

**City of Weslaco**  
**2015-2016**  
**Annual Budget**

# TABLE OF CONTENTS

---

## **Introduction**

Cover Page	2
List of Officials	3
Organizational Chart	4
Transmittal Letter from City Manager	5
Fund Balance Summary	8
Summary of Authorized Positions	9

## **Budgets**

General Fund	10
Debt Service Fund	11
Economic Incentives Fund	12
Internal Service Fund	13
Water & Wastewater Funds	14
Solid Waste Fund	15
Airport Fund	16
Hotel/Motel Occupancy Tax Fund	17
Capital Improvement Program Fund	18
Fire Department Equipment Replacement Fund	19

# CITY OF WESLACO

## ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2015-2016

This budget will raise more revenue from property taxes than last year's budget by an amount of \$714,074 which is a 7.36% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$350,499.

<b>Date:</b>							
<b>Time:</b>							
<b>Vote Type:</b>	Record vote to adopt 2015-2016 Budget						
<b>Description:</b>							
<b>Result:</b>	An Ordinance adopting the Operating Budget for the City of Weslaco for Fiscal Year 2015-2016; approving certain contracts; authorizing personnel complements appropriating funds.						
<b>Voter</b>	<b>Group</b>	<b>Not Present</b>	<b>Yea</b>	<b>Nay</b>	<b>Abstain</b>	<b>Motion</b>	<b>Second</b>
David Suarez	Mayor						
Olga M. Noriega	Mayor Pro-Tem, District 3						
David R. Fox	District 1						
Greg Kerr	District 2						
Gerardo "Jerry" Tafolla	District 4						
Lupe V. Rivera	District 5						
Fidel L. Peña III	District 6						

<b>Tax Rate</b>	<b>Proposed FY 2015-16</b>	<b>Adopted FY 2014-15</b>
Property Tax Rate	0.6767	0.6767
Effective Rate	0.6303	0.6532
Effective M&O Tax Rate	0.6505	0.6817
Rollback Tax Rate	0.6326	0.7262
I&S Rate	0.1207	0.1901

