



## **Budget**

**For the Fiscal Year  
Beginning April 1, 2025  
Ending March 31, 2026**

## **Notice**

**THIS BUDGET SUPPORTS A LOWERED PROPERTY TAX  
RATE OF \$0.909170/\$100.00 VALUATION.**

**THIS BUDGET WILL RAISE MORE TOTAL PROPERTY  
TAXES THAN LAST YEAR'S BUDGET BY \$29,742 OR  
9.24% INCREASE FROM LAST YEAR'S BUDGET. THE  
PROPERTY TAX REVENUE TO BE RAISED FROM NEW  
PROPERTY ADDED TO THE TAX ROLL THIS YEAR IS  
\$920.**

**ADOPTED ON MARCH 24, 2025**

**Budget created and prepared by: Michael Chambers, City Manager**

# **CITY OF LORENZO**

## **LIST OF ELECTED AND APPOINTED OFFICIALS**

### **ELECTED**

<b>Lori Landin</b>	<b>Mayor</b>
<b>Cheryl Birdwell</b>	<b>Mayor Pro-Tem</b>
<b>Earlene Rampy</b>	<b>Councilwoman</b>
<b>Janet Peterson-Gonzales</b>	<b>Councilwoman</b>
<b>Rhonda Cypert</b>	<b>Councilwoman</b>
<b>Hilda Castillo</b>	<b>Councilwoman</b>

### **APPOINTED**

<b>Michael Chambers</b>	<b>City Manager</b>
<b>Lisa Hernandez</b>	<b>City Secretary</b>
<b>Chad Mobbs</b>	<b>Public Works Director</b>
<b>Irma Casias</b>	<b>Municipal Judge</b>
<b>Courtney M. White</b>	<b>City Attorney</b>

**The members of the governing body voted on the budget as follows:**

<b>Councilwoman Earlene Rampy</b>	<b>FOR</b>
<b>Councilwoman Cheryl Birdwell</b>	<b>FOR</b>
<b>Councilwoman Janet Peterson-Gonzales</b>	<b>FOR</b>
<b>Councilwoman Rhonda Cypert</b>	<b>FOR</b>
<b>Councilwoman Hilda Castillo</b>	<b>FOR</b>



# City of Lorenzo

P.O. Box 430  
Lorenzo, Texas 79343

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March 24, 2025

**To the Honorable Mayor, Members of the City Council, and Citizens of Lorenzo:**

In accordance with the Civil Statutes of the State of Texas, the proposed budget for the fiscal year beginning April 1, 2025 is submitted for your review and consideration. The budget is intended to present, in financial terms, the overall plan for providing municipal services during the forthcoming year. This budget provides funding for the continued basic level of services offered by the city.

## **OVERVIEW**

The Fiscal Year 2025-2026 budget was developed to prepare a balanced base budget for the City of Lorenzo.

Expenses in the General Fund have increased by 10.99% or \$126,390.00

## **PERSONNEL**

Payroll activities account for the single largest expense. The following are included in calculating payroll activities: Salaries/ wages, insurance, and retirement. Payroll amounts to 28.4% of the city's budgeted operational expenses. Personnel cost with benefits total \$361,000.00. In FY 24-25, personnel costs with benefits were calculated at \$ 346,400.00 or 30.1% of the operational budget.

The budget provides the funding for 6 full-time employees, and one part-time employee.

### **Salaries**

Employee salaries were increased in the FY 2025-2026 budget. A cost-of-living increase of 3% have been proposed for the City Secretary, Public Works Director, City Clerk, and both Outside Maintenance.

## **GENERAL FUND**

The General Fund provides for basic services of the city including Legislative, Administration, Sheriff Department contract, Street Maintenance, Sanitation Services, Parks and Recreation, Municipal Court, Code Enforcement, Animal Control, Water, and Wastewater. The General Fund also provides financial assistance to ancillary organizations with a public purpose that includes Fire Department and Senior Citizens.



