

# **Village of The Hills**

## **Proposed Annual Budget Fiscal Year 2025-2026**

**October 1, 2025 – September 30, 2026**

**Proposed on August 18, 2025**



Kevin Proud Mayor

Sarah Carroll Mayor Pro Tem

Rick Van Dalen Council Treasurer

Lee Crawford Councilmember

Marty Khait Councilmember

Angie Massey City Administrator

### **PROPERTY TAX SUMMARY**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$10,060, which is a 1.51% percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$2,527.

## **Recorded Votes**

### **Proposed FY 2025-2026 Budget**

Mayor Kevin Proud	Yea
Mayor Pro Tem Sarah Carroll	Yea
Councilmember Rick Van Dalen	Yea
Councilmember Lee Crawford	Yea
Councilmember Marty Khait	Yea
Councilmember Matt Marietta	Absent

### **Proposed FY 2025-2026 Tax Rate**

Mayor Kevin Proud	Yea
Mayor Pro Tem Sarah Carroll	Yea
Councilmember Rick Van Dalen	Yea
Councilmember Lee Crawford	Yea
Councilmember Marty Khait	Yea
Councilmember Matt Marietta	Absent

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

<b>Property Tax Rates</b>	<b>FY 2024-2025</b>	<b>FY 2025-2026</b>
Adopted/Proposed Rate	0.0936	0.0920
No New Revenue Tax Rate	0.1025	0.091223
No New Revenue M & O Rate	0.0709	0.06911
Voter Approval Rate	0.1025	0.09459
Debt Rate	0.0230	0.022667
De Minimus Rate	0.162	0.160448

The total amount of municipal debt obligations secured by property taxes for the Village of The Hills remains \$490,000 with final payment being made in 2028.

## **FY 2025- 2026 Budget General Fund Overview**

The FY 2025-2026 budget includes total revenues of \$1,050,390.64 and expenditures of \$1,049,652.97. For perspective, the total FY 2024-2025 adopted budget contained resource revenue of \$1,067,938.00 and expenditures of \$1,028,457.00. Revenue will decrease by 1.6% with an expense increase of 2.1%.

### **General Fund Revenues**

The General Fund is the primary operating fund of the government. It is used to account for all current financial resources not required by law, or administrative action, to be reported in other designated funds. The primary governmental functions occurring within this fund are public safety, parks, public works, and general administrative operations.

Revenues are derived from four primary sources; property taxes, sales tax, franchise fees, and interest income.

#### **Property Tax**

48% percent of General Fund revenues are derived from property taxes. The Travis County Appraisal District reports that the total taxable value of property located within the Hills for FY 2025-2026 is \$725,360,768 compared to prior year \$702,213,161 representing a \$23,147,607 increase, a 3.3% increase.

The total tax rate for FY 2025-2026 will be decreased from previous year to \$0.092 per \$100 of taxable valuation. The tax rate for FY 2024-2025 was \$0.0936, which is a 0.0016 (1.7%) decrease year to year.

The total tax rate is composed of two components- the Maintenance and Operation (M&O) portion which is utilized in the General Fund for general governmental purposes and the Debt Rate (I&S) portion that is dedicated to the payment of principal, interest and fees on general obligation debt. Only the M&O Taxes are shown in the General Fund Revenue.

The M & O Rate for FY 2025-2026 of 0.06933 generates a property tax revenue of \$502,914 which is a 1.8% increase from the FY 2024-2025 budget of \$493,656.

The I & S Rate for FY 2025-2026 of \$0.02267 generates a tax levy of \$164,418 which is a 0.49% increase from the FY 2024-2025 budget of \$163,616.

#### **Sales Tax**

The FY 2025-2026 annual budget projection for sales taxes is \$362,900, nominal change from prior year.

#### **Franchise Fees**

Franchise fees for the FY 2025-2026 annual budget are projected to total \$111,176.26, an average of 17.5% percent decrease from prior year. The change has been attributed to less utility usage year to year as well as new satellite providers not contributing to city franchise opportunities.

#### **Interest Income**

Revenues attributed to interest earned on account balances for the FY 2025-2026 annual budget are projected to total \$65,000. The income year over year is attributed to a healthy account balance and strong interest rates provided.

#### **Other Revenues**

The budget for this category is increased from the income received during FY 2024-2025 due to expectations of the newly established Welcome Committee receiving funding as well as increased park rentals.

