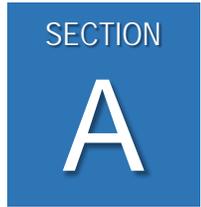




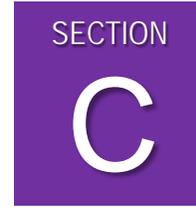
*from*  
INFRASTRUCTURE  
— to —  
INNOVATION

**PROPOSED BUDGET AND PLAN OF  
MUNICIPAL SERVICES**

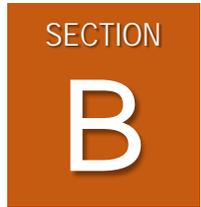
FY 2016 – 2017  
August 2, 2016 Presentation



**BUDGET AT A GLANCE**  
HOW DOES THE TOWN BUDGET WORK?



**WHERE YOUR MONEY GOES**  
WHAT ARE SOME KEY PRIORITIES FOR THE TOWN?



**VALUE FOR YOUR TAXES**  
WHAT DO YOUR TAXES SUPPORT?



**PROPOSAL BY THE NUMBERS**  
WHAT IS THIS BUDGET GOING TO PROVIDE?



# BUDGET AT A GLANCE

*HOW DOES THE TOWN BUDGET WORK?*



# BUDGET AT A GLANCE

## Combined Operating & Capital Proposed Budget FY 2017

	Beginning Fund Balance	Revenues & Transfers-in	Expenditures & Transfers-out	Ending Fund Balance
<b>Total</b>	\$18,117,941	\$41,914,705	\$43,262,488	\$16,770,158

### Funds/Fund Type

	Beginning Fund Balance	Revenues & Transfers-in	Expenditures & Transfers-out	Ending Fund Balance
General Fund	\$3,339,938	\$22,185,971	\$22,207,460	\$3,318,449
Utility Fund (EF)	3,591,747	10,961,597	10,153,880	4,399,464
Solid Waste Fund (EF)	-	1,234,320	1,230,192	4,128
Storm Drainage (SRF)	509,513	1,744,270	1,749,180	504,603
Equipment Replacement Fund (ISF)	2,788,010	439,152	693,352	2,533,810
Technology Replacement Fund (ISF)	1,762,289	489,618	432,703	1,819,204
Building Maint. & Invest. Fund (ISF)	510,833	559,500	456,948	613,385
Forfeited Property (SRF)	8,910	3,042	2,500	9,452
Court Technology (SRF)	64,799	35,080	22,950	76,929
Court Security (SRF)	5,622	27,915	23,900	9,637
Library Fund (SRF)	236,205	13,120	42,645	206,680
DPS Technology Fund (SRF)	182,081	306,915	230,000	258,996
Capital Projects Fund	5,117,994	3,914,205	6,016,778	3,015,421