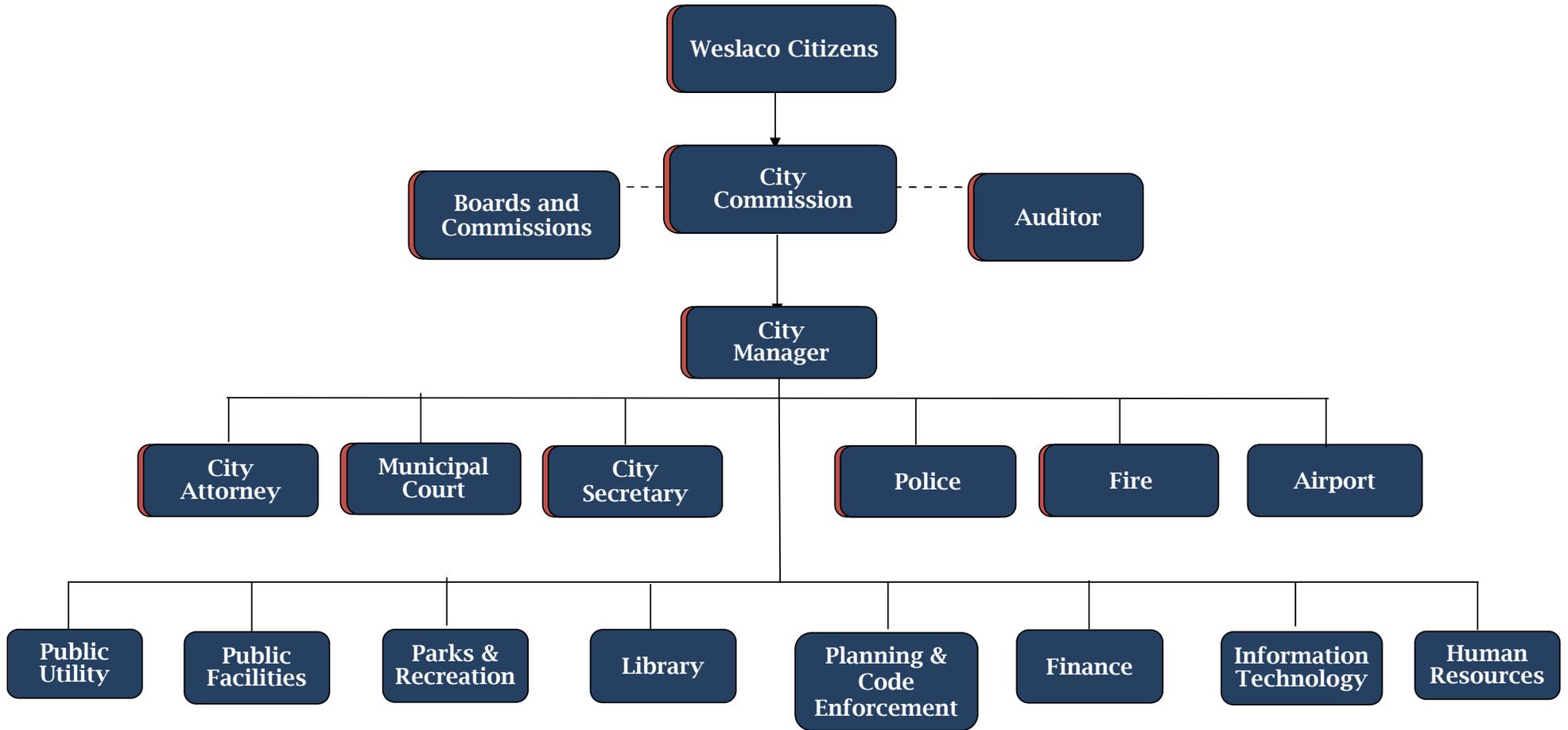
The total amount of municipal debt obligation secured by property taxes for the City of Weslaco is \$23,116,250. Total amount of outstanding debt obligations considered self-supporting is \$65,969,308. Self-supporting is currently secured by Water/Sewer and 4A sales tax revenues. In the event such amounts are insufficient to pay debt service, the City will be required to assess an ad valorem tax to pay such obligations.

# City of Weslaco

## City Officials

<b>Mayor</b>	<b>David Suarez</b>
<b>Commissioners</b>	<b>Olga M. Noriega</b> <b>Mayor Pro-Tem</b> <b>David Fox</b> <b>Greg Kerr</b> <b>Gerardo "Jerry" Tafolla</b> <b>Lupe V. Rivera</b> <b>Fidel L. Pena III</b>
<b>City Manager</b>	<b>Mike R. Perez</b>
<b>City Secretary</b>	<b>Elizabeth M. Walker</b>
<b>City Attorney</b>	<b>Francisco J. Garza</b>
<b>Director of Finance</b>	<b>Maria C. Barrera</b>
<b>Chief Appraiser</b>	<b>Rolando Garza</b> <b>Hidalgo County</b> <b>Appraisal District</b>
<b>Collector of Taxes</b>	<b>Pablo "Paul" Villarreal</b> <b>County of Hidalgo</b>
<b>Chief of Police</b>	<b>Stephen Scot Mayer</b>
<b>Fire Chief</b>	<b>Antonio Lopez</b>
<b>Human Resources Director</b>	<b>Veronica Ramirez</b>
<b>Planning Director</b>	<b>Mardoqueo Hinojosa</b>
<b>IT Director</b>	<b>Jose Juan Pena</b>
<b>Parks Director</b>	<b>David Arce</b>
<b>Public Facilities Director</b>	<b>Pedro Garcia, Jr.</b>
<b>Public Utilities Director</b>	<b>David Salinas</b>
<b>Library Director</b>	<b>Arnoldo Becho</b>
<b>Aviation Director</b>	<b>George P. Garrett</b>

# City of Weslaco Organizational Chart





David Suarez, Mayor  
Olga M. Noriega, Mayor Pro-Tem, District 3  
David R. Fox, Commissioner, District 1  
Greg Kerr, Commissioner, District 2  
Gerardo "Jerry" Tafolla, Commissioner, District 4  
Lupe V. Rivera, Commissioner, District 5  
Fidel L. Pena, III, Commissioner, District 6

