



THE TOWN OF

*Highland Park*  
TEXAS

*An American Community Making a Difference*



CONSERVE | PRESERVE

...because WATER matters



FISCAL YEAR 2015-16 ADOPTED BUDGET









GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Highland Park  
Texas**

For the Fiscal Year Beginning

**October 1, 2014**

Executive Director



# **TOWN OF HIGHLAND PARK, TEXAS**

## **COMBINED BUDGET OPERATING AND CAPITAL OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2016**

AS SUBMITTED TO  
THE MAYOR AND THE TOWN COUNCIL

**JOEL T. WILLIAMS III**  
MAYOR

**STEPHEN ROGERS**  
MAYOR PRO TEM

**BOB CARTER**  
**ERIC GAMBRELL**  
**MARGO GOODWIN**  
**JOHN MCKNIGHT**  
COUNCIL MEMBERS

**BILL LINDLEY**  
TOWN ADMINISTRATOR

**STEVEN J. ALEXANDER**  
DIRECTOR OF ADMINISTRATIVE SERVICES & CFO



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*Joel T. Williams, III*

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TOWN SECRETARY  
*Gayle Kirby*

September 14, 2015

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

I am pleased to present the Adopted Budget for Fiscal Year 2015-16. In developing the Adopted Budget, three goals were used in setting priorities and allocating the resources available. These goals are as follows:

- Maintain the Town's pay-as-you-go Capital Improvement Plan by projecting future capital needs and directing resources to fund the plan without incurring debt.
- Plan for future replacements of equipment, technology and facilities by appropriately setting aside funding based on the useful lives of assets and anticipating increases in replacement costs.
- Continue the Town's efforts in retaining and attracting quality staffing through a competitive pay plan and benefits structure.

In keeping with these goals, the Adopted Budget for fiscal year 2015-16 remains structurally balanced with operating revenues expected to be sustainable; meeting or exceeding planned operating expenditures.

This transmittal letter lays out the high points of the Adopted Budget, and then provides a more detailed discussion for each budgeted fund presented.

### **Budget Overview**

The Adopted Budget was developed in a manner that strikes a balance between applying increases in revenues toward operating expenses, replacement programs, capital improvements, and adjusting the property tax rate in recognition of the increasing taxable assessed values (T.A.V.). The Adopted Budget also addresses the shortfall in revenue experienced from lower water sales due to higher than expected rainfall during the current year. Through a recommended increase in the Town's water and wastewater rate, the Town will be able to continue maintaining the utility system, while at the same time addressing infrastructure needs throughout the Town.

Over the years, the Town's overall budgets have increased, by and large, as a result of capital expenditures. While operating expenses have grown as well, the Town has continued providing a high level of customer service and quality service to the citizens without major changes in operating expenditures or adding positions. In fact, over the last 8 years, staffing levels have remained fairly constant at 116 full-time employees and approximately 6 full-time equivalents from regular part-time positions.

**Appropriations Over the Last 7 Years**

	General Fund	Utility Fund	Storm Water Drainage Fund	Other Funds	Combined Budget
FY 2016	\$ 22,457,120	\$ 9,634,563	\$ 1,054,700	\$ 4,466,538	\$ 37,612,921
FY 2015	21,880,038	9,614,884	393,755	2,965,572	34,854,249
FY 2014	20,047,770	9,400,750	236,675	4,814,273	34,499,468
FY 2013	18,854,015	8,761,570	228,180	1,769,695	29,613,460
FY 2012	18,799,835	10,152,155	473,060	12,004,838	41,429,888
FY 2011	16,031,655	9,536,925	990,040	11,176,880	37,735,500
FY 2010	16,704,460	9,223,165	602,000	792,100	27,321,725

**Revenues**

The Town’s major sources of revenue consist of Property Taxes, Sales Taxes and Utility Fees. Collectively, these revenue sources make up approximately 75.43% of all revenues collected by the Town used in providing services to the public and completing capital improvements.

**Property Taxes**

Property Taxes are directly driven by T.A.V. within the Town from residential and commercial real property and business personal property. Each year, the Dallas Central Appraisal District (DCAD) reappraises properties within the Town. During the reappraisal process for the 2015 tax year, DCAD reappraised 76.7%, or 2,955, of the total 3,855 accounts. Below is a comparison of taxable assessed values between last fiscal year and the certified tax roll used in levying taxes for next fiscal year.

	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>% Change</u>
Residential	\$ 4,593,818,760	\$ 4,987,433,484	8.57%
Commercial	\$ 251,919,494	\$ 259,267,191	2.92%
Business Personal Property	\$ 79,018,740	\$ 77,800,070	-1.54%
Total Taxable Assessed Value	\$ 4,924,756,994	\$ 5,324,500,745	8.12%
Property Tax Rate Per \$100	0.22	0.22	0.00%
Property Tax Levy*	\$ 10,834,465	\$ 11,713,902	8.12%

\*The Town budgets a 99% Collection Rate.

Taxable assessed values are growing by 8.12% when compared to last fiscal year. The increase in T.A.V. is primarily driven by reassessments (80.33%), while the remainder of the increase is attributed to new construction (19.67%).

The property tax rate adopted to support this Budget is \$.22 per \$100 of Taxable Assessed Value (T.A.V.) which has been the Town’s rate for the past eight years. Based on this tax rate, the Town anticipates the property tax levy being \$11,713,902 with an assumed collection rate of 99% or \$11,596,762.

The adopted property tax rate is expected to generate an additional \$898,549, in revenue, of which \$173,023 is derived from the added taxable value from new construction. The Adopted Budget allocates \$651,311 of the additional revenue toward the Town’s Capital Improvement Plan, with the remainder being allocated for operations and the replacement of equipment, technology and facilities.

**Sales Taxes**

Sales taxes represent the second largest revenue source within the General Fund and are derived from the Town receiving 1% of taxable sales from retail businesses within the Town limits. The amount projected for next fiscal year is \$3,693,000 and reflects an increase of 6% over the Adopted Budget for Fiscal Year 2014-15. Historically, this revenue source trends upward at approximately 5-6% per year. Over the last two years, this revenue source has grown at approximately 6-8% per year, and as a result of improvements being made at the Highland Park Shopping Village; this trend is expected to continue.

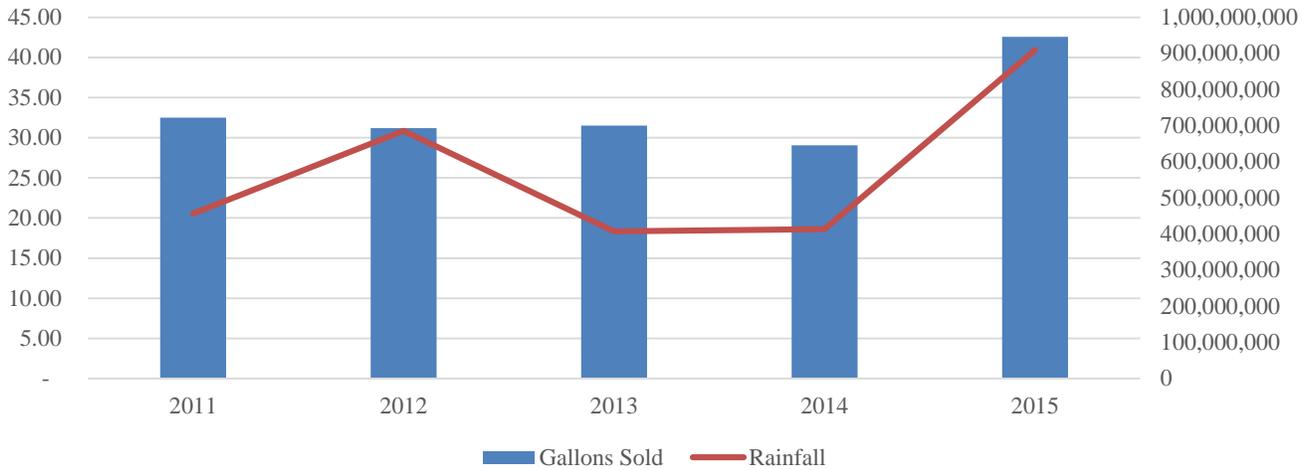


**Water & Sewer Rates**

The Utility Fund receives its revenues from water and wastewater rates established by the Town Council each year. A base rate provides a consistent revenue source, but the majority of the revenues (79.45%) come from water and wastewater rates which are directly tied to water consumption. Over the last few years, the Town has experienced a drop in consumption. Fiscal Year 2014-15 experienced a substantial reduction in water consumption, due to the combination of significant rainfall and conservation efforts. Through June of the current fiscal year, the Town received 40.93 inches of rain. Each of the last five fiscal years experienced less than 40.93 inches of rain throughout the entire fiscal year.

Below is a depiction of water sales through September for each of the last five fiscal years, along with rainfall data over that same time frame.

### Rainfall / Gallons Sold



The Adopted Budget includes a 12.5 to 12.6% increase in water and wastewater rates in anticipation of the Town continuing to experience lower consumption levels. The expectation that consumption will continue to be lower than what was experienced in the past is largely due to the Town’s focus on water conservation. A concerted effort to conserve water will continue to place downward pressure on consumption. The changes in water and wastewater rates are as follows:

	<u>FY 2014-15</u>	<u>FY 2015-16</u>	% Change
<b>Water:</b>			
Base Rate	\$ 14.50	\$ 16.31	12.5%
<b>Rate Per 1,000 Gallons</b>			
0-12,000	\$ 4.56	\$ 5.13	12.5%
12,001-30,000	\$ 5.24	\$ 5.90	12.6%
30,001-60,000	\$ 6.29	\$ 7.08	12.6%
60,001+	\$ 8.18	\$ 9.20	12.5%
<b>Sewer:</b>			
Base Rate	\$ 12.50	\$ 14.06	12.5%
Rate Per 1,000 Gallons	\$ 4.92	\$ 5.54	12.6%
Water Consumption Projection	944,000,000	850,000,000	

This rate adjustment is expected to generate the required revenue of \$8,793,332 within the Utility Fund that is necessary to maintain and operate the utility system, as well as continue the Town’s Capital Improvement Plan related to utility infrastructure improvements. This revenue requirement considers the savings that the Town will experience by purchasing less water to sell to the public.

#### **Other Revenues**

The Town collects a variety of other revenues such as building permits, municipal court fines, franchise fees from utilities that use the Town’s rights-of-way, and many others. These revenues are projected for

next fiscal year based on: (i) revenue trends; (ii) increases from new programs; or (iii) in the case of storm water drainage fees, on the increase in the Consumer Price Index in the Dallas-Fort Worth region.

Overall, these revenues are expected to grow by 30.60%, or \$2,176,972, of which 84.7% is primarily attributed to contributions planned from other governmental agencies participating in projects being completed by the Town. Another revenue source impacting revenues is an increase in municipal court revenues of \$250,000 expected to occur as a result of the implementation of a traffic enforcement program within the Department of Public Safety.

## **Expenditures**

Overall expenditures planned for next fiscal year are \$31,237,721 (excluding transfers), representing an increase of \$1,945,341 or 6.6%. Personnel costs and capital expenditures make up 69.9% of the Adopted Budget.

Since the Town is a service based organization, personnel costs represent the single largest expenditure of the Town. The Town has 116 full-time positions and 6 full-time equivalents related to regular part-time positions and seasonal employees. The total amount of personnel costs proposed for next fiscal year is \$15,137,598, and includes all compensation and benefits.

The Adopted Budget provides pay adjustments consistent with past practices of the Town. The Town's pay for performance system allows for a permanent increase in pay each year for employees who are not at the top of their pay range, and who are eligible to participate in the pay for performance program. This adjustment can be as much as 7%; however, the average increase for these employees is 6.0%. Roughly 51.7% of the Town's employees are eligible for a performance-based increase. The remaining employees are either at the top of their pay range, or are not eligible to participate in the pay for performance program (i.e., executive positions). The Adopted Budget provides for these employees to receive a 3% adjustment for next fiscal year. While pay adjustments represent \$493,177 of the Adopted Budget, due to the Town Librarian and Director of Town Services positions being contracted out and along with other personnel changes, the overall increase, when compared to the Fiscal Year 2014-15 Adopted (as amended) Budget personnel costs, is only increasing by \$476,007, or 3.3%.

The Town continues to provide competitive benefits to employees with health insurance being one of most significant. Health insurance is currently being procured through Blue Cross Blue Shield (BCBS). The Town's benefits consultants, IPS Advisors, sought proposals for health insurance and received responses from BCBS, United Health Care, and Aetna. Based on the responses received and subsequent negotiations, IPS Advisors recommended that the Town remain with BCBS. The cost for health insurance procured through BCBS is increasing by 7.3%. BCBS's initial proposal presented insurance costs growing by 14.1%.

Embedded within the Town's cost of health insurance is an implicit subsidy of approximately 51.2% for dependent care. According to IPS Advisors, the average dependent subsidy for the public sector is 62%, so the Town is actually providing to employees a benefit that is fairly competitive.

It is important to mention that the Affordable Care Act places limits on the amount that a health insurance plan provided by an organization can cost. In 2020, these limits will be enforced; however, guidance on what the limits will be has not yet been released. Nevertheless, in 2020, the cost of employee/dependent health care in excess of the currently established limits will be taxed at 40% to the Town. In an effort to mitigate this issue, and as the Town considered approving a new contract with BCBS, the three tiered rate structure was modified to a four tiered rate structure as follows:

	<b>Current Structure 3</b>	<b>Town Contribution</b>	<b>Proposed Structure 4</b>	<b>Town Contribution</b>
	Annually	Annually	Annually	Annually
<b>Health Savings Account</b>				
<i>Employee</i>	\$ 9,489.72	\$ 9,489.72	\$ 6,384.00	\$ 6,384.00
+Spouse	\$ 3,329.28	\$ 116.52	\$ 7,022.52	\$ 3,595.56
+Children	N/A	N/A	\$ 5,745.72	\$ 2,941.80
+Family	\$ 6,907.44	\$ 241.92	\$ 13,406.52	\$ 6,864.12
Town Contribution to H.S.A.	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
<b>Preferred Provider Organization</b>				
<i>Employee</i>	\$ 14,019.12	\$ 11,989.68	\$ 9,431.04	\$ 8,883.96
+Spouse	\$ 4,832.16	\$ 169.08	\$ 10,374.12	\$ 3,589.44
+Children	N/A	N/A	\$ 8,487.96	\$ 2,936.88
+Family	\$ 10,024.20	\$ 350.88	\$ 19,805.16	\$ 6,852.60

Implementing the structure above, not only moved the current plan in a manner that addressed the looming “Cadillac Tax,” but also more appropriately priced the cost of employee health care by placing the current implicit subsidy with the dependent care premiums. Moreover, this structure allows the Town to more readily monitor the dependent care subsidy provided and make adjustments to that subsidy when appropriate. With the approval of the FY 2015-16 Budget, Town Council maintained the current subsidy level for dependent child care.

The Town provides retirement benefits for employees through the Texas Municipal Retirement System (TMRS) and is experiencing a reduction in the required contribution rate. The contribution rate for the current year is 3.95%, while the rate needed for next year is 3.14%. The rate is applied to each calendar year, and as a result, the Adopted Budget benefits from this rate reduction during the last nine months of the fiscal year. Nevertheless, as a result of this reduction in the rate, the Adopted Budget reflects a reduction of \$108,209, or 21.43% in TMRS contributions.

The Town’s Capital Improvement Plan (CIP) is an integral part of the Adopted Budget and funding for the CIP is provided through either existing resources or current year revenues. The primary sources of revenue for these improvements are property taxes, water and wastewater rates, and storm water drainage fees. The Adopted Budget includes \$6,538,121 in capital improvements as detailed below:

Project	Capital Projects Fund	Utility Fund	Storm Water Utility Fund	Total
Street Resurfacing & Miscellaneous Concrete	\$ 925,301	\$ -	\$ -	\$ 925,301
Town Wide Video & LPR System Study	100,000	-	-	100,000
Preston Road Rehabilitation	1,786,320	-	-	1,786,320
Town Hall Replacement Generator	54,000	-	-	54,000
Tennis Court Reconstruction/Rehabilitation Program	50,000	-	-	50,000
Turtle Creek 30-Inch Interceptor Improvement	-	1,100,000	-	1,100,000
Gillon Pump Station Improvements	-	170,000	-	170,000
Smart Water Meter Program	-	350,000	-	350,000
Water & Sewer Infrastructure Improvements	-	1,155,000	-	1,155,000
Douglas Park Drainage Improvement	-	-	105,000	105,000
Exall Lake Dredging & Sedimentation Removal	-	-	742,500	742,500
<b>Total</b>	<b>\$ 2,915,621</b>	<b>\$ 2,775,000</b>	<b>\$ 847,500</b>	<b>\$ 6,538,121</b>

In developing the Adopted Budget, a public hearing for citizen input was conducted on April 27, 2015. Discussion of the development of the Budget was also included at study sessions with the Town Council on April 7, and May 19, 2015. Public hearings on the Budget were on August 10 and August 24.

### Budgeted Funds

#### GENERAL FUND

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

The Adopted Budget for the General Fund Budget is \$22,457,120 representing an increase of \$577,082, or 2.64% over the previous fiscal year amended budget. Operational expenditures represent \$18,553,600, or 82.62% of the General Fund Budget, with the remaining balance of \$3,903,520 representing transfers to other funds. The Transfer to the Capital Projects Fund is \$2,541,380 and is \$1,020,733 higher than the transfer originally adopted for Fiscal Year 2014-15.

#### Revenues:

The Adopted Budget includes a property tax rate of \$0.22 per \$100 of taxable assessed value (T.A.V.) which is the same tax rate assessed for the past 8 years. Based on the certified tax rolls provided by the Dallas Central Appraisal District (DCAD), this budget will raise more revenue from property taxes than last year's budget by \$870,643. Of this amount, 80.33% is from existing property revaluation, while the remaining 19.67% is from new construction.

Historically, the Town has enjoyed a low property tax rate and positive increases in T.A.V. Over the last 10 years, the Town has experienced an average annual increase in T.A.V. of 5.4%.

<b>Year</b>	<b>T.A.V.</b>	<b>Percent Change Over Previous Year</b>	<b>Tax Rate</b>	<b>Tax Levy</b>
1995	\$1,526,711,852	4.07%	0.2970	\$ 4,534,334
1996	\$1,584,600,472	3.79%	0.2970	\$ 4,706,263
1997	\$1,626,075,722	2.62%	0.2970	\$ 4,829,445
1998	\$1,786,189,741	9.85%	0.2693	\$ 4,810,209
1999	\$1,939,868,756	8.60%	0.2575	\$ 4,995,162
2000	\$2,150,454,981	10.86%	0.2462	\$ 5,294,420
2001	\$2,417,415,947	12.41%	0.2290	\$ 5,535,883
2002	\$2,628,830,785	8.75%	0.2208	\$ 5,804,458
2003	\$2,770,409,688	5.39%	0.2300	\$ 6,371,942
2004	\$2,911,465,259	5.09%	0.2300	\$ 6,696,370
2005	\$3,195,472,872	9.75%	0.2300	\$ 7,349,588
2006	\$3,619,222,088	13.26%	0.2250	\$ 8,143,250
2007	\$4,040,978,017	11.65%	0.2200	\$ 8,890,152
2008	\$4,371,202,858	8.17%	0.2200	\$ 9,616,646
2009	\$4,578,076,708	4.73%	0.2200	\$ 10,071,769
2010	\$4,437,430,774	-3.07%	0.2200	\$ 9,762,348
2011	\$4,406,947,910	-0.69%	0.2200	\$ 9,695,285
2012	\$4,446,174,261	0.89%	0.2200	\$ 9,781,583
2013	\$4,598,788,373	3.43%	0.2200	\$ 10,117,334
2014	\$4,924,756,994	7.09%	0.2200	\$ 10,834,465
2015	\$5,324,500,745	8.12%	0.2200	\$ 11,713,902

Between Fiscal Years 2008 and 2010, the Town benefitted from increased property values that resulted in increased revenues to fund operations and capital projects. Property values declined in Fiscal Years 2011 and 2012, and the Town chose to maintain the existing tax rate, resulting in a decline in property tax revenue. The economy began to rebound in Fiscal Year 2013, and as a result, the Town experienced an increase in taxable assessed property values over the last four years. Keeping the tax rate constant has allowed the Town to use the resulting increase in property tax revenues to address operational and capital issues. The additional revenue can be used to address increases in operational costs, and increase funding toward the Town's Capital Improvement Program, as well as the Town's equipment, technology and facilities replacement programs.

Other significant revenue increases for FY 2016 include:

- Continuing a healthy rebound of the last few years, sales tax receipts, the fund's second largest source of revenue is estimated at \$3,693,000, representing a 6% increase.
- Continued steady rate of construction activity on new residential homes and remodeling projects is reflected by the number of permits issued by the Town. Total building permit revenue in FY 2016 is estimated at \$1,135,000.
- Municipal Court revenues are expected to increase as a result of the implementation of a traffic enforcement unit. While not reliant on this revenue source, the Adopted Budget merely reflects the expected change in revenue resulting from the new program.

## **Expenditures:**

The operations portion of the budget funds the day-to-day activities of the Town such as personnel services, commodities, contractual services, and equipment replacement. Less than other municipal organizations, entity-wide personnel costs account for 72.2% of the overall budget, excluding transfers. Compensation and benefit strategies are tied to the Town's strategic objective of attracting, developing, and retaining a skilled workforce in its goal of continuing to be an employer of choice.

**Compensation-** As a service organization, Town employees are critical in the delivery of quality services to our residents. In order to maintain service level stability, it is important to retain and attract the type of quality employees we enjoy. In recognition of this important goal, the General Fund budget includes \$434,019 for compensation increases. Consistent with past years, employees not at the top of their pay range are eligible for a merit increase up to 7%, while employees who have reached the top-end of their pay range or employees who are not eligible for pay-for-performance increases, are budgeted to receive a 3% adjustment.

During Fiscal Year 2012-13, the Council updated the list of comparable cities and corresponding salary survey information for our compensation program. The system provides a financially sustainable model that ensures a fair and predictable method of career progression and compensation for employees. Not only was the Council able to confirm its labor market and define market positions, it also confirmed that the current pay structure should be maintained and adjusted as market conditions warrant. As noted, the Town's pay system is a pure pay-for-performance format, substantially different than most municipal systems which are tenure-based pay structures where employees are granted automatic pay increases.

**Pension-** The Town is a member of the Texas Municipal Retirement System (TMRS) which provides retirement, disability, and death benefits to employees of participating municipalities. The pension contribution rate paid by the Town for employees is decreasing by 20.5%, to 3.14% of payroll for Fiscal Year 2016. This results in a savings to the General Fund of about \$95,011 compared to the Fiscal Year 2014-15 Adopted Budget.

**Health Insurance-** Providing a competitive health insurance plan is another significant factor in attracting quality candidates, retaining valuable employees and continuing to be an employer of choice. Competitively bid this year, the Town's health insurance provider, Blue Cross Blue Shield (BCBS), confirmed a 7.3% premium increase for next year. The cost of health insurance paid by employees based on the plan they choose and the dependent care they need is also proposed to increase between 29.2% and 39.4%. The highest increase for the employee's cost is directly related to the Preferred Provider Organization (PPO) plan offered by the Town. The majority of the Town's employees, specifically, 80.83% subscribe to the Health Savings Account (HSA) plan, while the remainder subscribe to the PPO plan

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

Blue Cross Blue Shield also provides a wellness program which is currently used to provide onsite health assessment for employees. Town Staff continues to assess other wellness initiatives that can be employed to facilitate a healthier workforce.

**Christmas Stipend** – For many years, Town employees have received an additional stipend at Christmas time that has been funded through contributions received from citizens within the Town. On average, employees have received \$158.00 per year through this program. While the contributions from citizens have been greatly appreciated, the Adopted Budget includes funding to incorporate the annual stipend into the overall compensation package for employees, as opposed to seeking contributions each year from citizens. Overall, this change adds \$17,764 to the General Fund budget.

**Capital Improvement Plan-** The General Fund’s portion of the transfer to the Capital Construction Fund is budgeted at \$2,541,380. As noted previously, \$651,311 of this amount is new funding from enhanced revenue provided by the growth in property value. This increase in funding was a major focus in preparing the Adopted Budget as the Council continues its focus on a pay-as-you-go system in funding infrastructure needs. Overall, the transfer is growing by \$1,020,733. This increase includes \$50,000 to be set aside for future renovation of tennis courts, \$350,000 to be used toward funding improvements to Exall Lake, Conner Lake, and Hackberry Creek, and the remainder to be set aside to fund future capital improvements.

**Other significant appropriations and adjustments to the General Fund include:**

- A part-time traffic enforcement program has been included in the Department of Public Safety at a cost of \$125,900. This program incorporates two part-time patrol officers and two part-time jailers.
- Based on the average cost of Town Attorney services, \$29,000 has been added to the Administration Department. An additional \$56,801 in legal fees has been set aside to provide funding for unanticipated issues and/or special projects that require specialized legal services.
- Transfer to Building Maintenance has increased for two primary reasons. First, the transfer to the Building Maintenance Fund includes an increase to the component of the transfer that builds fund balance within this fund. This amount has been increased by \$75,000. Additionally, \$79,525 that had been previously budgeted within departmental budgets of the General Fund has been refocused to the Building Maintenance Fund. As a result, these costs are now incorporated into the inter-fund transfer.
- The transfer to the Equipment Replacement Fund, while staying relatively the same, includes \$28,000 to begin setting aside funds to replace the Department of Public Safety’s self-contained breathing apparatus (SCBA) equipment and \$18,500 to set aside funds for the future replacement of a re-purposed CID unit.

**Fund Balance:**

The Town’s financial policies state that the fund balance in the General Fund shall be equal to a minimum of 17% of General Fund operating expenditures. The Adopted Budget reflects a projected balance of 17.59% of expenditures, which represents \$3,503,519. This ending balance is set aside to provide funding in the event of an unanticipated economic downturn or other emergencies to protect the Town’s budget. Any excess revenue and unallocated appropriation, above the 17% fund balance requirement, is transferred to the Capital Construction Fund.

**UTILITY FUND**

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

**Revenues:**

The Town experienced a substantial amount of rainfall during Fiscal Year 2014-15, resulting in significantly less revenue than was originally projected.

Utility Fund revenues proposed for Fiscal Year 2015-16 are \$10,354,182, which is an increase of 11.0%, or \$1,026,449, when compared to the Adopted Budget (as amended) for Fiscal Year 2014-15. A large portion of the increase in revenue proposed is directly attributed to contributions that are expected to be received from outside organizations in support of capital projects within this fund. The Adopted Budget incorporates an increase of 12.5% -12.6% in water and wastewater rates to address the reduced consumption anticipated in the next fiscal year.

**Expenditures:**

Unlike the General Fund which is driven principally by personnel costs, the majority of expenses for this fund are contractually related to water purchases and sanitary sewer treatment attributing to 31.23%, or \$3,009,040 of the overall costs projected for Fiscal Year 2016. The Adopted Budget also includes \$2,685,000 for capital outlay and capital improvements related to the Town's utility system. Personnel costs within the Utility Fund are also impacted by the aforementioned changes in compensation and benefits. The Utility Fund, like the General Fund, is benefiting from the reduction in the Town's contribution rate to TMRS. Overall, the budget for pension cost reflects a decline of \$13,198 when compared to the year-end Adopted Budget for Fiscal Year 2014-15.

**Fund Balance (Net Working Capital):**

Similar to the General Fund, the Town's fiscal policies require that the fund balance of the Utility Fund be equal to 25% of operating expenditures. Net working capital (current assets minus current liabilities) is used as the measure of fund balance for the Utility Fund. Currently, the calculation of ideal fund balance excludes the operating transfer of \$1,107,900 to the General Fund. This transfer is an indirect cost allocation that is made annually, and is based on certain actual expenditures made in the General Fund that are related to the Utility Fund. The practice of excluding this transfer when calculating fund balance began during Fiscal Year 2012-13. If included going forward, fund balance would need to increase by approximately \$250,000 to reach ideal fund balance. Town Staff recommends that over time, fund balance be grown to accommodate the inclusion of the operating transfer in the calculation of ideal fund balance. The budget reflects a projected ending fund balance that exceeds 25% of expenditures (excluding the General Fund operating transfer), which represents \$1,351,416.

The ending fund balance in the Utility Fund is projected to be \$1,860,018. Excess fund balance will be set aside to create a rate stabilization fund.

**STORM WATER UTILITY FUND**

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

**Revenues:**

Revenues in the Storm Water Utility Fund, from storm water fees, are projected to be \$389,900, which is slightly higher than the revenue projected in the prior fiscal year. Rates charged for storm water drainage have historically been indexed to the Consumer Price Index, for the Dallas-Fort Worth region.

**Expenditures:**

The Storm Water Utility Fund accounts for expenditures related to street sweeping and other drainage related items. The overall appropriations proposed for this fund total \$1,054,700, and include an indirect cost transfer to the Utility Fund for personnel costs attributed to storm water related projects and issues. The most significant items added to this budget include \$742,500 set aside for dredging and sediment removal in Exall Lake, and \$105,000 for drainage improvements at Douglas Park. The Adopted Budget also includes a transfer from the Capital Projects Fund of \$350,000 per year, to fund future storm water drainage projects within this fund. The \$350,000 is provided from revenues being added to the Capital Projects Fund primarily as a result of increased property values.

**Fund Balance:**

There is not a fund balance requirement for the Storm Water Utility Fund, but fund balance continues to grow within this fund. The fund balance projected at the end of Fiscal Year 2015-16 is \$429,106. This fund balance is committed to improvements to the Town's storm water drainage system.

