

# CITY OF NOLANVILLE

## FISCAL YEAR 2018-2019 APPROVED BUDGET



**THE CITY OF NOLANVILLE**

# **Notice of Tax Revenue Increase**

**The CITY OF NOLANVILLE conducted public hearings on August 16, 2018 and September 6, 2018 on a proposal to increase the total tax revenues of the CITY OF NOLANVILLE from properties on the tax roll in the preceding year by 5.595668 percent.**

**The total tax revenue raised last year at last year's tax rate of 0.499900 for each \$100 of taxable value was \$1,133,542.03.**

**The total tax revenue proposed to be raised this year at the proposed tax rate of 0.526500 for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is \$1,182,771.82.**

**The total tax revenue proposed to be raised this year at the proposed tax rate of 0.526500 for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is \$1,232,217.78.**

**The Governing Body voted on the tax rate that will result in that tax increase at a public meeting to be held on September 20, 2018 at City Hall, 101 N 5th , Nolanville, TX 76559 at 6:00 PM**

**CITY OF NOLANVILLE, TEXAS**  
**ANNUAL BUDGET**  
FISCAL YEAR OCTOBER 1, 2018 – SEPTEMBER 30, 2019

**APPROVED**

Sept. 20, 2018

**THE MAYOR AND CITY COUNCIL**

Christina Rosenthal, Mayor  
George French III, Mayor Pro Tem  
Joan Hinshaw, Seat 1  
Butch Reis, Seat 2  
David Williams, Seat 4  
James Bilberry, Seat 5

City Manager  
Kara Escajeda

Finance Director  
Stephen Peters

Calculated Rates

Current Property Tax Rate:	\$0.4999
Maintenance & Operations:	\$0.3777
Debt Service:	\$0.1222

Effective Rate Maintenance and Operations:	\$0.3767
Rollback Rate:	\$0.4068

Adopted Rates

Maintenance & Operations Tax Rate:	\$0.4065
Debt Rate (Interest & Sinking Fund):	\$0.1200
Total Adopted Property Tax Rate:	\$0.5265

**THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND  
OPERATIONS THAN LAST YEAR'S TAX RATE.  
THE TAX RATE WILL EFFECTIVELY BE RAISED BY 5.595668 PERCENT  
AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A  
\$100,000 HOME BY APPROXIMATELY \$28.80.**



### *Vision Statement*

*The Vision of Nolanville is to preserve our small town atmosphere while preparing for growth and future generations; to enhance the beautification of the city, embrace the diversity of its people and improve the quality of life for our citizens. We aspire to be*

*“A Great Place to Live.”*

### *Mission Statement*

*It is our Mission to promote the health, safety and welfare of our citizens; add value to our community by planning for the future, and encourage community involvement. Being responsive to those we serve, while always striving to improve the quality of life for our citizens, and enhance our dedication towards making the City of Nolanville “A Great Place to Live.”*

**CITY OF NOLANVILLE, TEXAS  
BUDGET  
FISCAL YEAR 2018-2019**

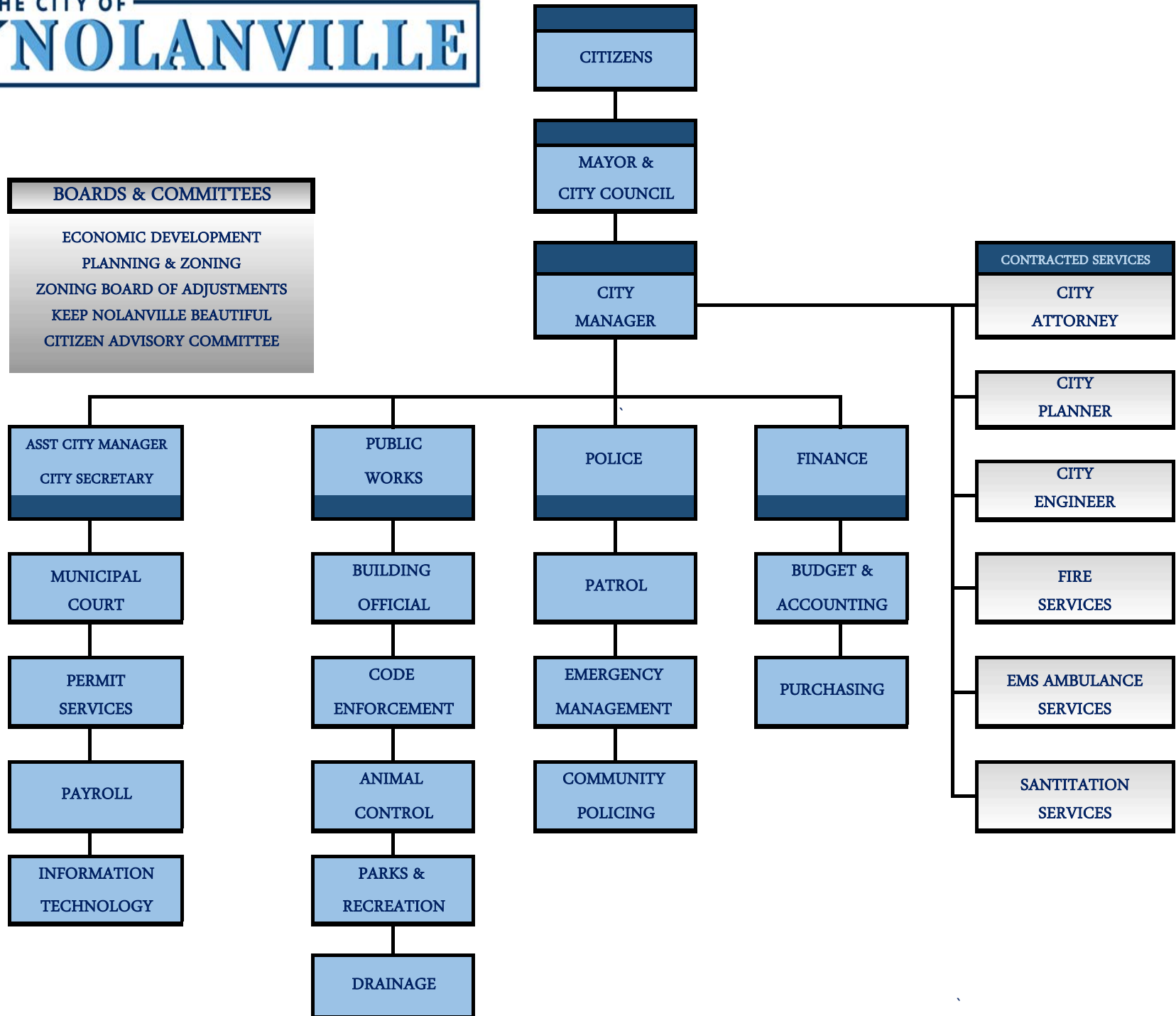
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# BUDGET MESSAGE

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This is an exciting time for the City of Nolanville. The City's receipt of the Governor's Community Achievement Award brings with it an immense sense of pride and funding to prioritize beautification elements into the construction of Main Street and expansion of Interstate 14. Developmental submissions suggest there is potential for the City population to double by 2023. Budget Priorities are centered on the dynamic near term growth of the City expected within 3-5 years through a comprehensive Capital Improvement Program (CIP). Public Safety, Roadway, Drainage Infrastructure & Enhancing Quality of Life are the areas that we continue to keep in mind as we prepare for long term capacity building. These priorities are a compilation of Council directives, department needs and comprehensive plan goals.

## **Public Safety**

Considering future residential development, it is anticipated our population will grow to 10,000 in the next five years. Current staffing for the police department must grow to continue to provide effective protection and services to our residents. In addition to our residential growth and expansion of Interstate 14, the anticipated commercial growth will bring consumers, tourists and increased traffic to the City. This will require additional public safety resources.

The Police Department has implemented programs intended to improve employee retention and recruit a higher caliber of applicant. The recruitment process is now standardized and professional standards were improved for both retention and recruitment processes. This year's budget provides for an additional officer to increase the number of officers available per shift. The Chief of Police is aggressively pursuing a community policing grant assist in growing the force.

## **Roadway & Drainage Infrastructure**

Road Maintenance: Last year, over 18-point repairs were completed throughout the City. Old Nolanville Road received a 3" overlay and ribbon curbing in conjunction with a TxDOT grant that funded 80% of construction. The remainder of the cost was paid with the .25% Sales Tax - Street Maintenance Fund. The Road Maintenance 7-year plan remains a priority.



Drainage: Nolanville has a complex network for drainage. The City has two distinct watersheds and numerous floodplain areas, most of the City is completely open storm drainage. Public works developed a process for identification, inspection and repair of drainage systems. Previous costs related to storm water management plan, spillway repair and debris removal were evaluated to anticipate costs this year.

