



THE TOWN OF

Highland Park

TEXAS



OFFICIAL BUDGET
FISCAL YEAR 2009-2010

TOWN OF HIGHLAND PARK, TEXAS

OPERATING BUDGET OCTOBER 1, 2009 THROUGH SEPTEMBER 30, 2010

AS SUBMITTED TO
THE MAYOR AND THE TOWN COUNCIL

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TOWN ADMINISTRATOR

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DIRECTOR OF FISCAL & HUMAN RESOURCES



| | | | |
|---|----|---|--|
| Budget Message | | Statement of Revenues 59 | |
| Budget Message..... | i | Department Budgets | |
| Budget Information | | Administration..... 64 | |
| Budget Calendar | 1 | Water | |
| Distinguished Budget Presentation Award..... | 2 | Sanitary Sewer | |
| Organization Chart | 3 | Sanitation Collection | |
| Charter | 4 | Engineering | |
| Statement of Financial Management Policies .. | 5 | Other Funds | |
| Ordinance #1756 | 10 | Capital Projects Fund | |
| Ordinance #1757 | 11 | Fund Overview..... 77 | |
| Ordinance #1758 | 12 | Statement of Revenues & Expenditures..... 78 | |
| Budget Summaries | | Listing of Capital/Maintenance Projects 79 | |
| Combined Budget..... | 13 | Equipment Replacement Fund | |
| 2008 Ad Valorem Tax Comparison and | | Fund Overview..... 80 | |
| Analysis | 15 | Statement of Revenues & Expenses..... 81 | |
| Budget Graphics | 16 | Equipment Inventory & Replacement | |
| Authorized Personnel | 19 | Schedule | |
| General Fund | | 82 | |
| Summary Statement of Revenues | | Storm Water Drainage Utility Fund | |
| & Expenditures | 21 | Fund Overview..... 84 | |
| Statement of Revenues | 23 | Statements of Revenues & Expenses | |
| Department Budgets | | 85 | |
| Administration..... | 30 | Court Technology Fund | |
| Public Safety | 32 | Fund Overview..... 86 | |
| Street | 36 | Statements of Revenues & Expenses | |
| Street Lighting..... | 38 | 87 | |
| Library | 40 | Court Security Fund | |
| Parks | 42 | Fund Overview..... 86 | |
| Swimming Pool | 44 | Statements of Revenues & Expenses | |
| Municipal Court | 46 | 87 | |
| Finance | 48 | Pay Plan | |
| Building Inspection | 50 | Plan Overview | |
| Service Center | 52 | 91 | |
| Municipal Building | 53 | Non-Exempt Personnel | |
| Non- Departmental..... | 54 | (Excluding Public Safety)..... | |
| Transfer to Other Funds | 55 | 92 | |
| Utility Fund | | Commissioned Personnel (Public Safety) | |
| Summary Statement of Revenues & | | 93 | |
| Expenses | 57 | Exempt Personnel..... | |
| | | 94 | |
| | | Pay Incentives..... | |
| | | 94 | |
| | | Miscellaneous & Glossary | |
| | | History of Highland Park..... | |
| | | 95 | |
| | | Miscellaneous Statistical Data..... | |
| | | 96 | |
| | | Glossary of Terms..... | |
| | | 107 | |





September 14, 2009

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

Mayor and Council:

We are pleased to submit the 2009-2010 Operating Budget for the Town of Highland Park. This budget has been developed in keeping with the adage penned by Mr. J.W. Bartholow, Sr., a civic leader during Highland Park's formative years, that "the function of government in Highland Park is protection of the home." To this end, the Town strives to provide a wide range of quality services and maintain the quality of life for the citizens of the Town through efficient fiscal and personnel management.

Mr. Bartholow, Sr. also penned the charge given to the elected officials and management of this community of keeping Highland Park "a haven for Home and Fireside," In response to this charge, the Town continually endeavors to: provide safe streets; prompt emergency response; esthetically pleasing and safe public parks, facilities and leisure services; and, efficient and effective government.

The 2009-2010 Operating Budget is a balanced budget and is in accordance with the Town's Charter. The Budget represents a series of balances constructed between revenues and expenditures and between prioritized operational needs and long-term community investment strategies. Its development has been consistent with the approach and processes implemented under the leadership of Mr. L.A. Patterson, the Town's Administrator for the past 29 years.

The Budget is a management guide, planning document, and a financial report. It reviews past accomplishments, identifies future needs, sets objectives for the coming year, and defines the purposes and resources to achieve those objectives.

Over the years, the Town of Highland Park budget document has evolved from a simple financial report with proposals for expenditures and estimates of revenue, into what has become the most comprehensive annual document concerning budgetary policies that influence the fiscal state of the Town, the function of government and its preparation for the current and future needs.

The Budget, therefore, is the most important working and planning tool used by the Council, Town Administration and Department Heads for providing the levels of service to the citizens of Highland Park and maintenance of infrastructure, which the Town Council has determined to be

necessary and for which funds are available.

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:

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 and Administration (General Administrative Services, Finance, Library and Municipal Court) - a governmental fund type.

Utility Fund - to account for all the activities required for the provision of water and sanitary sewer (through Public Works) and sanitation collection and disposal services 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.

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.

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

After a series of public hearings, Council meetings and Council Committee reviews, this budget document was prepared to encompass the concurrent development of: 1) market based pay plans; 2) operations and maintenance (O&M) line-item costs sufficient to provide desired service levels; 3) a capital and infrastructure maintenance program to achieve desired goals; and 4) departmental work plans necessary to ensure the achievement of those service levels.

BUDGET SUMMARY

This Budget, with proposed expenditures and transfers, totals \$25,053,280. This is a \$992,465 increase over the 2007-2008 Budget. The projected combined fund balance of all funds subject to appropriation at September 30, 2009 is \$15,696,000.

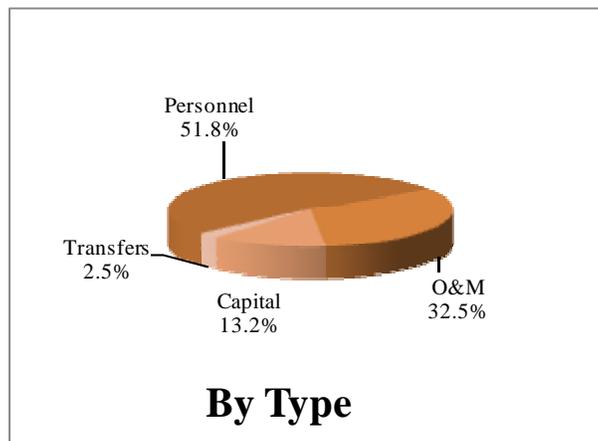
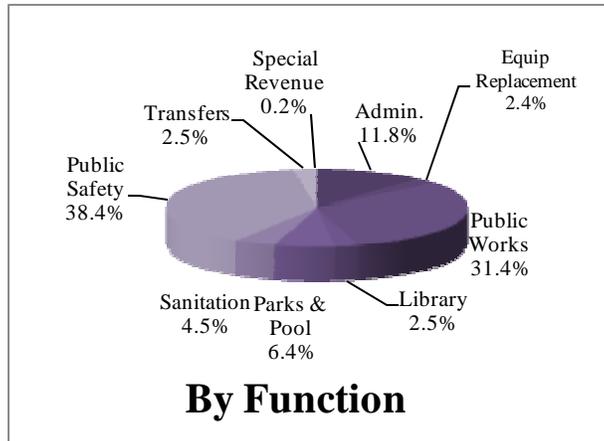
The chart on the following page provides fund balances, projected revenues by major source, budgeted expenditures by type and ending fund balances for all funds:

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

| | General | Utility | Capital Projects | Equipment Replacement | Storm Water Drainage | Court Technology | Court Security | Total | |
|----------------------------------|----------------------|----------------------|---------------------|--------------------------|-------------------------|---------------------|-------------------|----------------------|----------------------|
| | | | | | | | | 2009-2010 | 2008-2009 |
| BEGINNING FUND BALANCE | \$ 4,899,566 | \$ 5,243,230 | \$ 4,790,519 | \$ 2,525,138 | \$ 750,710 | \$ 31,968 | \$ 143,880 | \$ 18,385,011 | \$ 14,446,075 |
| REVENUES: | | | | | | | | | |
| Property Taxes | \$ 9,973,110 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,973,110 | 9,551,090 |
| Water Sales | - | 4,912,500 | - | - | - | - | - | 4,912,500 | 4,157,500 |
| Sewer Charges | - | 2,864,160 | - | - | - | - | - | 2,864,160 | 2,933,250 |
| Sales Taxes | 2,069,250 | - | - | - | - | - | - | 2,069,250 | 2,325,000 |
| Sanitation/Recycling Charges | - | 1,223,690 | - | - | - | - | - | 1,223,690 | 1,234,990 |
| Franchise Fees | 980,000 | - | - | - | - | - | - | 980,000 | 963,000 |
| Building Inspection Fees/Permits | 905,800 | 34,000 | - | - | - | - | - | 939,800 | 748,800 |
| Municipal Court Fines/Fees | 694,000 | - | - | - | - | - | - | 694,000 | 703,000 |
| Interest Earnings | 120,800 | 105,000 | 90,000 | 42,000 | 7,500 | 400 | 1,800 | 367,500 | 576,500 |
| All Other | 1,634,800 | 88,000 | - | 688,525 | 179,500 | 25,000 | 19,500 | 2,635,325 | 2,406,230 |
| TOTAL REVENUES | \$ 16,377,760 | \$ 9,227,350 | \$ 90,000 | \$ 730,525 | \$ 187,000 | \$ 25,400 | \$ 21,300 | \$ 26,659,335 | \$ 25,599,360 |
| Transfers from Other Funds | 20,000 | - | 650,000 | - | - | - | - | 670,000 | 683,845 |
| TOTAL AVAILABLE RESOURCES | \$ 21,297,326 | \$ 14,470,580 | \$ 5,530,519 | \$ 3,255,663 | \$ 937,710 | \$ 57,368 | \$ 165,180 | \$ 45,714,346 | \$ 40,729,280 |
| EXPENDITURES: | | | | | | | | | |
| Personnel Services: | | | | | | | | | |
| Payroll | \$ 8,892,950 | \$ 1,595,800 | \$ - | \$ - | \$ 33,415 | \$ - | \$ - | \$ 10,522,165 | \$ 10,084,575 |
| Employee Benefits | 3,059,680 | 549,150 | - | - | 12,685 | - | - | 3,621,515 | 3,965,370 |
| Total Personnel | \$ 11,952,630 | \$ 2,144,950 | \$ - | \$ - | \$ 46,100 | \$ - | \$ - | 14,143,680 | 14,049,945 |
| Supplies & Equipment | \$ 908,345 | \$ 2,326,450 | \$ - | \$ - | \$ 10,000 | \$ 2,950 | \$ - | \$ 3,247,745 | \$ 2,562,930 |
| Services & Charges | 2,617,585 | 2,951,765 | - | 6,400 | 42,775 | 25,000 | - | 5,643,525 | 5,284,260 |
| Capital Outlay | 575,900 | 1,800,000 | 602,000 | 624,305 | - | 14,570 | - | 3,616,775 | 2,472,300 |
| TOTAL EXPENDITURES | \$ 16,054,460 | \$ 9,223,165 | \$ 602,000 | \$ 630,705 | \$ 98,875 | \$ 42,520 | \$ - | \$ 26,651,725 | \$ 24,369,435 |
| Transfers to Other Funds | 650,000 | - | - | - | - | - | 20,000 | 670,000 | 683,845 |
| ENDING FUND BALANCE | \$ 4,592,866 | \$ 5,247,415 | \$ 4,928,519 | \$ 2,624,958 | \$ 838,835 | \$ 14,848 | \$ 145,180 | \$ 18,392,621 | \$ 15,676,000 |
| FUND BALANCE MINIMUM | \$ 3,405,283 | \$ 1,855,791 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,261,074 | \$ 5,001,586 |
| FUND BALANCE SURPLUS | \$ 1,187,583 | \$ 3,391,624 | \$ 4,928,519 | \$ 2,624,958 | \$ 838,835 | \$ 14,848 | \$ 145,180 | \$ 13,131,547 | \$ 10,674,414 |

III:

The following graphs present the total budgeted expenditures for 2009-2010, by function and by type:



BUDGET POLICY/PRACTICE CHANGES AND UPDATES

The evolution of the Town's budgetary policies revolves around the following objectives of providing quality municipal services; minimizing the cost of services through efficient management, technology and privatization; and effectively maintaining the Town's investment in its infrastructure.

These policies direct the four (4) components of the budget's development: 1) personnel; 2) O&M; 3) capital & infrastructure maintenance; and 4) revenues and resources. Impacting the application of these basic budgetary policies has been the flat, if not reduced, revenues in many sectors across the nation. Many municipalities have faced the daunting task of achieving structural balance in the face of declining revenues and escalating program and service delivery costs. The Town has realized declines in sales tax, building activity related and investment revenues beginning in late 2008.

The administration of the 2008-2009 Budget amid these challenges set the stage for significant changes in the preparation process for the 2009-2010 Budget. In late 2008, the Town staff initiated a spending deferral of 5%. This action was most visible in the spending for operational capital. The success of this effort has resulted in a projected General Fund operating surplus for

2008-2009 of \$620,210. This amount includes \$306,700 in deferred operational capital that the proposed 2009-2010 Budget includes with funding from General Fund surplus from 2008-2009.

Budget Policy Changes

The Town has historically held a specifically scheduled and advertised public hearing for citizen discussion during the annual budget development process. In setting a new direction in budget development, the Town Council held two additional meetings specifically addressing the comprehensive development of the 2009-2010 Budget development process. Using the input from these series of budget discussions, Department Directors were able to proceed with the development of their respective budgets.

A new aspect to developing the proposed 2009-2010 Budget was utilizing Department Directors as a “Budget Team”, allowing peer review of operational expenditure requests. This collaborative and team-focused work allowed the identification of areas where expenditures could be better controlled. A similar process was used in evaluating proposed operational capital requests for inclusion in the proposed budget. Personnel costs were developed in the manner that has been utilized in past years with the Director of Fiscal & Human Resources taking the lead in pay plan development, recognizing market and economic influences on pay and benefits.

Other budget policy decisions influencing the development of the proposed 2009-2010 Budget include:

Personnel

The Town has been very diligent in managing staffing levels. Any and all additional positions require justification and funding availability. A graphic history of the Town’s staffing levels is presented on page 100. For 2009-2010, an additional part-time Town Marshall/Bailiff position (0.5 full-time equivalent) has been added to the Municipal Court (General Fund) department budget. This position is to be filled by a retired Town Public Safety Officer and will actively work the outstanding arrest warrants issued by the Court and provide Bailiff and security services for the Court. Funding will come from increased Court revenues resulting from cleared arrest warrants and a transfer of \$20,000 from the Court Security Fund.

Operations & Maintenance (O&M)

The development of the 2009-2010 Budget identified a number of operational expenditure categories that had been considered as operational capital in past budget years, thus competing with other Town-wide operational capital needs when, in fact, the expenditures are more accurately considered O&M expenditures. These include replacement radios, replacement swimming pool furniture and ongoing paved alley repairs. Overall, \$95,500 has been reclassified as O&M and included in the proposed 2009-2010 Budget.

Capital

As mentioned earlier, this proposed Budget includes \$306,700 in operational capital deferred from 2008-2009. A detailed list of these requests is included in pages 104 and 105.

Transfers

The Town has had a policy of transferring any annual operating surplus for the General Fund to the Capital Projects Fund for use in future capital projects. Over past budget years, there have been budgeted transfers of current revenues from the General Fund to the Capital Projects Fund as well, even though there was no established benchmarked amount. The proposed 2009-2010 Budget was developed with a budgeted transfer of \$650,000 as one of its primary objectives.

Other

As a means of setting aside funds for discretionary expenditure spending that is not associated with a unique departmental budget, a Non-Departmental cost center is created in the General Fund. Expenditures that can be considered Town-wide or that may have an inherit public policy nature have been included in this cost center. These costs include participation in the D.A.R.E program and the School Resource Officer (“SRO”) program with Highland Park ISD and the City of University Park. As a budgetary hedge on fuel costs, the Town budgeted for \$4.00 per gallon gasoline, with \$3.00 per gallon included in the respective department’s budget and the remaining \$1.00 per gallon in the Non-Departmental cost center.

Significant Budget Policies

Property Taxes

The market value of property located within the Town increased \$124,497,530, or 2.22%, to \$5,730,798,280. The taxable value of property in the Town increased \$233,767,049, or 5.40%. The increase in value is the addition of new construction totaling \$125,140,000 and \$155,988,865 is prior year appraisal increases excluded from taxation in the year of reappraisal. Property values for the last ten (10) years are presented on page 98.

The Town is able to retain the tax rate of \$0.22/\$100 valuation, a rate that will generate an additional \$514,730 in tax revenues to fund the budget increase for personnel costs, O&M and the transfer to the Capital Projects Fund.

Water & Sanitary Sewer Capital Improvements

This Budget includes \$1,800,000 for water and sanitary sewer capital improvements. Although the Town has satisfied its EPA Administrative Order to reduce inflow and infiltration issues in sanitary sewer system in the west side of Town, the Town is moving forward to continue replacement and rehabilitation of its aging water and sanitary sewer infrastructure on a systematic basis. This capital spending level is supported through water and sanitary sewer rates. A listing of projects identified for funding in 2009-2010 and future budget years is presented on page 74.

Use of Utility Fund Surplus Working Capital

The Town has chosen to fund water and sanitary sewer capital improvements through a combination of manageable rate increases and surplus Utility Fund fund balance.

The minimum fund balance for the Utility Fund is defined as 25% of budgeted non-capital

expenses. This projected fund balance at September 30, 2010, as expressed as a percentage of non-capital expenses, is 67.1%, or \$5,297,415. This is some \$3,441,624 in excess of the minimum level and is available for use to fund projects as awarded by the Council in order to take advantage of favorable contract prices or to respond to expanded infrastructure improvements projects.

Street Resurfacing

In 1991, the Town began a program of funding street resurfacing from a 4% right-of-way rental fee paid by the Town's water, sanitary sewer and sanitation collection services (Utility Fund) to the General Fund. This funding source, with the use of excess General Fund fund balance, has allowed the Town to resurface 2-2.5 miles of roadway each year, based upon roadway condition and other utility work performed in Town right-of-way. The estimated useful life of asphalt overlay is eight to twelve years depending upon traffic volume and road base condition. The Town has 41.79 miles of paved roadway and the map on page 75 details streets resurfaced since 1998 and the proposed work for 2009-2010.

Capital Projects

The Town has begun the process of developing a Capital Improvement Program ("CIP"). However, due to the need of focusing staff energies toward managing a 2008-2009 Budget with reduced revenues and how that process impacted the development of the proposed 2009-2010 Budget, the CIP process was place on hold. It is hopeful that a formal CIP will be ready for action by the Town Council after January 1, 2010.

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 valuation. The Town is debt free, the result of a "pay-as-you-go" capital program since the early 1980's.

Other Issues Impacting the Budget

Sanitary Sewer Sales

The Town has had a program, enforced by Town ordinance, of removing irrigation usage from meters serving residences where new or materially reconstructed irrigations systems are installed. This program has been expanded to large volume water users having a single site meter where a financial benefit to the resident can be realized as sanitary sewer charges are not applicable to water used through irrigation-only meters. Additionally, whenever the Town replaces or rehabilitates a water line in an easement or alley, a tap is provided for future access for irrigation service meters, thus providing a financial incentive to homeowners. Any volume of water that the Town can remove from residential metering reduces the volume of water used for cost determination. The Town has been successful in reducing the volume of water subject to sanitary sewer charge.

PERSONNEL

The Budget provides \$14,143,680, or 51.8% of its total for personnel costs for a staffing level of 117 full-time positions. Pay levels for each employee is dependent upon that employee's

average quarterly Pay for Performance evaluation rating and their previous pay level within their respective pay grade.

OPERATIONS & MAINTENANCE (O&M)

Total O&M costs increased \$1,044,080, the net of the following:

- An increase of \$722,415 in the contract cost for purchase of treated water for resale - Utility Fund. The Town's water supplier, Dallas County Park Cities Municipal Utility District, is undertaking a \$33,000,000 plant upgrade to meet EPA water quality standards. Budget year 2009-2010 marks the first year of three during which a total of a 100% increase in rates is projected to cover this capital program. The per 1,000 gallon unit price to the Town will increase 41.1% for 2009-2010.
- An increase in the funding of depreciation on rolling stock by \$147,150 towards the purchase of replacements as new equipment has been acquired – General Fund
- An increase of \$139,405 for contracted services for the Building Inspection Department which includes \$20,000 for continued consulting work on the Town's Zoning ordinances and \$119,405 for third party plan review and inspection on selected projects like the new Dallas Country Club clubhouse construction – General Fund
- The reclassification of \$95,500 for requests that had been considered operational capital to O&M - General Fund.

CAPITAL OUTLAY AND INFRASTRUCTURE MAINTENANCE

The capital and infrastructure maintenance component of each annual budget has been, and continues to be, a key element in the Town's annual work program and impacts Town services both for the short- and long-term. Likewise, a number of budgetary policy changes over the last several years have focused on this component. The Town's goal has been to maintain and enhance the Town's physical investment with funding on a "pay-as-you-go" basis, which has allowed the Town to achieve the long-term goal of being debt free.

Departmental capital spending is defined as "operational capital". The funding level of operational capital allows the various departments to acquire or replace items specific to their daily operations. The cost limit on items considered operational capital is under \$100,000. A detailed listing of identified operational capital needs, 2009-2010 departmental fund levels and a comparison to the 2007-2008 funding levels is presented on pages 104-105.

General Fund

This budget provides \$575,900 for "operational capital" in the General Fund, of which \$306,700 was deferred from the 2008-2009 Budget. Additionally, this Budget also includes \$357,150 for street resurfacing as discussed previously. The Town's practice of funding an annual street resurfacing project provides the mechanism for: retaining the integrity of the roadway infrastructure; providing the driving surfaces and appearances expected by our residents; and, minimizing personnel and maintenance costs that are necessary to maintain public roadways. Accordingly, that the Town has only four (4) full-time positions in its Street Department.

Utility Fund

The Utility Fund budget provides \$1,800,000 funded for infrastructure capital improvements. Currently, we are replacing water and sanitary sewer infrastructure in the west side of Town that has been in place since the 1930's. Since the 1980's, approximately 20% of water and 15% of sanitary sewer lines within the Town have been replaced. The \$1,800,000 represents a spending level that has been increased over the past several years through increased water and sanitary sewer rates. We project that we will need to continue to increase this annual funding level to \$2,000,000 in the future in order to achieve our goal of replacing this aging infrastructure over the next ten (10) years.

Improving the effectiveness of our water and sanitary sewer systems is critical in regards to our staffing level in the Water and Sanitary Sewer Departments of four (4) and two (2), respectively.

For the short-term, there is little realizable cost savings in operational costs other than overtime used in response to emergency repairs. In the long-term, the lines being replaced should have a useful life in excess of what we have had with the existing infrastructure, thereby reducing future capital and maintenance costs. In paying for the almost \$22,000,000 of water and sanitary sewer infrastructure replacement with current revenues and accumulated net working capital surplus, the Town has saved its citizens as much as \$7,000,000 in past, current and future interest costs associated with financing these projects over time.

The current spending level for infrastructure maintenance or replacement also enables the Town to be in compliance with specific EPA requirements.

Capital Projects Fund

The Town's Capital Projects Fund was established to more effectively manage the funding and financial reporting of capital projects in excess of \$100,000. In November, 2008, the Town completed a successful project of rebuilding Mockingbird Lane. Subsequent capital projects have not been undertaken as the CIP program develops. Even though the CIP has been placed on hold temporarily, this proposed 2009-2010 Budget includes \$50,000 for an engineering study of Exall Lake and Wycliff dams, \$52,000 for the Town's portion of a joint dispatch study with University Park and \$500,000 for possible remedial repairs to the two mentioned dams. The initial list of identified CIP is presented on page 79.

Equipment Replacement Fund

The Town budgets and accounts for the acquisition and disposal of its vehicles, certain maintenance equipment and computer equipment in the Equipment Replacement Fund (Internal Service Fund). User departments are "charged" an amount equal to the straight-line depreciation of equipment acquired through this fund. These resources are used for the acquisition of equipment scheduled for replacement subject to annual inspection and evaluation.

Budgeted expenses for the purchase and disposition of vehicles and computer equipment amount to \$624,305. Like operational capital spending in 2008-2009, \$163,000 in vehicle acquisitions were deferred. The revised replacement schedule for these assets for the 2009-2010 Budget year include: two (2) police SUV's, five (5) pickups, one one-ton pickup with dump body, a dump

truck and two (2) ¾-ton pickups.

REVENUES

Funding of the 2009-2010 Budget is by means of current revenues, which are projected using existing rates and trends with the notable changes:

- Current property tax revenues (General Fund) increase \$514,730, or 5.44%, over the 2008-2009 Budget, the result of a 5.40% increase in the taxable value of property in the Town. The tax rate does not change from its current level of \$0.22/\$100 valuation.
- A 10.9% increase in the volume rate for the sale of water, generating an additional \$728,400 (17.7%) to offset the increase in the cost of purchasing treated water for resale, as noted previously.
- A decrease of \$255,750 in sales tax revenues due to the economic downturn.
- A decrease in building permit revenues of \$100,000 for “normal” building activity. This decrease was offset by the projected receipt of \$300,000 for the building permit fee on the new Dallas Country Club clubhouse resulting in a net increase of \$200,000 over 2008-2009.

DISBURSEMENTS

This budget, with proposed expenditures, expenses and transfers totaling \$27,321,725, is \$2,268,445 greater than the 2008-2009 Budget.

| FUND | Budget 2008-2009 | Budget 2009-2010 | Dollar Variance | Percentage Variance |
|-----------------------|---------------------|---------------------|--------------------|------------------------|
| General | \$16,063,920 | \$16,704,460 | \$640,540 | 3.99% |
| Utility | 8,595,300 | 9,223,165 | 627,865 | 7.30 |
| Capital Project | 0 | 602,000 | 602,000 | - |
| Equipment Replacement | 309,400 | 630,705 | 321,305 | 103.85 |
| Storm Water Drainage | 47,560 | 98,875 | 51,315 | 107.90 |
| Court Technology | 22,600 | 42,520 | 19,920 | 86.95 |
| Court Security | <u>14,500</u> | <u>20,000</u> | <u>5,500</u> | 37.93 |
| TOTAL | \$25,053,280 | \$27,321,725 | \$2,268,445 | 9.05% |

General Fund

Budgeted expenditures for the General Fund reflect an increase of \$640,540, or 3.99%, due to the increases in O&M previously discussed (\$332,590) and the increase in operational capital for the 2008-2009 deferred expenditures (\$306,700).

Utility Fund

Budgeted expenses for the Utility Fund reflect an increase of \$627,865, or 7.30%, due primarily to the increase in the cost of water purchases (\$722,415).

