



THE TOWN OF

Highland Park
TEXAS



OFFICIAL BUDGET

FISCAL YEAR 2008-2009

TOWN OF HIGHLAND PARK, TEXAS

OPERATING BUDGET OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2009

AS SUBMITTED TO
THE MAYOR AND THE TOWN COUNCIL

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MAYOR PRO TEM

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DIRECTOR OF FISCAL & HUMAN RESOURCES



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September 15, 2008

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

Mayor and Council:

We are pleased to submit the 2008-2009 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 2008-2009 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.

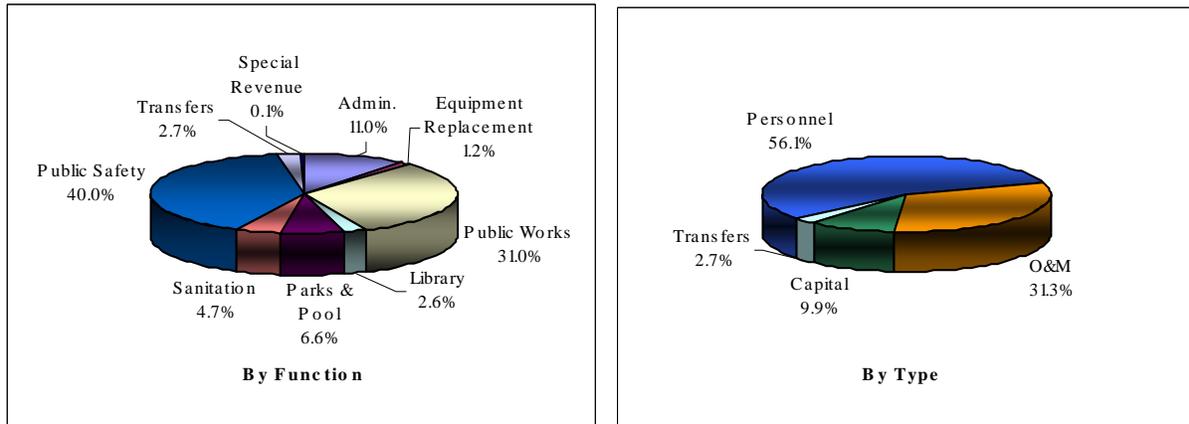
The chart on the following page provides fund balances, projected revenues by major source, budgeted expenditures by type and ending fund balances for all funds:

**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 2008-2009	Total 2007-2008
BEGINNING FUND BALANCE	\$ 4,328,751	\$ 5,158,920	\$ 1,939,338	\$ 2,233,844	\$ 605,804	\$ 42,770	\$ 136,648	\$ 14,446,075	\$ 12,352,476
REVENUES:									
Property Taxes	\$ 9,551,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,551,090	8,809,700
Water Sales	-	4,157,500	-	-	-	-	-	4,157,500	3,819,410
Sewer Charges	-	2,933,250	-	-	-	-	-	2,933,250	2,592,630
Sales Taxes	2,325,000	-	-	-	-	-	-	2,325,000	2,190,000
Sanitation/Recycling Charges	-	1,234,990	-	-	-	-	-	1,234,990	1,137,130
Franchise Fees	963,000	-	-	-	-	-	-	963,000	916,000
Building Inspection Fees/Permits	707,300	41,500	-	-	-	-	-	748,800	882,000
Municipal Court Fines/Fees	703,000	-	-	-	-	-	-	703,000	703,000
Interest Earnings	250,000	155,000	87,000	64,000	15,000	1,200	4,300	576,500	1,047,300
All Other	1,564,530	88,000	-	527,200	179,500	26,000	21,000	2,406,230	2,527,165
TOTAL REVENUES	\$ 16,063,920	\$ 8,610,240	\$ 87,000	\$ 591,200	\$ 194,500	\$ 27,200	\$ 25,300	\$ 25,599,360	\$ 24,624,335
Transfers from Other Funds	-	-	683,845	-	-	-	-	683,845	950,740
TOTAL AVAILABLE RESOURCES	\$ 20,392,671	\$ 13,769,160	\$ 2,710,183	\$ 2,825,044	\$ 800,304	\$ 69,970	\$ 161,948	\$ 40,729,280	\$ 37,927,551
EXPENDITURES:									
Personnel Services:									
Payroll	\$ 8,484,395	\$ 1,568,970	\$ -	\$ -	\$ 31,210	\$ -	\$ -	\$ 10,084,575	\$ 9,651,750
Employee Benefits	3,335,680	616,040	-	-	13,650	-	-	3,965,370	3,550,680
Total Personnel	\$ 11,820,075	\$ 2,185,010	\$ -	\$ -	\$ 44,860	\$ -	\$ -	14,049,945	13,202,430
Supplies & Equipment	\$ 907,265	\$ 1,655,465	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ 2,562,930	\$ 2,249,550
Services & Charges	2,291,235	2,949,525	-	6,400	2,500	20,100	14,500	5,284,260	5,010,345
Capital Outlay	361,500	1,805,300	-	303,000 *	-	2,500	-	2,472,300	2,647,750
TOTAL EXPENDITURES	\$ 15,380,075	\$ 8,595,300	\$ -	\$ 309,400	\$ 47,560	\$ 22,600	\$ 14,500	\$ 24,369,435	\$ 23,110,075
Transfers to Other Funds	683,845	-	-	-	-	-	-	683,845	950,740
ENDING FUND BALANCE	\$ 4,328,751	\$ 5,173,860	\$ 2,710,183	\$ 2,515,644	\$ 752,744	\$ 47,370	\$ 147,448	\$ 15,676,000	\$ 13,866,736

III:

The following graphs present the total budgeted expenditures for 2008-2009, by function and by type:



BUDGET POLICY 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.

Budget Policy Changes

The development of this budget encompasses the following policy changes:

Personnel

Over the past two (2) fiscal years, the Town has experienced the transitioning of key personnel through retirement. The positions of Town Administrator, Director of Public Safety, Assistant Director of Public Safety and two (2) Public Safety Captain positions have new incumbents. The Town had temporarily increased staffing levels over this period to accommodate these transitions and now that this process has been completed, the staffing level funded in the 2008-2009 Budget returns to 117 full-time positions.

Recognizing that over the next 2-5 years, there is the potential of additional executive staff retirements, the Town amended its Financial Management Policies, increasing the minimum operating reserve for the General Fund from 17% to 22%. This change in Town policy is designed to minimize the impact that implementing a succession plan will have on current revenues and to provide funding via existing fund surpluses.

Significant Budget Policies

Property Taxes

The market value of property located within the Town increased \$374,779,410, or 7.15%, to \$5,618,186,060. The taxable value of property in the Town increased \$352,753,175, or 8.79%. The increase in value is due to reappraisal of real property and new construction, which added \$102,505,537 in value. Property values for the last ten (10) years are presented on page 96.

The Town is able to retain the tax rate of \$0.22/\$100 valuation, a rate that will generate an additional \$716,390 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 2008-2009 and future budget years is presented on page 72.

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, 2009, as expressed as a percentage of non-capital expenses, is 76.2%, or \$5,173,860. This is some \$3,476,362 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, particularly with the rebuilding of Mockingbird Lane.

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 73 details streets resurfaced since 1998 and the proposed work for 2008-2009 through 2009-2010.

Capital Projects

The Town is in the final one-third of the project of rebuilding Mockingbird Lane, its major east-west corridor. This \$11.2 million project is the largest public works project ever undertaken by

the Town. The presence of other utility owned assets located in the Mockingbird Lane right-of-way and the coordination of utility repairs and/or replacement has added to the complexity of this project. The rerouting of vehicular traffic has also had a material impact on other areas of the Town as well as management of these traffic flows.

Completion of Mockingbird Lane is estimated for late 2008 or early 2009, depending upon weather.

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 \$14,049,945, or 56.1% 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 \$587,295, the net of the following:

- an increase of \$206,605 in the contract cost for treatment of wastewater, the result of a 16.9% increase in rate and a 6.5% increase in volume – Utility Fund
- an increase in the cost of water purchased for resale of \$153,110. This increase is based upon the projected volume of water to be purchased at a rate that includes a 9% increase over 2007-2008 – Utility Fund
- an increase of \$85,000 for the mandated replacement of fire (bunker) gear – General Fund
- an increase of \$79,025 for the purchase of fuel- General and Utility Funds
- contractual increases for solid waste collection, disposal and recycling - \$50,190 – Utility

Fund

- an increase of \$43,500 for funding equipment replacement of rolling stock and computers General and Utility Funds

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, 2008-2009 departmental fund levels and a comparison to the 2007-2008 funding levels is presented on pages 102-103.

During the 2008-2009 fiscal year, it is the desire of staff to establish a tangible capital program, expanding upon the identified capital needs contained in this Budget document, assessing a standard for evaluation and priority of need and identifying a funding plan.

General Fund

This budget provides \$361,500 for "operational capital" in the General Fund. Additionally, this Budget also includes \$331,230 for street resurfacing as discussed previously. The Town has only four (4) full-time positions in its Street Department and the systematic resurfacing of the Town's streets provides protection of and maintains the integrity of the roadway infrastructure while minimizing personnel and supplies costs necessary to maintain this investment as well as providing the driving surfaces and appearances expected by our residents.

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 \$20,000,000 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 \$6,750,000 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. As noted previously, the Town is completing a successful project of rebuilding Mockingbird Lane. There are a number of other projects (listed on page 77) that have been identified for future funding. These projects are listed in no order of priority as that process has not taken place. The goal for the coming year is to further evaluate the Town's capital needs on a Town-wide basis and establish a timetable or plan for addressing these needs.

The funding source for these identified projects may come from two (2) sources, depending on the nature of the project. Projects addressing storm water drainage issues can be funded from resources in the Storm Water Drainage Utility Fund presented on pages 82-83.

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 \$309,400. The scheduled replacement of these assets for the 2008-2009 Budget year include: five (5) police SUV's, three (3) pickups, and two (1) ¾-ton pickups.

REVENUES

Funding of the 2008-2009 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 \$716,390, or 8.14% over the 2007-2008 Budget, the result of a 8.79% 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.
- An 8.23% increase of in the volume rate for the sale of water, generating an additional \$338,090 (8.95%) to offset the increase in the cost of purchasing treated water for resale, as noted previously.
- An 18.03% increase in the volume rate for sanitary sewer services, generating and additional \$340,620 (13.14%) to offset the increase in the cost of wastewater

treatment, as noted previously.

- Loss of \$108,000 in revenues from the termination of a surface lease on the Town's closed landfill site #1.

DISBURSEMENTS

This budget, with proposed expenditures, expenses and transfers totaling \$25,053,280, is \$992,465 greater than the 2007-2008 Budget.

FUND	Budget 2008-2009	Budget 2007-2008	Dollar Variance	Percentage Variance
General	\$16,063,920	\$15,491,715	\$572,205	3.69%
Utility	8,595,300	8,005,620	589,680	7.37
Capital Project	0	0	0	-
Equipment Replacement	309,400	487,400	-178,000	-36.52
Storm Water Drainage	47,560	44,480	3,080	6.92
Court Technology	22,600	17,600	5,000	28.41
Court Security	14,500	14,000	500	3.57
TOTAL	\$25,053,280	\$24,060,815	\$992,465	4.12%

General Fund

Budgeted expenditures for the General Fund reflect an increase of \$572,205 or 3.69%, due primarily to an increase in personnel cost of \$471,020 (4.15%), for maintenance & operations cost increases (as noted previously) of \$369,180 and a decrease in the transfer to Capital Projects Fund of \$226,895.

Utility Fund

Budgeted expenses for the Utility Fund reflect an increase of \$589,680, or 7.37% due primarily to an increase in personnel costs of \$163,165 (8.07%) and increases in the cost of water purchases (\$153,110) and wastewater treatment (\$206,605).

REVENUES

General Fund

General Fund revenues, totaling \$16,063,920 are largely provided through ad valorem property taxes of \$9,551,090, or 59.4% of total General Fund revenues.

REVENUE TYPE	2006-2007 Actual	2007-2008 Budget	2008-2009 Budget
Property Taxes	53.3%	57.7%	59.4%
Sales & Other Taxes	15.6	15.0	15.1
Franchise Fees	6.1	6.0	6.0
Licenses & Permits	9.1	5.9	4.8
Charges for Service	8.5	8.6	8.6
Fines & Forfeitures	2.7	2.8	2.6
Miscellaneous	4.7	4.0	3.5
	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 1,110,000,000 gallons of water purchased and a resale percentage of 92%. 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	2006-2007 Actual	2007-2008 Budget	2008-2009 Budget
Water Sales	46.5%	47.3%	48.3%
Sewer Service	29.8	32.1	34.1
Solid Waste Collection/Disposal	14.4	14.1	14.3
Miscellaneous	9.3	6.5	3.3
	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, 2009 for the General Fund and Utility Fund are equal to 28.8% and 76.2%, 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

April – June.....	Development of Pay Plan
June 23	Public Hearing for Citizen Input on 2008-2009 Budget Needs Review of Current Preliminary Appraisal Roll
June 30	Capital/Major Project Request
July 25.....	Receive Certified Tax Roll from Dallas Central Appraisal District
July 28.....	Accumulation of Budget Requests from Department Heads
July – August	Council & Committee Review: Personnel Operations & Maintenance Capital/Major Projects Revenues
July 31.....	Publication of Effective Tax Rate
Week of August 4	Committee Review of Proposed 2008-2009 Budget
August 11	Council Meeting: Review of 2008-2009 Budget Budget Overview and Funding Options
August 14.....	Publication of Required Notice of Public Hearing on Tax Increase
August 21	1 st Public Hearing on Proposed Tax Rate Council Meeting: Review of 2008-2009 Budget
August 25	2 nd Public Hearing on Proposed Tax Rate Council Meeting: Review of 2008-2009 Budget Tax Rate and Utility Service Fee Discussions
August 28.....	Budget Submitted to Town Secretary
September 11	Publication of Notice of Vote on Tax Rate
September 15	Council Meeting/Public Hearing: Adoption of 2008-2009 Budget Adoption of Tax Roll Adoption of Tax Rate Adoption of Utility Service Rates – Water, Sanitary Sewer and Sanitation Collection



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Highland Park
Texas**

For the Fiscal Year Beginning

October 1, 2007

Charles S. Cox

President

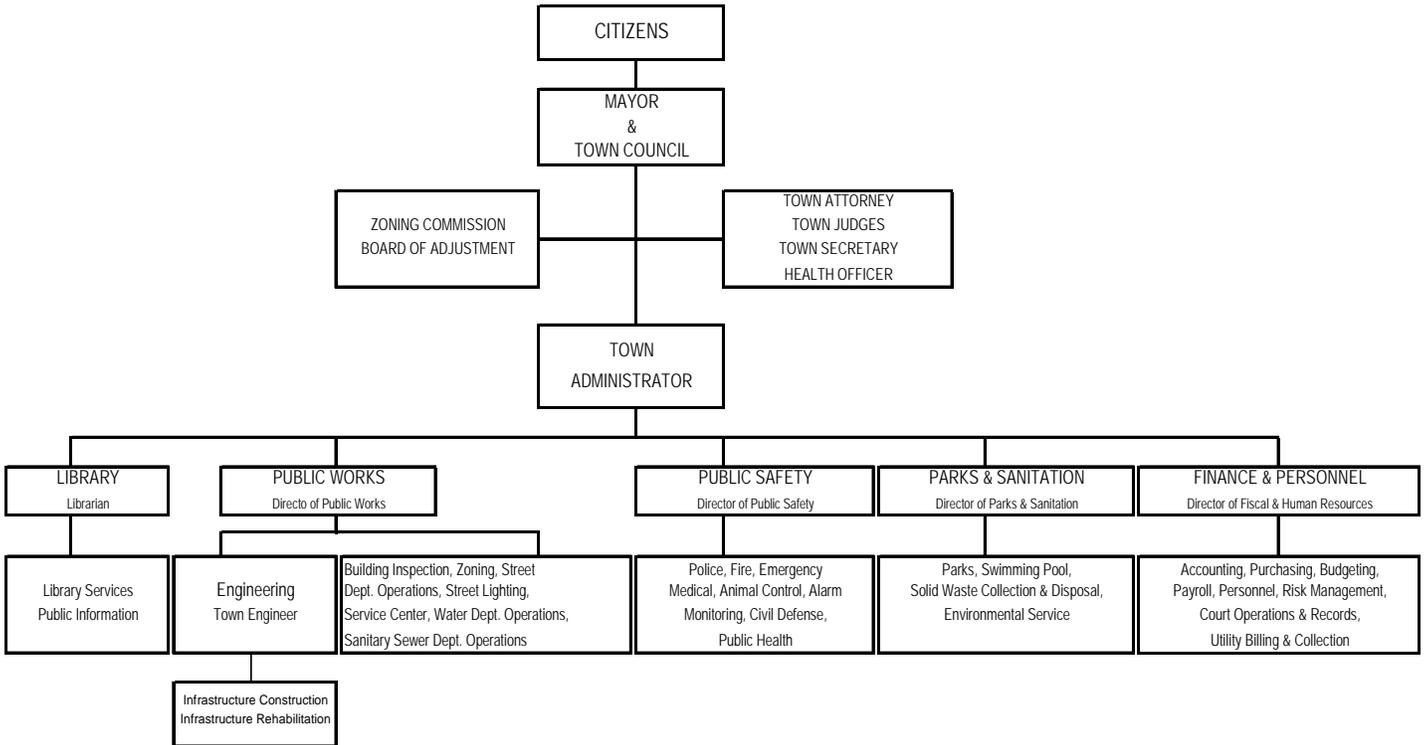
Jeffrey R. Erwin

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, 2007. 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. 1756

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2008 AND ENDING SEPTEMBER 30, 2009, 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 \$25,053,280, and covering the expenditures and interfund transfers of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2008, and ending September 30, 2009, 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 28, 2008, and more than thirty (30) days prior to the end of the fiscal year 2007-2008, 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, 2008, 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 8, 2008, 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 8, 2008, 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 15th day of September, 2008.

APPROVED AS TO FORM

APPROVED

Albert D. Hammack
Town Attorney

William H. Seay, Jr.
Mayor

ATTEST

James Fisher
Town Secretary

ORDINANCE NO. 1757

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, APPROVING THE REPORT FOR PROPERTY VALUES LOCATED WITHIN THE TOWN FROM THE DALLAS CENTRAL APPRAISAL DISTRICT, AS CERTIFIED BY MR. W. KENNETH NOLAN, EXECUTIVE DIRECTOR/CHIEF APPRAISER.

WHEREAS, the Dallas Central Appraisal District has now reported to the Town of Highland Park ("Town") that the appraised value of taxable property located in the Town as of January 1, 2008, as certified by its Director, is \$5,623,469,121, which consists of \$5,567,884,481 real property and \$55,586,640 business personal property; and

WHEREAS, the Dallas Central Appraisal District has now reported to the Town that the taxable value of property located in the Town as of January 1, 2008, as certified by its Director, is \$4,369,188,267;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Highland Park, Texas, that the certified report of the Dallas Central Appraisal District for the tax year 2008 is hereby accepted and approved.

