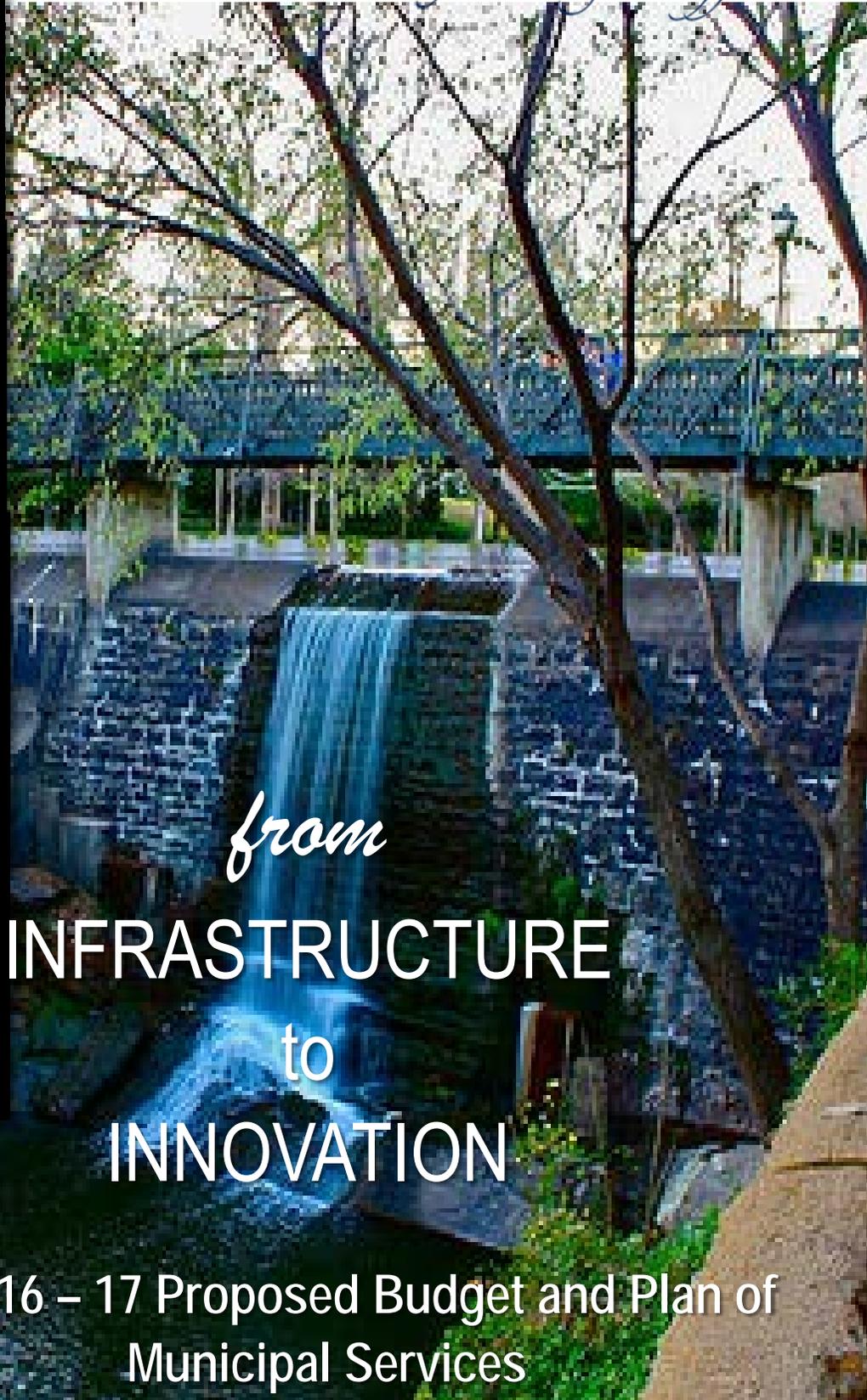




THE TOWN OF

Highland Park
TEXAS

An American Community Making a Difference



from
INFRASTRUCTURE
to
INNOVATION

**FY 2016 – 17 Proposed Budget and Plan of
Municipal Services**



Town of Highland Park
Proposed Budget
 Operating and Capital
For the Fiscal Year 2016-2017

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,020,517 which is an 8.75 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$169,957.

The members of the governing body voted on the budget as follows:

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Tax Rate:	Adopted 2016-17	Adopted 2015-16
Property Tax Rate:	\$0.220000/100	\$0.220000/100
Effective Tax Rate:	\$0.204043/100	\$0.204739/100
Effective Maintenance & Operations Tax Rate:	\$0.204043/100	\$0.204739/100
Rollback Tax Rate:	\$0.220366/100	\$0.221118/100
Debt Rate:	\$0.000000/100	\$0.000000/100

Total debt obligation for Town of Highland Park secured by property taxes: \$0.00



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Highland Park
Texas**

For the Fiscal Year Beginning

October 1, 2015

Executive Director

TOWN OF HIGHLAND PARK, TEXAS

PROPOSED BUDGET OPERATING AND CAPITAL OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017

AS SUBMITTED TO
THE MAYOR AND THE TOWN COUNCIL

JOEL T. WILLIAMS III
MAYOR

BOB CARTER
MAYOR PRO TEM

DAVID DOWLER
ERIC GAMBRELL
MARGO GOODWIN
JOHN MCKNIGHT
COUNCIL MEMBERS

BILL LINDLEY
TOWN ADMINISTRATOR

STEVEN J. ALEXANDER
DIRECTOR OF ADMINISTRATIVE SERVICES & CFO

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CONTROLLER

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MEMORANDUM

To: Mayor and Town Council Members
From: Bill Lindley, Town Administrator
Date: July 29, 2016
Subject: Fiscal Year 2016-17 Proposed Budget – Executive Summary



SUMMARY

The guiding principle in developing the Proposed Budget was the Town Council's attention to proactively address many deferred maintenance needs of the Town's infrastructure. The Proposed Budget underscores staff's commitment to maintain service levels in core services and implement cost-saving efficiencies wherever possible, while preserving those things that make Highland Park great.

The Proposed Budget for fiscal year 2016-17 achieves the following goals:

- 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.
- Fund and plan for replacements of equipment, technology and facilities by appropriately setting aside funding based on the useful lives of assets and anticipating increases in replacement costs.
- Retain and attract quality staffing through a competitive compensation plan and benefits structure.

During the development of the Proposed Budget for fiscal year 2016-17, staff presented the Preliminary Capital Improvement Plan in order to receive input from the Town Council with regards to project and resource planning for the next 10 years. The Preliminary Capital Improvement Plan was also presented to the Finance and Audit Advisory Committee for input on June 23, 2016. Staff received direction from the Town Council to preserve resources within the Capital Improvement Plan by maintaining the existing tax rate. As pointed out in the discussions with Town Council, maintaining the existing tax rate allows staff to earmark \$360,411 per year in property taxes going forward. In total, the Capital Improvement Plan receives \$2,675,890 from the General Fund, a tax rate equivalent of 4.69 cents or 21.32 percent of the total tax rate.

GENERAL FUND – Revenue Drivers

Property Tax - Quality homes, a safe community, great parks and library, exceptional schools and location all play a crucial role in the value of owning a home in Highland Park. While the most recent *Dallas Beige Book* noted some contacts reporting weakness at the very high end of the market, overall home sales rose during the latest reporting period. The Town continues to see increases in its Taxable Assessed Values provided by the Dallas Central Appraisal District (DCAD). The Fiscal Year 2017 Proposed Budget recommends a \$0.22 property tax rate which, if adopted, remains the lowest in 27 years.

The DCAD's certified property tax roll of \$5,765,524,023 is 8.28 percent (\$441,023,278) greater than the 2015 certified tax roll. Residential properties make up 93.61 percent of the property tax roll with

new construction accounting for \$77,190,158 or 1.34 percent. Astonishingly, comparing this year to last year's DCAD average home value shows a valuation growth of 8.37 percent (\$138,317).

CATEGORY	PROPERTY TAX RATE	AVERAGE HOME VALUE	PROPERTY TAX PAYMENT
<i>Current Tax Rate</i>	\$0.220000	\$1,791,096	\$3,940
<i>Proposed</i>	\$0.220000	\$1,791,096	\$3,940
<i>Effective Tax Rate</i>	\$0.204043	\$1,791,096	\$3,655
<i>Roll-back Tax Rate</i>	\$0.220366	\$1,791,096	\$3,947

Sales Tax – The most recent *Dallas Beige Book* indicated that retail sales were expected to be lower this year than levels experienced in 2015. While the Proposed Budget projects a growth in sales tax revenue of 5.00 percent over the current year, the \$3,779,265 represents an increase of only 2.30 percent over the Adopted Budget for fiscal year 2015-16. Historically, the increase in sales tax for the Town has trended at 5.00 percent. The Highland Park Shopping Village continues to make new investments at the shopping center driving anticipated increases in sales tax revenue for next year.

Building Permits – The Town is expected to continue experiencing new home construction backed by major remodeling for the next couple of years. However, the most recent *Dallas Beige Book* indicates a slowing of new housing sells, particularly in the very high end market.

The Proposed Budget is built on a more conservative outlook related to new home construction permits, contributing to an estimated \$960,000 in building permit fees for 2017. This amount is lower than the current budget by \$175,000, and is more in line with what is projected to be collected by the end of fiscal year 2015-16. Interestingly, permits are being issued for larger and more expensive homes compared to the overall average reported by the DCAD. This means that the Town can expect to see a shift in increasing home values by the DCAD as older and often smaller homes are replaced.

CATEGORY	DCAD	TOWN PERMIT
Square footage	4,571*	6,745
Value	\$1,791,096	\$2,036,940

*based on 2015 tax year

Fines and Forfeits – The Proposed Budget reflects an increase in Municipal Court revenues of \$194,803 when compared to year-end projections for fiscal year 2015-16. The increase in revenue when compared to what is projected for the current year is driven by the Town Council's focus to improve traffic safety by the addition of a traffic enforcement program during the current fiscal year.

It is important to note that revenues overall in the General Fund reflect a decline due to revenues from solid waste charges being moved into a newly created Solid Waste Fund.

GENERAL FUND – Expense Drivers

Compensation and benefits – Unlike the Utility Fund, the General Fund Budget principally allocates 62.9 percent for employee costs; the other fund is more contract-for-service based. In 1995, the full-time employee base was 122, compared to only 118 for the FY 2016-17 Proposed Budget. This stewardship has been achieved by cross-training employees to assume additional duties, implementation of technology, and outsourcing.

The Proposed Budget continues the Town's health insurance program for employees with no changes to the benefit design and without an increase in the cost of the program to the Town. In response to a substantial rate increase in 2005, the Town Council absorbed 17.0 percent of the dependent care premium into the employee-only premium. At that time, the Town used a three tier plan (employee-only, employee plus spouse, employee plus family). According to IPS Advisors, the Town's benefits consultant, three tier plans have an implicit rate subsidy for dependent care built into the employee-only rate. Currently, the Town funds between 35 percent and 51.2 percent of dependent care, depending on the plan chosen. This includes the 17.0 percent subsidy added in 2005. In the previous fiscal year, Town Staff presented, in the Proposed Budget, a plan to reduce the dependent care subsidy by 1/3rd per year until the subsidy was reduced to 17.0 percent. The Council chose to maintain the subsidy level of the dependent care at 51.2 percent. In a recent survey of the Town's comparison cities, IPS Advisors identified that on average those cities provide 41.2 percent of dependent care. Moreover, a survey of over 35 municipalities and governmental agencies (Houston/DFW market) showed an average dependent care subsidy of 60 percent.

In a recent meeting with area city managers, it was noted that 2017 budgets are being built on salary adjustments of, on average, 3 percent. Imbedded in the Proposed Budget is \$430,220 for compensation adjustments (exclusive of additional taxes, TMRS, etc.). Of this amount, \$227,503 is for prior year performance merit adjustments. A 3 percent (\$202,717) merit incentive is provided for those employees at the top of their pay range or those that are not eligible to participate in pay for performance. Town Staff is currently working with Paradox Compensation Advisors to complete a compensation study to assess the status of the Town's compensation program as it compares to market. Preliminary results of the study indicate that overall the Town remains competitive in the area of compensation in most cases. Maintaining a competitive compensation program allows the Town to continue being in a strong market position for recruiting and retaining employees.

A few of the other highlights for the 2017 General Fund include:

- Department of Public Safety
 - \$6,000 in funding added to continue racial profiling training by Del Carmen Consulting.
 - \$23,000 in funding included to provide additional crossing guards.
 - \$7,000 in funding for Cross Fit equipment.
- Parks Department
 - \$66,000 in additional funding to increase added tree trimming, a study of Conveyor Lane for additional sports park, and new recreational programs.
- Non-Departmental
 - \$29,000 in additional funding to continue quarterly data reviews for the department of public safety and municipal court by Del Carmen Consulting.
 - \$125,000 in continued funding for retirements during the year.
- Capital Projects Fund Transfer
 - \$2,675,890 in total funding for existing and future capital improvements.
- Building Maintenance
 - \$478,500 transfer to the Building Maintenance Fund to fund ongoing building maintenance and building fund balance for future capital maintenance.
- Equipment Replacement Fund
 - \$347,549 to fund existing and future equipment replacements, as well as, setting aside \$28,000 per year to build funding for future fire department self-contained breathing apparatus (SCBA's) and \$18,500 per year toward the replacement of a re-purposed CID unit.

- Overall expenditures within the General Fund reflect a decline which is attributed to the expenditures associated with the provision of solid waste services being accounted for in a newly created Solid Waste Fund.

UTILITY FUND – Revenues

The Fiscal Year 2017 Proposed Budget recommends maintaining the existing rate structure for water and wastewater services. The current rate structure is producing revenues needed to address ongoing capital replacement needs and to fund ongoing operational costs.

In support of its two customers, the Dallas County Park Cities Municipal Utility District, funded the second year of the Town’s “smart meter” purchase, and it is anticipated that the District will fund a third year of this request in Fiscal Year 2017. The contribution provided by the District allows the Town to focus its operating revenues toward other capital improvement and operational needs.

UTILITY FUND – Expenses

A major work component for the public works crews will be installing the remaining 2,884 “smart meter registers” funded in part through a partnership with the Dallas County Park Cities Municipal Utility District. In order to complete the installation of the “smart meter registers,” \$535,000 has been included in the Proposed Budget for next fiscal year. The Proposed Budget also includes an increase in wastewater charges from the City of Dallas of 8.9 percent. Staff recommends that this increase of \$76,882 be absorbed within the current operational budget funded by the existing water and wastewater rate structure.

A new full-time position has been included in the Proposed Budget for fiscal year 2016-17 at a total cost of \$109,848. This position is an assistant public works foreman that will work in support of the public works foreman in maintaining and operating the Town water and sewer utility. This position will also create an opportunity for succession planning in anticipation of the retirement of the public works foreman.

CONCLUSION

The operating budget and its companion Capital Improvement Plan budget, as financial roadmaps, are essential to the future of Highland Park. This policy document represents the staff’s continued commitment to prudent fiscal management, effective service delivery, and providing our citizens with the highest quality of life. The programs and investments included in the Proposed Budget reflect the policies and direction of the Town Council and provide the financial plan for a successful year. Through this process of building the budget, the various departments have strengthened their understanding and relationships as to the needs and contributions that each provides to the community.

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 Proposed Budget for the General Fund Budget is \$22,207,460 representing a decrease of \$249,660, or (1.11%) under the previous fiscal year amended budget. This reduction is primarily attributed to solid waste operations being accounted for in a newly created Solid Waste Fund beginning in the next fiscal year. Adjusting for this change, the Proposed Budget for the General Fund is growing by \$870,090 or 4.08%. Operational expenditures represent \$18,236,478, or 82.12% of the General Fund Budget, with the remaining balance of \$3,970,982 representing transfers to other funds. The Transfer to the Capital Projects Fund is \$2,675,890 and is \$196,910 more than the transfer originally adopted for fiscal year 2015-16 (after adjusting for the solid waste transfer of \$62,400). This increase is directly attributed to the appreciation of taxable assessed values in the 2016 tax year.

Revenues:

The Proposed 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 9 years. Based on the certified tax rolls provided by the Dallas County Appraisal District (DCAD), this budget will raise more revenue from property taxes than last year's budget by \$970,251. Of this amount, 82.50% is from existing property revaluation, while the remaining 17.50% 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 4.9%.

Tax Year	Tax Rate	Taxable Assessed Value (T.A.V.)	% Change in T.A.V.	Tax Levy
1995	0.2970	\$1,526,711,852		\$ 4,534,334.20
1996	0.2970	\$1,584,600,472	3.79%	\$ 4,706,263.40
1997	0.2970	\$1,626,075,722	2.62%	\$ 4,829,444.89
1998	0.2693	\$1,786,189,741	9.85%	\$ 4,810,208.97
1999	0.2575	\$1,939,868,756	8.60%	\$ 4,995,162.05
2000	0.2462	\$2,150,454,981	10.86%	\$ 5,294,420.16
2001	0.2290	\$2,417,415,947	12.41%	\$ 5,535,882.52
2002	0.2208	\$2,628,830,785	8.75%	\$ 5,804,458.37
2003	0.2300	\$2,770,409,688	5.39%	\$ 6,371,942.28
2004	0.2300	\$2,911,465,259	5.09%	\$ 6,696,370.10
2005	0.2300	\$3,195,472,872	9.75%	\$ 7,349,587.61
2006	0.2250	\$3,619,222,088	13.26%	\$ 8,143,249.70
2007	0.2200	\$4,040,978,017	11.65%	\$ 8,890,151.64
2008	0.2200	\$4,371,202,858	8.17%	\$ 9,616,646.29
2009	0.2200	\$4,578,076,708	4.73%	\$ 10,071,768.76
2010	0.2200	\$4,437,430,774	-3.07%	\$ 9,762,347.70
2011	0.2200	\$4,406,947,910	-0.69%	\$ 9,695,285.40
2012	0.2200	\$4,446,174,261	0.89%	\$ 9,781,583.37
2013	0.2200	\$4,598,788,373	3.43%	\$ 10,117,334.42
2014	0.2200	\$4,924,894,226	7.09%	\$ 10,834,767.30
2015	0.2200	\$5,324,500,745	8.11%	\$ 11,713,901.64
2016	0.2200	\$5,765,524,023	8.28%	\$ 12,684,152.85

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 has experienced an increase in taxable assessed property values over the last five 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.

Additional revenues are derived from the Town leasing space to multiple cellular communication companies at the 5005 Holland Avenue location. These leases currently generate approximately \$225,000 within the General Fund. Current negotiations of the cell tower leases could impact the revenue budget for fiscal year 2016-17.

Other significant revenue changes for FY 2017 include:

- Sales tax receipts, the fund's second largest source of revenue is estimated at \$3,779,265, representing a 2.3% increase over the Adopted Budget for 2015-16.
- Continued steady rate of construction activity on new residential homes and remodeling projects is reflected by the number of permits issued by the Town. During fiscal year 2015-16, building permit revenue has slowed resulting in less revenue than originally anticipated. Taking a more conservative approach in estimating building permit going forward, total building permit revenue in fiscal year 2016-17 is projected at \$960,000, which is \$175,000 less than the amount budgeted in fiscal year 2015-16.
- Municipal Court revenues are expected to be higher than the amount budgeted in the Adopted Budget for fiscal year 2015-16 with the continuation of the traffic enforcement unit implemented during the current year. Since the program was not fully implemented until mid-year, year-end revenues for fiscal year 2015-16 are not projected to meet the original budget. While not reliant on this revenue source, the Proposed 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. Entity-wide personnel costs account for 44.33% 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 \$430,220 (exclusive of additional taxes, TMRS, etc.) 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 increasing by 71.97%, to 5.4% of payroll for fiscal year 2016-17. This results in an increase of \$184,598 to the General Fund compared to the fiscal year 2015-16 Adopted Budget. Some of the benefit provisions offered by TMRS include Ad Hoc Updated Service Credits (USC) and Ad Hoc Cost of Living Adjustments (COLA). Participation is optional for these benefits and, in past years, the Town has not participated. While many other municipalities have provided these benefits, by choosing not to participate, the Town will save an estimated \$622,275 in overall retirement costs for fiscal year 2016-17.

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. The Town's health insurance provider, Blue Cross Blue Shield (BCBS), confirmed that health insurance rates for next year will not change. The majority of the Town's employees, 81.0%, subscribe to the Health Savings Account (HSA) plan, while the remainder subscribe to the Preferred Provider Organization (PPO) plan.

IPS, which serves as the Town's consultant, has negotiated with the insurance carrier and feels the current rates proposed are competitive to the open market.