REVENUES

General Fund

General Fund revenues totaling \$16,377,760 are largely provided through ad valorem property taxes of \$9,973,110, or 60.9%, of total General Fund revenues.

| REVENUE TYPE | 2007-2008 Actual | 2008-2009 Budget | 2009-2010 Budget |
|---------------------|---------------------|---------------------|---------------------|
| Property Taxes | 57.7% | 59.4% | 60.9% |
| Sales & Other Taxes | 15.0 | 15.1 | 13.3 |
| Franchise Fees | 6.0 | 6.0 | 6.0 |
| Licenses & Permits | 5.9 | 4.8 | 5.9 |
| Charges for Service | 8.5 | 8.6 | 8.9 |
| Fines & Forfeitures | 2.8 | 2.6 | 2.4 |
| Miscellaneous | <u>4.0</u> | <u>3.5</u> | <u>2.6</u> |
| | 100.0% | 100.0% | 100.0% |

Utility Fund

Utility Fund revenues are predominantly generated through the sale of water, sanitary sewer and sanitation services. Budgeted revenue levels for water and sewer sales are based on an annual volume of 1,200,000,000 gallons of water purchased and a resale percentage of 93%. The increased utility service rate structure is sufficient to achieve recovery on the cost of service on a cash flow basis and encourage conservation in total water usage throughout the Town.

| REVENUE TYPE | 2007-2008 Actual | 2008-2009 Budget | 2009-2010 Budget |
|------------------------------------|---------------------|---------------------|---------------------|
| Water Sales | 47.3% | 48.3% | 53.2% |
| Sewer Service | 32.1 | 34.1 | 31.0 |
| Solid Waste Collection/Disposal | 14.1 | 14.3 | 13.3 |
| Miscellaneous | <u>6.5</u> | <u>3.3</u> | <u>2.5</u> |
| | 100.0% | 100.0% | 100.0% |

FUND BALANCES

In September, 2006 the Council formally revised the minimum fund balance levels at 22% of current year non-capital expenditures for the General Fund and 25% for the Utility Fund. The projected balances at September 30, 2010 for the General Fund and Utility Fund are equal to 29.7% and 67.1%, respectively.

Finally, we wish to thank the staff and the members of the Town Council for their assistance in the preparation of this document.



Bill Lindley
Town Administrator



Bill Pollock
Director of Fiscal & Human Resources

BUDGET CALENDAR

| | |
|--------------------|--|
| March – 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 expected in May Health insurance bid results July |
| 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 11 | Public Hearing for Citizen Input on 2009-2010 Budget Needs Review of Estimate of Values Report (Property Tax) |
| May 15 | Submission of Operational Capital Requests Submission of Program Requests |
| June 5 | Submission of Departmental Line-item Operations & Maintenance Budget Requests |
| July 2..... | Proposed 2009-2010 Budget distributed to Town Council |
| July 13..... | Town Council budget work session |
| July 24..... | Receive Certified Tax Roll from Dallas Central Appraisal District |
| July 30..... | Publication of Effective Tax Rate |
| August 10..... | Town Council discussion of proposed tax rate. Take record vote and set two Public Hearings on proposed tax rate as required by Texas Property Tax Code. Town Council budget work session. |
| August 24..... | Town Council conducts first Public Hearing on tax rate |
| August 31 | Budget Submitted to Town Secretary |
| September 1 | Town Council conducts second Public Hearing on tax rate |
| September 14 | Town Council conducts Public Hearing and considers for approval: <ul style="list-style-type: none"> • Adoption of 2009-2010 Budget • Adoption of Tax Roll • Adoption of Tax Rate • Adoption of Water Service Rates |



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Town of Highland Park

Texas

For the Fiscal Year Beginning

October 1, 2008

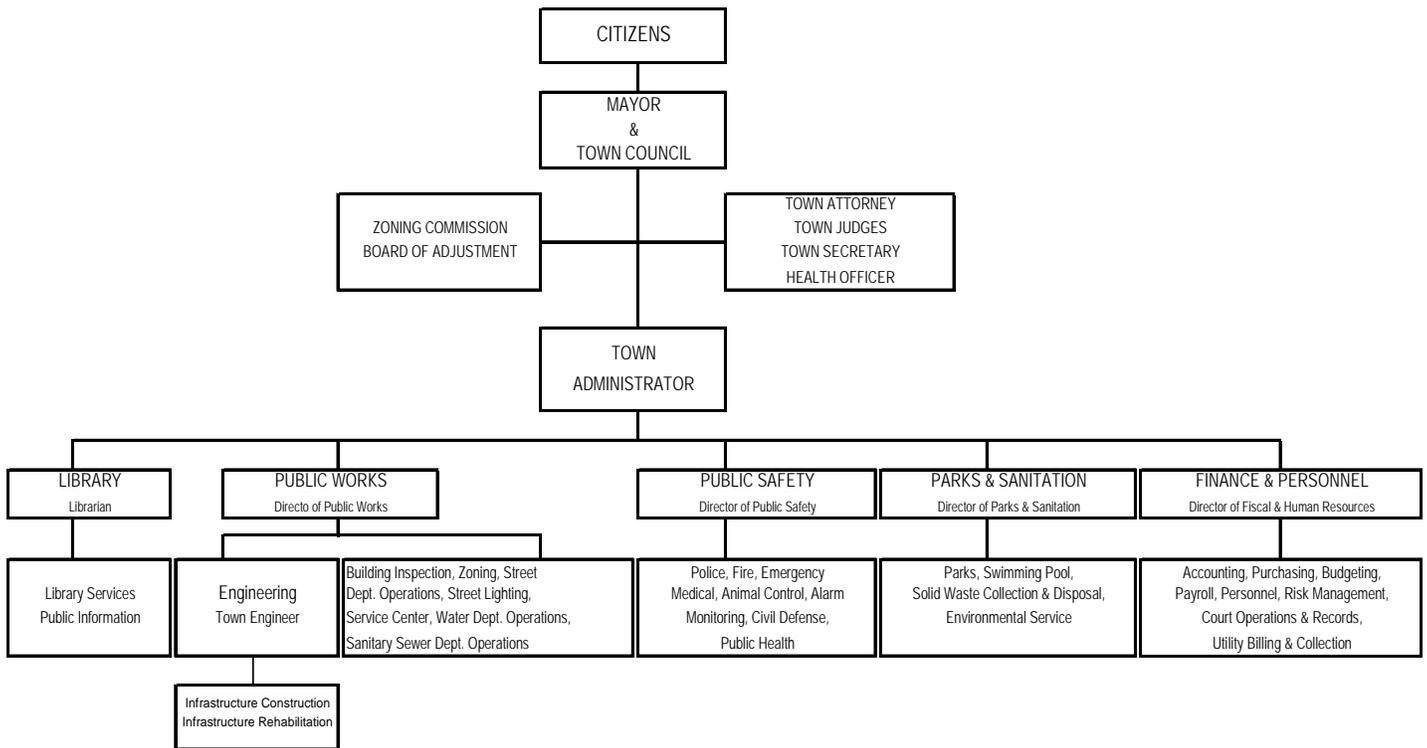
President

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, 2008. 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</u> |
|----------------------------|---|--|
| Library | Librarian | Library |
| Public Works & Engineering | Director of Public Works/ Town Secretary | Street Street Lighting Building Inspection Service Center Water Sanitary Sewer Engineering |
| Public Safety | Engineer | Public Safety |
| Finance & Personnel | Director of Public Safety | Public Safety |
| | Director of Fiscal & Human Resources | Finance Municipal Court Administrative – Utility Fund |
| Parks & Sanitation | Director of Parks & Sanitation | Parks Swimming Pool Sanitation |

CHARTER OF THE TOWN OF HIGHLAND PARK, TEXAS

9.05 Annual Budget

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

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

C. Failure to Adopt: If the Council fails to adopt the budget by the 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 therefrom 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 APRIL, 2006**

III. OPERATING BUDGET

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

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

The budget shall include four (4) basic segments for review and evaluation. These segments are: 1) personnel costs, 2) operations and maintenance costs, 3) capital and (non-capital) project maintenance costs, and 4) revenues. Other project costs include any project that is defined as maintenance in nature but bears a distinguishable impact on the Town's work program for that year. Many of these projects address identified maintenance needs to the Town's infrastructure.

The budget review process shall include Council participation in the development of each of the four (4) segments of the proposed budget and a called Public Hearing to allow for citizen participation in the budget preparation.

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

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

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

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

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

IV. REVENUE MANAGEMENT

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

The criteria shall always be that the benefits of a revenue collected exceed the cost of producing that revenue.
- B. CERTAINTY** - An understanding of the revenue source increases the reliability of the Town's revenue system. The Director shall make every effort to determine its revenue sources and enact consistent collection policies in order that the revenues will occur to support the budget.
- C. EQUITY** - The Town shall make every effort to maintain equity in its revenue system structure; i.e., the Town shall endeavor, wherever possible, to minimize or eliminate all forms of subsidization between entities, funds, services, utilities and the Town's customers.
- D. REVENUE ADEQUACY** - The Town shall require that there be a balance in the its revenue system; i.e., the revenue base shall be fair as it applies to cost of service and ability to pay.
- E. DIVERSIFICATION AND STABILITY** - Wherever possible, the Town shall make every effort to maintain a diversified revenue system which provides a stable source of income to the Town which will protect it against fluctuations in the economy and variations in weather (related to the sale of treated water and sanitary sewer services).
- F. NON-RECURRING REVENUES** - It is desirable that non-recurring revenues not be used to finance the Town's current operations. Non-recurring Town revenues should be used only for one-time Town expenditures such as long-lived capital needs and not for budget balancing purposes.

- G. PROPERTY TAX REVENUES** - All real and business personal property located within the Town shall be valued at 100% of the fair market value for any given year based on the current appraisal supplied to the Town by the Dallas Central Appraisal District. A 99% collection rate shall serve each year as a goal for tax collections. The Town Council shall determine whether the Town collects its levied property taxes or contract with another governmental agency for same. The Town Council shall further decide upon a property tax attorney or firm for the collection of delinquent property taxes in accordance with the Texas Property Tax Code, as amended.
- H. USER-BASED FEE** - As a part of the Town's budget process, the Council shall review and adopt, where possible, service fees sufficient to offset the cost of services rendered by the Town. User charges shall be classified by the Council as "Full Cost Recovery" and "Partial Cost Recovery".
- I. UTILITY RATES** - As a part of the Town's budget process, the Council shall review and adopt utility service rates annually that, where possible, will generate revenues to fully cover the Town's operating expenses and to provide the Town with an adequate level of working capital.

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

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

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

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

J. INTEREST INCOME - The Director shall ensure, at all times, that the interest earned from the investment of Town money shall be distributed to the appropriate fund in accordance to the equity balance of the particular fund from which the money was provided for investment.

K. REVENUE MONITORING - All revenues actually received by the Town shall be regularly compared to budgeted revenues by the Director and where variances exist, these shall be audited by the Director. The results of such audits shall be summarized by the Director in the monthly financial report provided to the Council.

V. EXPENDITURE/EXPENSE CONTROL

A. APPROPRIATIONS - The Town's budget shall be a line-item budget. Overall budgetary control shall be the responsibility of the Administrator with each respective Department Director being responsible for the administration of his or her departmental budget.

B. AMENDMENTS TO THE BUDGET - In accordance with Town Charter, all budget amendments shall be approved by the Council.

C. CENTRAL CONTROL - No recognized salary or capital budgetary savings in any Department shall be spent by the Department Director without the prior authorization of the Administrator.

VII. FINANCIAL CONDITION AND RESERVES

A. NO OPERATING DEFICITS - It is desirable that the Town's current expenditures/expenses be paid with current revenues of the Town. Deferrals, short- term loans or use of one-time sources should be avoided as budget balancing techniques. The Town's cash reserves should be used only for emergencies or for the payment of non-recurring expenditures as approved by the

Council, except when balances can be reduced due to their levels exceeding guideline minimums as stated in Section VII, Paragraph B., hereof.

B. OPERATING RESERVES -

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

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

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

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

IX. DEBT MANAGEMENT

- A. LONG-TERM DEBT** - Long-term debt shall not be used for operating purposes and the life of any Town issued debt shall not exceed the useful life of the asset or project financed with same.
- B. FINANCING ALTERNATIVES** - The Director shall be responsible for the evaluation, from time to time, of all financing alternatives permitted by State law in addition to long-term debt including leasing, current revenues and available reserves.

ORDINANCE NO. 1803

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2009 AND ENDING SEPTEMBER 30, 2010, 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 \$27,321,725.00, and covering the expenditures and interfund transfers of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2009, and ending September 30, 2010, 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, 2009, and more than thirty (30) days prior to the end of the fiscal year 2008-2009, 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, 2009, 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 3, 2009, was duly advertised by the Town Secretary, in accordance with Section 102.006 of the Local Government Code, Texas Codes Annotated;

That, the official budget, including amendments, was approved by the Town Council of the Town of Highland Park, Texas, on September 14, 2009, 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 14th day of September, 2009.

APPROVED AS TO FORM

APPROVED

Albert D. Hammack
Town Attorney

William H. Seay, Jr.
Mayor

ATTEST

James Fisher
Town Secretary

ORDINANCE NO. 1804

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2009 ON ALL PROPERTY SITUATED IN THE TOWN OF HIGHLAND PARK, TEXAS.

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

That for the tax year 2009, 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 2009, 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 2009-2010;

That said tax shall be due and payable October 1, 2009;

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

THE TAX RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY (\$0.00);

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2009 levy.

PASSED AND APPROVED by the Town Council of the Town of Highland Park, Texas, on this 14th day of September 2009.

APPROVED AS TO FORM:

APPROVED:

Albert D. Hammack
Town Attorney

William H. Seay, Jr.
Mayor

ATTEST:

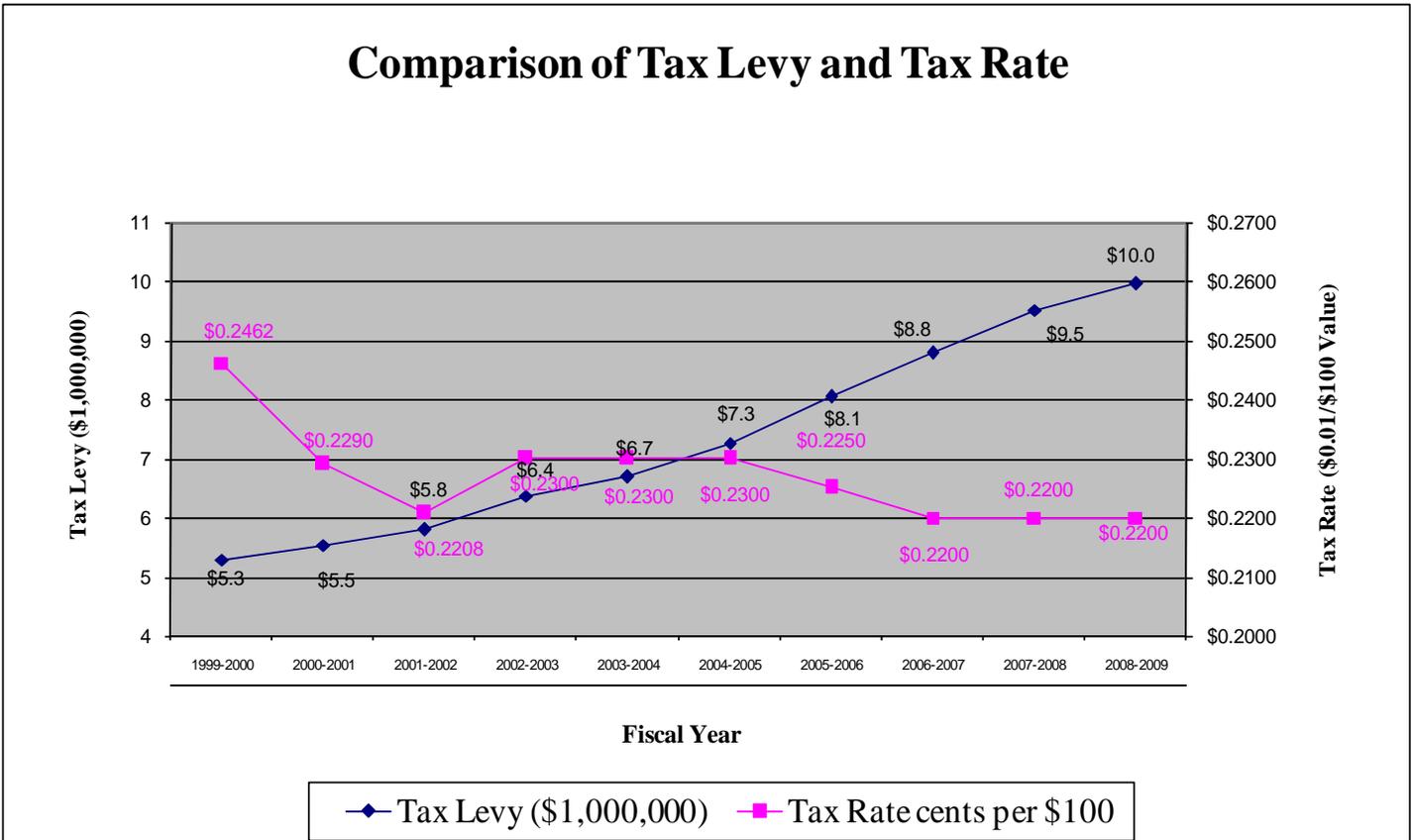
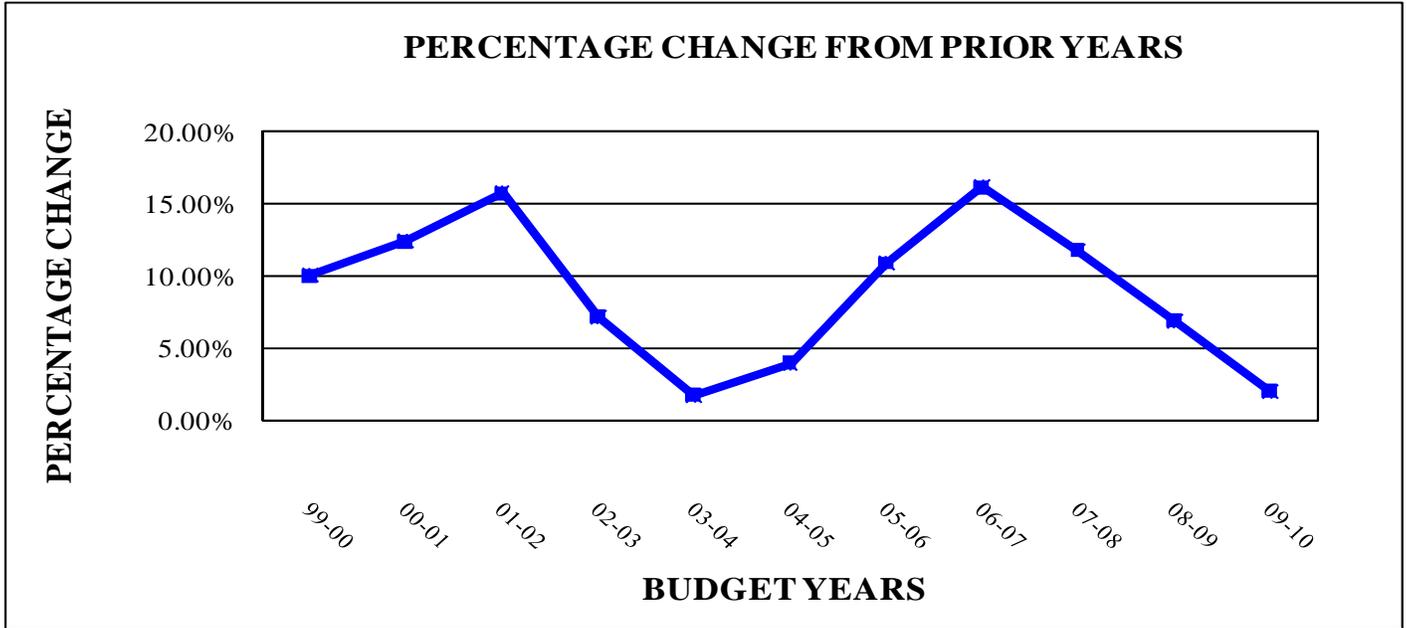
James Fisher
Town Secretary



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

| | ACTUAL 2007-2008 | BUDGET 2008-2009 | PROJECTED 2008-2009 | BUDGET 2009-2010 |
|----------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| BEGINNING FUND BALANCES | \$ 12,327,110 | \$ 15,506,591 | \$ 15,506,591 | \$ 18,385,011 |
| REVENUES: | | | | |
| Property Taxes | \$ 8,810,756 | \$ 9,551,090 | \$ 9,461,480 | \$ 9,973,110 |
| Water Sales | 4,010,940 | 4,157,500 | 4,320,130 | 4,912,500 |
| Sewer Charges | 2,405,417 | 2,933,250 | 2,875,000 | 2,864,160 |
| Sales Taxes | 2,404,371 | 2,325,000 | 2,210,000 | 2,069,250 |
| Sanitation/Recycling Charges | 1,166,990 | 1,234,990 | 1,223,690 | 1,223,690 |
| Franchise Fees | 978,380 | 963,000 | 1,028,450 | 980,000 |
| Building Inspection Fees/Permits | 830,270 | 760,500 | 650,800 | 939,800 |
| Municipal Court Fines/Fees | 728,147 | 750,000 | 692,380 | 738,500 |
| Interest Earnings | 1,031,624 | 574,000 | 496,030 | 366,700 |
| All Other | 5,619,577 | 2,350,030 | 3,481,660 | 2,591,625 |
| TOTAL REVENUES | \$ 27,986,472 | \$ 25,599,360 | \$ 26,439,620 | \$ 26,659,335 |
| EXPENDITURES: | | | | |
| Personnel Services: | | | | |
| Payroll | \$ 9,671,899 | \$ 10,089,860 | \$ 9,839,430 | \$ 10,522,165 |
| Employee Benefits | 3,402,958 | 3,965,245 | 3,644,770 | 3,621,515 |
| Total Personnel | \$ 13,074,857 | \$ 14,055,105 | \$ 13,484,200 | \$ 14,143,680 |
| Supplies & Equipment | \$ 2,550,896 | \$ 2,562,930 | \$ 2,426,410 | \$ 3,247,745 |
| Services & Charges | 4,907,384 | 5,279,100 | 5,241,005 | 5,643,525 |
| Capital Outlay | 4,273,854 | 2,472,300 | 2,409,585 | 3,616,775 |
| TOTAL EXPENDITURES | \$ 24,806,991 | \$ 24,369,435 | \$ 23,561,200 | \$ 26,651,725 |
| ENDING FUND BALANCE | \$ 15,506,591 | \$ 16,736,516 | \$ 18,385,011 | \$ 18,392,621 |

ASSESSED PROPERTY VALUES INCREASED/DECREASE BY BUDGET YEAR



**2009 TAX RATE FOR HIGHLAND PARK
COMPARED TO TAX RATES FOR OTHER AREA CITIES
(PER \$100)**

| | |
|----------------------------|----------------|
| Dallas | \$0.74790 |
| Garland..... | 0.70460 |
| Carrollton | 0.617875 |
| Mesquite..... | 0.64000 |
| Richardson | 0.57516 |
| Irving..... | 0.54060 |
| Farmers Branch..... | 0.51950 |
| Addison..... | 0.49600 |
| University Park | 0.26548 |
| Highland Park | 0.22000 |

AD VALOREM TAX ANALYSIS

2009 TAX ROLL

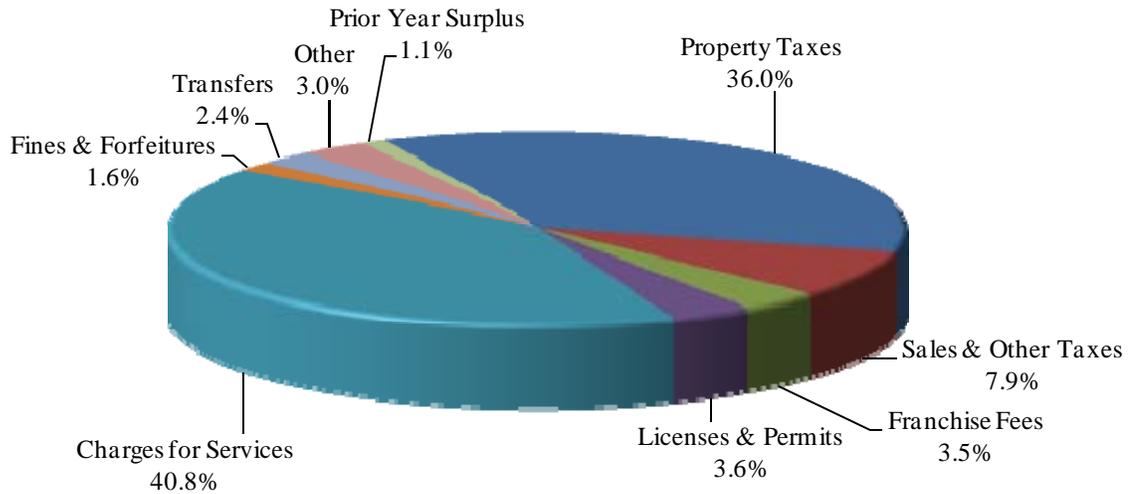
| | |
|--|--------------------|
| Assessed Valuation (100%) | \$5,735,295,810 |
| Taxable Valuation* | \$4,576,727,449 |
| Rate Per \$100 | \$0.2200 |
| Total Tax Levy | \$10,068,800 |
| Percent of Collection | 99.0 |
| Estimated Current Tax Collections | \$9,968,110 |

*Certified Appraisal Roll Plus Disputed Values

**SUMMARY OF PROJECTED
2008 TAX COLLECTIONS**

| | |
|-------------------------------|---------------------|
| Current Taxes | \$ 9,968,110 |
| Delinquent Taxes | <u>5,000</u> |
| Total Tax Collections | \$ 9,973,110 |
| Penalty & Interest on Taxes | 60,000 |
| Total Tax Related Collections | \$ 10,033,110 |

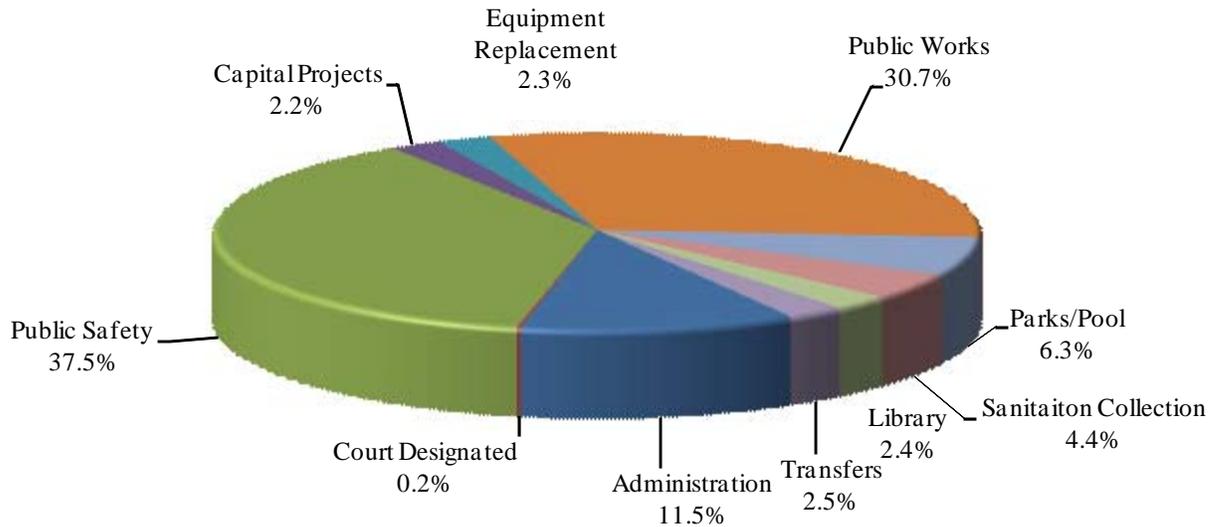
PROJECTED RESOURCES 2009-2010



ALL FUNDS

| | |
|-----------------------|---------------------|
| Property Taxes | \$9,973,110 |
| Sales and Other Taxes | 2,174,250 |
| Franchise Fees | 980,000 |
| Licenses and Permits | 1,000,750 |
| Charges for Services | 11,307,025 |
| Fines and Forfeitures | 446,200 |
| Transfers | 670,000 |
| Other | 778,000 |
| Prior Year Surplus | 306,700 |
| Total | \$27,636,035 |