**CAPITAL PROJECTS FUND**

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

The five-year Capital Improvement Plan has been updated and is incorporated in the Miscellaneous Section of the Adopted Budget. This plan establishes a multi-year funding schedule for the purchase, construction, or replacement of physical assets of the Town. The Miscellaneous Section of the Adopted Budget also includes a 10-year financial forecast developed and updated on a pay-as-you-go basis.

The first year of the Capital Improvement Plan provided has been incorporated into the Adopted Budget within each respective fund including the Capital Projects Fund. Funds for projects are budgeted on an annual basis.

**Revenues:**

Revenues in the Capital Projects Fund are projected to be \$4,387,015 for Fiscal Year 2015-16 and are primarily made up of transfers from other funds. Both the General Fund and the Utility Fund transfer 5% of revenues collected for Solid Waste Services and Utility Fees respectively. These two transfers make up \$498,400 of the total projected revenues in this fund. The General Fund annually transfers funds to the Capital Projects Fund for the purpose of maintaining an active capital improvement program. This funding is annually indexed by the Consumer Price Index, and equates to \$1,070,700 for the next fiscal year. In Fiscal Year 2014-15, the Town Council approved keeping the property tax rate the same, which allowed the Town to commit an additional \$342,651 per year toward the Capital Improvement Plan. Consistent

with that effort, and as a result of the increase in taxable assessed values of properties within the Town, the Adopted Budget includes an additional \$651,311 in order to meet future capital needs and also to provide needed funding for the sediment removal and erosion control projects planned for Conner Lake and Hackberry Creek. Sediment removal for Exall Lake will be funded from current resources within the Storm Water Drainage Fund. To the extent that the General Fund has excess fund balance above the required fund balance level set out by Town Council, an additional transfer will be made to the Capital Projects Fund.

Excess revenues in the General Fund of \$414,317 are also being transferred into the Capital Projects Fund. In anticipation of DART's participation in the rehabilitation of Preston Road, \$500,000 in DART funding is included in the Adopted Budget. Dallas County is also expected to fund 50% of the rehabilitation of Preston Road, which adds \$893,160 to the revenue budget.

### **Expenditures:**

Expenditures in the Capital Projects fund are budgeted to be \$3,584,921, with \$925,301 in appropriations applied toward the Town's annual street/sidewalk/alley rehabilitation program, \$1,786,320 for the rehabilitation of Preston Road, \$50,000 for tennis courts, \$54,000 for the Town Hall generator, and \$100,000 for surveillance cameras. The remaining balance is an indirect cost allocation transfer to the Utility Fund for personnel costs attributed to projects funded in the Capital Projects Fund, and a transfer to the Storm Water Drainage Fund for Exall Lake, Conner Lake and Hackberry Creek improvements.

### **Fund Balance:**

The Town's fiscal policies promote maintaining a \$2,000,000 fund balance within the Capital Projects Fund. During times when this fund balance falls below the minimum \$2,000,000, the policy states that a plan should be put in place to rebuild the fund balance to \$2,000,000. The Adopted Budget for Fiscal Year 2015-16 projects the fund balance of the Capital Projects Fund to be at \$4,099,219 at year-end, meeting the required minimum.

### **OTHER FUNDS**

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

### **Equipment Replacement Fund:**

This fund accounts for the resources needed to manage the purchase of vehicles and other rolling stock for the Town's fleet. Total revenues within this fund are projected to be \$439,470, and are primarily made up of transfers from the General Fund and the Utility Fund. The transfers from these funds are based on equipment depreciation schedules, and the amount of annual depreciation is then adjusted for inflation to insure adequate funding is provided at time of replacement. Total expenditures are budgeted at \$151,659 to replace three patrol units scheduled to come off-line. The fund balance projected within this fund at the end of the next fiscal year is \$2,908,042.

### **Technology Replacement Fund:**

This fund accounts for the resources needed to manage the replacement and upgrade of software and hardware related equipment. Revenues within this fund are primarily derived from transfers from the General Fund and the Utility Fund and total \$519,900. The transfers from these funds are based on equipment depreciation schedules, and the amount of annual depreciation is then adjusted for inflation to insure adequate funding is provided at time of replacement. Expenditures within this fund are budgeted at \$104,506 and are primarily related to computer replacements.

The fund balance projected within this fund at the end of the next fiscal year is \$1,592,361.

### **Building Maintenance Fund:**

The Building Maintenance Fund accounts for the resources needed to maintain the Town Hall and the Service Center, as well as plan for significant replacements and upgrades in the future. Town Staff is pursuing the development, for Council approval, of a replacement schedule for major equipment and materials of Town Hall. Revenues for this fund are projected to be \$549,000, and are derived from transfers from the General Fund and the Utility Fund. These transfers are based on the annual budget of the Building Maintenance Fund, which is proportionally divided between the General Fund and the Utility Fund based, on the number of employees within each fund who utilize the Service Center and the Municipal Building. Expenditures within this fund are budgeted to be \$379,340, which is 57.7% more than the amount budgeted in Fiscal Year 2014-15. This increase is primarily attributed to redirecting expenditures related to building maintenance into this fund that were previously funded within other departmental budgets. Through sound planning and a practice to set aside funding for future needs, fund balance in this fund continues to grow in anticipation of major improvements or repairs. The Adopted Budget projects fund balance within this fund to grow by \$169,660. Similar to the Capital Projects Fund, this is accomplished through the increase in anticipated revenues within the General Fund.

### **Court Technology Fund & Court Security Fund:**

These two special revenue funds are used to account for revenues provided by a State-approved administrative fee, added onto citations. The use of these resources is restricted by their enabling statutes. Revenues within the Court Security Fund are projected to be \$23,295, which is annually transferred to the General Fund to fund a portion of the bailiff's salary in the Municipal Court. Revenues in the Court Technology Fund are projected to be \$31,250, and are used to fund technological improvements within the Municipal Court. Both funds are projected to maintain minimal fund balances at the end of Fiscal Year 2015-16, with \$59,395 remaining in the Court Technology Fund and \$6,867 remaining in the Court Security Fund.

### **DPS Technology Fund:**

The DPS Technology Fund was established during Fiscal Year 2013-14, and is used to account for resources received from the subleasing of telecommunications facilities located on Town property. More specifically, approximately 29.86% of the revenues in this fund are tied directly to an agreement between the Town and Telecommunication Properties, Inc. and will be used to fund technological improvements related to public safety within the Town. This fund also accounts for the portion of revenues received from alarm monitoring fees that are used to fund the contract with Thrive, the company providing direct alarm monitoring services to Town residents. Revenues for next fiscal year are anticipated to be \$287,440, and fund balance at the end of next fiscal year is projected to be \$193,868.

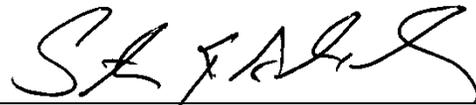
## CONCLUSION

The Adopted Budget continues the Town's deliberate and strategic investments on providing excellence in services to the public and planning to address current and long-term infrastructure needs. These investments are designed to serve residents for years to come. The Adopted Budget provides an opportunity to meet these needs while maintaining the Town's already low property tax rate to \$0.22. The Adopted Budget underscores a commitment by all Town departments to maintain service levels in our core services, and to implement cost-saving efficiencies wherever possible, while preserving those things that make Highland Park great.

In closing, I must thank our remarkably dedicated and talented Town staff who delivers the outstanding services provided each day to the residents. Each of our employees represents the best in public service, and like you, I continue to be inspired by their commitment to ensure that Highland Park remains the best it can be for our residents, businesses, visitors, and employees alike. The staff is looking forward to working with you in making decisions and developing plans that will continue to positively impact our community.



Bill Lindley  
Town Administrator



Steven J. Alexander  
Director of Administrative Services & CFO



**ORGANIZATIONAL MATRIX – DEPARTMENT ASSIGNMENT BY FUND**

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

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

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

	General	Utility	Storm Drainage	Equipment Replacement	Technology Replacement
<b>BEGINNING FUND BALANCE</b>	\$ 3,503,519	\$ 1,140,399	\$ 740,406	\$ 2,620,231	\$ 1,176,967
<b>REVENUES:</b>					
Property Taxes	\$ 11,639,262	\$ -	\$ -	\$ -	\$ -
Water Sales	-	6,139,164	-	-	-
Sewer Charges	-	2,654,168	-	-	-
Sales Taxes	3,693,000	-	-	-	-
Sanitation/Recycling Charges	1,248,500	-	-	-	-
Franchise Fees	1,085,470	-	-	-	-
Building Inspection Fees/Permits	1,238,230	64,000	-	-	-
Municipal Court Fines/Fees	1,036,500	-	-	-	-
Interest Earnings	33,200	9,750	3,500	11,250	7,000
Storm Water Drainage Fees	-	-	389,900	-	-
All Other	1,351,858	1,007,000	-	30,000	4,000
<b>TOTAL REVENUES</b>	<b>\$ 21,326,020</b>	<b>\$ 9,874,082</b>	<b>\$ 393,400</b>	<b>\$ 41,250</b>	<b>\$ 11,000</b>
Transfers from Other Funds	1,131,100	480,100	350,000	398,220	508,900
<b>TOTAL REVENUES &amp; TRANSFERS</b>	<b>\$ 22,457,120</b>	<b>\$ 10,354,182</b>	<b>\$ 743,400</b>	<b>\$ 439,470</b>	<b>\$ 519,900</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>\$ 25,960,639</b>	<b>\$ 11,494,581</b>	<b>\$ 1,483,806</b>	<b>\$ 3,059,701</b>	<b>\$ 1,696,867</b>
<b>EXPENDITURES:</b>					
Personnel Services:					
Payroll	\$ 10,864,644	\$ 1,406,596	\$ -	\$ -	\$ -
Taxes	780,130	102,039	-	-	-
Retirement (TMRS)	349,809	47,036	-	-	-
Insurance	1,397,292	190,052	-	-	-
Total Personnel	\$ 13,391,875	\$ 1,745,723	\$ -	\$ -	\$ -
Supplies & Equipment	\$ 988,644	\$ 2,371,570	\$ 7,000	\$ -	\$ 2,500
Services & Charges	4,173,081	1,172,790	80,500	-	-
Capital Outlay	-	2,685,000	847,500	151,659	102,006
<b>TOTAL EXPENDITURES</b>	<b>\$ 18,553,600</b>	<b>\$ 7,975,083</b>	<b>\$ 935,000</b>	<b>\$ 151,659</b>	<b>\$ 104,506</b>
Transfers to Other Funds	3,903,520	1,659,480	119,700	-	-
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 22,457,120</b>	<b>\$ 9,634,563</b>	<b>\$ 1,054,700</b>	<b>\$ 151,659</b>	<b>\$ 104,506</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 3,503,519</b>	<b>\$ 1,860,018</b>	<b>\$ 429,106</b>	<b>\$ 2,908,042</b>	<b>\$ 1,592,361</b>
<b>FUND BALANCE MINIMUM</b>	<b>\$ 3,385,676</b>	<b>\$ 1,351,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCE SURPLUS</b>	<b>\$ 117,843</b>	<b>\$ 508,602</b>	<b>\$ 429,106</b>	<b>\$ 2,908,042</b>	<b>\$ 1,592,361</b>

Building Maintenance & Investment	Court Technology	Court Security	DPS Technology	Capital Projects	Adopted FY 2016	Amended FY 2015
\$ 325,856	\$ 50,057	\$ 6,772	\$ 107,428	\$ 3,297,125	\$ 12,968,760	\$ 12,240,969
\$ -	\$ -	\$ -	\$ -	\$ -	11,639,262	10,760,424
-	-	-	-	-	6,139,164	5,941,599
-	-	-	-	-	2,654,168	2,680,000
-	-	-	-	-	3,693,000	3,483,545
-	-	-	-	-	1,248,500	1,271,596
-	-	-	-	-	1,085,470	1,073,632
-	-	-	-	-	1,302,230	1,201,221
-	31,050	23,250	-	-	1,090,800	786,000
2,500	200	45	600	16,475	84,520	41,925
-	-	-	-	-	389,900	385,140
17,000	-	-	286,840	1,393,160	4,089,858	2,354,792
\$ 19,500	\$ 31,250	\$ 23,295	\$ 287,440	\$ 1,409,635	\$ 33,416,872	\$ 29,979,874
529,500	-	-	-	2,977,380	6,375,200	5,561,869
\$ 549,000	\$ 31,250	\$ 23,295	\$ 287,440	\$ 4,387,015	\$ 39,792,072	\$ 35,541,743
\$ 874,856	\$ 81,307	\$ 30,067	\$ 394,868	\$ 7,684,140	\$ 52,760,832	\$ 47,782,712
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,271,240	\$ 11,763,395
-	-	-	-	-	882,169	847,442
-	-	-	-	-	396,845	504,885
-	-	-	-	-	1,587,344	1,545,869
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,137,598	\$ 14,661,591
\$ 26,050	\$ 3,852	\$ -	\$ -	\$ -	\$ 3,399,616	\$ 4,050,046
353,290	18,060	-	201,000	-	5,998,721	5,902,783
-	-	-	-	2,915,621	6,701,786	4,677,960
\$ 379,340	\$ 21,912	\$ -	\$ 201,000	\$ 2,915,621	\$ 31,237,721	\$ 29,292,380
-	-	23,200	-	669,300	6,375,200	5,561,869
\$ 379,340	\$ 21,912	\$ 23,200	\$ 201,000	\$ 3,584,921	\$ 37,612,921	\$ 34,854,249
\$ 495,516	\$ 59,395	\$ 6,867	\$ 193,868	\$ 4,099,219	\$ 15,147,911	\$ 12,928,463
\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 6,737,092	\$ 6,760,849
\$ 495,516	\$ 59,395	\$ 6,867	\$ 193,868	\$ 2,099,219	\$ 8,410,819	\$ 6,167,615



## Fiscal Year 2015-16 Budget Calendar

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<b>February 17</b>	Review and discuss the FY 2015-16 Budget Calendar with the Town Council
February 18	Submit FY 2015-16 Budget Calendar to the Finance and Audit Advisory Committee for review and comment
February 20	Meet and discuss the Town's 5 year Capital Improvement Plan with Department Directors
February 27	Budget kick-off meeting with departments
March 20	Departments submit initial projection of FY 2014-15 revenues and expenditures to the Finance Department
March 27	Departments submit base budget requests to the Finance Department. This includes any requests for non-capitalized and capitalized fixed assets
April 3	Departments submit any new programs, new fleet, and replacement fleet requests to the finance department  Departments submit proposed updates, changes, or revisions to the Town's 5 year Capital Improvement Plan  Deliver notice of the April 27th Public Hearing to the newspaper
April 6-10	Finance Department review of Departmental Budget Requests and updates, changes, or revisions to the Town's 5 year Capital Improvement Plan with Department Directors
<b>April 7</b>	Review and discuss the FY 2015-16 budget process with Town Council, specifically with regard to any item Council would like staff to consider, study, or incorporate into the FY 2015-16 budget
April 9	Deliver notice for the April 27th Public Hearing in the newspaper. The notice will run on April 16 <sup>th</sup> and again on April 23 <sup>rd</sup> .
April 20-24	Departmental meetings with Town Administrator on Budget Requests

## Fiscal Year 2015-16 Budget Calendar

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<b>April 21</b>	Review and discuss the FY 2014-15 Budget and the Capital Improvement Plan with Town Council
<b>April 27</b>	Public Hearing for citizen comment on the development of the FY 2015-16 Budget. This is an opportunity to receive public input with regard to the development of the 2015-16 budget
May 1	Departments submit performance measurement forms to the Finance Department. These forms include departmental accomplishments during the 2014-15 fiscal year and objectives for the 2015-16 fiscal year
May 15	Receive preliminary taxable assessed values from Dallas County Appraisal District (DCAD)
<b>May 19</b>	Discussion with the Town Council regarding the progress of the FY 2015-16 budget process and to discuss Council's priorities and expectations of the FY 2015-16 Budget
May 22	Departments submit revised projection of FY 2014-15 revenues and expenditures to the Finance Department
<b>June 2</b>	Discussion with the Town Council regarding the progress of the FY 2015-16 budget process and to discuss any item Council would like staff to consider, study, or incorporate into the budget  Discussion with Town Council regarding any proposed updates, changes, or revisions to the Town's 5 year Capital Improvement Plan
June 25	Review and discuss draft FY 2015-16 Proposed Budget with the Finance & Audit Advisory Committee
July 17	Departments submit final projection of FY 2014-15 revenues and expenditures to the Finance Department
July 24	Deliver notice of the August 10th Public Hearing on the FY 2015-16 Proposed Budget to the newspaper
July 23	Receive Certified Appraisal Roll from DCAD

## Fiscal Year 2015-16 Budget Calendar

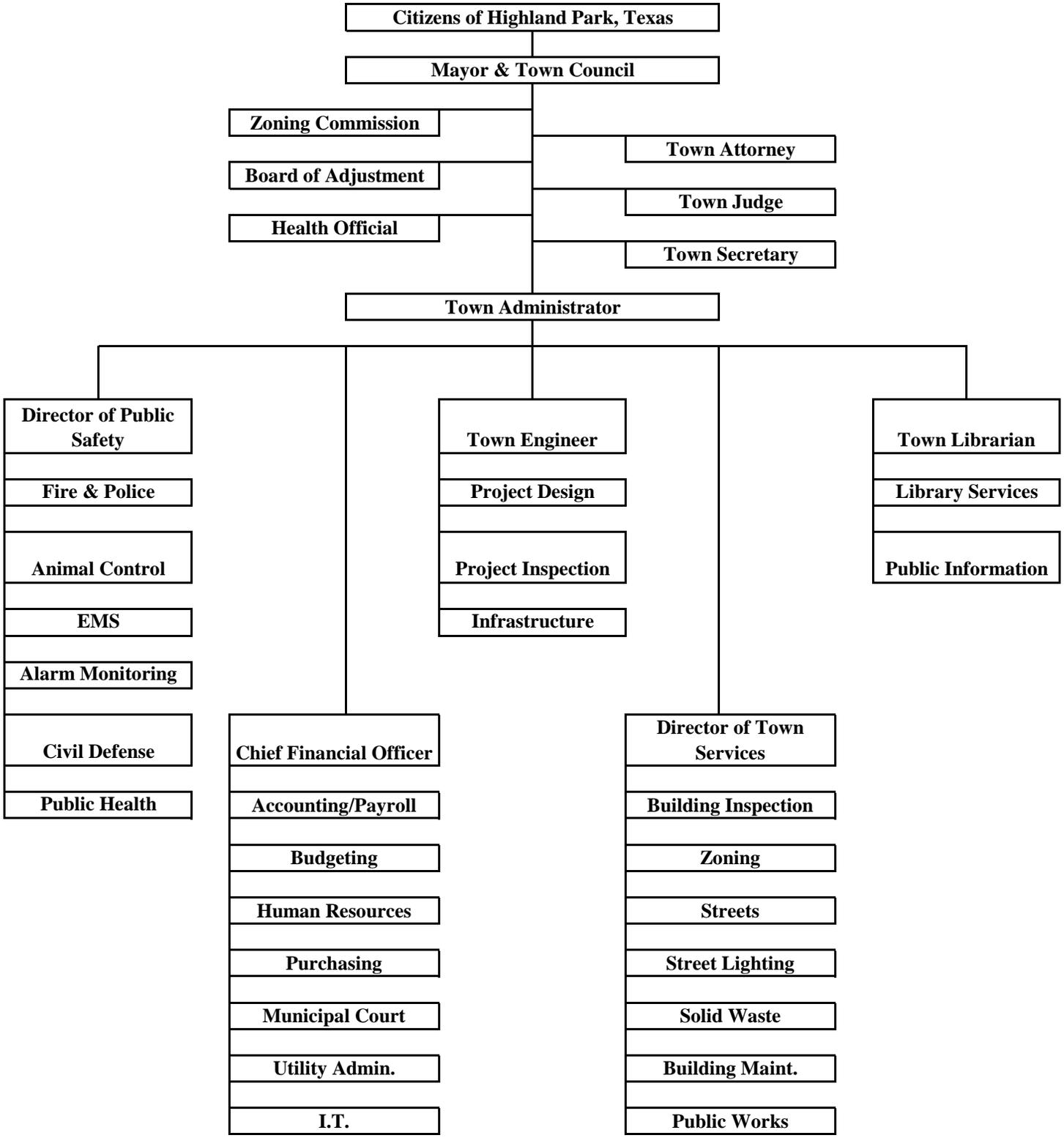
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July 30	Publication of the notice for the August 10th Public Hearing on the FY 2015-16 Proposed Budget in the newspaper
July 31	FY 2015-16 Proposed Budget delivered to the Town Council and the Town Secretary
<b>August 10</b>	Public Hearing on FY 2015-16 Proposed Budget  Town Council sets preliminary ad valorem tax rate  <i>NOTE: If a tax rate is proposed that exceeds the Effective Tax Rate, take a record vote, publish the required notices, and schedule the required public meetings</i>  Call Public Hearings on Tax Increase (if necessary)  Deliver notice of Public Hearing on Tax Increase (if necessary) to the newspaper  Announce date and time of Public Hearing to adopt the tax rate
August 13	Publication of notice for the First and Second Public Hearings on Tax Increase (if necessary)
<b>August 24</b>	Public Hearing on FY 2015-16 Proposed Budget  First Public Hearing on Tax Increase (if necessary)
September 8	Second Public Hearing on Tax Increase (if necessary)
<b>September 14</b>	Town Council considers for approval: <ul style="list-style-type: none"><li>• FY 2015-16 Proposed Budget</li><li>• Adoption of a tax rate (governing body adopts the tax rate no less than three days but no more than 14 days after the second public hearing)</li><li>• Adoption of 2016-20 Capital Improvement Plan</li><li>• Adoption of the Master Fee Schedule</li></ul>

*NOTE: Dates in bold indicate a Town Council meeting or a Town Council Study Session.*

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

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# CHARTER OF THE TOWN OF HIGHLAND PARK, TEXAS

## Chapter 9 Financial Administration

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

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

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

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

9.05 Annual Budget.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **I. PURPOSE STATEMENT**

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

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

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

## **II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING**

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

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

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

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

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

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

### **III. OPERATING BUDGET**

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

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

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

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

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

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

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

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

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

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

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

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

be in a form which will enable the Council to be fully informed of the overall budget performance of the Town.

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

#### **IV. REVENUE MANAGEMENT**

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

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

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

The Town Council shall further decide upon a property tax attorney or firm for the collection of delinquent property taxes in accordance with the Texas Property Tax Code, as amended.

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

#### **V. EXPENDITURE/EXPENSE CONTROL**

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

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

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

All documentation for the disbursement of funds by the Town's Finance Department shall

require the signature of the Director in addition to the respective Department Director prior to processing.

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

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

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

## **VI. ASSET MANAGEMENT**

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

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

1. Payroll;
2. Federal income tax and social security tax transfers;
3. Texas Municipal Retirement System deposits;
4. Unemployment compensation claim reimbursements;
5. Payments of money held in trust where the Town acts as a collecting agent;
6. Utility services;
7. Employee benefits programs;
8. Installment payments approved by Council on contracts or projects;
  
9. Payments for expenditures/expenses for which the Council has specifically authorized payment;
10. Disbursements less than \$1,000

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

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

- C. FIXED ASSETS ACCOUNTING AND INVENTORY** - The Town's fixed assets shall be reasonably safeguarded and properly accounted for and sufficiently insured. Responsibility for the

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

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

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

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

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

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

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

**VII. FINANCIAL CONDITION**

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

**B. FUND BALANCE - GOVERNMENTAL FUNDS**

1. *Committed Fund Balance* - The Town Council is the Town's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by Council action. The Council action must either be

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

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

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

### 3. *Minimum Unassigned Fund Balance*

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

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

### 4. *Order of Expenditure of Funds*

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

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

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

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

- E. **RISK FINANCING** - All reasonable options shall be investigated by the Director to finance risks. Such options may include risk transfer, insurance and risk retention.

## VIII. INTERNAL CONTROLS

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

## IX. DEBT MANAGEMENT

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

## X. ANNUAL REVIEW OF POLICIES

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

## XI. FINANCIAL GLOSSARY

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

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

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

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

Capital/Major Project Expenditure/Expense - an expenditure/expense which results in the

acquisition or addition of a fixed asset or the improvement to an existing fixed asset.

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

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

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

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

Competitive Bidding Process - the process following State law requiring that on purchases of \$50,000 and more, the Town must advertise, solicit, and publicly open sealed bids from prospective vendors. After a review period the Council then awards the bid to the successful bidder.

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

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

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

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

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

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

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

Encumbrance - see Appropriation

Equity - see Fund Balance and Retained Earnings

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

Facsimile Signature Machine - a mechanical device used to imprint signature facsimiles upon Town vouchers rendering them as negotiable instruments.

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

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

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

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

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

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

GAAP - see Generally Accepted Accounting Principles

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

General Fund - the Town fund used to account for all financial resources and expenditures of the

Town except those required to be accounted for in another fund.

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

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

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

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

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

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

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

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

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

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

Net Working Capital - current assets less current liabilities.

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

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

Official Budget - the budget as adopted by the Council.

One-Time Revenues - see Non-Recurring Revenues.

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

Proprietary Fund - see Utility Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

ORDINANCE NO. 1981

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

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

That, the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling \$37,612,921, including \$6,375,200 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2015, and ending September 30, 2016, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05; and

That, a copy of said proposed budget was filed in the office of the Town Secretary on July 31, 2015, and more than thirty (30) days prior to the end of the fiscal year 2015, 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, 2015, in accordance with Section 102.005 of the Local Government Code, Texas Codes Annotated; and

That, notice of public hearings on the proposed budget on August 10, 2015, and August 24, 2015, was duly advertised by the Town Secretary, in accordance with Section 102.006 of the Local Government Code, Texas Codes Annotated; and

That, the official budget, including amendments, was approved by the Town Council of the Town of Highland Park, Texas, on September 14, 2015, in a public hearing, and a copy of said official budget is made a part hereof by reference as though copied fully herein.

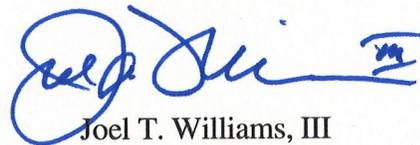
PASSED AND APPROVED this 14th day of September, 2015.

APPROVED AS TO FORM:



Matthew C.G. Boyle  
Town Attorney

APPROVED:



Joel T. Williams, III  
Mayor

ATTEST:



Gayle Kirby  
Town Secretary

ORDINANCE NO. 1982

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2015 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 2015, there is hereby levied an ad valorem tax of \$0.220000 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 2015, and not exempted from taxation by the constitution and laws of the State of Texas.

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

**THAT, THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.45 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.**

That said tax shall be for the purpose of defraying current expense of the municipal government of the Town of Highland Park, Texas, for the fiscal year 2016.

That said tax shall be due and payable October 1, 2015.

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2015 levy.

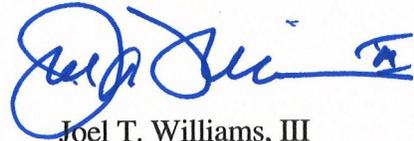
PASSED AND APPROVED this 14th day of September 2015.

