



Special Council Meeting Agenda

Tuesday, September 09, 2025 at 6:00 PM
8301 Westview Drive, Houston, Tx 77055

The City Council of the City of Hilshire Village, Texas will meet on September 9th at 6:00 PM in the City Hall Council Chambers at 8301 Westview, Houston, Texas 77055.

Individuals may personally engage with the City Council during the meeting at City Hall or through written communication. Please ensure your comments are submitted in advance to Cassie.Stephens@HilshireVillageTexas.com.

Participants attending the meeting via videoconference will not have audio or video functionalities enabled.

Virtual link: https://teams.microsoft.com/l/meetup-join/19%3ameeting_MjA0OOWM3YTMtNDQxMS00YTRjLWJiMjYtNTM0OGUzZjc3OWMy%40thread.v2/0?context=%7b%22Tid%22%3a%22ee2ebccb-d3fb-4756-bb79-6357bb057248%22%2c%22Oid%22%3a%223d5a0946-57e8-4848-a655-223723eba88c%22%7d

1. **CALL TO ORDER**

1.1 Roll Call

2. **PUBLIC HEARING**

[2.1](#) Public Hearing on Proposed Budget for Fiscal Year Ending 2026.

3. **DISCUSSION AND POSSIBLE ACTION**

[3.1](#) Discussion and possible approval of Ordinance Number 850-2025 adopting the City of Hilshire Village, Texas General Budget for the Fiscal Year Ending 2026 in accordance with Section 102.007 of the Local Government Code.

[3.2](#) Discussion and possible approval to ratify the proposed 2025 tax rate in accordance with Section 102.007(c) of the Local Government Code.

[3.3](#) Discussion and possible approval of Finance & Investment Policies.

4. **ADJOURNMENT**

NOTE: Agenda items may not necessarily be considered in the order that they appear. With regard to any item, Council may take various actions, including but not limited to rescheduling an item in its entirety or for particular action at a future date or time.

NOTE: IN THE EVENT A QUORUM OF THE CITY COUNCIL IS NOT PRESENT, THE REPORTING MEMBERS WHO ARE PRESENT WILL MEET AS A SUB-COMMITTEE, FOR DISCUSSION PURPOSE ONLY, REGARDING THE ABOVE AGENDA ITEM(S).

City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by Texas Government Code, Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), and 551.086 (Certain Public Power Utilities: Competitive Matters). Following the executive session, if any, City Council may act in open session on any item discussed in the executive session.

I, Cassie Stephens, do hereby certify that the above Notice of Meeting and Agenda for the City Council of the City of Hilshire Village was posted in a place convenient and readily accessible September 3, 2025 at 5:00 P.M.

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretative service must be made 48 hours prior to this meeting. Please contact the City Hall at 713-973-1779 or FAX -713-973-7793 for further information.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$40,292 OR 2.10%, AND OF THAT AMOUNT, \$58,487 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

This budget will raise more revenue from property taxes than last year's budget by an amount of \$40,292, which is a 2.10 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 \$58,487.

Taxpayer Impact Statement

Below is a comparison of property tax bills on a median valued homestead.

- 2024 Property Tax Bill on Median Valued Homestead for Current Fiscal Year: \$5,646.49
- Estimated 2025 Property Tax Bill for the Upcoming Fiscal Year if City of Hilshire Village Adopts the Proposed Budget and Tax Rate: \$5,424.33 Entity Name: City of Hilshire Village
- Estimated 2025 Property Tax Bill for the Upcoming Fiscal Year if City of Hilshire Village Adopts a Balanced Budget Funded at the No-New-Revenue Tax Rate: \$5,424.33

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

FOR:

PRESENT AND NOT VOTING:

ABSENT:

Property Tax Rate Comparison

	2025-2026	2024-2025
Property Tax Rate	0.514345/100	0.550985/100
No-New-Revenue Tax Rate	0.514345/100	0.550985/100
No-New Revenue Maintenance & Operations Tax Rate	0.425195/100	0.438454/100
Voter-Approval Tax Rate	0.529226/100	0.558134/100
Debt Rate	0.089150/100	0.104335/100

Total debt obligation for the City of Hilshire Village secured by property taxes is \$3,532,425.