Nolanville is currently supporting a Regional Flood Plain Study. We are still awaiting information from the study to direct long-term improvements. In the meantime, submissions were made in the Hazard Mitigation Plan to ensure we are postured to receive federal assistance in the event of a natural disaster. We are still pursuing our drainage improvements with low impact design by reapplying for the Texas Commission on Environmental Quality grant.

### **Enhancing Quality of Life**

Walkability: Sidewalks, as well as drainage and aesthetics, are the intended improvements to the Main Street area. The receipt of the Governor's Achievement Award in the amount of \$110,000 will ensure that beautification does not have to take a backseat. Construction costs on this project will be higher than originally estimated requiring the use of unrestricted reserve.

Recreation: The City completed Phase I of the Park Improvements. The Large Park Grant from Texas Parks & Wildlife was awarded and will allow the installation of major elements. The grant work will be accomplished over three fiscal years. The City is actively pursuing recreational outlets through partnerships with agencies such as the Boys & Girls Club and athletic clubs.

Quality of Life also includes healthy neighborhoods with protected property values. Last year, Council focused on crafting ordinances to improve property maintenance codes to include substandard buildings. The budget is postured to initiate action towards the removal of substandard buildings and start procedures to remove these structures.

### **Budget Purpose**

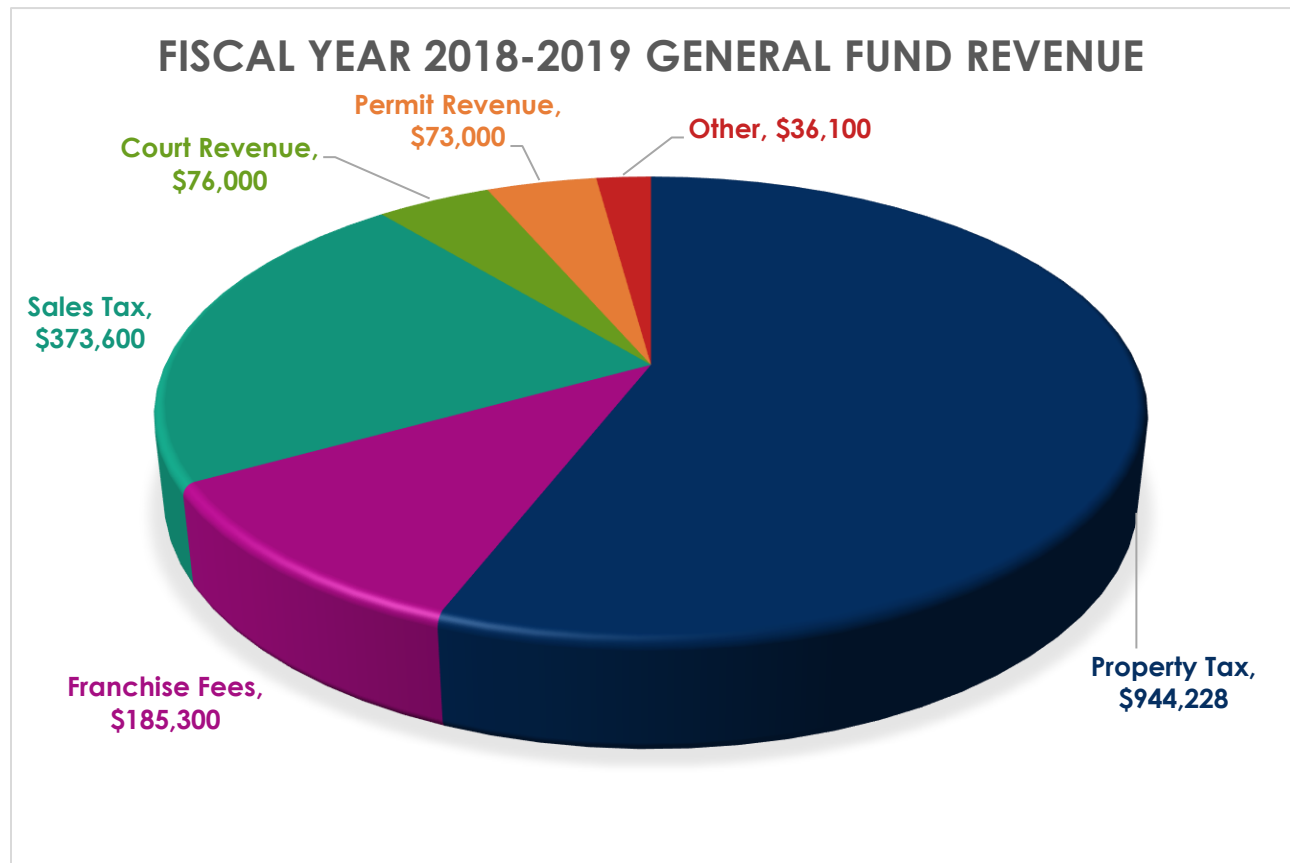
A budget is the translation of the future plans of the organization into financial terms. Adopting the budget and the tax rate are two of the most important processes for the City to go through each year. Processes for each action are designed to give citizens notice and impact of each action. The process also includes an opportunity for people to speak to City Council about the budget and the tax rate.

### **General Fund Reserve**

The General Fund is unassigned spendable fund balance. The General Fund Reserve today is currently maintained at a balance of \$500,000 which is greater than three months of expenditures for emergencies, unforeseen events, and major economic recessions. Unrestricted Reserve was earmarked to pay overages from the Main Street Improvements (\$262,855) as an amendment to the FY 17-18 budget.

### **General Fund Revenues Summary**

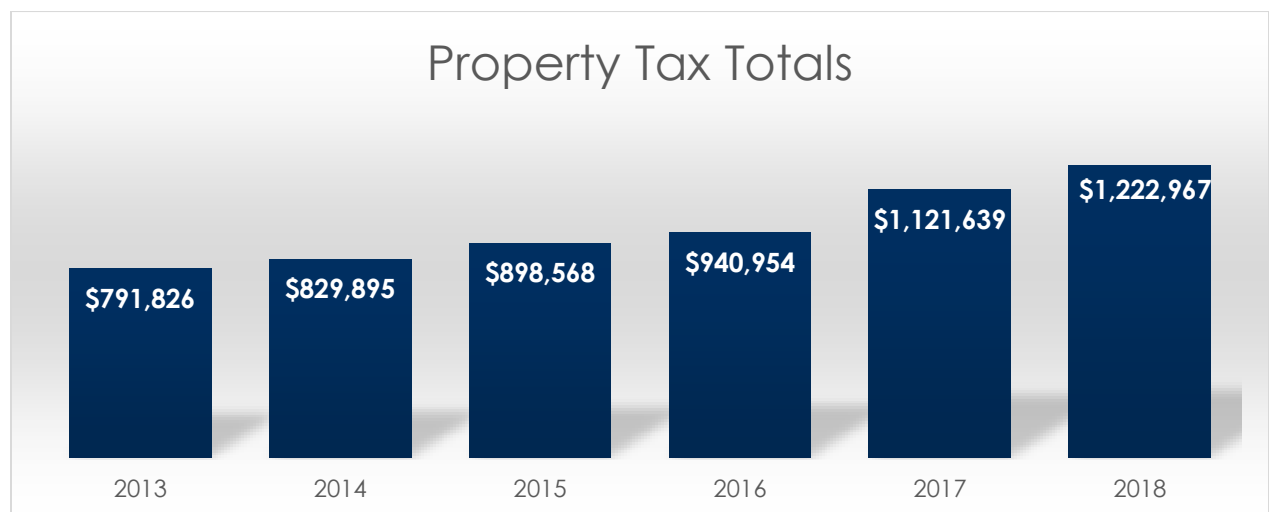
The City's General Fund receives revenue from several sources, with the top three being property tax, sales tax, and franchise fees. The graph below forecasts revenues for FY 18-19.



## ***Property Tax***

Ad valorem tax is the largest revenue source in the General Fund. The ad valorem tax rate in Nolanville is comprised of two components; Maintenance & Operations (M&O) and Interest and Sinking (I&S). The M&O provides the revenue for the City's General Fund operations while the I&S provides revenue to pay the City's Debt Service obligations.

Net taxable value according to the 2018 certified tax roll, as of July 14, 2018, is \$234,039,465 which is 2.27% increase. New property and improvements added in 2018 totaled \$9,391,446. Total exemptions equated to \$43,934,383, of those new exemption value loss is \$3,231,108. The total property tax rate is \$.5265 (.0266 increase). Of the two components, a \$.4065 tax rate totaling \$944,228 will be for M&O and a \$.1200 (.0022 decrease) tax rate totaling \$278,739 for I&S. These two components combine to make the total property tax rate. The fiscal year 2018-2019 property tax revenue is estimated to be \$1,222,967.



