

Cover Page

This Cover Page and the following disclosures are required by State Law.

"This budget will raise more revenue from property taxes than last year's budget by an amount of \$69,234, which is a 1.8 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 \$55,485."

	FY 2015	FY 2015
Actual Property Tax Rate	.695	.7352
Effective Tax Rate	.660018	.735204
Effective Maintenance and Operations Tax Rate	.654230	.762581
Rollback Tax Rate	.739936	.853186
Debt Tax Rate	.079615	.083171
City Debt Obligations	\$2,780,00	\$2,590,000
LEDC Debt Obligations	\$3,630,000	\$3,450,000
LCDC Debt Obligations	\$4,360,000	\$4,185,000

City Council meeting of September 14, 2015.

Motion by Billy Youngblood, second by Joe Bill Vardeman, to approve Ordinance #997 setting the 2015 tax rate at \$.7352.

FOR: Joe Bill Vardeman, Billy Youngblood, Max Ledesma, Manuel Mendez

AGAINST: None

ABSTAIN or NOT VOTING: Mayor Barbra Pinner

ABSENT: None

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September 14, 2015

To the Honorable Mayor and City Council
City of Levelland
Levelland, Texas

Dear Mayor Pinner and Members of the City Council:

In accordance with the Civil Statutes of the State of Texas and the City Charter of the City of Levelland I am pleased to present the proposed City of Levelland Budget for Fiscal Year 2015-2016 for your review and consideration. This budget document will provide financial guidance for the operations of the municipal activities and services during the next twelve months. I want to thank the Mayor and Council for the hours of hard work you have put into developing this budget and for the confidence you have shown in me and the City's excellent staff throughout this past year and through the process of developing this budget. I am also very appreciative of the assistance and hard work contributed by our department heads in helping develop this budget, especially Director of Finance Dan Downs and City Secretary Beth Walls. Because of these efforts I feel we have developed a conservative budget that will address the City's needs and continue to foster the community's development and provide effective customer service to our citizens.

This past year has been significant in that several major long-term projects and issues seem to have come to successful conclusions. First, after an arduous journey beginning over 11 years ago with a bond issue, the City of Levelland's new landfill opened in August. While not expected to reduce cost of solid waste disposal, the new landfill is expected to noticeably improve customer service and the ability to dispose of construction type debris in an efficient manner.

When the voters approved a quarter cent sales tax in May 2010 the journey began toward developing a new, quality sports complex. In April of this year Levelland-Oxy Sports Complex held its grand opening and ribbon-cutting and use of the four baseball/softball fields began. This high quality facility has received excellent reviews from our local youth leagues and from out-of-town teams participating in tournaments at the facility. In September use of the soccer fields began and the same rave reviews were received.

Another significant event of fiscal year 2015 was the breaking of the severe drought the area has experienced over the last several years, with rainfall for calendar 2015 already exceeding our annual average. While this heavy rainfall has been responsible for drainage problems, sewage overflows, and significant construction delays, it is also responsible for the optimistic outlook on this fall's harvest. For the first time in several years area farmers are expecting good yields for crops such as cotton, corn, and sorghum.

A significant event over the past year of a negative nature has been the collapse petroleum prices and the extreme downturn in the economy that has resulted from a significant slowdown of

activity among our petroleum related businesses. This drop in petroleum prices has caused a significant loss in taxable value with all local taxing entities being forced to raise their tax rates in order to continue providing services. The City of Levelland was fortunate in only having to raise our tax rate by four cents while the other local taxing entities each raise their tax rates by noticeably more. We are able to hold down the tax rate increase because of the City Council's strong leadership over the years in helping the City maintain a strong financial position. While the cost of providing some of our utilities will increase over the next year, because of this significant tax increase we are not proposing to increase any of our utility rates. Again this is possible because of the strong financial position of the City.

While the proposed budget, like all of our budgets in recent past, is a conservative one, the current economic downturn dictates that this budget be more conservative than normal. As a result the budget proposes to adjust the employee pay plan by only 1.7%, the amount of the federal 2014 cost of living adjustment. This raise should help offset the increasing costs that our employees are experiencing, particularly in the areas of health insurance and healthcare. This budget also provides long overdue recognition to Erik Rejino by naming him Assistant City Manager and providing an appropriate pay increase. For seven years Erik has consistently improved himself while continuously going well above and beyond what is expected. He has proven himself to be an extremely valuable member of the City's administrative team.

