



THE TOWN OF

Highland Park

TEXAS



OFFICIAL BUDGET
FISCAL YEAR 2012-2013

TOWN OF HIGHLAND PARK, TEXAS

COMBINED BUDGET OPERATING AND CAPITAL OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2013

AS SUBMITTED TO
THE MAYOR AND THE TOWN COUNCIL

JOEL T. WILLIAMS III
MAYOR

LAURENCE W. NIXON
MAYOR PRO TEM

ANDREW BARR
WILL C. BEECHERL
BOB CARTER
STEPHEN ROGERS
COUNCIL MEMBERS

BILL LINDLEY
TOWN ADMINISTRATOR

BILL POLLOCK
DIRECTOR OF FISCAL & HUMAN RESOURCES



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THE TOWN OF
Highland Park
TEXAS

August 27, 2012

**The Honorable Joel T. Williams, III
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, 2012, 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 greater than 7% higher than projected for Fiscal Year 2012 ("FY 2012"). Additionally, permits issued over the past year for new home construction support the projected Fiscal Year 2013 ("FY 2013") revenues for building activity. Taking these as signs of improvement in the local economy, the projected revenues for the two key revenue streams for FY 2013 reflect a combined increase of \$289,600.

The FY 2013 Combined Operating and Capital Budget ("Combined Budget") totals \$29,613,650 and includes \$2,366,890 in transfers.

The funding of the FY 2013 Combined Budget includes:

- current property taxes revenues of \$9,683,765, an increase of \$85,430, the result of maintaining a \$0.22 property tax rate on 2012 taxable values that increased 0.89% from the 2011 certified tax roll due to new construction;
- an increase of \$200,000 in projected sales tax revenues based upon current trend;
- increases in the water and sanitary sewer rates to reflect increases in cost of service; and
- the projection for building activity fees and permits at current year levels, an increase of \$89,600; and

- an increase in the Storm Water Drainage Utility fee structure, indexed to the local change in the Consumer Price Index.

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, Municipal Court, and Information Technology services) - 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

Personnel -Compensation

The focus on development of the various elements of personnel costs is three-fold: recognition, retention, and recruiting. In FY 2012, the only modification in the Town's Pay Plans (Non-exempt and Public Safety) was a 3% increase in the pay grades for sworn supervisory positions in the Department of Public Safety.

The Pay Plans included in the FY 2013 Combined Budget reflect a 3% increase in all pay grades and for part-time personnel which is consistent with survey data gathered from the Town's peer cities. All full-time non-exempt and sworn personnel will be eligible for P4P driven increases subject to pay grade capacity. Those employees who have reached their respective pay grade maximum will be eligible for a 3% increase. Employees with less seniority will be eligible for higher percentage increases dependent upon their respective P4P rating.

Additionally, the number of employees will increase by one for the new IT Manager position, created in June, 2012, and a part-time position (0.35 full-time equivalents ("FTE")) in Administration. The IT Manager position adds \$128,185.00 in compensation and benefits for FY 2013. The funding of the Administrative part-time position (\$64,785.00) will provide resources for the administration of ad hoc projects. All other components of employee compensation are consistent with established criteria (such as longevity, P4P) or are based upon historical trends (overtime, auto and cell phone allowances). The budget for total employee compensation increases \$534,070.00, or 4.87%, of which 1.49% is for the additional 1.35 FTE positions mentioned above.

Personnel - Benefits

The two most significant components of employee benefits are costs associated with retirement (TMRS) and health insurance.

The rate at which the Town funds retirement benefits is determined annually, based upon actuarially determined data and assumptions, and is applied on a calendar year basis. For budget purposes, the Town must use a weighted average rate as the fiscal year overlaps into two different contribution years. For the calendar year 2012, the Town was informed that the Town's retirement contribution rate would decrease from 13.37% to 6.22%. This decrease was unprecedented and the result of changes in the rate determination assumptions used by TMRS. Cautious of such a decrease, the Town chose to budget 10% for FY 2012.

TMRS advised that the calendar year 2013 contribution rate will be 5.71%. Since the contribution rate for 2013 is consistent with the 2012 contribution rate, the FY 2013 Combined Budget reflects the funding of retirement benefits at the stated rate. Accordingly, the Town's cost for retirement benefits will decline \$484,650.00, or 42.95%.

The Town also received a renewal rate quote from United Healthcare for health coverage the reflected an 8% increase. Since total health insurance cost consists of both the premium and the funding of a static amount of \$2,500.00 toward each employee's HSA account, the net increase

for health/dental care costs increases \$85,800, or 6.88%. Staff recommends that an additional health care product be purchased which provides a resource to the employees for “shopping” high dollar services, such as MRIs, CAT scans, and lab services, in order to maximize the employees’ first dollar cost and to lower costs of claims that drive premiums. This product, or service, costs \$5.00/month for each employee which amounts to \$7,260.00 for the year. Included in this expense category is dental insurance, The dental insurance premium does not change as the Town entered into a two-year agreement in FY 2012. Considering the noted changes in employee health and dental insurance benefits, total coverage costs for FY 2013 increase \$93,045.00, or 7.46%.

Staff also recommends that the long-term disability (“LTD”) product offered be changed back to a plan that includes a 180-day elimination (qualifying) period from the current 90-day elimination period. This change is more complimentary to the Town’s paid leave benefits afforded each employee. This change will save the Town \$17,895.00 in LTD premium costs. The Town has already obtained optional short-term-disability quotes from the work-place insurance provider AFLAC. These products will allow each employee to select a level of disability coverage for qualifying occurrences within the proposed LTD’s 180-day elimination period. The elected AFLAC products are paid by the employee through payroll deduction.

Overall, total FY 2013 personnel costs, based upon the assumptions previously discussed, increase \$169,220.00, or 1.19% from FY 2012.

General and Administrative (G&A) Cost Allocation

Historically, the Town has budgeted and expensed G&A expenses through payroll allocation and distributive allocation through accounts payable and purchase orders. This budget policy created confusion and added effort to the daily work flow in Finance. Effective with the FY 2013 Combined Budget, all G&A costs are included as expenditures in the General Fund and the Utility Fund reimburses the General Fund based upon an established cost sharing factor for each shared cost center.

Other Key Budget Assumptions

The FY 2013 Combined Budget also included the introduction of CPI indexing for annual recurring expenditures/expenses and transfers in order to maintain purchasing power. These items include:

- the annual transfer from the General Fund to the Capital Projects Fund (from \$650,000 to \$660,400) to fund the Town’s Capital Improvement Plan (“CIP”);
- the annual transfer from the General Fund to the Capital Projects Fund (from \$340,000 to \$345,440) to fund the annual right-of-way improvements program included in the CIP; and
- the annual utility infrastructure replacement/rehabilitation program (from an aggregate water and sanitary sewer funding of \$1,800,000 to \$1,828,800).

Capital Outlay

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 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 \$187,900 for Fiscal Year 2013 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 FY 2013 is \$361,175. 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 finding for the CIP for FY 2013 is \$2,957,930. Of this amount, \$1,828,800 is funded in the Utility Fund, \$100,000 in the Storm Water Drainage Utility Fund, and \$1,029,130 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 FY 2013 Combined Budget summary, inclusive of all funds.

| FUND | FY 2013 BUDGET | FY 2012 BUDGET | \$ VARIANCE | % VARIANCE |
|--|---------------------|---------------------|-----------------------|-----------------|
| GENERAL FUND | | | | |
| Personnel | \$12,694,525 | \$12,025,300 | \$669,225 | 5.27% |
| O&M | 4,816,935 | 4,297,105 | \$519,830 | 10.79% |
| Capital | 187,900 | 124,270 | \$63,630 | 33.86% |
| Transfers | 1,154,655 | 2,353,160 | (\$1,198,505) | -103.80% |
| Fund Total | \$18,854,015 | \$18,799,835 | \$54,180 | 0.29% |
| UTILITY FUND | | | | |
| Personnel | \$1,642,255 | \$2,110,025 | (\$467,770) | -28.48% |
| O&M | 4,232,280 | 3,788,080 | \$444,200 | 10.50% |
| Capital | 1,828,800 | 1,855,000 | (\$26,200) | -1.43% |
| Transfers | 1,058,235 | 2,399,050 | (\$1,340,815) | -126.70% |
| Fund Total | \$8,761,570 | \$10,152,155 | (\$1,390,585) | -15.87% |
| STORMWATER DRAINAGE UTILITY | | | | |
| Personnel | \$49,405 | \$47,960 | \$1,445 | 2.92% |
| O&M | 78,775 | 75,100 | \$3,675 | 4.67% |
| Capital | 100,000 | 350,000 | (\$250,000) | -250.00% |
| Fund Total | \$228,180 | \$473,060 | (\$244,880) | -107.32% |
| EQUIPMENT REPLACEMENT FUND | | | | |
| O&M | 7,050 | 3,180 | \$3,870 | 54.89% |
| Capital | 354,125 | 143,260 | \$210,865 | 59.55% |
| Transfers | 0 | 200,000 | (\$200,000) | - |
| Fund Total | \$361,175 | \$346,440 | \$14,735 | 4.08% |
| COURT TECHNOLOGY FUND | \$26,950 | \$26,950 | \$0 | 0.00% |
| COURT SECURITY FUND (TRANSFERS) | \$21,000 | \$160,000 | (\$139,000) | -661.90% |
| CAPITAL PROJECTS FUND | \$1,360,570 | \$11,471,448 | (\$10,110,878) | -743.14% |
| TOTAL BUDGET | \$29,613,460 | \$41,429,888 | (\$11,816,428) | -39.90% |

GENERAL FUND

Expenditures

This chart compares the FY 2013 Budget for the General Fund to the FY 2012 Budget.

| Fiscal Year | 2013 Budget | 2012 Budget | Variance \$ | Variance % |
|----------------------|----------------------|----------------------|-------------------|--------------|
| Personnel: | | | | |
| Compensation | \$ 10,065,935 | \$ 9,178,445 | \$ 887,490 | 8.82% |
| Benefits | 2,628,590 | 2,846,555 | (217,965) | -8.29% |
| Total | \$ 12,694,525 | \$ 12,025,000 | \$ 669,525 | 5.27% |
| Supplies & Equipment | 972,950 | 997,240 | (24,290) | -2.50% |
| Services & Charges | 3,843,985 | 3,300,165 | 543,820 | 14.15% |
| Capital | 187,900 | 124,270 | 63,630 | 33.86% |
| Debt Service | - | - | - | - |
| Transfers | 1,154,655 | 2,353,160 | (1,198,505) | 0.00% |
| Total | \$ 18,854,015 | \$ 18,799,835 | \$ 54,180 | 0.29% |

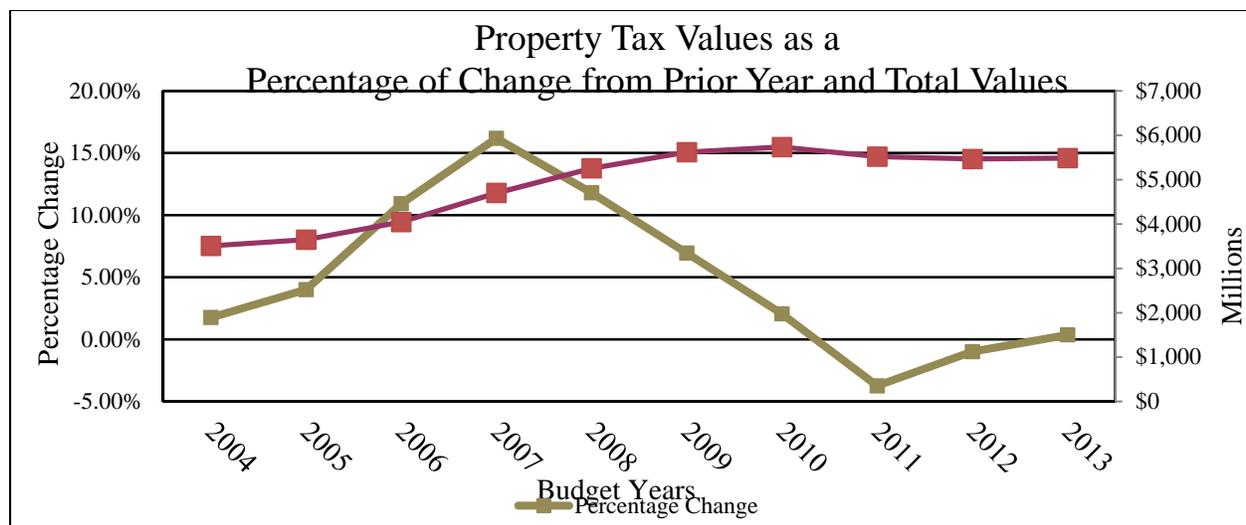
Supplies & Equipment/Services & Charges (O&M)

The General Fund FY 2013 Budget provides for a total of \$4,816,935 in O&M. This is \$519,830 higher than the FY 2012 Budget and is due primarily to the creation of the new Information Technology Department and the bringing online the over \$2,000,000 in technology equipment

and funding the related depreciation for scheduled replacement via the Equipment Replacement Fund.

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.

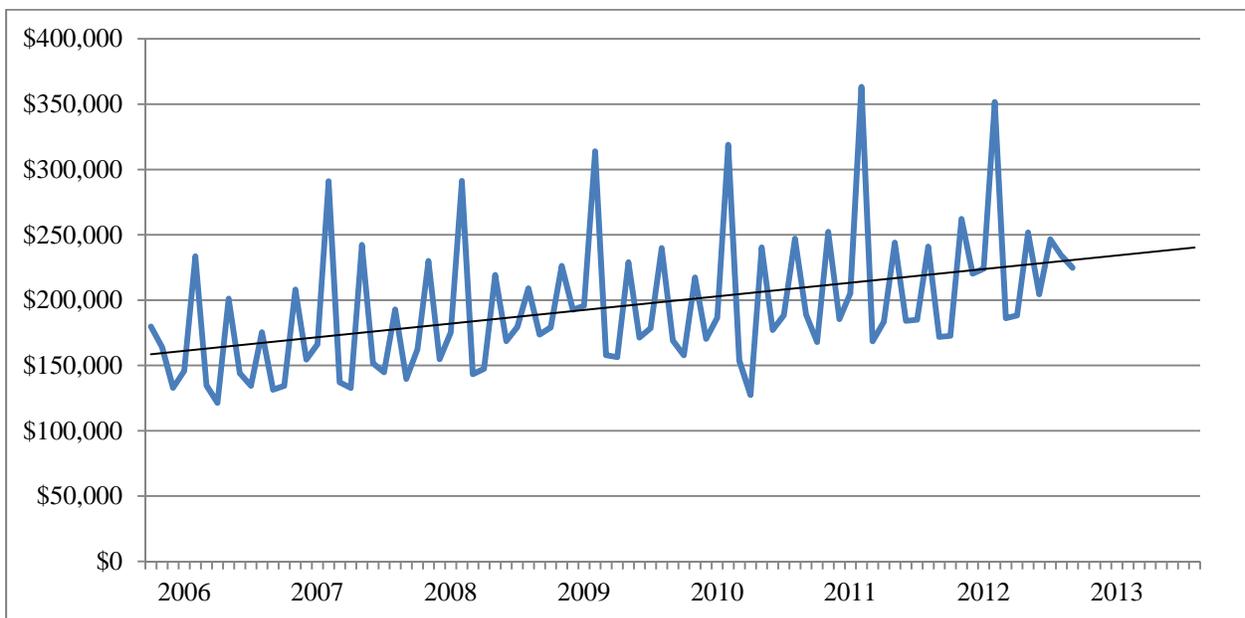


The following schedule reflects the Town's property tax values and respective levy information for the tax years 2008-2012.

| Tax Year | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------------------|------------------|------------------|------------------|------------------|
| Total market value | \$ 5,602,994,070 | \$ 5,681,126,390 | \$ 5,507,931,420 | \$ 5,464,582,320 | \$ 5,484,422,820 |
| Total taxable value | 4,332,765,590 | 4,513,627,813 | 4,423,161,566 | 4,406,947,910 | 4,446,174,261 |
| No. of parcels | 3,811 | 3,848 | 3,860 | 3,839 | 3,847 |
| Avg. Market residential value | 1,545,654 | 1,547,430 | 1,503,724 | 1,487,868 | 1,489,465 |
| Avg. Taxable residential value | 1,202,822 | 1,245,016 | 1,225,051 | 1,217,131 | 1,224,068 |
| Capped value loss | 267,419,926 | 110,768,808 | 35,721,621 | 139,412,346 | 10,419,916 |
| No. of capped parcels | 1,173 | 450 | 137 | 72 | 71 |
| New construction value | 102,505,537 | 125,140,000 | 64,492,518 | 55,858,140 | 74,777,097 |
| Tax rate (per \$100 taxable value). Note: Estimated Effective Tax Rate shown for 2011 | \$ 0.220000 | \$ 0.220000 | \$ 0.220000 | \$ 0.220000 | \$ 0.220000 |
| Tax levy | \$ 9,532,084.30 | \$ 9,929,981.19 | \$ 9,730,955.45 | \$ 9,695,285.40 | \$ 9,781,583.37 |
| Average residential tax levy | \$ 2,116.97 | \$ 2,191.23 | \$ 2,156.09 | \$ 2,142.15 | \$ 2,154.36 |

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, 2005 through August, 2012.



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 | 2009 Actual | 2010 Actual | 2011 Actual | 2012 Projected | 2013 Projected |
|---------------------------------------|---------------|---------------|---------------|----------------|----------------|
| Total building activity | \$ 86,384,449 | \$ 94,937,032 | \$ 91,997,031 | \$ 85,000,000 | \$ 85,000,000 |
| Total revenues from building activity | \$ 786,332 | \$ 955,231 | \$ 961,466 | \$ 976,270 | \$ 943,500 |

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. The Town continues to police traffic through strict enforcement of state and local traffic laws, particularly hazardous violations such as speeding, running red lights and stop signs.

| Fiscal Year | 2009 Actual | 2010 Actual | 2011 Actual | 2012 Projected | 2013 Projected |
|--|-------------|-------------|-------------|----------------|----------------|
| Citation activity | 10,218 | 11,045 | 10,579 | 10,500 | 10,550 |
| Total revenues | \$ 680,151 | \$ 618,514 | \$ 632,090 | \$ 622,265 | \$ 642,800 |
| Average collection per citation issued | \$ 66.56 | \$ 56.00 | \$ 59.75 | \$ 59.26 | \$ 60.93 |

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 2013.

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 0.30% will be used in projecting interest earnings.

UTILITY FUND

Expenses

Of the Town 117 full-time equivalents ("FTE"), personnel costs for 15.4 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 | 2013 Budget | 2012 Budget | Variance \$ | Variance % |
|----------------------|--------------|---------------|----------------|------------|
| Personnel: | | | | |
| Compensation | \$ 1,282,155 | \$ 1,606,450 | \$ (324,295) | -25.29% |
| Benefits | 360,100 | 503,575 | (143,475) | -39.84% |
| Total | \$ 1,642,255 | \$ 2,110,025 | \$ (467,770) | -28.48% |
| Supplies & Equipment | 2,995,740 | 2,640,940 | 354,800 | 11.84% |
| Services & Charges | 1,236,540 | 1,478,115 | (241,575) | -19.54% |
| Capital | 1,828,800 | 1,855,000 | (26,200) | -1.43% |
| Debt Service | - | - | - | - |
| Transfers | 1,058,235 | 2,068,075 | (1,009,840) | -95.43% |
| Total | \$ 8,761,570 | \$ 10,152,155 | \$ (1,390,585) | -15.87% |

The Dallas County Park Cities Utility District (“DCPCMUD”) has advised that rate increase for the purchase of treated water is 13.1%. The Town will also will have a modest rate increase in wastewater treatment cost from Dallas Water Utilities of 1.6%. The treated water rate for FY 2013 creates the need for an 8.8% water rate increase to offset the 8.4% increase in the cost of water due to a 1.7% increase in cost coupled with a 8.1% decline in billable volumes.

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

This Budget includes \$100,000 for funding Beverly Drive culvert improvements, part of the Town's CIP.

| Fiscal Year | 2013 | 2012 | Variance \$ | Variance % |
|----------------------|------------|------------|--------------|------------|
| Personnel: | | | | |
| Compensation | \$ 38,445 | \$ 35,890 | \$ 2,555 | 6.65% |
| Benefits | 10,960 | 12,070 | (1,110) | -10.13% |
| Total | \$ 49,405 | \$ 47,960 | \$ 1,445 | 2.92% |
| Supplies & Equipment | 10,000 | 10,000 | - | 0.00% |
| Services & Charges | 68,775 | 65,100 | 3,675 | 5.34% |
| Capital | 100,000 | 350,000 | (250,000) | -250.00% |
| Debt Service | - | - | - | - |
| Transfers | - | - | - | - |
| Total | \$ 228,180 | \$ 473,060 | \$ (244,880) | -107.32% |

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 \$361,165 compared to the projected funding of \$1,005,460.

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 2013 total \$25,725 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 FY 2013 total \$19,200 with proposed transfers of \$21,000 to the General Fund for costs associated with the services of a Court.

CAPITAL PROJECTS FUND

The proposed Fiscal Year 2013 Capital Budget totals \$1,360,570. The projects identified for funding include \$829,130 for continuation of the Phase III of the Beverly Drive Rehabilitation Project and the annual Right-of-Way Improvement Project, \$200,000 for the Town's Centennial Celebration and \$331,440 in absorbed Engineering Department operational costs. The bid results for the construction phase of the Department of Public Safety and Town Hall Remodel Project is expected in the first quarter of FY 2013. The results of that process will have a significant impact of the Town's CIP and the budget for the Capital Projects Fund.

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 2013. 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.



