

# *CITY OF TERRELL HILLS*



## Operating Budget FY 2023

# City of Terrell Hills

## Fiscal Year 2023

This budget will raise more total property taxes than last year's budget by \$560,287 equal to a 9.48% increase, and of that amount \$79,210 is tax revenue to be raised from new property added to the tax roll this year.

The members of the City Council voted on the budget as follows:

**For:** Council Person – Bill Mitchell  
 Council Person – Peter Mako  
 Mayor – John Low



Council Person – Kate Lanfear  
 Council Person – Emmy Ballantyne

**Against:** None  
**Absent:** None

### Property Tax Rate Comparison

	<b>2022</b>	<b>2021</b>
No New Revenue Tax Rate:	.341945	.359740
Property Tax Rate:	.369784	.365000
NNR Maintenance & Operations Tax Rate:	.341945	.320112
Voter Tax Rate:	.374568	.384934
De Minimus Tax Rate	.372708	.394658
Debt Rate:	.044238	.044888

Total debt obligation for the City of Terrell Hills secured by property taxes: \$6,991,242.50

Page

1  
2  
3  
4  
5  
6  
8  
9  
10  
11  
12  
13  
14  
15  
19  
20  
21  
24  
25  
29  
30  
32  
34  
35  
37  
38

**INDEX**

Fiscal Year Rate Page  
Index  
Notice of Public Hearing  
Budget Calendar  
Budget Overview  
Budget Ordinance  
Budget Letter  
Strategic Goals & Planning  
Fund Balance Page  
General Fund Income Title Page  
Estimated Tax Rate  
Tax Graph City Comparison  
Income/Expense  
Fee Schedule  
General Fund Expense Title Page  
Expense Graph  
Expense Budget Pages  
City Flow Chart  
Pay and Benefits  
Payroll Projection  
Equipment Replacement Fund  
Debt Fund Budget  
Debt Service Schedule  
Capital Fund Budget  
Appendix Title Page  
Financial Policy



# Notice of Public Hearing on the 2023 Fiscal Year Budget for the City of Terrell Hills

The City of Terrell Hills City Council will hold a Public Hearing on the Proposed 2023 Fiscal Year Budget on December 12, 2022 at 4:00 p.m. at the Terrell Hills Municipal Complex, located at 5100 N. New Braunfels Ave. The Budget will be available at the City Hall and available on the City Website at [www.terrell-hills.com](http://www.terrell-hills.com). This budget will raise more total property taxes than last year's budget by \$560,287, and of that amount, \$79,210 is tax revenue to be raised from new property added to the tax roll this year.



City of Terrell Hills  
Budget Calendar for FY 2023

<p>August 8, 2022      <b>2:30 PM</b>  August 8, 2022  <b>(CC Meeting 4:00 PM)</b></p>	<p>Pre-planning Budget Workshop  1. Vote to propose to reduce, maintain or increase the tax rate.  2. Set date &amp; time for a public hearing &amp; for adoption of tax rate.</p>
<p>August 12, 2022</p>	<p>Submit proposed tax rate to Bexar County</p>
<p>September 7, 2022  <b>(On or Before)</b>  Make 7 days prior</p>	<p>Public notice published in newspaper for public hearing on proposed tax rate and for adoption of tax rate</p>
<p>September 12, 2022  <b>(CC Meeting 4:00 PM)</b></p>	<p>Public hearing and adoption of tax rate</p>
<p>September 14, 2022</p>	<p>Publish notice of vote on tax rate</p>
<p>October 11, 2022      <b>2:30 PM</b>  October 11, 2022  <b>(CC Meeting 4:00 PM)</b></p>	<p><b>Budget Workshop</b></p>
<p>November 2, 2022  <b>(11:30 AM)</b></p>	<p>Publish 1<sup>st</sup> draft of budget on City website</p>
<p><del>November 9, 2022  <b>(11:30 AM)</b></del></p>	<p><del>Budget Workshop</del> <b>If Needed CANCELLED</b></p>
<p>November 16, 2022</p>	<p>Public notice published in newspaper for budget hearing</p>
<p>December 12, 2022  <b>(CC Meeting 4:00 PM)</b></p>	<p>1. Public hearing on FY 2023 Budget  2. City Council action on FY 2023 Budget</p>





## Budget Overview

The City of Terrell Hills budget process starts in May. The City uses a modified accrual method of accounting, which is consistent with the method presented in the annual independent audit report. Revenues are estimated based on prior years' history, trend analysis, economic forecasting and any shifts in policy or strategic goals as laid out by Council. The City Council will adopt, at the end of each year, a balanced budget. This means that the proposed expenditures are equal to or less than the proposed resources. On occasion, additional resources may be required mid-year in order to provide services appropriately. In these cases, the department seeking additional funds, along with the City Manager, will make a formal request for a budget amendment to City Council. If the request is approved, the budget is amended accordingly.



**ORDINANCE NO. 1506**

**AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF TERRELL HILLS, TEXAS FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2023, AND ENDING DECEMBER 31, 2023; AND PROVIDING FOR THE INTRA-AND INTER-DEPARTMENTAL AND FUND TRANSFERS; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, the Budget has come before the City Council of the City of Terrell Hills, Texas for final review and consideration; and

**WHEREAS**, the City Council has conducted a public hearing, after proper notice, and has fulfilled all of the budget procedures in accordance with the laws of the State of Texas, including the Texas Local Government Code Chapter 102, and has complied with all of the applicable requirements of Federal Laws and Regulations; and

**WHEREAS**, said Budget is in good form and is in the best interest of the citizens of the City of Terrell Hills, Texas; and



**WHEREAS**, it is necessary, at this time, that said Budget be adopted.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL HILLS, TEXAS THAT:**

1. The Budget for the Fiscal year 2023, attached hereto and made part hereof, is hereby approved and adopted by the City Council of the City of Terrell Hills, Texas, to be effective for the 2023 Fiscal year beginning on January 1, 2023 and ending December 31, 2023; and
2. The City Manager, or the Assistant City Manager are hereby authorized to make intra- and inter-departmental fund transfers during the fiscal year as becomes necessary in order to avoid over expenditure of a particular account or fund; and
3. The City Manager, or the Assistant City Manager are hereby authorized to make all expenditures that have been expressly approved and appropriated in this budget; and
4. This Ordinance shall take effect and shall be in full force and effect from and after January 1, 2023.

**PASSED AND APPROVED THIS 12<sup>th</sup> DAY OF DECEMBER 2022.**

**ATTEST:**

  
\_\_\_\_\_  
**MAYOR**

  
\_\_\_\_\_

**Secretary-Manager**





November 2, 2022

John Low,  
City Council Members  
Terrell Hills, Texas

To the Honorable Mayor and City Council:

We are pleased to present to the City Council and citizens of the City of Terrell Hills the 2023 Proposed Operating Budget. The proposed budget has been developed with the goal of providing quality services and maintaining the quality of life for the citizens of the city through efficient fiscal and personnel management, while utilizing the city's strategic goals to guide the overall development and support the mission statement of our community.

The proposed fund budget total revenue is \$7,330,893 which represents an increase from the 2023 budget. The projected increase can be attributed to the continued new construction and remodeling of properties in the community as well as the continued rise in property values.

The budget as presented is balanced while providing an estimated \$1,150,000 transfer to the Capital Improvement Fund for future street projects. Additionally, the ¼ cent sales tax approved by voters for street maintenance will be transferred to the Capital Fund. Proposed expenditures reflect a 5% cost of living increase for city employees.

Overall, every effort has been made within the proposed budget to allocate resources in a sound manner that enables the effective delivery of municipal service for the safety, health, and welfare of the citizens of the City of Terrell Hills. These recommendations are forwarded to the Mayor and City Council for review and consideration.