EF - Enterprise Fund

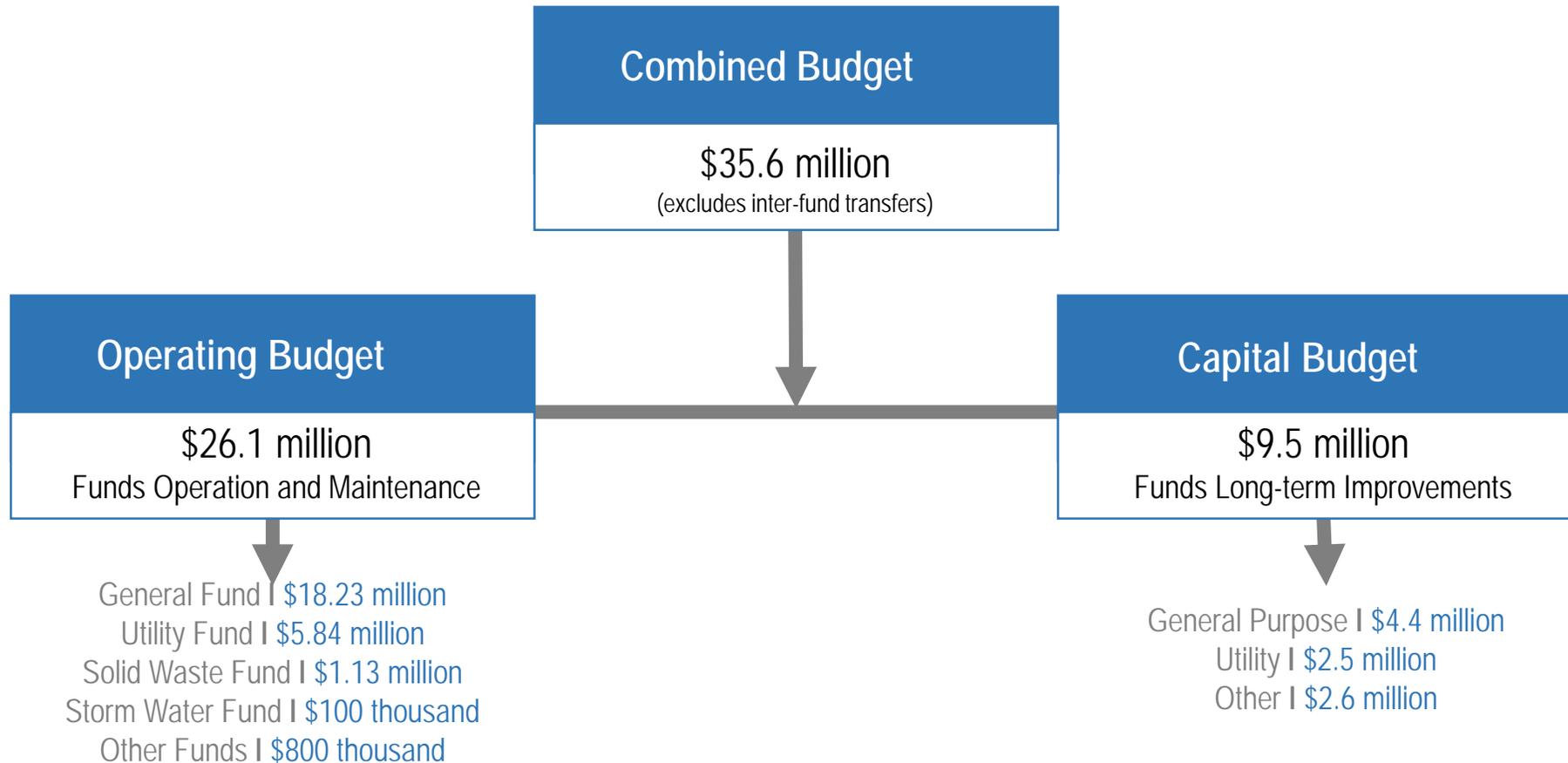
SRF - Special Revenue Fund

ISF - Internal Service Fund



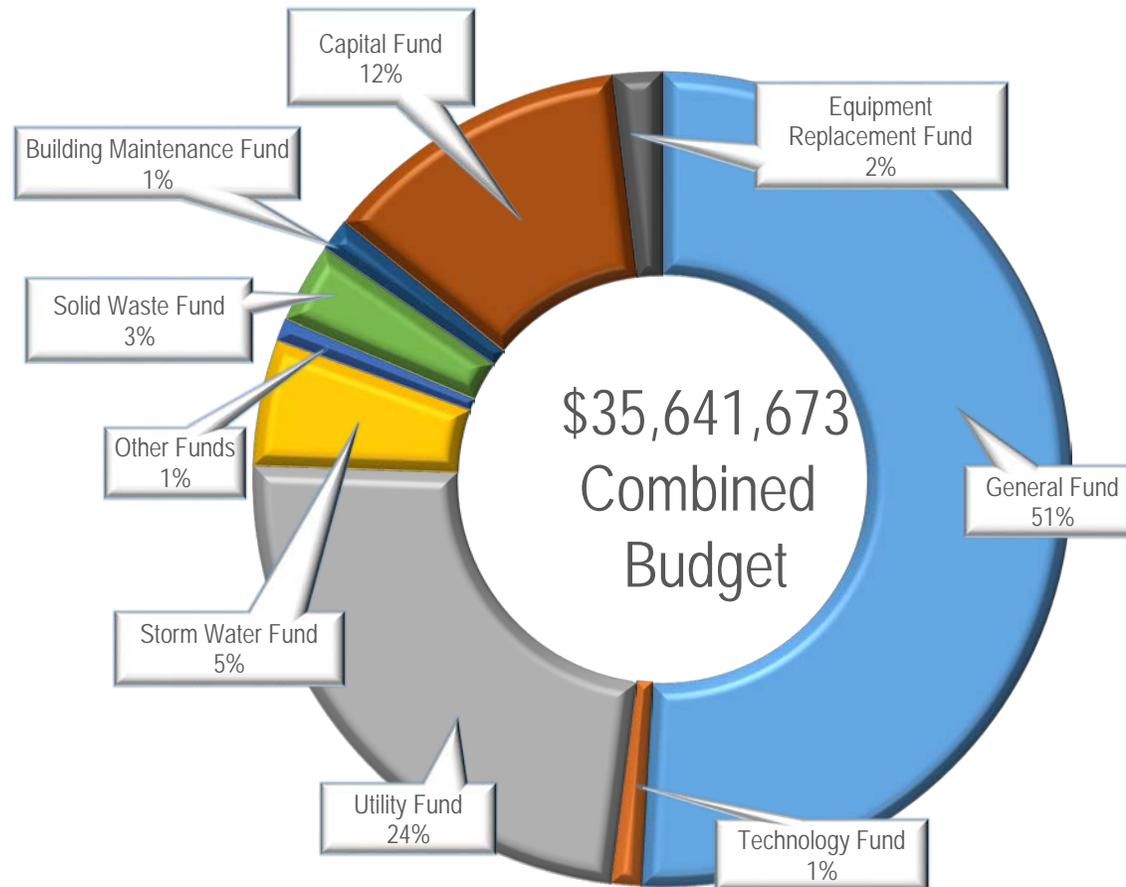
# BUDGET AT A GLANCE

*Delivering the services to your residents*



# BUDGET AT A GLANCE

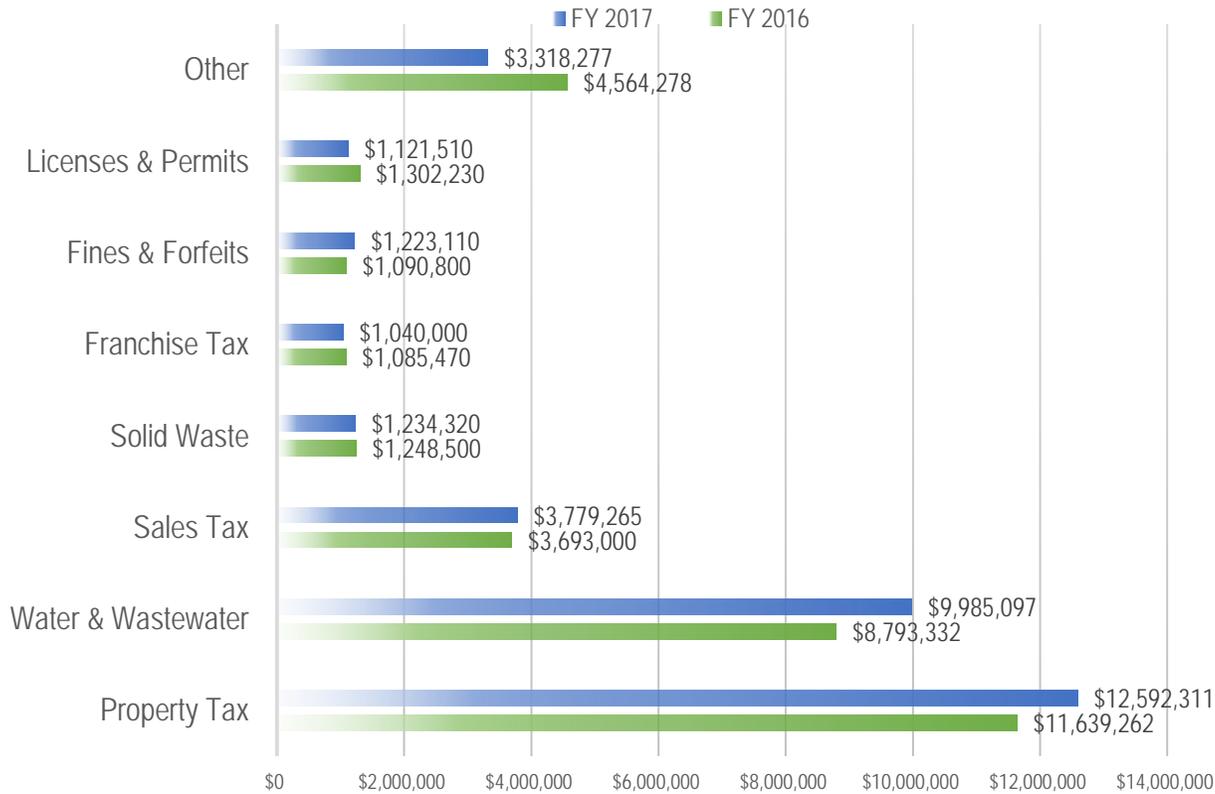
*How the various Funds are allocated*



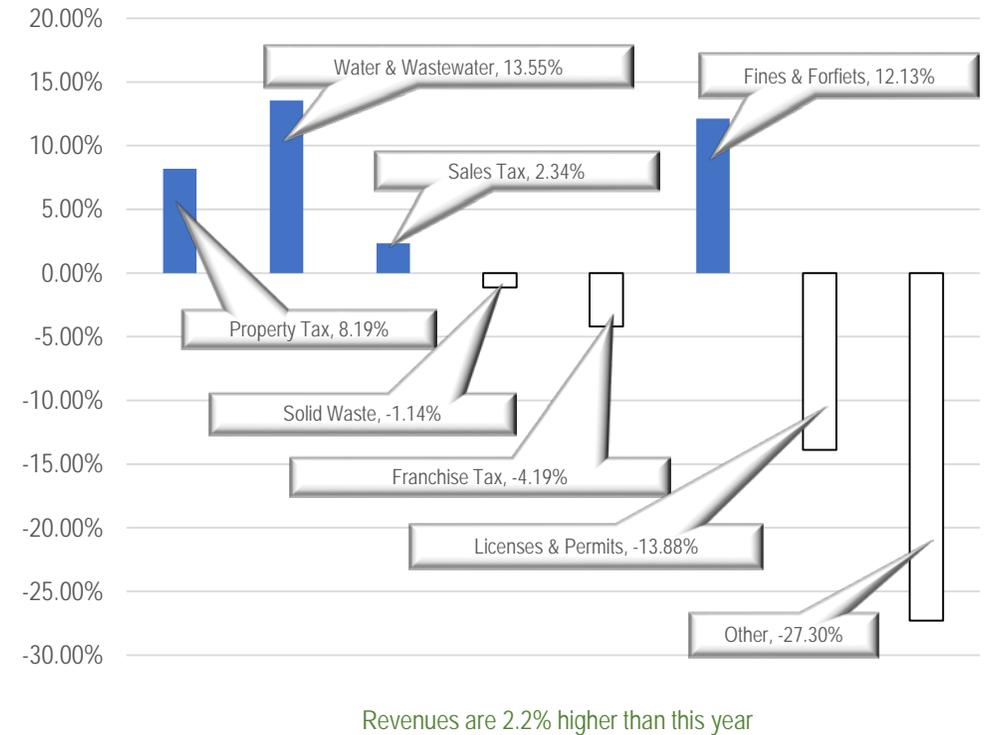
# BUDGET AT A GLANCE

## Sources of our revenues

Comparison of Major Revenues



Percent Changes from Current to Proposed



# VALUE FOR YOUR TAXES

*WHAT DO YOUR TAXES SUPPORT?*



# VALUE FOR YOUR TAXES

*Managing a low tax rate*



\$1.99 per \$100 value - Combined Property Tax Rate

**89%** goes to the HPISD and Dallas County

**11%** goes to the Town of Highland park to provide programs and services



# VALUE FOR YOUR TAXES

*Funding the needs of our residents*

## TAXABLE VALUES

2016 \$5.32 B **VS** 2017 \$5.76 B

↑ \$441.0M  
\$ Difference

↑ 8.3%  
% Difference

↑ \$138.3K  
\$ Avg. Home Value Difference

Fiscal Year Growth History



## TAX LEVY

2016 \$11.713 M **VS** 2017 \$12.684 M

↑ \$971K  
\$ Difference

↑ 8.3%  
% Difference

↑ \$304  
