

FISCAL YEAR 2021 - 2022

ADOPTED BUDGET



**VILLAGE OF THE HILLS ANNUAL
BUDGET FISCAL YEAR 2021-2022**

MAYOR

Greg Wharton

CITY COUNCILMEMBERS

Hilda C. Potsavich

Robert Smith

Jim Nelson

Zachary Carroll

Rodney Thompson

CITY MANAGER

Wendy L. Smith

CITY SECRETARY

Linda Lunney

BOOKKEEPER

Beth Caccamisi

ADMINISTRATIVE ASSISTANT

Megan Meehan

PROPERTY TAX SUMMARY

This budget will raise more total property taxes than last year's budget by an amount of \$51,952, which is an 11% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$2,179.

Record Votes:

Adoption of the FY 21-22 Budget

Mayor Greg Wharton	Yes
City Councilmember Hilda C. Potsavich	Yes
City Councilmember Robert Smith	Yes
City Councilmember Jim Nelson	Yes
City Councilmember Zachary Carroll	Absent
City Councilmember Rodney Thompson	Absent

Adoption of the FY 21-22 Tax Rate

Mayor Greg Wharton	Yes
City Councilmember Hilda C. Potsavich	Yes
City Councilmember Robert Smith	Yes
City Councilmember Jim Nelson	Yes
City Councilmember Zachary Carroll	Absent
City Councilmember Rodney Thompson	Absent

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

	<u>FY 20-21</u>	<u>FY 21-22</u>
Adopted Tax Rate	0.1000	0.1000
No New Revenue Tax Rate	0.0995	0.0897
No New Revenue M&O Tax Rate	0.1267	0.0908
Voter Approval Tax Rate	0.1018	0.1220
Debt Rate	0.0000	0.0319

Debt:

LIMITED TAX NOTES, SERIES 2021 **\$1,125,000**

August 10, 2021

Honorable Mayor and City Council:

A balanced budget for Fiscal Year 2021-2022 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 a *total* ad valorem tax rate of \$0.1000 per \$100 valuation, the same as FY 20-21. Since the Village of The Hills issued Limited Tax Notes for the walking trail in June 2021, a portion of the total tax rate (0.0319/\$100) is the Interest & Sinking Rate (I&S) in the amount of \$166,233 toward debt service in FY21-22. The remaining Maintenance & Operations Rate (M&O) of 0.0681 is reflected as ad valorem tax revenue in the General Fund in the amount of \$354,874. M&O and I&S combined is \$521,107. The current year property tax revenues are budgeted at \$469,155, an increase of \$51,952 (11%) from FY 20-21 to FY 21-22. However, the amount proposed to be applied to General Fund operations is \$114,281 (-24%) less than the current year, due to the debt service requirement.

Sales tax is outperforming budget in the current fiscal year, as it did the prior year. Staff recommends a budget increase of \$52,500 (33%), from \$161,500 to \$214,000, following the trend observed the last two fiscal years.

Total General Fund revenue in the proposed FY 21-22 budget is \$692,624.

New or expanded programs include park enhancements in addition to playground equipment expected to be purchased in the current fiscal year, capital funding for infrastructure improvements, a contracted part-time maintenance superintendent, and wildfire mitigation programming. The Constable's office indicated significant increases to the Interlocal Agreement for FY 21-22 due to legislative revenue caps. An estimated increase of 29% is included for contract adjustments, a replacement vehicle, and overtime, pending final communication from Travis County. A 2% fee increase for the MUD Interlocal is proposed in accordance with the contract terms, but the overall budget is reduced \$4,000 (-5%), based on estimated usage of the labor and equipment portion of the agreement. Significant personnel changes are anticipated in the coming year, due to the City Secretary's announced retirement in January 2022.

Budgeted expenditures total \$ 670,286.

SOLID WASTE MANAGEMENT FUND

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.

Expenses related to Winter Storm Uri debris removal were charged to this fund under Special Projects. A budget amendment is required in the current fiscal for \$30,000 in disaster-related costs.

Revenue is budgeted to exceed expenses in by \$9,160 in FY 21-22.

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

Tax Note proceeds in the amount of \$1,125,000 were deposited in the Capital Projects Fund for the primary purpose of completing the walking trail to the dam. Construction is anticipated to commence in early 2022. Additionally, a budget amendment will be required for playground equipment expected to be ordered this fiscal year and installed in FY 21-22.

Staff recommends transferring \$33,472 from General Fund to the Capital Projects Fund for FY 21-22, making funds available for capital projects which have been discussed but not yet prioritized.