Respectfully submitted,



William S. Foley  
City Manager

## Strategic Goals and Planning



### **Terrell Hills Vision Statement:**

Terrell Hills is a premier neighborhood that is unique and multigenerational where neighbors' know each other. We like our community and want to maintain its character

### **Terrell Hills Mission Statement:**


Terrell Hills is committed to preserving the character of our neighborhood and enhancing the quality of life for our citizens by providing excellent public safety, city services, infrastructure, and administration through sustainable and innovative processes as well as responsible fiscal management



### **Terrell Hills Goals:**

- Limit debt to 1% of valuations
- Continue to recruit, develop and retain an educated, well trained, and highly qualified staff to serve our community
- Establish long term plans for infrastructure maintenance with no significant capital investment
- Continuously evaluate efficiencies in providing services to our community
- Maintain a response time to emergencies not to exceed an average of four minutes
- Enhance and beautify common areas through landscaping, lighting, minor construction and signage
- Respond to resident concerns within one business day
- Investigate incentives and opportunities for economic development in current non-residential zones
- Coordinate with local area and regional governments to develop a community wide drainage and flood protection plan
- Maintain minimum General Fund reserve equal to 180 days of operating revenue

## Projected Budget Fund Balance

	2021 Final 31-Dec	2022 Estimated	2023 Proposed
Fund Balance	5,236,259	6,547,354	7,719,535
Excess of Revenue over Expenditure	1,311,095	1,172,181	0
Ending Cash Balance	6,547,354	7,719,535	7,719,535
Designated Reserve, Bonds	-767,270	-769,020	-775,420
Designated Reserve Crossing Guard	-121,135	-126,188	-129,188
Designated Reserve Capital Replacement	-1,444,938	-808,507	-871,257
			
Less Operating Reserve	-4,364,903	-5,146,357	-5,146,357
(240 days) Gross Ending Available Balance	\$2,182,451	\$2,573,178	\$2,573,178

City of Terrell Hills  
2023 Fiscal Year  
General Fund



Income

Estimated Tax Rate  
Fiscal Year  
2023

2021 Certified Ad Valorem Tax Rate

Debt rate	M&O rate	Total Rate
.044888	.320112	.365000

Certified Valuation \$1,604,428,273

2022 Estimated Ad Valorem Tax Rate w/ \$21,420,650.00 in new valuations

Debt rate	M&O rate	Total Rate
.044238	.325526	.369784



Estimated Valuation \$1,750,065,039

Note: The rates calculated above are estimates only and may vary dependent upon actual valuations once certified by the Bexar County Appraisal District.

Income/Expense Budget

				2021 Budget Actual	2022 Budget	2022 Budget Estimated Final	2023 w/5%COLA & Program Changes
Estimated Fund Balance Dec. 31				\$5,236,259	\$5,489,568	\$5,489,568	\$6,097,031
<b>Ordinary Revenues/Expenditures</b>							
<b>Revenues</b>							
4000 · Ad Valorem Tax							
			4001 · Delinquent Ad Valorem	84,189.15	35,000.00	65,000.00	55,000.00
			4002 · Property Tax Revenue (FY Ad Valorem Receipts)	2,919,318.19	3,005,000.00	2,640,667.00	5,896,671.07
			4003 · Prior Nondel Ad Valorem	2,210,429.61	2,079,429.29	3,056,600.00	
			4020 · Bldg Permits (Including Registrations)	503,904.65	400,000.00	500,000.00	485,000.00
			4050 · Court Fines	8,867.94	6,400.00	4,500.00	5,000.00
			4051 · Court Technology	296.00	340.00	180.00	200.00
			4052 · LMJF Jury Fund	2.60	3.00	2.40	2.00
			4053 · LMCBSF Building Security	127.40	147.00	117.60	100.00
			4070 · Franchise Tax - All	432,082.68	400,000.00	435,000.00	450,600.00
			4200 · Miscellaneous				
			4213 · Board Fees	3,300.00	2,400.00	5,000.00	2,400.00
			4214 · Burglar Alarms	1,250.00	1,100.00	925.00	1,100.00
			4216 · Crossing Guard	6,433.42	7,000.00	6,400.00	7,000.00
			4217 · Dog Tags	120.00	100.00	20.00	100.00
			4218 · Donations	1,200.00	1,200.00	1,200.00	1,200.00
			4219 · Garage Sales	2,100.00	1,400.00	1,000.00	1,400.00
			4222 · Receipt Book	20,727.25	3,500.00	18,000.00	3,500.00
			4223 · Recycling Income	795.88	200.00	1,500.00	200.00
			4226 · Parking Tickets	30.00	20.00	20.00	20.00
			4300 · Sales Taxes				
			4300 · Sales Taxes - Other	404,081.54	320,000.00	420,000.00	420,000.00
			4500 · Interest Income				
			4502 · Interest Income Money Mkt	2,807.67	2,800.00	6,000.00	12,000.00
			<b>Total Revenues</b>	<b>6,602,063.98</b>	<b>6,266,039.29</b>	<b>7,162,132.00</b>	<b>7,341,493.07</b>

City of Terrell Hills Fee Schedule

<u>CATEGORY</u>	<u>2023 FEE</u>
<b><u>GENERAL FEES</u></b>	
Pet Registration/Tag	***Valid for lifetime of pet*** 20.00 ***Microchipped pets*** Free
False Alarm Fee Schedule	(1-5) Free (5+) 25.00 per alarm
Solicitation Fee	50.00
Garage Sale Permit (2 days)	20.00
Estate Sale Permit (3 days)	100.00
Food License (1-2 employees)	125.00
Food License (3-6 employees)	175.00
Food License (7-10 employees)	250.00
Food License (11+ employees)	500.00
Open Records (copy of Ordinance, Police/Fire Report, non-resident)	.10¢ per page
Open Records (Police/Fire Report, resident)	none
<b>OVER 50 Pages</b>	
Open Records (general)	.10¢ per page <b>PLUS</b>
***1 hr. minimum per request***	15.00 per hour <b>PLUS</b>
Overhead Cost	20% personnel cost
<b><i>All non-standard requests will be in accordance with Tex. Admin Code §§ 70.1-70.12</i></b>	
Board of Adjustment Request	150.00 plus 150.00 Admin fee
Planning & Zoning Request	150.00 plus 150.00 Admin fee
Tree Trimming Permit (Annual)	50.00



**CONSTRUCTION FEE SCHEDULE**

All new Buildings, Additions, remodeling and renovations shall be based on the following Valuation Table.

**GENERAL CONTRACTOR REGISTRATION FEE –**

All Contractors engaged in projects requiring a permit shall be registered with the City. Certain registration types require a registration fee. There is no fee for Plumbing, Mechanical, Electrical, Backflow or Irrigator.