Town Staff continues to assess the Town's wellness program and is developing recommendations that can be employed to facilitate a healthier workforce.

Capital Improvement Plan-The General Fund's portion of the transfer to the Capital Projects Fund is budgeted at \$2,675,890. Of this amount, \$360,441 is sustained as a result of new funding from enhanced revenue provided by the growth in property value. Maintaining this funding source to the Town's Capital Projects Fund was a major focus in preparing the Proposed Budget as the Council continues its focus on a pay-as-you-go system in funding infrastructure needs.

Other significant items within the General Fund include:

- The budget includes \$35,000 for racial profiling training and quarterly reviews of policing and municipal court data to be performed by Del Carmen Consulting.
- The Proposed Budget continues to allocate \$125,000 in anticipation of employee retirements that may occur during the fiscal year. This funding is used to fund the payout of compensated absences that are not budgeted for within each department.
- The transfer to the Equipment Replacement Fund, while staying relatively the same, includes another year of \$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 Proposed Budget reflects a projected balance of 17%

of expenditures, which represents \$3,318,449. 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 Projects 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:

Utility Fund revenues proposed for fiscal year 2016-17 are \$10,961,597, which is an increase of 5.9%, or \$607,415, when compared to the Adopted Budget for fiscal year 2015-16. A large portion of the increase in revenue proposed is directly attributed to an increase in anticipated consumption over what was originally anticipated in current fiscal year. The Proposed Budget anticipates water and wastewater rates to remain constant for fiscal year 2016-17.

The rate adjustments approved for fiscal year 2015-16 were implemented in anticipation of another year of reduced consumption. These rates were set to meet the Town's revenue requirement and begin funding \$250,000 per year toward a rate stabilization fund. Due to increased consumption at the end of fiscal year 2014-15 and increased consumption being experienced in the current fiscal year, revenues are exceeding annual expenses. The revenues being received from the current rate structure have recovered past revenue shortfalls and have funded a rate stabilization fund. However, as can be seen in the 10-year financial model for the Utility Fund, it is anticipated that the Town will need to revisit the rate structure in fiscal year 2018-19 in order to continue providing adequate funding to meet operational needs and capital funding requirements.

Expenditures:

Unlike the General Fund, which is driven principally by personnel costs, a large portion of expenses for this fund are contractually related to water purchases and sanitary sewer treatment attributing to 33.97%, or \$3,449,474 of the overall costs projected for fiscal year 2016-17. The Proposed Budget also includes \$2,566,000 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 also being impacted by the increase in the Town's contribution rate to TMRS. Overall, the budget for pension cost reflects an increase of \$23,255 when compared to the year-end Adopted Budget for fiscal year 2015-16

The Proposed Budget for the Utility Fund includes an 8.9% increase in the cost of wastewater treatment paid to the City of Dallas. This increase in the wastewater treatment rate is increasing the sewer department budget by \$76,882. The Dallas County Park Cities Municipal Utility District ("District") has proposed a 5.82% increase in the rate they charge the Town for water purchases. The Town Council is currently reviewing the rate increase, however, if approved by the District, would increase the water department budget by \$135,550 or 2.74%.

The water department budget also includes a new assistant public works foreman position at an annual cost of \$109,848. Maintaining the Town's water distribution system and wastewater collection system to the highest standards is of the utmost importance. This position will provide support to the public works foreman in maintaining and operating the Town's utility system and create an opportunity for the Town to develop a potential replacement for the existing public works foreman as that person prepares for retirement.

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. The budget reflects a projected ending fund balance that exceeds 25% of operating expenditures, which represents \$1,772,156.

The ending fund balance in the Utility Fund is projected to be \$4,399,464. Excess fund balance will be set aside to maintain the rate stabilization fund and fund future capital needs.

SOLID WASTE FUND

The Solid Waste Fund is a new fund proposed to be added starting in fiscal year 2016-17. This fund will be used to account for all revenues and expenses associated with providing solid waste services to Town residents and businesses. In previous years, the Town has accounted for this activity within the General Fund; however, to ensure that the rates charged for this activity cover the full cost of providing this service, it is considered appropriate for this activity to be accounted for within its own fund.

Revenues:

Solid waste revenues are projected to be \$1,234,320, comparable to the current fiscal year. Revenues consists of charges for solid waste services and recycling. Rates charged for the provision of solid waste are currently being evaluated and are proposed to remain the same for fiscal year 2016-17. The last solid waste rate adjustment occurred at the beginning of fiscal year 2014-15.

Expenditures:

Solid waste service is outsourced to the private sector and primarily consists of solid waste collection costs and disposal costs. Contracts for these services are budgeted at \$979,600 and \$102,900 respectively for fiscal year 2016-17. The purchase, maintenance and handling of solid waste containers is completed by internal staff. The Proposed Budget for fiscal year 2016-17 includes \$45,500 for the purchase of new containers and \$5,000 for consulting fees. The consulting fees have been included to fund contract negotiations with the current solid waste collection provider and preparation of a Request for Proposals if necessary. The Proposed Budget for the Solid Waste Fund also includes a Transfer-Out of \$61,700 to the Capital Projects Fund, which represents 5% of projected revenues for fiscal year 2016-17.

Fund Balance:

There is not a fund balance requirement for the Solid Waste Fund. However, the fund balance projected at the end of fiscal year 2016-17 is \$4,128.

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 on 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 currently charged between \$4.28 and \$33.76 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 \$390,450, 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 which is currently 1.02%. The Proposed Budget also includes a transfer from the Capital Projects Fund of \$1,350,000, to fund future storm water drainage projects within this fund. The \$1,350,000 is provided from revenues being added to the Capital Projects Fund primarily as a result of increased property values the Town has experienced over the last few years.

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 \$1,749,180, 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 in this budget include \$858,000 set aside for Connor Park shoreline stabilization and sediment removal, \$80,000 for Southern and Livingston Drainage Improvements, \$375,000 for the development of a master plan for Hackberry Creek, and \$185,000 for the rehabilitation of bridges at Armstrong.

Fund Balance:

There is not a fund balance requirement for the Storm Water Utility Fund and fund balance projected at the end of fiscal year 2016-17 is \$504,653. 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 Capital Improvements Section of the Proposed Budget. This plan establishes a multi-year funding schedule for the purchase, construction, or replacement of physical assets of the Town. The Capital Improvements Section of the Proposed 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 presented has been incorporated into the Proposed 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 \$3,914,205 for fiscal year 2016-17 and are primarily made up of transfers from other funds. The Utility Fund and the Solid Waste Fund transfer 5% of revenues collected from water, sewer, and solid waste rates. These two transfers make up \$560,955 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 for inflation, and equates to \$1,093,185 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. This practice continued for fiscal year 2015-16. Consistent with that effort, and as a result of the increase in taxable assessed values of properties within the Town, the Proposed Budget allocates \$360,441 from additional property tax revenue to meet existing and future capital needs. In previous financial models this amount has been reflected within the “Supplemental General Fund Transfer.” 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.

Dallas County is also expected to fund 50% of the rehabilitation of Preston Road, which provides \$659,760 to the revenue budget for fiscal year 2016-17.

Expenditures:

Expenditures in the Capital Projects fund are budgeted to be \$6,016,778, with \$945,658 in appropriations applied toward the Town’s annual street/sidewalk/alley rehabilitation program and \$1,319,520 for the rehabilitation of Preston Road. Some of the other projects in the Proposed Budget include \$200,000 related to the P-25 Public Safety Radio System, \$100,000 for fiber connectivity to HPISD, \$300,000 for tennis court reconstruction, \$410,000 for Livingston Rehabilitation and \$550,000 for the rehabilitation of Exall Lake Bridge. The Proposed Budget also includes an indirect cost allocation transfer to the Utility Fund for personnel costs attributed to projects funded in the Capital Projects Fund, and a \$1,350,000 transfer to the Storm Water Drainage Fund to meet capital funding needs.

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 Proposed Budget for fiscal year 2016-17 projects the fund balance of the Capital Projects Fund to be at \$3,015,421 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 Forfeited Property Fund, Court Security Fund, the Court Technology Fund, Library 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 \$439,152, 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 the time of replacement. Total expenditures are budgeted at \$693,352 to replace three patrol units scheduled to come off-line, one ambulance and seven vehicles within Town Services. The fund balance projected within this fund at the end of the next fiscal year is \$2,533,810.

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 \$489,618. 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 the time of replacement. Expenditures within this fund are budgeted at \$432,703 and are primarily related to computer replacements.

The fund balance projected within this fund at the end of the next fiscal year is \$1,819,204.

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 capital maintenance of Town Hall. Revenues for this fund are projected to be \$559,500, 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 Town Hall. Expenditures within this fund are budgeted to be \$456,948, which is 20.46% more than the amount budgeted in fiscal year 2015-16. This increase is primarily attributed to the replacement of water heaters in the department of public safety and roof repairs at Town Hall. 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 Proposed Budget projects fund balance within this fund to grow by \$102,552. Similar to the Capital Projects Fund, this has been afforded through the increase in anticipated revenues within the General Fund.

Forfeited Property Fund:

This special revenue fund is used to account for receipt of forfeited assets as a result of criminal activities and the funding of crime prevention programs and equipment. The use of these resources is restricted by their enabling statutes. Fund balance at end of fiscal year 2016-17 is projected to be \$9,452.

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 on to citations. The use of these resources is restricted by their enabling statutes. Revenues within the Court Security Fund are projected to be \$27,915, 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 \$35,080, 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 2016-17, with \$76,929 remaining in the Court Technology Fund and \$9,637 remaining in the Court Security Fund.

Library Fund:

The Library Special Revenue Fund was established to account for resources received from royalties that are restricted for the Library. Revenues anticipated for next fiscal year total \$13,120. The Proposed Budget for fiscal year 2016-17 includes \$42,645 for the purpose of completing a comprehensive master plan for the Library. Fund balance in the Library Fund at the end of next fiscal year is projected to be \$206,680.

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 24.86% 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 used to assist the Town in providing direct alarm monitoring services to Town residents. Revenues for next fiscal year are anticipated to be \$306,915, and fund balance at the end of next fiscal year is projected to be \$258,996. Currently, the fund balance within this fund is anticipated to be used towards the acquisition of a new radio system for DPS through the Capital Projects Fund.

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

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 18,968,644	\$ 14,781,775	\$ 14,781,775	\$ 18,117,941
REVENUES/SOURCES OF FUNDS				
Property Taxes	\$ 10,763,525	\$ 11,639,262	\$ 11,595,600	\$ 12,592,311
Water Sales	5,996,115	6,139,164	7,260,369	6,985,822
Sewer Charges	2,551,417	2,654,168	3,111,189	2,999,275
Sales Taxes	3,514,625	3,693,000	3,599,300	3,779,265
Sanitation/Recycling Charges	1,236,438	1,248,500	1,233,245	1,234,320
Franchise Fees	1,051,657	1,085,470	1,015,836	1,040,000
Building Inspection Fees/Permits	1,443,358	1,302,230	1,105,670	1,121,510
Municipal Court Fines/Fees	774,047	1,090,800	1,018,667	1,223,110
Interest Earnings	57,374	84,520	92,754	107,567
Storm Water Fees	381,883	389,900	386,470	390,450
Other Revenues	3,180,412	4,089,858	3,431,591	2,820,260
Transfers	5,562,947	6,375,200	7,025,200	7,620,815
TOTAL REVENUES/SOURCES	\$ 36,513,798	\$ 39,792,072	\$ 40,875,891	\$ 41,914,705
EXPENDITURES				
Personnel Services				
Payroll	\$ 11,681,953	\$ 12,317,340	\$ 12,060,266	\$ 12,678,479
Payroll Taxes	790,189	882,169	837,641	915,133
Retirement	490,935	396,845	384,588	604,698
Insurance	1,393,097	1,587,344	1,497,969	1,601,083
Total Personnel	\$ 14,356,174	\$ 15,183,698	\$ 14,780,464	\$ 15,799,393
Supplies & Equipment	3,680,111	3,305,265	3,801,063	3,862,835
Services & Charges	6,148,502	6,889,822	6,612,296	7,408,190
Capital Outlay	2,608,751	5,858,936	5,320,702	8,571,255
Cost Allocation	-	-	-	-
Transfers	5,533,391	6,375,200	7,025,200	7,620,815
TOTAL USES	\$ 32,326,929	\$ 37,612,921	\$ 37,539,725	\$ 43,262,488
ENDING FUND BALANCE	\$ 14,781,775	\$ 16,960,926	\$ 18,117,941	\$ 16,770,158

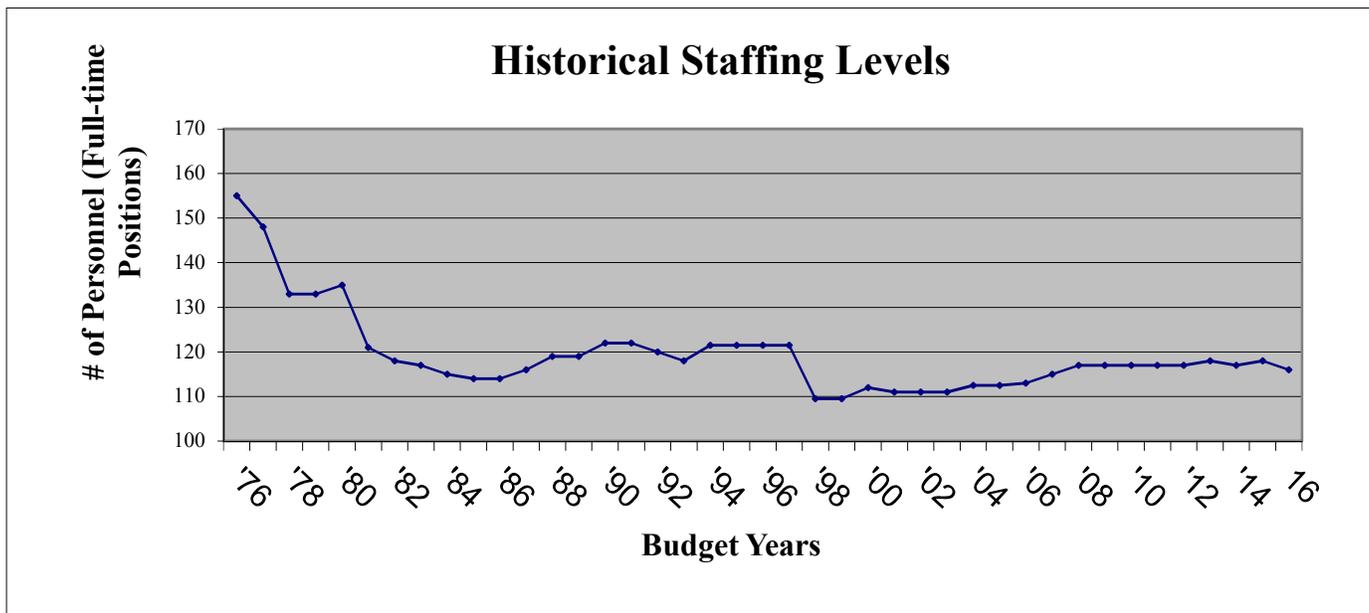
**COMBINED SUMMARY OF REVENUES AND EXPENDITURES
AND CHANGES TO FUND BALANCE
ALL FUNDS SUBJECT TO APPROPRIATION**

	General	Utility	Solid Waste	Storm Drainage	Equipment Replacement	Technology Replacement
BEGINNING FUND BALANCE	\$ 3,339,938	\$ 3,591,747	\$ -	\$509,513	\$ 2,788,010	\$ 1,762,289
REVENUES:						
Property Taxes	\$ 12,592,311	\$ -	\$ -	\$ -	\$ -	\$ -
Water Sales	-	6,985,822	-	-	-	-
Sewer Charges	-	2,999,275	-	-	-	-
Sales Taxes	3,779,265	-	-	-	-	-
Sanitation/Recycling Charges	-	-	1,234,320	-	-	-
Franchise Fees	1,040,000	-	-	-	-	-
Building Inspection Fees/Permits	1,013,160	58,000	-	-	-	-
Municipal Court Fines/Fees	1,160,360	-	-	-	-	-
Interest Earnings	48,000	14,400	-	3,820	13,100	6,800
Storm Water Drainage Fees	-	-	-	390,450	-	-
All Other	1,403,975	434,800	-	-	30,000	5,000
TOTAL REVENUES	\$ 21,037,071	\$ 10,492,297	\$ 1,234,320	\$ 394,270	\$ 43,100	\$ 11,800
Transfers from Other Funds	1,148,900	469,300	-	1,350,000	396,052	477,818
TOTAL REVENUES & TRANSFERS	\$ 22,185,971	\$ 10,961,597	\$ 1,234,320	\$ 1,744,270	\$ 439,152	\$ 489,618
TOTAL AVAILABLE RESOURCES	\$ 25,525,909	\$ 14,553,344	\$ 1,234,320	\$ 2,253,783	\$ 3,227,162	\$ 2,251,907
EXPENDITURES:						
Personnel Services:						
Payroll	\$ 11,228,946	\$ 1,449,533	\$ -	\$ -	\$ -	\$ -
Taxes	809,197	105,936	-	-	-	-
Retirement (TMRS)	534,407	70,291	-	-	-	-
Insurance	1,404,192	196,891	-	-	-	-
Total Personnel	\$ 13,976,742	\$ 1,822,651	\$ -	\$ -	\$ -	\$ -
Supplies & Equipment	\$ 986,818	\$ 2,787,732	\$ 45,500	\$ 7,100	\$ -	\$ -
Services & Charges	3,261,638	1,232,564	1,088,292	90,580	3,600	41,000
Capital Outlay	11,280	2,566,000	-	1,533,000	689,752	391,703
TOTAL EXPENDITURES	\$ 18,236,478	\$ 8,408,947	\$ 1,133,792	\$ 1,630,680	\$ 693,352	\$ 432,703
Transfers to Other Funds	3,970,982	1,744,933	96,400	118,500	-	-
TOTAL EXPENDITURES & TRANSFERS	\$ 22,207,460	\$ 10,153,880	\$ 1,230,192	\$ 1,749,180	\$ 693,352	\$ 432,703
ENDING FUND BALANCE	\$ 3,318,449	\$ 4,399,464	\$ 4,128	\$ 504,603	\$ 2,533,810	\$ 1,819,204
FUND BALANCE MINIMUM	\$ 3,318,449	\$ 1,772,156	\$ -	\$ -	\$ -	\$ -
FUND BALANCE SURPLUS	\$ -	\$ 2,627,308	\$ 4,128	\$ 504,603	\$ 2,533,810	\$ 1,819,204

Building Maintenance & Investment	Forfeited Property Fund	Court Technology	Court Security	Library Fund	DPS Technology	Capital Projects	Proposed FY 2017	Adopted FY 2016
\$ 510,833	\$ 8,910	\$ 64,799	\$ 5,622	\$ 236,205	\$ 182,081	\$ 5,117,994	\$ 18,117,941	\$ 12,968,760
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	12,592,311	11,639,262
-	-	-	-	-	-	-	6,985,822	6,139,164
-	-	-	-	-	-	-	2,999,275	2,654,168
-	-	-	-	-	-	-	3,779,265	3,693,000
-	-	-	-	-	-	-	1,234,320	1,248,500
-	-	-	-	-	-	-	1,040,000	1,085,470
-	-	-	-	-	-	-	1,071,160	1,256,300
-	-	34,860	27,890	-	-	-	1,223,110	1,090,800
1,600	42	220	25	1,120	615	17,600	107,342	84,320
-	-	-	-	-	-	-	390,450	389,900
16,000	3,000	-	-	12,000	306,300	659,760	2,870,835	4,135,988
\$ 17,600	\$ 3,042	\$ 35,080	\$ 27,915	\$ 13,120	\$ 306,915	\$ 677,360	\$ 34,293,890	\$ 33,416,872
541,900	-	-	-	-	-	3,236,845	7,620,815	6,375,200
\$ 559,500	\$ 3,042	\$ 35,080	\$ 27,915	\$ 13,120	\$ 306,915	\$ 3,914,205	\$ 41,914,705	\$ 39,792,072
\$ 1,070,333	\$ 11,952	\$ 99,879	\$ 33,537	\$ 249,325	\$ 488,996	\$ 9,032,199	\$ 60,032,646	\$ 52,760,832
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,678,479	\$ 12,271,240
-	-	-	-	-	-	-	915,133	882,169
-	-	-	-	-	-	-	604,698	396,845
-	-	-	-	-	-	-	1,601,083	1,587,344
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,799,393	\$ 15,137,598
\$ 31,825	\$ -	\$ 3,860	\$ -	\$ -	\$ -	\$ -	\$ 3,862,835	\$ 3,399,616
425,123	2,500	19,090	-	42,645	230,000	-	6,437,032	5,998,721
-	-	-	-	-	-	4,350,678	9,542,413	6,701,786
\$ 456,948	\$ 2,500	\$ 22,950	\$ -	\$ 42,645	\$ 230,000	\$ 4,350,678	\$ 35,641,673	\$ 31,237,721
-	-	-	23,900	-	-	1,666,100	7,620,815	6,375,200
\$ 456,948	\$ 2,500	\$ 22,950	\$ 23,900	\$ 42,645	\$ 230,000	\$ 6,016,778	\$ 43,262,488	\$ 37,612,921
\$ 613,385	\$ 9,452	\$ 76,929	\$ 9,637	\$ 206,680	\$ 258,996	\$ 3,015,421	\$ 16,770,158	\$ 15,147,911
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 7,090,605	\$ 6,737,092
\$ 613,385	\$ 9,452	\$ 76,929	\$ 9,637	\$ 206,680	\$ 258,996	\$ 1,015,421	\$ 9,679,553	\$ 8,410,819

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

	Budget FY 2015		Budget FY 2016		Proposed FY 2017	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
General Fund						
Administration	5.0	0.0	2.0	0.0	2.0	0.0
Public Safety	69.0	0.5	69.0	0.5	70.0	0.0
Town Services	0.0	0.0	2.0	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	4.0	2.0	3.0	2.0	3.0	2.0
Parks & Recreation	9.0	0.0	9.0	0.0	9.0	0.0
Swimming Pool	0.0	3.4	0.0	3.4	0.0	3.4
Municipal Court	2.0	0.5	2.0	1.0	2.0	1.0
Finance	5.0	0.0	5.0	0.0	5.0	0.0
Building Inspection	3.0	0.0	4.0	0.0	4.0	0.0
Information Technology	1.0	0.0	1.0	0.0	1.0	0.0
Sub-Total General Fund	102.3	6.4	101.3	6.9	102.3	6.4
Utility Fund						
Administration	4.0	0.0	3.0	0.0	3.0	0.0
Water	4.4	0.0	4.4	0.0	5.4	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
Sub-Total Utility Fund	15.7	0.0	14.7	0.0	15.7	0.0
Storm Water Drainage Fund						
Engineering	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Total Storm Water Drainage Fund	0.0	0.0	0.0	0.0	0.0	0.0
Total	118.0	6.4	116.0	6.9	118.0	6.4



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

ORDINANCE NO.

