



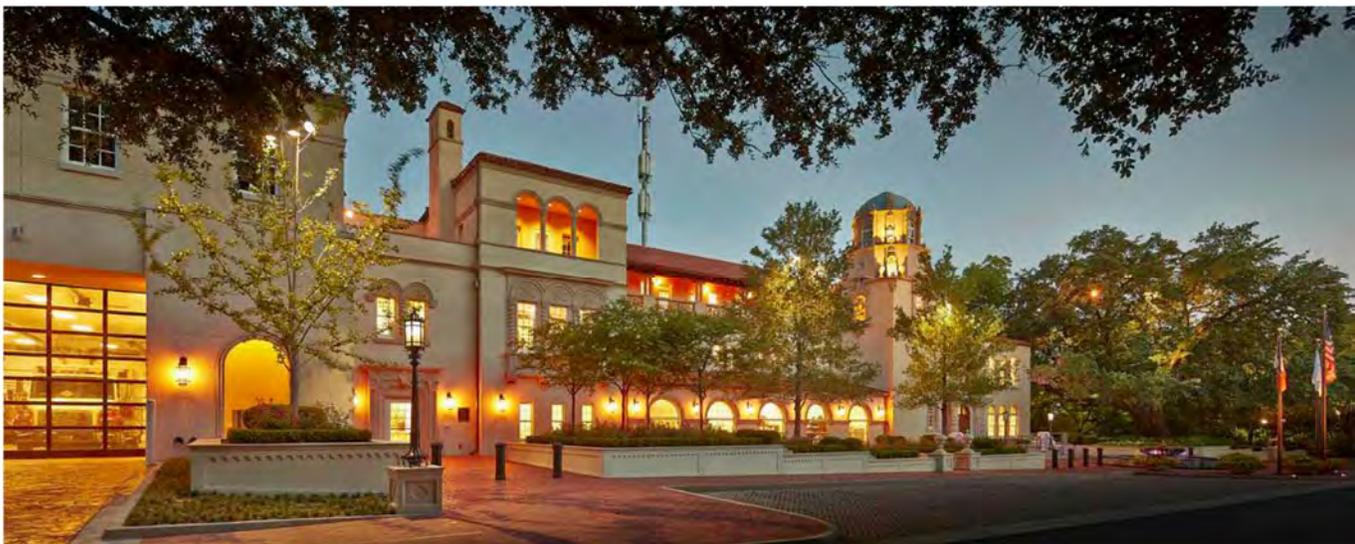
THE TOWN OF

Highland Park
TEXAS

An American Community Making a Difference



*FY 2020-21 Adopted Budget
and
Plan of Municipal Services*



Town of Highland Park

Adopted Budget

Operating and Capital

For the Fiscal Year 2020-2021

This budget will raise more revenue from property taxes than last year's budget by an amount of \$242,307 which is a 1.64 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 \$205,832.

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

FOR: David Dowler, Council Member
 Jimmy Grisham, Council Member
 Marc Myers, Council Member
 Lydia Novakov, Council Member
 Craig Penfold, Council Member

AGAINST:

PRESENT and not voting: Mayor Margo Goodwin

ABSENT:

Tax Rate:	Proposed 2020-21*	Adopted 2019-20
Property Tax Rate:	\$0.230000/100	\$0.230000/100
No-New-Revenue Tax Rate:	\$0.227938/100	\$0.215216/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.229433/100	\$0.215216/100
Voter-Approval Tax Rate:	\$0.247787/100	\$0.232433/100
Debt Rate:	\$0.000000/100	\$0.000000/100

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

* Final calculations provided by the Dallas County Tax Assessor and Collectors Office.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Highland Park
Texas**

For the Fiscal Year Beginning

October 1, 2019

Christopher P. Morill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Town of Highland Park, Texas, for its Annual Budget for the fiscal year beginning October 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

TOWN OF HIGHLAND PARK, TEXAS

PROPOSED BUDGET OPERATING AND CAPITAL OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021

AS SUBMITTED TO
THE MAYOR AND THE TOWN COUNCIL

MARGO GOODWIN
MAYOR

DAVID DOWLER
MAYOR PRO TEM

JIMMY GRISHAM
MARC MYERS
LYDIA NOVAKOV
CRAIG PENFOLD
COUNCIL MEMBERS

BILL LINDLEY
TOWN ADMINISTRATOR

STEVEN J. ALEXANDER
DIRECTOR OF ADMINISTRATIVE SERVICES & CFO

KAREN KURTIN
CONTROLLER

TOWN OF HIGHLAND PARK GUIDING PRINCIPLES

Town Preamble

A haven for home and fireside. Undisturbed by conflict of commercial or political interests. The function of government in Highland Park is protection of the home. Citizens who cherish their homes will vigilantly preserve their heritage of self-government.

Town Council Priorities

- Maintain respect for the Town’s rich history and heritage
- Support the Highland Park Independent School District
- Provide quality Town services – and leverage the quality of those services by collaborating with the City of University Park, Southern Methodist University, Highland Park Village, the Dallas Country Club and by accessing the functional expertise of the Town’s residents
- Continue the Town’s financial stability

Organizational Mission Statement

Highland Park provides residents quality public services that contribute to a healthy, safe, and prosperous neighborhood of tranquility and natural beauty.

Organizational Vision Statement

- Sense of Place – Maintain Highland Park’s distinctive neighborhoods with meandering tree-lined roads interspaced with flowering parks;
- Leadership – Continue Highland Park being a premier place to live, supported by high quality and enduring development standards;
- Caring Community – Recognize Highland Park’s small town charm and values of informed residents, while appreciating the community’s legacy;
- Exemplary Governance – Demonstrate respect, stewardship, vision, and transparency in all things said and done; and,
- Service Excellence – Deliver public service that is responsive and professional, while balancing efficiency, effectiveness, and financial stewardship.

Organizational Values Statement

- Integrity – WE are worthy of the public's trust in all things by dealing honestly and respectfully with the public, and with each other, at all times
- Innovation – WE value progressive thinking, creativity, flexibility, and adaptability in service delivery
- Accountability – WE take personal responsibility for our actions or inaction while putting the interest of the public first ensuring the efficient, cost-effective, and sustainable use of public resources
- Commitment to Excellence – WE behave responsively in the delivery of services to the public with our work characterized by its quality and by the diligence with which it is executed, while proactively seeking to solve problems in advance
- Respect - WE treat others as we would like to be treated
- Teamwork – WE work together toward common goals, through cooperation and partnership
- Communication – WE are purposeful in interacting effectively with our citizens and the community at large focusing on maintaining an environment of open communication that invites the public to participate in decisions concerning Town services and the funding of those services

Budgetary Goals for Fiscal Year 2020-21

- Meet citizens' needs.
- Continue providing high quality services and excellence in customer service.
- Retain and attract quality employees.
- Sustain the Town's cash funded Capital Improvement Plan (CIP).

Town of Highland Park
Fiscal Year 2020-21 Adopted Budget
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MAYOR
Margo Goodwin
 —
 MAYOR PRO-TEM
David Dowler
 —
 COUNCIL MEMBERS
Jimmy Grisham
Marc Myers
Lydia Novakov
Craig Penfold
 —
 TOWN ATTORNEY
Matthew C.G. Boyle
 —
 TOWN JUDGE
Albert D. Hammack
 —
 LOCAL HEALTH AUTHORITY
Michael L. McCullough, M.D.



TOWN ADMINISTRATOR
Bill Lindley
 —
 DIRECTOR OF PUBLIC SAFETY
Paul Sandman
 —
 DIRECTOR OF ADMINISTRATIVE SERVICES
 &
 CHIEF FINANCIAL OFFICER
Steven J. Alexander, CPA
 —
 DIRECTOR OF TOWN SERVICES
Kathleen Stewart
 —
 DIRECTOR OF ENGINEERING
Lori Chapin, P.E.
 —
 TOWN SECRETARY
Joanna Mekeal

September 15, 2020

Mayor Goodwin and Members of the Town Council:

I am pleased to present the Adopted Budget for FY 2021. The Adopted Budget was carefully prepared through the direction of the Director of Administrative Services & CFO and the collective efforts of all departments to balance the identified needs of the community with a sustainable and sound financial plan. The Adopted Budget is focused on achieving the following broad goals:

- Meeting citizens’ needs,
- Continuing high quality services and excellence in customer service,
- Retaining and attracting quality employees, and
- Sustaining the Town’s cash funded Capital Improvement Plan (CIP).

The development of the Adopted Budget was complicated by both the ongoing pandemic related to Covid 19 and the Governor’s execution of various legislation, approved during the last legislative session. Adjustments to operational and capital budgets in the General Fund and Capital Projects Fund are being proposed to accommodate the resulting reduction in operating revenues. Despite these challenges, the Town is able to maintain a high level of service to the public and continues a robust capital improvement program. I am particularly pleased the Adopted Budget maintains less than the 3.5% growth in operational costs guided by the Town Council’s 10-year financial model.

The Adopted Budget of \$40,318,708 (excluding interfund transfers) represents a decrease of (\$2,832,978), or (7%), compared to the FY 2020 Adopted Budget, as follows:

	FY 2020	FY 2021	% Change
General Fund	\$ 21,055,450	\$ 21,421,932	2%
Capital Projects Fund	8,037,381	5,020,160	-38%
Solid Waste Fund	1,401,278	1,431,755	2%
Utility Fund	9,527,036	9,700,342	2%
Storm Water Drainage Fund	2,225,900	1,743,300	-22%
Other Funds	904,641	1,001,219	11%
Total	\$ 43,151,686	\$ 40,318,708	-7%

The reduction between fiscal years is predominately due to capital projects budgeted in FY 2020 being either completed or partially funded and are not recurring in FY 2021. Most notably, funding for capital

projects in FY 2020 included the acquisition of a public safety communication system, for which only about 10%, or \$425,874, remains to be funded in FY 2021. Increases in the General Fund are primarily attributed to changes in personnel costs.

Anticipated fund balances at the end of the next fiscal year meet all requirements set out in the Town's financial policies. Except for one-time expenditures funded through available fund balance, revenues and expenditures are structurally balanced with revenues meeting operating expenditures in a sustainable manner.

REVENUE SOURCES

Making up approximately 82% of total revenues, key revenue sources for the Town continue to include Property Taxes, Sales Taxes, Building Permits and Inspection Fees, and user fees associated with specific services such as the purchase and distribution of treated water, collection and treatment of wastewater; and the collection and disposal of solid waste.

Property Taxes - Property taxes are the largest and most stable revenue source for the Town, making up 39% of total revenue. At the time of budget adoption, taxable property values reflect an increase of approximately 1.1%, or \$69M for FY 2021. It is important to note that when the Dallas Central Appraisal District's (DCAD) tax roll certification was completed, roughly \$339M was still under protest. DCAD included an estimate of 70% of the remaining taxable values under protest in the certification. This resulted in an increase in taxable assessed values of only \$69M. Interestingly \$80M of the certified roll was tied to new construction, comparable to the FY 2020 new construction values. The Adopted Budget maintains the Town's existing tax rate of 23 cents per \$100 of taxable assessed values.

Maintaining the current tax rate of 23 cents is believed to be a fiscally prudent course of action allowing the Town to generate more property tax revenue (due to higher assessed values) while maintaining compliance with Senate Bill 2. Texas Senate Bill 2, approved in the last legislative session, lowers the maximum amount the Town can increase its tax rate above the "No New Revenue Rate" from year to year from 8% to 3.5%. Any tax rate adjustment higher than 3.5%, which would be above the "Voter Approval Rate", requires an election of voters. The new law is effective for FY 2021. The Town addressed the projected impact of Senate Bill 2 in FY 2020 by adjusting its tax rate by 1 penny and revising the Capital Improvement Plan and related financial model accordingly. This facilitates the Town sustaining its level of service to the public, and provides critical funding to the Capital Improvement Plan.

It cannot be stressed enough that revenue constraints imposed by the State on local jurisdictions make it more and more difficult to fund needed projects (particularly capital) and initiatives. It is interesting to note that the Town has, by far, the lowest tax rate of the other two taxing jurisdictions in the Town. Currently, the average Highland Park homeowner pays approximately \$4,543 in taxes for Town services, while the remainder of their tax bill, \$35,794, goes to Dallas County (31.7%) and HPISD (57.0%).

Sales Taxes – Built on sustaining the current mix of retail outlets, sales taxes account for 9% of total revenue and are proposed to decline when compared to the prior year-end actual (FY 2019) of \$4.2M. This reduction is directly related to the effects of the current pandemic, which has made projecting this revenue source challenging. To the extent the pandemic worsens, this projection may have to be adjusted. As it relates to retail sales, the September *Beige Book for the Eleventh District* reported that "Just over three-quarters of retailers said July revenues were below normal, by about 22 percent on average. More than half of retailers said supply chain disruptions were restraining revenues, in addition to weak demand.

Expectations for future activity declined substantially, and uncertainty rose sharply.” The reduction in sales tax revenue is projected for the current year and next fiscal year. The Town’s financial model projects the resumption of a more normalized sales tax revenue stream in years beyond FY 2021 with an annual growth of 4% per year. Anticipating a reduced level of sales tax revenue for next fiscal year reflects a more conservative approach due to the level of uncertainty that currently exists with regards to retail sales.

User Fees – During FY 2019, the calculation of construction permits was changed to a cost per square foot basis in response to the Governor signing HB 852, passed during the last Legislative session. The legislation now prohibits the Town from considering the value or cost of construction or improvement of a residential dwelling in establishing building permit fees. Town staff continues to closely monitor the results of the revised construction permit fees; however, at this point, permit revenues are relatively constant and construction activity in Town has remained fairly robust. Building Permit and Inspection fees are expected to be \$1.3M for FY 2021 and represent 3.4% of total revenue.

The fees assessed to Town customers for the purchase and distribution of treated water and the collection and treatment of wastewater comprise 27% of total revenue.

The Town’s FY 2021 financial model is predicated on a certain level of annual water consumption. With the consistent decline in water sales over the last few years, the five-year rolling average has declined from 982 million gallons per year to a projected 948 million gallons. Consumption patterns in the current fiscal year suggest that the Town will meet its annual revenue budget for FY 2020.

Based on discussion with the Town Council during the budgetary process, the 4.75% increase in water and sewer rates originally planned to occur for FY 2021 is has been moved to FY 2022 with the 10-year financial model being adjusted accordingly. Therefore, water and sewer rates are not changing for FY 2021. As presented in the CIP, the rate adjustments proposed throughout the 10-year plan allows the Town to continue the pay-as-you-go program of funding capital and maintains reserves at a level that funds future planned projects. The last rate adjustment was approved by Town Council in FY 2019.

Rates charged by the Town for the collection and disposal of solid waste make up 4% of total revenues. Third-party contracts to provide these services stipulate annual rate increases, based on Consumer Price Indices (CPI), effective in October of each year. As a result, rates charged to customers are proposed to grow by 2.9%, adjusting the average resident’s monthly billing by \$0.73 for alley service and \$1.37 for pack-out service.

