



THE TOWN OF

# Highland Park

TEXAS

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OFFICIAL BUDGET FISCAL YEAR 2011-2012

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THE PECAN TREE on Armstrong Parkway near Preston Road has grown gracefully from a small sapling to a massive tree since Joseph Cole discovered it in 1865. The tree has been carefully protected and nurtured along the way. Strong and resilient, the grand old tree is a symbol of Highland Park as the Town has matured through excellent stewardship of resources and wise decision-making based on sound planning for the future.

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# **TOWN OF HIGHLAND PARK, TEXAS**

## **COMBINED OPERATING AND CAPITAL BUDGET OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012**

AS SUBMITTED TO

THE MAYOR AND THE TOWN COUNCIL

**WILLIAM H. SEAY, JR.**  
MAYOR

**GAIL MADDEN**  
MAYOR PRO TEM

**ANDREW BARR**  
**WILL C. BEECHERL**  
**LAURENCE W. NIXON**  
**STEPHEN ROGERS**  
COUNCIL MEMBERS

**BILL LINDLEY**  
TOWN ADMINISTRATOR

**BILL POLLOCK**  
DIRECTOR OF FISCAL & HUMAN RESOURCES





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TABLE OF CONTENTS



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## Budget Message

Budget Message.....	i
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## Budget Information

Budget Calendar .....	1
Distinguished Budget Presentation Award.....	2
Organization Chart .....	3
Charter .....	4
Statement of Financial Management Policies .....	5
Ordinance #1864 .....	10
Ordinance #1865 .....	11
Ordinance #1866 .....	12

## Budget Summaries

Combined Budget.....	13
Combined Summary of Revenues & Expenditures and Fund Balance – All Funds .....	14
2010 Ad Valorem Tax Comparison and Analysis.....	15
Budget Graphics .....	16
Authorized Personnel .....	20

## General Fund

Fund Overview .....	21
Summary Statement of Revenues & Expenditures.....	23
Statement of Revenues .....	25
Department Budgets	
Administration.....	30
Public Safety .....	32
Street .....	36
Street Lighting.....	38
Library .....	40
Parks .....	42
Swimming Pool.....	44
Municipal Court .....	46
Finance .....	48
Building Inspection .....	50
Service Center .....	52
Municipal Building .....	53
Sanitation.....	54
Non-Departmental.....	55
Transfer to Other Funds .....	57

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## Utility Fund

Fund Overview .....	59
Summary Statement of Revenues & Expenses .....	61
Statement of Revenues .....	63
Department Budgets	
Administration.....	66
Water .....	68
Engineering .....	72

## Other Funds

Storm Water Drainage Utility Fund	
Fund Overview .....	75
Statements of Revenues & Expenses .....	76
Equipment Replacement Fund	
Fund Overview .....	77
Statement of Revenues & Expenses.....	78
Equipment Inventory & Replacement Schedule .....	79
Court Technology Fund	
Fund Overview .....	81
Statements of Revenues & Expenses .....	82
Court Security Fund	
Fund Overview .....	83
Statements of Revenues & Expenses .....	84
Capital Projects Fund	
Fund Overview .....	85
Statement of Revenues & Expenditures.....	86
Listing of Capital/Maintenance Projects .....	87

## Pay Plan

Plan Overview .....	91
Non-Exempt Personnel (Excluding Public Safety) .....	92
Commissioned Personnel (Public Safety) .....	93
Exempt Personnel.....	94
Pay Incentives.....	94

## Miscellaneous & Glossary

History of Highland Park.....	95
Miscellaneous Statistical Data.....	96
Glossary of Terms.....	107





THE TOWN OF  
*Highland Park*  
TEXAS

**August 15, 2011**

**The Honorable William H. Seay, Jr., Mayor  
Town Council Members  
Town of Highland Park, Texas**

**Honorable Mayor and Town Council**

**INTRODUCTION**

The development of the proposed operating and capital budgets for the Town's fiscal year beginning October 1, 2011, is based on those qualities that give the Town of Highland Park the unique community status that it enjoys. In budgeting for results, the key goals that are the focus of all Town operations include: the delivery of exceptional services; being a safe community; promoting neighborhood vitality; fostering attractive parks and open spaces; and protecting the health, safety and environment of our community.

The preparation of this proposed budget was significantly impacted by the current economic recession and the effect that it has, and is having, on property values, housing starts, interest earnings and court revenues. Sales tax revenues are performing at a level that is 9% higher than projected for Fiscal Year 2011. Additionally, permits issued over the past two months for new home construction support the Fiscal Year 2011 projected revenues for building activity. Taking these as signs of improvement in the local economy, the projected revenues for the two key revenue streams for Fiscal Year 2012 reflect a combined increase of \$225,000.

A specific goal in the development of the proposed Fiscal Year 2012 Budget was the funding of pay increases for staff in order to retain market parity as defined in the 2001 Compensation Study. Due to changes in the Town's contribution rate to fund its retirement plan through the Texas Municipal Retirement System ("TMRS") and employee health insurance plans, the Town realized some cost savings that allowed the funding of pay increases without the need for an increase in property tax revenues. The specifics of these changes follow.

The Proposed Fiscal Year 2012 Combined Operating and Capital Budget totals \$41,429,888 and includes \$5,112,210 in transfers.

The funding of the Proposed Fiscal Year 2012 Combined Operating Budget includes:

- current property taxes revenues of \$9,623,335, the result of maintaining a \$0.22 property tax rate on 2011 taxable values that declined 0.99% from the 2010 certified tax roll;

- an increase of \$225,000 in projected sales tax revenues based upon current trend;
- retaining the existing water, sanitary sewer, garbage and recycling collection rates;
- the projection for building activity fees and permits at current year levels; and
- an increase in the Storm Water Drainage Utility fees.

## **BUDGET OVERVIEW**

The Town provides a full range of municipal services supported by statute or charter. This budget contains all of the funds that account for these services. The identity and functions of these funds are:

### **Major Funds**

**General Fund** - to account for the resources and expenditures related to the generally recognized governmental services and/or functions provided by the various Town departments, including: Public Safety (Police, Fire and Emergency Medical Services), Public Works (Street, Street Lighting, Building Inspection, Service Center, and Municipal Building), Parks & Recreation, Sanitation Collection, Recycling, and Administration (General Administrative Services, Finance, Library and Municipal Court) - a governmental fund type.

**Utility Fund** - to account for all the activities required for the provision of water and sanitary sewer (through Public Works) to the residents of the Town - a proprietary fund type.

**Capital Projects Fund** - to account for financial resources to be used for the acquisition or construction of major capital projects – a governmental fund type.

### **Non-Major Funds**

**Storm Water Drainage Utility Fund** – to account for all the activities required for the management of storm water drainage – a governmental fund type.

**Equipment Replacement Fund** - an internal service fund to account for funding for and acquisition of the Town's vehicles, maintenance equipment and computer equipment – a proprietary fund type.

**Court Technology Fund** – to account for all activities, in accordance with state statute, related to the collection and use of the Municipal Court Technology Fee imposed on convictions on cases adjudicated in the Court – a governmental fund type.

**Court Security Fund** – to account for all activities, in accordance with state statute, related to the collection and use of the Municipal Court Building Security Fee imposed on convictions on cases adjudicated in the Court – a governmental fund type.

The total proposed operating budget includes the operating funds (General, Utility and Storm Water Drainage Utility Funds), an internal service fund (Equipment Replacement Fund) and two special revenue funds (Court Technology and Court Security Funds). Much of the following

discussion will center on the Town's operating funds. The proposed capital budget is the budget for the Capital Projects Fund.

## **SIGNIFICANT BUDGET ISSUES**

### **Retirement (TMRS)**

The Town is in receipt of its calculated contribution rate for 2012. Due to significant structure changes within TMRS, the Town's contribution decreases from a current rate of 12.74% of covered payroll to 6.22%. This decrease is unprecedented and, as previously mentioned, is the result of the restructuring of TMRS as authorized by statute. It is recommended that the Town consider an average annual contribution rate of 10% in the development of the FY 2012 Budget. This rate fully funds the Town's current, or normal, cost of its retirement plan. Of the decrease of approximately \$600,000 in retirement costs, \$200,000 is being used toward funding pay increases while the balance will be set aside into a building maintenance fund for future use.

### **Health/Dental Insurance**

After two years of offering two options and facing the potential of a premium increase of 18.6% in the PPO plan, the decision was made to establish the HSA plan as the base plan. With the HSA as the base plan, the Town will pay the employee's HSA premium cost plus contribute \$2,500 to each employee's health savings account. All dependant coverage will remain the obligation of the employee. The Town will contribute the same dollar amount towards each employee's elected plan based upon the total cost of the HSA plan. Employees choosing the optional PPO plan will be required to pay for the difference between the employee PPO premium and the HSA average monthly cost. The total cost savings from the preliminary budgeted amount for health insurance is \$51,934. Approximately \$44,415 of these savings are in the General Fund and the balance in the Utility Fund.

### **Key Budget Assumptions**

The following assumptions have been used in developing the Proposed Fiscal Year 2012 Budget include:

- retention of the existing tax rate of \$0.22/\$100 valuation;
- no changes to pay grades in the Non-Exempt Pay Plan;
- no change to the Public Safety Pay Plan for positions of Public Safety Officer Apprentice, Police Officer/Fire Fighter (single discipline position), or the Public Safety Officer positions
- a market driven increase of 3% in the pay grades for Public Safety supervisory positions (Sergeant, Lieutenant, and Captain);
- change in the methodology of base pay determination to allow for movement within an assigned pay grade at a rate not to exceed the respective employee's Pay for Performance ("P4P") rating, to the maximum level of that assigned pay range. The existing methodology prevents any employee receiving a performance rating of less than the maximum (7%) from achieving pay range maximum;
- funding of P4P driven salary increases to the pay range maximum (where applicable);
- an across-the-board increase of 3% in the budgeted amount for part-time employees;
- no increase in staffing;

- increase in equipment use charges (funded depreciation) to reflect the addition of a new MICU, fire apparatus, replacement computer system, replacement 9-1-1 equipment, and replacement radio system (\$228,315); and
- increase in other fees that would generate additional revenues including an increase in the Storm Water Drainage Fee to generate an additional \$179,500 per year toward the CIP projects associated with surface drainage.

### **Budgetary Policy Changes**

The Proposed Fiscal Year 2012 Budget includes proposed budgetary policy changes to better reflect the financial structure and cost allocation of operations within the Town. These recommended budget policy changes are:

- The reporting for contracted solid waste collection and disposal and recycling services (Sanitation Department) in the General Fund. The revenues charged for these services will also be reported in the General fund. The budgeting and accounting for this department has been in the Utility Fund. For ease in comparing year-to-year budgetary activity, prior years have been restated as if solid waste operations had been reported within the General Fund over the periods shown.
- While continuing to include the Town's annual water and sanitary sewer infrastructure replacement/rehabilitation program in the Capital Improvement Program ("CIP"), the financial and budgetary reporting for these projects will return to the Utility Fund to reflect the preferred matching of resources and uses.
- To better reflect the distribution of effort of the Engineering Department, 50% of that department will be allocated to the Capital Projects Fund. Currently, the full cost for this department has been reported in the Utility Fund.

Aside from the improvement in budgetary and financial reporting, these changes allow for retention of the existing rates for water, sanitary sewer, garbage and recycling collection services. The inclusion of sanitation related costs and revenues in the General Fund will allow for the retention of the existing garbage and recycling collection rates as well.

### **Capital Outlays**

The Town budgets and funds its capital outlays on a "pay-as-you-go" basis ("PAYGO"). This practice was adopted in the early 1980s and has been the backbone of budgetary management since then.

Capital budgeting falls into three distinct categories: 1) sustain capital, 2) construction and maintenance equipment, rolling stock, communications equipment, and IT equipment, and 3) major capital projects, or the Town's Capital Improvement Plan ("CIP").

Sustaining capital includes the capital acquisitions made on a department level having a cost of more than \$5,000, but less than \$100,000, and having a useful life of more than five years. Sustaining capital is reflected within the respective department in the General and Utility Funds. With the development of each year's annual budget, the various Town departments submit and justify capital acquisition requests. These requests are collectively reviewed and funded based

upon Town-wide need and funding availability. Sustaining capital is funded at \$124,270 for Fiscal Year 2012 and is detailed on pages 104-105.

The Town's construction and maintenance equipment, rolling stock, communications equipment, and IT equipment are scheduled for systematic and manageable replacement. The Equipment Replacement Fund is the accounting vehicle through which the Town manages these assets. Resources for the acquisition of replacement assets come from the funding of the amount of the depreciation computed over the lifetime of each asset from the user department/fund. The funding requirement for all equipment for Fiscal Year 2012 is \$146,440. This Budget also includes a one-time transfer of \$200,000 to the Capital Projects Fund toward the funding of replacement IT equipment to be incorporated into the Town-wide IT network being built for primarily for DPS Communications. Detail for these capital acquisitions is presented on pages 77-80.

The Town's CIP consists of capital projects that have an estimated cost of \$100,000 or more. Funding of the annual CIP requirement is reflected in three different funds – the Utility Fund (annual utility infrastructure rehabilitation/replacement program); the Storm Water Drainage Utility Fund (storm water drainage projects), and the Capital Projects Fund (annual right-of-way improvement projects and all other capital projects). The total Capital Budget for Fiscal Year 2012 is \$13,621,448. Of this amount, \$1,800,000 is funded in the Utility Fund, \$350,000 in the Storm Water Drainage Utility Fund, and \$11,471,448 in the Capital Projects Fund. Summary information on the annual CIP and the Capital Projects Fund is presented on pages 85-89.

### **Debt Service**

The legal debt limit for the Town, as is imposed by the Texas Constitution and Town Charter, is \$2.50 per \$100 assessed taxable value. The Town has been debt free since 1998, the last bond issue being in 1973.

### **BUDGET SUMMARY**

The following page includes the Proposed Fiscal Year 2012 Budget summary, inclusive of all funds.

FUND	2010-2011 BUDGET	2011-2012 BUDGET	\$ VARIANCE	% VARIANCE
<b>GENERAL FUND</b>				
Personnel	\$12,119,605	\$12,025,300	(\$94,305)	-0.78%
O&M	3,871,520	4,297,105	\$425,585	10.99%
Capital	186,840	124,270	(\$62,570)	-33.49%
Transfers	1,053,160	2,353,160	\$1,300,000	123.44%
<b>Fund Total</b>	<b>\$17,231,125</b>	<b>\$18,799,835</b>	<b>\$1,568,710</b>	<b>9.10%</b>
<b>UTILITY FUND</b>				
Personnel	\$2,040,850	\$2,110,025	\$69,175	3.39%
O&M	4,083,255	3,788,080	(\$295,175)	-7.23%
Capital	1,800,000	1,855,000	\$55,000	3.06%
Transfers	413,355	2,399,050	\$1,985,695	480.38%
<b>Fund Total</b>	<b>\$8,337,460</b>	<b>\$10,152,155</b>	<b>\$1,814,695</b>	<b>21.77%</b>
<b>STORMWATER DRAINAGE UTILITY</b>				
Personnel	\$46,155	\$47,960	\$1,805	3.91%
O&M	72,775	75,100	\$2,325	3.19%
Capital	175,000	350,000	\$175,000	100.00%
<b>Fund Total</b>	<b>\$293,930</b>	<b>\$473,060</b>	<b>\$179,130</b>	<b>60.94%</b>
<b>EQUIPMENT REPLACEMENT FUND</b>				
O&M	6,040	3,180	(\$2,860)	-47.35%
Capital	984,000	143,260	(\$840,740)	-85.44%
Transfers	0	200,000	\$200,000	-
<b>Fund Total</b>	<b>\$990,040</b>	<b>\$346,440</b>	<b>(\$643,600)</b>	<b>-65.01%</b>
<b>COURT TECHNOLOGY FUND</b>	<b>\$27,950</b>	<b>\$26,950</b>	<b>(\$1,000)</b>	<b>-3.58%</b>
<b>COURT SECURITY FUND (TRANSFERS)</b>	<b>\$20,000</b>	<b>\$160,000</b>	<b>\$140,000</b>	<b>700.00%</b>
<b>CAPITAL PROJECTS FUND</b>	<b>\$10,835,000</b>	<b>\$11,471,448</b>	<b>\$636,448</b>	<b>5.87%</b>
<b>TOTAL BUDGET</b>	<b>\$37,735,505</b>	<b>\$41,429,888</b>	<b>\$4,337,983</b>	<b>11.50%</b>

## GENERAL FUND

### Expenditures

This chart compares the FY 2011 Budget for the General Fund to the Preliminary FY 2012 Budget. The assumptions applied in the development of the Preliminary FY 2012 Budget follow. The budgetary information shown for FY 2011 has been amended to include the Sanitation Department so as to provide a more accurate budget-to-budget comparison based on recommended fund structure changes.

The next schedule provides as side-by-side comparison of the FY 2011 Budget for the General Fund and the Preliminary FY 2012 Budget.

Fiscal Year	2011	Proposed 2012	Variance \$	Variance %
Personnel:				
Compensation	\$ 9,020,060	\$ 9,178,445	\$ 158,385	1.76%
Benefits	3,099,545	2,846,555	(252,990)	-8.16%
Total	\$ 12,119,605	\$ 12,025,000	\$ (94,605)	-0.78%
Supplies & Equipment	936,475	1,007,240	70,765	7.56%
Services & Charges	2,935,045	3,290,165	355,120	12.10%
Capital	186,840	124,270	(62,570)	-33.49%
Debt Service	-	0	-	-
Transfers	1,053,160	2,353,160	1,300,000	0.00%
Total	\$ 17,231,125	\$ 18,799,835	\$ 1,568,710	9.10%

The significant increase in the General Fund budget for Fiscal Year 2012, and the resulting decrease in projected fund balance, is due to the transfer of \$1,300,000 in fund surplus to the

Capital Projects Fund. However, the General Fund retains its required minimum of 22% of current non-capital budgeted expenditures.

## **Personnel**

The compilation of surveyed compensation data from the Town's peer cities has been made and analyzed. The methodology used is consistent with that used in past years. The alternate compensation evaluation tool under development by Waters Consulting is nearing completion and may be available within the week. In its absence, discussions with Waters Consulting do not indicate that their new data-mining, data analysis, and presentation product would result in any changes to the conclusions reached with the current analysis process.

As a recap, the Town has three pay plans: Exempt, Sworn, and Non-exempt. The Exempt Pay Plan includes the Town executive staff. The Sworn pay plan covers sworn Public Safety positions. The Non-exempt Pay Plan includes all other Town employees. For purposes of this discussion, the Sworn and Non-exempt Pay Plans will be addressed.

Overall, the results indicate that, while our peer cities may, or may not, have granted across-the-board pay increases last year, they apparently did fund step increases within each grade.

The determination of the peer city actual pay levels is key information in that the Town's respective pay grades are designed to benchmark the weighted average pay for comparable positions as the midpoint of the Town's respective pay grade. The survey compares two key points: 1) the weighted average pay for comparable positions for the Town and peer cities and 2) how the peer city weighted average pay compares to the pay grade mid-point of the comparable Town position. As an example, the weighted average pay for a Town Public Safety Officer is 1.76% higher than the peer cities' weighted average while the mid-point of the assigned pay grade for a PSO is 0.54% higher than the benchmark of the peer cities' weighted average for that position. This information reveals that the pay grade for this position satisfied the benchmark assigned it. However, with the Town's Pay Plans remaining stationary in FY 2011, there was a loss of market position as our peer cities did make across the board increases or funded step increases.

Based upon the survey analysis, there are three positions (Public Safety Sergeant, Lieutenant, and Captain) that will require a 3% upward adjustment to maintain parity with the peer cities. All other pay grades in all pay plans are adequate for pay range parity.

A second consideration of pay plan design from one budget year to the next is the impact of the Consumer Price Index ("CPI") and the role it plays in the market. The twelve-month increase as of May, 2011, is 3.3%. Considering the volatility in the CPI since the pre-Katrina time period, the change in the CPI from May, 2008, to May, 2011, is 3.1%. Thus said, inflation over the past three years has occurred in the last twelve months.

## **Retirement (TMRS)**

The net savings realized in the General Fund for the changes to the TMRS plan, as discussed previously, is estimated to be \$208,244.

## **Health/Dental Insurance**

The savings realized in the General Fund for the changes to the employee health insurance plan, as discussed earlier, is estimated to be \$44,415.

## **Supplies & Equipment/Services & Charges (O&M)**

The preliminary General Fund FY 2012 Budget provides for a total of \$4,288,975 in O&M. This is \$475,720 higher than the FY 2011 Budget and is comprised of the following:

### **Services & Charges**

- Increase in Equipment Use Charges for the funding of depreciation on equipment and rolling stock consistent with replacement schedule as follows: DPS - \$227,415 for new fire apparatus, new MICU, and the new network; Library - \$23,625 for the new network; and, Administration - \$10,715 for the new network
- \$72,000 for cellular telephone service used with alarm monitoring (offsetting revenues)
- Increase in contracted solid waste collection and disposal costs of \$35,955 (increase tied to changes in CPI)
- Two new expenditure line items in the Library for electronic, downloadable media totaling \$30,000. There is an offsetting revenue (contribution) for these purchases.
- An increase for annual, ongoing maintenance in Parks of \$25,000

## **Sustaining Capital**

Each General Fund department compiles a list of capital purchases that have been identified, internally, as pieces of equipment or programs that may prove beneficial to Town operations. These requests are reviewed as to their effectiveness in addressing existing or new service levels, public and employee safety, maintenance of Town assets, and overall quality of life for the citizens of the Town. Some requests require further examination and some may be addressed in another manner or through an existing asset or program in another department.

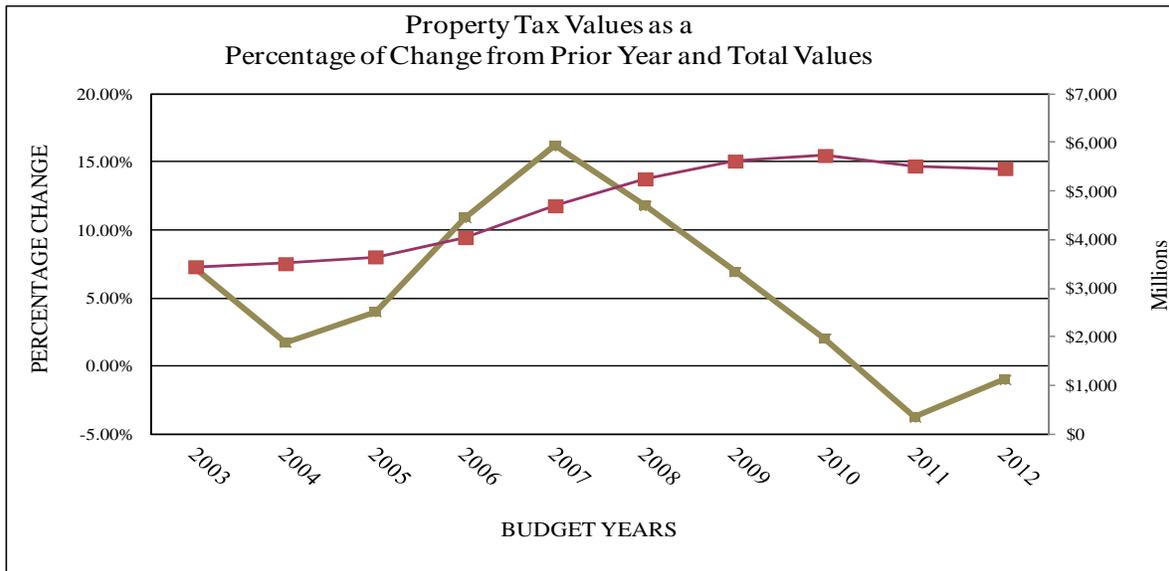
This evaluation process has been beneficial in identifying requests that are more operating costs than capital outlay. Over the last three years, the Town has effectively shifted the funding of these type requests as O&M costs and removed them from competing for funding with true capital needs.

The proposed Fiscal Year 2012 Operating Budget provides for \$124,270 in Sustaining Capital. The detail of funded requests can be found on pages 104-105.

## **Revenues**

**Property Taxes.** The Town's primary source of funding for general governmental services (police, fire, emergency medical, streets, library, code enforcement, general administration) is from property taxes. The Town's property values have historically been strong and have proven to be adequate in providing a base for funding a high level of services while maintaining a low tax rate and relatively constant annual tax levy. Property values for the last two tax years, however, have been adversely impacted by the national and local economies just as other taxing

entities. The following schedule reflects the change in values in dollars and percentage of change.

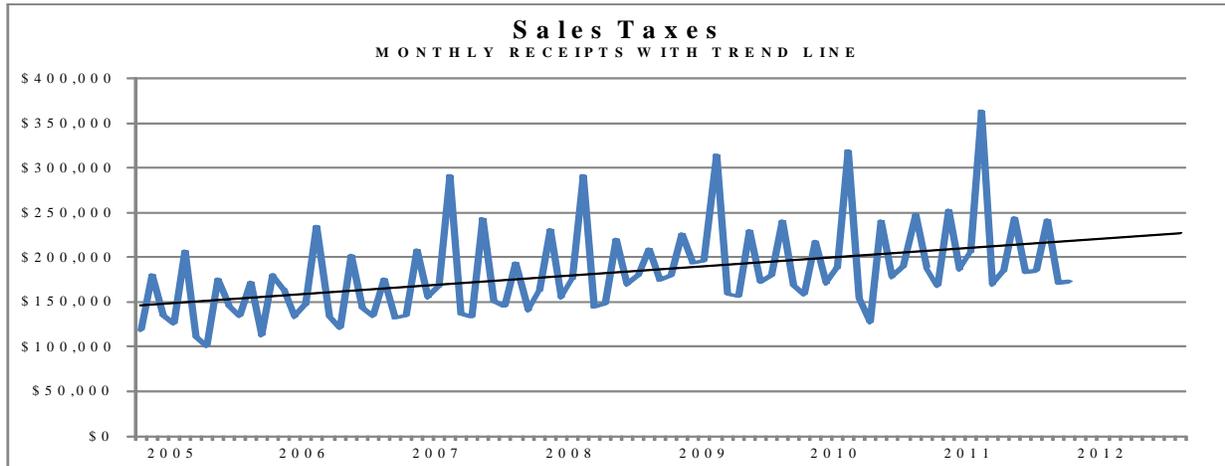


The following schedule reflects the Town's property tax values and respective levy information for the tax years 2007-2011.