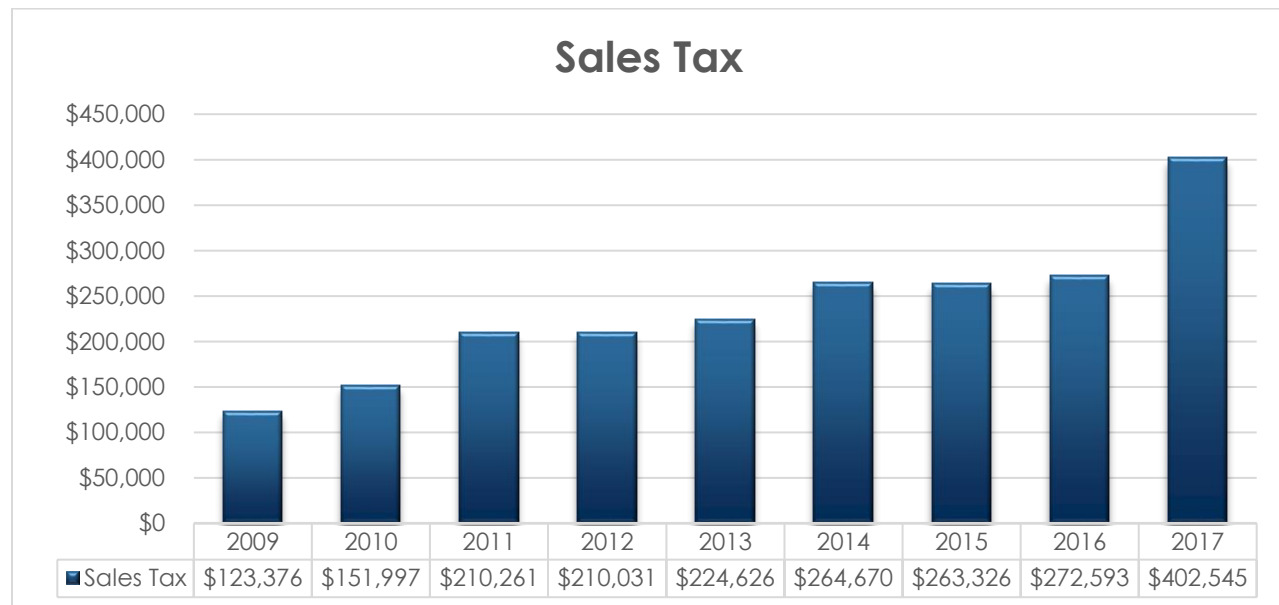
## ***Sales Tax***

Total sales tax collected is allocated in three ways; General Fund (1%), Street Maintenance (.25%) and Economic Development (.25%). A separate tax is imposed on mixed beverages.

Sales Tax will account for the second greatest revenue source in the General Fund.

Sales tax is difficult to predict because there are many variables that impact the amount. Increases were forecasted conservatively due potential moves expected by some of the larger industries. The fiscal year 2018-2019 sales tax estimate is \$370,000 and mixed beverage tax estimate is \$3,600 towards the General Fund.

Street Maintenance Fund and Economic Development sales taxes are both anticipated to yield approximately, \$92,500 each.



### ***Franchise Fees***

The third largest revenue source in the General Fund is the revenue collected from franchise fees. Franchise fees are collected for the use of the City's rights-of-way by electric, gas, telephone, and other utility companies. The fiscal year 2018-2019 franchise fee revenue is estimated to be \$185,300, similar to last year.

### ***Other Revenues***

Other revenue sources include Permits and Municipal Court. Permits are issued prior to construction and pay for the contracted cost associated with inspections to ensure safety and improve the quality of life for the citizens of Nolanville. Municipal Court revenues are associated with citations issued through the police department, animal services and code enforcement. While the city does collect money from citations issued by the police department, by law, a significant portion of each fine goes to the State of Texas.

## **Special Revenue Funds**

Special Revenue Funds are dedicated funds with revenues intended to fund a specific purpose and restricted. This section includes a summary of these funds with their description.

*Court Security Fee* revenue can only be used to improve the security and safety of the Municipal Court including security personnel and security-related training.

*The Court Technology Fees* requires defendants of convicted misdemeanor offenses in municipal court to pay a fee. This fee can be used to maintain and improve technology at the Municipal Court including: (1) computer systems; (2) computer networks; (3) computer hardware; (4) computer software; (5) imaging systems; (6) electronic kiosks; (7) electronic ticket writers; and (8) docket management systems.

*Crossing Guard Fund* is generated from a court cost for parking violation convictions. Funds are dedicated to operate school crossing guard program.

*Street Maintenance Fund* is a dedicated .25% of city sales tax. These revenues may be spent to repair and maintain existing city streets and sidewalks. This fund must be voted on every four years and was last approved in November 2017.

*Economic Development Corporation (EDC) Type B* is funded by a .25% sales tax. In general, the funds may be spent on development projects and incentives that create primary jobs and authorized projects. Examples of authorized projects include those related to recreation or community facilities. Note: Economic Development Fund is maintained separate from the General Fund, however, EDC budget is included in the adoption of the City Budget Ordinance.

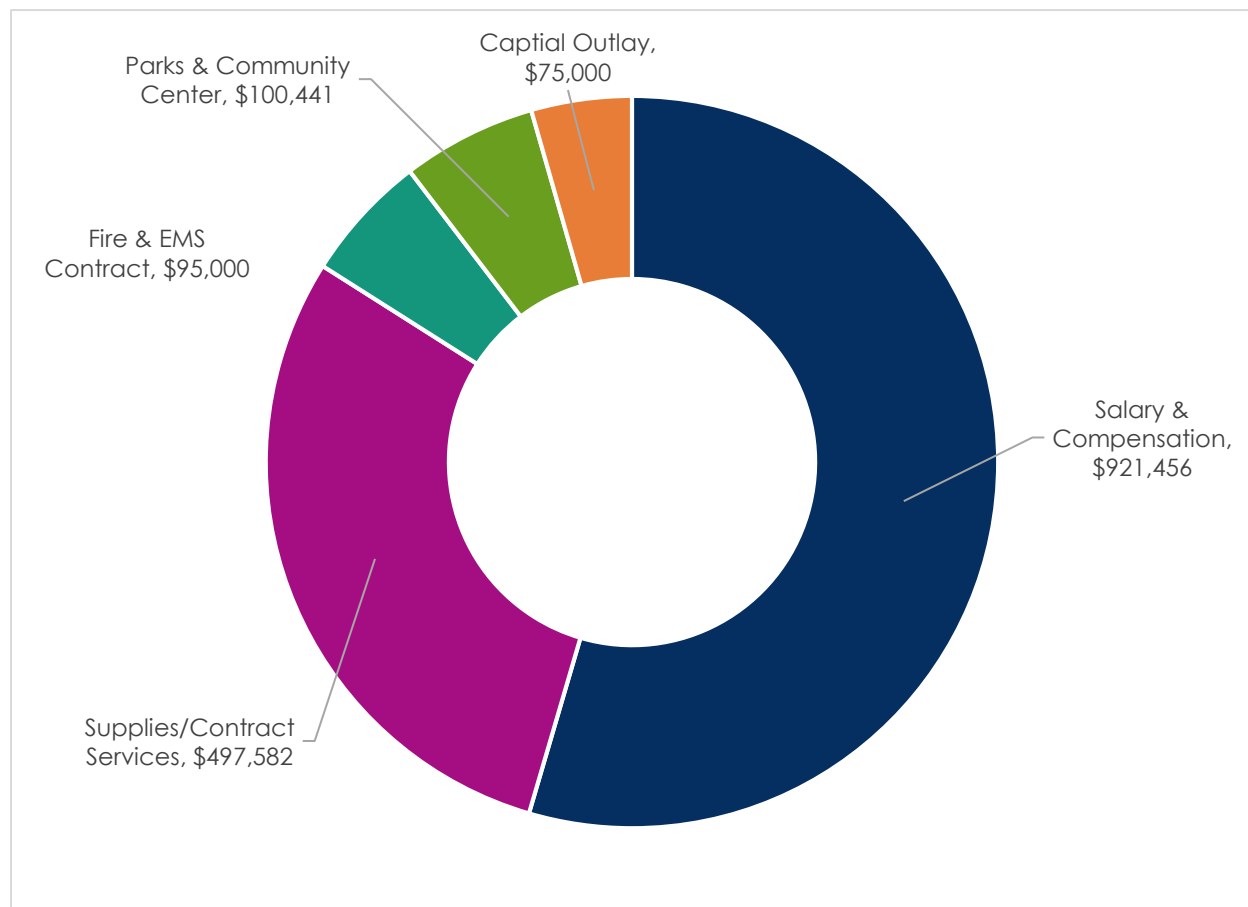
## **General Fund Expenditures Summary**

The Fiscal Year 2018-2019 Budget includes an increase in General Fund expenditures from the previous fiscal year. The Budget lists the total General Fund Expenditures at \$1,689,478.

The budget provides capital outlay for Police Department Vehicle and Public Works Vehicles (Life Cycle Replacement). The budget for the park provides enough match to keep the Large Park Grant on schedule.