EXPENDITURES

Key expenditures, totaling 83% of the overall appropriations consist of compensation and benefits for Town employees, contracts related to purchasing treated water, treatment of wastewater, collection of solid waste, and capital improvements. The following is a summary of the more significant adjustments to these areas proposed for next fiscal year.

Compensation & Benefits – The Adopted Budget maintains the Town Council’s goal of providing a competitive package of employee salary and benefits. Maintaining such a strong framework better positions the Town to retain and recruit high-quality personnel. The DFW labor market continues to be extremely competitive for police officers/firefighters and other skilled positions, and as an impact, drives pay increases for Town positions.

Major components of the Town's compensation and benefits program include salaries, pension (Texas Municipal Retirement System [TMRS]), and health insurance. Overall, this category of expenses is proposed to increase by \$377,442, or 2.1%, and addresses compensation adjustments, as well as, changes in costs related to employee benefits.

The Adopted Budget provides an annual pay adjustment to all employees of 2% across-the-board. A similar adjustment was made in FY 2010 in response to the Great Recession. While less than prior years, this adjustment allows the Town to maintain its competitive position in the market with regards to pay and facilitates the development of a sustainable budget during a time when revenues are suppressed. As it relates to Pay for Performance ("P4P"), the existing program remains in place for FY 2021. This program provides, for those employees eligible to participate in P4P (non-exempt employees), a quarterly stipend (up to 6% of their quarterly salary) based on their quarterly evaluation. As a comparison, in FY 2020, the Town provided employees eligible for P4P a 3% annual adjustment and reduced the quarterly maximum P4P stipend from 7% to 6%. Employees who were not eligible for P4P (exempt employees) were provided a 2.5% annual adjustment. The adjustment to compensation included in the FY 2021 budget reduces the annual increase in compensation costs based on the prior year compensation adjustment by approximately \$140,000.

The Adopted Budget also reflects the annual cost associated with the Town approving an Updated Service Credit (USC) through the Town's pension program with TMRS in FY 2020. Commonly provided by the Town's comparison cities (University Park updated its USC in FY 2019 at 100%, compared to the Town funding at 75%), the USC provides for a member's benefit to maintain value over the duration of their career by considering, if substantial, increases in salary or changes to the pension plan. The Town has traditionally elected to provide these changes in an ad hoc capacity to avoid large actuarial adjustments associated with a recurring plan. Prior to FY 2020, the last time the Town approved ad hoc changes to the USC was in FY 2008.

Providing the USC in FY 2020 resulted in a budgeted increase to pension contributions of \$374,423. The Town's contribution rate changed from 6.28% of payroll to 9.36%, with FY 2020 being a blended rate, due to the new rate becoming effective on January 1, 2020. The FY 2021 Adopted Budget is impacted by the new contribution rate for all of FY 2021 resulting in an increase in pension costs of approximately \$99,500. In order to address the increased pension liability that resulted from implementing the USC, the Town incorporated an additional contribution in the FY 2020 Adopted Budget of \$242,331 to be contributed to TMRS. If additional contributions are made each year, the Town can reduce any unfunded liability over time. The Adopted Budget for FY 2021 provides for an additional contribution of \$183,000. The reduced contribution is due to the lower revenues anticipated for FY 2021. TMRS projects the Town's liability to be 98.24% funded. This is up from the previous year of 97.10% funded. On average, the Town's comparison cities have a funded ratio of approximately 89.5%. While the Town has enjoyed a funding ratio in prior years above 100%; it has not always been the case. The funding status of the Town's pension liability is impacted from year-to-year by market conditions, actuarial assumptions adopted by TMRS and actual experience of the Town as it relates to compensation and annual retirements.

It is important to note that the Town's annual financial statements present the status of the pension plan in accordance with the Governmental Accounting Standards Board Statement No. 68 (GASB 68). Since GASB 68 measures the plan assets differently than TMRS, the resulting net pension asset or liability differs from the amounts presented by TMRS. Plan measurement occurs at the end of December of each year. For example, at the end of calendar year 2019, TMRS calculated the Town's plan assets to plan

liabilities at 95.5%; whereas under GASB 68, this ratio was reflected at 98.24%. The difference is primarily attributed to changes in actuarial assumptions that TMRS adopted in October of 2019.

Insurance costs, including health insurance, are anticipated to grow by 7.8%, and are driven by pharmaceutical costs and several significant medical claims. Like the Town, employees will also see similar increases in their premiums related to dependent care. Lockton-Dunning, the Town's benefits consultant, negotiated with Cigna to achieve the best medical rates possible for the upcoming fiscal year in considering a loss ratio of approximately 92.2%. Additionally, following increases over the last several years in minimum deductibles required for high deductible health plans, an increase in the Town's contribution to employees' Health Savings Accounts of \$300 per employee has been incorporated into the FY 2021 Adopted Budget. The increases in the monthly contribution will begin in January 2021. Related to the Town's wellness program, based on current projections, approximately 93% of the \$263,550 wellness incentives budgeted will be earned this current fiscal year by 93% of the Town's 122 eligible employees.

Water, Sewer & Solid Waste Contracts - The Town purchases treated water for resale from the Dallas County Park Cities Municipal Utility District ("District"). The District continues to apply a ten-year rolling average of water sales for computing the rate they will charge the Town in the upcoming fiscal year. For FY 2021, the District is proposing a rate reduction of 3%, resulting in an anticipated savings of \$35,271 when compared to the current year budget. The cost of water to be purchased for FY 2021 is anticipated to be \$2,481,384. Wastewater is treated by the City of Dallas ("City"). Each year, the City conducts a cost-of-service study related to the wholesale wastewater rate they charge. Based on the results of the study this year, the FY 2021 base rate for wastewater charged to the Town is increasing by approximately 1%. The City also applies an inflow and infiltration rate which is a multiplier on the Town's winter average consumption. That multiplier is increasing by 6.6%. Each year, the City requests the Town's winter water consumption in calculating the Town's winter average that is used to determine the Town's monthly billing for the upcoming fiscal year. The Town's prior year winter average remained relatively constant for fiscal years 2019 and 2020, resulting in an approximate increase in wastewater treatment costs of 7.6%. The cost of wastewater treatment is anticipated to be \$1,153,302 in FY 2021. The Town's 10-year financial model anticipates a 3% average increase in these costs each year.

In FY 2018, the Town entered into a new solid waste collection agreement with Republic Services that went into effect in January of 2018. As noted previously, the 10-year agreement includes a CPI indexed rate adjustment. The current CPI reflects an increase of 2.9%, resulting in an increase in the Adopted Budget for this service of \$40,302. The annual cost for FY 2021 related to collection and disposal service is \$1,335,080.

Capital Improvements – Operating on a cash funded basis, the Town's 10-year financial model proposes allocating 3.6 cents of the proposed 23 cent tax rate towards funding the Town's Capital Improvement Plan (CIP) in FY 2021. The 10-year financial model initially established a minimum of 4.2 cents of the Town's 23 cents tax rate to be applied each year starting in FY 2021. In order to address the anticipated reduction in revenues related to the Covid 19 pandemic and other adjustments to future revenue assumptions, transfers to the CIP have been reduced for the next fiscal year and will build back over time. In past years, this transfer varied based on changes in operating costs within the General Fund. Establishing a fixed portion of the tax rate to be applied toward the CIP each year, requires anticipated operational costs to be constrained to a greater extent in future years. To that end, the financial model developed in FY 2020 changed the anticipated increase in personnel costs to reflect a 2.25%-2.5% increase in personnel costs for FY 2022 through FY 2024 and a 3.25% growth rate for years thereafter,

and other operational costs are held to a 3% growth rate. In prior years the financial model anticipated a 4.5% annual growth in personnel costs and 3.5% in other operational costs.

The CIP is comprised of three major components including the Capital Projects Fund, Utility Fund, and Storm Water Drainage Fund. Overall the CIP for FY 2021 and the 10-years presented is proposed to cost \$10,137,513 and \$100,578,942, respectively, and provides for the following projects.

	FY 2021-2030 Adopted CIP		FY 2020-2029 CIP ⁽¹⁾
	FY 2021	10-Year	10 -Year
Capital Project Fund:			
Roads & Bridges	\$ 4,104,286	\$ 55,619,088	\$ 56,807,620
Parks & Recreation	490,000	2,910,180	2,961,837
Public Safety	425,874	425,874	3,437,929
Sub-total*	\$ 5,020,160	\$ 58,955,142	\$ 63,207,386
Utility Fund:			
Water & Sewer Improvements	\$ 2,268,353	\$ 15,893,800	\$ 14,916,746
Lakeside & 30" Sewer Interceptor	-	5,230,000	3,400,000
Gillon Pump Station Improvements	194,000	694,000	-
Douglas Park Drainage Improvement & Landscaping	450,000	450,000	-
NE Water Pressure Improvements	75,000	4,275,000	4,500,000
Water Tank Rehabilitation	300,000	2,400,000	1,800,000
Utility Portion of Road Projects	230,000	6,337,000	6,637,000
Sub-total*	\$ 3,517,353	\$ 35,279,800	\$ 31,253,746
Storm Water Drainage Fund:			
Drainage Facility Improvements & Studies	\$ 700,000	\$ 1,185,000	\$ 1,700,000
Connor Park Shoreline Stabilization	-	-	858,000
Douglas Park Drainage Improvement & Landscaping	400,000	400,000	-
Storm Water Portion of Road Projects	300,000	1,159,000	1,359,000
Hackberry Creek	200,000	3,600,000	4,640,000
Sub-total*	\$ 1,600,000	\$ 6,344,000	\$ 8,557,000
Total CIP	\$ 10,137,513	\$ 100,578,942	\$ 103,018,132

*Excludes transfers-out.

⁽¹⁾ Amounts based on CIP approved in the FY 2020 Adopted Budget

The CIP's 10-year financial model anticipates a 3.5% increase each year in Taxable Assessed Values, reflecting the impact of Senate Bill 2, with the Town maintaining the tax rate and a 4% increase in sales tax revenue in years following FY 2021. In addition, the CIP anticipates periodic water and sewer rate adjustments beginning in FY 2022 as previously discussed with the Town Council, as well as, continued adjustments to storm water drainage rates based on the Consumer Price Index. The plan assumes a reduced 2% annual rate of return on investments for years beyond FY 2021. The Adopted CIP incorporates funding anticipated to be received from Dallas Area Rapid Transit (DART), as well as anticipated funding participation from Dallas County and University Park. Other funding sources include the Texas Department of Transportation for related road, bridge and drainage projects, based on identified projects in future years.

Following the Town Council's direction, Town Staff initiated studies assessing the Town's infrastructure. These studies include a street condition assessment and modeling of the Town's water system and wastewater system. Staff is also scheduled to conduct a study of the Town's storm water system with Phase I to be prepared during the next fiscal year. The work with the street and water/wastewater studies

identified infrastructure projects that were incorporated into the CIP in FY 2020. As projects are further identified or refined, the prioritization, scope, and estimated cost for each will be updated for consideration by the Town Council.

ONGOING INITIATIVES

School Security - The Adopted Budget continues funding for police officers at Armstrong Elementary School and Bradford Elementary School. The \$200,000 in funding set aside for this program is provided as a reimbursement to the Highland Park Independent School District (HPISD). The Highland Park DPS extended the use of two patrol units to the program, that would otherwise be replaced through the Town's equipment replacement program, as a way of providing a more pronounced presence at the two campuses. In conjunction with the HPISD and City of University Park, the Town is participating currently in a study assessing the location of school zones and crossing-guard staffing needs. The fiscal impact of any identified changes is not known at this time but should not have a material impact to the Adopted Budget.

Equipment & Technology Replacement – Next year's budget provides \$154,046 related to the replacement of vehicles for DPS and Town Services. In addition to this, \$382,245 is allocated for the scheduled replacement of DPS tasers and to begin the process of replacing the DPS system related to body cameras and in-car videos.

Building Maintenance – The Adopted Budget for FY 2020 included \$35,635 in funding for updating the Highland Park Department of Public Safety (HPDPS) day room and hallways. This project has been re-appropriated in FY 2021 since it is not anticipated to be completed in the current fiscal year.

CARES FUNDING

The Coronavirus Aid, Relief and Economic Security (CARES) Act allocated funding to state and local governments to be used in managing the ongoing pandemic. The Town was allocated roughly \$500,000 through this program. The current year projections and the Adopted Budget incorporate the use of a portion of these funds in a variety of ways. While only a portion of the funds have been applied toward specific projects and initiatives, Town Staff is working to identify additional costs that would be eligible for reimbursement under the program.

CONCLUSION

Town staff has committed significant time and energy toward the development of the Adopted Budget and believes that through its implementation, the Town Council will continue to see excellence in meeting the expectations of residents and businesses. The Adopted Budget makes smart investments in many programs needed to keep pace with residents' service expectations. At the same time, it attempts to strike a fair balance between residents who would like to see more services with those who are attentive to rising property valuations and tax payments. Overall, the Adopted Budget is a financial plan, providing residents with a full scope of high-quality municipal services, especially our remarkable Department of Public Safety.

Once again, thank you to the Mayor and Town Council Members for the vision and direction throughout this process, and all the hard work by the Department Heads and staff. Special appreciation goes to Steve Alexander (Director of Administrative Services & CFO) and Karen Kurtin (Controller) for the attention, care, and long hours devoted to developing the Adopted Budget for the Town Council's

consideration. With the effective work of the Finance Department and that of each Department, the Town is operating with a clear plan of maintaining fiscal strength and stability. The Adopted Budget will enable the Town to continue its quality of life as a thriving and safe community that cherishes its location, unites in its diversity, and evolves to meet the continuous challenges that success brings.

