



## The City of Liberty Hill

P O Box 1920, Liberty Hill, Texas 79642  
Phone: (512) 773-5449 Fax: (512) 773-5419

# CITY COUNCIL BUDGET & TAX RATE WORKSHOP MINUTES

**MONDAY – AUGUST 20, 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 4:35 PM in Council Chambers located at 2801 Ranch Road 1869 in Liberty Hill, Texas. Invocation was given followed by reciting the Pledge of Allegiance and Texas Pledge. **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**

**Consider and discuss setting the proposed Ad Valorem Tax Rate for Fiscal Year 2018 – 2019 for the City of Liberty Hill, Texas.**

**Review and discuss Fiscal year 2018 – 2019 Budget for the City of Liberty Hill and prioritization for discussion purposes.** Michel Sorrell – Finance Director provided an overview of the four (4) different scenarios for the budget.

1. With a tax rate of \$0.64082, the City budget would include:
  - a. All Department Head requests
  - b. Two (2) SROs
  - c. Code Enforcement Officer
  - d. Two (2) maintenance techs
2. With a tax rate of \$0.48, the City budget would include:
  - a. No Department Head requests
  - b. Two (2) SROs
  - c. Code Enforcement Officer
  - d. Two (2) maintenance techs
3. With a tax rate of \$0.50 for a proposed baseline, the City budget would include:
  - a. No Department Head requests
  - b. No maintenance techs
  - c. Two (2) SROs
  - d. Code Enforcement Officer
4. With a tax rate of \$0.50 for a Baseline Budget, the City budget would include:
  - a. No Department Head requests
  - b. No SROs
  - c. No Code Enforcement Officer

- d. No maintenance tech
- e. No equipment or other related personnel fees associated with new personnel

The Finance Director provided an analysis of the costs of requested personnel and related equipment per fund stating that she had met with Wayne Bonnet – Director of Public Works to gather much of the cost information in this analysis. The maintenance techs’ financial estimates were based on a rate of \$15.00/hour and included associated benefits and cost of commercial-grade equipment at approximately \$80,000, making the first year’s expenses for two techs total approximately \$172,000. She stated that she has requested a quote and schedule for these services from the current building and grounds maintenance company, Giraffe Enterprise Services, for a contracted annual amount to cover just building maintenance/cleaning and grounds maintenance.

Mayor Hall stated Giraffe should be placed within the Public Works department. Ms. Sorrell stated these details could be worked out later. Mayor Hall stated that he did not feel the City could keep Giraffe Enterprise Services busy for forty hours per week and he oftentimes cannot find them when he looks for them.

The Finance Director directed Council back to the Budget Options diagram, stating that if the City were to go ahead with the first column at a \$0.64082 tax rate, the City could be subject to a petition. The rollback rate is \$0.548. She reminded Council they voted last week to not approve higher than the rollback rate.

The EDC’s budget has not yet been approved, but she found out earlier that day \$100,000 in budget cuts had been made.

Councilmember Ron Rhea asked which rate and budget inclusions she felt would work best for the City. Ms. Sorrell said that in her professional opinion, the City should go with the Baseline Budget with none of the requested personnel and related equipment and fees. This would be better for the City’s bond rating and for the City’s budget and would allow the City to borrow \$3 million for capital improvement projects.

Mayor Hall asked if costs associated with the current Finance Assistant’s promotion and hiring of utility clerk are accounted for within the proposed budget and was assured they were.

The Finance Director stated that at the end of the budget acceptance, the City will be at fourteen (14) months’ reserve. Further, for many of the CIP projects, the City has moved from a “pay as you go” approach to the current substantial investment in construction method.

Greg Boatright – City Administrator asked if the budget takes into account budget amendments for end of year for FY 2017-2018. Ms. Sorrell stated that departments tend to make significant capital expenditures toward the end of year after insuring that all day-to-day expenses and incidentals are covered.

Councilmember Wendell McLeod stated the City used to have a trailer and two (2) commercial mowers. Mayor Hall said that the City still owns the two (2) mowers. Ms. Sorrell stated that, given that information, she would be happy to re-work the numbers for next Monday's Council Budget Workshop.

Ron Rhea – Councilmember stated at \$15/hr., there will be a lot of turnover for the maintenance tech positions. Ms. Sorrell stated the estimated \$15/hr. pay is comparable with local small cities, citing Hutto at around \$15-\$18/hr. with the upper range tied to job-related certifications.

On questioning from Mayor Hall, Ms. Sorrell stated that she recommends not including SROs in the budget until such time as the positions solidify; then the City can effect a budget amendment to include those costs.

Mayor Hall stated the City should keep the Code Enforcement Officer and two (2) maintenance tech positions in the budget.

Ms. Sorrell said that she will run the numbers as requested. Monday, September 10<sup>th</sup> is when Council has to vote on the tax rate and inclusions. The City just published the rollback rate as the probable tax rate. She said that she has to stay in regular contact with the tax assessor's office regarding the proposed tax rates.

Liz Branigan – Council member stated that the community is “terribly in favor of the SROs”.

Mayor Hall stated again the budget should include the two (2) maintenance techs.

Council members Ron Rhea and Troy Whitehead requested comparison of cost for services from Giraffe Enterprise Services versus hiring two (2) maintenance techs.

Mayor Hall stated he would like maintenance techs hired for the Public Works' department; Public Works can keep these positions busy for forty (40) hours per week each.

Mayor Hall asked Chief Campbell about the radio devices the police department was looking to purchase. Chief Campbell stated ten (10) handheld and five (5) mobile devices were purchased.