The General Fund receives revenues from property tax, local sales tax, and franchise tax as well as revenues from water and sewer. The Ad Valorem tax base has a total net taxable value of \$38,659,064.00. The ad valorem tax rate has decreased and is now the adopted rate of \$0.909170/\$100 valuation.

Notable expenditures allocated in the General Fund Include:

SANITATION (CAPROCK WASTE)	\$156,000
Electric Utilities	\$80,200
Crosby County Sheriff Department (contract)	\$80,000

## OUTSTANDING DEBT

Balance of all outstanding debt as of 3/11/25 is \$ 1,020,133.40.

Water Fund Debt	Description	FY 2025-2026 Payment
<b>2021</b>	Backhoe Payment	\$12,997.20
<b>2023</b>	Water Tower/Fire Hydrant Improvements	\$35,565.00

## USDA RURAL DEVELOPMENT

**Repayment-** Our project funding consists of a 55% loan which is \$999,000 & 45% Grant which is \$791,000. This is a 40-year loan with a 1.75% interest rate. Our annual payment will be \$35,565.00. The City will pay annually a principle payment of \$18,000 on April 5th, and an interest payment on October 5th which will be \$17,565. Total payment for the FY 25-26 will be the \$35,565.00.

**Security-** The loan has been secured by a Revenue bond with first lien position on water revenue in the amount of \$999,000. The bond will be fully registered as to both principal and interest in the name of the United States of America, Acting through the United States Department of Agriculture.

## RESERVES FOR USDA RURAL DEVELOPMENT

**Debt Service Reserve-** As part of the agency loan proposal, we must establish a debt service reserve fund equal to at least one annual loan installment that accumulated at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. **We have one full payment in the Debt Service Reserve.**

**Short-Lived Asset Reserve-** In addition to the debt service reserve fund we must establish a short-lived asset reserve fund. Per letter of conditions, we have to transfer \$7,033 annually for the life of the loan to pay for repairs and/or replacement of major system assets. It is our responsibility to assess our facility's short-lived asset needs on a regular basis and adjust the amount deposited to meet those needs. **Approving this budget will allow City Manager to transfer the \$7,033 from the General Fund to the Short-Lived Asset Reserve Fund as required by USDA Rural Development.**



As of March 20, 2025 available cash includes:

CHECKING ACCOUNTS	\$537,135.65
CD SAVINGS FUND	\$38,794.95
TEXPOOL	\$20,984.28
<b>TOTAL FUNDS</b>	<b>\$596,914.88</b>

**\*\*\*Out of the total funds \$189,399.05 are Restricted Funds.(USDA, Arpa Funds, and Property Clean-up Fund\*\*\***

## **RESERVE FUND STRATEGY**

In the FY 23-24 financial audit, the City reported a cash balance of \$434,344.00 at the end of the fiscal year 23-24.

Budgeting – When the city's anticipated revenue will not cover expenses, reserve funds may be used to balance the budget.

Capital Improvement Projects The reserve balance would be used to fund (typically larger) capital projects including but not limited to the purchase of equipment, buildings, and other tangible assets or capital improvements if needed.

Emergency Fund - Emergency funds typically consist of at least 6 months insurance for continued operating expenses following a natural disaster or other calamity where the city's ability to generate or receive income might be affected. This is what surplus is for. If available

Debt – As of this date, the principal balance on all city debt is \$1,020,133.40 for an equipment lease of the city's backhoe and for the USDA Rural Development for water improvements. This debt is secured by water system revenue.

Long Range Planning – Replacing all fire hydrants within the city limits.

Short Range Planning- Painting both of the ground storage tanks at the Water Treatment Plant.

## **Goals/Action Plan as City Manager for the City of Lorenzo:**

### **1. Enhance Fiscal Responsibility and Sustainability:**

- **Goal:** Ensure the city operates within its budget, maintains healthy reserves, and optimizes resource allocation to meet the needs of the community.
- **Action:** Develop and maintain a balanced budget, prioritize financial planning for long-term growth, and look for opportunities to increase revenue streams (such as grants or public-private partnerships).