PASSED AND APPROVED by the Town Council of the Town of Highland Park, Texas, on this 15th day of September 2008.

APPROVED AS TO FORM:

APPROVED:

Albert D. Hammack
Town Attorney

William H. Seay, Jr.
Mayor

ATTEST:

James Fisher
Town Secretary

ORDINANCE NO. 1758

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2008 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 2008, 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 2008, 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 2008-2009;

That said tax shall be due and payable October 1, 2008;

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 2008 levy.

PASSED AND APPROVED by the Town Council of the Town of Highland Park, Texas, on this 15th day of September 2008.

APPROVED AS TO FORM:

APPROVED:

Albert D. Hammack
Town Attorney

William H. Seay, Jr.
Mayor

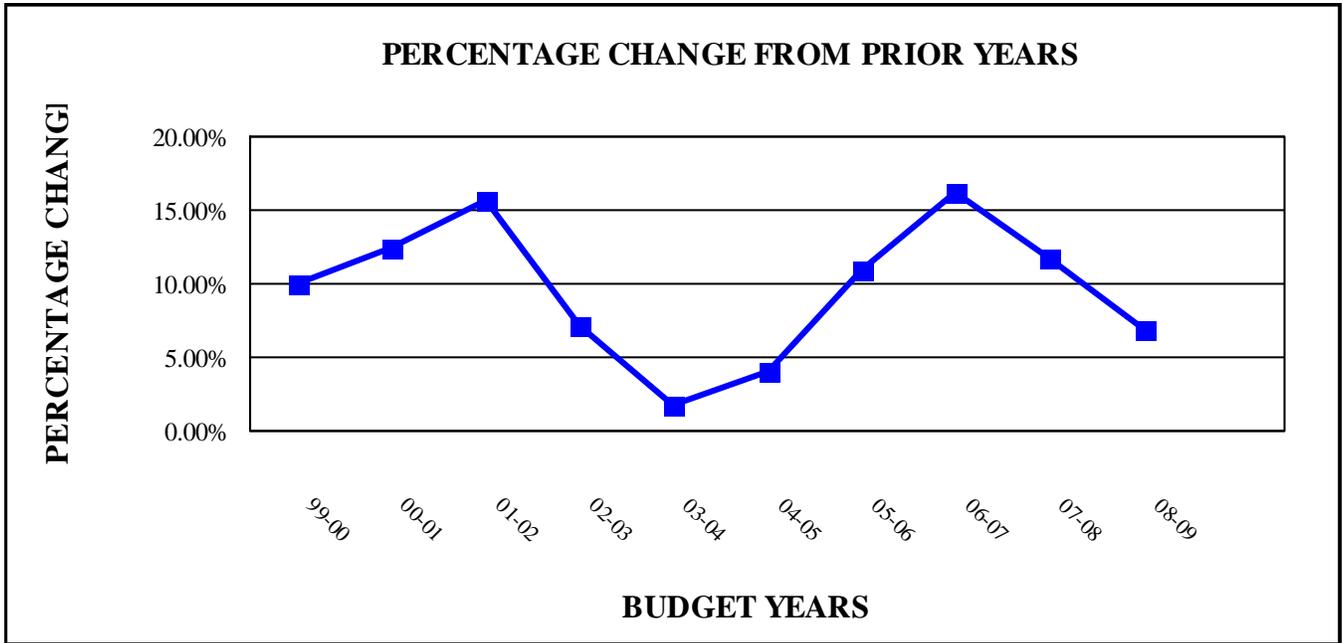
ATTEST:

James Fisher
Town Secretary

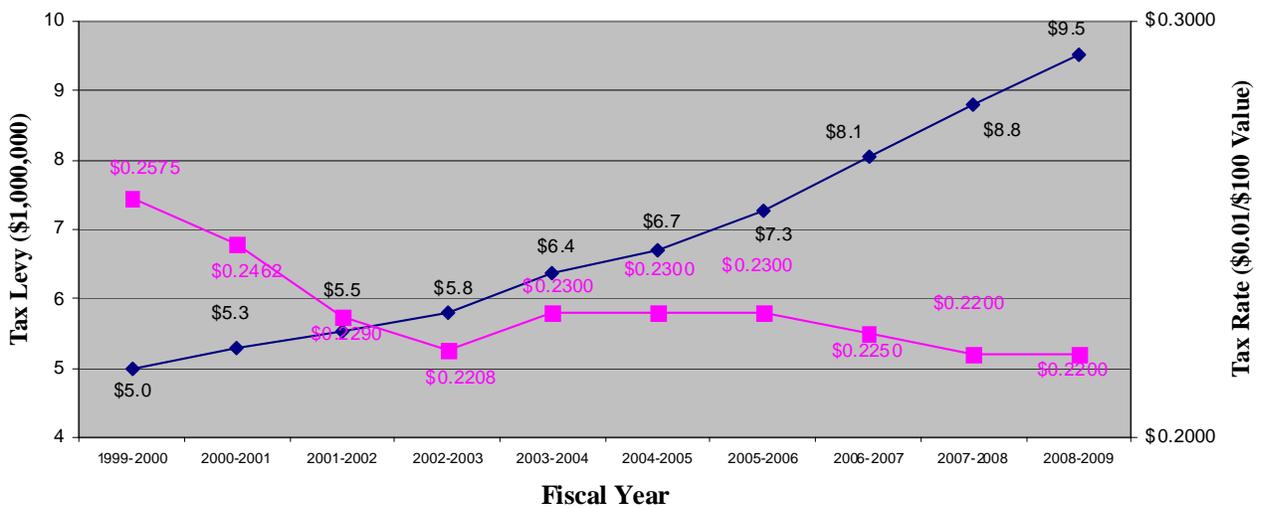
**COMBINED BUDGET SUMMARY
FOR ALL FUNDS SUBJECT TO APPROPRIATION**

	ACTUAL 2006-2007	BUDGET 2007-2008	PROJECTED 2007-2008	BUDGET 2008-2009
BEGINNING FUND BALANCES	\$ 17,831,682	\$ 12,352,475	\$ 12,352,475	\$ 14,466,075
REVENUES:				
Property Taxes	\$ 8,006,949	\$ 8,809,700	\$ 8,788,555	\$ 9,551,090
Water Sales	3,274,740	3,819,410	3,806,410	4,157,500
Sewer Charges	2,097,488	2,592,630	2,430,000	2,933,250
Sales Taxes	2,236,280	2,190,000	2,320,000	2,325,000
Sanitation/Recycling Charges	1,016,161	1,137,130	1,167,320	1,234,990
Franchise Fees	917,894	916,000	994,340	963,000
Building Inspection Fees/Permits	1,355,612	882,000	792,540	760,500
Municipal Court Fines/Fees	747,547	752,000	729,500	750,000
Interest Earnings	1,230,961	1,047,300	1,002,825	576,500
All Other	2,876,065	2,478,165	5,622,130	2,347,530
TOTAL REVENUES	\$ 23,759,697	\$ 24,624,335	\$ 27,653,620	\$ 25,599,360
EXPENDITURES:				
Personnel Services:				
Payroll	\$ 8,588,227	\$ 9,864,130	\$ 9,394,250	\$ 10,084,575
Employee Benefits	3,021,312	3,550,750	3,476,470	3,965,370
Total Personnel	\$ 11,609,539	\$ 13,414,880	\$ 12,870,720	\$ 14,049,945
Supplies & Equipment	\$ 2,002,554	\$ 2,253,400	\$ 2,258,385	\$ 2,562,930
Services & Charges	4,123,949	4,807,795	4,788,665	5,284,260
Capital Outlay	11,502,862	2,634,000	5,622,250	2,472,300
TOTAL EXPENDITURES	\$ 29,238,904	\$ 23,110,075	\$ 25,540,020	\$ 24,369,435
ENDING FUND BALANCE	\$ 12,352,475	\$ 13,866,735	\$ 14,466,075	\$ 15,696,000

ASSESSED PROPERTY VALUES INCREASED/DECREASE BY BUDGET YEAR



Comparison of Tax Levy and Tax Rate



◆ Tax Levy (\$1,000,000) ■ Tax Rate cents per \$100

**2008 TAX RATE FOR HIGHLAND PARK
COMPARED TO TAX RATES FOR OTHER AREA CITIES
(PER \$100)**

Dallas	\$0.74790
Garland.....	0.69960
Carrollton	0.617875
Mesquite.....	0.64000
Richardson	0.57516
Irving.....	0.54060
Farmers Branch.....	0.49450
Addison.....	0.45350
University Park	0.26548
Highland Park.....	0.22000

AD VALOREM TAX ANALYSIS

2008 TAX ROLL

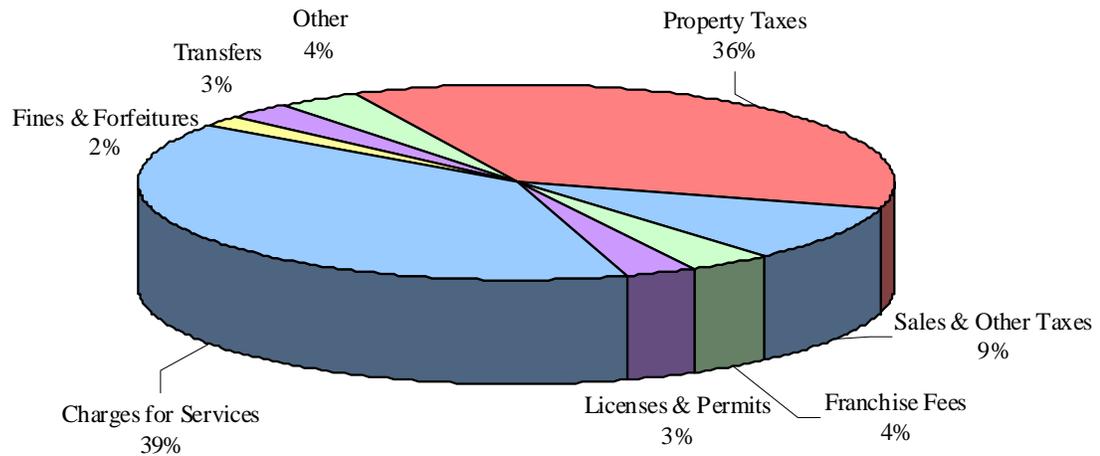
Assessed Valuation (100%)	\$5,623,469,121
Taxable Valuation*	\$4,369,188,267
Rate Per \$100	\$0.2200
Total Tax Levy	\$9,612,214
Percent of Collection	99.0
Estimated Current Tax Collections	\$9,516,090

*Certified Appraisal Roll Plus Disputed Values

**SUMMARY OF PROJECTED
2008 TAX COLLECTIONS**

Current Taxes	\$ 9,516,090
Delinquent Taxes	<u>35,000</u>
Total Tax Collections	\$ 9,551,090
Penalty & Interest on Taxes	45,000
Total Tax Related Collections	\$ 9,596,090

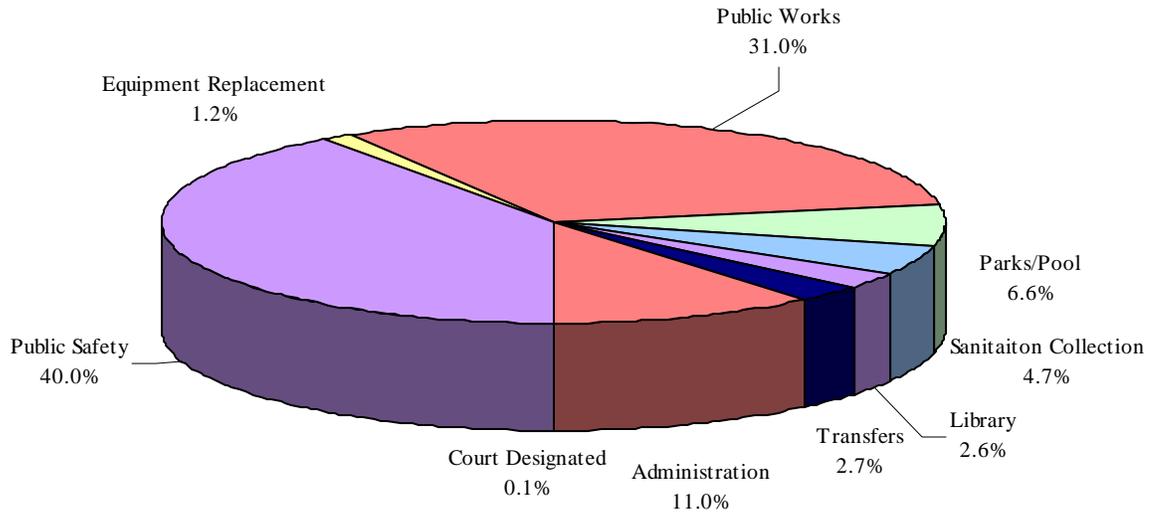
PROJECTED RECEIPTS 2008-2009



ALL FUNDS

Property Taxes	\$9,551,090
Sales and Other Taxes	2,428,000
Franchise Fees	963,000
Licenses and Permits	818,200
Charges for Services	10,399,370
Fines and Forfeitures	464,700
Transfers	683,845
Other	975,000
Total	\$26,283,205

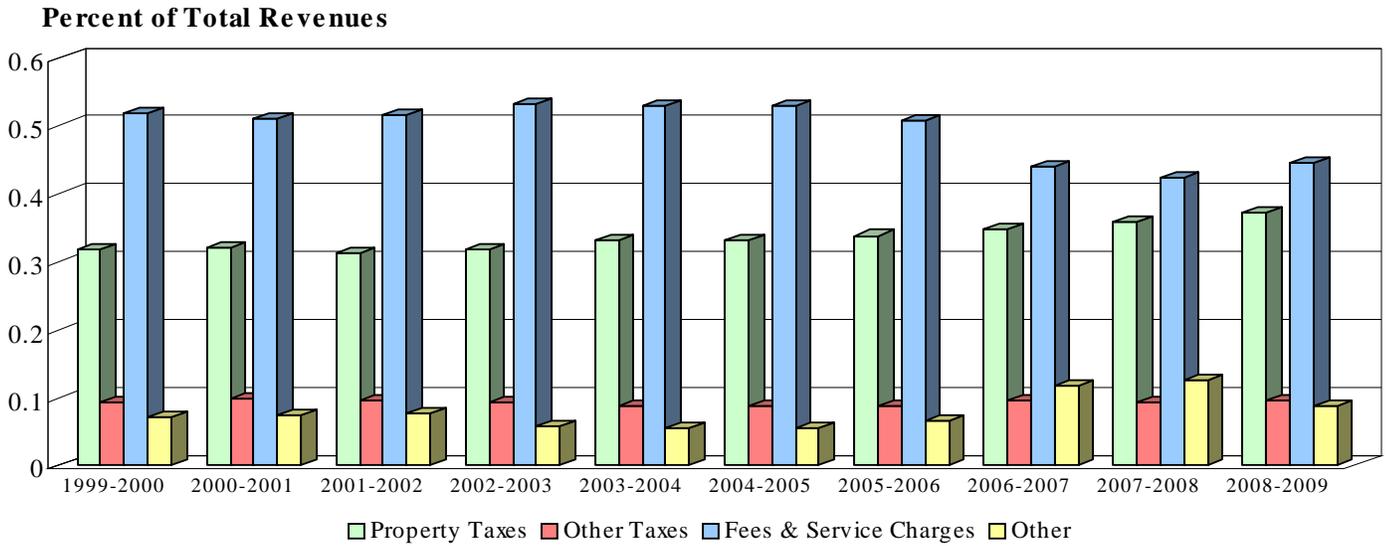
BUDGETED DISBURSEMENTS 2008-2009



BY FUNCTION

Administration	\$2,853,155
Public Safety	10,025,160
Public Works	7,776,615
Parks/Pool	1,642,320
Sanitation Collection	1,182,545
Equipment Replacement	309,400
Library	643,140
Designated Court Funds	37,100
Transfers	683,845
Total	\$25,053,280

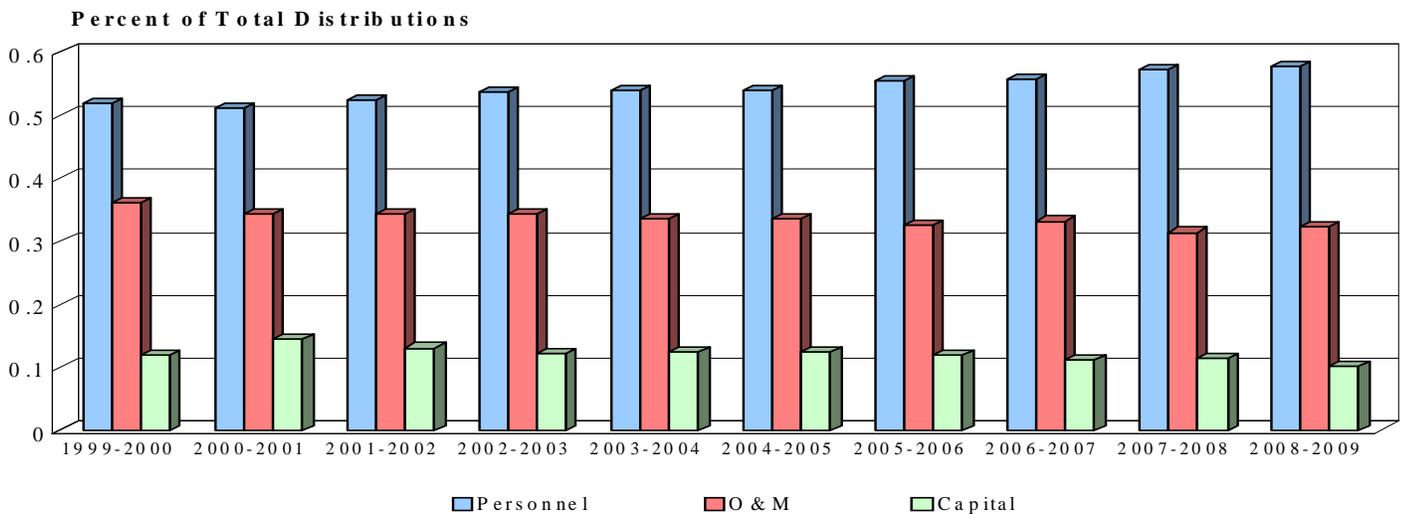
REVENUES BY TYPE



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 expenditure history/trends is presented on page 96.

