City of Wimberley

221 Stillwater, Wimberley, Texas 78676

BUDGET WORKSHOP CITY COUNCIL MEETING
WIMBERLEY CITY HALL – CITY COUNCIL CHAMBERS
221 STILLWATER, WIMBERLEY, TEXAS 78676
THURSDAY, JULY 16, 2026 - 4:00 PM

MINUTES

1. CALL TO ORDER

Mayor Jim Chiles called the Budget Workshop Meeting to order oat 4:10 PM.

2. CALL OF ROLL

City Secretary Tammy Heller conducted the roll call.

Present: Mayor Jim Chiles, Place 1 Rebecca Minnick, Place 2 Anne Ulfelder, Place 3 Chris Sheffield, Place 4 Sam Werner (arrived after roll call)

A quorum was established.

3. CITIZENS COMMUNICATIONS

No citizens signed up to speak.

4. BUDGET WORKSHOP

4.1. Receive a staff update and hold discussion regarding the preliminary Fiscal Year 2026-2027 Budget, Fee Schedule, and Proposed Goals.

City Manager Tim Patek presented the preliminary FY 2026-2027 budget, proposed fee schedule, and goal-setting action plan. The presentation was structured around each fund, followed by the fee schedule and proposed goals.

General Fund

City Manager Patek reported that the General Fund revenues are projected at approximately $2.147 million against expenditures of approximately $2.147 million, with the intent to present a balanced budget across all funds. The primary revenue source is sales tax, projected conservatively at $1.575 million. City Manager Patek noted the City carries no property tax and that actual sales tax receipts are expected to exceed the projection, with an estimated year-end figure of approximately $1.7 million, yielding a projected surplus of at least $200,000. He noted that the budget reflects modest revenue increases in sales tax (from $1.535M to $1.575M), mixed beverage tax (up $5,000), and franchise fees (up $5,000), while beer and wine permit revenue was reduced significantly from $13,000 to $2,000 due to the effects of Senate Bill 1008. Zoning application revenue was also reduced from $12,000 to $6,000 due to anticipated lower application volume. Interest revenue was increased from $50,000 to $60,000, reflecting favorable earnings. Tree mitigation revenue of $53,150 was received and is designated strictly for landscaping expenditures.

On the expenditure side, City Manager Patek highlighted a 3% cost-of-living salary increase for all full-time employees and a 23% increase in TML health insurance benefits. Council members expressed concern that 3% may not be sufficient and discussed the possibility of increasing the rate. Council Member Ulfelder indicated she would prefer to see at least a 5% increase, while Mayor Chiles suggested 4% may be more feasible. City Manager Patek agreed to prepare a comparative salary spreadsheet showing the effect of increases at 3%, 3.5%, 4%, 4.5%, and 5% for Council's review at the next workshop. It was also noted that the City's retirement contribution increased from 5% to 6% in the current year, which further impacted personnel costs. Overall, the General Fund budget represents approximately a 2.5% increase over the prior year's adopted budget.

Other expenditure adjustments of note included a reduction in administrative supplies offset by an increase in Public Works supplies, a decrease in administrative contract services from $35,000 to $30,000 due to reduced utilization, an increase in office technology software from $60,000 to $65,000, an increase in the audit line item from $40,000 to $45,000 to account for the TML audit, and an increase in contract inspection services from $40,000 to $45,000 as a pass-through for ATS fee increases. Engineering services were increased from $30,000 to $40,000 in anticipation of increased road project activity. Social services support remains at $10,000, with approximately $2,000 disbursed to date. Council noted that several zero-balance line items, including equipment maintenance in the administrative section, should be reviewed and removed for clarity, with staff agreeing to clean up those items before the next workshop.

Regarding Public Safety, the traffic division budget of $20,000 was noted as potentially high given the anticipated installation of a new traffic light, which would reduce the need from two officers to one. Animal control services continue to be provided by Hays County under a $6,000 annual contract. Vehicle maintenance and general operating supplies in Public Works were each increased by $1,500 in anticipation of aging equipment needs.

Parks and Recreation Fund

City Manager Patek presented the Parks and Recreation Fund, which combines the Community Center and Parks operations under one balanced budget. The fund is projected at $1.232 million, representing a 4.6% increase over the prior year's adopted budget of $1.177 million. Revenue increases include a $10,000 increase in community center rental revenue reflecting the proposed fee schedule changes, a modest increase in vending and merchandise sales at Blue Hole, and $30,000 in anticipated remaining grant proceeds from the Lake Flato project to be offset against corresponding expenditures. A designated fund balance of $69,000 reflects a prior $50,000 donation received for playground equipment along with additional donations and sponsorships secured by Parks staff.

On the Community Center expenditure side, full-time salary costs were reduced reflecting Community Center Manager Engemoen's schedule of 32 hours per week. The budget for the Community Center decreased from $253,100 to $246,200. Contract services within the Community Center were increased to $5,000, offset by reductions in programming and general operating supplies. Council discussed the physical condition of the Community Center facility, noting an unplanned lightning strike destroyed the fire alarm system at a cost of approximately $5,000–$6,000. It was acknowledged that the aging facility may require capital investment in the coming year. Council Member Ulfelder noted a desire to conduct a thorough assessment of what improvements would be needed to make the facility more functional and marketable.

Within the Parks division, part-time wages were increased at the request of Parks Director Erica, who is currently on maternity leave, in order to retain senior part-time staff. Capital outlay of $250,000 for playground equipment was addressed through a prior budget amendment. The nature center project will be brought back to Council as a separate budget amendment once bid numbers are available.