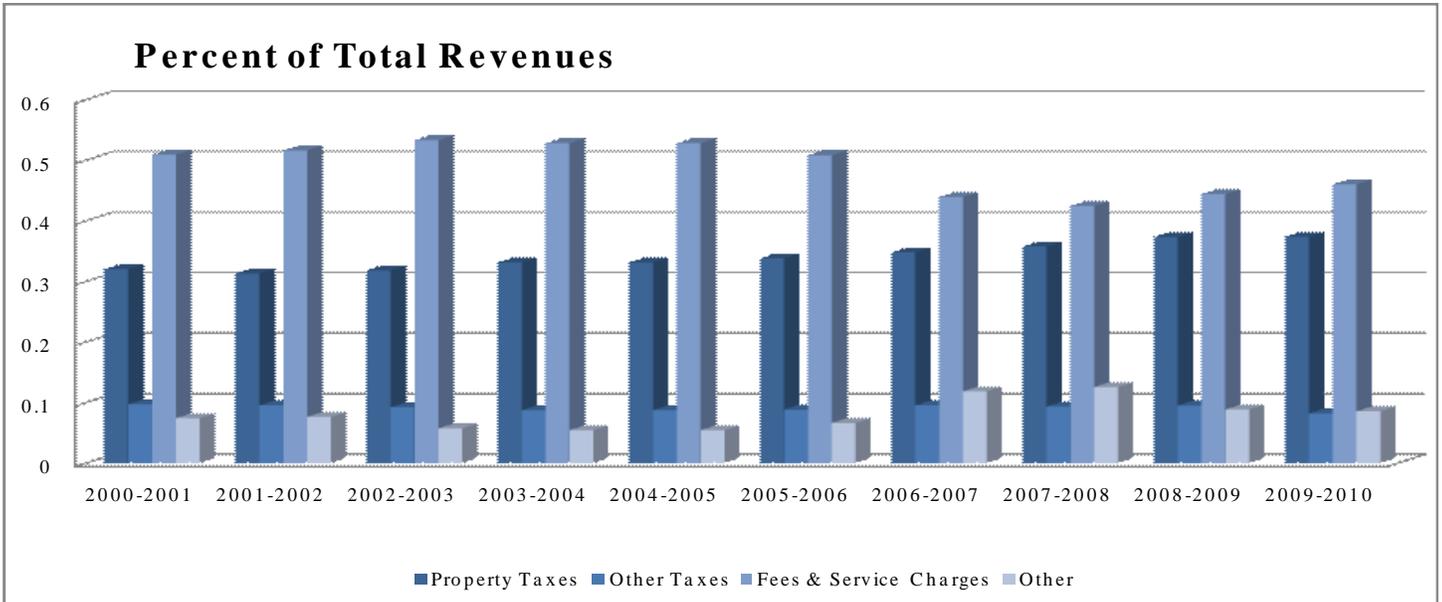
BUDGETED DISBURSEMENTS 2009-2010



BY FUNCTION

| | |
|------------------------|---------------------|
| Administration | \$3,147,805 |
| Public Safety | 10,256,405 |
| Public Works | 8,398,900 |
| Parks/Pool | 1,717,090 |
| Sanitation Collection | 1,191,260 |
| Equipment Replacement | 630,705 |
| Library | 665,090 |
| Capital Projects | 602,000 |
| Designated Court Funds | 42,520 |
| Transfers | 670,000 |
| Total | \$27,321,705 |

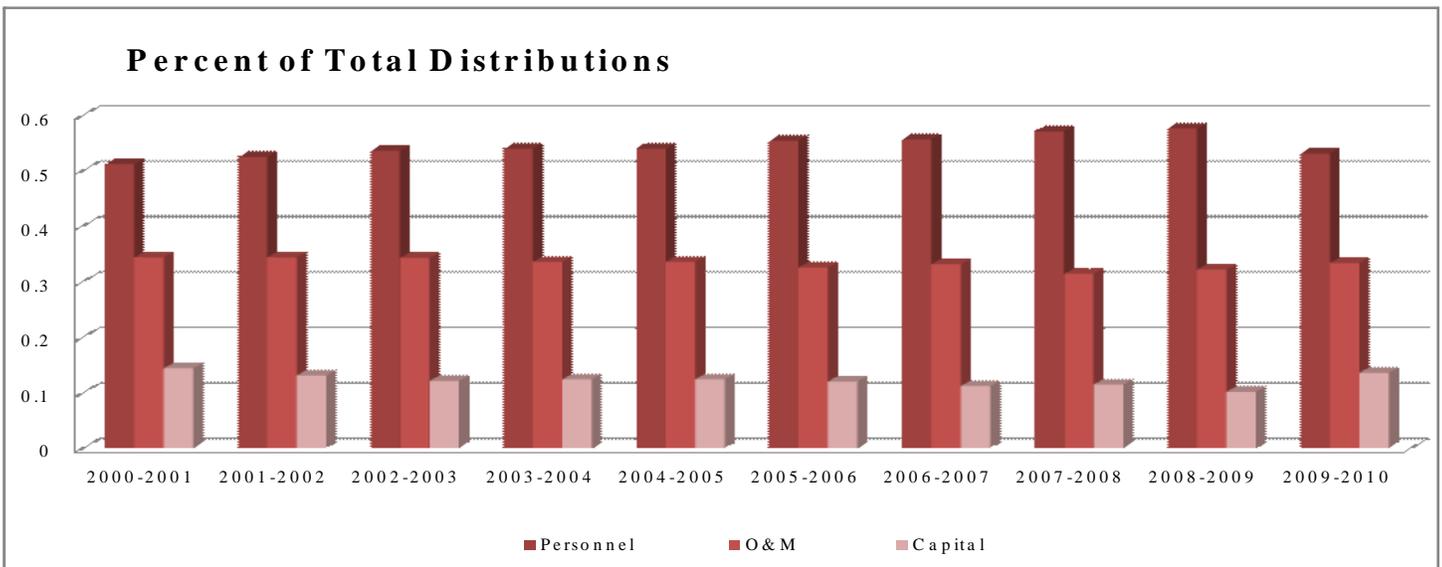
REVENUES BY TYPE



COMPARISON FOR ALL FUNDS

As indicated above, the Town’s operations are funded primarily through property taxes, service charges and fees. The growth in the both recognized and projected property tax dollars is supported by the Town’s healthy property values and its favorable tax rate (see page 15). Charges for services are generally driven by utility service rates and reflect the growth of this revenue source to address significant infrastructure replacement/repairs. Amounts categorized as “other receipts” include fines and forfeitures and miscellaneous revenues. Additional detail on revenue history/trends is presented on page 103.

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



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 102.

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

| | 2007 - 2008 | | 2008 - 2009 | | 2009 - 2010 | |
|---|-------------|-----------|-------------|-----------|-------------|-----------|
| | Full Time | Part Time | Full Time | Part Time | Full Time | Part Time |
| GENERAL FUND | | | | | | |
| Administration | 2.0 | 0.2 | 2.0 | 0.2 | 2.0 | 0.2 |
| Public Safety | 69.0 | 2.5 | 69.0 | 2.5 | 69.0 | 2.5 |
| Street | 3.3 | - | 3.3 | - | 3.3 | - |
| Street Lighting | 1.7 | - | 1.7 | - | 1.7 | - |
| Library | 3.0 | 2.4 | 3.0 | 2.4 | 3.0 | 2.4 |
| Park | 9.5 | - | 9.5 | - | 9.5 | - |
| Swimming Pool | - | 2.8 | - | 2.8 | - | 2.8 |
| Municipal Court | 2.0 | 0.2 | 2.0 | 0.2 | 2.0 | 0.7 |
| Finance | 5.0 | - | 5.0 | - | 5.0 | - |
| Building Inspection | 3.0 | - | 3.0 | - | 3.0 | - |
| Service Center | 0.3 | - | 0.3 | - | 0.3 | - |
| SUBTOTAL FUND | 98.8 | 8.1 | 98.8 | 8.1 | 98.8 | 8.6 |
| UTILITY FUND | | | | | | |
| Administration | 6.0 | 0.2 | 6.0 | 0.2 | 6.0 | 0.2 |
| Water | 4.4 | - | 4.4 | - | 4.4 | - |
| Sewer | 2.3 | - | 2.3 | - | 2.3 | - |
| Sanitation | 0.5 | - | 0.5 | - | 0.5 | - |
| Engineering | 4.5 | - | 4.5 | - | 4.5 | - |
| SUBTOTAL FUND | 16.5 | 0.2 | 17.7 | 0.2 | 17.7 | 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 | 8.3 | 117.0 | 8.3 | 117.0 | 8.8 |

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



GENERAL FUND

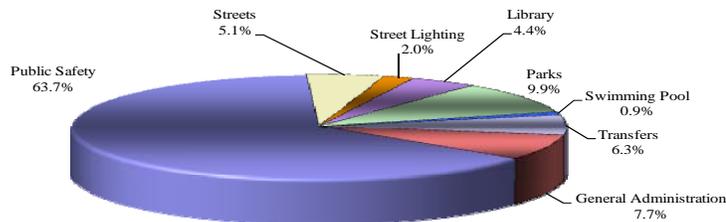
The General Fund is the financial structure used for the accounting of receipt of resources (revenues) and uses of resources (expenditures) for what are generally recognized as governmental services and/or functions. These governmental services and/or functions include Public Safety (Police, Fire and Emergency Medical Services), Public Works (Street, Street Lighting and Service Center), Parks and Swimming Pool, Library and General Governmental (Administrative Services, Finance, Municipal Court and Building Inspection). 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 comprise the majority of the resources for the General Fund. For this Budget, a projected \$9,973,110, or 60.9% of General Fund revenues come from property taxes. This compares to 59.4% and 57.7% for each of the previous two (2) fiscal year budgets, respectively. This concentration of revenues from property taxes is consistent with the fact that over 90% of the Town's property values are in residential properties. Additionally, the Town's long-term stability in residential property values is reflected by an increase in values of over 132% over the last ten (10) years.

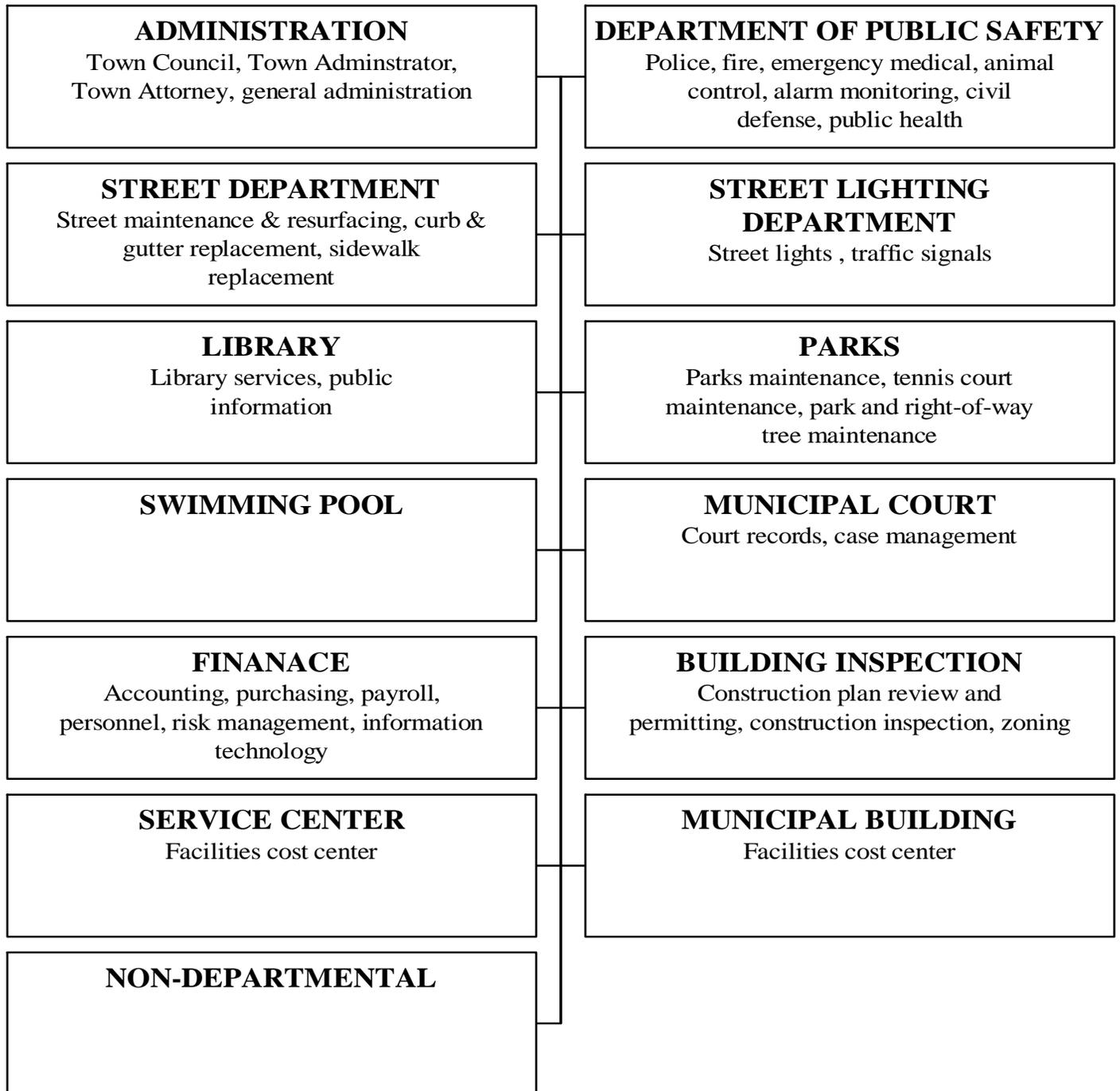
The following graph shows the ratio distribution of total property tax dollars toward general governmental functions after having applied function specific revenues toward the function budget and then having applied other general revenues proportionally.

Property Tax Dollar Distribution



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 12.6%, 14.5% and 14.3%, respectively, of total projected actual revenues for the General Fund.

There are no new programs or services funded in the General Fund Budget for 2009-2010.

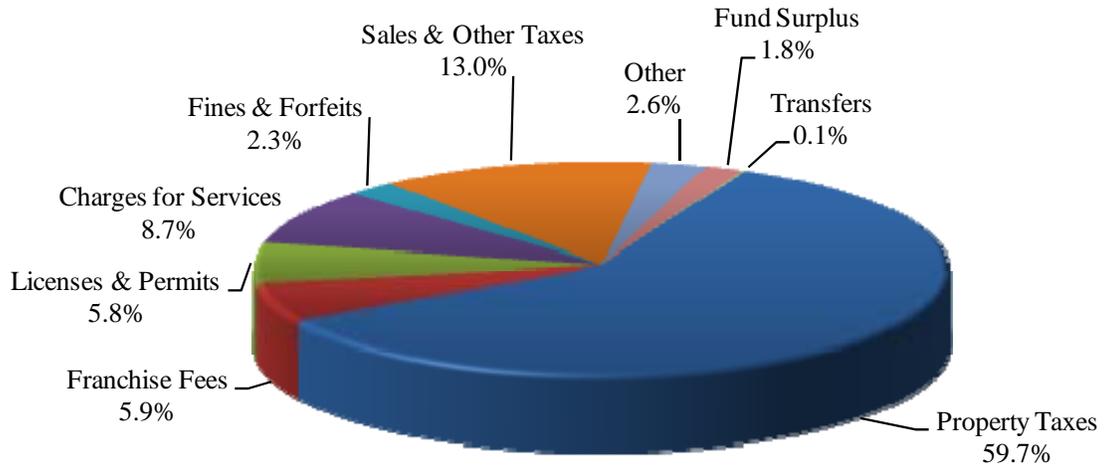


**GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES**

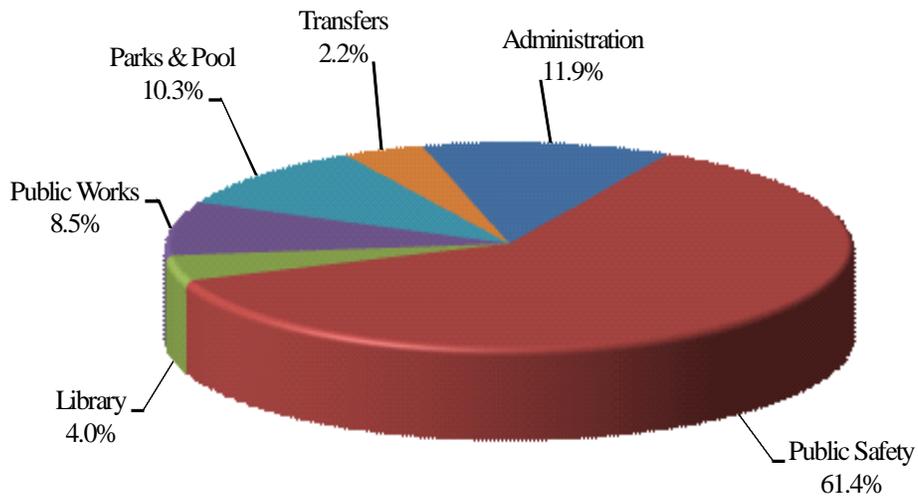
| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|---|----------------------|----------------------|------------------------|----------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Taxes | \$ 11,320,668 | \$ 11,979,090 | \$ 11,776,480 | \$ 12,147,360 |
| Franchise Fees | 978,380 | 963,000 | 1,028,450 | 980,000 |
| Licenses & Permits | 845,631 | 776,700 | 676,750 | 966,750 |
| Charges for Services | 1,386,815 | 1,377,430 | 1,430,050 | 1,458,150 |
| Fines & Forfeits | 387,991 | 409,700 | 351,200 | 391,200 |
| Miscellaneous | 642,790 | 558,000 | 524,785 | 434,300 |
| Total Revenues | \$ 15,562,275 | \$ 16,063,920 | \$ 15,787,715 | \$ 16,377,760 |
| Other Sources: | | | | |
| Transfers In | \$ - | \$ - | \$ - | \$ 20,000 |
| Prior Year's Surplus | 588,094 | - | 307,305 | 306,700 |
| Total Other Sources | \$ 588,094 | \$ - | \$ 307,305 | \$ 326,700 |
| Total Revenues/Sources | \$ 16,150,369 | \$ 16,063,920 | \$ 16,095,020 | \$ 16,704,460 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Personnel Services | | | | |
| Payroll | \$ 8,138,136 | \$ 8,489,680 | \$ 8,266,255 | \$ 8,892,950 |
| Employee Benefits | 2,884,913 | 3,335,555 | 3,067,030 | 3,059,680 |
| Total Personnel | \$ 11,023,049 | \$ 11,825,235 | \$ 11,333,285 | \$ 11,952,630 |
| Supplies & Equipment | 783,225 | 907,265 | 730,790 | 908,345 |
| Services & Charges | 2,432,774 | 2,579,365 | 2,495,250 | 2,934,765 |
| Cost Allocation - Utility Fund | (235,031) | (293,290) | (251,440) | (317,180) |
| Capital & Maintenance Projects | 410,691 | 361,500 | 175,775 | 575,900 |
| Total Expenditures | \$ 14,414,708 | \$ 15,380,075 | \$ 14,483,660 | \$ 16,054,460 |
| Other Uses: | | | | |
| Transfers Out - Budgeted | \$ 562,786 | \$ 683,845 | \$ 683,845 | \$ 650,000 |
| Transfers Out - Prior Year Surplus | 976,048 | - | 307,305 | - |
| Total Other Uses | \$ 1,538,834 | \$ 683,845 | \$ 991,150 | \$ 650,000 |
| Total Expenditures/Uses | \$ 15,953,542 | \$ 16,063,920 | \$ 15,474,810 | \$ 16,704,460 |
| Excess (Deficiency) of Revenues/Sources over Expenditures/Uses | \$ 584,781 | \$ - | \$ 620,210 | \$ - |
| Fund Balance | \$ 4,586,661 | \$ 4,586,661 | \$ 4,899,566 | \$ 4,592,866 |
| Fund Balance in Excess of Minimum | \$1,505,777 | \$1,282,575 | \$1,751,831 | \$1,187,583 |

GENERAL FUND

CURRENT REVENUES & SOURCES OF FUNDS



BUDGETED EXPENDITURES & USES OF FUNDS



**GENERAL FUND
STATEMENT OF REVENUES**

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|---|------------------|------------------|------------------|------------------|
| | Actual | Budget | Projected | Budget |
| Taxes | | | | |
| 3110 Ad Valorem Taxes | \$ 8,755,795 | \$ 9,516,090 | \$ 9,453,380 | \$ 9,968,110 |
| 3111 Delinquent Ad Valorem Taxes | 54,961 | 35,000 | 8,100 | 5,000 |
| 3113 City Sales Tax | 2,404,371 | 2,325,000 | 2,210,000 | 2,069,250 |
| 3114 Mixed Beverage Tax | 105,541 | 103,000 | 105,000 | 105,000 |
| <i>Subtotal</i> | \$ 11,320,668 | \$ 11,979,090 | \$ 11,776,480 | \$ 12,147,360 |
| Franchise Fees | | | | |
| 3261 Electric Utility Franchise Fees | \$ 524,913 | \$ 520,000 | \$ 520,000 | \$ 520,000 |
| 3262 Natural Gas Utility Franchise Fees | 220,082 | 210,000 | 268,450 | 220,000 |
| 3263 Telecom Franchise Fees | 120,158 | 120,000 | 117,000 | 117,000 |
| 3264 CATV Franchise Fees | 113,227 | 113,000 | 123,000 | 123,000 |
| <i>Subtotal</i> | \$ 978,380 | \$ 963,000 | \$ 1,028,450 | \$ 980,000 |
| Licenses & Permits | | | | |
| 3301 Beverage Licenses | \$ 7,760 | \$ 4,000 | \$ 4,500 | \$ 4,000 |
| 3302 Health Permits | 3,675 | 3,700 | 3,600 | 3,600 |
| 3303 Alarm Permits | 62,400 | 62,000 | 63,000 | 63,000 |
| 3306 Electrical Licenses | 12,230 | 13,000 | 12,000 | 11,000 |
| 3310 Building Permits | 716,791 | 650,000 | 560,000 | 850,000 |
| 3312 Electrical Permits | 34,596 | 35,000 | 24,000 | 24,000 |
| 3313 Excavation Permits | 705 | 1,000 | 800 | 800 |
| 3350 Carriage Licenses | 0 | 0 | 2,850 | 2,850 |
| 3370 Animal Licenses | 7,474 | 8,000 | 6,000 | 7,500 |
| <i>Subtotal</i> | \$ 845,631 | \$ 776,700 | \$ 676,750 | \$ 966,750 |
| Charges For Services | | | | |
| 3407 E911 Users' Fee | \$ 139,695 | \$ 132,000 | \$ 139,000 | \$ 139,000 |
| 3408 Alarm Monitoring Fees | 360,452 | 359,700 | 380,000 | 380,000 |
| 3425 Ambulance Fees | 127,486 | 110,000 | 125,000 | 125,000 |
| 3450 Street Rental Fee | 301,998 | 331,230 | 334,750 | 357,150 |
| 3470 Board Hearing Fee | 3,900 | 3,000 | 2,000 | 2,000 |
| 3471 Swimming Pool Daily Fees | 12,796 | 8,000 | 11,000 | 11,000 |
| 3472 Swimming Pool Annual Fees | 81,636 | 75,000 | 80,000 | 80,000 |
| 3473 Tennis Court Use Fees | 12,955 | 10,000 | 11,000 | 10,000 |
| 3474 Animal Pound Fees | 1,620 | 3,000 | 800 | 1,500 |
| 3476 Library Non-resident Fees | 6,866 | 7,500 | 8,500 | 8,500 |
| 3477 Court Administration Fees | 36,343 | 30,000 | 36,000 | 36,000 |
| 3478 Warrant Fees | 32,555 | 30,000 | 30,000 | 30,000 |
| 3479 Court Fees | 102,982 | 108,000 | 102,000 | 108,000 |
| 3480 Building Resgistration Fees | 22,715 | 20,000 | 20,000 | 20,000 |
| 3485 Special Expense Fee | 142,816 | 150,000 | 150,000 | 150,000 |
| <i>Subtotal</i> | \$ 1,386,815 | \$ 1,377,430 | \$ 1,430,050 | \$ 1,458,150 |

STATEMENT OF REVENUES

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|--|----------------------|----------------------|------------------------|----------------------|
| Fines & Forfeits | | | | |
| 3511 Municipal Court Fines | \$ 365,455 | \$ 385,000 | \$ 330,000 | \$ 370,000 |
| 3513 Library Fines | 6,562 | 7,700 | 7,700 | 7,700 |
| 3515 Lost Book Charges | 1,224 | 1,000 | 1,000 | 1,000 |
| 3516 Invalid Alarm Fines | 14,750 | 16,000 | 12,500 | 12,500 |
| <i>Subtotal</i> | \$ 387,991 | \$ 409,700 | \$ 351,200 | \$ 391,200 |
| Miscellaneous | | | | |
| 3610 Interest | \$ 292,813 | \$ 250,000 | \$ 130,800 | \$ 120,800 |
| 3680 Penalty & Interest - Tax Collection | 66,184 | 45,000 | 58,500 | 60,000 |
| 3746 Sale of Assets | - | 2,500 | 2,500 | 2,500 |
| 3747 Sale of Impounded Property | 4,514 | 1,000 | 1,000 | 1,000 |
| 3820 Rental-Town Property | 152,000 | 154,500 | 154,500 | 154,500 |
| 3850 Library Donations | 34,368 | 25,000 | 22,000 | 20,000 |
| 3860 Contributions | 10,825 | 5,000 | 73,985 | 5,000 |
| 3880 Town Property Damage Refund | 19,133 | 25,000 | 17,000 | 20,000 |
| 3890 Miscellaneous | 55,727 | 50,000 | 60,000 | 46,000 |
| 3950 Intergovernmental Revenue | 7,226 | - | 4,500 | 4,500 |
| <i>Subtotal</i> | \$ 642,790 | \$ 558,000 | \$ 524,785 | \$ 434,300 |
| Total Revenues | \$ 15,562,275 | \$ 16,063,920 | \$ 15,787,715 | \$ 16,377,760 |

SUMMARY OF REVENUE ESTIMATES

- **Property Taxes**

Projected collections of levied Ad Valorem Property Taxes:

| | |
|------------------------|-------------|
| Current Levy | \$9,968,110 |
| Delinquent Taxes | 5,000 |

Overall, taxable property values increased \$233,767,049, or 5.4%. The dollar increase was the result of the addition of \$125,140,000 in new construction and \$155,988,865 in prior year appraisal increases previously excluded from taxation (capped loss) under the Texas Property Tax Code. Excluding the impact of new construction and capped loss recovery, the value of taxable property for 2009 was \$47,361,816, or 1.1% lower than 2008 values, a reflection of the economic challenges experienced across the region, state and nation. The schedule on page 96 presents the changes in taxable values in the Town for the most recent ten (10) year period. The growth in value is especially significant in that the Town is land locked. The growth in value has provided increases in the annual tax levy while the annual tax rate has declined. In 1997, the Town's tax rate was \$0.297 per \$100 valuation. The retention of a tax rate of \$0.22/\$100 valuation will generate additional property tax revenues of \$514,730 over the adjusted tax levy for 2008. The graphics on page 14 reflect the changes in property values, the tax levy and tax rate.