\$ Avg. Home Value Difference

## TAX RATE

2016 \$0.22 / \$100 **VS** 2017 \$0.22 / \$100

\$0.204043  
Effective Tax Rate

\$0.220366  
Rollback Tax Rate

Tax Rate History



# YOUR PUBLIC SERVICE

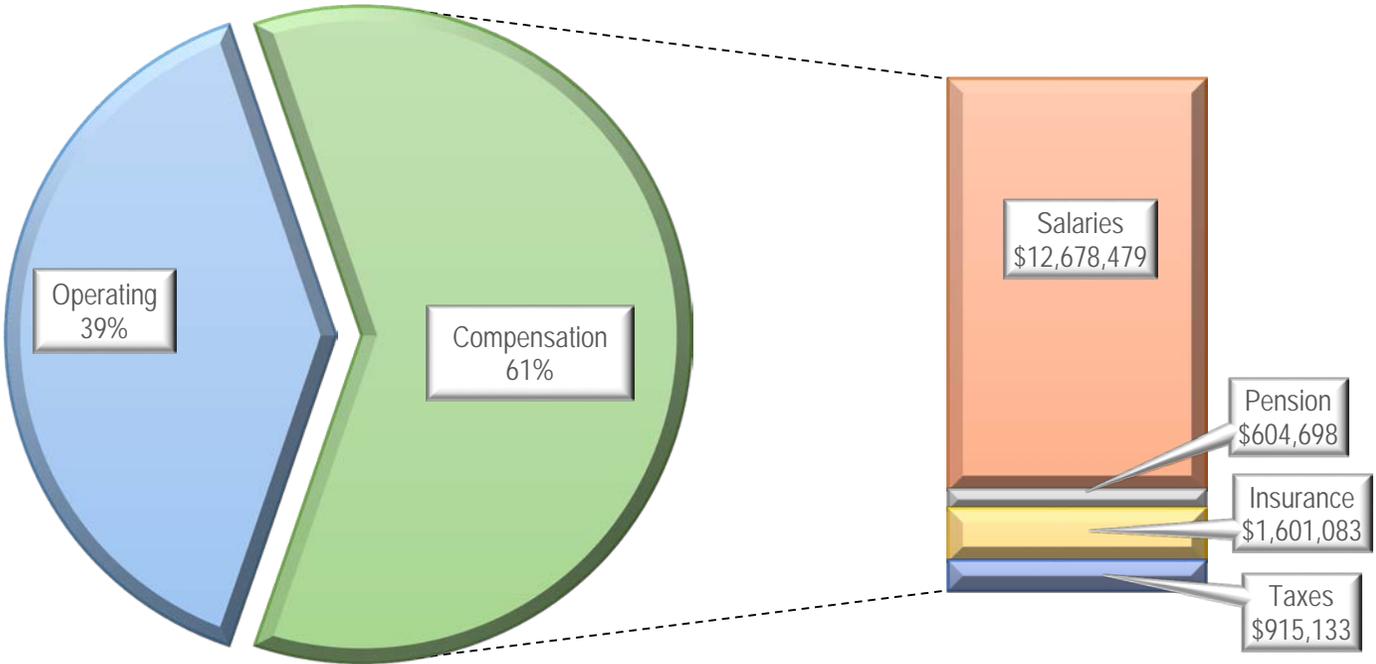
*WHAT ARE SOME KEY PRIORITIES FOR THE TOWN?*



# YOUR PUBLIC SERVICE

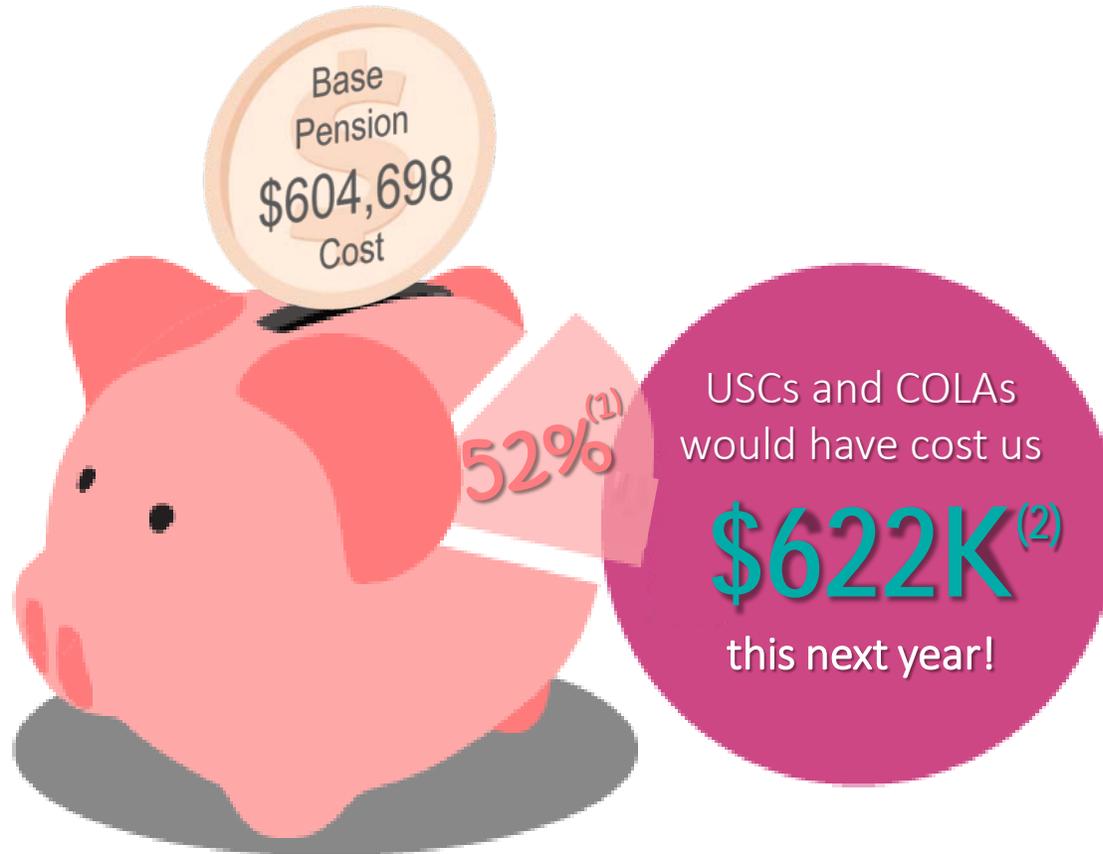
*Taking care of our people*

FY 2017 Combined Operating Budget



# YOUR PUBLIC SERVICE

## *Funding employee retirement benefits*



### What Are Updated Service Credits? (USC)

Generally, USCs protect member benefit by including increases in salary and any changes the Town might have made to its TMRS plan and assuming those increases and changes have been in effect throughout the member's career.

### What Are Annuity Increases? (COLAs)

After a member retires, the Town may choose to grant retirees an increase (when the cost of living increases) to protect their benefit from the effects of inflation.

<sup>(1)</sup> 52% increase driven by actuarial adjustments

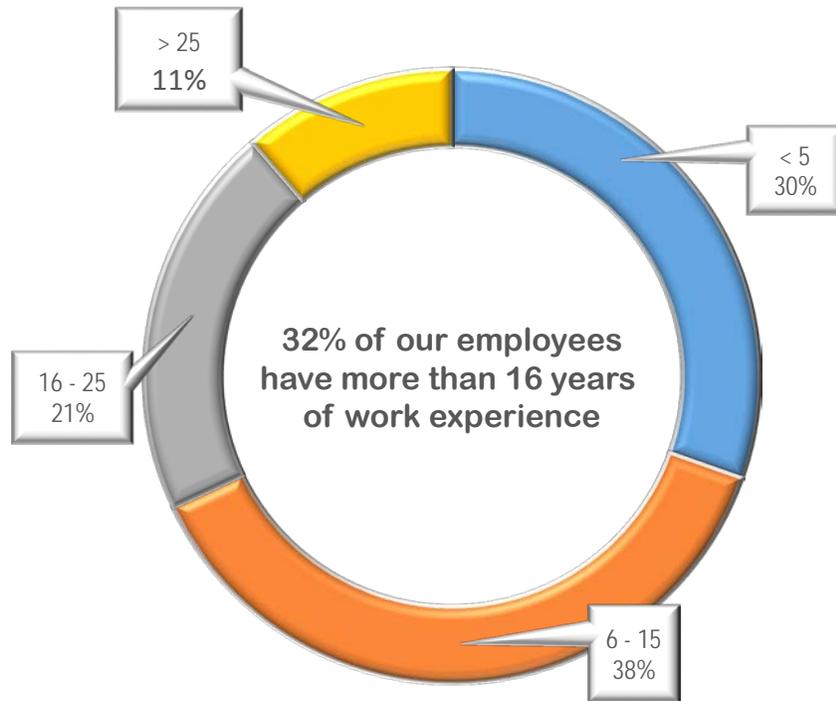
<sup>(2)</sup> While cost avoided, calculated with 100% USC & 70% COLA



