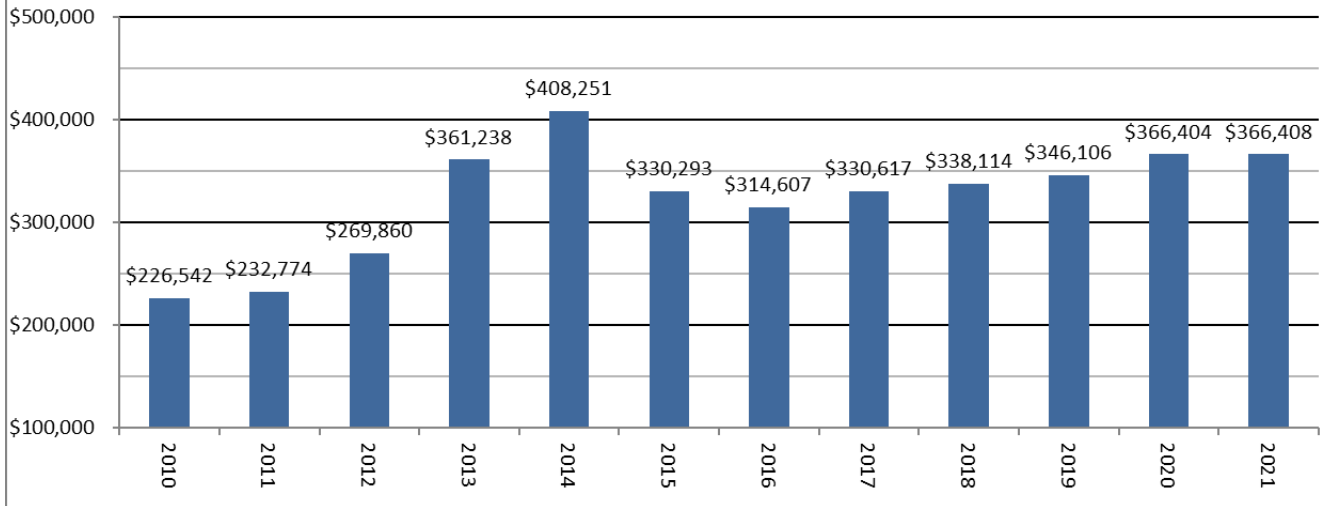
2018	\$27,874	\$26,655	\$19,861	\$20,148	\$18,979	\$16,935	\$17,489	\$18,150	\$20,743	\$19,608	\$18,809	\$20,204	\$245,456
2019	\$18,616	\$17,785	\$17,147	\$20,339	\$22,192	\$15,910	\$16,904	\$21,156	\$18,927	\$21,215	\$21,301	\$18,013	\$229,505
2020	\$22,416	\$18,020	\$25,980	\$17,687	\$17,522	\$20,296	\$17,484	\$20,956	\$22,656	\$20,335	\$20,335	\$20,335	\$244,020
2021	\$20,335	\$20,335	\$20,335	\$20,335	\$20,335	\$20,335	\$20,335	\$20,335	\$20,335	\$20,335	\$20,335	\$20,335	\$244,020

Table 3: Monthly City Sales Tax Collected (EDC Only)

2018	\$0	\$0	\$8,430	\$10,074	\$9,490	\$8,468	\$8,745	\$9,075	\$10,372	\$9,804	\$9,308	\$8,892	\$92,658
2019	\$8,573	\$10,169	\$11,096	\$7,955	\$8,452	\$10,578	\$9,464	\$9,593	\$10,625	\$10,418	\$10,661	\$9,016	\$116,601
2020	\$11,219	\$9,019	\$13,003	\$8,852	\$8,968	\$10,158	\$8,751	\$10,488	\$11,328	\$10,199	\$10,199	\$10,199	\$122,384
2021	\$10,199	\$10,199	\$10,199	\$10,199	\$10,199	\$10,199	\$10,199	\$10,199	\$10,199	\$10,199	\$10,199	\$10,199	\$122,388



Sales Tax COLLECTIONS FY10-FY20 (FY21 PROJECTED)



Debt Service

The City of Flatonia does not levy property tax to pay down its existing debt. Instead existing cash reserves and annual revenues from all sources are utilized to satisfy debt obligations. The table below lists all current debt obligations. These obligations carry a “tax pledge” or guarantee by the city that it will levy enough property tax to pay the debt if at any time revenue from other sources becomes insufficient to pay the debt. The table below shows the existing debt services, the annual amounts, and the years they expire. The column highlighted in “grey” shows the numbers imbedded into the FY21 budget. Of note, the FY21 budget realizes the benefit of no further debt service payments on the 1999 bond for the wastewater treatment plant sludge removal.