- **Sales Tax/Other Taxes**

Even though the projected actual Sales Tax receipts for 2008-2009 reflect a 4.9% decline from the original budgeted projection, the trend throughout the year is more supportive of an 11% decrease in the projection for 2009-2010 of \$2,069,250. This decrease is the result of the decline in the local, state and national economies. 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 2009-2010 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 natural gas franchise fee of \$268,450 for 2008-2009 was \$58,450, or 27.8%, greater than originally projected and reflects the market increase in natural gas prices during that period. The market decline in price of natural gas is the basis for a modest increase (\$10,000) in projected revenues for 2009-2010.

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 \$10,000 for 2009-2010.

- **Licenses & Permits**

As noted previously, residential building activity in the Town is projected to decline 15% to \$55,000,000, which will generate \$550,000 in revenues. However, the building of a new clubhouse and parking facility by the Dallas Country Club is expected to boost this revenue stream by \$300,000. 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**

These revenue sources are projected based upon the projected sale of utility services and projected service volumes. Street rental fees of \$357,150 equal 4% of gross water, sanitary sewer, sanitation and recycling charges reported in the Utility Fund. Municipal Court related fees (Administration Fees-\$36,000, Warrant Fees-\$30,000, Court Fees-\$108,000 and Special Expense Fees-\$150,000) are based upon anticipated volume and disposition rates.

- **Fines & Forfeits**

Municipal Court fines (\$370,000) are estimated based on estimated citation volumes and average collection amounts per disposed case. For 2009-2010, this estimate is based on 11,000 cases being adjudicated with an average fine per adjudicated case calculated at \$33.63. This average amount is projected to be \$28.69 for 2008-2009. The addition of the part-time position of Town Marshall/Warrant Officer is expected to generate this increase in the amount of average fines collected.

- **Miscellaneous**

Projected interest earnings (\$120,800) are based on an average monthly investable balance of \$9,644,000 and an interest rate of 1.25%. The rental of Town property (cell phone antennae sites and street rental) is projected at \$154,500 and is based on existing contracts.





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 2008-2009

- Prepared, published and posted meeting agendas in accordance with state requirements.
- Provided timely, complete and accurate minutes of all public meetings.
- Responded timely to citizen requests for information.

- Automated Service Requests – data base maintained on a current basis.
- Applications for animal licenses and tennis court and swimming pool use permits processed timely.
- Completed the process of duplicating permanent records into an electronic document imaging format.

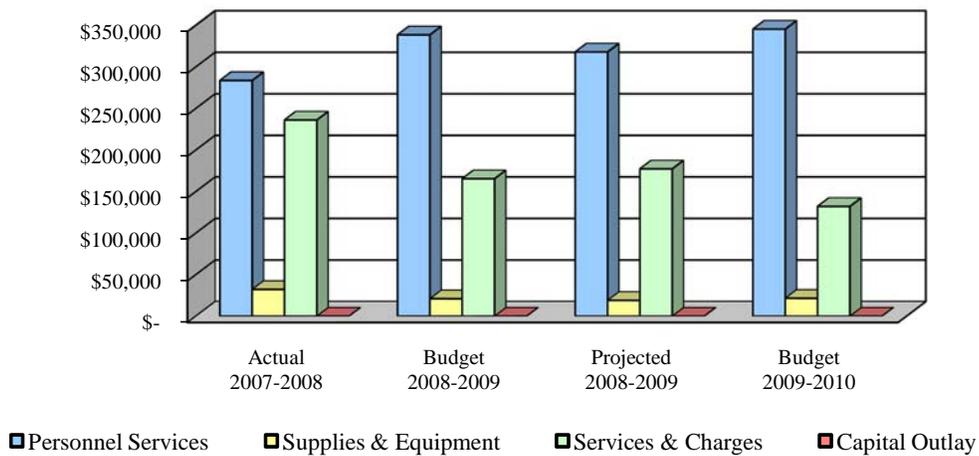
OBJECTIVES FOR FISCAL YEAR 2009-2010

- 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.

| Classification | EMPLOYEE CLASSIFICATION & PAY GRADE | | | |
|----------------------------------|-------------------------------------|---------------------|---------------------|---------------------|
| | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
| Town Administrator | - | 0.5 | 0.5 | 0.5 |
| Director of Public Works | E-3 | 0.2 | 0.2 | 0.2 |
| Administrative Secretary | 5 | 0.5 | 0.8 | 0.8 |
| Secretary II | 3 | 0.5 | 0.5 | 0.5 |
| Attorney (Part Time) | - | 0.2 | 0.2 | 0.2 |
| Total Allocable Employees | | 2.2 | 2.2 | 2.2 |

EXPENDITURE SUMMARY

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|-------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Personnel Services | \$ 283,657 | \$ 338,585 | \$ 317,980 | \$345,415 |
| Supplies & Equipment | 32,229 | 21,000 | 18,995 | 21,570 |
| Services & Charges | 236,098 | 165,395 | 177,230 | 132,075 |
| Capital Outlay | - | - | - | - |
| Total Department | \$ 551,984 | \$ 524,980 | \$ 514,205 | \$499,060 |



| ACTIVITY MEASURES | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|----------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Automated Service Requests (ASR) | 6,440 | 9,000 | 6,900 | 7,000 |
| Permits/Licenses | | | | |
| Issued | 2,637 | 2,800 | 2,600 | 2,700 |
| Revenues Generated | \$102,065 | \$93,000 | \$97,000 | \$97,500 |
| ASR's Processed Data Accuracy % | 98.6 | 98.0 | 98.4 | 98.0 |
| Switchboard Phone Calls Answered | 15,378 | 16,000 | 16,000 | 16,000 |



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 2008-2009

- Responded to all Police, Fire and Emergency Medical calls for service in a timely manner.
- Improved response times for police, fire and EMS calls through changes in call dispatch protocol.
- Purchased five (5) SUV's, three (3) for patrol and two (2) hybrid vehicles for Administration. These vehicles were funded through the Equipment Replacement Fund and were scheduled for replacement in 2008-2009.
- Purchased assorted pieces of equipment as needed from the Department's operational capital appropriation including two (2) vehicle computer mounts (\$2,053); ten (10) replacement portable radios (\$19,842); an additional computer (\$541) and paid \$6,500 to a partnering city for use of their gun range (through an interlocal agreement) .
- Deferred acquisition of \$67,900 in operating capital purchases approved in the 2008-2009 Budget.

OBJECTIVES FOR FISCAL YEAR 2009-2010

- 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 1,125 residential alarm systems and provide a dispatched response in one minute or less.

MAJOR BUDGET ITEMS

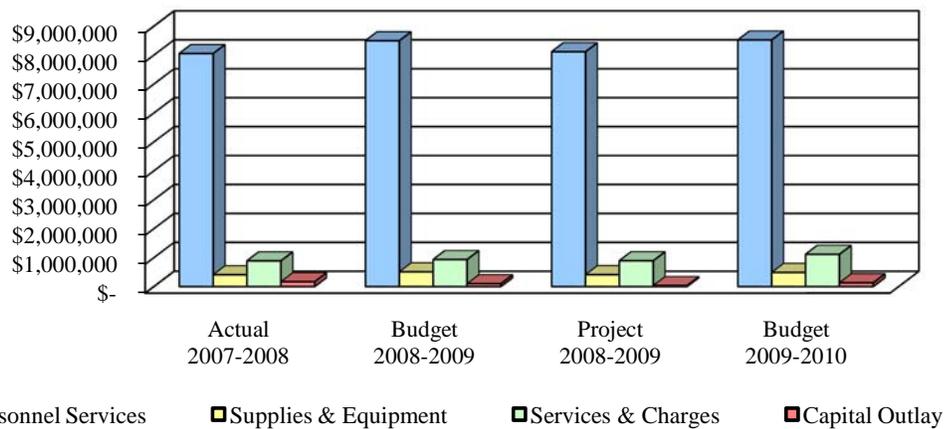
- Funding for existing levels of police, fire and emergency medical services.
- Purchase equipment and services identified as the Department's operational capital needs and detailed on page 104.
- Purchase of two (2) replacement hybrid SUV's for CID (funded through the Equipment Replacement Fund).

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 | 2008-2009 | 2009-2010 |
|-----------------------------|-------|-------------|-------------|-------------|
| | | Budget | Budget | Budget |
| Director | E-4 | 1.5 | 1.0 | 1.0 |
| Assistant Director | E-1 | 1.0 | 1.0 | 1.0 |
| Captain | G | 4.0 | 4.8 | 4.0 |
| Lieutenant | F | 4.0 | 4.0 | 4.0 |
| Sergeant | E | 4.0 | 4.0 | 4.0 |
| Investigator | D | 3.0 | 3.0 | 3.0 |
| Public Safety Officer | C | 37.0 | 37.0 | 37.0 |
| Communications Supervisor | 8 | 1.0 | 1.0 | 1.0 |
| Accreditation Manager | 6 | 1.0 | 1.0 | 1.0 |
| Support Services Supervisor | 6 | 1.0 | 1.0 | 1.0 |
| Communications Specialist | 4 | 9.0 | 9.0 | 9.0 |
| Secretary | 4 | 2.0 | 2.0 | 2.0 |
| Support Services Officer | 4 | 1.0 | 1.0 | 1.0 |
| Total Employees | | 69.5 | 69.0 | 69.0 |

EXPENDITURE SUMMARY

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|----------------------------|---------------------|----------------------|---------------------|----------------------|
| | Actual | Budget | Project | Budget |
| Personnel Services | \$ 8,055,134 | \$ 8,496,705 | \$ 8,115,500 | \$ 8,523,315 |
| Supplies & Equipment | 407,893 | 508,730 | 410,960 | 487,400 |
| Services & Charges | 888,441 | 934,225 | 891,680 | 1,113,290 |
| Capital Outlay | 167,071 | 100,000 | 35,075 | 132,400 |
| Interdept. Cost Allocation | (13,842) | (14,500) | (13,980) | - |
| Total Department | \$ 9,504,697 | \$ 10,025,160 | \$ 9,439,235 | \$ 10,256,405 |



| ACTIVITY MEASURES | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|--|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Call Responses | | | | |
| Police | 9,461 | 11,000 | 10,300 | 11,000 |
| Fire | 883 | 900 | 885 | 900 |
| Emergency Medical | 466 | 500 | 480 | 500 |
| Arrest | | | | |
| Felony | 26 | 30 | 60 | 30 |
| Misdemeanor | 625 | 900 | 685 | 900 |
| Other Activity | | | | |
| Patrol Miles Driven | 277,792 | 275,000 | 268,000 | 275,000 |
| Fire Inspections | 876 | 1,000 | 920 | 1,000 |
| Major Crimes Reported | 287 | 325 | 280 | 325 |
| Property Recovery (%) | 29 | 40 | 27 | 40 |
| Response Times (minutes) | | | | |
| Police | 2.6 | 2.5 | 2.4 | 2.5 |
| Fire | 3.7 | 3.7 | 2.3 | 3.7 |
| Emergency Medical | 3.6 | 4.0 | 3.4 | 4.0 |
| Public Safety Training Hours | 27,954 | 21,000 | 25,000 | 21,000 |
| Citation Activity | | | | |
| Traffic Code Violations | 9,453 | 11,300 | 10,200 | 11,300 |
| State Law Violations | 112 | 200 | 100 | 200 |
| Town Ordinance Violations | 505 | 180 | 600 | 180 |
| Parking Violations | 148 | 300 | 15 | 300 |
| Total | 10,218 | 11,980 | 11,050 | 11,980 |
| Traffic Accidents Activity (per incident) | | | | |
| Non-Injury | 104 | 200 | 145 | 200 |
| Injuries | 33 | 40 | 35 | 40 |
| Fatalities | 0 | 0 | 1 | 0 |
| Total | 137 | 240 | 181 | 240 |
| Residential/Commercial Alarm Systems | | | | |
| Systems Permitted | 2,047 | 2,050 | 2,125 | 2,050 |
| Systems Monitored by Dept. | 1,091 | 1,125 | 1,180 | 1,125 |
| Alarm Response Activity | | | | |
| Intrusion | 2,737 | 2,100 | 3,100 | 2,100 |
| Fire | 468 | 400 | 400 | 400 |
| Medical | 10 | 10 | 5 | 10 |
| Total | 3,215 | 2,510 | 3,505 | 2,510 |





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 2008-2009

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

OBJECTIVES FOR FISCAL YEAR 2009-2010

- Perform preparation work for Town's 2010 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

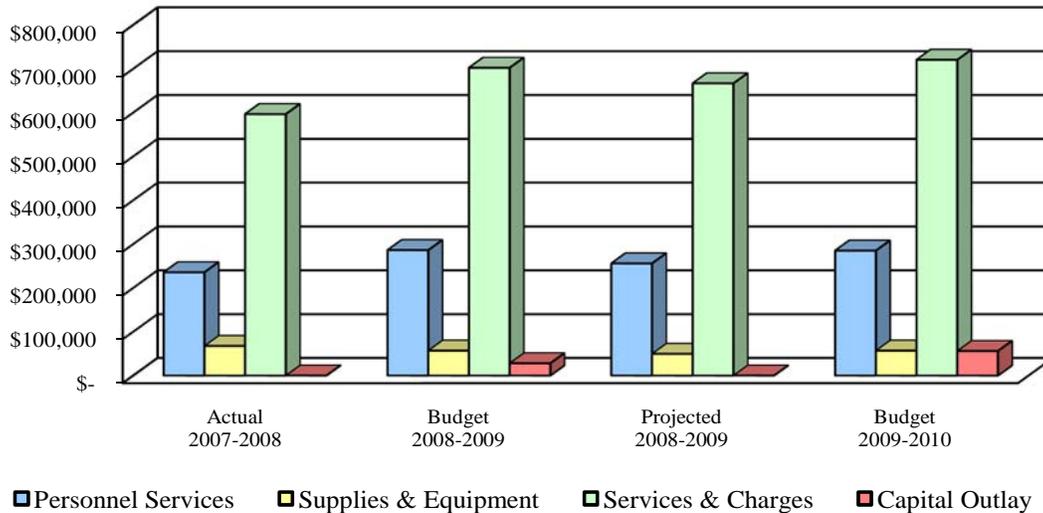
- Department's Budget includes \$357,150 for street resurfacing approximately 28 blocks of roadway.
- The amount included in this Budget for resurfacing represents those funds paid by the Town's Utility Services (water, sanitary sewer & sanitation) for street right-of-way usage which is equal to 4% of the sales of water and provided services.
- \$260,000 is budgeted for related concrete work (curb & gutter, inverts, approaches, sidewalks and/or barrier-free ramps).
- Funding for both street resurfacing and related concrete work is budgeted and reported as a capital outlay in the Street Department. The management of contracts for street resurfacing and related concrete work is the responsibility of the Engineering Department (Utility Fund - pages 72-75).

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
|----------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| Foreman | 8 | 0.3 | 0.3 | 0.3 |
| Public Works Maint. Worker I | 4 | 1.0 | 2.0 | 2.0 |
| Public Works Maint. Worker II | 2 | 2.0 | 1.0 | 1.0 |
| Total Allocable Employees | | 3.3 | 3.3 | 3.3 |

EXPENDITURE SUMMARY

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|-------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Personnel Services | \$ 235,665 | \$ 286,195 | \$ 255,880 | \$ 285,040 |
| Supplies & Equipment | 67,452 | 56,825 | 49,500 | 56,795 |
| Services & Charges | 596,553 | 702,200 | 666,750 | 720,420 |
| Capital Outlay | - | 28,000 | - | 56,000 |
| Total Department | \$ 899,670 | \$ 1,073,220 | \$ 972,130 | \$ 1,118,255 |



| ACTIVITY MEASURES | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|---|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Asphalt Repairs | | | | |
| Materials (tons) | 161 | 350 | 155 | 175 |
| Worker Days | 126 | 300 | 130 | 140 |
| Concrete Repairs | | | | |
| Number of Responses | 62 | 100 | 50 | 60 |
| Worker Days | 117 | 65 | 120 | 120 |
| Water & Sanitary Sewer Support | | | | |
| Worker Days | 39 | 105 | 40 | 50 |
| Traffic/Street Name Signs | | | | |
| Repaired/Replaced | 498 | 130 | 450 | 130 |
| Worker Days | 78 | 30 | 60 | 30 |
| Storm Sewer | | | | |
| Inlets Cleaned | 1,840 | 1,600 | 1,900 | 1,750 |
| Worker Days | 89 | 70 | 80 | 70 |



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 2008-2009

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

OBJECTIVES FOR FISCAL YEAR 2009-2010

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

MAJOR BUDGET ITEMS

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

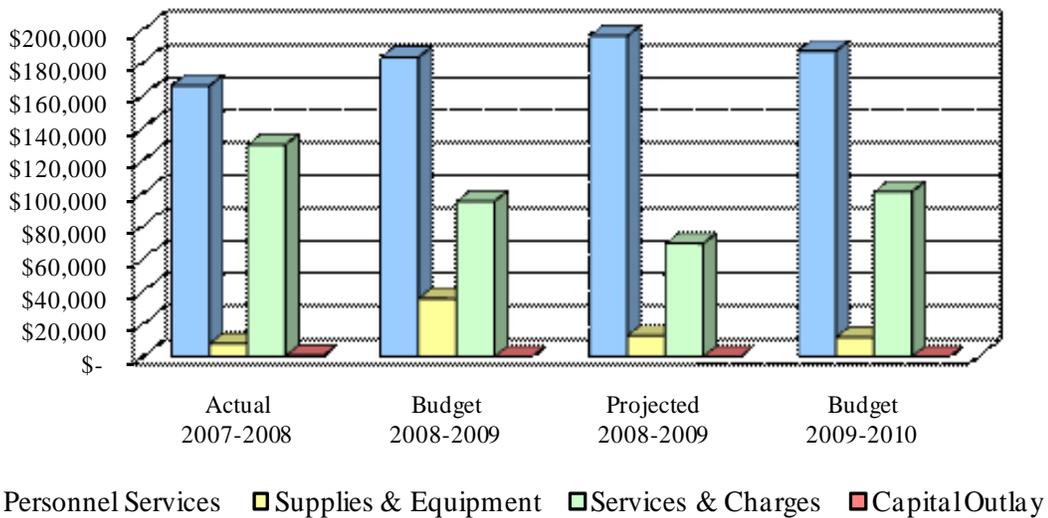
EMPLOYEE CLASSIFICATION & PAY GRADE

| | | 2007-2008 | 2008-2009 | 2009-2010 |
|----------------------------------|--------------|---------------|---------------|---------------|
| Classification | Grade | Budget | Budget | Budget |
| Electrical/Mechanical Tech | 5 | 1.65 | 1.65 | 1.65 |
| Total Allocable Employees | | 1.65 | 1.65 | 1.65 |

Positions in this department split between Street Lighting Department and Service Center on an 82.5/17.5 basis.

EXPENDITURE SUMMARY

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|-------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Personnel Services | \$ 165,665 | \$ 182,980 | \$ 196,050 | \$ 186,895 |
| Supplies & Equipment | 7,894 | 35,510 | 12,810 | 11,835 |
| Services & Charges | 129,629 | 94,910 | 69,155 | 100,815 |
| Capital Outlay | 584 | - | - | - |
| Total Department | \$ 303,772 | \$ 313,400 | \$ 278,015 | \$ 299,545 |



| ACTIVITY MEASURES | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|-----------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Traffic Signal Maintenance | | | | |
| Bulbs Replaced | 13 | 50 | 30 | 30 |
| Repair Responses | 36 | 50 | 60 | 50 |
| Worker Days (WD) | 64 | 60 | 90 | 90 |
| Street Light Maintenance | | | | |
| Bulbs Replaced | 23 | 300 | 25 | 50 |
| Repair Responses | 118 | 100 | 130 | 125 |
| Worker Days (WD) | 272 | 175 | 185 | 175 |
| Town Facilities (WD) | 16 | 25 | 25 | 25 |
| School Zone Flashers (WD) | 55 | 10 | 20 | 10 |



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 2008-2009

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

OBJECTIVES FOR FISCAL YEAR 2009-2010

- 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

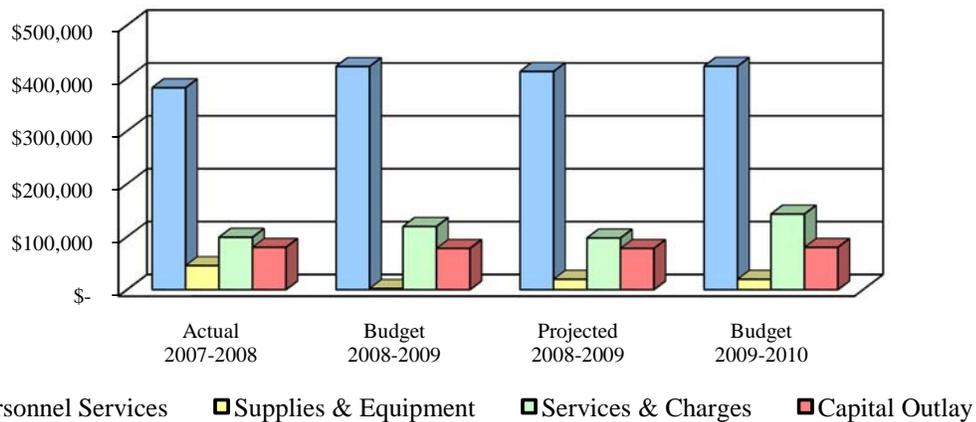
- Acquisition of new materials – books (\$69,000) and audio-visual materials (\$11,000).
- Explore options to enhance access to Library databases and service through the Internet by interfacing the Library Information System and other public resources.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 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

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Budget | Projected | Budget |
| Personnel Services | \$ 381,739 | \$ 421,985 | \$ 412,485 | \$ 422,420 |
| Supplies & Equipment | 45,504 | 2,300 | 19,700 | 19,700 |
| Services & Charges | 99,091 | 119,455 | 97,705 | 142,970 |
| Capital Outlay | 80,112 | 78,000 | 78,000 | 80,000 |
| Total Department | \$ 606,446 | \$ 621,740 | \$ 607,890 | \$ 665,090 |

**ACTIVITY MEASURES**

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Projected | Budget |
| Collection/Circulation | | | | |
| Collection | 37,285 | 38,000 | 37,000 | 37,500 |
| Circulation * | 48,264 | 57,000 | 63,700 | 62,000 |
| Collection Turnover Rate (Times) | 1.3 | 1.5 | 1.7 | 1.7 |
| Circulation per Worker Hour | 4.2 | 5.0 | 6.6 | 5.4 |
| Avg. Items Loaned Per Card Holder | 17.0 | 18.0 | 24.4 | 22.1 |
| User Cards Issued/Outstanding | | | | |
| Residents (3 Year) | 2,691 | 3,025 | 2,615 | 2,625 |
| Non-Resident (1-Year) | 147 | 110 | 175 | 175 |
| Total Valid Cards | 2,838 | 3,135 | 2,790 | 2,800 |

* Note: Library closed 3 ½ months for renovations in 2007-2008



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 2008-2009

- 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.
- Deferred the replacement of the Flippen Park fountain (\$67,500) and replacement of foot bridge over hackberry Creek at Drexel Drive (\$20,000) pending further engineering evaluation.
- Deferred acquisition of operational capital expenditures that include: replacement stump

grinder (\$28,800); contract for tennis court resurfacing of courts #3, 4, 5 & 6 (\$15,000) and landscape design for Flippen Park (\$20,000).

OBJECTIVES FOR FISCAL YEAR 2009-2010

- Effectively manage the Town's contracts for turf maintenance, chemical application, tree trimming, landscape lighting and street and alley sweeping.
- Continue the program of lighting of specific parkway trees for Christmas.
- Maintain Azalea and flower beds through park areas with seasonal color.
- Maintenance of parks, parkway trees, swimming pool tennis courts and Town rights-of-way, as needed.

MAJOR BUDGET ITEMS

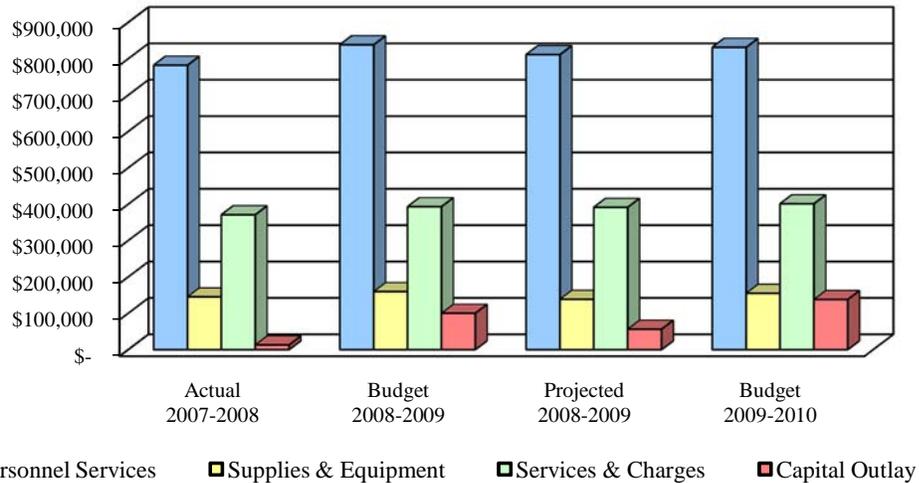
- Management of service contracts: turf maintenance (\$85,100); chemical applications (\$40,500); tree trimming (\$46,500); street and alley sweeping (\$42,650 – budgeted in Storm Water Drainage Utility Fund).
- Contract for fence and hedge replacement (\$24,000) and miscellaneous park improvements (\$50,000).