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. In FY 20-21 the walking trail project was prioritized in terms of time and funding. Engineered design of phase VTH.003 between Dovedale Cove and Wingreen Loop was completed in the first half of the fiscal year. Tax Notes authorized by the Council will fund the remainder of the trail to the dam, leaving only the bridge crossing. Construction is expected to begin in early 2022.

Leadership in The Hills responded to an unprecedented winter storm, providing debris removal services to residents while also making repairs and managing damage caused on City property. A regional Emergency Management Coordinator was hired mid-year, under an interlocal agreement among The Hills, Lakeway, and Bee Cave. Ongoing regional efforts include fire prevention, transportation, and workforce development.

The Hills City Park & Nature Center is one of the community's best assets. The Council and Parks & Recreation Commission have engaged in significant planning efforts to ensure the long-term enjoyment of this amenity. A new park sign, landscaping, and irrigation improvements were installed in the current fiscal year. Plans are being finalized for new playground equipment and fall zones to be constructed before the end of 2021. Other improvements are being discussed and prioritized, and staff is proposing \$25,000 for these prospective enhancements.

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 L. Smith
City Manager

FUND: GENERAL	Actual	Adopted	Projected	Adopted	\$ Difference	% Difference
	FY19-20	FY20-21	FY20-21	FY21-22	FY20-21 to 21-22	FY20-21 to 21-22
Total Tax Rate	0.1000	0.1000	0.1000	0.1000		
M&O Tax Rate	0.1000	0.1000	0.1000	0.0681		
I&S (Debt) Rate	0.0000	0.0000	0.0000	0.0319		
BEGINNING UNASSIGNED FUND BALANCE	448,898	596,890	596,890	578,932	(17,958)	-3%
REVENUES						
Ad Valorem Taxes	467,474	469,155	465,000	354,874	(114,281)	-24%
Franchise Fees	131,387	126,000	112,000	112,000	(14,000)	-11%
Sales Taxes	207,822	161,500	263,971	214,000	52,500	33%
Development Fees/Permits	450	500	1,350	1,150	650	130%
Grants and Sponsorships	-	-	725	10,000	10,000	-
Other	501	400	400	400	-	0%
Investment Income	4,318	500	200	200	(300)	-60%
Other Sources & Uses	-	-	-	-	-	-
TOTAL REVENUES	811,952	758,055	843,646	692,624	(65,431)	-9%
EXPENSES						
Administration	165,869	174,519	160,279	171,064	(3,455)	-2%
Contracted Services	190,382	216,050	195,375	272,450	56,400	26%
Common Areas	55,860	105,600	70,300	101,600	(4,000)	-4%
Parks & Recreation	26,466	57,200	44,500	82,200	25,000	44%
Youth Advisory Commission	190	3,500	2,000	3,500	-	0%
General Services	6,191	6,000	150	6,000	-	0%
Other Sources & Uses	219,000	184,000	184,000	33,472	(150,528)	-82%
TOTAL EXPENSES	663,958	746,869	656,604	670,286	(76,583)	-10%
Revenue Over (Under) Expenses	147,994	11,186	187,042	22,338	11,152	100%
Use of Fund Balance	-	-	(205,000)	-	-	0%
ENDING UNASSIGNED FUND BALANCE	596,890	608,076	578,932	601,270	(6,806)	-1%

FUND: GENERAL	Actual	Adopted	Projected	Adopted	\$ Difference	% Difference
	FY19-20	FY20-21	FY20-21	FY21-22	FY20-21 to 21-22	FY20-21 to 21-22

REVENUE

10-4000	PROPERTY TAX COLLECTIONS	467,474	469,155	465,000	354,874	(114,281)	-24%
10-4100	PEC	24,866	24,000	24,000	24,000	-	0%
10-4101	AT&T	15,041	19,000	5,000	5,000	(14,000)	-74%
10-4102	TW/SPECTRUM	37,219	33,000	33,000	33,000	-	0%
10-4103	CITY OF AUSTIN	54,261	50,000	50,000	50,000	-	0%
10-4200	SALES TAX - GENERAL	202,259	155,000	254,971	205,000	50,000	32%
10-4201	SALES TAX - MIXED BEV	5,563	6,500	9,000	9,000	2,500	38%
10-4300	DEVELOPMENT FEES/PERMITS	-	200	600	400	200	100%
10-4301	RENTALS (PARK) FEES PERMIT	450	300	750	750	450	150%
10-4400	GRANTS & SPONSORSHIPS	-	-	725	10,000	10,000	-
10-4500	INVESTMENT INCOME	4,318	500	200	200	(300)	-60%
10-4700	OTHER	501	400	400	400	-	0%
REVENUE TOTAL		811,952	758,055	843,646	692,624	(65,431)	-9%