The Budget accounts for a City employee salary increase of 3%, The City does not have a merit or step program increase; instead, the percentage of increase is determined annually to ensure that the City of Nolanville retains valued employees and also attracts quality talent. One additional Police Officer, Part time Police Administrator and Public Works Seasonal Laborer was added to personnel.

### **Expenditures by Category, Fiscal Year 2018-2019**



### **General Fund Debt Services**

The City's outstanding indebtedness will be **\$2,290,904** as of October 1, 2018. Interest and Sinking (I&S) is collected from property tax revenue and pays the principal, interest, and fees on the current debt. The I&S component for FY 18-19 is \$0.12 per \$100 of assessed valuation.

In September of 2016, the City consolidated the 2007 Series Bond and 2012 Certificate of Obligation to take advantage of low interest rates and secured a 1.73% refinanced bond with Chase. The Council approved a Tax Note with a rate of 2.07% from BBT in March of 2017 to complete several road repairs and drainage issues.

## **SCHEDULE OF OUTSTANDING DEBT**

**CITY OF NOLANVILLE**

**2018-2019 TAX YEAR**

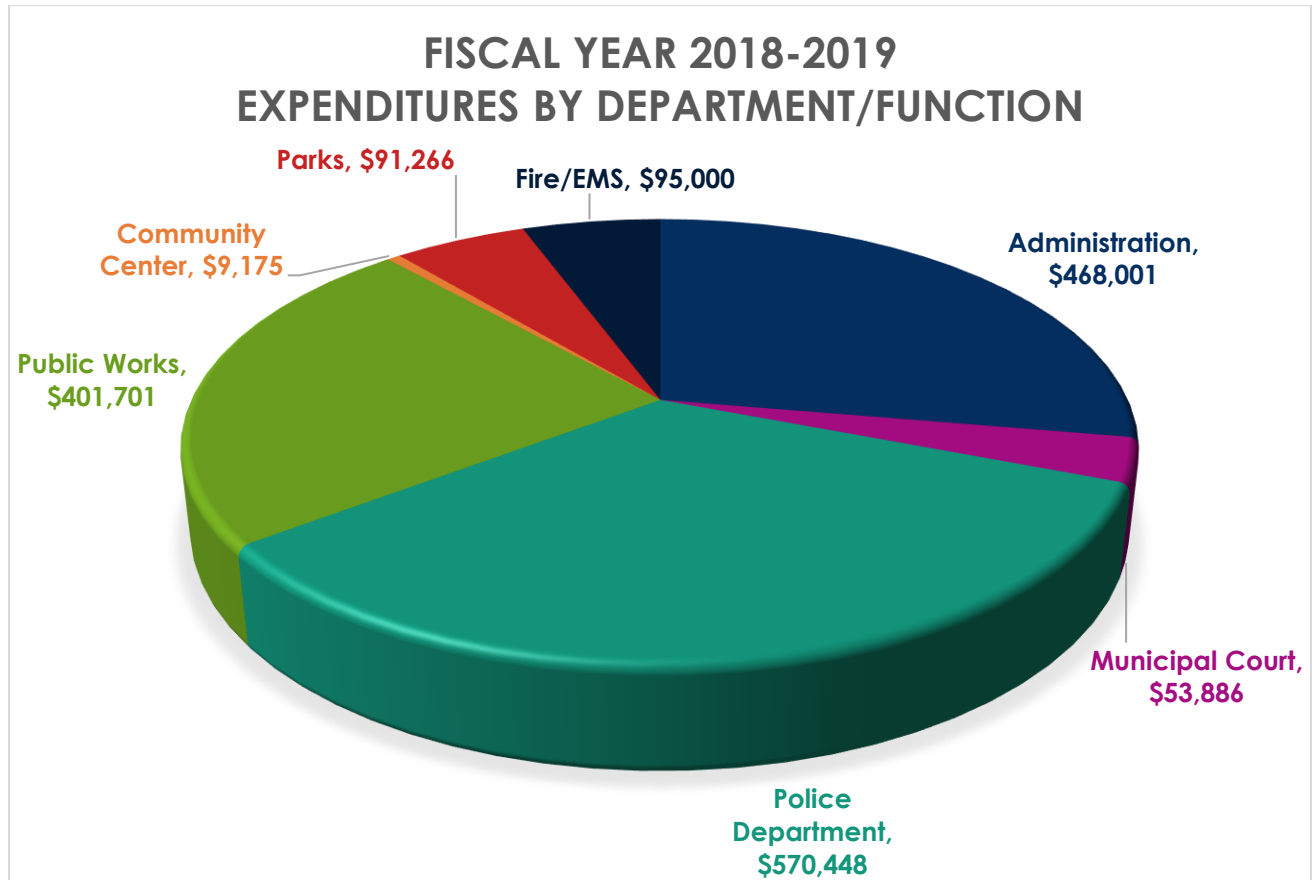
<b>Description of Debt Service</b>	<b>Principal or Contract Payments to be Paid</b>	<b>Interest to be Paid</b>	<b>Total Payments</b>
General Obligation Refunding Bonds Series 2016, Chase	\$175,000	\$29,064	\$204,064
Tax Note (7 Year) Series 2017, BBT	\$70,000	\$8,280	\$78,280

Debt Service Account applied: \$20,000

TOTAL FY 2018-19 Payment:

**\$282,344**

# DEPARTMENTAL BUDGETS



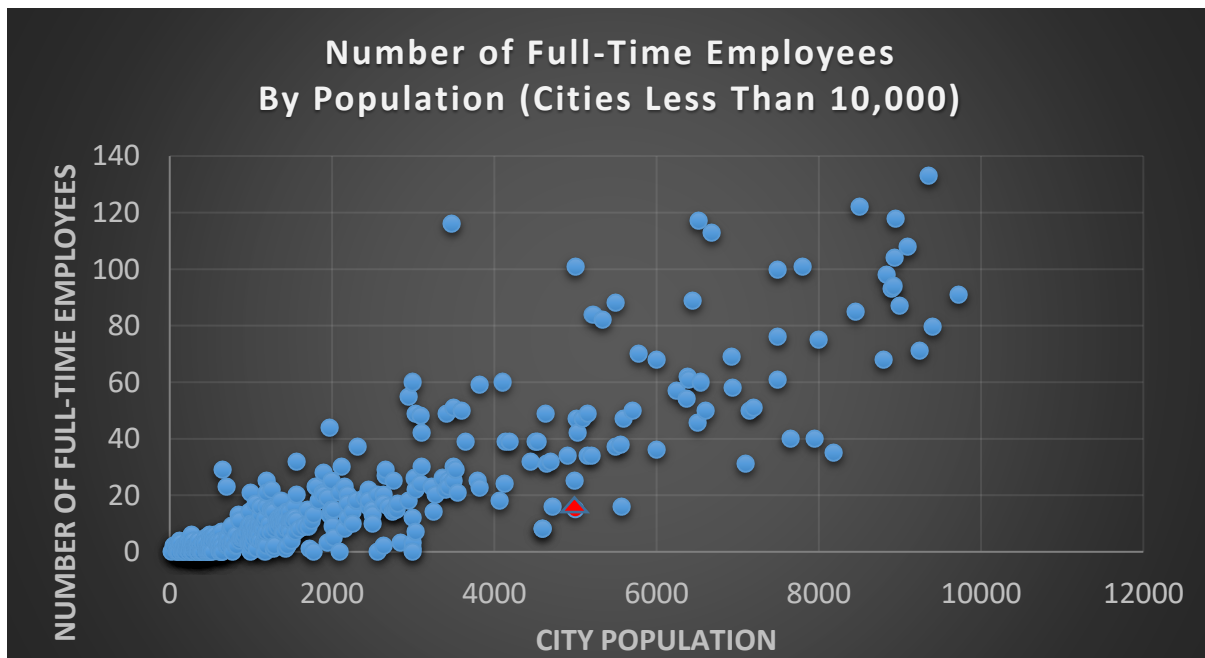
The Municipal Building is located at 101 North 5th Street, Nolanville, Texas 76559. The hours of operation are 8:00AM to 5:00PM, Monday through Friday excluding holidays. All departments can be reached by phone at (254) 698-6335. The City's Website lists announcements and department information at <http://ci.nolanville.tx.us/> . City Email is [cityhall@ci.nolanville.tx.us](mailto:cityhall@ci.nolanville.tx.us) .