**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 98.

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

	2006 - 2007		2007 - 2008		2008 - 2009	
	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	68.0	2.5	69.0	2.5	69.0	2.5
Street	3.3	-	3.3	-	3.3	-
Street Lighting	1.7	0.5	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	0.2
Finance	5.0	-	5.0	-	5.0	-
Building Inspection	3.0	-	3.0	-	3.0	-
Service Center	0.3	0.1	0.3	-	0.3	-
SUBTOTAL FUND	97.8	8.7	98.8	8.1	98.8	8.1
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	3.5	-	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	115.0	8.9	117.0	8.3	117.0	8.3

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



GENERAL FUND

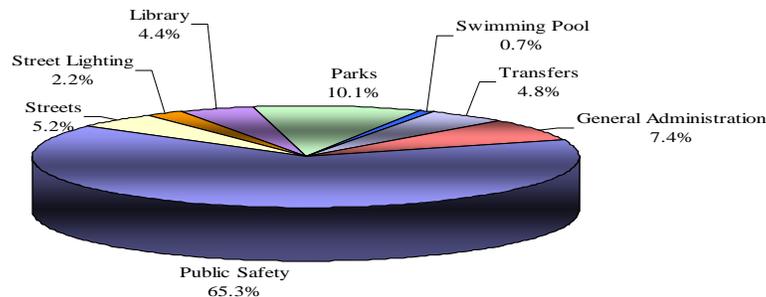
The General Fund is the financial structure used for the accounting of receipt of resources (revenues) and uses of resources (expenditures) for what are generally recognized as governmental services and/or functions. These governmental services and/or functions include Public Safety (Police, Fire and 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 \$9,551,090, or 59.5% of General Fund revenues come from property taxes. This compares to 57.7% and 53.3% 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 continued stability in residential property values is reflected by an increase in values of over 122% over the last ten (10) years.

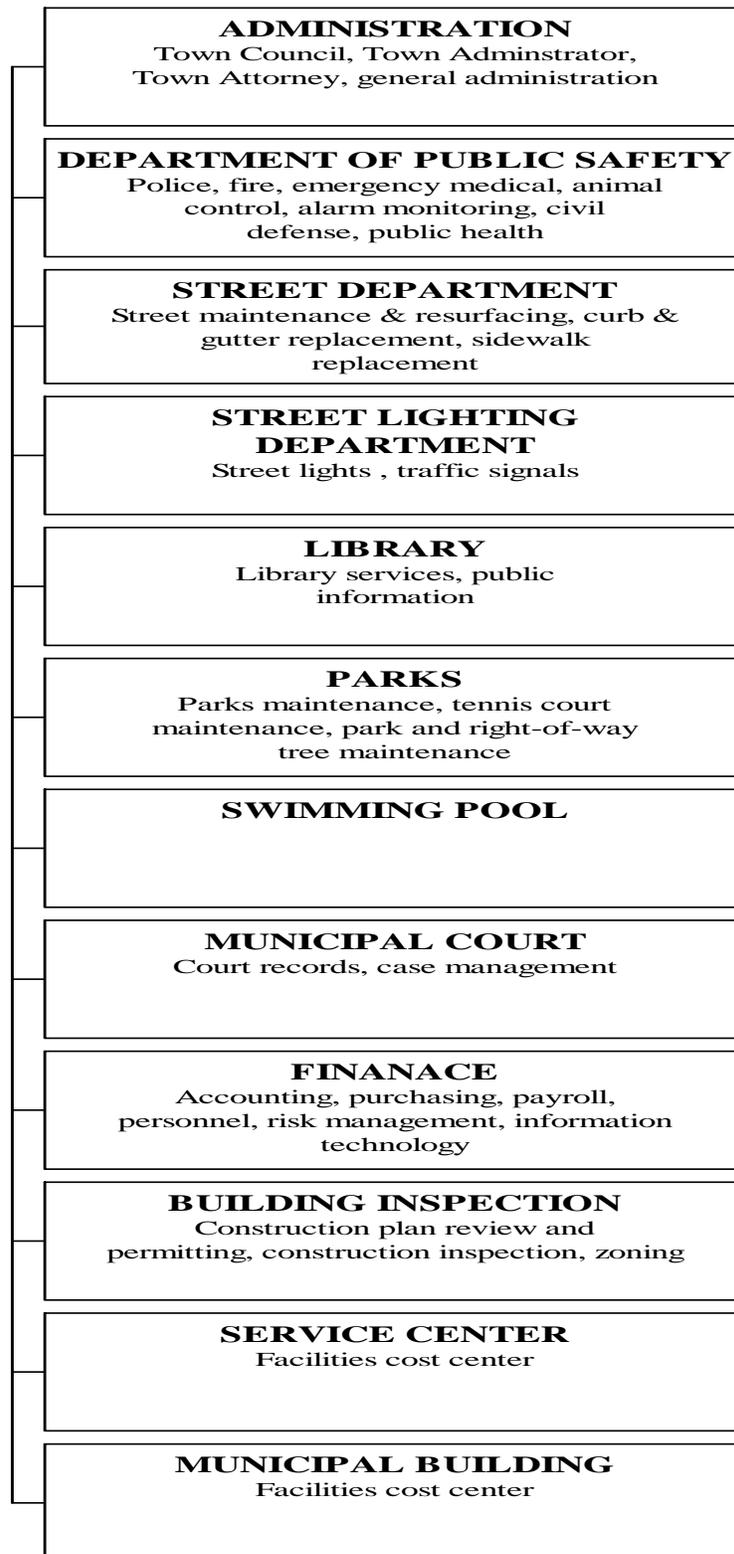
The following graph shows the ratio distribution of total property tax dollars toward general governmental functions after having applied function specific revenues toward the function budget and then having applied other general revenues proportionally.

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 14.5%, 14.3% and 14.9%, respectively, of total projected actual revenues for the General Fund.

There are no new programs or services funded in the General Fund Budget for 2008-2009.

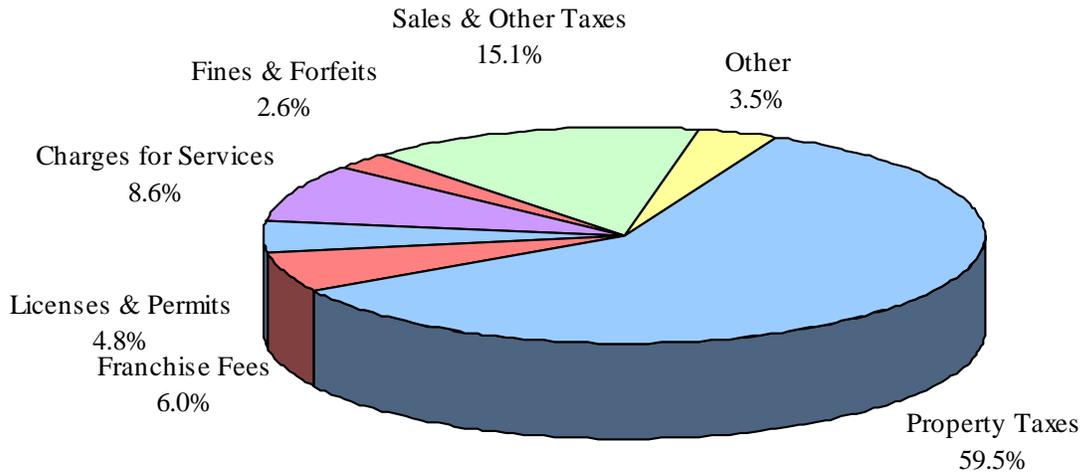


**GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES**

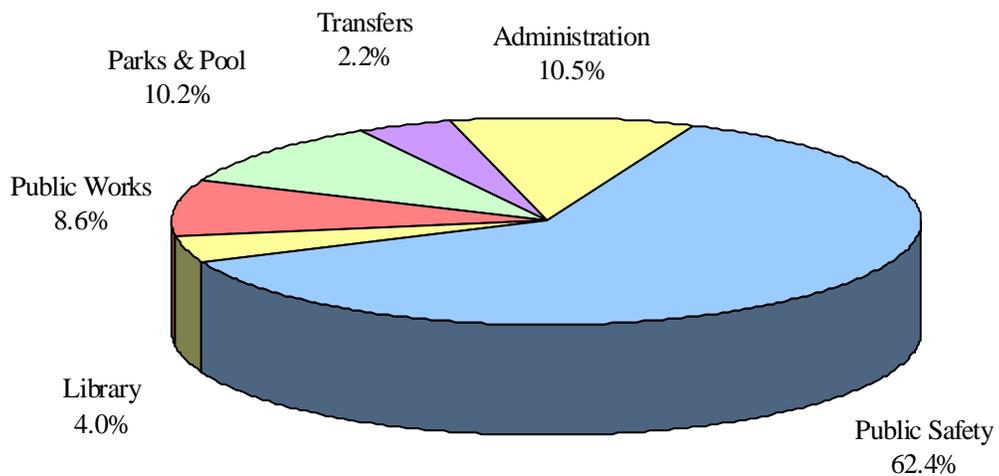
	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
REVENUES/SOURCES OF FUNDS				
Prior Year's Surplus	-	224,150	224,150	-
Taxes	10,348,448	11,102,700	11,221,555	11,979,090
Franchise Fees	917,894	916,000	994,340	963,000
Licenses & Permits	1,368,191	900,000	779,190	776,700
Charges for Services	1,282,715	1,306,165	1,358,170	1,377,430
Fines & Forfeits	412,717	419,700	380,600	409,700
Miscellaneous	702,467	623,000	633,000	558,000
Total Revenues/Sources	\$ 15,032,432	\$ 15,491,715	\$ 15,591,005	\$ 16,063,920
EXPENDITURES/USES OF FUNDS				
Personnel Services				
Payroll	\$ 7,325,028	\$ 8,330,225	\$ 7,913,020	\$ 8,484,395
Employee Benefits	2,576,430	3,018,830	2,953,050	3,335,680
Total Personnel	\$ 9,901,458	\$ 11,349,055	\$ 10,866,070	\$ 11,820,075
Supplies & Equipment	661,523	743,195	769,750	907,265
Services & Charges	1,769,022	2,356,155	2,499,656	2,584,525
Cost Allocation - Utility Fund	(226,680)	(270,030)	(256,160)	(293,290)
Capital & Maintenance Projects	262,615	362,600	302,600	361,500
Total Expenditures	\$ 12,367,938	\$ 14,540,975	\$ 14,181,916	\$ 15,380,075
Transfers Out	1,120,330	950,740	1,478,290	683,845
Total Expenditures/Uses	\$ 13,488,268	\$ 15,491,715	\$ 15,660,206	\$ 16,063,920
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ 1,544,166	\$ -	\$ (69,200)	\$ -
Fund Balance	\$ 4,622,101	\$ 4,397,951	\$ 4,328,751	\$ 4,328,751
Fund Balance in Excess of Minimum	\$1,958,930	\$1,278,709	\$1,275,301	\$1,024,665

GENERAL FUND

CURRENT REVENUES & SOURCES OF FUNDS



BUDGETED EXPENDITURES & USES OF FUNDS



**GENERAL FUND
STATEMENT OF REVENUES**

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Taxes				
3110 Ad Valorem Taxes	\$ 8,003,121	\$ 8,799,700	\$ 8,737,555	\$ 9,516,090
3111 Delinquent Ad Valorem Taxes	3,828	10,000	51,000	35,000
3113 City Sales Tax	2,236,280	2,190,000	2,330,000	2,325,000
3114 Mixed Beverage Tax	105,219	103,000	103,000	103,000
<i>Subtotal</i>	\$ 10,348,448	\$ 11,102,700	\$ 11,221,555	\$ 11,979,090
Franchise Fees				
3261 TU Electric Franchise Fees	\$ 517,555	\$ 520,000	\$ 538,720	\$ 520,000
3262 LSG Franchise Fees	170,043	170,000	220,000	210,000
3263 SWB Franchise Fees	124,893	123,000	123,000	120,000
3264 CATV Franchise Fees	105,404	103,000	112,620	113,000
<i>Subtotal</i>	\$ 917,895	\$ 916,000	\$ 994,340	\$ 963,000
Licenses & Permits				
3301 Beverage Licenses	\$ 3,605	\$ 4,000	\$ 4,850	\$ 4,000
3302 Health Permits	4,285	4,000	3,700	3,700
3303 Alarm Permits	60,420	61,000	62,000	62,000
3306 Electrical Licenses	11,410	12,000	14,640	13,000
3310 Building Permits	1,246,910	775,000	650,000	650,000
3312 Electrical Permits	32,892	35,000	35,000	35,000
3313 Excavation Permits	840	1,000	1,000	1,000
3370 Animal Licenses	7,829	8,000	8,000	8,000
<i>Subtotal</i>	\$ 1,368,191	\$ 900,000	\$ 779,190	\$ 776,700
Charges For Services				
3407 E911 Users' Fee	\$ 130,806	\$ 130,000	\$ 137,800	\$ 132,000
3408 Alarm Monitoring Fees	350,175	348,000	359,700	359,700
3425 Ambulance Fees	109,457	100,000	115,000	110,000
3450 Street Rental Fee	254,411	300,165	294,870	331,230
3470 Board Hearing Fee	2,700	3,000	3,000	3,000
3471 Swimming Pool Daily Fees	9,752	8,000	8,000	8,000
3472 Swimming Pool Annual Fees	77,262	75,000	78,800	75,000
3473 Tennis Court Use Fees	4,322	4,000	10,000	10,000
3474 Animal Pound Fees	2,140	3,000	3,000	3,000
3476 Library Non-resident Fees	7,612	8,000	5,500	7,500
3477 Court Administration Fees	25,818	25,000	35,000	30,000
3478 Warrant Fees	30,225	30,000	33,000	30,000
3479 Court Fees	106,217	108,000	109,500	108,000
3480 Building Resgistration Fees	20,775	19,000	20,000	20,000
3485 Special Expense Fee	151,043	145,000	145,000	150,000
<i>Subtotal</i>	\$ 1,282,715	\$ 1,306,165	\$ 1,358,170	\$ 1,377,430

STATEMENT OF REVENUES

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Fines & Forfeits				
3511 Municipal Court Fines	\$ 386,071	\$ 395,000	\$ 360,000	\$ 385,000
3513 Library Fines	8,449	7,700	5,500	7,700
3515 Lost Book Charges	2,047	1,000	1,000	1,000
3516 Invalid Alarm Fines	16,150	16,000	14,100	16,000
<i>Subtotal</i>	\$ 412,717	\$ 419,700	\$ 380,600	\$ 409,700
Miscellaneous				
3610 Interest	\$ 334,275	\$ 320,000	\$ 298,800	\$ 250,000
3680 Penalty & Interest - Tax Collection	55,763	45,000	57,000	45,000
3746 Sale of Assets	-	2,500	2,500	2,500
3747 Sale of Impounded Property	-	1,000	-	1,000
3820 Rental-Town Property	155,017	154,500	154,500	154,500
3850 Library Donations	19,136	20,000	32,200	25,000
3860 Contributions	16,270	5,000	7,500	5,000
3880 Town Property Damage Refund	24,580	25,000	26,000	25,000
3890 Miscellaneous	60,944	50,000	50,000	50,000
3950 Intergovernmental Revenue	36,482	-	4,500	-
<i>Subtotal</i>	\$ 702,467	\$ 623,000	\$ 633,000	\$ 558,000
Total Revenues	\$ 15,032,433	\$ 15,267,565	\$ 15,366,855	\$ 16,063,920

SUMMARY OF REVENUE ESTIMATES

• **Property Taxes**

Projected collections of levied Ad Valorem Property Taxes:

Current Levy	\$9,516,090
Delinquent Taxes	35,000

Growth in the value of taxable property within the Town has been a major factor in funding growth in the General Fund. The schedule on page 96 presents this growth 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. This budget was developed with a tax rate of \$0.22. The graphics on page 14 reflect the changes in property values, the tax levy and tax rate.

• **Sales Tax/Other Taxes**

Projected Sales Tax receipts for 2008-2009 are \$2,325,000, and are based on annual trends through 2007-2008, as presented on page 101. The projected sales tax receipts for 2007-2008 is \$2,325,000. 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.

• **Franchise Fees**

Receipts for franchised services for 2008-2009 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. Natural gas and cable TV still are based upon gross receipts. The cost increases for natural gas over the past 12-15 months warrants an increase in projected revenues.

• **Licenses & Permits**

Projected building activity for 2008-2009 is projected at a \$65,000,000 level, as compared to the \$77,500,000 expected for 2007-2008. A schedule comparing construction activity for the most recent ten (10) fiscal years is presented on page 97 as well as a ten (10) year listing of revenues generated over this same period on page 101.

• **Charges for Services**

These revenue sources are projected based upon 2007-2008 actual receipts. Street rental fees of \$331,230 equal 4% of gross water, sanitary sewer, sanitation and recycling charges reported in the Utility Fund. Municipal Court related fees (Administration Fees-\$30,000, 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 (\$385,000) are estimated based on estimated citation volumes and average collection amounts per disposed case. For 2008-2009, this estimate is based on 12,500 cases being adjudicated with an average fine per adjudicated case calculated at \$30.26. This average amount was \$32.82 for 2007-2008, however, we are seeing an increasing percentage of cases disposed through deferred disposition (Special Expense Fee).

- **Miscellaneous**

Projected interest earnings (\$250,000) are based on an average monthly investable balance of \$8,620,000 and an interest rate of 2.9%. 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 2007-2008

- 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.

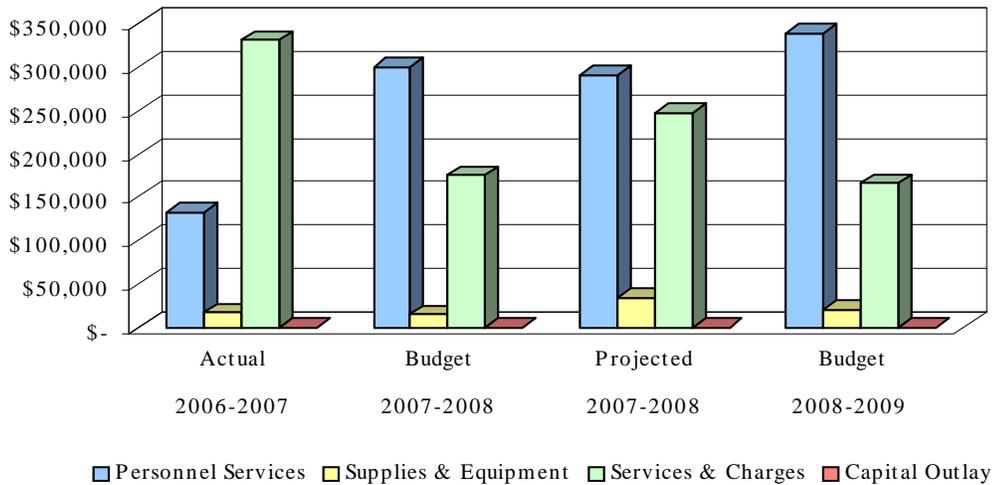
OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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	2006-2007 Budget	2007-2008 Budget	2008-2009 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	4	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

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Personnel Services	\$ 132,342	\$ 299,475	\$ 290,240	\$338,585
Supplies & Equipment	17,012	15,500	34,780	21,000
Services & Charges	330,827	175,215	247,270	165,395
Capital Outlay	432	-	-	-
Total Department	\$ 480,613	\$ 490,190	\$ 572,290	\$524,980



ACTIVITY MEASURES	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Automated Service Requests (ASR)	8,991	9,000	9,000	9,000
Permits/Licenses				
Issued	2,651	3,000	2,700	2,800
Revenues Generated	\$89,413	\$87,000	\$96,800	\$93,000
ASR's Processed Data Accuracy %	99.0	98.0	98.4	98.0
Switchboard Phone Calls Answered	15,509	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 2007-2008

- Responded to all Police, Fire and Emergency Medical calls for service in a timely manner.
- Completed the Executive Staff Succession Plan with the naming of a replacement for the retiring Director, conducted promotional processes for one (1) Captain, one (1) Lieutenant and one (1) Sergeant positions for the retirement of an Operations Captain.
- Purchased assorted pieces of equipment as needed from the Department's operational capital appropriation including five (5) replacement radar units (\$12,075) and ten (10) replacement portable radios (\$19,840).
- Purchased replacement radio receiver for the Town's alarm monitoring system (\$41,008).
- Upgraded Department's computer network to comply with mandated standards of security (\$88,564).

