

TOWN OF COPPER CANYON, TEXAS

ORDINANCE NO. 23-007

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF COPPER CANYON, TEXAS, APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2023 THROUGH SEPTEMBER 30, 2024; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING A SAVINGS CLAUSE; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, an annual budget for the fiscal year beginning October 1, 2023, and ending September 30, 2024, has been duly created by Town of Copper Canyon, Texas, in accordance with the Texas Local Government Code; and

WHEREAS, the proposed budget was filed in the office of the Town Secretary on August 14, 2023, and the proposed budget was made available for public inspection by the taxpayers in accordance with the Texas Local Government Code; and

WHEREAS, a public hearing was held by the Copper Canyon Town Council on September 11, 2023, at which time all citizens and parties of interest were given the opportunity to be heard regarding the proposed 2023-2024 fiscal year budget; and

WHEREAS, after full and final consideration, it is the consensus of the Copper Canyon Town Council that the 2023-2024 fiscal year budget as hereinafter set forth should be approved and adopted.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF COPPER CANYON, TEXAS, THAT:

SECTION 1

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2

The annual budget for Fiscal Year 2023-2024 (attached hereto as Exhibit "A" and incorporated herein by reference the same as if set forth verbatim), including adjustments, is hereby approved and adopted.

SECTION 3

Expenditures during the 2023-2024 Fiscal Year shall be made in accordance with the budget approved herein, unless otherwise authorized by action of the Town Council,

and said budget document shall be on file for public inspection in the office of the Town Secretary.

SECTION 4

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of said Ordinances except those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

SECTION 5

If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any person or circumstance, is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of the Ordinance, and the Town Council hereby declares it would have passed such remaining portions of the Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 6

All previous budget ordinances, as amended, shall remain in full force and effect, save and except as amended by this Ordinance; and, that any expenditures made pursuant to the adoption of the same as authorized by Town Council or otherwise expended are hereby approved and ratified.

SECTION 7

The Town Secretary of the Town of Copper Canyon is hereby directed to engross and enroll this Ordinance by copying the caption and effective date clause in the minutes of the Town Council of the Town of Copper Canyon and by filing this Ordinance in the ordinance records of the Town.

SECTION 8

The necessity for making and approving a budget for the fiscal year, as required by the laws of the State of Texas, requires that this Ordinance shall take effect immediately from and after its passage, as the law in such case provides.

DULY PASSED AND APPROVED this the 25th day of September 2023.

Ron Robertson, Mayor

ATTEST:

Sheila B. Morales TRMC, Town Secretary

APPROVED AS TO FORM AND CONTENT:

Robert Hager, Town Attorney

EXHIBIT "A"

Town of Copper Canyon

Fiscal Year 2023-2024

Budget Overview

COMMUNITY PROFILE AND GENERAL INFORMATION

Copper Canyon is a small town with all the amenities of the Metroplex nearby. Copper Canyon is a spectacular combination of beautiful aesthetics and a rural atmosphere. Copper Canyon is a Type A General Law City and operates under the Mayor-Council form of Government. The elected body is made up of a Mayor and five council members elected by place. Terms of office for all Council members and the Mayor are two-year staggered terms. The Town Administrator is responsible to the Town Council and is responsible for the daily operations of the Town and implementing Town Council policy.

OVERVIEW

Standard & Poor's Ratings Services assigned its AA- long-term rating to Copper Canyon.

FINANCIAL STRUCTURE

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use and balances, of the Town's expendable financial resources and related liabilities are accounted for through governmental funds. The following are the Town's governmental funds:

General Fund:

The General Fund is to account for all revenues and expenditures not accounted for in other funds and is the principal fund for the Town. The General Fund, which is to account for resources associated with core government services, is supported by the ad valorem tax, general sales tax, franchise taxes, license and permit fees, and municipal court fines. All the programs included in the budget are justified, efficient, and serve the basic needs of the community.

Reserve Fund:

The Reserve Fund is to account for unplanned and emergency expenses that cannot be covered by the General Fund.

Interest & Sinking Fund:

The Interest & Sinking Fund is to account for the financial resources required for the payment of principal, interest, and related cost on bond notes.

Court Security & Technology Funds:

The Court Security & Technology Funds are to support the security and technology operations of the Municipal Court.

Basis for Accounting and Budgeting

Government funds follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the account period in which they become both measurable and available to finance expenditures of the fiscal period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The Comprehensive Annual Financial Report shows the status of the Town's finances based on "Generally Accepted Accounting Principles" (GAAP). The Town prepares its budget on the GAAP basis. The modified accrual basis of accounting is for all the governmental and fund type budgets.

Balanced Budget:

It is the policy of the Town to prepare a balanced budget. A balanced budget is one where the proposed expenses are less than or equal to the estimated revenues.

REVENUE SOURCES

The following information is a general description of the revenue sources for the Town of Copper Canyon's major operating funds and the assumption used to project those revenues for this budget. Most projected revenues are based on assumptions of historical data with increases and decreases associated with economic and rate changes.

General Fund:

Ad Valorem taxes – Ad Valorem taxes comprise about **51.32%** of the estimated General Fund Revenue for FY 23-24. This includes current and delinquent tax payments as well as penalties and interest. The Town's ad valorem tax rate is calculated based on the certified appraisal rolls provided by the Denton Central Appraisal District (DCAD).

A combined tax rate is adopted each year by the Copper Canyon Town Council (a) for the use and support of the Town's General Fund (referred to as the maintenance and operations rate) and (b) to finance the Town's Debt Service Fund (referred to as interest and sinking fund) for payment of annual principal and interest due to outstanding general indebtedness.

Ad Valorem taxes are due on or before January 31 of the next calendar year. Projections for delinquent tax revenues are those collected after January 31 and are based on conservative prior years' experience, as well as interest and penalties on delinquent ad valorem taxes.

Sales tax- The Town's 1 cent share of all local taxable sales is remitted by merchants to the State Comptroller's Office and then distributed to the Town monthly. Our economic outlook is conservative for the upcoming fiscal year. We are projecting an increase in sales tax due to growth in town.

Utility Franchise Fees- A percentage of local gross receipts remitted to the Town by each privately owned utility (electric, telephone, gas, waste and recycling collection, and cable) providing services to Copper Canyon citizens for their use of the Town's right-of-way. This can be the right-of-way used by the companies for their utility lines or the use of the streets for their vehicles. Revenues are based on terms of a franchise agreement between the Town and the utility. Most of the franchise revenue is based on a percentage of gross revenue from the utilities.

Permits, Licenses and Inspections – This includes construction permit fees and contractor registrations fees.

Municipal Court Fines – This includes fines levied for misdemeanor offenses occurring within the Town.

Copper Canyon Crime Control and Prevention District - Used to fund public safety operations in the Town of Copper Canyon.

Municipal Court Security Fee - This fee is collected from defendants convicted of a misdemeanor offence. Funds can only be used for purposes that provide security for the operations of the municipal court. Projections are based on traffic citation estimates.

Municipal Court Technology Fee - This fee is collected from defendants convicted of a misdemeanor offense. Funds can only be used for the purpose that provides or maintain technological enhancements for the operation of the municipal court. Projections are based on traffic citation estimates.

BUDGETARY SYSTEM AND PROCESS

The Texas Local Government Code requires the Budget Officer to prepare a municipal budget to cover the proposed expenditures of the municipal government for the succeeding year. Per state law, the Mayor of a municipality serves as the budget officer for the governing body. The budget officer shall itemize the budget to allow as clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes made for the preceding year.

Town Administrator