



City of Hedwig Village Fiscal Year 2016-2017 Budget Cover Page September 30, 2016

This budget will raise more revenue from property taxes than last year's budget by an amount of \$279,688, which is a 14.44 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 \$28,770.

The members of the governing body voted on the budget as follows:

FOR:	Council Member Carrol McGinnis	Council Member William Johnson
	Council Member Barry Putterman	
AGAINST:	Council Member Robert Wiener	Council Member Matt Woodruff
PRESENT and not voting:	Mayor Brian T. Muecke	
ABSENT:		

Property Tax Rate Comparison

	2016-2017	2015-2016
Property Tax Rate:	\$0.222500/100	\$0.210311/100
Effective Tax Rate:	\$0.196524/100	\$0.176001/100
Effective Maintenance & Operations Tax Rate:	\$0.132088/100	\$0.130784/100
Rollback Tax Rate:	\$0.182201/100	\$0.210311/100
Debt Rate:	\$0.039546/100	\$0.069065/100

Total debt obligation for City of Hedwig Village secured by property taxes: \$394,088



HEDWIG VILLAGE



2017 BUDGET



CITY ADMINISTRATOR/CITY SECRETARY/TREASURER
KELLY JOHNSON



Brian Muecke,
Mayor



**Barry
Putterman,**
Councilmember
Position 1



Carrol McGinnis,
Councilmember
Position 2



Robert Weiner,
Councilmember
Position 3



Matt Woodruff,
Councilmember
Position 4



William Johnson,
Councilmember
Position 5

**CITY OF HEDWIG VILLAGE
ANNUAL BUDGET FISCAL YEAR 2017**

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October 3, 2016

To The Honorable Mayor, City Council and Residents of Hedwig Village:

I'm pleased to present the 2017 Annual Budget for the City of Hedwig Village, Texas. The budget has been prepared in accordance with Texas Statute and as a result of our budget discussions and public comments over the past year. We have worked diligently to balance the needs of our community, prepare for the future, and maintain operating costs as low as possible.

The City of Hedwig Village, a Type A General Law City, was incorporated in 1954. The City is located in Harris County and is bound on the east by the City of Hunter's Creek Village, the south by the City of Piney Point Village and the City of Bunker Hill Village, the north by the City of Houston and the City of Spring Valley Village. The City of Hedwig Village consists of approximately 572 single family homes, 244 condominium units, two apartment complexes, two public schools, two churches, and many restaurants and retail stores. The City of Hedwig Village currently has 6 full-time city hall employees and 23 full-time police department employees.

Budget Preparation Process:

The City Staff recognizes that the annual budget process is the single most important financial responsibility of a local government. The Texas Tax Code requires cities that levy a property tax to approve their budgets by September 30th or by the 60th day after the taxing unit receives the certified roll, whichever date is later regardless of the date their fiscal year starts.

The first budget workshop was held with the Mayor and City Council on August 3, 2016. In the workshop they reviewed maintenance and operations and looked at the City's infrastructure needs including streets and drainage. The City of Hedwig Village has one of the lowest tax rates in Harris County. Mayor and City Council discussed ways to fund the City's infrastructure needs with revenues remaining flat and operating expenditures increasing minimally. A tax increase was inevitable.

On September 8, 2016, City Council again met and reviewed the 2017 Proposed Budget. City Council voted to proceed with a proposed tax rate of \$0.252500 to support the budget as presented which added additional funds to start addressing infrastructure needs.

The City held public hearings on September 20, 2016, September 22, 2016, and on September 26, 2016 to receive input from the public, either oral or written, regarding the proposed 2016 Property Tax Rate to support the 2017 Proposed Budget at a tax rate of \$0.252500 per \$100 valuation. A public hearing on the entire budget was held on September 26, 2016. Notices were placed in the paper and on the City's website.

On September 30, 2016, Council approved the 2017 Proposed Budget and the 2016 Tax Rate of \$0.222500 per \$100 valuation. This was a decrease of \$.03 from what was proposed. The funds available for infrastructure dropped from \$692,530 to \$396,990.

Goals and Objectives:

- To continue the same level of service to both the residential districts and commercial districts.
- To complete a Comprehensive Drainage Study of the entire City.
- As a result of the Comprehensive Drainage Study, look for viable solutions to the City's drainage needs. This may include working with other cities and agencies to partner for a solution.
- Begin looking at funding options for potential drainage solutions.
- Compliance with federal and state regulations.
- Maintain employee salaries and benefits at a competitive level.