General Contractor Annual Fee Amount 100.00

**BUILDING PERMIT FEES - Fees are based off total Square Footage**

<b>Total Square Footage</b>	<b>Rate per Square Footage</b>
0---750 Sq. Ft	2.80
751 Sq. Ft ---1,000 Sq. Ft	2.25
1,001 Sq. Ft---2,500 Sq. Ft	2.00
2,501 Sq. Ft---3,000 Sq. Ft	1.90
3,001 Sq. Ft or more	1.80

**GENERAL BUILDING PERMIT FEES**



Curb Cut/Flat Work	150.00
Irrigation/Back flow Device	100.00
Roof Repair/Replacement	100.00
Swimming Pool/Spa	600.00
Swimming Pool Repair/Re-plaster	250.00
Walls/Fences	100.00
Patio/Patio Covers/Decks	250.00
Window Replacement	150.00
Foundation Repair	250.00
Signs	100.00
Tree Permit (per year)	50.00
Demo Permit (partial)	200.00



Demo Permit (complete tear down)	300.00
Occupancy Certificate	100.00
Utility Permit (CPS/SAWS)	No Fee
Re-inspection Fee	150.00
Additional Plan Review Fee	60.00

ELECTRICAL PERMIT FEES

Repair and Minor Work to include 1 Inspection	125.00
Renovations/ Remodels, Solar Systems Swimming Pools, no Service Upgrade Includes 2 inspections	200.00
Renovations/ Remodels & Swimming Pools, with Service Upgrade Includes 3 inspections	300.00
New Residence/ Includes 5 inspections	500.00
Additional inspections above permitted (each)	100.00
All other Electrical will be based on # of required Inspections (each)	100.00



AIR CONDITIONING AND MECHANICAL PERMIT FEES

Change outs, replacements or warranty work includes 1 inspection. (per unit/system)	100.00
All new Systems (first system) includes 2 inspections.	200.00
Each additional new system	100.00
Each Additional inspection	100.00

PLUMBING PERMIT FEES

Repairs, includes 1 inspection	100.00
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Renovation and Remodels includes 2 inspections	200.00
Additions, includes 3 inspections	300.00
New construction, includes 7 inspections	500.00
Sprinkler systems, Landscaping (new or repair)	100.00
Fire Sprinkler Systems includes 2 inspections.	200.00
Water catchment systems above or below ground	200.00
Additional inspections above permitted (each)	100.00
<u>GAS PERMIT FEES</u>	
CPA lockout/gas test, includes 1 inspection	150.00
Relocate gas meter, includes 1 inspection	150.00
Minor repairs, includes 1 inspection	150.00
Renovations/Remodels, includes 2 inspections	200.00
New construction, includes 3 inspections	300.00
Medical Gas	200.00
Additional inspections above permitted (each)	100.00
Underground storage tanks (removal or install)	200.00
<u>DEMOLITION OR MOVING PERMIT FEES</u>	
Demolition or removal of any structure – Complete Removal	300.00
Partial Removal/Tear Out	200.00
<u>RE-INSPECTION FEES</u>	
In all cases where a responsible party requests a plan review or an inspection of any type as called for in the City Codes, and the Building Official finds the work incomplete, or finds the work does not meet Code, a Re-Inspection/Additional Plan Review Fee shall be charged.	
Re-Inspection Fee	150.00



