



# FISCAL YEAR 2020 - 2021 PROPOSED BUDGET



**Photo courtesy of Rollie Waters** Location – His backyard garden in The Hills

VILLAGE OF THE HILLS PROPOSED ANNUAL BUDGET  
FISCAL YEAR 2020-2021

**MAYOR**

George Spencer

**CITY COUNCILMEMBERS**

Hilda C. Potsavich

Robert Smith

Jim Nelson

Zachary Carroll

Rodney Thompson

CITY MANAGER

Wendy Smith May

CITY SECRETARY

Linda Lunney

BOOKKEEPER

Beth Caccamisi

ADMINISTRATIVE ASSISTANT

Megan Meehan

## PROPERTY TAX SUMMARY

This budget will raise less total property taxes than last year's budget by an amount of \$4,005, which is a .85% decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,946.

### Record Votes:

Adoption of the FY 20-21 Budget

Mayor George Spencer

City Councilmember Hilda C. Potsavich

City Councilmember Robert Smith

City Councilmember Jim Nelson

City Councilmember Zachary Carroll

City Councilmember Rodney Thompson

Adoption of the FY 20-21 Tax Rate

Mayor George Spencer

City Councilmember Hilda C. Potsavich

City Councilmember Robert Smith

City Councilmember Jim Nelson

City Councilmember Zachary Carroll

City Councilmember Rodney Thompson

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

	<u>FY 19-20</u>	<u>FY 20-21</u>
Adopted Tax Rate	0.1000	0.1000
No New Revenue Tax Rate	0.0959	0.0995
No New Revenue M&O Tax Rate	0.1162	0.1267
Voter Approval Tax Rate	0.1007	0.1018
Debt Rate	0.0000	0.0000

August 24, 2020

Honorable Mayor and City Council:

A balanced budget for Fiscal Year 2020-21 is submitted for your consideration. Each line item was evaluated on the criteria identified in the Village's mission statement: quality of life, safety, and continued 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 proposed budget.

#### GENERAL FUND

General Fund revenue reflects an ad valorem tax rate of \$0.10 per \$100 valuation, the same as FY 19-20 as recommended by the Budget Committee. Proposed revenue from property taxes is \$469,155, a decrease from the current year. FY19-20 sales tax estimates exceed budget expectations by 32%. An increase of 8.75% over this year's adopted sales tax budget is proposed; however, in anticipation of the pandemic's effect on fiscal indicators, the proposed adjustment is \$35,000 less than total sales taxes collected this fiscal year.

Total General Fund revenue in the proposed FY 20-21 budget is \$758,055.

New or expanded programs include wildfire mitigation, greenbelt mapping and maintenance, and design and/or construction of the walking trail. The Constable's office indicated significant increases to the Interlocal Agreement for FY 20-21 due to legislative revenue caps. An estimated increase of 10% is included, pending final communication from Travis County. A 2% increase for the MUD Interlocal is proposed in accordance with the contract terms, but the overall amount was reduced due to cost savings from contracting irrigation services.

Budgeted expenditures total \$746,869.

#### SOLID WASTE MANAGEMENT FUND

The City Council successfully negotiated new and expanded services in 2019, including quarterly curbside bulky waste collection, collection of extra bags during weekly service, and complaint resolution with the hauler to include penalties and other remedies.

Funded operations are similar to the current budget, including participation in the regional Household Hazardous Waste Facility, support of the canine refuse stations, and allocated expenses for personnel and financial/billing software. Staff recommends the monthly rate of \$22.00 remain the same.

Revenue is budgeted to exceed expenses by \$12,178.

#### CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan (CIP) is a five-year planning document adopted annually by the City Council 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. Pursuant to previous budget workshops, the walking trail and park playground and surface have been prioritized in the CIP for the next five years.

## CAPITAL PROJECTS FUND

Staff recommends transferring \$184,000 from General Fund to the Capital Projects Fund for FY 20-21. Professional services and construction in the amount of \$184,000 have been budgeted, anticipating approval of the next design phase in the new fiscal year.

## NEW AND ONGOING PROGRAMS

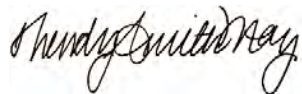
The global COVID-19 pandemic has presented its share of challenges this year; however, community services continue to be delivered and regional collaboration is evident. During FY 19-20 the City Council fulfilled numerous major policy objectives, including construction of .75 miles of walking trail utilizing the Capital Projects Fund, wildfire mitigation in 9 acres of greenbelts, codification of the City's ordinances, improved resident communication, website content optimization, and record-breaking attendance at HillsFest 2019. Staff focused on moving the walking trail project forward, while delivering core services in an efficient and professional manner.