Mike R. Perez, City Manager

September 1, 2015

Honorable Mayor and  
Members of the City Commission  
City of Weslaco  
255 South Kansas Avenue  
Weslaco, Texas 78596

It is my distinct honor to present the Fiscal Year 2015-2016 (FY 2016) City of Weslaco budget, which strives to modernize the organization while moving toward self-funding of future capital improvements. The budget is sound and balanced, maintaining the tax rate equal to the current rate, in keeping with the ongoing commitment by this Commission to gradually reduce rates over a ten year period. The budget includes investments in public safety, quality of life, and our employees, through the implementation of innovative solutions to streamline processes. These innovations speak directly to the organizational changes being implemented in order to engage our employees, while also making us more efficient and competitive in the services we provide to the community. Finally, this budget will continue to demonstrate the fiscal responsibility shown during the current year by: 1) ensuring our revenues meet or exceed our expenditures in order to avoid mid-year adjustments due to overly optimistic revenue projections or overspending, 2) addressing capital equipment replacement needs, and 3) incentivizing our workforce through a sick-leave buyback program.

### **Financial Strategies**

The following strategies are recommended to maintain the financial stability of the City and provide adequate services at a sustainable level.

- A. **Fund Balance** It is recommended that the General Fund and each Enterprise Fund should have an unreserved fund balance of no less than 90 days of working capital. The target amount in this budget is 120 days of working capital with any excess being transferred into the new Capital Improvements Fund. We've been able to hit this target in all but the Airport Fund.
- B. **Enterprise Systems** Funds such as the Water, Sewer, and Solid Waste Fund should be self-supporting. They should generate sufficient funds through fees charged to the users. More importantly, it should be recognized that our current debt obligations payable for the 2012 and 2014 Tax and Revenue Certificates are currently only being applied to interest. In 2019, payments to extinguish the principal of these loans will

begin. Therefore, the recommendation is to maintain current rate levels for water, sewer and solid waste services.

- C. **Assets** This includes real and personal property. Surplus assets should be identified and liquidated. Also, criteria for replacement of assets should be defined. The city-wide inventory being conducted at the end of September 2015 should allow for an independent evaluation of the true historical costs of all assets of the City and identify the age of the assets to assist in planning for replacement at the appropriate time.
- D. **Rates** Rates are now being reviewed annually and adjusted gradually to avoid radical changes, while reflecting a true cost of service comparable to many of our neighboring cities.
- E. **Outsourcing** City services should continue to be examined periodically to see if outsourcing would be beneficial to the City. In addition, services that are already outsourced should be reviewed to see if they remain beneficial to the City. Recently, management of water and sewer treatment was outsourced as a result of intense evaluation and tenacious negotiation to bring the best value to the citizens. Hotel/Motel tax audits and collections, and local sales tax audits were outsourced last year to assist in ensuring that all such revenues due to the City are identified and collected.

### **Current Year Priorities**

- A. **Prepare a Balanced Budget** – By definition a balanced budget means that total budgeted expenditures do not exceed budgeted revenues plus available fund balance. It is also important to compare annual revenues with annual expenditures to ensure that annual expenditures do not exceed annual revenues. When expenditures exceed revenues the shortfall is usually made up by reductions to fund balance or from borrowed funds. This year we are happy to announce that we have a balanced budget in all funds.
- B. **Revenue Enhancement/Adequacy** – During FY 2015 the City reviewed all rates charged by the City and made adjustments in keeping with cost of services. By reviewing our rates every year we are able to adjust for increasing costs and inflation with smaller, more incremental adjustments than would be necessary if the rates were not adjusted as often. Likewise, there are efficiencies planned for EMS billing, which will provide the basis for funding a Fire Department Equipment Replacement fund, for the first time in the history of the City.
- C. **Maintain/Lower the Property Tax Rate** - Last fiscal year the City Commission lowered the tax rate by one penny for the third year in a row. This year, the City Commission voted for no change, maintaining the tax rate at \$.6767 per \$100 valuation. This should provide sufficient revenue to cover required services, yet leave a small net excess to transfer into the new Capital Improvement Plan fund to begin the process of self-funding improvements for streets and highways, as well as culture and recreation. In the long term, this will reduce the City's dependence on funding such programs from debt proceeds.