Additional Plan Review

60.00

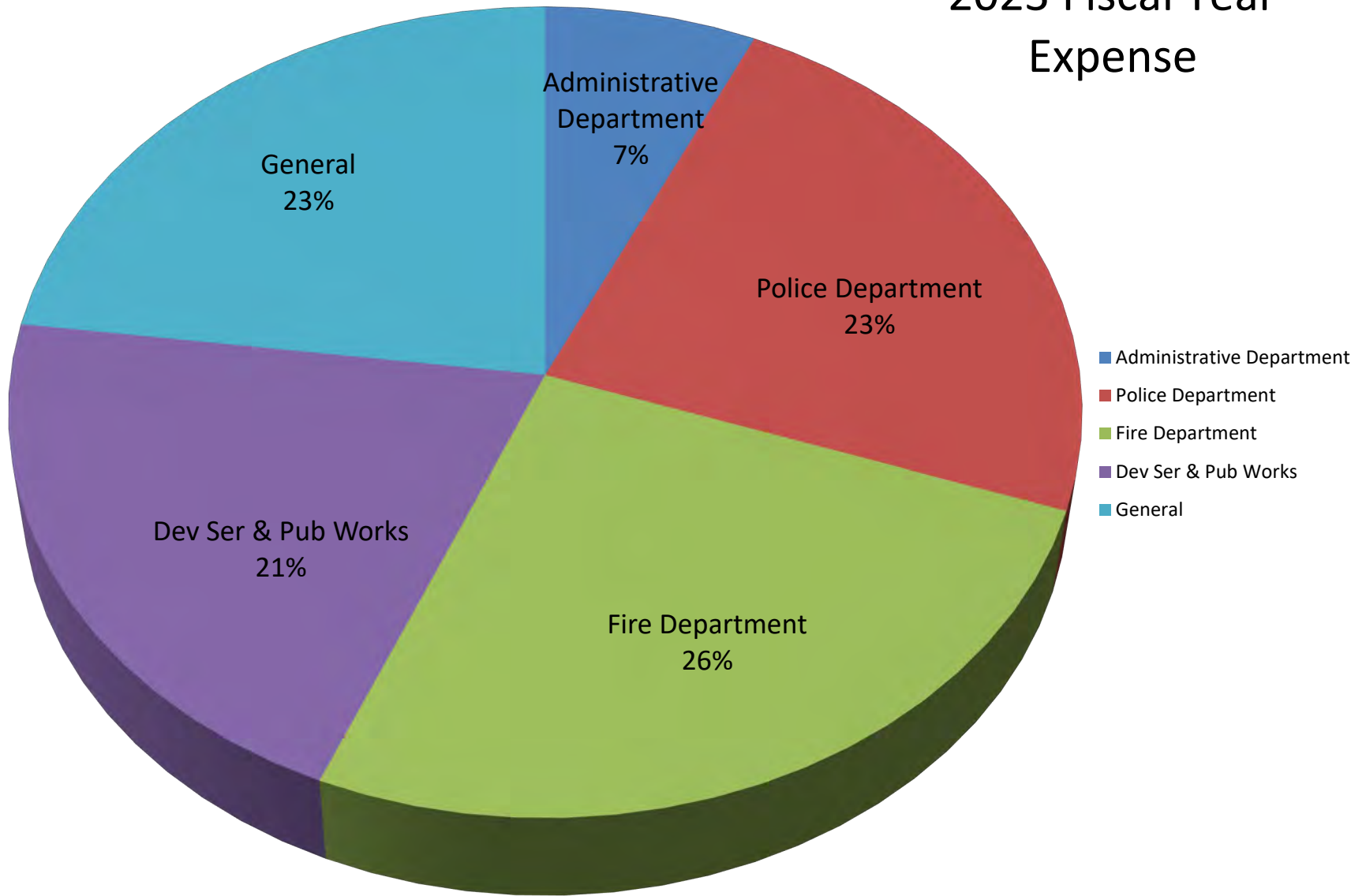


City of Terrell Hills  
2023 Fiscal Year  
General Fund



Expense

# 2023 Fiscal Year Expense



Projected Expense Budget

Expenditures	2021 Budget Actual	2022 Budget	2022 Budget Estimated Final	2023 w/5%COLA & Program Changes
<b>500000 · Administrative Expenses</b>				
5001000 · Salaries Administrative	301,133.99	316,110.33	322,960.33	343,635.65
5001035 · CCAFE Expense	0.00		500.88	
5001040 · TMRC	48,561.02	49,629.32	51,286.10	54,981.70
5001045 · CNCAF Expenses	0.00		0.00	
5001050 · Med 1	32,120.78		24,921.36	
5001060 · Dental (& Vision)	313.92		977.76	
Insurance		26,400.00		26,400.00
5001205 · Bank Charges	3,098.88	3,000.00	3,000.00	4,500.00
5001225 · Admin Training	1,054.59	5,000.00	5,000.00	5,450.00
5001235 · Miscellaneous	330.29	4,000.00	4,000.00	4,000.00
5001240 · Meeting & Office Expense	5,513.34	6,000.00	6,000.00	10,000.00
5001242 · Court Office Supplies	318.58	1,000.00	400.00	1,000.00
<b>Total 500000 · Administrative Expenses</b>	<b>392,445.39</b>	<b>411,139.65</b>	<b>419,046.43</b>	<b>449,967.35</b>
<b>510000 · Police Department</b>				
5101000 · Salaries Police Department	1,023,785.55	993,957.90	943,596.58	1,050,998.74
5101005 · Overtime Police Department	19,856.03	40,000.00	40,000.00	40,000.00
5101035 · CCAFE Expense	892.32		2,021.56	
5101040 · TMRC	168,484.73	162,331.39	156,195.14	174,559.80
5101045 · CNCAF Expense	1,255.92		801.84	
5101050 · Med 1	66,911.88		77,469.08	
5101060 · Dental (& Vision)	2,989.92		3,313.52	
Insurance		99,000.00		99,000.00
5101090 · Uniforms	8,250.06	10,000.00	10,000.00	11,000.00
5101102 · Animal Control	547.90	10,000.00	10,000.00	10,000.00
5101105 · CID	1,427.77	3,000.00	2,500.00	3,270.00
5101132 · Gas & Oil	21,281.97	22,000.00	24,214.24	30,000.00
5101157 · Radio Maintenance	885.65	2,000.00	675.00	2,000.00
5101178 · Tire & Battery	1,920.30	4,000.00	3,000.00	4,360.00
5101179 · Vehicle Repairs	8,715.52	10,000.00	10,000.00	10,900.00
5101225 · Training	16,735.64	17,000.00	17,000.00	17,000.00
5101235 · Miscellaneous	2,821.80	5,000.00	5,000.00	5,000.00
5101240 · Office Expense	3,673.76	4,000.00	4,000.00	4,000.00
5101330 · Vest	1,740.00	5,500.00	4,592.99	5,500.00
5101355 · PD ERF Transfer Out	40,000.00	40,000.00	40,000.00	40,000.00
<b>Total 510000 · Police Department</b>	<b>1,392,176.72</b>	<b>1,427,789.29</b>	<b>1,354,379.95</b>	<b>1,507,588.54</b>

	2021 Budget Actual	2022 Budget	2022 Budget Estimated Final	2023 w/5%COLA & Program Changes
<b>520000 - Fire Department</b>				
5201000 - Salaries Fire Department	1,002,765.77	1,073,856.13	1,066,730.40	1,135,777.82
5201005 - Overtime Fire Department	39,373.49	50,000.00	39,264.52	50,000.00
5201035 - CCAFE Expense	1,024.08		2,126.88	
5201040 - TMRC	166,209.35	176,445.41	173,641.20	189,724.45
5201045 - CNCAF - Fire Dept	1,722.24		2,305.68	
5201050 - Med 1	76,480.56		90,785.64	
5201060 - Dental (& Vision)	1,849.68		4,568.36	
Insurance		105,600.00		105,600.00
5201090 - Uniforms	8,272.16	10,600.00	9,600.00	11,600.00
5201128 - Fire Department Quarters	2,455.03	3,000.00	3,000.00	3,000.00
5201129 - Equipment & Maintenance	36,275.73	50,000.00	50,000.00	50,000.00
5201132 - Gas & Oil	6,796.29	9,000.00	9,504.64	15,000.00
5201157 - Radio Maintenance	213.20	2,500.00	1,500.00	2,500.00
5201178 - Tire & Battery	1,037.38	4,000.00	2,500.00	4,360.00
5201179 - Truck Repairs	10,101.93	10,000.00	9,000.00	10,000.00
5201225 - Training	14,676.82	17,000.00	15,000.00	17,000.00
5201235 - Miscellaneous	2,171.78	3,000.00	3,000.00	3,000.00
5201240 - Office Expense	1,744.17	3,000.00	2,500.00	3,000.00
5201245 - ERF Transfer Out	66,000.00	66,000.00	66,000.00	80,000.00
<b>Total 520000 - Fire Department</b>	<b>1,439,169.66</b>	<b>1,584,001.54</b>	<b>1,551,027.32</b>	<b>1,680,562.27</b>
<b>530000 - Dev Svcs &amp; PW</b>				
5301000 - Salaries Streets & Sanitation	614,394.52	614,218.57	602,254.94	651,172.16
5301005 - Overtime Streets & Sanitation	254.72	10,000.00	1,500.00	10,000.00
5301035 - CCAFE Expense	2,737.92		4,164.72	
5301040 - TMRC	98,333.95	98,002.31	95,876.28	105,787.55
5301045 - CNCAF Expense	2,387.04		2,714.40	
5301050 - Med 1	64,645.92		72,134.88	
5301060 - Dental (& Vision)	3,129.12		5,091.84	
Insurance		92,400.00		92,400.00
5301085 - Inspections	60,640.00	60,000.00	63,720.00	80,000.00
5301090 - Uniforms	8,861.23	10,200.00	8,593.00	11,200.00
5301112 - Waste Disposal	140,596.29	130,000.00	126,642.92	141,700.00
5301132 - Gas & Oil	43,814.06	42,000.00	35,161.14	65,000.00
5301165 - Sprinkler & Park Maintenance	31,149.79	45,000.00	15,000.00	45,000.00
5301178 - Tire & Battery	5,057.48	9,000.00	6,981.03	9,810.00
5301179 - Equip Maint	45,884.89	47,000.00	50,000.00	57,000.00
5301225 - Training	1,554.96	4,500.00	1,300.00	4,500.00
5301235 - Miscellaneous	145.14	500.00	200.00	3,000.00
5301240 - Office Expense	345.01	2,500.00	400.00	3,000.00
5301375 - Materials & Equipment	3,986.38	10,000.00	5,000.00	10,000.00
5301380 - ERF Transfer Out	53,000.00	53,000.00	53,000.00	60,000.00
<b>Total 530000 - Dev Svcs &amp; PW</b>	<b>1,180,918.42</b>	<b>1,228,320.88</b>	<b>1,149,735.15</b>	<b>1,349,569.71</b>

	2021 Budget Actual	2022 Budget	2022 Budget Estimated Final	2023 w/5%COLA & Program Changes
<b>540000 · General</b>				
5401041 · Elections	1,591.06	4,000.00	1,913.86	4,000.00
5401101 · Appraisal District	23,955.00	26,000.00	27,526.96	26,727.00
5401103 · Audit	15,100.00	16,000.00	15,100.00	16,600.00
5401105 · Engineering Services	8,005.56	20,000.00	13,000.00	20,000.00
5401106 · Prosecutor	2,100.00	2,700.00	3,700.00	3,900.00
5401107 · Judge	1,200.00	2,400.00	2,400.00	2,400.00
5401108 · City Attorney	45,465.09	55,000.00	50,000.00	60,000.00
5401109 · Telephone	6,572.71	8,000.00	7,054.06	8,100.00
5401110 · CPS	24,919.58	26,000.00	27,101.40	28,340.00
5401111 · Street Lights CPS	19,073.51	20,100.00	19,750.00	21,909.00
5401112 · Water	21,617.70	20,000.00	18,533.74	21,800.00
5401114 · Dispatch	142,931.00	150,000.00	144,339.00	150,000.00
5401125 · EMS Contract	111,883.14	125,000.00	122,131.00	125,000.00
5401130 · Health Inspections	660.00	880.00	880.00	880.00
5401138 · Insect control	815.00	1,200.00	1,004.00	1,308.00
5401145 · Liability Insurance	50,728.72	58,000.00	52,548.26	58,000.00
5401146 · Workers' Compensation Insurance	94,280.86	78,000.00	78,237.00	80,000.00
5401165 · Stormwater Mgmt Program	7,967.45	8,000.00	10,723.14	66,000.00
5401176 · Street & Alley Repairs	41,013.36	75,000.00	70,000.00	75,000.00
5401200 · Community Events	17,572.41	20,000.00	20,000.00	50,000.00
5401205 · Crossing Guard	531.00	3,000.00	1,300.00	4,000.00
5401210 · Contingencies	3,518.33	50,000.00	35,475.00	50,000.00
5401220 · Dues & Subscriptions	7,503.73	10,000.00	8,000.00	10,000.00
5401235 · Miscellaneous	3,909.70	4,000.00	4,000.00	4,000.00
5401245 · Postage	1,097.22	1,500.00	1,500.00	1,700.00
5401300 · Building Maintenance	47,723.69	75,300.00	65,000.00	75,300.00
5401325 · Computers	100,796.74	150,000.00	140,000.00	250,000.00
5401350 · Court Technology	0.00	200.00	0.00	200.00
<b>5401600 · Payroll Taxes</b>				
5401610 · Payroll City Life	674.93	7,500.00	7,515.00	7,600.00
5401670 · FICA	184,454.72	192,084.86	187,011.02	203,458.23
5401675 · SUI	13,243.74	10,000.00	1,000.00	10,000.00
5401685 · Medicare	43,138.61	44,923.07	43,736.45	47,582.97
<b>Total General</b>	<b>1,044,044.56</b>	<b>1,264,787.93</b>	<b>1,180,479.89</b>	<b>1,483,805.20</b>