Hotel Occupancy Tax (HOT) Fund

City Manager Patek reported the HOT Fund budget remains at $725 thousand, consistent with the prior year. Revenue is expected to meet or modestly exceed projections. Key expenditure changes include a reduction in part-time wages from $4,000 to $2,500, a decrease in general projects from $80,000 to $75,000, an increase in the transportation shuttle line to $15,000 to support downtown shuttle operations, and an increase in special events from $30,000 to $40,000 to cover events such as the Christmas parade. Advertising was increased from $100,000 to $115,000, which Council confirmed remains above the statutory minimum of one-seventh of HOT revenues. Contract services were reduced to $25,000, with corresponding increases to dues and associations to align expenditures with proper line items. The HOT disbursement line was reduced from $60,000 to $40,000, with the understanding that a budget amendment can be brought forward if demand exceeds that amount. Four additional HOT disbursement requests are anticipated in August. City Manager Patek noted that legal action may become necessary to collect outstanding HOT tax obligations from at least one significant delinquent account. Capital outlay was reduced to $0 as no expenditures are anticipated in that category. The wayfinding signage line item was discussed.

Wastewater Fund

The Wastewater Fund is projected at $436,000, a 2.8% increase over the prior year's $424,000. Fee revenue increased from $420,000 to $430,000 based on current collection trends, and penalty revenue was also modestly increased. Contract services were increased to $124,000, closer to the current year's actual of $115,000. Equipment maintenance was reduced from $10,000 to $5,000 given low actual expenditure in that category. Council acknowledged ongoing maintenance activities at the Ranch Road 12 lift station, including pump and belt replacements, regular quarterly inspections, and training of Public Works staff. Repairs to the Oak Drive bathroom lift station, which had experienced recurring failures due to improper installation, were confirmed as resolved. A partial insurance recovery was received through TML related to that claim.

Debt Service (Interest & Sinking) Fund

The Debt Service Fund decreased slightly from $372,000 to $367,000. City Manager Patek noted the City is approximately five to six years into a 30-year wastewater note. The HOT fund carries its own debt service internally and does not utilize a separate interest and sinking fund.

American Rescue Plan Act (ARPA) Fund

City Manager Patek reported that the ARPA fund will be closed out in the current fiscal year. A budget amendment was previously approved in the amount of $265,429.50, representing the remaining ARPA balance, which will be transferred from the General Fund to the ARPA fund and applied toward the first phase of the road project across from City Hall. Council was informed that Phase 1 action is on the agenda for the regular 6:00 PM meeting that evening, with Phase 2 expected at the next regular council meeting. Construction is anticipated to commence in late August or early September, with door hangers and community communications planned in advance.

Organizational Chart

City Manager Patek noted the City's total full-time staffing decreased by one position from the prior year as a result of the reorganization of the Parks and Recreation department following the departure of a staff member. The department was reduced from seven to six full-time employees, with duties redistributed among existing staff, who all agreed to the reorganization.

Fee Schedule

City Manager Patek presented the proposed FY 2026-2027 fee schedule, noting that several changes were proposed. Building plan review fees were proposed to increase from $75 to $85, and inspection fees from $55 to $70, both reflecting pass-through increases charged by the City's third-party inspection contractor, ATS, whose fees had not been adjusted since 2018. Commercial building permit and inspection fees were also adjusted accordingly. A move permit fee, which had long been set at $25, was proposed to increase to $200, prompted in part by three house-moving permits issued during the current fiscal year. All other development-related fees remain unchanged.

With respect to the Community Center fee schedule, room rental rates for individual rooms such as the Cypress and Blanco rooms were increased by $15, and the full venue rental rate was increased by $300. Add-on service fees were increased by $5. A new Special Events Application Fee of $50 was proposed, which had not previously existed. Council engaged in substantive discussion regarding the Community Center commercial kitchen rental rate, which is listed at $100 with a minimum three-hour rental. A Council member relayed a complaint from a community member about the cost of kitchen access for small home-based businesses. Discussion included the possibility of establishing recurring-use rates at a lower per-use cost compared to single-event rental. It was suggested exploring what comparable facilities in the region charge. City Manager Patek agreed to have Community Center Manager Samantha research comparable venues and return with additional information at the next budget workshop. Council also discussed whether clarifying hourly rate language should be added to the fee schedule for the kitchen rental.

Proposed Goals

City Manager Patek presented the FY 2026-2027 Goal Setting and Action Plan, developed with the assistance of a community facilitator. Council expressed general satisfaction with the quality of the facilitated goal-setting session, noting it was more productive than prior sessions. The goals were presented using a RACI framework (Responsible, Accountable, Consulted, Informed), and Council requested that the acronym be spelled out within the document for clarity. The first goal presented was to strengthen relationships through intentional community and government engagement. Two goals from the prior year—the Evergreen Initiative and Water Stewardship—were noted as rolling over. Staff committed to providing a mid-year progress report and a year-end report on goal achievement.

Next Steps

City Manager Patek outlined the following budget calendar:

- **August 6, 2026** – Budget Workshop No. 2
- **August 20, 2026** – Budget discussion at regular Council meeting
- **September 3, 2026** – Additional budget discussion at regular Council meeting
- **September 17, 2026** – Budget adoption

Staff Action Items:

- Prepare salary comparison spreadsheet showing the impact of 3%, 3.5%, 4%, 4.5%, and 5% cost-of-living increases
- Research comparable community center and commercial kitchen rental rates at similar facilities
- Review and remove zero-balance line items from the budget document
- Expand the RACI acronym in the goal-setting document
- Communicate road construction schedule to affected residents prior to project commencement

5. ADJOURNMENT

Mayor Jim Chiles adjourned the Budget Workshop City Council Meeting at 5:24 PM.

RECORDED BY:

Tammy Heller, City Secretary

APPROVED BY:

Rebecca Minnick, Mayor Pro Tem

City of Wimberley