



ADOPTED BUDGET FISCAL YEAR 2017-2018



VILLAGE OF THE HILLS
ADOPTED ANNUAL BUDGET
FISCAL YEAR 2017-2018

MAYOR

Eric B. Ovlen

MAYOR PRO TEM

J.R. Smith

ALDERMEN

Hilda Potsavich, Secretary

Jim Nelson, Treasurer

Robert Smith

George Spencer

VILLAGE MANAGER

Wendy L. Smith

VILLAGE SECRETARY

Linda Lunney

BOOKKEEPER

Beth Caccamisi

RECEPTIONIST

Megan Meehan

PROPERTY TAX SUMMARY

This budget will raise more total property taxes than last year's budget by an amount of \$10,385, which is a 4.16% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,546.

Record Votes:

Adoption of the FY 17-18 Budget

Mayor Eric B. Ovlen	Yes
Mayor Pro Tem J.R. Smith	Yes
Alderman Hilda Potsavich	Yes
Alderman Jim Nelson	Yes
Alderman Robert Smith	Yes
Alderman George Spencer	Yes

Adoption of the FY 17-18 Tax Rate

Mayor Eric B. Ovlen	Yes
Mayor Pro Tem J.R. Smith	Yes
Alderman Hilda Potsavich	Yes
Alderman Jim Nelson	Yes
Alderman Robert Smith	Yes
Alderman George Spencer	Yes

The Village property tax rates for the current fiscal year and upcoming fiscal year are as follows:

	<u>FY 16-17</u>	<u>FY 17-18</u>
Adopted Tax Rate	0.0600	0.0600
Effective Tax Rate	0.0574	0.0566
Effective M&O Tax Rate	0.0820	0.0806
Roll Back Rate	0.0638	0.0611
Debt Rate	0.0000	0.0000

Submitted in compliance with Texas Local Government Code §102.005(b)

October 1, 2017

Honorable Mayor, Aldermen, and Residents:

Attached is the balanced budget for Fiscal Year 2017-2018 which was adopted on September 12, 2017. Each line item was evaluated on the criteria identified in the Village's mission statement: quality of life, safety, and continuing improvement of property values. The overall budget was designed to be the most effective value proposition for our residents, which is also the Village's guiding principle.

Each fund, plus a Five Year Capital Improvement Plan, is represented in the budget.

GENERAL FUND

General Fund revenue reflects an ad valorem tax rate remaining at \$.06 per \$100 valuation for the third straight year. Proposed revenue from property taxes is \$259,933. The Additional Sales Tax for Ad Valorem Reduction is budgeted at \$114,300, which is 2% over the current year budget but 4.5% less than projected actuals for FY 16-17. Street Maintenance Sales Tax is accounted for in its own Fund.

Total General Fund revenue in the proposed FY 17-18 budget is \$553,633.

Budgeted Expenses are up 1.7% relative to the FY 16-17 adopted budget. Notable changes include: an adjustment to the Interlocal Agreement with Hurst Creek MUD, a full twelve months of salary and benefits for the Village Manager, and the cooperative purchase of financial/billing software with HCMUD. Previously unbudgeted special event costs were included, as well as funding for the creation of a dog park if the project receives final approval upon completion of the public participation process. \$16,000 in revenue for sponsorships/matching funds is budgeted for HillsFest/JazzFest and the Dog Park.

SOLID WASTE MANAGEMENT FUND

On July 11, 2017, the Mayor and Board of Aldermen approved staff's recommendation to increase solid waste collection fees from \$18 to \$20 per month. In addition to paying for a rate increase from the contracted hauler, the new fee will allow the Village to build reserves. Reserves 1) provide the ability to mitigate customer fee increases if hauler rates rise significantly during a new contract period or if bids are solicited, 2) allow for more accurate reimbursements to the General Fund for administrative or labor services, 3) position the Village for a higher level of participation in the Regional Household Hazardous Waste Facility, and 4) establish a funding source for windstorm recovery. Another expense covered by the new rate will be the cooperative purchase of billing and accounting software with Hurst Creek MUD. Transfers out to the General Fund for personnel reimbursement and the software purchase total \$18,000.

STREET MAINTENANCE SALES TAX FUND

In the prior fiscal year, Street Maintenance Sales Taxes were categorized as unbudgeted revenue. The proposed FY 2017-2018 budget contains both revenues and expenditures.