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016, AND ENDING SEPTEMBER 30, 2017, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS (“TOWN”):

That the Town Administrator, as budget officer, has caused to be prepared a proposed budget totaling \$43,262,488, including \$7,620,815 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2016, and ending September 30, 2017, 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 29, 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, 2016, in accordance with Section 102.005 of the Local Government Code, Texas Codes Annotated; and

That, notice of a public hearings on the proposed budget on August 8, 2016, and August 22, 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 12, 2016, 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 12th day of September, 2016.

APPROVED AS TO FORM:

APPROVED:

Matthew C.G. Boyle
Town Attorney

Joel T. Williams, III
Mayor

ATTEST:

Gayle Kirby
Town Secretary

ORDINANCE NO. ____

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2016 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 2016, 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 2016, 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 7.82 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, 2016.

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2016 levy.

PASSED AND APPROVED this 12th day of September 2016.

APPROVED AS TO FORM:

APPROVED:

Matthew C.G. Boyle
Town Attorney

Joel T. Williams, III
Mayor

ATTEST:

Gayle Kirby
Town Secretary

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, and General Governmental (Administrative Services, Finance, Municipal Court and Building Services). The basis of accounting for the General Fund for both financial reporting and budgeting is the modified accrual basis.

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 4,074,830	\$ 4,047,254	\$ 4,047,254	\$ 3,339,938
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 14,453,701	\$ 15,521,362	\$ 15,384,900	\$ 16,563,576
Franchise Fees	1,051,657	1,085,470	1,015,836	1,040,000
Licenses & Permits	1,424,885	1,283,910	1,078,055	1,106,705
Charges for Services	2,385,408	2,459,522	2,485,407	1,403,620
Fines & Forfeits	406,839	584,758	478,234	539,900
Miscellaneous	447,559	390,998	395,055	383,270
Total Revenues	\$ 20,170,049	\$ 21,326,020	\$ 20,837,487	\$ 21,037,071
Other Sources:				
Transfers In	\$ 1,067,439	\$ 1,131,100	\$ 1,131,100	\$ 1,148,900
Total Other Sources	\$ 1,067,439	\$ 1,131,100	\$ 1,131,100	\$ 1,148,900
Total Revenues/Sources	\$ 21,237,488	\$ 22,457,120	\$ 21,968,587	\$ 22,185,971
EXPENDITURES/USES OF FUNDS				
Administration Department	\$ 1,246,175	\$ 748,561	\$ 743,290	\$ 753,194
Town Services	-	487,546	490,513	524,540
Department of Public Safety	10,347,724	10,677,018	10,558,098	11,131,434
Street Department	347,363	374,238	369,095	404,138
Street Lighting Department	166,178	172,427	172,446	185,661
Library Department	722,424	740,960	722,959	771,626
Parks Department	1,318,425	1,393,738	1,389,602	1,496,923
Pool Department	166,016	184,259	185,638	189,712
Municipal Court Department	339,324	367,751	355,056	380,175
Finance Department	778,808	796,427	743,156	824,983
Building Inspection Department	480,226	592,804	530,046	603,990
Sanitation Department	1,094,766	1,119,750	1,120,292	-
Information Technology Department	521,969	523,551	518,908	553,412
Non-Departmental	212,027	374,570	223,284	416,690
Total Expenditures	\$ 17,741,425	\$ 18,553,600	\$ 18,122,383	\$ 18,236,478
Other Uses:				
Transfers to Other Funds	\$ 3,523,639	\$ 3,903,520	\$ 4,553,520	\$ 3,970,982
Total Other Uses	\$ 3,523,639	\$ 3,903,520	\$ 4,553,520	\$ 3,970,982
Total Expenditures/Uses	\$ 21,265,064	\$ 22,457,120	\$ 22,675,903	\$ 22,207,460
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ (27,576)	\$ -	\$ (707,316)	\$ (21,489)
Fund Balance	\$ 4,047,254	\$ 4,047,254	\$ 3,339,938	3,318,449
Ideal Fund Balance	\$ 3,195,533	\$ 3,381,332	\$ 3,288,256	\$ 3,318,449
Fund Balance in Excess of Minimum	\$ 851,721	\$ 665,922	\$ 51,682	\$ (0)

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 4,074,830	\$ 4,047,254	\$ 4,047,254	\$ 3,339,938
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 14,453,701	\$ 15,521,362	\$ 15,384,900	\$ 16,563,576
Franchise Fees	1,051,657	1,085,470	1,015,836	1,040,000
Licenses & Permits	1,424,885	1,283,910	1,078,055	1,106,705
Charges for Services	2,385,408	2,459,522	2,485,407	1,403,620
Fines & Forfeits	406,839	584,758	478,234	539,900
Miscellaneous	447,559	390,998	395,055	383,270
Total Revenues	\$ 20,170,049	\$ 21,326,020	\$ 20,837,487	\$ 21,037,071
Other Sources:				
Transfers In	\$ 1,067,439	\$ 1,131,100	\$ 1,131,100	\$ 1,148,900
Total Other Sources	\$ 1,067,439	\$ 1,131,100	\$ 1,131,100	\$ 1,148,900
Total Revenues/Sources	\$ 21,237,488	\$ 22,457,120	\$ 21,968,587	\$ 22,185,971
EXPENDITURES/USES OF FUNDS				
Personnel Services				
Payroll	\$ 10,313,843	\$ 10,906,744	\$ 10,731,897	\$ 11,228,946
Payroll Taxes	696,606	780,130	746,361	809,197
Retirement	434,377	349,809	341,692	534,407
Insurance	1,215,659	1,397,292	1,332,434	1,404,192
Total Personnel	\$ 12,660,485	\$ 13,433,975	\$ 13,152,384	\$ 13,976,742
Supplies & Equipment	1,103,935	956,093	941,524	986,818
Services & Charges	3,928,087	4,137,981	3,886,633	3,261,638
Capital Outlay	48,921	25,551	141,842	11,280
Total Expenditures	\$ 17,741,428	\$ 18,553,600	\$ 18,122,383	\$ 18,236,478
Other Uses:				
Transfers Out	\$ 3,523,639	\$ 3,903,520	\$ 4,553,520	\$ 3,970,982
Total Other Uses	\$ 3,523,639	\$ 3,903,520	\$ 4,553,520	\$ 3,970,982
Total Expenditures/Uses	\$ 21,265,067	\$ 22,457,120	\$ 22,675,903	\$ 22,207,460
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ (27,579)	\$ -	\$ (707,316)	\$ (21,489)
Fund Balance	\$ 4,047,254	\$ 4,047,254	\$ 3,339,938	3,318,449
Ideal Fund Balance	\$ 3,195,533	\$ 3,381,332	\$ 3,288,256	\$ 3,318,449
Fund Balance in Excess of Minimum	\$ 851,721	\$ 665,922	\$ 51,682	\$ -

**GENERAL FUND
STATEMENT OF REVENUES**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
Taxes				
Ad Valorem Taxes	\$ 10,732,287	\$ 11,596,762	\$ 11,595,600	\$ 12,557,311
Delinquent Ad Valorem Taxes	31,238	42,500	-	35,000
City Sales Tax	3,514,625	3,693,000	3,599,300	3,779,265
Mixed Beverage Tax	175,550	189,100	190,000	192,000
<i>Subtotal</i>	\$ 14,453,700	\$ 15,521,362	\$ 15,384,900	\$ 16,563,576
Franchise Fees				
Electric Utility Franchise Fees	\$ 513,586	\$ 530,000	\$ 520,200	\$ 530,000
Natural Gas Utility Franchise Fees	228,632	200,000	184,367	190,000
Telecom Franchise Fees	88,610	95,500	84,200	90,000
CATV Franchise Fees	199,024	198,000	193,650	195,000
Solid Waste	21,805	30,000	13,500	15,000
Carriages	-	31,970	19,919	20,000
<i>Subtotal</i>	\$ 1,051,657	\$ 1,085,470	\$ 1,015,836	\$ 1,040,000
Licenses & Permits				
Beverage Licenses	\$ 9,990	\$ 10,000	\$ 4,665	\$ 11,990
Health Permits	3,975	5,500	4,525	4,525
Alarm Permits	70,725	65,000	61,610	66,610
Electrical Licenses	17,750	16,960	18,750	18,750
Building Permits	1,270,700	1,135,000	950,000	960,000
Electrical Permits	41,888	39,830	28,075	33,900
Excavation Permits	510	510	510	510
Carriage Licenses	3,425	5,110	4,500	4,500
Animal Licenses	5,922	6,000	5,420	5,920
<i>Subtotal</i>	\$ 1,424,885	\$ 1,283,910	\$ 1,078,055	\$ 1,106,705
Charges For Services				
Sanitation Charges	\$ 1,138,226	\$ 1,149,500	\$ 1,134,900	\$ -
Recycling Charges	98,212	99,000	98,345	-
E911 Users' Fee	138,954	140,000	134,810	138,100
Alarm Monitoring Fees	354,492	289,250	278,690	281,350
Emergency Medical Fees	153,689	150,000	176,300	182,500
Board Hearing Fee	4,000	4,000	2,700	3,260
Swimming Pool Daily Fees	19,306	17,000	17,000	17,800
Swimming Pool Annual Fees	76,393	80,000	80,000	82,700
Tennis Court Use Fees	14,086	12,000	11,600	12,000
Animal Pound Fees	720	1,000	1,170	1,000
Library Non-resident Fees	4,466	4,000	4,150	4,200
Court Administration Fees	23,092	46,125	26,425	30,360
Warrant Fees	62,453	87,638	58,015	65,700
Court Fees	109,642	169,346	148,400	174,300
Building Registration Fees	39,625	38,370	42,885	44,500

**GENERAL FUND
STATEMENT OF REVENUES**

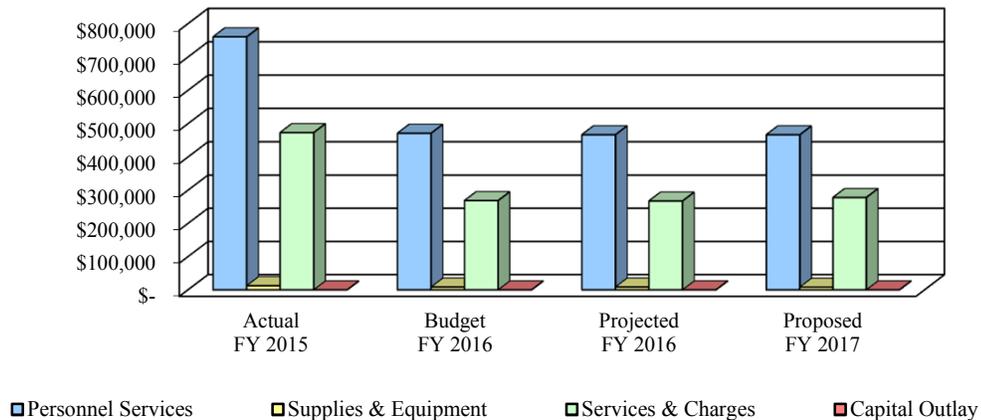
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
Plan Review Fees	7,400	7,560	4,800	5,850
Deferred Adjudication Fees	140,653	164,733	265,217	360,000
<i>Subtotal</i>	\$ 2,385,409	\$ 2,459,522	\$ 2,485,407	\$ 1,403,620
Fines & Forfeits				
Municipal Court Fines	\$ 394,272	\$ 568,658	\$ 467,500	\$ 530,000
Library Fines	5,037	4,800	3,854	4,000
Lost Book Charges	1,530	1,300	880	900
Invalid Alarm Fines	6,000	10,000	6,000	5,000
<i>Subtotal</i>	\$ 406,839	\$ 584,758	\$ 478,234	\$ 539,900
Miscellaneous				
Interest	\$ 25,569	\$ 33,000	\$ 38,490	\$ 48,000
Interest-Dallas County	132	200	200	225
Penalty & Interest - Tax Collection	49,867	55,000	50,000	50,120
Sale of Assets	-	1,500	1,500	1,500
Sale of Impounded Property	-	-	-	-
Rental-Town Property	273,164	248,548	248,347	225,025
Library Donations	2,282	2,500	2,265	2,300
Contributions	11,973	2,000	5,975	6,000
Intergovernmental Revenue	4,005	4,050	3,912	4,000
Town Property Damage Refund	25,150	10,000	5,946	6,000
Miscellaneous	55,418	34,200	38,420	40,100
<i>Subtotal</i>	\$ 447,560	\$ 390,998	\$ 395,055	\$ 383,270
Total Revenues	\$ 20,170,050	\$ 21,326,020	\$ 20,837,487	\$ 21,037,071



Administrative Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 760,497	\$ 471,355	\$ 466,983	\$ 466,897	-0.95%
Supplies & Equipment	12,319	8,350	8,600	8,100	-2.99%
Services & Charges	473,359	268,856	267,707	278,197	3.47%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 1,246,175	\$ 748,561	\$ 743,290	\$ 753,194	0.62%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

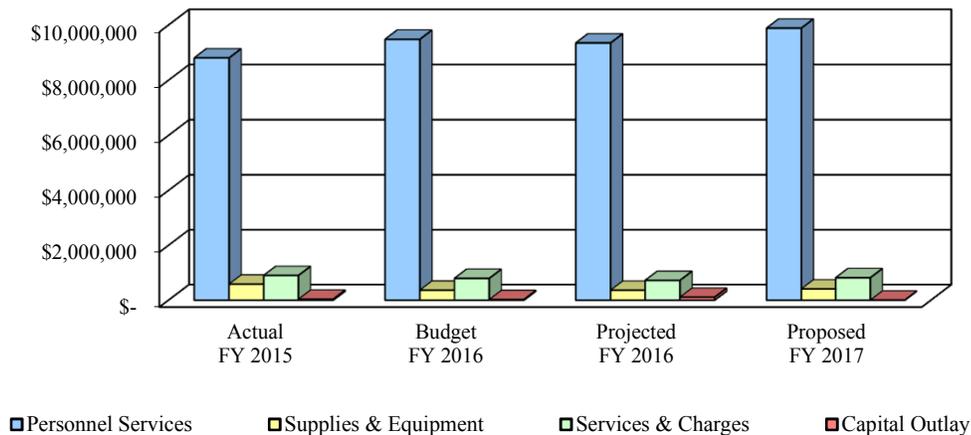
- 1 The Town Services administration cost was segregated in FY 2015-16 and accounted for in a separate department. The Administrative Department budget includes the salaries of the Town Administrator and the Town Secretary.
- 2 Legal Expense includes \$158,000 for Town Attorney services and \$42,000 for other legal services as needed.
- 3 Contract services include \$40,000 for Consulting.
- 4 The Proposed Budget includes \$11,500.00 for election services, which were not necessary in FY 2015-16.



Department of Public Safety

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 8,814,080	\$ 9,487,363	\$ 9,355,197	\$ 9,891,244	4.26%
Supplies & Equipment	589,440	367,367	365,779	412,736	12.35%
Services & Charges	903,988	796,737	724,478	821,774	3.14%
Capital Outlay	40,216	25,551	112,644	5,680	-77.77%
Total Department	\$ 10,347,724	\$ 10,677,018	\$ 10,558,098	\$ 11,131,434	4.26%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

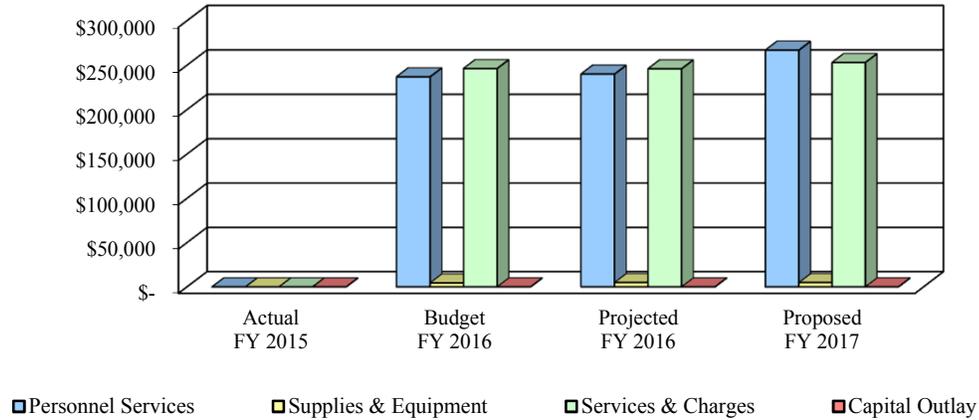
- 1 The FY 2017 Personnel Services budget includes the full-time position of a Traffic Enforcement Unit which was originally budgeted in FY 2016 as two part-time positions. Additionally, FY 2017 includes a part-time EMS coordinator.
- 2 Supplies & Equipment includes an increase in vehicle maintenance relating to fire apparatus of \$8,850; the replacement/addition of body armor for \$9,000; Honor Guard uniforms at a costs of \$7,320; \$30,200 for the replacement of fire fighter turnout gear; the replacement of cardio equipment for \$3,000 and \$7,000 for new cross fit equipment.
- 3 Services & Charges includes \$48,597 for the Town's share of the DARE & SRO programs; an increase of \$23,000 for additional crossing guards; and a \$6,000 increase for training by Del Carmen Consulting.
- 4 Services & Charges also includes a reduction in EMS Training in the amount of \$35,348 as a result of hiring a part-time EMS Coordinator.
- 5 Capital Outlay includes a large diameter fire hose roller.