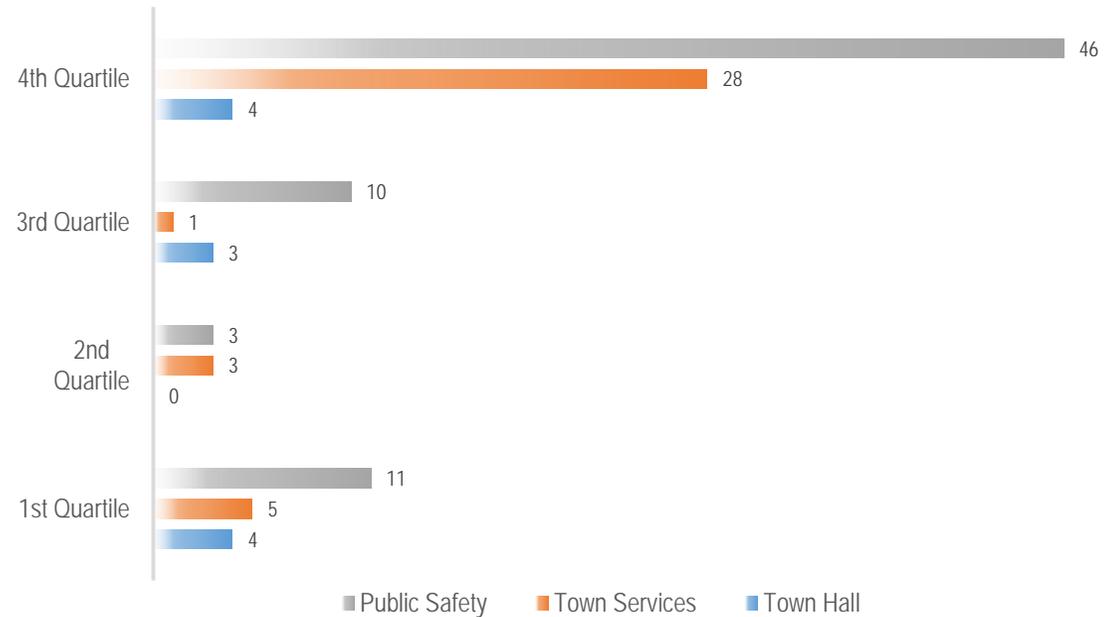
# YOUR PUBLIC SERVICE

## Workforce Aging and Salary

Total Years of All Work

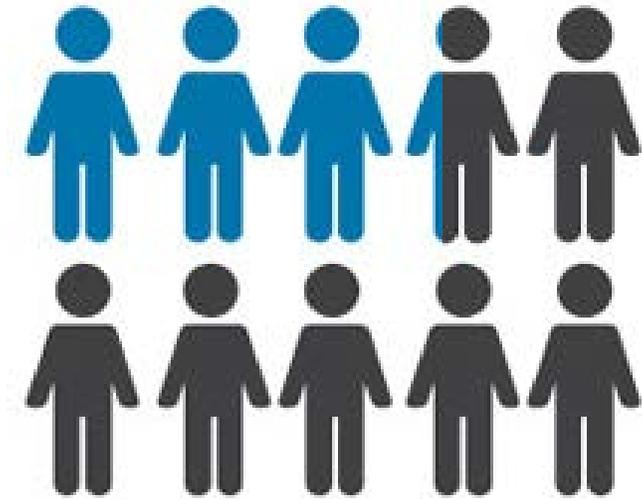
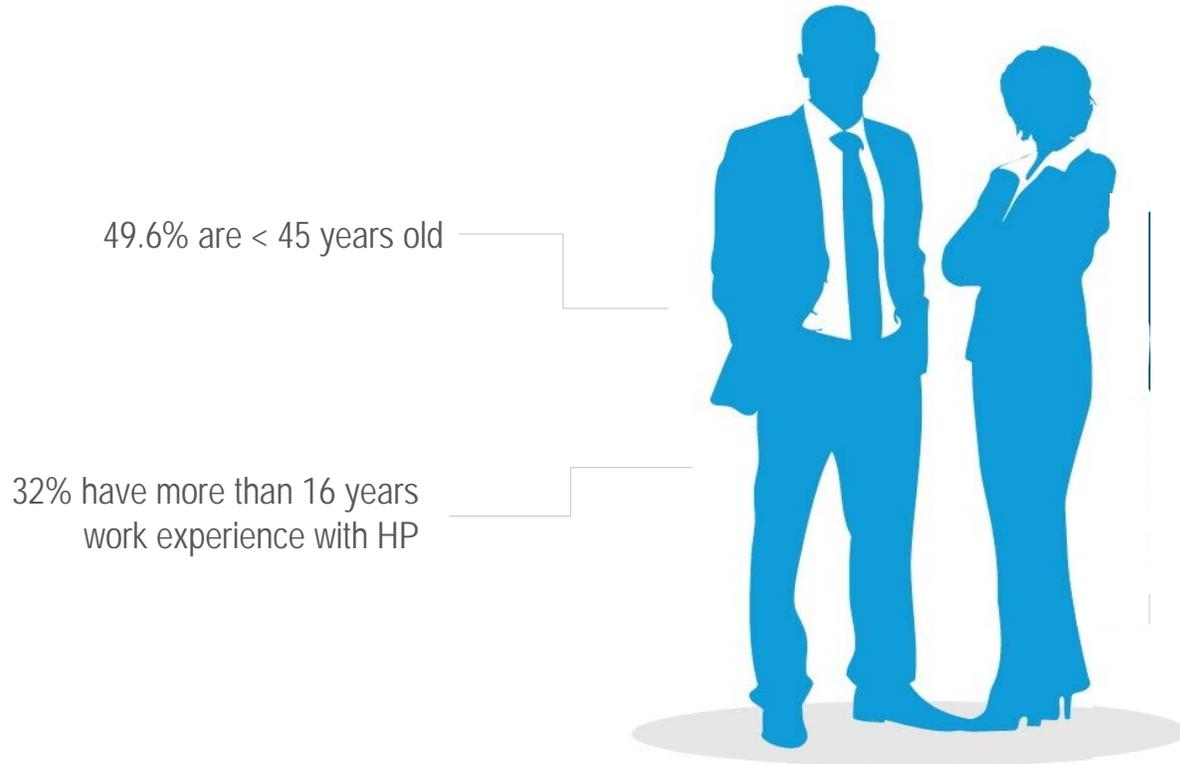


