

TOWN OF HIGHLAND PARK, TEXAS

AN AMERICAN COMMUNITY MAKING A DIFFERENCE



Official Budget Fiscal Year 2014-15



TOWN OF HIGHLAND PARK, TEXAS

COMBINED BUDGET OPERATING AND CAPITAL OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015

AS SUBMITTED TO
THE MAYOR AND THE TOWN COUNCIL

JOEL T. WILLIAMS III
MAYOR

STEPHEN ROGERS
MAYOR PRO TEM

BOB CARTER
ERIC GAMBRELL
MARGO GOODWIN
JOHN MCKNIGHT
COUNCIL MEMBERS

BILL LINDLEY
TOWN ADMINISTRATOR

STEVEN J. ALEXANDER
DIRECTOR OF ADMINISTRATIVE SERVICES & CFO

JOHN SAMFORD
CONTROLLER





Town of Highland Park
Fiscal Year 2014-15 Budget
Table of Contents

	Document Page No.	PDF Page No.
<i>Budget Message</i>		
Budget Transmittal Letter	1	9
Organizational Matrix	11	19
Combined Summary of Revenue and Expenditures and Changes in Fund Balance - All Funds Subject to Appropriation	12	20
<i>Budget Information</i>		
Budget Calendar	15	23
Organizational Chart	18	26
Town Charter - Chapter 9 - Financial Administration	19	27
Financial Management Policies	22	30
Ordinance No. 1960 - Adopting the FY 2014-15 Budget	35	43
Ordinance No. 1961 - Levying the 2014 Tax Rate	36	44
<i>Budget Summaries</i>		
Combined Budget Summary - All Funds Subject to Appropriation	37	45
2014 Ad Valorem Tax Comparison and Analysis	39	47
Authorized Personnel	43	51
<i>General Fund</i>		
Fund Overview	45	53
Summary Statement of Revenues & Expenditures - By Object	47	55
Summary Statement of Revenues & Expenditures - By Function	48	56
Statement of Revenues	51	59
Summary of Revenue Estimates	53	61
Department Budgets		
Administration Department	56	64
Department of Public Safety	58	66
Street Department	60	68
Street Lighting Department	62	70
Library Department	64	72
Parks Department	66	74
Pool Department	68	76
Municipal Court Department	70	78
Finance Department	72	80
Building Inspection Department	74	82
Sanitation Department	76	84
Information Technology Department	78	86
Non-Departmental	80	88
Transfer to Other Funds	82	90
<i>Utility Fund</i>		
Fund Overview	83	91
Summary Statement of Revenues & Expenses - By Object	86	94
Summary Statement of Revenues & Expenses - By Function	87	95
Statement of Revenues	89	97
Department Budgets		
Utility Administration Department	90	98
Water Department	92	100
Sanitary Sewer Department	94	102

Town of Highland Park
Fiscal Year 2014-15 Budget
Table of Contents

	Document Page No.	PDF Page No.
Engineering Department	96	104
Transfer to Other Funds	98	106
 <i>Other Funds</i>		
Stormwater Drainage Utility Fund		
Fund Overview	101	109
Statement of Revenue & Expenditures	102	110
Equipment Replacement Fund		
Fund Overview & Statement of Revenue & Expenditures	103	111
Equipment Inventory & Replacement Schedule	104	112
Technology Replacement Fund		
Fund Overview & Statement of Revenue & Expenditures	107	115
Building Maintenance & Investment Fund		
Fund Overview & Statement of Revenue & Expenditures	108	116
Court Technology Fund		
Fund Overview & Statement of Revenue & Expenditures	109	117
Court Security Fund		
Fund Overview & Statement of Revenue & Expenditures	110	118
DPS Technology Fund		
Fund Overview & Statement of Revenue & Expenditures	111	119
Capital Projects Fund		
Fund Overview	112	120
Statement of Revenue & Expenditures	113	121
 <i>Pay Plan</i>		
Pay Plan Overview	115	123
Non-Exempt Personnel (Excluding Public Safety)	116	124
Commissioned Personnel (Public Safety)	117	125
Exempt Personnel	118	126
Pay Incentives	118	126
 <i>Miscellaneous</i>		
Community Information	119	127
Historical Revenue & Expenditure Trend Data	125	133
Historical Revenue Trend Data	126	134
Historical Expenditure Trend Data	128	136
Historical Water Sales By Service Type	130	138
Operational Capital, Maintenance Projects, and New Program Requests	131	139
Five-Year Capital Improvement Program	135	143
Ten-Year Financial Forecast	143	151
 <i>Glossary</i>		
Glossary of Terms	151	159

MAYOR
Joel T. Williams, III
 —
 MAYOR PRO-TEM
Stephen Rogers
 —
 COUNCIL MEMBERS
Bob Carter
Eric Gambrell
Margo Goodwin
John McKnight
 —
 TOWN ATTORNEY
Matthew C.G. Boyle
 —
 TOWN JUDGE
Albert D. Hammack



4700 DREXEL DRIVE, HIGHLAND PARK, TEXAS 75205
 Telephone 214-521-4161

TOWN ADMINISTRATOR
Bill Lindley
 —
 DIRECTOR OF PUBLIC SAFETY
Chris Vinson
 —
 DIRECTOR OF ADMINISTRATIVE SERVICES
 &
 CHIEF FINANCIAL OFFICER
Steven J. Alexander, CPA
 —
 DIRECTOR OF TOWN SERVICES
Ronnie Brown
 —
 TOWN ENGINEER
Meran Daggostar, P.E., R.S.
 —
 TOWN SECRETARY
Gayle Kirby

September 15, 2014

Honorable Mayor Joel T. Williams, III, Members of the Town Council and Citizens of the Town of Highland Park:

I am pleased to present the Combined Operating Budget adopted for fiscal year 2014-15 (Budget). The following is a summary of the Budget and contains information including the ad valorem tax rate and proposed fund summaries, as well as, overviews of key budget changes. The Budget remains structurally balanced and continues to hold the line in the area of operational expenses with a limited number of expense adjustments in strategically important areas. The total Budget for fiscal year 2014-15 is \$32,859,294, with a significant increase this year being additional funding to the Capital Construction Fund for long-term infrastructure needs.

	General Fund	Utility Fund	Stormwater Drainage Utility Fund	Other Funds	Combined Budget
FY 2015	\$ 20,857,670	\$9,293,784	\$ 393,755	\$2,314,085	\$ 32,859,294
FY 2014	20,047,770	9,400,750	236,675	4,814,273	34,499,468
FY 2013	18,854,015	8,761,570	228,180	1,769,695	29,613,460
FY 2012	18,799,835	10,152,155	473,060	12,004,838	41,429,888
FY 2011	16,031,655	9,536,925	990,040	11,176,880	37,735,500
FY 2010	16,704,460	9,223,165	602,000	792,100	27,321,725

Each budget cycle continues the Town Council (Council) philosophy of sustainable funding for essential services, and this Budget is no different. Developing a sustainable budget allows the Council to adequately fund such repetitive expenses as equipment, vehicle and technology replacement programming. With the completion of the Town Hall renovation, the Council is now in a position to take up a broader focus on continuing its attention to long-term infrastructure maintenance. In taking up this challenge, the development of the Budget was focused in a large part to maximizing opportunities to enhance funding for the Capital Construction Fund.

While the overall budget format continues as in past years, the Chief Financial Officer, in developing the budget, has reallocated some expenses from one departmental category to another in efforts to better reflect expenditures in appropriate categories. Included with this memorandum is identification where these types of budget corrections were provided.

As a starting point toward developing the Budget, a public hearing for citizen input was conducted on May 27, 2014. The Council held budget work sessions on June 9, July 28, August 11, August 25 and September 8. Public hearings on the Budget were held on August 11 and August 25.

GENERAL FUND

The General Fund is the Town’s principle operating fund supported by property and sales taxes, various fees and other revenues used for a variety of purposes. This fund accounts for core Town functions such as police, fire, parks & recreation, building code, finance, administrative operations, etc.

Revenues:

This Budget includes a property tax rate of \$0.22 per \$100 of taxable assessed value which has been the Town’s tax rate for the past seven years. Based on the certified tax rolls provided by The Dallas County Appraisal District, the budget will raise more revenue from property taxes than last year’s budget by \$757,648. Of this amount, 78.1% is from existing property revaluation while the remaining 21.9% is from new construction.

	Tax Rate	Property Tax Revenue (1)	Taxable Assessed Values (2)
FY 2015	\$ 0.220	\$ 10,834,465	\$4,924,756,994
FY 2014	0.220	10,076,817	4,578,113,028
FY 2013	0.220	9,783,604	4,446,174,261
FY 2012	0.220	9,696,331	4,405,824,652
FY 2011	0.220	9,764,883	4,421,941,832
FY 2010	0.220	10,062,755	4,517,538,629
FY 2009	0.220	9,603,740	4,337,523,911
FY 2008	0.220	8,890,683	4,011,360,559
FY 2007	0.225	8,115,122	3,586,764,140
FY 2006	0.230	7,303,760	3,175,218,560
FY 2005	0.230	6,696,521	2,911,465,259
FY 2004	0.230	6,369,983	2,769,470,998

- (1) Revenue presented at 100%. Town by policy budgets a 99% Collection Ratio.
- (2) FY 2014 (2013 Tax Year) & FY 2015 (2014 Tax Year) values have been adjusted to reflect value of properties under protest and net loss in value due to court appeals of ARB decisions.

Between fiscal years 2008 and 2010 the Town benefitted from increasing property values that resulted in increased revenues to fund operations and capital projects. Property values declined in fiscal years 2011 and 2012 and the Town chose to maintain the existing tax rate resulting in a decline in property tax revenue. The economy began to rebound in 2013 and the Town has been experiencing an increase in taxable assessed property values over the last two years. Keeping the tax rate constant has allowed the Town to use the resulting increase in property tax revenues to address operational and capital issues. Fiscal year 2015 presented an opportunity for the Town to experience an increase in property tax revenues, without increasing the property tax rate, and use those additional revenues to address increases in operational costs and increase funding towards the Town’s Capital Improvement program. The General Fund Budget has allocated \$18,193,076 towards annual operation, and \$33,875 toward operating capital outlay and equipment purchases. The remaining balance of \$2,630,719 represents

transfers between funds, of which \$1,520,647 is directly related to capital improvement funding. The capital improvement funding transfer represents an increase of \$344,432 when compared to the amount approved in the Adopted Budget (as amended) to be transferred during fiscal year 2013-14.

Other significant revenue increases for 2015 include:

- Continuing a healthy rebound the last few years, sales tax receipts, the fund's second largest source of revenue is estimated at \$3,275,000, representing a 3.5% increase (excluding the prior period payment received during the year) over the amount anticipated to be received for fiscal year 2013-14.
- Continued steady rate of construction activity on new residential homes and remodeling projects is reflected by the number of permits issued by the Town. Total building related revenues in 2015 is estimated at \$1,050,000.
- In order to address increases in the costs of solid waste collection and disposal, \$27,096 in additional revenue is anticipated from a 2.1% adjustment to solid waste rates charged for this service.

Expenditures:

The operations portion of the budget funds the day-to-day activities of the Town such as personal services, commodities, contractual services and equipment replacement. Less than other municipal organizations, entity-wide, personnel costs account for 52.7% of the overall budget, excluding transfers. Compensation and benefit strategies are tied to the Town's strategic objective of attracting, developing and retaining a skilled workforce in our goal of continuing to be an employer of choice.

Compensation- As a service organization, Town employees are critical in the delivery of quality services to our residents. In order to maintain service level stability, it is important to retain and attract the type of quality employees we enjoy. In recognition of this important goal, the General Fund Budget includes \$374,753 for compensation increases. Consistent with past years, employees are eligible for a merit up to 7%, while employees that have reached the top end of their pay range, or employees not eligible for pay-for-performance, are budgeted to receive a 3% adjustment.

This past year the Council updated the list of comparable cities and corresponding salary survey information for our compensation program. The system provides a financially sustainable model that ensures a fair and predictable method of career progression and compensation for employees. Not only was the Council able to confirm its labor market and define market positions, it also confirmed that the current pay structure should be maintained and adjusted as market conditions warrant. As noted, our pay system is a pure pay-for-performance format substantially different than most municipal systems which are tenure-based where employees are granted automatic pay increases.

Pension- The Town is a member of the Texas Municipal Retirement System (TMRS) which provides retirement, disability, and death benefits to employees of participating municipalities. Beginning in 2007, TMRS changed its actuarial cost method from traditional unit credits to projected unit credits and this impacted positively the Town's contribution rate. The pension contribution rate paid by the Town for employees is decreasing by 28.57%, to 3.95% of payroll, for 2015. This is resulting in a savings to the General Fund of about \$112,000 over the 2014 year end projection.

Health Insurance- Providing a competitive health insurance plan is another significant factor in attracting quality candidates, retaining valuable employees and continuing to be an employer of choice. Competitively bid this past year, the Town's health insurance provider, Blue Cross Blue Shield (BCBS),

confirmed a 7.6% premium increase for this next year. Included in this increase, the federally mandated Affordable Care Act will for a second year result in a 3.5% increase to our health care program beyond the control of the Town. The cost of health insurance paid for by employees based on the plan they choose and dependent care they need is also increasing by 7.6%. The increase in the cost of health insurance is growing the General Fund budget by \$111,945.

IPS, which serves as the Town's consultant, has aggressively negotiated with the insurance carrier and feels the current rate adjustment is very competitive to the open market. Town staff is currently studying different options that may mitigate the increase in the cost; however, implementing such options will likely result in a change in the benefits provided through the current plans offered.

Imbedded in the overall dependent premium cost paid in full by employees is \$175,818 underwritten by the Town. This amount is in addition to the overall premium cost paid by the Town for employee premium. It is proposed that beginning this next year, we develop a multi-year process of distributing this underwriting to make the two premiums self-sufficient. Over the next year, employees will be educated about this subsidy and be informed of the plan to reallocate the portion that the Town pays for dependent care appropriately within the employee dependent care premiums.

The carrier provides a wellness program which is currently being evaluated to identify key components that will help drive long-term behavior change with a goal of continued premium management. Continued management of the Town's health insurance plan does however produce a cushion against rising health care costs seen across the country.

Capital Improvement Planning- The General Fund's portion of the transfer to the Capital Construction Fund is budgeted at \$1,520,647. As noted previously, \$344,432 of this amount is proposed as new funding from enhanced revenue provided by the growth in property value while maintaining the same property tax rate. This increase in funding exemplifies a major focus in preparing the Budget as the Council takes-up renewed attention to the infrastructure needs for maintenance and rehabilitation and the resulting funding demands.

Other significant appropriations and adjustments to the General Fund include:

- \$125,000 has been added to the Budget as a contingency to cover compensation and retirement payouts in anticipation of employees retiring during the next year. This contingency is new to the budget and has not been provided in the past.
- Costs associated with three organizational initiatives:
 - A part-time library clerk reclassified as a full-time assistant library manager requiring approximately \$72,000.
 - The additional costs for the municipal court magistrate salary adjustment required an additional \$60,000.
 - \$95,000 has been provided for legal and consulting services related to Dallas Love Field.
 - An additional \$26,000 has been added to the Department of Public Safety Budget to fund the contracting out of the crossing guard program. The bulk of this program is funded by shifting annual appropriations of approximately \$100,000 from "Personnel Services" to "Services & Charges."
 - The Budget includes a net increase in Town Attorney services of approximately \$40,000 which includes the cost of municipal court prosecution.

Accompanying Budget Notes:

Department of Public Safety (DPS) – DPS typically has appropriations allocated within “Capital Outlay.” In years past these appropriations would be made up of items that the Town would capitalize, as well as, items that the Town would not capitalize. In the Budget for fiscal year 2015, only those items that the Town will capitalize have been included in the “Capital Outlay” object class. As a result, some of the changes in DPS budget are attributed to appropriations being allocated differently between the object class designations, as compared to previous fiscal years.

Street Department – In years past, striping maintenance for roadways has been funded through funding provided to the Capital Projects Fund. Since this item is more appropriately identified as a maintenance item, the Budget includes \$15,000 in the Street Department budget to fund routine striping for streets.

Fund Balance:

The Town’s financial policies state that the fund balance in the General Fund shall be equal to a minimum of 17% of General Fund operating expenditures. The Budget reflects a projected balance of 17% of expenditures, which represents \$3,281,535. This ending balance is set aside to provide funding in the event of an unanticipated economic downturn or other emergencies to protect the Town’s budget. Any excess revenue and unallocated appropriation (above the 17% fund balance requirement) is transferred to the Capital Construction Fund.

UTILITY FUND

The Utility Fund is used to account for the acquisition, operation and maintenance of the Town’s municipal water and sewer utility operations. This fund is supported primarily by user charges to utility customers. The fund accounts for operational costs, as well as, capital improvement funding for utility system improvements. An operational transfer to the General Fund is provided to properly account for general administration and oversight.

Revenues:

Utility Fund revenues are projected to be \$9,294,109, which is a 3.9% increase, or \$350,079 from the year-end projection for the current fiscal year. Water revenues are expected to grow \$273,150 and sewer fees will follow suit with \$60,869 because of anticipated increases in usage and/or rate adjustments.

The drought impact on area water supplies continues to be at the forefront of municipal utilities - with Highland Park being no different. Speculation is the drought will continue into the foreseeable future creating more demands on municipal water providers to promote greater reductions onto the burdens of area lakes. Prior to adoption of the Budget, the Council adopted customer restrictions for outdoor watering and irrigation as part of promoting water conservation. It will be important for staff to monitor the effectiveness of customer water use restrictions for any adverse impacts to water sales and resulting need for possible rate adjustment. During fiscal year 2014-15, staff will review varied rate options including possible increases to the volume charge along with consideration in lowering the higher tiers each designed to offset loss in water sales from water conservation efforts by the customer base.

Expenditures:

Unlike the General Fund, which is driven principally by personnel costs, the majority of expenses for this fund are contractually related for water purchases and sanitary sewer treatment attributing to 38.5%, or \$3,574,316, of the overall costs projected for 2015. The Budget for fiscal year 2014-15 also includes \$1,905,920 for capital outlay and capital improvements related to the Town's utility system. This represents an increase of 2.1% factored into the budget to address inflationary increases in construction costs. Personnel costs within the Utility Fund are also impacted by the aforementioned changes in compensation and benefits. The Utility Fund, like the General Fund, is benefiting from the reduction in the Town's contribution rate to TMRS. Overall the budget for pension cost reflects a decline of \$14,706 when compared to the year-end projection for fiscal year 2013-14. Health insurance cost within the Utility Fund is increasing as a result of the 7.6% increase in the Town's cost of providing this benefit to employees.

Fund Balance (Net Working Capital):

Similar to the General Fund, the Town's fiscal policies require that the fund balance of the Utility Fund be equal to 25% of operating expenditures. Net working capital (current assets minus current liabilities) is used as the measure of fund balance for the Utility Fund. Currently, the calculation of ideal fund balance excludes the operating transfer of \$1,046,439 to the General Fund. This transfer is an indirect cost allocation that is made annually and is based on certain actual expenditures made in the General Fund that are related to the Utility Fund. The practice of excluding this transfer when calculating fund balance began during fiscal year 2012-13. If included going forward, fund balance would need to increase by approximately \$250,000 to reach ideal fund balance. Town Staff recommends that, over time, fund balance be grown to accommodate the inclusion of the operating transfer in the calculation of ideal fund balance. The Budget reflects a projected ending fund balance of 25% of expenditures (excluding the General Fund operating transfer), which represents \$1,478,963.

This ending balance is set aside to provide funding in the event of an unanticipated economic downturn or other emergencies to protect the Town's budget.

STORMWATER UTILITY FUND

The Storm Water Utility Fund accounts for sources and uses of resources related to the maintenance, repair, and construction of the public storm water related services and facilities. Storm water utility fees are assessed each month on utility bills to provide a funding source for this fund. The monthly storm water fee is based on the size of the lot. Residential properties are charged between \$4.12 and \$32.55 per month for each dwelling unit that is on the property based on the size of the lot. Fees for non-residential properties are calculated individually in proportion to each property's storm water runoff potential.

Revenues:

Revenues in the Storm Water Utility Fund, from storm water fees, are projected to be \$385,140 which is slightly higher than the revenue budgeted in the prior fiscal year. Rates charged for storm water drainage have historically been indexed to the Consumer Price Index resulting in a 2.1% increase in rates for the next fiscal year.

Expenditures:

The Storm Water Utility Fund accounts for expenditures related to street sweeping and other drainage related items. The overall appropriations proposed for this fund total \$393,755 and includes an indirect cost transfer to the Utility Fund for personnel costs attributed to storm water related projects and issues. The two most significant items added to this budget include \$195,000 set aside for professional and consulting fees to fund a comprehensive study of silt removal from Connor Lake, Hackberry Creek, and Exall Lake, and \$14,000 related to an annual maintenance program for Exall Dam.

Fund Balance:

There is not a fund balance requirement for the Storm Water Utility Fund, but fund balance continues to grow within this fund. The fund balance projected at the end of fiscal year 2014-15 is \$620,601. This fund balance is committed to improvements of the Town's storm water drainage system.

CAPITAL PROJECTS FUND

One of the highest priorities in this, and future budgets, will be to continue attention to the Town's public infrastructure, including roads, utility lines, inlets, parks, traffic signs and signals, and the hardware associated with technology. While components of some of these will receive funding in this budget, and will continue to be funded in future budgets to the extent funds are available, the improvement of our streets will be one of our highest long-term priorities.

The Council initiated a town-wide traffic study to evaluate the impact of real and/or perceived "cut-thru" traffic. While the study is in the process of being finalized, it is anticipated some more immediate, and less costly, improvements identified may be funded as part of the annual street works program. Parallel to this work, the Council established a citizen based Finance and Audit Advisory Committee charged, in part, to assess the update to the Town Capital Improvement Plan.

The first year of the Capital Improvement Plan is provided in the Capital Projects Fund, which is appropriated in the same manner as the annual operating budget. Funds for projects are budgeted on an annual basis. This fund establishes a multi-year funding schedule for the purchase, construction or replacement of physical assets of the Town.

Revenues:

Revenues in the Capital Projects Fund are projected to be \$1,954,721 for fiscal year 2014-15 and are primarily made up of transfers from other funds. Both the General Fund and the Utility Fund transfer 5% of revenues collected for Solid Waste Services and Utility Fees respectively. These two transfers make up \$489,485 of the total projected revenues in this fund. The General Fund annually transfers funds to the Capital Projects Fund for the purpose of maintaining an active capital improvement program. This funding is annually indexed by the Consumer Price Index and equates to \$1,045,453 for next fiscal year. To the extent that the General Fund has excess fund balance above the required fund balance level set out by Town Council, an additional transfer will be made to the Capital Projects Fund. While this policy does allow for the Town to transfer excess fund balance in fiscal year 2013-14, the additional transfer of \$344,432 budgeted for fiscal year 2014-15 over the fiscal year 2013-14 Adopted Budget is primarily resulting from the additional property tax revenue from the increase in taxable assessed values.

Expenditures:

Expenditures in the Capital Projects fund are budgeted to be \$1,265,523, with \$869,375 in appropriations applied toward the Town’s annual street/sidewalk/alleyway rehabilitation program and \$100,000 for a Town-wide video and license plate recognition (LPR) system study. The remaining balance is an indirect cost allocation transfer to the Utility Fund for personnel costs attributed to projects funded in the Capital Projects Fund.

Fund Balance:

The Town’s fiscal policies promote maintaining a \$2,000,000 fund balance within the Capital Projects Fund. During times when this fund balance falls below the minimum \$2,000,000, the policy states that a plan should be put in place to rebuild the fund balance to \$2,000,000. During the renovation of Town Hall, the fund balance in the Capital Projects Fund was drawn down below the ideal fund balance. The Budget for fiscal year 2014-15 projects the fund balance of the Capital Projects Fund to be at \$2,490,494, meeting the required minimum.

OTHER FUNDS

The Town maintains a number of other funds that are necessary for various reasons. Three of these funds, Equipment Replacement Fund, Technology Replacement Fund and the Building Maintenance Fund are internal service funds established for the purpose of accumulating resources over time to replace and maintain physical assets in a manner that does not significantly impact the operating budgets in any given fiscal year. Other funds such as the Court Security Fund, Court Technology Fund, and DPS Technology Fund are considered special revenue funds and have been established to account for sources and uses of funds identified for a specific purpose either by law or local policy. These funds do not have a fund balance minimum requirement.

Equipment Replacement Fund:

This fund accounts for the resources needed to manage the purchase of vehicles and other rolling stock for the Town’s fleet. Total revenues within this fund are projected to be \$534,079 and are primarily made up of transfers from the General Fund and Utility Fund. The transfers from these funds are based on equipment depreciation schedules, and the amount of annual depreciation is then adjusted for inflation to insure adequate funding is provided at time of replacement. Total expenditures are budgeted at \$353,465 to replace vehicles scheduled to come off-line.

Technology Replacement Fund:

This fund accounts for the resources needed to manage the replacement and upgrade of software and hardware related equipment. Revenues within this fund are primarily derived from transfers from the General Fund and the Utility Fund and total \$419,081. The transfers from these funds are based on equipment depreciation schedules, and the amount of annual depreciation is then adjusted for inflation to insure adequate funding is provided at time of replacement. Expenditures within this fund are budgeted at \$411,643. The significant items being budgeted within this fund include:

- Computer & server replacements - \$240,251
- Mobile Vision System - \$ 72,594
- 9-1-1 System Upgrade \$ 77,235

- Dispatch Recording System \$ 20,563

The fund balance projected within this fund at the end of the next fiscal year is \$1,234,692.

Building Maintenance Fund:

The Building Maintenance Fund accounts for the resources needed to manage the replacement and upgrade of maintaining Town Hall. A work component this next year will be developing, for Council approval, a replacement schedule of major equipment and materials of the building. Revenues for this fund are projected to be \$332,539 and are derived from transfers from the General Fund and Utility Fund. These transfers are based on the annual budget of the Building Maintenance Fund, which is proportionally divided between the General Fund and Utility Fund based on the number of employees within each fund that utilizes the Service Center and Municipal Building. Expenditures with this fund are budgeted to be \$240,539 which is 4.9% more than the amount projected to be expended in fiscal year 2013-14. Fund balance in this fund continues to grow in anticipation of major improvements or repairs. In the Adopted Budget for fiscal year 2013-14 fund balance was budgeted to grow by \$75,000 in an effort to begin establishing a reserve for major capital outlays in the future. This Budget follows the same practice and fund balance is projected to be \$381,726 at the end of next fiscal year.

Court Technology & Security Funds:

These two special revenue funds are used to account for revenues provided by an administrative fee, approved by the State, on citations. The use of these resources is restricted by their enabling statutes. Revenues within the Court Security Fund are projected to be \$21,015, which is annually transferred to the General Fund to fund a portion of the bailiff in Municipal Court. Revenues in the Court Technology Fund are projected to be \$30,200 and are used to fund technological improvements within Municipal Court. Both funds are projected to maintain minimal fund balances at the end of fiscal year 2014-15 with \$37,932 remaining in the Court Technology Fund and \$2,711 remaining in the Court Security Fund.

DPS Technology Fund:

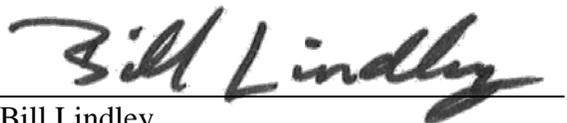
The DPS Technology Fund was established during fiscal year 2013-14 and is used to account for resources received from the subleasing of telecommunications facilities located on Town property. More specifically, the revenues in this fund are tied directly to an agreement between the Town and TPI, Inc. and will be used to fund technological improvements related to public safety within the Town. Revenues for next fiscal year are anticipated to be \$73,210 and fund balance at the end of next fiscal year is projected to be \$97,080.

CONCLUSION

The Budget furthers the attention towards making deliberate and strategic investments into daily operations of the Town with significant attention to infrastructure needs. These investments are designed to serve residents for years to come. The Budget provides an opportunity to meet these needs while still enviously maintaining its \$0.22 tax rate. This Budget underscores a commitment by all Town departments to maintain service levels in our core services, and to implement cost-saving efficiencies wherever possible, while preserving those things that make Highland Park great.

In closing, I must thank our remarkably dedicated and talented Town staff who deliver the outstanding services provided each day to the residents. Each of our employees represent the best in public service,

and like you, I continue to be inspired by their commitment to ensure that Highland Park remains the best it can be for our residents, businesses, visitors, and employees alike. The staff is looking forward to working with you in making decisions and developing plans that will continue to positively impact our community.



Bill Lindley
Town Administrator



Steven J. Alexander
Director of Administrative Services & CFO

ORGANIZATIONAL MATRIX – DEPARTMENT ASSIGNMENT BY FUND

This annual budget is presented by fund. This matrix shows the assignment of departments by fund within the budget. Listed across the top of the matrix are the departments. The operating funds are shown in the left column of the matrix. The divisions are listed within the matrix as they correspond to their present department and operating fund.