- Contracted for managed network services for the period from March 1, 2008 through September 30, 2008 (\$15,000).
- Developed and obtained adoption of amendments to the Town's Building and Fire Codes providing for automatic sprinkler systems in residential structures.

OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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 1,115 residential alarm systems and provide a dispatched response in one minute or less.

MAJOR BUDGET ITEMS

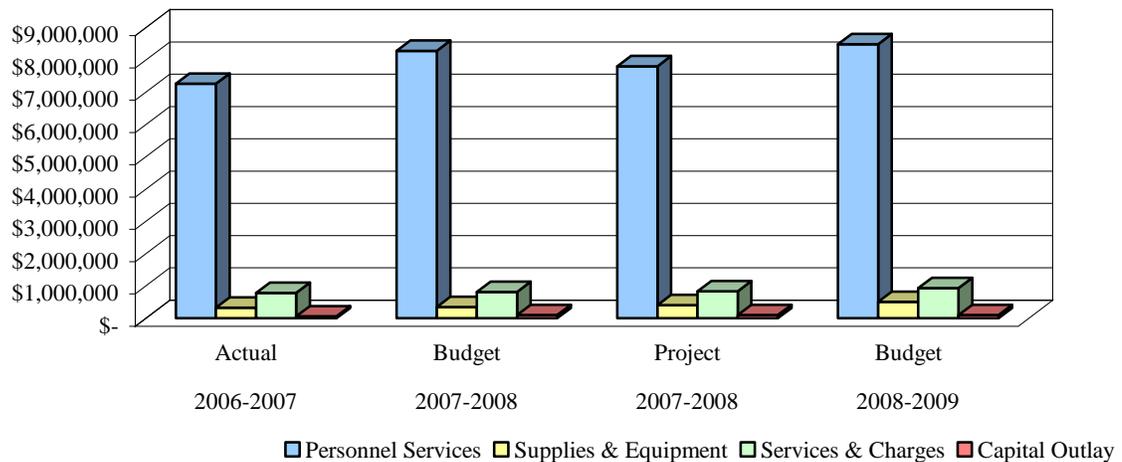
- Funding for existing levels of police, fire and emergency medical services.
- Purchase equipment identified as the Department's operational capital needs including: the development of a replacement of the emergency management plan (\$20,000); ten (10) replacement radios (\$20,000); finalize an agreement and fund Department's share for the use of a multi-department firing range (\$10,000); purchase health assessments for sworn employees (\$22,950); and acquire assorted equipment (\$27,050).
- Purchase of five (5) replacement SUV's (funded through the Equipment Replacement Fund).
- Maintain minimum standard of officer availability of 60%

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007	2007-2008	2008-2009
		Budget	Budget	Budget
Director of Public Safety	E-4	1.0	1.5	1.0
Assistant Director	E-2	1.0	1.0	1.0
Major	I	1.0	0.0	0.0
Captain	G	4.0	4.8	4.0
Lieutenant	F	4.0	4.0	4.0
Sergeant	E	3.0	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	8.0	9.0	9.0
Secretary	4	2.0	2.0	2.0
Support Services Officer	4	1.0	1.0	1.0
Total Employees		68.0	70.3	69.0

EXPENDITURE SUMMARY

	2006-2007 Actual	2007-2008 Budget	2007-2008 Project	2008-2009 Budget
Personnel Services	\$ 7,269,763	\$ 8,286,660	\$ 7,808,940	\$ 8,491,905
Supplies & Equipment	334,032	350,000	413,395	508,730
Services & Charges	785,422	814,980	835,975	939,455
Capital Outlay	64,769	100,000	100,000	100,000
Interdept. Cost Allocation	(12,286)	(14,000)	(12,400)	(15,000)
Total Department	\$ 8,441,700	\$ 9,537,640	\$ 9,145,910	\$ 10,025,090



ACTIVITY MEASURES	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Call Responses				
Police	10,282	11,000	10,900	11,000
Fire	898	900	845	900
Emergency Medical	425	500	465	500
Arrest				
Felony	26	30	30	30
Misdemeanor	625	900	800	900
Other Activity				
Patrol Miles Driven	277,558	275,000	277,800	275,000
Fire Inspections	466	1,000	680	1,000
Major Crimes Reported	311	325	320	325
Officer Availability (%)	55	60	55	60
Property Recovery (%)	55	40	70	40
Response Times (minutes)				
Police	2.4	2.5	2.6	2.5
Fire	4.0	3.7	3.8	3.7
Emergency Medical	3.7	4.0	3.6	4.0
Public Safety Training Hours	20,820	18,000	21,000	21,000
Citation Activity				
Traffic Code Violations	11,267	11,900	11,100	11,300
State Law Violations	144	200	200	200
Town Ordinance Violations	187	180	135	180
Parking Violations	217	300	560	300
Total	11,815	12,580	11,995	11,980
Traffic Accidents Activity (per incident)				
Non-Injury	215	200	220	200
Injuries	35	50	35	40
Fatalities	1	0	0	0
Total	251	250	255	240
Residential/Commercial Alarm Systems				
Systems Permitted	2,047	2,050	2,050	2,050
Systems Monitored by Dept.	1,091	1,100	1,115	1,125
Alarm Response Activity				
Intrusion	2,167	2,900	2,085	2,100
Fire	391	450	340	400
Medical	4	20	10	10
Total	2,562	3,370	2,435	2,510
Billable Invalid Alarms (After 5)	323	320	295	320
Average No. Responses/Permitted Alarms	1.3	1.6	1.2	1.2
Invalid Alarms as Percentage of Total	12.6	10.0	12.1	12.7





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 2007-2008

- Maintenance of the Town's street surfaces through the placement of some 200 tons of asphalt as needed for repairs.

OBJECTIVES FOR FISCAL YEAR 2008-2009

- Perform preparation work for Town's 2009 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

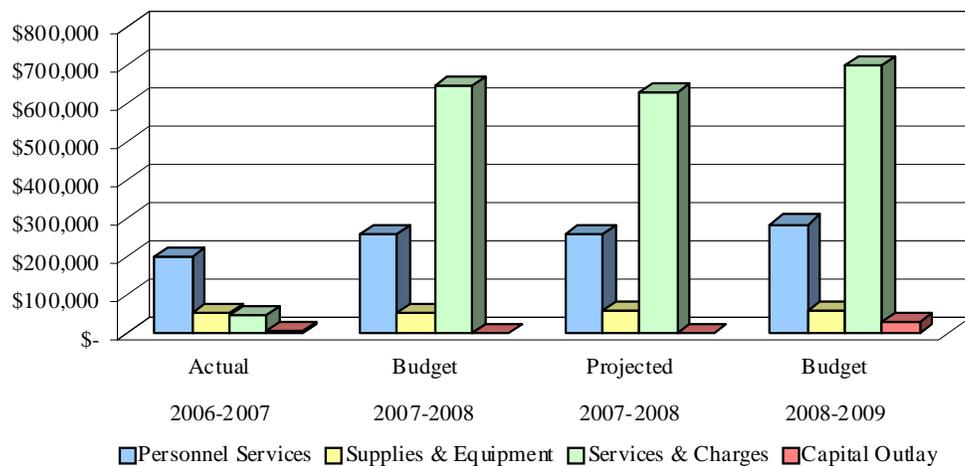
- Department's Budget includes \$331,230 for street resurfacing approximately 28 blocks of roadway.
- The amount included in this Budget for resurfacing represents those funds paid by the Town's Utility Services (water, sanitary sewer & sanitation) for street right-of-way usage which is equal to 4% of 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 68-71).

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 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

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Personnel Services	\$ 198,829	\$ 256,360	\$ 256,980	\$ 286,195
Supplies & Equipment	51,241	54,600	59,290	56,825
Services & Charges	48,262	648,260	628,255	702,200
Capital Outlay	4,224	-	-	28,000
Total Department	\$ 302,556	\$ 959,220	\$ 944,525	\$ 1,073,220



ACTIVITY MEASURES	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Asphalt Repairs				
Materials (tons)	167	350	175	350
Worker Days	136	300	135	300
Concrete Repairs				
Number of Responses	74	100	60	100
Worker Days	143	65	105	65
Water & Sanitary Sewer Support				
Worker Days	78	105	40	100
Traffic/Street Name Signs				
Repaired/Replaced	141	130	105	130
Worker Days	20	30	90	30
Storm Sewer				
Inlets Cleaned	1,617	1,000	1,670	1,600
Worker Days	77	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 2007-2008

- Performed routine and emergency maintenance of Town's traffic and street light systems.
- Prepared specifications and ordered replacement truck with insulated boom (\$68,692) (funded through Equipment Replacement Fund).

OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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

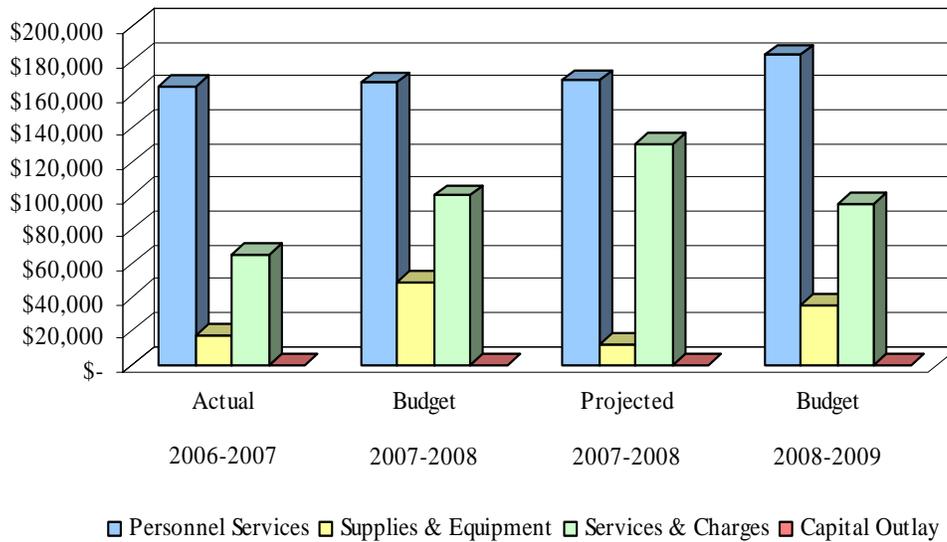
- Funding for normal operating costs.
- Contract for the painting of the Town's street light poles.

EMPLOYEE CLASSIFICATION & PAY GRADE

		2006-2007	2007-2008	2008-2009
Classification	Grade	Budget	Budget	Budget
Foreman (Part Time)	8	0.50	0.00	0.00
Electrical/Mechanical Tech	5	1.65	1.65	1.65
Total Allocable Employees		2.15	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

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Personnel Services	\$ 164,871	\$ 167,010	\$ 168,125	\$ 182,980
Supplies & Equipment	17,795	48,660	11,980	35,510
Services & Charges	65,248	99,805	130,965	94,910
Capital Outlay	-	-	-	-
Total Department	\$ 247,914	\$ 315,475	\$ 311,070	\$ 313,400



ACTIVITY MEASURES	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Traffic Signal Maintenance				
Bulbs Replaced	55	50	15	50
Repair Responses	67	50	40	50
Worker Days (WD)	120	60	70	60
Street Light Maintenance				
Bulbs Replaced	33	300	25	300
Repair Responses	127	100	115	100
Worker Days (WD)	231	175	250	175
Town Facilities (WD)	24	25	15	25
School Zone Flashers (WD)	9	10	65	10



Library

was closed approximately 3 ½ months to the public but continued cataloging and handling the return of materials at an offsite location.

OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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 (\$68,000) and audio-visual materials (\$10,000).
- Explore options to enhance access to Library databases and service through the Internet by interfacing the Library Information System and other public resources.

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 2007-2008

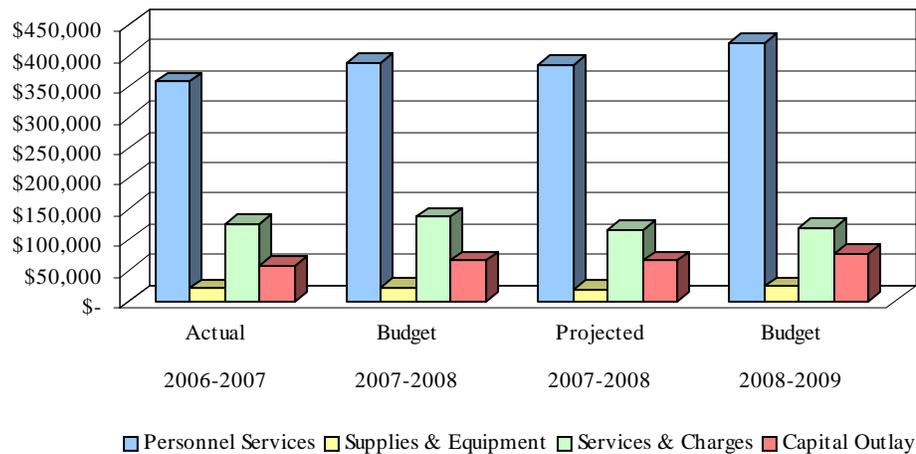
- Management of Library collection through acquisition of new materials.
- Provided public & technical services to Library patrons.
- Implemented and completed the complete renovation of Library facilities. The renovation was funded entirely from private donations at a cost of approximately \$2,200,000. The Library

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 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

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Personnel Services	\$ 358,485	\$ 389,415	\$ 385,585	\$ 421,625
Supplies & Equipment	20,222	22,400	19,165	23,700
Services & Charges	126,188	136,980	116,570	119,815
Capital Outlay	58,070	65,500	65,500	78,000
Total Department	\$ 562,965	\$ 614,295	\$ 586,820	\$ 643,140

**ACTIVITY MEASURES**

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Collection/Circulation				
Collection	37,830	38,000	37,300	38,000
Circulation *	63,801	57,000	47,000	57,000
Collection Turnover Rate (Times)	1.7	1.5	1.3	1.5
Circulation per Worker Hour	3.3	5.0	4.2	5.0
Avg. Items Loaned Per Card Holder	21.0	18.0	16.8	18.0
User Cards Issued/Outstanding				
Residents (3 Year)	2,954	3,025	2,685	3,025
Non-Resident (1-Year)	85	110	150	110
Total Valid Cards	3,039	3,135	2,835	3,135

* 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 2007-2008

- 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.
- Acquired a walk-behind trencher (\$4,265) and broom attachment for skid-steer loader (\$4,132).

- Ordered replacement truck with aerial lift (\$94,159) (funded through Equipment Replacement Fund).

OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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

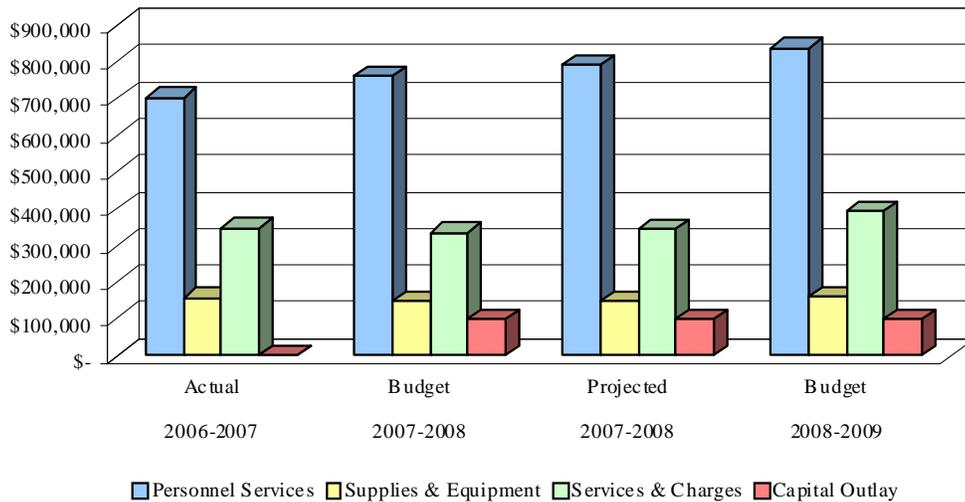
- Management of service contracts: turf maintenance (\$84,500); chemical applications (\$40,200); tree trimming (\$31,500); street and alley sweeping (\$51,700).
- Contract for the trimming of street trees for a 14' clearance (\$29,000); purchase a placement stump grinder (\$28,000); contract for the installation of playground equipment at Abbott Park (\$27,200); and contract for the resurfacing of tennis courts #3, 4, 5 & 6 (\$15,000).

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 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

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Personnel Services	\$ 702,193	\$ 762,540	\$ 791,920	\$ 838,385
Supplies & Equipment	156,874	149,800	149,405	159,500
Services & Charges	348,193	334,715	345,360	393,110
Capital Outlay	2,600	100,000	100,000	100,000
Interdept Cost Allocation	(36,403)	(31,800)	(32,415)	(35,640)
Total Department	\$ 1,173,457	\$ 1,315,255	\$ 1,354,270	\$ 1,455,355

**ACTIVITY MEASURES**

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Maintenance – Worker Days				
Grounds Maintenance	38	75	70	75
Landscape Installation/Maintenance	349	450	475	450
Azalea Renovation	62	100	40	100
Facilities Maintenance	604	750	735	750
Right-of-Way Clearance	3	30	5	30
Park Trees	72	100	50	100
Parkway Trees	48	75	75	75
Number of Plants	47,780	68,000	54,580	68,000
Street & Alley Sweeping				
Streets – Curb Miles	1,153	1,320	1,360	1,320
Times per year	13	15	15	15
Alleys – Miles	14	96	99	96
Times per year	1	7	7	7
Inlets Vacuumed	0	100	200	100



Swimming Pool

- Contracted for the renovation of the restrooms (\$11,775).