Salary Distribution



# YOUR PUBLIC SERVICE

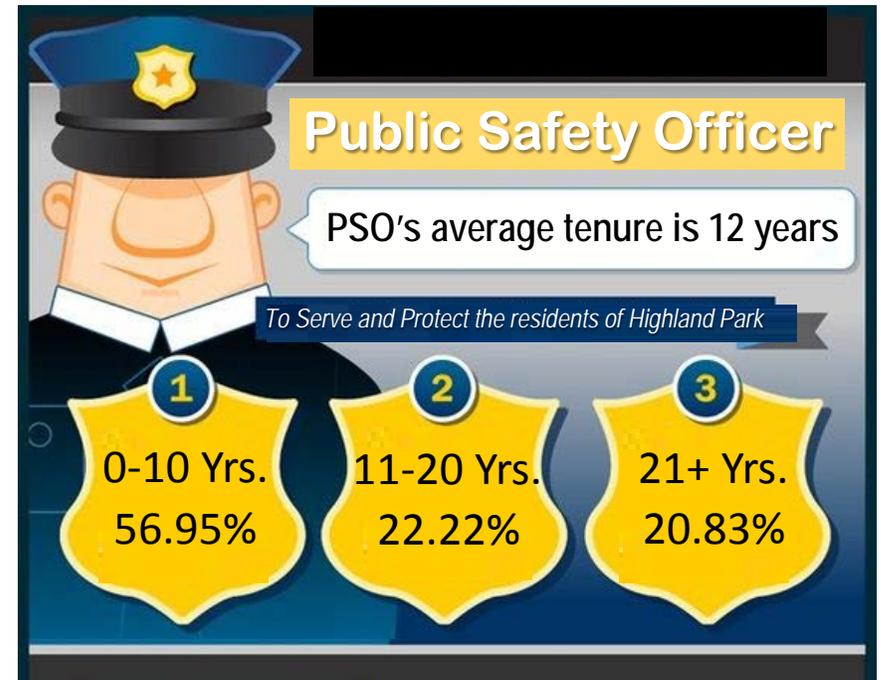
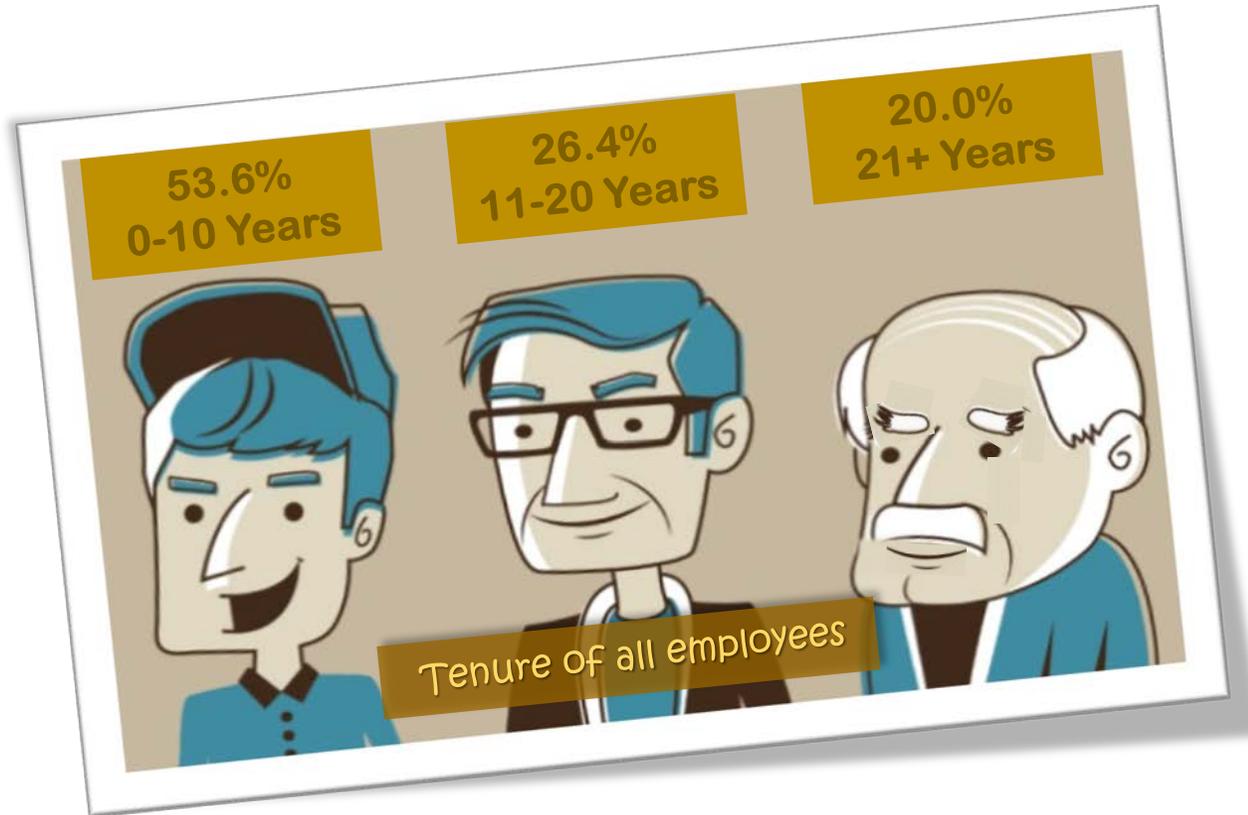
## *Snapshot of Employee Aging*



While **32%** of our employees are eligible to retire, **51%** are eligible to retire in the next 5 years

# YOUR PUBLIC SERVICE

*Tenure equates to job knowledge*



# YOUR PUBLIC SERVICE

*Keeping the best*

Salary & Benefits

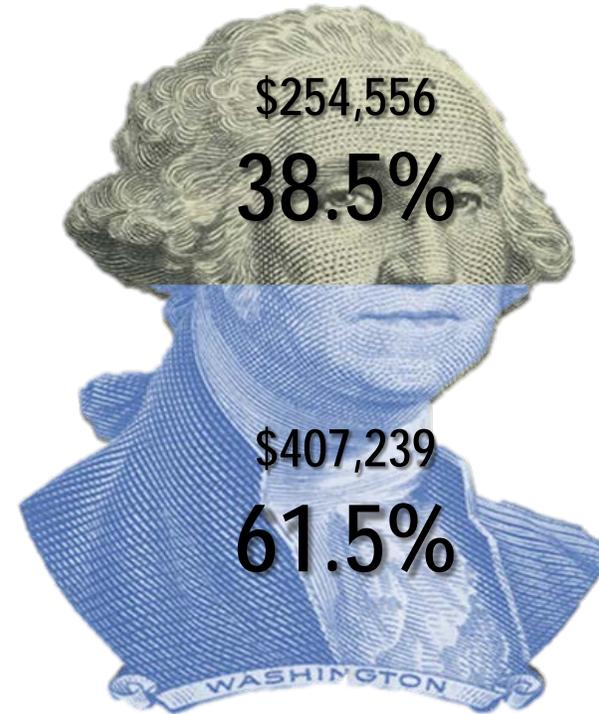
2016



2017

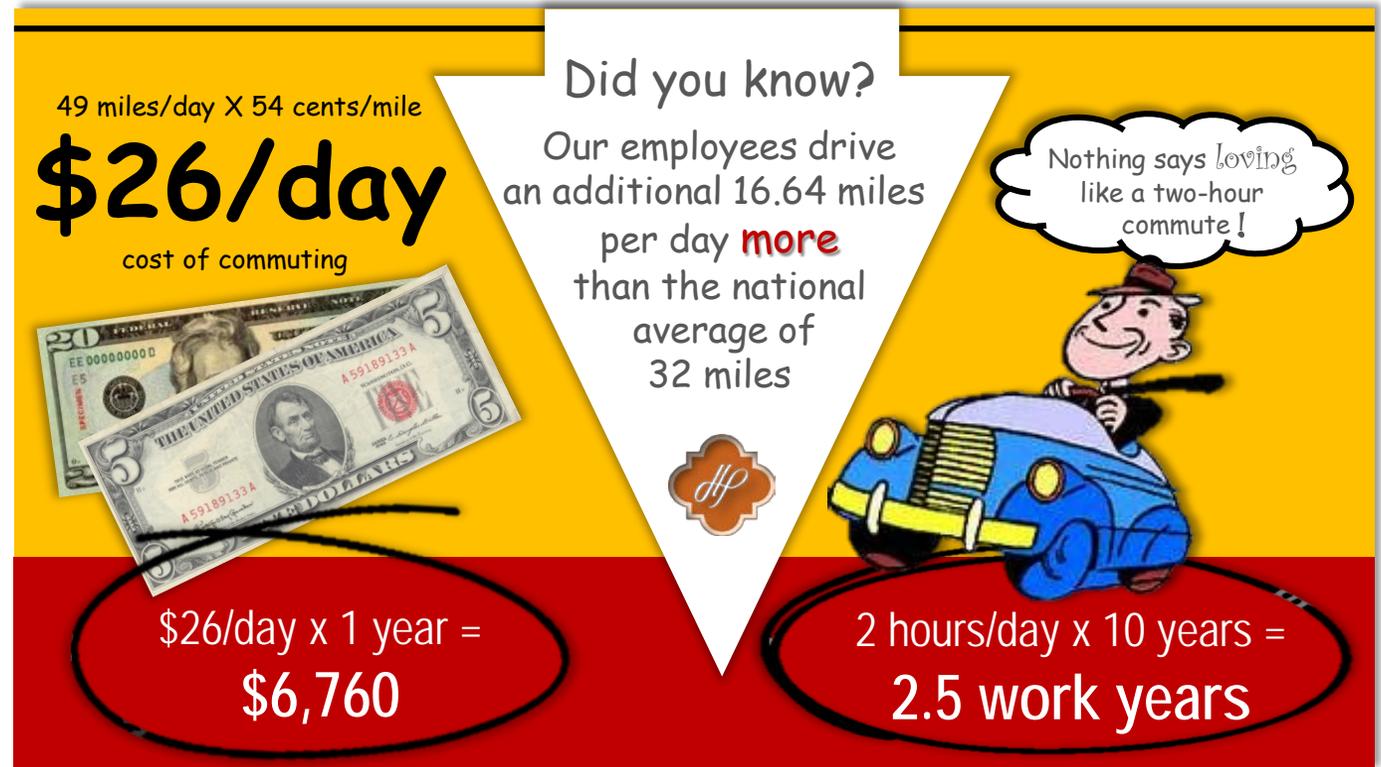
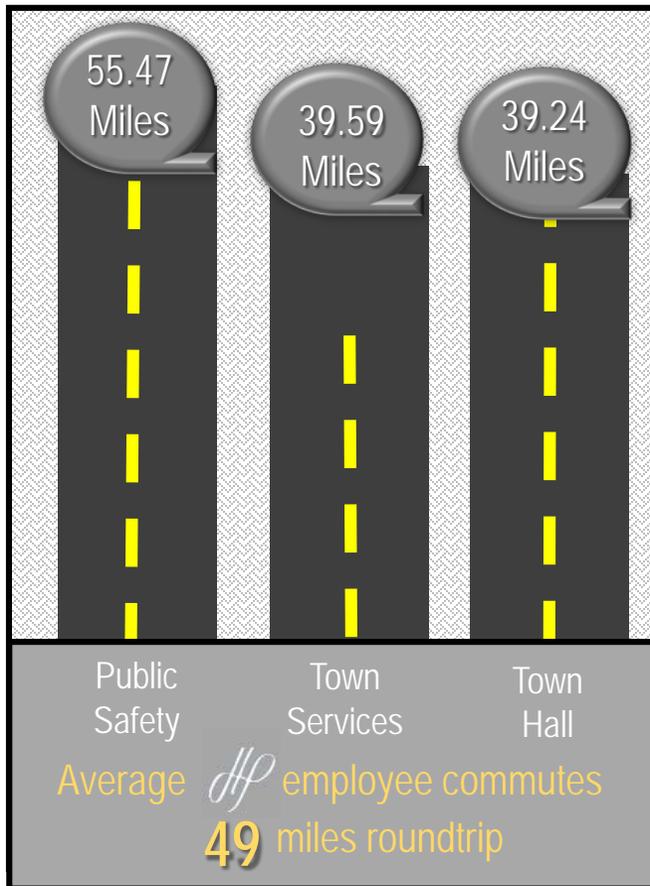