### **2. Improve Public Safety and Emergency Preparedness:**

- **Goal:** Ensure that residents feel safe and secure, while also preparing for emergencies and disasters.
- **Action:** implement and test disaster recovery plans; and foster strong relationships with local law enforcement and first responders to ensure effective crisis management.

### **3. Strengthen Community Engagement and Communication:**

- **Goal:** Build trust with residents by creating transparent communication and involving the public in decision-making processes.
- **Action:** Enhance public engagement through regular town halls, surveys, and social media updates. Provide clear, consistent information about city policies and initiatives to foster community participation.

### **4. Sustain and Improve Infrastructure:**

- **Goal:** Maintain and improve the city's infrastructure to support growth, ensure public safety, and enhance residents' quality of life.
- **Action:** Prioritize investments in transportation, water, sewage, and public facilities. Develop a long-term infrastructure maintenance plan that includes upgrading roads, enhancing utilities, and addressing aging infrastructure.

Michael Chambers  
City Manager  
City of Lorenzo



## SUMMARY

City staff will continue to monitor the financial situation in a timely manner and will be prepared to bring recommendations to the Council at any time during the year if serious declines in revenues or unexpected expenses are foreseen.

I would like to express my appreciation to the Mayor and City Council. What the staff works on and presents would be meaningless if the Council was not interested in striving for a professional, well operated organization. I appreciate the opportunity to work for you, and will always attempt to be attentive to the desires of the Council.

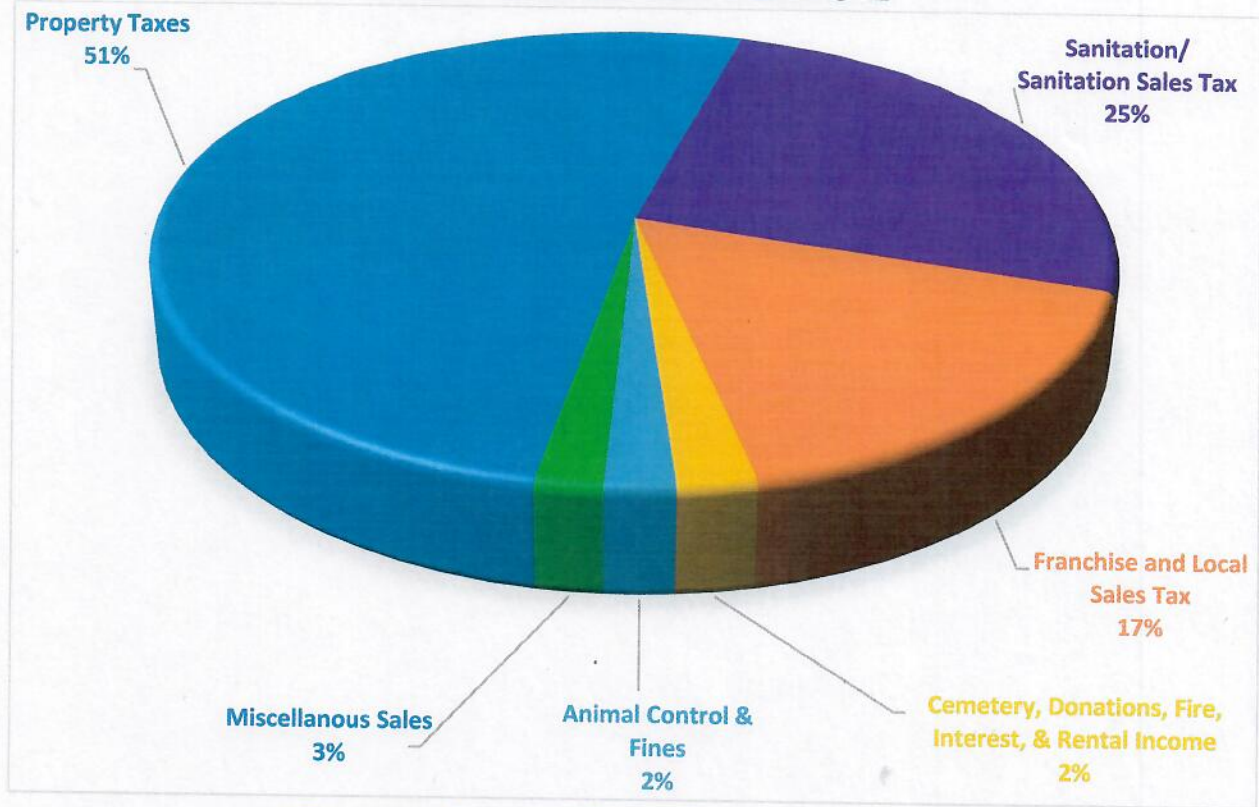
It is hoped that this budget reflects the thinking and policies of the City Council and is representative of the desires of the Citizens of Lorenzo.