Bill Lindley
Town Administrator



Bill Pollock
Director of Fiscal & Human Resources



BUDGET CALENDAR

| | |
|---------------------------|--|
| April - May | Development of Pay Plan & Personnel Costs <ul style="list-style-type: none"> • Conduct market salary survey • Benefits costs: <ul style="list-style-type: none"> TMRS contribution rates Health insurance bid results |
| 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) |
| May 29 | Public Hearing for Citizen Input on Fiscal Year 2013 Budget Needs Review of Estimate of Values Report (Property Tax) |
| June 8 | Submission of Sustaining Capital Requests Submission of Program Requests |
| June 15 | Submission of Departmental Line-item Operations & Maintenance Budget Requests |
| August 8 | Proposed Fiscal Year 2013 Budget review with Administrative Committee |
| July 23 | Receive Certified Tax Roll from Dallas Central Appraisal District |
| August 9 | Publication of Effective Tax Rate |
| August 8 | Proposed Fiscal Year 2013 Budget review with Administrative Committee <ul style="list-style-type: none"> • Payroll/personnel • Tax rate • Utility rates • Capital |
| August 13 | Town Council budget discussion. If tax rate that exceeds the effective tax rate of \$0.220764/\$100 valuation, take a record vote and schedule a public hearing. |
| August 16 | Notice of Public Hearing on Tax Increase published (as needed) |
| August 20 | First Public Hearing on Tax Increase (as needed) Town Council budget discussion |
| August 27 | Second Public Hearing on Tax Increase (as needed) Announce meeting to adopt tax rate (as needed) Town Council budget discussion |
| August 30 | Notice of Tax Revenue Increase published (as needed) Budget Submitted to Town Secretary |
| September 10 | Town Council considers for approval: <ul style="list-style-type: none"> • Adoption of Fiscal Year 2013 Combined Operating & Capital Budget • Adoption of Tax Rate • Adoption of Utility and Service Rates, as needed |

Bolded dates indicate regularly scheduled Town Council Meetings



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Highland Park
Texas**

For the Fiscal Year Beginning

October 1, 2011

Linda C. Dandson Jeffrey R. Enow

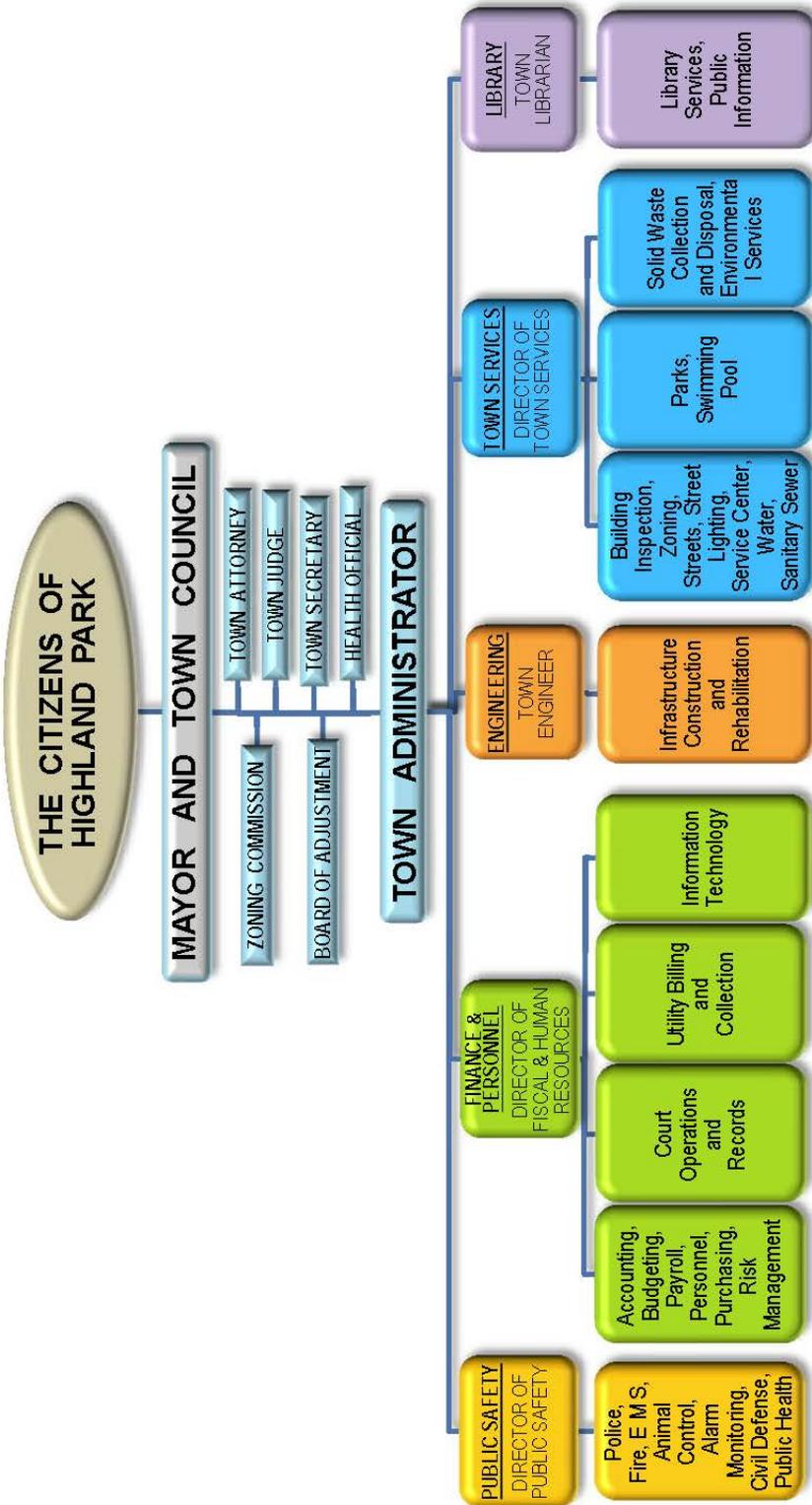
President

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, 2011. 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 | Building Inspection, Parks, Pool, Sanitation, Service Center, Sewer, Streets, Street Lighting, Water |

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

**BUDGET RELATED SECTIONS OF THE TOWN'S FINANCIAL MANAGEMENT POLICY
AMENDED BY THE TOWN COUNCIL FEBRUARY, 2012**

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.
- 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. FUND BALANCE – GOVERNMENTAL FUNDS -**

1. *Committed Fund Balance* - The Town Council is the Town's highest level of decision – making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by Council action. The Council action must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period. The Council action may take the form of the Annual Budget or a separate ordinance or resolution. Examples of Committed Fund Balance include the Store Water Drainage Utility Fund and the Employees' Christmas Fund (contributions committed for employee distribution).

The Town shall maintain a committed fund balance in the Capital Projects Fun of \$2,000,000.00.

2. *Assigned Fund Balance* - The Town Council has authorized the Town's Director of Fiscal and Human Resources to assign fund balance to a specific purpose as approved by this fund balance policy. An example of an Assigned Fund Balance is the net proceeds of dedicated donations made to the Town's Library recorded in the General Fund.
3. *Minimum Unassigned Fund Balance* - The Town shall maintain an unassigned fund balance in the General Fund equal to 22% of non-capital expenditures as approved by the Town Council in current Annual Budget.

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

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

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

C. NET WORK CAPITAL - UTILITY FUND

The Town shall maintain Net Working Capital at an amount equal to not less than twenty-five (25%) of non-capital expenditures as approved by the Town Council in the Annual 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. - 1894

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2012, AND ENDING SEPTEMBER 30, 2013, 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 \$29,613,460.00, and covering the operating and capital expenditures and inter-fund transfers of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2012, and ending September 30, 2013, 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 27, 2012, and more than thirty (30) days prior to the end of the fiscal year 2012, 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 10, 2012, 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 10, 2012, 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 10th day of September, 2012.

APPROVED AS TO FORM:

APPROVED:

Albert D. Hammack
Town Attorney

Joel T. Williams, III
Mayor

ATTEST:

Gayle Kirby
Town Secretary

ORDINANCE NO. - 1895

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2012 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 2012, 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 2012, 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 2013;

That said tax shall be due and payable October 1, 2012;

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2012 levy.

PASSED AND APPROVED by the Town Council of the Town of Highland Park, Texas, on this 10th day of September 2012.

APPROVED AS TO FORM:

APPROVED:

Albert D. Hammack
Town Attorney

Joel T. Williams, III
Mayor

ATTEST:

Gayle Kirby
Town Secretary



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

| | FY 2011 ACTUAL | FY 2012 BUDGET | FY 2012 PROJECTED | FY 2013 BUDGET |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| BEGINNING FUND BALANCES | \$ 20,676,097 | \$ 19,645,104 | \$ 19,645,104 | \$ 11,295,176 |
| REVENUES: | | | | |
| Property Taxes | \$ 9,709,443 | \$ 9,623,335 | \$ 9,657,600 | \$ 9,708,765 |
| Water Sales | 5,785,103 | 5,423,500 | 5,377,900 | 5,832,350 |
| Sewer Charges | 2,739,169 | 2,635,400 | 2,600,000 | 2,658,700 |
| Sales Taxes | 2,681,580 | 2,660,000 | 3,069,275 | 2,886,000 |
| Sanitation/Recycling Charges | 1,254,785 | 1,263,150 | 1,254,075 | 1,260,775 |
| Franchise Fees | 995,484 | 1,010,000 | 1,078,365 | 1,081,000 |
| Building Inspection Fees/Permits | 961,466 | 847,900 | 976,270 | 943,500 |
| Municipal Court Fines/Fees | 728,148 | 693,810 | 685,875 | 687,575 |
| Interest Earnings | 129,006 | 141,100 | 94,730 | 54,100 |
| Other Charges for Service | 1,382,509 | 1,779,165 | 1,388,250 | 1,831,360 |
| Storm Water Drainage Fees | 186,581 | 361,000 | 361,000 | 365,760 |
| Other Revenues | 825,456 | 720,975 | 768,445 | 1,178,550 |
| Transfers | 2,127,772 | 5,112,210 | 5,205,575 | 2,233,890 |
| TOTAL RESOURCES | \$ 29,506,502 | \$ 32,271,545 | \$ 32,517,360 | \$ 30,722,325 |
| EXPENDITURES: | | | | |
| Personnel Services: | | | | |
| Payroll | \$ 10,142,629 | \$ 10,820,785 | \$ 10,798,740 | \$ 11,386,535 |
| Employee Benefits | 3,313,033 | 3,362,200 | 2,897,900 | 2,999,650 |
| Total Personnel | \$ 13,455,662 | \$ 14,182,985 | \$ 13,696,640 | \$ 14,386,185 |
| Supplies & Equipment | \$ 3,727,917 | \$ 3,651,130 | \$ 3,525,515 | \$ 3,981,640 |
| Services & Charges | 4,251,555 | 4,870,560 | 4,645,195 | 5,180,350 |
| Capital Outlay | 6,974,590 | 13,613,005 | 13,794,363 | 3,831,395 |
| Transfers | 2,127,772 | 5,112,210 | 5,205,575 | 2,233,890 |
| TOTAL USES | \$ 30,537,495 | \$ 41,429,890 | \$ 40,867,288 | \$ 29,613,460 |
| ENDING FUND BALANCE | \$ 19,645,104 | \$ 10,486,759 | \$ 11,295,176 | \$ 12,404,041 |

**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 2013 | Total FY2012 |
|----------------------------------|---------------|---------------|----------------------|-----------------------|------------------|----------------|------------------|---------------|---------------|
| BEGINNING FUND BALANCE | \$ 4,039,521 | \$ 1,490,677 | \$ 148,661 | \$ 2,002,148 | \$ 57,545 | \$ 5,105 | \$ 3,551,519 | \$ 11,295,176 | \$ 18,150,461 |
| REVENUES: | | | | | | | | | |
| Property Taxes | \$ 9,708,765 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,708,765 | \$ 9,623,335 |
| Water Sales | - | 5,832,350 | - | - | - | - | - | 5,832,350 | \$ 5,423,500 |
| Sewer Charges | - | 2,658,700 | - | - | - | - | - | 2,658,700 | 2,635,400 |
| Sales Taxes | 2,750,000 | - | - | - | - | - | - | 2,750,000 | 2,550,000 |
| Sanitation/Recycling Charges | 1,260,775 | - | - | - | - | - | - | 1,260,775 | 1,263,150 |
| Franchise Fees | 1,081,000 | - | - | - | - | - | - | 1,081,000 | 1,010,000 |
| Building Inspection Fees/Permits | 903,500 | 40,000 | - | - | - | - | - | 943,500 | 847,900 |
| Municipal Court Fines/Fees | 642,800 | - | - | - | - | - | - | 642,800 | 646,750 |
| Interest Earnings | 12,200 | 10,000 | 800 | 6,150 | 125 | 25 | 25,000 | 54,300 | 141,250 |
| All Other | 1,579,475 | 392,925 | 395,760 | 999,310 | 25,600 | 19,175 | 144,000 | 3,556,245 | 3,353,120 |
| TOTAL REVENUES | \$ 17,938,515 | \$ 8,933,975 | \$ 396,560 | \$ 1,005,460 | \$ 25,725 | \$ 19,200 | \$ 169,000 | \$ 28,488,435 | \$ 27,494,405 |
| Transfers from Other Funds | 990,025 | 85,775 | - | - | - | - | 1,158,090 | 2,233,890 | 5,112,210 |
| TOTAL AVAILABLE RESOURCES | \$ 22,968,061 | \$ 10,510,427 | \$ 545,221 | \$ 3,007,608 | \$ 83,270 | \$ 24,305 | \$ 4,878,609 | \$ 42,017,501 | \$ 50,757,076 |
| EXPENDITURES: | | | | | | | | | |
| Personnel Services: | | | | | | | | | |
| Payroll | \$ 10,065,935 | \$ 1,282,155 | \$ 38,445 | \$ - | \$ - | \$ - | \$ - | \$ 11,386,535 | \$ 10,821,035 |
| Employee Benefits | 2,628,590 | 360,100 | 10,960 | - | - | - | - | 2,999,650 | 3,362,250 |
| Total Personnel | \$ 12,694,525 | \$ 1,642,255 | \$ 49,405 | \$ - | \$ - | \$ - | \$ - | \$ 14,386,185 | \$ 14,183,285 |
| Supplies & Equipment | 972,950 | 2,995,740 | 10,000 | - | 2,950 | - | - | 3,981,640 | 3,661,130 |
| Services & Charges | 3,843,985 | 1,236,540 | 68,775 | 7,050 | 24,000 | - | - | 5,180,350 | 4,529,305 |
| Capital Outlay: | | | | | | | | | |
| Sustaining | 187,900 | - | - | - | - | - | - | 187,900 | 179,270 |
| Equipment | - | - | - | 354,125 | - | - | - | 354,125 | 143,240 |
| CIP | - | 1,828,800 | 100,000 | - | - | - | 1,360,570 | 3,289,370 | 13,621,448 |
| TOTAL EXPENDITURES | \$ 17,699,360 | \$ 7,703,335 | \$ 228,180 | \$ 361,175 | \$ 26,950 | \$ - | \$ 1,360,570 | \$ 27,379,570 | \$ 36,317,678 |
| Transfers to Other Funds | 1,154,655 | 1,058,235 | - | - | - | 21,000 | - | 2,233,890 | 5,112,210 |
| ENDING FUND BALANCE | \$ 4,114,046 | \$ 1,748,857 | \$ 317,041 | \$ 2,646,433 | \$ 56,320 | \$ 3,305 | \$ 3,518,039 | \$ 12,404,041 | \$ 9,327,188 |
| FUND BALANCE MINIMUM | \$ 3,888,740 | \$ 1,711,749 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,600,489 | \$ 5,148,181 |
| FUND BALANCE SURPLUS | \$ 225,306 | \$ 37,108 | \$ 317,041 | \$ 2,646,433 | \$ 56,320 | \$ 3,305 | \$ 3,518,039 | \$ 6,803,552 | \$ 4,179,007 |

**PROPOSED 2012 TAX RATE FOR HIGHLAND PARK
COMPARED TO CURRENT 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 |
| Highland Park | 0.22000 |

AD VALOREM TAX ANALYSIS

2012 TAX ROLL

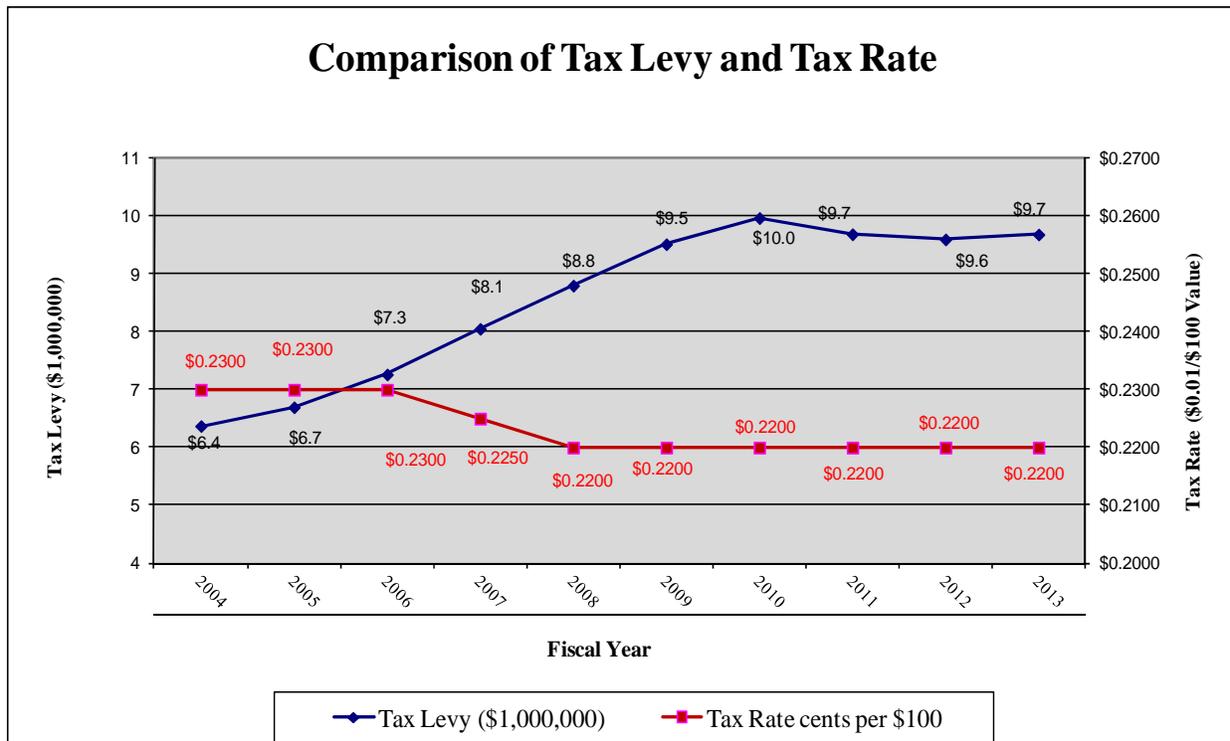
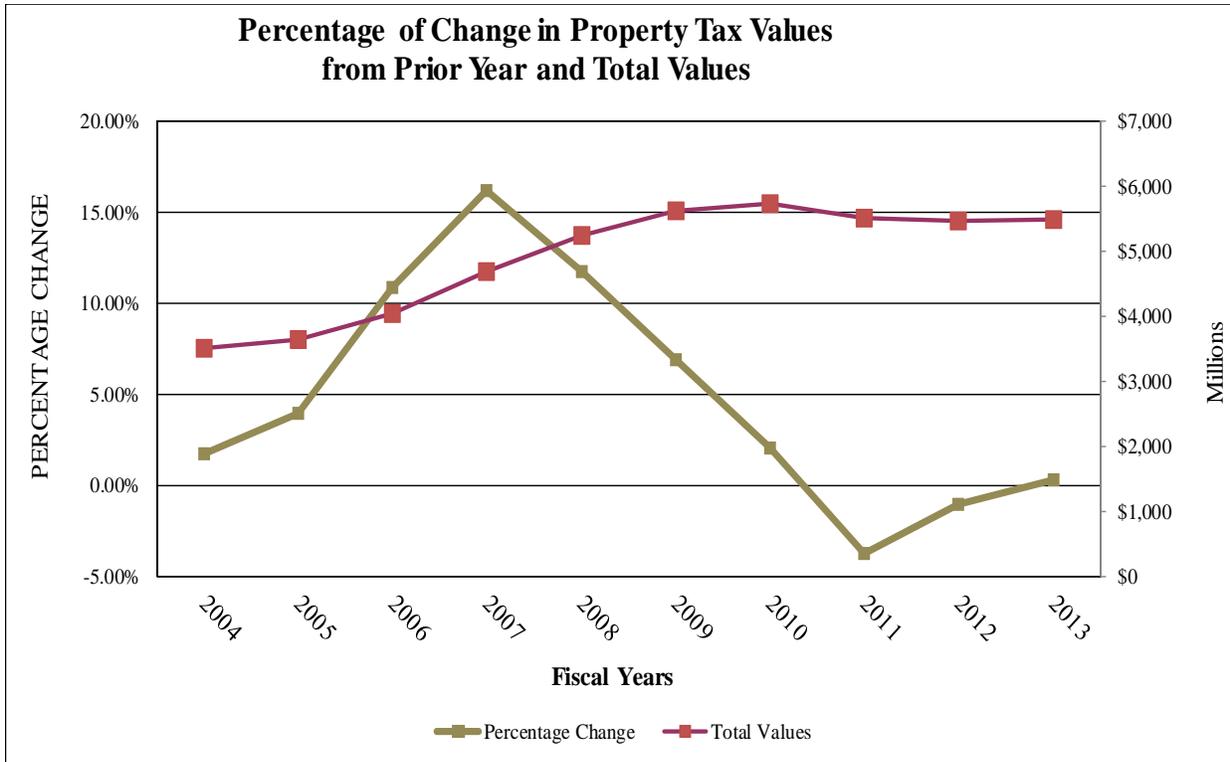
| | |
|--|--------------------|
| Assessed Valuation (100%) | \$5,484,422,820 |
| Taxable Valuation* | \$4,446,174,261 |
| Rate Per \$100 | \$0.2200 |
| Total Tax Levy | \$9,781,583 |
| Percent of Collection | 99.0 |
| Estimated Current Tax Collections | \$9,683,765 |

*Certified Appraisal Roll Plus Disputed Values

**SUMMARY OF PROJECTED
2012 TAX COLLECTIONS**

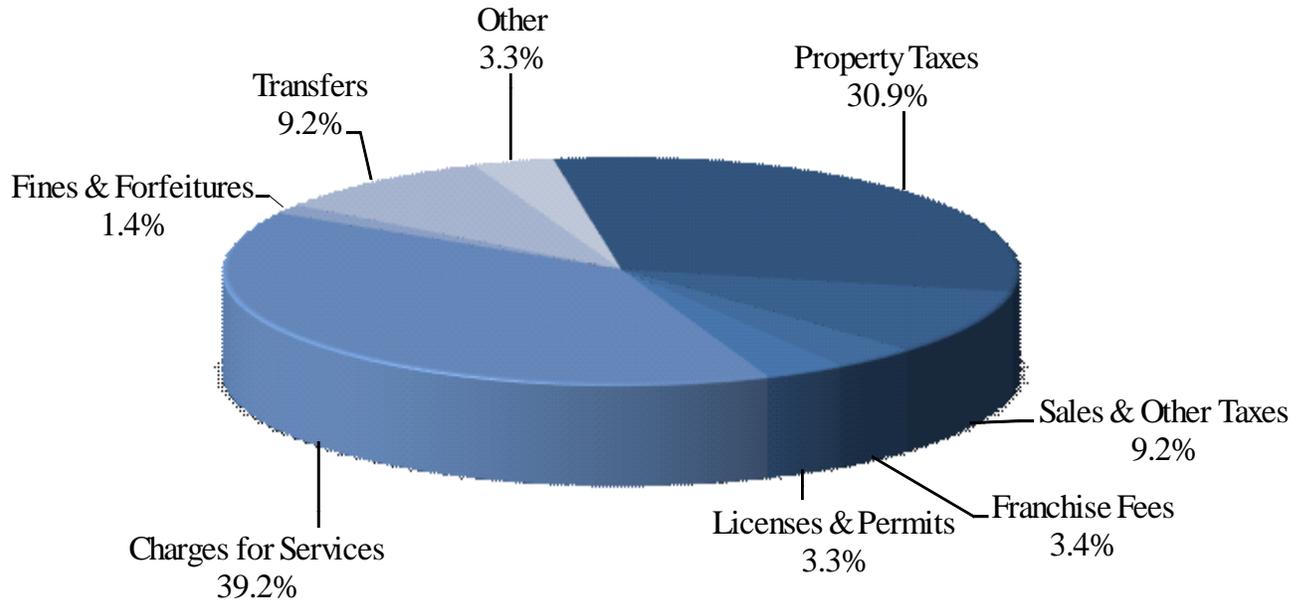
| | |
|--------------------------------------|---------------------|
| Current Taxes | \$ 9,683,765 |
| Delinquent Taxes | <u>25,000</u> |
| Total Tax Collections | \$ 9,708,765 |
| Penalty & Interest on Taxes | <u>60,000</u> |
| Total Tax Related Collections | \$ 9,768,765 |