The only significant project included in the proposed budget is the construction of a new fire station. This \$3.5 million project is possible, again, because of the City's strong financial position. This budget calls for \$3.5 million dollars in tax notes to be issued by the City with repayment to occur over the following seven years, mainly from fund balances. Given the economic slowdown, a significant construction project such as this should help spur our local economy over the next 10 to 14 months.

As in previous years this budget shows a fund balance decrease projected for both the General Fund and the Enterprise Fund. But, as in previous years, I am certain that under your continued leadership at the end of the year the reductions will not be as drastic as projected. I am also confident that our department heads will continue to work hard and be budget conscience throughout the coming year so that when this budget is completed in September of 2016 we will not end up with the significant budget deficits indicated.

I feel this budget continues our conservative practices, and yet it continues to provide for progress and for future development. Through this budget we can continue to work together to meet the needs of Levelland and make Levelland an ever improving place to live, work and raise a family.

Respectfully Submitted,



Rick Osburn
City Manager

RESOLUTION 2015 – 22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEVELLAND, TEXAS, ADOPTING THE BUDGET FOR THE FISCAL YEAR OF 2015-2016 COMMENCING OCTOBER 1, 2015.

WHEREAS, the City Manager of Levelland, Texas has prepared and submitted a proposed budget in compliance with the City Charter for the fiscal year commencing October 1, 2015; and

WHEREAS, the proposed budget has been reviewed by the City Council and a public hearing has been held at City Hall on September 14, 2015; and

WHEREAS, after full and final consideration, a majority of the members of the City Council being present and voting are of the opinion that said budget is appropriate and correct in all respects, and presents a program of service that is in the best interest of the community, and that all requirements of the City Charter and other applicable laws have been satisfied.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF LEVELLAND, TEXAS:

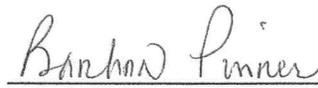
Section 1. That the budget proposal for the fiscal year beginning October 1, 2015 as filed and submitted to the City Council is hereby approved and adopted.

Section 2. That there is hereby appropriated from the funds indicated in such budget, and for the accomplishment of each of the departments, project, operations, activities, purchases, and other expenditures proposed in such budget, not to exceed the total amount of the estimated costs of the departments, projects, operations, activities, purchases, and other expenditures proposed for each fund.

Section 3. That the City Council expressly finds that the amounts budgeted in the various funds for employee benefits, longevity pay, employee awards and recognition, and other similar items promote employee morale, which is a proper, public purpose for those expenditures.

Section 4. That a copy of the FY 2015-2016 Budget shall be filed in the office of the City Secretary of Levelland, Texas.

PASSED, APPROVED AND ADOPTED THIS THE 14TH DAY OF SEPTEMBER, 2015.



Barbra Pinner, Mayor

ATTEST:



Beth A. Walls, TRMC, IPMA-CP
City Secretary

ORDINANCE NO. 997

AN ORDINANCE PROVIDING FOR THE LEVYING OF TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF LEVELLAND FOR THE FISCAL YEAR 2015-2016, PROVIDING FOR THE INTEREST AND REDEMPTION FUND FOR THE YEAR 2015-2016, APPROPRIATING SAID LEVY FOR THE SPECIFIC PURPOSE, PROVIDING SAID LEVY FOR THE SPECIFIC PURPOSE, PROVIDING FOR THE TIME AND MANNER OF PAYING THE AD VALOREM TAXES LEVIED, PROVIDING FOR PUBLICATION BY CAPTION ONLY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council finds that conducting of budget work sessions open to the public and publication of the proposed tax rate in the local news media and the City's website have collectively provided adequate and legal notice so that this ordinance maybe adopted as an emergency measure and thereby made effective immediately:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF LEVELLAND, TEXAS:

SECTION 1. That there is hereby levied and there shall be collected for the use and support of the Municipal Government of the City of Levelland for the Fiscal Year 2015-2016, and to provide an Interest and Redemption Fund for the Fiscal Year 2015-2016, upon all property located within the corporate limits of the City as of January 1, 2015, subject to taxation for the year 2014, a tax of \$0.7352 on each one hundred dollar valuation of property. Said tax is levied and appropriated to the specific purposes herein set forth:

1. For the maintenance and support of the General Fund \$0.6442 on each One Hundred Dollar valuation of property for the year 2015.
2. For the upkeep and maintenance of the Levelland Cemetery \$0.025 on each One Hundred Dollar valuation of property for the year 2015.
3. For the Interest and Redemption Fund \$0.066 on each one Hundred Dollar valuation of property for the year 2015.