Bill Lindley

William Lindley
Town Administrator

ORGANIZATIONAL MATRIX – DEPARTMENT ASSIGNMENT BY FUND

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

Fund	Departments					
	Administration	Department of Public Safety	Town Services	Library	Finance & Human Resources	Engineering
General	Operations	Operations	Operations <i>(Street)</i> <i>(Street Lighting)</i> <i>(Parks)</i> <i>(Pool)</i> <i>(Building Insp.)</i>	Operations	Operations <i>(Municipal Court)</i> <i>(Finance)</i> <i>(Info. Tech.)</i>	
Utility			Operations & Capital <i>(Water)</i> <i>(Sewer)</i>		Operations <i>(Utility Admin)</i>	Operations
Solid Waste			Contracts			
Stormwater Drainage			Contracts & Capital			
Building Maintenance & Investment			Contracts & Capital <i>(Service Center)</i> <i>(Town Hall)</i>			
Court Technology					Contracts & Capital <i>(Municipal Court)</i>	
Court Security					Operations <i>(Municipal Court)</i>	
DPS Technology		Capital				
Equipment Replacement	Capital	Capital	Capital	Capital		
Technology Replacement	Capital	Capital	Capital	Capital	Capital	Capital
Capital Projects		Capital <i>(Communication System)</i>	Capital <i>(Parks & Right-of-Way Improvements)</i>			Capital <i>(Governmental Infrastructure)</i>

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

	General	Utility	Solid Waste	Storm Water	Equipment Replacement	Technology Replacement	Building Maintenance & Investment	Forfeited Property
BEGINNING FUND BALANCE	\$ 4,745,729	\$ 7,033,954	\$ 214,719	\$2,131,834	\$ 3,499,472	\$ 2,850,501	\$ 1,036,675	\$ 27,417
REVENUES:								
Property Taxes	\$ 14,922,693	-	-	-	-	-	-	-
Water Sales	-	7,266,056	-	-	-	-	-	-
Sewer Charges	-	2,973,969	-	-	-	-	-	-
Sales Taxes	3,600,000	-	-	-	-	-	-	-
Sanitation/Recycling Charges	-	-	1,555,269	-	-	-	-	-
Franchise Fees	916,811	-	-	-	-	-	-	-
Building Inspection Fees/Permits	1,249,042	62,347	-	-	-	-	-	-
Municipal Court Fines/Fees	974,418	-	-	-	-	-	-	-
Interest Earnings	95,776	86,713	3,159	35,705	36,794	28,535	10,709	241
Storm Water Drainage Fees	-	-	-	433,031	-	-	-	-
All Other	1,702,655	115,959	-	-	20,500	-	18,516	2,500
TOTAL REVENUES	\$ 23,461,395	\$ 10,505,044	\$ 1,558,428	\$ 468,736	\$ 57,294	\$ 28,535	\$ 29,225	\$ 2,741
Transfers from Other Funds	1,326,300	349,857	20,000	175,000	610,000	590,557	477,300	-
TOTAL REVENUES & TRANSFERS	\$ 24,787,695	\$ 10,854,901	\$ 1,578,428	\$ 643,736	\$ 667,294	\$ 619,092	\$ 506,525	\$ 2,741
TOTAL AVAILABLE RESOURCES	\$ 29,533,424	\$ 17,888,855	\$ 1,793,147	\$ 2,775,570	\$ 4,166,766	\$ 3,469,593	\$ 1,543,200	\$ 30,158
EXPENDITURES:								
Personnel Services:								
Payroll	\$ 12,892,316	\$ 1,335,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	931,932	98,785	-	-	-	-	-	-
Retirement (TMRS)	1,196,507	125,370	-	-	-	-	-	-
Insurance	1,982,101	218,914	-	-	-	-	-	-
Total Personnel	\$ 17,002,856	\$ 1,778,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Equipment	\$ 1,024,011	\$ 2,698,987	\$ 35,000	\$ 7,100	\$ -	\$ -	\$ 38,550	\$ -
Services & Charges	3,395,065	1,705,792	1,396,755	136,200	1,538	-	316,304	1,000
Capital Outlay	-	3,517,353	-	1,600,000	152,508	382,245	47,525	-
TOTAL EXPENDITURES	\$ 21,421,932	\$ 9,700,342	\$ 1,431,755	\$ 1,743,300	\$ 154,046	\$ 382,245	\$ 402,379	\$ 1,000
Transfers to Other Funds	3,912,779	1,972,466	144,600	103,300	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS	\$ 25,334,711	\$ 11,672,808	\$ 1,576,355	\$ 1,846,600	\$ 154,046	\$ 382,245	\$ 402,379	\$ 1,000
ENDING FUND BALANCE	\$ 4,198,713	\$ 6,216,047	\$ 216,792	\$ 928,970	\$ 4,012,720	\$ 3,087,348	\$ 1,140,821	\$ 29,158
FUND BALANCE MINIMUM	\$ 3,908,242	\$ 1,903,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE SURPLUS	\$ 290,471	\$ 4,312,342	\$ 216,792	\$ 928,970	\$ 4,012,720	\$ 3,087,348	\$ 1,140,821	\$ 29,158

All funds listed are present in the Town's Comprehensive Annual Financial Reports, except the Solid Waste Fund, which is combined with the Utility Fund.

Explanation of Significant Changes in Fund Balances

General Fund - Fund balance within the General Fund is declining by approximately \$550,000 due to excess funds within the fund balance being transferred over to the capital projects fund.

Utility Fund - Fund balance within the Utility Fund is declining by approximately \$817,000. The capital improvements budget for the Utility Fund is approximately \$757,000 higher than in prior year while utility rates are remaining constant. Fund balance has been building over time to facilitate the capital plan.

Storm Water Utility Fund - Fund balance within the Storm Water Utility Fund is declining by approximately \$1.2M. The Storm Water Utility Fund has \$1.6M in capital expenditures budgeted for FY 2021 utilizing available fund balance as a primary funding source.

Internal Service Funds - The fund balances within the Technology Replacement Fund, Equipment Replacement Fund and Building Maintenance Fund continue to grow in anticipation of future capital purchases. Between the three funds, the anticipated increase in available fund balance is approximately \$854,000.

Truancy Prevention	Municipal Jury	Court Technology	Court Security	Library Fund	DPS Technology	Capital Projects	Adopted FY 2021	Adopted FY 2020
\$ 12,904	\$ 288	\$ 101,684	\$ 14,597	\$ 264,994	\$ 283,166	\$ 2,837,587	\$ 25,055,521	\$ 25,932,283
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	14,922,693	14,752,289
-	-	-	-	-	-	-	7,266,056	7,296,171
-	-	-	-	-	-	-	2,973,969	3,017,681
-	-	-	-	-	-	-	3,600,000	4,234,176
-	-	-	-	-	-	-	1,555,269	1,516,399
-	-	-	-	-	-	-	916,811	1,006,919
-	-	-	-	-	-	-	1,311,389	1,252,564
24,000	480	35,977	39,665	-	-	-	1,074,540	1,352,253
96	6	1,014	127	2,580	2,868	21,796	326,119	666,191
-	-	-	-	-	-	-	433,031	423,709
-	-	-	-	39,980	90,528	2,157,231	4,147,869	4,332,078
\$ 24,096	\$ 486	\$ 36,991	\$ 39,792	\$ 42,560	\$ 93,396	\$ 2,179,027	\$ 38,527,746	\$ 39,850,430
-	-	-	-	-	-	3,053,916	6,602,930	7,655,687
\$ 24,096	\$ 486	\$ 36,991	\$ 39,792	\$ 42,560	\$ 93,396	\$ 5,232,943	\$ 45,130,676	\$ 47,506,117
\$ 37,000	\$ 774	\$ 138,675	\$ 54,389	\$ 307,554	\$ 376,562	\$ 8,070,530	\$ 70,186,197	\$ 73,438,400
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,227,457	\$ 14,125,904
-	-	-	-	-	-	-	1,030,717	1,014,490
-	-	-	-	-	-	-	1,321,877	1,222,376
-	-	-	-	-	-	-	2,201,015	2,040,854
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,781,066	\$ 18,403,624
\$ -	\$ -	\$ 4,044	\$ -	\$ 32,480	\$ -	\$ -	\$ 3,840,172	\$ 3,889,754
-	-	24,025	-	1,000	-	-	6,977,679	6,777,280
-	-	-	-	-	-	5,020,160	10,719,791	14,081,028
\$ -	\$ -	\$ 28,069	\$ -	\$ 33,480	\$ -	\$ 5,020,160	\$ 40,318,708	\$ 43,151,686
-	-	-	24,600	-	90,528	354,657	6,602,930	7,655,687
\$ -	\$ -	\$ 28,069	\$ 24,600	\$ 33,480	\$ 90,528	\$ 5,374,817	\$ 46,921,638	\$ 50,807,373
\$ 37,000	\$ 774	\$ 110,606	\$ 29,789	\$ 274,074	\$ 286,034	\$ 2,695,713	\$ 23,264,559	\$ 22,631,027
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 7,811,947	\$ 6,737,092
\$ 37,000	\$ 774	\$ 110,606	\$ 29,789	\$ 274,074	\$ 286,034	\$ 695,713	\$ 15,452,612	\$ 15,893,935

Budget Calendar Fiscal Year 2020 - 2021

April 3	Budget kick-off memo to departments.
April 16	Departments submit initial projection of FY 2019-20 revenues and expenditures to the Finance Department.
April 20	Departments submit base budget requests to the Finance Department. This includes any requests for non-capitalized and capitalized fixed assets.
April 23	Deliver notice for the May 19 Public Hearing in the newspaper. The notice will run on April 30 and May 7. Provide notice to Town Secretary for publishing on website.
April 27	Departments submit any new programs to the Finance Department. Departments submit proposed updates, changes, or revisions to the Town's Capital Improvement Plan.
April 30	Meet and discuss the Town's 10-year Capital Improvement Plan with Department Directors.
May 1 – May 8	Finance Department review of Departmental Budget Requests and updates, changes, or revisions to the Town's Capital Improvement Plan with Department Directors.
May 11	Receive preliminary taxable assessed values from Dallas Central Appraisal District (DCAD).
<u>May 19</u>	Public Hearing for citizen comment on the development of the FY 2020-21 Budget. Review and discuss with the Town Council the progress of the FY 2020-21 budget process and the Council's priorities and expectations of the FY 2020-21 Budget. Departments submit revised projection of FY 2019-20 revenues and expenditures to the Finance Department.
June 16	Review and discuss with the Town Council the progress of the FY 2020-21 budget process and the Council's priorities and expectations of the FY 2020-21 Budget. Review and discuss with the Town Council any proposed updates, changes, or revisions to the Town's 10-year Capital Improvement Plan.
June 8 - 19	Departmental meetings with Town Administrator on Budget Requests.
June 22	Finance & Audit Advisory Committee meet to discuss proposed Capital Improvement Plan and Operational Budget for FY 2020-21.
July 10	Departments submit final projection of FY 2019-20 revenues and expenditures to the Finance Department.

Budget Calendar Fiscal Year 2020 - 2021

- July 16 Review and discuss the draft FY 2020-21 Proposed Budget with the Finance & Audit Advisory Committee.
- July 23 Receive estimated Certified Appraisal Roll from DCAD.
- July 31 FY 2020-21 Proposed Budget delivered to the Town Council and the Town Secretary.
- August 4** Council sets date to call Public Hearing on the FY 2020-21 Proposed Budget [Town Charter 9.05(A)].
- August 4** Review and discuss the Proposed Budget and Capital Improvement Plan for Fiscal Year 2020-21.
- Deliver notice of the August 18 and September 1 Public Hearing on the FY 2020-21 Proposed Budget to the newspaper. Provide notice to Town Secretary for publishing on website.
- August 6 Publication of the notice for the August 18 and September 1 First and Second Public Hearing on the FY 2020-21 Proposed Budget in the newspaper.
- August 13 Publication of notice the August 18 and September 1 First and Second Public Hearing on FY 2020-21 Proposed Budget in the newspaper.
- August 18** First Public Hearing on FY 2020-21 Proposed Budget.
- Review and discuss a proposal to set a preliminary property tax rate for Fiscal Year 2020-21 and schedule one public hearing on the proposal.
- Town Council sets preliminary ad valorem tax rate.
- NOTE: If a tax rate is proposed that exceeds the 'No-New-Revenue Tax Rate', take a record vote, publish the required notices, and schedule the required public meeting.*
- Call Public Hearing on Tax Increase.
- Deliver notice of Public Hearing on Tax Increase to the newspaper. Provide notice to Town Secretary for publishing on website.
- Announce date and time of Public Hearing to adopt the tax rate.
- August 20 Publication of notice for September 8 Public Hearing on Tax Increase in the newspaper.
- August 27 Publication of notice for September 8 Public Hearing on Tax Increase and publication of notice for September 8 Public Hearing on FY2020-21 Proposed Budget in the newspaper.

Budget Calendar Fiscal Year 2020 - 2021

September 1

Second Public Hearing on FY 2020-21 Proposed Budget.

Departments submit updated program descriptions, accomplishments, objectives and key performance indicators to the Finance Department.

September 8*

Public Hearing on Tax Increase.

September 15

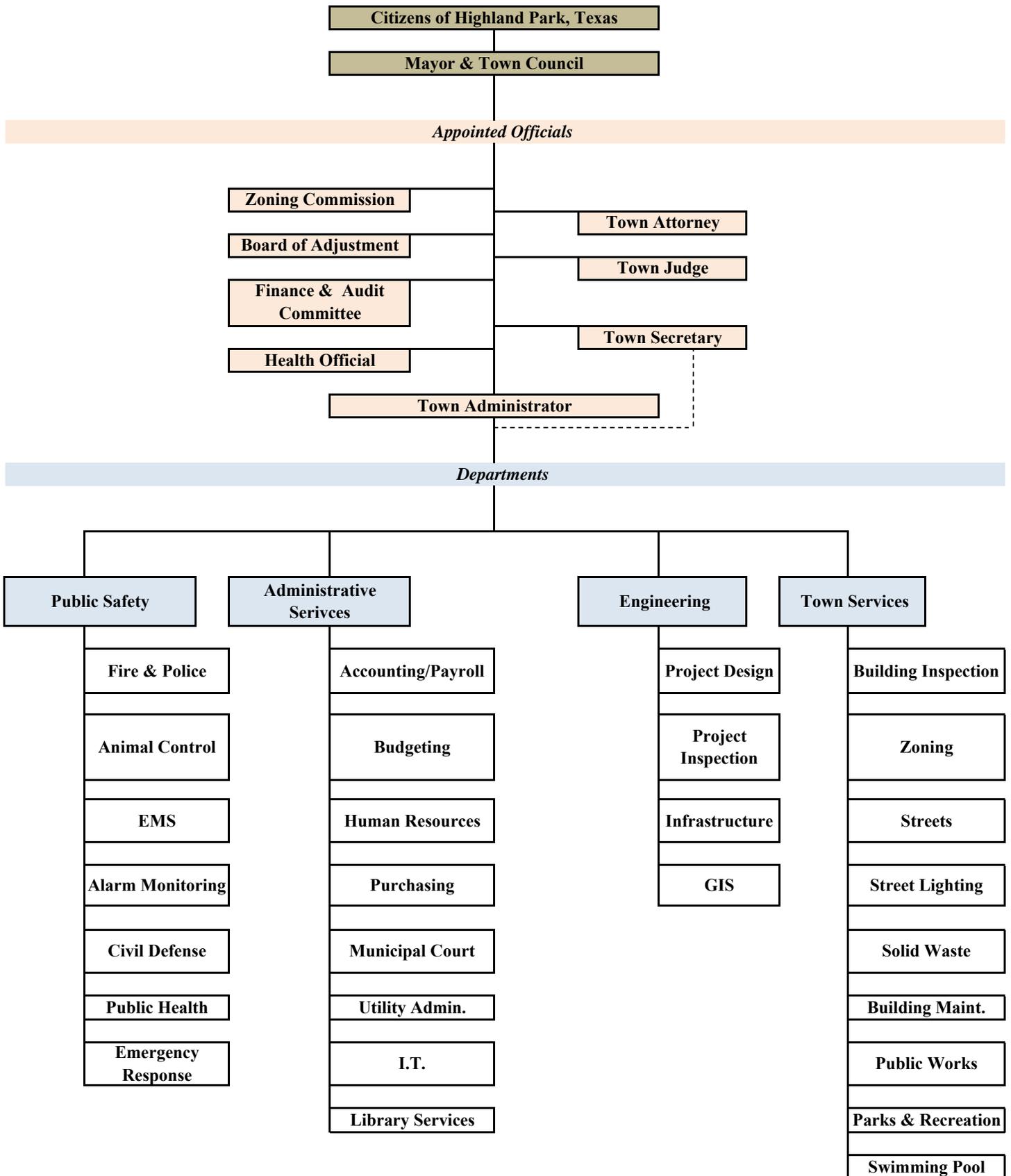
Town Council considers approval of:

- FY 2020-21 Proposed Budget.
- Adoption of a tax rate.
- Master Fee Schedule.