OBJECTIVES FOR FISCAL YEAR 2008-2009

- Provide a safe and clean facility for the enjoyment of the Town's residents.
- Promote utilization of the pool by means of updating the facility and mechanically and esthetically.
- Secure an engineering report on the pool's circulation system and physical design as it relates to state health code standards for public pools. Upon review, determine course of action for either repair or replacement.
- Purchase and install three (3) diving boards (\$7,000); replacement of chemical control units (\$6,500), pool furniture (\$3,500) and ceiling fans (\$3,000).

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 2007-2008

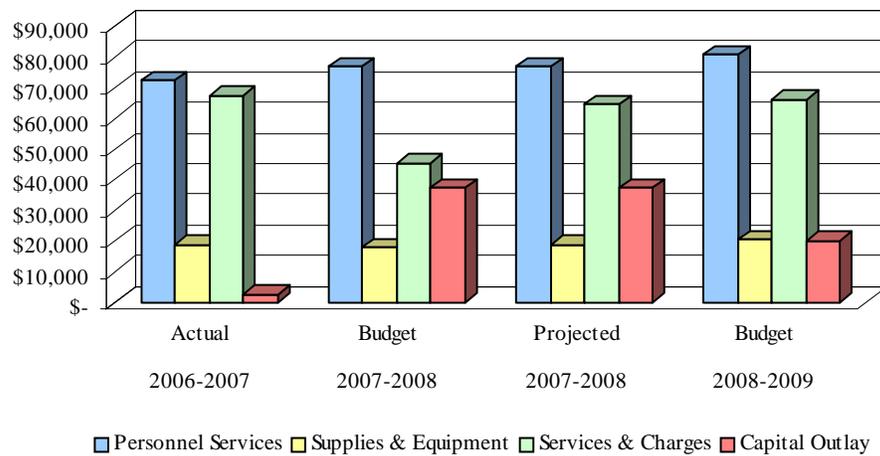
- Provided a safe and clean facility for use of Town residents.
- Purchased a replacement cover (\$13,557) and automatic remote-controlled vacuum system (\$5,179).

EMPLOYEE CLASSIFICATION & SALARIES (All Seasonal Employees)

Classification	2006-2007 Budget	2007-2008 Budget	2008-2009 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

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Personnel Services	\$ 72,241	\$ 76,875	\$ 76,875	\$ 80,725
Supplies & Equipment	18,748	17,750	18,565	20,300
Services & Charges	67,469	45,300	64,365	65,940
Capital Outlay	2,520	37,100	37,100	20,000
Total Department	\$ 160,978	\$ 177,025	\$ 196,905	\$ 186,965



ACTIVITY MEASURES	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Pool Usage				
Annual Passes Sold	1,657	1,870	1,737	1,750
Daily Passes Sold	2,438	1,330	1,625	1,500
Revenues Generated	\$87,014	\$83,000	\$86,800	\$83,000



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 2007-2008

- Maintenance of court records in an efficient and accurate manner.
- Filed 92.8% of all cases within 24 hours of receipt of citation.
- 100% of cases were filed within 48 hours.
- Effectively managed over 12,000 cases filed.

OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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

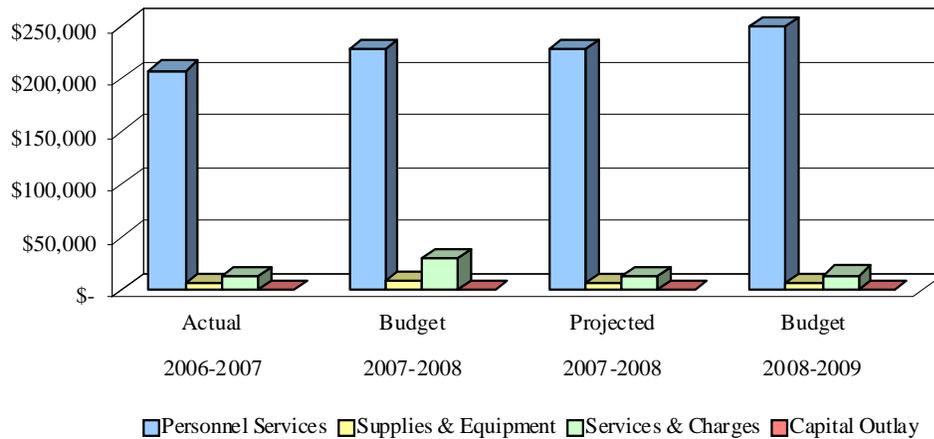
Funding for normal operations.

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 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
Total Allocable Employees		2.2	2.2	2.2

EXPENDITURE SUMMARY

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Personnel Services	\$ 207,468	\$ 228,210	\$ 228,425	\$ 248,725
Supplies & Equipment	6,255	8,150	5,900	6,400
Services & Charges	12,455	30,195	12,965	13,975
Capital Outlay	-	-	-	-
Total Department	\$ 226,178	\$ 266,555	\$ 247,290	\$ 269,100



ACTIVITY MEASURES	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Process Cases Filed	11,815	12,500	12,000	12,500
Process Disposal of Cases	11,753	12,500	11,800	12,500
Disposal/Filed Percentage	99.4%	100.0%	98.3%	100.0%
Cases Filed w/in 24 Hrs of Receipt of Citation	93.9%	92.0%	92.8%	92.0%



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 2007-2008

- Received the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the 2005-2006 CAFR and the Distinguished Budget Award for the 2006-2007 Annual Budget.
- Invested Town funds at an average rate of return of 4.27%, or 15 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 96.8%.
- Secured a new contract for audit services.

- Secured a new contract for Bank Depository services.
- Managed the restructuring of the Town’s website – www.hptx.org. Partially funded through Court Technology Fund.

OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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 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

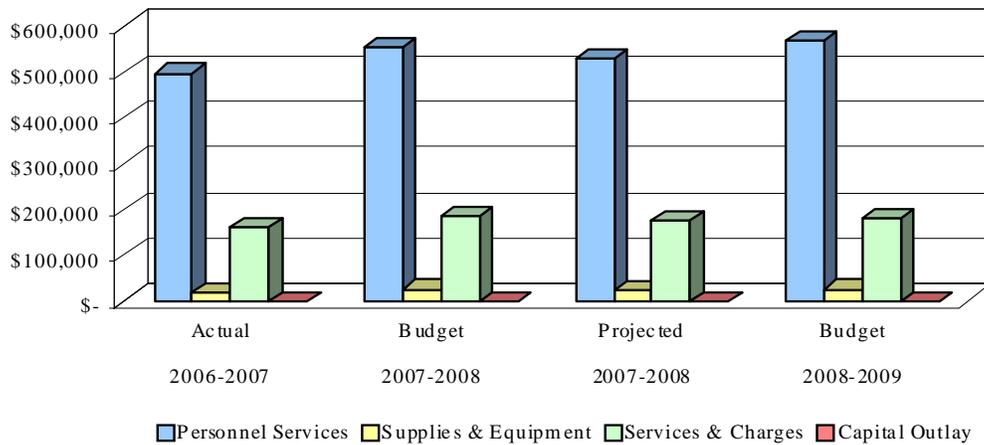
Funding for routine operations.

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 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	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

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Personnel Services	\$ 496,805	\$ 553,290	\$ 529,840	\$ 570,195
Supplies & Equipment	18,395	25,500	22,090	25,100
Services & Charges	159,558	183,005	175,265	181,260
Capital Outlay	-	-	-	-
Inderdept Cost Allocation	(195,157)	(228,540)	(218,159)	(232,970)
Total Department	\$ 479,601	\$ 533,255	\$ 509,036	\$ 543,585



ACTIVITY MEASURES	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Investment Activity				
Ratio of Cash Invested to Total Cash	96.8%	98.0%	97.4%	98.0%
Avg. Portfolio Yield vs. TexPool (Basis Points)	(15)	10	37	10
Accounts Payable/Purchase Orders				
Vendor Payments Processed	3,357	4,000	3,500	4,000
Number of Voided/Reissued Vendor Checks	4	20	1	20
Percentage Voids to Issued	0.1	0.5	0.3	0.5
Payroll Processing				
Payroll Checks Issued	8	20	50	20
Payroll ACH Items Processed	4,214	3,800	4,400	3,800
Number Voided /Reissued Payroll Items	0	10	1	10
Percentage Voids to Issued	0.0	0.3	0.2	0.3
Accts Receivable Collection Rate (EMS)	73.0	70.0	72.0	70.0
(Based on a Two-Year Rolling Average)				
No. Days Required to Prepare Mo. Fin. Rep.	15	15	17	15



Building Inspection

DEPARTMENT DESCRIPTION

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

Environmental Quality and the Texas Department of Health.

OBJECTIVES MET-FISCAL YEAR 2007-2008

- Processed approximately 1,100 building, 280 electrical and 415 plumbing permits, generating \$720,000 in revenues.

OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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

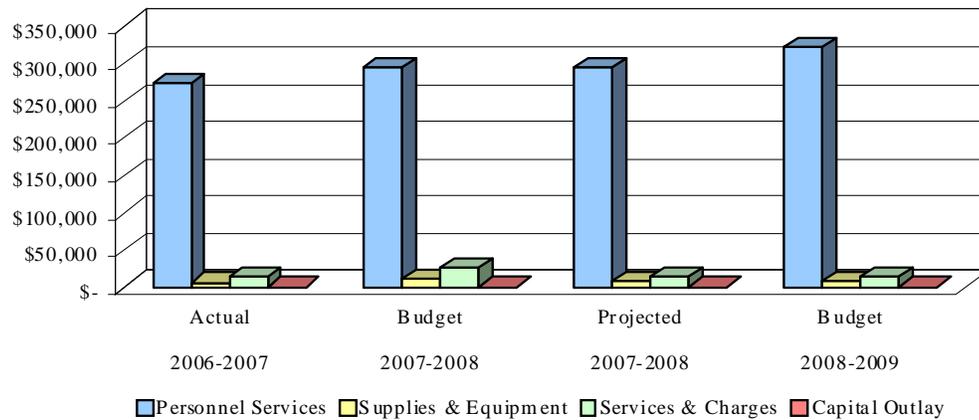
Funding for normal operations.

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 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

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Personnel Services	\$ 272,526	\$ 294,220	\$ 293,655	\$ 322,240
Supplies & Equipment	6,283	11,600	6,590	8,800
Services & Charges	13,167	26,245	13,555	14,130
Capital Outlay	-	-	-	-
Total Department	\$ 291,976	\$ 332,065	\$ 313,800	\$ 345,170



ACTIVITY MEASURES	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Inspection Activity				
Building	2,208	1,900	2,200	1,900
Electrical	624	625	700	625
Plumbing	790	800	950	800
Other	89	50	100	50
Permits Activity				
Building	1,168	1,200	1,100	1,200
Electrical	260	280	280	280
Plumbing	403	400	415	400
Total Value of Permits (\$1,000)	\$102,671	\$77,000	\$83,500	\$77,000
Total Permit Fees & Licenses (\$1,000)	\$1,313	\$810	\$720	\$719
Ratio of Revenues to Dept Costs	4.6/1	2.6/1	2.3/1	2.6/1



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	2006-2007 Budget	2007-2008 Budget	2008-2009 Budget
Foreman (Part-Time)	8	0.10	0.00	0.00
Electrical/Mechanical Tech	5	0.35	0.35	0.35
Total Allocable Employees		0.45	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.

EXPENDITURE SUMMARY				
	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Personnel Services	\$ 25,935	\$ 35,000	\$ 35,485	\$ 38,515
Supplies & Equipment	7,016	14,535	12,190	20,400
Services & Charges	19,910	25,750	20,685	39,950
Capital Outlay	-	-	-	35,500
Indept Cost Allocation	(52,861)	(75,285)	(68,360)	(134,365)
Total Department	\$ -	\$ -	\$ -	\$ -

Category	Actual 2006-2007	Budget 2007-2008	Projected 2007-2008	Budget 2008-2009
Personnel Services	25,935	35,000	35,485	38,515
Supplies & Equipment	7,016	14,535	12,190	20,400
Services & Charges	19,910	25,750	20,685	39,950
Capital Outlay	0	0	0	35,500



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

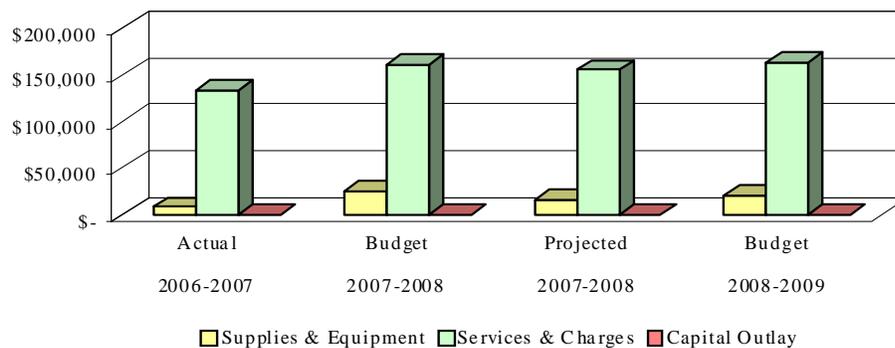
The Municipal Building serves as a cost center for Town Departments that occupy space in Town Hall.

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

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Supplies & Equipment	\$ 7,652	\$ 24,700	\$ 16,400	\$ 21,000
Services & Charges	133,256	160,350	155,100	163,250
Capital Outlay	-	-	-	-
Inderdept Cost Allocation	(140,908)	(185,050)	(171,500)	(184,250)
Total Department	\$ -	\$ -	\$ -	\$ -





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	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 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	235,750
2006-2007	1,120,330
2007-2008	1,478,290
2008-2009 Projected	683,845

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

UTILITY FUND

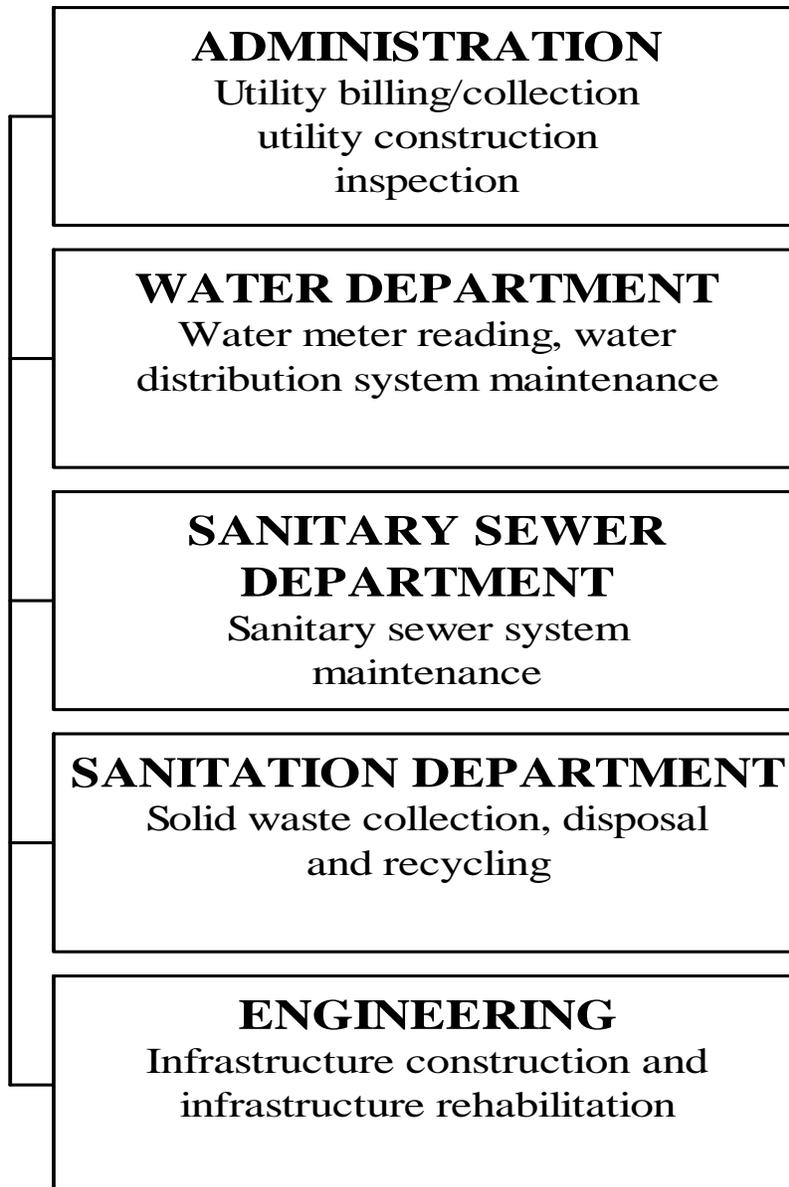
The Utility Fund is the financial structure used for the accounting of providing water, sanitary sewer, solid waste collection and disposal and recycling service to the residents of the Town and the billing and collection of charges to customers to pay for said services. The basis of accounting used 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 2008-2009 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 2008-2009 is \$8,595,300. Of this amount, 41% 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 2008-2009, 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 \$7,500,000 in interest costs associated with financing over time.

This Budget provides \$900,000 from water service revenues and \$900,000 from sanitary sewer service revenues to fund the projects selected for 2008-2009 (page 72). 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.