Fund	Departments					
	Administration	Department of Public Safety	Town Services	Library	Finance	Engineering
General	Administration	Department of Public Safety	Street Street Lighting Parks Pool Building Insp. Sanitation	Library	Municipal Court Finance Info. Tech.	
Utility			Water Sewer		Utility Admin	Engineering
Stormwater Drainage			Stormwater Drainage			
Building Maint. & Investment			Service Center Town Hall			
Court Technology					Municipal Court	
Court Security					Municipal Court	
DPS Technology		Department of Public Safety				

COMBINED SUMMARY OF REVENUES AND EXPENDITURES AND CHANGES TO FUND BALANCE
ALL FUNDS SUBJECT TO APPROPRIATION

	General	Utility	Storm Drainage	Equipment Replacement	Technology Replacement	Building Maintenance & Investment
BEGINNING FUND BALANCE	\$ 3,281,535	\$ 1,478,638	\$ 628,116	\$ 2,334,440	\$ 1,227,254	\$ 289,726
REVENUES:						
Property Taxes	\$ 10,760,424	\$ -	\$ -	\$ -	\$ -	\$ -
Water Sales	-	5,941,599	-	-	-	-
Sewer Charges	-	2,680,000	-	-	-	-
Sales Taxes	3,275,000	-	-	-	-	-
Sanitation/Recycling Charges	1,271,596	-	-	-	-	-
Franchise Fees	1,031,000	-	-	-	-	-
Building Inspection Fees/Permits	1,133,500	62,500	-	-	-	-
Municipal Court Fines/Fees	735,000	-	-	-	-	-
Interest Earnings	16,000	6,500	1,100	7,500	1,000	1,000
All Other	1,567,711	138,500	385,140	75,000	2,000	16,000
TOTAL REVENUES	\$ 19,790,231	\$ 8,829,099	\$ 386,240	\$ 82,500	\$ 3,000	\$ 17,000
Transfers from Other Funds	1,067,439	465,010	-	451,579	416,081	315,539
TOTAL REVENUES & TRANSFERS-IN	\$ 20,857,670	\$ 9,294,109	\$ 386,240	\$ 534,079	\$ 419,081	\$ 332,539
TOTAL AVAILABLE RESOURCES	\$ 24,139,205	\$ 10,772,747	\$ 1,014,356	\$ 2,868,519	\$ 1,646,335	\$ 622,265
EXPENDITURES:						
Personnel Services:						
Payroll	\$ 10,511,894	\$ 1,386,251	\$ -	\$ -	\$ -	\$ -
Taxes	757,677	101,265	-	-	-	-
Retirement (TMRS)	445,651	60,234	-	-	-	-
Insurance	1,387,831	205,538	-	-	-	-
Total Personnel	\$ 13,103,053	\$ 1,753,288	\$ -	\$ -	\$ -	\$ -
Supplies & Equipment	\$ 1,090,227	\$ 2,937,120	\$ 7,000	\$ -	\$ -	\$ 15,980
Services & Charges	3,999,796	1,094,509	80,700	10,000	1,000	204,559
Capital Outlay:						
Sustaining	-	-	-	-	-	-
Equipment	33,875	-	-	343,465	410,643	20,000
CIP	-	1,905,920	195,000	-	-	-
TOTAL EXPENDITURES	\$ 18,226,951	\$ 7,690,837	\$ 282,700	\$ 353,465	\$ 411,643	\$ 240,539
Transfers to Other Funds	2,630,719	1,602,947	111,055	-	-	-
TOTAL EXPENDITURES & TRANSFERS -OUT	\$ 20,857,670	\$ 9,293,784	\$ 393,755	\$ 353,465	\$ 411,643	\$ 240,539
ENDING FUND BALANCE	\$ 3,281,535	\$ 1,478,963	\$ 620,601	\$ 2,515,054	\$ 1,234,692	\$ 381,726
FUND BALANCE MINIMUM	\$ 3,281,535	\$ 1,478,963	\$ -	\$ -	\$ -	\$ -
FUND BALANCE SURPLUS	\$ -	\$ -	\$ 620,601	\$ 2,515,054	\$ 1,234,692	\$ 381,726

Court Technology	Court Security	DPS Technology	Capital Projects	Adopted FY 2015	Amended FY 2014
\$ 29,372	\$ 2,946	\$ 23,895	\$ 1,801,296	\$ 11,097,218	\$ 10,675,479
\$ -	\$ -	\$ -	\$ -	10,760,424	10,076,160
-	-	-	-	5,941,599	5,954,140
-	-	-	-	2,680,000	2,767,305
-	-	-	-	3,275,000	3,315,600
-	-	-	-	1,271,596	1,245,300
-	-	-	-	1,031,000	1,046,400
-	-	-	-	1,196,000	1,130,500
30,000	21,000	-	-	786,000	755,200
200	15	10	8,500	41,825	29,720
-	-	73,200	-	2,257,551	2,199,045
\$ 30,200	\$ 21,015	\$ 73,210	\$ 8,500	\$ 29,240,995	\$ 28,519,370
-	-	-	1,946,221	4,661,869	4,254,260
\$ 30,200	\$ 21,015	\$ 73,210	\$ 1,954,721	\$ 33,902,864	\$ 32,773,630
\$ 59,572	\$ 23,961	\$ 97,105	\$ 3,756,017	\$ 45,000,082	\$ 43,449,109
\$ -	\$ -	\$ -	\$ -	\$ 11,898,145	\$ 11,697,897
-	-	-	-	858,942	865,039
-	-	-	-	505,885	637,362
-	-	-	-	1,593,369	1,562,441
\$ -	\$ -	\$ -	\$ -	\$ 14,856,341	\$ 14,762,739
\$ 5,565	\$ -	\$ -	\$ -	\$ 4,055,892	\$ 4,087,170
16,075	250	25	-	5,406,914	5,100,906
-	-	-	-	-	156,065
-	-	-	-	807,983	592,360
-	-	-	969,375	3,070,295	5,545,968
\$ 21,640	\$ 250	\$ 25	\$ 969,375	\$ 28,197,425	\$ 30,245,208
-	21,000	-	296,148	4,661,869	4,254,260
\$ 21,640	\$ 21,250	\$ 25	\$ 1,265,523	\$ 32,859,294	\$ 34,499,468
\$ 37,932	\$ 2,711	\$ 97,080	\$ 2,490,494	\$ 12,140,788	\$ 8,949,641
\$ -	\$ -	\$ -	\$ -	\$ 4,760,498	\$ 4,667,189
\$ 37,932	\$ 2,711	\$ 97,080	\$ 2,490,494	\$ 7,380,290	\$ 4,282,452



Budget Calendar Fiscal Year 2015

Date	Task/Discussion Points
April 14	Budget Kick-off Meeting with departments
May 1	Review and discuss Proposed FY 2015 Budget Calendar with the Finance & Audit Advisory Committee
May 2	Projection of FY 2014 expenditures/uses Projection of FY 2014 revenues/resources
May 7	Review and discuss Proposed FY 2015 Budget Calendar with the Administrative Committee
May 9	Departments submit base budget requests to the Finance Department This includes any requests for non-capitalized fixed and capitalized fixed assets
May 12	Review and discuss Proposed FY 2015 Budget Calendar with the Town Council
May 15	Receive preliminary tax values from Dallas County Appraisal District (DCAD)
May 16	Departments submit any new programs, new fleet, and replacement fleet requests to the finance department
May 23	Departments submit performance measurement forms to the finance department
May 27	Public Hearing for citizen comment on the development of the FY 2014-15 Budget
June 2-4	(Tentative) First Round of Meetings with Town Administrator on Department Budget Requests
June 9	Discussion with the Town Council regarding Council's Priorities and Expectations of the FY 2014-15 Budget

Budget Calendar Fiscal Year 2015 (Continued)

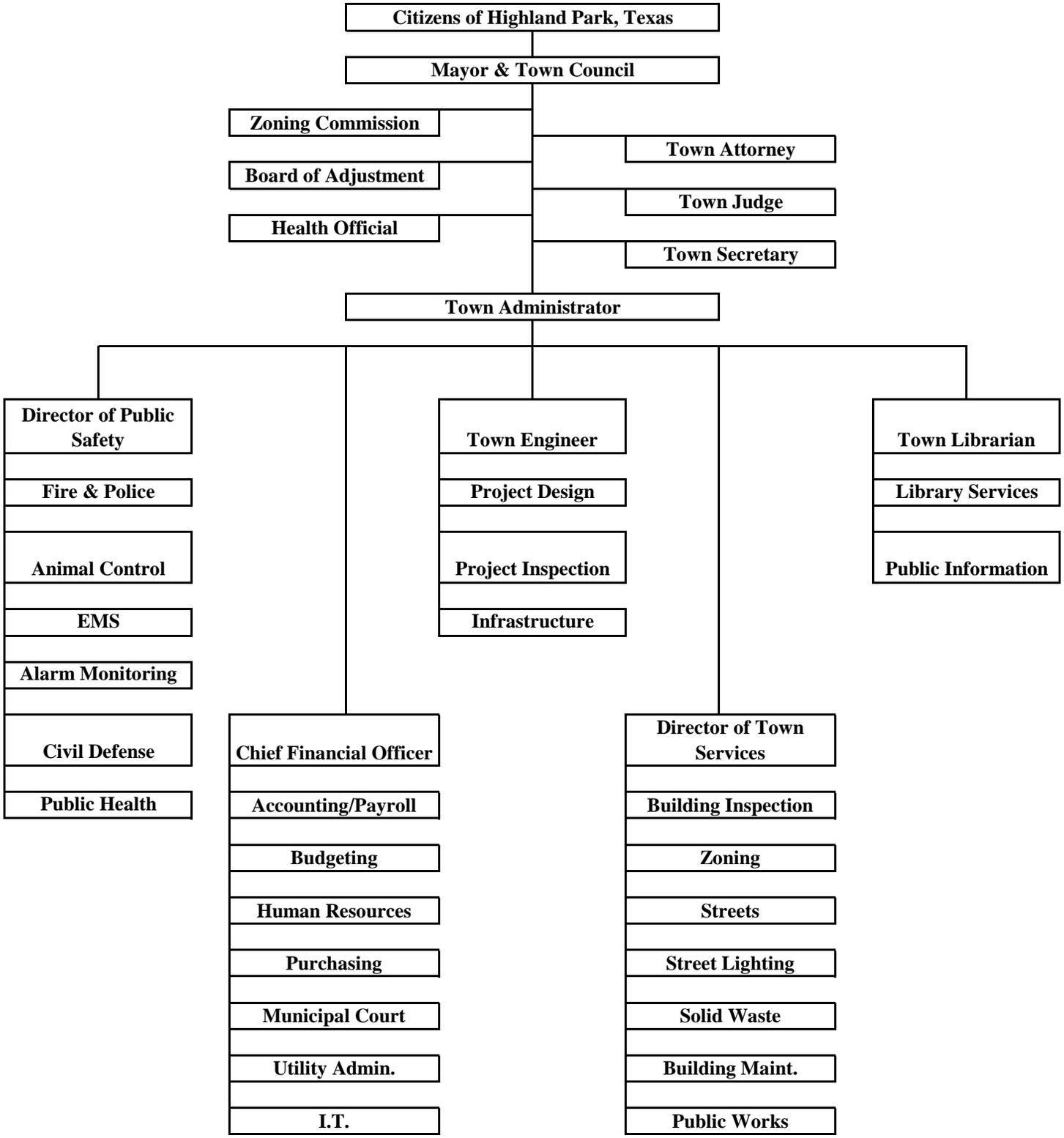
Date	Task/Discussion Points
June 16-18	(Tentative) Second Round of Meetings with Town Administrator on Department Budget Requests
July 17	Review and discuss draft FY 2014-15 Proposed Budget with the Finance & Audit Advisory Committee
July 23	Review and discuss draft FY 2014-15 Proposed Budget and the Effective Tax Rate & Rollback Tax Rate (for publication) with the Administrative Committee
July 25	Receive Certified Appraisal Roll from DCAD
	Deliver Notice of Public Hearing on FY 2014-15 Proposed Budget to the newspaper
July 28	FY 2014-15 Proposed Budget delivered to the Town Council FY 2014-15 Proposed Budget delivered to Town Secretary
	Review and discuss FY 2014-15 Proposed Budget with the Town Council
July 31	Notice of Public Hearing on FY 2014-15 Proposed Budget Publication of Effective Tax Rate & Rollback Tax Rate
August 8	Deliver Notice of Public Hearing on Tax Increase to the newspaper (as needed)
August 11	Review and discuss draft FY 2014-15 Proposed Budget with the Town Council
	Public Hearing on FY 2014-15 Proposed Budget
	Town Council sets preliminary ad valorem tax rate
	Call Public Hearings on Tax Increase
	Announce meeting to adopt tax rate

Budget Calendar Fiscal Year 2015 (Continued)

Date	Task/Discussion Points
August 14	Notice of First & Second Public Hearings on Tax Increase published
August 22	Deliver Notice of Public Hearing on Tax Increase to the newspaper
August 25	First Public Hearing on Tax Increase
August 28	Notice of Second Public Hearing on Tax Increase published
September 8	Second Public Hearing on Tax Increase (as needed)
September 11	Notice of Tax Revenue Increase published (as needed)
September 15	Town Council considers for approval: <ul style="list-style-type: none">• FY 2014-15 Proposed Budget• Adoption of a tax rate• Adoption of utility and services fees

NOTE: Dates in bold denote either Town Council or Administrative Committee meeting.

**Town of Highland Park, Texas
Organizational Structure**



CHARTER OF THE TOWN OF HIGHLAND PARK, TEXAS

Chapter 9 Financial Administration

9.01 Director of Finance; Appointment. There shall be a Department of Finance, the director of which shall be appointed by the Town Administrator. The Director of Finance can be ex-officio Town Treasurer. The Director of Finance shall provide a bond with such surety and in such amount as the Council may require and the premiums on such bond shall be paid by the Town.

9.02 Director of Finance; Qualifications. The Director of Finance shall have knowledge of municipal accounting and taxation and shall have experience in budgeting and financial control.

9.03 Jurisdiction. The Director of Finance shall have custody of all public monies, funds, notes and bonds and other securities belonging to the Town. The Director of Finance shall make payments out of Town funds upon orders signed by the Town officers as herein provided. The Director of Finance shall render a full and accurate statement to the Town Administrator and the Council of receipts and payments at such times as the Town Administrator or Council may require, such statements to be made in such form as the Town Administrator may prescribe. The Director of Finance shall perform such other acts and duties as the Council may prescribe.

9.04 Fiscal Year. The fiscal year of the Town shall begin on the first day of October and end on the following September 30th, but the fiscal year may be changed by the Council by ordinance provided that no change shall be effective until six (6) months after final passage of such ordinance.

9.05 Annual Budget.

A. Preparation of Budget: The Department Heads of the Town shall prepare annual departmental budget requests for the ensuing fiscal year as directed by the Town Administrator and submit said requests to the Town Administrator for review. It shall be the duty of the Town Administrator to submit an annual budget not later than thirty (30) days prior to the end of the current fiscal year to the Council for its review, consideration and revision if desired. The Council shall call a public hearing or hearings on the budget. The Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

B. Adoption: The budget as adopted must set forth the appropriations for services, functions and activities of the various Town departments and agencies, and shall meet all fund requirements provided by law and required by bond covenants.

C. Failure to Adopt: If the Council fails to adopt the budget by the 15th day of September, the amounts appropriated for the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month to month basis with all items in it prorated accordingly until such time as the Council adopts a budget for the ensuing fiscal year. The levy of property tax will be set to equal the total current fiscal year tax receipts, unless the ensuing fiscal year budget is approved by September 15th of the current fiscal year.

9.06 Public Record. Copies of the budget as adopted shall be public records and shall be made available to the public upon request.

9.07 Appropriations. During the fiscal year the Council shall have the power to transfer funds allocated by the budget to one activity, function or department, to another activity, function or department, and to re-estimate revenues and expenditures.

9.08 Emergency Appropriations. At any time in the fiscal year the Council may make emergency appropriations to meet a pressing need for public expenditures in order to protect the public health, safety or welfare.

9.09 Borrowing. The Council shall have the power, except as prohibited by law, to borrow money by whatever method it may deem to be in the public interest.

9.10 General Obligation Bonds and Other Evidence of Indebtednesses. The Town shall have the power to borrow money on the credit of the Town and to issue general obligation bonds and other evidence of indebtednesses for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the State of Texas, and to issue refunding bonds to refund outstanding bonds and other evidences of indebtedness of the Town previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas.

9.11 Revenue Bonds. The Town shall have the power to borrow money for the purpose of constructing, acquiring, improving, extending or repairing of public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the Constitution and laws of the State of Texas, and to issue revenue bonds to evidence the obligation created thereby. Such bonds shall be a charge upon and payable from the properties, or interest therein pledged, or the income therefrom, or both. The holders of the revenue bonds shall never have the right to demand payment thereof out of monies raised or to be raised by taxation. All such bonds shall be issued in conformity with the laws of the State of Texas.

9.12 Bonds Incontestable. All bonds and evidences of indebtedness of the Town having been issued and sold and having been delivered to the purchaser thereof or delivered to the claimant thereof shall thereafter be incontestable and all bonds issued to refund outstanding bonds or other evidence of indebtednesses previously issued shall and after said issuance be incontestable.

9.13 Lapse of Appropriations. Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

9.14 Administration of Budget. Payments and Obligations Prohibited: No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made and unless the Town Administrator or the Town Administrator's designee first certifies that there is a sufficient unencumbered balance in such allotment or appropriations and that sufficient funds therefrom are or will be available to cover the claim or meet the obligation when it becomes due and payable.

9.15 Financial Reports. The Town Administrator shall submit to the Council each month the financial condition of the Town by budget item, budget estimate versus accruals for the preceding month and for the fiscal year to date. The financial records of the Town will be maintained on an accrual basis to support this type of financial management.

9.16 Independent Audit. At the close of each fiscal year, and at such times as it may be deemed necessary, the Council shall cause an independent audit to be made of all accounts of the Town by a certified public accountant. The certified public accountant so selected shall have no personal interest, directly or indirectly, in the financial affairs of the Town or any of its officers. Upon completion of the audit, the results thereof in a summary form shall be placed on file in the Town Secretary's office as a public record for the public's information.

9.17 Purchasing. All purchases made and contracts executed by the Town shall be made in accordance with the requirements of the Constitution and Statutes of the State of Texas.

I. PURPOSE STATEMENT

The purpose of this Statement of Financial Management Policies is to provide guidelines, in accordance with the applicable Texas Statutes and the Town of Highland Park Charter, Ordinances and Resolutions, for the Director of Fiscal & Human Resources, hereinafter called Director, in planning and directing the Town of Highland Park, hereinafter called Town, in its day-to-day financial affairs and in developing recommendations to the Town Administrator and Town Council, hereinafter called Administrator and Council, respectively.

The scope of these policies generally spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control and debt management, all to make it possible both: (a) to present fairly and with full disclosure the financial position and results of financial operations of the Town in conformity to generally accepted accounting principles (GAAP), and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

It is the goal of the Statement of Financial Management Policies to enable the Town to adhere to the principles of sound municipal finance and to continue its long-term stable and positive financial condition. The watchwords of the management of the Town's financial affairs shall, at all times, include integrity, prudent stewardship, planning, accountability, and full disclosure.

II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

A. ACCOUNTING - The Director shall be responsible for establishing and maintaining a chart of accounts and for the proper recording of financial transactions in accordance with GAAP. Additionally, the Town is solely responsible for its reporting of its financial affairs, both internally and externally.

B. AUDITING - The Town's Charter, in accordance with Chapter 103 of the Local Government Code of Texas, as amended, requires that its financial affairs be audited annually by outside independent accountants (auditors), selected and appointed by the Council under contract. The auditor selected shall be a CPA firm, registered as a partnership or corporation of certified public accountants, holding a license under Article 41a-1, Section 9, of the Civil Statutes of Texas, capable of demonstrating that it has sufficient staff which will enable it to conduct the Town's audit in accordance with generally accepted auditing standards as required by Town Charter and applicable state and federal laws. The auditor's written report of the Town's financial affairs shall be completed by no later than January 15th following the Town's fiscal year-end. The auditor's report, together with its management letter shall be presented to the Administrator, the Director and Council within the aforesaid 120 day period. Thereafter, the Administrator, the Director and auditor shall jointly review the auditor's report and management letter with the Council's Administrative Committee within 30 calendar days after their receipt by the Town.

Within fifteen (15) days of this joint review, the Director shall respond in writing to the Administrator and Administrative Committee regarding the auditor's management letter, addressing the issues contained therein. The Council shall schedule its formal acceptance of the auditor's report upon the resolution of any issues resulting from the joint review.

C. AUDITORS RESPONSIBLE TO THE COUNCIL -Auditors for the Town shall be responsible to the Council and shall have access to direct communication with the Mayor and

Council at such times as the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

- D. SELECTION/AUDITOR ROTATION** - The Council shall select the auditors for the Town each fiscal year. The selection may be by means of approving an engagement proposal from the incumbent firm or the Council may direct the Administrator and Director to obtain proposals from qualified CPA firms. As a benchmark, the Council may award a three (3) year engagement to the selected firm with two (2) one (1) year extensions. The Council shall however retain authority to review audit performance annually and act accordingly in regards to replacement and extensions.
- E. EXTERNAL FINANCIAL REPORTING** - Upon the completion and acceptance of the annual audit by the Town's auditors, the Town shall prepare a written comprehensive annual financial report (CAFR) which shall be presented to the Council within 180 calendar days after the Town's fiscal year end. The CAFR shall be prepared in accordance with generally accepted accounting principles (GAAP) and shall be presented annually to the Government Finance Officers Association (GFOA) for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting. If this time requirement cannot be met, the Director shall report to the Administrator and the Council of the delay and the reasons for same.
- F. INTERNAL FINANCIAL REPORTING** - The Director shall prepare monthly, a written summary of the Town's financial affairs and submit same to the Administrator and Council within thirty (30) calendar days following the end of each calendar month. Each such report shall accurately reflect the Town's current cash position, revenue and expenditure/expense performance as well as any additional information that reflects the Town's fiscal position.

III. OPERATING BUDGET

- A. PREPARATION** - Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The Town's annual operating budget, hereinafter called budget, is the Town's annual financial operating plan. It is comprised of governmental, capital projects, proprietary, internal service and special revenue funds. Budgets for the General Fund, Capital Projects Funds and Special Revenue Funds are prepared on the modified accrual basis of accounting. The budgets for the Utility (Proprietary) Fund and Internal Service Funds are prepared on a basis consistent with GAAP, except that capital purchases and depreciation are not considered until year-end when adjustments are made for financial reporting purposes.

- 1. **Proposed Budget** - A proposed budget shall be prepared by the Administrator and the Director with the participation of all of the Town's Department Directors/Heads, covering the operational and capital expenditures of the Town in accordance with the provisions of the Town Charter.

The budget shall include four (4) basic segments for review and evaluation. These segments are: 1) personnel costs, 2) operations and maintenance costs, 3) capital and (non-capital) project maintenance costs, and 4) revenues. Capital project costs shall reflect the approved Capital Improvement Plan ("CIP") which shall be updated and approved in conjunction with the adoption of the annual budget.

The budget review process shall include Council participation in the development of each

of the four (4) segments of the proposed budget and a called Public Hearing to allow for citizen participation in the budget preparation.

The budget process shall span sufficient time to allow for ample time to address policy and fiscal issues by the Council and shall include a designated time and place for soliciting citizen input.

A copy of the proposed budget shall be filed with the Town Secretary not less than thirty (30) days prior to the end of the fiscal year in accordance with the provisions of the Town Charter.

2. Adoption - Upon the presentation of both a proposed operating budget and a CIP acceptable to the Council, the Council shall call and publicize a public hearing and adopt, by Ordinance, said budget as the Town's Official Budget effective for the fiscal year beginning October 1st.
3. Amending the Official Budget - Amendments to the Official Budget shall be made at regularly scheduled Council meetings with a notice of the proposed amendment posted and publicized at least three (3) days prior to the meeting.

The Official Budget shall be submitted to the GFOA annually for evaluation and consideration for the Award for Distinguished Budget Presentation.

The Town's Utility (Proprietary) Fund, as set forth in the Town's budget, shall bear the applicable personnel and operating costs of the Town's general administration, information technology services, non-departmental specific expenditures, municipal building office space and other related costs plus the Town's Service Center operation based upon annual reviews of actual staff time allocation and facility use.

In addition to the aforesaid, the service rates for the sale of water, sanitary sewer services, solid waste collection/disposal services and recycling services shall include an amount equal to 5% of revenues for each respective service as street rental fees. These collected funds shall be transferred to the Capital Projects Fund toward funding of the Town's annual street resurfacing program.

All other direct expenses associated with the provision of utility services by the Town shall be expensed directly to the appropriate Department.

- B. BALANCED BUDGET** - It is desirable that the budget provide sufficient current revenues to fund that year's budgeted non-capital expenditures/expenses. Regardless of this objective, the budget shall be balanced with sources of working capital (revenues, cash surplus) equal to or greater than uses of working capital (expenditures/ expenses, capital outlays).
- C. BUDGET MANAGEMENT & PERFORMANCE** - The Director shall prepare and distribute monthly financial reports to enable the Department Directors to best manage their department budgets and to enable the Director to monitor and control the budget as authorized by the Administrator. Written summaries of the monthly financial reports shall be presented to the Council in accordance with Section II, Paragraph F, of this policy statement. Such reports shall be in a form which will enable the Council to be fully informed of the overall budget performance

of the Town.

- D. END OF YEAR APPROPRIATIONS** – For all Town funds for which a budget is required and/or prepared, excluding the Capital Projects Fund, unencumbered appropriations expire at the close of each fiscal year. Budgets for operating funds are prepared on a fiscal year basis. Capital projects, on the other hand, may span two or more years. Accordingly, individual projects are budgeted in the Capital Projects Fund and appropriations expire at project closure.
- E. PERFORMANCE MEASURES AND PRODUCTIVITY INDICATORS** Where appropriate, performance measures and productivity indicators shall be included in the annual budget. This information shall also be reported by the Administrator to the Council on a quarterly basis.

IV. REVENUE MANAGEMENT

- A. SIMPLICITY** - The Town, where possible and without sacrificing accuracy, shall strive to keep the Town's revenue system uncomplicated so as to reduce compliance costs for the taxpayer or service recipient and a corresponding decrease in the Town's costs of collection.

The criteria shall always be that the benefits of a revenue collected exceed the cost of producing that revenue.

- B. CERTAINTY** – An understanding of the revenue source increases the reliability of the Town's revenue system. The Director shall make every effort to determine its revenue sources and enact consistent collection policies in order that the revenues will occur to support the budget.
- C. EQUITY** - The Town shall make every effort to maintain equity in its revenue system structure; i.e., the Town shall endeavor, wherever possible, to minimize or eliminate all forms of subsidization between entities, funds, services, utilities and the Town's customers.
- D. REVENUE ADEQUACY** - The Town shall require that there be a balance in the its revenue system; i.e., the revenue base shall be fair as it applies to cost of service and ability to pay.
- E. DIVERSIFICATION AND STABILITY** - Wherever possible, the Town shall make every effort to maintain a diversified revenue system which provides a stable source of income to the Town which will protect it against fluctuations in the economy and variations in weather (related to the sale of treated water and sanitary sewer services).
- F. NON-RECURRING REVENUES** - It is desirable that non- recurring revenues not be used to finance the Town's current operations. Non-recurring Town revenues should be used only for one-time Town expenditures such as long-lived capital needs and not for budget balancing purposes.
- G. PROPERTY TAX REVENUES** - All real and business personal property located within the Town shall be valued at 100% of the fair market value for any given year based on the current appraisal supplied to the Town by the Dallas Central Appraisal District. A 99% collection rate shall serve each year as a goal for tax collections. The Town Council shall determine whether the Town collects its levied property taxes or contract with another governmental agency for same. The Town Council shall further decide upon a property tax attorney or firm for the collection of

delinquent property taxes in accordance with the Texas Property Tax Code, as amended.

- H. USER-BASED FEE** - As a part of the Town's budget process, the Council shall review and adopt, where possible, service fees sufficient to offset the cost of services rendered by the Town. User charges shall be classified by the Council as "Full Cost Recovery" and "Partial Cost Recovery".
- I. UTILITY RATES** - As a part of the Town's budget process, the Council shall review and adopt utility service rates annually that, where possible, will generate revenues to fully cover the Town's operating expenses and to provide the Town with an adequate level of working capital.
- J. INTEREST INCOME** - The Director shall ensure, at all times, that the interest earned from the investment of Town money shall be distributed to the appropriate fund in accordance to the equity balance of the particular fund from which the money was provided for investment.
- K. REVENUE MONITORING** - All revenues actually received by the Town shall be regularly compared to budgeted revenues by the Director and where variances exist, these shall be audited by the Director. The results of such audits shall be summarized by the Director in the monthly financial report provided to the Council.

V. EXPENDITURE/EXPENSE CONTROL

- A. APPROPRIATIONS** - The Town's budget shall be a line- item budget. Overall budgetary control shall be the responsibility of the Administrator with each respective Department Director being responsible for the administration of his or her departmental budget.
- B. AMENDMENTS TO THE BUDGET** - In accordance with Town Charter, all budget amendments shall be approved by the Council.
- C. CENTRAL CONTROL** - No recognized salary or capital budgetary savings in any Department shall be spent by the Department Director without the prior authorization of the Administrator.
- D. PURCHASING** - All Town purchases and contracts over \$3,000 shall conform to Chapter 252, Subchapter B of the Local Government Code of Texas, as amended. Purchases of goods or services subject to the competitive bid process and purchases of goods or services by contract shall be submitted to the Council by the Administrator for Council approval. The adoption of the annual budget gives the Administrator the authority to approve all other purchases for goods or services in accordance with each department's approved budget.

The purchase of goods or services at a total cost of \$1,000 or more must be made through the Town's purchase order system. Written purchase orders shall also be used for vendors requiring formal Town authorization regardless of the dollar amount.

Any payment for the purchase of goods or services by the Town at a total cost of less than \$1,000 may be made via a written Accounts Payable Voucher, signed and submitted by the applicable Department Director to the Town's Finance Department.

All documentation for the disbursement of funds by the Town's Finance Department shall require the signature of the Director in addition to the respective Department Director prior

to processing.

- E. PROMPT PAYMENT** - All invoices approved for payment by the proper Town authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt in accordance with the provisions of Article 601f, Section 2 of the State of Texas Civil Statutes.

The Director shall establish and maintain proper procedures which will enable the Town to take advantage of all purchase discounts, when possible, except in the instance where payments can be reasonably and legally delayed in order to maximize the amount of cash available for investing.

- F. EQUIPMENT FINANCING** - The applicable Town Department Director, the Administrator and the Director, when possible, shall evaluate the Town's option of equipment leasing in instances of Town equipment acquisitions of \$10,000 or more or in instances when the equipment has a useful life of five (5) or more years as an alternative for Council consideration in the acquisition of assets.

VI. ASSET MANAGEMENT

- A. INVESTMENTS** - The Director shall promptly invest all Town funds in accordance with the Town's Statement of Investment Policies as adopted by the Town Council.

- B. CASH MANAGEMENT** - The Town's cash flow shall be managed by the Director to maximize the cash available for investment. The Finance Department shall, as authorized by Council, affix, via mechanical or electronic means, a facsimile, bearing the joint signatures of the Town's Administrator and the Director, for the disbursement of Town issued checks for:

1. Payroll;
2. Federal income tax and social security tax transfers;
3. Texas Municipal Retirement System deposits;
4. Unemployment compensation claim reimbursements;
5. Payments of money held in trust where the Town acts as a collecting agent;
6. Utility services;
7. Employee benefits programs;
8. Installment payments approved by Council on contracts or projects;

9. Payments for expenditures/expenses for which the Council has specifically authorized payment;
10. Disbursements less than \$1,000

All other Town issued checks not meeting the above criteria shall be signed, in original, by two (2) authorized signatories. Payment authorization shall be in accordance with the pay authorization criteria as defined in the current Bank Depository Agreement, approved by Council, stipulating the conditions and control procedures on such activity.

The Director may transfer funds, via electronic transfer, through verbal instructions to the Town's Depository only for payment of any obligation of the Town under the conditions applicable to the use of the facsimile machine under Paragraph B, this Section.

- C. FIXED ASSETS ACCOUNTING AND INVENTORY** - The Town's fixed assets shall be reasonably safeguarded and properly accounted for and sufficiently insured. Responsibility for the safeguarding of the Town's fixed assets lies with the Department Director in whose department the

fixed asset is assigned. The Finance Department shall supervise the marking of fixed assets with numbered Town property tags and shall maintain the permanent records of the Town's fixed assets including description, cost, department of responsibility, date of acquisition, depreciation and expected useful life.

The recording of the cost or value of capitalized fixed assets into the Town's financial records and fixed asset database shall be consistent with the definition of capitalized fixed assets with two (2) exceptions: 1) accessioned Library materials shall be capitalized annually on a lump-sum basis rather than on a per-item basis and 2) an asset accounted for in the Town's Equipment Replacement Fund (Internal Service Fund) shall be recorded regardless of cost or value and marked with numbered Town property tags to allow for inventory tracking.

Non-capitalized fixed assets shall be recorded in the Town's fixed asset data base at a financial reporting cost or value of \$0.

The Finance Department shall also perform an annual inventory of assets using random sampling at the department level. Such inventory shall be performed by the Director or his or her designated agent in the presence of designated department personnel from the department of responsibility.

D. COMPUTER SYSTEM/DATA SECURITY - The Town shall provide security of its computer system and data files through:

Physical security - computer systems infrastructure shall be in a location inaccessible to unauthorized personnel. Only authorized external access to the system via telephone, microwave or radio frequency shall be installed.

Password security - All users of the Town's financial management system shall be assigned his/her personal password for access into the system. Each user shall be given access permissions to only those data files and ~~programs~~ functions necessary to perform assigned duties. The Town Administrator shall designate the Information Technology Manager as the Master Security Officer on the Town's computer ~~system~~ networks. The Master Security Officer may appoint other Town employees to serve as Security Officers. The Town shall take all precautions necessary to protect the integrity and safety of its information technology.

VII. FINANCIAL CONDITION

A. NO OPERATING DEFICITS - It is desirable that the Town's current expenditures/expenses be paid with current revenues of the Town. Deferrals, short-term loans or use of one-time sources should be avoided as budget balancing techniques. The Town's cash reserves should be used only for emergencies or for the payment of non-recurring expenditures as approved by the Council, except when balances can be reduced due to their levels exceeding guideline minimums as stated in Section VII, Paragraph B., hereof.

B. FUND BALANCE - GOVERNMENTAL FUNDS

1. *Committed Fund Balance* - The Town Council is the Town's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by Council action. The Council action must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the

commitment is made. The amount subject to the constraint may be determined in the subsequent period. The Council action may take the form of the Annual Budget or a separate ordinance or resolution. Examples of Committed Fund Balance include the Storm Water Drainage Utility Fund and the Employees' Christmas Fund (contributions committed for employee distribution).

The Town shall maintain a committed fund balance in the Capital Projects Fund of \$2,000,000.00 as conditions warrant. The Town Council shall have sole authority for the use of any portion, or all of, the committed fund balance in the Capital Projects Funds. Such decision to use the Capital Projects Fund's committed fund balance should include a plan for replenishing the committed fund balance of the Capital Projects Fund to its desired level.

2. *Assigned Fund Balance* - The Town Council has authorized the Town's Director of Fiscal and Human Resources to assign fund balance to a specific purpose in accordance to Generally Accepted Accounting Principles and in the normal conduct of business. An example is resources to be used to liquidate encumbrances related to purchase orders payable from assigned resources and any fund balance to be used in a subsequent fiscal year to "balance" the budget.

3. *Minimum Unassigned Fund Balance*

The Town shall maintain an unassigned fund balance in the General Fund equal to 17% of non-capital expenditures as approved by the Town Council in current Annual Budget.

If Unassigned Fund Balance exceeds the target set by policy, the Town may use surpluses for onetime expenditures. If unassigned fund balance falls below the target, the Town will reduce recurring expenditures to eliminate any structural deficit for such period as necessary until the unassigned fund balance meets the minimum balance as required by this policy.

4. *Order of Expenditure of Funds*

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Town Council, and Unassigned Fund Balance), the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

At the close of each fiscal year, any operating surplus (revenues less expenditures less encumbrances) shall be transferred, by Council action, from the General Fund to the Capital Projects Fund.

C. NET WORKING CAPITAL - UTILITY FUND - The Town shall maintain Net Working Capital at an amount equal to not less than twenty-five percent (25%) of non-capital expenditures as approved by the Town Council in the Annual Budget.

D. RISK MANAGEMENT - The Town shall provide, where possible, for the safety of the public and the Town's employees in order to minimize the Town's risk of loss of resources through liability claims.

E. RISK FINANCING - All reasonable options shall be investigated by the Director to finance risks.

Such options may include risk transfer, insurance and risk retention.

