

City of Highland Haven Proposed Budget for Fiscal Year 2024-2025

The Board of Alderman and City staff have been working diligently for the past 3 months developing the FY 25 budget. Regular Board of Alderman meetings and special budget workshops, open to the public, have been used to discuss and develop the budget. Below is an overview of the proposed budget. The Board of Alderman will be hosting a public hearing on the budget on Tuesday, August 6 at 7 p.m. The budget details can be found posted on our website at <https://cdn.townweb.com/highlandhaventx.com/wp-content/uploads/2024/07/FY24-25-Budget-Proposed.pdf>.

Introduction

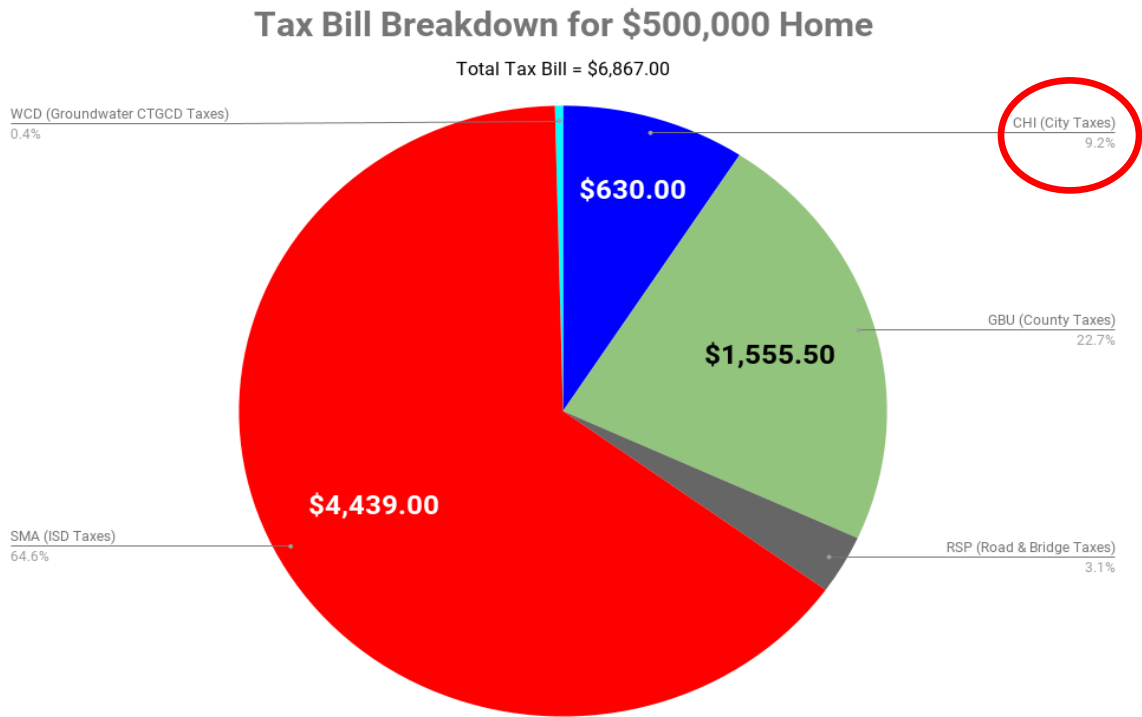
A well-planned budget is crucial for any city, serving as a financial blueprint that ensures the effective allocation of resources to meet the needs of the community. It allows for the maintenance and improvement of essential services while promoting fiscal responsibility and transparency. In this article, we provide an overview of Highland Haven’s proposed budget for the fiscal year 2024-2025, highlighting key aspects such as the stability of the tax rate and the health of our general fund, significant changes to the water fund, and the continued stability of our solid waste fund.