On question from Council, Ms. Sorrell stated that unused salary savings drop into the General Fund balance.

Councilmember Ron Rhea asked if the contract with Giraffe would be annual? Ms. Sorrell responded it would be annual but paid out monthly. The City must do competitive bidding. The City can reach out to other companies for additional bids. For special events' work requests, Giraffe would have to bid out separately with specific event planners.

Barbara Zwernemann – City Secretary stated Giraffe is paid a flat monthly fee for cleaning and ground maintenance and typically utilizes four (4) people for these tasks.

Ms. Sorrell iterated that she would work up the requested changes.

Mayor Hall asked the plan is for the City's reserves. The Finance Director stated that with a growing City, the City sometimes needs more than a three (3) months' reserves to maintain its expenses and that it is important to have more than that while in the bond ratings process. She stated that as Liberty Hill grows and matures, that reserve balance amount will change. Ron Rhea concurred the City needs more than the three- (3) month minimum requirements.

Within the Utility Funds account, hiring a dedicated Utility Billing Clerk will allow for the current Finance Assistant - Zach Gil, to help the Finance Department; Zach Gil is an Accountant. This would assist the Permit and Utility Billing Coordinator in the City Planning Department more. The Utility Rate Study is in progress.

All funds in the budget contribute to the fund balance.

Council member Wendell McLeod asked why Zach Gill was needed upstairs in the Finance Department. Ms. Sorrell stated that due to the volume of work which has grown exponentially, more assistance is needed.

Ron Rhea stated that it is important to staff appropriately while Liberty Hill is experiencing such rapid growth, both for personnel support as well as moral. Ms. Sorrell stated it is imperative for succession planning. Ron Rhea stated that the City needs a backup team like in football which is just good economics.

Mayor Hall inquired as to where the Building Inspector would be if the Finance Assistant moves upstairs. Sally McFeron – Director of Planning said he is out in the field but meets with her twice a day. He can be moved downstairs; go to the Forrest Street building when it is completed; or use the extra desk upstairs.

Mayor Hall asked the Planning Director if she needed help. She stated Katheryn Mitchell – Permit & Utility Billing Coordinator deals with building permits which is extremely helpful.. Within the permitting process there is a lot of “chasing cats” in dealing with subdivisions/MUDs and development agreements. The Planning Department is currently focused on development and growth. The 2020-2021 economy is expected to slow down some; the City does not want to overstaff.

Mayor Hall questioned Tracy Ventura – Court Administrator about her already budgeted position and asked if a part-time position would work since he notices that she is sometimes away from Court with training, etc. Ms. Ventura stated she is going to staff that position; she will post for a certified Level I Court Clerk by the end of September or October 2018. She did not want to hire before the work load necessitated.

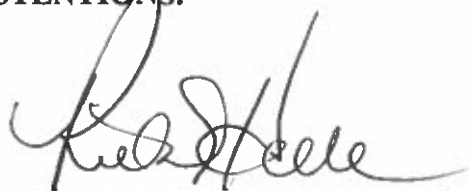
Mayor Hall then asked Police Chief Maverick Campbell why he requested one (1) lieutenant and (2) officers. Chief Campbell stated the notebook he provided the previous week to Council explains that. The lieutenant would be overseeing patrol officers. The requested vehicles are based on hiring three (3) additional personnel. He needs all of these positions but most importantly an investigator. There are several felony cases and that investigation is needed. Currently, there are multiple officers investigating, interviewing, and going to court. This leads to frustration by the victims, missed evidence, and missed communication. Chief Campbell referenced the state of his evidence room and photos depicting its current disorganized state which he included in his budgetary requests to Council last week. Mayor Hall asked how many open/unsolved/unresolved cases there are. Chief Campbell stated that there are around forty (40) cases and that "the evidence room is a disaster". Dottie Palumbo – City Attorney interjected that Council and Chief Campbell should not be discussing this. Chief Campbell stated reserve officers try to fill in the gaps but are unable to do so in an investigation. On question from Council, Chief Campbell stated the majority of the forty (40) cases are misdemeanors. Ron Rhea stated that he was "relieved that we are not a crime-ridden city". Greg Boatright asked Chief Campbell if any of the felony cases get referred to the district attorney, and Chief Campbell responded that after reporting and follow-up, they do.

Mayor Hall asked about the viability of leasing SRO/police department vehicles versus purchasing them. Ms. Sorrell stated to maintain the City's tax exempt status, all debt has to be considered. The lease contracts that Mayor Hall had his contact provide have been reviewed and she discovered the lessor can charge any daily rate they want to on a delinquent payment. The City can obtain a 1.8% interest rate for a purchase without the high delinquent payment penalties. This information would go to other financing entities so the City could put together a leasing plan for the financial advisor that does not adversely affect the bond issuance status. It is recommended to wait until the bond issuance and budget are complete and then taking another look at leasing options.

**ADJOURNMENT**

On motion from Liz Rundzieher and second by Ron Rhea, the August 20, 2018 City Council Budget & Tax Rate Workshop was adjourned at 5:47 PM. **Motion passed on vote of 5 AYES, 0 NAYS, and 0 ABSTENTIONS.**

**PASSED & APPROVED on the 27<sup>th</sup> day of AUGUST, 2018 by the City Council of Liberty Hill on vote of 5 AYES; 0 NAYS; 0 ABSTENTIONS.**



**MAYOR**

Barbara Zuernemann  
CITY SECRETARY