Provide approved property tax ordinance and property tax rate to Dallas County Tax Office and the Dallas Central Appraisal District.

NOTE: Dates in bold indicate a Town Council study session; Dates in bold and underlined indicate a Town Council meeting; Dates in bold with an asterisk (*) indicate a special called meeting.

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



ORDINANCE NO. 2065

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021, 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 \$46,921,638, including \$6,602,930 for inter-fund transfers, of the Town of Highland Park, Texas, for the fiscal year beginning October 1, 2020, and ending September 30, 2021, in accordance with the provisions of the Town Charter, Section 4.02 (d) and Section 9.05; and

That, a copy of said proposed budget was filed in the office of the Town Secretary on July 31, 2020, and more than thirty (30) days prior to the end of the fiscal year 2020, in accordance with the provisions 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, 2020, in accordance with Section 102.005 of the Local Government Code, Texas Codes Annotated; and

That, notice of public hearings on the proposed budget on August 18, 2020, and September 1, 2020, 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 15, 2020, following the 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 15th day of September 2020.

APPROVED AS TO FORM:



Matthew C.G. Boyle
Town Attorney

APPROVED:



Margo Goodwin
Mayor

ATTEST:



Joanna Mekeal
Town Secretary

ORDINANCE NO. 2064

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2020 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 2020, there is hereby levied an ad valorem tax of \$0.230000 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 2020, 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 0.25% 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 2021.

That said tax shall be due and payable October 1, 2020.

That all constitutional provisions and laws of the State of Texas that pertain to delinquencies and collection procedures are applicable to this 2020 levy.

PASSED AND APPROVED this 15th day of September 2020.

APPROVED AS TO FORM:



Matthew C.G. Boyle
Town Attorney

APPROVED:



Margo Goodwin
Mayor

ATTEST:



Joanna Mekeal
Town Secretary

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

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 22,346,453	\$ 25,932,283	\$ 26,907,083	\$ 25,055,521
REVENUES/SOURCES OF FUNDS				
Property Taxes	\$ 13,771,615	\$ 14,752,289	\$ 14,767,023	\$ 14,922,693
Water Sales	6,557,798	7,296,171	7,371,141	7,266,056
Sewer Charges	2,744,988	3,017,681	2,831,183	2,973,969
Sales Taxes	4,312,342	4,234,176	4,011,000	3,600,000
Sanitation/Recycling Charges	1,466,140	1,516,399	1,517,540	1,555,269
Franchise Fees	1,085,951	1,006,919	976,232	916,811
Building Inspection Fees/Permits	1,517,030	1,358,570	1,274,473	1,311,389
Municipal Court Fines/Fees	1,368,821	1,352,253	792,462	1,074,540
Interest Earnings	988,493	671,991	567,465	326,344
Storm Water Fees	413,844	423,709	426,347	433,031
Other Revenues	7,639,596	4,220,272	4,592,172	4,147,644
TOTAL REVENUES	\$ 41,866,618	\$ 39,850,430	\$ 39,127,038	\$ 38,527,746
OTHER SOURCES				
Transfers In	\$ 7,626,977	\$ 7,655,687	\$ 7,493,560	\$ 6,602,930
TOTAL OTHER SOURCES	\$ 7,626,977	\$ 7,655,687	\$ 7,493,560	\$ 6,602,930
TOTAL REVENUES/SOURCES	\$ 49,493,595	\$ 47,506,117	\$ 46,620,598	\$ 45,130,676
EXPENDITURES				
Personnel Services				
Payroll	\$ 13,616,196	\$ 14,125,904	\$ 14,065,775	\$ 14,227,457
Payroll Taxes	930,505	1,014,490	1,005,504	1,030,717
Retirement	843,556	1,222,376	1,213,439	1,321,877
Insurance	1,678,595	2,040,854	1,894,859	2,201,015
Total Personnel	\$ 17,068,852	\$ 18,403,624	\$ 18,179,577	\$ 18,781,066
Supplies & Equipment	3,439,159	3,889,754	3,938,527	3,840,172
Services & Charges	6,011,249	6,777,280	6,623,886	6,977,679
Capital Outlay	10,786,728	14,081,028	12,236,610	10,719,791
TOTAL EXPENDITURES	\$ 37,305,988	\$ 43,151,686	\$ 40,978,600	\$ 40,318,708
OTHER USES				
Transfers Out	7,626,977	7,655,687	7,493,560	6,602,930
TOTAL OTHER USES	\$ 7,626,977	\$ 7,655,687	\$ 7,493,560	\$ 6,602,930
TOTAL USES	\$ 44,932,965	\$ 50,807,373	\$ 48,472,160	\$ 46,921,638
ENDING FUND BALANCE	\$ 26,907,083	\$ 22,631,027	\$ 25,055,521	\$ 23,264,559

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Budgeted Funds - Discussion

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.

Total operating revenues of the Adopted Budget for the General Fund are \$23,461,395 representing a decrease of \$1,042,714, or 1.3% under the previous fiscal year Adopted Budget. Operational expenditures represent \$21,421,932, or 84.6% of the General Fund Budget, with the remaining balance of \$3,912,779 representing transfers to other funds. The Transfer to the Capital Projects Fund is \$2,345,052, representing 9.4% of the overall General Fund Adopted Budget. The Taxable Assessed Value is based on data provided by the Dallas County Appraisal District as of August 14, 2020. Due to circumstances surrounding the Covid 19 pandemic, the final certified values were delayed beyond when they are typically received in the budget process.

Revenues:

The Adopted Budget includes a property tax rate of \$0.23 per \$100 of taxable assessed value (T.A.V.), which is consistent with the prior year. 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 \$158,161 when compared to the prior year budget.

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 4.0%.

Historical Property Tax Information

Tax Year	Tax Rate	Taxable Assessed Value (T.A.V.)	% Change in T.A.V.	Tax Levy
2000	0.2462	\$2,146,638,147	10.66%	\$5,285,023
2001	0.2290	\$2,416,780,567	12.58%	\$5,534,428
2002	0.2208	\$2,628,830,785	8.77%	\$5,804,458
2003	0.2300	\$2,770,409,688	5.39%	\$6,371,942
2004	0.2300	\$2,911,465,259	5.09%	\$6,696,370
2005	0.2300	\$3,175,218,560	9.06%	\$7,303,003
2006	0.2250	\$3,605,667,701	13.56%	\$8,112,752
2007	0.2200	\$4,040,272,597	12.05%	\$8,888,600
2008	0.2200	\$4,364,487,558	8.02%	\$9,601,873
2009	0.2200	\$4,573,579,178	4.79%	\$10,061,874
2010	0.2200	\$4,437,430,774	-2.98%	\$9,762,348
2011	0.2200	\$4,406,947,910	-0.69%	\$9,695,285
2012	0.2200	\$4,446,174,261	0.89%	\$9,781,583
2013	0.2200	\$4,598,788,373	3.43%	\$10,117,334
2014	0.2200	\$4,924,894,226	7.09%	\$10,834,767
2015	0.2200	\$5,324,500,745	8.11%	\$11,713,902
2016	0.2200	\$5,765,524,023	8.28%	\$12,684,153
2017	0.2200	\$6,012,113,607	4.28%	\$13,226,650
2018	0.2200	\$6,292,473,542	4.66%	\$13,843,442
2019	0.2300	\$6,463,192,448	2.71%	\$14,716,689
2020	0.2300	\$6,532,652,955	1.07%	\$14,874,851

Between FY 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 FY 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 FY 2013, and as a result, the Town experienced an increase in taxable assessed property values over the last nine years. The increase in property tax revenues has allowed the Town to address increases in operational costs, and increase funding toward the Town's Capital Improvement Program, as well as the Town's equipment, technology, and facilities replacement programs.

Other significant revenue changes for FY 2021 include:

- Sales tax receipts, the fund's second largest source of revenue, is estimated at \$3,600,000, representing a 16.5% decrease over the year-end actual for FY 2019. Projected reductions in this revenue source reflect the uncertainty regarding retail sales during the Covid 19 pandemic.
- Franchise fees are declining, primarily due to the approval of SB 1152, which provides an option to companies providing both cable and telecom services along the same fiber optic lines to forgo paying the lower of the gross receipts tax on cable service or access line fees on telecom services. The reduction in revenue resulting from this legislation is approximately \$100,000 per year.
- The continued steady rate of construction activity on new residential homes and remodeling projects is reflected by the number of permits issued by the Town. Total building permit revenue in FY 2021 is projected at \$1,094,784, which is consistent with collections over the last five years after adjusting for significant one-time construction projects.
- Municipal Court revenues are expected to be lower than the amount budgeted in the Adopted Budget for FY 2020, primarily due to the Covid 19 pandemic, which has resulted in fewer tickets being written. Revenues for FY 2021 have been budgeted comparable to those projected during FY 2014 – 2016 to reflect the reduced level of activity.

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 46.6% of the overall budget, excluding transfers, and 79.4% in the General Fund. 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. However, in light of the Covid 19 pandemic and reduced projected revenues, the General Fund budget includes \$116,487 (exclusive of additional taxes, TMRS, etc.) for compensation increases. The compensation program for FY 2021 is modified from past years, in that both exempt and non-exempt employees will receive a 2% adjustment in their annual pay. In FY 2020 exempt employees received a 2.5% increase and non-exempt employees received 3%. The quarterly performance stipend, applicable only to non-exempt employees, is capped at 6%.

During FY 2013, the Council updated the list of comparable cities and corresponding salary survey information for the Town's 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.

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 increased in FY 2020 to accommodate funding of Updated Service Credits (USC) and Transfer Credits at 75%. In FY 2020, the Town's contribution was a blended rate of 6.28% to 9.36% of payroll. The new rate became effective January 1, 2020. Prior to FY 2020, the last time the Town provided this benefit, which was at 100%, was in 2008. The overall adjustment to the budget for FY 2021 to accommodate the new rate is \$99,500. Many of the Town's comparison cities provide this benefit on an annual basis, and at 100%. The Town will still maintain a high funded ratio projected by TMRS under GASB 68 at 98.24%.

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. Town Council approved the Town remaining with Cigna, the current health insurance provider, for FY 2021. Lockton Dunning, the Town's benefits consultant, was able to negotiate with Cigna and hold the rate increase at 7%. In addition, the Town contributes \$2,500 to employees' Health Savings Accounts. The contribution approved within this budget will grow by \$300 per year per employee starting in January of 2021. The adjustment is consistent with the increase in the Internal Revenue Service minimum deductible for high deductible health plans that has grown over the last several years.

Capital Improvement Plan- The General Fund's portion of the transfer to the Capital Projects Fund is budgeted at \$2,345,052. This transfer is decreasing by (\$773,180), as a direct result of the decreased projected revenues due to the Covid 19 pandemic. This transfer includes \$1,408,280 that is sustained as a result of funding from enhanced revenue provided by the growth in property values from tax years 2014 - 2016. Maintaining this funding source for the Town's Capital Projects Fund was a major focus in preparing the Adopted Budget as the Council continues its focus on a pay-as-you-go system to fund infrastructure needs.

Other significant items within the General Fund include:

- The Adopted Budget includes \$29,000 for continued quarterly reviews of policing and municipal court data to be performed by Del Carmen Consulting.
- Continued funding to support added security at the Highland Park Independent School District elementary schools in the amount of \$200,000.
- Continued funding to pay down the Town's expected unfunded net pension liability resulting from USC of \$150,000.
- The installation of hand sanitizing stations in parks, pool and municipal buildings.

Fund Balance:

The Town's financial policies state that the fund balance in the General Fund shall be equal to a minimum of 17% of General Fund operating expenditures. The Adopted Budget reflects an ending fund balance of \$4,198,713 meeting this policy requirement. 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 operating revenues for FY 2021 are anticipated to be \$10,505,044, exclusive of transfers, which is slightly lower by 1.5%, when compared to the Adopted Budget for FY 2020. The Town's 5-year rolling average of water sales continues to decline due to recent weather patterns and water conservation efforts.

The Adopted Budget anticipates water and wastewater rates remaining constant. The 10-year financial model remains sustainable under the current plan of adjusting rates every other year beginning in FY 2022. Thereafter, rates are expected to increase by 4.75% every other year.

Expenditures:

Unlike the General Fund, which is driven principally by personnel costs, a large portion of expenses for the Utility Fund are contractually related to water purchases and sanitary sewer treatment attributing to 37.5%, or \$3,634,686 of the overall costs projected for FY 2021. The Adopted Budget also includes \$3,517,353 for capital outlay and capital improvements related to the Town's utility system. Compensation and benefits within the Utility Fund are decreasing this budget by \$14,934 (exclusive of additional taxes, TMRS, etc.), due primary to recent retirements.

The volumetric rate and related inflow and infiltration factor charged by the City of Dallas for the treatment of wastewater is being increased by 7.6%. The contract with the City of Dallas represents \$1,153,302 of the Utility Fund Adopted Budget. The Dallas County Park Cities Municipal Utility District (District) is decreasing the rate they charge the Town for the purchase of treated water by approximately 3.0%. While the cost of water is decreasing, the annual budget for water purchases is also declining due to anticipated lower consumption. Overall water purchases account for \$2,481,384 of the Utility Fund Adopted Budget.

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 \$1,903,705. The ending fund balance in the Utility Fund is projected to be \$6,216,047. Excess fund balance is used to provide for rate stabilization during years of low water sales and to fund future capital needs.

SOLID WASTE FUND

The Solid Waste Fund was added in FY 2017. This fund is used to account for all revenues and expenses associated with providing solid waste services to Town residents and businesses. In previous years, the

Town 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 appropriate for this activity to be accounted for within its own fund.

Revenues:

Solid waste revenues are projected to be \$1,558,428, exclusive of transfers, representing a 2.3% increase over the Adopted Budget for FY 2020. Revenues consist of charges for solid waste services and recycling. Rates charged for the provision of solid waste are increasing to accommodate an increase in the cost of service from the Town's service provider. Overall, the increase in monthly rates is 2.9%, and will ultimately increase the monthly solid waste bill for regular service by \$0.73 and pack-out service by \$1.37.