CAPITAL IMPROVEMENT PLAN

The Capital Improvements Plan (CIP) is a five-year planning document adopted annually by the Board of Aldermen to plan for capital improvements related the Village's infrastructure. Projects identified in the CIP will be considered for funding each year as part of the budget process.

A capital project is defined as having a minimum cost of \$25,000 and resulting in:

1. Creation of a new fixed asset.
2. Enhancement to an existing fixed asset.

Typically the life expectancy of a capital project is 20 years.

NEW AND ONGOING PROGRAMS

Among the projects programmed this year is adoption of the Village's first Strategic Plan. The Strategic Plan will serve as an important tool for future fiscal years. Additionally, development of the walking trail and a potential dog park, common area maintenance, and continuing an effective public safety program are all high priorities. Core services will continue to be delivered in an efficient and professional manner.

It is my honor to present a budget document which I believe meets the policy goals you have articulated as elected representatives of the Village of The Hills. I extend my sincere appreciation to you and the staff for the hours of thoughtful deliberation involved in assembling a final budget. The adopted budget will be published on the Village website.

Respectfully submitted,



Wendy L. Smith
Village Manager

VILLAGE OF THE HILLS
GENERAL FUND BUDGET SUMMARY FY 2017-2018

	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Adopted Budget FY 2017-18
Adopted Tax Rate	0.0600	0.0600	0.0600	0.0600
Effective Tax Rate	0.0574	0.0574	0.0574	0.0566
Effective M&O Tax Rate	0.0820	0.0820	0.0820	0.0806
Roll Back Tax Rate	0.0638	0.0638	0.0638	0.0611
I&S Tax Rate	0.0000	0.0000	0.0000	0.0000
BEGINNING UNASSIGNED FUND BALANCE - GENERAL FUND	\$ 201,960	\$ 201,960	\$ 201,960	\$ 234,293
REVENUES				
Franchise Fees	\$ 143,830	\$ 143,830	\$ 143,830	\$ 145,000
Ad Valorem Taxes	\$ 249,651	\$ 249,651	\$ 247,000	\$ 259,933
Sales Tax	\$ 111,900	\$ 111,900	\$ 119,000	\$ 114,300
Development Fees/Permits	\$ 800	\$ 800	\$ -	\$ 400
Grants and Sponsorships	\$ -	\$ -	\$ -	\$ 16,000
Transfers In - Solid Waste Fund	\$ 9,000	\$ 9,000	\$ 9,000	\$ 18,000
Non-Departmental	\$ -	\$ -	\$ 300	\$ -
TOTAL REVENUES	\$ 515,181	\$ 515,181	\$ 519,130	\$ 553,633
EXPENDITURES				
Administration	\$ 13,764	\$ 90,493	\$ 92,348	\$ 137,274
Contracted Services	\$ 353,689	\$ 247,161	\$ 242,429	\$ 221,407
Common Areas	\$ 97,580	\$ 97,580	\$ 79,705	\$ 89,600
Parks	\$ 38,315	\$ 38,315	\$ 38,315	\$ 63,315
Youth Advisory Commission	\$ 5,000	\$ 5,000	\$ 1,000	\$ 5,000
Non-Departmental	\$ 5,400	\$ 30,000	\$ 33,000	\$ 6,000
TOTAL EXPENDITURES	\$ 513,748	\$ 508,549	\$ 486,797	\$ 522,596
Revenue Over (Under) Expenditures	\$ 1,433	\$ 6,632	\$ 32,333	\$ 31,037
ENDING UNASSIGNED FUND BALANCE - GENERAL FUND	\$ 203,393	\$ 208,592	\$ 234,293	\$ 265,330