Tax Year	2007	2008	2009	2010	2011 @ Current Year's Tax Rate
Total market value	\$ 5,220,649,790	\$ 5,602,994,070	\$ 5,681,126,390	\$ 5,507,931,420	\$ 5,464,582,320
Total taxable value	3,986,761,979	4,332,765,590	4,513,627,813	4,423,161,566	4,406,947,910
No. of parcels	3,767	3,811	3,848	3,860	3,839
Avg. Market residential value	1,458,938	1,545,654	1,547,430	1,503,724	1,487,868
Avg. Taxable residential value	1,116,371	1,202,822	1,245,016	1,225,051	1,217,131
Capped value loss	305,607,432	267,419,926	110,768,808	35,721,621	139,412,346
No. of capped parcels	1,679	1,173	450	137	72
New construction value	86,506,062	102,505,537	125,140,000	64,492,518	55,858,140
Tax rate (per \$100 taxable value). Note: Estimated Effective Tax Rate shown for 2011	\$ 0.225	\$ 0.220	\$ 0.220	\$ 0.220	\$ 0.22000
Tax levy	\$ 8,970,214.45	\$ 9,532,084.30	\$ 9,929,981.19	\$ 9,730,955.45	\$ 9,695,285.40
Average residential tax levy	\$ 2,009.47	\$ 2,116.97	\$ 2,191.23	\$ 2,156.09	\$ 2,142.15

Property taxes prove to be the least-volatile revenue source as tax levies are secured by tax liens and because 92% of the value on the appraisal roll is in residential properties. Historically, the Town collects more than 99% of each annual levy during the assessment year. Much of the balance of uncollected property taxes is classified as over-65 deferred, a Property Tax Code provision that affords taxpayers over the age of 65 to not pay taxes, but defer payment until they vacate their homesteads.

**Sales Taxes.** The second largest source of General Fund funding comes through the collection of sales taxes. The Town has adopted the maximum 1% tax rate which the State Comptroller collects and remits monthly. Consistent with retail sales, economic ebbs and flows influence this revenue stream. The Town, however, has experienced a lesser negative impact on the decline in sales taxes in FY 2009 due to being less reliant on sales tax revenues as cities with larger retail concentration. The following schedule depicts the Town’s historical sales tax revenue activity from October, 2003 through July, 2011.



**Franchise fees.** Though revenues from franchise or right-of-way agreements with utility companies provide upwards to \$1,000,000.00 in revenues to the Town, the Town has much less control over the revenues than it does over granting access to the Town’s right-of-way. With the deregulation of electric power, the amount of franchise fees paid by electric utilities is based upon a Public Utility Commission determined rate and the total kilowatts of power sold in the Town. Telecommunications right-of-way use fees are based upon an indexed rate for the number of wired telephone connections in the Town. Cable television franchises have been replaced with right-of-way access agreements which are based on gross revenues. The Town is paid 5% of gross revenues from all cable providers conducting business in the Town. The natural gas franchise is the only “traditional” franchise agreement still in effect with fees set at 5% of “gross revenues”.

**Building activity.** The Town benefits from the redevelopment of the Town through the generation of building activity permit fees but also through addition to the property appraisal roll. The Town has seen a slight decline in building activity over the last twenty-months. The following schedule details historical and projected building activity in the Town.

Fiscal Year	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2011 Est.	2012 Est.
Total building activity	\$ 86,384,449	\$ 94,937,032	\$ 91,997,031	\$ 83,000,000	\$ 85,580,000	\$ 84,800,000
Total revenues from building activity	\$ 763,844	\$ 935,184	\$ 968,543	\$ 805,800	\$ 931,050	\$ 816,400

**Municipal Court revenues.** The revenues collected on fines and fees assessed on, generally, traffic citations within the Town are dependent upon the number of citations issued and ultimately the manner by which they are adjudicated. Managing court revenues through citation activity encompasses some legal hurdles and this presentation is by no means meant to suggest

such. It merely reflects the relationship between activity and revenues. The single, most-effective tool that the Town has in maximizing court revenues is active management of its outstanding warrants. The additional of a part-time Warrant Officer/Bailiff in the 2010 fiscal year reflects the effectiveness of this tool.

Fiscal Year	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2011 Est.	2012 Est.
Citation activity	10,218	11,045	10,579	11,000	10,550	11,000
Total revenues	\$ 680,151	\$ 618,514	\$ 632,090	\$ 643,000	\$ 677,500	\$ 646,750
Average collection per citation issued	\$ 66.56	\$ 56.00	\$ 59.75	\$ 58.45	\$ 64.22	\$ 62.00

**Other fees.** The Town has additional revenue resources through licenses and various user fees that include beverage licenses, health licenses, animal licenses, alarm direct monitoring, emergency medical transportation, and pool and tennis court use permits. Though these revenue sources do not provide significant funding toward total General Fund operations, staff will be reviewing each to determine what adjustments might be warranted based upon the costs associated with the services being delivered.

The Town’s current garbage and recycling rates are sufficient to fund the cost of providing those contracted services in FY 2012.

**Interest on investments.** With the creation of the Capital Improvement Plan and the consolidation of funds for capital projects through the Capital Projects Fund, the available cash in the General and Utility Funds has been reduced to a near minimal funding level to comply with the Town’s Financial Management Policies on fund balance minimums. This intentional reduction, coupled with the very low interest rate market on investments, an average rate of return on 0.50% will be used in projecting interest earnings.

## UTILITY FUND

### Expenses

Of the Town 117 full-time equivalents (“FTE”), personnel costs for 17.8 FTE’s are recorded in the Utility Fund’s Utility Administration, Water, Sanitary Sewer, and Engineering Departments. The assumptions related to personnel costs detailed for the General Fund also apply to personnel costs reported within the Utility Fund.

The majority of costs associated with providing water and sanitary sewer utility services are in the cost of purchasing treated water for resale and the cost of treating wastewater.

As with the General Fund discussed previously, the significant increase in the Utility Fund’s Fiscal Year 2012 Budget from the prior year is a transfer of fund surplus to the Capital projects Fund. The Utility Fund, like the General Fund, retains its established minimum fund balance. For the Utility Fund, this is 25% of current non-capital budgeted expenses.

Fiscal Year	2011 Budget	2012 Budget	Variance \$	Variance %
Personnel:				
Compensation	\$ 1,512,635	\$ 1,606,400	\$ 93,765	6.20%
Benefits	528,215	503,625	(24,590)	-4.66%
Total	\$ 2,040,850	\$ 2,110,025	\$ 69,175	3.39%
Supplies & Equipment	2,622,610	2,640,940	18,330	0.70%
Services & Charges	1,460,645	1,147,140	(313,505)	-21.46%
Capital	1,800,000	1,855,000	55,000	3.06%
Debt Service	-	-	-	-
Transfers	413,355	2,399,050	1,985,695	480.38%
Total	\$ 8,337,460	\$ 10,152,155	\$ 1,814,695	21.77%

The Dallas County Park Cities Utility District (“DCPCMUD”) has advised that rate increase for the purchase of treated water is 1.04%. The Town will also will have a modest rate increase in wastewater treatment cost from Dallas Water Utilities of 1.6%. Though the treated water rate for FY 2012 is smaller than expected, it is important to note that DCPCMUD’s projected costs of service reflects a 22.7% increase for FY 2013.

## Revenues

The fund restructuring mentioned previously and the nominal rate increases from DCPCMUD and DWU allow for the Town to avoid the need for a rate increase for both water and sanitary sewer services.

## STORM WATER DRAINAGE UTILITY FUND

The staff recommendation is that the storm water drainage utility fee be increased to generate an additional \$180,500 toward the funding of a number of storm water drainage utility projects in the CIP.

This Budget includes \$350,000 for funding Lexington Avenue culvert improvements, part of the Town’s CIP. This project is expected to reduce the water level in Hackberry Creek at Town Hall by seven feet in a 100-year flood.

Fiscal Year	2011	2012	Variance \$	Variance %
Personnel:				
Compensation	\$ 33,440	\$ 35,890	\$ 2,450	7.33%
Benefits	12,715	12,070	(645)	-5.07%
Total	\$ 46,155	\$ 47,960	\$ 1,805	3.91%
Supplies & Equipment	10,000	10,000	0	0.00%
Services & Charges	62,775	65,100	2,325	3.70%
Capital	175,000	350,000	175,000	100.00%
Debt Service	-	-	-	-
Transfers	-	-	-	-
Total	\$ 293,930	\$ 473,060	\$ 179,130	60.94%

## EQUIPMENT REPLACEMENT FUND

This fund serves as the financial structure through which the Town accounts for the receipt of resources (internally funded depreciation and interest) and the acquisition of scheduled Town

equipment. Equipment managed through this fund is all of the Town's rolling stock, industrial equipment, computers, telephones, and radio and communications equipment. Equipment scheduled for replacement include two pickups, a one-ton truck with dump body, a backhoe, ten computers in the Library for public access, and two computers in Finance. The total proposed budget for the Equipment Replacement Fund is \$146,440 compared to the projected funding of \$889,520.

A transfer to the Capital Projects Fund of \$200,000 which represents the amount of funded depreciation of computer equipment that is being repurposed into the Town's common IT network solution being developed in conjunction with DPS Communications restructuring.

### **COURT TECHNOLOGY FUND**

This fund serves as the financial structure through which the Town accounts for the receipt of resources (Municipal Court imposed fees and interest) and the restricted use of resources for costs of providing technology for use in the Town's Municipal Court. Projected revenues for Fiscal Year 2012 total \$27,200 with proposed expenditures of \$26,950 for equipment maintenance agreements and network services.

### **COURT SECURITY FUND**

This fund serves as the financial structure through which the Town accounts for the receipt of resources (Municipal Court imposed fees and interest) and the restricted use of resources for costs of providing security in and around the Town's Municipal Court. The projected revenues for Fiscal Year 2012 total \$20,360 with proposed transfers of \$20,000 to the General Fund for costs associated with the services of a Court Bailiff and a transfer of \$140,000 is fund balance to the Capital Projects Fund toward the security system(s) to be incorporated into the DPS/Town Hall Remodeling Project.

### **CAPITAL PROJECTS FUND**

The proposed Fiscal Year 2012 Capital Budget totals \$11,471,448. The three projects identified for funding include an additional \$10,338,263 for the DPS and Town Hall Remodeling Project, \$400,000 for continuation of the Beverly Drive Rehabilitation Project east of Preston Road, and the annual Right-of-Way Improvement Project for \$402,210. In addition to these projects, the Fiscal Year 2012 Capital Budget also funds \$330,975 toward in-house engineering costs related to the development of the Right-of-Way Improvement Project and other capital projects identified in the Town's Capital Improvement Plan.

The Capital Projects Fund is projected to keep a fund balance level above the established level of \$2,000,000.

### **CONCLUSION**

I wish to thank each and every staff member for their conscientious and diligent work in the preparation of this proposed budget for Fiscal Year 2012. Much thought and concern for the

safety, health, and well-being of the citizens of Highland Park is exemplified by the results of their work.

Subsequent to the review of this proposed Fiscal Year 2012 Budget on August 15, 2011, the pertinent ordinances for the adoption and the setting of the tax rate and revised storm water drainage rates will be prepared. The Fiscal Year 2012 Budget will be presented for adoption at the Town Council's September 12, 2011, meeting.



Bill Lindley  
Town Administrator



Bill Pollock  
Director of Fiscal & Human Resources



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**BUDGET INFORMATION**



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## BUDGET CALENDAR

May – early June.....	Development of Pay Plan & Personnel Costs <ul style="list-style-type: none"> <li>• Conduct market salary survey</li> <li>• Benefits costs: <ul style="list-style-type: none"> <li>TMRS contribution rates</li> <li>Health insurance bid results</li> </ul> </li> </ul>
May - July .....	Review of weekly Estimate of (Property) Values Report (EVR) as prepared by DCAD Determination of revenue assumptions and estimates (e.g. – property tax levy revenue neutral)
June 7 .....	Submission of Operational Capital Requests Submission of Program Requests
June 10 .....	Submission of Departmental Line-item Operations & Maintenance Budget Requests
June 13 .....	Public Hearing for Citizen Input on Fiscal Year 2012 Budget Needs Review of Estimate of Values Report (Property Tax)
July 11 .....	Proposed Fiscal Year 2012 General Fund Budget distributed to Town Council
July 22.....	Receive Certified Tax Roll from Dallas Central Appraisal District
August 4.....	Publication of Effective Tax Rate
August 15.....	Town Council budget discussion Selection of health insurance provider and plans
August 22 .....	Budget Submitted to Town Secretary
September 12 .....	Town Council conducts Public Hearing and considers for approval: <ul style="list-style-type: none"> <li>• Adoption of Fiscal Year 2012 Operating Budget</li> <li>• Adoption of Tax Rate</li> </ul>



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Highland Park  
Texas**

For the Fiscal Year Beginning

**October 1, 2010**

*Linda C. Danison Jeffrey R. Egan*

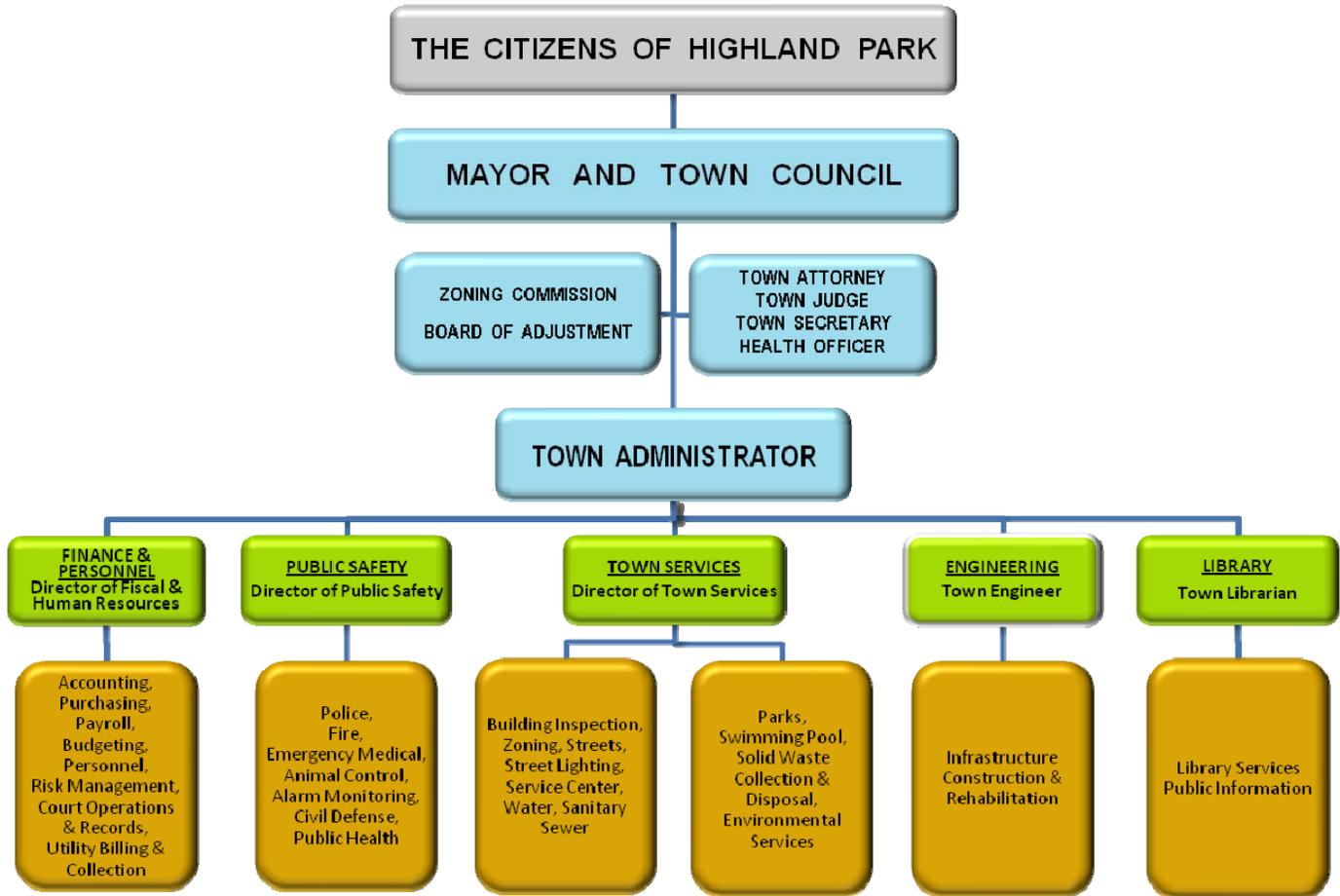
President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Town of Highland Park for its annual budget for the fiscal year beginning October 1, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**TOWN OF HIGHLAND PARK  
ORGANIZATION CHART  
BY MANAGEMENT STRUCTURE**



**DEPARTMENTAL ORGANIZATION CHART**

<u>Function</u>	<u>Department Head</u>	<u>Department(s)</u>
Engineering	Town Engineer	Engineering
Finance & Personnel	Director of Fiscal & Human Resources	Finance, Municipal Court, Utility Administration
Library	Town Librarian	Library
Public Safety	Director of Public Safety	Public Safety
Public Works, Parks & Sanitation	Director of Town Services	Streets, Street Lighting, Building Inspection, Service Center, Water, Sanitary Sewer, Parks, Swimming Pool, Sanitation

**CHARTER OF THE TOWN OF HIGHLAND PARK, TEXAS****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 who shall 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 program or amounts and may delete or decrease any program or amounts, except expenditures required by law or for the 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 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 15<sup>th</sup> 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 budget for the ensuing fiscal year budget is approved by September 15<sup>th</sup> of the current 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, 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.

**9.14 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 unless the Town Administrator or his designee first certifies that there is a sufficient unencumbered balance in such allotment or appropriations and that sufficient funds there from are or will be available to cover the claim or meet the obligation when it comes due and payable.

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**BUDGET RELATED SECTIONS OF THE TOWN'S FINANCIAL MANAGEMENT POLICY  
AMENDED BY THE TOWN COUNCIL APRIL, 2006**

**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, and internal service. Budgets for the General Fund and Capital Projects 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, covering the 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. Other project costs include any project that is defined as maintenance in nature but bears a distinguishable impact on the Town's work program for that year. Many of these projects address identified maintenance needs to the Town's infrastructure.

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 a proposed budget document 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.

- 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 better 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. 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.

The Town's Utility (Proprietary) Fund, as set forth in the Town's budget, shall directly bear the applicable costs of the Town's general administration, municipal building office space and related costs plus the Town's Service Center operation based upon the following formula:

1. General Administrative Costs -
  - a. Personnel Expense (Salary & Benefits) -
    - Town Administrator - fifty percent (50%)
    - Director of Public Works - eighty percent (80%)
    - Town Attorney - forty percent (40%)
    - Administrative Secretary - fifty percent (50%)
  - b. Operational Expense -
    - One-half (1/2) of the annual general operating and capital expenses incurred by the Town as an entity.
2. Municipal Building Occupation
  - A percentage of the annual cost of maintaining Town Hall based upon the space within Town Hall occupied by Administrative, Customer Service and Sanitation personnel.
3. Service Center Operations
  - A percentage of the Town's Service Center operations cost based on annual cost studies as performed by the Finance Department.

All other direct expense associated with the provision of utility services by the Town shall be expensed directly to the appropriate Department reported within the Utility Fund.

In addition to the aforesaid, the Town's Utility Fund shall pay to the Town's General Fund an annual fee equal to four percent (4%) of its gross utility sales to cover indirect costs incurred and accounted for on behalf of the Utility Fund by the Town's General Fund and reimburse the General Fund an amount equal to thirty percent (30%) of incurred costs charges to the Finance Department.

**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.

**VII. FINANCIAL CONDITION AND RESERVES**

**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. OPERATING RESERVES** -

1. General Fund – Unreserved Undesignated Fund Balance shall be maintained by the Director at a level not less than twenty-two percent (22%) current year's non-capital budget.

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.

Budgeted transfers of money from the Utility Fund into the General Fund equal to four percent (4%) of gross utility sales (Section IV-I) shall be reserved for use in paving the Town's streets.

2. Utility Fund – Unrestricted Net Assets, shall be maintained by the Director at a level not less than twenty-five percent (25%) of current year's non-capital budget.

**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.

ORDINANCE NO. - 1864

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2011, AND ENDING SEPTEMBER 30, 2012, 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 \$29,608,440.00, and covering the expenditures and inter-fund transfers of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2011, and ending September 30, 2012, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05;

That, a copy of said proposed budget was filed in the office of the Town Secretary on August 24, 2011, and more than thirty (30) days prior to the end of the fiscal year 2010, 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, 2011, in accordance with Section 102.005 of the Local Government Code, Texas Codes Annotated;

That, notice of a public hearing on the proposed budget on September 12, 2011, 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 12, 2011, in a public hearing and a copy of said official budget is made a part hereof by reference as though copied fully herein.

PASSED AND APPROVED by the Town Council of the Town of Highland Park, Texas on this 12th day of September, 2011.

APPROVED AS TO FORM:

APPROVED:

Albert D. Hammack  
Town Attorney

William H. Seay, Jr.  
Mayor

ATTEST:

Gayle Kirby  
Town Secretary

## ORDINANCE NO. - 1865

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2011 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 ("TOWN"):

That for the tax year 2011, 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 2011, and not exempted from taxation by the constitution and laws of the State of Texas;

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 2012;

That said tax shall be due and payable October 1, 2011;

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2011 levy.

PASSED AND APPROVED by the Town Council of the Town of Highland Park, Texas, on this 12th day of September 2011.

APPROVED AS TO FORM:

APPROVED:

Albert D. Hammack  
Town Attorney

William H. Seay, Jr.  
Mayor

ATTEST:

Gayle Kirby  
Town Secretary

ORDINANCE NO. - 1866

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN HIGHLAND PARK, TEXAS, ADOPTING A CAPITAL BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2011 AND ENDING SEPTEMBER 30, 2012, 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 capital budget totaling \$11,471,448.00, and covering the capital expenditures of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2011, and ending September 30, 2012; and

That, the capital budget was approved by the Town Council of the Town of Highland Park, Texas, on September 12, 2011, in a public hearing and a copy of said official budget is made a part hereof by reference as though copied fully herein.

PASSED AND APPROVED by the Town Council of the Town of Highland Park, Texas, on this 12th day of September 2011.

APPROVED AS TO FORM:

APPROVED:

Albert D. Hammack  
Town Attorney

William H. Seay, Jr.  
Mayor

ATTEST:

Gayle Kirby  
Town Secretary





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

	<b>ACTUAL 2009-2010</b>	<b>BUDGET 2010-2011</b>	<b>PROJECTED 2010-2011</b>	<b>BUDGET 2011-2012</b>
<b>BEGINNING FUND BALANCES</b>	<b>\$ 21,422,656</b>	<b>\$ 20,939,166</b>	<b>\$ 20,939,166</b>	<b>\$ 19,133,781</b>
<b>REVENUES:</b>				
Property Taxes	\$ 9,916,353	\$ 9,688,985	\$ 9,671,230	\$ 9,623,335
Water Sales	4,310,020	5,363,295	5,363,295	5,423,500
Sewer Charges	2,532,334	2,740,475	2,740,475	2,635,400
Sales Taxes	2,385,863	2,325,000	2,550,000	2,550,000
Sanitation/Recycling Charges	1,220,700	1,263,150	1,208,900	1,263,150
Franchise Fees	948,318	990,000	994,990	1,010,000
Building Inspection Fees/Permits	1,002,463	837,800	960,275	847,900
Municipal Court Fines/Fees	676,094	686,500	701,500	693,810
Interest Earnings	265,915	224,800	167,115	141,100
Other Charges for Service	1,255,564	1,372,090	1,408,350	1,783,260
Storm Water Drainage Fees	181,507	181,500	179,500	361,000
All Other	688,631	1,699,625	934,792	1,161,950
<b>TOTAL REVENUES</b>	<b>\$ 25,383,762</b>	<b>\$ 27,373,220</b>	<b>\$ 26,880,422</b>	<b>\$ 27,494,405</b>
<b>EXPENDITURES:</b>				
Personnel Services:				
Payroll	\$ 10,442,258	\$ 10,566,135	\$ 10,342,285	\$ 10,821,035
Employee Benefits	3,454,300	3,640,475	3,558,920	3,362,250
Total Personnel	\$ 13,896,558	\$ 14,206,610	\$ 13,901,205	\$ 14,183,285
Supplies & Equipment	\$ 2,895,333	\$ 3,608,800	\$ 3,504,930	\$ 3,661,130
Services & Charges	4,665,962	4,452,740	4,260,970	4,529,305
Capital Outlay	4,409,399	12,180,840	7,018,702	13,943,958
<b>TOTAL EXPENDITURES</b>	<b>\$ 25,867,252</b>	<b>\$ 34,448,990</b>	<b>\$ 28,685,807</b>	<b>\$ 36,317,678</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 20,939,166</b>	<b>\$ 13,863,396</b>	<b>\$ 19,133,781</b>	<b>\$ 10,310,508</b>

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

	General	Utility	Storm Water Drainage	Equipment Replacement	Court Technology	Court Security	Capital Projects	FY 2012	Total
<b>BEGINNING FUND BALANCE</b>	\$ 5,103,803	\$ 3,940,362	\$ 275,706	\$ 1,938,851	\$ 44,152	\$ 145,387	\$ 8,268,729	\$ 19,716,990	\$ 18,385,011
<b>REVENUES:</b>									
Property Taxes	\$ 9,623,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,623,335	\$ 9,688,985
Water Sales	-	5,423,500	-	-	-	-	-	5,423,500	5,291,895
Sewer Charges	-	2,635,400	-	-	-	-	-	2,635,400	2,740,475
Sales Taxes	2,550,000	-	-	-	-	-	-	2,550,000	2,325,000
Sanitation/Recycling Charges	1,263,150	-	-	-	-	-	-	1,263,150	1,263,150
Franchise Fees	1,010,000	-	-	-	-	-	-	1,010,000	990,000
Building Inspection Fees/Permits	813,900	34,000	-	-	-	-	-	847,900	837,800
Municipal Court Fines/Fees	646,750	-	-	-	-	-	-	646,750	643,000
Interest Earnings	35,150	20,000	800	20,000	100	200	65,000	76,250	224,900
All Other	1,537,550	112,980	361,000	869,520	26,900	20,160	425,000	2,928,120	3,368,215
<b>TOTAL REVENUES</b>	\$ 17,479,835	\$ 8,225,890	\$ 361,800	\$ 889,520	\$ 27,000	\$ 20,360	\$ 490,000	\$ 27,004,405	\$ 27,373,220
Transfers from Other Funds	20,000	-	-	-	-	-	5,092,210	5,112,210	3,286,510
<b>TOTAL AVAILABLE RESOURCES</b>	\$ 22,603,638	\$ 12,166,252	\$ 637,506	\$ 2,828,371	\$ 71,152	\$ 165,747	\$ 13,850,939	\$ 51,833,605	\$ 49,044,741
<b>EXPENDITURES:</b>									
Personnel Services:									
Payroll	\$ 9,178,745	\$ 1,606,400	\$ 35,890	\$ -	\$ -	\$ -	\$ -	\$ 10,821,035	\$ 10,566,135
Employee Benefits	2,846,555	503,625	12,070	-	-	-	-	3,362,250	3,640,475
Total Personnel	\$ 12,025,300	\$ 2,110,025	\$ 47,960	\$ -	\$ -	\$ -	\$ -	\$ 14,183,285	\$ 14,206,610
Supplies & Equipment	\$ 1,007,240	\$ 2,640,940	\$ 10,000	\$ -	\$ 2,950	\$ -	\$ -	\$ 3,661,130	\$ 3,608,800
Services & Charges	3,289,865	1,147,140	65,100	3,200	24,000	-	-	4,529,305	4,452,740
Capital Outlay	124,270	1,855,000	350,000	143,240	-	-	11,471,448	13,943,958	12,180,840
<b>TOTAL EXPENDITURES</b>	\$ 16,446,675	\$ 7,753,105	\$ 473,060	\$ 146,440	\$ 26,950	\$ -	\$ 11,471,448	\$ 36,317,678	\$ 34,448,990
Transfers to Other Funds	2,353,160	2,399,050	-	200,000	-	160,000	-	5,112,210	3,286,510
<b>ENDING FUND BALANCE</b>	\$ 3,803,803	\$ 2,014,097	\$ 164,446	\$ 2,481,931	\$ 44,202	\$ 5,747	\$ 2,379,491	\$ 10,893,717	\$ 11,309,241
<b>FUND BALANCE MINIMUM</b>	\$ 3,590,929	\$ 1,474,526	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 7,065,455	\$ 5,148,181
<b>FUND BALANCE SURPLUS</b>	\$ 212,874	\$ 539,571	\$ 164,446	\$ 2,481,931	\$ 44,202	\$ 5,747	\$ 379,491	\$ 3,828,262	\$ 6,161,060