Salaries and Benefits:

Included in the 2017 Budget is a 3.5% pool for salary increases for the City of Hedwig Village employees. The City provides employees with a salary and benefit package which includes health, dental, life, vision, and long-term disability insurance, as well as vacation, sick leave, paid holidays, and a retirement plan through Texas Municipal Retirement System (TMRS).

Employees are encouraged to seek educational seminars and/or classes which relate to their jobs. The City pays for those classes.

General Fund:

The General Fund provides funding for the City's basic services. The primary revenue sources are local sales taxes and City property taxes. The General Fund Budget totals \$5.7 million with police and fire budgets accounting for \$2.9 million or 51% of the General Fund Maintenance and Operations Budget.

The City also utilizes funds from Metro. The 2017 Budget includes \$947,500 of Metro funds which offset some of the police department expenditures and the remaining funds are for maintenance of right-of-ways on major thoroughfares.

Debt Service Fund:

The City's Debt Service Fund provides the funding to make the City's debt payments. As of December 31, 2016, the City will have \$5.1 million in debt. The 2016 Debt Service Tax Rate is \$.039546 per \$100 valuation.

The City carries an AA+ bond rating which is reflective of the local economy, the city's budget flexibility, and cash liquidity. The City worked hard to receive such a good rating and continues those same standards going forward in the 2017 Adopted Budget.

Conclusion:

City Council and staff must work together to manage the available financial resources and to establish realistic priorities. The City cannot address all of its needs in any one budget year. City Council will have difficult decisions in determining the priorities to be addressed first while maintaining the City's financial base. Working together, we can find solutions that best work for our City.