FUND: GENERAL	Actual	Adopted	Projected	Adopted	\$ Difference	% Difference
	FY19-20	FY20-21	FY20-21	FY21-22	FY20-21 to 21-22	FY20-21 to 21-22

EXPENSES

ADMINISTRATION

10-10-5000	SALARIES	107,000	110,210	110,210	112,414	2,204	2%
10-10-5001	FEDERAL TAXES	8,510	9,000	9,000	9,000	-	0%
10-10-5002	UNEMPLOYMENT	-	9	-	-	(9)	-100%
10-10-5003	HEALTH INSURANCE	8,960	9,500	8,531	8,600	(900)	-9%
10-10-5004	TMRS	8,068	7,500	8,788	9,000	1,500	20%
10-10-5005	CAR ALLOWANCE	6,000	6,000	6,000	6,000	-	0%
10-10-5510	COMPUTER & OFFICE EQUIPMENT	1,982	1,000	500	1,000	-	0%
10-10-5511	EQUIPMENT	-	1,000	-	500	(500)	-50%
10-10-5512	SUPPLIES	1,181	3,000	1,200	1,750	(1,250)	-42%
10-10-5545	SOFTWARE	1,079	5,000	1,000	1,500	(3,500)	-70%
10-10-5555	POSTAGE	132	400	100	400	-	0%
10-10-6000	MEMBERSHIP DUES & SUBSCRIPTIONS	5,003	4,500	5,000	5,000	500	11%
10-10-6001	INSURANCE PREMIUMS	2,358	3,000	3,000	3,000	-	0%
10-10-6005	BONDS	390	400	400	400	-	0%
10-10-6006	INTERNET AND PHONE	7,432	3,000	3,000	4,000	1,000	33%
10-10-6010	TRAINING AND TRAVEL	3,384	5,000	1,500	3,500	(1,500)	-30%
10-10-6011	MEETINGS	997	1,500	1,200	1,500	-	0%
10-10-6025	LEGAL NOTICES & PUBLICATIONS	2,514	1,500	750	2,500	1,000	67%
10-10-6040	PRINTING/MAILING	879	3,000	100	1,000	(2,000)	-67%
ADMINISTRATION TOTAL		165,869	174,519	160,279	171,064	(3,455)	-2%

CONTRACTED SERVICES

10-20-6500	LEGAL/PROFESSIONAL SERVICES	9,240	17,000	9,000	47,000	30,000	176%
10-20-6510	TAX COLLECTION	2,601	2,700	2,700	2,700	-	0%
10-20-6520	LAW ENFORCEMENT	94,015	96,800	99,000	125,000	28,200	29%
10-20-6530	AUDIT	7,500	7,500	7,650	8,000	500	7%
10-20-6540	ELECTIONS	2,848	2,750	3,375	3,500	750	27%
10-20-6550	INTERLOCAL AGREEMENTS	74,178	82,000	69,650	78,000	(4,000)	-5%
10-20-6555	EMERGENCY MANAGEMENT	-	7,300	4,000	8,250	950	13%
CONTRACTED SERVICES TOTAL		190,382	216,050	195,375	272,450	56,400	26%

FUND: GENERAL	Actual	Adopted	Projected	Adopted	\$ Difference	% Difference
	FY19-20	FY20-21	FY20-21	FY21-22	FY20-21 to 21-22	FY20-21 to 21-22

COMMON AREAS

10-30-5560	SIGNAGE	1,608	1,000	700	1,000	-	0%
10-30-6050	MOWING & MAINTENANCE	46,736	62,000	55,000	60,000	(2,000)	-3%
10-30-6051	FACILITIES MAINTENANCE	-	1,000	-	-	(1,000)	-100%
10-30-6052	FENCE MAINTENANCE	2,309	6,000	5,000	20,000	14,000	233%
10-30-6053	IRRIGATION	5,207	9,000	9,000	9,000	-	0%
10-30-6054	WALKING TRAIL MAINTENANCE	-	1,000	-	1,000	-	0%
10-30-6055	WILDFIRE MITIGATION	-	5,000	-	10,000	5,000	100%
10-30-6056	WILDLIFE MANAGEMENT	-	600	600	600	-	0%
10-30-6057	IMPROVEMENTS	-	20,000	-	-	(20,000)	-100%
COMMON AREAS TOTAL		55,860	105,600	70,300	101,600	(4,000)	-4%

PARKS & RECREATION

10-40-5512	SUPPLIES	1,700	1,000	500	1,000	-	0%
10-40-6050	MOWING & MAINTENANCE	12,917	33,000	29,000	33,000	-	0%
10-40-6058	UTILITIES	2,427	4,200	3,000	4,200	-	0%
10-40-6060	EVENTS	9,422	17,000	10,000	17,000	-	0%
10-40-6062	RECREATION PROGRAMS	-	2,000	2,000	2,000	-	0%
IMPROVEMENTS					25,000	25,000	-
PARKS & RECREATION TOTAL		26,466	57,200	44,500	82,200	25,000	44%