APPROVED AS TO FORM:



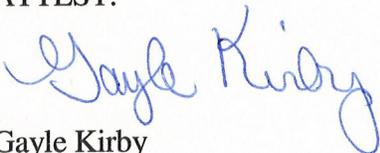
Matthew C.G. Boyle  
Town Attorney

APPROVED:



Joel T. Williams, III  
Mayor

ATTEST:

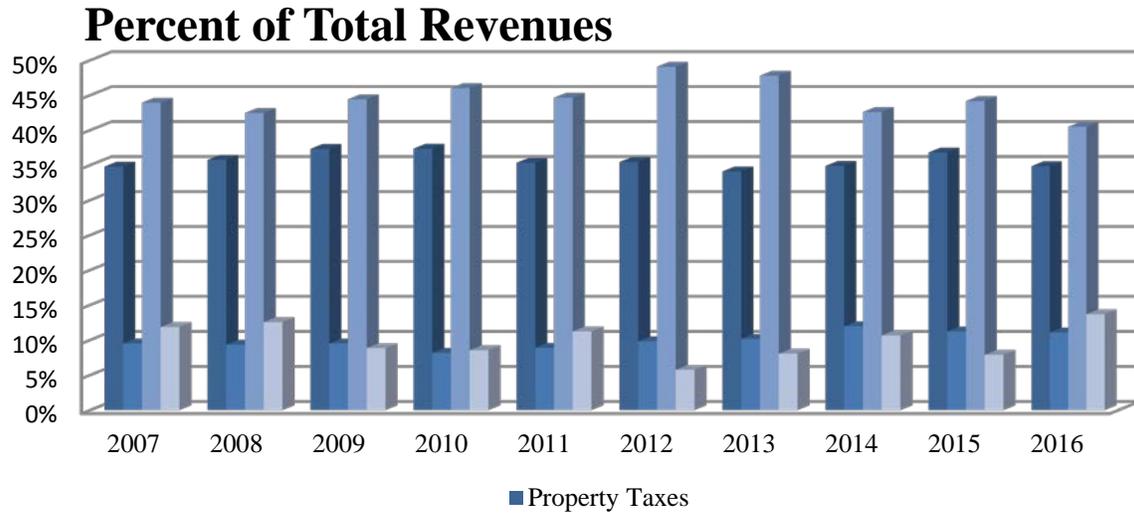


Gayle Kirby  
Town Secretary

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

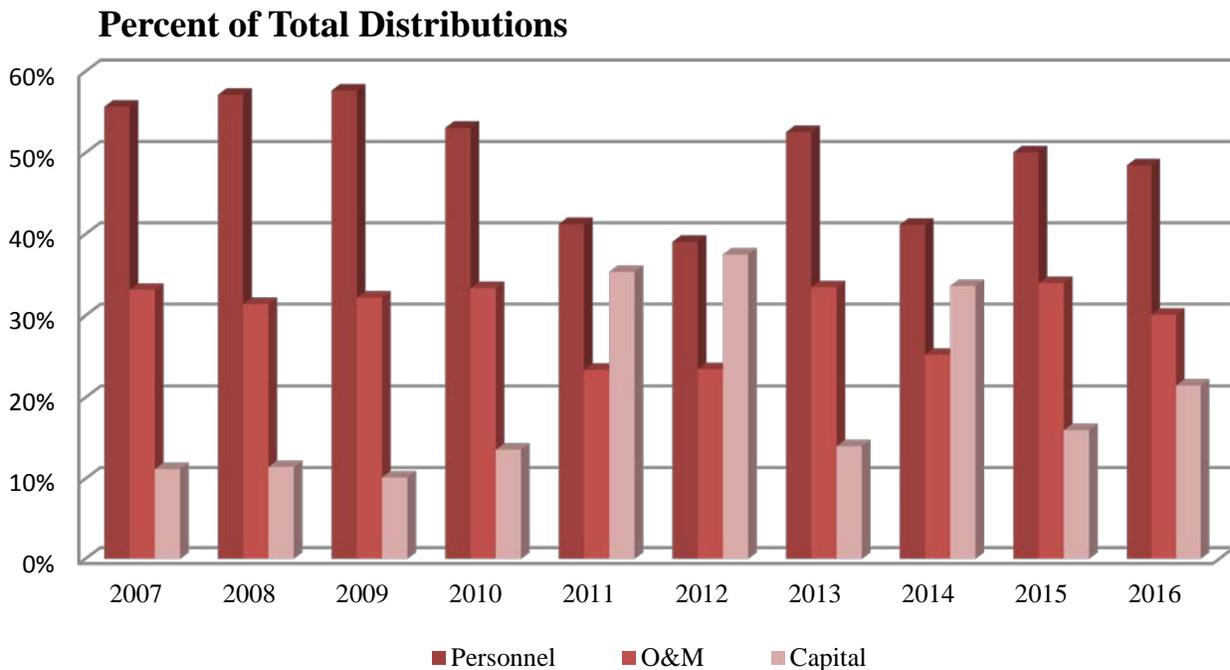
	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 18,382,107</b>	<b>\$ 12,240,969</b>	<b>\$ 12,240,969</b>	<b>\$ 12,968,760</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Property Taxes	\$ 10,039,679	\$ 10,760,424	\$ 10,760,424	\$ 11,639,262
Water Sales	5,370,747	5,941,599	5,017,335	6,139,164
Sewer Charges	2,545,727	2,680,000	2,267,503	2,654,168
Sales Taxes	3,437,806	3,483,545	3,483,545	3,693,000
Sanitation/Recycling Charges	1,231,340	1,271,596	1,236,094	1,248,500
Franchise Fees	1,024,423	1,073,632	1,064,210	1,085,470
Building Inspection Fees/Permits	1,306,011	1,201,221	1,263,020	1,302,230
Municipal Court Fines/Fees	779,530	786,000	811,625	1,090,800
Interest Earnings	60,870	41,925	52,912	84,520
Storm Water Fees	374,523	385,140	381,875	389,900
Other Revenues	2,623,978	2,354,792	2,845,811	4,089,858
Transfers	5,052,737	5,561,869	5,602,326	6,375,200
<b>TOTAL REVENUES/SOURCES</b>	<b>\$ 33,847,371</b>	<b>\$ 35,541,743</b>	<b>\$ 34,786,680</b>	<b>\$ 39,792,072</b>
<b>EXPENDITURES</b>				
Personnel Services				
Payroll	\$ 11,476,313	\$ 11,763,395	\$ 11,650,156	\$ 12,271,240
Payroll Taxes	787,671	847,442	860,016	882,169
Retirement	615,125	504,885	474,858	396,845
Insurance	1,455,987	1,545,869	1,387,354	1,587,344
Total Personnel	\$ 14,335,096	\$ 14,661,591	\$ 14,372,384	\$ 15,137,598
Supplies & Equipment	3,627,234	4,050,046	3,385,987	3,397,116
Services & Charges	5,172,547	5,902,783	5,758,485	6,001,221
Capital Outlay	11,713,808	4,677,960	4,939,707	6,701,786
Cost Allocation	-	-	-	-
Transfers	5,139,824	5,561,869	5,602,326	6,375,200
<b>TOTAL USES</b>	<b>\$ 39,988,509</b>	<b>\$ 34,854,249</b>	<b>\$ 34,058,889</b>	<b>\$ 37,612,921</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 12,240,969</b>	<b>\$ 12,928,463</b>	<b>\$ 12,968,760</b>	<b>\$ 15,147,911</b>

**REVENUES BY TYPE  
COMPARISON FOR ALL FUNDS**



As indicated above, the Town’s operations are funded primarily through property taxes, service charges and fees. The growth in both recognized and projected property tax dollars is supported by the Town’s healthy property values and its favorable tax rate (see page 57). Charges for services are generally driven by utility service rates and reflect the growth of this revenue source to address significant infrastructure replacement/repairs. Amounts categorized as “other receipts” include fines and forfeitures and miscellaneous revenues. Additional detail on revenue history/trends is presented on page 152.

**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 154.

**2015 TAX RATE FOR HIGHLAND PARK  
 COMPARED TO CURRENT TAX RATES FOR OTHER AREA CITIES  
 (PER \$100)**

Dallas .....	\$0.79700
Garland.....	0.70460
Mesquite.....	0.64000
Richardson .....	0.63516
Carrollton .....	0.61287
Farmers Branch.....	0.60227
Irving.....	0.59410
Addison.....	0.57915
University Park .....	0.25893
<b>Highland Park .....</b>	<b>0.22000</b>

**AD VALOREM TAX ANALYSIS  
 2015 TAX ROLL**

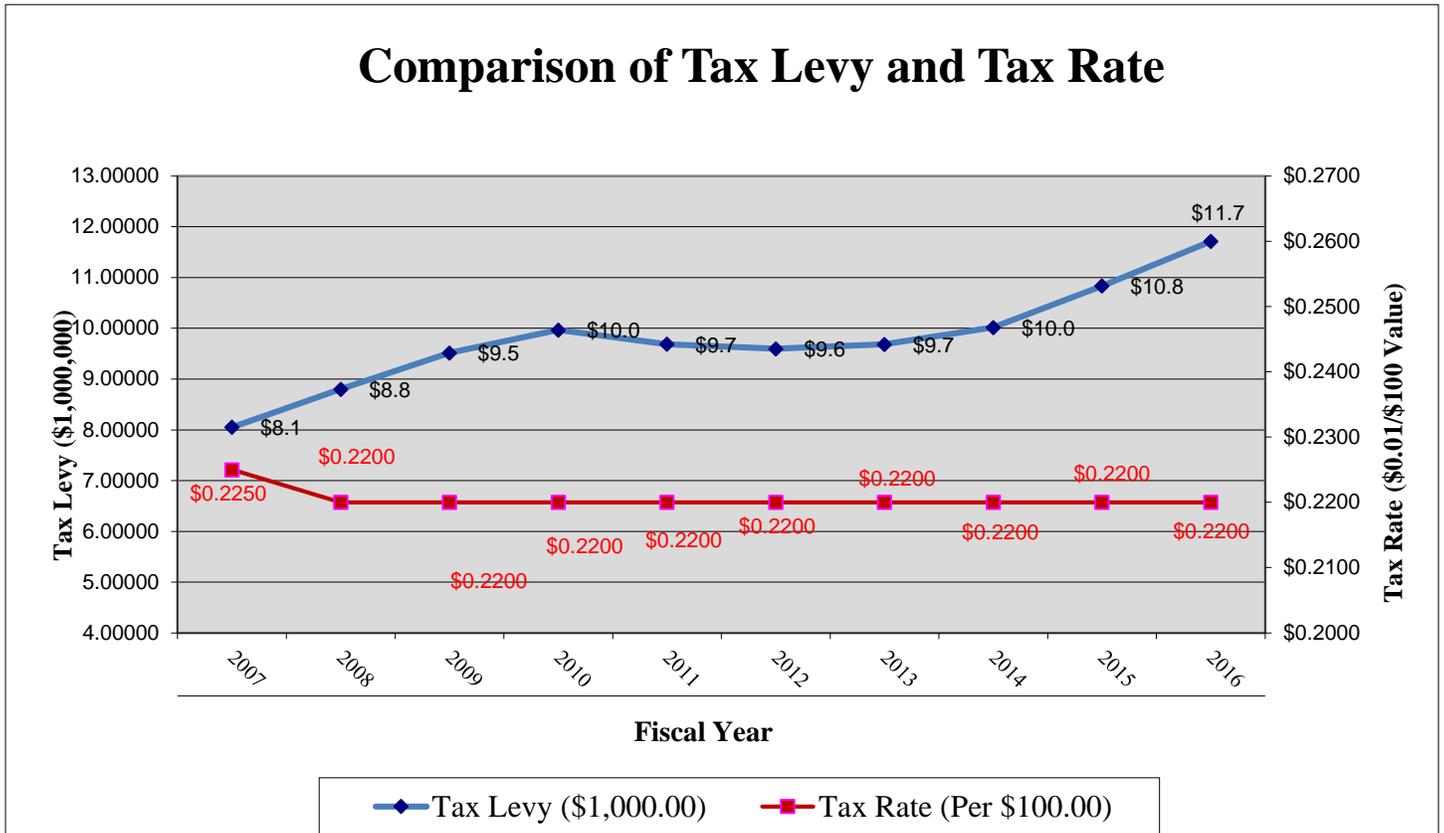
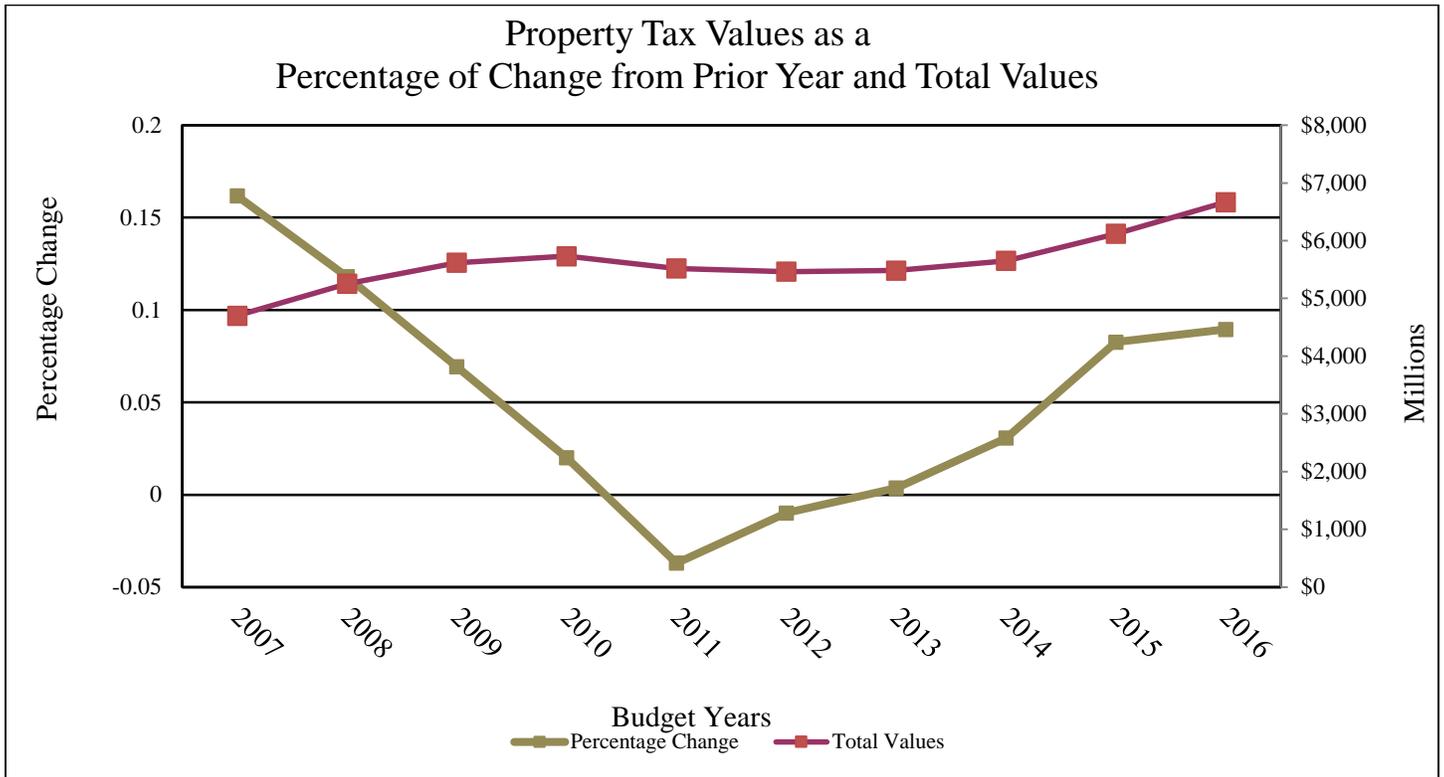
Assessed Valuation (100%)	\$ 6,667,338,770
Taxable Valuation*	\$ 5,324,659,015
Rate per \$100	\$0.2200
Total Tax Levy	\$11,713,902
Percent of Collection	99.0
<b>Estimated Current Tax Collections</b>	<b>\$ 11,596,762</b>

\*Certified Appraisal Roll plus Disputed Values

**SUMMARY OF PROJECTED  
 2016 TAX COLLECTIONS**

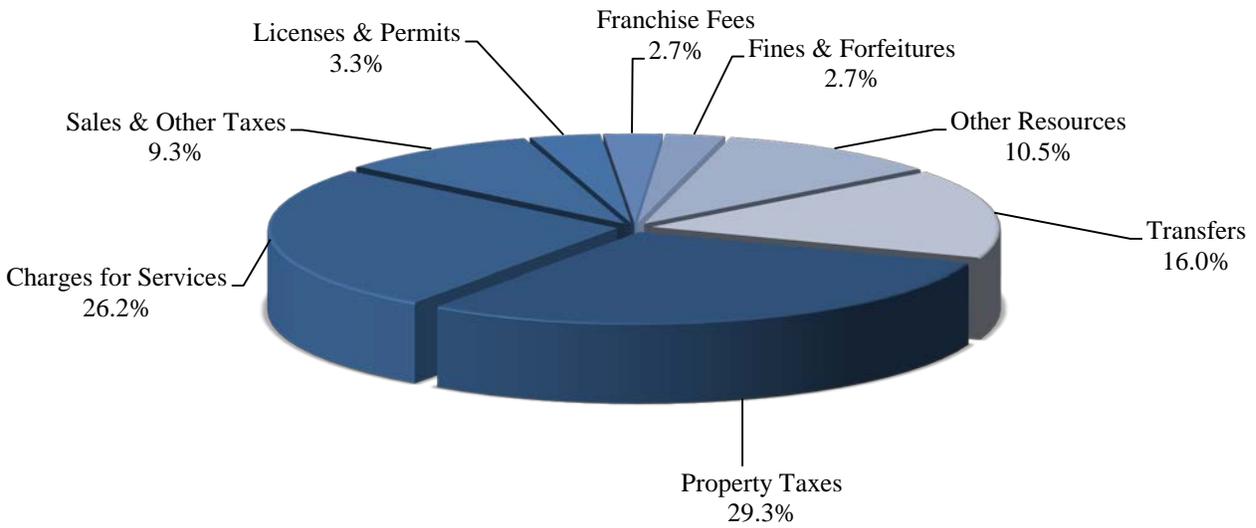
Current Taxes	\$ 11,596,762
Delinquent Taxes	<u>42,500</u>
<b>Total Tax Collections</b>	<b>\$ 11,639,262</b>
Penalty & Interest on Taxes	<u>55,000</u>
<b>Total Tax Related Collections</b>	<b>\$ 11,694,262</b>

## ASSESSED PROPERTY VALUES INCREASED/DECREASE BY BUDGET YEAR



# PROJECTED RESOURCES

## Fiscal Year 2015

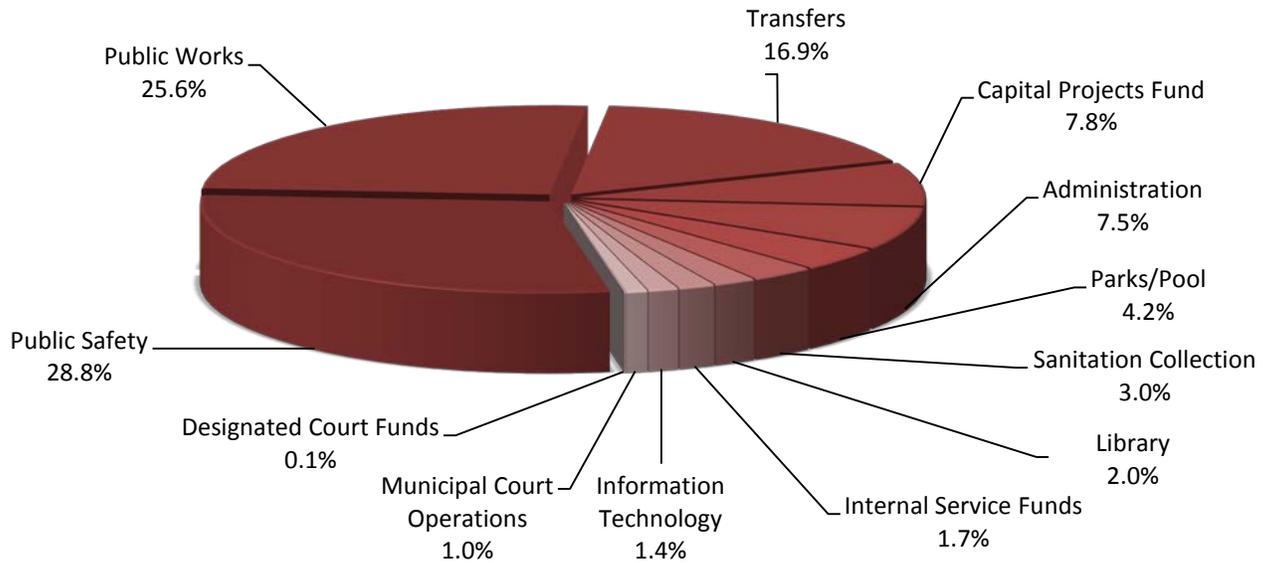


### ALL FUNDS

Property Taxes	\$ 11,639,262
Charges for Services	10,431,732
Sales & Other Taxes	3,693,000
Licenses & Permits	1,302,230
Franchise Fees	1,085,470
Fines & Forfeitures	1,090,800
Other Resources	4,174,378
Transfers	6,375,200
	<b>\$ 39,792,072</b>

# BUDGETED DISBURSEMENTS

## Fiscal Year 2015

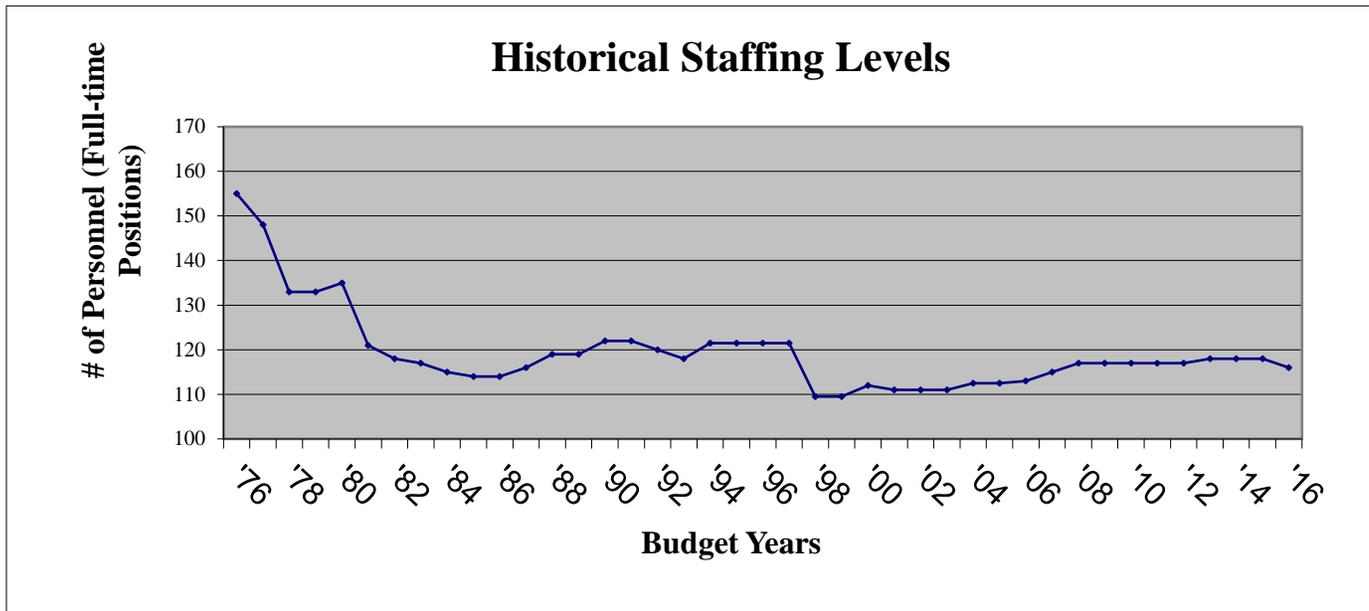


### BY FUNCTION

Public Safety	\$ 10,878,018
Public Works	9,631,565
Transfers	6,375,200
Capital Projects Fund	2,915,621
Administration	2,825,091
Parks/Pool	1,577,997
Sanitation Collection	1,119,750
Library	740,960
Internal Service Funds	635,505
Information Technology	523,551
Municipal Court Operations	367,751
Designated Court Funds	21,912
	\$ 37,612,921

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

	Budget FY 2014		Budget FY 2015		Adopted FY 2016	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
<b>General Fund</b>						
Administration	5.0	0.7	5.0	0.0	2.0	0.0
Public Safety	69.0	2.5	69.0	0.5	69.0	0.5
Town Services	0.0	0.0	0.0	0.0	2.0	0.0
Street	3.3	0.0	3.3	0.0	3.3	0.0
Street Lighting	1.0	0.0	1.0	0.0	1.0	0.0
Library	3.0	2.4	4.0	2.0	3.0	2.0
Parks & Recreation	9.0	0.0	9.0	0.0	9.0	0.0
Swimming Pool	0.0	2.8	0.0	3.4	0.0	3.4
Municipal Court	2.0	0.6	2.0	0.5	2.0	1.0
Finance	5.0	0.2	5.0	0.0	5.0	0.0
Building Inspection	3.0	0.0	3.0	0.0	4.0	0.0
Information Technology	1.0	0.0	1.0	0.0	1.0	0.0
<b>Sub-Total General Fund</b>	<b>101.3</b>	<b>9.2</b>	<b>102.3</b>	<b>6.4</b>	<b>101.3</b>	<b>6.9</b>
<b>Utility Fund</b>						
Administration	4.0	0.0	4.0	0.0	3.0	0.0
Water	4.4	0.0	4.4	0.0	4.4	0.0
Sewer	2.3	0.0	2.3	0.0	2.3	0.0
Engineering	5.0	0.0	5.0	0.0	5.0	0.0
<b>Sub-Total Utility Fund</b>	<b>15.7</b>	<b>0.0</b>	<b>15.7</b>	<b>0.0</b>	<b>14.7</b>	<b>0.0</b>
<b>Storm Water Drainage Fund</b>						
Engineering	0.5	0.0	0.0	0.0	0.0	0.0
<b>Sub-Total Storm Water Drainage Fund</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>117.5</b>	<b>9.2</b>	<b>118.0</b>	<b>6.4</b>	<b>116.0</b>	<b>6.9</b>



Note: In 1976 the Town implemented Department of Public Safety (dual police & fire) staffing model.



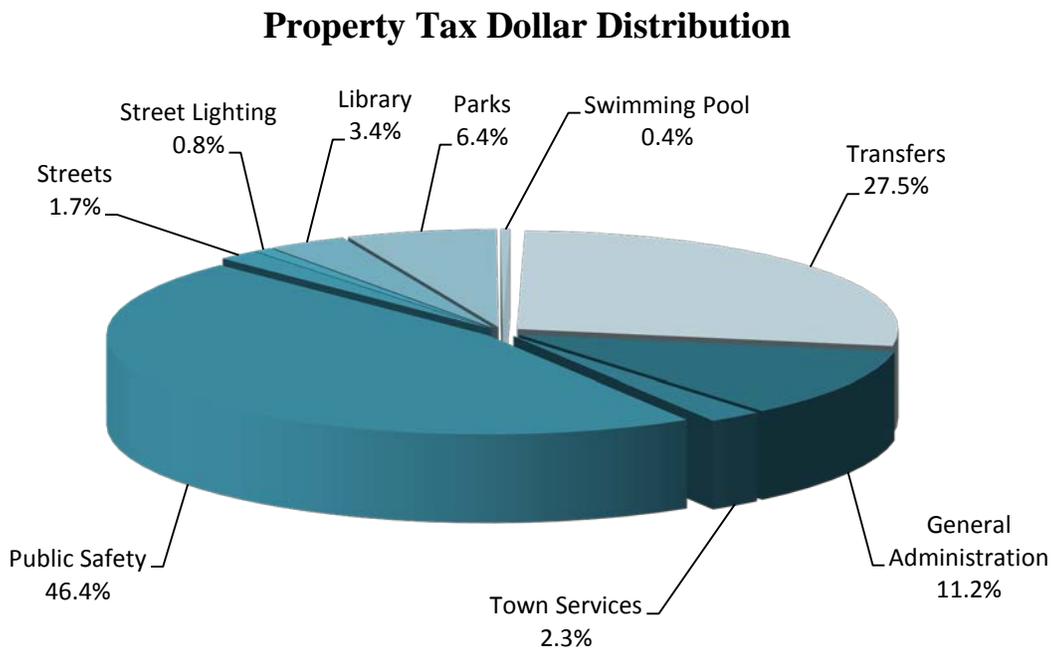
## GENERAL FUND

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 (Town Services, Street, Street Lighting and Service Center), Parks and Swimming Pool, Library, General Governmental (Administrative Services, Finance, Municipal Court and Building Services) and Sanitation services. The basis of accounting for the General Fund for both financial reporting and budgeting is the modified accrual basis.

Resources are comprised of property taxes (ad valorem) levied by the Town, a 1% sales tax levied on taxable commodities and services as defined by state law, fees for right-of-way access, services offered and rendered by the Town, use of Town facilities, fines, interest on the investment of fund cash, permits related to building code requirements and a number of other sources as shown in detail on pages 69-70.

Property tax revenues generate the majority of the resources for the General Fund. For this Budget, a projected \$11,639,262 or 54.6% of General Fund revenues come from property taxes. This compares to 54.0% and 52.0% for each of the previous two (2) fiscal year budgets, respectively. The total market value of property in the Town for tax year 2011 declined 3.69% from tax year 2010, reflecting the general decline in real estate value for the region. Since tax year 2011, the values have increased 20.8% (\$1,148,212,230) driven by \$412,346,605 in new construction. It is important to note that since the Town is fully built-out, all new construction replaces older, less valued, structures. The strong redevelopment activity within the Town remains a very positive indicator of sustainable property values and tax rate.

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



The stability of the local economy is further exemplified through sales tax receipts. The Highland Park Shopping Village and the two (2) commercial areas along Oak Lawn Avenue and Lomo Alto Drive have provided this strong and reliable revenue stream. For this Budget and the previous two (2) fiscal years, sales tax receipts make up 17.3%, 17.5% and 17.8%, respectively, of total projected actual revenues for the General Fund.