### **General Fund Expenses**

The city operates all operation expenses through the general fund including the following: Administration (salaries, office, operational & meeting expenses), Contracted Services (law enforcement, legal, bookkeeping, lease agreement), Property Services (mowing, irrigation, facility maintenance, wildfire mitigation), Commission efforts (events & supplies) and a deposit to the capital project fund. The total expense of FY 2025-2026 is \$1,049,652.97, a 2% increase from the prior year.

To provide further clarity, the following considerations are made in the FY 2025-2026 budget:

Administration: \$206,902.97; increase 8% year to year

Increased ability for administration to receive & attend training, participate in municipal-focused organizations

Increasing output for daily operations utilizing management software and increasing securities

Other Services: \$375,800.00; increased 6% year to year

Additional constable patrol hours (15% increase in contract plus additional coverage expectations)

Common Areas: \$287,500.00; decreased 17% year to year

Completed projects (road, fence and signage) in the prior fiscal year resolving maintenance costs

Contracted landscape and mowing to be the same year to year

Increased wildfire mitigation to retreat the greenbelts (last completed Summer 2023)

Parks & Recreation: \$58,750.00; increased 42% year to year

Increased ability to provide events due to a committed Parks & Recreation Commission

Total Other services: \$14,000.00 increased 115% year to year

Special Projects will now be directed for the Welcome Commission with the expectation that half of expenses (\$4,000) are provided through fundraising.

Youth Advisory Commission budget remains unchanged.

Capital Projects: \$100,000; decreased 17% year to year

### **Capital Improvement Plan**

The Capital Improvement Plan (CIP) is a planning document adopted by the City Council to plan for capital improvements related to the city's infrastructure.

Projects identified in the CIP will be considered for funding each year as part of the budget. The following projects have been discussed or arranged:

Lohmans Traffic Signal

Engineering services in coordination with Hills of Lakeway POA for Lohman's Crossing entry intersection  
Lohman's Crossing wall