Respectfully submitted,

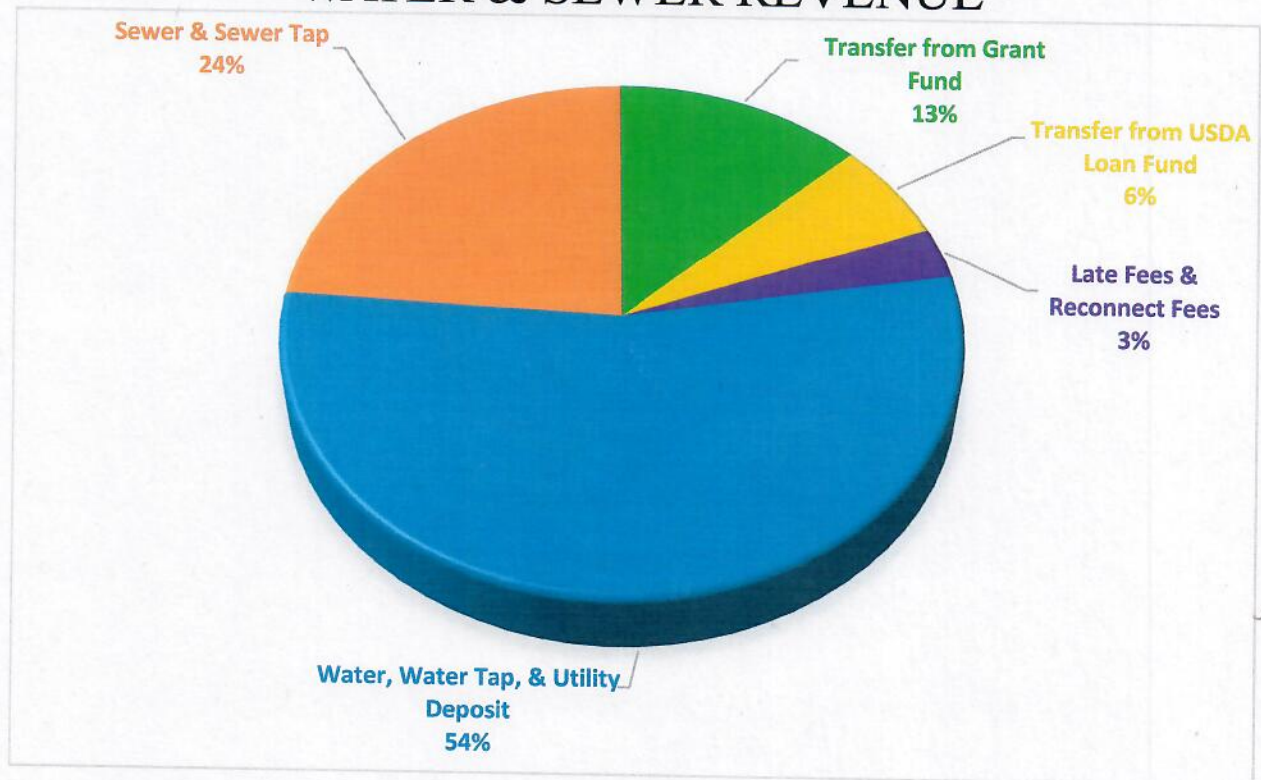
A handwritten signature in black ink, appearing to read "Michael Chambers", written in a cursive style.