City of Hilshire Village
Fiscal Year 2025-2026 Budget

Item 2.1

	A	B	C	D	E	F	G
1	GL Acct	Description	Last Year Actual	Budgeted This FY	Current Amount	9/30/25 Projection	Proposed FY 2026
2	General Fund Revenues						
3	41000	Metro - Revenue	103,000	103,000	122,000	122,000	103,000
4	41007	Transfer from Utilities Acc't	0	0	70,000	70,000	0
5	42100	Property Taxes - Current	1,354,941	1,436,624	1,430,238	1,430,238	1,529,205
6	42101	Property Taxes-Debt-Current	354,240	377,148	367,065	367,065	320,626
7	42200	Property Taxes - Delinquent	(5,941)	0	402	402	0
8	42201	Property tax-debt-delinquent	(1,754)	0	770	770	0
9	42500	Garbage Income	74,728	93,009	51,448	102,448	100,000
10	43000	Franchise tax	49,952	50,000	55,006	55,006	50,000
11	44000	City Sales Tax	91,739	60,000	104,483	125,483	75,000
12	45900	Int. Income - Debt	0	0	87,212	103,212	45,000
13	46000	Int. Income - CEFFC	0	0	710	860	0
14	46100	Int. Income-Gen funds	90,789	30,000	72,758	84,758	50,000
15	46500	Int. Income-Metro I	28,503	0	27,132	31,532	10,000
16	46700	Int. Income-Taxes	5,496	4,000	8,992	11,607	5,000
17	46800	Int. Income-Debt Taxes	1,167	0	2,328	2,328	0
18	47000	Sales Tax Discount Income	24	0	26	36	0
19	47100	Building Permits	116,570	75,000	93,294	100,794	100,000
20	47101	Re-Inspections	0	0	1,620	1,860	0
21	47102	Plan Check for Construction	21,527	10,000	35,453	41,453	15,000
22	47104	Drainage Permits	9,229	0	2,160	3,080	2,300
23	47105	Plan check for Drainage	9,200	7,500	22,750	24,550	12,000
24	47201	Alarm & Animal Permits	1,205	1,500	1,516	1,516	1,500
25	48100	Other Income	6,782	0	2,817	2,817	0
26	48200	Court Fees	10,824	5,000	23,587	23,587	5,000
27	48300	Ambulance Income	4,535	0	10,949	10,949	0
28	48400	Child Safety Income	879	900	829	879	800
29							
30		Total Gen Fund Revenues	2,327,633	2,253,681	2,595,546	2,719,231	2,424,431
31							

City of Hilshire Village
Fiscal Year 2025-2026 Budget

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1	GL Acct	Description	Last Year Actual	Budgeted This FY	Current Amount	9/30/25 Projection	Proposed FY 2026
32	General Fund Expenses						
33	51500	Police Protection/Court	588,803	600,000	629,144	681,572	686,872
34	51600	Police - Council Meetings	2,400	3,000	2,200	2,600	3,000
35	51700	Police Cameras	10,068	37,600	23,345	23,345	25,000
36	52000	Fire Protection	289,747	305,000	301,262	301,262	314,439
37	52500	Trash Service	84,051	90,500	90,351	98,101	100,000
38	53000	Metro Funded Misc.	0	20,000	0	20,000	5,000
39	53002	Metro-Ditch/Ravine Cleaning	0	30,000	0	30,000	10,000
40	53004	Metro-Point Repairs on Asphalt	43,643	20,000	0	0	5,000
41	53014	Pine Chase Grove Improvements	3,573	0	0	0	23,900
42	53220	Disaster Recovery City Hall	550	10,000	5,800	5,800	5,000
43	53221	Disaster Recovery Debris Mgt	27,625	15,000	(825)	(825)	10,000
44	53222	Drainage Ravine Management	6,800	30,000	20,210	20,210	20,000
45	53400	Mosquito Spraying	2,480	3,000	2,282	2,352	3,000
46	53500	Street Lights	3,996	6,000	384	884	2,500
47	53600	Street Signs	1,971	2,000	0	2,625	15,000
48	54000	Tax Collection Fees	16,041	16,000	14,275	17,814	18,000
49	54300	Wages, Taxes, Benefits	122,244	140,000	121,947	133,447	163,500
50	54410	FICA Tax	6,894	7,500	6,961	7,611	9,362
51	54415	Medicare Tax	1,612	1,750	1,628	1,778	2,187
52	54420	SUTA Tax	298	1,000	126	126	155
53	54424	Medical & Life Insurance	33,167	45,000	32,830	36,030	37,831
54	54425	Retirement	6,662	7,200	6,512	7,812	9,609
55	54520	Audit Fees	20,085	22,500	10,198	22,663	25,000
56	54540	Legal Fees	20,503	20,000	15,280	23,881	25,000
57	54545	Legal Fees - Zoning	0	5,000	1,102	1,102	3,000
58	55000	Bldg. Permit Administration	33,000	38,000	28,548	31,298	38,000
59	55100	Loan Issuance Cost	0	10,200	0	0	0
60	55300	Utility Locate	4,462	10,000	2,930	3,930	4,500
61	55501	Inspection- Arborist	1,120	2,000	1,040	1,280	1,750