VIII. INTERNAL CONTROLS

- A. WRITTEN PROCEDURES** - Wherever possible, written procedures shall be established and maintained by the Director for all activities involving cash handling and/or accounting throughout the Town. These procedures shall embrace the general concepts of fiscal responsibility outlined in this statement.
- B. DEPARTMENT DIRECTORS RESPONSIBLE** - Each Department Director shall be responsible to ensure that good internal controls are followed at all times throughout his or her department, that all approved, written Finance Department directives on internal controls are implemented and that all independent auditor internal control recommendations, as embraced by the Council and furnished by the Finance Department, are met.

IX. DEBT MANAGEMENT

- A. LONG-TERM DEBT** - Long-term debt shall not be used for operating purposes and the life of any Town issued debt shall not exceed the useful life of the asset or project financed with same.
- B. FINANCING ALTERNATIVES** - The Director shall be responsible for the evaluation, from time to time, of all financing alternatives permitted by State law in addition to long-term debt including leasing, current revenues and available reserves.
- C. RATINGS** - The Director shall make full disclosure of the Town's operations to both nationally recognized rating agencies, Standard & Poors and Moody's.

X. ANNUAL REVIEW OF POLICIES

The Town's Financial Management Policies shall be reviewed by the Director and Administrator at least annually and any proposed revisions shall be presented to the Council for approval.

XI. FINANCIAL GLOSSARY

The following definitions form a part of this policy statement in order to clarify certain terminology used.

Appropriation - a legal authorization granted by the Council to make or incur expenditures/expenses for specific purposes.

Bank Depository Agreement - the Council approved current contract, pursuant to the provisions of Section 105 of the Local Government Code of Texas providing for banking

Budget - a plan, approved by the Council, of financial operation embodying an estimate of proposed expenditures/expenses for the fiscal year and the proposed means of financing them (revenue estimates).

Capital/Major Project Expenditure/Expense - an expenditure/expense which results in the acquisition or addition of a fixed asset or the improvement to an existing fixed asset.

Capital Projects Fund - a fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Capitalized Fixed Asset – a fixed asset acquired prior to October 1, 2000, having an acquisition cost or value of \$1,000 or more or a fixed asset acquired after September 30, 2000, having an acquisition cost or value of \$5,000 or more.

Chart of Accounts - a chart detailing the system of numbering or otherwise designating general ledger accounts.

Combined Budget – the combination and presentation of the Operating Budget and the Capital Projects Fund budget.

Competitive Bidding Process - the process following State law requiring that on purchases of \$25,000 and more, the Town must advertise, solicit, and publicly open sealed bids from prospective vendors. After a review period the Council then awards the bid to the successful bidder.

Current Assets - assets of the Town consisting of cash, investments and other assets that can or will be converted to cash within a twelve (12) month period.

Current Expense - an obligation of the Town as a result of an incurred expenditure/expense that is due for payment within a twelve (12) month period.

Current Liabilities - obligations of the Town that will require satisfaction within a twelve (12) month period.

Current Revenue - Town revenues or resources convertible to cash within a twelve (12) months.

Director of Fiscal & Human Resources - that person appointed by the Town Administrator who is responsible for the recording and reporting of the financial activities of the Town.

Electronic signature – electronically imprinted signature facsimiles generated through the Town's computer equipment upon Town issued checks, rendering them as negotiable instruments.

Emergency - an unexpected occurrence, i.e. damaging weather conditions, that requires the unplanned use of Town funds.

Encumbrance - see Appropriation

Equity - see Fund Balance and Retained Earnings

Expenditure/Expense - decreases in net financial resources for the purpose of acquiring goods or services. The General Fund recognizes expenditures and the Utility (Proprietary) Fund recognizes expenses.

Facsimile Signature Machine - a mechanical device used to imprint signature facsimiles upon

Town vouchers rendering them as negotiable instruments.

Fiscal Year (FY) - the period of October 1st through the following September 30th. (e.g. – FY 2013 refers to the fiscal year from October 1, 2012 through September 30, 2013)

Fixed Assets - Purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, addition to existing capital investments, land, buildings or accessioned Library materials with a useful life greater than one (1) year.

Fund - an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance – an accounting distinction is made between the portions of fund equity that spendable and non-spendable. These are broken up into five categories:

1. **Non-spendable fund balance** – includes amounts that are not in a spendable form or are required to be maintained intact. Examples are resources in the form of inventory or permanent funds.
2. **Restricted fund balance** – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include resources from grants and child safety fees.
3. **Committed fund balance** – includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council. Commitments may be changed or lifted only by the Town Council taking the same formal action that imposed the constraint originally.
4. **Assigned fund balance** – comprises amounts *intended* to be used by the Town for specific purposes. Intent can be expressed by Town Council or by an official or body to which the Town Council has delegated the authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. Examples include resources to be used to liquidate encumbrances related to purchase orders payable from assigned resources and any fund balance to be used in a subsequent fiscal year to “balance” the budget.
5. **Unassigned fund balance** – is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Fund Equity - the excess of fund assets over liabilities in a governmental fund.

GAAP - see Generally Accepted Accounting Principles

General Administrative Costs - costs associated with the administration of Town services; costs incurred by the Town that relate to the Town's general operations rather than to the providing of specific services.

General Fund - the Town fund used to account for all financial resources and expenditures of the Town except those required to be accounted for in another fund.

General Ledger - the collection of accounts reflecting the financial position and results of operations for the Town.

Generally Accepted Accounting Principles (GAAP) - uniform minimum standards of and guidelines to financial accounting and reporting as set forth by the Governmental Accounting Standards Board (GASB).

GFOA - Government Finance Officers Association of the United States and Canada

Governmental Accounting Standards Board - the authoritative accounting and financial reporting standard-setting body for government agencies.

Governmental Funds – funds generally used to account for tax-supported activities. The Town utilizes three different types of governmental funds: the General Fund, Capital Projects Fund, and Special Revenue Funds.

Internal Service Fund - a fund used to account for the financing of goods or services provided by one department to other department on a cost reimbursement basis.

Investments - securities held for the production of revenues in the form of interest.

Line-Item Budget - the presentation of the Town's adopted Budget in a format presenting each Department's approved expenditure/expense by specific account.

Long-Term Debt - obligations of the Town with a maturity of more than one (1) year.

Management Letter - a written report from the independent auditors to the Council reflecting observations and suggestions as a result of the audit process.

Net Working Capital - current assets less current liabilities.

Non-Capitalized Fixed Asset – a fixed asset acquired prior to October 1, 2000, having an acquisition cost or value of \$1,000 or less or a fixed asset acquired after September 30, 2000, having an acquisition cost or value of \$1,000 or more but less than \$5,000.

Non-Recurring Revenues - resources recognized by the Town that are unique and occur one time.

Official Budget - the budget as adopted by the Council.

One-Time Revenues - see Non-Recurring Revenues.

Operating Budget - a plan, approved by the Council, of financial operation embodying an estimate of proposed expenditures/expenses for the fiscal year and the proposed means of financing them (revenue estimates) for all funds excluding the Capital Projects Fund.

Proprietary Fund - see Utility Fund

Purchase Order System - the Town's system of using documents authorizing the delivery of specified merchandise or services and making a charge for them.

Retained Earnings - the equity account reflecting the accumulated earnings of the Utility Fund.

Revenues (Resources) - the term designating an increase to the Town's assets which:

- does not increase a liability (i.e. proceeds from a loan);
- does not represent a repayment of an expenditure/expense already made;
- does not represent a cancellation of certain liabilities; and
- does not represent an increase in capital.

Risk - the liability, either realized or potential, related to the Town's daily operations.

Special Revenue Funds - funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. Examples include Court Technology Fund, Forfeited Property Fund, and Court Security Fund.

Street Rental Fees – An annual amount equal to 5% of combined water, sanitary sewer, solid waste collection/disposal and recycling charges billed to the Town’s utility customers to pay for the use/access of Town right-of-way.

Tax Levy - the total amount of taxes imposed by the Town on taxable property, as determined by the Dallas Central Appraisal District, within the Town's corporate limits.

Town Council - the current elected officials of the Town as set forth in the Town's Charter.

Town Administrator - that individual appointed by the Town Council who is responsible for the administration of the affairs of the Town.

User Based Fee/Charge - a monetary fee or charge placed upon the user of services by the Town.

Utility Fund - the fund used to account for operations of the Town's water and sanitary sewer activities.

Utility Sales - sales of treated water and sanitary sewer service.

ORDINANCE NO. 1960

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, AND ENDING SEPTEMBER 30, 2015, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS ("TOWN"):

That, the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling \$32,859,294, including \$4,661,869 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2014, and ending September 30, 2015, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05; and

That, a copy of said proposed budget was filed in the office of the Town Secretary on July 28, 2014, and more than thirty (30) days prior to the end of the fiscal year 2014, in accordance with the provision of Section 4.02 (d), (4) and Section 9.05 of the Town Charter, and not less than thirty (30) days prior to October 1, 2014, in accordance with Section 102.005 of the Local Government Code, Texas Codes Annotated; and

That, notice of public hearings on the proposed budget on August 11, 2014, and August 25, 2014, was duly advertised by the Town Secretary, in accordance with Section 102.006 of the Local Government Code, Texas Codes Annotated; and

That, the official budget, including amendments, was approved by the Town Council of the Town of Highland Park, Texas, on September 15, 2014, and a copy of said official budget is made a part hereof by reference as though copied fully herein.

PASSED AND APPROVED this 15th day of September, 2014.

APPROVED AS TO FORM:



Matthew C.G. Boyle
Town Attorney

APPROVED:



Joel T. Williams, III
Mayor

ATTEST:



Gayle Kirby
Town Secretary

ORDINANCE NO. 1961

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2014 ON ALL PROPERTY SITUATED IN THE TOWN OF HIGHLAND PARK, TEXAS.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS:

That, for the tax year 2014, there is hereby levied an ad valorem tax of \$0.22 on each \$100.00 of assessed valuation of all taxable property, real, personal or mixed, located in the Town of Highland Park on the 1st day of January 2014, and not exempted from taxation by the constitution and laws of the State of Texas.

THAT, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THAT, THE TAX RATE WILL EFFECTIVELY BE RAISED BY 6.68 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.

That, said tax shall be for the purpose of defraying current expense of the municipal government of the Town of Highland Park, Texas, for the fiscal year 2015.

That, said tax shall be due and payable October 1, 2014.

That, all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2014 levy.

PASSED AND APPROVED this 15th day of September 2014.

APPROVED AS TO FORM:



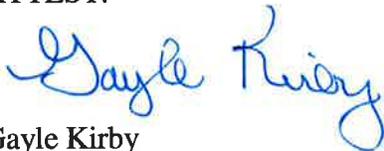
Matthew C.G. Boyle
Town Attorney

APPROVED:



Joel T. Williams, III
Mayor

ATTEST:



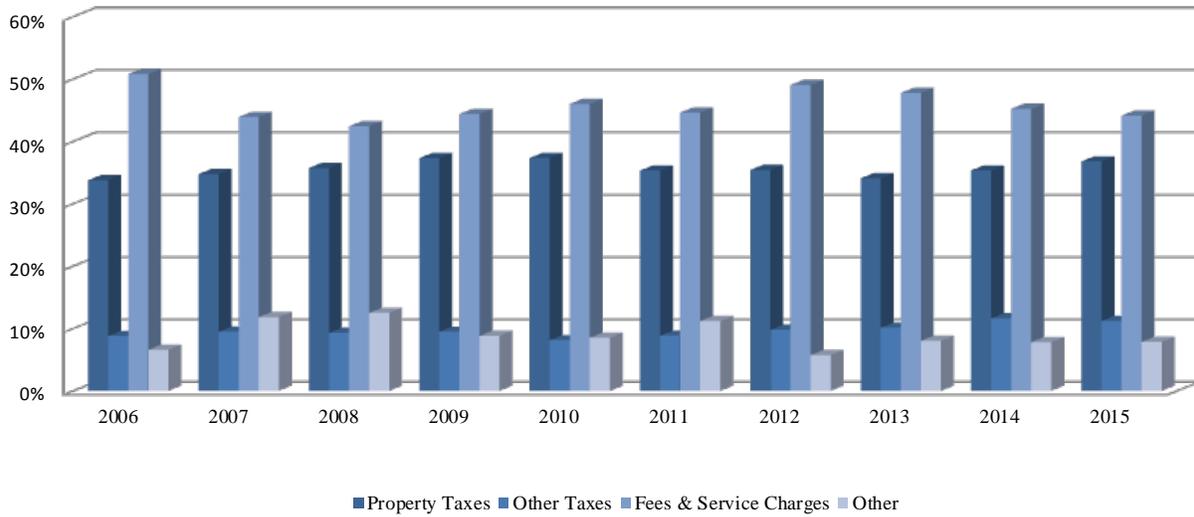
Gayle Kirby
Town Secretary

**COMBINED BUDGET SUMMARY
FOR ALL FUNDS SUBJECT TO APPROPRIATION**

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ 15,243,268	\$ 10,675,479	\$ 11,404,801	\$ 11,097,218
REVENUES/SOURCES OF FUNDS				
Property Taxes	\$ 9,689,484	\$ 10,076,160	\$ 10,054,770	\$ 10,760,424
Water Sales	5,576,019	5,954,140	5,665,799	5,941,599
Sewer Charges	2,668,813	2,767,305	2,619,131	2,680,000
Sales Taxes	2,952,203	3,315,600	3,315,600	3,275,000
Sanitation/Recycling Charges	1,242,590	1,245,300	1,244,000	1,271,596
Franchise Fees	965,140	1,046,400	1,023,960	1,031,000
Building Inspection Fees/Permits	1,030,649	1,130,500	1,238,500	1,196,000
Municipal Court Fines/Fees	839,826	755,200	745,188	786,000
Interest Earnings	60,187	29,720	58,921	41,825
Storm Water Fees	352,908	372,340	374,340	385,140
Other Revenues	4,083,550	1,826,705	2,545,630	1,872,411
Transfers	4,017,116	4,254,260	4,375,311	4,661,869
TOTAL REVENUES/SOURCES	\$ 33,478,486	\$ 32,773,630	\$ 33,261,150	\$ 33,902,864
EXPENDITURES				
Personnel Services				
Payroll	\$ 11,139,374	\$ 11,697,897	\$ 11,620,090	\$ 11,898,145
Payroll Taxes	770,046	865,039	821,100	858,942
Retirement	625,507	637,362	632,590	505,885
Insurance	1,388,134	1,562,441	1,474,095	1,593,369
Total Personnel	\$ 13,923,061	\$ 14,762,739	\$ 14,547,875	\$ 14,856,341
Supplies & Equipment	3,830,378	4,087,170	3,870,944	4,055,892
Services & Charges	5,236,432	5,100,906	5,159,681	5,406,914
Capital Outlay	10,326,570	6,314,393	5,602,212	3,878,278
Cost Allocation	(145,238)	(20,000)	-	-
Transfers	4,017,116	4,254,260	4,375,311	4,661,869
TOTAL USES	\$ 37,188,319	\$ 34,499,468	\$ 33,556,023	\$ 32,859,294
ENDING FUND BALANCE	\$ 11,404,801	\$ 8,949,641	\$ 11,109,928	\$ 12,140,788

**REVENUES BY TYPE
COMPARISON FOR ALL FUNDS**

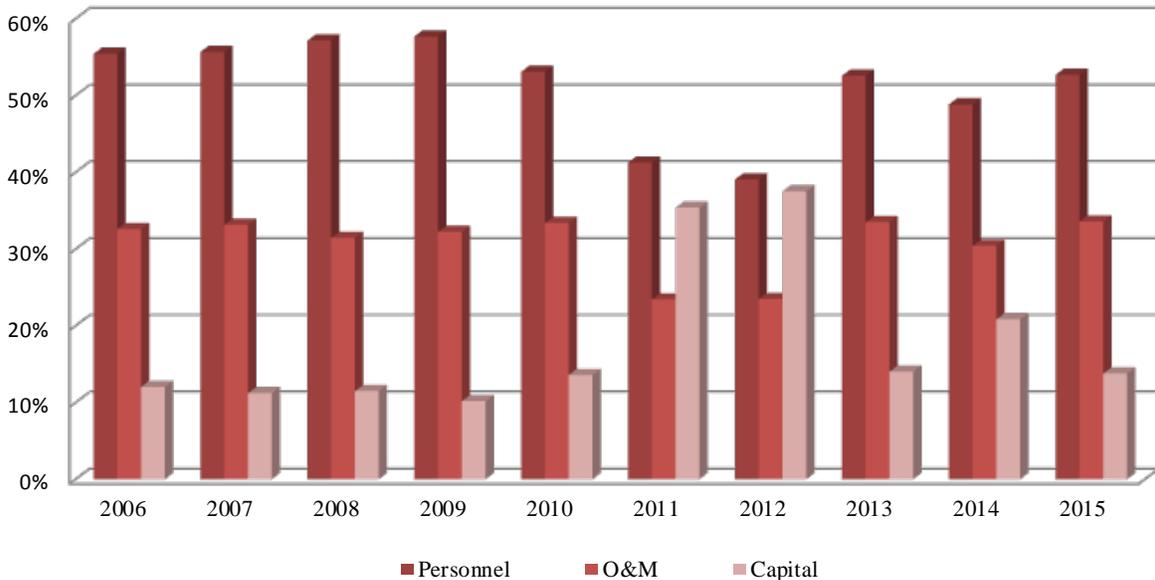
Percent of Total Revenues



As indicated above, the Town’s operations are funded primarily through property taxes, service charges and fees. The growth in the both recognized and projected property tax dollars is supported by the Town’s healthy property values and its favorable tax rate (see page 39). Charges for services are generally driven by utility service rates and reflect the growth of this revenue source to address significant infrastructure replacement/repairs. Amounts categorized as “other receipts” include fines and forfeitures and miscellaneous revenues. Additional detail on revenue history/trends is presented on page 126.

**EXPENDITURES/EXPENSES BY TYPE
COMPARISON FOR ALL FUNDS**

Percent of Total Distributions



Personnel costs compromise the majority of the Town’s cost of operations. Municipal governments, as any service organization, are labor intensive. The graphic above depicts growth in total personnel costs reflective of increased compensation and the cost of benefits, rather than increase staffing, and a controlled level of O&M. Additional detail on expenditure history/trends is presented on page 128.

**2014 TAX RATE FOR HIGHLAND PARK
 COMPARED TO CURRENT TAX RATES FOR OTHER AREA CITIES
 (PER \$100)**

Dallas	\$0.79700
Garland.....	0.70460
Mesquite.....	0.64000
Richardson	0.63516
Carrollton	0.61538
Farmers Branch.....	0.60227
Irving.....	0.59410
Addison.....	0.56180
University Park	0.26979
Highland Park	0.22000

**AD VALOREM TAX ANALYSIS
 2014 TAX ROLL**

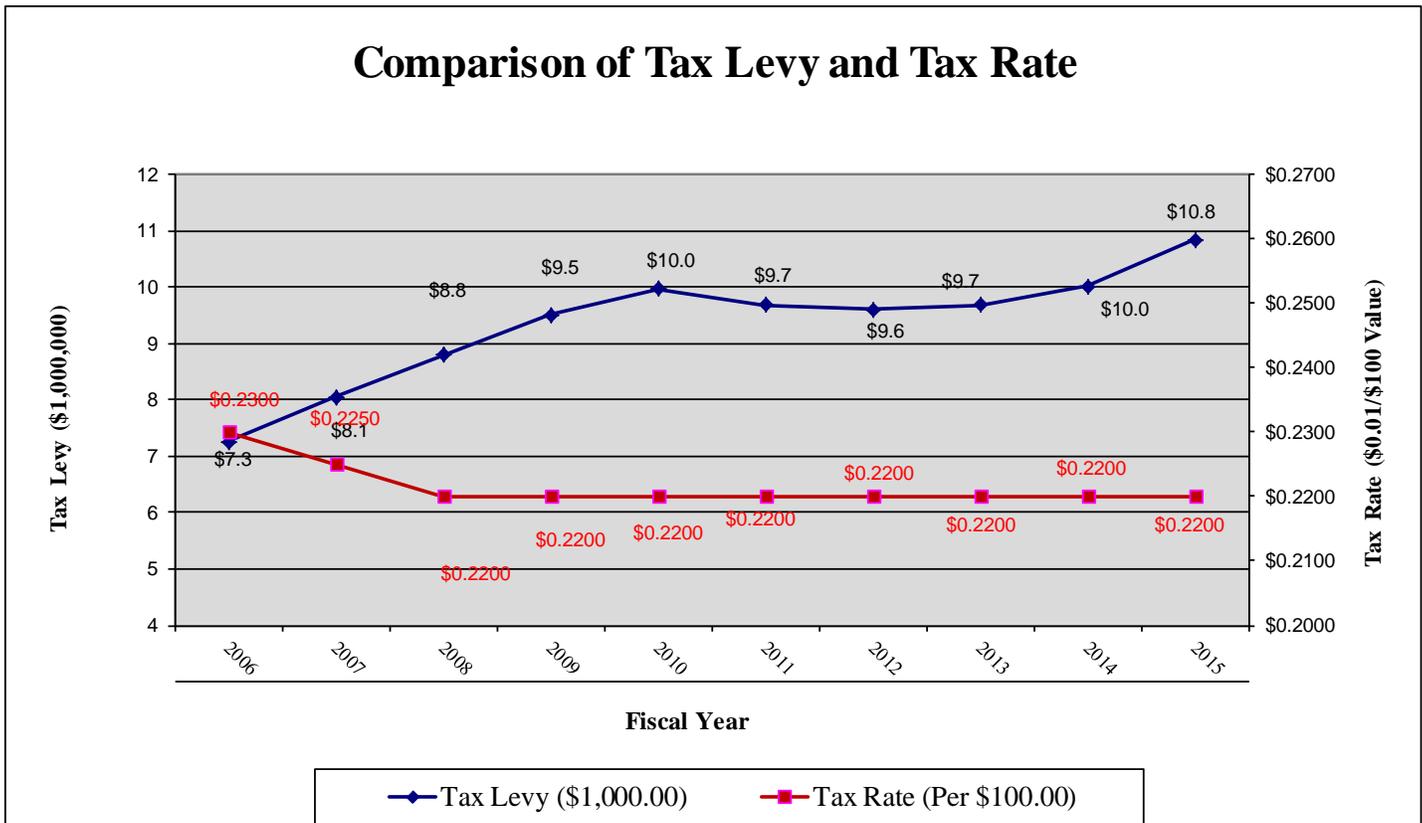
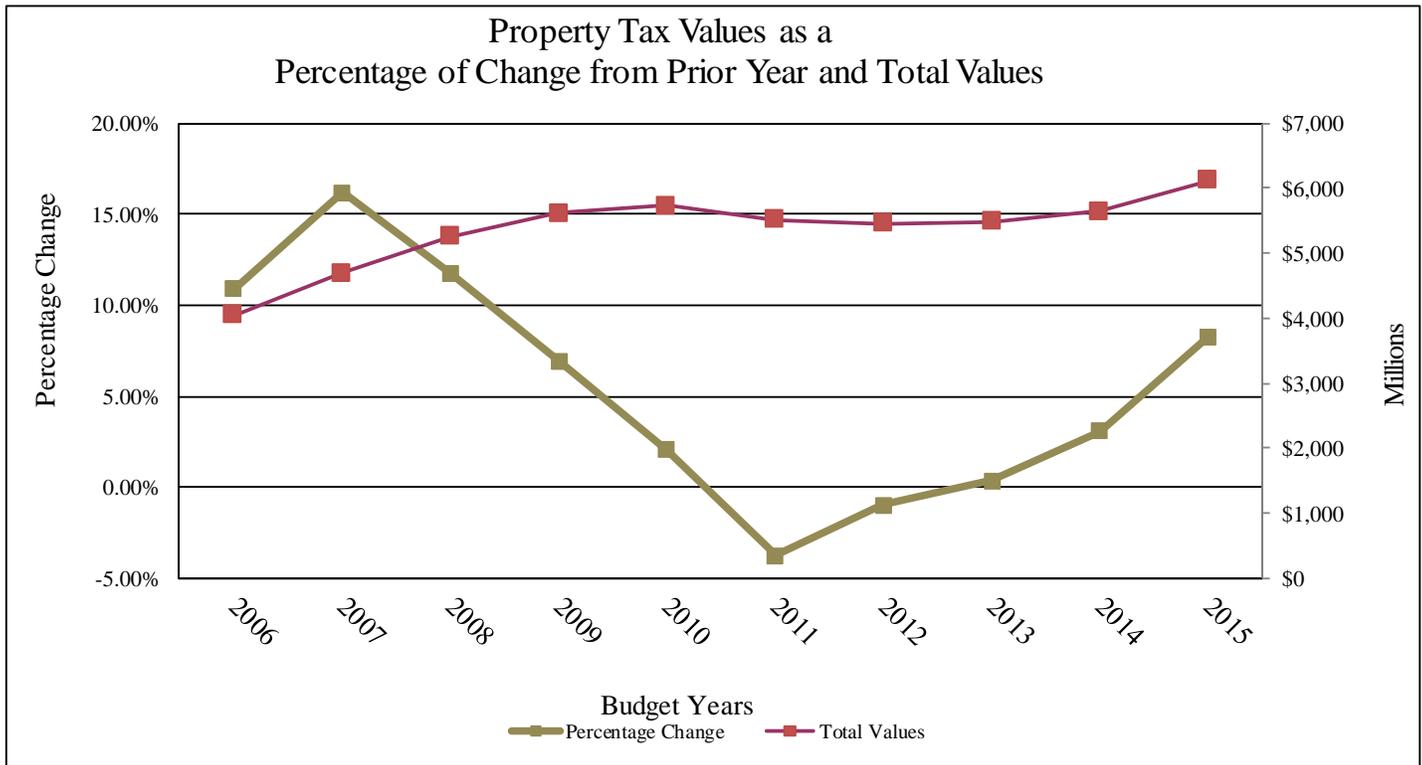
Assessed Valuation (100%)	\$ 6,119,678,350
Taxable Valuation*	\$ 4,924,756,994
Rate per \$100	\$0.2200
Total Tax Levy	\$10,834,465
Percent of Collection	99.0
Estimated Current Tax Collections	\$ 10,725,424

*Certified Appraisal Roll plus Disputed Values

**SUMMARY OF PROJECTED
 2015 TAX COLLECTIONS**

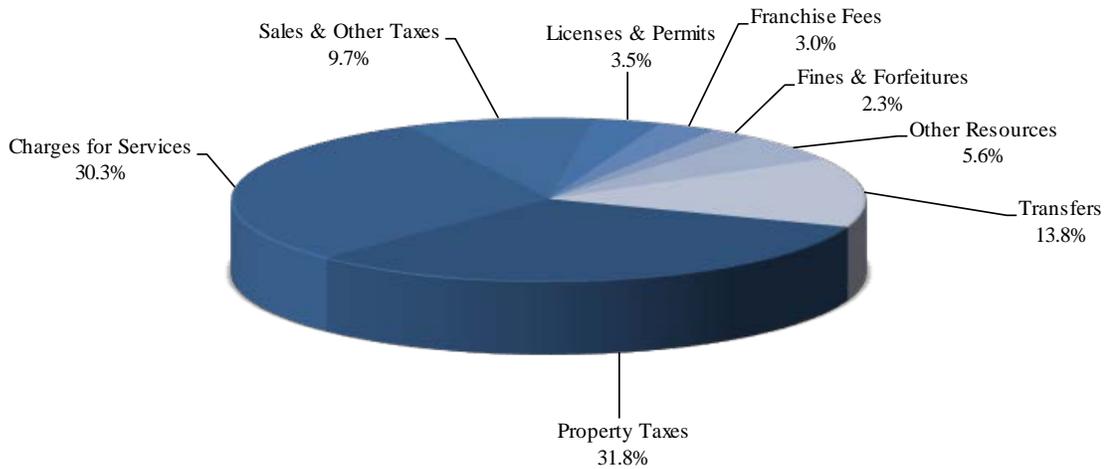
Current Taxes	\$ 10,725,424
Delinquent Taxes	<u>35,000</u>
Total Tax Collections	\$ 10,760,424
Penalty & Interest on Taxes	<u>55,000</u>
Total Tax Related Collections	\$ 10,815,424

ASSESSED PROPERTY VALUES INCREASED/DECREASE BY BUDGET YEAR



PROJECTED RESOURCES

Fiscal Year 2015

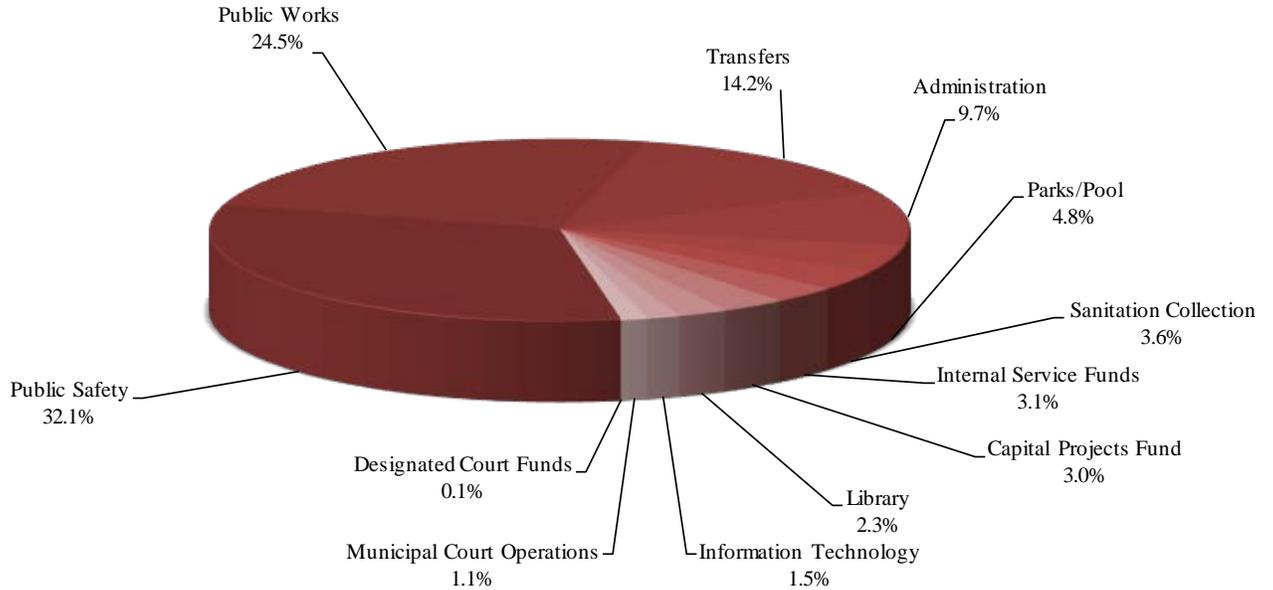


ALL FUNDS

Property Taxes	\$ 10,760,424
Charges for Services	10,278,335
Sales & Other Taxes	3,275,000
Licenses & Permits	1,196,000
Franchise Fees	1,031,000
Fines & Forfeitures	786,000
Other Resources	1,914,236
Transfers	4,661,869
	\$ 33,902,864

BUDGETED DISBURSEMENTS

Fiscal Year 2015



BY FUNCTION

Public Safety	\$ 10,572,445
Public Works	8,086,062
Transfers	4,661,869
Administration	3,193,428
Parks/Pool	1,562,170
Sanitation Collection	1,169,320
Internal Service Funds	1,005,647
Capital Projects Fund	969,375
Library	747,722
Information Technology	497,267
Municipal Court Operations	372,099
Designated Court Funds	21,890
	\$ 32,859,294

**Town of Highland Park Authorized Personnel
By Fund and By Department
(Expressed in Full-Time Equivalent)**

	FY 2013		FY 2014		FY 2015	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
General Fund						
Administration	5.0	0.4	5.0	0.7	5.0	0.0
Public Safety	69.0	0.5	69.0	0.5	69.0	0.5
Street	3.3	0.0	3.3	0.0	3.3	0.0
Street Lighting	2.0	0.0	1.0	0.0	1.0	0.0
Library	3.0	2.4	3.0	2.4	4.0	2.0
Parks & Recreation	9.0	0.0	9.0	0.0	9.0	0.0
Swimming Pool	----- (All Seasonal Positions) -----					
Municipal Court	2.0	1.2	2.0	1.2	2.0	1.0
Finance	5.0	0.0	5.0	0.2	5.0	0.0
Building Inspection	3.0	0.0	3.0	0.0	3.0	0.0
Information Technology	1.0	0.0	1.0	0.0	1.0	0.0
Sub-Total General Fund	102.3	4.5	101.3	5.0	102.3	3.5
Utility Fund						
Administration	4.0	0.0	4.0	0.0	4.0	0.0
Water	4.4	0.0	4.4	0.0	4.4	0.0
Sewer	2.3	0.0	2.3	0.0	2.3	0.0
Engineering	4.5	0.0	5.0	0.0	5.0	0.0
Sub-Total Utility Fund	15.2	0.0	15.7	0.0	15.7	0.0
Storm Water Drainage Fund						
Engineering	0.5	0.0	0.0	0.0	0.0	0.0
Sub-Total Storm Water Drainage Fund	0.5	0.0	0.0	0.0	0.0	0.0
Total	118.0	4.5	117.0	5.0	118.0	3.5



Note: In 1976 the Town implemented Department of Public Safety (dual police & fire) staffing model. Additionally, the FY 2015 budget does not contemplate any major changes to staffing.