ACCOUNT #	ACCOUNT NAME	2023-2024 ADOPTED BUDGET	2024-2025 ADOPTED BUDGET	2025-2026 ADOPTED BUDGET	VARIANCE \$ OVER(UNDER) FY 24-25 - FY 25-26	VARIANCE % OVER(UNDER) FY 24-25 - FY 25-26
	<b>GENERAL FUND</b>					
	<b>REVENUE</b>					
10-4000	PROPERTY TAX COLLECTIONS	\$ 502,522.00	\$ 500,678.00	\$ 502,914.38	\$ 2,236.38	0.4%
10-4100	PEC	\$ 26,059.00	\$ 28,160.00	\$ 24,740.82	\$ (3,419.18)	-12.1%
10-4101	AT&T	\$ 2,266.00	\$ 2,100.00	\$ 1,729.07	\$ (370.93)	-17.7%
10-4102	TW/SPECTRUM/CHARTER	\$ 32,960.00	\$ 29,250.00	\$ 25,139.73	\$ (4,110.27)	-14.1%
10-4103	CITY OF AUSTIN	\$ 63,860.00	\$ 80,700.00	\$ 59,566.64	\$ (21,133.36)	-26.2%
10-4104	Franchise Fees				\$ -	
10-4200	SALES TAX - GENERAL	\$ 322,091.00	\$ 344,900.00	\$ 344,900.00	\$ -	0.0%
10-4201	SALES TAX - MIXED BEV	\$ 9,782.00	\$ 15,000.00	\$ 18,000.00	\$ 3,000.00	20.0%
10-4300	DEVELOPMENT FEES/PERMITS	\$ 1,236.00	\$ 200.00	\$ 400.00	\$ 200.00	100.0%
10-4301	RENTALS (PARKS) FEES PERMIT	\$ 1,957.00	\$ 150.00	\$ 4,000.00	\$ 3,850.00	2566.7%
10-4400	GRANTS & SPONORSHIPS	\$ -	\$ -	\$ 4,000.00	\$ 4,000.00	
10-4500	INVESTMENT/INTEREST INCOME	\$ 40,000.00	\$ 65,000.00	\$ 65,000.00	\$ -	0.0%
10-4700	OTHER	\$ 500.00	\$ 1,800.00	\$ -	\$ (1,800.00)	-100.0%
	<b>GENERAL FUND TOTAL REVENUE</b>	<b>\$ 1,003,233.00</b>	<b>\$ 1,067,938.00</b>	<b>\$ 1,050,390.64</b>	<b>\$ (17,547.36)</b>	<b>-1.6%</b>
	<b>EXPENSES</b>					
	<b>ADMINISTRATION</b>					
10-10-5000	SALARIES	\$ 134,614.00	\$ 106,600.00	\$ 111,930.00	\$ 5,330.00	5.0%
10-10-5001	FEDERAL TAXES	\$ 9,760.00	\$ 8,500.00	\$ 9,805.07	\$ 1,305.07	15.4%
10-10-5002	UNEMPLOYEMENT	\$ -	\$ -	\$ -	\$ -	
10-10-5003	HEALTH INSURANCE	\$ 6,733.00	\$ 4,800.00	\$ 4,800.00	\$ -	0.0%
10-10-5004	TMRS	\$ 25,577.00	\$ 10,100.00	\$ 14,550.90	\$ 4,450.90	44.1%
10-10-5005	CAR ALLOWANCE	\$ 7,200.00	\$ 7,700.00	\$ 7,700.00	\$ -	0.0%
10-10-5006	PERSONEL-SUPPLEMENT	\$ 500.00	\$ -	\$ 960.00	\$ 960.00	
	<b>TOTAL SALARIES AND BENEFITS</b>	<b>\$ 184,384.00</b>	<b>\$ 137,700.00</b>	<b>\$ 149,745.97</b>	<b>\$ 12,045.97</b>	<b>8.7%</b>
10-10-5510	COMPUTER & OFFICE EQUIPMENT	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ -	0.0%
10-10-5512	SUPPLIES	\$ 1,475.00	\$ 1,800.00	\$ 1,800.00	\$ -	0.0%
10-10-5545	SOFTWARE	\$ 11,089.00	\$ 23,200.00	\$ 23,200.00	\$ -	0.0%
10-10-6040	Printing/Mailing	\$ -	\$ -	\$ -	\$ -	