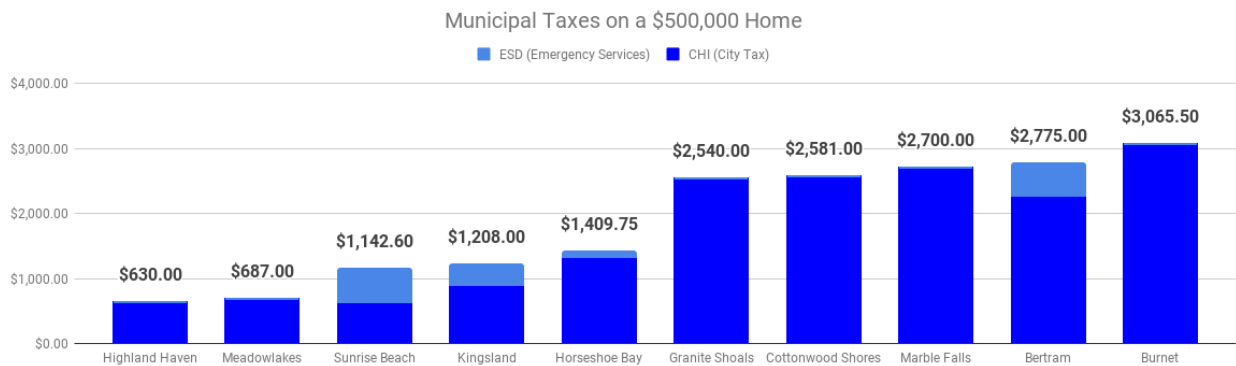
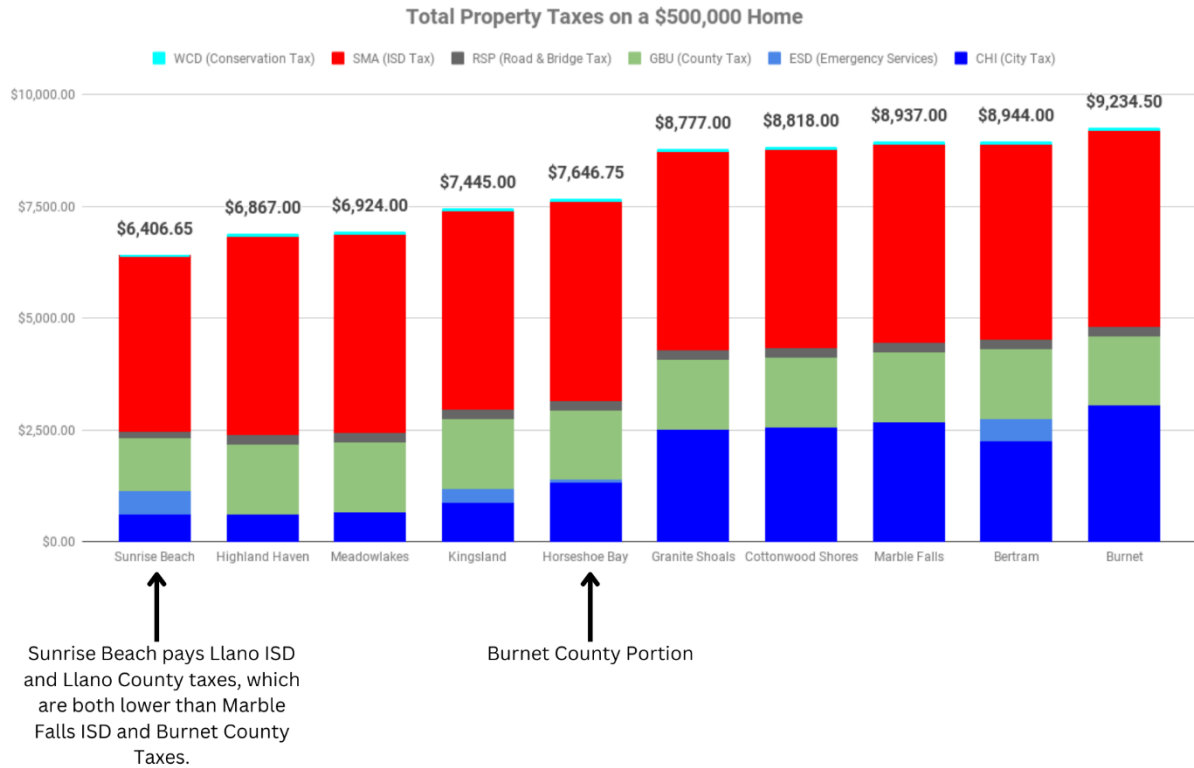
Tax Rate and General Fund

In the proposed budget, we recommend keeping the tax rate for Highland Haven steady at 0.1260 for the next fiscal year (October 1, 2024, to September 30, 2025). This stable tax rate is expected to generate an additional 5.7% in revenue, which will help us maintain a balanced general fund by covering rising costs due to inflation and increased labor expenses.

The primary expenses covered by our general fund include personnel costs, which constitute 52% of the general fund expenditures, and public safety, accounting for 21%. Transfers from the water fund (\$66,979) and the solid waste fund (\$35,000) will also contribute to offsetting general fund expenses, particularly personnel costs.

Despite the additional revenue, our tax rate remains the lowest in the area, significantly lower than most local municipalities. On average, homeowners in Highland Haven will pay about 18% less in total taxes compared to if their properties were located in neighboring municipalities.





Water Fund Adjustments

The new budget will bring significant changes to the water fund, primarily through an increase in water rates. The base charge for our water system will rise from the current \$40 per month to approximately \$59 per month. This increase is primarily due to the need to contract a new system operator.