# Nolanville Personnel Overview Data

Personnel	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
City Manager	1	1	1	1	1	1
City Secretary	1	1	1	1	1	1
Finance Director	.5	.5	.5	.5	.5	*
Administrative Assistant	1	1	1	1	1	1
Court Clerk	1	1	1	1	1	1
Judge						*
Police Chief	1	1	1	1	1	1
Administrative Assistant	.5	1	1	0	0	*
Police Officers	5	5	5	6	7	8
Public Works Director	1	1	1	1	1	1
Assistant Public Works Director		1	0	0	1	1
Public Works Assistant	2	2	2	2	1	1
Seasonal Labor					.3	*
Building Official						*
<b>Total Personnel</b>	<b>14</b>	<b>15</b>	<b>14.5</b>	<b>14.5</b>	<b>*15.5</b>	<b>*16</b>

\*Five (5) Part Time Positions Programed; < 1000 hours for the fiscal year.



Nolanville comparison to other Cities in Texas of similar size. Nolanville is represented by the red triangle.

Source: 2017 TML Fiscal Conditions Survey; <https://www.tml.org/surveys#fiscal>

# **ADMINISTRATION**

## **Department Description**

The Administration Department of the City of Nolanville is made up of the City Manager, City Secretary, Finance Director, and an Administrative Assistant. Routine Professional Services fall under the Administrative Budget such as City Planning, Engineering, Building Inspections and Legal. The Administrative budget also accounts for all employee health insurance and liability insurance for the City.

## **Expenditures**

The Administration expenditures total \$468,001. The operating budget decreased slightly in the categories of professional services and legal.

# **MUNICIPAL COURT**

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## **Department Description**

Municipal Court duties include Processing, Traffic Citations, Parking Tickets, Class C Misdemeanors, Animal Control Violations, Code Enforcement Violations and other City Ordinance Violations. The Court Clerk serves as the administrative side of the Municipal Court. The responsibilities of the Court Clerk include collecting assessed fines and fees, docketing cases for efficient adjudication, processing filed complaints on time and accurately, and responding courteously to requests for information from the public. The Municipal Court provides all persons the right to trial by judge or jury and follows the procedures set forth under Texas law.

## **Expenditures**

The Municipal Court expenditures decreased only slightly. Organizational structure change placed the Judge under employee instead of contracted services. Total expenditure for professional services and salary are \$53,886.

# **POLICE DEPARTMENT**

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## **Department Description**

Under the City Charter, the Police Department is charged to preserve the peace, protect life and property, and enforce the local, state and federal statutes. The Nolanville Police Department is a full-service, community law enforcement agency. To accomplish all tasks assigned to the police department, the organization is divided into three functional areas, Administration, Operations (Patrol), and Support Services, which includes fulltime/part-time personnel and volunteers.

## **Expenditures**

The current Police Department budget totals \$570,448. The increase is largely due to the addition of one full time officer and the addition of a patrol SUV. The addition of police officer as well as a half-time administrative assistant to assist with clerical and administrative duties. Capital Outlay expenditure is planned for the replacement or addition of a patrol car.

# **PUBLIC WORKS**

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## **Department Description**

Public Works Department is comprised of several functions including Code Enforcement, Animal Services, Building Compliance, Storm Water Drainage Permitting, Streets, Parks and Recreation. Public Works also has the responsibility of street repairs, cleaning of storm drains, mowing of City property, and maintaining city street signs. It is Public Works goal to provide quality services to help meet the needs of our unique and growing community while at the same time, ensuring the safety of Nolanville Citizens. This is accomplished through careful review and input regarding all permit applications, checking for compliance with all ordinances and local codes, and inspection of all construction work done in Nolanville.

## **Expenditures**

The Public Works expenditures total \$401,701.

The budget was slightly decreased in the area of Capital Outlay and Street Maintenance. Planned Capital Outlay for this next budget year is the replacement of a Public Works vehicle.

Capital Outlay for Municipal Building are put on hold until for this Fiscal Year.

## **Fire and EMS Contractual Services**

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### **Contract Description**

Contractual agreements are made for Fire and Emergency Medical Services for City coverage. An amount of \$45,000 is paid to Central Bell County Fire and Rescue Volunteer Fire Department for fire protection services. There is not a planned increase in the contracted amount for this Fiscal Year.

The contractual agreement for ambulance service to the City was secured with Capital Ambulance Service will continue with their contracted services. The agreement was transferred on July 21, 2016 for a 5-year term. The annual amount is \$50,000 for the duration of the original contract.

# SCHEDULE OF CAPITAL OUTLAYS BY DEPARTMENT

Capital outlay items are expenditures for fixed assets such as equipment, infrastructure improvements (building) and vehicles that are funded from the operating budget. These items generally have a life expectancy of up to 10 years or greater than \$5,000. The following table is used to anticipate expenditures by department.

Department	2015-2016	2016-2017	2017-2018	PROJECTED
<b>Municipal Buildings</b>				
Renovations		\$61,000		
Storage Building				
Community Centers		\$4,000	\$4,505	
<b>Information Technology</b>				
Server		\$10,000		\$10,000
Security Cameras		\$6,000		
<b>Administration</b>				
Furniture & Equip.				
<b>Municipal Court</b>				
Security Improvements		\$3,000		
<b>Police Department</b>				
Automobile Cameras		\$19,000		
Equipped Police Vehicles	\$40,000		\$40,000	\$45,000
Weather Siren				
Radars		\$10,980		
<b>Public Works</b>				
Mower			\$6,000	
Community Center Improvement	\$4,500			
Truck				\$30,000
<b>Parks</b>				
Grant Matching Funds & Equip		\$75,000	\$120,000	\$73,500
<b>Total</b>	<b>\$44,500</b>	<b>\$188,980</b>	<b>\$170,505</b>	<b>\$158,500</b>

Notes: Planned improvements for City Hall were abbreviated in 2017-2018 to postponed overruns from TxDOT Construction on Main Street.

Item by Department	Service Life	In Dept.	Item Cost	Cost/ Year	2018-2019 Budget	Purchase Year
<b>ADMINISTRATION</b>						
Computers	5	7	\$1,800	\$2,520	\$3,000	Varies
File Server	5	1	\$7,500	\$1,500		2017
<b>TOTAL</b>			<b>\$9,300</b>	<b>\$4,020</b>	<b>\$3,000</b>	
<b>COURTS</b>						
Cameras/Security	5	1	\$6,000	\$1,200	\$0	2017
<b>TOTAL</b>			<b>\$6,000</b>	<b>\$1,200</b>	<b>\$0</b>	
<b>PUBLIC WORKS</b>						
Computers	5	2	\$1,800	\$720		Varies
John Deere 790 Tractor	10	1	\$38,000	\$3,800		2000
Mower, Zero Turn Hustler, 2016	7	1	\$6,000	\$857		2015
Mower, Zero Turn Hustler, 2018	7	1	\$6,000	\$857		2010
16' C&M Utility Trailer	15	1	\$3,000	\$200		2005
Utility Trailer Dump 14FT	15	1	\$6,000	\$400		2000
F150	7	1	\$25,000	\$3,571	\$30,000	2007
F250	7	1	\$25,000	\$3,571		2011
Mahindra Tractor 4530 w loader	10	1	\$55,000	\$5,500		2006
Backhoe CAT 420E	20	1	\$70,000	\$3,500		2010
<b>TOTAL</b>			<b>\$234,000</b>	<b>\$22,257</b>	<b>\$30,000</b>	
<b>POLICE</b>						
File Server	5	1	\$7,500	\$1,500	\$10,000	2009
Laptop computers	5	7	\$1,800	\$2,520		Varies
Desktop computers	5	5	\$1,800	\$1,800		Varies
In-car video recorder	7	5	\$5,150	\$3,679		2017
Patrol Vehicles	5	5	\$45,000	\$45,000		
Dodge Charger (2012); miles 52,858						2012
Dodge Charger (2012); miles 105,266					\$45,000	2012
Dodge Charger (2013); miles 115,587						2013
Ford Explorer (2017); miles 6,032						2017
Ford Explorer (2016); miles 45,51						2016
Harris	10	7	\$4,275	\$2,993	\$2,000	2014
Vehicle radar	10	5	\$2,000	\$1,000	\$1,200	2017
Vehicle Equipment	5	5	\$7,500	\$7,500	\$5,000	Varies
<b>TOTAL</b>			<b>\$75,025</b>	<b>\$65,991</b>	<b>\$63,200</b>	
<b>GRAND TOTAL</b>				<b>\$92,268</b>	<b>\$96,200</b>	

# CAPITAL IMPROVEMENTS PROGRAM (CIP)

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Capital Improvement Projects (CIP) addresses Nolanville's long-term needs in the form of street repairs, drainage improvements, parks, other public utilities and facilities. These projects are typically scheduled over several years to address the City's ability to pay for the improvements. Capital Improvement Projects are relatively expensive and non-recurring, periodically these improvements are financed with Bonds or Certificates of Obligation.

## Street & Drainage Improvements

Major infrastructure improvements are accomplished using different sources of funding. The Street Maintenance Fund, funded by a 1/4% sales tax has an anticipated revenue of \$80,000 for FY 2017-2018. The vote to approve this tax for an additional four years was successful in November 2017. Grants from Killeen Temple Metropolitan Planning Organization (KTMO) & Texas Department of Transportation (TxDOT) are another source. Calls for projects occur every 2-3 years. Bonds, Certificates of Obligation and Tax Notes provide another method for funding major projects. The following is a list of ongoing projects and priorities for future funding.