ASSESSED PROPERTY VALUES INCREASED/DECREASE BY BUDGET YEAR



PROJECTED RESOURCES

Fiscal Year 2013

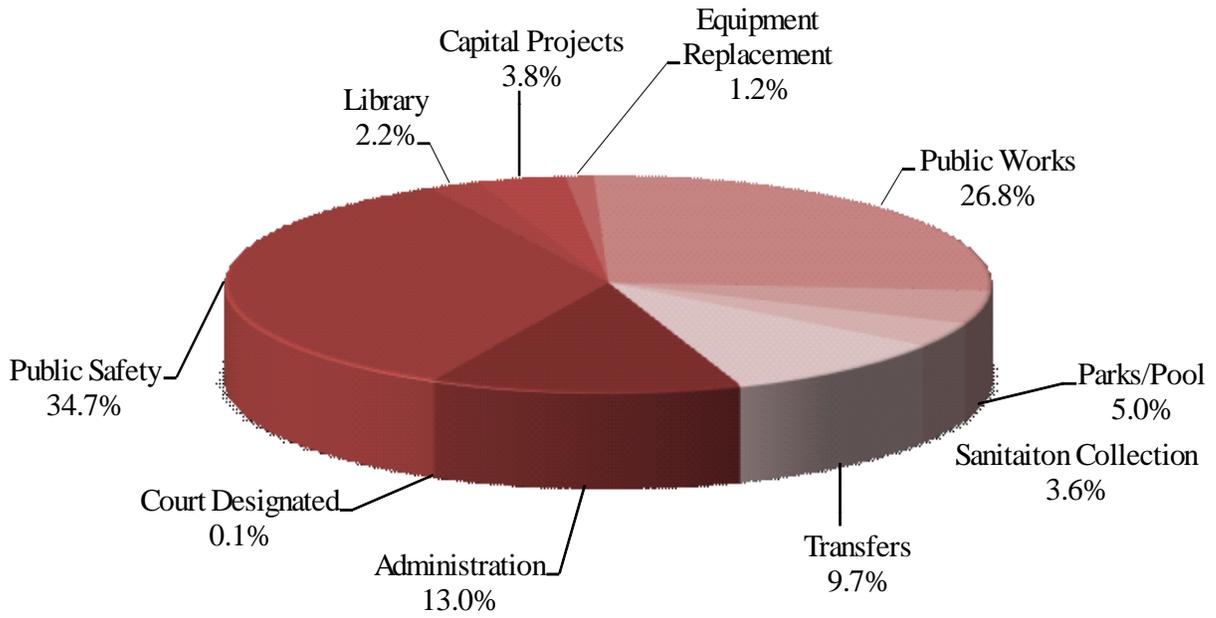


ALL FUNDS

| | |
|-----------------------|---------------------|
| Property Taxes | \$9,708,765 |
| Sales and Other Taxes | 2,886,000 |
| Franchise Fees | 1,081,000 |
| Licenses and Permits | 1,020,425 |
| Charges for Services | 12,317,035 |
| Fines and Forfeitures | 426,700 |
| Other | 1,048,510 |
| Transfers | 2,896,770 |
| Total | \$31,385,205 |

BUDGETED DISBURSEMENTS

Fiscal Year 2013

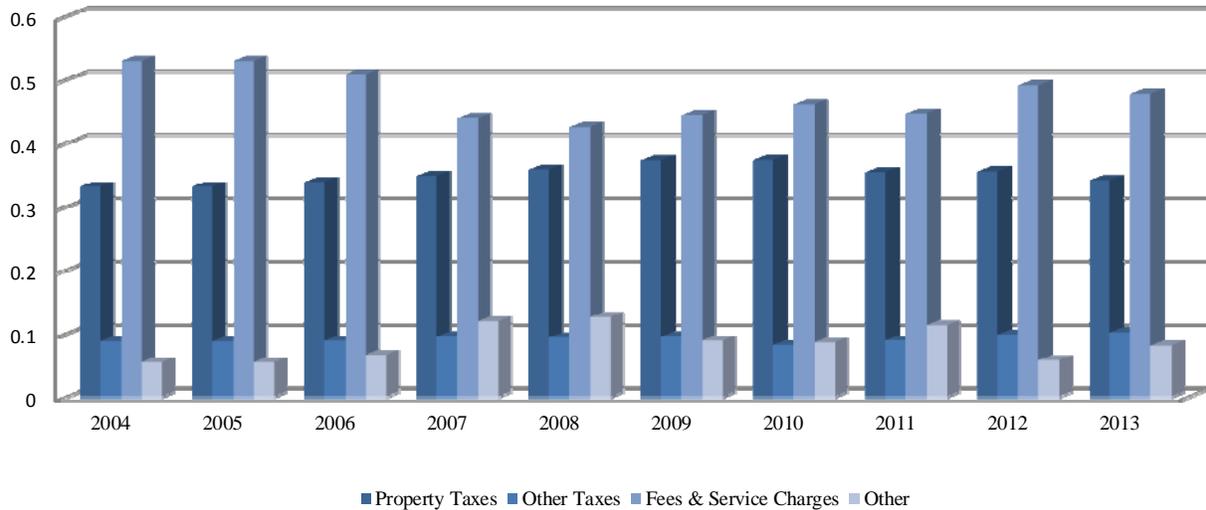


BY FUNCTION

| | |
|------------------------|---------------------|
| Administration | \$3,889,915 |
| Public Safety | 10,378,625 |
| Public Works | 8,022,635 |
| Parks/Pool | 1,485,785 |
| Sanitation Collection | 1,091,550 |
| Equipment Replacement | 361,175 |
| Library | 662,555 |
| Capital Projects | 1,129,130 |
| Designated Court Funds | 26,950 |
| Transfers | 2,896,770 |
| Total | \$29,945,090 |

**REVENUES BY TYPE
COMPARISON FOR ALL FUNDS**

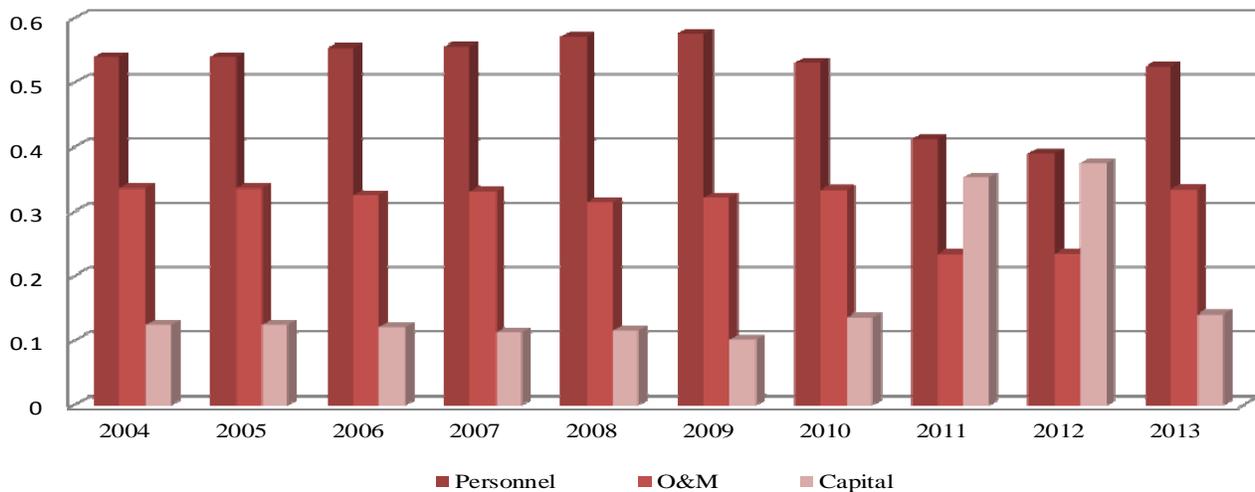
Percent of Total Revenues



As indicated above, the Town’s operations are funded primarily through property taxes, service charges and fees. The growth in the both recognized and projected property tax dollars is supported by the Town’s healthy property values and its favorable tax rate (see page 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**

Percent of Total Distributions



Personnel costs compromise the majority of the Town’s cost of operations. Municipal governments, as any service organization, are labor intensive. The graphic above depicts growth in total personnel costs reflective of increased compensation and the cost of benefits, rather than increase staffing, and a controlled level of O&M. Additional detail on expenditure history/trends is presented on page 100.

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

| | FY 2011 | | FY 2012 | | FY 2013 | |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Full Time | Part Time | Full Time | Part Time | Full Time | Part Time |
| GENERAL FUND | | | | | | |
| Administration | 2.0 | 0.2 | 2.4 | 0.2 | 5.0 | 0.4 |
| 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 | - | 1.8 | - | 2.0 | - |
| Library | 3.0 | 2.4 | 3.0 | 2.4 | 3.0 | 2.4 |
| Park | 9.5 | - | 9.0 | - | 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 | - | 0.2 | - | - | - |
| Information Technology | - | - | - | - | 1.0 | - |
| SUBTOTAL FUND | 98.8 | 8.0 | 98.7 | 8.5 | 102.3 | 8.5 |

UTILITY FUND

| | | | | | | |
|----------------------|------|-----|------|-----|------|-----|
| Administration | 6.0 | 0.2 | 6.6 | 0.2 | 4.0 | 0.2 |
| Water | 4.4 | - | 4.4 | - | 4.4 | - |
| Sewer | 2.3 | - | 2.3 | - | 2.3 | - |
| Sanitation | 0.5 | - | - | - | - | - |
| Engineering | 4.5 | - | 4.5 | - | 4.5 | - |
| SUBTOTAL FUND | 16.5 | 0.2 | 17.8 | 0.2 | 15.2 | 0.2 |

STORMWATER DRAINAGE UTILITY FUND

| | | | | | | |
|------------------------|-------|-----|-------|-----|-------|-----|
| Engineering | 0.5 | - | 0.5 | - | 0.5 | - |
| SUBTOTAL | 0.5 | 0.0 | 0.5 | 0.0 | 0.5 | 0.0 |
| TOTAL EMPLOYEES | 117.0 | 8.2 | 117.0 | 8.7 | 118.0 | 8.7 |

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

GENERAL FUND

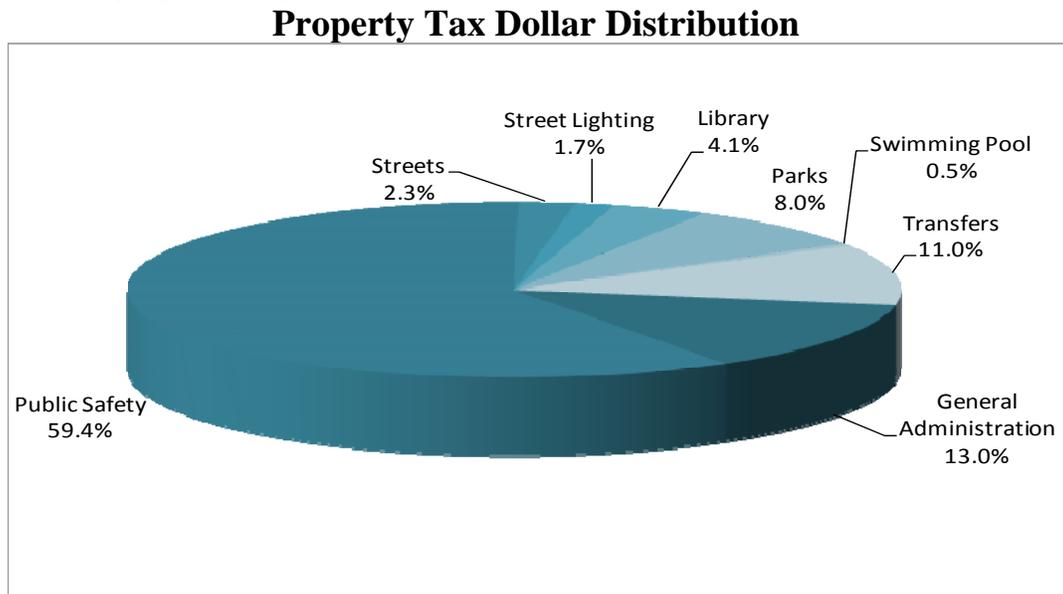
| Department | Pages |
|--|--------------|
| Administration | 30 |
| Town Council, Town Administrator, Town Attorney, General Administration | |
| Public Safety | 32 |
| Police, fire, emergency medical, animal control, Alarm monitoring, civil defense, public health | |
| Street | 36 |
| Street maintenance & resurfacing, curb & gutter, and sidewalk maintenance and replacement | |
| Street Lighting | 38 |
| Street lights, traffic signals, and school zone flashers | |
| Library | 40 |
| Library services and public information | |
| Parks | 42 |
| Parks maintenance, semi-annual floral color management, tennis court maintenance, park and right-of-way tree, maintenance, and Christmas lighting | |
| Swimming Pool | 44 |
| Municipal Court | 46 |
| Court records and case management | |
| Finance | 48 |
| Accounting, purchasing, payroll, personnel, risk management, information technology | |
| Building Services | 49 |
| Construction plan review and permitting, construction inspection, and zoning | |
| Service Center | 52 |
| Facilities cost center | |
| Municipal Building | 53 |
| Facilities cost center | |
| Sanitation | 54 |
| Solid waste collection and disposal, recycling | |
| Non-Departmental | 56 |
| Non-department specific expenditures | |
| Information Technology | 57 |
| Management of the Town-wide network systems, including radios, phones, computers and video | |
| Transfers to Other Funds | 58 |

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 \$9,708,765 or 54.1% of General Fund revenues come from property taxes. This compares to 55.1% and 56.6% for each of the previous two (2) fiscal year budgets, respectively. The market value of property in the Town increased 7.3% in tax year 2008. Since that year, the values have declined 2.1% (\$195,761,240) in spite of \$422,773,292 being added from new construction. It is important to note that since the Town is fully built-out, all new construction replaces older, less valued, structures. Because of new construction and provisions of the state's Truth in Taxation regulations, the taxable values of property have increased 2.6% over the 2008-2012 tax year time period. The continued redevelopment of the Town remains a very positive indicator of sustainable property values and tax rate.

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



The stability of the local economy is further exemplified through sales tax receipts. The Highland Park Shopping Village and the two (2) commercial areas along Oak Lawn Avenue and Lomo Alto Drive have provided this strong and reliable revenue stream. For this Budget and the previous two (2) fiscal years, sales tax receipts make up 15.3%, 14.6% and 13.6%, respectively, of total projected actual revenues for the General Fund.

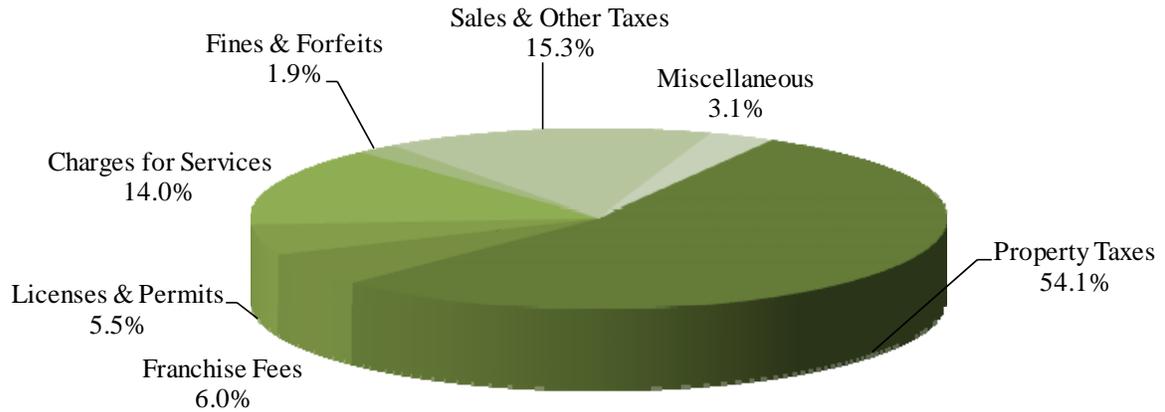
There are no new programs or services funded in the General Fund Budget for Fiscal Year 2013.

**GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES**

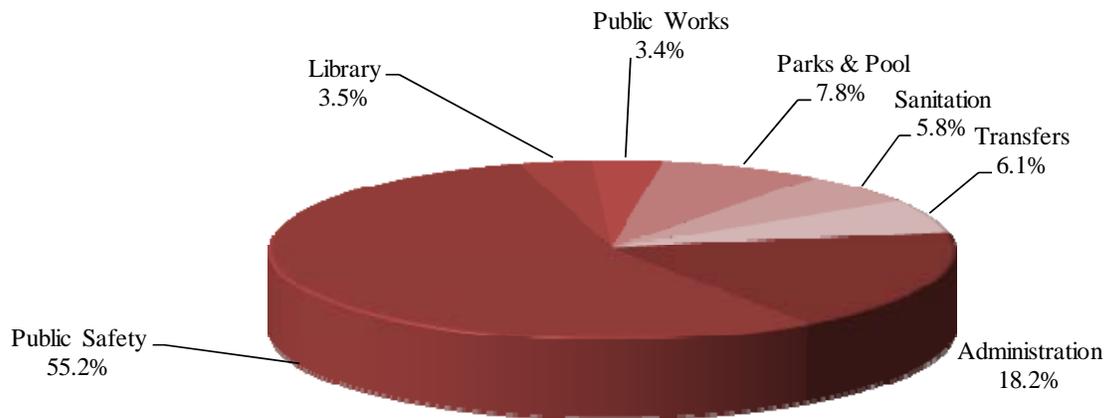
| | FY 2011 Actual | FY2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---|---------------------------|--------------------------|------------------------------|---------------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Taxes | \$ 12,391,023 | \$ 12,283,335 | \$ 12,726,875 | \$ 12,594,765 |
| Franchise Fees | 995,484 | 1,010,000 | 1,078,365 | 1,081,000 |
| Licenses & Permits | 1,008,939 | 882,200 | 995,370 | 980,425 |
| Charges for Services | 2,459,270 | 2,527,650 | 2,467,575 | 2,514,925 |
| Fines & Forfeits | 366,990 | 348,500 | 351,475 | 348,700 |
| Miscellaneous | 397,341 | 428,150 | 477,470 | 418,700 |
| Total Revenues | \$ 17,619,047 | \$ 17,479,835 | \$ 18,097,130 | \$ 17,938,515 |
| Other Sources: | | | | |
| Transfers In-Utility Fund | \$ 11,745 | \$ 20,000 | \$ 19,575 | \$ 990,025 |
| Prior Year's Surplus | - | - | - | - |
| Total Other Sources | \$ 11,745 | \$ 20,000 | \$ 19,575 | \$ 990,025 |
| Total Revenues/Sources | \$ 17,630,792 | \$ 17,499,835 | \$ 18,116,705 | \$ 18,928,540 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Personnel Services | | | | |
| Payroll | \$ 8,599,942 | \$ 9,178,445 | \$ 9,166,960 | \$ 10,034,290 |
| Employee Benefits | 2,822,905 | 2,846,555 | 2,426,305 | 2,626,630 |
| Total Personnel | \$ 11,422,847 | \$ 12,025,000 | \$ 11,593,265 | \$ 12,660,920 |
| Supplies & Equipment | 883,452 | 997,240 | 897,465 | 966,450 |
| Services & Charges | 3,055,685 | 3,589,020 | 3,471,455 | 3,906,570 |
| Cost Allocation - Utility Fund | (239,007) | (288,855) | (267,325) | (22,290) |
| Capital & Maintenance Projects | 174,918 | 124,270 | 171,870 | 187,900 |
| Total Expenditures | \$ 15,297,895 | \$ 16,446,675 | \$ 15,866,730 | \$ 17,699,550 |
| Other Uses: | | | | |
| Transfers Out - Budgeted | \$ 1,634,794 | \$ 2,353,160 | \$ 2,446,525 | \$ 1,068,880 |
| Transfers Out - Utility Fund | \$ - | \$ - | \$ - | \$ 85,775 |
| Total Other Uses | \$ 1,634,794 | \$ 2,353,160 | \$ 2,446,525 | \$ 1,154,655 |
| Total Expenditures/Uses | \$ 16,932,689 | \$ 18,799,835 | \$ 18,313,255 | \$ 18,854,205 |
| Excess (Deficiency) of Revenues/Sources over Expenditures/Uses | \$ 698,103 | \$ (1,300,000) | \$ (196,550) | \$ 74,335 |
| Fund Balance | \$ 4,132,477 | \$ 2,832,477 | \$ 3,935,927 | 4,010,262 |
| Fund Balance in Excess of Minimum | \$805,422 | \$ (758,452) | \$483,058 | \$ 157,699 |

GENERAL FUND

CURRENT REVENUES & SOURCES OF FUNDS



BUDGETED EXPENDITURES & USES OF FUNDS



**GENERAL FUND
STATEMENT OF REVENUES**

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|------------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Taxes | | | | |
| Ad Valorem Taxes | \$ 9,670,298 | \$ 9,598,335 | \$ 9,622,900 | \$ 9,683,765 |
| Delinquent Ad Valorem Taxes | 39,145 | 25,000 | 34,700 | 25,000 |
| City Sales Tax | 2,564,337 | 2,550,000 | 2,923,275 | 2,750,000 |
| Mixed Beverage Tax | 117,244 | 110,000 | 146,000 | 136,000 |
| <i>Subtotal</i> | <u>\$12,391,024</u> | <u>\$ 12,283,335</u> | <u>\$12,726,875</u> | <u>\$12,594,765</u> |
| Franchise Fees | | | | |
| Electric Utility Franchise Fees | \$ 526,157 | \$ 530,000 | \$ 603,000 | \$ 595,000 |
| Natural Gas Utility Franchise Fees | 207,158 | 210,000 | 193,500 | 200,000 |
| Telecom Franchise Fees | 99,706 | 105,000 | 105,565 | 106,000 |
| CATV Franchise Fees | 162,464 | 165,000 | 176,300 | 180,000 |
| <i>Subtotal</i> | <u>\$ 995,485</u> | <u>\$ 1,010,000</u> | <u>\$ 1,078,365</u> | <u>\$ 1,081,000</u> |
| Licenses & Permits | | | | |
| Beverage Licenses | \$ 11,535 | \$ 775 | \$ 3,200 | \$ 10,000 |
| Health Permits | 3,525 | 3,675 | 4,200 | 3,700 |
| Alarm Permits | 64,530 | 64,000 | 65,000 | 63,675 |
| Electrical Licenses | 10,800 | 14,400 | 13,000 | 13,000 |
| Building Permits | 878,545 | 755,000 | 869,000 | 850,000 |
| Electrical Permits | 30,521 | 34,000 | 31,000 | 30,000 |
| Excavation Permits | 405 | 500 | 420 | 500 |
| Carriage Licenses | 2,400 | 2,850 | 2,850 | 2,850 |
| Animal Licenses | 6,678 | 7,000 | 6,700 | 6,700 |
| <i>Subtotal</i> | <u>\$ 1,008,939</u> | <u>\$ 882,200</u> | <u>\$ 995,370</u> | <u>\$ 980,425</u> |
| Charges For Services | | | | |
| Sanitation Charges | \$ 1,155,707 | \$ 1,164,250 | \$ 1,155,000 | \$ 1,161,875 |
| Recycling Charges | 99,079 | 98,900 | 99,075 | 98,900 |
| E911 Users' Fee | 152,854 | 150,000 | 150,200 | 151,000 |
| Alarm Monitoring Fees | 455,660 | 487,000 | 479,750 | 478,500 |
| Ambulance Fees | 120,887 | 165,000 | 135,850 | 172,000 |
| Street Rental Fees | - | - | - | - |
| Board Hearing Fee | 4,050 | 2,500 | 2,800 | 2,500 |
| Swimming Pool Daily Fees | 20,165 | 15,750 | 17,850 | 15,750 |
| Swimming Pool Annual Fees | 89,794 | 90,500 | 85,650 | 90,500 |
| Tennis Court Use Fees | 10,360 | 10,000 | 10,550 | 10,000 |
| Animal Pound Fees | 1,172 | 1,000 | 1,200 | 1,000 |
| Library Non-resident Fees | 8,043 | 11,000 | 7,500 | 6,500 |
| Court Administration Fees | 41,905 | 42,500 | 37,800 | 38,250 |
| Warrant Fees | 53,867 | 51,250 | 48,950 | 51,000 |
| Court Fees | 121,016 | 122,000 | 111,500 | 114,950 |
| Building Resgistration Fees | 7,875 | 10,000 | 12,850 | 10,000 |
| Special Expense Fee | 116,836 | 106,000 | 111,050 | 112,200 |
| <i>Subtotal</i> | <u>\$ 2,459,270</u> | <u>\$ 2,527,650</u> | <u>\$ 2,467,575</u> | <u>\$ 2,514,925</u> |

STATEMENT OF REVENUES (CONT)

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Fines & Forfeits | | | | |
| Municipal Court Fines | \$ 346,183 | \$ 325,000 | \$ 329,400 | \$ 326,400 |
| Library Fines | 6,592 | 10,000 | 6,275 | 5,800 |
| Lost Book Charges | 1,366 | 1,000 | 1,500 | 1,500 |
| Invalid Alarm Fines | 12,850 | 12,500 | 14,300 | 15,000 |
| <i>Subtotal</i> | \$ 366,991 | \$ 348,500 | \$ 351,475 | \$ 348,700 |
| Miscellaneous | | | | |
| Interest | \$ 37,315 | \$ 35,000 | \$ 27,800 | \$ 12,000 |
| Interest-Library | 189 | 150 | 250 | 200 |
| Penalty & Interest - Tax Collection | 55,505 | 60,000 | 45,600 | 60,000 |
| Sale of Assets | 6,198 | 2,500 | 1,500 | 2,500 |
| Sale of Impounded Property | 1,490 | 1,000 | 4,260 | 1,000 |
| Rental-Town Property | 150,000 | 184,500 | 252,100 | 256,500 |
| Library Donations | 51,867 | 70,000 | 41,745 | 41,500 |
| Contributions | 23,726 | 10,000 | 40,225 | 15,000 |
| Town Property Damage Refund | 14,095 | 15,000 | 14,955 | 15,000 |
| Miscellaneous | 56,957 | 50,000 | 49,035 | 15,000 |
| Intergovernmental Revenue | - | - | - | - |
| <i>Subtotal</i> | \$ 397,342 | \$ 428,150 | \$ 477,470 | \$ 418,700 |
| Total Revenues | \$17,619,051 | \$ 17,479,835 | \$18,097,130 | \$17,938,515 |

SUMMARY OF REVENUE ESTIMATES

- **Property Taxes**

Projected collections of levied Ad Valorem Property Taxes:

| | |
|------------------------|-------------|
| Current Levy | \$9,683,765 |
| Delinquent Taxes | 25,000 |

Taxable property values increased \$61,532,226, or 1.4%. This growth was fueled by new construction which added \$74,777,097 to the Town's taxable values. The Town continues to see redevelopment contributing to value increases with newer, larger homes replacing smaller, less valued homes. The schedule on page 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 late Fiscal Year 2009 and early FY 2010. Since FY 2009, sales tax revenues have increased almost 15%. 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 2013 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. Since the Town realized revenues \$16,500 less than projected for Fiscal Year 2012, the projection for Fiscal Year 2013 is \$200,000, 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 \$26,000 for Fiscal Year 2013.