**2011 TAX RATE FOR HIGHLAND PARK  
COMPARED TO TAX RATES FOR OTHER AREA CITIES  
(PER \$100)**

Dallas .....	\$0.79700
Garland.....	0.70460
Carrollton .....	0.617875
Mesquite.....	0.64000
Richardson .....	0.63516
Irving.....	0.5986
Addison.....	0.58000
Farmers Branch.....	0.52950
University Park .....	0.27845
<b>Highland Park .....</b>	<b>0.22000</b>

**AD VALOREM TAX ANALYSIS**

**2011 TAX ROLL**

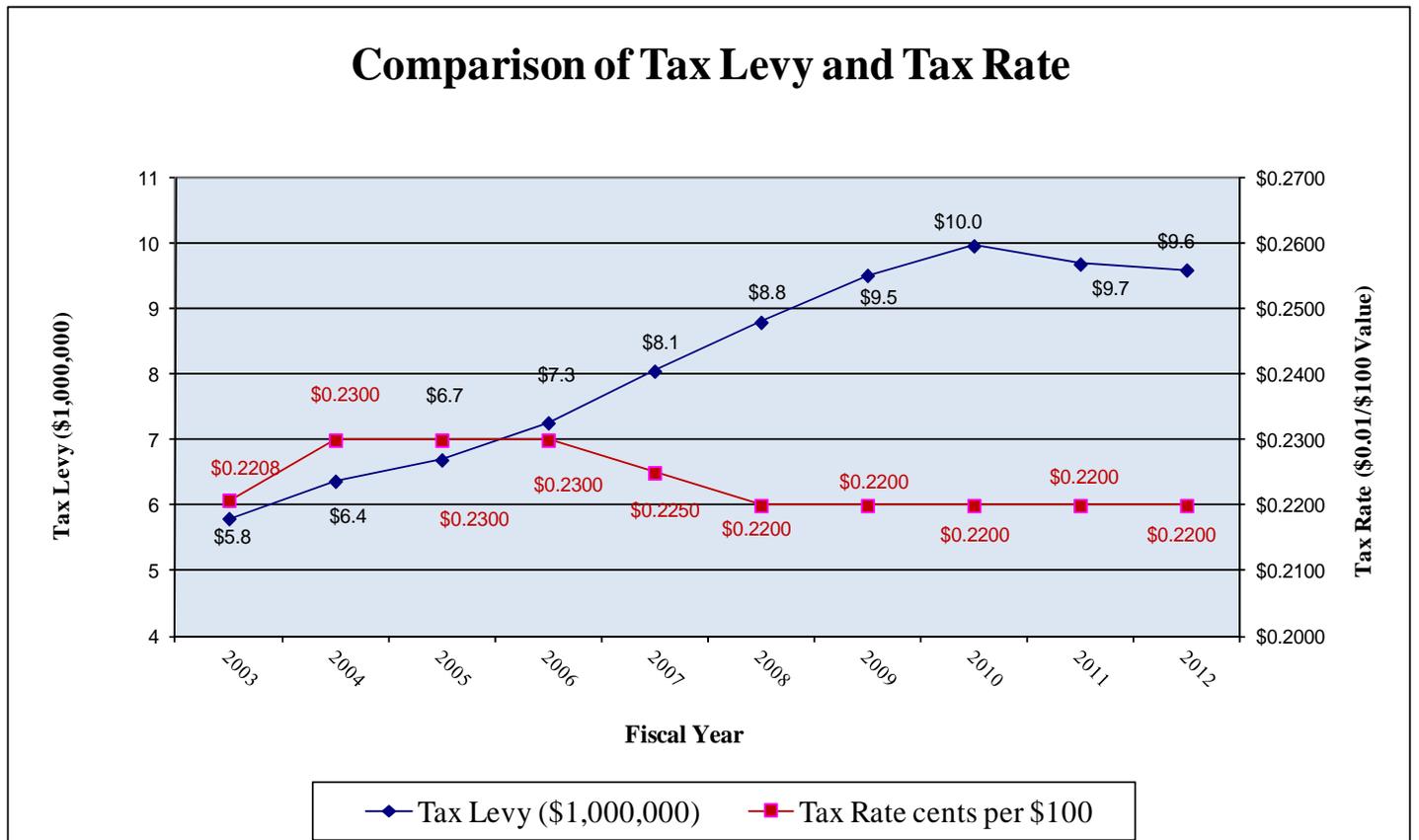
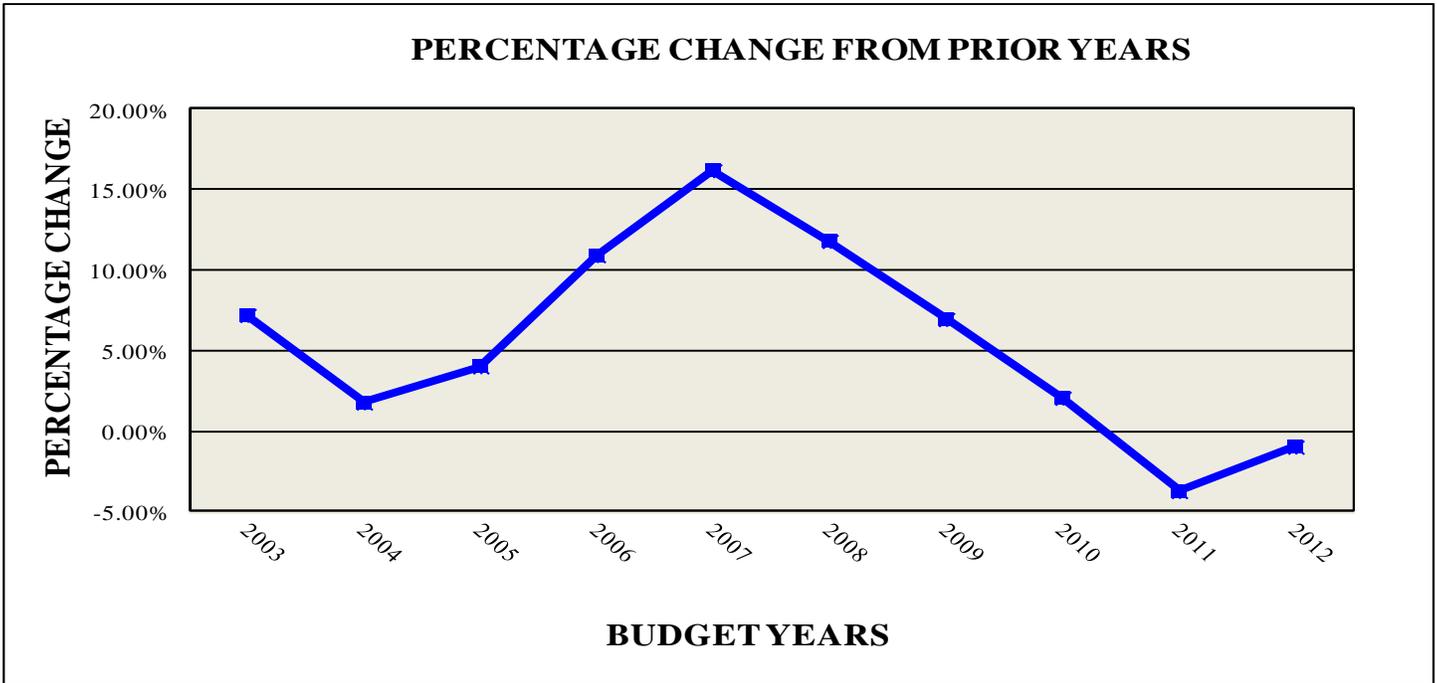
Assessed Valuation (100%)	\$5,464,582,320
Taxable Valuation*	\$4,406,947,910
Rate Per \$100	\$0.2200
Total Tax Levy	\$9,695,285
Percent of Collection	99.0
<b>Estimated Current Tax Collections</b>	<b>\$9,598,335</b>

\*Certified Appraisal Roll Plus Disputed Values

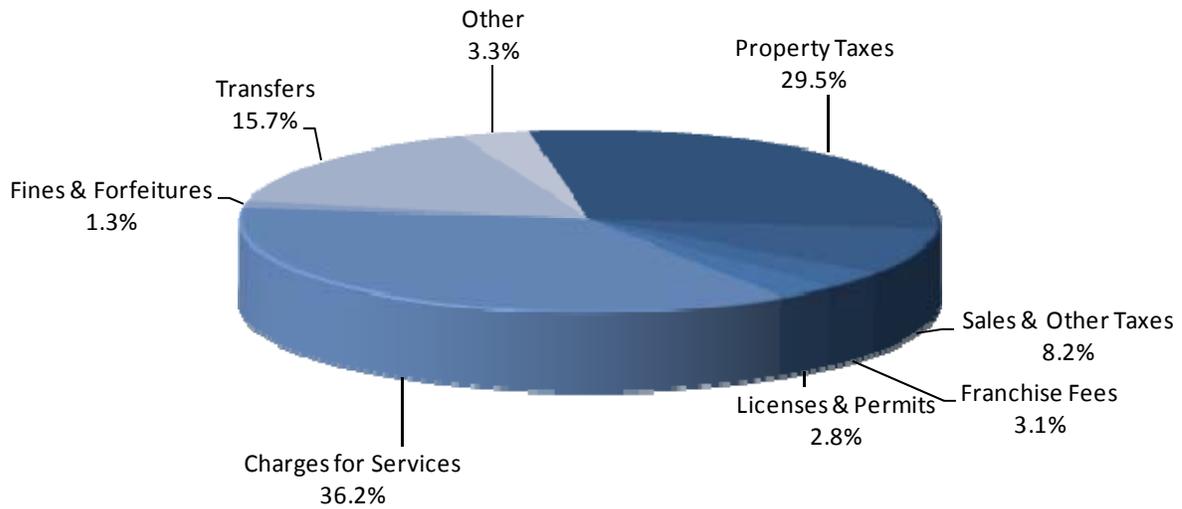
**SUMMARY OF PROJECTED  
2011 TAX COLLECTIONS**

Current Taxes	\$ 9,598,335
Delinquent Taxes	<u>25,000</u>
<b>Total Tax Collections</b>	<b>\$ 9,623,335</b>
Penalty & Interest on Taxes	<u>60,000</u>
Total Tax Related Collections	<b>\$ 9,683,335</b>

## ASSESSED PROPERTY VALUES INCREASED/DECREASE BY BUDGET YEAR



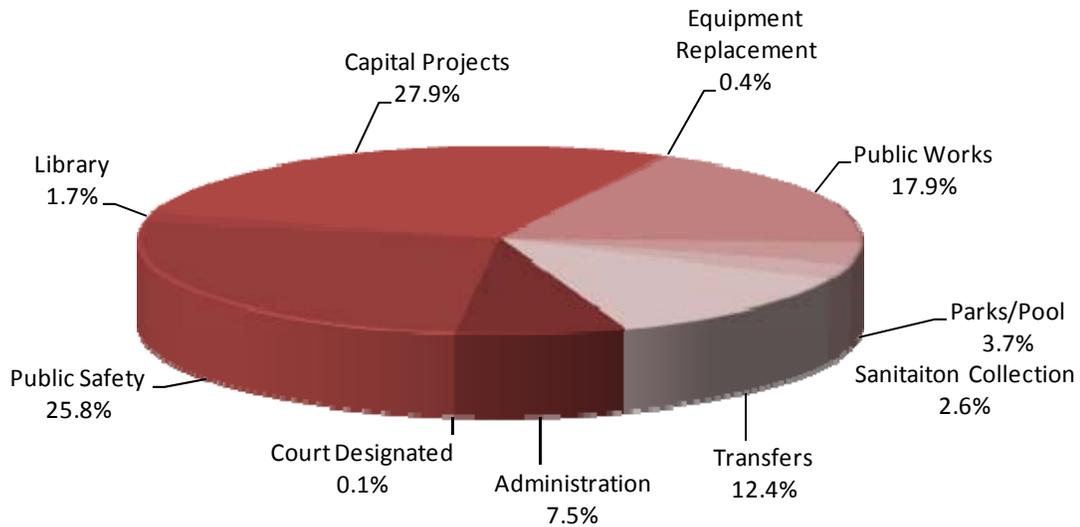
## PROJECTED RESOURCES Fiscal Year 2012



## ALL FUNDS

Property Taxes	\$9,623,335
Sales and Other Taxes	2,660,000
Franchise Fees	1,010,000
Licenses and Permits	916,200
Charges for Services	11,798,060
Fines and Forfeitures	423,500
Transfers	5,112,210
Other	1,063,310
<b>Total</b>	<b>\$32,606,615</b>

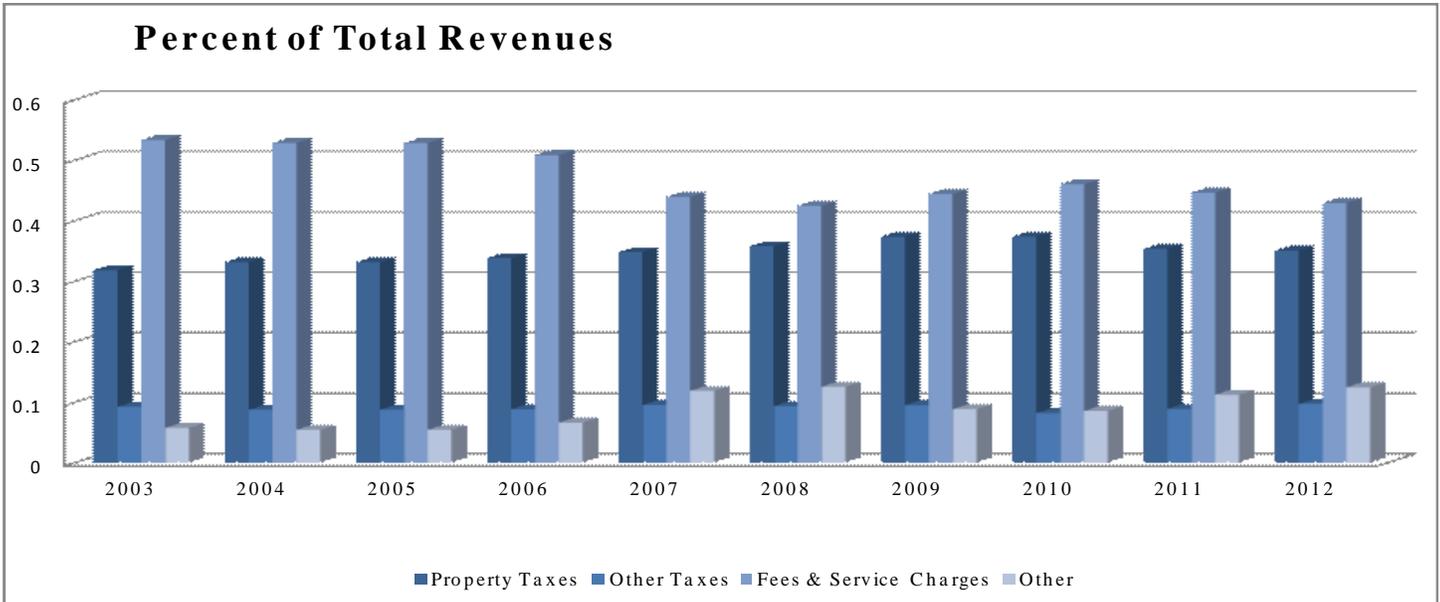
## BUDGETED DISBURSEMENTS Fiscal Year 2012



## BY FUNCTION

Administration	\$3,092,615
Public Safety	10,610,570
Public Works	7,349,230
Parks/Pool	1,508,305
Sanitation Collection	1,068,350
Equipment Replacement	146,440
Library	693,770
Capital Projects	11,471,448
Designated Court Funds	26,950
Transfers	5,112,210
<b>Total</b>	<b>\$41,079,888</b>

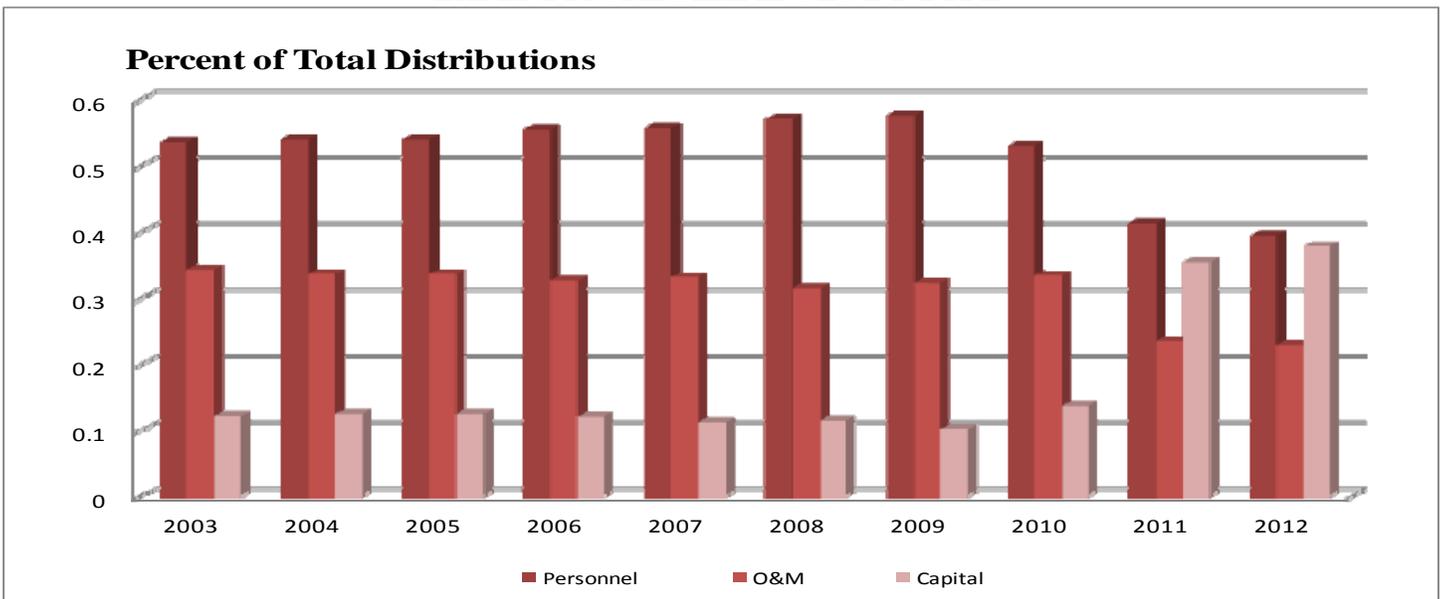
**REVENUES BY TYPE**



**COMPARISON FOR ALL FUNDS**

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 15). 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 101.

**EXPENDITURES/EXPENSES BY TYPE**



**COMPARISON FOR ALL FUNDS**

Personnel costs comprise 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 100.

**TOWN OF HIGHLAND PARK AUTHORIZED PERSONNEL**  
**BY FUND BY DEPARTMENT**  
 (EXPRESSED IN FULL-TIME EQUIVALENT)

	FY 2010		FY 2011		FY 2012	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
<b>GENERAL FUND</b>						
Administration	2.0	0.2	2.0	0.2	2.4	0.2
Public Safety	69.0	2.5	69.0	2.5	69.0	2.5
Street	3.3	-	3.3	-	3.3	-
Street Lighting	1.7	-	1.7	-	1.8	-
Library	3.0	2.4	3.0	2.4	3.0	2.4
Park	9.5	-	9.5	-	9.0	-
Swimming Pool	-	2.8	-	2.8	-	2.8
Municipal Court	2.0	0.1	2.0	0.6	2.0	0.6
Finance	5.0	-	5.0	-	5.0	-
Building Inspection	3.0	-	3.0	-	3.0	-
Service Center	0.3	-	0.3	-	0.2	-
<b>SUBTOTAL FUND</b>	98.8	8.0	98.8	8.5	98.7	8.5
<b>UTILITY FUND</b>						
Administration	6.0	0.2	6.0	0.2	6.6	0.2
Water	4.4	-	4.4	-	4.4	-
Sewer	2.3	-	2.3	-	2.3	-
Sanitation	0.5	-	0.5	-	-	-
Engineering	4.5	-	4.5	-	4.5	-
<b>SUBTOTAL FUND</b>	16.5	0.2	17.7	0.2	17.8	0.2
<b>STORMWATER DRAINAGE UTILITY FUND</b>						
Engineering	0.5	-	0.5	-	0.5	-
<b>SUBTOTAL</b>	0.5	0.0	0.5	0.0	0.5	0.0
<b>TOTAL EMPLOYEES</b>	117.0	8.2	117.0	8.7	117.0	8.7

The Town's historical staffing levels since 1976 is presented on page 98.



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GENERAL FUND



## GENERAL FUND

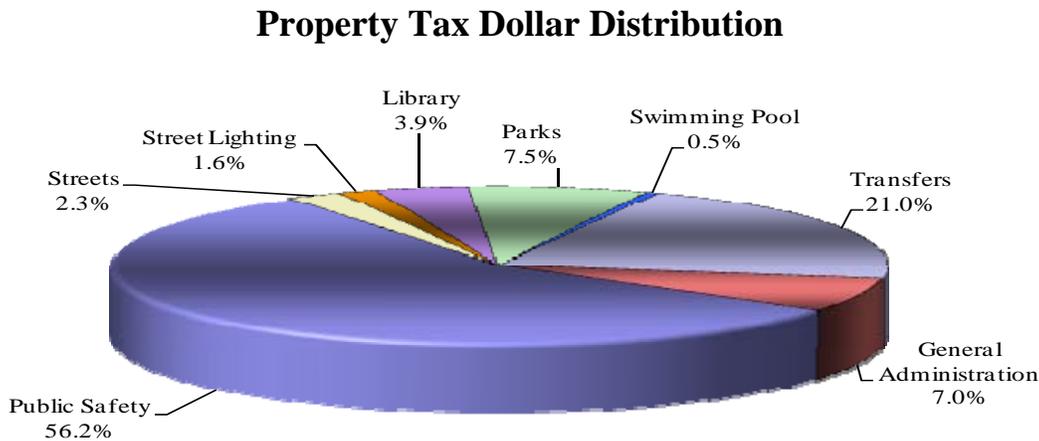
<b>Department</b>	<b>Pages</b>
<b>Administration</b> .....	<b>30</b>
Town Council, Town Administrator, Town Attorney. General Administration	
<b>Public Safety</b> .....	<b>32</b>
Police, fire, emergency medical, animal control, Alarm monitoring, civil defense, public health	
<b>Street</b> .....	<b>36</b>
Street maintenance & resurfacing, curb & gutter, and sidewalk maintenance and replacement	
<b>Street Lighting</b> .....	<b>38</b>
Street lights, traffic signals, and school zone flashers	
<b>Library</b> .....	<b>40</b>
Library services and public information	
<b>Parks</b> .....	<b>42</b>
Parks maintenance, semi-annual floral color management, tennis court maintenance, park and right-of-way tree, maintenance, and Christmas lighting	
<b>Swimming Pool</b> .....	<b>44</b>
<b>Municipal Court</b> .....	<b>46</b>
Court records and case management	
<b>Finance</b> .....	<b>48</b>
Accounting, purchasing, payroll, personnel, risk management, information technology	
<b>Building Services</b> .....	<b>49</b>
Construction plan review and permitting, construction inspection, and zoning	
<b>Service Center</b> .....	<b>52</b>
Facilities cost center	
<b>Municipal Building</b> .....	<b>53</b>
Facilities cost center	
<b>Sanitation</b> .....	<b>54</b>
Solid waste collection and disposal, recycling	
<b>Non-Departmental</b> .....	<b>56</b>
Non-department specific expenditures	
<b>Transfers to Other Funds</b> .....	<b>57</b>

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, the first year for Sanitation services (previously accounted for in the Utility (Enterprise) Fund). 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 25-26.

Property tax revenues generate the majority of the resources for the General Fund. For this Budget, a projected \$9,623,335 or 55.1% of General Fund revenues come from property taxes. This compares to 56.6% and 56.6% for each of the previous two (2) fiscal year budgets, respectively. This concentration of revenues from property taxes is consistent with the fact that over 90% of the Town's property values are in residential properties. The Town has realized a 70% increase in residential property values over the last ten (10) years. Although, the widespread impact of declining property values have resulted in a 4.6% decrease in market value of existing property since 2009. New construction made up \$55,858.140, or 1.0%, of the 2010 appraised values.

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 14.6%, 13.6% and 11.8%, respectively, of total projected actual revenues for the General Fund.

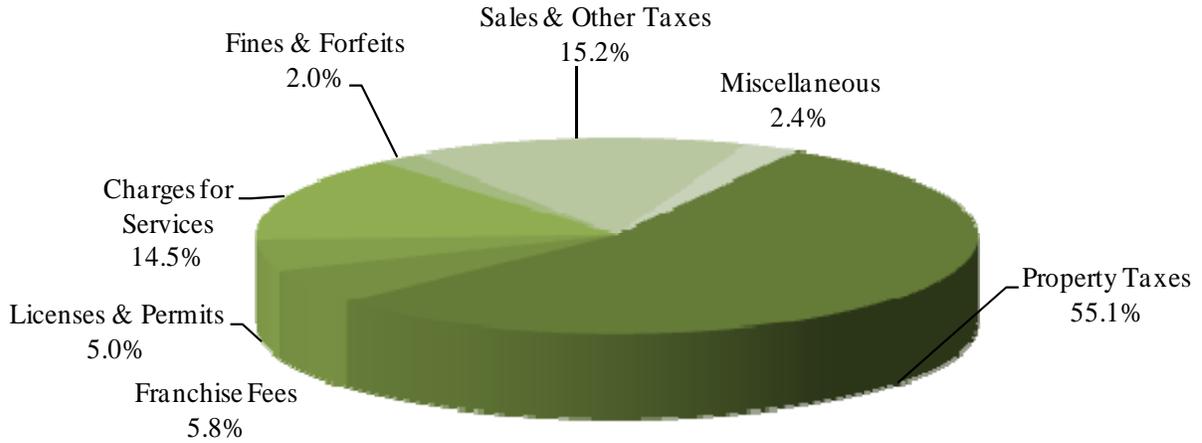
There are no new programs or services funded in the General Fund Budget for Fiscal Year 2012.