Ideally, future budgets will provide a provision to save for matching fund requirements, engineering and professional services involving project calls. This will ensure the City is postured to receive grant awards by getting projects "shovel ready." In the event that grants are limited, the funds can be used to complete work in phases. Below is a summary of the projects completed or started in the last FY:

### *Old Nolanville Road- Safe Routes to School*

Project completion date is August 2018. Overages and additional pavement overlay was funded through the Street Maintenance Fund. Improvements included lane widening, ribbon curbing, bus stop and sidewalks. Total construction cost was \$618,000.

### *Main Street Connectivity*

Main Street to the Bus Stops with total construction \$711,387. Overages from this project are funded with unrestricted reserves, with possible reimbursement resolution from Street Maintenance. In addition to ADA compliant sidewalks and railroad crossing panels these improvements include: curb & gutter, Fire Station parking resurface and shelters at the bus stops. This project is an 80/20 split and includes contributions from partner agencies; the HOP and BNSF for \$26,000. A match of \$119,288 was provided by the Economic Development Corporation.

*Public Works Project Tax Note, Tax Note (7 year) \$500,000*

Completed projects in 2017 as a result of the Tax Note include:

1. Red Leaf Drainage & Street Repair
2. Elm Street and West Dogwood Reconstruction with Ribbon Curbing
3. West Plaza Drainage Improvement
4. Park Road
5. Blue Bonnet Spillway Engineering

Priorities for future project calls within the next five years include:

1. Avenue H- Multi-use trail from Park to 10th Street (projected 2021)
2. Old Nolanville Bridge repair with pedestrian extension and multi-use trail to Highway 190/Interstate 14 (projected 2022)
3. Spur FM 439- Multi-use trail from North Street to Main Street along Spur
4. Connection between Warrior's Path and FM 439

Priorities for Future Road Maintenance Activities

*Plaza Improvements*

The area known as the Plaza continues in phases, priority is given to the roads experiencing the most degradation. Drainage improvements are anticipated to extend the life expectancy of the roads. There may be instances and/or opportunities to do more than one road at a time which reduces the cost of mobilization. Street Maintenance Fund (Sales Tax) should be allowed to build up to complete three side streets at one time. At our current rate of Street Maintenance allocation, another project could be scheduled for 2020. This can be accomplished more rapidly by accruing unused portions of the Public Works Street Maintenance as they occur or by issuing another tax note.

One side street for reconstruction costs \$80,000 plus engineering.

In priority as listed the next streets for repair include East Fir, East Cedar, East Ash and East Birch.

Capital project that may be considered for future bond issue included in a combined infrastructure improvement package:

1. Quiet zone requirements for railroad crossings at Jackrabbit, 5<sup>th</sup> Street and Pleasant Hill. These priorities would improve the safety by leveling tracks and widening roads as needed.
2. Drainage improvements as recommended by the Regional Flood Plain Study, bioswale grant with TECQ is being resubmitted this FY in anticipation.



## Nolanville Greenways

The City's first Small Park Grant and the Multi-Use building were completed in the last FY. Phase II of City Park Improvement received grant funding for \$321,000 (50% City Match required). Phase II will last for three years and include major elements such as Basketball Court, Multi-use Field, Skate Park, Trails and Dog Park.

Next recreational grant application will center on trail improvements along Nolan Creek through Texas Parks and Wildlife, funding aside for application and preliminary engineering is planned for this FY.

## CIP Provision Summary

The City will be prepared to submit a bond for election in 2020 to bundle an infrastructure improvement package. A forecast of the elements in the package would include another phase of the Plaza Streets, Avenue H reconstruction and sidewalks, South Main Street Bridge - Nolan Creek path, and completion of the Quiet Zone. Every effort will be made to offset these costs through a combination of grants and use of Sales Tax-Street Maintenance.

Project Description	ENG	CONSTR.	LAND	TOTAL	Provision	CONST.	PAID TO	BUDGET	Projected
						YEAR	DATE	2018/2019	Total: 10/01/2019
Avenue H Completion N40-04	\$250,000	\$1,558,802		\$1,808,802	Cat 9 & Bond	2020			
Spur Improvements N40-05	\$130,000	\$593,230		\$723,230	Cat 9 & Bond	2021			
ONR Bridge to Main Street N40-03	\$150,000	\$793,000		\$943,000	Cat 7	TBD			
Warrior's Path N40-07		\$5,703,255		\$5,703,255	Cat 7	2020			
Warrior's Path II N40-08		\$8,000,000		\$8,000,000	Unfunded	TBD			
Railroad Safety & QZ N40-06		\$500,000		\$500,000	Cat 7	2021			
Plaza Street Improvements	\$175,000	\$1,600,000		\$1,775,000	CDBG (Unfunded)	Multi-year			
Master Park Plan	\$60,000	\$640,000		\$700,000	TPW 50% Match, M&O	18-21	\$50,000	\$73,500	\$123,500
WW Trail N40-13	\$50,000	\$400,000		\$450,000	Cat 9 & TPW	TBD			
Nolan Creek Trail N40-11				\$0	Cat 9 & TPW	TBD			
Jackrabbit Class II Lane N4012				\$0	Unfunded	TBD			
Pleasant Hill Class II Lane N40-09				\$500,000	Unfunded	TBD			

AD Valorem Taxes Analysis  
ESTIMATE OF AD VALOREM TAX REVENUE  
AND PROPOSED DISTRIBUTION OF COLLECTIONS

Taxable Assessed Valuation	\$ 218,619,022
Proposed Tax Rte of \$100 Valuation	\$ 0.5265
Non-Freeze Tax Levy	\$ 1,151,029
Freeze Tax Levy	\$ 71,938
Total Tax Levy	\$ 1,222,967
Estimated Percent of Collections	100%
Estimated Funds from Tax Levy	\$ 1,222,967

PROPOSED DISTRIBUTION OF ALL TAX COLLECTIONS

	% of Total	Tax Rate	Collections
General Fund	77.21%	\$ 0.4065	944,228
Debt Service Fund	22.79%	\$ 0.1200	278,739
Total	1.0000	\$ 0.5265	1,222,967

COMPARISON OF PREVIOUS YEARS TAX RATES

Tax Year	General Fund	Debt Service	Total
2017	0.3777	0.1222	0.4999
2016	0.3878	0.1142	0.5020
2015	0.3781	0.1273	0.5054
2014	0.3635	0.1419	0.5054
2013	0.3650	0.1468	0.5118
2012	0.3654	0.1541	0.5195
2011	0.3454	0.1240	0.4694
2010	0.3134	0.1326	0.4460

PROPERTY VALUE ANALYSIS

Tax Year	Assessed Value	Percentage Change	Amount Collected	Percentage Collected
2018	\$234,039,465	2.27%		
2017	\$ 228,839,002	16.14%	\$ 1,078,038	95.11%
2016	\$ 197,044,479	7.08%	\$ 955,399	96.97%
2015	\$ 184,014,670	3.63%	\$ 898,568	97.00%
2014	\$ 177,576,133	3.15%	\$ 831,290	97.18%
2013	\$ 172,153,826	6.06%	\$ 792,667	97.18%
2012	\$ 162,322,922	5.44%	\$ 761,360	97.30%
2011	\$ 153,943,751	1.57%	\$ 658,946	97.35%
2010	\$ 151,560,633	2.31%	\$ 618,500	97.37%
2009	\$ 148,144,996		\$ 692,110	97.40%