Town Services Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ -	\$ 236,879	\$ 239,870	\$ 266,849	12.65%
Supplies & Equipment	-	4,450	4,750	4,750	6.74%
Services & Charges	-	246,217	245,893	252,941	2.73%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ -	\$ 487,546	\$ 490,513	\$ 524,540	7.59%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

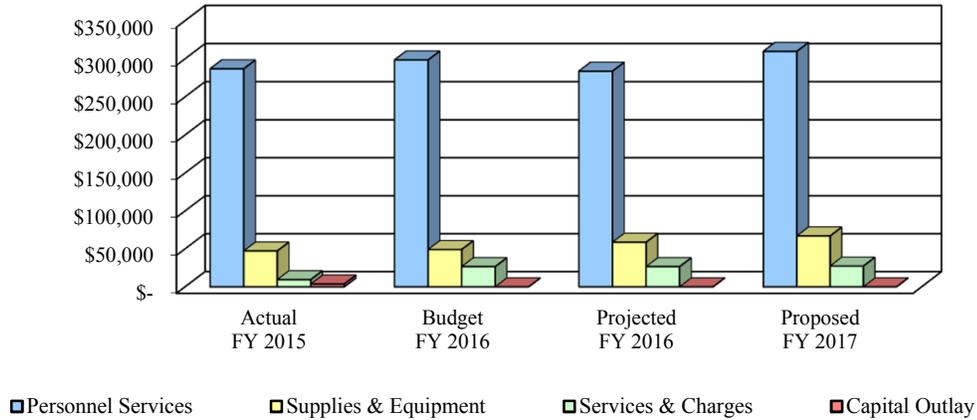
- 1 The Town Services department budget was segregated from the Administrative Department in FY 2016. This budget includes the salaries of the Town Services Manager and Town Services Admin Coordinator.
- 2 Services & Charges includes the contract for the Director of Town Services, which was previously a salaried position.



Street Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 286,910	\$ 298,493	\$ 283,815	\$ 309,796	3.79%
Supplies & Equipment	47,213	49,150	58,710	67,022	36.36%
Services & Charges	9,485	26,595	26,570	27,320	2.73%
Capital Outlay	3,755	-	-	-	0.00%
Total Department	\$ 347,363	\$ 374,238	\$ 369,095	\$ 404,138	7.99%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

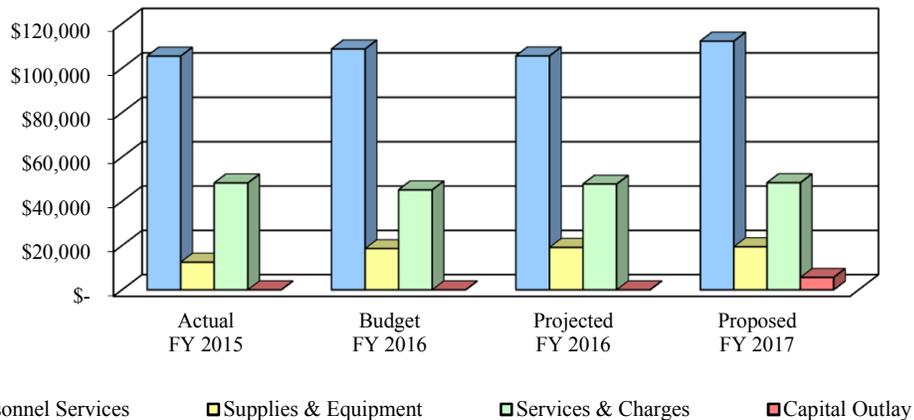
- Supplies & Equipment includes additional funding for \$4,640 to touch up and repair vehicles and the replacement of all Town decals on street vehicles and equipment; \$4,500 to remount the snow plow hydraulics, frame, and attachment to a different vehicle; the purchase of new grinder drums for grinding concrete; \$3,500 for sign poles and special event signage; and \$1,500 for a 5' X 8' utility trailer for moving small equipment.



Street Lighting Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 105,432	\$ 108,637	\$ 105,531	\$ 112,179	3.26%
Supplies & Equipment	12,474	18,620	19,162	19,488	4.66%
Services & Charges	48,272	45,170	47,753	48,394	7.14%
Capital Outlay	-	-	-	5,600	0.00%
Total Department	\$ 166,178	\$ 172,427	\$ 172,446	\$ 185,661	7.68%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

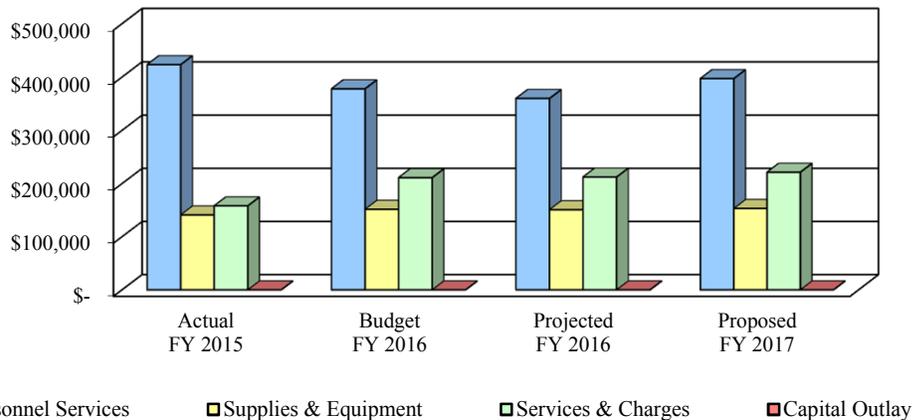
- 1 Supplies & Equipment includes \$2,000 for touch up and repair of a vehicle; \$1,320 for replacement of Town decals on a vehicle and equipment; and battery backup for traffic signals.
- 2 Capital Outlay includes \$5,600 for conflict monitoring.



Library Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 423,301	\$ 378,045	\$ 359,788	\$ 397,114	5.04%
Supplies & Equipment	141,055	151,737	150,907	153,116	0.91%
Services & Charges	158,068	211,178	212,264	221,396	4.84%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 722,424	\$ 740,960	\$ 722,959	\$ 771,626	4.14%



■ Personnel Services
 ■ Supplies & Equipment
 ■ Services & Charges
 ■ Capital Outlay

SIGNIFICANT BUDGETARY ITEMS/CHANGES

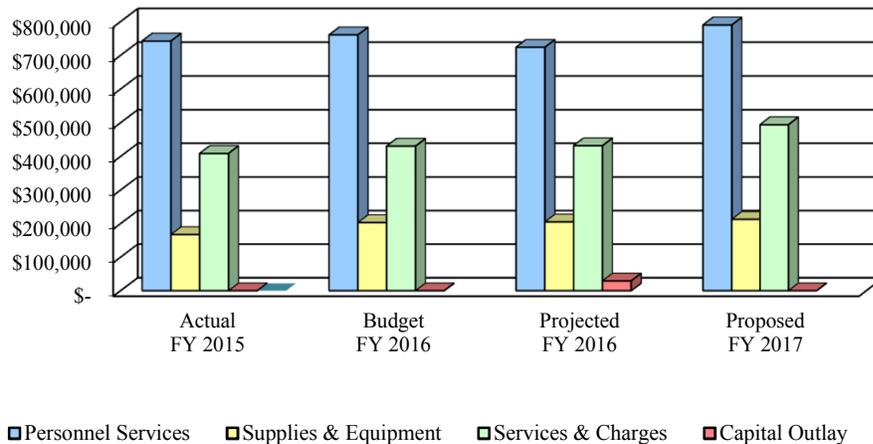
- 1 Supplies & Equipment includes \$3,025 in postage and printing based on two additional Library mailings per year.
- 2 Services & Charges includes the Library Director contract which was a full-time salaried position in past years.



Parks Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 742,335	\$ 760,498	\$ 723,904	\$ 790,063	3.89%
Supplies & Equipment	167,242	202,900	204,768	212,772	4.87%
Services & Charges	408,848	430,340	431,732	494,088	14.81%
Capital Outlay	-	-	29,198	-	0.00%
Total Department	\$ 1,318,425	\$ 1,393,738	\$ 1,389,602	\$ 1,496,923	7.40%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

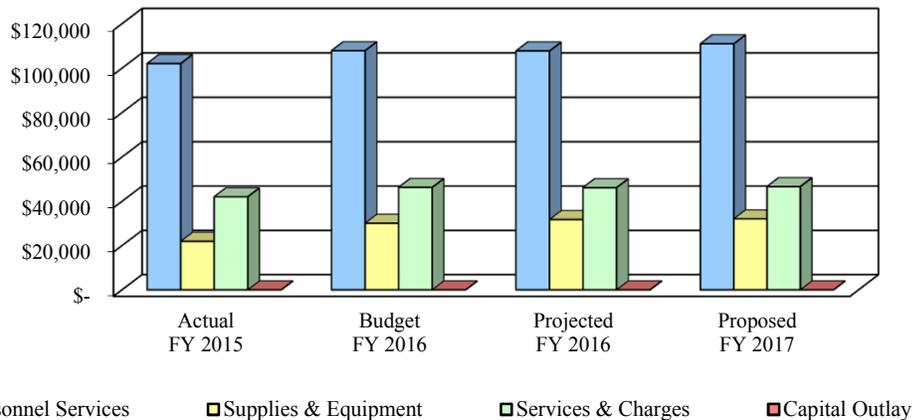
- 1 Supplies & Equipment includes an additional \$6,620 to touch up and repair vehicles, and the replacement of all Town decals on park vehicles and equipment; account includes funding for Town Hall and Flippen Park holiday décor throughout the year; increased plant and vegetation change from four times per year to five for Town Hall, Library, Bartholow Square, Flippen Park, Euclid Bridge, and other locations; tollway mulching improvements and top dressing for Azalea bed rehabilitation.
- 2 Services & Charges includes an \$11,000 increase in added tree trimming; \$15,000 for new recreational programs, and \$40,000 for the 2500 Conveyor Lane Study.



Pool Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 102,078	\$ 107,879	\$ 107,714	\$ 110,950	2.85%
Supplies & Equipment	21,896	30,100	31,762	32,100	6.64%
Services & Charges	42,042	46,280	46,162	46,662	0.83%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 166,016	\$ 184,259	\$ 185,638	\$ 189,712	2.96%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

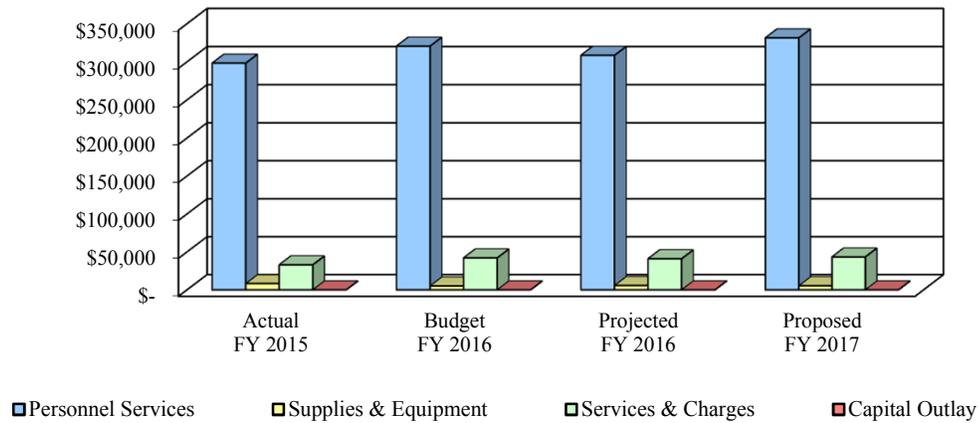
- Supplies & Equipment includes \$4,500 for a pool aerator.



Municipal Court Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 298,236	\$ 320,620	\$ 308,533	\$ 331,460	3.38%
Supplies & Equipment	8,127	5,070	5,601	5,350	5.52%
Services & Charges	32,961	42,061	40,922	43,365	3.10%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 339,324	\$ 367,751	\$ 355,056	\$ 380,175	3.38%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

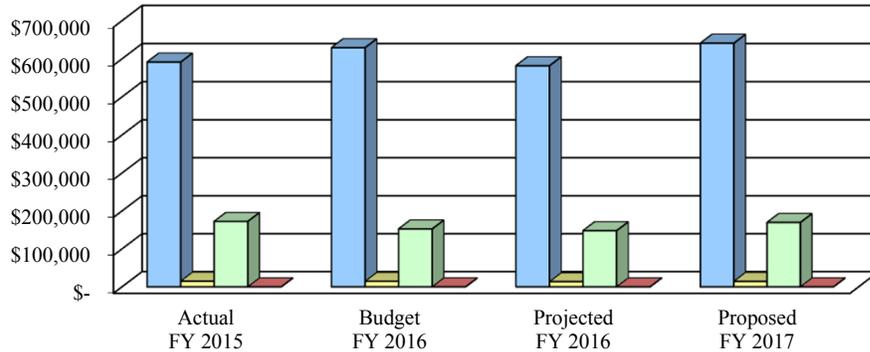
None.



Finance Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 591,481	\$ 629,401	\$ 581,910	\$ 640,950	1.83%
Supplies & Equipment	14,977	14,479	13,361	14,444	-0.24%
Services & Charges	172,350	152,547	147,885	169,589	11.17%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 778,808	\$ 796,427	\$ 743,156	\$ 824,983	3.59%



■ Personnel Services
 ■ Supplies & Equipment
 ■ Services & Charges
 ■ Capital Outlay

SIGNIFICANT BUDGETARY ITEMS/CHANGES

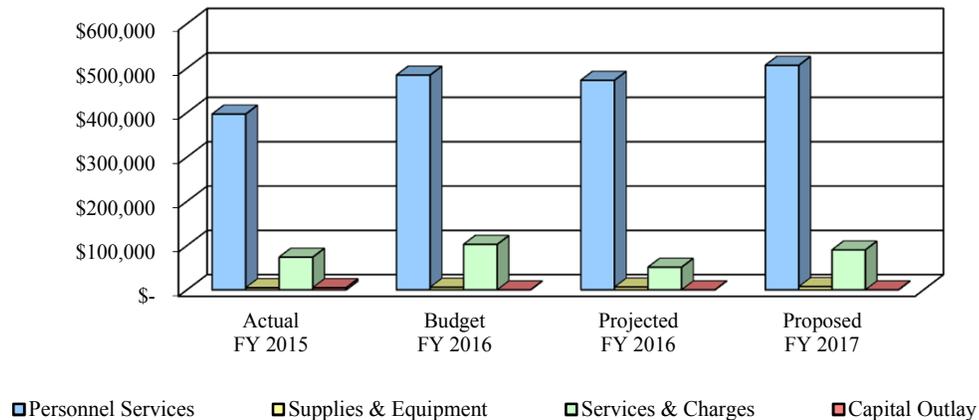
- Services & Charges includes an increase in the annual audit fee of \$1,500; additional funding for sales tax analysis and reporting at a cost of \$5,000; a 5% increase in annual maintenance charges for Tyler Technology software costing \$2,898; \$3,500 for the BKD Fraud Hotline service; and an increase of \$3,158 for emergency medical billing services.



Building Inspection Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 396,511	\$ 484,424	\$ 472,771	\$ 506,490	4.56%
Supplies & Equipment	4,927	5,770	6,230	7,340	27.21%
Services & Charges	73,838	102,610	51,045	90,160	-12.13%
Capital Outlay	4,950	-	-	-	0.00%
Total Department	\$ 480,226	\$ 592,804	\$ 530,046	\$ 603,990	1.89%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

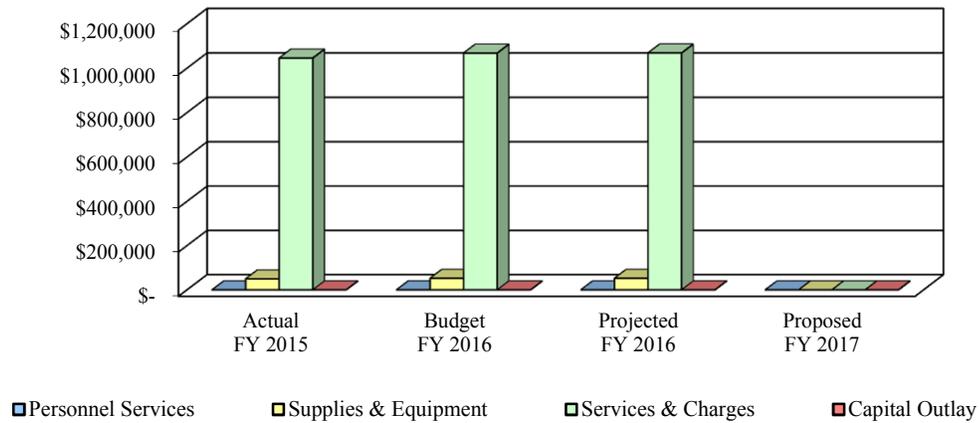
- 1 Services & Charges includes a reduction in professional services related to accreditations that were encumbered and pursued in the current fiscal year.



Sanitation Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	49,442	52,000	52,000	-	-100.00%
Services & Charges	1,045,324	1,067,750	1,068,292	-	-100.00%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 1,094,766	\$ 1,119,750	\$ 1,120,292	\$ -	-100.00%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

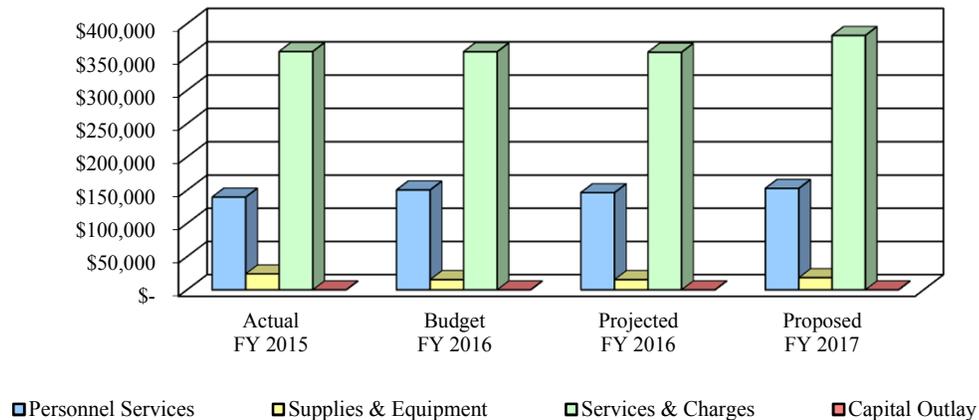
- Sanitation operations were moved to a separate enterprise fund in FY 2016-17 Proposed Budget.



Information Technology Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 139,623	\$ 150,381	\$ 146,368	\$ 152,750	1.58%
Supplies & Equipment	24,022	15,250	15,330	18,250	19.67%
Services & Charges	358,324	357,920	357,210	382,412	6.84%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 521,969	\$ 523,551	\$ 518,908	\$ 553,412	5.70%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

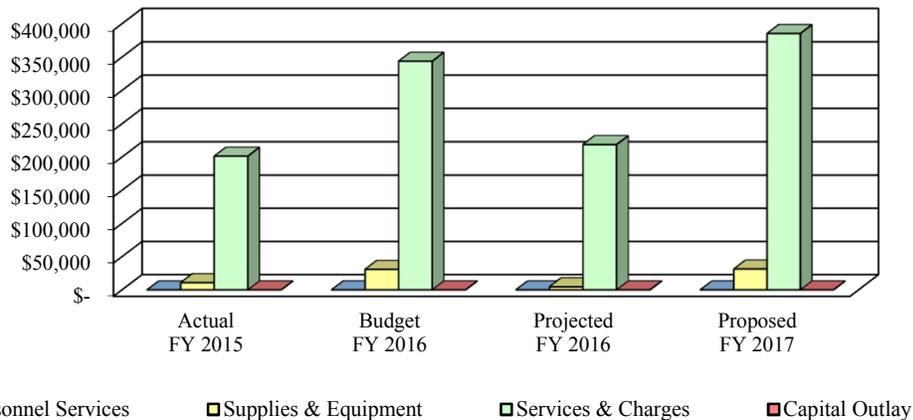
- 1 Supplies & Equipment includes a \$3,000 increase for repair of video equipment.
- 2 Services & Charges includes additional funding of \$10,500 for repair and maintenance service agreements for Cisco equipment and \$12,000 for the replacement of UPS batteries.



Non- Departmental

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	10,799	30,850	4,564	31,350	1.62%
Services & Charges	201,228	343,720	218,720	385,340	12.11%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 212,027	\$ 374,570	\$ 223,284	\$ 416,690	11.24%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

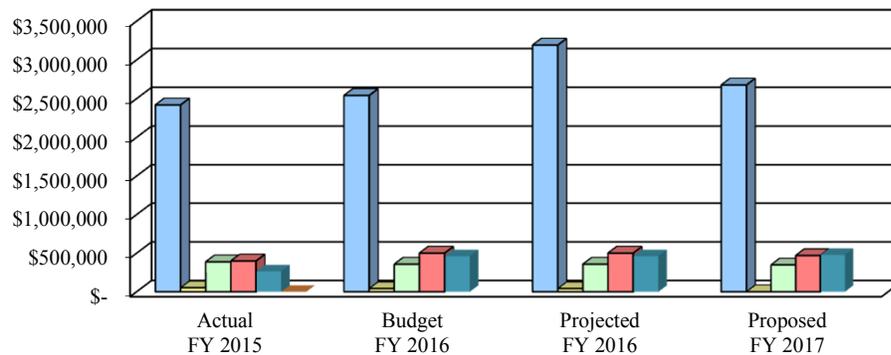
- 1 Included in Services & Charges is \$125,000.00 for retirement payout during the next fiscal year.
- 2 The Proposed Budget includes additional funding of \$29,000 for quarterly data analysis by Del Carmen Consulting for the Department of Public Safety and Municipal Court; \$7,175 for OpenGov / Transaction interface for better financial transparency; and \$2,000 in food and supplies for employee service volunteers.