- **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 are projected to realize a slight decrease increase from Fiscal Year 2012 due to a decrease in alarm monitoring fees (to recover cellular connectivity costs) of \$8,500, an increase of \$5,350 for projected fees collected from Municipal Court activities, and a decrease in non-resident Library access charges of \$4,500.

- **Fines & Forfeits**

Municipal Court fines (\$326,000) are estimated based on estimated citation volumes and average collection amounts per disposed case. For Fiscal Year 2013, this estimate is based on 10,500 cases being adjudicated with an average fine per adjudicated case calculated at \$31.00. This average amount compares to an average of \$31.50 for 2012. 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).

- **Miscellaneous**

Projected interest earnings (\$12,000) are based on an average monthly investable balance of \$4,000,000 and an interest rate of 0.30%. The rental of Town property (cell phone antennae sites and street rental) is projected at \$256,500 and is based on existing contracts that renewed 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 2012

- 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.
- Implement new web-based CRM product to replace legacy ASR product.

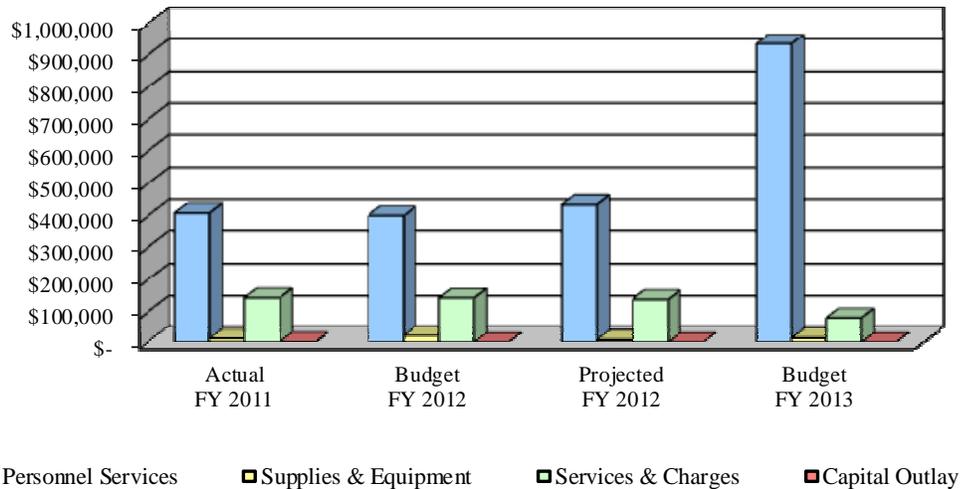
OBJECTIVES FOR FISCAL YEAR 2013

- 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.
- Secure automated agenda management system

| Classification | EMPLOYEE CLASSIFICATION & PAY GRADE | | | |
|----------------------------------|-------------------------------------|-------------------|-------------------|-------------------|
| | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
| Town Administrator | - | 0.50 | 0.50 | 1.00 |
| Director of Public Works | E-3 | 0.20 | 0.00 | 0.00 |
| Director of Town Services | E-3 | 0.00 | 0.25 | 1.00 |
| Manager of Town Services | 8 | 0.00 | 0.35 | 1.00 |
| Town Secretary | 5 | 0.80 | 0.80 | 1.00 |
| Secretary I | 4 | 0.50 | 0.50 | 1.00 |
| Attorney (Part Time) | - | 0.20 | 0.20 | 0.40 |
| Total Allocable Employees | | 2.20 | 2.60 | 5.40 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 409,202 | \$ 400,825 | \$ 434,050 | \$ 935,610 |
| Supplies & Equipment | 11,941 | 20,800 | 8,570 | 13,300 |
| Services & Charges | 143,329 | 142,480 | 138,035 | 81,855 |
| Capital Outlay | 1,314 | - | - | - |
| Total Department | \$ 565,786 | \$ 564,105 | \$ 580,655 | \$1,030,765 |

**ACTIVITY MEASURES**

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---------------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Service Requests (ASR) Taken | 6,465 | 7,000 | 5,300 | 6,000 |
| Service Requests Completed on Time | | | | |
| ASR's Processed Data Accuracy (%) | 99.4 | 98.0 | 98.5 | 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 | 98.00 | 100.0 | 98.00 | 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 2012

- 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.
- Complete the implementation of new communications equipment and lead in the remodeling project for DPS Communications and Town Hall facility.
- Purchased assorted pieces of equipment as needed from the Department's operational capital appropriation.
- Purchase of a replacement fire apparatus (funded through the Equipment Replacement Fund).

OBJECTIVES FOR FISCAL YEAR 2013

- 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.
- Purchase of four (4) replacement Public Safety SUVs and one (1) pickup (Animal Control) funded through the Equipment Replacement Fund).

MAJOR BUDGET ITEMS

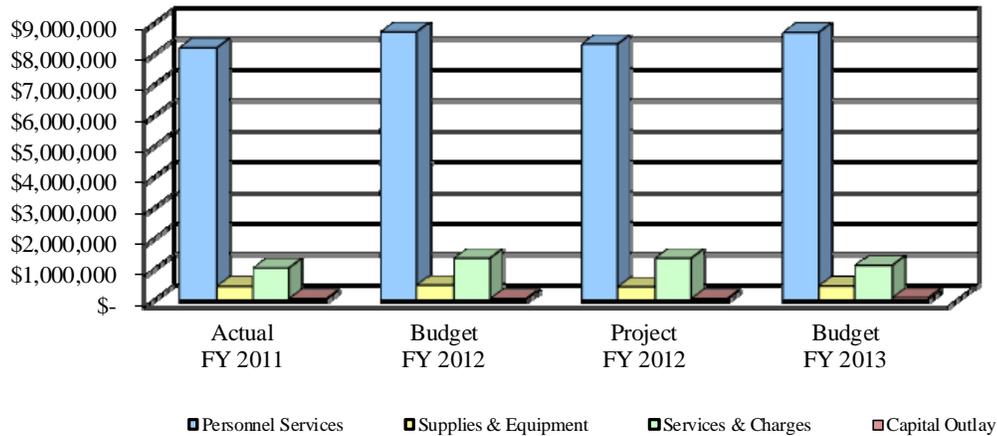
- Funding for existing levels of police, fire and emergency medical services.
- Purchase equipment and services identified as the Department's sustaining capital needs and detailed on page 104.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY 2011 | FY 2012 | FY 2013 |
|---------------------------|-------|-------------|-------------|-------------|
| | | 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 | 8 | 1.0 | 1.0 | 1.0 |
| Supervisor | | | | |
| Accreditation Manager | 6 | 1.0 | 1.0 | 1.0 |
| Support Services | 6 | 1.0 | 1.0 | 1.0 |
| Supervisor | | | | |
| 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 |
| Total Employees | | 69.0 | 69.0 | 69.0 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Project | FY 2013 Budget |
|-------------------------|---------------------|---------------------|----------------------|---------------------|
| Personnel Services | \$ 8,200,144 | \$ 8,715,980 | \$ 8,323,640 | \$ 8,702,950 |
| Supplies & Equipment | 452,693 | 482,900 | 428,795 | 461,150 |
| Services & Charges | 1,045,614 | 1,365,720 | 1,363,070 | 1,134,625 |
| Capital Outlay | 45,692 | 45,970 | 45,970 | 79,900 |
| Total Department | \$ 9,744,143 | \$10,610,570 | \$ 10,161,475 | \$10,378,625 |



| ACTIVITY MEASURES | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|--|---------------------------|---------------------------|------------------------------|---------------------------|
| Call Responses | | | | |
| Police | 10,846 | 11,000 | 10,300 | 11,000 |
| Fire | 824 | 900 | 810 | 850 |
| Emergency Medical | 396 | 500 | 390 | 400 |
| Arrest | | | | |
| Felony | 62 | 30 | 20 | 30 |
| Misdemeanor | 698 | 900 | 400 | 900 |
| Other Activity | | | | |
| Patrol Miles Driven | 241,543 | 275,000 | 241,500 | 275,000 |
| Fire Inspections | 603 | 1,000 | 700 | 700 |
| Major Crimes Reported | 215 | 325 | 220 | 250 |
| Property Recovery (%) | 23 | 40 | 22 | 40 |
| Response Times (minutes) | | | | |
| Police | 2.4 | 2.5 | 2.8 | 2.5 |
| Fire | 2.3 | 3.7 | 2.3 | 3.7 |
| Emergency Medical | 2.5 | 3.0 | 2.6 | 3.0 |
| Public Safety Training Hours | 16,426 | 21,000 | 16,200 | 17,000 |
| Citation Activity | | | | |
| Citations Issued | 8410 | 8,500 | 7,700 | 8,500 |
| Violations Cited | 10,449 | 11,000 | 9,750 | 11,000 |
| Hazardous Driving Violations | 2,473 | 3,600 | 2,450 | 3,600 |
| Traffic Accidents Activity (per incident) | | | | |
| Non-Injury | 133 | 200 | 105 | 200 |
| Injuries | 19 | 40 | 15 | 40 |
| Fatalities | 0 | 0 | 0 | 0 |
| Total | 152 | 240 | 120 | 240 |
| Residential/Commercial Alarm Systems | | | | |
| Systems Permitted | 2,105 | 2,050 | 2,130 | 2,050 |
| Systems Monitored by Dept. | 1,214 | 1,125 | 1,230 | 1,125 |
| Alarm Response Activity | | | | |
| Intrusion | 2,706 | 2,500 | 2,300 | 2,500 |
| Fire | 471 | 400 | 450 | 400 |
| Medical | 9 | 10 | 13 | 10 |
| Total | 3,186 | 2,910 | 2,763 | 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 2012

- Maintenance of the Town's street surfaces through the placement of some 300 tons of asphalt as needed for repairs.

OBJECTIVES FOR FISCAL YEAR 2013

- Perform preparation work for Town's 2013 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

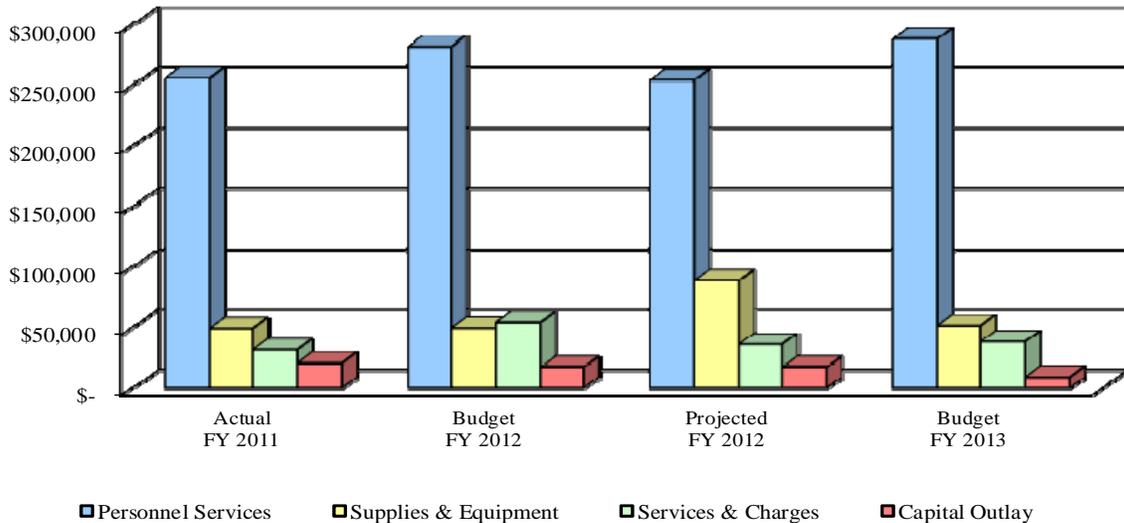
- \$80,000 is budgeted for sidewalk & alley concrete work, as needed.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
|----------------------------------|--------------|---------------------------|---------------------------|---------------------------|
| 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 |
| Total Allocable Employees | | 3.3 | 3.3 | 3.3 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 255,685 | \$ 281,990 | \$ 253,860 | \$ 288,015 |
| Supplies & Equipment | 49,199 | 49,400 | 88,280 | 51,380 |
| Services & Charges | 31,925 | 53,870 | 36,305 | 38,410 |
| Capital Outlay | 20,552 | 17,000 | 17,000 | 9,000 |
| Total Department | \$ 357,361 | \$ 402,260 | \$ 395,445 | \$ 386,805 |

**ACTIVITY MEASURES**

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---|---------------------------|---------------------------|------------------------------|---------------------------|
| Asphalt Repairs | | | | |
| Materials (tons) | 154 | 350 | * | 300 |
| Worker Days | 130 | 300 | * | 275 |
| Concrete Repairs | | | | |
| Number of Responses | 48 | 100 | * | 70 |
| Worker Days | 120 | 65 | * | 65 |
| Water & Sanitary Sewer Support | | | | |
| Worker Days | 34 | 105 | * | 50 |
| Traffic/Street Name Signs | | | | |
| Repaired/Replaced | 144 | 130 | * | 120 |
| Worker Days | 61 | 30 | * | 30 |

*During FY2012, the Town implemented a new system of managing and tracking requests for service and activity. The information for FY2012 is not in a useful format, therefore, it is omitted.



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 2012

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

OBJECTIVES FOR FISCAL YEAR 2013

- 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.

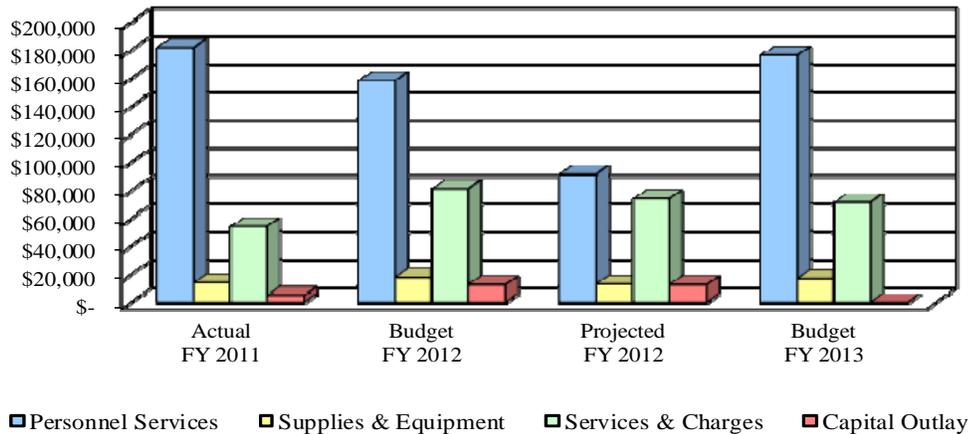
EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY 2011 | FY 2012 | FY 2013 |
|----------------------------------|-------|-------------|-------------|-------------|
| | | Budget | Budget | Budget |
| Electrical/Mechanical Tech | 5 | 1.80 | 1.80 | 2.00 |
| Total Allocable Employees | | 1.80 | 1.80 | 2.00 |

Positions in this department split between Street Lighting Department and Service Center on an 90/10 basis prior to FY 2013

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 181,827 | \$ 158,385 | \$ 91,350 | \$ 176,240 |
| Supplies & Equipment | 13,896 | 17,795 | 12,860 | 17,025 |
| Services & Charges | 54,487 | 81,160 | 73,975 | 71,585 |
| Capital Outlay | 4,883 | 12,400 | 12,400 | - |
| Total Department | \$ 255,093 | \$ 269,740 | \$ 190,585 | \$ 264,850 |



| ACTIVITY MEASURES | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-----------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Traffic Signal Maintenance | | | | |
| Bulbs Replaced | 10 | 30 | * | 30 |
| Repair Responses | 61 | 50 | * | 50 |
| Worker Days | 140 | 90 | * | 90 |
| Street Light Maintenance | | | | |
| Bulbs Replaced | 27 | 50 | * | 50 |
| Repair Responses | 130 | 125 | * | 125 |
| Worker Days | 183 | 175 | * | 175 |
| Town Facilities (WD) | 22 | 25 | * | 25 |
| School Zone Flashers (WD) | 22 | 10 | * | 10 |

*During FY2012, the Town implemented a new system of managing and tracking requests for service and activity. The information for FY2012 is not in a useful format, therefore, it is omitted.



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 2012

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

OBJECTIVES FOR FISCAL YEAR 2013

- 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

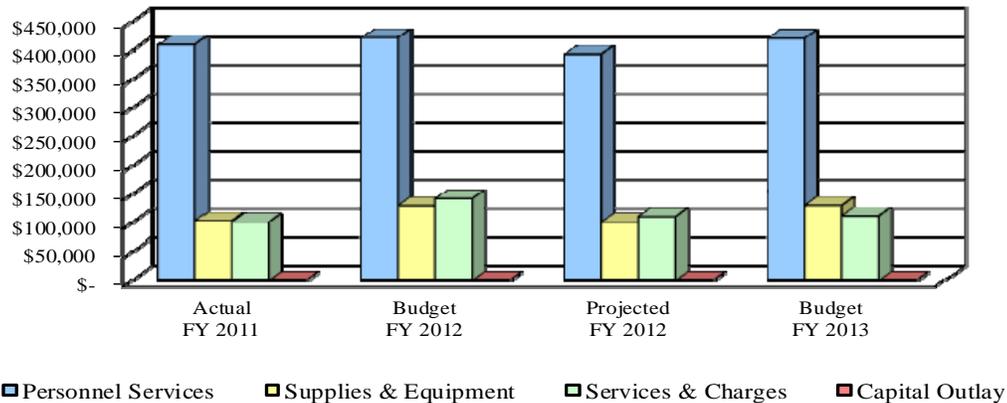
- Acquisition of new materials – books (\$69,000) and audio-visual materials (\$11,000).
- Explore options to enhance access to Library databases and service through the Internet by interfacing the Library Information System and other public resources.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
|-----------------------------------|--------------|---------------------------|---------------------------|---------------------------|
| 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 |
| Total Allocable Employees | | 5.4 | 5.4 | 5.4 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 409,977 | \$ 421,600 | \$ 393,835 | \$ 420,365 |
| Supplies & Equipment | 103,024 | 130,130 | 100,705 | 130,600 |
| Services & Charges | 100,868 | 142,040 | 110,135 | 111,400 |
| Capital Outlay | - | - | - | - |
| Total Department | \$ 613,869 | \$ 693,770 | \$ 604,675 | \$ 662,365 |

**ACTIVITY MEASURES**

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|--------------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Collection/Circulation | | | | |
| Collection | 35,102 | 35,500 | 32,100 | 33,000 |
| Circulation | 58,377 | 61,000 | 57,000 | 57,000 |
| Collection Turnover Rate (Times) | 1.7 | 1.7 | 1.8 | 1.7 |
| Circulation per Worker Hour | 5.2 | 5.4 | 5.0 | 5.0 |
| Avg. Items Loaned Per Card Holder | 12.7 | 22.1 | 19.4 | 19.1 |
| User Cards Issued/Outstanding | | | | |
| Residents (3 Year) | 2,895 | 2,625 | 2,860 | 2,900 |
| Non-Resident (1-Year) | 129 | 175 | 85 | 80 |
| Total Valid Cards | 3,024 | 2,800 | 2,945 | 2,980 |



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 2012

- 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 2013

- 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.
- Converted landscape lighting in Prather Park to LED fixtures.

MAJOR BUDGET ITEMS

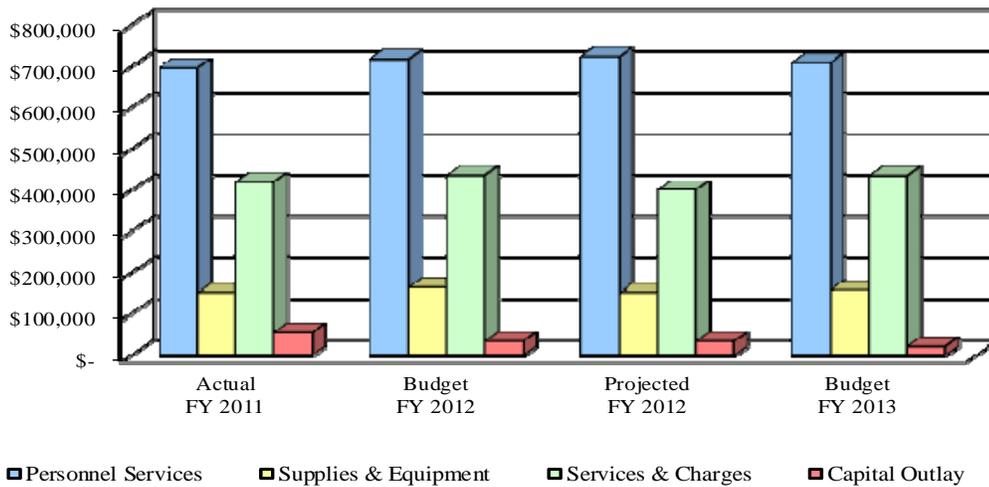
- Management of service contracts: turf maintenance (\$87,700); chemical applications (\$41,750); tree trimming (\$43,350); landscape lighting maintenance (\$25,500); and street and alley sweeping (\$42,650 – budgeted in Storm Water Drainage Utility Fund).
- Contract for replacement playground equipment in Fairfax Davis Park (\$6,500) and resurfacing of tennis courts #3, 4, 5, and 6 (\$14,800).