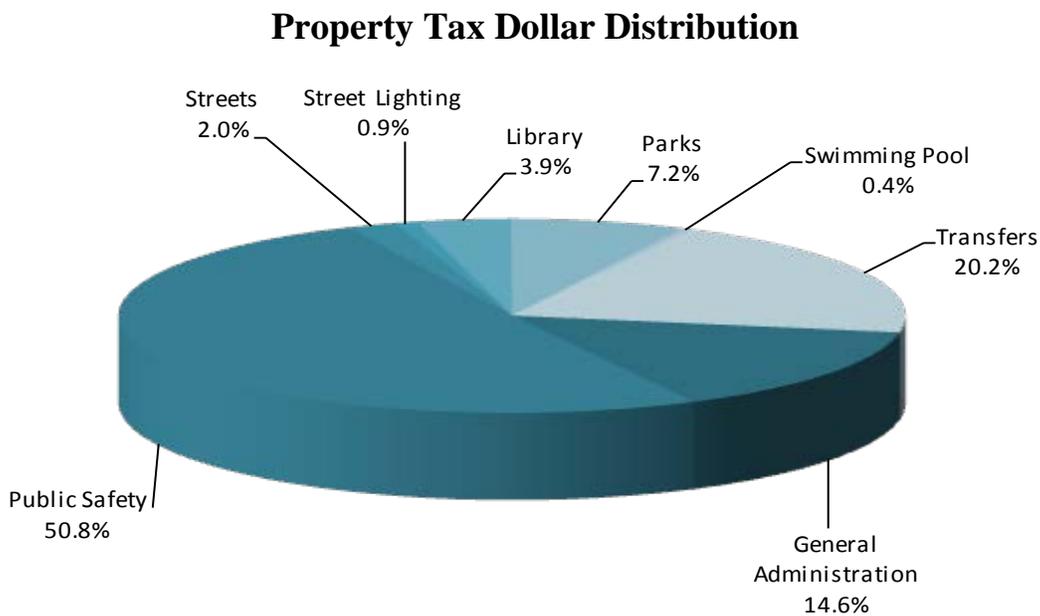
GENERAL FUND

The General Fund is the financial structure used for the accounting of receipt of resources (revenues) and uses of resources (expenditures) for what are generally recognized as governmental services and/or functions. These governmental services and/or functions include Public Safety (Police, Fire and Emergency Medical Services), Public Works (Street, Street Lighting and Service Center), Parks and Swimming Pool, Library, General Governmental (Administrative Services, Finance, Municipal Court and Building Services) and Sanitation services. The basis of accounting for the General Fund for both financial reporting and budgeting is the modified accrual basis.

Resources are comprised of property taxes (ad valorem) levied by the Town, a 1% sales tax levied on taxable commodities and services as defined by state law, fees for right-of-way access, services offered and rendered by the Town, use of Town facilities, fines, interest on the investment of fund cash, permits related to building code requirements and a number of other sources as shown in detail on pages 51-52.

Property tax revenues generate the majority of the resources for the General Fund. For this Budget, a projected \$10,760,424 or 54.4% of General Fund revenues come from property taxes. This compares to 52.9% and 54.1% for each of the previous two (2) fiscal year budgets, respectively. The total market value of property in the Town for tax year 2011 declined 3.69% from tax year 2010, reflecting the general decline in real estate value for the region. Since tax year 2011, the values have increased 10.88% (\$600,551,810) driven by \$269,207,047 in new construction. It is important to note that since the Town is fully built-out, all new construction replaces older, less valued, structures. The strong redevelopment activity within the Town remains a very positive indicator of sustainable property values and tax rate.

The following graph shows the ratio distribution of total property tax dollars toward general governmental functions after having applied function specific revenues toward the function budget and then having applied other general revenues proportionally.



The stability of the local economy is further exemplified through sales tax receipts. The Highland Park Shopping Village and the two (2) commercial areas along Oak Lawn Avenue and Lomo Alto Drive have provided this strong and reliable revenue stream. For this Budget and the previous two (2) fiscal years, sales tax receipts make up 16.5%, 17.4% and 15.3%, respectively, of total projected actual revenues for the General Fund.

There are no new programs or services funded in the General Fund Budget for Fiscal Year 2015.

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ 3,654,493	\$ 3,720,640	\$ 3,203,691	\$ 3,281,535
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 12,801,937	\$ 13,548,160	\$ 13,556,195	\$ 14,221,424
Franchise Fees	965,140	1,046,400	1,023,960	1,031,000
Licenses & Permits	1,041,353	1,138,860	1,229,325	1,187,625
Charges for Services	2,520,803	2,567,850	2,488,000	2,544,096
Fines & Forfeits	442,995	360,000	409,600	410,100
Miscellaneous	455,589	395,495	413,606	395,986
Total Revenues	\$ 18,227,816	\$ 19,056,765	\$ 19,120,686	\$ 19,790,231
Other Sources:				
Transfers In	\$ 934,262	\$ 1,073,005	\$ 1,068,122	\$ 1,067,439
Total Other Sources	\$ 934,262	\$ 1,073,005	\$ 1,068,122	\$ 1,067,439
Total Revenues/Sources	\$ 19,162,078	\$ 20,129,770	\$ 20,188,808	\$ 20,857,670
EXPENDITURES - BY TYPE				
Personnel Services				
Payroll	\$ 9,894,927	\$ 10,292,072	\$ 10,257,800	\$ 10,511,894
Payroll Taxes	684,457	761,144	726,820	757,677
Retirement	554,795	559,042	557,650	445,651
Insurance	1,215,108	1,365,266	1,300,315	1,387,831
Total Personnel	\$ 12,349,287	\$ 12,977,524	\$ 12,842,585	\$ 13,103,053
Supplies & Equipment	999,293	1,041,415	957,062	1,090,227
Services & Charges	3,923,607	3,719,416	3,805,309	3,999,796
Capital Outlay	115,833	112,475	112,475	33,875
Cost Allocation	(145,238)	(20,000)	-	-
Total Expenditures	\$ 17,242,782	\$ 17,830,830	\$ 17,717,431	\$ 18,226,951
Other Uses:				
Transfers Out	\$ 2,370,097	\$ 2,216,940	\$ 2,393,533	\$ 2,630,719
Total Other Uses	\$ 2,370,097	\$ 2,216,940	\$ 2,393,533	\$ 2,630,719
Total Expenditures/Uses	\$ 19,612,879	\$ 20,047,770	\$ 20,110,964	\$ 20,857,670
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ (450,802)	\$ 82,000	\$ 77,844	\$ -
ENDING FUND BALANCE	\$ 3,203,691	\$ 3,285,691	\$ 3,281,535	\$ 3,281,535
Ideal Fund Balance	\$ 2,983,343	\$ 3,189,044	\$ 3,148,709	\$ 3,281,535
Fund Balance in Excess of Minimum	\$ 220,348	\$ 96,647	\$ 132,826	\$ -

**GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES**

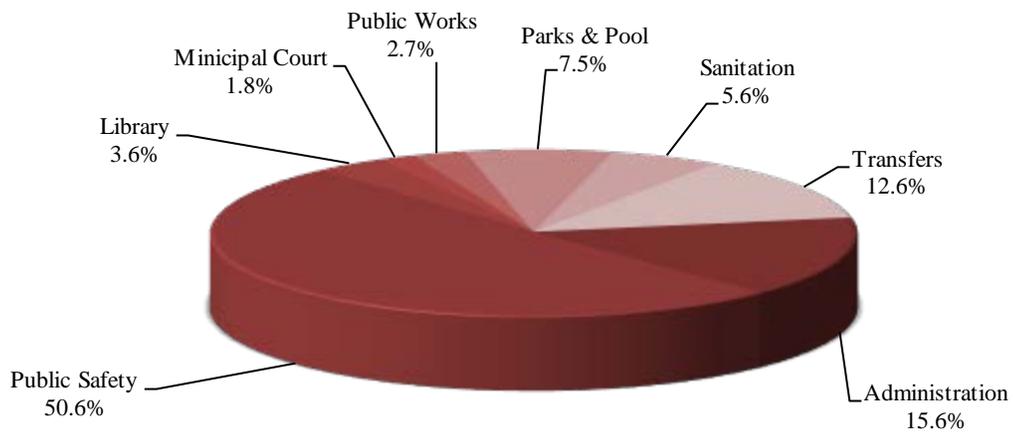
	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ 3,654,493	\$ 3,720,640	\$ 3,203,691	\$ 3,281,535
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 12,801,937	\$ 13,548,160	\$ 13,556,195	\$ 14,221,424
Franchise Fees	965,140	1,046,400	1,023,960	1,031,000
Licenses & Permits	1,041,353	1,138,860	1,229,325	1,187,625
Charges for Services	2,520,803	2,567,850	2,488,000	2,544,096
Fines & Forfeits	442,995	360,000	409,600	410,100
Miscellaneous	455,589	395,495	413,606	395,986
Total Revenues	\$ 18,227,816	\$ 19,056,765	\$ 19,120,686	\$ 19,790,231
Other Sources:				
Transfers In	\$ 934,262	\$ 1,073,005	\$ 1,068,122	\$ 1,067,439
Total Other Sources	\$ 934,262	\$ 1,073,005	\$ 1,068,122	\$ 1,067,439
Total Revenues/Sources	\$ 19,162,078	\$ 20,129,770	\$ 20,188,808	\$ 20,857,670
EXPENDITURES - BY DEPARTMENT				
Administration Department	\$ 1,076,515	\$ 1,421,920	\$ 1,400,194	\$ 1,192,318
Department of Public Safety	10,309,591	10,244,580	10,231,385	10,572,420
Street Department	370,874	361,645	343,900	385,395
Street Lighting Department	216,807	168,305	169,438	171,796
Library Department	639,355	639,110	591,970	747,722
Parks Department	1,284,113	1,322,474	1,373,325	1,378,100
Pool Department	179,198	177,315	177,340	184,070
Municipal Court Department	303,928	298,380	282,710	372,099
Finance Department	731,294	842,010	784,206	745,430
Building Inspection Department	409,417	446,415	440,882	433,357
Service Center	882	-	-	-
Municipal Building	7,581	-	-	-
Sanitation Department	1,069,998	1,113,775	1,113,975	1,169,320
Information Technology Department	386,349	439,930	439,235	497,267
Non-Departmental	256,882	354,971	368,871	377,657
Total Expenditures	\$ 17,242,782	\$ 17,830,830	\$ 17,717,431	\$ 18,226,951
Other Uses:				
Transfers to Other Funds	\$ 2,370,097	\$ 2,216,940	\$ 2,393,533	\$ 2,630,719
Total Other Uses	\$ 2,370,097	\$ 2,216,940	\$ 2,393,533	\$ 2,630,719
Total Expenditures/Uses	\$ 19,612,879	\$ 20,047,770	\$ 20,110,964	\$ 20,857,670
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ (450,802)	\$ 82,000	\$ 77,844	\$ -
ENDING FUND BALANCE	\$ 3,203,691	\$ 3,285,691	\$ 3,281,535	\$ 3,281,535
Ideal Fund Balance	\$ 2,983,343	\$ 3,189,044	\$ 3,148,709	\$ 3,281,535
Fund Balance in Excess of Minimum	\$ 220,348	\$ 96,647	\$ 132,826	\$ -

GENERAL FUND

CURRENT REVENUES & SOURCES OF FUNDS



BUDGETED EXPENDITURES & USES OF FUNDS





**GENERAL FUND
STATEMENT OF REVENUES**

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Taxes				
Ad Valorem Taxes	\$ 9,683,980	\$ 10,016,160	\$ 10,019,770	\$ 10,725,424
Delinquent Ad Valorem Taxes	5,505	60,000	35,000	35,000
City Sales Tax	2,952,203	3,315,600	3,315,600	3,275,000
Mixed Beverage Tax	160,250	156,400	185,825	186,000
<i>Subtotal</i>	<u>\$ 12,801,937</u>	<u>\$ 13,548,160</u>	<u>\$ 13,556,195</u>	<u>\$ 14,221,424</u>
Franchise Fees				
Electric Utility Franchise Fees	\$ 522,428	\$ 575,000	\$ 534,843	\$ 535,000
Natural Gas Utility Franchise Fees	161,163	175,000	186,117	186,000
Telecom Franchise Fees	95,205	99,000	93,000	93,000
CATV Franchise Fees	186,344	185,400	190,000	190,000
Solid Waste	-	12,000	20,000	27,000
<i>Subtotal</i>	<u>\$ 965,140</u>	<u>\$ 1,046,400</u>	<u>\$ 1,023,960</u>	<u>\$ 1,031,000</u>
Licenses & Permits				
Beverage Licenses	\$ 11,200	\$ 9,725	\$ 2,725	\$ 11,000
Health Permits	4,325	4,225	4,325	4,325
Alarm Permits	67,320	65,000	65,000	65,000
Electrical Licenses	13,600	18,000	13,250	13,250
Building Permits	899,591	1,000,000	1,100,000	1,050,000
Electrical Permits	35,343	33,000	34,850	34,850
Excavation Permits	420	500	400	400
Carriage Licenses	3,600	2,850	8,775	2,800
Animal Licenses	5,954	5,560	-	6,000
<i>Subtotal</i>	<u>\$ 1,041,353</u>	<u>\$ 1,138,860</u>	<u>\$ 1,229,325</u>	<u>\$ 1,187,625</u>
Charges For Services				
Sanitation Charges	\$ 1,144,873	\$ 1,145,500	\$ 1,145,000	\$ 1,172,596
Recycling Charges	97,717	99,800	99,000	99,000
E911 Users' Fee	143,093	144,000	140,000	140,000
Alarm Monitoring Fees	488,007	492,000	490,000	488,000
Ambulance Fees	144,331	172,000	157,100	150,000
Board Hearing Fee	4,050	3,000	3,000	3,000
Swimming Pool Daily Fees	19,562	15,750	18,000	18,000
Swimming Pool Annual Fees	85,533	90,500	85,000	85,000
Tennis Court Use Fees	10,520	10,000	10,500	10,500
Animal Pound Fees	1,080	1,100	1,000	1,000
Library Non-resident Fees	4,656	5,000	2,000	2,000
Court Administration Fees	40,270	39,000	35,500	40,000
Warrant Fees	66,778	66,800	59,900	60,000
Court Fees	138,296	134,400	121,000	130,000
Building Registration Fees	14,300	26,000	30,000	30,000
Plan Review Fees	5,200	5,000	5,000	5,000
Special Expense Fee	112,536	118,000	86,000	110,000
<i>Subtotal</i>	<u>\$ 2,520,803</u>	<u>\$ 2,567,850</u>	<u>\$ 2,488,000</u>	<u>\$ 2,544,096</u>

**GENERAL FUND
STATEMENT OF REVENUES (CON'T)**

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Fines & Forfeits				
Municipal Court Fines	\$ 427,189	\$ 345,000	\$ 395,000	\$ 395,000
Library Fines	4,802	4,600	4,000	4,500
Lost Book Charges	1,054	1,100	1,100	1,100
Invalid Alarm Fines	9,950	9,300	9,500	9,500
<i>Subtotal</i>	\$ 442,995	\$ 360,000	\$ 409,600	\$ 410,100
Miscellaneous				
Interest	\$ 18,526	\$ 12,000	\$ 16,000	\$ 16,000
Interest-Dallas County	124	-	106	100
Penalty & Interest - Tax Collection	46,903	55,000	57,000	55,000
Sale of Assets	413	2,500	-	-
Sale of Impounded Property	1,595	1,000	-	-
Rental-Town Property	262,651	264,195	265,100	269,090
Library Donations	959	800	3,900	796
Contributions	51,002	20,000	44,000	20,000
Town Property Damage Refund	10,802	15,000	2,500	10,000
Miscellaneous	62,615	25,000	25,000	25,000
Intergovernmental Revenue	-	-	-	-
<i>Subtotal</i>	\$ 455,589	\$ 395,495	\$ 413,606	\$ 395,986
Total Revenues	\$ 18,227,816	\$ 19,056,765	\$ 19,120,686	\$ 19,790,231

SUMMARY OF REVENUE ESTIMATES

- **Property Taxes**

Projected collections of levied Ad Valorem Property Taxes:

Current Levy	\$10,725,424
Delinquent Taxes	35,000

Taxable property values increased \$325,648,413, or 7.08%. This growth was fueled by new construction which added \$75,522,774 to the Town's taxable values. The Town continues to see redevelopment contributing to value increases with newer, larger homes replacing smaller, less valued homes. The schedule on page 123 presents the changes in taxable values in the Town for the most recent ten (10) year period. The Fiscal Year 2015 Combined Budget reflects an increase in property tax revenues, based upon retaining a tax rate of \$0.22/\$100 valuation, of \$709,264.

- **Sales Tax/Other Taxes**

Sales tax revenues have recovered from the 11% decline experienced in late Fiscal Year 2009 and early FY 2010. Since FY 2009, sales tax revenues have increased almost 41%. This increase is the result of the combination of general economic recovery and the change in the retail mix at the Highland Park Shopping Village, the Town's largest commercial center. The Town's sales tax revenues come from a local option 1% sales tax that is collected by the State Comptroller's Office and remitted monthly, net of a 2% processing charge. These revenues are generated in the three (3) limited, but upscale commercial areas. The Town conducts an audit of the State Comptroller's tax payer database no less than once per year to insure that the Town receives its rightful allocation. A ten (10) year comparison of Sales Tax revenues is included in the table presented on page 126.

- **Franchise Fees**

Receipts for franchised services for Fiscal Year 2015 are projected based upon historical trends. Over the past few years, the basis for these fees has changed through state legislation. The electric franchise is now based upon kWh sold versus the prior method of gross receipts, (a result of electric power deregulation). Fees from the telephone providers are based upon the number and type of connections, rather than gross receipts. The enabling State legislation for this change also provides for the annual indexing of the franchise fee schedule. In accordance with the existing natural gas franchise agreement, franchise fees are set at 4% of gross receipts on a calendar year basis and remitted each February.

The annual natural gas franchise fee is impacted by the market price fluctuations of natural gas and climate conditions. For FY 2015, this revenue source is projected to remain relatively flat when compared to the amount received during the 2014 fiscal year.

The removal of exclusive cable TV franchising in the state has resulted in an increase in the number of local providers and thus an increase in projected revenues of \$4,600, or about a 2%, is expected for the 2015 fiscal year.

- **Licenses & Permits**

The Town has seen a decline in building activity for new homes in the \$1,000,000-\$4,000,000 price range over the last two years. However, a number of new homes in excess of \$5,000,000 price range have been permitted. Based upon an increase in inquiries about permitting, building permit revenues are increase by \$50,000. The permitting of significant commercial projects is infrequent and the Town has no knowledge of any such pending projects. A schedule comparing construction activity for the most recent ten (10) fiscal years is presented on page 124 as well as a ten (10) year listing of revenues generated over this same period on page 126.

- **Charges for Services**

The total revenues received for services are projected to decrease by \$23,754 from Fiscal Year 2014 due primarily to a projected decrease in EMS Ambulance Fees of approximately \$22,000, and a projected decrease of \$18,200 in fees collected from the Municipal Court activities. These decreases are partially offset due to a projected increase in Sanitation and Recycling service charges of about \$26,300. The projected increase in Sanitation and Recycling service charges is primarily driven by a 2.1% increase in the rates charged to customers.

- **Fines & Forfeits**

Municipal Court fines (\$395,000) are estimated based on estimated citation volumes and average collection amounts per disposed case. For Fiscal Year 2015, this estimate is based on approximately 11,500 cases being adjudicated with an average fine per adjudicated case calculated at \$34.35. This average amount compares to an average of \$32.85 for 2014.

- **Miscellaneous**

Projected interest earnings (\$16,000) are based on an average monthly investable balance of approximately \$5,333,000 and an interest rate of 0.30%. The rental of Town property (cell phone antennae sites and street rental) is projected at \$269,090 and is based on existing contracts that renewed for an additional five years in mid-October, 2011 with a 3% annual escalation provision.



Administration Department



DEPARTMENT DESCRIPTION

The Administration Department is responsible for the day-to-day general governmental administration of the Town including coordinating, directing and reviewing departmental operations in the implementation of policy directives provided by the Mayor and Town Council. The Town Secretary function in this department, along with support staff, is responsible for documenting and maintaining agendas and minutes of Town Council, Board of Adjustment, and Zoning Commission meetings, as well as the preparation, indexing, and codification of Town ordinances and the preparation and indexing of Town resolutions.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Prepared, published and posted meeting agendas in accordance with state requirements.
- ❖ Coordinated the Town's Centennial Celebration
- ❖ Implemented an enhanced Town-wide website
- ❖ Automated Service Requests – data base maintained on a current basis.
- ❖ Began Town-wide traffic evaluation study
- ❖ Continued the process of duplicating permanent records into an electronic document imaging format
- ❖ Improved the efficiency of the automated agenda management system workflow
- ❖ Completed the reconstruction and remodel of Town Hall

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Coordinate the implementation of Town Council goal and objectives with all Town departments
- ❖ Respond to requests for information from citizens and assist citizens in a timely manner
- ❖ Generate, publish and post meeting agendas in accordance with state requirements
- ❖ Provide timely, complete and accurate minutes of all public meetings
- ❖ Complete the Town-wide traffic study and implement the study's suggestion for traffic congestion improvement
- ❖ Restructure the Committee review process to streamline agenda item review and improve the efficiency of staff participation

PERFORMANCE INDICATORS

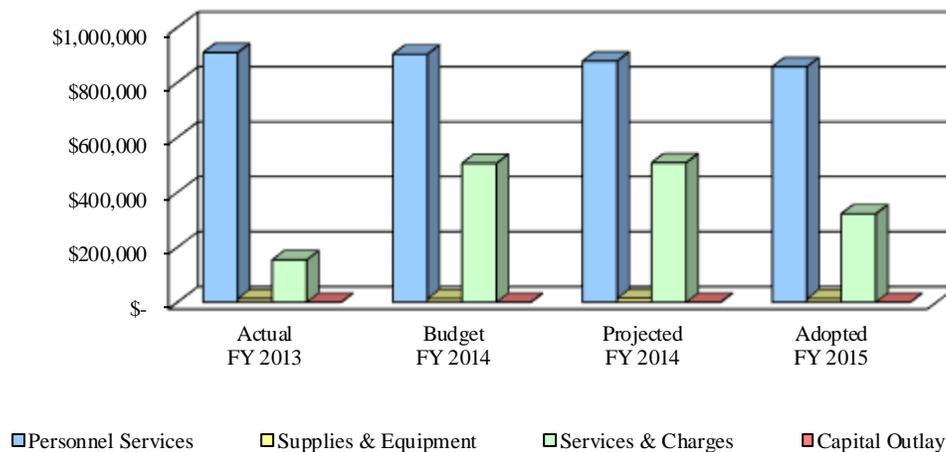
	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Timely Distribution of (%):				
Town Council Committee Agenda Packets:	100	100	100	100
Town Council Agenda Packets:	100	100	100	100

Administration Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 908,953	\$ 903,135	\$ 877,955	\$ 857,263
Supplies & Equipment	13,043	12,765	14,301	12,700
Services & Charges	154,518	506,020	507,938	322,355
Capital Outlay	-	-	-	-
Total Department	\$1,076,515	\$1,421,920	\$1,400,194	\$1,192,318



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Town Administrator	E-1	1.0	1.0	1.0
Director of Town Services	E-3	1.0	1.0	1.0
Manager of Town Services	8	1.0	1.0	1.0
Town Secretary	7	1.0	1.0	1.0
Administration Secretary	4	1.0	1.0	1.0
Attorney (Part-Time)	NA	0.4	0.7	NA
Total Employees		5.4	5.7	5.0



DEPARTMENT DESCRIPTION

The Department of Public Safety is responsible for enforcement of state statutes and Town Ordinances, maintenance of public order, enforcement of traffic codes, maintenance of safe traffic flow, fire suppression and prevention, control of animals, and rapid response to medical emergencies. Supervised by the Director of Public Safety, these responsibilities are met through uniformed personnel, trained, skilled, and certified in both police and fire disciplines and in many instances, emergency medical capabilities.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Completed the study of the Town alarm monitoring program and began implementation of the recommendations approved by the Town Council
- ❖ Adopted a new Town Emergency Operations Plan
- ❖ Contracted out the Town's Crossing Guards to a third party service provider improving the quality of service to the citizens
- ❖ Coordinated with HPISD and UPPD and developed a comprehensive campus emergency operations plan

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Respond to all Police, Fire and Emergency Medical calls for service in a timely manner that meets or exceeds performance measures
- ❖ Prevent the increase in the number of criminal offenses occurring in Highland Park through crime analysis and proactive patrol
- ❖ Prevent the increase in the number of fires, injuries and property loss due to fire by providing prompt response times and through voluntary inspections.
- ❖ Implement Adventos SmartForce – Sharepoint solution for automating workflows and sharing information across the department

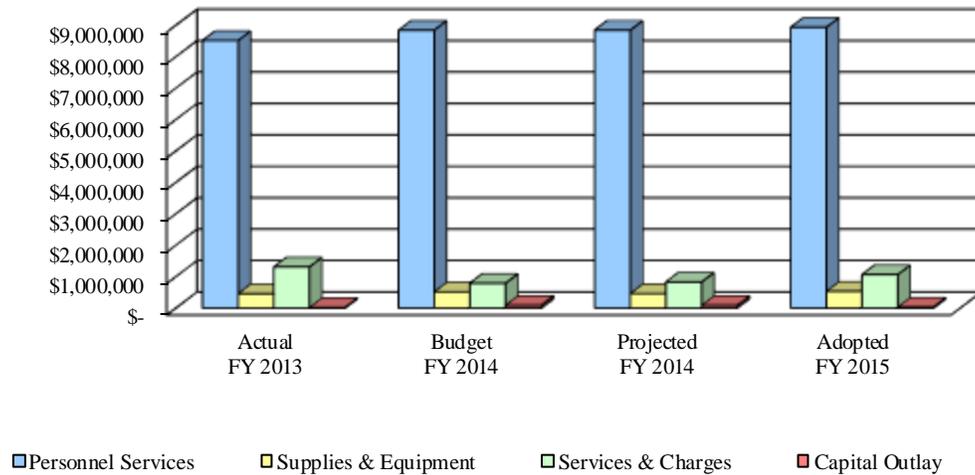
PERFORMANCE INDICATORS

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projected	FY 2015 Projected
Call Responses				
Police	10,159	10,434	9,744	10,200
Fire	778	751	914	900
Emergency Medical	382	398	386	400
Other Activity				
Fire Inspections	664	569	470	550
Major Crimes Reported	227	198	159	175
Response Time (minutes)				
Police	2.9	2.9	3.0	2.7
Fire	2.3	2.2	2.3	2.5
Emergency Medical	2.5	2.2	2.8	3.0



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 8,517,173	\$ 8,847,000	\$ 8,848,700	\$ 8,940,071
Supplies & Equipment	460,590	518,150	463,900	535,450
Services & Charges	1,311,878	790,955	830,310	1,066,779
Capital Outlay	19,950	88,475	88,475	30,120
Total Department	\$10,309,591	\$10,244,580	\$10,231,385	\$10,572,420



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Director	Contract	NA	NA	NA
Assistant Director	E-1	1.0	1.0	1.0
Captain	G	4.0	4.0	4.0
Lieutenant	F	4.0	4.0	4.0
Sergeant	E	4.0	4.0	6.0
Investigator	C	3.0	3.0	3.0
Public Safety Officer	C	37.0	37.0	35.0
Firefighter	B	0.0	0.0	1.0
Communications Supervisor	8	1.0	1.0	1.0
Accreditation Manager	6	1.0	1.0	1.0
Support Services Supervisor	6	1.0	1.0	1.0
Support Services Officer	4	1.0	1.0	1.0
Communications Specialist	4	9.0	9.0	9.0
Secretary	4	2.0	2.0	1.0
Permit Clerk	3	1.0	1.0	1.0
Alarm Coordinator	PT	0.5	0.5	0.5
Total Employees		69.5	69.5	69.5

Street Department



DEPARTMENT DESCRIPTION

The Street Department, under the supervision of the Director of Town Services/Manager of Town Services and the Foreman of the Town's Street Departments, is responsible for the maintenance of the Town's 41.79 miles of paved streets, all alleys, sidewalks, bridges, storm sewer inlets and street name and traffic signs.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Maintenance of the Town's street surfaces through the placement of more than 300 tons of asphalt as needed for repairs

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Perform preparation work for Town's 2015 right-of-way rehabilitation program
- ❖ Support water and sanitary sewer functions, as necessary
- ❖ Respond to emergencies related to street, water and sanitary sewer, as necessary
- ❖ Maintain the Town's infrastructure of paved streets, alleys, sidewalks, bridges, storm sewer inlets and signage

MAJOR BUDGET ITEMS

- ❖ Partial funding for the acquisition of a Walk-Behind Vibratory Roller. This purchase is primarily funded through the Equipment Replacement Fund
- ❖ \$15,000 for street restriping (an expense previously funded through the Capital Projects Fund)
- ❖ \$17,000 for repair material (asphalt, concrete, paint, etc.)

PERFORMANCE INDICATORS

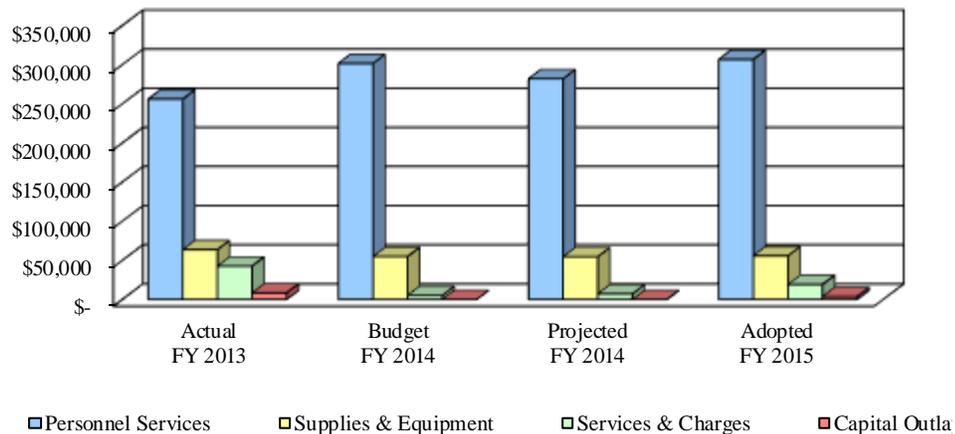
	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Asphalt Repairs (Tons)	524	676	335	400
Storm Inlets Cleaned	1,080	1,346	1,224	1,300

Street Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 256,140	\$ 301,650	\$ 282,100	\$ 306,740
Supplies & Equipment	63,700	54,895	54,650	55,700
Services & Charges	42,628	5,100	7,150	19,200
Capital Outlay	8,406	-	-	3,755
Total Department	\$ 370,874	\$ 361,645	\$ 343,900	\$ 385,395



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Foreman	8	0.3	0.3	0.3
Public Works Maint. Worker II	4	2.0	2.0	2.0
Public Works Maint. Worker I	3	1.0	1.0	1.0
Total Employees		3.3	3.3	3.3

Street Lighting Department



DEPARTMENT DESCRIPTION

The Street Lighting Department is responsible for the repair and maintenance of Town owned and operated street lighting and traffic signal systems. Electric power to operate these systems is purchased from Gexa Energy under contract through the Cities Aggregation Power Project (CAPP).