YOUTH ADVISORY COMMISSION

10-50-5512	SUPPLIES	-	1,000	-	500	(500)	-50%
10-50-6060	EVENTS	190	2,000	2,000	2,500	500	25%
10-50-6061	SPECIAL PROJECTS	-	500	-	500	-	0%
YOUTH ADVISORY COMM TOTAL		190	3,500	2,000	3,500	-	0%

FUND: GENERAL	Actual	Adopted	Projected	Adopted	\$ Difference	% Difference
	FY19-20	FY20-21	FY20-21	FY21-22	FY20-21 to 21-22	FY20-21 to 21-22
GENERAL SERVICES						
10-90-5512 SUPPLIES	313	500	150	500	-	0%
10-90-6060 EVENTS	5,878	3,500	-	3,500	-	0%
10-90-6061 SPECIAL PROJECTS	-	2,000	-	2,000	-	0%
GENERAL SERVICES TOTAL	6,191	6,000	150	6,000	-	0%
OTHER SOURCES AND USES						
10-95-8912 TRANSFER TO CAPITAL PROJECTS	219,000	184,000	184,000	33,472	(150,528)	-82%
OTHER SOURCES AND USES TOTAL	219,000	184,000	184,000	33,472	(150,528)	-82%
GENERAL FUND EXPENSE TOTAL	663,958	746,869	656,604	670,286	(76,583)	-10%
REVENUE/EXPENSES	147,994	11,186	187,042	22,338	11,152	100%

FUND: SOLID WASTE		Actual	Adopted	Projected	Adopted	\$ Difference	% Difference
		FY19-20	FY20-21	FY20-21	FY21-22	FY19-20 to 20-21	FY20-21 to 21-22
BEGINNING FUND BALANCE		75,996	99,963	99,963	87,953	(12,010)	-12%
REVENUE							
50-4600	SW COLLECTION	276,540	274,560	274,560	274,560	-	0%
	REVENUE TOTAL	276,540	274,560	274,560	274,560	-	0%
EXPENSES							
ADMINISTRATION							
50-10-5512	SUPPLIES	-	250	-	250	-	0%
50-10-5545	SOFTWARE		4,000	4,142	5,000	1,000	25%
50-10-5555	POSTAGE	-	400	-	400	-	0%
50-10-6040	PRINTING/MAILING	-	750	-	750	-	0%
50-10-6098	BANK SERVICE CHARGES	-	-	-	-	-	-
50-10-9000	OTHER	-	-	-	-	-	-
	ADMINISTRATION TOTAL	-	5,400	4,142	6,400	1,000	19%
CONTRACTED SERVICES							
50-20-6550	INTERLOCAL - PERSONNEL	15,000	11,000	11,000	11,000	-	0%
50-20-6560	CONTRATED HAULER	219,939	227,982	219,928	225,000	(2,982)	-1%
50-20-6561	CANINE REFUSE STATIONS	11,834	12,000	16,032	17,000	5,000	42%
50-20-6562	DEAD ANIMAL COLLECTION	800	1,000	-	1,000	-	0%
	CONTRACTED SERVICES TOTAL	247,573	251,982	246,960	254,000	2,018	1%
GENERAL SERVICES							
50-90-6060	EVENTS	-	-	-	-	-	-
50-90-6061	SPECIAL PROJECTS	-		30,468	-	-	-
50-90-6080	HAZARDOUS WASTE FACILITY	5,000	5,000	5,000	5,000	-	0%
	GENERAL SERVICES TOTAL	5,000	5,000	35,468	5,000	-	0%
	EXPENSE TOTAL	252,573	262,382	286,570	265,400	3,018	1%
	REVENUE/EXPENSES	23,967	12,178	(12,010)	9,160	(3,018)	-25%
ENDING FUND BALANCE		99,963	112,141	87,953	97,113	(15,028)	-13%