	<b>TOTAL SUPPLIES</b>	<b>\$ 15,564.00</b>	<b>\$ 28,000.00</b>	<b>\$ 28,000.00</b>	<b>\$ -</b>	<b>0.0%</b>
10-10-6000	MEMBERSHIP DUES & SUBCRIPTIONS	\$ 3,500.00	\$ 2,650.00	\$ 5,000.00	\$ 2,350.00	88.7%
	<b>TOTAL MEMBERSHIPS AND DUES</b>	<b>\$ 3,500.00</b>	<b>\$ 2,650.00</b>	<b>\$ 5,000.00</b>	<b>\$ 2,350.00</b>	<b>88.7%</b>
	<b>PROFESSIONAL SERVICES</b>					
10-10-6001	INSURANCE PREMIUMS	\$ 7,655.00	\$ 7,257.00	\$ 7,257.00	\$ -	0.0%
10-10-6005	BONDS	\$ 400.00	\$ 500.00	\$ 800.00	\$ 300.00	60.0%
10-10-6098	BANK SERVICE CHARGES	\$ 15.00	\$ 100.00	\$ 500.00	\$ 400.00	400.0%
	<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 8,070.00</b>	<b>\$ 7,857.00</b>	<b>\$ 8,557.00</b>	<b>\$ 700.00</b>	<b>8.9%</b>
	<b>OTHER SERVICES</b>					
10-10-6010	TRAINING AND TRAVEL	\$ 3,000.00	\$ 10,000.00	\$ 8,000.00	\$ (2,000.00)	-20.0%
10-10-6011	MEETINGS	\$ 1,750.00	\$ 2,000.00	\$ 1,500.00	\$ (500.00)	-25.0%
10-10-6025	LEGAL NOTICES & PUBLICATIONS	\$ 2,500.00	\$ 2,500.00	\$ 5,500.00	\$ 3,000.00	120.0%
10-10-6040	EXPIRED - PRINTING/MAIL	\$ 1,000.00	\$ 600.00	\$ 600.00	\$ -	0.0%
	<b>TOTAL OTHER SERVICES</b>	<b>\$ 8,250.00</b>	<b>\$ 15,100.00</b>	<b>\$ 15,600.00</b>	<b>\$ 500.00</b>	<b>3.3%</b>
	<b>TOTAL ADMINISTRATION</b>	<b>\$ 219,768.00</b>	<b>\$ 191,307.00</b>	<b>\$ 206,902.97</b>	<b>\$ 15,595.97</b>	<b>8.2%</b>
	<b>CONTRACTED SERVICES</b>					
10-20-6500	LEGAL/PROFESSIONAL SERVICES	\$ 52,710.00	\$ 50,000.00	\$ 45,000.00	\$ (5,000.00)	-10.0%
10-20-6510	TAX COLLECTION	\$ 2,764.00	\$ 7,700.00	\$ 7,000.00	\$ (700.00)	-9.1%
10-20-6530	AUDIT	\$ 14,500.00	\$ 13,650.00	\$ 15,000.00	\$ 1,350.00	9.9%
	<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 69,974.00</b>	<b>\$ 71,350.00</b>	<b>\$ 67,000.00</b>	<b>\$ (4,350.00)</b>	<b>-6.1%</b>
	<b>OTHER SERVICES</b>					
10-20-6520	LAW ENFORCEMENT	\$ 149,702.00	\$ 200,000.00	\$ 230,000.00	\$ 30,000.00	15.0%
10-20-6540	ELECTIONS	\$ 2,500.00	\$ 3,575.00	\$ 3,000.00	\$ (575.00)	-16.1%
10-20-6550	INTERLOCAL AGREEMENTS	\$ 21,600.00	\$ 27,600.00	\$ 27,600.00	\$ -	0.0%
10-20-6551	MUNICIPAL COURT - RENAMED	\$ -	\$ 2,500.00	\$ -	\$ (2,500.00)	-100.0%
10-20-6555	EMERGENCY MANAGEMENT	\$ 11,500.00	\$ 13,200.00	\$ 13,200.00	\$ -	0.0%
10-20-6560	PERSONNEL - BUDGET/CITY SEC	\$ 84,000.00	\$ 35,000.00	\$ 35,000.00	\$ -	0.0%