SECTION 2. All monies collected as delinquent taxes after July 1, 2016 for the tax year 2015 for the Interest and Redemption Fund, General Fund, and Cemetery Fund will be deposited in their funds as collected.

SECTION 3. All monies collected under this Ordinance for the specific items named shall be and the same are hereby appropriated and set apart for the specific purposes indicated in each item; and the Finance Director of the City of Levelland, Texas shall keep these accounts so as to readily show the amount collected, the amounts expended and the amount collected, and the amount on hand in each item at all times.

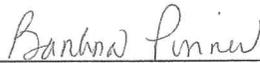
SECTION 4. All taxes shall be payable at the office of the Hockley County Tax Assessor Collector in the City of Levelland, Texas and the period for the payment of taxes without penalty or interest shall be October 1, 2015 through January 31, 2016.

SECTION 5. That this is an emergency measure, which shall be in full force and effect from and after the date hereof for the following reasons:

It is intended for the immediate preservation of the public business, property, health, safety and provides for the usual daily operation of all municipal departments, and to defray the current and other expenses of the City.

SECTION 6. This Ordinance may be published by caption only pursuant to V.T.C.A., Local Government Code 52.013 and Article V, Section XXIII of the Levelland City Charter.

PASSED, APPROVED AND ADOPTED THIS THE 14th DAY OF SEPTEMBER 2015.



Barbra Pinner, Mayor

ATTEST:



Beth A. Walls, TRMC, IPMA-CP
City Secretary

BUDGET SUMMARY

	Estimated Balance Oct. 1, 2015	Estimated Revenues FY 2015-16	Estimated Expenditures FY 2015-16	Estimated Balance Sept. 30, 2016
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Operating Funds

General Fund	\$3,777,759	\$7,634,561	\$9,132,043	\$2,280,277
Airport Fund	\$94,277	\$56,900	\$76,262	\$74,915
Cemetery Fund	\$382,244	\$266,943	\$309,736	\$339,451
Enterprise Fund	\$3,958,990	\$5,891,500	\$7,603,282	\$2,247,208
Subtotal	\$8,213,269	\$13,849,904	\$17,121,322	\$4,941,851

Capital Improvement Related Funds

Capital Financing Fund	\$188,169	\$275,100	\$235,000	\$228,269
Interest & Redemption Fund	\$83,547	\$1,288,512	\$1,319,691	\$52,367
Sports Complex Bond Fund	\$0	\$0	\$0	\$0
Wastewater System Imp. Fund	\$972,252	\$192,800	\$250,000	\$915,052
Tax Increment Financing #1	\$140,222	\$93,827	\$0	\$234,049
Tax Increment Financing #2	\$1,283	\$9,987	\$0	\$11,270
Subtotal	\$1,385,473	\$1,860,226	\$1,804,691	\$1,441,008

Special Funds

Civic Improvement Fund	\$123,676	\$4,800	\$10,100	\$118,376
Motel Occupancy Tax Fund	\$495,495	\$163,000	\$203,600	\$454,895
Voluntary Park Fund	\$80,026	(\$16,800)	\$35,000	\$28,226
SPECIAL POLICE FUNDS				
LEOSE Fund	\$2,241	\$0	\$0	\$2,241
State Seized Funds	\$11,503	\$0	\$0	\$11,503
Federal Seized Funds	\$51,320	\$0	\$0	\$51,320
SPECIAL COURT FUNDS				
Building Security Fund	\$2,884	\$2,020	\$0	\$4,904
Time Payment Fund	\$1,467	\$820	\$0	\$2,287
Technology Fund	\$6,252	\$4,530	\$0	\$10,782
TPWD Trail Grant	\$0	\$104,493	\$104,493	\$0
TCF Main Street	\$100,408	\$50,000	\$150,000	\$408
Subtotal	\$774,864	\$158,370	\$248,700	\$684,534

Development Corporations

Community Development Corp.	\$325,124	\$425,000	\$637,500	\$112,624
Economic Development Corp.	\$957,629	\$1,023,338	\$948,429	\$1,032,538
Subtotal	\$1,282,753	\$1,448,338	\$1,585,929	\$1,145,162

GRAND TOTAL	\$11,656,359	\$18,605,350	\$22,080,333	\$8,264,922
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City of Levelland Tax Structure Fiscal Year 2015-2016

