



CITY OF TIMPSON

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August 16, 2016

The City of Timpson prepares a PROPOSED BUDGET for the fiscal year October 1, 2016 through September 30, 2017. The PROPOSED BUDGET is divided into separate funds highlighting the revenue, the expenses and the change in fund balances for the ENTERPRISE FUNDS (Water/Sewer and Electric) and the GENERAL OPERATING FUNDS. The General Operating Funds are further broken down into the Woodlawn Cemetery, the Timpson Volunteer Fire Department, the Police Department, The Court Tech Fund, and The Timpson EDC. Within the General Budget city services are managed such as the parks, streets and sidewalks, and government operations. After review, discussions, notices and adoption, the PROPOSED BUDGET and PROPOSED TAX RATE, with any changes, is presented to the Council in September for FINAL ADOPTION. This Final Budget and Adopted Tax Rate are the instruments used throughout the Fiscal Year as guidelines for operating the City and conducting business.

In the 2016 – 2017 Proposed Budget major income and revenue items are included such as GRANT PROJECTS (Water/Sewer), CAPITAL PURCHASES (Bucket Truck-Electric), Accounts receivables collection efforts in the Municipal Court, along with Police Department cut-backs.

In connection with the adoption of a BUDGET the City is also charged with adopting a 2016 Property Tax Rate. The City is proposing a \$0.34 per \$100 valuation which is a 4.62% tax increase compared to the effective rate of \$0.325. The tax rate increase is necessary to operate the City of Timpson and provide the services the citizens expect.

During the 2015-2016 FY several unscheduled fund transfers totaling an estimated \$127,800 were made from the Electric Fund into the General Savings. The City rather than wipe out all General Operating funds has set up a payment plan for the General Operating Fund to pay back the Electric Department \$25,000 per year unless funds become available to reduce the debt more quickly.

Over a period of 12 – 18 months the Municipal Court revenue has been significantly lower than in the prior periods. This trend has made it necessary to reduce the Police Force, either in the normal changes arising in the January 1, 2017 Constable office being filled or on Oct 1, 2016 should the council, Chief of Police and myself not see any alternatives. It is my opinion, based on prior revenue streams that the City of Timpson can, and should, afford 4 to 5 officers employed to prevent crime, to conduct investigations and to patrol traffic. And it is my goal to work with the Council and Chief of Police to see this as a goal for the entire department, as well.

This PROPOSED BUDGET has been prepared by me, Debra Smith, as outlined in Texas Government Code, Title 4 Finances, Subtitle A. Municipal Finances, Chapter 102.001 and is being presented at the Regular City Council Meeting on August 16th for approval. The Proposed Budget will be available for review at City Hall and it along with the Proposed Tax Rate for 2016 will be voted on at the September Council Meeting for Final Approval. Both are available at City Hall and have been posted in compliance with the OPEN MEETINGS ACT and TRUTH IN TAXATION for SMALL ENTITIES.