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1	GL Acct	Description	Last Year Actual	Budgeted This FY	Current Amount	9/30/25 Projection	Proposed FY 2026
62	55600	Generator Maintenance	807	1,500	0	807	1,000
63	56000	Board of Adjustment	0	3,500	(42)	(42)	0
64	56510	Insurance	6,859	7,500	8,881	8,881	10,000
65	56515	Education	3,816	5,000	4,014	5,000	5,000
66	56516	City Hall Upgrades	24,073	3,000	0	0	0
67	56519	City Hall Exterior	583	2,500	0	500	2,000
68	56520	City Hall Operations	19,872	20,000	18,789	21,289	25,000
69	56521	City Hall Maintenance	5,534	8,000	276	1,276	5,000
70	56522	Website Development	0	1,500	0	0	0
71	56523	Web Hosting & Maintenance	1,650	1,850	1,650	1,650	1,850
72	56525	Bank Charges	3,270	4,000	4,481	5,081	6,000
73	56526	Dues	2,551	3,000	3,019	3,019	3,250
74	56530	Public Notices	723	5,000	1,536	3,413	4,500
75	56540	Office Supplies	3,532	4,000	4,234	4,234	4,000
76	56541	Election/Voting Machine Rent	180	3,500	190	190	3,500
77	56542	Computers & Technology	0	0	0	0	26,500
78	56545	City Hall Equipment/Furnishing	10,264	15,000	11,887	15,000	10,000
79	56550	Miscellaneous	1,341	5,000	643	643	2,500
80	56551	Mayor/Council/Administrator	2,863	3,500	2,016	3,016	3,500
81	56560	Codification	3,834	6,500	5,109	5,109	6,500
82	56570	Misc. /Contingencies	18,136	0	0	0	2,500
83	56579	Memorial Villages Event- Recyl	406	725	594	594	725
84	56581	Books for Library	250	250	102	352	350
85	56583	Engineering Plan Checking	44,145	50,000	78,125	118,125	100,000
86	56585	Non-Metro Engineering Services	73,158	50,000	66,889	87,889	85,000
87	56586	Metro Engineering Services	92,319	0	738	738	0
88							
89		Total Gen Fund Expenses	1,651,960	1,703,075	1,530,661	1,763,462	1,875,280
90							
91		Net Gen Fund	675,673	550,606	1,064,886	955,769	549,151

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Item 2.1

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1	GL Acct	Description	Last Year Actual	Budgeted This FY	Current Amount	9/30/25 Projection	Proposed FY 2026
92	Utility Fund Revenues						
93	45000	Water Revenues	316,058	445,000	427,364	497,364	475,000
94	45001	Sewer Revenues	139,197	180,000	176,091	205,591	195,000
95	45002	Maintenance Revenue	35,772	45,000	42,760	49,760	64,800
96	45003	Garbage	0	0	0	0	0
97	45004	Sales Tax - Garbage	0	0	0	0	0
98	45008	Utility Services Income	1,800	2,500	545	681	500
99	45009	Meter Installation	3,640	2,000	0	5,353	1,000
100	45040	Interest	8,502	5,000	17,201	18,701	10,000
101	45060	Interest-Utility Billing	6,400	9,000	8,666	9,666	9,000
102							
103		Total Utility Fund Revenues	511,369	688,500	672,627	787,116	755,300
104							
105	Utility Fund Expenses						
106	45030	Bank Charges	0	0	40	40	50
107	51001	City Water Supply (COH)	304,473	265,000	211,077	281,077	300,000
108	51002	Wastewater Disposal (COH)	124,432	125,000	98,060	131,060	150,000
109	51003	Utilities -Lift Station	7,963	9,000	8,308	9,808	10,500
110	55030	Bank Charges	508	100	323	328	500
111	55501	Repairs to Water Lines	122,804	55,000	54,513	68,513	75,000
112	55502	Repairs to Sewer Lines	760	10,000	5,054	5,054	10,000
113	55504	Repairs to Lift Station	10,901	15,000	37,428	47,428	50,000
114	55505	Meter Replacement	550	5,000	642	642	5,000
115	55507	New Construction Meter Install	3,684	6,500	4,434	4,434	6,500
116	55508	Utility Line Locator Services	6,052	7,000	6,154	6,534	7,000
117	55560	HCFC - tceq	791	400	0	354	400
118	55562	Legal	0	500	0	0	500
119	55563	TCEQ-Engineering	0	2,000	8,353	8,353	2,000
120	56001	Water Quality Testing	107,514	115,000	48,614	78,774	100,000
121	56002	Utility Billing Costs	13,210	15,000	8,440	10,049	15,000