VILLAGE OF THE HILLS
GENERAL FUND BUDGET 2017-2018

REVENUES

Account No.	Description	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Adopted Budget FY 2017-18
Franchise Fees					
	PEC	\$ 24,800	\$ 24,800	\$ 24,800	\$ 25,000
	AT&T	\$ 32,930	\$ 32,930	\$ 32,930	\$ 33,000
	TW/Spectrum	\$ 34,200	\$ 34,200	\$ 34,200	\$ 35,000
	City of Austin	\$ 51,900	\$ 51,900	\$ 51,900	\$ 52,000
	Total Franchise Fees	\$ 143,830	\$ 143,830	\$ 143,830	\$ 145,000
Ad Valorem Taxes					
	Total Ad Valorem Taxes	\$ 249,651	\$ 249,651	\$ 247,000	\$ 259,933
Sales Tax					
	Addtl Sales Tax	\$ 103,200	\$ 103,200	\$ 110,000	\$ 105,300
	MixBev Sales Tax	\$ 8,700	\$ 8,700	\$ 9,000	\$ 9,000
	Total Sales Taxes	\$ 111,900	\$ 111,900	\$ 119,000	\$ 114,300
Development Fees/Permits					
	Replat Fees	\$ 800	\$ 800	\$ -	\$ 400
	Total Dev Fees	\$ 800	\$ 800	\$ -	\$ 400
Grants and Sponsorships					
	Dog Park Sponsorships	\$ -	\$ -	\$ -	\$ 10,000
	HillsFest/JazzFest Sponsorships	\$ -	\$ -	\$ -	\$ 6,000
	Total Grant and Sponsorship Revenue	\$ -	\$ -	\$ -	\$ 16,000
	Non-Departmental	\$ -	\$ -	\$ 300	\$ -
	Total Non-Departmental	\$ -	\$ -	\$ 300	\$ -
Transfers In					
	Solid Waste Fund	\$ 9,000	\$ 9,000	\$ 9,000	\$ 18,000
	Total Transfers In	\$ 9,000	\$ 9,000	\$ 9,000	\$ 18,000
TOTAL REVENUES		\$ 515,181	\$ 515,181	\$ 519,130	\$ 553,633

VILLAGE OF THE HILLS
GENERAL FUND BUDGET 2017-2018

EXPENDITURES

Account No.	Description	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Adopted Budget FY 2017-18
Administration					
	Salaries	\$ -	\$ 58,500	\$ 60,000	\$ 81,100
	Federal Taxes	\$ -	\$ 4,500	\$ 4,700	\$ 6,000
	Unemp Taxes	\$ -	\$ 9	\$ 9	\$ 9
	Health Insurance	\$ -	\$ 5,440	\$ 5,440	\$ 8,975
	TMRS	\$ -	\$ 3,780	\$ 3,780	\$ 5,040
	Car Allowance	\$ -	\$ 4,500	\$ 4,500	\$ 6,000
	Performance Bonds	\$ 150	\$ 150	\$ 390	\$ 400
	Insurance Premiums	\$ 2,200	\$ 2,200	\$ 2,500	\$ 2,750
	Legal Notices/Pub	\$ 500	\$ 500	\$ 200	\$ 500
	Membership Fees	\$ 1,185	\$ 1,185	\$ 2,800	\$ 4,000
	Office Supplies	\$ 3,600	\$ 3,600	\$ 3,000	\$ 3,600
	Equipment Purchases	\$ 900	\$ 900	\$ 500	\$ 900
	Computer/Office Equipment	\$ 2,485	\$ 2,485	\$ 2,485	\$ 2,500
	Resident Communications	\$ 500	\$ 500	\$ 500	\$ 1,000
	Telecommunications	\$ 2,100	\$ 2,100	\$ 1,400	\$ 600
	Postage	\$ 144	\$ 144	\$ 144	\$ 400
	Training and Travel	\$ -	\$ -	\$ -	\$ 3,000
	Software with HCMUD	\$ -	\$ -	\$ -	\$ 10,500
	Total Administration	\$ 13,764	\$ 90,493	\$ 92,348	\$ 137,274
Contracted Services					
	Emergency Management	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Interlocal HCM	\$ 220,650	\$ 114,122	\$ 114,122	\$ 90,000
	Law Enforcement	\$ 98,757	\$ 98,757	\$ 93,757	\$ 98,757
	Legal/Professional	\$ 21,000	\$ 21,000	\$ 21,000	\$ 18,000
	Tax Collection	\$ 532	\$ 532	\$ 800	\$ 900
	Audit	\$ 5,750	\$ 5,750	\$ 5,750	\$ 6,000
	Elections	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,750
	Total Contracted Services	\$ 353,689	\$ 247,161	\$ 242,429	\$ 221,407