**GENERAL FUND  
STATEMENT OF REVENUES & EXPENDITURES**

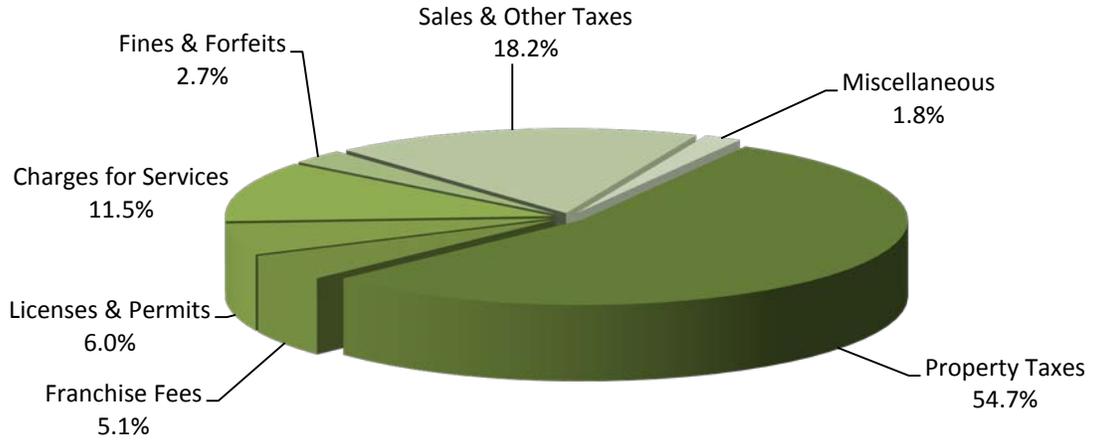
	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
<b>BEGINNING FUND BALANCE</b>	<b>3,309,738</b>	<b>4,296,843</b>	<b>4,296,843</b>	<b>3,503,519</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Taxes	\$ 13,666,717	\$ 14,429,969	\$ 14,425,918	\$ 15,521,362
Franchise Fees	1,024,422	1,073,632	1,064,210	1,085,470
Licenses & Permits	1,273,422	1,192,846	1,242,943	1,283,910
Charges for Services	2,489,369	2,410,066	2,405,473	2,459,522
Fines & Forfeits	429,429	410,100	440,353	584,758
Miscellaneous	428,476	395,986	426,978	390,998
<b>Total Revenues</b>	<b>\$ 19,311,835</b>	<b>\$ 19,912,599</b>	<b>\$ 20,005,875</b>	<b>\$ 21,326,020</b>
<b>Other Sources:</b>				
Transfers In	\$ 1,138,685	\$ 1,067,439	\$ 1,067,439	\$ 1,131,100
<b>Total Other Sources</b>	<b>\$ 1,138,685</b>	<b>\$ 1,067,439</b>	<b>\$ 1,067,439</b>	<b>\$ 1,131,100</b>
<b>Total Revenues/Sources</b>	<b>\$ 20,450,520</b>	<b>\$ 20,980,038</b>	<b>\$ 21,073,314</b>	<b>\$ 22,457,120</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Personnel Services				
Payroll	\$ 10,111,939	\$ 10,387,144	\$ 10,302,135	\$ 10,864,644
Payroll Taxes	697,230	746,177	756,348	780,130
Retirement	542,926	444,651	416,695	349,809
Insurance	1,281,303	1,346,331	1,229,927	1,397,292
Total Personnel	\$ 12,633,398	\$ 12,924,303	\$ 12,705,105	\$ 13,391,875
Supplies & Equipment	962,307	1,082,821	1,137,522	988,644
Services & Charges	3,688,644	4,308,320	4,169,414	4,173,081
Capital Outlay	61,969	33,875	213,640	-
<b>Total Expenditures</b>	<b>\$ 17,346,318</b>	<b>\$ 18,349,319</b>	<b>\$ 18,225,681</b>	<b>\$ 18,553,600</b>
<b>Other Uses:</b>				
Transfers Out	\$ 2,117,097	\$ 3,530,719	\$ 3,640,957	\$ 3,903,520
<b>Total Other Uses</b>	<b>\$ 2,117,097</b>	<b>\$ 3,530,719</b>	<b>\$ 3,640,957</b>	<b>\$ 3,903,520</b>
<b>Total Expenditures/Uses</b>	<b>\$ 19,463,415</b>	<b>\$ 21,880,038</b>	<b>\$ 21,866,638</b>	<b>\$ 22,457,120</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenditures/Uses</b>	<b>\$ 987,105</b>	<b>\$ (900,000)</b>	<b>\$ (793,324)</b>	<b>\$ -</b>
<b>Fund Balance</b>	<b>\$ 4,296,843</b>	<b>\$ 3,396,843</b>	<b>\$ 3,503,519</b>	<b>3,503,519</b>
<b>Ideal Fund Balance</b>	<b>\$ 3,098,408</b>	<b>\$ 3,302,338</b>	<b>\$ 3,250,252</b>	<b>\$ 3,385,676</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 1,198,435</b>	<b>\$ 94,505</b>	<b>\$ 253,267</b>	<b>\$ 117,843</b>

**GENERAL FUND  
STATEMENT OF REVENUES & EXPENDITURES**

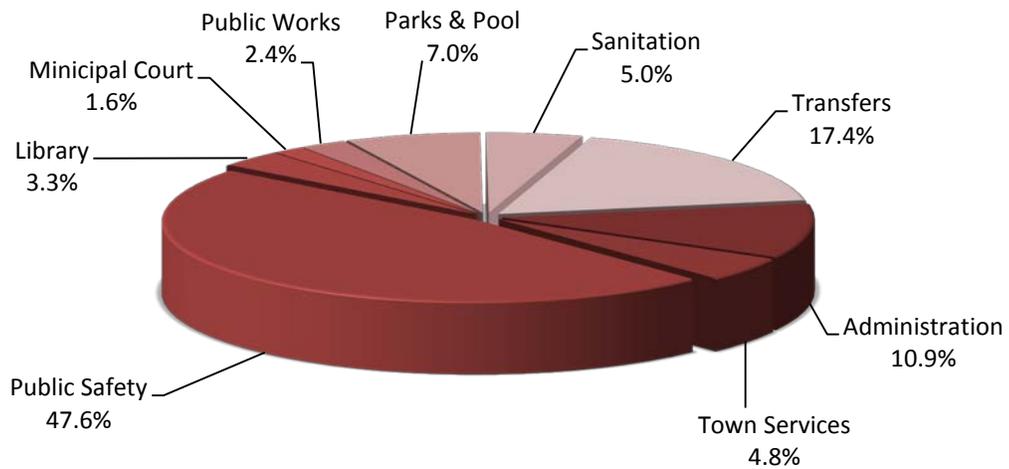
	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
<b>BEGINNING FUND BALANCE</b>	<b>3,309,738</b>	<b>4,296,843</b>	<b>4,296,843</b>	<b>3,503,519</b>
<b>REVENUES/SOURCES OF FUNDS</b>				
Taxes	\$ 13,666,717	\$ 14,429,969	\$ 14,425,918	\$ 15,521,362
Franchise Fees	1,024,422	1,073,632	1,064,210	1,085,470
Licenses & Permits	1,273,422	1,192,846	1,242,943	1,283,910
Charges for Services	2,489,369	2,410,066	2,405,473	2,459,522
Fines & Forfeits	429,429	410,100	440,353	584,758
Miscellaneous	428,476	395,986	426,978	390,998
<b>Total Revenues</b>	<b>\$ 19,311,835</b>	<b>\$ 19,912,599</b>	<b>\$ 20,005,875</b>	<b>\$ 21,326,020</b>
<b>Other Sources:</b>				
Transfers In	\$ 1,138,685	\$ 1,067,439	\$ 1,067,439	\$ 1,131,100
<b>Total Other Sources</b>	<b>\$ 1,138,685</b>	<b>\$ 1,067,439</b>	<b>\$ 1,067,439</b>	<b>\$ 1,131,100</b>
<b>Total Revenues/Sources</b>	<b>\$ 20,450,520</b>	<b>\$ 20,980,038</b>	<b>\$ 21,073,314</b>	<b>\$ 22,457,120</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Administration Department	\$ 1,351,460	\$ 1,399,318	\$ 1,395,574	\$ 748,561
Town Services	-	-	-	487,546
Department of Public Safety	10,080,701	10,519,778	10,512,895	10,677,018
Street Department	330,197	385,395	366,226	374,238
Street Lighting Department	163,628	171,796	170,085	172,427
Library Department	612,542	751,497	751,381	740,960
Parks Department	1,315,730	1,378,100	1,361,149	1,393,738
Pool Department	153,273	184,070	184,070	184,259
Municipal Court Department	265,117	372,099	357,501	367,751
Finance Department	774,143	745,430	742,602	796,427
Building Inspection Department	421,743	496,367	495,759	592,804
Sanitation Department	1,102,043	1,169,320	1,117,911	1,119,750
Information Technology Department	388,819	497,267	491,653	523,551
Non-Departmental	386,922	278,882	278,875	374,570
<b>Total Expenditures</b>	<b>\$ 17,346,318</b>	<b>\$ 18,349,319</b>	<b>\$ 18,225,681</b>	<b>\$ 18,553,600</b>
<b>Other Uses:</b>				
Transfers to Other Funds	\$ 2,117,097	\$ 3,530,719	\$ 3,640,957	\$ 3,903,520
<b>Total Other Uses</b>	<b>\$ 2,117,097</b>	<b>\$ 3,530,719</b>	<b>\$ 3,640,957</b>	<b>\$ 3,903,520</b>
<b>Total Expenditures/Uses</b>	<b>\$ 19,463,415</b>	<b>\$ 21,880,038</b>	<b>\$ 21,866,638</b>	<b>\$ 22,457,120</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenditures/Uses</b>	<b>\$ 987,105</b>	<b>\$ (900,000)</b>	<b>\$ (793,324)</b>	<b>\$ -</b>
<b>Fund Balance</b>	<b>\$ 4,296,843</b>	<b>\$ 3,396,843</b>	<b>\$ 3,503,519</b>	<b>3,503,519</b>
<b>Ideal Fund Balance</b>	<b>\$ 3,098,408</b>	<b>\$ 3,302,338</b>	<b>\$ 3,250,252</b>	<b>\$ 3,385,676</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 1,198,435</b>	<b>\$ 94,505</b>	<b>\$ 253,267</b>	<b>\$ 117,843</b>

# GENERAL FUND

## CURRENT REVENUES & SOURCES OF FUNDS



## BUDGETED EXPENDITURES & USES OF FUNDS





**GENERAL FUND  
STATEMENT OF REVENUES**

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
<b>Taxes</b>				
Ad Valorem Taxes	\$ 10,002,650	\$ 10,725,424	\$ 10,725,424	\$ 11,596,762
Delinquent Ad Valorem Taxes	37,029	35,000	35,000	42,500
City Sales Tax	3,437,806	3,483,545	3,483,545	3,693,000
Mixed Beverage Tax	189,232	186,000	181,949	189,100
<i>Subtotal</i>	<b>\$ 13,666,717</b>	<b>\$ 14,429,969</b>	<b>\$ 14,425,918</b>	<b>\$ 15,521,362</b>
<b>Franchise Fees</b>				
Electric Utility Franchise Fees	\$ 525,394	\$ 535,000	\$ 515,000	\$ 530,000
Natural Gas Utility Franchise Fees	186,117	228,632	228,632	200,000
Telecom Franchise Fees	95,576	93,000	92,415	95,500
CATV Franchise Fees	199,894	190,000	197,645	198,000
Solid Waste	17,442	27,000	30,518	30,000
Carriages	-	-	-	31,970
<i>Subtotal</i>	<b>\$ 1,024,423</b>	<b>\$ 1,073,632</b>	<b>\$ 1,064,210</b>	<b>\$ 1,085,470</b>
<b>Licenses &amp; Permits</b>				
Beverage Licenses	\$ 1,625	\$ 11,000	\$ 7,870	\$ 10,000
Health Permits	4,325	4,325	5,738	5,500
Alarm Permits	65,640	65,000	63,670	65,000
Electrical Licenses	17,500	13,250	16,270	16,960
Building Permits	1,135,308	1,055,221	1,100,000	1,135,000
Electrical Permits	40,068	34,850	38,200	39,830
Excavation Permits	510	400	490	510
Carriage Licenses	2,775	2,800	4,725	5,110
Animal Licenses	5,672	6,000	5,980	6,000
<i>Subtotal</i>	<b>\$ 1,273,423</b>	<b>\$ 1,192,846</b>	<b>\$ 1,242,943</b>	<b>\$ 1,283,910</b>
<b>Charges For Services</b>				
Sanitation Charges	\$ 1,133,664	\$ 1,172,596	\$ 1,138,072	\$ 1,149,500
Recycling Charges	97,676	99,000	98,022	99,000
E911 Users' Fee	140,379	140,000	140,688	140,000
Alarm Monitoring Fees	495,741	353,970	355,300	289,250
Emergency Medical Fees	138,697	150,000	174,494	150,000
Board Hearing Fee	3,700	3,000	3,700	4,000
Swimming Pool Daily Fees	14,704	18,000	13,760	17,000
Swimming Pool Annual Fees	83,136	85,000	76,000	80,000
Tennis Court Use Fees	11,482	10,500	15,412	12,000
Animal Pound Fees	990	1,000	1,040	1,000
Library Non-resident Fees	4,839	2,000	4,000	4,000
Court Administration Fees	34,041	40,000	28,250	46,125
Warrant Fees	58,769	60,000	65,275	87,638
Court Fees	122,347	130,000	125,900	169,346
Building Registration Fees	39,600	30,000	36,810	38,370

**GENERAL FUND  
STATEMENT OF REVENUES**

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Plan Review Fees	7,800	5,000	7,250	7,560
Deferred Adjudication Fees	101,803	110,000	121,500	164,733
<i>Subtotal</i>	<b>\$ 2,489,368</b>	<b>\$ 2,410,066</b>	<b>\$ 2,405,473</b>	<b>\$ 2,459,522</b>
<b>Fines &amp; Forfeits</b>				
Municipal Court Fines	\$ 412,408	\$ 395,000	\$ 423,500	\$ 568,658
Library Fines	4,266	4,500	4,840	4,800
Lost Book Charges	1,205	1,100	1,263	1,300
Invalid Alarm Fines	11,550	9,500	10,750	10,000
<i>Subtotal</i>	<b>\$ 429,429</b>	<b>\$ 410,100</b>	<b>\$ 440,353</b>	<b>\$ 584,758</b>
<b>Miscellaneous</b>				
Interest	\$ 20,230	\$ 16,000	\$ 22,000	\$ 33,000
Interest-Dallas County	106	100	182	200
Penalty & Interest - Tax Collection	54,809	55,000	53,500	55,000
Sale of Assets	1,312	-	-	1,500
Sale of Impounded Property	-	-	-	-
Rental-Town Property	260,846	269,090	273,078	248,548
Library Donations	4,254	796	2,500	2,500
Contributions	43,835	20,000	2,000	2,000
Intergovernmental Revenue	4,060	-	4,005	4,050
Town Property Damage Refund	2,536	10,000	16,500	10,000
Miscellaneous	36,487	25,000	53,213	34,200
<i>Subtotal</i>	<b>\$ 428,475</b>	<b>\$ 395,986</b>	<b>\$ 426,978</b>	<b>\$ 390,998</b>
<b>Total Revenues</b>	<b>\$ 19,311,835</b>	<b>\$ 19,912,599</b>	<b>\$ 20,005,875</b>	<b>\$ 21,326,020</b>

## SUMMARY OF REVENUE ESTIMATES

- **Property Taxes**

Projected collections of levied Ad Valorem Property Taxes:

Current Levy .....	\$11,596,762
Delinquent Taxes .....	42,500

Taxable property values increased \$399,743,751, or 8.12%. This growth was in part fueled by new construction which added \$78,647,040 to the Town's taxable values. The Town continues to see redevelopment contributing to value increases with newer, larger homes replacing smaller, less valued homes. The schedule on page 149 presents the changes in taxable values in the Town for the most recent ten (10) year period. The Fiscal Year 2016 Adopted Budget reflects an increase in property tax revenues, based on the current tax rate of \$0.22/\$100 valuation, of \$870,643.

- **Sales Tax/Other Taxes**

Sales tax revenues have recovered from the 11% decline experienced in late Fiscal Year 2009 and early FY 2010. Since FY 2009, sales tax revenues have increased almost 41%. This increase is the result of the combination of general economic recovery and the change in the retail mix at the Highland Park Shopping Village, the Town's largest commercial center. The Town's sales tax revenues come from a local option 1% sales tax that is collected by the State Comptroller's Office and remitted monthly, net of a 2% processing charge. These revenues are generated in the three (3) limited, but upscale commercial areas. The Town conducts an audit of the State Comptroller's tax payer database no less than once per year to insure that the Town receives its rightful allocation. A ten (10) year comparison of Sales Tax revenues is included in the table presented on page 152.

- **Franchise Fees**

Receipts for franchised services for Fiscal Year 2016 are projected based upon historical trends. Over the past few years, the basis for these fees has changed through state legislation. The electric franchise is now based upon kWh sold versus the prior method of gross receipts, (a result of electric power deregulation). Fees from the telephone providers are based upon the number and type of connections, rather than gross receipts. The enabling State legislation for this change also provides for the annual indexing of the franchise fee schedule. In accordance with the existing natural gas franchise agreement, franchise fees are set at 5% of gross receipts on a calendar year basis and remitted each February.

The annual natural gas franchise fee is impacted by the market price fluctuations of natural gas and climate conditions. For FY 2016, this revenue source is projected to be -12.5% lower when compared to the amount received during the 2015 fiscal year.

The removal of exclusive cable TV franchising in the state has resulted in an increase in the number of local providers and thus an increase in projected revenues of \$8,000, or about a 4.2%, is expected for the 2016 fiscal year.

- **Licenses & Permits**

Based upon an increase in inquiries about permitting, building permit revenues are increased by \$79,779. The permitting of significant commercial projects is infrequent and the Town has no knowledge of any such pending projects. A schedule comparing construction activity for the most recent ten (10) fiscal years is presented on page 150 as well as a ten (10) year listing of revenues generated over this same period on page 152.

- **Charges for Services**

The total revenues received for services are projected to increase by \$49,456 from Fiscal Year 2015 due primarily to a projected increase of \$121,717 from Municipal Court activities reflecting the implementation of a traffic safety enforcement unit. This increase is partially offset due to the projected decrease in Sanitation and Recycling service charges of about \$23,096 and Alarm Monitoring Fees of about \$64,720. The projected decrease in Alarm Monitoring Fees is a result of outsourcing the monitoring to a third party monitoring service.

- **Fines & Forfeits**

Municipal Court fines are estimated to increase in Fiscal Year 2016 based on the implementation of a traffic safety enforcement unit. This increase is offset, in part, due to the changes in vehicle registration laws.

- **Miscellaneous**

Projected interest earnings (\$33,000) are based on an average monthly investable balance of approximately \$8,024,600 and an interest rate of 0.41%. The rental of Town property (cell phone antennae sites and street rental) is projected at \$248,548 and is based on existing contracts that renewed for an additional five years in mid-October, 2011 with a 3% annual escalation provision.



# Administration Department

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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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- ❖ Restructured the Committee review process streamlining agenda item review and improved efficiency
- ❖ Coordinated the implementation of Town Council goals and objectives with all Town departments
- ❖ Prepared, published and posted meeting agendas in accordance with state requirements
- ❖ Provided complete and accurate minutes of all public meetings
- ❖ Began implementing solutions from the Town-wide traffic study to reduce traffic congestion
- ❖ Responded to requests for information from citizens and assisted citizens in a timely manner
- ❖ Continued the process of duplicating permanent records into an electronic document imaging format

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## OBJECTIVES FOR FISCAL YEAR 2016

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- ❖ Coordinate the implementation of Town Council goals and objectives with all Town departments
- ❖ Implement tracking system for responses to requests for information from 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
- ❖ Continue the implementation of solutions from the Town-wide traffic study to reduce traffic congestion
- ❖ Transition to automated agendas and packet for Board of Adjustment and Zoning Commission meetings
- ❖ Coordinate racial profiling training for all departments
- ❖ Enhance and improve customer service levels
- ❖ Develop and implement a Professional Development Program for Town staff
- ❖ Develop and implement an annual staff retreat with specific programs and topics
- ❖ Partner with the City of University Park and the Highland Park Independent School District in coordinating school crossing guards

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## PERFORMANCE INDICATORS

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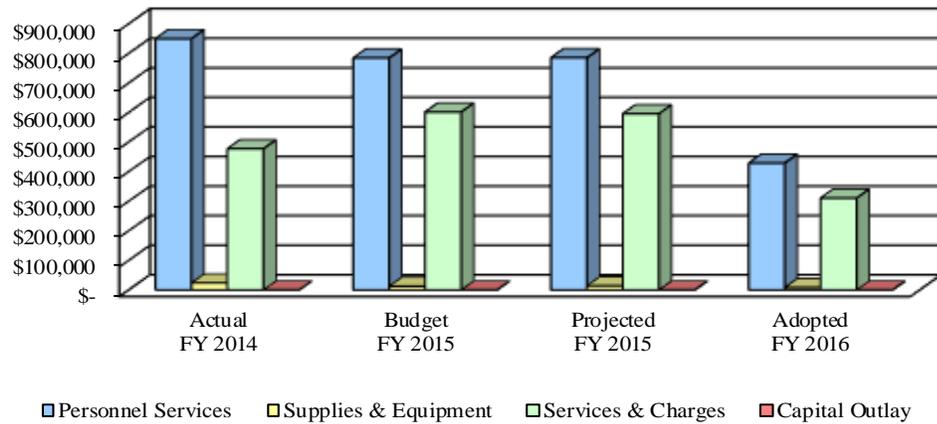
	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Projected
Timely Distribution of (%):				
Town Council Committee Agenda Packets:*	100	100	100	-
Town Council Agenda Packets:	100	100	100	100
Responses to Public Information Act Requests:	-	-	100	100

\*Combined Committee Agenda Packets with Meeting Agenda Packets

# Administration Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 850,151	\$ 784,763	\$ 785,550	\$ 429,255
Supplies & Equipment	23,700	12,700	14,081	8,350
Services & Charges	477,609	601,855	595,943	310,956
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$1,351,460</b>	<b>\$1,399,318</b>	<b>\$1,395,574</b>	<b>\$ 748,561</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Town Administrator	E-1	1.0	1.0	1.0
Town Secretary	7	1.0	1.0	1.0
Attorney (Part-Time)	NA	0.7	NA	NA
<b>Total Employees</b>		<b>2.7</b>	<b>2.0</b>	<b>2.0</b>

# Town Services Department

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## DEPARTMENT DESCRIPTION

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The Town Services Department is responsible for the day-to-day general administration of Development Services, Parks and Public Works Divisions. This includes coordinating, directing and reviewing departmental operations in the implementation of programs and directives provided by the Town Administrator, Mayor and Town Council.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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- ❖ Implementation and development of Conserve | Preserve, water efficiency program
- ❖ Participation and coordination in the Park Cities Recycling bi-annual event
- ❖ Development of an Automated Metering System program and rollout plan
- ❖ Enhance the Water Conservation information on the Town's web-site
- ❖ Improved the efficiency of the Plumbing Code for continued efforts on water conservation measures in plumbing and irrigation systems in conjunction with the Town's efforts to promote water conservation
- ❖ Completed the reconstruction and remodel of Flippen Park as a Water Conservation Garden

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## OBJECTIVES FOR FISCAL YEAR 2016

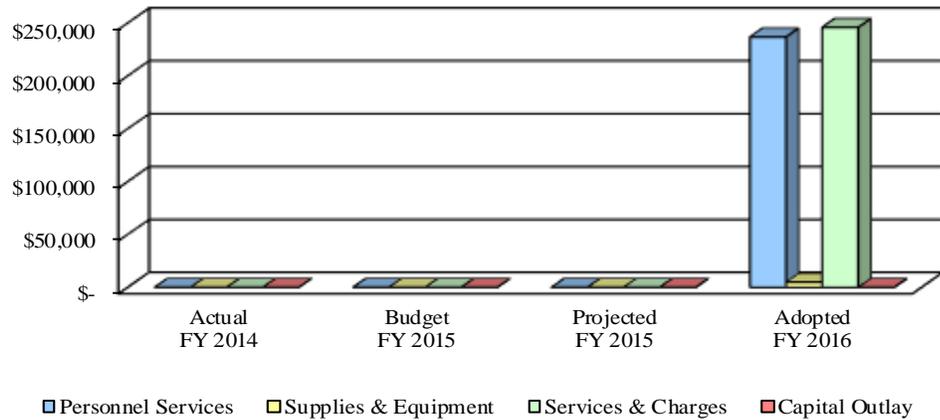
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- ❖ Develop a cross training program for Town Services Staff
- ❖ Respond to requests for information from citizens and assist citizens in a timely manner
- ❖ Stay updated on the latest mosquito management program and responses
- ❖ Provide timely, complete and accurate minutes of all public meetings
- ❖ Install 2500 meters as part of the Itron (Automated Metering System)
- ❖ Continue to develop the Conserve | Preserve, water efficiency program
- ❖ Complete the Centennial Garden at Lakeside Park

# Town Services Department

## EXPENDITURE SUMMARY

	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
Personnel Services	\$ -	\$ -	\$ -	\$ 236,879
Supplies & Equipment	-	-	-	4,750
Services & Charges	-	-	-	245,917
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 487,546</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2014 Budget	FY2015 Budget	FY2016 Budget
Director of Town Services	E-3	1.0	1.0	1.0
Manager of Town Services	8	1.0	1.0	1.0
Town Services Coordinator	6	0.0	0.0	1.0
Administration Secretary	4	1.0	1.0	0.0
<b>Total Employees</b>		<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

# Department of Public Safety

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## DEPARTMENT DESCRIPTION

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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.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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- ❖ Implemented Adventos SmartForce – Sharepoint solution for automating workflows and sharing information across the department
- ❖ Implemented and deployed the L3 Mobile Vision HD system with body camera integration
- ❖ Deployed TASERs as an additional less lethal option for patrol officers
- ❖ Implemented “Higher Ground” recording system for the communications section

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## OBJECTIVES FOR FISCAL YEAR 2016

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- ❖ Install 2 emergency warning sirens with 1 siren on the west and 1 on the east to provide full coverage across the town
- ❖ Implement a traffic unit to increase the safety of those that travel through the town
- ❖ Purchase, equip and deploy five (5) front line patrol vehicles
- ❖ Transition from paper to electronic sprinkler and alarm plans to reduce time and money spent on plan review and inspection processes

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## PERFORMANCE INDICATORS

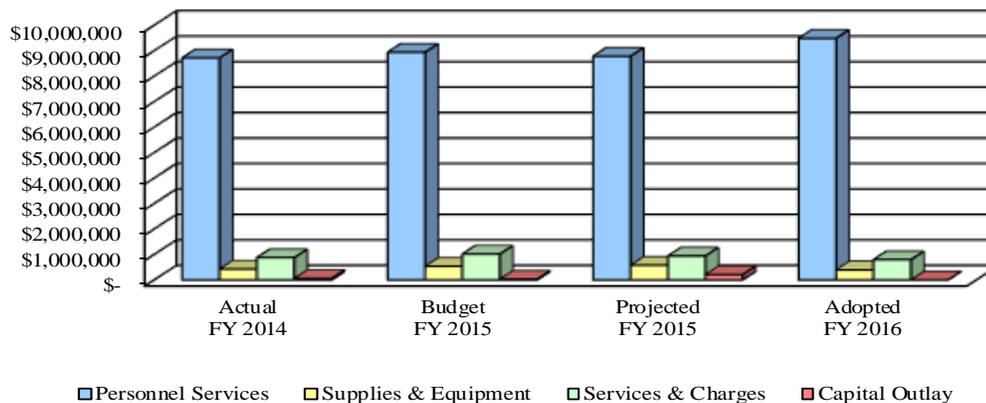
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	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Projected
<b>Call Responses</b>				
Police	10,434	9,744	10,352	10,175
Fire	751	914	812	825
Emergency Medical	398	386	399	395
<b>Other Activity</b>				
Fire Inspections	569	470	509	125
Major Crimes Reported	198	159	164	175
<b>Response Time (minutes)</b>				
Police	2.9	3.0	2.9	2.9
Fire	2.2	2.3	2.2	2.2
Emergency Medical	2.2	2.8	2.2	2.2

# Department of Public Safety

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 8,717,428	\$ 8,940,071	\$ 8,784,981	\$ 9,487,363
Supplies & Equipment	428,806	532,459	576,013	395,418
Services & Charges	874,856	1,017,128	942,016	794,237
Capital Outlay	59,611	30,120	209,885	-
<b>Total Department</b>	<b>\$10,080,701</b>	<b>\$10,519,778</b>	<b>\$10,512,895</b>	<b>\$10,677,018</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Director	E-4	NA	NA	1
Director	Contract	NA	NA	NA
Assistant Director	E-1	1.0	1.0	1.0
Captain	G	4.0	4.0	5.0
Lieutenant	F	4.0	4.0	5.0
Sergeant	E	4.0	6.0	4.0
Investigator	C	3.0	3.0	3.0
Public Safety Officer	C	37.0	35.0	36.0
Firefighter	B	0.0	1.0	0.0
Communications Supervisor	8	1.0	1.0	1.0
Communications Manager	6	0.0	0.0	1.0
Accreditation Manager	6	1.0	1.0	1.0
Support Services Supervisor	6	1.0	1.0	0.0
Support Services Officer	4	1.0	1.0	1.0
Communications Specialist	4	9.0	9.0	8.0
Secretary	4	2.0	1.0	1.0
Administrative Secretary	4	0.0	0.0	1.0
Permit Clerk	3	1.0	1.0	0.0
EMS Coordinator	PT	0.0	0.0	0.5
Alarm Coordinator	PT	0.5	0.5	0.0
<b>Total Employees</b>		<b>69.5</b>	<b>69.5</b>	<b>69.5</b>

# Street Department

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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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

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## OBJECTIVES FOR FISCAL YEAR 2016

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

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## MAJOR BUDGET ITEMS

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

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## PERFORMANCE INDICATORS

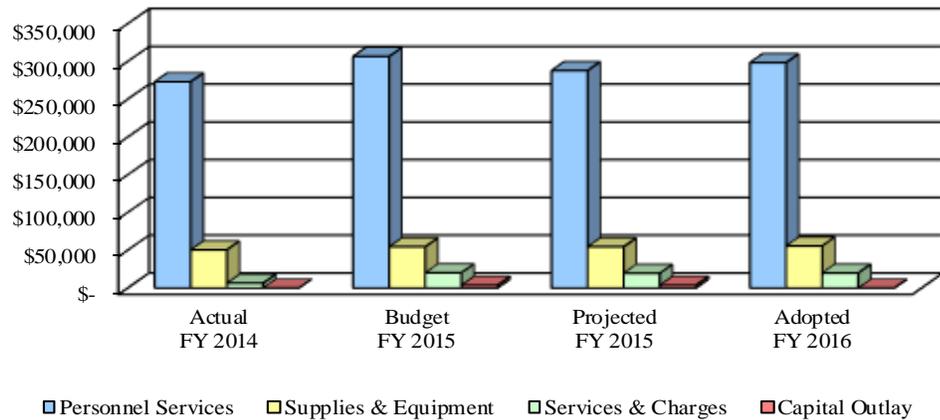
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	<b>FY2013 Actual</b>	<b>FY2014 Actual</b>	<b>FY2015 Actual</b>	<b>FY2016 Projected</b>
Asphalt Repairs (Tons)	676	335	554	300
Storm Inlets Cleaned	1,346	1,224	1,536	1,400

# Street Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 273,161	\$ 306,740	\$ 288,121	\$ 298,493
Supplies & Equipment	50,692	54,700	54,700	55,750
Services & Charges	6,344	20,200	19,650	19,995
Capital Outlay	-	3,755	3,755	-
<b>Total Department</b>	<b>\$ 330,197</b>	<b>\$ 385,395</b>	<b>\$ 366,226</b>	<b>\$ 374,238</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Foreman	8	0.3	0.3	0.3
Public Works Maint. Worker II	4	2.0	2.0	2.0
Public Works Maint. Worker I	3	1.0	1.0	1.0
<b>Total Employees</b>		<b>3.3</b>	<b>3.3</b>	<b>3.3</b>

# Street Lighting Department

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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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

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## OBJECTIVES FOR FISCAL YEAR 2016

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- ❖ 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

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## MAJOR BUDGET ITEMS

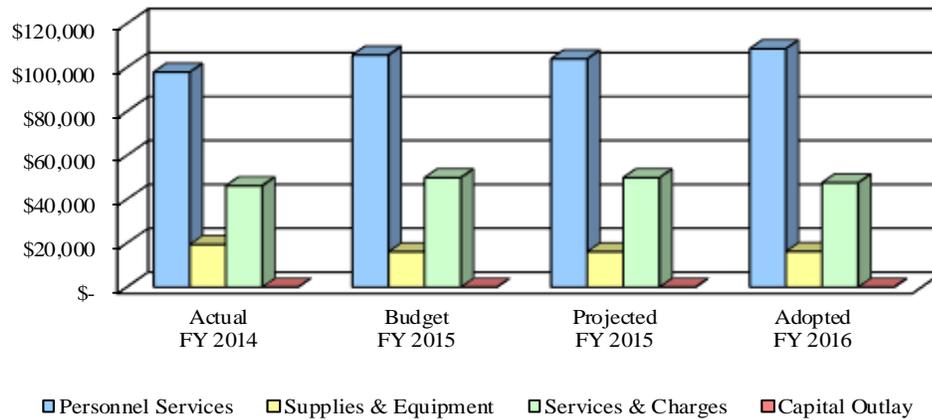
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- ❖ Electricity Service for Street Lights (\$30,000)
- ❖ Electricity Service for Traffic Signals (\$10,000)

# Street Lighting Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 97,979	\$ 105,761	\$ 104,050	\$ 108,637
Supplies & Equipment	19,444	16,120	16,120	16,220
Services & Charges	46,205	49,915	49,915	47,570
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 163,628</b>	<b>\$ 171,796</b>	<b>\$ 170,085</b>	<b>\$ 172,427</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Electrical/Mechanical Tech	5	1.0	1.0	1.0
<b>Total Employees</b>		<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

# Library Department

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## DEPARTMENT DESCRIPTION

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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.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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- ❖ Completed a major upgrade to the Library's automation software with The Library Corporation (TLC).
- ❖ Added eBook integration to the online catalog allowing patrons to check out, download, and manage their eBook titles without having to leave the library's main catalog website.
- ❖ Established an online magazine collection using Zinio for Libraries with a consortium of libraries in North Texas and utilized notices in water bills to inform the community.
- ❖ Added Mango Languages for online language learning, with over 60 foreign language courses and ESL.
- ❖ Received the Achievement of Excellence in Libraries Award from the Texas Municipal Library Directors Association. Only 39 out of 561 public libraries in Texas received this award, which requires libraries to demonstrate excellence in ten service categories while continuously improving and updating services.
- ❖ Increased attendance at Baby Lapsit Story Time by 248% over last year.
- ❖ Circulated 45,588 items to library patrons, issued 683 library cards, and cataloged 4,806 titles.
- ❖ Increased registration over last year in the Library's Summer Reading Club by 14%, increased the number of library cards issued by 19%, and increased the number of check-out of eBooks and eAudio books that check out by 56% over last year.