**GENERAL FUND  
STATEMENT OF REVENUES & EXPENDITURES**

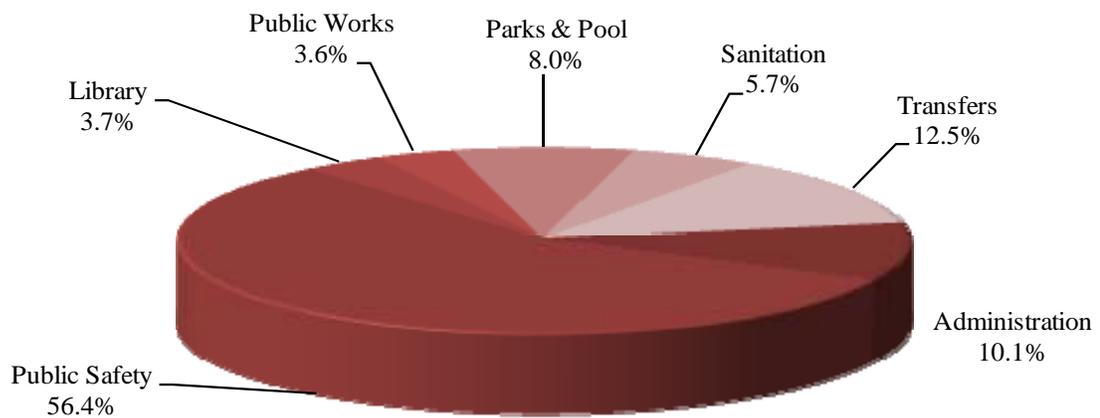
	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Taxes	\$ 12,399,027	\$ 12,113,985	\$ 12,338,470	\$ 12,283,335
Franchise Fees	948,318	990,000	994,990	1,010,000
Licenses & Permits	1,051,114	881,325	1,007,975	882,200
Charges for Services	2,309,482	2,391,150	2,401,600	2,527,650
Fines & Forfeits	337,078	371,000	355,750	348,500
Miscellaneous	427,449	383,600	401,925	428,150
<b>Total Revenues</b>	<b>\$ 17,472,468</b>	<b>\$ 17,131,060</b>	<b>\$ 17,500,710</b>	<b>\$ 17,479,835</b>
<b>Other Sources:</b>				
Transfers In	\$ 17,655	\$ 31,745	\$ 31,745	\$ 20,000
Prior Year's Surplus	306,700	132,000	-	-
<b>Total Other Sources</b>	<b>\$ 324,355</b>	<b>\$ 163,745</b>	<b>\$ 31,745</b>	<b>\$ 20,000</b>
<b>Total Revenues/Sources</b>	<b>\$ 17,796,823</b>	<b>\$ 17,294,805</b>	<b>\$ 17,532,455</b>	<b>\$ 17,499,835</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Personnel Services				
Payroll	\$ 8,855,800	\$ 9,020,060	\$ 8,740,620	\$ 9,178,440
Employee Benefits	2,916,367	3,099,545	3,035,440	2,846,560
Total Personnel	\$ 11,772,167	\$ 12,119,605	\$ 11,776,060	\$ 12,025,000
Supplies & Equipment	788,514	936,475	854,625	1,007,240
Services & Charges	3,356,125	3,238,360	3,108,710	3,579,020
Cost Allocation - Utility Fund	(259,921)	(303,315)	(282,390)	(288,855)
Capital & Maintenance Projects	423,676	186,840	203,375	124,270
<b>Total Expenditures</b>	<b>\$ 16,080,561</b>	<b>\$ 16,177,965</b>	<b>\$ 15,660,380</b>	<b>\$ 16,446,675</b>
<b>Other Uses:</b>				
Transfers Out - Budgeted	\$ 2,760,843	\$ 1,053,160	\$ 1,560,843	\$ 2,353,160
Transfers Out - Prior Year Surplus	-	-	-	-
<b>Total Other Uses</b>	<b>\$ 2,760,843</b>	<b>\$ 1,053,160</b>	<b>\$ 1,560,843</b>	<b>\$ 2,353,160</b>
<b>Total Expenditures/Uses</b>	<b>\$ 18,841,404</b>	<b>\$ 17,231,125</b>	<b>\$ 17,221,223</b>	<b>\$ 18,799,835</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenditures/Uses</b>	<b>\$ (1,044,581)</b>	<b>\$ 63,680</b>	<b>\$ 311,232</b>	<b>\$ (1,300,000)</b>
<b>Fund Balance</b>	<b>\$ 4,680,295</b>	<b>\$ 4,611,975</b>	<b>\$ 4,991,527</b>	<b>\$ 3,691,527</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$1,235,780</b>	<b>\$1,093,928</b>	<b>\$1,590,986</b>	<b>\$100,598</b>

# GENERAL FUND

## CURRENT REVENUES & SOURCES OF FUNDS



## BUDGETED EXPENDITURES & USES OF FUNDS



**GENERAL FUND  
STATEMENT OF REVENUES**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>Taxes</b>				
Ad Valorem Taxes	\$ 9,865,734	\$ 9,663,985	\$ 9,670,300	\$ 9,598,335
Delinquent Ad Valorem Taxes	50,619	25,000	39,100	25,000
City Sales Tax	2,385,863	2,325,000	2,564,000	2,550,000
Mixed Beverage Tax	96,811	100,000	117,240	110,000
<i>Subtotal</i>	\$ 12,399,027	\$ 12,113,985	\$ 12,390,640	\$ 12,283,335
<b>Franchise Fees</b>				
Electric Utility Franchise Fees	\$ 505,151	\$ 520,000	\$ 526,150	\$ 530,000
Natural Gas Utility Franchise Fees	191,436	220,000	207,160	210,000
Telecom Franchise Fees	109,155	110,000	99,700	105,000
CATV Franchise Fees	142,576	140,000	162,460	165,000
<i>Subtotal</i>	\$ 948,318	\$ 990,000	\$ 995,470	\$ 1,010,000
<b>Licenses &amp; Permits</b>				
Beverage Licenses	\$ 14,973	\$ 10,500	\$ 11,500	\$ 775
Health Permits	3,250	3,675	3,525	3,675
Alarm Permits	64,290	63,000	64,500	64,000
Electrical Licenses	10,650	11,000	10,800	14,400
Building Permits	917,415	755,000	878,500	755,000
Electrical Permits	30,203	27,000	30,000	34,000
Excavation Permits	450	800	400	500
Carriage Licenses	2,825	2,850	2,400	2,850
Animal Licenses	7,058	7,500	6,600	7,000
<i>Subtotal</i>	\$ 1,051,114	\$ 881,325	\$ 1,008,225	\$ 882,200
<b>Charges For Services</b>				
Sanitation Charges	\$ 1,121,895	\$ 1,164,250	\$ 1,155,700	\$ 1,164,250
Recycling Charges	98,805	98,900	99,075	98,900
E911 Users' Fee	159,424	156,500	152,800	150,000
Alarm Monitoring Fees	398,279	410,000	455,550	487,000
Ambulance Fees	85,877	135,000	120,000	165,000
Board Hearing Fee	3,650	2,000	3,850	2,500
Swimming Pool Daily Fees	13,948	11,000	19,500	15,750
Swimming Pool Annual Fees	78,520	90,500	89,800	90,500
Tennis Court Use Fees	11,720	10,000	10,000	10,000
Animal Pound Fees	720	1,500	1,300	1,000
Library Non-resident Fees	8,623	8,500	8,000	11,000
Court Administration Fees	44,140	40,000	42,000	42,500
Warrant Fees	48,369	43,000	53,500	51,250
Court Fees	113,706	105,000	121,000	122,000
Building Resgistration Fees	10,275	10,000	7,500	10,000
Special Expense Fee	111,532	105,000	116,000	106,000
<i>Subtotal</i>	\$ 2,309,483	\$ 2,391,150	\$ 2,455,575	\$ 2,527,650

	2009-2010 Actual	2010-2011 Budget	2010-2011 Projected	2011-2012 Budget
<b>Fines &amp; Forfeits</b>				
Municipal Court Fines	\$ 314,343	\$ 350,000	\$ 345,000	\$ 325,000
Library Fines	7,523	7,500	6,600	10,000
Lost Book Charges	813	1,000	1,100	1,000
Invalid Alarm Fines	14,400	12,500	12,750	12,500
<i>Subtotal</i>	\$ 337,079	\$ 371,000	\$ 365,450	\$ 348,500
<b>Miscellaneous</b>				
Interest	\$ 74,998	\$ 60,000	\$ 40,000	\$ 35,000
Interest-Library	49	100	200	150
Penalty & Interest - Tax Collection	59,834	60,000	55,000	60,000
Sale of Assets	-	2,500	6,200	2,500
Sale of Impounded Property	-	1,000	1,500	1,000
Rental-Town Property	154,500	154,500	150,000	184,500
Library Donations	33,570	30,000	50,000	70,000
Contributions	1,125	5,000	23,725	10,000
Town Property Damage Refund	50,347	20,000	14,000	15,000
Miscellaneous	48,643	46,000	57,000	50,000
Intergovernmental Revenue	4,383	4,500	-	-
<i>Subtotal</i>	\$ 427,449	\$ 383,600	\$ 397,625	\$ 428,150
<b>Total Revenues</b>	<b>\$ 17,472,470</b>	<b>\$ 17,131,060</b>	<b>\$ 17,612,985</b>	<b>\$ 17,479,835</b>

## SUMMARY OF REVENUE ESTIMATES

- **Property Taxes**

Projected collections of levied Ad Valorem Property Taxes:

Current Levy .....	\$9,598,335
Delinquent Taxes .....	25,000

Overall, taxable property values decreased \$54,544,220, or 0.99%. Although new construction added \$55,858,140 to the Town's taxable values, the net decrease reflects the impact of the current regional, state, and national economic challenges. The schedule on page 96 presents the changes in taxable values in the Town for the most recent ten (10) year period. The Fiscal Year 2012 Operating Budget reflects a decline in property tax revenues due to these lower values coupled with the decision to retain a tax rate of \$0.22/\$100 valuation.

- **Sales Tax/Other Taxes**

Sales tax revenues have recovered from the 11% decline experienced in Fiscal Year 2009. Since that period, sales tax revenues have increased almost 24%. 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 103.

- **Franchise Fees**

Receipts for franchised services for Fiscal Year 2012 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. Because the Town realized revenues \$12,840 less than projected for Fiscal Year 2012, the projection for Fiscal Year 2012 is \$210,000, a \$10,000 decrease from the previous 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 \$25,000 for Fiscal Year 2012.

- **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. 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 99 as well as a ten (10) year listing of revenues generated over this same period on page 103.

- **Charges for Services**

The total revenues received for services increase from Fiscal Year 2011 due to increases in: 1) the alarm monitoring fees (to recover cellular connectivity costs) of \$77,000; 2) an increase in ambulance charges of \$30,000; 3) increases in projected fees collected from Municipal Court activities of \$28,750; and an increase in non-resident Library access charges of \$2,500.

- **Fines & Forfeits**

Municipal Court fines (\$325,000) are estimated based on estimated citation volumes and average collection amounts per disposed case. For Fiscal Year 2012, this estimate is based on 11,000 cases being adjudicated with an average fine per adjudicated case calculated at \$29.55, for an estimated \$25,000 annual decline. This average amount compares to an average of \$31.80 for 2011. The Court shows a distinctive trend toward disposing cases via deferred disposition versus convictions, thus shifting revenues from fines (convictions) to fees (Administrative and Special Expense Fees)to The imposition of an additional offense of Violate Promise to Appear on misdemeanor capias cases is expected to provide this increase.

- **Miscellaneous**

Projected interest earnings (\$35,000) are based on an average monthly investable balance of \$7,500,000 and an interest rate of 0.50%. The rental of Town property (cell phone antennae sites and street rental) is projected at \$150,000 and is based on existing contracts that renew for an additional five years in mid-October, 2011.





## Administrative Department

### DEPARTMENT DESCRIPTION

The Administrative 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 directive 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 and Board of Adjustment meetings. The preparation, indexing and codification of Town ordinances and the preparation and indexing of resolutions performed by assigned staff.

### OBJECTIVES MET-FISCAL YEAR 2010-2011

- Prepared, published and posted meeting agendas in accordance with state requirements.
- Provided timely, complete and accurate minutes of all public meetings.
- Responded timely to citizen requests for information.
- Automated Service Requests – data base maintained on a current basis.

- Applications for animal licenses and tennis court and swimming pool use permits processed timely.
- Completed the process of duplicating permanent records into an electronic document imaging format.

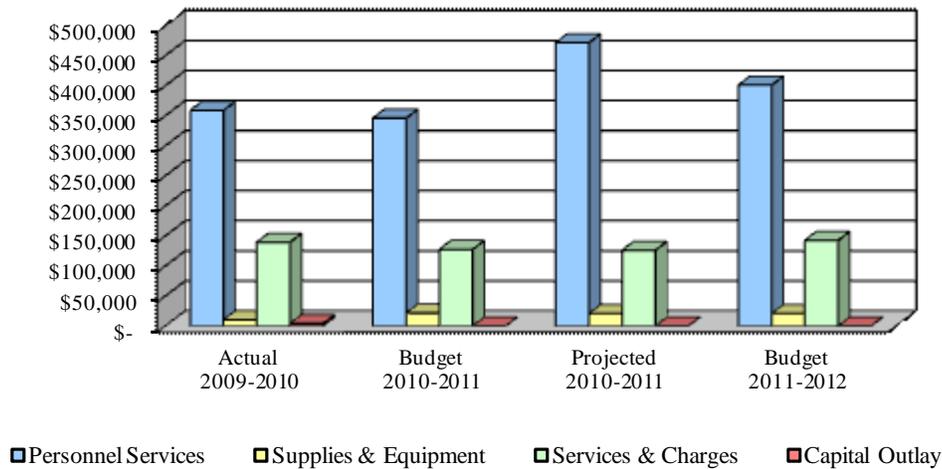
### OBJECTIVES FOR FISCAL YEAR 2011-2012

- 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.
- Maintain Automated Service Requests on a current basis.
- Process applications of animal licenses and tennis court and swimming pool use permits in a timely manner.
- Implement new web-based CRM product to replace legacy ASR product.

Classification	EMPLOYEE CLASSIFICATION & PAY GRADE			
	Grade	2009-2010 Budget	2010-2011 Budget	2011-2012 Budget
Town Administrator	-	0.50	0.50	0.50
Director of Public Works	E-3	0.20	0.20	0.00
Director of Town Services	E-3	0.00	0.00	0.25
Manager of Town Services	8	0.00	0.00	0.35
Town Secretary	5	0.80	0.80	0.80
Secretary I	4	0.50	0.50	0.50
Attorney (Part Time)	-	0.20	0.20	0.20
<b>Total Allocable Employees</b>		<b>2.20</b>	<b>2.20</b>	<b>2.60</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Personnel Services	\$ 358,627	\$ 345,865	\$ 471,275	\$400,825
Supplies & Equipment	10,339	21,570	20,800	20,800
Services & Charges	139,164	127,460	125,965	142,480
Capital Outlay	4,112	-	-	-
<b>Total Department</b>	<b>\$ 512,242</b>	<b>\$ 494,895</b>	<b>\$ 618,040</b>	<b>\$564,105</b>

**ACTIVITY MEASURES**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Service Requests (ASR) Taken	7,842	7,000	6,415	7,000
Service Requests Completed on Time				
ASR's Processed Data Accuracy (%)	99.0	98.0	99.4	98.0
Timely Distribution of (%):				
Town Council Committee Agenda Packets	100.0	100.0	100.0	100.0
Town Council Agendas Packets	100.0	100.0	100.0	100.0
Town Council Minutes	100.0	100.0	100.0	100.0



## *Department of Public Safety*

### **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.

### **OBJECTIVES MET-FISCAL YEAR 2010-2011**

- Responded to all Police, Fire and Emergency Medical calls for service in a timely manner.
- Improved response times for police, fire and EMS calls through changes in call dispatch protocol.
- Purchased five (5) patrol SUV's and utilized an interlocal purchasing agreement to order a replacement fire apparatus per the Town's vehicle replacement schedule. These vehicles were funded through the Equipment Replacement Fund.
- Purchased assorted pieces of equipment as needed from the Department's operational capital appropriation.
- Secured and completed a study on the Department's communications and space requirements leading to the undertaking of a DPS Communications and Town Hall Renovation Project. This project is a significant portion of the Town's initial full year of its Capital Improvement Plan ("CIP") as presented in the adopted CIP document and the Capital Projects Fund beginning on page 75.

### **OBJECTIVES FOR FISCAL YEAR 2011-2012**

- 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 time and through voluntary inspections.
- Monitor 1,200 residential alarm systems and provide a dispatched response in one minute or less.
- Complete the implementation of new communications equipment and lead in the remodeling project for DPS Communications and Town Hall facility.
- Purchase of a replacement fire apparatus (funded through the Equipment Replacement Fund).

### **MAJOR BUDGET ITEMS**

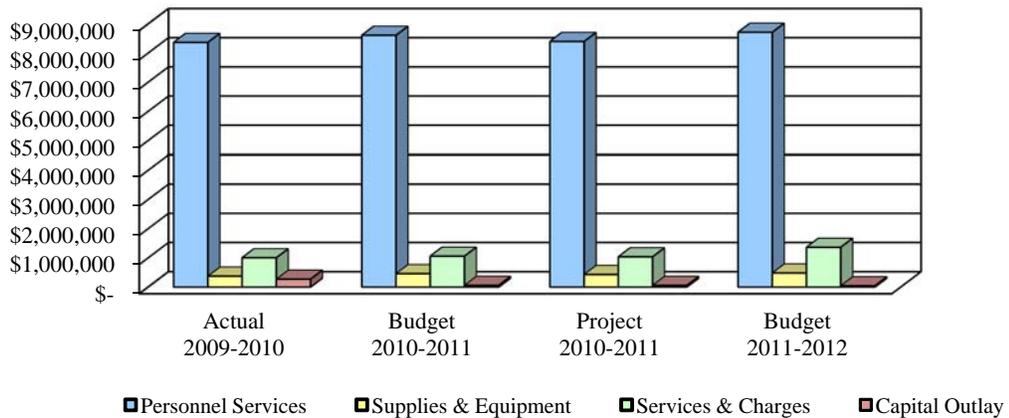
- Funding for existing levels of police, fire and emergency medical services.
- Purchase equipment and services identified as the Department's sustaining capital needs and detailed on page 104.

**EMPLOYEE CLASSIFICATION & PAY GRADE**

Classification	Grade	2009-2010	2010-2011	2011-2012
		Budget	Budget	Budget
Director	E-4	1.0	1.0	1.0
Assistant Director	E-1	1.0	1.0	1.0
Captain	G	4.0	4.8	4.0
Lieutenant	F	4.0	4.0	4.0
Sergeant	E	4.0	4.0	4.0
Investigator	D	3.0	3.0	3.0
Public Safety Officer	C	37.0	37.0	37.0
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
Communications Specialist	4	9.0	9.0	9.0
Secretary	4	2.0	2.0	2.0
Support Services Officer	4	1.0	1.0	1.0
<b>Total Employees</b>		<b>69.0</b>	<b>69.0</b>	<b>69.0</b>

**EXPENDITURE SUMMARY**

	2009-2010	2010-2011	2010-2011	2011-2012
	Actual	Budget	Project	Budget
Personnel Services	\$ 8,367,995	\$ 8,612,545	\$ 8,399,904	\$ 8,715,980
Supplies & Equipment	373,691	460,130	431,900	482,900
Services & Charges	1,006,102	1,061,040	1,038,770	1,365,720
Capital Outlay	272,877	60,740	60,740	45,970
<b>Total Department</b>	<b>\$ 10,020,665</b>	<b>\$ 10,194,455</b>	<b>\$ 9,931,314</b>	<b>\$ 10,610,570</b>



<b>ACTIVITY MEASURES</b>	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>Call Responses</b>				
Police	10,368	11,000	10,850	11,000
Fire	912	900	825	900
Emergency Medical	443	500	400	500
<b>Arrest</b>				
Felony	67	30	65	30
Misdemeanor	711	900	700	900
<b>Other Activity</b>				
Patrol Miles Driven	270,543	275,000	241,500	275,000
Fire Inspections	920	1,000	1,400	1,000
Major Crimes Reported	224	325	215	250
Property Recovery (%)	16	40	23	40
<b>Response Times (minutes)</b>				
Police	2.4	2.5	2.5	2.5
Fire	2.3	3.7	2.3	3.7
Emergency Medical	2.6	4.0	2.5	3.0
<b>Public Safety Training Hours</b>	22,738	21,000	16,426	21,000
<b>Citation Activity</b>				
Citations Issued	7,878	8,500	8,400	8,500
Violations Cited	10,579	11,000	10,500	11,000
Hazardous Driving Violations	3,826	3,600	3,240	3,600
<b>Traffic Accidents Activity (per incident)</b>				
Non-Injury	134	200	135	200
Injuries	24	40	20	40
Fatalities	0	0	0	0
Total	137	240	160	240
<b>Residential/Commercial Alarm Systems</b>				
Systems Permitted	2,126	2,050	2,700	2,050
Systems Monitored by Dept.	1,200	1,125	1,210	1,125
<b>Alarm Response Activity</b>				
Intrusion	2,800	2,100	2,705	2,500
Fire	447	400	470	400
Medical	19	10	10	10
Total	3,266	2,510	3,185	2,910





## Street Department

### DEPARTMENT DESCRIPTION

The Street Department, under the supervision of the Director of Public Works/Town Secretary 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.

### OBJECTIVES MET-FISCAL YEAR 2010-2011

- Maintenance of the Town's street surfaces through the placement of some 150 tons of asphalt as needed for repairs.

### OBJECTIVES FOR FISCAL YEAR 2011-2012

- Perform preparation work for Town's 2012 street resurfacing 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

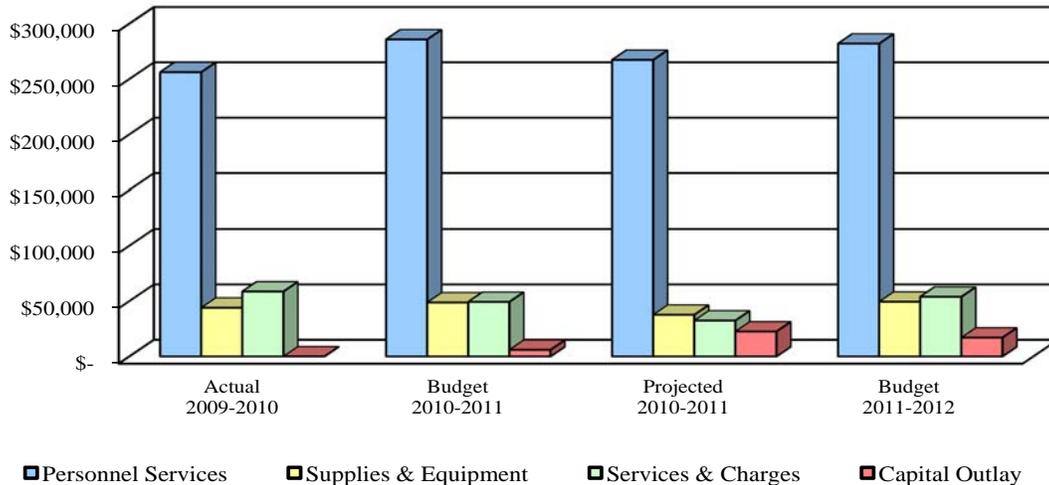
- \$80,000 is budgeted for sidewalk & alley concrete work, as needed.

### **EMPLOYEE CLASSIFICATION & PAY GRADE**

<b>Classification</b>	<b>Grade</b>	<b>2009-2010 Budget</b>	<b>2010-2011 Budget</b>	<b>2011-2012 Budget</b>
Foreman	8	0.3	0.3	0.3
Public Works Maint. Worker II	4	1.0	2.0	2.0
Public Works Maint. Worker I	2	2.0	1.0	1.0
<b>Total Allocable Employees</b>		<b>3.3</b>	<b>3.3</b>	<b>3.3</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Personnel Services	\$ 256,192	\$ 285,770	\$ 267,255	\$ 281,990
Supplies & Equipment	43,999	48,750	37,610	49,400
Services & Charges	58,629	49,265	32,420	53,870
Capital Outlay	-	6,000	22,535	17,000
<b>Total Department</b>	<b>\$ 358,820</b>	<b>\$ 389,785</b>	<b>\$ 359,820</b>	<b>\$ 402,260</b>

**ACTIVITY MEASURES**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>Asphalt Repairs</b>				
Materials (tons)	154	350	165	170
Worker Days	130	300	137	140
<b>Concrete Repairs</b>				
Number of Responses	48	100	60	70
Worker Days	120	65	85	65
<b>Water &amp; Sanitary Sewer Support</b>	34	105	35	50
Worker Days				
<b>Traffic/Street Name Signs</b>				
Repaired/Replaced	144	130	105	120
Worker Days	61	30	32	30

The Town expects to be able to more effectively quantify staff time in providing routine maintenance and responding to service calls with the implementation of the CRM product to be acquired in FY2012.



## Street Lighting Department

### DEPARTMENT DESCRIPTION

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

### OBJECTIVES MET-FISCAL YEAR 2010-2011

- Performed routine and emergency maintenance of Town's traffic and street light systems.

### OBJECTIVES FOR FISCAL YEAR 2011-2012

- 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

- Funding for normal operating costs.
- Contract for the painting of the Town's street light poles.

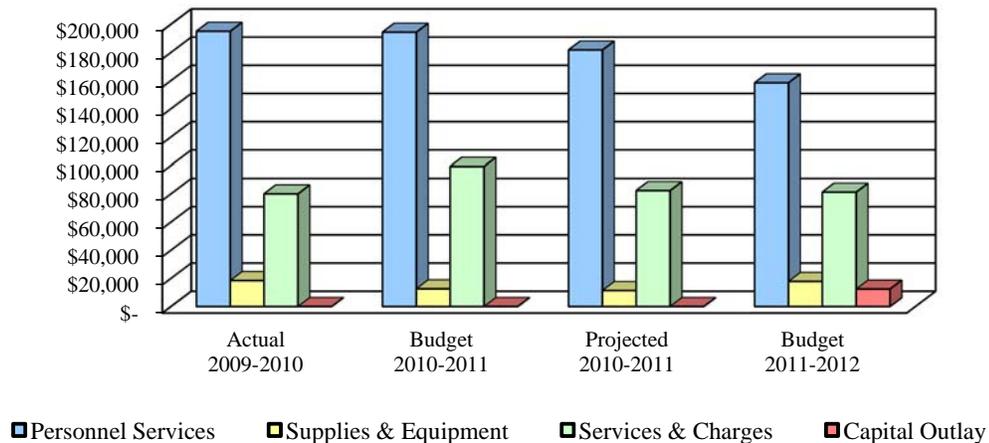
### **EMPLOYEE CLASSIFICATION & PAY GRADE**

		2009-2010	2010-2011	2011-2012
<b>Classification</b>	<b>Grade</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Electrical/Mechanical Tech	5	1.65	1.65	1.8
<b>Total Allocable Employees</b>		<b>1.65</b>	<b>1.65</b>	<b>1.80</b>

Positions in this department split between Street Lighting Department and Service Center on an 90/10 basis.