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 \$1,098,273 and \$109,554 respectively for FY 2021. In FY 2019, based on the Town Council's review and approval, the Town began offering residential collection service for household hazardous wastes, as well as annual household hazardous waste events, budgeted at \$46,000. The purchase, maintenance, and handling of solid waste containers is completed by Town staff. The Adopted Budget for FY 2021 includes \$35,000 for the purchase of new containers. The Adopted Budget for the Solid Waste Fund also includes a Transfer-Out of \$77,700 to the Capital Projects Fund, which represents 5% of projected revenues for FY 2021.

Fund Balance:

There is not a fund balance requirement for the Solid Waste Fund, however, the fund balance projected at the end of FY 2021 is \$216,792.

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 drainage 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 \$4.57 and \$36.91 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 from storm water fees in the Storm Water Utility Fund are projected to be \$468,736. Rates charged for storm water drainage have historically been indexed to the Consumer Price Index for the Dallas-Fort Worth region, which is currently (.5%). Due to negative CPI, there is no proposed increase in storm water utility fees in FY 2021. The Adopted Budget includes a transfer from the Capital Projects Fund of \$175,000, to fund future storm water drainage projects within this fund. This transfer has decreased in the Adopted Budget due to reduced revenues in the Capital Projects Fund.

Expenditures:

The Storm Water Utility Fund accounts for expenditures related to street sweeping and other drainage-related items. The overall appropriations for this fund total \$1,743,300 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 \$200,000 set aside for improvements to Hackberry Creek, \$400,000 for Douglas Park drainage, and \$400,000 for drainage easement projects.

Fund Balance:

There is not a fund balance requirement for the Storm Water Utility Fund. The fund balance projected at the end of FY 2021 is \$928,970. 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 focusing on 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 streets remains one of the Town's highest long-term priorities.

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

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

Revenues:

Revenues in the Capital Projects Fund are projected to be \$5,232,943 for FY 2021, 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 \$618,336 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 equates to \$2,345,052 for the next fiscal year. In FY 2015, 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 the following two fiscal years, and as a result of the increase in taxable assessed values of properties within the Town, the Adopted Budget allocates \$1,408,280 from additional property tax revenue to meet existing and future capital needs. 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.

Funding of \$1,607,231 in FY 2021 anticipated from the Dallas Area Rapid Transit (DART) Transit Related Improvement Program (TRIP) has been included in the Adopted Budget. Additionally, funding

participation anticipated from Dallas County in the amount of \$250,000 has also been incorporated into the CIP.

Expenditures:

Expenditures in the Capital Projects fund are budgeted to be \$5,020,160, with \$1,123,286 in appropriations applied toward the Town's annual street/sidewalk/alley rehabilitation program and \$1,250,000 for the rehabilitation of Abbott Avenue. Some of the other projects in the Adopted Budget include \$490,000 related to park and parkway renovations, \$1,050,000 for Armstrong Avenue rehabilitation, and \$496,000 for Lakeside Drive rehabilitation. The Adopted 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 \$175,000 transfer to the Storm Water Utility Fund to meet capital funding needs.

During the course of FY 2020, Town staff began studying the Town's infrastructure related to streets, water, and wastewater. A study of the Town's storm water system will also be completed in the near future. These studies, while not yet finalized, have identified a number of projects that the Town Council may want to consider adding to the Town's CIP. The studies have also identified recommendations related to the scope and project estimates for several existing projects. The Capital Improvements section of this document provides a proposed CIP document reflecting these changes and will be discussed with Town Council in greater detail upon completion of the infrastructure studies. It is important to note, that this draft is subject to change as more information becomes available.

Fund Balance:

The Town's fiscal policies promote maintaining a \$2,000,000 fund balance within the Capital Projects Fund. During times when this fund balance falls below the minimum \$2,000,000, the policy states that a plan should be put in place to rebuild the fund balance to \$2,000,000. The Adopted Budget for FY 2021 projects the fund balance of the Capital Projects Fund to be at \$2,695,713 at year-end, which meets 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, the Truancy Prevention Fund, Municipal Jury Fund, Court Security Fund, the Court Technology Fund, the 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 \$667,294 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; the amount of annual depreciation is then adjusted for

inflation to ensure that adequate funding is provided at the time of replacement. Total expenditures are budgeted at \$154,046 to replace one parks vehicle, one water vehicle, and two DPS vehicles. The fund balance projected within this fund at the end of the next fiscal year is \$4,012,720.

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 \$619,092. The transfers to this fund are based on equipment depreciation schedules; the amount of annual depreciation is then adjusted for inflation to ensure that adequate funding is provided at the time of replacement. Expenditures within this fund are budgeted at \$382,245 and are for the purchase of replacement tasers and to begin the replacement of body cameras and in-car camera systems for DPS. The fund balance projected within this fund at the end of the next fiscal year is \$3,087,348.

Building Maintenance & Investment Fund:

The Building Maintenance & Investment 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 developed a replacement schedule for major equipment and capital maintenance of Town Hall. Revenues for this fund are projected to be \$506,525 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 \$402,379. 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 fund balance projected within this fund at the end of the next fiscal year is \$1,140,821.

Forfeited Property Fund:

This special revenue fund is used to account for the receipt of forfeited assets resulting from 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 FY 2021 is projected to be \$29,158.

Truancy Prevention Fund, Municipal Jury Fund, Court Technology Fund & Court Security Fund:

These four special revenue funds are used to account for revenues provided by a State-approved administrative fee added to citations. The Truancy Prevention Fund and Municipal Jury Fund were added in FY 2020 in response to changes in the Local Consolidated Fee effective January 1, 2020. The use of the resources in these special revenue funds is restricted by their enabling statutes. Revenues within the Truancy Prevention Fund are projected to be \$24,096. Revenues within the Municipal Jury Fund are projected to be \$486. Revenues within the Court Security Fund are projected to be \$39,792, which for the most part, is transferred annually 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 \$36,991 and are used to fund technological improvements that work to the benefit of the Municipal Court. All four funds are projected to maintain fund balances at the end of FY 2021, with \$37,000 remaining in the

Truancy Prevention Fund, \$774 remaining in the Municipal Jury Fund, \$110,606 remaining in the Court Technology Fund and \$29,789 remaining in the Court Security Fund.

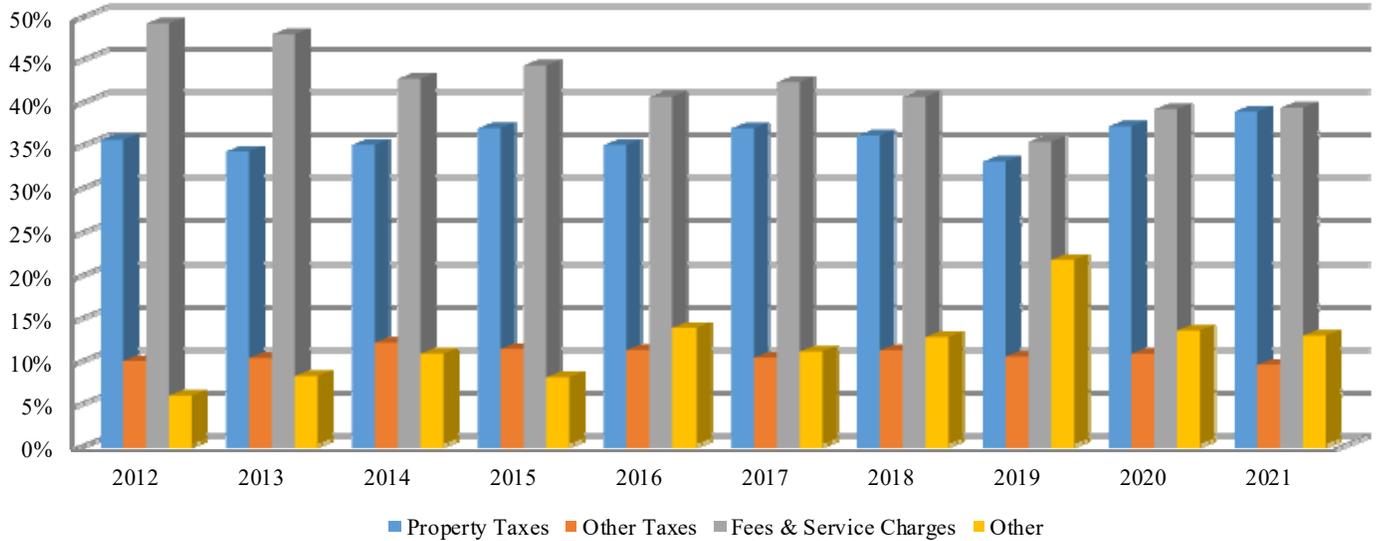
Library Fund:

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 \$42,560. The Adopted Budget for FY 2021 of \$33,480 includes book purchases as well as \$6,480 for the purpose of a book trike and related storage, safety, and technological equipment to be used at community events. This project was included in the FY 2020 budget but was not purchased due to social distancing considerations. A funding request for this item was made to the Highland Park Quality of Life Foundation and approved in FY 2020. Fund balance in the Library Fund at the end of next fiscal year is projected to be \$274,074.

DPS Technology Fund:

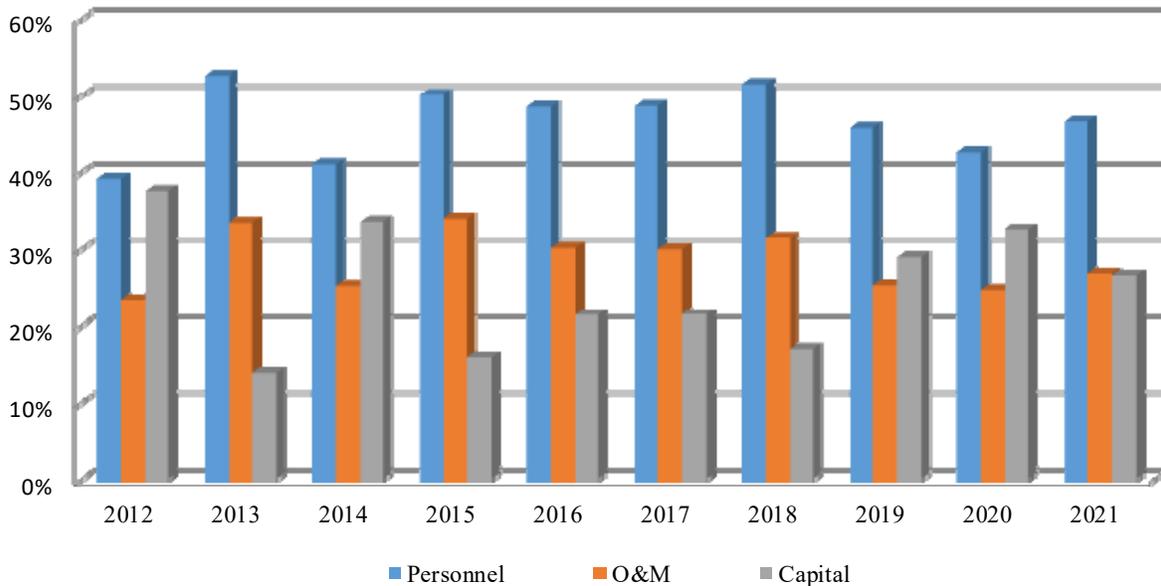
The DPS Technology Fund was established during FY 2014 and is used to account for resources received from the subleasing of telecommunications facilities located on Town property. More specifically, \$90,528 of the revenues in this fund are tied directly to an agreement between the Town and Telecommunication Properties, Inc. and will be used to fund technological improvements related to public safety within the Town. Revenues within this fund for next fiscal year are anticipated to be \$93,396, and fund balance at the end of next fiscal year is projected to be \$286,034. 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.

REVENUES BY TYPE FOR ALL FUNDS



As indicated above, the Town’s operations are funded primarily through property taxes, service charges and fees. The growth in both recognized and projected property tax dollars is supported by the Town’s healthy property values and its favorable tax rate (see page 32). Charges for services are generally driven by utility service rates and reflect the growth of this revenue source to address significant infrastructure replacement/repairs. Amounts categorized as “other receipts” include court fines and fees and miscellaneous revenues. Additional detail on revenue history/trends is presented on page 150.

EXPENDITURES/EXPENSES BY TYPE FOR ALL FUNDS



Personnel costs compromise the majority of the Town’s cost of operations. Municipal governments, as any service organization, are labor intensive. However, the graph above reflects the growth in the amount of funding committed to capital improvements resulting in personnel costs representing a lower percentage of overall funds distributed. Additional detail on expenditure history/trends is presented on page 152.