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## OBJECTIVES FOR FISCAL YEAR 2016

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- ❖ Upgrade to the most recent version of the Library's automation software with The Library Corporation (TLC) to aid patrons' discovery of Library resources and facilitate an increase in materials circulation.
- ❖ Increase the awareness of and use of the Library's digital titles.
- ❖ Monitor usage statistics for online resources purchased by the Library.

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## MAJOR BUDGET ITEMS

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

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## PERFORMANCE INDICATORS

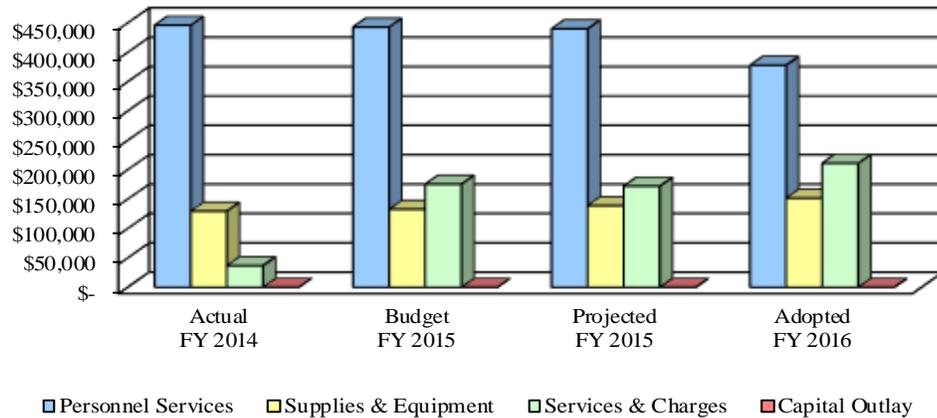
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	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
<b>Collection/Circulation</b>				
Library Materials in Circulation	43,814	43,964	45,588	46,500
Electronic Media Circulation	1,583	2,176	3,384	3,553
<b>User Cards Issued/Outstanding</b>				
Resident	379	532	639	652
Non-Resident	46	42	44	45
Total Valid Cards	425	574	683	697

# Library Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 446,190	\$ 443,096	\$ 440,171	\$ 378,045
Supplies & Equipment	129,598	132,897	139,125	151,737
Services & Charges	36,754	175,504	172,085	211,178
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 612,542</b>	<b>\$ 751,497</b>	<b>\$ 751,381</b>	<b>\$ 740,960</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Town Librarian	E-1	1.0	1.0	1.0
Librarian I	E	0.0	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	2.4	2.0	2.0
<b>Total Employees</b>		<b>5.4</b>	<b>6</b>	<b>6.0</b>

# Parks Department

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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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

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## OBJECTIVES FOR FISCAL YEAR 2016

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

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## MAJOR BUDGET ITEMS

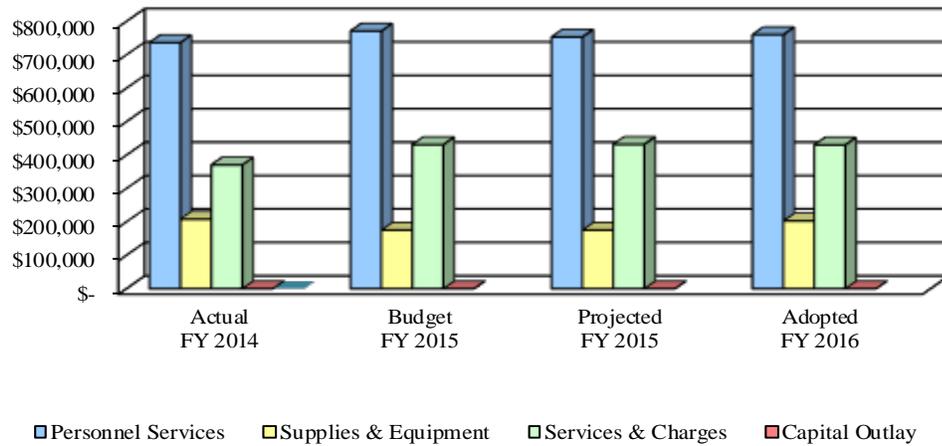
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- ❖ Plant and Vegetation Material (\$68,000); Planting Material (\$25,000)
- ❖ Town-wide maintenance contracts for Turf Maintenance (\$91,250); Landscape Maintenance (\$43,500); Tree Trimming and Maintenance (\$39,300); Landscape Lighting (\$26,000); LED Lighting Conversion (\$16,250)

# Parks Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 736,794	\$ 771,490	\$ 753,539	\$ 760,498
Supplies & Equipment	208,131	175,450	175,450	202,900
Services & Charges	370,805	431,160	432,160	430,340
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$1,315,730</b>	<b>\$1,378,100</b>	<b>\$1,361,149</b>	<b>\$1,393,738</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Foreman	8	1.0	1.0	1.0
Parks Maintenance Specialist	4	2.0	2.0	2.0
Parks Maintenance Worker II	3	3.0	3.0	3.0
Parks Maintenance Worker I	1	3.0	3.0	3.0
<b>Total Employees</b>		<b>9.0</b>	<b>9.0</b>	<b>9.0</b>

# Pool Department

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## DEPARTMENT DESCRIPTION

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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.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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

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## OBJECTIVES FOR FISCAL YEAR 2016

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- ❖ Provide a safe and clean facility for the enjoyment of the Town's residents
- ❖ Painting of all trim and restroom facilities

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## MAJOR BUDGET ITEMS

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

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## PERFORMANCE INDICATORS

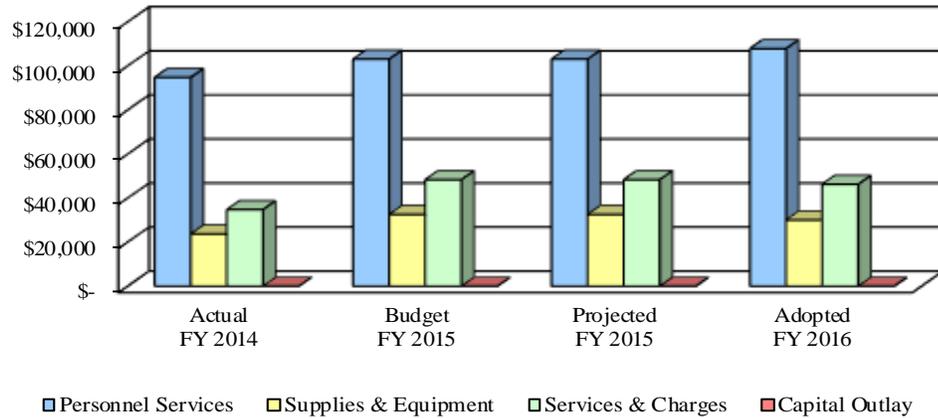
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	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Annual Pool Passes Sold	1,523	1,467	1,344	1,300
Daily Pool Passes Sold	2,568	2,359	2,752	2,600

# Pool Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 94,795	\$ 103,105	\$ 103,105	\$ 107,879
Supplies & Equipment	23,727	32,600	32,600	30,100
Services & Charges	34,751	48,365	48,365	46,280
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 153,273</b>	<b>\$ 184,070</b>	<b>\$ 184,070</b>	<b>\$ 184,259</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Manager	NA	1.0	1.0	1.0
Assistant Manager	NA	1.0	1.0	1.0
Lifeguard	NA	8.0	8.0	8.0
<b>Total Employees</b>		<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

# Municipal Court Department

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## DEPARTMENT DESCRIPTION

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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.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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- ❖ Maintained court records in an efficient and accurate manner
- ❖ Provided prompt and courteous responses at the Court Office
- ❖ Transitioned department through the retirement of Judge Pat Robertson who served the Town for 40+ years and effectively managed through the addition of a new Town Judge
- ❖ Hired a Deputy Court Clerk
- ❖ Established standing orders for the new Municipal Judge
- ❖ Expanded case processing via Town’s Website
- ❖ Updated forms and templates in Court Software
- ❖ Maintained Court calendar, allowing all defendants swift access to the Court system

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## OBJECTIVES FOR FISCAL YEAR 2016

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- ❖ Maintain accurate records of documents and dispositions filed with the Court while providing prompt and courteous responses to inquiries at the Court Office
- ❖ Evaluate new laws passed during the 2015 Texas State Legislative session to determine their impact on Court procedures and implement necessary changes
- ❖ Evaluate the Statewide warrant roundup for collections on outstanding warrants
- ❖ Maintain current Court calendar, allowing all defendants swift access to the Court system

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## MAJOR BUDGET ITEMS

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- ❖ Municipal Court Prosecution Services (\$33,300)

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## PERFORMANCE INDICATORS

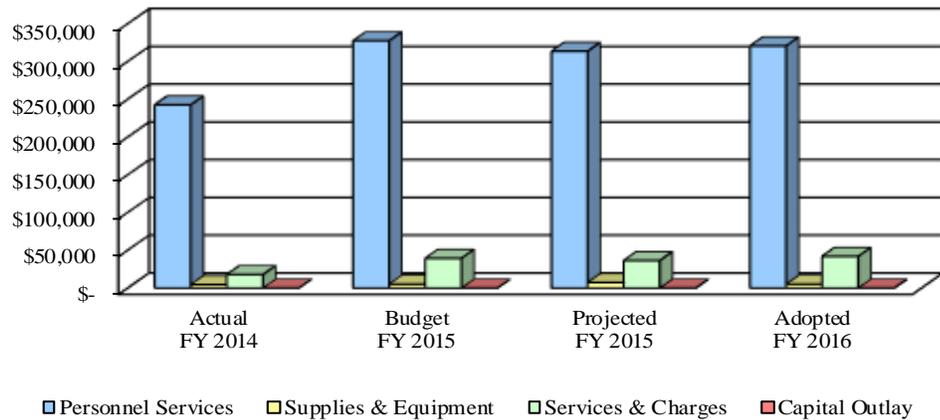
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	<b>FY2013 Actual</b>	<b>FY2014 Actual</b>	<b>FY2015 Actual</b>	<b>FY2016 Projected</b>
<b>Cases Filed</b>				
Traffic	11,182	9,860	7,670	8,890
Parking	194	208	281	220
State Law	141	92	81	120
Town Ordinance	170	179	142	200
Total	11,687	10,339	8,174	9,430
<b>Cases Disposed</b>				
Prior to Trial	3,026	4,179	3,671	4,780
At Trial	1,095	1,026	547	850
Compliance Dismissals	6,843	3,820	3,801	3,680
Total	10,964	9,025	8,019	9,310
<b>Percent Disposed to Filed</b>	93.81%	87.29%	98.10%	98.73%

# Municipal Court Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 242,662	\$ 327,503	\$ 313,669	\$ 320,620
Supplies & Equipment	4,576	5,190	7,386	5,070
Services & Charges	17,879	39,406	36,446	42,061
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 265,117</b>	<b>\$ 372,099</b>	<b>\$ 357,501</b>	<b>\$ 367,751</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Municipal Judge (Part-time)	NA	0.5	0.5	0.5
Attorney/Prosecutor	NA	0.2	0.0	0.0
Senior Court Clerk	4	1.0	1.0	1.0
Court Clerk	3	1.0	1.0	1.0
Marshall/Bailiff (Part-time)	NA	0.5	0.5	0.5
<b>Total Employees</b>		<b>3.2</b>	<b>3.0</b>	<b>3.0</b>

# Finance Department

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## DEPARTMENT DESCRIPTION

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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.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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- ❖ Received the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2014 CAFR and the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2015
- ❖ Maintained a high level of performance during the transition to a new Chief Financial Officer and a new Controller

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## OBJECTIVES FOR FISCAL YEAR 2016

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

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## PERFORMANCE INDICATORS

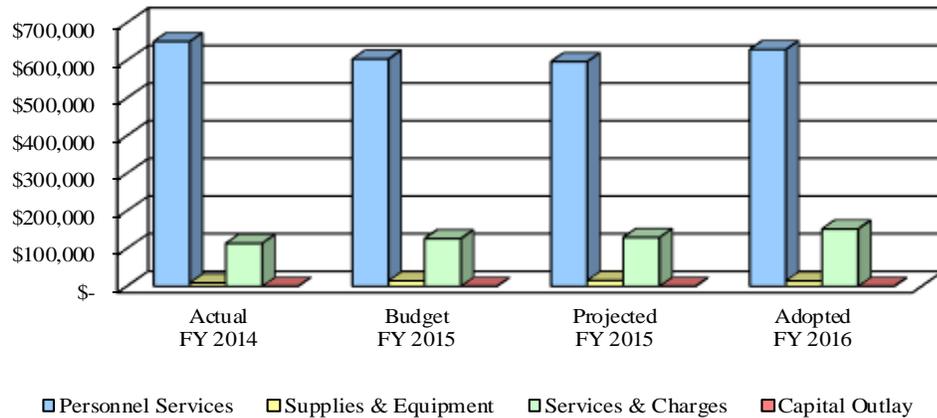
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	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Accounts Payable Checks Disbursed	3,150	3,533	3,378	3,676
Payroll/ACH Checks Disbursed	4,670	4,375	4,001	3,905

# Finance Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 650,630	\$ 604,055	\$ 597,265	\$ 629,401
Supplies & Equipment	9,293	14,530	15,365	14,479
Services & Charges	114,220	126,845	129,972	152,547
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 774,143</b>	<b>\$ 745,430</b>	<b>\$ 742,602</b>	<b>\$ 796,427</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Director of Admin Services & CFO	E-4	1.0	1.0	1.0
Controller	E-1	1.0	1.0	1.0
Senior Accounting Technician	4	1.0	1.0	1.0
Finance & HR Secretary	4	1.0	1.0	1.0
Accounting Technician	3	1.0	1.0	1.0
<b>Total Employees</b>		<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

# Building Inspection Department

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## DEPARTMENT DESCRIPTION

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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.

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## ACCOMPLISHMENTS OF FISCAL YEAR 2015

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- ❖ Processed approximately 1,224 building, 254 electrical, 351 plumbing permits, and 33 excavation permits, generating approximately \$1,307,000 in permit revenues
- ❖ Processed approximately 460 electrical, irrigation, HVAC, and general contractor registrations, generating approximately \$57,375 in registration revenues
- ❖ Acquired and successfully implemented an automated contractor registration, permit, and inspection software allowing online access for contractors and residents

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## OBJECTIVES FOR FISCAL YEAR 2016

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

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## PERFORMANCE INDICATORS

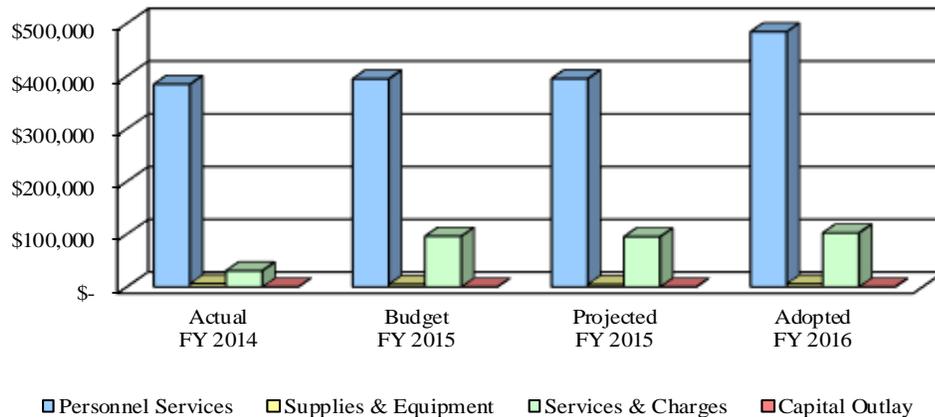
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	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Number of Inspections Performed	3,121	2,982	3,924	3,900
Total Permits Issued	1,183	1,922	1,862	1,800
Total Value of Permits (\$1,000)	\$ 74,424	\$ 99,825	\$123,801	\$119,600
Total Permit Fees & Licenses (\$1,000)	\$ 1,031	\$ 1,306	\$ 1,443	\$ 1,302

# Building Inspection Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 384,770	\$ 395,097	\$ 395,493	\$ 484,424
Supplies & Equipment	6,164	4,990	4,880	5,770
Services & Charges	30,809	96,280	95,386	102,610
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 421,743</b>	<b>\$ 496,367</b>	<b>\$ 495,759</b>	<b>\$ 592,804</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Chief Building Inspector	8	1.0	1.0	0.0
Development Services Manager	8	1.0	1.0	1.0
Senior Building Inspector	7	0.0	0.0	1.0
Building Inspector	6	0.0	0.0	1.0
Building Permit Clerk	3	1.0	1.0	1.0
<b>Total Employees</b>		<b>3.0</b>	<b>3.0</b>	<b>4.0</b>

# Sanitation Department

## DEPARTMENT DESCRIPTION

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

## ACCOMPLISHMENTS OF FISCAL YEAR 2015

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

## OBJECTIVES FOR FISCAL YEAR 2016

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

## MAJOR BUDGET ITEMS

- ❖ Replacement Poly Carts (\$52,000)
- ❖ Service Contracts
  - Solid Waste Collection \$ 852,300
  - Solid Waste Disposal \$ 101,500
  - Recyclables Collection \$ 98,700
  - Household Hazardous Waste \$ 12,500

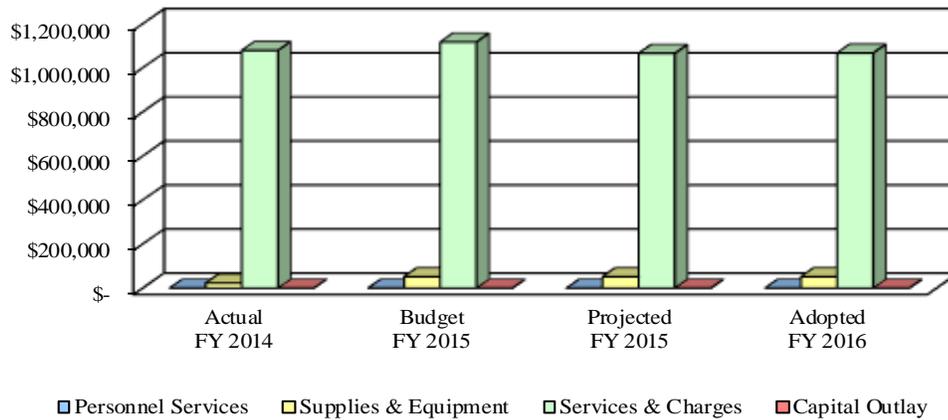
## PERFORMANCE INDICATORS

	<b>FY2013 Actual</b>	<b>FY2014 Actual</b>	<b>FY2015 Actual</b>	<b>FY2016 Projected</b>
<b>Collection (Tonnage)</b>				
Compacted Waste	5,595	5,551	5,210	5,450
Loose Waste (Brush)	1,731	2,283	1,859	1,960
Recycling	990	1,035	972	1,000
<b>Contract Expenses</b>				
Collection	\$ 849,936	\$ 867,577	\$ 848,695	\$ 852,300
Disposal	95,665	105,209	96,216	101,500
Recycling	95,406	97,354	97,778	98,700
<b>Cost per Ton</b>				
Collection	\$ 151.91	\$ 156.29	\$ 162.90	\$ 156.39
Disposal	13.06	13.43	13.61	13.70
Recycling	96.37	94.06	100.59	98.70

# Sanitation Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies & Equipment	22,748	52,000	52,000	52,000
Services & Charges	1,079,295	1,117,320	1,065,911	1,067,750
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$1,102,043</b>	<b>\$1,169,320</b>	<b>\$1,117,911</b>	<b>\$1,119,750</b>



# Information Technology Department

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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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

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## OBJECTIVES FOR FISCAL YEAR 2016

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

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## MAJOR BUDGET ITEMS

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

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## PERFORMANCE INDICATORS

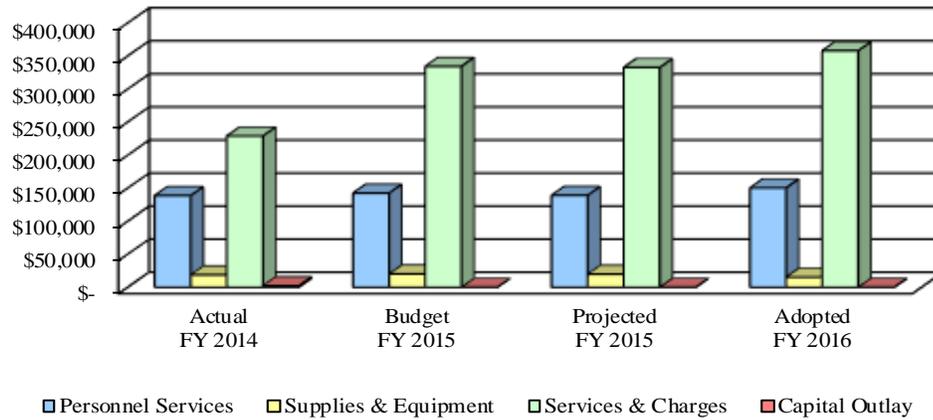
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	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
<b>Help Desk Support</b>				
Support Requests	259	745	1,063	1,259
Service Hours	292	985	1,528	1,436
<b>Network Uptime</b>	99%	99%	99%	99%
<b>Application Uptime</b>	99%	99%	99%	99%

# Information Technology Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 138,838	\$ 142,622	\$ 139,161	\$ 150,381
Supplies & Equipment	18,713	20,250	19,802	15,250
Services & Charges	228,910	334,395	332,690	357,920
Capital Outlay	2,358	-	-	-
<b>Total Department</b>	<b>\$ 388,819</b>	<b>\$ 497,267</b>	<b>\$ 491,653</b>	<b>\$ 523,551</b>



## EMPLOYEE CLASSIFICATION & PAY GRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Information Technology Manager	E-1	1.0	1.0	1.0
<b>Total Employees</b>		<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

# Non-Departmental

## DEPARTMENT DESCRIPTION

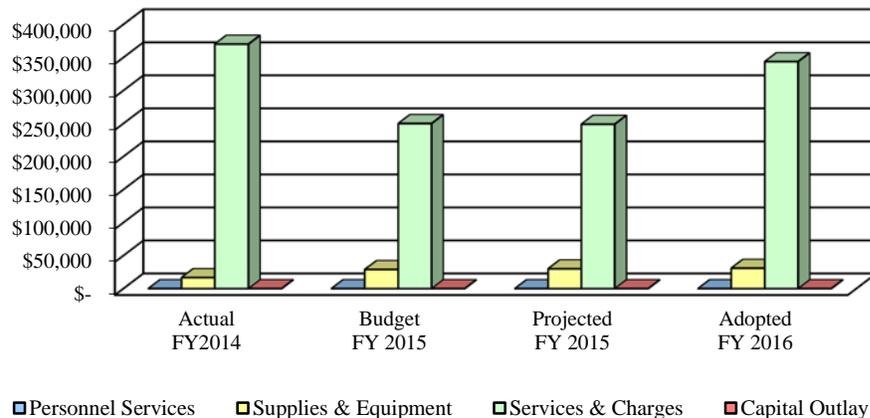
As a means of setting aside funds for discretionary expenditure spending that is not associated with a unique departmental budget, a Non-Departmental cost center is created in the General Fund. Expenditures that can be considered Town-wide or that may have an inherit public policy nature have been included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

## MAJOR BUDGET ITEMS

- ❖ Reserve for Potential Employee Retirements (\$125,000)
- ❖ Professional Services – Human Resource Consulting (\$45,000)
- ❖ Professional Services – Website Consulting and Maintenance (\$30,000)
- ❖ Budgetary Hedge for Fuel Costs (\$26,200)
- ❖ Professional Services – Health Insurance Consulting (\$10,000)

## EXPENDITURE SUMMARY

	<b>FY2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies & Equipment	16,715	28,935	30,000	30,850
Services & Charges	370,207	249,947	248,875	343,720
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 386,922</b>	<b>\$ 278,882</b>	<b>\$ 278,875</b>	<b>\$ 374,570</b>





# Transfer to Other Funds

## DEPARTMENT DESCRIPTION

This Budget provides for a transfer of \$2,541,380 in current revenues to the Capital Projects Fund which is comprised of: 1) basic CIP funding (\$696,200), 2) an annual miscellaneous concrete project (\$98,000); 3) street resurfacing needs (\$698,000); 4) tennis court resurfacing (\$50,000); 5) a transfer of \$62,400, or 5% of sanitation service revenues, for street rental charges; and an additional capital improvement transfer of \$936,780 from current (FY 2016) revenues.

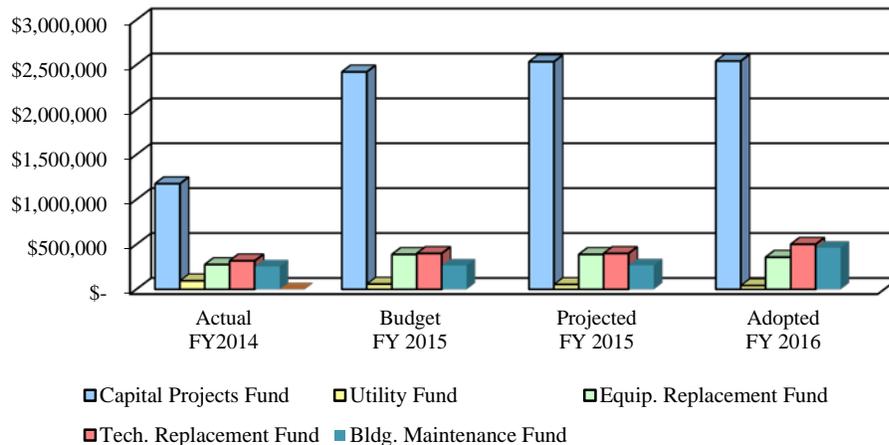
Other transfers include:

- ❖ Transfer to the Utility Fund for the General Fund's share of costs associated with billing and collection of Solid Waste and Sanitation revenues (\$41,100)
- ❖ Transfers to the Equipment and Technology Replacement Funds for future asset acquisition and upgrades (\$858,540)
- ❖ Transfer to the Building Maintenance Fund representing the General Fund's share of Building Maintenance costs (\$462,500)

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

## TRANSFER SUMMARY

	<b>FY2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Capital Projects Fund	\$ 1,175,519	\$ 2,420,647	\$2,533,867	\$ 2,541,380
Utility Fund	94,735	57,807	53,200	41,100
Equip. Replacement Fund	275,262	388,128	388,100	357,140
Tech. Replacement Fund	317,226	399,294	399,290	501,400
Bldg. Maintenance Fund	254,355	264,843	266,500	462,500
<b>Total Department</b>	<b>\$ 2,117,097</b>	<b>\$ 3,530,719</b>	<b>\$3,640,957</b>	<b>\$ 3,903,520</b>







## **UTILITY FUND**

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

## UTILITY FUND OVERVIEW

The determination of the revenues necessary to fund the various services for Fiscal Year 2016 (“FY 2016”) begins with the calculation of total costs associated with each service. In Fiscal Year 2013 (“FY 2013”), the Town engaged 3<sup>rd</sup> Generation Engineering to perform a comprehensive water and sanitary sewer study. The scope of the study included: 1) a comparison of existing water and sanitary sewer rate revenue with the cost of providing these services, taking into consideration anticipated changes in the Town’s water supplier, ongoing capital improvement plans, changes in operating requirements, and changes in water supply and demand; 2) an analysis of projected revenue requirements to determine equitable distribution of costs to customer classes in accordance with generally accepted principles for water and sanitary sewer rate studies; 3) develop and evaluate rate design alternatives and preparation of an implementation strategy for the rate structure that best meets the Town’s needs; and 4) provide a means for the Town staff to update rates in-house for the next five years. In order to produce the revenue required by this budget, an examination of the adopted rates was conducted in the early part of the 2015 fiscal year with a rate adjustment implemented in mid FY2015. Experiencing a significant reduction in consumption due to extensive rainfall and mild weather, the Town has incorporated a rate adjustment into the Adopted Budget effective October 1<sup>st</sup>, 2015.