**CITY OF NOLANVILLE**  
**Proposed Annual Budget**  
**Fiscal Year 2018 - 2019**

	<b><u>FY 17-18</u></b>	<b><u>FY 18-19</u></b>
	<b><u>BUDGET</u></b>	<b><u>BUDGET</u></b>
<b><u>GENERAL FUND</u></b>		
<b>REVENUES</b>		
Ad Valorem Tax	860,048	944,228
Sales Tax	328,000	373,600
Municipal Court	76,000	76,000
Franchise Fees	185,300	185,300
Permits	59,850	73,000
Public Works	500	1,250
Other Misc Revenues (inc Transfers In)	207,737	36,100
<b>TOTAL REVENUES</b>	<b>1,717,435</b>	<b>1,689,478</b>
<b>EXPENDITURES</b>		
<b><u>ADMINISTRATION</u></b>		
Personnel	266,549	270,201
Supplies/Contracted Services	220,562	197,800
Capital Outlay	0	0
Total Administration	487,111	468,001
<b><u>MUNICIPAL COURT</u></b>		
Personnel	43,135	41,516
Supplies/Contracted Services	20,950	12,370
Capital Outlay	0	0
Total Municipal Court	64,085	53,886
<b><u>POLICE DEPARTMENT</u></b>		
Personnel	378,809	462,847
Supplies/Contracted Services	59,300	62,601
Capital Outlay	43,000	45,000
Total Police Department	481,109	570,448
<b><u>EMERGENCY SERVICES</u></b>		
Fire Services	45,000	45,000
Ambulance Services	50,000	50,000
Total Emergency Services	95,000	95,000
<b><u>PUBLIC WORKS</u></b>		
Personnel	115,555	146,890
Supplies/Contracted Services	255,325	224,811
Capital Outlay	50,000	30,000
Total Public Works	420,880	401,701
<b><u>COMMUNITY CENTER</u></b>		
Supplies/Contracted Services	9,250	9,175
Capital Outlay	0	0
Total Community Center	9,250	9,175
<b><u>PARKS</u></b>		
Supplies/Contracted Services	60,000	20,000
Capital Outlay	100,000	73,500
Total Parks	160,000	91,266
<b>TOTAL EXPENDITURES</b>	<b>1,717,435</b>	<b>1,689,478</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b><u>(0)</u></b>	<b><u>0</u></b>
<b>BEGINNING FUND BALANCE (Estimated)</b>	941,039	508,184
<b>ENDING FUND BALANCE (Estimated)</b>	<b><u>508,184</u></b>	<b><u>508,184</u></b>

<b>SPECIAL FUNDS</b>	<b><u>FY 17-18 BUDGET</u></b>	<b><u>FY 18-19 BUDGET</u></b>	<b><u>ESTIMATED END FY 18-19 START BALANCE</u></b>
<b>DEBT SERVICE FUND</b>			
REVENUES	281,591	282,344	
EXPENDITURES	284,269	282,344	
REVENUES OVER/(UNDER) EXPENDITURES	<u>-2,678</u>	<u>0</u>	
<b>COURT SECURITY FUND</b>			
REVENUES	1,750	1,750	25,617
EXPENDITURES	1,750	1,750	
REVENUES OVER/(UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	
<b>COURT TECHNOLOGY FUND</b>			
REVENUES	2,333	2,333	21,630
EXPENDITURES	2,333	2,333	
REVENUES OVER/(UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	
<b>CROSSING GUARD FUND</b>			
REVENUES	5,000	450	3,023
EXPENDITURES	10,000	450	
REVENUES OVER/(UNDER) EXPENDITURES	<u>-5,000</u>	<u>0</u>	
<b>STREET MAINTENANCE FUND</b>			
REVENUES	81,250	92,500	0
EXPENDITURES	208,000	92,500	
REVENUES OVER/(UNDER) EXPENDITURES	<u>(126,750)</u>	<u>-</u>	
<b>GRANTS FUNDS</b>			
REVENUES	550,000	791,783	
EXPENDITURES	550,000	791,783	
REVENUES OVER/(UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	
<b>NOLANVILLE ECONOMIC DEVELOPMENT CORP</b>			
REVENUES	81,250	92,750	115,000
TRANSFER IN			
EXPENDITURES	81,650	109,150	
REVENUES OVER/(UNDER) EXPENDITURES	<u>-400</u>	<u>-16,400</u>	

## Nolanville Economic Development Corporation

*Budget - Fiscal Year 2018-2019*

### Income

Sales Tax Revenue	\$	92,500.00
Other	\$	-
<b>Total Income</b>	<b>\$</b>	<b>92,500.00</b>

### Personnel Expense

Salaries/Wages (Administration)	\$	-
Payroll Taxes	\$	-
<b>Total Personnel Expense</b>	<b>\$</b>	<b>-</b>

### Operating Expense

Dues & Fees	\$	250.00
Insurance	\$	-
Legal Fees	\$	-
Community Development	\$	65,000.00
Keep Nolanville Beautiful		
Jamboree	\$	-
Signage	\$	-
Grant Matching		
Large Park	\$	-
Main Street	\$	-
Business Development		
Direct Incentives	\$	15,000.00
Office Supplies	\$	1,000.00
Professional Services	\$	20,000.00
Training & Education	\$	2,500.00
Travel & Meals	\$	2,500.00
Administrative Expenses	\$	2,400.00
Rent	\$	-
Meeting Expenses	\$	500.00
<b>Total Operating Expense</b>	<b>\$</b>	<b>109,150.00</b>

<b>Total Expense</b>	<b>\$</b>	<b>109,150.00</b>
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<b>Net Income</b>	<b>\$</b>	<b>(16,650.00)</b>
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<b>Estimated Starting Fund Balance</b>	\$	115,000.00
<b>Estimated Ending FY 18-19 Balance</b>		\$92,500

<p style="text-align: center;"><b>City of Nolanville, Texas</b> <b>Financial Policies</b></p>
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<u>Policy No.</u>	<u>Description</u>	<u>Page</u>
1.	Financials	2
2.	Fiscal and Budgetary Policy	3
3.	Operating Budget	3
4.	Revenue Management	4
5.	Expenditure Policies	4
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16.	Purchasing Policy	9
17.	Price Quotations	10

**Policies 1.-17. presented to City Council, October 6, 2011**

# Financial Policies and Procedures

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## 1. Financials

### A. Bank Depository

The City shall maintain funds in a Bank, designated as its depository for banking services. The initial selection of this depository was done by the City Council vote on \_\_\_\_\_ and will be reviewed thereafter every three years unless circumstances deem otherwise.

### B. Accounts Payable

Four (4) individuals are authorized to sign checks written on the bank depository account: Mayor, City Manager, Assistant City Manager and City Treasurer. All checks greater than \$5,000 require two authorized signatures. No exceptions. Checks less than \$5,000 not signed by the City Manager or Assistant City Manager must be signed by two authorized signers, Mayor and City Treasurer.

### C. Accounting

The Treasurer as the City's Chief Financial Officer will be responsible for establishing the structure for the City Chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the City's financial position. The Treasurer shall provide financial reports to the City Manager monthly.

### D. Audit of Accounts

An independent audit of the City accounts will be performed annually. The Auditor is retained by and is accountable directly to the City Council.



## **2. Fiscal and Budgetary Policy**

### **A. Purpose**

The City of Nolanville is committed to financial management through integrity, prudent stewardship, planning, accountability, full disclosure and communication. The broad purpose of the Fiscal and Budgetary Policies is to enable the City to achieve and maintain a long-term stable and positive financial condition, and provide guidelines for the day-to-day planning and operations of the City's financial affairs.

Policy scope generally spans areas of accounting and financial reporting, internal controls, operating budget, revenue management, investment and asset management, debt management and forecasting. This is done in order to:

1. Fairly present and fully disclose the financial position of the City in conformity to generally accepted accounting principles (GAAP) and
2. Demonstrate compliance with finance-related legal and contractual issues in accordance with the Texas Local Government Code and other legal mandates.

## **3. Operating Budget**

A. Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. The "operating budget" is the City's annual financial operating plan. It provides for the payment of expenses incurred as the government works towards its annual goals and the ongoing pursuit of protecting the citizenry, promoting and protecting public health and welfare, and ensuring statutory requirements are followed.

1. Preparation: The budget is developed by staff and elected officials with assistance from the City Treasurer under the responsibility of the City Manager as budget officer.
2. Review: Preliminary budget is submitted for initial review NLT 45 days prior to end of fiscal year. At least two Public Hearings will be held prior to adoption.
3. Adoption: The Final Budget is placed on the agenda for adoption during the last month of the fiscal year (September).

B. Balanced Budget: The goal of the City is to balance the operating budget with current revenues, whereby current revenues would match and fund on-going expenditures. Any excess balances in the operating funds from previous years would be maintained for contingencies or as general reserves.

C. Planning: The budget process will be coordinated so that the major policy issues are identified prior to budget approval date. This will allow adequate time for consideration of appropriate decisions and analysis of financial impacts.



D. Reporting: Summary financial reports will be submitted to the Board on a monthly basis to maintain on-going understanding of current expenditures and income status.

E. Contingency Appropriations: The budget may include contingency appropriations within designated operating lines. These funds are used to offset unexpected maintenance or other expenses. Every effort will be made to minimize the need for contingency funds usage.

## **4. Revenue Management**

A. Types: The city receives revenue from the following sources:

1. Property Taxes. Collected by the Bell County Tax Appraisal District and transmitted to the city via automatic bank drafts as collected.
2. Sales and Use Taxes. Collected by the State Comptroller and transmitted monthly or quarterly to the city via automatic bank drafts.
3. Franchise Fees. The city, by ordinance, has levied fees on certain services being provided to city residents by vendors operating within the city. These fees are paid directly from the vendor to the city on a recurring schedule, normally quarterly.
4. Permit and License Fees: The city assesses fees by ordinance on many services provided by the city and fees for permitting specific functions within the city. These fees are collected by the city and deposited in the city's bank depository.
5. Investment Income. The city makes investments of money not needed for current expenditures. These investments will earn interest and it will be deposited in the bank depository or maintained in the investment account until needed by the city for expenditures.

