



## The City of Liberty Hill

P O Box 1920, Liberty Hill, Texas 79642  
Phone: (512) 778-5449 Fax: (512) 778-5418

# CITY COUNCIL BUDGET & TAX RATE WORKSHOP MINUTES

**MONDAY – AUGUST 27, 2018 – 4:30 PM**  
**2801 Ranch Road 1869 - Liberty Hill, Texas**

### **CALL TO ORDER**

The Budget and Tax Rate Workshop of the City Council of Liberty Hill was called to order by Mayor Rick Hall on Monday – August 20, 2018 at 4:37 PM in Council Chambers located at 2801 Ranch Road 1869 in Liberty Hill, Texas. **Council Members Present:** Mayor Rick Hall; Mayor Pro Tem Liz Rundzieher; Liz Branigan; Wendell McLeod; Ron Rhea; and Troy Whitehead. **Staff & Guests Present:** Dottie Palumbo; Greg Boatright; Sally McFeron; Michel Sorrell; Wayne Bonnet; Tracy Ventura; and Barbara Zwernemann.

### **BUDGET & TAX RATE WORKSHOP**

**Review and discuss Fiscal year 2018 – 2019 Budget for the City of Liberty Hill and prioritization for discussion purposes.** Michel Sorrell – Finance Director provided a review of the August 20<sup>th</sup> Fiscal Year 2018-2019 Budget discussion and Department Head requests with Council. It was recommended to postpone adding the two (2) SROs and related equipment and vehicles to the budget until such time as the Liberty Hill ISD Board engages the City in dialogue that includes specifics including start date and financial contribution.

It is recommended that Katheryn Mitchell work as permit tech only to provide needed assistance to the Planning Department. It is also recommended that Zach Gill work as accountant only to provided needed assistance to the Finance Department. This does not affect the budget. Greg Boatright – City Administrator stated there were 21 new meters added last month. Another utility clerk would be hired to assist Mary Ann McLeod.

The City received the requested fee estimate from Giraffe Enterprises for grounds-keeping and cleaning services only. Two more bids will be sought. Giraffe's bid is approximately \$18,000 lower than if the City were to hire two (2) maintenance techs. Any other services the local company Giraffe might provide would be outlined in additional proposals/bids.

Liz Rundzieher – Council member asked why the City could not take a million dollars out of the fund balance and provide for all department head requests. Ms. Sorrell stated some of the fund balance is bond services, some for tax notes, and some is for Capital Improvements (CIP); some of the funds cannot be used for operations. Greg Boatright concurred stating the City is already underwriting the budget based on one-time fees and the City does not want to take this money for one year only for ongoing salaries and related expenses. The City Administrator stated the City is currently growing at around 15-18% on ad valorem taxes. If the City adds 20% in costs, this won't reconcile. Ms. Sorrell stated the city should close the gap for ad valorem and sales tax to

underwrite more and more of the budget rather than through one-time fees. Bottom line is that the City needs emergency reserves and should not / cannot fund operations with the fund balance. If the economy were to take a dive, the current reserve fund balance could sustain a major hit. There is around \$4 million in the general fund currently. The City Administrator stated for the last two (2) years, \$500,000 was provided to CIP from the general fund and he would like to see that happen again this year.

The Finance Director stated EDC approved their budget and chose not to fund \$100,000 in CIP. Lance Dean – Executive Director of EDC stated EDC is still funding but reduced the amount, and EDC funds are staying in their fund balance. Unreserved funds for the City are around \$2.3 million.

Mayor Hall stated if the budget excluded the SROs and vehicles, the City would have around \$450,000 to fund requests. Liz Rundzieher – Council member asked why Department Heads were asked what they need if the Council chooses not to fund those requests. The City Administrator stated it is part of the budget process. It is Council's job to see if the requests and corresponding costs are justified. Liz Rundzieher stated even if it is not what the Council wants to hear, the department heads provided justification. Ms. Sorrell reminded Council they can approve no higher than the rollback rate or face a possible petition for vote on the budget. Mayor Hall recommended taking the rest of the funds out of the reserve to fund all of the requests. "If the economy goes bad, we'll figure out a way to fund CIP and other expenses."

Ms. Sorrell stated she is glad to work with whatever Council decides. Council can change the tax rate or take out of fund balance or a combination of the two. Mayor Hall recommended not raising the tax to the rollback rate but pulling more out of the fund balance. Troy Whitehead – Council member asked "What do we do next year?" to which Mayor Hall responded "you always have the 'what ifs'". Ron Rhea – Council member stated "You've got to have the 'what if' scenarios".

Liz Branigan – Council member stated her constituents are strongly in favor of SROs to which Wendell McLeod, Ron Rhea and Liz Rundzieher concurred. Council was reminded that a budget amendment can be made if/when LHISD moves toward hiring SROs and grants can be applied for. Liz Rundzieher stated she would like to see the SROs put on hold until the School Board makes a decision; Council should go back to the budget with everything but the SROs and their related equipment/vehicles. Ms. Sorrell requested direction from Council. Liz Rundzieher stated the budget should be worked all the way to the rollback rate with the rest being taken from the fund balance.

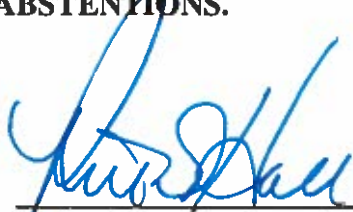
Mayor Hall questioned the Christmas and Independence Day events and asked if money is just handed out. Ms. Sorrell stated all receipts go through her to be paid whether there are credit card charges or checks cut. Mayor Hall asked if the Movies in the Park costs were taken from the Parks and Recreation budget and was assured they were. Barbara Zwernemann – City Secretary added that since 2015 when Ron Rhea and Amber worked on this policy, the City reimburses by receipt only. Ms. Sorrell reiterated Council's request to run a proposed budget for all department

head requests, leaving out the two (2) SROs and related costs. Wendell McLeod stated Council should hold off on filling all requested positions. Mr. McLeod requested explanations of various line items to which Ms. Sorrell explained.

**ADJOURNMENT**


On motion from Liz Rundzieher and second by Ron Rhea, the August 27, 2018 City Council Budget & Tax Rate Workshop was adjourned at 5:33 PM. **Motion passed on vote of 5 AYES, 0 NAYS, and 0 ABSTENTIONS.**

**PASSED & APPROVED on the 4<sup>th</sup> day of SEPTEMBER, 2018 by the City Council of Liberty Hill on vote of \_\_ AYES; \_\_ NAYS; \_\_ ABSTENTIONS.**



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MAYOR



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CITY SECRETARY