**2023 City Council:**

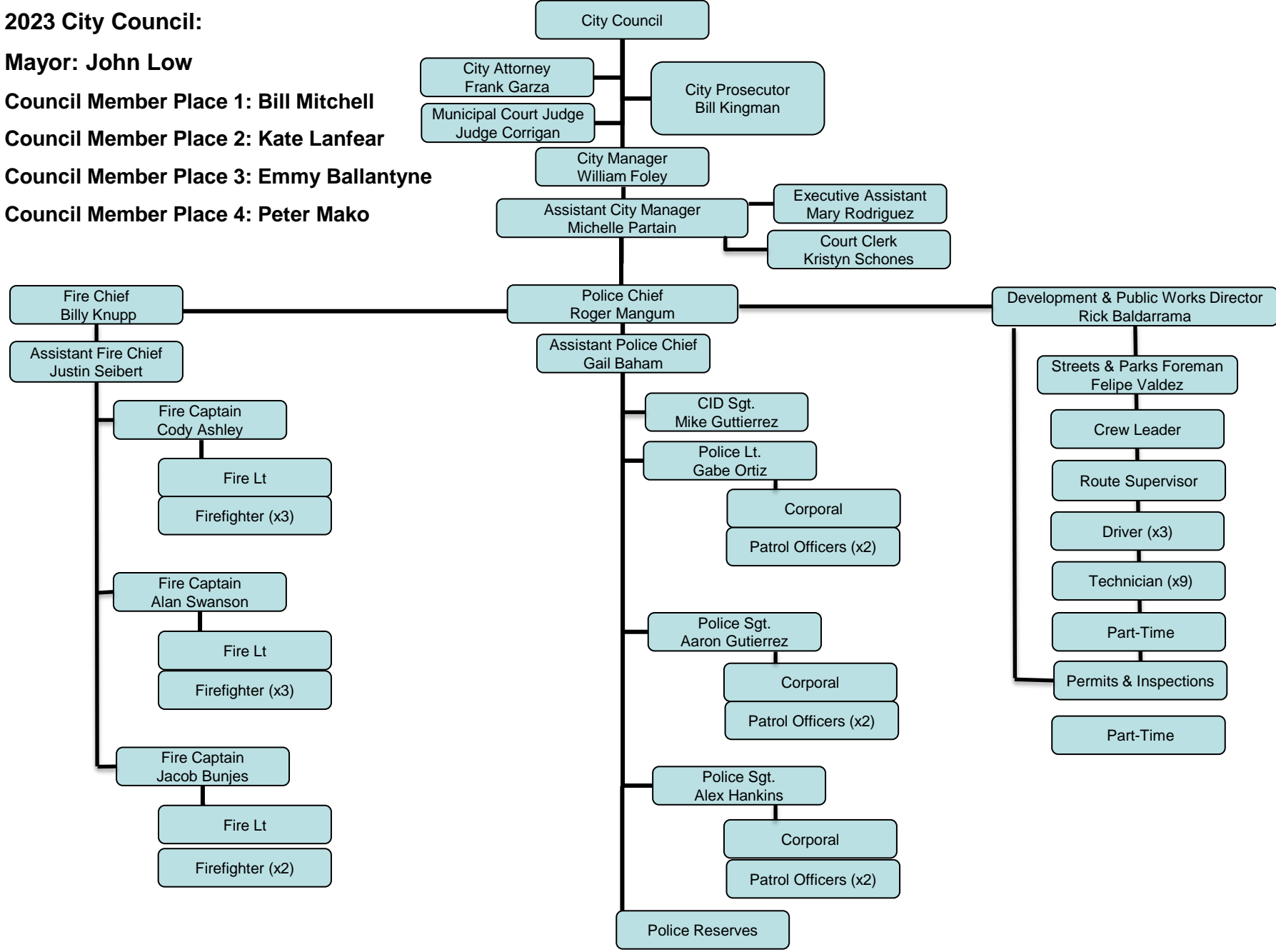
**Mayor: John Low**

**Council Member Place 1: Bill Mitchell**

**Council Member Place 2: Kate Lanfear**

**Council Member Place 3: Emmy Ballantyne**

**Council Member Place 4: Peter Mako**



## Fiscal Year 2023 Pay and Benefits Plan

### Base Pay

#### ***Administrative Department***

Title	Authorized Positions		Base Rate/ Period
	2022	2023	
City Manager	1	1	\$116,000.00/ Annual*
Assistant City Manager	1	1	\$7,865.06/ monthly*
Administrative Assistant	1	1	\$4,004.65/ monthly
Court Clerk	1	1	\$4,004.65/ monthly

\* City Manager to receive \$5,000 annual vehicle allowance

\* Assistant City Manager to receive \$200.00 per month vehicle allowance

#### ***Police Department***

Chief	1	1	\$7,351.00/ monthly*
Assistant Chief	1	1	\$6,386.93/ monthly
Lieutenant	2	1	\$5,791.19/ monthly
Sergeant	2	3	\$5,317.11/ monthly
Corporal	3	3	\$4,941.29/ monthly
Patrol Officer II	7	6	\$4,699.40/ monthly

\* Police Chief to receive \$200 per month vehicle allowance



#### ***Fire Department***

Chief	1	1	\$7,351.00/ monthly*
Assistant Chief	1	1	\$6,386.93/ monthly
Captain	3	3	\$5,317.11/ monthly
Lieutenant	3	3	\$4,941.29/ monthly
Firefighter II	8	8	\$4,699.40/ monthly

\* Fire Chief to receive \$200 per month vehicle allowance

#### ***Development Services & Public Works***

Director	1	1	\$5,613.50/ monthly*
Assistant Director/Building Inspector	1	0	
Foreman	2	1	\$23.65/ hourly
Route Drivers	3	5	\$18.09/ hourly
Crew Tech	8	7	\$17.82/ hourly
Part-Time Tech	As Needed	As Needed	DOQ

\* Director to receive \$200 per month vehicle allowance

\* Street Department personnel with a Texas Class B Commercial Driver's License will receive \$100.00 per month



**c. Group Hospitalization Insurance:** The City will provide group hospitalization and major medical insurance effective on the first day of the month following date of hire. Dependents' coverage and dental insurance shall be made available at the option of the individual employee. The City will contribute up to \$550 monthly to the City provided group plan for the employee and dependent insurance, with the employee responsible for the balance through payroll deduction. The City will also afford each employee the opportunity to obtain disability income and/or indemnity insurance for non-work-related accidents and illnesses, to be paid for by the employee through payroll deduction.