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Performed routine and emergency maintenance of Town's traffic and street light systems ensuring safe and reliable operation

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Protect the Town's investment in its street lighting and traffic signal systems
- ❖ Respond to calls for emergency and routine maintenance repairs in a timely manner

MAJOR BUDGET ITEMS

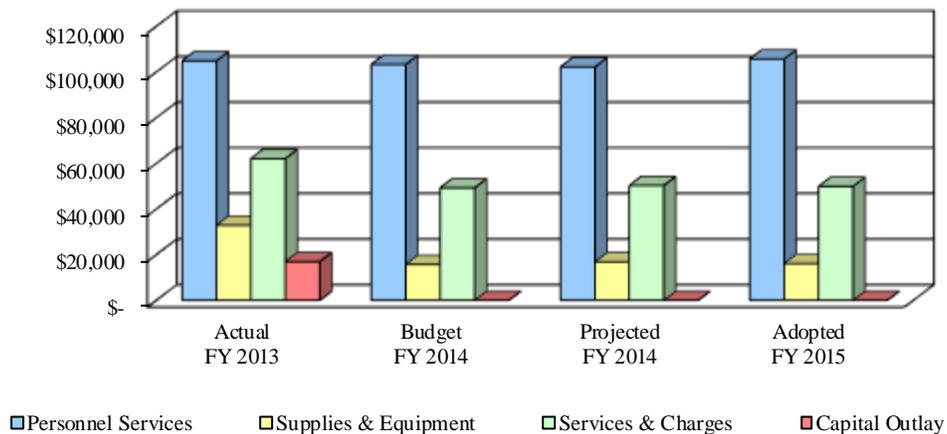
- ❖ Electricity Service for Street Lights (\$30,000)
- ❖ Electricity Service for Traffic Signals (\$10,000)

Street Lighting Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 104,913	\$ 103,355	\$ 102,270	\$ 105,761
Supplies & Equipment	32,886	15,700	16,868	16,120
Services & Charges	62,058	49,250	50,300	49,915
Capital Outlay	16,950	-	-	-
Total Department	\$ 216,807	\$ 168,305	\$ 169,438	\$ 171,796



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Electrical/Mechanical Tech	5	2.0	1.0	1.0
Total Employees		2.0	1.0	1.0



DEPARTMENT DESCRIPTION

The Library, under the supervision of the Town's Librarian, provides quality public library access which fulfills the informational, educational, recreational and basic research needs of the community and strives to increase public awareness of these services through technical and public services.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Hired a new full-time Librarian. The hiring process involved consulting with Library Directors in the area, writing a job description, advertising to find qualified applicants and interviewing candidates.
- ❖ Received the Achievement of Excellence in Libraries Award from the Texas Municipal Library Directors Association. Only 30 out of 561 public libraries in Texas qualified for this award, which requires libraries to demonstrate excellence in ten service categories while continuously improving and updating services.
- ❖ The number of children registered for the Library's Summer Reading Club increased by 11% compared to registration from the 2012-2013 Fiscal Year.
- ❖ The overall attendance at the Library's Summer Reading Club special programs increased by 21% compared to the attendance from the 2012-2013 Fiscal Year.
- ❖ Relocated the Library's Young Adult collection to a new space on the second floor, which is designed to showcase and provide for growth of the collection.

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Upgrade to the most recent version of the Library's automation software with The Library Corporation (TLC) to aid patrons' discovery of Library resources and facilitate an increase in materials circulation.
- ❖ Increase library patron registration by raising public awareness of library services using notices in water bills and the addition of online borrower registration.
- ❖ Increase registration in the Library's Summer Reading Club for children.
- ❖ Increase the use of the Library's virtual counterpart, which includes downloadable books and audiobooks.

MAJOR BUDGET ITEMS

- ❖ Acquisition of new materials- books (\$57,250), audio/visual materials (\$15,300), e-books (\$15,330), e-audio books (\$12,275), and children's books (\$12,275).
- ❖ Continued funding for e-Services and virtual services including downloadable e-readers and web based databases.

PERFORMANCE INDICATORS

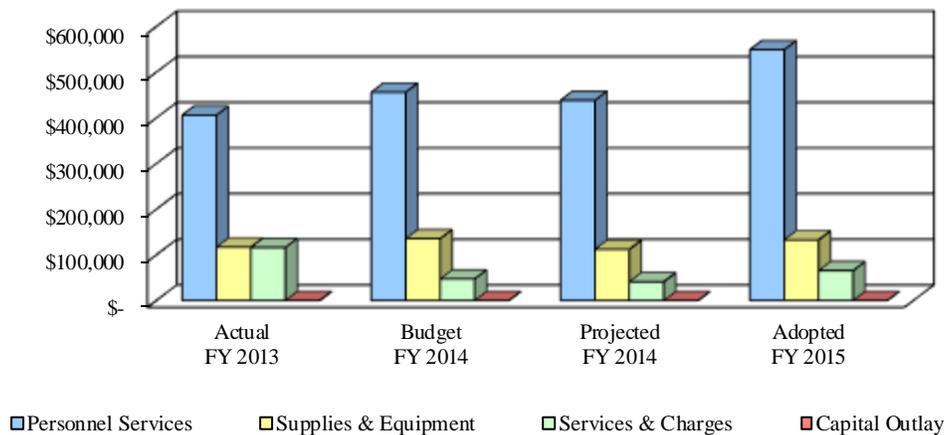
	FY 2012 Actual	FY 2013 Actual	FY 2014 Projected	FY 2015 Projected
Collection/Circulation				
Library Materials in Circulation	57,171	43,814	42,602	51,122
Electronic Media Circulation	745	1,583	2,057	1,662
User Cards Issued/Outstanding				
Resident	544	379	518	622
Non-Resident	87	46	29	48
Total Valid Cards	631	425	547	670

Library Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 406,107	\$ 456,330	\$ 438,660	\$ 549,346
Supplies & Equipment	117,125	135,550	112,210	132,897
Services & Charges	116,122	47,230	41,100	65,479
Capital Outlay	-	-	-	-
Total Department	\$ 639,355	\$ 639,110	\$ 591,970	\$ 747,722



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Town Librarian	E-1	1.0	1.0	1.0
Librarian I	E	0.0	0.0	1.0
Library Assistant	4	1.0	1.0	1.0
Library Associate	2	1.0	1.0	1.0
Library Support Staff (Part-Time)	2	2.4	2.4	2.0
Total Employees		5.4	5.4	6.0



DEPARTMENT DESCRIPTION

Provide skilled maintenance and management of the Town's 22 park locations, 12 traffic islands, 8 tennis courts, one swimming pool and Town Hall landscape. Within this Department is the Management of the Town's contract for the mechanical sweeping of the 88 miles of curb and gutter fifteen (15) times per year, its 13.76 miles of paved alleys seven (7) times per year and vacuuming 100 catch basin inlets per year. These activities promote the "quality of life" in Highland Park by providing a high standard of customer service and safe, well-maintained facilities.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Managed Town beautification through management of contracts for turf maintenance, chemical application, tree trimming, landscape lighting, and street and alley sweeping
- ❖ Maintained Azalea and flower beds with seasonal color
- ❖ Supervised the installation and maintenance of water efficient irrigation systems throughout various parks and other Town facilities
- ❖ Investigated the use of water conserving synthetic turf for potential installation at parks throughout the Town
- ❖ Maintained all Town parks, parkway trees, swimming pool tennis courts and Town rights-of-way, as needed

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Effectively manage the Town's contracts for turf maintenance, chemical application, tree trimming, landscape lighting and street and alley sweeping
- ❖ Maintain Azalea and flower beds through park areas with seasonal color
- ❖ Maintenance of parks, parkway trees, swimming pool tennis courts and Town rights-of-way, as identified and as needed
- ❖ Continue the program of lighting of specific parkway trees for Christmas
- ❖ Continue efforts to investigate and implement water conserving landscaping materials in support of the Town's water conservation campaign

MAJOR BUDGET ITEMS

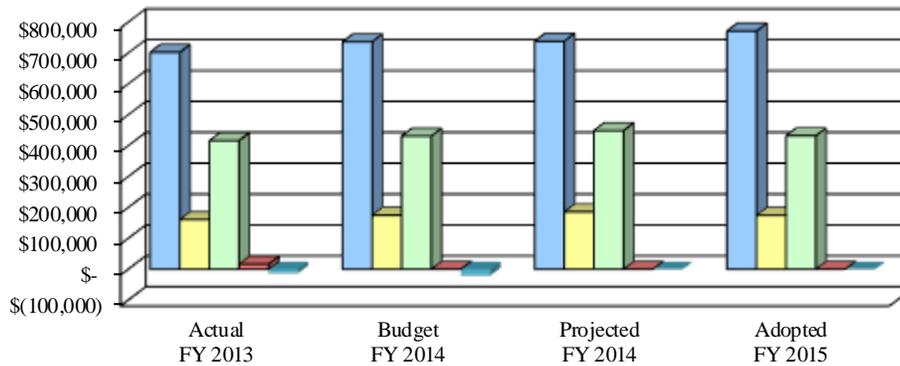
- ❖ Plant and Vegetation Material (\$56,000); Planting Material (\$20,000)
- ❖ Town-wide maintenance contracts for Turf Maintenance (\$91,250); Landscape Maintenance (\$43,500); Tree Trimming and Maintenance (\$44,300); Landscape Lighting (\$26,000); LED Lighting Conversion (\$16,250)

Parks Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 702,900	\$ 736,434	\$ 738,560	\$ 771,490
Supplies & Equipment	160,629	174,950	185,875	174,450
Services & Charges	416,442	431,090	448,890	432,160
Capital Outlay	16,397	-	-	-
Cost Allocation	(12,255)	(20,000)	-	-
Total Department	\$1,284,113	\$1,322,474	\$1,373,325	\$1,378,100



■ Personnel Services
 ■ Supplies & Equipment
 ■ Services & Charges
 ■ Capital Outlay
 ■ Cost Allocation

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Foreman	8	1.0	1.0	1.0
Parks Maintenance Specialist	4	2.0	2.0	2.0
Parks Maintenance Worker II	3	3.0	3.0	3.0
Parks Maintenance Worker I	1	3.0	3.0	3.0
Total Employees		9.0	9.0	9.0

Pool Department



DEPARTMENT DESCRIPTION

The Town's swimming pool facility is maintained by the Parks Department. The effect of this work has been to reduce maintenance and make ready costs in subsequent years. Swimming season coincides with the school district's summer vacation.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Provided a safe and clean facility for use of Town residents
- ❖ Promoted utilization of the pool by means of updating the facility both mechanically and aesthetically

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Provide a safe and clean facility for the enjoyment of the Town's residents

MAJOR BUDGET ITEMS

- ❖ Purchase and installation of a new diving board (\$3,000)

PERFORMANCE INDICATORS

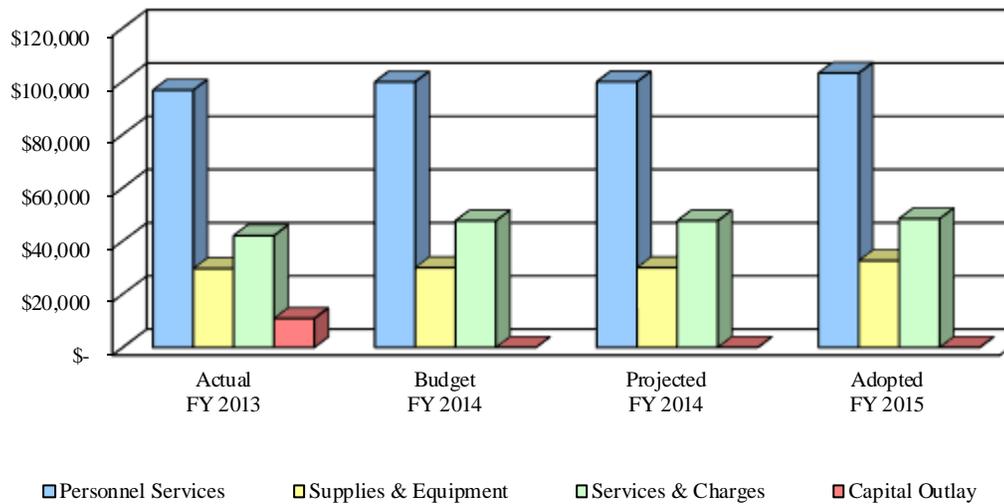
	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Annual Pool Passes Sold	1,501	1,523	1,467	1,500
Daily Pool Passes Sold	2,945	2,568	2,359	2,400

Pool Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 96,707	\$ 99,795	\$ 99,820	\$ 103,105
Supplies & Equipment	29,591	29,950	29,950	32,600
Services & Charges	42,017	47,570	47,570	48,365
Capital Outlay	10,884	-	-	-
Total Department	\$ 179,198	\$ 177,315	\$ 177,340	\$ 184,070



EMPLOYEE CLASSIFICATION & PAY GRADE

(All Seasonal Employees)

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Manager	NA	1.0	1.0	1.0
Assistant Manager	NA	1.0	1.0	1.0
Lifeguard	NA	8.0	8.0	8.0

Municipal Court Department



DEPARTMENT DESCRIPTION

The Municipal Court is the Court of Original Jurisdiction for all Class “C” Misdemeanors that occur within the Town limits. Duties include the efficient and effective delivery of customer service regarding traffic, criminal, Town ordinance and other miscellaneous violations of Code offenses within the Town’s jurisdiction.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Maintenance of court records in an efficient and accurate manner
- ❖ Effectively managed approximately 10,500 cases filed
- ❖ Transitioned from a day to night court format to improve customer service
- ❖ Implemented the Brazos Technologies Automated e-Citation System

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Maintain accurate records of documents and dispositions filed with the Court
- ❖ Provide prompt and courteous responses to inquiries at the Court Office
- ❖ Hire and train a new Deputy Court Clerk
- ❖ Update forms and templates in the Court Software
- ❖ Expand case processing via Town’s Internet Website
- ❖ Update Court Policies and Procedures Manual
- ❖ Maintain current Court calendar, allowing all defendants swift access to the Court system

MAJOR BUDGET ITEMS

- ❖ Municipal Court Prosecution Services (\$29,300)

PERFORMANCE INDICATORS

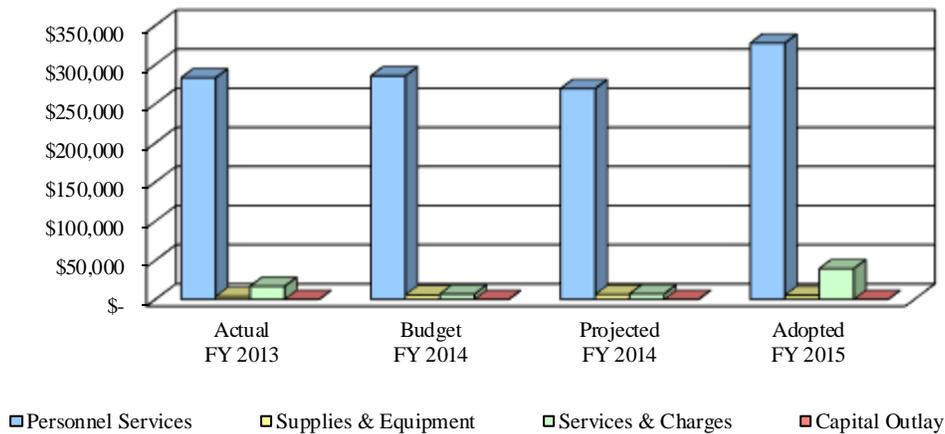
	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Cases Filed				
Traffic	9,735	11,182	9,860	11,000
Parking	160	194	208	200
State Law	99	141	92	120
Town Ordinance	148	170	179	200
Total	10,142	11,687	10,339	11,520
Cases Disposed				
Prior to Trial	2,136	3,026	4,179	4,500
At Trial	947	1,095	1,026	1,050
Compliance Dismissals	5,795	6,843	3,820	5,000
Total	8,878	10,964	9,025	10,550
Percent Disposed to Filed	87.54%	93.81%	87.29%	91.58%

Municipal Court Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 283,301	\$ 285,775	\$ 269,370	\$ 327,503
Supplies & Equipment	3,830	5,765	6,350	5,190
Services & Charges	16,797	6,840	6,990	39,406
Capital Outlay	-	-	-	-
Total Department	\$ 303,928	\$ 298,380	\$ 282,710	\$ 372,099



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Municipal Judge (Part-time)	NA	0.5	0.5	0.5
Attorney/Prosecutor	NA	0.2	0.2	0.0
Senior Court Clerk	4	1.0	1.0	1.0
Court Clerk	3	1.0	1.0	1.0
Marshall/Bailiff (Part-time)	NA	0.5	0.5	0.5
Total Employees		3.2	3.2	3.0



DEPARTMENT DESCRIPTION

The Finance Department is responsible for the accurate maintenance of all fiscal, human resources and budget records pertaining to the operations of the Town. Areas of responsibility include general accounting, treasury functions, the annual audit, the preparation of the Comprehensive Annual Financial Report (“CAFR”), preparation of monthly financial report for management, payment of all Town obligations, payroll processing, personnel administration, budget preparation, preparation of the Annual Budget document, employee benefits administration, stores account management, risk management and liability and property insurance management.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Received the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2013 CAFR and the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2014
- ❖ Maintained a high level of performance during the transition to a new Chief Financial Officer and a new Controller

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Provide the Town Council, Town Administrator, departments and citizens with accurate and timely financial records
- ❖ Manage the Town’s investment portfolio in accordance to the Town’s Investment Policies that focus on the safety of principal and liquidity of resources and diversification while earning a market-based return.
- ❖ Generate all payrolls, Pay for Performance and Wellness Program in a timely and accurate manner.
- ❖ Maintain, monitor and safeguard the Town’s assets
- ❖ Provide timely payment of the Town’s vendors
- ❖ Receive the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the CAFR and the Distinguished Budget Award for the Annual Budget
- ❖ Develop performance standards for Town departments, addressing Town Council objectives
- ❖ Preparation and Adoption of the Town’s multi-year Capital Improvement Plan
- ❖ Update the Town’s Personnel Policies
- ❖ Implement a comprehensive Wellness Plan for employees

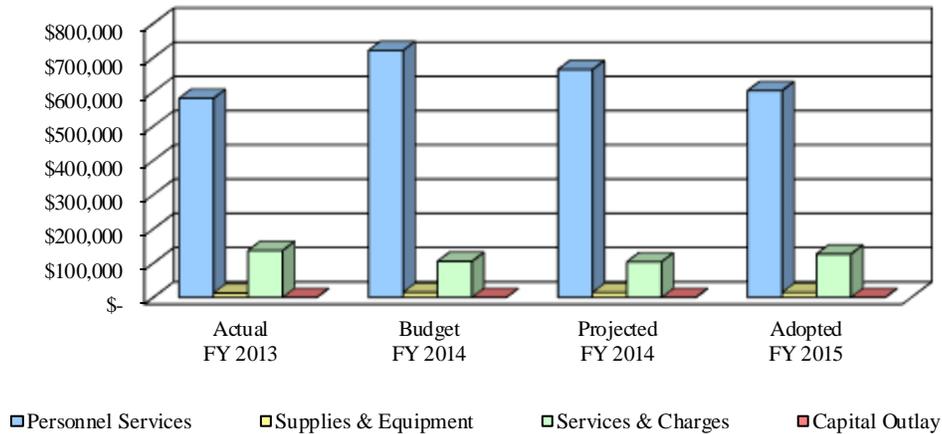
PERFORMANCE INDICATORS

	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Accounts Payable Checks Disbursed	3,128	3,150	3,533	3,500
Payroll/ACH Checks Disbursed	4,696	4,670	4,375	4,500



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 581,659	\$ 721,540	\$ 665,670	\$ 604,055
Supplies & Equipment	12,567	14,870	14,636	14,530
Services & Charges	137,069	105,600	103,900	126,845
Capital Outlay	-	-	-	-
Total Department	\$ 731,294	\$ 842,010	\$ 784,206	\$ 745,430



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Director of Admin Services & CFO	E-4	1.0	1.0	1.0
Controller	E-1	1.0	1.0	1.0
Senior Accounting Technician	4	1.0	1.0	1.0
Finance & HR Secretary	4	1.0	1.0	1.0
Accounting Technician	3	1.0	1.0	1.0
Total Employees		5.0	5.0	5.0

Building Inspection Department



DEPARTMENT DESCRIPTION

The Building Inspection Department provides for the health, safety and general welfare of the Town by development, implementation and enforcement of building, plumbing, electrical and mechanical codes, zoning ordinances and code of ordinances. The Department also interprets and enforces specific provisions of certain State Statutes such as The Texas Plumbing License Law, The Texas Engineering Practice Act, The Texas Architectural Barriers Act, The Texas Department of Licensing and Regulation, the Texas Commission on Environmental Quality and the Texas Department of Health.

ACCOMPLISHMENTS OF FISCAL YEAR 2014

- ❖ Processed approximately 1,150 building, 270 electrical, 475 plumbing permits, and 35 excavation permits, generating approximately \$1,307,000 in permit revenues
- ❖ Processed approximately 460 electrical, irrigation, HVAC, and general contractor registrations, generating approximately \$57,600 in registration revenues
- ❖ Extensively worked with and assisted consultant on significant revisions to the Town's Zoning Code
- ❖ Acquired and successfully implemented an automated contractor registration, permit, and inspection software allowing online access for contractors and residents

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Provide quality redevelopment for the Town
- ❖ Provide timely and accurate plan review and permit processing
- ❖ Continue to provide professional, courteous and efficient service to the public
- ❖ Continue efforts on water conservation measures in plumbing and irrigation systems in conjunction with the Town's efforts to promote water conservation

PERFORMANCE INDICATORS

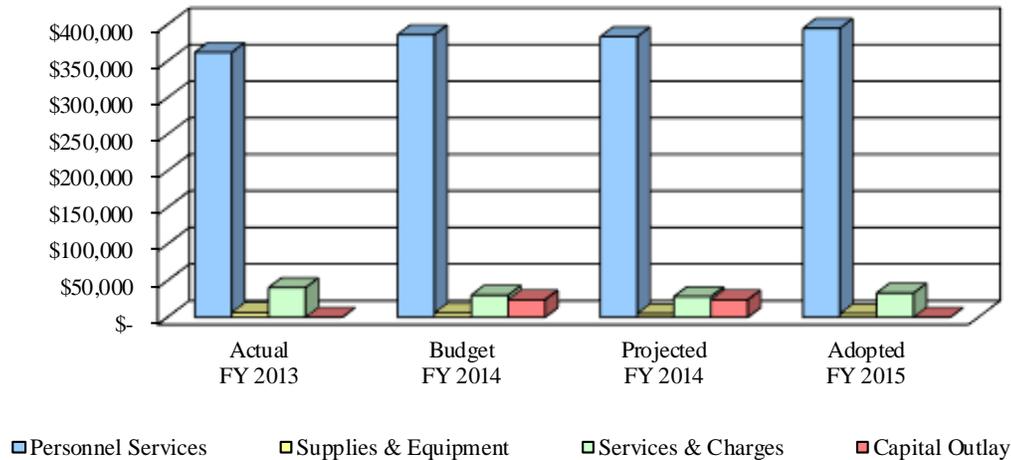
	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Number of Inspections Performed	3,088	3,121	2,982	3,000
Total Permits Issued	1,825	1,183	1,922	2,000
Total Value of Permits (\$1,000)	\$ 85,580	\$ 74,424	\$99,825	\$100,000
Total Permit Fees & Licenses (\$1,000)	\$ 980	\$ 1,031	\$ 1,306	\$ 1,196

Building Inspection Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 362,301	\$ 386,295	\$ 383,640	\$ 395,097
Supplies & Equipment	6,544	5,820	4,972	4,990
Services & Charges	40,573	30,300	28,270	33,270
Capital Outlay	-	24,000	24,000	-
Total Department	\$ 409,417	\$ 446,415	\$ 440,882	\$ 433,357



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Chief Building Inspector	8	1.0	1.0	1.0
Development Services Manager	8	1.0	1.0	1.0
Building Permit Clerk	3	1.0	1.0	1.0
Total Employees		3.0	3.0	3.0

Sanitation Department



DEPARTMENT DESCRIPTION

The collection and disposal of the Town's solid waste, brush and recyclable materials is performed under contract by Trinity Waste Services. The Town also contracts for sanitary landfill access with Skyline Landfill. This Department serves as the cost center for these services.

ACCOMPLISHMENTS OF FISCAL YEAR 2014

- ❖ Provided a quick response on complaints
- ❖ Managed the contracts for related services

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Provide a quick response on complaints
- ❖ Manage the contracts for related services
- ❖ Explore ways of minimizing the Town's waste stream by increasing utilization of the existing recycling program
- ❖ Explore alternatives to the disposal of household hazardous waste, currently under contract with Dallas County
- ❖ Replace 800 trash and recycling poly carts at a total cost of \$52,000

MAJOR BUDGET ITEMS

- ❖ Replacement Poly Carts (\$52,000)
- ❖ Service Contracts
 - Solid Waste Collection \$ 893,500
 - Solid Waste Disposal \$ 114,500
 - Recyclables Collection \$ 96,500
 - Household Hazardous Waste \$ 12,500

PERFORMANCE INDICATORS

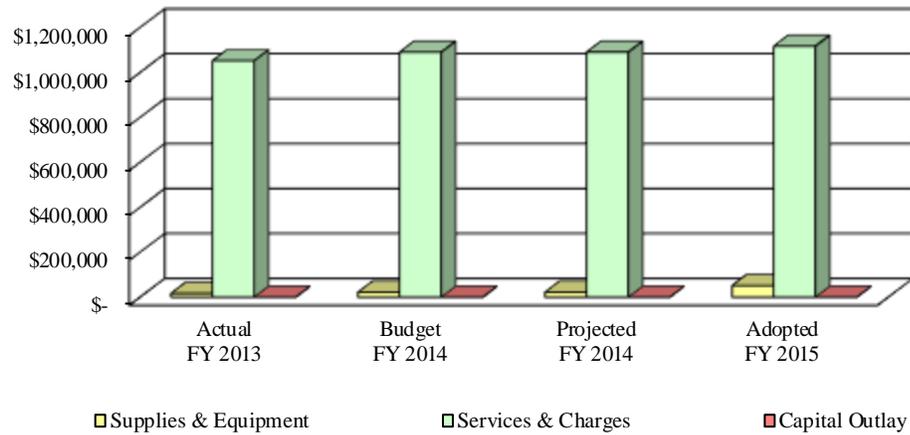
	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Collection (Tonnage)				
Compacted Waste	5,725	5,595	5,551	5,800
Loose Waste (Brush)	2,100	1,731	2,283	2,250
Recycling	951	990	1,035	1,000
Contract Expenses				
Collection	\$ 830,007	\$ 849,936	\$ 867,577	\$ 893,500
Disposal	101,732	95,665	105,209	114,500
Recycling	93,440	95,406	97,354	96,500
Cost per Ton				
Collection	\$ 144.98	\$ 151.91	\$ 156.29	\$ 154.05
Disposal	13.00	13.06	13.43	14.22
Recycling	98.25	96.37	94.06	96.50

Sanitation Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Supplies & Equipment	\$ 16,996	\$ 22,750	\$ 22,750	\$ 52,000
Services & Charges	1,053,002	1,091,025	1,091,225	1,117,320
Capital Outlay	-	-	-	-
Total Department	\$1,069,998	\$1,113,775	\$1,113,975	\$1,169,320



Information Technology Department



DEPARTMENT DESCRIPTION

The Information Technology Department was created in 2012 to improve the organization of Information Technology throughout the Town; to leverage emerging technologies to reduce cost, limit growth in the workforce and improve services to citizens and employees; and to provide the most innovative and cost effective technology services. The IT budget includes the personnel cost associated with the IT Manager position (Pay Grade E-1), necessary supplies and system-wide associated costs for network connectivity and network user support. This budget will continue to evolve as the Town continues to consolidate technology functions and related expenditures to this cost center.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Relocated Data Center, 911 Operations, and Town Staff to new facilities
- ❖ Executed Microsoft Enterprise Agreement
- ❖ Assisted with Alarm Monitoring migration

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Upgrade all major departmental information systems
- ❖ Migrate and implement Microsoft Office 365
- ❖ Security Auditing and Policy development

MAJOR BUDGET ITEMS

- ❖ Technology Managed Services Contract (\$123,540)
- ❖ Enterprise Agreement (\$64,000)
- ❖ Other Technology Maintenance Contracts (\$66,500)
- ❖ Internet Service and T1 Circuits (\$55,800)

PERFORMANCE INDICATORS

	FY 2012 Actual	FY 2013 Actual	FY 2014 Projected	FY 2015 Projected
Help Desk Support				
Support Requests	*	259	745	730
Service Hours	*	292	985	880
Network Uptime	*	99%	99%	100%
Application Uptime	*	99%	99%	100%

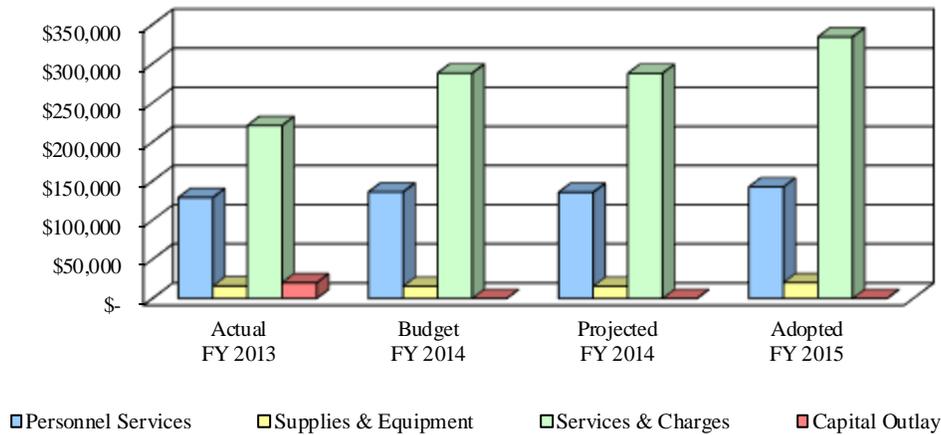
* FY 2012 was the first year of operation for this departmental cost center.

Information Technology Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 129,133	\$ 136,215	\$ 135,840	\$ 142,622
Supplies & Equipment	16,014	15,600	15,600	20,250
Services & Charges	221,056	288,115	287,795	334,395
Capital Outlay	20,146	-	-	-
Total Department	\$ 386,349	\$ 439,930	\$ 439,235	\$ 497,267



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Information Technology Manager	E-1	1.0	1.0	1.0
Total Employees		1.0	1.0	1.0

Non-Departmental



DEPARTMENT DESCRIPTION

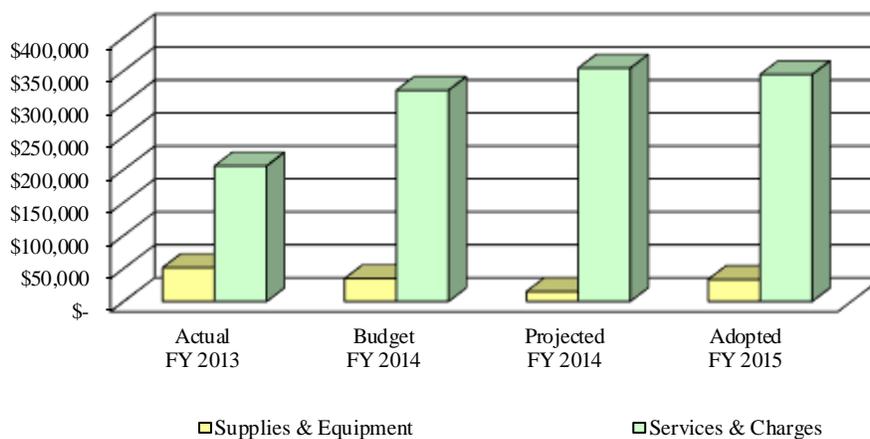
As a means of setting aside funds for discretionary expenditure spending that is not associated with a unique departmental budget, a Non-Departmental cost center is created in the General Fund. Expenditures that can be considered Town-wide or that may have an inherit public policy nature have been included in this cost center.

MAJOR BUDGET ITEMS

- ❖ Reserve for Potential Employee Retirements (\$125,000)
- ❖ Professional Services – Human Resource Consulting (\$45,000)
- ❖ Professional Services – Website Consulting and Maintenance (\$30,000)
- ❖ Budgetary Hedge for Fuel Costs (\$28,500)
- ❖ Professional Services – Health Insurance Consulting (\$10,000)

EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Supplies & Equipment	\$ 51,262	\$ 34,650	\$ 15,000	\$ 33,350
Services & Charges	205,620	320,321	353,871	344,307
Total Department	\$ 256,882	\$ 354,971	\$ 368,871	\$ 377,657





Transfer to Other Funds



DEPARTMENT DESCRIPTION

This Budget provides for a transfer of \$1,520,647 in current revenues to the Capital Projects Fund which is comprised of: 1) basic CIP funding (\$686,403), 2) an annual miscellaneous concrete project (\$274,562); 3) miscellaneous sidewalk repair/replacement needs (\$42,244); 4) miscellaneous alley repair/replacement needs (\$42,244); 5) a transfer of \$63,580, or 5% of sanitation service revenues, for street rental charges; and, a one-time transfer of \$411,614 from current (FY 2015) revenues.

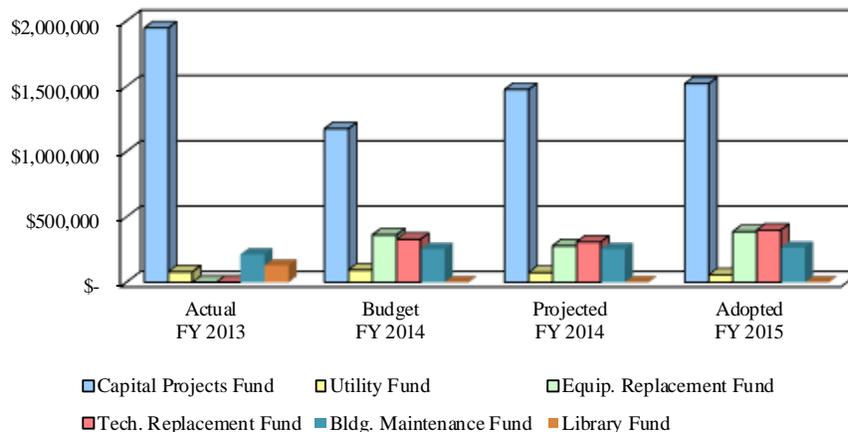
Other transfers include:

- ❖ Transfer to the Utility Fund for the General Fund's share of costs associated with billing and collection of Solid Waste and Sanitation revenues (\$57,807)
- ❖ Transfers to the Equipment and Technology Replacement Funds for future asset acquisition and upgrades (\$787,422)
- ❖ Transfer to the Building Maintenance Fund representing the General Fund's share of Building Maintenance costs (\$264,843)

The Town's Statement of Financial Policies provides for the transfer of excess of General Fund revenues over expenditures and encumbrances at the close of each fiscal year to the Capital Projects Fund to supplement any annual budget amount.