ACCOUNT #	ACCOUNT NAME	2023-2024 ADOPTED BUDGET	2024-2025 ADOPTED BUDGET	2025-2026 ADOPTED BUDGET	VARIANCE \$ OVER(UNDER) FY 24-25 - FY 25-26	VARIANCE % OVER(UNDER) FY 24-25 - FY 25-26
	<b>TOTAL OTHER SERVICES</b>	\$ 269,302.00	\$ 281,875.00	\$ 308,800.00	\$ 26,925.00	9.6%
	<b>TOTAL CONTRACTED SERVICES</b>	\$ 339,276.00	\$ 353,225.00	\$ 375,800.00	\$ 22,575.00	6.4%
					\$ -	#DIV/0!
	<b>COMMON AREAS</b>				\$ -	#DIV/0!
10-30-5560	SIGNAGE	\$ 1,934.00	\$ 6,000.00	\$ 1,000.00	\$ (5,000.00)	-83.3%
	<b>TOTAL SIGNAGE</b>	\$ 1,934.00	\$ 6,000.00	\$ 1,000.00	\$ (5,000.00)	-83.3%
	<b>PROPERTY SERVICES</b>					
10-30-6050	MOWING & MAINTENANCE	\$ 111,000.00	\$ 144,000.00	\$ 144,000.00	\$ -	0.0%
10-30-6051	FACILITIES MAINTENANCE	\$ 19,439.00	\$ 40,000.00	\$ 40,000.00	\$ -	0.0%
10-30-6052	FENCE MAINTENANCE	\$ 30,000.00	\$ 45,000.00	\$ 12,000.00	\$ (33,000.00)	-73.3%
10-30-6053	IRRIGATION	\$ 4,191.00	\$ 12,000.00	\$ 12,000.00	\$ -	0.0%
10-30-6054	WALKING TRAIL MAINTENANCE	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -	0.0%
10-30-6055	WILDFIRE MITIGATION/TREE TRIMMING	\$ 15,000.00	\$ 32,000.00	\$ 45,000.00	\$ 13,000.00	40.6%
10-30-6056	WILDLIFE MANAGEMENT	\$ 1,800.00	\$ 2,000.00	\$ 2,000.00	\$ -	0.0%
10-30-6059	DOG PARK MAINTENANCE	\$ -	\$ 6,500.00	\$ 9,000.00	\$ 2,500.00	38.5%
	<b>TOTAL PROPERTY SERVICES</b>	\$ 196,430.00	\$ 296,500.00	\$ 279,000.00	\$ (17,500.00)	-5.9%
	<b>ROAD REPAIRS</b>					
10-30-6057	ROAD REPAIRS	\$ 10,000.00	\$ 7,500.00	\$ 7,500.00	\$ -	0.0%
	<b>TOTAL ROAD REPAIR</b>	\$ 10,000.00	\$ 7,500.00	\$ 7,500.00	\$ -	0.0%
	<b>TOTAL COMMON AREAS</b>	\$ 208,364.00	\$ 310,000.00	\$ 287,500.00	\$ (22,500.00)	-7.3%
	<b>PARKS AND RECREATION</b>					
10-40-5512	SUPPLIES	\$ 2,000.00	\$ 2,000.00	\$ 1,250.00	\$ (750.00)	-37.5%
	<b>TOTAL SUPPLIES</b>	\$ 2,000.00	\$ 2,000.00	\$ 1,250.00	\$ (750.00)	-37.5%
	<b>OTHER SERVICES</b>					
10-40-6058	UTILITIES	\$ 20,465.00	\$ 425.00	\$ 1,500.00	\$ 1,075.00	252.9%
10-40-6060	EVENTS	\$ 37,400.00	\$ -	\$ 56,000.00	\$ 56,000.00	#DIV/0!
10-40-6062	RECREATION PROG	\$ -	\$ 39,000.00	\$ -	\$ (39,000.00)	-100.0%
	<b>TOTAL OTHER SERVICES</b>	\$ 57,865.00	\$ 39,425.00	\$ 57,500.00	\$ 18,075.00	45.8%
	<b>TOTAL PARKS AND RECREATION</b>	\$ 59,865.00	\$ 41,425.00	\$ 58,750.00	\$ 17,325.00	41.8%
	<b>YOUTH ADVISORY COMMISSION</b>					
10-50-5512	SUPPLIES	\$ 500.00	\$ 500.00	\$ 200.00	\$ (300.00)	-60.0%
	<b>TOTAL SUPPLIES</b>	\$ 500.00	\$ 500.00	\$ 200.00	\$ (300.00)	-60.0%
	<b>OTHER SERVICES</b>					
10-50-6060	EVENTS	\$ 5,000.00	\$ 5,000.00	\$ 6,000.00	\$ 1,000.00	20.0%
10-50-6061	SPECIAL PROJECTS	\$ 500.00	\$ 500.00	\$ 500.00	\$ -	0.0%
	<b>TOTAL OTHER SERVICES</b>	\$ 5,500.00	\$ 5,500.00	\$ 6,500.00	\$ 1,000.00	18.2%
	<b>TOTAL YOUTH ADVISORY COMMISSION</b>	\$ 6,000.00	\$ 6,000.00	\$ 6,700.00	\$ 700.00	11.7%
	<b>GENERAL SERVICES</b>					
10-90-5512	SUPPLIES	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 500.00	100.0%
	<b>TOTAL SUPPLIES</b>	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 500.00	100.0%
	<b>OTHER SERVICES</b>					
10-90-6060	EVENTS	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	0.0%
10-90-6061	SPECIAL PROJECTS (Welcome Committee)	\$ 1,000.00	\$ 1,000.00	\$ 8,000.00	\$ 7,000.00	700.0%
	<b>TOTAL OTHER SERVICES</b>	\$ 6,000.00	\$ 6,000.00	\$ 13,000.00	\$ 7,000.00	116.7%
	<b>TOTAL GENERAL SERVICES</b>	\$ 6,500.00	\$ 6,500.00	\$ 14,000.00	\$ 7,500.00	115.4%
	<b>TOTAL GENERAL FUND EXPENSES BEFORE TRANSFER</b>	\$ 839,773.00	\$ 908,457.00	\$ 949,652.97	\$ 41,195.97	4.5%
10-95-8912	TRANSFER TO CAPITAL PROJECTS	\$ 120,000.00	\$ 120,000.00	\$ 100,000.00	\$ (20,000.00)	-16.7%
	<b>TOTAL OTHER SOURCES AND USES</b>	\$ 120,000.00	\$ 120,000.00	\$ 100,000.00	\$ (20,000.00)	-16.7%
	<b>TOTAL GENERAL FUND EXPENSE</b>	\$ 959,773.00	\$ 1,028,457.00	\$ 1,049,652.97	\$ 21,195.97	2.1%
	<b>SURPLUS/(DEFICIT)</b>	\$ 43,460.00	\$ 39,481.00	\$ 737.67	\$ (38,743.33)	-98.1%