B. Recording. The treasurer is responsible for recording the revenues received by the city in the books of accounts in a timely manner.

C. Scheduling. The treasurer shall maintain a schedule of all anticipated revenues to insure funds are received when expected.

## **5. Expenditure Policies**

A. Budget Amendments: The Board may authorize with a majority vote, emergency expenditures as an amendment to the original budget.

B. Prompt Payment: All invoices will be approved for payment by Department heads or Mayor, depending on the purchase criteria, and paid within the established terms of the vendor. The treasurer shall make all effort to receive any prompt payment discount.

## **6. Asset Management**

A. Cash Management and Investments: The Council formally approved a separate Investment Policy that complies with the requirements of the Public Funds Investment Act (PFIA) section 2256 of the Texas Local Government Code. This policy is reviewed annually by the City Council and applies to all financial assets held by the City:

1. Statement of Cash Management Philosophy: The City shall maintain a comprehensive cash management program to include the effective collection of all accounts receivable, the prompt deposit of receipts to the City's depository, the payment of obligations, and the prudent investment of idle funds.

2. Objectives: The City's investment program will be conducted to accomplish the following listed in priority order.

- a. Safety of the principal invested.
- b. Liquidity and availability of cash to pay obligations when due.
- c. Receive the highest possible rate of return (yield) consistent with the City's Investment Policy

3. Safekeeping and Custody: Investments may only be purchased through broker/dealers who meet the criteria detailed in the investment policy, which also addresses internal controls related to investments.

B. Fixed Assets: These assets will be reasonably safeguarded and properly accounted for, and prudently insured. See capitalization policy.

## **7. Debt Management**

The City recognizes the primary purpose of capital facilities is to provide services to the community. Any need for financing other than what can be serviced by the City Depository will be considered through usage of:

- a. Grants
- b. Use of Reserve Funds
- c. Use of Current Funds
- d. Short Term Loans
- e. Long Term Bonds



## **8. Financial Reserves**

The City of Nolanville will maintain budgeted minimum reserves in the ending working capital fund balances to provide a secure, healthy financial base for the City in the event of a natural disaster or other emergency, allow stability of City operations should revenues fall short of budgeted projections and provide available resources to implement budgeted expenditures without regard to actual timing of cash flow into the City.

**Operating Reserves:** The City will maintain reserves in the general fund at a minimum of \$250,000.00.

## **9. Internal Controls**

Whenever possible, written procedures will be established and maintained by the Treasurer for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.

## **10. Petty Cash Procedures**

The City Secretary may keep a petty cash fund amount of \$100.00 in a lockable money box/cash register during operating hours and a lockable file cabinet after hours. The City Secretary shall be responsible for the petty cash. Only the City Secretary is authorized to exchange money from the box/register.

Receipts for all petty cash transactions shall be held in the money box until receipts are tallied, recorded and charged to the appropriate accounts. A check made payable to "Cash" will be written in the amount tallied by the receipts. The City Secretary will be responsible for cashing that check to replenish the petty cash fund balance.

Random audits of the petty cash box shall be made by the City Treasurer or Mayor in the presence of the City Secretary.

The Petty Cash Fund shall not be used to cash checks for any persons.

## 11. Fixed Asset Capitalization Policy

The following criteria will be utilized by the City of Nolanville:

- The asset must be owned by the City of Nolanville,
- The expected useful life of the asset must be longer than one year, or extend the life of an identifiable existing asset by more than one year,
- The original cost of the asset must be at least \$2,500,
- The asset must be tangible,
- On-going repairs and general maintenance are not capitalized.

New Purchases - All costs associated with bringing the asset into working order will be capitalized as part of the asset cost. This will include start up costs, engineering or consultant type fees as part of the asset cost once the decision or commitment to purchase the asset is made.

Improvements and Replacement - Improvements will be capitalized when they extend the original life of an asset or when they make the asset more valuable than it was originally. The replacement of assets components will normally be expensed unless they are a significant nature and meet all the capitalization criteria.

Inventory - A permanent record will be maintained of the City's fixed assets, including description, cost, and date of acquisition.

Recording - All capital assets will be recorded in the General Fixed Assets Account Group in the city's books of accounts.



## **12. Accepting Personal Checks**

The City of Nolanville will accept personal and company checks from both residents and non-residents of Nolanville. When accepting a check, the following actions must be accomplished:

- a. Check must be made out to the "City of Nolanville".
- b. Check must be dated the date of issuance, (no post dated checks).
- c. The maker of the check must provide a government issued photo ID stating name, birth date, driver's license number, social security number, or other identifying number.
- d. The acceptor of the check shall write the identifying number on the check.
- e. The check may not be written for more than the invoiced amount.

## **13. Returned Checks**

When a check has been returned by the bank to the City stamped "Non-Sufficient Funds", the City Secretary will add a \$25.00 fee to the amount owed and notify the check writer by certified mail of the status of the check and inform the check writer that the money owed will have to be paid by cash, money order, or cashier's check within ten (10) days of the date of the notification letter. If the money owed is not received within ten days, the check shall be submitted to the Bell County Sheriff's office Hot Check Department for criminal prosecution.

When a check has been returned by the bank to the City stamped "Account Closed", the City Secretary will add a \$25.00 fee to the amount owed and notify the check writer by certified mail of the status of the check and inform the check writer that the money owed will have to be paid by cash, money order, or cashier's check within ten (10) days of the date of the notification letter. If the money owed is not received within ten days, the check shall be submitted to the Bell County Sheriff's office Hot Check Department for criminal prosecution.

## **14. Outstanding Checks**

A check written by the City shall be valid for a period of ninety (90) days. If a check has not cleared the bank in sixty (60) days, the Treasurer shall try to ascertain why the check has not been paid. If it is determined that the payee did not receive the check, the City will wait an additional thirty (30) days, then issue a stop payment order and issue a new check to the payee.

## **15. Bank Card (Credit/Debit) Policy**

Bank cards may be used to satisfy court obligations, payment for fines, court costs, etc. A convenience fee based on a schedule provided by the credit card service provider will be added to the obligation. The fee will be added to the individual charge by the provider.

Bank cards may not be used for payment of other city fees, licenses, permits etc. Those payments may only be made using cash, check, or money orders.

## **16. Purchasing Policy**

All purchases made and paid for by City funds are to be used for City purposes only.

Department Heads are authorized to initiate and/or approve purchases for their department as needed according to the following criteria: and, as directed by the following.

### **A. Purchases less than \$500: (commonly used items for daily operations)**

These purchases shall be made utilizing a purchase order approved by the department head. Vendor invoices, tickets, sales slips, etc, notation of item receipt will be submitted to the treasurer for payment.

### **B. Purchases greater than \$500 and less than \$5,000:**

If item or supplies have been budgeted, purchase may be made utilizing a purchase order approved by the City Manager or Assistant City Manager. If item or supplies have not been budgeted, department head must submit the purchase order to the City Manager or Assistant City Manager for approval and possible budget amendment. Vendor invoices, tickets, sales slips, etc, notation of item receipt will be submitted to the treasurer for payment.

### **C. Purchases \$5,000 or more:**

All purchases greater than \$5,000 must be approved by the City Council. See paragraph 17 below for required pricing information. Purchases for supplies and/or services from vendors on an annual basis that exceed \$5,000 shall be approved in advance, at least annually, by the City Council. Examples of these types of actions are: Electricity charges, Health Plans, Insurance charges, Legal Counsel, Judge Expenses, Auditor, etc. Vendor invoices, tickets, sales slips, etc, notation of item receipt will be submitted to the treasurer for payment.



## 17. Price Quotations

If the anticipated expenditure exceeds \$5,000, the purchase shall not be made until price quotations have been obtained from at least three (3) suppliers. If the goods or services are not available from as many as three (3) suppliers, price quotations shall be obtained from the available suppliers. "No Bid" is considered to be a price quotation.

Prices may be obtained either in writing or by telephone.

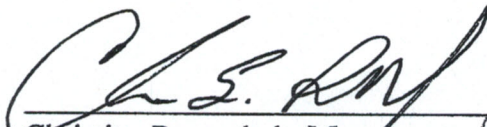
Quotations shall be received for goods and services of comparable quality.

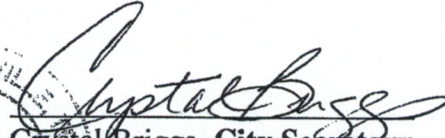
The purchase shall be made from the supplier quoting the lowest price unless cause can be shown as to reason to accept a higher bid.

**PASSED & APPROVED** this, the 2nd day of October, 2014 by vote of 5 (ayes) 0 (nays) to 0 (abstentions) of the City Council of Nolanville, Texas.

**CITY OF NOLANVILLE:**

**ATTEST:**

  
Christina Rosenthal., Mayor

  
  
Crystal Briggs, City Secretary