

City Council
City of Hillsboro, Texas
Minutes of Budget Workshop
August 6, 2024

The Hillsboro City Council and City Staff conducted a City Council Budget Workshop on Tuesday, August 6, 2024. The meeting was held at Historic City Hall, 127 E. Franklin Street in Hillsboro, Texas at 7:30p.m.

Mayor Johnson called the meeting to order at 7:25p.m.

Present were:

Scott Johnson, Mayor	Megan Henderson, City Manager
Dana Robinson, Councilmember	Tony Cain, Asst. City Manager
Eric Fleming, Councilmember	Dale Snyder, Finance Director
Leann Richmond, Mayor Pro Tem	Jasmine Guy, City Secretary
Jay Jolly, Councilmember	Frances Zarate, Councilmember
Larry Lloyd, Councilmember	
Christi Ward, Communications & Executive Assistant	

(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 2024-2025 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. Majority of employees will receive a 1.5% pay increase. The recent change in insurance carriers will result in an approximate savings of \$250K. The secondary insurance will be removed that will result in lower deductibles. TMRS (Texas Municipal Retirement System) rates decreased from 11.42% to 10.79% for the fiscal year 2025. The 2024 certified levy increased 8.47%. The tax rate will continue be maintained at the same rate as the previous year of 0.8064%. M & O rate proposed at 0.6813 and I & S at 0.12510.

AIRPORT FUND:

- Minimal changes in overall budget
- City share of Airport expansion project will be funded by loan proceeds. Timeline for project is unknown at this time.

GENERAL FUND: (no mention specifically)

REVENUE:

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- Increase in ad valorem taxes of approximately \$600k
- Increase in sales tax of \$75k
- Decrease in governmental for ARPA funds recognized in prior year
- Charges for service increased by \$133k
- Total general fund revenues increased \$420k

EXPENDITURES:

- Capital expenditures include safety items for police department, dispatch stations for police department, new software funded by capital lease for Finance and Human Resources, and emergency equipment for fire department
- Overall budgeted expenditures increased by \$370k
- Several capital lease obligations paid off in 2024
- \$25k budgeted for comprehensive plan and \$30k for Park's plan.

SANITATION FUND:

- Republic increased rates by 7% in FY 2024

WATER/WASTEWATER FUND:

- Annual requirements for water in FY 2025 is 33% higher than FY 2024, based on Aquilla projections.
- Water rate increases passed by Council to cover these increases. Last increase in 2019. Increase to fund infrastructure repairs, an additional water crew and offset prior deficits within the fund.
- Budgeted \$50k for impact fees from new developments
- Increase in maintenance within treatment plant

HOTEL/MOTEL:

- Increase in capital outlay for improvements at HCH
- Budgeted \$5k for support of the Cell Block Museum

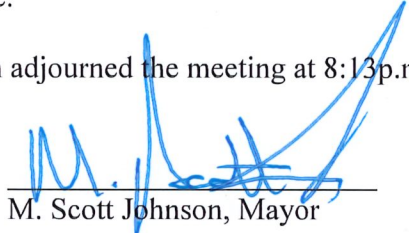
EDC FUND:

- EDC budget will be provided upon approval by EDC board

DEBIT SERVICE FUND:

Current Ad Valorem taxes set at 95% collection rate.

With no further business to address, Mayor Johnson adjourned the meeting at 8:13p.m.


M. Scott Johnson, Mayor

ATTEST:


Jasmine Guy, City Secretary

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