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
|----------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| Director of Parks & Sanitation | E-2 | 0.5 | 0.5 | 0.5 |
| 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 | 9.5 |

EXPENDITURE SUMMARY

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|---------------------------|---------------------|---------------------|---------------------|--------------------|
| | Actual | Budget | Projected | Budget |
| Personnel Services | \$ 782,132 | \$ 838,385 | \$ 811,235 | \$ 831,320 |
| Supplies & Equipment | 145,175 | 159,500 | 138,330 | 154,825 |
| Services & Charges | 370,785 | 393,110 | 391,310 | 400,985 |
| Capital Outlay | 12,939 | 100,000 | 56,200 | 137,800 |
| Interdept Cost Allocation | (32,416) | (35,640) | (21,300) | (35,340) |
| Total Department | \$ 1,278,615 | \$ 1,455,355 | \$ 1,375,775 | \$1,489,590 |



| ACTIVITY MEASURES | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|------------------------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Projected | Budget |
| Maintenance – Worker Days | | | | |
| Grounds Maintenance | 81 | 75 | 60 | 75 |
| Landscape Installation/Maintenance | 535 | 450 | 580 | 450 |
| Azalea Renovation | 41 | 100 | 25 | 100 |
| Facilities Maintenance | 775 | 750 | 860 | 750 |
| Right-of-Way Clearance | 2 | 30 | 5 | 30 |
| Park Trees | 66 | 100 | N/A | 100 |
| Parkway Trees | 44 | 75 | N/A | 75 |
| Number of Plants | 54,579 | 68,000 | 51,200 | 68,000 |
| Street & Alley Sweeping | | | | |
| Streets – Curb Miles | 1,360 | 1,320 | 1,360 | 1,320 |
| Times per year | 15 | 15 | 15 | 15 |
| Alleys – Miles | 99 | 96 | 96 | 96 |
| Times per year | 7 | 7 | 7 | 7 |
| Inlets Vacuumed | 200 | 100 | 200 | 100 |



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 2008-2009

- Provided a safe and clean facility for use of Town residents.
- Deferred purchase of non-critical service/safety items.

- Implemented family-centered programs to enhance the use of the Pool.

OBJECTIVES FOR FISCAL YEAR 2009-2010

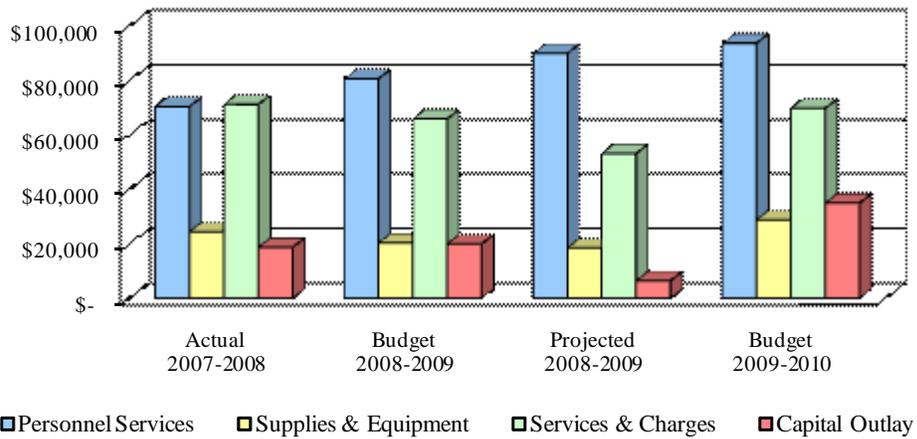
- Provide a safe and clean facility for the enjoyment of the Town's residents.
- Promote utilization of the pool by means of updating the facility and mechanically and esthetically.
- Secure an engineering report on the pool's circulation system and physical design as it relates to state health code standards for public pools. Upon review, determine course of action for either repair or replacement.
- In addition to acquire the 2008-2009 deferred purchases (page 105), replace electrical controls in the pump room (\$8,500) and concession stand equipment (\$5,000). This Budget also provides \$5,000 for swim program development.

EMPLOYEE CLASSIFICATION & SALARIES (All Seasonal Employees)

| Classification | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 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

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Budget | Projected | Budget |
| Personnel Services | \$ 70,460 | \$ 80,725 | \$ 90,065 | \$ 93,770 |
| Supplies & Equipment | 24,478 | 20,300 | 18,565 | 28,850 |
| Services & Charges | 71,239 | 65,940 | 53,250 | 69,830 |
| Capital Outlay | 18,736 | 20,000 | 6,500 | 35,000 |
| Total Department | \$ 184,913 | \$ 186,965 | \$ 168,380 | \$ 227,450 |



| ACTIVITY MEASURES | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|---------------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Projected | Budget |
| Pool Usage | | | | |
| Annual Passes Sold | 1,737 | 1,750 | 1,675 | 1,750 |
| Daily Passes Sold | 2,132 | 1,500 | 1,833 | 1,500 |
| Revenues Generated | \$94,432 | \$83,000 | \$91,800 | \$91,000 |



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 2008-2009

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

OBJECTIVES FOR FISCAL YEAR 2009-2010

- 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

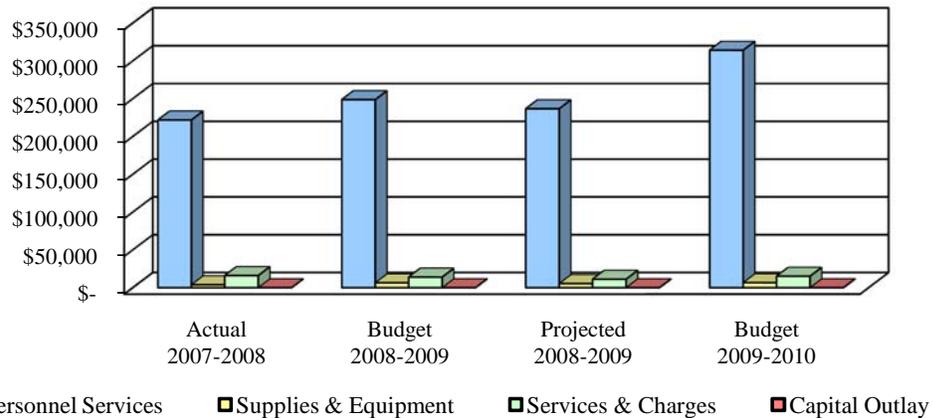
Funding for normal operations.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 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 |
| Total Allocable Employees | | 2.2 | 2.2 | 2.7 |

EXPENDITURE SUMMARY

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Budget | Projected | Budget |
| Personnel Services | \$ 221,760 | \$ 248,725 | \$ 236,705 | \$ 314,130 |
| Supplies & Equipment | 3,757 | 6,400 | 5,400 | 6,550 |
| Services & Charges | 16,014 | 13,975 | 11,170 | 15,115 |
| Capital Outlay | - | - | - | - |
| Total Department | \$ 241,531 | \$ 269,100 | \$ 253,275 | \$ 335,795 |



| ACTIVITY MEASURES | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|---------------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Projected | Budget |
| Process Cases Filed | 10,218 | 12,500 | 11,000 | 11,000 |
| Process Disposal of Cases | 10,141 | 12,500 | 11,800 | 11,000 |
| Disposal/Filed Percentage | 99.3% | 100.0% | 106.2% | 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 2008-2009

- Received the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the 2008-2009 CAFR and the Distinguished Budget Award for the 2008-2009 Annual Budget.
- Invested Town funds at an average rate of return of 1.87%, or 103 basis points less than average return for Tex Pool.
- Managed the Town’s cash flow through the timely processing of vendor payments and payroll related

disbursements resulting in a ratio of cash invested to total cash of 96.4%.

OBJECTIVES FOR FISCAL YEAR 2009-2010

- 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 multi-year CIP program.
- Develop performance standards for Town departments, addressing Town Council objectives.
- Conclude the re-engineering of the Town’s Pay for Performance Program.

MAJOR BUDGET ITEMS

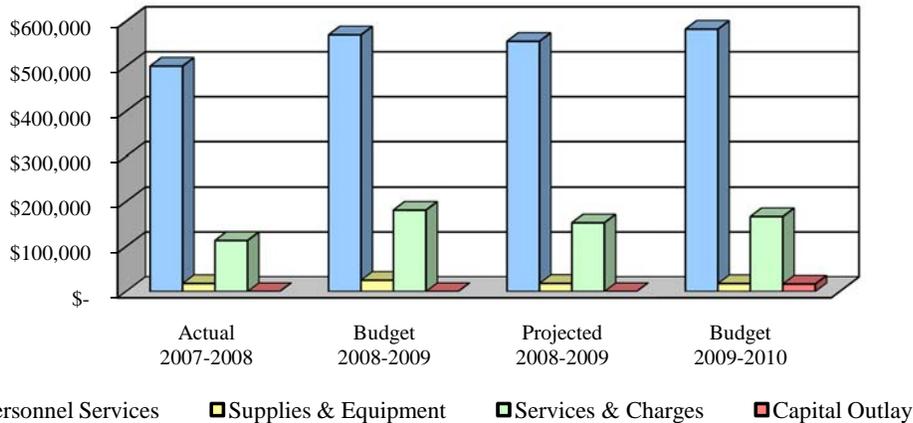
Funding for routine operations.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
|--------------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| Director of Fiscal & Human Resources | E-3 | 1.0 | 1.0 | 1.0 |
| Controller/Systems Administrator | 8 | 1.0 | 1.0 | 1.0 |
| Accountant | 5 | 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

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Budget | Projected | Budget |
| Personnel Services | \$ 500,556 | \$ 570,195 | \$ 555,795 | \$ 582,815 |
| Supplies & Equipment | 17,838 | 25,100 | 18,090 | 17,700 |
| Services & Charges | 113,570 | 181,260 | 153,090 | 166,850 |
| Capital Outlay | - | - | - | 16,700 |
| Inderdept Cost Allocation | (198,158) | (232,970) | (218,090) | (258,740) |
| Total Department | \$ 433,806 | \$ 543,585 | \$ 508,885 | \$ 525,325 |

**ACTIVITY MEASURES**

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|---|------------------|------------------|------------------|------------------|
| | Actual | Budget | Projected | Budget |
| Investment Activity | | | | |
| Ratio of Cash Invested to Total Cash | 97.4% | 98.0% | 96.4% | 98.0% |
| Avg. Portfolio Yield vs. TexPool (Basis Points) | 37 | 10 | 103 | 10 |
| Accounts Payable/Purchase Orders | | | | |
| Vendor Payments Processed | 3,499 | 4,000 | 3,300 | 3,500 |
| Number of Voided/Reissued Vendor Checks | 1 | 20 | 3 | 10 |
| Percentage Voids to Issued | <0.1 | 0.5 | <0.1 | 0.1 |
| Payroll Processing | | | | |
| Payroll Checks Issued | 51 | 20 | 40 | 35 |
| Payroll ACH Items Processed | 4,408 | 3,800 | 4,300 | 4,300 |
| Number Voided /Reissued Payroll Items | 1 | 10 | 5 | 5 |
| Percentage Voids to Issued | <0.1 | 0.3 | 0.2 | 0.2 |
| Accts Receivable Collection Rate (EMS) | | | | |
| (Based on a Two-Year Rolling Average) | 75.3 | 70.0 | 80.0 | 75.0 |
| No. Days Required to Prepare Mo. Fin. Rep. | 17 | 15 | 17 | 15 |



Building Inspection

DEPARTMENT DESCRIPTION

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

OBJECTIVES MET-FISCAL YEAR 2008-2009

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

OBJECTIVES FOR FISCAL YEAR 2009-2010

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

MAJOR BUDGET ITEMS

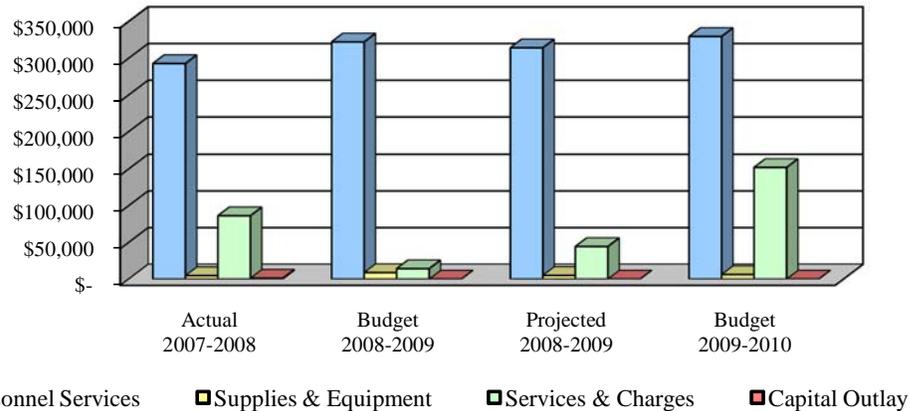
Funding for normal operations.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
|--------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| Chief Building Inspector | 8 | 1.0 | 1.0 | 1.0 |
| Building Inspector | 6 | 1.0 | 1.0 | 1.0 |
| Permit Technician | 2 | 1.0 | 1.0 | 1.0 |
| Total Positions | | 3.0 | 3.0 | 3.0 |

EXPENDITURE SUMMARY

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Budget | Projected | Budget |
| Personnel Services | \$ 292,814 | \$ 322,240 | \$ 314,225 | \$ 329,695 |
| Supplies & Equipment | 4,606 | 8,800 | 4,950 | 6,150 |
| Services & Charges | 86,270 | 14,130 | 44,345 | 152,070 |
| Capital Outlay | 1,250 | - | - | - |
| Total Department | \$ 384,940 | \$ 345,170 | \$ 363,520 | \$ 487,915 |



| ACTIVITY MEASURES | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|---|------------------|------------------|------------------|------------------|
| | Actual | Budget | Projected | Budget |
| Inspection Activity | | | | |
| Building | 2,228 | 1,900 | 1,765 | 1,700 |
| Electrical | 701 | 625 | 550 | 500 |
| Plumbing | 834 | 800 | 665 | 600 |
| Other | 102 | 50 | 80 | 50 |
| Permits Activity | | | | |
| Building | 1,132 | 1,200 | 930 | 900 |
| Electrical | 265 | 280 | 220 | 200 |
| Plumbing | 384 | 400 | 370 | 350 |
| Total Value of Permits (\$1,000) | \$86,343 | \$77,000 | \$66,350 | \$94,000 |
| Total Permit Fees & Licenses (\$1,000) | \$830 | \$719 | \$651 | \$939 |
| Ratio of Revenues to Dept Costs | 2.2/1 | 2.6/1 | 1.8/1 | 1.9/1 |



Service Center

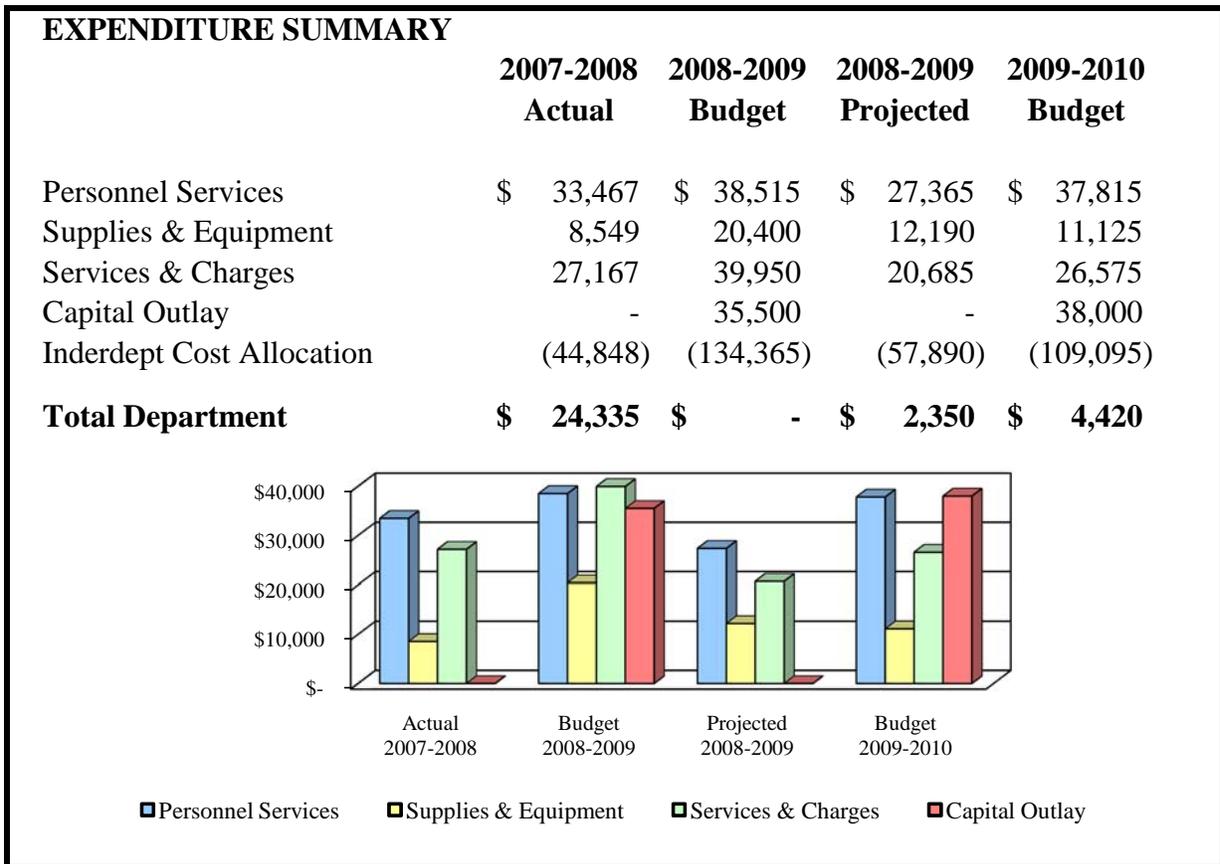
Town's street lighting and traffic signal system, also provides limited routine maintenance of the Town's vehicles and equipment as staffing and time allows. Costs are distributed to user/resident departments based upon time allotment and occupancy.

DEPARTMENT DESCRIPTION

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

| EMPLOYEE CLASSIFICATION & PAY GRADE | | | | |
|--|--------------|-----------------------------|-----------------------------|-----------------------------|
| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
| Electrical/Mechanical Tech | 5 | 0.35 | 0.35 | 0.35 |
| Total Allocable Employees | | 0.35 | 0.35 | 0.35 |

Forman and two (2) technicians split time between Street Lighting Dept. and Service Center on a 82.5/17.5 basis.





Municipal Building

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

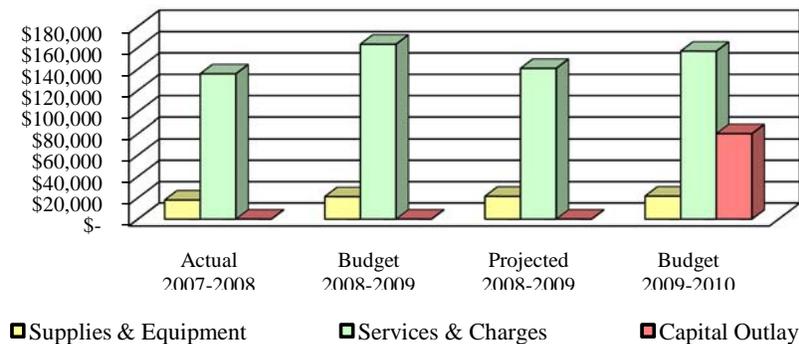
DEPARTMENT DESCRIPTION

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

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

EXPENDITURE SUMMARY

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|---------------------------|---------------------|---------------------|------------------------|---------------------|
| Supplies & Equipment | \$ 17,850 | \$ 21,000 | \$ 21,300 | \$ 21,500 |
| Services & Charges | 135,516 | 163,250 | 140,600 | 156,700 |
| Capital Outlay | - | - | - | 80,000 |
| Inderdept Cost Allocation | (153,366) | (184,250) | (161,900) | (258,200) |
| Total Department | \$ - | \$ - | \$ - | \$ - |





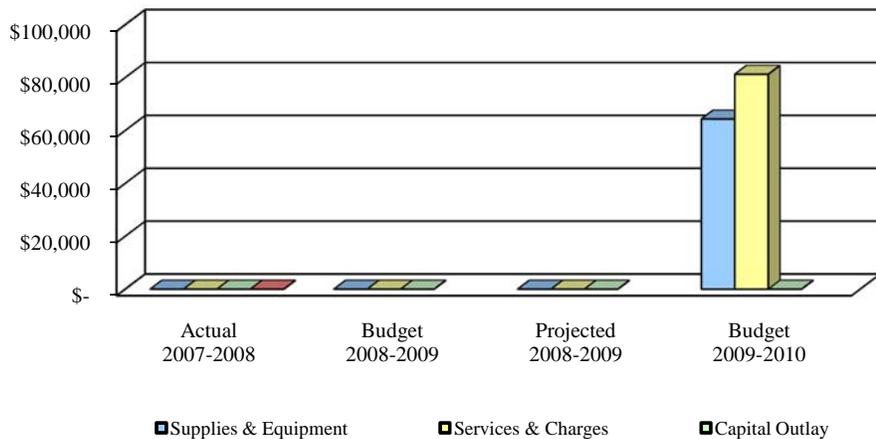
Non-Departmental

DEPARTMENT DESCRIPTION

As a means of setting aside funds for discretionary expenditure spending that is not associated with a unique departmental budget, a Non-Departmental cost center is created in the General Fund. Expenditures that can be considered Town-wide or that may have an inherit public policy nature have been included in this cost center. These costs include participation in the D.A.R.E program and the School Resource Officer (“SRO”) program with Highland Park ISD and the City of University Park. As a budgetary hedge on fuel costs, the Town budgeted for \$4.00 per gallon gasoline, with \$3.00 per gallon included in the respective department’s budget and the remaining \$1.00 per gallon in the Non-Departmental cost center.

EXPENDITURE SUMMARY

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|-------------------------|---------------------|---------------------|------------------------|---------------------|
| Supplies & Equipment | \$ - | \$ - | \$ - | \$ 64,345 |
| Services & Charges | - | - | - | 81,265 |
| Capital Outlay | - | - | - | - |
| Total Department | \$ - | \$ - | \$ - | \$ 145,610 |





Transfer to Other Funds

This Budget provides for a transfer of \$683,845 in current revenues to the Capital Projects Fund. This transfer provides funding for selected capital projects. 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 shown below.)

Please refer to the Capital Projects Fund section of this Budget for further detail regarding the Town's capital projects.

| EXPENDITURE SUMMARY | | | | |
|----------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
| Capital Projects Fund | \$ 1,120,330 | \$ 950,740 | \$ 1,478,290 | \$ 683,845 |
| Total Interfund Transfers | \$ 1,120,330 | \$ 950,740 | \$ 1,478,290 | \$ 683,845 |

TRANSFER OF EXCESS GENERAL FUND REVENUES OVER EXPENDITURES

Past Fiscal Years

| | |
|---------------------|-------------|
| 1999-2000 | \$1,080,830 |
| 2000-2001 | 3,915,029 * |
| 2001-2002 | 453,193 |
| 2002-2003 | 561,790 |
| 2003-2004 | 396,185 |
| 2004-2005 | 1,181,340 |
| 2005-2006 | 0 |
| 2006-2007 | 976,048 |
| 2007-2008 | 307,306 |
| 2008-2009 Projected | 300,000 |

* Includes \$2,907,059 from sale of surplus real property.



UTILITY FUND

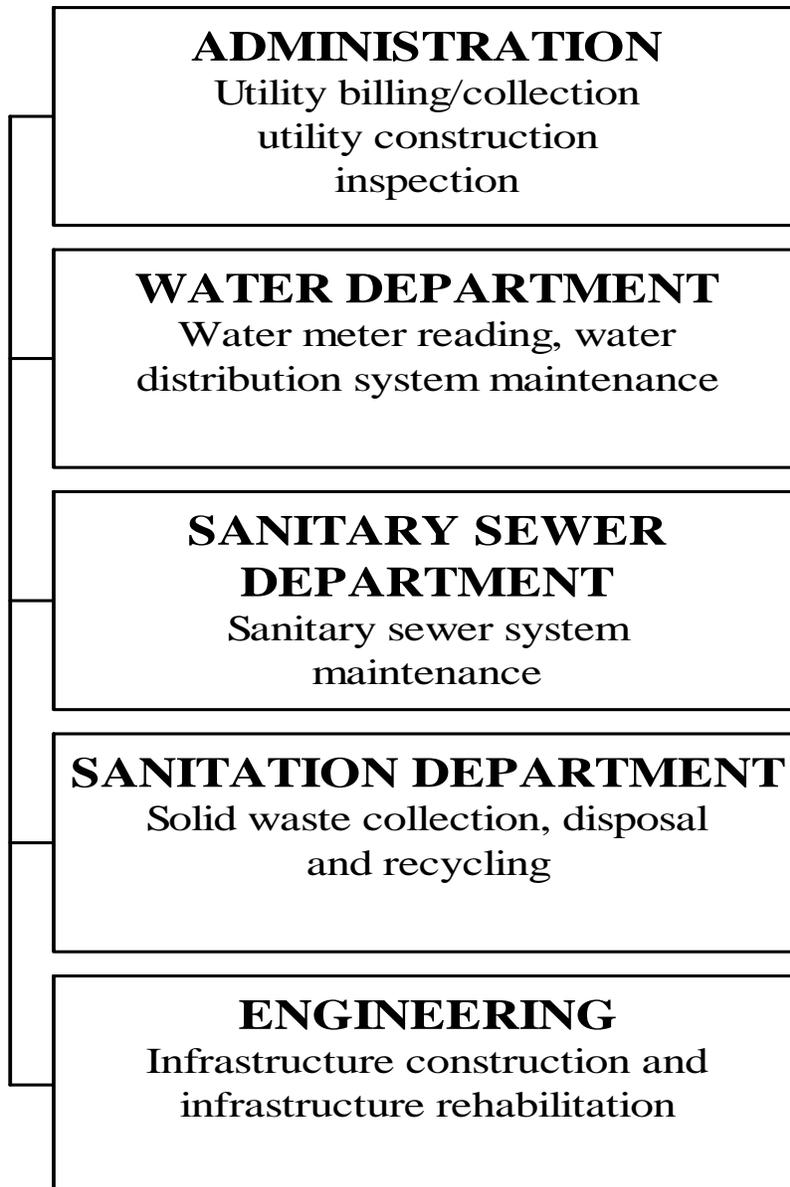
The Utility Fund is the financial structure used for the accounting of providing water, sanitary sewer, solid waste collection and disposal and recycling service to the residents of the Town and the billing and collection of charges to customers to pay for said services. The basis of accounting used 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 2009-2010 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 costs for Utility Fund services for 2009-2010 is \$7,423,165. Of this amount, 56.2% 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); 2) Sanitary Sewer Treatment from Dallas Water Utilities (expires February 2014); 3) Solid Waste Collection and Recycling Collection (expires April, 2017); and, 4) Solid Waste Disposal (expires 2033).

Another significant portion of both the budget for 2009-2010, and 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 almost \$22,000,000 in upgrading its water and sanitary sewer system infrastructure without incurring debt, saving an estimated \$7,700,000 in interest costs associated with financing over time.

This Budget provides \$900,000 from water service revenues and \$900,000 from sanitary sewer service revenues to fund the projects selected for 2009-2010 (page 74). The rate structure necessary to support the current spending level of \$1,800,000 is such that the average monthly cost of a Highland Park utility customer is at or near the average dollar amount for comparable customers in thirteen (13) Dallas County cities. The projects in the west side of the Town have become the core of the Town's commitment to maintain its aging water and sanitary infrastructure originally constructed in the late 1910's and 1920's. These lines are located in easements in much of the west side and as these lines are replaced or rehabilitated, the easements are cleared of obstructions. The impact that the water and sanitary sewer capital improvements program is having on Town operations multi-faceted. The clearing of easements along with infrastructure replacement/rehabilitation affords improved meter reading time and easier access to lines and service taps, I&I is being eliminated, the lines are being increased in size to accommodate increased volume as needs warrant, water service taps are put in place for the installation of meters for irrigation-only use at a cost savings to homeowners and maintenance demands are being reduced.

