

**Honorable City Council  
City of Ivanhoe, Texas**

Members of the City Council:

Enclosed is the proposed budget for the fiscal year beginning Oct. 1, 2020 and ending Sept. 30, 2021.

**Changes in the Income Line Items:**

The small increase in our Property Tax Income portion of the budget(\$2,162) reflects a 4% increase over the Voter Approved Tax Rate for the 2021 and an anticipated decrease in the Delinquent Tax collection Penalties and Interest.

Our sales tax income has increased considerably over the past year and we are anticipating an additional significant increase for FY-2021.

The anticipated decreases in income are in the Electric Franchise, Garbage Franchise and the Municipal Court.

The overall increase in Income reflected in this proposed Budget for fiscal year 2021 is \$16,762.

We have not yet held a budget workshop and I do anticipate possible changes to this proposed budget after Council has an opportunity to discuss it in detail.

In previous years we have had funds dedicated to a Capital Improvement/Equipment Acquisition Fund. I have not included that in this budget as it is too soon to determine if there are going to be funds available for this fund. The final decision regarding this fund will be made closer to the end of FY-2020.

Ivanhoe's financial stability and growth is due in part to conservative budgeting and conservative spending. We have always come in under budget and we have maintained our fund balance (reserve) of \$108,144.53.

**The increase and decrease in Expense line items in the fiscal year 2020 budget.**

The most significant increases in our Budget expenses are in salaries. I have budgeted in increase for our Public Works employees based on the outstanding work they have performed in this Fiscal Year. I have also added an increase for the Public Works Coordinator who has so wisely guided us through our various road improvement projects this year.

I have also added a small increase in our Associate Municipal Judge's hourly rate as she has taken on a great deal more responsibility.

I have also added to the hourly rate for our Clerical Assistant and added additional hours to her schedule. She has been working diligently with TDEM to finally get the first installment for the 2015 reimbursement and is currently working on the next submission. She has also taken on Code Enforcement paperwork, is Court Clerk and assists our Marshal with reporting. She is also tracking the Covid 19 Expenses that we will be submitting for reimbursement through the Coronavirus Relief Fund.

There is a slight increase in the Marshal's budget. We currently have our Marshals working additional hours due to the Covid 19 pandemic. It looks like that will continue through December.

Two areas of significant increase are the Appraisal Fees which will increase by \$6,000 and the Auditor's Fee which will be increasing by \$6,000 due to the addition of so many accounts that have become necessary for all of the road projects we have.

I increased the Code Enforcement line item by \$3,000 which is much less than I would have liked but it was as much as I felt we could manage at this time.

The Street Maintenance line item is the most drastically reduced. This is basically the materials line item. We anticipate receiving reimbursement for additional work for the 2015 Flood Damage and that income which we cannot determine exactly at this point will be dedicated to this line item.

### **Significant Achievements for FY-2020**

As council members you are all aware of the significant amount of roadwork that has been done and is to be completed this Fiscal Year.

We elected to spend up to \$750,000 of our bond funds to do major improvements to both Chanticleer Dr and Charmaine Dr South. These are two of the streets that were on our proposed map for bond work and we determined that they were first of all, two of the roads that were in the worst condition and two that had the most traffic.

In addition to this work, we will be paving the rest of Durwood with a CDBG Grant and that work will begin in August.

Also the county is getting a Grant through GLO for Hurricane Harvey infrastructure improvements which will be dedicated to 16<sup>th</sup>, 17<sup>th</sup> and 19<sup>th</sup> Streets and Lakeview Circle.

Finally we will be raising Ivanhoe Drive where Lake Ivanhoe Dam had to be breached in order to protect the road from washing out. This work will be through a grant from the Texas Water Development Board.

As all of you know, Ivanhoe is extremely underfunded and therefore getting these grants is vital to us being able to do much needed road improvements.

**Primary Goals for FY 2021:**

We will continue to work toward funding for additional road work.

Ivanhoe has been invited to submit our grant application which we had originally submitted to TDEM for funding (the \$8,000,000 grant application) to GLO. We were told that the application had not been denied but TDEM Funds had been depleted and that funds were available through GLO.

Also, we are focusing strongly on Code Enforcement. We are especially concerned with septic system violations along with other ordinance violations.

As I mentioned earlier, Ivanhoe is extremely underfunded and therefore an area of special interest to me is Economic Development and I will be working toward that end.

**Sincerely,**

**Cathy Bennett**