Michael Chambers,  
City Manager

## GENERAL REVENUE

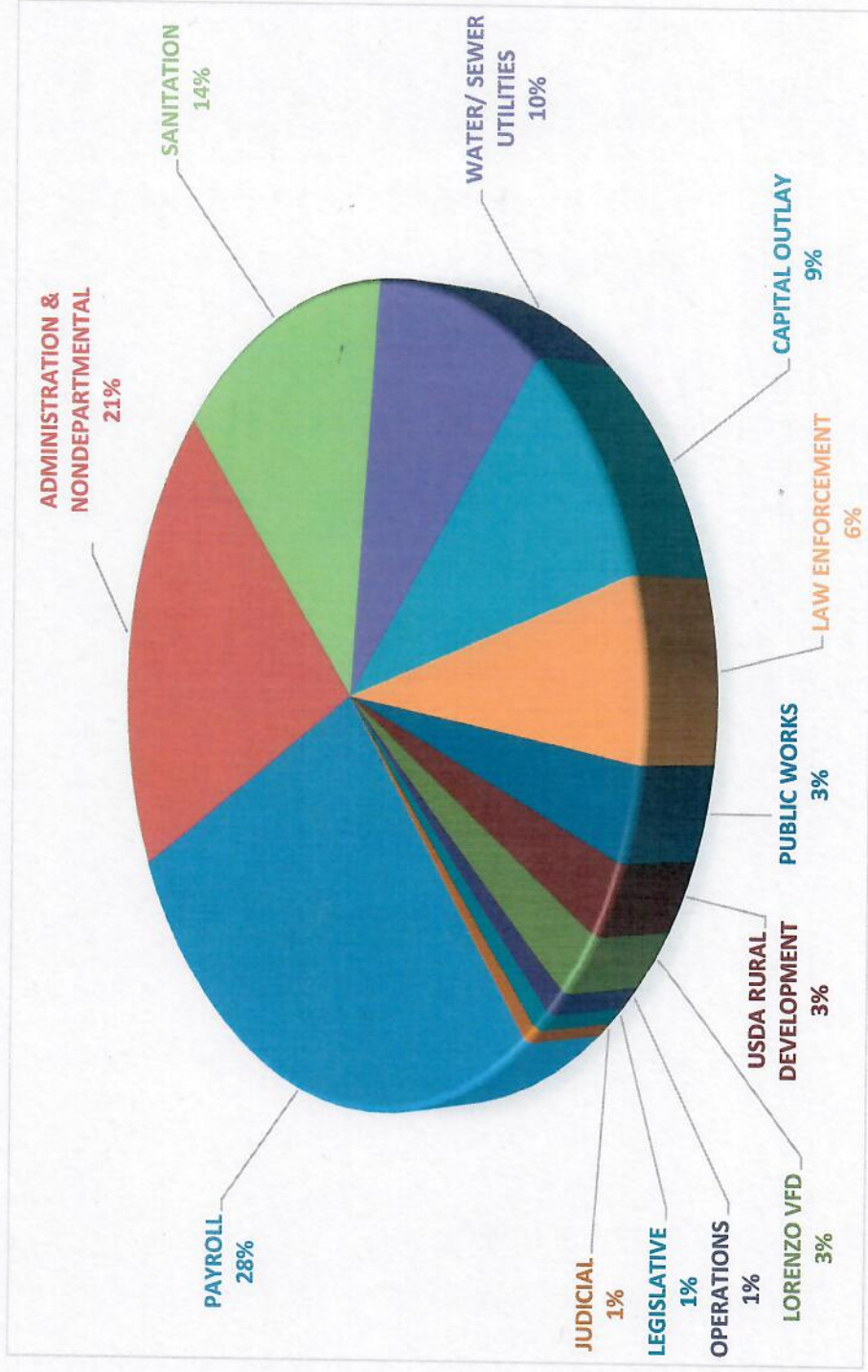


## WATER & SEWER REVENUE





# EXPENDITURES BY CATEGORY





	<b>General Revenue</b>	<b>FY 24-25</b>	<b>FY 25-26</b>
24007	Franchise Tax	\$ 55,000.00	\$ 56,000.00
24014	Ad Valorem Tax Assessed	\$ 324,000.00	\$ 351,000.00
24028	Local Sales Tax	\$ 53,000.00	\$ 59,000.00
24063	Fines	\$ 8,000.00	\$ 12,000.00
24098	Animal Control	\$ 2,000.00	\$ 2,000.00
24112	Cemetery	\$ 4,000.00	\$ 4,000.00
24119	Fire Department	\$ 4,500.00	\$ 2,000.00
24126	Interest	\$ 2,500.00	\$ 4,000.00
24133	Rental Income	\$ 2,800.00	\$ 8,800.00
24134	Community Center	\$ 1,500.00	\$ 1,500.00
24135	Senior Citizens	\$ 1,200.00	\$ 1,200.00
24154	Extra Work	\$ 500.00	\$ 500.00
24161	Miscellaneous Sales	\$ 7,710.00	\$ 10,000.00
24166	TCG Property Bids	\$ 10,265.00	\$ 2,800.00
24170	USDA Rural Development Bond Income	\$ -	\$ -
24224	Sanitation	\$ 98,500.00	\$ 165,000.00
24226	Sanitation Sales Tax	\$ 7,000.00	\$ 9,000.00
	Transfer from Property Clean-Up Fund	\$ -	\$ 20,000.00
	Transfer from Court Tech Fund	\$ -	\$ 3,500.00
	<b>General Revenue Total</b>	<b>\$ 582,475.00</b>	<b>\$ 712,300.00</b>