Net Taxable Value	\$584,418,105
Taxable Value of Frozen Senior Property	\$100,964,059
Non Frozen Taxable Value	\$483,454,046
Proposed Tax Rate	\$0.7352
Non Frozen Taxes	\$3,554,354
Frozen Taxes from Seniors	\$570,413
Total Taxes	\$4,124,767
Estimated Percent of Collection	96%

Estimated Collected Ad Valorem	@ 96%	@ 100%
	\$3,959,776	\$4,124,767

		Increment	@ 96%	@ 100%
TIF #1	\$8,478,609		\$59,841	\$62,335
TIF #2	\$9,047,294		\$63,855	\$66,516
Estimated Net Ad Valorem			\$3,836,080	\$3,995,917

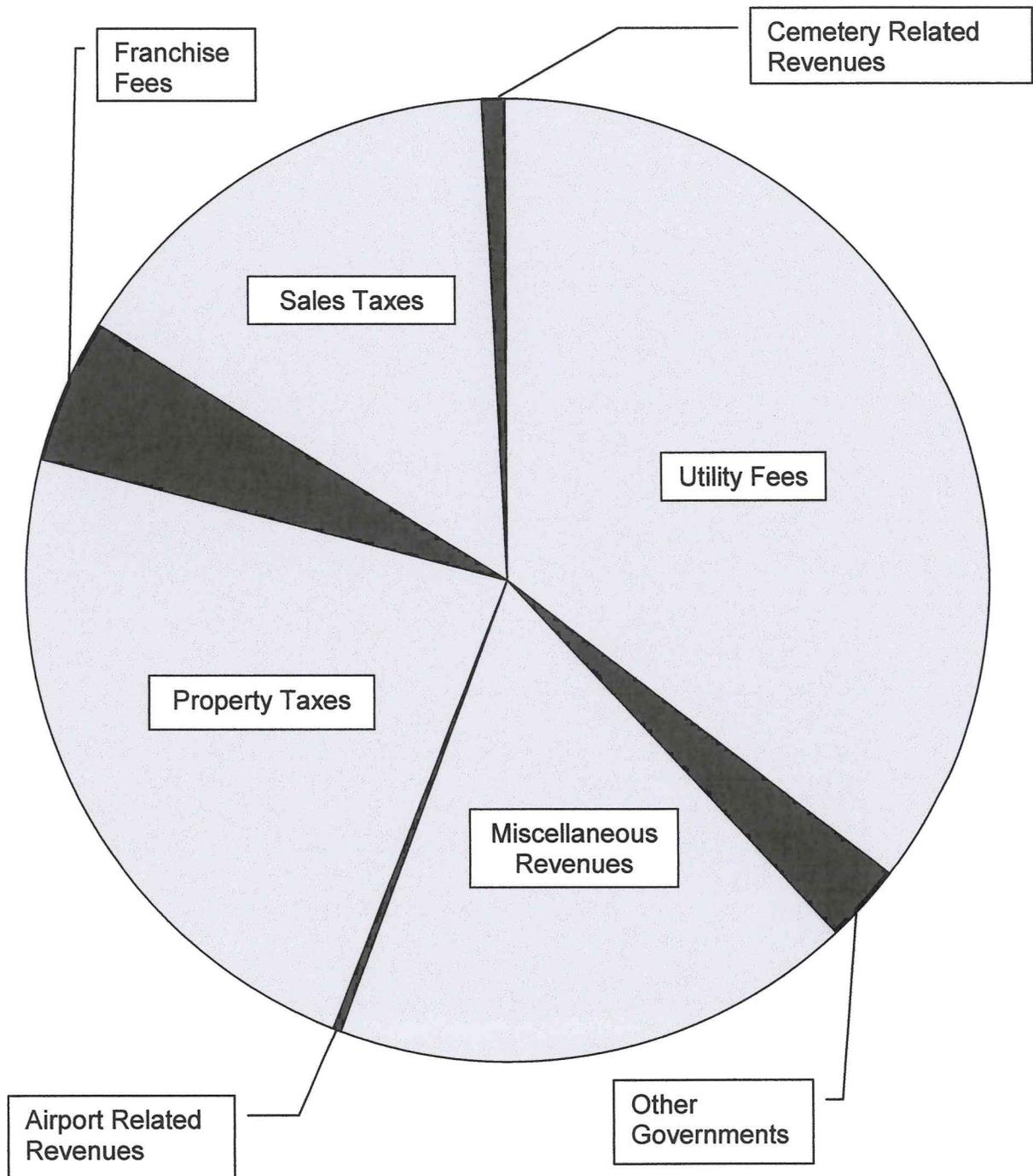
2015-2016 DISTRIBUTION