City of Hilshire Village
Fiscal Year 2025-2026 Budget

Item 2.1

	A	B	C	D	E	F	G
1	GL Acct	Description	Last Year Actual	Budgeted This FY	Current Amount	9/30/25 Projection	Proposed FY 2026
122	58000	Miscellaneous- Contingency	0	5,000	400	400	5,000
123	60000	Utility Engr. On-Call Services	1,545	5,000	0	0	5,000
124							
125		Total Utility Fund Expenses	705,186	640,500	491,840	652,848	742,450
126							
127		Net Utility Fund	(193,817)	48,000	180,787	134,268	12,850

ORDINANCE NO. 850-2025

AN ORDINANCE APPROVING AND ADOPTING THE CITY OF HILSHIRE VILLAGE, TEXAS, BUDGET FOR THE FISCAL YEAR ENDING 2026; MAKING APPROPRIATIONS FOR THE CITY FOR SUCH YEAR AS REFLECTED IN SAID BUDGET; ESTABLISHING THE PROCEDURE FOR INTRA-BUDGET TRANSFERS, AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

* * * * *

WHEREAS, within the time and in the manner required by law, the Mayor of the City of Hilshire Village, Texas (the "City"), has prepared and submitted to the City Council a general budget of proposed expenditures and revenues of the City of Hilshire Village for the fiscal year ending 2026, beginning October 1, 2025, and ending on September 30, 2026; and

WHEREAS, such budget was timely filed with the City Secretary, has been available for inspection, was submitted to City Council, and pursuant to a motion of the City Council; and

WHEREAS, the City Council has considered the proposed general budget and has made such changes therein as in its judgment were warranted by law and were in the best interest of the citizens and taxpayers of the City; and

WHEREAS, THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$40,292 OR 2.10%, AND OF THAT AMOUNT, \$58,487 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR; and

WHEREAS, a copy of such general budget and cover page has been filed with the City Secretary and will be posted on the entity's website until the date of the first anniversary the budget is adopted; and

WHEREAS, the City Council now desires to approve and adopt the same; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HILSHIRE VILLAGE, TEXAS:

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. The City Council hereby approves and adopts the general budget described in the preamble of this Ordinance, a copy of which is attached hereto and made a part of this Ordinance for all purposes and a copy of which is on file with the City Secretary. The City Secretary is hereby directed to place on said budget an endorsement, which shall be signed by the City Secretary, which reads as follows: “The Official Budget of the City of Hilshire Village, Texas, for the Fiscal Year Beginning October 1, 2025, and ending September 30, 2026.” Such budget, as thus endorsed, shall be kept on file in the office of the City Secretary as a public record.

Section 3. In support of said budget and by virtue of its adoption thereof, including any and all changes adopted thereto, the several amounts specified for the various purposes named in said budget are hereby appropriated to and for such purposes.

Section 4. The City Council takes cognizance of the fact, that in order to facilitate operations of the City and its various departments and activities and to make adjustments occasioned by events transpiring during the year, some transfers may be necessary to and from some accounts contained within the budget as originally adopted. Accordingly, should the Mayor from time to time determine that transfers are necessary from unexpected funds in one or more budget accounts to another budget account, and the same may be accomplished without creating a deficit in the requirements of any City Department or activity, he/she shall recommend such transfers to the City Council by attaching such recommended transfers to an ordinance amending the official budget. Upon approval of such ordinance by the City Council, an amendment sheet reflecting such transfer or transfers shall be attached to the budget as specifically adopted, whereupon the City Council shall treat such funds as if they had been thus budgeted in the first instance.