TRANSFER SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Capital Projects Fund	\$1,947,970	\$1,176,215	\$1,476,669	\$1,520,647
Utility Fund	80,174	94,655	74,640	57,807
Equip. Replacement Fund	-	362,970	279,084	388,128
Tech. Replacement Fund	-	328,745	308,785	399,294
Bldg. Maintenance Fund	213,320	254,355	254,355	264,843
Library Fund	128,634	-	-	-
Total Department	\$2,370,097	\$2,216,940	\$2,393,533	\$2,630,719



UTILITY FUND

The Utility Fund is the financial structure used for the accounting of providing water, sanitary sewer, service to the residents of the Town and the billing and collection of charges to customers to pay for said services. The basis of accounting used for budget development and presentation for the Utility Fund is the accrual basis with the exceptions that capital purchases are reported as expenditures and depreciation and bad debt expenses are not included in budgeted expenditures.

UTILITY FUND OVERVIEW

The determination of the revenues necessary to fund the various services for Fiscal Year 2015 (“FY 2015”) begins with the calculation of total costs associated with each service. In Fiscal Year 2013 (“FY 2013”), the Town engaged 3rd Generation Engineering to perform a comprehensive water and sanitary sewer study. The scope of the study included: 1) a comparison of existing water and sanitary sewer rate revenue with the cost of providing these services, taking into consideration anticipated changes in the Town’s water supplier, ongoing capital improvement plans, changes in operating requirements, and changes in water supply and demand; 2) an analysis of projected revenue requirements to determine equitable distribution of costs to customer classes in accordance with generally accepted principles for water and sanitary sewer rate studies; 3) develop and evaluate rate design alternatives and preparation of an implementation strategy for the rate structure that best meets the Town’s needs; and 4) provide a means for the Town staff to update rates in-house for the next five years. In order to produce the revenue required by this budget, an examination of the adopted rates will be conducted during the early part of the 2015 fiscal year. Staff will review the adopted rate structure and will make the appropriate rate adjustment recommendation for Council consideration.

- **Licenses and Permits**

By ordinance, the Town requires the purchase of a license by a master plumber and the purchase of a permit for plumbing services performed within the Town.

- **Charges for Services**

Water

Revenues from the retail sale of water are projected to be \$5,831,481, a slight decrease from the Fiscal Year 2014 Budget. The Town anticipates selling 941,088,000 gallons of water for the 2015 fiscal year.

The schedule on page 130 reflects the historical water sales (per 1,000 gallons) by category of use for the past ten (10) fiscal years.

Sanitary Sewer

The projected revenues from sanitary sewer charges amount to \$2,680,000 or about a 3.2% decrease from the Fiscal Year 2014 Budget year.

- **Miscellaneous**

Charges for meter replacements/installations is projected to be \$43,500, which is comparable to the amount generated during the 2013 fiscal year.

Projected interest earnings are based on an average monthly investable balance of \$2,166,667 are reflective of anticipated investable balances at a 0.30% earnings rate.

The total cost for Utility Fund services for FY 2015 is \$9,293,784. Of this amount, 38.7% are contractual costs and include contracts for 1) the purchase of treated water for resale and Town use from the Dallas County Park Cities Municipal Utility District (expires April, 2024); and Sanitary Sewer Treatment from Dallas Water Utilities (expires February 2044).

Another significant portion of both the budget for FY 2015, as well as the work program associated with it, relates to the maintenance and/or replacement of the Town’s water and sanitary sewer system infrastructure. Since 1990, the Town has chosen to fund water and sanitary sewer system infrastructure

maintenance/replacement with current revenues. This Budget provides \$1,900,920 from utility service revenues to fund the projects selected for Fiscal Year 2015.

The Utility Fund will also contribute \$1,046,439 to the General Fund for reimbursement of general & administrative costs for FY 2015. Additionally, the Utility Fund will also provide \$425,874 in funding of the Town's annual right-of-way maintenance/rehabilitation program. This amount represents 5% of water and sanitary sewer sales, a right-of-way use fee, and is reported as an inter-fund transfer to the Capital Projects Fund.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 135.

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES

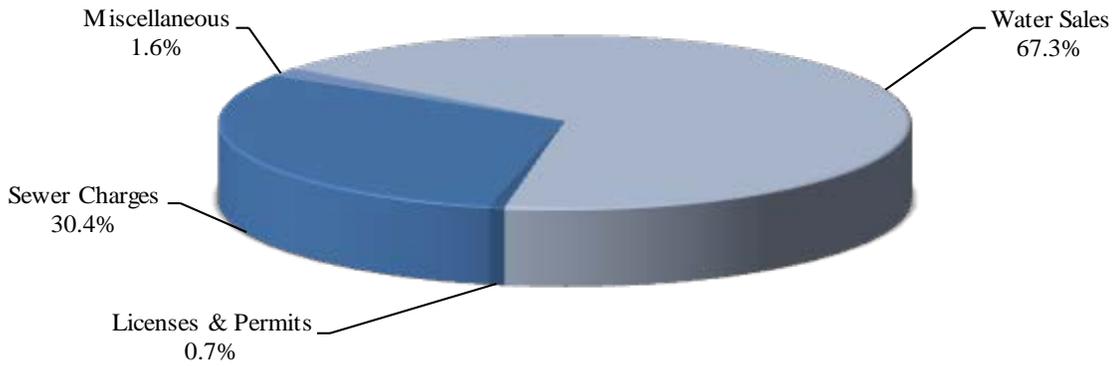
	FY 2013	FY 2014	FY 2014	FY 2015
	Actual	Budget	Projected	Adopted
BEGINNING FUND BALANCE	\$ 615,860	\$ 2,211,770	\$ 1,175,793	\$ 1,478,638
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 62,195	\$ 48,000	\$ 55,000	\$ 62,500
Charges for Services	8,291,488	8,755,945	8,324,160	8,668,099
Fines & Forfeits	79,248	93,600	85,100	90,000
Miscellaneous	211,726	16,000	9,500	8,500
Total Revenues	\$ 8,644,658	\$ 8,913,545	\$ 8,473,760	\$ 8,829,099
Other Sources:				
Transfers In	\$ 379,721	\$ 490,285	\$ 470,270	\$ 465,010
Total Other Sources	\$ 379,721	\$ 490,285	\$ 470,270	\$ 465,010
Total Revenues/Sources	\$ 9,024,379	\$ 9,403,830	\$ 8,944,030	\$ 9,294,109
EXPENSES - BY TYPE				
Personnel Services				
Payroll	\$ 1,208,841	\$ 1,405,825	\$ 1,362,290	\$ 1,386,251
Payroll Taxes	83,253	103,895	94,280	101,265
Retirement	68,755	78,320	74,940	60,234
Insurance	167,320	197,175	173,780	205,538
Total Personnel	\$ 1,528,169	\$ 1,785,215	\$ 1,705,290	\$ 1,753,288
Supplies & Equipment	2,825,086	3,006,455	2,843,680	2,937,120
Services & Charges	1,232,576	1,120,910	1,092,546	1,094,509
Capital Outlay	1,550,721	1,881,060	1,439,416	1,905,920
Total Expenses	\$ 7,136,552	\$ 7,793,640	\$ 7,080,932	\$ 7,690,837
Other Uses:				
Transfers Out	\$ 1,327,894	\$ 1,607,110	\$ 1,560,253	\$ 1,602,947
Total Other Uses	\$ 1,327,894	\$ 1,607,110	\$ 1,560,253	\$ 1,602,947
Total Expenses/Uses	\$ 8,464,446	\$ 9,400,750	\$ 8,641,185	\$ 9,293,784
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 559,933	\$ 3,080	\$ 302,845	\$ 325
ENDING FUND BALANCE	\$ 1,175,793	\$ 1,178,873	\$ 1,478,638	\$ 1,478,963
Ideal Fund Balance	\$ 1,396,458	\$ 1,478,145	\$ 1,438,275	\$ 1,478,963
Fund Balance in Excess of Minimum	\$ (220,665)	\$ (299,272)	\$ 40,363	\$ -

**UTILITY FUND
STATEMENT OF REVENUES & EXPENSES**

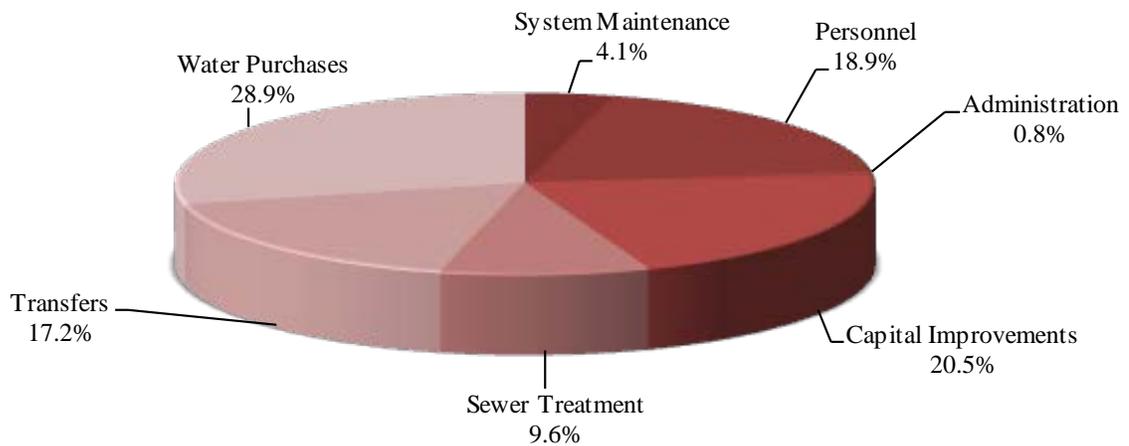
	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ 615,860	\$ 2,211,770	\$ 1,175,793	\$ 1,478,638
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 62,195	\$ 48,000	\$ 55,000	\$ 62,500
Charges for Services	8,291,488	8,755,945	8,324,160	8,668,099
Fines & Forfeits	79,248	93,600	85,100	90,000
Miscellaneous	211,726	16,000	9,500	8,500
Total Revenues	\$ 8,644,658	\$ 8,913,545	\$ 8,473,760	\$ 8,829,099
Other Sources:				
Transfers In	\$ 379,721	\$ 490,285	\$ 470,270	\$ 465,010
Total Other Sources	\$ 379,721	\$ 490,285	\$ 470,270	\$ 465,010
Total Revenues/Sources	\$ 9,024,379	\$ 9,403,830	\$ 8,944,030	\$ 9,294,109
EXPENSES - BY DEPARTMENT				
Utility Administration Department	\$ 421,165	\$ 526,525	\$ 470,540	\$ 444,666
Water Department	4,229,564	4,414,155	4,046,269	4,355,345
Sanitary Sewer Department	1,874,608	2,133,625	1,864,563	2,150,457
Engineering Department	611,215	719,335	699,560	740,369
Total Expenses	\$ 7,136,552	\$ 7,793,640	\$ 7,080,932	\$ 7,690,837
Other Uses:				
Transfers Out	\$ 1,327,894	\$ 1,607,110	\$ 1,560,253	\$ 1,602,947
Total Other Uses	\$ 1,327,894	\$ 1,607,110	\$ 1,560,253	\$ 1,602,947
Total Expenses/Uses	\$ 8,464,446	\$ 9,400,750	\$ 8,641,185	\$ 9,293,784
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 559,933	\$ 3,080	\$ 302,845	\$ 325
ENDING FUND BALANCE	\$ 1,175,793	\$ 1,178,873	\$ 1,478,638	\$ 1,478,963
Ideal Fund Balance	\$ 1,396,458	\$ 1,478,145	\$ 1,438,275	\$ 1,478,963
Fund Balance in Excess of Minimum	\$ (220,665)	\$ (299,272)	\$ 40,363	\$ -

UTILITY FUND

BUDGETED REVENUES & SOURCES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



**UTILITY FUND
STATEMENT OF REVENUES**

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Licenses & Permits				
Plumbing Permits	\$ 62,195	\$ 48,000	\$ 55,000	\$ 62,500
<i>Subtotal</i>	\$ 62,195	\$ 48,000	\$ 55,000	\$ 62,500
Charges For Services				
Water Sales	\$ 5,471,888	\$ 5,847,040	\$ 5,558,331	\$ 5,831,481
Inter-Dept Water Sales	104,132	107,100	107,468	110,118
Sewer Charges	2,668,813	2,767,305	2,619,131	2,680,000
Meter Installation	43,700	30,000	36,350	43,500
Other Charges	2,956	4,500	2,880	3,000
<i>Subtotal</i>	\$ 8,291,488	\$ 8,755,945	\$ 8,324,160	\$ 8,668,099
Fines & Forfeits				
Late Payment Penalties	\$ 79,248	\$ 93,600	\$ 85,100	\$ 90,000
<i>Subtotal</i>	\$ 79,248	\$ 93,600	\$ 85,100	\$ 90,000
Miscellaneous				
Interest	\$ 4,259	\$ 6,000	\$ 7,500	\$ 6,500
Sale of Assets	-	-	-	-
Rental of Town Property	-	-	-	-
Refund-Property Damage	1,565	-	-	-
Miscellaneous	205,903	10,000	2,000	2,000
<i>Subtotal</i>	\$ 211,726	\$ 16,000	\$ 9,500	\$ 8,500
Total Revenues	\$ 8,644,658	\$ 8,913,545	\$ 8,473,760	\$ 8,829,099

Utility Administration Department



DEPARTMENT DESCRIPTION

The Utility Administration Department is responsible for the administration of the billing and collection of water, sanitary sewer, and sanitation services in accordance with rates set by the Town Council. Other services managed by the department include annual animal licensing, tennis and swim permit sales. In addition, this department serves as the Town's main telephone operator, providing prompt and courteous service in addressing citizen questions and concerns.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Maintained quality customer service as evidenced by only sixty-eight (68) bills requiring adjustment due to error out of approximately 41,200 bills prepared
- ❖ Continued aggregate payment receipting, resulting in the electronic processing of 5,233 payments which formerly required manual data entry
- ❖ Continued education of customers regarding bank draft and on-line payment options through information flyers and direct contact

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Identify and implement an online solution for the Town's tennis court reservations and swimming pool passes
- ❖ Ensure the delivery of quality services to citizens through effective management and efficient administration of Town utility services
- ❖ Pursue electronic bill delivery and credit card draft options through our current software provider
- ❖ Continue monthly consumption analysis, identifying abnormal consumption based on historical consumption

PERFORMANCE INDICATORS

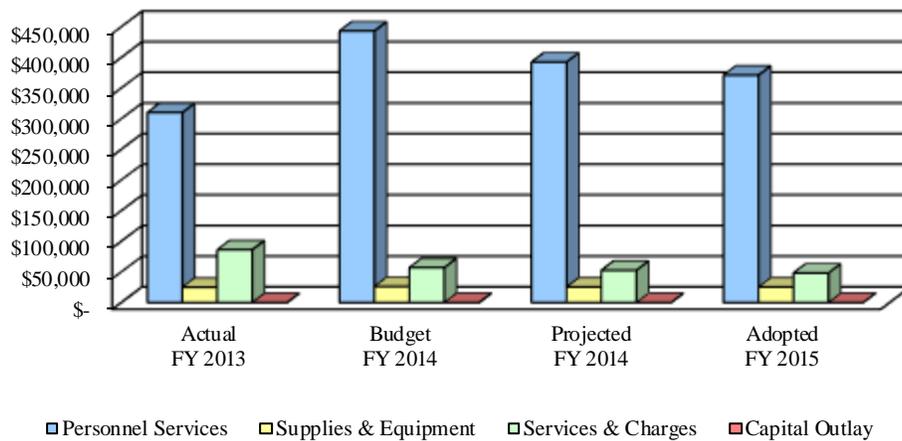
	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Utility Service				
Bills Prepared	40,748	40,701	41,266	40,900
New Deposits (#)	396	435	401	400
Bank Draft Customers	732	869	1,131	1,200
Internet Payments	1,067	1,695	1,779	1,700
Billing Adjustment Requests				
Billing Errors	63	63	68	60
Leak	59	51	33	50

Utility Administration Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 310,126	\$ 443,225	\$ 392,490	\$ 371,162
Supplies & Equipment	24,916	26,300	25,350	25,290
Services & Charges	86,123	57,000	52,700	48,214
Capital Outlay	-	-	-	-
Total Department	\$ 421,165	\$ 526,525	\$ 470,540	\$ 444,666



EMPLOYEE CLASSIFICATION & PAYGRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Construction Coordinator	6	1.0	1.0	1.0
Customer Service Supervisor	6	1.0	1.0	1.0
Customer Service Specialist II	3	1.0	1.0	1.0
Customer Service Specialist I	2	1.0	1.0	1.0
Total Employees		4.0	4.0	4.0



DEPARTMENT DESCRIPTION

The Water Department is responsible for providing the Town with a reliable supply of potable water. The maintenance of the water distribution system includes 40 miles of water mains, 252 fire hydrants, one (1) elevated storage tank (750,000 gallons) and one ground storage tank (1,500,000 gallons). Treated water is purchased from the Dallas County Park Cities Municipal Utility District.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Routine maintenance of system, minimizing service interruptions
- ❖ Over 450 water meters replaced in the Town's meter change-out program

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Maintain the quality of service by minimizing the number of customers affected during water service interruptions and maintain the distribution system to minimize service interruptions
- ❖ Provide funding of infrastructure replacement program through the water rate structure
- ❖ Maintain program of changing service meters on a fourteen-year replacement schedule or as needed

MAJOR BUDGET ITEMS

- ❖ Purchase of treated water from the Dallas County Park Cities Municipal Utility District based at an anticipated cost of \$2,683,561
- ❖ Annual funding for infrastructure replacement and maintenance (\$950,460)
- ❖ Repair materials for making necessary system repairs in conjunction with infrastructure replacement/maintenance program (\$82,500)
- ❖ Replacement water meters (\$60,600)
- ❖ Materials and supplies to set up ten (10) sample sites for extracting water samples to comply with TCEQ regulations (\$15,000)
- ❖ Purchase of a Water Hydrant Bazooka (\$5,000)

PERFORMANCE INDICATORS

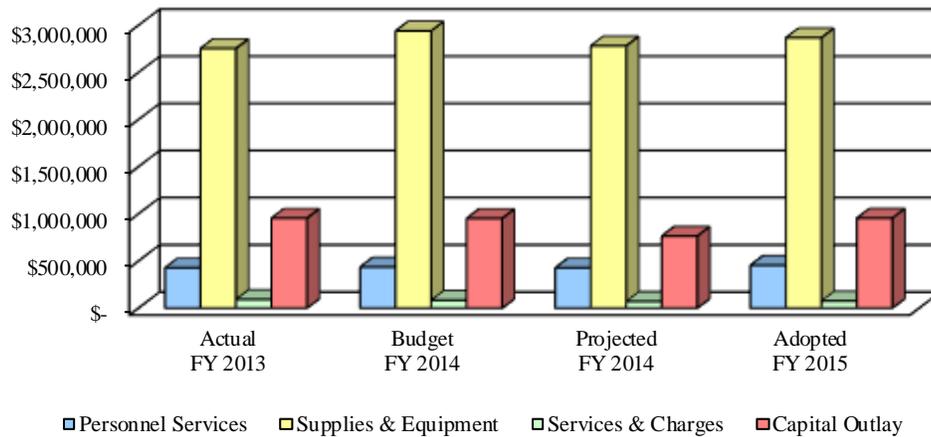
	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Water Meters Read	66,736	67,263	65,665	66,000
Water Meters Installed/Replaced	19	631	453	450

Water Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 427,463	\$ 436,560	\$ 427,630	\$ 455,084
Supplies & Equipment	2,754,261	2,940,475	2,782,101	2,868,161
Services & Charges	93,192	85,090	71,705	76,640
Capital Outlay	954,648	952,030	764,833	955,460
Total Department	\$4,229,564	\$4,414,155	\$4,046,269	\$4,355,345



EMPLOYEE CLASSIFICATION & PAYGRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Foreman	8	0.4	0.4	0.4
Public Works Maintenance Worker III	4	4.0	4.0	4.0
Total Employees		4.4	4.4	4.4

Sanitary Sewer Department



DEPARTMENT DESCRIPTION

The Sanitary Sewer Department is responsible for providing the Town with a reliable and sound system of wastewater collection. The operation of the wastewater collection system includes 37 miles of lines serving 3,250 customers and some 600 manholes. The Town contracts with Dallas Water Utilities for the treatment of wastewater.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Sanitary sewer collection system maintained, keeping service interruptions to a minimum
- ❖ Continued Town's program of systematically flushing sanitary sewer lines by flushing 50.0 miles, or the entire system 1.3 times
- ❖ Continued to address inflow and infiltration (I&I) through infrastructure maintenance/re- placement

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Decrease I&I into the system
- ❖ Complete infrastructure improvements to the Sanitary Sewer System to reduce or eliminate overflows
- ❖ Continue Town's program of systematically flushing sanitary sewer lines throughout the Town

MAJOR BUDGET ITEMS

- ❖ Annual water treatment expense (\$890,755)
- ❖ Annual funding for wastewater infrastructure replacement and maintenance (\$950,460)

PERFORMANCE INDICATORS

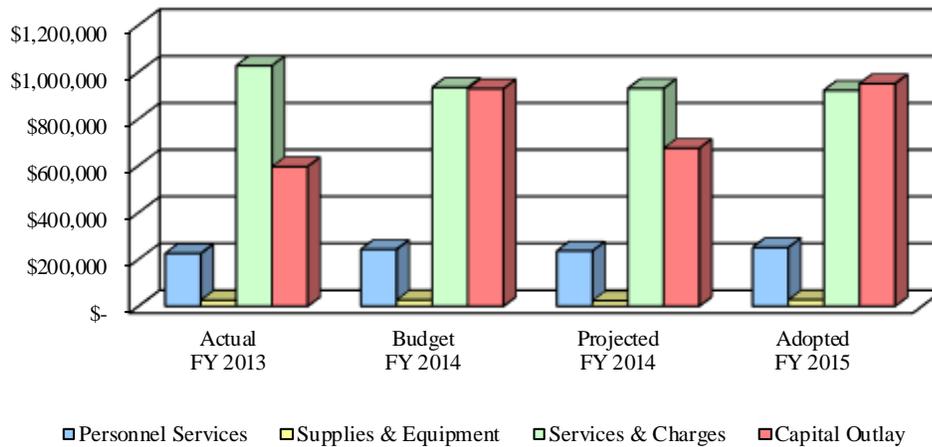
	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Service Calls	40	26	50	50
Sewer Mains Cleaned (Flushed)	1,087	533	665	600

Sanitary Sewer Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 225,279	\$ 243,075	\$ 236,220	\$ 251,092
Supplies & Equipment	25,836	27,000	23,535	27,280
Services & Charges	1,027,420	934,520	930,225	921,625
Capital Outlay	596,073	929,030	674,583	950,460
Total Department	\$1,874,608	\$2,133,625	\$1,864,563	\$2,150,457



EMPLOYEE CLASSIFICATION & PAYGRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Foreman	8	0.30	0.30	0.30
Public Works Maintenance Worker III	4	2.00	2.00	2.00
Total Employees		2.30	2.30	2.30



DEPARTMENT DESCRIPTION

This department is responsible for the planning, design, construction and inspection of capital utility projects and capital right-of-way improvement projects for the Town by performing such functions directly or by contract. The department provides the engineering services to the Town for street pavement rehabilitation, sidewalk rehabilitation, floodplain management, plat review, condition of bridges, condition of dams and emergency planning, traffic control, traffic safety around schools, review of Municipal Setting Designations, review and inspect storm sewer plans for basements, GIS mapping, conformance with the SSO initiative enforcement action, manage the Storm Water Program including the dredging of sediments from the lakes, develop master plans, model the water distribution, wastewater collection, and storm sewer systems.

ACCOMPLISHMENTS FOR FISCAL YEAR 2014

- ❖ Met objectives and reporting requirements for the first year of the SSO Initiative to eliminate sanitary sewer overflows
- ❖ Met objectives and reporting requirements for Storm Water Program. In FY 2013 awarded water and sewer projects in the amount of 1.7 million dollars
- ❖ Completed an engineering study of the Turtle Creek interceptor to develop alternatives to eliminate overflowing sanitary sewer manholes along Turtle Creek from Wycliffe Avenue to Armstrong Avenue
- ❖ Performed sanitary sewer inflow and infiltration investigations, 39,100 feet of smoke testing, 9,425 feet of televised mains, 4,865 feet of dye testing
- ❖ Worked with the City of Dallas to renew the thirty-year Wholesale Wastewater Contract
- ❖ Completed construction of the Lexington pedestrian tunnel and drainage relief project
- ❖ Appropriately reported all SSO's, potable water discharges, and fish kills
- ❖ Completed study of the water distribution system to identify improvements

OBJECTIVES FOR FISCAL YEAR 2015

- ❖ Design, award, and construct water and sewer main replacement projects in the amount of \$1.9 million
- ❖ Design sanitary sewer relief main per the Engineering study performed by Freese and Nichols in 2013
- ❖ Continue street rehabilitation program and repair damaged sidewalks and curb ramps per ADA
- ❖ Update Town's construction standards
- ❖ Design Preston Rd. reconstruction and study Armstrong/Preston intersection for new traffic signal system
- ❖ Comply with the requirement of the SSO Initiative
- ❖ Submit new storm water permit to the TCEQ and implement new permit
- ❖ Perform a dam evaluation of the Exall Dam and evaluate testing data of sediments in Exall Lake

PERFORMANCE INDICATORS

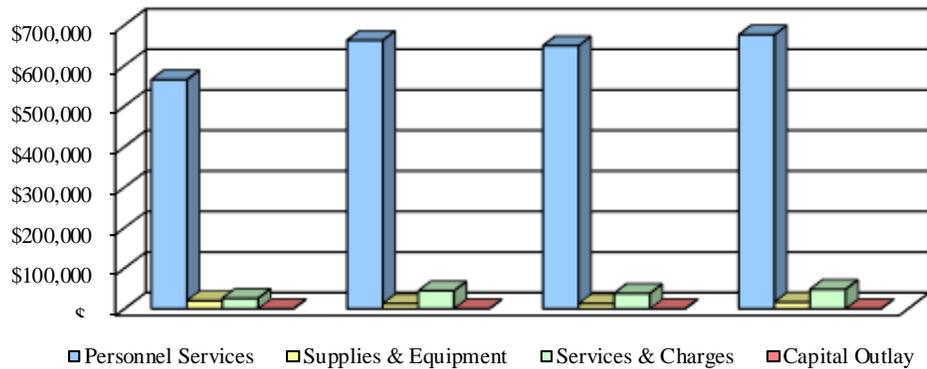
	FY 2012	FY 2013	FY 2014	FY 2015
	Actual	Actual	Projected	Projected
Sanitary Sewer Overflows	29	3	0	0
Street Resurfacing (Linear Feet)	7,405	4,122	9,537	4,056
Water Main Replacement (Linear Feet)	3,495	5,158	4,848	4,000
Sanitary Sewer Main Replacement (Linear Feet)	4,718	4,220	2,197	7,000

Engineering Department



EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
Personnel Services	\$ 565,301	\$ 662,355	\$ 648,950	\$ 675,950
Supplies & Equipment	20,073	12,680	12,694	16,389
Services & Charges	25,841	44,300	37,916	48,030
Capital Outlay	-	-	-	-
Total Department	\$ 611,215	\$ 719,335	\$ 699,560	\$ 740,369



EMPLOYEE CLASSIFICATION & PAYGRADE

Classification	Grade	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget
Town Engineer	E-3	1.0	1.0	1.0
Project Engineer	7	1.0	1.0	1.0
Construction Inspector	5	1.0	1.0	1.0
Project Coordinator	5	1.0	1.0	1.0
Engineering Tech	5	1.0	1.0	1.0
Total Employees		5.0	5.0	5.0

Transfer to Other Funds

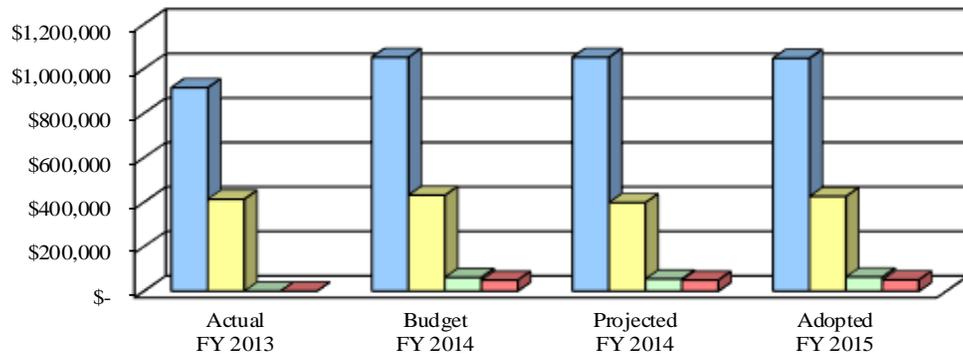


DEPARTMENT DESCRIPTION

This Budget provides for the \$1,602,947 from the Utility Fund to other funds. Included is a transfer of \$1,046,439 to the General Fund for G&A cost reimbursement, \$425,574 to the Capital Projects Fund, representing the right-of-way use fee, which is 5% on water and sanitary sewer sales, and funding for the Fund's share of Equipment Replacement, Technology Replacement and Building Maintenance & Investment Funds.

TRANSFER SUMMARY

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
General Fund	\$ 914,685	\$1,051,005	\$1,051,005	\$1,046,439
Capital Projects Fund	413,209	430,715	397,664	425,574
Equip. Replacement Fund	-	61,740	54,545	63,451
Tech. Replacement Fund	-	14,330	7,719	16,787
Bldg. Maintenance Fund	-	49,320	49,320	50,696
Total Department	\$1,327,894	\$1,607,110	\$1,560,253	\$1,602,947



■ General Fund
 ■ Capital Projects Fund
 ■ Equip. Replacement Fund
 ■ Bldg. Maintenance Fund

OTHER FUNDS

Storm Water Drainage – This special revenue fund accounts for the collection of fees to protect the public health and safety from loss of life and property caused by surface water overflows, surface water stagnation and pollution arising from non-point source runoff within the Town.

Equipment Replacement Fund – This internal service fund is used to account for the accumulation of resources for the future replacement of equipment owned and operated by the Town.

Technology Replacement Fund – The purpose of this internal service fund is to account for accumulated resources ultimately used for the future replacement of the Town’s computer information systems hardware and software.

Building Maintenance & Investment Fund – As an internal service fund, this fund accounts for resources provided by other operational funds for the maintenance and future improvements to Town facilities.

Court Technology Fund – This special revenue fund accounts for the Municipal Court technology fee charged to defendants as specified by state law.

Court Security Fund – This special revenue fund accounts for the Municipal Court security fee charged to defendants as specified by state law.

DPS Technology Fund – This fund accounts for the receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety.

Capital Projects Fund – The purpose of the Capital Projects Fund is to account for large dollar capital projects and infrastructure maintenance projects that have a governmental purpose (e.g., roads, bridges, sidewalks, parks, etc.).



STORMWATER DRAINAGE UTILITY FUND

In December, 2003, the Town established a Storm Water Drainage Utility in accordance with Subchapter C of Chapter 402 of the Texas Local Government Code. The Storm Water Drainage Utility was established as a mechanism to protect the public health and safety from loss of life and property caused by surface water overflows, surface water stagnation and pollution arising from non-point source runoff within the Town. The enabling ordinance also provides the assessment, levy and collection of an equitable fee structure for funding the system. The Storm Water Drainage Utility Fund is the financial structure used for the accounting of the receipt of resources (revenues) and uses of resources (expenditures) to fund the following:

- Infrastructure maintenance/reconstruction;
- Educational materials/school storm water programs;
- Requirements for control of erosion, sediment, and other pollutants on construction sites;
- Site-plan approval processes requiring post-construction storm water controls;
- Procedures for inspecting and monitoring structural best management practices;
- Street sweeping and catch basin cleaning; and
- Recycling, pollution prevention programs.

In addition to funding the Town's contract for street sweeping and catch basin cleaning (\$43,400), supplies of pet mitts (\$6,000.00) maintained throughout the Town's parks, and \$20,000.00 for incidental repair and maintenance projects, this budget also provides \$195,000 to fund a comprehensive erosion control and sediment removal study of the Turtle Creek and Hackberry Creek Corridors. It is expected that the study will include, but is not limited to, lowering the lake water levels for inspection and survey; coordinating with professional consultants for evaluation of the dams; geotechnical testing of the sediment; coordinating with landscape architects for stream bank restoration; meeting with dredging contractors; evaluating potential permanent locations for the removed silt; obtaining approvals from State/Federal agencies; and developing a public engagement - communication piece.