**EXPENDITURE SUMMARY**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Personnel Services	\$ 195,003	\$ 194,335	\$ 181,725	\$ 158,385
Supplies & Equipment	18,405	12,550	11,325	17,795
Services & Charges	79,944	99,225	82,275	81,160
Capital Outlay	-	-	-	12,400
<b>Total Department</b>	<b>\$ 293,352</b>	<b>\$ 306,110</b>	<b>\$ 275,325</b>	<b>\$ 269,740</b>



<b>ACTIVITY MEASURES</b>	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>Traffic Signal Maintenance</b>				
Bulbs Replaced	28	30	24	30
Repair Responses	61	50	36	50
Worker Days	140	90	75	90
<b>Street Light Maintenance</b>				
Bulbs Replaced	27	50	40	50
Repair Responses	130	125	105	125
Worker Days	183	175	215	175
<b>Town Facilities (WD)</b>	22	25	20	25
<b>School Zone Flashers (WD)</b>	22	10	15	10

The Town expects to be able to more effectively quantify staff time in providing routine maintenance and responding to service calls with the implementation of the CRM product to be acquired in FY2012.



## Library

### **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.

### **OBJECTIVES MET-FISCAL YEAR 2010-2011**

- Management of Library collection through acquisition of new materials.
- Provided public & technical services to Library patrons.

### **OBJECTIVES FOR FISCAL YEAR 2011-2012**

- Provide technical services which include acquiring titles in all formats (books, audiocassettes, videocassettes, etc.), and related activities in maintaining and preparing the selections for patron use.
- Provide public services which include: children and adult services, circulation desk activities necessary for checking library materials out and in, handling reserves, re-shelving returned items, issuance of library cards, and reference services in person and by phone.

### **MAJOR BUDGET ITEMS**

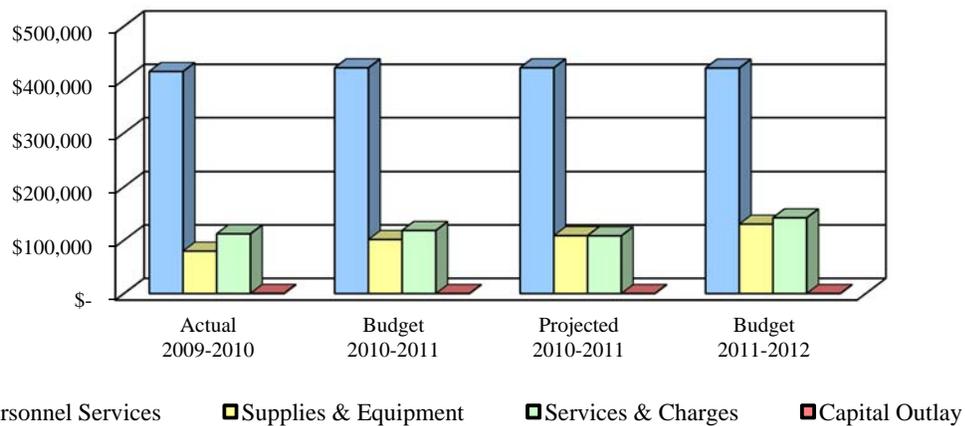
- Acquisition of new materials – books (\$69,000) and audio-visual materials (\$11,000).
- Explore options to enhance access to Library databases and service through the Internet by interfacing the Library Information System and other public resources.

#### **EMPLOYEE CLASSIFICATION & PAY GRADE**

<b>Classification</b>	<b>Grade</b>	<b>2009-2010 Budget</b>	<b>2010-2011 Budget</b>	<b>2011-2012 Budget</b>
Librarian	E-1	1.0	1.0	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)		2.4	2.4	2.4
<b>Total Allocable Employees</b>		<b>5.4</b>	<b>5.4</b>	<b>5.4</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Personnel Services	\$ 415,121	\$ 422,085	\$ 422,085	\$ 421,600
Supplies & Equipment	79,512	101,340	108,540	130,130
Services & Charges	111,938	118,225	108,200	142,040
Capital Outlay	325	-	-	-
<b>Total Department</b>	<b>\$ 606,896</b>	<b>\$ 641,650</b>	<b>\$ 638,825</b>	<b>\$ 693,770</b>

**ACTIVITY MEASURES**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>Collection/Circulation</b>				
Collection	35,102	37,500	35,150	35,500
Circulation	58,369	62,000	60,400	61,000
Collection Turnover Rate (Times)	1.7	1.7	1.6	1.7
Circulation per Worker Hour	5.2	5.4	5.0	5.4
Avg. Items Loaned Per Card Holder	19.3	22.1	21.8	22.1
<b>User Cards Issued/Outstanding</b>				
Residents (3 Year)	2,895	2,625	2,625	2,625
Non-Resident (1-Year)	129	175	145	175
Total Valid Cards	3,024	2,800	2,770	2,800



## Parks Department

### 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 Towns 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.

### OBJECTIVES MET FOR FISCAL YEAR 2010-2011

- Installed Christmas lights in specific parkway trees at Christmas.
- Managed Town's contracts for turf maintenance, chemical application, tree trimming, landscape lighting and street and alley sweeping.
- Maintained Azalea and flower beds with seasonal color.

### OBJECTIVES FOR FISCAL YEAR 2011-2012

- Effectively manage the Town's contracts for turf maintenance, chemical application, tree trimming, landscape lighting and street and alley sweeping.
- Continue the program of lighting of specific parkway trees for Christmas.
- 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 needed.

### MAJOR BUDGET ITEMS

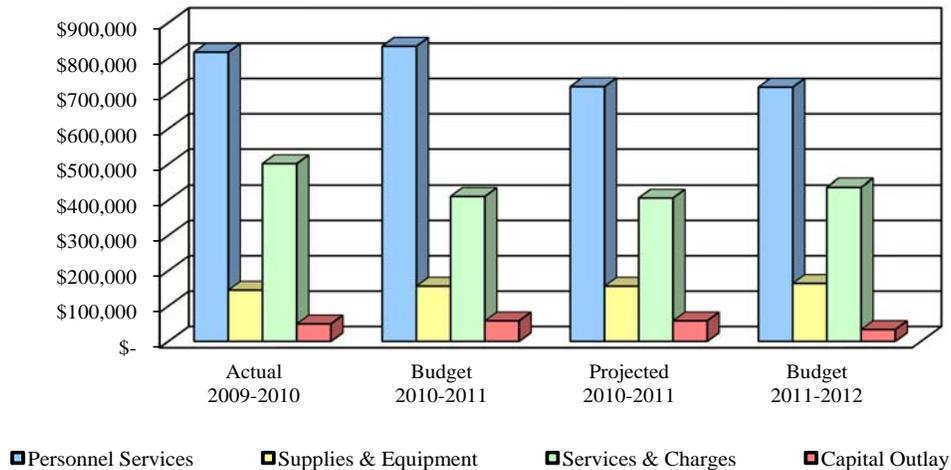
- Management of service contracts: turf maintenance (\$86,320); chemical applications (\$41,090); tree trimming (\$42,500); landscape lighting maintenance (\$25,500); and street and alley sweeping (\$42,650 – budgeted in Storm Water Drainage Utility Fund).
- Contract for replacement playground equipment in Davis Park (\$25,000) and converting landscape lighting to LED fixtures in Prather Park (\$8,400).

### **EMPLOYEE CLASSIFICATION & PAY GRADE**

<b>Classification</b>	<b>Grade</b>	<b>2009-2010 Budget</b>	<b>2010-2011 Budget</b>	<b>2011-2012 Budget</b>
Director of Parks & Sanitation	E-2	0.5	0.5	0.0
Foreman	8	1.0	1.0	1.0
Parks Maintenance Specialist	4	2.0	2.0	2.0
Parks Maintenance Worker I	3	3.0	3.0	3.0
Parks Maintenance Worker II	1	3.0	3.0	3.0
<b>Total Allocable Employees</b>		<b>9.5</b>	<b>9.5</b>	<b>9.0</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Personnel Services	\$ 816,563	\$ 833,475	\$ 719,120	\$ 717,615
Supplies & Equipment	144,831	156,100	156,100	163,825
Services & Charges	501,069	410,161	405,558	435,660
Capital Outlay	49,301	58,000	58,000	33,400
Interdept Cost Allocation	(43,754)	(35,430)	(35,430)	(35,000)
<b>Total Department</b>	<b>\$ 1,468,010</b>	<b>\$ 1,422,306</b>	<b>\$ 1,303,348</b>	<b>\$ 1,315,500</b>



**ACTIVITY MEASURES**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>Maintenance – Worker Days</b>				
Grounds Maintenance	60	75	30	75
Landscape	563	450	550	450
<b>Installation/Maintenance</b>				
Azalea Renovation	17	100	50	100
Facilities Maintenance	875	750	400	750
Right-of-Way Clearance	50	30	70	30
Park Trees	71	100	115	100
Parkway Trees *	59	75	74	75
<b>Number of Plants</b>	53,220	50,000	78,000	50,000
<b>Street &amp; Alley Sweeping</b>				
Streets – Curb Miles	1,362	1,320	1370	1,320
Times per year	15	15	15	15
Alleys – Miles	125	96	125	96
Times per year	9	7	9	7



## Swimming Pool

### 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.

### OBJECTIVES MET-FISCAL YEAR 2010-2011

- Provided a safe and clean facility for use of Town residents.

- Contracted for the removal of fencing and the expansion of the pool deck (\$42,100).

### OBJECTIVES FOR FISCAL YEAR 2011-2012

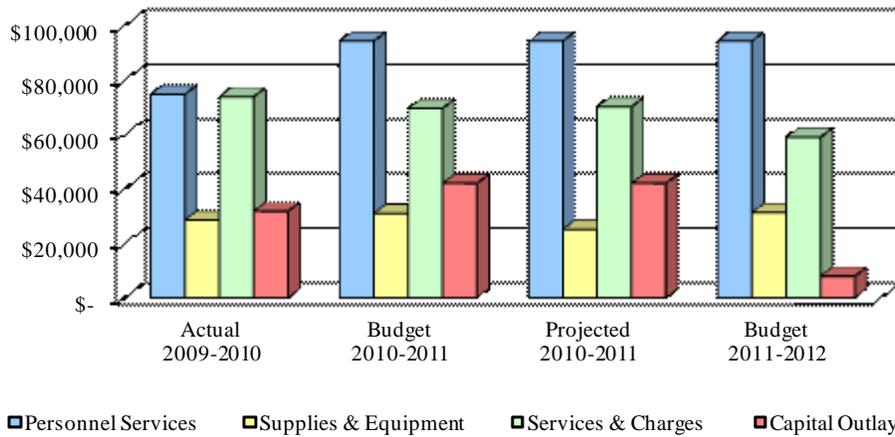
- Provide a safe and clean facility for the enjoyment of the Town's residents.
- Promote utilization of the pool by means of updating the facility and mechanically and esthetically.
- Secure an engineering report on the pool's circulation system and physical design as it relates to state health code standards for public pools. Upon review, determine course of action for either repair or replacement.
- Purchase replacement tables with umbrellas and 50 chairs (sustain capital item).

### EMPLOYEE CLASSIFICATION & SALARIES (All Seasonal Employees)

Classification	2009-2010 Budget	2010-2011 Budget	2011-2012 Budget
Manager	1.0	1.0	1.0
Assistant Manager	1.0	1.0	1.0
Lifeguard	9.0	9.0	9.0
<b>Total Employees</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010</b>	<b>2010-2011</b>	<b>2010-2011</b>	<b>2011-2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
Personnel Services	\$ 74,797	\$ 94,380	\$ 94,380	\$ 94,380
Supplies & Equipment	28,606	30,975	25,200	31,325
Services & Charges	73,931	69,680	70,270	59,100
Capital Outlay	31,832	42,100	42,100	8,000
<b>Total Department</b>	<b>\$ 209,166</b>	<b>\$ 237,135</b>	<b>\$ 231,950</b>	<b>\$ 192,805</b>



<b>ACTIVITY MEASURES</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2010-2011</b>	<b>2011-2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
<b>Pool Usage</b>				
Annual Passes Sold	1,676	1,750	1,580	1,750
Daily Passes Sold	2,678	1,830	2,785	2,250
<b>Revenues Generated</b>	<b>\$92,468</b>	<b>\$91,500</b>	<b>\$109,300</b>	<b>\$106,250</b>



## Municipal Court

### 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.

### OBJECTIVES MET-FISCAL YEAR 2010-2011

- Maintenance of court records in an efficient and accurate manner.
- Effectively managed approximately 11,000 cases filed.

### OBJECTIVES FOR FISCAL YEAR 2011-2012

- Provide prompt, accurate, and courteous responses to inquiries of and appearances at the Town's Municipal Court office.
- Maintain accurate records of filings, documentation and dispositions of all cases filed with the Court.
- Maintain the current Court calendar, allowing all defendants swift access to the court system.
- Expand case processing via the Town's internet Web-site providing downloadable forms for deferred disposition pleas.

### MAJOR BUDGET ITEMS

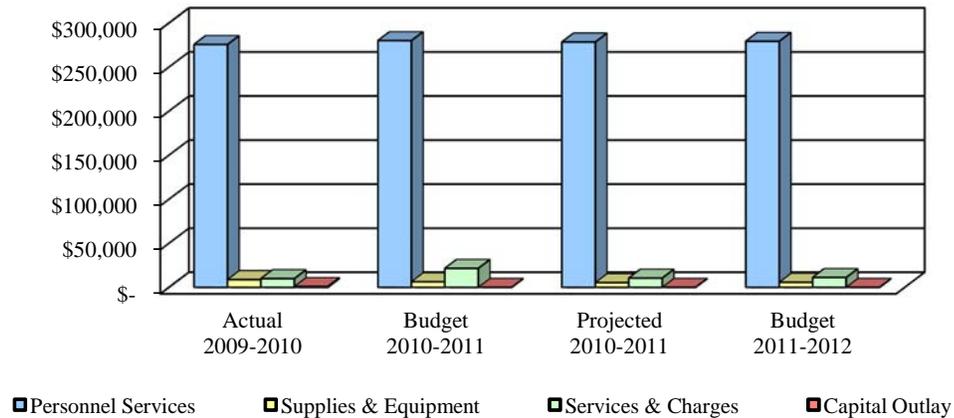
Funding for normal operations.

#### EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2009-2010 Budget	2010-2011 Budget	2011-2012 Budget
Judge (Part Time)	-	0.1	0.1	0.1
Attorney (Part Time)	-	0.1	0.1	0.1
Senior Court Clerk	5	1.0	1.0	1.0
Court Clerk	3	1.0	1.0	1.0
Marshall/Bailiff (Part Time)	-	-	0.5	0.5
<b>Total Allocable Employees</b>		<b>2.2</b>	<b>2.7</b>	<b>2.7</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Personnel Services	\$ 275,643	\$ 280,065	\$ 278,440	\$ 279,300
Supplies & Equipment	8,796	6,350	5,350	5,750
Services & Charges	9,923	21,535	10,500	11,200
Capital Outlay	973	-	-	-
<b>Total Department</b>	<b>\$ 295,335</b>	<b>\$ 307,950</b>	<b>\$ 294,290</b>	<b>\$ 296,250</b>



<b>ACTIVITY MEASURES</b>	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Process Cases Filed	11,045	11,000	10,550	11,000
Process Disposal of Cases	11,726	11,000	11,050	11,000
Disposal/Filed Percentage	106.2%	100.0%	104.7%	100.0%
Warrants of Arrest Issued	1,410	N/A	1,970	1,800
Warrants of Arrest Cleared	1,587	N/A	2,205	1,800
Warrant Clearance Rate (%)	112.6	N/A	111.8	100.0



## Finance Department

disbursements resulting in a ratio of cash invested to total cash of 89%.

### OBJECTIVES FOR FISCAL YEAR 2011-2012

- 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.
- Complete implementation of Customer Relationship Management ("CRM") software.
- Develop performance standards for Town departments, addressing Town Council objectives.
- Conclude the re-engineering of the Town's Pay for Performance Program.

### MAJOR BUDGET ITEMS

Funding for normal operations.

### 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.

### OBJECTIVES MET FOR FISCAL YEAR 2010-2011

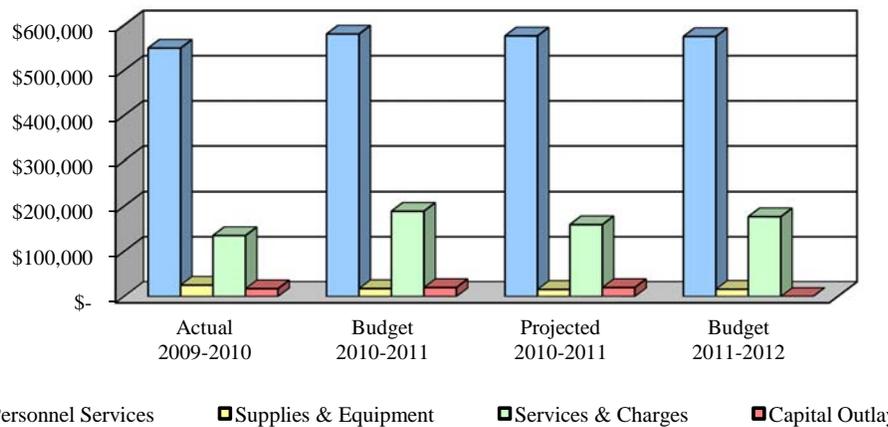
- Received the Government Finance Officers Association's ("GFOA") Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2010 CAFR and the Distinguished Budget Award for the Fiscal Year 2011 Annual Budget.
- Updated the Town's Five-Year Capital Improvement Plan ("CIP").
- Invested Town funds at an average rate of return of 1.03%, or 84 basis points less than average return for Tex Pool.
- Managed the Town's cash flow through the timely processing of vendor payments and payroll related

### **EMPLOYEE CLASSIFICATION & PAY GRADE**

<b>Classification</b>	<b>Grade</b>	<b>2009-2010 Budget</b>	<b>2010-2011 Budget</b>	<b>2011-2012 Budget</b>
Director of Fiscal & Human Resources	E-3	1.0	1.0	1.0
Controller	8	1.0	1.0	1.0
Senior Accounting Technician	4	1.0	1.0	1.0
Secretary II	4	1.0	1.0	1.0
Accounting Technician	3	1.0	1.0	1.0
<b>Total Employees</b>		<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Personnel Services	\$ 549,408	\$ 580,635	\$ 576,410	\$ 575,180
Supplies & Equipment	25,319	17,700	15,700	16,200
Services & Charges	135,185	189,150	159,450	176,995
Capital Outlay	17,435	20,000	20,000	-
Inderdept Cost Allocation	(215,132)	(266,470)	(254,615)	(253,565)
<b>Total Department</b>	<b>\$ 512,215</b>	<b>\$ 541,015</b>	<b>\$ 516,945</b>	<b>\$ 514,810</b>



<b>ACTIVITY MEASURES</b>	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>Investment Activity</b>				
Ratio of Cash Invested to Total Cash	91.2%	98.0%	88.6%	92.0%
Avg. Portfolio Yield vs. TexPool (Basis Points)	80.5	10.0	36.8	20.0
<b>Accounts Payable/Purchase Orders</b>				
Vendor Payments Processed	3,581	3,500	3,008	3,500
Number of Voided/Reissued Vendor Checks	2	10	6	10
Percentage Voids to Issued	<0.1	0.1	<0.1	0.1
<b>Payroll Processing</b>				
Payroll Checks Issued	35	35	25	35
Payroll ACH Items Processed	4,550	4,300	4,575	4,500
Number Voided /Reissued Payroll Items	0	5	0	5
Percentage Voids to Issued	0.0	0.2	0.0	0.2
<b>Accts Receivable Collection Rate (EMS)</b>				
(Based on a Two-Year Rolling Average)	52.0	75.0	65.0	65.0
No. Days Required to Prepare Mo. Fin. Rep.	15	15	17	15



## *Building Inspection*

### **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.

### **OBJECTIVES MET-FISCAL YEAR 2010-2011**

- Processed approximately 930 building, 220 electrical and 665 plumbing permits, generating \$651,000 in revenues.
- Extensively worked with and assisted consultant on significant revisions to the Town's Zoning Code.
- Contracted for third-party plan review and construction inspections on large commercial projects, particularly the building of a new club house at the Dallas Country Club.

### **OBJECTIVES FOR FISCAL YEAR 2011-2012**

- 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.

### **MAJOR BUDGET ITEMS**

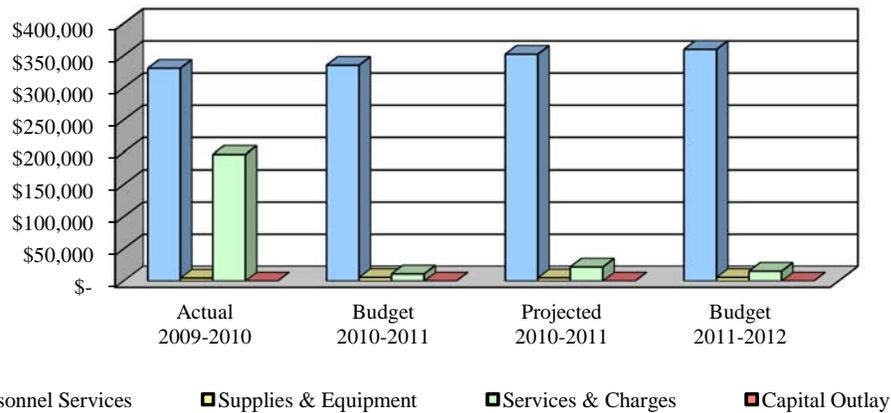
Funding for normal operations.

### **EMPLOYEE CLASSIFICATION & PAY GRADE**

<b>Classification</b>	<b>Grade</b>	<b>2009-2010 Budget</b>	<b>2010-2011 Budget</b>	<b>2011-2012 Budget</b>
Chief Building Inspector	8	1.0	1.0	1.0
Development Services Manager	8	0.0	0.0	1.0
Building Inspector	6	1.0	1.0	0.0
Permit Technician	2	1.0	1.0	1.0
<b>Total Positions</b>		<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010</b>	<b>2010-2011</b>	<b>2010-2011</b>	<b>2011-2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
Personnel Services	\$ 330,392	\$ 335,060	\$ 352,205	\$ 359,745
Supplies & Equipment	4,523	5,650	4,900	5,650
Services & Charges	196,719	11,110	21,885	15,310
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 531,634</b>	<b>\$ 351,820</b>	<b>\$ 378,990</b>	<b>\$ 380,705</b>



<b>ACTIVITY MEASURES</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2010-2011</b>	<b>2011-2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
<b>Inspection Activity</b>				
Building	1,497	1,500	1,600	1,600
Electrical	495	500	500	500
Plumbing	662	600	660	600
Other	62	50	40	50
<b>Permits Activity</b>				
Building	1,062	900	1,100	1,000
Electrical	252	250	250	250
Plumbing	341	350	350	350
<b>Total Value of Permits (\$1,000)</b>	<b>\$91,994</b>	<b>\$83,000</b>	<b>\$85,580</b>	<b>\$84,800</b>
<b>Total Permit Fees &amp; Licenses (\$1,000)</b>	<b>\$1,006</b>	<b>\$830</b>	<b>\$958</b>	<b>\$848</b>
<b>Ratio of Revenues to Dept Costs</b>	<b>1.9/1</b>	<b>1.7/1</b>	<b>2.5/1</b>	<b>2.2/1</b>



*Service Center*

Town’s street lighting and traffic signal system, also provides limited routine maintenance of the Town’s vehicles and equipment as staffing and time allows. Costs are distributed to user/resident departments based upon time allotment and occupancy.

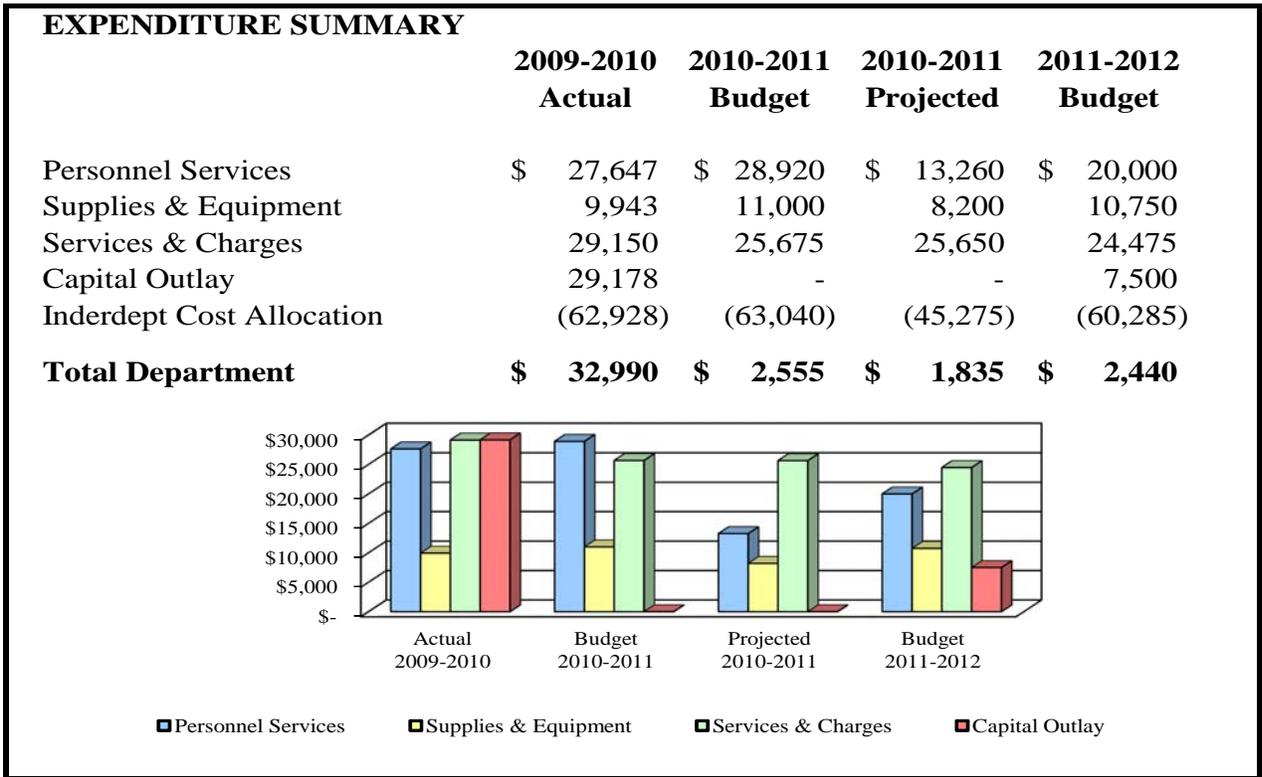
**DEPARTMENT DESCRIPTION**

The Service Center serves as a cost center for machinery, equipment, and facilities that is common to Public Works and Parks Departments. The Service Center personnel, whose primary duties and responsibilities are allocated to maintenance of the

The Town is evaluating the future structure and operations of this cost center. For the time being, the only change will be reflected in the allocation of staff time between the Street Lighting Department and the Service Center.