PASSED, APPROVED, AND ADOPTED on this 9th day of September, 2025 by a roll call vote.

Pos. 1, Mike Gordy [ROLL CALL VOTE]

Pos. 2, Justin Crawford [ROLL CALL VOTE]

Pos. 3, Andy Carey [ROLL CALL VOTE]

Pos. 4, David Schwarz [ROLL CALL VOTE]

Pos. 5, Matthew Butts [ROLL CALL VOTE]

CITY OF HILSHIRE VILLAGE

APPROVED:

Robert F. Buesinger, Mayor

ATTEST:

Cassie Stephens, City Secretary

Property Tax Revenue

Item 3.2

Total tax rate = M&O Tax + I&S (Debt Tax)	Tax Year 2024	Tax Year 2025	FYE 2026 Prop. Tax Revenue	FYE 2026 Other Revenue	FYE 2026 Total Expense	Estimated Surplus/ (Deficit)
	FYE 2025	FYE 2026				
M&O Rates						
Adjusted current year taxable value ²	327,656,829	359,647,908				
No New Revenue Rate	0.438454	0.425195	1,529,205	371,600	1,875,280	25,525
Voter Approved Rate	0.453799	0.440076	1,582,724	371,600	1,875,280	79,045
De Minimis Rate	0.587640	0.560075				
I&S (Debt Tax) Rates						
No New Revenue Rate	0.104335	0.089150	320,626	35,000	354,325	1,301
Voter Approved Rate	0.104335	0.089150	320,626	35,000	354,325	1,301
De Minimis Rate	0.104335	0.089150				
Total Tax Rate						
No New Revenue Rate	0.550985	0.514345				
Voter Approved Rate	0.558134	0.529226				
De Minimis Rate	0.691975	0.649225				

Tax Year	M&O tax rate	I&S Debt tax rate	Total Tax Rate
2025*	0.425195	0.089150	0.514345
2024	0.438454	0.112531	0.550985
2023	0.444334	0.116098	0.560432
2022	0.447917	0.129671	0.577588
2021	0.455049	0.134835	0.589884
2020	0.449316	0.140804	0.590120
2019	0.419265	0.139804	0.559069
2018	0.412808	0.155599	0.568407

² Tax Rate Calculation Worksheet 50-856

Certified value - exemptions & adjustments = current-year adjusted taxable value (line 26)

Finance Policy

Revised and presented for approval 9/9/2025

1. General Fund Reserves

The city shall maintain a prudent level of reserves in the General Fund to ensure financial stability and protection against unforeseen financial challenges, equal to at least 75% of the annual operating budget or nine months of operating expenses, whichever is greater. These reserves can be used only under specific conditions, such as emergencies or significant financial downturns, and any use must be approved by the City Council. A plan to replenish the reserves within a reasonable timeframe must accompany any approved use.

2. Reserves in Other Funds

Reserve policies similar to those of the General Fund shall apply to other funds, particularly enterprise funds that support self-sustaining services. These funds must maintain reserves sufficient to cover operating expenses for a minimum of 6 months and address potential liabilities or emergencies. The use of these reserves requires City Council approval and must align with the city's long-term financial health.

3. Grants Administration

The city shall actively pursue grant opportunities to supplement local funding for projects and services. The Mayor and City Treasurer are responsible for the administration of grants, ensuring compliance with federal, state, and local regulations. Quarterly progress reports shall be submitted to the City Council, and all financial transactions related to grant funding shall undergo periodic audits.

4. Debt Management

Permissible debt instruments include general obligation bonds, revenue bonds, certificates of obligation, and other legally allowed instruments. Debt issuance is restricted to capital projects with clearly identified revenue streams for repayment or those deemed essential to city infrastructure. The city shall maintain debt levels such that the combined annual debt service payments do not exceed 15% of the annual operating budget. This policy allows for debt to be structured over multiple years, provided that the total annual debt obligations remain within this 15% threshold. The city shall also comply with all continuing disclosure requirements.

5. Economic Development

The city may offer subsidies, tax incentives, or other financial incentives to encourage private development in line with community economic development goals as approved by the City Council. Such incentives shall be used strategically to attract businesses, create jobs, and enhance the tax base while ensuring a positive long-term financial

impact on the city. All economic development agreements require City Council approval and must include performance benchmarks for accountability.