DEBT SERVICES												
Billing Code	DEBT Name	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
**4521.4220 4540.4220	Police Dept/Fire Dept New Building	\$39,848	\$39,940	\$40,005	\$40,043	\$39,053	\$39,063	\$39,045				
4400.4210/4220	New Vehicle/Equip/Radios (2014)	\$22,458	\$22,458	\$22,458	\$22,458	\$22,458						
4580.5110	Wastewater Sludge Removal Bonds	\$35,442	\$35,769	\$36,075	\$36,362							
4570.5110	Arsenic Filtration System	\$35,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$35,000	
4570.4600	Front End Loader from RDO		\$14,072	\$21,108	\$21,108	\$21,108	\$21,108	\$21,108	\$7,036			
4521.4250	Police Vehicles/Ford Explorers	\$0	\$0	\$42,640	\$42,640	\$42,640	\$42,640	\$42,640				
4521.4250	Police Vehicles/Chevy Tahoes				\$16,011	\$16,011	\$16,011	\$16,011	\$16,011	\$16,011	\$16,011	
		\$132,748	\$142,239	\$192,286	\$208,622	\$171,270	\$148,822	\$148,804	\$53,047	\$46,011	\$51,011	\$0

Capital Planning

The City of Flatonia engaged in comprehensive planning efforts many times over the past several decades. A major part of any comprehensive planning effort by the city involves estimating the useful life of its assets as well as maintenance and replacement costs. Due to lack of sufficient funding, many of these assets had not been replaced in the past. In the past three years, the city has upgraded a number of much needed pieces of utility heavy equipment as well as six new police vehicles. The capital projects in the short-term focus on street paving at \$66,417, and \$20,000 allocated toward water and wastewater line replacement projects necessary due to aging infrastructure. The table below is the list of historical projects and those notated for the FY21 capital improvement plan.

CAPITAL PROJECTS 5 YEAR PROJECTION						
DESCRIPTION	FY16	FY17	FY18	FY19	FY20	FY 21
GENERAL FUND PROJECTS						
Street Paving	118,000	150,000	95,000	65,518	65,938	66,417
Grant-City Match Four Emerg Sirens (Hazard Mit)		46,600				
City Match CDBG Comprehensive Planning Grant			3,990			
Park's Department Lawn Mower (60")			10,000			
Police Vehicles	10,000					
Police Vehicle Outfitting (Excursion)		21,000				
Police Vehicle Light Bar (Troy/Liz)		1,900				
2nd Street Curb	-	4,900		-	-	
Parks Improvements		12,500				
SUBTOTAL GF PROJECTS	\$ 118,000	\$ 236,900	\$ 108,990	\$ 65,518	\$ 65,938	\$ 66,417
GENERAL FUND TRANSFERS						
Funding to Achieve a 60-day City Reseve Fund	-	175,000	-	-	-	
SUBTOTAL GF TRANSFERS	\$ -	\$ 175,000	\$ -	\$ -	\$ -	
UTILITY FUND PROJECTS						
Enclose Filtration Unit Plant3 (Arsenic Filters)	-	17,307	-	-	-	
Arsenic Filter Layne-ox medium cleaning				25,000		
Nikel-Mica Water Line			6,784			
Utility Pickup w/ Storage Bed			-	-	45,000	
Backhoe w/ extend-arm						
Hydrovac Machine					16,000	
Hydrovac Trailer					5,143	
Backhoe JD 310 Series					78,313	
Water Truck/and or Water Tank Buffalo for Dump Trk					500	
Roller (used)		67,837				
Maintainer		29,000				
Grant-City Match Lift Station Generators (Hazard Mit)		25,353				
Cap Well at S. Main & Market	-	15,600	-	-	-	
Waterline Replacement	-	20,000	15,000	10,000	10,000	10,000
Wastewater Line Replacement			10,000	7,500	10,000	10,000
Grant (difference bid/grant) CDBG street & sewer project						
Wastewater Plant Maintenance (Clean Ponds)	-	338,852	-	-	-	
SUBTOTAL	\$ -	\$ 513,949	\$ 31,784	\$ 35,000	\$ 164,956	\$ 20,000
Totals		\$750,849	\$140,774	\$100,518	\$230,894	\$86,417

The table below is similar to the capital projects list above; however, it shows the list of all projects desired but not necessarily funded. Only the amounts notated under the FY21 line are accounted for within the FY21 budget. Any block unshaded holding a dollar figure is a placeholder for consideration but not accounted for within any FY budget. The eight digit numbers on the far right are the budget line items associated with each project.