**d. Group Life Insurance:** Each employee will be provided with group life insurance based on the terms of the major medical policy and shall not exceed a total of \$50,000 in benefits. Dependents' coverage shall be made available at the option of the individual employee, the cost of which is to be paid by the employee.

**e. Incentive Pay:** Monthly pay to provide incentive for professional and educational accomplishment will be provided as shown below. Each employee is eligible for one incentive pay in each category related to their duty position. Certification of eligibility will be accomplished by the Department Head.

**(1) Education**

Master's Degree		\$200.00
Bachelor's Degree		\$150.00
Associates Degree		\$75.00



**(2) Professional Certification**

Master Peace Officer/Master Firefighter/Court Clerk III		\$100.00
Advanced Peace Officer/Advanced Firefighter/Court Clerk II		\$75.00
Intermediate Peace Officer/Intermediate Firefighter/Court Clerk I		\$50.00

**(3) Fire Instructor/Police FTO** \$25.00

**(4) EMS Instructor** \$50.00

**(5) Fire Inspector** \$50.00

All fire personnel ranked lieutenant and below & police personnel ranked corporal and below will receive a \$10.00 cell phone allowance for emergency recall texting fees.

**f. Vacation:** Full-time Regular Employees shall be eligible for paid vacation days based on the following schedule:

After 6 months	5 days
1 year thru 10 years	10 days
11 years and onward	15 days

Note: Variations and exceptions from this schedule may be found in the Personnel Policy Handbook with City Council approval.

The Personnel Policy Handbook prescribes the use and accumulation of Vacation days.

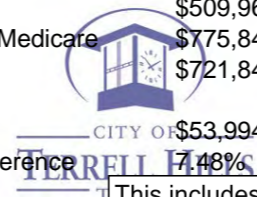


Proposed Raise

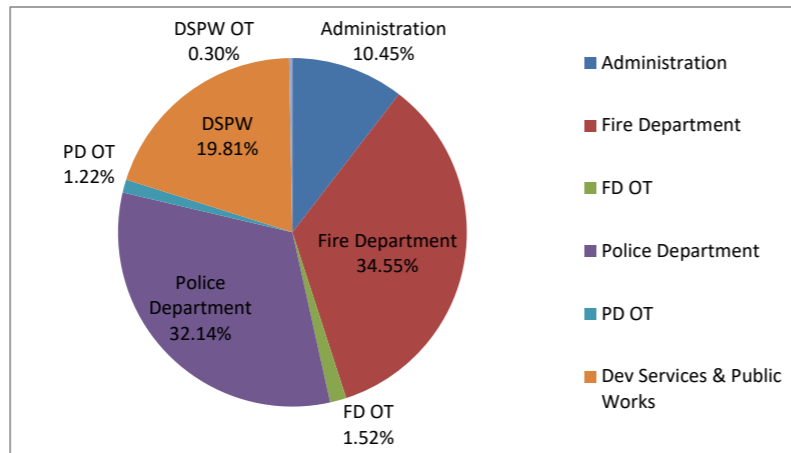
5.00%

## Payroll Projections Fiscal Year 2023 w/ 5% COLA

Department	Salary Projection	Social Security/city match	Medicare/city match	TMRS/city match	Payroll Totals
Administration	\$343,635.65	\$21,305.41	\$4,982.72	\$54,981.70	\$424,905.48
Fire Department	\$1,135,777.82	\$70,418.22	\$16,468.78	\$181,724.45	\$1,404,389.27
FD OT	\$50,000.00	\$3,100.00	\$725.00	\$8,000.00	\$61,825.00
Police Department	\$1,056,689.98	\$65,514.78	\$15,322.00	\$169,070.40	\$1,306,597.16
PD OT	\$40,000.00	\$2,480.00	\$580.00	\$6,400.00	\$49,460.00
Dev Services & Public Works	\$651,172.16	\$40,372.67	\$9,442.00	\$104,187.55	\$805,174.38
DSPW OT	\$10,000.00	\$620.00	\$145.00	\$1,600.00	\$12,365.00
<b>Total</b>	<b>\$3,287,275.61</b>	<b>\$203,811.09</b>	<b>\$47,665.50</b>	<b>\$524,364.10</b>	<b>\$4,063,116.29</b>
<b>Total w/out OT</b>	<b>\$3,187,275.61</b>	<b>\$197,611.09</b>	<b>\$46,215.50</b>	<b>\$509,964.10</b>	<b>\$3,941,066.29</b>
2022 budgeted amount	% difference w/OT	% difference w/out OT	Retirement/SS/Medicare	2022 Budgeted	
\$3,098,142.92	6.10%	2.88%	\$775,840.68	\$721,846.37	
	\$ difference w/ OT	\$ difference w/out OT	Difference		
	\$189,132.69	\$89,132.69	\$53,994.31		
	Total Difference w/out OT	\$143,127.00	Percentage Difference	7.48%	
	Total Difference w/ OT	\$243,127.00			



This includes the **FULL** rate for **TMRS 16.00%**





## EQUIPMENT REPLACEMENT FUND

The purpose of the Equipment Replacement Fund (ERF) is to ensure that adequate funds are available to purchase vehicles and equipment as it becomes obsolete or worn out, and at the same time minimize the budgetary impact for major purchases. The goal is to provide sufficient cash flow for annual purchases. The ERF is not designed to equal the replacement value of the fleet.

An important advantage of the ERF is that it prevents wide fluctuations in departmental operating budgets. For example, if the Fire Department did not need to replace any units in a given year, the department would continue paying fees into the ERF during that year. The positive result is that funding would then be available the next year, when the Fire Department might have a unit to replace, and its operating budget would not be depleted by making the purchase.

The amount a department budgets as their transfer to the ERF is based on the equipment used by the department, the equipment's estimated cost and its estimated life cycle. For example, if a garbage truck was purchased by the Public Works Department in 2016 for \$130,000 with an estimated life cycle of 15 years, the Public Works Department would transfer \$8,667 ( $\$130,000/15$ ) into the ERF in each of the years 2016 through 2031.

Additionally, fee calculation and fund balances should be reviewed regularly to ensure that adequate funds are available and that the budget is stabilized for major purchases, with a goal of providing sufficient cash flow for annual purchases.





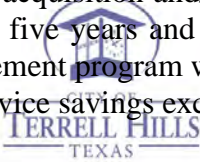


## Debt Fund Budget

The Debt Fund Budget was established to ensure the quality of decisions in relation to the City's financing activities, provide a comprehensive view of the City's long-term debt picture and make it easier for decision-makers to understand issues concerning debt issuance and management.

Debt will be issued for the purpose of meeting the needs of the community through funding of capital projects and equipment but without constituting an unreasonable burden to taxpayers.

Long-term debt is only issued to finance the acquisition and/or construction of capital improvements with an economic or useful life greater than five years and the term of the debt. Additionally, only capital needs identified in the capital improvement program will be considered. Refunding bonds will only be issued if the present value of debt service savings exceeds three percent of the outstanding par value of the refunded bonds.