6. Financial Reporting Requirements

Internal Reporting:

The City Treasurer shall prepare and distribute quarterly financial reports. These reports, including statements of revenues and expenditures, balance sheets, cash flow statements, and variance analyses comparing actual results to budgeted amounts, will support financial performance monitoring and informed decision-making.

External Reporting:

The City Treasurer shall prepare Annual Comprehensive Financial Reports (CFR) in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards. An independent certified public accounting firm shall audit the CFR annually. The audited financial statements shall be presented to the City Council for review and approval, after which the CFR shall be made publicly available through the city's website and at City Hall.

7. Risk Management and Internal Controls

The city shall implement robust risk management and internal control policies designed to safeguard assets, ensure accurate financial reporting, and prevent fraud, misuse, or inefficiencies in operations.

Internal controls shall be structured to include comprehensive measures such as the segregation of duties to reduce the risk of errors or collusion, requiring multiple levels of authorization for financial transactions, and implementing access controls for sensitive financial systems and records.

Regular internal audits shall be conducted to evaluate the effectiveness of controls, ensure compliance with applicable laws and policies, and identify areas for improvement. Continuous monitoring shall include automated and manual reviews of financial transactions to detect anomalies or irregularities promptly.

Further, all city staff involved in financial activities shall undergo annual training on best practices for financial management, fraud prevention, and government standards compliance.

8. Procurement Policies and Procedures

Procurement Process:

All city purchases shall adhere to a competitive bidding process whenever practical and cost-effective, ensuring transparency and value for money. Procurement methods may include competitive sealed bidding, competitive sealed proposals, requests for qualifications (RFQs), and requests for proposals (RFPs). The method of procurement shall be determined by the nature,

complexity, and value of the goods or services being acquired. In cases of emergency procurement, the standard competitive process may be bypassed with appropriate justification and documentation.

Procurement Goals for Historically Underutilized Businesses (HUB):

The city is committed to promoting diversity and inclusion in its procurement practices, creating opportunities for minority-owned, women-owned, and other historically underutilized businesses (HUBs) to participate in city contracts. Goals for Minority and Women Business Enterprise (MWBE) participation are set to reflect the diversity of Harris County and support the growth of these businesses across various industries. These goals shall be adjusted as necessary based on marketplace conditions and community demographic changes to ensure continued alignment with the city's priorities and economic realities.

	Goal	Rationale	Implementation
Construction Contracts	20–30% MWBE participation (target range)	Reflects availability of MWBE subs in Houston metro, but acknowledges limited local projects and bidder pool for a small city.	Encourage prime contractors to include MWBE subs; request good-faith effort documentation rather than a fixed quota.
Professional Services	10–15% MWBE participation	MWBE representation is limited in municipal legal, auditing, and engineering fields; a flexible goal is more realistic.	Promote opportunities for MWBEs where possible; allow joint ventures or subcontracting on professional service contracts.
Goods and Supplies Procurement	20% MWBE participation in city purchases for office supplies, vehicles, and equipment.	Leverages the presence of MWBEs in Houston's growing wholesale and distribution sectors.	Establish vendor index that highlights MWBEs and prioritize outreach for purchases below

			competitive thresholds.
Technology and Innovation	10-15% MWBE participation for contracts related to technology services, including software development, IT support, and data management.	Encourages MWBE growth in Houston's emerging technology sector, fostering innovation and competitiveness.	Encourage MWBE bidding for tech services; offer flexibility when limited qualified vendors are available.
Renewable Energy and Sustainability Projects	"As Applicable" 10% MWBE participation for renewable energy initiatives, such as solar panel installation and energy efficiency programs.	Small cities may rarely have renewable projects; participation goals should be tied to actual project opportunities.	When projects arise, include MWBE subcontractor outreach and capacity-building support.
Small Business Set-Asides	Reserve 10% of all contracts below \$500,000 exclusively for certified MWBEs.	Supports smaller MWBEs that might lack capacity for larger projects but are critical to Houston's economic ecosystem.	Require at least two competitive MWBE bids to award set-aside , but allow exceptions when the pool is too limited.

9. Cash Handling & Petty Cash Management

Cash Handling Procedures:

The City Treasurer shall establish and enforce strict procedures for handling city funds to prevent fraud, theft, and misuse. These procedures include segregation of duties, dual controls for cash counting, depositing, and reconciliation, regular reconciliations of cash receipts with bank deposits and accounting records, and secure storage of cash.