Change in Salary & Benefits for FY 2017



# YOUR PUBLIC SERVICE

*Cost of our employees getting to and from work*



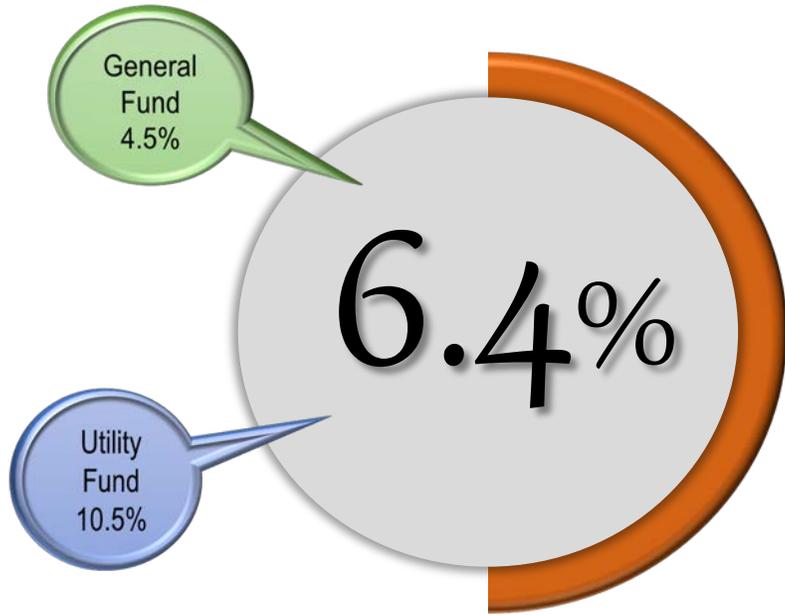
# PROPOSAL BY THE NUMBERS

*WHAT IS THIS BUDGET GOING TO PROVIDE?*



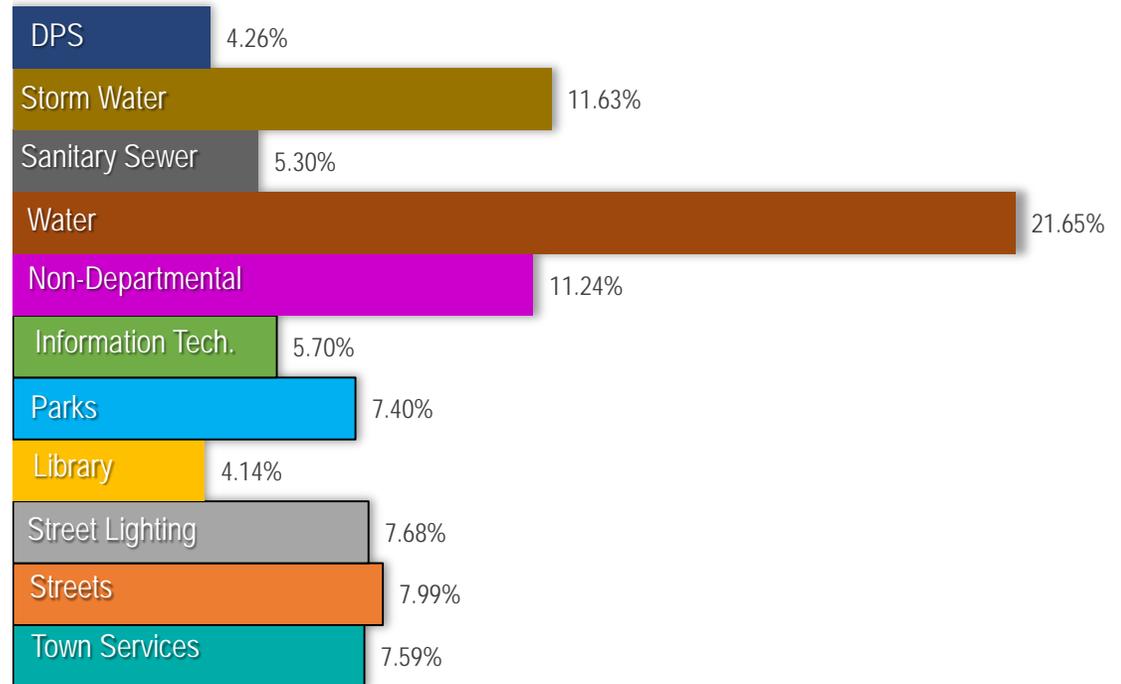
# PROPOSAL BY THE NUMBERS

*What are we investing in?*



Overall growth in the Operational Budget

Proposed Changes over 4% (Exclusive of Capital)



# PROPOSAL BY THE NUMBERS

*What are we investing in?*



## PUBLIC SAFETY

- Fitness training equipment (\$7,000)
  - Additional Crossing Guards (\$23,000)
  - Honor Guard uniforms (\$7,320)
  - Cardio Exercise Equipment (\$3,000)
  - Racial-Bias Training (\$6,000)
  - Radio System (\$200,000)
  - Secondary Internet Service for Text to 911 (\$29,400)
- 
- Replacement/Addition Body Armor (\$9,000)
  - Replace Firefighter Turnout Gear (\$30,200)



## TOWN SERVICES

- Recreation programming (\$15,000)
- Assistant Foreman (\$109,848)
- Vehicle detailing (\$22,540)
- Special Event No-Parking (\$3,500)
- Park Improvements (\$450,000)
- Smart Water Meter Project (535,000)
- Conveyor Lane Study (\$40,000)
- Pool Aerator (\$4,500)



## ENGINEERING

- Exall Lake Pedestrian Bridge (\$550,000)
- 
- Roads (\$2,675,178)
  - Storm Water (\$1,535,000)
  - Water & Wastewater (2,000,000)



## INFORMATION TECHNOLOGY

- Annual Computer Replacements (\$65,181)
  - Server / Data Center Upgrades (\$367,522)
  - UPS Battery Replacement (\$12,000)
  - Fiber Connectivity to HPISD (\$100,000)
- 
- Equipment Service Agreements (\$10,500)



## LIBRARY

- Library Master Plan Study (\$40,000)
  - Increase Postcard Mailers (\$3,025)
  - Play-away Launchpad (\$3,000)
- 
- Audio and Reading Material (\$125,402)



## OPERATING ADJUSTMENTS

- Racial Profiling Data Analysis (\$29,000)
- 
- Waste Water Treatment (\$76,882)
  - Animal Control (\$5,700)
  - Waterway Improvement Program (\$10,080)
  - CIP Fund Transfer Increase (\$196,935)