FUND: CAPITAL PROJECTS		Actual	Adopted	Projected	Adopted	\$ Difference	% Difference
		FY19-20	FY20-21	FY20-21	FY21-22	FY20-21 to 21-22	FY20-21 to 21-22
BEGINNING FUND BALANCE		155,924	13,385	13,385	1,260,518	1,247,133	9317%
REVENUE							
30-4912	TRANSFER IN FROM GF	219,000	184,000	389,000	33,472	(150,528)	-82%
30-8000	LIMITED TAX NOTES, SERIES 2021	-	1,125,000	1,125,000	-	-	-
	REVENUE TOTAL	219,000	1,309,000	1,514,000	33,472	(1,275,528)	-97%
EXPENSE							
30-20-6500	PROFESSIONAL SERVICES	50,552	80,000	90,000	83,855	3,855	5%
30-20-8010	WALKING TRAIL CONSTRUCTION	311,244	104,000	76,867	1,041,145	937,145	901%
30-40-8115	PARK EQUIPMENT	-	-	100,000	105,000	105,000	-
	EXPENSE TOTAL	361,796	184,000	266,867	1,230,000	1,046,000	568%
	USE OF FUND BALANCE	(142,796)	-	-	(1,196,528)	-	-
ENDING FUND BALANCE		13,385	1,138,385	1,260,518	63,990	(1,074,395)	-94%

	Actual FY19-20	Adopted FY20-21	Projected FY20-21	Adopted FY21-22	\$	%
					Difference FY20-21 to 21-22	Difference FY20-21 to 21-22
FUND: DEBT SERVICE						
BEGINNING FUND BALANCE	-	-	-	-	-	-
REVENUE						
40-4000 AD VALOREM TAXES	-	-	-	166,528	166,528	
REVENUE TOTAL	-	-	-	166,528	166,528	
EXPENSE						
40-90-8510 PRINCIPAL	-	-	-	155,000	155,000	
40-90-8520 INTEREST	-	-	-	11,528	11,528	
EXPENSE TOTAL	-	-	-	166,528	166,528	
ENDING FUND BALANCE	-	-	-	-	-	-

FIVE YEAR CAPITAL IMPROVEMENT PLAN (CIP)

Project Description	Source of Funds	Fiscal Year							TOTAL
		20	21	22	23	24	25	26	
Walking Trail	Tax Notes, Series 2021; Capital Projects Fund	\$361,796	\$166,867	\$825,000	\$300,000	\$ -	\$ -	\$ -	\$ 1,653,663
Playground Equip and Fall Zone	General Fund	\$ -	\$100,000	\$105,000	\$ -	\$ -	\$ -	\$ -	\$ 205,000
Road Resurfacing (potentially in conjunction with County)	General Fund; Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000
Total		\$361,796	\$266,867	\$930,000	\$300,000	\$ -	\$ 60,000	\$ -	\$ 1,918,663

2021
NO NEW REVENUE TAX RATE WORKSHEET

1. **2020 total taxable value.** Enter the amount of 2020 taxable value on the 2020 tax roll today. Include any adjustments since last year's certification; exclude the Section 25.25 (d) one-fourth and one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14). \$ 470,957,091

2. **2020 tax ceilings.** \$ 0

3. **Preliminary 2020 adjusted taxable value.**
Subtract line 2 from line 1. \$ 470,957,091

4. **2020 total adopted tax rate.** \$ 0.1000 /\$100

5. **2020 taxable value lost because court appeals of ARB decisions reduced 2020 appraised value.**
 - A. **Original 2020 ARB values:** \$ 0

 - B. **2020 values resulting from final court decisions:** -\$ 0

 - C. **2020 value loss. Subtract B from A :** \$ 0

6. **2020 taxable value subject to an appeal under Chapter 42, as of July 25**
 - A. **2020 ARB certified value:** \$ 0.00

 - B. **2020 disputed value:** -\$ 0.00

 - C. **2020 undisputed value. Subtract B from A :** \$ 0.00

7. **2020 Chapter 42-related adjusted values**
Add Lines 5c and 6c. \$ 0.00

8. **2020 taxable value, adjusted for court-ordered adjustments.**
Add Line 3 and Line 7. \$ 470,957,091

9. **2020 taxable value of property in territory the taxing unit deannexed after January 1, 2020.** Enter the 2020 value of property in deannexed territory. \$ 0

10. 2020 taxable value lost because property first qualified for an exemption in 2021.

Note that lowering the amount or percentage of an existing exemption in 2021 does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions.

A. Absolute exemptions.

Use 2021 Market Value.	\$	0
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B. Partial exemptions. 2021 exemption amount

amount, or 2021 percentage exemption
times 2020 value: \$ 5,640,058

C. Value loss. Add A and B: \$ 5,640,058

'11. 2020 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal, or public access airport special appraisal in 2021. Use only those properties that first qualified in 2021; do not use properties that qualified in 2020.