- **Licenses and Permits**

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

- **Charges for Services**

*Water*

Revenues from the retail sale of water are projected to be \$6,066,077, a \$234,596 or 4.02% increase from the Fiscal Year 2015 Budget. The Town anticipates selling 850,000,000 gallons of water for the 2016 fiscal year.

The schedule on page 156 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 \$2,654,168 or about a 0.96% decrease from the Fiscal Year 2015 Budget year.

- **Miscellaneous**

Charges for meter replacements/installations is projected to be \$44,000, which is comparable to the amount generated during the 2013 fiscal year.

Projected interest earnings are based on an average monthly investable balance of \$2,378,050 are reflective of anticipated investable balances at a 0.41% earnings rate.

The total cost for Utility Fund services for FY 2016 is \$9,634,563. Of this amount, 31.2% are contractual costs and include contracts for 1) the purchase of treated water for resale and Town use from the Dallas County Park Cities Municipal Utility District (expires April, 2024); and Sanitary Sewer Treatment from Dallas Water Utilities (expires February 2044).

Another significant portion of both the budget for FY 2016, as well as the work program associated with it, relates to the maintenance and/or replacement of the Town’s water and sanitary sewer system infrastructure. Since 1990, the Town has chosen to fund water and sanitary sewer system infrastructure

maintenance/replacement with current revenues. This Budget provides \$2,685,000 from utility service revenues to fund the projects selected for Fiscal Year 2016.

The Utility Fund will also contribute \$1,107,900 to the General Fund for reimbursement of general & administrative costs for FY 2016. Additionally, the Utility Fund will also provide \$436,000 in funding of the Town's annual right-of-way maintenance/rehabilitation program. This amount represents 5% of water and sanitary sewer sales, a right-of-way use fee, and is reported as an inter-fund transfer to the Capital Projects Fund.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 159.

**UTILITY FUND  
STATEMENT OF REVENUES & EXPENSES**

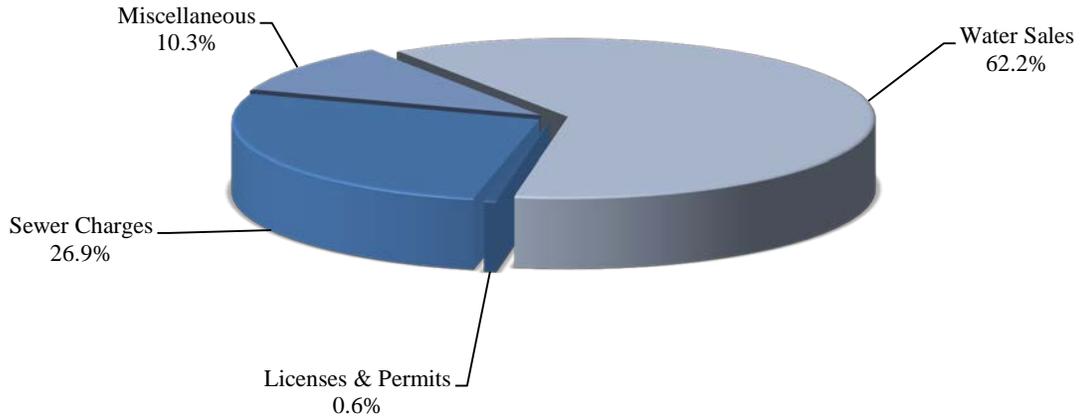
	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 2,178,661	\$ 1,790,261	\$ 1,790,261	\$ 1,140,399
<b>REVENUES/SOURCES OF FUNDS</b>				
Licenses & Permits	\$ 65,225	\$ 62,500	\$ 64,000	\$ 64,000
Charges for Services	7,985,529	8,668,099	7,328,638	8,840,332
Fines & Forfeits	60,688	90,000	60,000	60,000
Miscellaneous	54,802	42,124	540,124	909,750
<b>Total Revenues</b>	<b>\$ 8,166,244</b>	<b>\$ 8,862,723</b>	<b>\$ 7,992,762</b>	<b>\$ 9,874,082</b>
<b>Other Sources:</b>				
Transfers In	\$ 480,246	\$ 465,010	\$ 457,600	\$ 480,100
<b>Total Other Sources</b>	<b>\$ 480,246</b>	<b>\$ 465,010</b>	<b>\$ 457,600</b>	<b>\$ 480,100</b>
<b>Total Revenues/Sources</b>	<b>\$ 8,646,490</b>	<b>\$ 9,327,733</b>	<b>\$ 8,450,362</b>	<b>\$ 10,354,182</b>
<b>EXPENSES - BY TYPE</b>				
Personnel Services				
Payroll	\$ 1,364,374	\$ 1,376,251	\$ 1,348,021	\$ 1,406,596
Payroll Taxes	90,441	101,265	103,668	102,039
Retirement	72,199	60,234	58,163	47,036
Insurance	174,684	199,538	157,427	190,052
<b>Total Personnel</b>	<b>\$ 1,701,698</b>	<b>\$ 1,737,288</b>	<b>\$ 1,667,279</b>	<b>\$ 1,745,723</b>
Supplies & Equipment	2,604,878	2,937,751	2,215,958	2,371,570
Services & Charges	1,169,115	1,159,003	1,158,130	1,172,790
Capital Outlay	1,936,021	2,177,895	2,522,888	2,685,000
<b>Total Expenses</b>	<b>\$ 7,411,712</b>	<b>\$ 8,011,937</b>	<b>\$ 7,564,255</b>	<b>\$ 7,975,083</b>
<b>Other Uses:</b>				
Transfers Out	\$ 1,623,178	\$ 1,602,947	\$ 1,535,969	\$ 1,659,480
<b>Total Other Uses</b>	<b>\$ 1,623,178</b>	<b>\$ 1,602,947</b>	<b>\$ 1,535,969</b>	<b>\$ 1,659,480</b>
<b>Total Expenses/Uses</b>	<b>\$ 9,034,890</b>	<b>\$ 9,614,884</b>	<b>\$ 9,100,224</b>	<b>\$ 9,634,563</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenses/Uses</b>	<b>\$ (388,400)</b>	<b>\$ (287,151)</b>	<b>\$ (649,862)</b>	<b>\$ 719,619</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,790,261</b>	<b>\$ 1,503,110</b>	<b>\$ 1,140,399</b>	<b>\$ 1,860,018</b>
<b>Ideal Fund Balance</b>	<b>\$ 1,368,923</b>	<b>\$ 1,458,511</b>	<b>\$ 1,292,599</b>	<b>\$ 1,351,416</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 421,338</b>	<b>\$ 44,600</b>	<b>\$ (152,200)</b>	<b>\$ 508,602</b>

**UTILITY FUND  
STATEMENT OF REVENUES & EXPENSES**

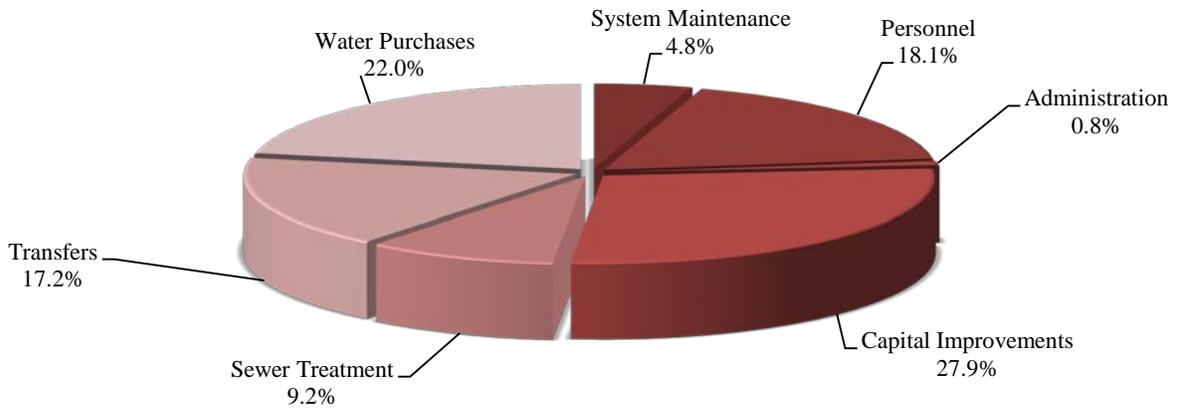
	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 2,178,661	\$ 1,790,261	\$ 1,790,261	\$ 1,140,399
<b>REVENUES/SOURCES OF FUNDS</b>				
Licenses & Permits	\$ 65,225	\$ 62,500	\$ 64,000	\$ 64,000
Charges for Services	7,985,529	8,668,099	7,328,638	8,840,332
Fines & Forfeits	60,688	90,000	60,000	60,000
Miscellaneous	54,802	42,124	540,124	909,750
<b>Total Revenues</b>	<b>\$ 8,166,244</b>	<b>\$ 8,862,723</b>	<b>\$ 7,992,762</b>	<b>\$ 9,874,082</b>
<b>Other Sources:</b>				
Transfers In	\$ 480,246	\$ 465,010	\$ 457,600	\$ 480,100
<b>Total Other Sources</b>	<b>\$ 480,246</b>	<b>\$ 465,010</b>	<b>\$ 457,600</b>	<b>\$ 480,100</b>
<b>Total Revenues/Sources</b>	<b>\$ 8,646,490</b>	<b>\$ 9,327,733</b>	<b>\$ 8,450,362</b>	<b>\$ 10,354,182</b>
<b>EXPENSES - BY DEPARTMENT</b>				
Utility Administration Department	\$ 469,784	\$ 444,666	\$ 409,232	\$ 312,729
Water Department	4,139,725	4,626,445	4,576,041	3,949,402
Sanitary Sewer Department	2,105,301	2,200,457	1,843,667	2,857,579
Engineering Department	696,902	740,369	735,315	855,373
<b>Total Expenses</b>	<b>\$ 7,411,712</b>	<b>\$ 8,011,937</b>	<b>\$ 7,564,255</b>	<b>\$ 7,975,083</b>
<b>Other Uses:</b>				
Transfers Out	\$ 1,623,178	\$ 1,602,947	\$ 1,535,969	\$ 1,659,480
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<b>Total Expenses/Uses</b>	<b>\$ 9,034,890</b>	<b>\$ 9,614,884</b>	<b>\$ 9,100,224</b>	<b>\$ 9,634,563</b>
<b>Excess (Deficiency) of Revenues/Sources over Expenses/Uses</b>	<b>\$ (388,400)</b>	<b>\$ (287,151)</b>	<b>\$ (649,862)</b>	<b>\$ 719,619</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,790,261</b>	<b>\$ 1,503,110</b>	<b>\$ 1,140,399</b>	<b>\$ 1,860,018</b>
<b>Ideal Fund Balance</b>	<b>\$ 1,368,923</b>	<b>\$ 1,458,511</b>	<b>\$ 1,292,599</b>	<b>\$ 1,351,416</b>
<b>Fund Balance in Excess of Minimum</b>	<b>\$ 421,338</b>	<b>\$ 44,600</b>	<b>\$ (152,200)</b>	<b>\$ 508,602</b>

# UTILITY FUND

## BUDGETED REVENUES & SOURCES BY TYPE



## BUDGETED DISBURSEMENTS BY TYPE



**UTILITY FUND  
STATEMENT OF REVENUES**

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
<b>Licenses &amp; Permits</b>				
Plumbing Permits	\$ 65,225	\$ 62,500	\$ 64,000	\$ 64,000
<i>Subtotal</i>	<b>\$ 65,225</b>	<b>\$ 62,500</b>	<b>\$ 64,000</b>	<b>\$ 64,000</b>
<b>Charges For Services</b>				
Water Sales	\$ 5,262,551	\$ 5,831,481	\$ 4,942,335	\$ 6,066,077
Inter-Dept Water Sales	108,196	110,118	75,000	73,087
Sewer Charges	2,545,727	2,680,000	2,267,503	2,654,168
Meter Installation	66,000	43,500	41,000	44,000
Other Charges	3,055	3,000	2,800	3,000
<i>Subtotal</i>	<b>\$ 7,985,529</b>	<b>\$ 8,668,099</b>	<b>\$ 7,328,638</b>	<b>\$ 8,840,332</b>
<b>Fines &amp; Forfeits</b>				
Late Payment Penalties	\$ 60,688	\$ 90,000	\$ 60,000	\$ 60,000
<i>Subtotal</i>	<b>\$ 60,688</b>	<b>\$ 90,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>
<b>Miscellaneous</b>				
Interest	\$ 7,793	\$ 6,500	\$ 6,500	\$ 9,750
Sale of Assets	178	-	-	-
Contributions	42,880	33,624	533,624	900,000
Miscellaneous	3,951	2,000	-	-
<i>Subtotal</i>	<b>\$ 54,802</b>	<b>\$ 42,124</b>	<b>\$ 540,124</b>	<b>\$ 909,750</b>
<b>Total Revenues</b>	<b>\$ 8,166,244</b>	<b>\$ 8,862,723</b>	<b>\$ 7,992,762</b>	<b>\$ 9,874,082</b>

# Utility Administration Department

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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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- ❖ Maintained quality customer service as evidenced by only sixty-five (65) bills requiring adjustment due to error out of approximately 41,434 bills prepared
- ❖ Continued aggregate payment receipting, resulting in the electronic processing of 5,296 payments which formerly required manual data entry
- ❖ Continued education of customers regarding bank draft and on-line payment options through information flyers and direct contact

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## OBJECTIVES FOR FISCAL YEAR 2016

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- ❖ Begin transition from manual to digital radio registers on all water meters
- ❖ Implement an online solution for making tennis court reservations
- ❖ Identify an online solution for the sale of swimming pool and tennis passes
- ❖ Ensure the delivery of quality services to citizens through effective management and efficient administration of Town utility services
- ❖ Pursue online bill viewing and electronic bill delivery through our current software provider
- ❖ Continue monthly consumption analysis, identifying abnormal consumption based on historical consumption

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## PERFORMANCE INDICATORS

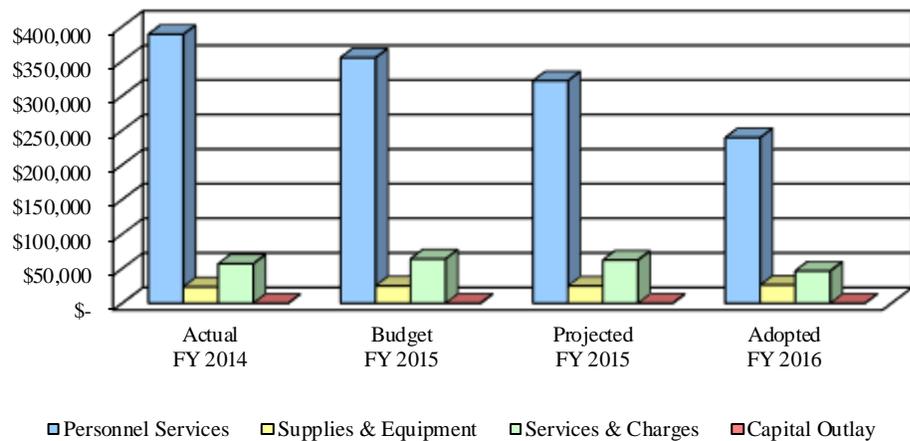
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	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
<b>Utility Service</b>				
Bills Prepared	40,701	41,266	41,434	41,500
New Deposits (#)	435	401	323	400
Bank Draft Customers	869	1,131	1,199	1,260
Internet Payments	1,695	1,779	1,990	2,100
<b>Billing Adjustment Requests</b>				
Billing Errors	63	68	65	70
Leak Adjustment Requests	51	33	40	50
Leak Adjustments Made	33	19	27	25

# Utility Administration Department

## EXPENDITURE SUMMARY

	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
Personnel Services	\$ 388,909	\$ 355,162	\$ 321,715	\$ 239,534
Supplies & Equipment	23,772	25,290	25,040	26,415
Services & Charges	57,103	64,214	62,477	46,780
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 469,784</b>	<b>\$ 444,666</b>	<b>\$ 409,232</b>	<b>\$ 312,729</b>



## EMPLOYEE CLASSIFICATION & PAYGRADE

Classification	Grade	FY2014 Budget	FY2015 Budget	FY2016 Budget
Construction Coordinator	6	1.0	1.0	0.0
Customer Service Supervisor	6	1.0	1.0	1.0
Customer Service Specialist II	3	1.0	1.0	1.0
Customer Service Specialist I	2	1.0	1.0	1.0
<b>Total Employees</b>		<b>4.0</b>	<b>4.0</b>	<b>3.0</b>

# Water Department

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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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

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## OBJECTIVES FOR FISCAL YEAR 2016

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- ❖ 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
- ❖ Convert 2500 meters for automated meter reading and replacement of any existing meters as needed

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## MAJOR BUDGET ITEMS

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- ❖ Purchase of treated water from the Dallas County Park Cities Municipal Utility District based at an anticipated cost of \$2,118,285
- ❖ Annual funding for infrastructure replacement and maintenance (\$1,097,500)
- ❖ Repair materials for making necessary system repairs in conjunction with infrastructure replacement/maintenance program (\$82,500)
- ❖ Replacement water meters (\$75,000)

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## PERFORMANCE INDICATORS

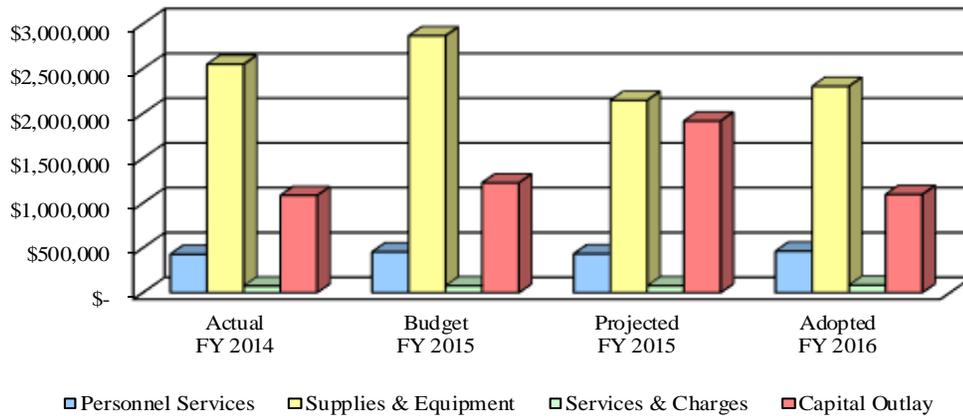
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	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Water Meters Read	67,263	65,665	66,302	66,000
Water Meters Installed/Replaced	631	453	537	0

# Water Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 429,358	\$ 455,084	\$ 433,880	\$ 464,117
Supplies & Equipment	2,550,018	2,868,161	2,147,863	2,304,285
Services & Charges	74,771	76,640	76,640	83,500
Capital Outlay	1,085,578	1,226,560	1,917,658	1,097,500
<b>Total Department</b>	<b>\$4,139,725</b>	<b>\$4,626,445</b>	<b>\$4,576,041</b>	<b>\$3,949,402</b>



## EMPLOYEE CLASSIFICATION & PAYGRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Foreman	8	0.4	0.4	0.4
Public Works Maintenance Worker III	4	4.0	4.0	4.0
<b>Total Employees</b>		<b>4.4</b>	<b>4.4</b>	<b>4.4</b>

# Sanitary Sewer Department

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## DEPARTMENT DESCRIPTION

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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.

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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

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## OBJECTIVES FOR FISCAL YEAR 2016

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

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## MAJOR BUDGET ITEMS

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

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## PERFORMANCE INDICATORS

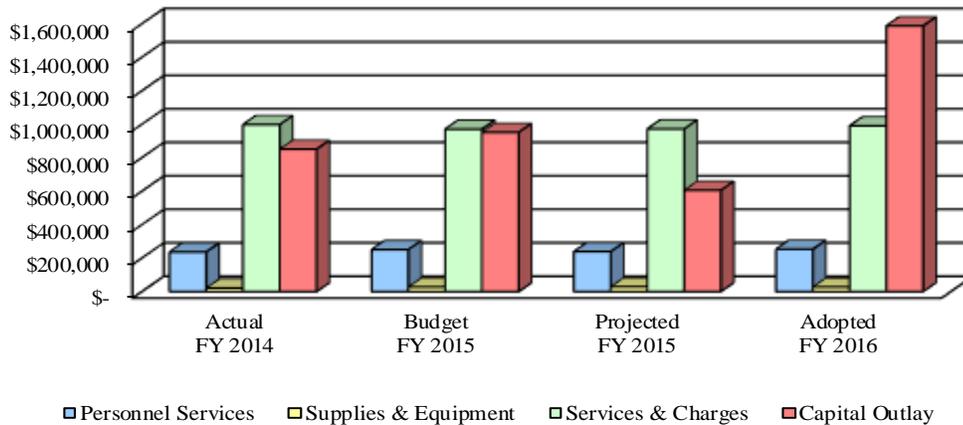
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	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Service Calls	26	50	54	50
Sewer Mains Cleaned (Flushed)	533	665	562	550

# Sanitary Sewer Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 236,546	\$ 251,092	\$ 238,549	\$ 253,269
Supplies & Equipment	20,766	27,280	27,780	26,730
Services & Charges	997,546	970,750	972,108	990,080
Capital Outlay	850,443	951,335	605,230	1,587,500
<b>Total Department</b>	<b>\$2,105,301</b>	<b>\$2,200,457</b>	<b>\$1,843,667</b>	<b>\$2,857,579</b>



## EMPLOYEE CLASSIFICATION & PAYGRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Foreman	8	0.30	0.30	0.30
Public Works Maintenance Worker III	4	2.00	2.00	2.00
<b>Total Employees</b>		<b>2.30</b>	<b>2.30</b>	<b>2.30</b>

# Engineering Department

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## DEPARTMENT DESCRIPTION

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

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## ACCOMPLISHMENTS FOR FISCAL YEAR 2015

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- ❖ Met annual objectives and reporting requirements to all state and federal agencies
- ❖ In FY 2015 awarded water and sewer projects in the amount of \$1.9 million
- ❖ Completed an erosion and sediment control study of Turtle Creek and Hackberry Creek
- ❖ Performed sanitary sewer inflow and infiltration investigations, 36,500 feet of smoke testing and 4,250 feet of televised mains
- ❖ Resurfaced 4,372 linear feet of streets including sidewalk and curb ramp repairs per ADA
- ❖ Completed intersection improvements at Mockingbird Lane and Airline Road including a new traffic signal system along with safety improvements at two intersections on Wycliffe Ave. and Abbott Ave.
- ❖ Constructed a storm sewer system in partnership with SMU

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## OBJECTIVES FOR FISCAL YEAR 2016

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- ❖ Design, award, and construct water and sewer main replacement projects in the amount of \$2.8 million
- ❖ Comply with the requirement of the SSO Initiative
- ❖ Continue street rehabilitation program and repair damaged sidewalks and curb ramps per ADA
- ❖ Design, award, and construct Phase I of the Preston Rd. rehabilitation
- ❖ Design, award, and construct improvements and traffic signal system at Mockingbird Lane and Abbott Avenue
- ❖ Complete a traffic study of the Mockingbird Lane corridor
- ❖ Complete the sediment removal of Exall Lake and evaluate the pedestrian bridge
- ❖ Complete the improvements to the Gillon Pump Station to improve the efficiency of the water distribution system
- ❖ Design, award, and construct a storm sewer system to improve the drainage at Douglas Park
- ❖ Continue the Storm Water Management Program per the TCEQ requirements

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## PERFORMANCE INDICATORS

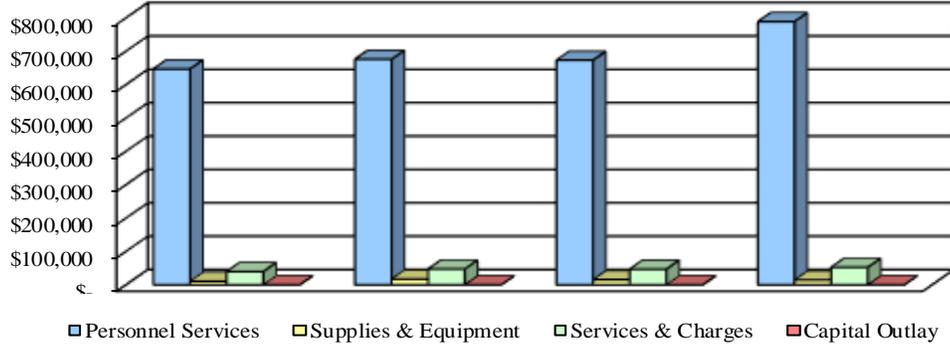
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	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>
Sanitary Sewer Overflows	3	0	28	5
Street Resurfacing (Linear Feet)	4,122	9,537	4,372	5,746
Water Main Replacement (Linear Feet)	5,158	4,848	3,691	2,172
Sanitary Sewer Main Replacement (Linear Feet)	4,220	2,197	2,102	1,957

# Engineering Department

## EXPENDITURE SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
Personnel Services	\$ 646,885	\$ 675,950	\$ 673,135	\$ 788,803
Supplies & Equipment	10,322	17,020	15,275	14,140
Services & Charges	39,695	47,399	46,905	52,430
Capital Outlay	-	-	-	-
<b>Total Department</b>	<b>\$ 696,902</b>	<b>\$ 740,369</b>	<b>\$ 735,315</b>	<b>\$ 855,373</b>



## EMPLOYEE CLASSIFICATION & PAYGRADE

<b>Classification</b>	<b>Grade</b>	<b>FY2014 Budget</b>	<b>FY2015 Budget</b>	<b>FY2016 Budget</b>
Town Engineer	E-3	1.0	1.0	1.0
Project Engineer	7	1.0	1.0	1.0
Construction Inspector	5	1.0	1.0	1.0
Project Coordinator	5	1.0	1.0	1.0
Engineering Tech	5	1.0	1.0	1.0
<b>Total Employees</b>		<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

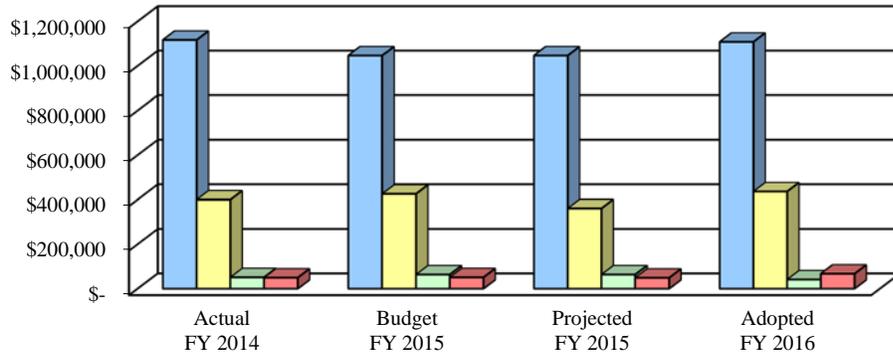
# Transfer to Other Funds

## DEPARTMENT DESCRIPTION

This Budget provides for the \$1,659,480 from the Utility Fund to other funds. Included is a transfer of \$1,107,900 to the General Fund for G&A cost reimbursement, \$436,000 to the Capital Projects Fund, representing the right-of-way use fee, which is 5% on water and sanitary sewer sales, and funding for the Fund's share of Equipment Replacement, Technology Replacement and Building Maintenance & Investment Funds.

## TRANSFER SUMMARY

	<b>FY 2014 Actual</b>	<b>FY 2015 Budget</b>	<b>FY 2015 Projected</b>	<b>FY 2016 Adopted</b>
General Fund	\$ 1,116,685	\$ 1,046,439	\$1,046,439	\$ 1,107,900
Capital Projects Fund	399,587	425,574	360,500	436,000
Equip. Replacement Fund	50,932	63,451	63,450	41,080
Tech. Replacement Fund	6,654	16,787	16,780	7,500
Bldg. Maintenance Fund	49,320	50,696	48,800	67,000
<b>Total Department</b>	<b>\$ 1,623,178</b>	<b>\$ 1,602,947</b>	<b>\$1,535,969</b>	<b>\$ 1,659,480</b>



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





## OTHER FUNDS

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

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

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

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

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

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

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

**Debt Service Fund** – The purpose of a debt service fund is to account for and report resources that are restricted, committed, or assigned to expenditure for principal and interest (GASB Statement No. 54).