Transfers to Other Funds

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Capital Projects Fund	\$ 2,418,890	\$ 2,541,380	\$3,191,380	\$ 2,675,890	5.29%
Utility Fund	52,485	41,100	41,100	-	-100.00%
Equip. Replacement Fund	388,128	357,140	357,140	347,549	-2.69%
Tech. Replacement Fund	399,293	501,400	501,400	469,043	-6.45%
Bldg. Maintenance Fund	264,843	462,500	462,500	478,500	3.46%
Total Department	\$ 3,523,639	\$ 3,903,520	\$4,553,520	\$ 3,970,982	1.73%



■ Capital Projects Fund
 ■ Utility Fund
 ■ Equip. Replacement Fund
 ■ Tech. Replacement Fund
 ■ Bldg. Maintenance Fund

SIGNIFICANT BUDGETARY ITEMS/CHANGES

- 1 Transfer to the Capital Projects Fund is sustained and increased in large part due to property value growth.
- 2 Transfers to the Equipment Replacement Fund and Technology Replacement Fund are based on the annual depreciation of assets within those funds and anticipated depreciation of assets to be acquired during the next fiscal year. The transfer has been adjusted for inflation to maintain purchasing power.
- 3 Transfers to the Equipment Replacement Fund and Technology Replacement Fund are based on the annual depreciation of assets within those funds and anticipated depreciation of assets to be acquired during the next fiscal year. The transfer has been adjusted for inflation to maintain purchasing power.
- 4 The transfer to the Building Maintenance & Investment Fund is based on the overall budget of the Building Maintenance Fund and includes a maintenance component and a fund balance component. The General Fund's proportionate share is based on the number of employees that use the Town Hall and Service Center. The Utility Fund makes a similar transfer based on the number of employees in the Utility Fund that use the Town Hall and Service Center.

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
STATEMENT OF REVENUES & EXPENSES**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 943,458	\$ 2,204,436	\$ 2,204,436	\$ 3,591,747
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 65,485	\$ 64,000	\$ 60,650	\$ 58,000
Charges for Services	8,610,842	8,840,332	10,379,118	9,992,747
Fines & Forfeits	63,599	60,000	68,500	72,400
Miscellaneous	545,456	909,750	368,370	369,150
Total Revenues	\$ 9,285,382	\$ 9,874,082	\$ 10,876,638	\$ 10,492,297
Other Sources:				
Transfers In	\$ 453,226	\$ 480,100	\$ 480,100	\$ 469,300
Total Other Sources	\$ 453,226	\$ 480,100	\$ 480,100	\$ 469,300
Total Revenues/Sources	\$ 9,738,608	\$ 10,354,182	\$ 11,356,738	\$ 10,961,597
EXPENSES - BY DEPARTMENT				
Utility Administration Department	\$ 379,126	\$ 312,729	\$ 289,123	\$ 313,622
Water Department	4,397,513	3,949,402	4,814,123	4,956,001
Sanitary Sewer Department	1,363,903	2,857,579	2,426,711	2,344,009
Engineering Department	749,077	855,373	779,990	795,315
Total Expenses	\$ 6,889,619	\$ 7,975,083	\$ 8,309,947	\$ 8,408,947
Other Uses:				
Transfers Out	\$ 1,588,011	\$ 1,659,480	\$ 1,659,480	\$ 1,744,933
Total Other Uses	\$ 1,588,011	\$ 1,659,480	\$ 1,659,480	\$ 1,744,933
Total Expenses/Uses	\$ 8,477,630	\$ 9,634,563	\$ 9,969,427	\$ 10,153,880
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 1,260,978	\$ 719,619	\$ 1,387,311	\$ 807,717
ENDING FUND BALANCE	\$ 2,204,436	\$ 2,924,055	\$ 3,591,747	\$ 4,399,464
Ideal Fund Balance	\$ 1,635,901	\$ 1,613,266	\$ 1,712,107	\$ 1,772,156
Fund Balance in Excess of Minimum	\$ 568,535	\$ 1,310,789	\$ 1,879,640	\$ 2,627,308

**UTILITY FUND
STATEMENT OF REVENUES & EXPENSES**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 943,458	\$ 2,204,436	\$ 2,204,436	\$ 3,591,747
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 65,485	\$ 64,000	\$ 60,650	\$ 58,000
Charges for Services	8,610,842	8,840,332	10,379,118	9,992,747
Fines & Forfeits	63,599	60,000	68,500	72,400
Miscellaneous	545,456	909,750	368,370	369,150
Total Revenues	\$ 9,285,382	\$ 9,874,082	\$ 10,876,638	\$ 10,492,297
Other Sources:				
Transfers In	\$ 453,226	\$ 480,100	\$ 480,100	\$ 469,300
Total Other Sources	\$ 453,226	\$ 480,100	\$ 480,100	\$ 469,300
Total Revenues/Sources	\$ 9,738,608	\$ 10,354,182	\$ 11,356,738	\$ 10,961,597
EXPENSES - BY TYPE				
Personnel Services				
Payroll	\$ 1,350,496	\$ 1,410,596	\$ 1,328,369	\$ 1,449,533
Payroll Taxes	92,383	102,039	91,280	105,936
Retirement	55,595	47,036	42,896	70,291
Insurance	177,438	190,052	165,535	196,891
Total Personnel	\$ 1,675,912	\$ 1,749,723	\$ 1,628,080	\$ 1,822,651
Supplies & Equipment	2,552,534	2,310,770	2,822,337	2,787,732
Services & Charges	1,137,785	1,169,090	1,174,530	1,232,564
Capital Outlay	1,523,390	2,745,500	2,685,000	2,566,000
Total Expenses	\$ 6,889,621	\$ 7,975,083	\$ 8,309,947	\$ 8,408,947
Other Uses:				
Transfers Out	\$ 1,588,011	\$ 1,659,480	\$ 1,659,480	\$ 1,744,933
Total Other Uses	\$ 1,588,011	\$ 1,659,480	\$ 1,659,480	\$ 1,744,933
Total Expenses/Uses	\$ 8,477,632	\$ 9,634,563	\$ 9,969,427	\$ 10,153,880
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 1,260,976	\$ 719,619	\$ 1,387,311	\$ 807,717
ENDING FUND BALANCE	\$ 2,204,436	\$ 2,924,055	\$ 3,591,747	\$ 4,399,464
Ideal Fund Balance	\$ 1,635,901	\$ 1,613,266	\$ 1,712,107	\$ 1,772,156
Fund Balance in Excess of Minimum	\$ 568,535	\$ 1,310,789	\$ 1,879,640	\$ 2,627,308

**UTILITY FUND
STATEMENT OF REVENUES**

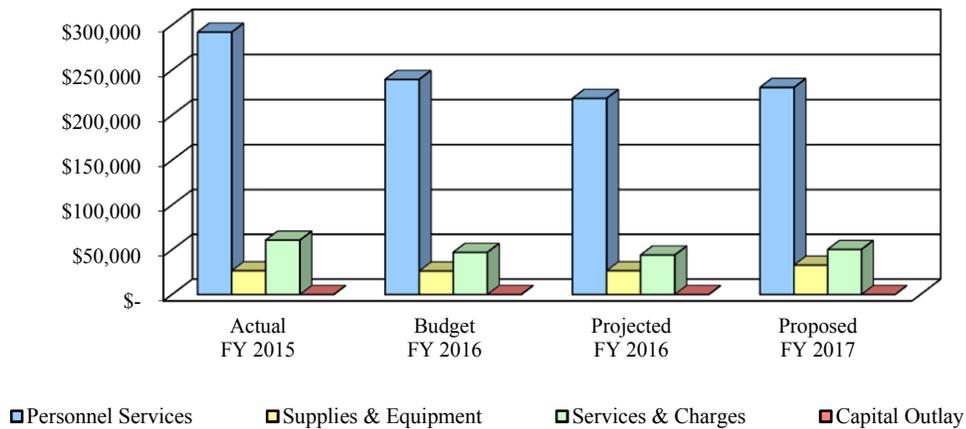
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
Licenses & Permits				
Plumbing Permits	\$ 65,485	\$ 64,000	\$ 60,650	\$ 58,000
<i>Subtotal</i>	\$ 65,485	\$ 64,000	\$ 60,650	\$ 58,000
Charges For Services				
Water Sales	\$ 5,894,625	\$ 6,066,077	\$ 7,170,770	\$ 6,900,266
Inter-Dept Water Sales	101,490	73,087	89,599	85,556
Sewer Charges	2,551,417	2,654,168	3,111,189	2,999,275
Meter Installation	60,500	44,000	4,450	4,450
Other Charges	2,810	3,000	3,110	3,200
<i>Subtotal</i>	\$ 8,610,842	\$ 8,840,332	\$ 10,379,118	\$ 9,992,747
Fines & Forfeits				
Late Payment Penalties	\$ 63,599	\$ 60,000	\$ 68,500	\$ 72,400
<i>Subtotal</i>	\$ 63,599	\$ 60,000	\$ 68,500	\$ 72,400
Miscellaneous				
Interest	\$ 6,022	\$ 9,750	\$ 12,900	\$ 14,400
Sale of Assets	-	-	-	-
Contributions	536,859	900,000	352,000	352,000
Miscellaneous	2,575	0	3,470.00	2,750.00
<i>Subtotal</i>	\$ 545,456	\$ 909,750	\$ 368,370	\$ 369,150
Total Revenues	\$ 9,285,382	\$ 9,874,082	\$ 10,876,638	\$ 10,492,297



Administrative Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 291,999	\$ 239,534	\$ 218,551	\$ 230,636	-3.71%
Supplies & Equipment	\$ 26,453	\$ 26,115	\$ 26,478	\$ 32,712	25.26%
Services & Charges	\$ 60,674	\$ 47,080	\$ 44,094	\$ 50,274	6.78%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	-
Total Department	\$ 379,126	\$ 312,729	\$ 289,123	\$ 313,622	0.29%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

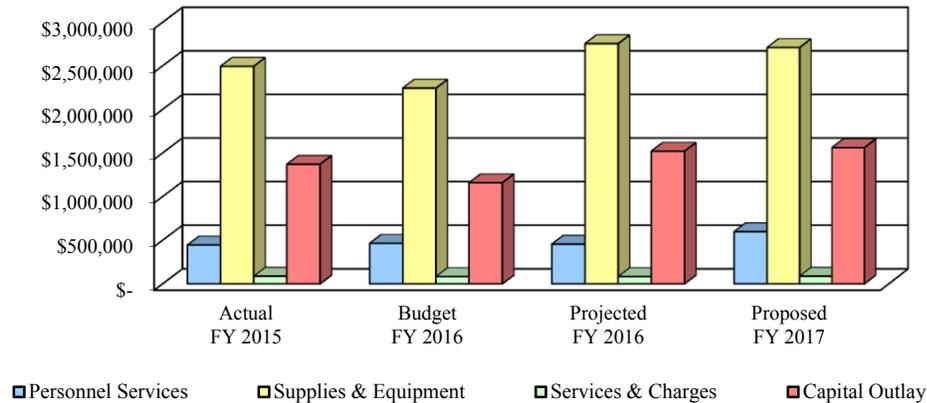
- 1 Supplies & Equipment includes an additional \$5,400 for Tyler Output Processor (TOP).
- 2 Services & Charges includes added cost associated with Customer Service Week and DataProse conversion for Tyler Output Processor.



Water Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 444,881	\$ 464,117	\$ 455,362	\$ 598,159	28.88%
Supplies & Equipment	2,494,714	2,243,785	2,754,953	2,710,034	20.78%
Services & Charges	88,135	83,500	83,808	87,808	5.16%
Capital Outlay	1,369,783	1,158,000	1,520,000	1,560,000	34.72%
Total Department	\$ 4,397,513	\$ 3,949,402	\$4,814,123	\$ 4,956,001	25.49%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

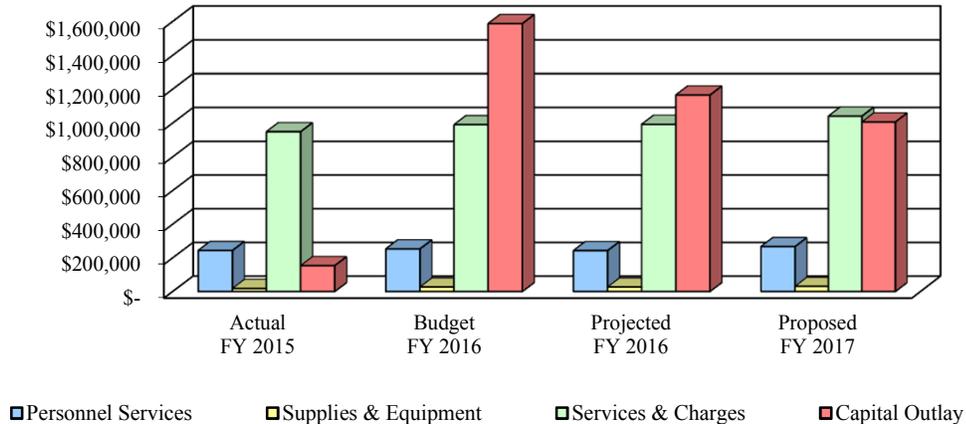
- Supplies & Equipment includes touch up and repair of vehicles and the replacement of Town decals. In FY 2016, \$60,000 was transferred from the water meter replacement account in to Capital Outlay for the Smart Water Meter Program. Water purchases cost is based on a projection of 1,054,700,000 gallons at a rate of \$2.38 per 1,000 gallons.
- Capital Outlay includes \$25,000 for an air compressor, \$535,000 for the Smart Water Meter Project, and \$1,000,000 in other water infrastructure improvements. The increase from FY 2016 Adopted Budget includes an additional \$184,000 for the Smart Water Meter Project. Additionally, for fiscal year 2016-17 the \$2,000,000 allocated for water and sewer infrastructure improvements is split evenly between the water and sanitary sewer departments.



Sanitary Sewer Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 243,743	\$ 253,269	\$ 242,954	\$ 266,883	5.38%
Supplies & Equipment	17,921	26,730	26,730	30,566	14.35%
Services & Charges	948,633	990,080	992,027	1,040,560	5.10%
Capital Outlay	153,606	1,587,500	1,165,000	1,006,000	-36.63%
Total Department	\$ 1,363,903	\$ 2,857,579	\$2,426,711	\$ 2,344,009	-17.97%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

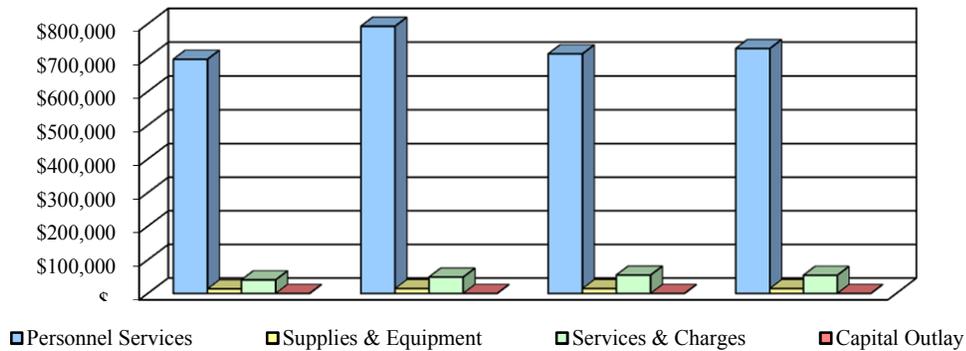
- 1 Supplies & Equipment includes touch up and repair of vehicles and the replacement of Town decals.
- 2 The wastewater treatment expense, \$939,288, is based on a projected 381,096,000 gallons to be treated and reflects an increase of \$76,882.
- 3 Capital Outlay includes \$6,000 for a sewer gas meter, and \$1,000,000 for the Town's Sanitary Sewer infrastructure rehabilitation program. The decrease from FY 2016 Adopted Budget relates to the 30" sewer interceptor project at an estimated cost of \$1,100,000 being moved out to a future year.



Engineering Department

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ 695,288	\$ 792,803	\$ 711,213	\$ 726,973	-8.30%
Supplies & Equipment	13,447	14,140	14,176	14,420	1.98%
Services & Charges	40,342	48,430	54,601	53,922	11.34%
Capital Outlay	-	-	-	-	-
Total Department	\$ 749,077	\$ 855,373	\$ 779,990	\$ 795,315	-7.02%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

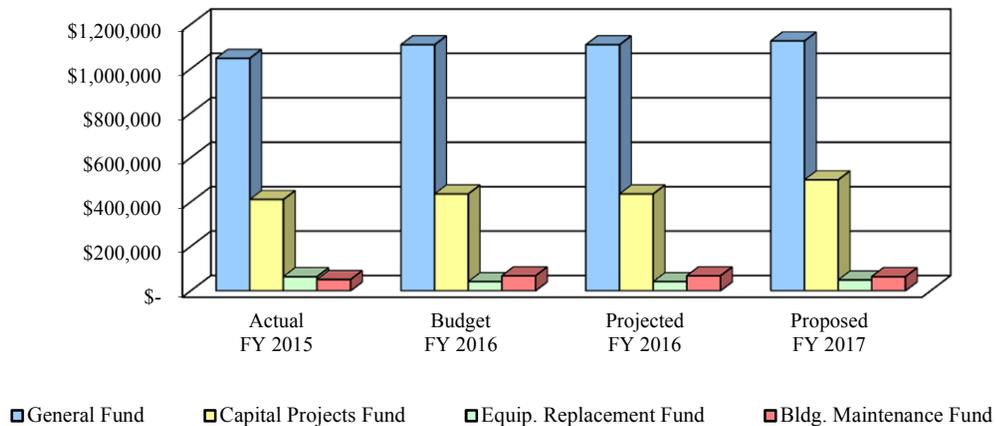
- 1 Personnel Services decreased due to the retirement of an employee within the department during FY 2016. The FY 2016 budget also included funding for the overlapping transition of a new employee.



Transfers to Other Funds

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
General Fund	\$ 1,046,439	\$ 1,107,900	\$ 1,107,900	\$ 1,125,000	1.54%
Capital Projects Fund	410,638	436,000	436,000	499,255	14.51%
Equip. Replacement Fund	63,451	41,080	41,080	48,503	18.07%
Tech. Replacement Fund	16,787	7,500	7,500	8,775	17.00%
Bldg. Maintenance Fund	50,696	67,000	67,000	63,400	-5.37%
Total Department	\$ 1,588,011	\$ 1,659,480	\$ 1,659,480	\$ 1,744,933	5.15%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

- 1 The transfer to the General Fund represents a reimbursement to the General Fund for General & Administrative services.
- 2 The transfer to the Capital Projects Fund represents a right-of-way use fee based on 5% of water and sanitary sewer charges.
- 3 Transfers to the Equipment Replacement Fund and Technology Replacement Fund are based on the annual depreciation of assets within those funds and anticipated depreciation of assets to be acquired during the next fiscal year. The transfer has been adjusted for inflation to maintain purchasing power.
- 4 The transfer to the Building Maintenance & Investment Fund is based on the overall budget of the Building Maintenance Fund and includes a maintenance component and a fund balance component. The Utility Fund's proportionate share is based on the number of employees that use the Town Hall and Service Center.

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SOLID WASTE FUND

The Solid Waste Fund is the financial structure used for the accounting of providing sanitation collection 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 Solid Waste Fund is the accrual basis with the exceptions that bad debt expenses are not included in budgeted expenditures.