## All DEPARTMENTS

- Compensation Adjustments (\$478,598)
  - TMRS Contributions (\$206,789)
- 
- Payroll Tax (\$8,198)
  - Retirement Contingency (\$125,000)

*New initiatives*

*Current initiatives*







*from*  
INFRASTRUCTURE  
— to —  
INNOVATION

**PROPOSED BUDGET AND PLAN OF  
MUNICIPAL SERVICES**

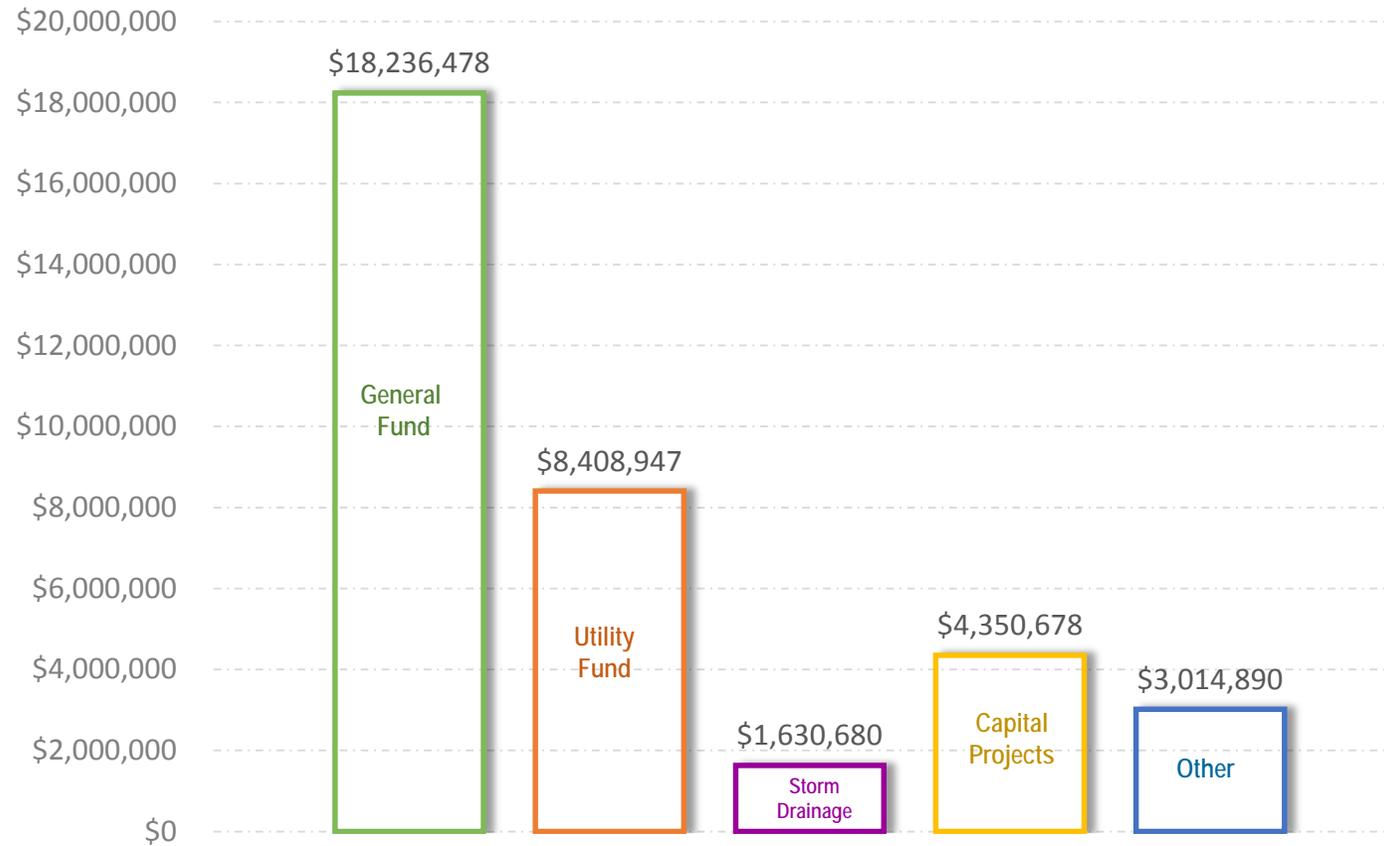
FY 2016 – 2017  
August 16, 2016 Presentation

# BUDGET AT A GLANCE



# BUDGET AT A GLANCE

*Fund Expenditure Proposal for 2017*



# VALUE FOR YOUR TAXES



# VALUE FOR YOUR TAXES

*Managing a low tax rate*



22¢ tax rate for Highland Park

\$1.99 per \$100 value - Combined Property Tax Rate

---

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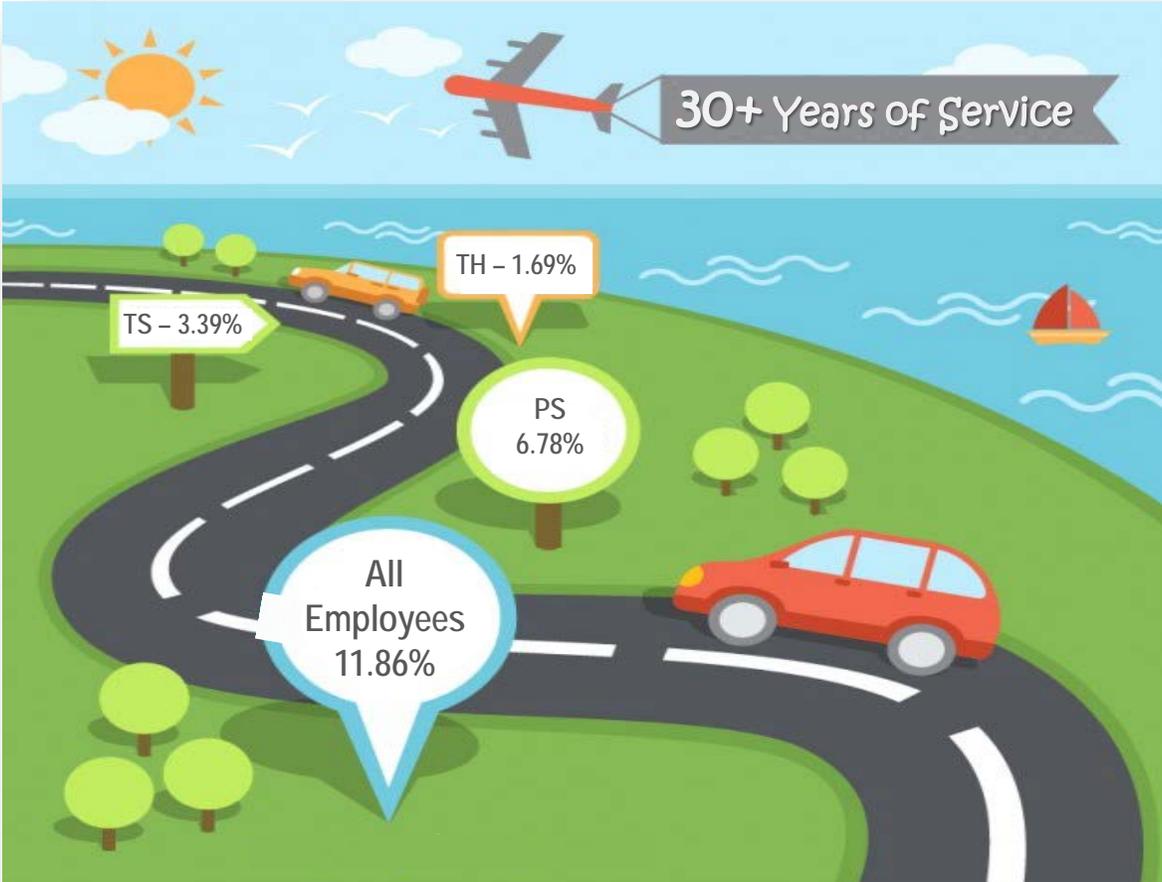