	<b>Water &amp; Sewer Revenue</b>	<b>FY 24-25</b>	<b>FY 25-26</b>
24132	Late Fees & Reconnect Fees	\$ 17,000.00	\$ 18,000.00
24203	Water Revenue	\$ 290,000.00	\$ 300,000.00
24204	Water Taps	\$ 1,500.00	\$ 1,500.00
24210	Sewer / Mosquito Revenue	\$ 133,000.00	\$ 133,000.00
24217	Sewer Taps	\$ 500.00	\$ 500.00
24231	Utility Deposits	\$ 4,000.00	\$ 3,000.00
	Transfer from Grant Fund	\$ 122,000.00	\$ 73,000.00
	Transfer from USDA Loan Fund		\$ 35,565.00
	<b>Water &amp; Sewer Revenue Total</b>	<b>\$ 568,000.00</b>	<b>\$ 564,565.00</b>
	<b>TOTAL REVENUE COMBINED</b>	<b>\$ 1,150,475.00</b>	<b>\$1,276,865.00</b>

<b>Expense</b>	<b>ADMINISTRATION</b>	<b>FY 24-25</b>	<b>FY 25-26</b>
25014	Attorney Fees	\$ 8,000.00	\$ 9,000.00
25021	Audit	\$ 12,000.00	\$ 15,500.00
25028	CCAD	\$ 12,000.00	\$ 15,500.00
25053	Miscellaneous	\$ 2,000.00	\$ 2,000.00
25056	Dues & Schools	\$ 6,000.00	\$ 7,000.00
25058	Computer/Software	\$ 13,000.00	\$ 13,750.00
25060	Supplies/Repairs/Expense	\$ 12,000.00	\$ 8,000.00
25065	Publications / Advertisements	\$ 6,000.00	\$ 4,000.00
25205	Uniforms (Administration)	\$ 1,500.00	\$ 200.00
	<b>Administration TOTAL</b>	<b>\$ 72,500.00</b>	<b>\$ 74,950.00</b>