**SOLID WASTE FUND
STATEMENT OF REVENUES & EXPENSES**

	FY 2015 Actual*	FY 2016 Budget*	FY 2016 Projected*	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,236,438	1,248,500	1,233,245	1,234,320
Miscellaneous	-	-	-	-
Total Revenues	\$ 1,236,438	\$ 1,248,500	\$ 1,233,245	\$ 1,234,320
Other Sources:				
Transfers In	\$ -	\$ -	\$ -	\$ -
Total Other Sources	\$ -	\$ -	\$ -	\$ -
Total Revenues/Sources	\$ 1,236,438	\$ 1,248,500	\$ 1,233,245	\$ 1,234,320
EXPENSES - BY DEPARTMENT				
Sanitation Department	\$ 1,094,766	\$ 1,119,750	\$ 1,120,292	\$ 1,133,792
Total Expenses	\$ 1,094,766	\$ 1,119,750	\$ 1,120,292	\$ 1,133,792
Other Uses:				
Transfers Out	\$ 114,307	\$ 103,525	\$ 102,662	\$ 96,400
Total Other Uses	\$ 114,307	\$ 103,525	\$ 102,662	\$ 96,400
Total Expenses/Uses	\$ 1,209,073	\$ 1,223,275	\$ 1,222,954	\$ 1,230,192
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 27,365	\$ 25,225	\$ 10,291	\$ 4,128
ENDING FUND BALANCE	\$ -	\$ 25,225	\$ 10,291	\$ 4,128
Ideal Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balance in Excess of Minimum	\$ -	\$ 25,225	\$ 10,291	\$ 4,128

*Prior year information presented for informational purposes only and is reflected in General Fund operations.

**SOLID WASTE FUND
STATEMENT OF REVENUES & EXPENSES**

	FY 2015 Actual*	FY 2016 Budget*	FY 2016 Projected*	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,236,438	1,248,500	1,233,245	1,234,320
Miscellaneous	-	-	-	-
Total Revenues	\$ 1,236,438	\$ 1,248,500	\$ 1,233,245	\$ 1,234,320
Other Sources:				
Transfers In	\$ -	\$ -	\$ -	\$ -
Total Other Sources	\$ -	\$ -	\$ -	\$ -
Total Revenues/Sources	\$ 1,236,438	\$ 1,248,500	\$ 1,233,245	\$ 1,234,320
EXPENSES - BY TYPE				
Personnel Services				
Payroll	\$ -	\$ -	\$ -	\$ -
Payroll Taxes	-	-	-	-
Retirement	-	-	-	-
Insurance	-	-	-	-
Total Personnel	\$ -	\$ -	\$ -	\$ -
Supplies & Equipment	49,442	52,000	52,000	45,500
Services & Charges	1,045,324	1,067,750	1,068,292	1,088,292
Capital Outlay	-	-	-	-
Total Expenses	\$ 1,094,766	\$ 1,119,750	\$ 1,120,292	\$ 1,133,792
Other Uses:				
Transfers Out	\$ 114,307	\$ 103,525	\$ 102,662	\$ 96,400
Total Other Uses	\$ 114,307	\$ 103,525	\$ 102,662	\$ 96,400
Total Expenses/Uses	\$ 1,209,073	\$ 1,223,275	\$ 1,222,954	\$ 1,230,192
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 27,365	\$ 25,225	\$ 10,291	\$ 4,128
ENDING FUND BALANCE	\$ -	\$ 25,225	\$ 10,291	\$ 4,128

*Prior year information presented for informational purposes only and is reflected in General Fund operations.

**SOLID WASTE FUND
STATEMENT OF REVENUES**

	FY 2015 Actual*	FY 2016 Budget*	FY 2016 Projected*	FY 2017 Proposed
Charges For Services				
Sanitation Collection Charges	\$ 1,138,226	\$ 1,149,500	\$ 1,134,900	\$ 1,135,800
Recycling Charges	98,212	99,000	98,345	98,520
Other Charges	-	-	-	-
<i>Subtotal</i>	\$ 1,236,438	\$ 1,248,500	\$ 1,233,245	\$ 1,234,320
Miscellaneous				
Interest	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
<i>Subtotal</i>	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 1,236,438	\$ 1,248,500	\$ 1,233,245	\$ 1,234,320

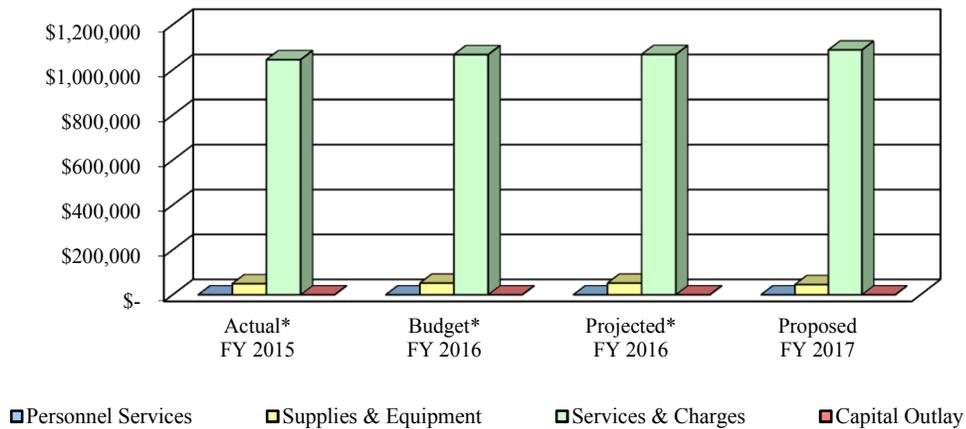
***Prior year information presented for informational purposes only and is reflected in General Fund operations.**



Sanitation Department

EXPENDITURE SUMMARY

	FY 2015 Actual*	FY 2016 Budget*	FY 2016 Projected*	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies & Equipment	\$ 49,442	\$ 52,000	\$ 52,000	\$ 45,500	-12.50%
Services & Charges	\$ 1,045,324	\$ 1,067,750	\$ 1,068,292	\$ 1,088,292	1.92%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	N/A
Total Department	\$ 1,094,766	\$ 1,119,750	\$ 1,120,292	\$ 1,133,792	1.25%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

- 1 Sanitation operations were moved to a separate enterprise fund in the FY 2017 Proposed Budget.
- 2 Service & Charges includes an estimated increase for solid waste collection, recycling, and disposal services. Pursuant to the existing contract for solid waste collection, the calculations for the increase require July CPI data which is not available at this time. A rate adjustment to offset the increase in cost is not anticipated for FY 2017 but continues to be evaluated by Staff. The last rate adjustment for solid waste services was implemented at the beginning of FY 2015.

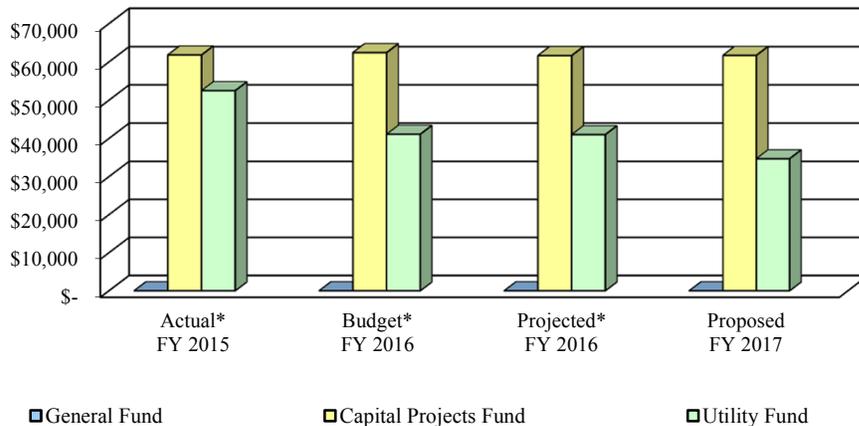
* Prior year information presented for informational purposes only and is reflected in General Fund



Transfers to Other Funds

EXPENDITURE SUMMARY

	FY 2015 Actual*	FY 2016 Budget*	FY 2016 Projected*	FY 2017 Proposed	% Change 2016 to 2017
General Fund	\$ -	\$ -	\$ -	\$ -	N/A
Capital Projects Fund	\$ 61,822	\$ 62,425	\$ 61,662	61,700	-1.16%
Utility Fund	\$ 52,485	\$ 41,100	\$ 41,000	34,700	-15.57%
Total Department	\$ 114,307	\$ 103,525	\$ 102,662	\$ 96,400	-6.88%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

- 1 The transfer to the Capital Projects Fund represents a 5% franchise fee based on solid waste and recycling collection revenue.
- 2 The transfer to the Utility Fund represents administrative cost for billing and collection of solid waste operations.

* Prior year information presented for informational purposes only and is reflected in General Fund operations.

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.

Forfeited Property Fund – This special revenue fund accounts for the forfeited assets as a result of criminal activities and the funding of crime prevention programs and equipment.

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.

Library Fund – Accounts for the receipt of royalty revenues restricted to the Library.

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.

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

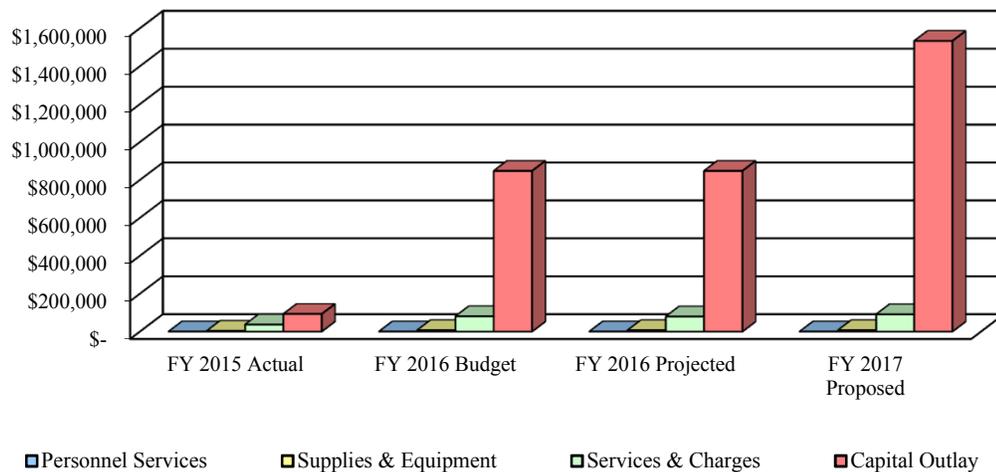
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 681,472	\$ 823,220	\$ 823,220	\$ 509,513
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 381,883	\$ 389,900	\$ 386,470	\$ 390,450
Interest	2,523	3,500	3,523	3,820
Miscellaneous	-	-	-	-
Total Revenues	\$ 384,406	\$ 393,400	\$ 389,993	\$ 394,270
Other Sources:				
Transfers In	\$ -	\$ 350,000	\$ 350,000	\$ 1,350,000
Total Other Sources:	-	350,000	350,000	1,350,000
Total Revenues/Sources:	\$ 384,406	\$ 743,400	\$ 739,993	\$ 1,744,270
EXPENSES/USES OF FUNDS				
Supplies & Equipment	3,833	7,000	7,000	7,100
Services & Charges	36,901	80,500	79,500	90,580
Capital Outlay	92,631	847,500	847,500	1,533,000
Total Expenditures	\$ 133,365	\$ 935,000	\$ 934,000	\$ 1,630,680
Transfers	109,293	119,700	119,700	118,500
Total Expenditures/Uses of Funds	\$ 242,658	\$ 1,054,700	\$ 1,053,700	\$ 1,749,180
Excess of Revenues/Sources Over Expenses/Uses	\$ 141,748	\$ (311,300)	\$ (313,707)	\$ (4,910)
ENDING FUND BALANCE	\$ 823,220	\$ 511,920	\$ 509,513	\$ 504,603



Stormwater Drainage Fund

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ -	\$ -	\$ -	\$ -	-
Supplies & Equipment	3,833	7,000	7,000	7,100	1.43%
Services & Charges	36,901	80,500	79,500	90,580	12.52%
Capital Outlay	92,631	847,500	847,500	1,533,000	80.88%
Total Department	\$ 133,365	\$ 935,000	\$ 934,000	\$ 1,630,680	74.40%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

- Capital Projects include the Lexington Tunnel internal resurfacing costing \$35,000; Connor Park shoreline stabilization & silt removal for \$858,000; \$80,000 for Southern & Livingston drainage improvements; Master Plan & Improvements for Hackberry Creek for \$375,000; and Armstrong Bridges (2) rehabilitation at a cost of \$185,000.

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

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 2,125,016	\$ 2,433,733	\$ 2,433,733	\$ 2,788,010
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Interest	7,083	11,250	12,590	13,100
Sale of Assets	-	30,000	95,126	30,000
Contributions	3,755	-	-	-
Total Revenues	\$ 10,838	\$ 41,250	\$ 107,716	\$ 43,100
Transfers	451,579	398,220	398,220	396,052
Total Revenues/Sources	\$ 462,417	\$ 439,470	\$ 505,936	\$ 439,152
EXPENDITURES/USES OF FUNDS				
Vehicle Disposal	\$ -	\$ 3,600	\$ 3,600	\$ 3,600
Rolling Stock Acquisition	143,008	148,059	148,059	657,427
Equipment Acquisition	10,692	-	-	32,325
Total Expenditures	\$ 153,700	\$ 151,659	\$ 151,659	\$ 693,352
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 153,700	\$ 151,659	\$ 151,659	\$ 693,352
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 308,717	\$ 287,811	\$ 354,277	\$ (254,200)
ENDING FUND BALANCE	\$ 2,433,733	\$ 2,721,544	\$ 2,788,010	\$ 2,533,810

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	VIN (Last 4)	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
PUBLIC SAFETY					
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	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
STREET					
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
STREET LIGHTING					
Truck w/ Arial lift	8413	Ford	2009	2008	2018
Pickup	1837	Chevrolet	2012	2012	2019
PARKS					
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
SERVICE CENTER					
Front-End Loader	NA	Case	2011	2011	2021
WATER					
Pickup	0678	Chevrolet	2013	2013	2020
Pickup	9155	Chevrolet	2013	2013	2020
Pickup	0129	Chevrolet	2011	2011	2018
Pickup	9944	Ford	2010	2010	2017

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	VIN (Last 4)	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
SEWER					
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
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 1,167,039	\$ 1,347,555	\$ 1,347,555	\$ 1,762,289
REVENUES/SOURCES OF FUNDS				
Interest	\$ 4,138	\$ 7,000	\$ 6,340	\$ 6,800
Sale of Assets	-	4,000	4,000	5,000
Contributions	-	-	-	-
Total Revenues	\$ 4,138	\$ 11,000	\$ 10,340	\$ 11,800
Transfers	445,636	508,900	508,900	477,818
Total Revenues/Sources	\$ 449,774	\$ 519,900	\$ 519,240	\$ 489,618
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ 2,500	\$ 2,500	\$ 41,000
Technology Equipment Acquisition	269,258	102,006	102,006	391,703
Total Expenditures	\$ 269,258	\$ 104,506	\$ 104,506	\$ 432,703
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 269,258	\$ 104,506	\$ 104,506	\$ 432,703
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 180,516	\$ 415,394	\$ 414,734	\$ 56,915
ENDING FUND BALANCE	\$ 1,347,555	\$ 1,762,949	\$ 1,762,289	\$ 1,819,204

Town of Highland Park
 Technology Asset Replacement Schedule
 For the Fiscal Year Ending September 30, 2017

Fund	Dept	Department	ID Number	Description	Asset Value
1	7	Library	4760	Desktop	\$ 800
1	7	Library	4758	Desktop	800
1	7	Library	4762	Desktop	800
1	7	Library		Desktop (PhoneTree)	800
1	7	Library		Server (ITIVA)	2,400
1	7	Library	4707	Desktop	800
1	7	Library	4708	Desktop	800
1	7	Library	4706	Desktop	800
1	7	Library	4766	Desktop	800
1	1	Administration			
1	1	Administration			
1	1	Administration			
1	1	Administration			
1	1	Administration			
1	1	Administration			
1	2	Public Safety	4778	Panasonic Toughbook	4,327
1	2	Public Safety	4975	Tablet	1,600
1	2	Public Safety	4985	Desktop Computer	800
1	2	Public Safety	4778	Panasonic Toughbook	4,327
1	2	Public Safety	4979	Desktop Computer	800
1	2	Public Safety	4978	Desktop Computer	800
1	2	Public Safety	4981	Desktop Computer	800
1	2	Public Safety	4976	Tablet	1,600
1	2	Public Safety	4775	Panasonic Toughbook	4,327
1	2	Public Safety	4983	Desktop Computer	800
1	2	Public Safety	5080	Laptop	1,400
1	2	Public Safety	5083	Laptop	1,400
1	2	Public Safety	5082	Laptop	1,400
1	2	Public Safety	5081	Laptop	1,400
1	2	Public Safety	4984	Desktop Computer	800
1	2	Public Safety	4469	Desktop Computer	800
1	2	Public Safety	4815	Desktop Computer	800
1	2	Public Safety	4934	Desktop Computer	800
1	2	Public Safety	4933	Desktop Computer	800
1	6	Streets			
1	8	Park			
1	10	Municipal Court	4802	Laptop	1,400
1	11	Finance	5137	Tablet	2,400
1	11	Finance	5136	Tablet	1,600

Town of Highland Park
 Technology Asset Replacement Schedule
 For the Fiscal Year Ending September 30, 2017

Fund	Dept	Department	ID Number	Description	Asset Value
1	12	Building Inspection	4947	Desktop Computer	800
1	12	Building Inspection	4928	Desktop Computer	800
1	17	Information Technology	4989	Laptop	1,400
1	17	Information Technology	4849	Laptop	1,400
1	17	Information Technology	4797	Avocent MPU2032	4,829
1	17	Information Technology	4813	Dell Powervault TL20	6,732
1	17	Information Technology	4819	Dell Poweredge M610	3,533
1	17	Information Technology	4820	Dell Poweredge M610	3,842
1	17	Information Technology	4821	Dell Poweredge M610	3,319
1	17	Information Technology	4822	Dell Poweredge M1000	17,745
1	17	Information Technology	4828	Dell Poweredge R310	3,623
1	17	Information Technology	4831	Dell Poweredge M610	5,937
1	17	Information Technology	4832	Dell Poweredge M610	5,937
1	17	Information Technology	4833	Dell Poweredge M610	3,319
1	17	Information Technology	4834	Dell Poweredge M610	3,682
1	17	Information Technology	4837	Dell Poweredge M610	6,370
1	17	Information Technology	4838	Dell Poweredge M610	3,272
1	17	Information Technology	4839	Dell Poweredge M610	3,842
1	17	Information Technology	4840	Dell Poweredge M610	3,018
1	17	Information Technology	4841	Dell Poweredge M610	5,937
1	17	Information Technology	4842	Dell Poweredge M610	5,937
1	17	Information Technology	4843	Dell Poweredge M610	4,028
1	17	Information Technology	4844	Dell Poweredge M610	3,193
1	17	Information Technology	4845	Dell Poweredge M610	6,370
1	17	Information Technology	4863	VoIP Phone System	74,706
1	17	Information Technology	4789	Cisco MDS9148 Fiber switch	9,413
1	17	Information Technology	4790	Cisco MDS9148 Fiber switch	9,413
1	17	Information Technology		EMC SAN	139,527
1	17	Information Technology		PC Deployment Services	11,000
1	17	Information Technology		Data Center Replacement Services	30,000
		Total General Fund Departments			\$ 418,102
20	25	Engineering	5135	Laptop Computer	\$ 1,400
20	25	Engineering	5079	Desktop Computer	3,600
20	23	Sewer			
20	21	Administration	4935	Desktop	800
		Total Utility Fund Departments			\$ 5,800
		Grand Total - All Departments			<u>\$ 423,902</u>

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

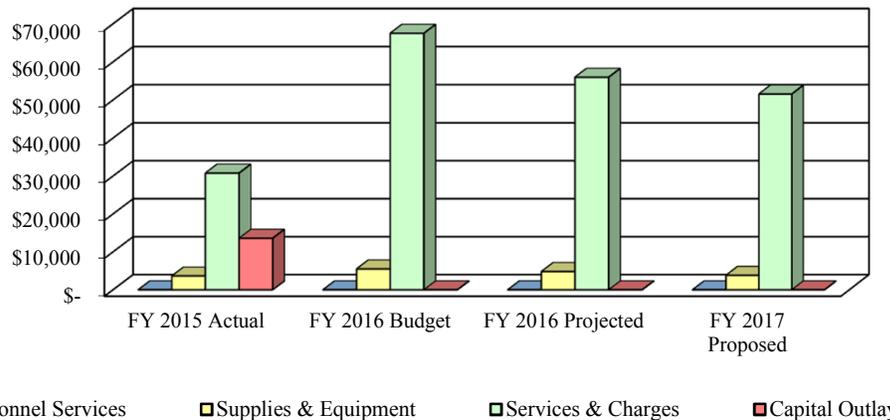
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 247,185	\$ 346,416	\$ 346,416	\$ 510,833
REVENUES/SOURCES OF FUNDS				
Interest	\$ 894	\$ 2,500	\$ 1,500	\$ 1,600
Miscellaneous	11,768	17,000	16,000	16,000
Total Revenues	\$ 12,662	\$ 19,500	\$ 17,500	\$ 17,600
Transfers	315,539	529,500	529,500	541,900
Total Revenues/Sources	\$ 328,201	\$ 549,000	\$ 547,000	\$ 559,500
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 16,644	\$ 27,550	\$ 26,350	\$ 31,825
Services & Charges	198,728	351,790	326,258	425,123
Capital Outlay	13,598	-	29,975	-
Total Expenditures	\$ 228,970	\$ 379,340	\$ 382,583	\$ 456,948
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 228,970	\$ 379,340	\$ 382,583	\$ 456,948
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 99,231	\$ 169,660	\$ 164,417	\$ 102,552
ENDING FUND BALANCE	\$ 346,416	\$ 516,076	\$ 510,833	\$ 613,385



Service Center

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ -	\$ -	\$ -	\$ -	-
Supplies & Equipment	3,625	5,500	4,800	3,800	-30.91%
Services & Charges	30,774	67,515	55,968	51,553	-23.64%
Capital Outlay	13,598	-	-	-	0.00%
Total Department	\$ 47,997	\$ 73,015	\$ 60,768	\$ 55,353	-24.19%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

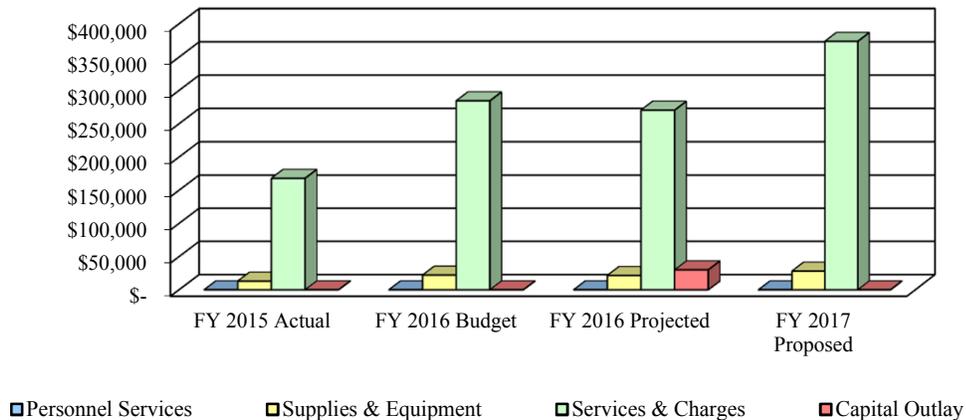
- 1 Services & Charges includes eliminating \$10,000 for facilities planning and consulting.