Sincerely,



Kelly Johnson
City Administrator/Secretary-Treasurer

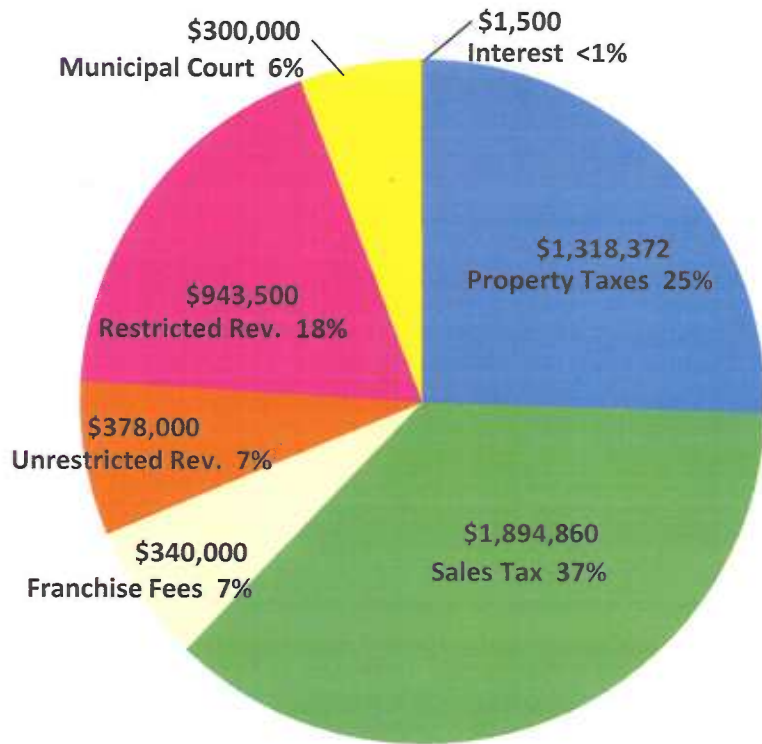


City of Hedwig Village
Snapshot of 2017 Adopted Budget

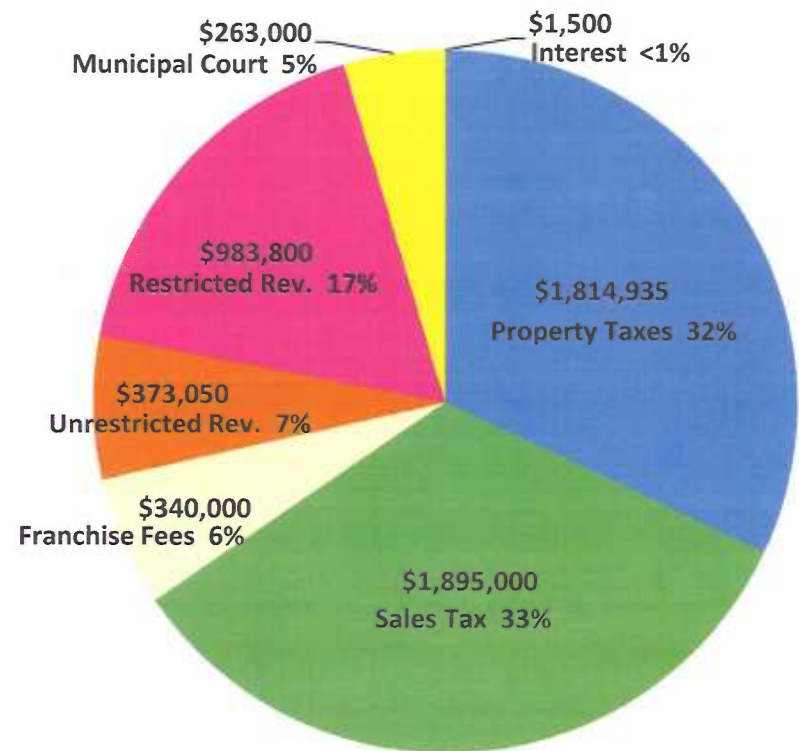
	2014 ACTUAL	2015 ACTUAL	2016 BUDGET	PROJECTED 2016 ACTUAL	ADOPTED 2017 BUDGET
General Fund					
TOTAL REVENUES	5,120,666	4,608,932	5,176,232	5,136,602	5,671,285
EXPENDITURES					
General Operations	309,225	304,521	311,938	333,703	340,640
Fire Department	892,187	907,224	988,628	988,628	1,018,227
Police Department	1,745,243	1,680,433	1,796,234	1,721,336	1,872,466
Municipal Court	136,704	134,767	147,819	141,453	153,170
Blding/Grnds/Parks/PW	632,450	794,043	764,323	778,278	1,083,627
Prof Srv/Community	302,367	276,620	267,290	245,593	255,655
Mitigation/Traffic	1,097,524	589,336	900,000	905,786	947,500
TOTAL EXPENDITURES	5,115,699	4,686,943	5,176,232	5,114,777	5,671,285
CAPITAL PROJECTS FUND					
TOTAL REVENUES	4,380,418	27,947	770,000	800	0
TOTAL EXPENDITURES	314,437	2,391,573	770,000	1,770,366	0
POLICE SEIZURE FUND					
TOTAL REVENUES	0	2,535	3,000	3,000	3,000
TOTAL EXPENDITURES	0	0	3,000	3,000	3,000
DEBT SERVICE FUND					
TOTAL REVENUES	428,515	413,689	650,738	654,238	395,088
TOTAL EXPENDITURES	429,450	513,165	650,738	650,738	655,088
CONGESTION/TRAFFIC					
TOTAL REVENUES	251,879	937,517	900,200	948,080	948,150
TOTAL EXPENDITURES	1,103,617	543,858	900,200	900,400	948,150

City of Hedwig Village General Fund Revenues

2016 Adopted Budget
Total \$5,176,232



2017 Adopted Budget
Total \$5,671,285



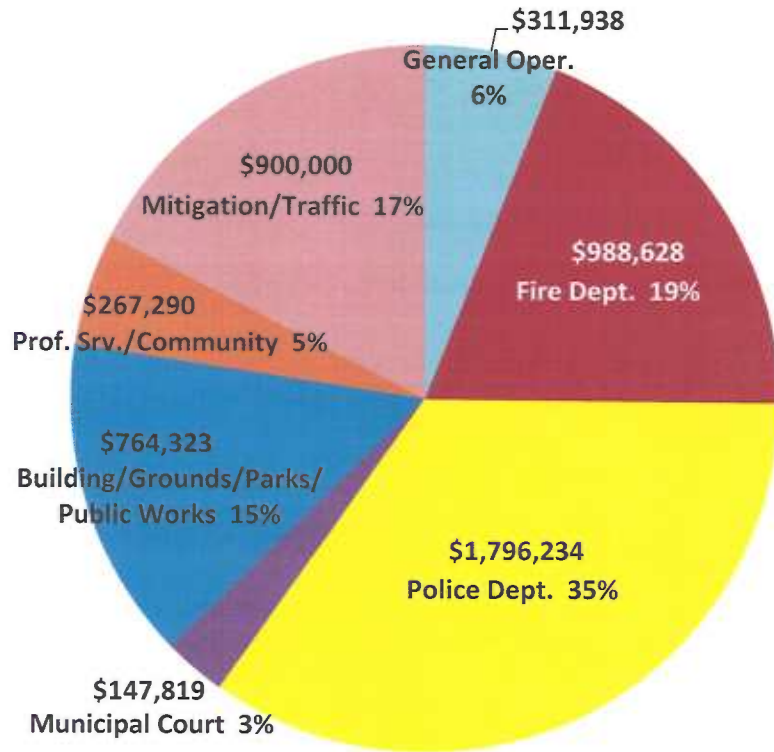
**CITY OF HEDWIG VILLAGE
2017 ADOPTED BUDGET**

