City Council
City of Hillsboro, Texas
Budget Workshop
July 26, 2022

The Hillsboro City Council and City Staff conducted a City Council Budget Workshop on Tuesday, July 26, 2022. The meeting was held at Historic City Hall, 127 E. Franklin Street in Hillsboro, Texas at 6:00 p.m.

Mayor Pro Tem Scott Johnson called the Budget Workshop to order at 6:04 p.m.

Present were:
Scott Johnson, Mayor Pro Tem
Dana Robinson, Councilmember
Tony Cain, Assistant City Manager
Dale Snyder, Dir. of Finance/HR
Art Mann, Eco. Dev. Administrator
Christi Ward, Admin. Assistant
Karen S. Warren, City Secretary

Others present:
Shannon Cottongame, Reporter

Mayor Andy Smith and Councilmembers Eric Fleming, Larry Lloyd, Frances Zarate and Leann Richmond were absent.

Hear a Presentation and Deliberate on a Report by the Finance Director Concerning Preliminary Budget Projections.
Finance Director Dale Snyder provided Council a draft budget summary at the workshop which included various aspects of the 2022-2023 budget for funds including: General, Debt Service, Water/Wastewater, Sanitation, Airport, EDC, Tourism, Hotel/Motel and Forfeiture. Mr. Snyder conducted the presentation and Assistant City Manager Tony Cain was also present at the workshop to answer questions.

The Hill County Appraisal District's Certification of the Appraisal Roll was available. Also, the renewal proposal from (BCBS) Blue Cross Blue Shield (which currently provides coverage for Employee Health Insurance) and AmFirst was available at the time when Council was given the draft budget.

Highlights of the Budget Summary: (In the GENERAL COMMENTS section) There was an increase in personnel expenses based on a 3% increase across the board; TMRS (Texas Municipal Retirement System) rates increased from 11.60% to 12.42% for fiscal year 2023; health insurance was budgeted at an increase of 12% and dental insurance budgeted at a 5% increase. The 2022 estimated levy increased 15.88% compared to 4.13% in the prior year. The increase and our debt service requirement allows the City to maintain the 0.8064% tax rate. The estimated increase of 5.9% in sales tax revenue to $3,600.000.

AIRPORT FUND: There was an increase in airport fuel sales based on FY2022 actuals and an increase in LL Fuel expense based on current market trends. There was a capital outlay of $50,000 ($30, 000 for TxDOT match), ($20,000 for a new credit card system) and ($20,000 for a new carport).

GENERAL FUND (no mention specifically)

REVENUE

- Decrease in Police fines and CMV fines due to court collections and ticket volume.
- Decrease in EMS collections based on collections in 2022.
- Increase in Franchise taxes based on 2022 activity.
- Increase in permitting fees based on 2022 activity.
- Increase in ARPA fund revenue deferred in 2022.

EXPENDITURE

- Fuel expense increased due to market conditions for all departments.
- Increase in general liability insurance based on TML rates.
- Broke out City Secretary from Administration to better track expenditures.
- Streets – Capital expenditure for a maintainer purchase to be made with anticipated capital lease.
- Police – Capital expenditure for new radio system ($404,000), new Flex & WatchGuard system ($400,000), Five new Tahoes ($199,000), Equipping Tahoes ($259,000). Purchase to be made with anticipated capital lease.
- Recreation – New fencing $64,000. Boys and Girls Club support $30,000.
- Main Street Department – Added Main Street as a general fund department to better track expenditures and changed Main Street fund to Tourism Fund.

SANITATION FUND

Republic increased rates 3.53% in FY 2022, estimated increase to be around 4% for 2023.

WATER/WASTEWATER FUND

- Annual requirement for water in FY 2023 is 8.6% higher than FY 2022, prior years' increase was 2.5%
- In 2023, we have broken out the Treatment Plant to its own department to better track expenditures.

HOTEL/MOTEL

- Increase in Hotel/Motel Occupancy tax.

EDC FUND

- EDC budget will be provided upon approval by the EDC board.

DEBT SERVICE FUND

- Current Ad Valorem taxes set at 95% collection rate.

TOURISM FUND

- Old Main Street Fund used to account for Tourism events and transfers from Hotel/Motel Fund.

FORFEITURE FUNDS

- Funds used to account for discretionary funds of the Department of Public Safety.

The workshop was for presentation purposes and no action was taken by the Council. With no further questions from Council, the workshop was adjourned at 6:42 p.m.

Andrew L. Smith, Mayor

ATTEST:

Karen S. Warren, City Secretary

Note:

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