City of Terrell Hills  
2023  
Debt Fund  
Budget

	<b>2021 Actual</b>	<b>2022 Estimated</b>	<b>2023 Budget</b>
<b>Estimated Starting Fund Balance</b>	728,154.00	687,347.00	686,597.00
<b>Income</b>			
<b>4001 - Ad Valorem Taxes</b>	726,463.00	769,020.00	775,420.00
<b>Total Income</b>	726,463.00	769,020.00	775,420.00
<b>Expense</b>			
<b>5501500 - Bond Principal</b>	550,000.00	575,000.00	605,000.00
<b>5501510 - Bond Interest</b>	217,270.00	194,020.00	170,420.00
<b>550152 - Service Fees</b>		750.00	
<b>Total Expense</b>	767,270.00	769,770.00	775,420.00
<b>Net Income</b>	<b>-40,807.00</b>	<b>-750.00</b>	<b>0.00</b>
<b>Estimated Ending Fund Balance</b>	<b>\$687,347.00</b>	<b>\$686,597.00</b>	<b>\$686,597.00</b>



## Debt Service Schedule

Series 2011 GO Bonds			Series 2012 Refunding Bonds			Series 2016 Refunding Bonds			Total by Date	Annual	
Period End	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total		
02/01/2023							605,000.00	91,260.00	696,260.00	696,260.00	
08/01/2023							0.00	79,160.00	79,160.00	79,160.00	775,420.00
02/01/2024							620,000.00	79,160.00	699,160.00	699,160.00	
08/01/2024							0.00	66,760.00	66,760.00	66,760.00	765,920.00
02/01/2025							650,000.00	66,760.00	716,760.00	716,760.00	
08/01/2025							0.00	53,760.00	53,760.00	53,760.00	770,520.00
02/01/2026							680,000.00	53,760.00	733,760.00	733,760.00	
08/01/2026							0.00	40,160.00	40,160.00	40,160.00	773,920.00
02/01/2027							705,000.00	40,160.00	745,160.00	745,160.00	
08/01/2027							0.00	33,286.25	33,286.25	33,286.25	778,446.25
02/01/2028							720,000.00	33,286.25	753,286.25	753,286.25	
08/01/2028							0.00	25,546.25	25,546.25	25,546.25	778,832.50
02/01/2029							740,000.00	25,546.25	765,546.25	765,546.25	
08/01/2029							0.00	17,406.25	17,406.25	17,406.25	782,952.50
02/01/2030							755,000.00	17,406.25	772,406.25	772,406.25	
08/01/2030							0.00	8,912.50	8,912.50	8,912.50	781,318.75
02/01/2031							775,000.00	8,912.50	783,912.50	783,912.50	
											783,912.50





## Capital Funds Budget

The Capital Fund Budget provides for the Future Street and Infrastructure maintenance and improvement. The 2023 Capital Fund Budget balance will continue to increase with the budgeted increase from the general fund and an additional transfer from the undesignated reserve fund.



City of Terrell Hills  
Fiscal Year 2023  
Capital Funds  
Budget

	<u>Jan - Dec 21</u>	<u>Jan - Dec 22 Estimate</u>	<u>Jan-Dec 23 Budget</u>
<b>Estimated Starting Fund Balance</b>	<b>\$1,743,428.00</b>	<b>\$1,741,410.03</b>	<b>\$1,046,410.03</b>
<b>Income</b>			
<b>4600 · Transfers In</b>	900,000.00	900,000.00	1,150,000.00
<b>4610 · Street Sales Tax 1/4%</b>	101,020.39	105,000.00	105,000.00
<b>Total Income</b>	<u>1,002,046.72</u>	<u>1,005,000.00</u>	<u>1,255,000.00</u>
<b>Gross Profit</b>	1,002,046.72	1,005,000.00	1,255,000.00
<b>Expense</b>			
<b>650000 · Capital Projects Expenditures</b>	1,004,064.69	1,700,000.00	1,255,000.00
<b>Total Expense</b>	<u>1,004,064.69</u>	<u>1,700,000.00</u>	<u>1,255,000.00</u>
<b>Net Income</b>	<u><u>-2,017.97</u></u>	<u><u>-695,000.00</u></u>	<u><u>0.00</u></u>
<b>Designated Reserve Addition</b>			
<b>Estimated Ending Balance</b>	<b>\$1,741,410.03</b>	<b>\$1,046,410.03</b>	<b>\$1,046,410.03</b>



City of Terrell Hills  
2023 Fiscal Year  
Budget



Appendix

## 6-28 General Financial Policies

### GENERAL STATEMENT

These financial policies have been developed and approved by City Council to ensure continuity and understanding about the City's financial decisions. The policies outline the steps the City of Terrell Hills will follow when making all necessary financial decisions. These policies are to be reviewed and updated on an annual basis. It is important that the policies provide continuity among leadership of the City in an effort to achieve long term goals and fulfill the City's mission.

### Section 1: Budget Process

1.0. The budget year for the City of Terrell Hills is January 1 to December 31. The charter states that the "City Council shall on the 1<sup>st</sup> day of October of each year, or as soon after as practicable, prepare a budget to cover all proposed expenditures of the City for the succeeding year." In practical terms, the City staff will ensure the budget is prepared for City Council review at the October budget workshop and approval consideration in the December council meeting of each year.

1.1. Staff will use the following process to prepare the budget:

1.11. The effective tax rate is calculated in late July by Bexar County. That effective tax rate will be compared against the valuations and the current year's budget to determine the tax rate needed by the City to fund operations. The tax rate will to be set at an amount sufficient to cover budgeted Maintenance and Operations (M&O) and Interest and Sinking (I&S)/Debt Obligations. The tax rate will normally be set at the September council meeting. Because the City's fiscal year begins January 1, the tax rate set by council at the September council meeting will cover expenditures in the current tax year, not the upcoming tax year. For example, the 2015 effective tax rate is calculated in July of 2015. The City will set its 2015 tax rate at the September council meeting and that rate goes into effect for taxes collected from October 1, 2015 to December 31, 2015. The tax rate set at the September 2015 council meeting must be sufficient to meet M&O and debt obligations for the 2015 tax year. In effect, City staff is collecting taxes starting October 1, 2015 for money that has been spent since January 1, 2015.

1.12. Staff begins the budget process in late July of each year. The City Manager and department heads meet, pass out the current year budget, and determine the appropriate budget for the upcoming budget year. This data, with supporting documentation for equipment and any new programs, is submitted in late August.

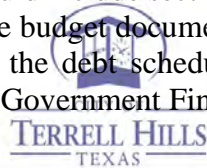
1.13. The City Manager receives all the budget data by late August and begins preparation for the first Council workshop. This workshop should introduce Council members to the new budget. The City Manager should have a "rough draft" of the budget with numbers in sufficient detail to brief Council on any major new acquisitions or proposed programs. The Manager may present multiple options in the event that Council decides to be more or less

conservative with the finances. The City Manager should review and incorporate data relating to the City's goals and mission statement, and answer any questions Council may raise. The desired outcome of the first budget workshop should be a mutual understanding of the major programs/financial direction of the city. The City Manager takes these results and incorporates them into the budget for the second workshop.

1.14. The City Manager conducts the second workshop with City Council in mid-October. The final budget data is presented to Council and any further questions answered. At this point Council will narrow the budget to a final option that can be fine-tuned in preparation for a budget hearing and final passage.

1.15. The City Manager finalizes the budget and prepares for its possible passage at the December Council meeting. Appropriate ads are placed in the newspaper in advance of the public hearing per State Law. The Council will hold a public hearing and take public input at the December meeting. If there is extensive input by the public, the Council should consider tabling the budget and sending back to the City Manager for consideration in a Special City Council meeting. The budget must be passed prior to the new fiscal year beginning January 1.

1.16 The City Manager will prepare a budget document in sufficient detail to describe the programs funded. The document should include sections highlighting the programs in each department. A separate section of the budget document is devoted to personnel programs, capital improvement programs and the debt schedule. The final budget is prepared in accordance with best practices from Government Finance Officers' Association (GFOA).



## **Section 2: Long Term Debt**

2.0 The City establishes the following policy concerning the issue and management of debt. This debt policy, as presented to City Council and the citizens, was established to ensure the quality of decisions in relation to the City's financing activities, provide a comprehensive view of the City's long-term debt picture and make it easier for decision-makers to understand issues concerning debt issuance and management.