Municipal Buildings

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed	% Change 2016 to 2017
Personnel Services	\$ -	\$ -	\$ -	\$ -	-
Supplies & Equipment	13,019	22,050	21,550	28,025	27.10%
Services & Charges	167,954	284,275	270,290	373,570	31.41%
Capital Outlay	-	-	29,975	-	-
Total Department	\$ 180,973	\$ 306,325	\$ 321,815	\$ 401,595	31.10%



SIGNIFICANT BUDGETARY ITEMS/CHANGES

- 1 Supplies & Equipment is increasing over FY 2016 due to repair and replacement of ceiling tiles in DPS bay.
- 2 Services & Equipment includes \$10,000 for facilities planning & consulting; \$21,000 for repair of DPS bay and bay doors; \$6,000 for repair and replacement of HVAC equipment; replacing two 75 gallon commercial water heaters in DPS costing \$25,000; \$25,000 for roof repairs at Town Hall; and repair of DPS bay heaters for \$5,000.

**FORFEITED PROPERTY FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 1,155	\$ 8,332	\$ 8,332	\$ 8,910
REVENUES/SOURCES OF FUNDS				
Forfeitures	\$ 8,803	\$ -	\$ 2,560	\$ 3,000
Interest	12	-	32	42
Total Revenues	\$ 8,815	\$ -	\$ 2,592	\$ 3,042
Transfers	-	-	-	-
Total Revenues/Sources	\$ 8,815	\$ -	\$ 2,592	\$ 3,042
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	1,638	-	2,014	2,500
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ 1,638	\$ -	\$ 2,014	\$ 2,500
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 7,177	\$ -	\$ 578	\$ 542
Fund Balance	\$ 8,332	\$ 8,332	\$ 8,910	\$ 9,452

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

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 44,890	\$ 56,543	\$ 56,543	\$ 64,799
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 25,106	\$ 31,050	\$ 29,960	\$ 34,860
Interest	177	200	208	220
Total Revenues	\$ 25,283	\$ 31,250	\$ 30,168	\$ 35,080
Transfers	-	-	-	-
Total Revenues/Sources	\$ 25,283	\$ 31,250	\$ 30,168	\$ 35,080
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 3,165	\$ 3,852	\$ 3,852	\$ 3,860
Service & Charges	10,465	18,060	18,060	19,090
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ 13,630	\$ 21,912	\$ 21,912	\$ 22,950
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 11,653	\$ 9,338	\$ 8,256	\$ 12,130
Fund Balance	\$ 56,543	\$ 65,881	\$ 64,799	\$ 76,929

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

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 7,793	\$ 5,650	\$ 5,650	\$ 5,622
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 18,830	\$ 23,250	\$ 23,150	\$ 27,890
Interest	27	45	22	25
Total Revenues	\$ 18,857	\$ 23,295	\$ 23,172	\$ 27,915
Transfers	-	-	-	-
Total Revenues/Sources	\$ 18,857	\$ 23,295	\$ 23,172	\$ 27,915
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Transfers	21,000	23,200	23,200	23,900
Total Expenditures/Uses	\$ 21,000	\$ 23,200	\$ 23,200	\$ 23,900
Excess Revenues/Sources Over Expenditures/Uses	\$ (2,143)	\$ 95	\$ (28)	\$ 4,015
ENDING FUND BALANCE	\$ 5,650	\$ 5,745	\$ 5,622	\$ 9,637

LIBRARY FUND
STATEMENT OF REVENUES & EXPENDITURES

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 203,955	\$ 223,440	\$ 223,440	\$ 236,205
REVENUES/SOURCES OF FUNDS				
Interest	\$ 737	\$ -	\$ 765	\$ 1,120
Library Donations	18,748	-	12,000	12,000
Total Revenues	\$ 19,485	\$ -	\$ 12,765	\$ 13,120
Transfers	-	-	-	-
Total Revenues/Sources	\$ 19,485	\$ -	\$ 12,765	\$ 13,120
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Services & Charges	-	-	-	42,645
Total Expenditures	\$ -	\$ -	\$ -	\$ 42,645
Transfers	-	-	-	-
Total Expenditures/Uses	\$ -	\$ -	\$ -	\$ 42,645
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 19,485	\$ -	\$ 12,765	\$ (29,525)
ENDING FUND BALANCE	\$ 223,440	\$ 223,440	\$ 236,205	\$ 206,680

**DPS TECHNOLOGY FUND
STATEMENT OF REVENUES & EXPENDITURES**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 23,773	\$ 107,511	\$ 107,511	\$ 182,081
REVENUES/SOURCES OF FUNDS				
Interest	\$ 251	\$ 600	\$ 494	\$ 615
Alarm Monitoring Charges	132,077	201,000	193,900	230,000
Fiber line Lease Receipts	83,611	85,840	74,076	76,300
Total Revenues	\$ 215,939	\$ 287,440	\$ 268,470	\$ 306,915
Transfers	-	-	-	-
Total Revenues/Sources	\$ 215,939	\$ 287,440	\$ 268,470	\$ 306,915
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ 132,201	\$ 201,000	\$ 193,900	\$ 230,000
Technology Equipment Acquisition	-	-	-	-
Total Expenditures	\$ 132,201	\$ 201,000	\$ 193,900	\$ 230,000
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 132,201	\$ 201,000	\$ 193,900	\$ 230,000
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 83,738	\$ 86,440	\$ 74,570	\$ 76,915
ENDING FUND BALANCE	\$ 107,511	\$ 193,951	\$ 182,081	\$ 258,996

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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.).

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

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Proposed
BEGINNING FUND BALANCE	\$ 1,503,365	\$ 3,177,685	\$ 3,177,685	\$ 5,117,994
REVENUES/SOURCES OF FUNDS				
Interest	\$ 8,021	\$ 16,475	\$ 15,690	\$ 17,600
Contributions	338,169	1,393,160	1,258,160	659,760
Total Revenues	\$ 346,190	\$ 1,409,635	\$ 1,273,850	\$ 677,360
Transfers	2,829,528	2,977,380	3,627,380	3,236,845
Total Revenues/Sources	\$ 3,175,718	\$ 4,387,015	\$ 4,901,230	\$ 3,914,205
EXPENDITURES/USES OF FUNDS				
Capital Projects	\$ 1,209,950	\$ 2,915,621	\$ 2,291,621	\$ 4,350,678
Total Expenditures	\$ 1,209,950	\$ 2,915,621	\$ 2,291,621	\$ 4,350,678
Transfers	291,448	669,300	669,300	1,666,100
Total Expenditures/Uses	\$ 1,501,398	\$ 3,584,921	\$ 2,960,921	\$ 6,016,778
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 1,674,320	\$ 802,094	\$ 1,940,309	\$ (2,102,573)
ENDING FUND BALANCE	\$ 3,177,685	\$ 3,979,779	\$ 5,117,994	\$ 3,015,421

TOWN OF HIGHLAND PARK, TEXAS
CAPITAL PROJECTS FUND - PROPOSED
FISCAL YEARS 2017-2026

Project/Funding Source	2015-16	2016-17	2017-18	2018-19
Beginning Balance	\$ 3,285,196	\$ 5,300,505	\$ 3,274,847	\$ 2,408,629
Annual Project Funding				
General Fund CIP Transfer	\$ 1,070,700	\$ 1,093,185	\$ 1,116,142	\$ 1,139,581
General Fund 5% Solid Waste Transfer	62,400	61,700	62,317	62,940
Utility Fund 5% W&S Transfer	436,000	499,255	504,248	509,290
Supplemental General Fund Transfer	360,441	174,425	129,728	205,631
Increased CIP Revenue from Growth in Property Values - 2014	342,651	342,651	342,651	342,651
Increased CIP Revenue from Growth in Property Values - 2015	705,188	705,188	705,188	705,188
Increased CIP Revenue from Growth in Property Values - 2016	-	360,441	360,441	360,441
Surplus Transfer from General Fund	650,000	-	-	-
Contributions	102,000	-	-	-
Intergovernmental Revenue	1,156,160	659,760	337,000	100,000
Transfer from DPS Technology Fund	75,000	76,915	79,222	81,599
Interest Revenue	15,690	17,600	16,767	12,332
Total Annual Project Funding	\$ 4,976,230	\$ 3,991,120	\$ 3,653,704	\$ 3,519,653
Expenditures				
Project 25 Public Safety Radio System	\$ -	\$ 200,000	\$ -	\$ 334,148
Fiber Connectivity to HPISD	-	100,000	-	-
Town Hall Generator	54,000	-	-	-
Flippen Park Improvements	-	150,000	-	-
Tennis Court Reconstruction	-	300,000	200,000	200,000
Street Light Painting	-	25,500	25,000	25,000
Mockingbird Screening Wall	-	150,000	-	-
Toll Road Parkway Renovation	-	150,000	136,000	-
Preston Road Parkway Improvements	-	50,000	150,000	150,000
Heating of Swimming Pool	-	-	100,000	-
Armstrong Parkway - Landscape, Lighting, and Irrigation Impr.	-	-	-	-
Park Renovation/Rehabilitation Program	-	-	185,000	190,920
Service Center Study	-	-	-	-
Street Resurfacing & Miscellaneous Concrete	925,301	945,658	975,919	1,007,148
Livingston Avenue Rehabilitation	-	410,000	-	-
Preston Road Rehabilitation	1,312,320	1,319,520	474,000	-
Exall Lake Pedestrian Bridge	-	550,000	-	-
Armstrong Parkway Reconstruction/Rehabilitation	-	-	850,000	780,720
Hillcrest Avenue Rehabilitation	-	-	-	-
Douglas Avenue Rehabilitation	-	-	-	-
Wycliffe/Oak Lawn Signal Improvements	-	-	-	-
Herschel/Oak Lawn Signal Improvements	-	-	-	-
Westside Drive Reconstruction	-	-	-	-
Abbott Avenue Rehabilitation / Reconstruction	-	-	-	-
Mockingbird Lane Resurfacing	-	-	-	-
Lomo Alto Drive Rehabilitation	-	-	-	-
Transfers to Storm Water Fund	350,000	1,350,000	1,100,000	350,000
Potential Projects	-	-	-	-
Service Center Rehabilitation / Replacement	-	-	-	-
Project Personnel Costs	319,300	316,100	324,003	332,103
Total Expenditures	\$ 2,960,921	\$ 6,016,778	\$ 4,519,922	\$ 3,370,039
Ending Balance	\$ 5,300,505	\$ 3,274,847	\$ 2,408,629	\$ 2,558,244
Construction Contingency	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Over(Under) Contingency	\$ 3,300,505	\$ 1,274,847	\$ 408,629	\$ 558,244

* *Excludes FY 2015-16.

2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total 10 Years**
\$ 2,558,244	\$ 2,857,780	\$ 3,308,681	\$ 3,217,812	\$ 3,498,845	\$ 3,422,340	\$ 3,997,224	\$ 5,300,505
\$ 1,163,512	\$ 1,187,946	\$ 1,212,893	\$ 1,238,364	\$ 1,264,370	\$ 1,290,922	\$ 1,318,031	\$ 12,024,946
63,569	64,205	64,847	65,495	66,150	66,812	67,480	645,515
514,383	519,527	524,722	529,969	535,269	540,622	546,028	5,223,313
338,608	479,058	627,311	783,696	948,561	1,122,253	1,305,132	6,114,403
342,651	342,651	342,651	342,651	342,651	342,651	342,651	3,426,510
705,188	705,188	705,188	705,188	705,188	705,188	705,188	7,051,880
360,441	360,441	360,441	360,441	360,441	360,441	360,441	3,604,410
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	100,000	100,000	-	-	-	-	1,296,760
84,047	86,569	89,166	91,841	94,596	97,434	100,357	881,744
13,098	14,632	16,941	16,475	17,914	17,523	20,466	163,748
\$ 3,585,497	\$ 3,860,217	\$ 4,044,160	\$ 4,134,120	\$ 4,335,140	\$ 4,543,846	\$ 4,765,774	\$ 40,433,229
\$ 334,148	\$ 334,148	\$ 334,148	\$ 334,148	\$ 334,148	\$ 334,148	\$ 334,148	\$ 2,873,184
-	-	-	-	-	-	-	100,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	150,000
-	-	-	-	-	-	-	700,000
25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,500
-	-	-	-	-	-	-	150,000
-	-	-	-	-	-	-	286,000
150,000	-	-	-	-	-	-	500,000
-	-	-	-	-	-	-	100,000
250,000	-	-	-	-	-	-	250,000
197,029	203,334	209,841	216,556	223,486	230,637	238,018	1,894,822
-	150,000	-	-	-	-	-	150,000
1,039,377	1,072,637	1,106,961	1,142,384	1,178,940	1,216,666	1,255,599	10,941,289
-	-	-	-	-	-	-	410,000
-	-	-	-	-	-	-	1,793,520
-	-	-	-	-	-	-	550,000
-	-	-	-	-	-	-	1,630,720
600,000	-	-	-	-	-	-	600,000
-	500,280	601,440	-	-	-	-	1,101,720
-	250,000	-	-	-	-	-	250,000
-	175,000	-	-	-	-	-	175,000
-	-	1,150,000	-	-	-	-	1,150,000
-	-	-	968,418	894,326	-	-	1,862,744
-	-	-	-	580,000	-	-	580,000
-	-	-	-	-	927,372	1,063,401	1,990,773
350,000	350,000	350,000	350,000	350,000	350,000	350,000	5,250,000
-	-	-	450,000	450,000	500,000	500,000	1,900,000
340,406	348,916	357,639	366,580	375,745	385,139	394,767	3,541,398
\$ 3,285,960	\$ 3,409,315	\$ 4,135,029	\$ 3,853,086	\$ 4,411,645	\$ 3,968,962	\$ 4,160,933	\$ 41,131,670
\$ 2,857,780	\$ 3,308,681	\$ 3,217,812	\$ 3,498,845	\$ 3,422,340	\$ 3,997,224	\$ 4,602,065	\$ 4,602,065
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 857,780	\$ 1,308,681	\$ 1,217,812	\$ 1,498,845	\$ 1,422,340	\$ 1,997,224	\$ 2,602,065	\$ 2,602,065

TOWN OF HIGHLAND PARK, TEXAS
STORM WATER FUND - PROPOSED
FISCAL YEARS 2017-2026

Project/Funding Source	2015-16	2016-17	2017-18	2018-19
Beginning Balance	\$ 823,220	\$ 509,513	\$ 504,603	\$ 148,088
Revenues				
Storm Water Charges	\$ 386,470	\$ 390,450	\$ 406,448	\$ 414,983
Interest Earnings	3,523	3,820	671	646
Total Revenues	\$ 389,993	\$ 394,270	\$ 407,119	\$ 415,629
Transfers - In	350,000	1,350,000	1,100,000	350,000
Total Revenues & Transfers - In	\$ 739,993	\$ 1,744,270	\$ 1,507,119	\$ 765,629
Expenditures				
Supplies & Equipment	\$ 7,000	\$ 7,100	\$ 7,256	\$ 7,416
Services & Charges	79,500	90,580	95,271	97,367
Total Operating Expenditures	\$ 86,500	\$ 97,680	\$ 102,527	\$ 104,783
Capital Outlay:				
Lexington Tunnel Internal Resurfacing	\$ -	\$ 35,000	\$ -	\$ -
Douglas Park Drainage Improvement	105,000	-	-	-
Exall Lake Dredging & Silt Removal	692,500	-	-	-
Connor Park Shoreline Stabilization & Silt Removal	-	858,000	-	-
Southern & Livingston Drainage Improvements	-	80,000	-	-
Master Plan & Improvements for Hackberry Creek	-	375,000	1,640,000	550,000
Drainage Study & Impr. - Watershed in Northeast Area of Town	-	-	-	-
Armstrong Bridges (2) Rehabilitation	-	185,000	-	-
Wycliffe Drainage Study	50,000	-	-	-
Potential Projects	-	-	-	-
Total Capital Outlay	\$ 847,500	\$ 1,533,000	\$ 1,640,000	\$ 550,000
Total Expenditures	\$ 934,000	\$ 1,630,680	\$ 1,742,527	\$ 654,783
Transfers-Out	119,700	118,500	121,107	123,771
Total Expenditures & Transfers-Out	\$ 1,053,700	\$ 1,749,180	\$ 1,863,634	\$ 778,554
Ending Balance	\$ 509,513	\$ 504,603	\$ 148,088	\$ 135,163

* *Excludes FY 2015-16.