ALL OTHER PROJECTS 7 YEAR PROJECTION									
	FY20	FY21	FY22	FY23	FY24	FY 25	FY 26	FY 27	
PARKS Department									
Railroad Park									
Interior Lighting in Caboose									
<i>Jail Visitor Rail</i>									4250.2220
Paint RR Caboose									4250.2220
Bridge to Jail									
Trails		1000							4250.3164
Park Signs for all three kiosks									4250.2220
Total	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Central Park									
Center Table Gazebo									4250.2220
Gazebo Roof									4250.2220
Historic Gazebo Roof (Shingles)	10,500								4250.2220
Total	\$ -	\$ -	\$ -	\$ -	\$ -				
7-Acre Park									
Trail Lighting									4250.2220
Disc Golf Map									4250.2220
Disc Golf Numbering									4250.2220
Soccer Goals and Nets									4250.2220
Restroom Facility	5000								4250.2220
Soccer Field Lighting (Musco)			68000						4250.2220
Total	\$ 5,000	\$ -	\$ 68,000	\$ -	\$ -				
McWhirter Park									
<i>Concrete Pool Area</i>									4250.2220
1. Metal Roof Bath/Shade									4250.2220
2. Softball Field 1st Base Duggout									4250.2220
3. Pool Shading									4250.2220
McWhirter Concession Repair									4250.2220
Bridge									
6' Chain Link on Foul Lines									4250.2220
6' Outfield Fence			5000						4250.2220
<i>McWhirter Fence/Gate</i>									4400.2220
<i>Electrical to Softball Field</i>									
<i>Water to Dugouts</i>									
Pool building		5000							4250.2220
Lamp posts, maint., basketball restripe		4250							4250.2220
Dirt for Baseball/Softball Fields	3000	3000							4250.2220
Total	\$ 3,000	\$ 12,250	\$ 5,000	\$ -	\$ -				

CITY OF FLATONIA

FY21 BUDGET

Mulberry Creek Connector									
Trail	2500								4250.2220
Trail Lighting									
Lighting for Parking Lot	1500								4250.2220
Restroom Facility									
Splashpad Benches (4)	3600								4250.2220
Splashpad									4250.2220
Total	\$ 7,600	\$ -	\$ -	\$ -	\$ -	\$ -			
Garbade Park									
Cover Over Bleachers									
<i>Paint Bleachers/Garbade</i>									4250.2220
Garbade Concession Repair									4250.2220
Gravel Loads to Playground									4250.2220
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Public Works Department									
Street Sweeper-#3									4150.4600
Dump Trucks									4150.4600
Reconductor/Elec Distribution-#4									4590.4600
Water Tank w/ 8' Bar for Dump Trk	8500								4570.4600
ASCO sweeper			35000						
Total	\$ 8,500	\$ -	\$ 35,000	\$ -	\$ -	\$ -			
Administration Department									
Paint City Hall (Ext)	7500								4400.2220
City Hall Remodel/Paint (Int)		7500							4400.2220
LED Lights in City Buildings									4400.2220
Park House Reroof									4400.2220
CCA Remodel in Civic Center	1750								4400.2222
Chamber Restrooms Remodel									4400.2220
American Legion Hall		1500							4400.2223
Police Dept Covered Parking									4521.2220
Park signs		2500							4250.3174
PD building dryrot repair		3500							4250.2220
Golf Course Maint (City Property)	7500	7500	7500	7500	7500				4250.2220
Total	\$ 16,750	\$ 22,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ -			
Hotel & Motel Occupancy Tax Fund (City's Portion)									
Historic District Signs									HOT \$
<i>LED Lights in Hist. Dist.</i>									HOT \$
Fayette County Tourism	2500	2500							HOT \$
Website Development									HOT \$
Civic Center Restrooms/Public	5000								HOT \$
Total	\$ 7,500	\$ 2,500	\$ -	\$ -	\$ -	\$ -			

Personnel

The City of Flatonia currently employs 21 full-time employees. Cost savings have been realized as a result of unfilled vacancies, retirement and restructuring of department functions. The FY21 budget includes a 1.7% Cost of Living Adjustment (COLA) for all employees, which matches the increase in the Consumer Price Index of all goods and services.

This concludes the budget report.