<b>EMPLOYEE CLASSIFICATION &amp; PAY GRADE</b>				
<b>Classification</b>	<b>Grade</b>	<b>2009-2010 Budget</b>	<b>2010-2011 Budget</b>	<b>2011-2012 Budget</b>
Electrical/Mechanical Tech	5	0.35	0.35	0.20
<b>Total Allocable Employees</b>		<b>0.35</b>	<b>0.35</b>	<b>0.20</b>

Two (2) technicians split time between Street Lighting Dept. and Service Center.





## Municipal Building

The allocation of common operational expenses is made based upon assigned square footage. Common areas are apportioned based upon occupied space.

### DEPARTMENT DESCRIPTION

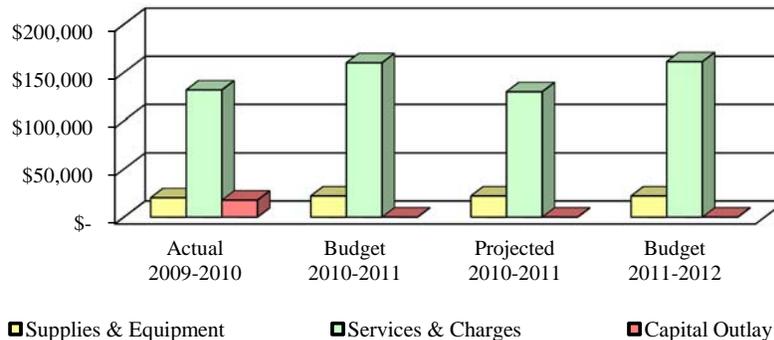
The Municipal Building serves as a cost center for Town Departments that occupy space in Town Hall.

#### DEPARTMENT ALLOCATION OF COSTS

	General Fund	Utility Fund
Administrative	5.75%	5.83%
Public Safety	41.90	-
Library	33.25	-
Parks	0.44	-
Municipal Court	2.02	-
Finance	5.46	-
Building Inspection	1.78	-
Sanitation	-	0.44
Engineering	-	3.13

#### EXPENDITURE SUMMARY

	2009-2010 Actual	2010-2011 Budget	2010-2011 Projected	2011-2012 Budget
Supplies & Equipment	\$ 20,118	\$ 22,000	\$ 22,000	\$ 22,000
Services & Charges	131,709	159,935	129,790	161,090
Capital Outlay	17,643	-	-	-
Inderdept Cost Allocation	(169,470)	(181,935)	(151,790)	(183,090)
<b>Total Department</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>





*Sanitation Collection  
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.

**OBJECTIVES MET-FISCAL YEAR 2010-2011**

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

**OBJECTIVES FOR FISCAL YEAR 2011-2012**

- Provide a quick response on complaints
- Manage the contracts for related services
- Explore ways of minimizing the Town's waste stream by increase utilization of the existing recycling program.
- Explore alternatives to the disposal of household hazardous waste, currently under contract with Dallas County

**MAJOR BUDGET ITEMS**

- Service contracts
 

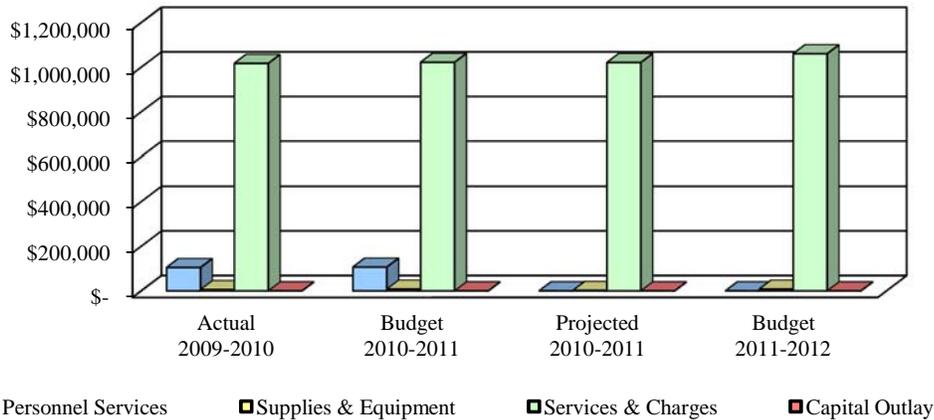
Collection and disposal	\$840,370
Landfill	112,800
Recycling	94,330
Household Hazardous Waste	12,500

**EMPLOYEE CLASSIFICATION & PAY GRADE**

<b>Classification</b>	<b>Grade</b>	<b>2009-2010 Budget</b>	<b>2010-2011 Budget</b>	<b>2011-2012 Budget</b>
Director of Parks & Sanitation	E-2	0.5	0.5	0.0
<b>Total Allocable Employees</b>		<b>0.5</b>	<b>0.5</b>	<b>0.0</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Personnel Services	\$ 104,779	\$ 106,470	\$ -	\$ -
Supplies & Equipment	5,413	8,000	2,000	8,000
Services & Charges	1,017,087	1,021,840	1,021,040	1,060,350
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 1,127,279</b>	<b>\$ 1,136,310</b>	<b>\$ 1,023,040</b>	<b>\$ 1,068,350</b>

**ACTIVITY MEASURES**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>Collection (tonnage)</b>				
Solid Waste Collection	6,317	6,500	5,800	6,000
Brush Collection	2,286	2,300	2,070	2,100
Recycling	1,062	1,000	1,100	1,100
<b>Contract Expenses</b>				
Collection	\$806,423	\$808,040	\$805,840	\$840,370
Disposal	105,848	109,000	95,830	112,800
Recycling	90,627	90,700	91,180	94,330
<b>Cost Per Ton</b>				
Collection	\$93.74	\$91.82	\$102.39	\$103.74
Disposal	12.30	12.39	12.17	13.92
Recycling	85.25	90.70	82.89	85.75



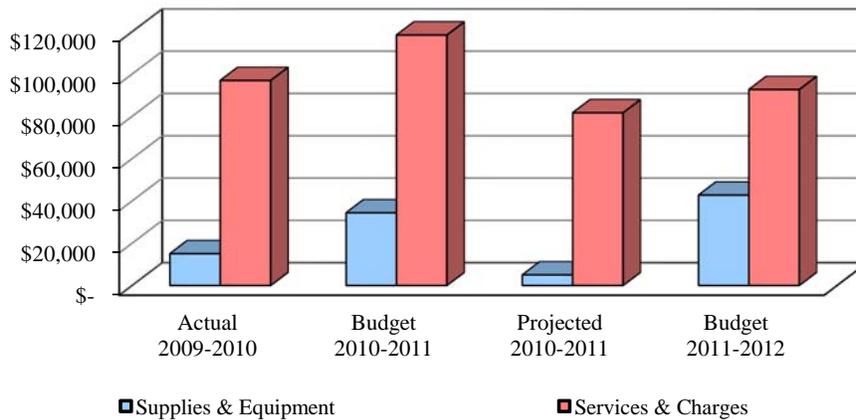
## Non-Departmental

### 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. These costs include participation in the D.A.R.E program and the School Resource Officer (“SRO”) program with Highland Park ISD and the City of University Park. As a budgetary hedge on fuel costs, the Town budgeted for \$4.00 per gallon gasoline, with \$3.00 per gallon included in the respective department’s budget and the remaining \$1.00 per gallon in the Non-Departmental cost center.

#### EXPENDITURE SUMMARY

	2009-2010 Actual	2010-2011 Budget	2010-2011 Projected	2011-2012 Budget
Supplies & Equipment	\$ 15,020	\$ 34,360	\$ 5,000	\$ 42,715
Services & Charges	96,937	118,420	81,655	92,655
<b>Total Department</b>	<b>\$ 111,957</b>	<b>\$ 152,780</b>	<b>\$ 86,655</b>	<b>\$ 135,370</b>





## Transfer to Other Funds

This Budget provides for a transfer of \$990,000 in current revenues to the Capital Projects Fund and provides funding for basic CIP funding (\$650,000), annual miscellaneous concrete project (\$260,000), miscellaneous sidewalk repair/replacement needs (\$40,000), miscellaneous alley repair/replacement needs (\$40,000), and a transfer of \$63,160, or 5% of sanitation service revenues, for street rental charges. 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. (Historical information on the amounts of such transfers is shown below.)

In addition to these specific purpose transfers, the Town will transfer an additional \$1,300,000 from fund surplus in conjunction with the development of the multi-year CIP.

<b>EXPENDITURE SUMMARY</b>				
	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Capital Projects Fund	\$ 2,760,843	\$ 1,053,160	\$ 1,560,843	\$ 2,353,160
<b>Total Interfund Transfers</b>	<b>\$ 2,760,843</b>	<b>\$ 1,053,160</b>	<b>\$ 1,560,843</b>	<b>\$ 2,353,160</b>

### TRANSFER OF EXCESS GENERAL FUND REVENUES OVER EXPENDITURES

#### Past Fiscal Years

2002	453,193
2003	561,790
2004	396,185
2005	1,181,340
2006	0
2007	976,048
2008	307,306
2009	464,609
2010	644,794
2011 Projected	700,000





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UTILITY FUND



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## UTILITY FUND

<b>Department</b>	<b>Pages</b>
<b>Administration</b> .....	<b>66</b>
Utility billing/collection, utility construction and construction inspection	
<b>Water</b> .....	<b>68</b>
Water meter reading and water distribution system maintenance	
<b>Sanitary Sewer</b> .....	<b>70</b>
Sanitary sewer system maintenance	
<b>Engineering</b> .....	<b>72</b>
Infrastructure construction and infrastructure rehabilitation	

The Utility Fund is the financial structure used for the accounting of providing water, sanitary sewer, solid waste collection and disposal and recycling 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.

The determination of the revenues necessary to fund the various services for Fiscal Year 2012 begins with the calculation of total costs associated with each service. As stipulated in the Town's Statement of Financial Policies, the adopted utility rate structure is to be sufficient to cover cost of providing the respective service. The total cost for Utility Fund services for Fiscal Year 2012 is \$7,949,615. Of this amount, 42.1% 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 2014).

Another significant portion of both the budget for Fiscal Year 2012, 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. Over this time, the Town has allocated over \$26,000,000 in upgrading its water and sanitary sewer system infrastructure without incurring debt, saving an estimated \$8,500,000 in interest costs associated with financing over time.

This Budget provides \$900,000 from water service revenues and \$900,000 from sanitary sewer service revenues to fund the projects selected for Fiscal Year 2012 (page 74). The rate structure necessary to support the current spending level of \$1,800,000 is such that the average monthly cost of a Highland Park utility customer is at or near the average dollar amount for comparable customers in thirteen (13) Dallas County cities. The projects in the west side of the Town have become the core of the Town's commitment to maintain its aging water and sanitary infrastructure originally constructed in the late 1910's and 1920's. These lines are located in easements in much of the west side and as these lines are replaced or rehabilitated, the easements are cleared of obstructions. The impact that the water and sanitary sewer capital improvements program is having on Town operations multi-faceted. The clearing of easements along with infrastructure replacement/rehabilitation affords improved meter reading time and easier access to lines and service taps, I&I is being eliminated, the lines are being increased in size to accommodate increased volume as needs warrant, water service taps are put in place for the installation of meters for irrigation-only use at a cost savings to homeowners and maintenance demands are being reduced.

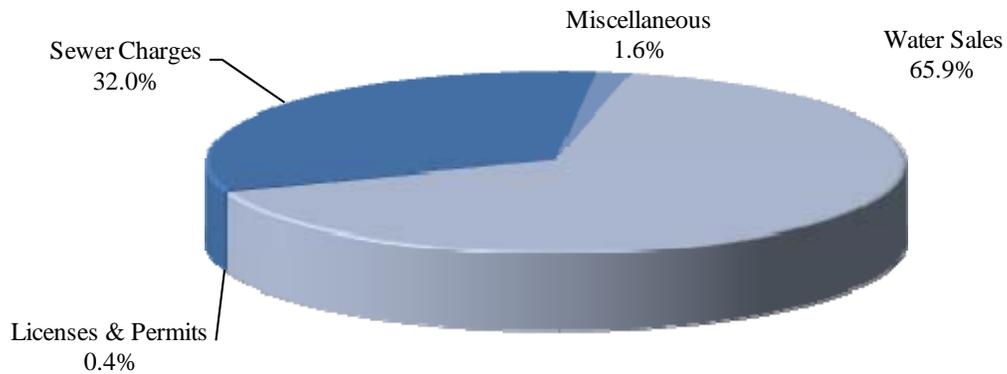
The development of the multi-year CIP required changes in the budgeting and accounting for funding sources and expenditures for capital projects. The combined \$1,800,000 in current revenues for utility infrastructure is now treated as a transfer from the Utility fund to the Capital Projects Fund. The 5% street rental fee collected through water and sanitary sewer charges are also treated as a transfer. Please see pages 28 and 36 for additional detail.

**UTILITY FUND  
STATEMENT OF REVENUES & EXPENSES**

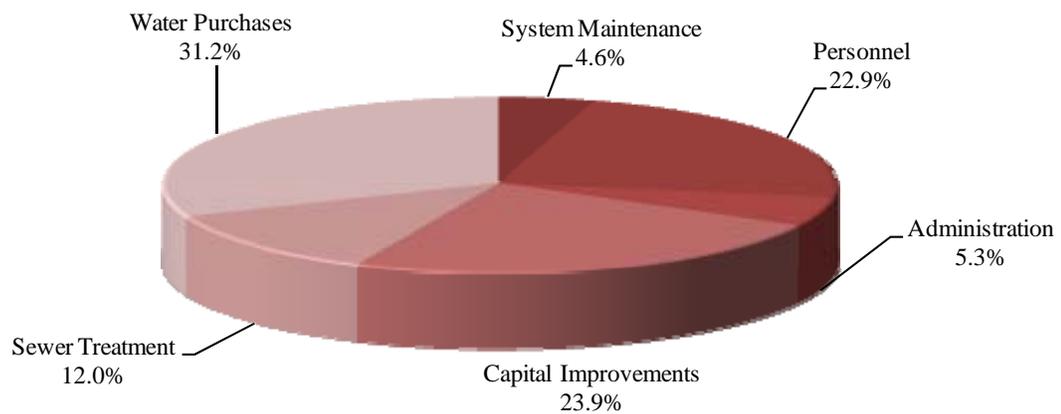
	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Licenses & Permits	\$ 33,470	\$ 34,000	\$ 30,875	\$ 34,000
Charges for Services	6,854,067	8,119,770	8,542,500	8,079,890
Fines & Forfeits	78,951	75,000	84,700	75,000
Miscellaneous	82,051	67,000	30,800	37,000
<b>Total Revenues</b>	<b>\$ 7,048,539</b>	<b>\$ 8,295,770</b>	<b>\$ 8,688,875</b>	<b>\$ 8,225,890</b>
<b>EXPENSES/USES OF FUNDS</b>				
Personnel Services				
Payroll	\$ 1,554,857	\$ 1,512,635	\$ 1,568,225	\$ 1,608,345
Employee Benefits	526,367	528,215	510,765	501,680
Total Personnel	\$ 2,081,224	\$ 2,040,850	\$ 2,078,990	\$ 2,110,025
Supplies & Equipment	2,099,196	2,622,610	2,634,355	2,640,940
Services & Charges	1,503,632	1,460,645	1,424,350	1,147,140
Capital Outlay	397,983	1,800,000	1,800,000	1,855,000
<b>Total Expenses/Uses</b>	<b>\$ 6,082,035</b>	<b>\$ 7,924,105</b>	<b>\$ 7,937,695</b>	<b>\$ 7,753,105</b>
Transfers Out	5,200,122	413,355	433,346	2,399,050
<b>Total Expenses/Uses</b>	<b>\$ 11,282,157</b>	<b>\$ 8,337,460</b>	<b>\$ 8,371,041</b>	<b>\$ 10,152,155</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenses/Uses</b>	<b>\$ (4,233,618)</b>	<b>\$ (41,690)</b>	<b>\$ 317,834</b>	<b>\$ (1,926,265)</b>
<b>Fund Balance</b>	<b>\$ 3,622,528</b>	<b>\$ 3,580,838</b>	<b>\$ 3,940,362</b>	<b>\$ 2,014,097</b>
<b>Fund Balance in Excess of 25% Minimum</b>	<b>\$ 2,201,515</b>	<b>\$ 2,049,812</b>	<b>\$ 2,405,938</b>	<b>\$ 539,571</b>

## UTILITY FUND

### BUDGETED REVENUES & SOURCES BY TYPE



### BUDGETED DISBURSEMENTS BY TYPE



**UTILITY FUND  
STATEMENT OF REVENUES**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>Licenses &amp; Permits</b>				
Plumbing Permits	\$ 33,470	\$ 34,000	\$ 33,300	\$ 34,000
<i>Subtotal</i>	\$ 33,470	\$ 34,000	\$ 33,300	\$ 34,000
<b>Charges For Services</b>				
Water Sales	\$ 4,249,403	\$ 5,291,695	\$ 5,690,000	\$ 5,345,600
Inter-dept Water Sales	60,617	71,600	92,500	77,900
Sewer Charges	2,532,334	2,740,475	2,740,000	2,635,400
Meter Installation	7,650	14,000	13,000	18,990
Other Charges	4,063	2,000	4,600	2,000
<i>Subtotal</i>	\$ 6,854,067	\$ 8,119,770	\$ 8,540,100	\$ 8,079,890
<b>Fines &amp; Forfeits</b>				
Late Payment Penalties	\$ 78,951	\$ 75,000	\$ 84,500	\$ 75,000
<i>Subtotal</i>	\$ 78,951	\$ 75,000	\$ 84,500	\$ 75,000
<b>Miscellaneous</b>				
Interest	\$ 77,096	\$ 50,000	\$ 18,000	\$ 20,000
Sale of Assets	-	-	-	-
Rental of Town Property	-	-	-	-
Refund-Property Damage	-	1,000	-	1,000
Miscellaneous	4,955	16,000	12,500	16,000
<i>Subtotal</i>	\$ 82,051	\$ 67,000	\$ 30,500	\$ 37,000
<b>Total Revenues</b>	<b>\$ 7,048,539</b>	<b>\$ 8,295,770</b>	<b>\$ 8,688,400</b>	<b>\$ 8,225,890</b>

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## SUMMARY OF REVENUE ESTIMATES/TRENDS

- **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 \$5,345,600, a 1.0% increase over the Fiscal Year 2011 Budget projection. The Town's sole water supplier is undertaking a \$33,000,000 project to comply with Environmental Protection Agency ("EPA") mandated water quality standards. Over a period of four years, the Town will realize a 100% increase in the cost of purchasing treated water for resale. Although the wholesale rate increase for Fiscal Year 2012 is only 1%, the Town expects significant increases for the next two years. The Town anticipates selling 1,123,300,000 gallons of water, or 94% of the projected purchase of 1,195,000,000 gallons of treated water.

These estimated volumes reflect a 1% increase over the estimate for Fiscal Year 2010. Accordingly, the projected revenues do not reflect a rate increase. The projected revenues are sufficient to fund 100.39% of the cost of providing water services at the projected sales volume.

The schedule on page 101 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 \$2,635,400 or 3.8% less than for the Fiscal Year 2011 Budget year.

The projected revenues are based on retention of the existing rates. The projected revenues are sufficient to fund 100.41% of the cost of providing sanitary sewer services at the projected sales volume.

*Sanitation Services*

- **Miscellaneous**

Projected interest earnings are based on an average monthly investable balance of \$4,000,000 are reflective of anticipated investable balances at a 0.50% earnings rate.





## Administrative Department

### DEPARTMENT DESCRIPTION

The Administrative 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 directive 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 and Board of Adjustment meetings. The preparation, indexing and codification of Town ordinances and the preparation and indexing of resolutions performed by assigned staff.

### OBJECTIVES MET FOR FISCAL YEAR 2010-2011

- Maintained quality customer service as evidenced by only sixteen (16) bills requiring adjustment due to error out of approximately 41,000 bills prepared.

- Continued education of customers regarding bank draft and on-line payment options through information flyers and direct contact.
- Continued the process of updating automated customer data for historical information from archived manual card system.
- Evaluated options for maintaining information regarding the tracking of customer contacts on water conservation under the Town's Drought Contingency Plan. Implemented tracking system and maintained same.

### OBJECTIVES FOR FISCAL YEAR 2011-2012

- Coordinate the implementation of Town Council goals and objectives with all Town departments, including utility services.
- Ensure the delivery of quality services to the citizens through effective management and efficient administration of Town utility services.
- Promote on-line bill paying through utility bill 'stuffers' and web-site.

### MAJOR BUDGET ITEMS

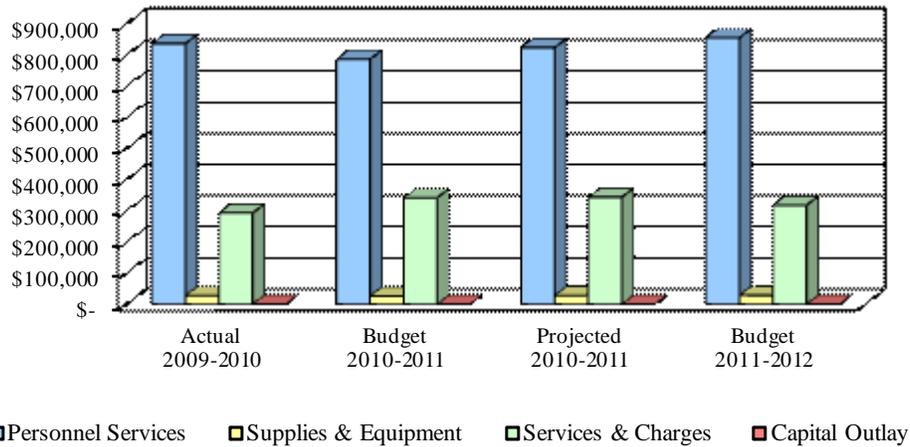
Funding for normal operations

### **EMPLOYEE CLASSIFICATION & PAY GRADE**

<b>Classification</b>	<b>Grade</b>	<b>2009-2010 Budget</b>	<b>2010-2011 Budget</b>	<b>2011-2012 Budget</b>
Town Administrator	-	0.50	0.50	0.50
Director of Public Works	E-3	0.80	0.80	0.00
Director of Town Services	E-3	0.00	0.00	0.75
Manager of Town Services	8	0.00	0.00	0.65
Construction Coordinator	6	1.00	1.00	1.00
Customer Service Supervisor	6	1.00	1.00	1.00
Town Secretary	5	0.20	0.20	0.20
Secretary II	4	0.50	0.50	0.50
Customer Service Specialist II	3	1.00	1.00	1.00
Customer Service Specialist I	2	1.00	1.00	1.00
Attorney (Part Time)	-	0.20	0.20	0.20
<b>Total Allocable Employees</b>		<b>6.20</b>	<b>6.20</b>	<b>6.80</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010</b>	<b>2010-2011</b>	<b>2010-2011</b>	<b>2011-2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
Personnel Services	\$ 836,758	\$ 786,165	\$ 823,910	\$ 855,040
Supplies & Equipment	27,687	26,405	27,800	28,650
Services & Charges	292,806	341,915	343,760	317,685
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$1,157,251</b>	<b>\$1,154,485</b>	<b>\$1,195,470</b>	<b>\$1,201,375</b>



<b>ACTIVITY MEASURES</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2010-2011</b>	<b>2011-2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
<b>Utility Inspections</b>				
Sewer taps	109	150	105	150
Excavations	86	150	60	150
<b>Other Inspections</b>				
Building *	144	200	150	200
Electrical *	29	30	40	30
Plumbing *	95	50	90	50
Vacant Properties	18	20	30	20
Alleys	28	35	35	35
Job-site Conditions	84	100	120	100
Public Utilities	159	200	270	200
Other	141	200	150	200
<b>Utilities Service</b>				
Bills Prepared	40,711	41,000	41,000	41,000
New Deposits (#)	382	400	380	400
Bank Draft Customers	642	600	680	650
Internet Payment	659	500	850	900
<b>Billing Adjustment Requests</b>				
Billing Errors	63	10	80	60
Leaks	41	50	50	50

\* This data is also included in the corresponding activity description in Building Inspection in order to present a more accurate account of building related activities in the Town.



## Water Department

### 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.

### OBJECTIVES MET FOR FISCAL YEAR 2010-2011

- Routine maintenance of system, minimizing service interruptions.
- Over 400 water meters replaced in the Town's meter change-out program.

### OBJECTIVES FOR FISCAL YEAR 2011-2012

- 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

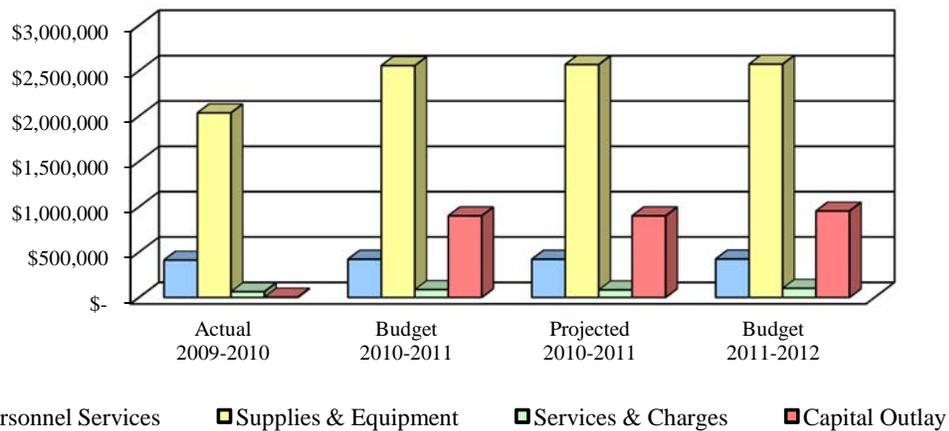
- Funding for infrastructure replacement/maintenance - \$900,000.
- Repair materials for making necessary system repairs in conjunction with infrastructure replacement/maintenance program - \$75,000.
- Replacement water meters - \$50,300.

### **EMPLOYEE CLASSIFICATION & PAY GRADE**

<b>Classification</b>	<b>Grade</b>	<b>2009-2010 Budget</b>	<b>2010-2012 Budget</b>	<b>2011-2012 Budget</b>
Foreman	8	0.4	0.4	0.4
Public Works Maintenance Worker III	4	4.0	4.0	4.0
<b>Total Allocable Employees</b>		<b>4.4</b>	<b>4.4</b>	<b>4.4</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010</b>	<b>2010-2011</b>	<b>2010-2011</b>	<b>2011-2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
Personnel Services	\$ 411,896	\$ 420,980	\$ 421,100	\$ 423,775
Supplies & Equipment	2,035,430	2,556,770	2,568,475	2,572,710
Services & Charges	63,383	86,775	83,480	100,900
Capital Outlay	4,075	900,000	900,000	953,000
<b>Total Department</b>	<b>\$ 2,514,784</b>	<b>\$3,964,525</b>	<b>\$ 3,973,055</b>	<b>\$4,050,385</b>



<b>ACTIVITY MEASURES</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2010-2011</b>	<b>2011-2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
<b>Water Meter Activity</b>				
Change –out Program	329	418	385	400
New Services	44	75	55	75
Worker Days	100	180	100	180
<b>Meter Reading</b>				
Meters Read	64,763	64,750	64,750	64,800
Worker Days	80	90	80	80
Number Read/Hour (Average)	104	90	101	100
Reading Cost Per Meter Read	\$0.46	\$0.50	\$0.46	\$0.47
Meters Reread	1,949	1,600	2,235	1,600
Worker Days	31	30	30	30
Number Read/Hour (Average)	8	7	9	7
Reading Cost Per Meter Reread	\$5.77	\$6.50	\$5.23	\$6.77
<b>Other Repairs/Activity/Worker Days</b>				
Main Repairs	148	100	150	100
Service Lines	10	15	15	10
Fire Hydrants	83	100	80	100
Valves	97	130	85	130



## 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.

### OBJECTIVES MET-FISCAL YEAR 2010-2011

- 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/replacement.
- 

### OBJECTIVES FOR FISCAL YEAR 2011-2012

- Decrease I & I into the system.
- Maintain the collection and transmission system to minimize service interruptions.
- Through the sanitary sewer rate structure, provide funding of infrastructure replacement program.
- Continue Town's program of systematically flushing sanitary sewer lines through out the Town.