Petty Cash Management:

Petty cash funds shall be maintained for small, incidental expenses that cannot be efficiently processed through the normal accounts payable system. The City Treasurer, designated as the custodian, is responsible for maintaining accurate

petty cash records and ensuring compliance with city policies. Reimbursements and replenishments must be supported by original receipts and authorized by the City Treasurer.

10. Purchasing Card Policy & Procedures

The city shall issue purchasing cards (P-cards) to authorized employees to facilitate small-dollar purchases and reduce administrative overhead. Each P-card shall have a usage limit determined by the City Council based on the cardholder's purchasing needs. P-cards may only be used for approved purchases in compliance with the city's procurement policies, and personal use is strictly prohibited. Cardholders must submit receipts and a monthly reconciliation of P-card transactions to the City Treasurer for approval.

11. Long-Term Financial Planning

The city is committed to taking a long-term approach to financial health, which includes regularly updating a multi-year financial plan that aligns with the city's strategic goals. This plan shall project revenues, expenditures, and capital needs over at least five years and guide budget development and financial decision-making. The plan shall be reviewed and updated annually to reflect changes in the city's financial condition and priorities.

12. Structurally Balanced Budget

The city shall strive to achieve a structurally balanced budget, where recurring revenues are sufficient to cover recurring expenditures. The Mayor and City Treasurer shall monitor budget performance throughout the year and recommend amendments as necessary to maintain structural balance.

13. Capital Policies

The city shall maintain a comprehensive framework for the management of capital assets that covers the entire lifecycle of assets, from planning and acquisition to ongoing maintenance and eventual replacement. A rolling five-year Capital Improvement Plan (CIP) shall be prepared annually by the City Treasurer in collaboration with the City Engineer, identifying major projects, estimated costs, funding sources, and anticipated timelines. The CIP shall be reviewed and approved by the City Council as part of the budget process, with projects prioritized according to public safety, regulatory compliance, cost-effectiveness, and alignment with long-term community goals.

Capital expenditures shall be included in the annual operating budget with clearly identified funding sources. They shall not be used to cover ongoing operating costs. Each approved capital project shall have a designated project manager responsible for ensuring that the scope, budget, and timeline are met, and progress reports shall be presented monthly to the City Council. The city shall maintain a complete inventory of its

capital assets, including condition, useful life, and replacement schedules. To extend the life of public assets and reduce long-term costs, the budget shall include regular appropriations for maintenance, and replacement reserves shall be established for major equipment and infrastructure.

14. Revenue Policies

The city shall design and manage a revenue system that ensures adequate, stable, and diversified funding to meet its obligations while balancing equity and affordability for residents. Revenues must be sufficient to cover the cost of delivering services, maintaining infrastructure, and meeting debt or other financial requirements. User fees and charges shall generally be set at a level intended to recover the cost of providing specific services, thereby reducing reliance on general taxation.

The city shall strive for fairness in its revenue structure so that taxpayers and fee-payers receive equitable value for the resources they provide. Exemptions and abatements shall be carefully managed to avoid shifting undue burdens onto other taxpayers. The city shall also seek to maintain a diversified portfolio of revenues, such as property taxes, sales taxes, fees, and grants, in order to avoid overreliance on any single source. New or alternative revenue streams shall be periodically evaluated to support long-term sustainability.

Revenue forecasts shall be prepared on a multi-year basis to aid in financial planning. Revenues shall be monitored monthly against projections, and significant variances shall be reported to the City Council along with any recommended corrective actions.

15. Expenditure Policies

The city shall ensure that public funds are spent efficiently, effectively, and in alignment with adopted priorities. Expenditures shall not exceed the appropriations authorized by the City Council, and all spending must be consistent with the adopted budget unless formally amended.

Personnel expenditures, including salaries and benefits, shall be managed to ensure long-term sustainability. The city may contract or outsource services when doing so is cost-effective and when quality of service can be maintained or improved. Long-term liabilities such as pensions and post-employment benefits shall be funded at least at the level required by law, with strategies developed to reduce unfunded liabilities over time.

Expenditures shall be regularly reviewed for efficiency and effectiveness, and cost-saving measures shall be implemented where feasible. Programs and services that do not align with community priorities or fail to demonstrate effectiveness may be reduced or eliminated.