Our current operator, who has provided excellent service at a very favorable rate, will be stepping back at the end of 2024. To comply with Texas Commission on Environmental Quality (TCEQ) regulations, we are required to have a certified operator for our water system. The cost to hire a new operator will be significantly higher. We anticipate that both the cost of hiring a new operator and the hourly rate for repair and service work will be at least triple what is allocated in our current budget.

The new base rates will ensure we generate sufficient revenue to balance the water fund budget for the upcoming fiscal year. Our primary source of revenue for water sales is the base rate for each customer, and the revised rates will support the continued delivery of high-quality water services to our community.

Water Rates for 2025				
	Current	FY 24/25	Difference	% Change
Highland Haven Monthly Base Water Rate (Includes 0-2,000 Gallons)	\$40.00	\$59.00	\$19.00	47.50%
Out of Town Monthly Base Water Rate (Includes 0-2,000 Gallons)	\$43.00	\$62.00	\$19.00	44.19%
2,001-5,000 Gallons (Billed per 1,000 Gallons)	\$4.12	\$5.50	\$1.38	33.50%
5,001-10,000 Gallons (Billed per 1,000 Gallons)	\$4.62	\$5.75	\$1.13	24.46%
10,001-15,000 Gallons (Billed per 1,000 Gallons)	\$5.37	\$6.00	\$0.63	11.73%
15,001-20,000 Gallons (Billed per 1,000 Gallons)	\$6.00	\$6.25	\$0.25	4.17%
20,001-25,000 Gallons (Billed per 1,000 Gallons)	\$8.00	\$8.25	\$0.25	3.13%
25,001 Gallons and Up (Billed per 1,000 Gallons)	\$9.00	\$9.25	\$0.25	2.78%
Camp Champion Monthly Base Water Rate (Includes 0-250,000 Gallons for FY25, no BC currently)	\$0.00	\$2,250.00	\$2,250.00	n/a
Camp Champion Usage Rate 250,001 and Up (Billed per 1,000 Gallons)	\$10.00	\$10.00	\$0.00	0.00%
Water Base Rate Breakdown				
Bond Expenses	\$22.28	\$22.90	\$0.62	2.78%
City Staff	\$12.76	\$13.78	\$1.02	7.99%
Professional Services	\$8.10	\$21.50	\$13.40	165.43%
Maintenance & Repair	\$7.41	\$11.17	\$3.76	50.74%
Administrative & Office	\$2.16	\$2.22	\$0.06	2.78%
Services & Charges	\$1.70	\$2.36	\$0.66	38.82%
Utilities	\$1.65	\$1.81	\$0.16	9.70%
Chemicals	\$0.74	\$0.78	\$0.04	5.41%
Membership Fees & Dues	\$0.20	\$0.20	\$0.00	0.00%
Total Cost Per Customer	\$57.00	\$76.72	\$19.72	34.60%
Minus Residential Volume Charge Offset (\$50,000)	\$10.29	\$10.29	\$0.00	0.00%
Minus Camp Champion Offset (\$27,500)	\$5.66	\$5.66	\$0.00	0.00%
Total Base Cost Per Customer	\$41.05	\$60.77	\$19.72	48.04%
Out of Town Fee	\$3.00	\$3.00	\$0.00	0.00%
Total Base Rate Highland Haven	\$40.00	\$59.00	\$19.00	47.50%
*Total Base Rate Out of Town	\$43.00	\$62.00	\$19.00	44.19%
Water Revenue Breakdown				
Total Residential Base Charges	\$196,680.00	\$288,564.00	\$91,884.00	46.72%
Total Camp Champion Base Charges	\$0.00	\$27,000.00	\$27,000.00	n/a
Total Volumetric Usage Charges	\$71,177.64	\$56,257.20	-\$14,920.44	-20.96%
Total Water Sales	\$267,857.64	\$371,821.20	\$103,963.56	38.81%

Solid Waste Fund Stability

The Solid Waste Fund, which manages the contract with our local solid waste service provider, will see the normal, contractually agreed-upon rate increases next year. Despite these increases, the fund continues to operate in a healthy manner, ensuring consistent and reliable waste management services for our community.

Conclusion

The fiscal year 2024-2025 budget reflects our commitment to maintaining a balanced and financially healthy community while continuing to provide essential services at the lowest possible cost to our residents. We appreciate your understanding and support as we implement these necessary adjustments.

For further details or questions about the new budget, please feel free to contact the city office during regular business hours or visit our website at www.highlandhaventx.com, for more information. The Board of Alderman will be hosting a public hearing on the budget on Tuesday, August 6 at 7 p.m. You are welcome to attend and voice any questions or concerns you may have. Thank you for your continued support and involvement in making Highland Haven a great place to live.