	Amount of Rate	% of Rate	Amount at 96%	Amount at 100%
General Fund	\$0.6442	87.62%	\$3,361,266	\$3,501,319
Cemetery Fund	\$0.0250	3.40%	\$130,443	\$135,879
Interest & Redemption Fund	\$0.0660	8.98%	\$344,371	\$358,719
SUBTOTAL	0.7352	100.00%	\$3,836,080	\$3,995,917

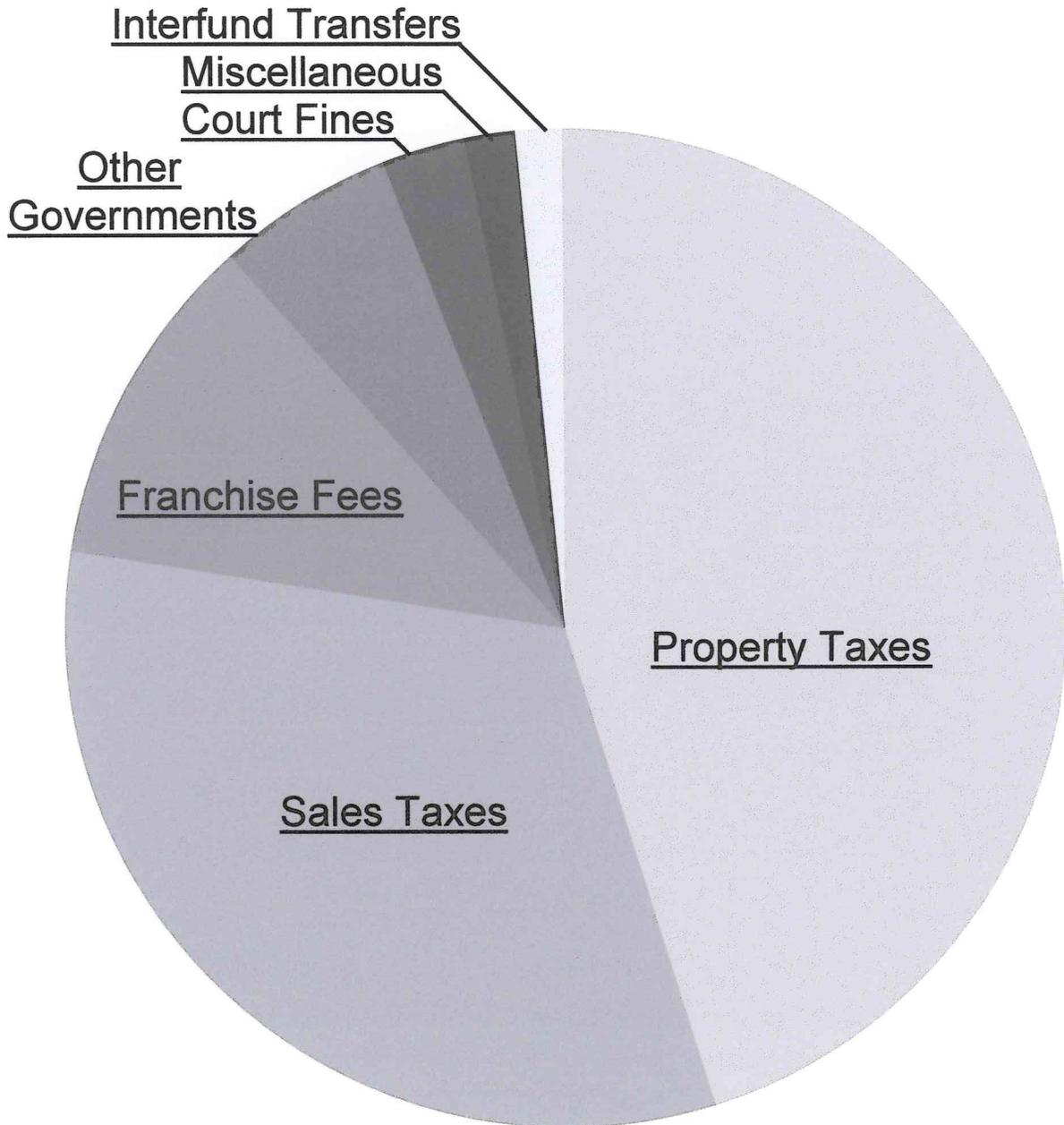
Senior Tax Freeze Information

Taxes Lost to Freeze	\$171,875
Resulting Tax Rate On Frozen Property	\$0.565
AFFECT ON OVERALL TAX RATE	
Without Freeze Rate (raise same revenue)	\$0.706
Portion of Proposed Tax Rate That Will Subsidize Frozen Property	\$0.029