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
|----------------------------------|--------------|---------------------------|---------------------------|---------------------------|
| 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 |
| Total Allocable Employees | | 9.5 | 9.5 | 9.0 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 697,141 | \$ 717,615 | \$ 723,490 | \$ 709,315 |
| Supplies & Equipment | 151,271 | 163,825 | 151,085 | 157,025 |
| Services & Charges | 420,410 | 435,660 | 401,390 | 434,500 |
| Capital Outlay | 54,606 | 33,400 | 33,400 | 21,300 |
| Interdept Cost Allocation | (33,069) | (35,000) | (19,175) | (20,000) |
| Total Department | \$ 1,290,359 | \$1,315,500 | \$1,290,190 | \$1,302,140 |



| ACTIVITY MEASURES | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|------------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Maintenance – Worker Days | | | | |
| Grounds Maintenance | 31 | 75 | * | 75 |
| Landscape Installation/Maintenance | 551 | 450 | * | 450 |
| Azalea Renovation | 51 | 100 | * | 100 |
| Facilities Maintenance | 701 | 750 | * | 750 |
| Right-of-Way Clearance | 68 | 30 | * | 30 |
| Park Trees | 117 | 100 | * | 100 |
| Parkway Trees | 74 | 75 | * | 75 |
| Number of Plants | 78,073 | 50,000 | * | 50,000 |
| Street & Alley Sweeping | | | | |
| Streets – Curb Miles | 1,362 | 1,320 | * | 1,320 |
| Times per year | 15 | 15 | * | 15 |
| Alleys – Miles | 125 | 96 | * | 96 |
| Times per year | 9 | 7 | * | 7 |

*During FY2012, the Town implemented a new system of managing and tracking requests for service and activity. The information for FY2012 is not in a useful format, therefore, it is omitted.



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 2012

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

- Purchased replacement tables with umbrellas and 50 chairs (Sustaining Capital item).

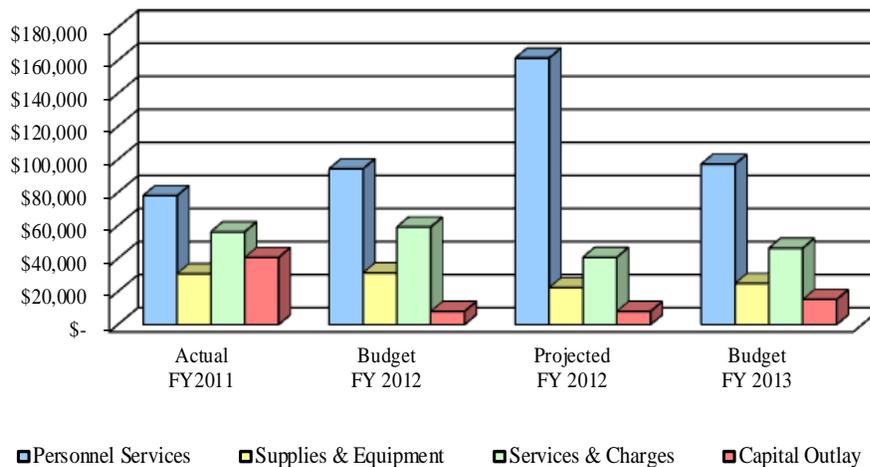
OBJECTIVES FOR FISCAL YEAR 2013

- 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 furniture (\$4,000) and replace sun-shelter (\$11,200) (Sustaining Capital item).

| EMPLOYEE CLASSIFICATION & SALARIES | | | |
|---|---------------------------|---------------------------|---------------------------|
| (All Seasonal Employees) | | | |
| Classification | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
| Manager | 1.0 | 1.0 | 1.0 |
| Assistant Manager | 1.0 | 1.0 | 1.0 |
| Lifeguard | 9.0 | 9.0 | 9.0 |
| Total Employees | 11.0 | 11.0 | 11.0 |

EXPENDITURE SUMMARY

| | FY2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|--------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 78,147 | \$ 94,380 | \$ 161,365 | \$ 97,195 |
| Supplies & Equipment | 30,824 | 31,325 | 22,330 | 24,950 |
| Services & Charges | 56,194 | 59,100 | 40,715 | 46,300 |
| Capital Outlay | 40,653 | 8,000 | 8,000 | 15,200 |
| Total Department | \$ 205,818 | \$ 192,805 | \$ 232,410 | \$ 183,645 |



| ACTIVITY MEASURES | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Pool Usage | | | | |
| Annual Passes Sold | 1,586 | 1,750 | 1,771 | 1,750 |
| Daily Passes Sold | 3,360 | 2,250 | 2,980 | 2,250 |
| Revenues Generated | \$109,959 | \$106,250 | \$103,531 | \$106,250 |



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 2012

- Maintenance of court records in an efficient and accurate manner.
- Effectively managed approximately 10,000 cases filed.

OBJECTIVES FOR FISCAL YEAR 2013

- 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

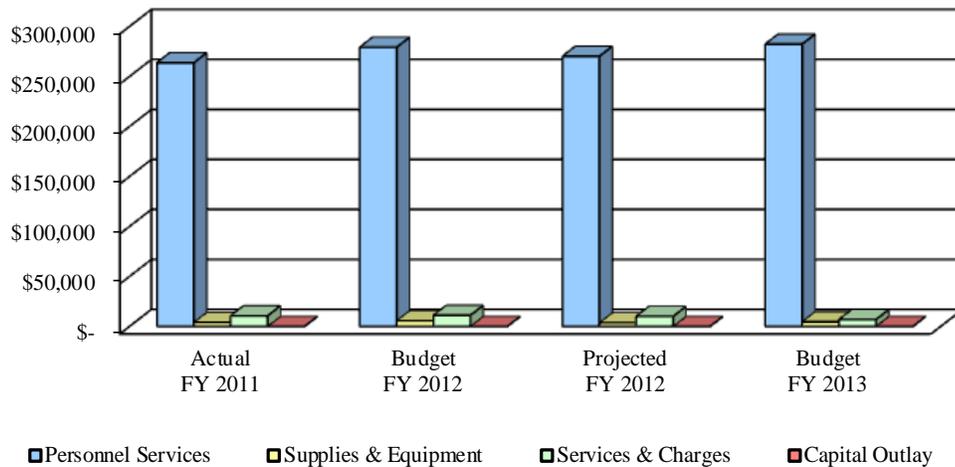
Funding for normal operations.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 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 | 0.5 |
| Total Allocable Employees | | 2.7 | 2.7 | 2.7 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 263,824 | \$ 279,300 | \$ 270,300 | \$ 282,475 |
| Supplies & Equipment | 4,068 | 5,750 | 3,660 | 4,800 |
| Services & Charges | 10,760 | 11,200 | 10,145 | 7,010 |
| Capital Outlay | - | - | - | - |
| Total Department | \$ 278,652 | \$ 296,250 | \$ 284,105 | \$ 294,285 |



| ACTIVITY MEASURES | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|----------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Process Cases Filed | 10,574 | 10,500 | 10,150 | 10,500 |
| Process Disposal of Cases | 9,962 | 10,500 | 8,900 | 10,500 |
| Disposal/Filed Percentage | 94.2% | 100.0% | 87.7% | 100.0% |
| Warrants of Arrest Issued | 1,410 | 1,800 | 2,000 | 1,800 |
| Warrants of Arrest Cleared | 2,205 | 1,800 | 1,950 | 1,800 |
| Warrant Clearance Rate (%) | 111.8 | 100.0 | 97.5 | 100.0 |



Finance Department

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 2012

- Received the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2011 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 0.377%, or 21 basis points greater than average return for Tex Pool.
- Managed the Town’s cash flow through the timely processing of vendor payments and payroll related disbursements resulting in a ratio of cash invested to total cash of 89%.

- Completed implementation of Customer Relationship Management (“CRM”) software.

OBJECTIVES FOR FISCAL YEAR 2013

- Provide the Town Council, Town Administrator, departments and citizens with accurate and timely financial records.
- Manage the Town’s investment portfolio in accordance to the Town’s Investment Policies that focus on the safety of principal and liquidity of resources and diversification while earning a market-based return.
- Generate all payrolls, Pay for Performance and Wellness Program in a timely and accurate manner.
- Maintain, monitor and safeguard the Town’s assets.
- Provide timely payment of the Town’s vendors.
- Receive the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the CAFR and the Distinguished Budget Award for the Annual Budget.
- Develop performance standards for Town departments, addressing Town Council objectives.
- Secure new bank depository agreement.
- Secure new financial audit agreement.
- Conclude the re-engineering of the Town’s Pay for Performance Program.

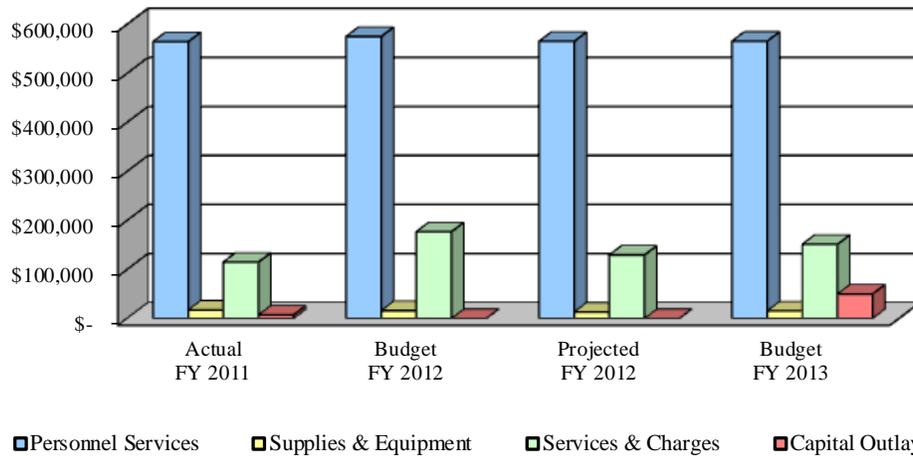
MAJOR BUDGET ITEMS

Funding for normal operations

| EMPLOYEE CLASSIFICATION & PAY GRADE | | | | |
|--|--------------|---------------------------|---------------------------|---------------------------|
| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
| 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 |
| Total Employees | | 5.0 | 5.0 | 5.0 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 564,652 | \$ 575,180 | \$ 565,440 | \$ 565,855 |
| Supplies & Equipment | 17,500 | 16,200 | 13,360 | 15,700 |
| Services & Charges | 114,915 | 176,995 | 129,580 | 151,320 |
| Capital Outlay | 7,217 | - | - | 50,000 |
| Inderdept Cost Allocation | (211,895) | (253,565) | (233,765) | - |
| Total Department | \$ 492,389 | \$ 514,810 | \$ 474,615 | \$ 782,875 |



| | Actual | Budget | Projected | Budget |
|--|---------------|---------------|------------------|---------------|
| Investment Activity | | | | |
| Ratio of Cash Invested to Total Cash | 88.6% | 92.0% | 92.8% | 92.0% |
| Avg. Portfolio Yield over TexPool (Basis Points) | 36.8 | 20.0 | 21.0 | 20.0 |
| Accounts Payable/Purchase Orders | | | | |
| Vendor Payments Processed | 3,489 | 3,500 | 3,125 | 3,500 |
| Number of Voided/Reissued Vendor Checks | 6 | 10 | 4 | 10 |
| Percentage Voids to Issued | <0.1 | 0.1 | <0.1 | 0.1 |
| Payroll Processing | | | | |
| Payroll Checks Issued | 26 | 35 | 20 | 35 |
| Payroll ACH Items Processed | 4,575 | 4,500 | 4,675 | 4,500 |
| Number Voided /Reissued Payroll Items | 0 | 5 | 0 | 5 |
| Percentage Voids to Issued | 0.0 | 0.2 | 0.0 | 0.2 |
| Accts Receivable Collection Rate (EMS) | 52.0 | 65.0 | 65.0 | 65.0 |
| (Based on a Two-Year Rolling Average) | | | | |
| No. Days Required to Prepare Mo. Fin. Rep. | 15 | 15 | 19 | 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 2012

- Processed approximately 900 building, 240 electrical and 400 plumbing permits, generating \$935,000 in revenues.
- Extensively worked with and assisted consultant on significant revisions to the Town's Zoning Code.

OBJECTIVES FOR FISCAL YEAR 2013

- Provide quality redevelopment for the Town.
- Provide timely and accurate plan review and permit processing.
- Continue to provide professional, courteous and efficient service to the public.
- Continue work on building code updates.

MAJOR BUDGET ITEMS

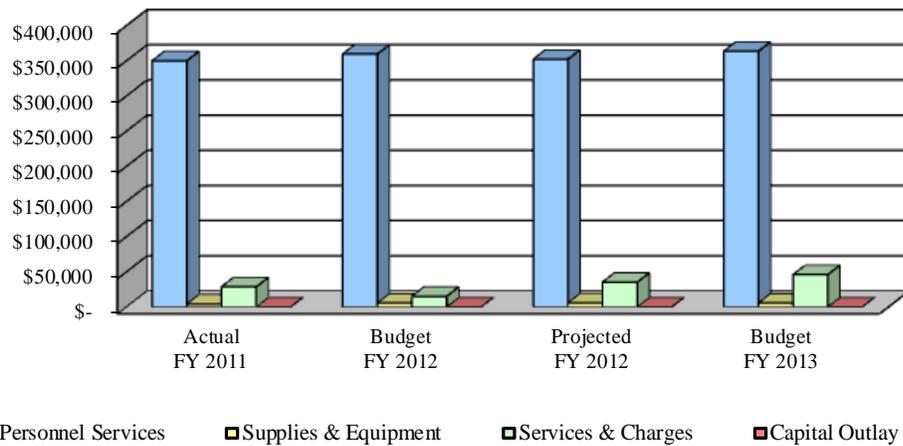
Funding for normal operations.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
|------------------------------|--------------|---------------------------|---------------------------|---------------------------|
| 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 |
| Total Positions | | 3.0 | 3.0 | 3.0 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 350,151 | \$ 359,745 | \$ 352,185 | \$ 363,675 |
| Supplies & Equipment | 4,389 | 5,650 | 5,900 | 5,820 |
| Services & Charges | 28,707 | 15,310 | 35,340 | 46,035 |
| Capital Outlay | - | - | - | - |
| Total Department | \$ 383,247 | \$ 380,705 | \$ 393,425 | \$ 415,530 |



| ACTIVITY MEASURES | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---|---------------------------|---------------------------|------------------------------|---------------------------|
| Inspection Activity | | | | |
| Building | 1,819 | 1,500 | * | 1,600 |
| Electrical | 587 | 500 | * | 500 |
| Plumbing | 753 | 600 | * | 600 |
| Other | 42 | 50 | * | 50 |
| Permits Activity | | | | |
| Building | 1,133 | 900 | 1,060 | 1,000 |
| Electrical | 252 | 250 | 240 | 250 |
| Plumbing | 381 | 350 | 400 | 350 |
| Total Value of Permits (\$1,000) | \$85,580 | \$83,000 | \$76,700 | \$85,000 |
| Total Permit Fees & Licenses (\$1,000) | \$965 | \$830 | \$980 | \$943 |
| Ratio of Revenues to Dept Costs | 2.5/1 | 1.7/1 | 2.5/1 | 2.0/1 |



Service Center

DEPARTMENT DESCRIPTION

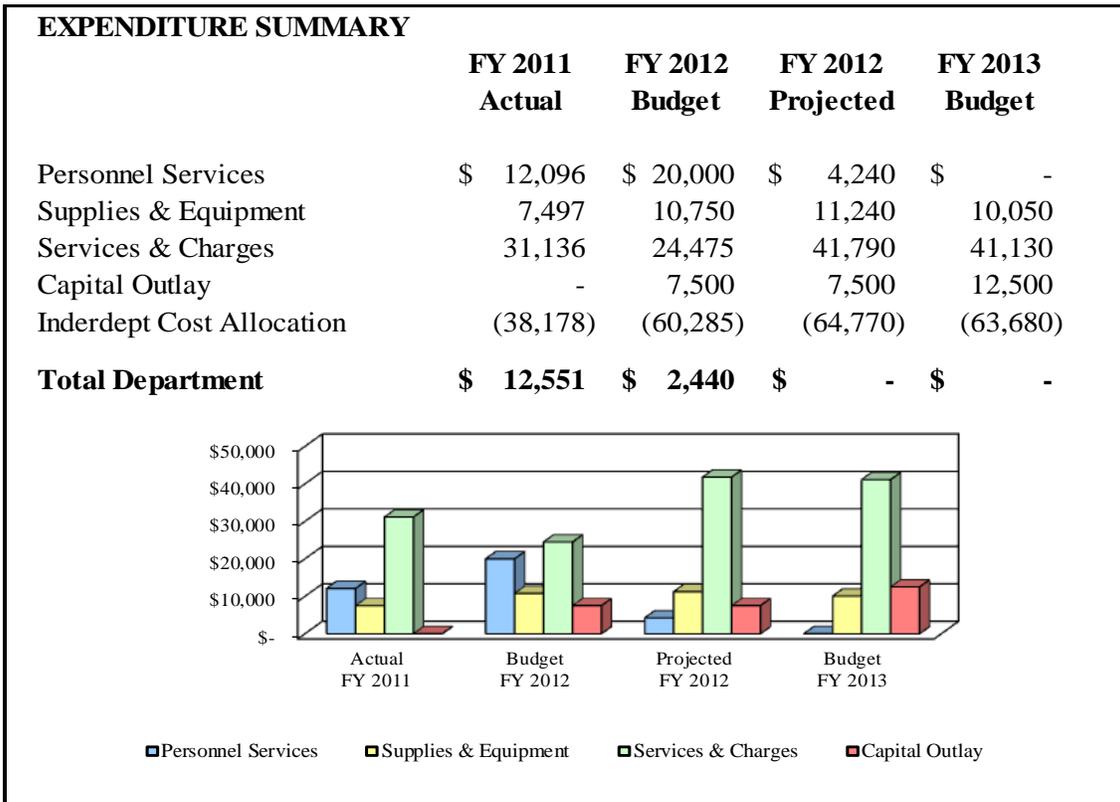
The Service Center serves as a cost center for machinery, equipment, and facilities that is common to Public Works and Parks Departments. The Service Center personnel, whose primary duties and responsibilities are allocated to maintenance of the

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.

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.

| EMPLOYEE CLASSIFICATION & PAY GRADE | | | | |
|--|--------------|-----------------------|-----------------------|-----------------------|
| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
| Electrical/Mechanical Tech | 5 | 0.35 | 0.2 | * |
| Total Allocable Employees | | 0.35 | 0.2 | - |

* Effective with FY 2013, this department is considered a cost center facility only.





Municipal Building

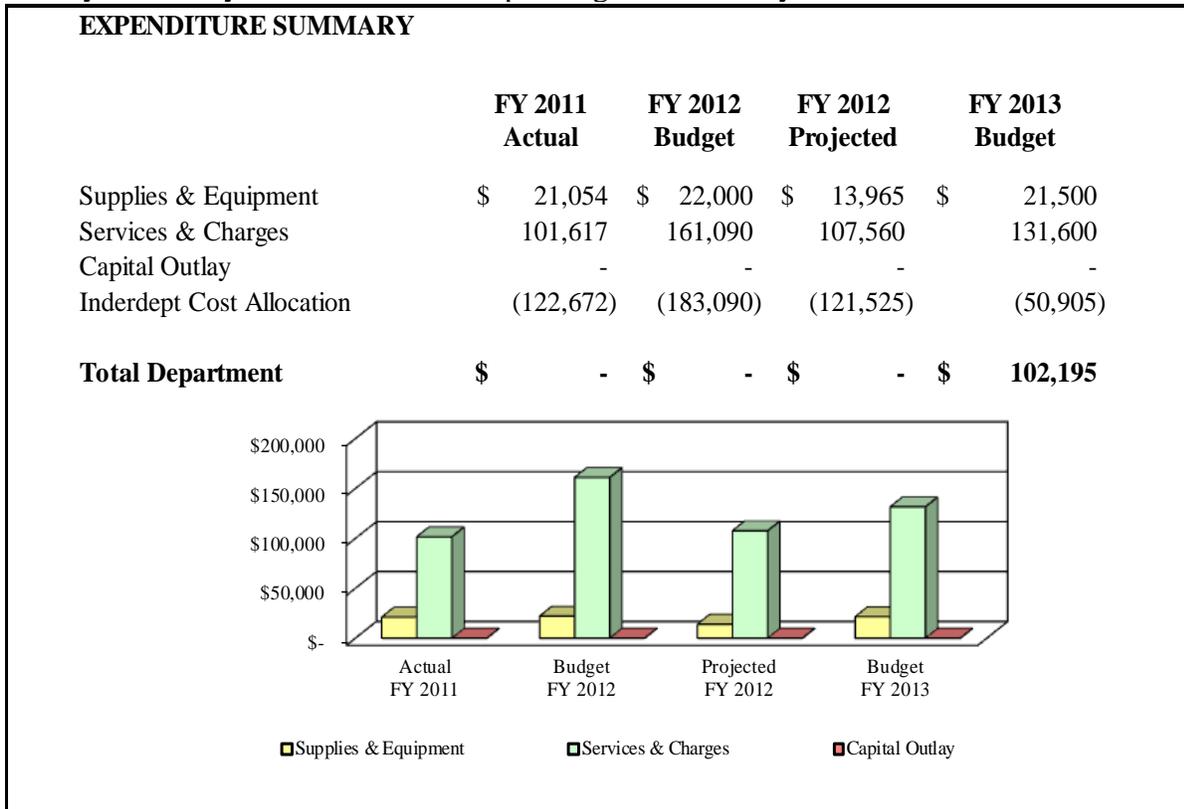
DEPARTMENT DESCRIPTION

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

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

| DEPARTMENT ALLOCATION OF COSTS | | |
|--------------------------------|--------------|--------------|
| | General Fund | Utility Fund |
| Administrative | - | - |
| Public Safety | - | - |
| Library | 33.3% | - |
| Parks | - | - |
| Municipal Court | - | - |
| Finance | - | - |
| Building Inspection | - | - |
| Sanitation | - | - |
| Engineering | - | - |

* NOTE: During the period of reconstruction of the Town and Department of Public Safety complex, the Library is the only Town Service still operating in this facility.





*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 2012

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

OBJECTIVES FOR FISCAL YEAR 2013

- 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

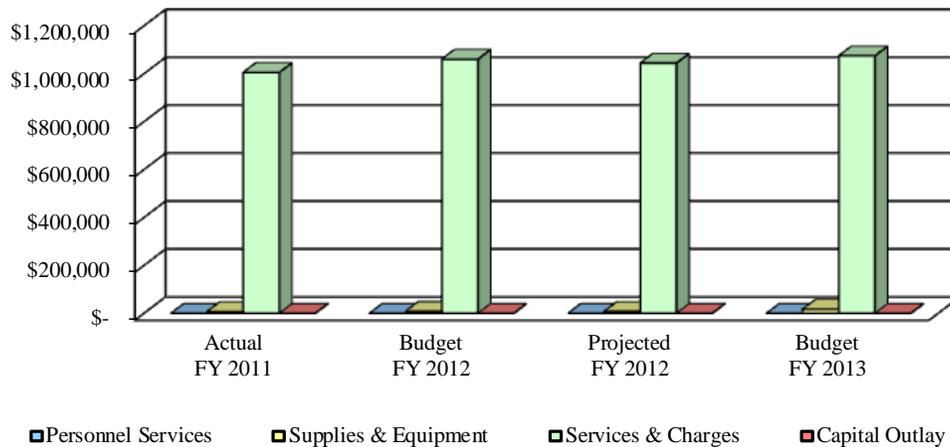
MAJOR BUDGET ITEMS

- Service contracts

| | |
|---------------------------|-----------|
| Collection and disposal | \$866,760 |
| Landfill | 114,600 |
| Recycling | 97,300 |
| Household Hazardous Waste | 12,500 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ - | \$ - | \$ - | \$ - |
| Supplies & Equipment | 7,050 | 8,000 | 7,320 | 17,000 |
| Services & Charges | 1,005,346 | 1,060,350 | 1,044,095 | 1,074,550 |
| Capital Outlay | - | - | - | - |
| Total Department | \$1,012,396 | \$1,068,350 | \$1,051,415 | \$1,091,550 |

**ACTIVITY MEASURES**

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-----------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Collection (tonnage) | | | | |
| Solid Waste Collection | 5,809 | 6,000 | 5,725 | 6,000 |
| Brush Collection | 2,071 | 2,100 | 2,100 | 2,100 |
| Recycling | 1,097 | 1,100 | 950 | 1,100 |
| Contract Expenses | | | | |
| Collection | \$805,838 | \$840,370 | \$829,700 | \$866,760 |
| Disposal | 95,832 | 112,800 | 101,730 | 114,600 |
| Recycling | 91,180 | 94,330 | 93,440 | 974,300 |
| Cost Per Ton | | | | |
| Collection | \$102.27 | \$103.74 | \$106.03 | \$107.00 |
| Disposal | 12.16 | 13.92 | 13.00 | 14.15 |
| Recycling | 83.13 | 85.75 | 98.29 | 88.45 |



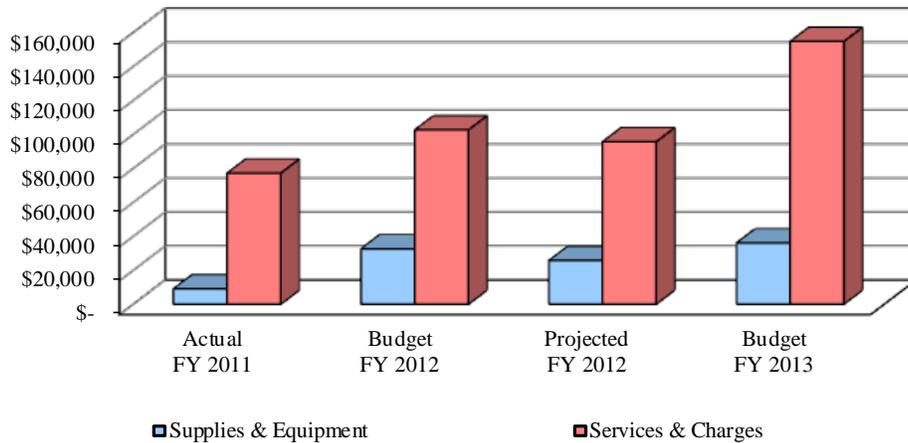
Non-Departmental

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 \$3.30 per gallon included in the respective department’s budget and the remaining \$0.70 per gallon in the Non-Departmental cost center.