## **Conclusion**

The FY2016 budget reflects the City's efforts to meet desired levels of service while maintaining financial stability and sustainability. This budget does not require any changes in property tax rates, water, sewer or solid waste rates.

Weslaco is now seeing signs of positive and sustained economic growth. There are business expansions and new developments that demonstrate the City's continued recovery from past economic crises. The improvements that have been made over the recent past have been warmly received by the public and help to enhance our quality of life. The fiscally conservative approach of the City Commission coupled with practical policy guidance serves the residents well. I am pleased to be a part of the process and kindly appreciate your consideration.

Respectfully submitted,

/s/

Mike R. Perez  
City Manager

## FUND BALANCE SUMMARY

	General Fund	Debt Service Fund	Economic Incentives Fund	Internal Service Fund	Water/Wastewater Fund	Solid Waste Fund	Airport Fund	Hotel/Motel Fund	Capital Improvement Program Fund	Fire Dept Equipment Replacement Fund
<b>Estimated Unreserved Fund Balance @ 9/30/15</b>	<b>\$ 8,662,992</b>	<b>\$ 965,808</b>	<b>\$ 592,615</b>	<b>\$ 968,499</b>	<b>\$ 3,847,731</b>	<b>\$ 2,226,387</b>	<b>\$ 36,785</b>	<b>\$ 334,656</b>	<b>\$ 1,250,000</b>	<b>\$ -</b>
Estimated Daily Cost	57,357.06				34,257.96	12,442.16	899.29		-	-
Estimated # of Days	151				112	179	41			
Estimated Revenues 2015-2016	22,432,175	2,077,406	-	-	12,047,000	5,003,500	352,823	362,520	-	635,000
Estimated Expenditures 2015-2016	20,692,622	2,656,291	1,450,000	418,146	10,035,417	4,118,303	545,349	256,283	1,250,000	720,474
Revenues Over/(Under) Expenditures	1,739,553	(578,885)	(1,450,000)	(418,146)	2,011,583	885,197	(192,526)	106,237	(1,250,000)	(85,474)
Transfers In	1,491,310	-	1,450,000	425,000			200,000	-	-	328,000
Transfers Out	2,429,000	-	-	-	1,955,482	125,750	-	-	-	-
Change in Fund Balance	801,863	(578,885)	-	6,854	56,101	759,447	7,474	106,237	(1,250,000)	242,526
Adjustment-Police Dept CBA	(279,409)									
<b>Estimated Unreserved Fund Balance @ 9/30/16</b>	<b>\$ 9,185,446</b>	<b>\$ 386,923</b>	<b>\$ 592,615</b>	<b>\$ 975,353</b>	<b>\$ 3,903,832</b>	<b>\$ 2,985,834</b>	<b>\$ 44,259</b>	<b>\$ 440,893</b>	<b>\$ -</b>	<b>\$ 242,526</b>
	63,346.91				32,851.78	11,627.54	1,494.11			
	145				119	257	30			