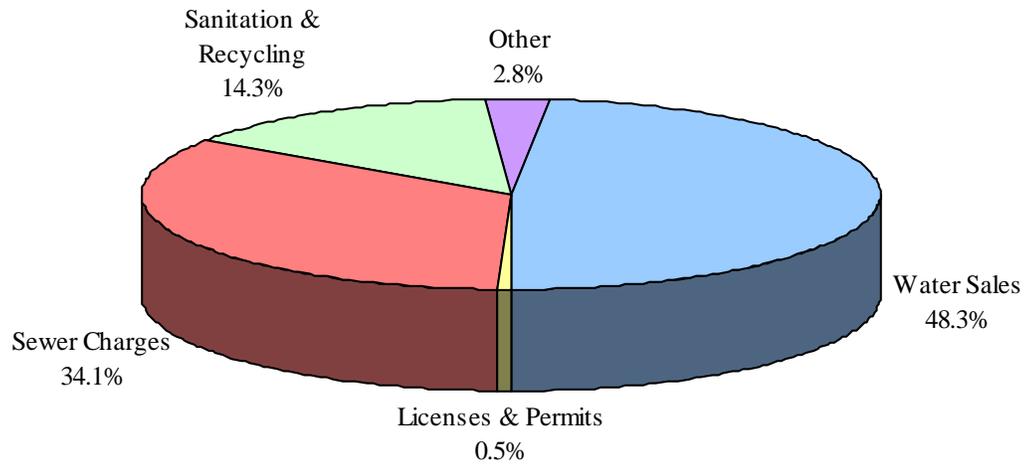


**UTILITY FUND
STATEMENT OF REVENUES & EXPENSES**

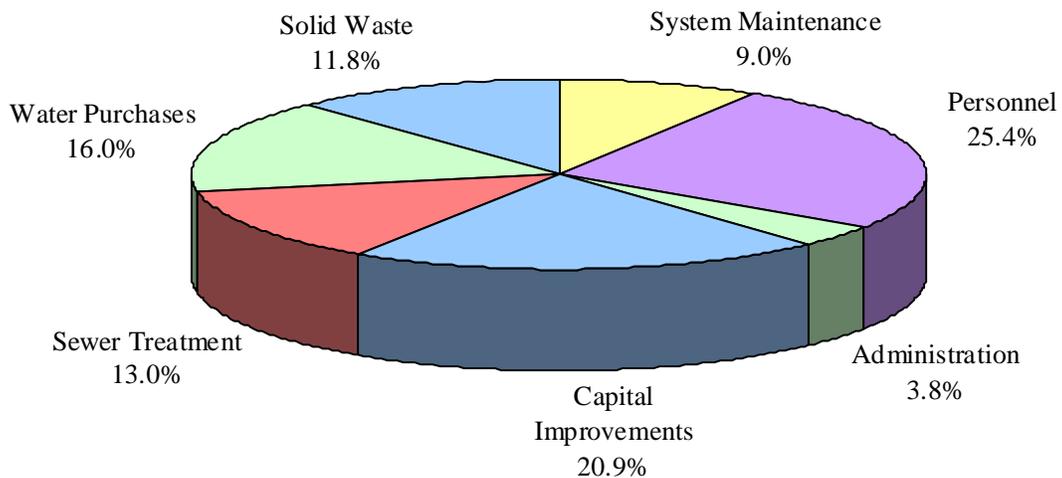
	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 42,785	\$ 40,000	\$ 41,900	\$ 41,500
Charges for Services	6,410,296	7,571,170	7,418,330	8,341,740
Fines & Forfeits	52,647	54,000	55,205	55,000
Miscellaneous	535,832	405,000	350,625	172,000
Total Revenues	\$ 7,041,560	\$ 8,070,170	\$ 7,866,060	\$ 8,610,240
EXPENSES/USES OF FUNDS				
Personnel Services				
Payroll	\$ 1,234,693	\$ 1,502,325	\$ 1,461,155	\$ 1,568,970
Employee Benefits	433,697	519,520	515,185	616,040
Total Personnel	\$ 1,668,390	\$ 2,021,845	\$ 1,976,340	\$ 2,185,010
Supplies & Equipment	1,335,521	1,506,355	1,488,535	1,655,465
Services & Charges	2,545,443	2,677,420	2,521,125	2,949,525
Capital Outlay	1,035,939	1,800,000	1,800,000	1,805,300
Total Expenses/Uses	\$ 6,585,293	\$ 8,005,620	\$ 7,786,000	\$ 8,595,300
Transfers Out - Capital Project Fund	2,000,000	-	-	-
Total Expenses/Uses	\$ 8,585,293	\$ 8,005,620	\$ 7,786,000	\$ 8,595,300
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ (1,543,733)	\$ 64,550	\$ 80,060	\$ 14,940
Fund Balance	\$ 5,078,860	\$ 5,143,410	\$ 5,158,920	\$ 5,173,860
Fund Balance in Excess of 25% Minimum	\$ 3,691,522	\$ 3,592,005	\$ 3,662,420	\$ 3,476,360

UTILITY FUND 2008-2009 BUDGET

BUDGETED REVENUES & SOURCES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



**UTILITY FUND
STATEMENT OF REVENUES**

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Licenses & Permits				
3315 Plumbing Permits	\$ 42,785	\$ 40,000	\$ 41,900	\$ 41,500
<i>Subtotal</i>	\$ 42,785	\$ 40,000	\$ 41,900	\$ 41,500
Charges For Services				
3401 Water Sales	\$ 3,246,629	\$ 3,774,410	\$ 3,774,410	\$ 4,112,500
3402 Inter-dept Water Sales	28,111	45,000	32,000	45,000
3403 Sewer Charges	2,097,488	2,592,630	2,430,000	2,933,250
3404 Sanitation Charges	930,474	1,050,630	1,078,265	1,138,750
3406 Recycling Charges	85,688	86,500	89,055	96,240
3460 Meter Installation	19,710	20,000	13,000	14,000
3465 Other Charges	2,196	2,000	1,600	2,000
<i>Subtotal</i>	\$ 6,410,296	\$ 7,571,170	\$ 7,418,330	\$ 8,341,740
Fines & Forfeits				
3520 Late Payment Penalties	\$ 52,647	\$ 54,000	\$ 55,205	\$ 55,000
<i>Subtotal</i>	\$ 52,647	\$ 54,000	\$ 55,205	\$ 55,000
Miscellaneous				
3610 Interest	\$ 362,979	\$ 290,000	\$ 222,625	\$ 155,000
3746 Sale of Assets	-	-	-	-
3820 Rental of Town Property	108,000	108,000	63,000	-
3880 Refund-Property Damage	-	1,000	-	1,000
3890 Miscellaneous	64,852	6,000	65,000	16,000
<i>Subtotal</i>	\$ 535,831	\$ 405,000	\$ 350,625	\$ 172,000
Total Revenues	\$ 7,041,559	\$ 8,070,170	\$ 7,866,060	\$ 8,610,240

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 \$41,500 are based upon anticipated building activity in the Town.

- **Charges for Services**

Water

Retail water sales are projected to be \$4,112,500. This amount is a 8.95% increase over the 2007-2008 Budget projection. The water sales projections used in this Budget are based on a four (4) year average sales volume of \$1,021,200,000 gallons. The projected sales volume for 2007-2008 is 1,041,000,000 gallons.

The projected revenues include a 10.7% increase in the volume rate, or an increase of 8.2% in the average residential bill for 12,000 gallons. The projected revenues are sufficient to fund 100.08% of the cost of providing water services at the projected sales volume.

The schedule on page 99 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 \$2,933,250 or 13.1% greater than for the 2007-2008 Budget year.

The projected revenues, which include an 22.1% increase in the volume rate, or an increase of 18.0% in the average residential bill for 12,000 gallons. The projected revenues are sufficient to fund 100.06% of the cost of providing sanitary sewer services at the projected sales volume.

Sanitation Services

The contractual increases for solid waste collection and disposal result in increase of 2.45% for garbage collection services. The recycling rate increases 5.6% per household.

- **Miscellaneous**

Projected interest earnings are based on an average monthly investable balance of \$5,345,000 are reflective of anticipated investable balances at a 2.9% 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 2007-2008

- Maintained quality customer service as evidenced by nine (9) 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 2008-2009

- 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

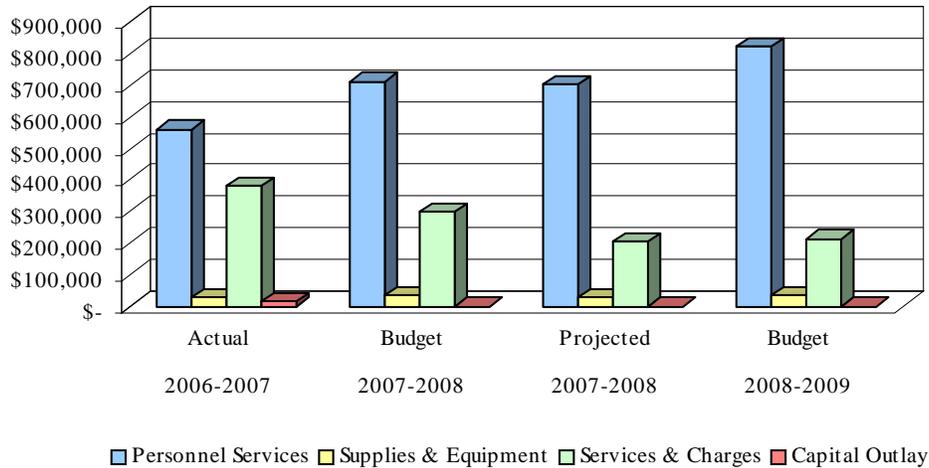
Funding for normal operations

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 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	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

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Personnel Services	\$ 559,067	\$ 711,735	\$ 703,560	\$ 823,280
Supplies & Equipment	29,923	34,850	28,885	33,000
Services & Charges	381,811	299,560	203,225	214,040
Capital Outlay	15,771	-	-	-
Total Department	\$ 986,572	\$1,046,145	\$ 935,670	\$1,070,320

**ACTIVITY MEASURES**

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Utility Inspections				
Sewer Taps	171	275	120	150
Excavations	155	100	140	150
Other Inspections				
Building*	178	100	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	130	15	100
Public Utilities	191	100	175	200
Other	263	200	575	200
Utilities Service				
Bills Prepared	40,977	40,700	41,000	41,000
New Deposits (#)	548	550	390	400
Bank Draft Customers	366	530	560	600
Internet Payment	366	250	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 2007-2008

- Routine maintenance of system, minimizing service interruptions.
- Significant system infrastructure maintenance and/or replacement projects were deferred due to the amount of disruption within the Town in conjunction with the reconstruction of Mockingbird Lane.

- Over 170 water meters replaced in the Town's meter change-out program.

OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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

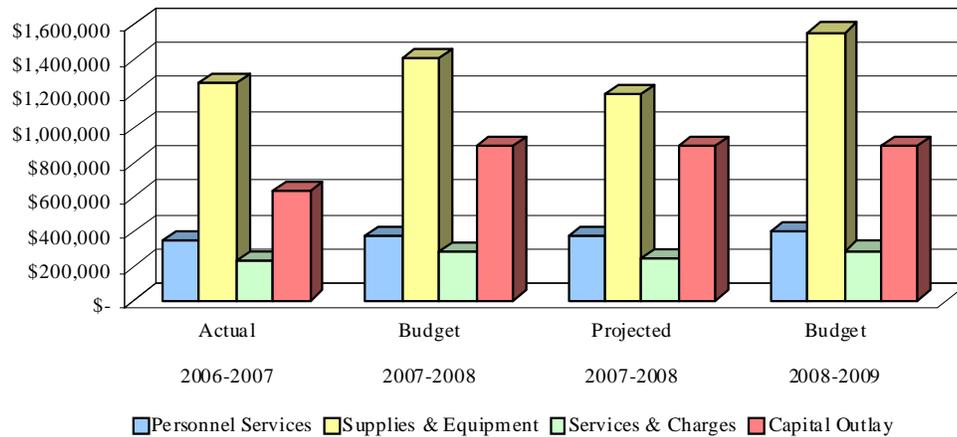
- Funding for infrastructure replacement/maintenance -\$900,000.
- Repair materials for making necessary system repairs in conjunction with infrastructure replacement/maintenance program - \$110,000.
- Replacement water meters - \$45,000.

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 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

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Personnel Services	\$ 344,881	\$ 369,440	\$ 368,775	\$ 402,775
Supplies & Equipment	1,263,375	1,411,055	1,198,930	1,555,165
Services & Charges	230,887	280,810	244,107	288,165
Capital Outlay	633,514	900,000	900,000	900,000
Total Department	\$ 2,472,657	\$ 2,961,305	\$ 2,711,812	\$ 3,146,105



ACTIVITY MEASURES	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Water Meter Activity				
Change –out Program	160	212	214	175
New Services	88	75	65	75
Worker Days	108	180	140	180
Meter Reading				
Meters Read	63,542	63,100	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	\$0.45	\$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	\$5.44	\$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 2007-2008

- 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.
- Purchased replacement dump truck (\$64,584) (funded through Equipment Replacement Fund).

OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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

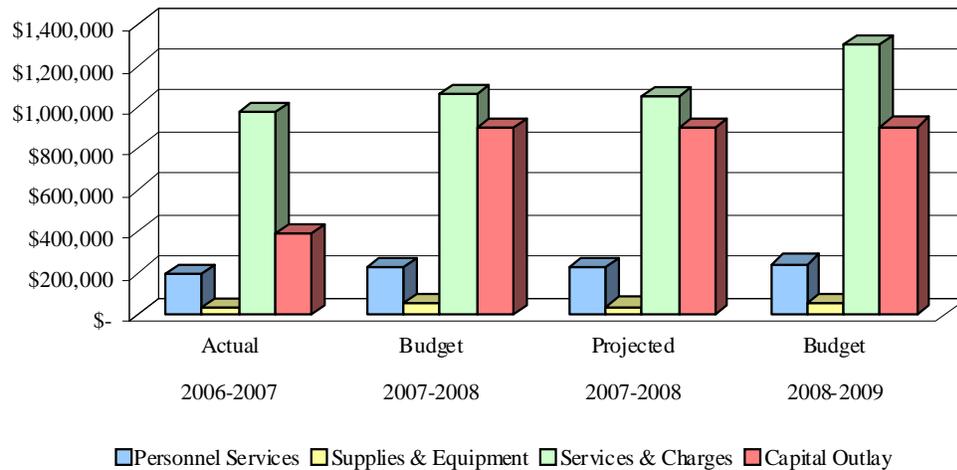
- Infrastructure replacement/maintenance - \$900,000.

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 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

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
Personnel Services	\$ 192,958	\$ 225,030	\$ 224,490	\$ 243,835
Supplies & Equipment	31,127	49,500	36,010	52,500
Services & Charges	978,598	1,059,830	1,048,259	1,304,225
Capital Outlay	386,257	900,000	900,000	905,300
Total Department	\$ 1,588,940	\$ 2,234,360	\$ 2,208,759	\$ 2,505,860

**ACTIVITY MEASURES**

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 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 2007-2008

- Provided a quick response on complaints.
- Managed the contracts for related services.
- In February, 2008, implemented a program of replacing homeowner garbage collection containers with 95-gallon polycarts and providing 18-gallon recycling bins to all customers. Total cost of \$214,200 to be recovered over seven (7) years through service rates. The program provides for a uniform collection system, the cleanliness and efficiency

of collection and the elimination of sources of accumulated water and rodent food sources.

OBJECTIVES FOR FISCAL YEAR 2008-2009

- 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

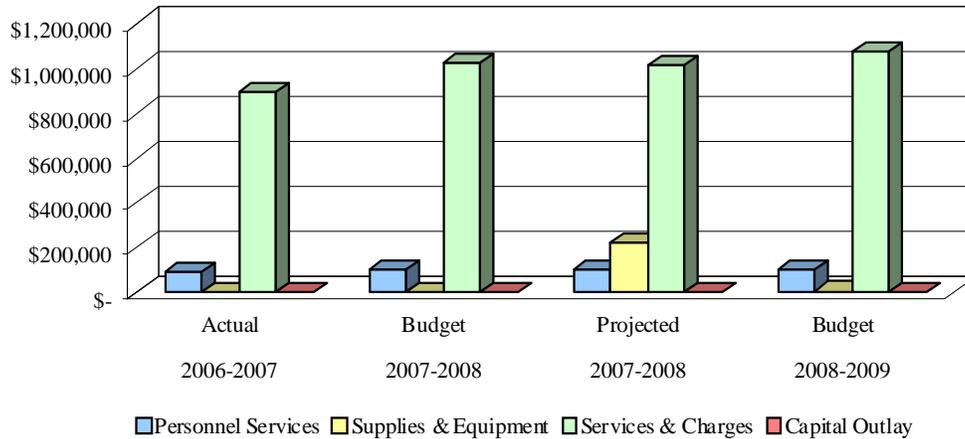
Collection and disposal	\$797,600
Landfill	117,500
Recycling	88,900
Household Hazardous Waste	12,500

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 Budget
Director of Parks & Sanitation	E-2	0.5	0.5	0.5
Total Allocable Employees		0.5	0.5	0.5

EXPENDITURE SUMMARY

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Personnel Services	\$ 90,086	\$ 97,830	\$ 97,635	\$ 103,560
Supplies & Equipment	312	450	218,925	5,900
Services & Charges	892,519	1,019,105	1,011,635	1,073,085
Capital Outlay	-	-	-	-
Total Department	\$ 982,917	\$ 1,117,385	\$ 1,328,195	\$ 1,182,545

**ACTIVITY MEASURES**

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Collection (tonnage)				
Solid Waste Collection	8,577	8,000	8,500	8,000
Brush Collection	1,563	2,500	2,000	2,500
Recycling	573	570	560	570
Contract Expenses				
Collection	\$710,354	\$759,710	\$754,560	\$759,710
Disposal	\$108,520	\$115,000	\$106,175	\$115,000
Recycling	\$76,158	\$84,600	\$84,200	\$84,600
Cost Per Ton				
Collection	\$70.06	\$72.35	\$81.16	\$75.96
Disposal	\$10.70	\$11.27	\$11.42	\$11.19
Recycling	\$132.99	\$148.42	\$123.82	\$148.17



Engineering Department

traffic signals at Oak Lawn Avenue, Preston Road and Armstrong Parkway.

OBJECTIVES FOR FISCAL YEAR 2008-2009

- Complete the Mockingbird Lane reconstruction project.
- Manage construction projects for:
 - the installation of 4,500 linear feet of new/replacement water lines
 - the installation of 4,500 linear feet of new sanitary sewer lines
 - resurfacing 23 blocks of roadway
- Prepare a proposal to install new/replacement concrete work to coincide with the 2008-2009 resurfacing project for Town Council consideration.
- Respond to engineering needs of the Town as necessary.

MAJOR BUDGET ITEMS

- Funding for normal operations.