Water and sanitary sewer lines in the east side are located under paved alleys. Between 1973 and 1984, these alleys were repaved/paved with the water and sanitary sewer lines receiving extensive evaluation and repairs or replacements made as necessary. The initial evaluation indicates that the integrity of these lines have fared better than in the west side, as was expected.

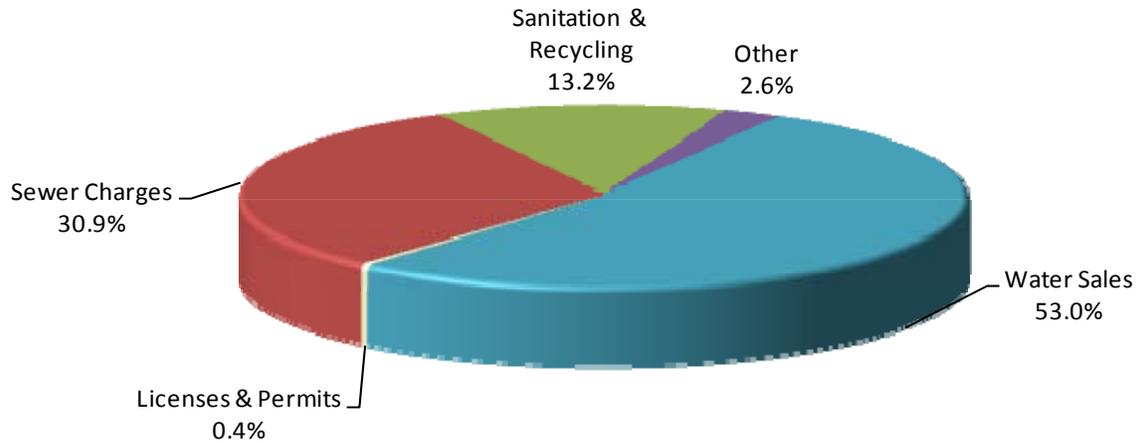


**UTILITY FUND
STATEMENT OF REVENUES & EXPENSES**

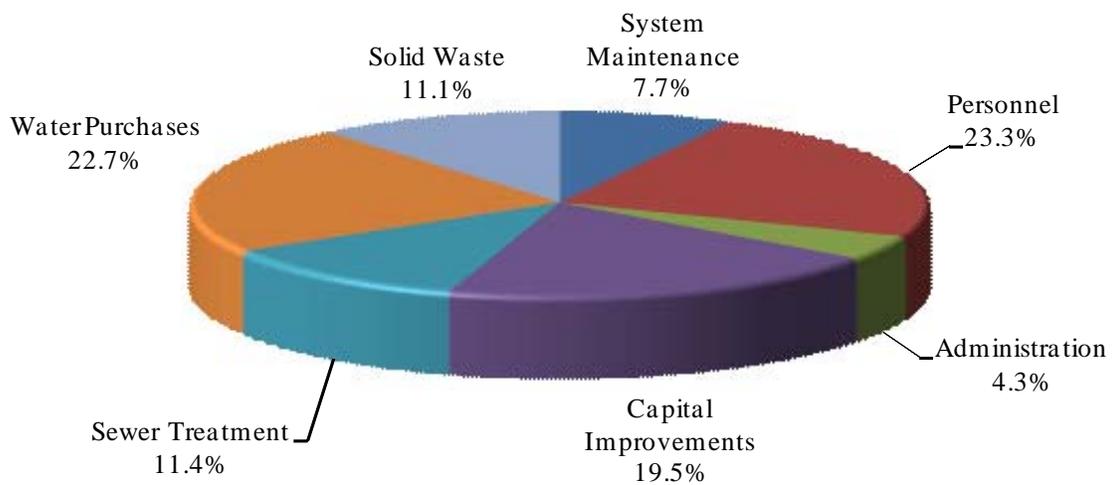
| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|---|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Licenses & Permits | \$ 43,233 | \$ 41,500 | \$ 34,000 | \$ 34,000 |
| Charges for Services | 7,597,937 | 8,341,740 | 8,438,320 | 9,016,350 |
| Fines & Forfeits | 67,108 | 55,000 | 66,000 | 55,000 |
| Miscellaneous | 322,077 | 172,000 | 172,000 | 122,000 |
| Total Revenues | \$ 8,030,355 | \$ 8,610,240 | \$ 8,710,320 | \$ 9,227,350 |
| EXPENSES/USES OF FUNDS | | | | |
| Personnel Services | | | | |
| Payroll | \$ 1,511,021 | \$ 1,568,970 | \$ 1,542,850 | \$ 1,595,800 |
| Employee Benefits | 510,330 | 616,040 | 564,790 | 549,150 |
| Total Personnel | \$ 2,021,351 | \$ 2,185,010 | \$ 2,107,640 | \$ 2,144,950 |
| Supplies & Equipment | 1,764,032 | 1,655,465 | 1,688,405 | 2,326,450 |
| Services & Charges | 2,630,142 | 2,949,525 | 2,949,905 | 2,951,765 |
| Capital Outlay | 595,562 | 1,805,300 | 1,800,000 | 1,800,000 |
| Total Expenses/Uses | \$ 7,011,087 | \$ 8,595,300 | \$ 8,545,950 | \$ 9,223,165 |
| Transfers Out | - | - | - | - |
| Total Expenses/Uses | \$ 7,011,087 | \$ 8,595,300 | \$ 8,545,950 | \$ 9,223,165 |
| Excess (Deficiency) of Revenues/Sources over Expenses/Uses | \$ 1,019,268 | \$ 14,940 | \$ 164,370 | \$ 4,185 |
| Fund Balance | \$ 5,078,860 | \$ 5,093,800 | \$ 5,243,230 | \$ 5,247,415 |
| Fund Balance in Excess of 25% Minimum | \$ 3,474,979 | \$ 3,396,300 | \$ 3,556,743 | \$ 3,391,624 |

UTILITY FUND 2009-2010 BUDGET

BUDGETED REVENUES & SOURCES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



**UTILITY FUND
STATEMENT OF REVENUES**

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|-------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Licenses & Permits | | | | |
| 3315 Plumbing Permits | \$ 43,233 | \$ 41,500 | \$ 34,000 | \$ 34,000 |
| <i>Subtotal</i> | \$ 43,233 | \$ 41,500 | \$ 34,000 | \$ 34,000 |
| Charges For Services | | | | |
| 3401 Water Sales | \$ 3,967,541 | \$ 4,112,500 | \$ 4,270,000 | \$ 4,840,900 |
| 3402 Inter-dept Water Sales | 43,399 | 45,000 | 50,130 | 71,600 |
| 3403 Sewer Charges | 2,405,417 | 2,933,250 | 2,875,000 | 2,864,160 |
| 3404 Sanitation Charges | 1,077,868 | 1,138,750 | 1,124,790 | 1,124,790 |
| 3406 Recycling Charges | 89,122 | 96,240 | 98,900 | 98,900 |
| 3460 Meter Installation | 12,500 | 14,000 | 14,000 | 14,000 |
| 3465 Other Charges | 2,090 | 2,000 | 5,500 | 2,000 |
| <i>Subtotal</i> | \$ 7,597,937 | \$ 8,341,740 | \$ 8,438,320 | \$ 9,016,350 |
| Fines & Forfeits | | | | |
| 3520 Late Payment Penalties | \$ 67,108 | \$ 55,000 | \$ 66,000 | \$ 55,000 |
| <i>Subtotal</i> | \$ 67,108 | \$ 55,000 | \$ 66,000 | \$ 55,000 |
| Miscellaneous | | | | |
| 3610 Interest | \$ 210,689 | \$ 155,000 | \$ 157,000 | \$ 105,000 |
| 3746 Sale of Assets | - | - | - | - |
| 3820 Rental of Town Property | 99,000 | - | - | - |
| 3880 Refund-Property Damage | - | 1,000 | - | 1,000 |
| 3890 Miscellaneous | 12,388 | 16,000 | 15,000 | 16,000 |
| <i>Subtotal</i> | \$ 322,077 | \$ 172,000 | \$ 172,000 | \$ 122,000 |
| Total Revenues | \$ 8,030,355 | \$ 8,610,240 | \$ 8,710,320 | \$ 9,227,350 |

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. The projected revenues of \$34,000 are \$7,500 less than what had been projected for 2008-2009. This reduction reflects the decline in building activity experienced by the Town over the last twelve months.

- **Charges for Services**

Water

Revenues from the sale of water are projected to be \$4,840,900, a 17.7% increase over the 2008-2009 Budget projection. This increase in water sales revenues is due to rate increase sufficient to offset a 41.1% increase in the cost of the purchase of water for resale. 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 cost increase for 2009-2010 will be the first of three consecutive annual rate increases that will ultimately result in a 100% increase in the Town's water supply costs. The other component impacting water sales revenues is the projected volume of water to be sold. The Town anticipates selling 1,116,000,000 gallons of water, or 93% of the 1,200,000,000 gallons of water projected purchases. The projected volume represents an increase of 24,000,000 gallons over the volumes used in determining water rates for 2008-2009.

The projected revenues are based on water rates that include a 10.9% increase in the volume rate, or an increase of 8.6% in the average residential bill for 12,000 gallons. The projected revenues are sufficient to fund 100.05% 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 \$2,864,160 or 2.4% less than for the 2008-2009 Budget year.

The projected revenues are based on retention of the existing volume rate and adjusting for a slight decrease in the volume of water sold subject to sanitary sewer charges. The projected revenues are sufficient to fund 101.70% of the cost of providing sanitary sewer services at the projected sales volume.

Sanitation Services

The contractual increases for solid waste collection and disposal are tied to changes in CPI and diesel fuel indices. For 2009-2010, the cost for collection and disposal services will not increase, therefore the existing rate structure and resulting revenues are sufficient to cover the cost of providing these services.

- **Miscellaneous**

Projected interest earnings are based on an average monthly investable balance of \$5,250,000 are reflective of anticipated investable balances at a 2.0% 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 2008-2009

- Maintained quality customer service as evidenced by only ten (10) bills requiring adjustment due to error out of almost 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 2009-2010

- 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

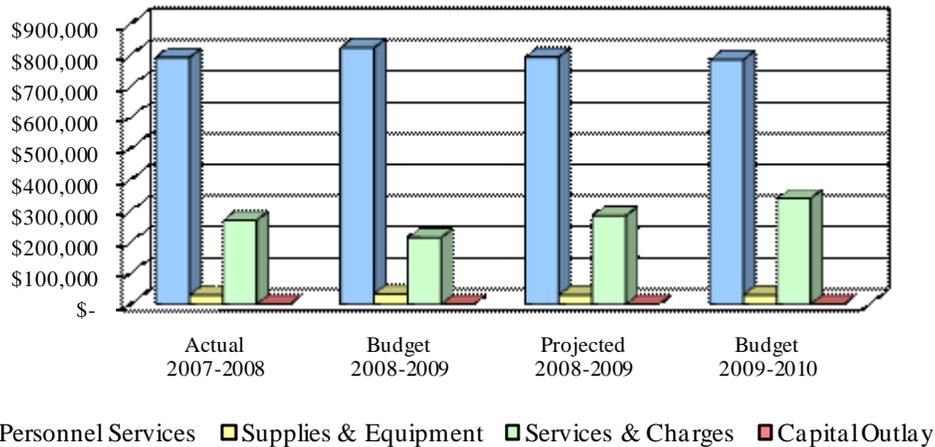
Funding for normal operations

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
|----------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| Town Administrator | - | 0.5 | 0.5 | 0.5 |
| Director of Public Works | E-3 | 0.8 | 0.8 | 0.8 |
| Construction Coordinator | 6 | 1.0 | 1.0 | 1.0 |
| Customer Service Supervisor | 6 | 1.0 | 1.0 | 1.0 |
| Administrative Secretary | 5 | 0.2 | 0.2 | 0.2 |
| Secretary II | 3 | 0.5 | 0.5 | 0.5 |
| Customer Service Specialist I | 3 | 1.0 | 1.0 | 1.0 |
| Customer Service Specialist II | 2 | 1.0 | 1.0 | 1.0 |
| Attorney (Part Time) | - | 0.2 | 0.2 | 0.2 |
| Total Allocable Employees | | 6.2 | 6.2 | 6.2 |

EXPENDITURE SUMMARY

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Budget | Projected | Budget |
| Personnel Services | \$ 791,962 | \$ 823,280 | \$ 793,485 | \$ 784,850 |
| Supplies & Equipment | 29,214 | 33,000 | 29,105 | 29,950 |
| Services & Charges | 269,552 | 214,040 | 284,235 | 339,300 |
| Capital Outlay | - | - | - | - |
| Total Department | \$1,090,728 | \$1,070,320 | \$1,106,825 | \$1,154,100 |

**ACTIVITY MEASURES**

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|------------------------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Projected | Budget |
| Utility Inspections | | | | |
| Sewer Taps | 171 | 150 | 120 | 150 |
| Excavations | 155 | 150 | 140 | 150 |
| Other Inspections | | | | |
| Building* | 178 | 200 | 210 | 200 |
| Electrical* | 29 | 30 | 40 | 30 |
| Plumbing* | 43 | 50 | 55 | 50 |
| Vacant Properties | 37 | 20 | 10 | 20 |
| Alleys | 0 | 35 | 0 | 35 |
| Job-site Conditions | 83 | 100 | 15 | 100 |
| Public Utilities | 191 | 200 | 175 | 200 |
| Other | 263 | 200 | 575 | 200 |
| Utilities Service | | | | |
| Bills Prepared | 40,977 | 41,000 | 41,000 | 41,000 |
| New Deposits (#) | 548 | 400 | 390 | 400 |
| Bank Draft Customers | 366 | 600 | 560 | 600 |
| Internet Payment | 366 | 500 | 575 | 500 |
| Billing Adjustment Requests | | | | |
| Billing Errors | 9 | 10 | 10 | 10 |
| Leaks | 39 | 50 | 30 | 50 |

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



Water Department

DEPARTMENT DESCRIPTION

The Water Department is responsible for providing the Town with a reliable supply of potable water. The maintenance of the water distribution system includes 40 miles of water mains, 5,275, 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 2008-2009

- Routine maintenance of system, minimizing service interruptions.
- Over 340 water meters replaced in the Town's meter change-out program.

OBJECTIVES FOR FISCAL YEAR 2009-2010

- 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

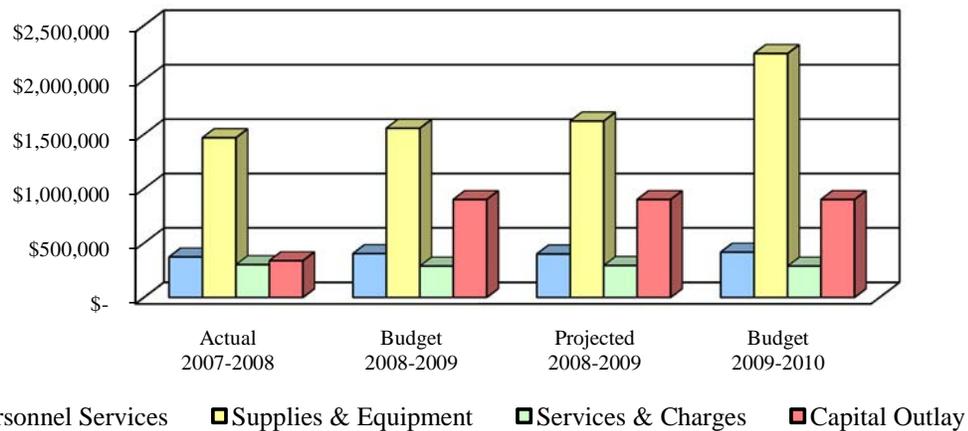
- Funding for infrastructure replacement/maintenance - \$900,000.
- Repair materials for making necessary system repairs in conjunction with infrastructure replacement/maintenance program - \$75,000.
- Replacement water meters - \$45,000.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
|-----------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| Foreman | 8 | 0.4 | 0.4 | 0.4 |
| Public Works Maintenance Worker I | 3 | 4.0 | 4.0 | 4.0 |
| Total Allocable Employees | | 4.4 | 4.4 | 4.4 |

EXPENDITURE SUMMARY

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|-------------------------|---------------------|--------------------|---------------------|--------------------|
| | Actual | Budget | Projected | Budget |
| Personnel Services | \$ 372,263 | \$ 402,775 | \$ 398,980 | \$ 416,165 |
| Supplies & Equipment | 1,467,974 | 1,555,165 | 1,620,850 | 2,241,430 |
| Services & Charges | 301,303 | 288,165 | 293,425 | 288,220 |
| Capital Outlay | 337,314 | 900,000 | 900,000 | 900,000 |
| Total Department | \$ 2,478,854 | \$3,146,105 | \$ 3,213,255 | \$3,845,815 |



| ACTIVITY MEASURES | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|---|------------------|------------------|------------------|------------------|
| | Actual | Budget | Projected | Budget |
| Water Meter Activity | | | | |
| Change –out Program | 160 | 175 | 214 | 175 |
| New Services | 88 | 75 | 65 | 75 |
| Worker Days | 108 | 180 | 140 | 180 |
| Meter Reading | | | | |
| Meters Read | 63,542 | 64,200 | 64,100 | 64,200 |
| Worker Days | 86 | 90 | 85 | 90 |
| Number Read/Hour (Average) | 92 | 90 | 95 | 90 |
| Reading Cost Per Meter Read | \$0.41 | \$0.48 | \$0.42 | \$0.48 |
| Meters Reread | 1,608 | 1,600 | 1,470 | 1,600 |
| Worker Days | 32 | 30 | 30 | 30 |
| Number Read/Hour (Average) | 6 | 7 | 6 | 7 |
| Reading Cost Per Meter Reread | \$6.28 | \$6.23 | \$6.72 | \$6.23 |
| Other Repairs/Activity/Worker Days | | | | |
| Main Repairs | 94 | 100 | 95 | 100 |
| Service Lines | 13 | 10 | 12 | 10 |
| Fire Hydrants | 72 | 100 | 75 | 100 |
| Valves | 31 | 130 | 165 | 130 |



Sanitary Sewer Department

DEPARTMENT DESCRIPTION

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

OBJECTIVES MET-FISCAL YEAR 2008-2009

- Sanitary sewer collection system maintained, keeping service interruptions to a minimum.
- Significant system infrastructure maintenance/replacement projects were deferred due to the amount of disruption within the Town in conjunction with the reconstruction of Mockingbird Lane.

- Continued Town's program of systematically flushing sanitary sewer lines by flushing 50.0 miles, or the entire system 1.3 times.
- Continued to address inflow and infiltration (I&I) through infrastructure maintenance/replacement.

OBJECTIVES FOR FISCAL YEAR 2009-2010

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

MAJOR BUDGET ITEMS

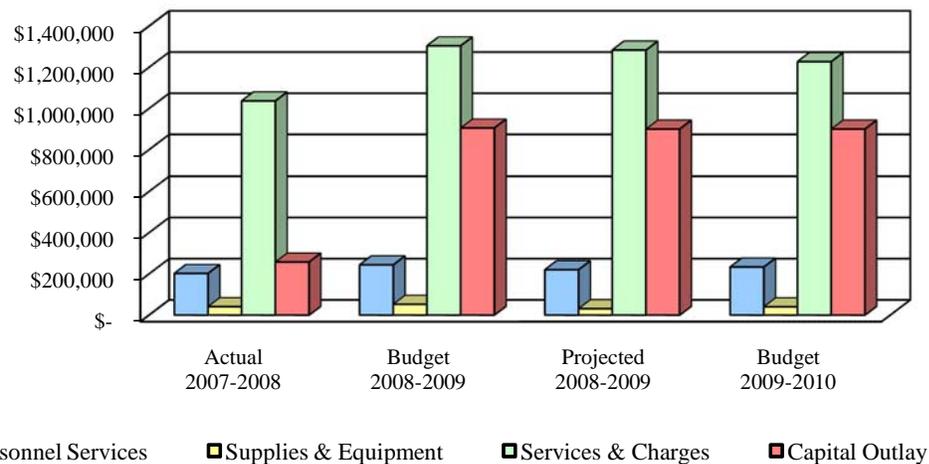
- Infrastructure replacement/maintenance - \$900,000.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
|-----------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| Foreman | 8 | 0.3 | 0.3 | 0.3 |
| Public Works Maintenance Worker I | 3 | 2.0 | 2.0 | 2.0 |
| Total Allocable Employees | | 2.3 | 2.3 | 2.3 |

EXPENDITURE SUMMARY

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|-------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Personnel Services | \$ 202,105 | \$ 243,835 | \$ 220,110 | \$ 233,370 |
| Supplies & Equipment | 41,010 | 52,500 | 30,995 | 40,250 |
| Services & Charges | 1,036,680 | 1,304,225 | 1,283,400 | 1,227,235 |
| Capital Outlay | 257,664 | 905,300 | 900,000 | 900,000 |
| Total Department | \$ 1,537,459 | \$ 2,505,860 | \$ 2,434,505 | \$ 2,400,855 |

**ACTIVITY MEASURES**

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|--|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Service Calls | | | | |
| City Lines | 13 | 20 | 15 | 20 |
| Private Lines | 46 | 50 | 35 | 50 |
| Worker Days | 16 | 25 | 15 | 25 |
| System Maintenance | | | | |
| Mains Flushed (Approx. Miles) | 73.2 | 60.0 | 100.0 | 60.0 |
| Broken Mains Repaired (Linear Feet) | 92 | 100 | 35 | 100 |
| Worker Days | 300 | 300 | 390 | 300 |
| Installation of Customer Services | | | | |
| New Taps | 60 | 40 | 50 | 40 |
| Worker Days | 56 | 30 | 40 | 30 |



*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 2008-2009

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

OBJECTIVES FOR FISCAL YEAR 2009-2010

- 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

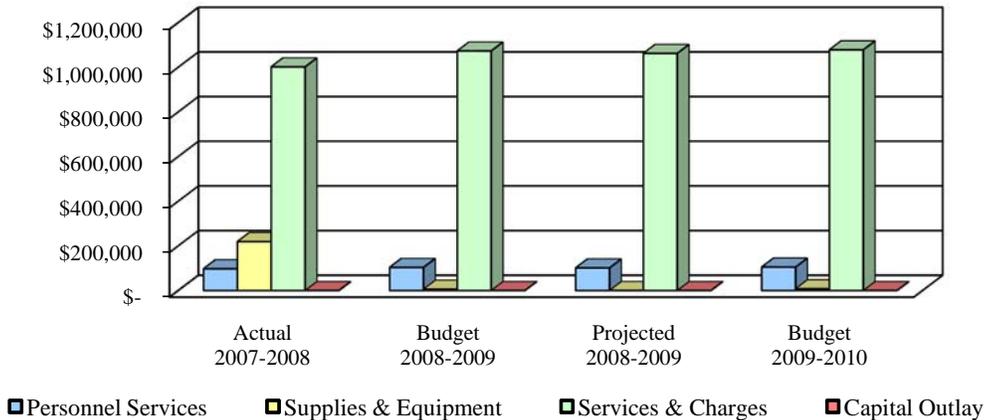
| | |
|---------------------------|-----------|
| Collection and disposal | \$807,200 |
| Landfill | 109,000 |
| Recycling | 91,545 |
| Household Hazardous Waste | 12,500 |

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
|----------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| Director of Parks & Sanitation | E-2 | 0.5 | 0.5 | 0.5 |
| Total Allocable Employees | | 0.5 | 0.5 | 0.5 |

EXPENDITURE SUMMARY

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|-------------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual | Budget | Projected | Budget |
| Personnel Services | \$ 97,456 | \$ 103,560 | \$ 101,210 | \$ 105,090 |
| Supplies & Equipment | 218,926 | 5,900 | 15 | 8,000 |
| Services & Charges | 1,001,711 | 1,073,085 | 1,062,085 | 1,078,170 |
| Capital Outlay | - | - | - | - |
| Total Department | \$ 1,318,093 | \$ 1,182,545 | \$ 1,163,310 | \$ 1,191,260 |



| ACTIVITY MEASURES | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|-----------------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Projected | Budget |
| Collection (tonnage) | | | | |
| Solid Waste Collection | 8,577 | 8,000 | 6,500 | 7,500 |
| Brush Collection | 1,563 | 2,500 | 2,500 | 2,500 |
| Recycling | 573 | 570 | 950 | 1,000 |
| Contract Expenses | | | | |
| Collection | \$710,354 | \$797,600 | \$808,750 | \$807,200 |
| Disposal | \$108,520 | \$117,500 | \$101,750 | \$109,000 |
| Recycling | \$76,158 | \$88,900 | \$90,750 | \$91,545 |
| Cost Per Ton | | | | |
| Collection | \$70.06 | \$75.96 | \$89.86 | \$80.72 |
| Disposal | \$10.70 | \$11.19 | \$11.31 | \$10.90 |
| Recycling | \$132.99 | \$155.96 | \$100.83 | \$91.55 |



Engineering Department

replacement of 14,800 square yards of sidewalk and 6,400 square yards of curb and gutter.

OBJECTIVES FOR FISCAL YEAR 2009-2010

- Complete the Mockingbird Lane reconstruction project.
- Manage construction projects for:
 - the installation of 4,812 linear feet of new/replacement water lines
 - the installation of 6,055 linear feet of new sanitary sewer lines
 - Rehabilitate 5,150 linear feet of sanitary sewer lines
 - resurfacing 28 blocks of roadway
- Prepare a proposal to install new/replacement concrete work to coincide with the 2009-2010 resurfacing project for Town Council consideration.
- Respond to engineering needs of the Town as necessary.

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 2008-2009 & PROJECTS COMPLETED

- Completed reconstruction of Mockingbird Lane – a \$15,000,000 project – in November, 2008. This was three-months ahead of schedule and about \$1,000,000 under budget.
- Contracted for the replacement of 5,230 linear feet of water lines, replacement of 5,200 linear feet of sanitary sewer lines, televising of 30,000 linear feet of storm sewer lines, removal and

MAJOR BUDGET ITEMS

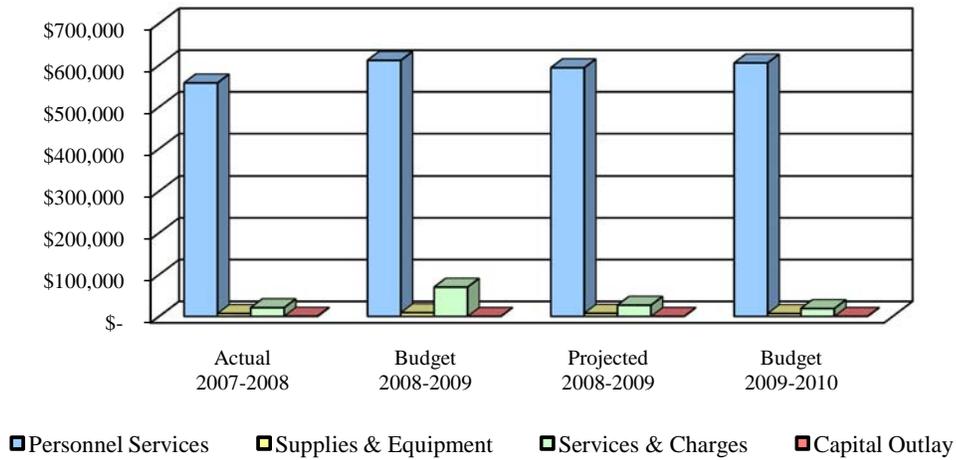
- Funding for normal operations.