This was the first year for new independent audit services and a depository bank agreement. Municipal funds were invested in TexPool, in compliance with the City's Investment Policy. Staff continued to improve the Village's business processes, aligning with the City Council's prudent fiscal philosophies.

In FY 20-21 the walking trail project will continue to be prioritized in terms of time and funding. Engineered design is anticipated to occur in the first half of the fiscal year. Construction phasing will be recommended based on cost estimates and evaluation of the segments most critical for pedestrian safety. Additionally, approximately 30 acres of greenbelts will be evaluated and placed on a wildfire mitigation schedule.

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 proposed budget. The proposed budget will be on file with the City Secretary and on the website during the 30 days preceding the public hearing on the budget and tax rate in September.

Respectfully submitted,



Wendy Smith May  
City Manager

**GENERAL FUND SUMMARY**

	Actual	Adopted	Projected	Proposed	Difference
<b>FUND: GENERAL</b>	FY18-19	FY19-20	FY19-20	FY20-21	FY19-20 to 20-21
Adopted Tax Rate	0.1000	0.1000	0.1000	0.1000	
No New Revenue Tax Rate	0.0574	0.0959	0.0959	0.0995	
No New Revenue M&O Tax Rate	0.0841	0.1162	0.1162	0.1267	
Voter Approval Rate adjusted for sales tax	0.0908	0.1007	0.1007	0.1018	
Debt Rate	0.0000	0.0000	0.0000	0.0000	
De Minimus Rate	N/A	N/A	N/A	0.2332	
<b>BEGINNING UNASSIGNED FUND BALANCE</b>	284,675	438,101	453,152	543,731	
<b>REVENUES</b>					
Ad Valorem Taxes	451,609	473,160	468,000	469,155	
Franchise Fees	137,495	129,000	127,500	126,000	
Sales Tax	189,329	148,500	196,601	161,500	
Development Fees/Permits	1,800	1,400	300	500	
Grants and Sponsorships	21,110	8,200	-	-	
Other	3,089	-	400	400	
Investment Income	296	1,000	4,250	500	
Other Sources & Uses	15,000	15,000	15,000	-	
<b>TOTAL REVENUES</b>	<b>819,728</b>	<b>776,260</b>	<b>812,051</b>	<b>758,055</b>	<b>(18,205)</b> <b>-2.35%</b>
<b>EXPENSES</b>					
Administration	161,032	177,059	172,759	174,519	
Contracted Services	200,253	217,350	203,500	216,050	
Common Areas	67,766	102,600	69,100	105,600	
Parks & Recreation	45,532	70,700	50,700	57,200	
Youth Advisory Commission	1,636	3,500	200	3,500	
General Services	5,283	6,000	6,213	6,000	
Other Sources & Uses	184,800	184,000	184,000	184,000	
<b>TOTAL EXPENSES</b>	<b>666,302</b>	<b>761,209</b>	<b>686,472</b>	<b>746,869</b>	<b>(14,340)</b> <b>-1.88%</b>
Revenue Over (Under) Expenses	153,426	15,051	125,579	11,186	
Transfer from Fund Balance to Cap Projects	-	-	35,000		
<b>ENDING UNASSIGNED FUND BALANCE</b>	<b>438,101</b>	<b>453,152</b>	<b>543,731</b>	<b>554,917</b>	

<b>FUND: GENERAL</b>		Actual	Adopted	Projected	Proposed
		FY18-19	FY19-20	FY19-20	FY20-21

REVENUE

10-4000	PROPERTY TAX COLLECTIONS	451,609	473,160	468,000	469,155
10-4100	PEC	24,663	24,000	24,000	24,000
10-4101	AT&T	21,644	25,000	19,000	19,000
10-4102	TW/SPECTRUM	37,186	30,000	33,000	33,000
10-4103	CITY OF AUSTIN	54,002	50,000	51,500	50,000
10-4200	SALES TAX - GENERAL	181,368	140,000	191,001	155,000
10-4201	SALES TAX - MIXED BEV	7,961	8,500	5,600	6,500
10-4300	DEVELOPMENT FEES/PERMITS	600	400	-	200
10-4301	RENTALS (PARK) FEES PERMIT	1,200	1,000	300	300
10-4400	EVENTS	19,710	8,000	-	-
10-4402	DOG PARK	1,400	200	-	-
10-4500	INVESTMENT INCOME	296	1,000	4,250	500
10-4700	OTHER	3,089	-	400	400
10-8900	TRANSFER IN FROM SW - PERSONNEL	11,000	11,000	11,000	-
10-8901	TRANSFER IN FROM SW - SOFTWARE	4,000	4,000	4,000	-
	<b>REVENUE TOTAL</b>	<b>819,728</b>	<b>776,260</b>	<b>812,051</b>	<b>758,055</b>