The basis of accounting for the Storm Water Drainage Utility Fund is the modified accrual basis.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 135.

**STORMWATER DRAINAGE UTILITY FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ 606,982	\$ 710,860	\$ 531,177	\$ 628,116
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 352,908	\$ 372,340	\$ 374,340	\$ 385,140
Interest	489	600	1,149	1,100
Miscellaneous	36,991	-	-	-
Total Revenues/Sources of Funds	\$ 390,388	\$ 372,940	\$ 375,489	\$ 386,240
EXPENSES/USES OF FUNDS				
Personnel Services				
Payroll	\$ 35,606	\$ -	\$ -	\$ -
Payroll Taxes	2,336	-	-	-
Retirement	1,957	-	-	-
Insurance	5,706	-	-	-
Total Personnel Services	\$ 45,605	\$ -	\$ -	\$ -
Supplies & Equipment	3,439	10,000	47,000	7,000
Services & Charges	70,500	68,775	68,650	80,700
Capital Outlay	346,649	50,000	55,000	195,000
Total Expenditures	\$ 466,193	\$ 128,775	\$ 170,650	\$ 282,700
Transfers	-	107,900	107,900	111,055
Total Expenditures/Uses of Funds	\$ 466,193	\$ 236,675	\$ 278,550	\$ 393,755
Excess of Revenues/Sources Over Expenses/Uses	\$ (75,805)	\$ 136,265	\$ 96,939	\$ (7,515)
ENDING FUND BALANCE	\$ 531,177	\$ 667,442	\$ 628,116	\$ 620,601

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is the financial structure used for the accounting of the receipt of resources (revenues and transfers) and the use of resources for the acquisition of the Town's rolling stock. Each operational department within the General and Utility Funds are charged for the cost of use of their respectively assigned vehicles and equipment at a rate equal to the straight-line depreciation of original cost less projected salvage value. The incurred costs are recorded as expenditures/expenses within the respective funds and as revenues in the Equipment Replacement Fund. The basis of accounting used for budget development and presentation for the Equipment Replacement Fund is the accrual basis with the exceptions that capital purchases are reported as expenditures and depreciation is not included in budgeted expenditures.

All rolling stock is scheduled for replacement and each vehicle and piece of equipment is evaluated annually for mileage, condition and maintenance costs before a final decision for replacement is made.

This budget provides funding for the purchase of four (4) patrol vehicles for the Department of Public Safety ("DPS") (\$187,000), one (1) SUV styled vehicle for DPS command operations (\$55,000), two (2) SUV styled vehicles for DPS administration/CID (\$91,720) and partial funding for one (1) Walk-Behind Vibratory Roller for the Street Department (\$9,745).

STATEMENT OF REVENUES & EXPENDITURES

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ 1,577,346	\$ 1,777,913	\$ 2,069,282	\$ 2,334,440
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 794,291	\$ -	\$ -	\$ -
Interest	6,327	4,000	8,777	7,500
Sale of Assets	3,360	92,500	96,986	75,000
Contributions	45,876	-	-	-
Total Revenues	\$ 849,854	\$ 96,500	\$ 105,763	\$ 82,500
Transfers	-	424,710	324,700	451,579
Total Revenues/Sources	\$ 849,854	\$ 521,210	\$ 430,463	\$ 534,079
EXPENDITURES/USES OF FUNDS				
Vehicle Disposal	\$ 269	\$ 7,400	\$ 8,325	\$ 10,000
Vehicle Acquisition	274,226	321,365	89,050	333,720
Equipment Acquisition	83,423	65,080	67,930	9,745
Total Expenditures	\$ 357,918	\$ 393,845	\$ 165,305	\$ 353,465
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 357,918	\$ 393,845	\$ 165,305	\$ 353,465
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 491,936	\$ 127,365	\$ 265,158	\$ 180,614
ENDING FUND BALANCE	\$ 2,069,282	\$ 2,196,647	\$ 2,334,440	\$ 2,515,054

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
PUBLIC SAFETY				
Administration/CID	Toyota Highlander Hybrid	2009	2009	2014
Administration/CID	Toyota Highlander Hybrid	2009	2009	2014
Administration/CID	Toyota Highlander Hybrid	2010	2010	2015
Administration/CID	Toyota Highlander Hybrid	2010	2010	2015
Command Vehicle	Chevrolet Tahoe	2010	2010	2015
Fire Apparatus	Pierce	2011	2011	2032
Fire Apparatus	Quality	2000	2000	2020
Fire Apparatus	Pierce-Dash	2007	2007	2027
MICU	Navistar	2006	2005	2021
MICU	Freightliner-Horton	2002	2002	2017
MICU	Frazier	2010	2010	2025
Pickup (Animal Control)	Dodge	2013	2013	2020
Administration/CID	Chevrolet Tahoe	2013	2013	2019
Police SUV	Chevrolet Tahoe	2010	2010	2015
Police SUV	Chevrolet Tahoe	2010	2010	2015
Police SUV	Chevrolet Tahoe	2010	2010	2015
Police SUV	Chevrolet Tahoe	2010	2010	2015
Police SUV	Chevrolet Tahoe	2013	2013	2016
Police SUV	Chevrolet Tahoe	2013	2013	2016
Police SUV	Chevrolet Tahoe	2013	2013	2016
STREET				
Dump Truck	Ford	2010	2011	2018
Pickup	Chevrolet	2011	2011	2018
Truck 1-ton	Ford	2010	2010	2017
STREET LIGHTING				
Truck w/ Arial lift	Ford	2009	2008	2018
Pickup	Chevrolet	2012	2012	2019
PARKS				
Truck w/ Arial lift	Chevrolet	2008	2008	2018
Pickup	Chevrolet	2013	2013	2020
Van	Chevrolet	2013	2013	2020
Truck w/ Dump body	Chevrolet	2012	2012	2020
Pickup	Ford	2010	2010	2017
Pickup	Ford	2010	2010	2017
Pickup 1-ton w/ Dump body	Ford	2010	2010	2017
Pickup	Ford	2010	2010	2017
Skid Steer Loader	Bobcat	-	2005	Unscheduled
SERVICE CENTER				

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
Front-End Loader	Case	2011	2011	2021
WATER				
Pickup	Chevrolet	2013	2013	2020
Pickup	Chevrolet	2013	2013	2020
Pickup	Chevrolet	2011	2011	2018
Pickup	Ford	2010	2010	2017
WATER				
Truck-4 ½ Ton w/ Flusher	Ford	2011	2011	2018
Dump Truck	Freightliner	2008	2008	2018
Truck 1-ton	Ford	2010	2010	2017
Loader/Backhoe	John Deere	2012	2012	2020
Backhoe	Ford	2004	2004	2014



TECHNOLOGY REPLACEMENT FUND

Effective with the FY 2014 Budget, the Town has created a separate fund for accounting for its investment in technology equipment. This type of equipment includes computers, servers, radios, telephones, and networking assets. All assets are scheduled for replacement based upon estimated useful life that covers the respective warranty periods of the assets.

This budget provides funding for the purchase and/or upgrade of the following technology related assets:

- Various Workstations and Servers (\$240,251);
- Mobile Vision System for the Department of Public Safety (\$72,594);
- Emergency 9-1-1 CAD System Upgrade (\$77,235); and
- Dispatch Call Center Recording System (\$20,563).

The basis of accounting used for budget development and presentation for the Technology Replacement Fund is the accrual basis with the exception that capital purchases are reported as expenditures and depreciation is not included in budgeted expenditures.

STATEMENT OF REVENUES & EXPENDITURES

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ -	\$ 979,458	\$ 979,458	\$ 1,227,254
REVENUES/SOURCES OF FUNDS				
Interest	\$ -	\$ 2,000	\$ 303	\$ 1,000
Sale of Assets	-	2,000	1,400	2,000
Contributions	-	-	-	-
Total Revenues	\$ -	\$ 4,000	\$ 1,703	\$ 3,000
Transfers	-	355,655	328,691	416,081
Total Revenues/Sources	\$ -	\$ 359,655	\$ 330,394	\$ 419,081
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ 250	\$ 300	\$ 1,000
Technology Equipment Acquisition	-	133,300	82,298	410,643
Total Expenditures	\$ -	\$ 133,550	\$ 82,598	\$ 411,643
Transfers	-	-	-	-
Total Expenditures/Uses	\$ -	\$ 133,550	\$ 82,598	\$ 411,643
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ -	\$ 226,105	\$ 247,796	\$ 7,438
ENDING FUND BALANCE	\$ 979,458	\$ 1,205,563	\$ 1,227,254	\$ 1,234,692

BUILDING MAINTENANCE & INVESTMENT FUND

The Building Maintenance and Investment Fund was established to insure adequate funding for the maintenance and operation of the Town's newly renovated Town Hall as well as the Town's Service Center, which houses Parks and Public Works operations. A major objective of the FY 2015 fiscal year will be the development of a replacement schedule of major equipment and materials of the Town Hall building.

Revenues to support the budget of this fund are derived from transfers from the General and Utility Fund based on the number of employees within each fund that utilize the Town Hall and Service Center buildings. With completion of a maintenance and replacement schedule, future funding will be computed accordingly.

This budget continues the effort to build a reserve for future major capital outlays.

STATEMENT OF REVENUES & EXPENDITURES

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ -	\$ 213,230	\$ 213,364	\$ 289,726
REVENUES/SOURCES OF FUNDS				
Interest	\$ 44	\$ -	\$ 1,300	\$ 1,000
Miscellaneous	-	-	500	16,000
Total Revenues	\$ 44	\$ -	\$ 1,800	\$ 17,000
Transfers	213,320	303,675	303,675	315,539
Total Revenues/Sources	\$ 213,364	\$ 303,675	\$ 305,475	\$ 332,539
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ 26,350	\$ 20,552	\$ 15,980
Services & Charges	-	169,155	175,391	204,559
Capital Outlay	-	20,590	20,590	20,000
Total Expenditures	\$ -	\$ 216,095	\$ 216,533	\$ 240,539
Transfers	-	12,580	12,580	-
Total Expenditures/Uses	\$ -	\$ 228,675	\$ 229,113	\$ 240,539
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 213,364	\$ 75,000	\$ 76,362	\$ 92,000
ENDING FUND BALANCE	\$ 213,364	\$ 288,364	\$ 289,726	\$ 381,726

COURT TECHNOLOGY FUND

In 1999, the Texas Legislature authorized the local option for cities to impose a \$4.00 fee on municipal court convictions for funding technological improvements and enhancements in the local courts. The enabling legislation limits the use of these collected funds "... to finance the purchase of or to maintain technological enhancements for a court" (Article 102.0173, Chapter 102, Texas Code of Criminal Procedure). The Town adopted the necessary ordinance and began collecting this fee in accordance with this statute.

The Town has used these funds to acquire replacement computers, imaging software for case archiving, maintenance and upgrades to the case management system and website administration costs to enable online fine payment.

This Budget includes appropriations for software, hardware, website maintenance contracts, and other Court technology related expenditures (\$21,640).

The basis of accounting for the Court Technology Fund is the modified accrual basis.

STATEMENT OF REVENUES & EXPENDITURES

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ 54,077	\$ 73,707	\$ 73,709	\$ 29,372
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 31,290	\$ 30,000	\$ 27,113	\$ 30,000
Interest	58	20	175	200
Total Revenues	\$ 31,348	\$ 30,020	\$ 27,288	\$ 30,200
Transfers	-	-	-	-
Total Revenues/Sources	\$ 31,348	\$ 30,020	\$ 27,288	\$ 30,200
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 2,560	\$ 2,950	\$ 2,650	\$ 5,565
Service & Charges	9,156	15,000	8,975	16,075
Capital Outlay	-	59,950	60,000	-
Total Expenditures/Uses	\$ 11,716	\$ 77,900	\$ 71,625	\$ 21,640
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 19,632	\$ (47,880)	\$ (44,337)	\$ 8,560
Fund Balance	\$ 73,709	\$ 25,829	\$ 29,372	\$ 37,932

COURT SECURITY FUND

In 1993, the Texas Legislature authorized the local option for cities to impose a \$3.00 fee on municipal court convictions for funding security related costs in the local courts. The Town adopted the necessary ordinance and began collecting this fee in accordance with this statute.

The Town has used these funds to acquire security glass at the court clerks work area, “bullet proofing” the judges desk, court room/building burglar and fire alarm services and bailiff services during court proceedings.

This Budget provides for a transfer of \$21,000 to the General Fund for the services of the part-time position of Town Marshall/Bailiff added in the FY 2015 Budget (General Fund – Municipal Court operations) and a \$140,000 transfer to the Capital Projects Fund toward the implementation of a new Town-wide IT system that is a key element in the DPS Communications and Town Hall Remodeling Project.

The basis of accounting for the Court Security Fund is the modified accrual basis.

STATEMENT OF REVENUES & EXPENDITURES

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ 4,870	\$ 8,443	\$ 8,444	\$ 2,946
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 23,467	\$ 22,000	\$ 20,675	\$ 21,000
Interest	8	100	17	15
Total Revenues	\$ 23,475	\$ 22,100	\$ 20,692	\$ 21,015
Transfers	-	-	-	-
Total Revenues/Sources	\$ 23,475	\$ 22,100	\$ 20,692	\$ 21,015
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ 324	\$ -	\$ 165	\$ 250
Capital Outlay	-	-	-	-
Total Expenditures	\$ 324	\$ -	\$ 165	\$ 250
Transfers	19,577	22,000	26,025	21,000
Total Expenditures/Uses	\$ 19,901	\$ 22,000	\$ 26,190	\$ 21,250
Excess Revenues/Sources Over Expenditures/Uses	\$ 3,574	\$ 100	\$ (5,498)	\$ (235)
ENDING FUND BALANCE	\$ 8,444	\$ 8,544	\$ 2,946	\$ 2,711

DPS TECHNOLOGY FUND

The Department of Public Safety Technology Fund was established during FY 2014 to account for receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety, specifically resources received from the subleasing of telecommunications facilities located on Town property. These resources will be used to fund technological improvements related to public safety within the Town. Revenues for FY 2015 are anticipated to be \$73,210 with an accumulated fund balance projected to be \$97,080

STATEMENT OF REVENUES & EXPENDITURES

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ 23,895
REVENUES/SOURCES OF FUNDS				
Interest	\$ -	\$ -	\$ 10	\$ 10
Fiber line Lease Receipts	-	18,500	36,450	73,200
Total Revenues	\$ -	\$ 18,500	\$ 36,460	\$ 73,210
Transfers	-	-	-	-
Total Revenues/Sources	\$ -	\$ 18,500	\$ 36,460	\$ 73,210
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ -	\$ 20	\$ 25
Technology Equipment Acquisition	-	12,665	12,545	-
Total Expenditures	\$ -	\$ 12,665	\$ 12,565	\$ 25
Transfers	-	-	-	-
Total Expenditures/Uses	\$ -	\$ 12,665	\$ 12,565	\$ 25
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ -	\$ 5,835	\$ 23,895	\$ 73,185
ENDING FUND BALANCE	\$ -	\$ 5,835	\$ 23,895	\$ 97,080

CAPITAL PROJECTS FUND

The Capital Projects Fund is the financial structure used for the accounting of the receipt of resources (revenues and transfers) and the use of resources for capital expenditures of \$100,000 and greater. The basis of accounting for the Capital Projects Fund is the modified accrual basis.

Since 1980, the Town has been aggressive in funding all capital outlay and large dollar maintenance needs through current revenues and reserves. The Town has been able to fund well over \$40,000,000 in its capital program without incurring additional debt.

The FY 2015 Combined Budget includes transfers to the Capital Projects Fund from the General and Utility Funds. The detail regarding these transfers is presented on pages 82 and 98, respectively. In addition to these transfers, the Town's Financial Management Policies also provide for the transfer of any annual operating surplus realized by the General Fund for each preceding fiscal year.

With the completion of the major renovation of Town Hall, one of the most extensive projects undertaken by the Town, the Town Council has turned its attention to the maintenance and preservation of the Town's public infrastructure, including road and bridges, utility lines, inlets, parks, traffic signs and signals, and other major technology projects. The budget for the Capital Projects Fund includes \$869,375 for the 2015 right-of-way rehabilitation program and \$100,000 to fund the study of a Town Wide Video and License Plate Recognition System. In addition, this budget includes reimbursement of \$296,148 in personnel costs to the Utility Fund, representing that portion of Engineering Department personnel costs associated with Capital Projects Fund funded projects.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 135.

**CAPITAL PROJECTS FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Adopted
BEGINNING FUND BALANCE	\$ 7,750,182	\$ 979,458	\$ 3,149,883	\$ 1,801,296
REVENUES/SOURCES OF FUNDS				
Interest	\$ 30,476	\$ 5,000	\$ 23,690	\$ 8,500
Miscellaneous	1,263,311	-	698,508	-
Total Revenues	\$ 1,293,787	\$ 5,000	\$ 722,198	\$ 8,500
Transfers	2,361,179	1,606,930	1,879,853	1,946,221
Total Revenues/Sources	\$ 3,654,966	\$ 1,611,930	\$ 2,602,051	\$ 1,954,721
EXPENDITURES/USES OF FUNDS				
Capital Projects	\$ 7,955,718	\$ 3,657,908	\$ 3,662,908	\$ 969,375
Total Expenditures	\$ 7,955,718	\$ 3,657,908	\$ 3,662,908	\$ 969,375
Transfers	299,547	287,730	287,730	296,148
Total Expenditures/Uses	\$ 8,255,265	\$ 3,945,638	\$ 3,950,638	\$ 1,265,523
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ (4,600,299)	\$ (2,333,708)	\$ (1,348,587)	\$ 689,198
ENDING FUND BALANCE	\$ 3,149,883	\$ 816,175	\$ 1,801,296	\$ 2,490,494



PAY PLAN

The Pay Plans incorporated in the Town's FY 2015 Combined Budget are designed to maintain equity in the Town's designated public sector market.

The pay grades for Public Safety positions are structured based on market data for relative duties and responsibilities of the blended police and fire functions. The Public Safety Officer ("PSO") position is the anchor of the pay plan on which all other public safety positions and grades are determined. The midpoint of the new pay range for the PSO position was set at 20% above the weighted average of the police officer position in our target market. The differential of 20% is to recognize the dual discipline duties of police and fire required by the PSO position and public safety supervisors.

The pay plans are designed to incorporate the Town's Pay for Performance ("P4P"), a program that has been very beneficial to the Town and its employees for over twenty (20) years. All employees are evaluated on a quarterly basis for performance and personal goals and job duties. Immediate compensation for performance is tied to the evaluation on a scale of 0-7% of each employee's grading period base pay. The average performance rating over the preceding twelve (12) months determines the level within each pay grade that an employee will achieve from one budget year to the next.

Under the Town's Wellness Program employees may earn up to an additional 2% of base pay for participation in and satisfactory completion of a battery of physical fitness tests, designed to promote a physically sound and healthy lifestyle.

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
NON-EXEMPT EMPLOYEES
FISCAL YEAR 2015**

Grade	Position	Minimum	Maximum
8	Chief Building Inspector Communications Supervisor Development Services Manager Foreman	\$80,766	\$116,667
7	Project Engineer Town Secretary/Administrative Secretary	\$70,232	\$101,449
6	Accreditation Manager Building Inspector Construction Coordinator Customer Service Supervisor Support Services Supervisor	\$61,071	\$88,216
5	Accountant Construction Inspector Electrical/Mechanical Tech Engineering Tech Project Coordinator Support Services Officer	\$53,105	\$76,710
4	Communications Specialist Court Clerk Library Assistant Parks Maintenance Specialist Secretary II Senior Accounting Tech Public Works Maintenance Worker III	\$46,178	\$66,705
3	Accounting Technician Building Permit Tech Deputy Court Clerk Customer Service Specialist II Parks Maintenance Worker II Public Works Maintenance Worker II	\$40,155	\$58,003
2	Customer Service Specialist I Library Associate Public Works Maintenance Worker I Secretary I	\$34,917	\$50,438
1	Parks Maintenance Worker I	\$30,363	\$43,859

Base Minimum and Base Maximum reflect the range within each grade, including Pay for Performance (“P4P”), but is net of any incentives.

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
PUBLIC SAFETY PERSONNEL
FISCAL YEAR 2015**

Grade	Position	Minimum	Maximum
G	Captain	\$121,058	\$142,486
F	Lieutenant	\$105,268	\$123,901
E	Sergeant	\$91,537	\$107,740
D	Unassigned	-	-
C	Public Safety Officer	\$71,038	\$91,213
B	Fire Fighter Police Officer	\$59,198	\$69,676
A	Public Safety Apprentice	\$56,508	\$60,463

Base Minimum and Base Maximum reflect the range within each grade, including the maximum achievement possible through Pay for Performance (“P4P”), but is net of any incentives.

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
EXEMPT POSITION
FISCAL YEAR 2015**

Grade	Position	Minimum	Maximum
E-4	Director of Public Safety	\$154,794	\$201,231
E-3	Director of Fiscal & Human Resources Director of Town Services Town Engineer	\$140,721	\$182,937
E-2	Assistant Director of Public Safety	\$133,702	\$173,813
E-1	Librarian IT Manager Controller	\$100,226	\$130,294
E	Librarian I	\$80,766	\$116,667

PAY INCENTIVES AND ENHANCEMENTS

Additional training and responsibilities are required of numerous Town job positions. Pay incentives have been incorporated in the 2011-2012 graded pay plans for these factors. The following schedule shows how incentives are calculated into the respective employee pay level.

Emergency Medical Technician	+2%
Crew Chief/Section Supervisor/Utility System Certification	+5%
Public Safety Investigator Assignment	+7.5%
Paramedic	+8%
Foreman of More Than One Department	+10%/Dept

All employees under the Town's graded pay plan are eligible for the Town's Pay for Performance program under which each employee can achieve additional compensation, up to 7% of base pay, based on a performance evaluation as it relates to the accomplishments of the goals and objectives of each respective department and the department's annual work plan.

Employees may also earn an additional 2% of base pay by meeting minimum physical fitness standards in the Town's Wellness Program.

COMMUNITY INFORMATION

HIGHLAND PARK, TEXAS

HISTORY

In 1837, after a savage Indian battle, the remnants of a Texas Ranger scouting expedition camped in a lovely spot along "the creek with all the turtles". These survivors were the first recorded Anglo-Americans in the area that is now known as Highland Park.

A year later, an old Caddo Indian trace was surveyed by the Republic of Texas to become part of a National Central Road to run north from Austin to the Red River. This road was also used as a segment of the old Shawnee Trail for cattle drives to Missouri. Today that road is known as Preston Road, the first paved street in Highland Park and one of the first major highways in this area.

In 1843, Dr. John Cole, of Virginia, acquired 420 acres as a headright from the Republic of Texas. This acreage includes the area of what was to become both Highland Park and University Park. In 1851, this land was inherited by Dr. Cole's son, Joseph Larkin Cole.

Between 1886 and 1889, Colonel Henry Exall, of Kentucky and Virginia, along with other investors, acquired the Cole property. Colonel Exall constructed a dam on Turtle Creek in 1890, creating Exall Lake, and began laying out the graveled streets. After a financial setback, Colonel Exall farmed and raised trotting horses in this area he called Lomo Alto (high land).

In 1907, John S. Armstrong purchased the land and along with his two sons-in-law, Edgar L. Flippen and Hugh E. Prather, Sr. began development of a residential community to be called Highland Park, so named because of its higher elevation as compared to the surrounding area and because of a plan to reserve 20% of the developed land for parks. The plans for the development of the area were laid out by Wilbur David Clark who had laid out Beverly Hills, California, and the first lots were sold in 1909, in an area bounded by Armstrong, Abbott and Gillon Avenues and Hackberry Creek.

In 1913, the Town was incorporated by a vote of its residents and the evolution of present day Highland Park began.

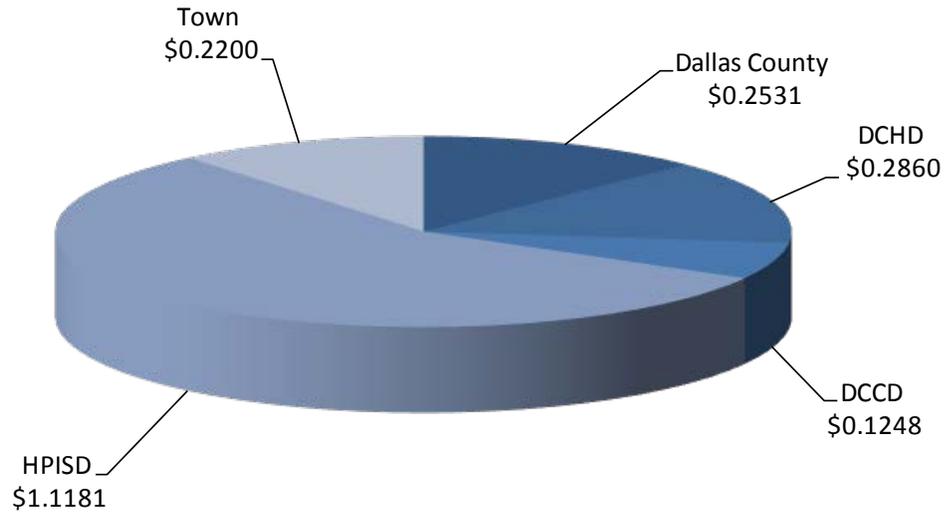
LOCATION

Highland Park is located approximately three miles north of the center of Dallas, two miles from Love Field and thirty minutes from the Dallas/Fort Worth International Airport. The Township encompasses 2.26 square miles and has an estimated 8,850 residents.

Highland Park is traversed by Turtle Creek and Hackberry Creek, the natural beauty of which has been enhanced by the Town and private property owners through landscaping and lakes.

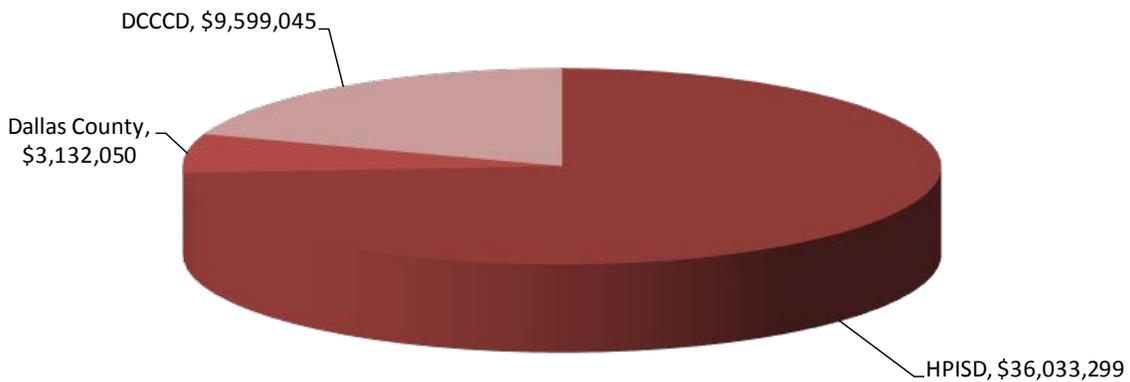
TOWN OF HIGHLAND PARK

Direct and Overlapping Property Tax Rates



Per \$100 Taxable Valuation

Direct and Overlapping Debt



Per Capita Debt –\$5,529

The Town and DCHD have no outstanding debt

DCHD – Dallas County Hospital District
DCCCD – Dallas County Community College District
HPISD – Highland Park Independent School District

TOWN OF HIGHLAND PARK
Appraised and Taxable Property Values
Current and Last Ten (10) Tax Years

Tax Year	Appraised Property Value			Taxable Value
	Real Property	Business Personal Property	Total	
2005	3,994,531,597	50,752,590	4,045,284,187	3,175,218,560
2006	4,642,666,780	46,477,560	4,689,144,340	3,586,764,140
2007	5,200,150,870	53,984,270	5,254,135,140	4,011,360,559
2008	5,562,599,420	55,586,640	5,618,186,060	4,337,523,911
2009	5,670,130,390	60,667,890	5,730,798,280	4,517,538,629
2010	5,459,810,500	59,316,040	5,519,126,540	4,421,941,832
2011	5,407,849,850	56,732,470	5,464,582,320	4,405,824,652
2012	5,423,170,690	61,252,130	5,484,422,820	4,446,174,261
2013	5,580,077,680	72,506,290	5,652,583,970	4,578,113,028
2014	6,040,379,500	79,298,850	6,119,678,350	4,924,756,994

The difference between the appraised value and the taxable value represents that value that is exempted from taxation due to 1) an optional 20% Homestead exemption; 2) a \$50,000 over 65 exemption; 3) reappraisal value that exceeds the 10% per year cap; and 4) other exemptions provided under the Texas Property Tax Code.

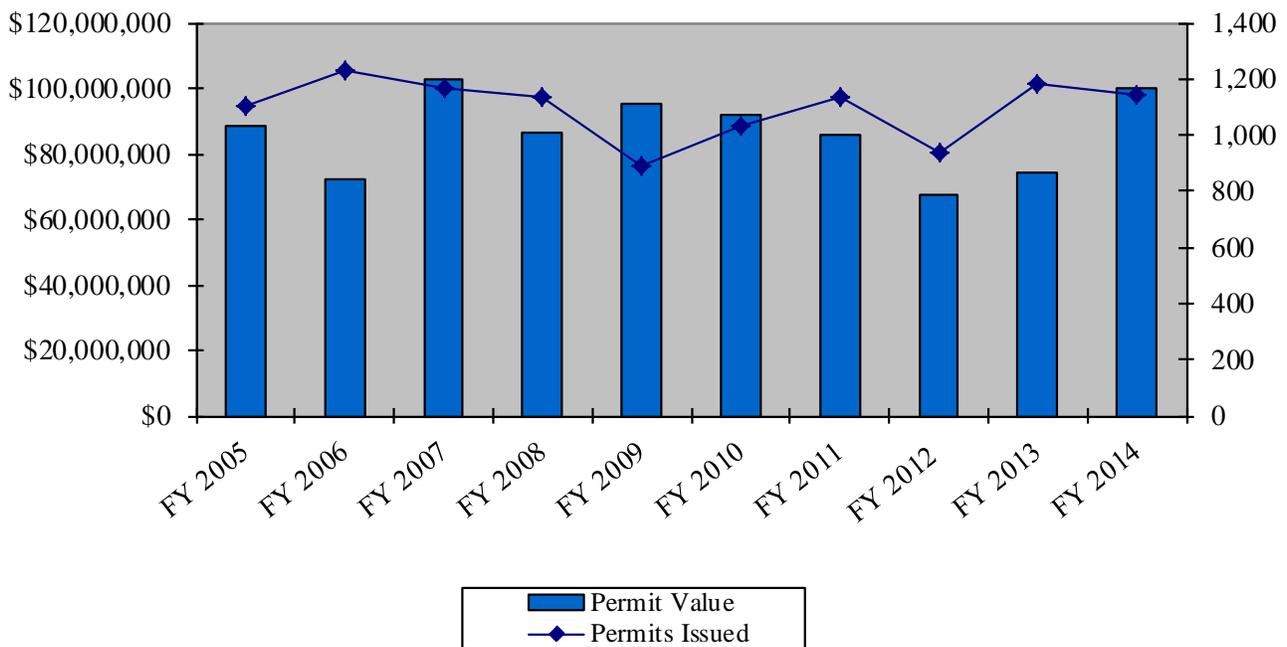
PRINCIPAL TAXPAYERS - 2014 TAX ROLL

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Taxable Valuation</u>	<u>% of Taxable Valuation</u>
HP Village Partners LP	Commercial	\$ 130,004,050	2.64%
Muse, John R	Residential	23,740,456	0.52%
Dallas Country Club	Commercial	20,140,230	0.44%
Crow, Harlan	Residential	19,949,952	0.43%
L & B Depp UCEPP 5500	Commercial	18,767,000	0.41%
Mitchell, Amy	Residential	17,478,088	0.38%
Cox, Edwin L Trust	Residential	16,983,184	0.37%
Intercity Investment	Commercial	14,744,830	0.32%
Highland Park Shops LLC	Commercial	14,335,900	0.31%
Crousen Guinn D	Residential	13,957,480	0.30%

**Town of Highland Park
Construction and Property Values
Last Ten Fiscal Years**

<u>Commercial Construction</u>			<u>Residential Construction</u>		<u>Property Value</u>	
<u>Fiscal Year</u>	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>	<u>Real Property</u>	<u>Personal Property</u>
2005	16	1,771,229	1,089	86,778,948	\$ 4,045,284,187	54,296,025
2006	30	3,261,489	1,198	69,202,875	\$ 4,689,144,340	46,470,240
2007	20	3,157,626	1,149	99,673,538	\$ 5,254,135,140	46,466,590
2008	22	8,626,739	1,113	77,757,810	\$ 5,618,186,060	54,237,020
2009	21	41,335,048	870	53,601,984	\$ 2,730,798,280	56,490,150
2010	31	19,975,233	1,004	72,021,698	\$ 5,519,126,540	61,504,450
2011	38	8,985,914	1,097	76,604,257	\$ 5,464,582,320	69,937,910
2012	34	3,235,348	903	64,144,609	\$ 5,484,422,820	56,732,470
2013	33	4,517,931	1,150	69,905,735	\$ 5,652,583,970	61,252,130
2014	34	8,632,850	1,110	91,191,908	\$ 6,119,678,350	72,506,290

Building Inspection Department Activity



HISTORICAL REVENUE & EXPENDITURE TREND DATA

**TOWN OF HIGHLAND PARK
REVENUE HISTORY TREND DATA
BY MAJOR SOURCE**

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011
Property Taxes	\$ 7,236,979	\$ 8,006,949	\$ 8,810,756	\$ 9,489,356	\$ 9,916,353	\$ 9,709,443
Water Sales	4,342,297	3,274,740	4,010,940	4,454,732	4,310,020	5,785,103
Sanitary Sewer Charges	2,417,253	2,097,488	2,405,417	2,766,697	2,532,334	2,739,169
Sales Tax	2,150,367	2,236,280	2,404,371	2,329,480	2,385,863	2,564,337
Sanitation & Recycling Charges	994,550	1,016,162	1,166,990	1,221,634	1,220,700	1,254,786
Franchise Fees	948,247	917,895	978,380	1,030,631	948,318	995,485
Building Activity Fees	906,374	1,355,612	830,270	988,221	1,002,463	961,466
Court Fines/Fees	773,133	747,548	680,151	662,569	676,094	728,147
Interest on Investments	850,824	1,230,961	1,033,985	449,027	265,916	129,195
Other Charges for Service	1,500,118	1,424,647	1,598,306	1,650,295	1,334,517	1,467,229
Storm Water Drainage Fees	181,182	179,654	181,050	179,019	181,507	186,581
All Other	544,704	1,271,763	3,885,857	1,871,547	609,681	877,368
Total	\$ 22,846,028	\$ 23,759,699	\$ 27,986,473	\$ 27,093,208	\$ 25,383,766	\$ 27,398,309

Source: Actual Column of Prior Year Budget Documents.

