



The City of Liberty Hill

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CITY COUNCIL BUDGET WORKSHOP MINUTES

TUESDAY – SEPTEMBER 4, 2018 – 5:30 PM

2801 Ranch Road 1869 - Liberty Hill, Texas

CALL TO ORDER

The Workshop was called to order by Mayor Rick Hall on Monday – September 4, 2018 at 5:30 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:** Greg Boatright; Sally McFeron; Michel Sorrell; Wayne Bonnet; Tracy Ventura; Chief Maverick Campbell; and Barbara Zwernemann.

BUDGET & TAX RATE WORKSHOP

Consider and discuss finalizing the City of Liberty Hill FY 2018 – 2019 Operating Budget. Discussion was held on the Ad Valorem Tax Rate for Fiscal Year 2018 – 2019. The Finance Director provided an overview of the proposed budget to City Council, using Council-requested scenarios.

- Tax rate of \$0.500
 - Personnel added:
 - Code Enforcement Officer
 - 1 Lieutenant
 - 2 Officers
 - 2 Maintenance Techs
 - Note: No SROs added
 - Equipment and Vehicles added:
 - 3 Police Department Vehicles
 - Code Enforcement Vehicle
 - Code Enforcement Equipment and Training
 - Maintenance Tech Equipment, Fuel, Vehicle

This scenario, in addition to a tax rate increase of \$0.02, leaves the fund balance contribution deficiency at **(\$209,204.40)**, and leaves a total fund balance deficiency at **(\$206,383.26)**.

- Rollback tax rate of \$0.54896
 - Personnel added:
 - Code Enforcement Officer
 - 1 Lieutenant
 - 2 Officers
 - 2 Maintenance Techs
 - Note: No SROs added
 - Equipment and Vehicles added:
 - 3 Police Department Vehicles
 - Code Enforcement Vehicle
 - Code Enforcement Equipment and Training
 - Maintenance Tech Equipment, Fuel, Vehicle

This scenario, in addition to a tax rate increase of \$0.06896, leaves the fund balance contribution deficiency at **(\$86,771.40)**, and leaves a total fund balance deficiency at **(\$83,950.26)**.

- Baseline Budget with Tax Rate of \$0.50 with no requested personnel or equipment, except for one utility clerk which will be paid for through the utility fund receipts.

- This scenario, in addition to a tax rate increase of \$0.02, leaves the fund balance contribution at \$267,286.63, and leaves a total fund balance at \$602,698.80.

Ms. Sorrell reminded Council that the City is currently funding many of its operating costs with non-recurring revenue. The Finance Director stated that the City received its AAA+ Bond Rating today. To maintain the bond rate, the City needs to:

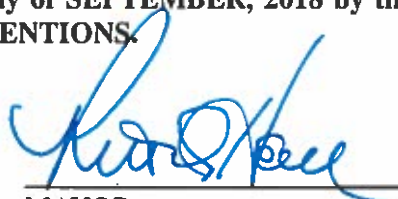
- Continue to contribute to the fund balance
- Devise a longer-term financial plan
 - o Bond rating could be lowered if there are significant draw downs on the fund balance.

City Council's discussion included reiteration of utility clerk position, Katheryn Mitchell's developing role, and Zach Gill's developing role. On question of Finance Department workload from Liz Rundzieher – Council member, Ms. Sorrell stated the volume and complexity of the City's accounting work has increased substantially. The changing Finance Assistant role, in addition to more hands-on assistance, includes additional training in governmental financial work for Zach, who has an accounting degree. Greg Boatright – City Administrator stated the City is reallocating its in-house resources. He explained the City would be returning Fire Department payroll and payables to the Fire Department after almost three years of the City covering this role. Ron Rhea – Council member asked the Finance Director what her budget recommendation would be. Ms. Sorrell stated in light of the report presented today and the exponential growth the City is experiencing, her recommendation is to stay the course by adopting the baseline budget which includes the utility clerk funded through utility receipts but no other positions and related vehicles and equipment; she stated it is the Council's ultimate decision. In conclusion, the Finance Director stated the County will want to know what the Council decides on the tax rate in the next few days. Monday, September 10th will be the first reading of the Ordinances for the Budget and Tax Rate.

ADJOURNMENT

On motion from Liz Rundzieher and second by Ron Rhea, the September 4, 2018 City Council Budget Workshop was adjourned at 5:55 PM. Motion passed on vote of 5 AYES, 0 NAYS, and 0 ABSTENTIONS.

PASSED & APPROVED on the 10th day of SEPTEMBER, 2018 by the City Council of Liberty Hill on vote of __ AYES; __ NAYS; __ ABSTENTIONS.



MAYOR

CITY SECRETARY