EMPLOYEE CLASSIFICATION & PAY GRADE

| Classification | Grade | 2007-2008 Budget | 2008-2009 Budget | 2009-2010 Budget |
|----------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| Town Engineer | E-3 | 1.0 | 1.0 | 1.0 |
| Project Engineer | 7 | 1.0 | 1.0 | 1.0 |
| Construction Coordinator | 6 | 0.0 | 1.0 | 1.0 |
| Engineer Assistant | 5 | 0.5 | 0.5 | 0.5 |
| Project Coordinator | 5 | 1.0 | 1.0 | 1.0 |
| Total Allocable Employees | | 3.5 | 4.5 | 4.5 |

EXPENDITURE SUMMARY

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | Budget | Projected | Budget |
| Personnel Services | \$ 557,566 | \$ 611,560 | \$ 593,855 | \$ 605,475 |
| Supplies & Equipment | 6,908 | 8,900 | 7,440 | 6,820 |
| Services & Charges | 20,895 | 70,010 | 26,760 | 18,840 |
| Capital Outlay | 584 | - | - | - |
| Total Department | \$ 585,953 | \$ 690,470 | \$ 628,055 | \$ 631,135 |

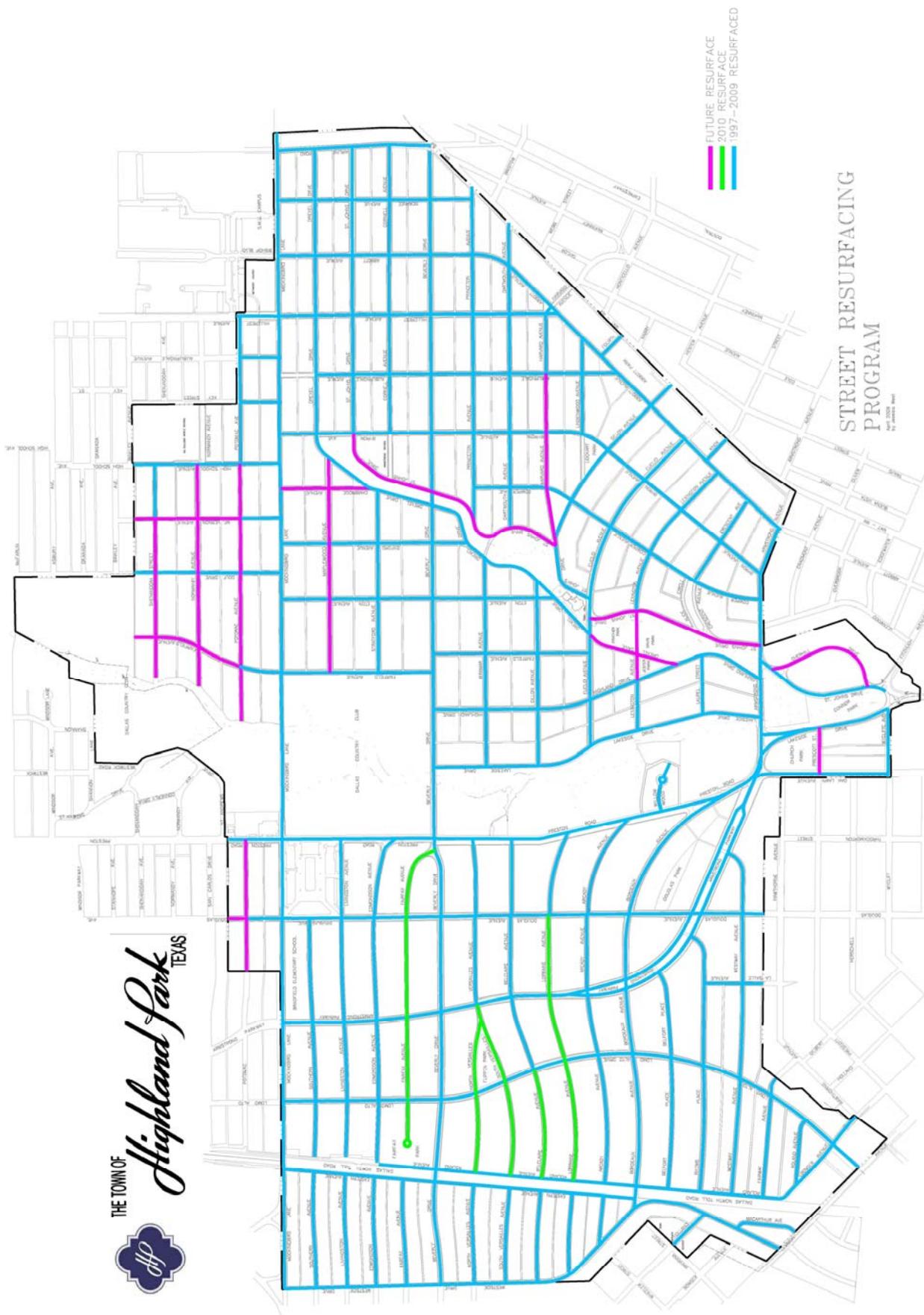


WATER AND SANITARY SEWER INFRASTRUCTURE PROJECTS

| Project | 2009-2010 | | 2010-2011 | | 2011-2012 | | 2012-2013 | |
|--|--------------------|------|--------------------|------|--------------------|------|--------------------|------|
| | Cost | Blks | Cost | Blks | Cost | Blks | Cost | Blks |
| Water line replacement: | | | | | | | | |
| Easements (blocks remaining as of 9/30/2010) | | | | | | | | |
| 3700 block | \$25,000 | 1 | | | | | | |
| 4200 block (4) | \$225,000 | 2 | \$240,000 | 2 | \$275,000 | 2 | | |
| 4300 block (3) | \$120,000 | 1 | \$250,000 | 2 | \$135,000 | 1 | | |
| 4400 block (1) | \$300,000 | 3 | \$125,000 | 1 | | | | |
| Alleys (blocks remaining as of 9/30/2010) | | | | | | | | |
| 3500 block | | | | | | | | |
| 4200 block (2) | | | | | | | \$350,000 | 2 |
| 4600 block (9) | | | \$400,000 | 3 | \$450,000 | 3 | \$550,000 | 3 |
| Lemmon Avenue - Westside Dr to MacArthur | \$50,000 | | | | | | | |
| Sanitary sewer line replacement: | | | | | | | | |
| Easements (blocks remaining as of 9/30/2010) | | | | | | | | |
| 3700 block | \$25,000 | 1 | | | | | | |
| 4200 block (4) | \$225,000 | 2 | \$240,000 | 2 | \$275,000 | 2 | | |
| 4300 block (3) | \$120,000 | 1 | \$250,000 | 2 | \$135,000 | 1 | | |
| 4400 block (1) | \$300,000 | 3 | \$125,000 | 1 | | | | |
| Alleys (blocks remaining as of 9/30/2010) | | | | | | | | |
| 3500 block | | | | | | | | |
| 4200 block (2) | | | | | | | \$350,000 | 2 |
| 4600 block (9) | | | \$170,000 | 2 | \$530,000 | 3 | \$550,000 | 3 |
| St. John's Avenue - Euclid to Armstrong (CIPP) | \$125,000 | | | | | | | |
| Bryon Avenue - St. John's to Cornell Avenue | \$50,000 | | | | | | | |
| Armstrong Avenue - Abbott to Lakeside (CIPP) | \$150,000 | | | | | | | |
| Line adjustment - Abbott and Dartmouth | \$85,000 | | | | | | | |
| Total | \$1,800,000 | | \$1,800,000 | | \$1,800,000 | | \$1,800,000 | |

The Town is currently performing an evaluation of the Sanitary Sewer System on the east side of Town. This study will assist in the identification of infrastructure needs that will be used in determining the scope of future projects. The current estimate for replacing both water and sanitary sewer lines on the east side is \$27,000,000.

NOTE: Contingencies and engineering fees are not included.



STREET RESURFACING
PROGRAM
SEP 2009



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 \$37,000,000 in its capital program without incurring additional debt.

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

The Town began the first steps in developing a formal CIP program for adoption in conjunction with the 2009-2010 Operating Budget. However, the management of the 2008-2009 Budget consumed staff time and delayed the implementation process of this effort. The list of projects on page 77 represents those projects that have been identified, along with supportive information necessary for the evaluation and prioritization of same. It is anticipated that the formal multi-year CIP program, expenditures and resources, will be ready for Town Council consideration after January 1, 2010.

The 2009-2010 Budget does provide funding of \$602,000 for three projects. These include \$52,000 for the Town's portion of a feasibility study for a joint public safety dispatch center with the City of University Park, \$50,000 for an engineering study of Exall and Wycliff dams and \$500,000 for any necessary remedial repairs to these two (2) dams.

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES & EXPENDITURES

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|---|-----------------------|---------------------|---------------------|---------------------|
| | Actual | Budget | Projected | Budget |
| REVENUES/SOURCES OF FUNDS | | | | |
| Interest | \$ 416,334 | \$ 87,000 | \$ 112,800 | \$ 90,000 |
| Miscellaneous | 3,213,852 | - | 1,022,070 | - |
| Total Revenues | \$ 3,630,186 | \$ 87,000 | \$ 1,134,870 | \$ 90,000 |
| Transfers In | \$ 1,538,834 | \$ 683,845 | \$ 991,150 | \$ 650,000 |
| Total Other Resources | \$ 1,538,834 | \$ 683,845 | \$ 991,150 | \$ 650,000 |
| Total Revenues/Sources | \$ 5,169,020 | \$ 770,845 | \$ 2,126,020 | \$ 740,000 |
| EXPENDITURES/USES OF FUNDS | | | | |
| Capital Projects | \$ 2,884,453 | \$ - | \$ 220,000 | \$ 602,000 |
| Total Expenditures/Uses | \$ 2,884,453 | \$ - | \$ 220,000 | \$ 602,000 |
| Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses | \$ (5,887,102) | \$ 770,845 | \$ 1,906,020 | \$ 138,000 |
| Fund Balance | \$ 2,884,499 | \$ 3,655,344 | \$ 4,790,519 | \$ 4,928,519 |

**CAPITAL PROJECTS
PENDING FUNDING PRIORITIZATION**

| Project | Total Estimated Costs |
|--|----------------------------------|
| Additional Parking –Town Hall | \$144,000 |
| Flood Proofing – DPS Facility (Town Hall) | \$201,600 |
| Town Hall Renovations – Centennial Celebration | \$274,200 |
| Tennis Court Reconstruction | \$605,000 |
| DPS Communications/Administration Remodel | \$3,675,527 |
| New Police & Detention Facility | \$6,247,812 |
| Construction of Concrete Wall @ Service Center | \$55,000 |
| Lemmon Avenue Water Main | \$138,000 |
| Sanitary Sewer Evaluation/Study | \$300,000 |
| Annual Water & Sanitary Sewer Replacement/Rehabilitation Program | \$1,800,000 |
| Abbott Avenue Drainage Study | \$144,000 |
| Beverly Drive Bridge Modifications | \$2,506,000 |
| Connor Park Shoreline Stabilization | \$3,030,000 |
| Exall Lake Dredging/Silt Removal | \$900,000 |
| Retaining Wall – Hackberry Creek @ Town Hall | \$513,000 |
| Beverly Drive Rehabilitation | \$2,682,000 |
| Bridge Inspection/Restoration | \$600,000 |
| Miramar Bridge Modifications | \$1,446,000 |
| Preston Road Modifications | \$145,000 |
| Annual Street Resurfacing Program | \$357,150 |
| Annual Miscellaneous Concrete Program | \$310,000 |
| Traffic Signals | \$300,000 |
| Town Street Signage Update | \$270,000 |
| Willow Wood Paving Enhancement | \$63,000 |
| Total Estimated Costs | \$27,449,139 |

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 two (2) police SUV's; five (5) pickups, one (1) 1-ton truck with dump body; one (1) dump truck and two (2) 3/4-ton pickup trucks and includes vehicles whose replacements were deferred from 2008-2009 along with other capital purchases.

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

| | 2007-2008 | 2008-2009 | 2008-2009 | 2009-2010 |
|---|---------------------|---------------------|---------------------|---------------------|
| | Actual | Budget | Projected | Budget |
| REVENUES/SOURCES OF FUNDS | | | | |
| Charges for Services | \$ 419,207 | \$ 453,700 | \$ 437,705 | \$ 608,525 |
| Interest | 89,453 | 64,000 | 87,000 | 42,000 |
| Sale of Assets | 1,254 | 73,500 | 48,901 | 80,000 |
| Total Revenues | \$ 509,914 | \$ 591,200 | \$ 573,606 | \$ 730,525 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 509,914 | \$ 591,200 | \$ 573,606 | \$ 730,525 |
| EXPENSES/USES OF FUNDS | | | | |
| Services & Charges | \$ 3,912 | \$ 6,400 | \$ 3,915 | \$ 6,400 |
| Capital Outlay | 372,778 | 303,000 | 211,310 | 624,305 |
| Total Expenses | \$ 376,690 | \$ 309,400 | \$ 215,225 | \$ 630,705 |
| Transfers | - | - | - | - |
| Total Expenses/Uses | \$ 376,690 | \$ 309,400 | \$ 215,225 | \$ 630,705 |
| Excess (Deficiency) of Revenues/Sources Over Expenses/Uses | \$ 133,224 | \$ 281,800 | \$ 358,381 | \$ 99,820 |
| Fund Balance | \$ 2,166,757 | \$ 2,448,557 | \$ 2,525,138 | \$ 2,624,958 |

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

| Department/ Equipment Type | Equipment Make | Equipment Model | Year Purchased | Schedule Replacement |
|---------------------------------------|---------------------------|----------------------------|---------------------------|---------------------------------|
| PUBLIC SAFETY | | | | |
| Administration | Toyota Highlander Hybrid | 2009 | 2009 | 2014 |
| Administration | Toyota Highlander Hybrid | 2009 | 2009 | 2014 |
| CID..... | Chevrolet Tahoe | 2005 | 2005 | 2010 |
| CID..... | Chevrolet Tahoe | 2006 | 2006 | 2010 |
| Command Vehicle | Chevrolet Suburban | 2007 | 2006 | 2011 |
| Fire Apparatus..... | Grumman | 1992 | 1992 | 2012 |
| Fire Apparatus..... | Quality | 2000 | 2000 | 2020 |
| Fire Apparatus..... | Pierce-Dash | 2007 | 2007 | 2027 |
| MICU | Navistar | 2006 | 2005 | 2016 |
| MICU | Freightliner-Horton | 2002 | 2002 | 2012 |
| MICU | International-Southern | 1992 | 1992 | 2011 |
| Pickup (Animal Control)..... | Chevrolet | 2005 | 2005 | 2011 |
| Van..... | Dodge | 2007 | 2007 | 2012 |
| Police SUV..... | Chevrolet Tahoe | 2007 | 2007 | 2011 |
| Police SUV..... | Chevrolet Tahoe | 2007 | 2007 | 2011 |
| Police SUV..... | Chevrolet Tahoe | 2007 | 2007 | 2011 |
| Police SUV..... | Chevrolet Tahoe | 2007 | 2007 | 2011 |
| Police SUV..... | Chevrolet Tahoe | 2009 | 2009 | 2012 |
| Police SUV..... | Chevrolet Tahoe | 2009 | 2009 | 2012 |
| Police SUV..... | Chevrolet Tahoe | 2009 | 2009 | 2012 |
| STREET | | | | |
| Dump Truck..... | Ford | 2004 | 2003 | 2010 |
| Pickup | Chevrolet | 2004 | 2004 | 2011 |
| Truck 1-ton..... | Chevrolet | 2002 | 2002 | 2010* |
| STREET LIGHTING | | | | |
| Truck w/Ariel lift | Ford | 2008 | 2008 | 2018 |
| PARKS | | | | |
| Truck w/ Ariel lift..... | Chevrolet | 2008 | 2008 | 2018 |
| Pickup | Chevrolet | 2006 | 2006 | 2013 |
| Van..... | Chevrolet | 2006 | 2006 | 2013 |
| Truck w/ Dump body | Chevrolet | 2004 | 2004 | 2012 |
| Pickup | Chevrolet | 2002 | 2002 | 2010* |
| Pickup | Chevrolet | 2002 | 2002 | 2010* |
| Pickup 1-ton w/ Dump body | Chevrolet | 2002 | 2002 | 2010 |
| Pickup | Chevrolet | 2002 | 2002 | 2010* |
| Skid Steer Loader..... | Bobcat | ----- | 2005 | Unscheduled |

* Deferred from 2008-2009 Budget

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

| Department/ Equipment Type | Equipment Make | Equipment Model | Year Purchased | Schedule Replacement |
|---------------------------------------|---------------------------|----------------------------|---------------------------|---------------------------------|
|---------------------------------------|---------------------------|----------------------------|---------------------------|---------------------------------|

SERVICE CENTER

| | | | | |
|-----------------------|----------------|-----------|-----------|-------------|
| Pickup | Chevrolet..... | 2002..... | 2002..... | 2010 |
| Front-End Loader..... | Case..... | 1984..... | 1984..... | Unscheduled |

WATER

| | | | | |
|--------------|----------------|-----------|-----------|-------|
| Pickup | Chevrolet..... | 2006..... | 2006..... | 2013 |
| Pickup | Chevrolet..... | 2006..... | 2006..... | 2013 |
| Pickup | Chevrolet..... | 2004..... | 2004..... | 2011 |
| Pickup | Chevrolet..... | 2002..... | 2002..... | 2010* |

SEWER

| | | | | |
|--------------------------------|-------------------|-----------|-----------|-------|
| Truck-4 ½ Ton w/ Flusher | GMC | 2002..... | 2002..... | 2011 |
| Dump Truck..... | Freightliner..... | 2008..... | 2008..... | 2018 |
| Truck 1-ton..... | Chevrolet..... | 2002..... | 2002..... | 2010* |
| Loader/Backhoe | John Deere | 2004..... | 2004..... | 2012 |
| Backhoe..... | Ford..... | 2004..... | 2004..... | 2014 |

* Deferred from 2008-2009 Budget

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. This Budget also marks the first fiscal year in which the Town's contract for street sweeping and catch basin cleaning (\$42,650) and supplies of pet mitts (\$6,000) maintained throughout the Town's parks are paid from storm water drainage fees.

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

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|--|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Charges for Services | \$ 181,050 | \$ 179,500 | \$ 179,500 | \$ 179,500 |
| Interest | 17,161 | 15,000 | 7,000 | 7,500 |
| Total Revenues/Sources of Funds | \$ 198,211 | \$ 194,500 | \$ 186,500 | \$ 187,000 |
| EXPENSES/USES OF FUNDS | | | | |
| Personnel Services | | | | |
| Payroll | \$ 22,743 | \$ 31,210 | \$ 30,325 | \$ 33,415 |
| Employee Benefits | 7,715 | 13,650 | 12,950 | 12,685 |
| Total Personnel | \$ 30,458 | \$ 44,860 | \$ 43,275 | \$ 46,100 |
| Supplies & Equipment | \$ 100 | \$ 200 | \$ 4,275 | \$ 10,000 |
| Services & Charges | 25,137 | 2,500 | 9,015 | 42,775 |
| Total Expenses/Uses of Funds | \$ 55,695 | \$ 47,560 | \$ 56,565 | \$ 98,875 |
| Excess of Revenues/Sources Over Expenses/Uses | \$ 142,516 | \$ 146,940 | \$ 129,935 | \$ 88,125 |
| Fund Balance | \$ 620,775 | \$ 767,715 | \$ 750,710 | \$ 838,835 |

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 (\$25,000).

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

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

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|---|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Court Fees | \$ 27,422 | \$ 26,000 | \$ 24,935 | \$ 25,000 |
| Interest | 3,026 | 1,200 | 405 | 400 |
| Total Revenues | \$ 30,448 | \$ 27,200 | \$ 25,340 | \$ 25,400 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 30,448 | \$ 27,200 | \$ 25,340 | \$ 25,400 |
| EXPENSES/USES OF FUNDS | | | | |
| Supplies & Equipment | \$ 3,539 | \$ - | \$ 2,940 | \$ 2,950 |
| Service & Charges | 36,608 | 20,100 | 20,380 | 25,000 |
| Capital Outlay | 10,372 | 2,500 | 2,500 | 14,570 |
| Total Expenses/Uses | \$ 50,519 | \$ 22,600 | \$ 25,820 | \$ 42,520 |
| Excess (Deficiency) of Revenues/Sources Over Expenses/Uses | \$ (20,071) | \$ 4,600 | \$ (480) | \$ (17,120) |
| Fund Balance | \$ 32,448 | \$ 37,048 | \$ 31,968 | \$ 14,848 |

COURT SECURITY FUND

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

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

This Budget provides for a transfer of \$20,000 to the General Fund for support the services of the part-time position of Town Marshall/Bailiff added in the 2009-2010 Budget (General Fund – Municipal Court operations).

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

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

| | 2007-2008 Actual | 2008-2009 Budget | 2008-2009 Projected | 2009-2010 Budget |
|---|---------------------|---------------------|------------------------|---------------------|
| REVENUES/SOURCES OF FUNDS | | | | |
| Court Fees | \$ 20,575 | \$ 21,000 | \$ 19,445 | \$ 19,500 |
| Interest | 4,509 | 4,300 | 1,825 | 1,800 |
| Total Revenues | \$ 25,084 | \$ 25,300 | \$ 21,270 | \$ 21,300 |
| Transfers | - | - | - | - |
| Total Revenues/Sources | \$ 25,084 | \$ 25,300 | \$ 21,270 | \$ 21,300 |
| EXPENSES/USES OF FUNDS | | | | |
| Services & Charges | \$ 13,842 | \$ 14,500 | \$ 13,980 | \$ - |
| Capital Outlay | - | - | - | - |
| Total Expenses | \$ 13,842 | \$ 14,500 | \$ 13,980 | \$ - |
| Transfers Out | \$ - | \$ - | \$ - | \$ 20,000 |
| Total Expenditures/Uses | \$ 13,842 | \$ 14,500 | \$ 13,980 | \$ 20,000 |
| Excess Revenues/Sources Over Expenses/Uses | \$ 11,242 | \$ 10,800 | \$ 7,290 | \$ 1,300 |
| Fund Balance | \$ 136,590 | \$ 147,390 | \$ 143,880 | \$ 145,180 |



PAY PLAN

The Pay Plans incorporated in the Town's 2009-2010 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 program, a program that has been very beneficial to the Town and its employees for over eighteen (18) 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
2009-2010**

| Grade | Position | Minimum | Maximum |
|--------------|--|----------------|----------------|
| 8 | Chief Building Inspector Controller/Systems Administrator Communications Supervisor Foreman | \$73,179 | \$98,791 |
| 7 | Project Engineer | \$63,634 | \$85,905 |
| 6 | Accreditation Manager Building Inspector Construction Coordinator Customer Service Supervisor Support Services Supervisor | \$55,334 | \$74,700 |
| 5 | Accountant Administrative Secretary Construction Inspector Electrical/Mechanical Tech Engineering Assistant Project Coordinator Senior Court Clerk | \$48,116 | \$64,957 |
| 4 | Communications Specialist Library Assistant Parks Maintenance Specialist Secretary - II Support Services Officer Public Works Maintenance Worker I | \$41,840 | \$56,484 |
| 3 | Accounting Technician Court Clerk Customer Service Specialist I Parks Maintenance Worker I Secretary I | \$36,383 | \$49,117 |
| 2 | Building Inspection Clerk Customer Service Specialist II Library Associate Public Works Maintenance Worker II | \$31,637 | \$42,710 |
| 1 | Parks Maintenance Worker II | \$27,511 | \$37,139 |

Base Minimum and Base Maximum reflect the range within each grade that is net of any incentives and Pay for Performance ("PFP").

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
PUBLIC SAFETY PERSONNEL
2009-2010**

| Grade | Position | Minimum | Maximum |
|--------------|--------------------------------|----------------|----------------|
| G | Captain | \$107,320 | \$118,052 |
| F | Lieutenant | \$93,322 | \$102,654 |
| E | Sergeant | \$81,150 | \$89,265 |
| D | Investigator | \$75,857 | \$83,443 |
| C | Public Safety Officer | \$64,365 | \$77,239 |
| B | Fire Fighter Police Officer | \$53,638 | \$56,320 |
| A | Public Safety Apprentice | \$48,762 | \$48,762 |

Base Minimum and Base Maximum reflect the range within each grade that is net of any incentives and Pay for Performance (“PFP”).