<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Projected FY 2014</u>	<u>Adopted FY 2015</u>
\$ 9,657,658	\$ 9,689,485	\$ 10,054,770	\$ 10,760,424
5,442,217	5,576,020	5,665,799	5,941,599
2,591,081	2,668,813	2,619,131	2,680,000
2,923,273	2,952,203	3,315,600	3,275,000
1,254,087	1,242,590	1,244,000	1,271,596
1,078,503	965,140	1,023,960	1,031,000
980,357	1,030,649	1,238,500	1,196,000
685,854	839,826	745,188	786,000
92,310	60,187	58,921	41,825
1,951,688	1,821,027	1,030,930	1,034,000
363,265	352,908	374,340	385,140
<u>786,540</u>	<u>2,262,525</u>	<u>1,514,700</u>	<u>838,411</u>
\$ 27,806,833	\$ 29,461,373	\$ 28,885,839	\$ 29,240,995

**TOWN OF HIGHLAND PARK
EXPENDITURE HISTORY TREND DATA
BY TYPE FOR ALL FUNDS SUBJECT TO APPROPRIATION**

	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011
Personnel						
Payroll	\$ 8,244,162	\$ 8,588,227	\$ 9,671,899	\$ 9,789,847	\$ 10,442,258	\$ 10,142,629
Benefits	2,936,478	3,021,312	3,402,958	3,535,592	3,454,300	3,313,033
Subtotal	\$ 11,180,640	\$ 11,609,539	\$ 13,074,857	\$ 13,325,439	\$ 13,896,558	\$ 13,455,662
Supplies & Equipment	2,460,740	2,002,554	2,550,896	2,413,197	2,895,333	3,727,917
Services & Charges	4,860,109	4,123,949	4,907,384	5,398,309	4,665,962	4,251,555
Capital Outlay	2,444,817	11,502,862	4,273,854	2,090,784	4,409,399	6,974,590
Debt Service	-	-	-	-	-	-
Total	\$ 20,946,306	\$ 29,238,904	\$ 24,806,991	\$ 23,227,729	\$ 25,867,252	\$ 28,409,724

Source: Actual Column of Prior Year Budget Documents.

Actual FY 2012	Actual FY 2013	Projected FY 2014	Adopted FY 2015
\$ 10,705,530	\$ 11,139,374	\$ 11,620,090	\$ 11,898,145
2,884,800	2,783,687	2,927,785	2,958,196
\$ 13,590,330	\$ 13,923,061	\$ 14,547,875	\$ 14,856,341
3,578,680	3,830,378	3,870,944	4,055,892
5,003,252	5,236,432	5,159,681	5,406,914
13,371,122	10,326,570	5,602,212	3,878,278
-	-	-	-
\$ 35,543,384	\$ 33,316,441	\$ 29,180,712	\$ 28,197,425

TOWN OF HIGHLAND PARK
HISTORICAL WATER SALES BY SERVICE TYPE
1,000 GALLONS

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Irrigation Only</u>	<u>Town Use</u>	<u>Total</u>	<u># Service Accounts</u>
2006	570,390	58,423	678,935	56,129	1,363,877	5,184
2007	456,690	53,938	410,182	24,698	945,508	5,258
2008	480,575	57,300	528,802	42,439	1,109,116	5,290
2009	467,293	52,707	572,186	38,416	1,130,602	5,333
2010	422,274	45,382	478,515	34,266	980,437	5,361
2011	471,920	43,182	668,402	52,296	1,235,800	5,382
2012	436,204	43,522	617,168	42,031	1,138,925	5,389
2013	408,100	45,500	595,900	45,400	1,094,900	5,416
2014	389,617	41,485	528,557	37,066	996,725	5,416
2015 *	367,869	39,169	499,053	34,997	941,088	5,445

*Projected

**OPERATIONAL CAPITAL, MAINTENANCE PROJECTS AND NEW PROGRAM
REQUESTS**

Town of Highland Park
 Combined Schedule of Operational Capital, Maintenance Project, and New Program Requests
 For the Fiscal Year Ending September 30, 2015

Fund	Dept	Department	Item Description	Type of Request
01	002	Public Safety	Benelli Shotguns	Operating Capital
01	002	Public Safety	Various Fitness Equipment Replacement	Operating Capital
01	002	Public Safety	SNAP Trends	New Program(s)/Service(s)
01	002	Public Safety	VieVu Body Worn Camera Systems	Operating Capital
01	002	Public Safety	L3 Mobile Vision System	Operating Capital
01	002	Public Safety	Bullard Thermal Imaging System	Operating Capital
01	002	Public Safety	Intrado Viper 9-1-1 System Upgrade	Operating Capital
01	002	Public Safety	NICE Dispatch Recording System	Operating Capital
01	002	Public Safety	DPS Operational Efficiency Study	Contracted Service
01	002	Public Safety	Adventos SmartForce - SharePoint Solution for Law Enforcement	New Program(s)/Service(s)
				Subtotal Public Safety
01	005	Street	Asphalt Vibratory Roller (Split Funding Operating Budget)	Operating Capital
				Subtotal Street
01	007	Library	Access to New Learning/Educational Databases	New Program(s)/Service(s)
				Subtotal Library
01	008	Parks	LED Christmas Lights Conversion Project	New Program(s)/Service(s)
				Subtotal Parks
01	009	Swimming Pool Operations	Diving Board Replacement	Operating Capital
				Subtotal Swimming Pool Operations
01	017	Information Technology	WAN Fiber Network for Service Center	New Program(s)/Service(s)
01	017	Information Technology	Disaster Recovery Server Core	New Program(s)/Service(s)
				Subtotal Information Technology
				Total- General Fund
20	022	Water Department	Equipment Essential for System Maintenance	Operating Capital
20	022	Water Department	Water Conservation Coordinator Position & Materials	New Program(s)/Service(s)
				Subtotal Water Department
				Total- Utility Fund
24	013	Service Center	Automated Fuel Tank Gauge Mgmt. System*	Operating Capital
24	013	Service Center	Service Center Security Gate Replacement	Operating Capital
				Subtotal Service Center
24	014	Municipal Buildings	Town Hall Landscape Maintenance Program	Maintenance Project(s)
				Subtotal Municipal Buildings
				Total Building Maintenance Fund
				Grand Total- All Funds

* Requires ongoing annual maintenance of \$1,320.

Status		Funding Source
Approved	Deferred	
	15,400	
	20,000	
12,500		General Fund
10,800		General Fund
72,594		Technology Replacement Fund
	13,491	
77,235		Technology Replacement Fund
20,563		Technology Replacement Fund
	50,000	
30,120		General Fund
<u>223,812</u>	<u>98,891</u>	
9,745		Equipment Replacement Fund
3,755		General Fund
<u>13,500</u>	-	
5,600		General Fund
<u>5,600</u>	-	
	14,500	
-	14,500	
3,000		General Fund
<u>3,000</u>	-	
	32,560	
	63,586	
-	96,146	
<u>245,912</u>	<u>209,537</u>	
20,000		Utility Fund
	113,230	
<u>20,000</u>	<u>113,230</u>	
20,000	113,230	
6,000		Building Maintenance Fund
14,000		Building Maintenance Fund
<u>20,000</u>	-	
	50,000	
-	50,000	
20,000	50,000	
<u>285,912</u>	<u>372,767</u>	



FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

TOWN OF HIGHLAND PARK, TEXAS
CAPITAL PROJECTS FUND
FISCAL YEARS 2015-2019

<u>Department</u>	<u>Project/Funding Source</u>	<u>2014-15</u>	<u>2015-16</u>
<i>Beginning Balance</i>		\$ 1,801,296	\$ 2,542,518
<i>Annual Project Funding</i>			
	General Fund CIP Transfer	\$ 1,045,453	\$ 1,067,408
	General Fund 5% Solid Waste Transfer	63,580	64,216
	Utility Fund 5% W&S Transfer	420,980	425,190
	One-time General Fund Transfer	67,183	-
	Increased CIP Revenue from Growth in Property Values	328,449	309,425
	Intergovernmental Revenue	-	893,160
	Transfer from DPS Technology Fund	72,600	108,900
	Interest Revenue	8,500	12,379
<i>Total Annual Project Funding</i>		\$ 2,006,745	\$ 2,880,678
<i>Expenditures</i>			
DPS	Town Wide Video & LPR System Study	\$ 100,000	\$ -
DPS	Project 25 Dallas City/County Radio System	-	-
Parks & Recreation	Flippen Park Improvements	-	-
Engineering	Street Resurfacing & Miscellaneous Concrete	869,375	888,501
Engineering	Preston Road Rehabilitation	-	1,786,320
Engineering	Livingston Avenue Rehabilitation	-	-
Engineering	Lakeside Drive Rehabilitation	-	-
Engineering	Armstrong Parkway Rehabilitation	-	-
	Project Personnel Costs	296,148	303,552
<i>Total Expenditures</i>		\$ 1,265,523	\$ 2,978,373
<i>Ending Balance</i>		\$ 2,542,518	\$ 2,444,823
<i>Ideal Fund Balance</i>		\$ 2,000,000	\$ 2,000,000
<i>Over(Under) Ideal Fund Balance</i>		\$ 542,518	\$ 444,823

Note: Town Staff will be working with the Town's Finance and Audit Advisory Committee to address projected shortfalls in out years.



<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>Total</u>
\$ 2,444,823	\$ 2,140,305	\$ 1,165,694	\$ 1,801,296
\$ 1,089,824	\$ 1,112,710	\$ 1,136,077	\$ 5,451,472
64,858	65,507	66,162	324,323
429,442	433,736	438,073	2,147,421
-	-	-	67,183
321,203	335,788	303,440	1,598,305
659,760	-	390,360	1,943,280
145,200	145,200	145,200	617,100
11,904	10,421	5,676	48,880
\$ 2,722,191	\$ 2,103,362	\$ 2,484,988	\$ 12,197,964
\$ -	\$ -	\$ -	\$ 100,000
-	334,148	334,148	668,296
110,000	-	-	110,000
908,048	928,025	948,442	4,542,391
1,319,520	-	-	3,105,840
378,000	-	-	378,000
-	1,496,880	-	1,496,880
-	-	780,720	780,720
311,141	318,920	326,893	1,556,654
\$ 3,026,709	\$ 3,077,973	\$ 2,390,203	\$ 12,738,781
\$ 2,140,305	\$ 1,165,694	\$ 1,260,479	\$ 1,260,479
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 140,305	\$ (834,306)	\$ (739,521)	\$ (739,521)

TOWN OF HIGHLAND PARK, TEXAS
STORM WATER FUND
FISCAL YEARS 2015-2019

<u>Department</u>	<u>Project/Funding Source</u>	<u>2014-15</u>	<u>2015-16</u>
<i>Beginning Balance</i>		\$ 628,116	\$ 620,601
<i>Annual Project Funding</i>			
	Charges for Services net of Operating Expenses	\$ 298,540	\$ 304,722
<i>Total Annual Project Funding</i>		<u>\$ 298,540</u>	<u>\$ 304,722</u>
 <i>Expenditures</i>			
Parks & Recreation	Douglas Park Drainage Improvement	\$ -	\$ 105,000
Engineering	Exall Lake Dredging & Silt Removal - Study	45,000	-
Engineering	Conner Park Shoreline Stabilization & Silt Removal - Study	75,000	-
Engineering	Hackberry Creek Stream Bank Restoration - Study	75,000	-
	Project Personnel Costs	<u>111,055</u>	<u>113,831</u>
<i>Total Expenditures</i>		<u>\$ 306,055</u>	<u>\$ 218,831</u>
<i>Ending Balance</i>		<u><u>\$ 620,601</u></u>	<u><u>\$ 706,492</u></u>



<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>Total</u>
\$ 706,492	\$ 900,848	\$ 1,098,727	\$ 628,116
\$ 311,033	\$ 317,473	\$ 324,047	\$ 1,555,815
\$ 311,033	\$ 317,473	\$ 324,047	\$ 2,183,931
\$ -	\$ -	\$ -	\$ 105,000
-	-	-	45,000
-	-	-	75,000
-	-	-	75,000
116,677	119,594	122,584	583,741
\$ 116,677	\$ 119,594	\$ 122,584	\$ 883,741
\$ 900,848	\$ 1,098,727	\$ 1,300,190	\$ 1,928,306

TOWN OF HIGHLAND PARK, TEXAS

UTILITY FUND

FISCAL YEARS 2015-2019

<u>Department</u>	<u>Project/Funding Source</u>	<u>2014-15</u>	<u>2015-16</u>
<i>Beginning Balance</i>		\$ -	\$ (2,107)
<i>Annual Project Funding</i>			
	Capital Funding Allocation	\$ 1,922,443	\$ 1,964,737
	Intergovernmental Revenue	550,000	-
<i>Total Annual Project Funding</i>		<u>\$ 2,472,443</u>	<u>\$ 1,964,737</u>
<i>Expenditures</i>			
Engineering	Turtle Creek 30-Inch Sanitary Sewer Interceptor Impr.	\$ 1,100,000 *	\$ -
Engineering	New Pump Station & Discharge Line at Gillon Pump Station	-	475,000
Engineering	Water Conservation Demonstration Garden (Flippen Park)	274,550	-
Engineering	Water & Sanitary Sewer Infrastructure Replace./Rehab.	<u>1,100,000</u>	<u>1,400,000</u>
<i>Total Expenditures</i>		<u>\$ 2,474,550</u>	<u>\$ 1,875,000</u>
<i>Ending Balance</i>		<u>\$ (2,107)</u>	<u>\$ 87,630</u>

* This amount includes the \$550,000 that will be funding from external resources. Once the funding is secured, the capital budget of the Utility Fund will be amended to reflect this amount.



<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>Total</u>
\$ 87,630	\$ 95,591	\$ 103,727	\$ -
\$ 2,007,961	\$ 2,052,136	\$ 2,097,283	\$ 10,044,560
-	-	-	550,000
<u>\$ 2,007,961</u>	<u>\$ 2,052,136</u>	<u>\$ 2,097,283</u>	<u>\$ 10,594,560</u>
\$ -	\$ -	\$ -	\$ 1,100,000
-	-	-	475,000
-	-	-	274,550
<u>2,000,000</u>	<u>2,044,000</u>	<u>2,088,968</u>	<u>8,632,968</u>
<u>\$ 2,000,000</u>	<u>\$ 2,044,000</u>	<u>\$ 2,088,968</u>	<u>\$ 10,482,518</u>
<u>\$ 95,591</u>	<u>\$ 103,727</u>	<u>\$ 112,042</u>	<u>\$ 112,042</u>



10-YEAR FINANCIAL FORECAST



10-YEAR FINANCIAL FORECAST BASIC ASSUMPTIONS

General Fund

Revenues:

- Property tax revenue is based on estimated taxable assessed values and the tax rate projected for each fiscal year. The Town's taxable assessed value is projected to grow at a rate of 5% per year.
- Building and permits revenue is conservatively indexed at 2.5% per year.
- Sales tax is conservatively indexed at 3.5%.
- Interest revenue is based on .49% of fund balance.
- Transfers-in is indexed at 2.2% per year.
- Other operational revenues are indexed based on five-year trends ranging from .83% to 4.71% based on the revenue category.

Expenditures:

- Payroll expense is indexed at 4.5% each year similar to the trend over the last five years.
- Payroll taxes (FICA), Retirement and Health Insurance are projected at a factor of payroll expense based on the percentage of payroll budgeted for each category in the 2015 Proposed Budget.
- While less than five-year trending, "Supplies & Equipment" and "Services and Charges" are projected to grow at 3.5% per year.
- Most capital/Equipment is funded from the Capital Projects Fund, Equipment Replacement Fund and Technology Replacement Fund; however, \$50,000 per year has been allocated starting in fiscal year 2018-19 to address unanticipated capital needs in the General Fund.
- "Transfers to Other Funds" represents the General Fund's portion of funding for future replacement of equipment, technology and building maintenance. This expense is indexed at 2.2% per year.
- Transfers to the Capital Projects Fund is a function of the difference between operating revenues and expenses, while maintaining ideal fund balance (17% of operating expenses) within the General Fund.

Storm Water Fund

Revenues:

- Storm water revenues are indexed each year based on the Consumer Price Index.

Expenditures:

- "Supplies & Equipment" and "Services & Charges" are indexed at 2.2% each year.
- Capital outlay is projected based on identified projects and beginning in fiscal year 2019-20, \$800,000 per year is included in anticipation of future projects.
- Transfers-out is indexed at 2.2% per year.

Utility Fund

Since utility rates are typically set to meet a certain revenue requirement within the Utility Fund, which takes into account the cost of capital expenditures, the Utility Fund is a Pay-as-You-Go scenario. It should be noted that it is not uncommon for cities to use debt to fund relatively large capital improvements to utility systems. The project list presented for the Utility Fund is primarily made up of an annual rehabilitation and replacement program for the Town's water distribution and waste water collection system. Should additional projects be identified during the 10-year window, alternative funding sources may have to be considered.

**TOWN OF HIGHLAND PARK, TEXAS
10- YEAR FINANCIAL MODEL - PAY AS YOU GO
GENERAL FUND & CAPITAL PROJECTS FUND**

GENERAL FUND

Estimated Tax Rate Per \$100 T.A.V.	22 Cents 2014-15	22 Cents 2015-16	22 Cents 2016-17	22 Cents 2017-18
BEGINNING FUND BALANCE	\$ 3,286,118	\$ 3,286,838	\$ 3,421,666	\$ 3,562,159
TOTAL REVENUES	\$ 19,806,231	\$ 20,612,456	\$ 21,455,384	\$ 22,336,070
Transfers from Other Funds	1,067,387	1,090,870	1,114,869	1,139,396
TOTAL REVENUES & TRANSFERS-IN	\$ 20,873,618	\$ 21,703,326	\$ 22,570,253	\$ 23,475,466
TOTAL EXPENDITURES	\$ 18,237,440	\$ 18,971,778	\$ 19,772,780	\$ 20,607,981
Transfers to Capital Projects Fund	1,504,665	1,441,049	1,475,885	1,514,005
Transfers to Other Funds	1,130,793	1,155,670	1,181,095	1,207,079
TOTAL EXPENDITURES & TRANSFERS-OUT	\$ 20,872,898	\$ 21,568,498	\$ 22,429,760	\$ 23,329,065
ENDING FUND BALANCE	\$ 3,286,838	\$ 3,421,666	\$ 3,562,159	\$ 3,708,560
FUND BALANCE MINIMUM	\$ 3,286,841	\$ 3,421,666	\$ 3,562,159	\$ 3,708,560
FUND BALANCE SURPLUS	\$ (3)	\$ (0)	\$ (0)	\$ (0)

CAPITAL PROJECTS FUND

Beginning Balance	\$ 1,801,296	\$ 2,542,518	\$ 2,444,823	\$ 2,140,305
Total Annual Project Funding (1)	2,006,745	2,880,678	2,722,191	2,103,362
Total Expenditures	1,265,523	2,978,373	3,026,709	3,077,973
Ending Balance	\$ 2,542,518	\$ 2,444,823	\$ 2,140,305	\$ 1,165,694
Ideal Fund Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Over(Under) Ideal Fund Balance	\$ 542,518	\$ 444,823	\$ 140,305	\$ (834,306)

PROPERTY TAX ASSUMPTIONS

Property Tax Revenue	\$ 10,764,314	\$ 11,300,780	\$ 11,864,069	\$ 12,455,522
Property Values (2)	\$ 4,926,223,119	\$ 5,172,534,275	\$ 5,431,160,989	\$ 5,702,719,038
Tax Rate	0.22	0.22	0.22	0.22

- (1) Includes funding from other funds and external sources.
(2) Growth in taxable assessed value (T.A.V.) projected at 5% per year.

Note: Town Staff will be working with the Town's Finance and Audit Advisory Committee to address projected shortfalls in out years.

<u>22 Cents</u> <u>2018-19</u>	<u>22 Cents</u> <u>2019-20</u>	<u>22 Cents</u> <u>2020-21</u>	<u>22 Cents</u> <u>2021-22</u>	<u>22 Cents</u> <u>2022-23</u>	<u>22 Cents</u> <u>2023-24</u>
\$ 3,708,560	\$ 3,861,124	\$ 4,020,112	\$ 4,185,801	\$ 4,358,478	\$ 4,538,442
\$ 23,256,272	\$ 24,217,831	\$ 25,222,675	\$ 26,272,827	\$ 27,370,403	\$ 28,517,626
1,164,463	1,190,081	1,216,263	1,243,021	1,270,367	1,298,315
\$ 24,420,735	\$ 25,407,912	\$ 26,438,938	\$ 27,515,848	\$ 28,640,770	\$ 29,815,941
\$ 21,528,857	\$ 22,436,944	\$ 23,383,848	\$ 24,371,247	\$ 25,400,887	\$ 26,474,591
1,505,679	1,551,205	1,600,888	1,655,064	1,714,090	1,778,348
1,233,635	1,260,775	1,288,512	1,316,859	1,345,830	1,375,438
\$ 24,268,171	\$ 25,248,924	\$ 26,273,248	\$ 27,343,170	\$ 28,460,807	\$ 29,628,378
\$ 3,861,124	\$ 4,020,112	\$ 4,185,801	\$ 4,358,478	\$ 4,538,442	\$ 4,726,005
\$ 3,861,124	\$ 4,020,112	\$ 4,185,801	\$ 4,358,478	\$ 4,538,442	\$ 4,726,005
\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0
\$ 1,165,694	\$ 1,260,479	\$ 1,266,954	\$ (492,133)	\$ (439,124)	\$ (353,650)
2,484,988	2,144,996	2,199,136	2,251,612	2,315,151	2,383,968
2,390,203	2,138,521	3,958,223	2,198,603	2,229,677	2,261,461
\$ 1,260,479	\$ 1,266,954	\$ (492,133)	\$ (439,124)	\$ (353,650)	\$ (231,143)
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ (739,521)	\$ (733,046)	\$ (2,492,133)	\$ (2,439,124)	\$ (2,353,650)	\$ (2,231,143)
\$ 13,076,548	\$ 13,728,626	\$ 14,413,307	\$ 15,132,222	\$ 15,887,083	\$ 16,679,687
\$ 5,987,854,990	\$ 6,287,247,740	\$ 6,601,610,127	\$ 6,931,690,633	\$ 7,278,275,164	\$ 7,642,188,923
0.22	0.22	0.22	0.22	0.22	0.22

**TOWN OF HIGHLAND PARK, TEXAS
10- YEAR FINANCIAL MODEL - PAY AS YOU GO
STORM WATER FUND**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
BEGINNING FUND BALANCE	\$ 628,116	\$ 760,461	\$ 835,999	\$ 1,019,784
TOTAL REVENUES	(1) \$ 376,100	\$ 383,998	\$ 392,062	\$ 400,296
Transfers from Other Funds	-	-	-	-
TOTAL REVENUES & TRANSFERS-IN	<u>\$ 376,100</u>	<u>\$ 383,998</u>	<u>\$ 392,062</u>	<u>\$ 400,296</u>
TOTAL EXPENDITURES	(2) \$ 132,700	\$ 194,629	\$ 91,600	\$ 93,615
Transfers to Other Funds	(3) 111,055	113,831	116,677	119,594
TOTAL EXPENDITURES & TRANSFERS-OUT	<u>\$ 243,755</u>	<u>\$ 308,460</u>	<u>\$ 208,277</u>	<u>\$ 213,209</u>
ENDING FUND BALANCE	<u>\$ 760,461</u>	<u>\$ 835,999</u>	<u>\$ 1,019,784</u>	<u>\$ 1,206,871</u>

(1) Storm Water Fees indexed each year by current CPI.

(2) Expenditures include street sweeping costs and other storm water utility maintenance costs in addition to projects shown on the proposed CIP.

(3) These amounts represent cost allocation reimbursements paid to the Utility Fund each year for Engineering's staff time committed to the Storm Water Utility.

Note: Town Staff will be working with the Town's Finance and Audit Advisory Committee to address projected shortfalls in out years.

<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
\$ 1,206,871	\$ 1,397,315	\$ 791,172	\$ 188,500	\$ (410,643)	\$ (1,006,197)
\$ 408,702	\$ 417,285	\$ 426,048	\$ 434,995	\$ 444,130	\$ 453,457
-	-	-	-	-	-
\$ 408,702	\$ 417,285	\$ 426,048	\$ 434,995	\$ 444,130	\$ 453,457
\$ 95,674	\$ 897,779	\$ 899,930	\$ 902,128	\$ 904,374	\$ 906,670
122,584	125,649	128,790	132,010	135,310	138,693
\$ 218,258	\$ 1,023,428	\$ 1,028,720	\$ 1,034,138	\$ 1,039,684	\$ 1,045,363
\$ 1,397,315	\$ 791,172	\$ 188,500	\$ (410,643)	\$ (1,006,197)	\$ (1,598,103)



Accrual Basis of Accounting The basis of accounting whereby revenue projections are developed recognizing revenues expected to be earned in the period, and expenditure estimates are developed for all expenses anticipated to be incurred during the last fiscal year.

Appropriation A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in the amount and as to the time when it may be expended.

Assessed Valuation A valuation set upon real estate and certain personal property by the appraisal district as a basis for levying property taxes.

Assets Resources owned or held by a government which has monetary value.

Automated Service Request (ASR) The electronic capturing of requests for service, both externally and internally generated, as a means of quantifying department/employee activity and response to service requests.

Balanced Budget A budget that is resources (revenues, fund balance) that equals, or is greater than, uses (expenditures/expenses, capital outlay).

Basis of Accounting The timing method used in the recognition of revenues and expenditures for financial reporting purposes.

Bond A written promise to pay a specified sum of money at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Bonded Debt The amount of debt of a government, represented by outstanding bonds.

Budget Document The official written statement prepared by the Town's staff and approved by the Town Council to serve as a financial and operation guide for the fiscal year end in which it was adopted.

Budget Message A general discussion of the proposed budget presented in writing as a part of or supplement to the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the chief executive and budget officer (if not the chief executive)

Budgetary Control The control or management of government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Capital Assets Resources having a value of \$1,000 or more and a useful life of more than one year. Capital assets are also called fixed assets.

Capital/Major Project Program A schedule of current and future capital replacement and major project expenditures identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

Capital Outlays Expenditures which result in the acquisition of or addition of fixed assets.

CIP Capital Improvement Plan

Capital Projects Funds Funds created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Cash Includes currency on hand and demand deposits with banks or other financial institutions.

Cash Basis of Accounting The method of accounting under which revenues are recorded when received and expenditures are recorded when paid.

Capital Program Plan (CIP) A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital need arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

CPI The Consumer Price Index published by the Bureau of Labor Statistics for the Dallas/Ft. Worth metropolitan area.

Current Assets Cash and other assets or reserves which are reasonably expected to be realized in cash or consumed within one (1) year.

Current Liabilities Liabilities that must be paid within one (1) year.

Debt Service Payment of interest and repayment of principle to holders of a government's debt instruments.

Debt Service Fund A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Town has no debt; therefore, no debt service fund budget is presented.

Demand Deposit Accounts with financial institutions or cash management pools where cash may be deposited or withdrawn at any time without prior notice or penalty.

Encumbrances Commitments related to unperformed (executory) contracts for goods and services.

Fixed Assets Resources of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fund An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance (Equity) The difference between fund assets and fund liabilities reported in the Town's governmental funds. For Budget presentation purposes, Fund Balance shall be defined as Unassigned Fund Balance for governmental funds and as Net Working Capital for proprietary funds.

G&A An abbreviation used to describe costs for general governmental operations.

General Fund General Operating Fund of the Town, accounting for the resources and expenditures related to the generally recognized governmental services provided.

General Obligation Bonds Account grouping for the payment of which the full faith and credit of the issuing government are pledged.

General Obligation Bonds Debt and Interest Account Group Account grouping for general obligation bonds issued by the Town and outstanding.

Generally Accepted Accounting Principles (GAAP) Uniform standards and guidelines for financial accounting and reporting. GAAP provide a standard by which to measure financial presentations.

Governmental Funds Funds generally used to account for tax-supported activities. There are five (5) types of governmental funds; the general fund, special revenue funds, debt services funds, capital projects funds and permanent funds.

Infrastructure Public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the government unit.

Inter-fund Transfer See **Transfer**

Internal Service Fund A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis. The Town's Equipment Replacement, Technology Replacement and Building Maintenance & Investment Funds are internal service funds.

Liabilities Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

Long-Term Debt Any unmatured debt that is not a fund liability.

Major Fund The General, Utility and Capital Projects Funds.

Modified Accrual Basis of Accounting Under the basis of accounting, revenues are estimated for the fiscal year if they are susceptible to accrual, e.g. amounts can be determined and will be collected within the current period.

Net Assets The difference between fund assets and fund liabilities reported in the Town's proprietary funds.

Net Working Capital The excess of current assets over current liabilities.

Operational Capital Capital outlays of less than \$100,000 included in the operating budget.

Operational Surplus The excess of revenues over expenditures, less encumbered funds (encumbrances).

Operating Budget A plan of financial operation embodying an estimate of proposed expenditures for the calendar year and the proposed means of financing them (revenue estimates).

Ordinance A formal legislative enactment by the governing body of municipality.

Pay for Performance A component of the Town's pay plan that recognizes and financially rewards employees in the performance of assigned job duties and departmental goals and objectives.

Performance Indicator Departmental units of measurement in performance, measurable functions, i.e. worker days, number of call answered, flower planted, etc.

Proprietary Fund See Utility Fund and Internal Service Fund.

Retained Earnings An equity account reflecting the accumulated earnings of the Town's Utility Fund (proprietary).

Revenues The term designates an increase to a fund's assets which:
DOES NOT increase a liability (e.g. proceeds from a loan);
DOES NOT represent a repayment of an expenditure already made;
DOES NOT represent a cancellation of certain liabilities; and
DOES NOT represent an increase in contributed capital.

Special Assessment A compulsory levy made against certain properties to defray part of all the cost of a specific improvement of service deemed to primarily benefit those properties.

Special Revenue Fund A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes. GAAP only require the use of special revenue funds when legally mandated. These include the Court Technology and Court Security Funds.

Street Revenue Fund A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. GAAP only require the use of special revenue funds when legally mandated.

Street Rental Fees A fee paid to the General Fund by the Utility Fund equal to 4% of gross sales (water sales, sanitary sewer services, garbage collection services and recycling charges) for use and access to Town rights-of-way.

Surplus When used in this document refers to the Net Working Capital of any Fund.

Tax Levy The total amount of taxes imposed by the Town of taxable property within in its boundaries.

Tax Rate The dollar rate for taxes levied for each \$100 of assessed valuation.

TMRS The Texas Municipal Retirement System

Transfer The movement of monies from one fund, activity, department, or account to another. This includes budgetary funds and/or movement of assets.

Undesignated Unreserved Fund Balance Available expendable financial resources in the Town's governmental funds.

Unrestricted Net Assets That portion of net assets that is neither restricted nor invested in capital assets as recorded in the Town's proprietary funds.

Utility Fund The fund used to account for operations of the Town's water, sanitary sewer and solid waste collection and disposal activities and recycling collection.

Worker Days A unit of measure of work for evaluating performance/activity. Equal to one (1) employee times eight (8) hours per day.

Working Capital See Net Working Capital