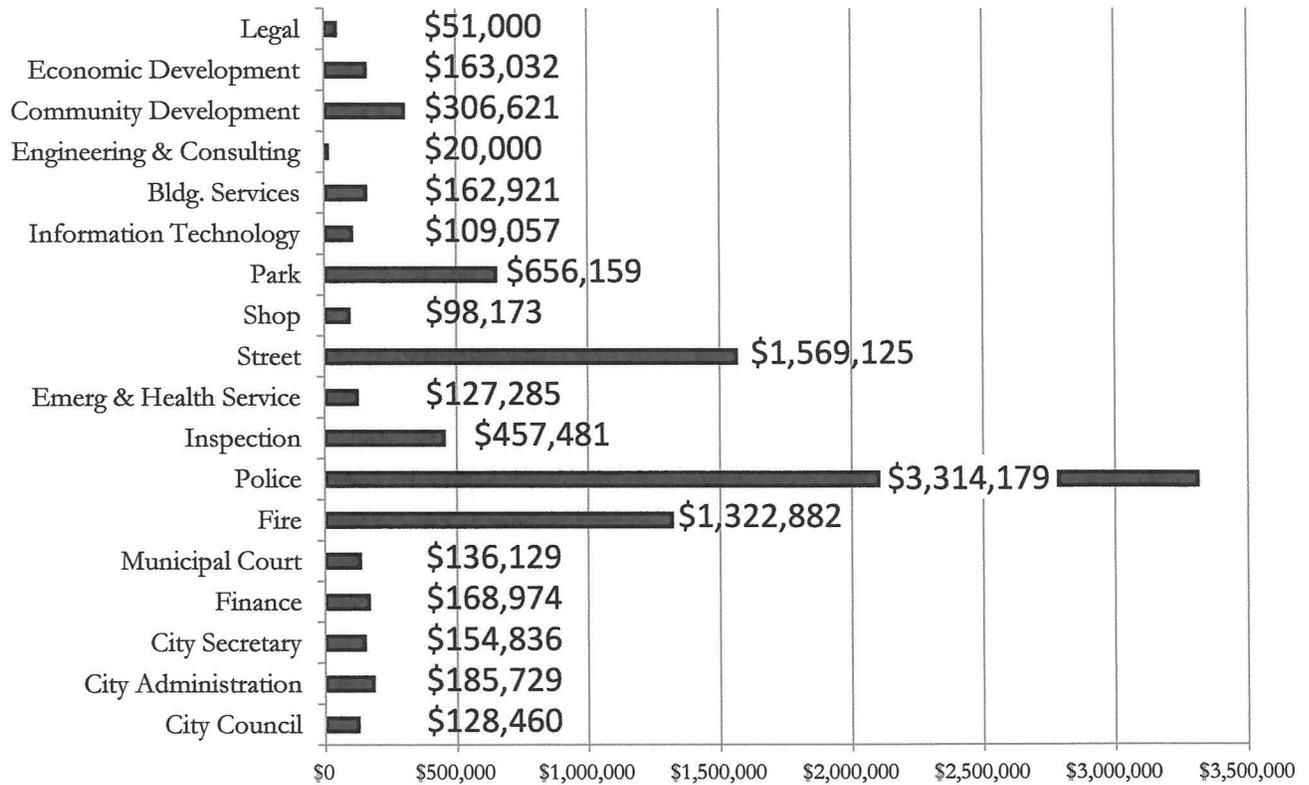
All Revenues by Source City of Levelland FY 2015-2016 Budget