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
EXEMPT POSITION
2009-2010**

| Grade | Position | Minimum | Maximum |
|--------------|---|----------------|----------------|
| E-4 | Director of Public Safety | \$133,360 | \$173,365 |
| E-3 | Director of Public Works Director of Fiscal & Human Resources Town Engineer | \$121,235 | \$157,605 |
| E-2 | Director of Parks & Sanitation Assistant Director of Public Safety | \$115,170 | \$149,725 |
| E-1 | Librarian | \$86,380 | \$112,295 |

PAY INCENTIVES AND ENHANCEMENTS

Additional training and responsibilities are required of numerous Town job positions. Pay incentives have been incorporated in the 2009-2010 graded pay plan 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% |
| 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 City Charter Date.....August 1975

Town Characteristics

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

Proportion of Property Values

Residential91.99% Commercial 4.40%
 Business Personal Property..... 1.05% School/Municipal (Exempt) 2.56%

Public Safety

Cross-trained..... 53 Emergency Medical Technicians5
 Paramedics..... 39

Water And Sewer Utility System

Water Connections

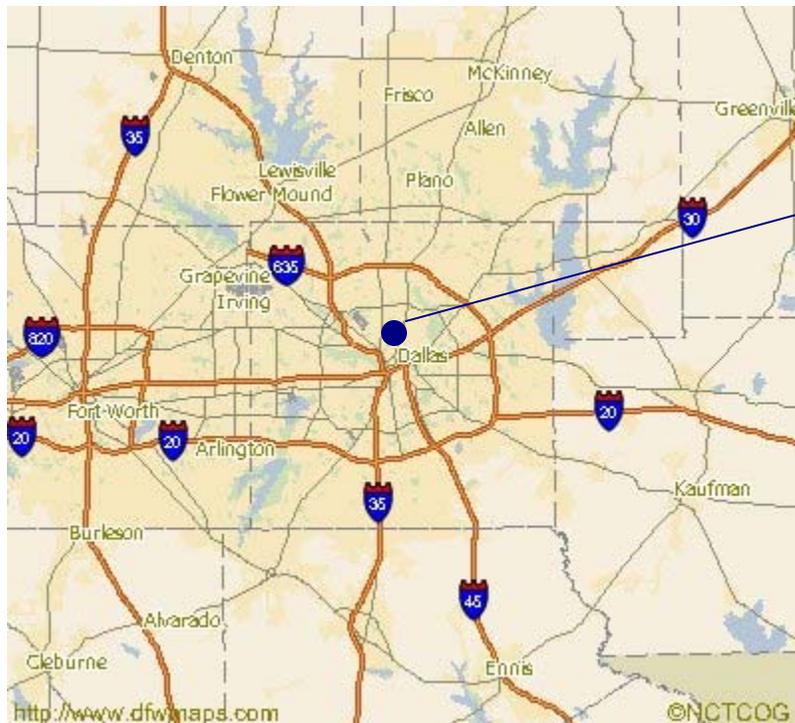
Residential 3,088
 Commercial 79
 Irrigation 2,055
 Municipal..... 71
 Total 5,293

Sewer Connections

Residential 3,056
 Commercial79
 Municipal.....4
 Total 3,139

Infrastructure

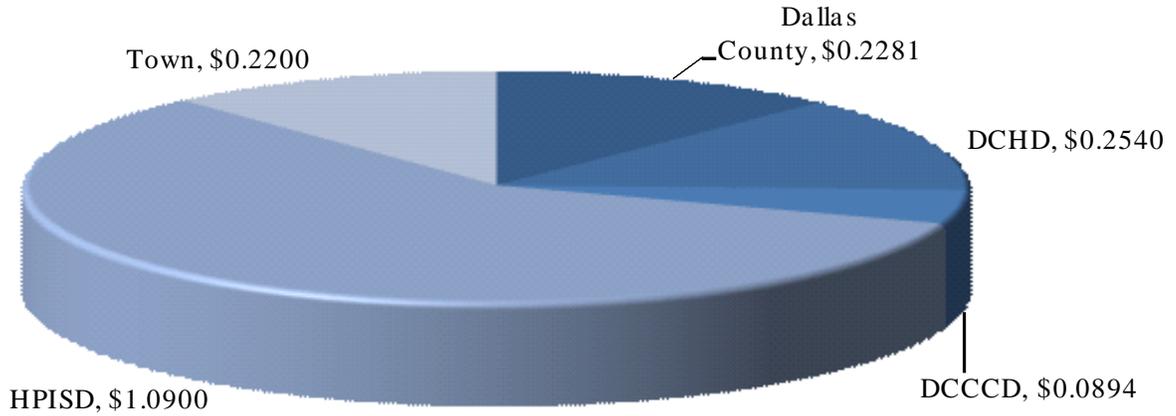
Sanitary Sewers 37.18 Miles Storm Sewers..... 12.22 Miles
 Parks..... 22 With 59.3 Acres Paved Streets 41.79 Miles



Highland Park

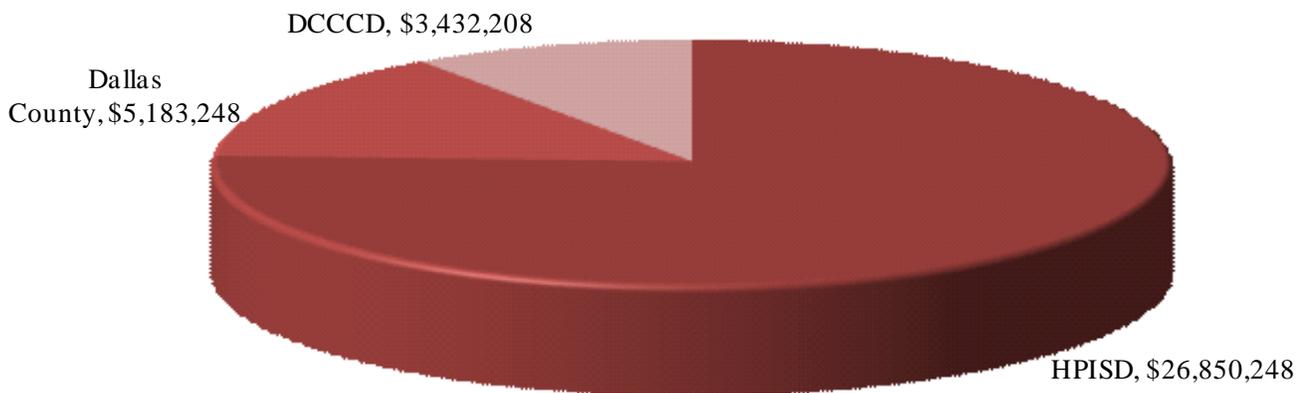
TOWN OF HIGHLAND PARK

Direct and Overlapping Property Tax Rates



Per \$100 Taxable Valuation

Direct and Overlapping Debt



Per Capita Debt -\$4,011.05

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
Last Ten (10) Tax Years

| Tax Year | Appraised Property Value | | | Taxable Value |
|----------|--------------------------|-------------------------------|---------------|---------------|
| | Real Property | Business Personal Property | Total | |
| 1999 | 2,427,532,860 | 44,418,040 | 2,471,950,900 | 1,939,739,816 |
| 2000 | 2,730,045,030 | 48,307,090 | 2,778,352,120 | 2,150,119,931 |
| 2001 | 3,165,278,270 | 49,548,300 | 3,214,826,570 | 2,417,415,947 |
| 2002 | 3,396,737,050 | 49,385,140 | 3,446,122,190 | 2,626,957,671 |
| 2003 | 3,453,708,577 | 52,941,730 | 3,506,650,307 | 2,770,175,015 |
| 2004 | 3,593,336,820 | 53,796,690 | 3,647,133,510 | 2,911,465,259 |
| 2005 | 3,986,604,910 | 53,801,060 | 4,040,405,970 | 2,911,465,259 |
| 2006 | 4,642,666,780 | 46,477,560 | 4,689,144,340 | 3,587,268,531 |
| 2007 | 5,200,150,870 | 53,984,270 | 5,254,135,140 | 4,040,272,594 |
| 2008 | 5,670,130,390 | 60,667,890 | 5,730,798,280 | 4,573,579,178 |

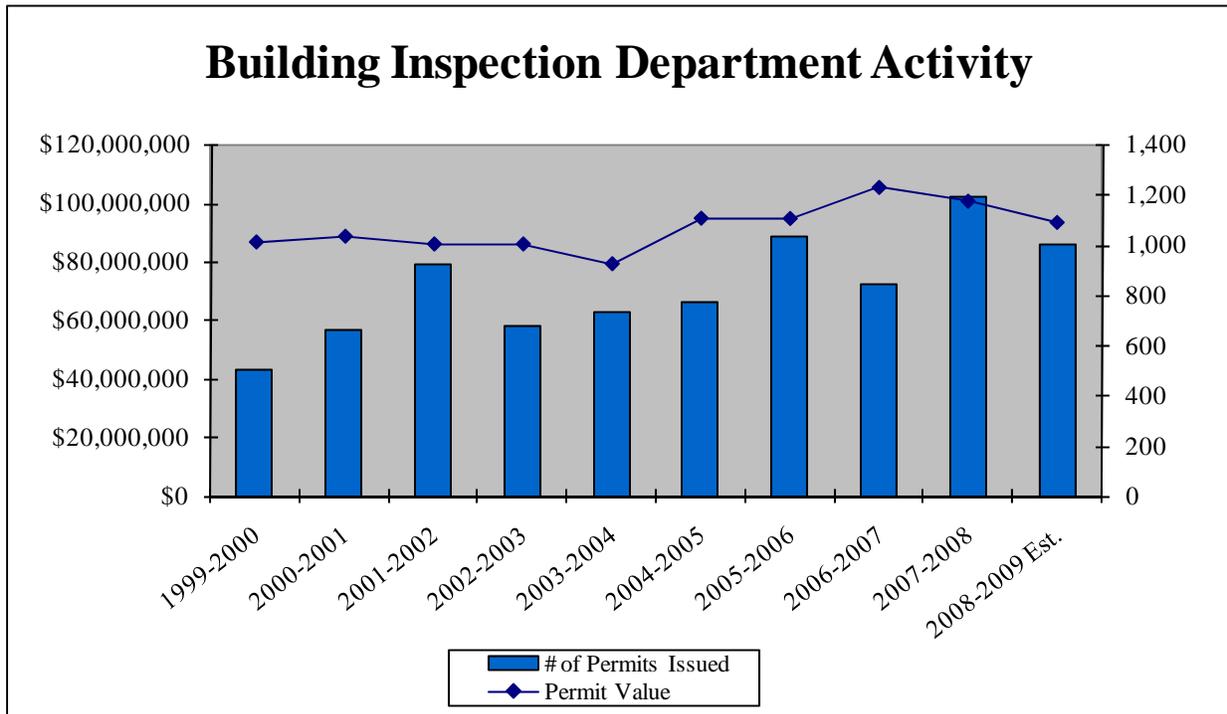
The difference between the appraised value and the taxable value represents that value that is exempted from taxation due to 1) an optional 20% Homestead exemption; 2) a \$50,000 over 65 exemption; 3) reappraisal value that exceeds the 10% per year cap; and 4) other exemptions provided under the Texas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

PRINCIPAL TAXPAYERS - 2009 TAX ROLL

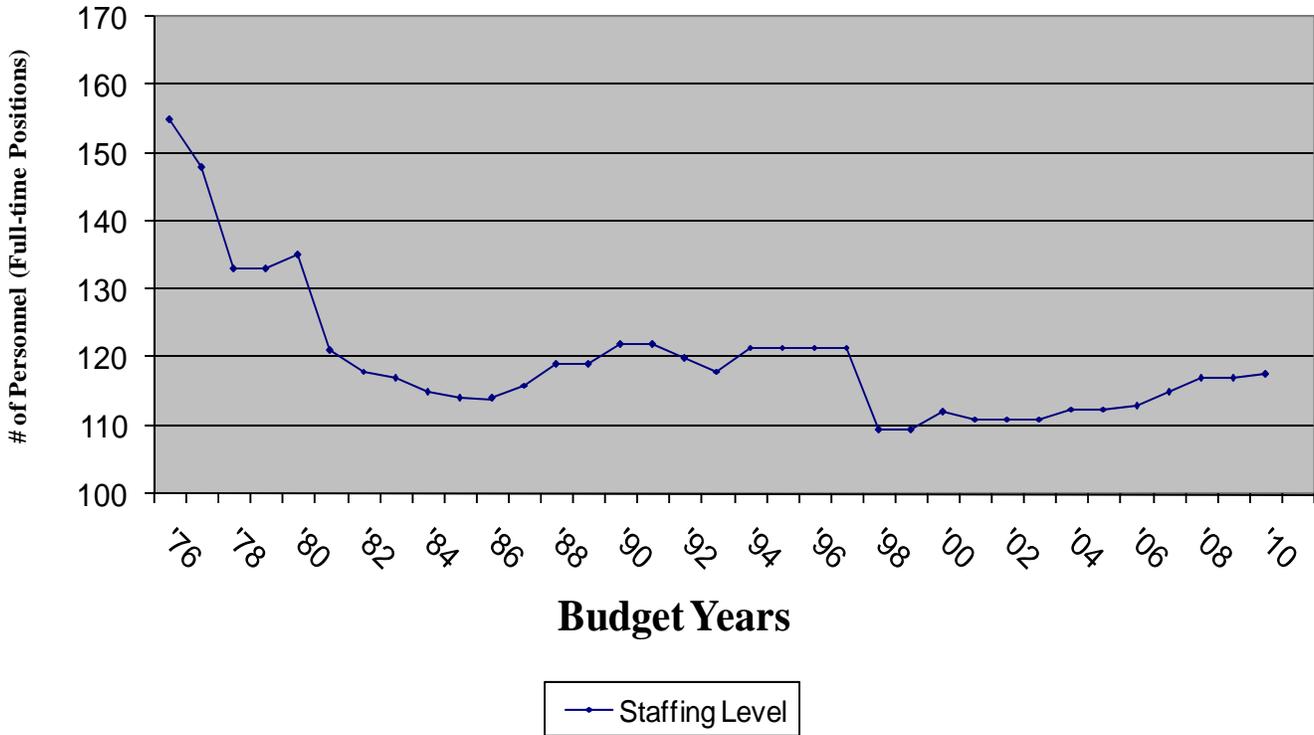
| Name Of Taxpayer | Type Of Property | Taxable Valuation | % Of Total Taxable Valuation |
|--------------------------------|------------------|-------------------|------------------------------|
| Highland Park Shopping Village | Commercial | \$ 145,025,450 | 3.17 |
| Muse, John R. & Lyn | Residential | 24,166,776 | 0.53 |
| Crow, Harlan R. | Residential | 19,269,952 | 0.42 |
| L & B Depp | Commercial | 19,000,000 | 0.42 |
| Cox, Edwin L. (Trust) | Residential | 17,416,000 | 0.38 |
| Corrigan Properties, Inc. | Commercial | 14,931,960 | 0.33 |
| Jones, Jerral W. & Gene C. | Residential | 13,824,560 | 0.30 |
| Crow, Trammel Life Estate | Residential | 12,670,000 | 0.28 |
| Intercity Investment | Commercial | 12,000,000 | 0.26 |
| Mitchell, Amy | Residential | 11,772,430 | 0.26 |

**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 |
| 2000 | 21 | \$ 3,528,300 | 1,011 | \$ 53,570,327 | 1,032 | \$ 57,098,627 |
| 2001 | 31 | 20,393,466 | 970 | 59,250,496 | 1,001 | 79,643,962 |
| 2002 | 24 | 9,313,856 | 977 | 49,117,152 | 1,001 | 58,431,008 |
| 2003 | 17 | 8,179,448 | 905 | 55,200,021 | 922 | 63,379,469 |
| 2004 | 31 | 8,756,934 | 1,073 | 57,369,788 | 1,104 | 66,126,722 |
| 2005 | 16 | 1,771,229 | 1,087 | 86,778,949 | 1,103 | 88,530,178 |
| 2006 | 30 | 3,261,500 | 1,197 | 69,202,864 | 1,227 | 72,464,364 |
| 2007 | 19 | 3,147,626 | 1,153 | 99,523,538 | 1,172 | 102,671,164 |
| 2008 | 22 | 8,626,739 | 1,065 | 77,757,710 | 1,087 | 86,384,449 |
| 2009 | 21 | 41,335,048 | 870 | 53,601,984 | 891 | 94,937,032 |



Historical Staffing Levels



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

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

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

| <u>Fiscal Year</u> | <u>Residential</u> | <u>Commercial</u> | <u>Irrigation Only</u> | <u>Town Use</u> | <u>Total</u> | <u># Service Accounts</u> |
|--------------------|--------------------|-------------------|------------------------|-----------------|--------------|---------------------------|
| 1999-2000 | 667,577 | 52,952 | 527,858 | 52,827 | 1,301,214 | 4,919 |
| 2000-2001 | 573,771 | 46,737 | 427,636 | 40,432 | 1,088,576 | 5,007 |
| 2001-2002 | 568,409 | 51,166 | 452,951 | 46,933 | 1,119,459 | 5,030 |
| 2002-2003 | 549,772 | 52,435 | 467,414 | 37,588 | 1,107,209 | 5,064 |
| 2003-2004 | 529,874 | 53,746 | 455,388 | 41,897 | 1,080,905 | 5,124 |
| 2004-2005 | 528,344 | 51,894 | 490,518 | 45,293 | 1,116,049 | 5,168 |
| 2005-2006 | 570,390 | 58,423 | 678,935 | 56,129 | 1,363,877 | 5,184 |
| 2006-2007 | 456,690 | 53,938 | 410,182 | 24,698 | 945,508 | 5,258 |
| 2007-2008 | 465,500 | 56,700 | 483,000 | 38,000 | 1,043,200 | 5,275 |
| 2008-2009* | 467,200 | 52,700 | 572,000 | 38,400 | 1,130,300 | 5,330 |

*Projected

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

| | Actual 1999-2000 | Actual 2000-2001 | Actual 2001-2002 | Actual 2002-2003 | Actual 2003-2004 | Actual 2004-2005 | Actual 2005-2006 | Actual 2006-2007 | Budget 2007-2008 | Budget 2008-2009 |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Personnel | | | | | | | | | | |
| Payroll | \$ 5,829,714 | \$ 6,062,560 | \$ 6,663,299 | \$ 6,966,485 | \$ 7,519,834 | \$ 7,862,345 | \$ 8,287,210 | \$ 8,856,330 | \$ 9,651,750 | \$ 10,084,575 |
| Benefits | 1,796,892 | 1,791,995 | 1,965,401 | 2,094,172 | 2,371,083 | 2,595,185 | 3,041,560 | 3,193,235 | 3,550,680 | 3,965,370 |
| Subtotal | \$ 7,626,606 | \$ 7,854,555 | \$ 8,628,700 | \$ 9,060,657 | \$ 9,890,917 | \$ 10,457,530 | \$ 11,328,770 | \$ 12,049,565 | \$ 13,202,430 | \$ 14,049,945 |
| Supplies & Equipment | 2,093,066 | 1,909,015 | 1,950,440 | 1,982,287 | 1,987,389 | 2,201,640 | 2,142,670 | 2,360,835 | 2,249,550 | 2,562,930 |
| Services & Charges | 4,210,950 | 4,068,614 | 5,024,759 | 5,402,655 | 4,559,125 | 4,467,740 | 4,522,275 | 4,815,700 | 5,010,345 | 5,284,260 |
| Capital Outlay | 5,035,867 | 796,785 | 7,390,391 | 2,155,056 | 2,487,321 | 2,218,800 | 2,443,725 | 2,422,875 | 3,647,750 | 2,472,300 |
| Debt Service | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 18,966,489 | \$ 14,628,969 | \$ 22,994,290 | \$ 18,600,655 | \$ 18,924,752 | \$ 19,345,710 | \$ 20,437,440 | \$ 21,648,975 | \$ 24,110,075 | \$ 24,369,435 |

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

| | Actual 1999-2000 | Actual 2000-2001 | Actual 2001-2002 | Actual 2002-2003 | Actual 2003-2004 | Actual 2004-2005 | Actual 2005-2006 | Actual 2006-2007 | Budget 2007-2008 | Budget 2008-2009 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Property Taxes | \$ 4,980,439 | \$ 5,277,413 | \$ 5,487,136 | \$ 5,749,724 | \$ 6,335,090 | \$ 6,659,405 | \$ 7,282,255 | \$ 8,067,760 | \$ 8,809,700 | \$ 9,551,090 |
| Water Sales | 3,058,234 | 2,828,956 | 3,013,379 | 3,137,578 | 3,160,639 | 3,750,535 | 3,717,785 | 3,847,650 | 3,819,410 | 4,157,500 |
| Sanitary Sewer Charges | 1,965,653 | 1,864,873 | 2,003,015 | 2,181,804 | 2,236,980 | 2,422,110 | 2,547,775 | 2,447,170 | 2,592,630 | 2,933,250 |
| Sales Tax | 1,600,021 | 1,647,716 | 1,603,019 | 1,635,389 | 1,711,196 | 1,680,000 | 1,800,000 | 2,100,000 | 2,190,000 | 2,325,000 |
| Sanitation & Recycling Charges | 856,475 | 876,367 | 931,001 | 953,845 | 976,380 | 987,675 | 996,585 | 996,585 | 1,137,130 | 1,234,990 |
| Franchise Fees | 821,526 | 896,707 | 926,371 | 841,024 | 871,693 | 885,000 | 879,000 | 912,000 | 916,000 | 963,000 |
| Building Activity Fees | 641,787 | 1,002,079 | 680,020 | 678,668 | 790,023 | 681,500 | 759,000 | 870,000 | 882,000 | 748,800 |
| Court Fines/Fees | 526,741 | 596,975 | 569,128 | 575,318 | 534,110 | 505,000 | 700,680 | 703,500 | 703,000 | 703,000 |
| Interest on Investments | 1,023,980 | 939,999 | 814,625 | 387,469 | 244,665 | 392,000 | 486,200 | 933,700 | 1,047,300 | 576,500 |
| Other Charges for Service | 1,142,689 | 1,175,531 | 1,286,112 | 1,377,936 | 1,353,762 | 1,430,385 | 1,458,875 | 1,482,935 | 1,475,465 | 1,509,130 |
| Storm Water Drainage Fees | - | - | - | - | 143,930 | 181,500 | 181,500 | 181,500 | 180,000 | 179,500 |
| All Other | 775,312 | 788,791 | 602,984 | 707,153 | 573,935 | 407,000 | 463,000 | 668,600 | 871,700 | 717,600 |
| Total | \$17,392,857 | \$17,895,407 | \$17,916,790 | \$18,225,908 | \$18,932,403 | \$19,982,110 | \$21,272,655 | \$23,211,400 | \$24,624,335 | \$25,599,360 |

Town of Highland Park 2008-2009 Operating Budget

**TOWN OF HIGHLAND PARK
OPERATIONAL CAPITAL REQUESTS**

| | Request | Carry-over 2008-2009 | Move to O & M | Funded 2009-2010 |
|---------------------------------------|-------------------|--------------------------|------------------|---------------------|
| Administration | | | | |
| Appraisal of art collection | \$ 5,500 | | | |
| Automation of minutes | \$ 24,400 | | | |
| Subtotal: | \$ 29,900 | \$ - | \$ - | \$ - |
| Public Safety | | | | |
| Emergency Management Plan | \$ 20,000 | \$ 20,000 | | |
| Health Assessments | \$ 22,900 | \$ 22,900 | | |
| Fitness Validation Study | \$ 10,000 | \$ 10,000 | | |
| Lexipol Based SOP | \$ 7,950 | | | |
| NEOGOV On-Demand HR system | \$ 7,950 | | | |
| Email Exchange Server | \$ 3,200 | | | \$ 3,200 |
| NICE Voice Recorder System | \$ 23,000 | | | \$ 23,000 |
| RAD-57 Signal Extraction | \$ 5,000 | | | |
| Fitness Equipment | \$ 5,000 | \$ 5,000 | | |
| Portable Radio (10) | \$ 20,000 | | \$ 20,000 | |
| SCBA's with Cylinders (5) | \$ 30,000 | | \$ 30,000 | |
| Laptop computer | \$ 1,600 | | | |
| Mobile Digital Video (2) | \$ 12,000 | | | \$ 6,000 |
| CAD/RMS Software upgrade | \$ 15,000 | | | \$ 15,000 |
| Computer for networked EMS | \$ 5,200 | | | |
| PHYSIO control Lifepak 15 (2) | \$ 61,155 | | | |
| Computer docking station (10) | \$ 10,000 | | | |
| Shared costs of firing range | \$ 10,000 | \$ 10,000 | | |
| Thermal imaging camera | \$ 15,000 | | | |
| Rope equipment package | \$ 2,500 | | | |
| FIT-5 Fire Suppression Device | \$ 7,800 | | | |
| Lockers and shelving | \$ 10,000 | | | |
| Misc. fire operations equipment | \$ 10,300 | | \$ 5,000 | \$ 5,300 |
| Airshore pneumatic rescue tools | \$ 20,000 | | | |
| Misc. management software | \$ 4,000 | | | |
| Defensive tactics training aids | \$ 6,000 | | | |
| CAD/RMS interface with EMS records | \$ 12,000 | | | \$ 12,000 |
| Mobile drying rack | \$ 1,400 | | | |
| King Cobra 1200 dual surface cleaner | \$ 5,405 | | | |
| Subtotal: | \$ 364,360 | \$ 67,900 | \$ 55,000 | \$ 64,500 |
| Street | | | | |
| Street name sign replacement | \$ 26,000 | \$ 26,000 | | |
| Paved alley repair | \$ 40,000 | | \$ 10,000 | \$ 30,000 |
| Subtotal: | \$ 66,000 | \$ 26,000 | \$ 10,000 | \$ 30,000 |
| Street Lighting | | | | |
| Traffic speed display | \$ 5,000 | Mockingbird Lane Funding | | |
| Subtotal: | \$ 5,000 | | | |
| Library (Funded in the Budget) | | | | |
| Books | \$ 69,000 | | | |
| Audio-visual materials | \$ 11,000 | | \$ 20,000 | \$ 60,000 |
| Subtotal: | \$ 80,000 | \$ - | \$ 20,000 | \$ 60,000 |

**TOWN OF HIGHLAND PARK
OPERATIONAL CAPITAL REQUESTS**

Park

| | | | | |
|--|-------------------|-------------------|-----------------|-------------|
| Resurface Tennis Courts | \$ 15,000 | \$ 15,000 | | |
| Fence and hedge replacement | \$ 24,000 | \$ 24,000 | | |
| Landscape architectural design (Flippen) | \$ 20,000 | \$ 20,000 | | |
| Miscellaneous park improvements | \$ 50,000 | \$ 50,000 | | |
| Landscape lighting repair (Lakeside) | \$ 25,000 | | | |
| Stone wall point repairs | \$ 23,000 | | | |
| Centennial Plan | \$ 20,000 | | | |
| Vermeer stump grinder | \$ 28,800 | \$ 28,800 | | |
| Refurbish teak park benches (30) | \$ 7,500 | | \$ 7,500 | |
| Landscape lighting (Preston Road) | \$ 70,000 | | | |
| Landscape lighting (Connor Park) | \$ 45,000 | | | |
| Sidewalk and retaining wall (Davis) | \$ 38,050 | | | |
| Sidewalk (Connor Park - west side) | \$ 27,000 | | | |
| Retaining wall (Davis) | \$ 73,500 | | | |
| Subtotal: | \$ 466,850 | \$ 137,800 | \$ 7,500 | \$ - |

Swimming Pool

| | | | | |
|--|------------------|------------------|-----------------|------------------|
| Replace electrical controls- pump room | \$ 8,500 | | | \$ 8,500 |
| Lifeguard stands (2) | \$ 5,600 | \$ 5,600 | | |
| Replace light fixtures (9) | \$ 9,000 | \$ 9,000 | | |
| Replace pool furniture | \$ 3,000 | | \$ 3,000 | |
| Antiwave swim lanes (6) | \$ 6,900 | \$ 6,900 | | |
| Concession stand equipment | \$ 5,000 | | | \$ 5,000 |
| Resurface concrete area @ concession | \$ 2,500 | | | |
| Replace sunshelter | \$ 10,500 | | | |
| Subtotal: | \$ 51,000 | \$ 21,500 | \$ 3,000 | \$ 13,500 |

Finance

| | | | | |
|---------------------------------------|------------------|-------------|-------------|------------------|
| Time entry and report writer software | 16,700 | | | 16,700 |
| Subtotal: | \$ 16,700 | \$ - | \$ - | \$ 16,700 |

Service Center

| | | | | |
|---------------------------------------|------------------|------------------|-------------|-------------|
| Power washer | \$ 4,500 | | | |
| Key control system (diesel tank) | \$ 6,000 | | | |
| Electronic Monitoring system (diesel) | \$ 14,000 | \$ 14,000 | | |
| Paint exterior of building | \$ 24,000 | \$ 24,000 | | |
| Subtotal: | \$ 48,500 | \$ 38,000 | \$ - | \$ - |

Municipal Building

| | | | | |
|-----------------------------|-------------------|-----------------|-------------|------------------|
| Refurbish exterior lighting | \$ 5,000 | \$ 5,000 | | |
| Energy Management System | \$ 60,000 | | | |
| Roofing | \$ 25,000 | | | |
| Carpet replacement | \$ 80,000 | | | \$ 80,000 |
| Subtotal: | \$ 170,000 | \$ 5,000 | \$ - | \$ 80,000 |

Engineering

| | | | | |
|------------------------------|------------------|-------------|-------------|-------------|
| Traffic counting devices (2) | \$ 12,000 | | | |
| Subtotal: | \$ 12,000 | \$ - | \$ - | \$ - |

| | | | | |
|--------------|---------------------|-------------------|------------------|-------------------|
| Total | \$ 1,310,310 | \$ 296,200 | \$ 95,500 | \$ 264,700 |
|--------------|---------------------|-------------------|------------------|-------------------|



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.

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 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.

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.

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

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

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

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

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

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

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

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

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

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

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

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

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.

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 in its boundaries.

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

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