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Supplies & Equipment | \$ 9,045 | \$ 32,715 | \$ 25,695 | \$ 36,150 |
| Services & Charges | 77,188 | 102,655 | 95,655 | 154,755 |
| Total Department | \$ 86,233 | \$ 135,370 | \$ 121,350 | \$ 190,905 |





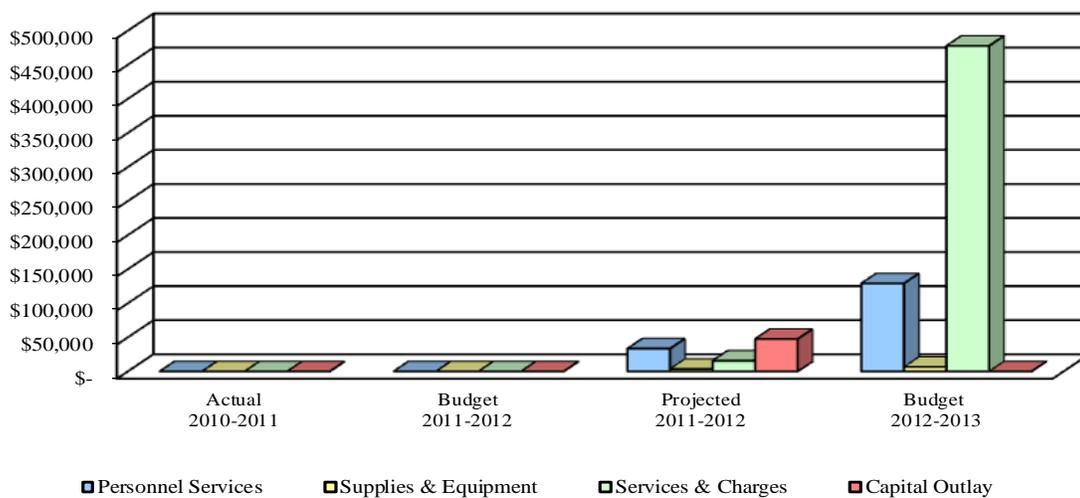
Information Technology Department

DEPARTMENT DESCRIPTION

The Town's significant investment in upgrading technology and the consolidation of three separate networks into one during FY 2012 created the need to create a new position of Information Technology ("IT") Manager and establish a departmental cost center for IT functions. The IT budget includes the personnel cost associated with the IT Manager position (Pay Grade E-1), necessary supplies and system-wide associated costs for network connectivity.

EXPENDITURE SUMMARY

| | 2010-2011 Actual | 2011-2012 Budget | 2011-2012 Projected | 2012-2013 Budget |
|-------------------------|---------------------|---------------------|------------------------|---------------------|
| Personnel Services | \$ - | \$ - | \$ 33,510 | \$ 129,185 |
| Supplies & Equipment | - | - | 3,700 | 6,500 |
| Services & Charges | - | - | 15,575 | 477,700 |
| Capital Outlay | - | - | 47,600 | - |
| Total Department | \$ - | \$ - | \$ 100,385 | \$ 613,385 |





Transfer to Other Funds

This Budget provides for a transfer of \$1,068,880 in current revenues to the Capital Projects Fund which is comprised of: 1) basic CIP funding (\$660,400), 2) an annual miscellaneous concrete project (\$264,160), 3) miscellaneous sidewalk repair/replacement needs (\$40,640), 4) miscellaneous alley repair/replacement needs (\$40,640), and 5) a transfer of \$63,040, 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.)

| EXPENDITURE SUMMARY | | | | |
|----------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
| Capital Projects Fund | \$ 1,634,794 | \$ 2,353,160 | \$ 2,534,396 | \$ 1,068,880 |
| Utility Fund | - | - | - | 85,775 |
| Total Interfund Transfers | \$ 2,760,843 | \$ 2,353,160 | \$ 2,534,396 | \$ 1,154,655 |

TRANSFER OF EXCESS GENERAL FUND REVENUES OVER EXPENDITURES

Ten Year History

| FY | Amount |
|-----------|---------------|
| 2003 | \$ 561,790 |
| 2004 | 396,185 |
| 2005 | 1,181,340 |
| 2006 | - |
| 2007 | 976,048 |
| 2008 | 307,306 |
| 2009 | 464,609 |
| 2010 | 307,306 |
| 2011 | 881,821 |
| 2012 | 228,290 |

UTILITY FUND

| Department | Pages |
|--|--------------|
| Administration | 66 |
| Utility billing/collection, utility construction and construction inspection | |
| Water | 68 |
| Water meter reading and water distribution system maintenance | |
| Sanitary Sewer | 70 |
| Sanitary sewer system maintenance | |
| Engineering | 72 |
| Infrastructure construction and infrastructure rehabilitation | |
| Transfers to Other Funds | 74 |

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 2013 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 2013 is \$8,409,315. Of this amount, 44.0% 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 2013, 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 \$27,000,000 in upgrading its water and sanitary sewer system infrastructure without incurring debt, saving an estimated \$9,000,000 in interest costs associated with financing over time.

This Budget provides \$914,400 from water service revenues and \$914,400 from sanitary sewer service revenues to fund the projects selected for Fiscal Year 2013 (page 74). The rate structure necessary to support the current spending level of \$1,828,800 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.

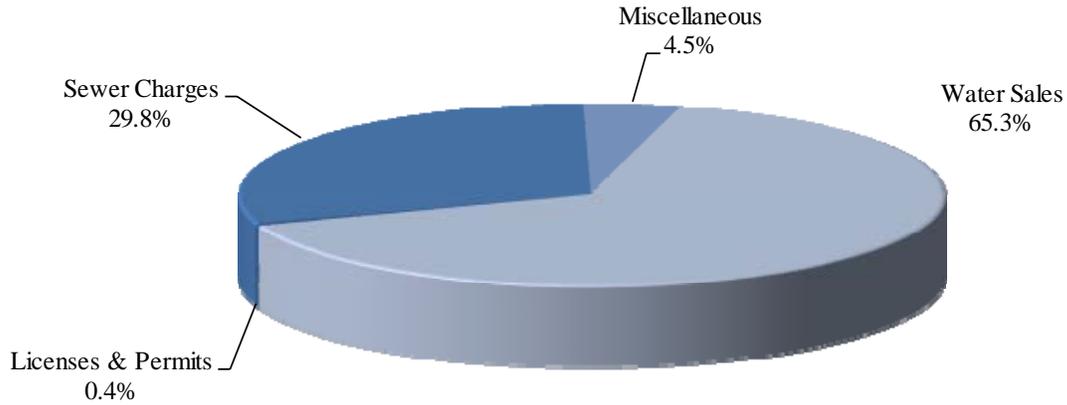
The development of the multi-year CIP required changes in the budgeting and accounting for funding sources and expenditures for capital projects. The combined \$1,828,800 in current revenues for utility infrastructure is now treated as a transfer from the Utility fund to the Capital Projects Fund. The 5% street rental fee collected through water and sanitary sewer charges are also treated as a transfer.

**UTILITY FUND
STATEMENT OF REVENUES & EXPENSES**

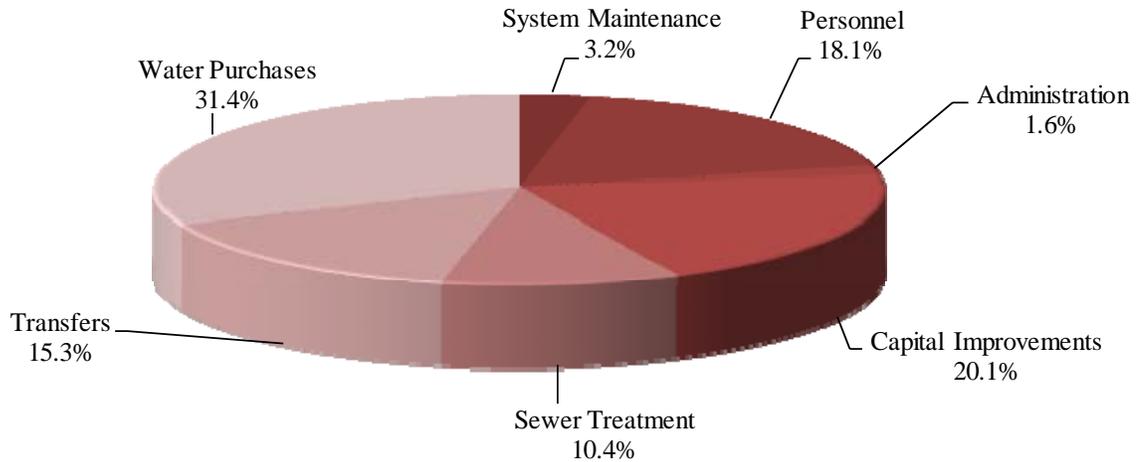
| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---|---------------------|-----------------------|-----------------------|---------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Licenses & Permits | \$ 33,320 | \$ 34,000 | \$ 50,000 | \$ 40,000 |
| Charges for Services | 8,541,988 | 8,079,890 | 8,006,700 | 8,515,550 |
| Fines & Forfeits | 84,720 | 75,000 | 81,200 | 78,000 |
| Miscellaneous | 30,774 | 37,000 | 20,500 | 300,425 |
| Total Revenues | \$ 8,690,802 | \$ 8,225,890 | \$ 8,158,400 | \$ 8,933,975 |
| Other Sources: | | | | |
| Transfers In-Utility Fund | \$ - | \$ - | \$ - | \$ 85,775 |
| Total Other Sources | \$ - | \$ - | \$ - | \$ 85,775 |
| Total Revenues/Sources | \$ 8,690,802 | \$ 8,225,890 | \$ 8,158,400 | \$ 9,019,750 |
| EXPENSES/USES OF FUNDS | | | | |
| Personnel Services | | | | |
| Payroll | \$ 1,516,551 | \$ 1,606,450 | \$ 1,598,340 | \$ 1,282,295 |
| Employee Benefits | 480,173 | 503,575 | 458,880 | 360,120 |
| Total Personnel | \$ 1,996,724 | \$ 2,110,025 | \$ 2,057,220 | \$ 1,642,415 |
| Supplies & Equipment | 2,837,779 | 2,640,940 | 2,620,470 | 2,993,240 |
| Services & Charges | 1,361,847 | 1,147,140 | 1,031,805 | 907,440 |
| Capital Outlay | 1,567,666 | 1,855,000 | 1,862,800 | 1,828,800 |
| Total Expenses/Uses | \$ 7,764,016 | \$ 7,753,105 | \$ 7,572,295 | \$ 7,371,895 |
| Transfers Out | 473,401 | 2,399,050 | 2,399,050 | 1,389,675 |
| Total Expenses/Uses | \$ 8,237,417 | \$ 10,152,155 | \$ 9,971,345 | \$ 8,761,570 |
| Excess (Deficiency) of Revenues/Sources over Expenses/Uses | \$ 453,385 | \$ (1,926,265) | \$ (1,812,945) | \$ 258,181 |
| Fund Balance | \$ 3,303,622 | \$ 1,377,357 | \$ 1,490,677 | \$ 1,748,858 |
| Fund Balance in Excess of 25% Minimum | \$ 1,636,184 | \$ (696,932) | \$ (536,459) | \$ 37,109 |

UTILITY FUND

BUDGETED REVENUES & SOURCES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



| | FY 2011 Budget | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Licenses & Permits | | | | |
| Plumbing Permits | \$ 33,320 | \$ 34,000 | \$ 50,000 | \$ 40,000 |
| <i>Subtotal</i> | \$ 33,320 | \$ 34,000 | \$ 50,000 | \$ 40,000 |
| Charges For Services | | | | |
| Water Sales | \$ 5,692,246 | \$ 5,345,600 | \$ 5,300,000 | \$ 5,754,250 |
| Inter-dept Water Sales | 92,857 | 77,900 | 77,900 | 78,100 |
| Sewer Charges | 2,739,169 | 2,635,400 | 2,600,000 | 2,658,700 |
| Meter Installation | 13,050 | 18,990 | 25,000 | 20,000 |
| Other Charges | 4,665 | 2,000 | 3,800 | 4,500 |
| <i>Subtotal</i> | \$ 8,541,987 | \$ 8,079,890 | \$ 8,006,700 | \$ 8,515,550 |
| Fines & Forfeits | | | | |
| Late Payment Penalties | \$ 84,720 | \$ 75,000 | \$ 81,200 | \$ 78,000 |
| <i>Subtotal</i> | \$ 84,720 | \$ 75,000 | \$ 81,200 | \$ 78,000 |
| Miscellaneous | | | | |
| Interest | \$ 17,952 | \$ 20,000 | \$ 10,500 | \$ 10,000 |
| Sale of Assets | - | - | - | - |
| Rental of Town Property | - | - | - | - |
| Refund-Property Damage | - | 1,000 | - | - |
| Miscellaneous | 12,822 | 16,000 | 10,000 | 290,425 |
| <i>Subtotal</i> | \$ 30,774 | \$ 37,000 | \$ 20,500 | \$ 300,425 |
| Total Revenues | \$ 8,690,801 | \$ 8,225,890 | \$ 8,158,400 | \$ 8,933,975 |

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 \$5,754,250, an 8.5% increase over the FY 2012 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. The unit price for the purchase of water increases 13.1% for FY 2013. The Town anticipates selling 1,122,200,000 gallons of water, or 93.5% of the projected purchase of 1,200,000,000 gallons of treated water.

The projected revenues reflect an 8.8% rate increase. The projected revenues are sufficient to fund 100.03% 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 \$2,658,700 or 0.9% less than for the Fiscal Year 2011 Budget year.

The projected revenues reflect an 8.4% rate increase, the result of a 1.7% increase in the cost for wastewater treatment and an 8.1% decrease in billable volume. The projected revenues are sufficient to fund 100.07% of the cost of providing sanitary sewer services at the projected sales volume.

- **Miscellaneous**

Projected interest earnings are based on an average monthly investable balance of \$3,000,000 are reflective of anticipated investable balances at a 0.30% 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 2012

- 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 2013

- 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

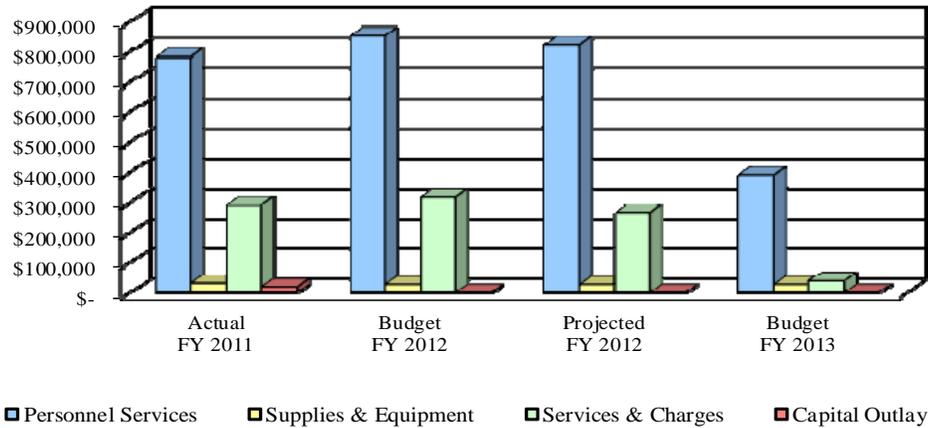
Funding for normal operations

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
|----------------------------------|--------------|---------------------------|---------------------------|---------------------------|
| Town Administrator | - | 0.50 | 0.50 | 0.00 |
| Director of Public Works | E-3 | 0.80 | 0.20 | 0.00 |
| Director of Town Services | E-3 | 0.00 | 0.75 | 0.00 |
| Manager of Town Services | 8 | 0.00 | 0.65 | 0.00 |
| 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 | 0.00 |
| Secretary II | 4 | 0.50 | 0.50 | 0.00 |
| 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 | 0.00 |
| Total Allocable Employees | | 6.20 | 6.20 | 4.00 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 783,246 | \$ 855,040 | \$ 824,660 | \$ 391,055 |
| Supplies & Equipment | 32,793 | 28,650 | 27,935 | 28,550 |
| Services & Charges | 292,236 | 317,685 | 267,735 | 40,930 |
| Capital Outlay | 19,780 | - | - | - |
| Total Department | \$1,128,055 | \$1,201,375 | \$1,120,330 | \$ 460,535 |



| ACTIVITY MEASURES | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|------------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Utility Inspections | | | | |
| Sewer taps | 104 | 150 | * | 150 |
| Excavations | 63 | 150 | * | 150 |
| Other Inspections | | | | |
| Building | 175 | 200 | * | 200 |
| Electrical | 53 | 30 | * | 30 |
| Plumbing | 93 | 50 | * | 50 |
| Vacant Properties | 35 | 20 | * | 20 |
| Alleys | 32 | 35 | * | 35 |
| Job-site Conditions | 124 | 100 | * | 100 |
| Public Utilities | 304 | 200 | * | 200 |
| Other | 296 | 200 | * | 200 |
| Utilities Service | | | | |
| Bills Prepared | 40,711 | 41,000 | 41,500 | 41,500 |
| New Deposits (#) | 382 | 400 | 400 | 400 |
| Bank Draft Customers | 642 | 600 | 730 | 750 |
| Internet Payments | 659 | 500 | 1,050 | 1,100 |
| Billing Adjustment Requests | | | | |
| Billing Errors | 63 | 10 | 60 | 60 |
| Leaks | 41 | 50 | 60 | 50 |

*During FY2012, the Town implemented a new system of managing and tracking requests for service and activity. The information for FY2012 is not in a useful format, therefore, it is omitted.



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 2012

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

OBJECTIVES FOR FISCAL YEAR 2013

- 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.

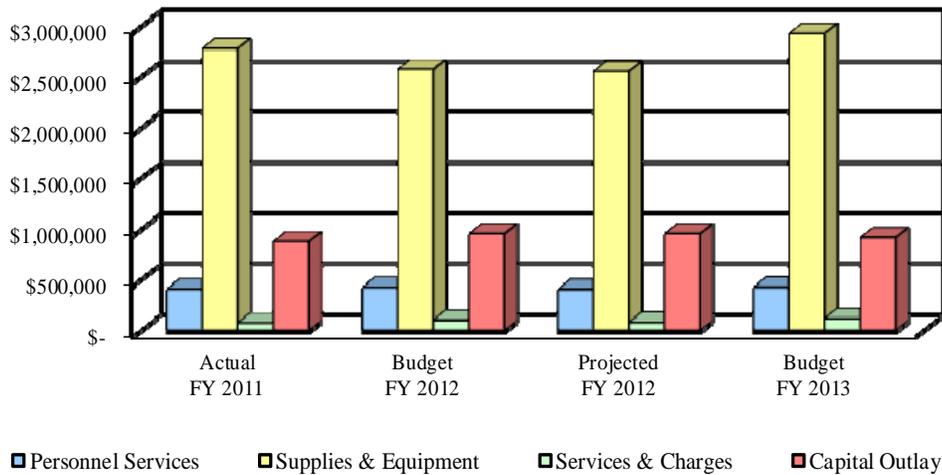
MAJOR BUDGET ITEMS

- 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 | | | | |
|--|--------------|---------------------------|---------------------------|---------------------------|
| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
| Foreman | 8 | 0.4 | 0.4 | 0.4 |
| Public Works Maintenance Worker III | 4 | 4.0 | 4.0 | 4.0 |
| Total Allocable Employees | | 4.4 | 4.4 | 4.4 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 406,018 | \$ 423,775 | \$ 405,385 | \$ 425,220 |
| Supplies & Equipment | 2,775,670 | 2,572,710 | 2,552,680 | 2,927,930 |
| Services & Charges | 73,820 | 100,900 | 78,915 | 115,520 |
| Capital Outlay | 874,996 | 953,000 | 953,000 | 914,400 |
| Total Department | \$4,130,504 | \$4,050,385 | \$3,989,980 | \$4,383,070 |

**ACTIVITY MEASURES**

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---|---------------------------|---------------------------|------------------------------|---------------------------|
| Water Meter Activity | | | | |
| Change –out Program | 309 | 418 | * | 400 |
| New Services | 38 | 75 | * | 75 |
| Worker Days | 84 | 180 | * | 180 |
| Meter Reading | | | | |
| Meters Read | 65,258 | 64,750 | * | 64,800 |
| Worker Days | 81 | 90 | * | 80 |
| Number Read/Hour (Average) | 100 | 90 | * | 100 |
| Reading Cost Per Meter Read | \$0.44 | \$0.50 | * | \$0.47 |
| Meters Reread | 2,279 | 1,600 | * | 1,600 |
| Worker Days | 33 | 30 | * | 30 |
| Number Read/Hour (Average) | 9 | 7 | * | 7 |
| Reading Cost Per Meter Reread | \$4.92 | \$6.50 | * | \$6.77 |
| Other Repairs/Activity/Worker Days | | | | |
| Main Repairs | 98 | 100 | * | 100 |
| Service Lines | 12 | 15 | * | 10 |
| Fire Hydrants | 60 | 100 | * | 100 |
| Valves | 100 | 130 | * | 130 |

*During FY2012, the Town implemented a new system of managing and tracking requests for service and activity. The information for FY2012 is not in a useful format, therefore, it is omitted.



Sanitary Sewer Department

- Continued to address inflow and infiltration (I&I) through infrastructure maintenance/replacement.
-

OBJECTIVES FOR FISCAL YEAR 2013

- 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.

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 2012

- 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.