### **2.1 Conditions of Debt Issuance**

2.11 Debt should be issued for the purpose of meeting the needs of the community through funding of capital projects and equipment but without constituting an unreasonable burden to taxpayers.

2.12 Long-term debt is only issued to finance the acquisition and/or construction of capital improvements with an economic or useful life greater than five years and the term of the debt. Additionally, only capital needs identified in the capital improvement program will be considered. Refunding bonds will only be issued if the present value of debt service savings exceeds three percent of the outstanding par value of the refunded bonds. Debt for other purposes, such as acquisition of capital assets, is covered separately in this policy.



## 2.2 Types of Debt

**2.21 General Obligation Bonds** General Obligation Bonds may only be issued with a majority approval of a popular vote. The use of the proceeds from GO Bonds is limited to the acquisition or improvement of real property and other uses allowed by law and applicable bond ordinances. City facilities, parks and public safety facilities are examples of facilities that could be financed with GO Bonds. To the extent that property tax revenues are used to fund debt service, a separate property tax will be levied.

**2.22 Refunding Obligations** Pursuant to the Government Code and various other financing statutes applicable in particular situations, the City Council is authorized to provide for the issuance of bonds for the purpose of refunding any long-term obligation of the City. Absent any significant non-economic factors, a refunding should produce minimum net debt service savings (net of reserve fund earnings and other offsets) of at least 3% of the then-outstanding par value of the refunded bonds, unless staff determines that a lower savings percentage is acceptable for issues or maturities with short maturity dates.

**2.23 Tax Anticipation Notes** Proceeds from Tax Anticipation Notes are used to fund projects whose source of payment is future tax revenues. These instruments have a term of one to three years and are for a specific purpose such as temporary financing for capital improvements, cash flow needs and major equipment leasing.

**2.24 Tax Increment Financing Bonds** The City may use these bonds to finance capital improvements within the tax increment reinvestment zone. Repayment is from property taxes generated within the zone.

**2.25 Leases** Leases may be used to finance major capital purchases, other than infrastructure, including fleet, major system upgrades and large equipment purchases. The useful life of the asset should not exceed the term of the lease.

**2.26 Other Obligations** There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to limited tax notes, non-enterprise revenue bonds, bond anticipation notes, grant anticipation notes and judgment or settlement obligation bonds.

## 2.3 Restrictions on Debt Issuance

- The City will not use long-term debt to finance current operations or normal maintenance.
- General obligation debt will not be issued if other, more financially efficient financing sources are available such as certificates of obligation, limited tax notes, leases or revenue bonds.
- Short-term debt will not be used to refinance long-term debt.

- All debt issuances shall be approved by the City Council.

2.31 Before any debt may be issued, the City will perform an analysis of the requirements to determine the impact on future budgets, the sufficiency of revenues to fund the debt service requirements and additional operating costs of the capital asset acquired. The analysis will ensure that debt service payments funded by the General Fund shall be not greater than 1% of current property valuations.

## 2.4 Characteristics of Debt Issuance

2.41 When the City finances capital projects by issuing bonds, it will pay back the bonds in a period not exceeding the expected life of those projects. Other standard terms shall include the following:

- Term may be up to 30 years depending on cash flow assumptions, and useful life of asset being financed.
- Call provisions will be shortest possible optional call consistent with optimal pricing.
- The City will seek level or declining debt repayment schedules and will avoid issuing debt that provides for balloon principal payments reserved at the end of the term of the issue.
- The City will avoid variable-rate debt due to the potential volatility of such instruments.
- Debt service reserve will be in conformity with bond covenants.
- Commercial insurance or other credit enhancements to the bond rating shall be considered when cost-effective.

## 2.5 Debt Issuance Process

2.51 The City will maintain good communications with bond rating agencies about its financial condition and will follow a policy of full disclosure on every financial report and bond prospectus. The City will also comply with all federal tax law provisions, including arbitrage requirements.

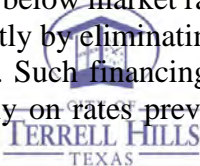
2.52 The City shall utilize the services of independent financial advisor(s) on debt financing when deemed prudent. Although not required, the City may utilize an RFP-selected pool of such financial advisors to mitigate time constraints and reduce overhead costs of the City in procuring such services. Bond counsel will be used for each transaction.

2.53 City staff shall review each debt issuance transaction on a case-by-case basis to determine the most appropriate method of sale.

- **Competitive Sale** In a competitive sale, bids for the purchase of the bonds are opened at a specified place and time and are awarded to the underwriter (or syndicate) whose conforming bid represents the lowest true interest cost to the City (TIC). This method is most advantageous when the debt to be issued is less

complex, the municipal bond market for high-grade credits is stable, and the sale of the City's bonds is assured.

- ◇ Bond sales shall be cancelable at any time prior to the time bids are to be received.
  - ◇ Upon award to the bidder whose conforming bid represents the lowest true interest cost, the City may restructure the bonds in accordance with the Official Notice of Sale. The City shall reserve the unfettered right to reject all bids or waive bid irregularities.
- **Negotiated Sale** In a negotiated sale, the City chooses the initial buyer of the bonds in advance of the sale date. The initial buyer is usually an investment banking firm, or a syndicate of investment banking firms interested in reoffering the bonds to investors through an underwriting process. This type of sale allows the City to discuss different financing techniques with the underwriter in advance of the sale date. This method is most advantageous when the debt issue is complex, debt structuring flexibility is required (as would be the case in a bond refunding) or the municipal bond market is unstable or uncertain.
  - **Private Placement** In a private placement, the City may select a private purchaser willing to bid a below market rate. Such placements often allow debt to be issued more efficiently by eliminating the need for bond ratings and other associated issuance costs. Such financing will be analyzed on a case-by-case basis, depending primarily on rates prevailing in the placement market from time to time.



2.54 Professional services used in conjunction with a bond issuance may be obtained using a request for proposal (RFP). If an RFP is used, selection will be based on experience in the type of issuance and municipal bond activities, ability to perform needed services, conflicts of interest, fees and fee structure.

### **Section 3: Internal Controls for the City of Terrell Hills**

3.1. The City will employ the following internal controls to make sure that all financial transactions are handled appropriately:

3.11. The Assistant City Manager serves the accounts payable function for the City. He/she prepares all checks and deposits. The City Manager signs the checks and ensures that all expenditures are valid and legal. Additionally, check registers will be provided to City Council monthly for their review.

3.12. The Assistant City Manager makes necessary journal entries, processes payroll and reconciles the bank statements on a monthly basis. The City maintains the following bank accounts: general fund for all non-payroll transactions, money fund for all bank deposits, interest and sinking fund for all debt payments, general fund payroll for all

payroll transactions, and capital projects funds for capital projects deposits and expenditures.

3.13. The Assistant City Manager maintains the petty cash fund to ensure money is available for small expenditures. The City Manager reviews the expenditures of these funds on a monthly basis.

3.14. Every expenditure must be approved by a Department Head or the City Manager. This is indicated by initials and date on every invoice the City receives. The City Manager reviews these initials prior to approving checks for payment.

3.15. The Assistant City Manager deposits money as quickly as possible and ensures that money received is secured to ensure safety. In no case will cash be left undeposited by the City for longer than five business days.

#### **Section 4: Sales Tax Collections**

4.1. The City receives payment monthly via the State Comptroller for sales tax revenues. One-fourth of one-percent of collections has been designated for Street Maintenance by the voters of the City of Terrell Hills. As such,

4.11. The appropriate amount is calculated monthly and moved via transfer to the City's Capital Fund to be allocated for street maintenance.