**2020 TAX RATE FOR HIGHLAND PARK
 COMPARED TO CURRENT TAX RATES FOR OTHER AREA CITIES
 (PER \$100)**

Dallas	\$0.77630
Garland.....	0.76960
Mesquite.....	0.70862
Richardson	0.62516
Carrollton	0.58750
Farmers Branch.....	0.58900
Irving.....	0.59410
Addison.....	0.60867
University Park	0.26475
Highland Park.....	0.23000

**AD VALOREM TAX ANALYSIS
 2020 TAX ROLL**

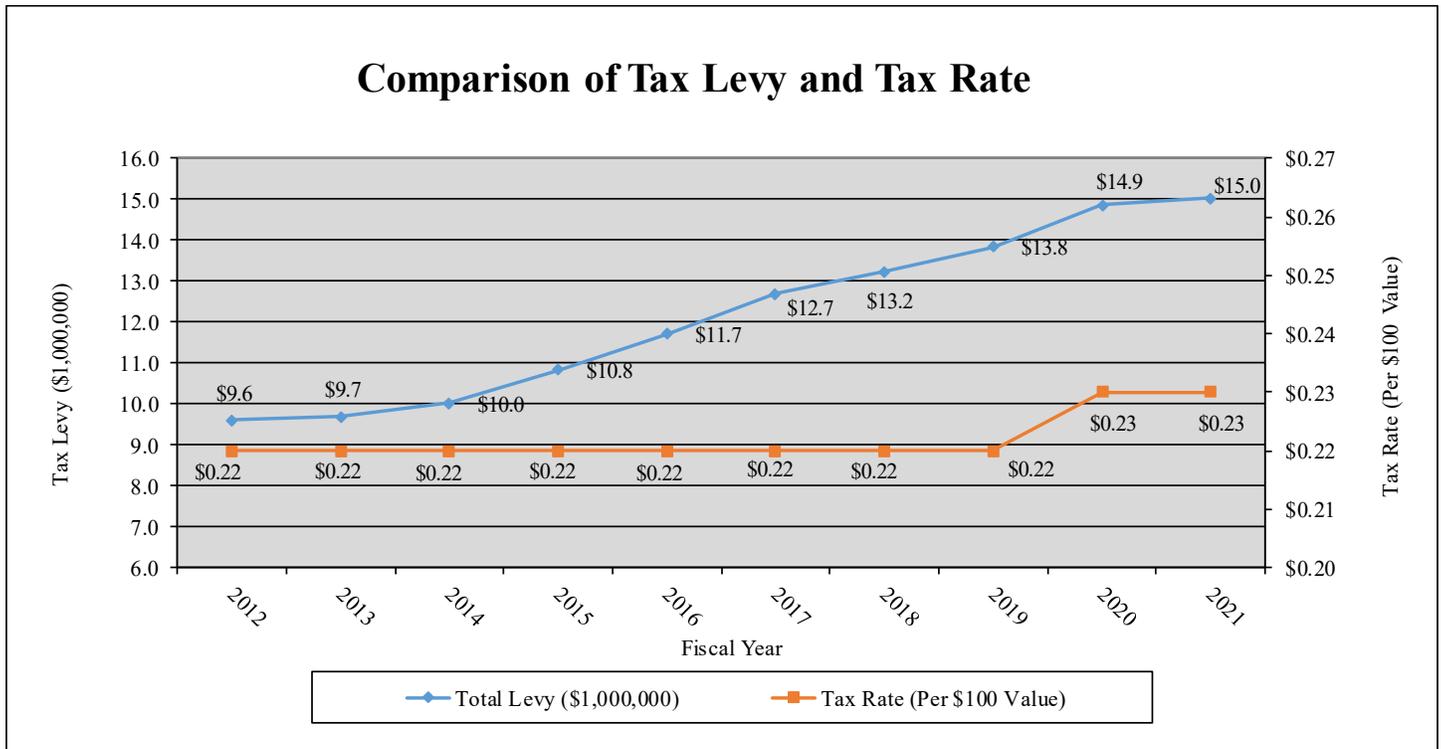
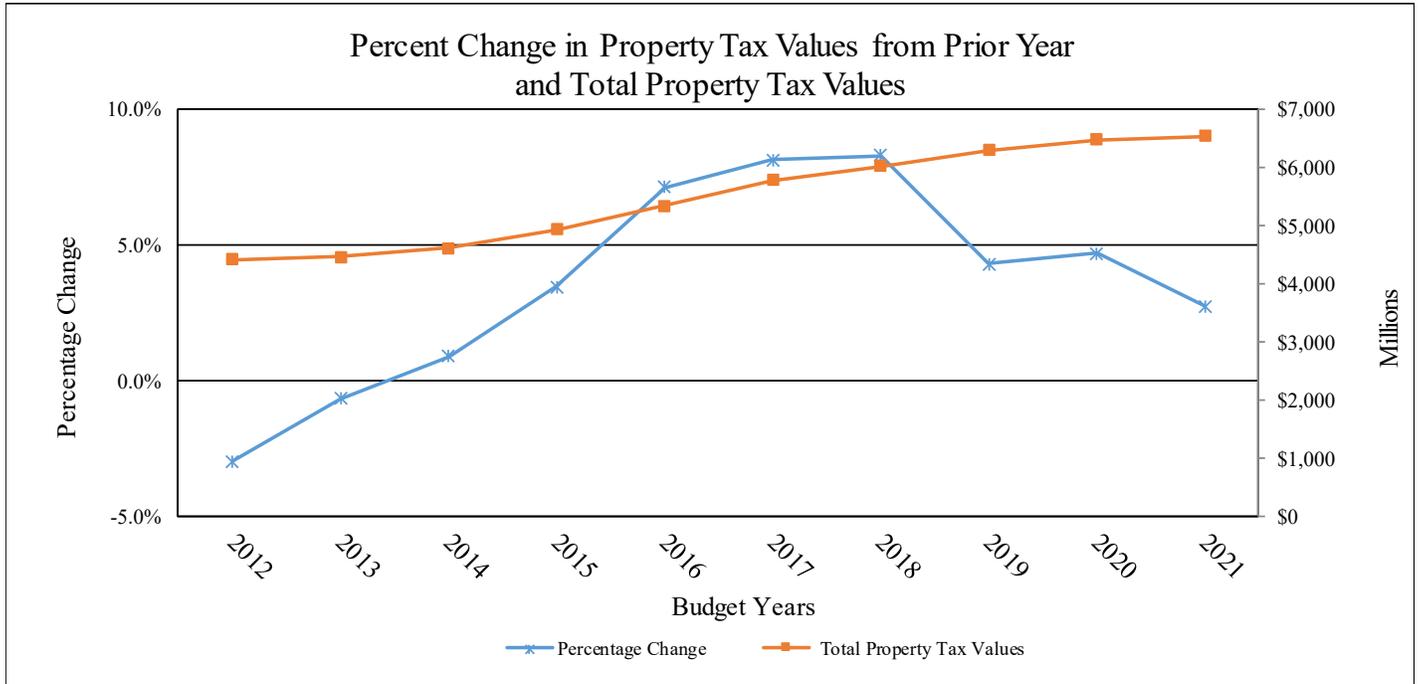
Assessed Valuation (100%)	\$ 8,054,198,389
Taxable Valuation*	\$ 6,532,652,955
Rate per \$100	\$0.2300
Total Tax Levy	\$15,025,102
Percent of Collection	99.0
Estimated Current Tax Collections	\$14,874,850

*Certified Appraisal Roll plus Disputed Values

**SUMMARY OF PROJECTED
 FISCAL YEAR 2020-21 TAX COLLECTIONS**

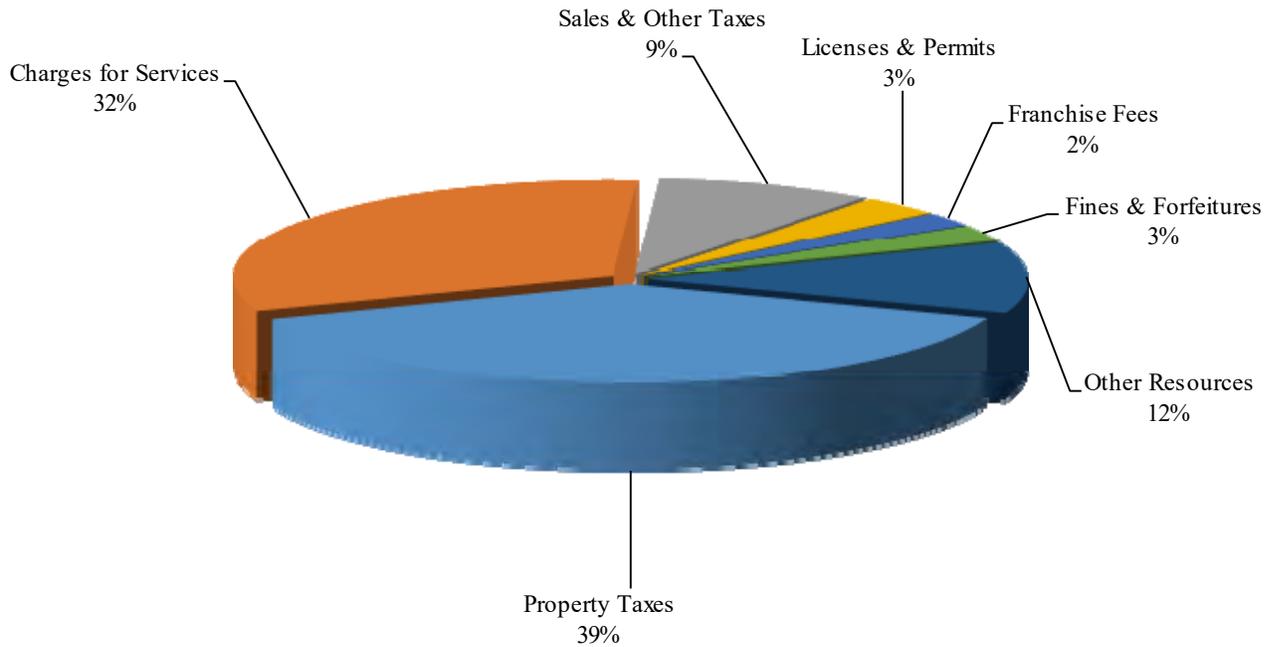
Current Taxes	\$ 14,874,850
Delinquent Taxes	<u>47,843</u>
Total Tax Collections	\$ 14,922,693
Penalty & Interest on Taxes	<u>73,558</u>
Total Tax Related Collections	\$ 14,996,251

ASSESSED PROPERTY VALUES INCREASED/DECREASE BY BUDGET YEAR



PROJECTED RESOURCES

Fiscal Year 2020-2021

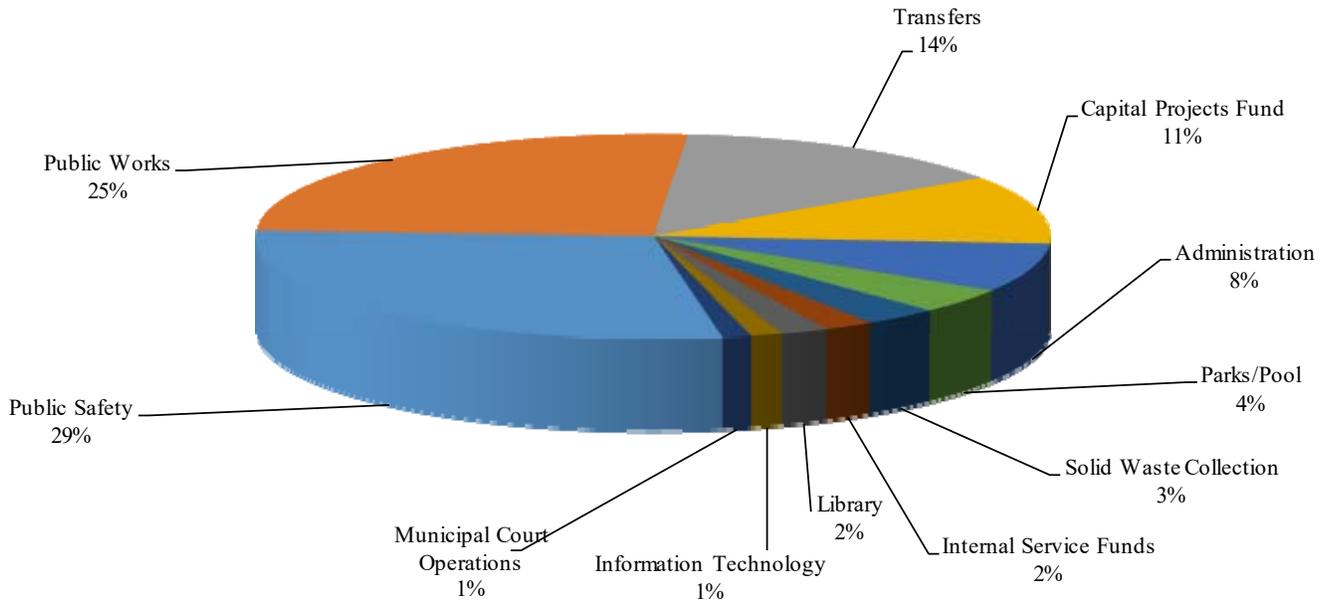


ALL FUNDS

Property Taxes	\$ 14,922,693
Charges for Services	12,228,325
Sales & Other Taxes	3,600,000
Licenses & Permits	1,311,389
Franchise Fees	916,811
Fines & Forfeitures	1,074,540
Other Resources	4,473,988
	\$ 38,527,746

BUDGETED DISBURSEMENTS

Fiscal Year 2020-2021



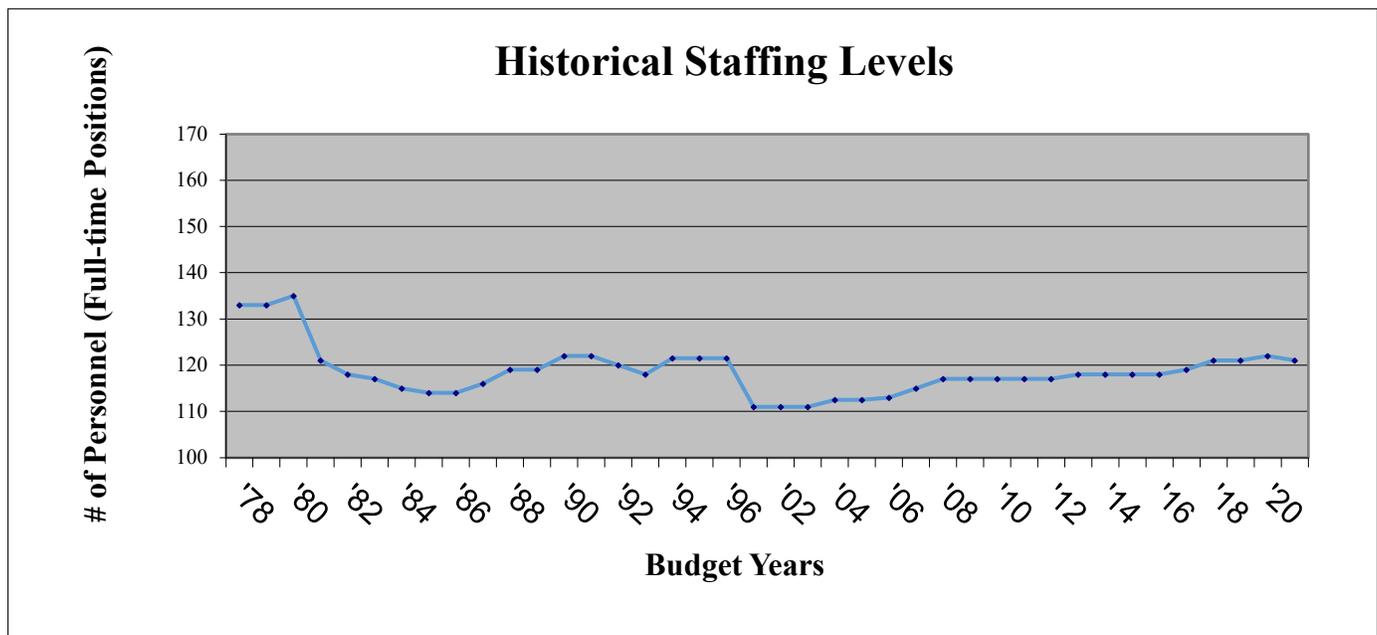
BY FUNCTION

Public Safety	\$ 13,440,034
Public Works	\$ 11,977,602
Transfers	\$ 6,602,930
Capital Projects Fund	\$ 5,020,160
Administration	\$ 3,593,535
Parks/Pool	\$ 1,862,121
Solid Waste Collection	\$ 1,431,755
Internal Service Funds	\$ 938,670
Library	\$ 901,389
Information Technology	\$ 602,812
Municipal Court Operations	\$ 550,630
	\$ 46,921,638

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

	Budget FY 2019		Budget FY 2020		Adopted FY 2021	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
General Fund						
Administration	2.0	0.0	2.0	0.0	2.0	0.0
Public Safety	73.0	0.0	73.0	0.0	73.0	0.0
Town Services	3.0 *	0.0	3.0	0.0	3.0	0.0
Street	3.3	0.0	3.3	0.0	3.0	0.0
Street Lighting	1.0	0.0	1.0	0.0	1.0	0.0
Library	5.0	1.5	5.0	1.5	5.0	1.5
Parks & Recreation	7.0	0.0	7.0	0.0	7.0	0.0
Swimming Pool	0.0	3.4	0.0	3.4	0.0	3.4
Municipal Court	2.0	1.8	2.0	2.1	2.0	2.1
Finance	5.0	0.0	5.0	0.0	5.0	0.0
Building Inspection	5.0	0.0	5.0	0.0	5.0	0.0
Information Technology	1.0	0.0	1.0	0.0	1.0	0.0
Sub-Total General Fund	107.3	6.7	107.3	7.0	107.0	7.0
Utility Fund						
Customer Service	3.0	0.0	3.0	0.0	3.0	0.0
Water	5.4	0.0	5.4	0.0	5.0	0.0
Sewer	2.3	0.0	2.3	0.0	2.0	0.0
Engineering	4.0	0.0	4.0	0.0	4.0	0.0
Sub-Total Utility Fund	14.7	0.0	14.7	0.0	14.0	0.0
Total	121.0	6.7	122.0	7.0	121.0	7.0

* Town Services Director was a contracted position in FY 2019



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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, 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.