A. 2020 market value: \$ 0

B. 2021 productivity value: -\$ 0

C. Value loss. Subtract B from A: \$ 0

12. Total adjustments for lost value. Add Lines 9, 10c, and 11c. \$ 5,640,058

13. 2020 captured value of property in a TIF. Enter the total value of 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2020 taxes were deposited into the tax increment fund. If the taxing unit has no captured appraised value in line 18D, enter 0. \$ 0

14. 2020 total value. Subtract Line 12 and Line 13 from Line 8. \$ 465,317,033

15. Adjusted 2020 total levy. Multiply Line 4 by Line 14 and divide by \$100. \$ 465,317.03

16. Taxes refunded for years preceding tax year 2020. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2020. Types of refunds include court decisions, Tax Code Section 25.25 (b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2020. This line applies only to tax years preceding tax year 2020. \$ 266.68

17. Adjusted 2020 levy with refunds and TIF adjustment.

Add Lines 15 and 16. \$ 465,583.71

18. **Total 2021 taxable value on the 2021 certified appraisal roll today. This value** includes only certified values or certified estimates of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled.

A. Certified Values	\$	499,580,886
B. Counties: Include railroad rolling stock values certified by the State Comptroller:	+\$	0
C. Pollution Control and energy storage system exemption: Deduct the value of property exempted for the first time as pollution control or energy storage system property.	-\$	0
D. Tax increment financing: Deduct the 2021 captured appraised value of property taxable by a taxing unit in which a tax increment financing zone for which the 2021 taxes will be deposited into tax increment fund. Do not include any new property value that will be included in Line 23 below.	-\$	0
E. Total 2021 value. Add A and B, then subtract C and D.	\$	499,580,886

19. **Total value of properties under protest or not included on certified appraisal roll.**

A. 2021 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the taxing unit's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values.

Enter the total value under protest: \$ 21,525,839

B. 2021 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included at appraisal roll certification. These properties are also not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value, and exemptions for the preceding year and a reasonable estimate of the market value, appraised value, and exemptions for the current year. Use the lower market value, appraised value, or taxable value (as appropriate).

Enter the total value not on the roll. \$ 0.00

C. Total value under protest or not certified. Add A and B. \$ 21,525,839.00

20. **2021 Tax Ceilings.** \$ 0

21. 2021 total taxable value. Add lines 18E and 19C. Subtract Line 20.	\$	521,106,725
22. Total 2021 taxable value of properties in territory annexed after Jan. 1, 2020. Include both real and personal property. Enter the 2021 value of property in territory annexed.	\$	0
23. Total 2021 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2020. An improvement is a building, structure, fixture, or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2020 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2021.	\$	2,179,447
24. Total adjustments to the 2021 taxable value. Add Lines 22 and 23.	\$	2,179,447
25. 2021 adjusted taxable value. Subtract Line 24 from Line 21.	\$	518,927,278
26. 2021 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100.	\$	0.0897 /\$100
27. COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2021 county NNR tax rate.	\$	N/A

2021
VOTER-APPROVAL TAX RATE WORKSHEET

28. 2020 M&O tax rate.	\$	0.1000 /\$100
29. 2020 taxable value, adjusted for court-ordered adjustments. Enter the amount in Line 8 of the No-New-Revenue Tax Rate Worksheet.	\$	470,957,091
30. Total 2020 M&O levy. Multiply Line 28 by Line 29 and divide by \$100.	\$	470,957.09
31. Adjusted 2020 levy for calculating NNR M&O rate.		
A. M&O taxes refunded for years preceding tax year 2020. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2020. This line only applies to tax years preceding tax year 2020.	+\$	266.68
B. 2020 taxes in TIF. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2020 captured appraised value in Line 18D, enter 0.	-\$	0.00
C. 2020 transferred function. If discontinuing all of a department, function or activity and transferring it to another unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in F below. The taxing unit receiving the function will add this amount in F below. Other taxing units enter 0.	+/-	0.00
D. 2020 M&O levy adjustments. Subtract B from A. For a taxing unit with C, subtract if discontinuing function and add if receiving function	\$	266.68
E. Add Line 30 to 31D.	\$	471,223.77
32. 2021 adjusted taxable value. Enter the amount in Line 25 of the NNR Tax Rate Worksheet.	\$	518,927,278
33. 2021 NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100.	\$	0.0908 /\$100

34. **Rate adjustment for state criminal justice mandate.** Enter the rate calculated in C. If not applicable, enter 0.

A. 2021 state criminal justice mandate. Enter the amount paid by a county to the TX Dept of Criminal Justice in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.

\$ 0.00

B. 2020 state criminal justice mandate. Enter the amount paid by a county to the TX Dept of Criminal Justice in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in the county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.

\$ 0.00

C. Subtract B from A and dividng by Line 32 and multiply by \$100. \$ 0.0000 /\$100

35. **Rate adjustment for indigent health care expenditures.** Enter the rate calculated in C. If not applicable, enter 0.

A. 2021 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state assistance received for the same purpose.

\$ 0.00

B. 2020 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state assistance received for the same purpose.

\$ 0.00

C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ 0.0000 /\$100

36. **Rate adjusted for county indigent defense compensation.** Enter the lesser of C and D. If not applicable, enter 0.