### MAJOR BUDGET ITEMS

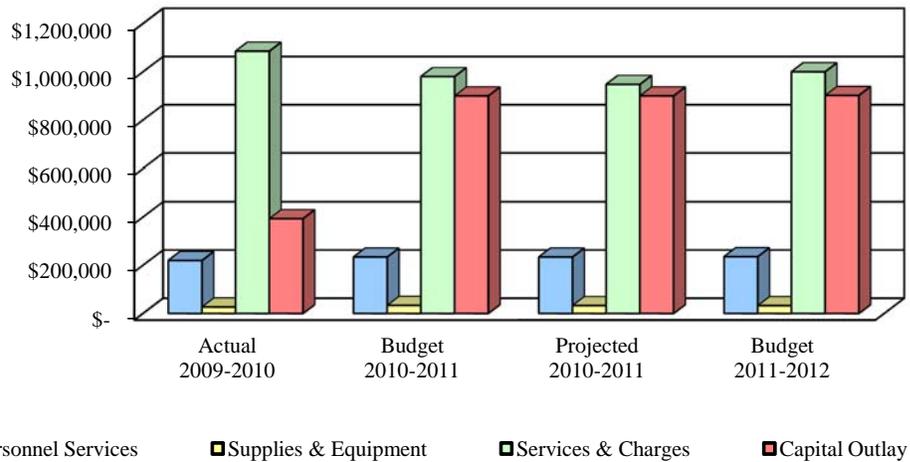
- Infrastructure replacement/maintenance - \$900,000.

### EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2009-2010 Budget	2010-2011 Budget	2011-2012 Budget
Foreman	8	0.3	0.3	0.3
Public Works Maintenance Worker III	4	2.0	2.0	2.0
<b>Total Allocable Employees</b>		<b>2.3</b>	<b>2.3</b>	<b>2.3</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Personnel Services	\$ 219,739	\$ 234,170	\$ 234,070	\$ 235,630
Supplies & Equipment	26,826	33,735	32,880	32,630
Services & Charges	1,085,584	980,300	947,780	1,000,110
Capital Outlay	393,441	900,000	900,000	902,000
<b>Total Department</b>	<b>\$ 1,725,590</b>	<b>\$ 2,148,205</b>	<b>\$ 2,114,730</b>	<b>\$ 2,170,370</b>



<b>ACTIVITY MEASURES</b>	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
<b>Service Calls</b>				
City Lines	7	20	6	20
Private Lines	27	50	40	50
Worker Days	10	25	12	25
<b>System Maintenance</b>				
Mains Flushed (Approx. Miles)	82.5	60.0	85.0	60.0
Broken Mains	27	100	60	100
Worker Days	260	300	280	300
<b>Installation of Customer Services</b>				
New Taps	30	40	12	40
Worker Days	21	30	12	30



## Engineering Department

### DEPARTMENT DESCRIPTION

This department is responsible for the planning, design, construction and inspection of capital projects and capital improvements projects for the Town by performing such functions directly or by contract.

### OBJECTIVES MET FOR FISCAL YEAR 2010-2011 & PROJECTS COMPLETED

- Contracted for the replacement of 4,350 linear feet of water lines, replacement of 4,750 linear feet of sanitary sewer lines, replacement /rehabilitation of 1,320 linear feet of storm drain, replacement of 500 square feet of sidewalk, and 3,225 square yards of curb and gutter/drive approaches.

### OBJECTIVES FOR FISCAL YEAR 2011-2012

- Manage construction projects for:
  - Complete rehabilitation of Beverly Drive, Preston Road to Westside Drive (CIP)
  - Design, prepare specifications, and bid the rehabilitation of Beverly Drive east of Preston Road
  - Utility infrastructure program (CIP)
  - Engage contract engineer to assess and design repairs and modifications to the retaining wall at Town Hall (CIP)
- Respond to engineering needs of the Town as necessary.

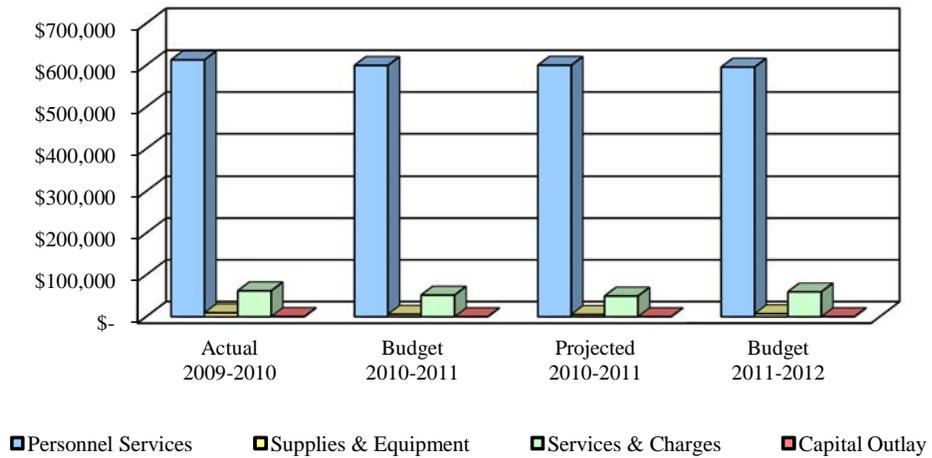
### MAJOR BUDGET ITEMS

- Funding for normal operations.

<b>EMPLOYEE CLASSIFICATION &amp; PAY GRADE</b>				
<b>Classification</b>	<b>Grade</b>	<b>2008-2009 Budget</b>	<b>2009-2010 Budget</b>	<b>2010-2011 Budget</b>
Town Engineer	E-3	1.0	1.0	1.0
Project Engineer	7	1.0	1.0	1.0
Construction Coordinator	6	0.0	1.0	1.0
Engineer Assistant	5	0.5	0.5	0.5
Project Coordinator	5	1.0	1.0	1.0
<b>Total Allocable Employees</b>		<b>3.5</b>	<b>4.5</b>	<b>4.5</b>

**EXPENDITURE SUMMARY**

	<b>2009-2010 Actual</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Projected</b>	<b>2011-2012 Budget</b>
Personnel Services	\$ 612,830	\$ 599,535	\$ 599,910	\$ 595,580
Supplies & Equipment	9,253	5,700	5,200	6,950
Services & Charges	61,859	51,655	49,330	59,420
Capital Outlay	468	-	-	-
<b>Total Department</b>	<b>\$ 684,410</b>	<b>\$ 656,890</b>	<b>\$ 654,440</b>	<b>\$ 661,950</b>







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OTHER FUNDS



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## STORM WATER 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.

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

This Budget provides funding in the Storm Water Drainage Utility Fund for one-half of the Engineering Assistant position to reflect the expense of creating and maintaining the necessary GIS Data for records management purposes. In addition to funding the Town's contract for street sweeping and catch basin cleaning (\$42,650) and supplies of pet mitts (\$6,000) maintained throughout the Town's parks. This budget also provides \$350,000 for improvements to the Lexington Avenue culvert. These improvements are expected to lower the water level in Hackberry Creek under Town Hall by seven feet. This project is paid out of the Town's CIP for 2012.

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

	2009-2010 Actual	2010-2011 Budget	2010-2011 Projected	2011-2012 Budget
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ 181,507	\$ 181,500	\$ 179,500	\$ 361,000
Interest	\$ 3,845	\$ 3,500	\$ 3,425	\$ 800
Miscellaneous	136	-	135	-
<b>Total Revenues/Sources of Funds</b>	<b>\$ 185,488</b>	<b>\$ 185,000</b>	<b>\$ 183,060</b>	<b>\$ 361,800</b>
<b>EXPENSES/USES OF FUNDS</b>				
Personnel Services				
Payroll	\$ 31,602	\$ 33,440	\$ 33,440	\$ 35,890
Employee Benefits	11,567	12,715	12,715	12,070
Total Personnel	\$ 43,169	\$ 46,155	\$ 46,155	\$ 47,960
Supplies & Equipment	\$ 4,744	\$ 10,000	\$ 4,700	\$ 10,000
Services & Charges	\$ 46,875	\$ 62,775	\$ 42,790	\$ 65,100
Capital Outlay	310,334	175,000	190,000	350,000
<b>Total Expenses/Uses of Funds</b>	<b>\$ 405,122</b>	<b>\$ 293,930</b>	<b>\$ 283,645</b>	<b>\$ 473,060</b>
<b>Excess of Revenues/Sources Over Expenses/Uses</b>	<b>\$ (219,634)</b>	<b>\$ (108,930)</b>	<b>\$ (100,585)</b>	<b>\$ (111,260)</b>
<b>Fund Balance</b>	<b>\$ 376,291</b>	<b>\$ 267,361</b>	<b>\$ 275,706</b>	<b>\$ 164,446</b>

## **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 (Charges for Service) 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 us 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 one (1) 1-ton truck with dump body; one (1) pickup, and one (1) backhoe scheduled for replacement in fiscal year 2012. Additionally, computer equipment scheduled for replacement for the Library and the Finance Department is funded at \$12,895 and \$4,865, respectively.

**EQUIPMENT REPLACEMENT FUND  
STATEMENT OF REVENUES & EXPENSES**

	2009-2010 Actual	2010-2011 Budget	2010-2011 Projected	2011-2012 Budget
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ 483,092	\$ 531,090	\$ 524,125	\$ 829,520
Interest	23,534	20,000	22,115	20,000
Sale of Assets	31,943	75,500	47,000	40,000
<b>Total Revenues</b>	<b>\$ 538,569</b>	<b>\$ 626,590</b>	<b>\$ 593,240</b>	<b>\$ 889,520</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 538,569</b>	<b>\$ 626,590</b>	<b>\$ 593,240</b>	<b>\$ 889,520</b>
<b>EXPENSES/USES OF FUNDS</b>				
Vehicle Disposal	\$ 2,478	\$ 6,040	\$ 3,760	\$ 3,180
Computer Acquisition	123,727	180,000	97,500	17,760
Vehicle Acquisition	680,241	699,000	681,310	95,500
Equipment Acquisition	14,825	105,000	-	30,000
<b>Total Expenses</b>	<b>\$ 821,271</b>	<b>\$ 990,040</b>	<b>\$ 782,570</b>	<b>\$ 146,440</b>
Transfers	-	-	-	200,000
<b>Total Expenses/Uses</b>	<b>\$ 821,271</b>	<b>\$ 990,040</b>	<b>\$ 782,570</b>	<b>\$ 346,440</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenses/Uses</b>	<b>\$ (282,702)</b>	<b>\$ (363,450)</b>	<b>\$ (189,330)</b>	<b>\$ 743,080</b>
<b>Fund Balance</b>	<b>\$ 2,128,181</b>	<b>\$ 1,764,731</b>	<b>\$ 1,938,851</b>	<b>\$ 2,681,931</b>

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**EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE**

<b>Department/ Equipment Type</b>	<b>Equipment Make</b>	<b>Equipment Model</b>	<b>Year Purchased</b>	<b>Schedule Replacement</b>
<b>PUBLIC SAFETY</b>				
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	2014
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
Truck .....	International-Southern	1992	1992	2014
Pickup (Animal Control) .....	Chevrolet	2005	2005	2013
Van .....	Dodge	2007	2007	2013
Police SUV .....	Chevrolet Tahoe	2010	2010	2014
Police SUV .....	Chevrolet Tahoe	2010	2010	2014
Police SUV .....	Chevrolet Tahoe	2010	2010	2014
Police SUV .....	Chevrolet Tahoe	2010	2010	2014
Police SUV .....	Chevrolet Tahoe	2009	2009	2013
Police SUV .....	Chevrolet Tahoe	2009	2009	2013
Police SUV .....	Chevrolet Tahoe	2009	2009	2013
<b>STREET</b>				
Dump Truck .....	Ford	2010	2011	2018
Pickup .....	Chevrolet	2011	2011	2018
Truck 1-ton .....	Ford	2010	2010	2017
<b>STREET LIGHTING</b>				
Truck w/Ariel lift .....	Ford	2009	2008	2018
Pickup .....	Chevrolet	2002	2002	2012
<b>PARKS</b>				
Truck w/ Ariel lift .....	Chevrolet	2008	2008	2018
Pickup .....	Chevrolet	2006	2006	2013
Van .....	Chevrolet	2006	2006	2013
Truck w/ Dump body .....	Chevrolet	2004	2004	2012
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

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**EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE**

<b>Department/ Equipment Type</b>	<b>Equipment Make</b>	<b>Equipment Model</b>	<b>Year Purchased</b>	<b>Schedule Replacement</b>
<b>SERVICE CENTER</b>				
Front-End Loader.....	Case.....	2011.....	2011.....	2021
<b>WATER</b>				
Pickup .....	Chevrolet.....	2006.....	2006.....	2013
Pickup .....	Chevrolet.....	2006.....	2006.....	2013
Pickup .....	Chevrolet.....	2011.....	2011.....	2018
Pickup .....	Ford.....	2010.....	2010.....	2017
<b>SEWER</b>				
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 .....	2004.....	2004.....	2012
Backhoe.....	Ford.....	2004.....	2004.....	2014

## **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 (\$26,950).

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

**COURT TECHNOLOGY FUND  
STATEMENT OF REVENUES & EXPENSES**

	2009-2010 Actual	2010-2011 Budget	2010-2011 Projected	2011-2012 Budget
<b>REVENUES/SOURCES OF FUNDS</b>				
Court Fees	\$ 25,138	\$ 25,000	\$ 28,000	\$ 26,900
Interest	88	300	65	300
<b>Total Revenues</b>	<b>\$ 25,226</b>	<b>\$ 25,300</b>	<b>\$ 28,065</b>	<b>\$ 27,200</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 25,226</b>	<b>\$ 25,300</b>	<b>\$ 28,065</b>	<b>\$ 27,200</b>
<b>EXPENSES/USES OF FUNDS</b>				
Supplies & Equipment	\$ 2,878	\$ 2,950	\$ 11,250	\$ 2,950
Service & Charges	16,774	25,000	5,750	24,000
Capital Outlay	6,423	-	5,395	-
<b>Total Expenses/Uses</b>	<b>\$ 26,075</b>	<b>\$ 27,950</b>	<b>\$ 22,395</b>	<b>\$ 26,950</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenses/Uses</b>	<b>\$ (849)</b>	<b>\$ (2,650)</b>	<b>\$ 5,670</b>	<b>\$ 250</b>
<b>Fund Balance</b>	<b>\$ 38,482</b>	<b>\$ 35,832</b>	<b>\$ 44,152</b>	<b>\$ 44,402</b>

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## **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 \$20,000 to the General Fund for support the services of the part-time position of Town Marshall/Bailiff added in the FY2010 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.

**COURT SECURITY FUND  
STATEMENT OF REVENUES & EXPENSES**

	2009-2010 Actual	2010-2011 Budget	2010-2011 Projected	2011-2012 Budget
<b>REVENUES/SOURCES OF FUNDS</b>				
Court Fees	\$ 18,866	\$ 18,500	\$ 20,500	\$ 20,160
Interest	283	1,000	260	200
<b>Total Revenues</b>	<b>\$ 19,149</b>	<b>\$ 19,500</b>	<b>\$ 20,760</b>	<b>\$ 20,360</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 19,149</b>	<b>\$ 19,500</b>	<b>\$ 20,760</b>	<b>\$ 20,360</b>
<b>EXPENSES/USES OF FUNDS</b>				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
<b>Total Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers Out</b>	<b>17,979</b>	<b>20,000</b>	<b>20,000</b>	<b>160,000</b>
<b>Total Expenditures/Uses</b>	<b>\$ 17,979</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 160,000</b>
<b>Excess Revenues/Sources Over Expenses/Uses</b>	<b>\$ 19,148</b>	<b>\$ (500)</b>	<b>\$ 760</b>	<b>\$ (139,640)</b>
<b>Fund Balance</b>	<b>\$ 144,627</b>	<b>\$ 144,127</b>	<b>\$ 145,387</b>	<b>\$ 5,747</b>

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## 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 over \$40,000,000 in its capital program without incurring additional debt.

The Capital Projects Fund is funded from the General Fund in the form of a budgeted operating transfer and from fiscal year-end operating surplus. Please see page 55 for funding basis and history.

The Town's adopted Capital Improvement Plan ("CIP") included a total of \$11,010,000 for the following projects:

- Annual street resurfacing project - \$80,000
- Annual utility infrastructure replacement/rehabilitation projects - \$1,800,000
- DPS Communications and Town Hall Remodeling Project - \$6,010,000
- Beverly Drive Rehabilitation Project - \$2,442,000
- Storm Water Drainage project (Dartmouth Avenue) - \$175,000
- Retaining wall repairs at Town Hall - \$503,000

The budgeted capital outlay for all of these projects excluding the Storm Water project where funded through the Capital Project Fund.

As the scope of the DPS Communications and Town Hall Remodeling Project developed, the capital spending plan for 2011 changed with the Beverly Drive Rehabilitation Project being divided into two distinct projects and the combining of both the funding and scope for retaining wall repairs into the DPS Communications and Town Hall Remodeling Project.

For 2012, the CIP calls for a total of \$13,621,448 in capital spending for:

- An additional \$10,338,263 for the DPS Communications and Town Remodeling Project
- Annual utility infrastructure replacement/rehabilitation projects - \$1,800,000
- Annual ROW improvement projects - \$402,210
- Eastern portion of Beverly Drive Project - \$400,000
- Lexington Avenue culvert improvements - \$350,000
- Miscellaneous Engineering cost allocation for project development and management - \$330,975

Funding for all the above projects is through the Capital Projects Fund excluding the annual utility infrastructure replacement/rehabilitation projects (Utility Fund) and Lexington Avenue culvert improvements (Storm Water Drainage Utility Fund).

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

	<b>2009-2010</b>	<b>2010-2011</b>	<b>2010-2011</b>	<b>2011-2012</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 86,023	\$ 90,000	\$ 77,850	\$ 65,000
Miscellaneous	8,302	1,000,000	211,752	425,000
<b>Total Revenues</b>	<b>\$ 94,325</b>	<b>\$ 1,090,000</b>	<b>\$ 289,602</b>	<b>\$ 490,000</b>
Transfers In	\$ 7,960,965	\$ 3,254,769	\$ 3,762,453	\$ 5,092,210
<b>Total Other Resources</b>	<b>\$ 7,960,965</b>	<b>\$ 3,254,769</b>	<b>\$ 3,762,453</b>	<b>\$ 5,092,210</b>
<b>Total Revenues/Sources</b>	<b>\$ 8,055,290</b>	<b>\$ 4,344,769</b>	<b>\$ 4,052,055</b>	<b>\$ 5,582,210</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Capital Projects	\$ 2,452,191	\$ 10,835,000	\$ 5,841,122	\$ 11,471,448
<b>Total Expenditures/Uses</b>	<b>\$ 2,452,191</b>	<b>\$ 10,835,000</b>	<b>\$ 5,841,122</b>	<b>\$ 11,471,448</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 5,603,099</b>	<b>\$ (6,490,231)</b>	<b>\$ (1,789,067)</b>	<b>\$ (5,889,238)</b>
<b>Fund Balance</b>	<b>\$ 10,037,805</b>	<b>\$ 3,547,574</b>	<b>\$ 8,248,738</b>	<b>\$ 2,359,500</b>


  
**Town of Highland Park**  
 Capital Improvement Plan - Budget

EXPENSE	Project Cost	Prior Years' Capital Outlay	2010-2011 Budget	2010-2011 Actual	2011-2012 Budget	2012-2013 Allocation	2013-2014 Allocation	2014-2015 Allocation	2015-2016 Allocation	TOTAL PROJECT ALLOCATION
<b>Capital Project Fund</b>										
<b>Current Programs - ROW Improvements</b>	N/A	Recurring	\$ 80,000	\$ 80,000	\$ 402,210	\$ 825,321	\$ 849,587	\$ 849,587	\$ 849,587	\$ 3,936,290
<b>Current Projects - Exall Lake Dam Inspection &amp; Repairs</b>	\$ 85,800	\$ 80,200	-	\$ 5,600						\$ 85,800
<b>Mockingbird Lane Green Space Impr.</b>	\$ 343,230	\$ 334,765	-	\$ 8,465						\$ 343,230
<b>Proposed Projects -</b>										
DPS/Town Hall	\$ 14,500,000	\$ 1,607,880	\$ 6,010,000	\$ 2,553,857	\$ 10,338,263					\$ 14,500,000
Beverly Drive										
Culvert Modifications	\$ 540,000					\$ 540,000				\$ 540,000
Rehabilitation	\$ 2,507,000	\$ 65,000	\$ 2,442,000	\$ 1,393,200	\$ 400,000	\$ 648,800				\$ 2,507,000
Drainage Improvements *	\$ 195,070		\$ 175,000	\$ 195,070						\$ 195,070
Lexington Avenue Culvert Improvements	\$ 350,000				\$ 350,000					\$ 350,000
Unallocated Project Development Costs	Recurring				\$ 330,975	\$ 340,905	\$ 351,130	\$ 361,665	\$ 372,515	\$ 1,757,190
Hackberry Creek Restoration	\$ 3,180,000					\$ 150,000	\$ 230,000			\$ 380,000
Connor Park Stabilization	\$ 2,506,000						\$ 80,000	\$ 100,000	\$ 1,000,000	\$ 1,180,000
Miramar Culvert Modifications	\$ 456,000							\$ 50,000	\$ 406,000	\$ 456,000
Traffic Signal Upgrade	\$ 300,000									\$ -
Preston Road Rehabilitation	\$ 1,446,000									\$ -
Retaining Wall @ Town Hall	\$ 10,000	\$ 10,000	\$ 503,000	FY 2011 appropriation combined with DPS/Town Hall to address flood proofing of facility						\$ 10,000
Bridge Inspection & Repairs	\$ 60,000									\$ -
Exall Lake dredging	\$ 900,000									\$ -
Tennis Court reconstruction	\$ 605,000									\$ -
Town Hall parking	\$ 144,000									\$ -
Street signage update	\$ 270,000									\$ -
<b>Utility Fund</b>										
<b>Current Programs - Infrastructure Update</b>	N/A	Recurring	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 12,600,000
<b>Total Project Costs:</b>	N/A		\$ 11,010,000	\$ 6,036,192	\$ 13,621,448	\$ 4,305,026	\$ 3,310,717	\$ 3,161,252	\$ 4,428,102	\$ 26,240,580

\* Funded through the Storm Water/Drainage Utility Fund



**Town of Highland Park**  
Capital Improvement Plan

FUNDING SOURCES /REVENUES	Beginning Balance 9/30/2010	2010-2011 Budget	2010-2011 Actual	2011-2012 Budget	2012-2013 Allocation	2013-2014 Allocation	2014-2015 Allocation	2015-2016 Allocation	TOTAL ALLOCATION
<b>Capital Project Fund</b>									
Cash Balance	\$ 10,037,805								\$ 10,037,805
Annual Transfer		\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 680,000	\$ 680,000	\$ 4,610,000
Annual Misc. Concrete Funding Transfer		\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 2,380,000
Annual Street Resurfacing Funding Transfe		\$ 464,765	\$ 464,765	\$ 462,210	\$ 485,321	\$ 509,587	\$ 509,587	\$ 509,587	\$ 3,405,820
FY General Fund Operating surplus (Est. for FY 2011)		\$ -	\$ 644,794	\$ 700,000					\$ 1,344,794
Investment Earnings		\$ 90,000	\$ 77,850	\$ 65,000	\$ 90,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 562,850
<b>Other Sources</b>									
Dallas County		\$ 500,000	\$ 117,766	\$ 425,000	\$ 150,000	\$ 270,000			\$ 1,462,766
Contributions - Other		\$ -	\$ 93,986	\$ -					
General Fund				\$ 600,000					\$ 600,000
Utility Fund				\$ 2,000,000					\$ 2,000,000
Transfer from Equipment Replacement Fund				\$ 200,000					\$ 200,000
Transfer from Court Technology Fund				\$ 140,000					\$ 140,000
Donations									
<b>Annual Resources/Revenues</b>	\$ 10,037,805	\$ 1,544,765	\$ 2,177,409	\$ 5,582,210	\$ 1,565,321	\$ 1,579,587	\$ 1,609,587	\$ 1,609,587	\$ 22,341,269
<b>Utility Fund</b>									
Surplus Cash Balance	\$ 2,000,000			\$ (2,000,000)					\$ -
Annual Utility Infrastructure Funding		\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 12,600,000
<b>Annual Resources/Revenues</b>	\$ 2,000,000	\$ 1,800,000	\$ 1,800,000	\$ (200,000)	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 12,600,000
<b>Storm Water Drainage Utility Fund</b>									
Cash Balance	\$ 376,291								
Annual Allocation		\$ 181,500	\$ 181,500	\$ 361,000	\$ 361,000	\$ 361,000	\$ 361,000	\$ 361,000	\$ 2,168,000
<b>Annual Resources/Revenues</b>	\$ 376,291	\$ 181,500	\$ 181,500	\$ 361,000	\$ 361,000	\$ 361,000	\$ 361,000	\$ 361,000	\$ 2,168,000
<b>General Fund</b>									
Surplus Cash Balance	\$ 600,000			\$ (1,300,000)					\$ (1,300,000)
<b>Annual Resources/Revenues</b>	\$ 13,014,096	\$ 3,526,265	\$ 4,158,909	\$ 4,443,210	\$ 3,726,321	\$ 3,740,587	\$ 3,770,587	\$ 3,770,587	\$ 37,109,269



# Town of Highland Park

Summary Capital Improvement Plan - Budgetary

CATEGORY	Beginning Balance 10/1/2010	2010-2011 Actual	2011-2012 Budget	2012-2013 Allocation	2013-2014 Allocation	2014-2015 Allocation	2015-2016 Allocation	TOTAL ALLOCATION
<b>Beginning Balances</b>								
Capital Projects Fund	\$ 10,037,805		\$ 8,174,092	\$ 2,284,854	\$ 2,035,149	\$ 2,414,019	\$ 2,662,354	
Storm Water Drainage Utility Fund	\$ 376,291		\$ 362,721	\$ 373,721	\$ 44,721	\$ 95,721	\$ 356,721	
<b>Revenues:</b>								
Capital Projects Fund		\$ 2,177,409	\$ 5,582,210	\$ 1,565,321	\$ 1,579,587	\$ 1,609,587	\$ 1,609,587	\$ 14,123,699
Storm Water Drainage Utility Fund		\$ 181,500	\$ 361,000	\$ 361,000	\$ 361,000	\$ 361,000	\$ 361,000	\$ 1,986,500
<b>Expenses:</b>								
Capital Projects Fund		\$ 4,041,122	\$ 11,471,448	\$ 1,815,026	\$ 1,200,717	\$ 1,361,252	\$ 1,910,381	\$ 21,799,944
Storm Water Drainage Utility Fund		\$ 195,070	\$ 350,000	\$ 690,000	\$ 310,000	\$ 100,000	\$ 717,721	\$ 2,362,791
<b>Ending Balances:</b>								
Capital Projects Fund		\$ 8,174,092	\$ 2,284,854	\$ 2,035,149	\$ 2,414,019	\$ 2,662,354	\$ 2,361,560	
Storm Water Drainage Utility Fund		\$ 362,721	\$ 373,721	\$ 44,721	\$ 95,721	\$ 356,721	\$ -	







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## PAY PLAN

The Pay Plans incorporated in the Town's FY2012 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  
2011-2012**

<b>Grade</b>	<b>Position</b>	<b>Minimum</b>	<b>Maximum</b>
8	Chief Building Inspector Controller/Systems Administrator Communications Supervisor Development Services Manager Foreman	\$73,911	\$106,765
7	Project Engineer Town Secretary/Administrative Secretary	\$64,271	\$92,839
6	Accreditation Manager Building Inspector Construction Coordinator Customer Service Supervisor Support Services Supervisor	\$55,888	\$80,730
5	Accountant Construction Inspector Court Clerk Electrical/Mechanical Tech Engineering Tech Project Coordinator Support Services Officer	\$48,598	\$70,200
4	Communications Specialist Library Assistant Parks Maintenance Specialist Secretary II Senior Accounting Tech Public Works Maintenance Worker III	\$42,259	\$61,043
3	Accounting Technician Building Permit Tech Deputy Court Clerk Customer Service Specialist II Parks Maintenance Worker II Public Works Maintenance Worker II	\$36,747	\$53,081
2	Customer Service Specialist I Library Associate Public Works Maintenance Worker I Secretary I	\$31,954	\$46,157
1	Parks Maintenance Worker I	\$27,786	\$40,137

**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  
2011-2012**

<b>Grade</b>	<b>Position</b>	<b>Minimum</b>	<b>Maximum</b>
G	Captain	\$110,786	\$130,395
F	Lieutenant	\$96,336	\$113,387
E	Sergeant	\$83,770	\$98,597
D	Unassigned	-	-
C	Public Safety Officer	\$65,010	\$83,473
B	Fire Fighter Police Officer	\$54,175	\$63,764
A	Public Safety Apprentice	\$49,250	\$52,698

**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  
EXEMPT POSITION  
2011-2012**

<b>Grade</b>	<b>Position</b>	<b>Minimum</b>	<b>Maximum</b>
E-4	Director of Public Safety	\$146,309	\$190,198
E-3	Director of Fiscal & Human Resources Director of Town Services Town Engineer	\$133,006	\$172,908
E-2	Assistant Director of Public Safety	\$123,353	\$164,263
E-1	Librarian	\$94,767	\$123,198

**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.





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## 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 evolvement 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 8,900 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.