ACCT #	DESCRIPTION	Actual 12/31/2014	Actual 12/31/2015	2016 Budget	Actual 6/30/2016	Projected 12/31/2016 @06/30/16	ADOPTED 2017 Budget	2017 vs 2016	
GENERAL FUND									
Revenues									
01	4-101	Ad Valorem Property Taxes	1,095,901	1,159,146	1,309,872	1,282,795	1,298,176	1,807,935	38%
01	4-102	Ad Valorem Penalty & Interest	15,459	4,543	8,000	3,978	5,000	5,000	-38%
01	4-103	Ad Valorem Attorney Collection	0	0	500	0	0	0	-100%
01	4-105	Ad Valorem Prior Yr Prop. Tax	0	(3,785)	0	(303)	2,000	2,000	
01	4-201	Sales & Use Tax	1,842,864	1,874,264	1,894,860	963,259	1,894,860	1,895,000	0%
01	4-202	Franchise Tax	335,413	342,614	340,000	162,319	340,000	340,000	0%
01	4-203	Mixed Drink Tax	54,031	56,980	58,000	28,611	57,222	58,000	0%
01	4-204	Child Safety Tax	3,099	3,125	3,000	1,424	3,100	3,100	3%
01	4-301	Permits	299,905	240,397	243,000	101,690	203,380	222,000	-9%
01	4-302	Misc.	6,315	3,446	4,000	2,012	4,000	4,000	0%
01	4-303	Ambulance Reimb.	61,568	52,094	49,000	10,540	50,000	51,050	4%
01	4-304	Sale of Assets	6,050	2,017	4,000	8,595	15,595	8,000	100%
01	4-305	Memorials	396	175	500	0	0	200	-60%
01	4-309	P.D. Srv. Fees						10,000	
01	4-401	Motel Occupancy	33,798	30,955	20,000	8,561	20,000	20,000	0%
01	4-405	METRO Congestion/Traffic	1,103,617	543,858	900,000	450,100	947,430	947,500	5%
01	4-501	Municipal Court	232,553	264,921	300,000	130,455	260,910	263,000	-12%
01	4-502	Special Child Safety Fees	13,634	16,203	20,000	8,168	16,336	16,000	-20%
01	4-503	Special Security Fees	6,816	6,951	10,000	3,346	6,692	7,000	-30%
01	4-504	Special Technology Fees	7,982	9,748	10,000	5,050	10,101	10,000	0%
01	4-601	Interest	1,262	1,279	1,500	1,058	1,800	1,500	0%
TOTAL G&A REVENUES		5,120,666	4,608,932	5,176,232	3,171,658	5,136,602	5,671,285	10%	