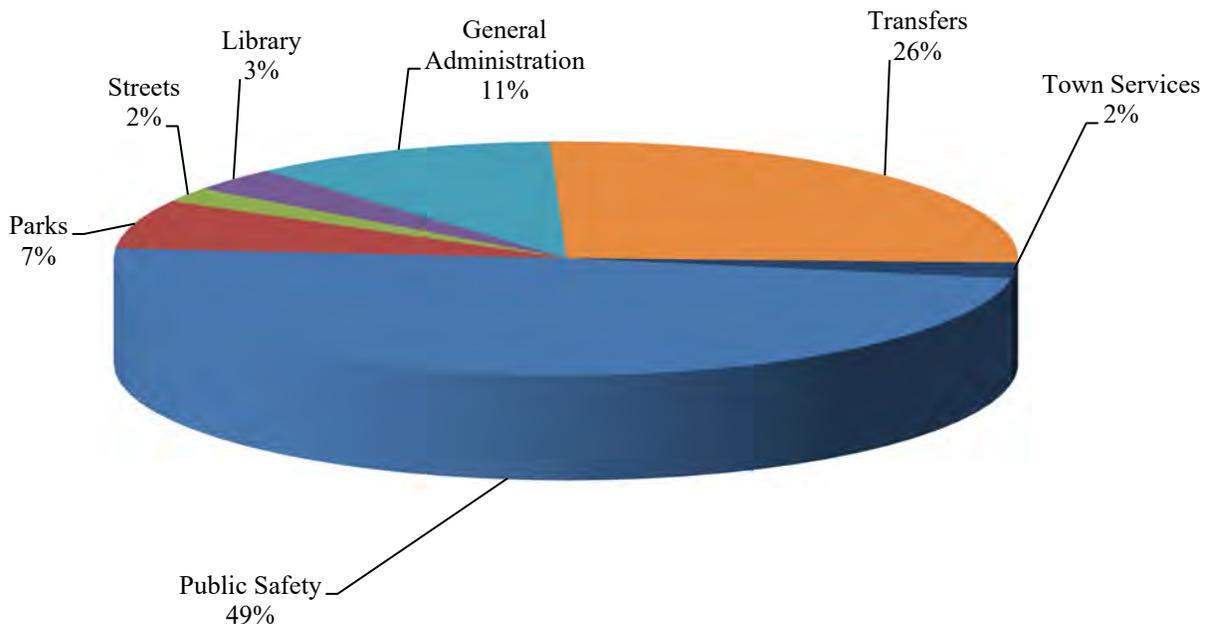
GENERAL FUND OVERVIEW

Resources are comprised of property taxes (ad valorem) levied by the Town, a 1% sales tax levied on taxable commodities and services as defined by state law, fees for right-of-way access, services offered and rendered by the Town, use of Town facilities, fines, interest on the investment of fund cash, permits related to building code requirements and a number of other sources as shown in detail on pages 42-43.

Property tax revenues generate the majority of the resources for the General Fund. For this Budget, a projected \$14,874,850 or 63.4% of General Fund revenues come from property taxes. This compares to 61.9% and 57.3% for each of the previous two fiscal years, respectively. Since tax year 2012, the total market value of property in the Town has increased 30.5% (\$1,882,568,969) driven in part by \$768,405,575 from new construction. It is important to note that since the Town is fully built-out, all new construction replaces older, less valued, structures. The strong redevelopment activity within the Town remains a very positive indicator of sustainable property values and tax rate.

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

Property Tax Dollar Distribution



The stability of the local economy is further exemplified through sales tax receipts. The Highland Park Shopping Village and the two (2) commercial areas along Oak Lawn Avenue and Lomo Alto Drive have provided this strong and reliable revenue stream. For this Budget and the previous two (2) fiscal years, sales tax receipts make up 15.3%, 16.9% and 18.0%, respectively, of total revenues for the General Fund.

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY DEPARTMENT

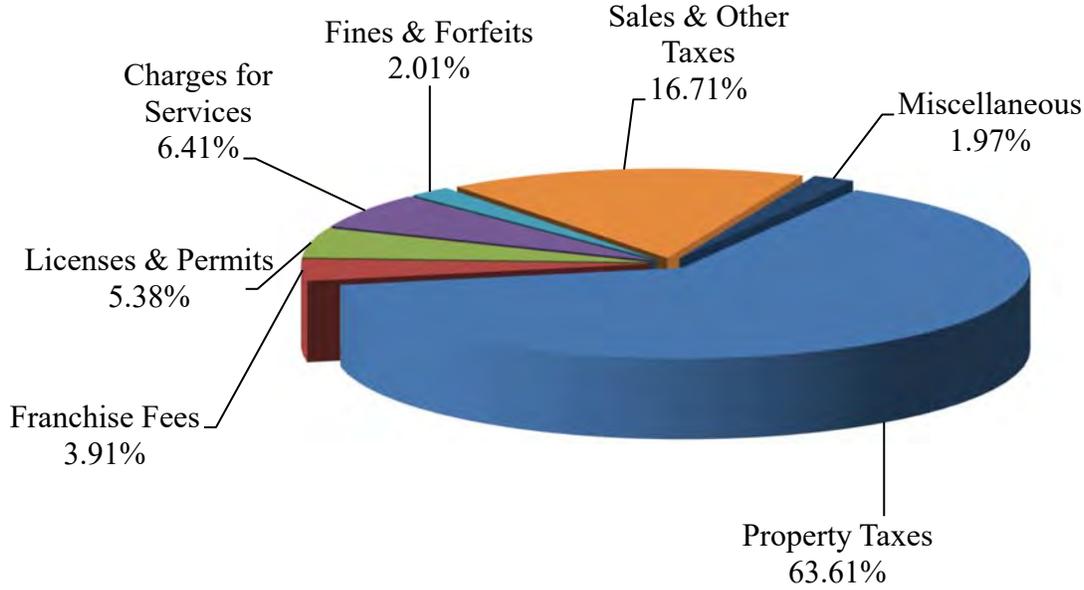
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 4,583,138	\$ 3,948,381	\$ 5,219,327	\$ 4,745,729
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 18,413,771	\$ 19,290,483	\$ 19,100,928	\$ 18,842,691
Franchise Fees	1,085,951	1,006,919	976,232	916,811
Licenses & Permits	1,444,643	1,316,132	1,243,499	1,262,194
Charges for Services	1,769,601	1,839,017	1,393,837	1,504,349
Fines & Forfeits	514,011	520,144	311,297	472,491
Miscellaneous	699,327	531,414	712,475	462,859
Total Revenues	\$ 23,927,304	\$ 24,504,109	\$ 23,738,268	\$ 23,461,395
Other Sources:				
Transfers In	\$ 1,217,700	\$ 1,257,500	\$ 1,257,500	\$ 1,326,300
Total Other Sources	\$ 1,217,700	\$ 1,257,500	\$ 1,257,500	\$ 1,326,300
Total Revenues/Sources	\$ 25,145,004	\$ 25,761,609	\$ 24,995,768	\$ 24,787,695
EXPENDITURES/USES OF FUNDS				
Administration Department	\$ 731,653	\$ 799,769	\$ 724,696	\$ 787,656
Town Services	524,494	564,720	553,166	562,003
Department of Public Safety	12,338,154	13,084,286	13,222,688	13,439,034
Street Department	343,011	394,591	365,727	334,172
Street Lighting Department	170,326	185,704	181,015	185,480
Library Department	777,503	854,720	815,387	867,909
Parks Department	1,543,328	1,627,957	1,646,180	1,662,699
Pool Department	186,094	200,483	189,354	199,422
Municipal Court Department	470,430	517,757	462,304	522,561
Finance Department	878,605	929,582	893,845	958,024
Building Inspection Department	731,233	781,963	754,450	791,431
Information Technology Department	528,557	565,583	549,803	602,812
Non-Departmental	315,641	548,335	541,719	508,729
Total Expenditures	\$ 19,539,029	\$ 21,055,450	\$ 20,900,334	\$ 21,421,932
Other Uses:				
Transfers to Other Funds	\$ 4,969,786	\$ 4,731,159	\$ 4,569,032	\$ 3,912,779
Total Other Uses	\$ 4,969,786	\$ 4,731,159	\$ 4,569,032	\$ 3,912,779
Total Expenditures/Uses	\$ 24,508,815	\$ 25,786,609	\$ 25,469,366	\$ 25,334,711
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ 636,189	\$ (25,000)	\$ (473,598)	\$ (547,016)
Fund Balance	\$ 5,219,327	\$ 3,923,381	\$ 4,745,729	4,198,713
Ideal Fund Balance	\$ 3,542,619	\$ 3,850,224	\$ 3,818,783	\$ 3,908,242
Fund Balance in Excess of Minimum	\$ 1,676,708	\$ 73,157	\$ 926,946	\$ 290,471

GENERAL FUND
STATEMENT OF REVENUES & EXPENDITURES BY TYPE

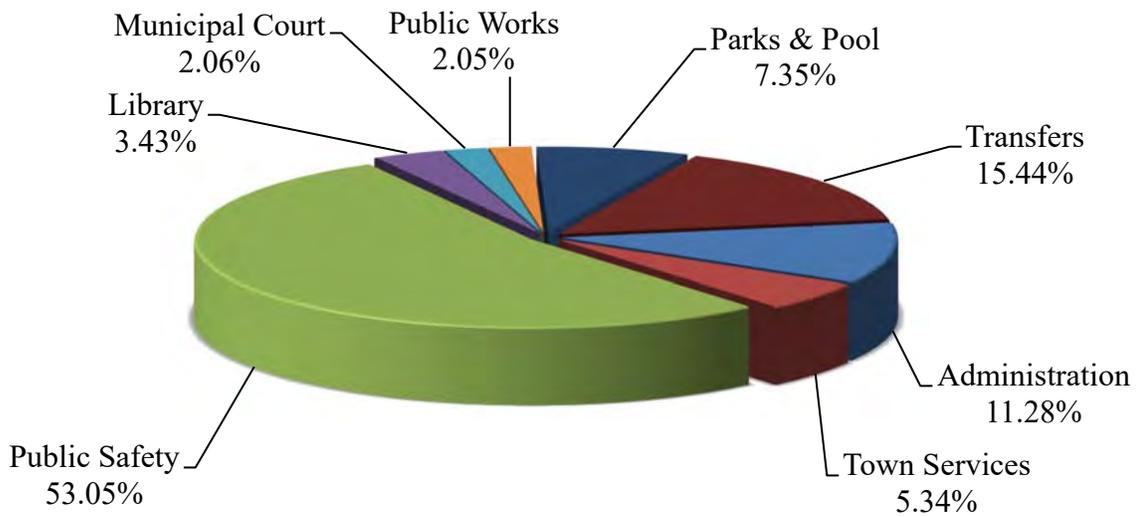
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 4,583,138	\$ 3,948,381	\$ 5,219,327	\$ 4,745,729
REVENUES/SOURCES OF FUNDS				
Taxes	\$ 18,413,771	\$ 19,290,483	\$ 19,100,928	\$ 18,842,691
Franchise Fees	1,085,951	1,006,919	976,232	916,811
Licenses & Permits	1,444,643	1,316,132	1,243,499	1,262,194
Charges for Services	1,769,601	1,839,017	1,393,837	1,504,349
Fines & Forfeits	514,011	520,144	311,297	472,491
Miscellaneous	699,327	531,414	712,475	462,859
Total Revenues	\$ 23,927,304	\$ 24,504,109	\$ 23,738,268	\$ 23,461,395
Other Sources:				
Transfers In	\$ 1,217,700	\$ 1,257,500	\$ 1,257,500	\$ 1,326,300
Total Other Sources	\$ 1,217,700	\$ 1,257,500	\$ 1,257,500	\$ 1,326,300
Total Revenues/Sources	\$ 25,145,004	\$ 25,761,609	\$ 24,995,768	\$ 24,787,695
EXPENDITURES/USES OF FUNDS				
Personnel Services				
Payroll	\$ 12,392,634	\$ 12,775,829	\$ 12,864,491	\$ 12,892,316
Payroll Taxes	844,714	913,919	918,489	931,932
Retirement	766,760	1,102,981	1,108,894	1,196,507
Insurance	1,519,893	1,824,095	1,730,827	1,982,101
Total Personnel	\$ 15,524,001	\$ 16,616,824	\$ 16,622,701	\$ 17,002,856
Supplies & Equipment	887,784	1,022,041	979,617	1,024,011
Services & Charges	2,922,939	3,396,585	3,248,182	3,395,065
Capital Outlay	204,306	20,000	49,834	-
Total Expenditures	\$ 19,539,030	\$ 21,055,450	\$ 20,900,334	\$ 21,421,932
Other Uses:				
Transfers Out	\$ 4,969,786	\$ 4,731,159	\$ 4,569,032	\$ 3,912,779
Total Other Uses	\$ 4,969,786	\$ 4,731,159	\$ 4,569,032	\$ 3,912,779
Total Expenditures/Uses	\$ 24,508,816	\$ 25,786,609	\$ 25,469,366	\$ 25,334,711
Excess (Deficiency) of Revenues/Sources over Expenditures/Uses	\$ 636,188	\$ (25,000)	\$ (473,598)	\$ (547,016)
Fund Balance	\$ 5,219,327	\$ 3,923,381	\$ 4,745,729	4,198,713
Ideal Fund Balance	\$ 3,542,619	\$ 3,850,224	\$ 3,818,783	\$ 3,908,242
Fund Balance in Excess of Minimum	\$ 1,676,708	\$ 73,157	\$ 926,946	\$ 290,471