The Town of Highland Park, as of September 30, 2015, does not have any outstanding deb. The FY2015-16 Adopted Budget does not include any issuance of debt to fund short term or long range capital projects. The Town funds capital projects on a pay as you go basis and does not maintain a debt service fund.

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

## **STORMWATER DRAINAGE UTILITY FUND**

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

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

In addition to funding the Town's contract for street sweeping and catch basin cleaning (\$43,400), supplies of pet mitts (\$5,100.00) maintained throughout the Town's parks, and \$20,000.00 for incidental repair and maintenance projects, this budget also provides \$847,500 to fund Douglas Park drainage improvements and the Exall Lake dredging project.

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

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 159.

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

	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 514,576	\$ 678,681	\$ 678,681	\$ 740,406
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ 374,523	\$ 385,140	\$ 381,875	\$ 389,900
Interest	1,876	1,100	2,200	3,500
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>\$ 376,399</b>	<b>\$ 386,240</b>	<b>\$ 384,075</b>	<b>\$ 393,400</b>
<b>Other Sources:</b>				
Transfers In	\$ -	\$ -	\$ -	\$ 350,000
<b>Total Other Sources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350,000</b>
<b>Total Revenues/Sources:</b>	<b>\$ 376,399</b>	<b>\$ 386,240</b>	<b>\$ 384,075</b>	<b>\$ 743,400</b>
<b>EXPENSES/USES OF FUNDS</b>				
Supplies & Equipment	28,229	7,000	7,050	7,000
Services & Charges	76,165	80,700	80,700	80,500
Capital Outlay	-	195,000	124,300	847,500
<b>Total Expenditures</b>	<b>\$ 104,394</b>	<b>\$ 282,700</b>	<b>\$ 212,050</b>	<b>\$ 935,000</b>
Transfers	107,900	111,055	110,300	119,700
<b>Total Expenditures/Uses of Funds</b>	<b>\$ 212,294</b>	<b>\$ 393,755</b>	<b>\$ 322,350</b>	<b>\$ 1,054,700</b>
<b>Excess of Revenues/Sources Over Expenses/Uses</b>	<b>\$ 164,105</b>	<b>\$ (7,515)</b>	<b>\$ 61,725</b>	<b>\$ (311,300)</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 678,681</b>	<b>\$ 671,166</b>	<b>\$ 740,406</b>	<b>\$ 429,106</b>



## EQUIPMENT REPLACEMENT FUND

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

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

This budget provides funding for the purchase of four (3) patrol vehicles for the Department of Public Safety ("DPS") (\$148,059).

### STATEMENT OF REVENUES & EXPENDITURES

	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 3,064,351	\$ 2,433,733	\$ 2,433,733	\$ 2,620,231
<b>REVENUES/SOURCES OF FUNDS</b>				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Interest	8,893	7,500	7,500	11,250
Sale of Assets	105,437	75,000	50,000	30,000
Contributions	14,181	-	3,755	-
<b>Total Revenues</b>	<b>\$ 128,511</b>	<b>\$ 82,500</b>	<b>\$ 61,255</b>	<b>\$ 41,250</b>
Transfers	326,194	451,579	451,550	398,220
<b>Total Revenues/Sources</b>	<b>\$ 454,705</b>	<b>\$ 534,079</b>	<b>\$ 512,805</b>	<b>\$ 439,470</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Vehicle Disposal	\$ 8,951	\$ 10,000	\$ 6,000	\$ 3,600
Rolling Stock Acquisition	22,483	333,720	310,815	148,059
Equipment Acquisition	74,431	9,745	9,492	-
<b>Total Expenditures</b>	<b>\$ 105,865</b>	<b>\$ 353,465</b>	<b>\$ 326,307</b>	<b>\$ 151,659</b>
Transfers	979,458	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 1,085,323</b>	<b>\$ 353,465</b>	<b>\$ 326,307</b>	<b>\$ 151,659</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ (630,618)</b>	<b>\$ 180,614</b>	<b>\$ 186,498</b>	<b>\$ 287,811</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 2,433,733</b>	<b>\$ 2,614,347</b>	<b>\$ 2,620,231</b>	<b>\$ 2,908,042</b>

**EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE**

<b>Department/ Equipment Type</b>	<b>VIN (Last 4)</b>	<b>Equipment Make</b>	<b>Equipment Model</b>	<b>Year Purchased</b>	<b>Scheduled Replacement</b>
<b>PUBLIC SAFETY</b>					
Administration/CID	0781	Toyota Highlander Hybrid	2009	2009	2014
Administration/CID	0753	Toyota Highlander Hybrid	2009	2009	2014
Administration/CID	5344	Toyota Highlander Hybrid	2010	2010	2015
Administration/CID	5307	Toyota Highlander Hybrid	2010	2010	2015
Administration/CID	6193	Chevrolet Tahoe	2015	2014	2019
Administration/CID	6569	Chevrolet Tahoe	2015	2014	2019
Administration/CID	4620	Chevrolet Tahoe	2015	2015	2020
Command Vehicle	7668	Chevrolet Tahoe	2010	2010	2018
Fire Apparatus	2082	Pierce	2011	2011	2032
Fire Apparatus	2259	Pierce Spartan	2000	2000	2021
Fire Apparatus	7230	Pierce Dash (T331)	2007	2007	2032
Ambulance	0650	International	1992	1992	Unscheduled
MICU	3067	Navistar	2006	2005	2021
MICU	0274	Freightliner-Horton	2002	2002	2017
MICU	6639	Frazier	2010	2010	2021
Pickup (Animal Control)	1769	Dodge	2013	2013	2018
Administration/CID	3154	Chevrolet Tahoe	2013	2013	2019
Police SUV	8150	Chevrolet Tahoe	2010	2010	2015
Police SUV	2755	Chevrolet Tahoe	2010	2010	2015
Police SUV	2763	Chevrolet Tahoe	2010	2010	2015
Police SUV	4043	Chevrolet Tahoe	2010	2010	2015
Police SUV	7995	Chevrolet Tahoe	2013	2013	2019
Police SUV	3154	Chevrolet Tahoe	2013	2013	2016
Police SUV	8210	Chevrolet Tahoe	2013	2013	2016
Police SUV	2677	Chevrolet Tahoe	2013	2013	2016
Police SUV	4941	Chevrolet Tahoe	2015	2015	2020
<b>STREET</b>					
Dump Truck	7754	Ford	2010	2011	2018
Pickup	6567	Chevrolet	2011	2011	2018
Truck 1-ton	9876	Ford	2010	2010	2017
Asphalt Roller	NA	Bomag	2015	2015	2025
<b>STREET LIGHTING</b>					
Truck w/ Arial lift	8413	Ford	2009	2008	2018
Pickup	1837	Chevrolet	2012	2012	2019
<b>PARKS</b>					
Truck w/ Arial lift	8247	Chevrolet	2008	2008	2018
Pickup	9970	Chevrolet	2013	2013	2020
Van	3073	Chevrolet	2013	2013	2020
Truck w/ Dump body	6582	Chevrolet	2012	2012	2020
Pickup	9941	Ford	2010	2010	2017
Pickup	9942	Ford	2010	2010	2017
Pickup 1-ton w/ Dump body	9943	Ford	2010	2010	2017
Pickup	5953	Ford	2010	2010	2017
Skid Steer Loader	NA	Bobcat	2006	2005	2017
<b>SERVICE CENTER</b>					
Front-End Loader	NA	Case	2011	2011	2021

**EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE**

<b>Department/ Equipment Type</b>	<b>VIN (Last 4)</b>	<b>Equipment Make</b>	<b>Equipment Model</b>	<b>Year Purchased</b>	<b>Scheduled Replacement</b>
<b>WATER</b>					
Pickup	0678	Chevrolet	2013	2013	2020
Pickup	9155	Chevrolet	2013	2013	2020
Pickup	0129	Chevrolet	2011	2011	2018
Pickup	9944	Ford	2010	2010	2017
<b>SEWER</b>					
Truck-4 ½ Ton w/ Flusher	1911	Ford	2011	2011	2018
Dump Truck	6311	Freightliner	2008	2008	2018
Truck 1-ton	9875	Ford	2010	2010	2017
Loader/Backhoe	0257	John Deere	2012	2012	2020
Backhoe	5057	Ford	2004	2004	2014

## TECHNOLOGY REPLACEMENT FUND

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

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

- Various Workstations (\$36,144);
- Training Room AV System for the Department of Public Safety (\$51,492);
- Firewall Upgrades (\$14,370); and

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

### STATEMENT OF REVENUES & EXPENDITURES

	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ 1,172,094	\$ 1,172,094	\$ 1,176,967
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 1,097	\$ 1,000	\$ 4,500	\$ 7,000
Sale of Assets	-	2,000	2,000	4,000
Contributions	-	-	-	-
<b>Total Revenues</b>	<b>\$ 1,097</b>	<b>\$ 3,000</b>	<b>\$ 6,500</b>	<b>\$ 11,000</b>
Transfers	1,228,831	416,081	416,070	508,900
<b>Total Revenues/Sources</b>	<b>\$ 1,229,928</b>	<b>\$ 419,081</b>	<b>\$ 422,570</b>	<b>\$ 519,900</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Services & Charges	\$ 36	\$ 1,000	\$ 1,000	\$ 2,500
Technology Equipment Acquisition	57,798	470,903	416,697	102,006
<b>Total Expenditures</b>	<b>\$ 57,834</b>	<b>\$ 471,903</b>	<b>\$ 417,697</b>	<b>\$ 104,506</b>
Transfers	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 57,834</b>	<b>\$ 471,903</b>	<b>\$ 417,697</b>	<b>\$ 104,506</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 1,172,094</b>	<b>\$ (52,822)</b>	<b>\$ 4,873</b>	<b>\$ 415,394</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,172,094</b>	<b>\$ 1,119,272</b>	<b>\$ 1,176,967</b>	<b>\$ 1,592,361</b>

## BUILDING MAINTENANCE & INVESTMENT FUND

The Building Maintenance and Investment Fund was established to insure adequate funding for the maintenance and operation of the Town's newly renovated Town Hall as well as the Town's Service Center, which houses Parks and Public Works operations. A major objective of the FY 2016 fiscal year will be the continued development of a replacement schedule of major equipment and materials of the Town Hall building while strengthening the fund balance.

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

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

### BUILDING MAINTENANCE & INVESTMENT FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 204,198	\$ 238,019	\$ 238,019	\$ 325,856
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 1,278	\$ 1,000	\$ 1,000	\$ 2,500
Miscellaneous	327	16,000	11,820	17,000
<b>Total Revenues</b>	<b>\$ 1,605</b>	<b>\$ 17,000</b>	<b>\$ 12,820</b>	<b>\$ 19,500</b>
Transfers	303,675	315,539	315,300	529,500
<b>Total Revenues/Sources</b>	<b>\$ 305,280</b>	<b>\$ 332,539</b>	<b>\$ 328,120</b>	<b>\$ 549,000</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ 29,191	\$ 16,909	\$ 19,892	\$ 26,050
Services & Charges	229,688	203,630	200,391	353,290
Capital Outlay	-	20,000	20,000	-
<b>Total Expenditures</b>	<b>\$ 258,879</b>	<b>\$ 240,539</b>	<b>\$ 240,283</b>	<b>\$ 379,340</b>
Transfers	12,580	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 271,459</b>	<b>\$ 240,539</b>	<b>\$ 240,283</b>	<b>\$ 379,340</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 33,821</b>	<b>\$ 92,000</b>	<b>\$ 87,837</b>	<b>\$ 169,660</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 238,019</b>	<b>\$ 330,019</b>	<b>\$ 325,856</b>	<b>\$ 495,516</b>

## COURT TECHNOLOGY FUND

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

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

This Budget includes appropriations for software, hardware, website maintenance contracts, and other Court technology related expenditures (\$21,912).

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

### COURT TECHNOLOGY FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 73,467	\$ 44,647	\$ 44,647	\$ 50,057
<b>REVENUES/SOURCES OF FUNDS</b>				
Court Fees	\$ 28,664	\$ 30,000	\$ 27,000	\$ 31,050
Interest	233	200	175	200
<b>Total Revenues</b>	<b>\$ 28,897</b>	<b>\$ 30,200</b>	<b>\$ 27,175</b>	<b>\$ 31,250</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 28,897</b>	<b>\$ 30,200</b>	<b>\$ 27,175</b>	<b>\$ 31,250</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Supplies & Equipment	\$ 2,629	\$ 5,565	\$ 5,565	\$ 3,852
Service & Charges	8,897	16,075	16,200	18,060
Capital Outlay	46,191	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 57,717</b>	<b>\$ 21,640</b>	<b>\$ 21,765</b>	<b>\$ 21,912</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ (28,820)</b>	<b>\$ 8,560</b>	<b>\$ 5,410</b>	<b>\$ 9,338</b>
<b>Fund Balance</b>	<b>\$ 44,647</b>	<b>\$ 53,207</b>	<b>\$ 50,057</b>	<b>\$ 59,395</b>

## COURT SECURITY FUND

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

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

This Budget provides for a transfer of \$23,200 to the General Fund for the services of the part-time position of Town Marshall/Bailiff added in the FY 2015 Budget (General Fund – Municipal Court operations).

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

### COURT SECURITY FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 8,444	\$ 7,792	\$ 7,792	\$ 6,772
<b>REVENUES/SOURCES OF FUNDS</b>				
Court Fees	\$ 21,498	\$ 21,000	\$ 20,200	\$ 23,250
Interest	14	15	30	45
<b>Total Revenues</b>	<b>\$ 21,512</b>	<b>\$ 21,015</b>	<b>\$ 20,230</b>	<b>\$ 23,295</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 21,512</b>	<b>\$ 21,015</b>	<b>\$ 20,230</b>	<b>\$ 23,295</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Capital Outlay	164	250	250	-
<b>Total Expenditures</b>	<b>\$ 164</b>	<b>\$ 250</b>	<b>\$ 250</b>	<b>\$ -</b>
Transfers	22,000	21,000	21,000	23,200
<b>Total Expenditures/Uses</b>	<b>\$ 22,164</b>	<b>\$ 21,250</b>	<b>\$ 21,250</b>	<b>\$ 23,200</b>
<b>Excess Revenues/Sources Over Expenditures/Uses</b>	<b>\$ (652)</b>	<b>\$ (235)</b>	<b>\$ (1,020)</b>	<b>\$ 95</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 7,792</b>	<b>\$ 7,557</b>	<b>\$ 6,772</b>	<b>\$ 6,867</b>

## DPS TECHNOLOGY FUND

The Department of Public Safety Technology Fund was established during FY 2014 to account for receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety, specifically resources received from the subleasing of telecommunications facilities located on Town property. These resources will be used to fund technological improvements related to public safety within the Town. Revenues for FY 2016 are anticipated to be \$287,440 with an accumulated fund balance projected to be \$193,868.

### DPS TECHNOLOGY FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ 23,773	\$ 23,773	\$ 107,428
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 20	\$ 10	\$ 325	\$ 600
Alarm Monitoring Charges	-	134,030	132,650	201,000
Fiber line Lease Receipts	36,300	73,200	83,330	85,840
<b>Total Revenues</b>	<b>\$ 36,320</b>	<b>\$ 207,240</b>	<b>\$ 216,305</b>	<b>\$ 287,440</b>
Transfers	-	-	-	-
<b>Total Revenues/Sources</b>	<b>\$ 36,320</b>	<b>\$ 207,240</b>	<b>\$ 216,305</b>	<b>\$ 287,440</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Services & Charges	\$ 2	\$ 134,055	\$ 132,650	\$ 201,000
Technology Equipment Acquisition	12,545	-	-	-
<b>Total Expenditures</b>	<b>\$ 12,547</b>	<b>\$ 134,055</b>	<b>\$ 132,650</b>	<b>\$ 201,000</b>
Transfers	-	-	-	-
<b>Total Expenditures/Uses</b>	<b>\$ 12,547</b>	<b>\$ 134,055</b>	<b>\$ 132,650</b>	<b>\$ 201,000</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ 23,773</b>	<b>\$ 73,185</b>	<b>\$ 83,655</b>	<b>\$ 86,440</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 23,773</b>	<b>\$ 96,958</b>	<b>\$ 107,428</b>	<b>\$ 193,868</b>

# **DEBT**

## **Legal Debt Margin Information And Debt Service Status**

As a home rule city, the Town of Highland Park is not limited by the law in the amount of debt it may issue. The Town's charter (Section 9.10) states:

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

The Town of Highland Park, as of September 30, 2015, does not have any outstanding deb. The FY2015-16 Adopted Budget does not include any issuance of debt to fund short term or long range capital projects. The Town funds capital projects on a pay as you go basis.

## **CAPITAL PROJECTS FUND**

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

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

The FY 2016 Adopted Budget includes transfers to the Capital Projects Fund from the General and Utility Funds. The detail regarding these transfers is presented on pages 103 and 120, respectively. In addition to these transfers, the Town's Financial Management Policies also provide for the transfer of any annual operating surplus realized by the General Fund for each preceding fiscal year.

With the completion of the major renovation of Town Hall, one of the most extensive projects undertaken by the Town, the Town Council has turned its attention to the maintenance and preservation of the Town's public infrastructure, including road and bridges, utility lines, inlets, parks, traffic signs and signals, and other major technology projects. The budget for the Capital Projects Fund includes \$888,501 for the 2016 right-of-way rehabilitation program and \$1,786,320 for Preston Road rehabilitation project. In addition, this budget includes reimbursement of \$319,300 in personnel costs to the Utility Fund, representing that portion of Engineering Department personnel costs associated with Capital Projects Fund funded projects.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 159.

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

	FY 2014 Actual	FY 2015 Budget	FY 2015 Projected	FY 2016 Adopted
<b>BEGINNING FUND BALANCE</b>	\$ 9,028,672	\$ 1,555,126	\$ 1,555,126	\$ 3,297,125
<b>REVENUES/SOURCES OF FUNDS</b>				
Interest	\$ 19,330	\$ 8,500	\$ 8,500	\$ 16,475
Contributions	702,884	448,857	448,857	1,393,160
<b>Total Revenues</b>	<b>\$ 722,214</b>	<b>\$ 457,357</b>	<b>\$ 457,357</b>	<b>\$ 1,409,635</b>
Transfers	1,575,106	2,846,221	2,894,367	2,977,380
<b>Total Revenues/Sources</b>	<b>\$ 2,297,320</b>	<b>\$ 3,303,578</b>	<b>\$ 3,351,724</b>	<b>\$ 4,387,015</b>
<b>EXPENDITURES/USES OF FUNDS</b>				
Capital Projects	\$ 9,493,255	\$ 1,426,572	\$ 1,315,625	\$ 2,915,621
<b>Total Expenditures</b>	<b>\$ 9,493,255</b>	<b>\$ 1,426,572</b>	<b>\$ 1,315,625</b>	<b>\$ 2,915,621</b>
Transfers	277,611	296,148	294,100	669,300
<b>Total Expenditures/Uses</b>	<b>\$ 9,770,866</b>	<b>\$ 1,722,720</b>	<b>\$ 1,609,725</b>	<b>\$ 3,584,921</b>
<b>Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses</b>	<b>\$ (7,473,546)</b>	<b>\$ 1,580,858</b>	<b>\$ 1,741,999</b>	<b>\$ 802,094</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,555,126</b>	<b>\$ 3,135,984</b>	<b>\$ 3,297,125</b>	<b>\$ 4,099,219</b>



## **PAY PLAN**

The Pay Plans incorporated in the Town's FY 2016 Proposed Budget are designed to maintain equity in the Town's designated public sector market.

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

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

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

**TOWN OF HIGHLAND PARK GRADED PAY PLAN  
NON-EXEMPT EMPLOYEES  
FISCAL YEAR 2016**

Grade	Position	Base Pay Range		Maximum W/PFP
		Minimum	Maximum	
8	Communications Manager Development Services Manager Foreman Manager of Town Services	\$83,189	\$112,306	\$120,167
7	Project Engineer Senior Building Inspector Town Secretary	\$72,339	\$97,656	\$104,492
6	Accreditation Manager Building Inspector Communications Supervisor Construction Coordinator Customer Service Supervisor Town Services Coordinator	\$62,903	\$84,918	\$90,862
5	Construction Inspector Electrical/Mechanical Tech Engineering Tech Library Assistant Project Coordinator Support Services Officer	\$54,698	\$73,842	\$79,011
4	Communications Specialist Court Clerk DPS Administrative Secretary Irrigation/Mosquito Inspector Parks Maintenance Specialist Public Works Maintenance Worker III Secretary II Senior Accounting Tech	\$47,563	\$64,211	\$68,706
3	Accounting Technician Administrative Services Clerk Building Permit Tech Customer Service Specialist II Deputy Court Clerk Parks Maintenance Worker II Public Works Maintenance Worker II	\$41,360	\$55,835	\$59,743
2	Customer Service Specialist I Library Associate Public Works Maintenance Worker I Secretary I	\$35,965	\$48,552	\$51,951
1	Parks Maintenance Worker I	\$31,274	\$42,220	\$45,175

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

**TOWN OF HIGHLAND PARK GRADED PAY PLAN  
PUBLIC SAFETY PERSONNEL  
FISCAL YEAR 2016**

<b>Grade</b>	<b>Position</b>	<b>Base Pay Range</b>		<b>Maximum W/PFP</b>
		<b>Minimum</b>	<b>Maximum</b>	
G	Captain	\$124,690	\$137,160	\$146,761
F	Lieutenant	\$108,426	\$119,269	\$127,618
E	Sergeant	\$94,283	\$103,712	\$110,972
D	Unassigned	-	-	-
C	Public Safety Officer	\$73,169	\$87,803	\$93,949
B	Fire Fighter Police Officer	\$60,974	\$67,071	\$71,766
A	Public Safety Apprentice	\$58,203	\$58,203	\$62,277

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

**TOWN OF HIGHLAND PARK GRADED PAY PLAN  
EXEMPT POSITION  
FISCAL YEAR 2016**

<b>Grade</b>	<b>Position</b>	<b>Minimum</b>	<b>Maximum</b>
E-4	Director of Public Safety Director of Administrative Services & CFO	\$159,438	\$207,268
E-3	Director of Town Services Town Engineer	\$144,943	\$188,425
E-2	Assistant Director of Public Safety	\$137,713	\$179,027
E-1	Town Librarian IT Manager Controller	\$103,233	\$134,203
E	Librarian I	\$83,189	\$120,167

**PAY INCENTIVES AND ENHANCEMENTS**

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

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

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

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





## **COMMUNITY INFORMATION**

# HIGHLAND PARK, TEXAS

## HISTORY

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

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

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

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

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

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

## LOCATION

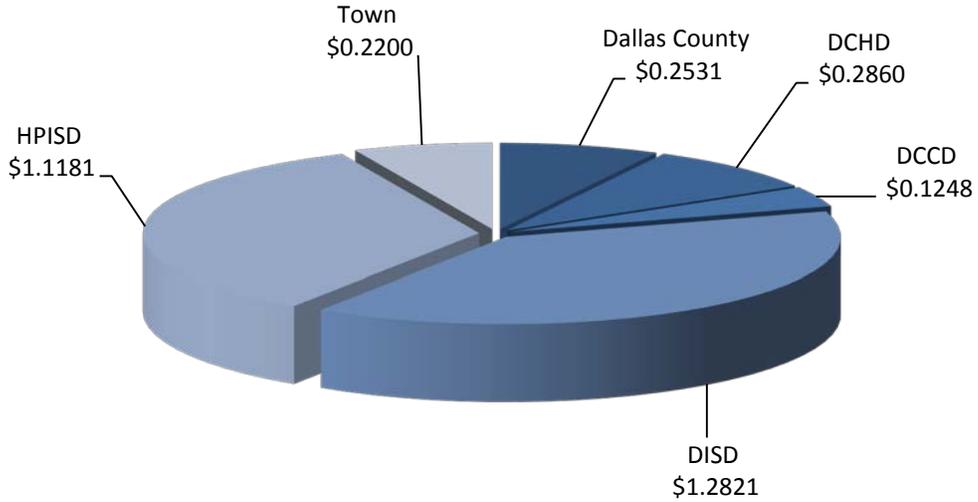
Highland Park is located approximately three miles north of the center of Dallas, two miles from Love Field and thirty minutes from the Dallas/Fort Worth International Airport. The Township encompasses 2.26 square miles and has an estimated 8,850 residents.

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



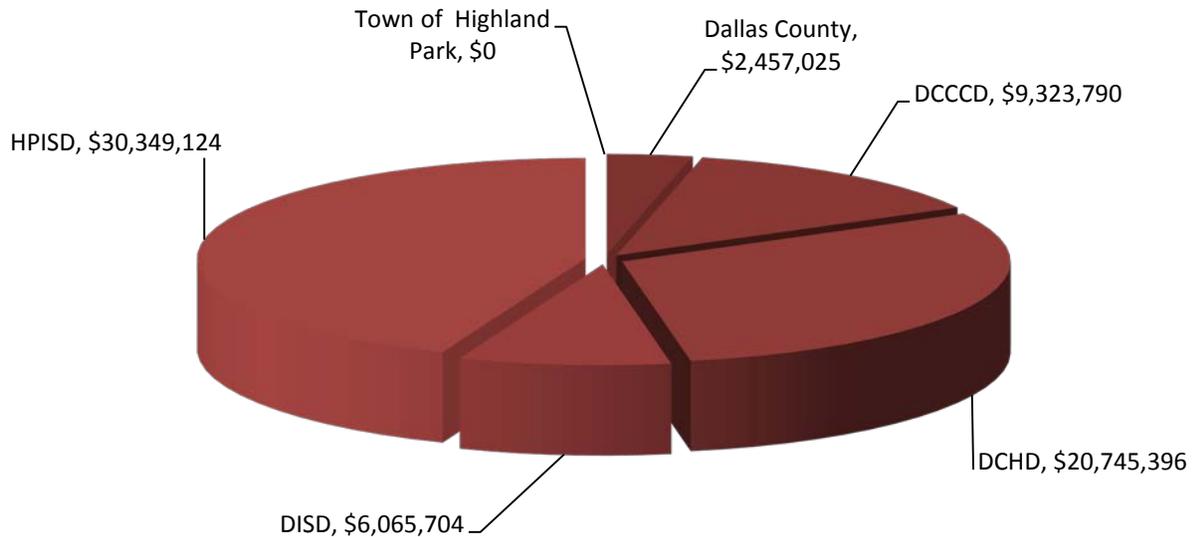
# TOWN OF HIGHLAND PARK

## Direct and Overlapping Property Tax Rates



Per \$100 Taxable Valuation

## Direct and Overlapping Debt



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

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

Tax Year	Appraised Property Value			Taxable Value
	Real Property	Business Personal Property	Total	
2006	4,642,666,780	46,477,560	4,689,144,340	3,586,764,140
2007	5,200,150,870	53,984,270	5,254,135,140	4,011,360,559
2008	5,562,599,420	55,586,640	5,618,186,060	4,337,523,911
2009	5,670,130,390	60,667,890	5,730,798,280	4,517,538,629
2010	5,459,810,500	59,316,040	5,519,126,540	4,421,941,832
2011	5,407,849,850	56,732,470	5,464,582,320	4,405,824,652
2012	5,423,170,690	61,252,130	5,484,422,820	4,446,174,261
2013	5,580,077,680	72,506,290	5,652,583,970	4,578,113,028
2014	6,040,379,500	79,298,850	6,119,678,350	4,924,756,994
2015	6,041,542,500	78,135,850	6,667,338,770	5,324,500,745

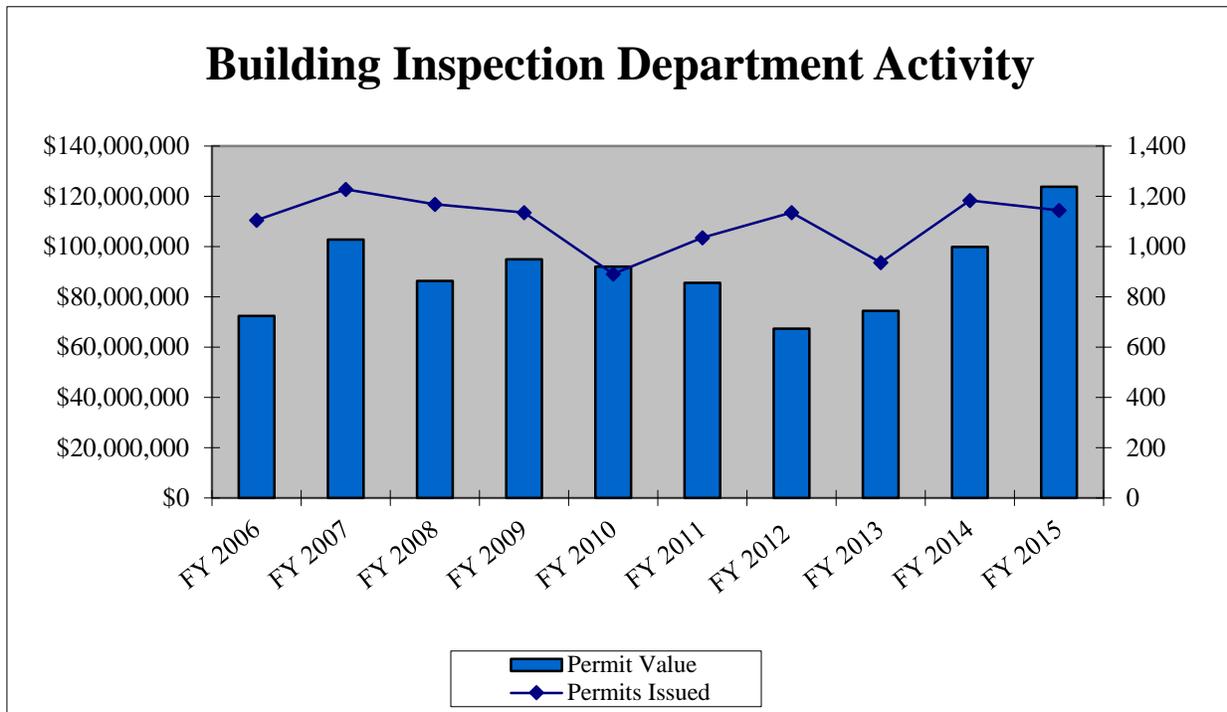
The difference between the appraised value and the taxable value represents that value that is exempted from taxation due to 1) an optional 20% Homestead exemption; 2) a \$50,000 over 65 exemption; 3) reappraisal value that exceeds the 10% per year cap; and 4) other exemptions provided under the Texas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