Expense	NONDEPARTMENTAL	FY 24-25	FY 25-26
25008	Postage & Mailing	\$ 6,000.00	\$ 6,000.00
25009	Printing & Copying	\$ 3,000.00	\$ 3,000.00
25010	Lorenzo Senior Citizens	\$ 1,500.00	\$ 1,500.00
25049	TML Insurance	\$ 34,000.00	\$ 40,000.00
25051	Janitorial	\$ 2,500.00	\$ 2,500.00
25063	Telephone	\$ 3,600.00	\$ 3,600.00
25070	Utilities (Non-Electric)	\$ 7,000.00	\$ 7,000.00
25147	Common utilities	\$ 2,500.00	\$ 2,000.00
25161	Electrical Utilities	\$ 73,200.00	\$ 76,200.00
25623	Community Center	\$ 1,000.00	\$ 1,000.00
25630	Cemetery	\$ 3,000.00	\$ 3,000.00
25651	Building Repairs	\$ 10,000.00	\$ 8,500.00
25655	Property Clean up	\$ -	\$ 20,000.00
	<b>NONDEPARTMENTAL TOTAL</b>	<b>\$ 147,300.00</b>	<b>\$ 174,300.00</b>

Expense	Legislative	FY 24-25	FY 25-26
25035	Council Expenditures	\$ 1,000.00	\$ 1,000.00
25042	Council Dues & Meetings	\$ 2,500.00	\$ 2,500.00
25044	Election Expense	\$ 7,000.00	\$ 10,000.00
	<b>LegislativeTotal</b>	<b>\$ 10,500.00</b>	<b>\$ 13,500.00</b>

Expense	Water & Sewer Utilities	FY 24-25	FY 25-26
25140	Chemicals	\$ 13,000.00	\$ 15,000.00
25154	Dues & Schools	\$ 3,000.00	\$ 3,000.00
25168	Engineering Fees	\$ 1,000.00	\$ -
25175	Lab Analysis	\$ 4,000.00	\$ 4,000.00
25182	Mosquito & Pest Control	\$ 2,500.00	\$ 2,500.00
25196	Sewerplant & Collections	\$ 8,000.00	\$ 8,000.00
25203	Vehicle Expense	\$ 17,000.00	\$ 18,000.00
25205	Uniforms	\$ 6,000.00	\$ 6,000.00
25238	Water Plant & Distribution Supplies	\$ 20,000.00	\$ 20,000.00
25322	Water Utility Tools, & Equipment	\$ 21,000.00	\$ 20,000.00
25324	Equipment Maintenance	\$ 14,500.00	\$ 14,000.00
25640	Backhoe	\$ 13,000.00	\$ 13,000.00
	<b>Water &amp; Sewer Utilities</b>	<b>\$ 123,000.00</b>	<b>\$ 123,500.00</b>

Expense	Public Works	FY 24-25	FY 25-26
25301	Seal Coat Project/Paving Streets	\$ 25,000.00	\$ 40,000.00
25308	Public Works Supplies & Repairs	\$ 7,000.00	\$ 7,000.00
25323	Streets	\$ 11,400.00	\$ 10,000.00
25416	Animal Control	\$ 2,500.00	\$ 2,000.00
25636	P.W. Miscellaneous (Diesel Tank)	\$ 3,500.00	\$ 4,500.00
	<b>Public Works Total</b>	<b>\$ 49,400.00</b>	<b>\$ 63,500.00</b>



Expense	Sanitation	FY 24-25	FY 25-26
25210	Waste Disposal - Garbage	\$ 98,500.00	\$ 156,000.00
25217	Waste Disposal - Roll Off	\$ 6,000.00	\$ 6,000.00
25224	Waste Disposal - Sales Tax	\$ 8,000.00	\$ 9,000.00
	<b>Sanitation Total</b>	<b>\$ 112,500.00</b>	<b>\$ 171,000.00</b>

Expense	Law Enforcement	FY 24-25	FY 25-26
25406	Crosby County Sheriff Department	\$ 80,000.00	\$ 80,000.00
	<b>Law Enforcement Total</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>