A. 2021 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state grants received by the county for the same purpose.

\$ 0.00

B. 2020 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state grants received by the county for the same purpose.

C. Subtract B from A and divide by Line 32 and multiply by \$100.

\$	0.00	
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D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100.

\$	0.00	
		\$ 0.0000 /\$100

37. **Rate adjustment for county hospital expenditures.** Enter the lesser of C and D, if applicable. If not applicable, enter 0.

A. 2021 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2020 and ending on June 30, 2021.

\$	0.00	
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B. 2020 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2019 and ending on June 30, 2020.

\$	0.00	
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C. Subtract B from A and divide by Line 32 and multiply by \$100.

\$	0.00	
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D. Multiply B by 0.08 and divide Line 32 and multiply by \$100.

\$	0.00	
		\$ 0.0000 /\$100

38. **Rate adjustment for municipality.** This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code, which only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code 26.0444 for more information.

A. Amount appropriated for public safety in 2020. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year

\$	0.00	
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B. Expenditures for public safety in 2020. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year.

\$	0.00	
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C. Subtract B from A and divide by Line 32 and multiply by \$100.

\$	0.0000 /\$100
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39. Adjusted 2021 NNR M&O rate.	Add Lines 33, 34, 35, 36, and 37. Subtract 38.	\$	0.0908 /\$100
40. Adjustment for 2020 sales tax specifically to reduce property values.	Cities, counties, and hospital districts that collected and spent additional sales tax on M&O expenses in 2020 should complete this line. These entities will deduct the sales tax gain rate for 2021 in Section 3. Other taxing units, enter zero.		
A. Enter the amount of additional sales tax collected and spent on M&O expenses in 2020, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent.			
	\$ 134,839.57		
B. Divide Line 40A by Line 32 and multiply by \$100	\$	0.0259 /\$100	
C. Add Line 40B to Line 39.	\$	0.1167 /\$100	
41. 2021 voter-approval M&O rate.	Enter the rate as calculated by the appropriate scenario below.		
Special Taxing Unit.	If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08		
-or-			
Other Taxing Unit.	If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035		
-or-			
D41. 2021 voter-approval M&O rate for a taxing unit affected by disaster	declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for a property located in the taxing unit, the governing body may direct the person calculating the voter-approval rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval rate in this manner until the earlier of 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, and 2) the third year after the tax year in which the disaster occurred. If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08.	\$	0.1207 /\$100
42. Total 2021 debt to be paid with property taxes and additional sales tax revenue.	Debt means the interest and principal that will be paid on debts that:		
(1) are paid by property taxes			
(2) are secured by property taxes			
(3) are scheduled for payment over a period longer than one year, and			
(4) are not classified in the taxing unit's budget as M&O expenses.			

A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments.

\$ 166,528.16

B. Subtract unencumbered fund amount used to reduce debt total.

-\$ 0.00

C. Subtract certified amount spent from sales tax to reduce debt (enter 0, if none)

-\$ 0.00

D. Subtract amount paid from other resources.

-\$ 0.00

E. Adjusted debt. Subtract B, C, and D from A. \$ 166,528.16

43. Certified 2020 excess debt collections.

Enter the amount certified by the collector. \$ 0.00

44. Adjusted 2021 debt.

Subtract Line 43 from Line 42E. \$ 166,528.16

45. 2021 anticipated collection rate.

A. Enter the 2021 anticipated collection rate certified by the collector 100.00%

B. Enter the 2020 actual collection rate 99%

C. Enter the 2019 actual collection rate 100%

D. Enter the 2019 actual collection rate 99%

E. Anticipated Collection Rate. If the anticipated collection rate in A is lower than actual collection rates in B, C, and D, enter the lowest collection rate from B, C, and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. 100%

46. 2021 debt adjusted for collections.

Divide Line 44 by Line 45E. \$ 166,528.16

47. 2021 total taxable value.

Enter the amount on Line 21 of the No-New-Revenue Tax Rate Worksheet. \$ 521,106,725

48. 2021 debt tax rate.

Divide Line 46 by Line 47 and multiply by \$100 \$ 0.0319 /\$100

49. 2021 voter-approval tax rate.

Add Lines 41 and 48. \$ 0.1526 /\$100

50. COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2021 county voter-approval tax rate. \$ N/A

2021 NNR Tax Rate and Voter-Approval Tax Rate Adjustments
for Additional Sales Tax to Reduce Property Taxes

51. **Taxable sales.** Units that adopted the sales tax in August or November 2020, or May 2021, enter the Comptroller's estimate of taxable sales for the previous four quarters. Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2020, skip this step. \$

52. **Estimated sales tax revenue.** Counties exclude any amount that is or will be spent for economic growth development grants from the amount of estimated sales tax revenue.