VILLAGE OF THE HILLS
GENERAL FUND BUDGET 2017-2018

Account No.	Description	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Proposed Budget FY 2017-18
Common Areas					
	Improvements	\$ 13,000	\$ 13,000	\$ 3,000	\$ 13,000
	Mowing & Maintenance	\$ 51,750	\$ 51,750	\$ 51,750	\$ 52,000
	Fence Maintenance	\$ 5,000	\$ 5,000	\$ -	\$ 10,000
	Wildfire Mitigation	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Walking Trail Repairs & Maint	\$ 14,000	\$ 14,000	\$ 14,355	\$ 2,000
	Facilities Maintenance	\$ 3,000	\$ 3,000	\$ 2,000	\$ 3,000
	Wildlife Management	\$ 600	\$ 600	\$ 100	\$ 600
	Signage	\$ 2,400	\$ 2,400	\$ 500	\$ 1,000
	ROW Irrigation	\$ 2,830	\$ 2,830	\$ 3,000	\$ 3,000
	Total Common Areas	\$ 97,580	\$ 97,580	\$ 79,705	\$ 89,600
Parks					
	Parks O&M	\$ 37,315	\$ 37,315	\$ 37,315	\$ -
	Park Improvements	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
	Capital Improvements	\$ -	\$ -	\$ -	\$ 20,000
	Maintenance	\$ -	\$ -	\$ -	\$ 27,775
	Events	\$ -	\$ -	\$ -	\$ 12,000
	Utilities	\$ -	\$ -	\$ -	\$ 3,540
	Non-Departmental	\$ -	\$ -	\$ -	\$ -
	Total Parks	\$ 38,315	\$ 38,315	\$ 38,315	\$ 63,315
Youth Advisory Commission					
	Youth Advisory Commission	\$ 5,000	\$ 5,000	\$ 1,000	\$ 5,000
	Total Youth Advisory Commission	\$ 5,000	\$ 5,000	\$ 1,000	\$ 5,000
	Non-Departmental (formerly Contingency)	\$ 5,400	\$ 30,000	\$ 33,000	\$ 6,000
	Total Non-Departmental	\$ 5,400	\$ 30,000	\$ 33,000	\$ 6,000
TOTAL EXPENDITURES		\$ 513,748	\$ 508,549	\$ 486,797	\$ 522,596

VILLAGE OF THE HILLS
SOLID WASTE FUND BUDGET 2017-2018

Account No.	Description	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Adopted Budget FY 2017-18
REVENUES					
	Solid Waste Revenue	\$ 228,780	\$ 228,780	\$ 221,625	\$ 252,000
	Total Revenue	\$ 228,780	\$ 228,780	\$ 221,625	\$ 252,000
EXPENDITURES					
	Contracted Hauler	\$ 194,682	\$ 194,682	\$ 194,446	\$ 198,520
	Canine Refuse Stations	\$ 9,600	\$ 9,600	\$ 8,790	\$ 9,600
	Miscellaneous	\$ 600	\$ 600	\$ 600	\$ 600
	Dead Animal Pick Up	\$ 360	\$ 360	\$ 100	\$ 360
	Bank Service Charges	\$ 1,020	\$ 1,202	\$ 700	\$ 800
	Hazardous Waste Facility	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Transfer Out-General Fund: Personnel	\$ 9,000	\$ 9,000	\$ 9,000	\$ 11,000
	Transfer Out-General Fund: Software	\$ -	\$ -	\$ -	\$ 7,000
	Total Expenditures	\$ 220,262	\$ 220,444	\$ 218,636	\$ 232,880

VILLAGE OF THE HILLS
STREET MAINTENANCE FUND BUDGET 2017-2018

REVENUES

Account No.	Description	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Adopted Budget FY 2017-18
	Street Maintenance Sales Tax	\$ -	\$ 48,000	\$ 48,000	\$ 48,000
	Total Revenue	\$ -	\$ 48,000	\$ 48,000	\$ 48,000

EXPENDITURES

	Walking Trail/Roadway Support	\$ -	\$ 35,000	\$ 35,000	\$ 40,000
	Total Expenditures	\$ -	\$ 35,000	\$ 35,000	\$ 40,000

VILLAGE OF THE HILLS
 CAPITAL IMPROVEMENT PLAN
 2018-2022

Project Description	Source of Funds	Fiscal Year					TOTAL
		18	19	20	21	22	
Walking Trail	Sales Tax	\$ 40,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 232,000
Dog Park	GF/Donations	\$ 20,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 25,000
Total		\$ 60,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 53,000	\$ 257,000