Expense	Judicial	FY 24-25	FY 25-26
25461	State Court Expense	\$ 2,000.00	\$ 3,000.00
25472	Dues & Schools	\$ 1,000.00	\$ 1,000.00
25474	Office Software (Paid by Court Tech Fund)	\$ 3,000.00	\$ 3,500.00
25475	Office Supplies, Repairs, & Expense	\$ 500.00	\$ 1,000.00
	<b>Judicial Total</b>	<b>\$ 6,500.00</b>	<b>\$ 8,500.00</b>

Expense	Lorenzo VFD	FY 24-25	FY 25-26
25490	Building Maintenance	\$ 3,000.00	\$ 3,000.00
25497	Disability Insurance	\$ -	\$ 1,000.00
25504	Meetings & Calls	\$ 10,000.00	\$ 10,000.00
25518	Vehicle Expense	\$ 10,500.00	\$ 10,500.00
25532	Supplies & Equipment	\$ 3,000.00	\$ 5,000.00
25560	Training, Schools, & Dues	\$ 4,500.00	\$ 3,500.00
	<b>Lorenzo VFD Total</b>	<b>\$ 31,000.00</b>	<b>\$ 33,000.00</b>

Expense	Capital Outlay	FY 24-25	FY 25-26
25135	Playground Equipment	\$ -	\$ 27,000.00
25242	Ground Storage Paint & Repair	\$ 25,000.00	\$ -
25642	TxCDBG Grant	\$ -	\$ 15,000.00
25646	Coronavirus Local Fiscal Recovery	\$ 115,375.00	\$ 73,000.00
25647	Fire Hydrant Expense (help with Arpa Funds)	\$ -	\$ 9,050.00
	<b>Capitol Outlay Total</b>	<b>\$ 140,375.00</b>	<b>\$ 124,050.00</b>

Expense	Operations	FY 24-25	FY 25-26
25624	City Building Roof Repairs	\$ -	\$ -
27014	Contracts	\$ 12,000.00	\$ 13,000.00
27015	City Membership & Dues	\$ 1,000.00	\$ 1,000.00
	<b>Operations Total</b>	<b>\$ 13,000.00</b>	<b>\$ 14,000.00</b>

Expense	USDA Rural Development	FY 24-25	FY 25-26
25668	USDA Water Tower/Fire Hydrant Project	\$ -	\$ -
25669	USDA Engineering Fees	\$ -	\$ -
25671	USDA Annual Payment	\$ 18,000.00	\$ 35,565.00
	<b>USDA Rural Development Total</b>	<b>\$ 18,000.00</b>	<b>\$ 35,565.00</b>



<b>Expense</b>	<b>Payroll</b>	<b>FY 24-25</b>	<b>FY 25-26</b>
27007	Salaries	\$ 260,400.00	\$ 272,000.00
27021	TML Health Insurance	\$ 66,000.00	\$ 67,000.00
27035	TMRS Retirement	\$ 20,000.00	\$ 22,000.00
	<b>Payroll Total</b>	<b>346,400.00</b>	<b>361,000.00</b>

<b>TOTAL REVENUES</b>	<b>\$ 1,150,475.00</b>	<b>\$ 1,276,865.00</b>
<b>TOTAL EXPENSE</b>	<b>\$ 1,150,475.00</b>	<b>\$ 1,276,865.00</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>

## Ad Valorem Tax Calculations

### **Certified Totals**

**07/22/2024**

Total Net Taxable Value		\$38,659,064
Total Value of Protested Property	+	\$0.00
Transfer Adjustments		\$0.00
Total Tax Value, over 65 and disabled	-	\$0.00
<b>Adjusted Tax Value</b>	<b>=</b>	<b>\$38,659,064</b>
Projected tax rate	x	0.909170
<b>Divide by 100 = Projected Levy</b>		
<b>Projected Levy</b>	<b>=</b>	<b>\$351,477.00</b>
<b>Total Levy</b>	<b>=</b>	<b>\$351,477.00</b>

**Adopted Tax Rate** **\$0.909170**

**Budgeted Tax Levy** **\$351,477.00**