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 2007-2008 & PROJECTS COMPLETED

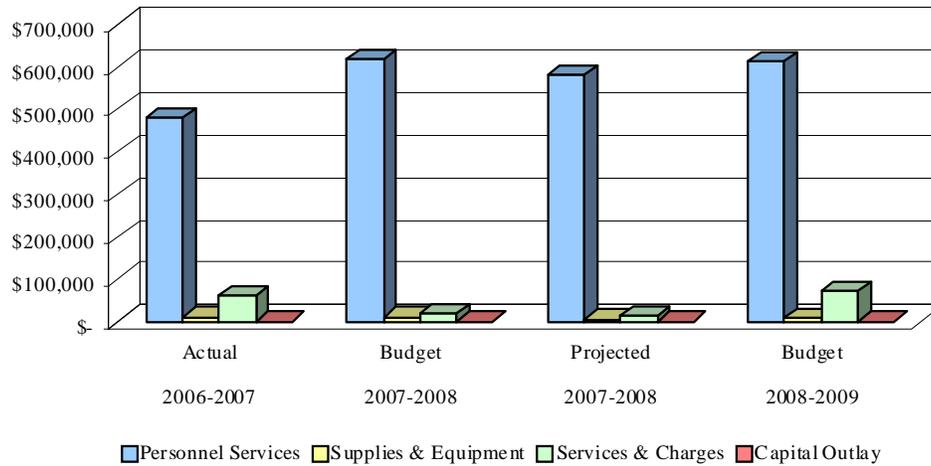
- Management of the reconstruction of Mockingbird Lane – a \$15,000,000 project.
- Preparation of engineering plans for the Town's 2008-2009 Capital Program.
- Completion of resurfacing and related concrete work along with the redesign and implementation of revised crosswalks and

EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	2006-2007 Budget	2007-2008 Budget	2008-2009 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

	2006-2007	2007-2008	2007-2008	2008-2009
	Actual	Budget	Projected	Budget
Personnel Services	\$ 481,399	\$ 617,810	\$ 581,880	\$ 611,560
Supplies & Equipment	10,785	10,500	5,785	8,900
Services & Charges	61,627	18,115	13,900	70,010
Capital Outlay	397	-	-	-
Total Department	\$ 554,208	\$ 646,425	\$ 601,565	\$ 690,470

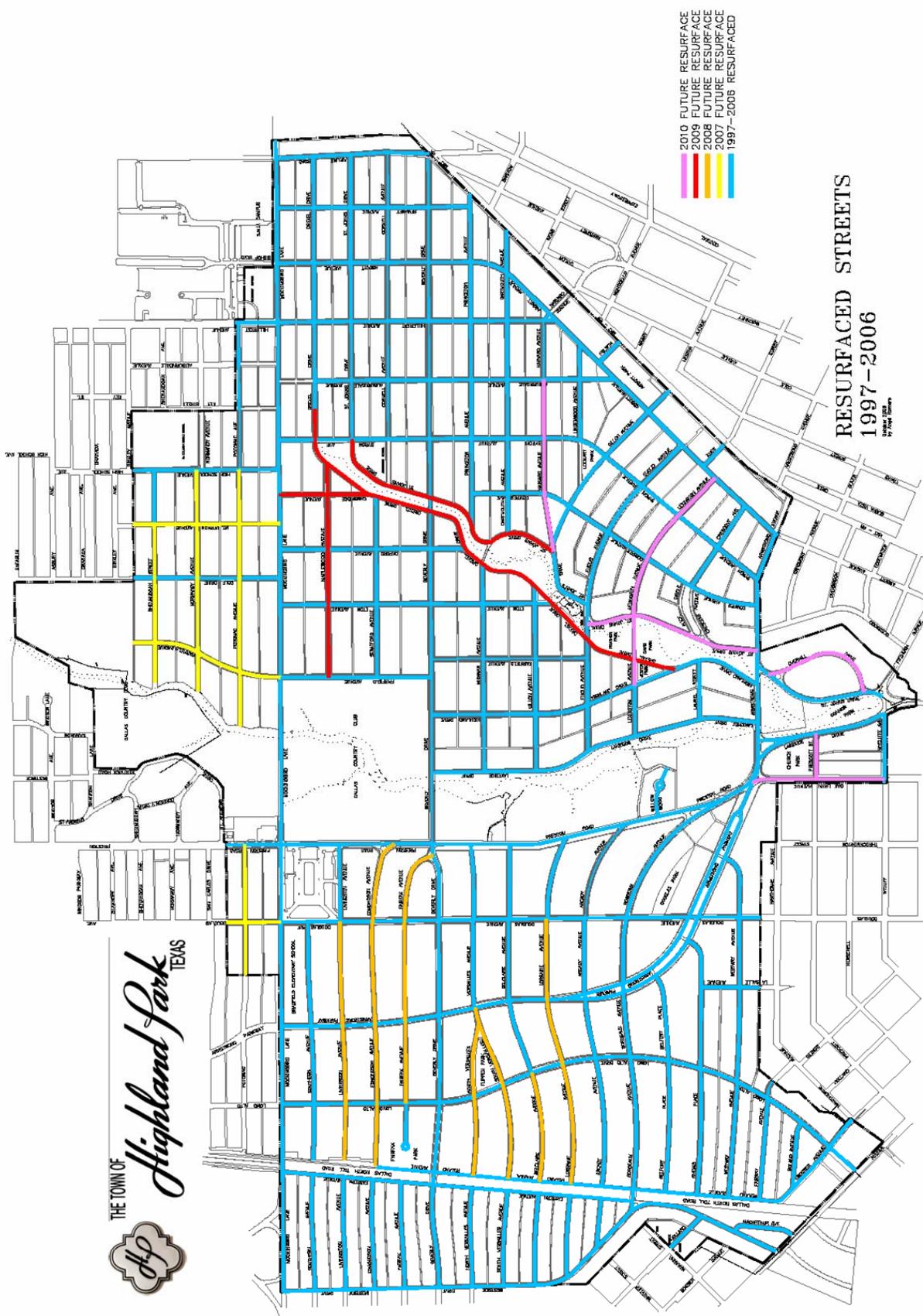


**WATER AND SANITARY SEWER
INFRASTRUCTURE PROJECTS**

Project	2008-2009		2009-2010		2010-2011		2011-2012		2012-2013	
	Cost	Blks								
Water line replacement:										
Easements (blocks remaining as of 9/30/2009)										
4200 block (6)			\$115,000	1	\$128,250	1	\$435,000	3	\$283,500	2
4300 block (4)	\$200,000	2	\$210,000	2	\$220,500	2				
4400 block (4)	\$250,000	3	\$175,000	2	\$275,625	2				
Alleys (blocks remaining as of 9/30/2009)										
3500 block	\$200,000	2								
4200 block (2)									\$448,500	2
4600 block (9)	\$250,000	2	\$400,000	3	\$275,625	2	\$480,000	3	\$168,000	1
Sanitary sewer line replacement:										
Easements (blocks remaining as of 9/30/2009)										
4200 block (6)			\$115,000	1	\$128,250	1	\$405,000	3	\$283,500	2
4300 block (4)	\$200,000	2	\$210,000	2	\$220,500	2				
4400 block (4)	\$250,000	3	\$175,000	2	\$275,625	2				
Alleys (blocks remaining as of 9/30/2009)										
3500 block	\$200,000	2								
4200 block (2)									\$448,500	2
4600 block (9)	\$250,000	2	\$400,000	3	\$275,625	2	\$480,000	3	\$168,000	1
Total	\$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.





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 54 for funding basis and history.

The Town will design and implement a formal CIP program beginning after January 1, 2009 to assist in compiling adequate information for the evaluation and prioritization of identified projects and to identify funding sources and options.

CAPITAL PROJECTS FUND
STATEMENT OF REVENUES & EXPENDITURES

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
REVENUES/SOURCES OF FUNDS				
Interest	\$ 370,390	\$ 285,000	\$ 370,000	\$ 87,000
Miscellaneous	512,118	-	3,239,985	-
Total Revenues	\$ 882,508	\$ 285,000	\$ 3,609,985	\$ 87,000
Transfers In	\$ 3,120,330	\$ 950,740	\$ 1,478,290	\$ 683,845
Total Other Resources	\$ 3,120,330	\$ 950,740	\$ 1,478,290	\$ 683,845
Total Revenues/Sources	\$ 4,002,838	\$ 1,235,740	\$ 5,088,275	\$ 770,845
EXPENDITURES/USES OF FUNDS				
Capital Projects	\$ 9,889,939	\$ -	\$ 3,148,937	\$ -
Total Expenditures/Uses	\$ 9,889,939	\$ -	\$ 3,148,937	\$ -
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ (5,887,102)	\$ 1,235,740	\$ 1,939,338	\$ 770,845
Fund Balance	\$ -	\$ 1,235,740	\$ 1,939,338	\$ 2,710,183

**CAPITAL PROJECTS
PENDING FUNDING PRIORITIZATION**

Project	Total Estimated Costs
CIVIL DEFENSE STORM WARNING SYSTEM	\$120,000
RADIO SYSTEM (DPS)	\$190,000
TOWN-WIDE IP BASED VIDEO CAMERA SYSTEM	\$340,000
REMODEL COMMUNICATIONS CENTER	\$4,000,000
BEVERLY DRIVE - HILLCREST TO DNT	\$950,000
PRESTON ROAD - ARMSTRONG TO MOCKINGBIRD	\$950,000
DRAINAGE IMPROVEMENTS:	
STUDY	\$150,000
DARTMOUTH & PRINCETON	\$150,000
STUDY - HACKBERRY CREEK	\$180,000
HACKBERRY CRK EROSION CONTROL & BEAUTIFICATION	\$1,400,000
SHORELINE STABILIZATION	\$700,000
BOX CULVERT - HACKBERRY CREEK @ MIRAMAR	\$225,000
SILT REMOVAL - TURTLE CREEK N OF WYCLIFFE	\$200,000
SILT REMOVAL - HACKBERRY CREEK	\$462,000
SILT REMOVAL - EXALL LAKE	\$1,300,000
LANDSCAPE LIGHTING:	
PRESTON ROAD PARKWAY	
CONNOR PARK	
HACKBERRY CREEK PARK	\$145,000
DAVIS PARK SIDEWALK AND RETAINING WALL	\$111,550
FENCING ALONG NORTH PARKING LOT @ SERVICE CENTER	\$100,000
 Total Estimated Costs	 \$11,673,550

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 five (5) police SUV's; three (3) pickups, and two (2) one-ton trucks.

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

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 401,457	\$ 420,300	\$ 404,040	\$ 453,700
Interest	126,208	115,000	87,000	64,000
Sale of Assets	10,597	200,000	48,901	73,500
Total Revenues	\$ 538,262	\$ 735,300	\$ 539,941	\$ 591,200
Transfers	-	-	-	-
Total Revenues/Sources	\$ 538,262	\$ 735,300	\$ 539,941	\$ 591,200
EXPENSES/USES OF FUNDS				
Services & Charges	\$ 3,293	\$ 16,000	\$ 3,915	\$ 6,400
Capital Outlay	232,819	471,400	335,715	303,000
Total Expenses	\$ 236,112	\$ 487,400	\$ 339,630	\$ 309,400
Transfers	-	-	-	-
Total Expenses/Uses	\$ 236,112	\$ 487,400	\$ 339,630	\$ 309,400
Excess (Deficiency) of Revenues/Sources Over Expenses/Uses	\$ 302,150	\$ 247,900	\$ 200,311	\$ 281,800
Fund Balance	\$ 2,033,533	\$ 2,281,433	\$ 2,233,844	\$ 2,515,644

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	Equipment Make	Equipment Model	Year Purchased	Schedule Replacement
PUBLIC SAFETY				
Administration	Chevrolet Tahoe	2003	2003	2009
Administration	Chevrolet Tahoe	2007	2007	2012
CID	Chevrolet Tahoe	2006	2006	2011
CID	Chevrolet Tahoe	2006	2006	2011
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	2010
Pickup (Animal Control)	Chevrolet	2005	2005	2011
Van	Dodge	2007	2007	2012
Police SUV	Chevrolet Tahoe	2005	2005	2009
Police SUV	Chevrolet Tahoe	2005	2005	2009
Police SUV	Chevrolet Tahoe	2005	2004	2009
Police SUV	Chevrolet Tahoe	2005	2004	2009
Police SUV	Chevrolet Tahoe	2007	2007	2011
Police SUV	Chevrolet Tahoe	2007	2007	2011
Police SUV	Chevrolet Tahoe	2007	2007	2011
STREET				
Dump Truck	Ford	2004	2003	2010
Pickup	Chevrolet	2004	2004	2011
Truck 1-ton	Chevrolet	2002	2002	2009
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	2009
Pickup	Chevrolet	2002	2002	2009
Pickup 1-ton w/ Dump body	Chevrolet	2002	2002	2010
Pickup	Chevrolet	2002	2002	2009
Skid Steer Loader	Bobcat	-----	2005	Unscheduled

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.....	2009
SEWER				
Truck-4 ½ Ton w/ Flusher	GMC	2002.....	2002.....	2011
Dump Truck.....	Freightliner.....	2008.....	2008.....	2018
Truck 1-ton.....	Chevrolet.....	2002.....	2002.....	2009
Loader/Backhoe	John Deere	2004.....	2004.....	2012
Backhoe.....	Ford.....	2004.....	2004.....	2014

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.

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

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 179,654	\$ 180,000	\$ 179,380	\$ 179,500
Interest	24,658	25,000	17,000	15,000
Total Revenues/Sources of Funds	\$ 204,312	\$ 205,000	\$ 196,380	\$ 194,500
EXPENSES/USES OF FUNDS				
Personnel Services				
Payroll	\$ 28,506	\$ 31,580	\$ 20,075	\$ 31,210
Employee Benefits	11,185	12,400	8,235	13,650
Total Personnel	\$ 39,691	\$ 43,980	\$ 28,310	\$ 44,860
Supplies & Equipment			\$ 100	\$ 200
Services & Charges	2,294	500	2,280	2,500
Total Expenses/Uses of Funds	\$ 41,985	\$ 44,480	\$ 30,690	\$ 47,560
Excess of Revenues/Sources Over Expenses/Uses	\$ 162,327	\$ 160,520	\$ 165,690	\$ 146,940
Fund Balance	\$ 440,114	\$ 600,634	\$ 605,804	\$ 752,744

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 (\$22,600).

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

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

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 27,528	\$ 28,000	\$ 26,000	\$ 26,000
Interest	6,466	6,500	3,100	1,200
Total Revenues	\$ 33,994	\$ 34,500	\$ 29,100	\$ 27,200
Transfers	-	-	-	-
Total Revenues/Sources	\$ 33,994	\$ 34,500	\$ 29,100	\$ 27,200
EXPENSES/USES OF FUNDS				
Supplies & Equipment	\$ 5,510	\$ 3,850	\$ -	\$ -
Service & Charges	9,931	13,750	3,850	20,100
Capital Outlay	79,051	-	35,000	2,500
Total Expenses/Uses	\$ 94,492	\$ 17,600	\$ 38,850	\$ 22,600
Excess (Deficiency) of Revenues/Sources Over Expenses/Uses	\$ (60,498)	\$ 16,900	\$ (9,750)	\$ 4,600
Fund Balance	\$ 52,520	\$ 69,420	\$ 42,770	\$ 47,370

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 includes appropriations for electronic monitoring of the facility and security staffing during court sessions (\$14,500).

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

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

	2006-2007 Actual	2007-2008 Budget	2007-2008 Projected	2008-2009 Budget
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 20,646	\$ 21,000	\$ 21,000	\$ 21,000
Interest	5,985	5,800	4,300	4,300
Total Revenues	\$ 26,631	\$ 26,800	\$ 25,300	\$ 25,300
Transfers	-	-	-	-
Total Revenues/Sources	\$ 26,631	\$ 26,800	\$ 25,300	\$ 25,300
EXPENSES/USES OF FUNDS				
Services & Charges	\$ 20,646	\$ 14,500	\$ 14,000	\$ 14,500
Capital Outlay	2,500	-	-	-
Total Expenses/Uses	\$ 23,146	\$ 14,500	\$ 14,000	\$ 14,500
Excess Revenues/Sources Over Expenses/Uses	\$ 3,485	\$ 12,300	\$ 11,300	\$ 10,800
Fund Balance	\$ 125,348	\$ 137,648	\$ 136,648	\$ 147,448



PAY PLAN

The Pay Plans incorporated in the Town's 2008-2009 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
2008-2009**

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 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	\$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
2008-2009**

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
2008-2009**

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 2008-2009 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 evolvement of present day Highland Park began.

LOCATION

Highland Park is located approximately three miles north of the center of Dallas, two miles from Love Field and thirty minutes from the Dallas/Fort Worth International Airport. The Township encompasses 2.26 square miles and has an estimated 8,900 residents.

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

MISCELLANEOUS STATISTICAL DATA

Form of Government Council - Manager
 Incorporation Date December 1913
 Adoption Of City Charter Date August 1975

Town Characteristics

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

Proportion of Property Values

Residential 91.68% Commercial 5.32%
 Business Personal Property 1.00% School/Municipal (Exempt) 2.00%

Public Safety

Cross-trained 53 Emergency Medical Technicians 5
 Paramedics 39

Water And Sewer Utility System

Water Connections

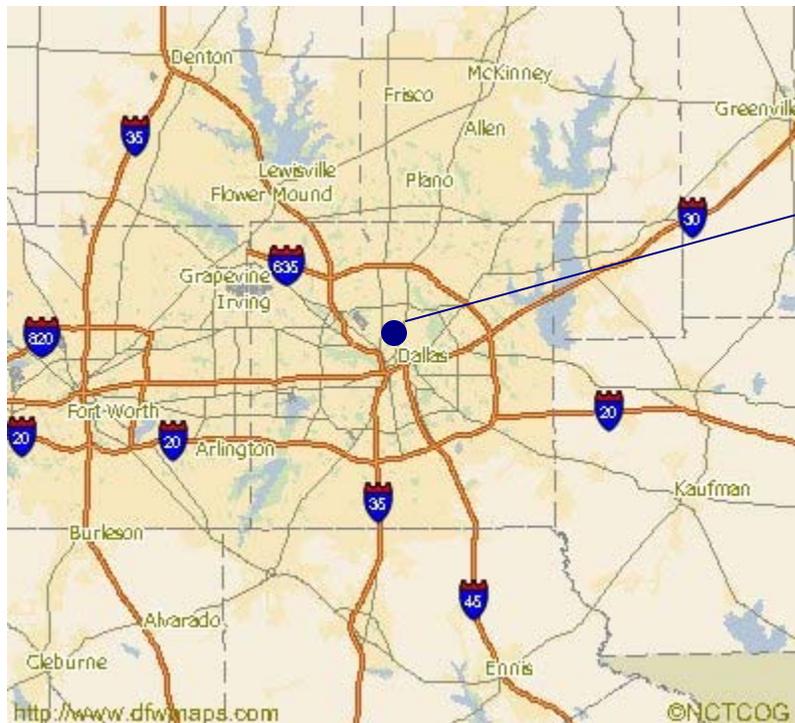
Residential 3,116
 Commercial 81
 Irrigation 2,012
 Municipal 71
 Total 5,290

Sewer Connections

Residential 3,092
 Commercial 81
 Municipal 4
 Total 3,171

Infrastructure

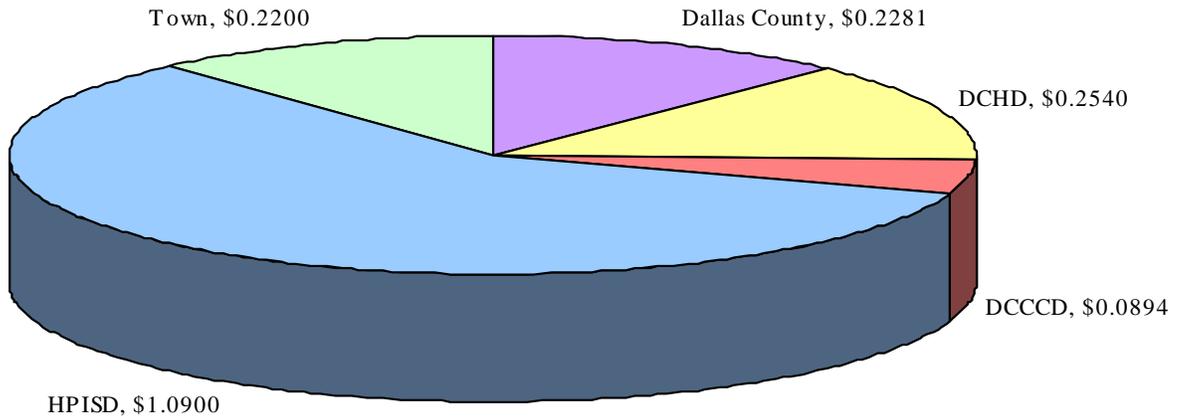
Sanitary Sewers 37.18 Miles Storm Sewers 12.22 Miles
 Parks 22 With 59.3 Acres Paved Streets 41.79 Miles