# YOUR PUBLIC SERVICE



# YOUR PUBLIC SERVICE

*On the Road to Retirement*

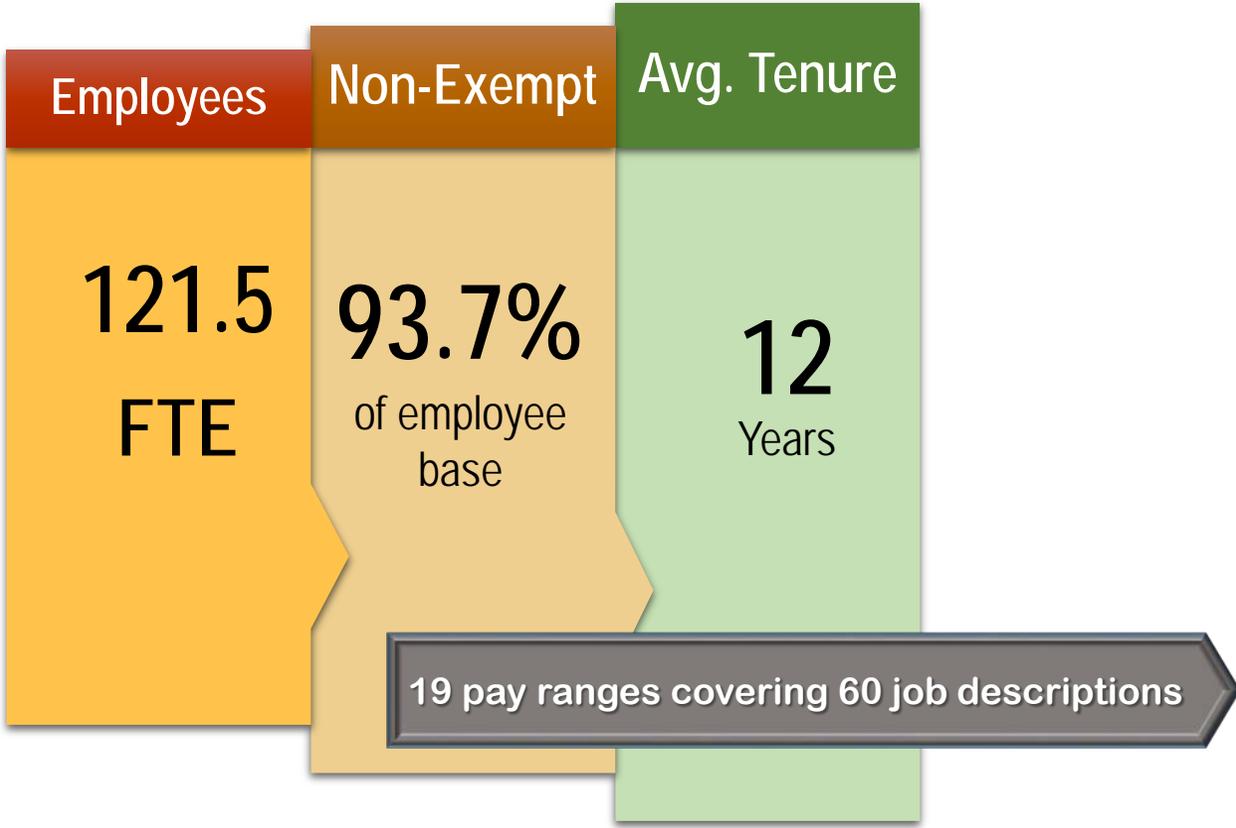


PS – Public Safety  
TS – Town Services  
TH – Town Hall



# YOUR PUBLIC SERVICE

*Just the Numbers*



# YOUR PUBLIC SERVICE

*Taking into account the Market*

Sample the Market for key positions . . . each year

Evaluate the Market for all positions . . . every 3 to 5 years

**PARADOX**

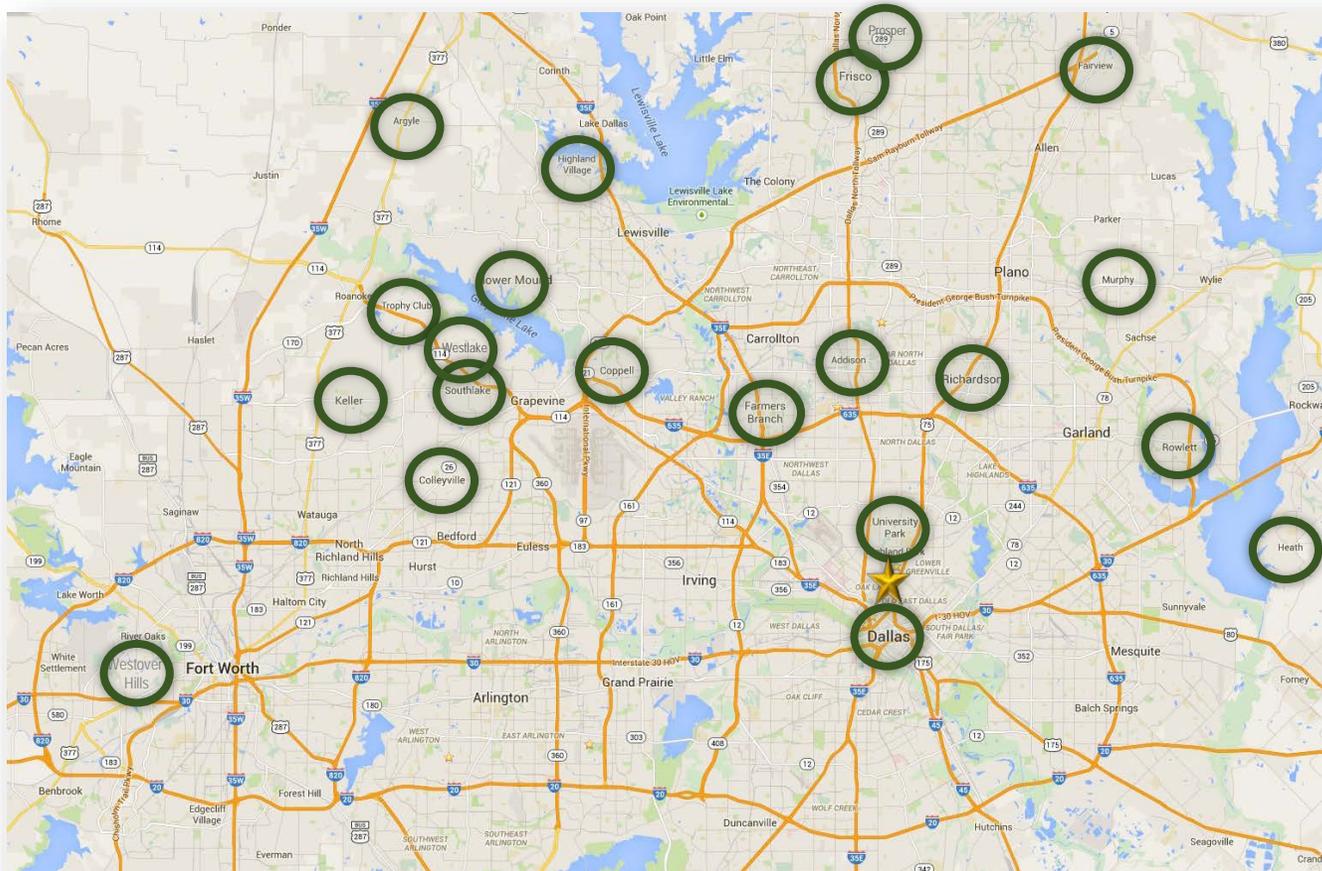


# YOUR PUBLIC SERVICE

*Where is Our Defined Market*

- Addison
- Argyle
- Colleyville
- Coppell
- Dallas
- Fairview
- Farmers Branch
- Flower Mound
- Frisco
- Heath
- Highland Village
- Keller
- Murphy
- Prosper
- Richardson
- Southlake
- Trophy Club
- University Park
- Westlake
- Westover Hills

Defined by the Town Council in 2013



**45%** submitted data  
**70%** data obtained



# YOUR PUBLIC SERVICE

## Meeting the Market



### Study Findings

- Overall, the Compensation Study prepared by Paradox reflects the Town's position to Market similar to the 2013 Waters Consulting Study
- Current pay structure achieves the 20% target above market previously established
- Range structures reflect the Market
- 5 positions to be evaluated for reclassification next year
- Adjusting ranges 3% annually has kept the pay structure relative to the Market
- While the consultant recommends the pay structure not be increased by more than 1 to 3 percent depending on the category, an overall 3% adjustment is recommended by staff based on:
  - market expected to grow by 3%
  - approximately 50% of the Town's employees are near the top of their pay ranges
  - pay structure historically adjusted to stay competitive
  - internal equity issues as a result of compression by not adjusting the pay structure

# PROPOSAL BY THE NUMBERS



# PROPOSAL BY THE NUMBERS

*What are we investing in?*



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*from*  
INFRASTRUCTURE  
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**PROPOSED BUDGET AND PLAN OF  
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