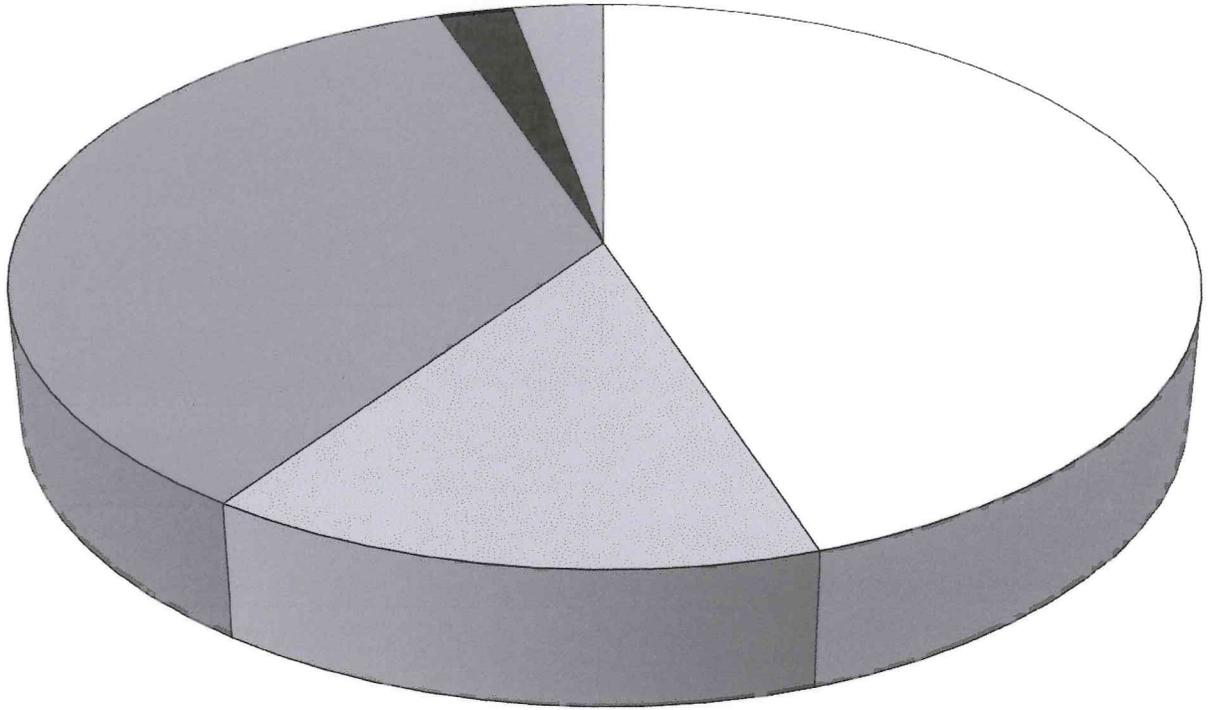
General Fund Revenues by Type
City of Levelland
FY 2015-2016 Budget