16. Operating Budget Policies

The city shall adopt an annual operating budget that reflects community priorities, maintains structural balance, and supports long-term financial stability. The budget

process shall be open and transparent, with opportunities for input from staff, elected officials, and the public. The City Treasurer shall prepare a proposed budget based on revenue forecasts for City Council consideration.

The operating budget shall present detailed estimates of revenues and expenditures by fund. The budget must be structurally balanced, meaning recurring revenues must cover recurring expenditures. Reserves or one-time revenues shall not be used to fund ongoing operations, but may be appropriated for emergencies, capital projects, or other one-time needs with City Council approval.

The City Treasurer shall monitor revenues and expenditures on a monthly basis and provide reports to the City Council. Any amendments to the budget or transfers between funds or major categories shall require City Council approval. The budget shall also be prepared in the context of a multi-year financial plan so that decisions made in the current year do not undermine sustainability in future years.

Investment Policy

Revised and presented for approval 9/9/2025

1. Scope

This investment policy governs the management and investment of public funds for the City of Hilshire Village, in compliance with Texas Government Code Chapters 2256 and 2257. It applies to all financial assets of the City, excluding employee retirement funds.

The primary objectives of the City's investment program are safety, liquidity, and yield, listed in order of priority. Safety is achieved through the preservation of capital, mitigating credit and interest rate risks. Credit risk is minimized by investing in U.S. government and agency securities and maintaining a diversified portfolio. Interest rate risk is managed by aligning security maturities with anticipated cash flow needs and focusing on short-term investments with maturities of up to two years. Liquidity is maintained by structuring the portfolio so that securities mature in accordance with operating requirements, and by investing in instruments with active secondary markets. Yield is pursued as a secondary objective, aiming to achieve a market rate of return while maintaining safety and liquidity as primary considerations. Securities may only be sold prior to maturity to improve yield or portfolio duration, or to meet liquidity needs.

2. Investment Officers and Standards of Care

Investment decisions shall be made according to the "prudent person" standard, exercising care, skill, and diligence appropriate to the circumstances. Officers are not held personally responsible for market fluctuations if policy compliance and timely reporting are maintained. All investment officers must avoid conflicts of interest and disclose any material financial relationships related to the investment process. Personal transactions with City business contacts are prohibited. Authority to invest funds is delegated to the City Treasurer and other designated investment officers, who must follow established procedures for safekeeping, accounting, and reporting. Investment officers are required to complete a minimum of ten hours of training on investment responsibilities within 12 months of assuming office and ten hours every two years thereafter. Potential investment sellers must be presented with the City's investment policy and provide certifications confirming adherence.

3. Safekeeping and Custody

All investment transactions must be conducted with financial institutions approved by the City Council, which must have a minimum capital of ten million dollars, be registered with the SEC, and insured by SIPC. Approved institutions are required to provide audited financial statements, FINRA registration or certification, state registration, a

completed questionnaire, and acknowledgment of the City's investment policy, with annual reviews performed. Internal controls established by the City Treasurer shall safeguard assets against loss, theft, or misuse. These controls include preventing collusion, using independent third-party custodians, preferring book-entry securities, obtaining written confirmations for telephone transactions, and establishing wire transfer agreements outlining controls and responsibilities. All securities transactions shall be executed on a Delivery versus Payment (DVP) basis to ensure that securities are deposited before funds are released.

4. Suitable and Authorized Investments

Permitted investments include U.S. government and agency securities, repurchase agreements, FDIC-insured certificates of deposit, FSLIC-insured savings and loan deposits, SEC-regulated money market mutual funds, and statewide investment pools. Derivatives are prohibited. Certificates of deposit and repurchase agreements must be fully collateralized, and bids may be solicited orally, in writing, or electronically.

5. Investment Parameters

Investments shall be diversified by type and institution to reduce risk. Security maturities shall be limited to two years unless otherwise authorized by the City Council.

6. Reporting

The City Treasurer shall prepare a quarterly investment report that summarizes portfolio status and transactions, lists securities and their market values, details unrealized gains and losses, provides yield comparisons, outlines maturity schedules and portfolio composition, and evaluates earnings performance relative to other investment alternatives. Portfolio performance shall be compared to appropriate benchmarks, and a quarterly statement reflecting market values shall be issued.

7. Policy Review

This policy shall be reviewed annually as part of the City's budget preparation process. Any amendments must be approved by the City Council of Hilshire Village.