## MISCELLANEOUS STATISTICAL DATA

Form of Government.....Council - Manager  
 Incorporation Date..... December 1913  
 Adoption Of Home Rule Charter Date.....August 1975  
 Adoption of Revised Town Charter.....March, 2004

**Town Characteristics**

Area.....1,445 Acres      Population (2000 Census)..... 8,842  
 (2.26 Square Miles)

**Proportion of Property Values**

Residential ..... 89.85%      Commercial ..... 6.41%  
 Business Personal Property..... 1.04%      School/Municipal (Exempt) ..... 2.70%

**Public Safety**

Cross-trained..... 54      Emergency Medical Technicians ..... 7  
 Paramedics..... 36

**Water And Sewer Utility System**

**Water Connections**

Residential ..... 3,124  
 Commercial ..... 77  
 Irrigation ..... 2,106  
 Municipal..... 75  
 Total ..... 5,382

**Sewer Connections**

Residential ..... 3,109  
 Commercial ..... 77  
 Municipal..... 4  
 Total ..... 3,190

**Infrastructure**

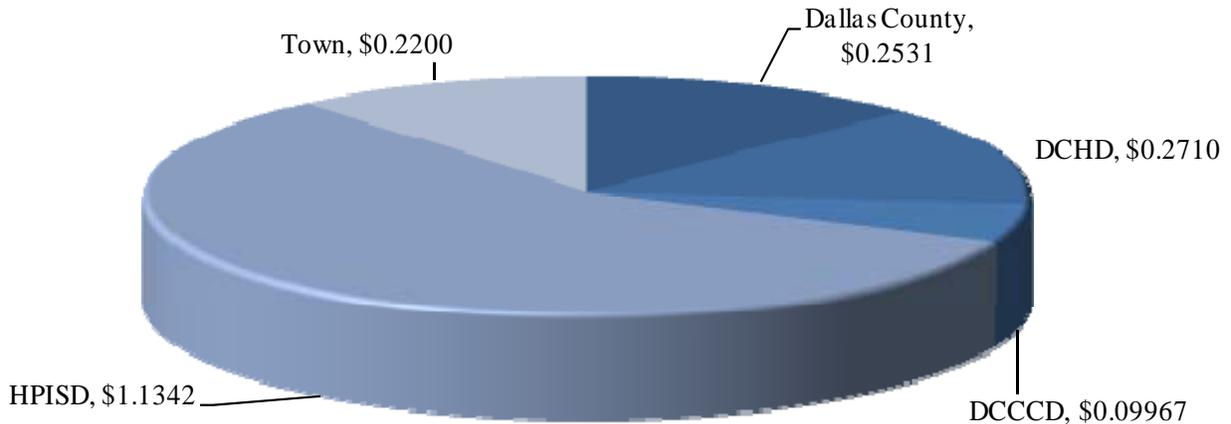
Sanitary Sewers ..... 37.18 Miles      Storm Sewers..... 12.22 Miles  
 Parks..... 22 With 59.3 Acres      Paved Streets ..... 41.79 Miles



**Highland Park**

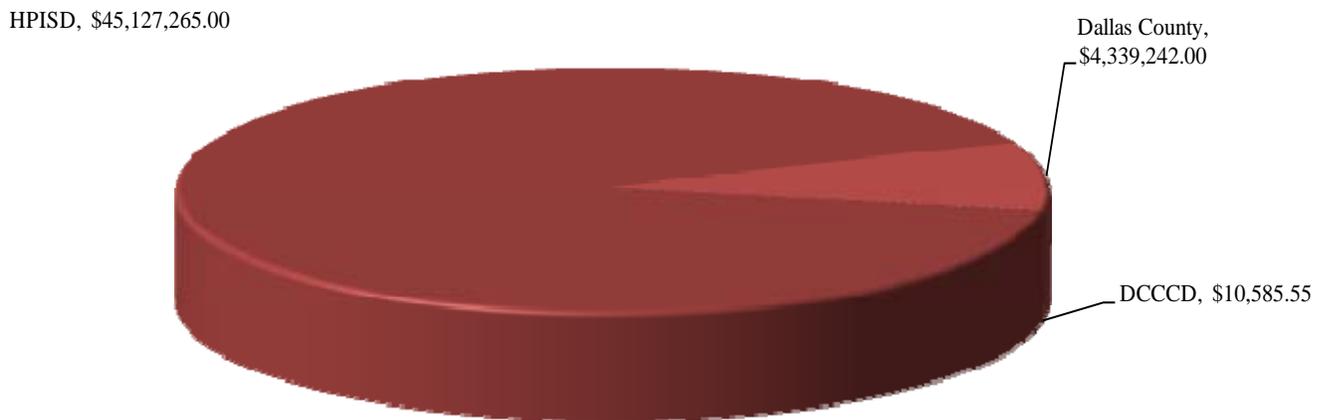
**TOWN OF HIGHLAND PARK**

**Direct and Overlapping Property Tax Rates**



Per \$100 Taxable Valuation

**Direct and Overlapping Debt**



Per Capita Debt –\$5,590.58

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	
2002	3,165,278,270	49,548,300	3,214,826,570	2,417,415,947
2003	3,396,737,050	49,385,140	3,446,122,190	2,626,957,671
2004	3,453,708,577	52,941,730	3,506,650,307	2,770,175,015
2005	3,593,336,820	53,796,690	3,647,133,510	2,911,465,259
2006	3,986,604,910	53,801,060	4,040,405,970	2,911,465,259
2007	4,642,666,780	46,477,560	4,689,144,340	3,587,268,531
2008	5,200,150,870	53,984,270	5,254,135,140	4,040,272,594
2009	5,670,130,390	60,667,890	5,730,798,280	4,573,579,178
2010	5,459,810,500	59,316,040	5,519,126,540	4,437,430,774
2011	5,407,849,850	56,732,470	5,464,582,320	4,406,947,910

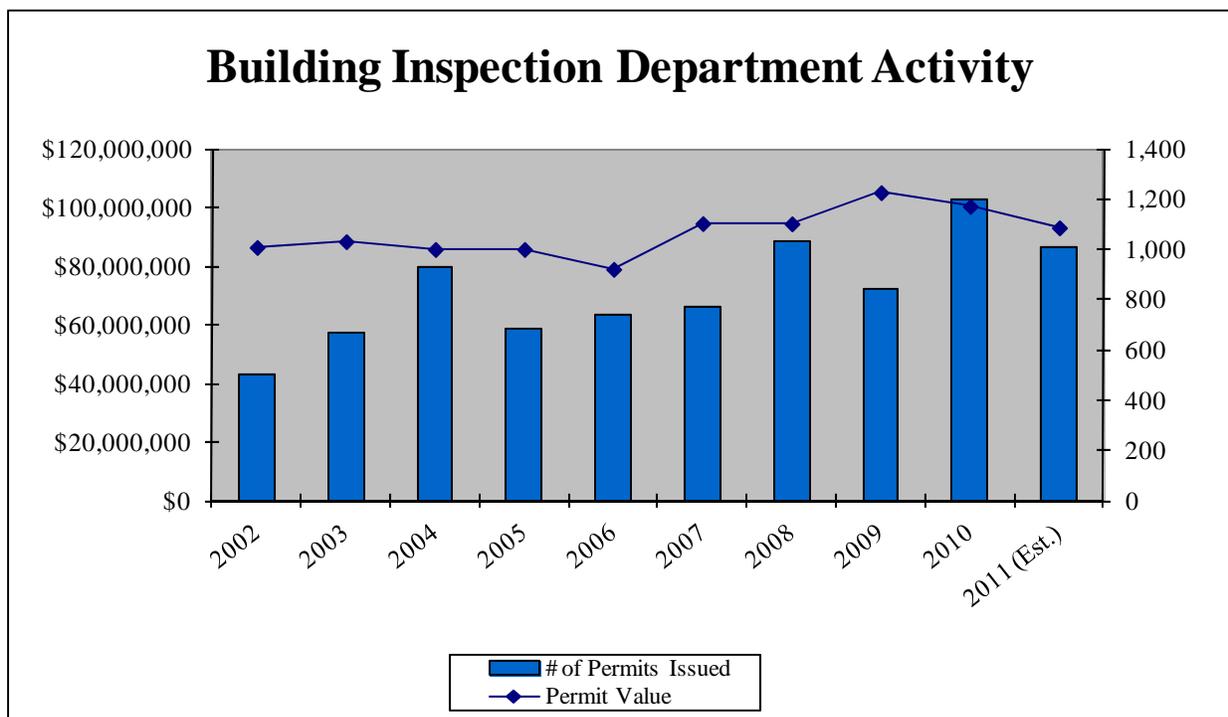
The difference between the appraised value and the taxable value represents that value that is exempted from taxation due to 1) an optional 20% Homestead exemption; 2) a \$50,000 over 65 exemption; 3) reappraisal value that exceeds the 10% per year cap; and 4) other exemptions provided under the Texas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

**PRINCIPAL TAXPAYERS - 2011 TAX ROLL**

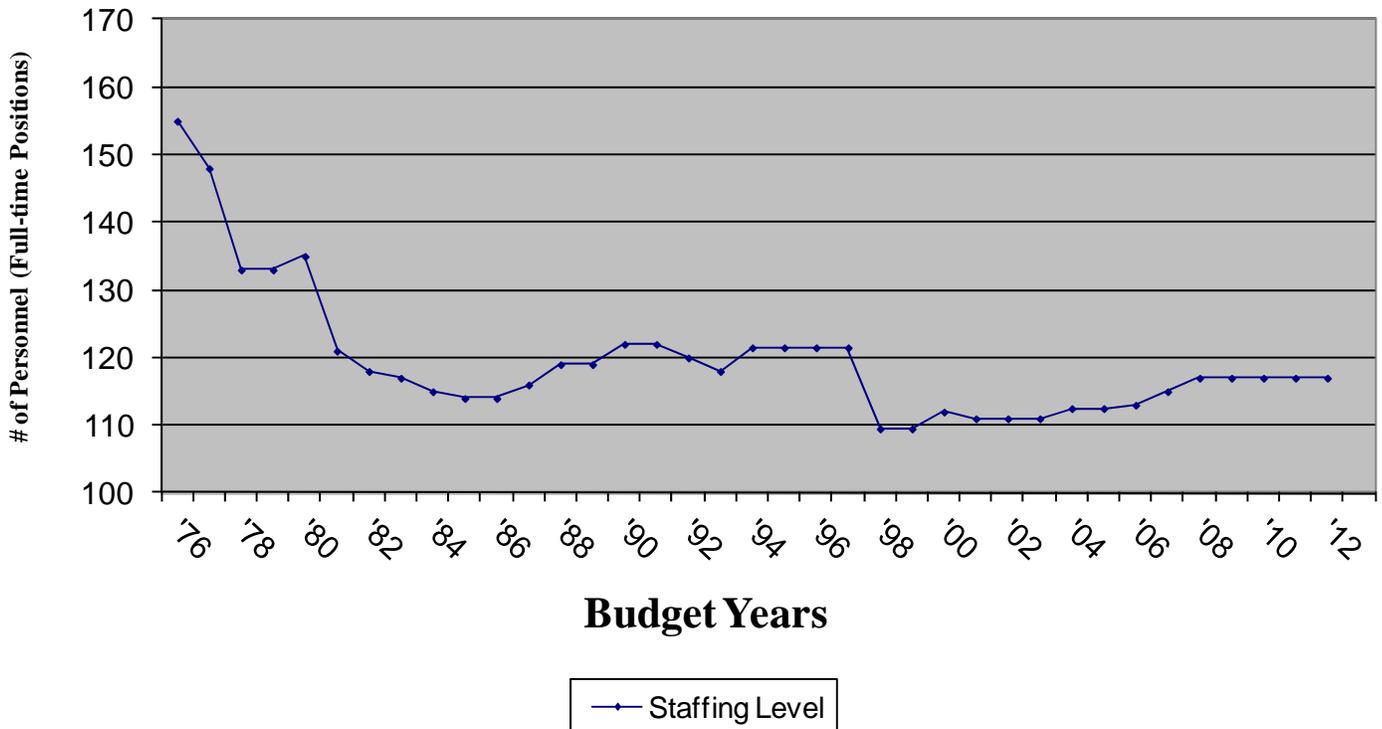
Name Of Taxpayer	Type Of Property	Taxable Valuation	% Of Total Taxable Valuation
Highland Park Shopping Village	Commercial	\$ 115,044,550	2.61
Muse, John R. & Lyn	Residential	23,915,664	0.54
Crow, Harlan R.	Residential	19,269,952	0.44
Cox, Edwin L. (Trust)	Residential	17,256,000	0.39
L & B Depp	Commercial	16,720,670	0.38
Corrigan Properties, Inc.	Commercial	15,250,000	0.35
Dallas Country Club	Commercial	14,964,300	0.34
Crow, Margaret Life Estate	Residential	13,615,248	0.31
Jones, Jerral W. & Gene C.	Residential	13,580,656	0.31
Mitchell, Amy	Residential	13,270,080	0.30

**TOWN OF HIGHLAND PARK**  
**Property Value and Construction**  
**Last Ten Fiscal Years**

Fiscal Year	Commercial Construction		Residential Construction		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2003	17	8,179,448	905	55,200,021	922	63,379,469
2004	31	8,756,934	1,073	57,369,788	1,104	66,126,722
2005	16	1,771,229	1,087	86,778,949	1,103	88,530,178
2006	30	3,261,500	1,197	69,202,864	1,227	72,464,364
2007	19	3,147,626	1,153	99,523,538	1,172	102,671,164
2008	22	8,626,739	1,065	77,757,710	1,087	86,384,449
2009	21	41,335,048	870	53,601,984	891	94,937,032
2010	32	20,097,733	1,029	71,899,298	1,061	91,997,031
2011	38	8,985,914	1,099	76,604,257	1,137	85,590,171



## Historical Staffing Levels



In 1975, the Town created its Department of Public Safety with cross-trained police and fire personnel. The decline in the staffing level from 1975 to 1984 reflects this migration from separate police and fire departments to the public safety concept.

In 1997, the Town privatized solid waste collection services, resulting in a decrease of 11 full-time positions.

**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>	
2003	549,772	52,435	467,414	37,588	1,107,209	5,064	
2004	529,874	53,746	455,388	41,897	1,080,905	5,124	
2005	528,344	51,894	490,518	45,293	1,116,049	5,168	
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	*	472,000	43,000	668,000	52,000	1,235,000	5,380
2012	*	470,000	45,000	641,500	38,500	1,195,000	5,400

\*Projected

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

	Actual FY2003	Actual FY2004	Actual FY2005	Actual FY2006	Actual FY2007	Actual FY2008	Actual FY2009	Actual FY2010	Budget FY2011	Budget FY2012
Personnel										
Payroll	\$ 6,966,485	\$ 7,519,834	\$ 7,862,345	\$ 8,287,210	\$ 8,856,330	\$ 9,671,900	\$ 9,789,847	\$ 10,442,258	\$ 10,566,135	\$ 10,822,675
Benefits	2,094,172	2,371,083	2,595,185	3,041,560	3,193,235	3,402,958	3,535,592	3,454,300	3,640,475	3,360,310
Subtotal	\$ 9,060,657	\$ 9,890,917	\$ 10,457,530	\$ 11,328,770	\$ 12,049,565	\$ 13,074,858	\$ 13,325,439	\$ 13,896,558	\$ 14,206,610	\$ 14,182,985
Supplies & Equipment	1,982,287	1,987,389	2,201,640	2,142,670	2,360,835	2,550,896	2,413,197	7,561,294	3,608,800	3,661,130
Services & Charges	5,402,655	4,559,125	4,467,740	4,522,275	4,815,700	4,907,384	5,398,309	4,409,309	4,452,740	4,529,605
Capital Outlay	2,155,056	2,487,321	2,218,800	2,443,725	2,422,875	4,273,856	2,090,784	7,960,965	12,180,840	13,593,958
Debt Service	-	-	-	-	-	-	-	-	-	-
Total	\$ 18,600,655	\$ 18,924,752	\$ 19,345,710	\$ 20,437,440	\$ 21,648,975	\$ 24,806,994	\$ 23,227,729	\$ 33,828,126	\$ 34,448,990	\$ 35,967,678

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

	Actual FY2003	Actual FY2004	Actual FY2005	Actual FY2006	Actual FY2007	Actual FY2008	Actual FY2009	Actual FY2010	Budget FY2011	Budget FY2012
Property Taxes	\$ 5,749,724	\$ 6,335,090	\$ 6,635,119	\$ 7,238,746	\$ 8,006,949	\$ 8,810,756	\$ 9,488,571	\$ 9,916,353	\$ 9,688,985	\$ 9,623,335
Water Sales	3,137,578	3,160,639	3,570,343	4,314,501	3,267,521	4,061,406	4,356,870	4,310,020	5,363,295	5,423,500
Sanitary Sewer Charges	2,181,804	2,236,980	2,304,516	2,401,454	2,093,294	2,434,470	2,748,070	2,532,334	2,740,475	2,635,400
Sales Tax	1,635,389	1,711,196	1,846,475	2,150,367	2,236,280	2,420,130	2,300,369	2,385,863	2,325,000	2,550,000
Sanitation & Recycling Charges	953,845	976,380	992,181	988,531	1,014,229	1,177,943	1,219,997	1,220,700	1,263,150	1,263,150
Franchise Fees	841,024	871,693	858,401	948,247	917,894	978,380	1,030,631	948,318	990,000	1,010,000
Building Activity Fees	678,668	790,023	993,035	910,274	1,358,312	773,130	941,397	1,006,113	793,800	847,900
Court Fines/Fees	575,318	534,110	789,427	770,052	743,551	728,212	662,570	676,094	643,000	693,810
Intereset on Investments	387,469	244,665	519,231	970,946	1,270,852	957,843	612,152	268,686	274,900	141,100
Other Charges for Service	1,377,936	1,353,762	1,382,057	1,431,638	1,369,540	1,441,294	1,565,425	1,251,916	1,372,090	1,783,260
Storm Water Drainage Fees	-	143,930	183,216	181,158	179,476	181,050	177,436	179,019	181,500	361,000
All Other	707,153	573,935	672,693	634,978	1,392,888	4,057,349	1,913,580	688,781	657,025	1,161,950
<b>Total</b>	<b>\$18,225,908</b>	<b>\$18,932,403</b>	<b>\$20,746,694</b>	<b>\$22,940,892</b>	<b>\$23,850,787</b>	<b>\$28,021,963</b>	<b>\$27,017,069</b>	<b>\$25,384,197</b>	<b>\$26,293,220</b>	<b>\$ 27,494,405</b>

Town of Highland Park Fiscal Year 2012 Operating and Capital Budget

**TOWN OF HIGHLAND PARK  
SUSTAINING CAPITAL REQUESTS**

	Request	Funded FY 2012	Deferred
<b>Administration</b>			
Appraisal of art collection	\$ 13,500		\$ 13,500
<b>Subtotal:</b>	<b>\$ 13,500</b>	<b>\$ -</b>	<b>\$ 13,500</b>
<b>Public Safety</b>			
Medical & Health Assessments - Sworn Personnel	\$ 18,000	\$ 6,000	
Stryker Power Pro ambulance cot	\$ 12,170	\$ 12,170	
Individually issued Scott face-pieces (30) & Rit Pak	\$ 11,700	\$ 7,800	
Laser TruCam speed detection equipment	\$ 6,640		\$ 6,640
Bicycles and equipment for patrol (2)	\$ 2,500		\$ 2,500
NEOGOV on-demand HR software	\$ 7,950		\$ 7,950
ESO Computer w/WAN Capabilities	\$ 5,200		\$ 5,200
Computer docking stations (10)	\$ 11,000		\$ 11,000
Airshore pneumatic rescue tools	\$ 20,000	\$ 20,000	
CAD/RMS Interface with EMS Records	\$ 12,000		\$ 12,000
Mobile Drying Rack (Fire Hoses)	\$ 1,400		\$ 1,400
King Cobra 1200 dual surface cleaner	\$ 5,405		\$ 5,405
LiveScan Fingerprint System (Replacement)	\$ 23,350		\$ 23,350
Upgrade Public Access Cable TV	\$ 22,000		\$ 22,000
Thermal Imaging Camera	\$ 13,200		\$ 13,200
<b>Subtotal:</b>	<b>\$ 172,515</b>	<b>\$ 45,970</b>	<b>\$ 110,645</b>
<b>Street</b>			
Tailgate Spreaders (2)	\$ 9,000	\$ 9,000	
Snow Plow for 1-ton Truck	\$ 8,000	\$ 8,000	\$ -
<b>Subtotal:</b>	<b>\$ 17,000</b>	<b>\$ 17,000</b>	<b>\$ -</b>
<b>Street Lighting</b>			
Traffic Signal Battery Backup (2)	\$ 62,000	\$ 12,400	\$ -
Street Light LED Inserts (50)	\$ 30,000	\$ -	\$ 30,000
<b>Subtotal:</b>	<b>\$ 92,000</b>	<b>\$ 12,400</b>	<b>\$ 30,000</b>
<b>Library</b>			
None	\$ -		
<b>Subtotal:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Park</b>			
Davis Park Playground Equipment Phase 2	\$ 25,000	\$ 25,000	
Replace gravel @ Fairfax Park playground area	\$ 8,105		\$ 8,105
Landscape Lighting Conversion to LED Fixtures	\$ 20,000	\$ 8,400	\$ 11,600
Landscape lighting (Preston Road)	\$ 70,000		\$ 70,000
Landscape lighting (Connor Park)	\$ 45,000		\$ 45,000
Sidewalk and retaining wall (Davis)	\$ 38,050		\$ 38,050
Sidewalk (Connor Park - west side)	\$ 27,000		\$ 27,000
Retaining wall (Davis)	\$ 73,500		\$ 73,500
Holly Hedge Screening DNT Wall	\$ 75,600		\$ 75,600
Landscape Lighting (Lakeside Drive)	\$ 25,000		\$ 25,000
<b>Subtotal:</b>	<b>\$ 407,255</b>	<b>\$ 33,400</b>	<b>\$ 373,855</b>

**TOWN OF HIGHLAND PARK  
SUSTAINING CAPITAL REQUESTS**

	Request	Funded FY 2012	Deferred
<b>Swimming Pool</b>			
Dining tables w/umbrellas & 50 chairs	\$ 8,000	\$ 8,000	
Replace sunshelter	\$ 10,500		\$ 10,500
Portable PA System	\$ 3,300		\$ 3,300
8-Foot Chain Link Fence w/Stained Wooden Slats	\$ 2,500		\$ 2,500
Decorative Metal Fencing Along New Deck Area	\$ 8,000		\$ 8,000
<b>Subtotal:</b>	<b>\$ 32,300</b>	<b>\$ 8,000</b>	<b>\$ 24,300</b>
<b>Finance</b>			
None	\$ -		
<b>Subtotal:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Building Inspection</b>			
None	\$ -		
<b>Subtotal:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Service Center</b>			
Recore Best Lock System	\$ 3,000	\$ 3,000	
Replace Garage Heater	\$ 4,500	\$ 4,500	
Reflective Roof Coating	\$ 5,000		\$ 5,000
Installation of Energy Efficient Windows (2)	\$ 1,000		\$ 1,000
Install New Roof Insulation	\$ 4,500		\$ 4,500
Establish Training Room	\$ 5,000		\$ 5,000
<b>Subtotal:</b>	<b>\$ 23,000</b>	<b>\$ 7,500</b>	<b>\$ 15,500</b>
<b>Municipal Building</b>			
None	\$ -		
<b>Subtotal:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Engineering</b>			
None	\$ -		
<b>Subtotal:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total:</b>	<b>\$ 757,570</b>	<b>\$ 124,270</b>	<b>\$ 567,800</b>







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**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.

**CIP Capital Program** 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 Undesignated Unrestricted Fund Balance for governmental funds and as Unrestricted Net Assets for proprietary funds.

**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.

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**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.

**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 Fund is an internal service fund.

**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.

**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 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