<b>FUND: GENERAL</b>		Actual FY18-19	Adopted FY19-20	Projected FY19-20	Proposed FY20-21
<b>EXPENSES</b>					
<b>ADMINISTRATION</b>					
10-10-5000	SALARIES	99,975	107,000	107,000	110,210
10-10-5001	FEDERAL TAXES	7,983	9,000	9,000	9,000
10-10-5002	UNEMPLOYMENT	-	9	9	9
10-10-5003	HEALTH INSURANCE	9,127	9,500	9,150	9,500
10-10-5004	TMRS	6,527	6,300	7,500	7,500
10-10-5005	CAR ALLOWANCE	6,000	6,000	6,000	6,000
10-10-5510	COMPUTER & OFFICE EQUIPMENT	-	2,500	2,000	1,000
10-10-5511	EQUIPMENT	-	1,000	-	1,000
10-10-5512	SUPPLIES	1,822	3,000	2,000	3,000
10-10-5545	SOFTWARE	8,259	4,000	4,000	5,000
10-10-5555	POSTAGE	217	400	400	400
10-10-6000	MEMBERSHIP FEES	5,449	4,500	4,500	4,500
10-10-6001	INSURANCE PREMIUMS	2,320	3,000	3,000	3,000
10-10-6005	BONDS	130	400	400	400
10-10-6006	INTERNET AND PHONE	2,844	6,700	7,500	3,000
10-10-6010	TRAINING AND TRAVEL	6,346	7,500	3,500	5,000
10-10-6011	MEETINGS	605	2,000	800	1,500
10-10-6025	LEGAL NOTICES & PUBLICATIONS	648	750	2,500	1,500
10-10-6040	PRINTING/MAILING	2,780	3,500	3,500	3,000
	<b>ADMINISTRATION TOTAL</b>	<b>161,032</b>	<b>177,059</b>	<b>172,759</b>	<b>174,519</b>
<b>CONTRACTED SERVICES</b>					
10-20-6500	LEGAL/PROFESSIONAL SERVICES	13,105	22,000	11,000	17,000
10-20-6510	TAX COLLECTION	2,041	2,700	2,700	2,700
10-20-6520	LAW ENFORCEMENT	86,783	88,000	88,000	96,800
10-20-6530	AUDIT	6,500	7,500	7,500	7,500
10-20-6540	ELECTIONS	78	2,750	2,750	2,750
10-20-6550	INTERLOCAL AGREEMENTS	91,046	93,700	90,850	82,000
10-20-6555	EMERGENCY MANAGEMENT	700	700	700	7,300
	<b>CONTRACTED SERVICES TOTAL</b>	<b>200,253</b>	<b>217,350</b>	<b>203,500</b>	<b>216,050</b>
<b>COMMON AREAS</b>					
10-30-5560	SIGNAGE	6,749	7,000	2,500	1,000
10-30-6050	MOWING & MAINTENANCE	46,115	54,000	54,000	62,000
10-30-6051	FACILITIES MAINTENANCE	-	2,000	-	1,000
10-30-6052	FENCE MAINTENANCE	10,863	7,000	2,000	6,000
10-30-6053	IRRIGATION	4,039	5,000	5,000	9,000
10-30-6054	WALKING TRAIL MAINTENANCE	-	2,000	-	1,000
10-30-6055	WILDFIRE MITIGATION	-	5,000	5,000	5,000
10-30-6056	WILDLIFE MANAGEMENT	-	600	600	600
10-30-6057	IMPROVEMENTS	-	20,000	-	20,000
	<b>COMMON AREAS TOTAL</b>	<b>67,766</b>	<b>102,600</b>	<b>69,100</b>	<b>105,600</b>

<b>FUND: GENERAL</b>		Actual	Adopted	Projected	Proposed
		FY18-19	FY19-20	FY19-20	FY20-21

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**PARKS & RECREATION**

10-40-5512	SUPPLIES	-	500	1,000	1,000
10-40-6050	MOWING & MAINTENANCE	22,176	33,000	33,000	33,000
10-40-6058	UTILITIES	2,910	4,200	4,200	4,200
10-40-6060	EVENTS	20,446	21,000	12,500	17,000
10-40-6062	RECREATION PROGRAMS	-	2,000	-	2,000
10-40-6070	IMPROVEMENTS	-	-	-	-
10-40-8000	CAPITAL OUTLAY	-	10,000	-	-
10-40-9000	OTHER	-	-	-	-
	<b>PARKS &amp; RECREATION TOTAL</b>	<b>45,532</b>	<b>70,700</b>	<b>50,700</b>	<b>57,200</b>

**YOUTH ADVISORY COMMISSION**

10-50-5512	SUPPLIES	82	1,000	-	1,000
10-50-6060	EVENTS	1,554	2,000	200	2,000
10-50-6061	SPECIAL PROJECTS	-	500	-	500
	<b>YOUTH ADVISORY COMM TOTAL</b>	<b>1,636</b>	<b>3,500</b>	<b>200</b>	<b>3,500</b>