**CITY OF WESLACO  
AUTHORIZED BUDGET POSITIONS**

DEPARTMENT /DIVISION	2013-2014		2014-2015		2015-2016	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
<b><u>GENERAL FUND</u></b>						
00 Legislative	-	7	-	7	-	7
01 City Manager	4	-	4	-	2	-
02 City Secretary	5	2	7	-	6	1
03 Municipal Court	3	1	3	1	3	-
05 Finance	6	-	6	-	7	-
07 Human Resources	3	-	3	-	4	-
09 Law	1	-	1	-	-	-
10 Building Maintenance	19	-	15	-	9	-
11 Planning & Code Enforcement	11	-	14	-	14	2
12 Police	81	-	84	-	87	-
16 Fire Suppression	62	-	62	-	65	-
20 Public Facilities Administration	4	-	4	-	4	-
24 Streets & Highways, Cleaning, Traffic Safety	15	-	17	-	16	-
29 Drain Ditch Maintenance	2	-	2	-	11	-
30 Information Technology	4	-	4	-	5	-
40 Parks & Recreations	2	17	8	17	10	17
41 Library	10	7	10	7	10	9
56 Fleet Maintenance	-	-	4	-	5	-
<b>TOTAL GENERAL FUND</b>	<b>232</b>	<b>34</b>	<b>248</b>	<b>32</b>	<b>258</b>	<b>36</b>
<b><u>WATER FUND</u></b>						
49 Water Treatment	9	-	9	-	-	-
50 Water Distribution	9	-	7	-	7	-
53 Public Utilities Administration	2	-	2	-	-	-
54 Utility Billing	4	-	4	-	4	-
56 Fleet Maintenance	4	-	-	-	-	-
59 Water Meter Division	4	-	4	-	4	-
<b>TOTAL WATER FUND</b>	<b>32</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>15</b>	<b>-</b>
<b><u>WASTEWATER FUND</u></b>						
51 Wastewater Collection	12	-	6	-	4	-
52 Waterwater Treatment	2	-	8	-	-	-
<b>TOTAL WASTEWATER FUND</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>4</b>	<b>-</b>
<b><u>SOLID WASTE FUND</u></b>						
23 Transfer Station/Recycling	-	-	1	1	1	1
22 Sewage Collection	-	-	-	-	-	-
<b>TOTAL SANITATION FUND</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b><u>AIRPORT FUND</u></b>						
Airport Operations	3	-	3	-	3	-
<b>TOTAL AIRPORT FUND</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>281</b>	<b>34</b>	<b>292</b>	<b>33</b>	<b>281</b>	<b>37</b>

**CITY OF WESLACO, TEXAS  
GENERAL FUND  
ANNUAL BUDGET  
FISCAL YEAR 2015-2016**

Revenues	
Property taxes	\$ 8,764,320
Other taxes	10,390,878
Licenses and Permits	455,545
Intergovernmental Revenue	371,224
Charges for Services	1,752,800
Fines and Forfeitures	521,900
Interest	11,400
Miscellaneous	164,108
Total Operating Revenues	\$ 22,432,175
Transfers In	1,491,310
TOTAL REVENUES	\$ 23,923,485
Expenditures	
General Government	\$ 5,957,744
Public Safety	11,132,403
Highways and Streets	2,129,691
Culture and Recreation	1,472,784
Total Operating Expenditures	\$ 20,692,622
Transfers Out	2,429,000
TOTAL EXPENDITURES	\$ 23,121,622
Adjustments-Police Department Collective Bargaining Agreement	(279,409)
Revenues Over/(Under) Expenditures	\$ 522,454

**CITY OF WESLACO, TEXAS  
DEBT SERVICE FUND  
FISCAL YEAR 2015-2016**

**REVENUES**

Property Taxes	1,978,006
Interest	<u>99,400</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 2,077,406</u></b>

**EXPENSES**

Debt Service	<u>\$ 2,656,291</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 2,656,291</u></b>

Revenues Over/(Under) Expenditures	<b><u><u>\$ (578,885)</u></u></b>
------------------------------------	-----------------------------------

**CITY OF WESLACO, TEXAS  
ECONOMIC INCENTIVES FUND  
FISCAL YEAR 2015-2016**

**REVENUES**

Transfers In	<u>\$ 1,450,000</u>
TOTAL REVENUES	<u><u>\$ 1,450,000</u></u>

**EXPENSES**

380 Agreements	\$ 700,000
Sales Tax Agreements	<u>\$ 750,000</u>
TOTAL EXPENDITURES	<u><u>\$ 1,450,000</u></u>

Revenues Over/(Under) Expenditures	<u><u>\$ -</u></u>
------------------------------------	--------------------

**CITY OF WESLACO, TEXAS  
INTERNAL SERVICE FUND  
FISCAL YEAR 2015-2016**

**REVENUES**

Transfers In	<u>\$ 425,000</u>
TOTAL REVENUES	<u><u>\$ 425,000</u></u>

**EXPENSES**

Debt Service	<u>\$ 418,146</u>
TOTAL EXPENDITURES	<u><u>\$ 418,146</u></u>

Revenues Over/(Under) Expenditures	<u><u>\$ 6,854</u></u>
------------------------------------	------------------------