General Fund Expenditures by Type City of Levelland FY 2015-2016 Budget



Enterprise Fund Revenues by Source
City of Levelland
FY 2015-2016 Budget



□ Water Revenues

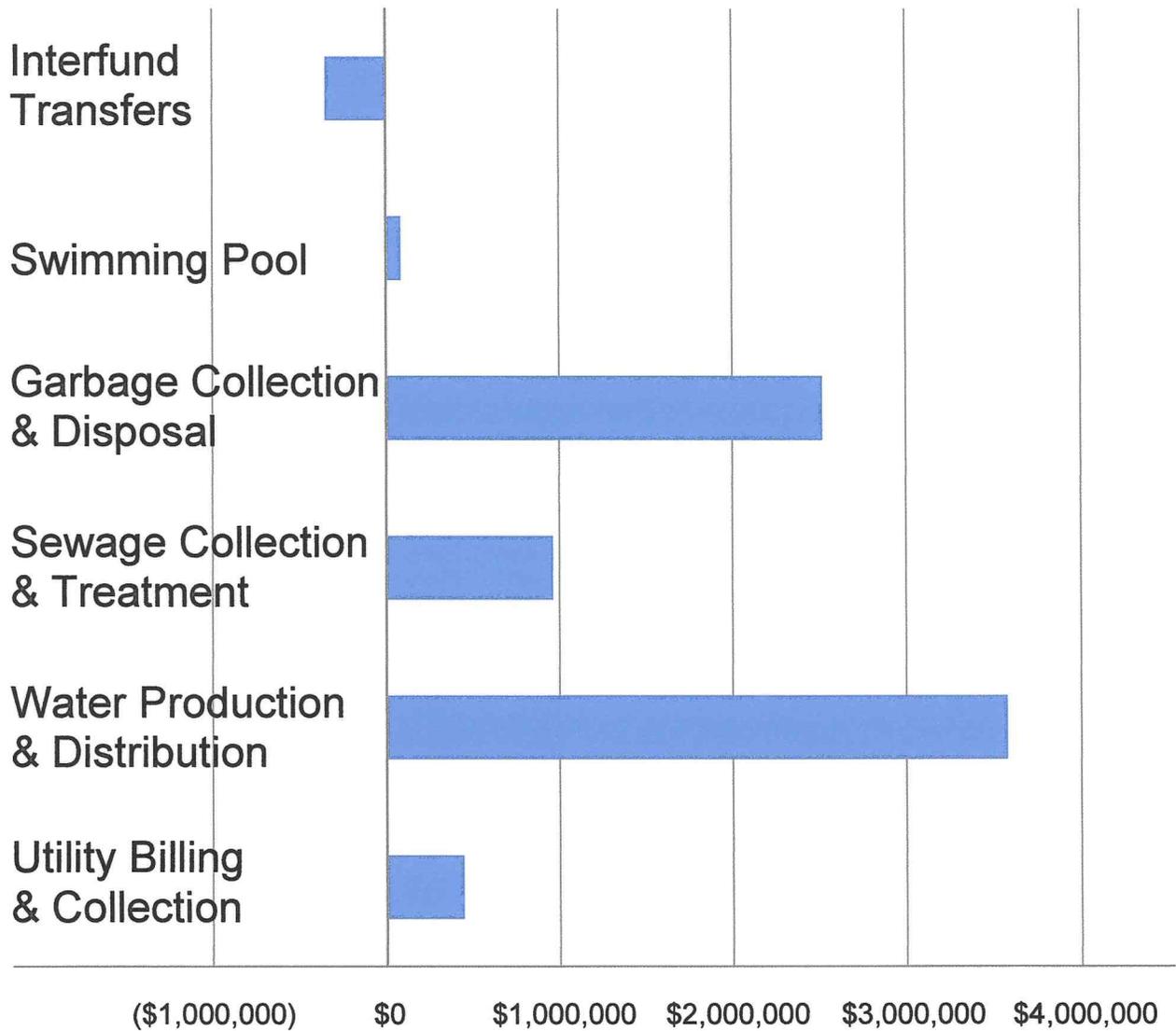
■ Garbage Revenues

■ Other Revenues

■ Wastewater Revenues

■ Street Light Fees

Enterprise Fund Expenditures by Type City of Levelland FY 2015-2016 Budget



CITY OF LEVELLAND ASSESSED PROPERTY VALUATIONS

YEAR	TAXABLE VALUE	YEAR	TAXABLE VALUE	YEAR	TAXABLE VALUE
1981	\$155,600,000	1990	\$274,753,468	1999	\$280,589,199
1982	\$267,958,585	1991	\$270,866,089	2000	\$292,608,728
1983	\$274,290,174	1992	\$265,889,410	2001	\$295,715,248
1984	\$280,967,443	1993	\$267,314,106	2002	\$292,983,147
1985	\$293,546,289	1994	\$275,518,070	2003	\$293,798,354
1986	\$286,053,234	1995	\$287,727,150	2004	\$302,342,053
1987	\$278,349,917	1996	\$295,967,018	2005	\$324,283,890
1988	\$277,065,620	1997	\$290,660,630	2006	\$358,798,266
1989	\$273,041,878	1998	\$287,916,997	2007	\$393,443,963

In 2007 voters approved a tax freeze for senior citizens.
The Assessed value is now reduced by the value amount
lost to the freeze to yeild the actual taxable value.

YEAR	TAXABLE VALUE	FREEZE AMOUNT	NET TAXABLE VALUE	SENIOR SUBSIDY FROM OTHER TAXPAYERS
2008	\$446,758,057	\$71,918,804	\$374,839,253	\$48,927
2009	\$471,164,920	\$79,412,603	\$391,752,317	\$83,732
2010	\$479,246,870	\$82,723,763	\$396,523,107	\$112,667
2011	\$497,594,736	\$82,617,898	\$414,950,857	\$111,929
2012	\$533,824,416	\$90,181,320	\$443,643,096	\$100,921
2013	\$543,499,776	\$91,834,056	\$451,665,720	\$119,957
2014	\$599,590,765	\$97,597,965	\$501,992,800	\$114,508
2015	\$584,418,105	\$100,964,059	\$483,454,046	\$171,875

