

City Council
City of Hillsboro, Texas
Budget Workshop
August 15, 2023

The Hillsboro City Council and City Staff conducted a City Council Budget Workshop on Tuesday, August 15, 2023. The meeting was held at Historic City Hall, 127 E. Franklin Street in Hillsboro, Texas at 5:00 p.m.

Mayor Johnson called the Budget Workshop to order at 5:06p.m.

Present were:

Scott Johnson, Mayor
Leann Richmond, Mayor Pro Tem
Larry Lloyd, Councilmember
Dana Robinson, Councilmember
Frances Zarate, Councilmember
Jay Jolly, Councilmember

Megan Henderson, City Manager
Tony Cain, Asst. City Manager
Dale Snyder, Finance/HR Director
Jasmine Guy, City Secretary
Christi Ward, Commun. & Exec. Assistant

Others present;

Shannon Cottongame, Reporter

Councilmember Eric Fleming was absent.

(Agenda Item)

Hear a Presentation and Deliberate on a Report by the City Manager and the Finance Director Concerning Preliminary Budget Projections.

Finance Director Snyder provided council with a draft budget summary at the workshop which included various aspects of the 2023-2024 budget for funds including: General, Debt Service, Water/Wastewater, Sanitation, Airport, EDC, Tourism, Hotel/Motel and Forfeiture. Finance Director, Dale Snyder gave the presentation. City Manager Megan Henderson and Asst. City Manager, Tony Cain were also present to answer any questions.

Finance Director Snyder began with general comments. There were some significant discrepancies needing to be addressed regarding salaries and positions. 3% raises were given to emergency personnel, public works, animal control, and fire and police staff. Blue Cross Blue Shield (BCBS) will continue to provide health insurance for all employees and BCBS has partnered with Colonial Life regarding worksite benefits. No changes were made to the medical, dental, or vision plans, but rates increased by 2%. TMRS (Texas Municipal Retirement System) rates decreased from 12.42% to 11.46% for the fiscal year. The 2023 estimated levy was calculated at 13.54%. The tax rate will continue be maintained at the same rate as the previous year of 0.8064%. Sales tax revenue for the fiscal year is projected to exceed the budgeted amount by \$1,341,325 or 36%. The certified roll shows taxable value is up 7.5% from last year.

A discussion was held regarding employee morale and satisfaction, City Manager Henderson provided commentary expressing praise to Chief Tony Cain for being able to create and lead a team consisting of devoted committed professionals. Councilmember Robinson ask Chief Tony Cain about the morale at the Police Department. Chief Cain expressed that the morale is good and there has been an increase with the number of people who are interested in joining HPD from other surrounding agencies.

AIRPORT FUND: (no mention specifically)

GENERAL FUND: (no mention specifically)

REVENUE:

- Increase in Franchise Taxes, \$127,000. Mainly from Atmos and Oncor.

EXPENDITURES:

- Overall increase in expenditures.
- The purchase of 3 PD vehicles are to be made with anticipated capital lease. Deferred debt service payments until 2025.
- Human Resources was broken out from Finance to better track expenditures.
- A budget will remain for Main Street Department Director.

SANITATION FUND: (no mention specifically)

WATER/WASTEWATER FUND:

- In comparison to the amount being paid to Aquilla for water, Citizens are currently being undercharged for water usage at about \$1 per \$1,000 gallons.
- The rate at which water is being used by citizens has increased from 8% to 14%.
- Water rates are not keeping up with cost of service which is causing a loss to the City.
- Water rates will need to increase to keep up with the cost of service.
- Look into developing a different strategy for water rates depending on citizen's use.
- The last increase in water rates was completed in 2019.
- A future water project needs to be developed to assess and start tracking water losses.
- Recommended for Citizens need to be notified when Aquilla reports a rate increase in efforts of having citizens be more informed to produce more mindfulness of water consumption and usage.
- Wide-spread water conservation.
- Continuous reading of meters.

HOTEL/MOTEL:

- Continuous increase in occupancy tax.

EDC FUND:

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- Fund not yet balanced.

DEBIT SERVICE FUND:

- Current Ad Valorem taxes set at 97% collection rate.

TOURISM FUND:

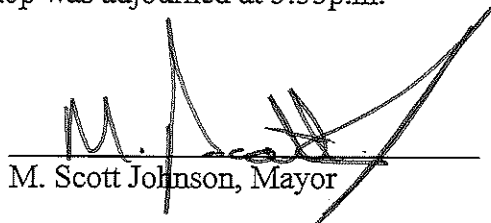
- Budgeting for \$88,000.

FORFEITURE FUNDS: (no mention specifically)

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 5:55p.m.

ATTEST:


Jasmine Guy, City Secretary


M. Scott Johnson, Mayor

Note:

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