**PRINCIPAL TAXPAYERS - 2015 TAX ROLL**

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Taxable Valuation</u>	<u>% of Taxable Valuation</u>
HP Village Partners LP	Commercial	\$ 130,004,050	2.64%
Cox, Edwin L Trust	Residential	29,051,230	0.59%
Muse, John R	Residential	26,114,502	0.53%
Crow Margaret Life Estate	Residential	24,265,480	0.49%
Crow, Harlan	Residential	22,214,948	0.45%
Highland Park Shops LLC	Commercial	18,000,000	0.37%
Mitchell, Amy	Residential	17,600,000	0.36%
Intercity Investment	Commercial	17,162,310	0.35%
Dallas Country Club	Commercial	17,140,230	0.35%
L & B Depp UCEPP 5500	Commercial	17,000,000	0.35%

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

<u>Commercial Construction</u>			<u>Residential Construction</u>		<u>Property Value</u>	
<u>Fiscal Year</u>	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>	<u>Real Property</u>	<u>Personal Property</u>
2006	30	3,261,489	1,198	69,202,875	\$ 3,985,776,180	46,470,240
2007	20	3,157,626	1,149	99,673,538	\$ 4,638,493,550	46,466,590
2008	22	8,626,739	1,113	77,757,810	\$ 5,187,681,250	54,237,020
2009	21	41,335,048	870	53,601,984	\$ 5,549,244,010	56,490,150
2010	31	19,975,233	1,004	72,021,698	\$ 5,622,164,550	61,504,450
2011	38	8,985,914	1,097	76,604,257	\$ 5,447,807,590	69,937,910
2012	34	3,235,348	903	64,144,609	\$ 5,407,849,850	56,732,470
2013	33	4,517,931	1,150	69,905,735	\$ 5,423,170,690	61,252,130
2014	34	8,632,850	1,110	91,191,908	\$ 5,580,077,680	72,506,290
2015	48	12,690,806	1,162	100,306,992	\$ 6,040,379,500	79,298,850



**HISTORICAL REVENUE & EXPENDITURE TREND DATA**

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

	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012
Property Taxes	\$ 8,006,949	\$ 8,810,756	\$ 9,489,356	\$ 9,916,353	\$ 9,709,443	\$ 9,657,658
Water Sales	3,274,740	4,010,940	4,454,732	4,310,020	5,785,103	5,442,217
Sanitary Sewer Charges	2,097,488	2,405,417	2,766,697	2,532,334	2,739,169	2,591,081
Sales Tax	2,236,280	2,404,371	2,329,480	2,385,863	2,564,337	2,923,273
Sanitation & Recycling Charges	1,016,162	1,166,990	1,221,634	1,220,700	1,254,786	1,254,087
Franchise Fees	917,895	978,380	1,030,631	948,318	995,485	1,078,503
Building Activity Fees	1,355,612	830,270	988,221	1,002,463	961,466	980,357
Court Fines/Fees	747,548	680,151	662,569	676,094	728,147	685,854
Interest on Investments	1,230,961	1,033,985	449,027	265,916	129,195	92,310
Other Charges for Service	1,424,647	1,598,306	1,650,295	1,334,517	1,467,229	1,951,688
Storm Water Drainage Fees	179,654	181,050	179,019	181,507	186,581	363,265
All Other	<u>1,271,763</u>	<u>3,885,857</u>	<u>1,871,547</u>	<u>609,681</u>	<u>877,368</u>	<u>786,540</u>
<b>Total</b>	<b>\$ 23,759,699</b>	<b>\$ 27,986,473</b>	<b>\$ 27,093,208</b>	<b>\$ 25,383,766</b>	<b>\$ 27,398,309</b>	<b>\$ 27,806,833</b>

Source: Actual Column of Prior Year Budget Documents.

Actual FY 2013	Actual FY 2014	Projected FY 2015	Adopted FY 2016
\$ 9,689,485	\$ 10,039,679	\$ 10,760,424	\$ 11,639,262
5,576,020	5,370,747	5,017,335	6,139,164
2,668,813	2,545,727	2,267,503	2,654,168
2,952,203	3,437,806	3,483,545	3,693,000
1,242,590	1,231,340	1,236,094	1,248,500
965,140	1,024,423	1,064,210	1,085,470
1,030,649	1,306,011	1,263,020	1,302,230
839,826	779,530	811,625	1,090,800
60,187	60,870	52,912	84,520
1,821,027	1,764,849	2,113,399	2,358,858
352,908	374,523	381,875	389,900
<u>2,262,525</u>	<u>859,129</u>	<u>732,412</u>	<u>1,731,000</u>
\$ 29,461,373	\$ 28,794,634	\$ 29,184,354	\$ 33,416,872

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

	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012
Personnel						
Payroll	\$ 8,588,227	\$ 9,671,899	\$ 9,789,847	\$ 10,442,258	\$ 10,142,629	\$ 10,705,530
Benefits	3,021,312	3,402,958	3,535,592	3,454,300	3,313,033	2,884,800
Subtotal	<u>\$ 11,609,539</u>	<u>\$ 13,074,857</u>	<u>\$ 13,325,439</u>	<u>\$ 13,896,558</u>	<u>\$ 13,455,662</u>	<u>\$ 13,590,330</u>
Supplies & Equipment	2,002,554	2,550,896	2,413,197	2,895,333	3,727,917	3,578,680
Services & Charges	4,123,949	4,907,384	5,398,309	4,665,962	4,251,555	5,003,252
Capital Outlay	11,502,862	4,273,854	2,090,784	4,409,399	6,974,590	13,371,122
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 29,238,904	\$ 24,806,991	\$ 23,227,729	\$ 25,867,252	\$ 28,409,724	\$ 35,543,384

Source: Actual Column of Prior Year Budget Documents.

Actual FY 2013	Projected FY 2014	Projected FY 2015	Adopted FY 2016
\$ 11,139,374	\$ 11,476,313	\$ 11,650,156	\$ 12,271,240
2,783,687	2,858,783	2,722,228	2,866,358
\$ 13,923,061	\$ 14,335,096	\$ 14,372,384	\$ 15,137,598
3,830,378	3,627,234	3,385,987	3,397,116
5,236,432	5,172,547	5,758,485	6,001,221
10,326,570	11,713,808	4,939,707	6,701,786
-	-	-	-
\$ 33,316,441	\$ 34,848,685	\$ 28,456,563	\$ 31,237,721

**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>
2007	456,690	53,938	410,182	24,698	945,508	5,258
2008	480,575	57,300	528,802	42,439	1,109,116	5,290
2009	467,293	52,707	572,186	38,416	1,130,602	5,333
2010	422,274	45,382	478,515	34,266	980,437	5,361
2011	471,920	43,182	668,402	52,296	1,235,800	5,382
2012	436,204	43,522	617,168	42,031	1,138,925	5,389
2013	408,100	45,500	595,900	45,400	1,094,900	5,416
2014	389,617	41,485	528,557	37,066	996,725	5,416
2015	367,780	36,758	509,248	32,472	946,258	5,474
2016 *	330,368	33,019	457,445	29,168	850,000	5,475

\*Projected

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



**FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM**

**TOWN OF HIGHLAND PARK, TEXAS**

**CAPITAL PROJECTS FUND**

**FISCAL YEARS 2016-2020**

<b>Project/Funding Source</b>	<b>2015-16</b>	<b>2016-17</b>
<b><i>Beginning Balance</i></b>	<b>\$ 3,374,263</b>	<b>\$ 4,363,684</b>
<b><i>Annual Project Funding</i></b>		
General Fund CIP Transfer	\$ 1,070,700	\$ 1,093,185
General Fund 5% Solid Waste Transfer	62,400	63,024
Utility Fund 5% W&S Transfer	436,000	440,360
Supplemental General Fund Transfer	414,317	397,282
Increased CIP Revenue from Growth in Property Values - 2014	342,651	342,651
Increased CIP Revenue from Growth in Property Values - 2015	705,188	705,188
Surplus Transfer from General Fund	-	-
Contributions	-	-
Intergovernmental Revenue	1,393,160	659,760
Transfer from DPS Technology Fund	79,452	81,835
Interest Revenue	16,475	22,342
<b><i>Total Annual Project Funding</i></b>	<b>\$ 4,520,343</b>	<b>\$ 3,805,627</b>
<b><i>Expenditures</i></b>		
Town Wide Video & LPR System Study	\$ 100,000	\$ -
Project 25 Dallas City/County Radio System	-	-
Flippen Park Improvements	-	110,000
Tennis Court Reconstruction	50,000	50,000
Street Resurfacing & Miscellaneous Concrete	925,301	945,658
Preston Road Rehabilitation	1,786,320	1,319,520
Livingston Avenue Rehabilitation	-	378,000
Lakeside Drive Rehabilitation	-	-
Armstrong Parkway Rehabilitation	-	-
Transfers to Stormwater Fund	350,000	350,000
Future Unidentified Projects	-	-
Project Personnel Costs	319,300	327,283
<b><i>Total Expenditures</i></b>	<b>\$ 3,530,921</b>	<b>\$ 3,480,461</b>
<b><i>Ending Balance</i></b>	<b>\$ 4,363,684</b>	<b>\$ 4,688,850</b>
<b><i>Ideal Fund Balance</i></b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>
<b><i>Over(Under) Ideal Fund Balance</i></b>	<b>\$ 2,363,684</b>	<b>\$ 2,688,850</b>



<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>Total</u>
<b>\$ 4,688,850</b>	<b>\$ 4,122,525</b>	<b>\$ 5,012,407</b>	<b>\$ 3,374,263</b>
\$ 1,116,142	\$ 1,139,581	\$ 1,163,512	\$ 5,583,120
63,654	64,291	64,934	318,303
444,764	449,212	453,704	2,224,040
489,053	537,118	641,790	2,479,560
342,651	342,651	342,651	1,713,255
705,188	705,188	705,188	3,525,940
-	-	-	-
-	-	-	-
-	390,360	-	2,443,280
84,290	86,819	89,424	421,819
24,007	21,107	25,664	109,595
<b>\$ 3,269,749</b>	<b>\$ 3,736,327</b>	<b>\$ 3,486,867</b>	<b>\$ 18,818,912</b>
\$ -	\$ -	\$ -	\$ 100,000
334,148	334,148	334,148	1,002,444
-	-	-	110,000
50,000	50,000	50,000	250,000
966,462	987,724	1,009,454	4,834,599
-	-	-	3,105,840
-	-	-	378,000
1,800,000	-	-	1,800,000
-	780,720	-	780,720
350,000	350,000	350,000	1,750,000
-	-	500,000	500,000
335,465	343,852	352,448	1,678,348
<b>\$ 3,836,075</b>	<b>\$ 2,846,444</b>	<b>\$ 2,596,050</b>	<b>\$ 16,289,951</b>
<b>\$ 4,122,525</b>	<b>\$ 5,012,407</b>	<b>\$ 5,903,224</b>	<b>\$ 5,903,224</b>
<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>
<b>\$ 2,122,525</b>	<b>\$ 3,012,407</b>	<b>\$ 3,903,224</b>	<b>\$ 3,903,224</b>

**TOWN OF HIGHLAND PARK, TEXAS**  
**STORM WATER FUND**  
**FISCAL YEARS 2016-2020**

<b>Project/Funding Source</b>	<b>2015-16</b>	<b>2016-17</b>
<b><i>Beginning Balance</i></b>	<b>\$ 864,706</b>	<b>\$ 553,406</b>
<b><i>Annual Project Funding</i></b>		
Charges for Services net of Operating Expenses	\$ 305,900	\$ 312,237
Transfers - In from CIP	350,000	350,000
<b><i>Total Annual Project Funding</i></b>	<b>\$ 655,900</b>	<b>\$ 662,237</b>
<b><i>Expenditures</i></b>		
Douglas Park Drainage Improvement	\$ 105,000	\$ -
Exall Lake Dredging & Silt Removal	742,500	-
Conner Park Shoreline Stabilization & Silt Removal	-	858,000
Hackberry Creek Improvements	-	-
Master Plan for Hackberry Creek & Conner Lake	-	-
Project Personnel Costs	119,700	122,693
<b><i>Total Expenditures</i></b>	<b>\$ 967,200</b>	<b>\$ 980,693</b>
<b><i>Ending Balance</i></b>	<b>\$ 553,406</b>	<b>\$ 234,950</b>

<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>Total</u>
\$ 234,950	\$ 327,895	\$ 445,797	\$ 864,706
\$ 318,705	\$ 325,306	\$ 332,045	\$ 1,594,193
350,000	350,000	350,000	1,750,000
<u>\$ 668,705</u>	<u>\$ 675,306</u>	<u>\$ 682,045</u>	<u>\$ 3,344,193</u>
\$ -	\$ -	\$ -	\$ 105,000
-	-	-	742,500
-	-	-	858,000
200,000	428,500	400,000	1,028,500
250,000	-	-	250,000
125,760	128,904	132,127	629,184
<u>\$ 575,760</u>	<u>\$ 557,404</u>	<u>\$ 532,127</u>	<u>\$ 3,613,184</u>
<u>\$ 327,895</u>	<u>\$ 445,797</u>	<u>\$ 595,715</u>	<u>\$ 595,715</u>

**TOWN OF HIGHLAND PARK, TEXAS**

**UTILITY FUND**

**FISCAL YEARS 2016-2020**

<b>Project/Funding Source</b>	<b>2015-16</b>	<b>2016-17</b>
<b><i>Beginning Balance</i></b>	<b>\$ 232,054</b>	<b>\$ 302,998</b>
<b><i>Annual Project Funding</i></b>		
Capital Funding Allocation	\$ 1,945,944	\$ 1,988,755
Intergovernmental Revenue	900,000	350,000
<b><i>Total Annual Project Funding</i></b>	<b>\$ 2,845,944</b>	<b>\$ 2,338,755</b>
<b><i>Expenditures</i></b>		
Turtle Creek 30-Inch Sanitary Sewer Interceptor Impr.	\$ 1,100,000	
New Pump Station & Discharge Line at Gillon Pump Station	170,000	-
Smart Water Meter Program	350,000	350,000
Water & Sanitary Sewer Infrastructure Replace./Rehab.	1,155,000	2,000,000
<b><i>Total Expenditures</i></b>	<b>\$ 2,775,000</b>	<b>\$ 2,350,000</b>
<b><i>Ending Balance</i></b>	<b>\$ 302,998</b>	<b>\$ 291,753</b>



<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>Total</u>
\$ 291,753	\$ 282,261	\$ 274,602	\$ 232,054
\$ 2,032,508	\$ 2,077,223	\$ 2,122,922	\$ 10,167,352
350,000	-	-	1,600,000
<u>\$ 2,382,508</u>	<u>\$ 2,077,223</u>	<u>\$ 2,122,922</u>	<u>\$ 11,767,352</u>
-	-	-	\$ 1,100,000
350,000	-	-	170,000
2,042,000	2,084,882	2,128,665	1,050,000
<u>\$ 2,392,000</u>	<u>\$ 2,084,882</u>	<u>\$ 2,128,665</u>	<u>\$ 11,730,547</u>
<u>\$ 282,261</u>	<u>\$ 274,602</u>	<u>\$ 268,860</u>	<u>\$ 268,860</u>



## **10-YEAR FINANCIAL FORECAST**



## **10-YEAR FINANCIAL FORECAST BASIC ASSUMPTIONS**

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### **General Fund**

#### ***Revenues:***

- Property tax revenue is based on estimated taxable assessed values and the tax rate projected for each fiscal year. The Town's taxable assessed value is projected to grow at a rate of 5% per year.
- Building and permits revenue is indexed at 4.67% per year.
- Sales tax is indexed at 5.0%.
- Interest revenue is based on .51% of fund balance.
- Transfers-in is indexed at 2.2% per year.
- Other operational revenues are indexed based on five-year trends ranging from .83% to 4.71% based on the revenue category.

#### ***Expenditures:***

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

### **Storm Water Fund**

#### ***Revenues:***

- Storm water revenues are indexed each year by 2.1%.
- A transfer from the Capital Improvement Fund of \$350,000 per year is anticipated over the next 10 years.

#### ***Expenditures:***

- "Supplies & Equipment" and "Services & Charges" are indexed at 2.2% each year.
- Capital outlay is projected based on identified projects and beginning in fiscal year 2020-21, \$800,000 per year is included in anticipation of future projects.
- Transfers-out is indexed at 2.2% per year.

### **Utility Fund**

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

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

<b>GENERAL FUND</b>				
Estimated Tax Rate Per \$100 T.A.V.	22.00 Cents 2015-16	22.00 Cents 2016-17	22.00 Cents 2017-18	22.00 Cents 2018-19
<b>BEGINNING FUND BALANCE</b>	\$ 3,532,438	\$ 3,376,517	\$ 3,520,743	\$ 3,671,505
<b>REVENUES:</b>				
Property Taxes	\$ 11,596,762	\$ 12,211,601	\$ 12,820,431	\$ 13,459,702
Sales Taxes	3,693,000	3,877,650	4,071,533	4,275,110
Sanitation/Recycling Charges	1,248,500	1,251,748	1,255,004	1,258,268
Franchise Fees	1,085,470	1,113,320	1,141,884	1,171,181
Building Inspection Fees/Permits	1,220,760	1,277,746	1,337,392	1,399,822
Municipal Court Fines/Fees	1,036,500	1,077,960	1,121,078	1,165,921
Interest Earnings	33,000	34,576	36,053	37,596
All Other	1,412,028	1,455,227	1,499,748	1,545,631
	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 21,326,020</b>	<b>\$ 22,299,828</b>	<b>\$ 23,283,123</b>	<b>\$ 24,313,231</b>
Transfers from Other Funds	1,131,100	1,155,984	1,181,416	1,207,407
<b>TOTAL REVENUES &amp; TRANSFERS-IN</b>	<b>\$ 22,457,120</b>	<b>\$ 23,455,812</b>	<b>\$ 24,464,539</b>	<b>\$ 25,520,638</b>
<b>EXPENDITURES:</b>				
Personnel Services:				
Payroll	\$ 10,859,603	\$ 11,348,285	\$ 11,858,958	\$ 12,392,611
Taxes	779,774	818,211	855,031	893,507
Retirement (TMRS)	349,640	362,010	378,301	395,324
Insurance	1,343,667	1,441,755	1,547,003	1,659,934
Total Personnel	\$ 13,332,684	\$ 13,970,261	\$ 14,639,292	\$ 15,341,377
Supplies & Equipment	\$ 988,644	\$ 1,023,247	\$ 1,059,061	\$ 1,096,128
Services & Charges	4,178,396	4,324,640	4,476,002	4,632,662
Capital Outlay:				
Sustaining				
Equipment	-	-	-	50,000
CIP	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 18,499,724</b>	<b>\$ 19,318,148</b>	<b>\$ 20,174,355</b>	<b>\$ 21,120,167</b>
Transfers to Capital Projects Fund	2,595,256	2,601,330	2,716,688	2,788,829
Transfers to Other Funds	1,362,140	1,392,107	1,422,733	1,454,034
<b>TOTAL EXPENDITURES &amp; TRANSFERS-OUT</b>	<b>\$ 22,457,120</b>	<b>\$ 23,311,585</b>	<b>\$ 24,313,777</b>	<b>\$ 25,363,029</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 3,532,438</b>	<b>\$ 3,520,743</b>	<b>\$ 3,671,505</b>	<b>\$ 3,829,114</b>
<b>FUND BALANCE MINIMUM</b>	<b>\$ 3,376,517</b>	<b>\$ 3,520,743</b>	<b>\$ 3,671,505</b>	<b>\$ 3,829,114</b>
<b>FUND BALANCE SURPLUS</b>	<b>\$ 155,921</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 0</b>
<b>CAPITAL PROJECTS FUND</b>				
<b>Beginning Balance</b>	<b>\$ 3,374,263</b>	<b>\$ 4,363,684</b>	<b>\$ 4,688,850</b>	<b>\$ 4,122,525</b>
Total Annual Project Funding (1)	4,520,343	3,805,627	3,269,749	3,736,327
Total Expenditures	3,530,921	3,480,461	3,836,075	2,846,444
<b>Ending Balance</b>	<b>\$ 4,363,684</b>	<b>\$ 4,688,850</b>	<b>\$ 4,122,525</b>	<b>\$ 5,012,407</b>
Ideal Fund Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
<b>Over(Under) Ideal Fund Balance</b>	<b>\$ 2,363,684</b>	<b>\$ 2,688,850</b>	<b>\$ 2,122,525</b>	<b>\$ 3,012,407</b>
<b>PROPERTY TAX ASSUMPTIONS</b>				
<b>Property Tax Revenue</b>	<b>\$ 11,596,762</b>	<b>\$ 12,211,601</b>	<b>\$ 12,820,431</b>	<b>\$ 13,459,702</b>
<b>Property Values (2)</b>	<b>\$ 5,324,500,745</b>	<b>\$ 5,590,725,782</b>	<b>\$ 5,870,262,071</b>	<b>\$ 6,163,775,175</b>
<b>Tax Rate</b>	<b>0.22</b>	<b>0.22</b>	<b>0.22</b>	<b>0.22</b>

(1) Includes funding from other funds and external sources.

(2) Growth in taxable assessed value (T.A.V.) projected at 5% per year.

<u>22.00 Cents</u> <u>2019-20</u>	<u>22.00 Cents</u> <u>2020-21</u>	<u>22.00 Cents</u> <u>2021-22</u>	<u>22.00 Cents</u> <u>2022-23</u>	<u>22.00 Cents</u> <u>2023-24</u>	<u>22.00 Cents</u> <u>2024-25</u>
\$ 3,829,114	\$ 3,993,901	\$ 4,166,215	\$ 4,346,420	\$ 4,534,904	\$ 4,732,070
\$ 14,130,937	\$ 14,835,734	\$ 15,575,771	\$ 16,352,810	\$ 17,168,700	\$ 18,025,385
4,488,866	4,713,309	4,948,974	5,196,423	5,456,244	5,729,056
1,261,541	1,264,822	1,268,112	1,271,411	1,274,718	1,278,034
1,201,230	1,232,050	1,263,660	1,296,081	1,329,334	1,363,440
1,465,167	1,533,562	1,605,150	1,680,079	1,758,506	1,840,594
1,212,558	1,261,060	1,311,502	1,363,962	1,418,520	1,475,261
39,210	40,898	42,662	44,508	46,438	48,457
1,592,918	1,641,652	1,691,877	1,743,638	1,796,983	1,851,960
-	-	-	-	-	-
\$ 25,392,427	\$ 26,523,087	\$ 27,707,708	\$ 28,948,912	\$ 30,249,443	\$ 31,612,187
1,233,970	1,261,117	1,288,862	1,317,217	1,346,196	1,375,812
\$ 26,626,397	\$ 27,784,204	\$ 28,996,570	\$ 30,266,129	\$ 31,595,639	\$ 32,987,999
\$ 12,950,278	\$ 13,533,041	\$ 14,142,028	\$ 14,778,419	\$ 15,443,448	\$ 16,138,403
933,715	975,732	1,019,640	1,065,524	1,113,473	1,163,579
413,114	431,704	451,131	471,432	492,646	514,815
1,781,109	1,911,130	2,050,643	2,200,340	2,360,964	2,533,315
\$ 16,078,216	\$ 16,851,607	\$ 17,663,442	\$ 18,515,714	\$ 19,410,531	\$ 20,350,112
\$ 1,134,492	\$ 1,174,199	\$ 1,215,296	\$ 1,257,831	\$ 1,301,855	\$ 1,347,420
4,794,805	4,962,623	5,136,315	5,316,086	5,502,149	5,694,724
-	-	-	-	-	-
50,000	50,000	50,000	50,000	50,000	50,000
-	-	-	-	-	-
\$ 22,057,513	\$ 23,038,429	\$ 24,065,053	\$ 25,139,631	\$ 26,264,535	\$ 27,442,256
2,918,075	3,054,746	3,199,186	3,351,740	3,512,767	3,682,630
1,486,022	1,518,715	1,552,127	1,586,273	1,621,171	1,656,837
\$ 26,461,610	\$ 27,611,890	\$ 28,816,365	\$ 30,077,644	\$ 31,398,473	\$ 32,781,723
\$ 3,993,901	\$ 4,166,215	\$ 4,346,420	\$ 4,534,904	\$ 4,732,070	\$ 4,938,346
\$ 3,993,901	\$ 4,166,215	\$ 4,346,420	\$ 4,534,904	\$ 4,732,070	\$ 4,938,346
\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0
\$ 5,012,407	\$ 5,903,224	\$ 5,121,473	\$ 6,245,777	\$ 7,503,412	\$ 8,902,925
3,486,867	3,635,318	3,783,100	3,948,885	4,123,958	4,308,726
2,596,050	4,417,069	2,658,797	2,691,250	2,724,445	2,758,399
\$ 5,903,224	\$ 5,121,473	\$ 6,245,777	\$ 7,503,412	\$ 8,902,925	\$ 10,453,252
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 3,903,224	\$ 3,121,473	\$ 4,245,777	\$ 5,503,412	\$ 6,902,925	\$ 8,453,252
\$ 14,130,937	\$ 14,835,734	\$ 15,575,771	\$ 16,352,810	\$ 17,168,700	\$ 18,025,385
\$ 6,471,963,934	\$ 6,795,562,130	\$ 7,135,340,237	\$ 7,492,107,249	\$ 7,866,712,611	\$ 8,260,048,242
0.22	0.22	0.22	0.22	0.22	0.22

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

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
<b>BEGINNING FUND BALANCE</b>	\$ 864,706	\$ 553,406	\$ 234,950	\$ 327,895
<b>REVENUES:</b>				
User Fees	\$ 389,900	\$ 398,088	\$ 406,448	\$ 414,983
Interest Earnings	3,500	3,574	3,649	3,726
All Other	350,000	350,000	350,000	350,000
	-	-	-	-
<b>TOTAL REVENUES</b>	(1) \$ 743,400	\$ 751,662	\$ 760,097	\$ 768,709
Transfers from Other Funds	-	-	-	-
<b>TOTAL REVENUES &amp; TRANSFERS-IN</b>	<u>\$ 743,400</u>	<u>\$ 751,662</u>	<u>\$ 760,097</u>	<u>\$ 768,709</u>
<b>EXPENDITURES:</b>				
Supplies & Equipment	\$ 7,000	\$ 7,154	\$ 7,311	\$ 7,472
Services & Charges	80,500	82,271	84,081	85,931
Capital Outlay:	-	-	-	-
Sustaining	-	-	-	-
Equipment	-	-	-	-
CIP	847,500	858,000	450,000	428,500
<b>TOTAL EXPENDITURES</b>	(2) \$ 935,000	\$ 947,425	\$ 541,392	\$ 521,903
Transfers to Other Funds	(3) 119,700	122,693	125,760	128,904
<b>TOTAL EXPENDITURES &amp; TRANSFERS-OUT</b>	<u>\$ 1,054,700</u>	<u>\$ 1,070,118</u>	<u>\$ 667,152</u>	<u>\$ 650,807</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 553,406</u>	<u>\$ 234,950</u>	<u>\$ 327,895</u>	<u>\$ 445,797</u>

(1) Storm Water Fees indexed each year by 2.1%.

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

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

<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
\$ 445,797	\$ 595,715	\$ 349,207	\$ 106,333	\$ (132,846)	\$ (368,267)
\$ 423,698	\$ 432,595	\$ 441,680	\$ 450,955	\$ 460,425	\$ 470,094
3,804	3,884	3,966	4,049	4,134	4,221
350,000	350,000	350,000	350,000	350,000	350,000
-	-	-	-	-	-
\$ 777,502	\$ 786,479	\$ 795,646	\$ 805,004	\$ 814,559	\$ 824,315
-	-	-	-	-	-
\$ 777,502	\$ 786,479	\$ 795,646	\$ 805,004	\$ 814,559	\$ 824,315
\$ 7,636	\$ 7,804	\$ 7,976	\$ 8,151	\$ 8,330	\$ 8,513
87,821	89,753	91,728	93,746	95,808	97,916
-	-	-	-	-	-
-	-	-	-	-	-
400,000	800,000	800,000	800,000	800,000	800,000
\$ 495,457	\$ 897,557	\$ 899,704	\$ 901,897	\$ 904,138	\$ 906,429
132,127	135,430	138,816	142,286	145,843	149,489
\$ 627,584	\$ 1,032,987	\$ 1,038,520	\$ 1,044,183	\$ 1,049,981	\$ 1,055,918
\$ 595,715	\$ 349,207	\$ 106,333	\$ (132,846)	\$ (368,267)	\$ (599,870)



## **GLOSSARY**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CIP** Capital Improvement Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Inter-fund Transfer** See **Transfer**

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

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

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

**Major Fund** The General, Utility and Capital Projects Funds.

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

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

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

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

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

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

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

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

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

**Proprietary Fund** See Utility Fund and Internal Service Fund.

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

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

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

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

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

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

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

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

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

**TMRS** The Texas Municipal Retirement System

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

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

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

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

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

**Working Capital** See Net Working Capital