MAJOR BUDGET ITEMS

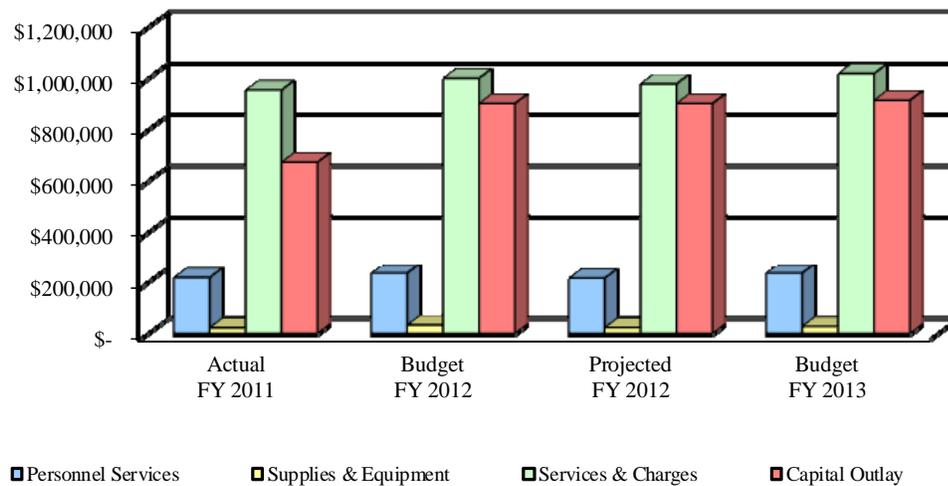
- Infrastructure replacement/maintenance - \$900,000.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
|-------------------------------------|-------|-------------------|-------------------|-------------------|
| Foreman | 8 | 0.3 | 0.3 | 0.3 |
| Public Works Maintenance Worker III | 4 | 2.0 | 2.0 | 2.0 |
| Total Allocable Employees | | 2.3 | 2.3 | 2.3 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 218,405 | \$ 235,630 | \$ 215,575 | \$ 235,950 |
| Supplies & Equipment | 22,072 | 32,630 | 22,330 | 27,710 |
| Services & Charges | 954,230 | 1,000,110 | 978,515 | 1,018,390 |
| Capital Outlay | 672,890 | 902,000 | 902,000 | 914,400 |
| Total Department | \$ 1,867,597 | \$ 2,170,370 | \$2,118,420 | \$2,196,450 |



| ACTIVITY MEASURES | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|--|---------------------------|---------------------------|------------------------------|---------------------------|
| Service Calls | | | | |
| City Lines | 4 | 20 | * | 20 |
| Private Lines | 31 | 50 | * | 50 |
| Worker Days | 8 | 25 | * | 25 |
| System Maintenance | | | | |
| Mains Flushed (Approx. Miles) | 87.1 | 60.0 | * | 60.0 |
| Broken Mains | 61 | 100 | * | 100 |
| Worker Days | 279 | 300 | * | 300 |
| Installation of Customer Services | | | | |
| New Taps | 20 | 40 | * | 40 |
| Worker Days | 21 | 30 | * | 30 |

*During FY2012, the Town implemented a new system of managing and tracking requests and activity. The information for FY2012 is not in a useful format, therefore, it is omitted.



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

2012 & 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 2013

- 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

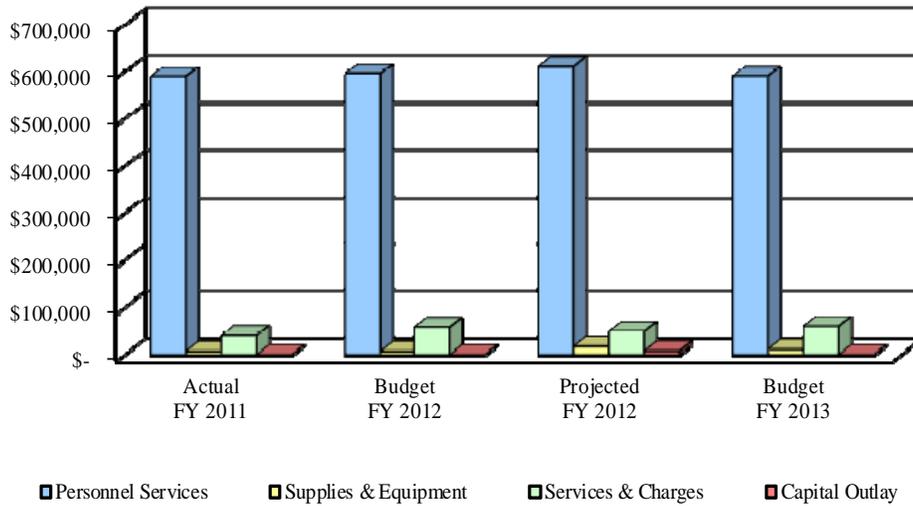
- Funding for normal operations.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | FY 2011 Budget | FY 2012 Budget | FY 2013 Budget |
|----------------------------------|--------------|---------------------------|---------------------------|---------------------------|
| Town Engineer | E-3 | 1.0 | 1.0 | 1.0 |
| Project Engineer | 7 | 1.0 | 1.0 | 1.0 |
| Construction Coordinator | 6 | 1.0 | 1.0 | 1.0 |
| Engineer Assistant | 5 | 0.5 | 0.5 | 0.5 |
| Project Coordinator | 5 | 1.0 | 1.0 | 1.0 |
| Total Allocable Employees | | 4.5 | 4.5 | 4.5 |

EXPENDITURE SUMMARY

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|-------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| Personnel Services | \$ 589,055 | \$ 595,580 | \$ 611,600 | \$ 590,030 |
| Supplies & Equipment | 7,245 | 6,950 | 17,525 | 11,550 |
| Services & Charges | 41,562 | 59,420 | 50,204 | 61,700 |
| Capital Outlay | - | - | 7,800 | - |
| Total Department | \$ 637,862 | \$ 661,950 | \$ 687,129 | \$ 663,280 |





Transfer to Other Funds

This Budget provides for the transfer of \$1,058,235 from the Utility Fund to other funds. Included is a transfer of \$969,025 to the General Fund for G&A cost reimbursement and \$89,210 to the Capital Projects Fund, an amount representing the net of right-of-way use fee of \$420,650, which is 5% on water and sanitary sewer sales and shared Engineering costs of \$331,440.

| EXPENDITURE SUMMARY | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|----------------------------------|---------------------------|---------------------------|------------------------------|---------------------------|
| General Fund | \$ 11,745 | - | - | \$ 969,025 |
| Capital Projects Fund | 461,656 | 2,399,050 | 2,399,050 | 89,210 |
| Equipment Replacement Fund | - | - | - | - |
| Total Interfund Transfers | \$ 473,401 | \$ 2,399,050 | \$ 2,399,050 | \$ 1,058,235 |

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 (\$43,000) and supplies of pet mitts (\$6,000) maintained throughout the Town's parks. This budget also provides \$100,000 for improvements to the Beverly Drive culvert.

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

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|--|--------------------|---------------------|----------------------|-------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Charges for Services | \$ 186,581 | \$ 361,000 | \$ 361,000 | \$ 365,760 |
| Interest | \$ 1,207 | \$ 800 | \$ 600 | \$ 800 |
| Miscellaneous | 204 | - | - | 30,000 |
| Total Revenues/Sources of Funds | \$ 187,992 | \$ 361,800 | \$ 361,600 | \$ 396,560 |
| EXPENSES/USES OF FUNDS | | | | |
| Personnel Services | | | | |
| Payroll | \$ 26,137 | \$ 35,890 | \$ 33,440 | \$ 38,275 |
| Employee Benefits | 9,955 | 12,070 | 12,715 | 10,940 |
| Total Personnel | \$ 36,092 | \$ 47,960 | \$ 46,155 | \$ 49,215 |
| Supplies & Equipment | \$ 3,719 | \$ 10,000 | \$ 4,700 | \$ 10,000 |
| Services & Charges | \$ 47,414 | \$ 65,100 | \$ 42,790 | \$ 68,775 |
| Capital Outlay | 185,610 | 350,000 | 395,000 | 100,000 |
| Total Expenses/Uses of Funds | \$ 272,835 | \$ 473,060 | \$ 488,645 | \$ 227,990 |
| Excess of Revenues/Sources Over Expenses/Uses | \$ (84,843) | \$ (111,260) | \$ (127,045) | \$ 168,570 |
| Fund Balance | \$ 275,706 | \$ 164,446 | \$ 148,661 | \$ 317,231 |

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 four (4) Public Safety SUVs; four (4) pickups, and one (1) utility van scheduled for replacement in FY 2013. Additionally, computer equipment scheduled for replacement is funded at \$64,425.

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

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---|---------------------|---------------------|----------------------|---------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Charges for Services | \$ 501,809 | \$ 825,425 | \$ 468,101 | \$ 920,800 |
| Interest | 11,935 | 20,000 | 9,070 | 6,150 |
| Sale of Assets | 66,033 | 40,000 | 73,065 | 88,100 |
| Total Revenues | \$ 579,777 | \$ 885,425 | \$ 550,236 | \$ 1,015,050 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 579,777 | \$ 885,425 | \$ 550,236 | \$ 1,015,050 |
| EXPENSES/USES OF FUNDS | | | | |
| Vehicle Disposal | \$ 8,570 | \$ 3,180 | \$ 8,860 | \$ 7,050 |
| Computer Acquisition | 207,163 | 17,760 | 144,675 | 64,425 |
| Vehicle Acquisition | 803,712 | 95,500 | 51,480 | 289,700 |
| Equipment Acquisition | - | 30,000 | 28,065 | - |
| Total Expenses | \$ 1,019,445 | \$ 146,440 | \$ 233,080 | \$ 361,175 |
| Transfers | - | 200,000 | 200,000 | - |
| Total Expenses/Uses | \$ 1,019,445 | \$ 346,440 | \$ 433,080 | \$ 361,175 |
| Excess (Deficiency) of Revenues/Sources Over Expenses/Uses | \$ (439,668) | \$ 538,985 | \$ 117,156 | \$ 653,875 |
| Fund Balance | \$ 1,884,992 | \$ 2,423,977 | \$ 2,002,148 | \$ 2,656,023 |

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

| Department/ Equipment Type | Equipment Make | Equipment Model | Year Purchased | Schedule Replacement |
|---------------------------------------|------------------------------|----------------------------|---------------------------|---------------------------------|
| PUBLIC SAFETY | | | | |
| Administration/CID | Toyota Highlander Hybrid | 2009 | 2009 | 2014 |
| Administration/CID | Toyota Highlander Hybrid | 2009 | 2009 | 2014 |
| Administration/CID | Toyota Highlander Hybrid | 2010 | 2010 | 2015 |
| Administration/CID | Toyota Highlander Hybrid | 2010 | 2010 | 2015 |
| Command Vehicle | Chevrolet Tahoe | 2010 | 2010 | 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 |
| STREET | | | | |
| Dump Truck..... | Ford..... | 2010 | 2011 | 2018 |
| Pickup | Chevrolet..... | 2011 | 2011 | 2018 |
| Truck 1-ton..... | Ford..... | 2010 | 2010 | 2017 |
| STREET LIGHTING | | | | |
| Truck w/Ariel lift | Ford..... | 2009 | 2008 | 2018 |
| Pickup | Chevrolet..... | 2012 | 2012 | 2019 |
| PARKS | | | | |
| Truck w/ Ariel lift..... | Chevrolet..... | 2008 | 2008 | 2018 |
| Pickup | Chevrolet..... | 2006 | 2006 | 2013 |
| Van..... | Chevrolet..... | 2006 | 2006 | 2013 |
| Truck w/ Dump body..... | Chevrolet..... | 2012 | 2012 | 2020 |
| Pickup | Ford..... | 2010 | 2010 | 2017 |
| Pickup | Ford..... | 2010 | 2010 | 2017 |
| Pickup 1-ton w/ Dump body..... | Ford..... | 2010 | 2010 | 2017 |
| Pickup | Ford..... | 2010 | 2010 | 2017 |
| Skid Steer Loader..... | Bobcat | ---- | 2005 | Unscheduled |

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

| Department/ Equipment Type | Equipment Make | Equipment Model | Year Purchased | Schedule Replacement |
|---------------------------------------|---------------------------|----------------------------|---------------------------|---------------------------------|
| SERVICE CENTER | | | | |
| Front-End Loader..... | Case..... | 2011..... | 2011..... | 2021 |
| WATER | | | | |
| Pickup | Chevrolet..... | 2006..... | 2006..... | 2013 |
| Pickup | Chevrolet..... | 2006..... | 2006..... | 2013 |
| Pickup | Chevrolet..... | 2011..... | 2011..... | 2018 |
| Pickup | Ford..... | 2010..... | 2010..... | 2017 |
| SEWER | | | | |
| Truck-4 ½ Ton w/ Flusher | Ford..... | 2011..... | 2011..... | 2018 |
| Dump Truck..... | Freightliner..... | 2008..... | 2008..... | 2018 |
| Truck 1-ton..... | Ford..... | 2010..... | 2010..... | 2017 |
| Loader/Backhoe | John Deere | 2012..... | 2012..... | 2020 |
| Backhoe..... | Ford..... | 2004..... | 2004..... | 2014 |

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**

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY -2013 Budget |
|---|-------------------|-------------------|----------------------|--------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Court Fees | \$ 27,625 | \$ 26,900 | \$ 28,000 | \$ 25,600 |
| Interest | 65 | 100 | 65 | 125 |
| Total Revenues | \$ 27,690 | \$ 27,000 | \$ 28,065 | \$ 25,725 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 27,690 | \$ 27,000 | \$ 28,065 | \$ 25,725 |
| EXPENSES/USES OF FUNDS | | | | |
| Supplies & Equipment | \$ 2,967 | \$ 2,950 | \$ 2,880 | \$ 2,950 |
| Service & Charges | 17,045 | 24,000 | 13,800 | 24,000 |
| Capital Outlay | - | - | - | - |
| Total Expenses/Uses | \$ 20,012 | \$ 26,950 | \$ 16,680 | \$ 26,950 |
| Excess (Deficiency) of Revenues/Sources Over Expenses/Uses | \$ 7,678 | \$ 50 | \$ 11,385 | \$ (1,225) |
| Fund Balance | \$ 46,160 | \$ 46,210 | \$ 57,545 | \$ 56,320 |

COURT SECURITY FUND

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

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

This Budget provides for a transfer of \$21,000 to the General Fund for support the services of the part-time position of Town Marshall/Bailiff.

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

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

| | FY 2011 Actual | FY 2012 Budget | FY 2012 Projected | FY 2013 Budget |
|---|-------------------|---------------------|----------------------|-------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Court Fees | \$ 20,715 | \$ 20,160 | \$ 19,175 | \$ 19,175 |
| Interest | 275 | 200 | 135 | 25 |
| Total Revenues | \$ 20,990 | \$ 20,360 | \$ 19,310 | \$ 19,200 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 20,990 | \$ 20,360 | \$ 19,310 | \$ 19,200 |
| EXPENSES/USES OF FUNDS | | | | |
| Services & Charges | \$ - | \$ - | \$ 245 | \$ - |
| Capital Outlay | - | - | - | - |
| Total Expenses | \$ - | \$ - | \$ 245 | \$ - |
| Transfers Out | 19,577 | 160,000 | 160,000 | 21,000 |
| Total Expenditures/Uses | \$ 19,577 | \$ 160,000 | \$ 160,245 | \$ 21,000 |
| Excess Revenues/Sources Over Expenses/Uses | \$ 20,990 | \$ (139,640) | \$ (140,935) | \$ (1,800) |
| Fund Balance | \$ 146,040 | \$ 6,400 | \$ 5,105 | \$ 3,305 |

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.

For FY 2013, the CIP calls for a total of \$3,289,370 in capital spending for:

Capital Projects Fund:

- Annual ROW improvement projects - \$829,130 (includes Phase III Beverly Drive Project) (Capital Projects Fund)
- Town's Centennial - \$200,000
- Miscellaneous Engineering cost allocation for project development and management - \$331,440

Utility Fund

- Annual utility infrastructure replacement/rehabilitation projects - \$1,828,800 (Utility Fund)

Storm Water Drainage Utility Fund

- Beverly Drive culvert improvements - \$100,000

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES & EXPENDITURES

| | FY 2011 | FY-2012 | FY 2012 | FY 2013 |
|---|-----------------------|-----------------------|-----------------------|---------------------|
| | Actual | Budget | Projected | Budget |
| REVENUES/SOURCES OF FUNDS | | | | |
| Interest | \$ 60,257 | \$ 65,000 | \$ 46,560 | \$ 25,000 |
| Miscellaneous | 211,751 | 425,000 | 394,475 | 144,000 |
| Total Revenues | \$ 272,008 | \$ 490,000 | \$ 441,035 | \$ 169,000 |
| Transfers In | \$ 2,096,450 | \$ 4,761,235 | \$ 4,842,010 | \$ 1,158,090 |
| Total Other Resources | \$ 2,096,450 | \$ 4,761,235 | \$ 4,842,010 | \$ 1,158,090 |
| Total Revenues/Sources | \$ 2,368,458 | \$ 5,251,235 | \$ 5,283,045 | \$ 1,327,090 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Capital Projects | \$ 4,035,522 | \$ 11,471,448 | \$ 11,484,038 | \$ 1,360,570 |
| Total Expenditures/Uses | \$ 4,035,522 | \$ 11,471,448 | \$ 11,484,038 | \$ 1,360,570 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ (1,667,064) | \$ (6,220,213) | \$ (6,200,993) | \$ (33,480) |
| Fund Balance | \$ 9,321,076 | \$ 3,100,863 | \$ 3,120,083 | \$ 3,086,603 |

Town of Highland Park
Capital Improvement Plan - Budget

| EXPENSE | Project Cost | Prior Years' Capital Outlay (FY 2010) | 2010-2011 Actual | 2011-2012 Budget | 2011-2012 Projected | 2012-2013 Budget | 2013-2014 Projection | 2014-2015 Projection | 2015-2016 Projection | 2016-2017 Projection |
|---|---------------|---------------------------------------|------------------|------------------|---------------------|------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | | | | | | |
| Capital Project Fund | | | | | | | | | | |
| Recurring Programs - | | | | | | | | | | |
| ROW Improvements | N/A | Recurring | \$ 80,000 | \$ - | \$ - | \$ 829,130 | \$ 861,951 | \$ 896,196 | \$ 931,933 | \$ 969,229 |
| Current Projects - | | | | | | | | | | |
| Exall Lake Dam Inspection & Repairs | \$ 85,800 | | \$ 80,200 | | | | | | | |
| Mockingbird Lane Green Space Impr. | \$ 343,230 | | \$ 334,765 | | | | | | | |
| Proposed Projects - | | | | | | | | | | |
| DPS/Town Hall | \$ 19,456,664 | | \$ 1,607,880 | \$ 10,338,263 | \$ 10,338,263 | | | | | |
| Beverly Drive | | | | | | | | | | |
| Culvert Modifications * | \$ 540,000 | | | | | \$ 100,000 | | | | |
| Drainage Improvements | | | \$ 213,757 | | | | | | | |
| Rehabilitation: | \$ 3,260,410 | | \$ 65,000 | | | | | | | |
| Phase I - Westside Dr. to Turtle Creek | | | \$ 1,393,200 | | | | | | | |
| Phase II - Turtle Creek to Oxford | | | | \$ 802,210 | \$ 802,210 | | \$ 1,065,000 | | | |
| Phase III - Oxford to Airline | | | | | | | | | | |
| Lexington Avenue Culvert Improvements | \$ 325,000 | | | \$ 350,000 | \$ 247,600 | | | | | |
| Potomac Avenue Storm Sewer | \$ 130,000 | | | | \$ 120,000 | | | | | |
| Centennial Celebration | \$ 200,000 | | | | | \$ 200,000 | | | | |
| Unallocated Project Development Costs | Recurring | | | \$ 330,975 | \$ 343,565 | \$ 331,440 | \$ 339,726 | \$ 348,219 | \$ 356,925 | \$ 365,848 |
| Hackberry Creek Restoration * | \$ 3,180,000 | | | | | | | | \$ 150,000 | |
| Connor Park Stabilization * | \$ 2,506,000 | | | | | | \$ 80,000 | \$ 100,000 | | |
| Miramar Culvert Modifications * | \$ 456,000 | | | | | | | | | |
| Traffic Signal Upgrade | \$ 300,000 | | | | | | | | | |
| Preston Road Rehabilitation | \$ 1,446,000 | | | | | | | | | |
| Bridge Inspection & Repairs | \$ 60,000 | | | | | | | | | |
| Exall Lake dredging * | \$ 900,000 | | | | | | | | | |
| Tennis Court reconstruction | \$ 605,000 | | | | | | | | | |
| Town Hall parking | \$ 144,000 | | | | | | | | | |
| Willow Wood Paving Enhancement | \$ 63,000 | | | | | | | | | |
| Interfund Repayment | | | | | | | | | | |
| Utility Fund | | | | | | | | | | |
| Recurring Programs - | | | | | | | | | | |
| Water and sanitary sewer infrastructure update ** | N/A | Recurring | \$ 1,800,000 | \$ 1,800,000 | \$ 1,800,000 | \$ 1,828,800 | \$ 1,865,376 | \$ 1,902,684 | \$ 1,940,737 | \$ 1,979,552 |
| Total Project Costs: | N/A | | \$ 6,054,879 | \$ 13,621,448 | \$ 13,651,638 | \$ 3,289,370 | \$ 4,212,053 | \$ 3,247,099 | \$ 3,379,595 | \$ 3,314,629 |

* Funded through the Storm Water Drainage Utility Fund

** Funded through the Utility Fund



Town of Highland Park
Capital Improvement Plan

| FUNDING SOURCES /REVENUES | Beginning Balance 9/30/2010 | 2010-2011 Actual | 2011-2012 Budget | 2011-2012 Projected | 2012-2013 Budget | 2013-2014 Projection | 2014-2015 Projection | 2015-2016 Projection | 2016-2017 Projection |
|---|-----------------------------|------------------|------------------|---------------------|------------------|----------------------|----------------------|----------------------|----------------------|
| Capital Project Fund | | | | | | | | | |
| Cash Balance | \$ 10,037,805 | | | | | | | | |
| Annual Transfer | | \$ 650,000 | \$ 650,000 | \$ 650,000 | \$ 660,400 | \$ 676,910 | \$ 693,833 | \$ 711,179 | \$ 728,958 |
| Annual Misc. Concrete Funding Transfer | | \$ 340,000 | \$ 340,000 | \$ 340,000 | \$ 345,440 | \$ 354,076 | \$ 362,928 | \$ 372,001 | \$ 381,301 |
| Annual Street Resurfacing Funding Transfer | | \$ 461,656 | \$ 462,210 | \$ 461,625 | \$ 483,690 | \$ 507,875 | \$ 533,268 | \$ 559,932 | \$ 587,928 |
| Capital Projects Fund Balance | | | | | | | | | |
| Investment Earnings | | \$ 60,257 | \$ 65,000 | \$ 46,560 | \$ 25,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Other Sources | | | | | | | | | |
| Dallas County | | \$ 117,766 | \$ 425,000 | \$ 394,475 | \$ 144,000 | \$ 300,000 | | | |
| Contributions/Reimbursements | | \$ 93,986 | | | | | | | |
| General Fund | | | \$ 600,000 | \$ 600,000 | | | | | |
| FY General Fund Operating surplus (Actual/Estimate) * | | \$ 644,794 | \$ 700,000 | \$ 881,821 | \$ 700,000 | \$ 700,000 | \$ 700,000 | \$ 700,000 | \$ 700,000 |
| Change in GF Minimum Fund Balance | | | | \$ - | | | | | |
| Utility Fund | | | \$ 2,000,000 | \$ 1,000,000 | | | | | |
| Transfer from Equipment Replacement Fund | | | \$ 200,000 | \$ 200,000 | | | | | |
| Transfer from Court Technology Fund | | | \$ 140,000 | \$ 140,000 | | | | | |
| Interfund Loan - ERF | | | | \$ - | | | | | |
| Donations | | | | | | | | | |
| Utility Fund | | | | | | | | | |
| Annual Utility Infrastructure Funding | | \$ 1,800,000 | \$ 1,800,000 | \$ 1,800,000 | \$ 1,828,800 | \$ 1,865,376 | \$ 1,902,684 | \$ 1,940,737 | \$ 1,979,552 |
| Storm Water Drainage Utility Fund | | | | | | | | | |
| Cash Balance | \$ 456,774 | | | | | | | | |
| Contributions/Reimbursements | | | | | \$ 30,000 | | | | |
| Annual Net Drainage Fee Receipts | | \$ 111,516 | \$ 238,740 | \$ 238,740 | \$ 168,570 | \$ 172,784 | \$ 177,104 | \$ 181,531 | \$ 186,070 |
| Annual Resources/Revenues | \$ 456,774 | \$ 111,516 | \$ 238,740 | \$ 238,740 | \$ 198,570 | \$ 172,784 | \$ 177,104 | \$ 181,531 | \$ 186,070 |
| Total Annual Resources/Revenues | \$ 10,494,579 | \$ 4,279,975 | \$ 7,620,950 | \$ 6,753,221 | \$ 4,385,900 | \$ 4,582,021 | \$ 4,374,816 | \$ 4,470,380 | \$ 4,568,809 |
| Funded through the Storm Water Drainage Utility Fund | | | | | | | | | |
| Funded through the Utility Fund | | | | | | | | | |