Highland Park

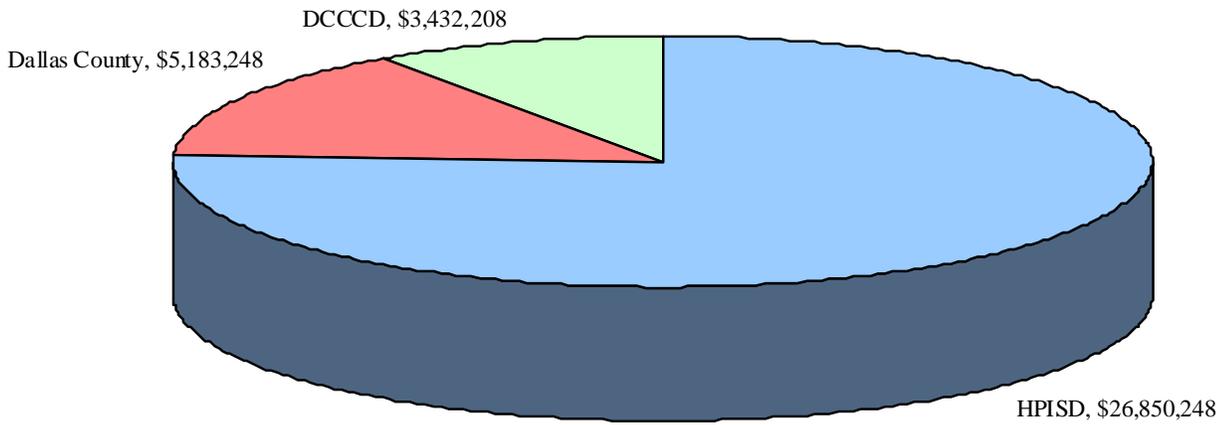
TOWN OF HIGHLAND PARK

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	
1998	2,210,874,490	35,832,380	2,246,706,870	1,785,767,871
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

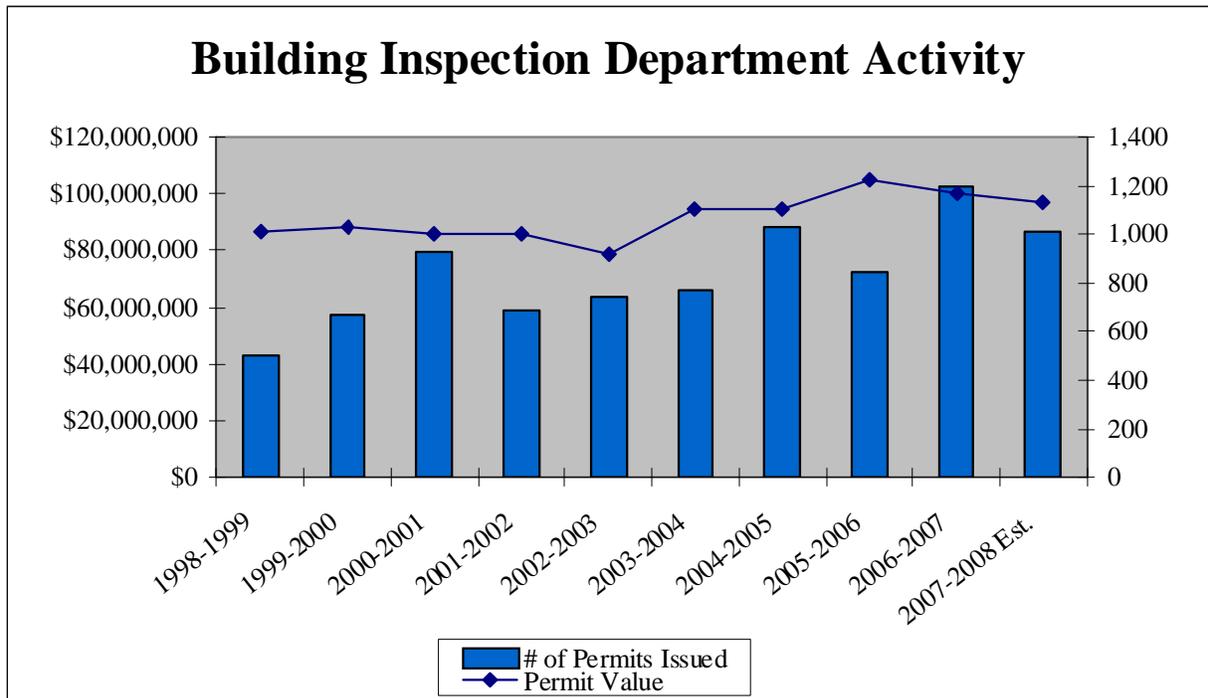
The difference between the appraised value and the taxable value represents that value that is exempted from taxation due to 1) an optional 20% Homestead exemption; 2) a \$50,000 over 65 exemption; 3) reappraisal value that exceeds the 10% per year cap; and 4) other exemptions provided under the Texas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

PRINCIPAL TAXPAYERS - 2008 TAX ROLL

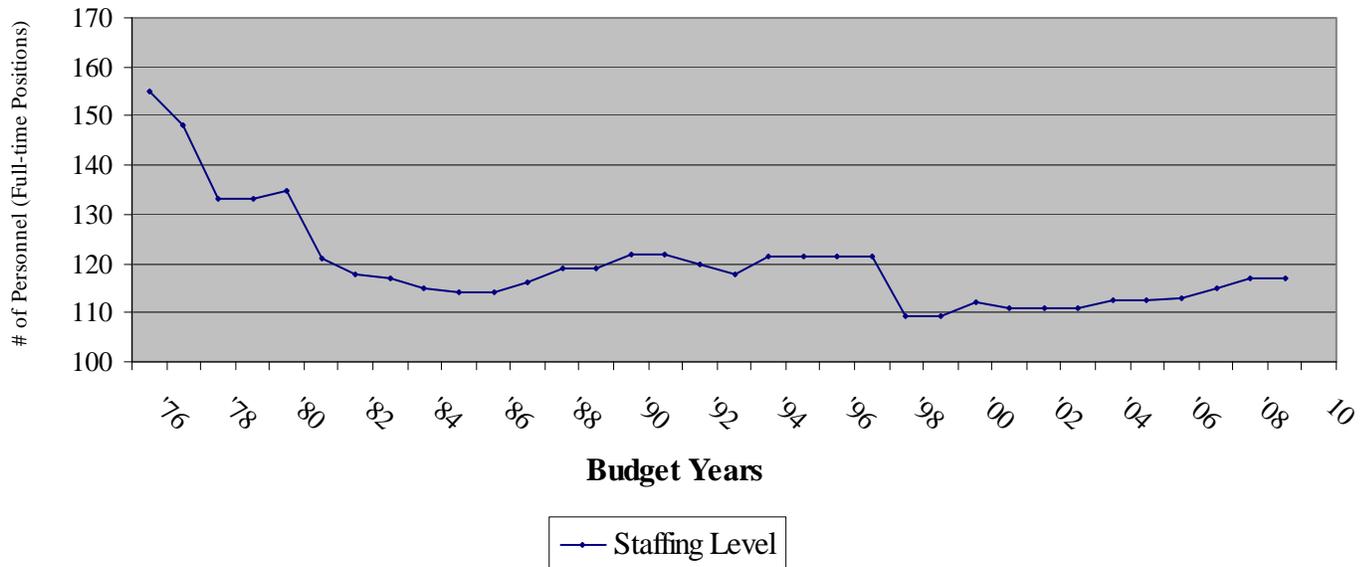
Name Of Taxpayer	Type Of Property	Taxable Valuation	% Of Total Taxable Valuation
Highland Park Shopping Village	Commercial	\$ 95,000,000	2.17
Muse, John R. & Lyn	Residential	24,166,776	0.55
Crow, Harlan R.	Residential	19,269,952	0.44
L & B Depp	Commercial	19,000,000	0.43
Cox, Edwin L. (Trust)	Residential	17,416,000	0.40
Corrigan Properties, Inc.	Commercial	15,315,980	0.35
Jones, Jerral W. & Gene C.	Residential	13,824,560	0.32
Intercity Investments Property	Commercial	13,420,000	0.31
Crow, Trammel Life Estate	Residential	12,670,000	0.29
Hunt, Lamar Account A	Residential	9,692,800	0.22

**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
1999	29	2,757,400	980	40,620,194	1,009	43,377,594
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	20	8,626,000	1,110	77,755,000	1,130	86,381,000



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>
1998-1999	631,122	54,610	422,590	53,872	1,162,194	4,856
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

*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	\$ 7,756,840	\$ 8,244,162	\$ 8,588,227	\$ 9,651,750	\$ 10,084,575
Benefits	1,796,892	1,791,995	1,965,401	2,094,172	2,371,083	2,459,498	2,936,478	3,021,312	3,550,680	3,965,370
Subtotal	\$ 7,626,606	\$ 7,854,555	\$ 8,628,700	\$ 9,060,657	\$ 9,890,917	\$ 10,216,338	\$ 11,180,640	\$ 11,609,539	\$ 13,202,430	\$ 14,049,945
Supplies & Equipment	2,093,066	1,909,015	1,950,440	1,982,287	1,987,389	2,121,477	2,467,423	2,002,554	2,249,550	2,562,930
Services & Charges	4,210,950	4,068,614	5,024,759	5,402,655	4,559,125	4,812,099	4,853,426	4,123,949	5,010,345	5,284,260
Capital Outlay	5,035,867	796,785	7,390,391	2,155,056	2,487,321	3,223,178	2,444,817	11,502,863	2,647,750	2,472,300
Debt Service	-	-	-	-	-	-	-	-	-	-
Total	\$ 18,966,489	\$ 14,628,969	\$ 22,994,290	\$ 18,600,655	\$ 18,924,752	\$ 20,373,092	\$ 20,946,306	\$ 29,238,905	\$ 23,110,075	\$ 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	\$ 6,635,127	\$ 7,236,976	\$ 8,006,949	\$ 8,809,700	\$ 9,551,090
Water Sales	3,058,234	2,828,956	3,013,379	3,137,578	3,160,639	3,519,088	4,342,297	3,274,740	3,819,410	4,157,500
Sanitary Sewer Charges	1,965,653	1,864,873	2,003,015	2,181,804	2,236,980	2,278,889	2,417,253	2,097,488	2,592,630	2,933,250
Sales Tax	1,600,021	1,647,716	1,603,019	1,635,389	1,711,196	1,846,475	2,150,367	2,236,280	2,190,000	2,325,000
Sanitation & Recycling Charges	856,475	876,367	931,001	953,845	976,380	983,344	994,550	1,016,162	1,137,130	1,234,990
Franchise Fees	821,526	896,707	926,371	841,024	871,693	858,401	948,247	917,894	916,000	963,000
Building Activity Fees	641,787	1,002,079	680,020	678,668	790,023	1,019,967	906,374	1,355,612	882,000	760,500
Court Fines/Fees	526,741	596,975	569,128	575,318	534,110	731,664	773,133	747,548	752,000	750,000
Intereset on Investments	1,023,980	939,999	814,625	387,469	244,665	456,942	850,824	1,230,961	1,047,300	576,500
Other Charges for Service	1,142,689	1,175,531	1,286,112	1,377,936	1,353,762	1,468,254	1,435,538	1,551,654	1,601,465	1,688,630
Storm Water Darinage Fees	-	-	-	-	143,930	181,449	181,182	179,654	180,000	179,500
All Other	775,312	788,791	602,984	707,153	573,935	597,108	609,287	1,144,757	696,700	479,400
Total	\$17,392,857	\$17,895,407	\$17,916,790	\$18,225,908	\$18,932,403	\$20,576,708	\$22,846,028	\$23,759,699	\$24,624,335	\$25,599,360

**TOWN OF HIGHLAND PARK
OPERATIONAL CAPITAL REQUESTS**

REQUESTING DEPARTMENT	REQUEST	NATURE OF REQUEST	PROJECTED COST	2008-2009 BUDGET	2007-2008 BUDGET
ADMINISTRATION	NONE				
	SUBTOTAL		\$0	\$0	\$0
PUBLIC SAFETY	EMERGENCY MANAGEMENT PLAN	REPLACEMENT	\$20,000	\$20,000	
	HEALTH ASSESSMENTS - SWORN EMPLOYEES (54)	NEW	\$22,950	\$22,950	
	FITNESS EQUIPMENT	REPLACEMENT	\$10,000	\$6,050	
	PORTABLE RADIOS (10)	REPLACEMENT	\$20,000	\$20,000	
	IMPROVEMENTS - MIDLOTHIAN FIRING RANGE	NEW	\$10,000	\$10,000	
	TOOLS	NEW	\$5,000		
	LOCKERS AND SHELIVING	NEW	\$10,000		
	THERMAL IMAGING CAMERA	NEW	\$15,000	\$15,000	
	MOBILE DIGITAL VIDEO SYSTEM (2)	REPLACEMENT	\$12,000		
	SCBA'S WITH CYLINDERS (5)	REPLACEMENT	\$6,000	\$6,000	
	ASSORTED FIRE FIGHTING EQUIPMENT	NEW	\$10,300		
	ESO COMPUTER (EMS OPERATIONS)	REPLACEMENT	\$5,200		
	COMPUTER DOCKING STATIONS (10)	REPLACEMENT	\$10,000		
	PNUMATIC RESCUE TOOLS	NEW	\$20,000		
	ROPE RESCUE EQUIPMENT	REPLACEMENT	\$2,500		
	BALLISTIC SHIELDS (2)	NEW	\$5,000		
	BACKOFFICE MANAGEMENT SOFTWARE PROGRAMS	NEW	\$4,000		
	NETWORK ENHANCEMENTS	REPLACEMENT	\$37,000		
	ELECTRONIC KEY CONTROL SYSTEM	NEW	\$12,000		
	EXPANSION-CONTROLLED ACCESS SYSTEM (10 DOORS_	REPLACEMENT	\$15,000		
	TREK POLICE BIKES & ACCESSORIES (2)	NEW	\$3,000		
	RIOT AGENT SUPPLIES & TRAINING (10 POSITIONS)	NEW	\$10,000		
	MARKETING MATERIALS AND DEVELOPMENT-RECRUITING	NEW	\$15,000		
	PUBLIC SAFETY PR CARDS	NEW	\$7,500		
	DEFENSIVE TACTICAL TRAINING AIDS	NEW	\$6,000		
	OPTICOM WARNING SYSTEM FOR INTERSECTIONS	NEW	\$12,000		
	MEDICAL RECORDS SYSTEM INTERFACE TO CAD/RMS	NEW	\$12,000		
	MOBILE DRYING RACK	NEW	\$1,400		
	T3 MOTION PERSONNEL MOBILITY UNIT (2)	NEW	\$20,000		
	PORTABLE HYDRAULIC VEHICLE LIFT	NEW	\$3,000		
	STABILIZER (SWAY BAR) FOR MED 331	NEW	\$1,500		
	SUBTOTAL		\$343,350	\$100,000	\$100,000
STREET	TARP FOR SAND	NEW	\$2,000	\$2,000	
	STREET NAME SIGNS	REPLACEMENT	\$26,000	\$26,000	
	SUBTOTAL		\$28,000	\$28,000	\$40,000
STREET LIGHTING	REHABILITATE TRAFFIC SIGNALS	MAINTENANCE	\$75,000		
	SUBTOTAL		\$75,000	\$0	\$0

**TOWN OF HIGHLAND PARK
OPERATIONAL CAPITAL REQUESTS**

REQUESTING DEPARTMENT	REQUEST	NATURE OF REQUEST	PROJECTED COST	2008-2009 BUDGET	2007-2008 BUDGET
LIBRARY	BOOKS	RECURRING	\$68,000	\$68,000	
	AUDIO-VISUAL MATERIALS	RECURRING	\$10,000	\$10,000	
	SUBTOTAL		\$78,000	\$78,000	\$65,500
PARK	TRIM STREET TREE LIMBS FOR 14' CLEARANCE	MAINTENANCE	\$29,000	\$29,000	
	PLAYGROUND EQUIPMENT - ABBOTT PARK	REPLACEMENT	\$35,500	\$27,200	
	GASOLINE POWERED AUGER	NEW	\$1,500		
	RESURFACE TENNIS COURTS #3, 4, 5 & 6	MAINTENANCE	\$15,000	\$15,000	
	VERMEER STUMP GRINDER	REPLACEMENT	\$28,800	\$28,800	
	REFURBISH TEAK BENCHES (30)	MAINTENANCE	\$7,500		
	RECONSTRUCT TENNIS COURT #1	REPLACEMENT	\$85,000		
	PARKWAY LIGHTING - PRESTON ROAD	REPLACEMENT	\$70,000		
	LANDSCAPE LIGHTING - CONNOR PARK	NEW	\$45,000		
	LANDSCAPE LIGHTING - HACKBERRY CREEK	NEW	\$30,000		
	SIDEWALK AND RETAINING WALL - DAVIS PARK	NEW	\$38,050		
	SIDEWALK WEST SIDE OF CONNOR PARK	NEW	\$27,000		
	RETAINING WALL - DAVIS PARK	REPLACEMENT	\$73,500		
SUBTOTAL		\$485,850	\$100,000	\$100,000	
SWIMMING POOL	CHEMICAL CONTROL UNITS	REPLACEMENT	\$6,500	\$6,500	
	DIVING BOARDS (3)	REPLACEMENT	\$7,000	\$7,000	
	POOL FURNITURE	REPLACEMENT	\$3,500	\$3,500	
	CEILING FANS - CONCESSION AREA (4)	NEW	\$3,000	\$3,000	
SUBTOTAL		\$20,000	\$20,000	\$37,100	
MUNICIPAL COURT	NONE		\$0	\$0	\$0
FINANCE	NONE		\$0	\$0	\$20,000
BLD. INSP.	NONE		\$0	\$0	\$0
SERVICE CENTER	PAINT BUILDING	MAINTENANCE	\$22,500	\$22,500	
	ELECTRONIC MONITORING SYSTEM - DIESEL TANK	NEW	\$13,000	\$13,000	
	SUBTOTAL		\$35,500	\$35,500	\$0
MUNICIPAL BLDG.	NONE		\$0	\$0	\$0
UTL. ADM.	NONE		\$0	\$0	\$0
WATER	PORTABLE EQUIPMENT	REPLACEMENT	\$5,300	\$5,300	
	SUBTOTAL		\$5,300	\$5,300	\$0
SEWER	NONE		\$0		
	SUBTOTAL		\$0	\$0	\$2,300
ENGINEERING	DIGITIZE ENGINEERING RECORDS	NEW	\$50,000	\$50,000	
	SUBTOTAL		\$50,000	\$50,000	\$0
TOTAL ALL IDENTIFIED NEEDS			\$1,121,000	\$416,800	\$364,900
GENERAL FUND			\$1,065,700	\$361,500	\$362,600
UTILITY FUND			\$55,300	\$55,300	\$2,300



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.

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