City of Hedwig Village General Fund Expenditures

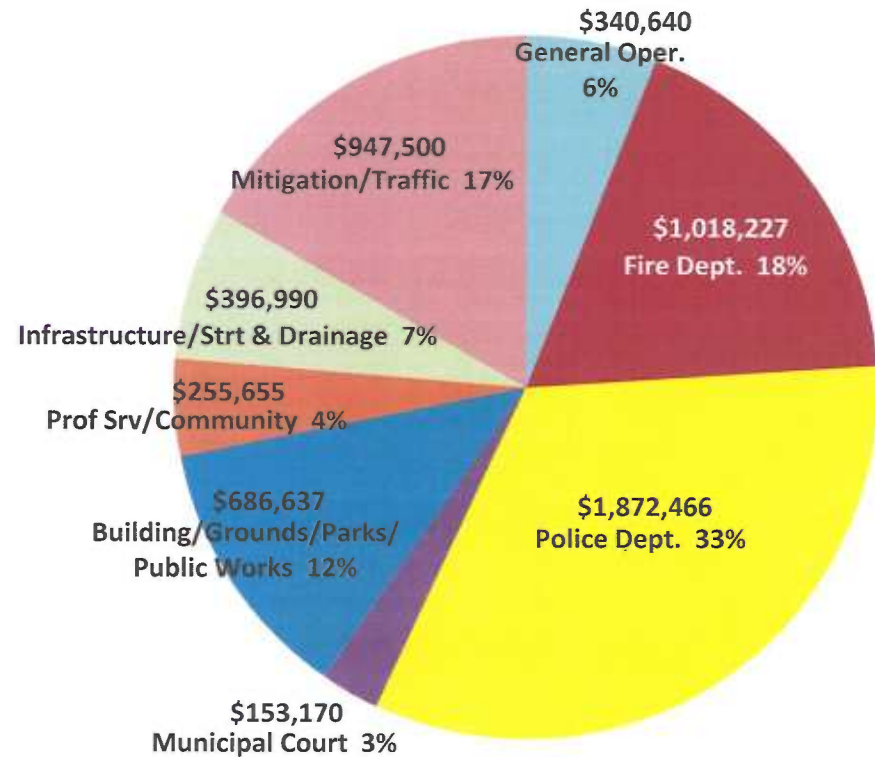
2016 Adopted Budget

Total \$5,176,232



2017 Adopted Budget

Total \$5,671,285



**CITY OF HEDWIG VILLAGE
2017 ADOPTED BUDGET**

ACCT #	DESCRIPTION	Actual 12/31/2014	Actual 12/31/2015	2016 Budget	Actual 6/30/2016	Projected 12/31/2016 @06/30/16	ADOPTED 2017 Budget	2017 vs 2016
GENERAL FUND								
Expenditures								
01- General & Admin								
Personnel								
01- 501-101	Salaries	156,265	161,691	160,916	80,907	178,807	174,160	8%
01- 501-102	Overtime	1,685	2,185	2,500	161	1,500	2,500	0%
01- 501-103	Longevity Pay	792	226	304	132	402	620	104%
01- 501-104	Education and Meetings	0	0	900	0	1,500	1,560	73%
01- 501-105	Payroll Taxes	12,144	12,722	12,594	6,237	13,179	13,690	9%
01- 501-106	Group Health & Life Insurance	17,637	16,691	12,313	11,253	21,391	26,120	112%
01- 501-107	Dental Insurance	229	669	854	220	339	320	-63%
01- 501-108	Workers Compensation	408	423	454	243	485	430	-5%
01- 501-110	Retirement Contribution	9,563	10,671	10,404	5,265	11,083	19,190	84%
	Total Personnel	198,722	205,277	201,239	104,416	228,686	238,590	19%
Operations								
01- 501-301	General Insurance	35,555	34,351	38,299	16,235	31,868	36,000	-6%
01- 501-302	Dues & Subscriptions	3,025	2,103	2,000	1,453	2,500	2,500	25%
01- 501-303	Education/Meetings & Travel	5,668	10,111	6,000	1,203	8,000	8,000	33%
01- 501-304	Legal Notices	4,626	1,952	3,000	0	2,500	3,000	0%
01- 501-305	Postage	5,566	3,092	5,000	1,484	5,000	5,000	0%
01- 501-306	Office Supplies	2,309	2,603	3,000	887	3,000	3,000	0%
01- 501-307	Printing & Reproductions	681	1,666	1,100	148	1,500	2,000	82%
01- 501-308	Supplies & Equipment/General	5,147	6,394	4,000	3,241	6,643	4,000	0%
01- 501-314	Misc.	0	135	300	7,750	7,750	0	-100%
01- 501-337	Car Allowance	3,000	3,000	3,000	3,000	6,000	6,000	100%
01- 501-340	Bank/Credit Card Charges	13,037	13,992	12,000	6,959	10,256	11,550	-4%
	Total Operations	78,614	79,397	77,699	42,360	85,017	81,050	4%
Maintenance								
01- 501-601	Maintenance - Contracts	28,130	17,209	28,000	803	15,000	16,000	-43%