**CITY OF WESLACO, TEXAS  
WATER & WASTEWATER FUNDS  
ANNUAL BUDGET  
FISCAL YEAR 2015-2016**

<b>Water Revenues</b>	
Charges for Services	\$ 6,548,000
Miscellaneous	50,000
<b>Wastewater Revenues</b>	
Charges for Services	5,449,000
<hr/>	
<b>TOTAL WATER &amp; WASTEWATER REVENUES</b>	<b><u>\$ 12,047,000</u></b>
<b>Water Expenses</b>	
Water Fund-Contractual	\$ 1,179,494
Water Fund-Operating	1,540,967
Debt Service	3,733,617
Transfers Out	895,170
<b>Wastewater Expenses</b>	
Wastewater Fund-Contractual	1,270,660
Wastewater Fund-Operating	353,000
Debt Service	1,957,679
Transfers Out	1,060,312
<hr/>	
<b>TOTAL WATER &amp; WASTEWATER EXPENSES</b>	<b><u>\$ 11,990,899</u></b>
<b>Revenues Over/(Under) Expenses</b>	<b><u>\$ 56,101</u></b>

**CITY OF WESLACO, TEXAS  
SOLID WASTE FUND  
ANNUAL BUDGET  
FISCAL YEAR 2015-2016**

**Revenues**

Charges for Services	\$ 5,003,500
TOTAL REVENUES	<u>\$ 5,003,500</u>

**Expenses**

Solid Waste-Operating	\$ 4,118,303
Transfers Out	125,750
TOTAL EXPENSES	<u>\$ 4,244,053</u>

Revenues Over/(Under) Expenses	<u>\$ 759,447</u>
--------------------------------	-------------------

**CITY OF WESLACO, TEXAS  
AIRPORT FUND  
ANNUAL BUDGET  
FISCAL YEAR 2015-2016**

<b>Revenues</b>	
Charges for Services	<u>\$352,823</u>
Total Operating Revenues	<u>352,823</u>
Transfers In	<u>200,000</u>
<b>TOTAL REVENUES</b>	<u><u>\$552,823</u></u>
<b>Expenses</b>	
Airport Operations	<u>\$545,349</u>
<b>TOTAL EXPENSES</b>	<u><u>\$545,349</u></u>
Revenues Over/(Under) Expenses	<u>\$ 7,474</u>

**CITY OF WESLACO, TEXAS  
HOTEL/MOTEL TAX FUND  
FISCAL YEAR 2015-2016**

**REVENUES**

Other Taxes	\$ 362,000
Interest	<u>\$ 520</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 362,520</u></b>

**EXPENSES**

Administrative Services-Contractual	\$ 40,450
Community Promotion & Development	<u>215,833</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 256,283</u></b>

Revenues Over/(Under) Expenditures	<b><u><u>\$ 106,237</u></u></b>
------------------------------------	---------------------------------

**CITY OF WESLACO, TEXAS  
CAPITAL IMPROVEMENT PROGRAM FUND  
FISCAL YEAR 2015-2016**

**REVENUES**

Transfers In	\$ -
TOTAL REVENUES	<u>\$ -</u>

**EXPENSES**

Highways and Streets	\$ 820,000
Culture and Recreation	430,000
TOTAL EXPENDITURES	<u>\$ 1,250,000</u>

Revenues Over/(Under) Expenditures	<u><u>\$ (1,250,000)</u></u>
------------------------------------	------------------------------

**CITY OF WESLACO, TEXAS  
FIRE DEPARTMENT EQUIPMENT REPLACEMENT FUND  
FISCAL YEAR 2015-2016**

**REVENUES**

Other Financing Sources	\$ 635,000
Transfers In	328,000
<b>TOTAL REVENUES</b>	<b><u>\$ 963,000</u></b>

**EXPENSES**

Debt Service	\$ 85,474
Capital Outlay	635,000
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 720,474</u></b>

Revenues Over/(Under) Expenditures	<b><u><u>\$ 242,526</u></u></b>
------------------------------------	---------------------------------