* Conservative estimate of annual General Fund surplus based upon prior years' actual surplus



Town of Highland Park

Summary Capital Improvement Plan - Budgetary

| CATEGORY | Beginning Balance 10/1/2010 | 2010-2011 Actual | 2011-2012 Budget | 2011-2012 Projected | 2012-2013 Budget | 2013-2014 Projection | 2014-2015 Projection | 2015-2016 Projection | 2016-2017 Projection |
|-----------------------------------|-----------------------------|------------------|------------------|---------------------|------------------|----------------------|----------------------|----------------------|----------------------|
| Beginning Balances | | | | | | | | | |
| Capital Projects Fund | \$ 10,993,739 | | \$ 9,321,076 | \$ 9,321,076 | \$ 2,551,519 | \$ 3,549,479 | \$ 3,826,663 | \$ 4,877,277 | \$ 5,786,531 |
| Storm Water Drainage Utility Fund | \$ 422,149 | | \$ 343,665 | \$ 343,665 | \$ 214,805 | \$ 313,375 | \$ 406,159 | \$ 483,263 | \$ 664,795 |
| Revenues: | | | | | | | | | |
| Capital Projects Fund | | \$ 2,368,459 | \$ 5,582,210 | \$ 4,714,481 | \$ 2,358,530 | \$ 2,543,861 | \$ 2,295,029 | \$ 2,348,111 | \$ 2,403,187 |
| Storm Water Drainage Utility Fund | | \$ 111,516 | \$ 238,740 | \$ 238,740 | \$ 198,570 | \$ 172,784 | \$ 177,104 | \$ 181,531 | \$ 186,070 |
| Expenses: | | | | | | | | | |
| Capital Projects Fund | | \$ 4,041,122 | \$ 11,471,448 | \$ 11,484,038 | \$ 1,360,570 | \$ 2,266,677 | \$ 1,244,415 | \$ 1,438,857 | \$ 1,335,077 |
| Storm Water Drainage Utility Fund | | \$ 190,000 | \$ 350,000 | \$ 367,600 | \$ 100,000 | \$ 80,000 | \$ 100,000 | \$ - | \$ - |
| Ending Balances: | | | | | | | | | |
| Capital Projects Fund | | \$ 9,321,076 | \$ 3,431,838 | \$ 2,551,519 | \$ 3,549,479 | \$ 3,826,663 | \$ 4,877,277 | \$ 5,786,531 | \$ 6,854,641 |
| Storm Water Drainage Utility Fund | | \$ 343,665 | \$ 232,405 | \$ 214,805 | \$ 313,375 | \$ 406,159 | \$ 483,263 | \$ 664,795 | \$ 850,864 |

Note 1: Infrastructure Improvements funded through the Utility Fund are not reflected in this schedule as those resources and uses are segregated

Note 2: Capital Projects Fund balance below established minimum balance of \$2,000,000 through FY 2014



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
FISCAL YEAR 2013**

| Grade | Position | Minimum | Maximum |
|--------------|--|----------------|----------------|
| 8 | Chief Building Inspector Controller/Systems Administrator Communications Supervisor Development Services Manager Foreman | \$76,129 | \$109,968 |
| 7 | Project Engineer Town Secretary/Administrative Secretary | \$66,199 | \$95,624 |
| 6 | Accreditation Manager Building Inspector Construction Coordinator Customer Service Supervisor Support Services Supervisor | \$57,564 | \$83,151 |
| 5 | Accountant Construction Inspector Court Clerk Electrical/Mechanical Tech Engineering Tech Project Coordinator Support Services Officer | \$50,056 | \$72,306 |
| 4 | Communications Specialist Library Assistant Parks Maintenance Specialist Secretary II Senior Accounting Tech Public Works Maintenance Worker III | \$43,527 | \$62,874 |
| 3 | Accounting Technician Building Permit Tech Deputy Court Clerk Customer Service Specialist II Parks Maintenance Worker II Public Works Maintenance Worker II | \$37,849 | \$54,673 |
| 2 | Customer Service Specialist I Library Associate Public Works Maintenance Worker I Secretary I | \$32,913 | \$47,542 |
| 1 | Parks Maintenance Worker I | \$28,620 | \$41,341 |

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

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
PUBLIC SAFETY PERSONNEL
FISCAL YEAR 2013**

| Grade | Position | Minimum | Maximum |
|--------------|--------------------------------|----------------|----------------|
| G | Captain | \$114,110 | \$134,307 |
| F | Lieutenant | \$99,226 | \$116,789 |
| E | Sergeant | \$86,284 | \$101,556 |
| D | Unassigned | - | - |
| C | Public Safety Officer | \$66,961 | \$85,977 |
| B | Fire Fighter Police Officer | \$55,801 | \$65,677 |
| A | Public Safety Apprentice | \$53,264 | \$56,993 |

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
FISCAL YEAR 2013**

| Grade | Position | Minimum | Maximum |
|--------------|--|----------------|----------------|
| E-4 | Director of Public Safety | \$150,698 | \$195,903 |
| E-3 | Director of Fiscal & Human Resources Director of Town Services Town Engineer | \$136,996 | \$178,095 |
| E-2 | Assistant Director of Public Safety | \$127,053 | \$169,190 |
| E-1 | Librarian IT Manager | \$97,610 | \$126,893 |

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.

HIGHLAND PARK, TEXAS

HISTORY

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

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

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

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

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

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

LOCATION

Highland Park is located approximately three miles north of the center of Dallas, two miles from Love Field and thirty minutes from the Dallas/Fort Worth International Airport. The Township encompasses 2.26 square miles and has an estimated 8,900 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 (2.26 Square Miles) | Population (2000 Census)..... 8,564 |
|---|-------------------------------------|

Proportion of Property Values

| | |
|---------------------------------------|---------------------------------------|
| Residential 89.82% | Commercial 6.48% |
| Business Personal Property..... 1.09% | School/Municipal (Exempt) 2.61% |

Public Safety

| | |
|-----------------------|--------------------------------------|
| Cross-trained..... 54 | Emergency Medical Technicians7 |
| Paramedics..... 36 | |

Water And Sewer Utility System

Water Connections

| | |
|-------------------------|--|
| Residential 3,105 | |
| Commercial 79 | |
| Irrigation 2,131 | |
| Municipal..... 74 | |
| Total 5,389 | |

Sewer Connections

| | |
|-------------------------|--|
| Residential 3,105 | |
| Commercial 79 | |
| Municipal..... 4 | |
| Total 3,188 | |

Infrastructure

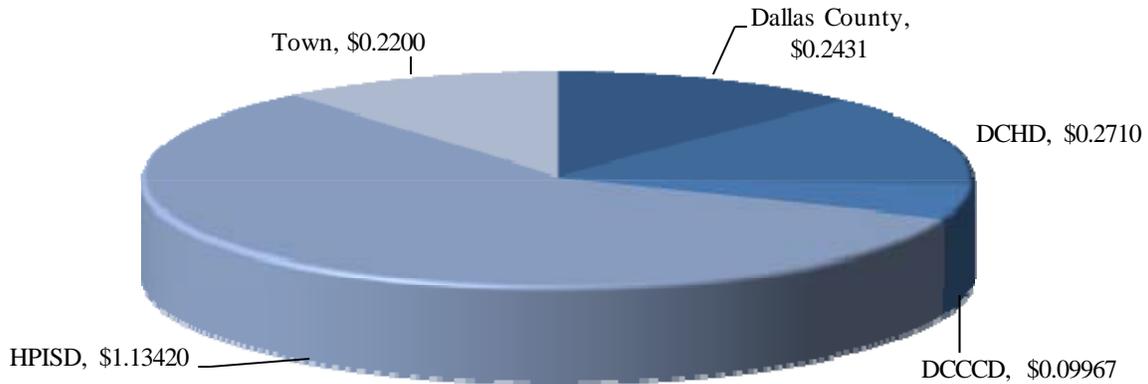
| | |
|-----------------------------------|---------------------------------|
| Sanitary Sewers 37.18 Miles | Storm Sewers..... 12.22 Miles |
| Parks..... 22 With 59.3 Acres | Paved Streets 41.79 Miles |



Highland Park

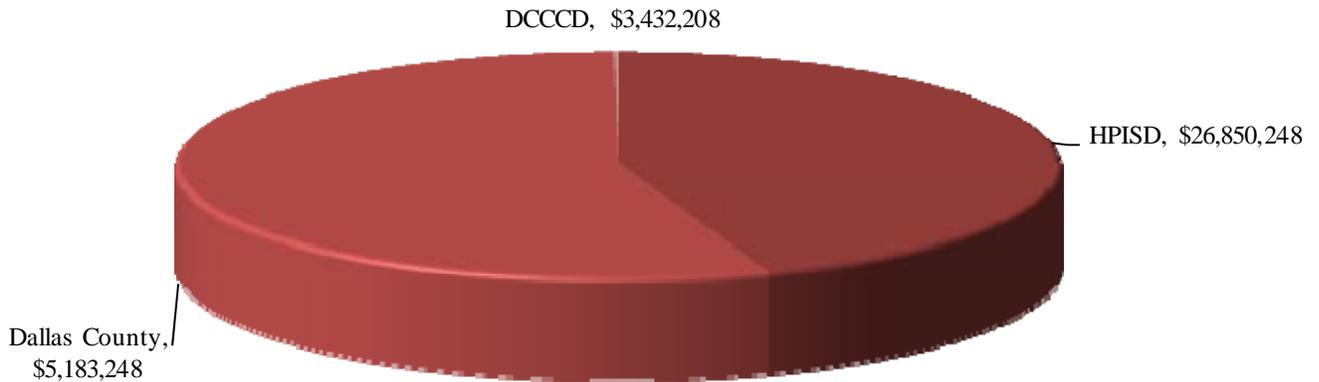
TOWN OF HIGHLAND PARK

Direct and Overlapping Property Tax Rates



Per \$100 Taxable Valuation

Direct and Overlapping Debt



Per Capita Debt –\$5,787.72

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 | |
| 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 |
| 2012 | 5,423,170,690 | 61,252,130 | 5,484,422,820 | 4,446,174,261 |

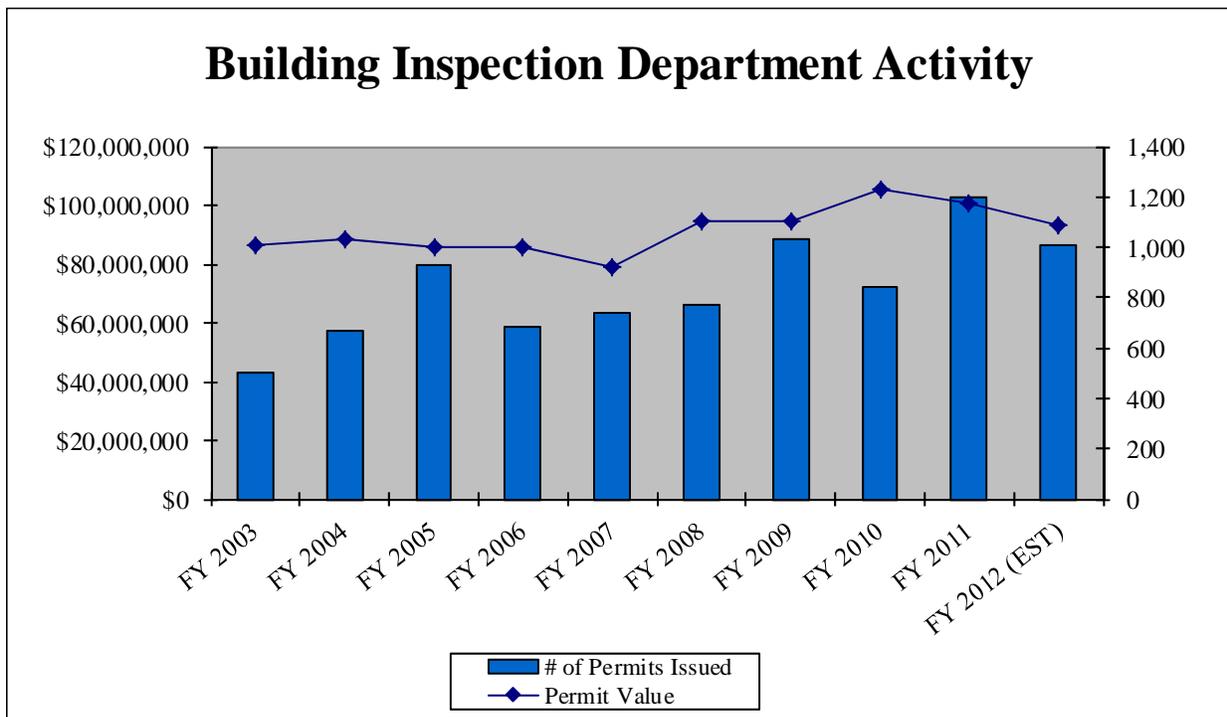
The difference between the appraised value and the taxable value represents that value that is exempted from taxation due to 1) an optional 20% Homestead exemption; 2) a \$50,000 over 65 exemption; 3) reappraisal value that exceeds the 10% per year cap; and 4) other exemptions provided under the Texas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

PRINCIPAL TAXPAYERS - 2012 TAX ROLL

| Name Of Taxpayer | Type Of Property | Taxable Valuation | % Of Total Taxable Valuation |
|------------------------------|---------------------|----------------------|------------------------------------|
| HP Village Partners, LP | Commercial | \$105,007,490 | 2.36% |
| Dallas Country Club | Commercial | 37,580,080 | 0.85% |
| Muse, John R | Residential | 23,740,456 | 0.53% |
| Crow, Harlan R | Residential | 19,269,952 | 0.43% |
| Cox, Edwin L Qualified Pers. | Residential | 17,045,928 | 0.38% |
| L&B DEPP UCEEP 5500 | Commercial | 16,700,000 | 0.38% |
| Mitchell, Amy | Residential | 16,320,720 | 0.37% |
| Corrigan Properties | Commercial | 15,250,000 | 0.34% |
| Crow, Margaret Life Estate | Residential | 13,615,248 | 0.31% |
| Jones, Jerral W. & Gene C. | Residential | 13,580,656 | 0.31% |

**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 |
| 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 |
| 2012 | 34 | 3,235,348 | 903 | 64,144,609 | 937 | 67,379,957 |





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> |
|--------------------|--------------------|-------------------|------------------------|-----------------|--------------|---------------------------|
| 2004 | 549,772 | 52,435 | 467,414 | 37,588 | 1,107,209 | 5,064 |
| 2005 | 529,874 | 53,746 | 455,388 | 41,897 | 1,080,905 | 5,124 |
| 2006 | 528,344 | 51,894 | 490,518 | 45,293 | 1,116,049 | 5,168 |
| 2007 | 570,390 | 58,423 | 678,935 | 56,129 | 1,363,877 | 5,184 |
| 2008 | 456,690 | 53,938 | 410,182 | 24,698 | 945,508 | 5,258 |
| 2009 | 480,575 | 57,300 | 528,802 | 42,439 | 1,109,116 | 5,290 |
| 2010 | 467,293 | 52,707 | 572,186 | 38,416 | 1,130,602 | 5,333 |
| 2011 | 422,274 | 45,382 | 478,515 | 34,266 | 980,437 | 5,361 |
| 2012 | * 436,000 | 43,500 | 617,000 | 42,000 | 1,138,500 | 5,390 |
| 2013 | * 435,000 | 45,000 | 604,000 | 38,000 | 1,122,000 | 5,400 |

*Projected

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

| | Actual FY 2004 | Actual FY 2005 | Actual FY 2006 | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Actual FY 2010 | Actual FY 2011 | Budget FY 2012 | Budget FY 2013 |
|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personnel | | | | | | | | | | |
| Payroll | \$ 7,519,834 | \$ 7,862,345 | \$ 8,287,210 | \$ 8,856,330 | \$ 9,671,900 | \$ 9,789,847 | \$ 10,442,259 | \$ 10,142,629 | \$ 10,821,035 | \$ 11,386,535 |
| Benefits | 2,371,083 | 2,595,185 | 3,041,560 | 3,193,235 | 3,402,958 | 3,535,592 | 3,454,301 | 3,313,033 | 3,362,250 | 2,999,650 |
| Subtotal | \$ 9,890,917 | \$ 10,457,530 | \$ 11,328,770 | \$ 12,049,565 | \$ 13,074,858 | \$ 13,325,439 | \$ 13,896,560 | \$ 13,455,662 | \$ 14,183,285 | \$ 14,386,185 |
| Supplies & Equipment | 1,987,389 | 2,201,640 | 2,142,670 | 2,360,835 | 2,550,896 | 2,413,197 | 2,895,332 | 3,727,917 | 3,661,130 | 3,981,640 |
| Services & Charges | 4,559,125 | 4,467,740 | 4,522,275 | 4,815,700 | 4,907,384 | 5,398,309 | 4,665,963 | 4,251,555 | 4,529,305 | 5,180,350 |
| Capital Outlay | 2,487,321 | 2,218,800 | 2,443,725 | 2,422,875 | 4,273,856 | 2,090,784 | 4,109,400 | 6,974,590 | 13,943,958 | 3,831,395 |
| Debt Service | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 18,924,752 | \$ 19,345,710 | \$ 20,437,440 | \$ 21,648,975 | \$ 24,806,994 | \$ 23,227,729 | \$ 25,567,255 | \$ 28,409,724 | \$ 36,317,678 | \$ 27,379,570 |

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

| | Actual FY 2004 | Actual FY 2005 | Actual FY 2006 | Actual FY 2007 | Actual FY 2008 | Actual FY 2009 | Actual FY 2010 | Actual FY 2011 | Budget FY 2012 | Budget FY 2013 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Property Taxes | \$ 6,335,090 | \$ 6,659,405 | \$ 7,282,255 | \$ 8,067,760 | \$ 8,067,760 | \$ 8,809,700 | \$ 8,067,760 | \$ 8,809,700 | \$ 9,623,335 | \$ 9,708,765 |
| Water Sales | 3,160,639 | 3,750,535 | 3,717,785 | 3,847,650 | 3,847,650 | 3,819,410 | 3,847,650 | 3,819,410 | 5,423,500 | 5,832,350 |
| Sanitary Sewer Charges | 2,236,980 | 2,422,110 | 2,547,775 | 2,447,170 | 2,447,170 | 2,592,630 | 2,447,170 | 2,592,630 | 2,635,400 | 2,658,700 |
| Sales Tax | 1,711,196 | 1,680,000 | 1,800,000 | 2,100,000 | 2,100,000 | 2,190,000 | 2,100,000 | 2,190,000 | 2,660,000 | 2,750,000 |
| Sanitation & Recycling Charges | 976,380 | 987,675 | 996,585 | 996,585 | 996,585 | 1,137,130 | 996,585 | 1,137,130 | 1,263,150 | 1,260,775 |
| Franchise Fees | 871,693 | 885,000 | 879,000 | 912,000 | 912,000 | 916,000 | 912,000 | 916,000 | 1,010,000 | 1,081,000 |
| Building Activity Fees | 790,023 | 681,500 | 759,000 | 870,000 | 870,000 | 882,000 | 870,000 | 882,000 | 847,900 | 943,500 |
| Court Fines/Fees | 534,110 | 505,000 | 700,680 | 703,500 | 703,500 | 703,000 | 703,500 | 703,000 | 693,810 | 687,575 |
| Interest on Investments | 244,665 | 392,000 | 486,200 | 933,700 | 933,700 | 1,047,300 | 933,700 | 1,047,300 | 141,100 | 54,100 |
| Other Charges for Service | 1,353,762 | 1,430,385 | 1,458,875 | 1,482,935 | 1,482,935 | 1,475,465 | 1,482,935 | 1,475,465 | 1,779,165 | 1,831,360 |
| Storm Water Drainage Fees | 143,930 | 181,500 | 181,500 | 181,500 | 181,500 | 180,000 | 181,500 | 180,000 | 361,000 | 365,760 |
| All Other | 573,935 | 407,000 | 463,000 | 668,600 | 668,600 | 871,700 | 668,600 | 871,700 | 720,975 | 1,314,550 |
| Total | \$18,932,403 | \$19,982,110 | \$21,272,655 | \$23,211,400 | \$23,211,400 | \$24,624,335 | \$23,211,400 | \$24,624,335 | \$27,159,335 | \$28,488,435 |

**TOWN OF HIGHLAND PARK
SUSTAINING CAPITAL REQUESTS**

| | Request | Funded 2013 | Deferred |
|---|-------------------|------------------|------------------|
| Administration | | | |
| None | \$ - | \$ - | \$ - |
| Subtotal: | \$ - | \$ - | \$ - |
| Public Safety | | | |
| Physio-Control LifPak 1000 (AED) (8) | \$ 30,000 | \$ 15,000 | \$ 15,000 |
| Stryker Power Pro XT | 15,120 | 15,120 | |
| Individualized Scott fascemasks (40) | 21,800 | 21,800 | |
| Blauer "ArmorSkin" external vest carrier (54) | 27,980 | 27,980 | |
| Airshore pneumatic rescue tools (4) | 20,000 | | 20,000 |
| Subtotal: | \$ 114,900 | \$ 79,900 | \$ 35,000 |
| Street | | | |
| Scarefer Grinder | \$ 9,000 | \$ 9,000 | \$ - |
| Subtotal: | \$ 9,000 | \$ 9,000 | \$ - |
| Street Lighting | | | |
| Street light LED inserts (50) | 32,500 | \$ - | \$ 32,500 |
| Subtotal: | \$ 32,500 | \$ - | \$ 32,500 |
| Library | | | |
| None | \$ - | \$ - | \$ - |
| Subtotal: | \$ - | \$ - | \$ - |
| Park | | | |
| New 2 bay swing set - Fairfax Park | \$ 6,500 | \$ 6,500 | |
| Replace pea gravel @ Fairfax Park | 7,400 | | |
| Resurface tennis courts #3, 4, 5, & 6 | 14,800 | 14,800 | |
| Landscape lighting LED conversion (50) | 22,500 | | 22,500 |
| Sidewalk (Connor Park - west side) | 30,000 | | 30,000 |
| Subtotal: | \$ 81,200 | \$ 21,300 | \$ 52,500 |

**TOWN OF HIGHLAND PARK
SUSTAINING CAPITAL REQUESTS**

| | Request | Funded 2013 | Deferred |
|--|-------------------|-------------------|-------------------|
| Swimming Pool | | | |
| Diving board | 4,000 | | |
| Furniture and umbrellas | 4,000 | \$ 4,000 | |
| Replace sun shelter | 11,200 | \$ 11,200 | |
| Replace old sun shelter fabric tops | 7,100 | | 7,100 |
| Subtotal: | \$ 26,300 | \$ 15,200 | \$ 7,100 |
| Finance | | | |
| None | \$ - | | |
| Subtotal: | \$ - | \$ - | \$ - |
| Service Center | | | |
| Reflective roof coating | \$ 5,500 | \$ 5,500 | |
| Install roof insulation and four windows | 7,000 | \$ 7,000 | |
| Subtotal: | \$ 12,500 | \$ 12,500 | \$ - |
| Municipal Building | | | |
| None | \$ - | \$ - | \$ - |
| Subtotal: | \$ - | \$ - | \$ - |
| Engineering | | | |
| None | \$ - | | |
| Subtotal: | \$ - | \$ - | \$ - |
| Totals | \$ 276,400 | \$ 137,900 | \$ 127,100 |



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.

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

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

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

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

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

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

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

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