2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total 10 Years**
\$ 135,163	\$ 125,908	\$ 120,406	\$ 118,741	\$ 120,995	\$ 127,256	\$ 112,551	\$ 509,513
\$ 423,698 629	\$ 432,596 623	\$ 441,681 626	\$ 450,956 638	\$ 460,426 661	\$ 470,095 632	\$ 479,967 801	\$ 4,371,300 9,747
\$ 424,327	\$ 433,219	\$ 442,307	\$ 451,594	\$ 461,087	\$ 470,727	\$ 480,768	\$ 4,381,047
350,000	350,000	350,000	350,000	350,000	350,000	350,000	\$ 5,250,000
\$ 774,327	\$ 783,219	\$ 792,307	\$ 801,594	\$ 811,087	\$ 820,727	\$ 830,768	\$ 9,631,047
\$ 7,579 99,509	\$ 7,746 101,698	\$ 7,916 103,935	\$ 8,090 106,222	\$ 8,268 108,559	\$ 8,450 110,947	\$ 8,636 113,388	\$ 78,457 1,027,476
\$ 107,088	\$ 109,444	\$ 111,851	\$ 114,312	\$ 116,827	\$ 119,397	\$ 122,024	\$ 1,105,933
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	858,000
-	-	-	-	-	-	-	80,000
550,000	550,000	550,000	550,000	550,000	500,000	-	5,815,000
-	-	-	-	-	75,000	500,000	575,000
-	-	-	-	-	-	-	185,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 575,000	\$ 500,000	\$ 7,548,000
\$ 657,088	\$ 659,444	\$ 661,851	\$ 664,312	\$ 666,827	\$ 694,397	\$ 622,024	\$ 8,653,933
126,494	129,277	132,121	135,028	137,999	141,035	144,138	1,309,470
\$ 783,582	\$ 788,721	\$ 793,972	\$ 799,340	\$ 804,826	\$ 835,432.00	\$ 766,162.00	\$ 9,963,403
\$ 125,908	\$ 120,406	\$ 118,741	\$ 120,995	\$ 127,256	\$ 112,551	\$ 177,157	\$ 177,157

TOWN OF HIGHLAND PARK, TEXAS

UTILITY FUND - PROPOSED

FISCAL YEARS 2017-2026

Project/Funding Source	*			
	2015-16	2016-17	2017-18	2018-19
Beginning Balance	\$ 2,204,436	\$ 3,591,747	\$ 4,399,836	\$ 5,029,473
Revenues				
Water Sales	\$ 7,260,369	\$ 6,985,822	\$ 6,985,822	\$ 7,265,255
Sanitary Sewer Charges	3,111,189	2,999,275	2,999,275	3,119,246
Permit Revenue	60,650	58,000	64,000	64,000
Interest Earnings	12,900	14,400	12,542	8,270
Intergovernmental Revenue	352,000	352,000	352,000	-
Other Revenues	79,530	82,800	107,000	107,000
Total Revenues	\$ 10,876,638	\$ 10,492,297	\$ 10,520,639	\$ 10,563,771
Transfers-In	480,100	469,300	479,625	490,177
Total Revenues & Transfers-In	\$ 11,356,738	\$ 10,961,597	\$ 11,000,264	\$ 11,053,948
Expenditures				
Personnel Services	\$ 1,628,080	\$ 1,822,279	\$ 1,904,282	\$ 1,989,975
Supplies & Equipment	2,822,337	2,787,732	2,885,303	2,986,289
Services & Charges	1,174,530	1,232,564	1,275,704	1,320,354
Operating Capital	-	31,000	-	-
Total Operating Expenditures	\$ 5,624,947	\$ 5,873,575	\$ 6,065,289	\$ 6,296,618
Capital Outlay:				
Smart Water Meter Program	\$ 350,000	\$ 535,000	\$ 169,000	\$ -
Water & Sanitary Sewer Infrastructure Replace./Rehab.	2,165,000	2,000,000	2,064,000	2,130,048
Turtle Creek 30-Inch Sanitary Sewer Interceptor Design	-	-	100,000	-
Lakeside Drive Rehabilitation	-	-	200,000	2,500,000
Elevated Water Tank Rehabilitation	-	-	-	-
In-line Booster Pump Study	-	-	-	20,000
New Pump Station & Discharge Line at Gillon Pump Station	170,000	-	-	-
Potential Projects	-	-	-	-
Elevated Water Tank Reconstruction (\$4,500,000)				
Turtle Creek 30-Inch Sanitary Sewer Interceptor Impr. (\$1,100,000)				
Total Capital Expenditures	\$ 2,685,000	\$ 2,535,000	\$ 2,533,000	\$ 4,650,048
Total Expenditures	\$ 8,309,947	\$ 8,408,575	\$ 8,598,289	\$ 10,946,666
Transfers-Out	1,659,480	1,744,933	1,772,338	1,820,316
Total Expenditures & Transfer-Out	\$ 9,969,427	\$ 10,153,508	\$ 10,370,627	\$ 12,766,982
Operating Reserve	\$ 1,691,463	\$ 1,779,814	\$ 1,834,593	\$ 1,899,428
Rate Stabilization Reserve	1,900,284	2,620,022	3,194,880	1,417,011
Ending Balance	3,591,747	4,399,836	5,029,473	3,316,439
Ideal Fund Balance (25% of Operating Expenses)	\$ 1,691,463	\$ 1,779,814	\$ 1,834,593	\$ 1,899,428
Over(Under) Ideal Fund Balance	\$ 1,900,284	\$ 2,620,022	\$ 3,194,880	\$ 1,417,011

* Includes 4.00% rate adjustment for Water Sales and Sanitary Sewer Sales

**Excludes FY 2015-16.

*		*		*			
2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Total 10 Years**
\$ 3,316,439	\$ 2,996,324	\$ 3,533,999	\$ 3,721,655	\$ 3,957,022	\$ 3,815,502	\$ 3,710,234	\$ 3,591,747
\$ 7,265,255	\$ 7,555,865	\$ 7,555,865	\$ 7,858,100	\$ 7,858,100	\$ 8,172,424	\$ 8,172,424	\$ 75,674,931
3,119,246	3,244,016	3,244,016	3,373,776	3,373,776	3,508,728	3,508,728	32,490,082
64,000	64,000	64,000	64,000	64,000	64,000	64,000	634,000
7,472	8,813	9,281	9,868	9,515	9,252	7,978	97,391
-	-	-	-	-	-	-	704,000
107,000	107,000	107,000	107,000	107,000	107,000	107,000	1,045,800
\$ 10,562,973	\$ 10,979,694	\$ 10,980,162	\$ 11,412,744	\$ 11,412,391	\$ 11,861,403	\$ 11,860,129	\$ 110,646,203
500,961	511,982	523,246	534,757	546,522	558,545	570,833	5,185,948
\$ 11,063,934	\$ 11,491,676	\$ 11,503,408	\$ 11,947,501	\$ 11,958,913	\$ 12,419,948	\$ 12,430,962	\$ 115,832,151
\$ 2,079,524	\$ 2,173,103	\$ 2,270,893	\$ 2,373,083	\$ 2,479,872	\$ 2,591,466	\$ 2,708,082	\$ 22,392,559
3,090,809	3,198,987	3,310,952	3,426,835	3,546,774	3,670,911	3,799,393	32,703,985
1,366,566	1,414,396	1,463,900	1,515,137	1,568,167	1,623,053	1,679,860	14,459,701
-	-	-	-	-	-	-	31,000
\$ 6,536,899	\$ 6,786,486	\$ 7,045,745	\$ 7,315,055	\$ 7,594,813	\$ 7,885,430	\$ 8,187,335	\$ 69,587,245
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 704,000
2,198,210	2,268,553	2,341,147	2,416,064	2,493,378	2,573,166	2,655,507	23,140,073
-	-	-	-	-	-	-	100,000
-	-	-	-	-	-	-	2,700,000
800,000	-	-	-	-	-	-	800,000
-	-	-	-	-	-	-	20,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 2,998,210	\$ 2,268,553	\$ 2,341,147	\$ 2,416,064	\$ 2,493,378	\$ 2,573,166	\$ 2,655,507	\$ 27,464,073
\$ 9,535,109	\$ 9,055,039	\$ 9,386,892	\$ 9,731,119	\$ 10,088,191	\$ 10,458,596	\$ 10,842,842	\$ 97,051,318
1,848,940	1,898,962	1,928,860	1,981,015	2,012,242	2,066,620	2,099,237	19,173,463
\$ 11,384,049	\$ 10,954,001	\$ 11,315,752	\$ 11,712,134	\$ 12,100,433	\$ 12,525,216	\$ 12,942,079	\$ 116,224,781
\$ 1,966,654	\$ 2,036,364	\$ 2,108,653	\$ 2,183,619	\$ 2,261,365	\$ 2,341,999	\$ 2,425,629	\$ 2,425,629
1,029,670	1,497,635	1,613,002	1,773,403	1,554,137	1,368,235	773,489	773,489
2,996,324	3,533,999	3,721,655	3,957,022	3,815,502	3,710,234	3,199,118	3,199,118
\$ 1,966,654	\$ 2,036,364	\$ 2,108,653	\$ 2,183,619	\$ 2,261,365	\$ 2,341,999	\$ 2,425,629	\$ 2,425,629
\$ 1,029,670	\$ 1,497,635	\$ 1,613,002	\$ 1,773,403	\$ 1,554,137	\$ 1,368,235	\$ 773,489	\$ 773,489

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10-YEAR FINANCIAL FORECAST BASIC ASSUMPTIONS

General Fund

Revenues:

- Property tax revenue is based on estimated taxable assessed values (T.A.V.) 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. For FY2016-17 the projection includes a 9.3% increase in T.A.V. based on preliminary values from DCAD. This amount may change as T.A.V. is finalized. The tax rate is assumed to remain constant at \$0.22 per \$100 taxable assessed value.
- Building and permits revenue is indexed at 3.5% per year and was lowered from a previous growth rate of 4.67% per year. This reflects a more conservative assumption on future revenues based on lower current revenues.
- 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 .26% to 3.38% 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 are projected at a factor of payroll expense based on the percentage of payroll budgeted for each category in the Proposed Budget. Health Insurance is projected to increase at a rate of 7.3% per year.
- 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 \$1,250,000 for FY2016-17, \$1,100,000 for FY2017-18, and \$350,000 per year for the remaining eight years is anticipated.

Expenditures:

- "Supplies & Equipment" and "Services & Charges" are indexed at 2.2% each year.
- 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. The ten year financial model includes a water and waste water rate adjustment of 4.00% every two years starting in FY 2018-19.

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

GENERAL FUND

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	22.00 Cents 2019-20
BEGINNING FUND BALANCE	\$ 4,047,254	\$ 3,339,938	\$ 3,318,449	\$ 3,462,266	\$ 3,612,590
REVENUES:					
Property Taxes	\$ 11,595,600	\$ 12,592,311	\$ 13,220,177	\$ 13,879,436	\$ 14,571,658
Sales Taxes	3,599,300	3,779,265	3,968,228	4,166,639	4,374,971
Sanitation/Recycling Charges	1,233,245	-	-	-	-
Franchise Fees	1,015,836	1,040,000	1,066,683	1,094,051	1,122,121
Building Inspection Fees/Permits	1,045,020	1,013,160	1,048,621	1,085,323	1,123,309
Municipal Court Fines/Fees	965,557	1,160,360	1,200,973	1,243,007	1,286,512
Interest Earnings	48,000	48,000	33,981	35,454	36,993
All Other	1,334,929	1,403,975	1,451,400	1,500,427	1,551,110
	-	-	-	-	-
TOTAL REVENUES	\$ 20,837,487	\$ 21,037,071	\$ 21,990,063	\$ 23,004,337	\$ 24,066,674
Transfers from Other Funds	1,131,100	1,148,900	1,174,176	1,200,008	1,226,408
TOTAL REVENUES & TRANSFERS-IN	\$ 21,968,587	\$ 22,185,971	\$ 23,164,239	\$ 24,204,345	\$ 25,293,082
EXPENDITURES:					
Personnel Services:					
Payroll	\$ 10,731,897	\$ 11,228,946	\$ 11,734,249	\$ 12,262,290	\$ 12,814,093
Taxes	746,361	809,197	846,039	884,111	923,896
Retirement (TMRS)	341,692	534,407	558,550	583,685	609,951
Insurance	1,332,434	1,404,192	1,506,698	1,616,687	1,734,705
Total Personnel	\$ 13,152,384	\$ 13,976,742	\$ 14,645,537	\$ 15,346,773	\$ 16,082,645
Supplies & Equipment	\$ 941,524	\$ 986,818	\$ 1,021,357	\$ 1,057,104	\$ 1,094,103
Services & Charges	3,886,633	3,261,638	3,375,795	3,493,948	3,616,236
Capital Outlay:					
Sustaining					
Equipment	141,842	11,280	-	50,000	50,000
CIP	-	-	-	-	-
TOTAL EXPENDITURES	\$ 18,122,383	\$ 18,236,478	\$ 19,042,689	\$ 19,947,825	\$ 20,842,984
Transfers to Capital Projects Fund	3,191,380	2,675,890	2,654,150	2,753,492	2,910,400
Transfers to Other Funds	1,362,140	1,295,092	1,323,584	1,352,703	1,382,462
TOTAL EXPENDITURES & TRANSFERS-OUT	\$ 22,675,903	\$ 22,207,460	\$ 23,020,423	\$ 24,054,020	\$ 25,135,846
ENDING FUND BALANCE	\$ 3,339,938	\$ 3,318,449	\$ 3,462,266	\$ 3,612,590	\$ 3,769,826
FUND BALANCE MINIMUM	\$ 3,288,256	\$ 3,318,449	\$ 3,462,266	\$ 3,612,590	\$ 3,769,826
FUND BALANCE SURPLUS	\$ 51,682	\$ -	\$ (0)	\$ 0	\$ 0

CAPITAL PROJECTS FUND

Beginning Balance	\$ 3,285,196	\$ 5,300,505	\$ 3,274,847	\$ 2,408,629	\$ 2,558,244
Total Annual Project Funding (1)	4,976,230	3,991,120	3,653,704	3,519,653	3,585,497
Total Expenditures	2,960,921	6,016,778	4,519,922	3,370,039	3,285,960
Ending Balance	\$ 5,300,505	\$ 3,274,847	\$ 2,408,629	\$ 2,558,244	\$ 2,857,780
Construction Contingency	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Over(Under) Contingency	\$ 3,300,505	\$ 1,274,847	\$ 408,629	\$ 558,244	\$ 857,780

PROPERTY TAX ASSUMPTIONS

Property Tax Revenue	\$ 11,595,600	\$ 12,592,311	\$ 13,220,177	\$ 13,879,436	\$ 14,571,658
Property Values (2)	\$ 5,324,500,745	\$ 5,765,524,023	\$ 6,053,800,224	\$ 6,356,490,235	\$ 6,674,314,747
Tax Rate	0.22	0.22	0.22	0.22	0.22

(1) Includes funding from other funds and external sources

(2) Growth in taxable assessed value (T.A.V.) projected at 5% per year after FY2016-17. FY2016-17 includes a 9.3% increase in T.A.V.

<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>	<u>22.00 Cents</u> <u>2025-26</u>
\$ 3,769,826	\$ 3,934,312	\$ 4,106,404	\$ 4,286,475	\$ 4,474,919	\$ 4,672,150
\$ 15,298,490	\$ 16,061,665	\$ 16,862,998	\$ 17,704,398	\$ 18,587,868	\$ 19,515,511
4,593,720	4,823,406	5,064,576	5,317,805	5,583,695	5,862,880
-	-	-	-	-	-
1,150,911	1,180,440	1,210,726	1,241,789	1,273,649	1,306,327
1,162,625	1,203,317	1,245,433	1,289,023	1,334,139	1,380,834
1,331,540	1,378,144	1,426,379	1,476,302	1,527,973	1,581,452
38,603	40,288	42,050	43,894	45,824	47,843
1,603,505	1,657,670	1,713,665	1,771,551	1,831,392	1,893,255
-	-	-	-	-	-
\$ 25,179,394	\$ 26,344,930	\$ 27,565,827	\$ 28,844,762	\$ 30,184,540	\$ 31,588,102
1,253,389	1,280,964	1,309,145	1,337,946	1,367,381	1,397,463
\$ 26,432,783	\$ 27,625,894	\$ 28,874,972	\$ 30,182,708	\$ 31,551,921	\$ 32,985,565
\$ 13,390,727	\$ 13,993,310	\$ 14,623,009	\$ 15,281,044	\$ 15,968,691	\$ 16,687,282
965,471	1,008,918	1,054,319	1,101,763	1,151,343	1,203,153
637,399	666,082	696,055	727,378	760,110	794,315
1,861,339	1,997,216	2,143,013	2,299,453	2,467,313	2,647,427
\$ 16,854,936	\$ 17,665,526	\$ 18,516,396	\$ 19,409,638	\$ 20,347,456	\$ 21,332,177
\$ 1,132,397	\$ 1,172,031	\$ 1,213,052	\$ 1,255,509	\$ 1,299,452	\$ 1,344,933
3,742,804	3,873,802	4,009,385	4,149,713	4,294,953	4,445,276
-	-	-	-	-	-
50,000	50,000	50,000	50,000	50,000	50,000
-	-	-	-	-	-
\$ 21,780,137	\$ 22,761,359	\$ 23,788,833	\$ 24,864,860	\$ 25,991,861	\$ 27,172,386
3,075,284	3,248,484	3,430,340	3,621,211	3,821,455	4,031,443
1,412,877	1,443,960	1,475,727	1,508,193	1,541,373	1,575,283
\$ 26,268,297	\$ 27,453,802	\$ 28,694,900	\$ 29,994,264	\$ 31,354,690	\$ 32,779,112
\$ 3,934,312	\$ 4,106,404	\$ 4,286,475	\$ 4,474,919	\$ 4,672,150	\$ 4,878,604
\$ 3,934,312	\$ 4,106,404	\$ 4,286,475	\$ 4,474,919	\$ 4,672,150	\$ 4,878,604
\$ 0	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)
\$ 2,857,780	\$ 3,308,681	\$ 3,217,812	\$ 3,498,845	\$ 3,422,340	\$ 3,997,224
3,860,217	4,044,160	4,134,120	4,335,140	4,543,846	4,765,774
3,409,315	4,135,029	3,853,086	4,411,645	3,968,962	4,160,933
\$ 3,308,681	\$ 3,217,812	\$ 3,498,845	\$ 3,422,340	\$ 3,997,224	\$ 4,602,065
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 1,308,681	\$ 1,217,812	\$ 1,498,845	\$ 1,422,340	\$ 1,997,224	\$ 2,602,065
\$ 15,298,490	\$ 16,061,665	\$ 16,862,998	\$ 17,704,398	\$ 18,587,868	\$ 19,515,511
\$ 7,008,030,484	\$ 7,358,432,009	\$ 7,726,353,609	\$ 8,112,671,290	\$ 8,518,304,854	\$ 8,944,220,097
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APPENDIX

Fiscal Year 2016-17 Budget Calendar

February 16	Review and discuss the FY 2016-17 Budget Calendar with the Town Council and any projects or items of concern
February 17	Submit FY 2016-17 Budget Calendar to the Finance and Audit Advisory Committee for review and comment
February 19	Meet and discuss the Town's 5 year Capital Improvement Plan with Department Directors
February 25	Budget kick-off meeting with departments
March 18	Departments submit initial projection of FY 2015-16 revenues and expenditures to the Finance Department
March 25	Departments submit base budget requests to the Finance Department. This includes any requests for non-capitalized and capitalized fixed assets
	Departments submit update on Capital Improvement Projects: completed, to be completed in current budget year, and projects that need to be moved.
April 1	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
April 4-8	Finance Department review of Departmental Budget Requests and updates, changes, or revisions to the Town's 5 year Capital Improvement Plan with Department Directors
April 5	Review and discuss the FY 2016-17 budget process with Town Council, specifically with regard to any item Council would like staff to consider, study, or incorporate into the FY 2016-17 budget
April 8	Deliver notice for the April 25th Public Hearing in the newspaper. The notice will run on April 14 th and again on April 21 st .
April 18-22	Departmental meetings with Town Administrator on Budget Requests

Fiscal Year 2016-17 Budget Calendar

April 19	Review and discuss the FY 2016-17 Budget and the Capital Improvement Plan with Town Council
April 25	Public Hearing for citizen comment on the development of the FY 2016-17 Budget. This is an opportunity to receive public input with regard to the development of the 2016-17 budget
May 6	Departments submit performance measurement forms to the Finance Department. These forms include departmental accomplishments during the 2015-16 fiscal year and objectives for the 2016-17 fiscal year
May 13	Receive preliminary taxable assessed values from Dallas County Appraisal District (DCAD)
May 17	Discussion with the Town Council regarding the progress of the FY 2016-17 budget process and to discuss Council's priorities and expectations of the FY 2016-17 Budget
May 20	Departments submit revised projection of FY 2015-16 revenues and expenditures to the Finance Department
June 7	Discussion with the Town Council regarding the progress of the FY 2016-17 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 23	Review and discuss draft FY 2016-17 Proposed Budget with the Finance & Audit Advisory Committee
July 15	Departments submit final projection of FY 2015-16 revenues and expenditures to the Finance Department
July 22	Deliver notice of the August 8 th Public Hearing on the FY 2016-17 Proposed Budget to the newspaper
July 25	Receive Certified Appraisal Roll from DCAD

Fiscal Year 2016-17 Budget Calendar

July 28	Publication of the notice for the August 8 th Public Hearing on the FY 2016-17 Proposed Budget in the newspaper
July 29	FY 2016-17 Proposed Budget delivered to the Town Council and the Town Secretary
August 8	Public Hearing on FY 2016-17 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 11	Publication of notice for the First and Second Public Hearings on Tax Increase (if necessary)
August 22	Public Hearing on FY 2016-17 Proposed Budget First Public Hearing on Tax Increase (if necessary)
September 6	Second Public Hearing on Tax Increase (if necessary)
September 12	Town Council considers for approval: <ul style="list-style-type: none">• FY 2016-17 Proposed Budget• 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)• Adoption of 2017-21 Capital Improvement Plan• Adoption of the Master Fee Schedule

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

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.

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