<b>FUND: GENERAL</b>		Actual	Adopted	Projected	Proposed
		FY18-19	FY19-20	FY19-20	FY20-21
<b>GENERAL SERVICES</b>					
10-90-5512	SUPPLIES	412	500	313	500
10-90-6060	EVENTS	3,229	3,500	5,900	3,500
10-90-6061	SPECIAL PROJECTS	1,642	2,000	-	2,000
	<b>GENERAL SERVICES TOTAL</b>	<b>5,283</b>	<b>6,000</b>	<b>6,213</b>	<b>6,000</b>
<b>OTHER SOURCES AND USES</b>					
10-95-8912	TRANSFER OUT TO CAPITAL PROJECTS	184,800	184,000	184,000	184,000
	<b>OTHER SOURCES AND USES TOTAL</b>	<b>184,800</b>	<b>184,000</b>	<b>184,000</b>	<b>184,000</b>
<b>GENERAL FUND EXPENSE TOTAL</b>		<b>666,302</b>	<b>761,209</b>	<b>686,472</b>	<b>746,869</b>
<b>REVENUE/EXPENSES</b>		<b>153,426</b>	<b>15,051</b>	<b>125,579</b>	<b>11,186</b>
Transfer from Fund Balance to Capital Projects				(35,000)	

<b>FUND: SOLID WASTE</b>		Actual	Adopted	Projected	Proposed	Difference
		FY18-19	FY19-20	FY19-20	FY20-21	FY19-20 to 20-21
<b>BEGINNING FUND BALANCE</b>		48,914	61,846	63,659	82,356	
REVENUE						
50-4600	SW Collection	251,481	279,576	272,444	274,560	
	<b>REVENUE TOTAL</b>	251,481	279,576	272,444	274,560	(5,016) -1.79%
EXPENSES						
50-10-5512	Supplies	266	250	250	250	
50-10-5555	Postage	442	400	400	400	
50-10-6040	Printing/Mailing	-	750	750	750	
50-10-6098	Bank Service Charges	-	-	-	-	
50-10-9000	Other	-	-	-	-	
50-20-6560	Contracted Hauler	204,377	227,982	219,547	227,982	
50-20-6561	Canine Refuse Stations	11,342	12,000	12,000	12,000	
50-20-6562	Dead Animal Pickup	309	360	800	1,000	
50-90-6080	Hazardous Waste Facility	5,000	5,000	5,000	5,000	
50-95-8910	Transfer Out To GF-Personnel	11,000	11,000	11,000	-	
50-95-8911	Transfer Out To GF-Software	4,000	4,000	4,000	-	
50-20-6550	Interlocal Agmt - Personnel				11,000	
50-10-5545	Software				4,000	
	<b>EXPENSE TOTAL</b>	236,736	261,742	253,747	262,382	(640) 0.24%
	REVENUE/EXPENSES	14,745	17,834	18,697	12,178	
<b>ENDING FUND BALANCE</b>		63,659	79,680	82,356	94,534	

<b>FUND: CAPITAL PROJECTS</b>		Actual	Adopted	Projected	Proposed
		FY18-19	FY19-20	FY19-20	FY20-21
<b>BEGINNING FUND BALANCE</b>		80,369	185,169	185,169	13,385
<b>REVENUE</b>					
30-4912	TRANSFER IN FROM GENERAL FUND	184,800	184,000	219,000	184,000
	<b>REVENUE TOTAL</b>	184,800	184,000	219,000	184,000
<b>EXPENSE</b>					
30-20-6500	PROFESSIONAL SERVICES	-	25,000	60,784	80,000
30-20-8010	WALKING TRAIL CONSTRUCTION	98,385	159,000	330,000	104,000
	<b>EXPENSE TOTAL</b>	98,385	184,000	390,784	184,000
<b>ENDING FUND BALANCE</b>		166,784	185,169	13,385	13,385

## FIVE YEAR CAPITAL IMPROVEMENT PLAN (CIP)

Project Description	Source of Funds	Fiscal Year					TOTAL	
		20	21	22	23	24		25
Walking Trail	GF to Cap Projects; Cap Projs Fund Balance*	\$ 390,784	\$ 184,000	\$ 250,000	\$ 300,000	\$ -	\$ -	\$1,124,784
Playground Equip	General Fund	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ -	\$ 90,000
Playground Surface	General Fund	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000
Road Resurfacing	General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000
<b>Total</b>		\$ 390,784	\$ 184,000	\$ 250,000	\$ 300,000	\$ 120,000	\$ 60,000	\$1,304,784

\*FY 19-20 includes a mid-year budget amendment to budget fund balance once construction estimates are received.