UNITS THAT ADOPTED THE SALES TAX IN NOVEMBER 2020 OR MAY 2021.

Multiply the amount on line 41 by the sales tax rate (.01, .005, or .0025, as applicable), and multiply the result by .95.

- OR-

UNITS THAT ADOPTED THE SALES TAX BEFORE NOVEMBER 2020.

Enter the sales tax revenue for the previous four quarters. Do NOT multiply by .95. \$ 169,041.73

53. **2021 total taxable value.** Enter the amount from Line 21 of the NNR Tax Rate Worksheet. \$ 521,106,725

54. **Sales tax adjustment rate.**
Divide Line 52 by Line 53 and multiply by \$100. \$ 0.0324 /\$100

55. **2021 NNR tax rate, unadjusted for sales tax.** Enter the rate from Line 26 or 27, as applicable, on the NNR Tax Rate Worksheet. \$ 0.0897 /\$100

56. **2021 NNR tax rate, adjusted for sales tax.**
Taxing units that adopted the sales tax in November 2020 or in May 2021, subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2020. \$ 0.0897 /\$100

57. **2021 voter-approval tax rate, unadjusted for sales tax.** Enter the rate from Line 49 or 50, as applicable, of the Voter-Approval tax rate worksheet. \$ 0.1526 /\$100

58. **2021 voter-approval tax rate, adjusted for sales tax.**
Subtract Line 53 from Line 56. \$ 0.1202 /\$100

Village of The Hills

2021
ADDITIONAL ROLLBACK PROTECTION FOR POLLUTION CONTROL

59. Certified expenses from TCEQ. Enter the amount certified in the determination letter from TCEQ. The taxing unit shall provide its tax assessor-collector with a copy of the letter.	\$	0.00
60. 2021 total taxable value. Enter the amount from Line 21 of the NNR tax rate worksheet.	\$	521,106,725
61. Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100.	\$	0.0000 /\$100
62. 2021 voter-approval tax rate, adjusted for pollution control. Add Line 60 to one of the following lines (as applicable): Line 49, Line 50 (counties), or Line 58 (taxng units with the additional sales tax).	\$	0.1202 /\$100 sales tax).

Village of The Hills

2021
VOTER-APPROVAL TAX RATE ADJUSTMENT FOR UNUSED INCREMENT RATE

63. 2020 unused increment rate. Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate. If the number is less than zero, enter zero.	\$	0.0018 /\$100
64. 2019 unused increment rate. Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$	0.0000 /\$100
65. 2018 unused increment rate. Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$	0.0000 /\$100
66. 2021 unused increment rate. Add Lines 63, 64, and 65.	\$	0.0018 /\$100
67. 2021 voter-approval tax rate, adjusted for unused increment rate. Add Line 66 to one of the following (as applicable): Line 49, Line 50 (counties), Line 58 (taxing units with additional sales tax), or Line 62 (taxing units with pollution control).	\$	0.1220 /\$100

Village of The Hills

2021
DE MINIMIS RATE

THIS SECTION SHOULD ONLY BE COMPLETED BY A TAXING UNIT THAT IS A MUNICIPALITY OF LESS THAN 30,000 OR A TAXING UNIT THAT DOES NOT MEET THE DEFINITION OF A SPECIAL TAXING UNIT.
(Texas Tax Code Section 26.012(a)(1).)

68. **Adjusted 2021 NNR M&O tax rate.**

Enter the rate from Line 39 of the Voter-Approval Tax Rate Worksheet. \$ 0.0908 /\$100

69. **2021 total taxable value.**

Enter the amount on Line 21 of the No-New-Revenue Tax Rate Worksheet. \$ 521,106,725

70. **Rate necessary to impose \$500,000 in taxes.**

Divide \$500,000 by Line 69 and multiply by \$100. \$ 0.0959 /\$100

71. **2021 debt rate.**

Enter the rate from Line 48 of the Voter-Approval Tax Rate Worksheet. \$ 0.0319 /\$100

72. **De minimis rate.** Add Lines 68, 70, and 71.

\$ 0.2186 /\$100

Village of The Hills

2021
TOTAL TAX RATE**No-new-revenue tax rate.**

As applicable, enter the 2021 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax). \$ 0.0897 /\$100

Voter-approval tax rate.

As applicable, enter the 2021 voter-approval tax rate from: Line 49, Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), or Line 67 (adjusted for unused increment). \$ 0.1220 /\$100

De minimis rate.

If applicable, enter the de minimis rate from Line 72. \$ 0.2186 /\$100