GENERAL FUND

CURRENT REVENUES & SOURCES OF FUNDS



BUDGETED EXPENDITURES & USES OF FUNDS



**GENERAL FUND
STATEMENT OF REVENUES**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
Taxes				
Ad Valorem Taxes	\$ 13,716,872	\$ 14,716,689	\$ 14,696,014	\$ 14,874,850
Delinquent Ad Valorem Taxes	54,743	35,600	71,009	47,843
City Sales Tax	4,312,342	4,234,176	4,011,000	3,600,000
Mixed Beverage Tax	329,814	304,018	322,905	319,998
<i>Subtotal</i>	\$ 18,413,771	\$ 19,290,483	\$ 19,100,928	\$ 18,842,691
Franchise Fees				
Electric Utility Franchise Fees	\$ 513,336	\$ 520,000	\$ 506,358	\$ 513,007
Natural Gas Utility Franchise Fees	230,222	192,944	186,966	193,432
Telecom Franchise Fees	66,018	10,392	70,081	68,021
CATV Franchise Fees	189,404	203,583	130,435	70,400
Solid Waste	60,595	50,000	42,353	40,821
Carriages	26,376	30,000	40,039	31,130
<i>Subtotal</i>	\$ 1,085,951	\$ 1,006,919	\$ 976,232	\$ 916,811
Licenses & Permits				
Beverage Licenses	\$ 4,910	\$ 7,282	\$ 6,886	\$ 6,886
Health Permits	6,500	5,142	9,450	6,675
Alarm Permits	86,058	104,352	98,796	92,427
Electrical Licenses	-	-	-	-
Building Permits	1,286,643	1,142,658	1,070,266	1,094,784
Electrical Permits	47,927	45,000	45,571	48,862
Excavation Permits	390	-	205	360
Carriage Licenses	6,840	5,898	6,925	6,800
Animal Licenses	5,375	5,800	5,400	5,400
<i>Subtotal</i>	\$ 1,444,643	\$ 1,316,132	\$ 1,243,499	\$ 1,262,194
Charges For Services				
E911 Users' Fee	\$ 122,942	\$ 133,271	\$ 120,646	\$ 130,060
Alarm Monitoring Fees	459,387	508,032	485,601	461,546
Emergency Medical Fees	142,593	183,890	191,451	168,403
Board Hearing Fee	3,950	2,700	1,500	2,000
Swimming Pool Concessions	13,557	5,000	-	5,000
Swimming Pool Daily Fees	23,335	20,000	700	20,000
Swimming Pool Annual Fees	70,060	76,000	42,000	76,000
Tennis Court Use Fees	11,601	11,500	16,500	13,000
Animal Pound Fees	1,620	1,200	700	700
Child Safety Fees	7,341	9,600	8,627	8,627
Library Non-resident Fees	5,503	4,800	3,200	3,750
Court Administration Fees	36,906	36,221	22,485	32,660
Warrant Fees	44,803	47,905	30,175	52,711
Court Fees	183,858	180,892	115,896	139,000
Building Registration Fees	83,125	81,219	75,750	78,103
Plan Review Fees	28,300	24,787	27,750	26,933

**GENERAL FUND
STATEMENT OF REVENUES**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
Deferred Adjudication Fees	530,720	512,000	250,856	285,856
<i>Subtotal</i>	\$ 1,769,601	\$ 1,839,017	\$ 1,393,837	\$ 1,504,349
Fines & Forfeits				
Municipal Court Fines	\$ 504,772	\$ 510,114	\$ 304,247	\$ 464,191
Library Fines	3,332	3,300	1,500	2,600
Lost Book Charges	907	700	600	700
Invalid Alarm Fines	5,000	6,030	4,950	5,000
<i>Subtotal</i>	\$ 514,011	\$ 520,144	\$ 311,297	\$ 472,491
Miscellaneous				
Interest	\$ 243,270	\$ 172,000	\$ 137,888	\$ 95,776
Interest-Dallas County	290	350	250	225
Penalty & Interest - Tax Collection	82,992	56,000	75,508	73,558
Sale of Assets	-	2,000	127	1,000
Rental-Town Property	300,419	253,564	301,490	251,900
Library Donations	2,428	2,100	1,800	2,000
Contributions	14,635	10,000	169,012	13,000
Intergovernmental Revenue	8,156	-	-	-
Town Property Damage Refund	12,399	10,000	-	-
Miscellaneous	34,738	25,400	26,400	25,400
<i>Subtotal</i>	\$ 699,327	\$ 531,414	\$ 712,475	\$ 462,859
Total Revenues	\$ 23,927,304	\$ 24,504,109	\$ 23,738,268	\$ 23,461,395

SUMMARY OF REVENUE ESTIMATES

- **Property Taxes**

Projected collections of levied Ad Valorem Property Taxes:

Current Levy	\$14,874,850
Delinquent Taxes	\$47,843

Taxable property values increased \$69,460,507, or 1.1%. This growth was in part fueled by new construction which added \$79,712,090 to the Town's taxable values. A significant portion of property values remained under protest at the time of budget adoption. The Town continues to see redevelopment contributing to value increases with newer, larger homes replacing smaller, less valued homes. The schedule on page 141 presents the changes in taxable values in the Town for the most recent ten-year period. The fiscal year 2020-21 Adopted Budget reflects an increase in property tax revenues, based on the current tax rate of \$0.23/\$100 valuation, of \$158,161 when compared to the amount anticipated in the fiscal year 2019-20 Adopted Budget.

- **Sales Tax/Other Taxes**

Since FY 2012, sales tax revenues have increased over 123%. While an increase compared to FY 2012, this amount is low compared to the prior fiscal year due to the ongoing pandemic, which is expected to place downward pressure on sales within the community. This increase is the result of the combination of general economic recovery and the change in the retail mix at the Highland Park Shopping Village, the Town's largest commercial center. The Town's sales tax revenues come from a local option 1% sales tax that is collected by the State Comptroller's Office and remitted monthly, net of a 2% processing charge. These revenues are primarily generated in the three limited, but upscale commercial areas. A ten-year comparison of Sales Tax revenues is included in the table presented on page 150.

- **Franchise Fees**

Receipts for franchised services for fiscal year 2020-21 are projected based upon historical trends. The electric franchise is based upon kWh sold as opposed to gross receipts, (a result of electric power deregulation). Fees from the telephone providers are based upon the number and type of connections, rather than gross receipts. The enabling State legislation for this fee also provides for the annual indexing of the franchise fee schedule. In accordance with the existing natural gas franchise agreement, franchise fees are set at 5% of gross receipts on a calendar year basis and remitted each February. Pursuant to HB 1152, which was effective in January of 2020, companies that offer both telecommunications and cable TV services are exempt from paying the lesser of a) telecommunications right-of-way fees (fixed rate per access line) or b) cable TV franchise fees. As a result of this State legislation approved in the 86th legislative session, revenues have declined by \$117,000.

The annual natural gas franchise fee is impacted by the market price fluctuations of natural gas and climate conditions. For fiscal year 2020-21, this revenue source is projected to be comparable to the amount budgeted during the fiscal year 2018-19.

- **Licenses & Permits**

Based upon a continued steady rate of new home construction and commercial projects, building permit revenues are projected to be similar to the amounts received in fiscal year 2019-20. A schedule of revenues generated over the last ten fiscal years is on page 150. Pursuant to HB 852, which was passed in 2019 by the Texas Legislature, cities may not base building permit or inspection fees on the value of a residential dwelling or on the cost of constructing or improving the building. A schedule of construction activity prior to fiscal year 2020-21 is on page 143.

- **Charges for Services**

The total revenues received for services are projected to remain fairly constant when compared to fiscal year 2019-20.

- **Fines & Forfeits**

Municipal Court fines have been projected conservatively and reflect amounts similar to actual collections in fiscal year 2019-20 and are projected to remain down due to the ongoing pandemic.

- **Miscellaneous**

Projected interest earnings of \$95,776 are down compared to prior years due the low federal funds rate set by the Federal Reserve in dealing with the economic fallout resulting from the ongoing pandemic. The rental of Town property (cell phone antennae sites) is projected at \$251,900 and is based on existing contracts.

Administration Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Coordinated the implementation of Town Council goals and objectives with all Town departments
- ❖ Prepared, published, and posted meeting agendas in accordance with state requirements
- ❖ Provided complete and accurate minutes of all public meetings
- ❖ Responded to requests for information from citizens and the public in a timely manner
- ❖ Continued the process of duplicating permanent records into an electronic document imaging format
- ❖ Supervised and directed the Town's Capital Improvement Plan

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Coordinate the implementation of Town Council goals and objectives with all Town departments
- ❖ Generate, publish, and post meeting agendas in accordance with state requirements
- ❖ Provide timely, complete, and accurate minutes of all public meetings
- ❖ Continue the process of duplicating permanent records into electronic document imaging format and coordinate same with each department
- ❖ Continue the implementation of solutions from the Town-wide traffic study to reduce traffic congestion
- ❖ Coordinate annual racial profiling training for all departments
- ❖ Enhance and improve customer service levels
- ❖ Develop and implement a Professional Development Program for Town staff

PERFORMANCE INDICATORS

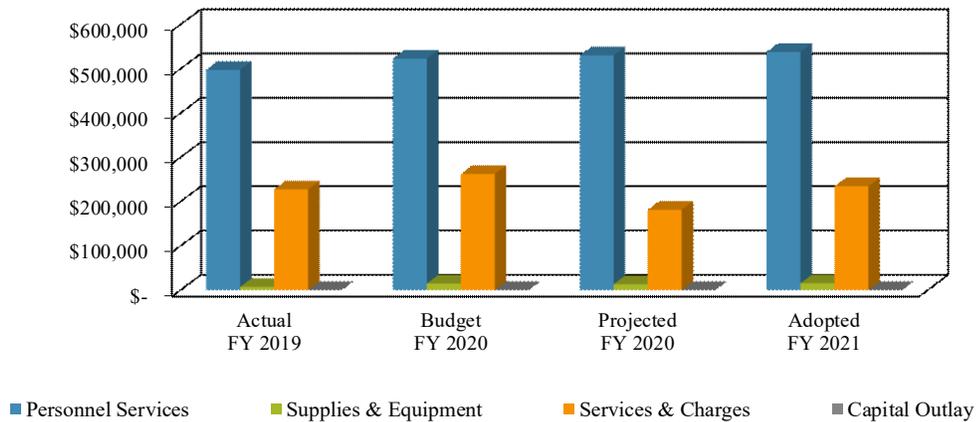
	FY2018	FY2019	FY2020	FY2021
	Actual	Actual	Actual	Projected
Timely Distribution of (%):				
Town Council Agenda Packets:	100	100	100	100
Responses to Public Information Act Requests:	100	100	100	100

Administration Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 497,326	\$ 522,819	\$ 530,073	\$ 537,936	2.89%
Supplies & Equipment	7,000	14,750	13,208	15,370	4.20%
Services & Charges	227,327	262,200	181,415	234,350	-10.62%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 731,653	\$ 799,769	\$ 724,696	\$ 787,656	-1.51%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Town Administrator	Not Classified	1.0	1.0	1.0
Town Secretary	7	1.0	1.0	1.0
Total Employees		2.0	2.0	2.0

Town Services Department



DEPARTMENT DESCRIPTION

The Town Services Department is responsible for the day-to-day general administration of Development Services, Parks, Public Works Divisions and the contracted Sanitation Services for the Town. This includes coordinating, directing and reviewing departmental operations in the implementation of programs and directives provided by the Town Administrator, Mayor and Town Council. Major events/initiatives include the annual Tree Lighting event held in Armstrong Parkway, Fall Festival, Household Hazardous Waste event, seasonal decoration of interior and exterior grounds of Town Hall, annual events at the swimming pool and the design and implementation of floral plantings and landscaping in Town parkways, bridges, and parks.

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Responded to requests for information from citizens and assisted citizens in a timely manner
- ❖ Stayed updated and informed on the latest mosquito management program and responses
- ❖ Implemented Park Ranger program to respond to the COVID-19 pandemic
- ❖ Entered the third year of IMPACT-HP, the Town's local government youth program
- ❖ Implemented new recreation software program for the purchase of pool tags, tennis court permits and tennis court reservations for use

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Respond to requests for information from residents in a timely manner
- ❖ Stay updated on the latest mosquito management program and responses
- ❖ Communicate and educate our residents and the public on mosquito control best practices
- ❖ Complete the implementation of new recreation software for residents
- ❖ Complete pool assessment on the Town Swimming Pool
- ❖ Provide educational opportunities to residents on best watering/irrigation practices

PERFORMANCE INDICATORS

	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Projected
Water University Classes Held	4	4	*	4
Water University Classes Attendance	156	123	*	130
Percent Response to Resident Inquiries within 24 hours	100	93	95	95

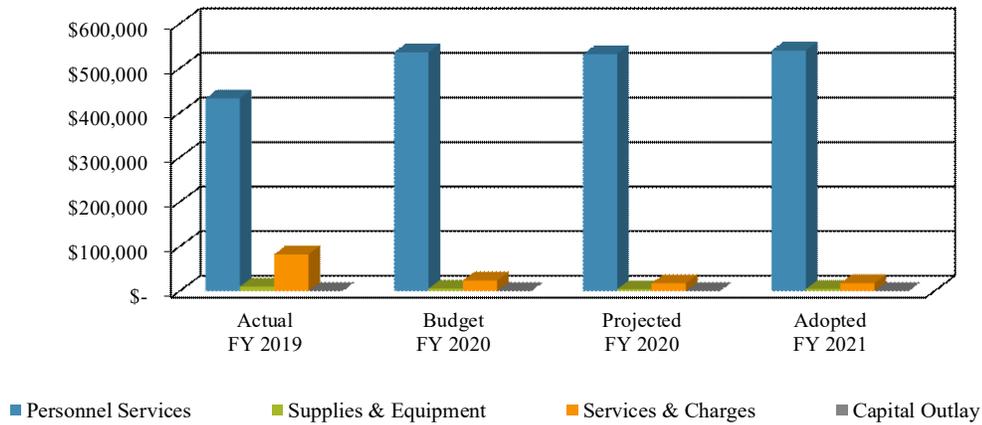
* Not held due to Covid-19.

Town Services Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 432,478	\$ 535,770	\$ 531,542	\$ 539,599	0.71%
Supplies & Equipment	9,844	5,450	4,069	4,600	-15.60%
Services & Charges	82,172	23,500	17,555	17,804	-24.24%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 524,494	\$ 564,720	\$ 553,166	\$ 562,003	-0.48%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Director of Town Services	E-3	1.0	1.0	1.0
Town Services Manager	E	1.0	1.0	1.0
Town Services Coordinator	6	1.0	1.0	1.0
Total Employees		3.0	3.0	3.0



DEPARTMENT DESCRIPTION

The Department of Public Safety is responsible for enforcement of State statutes and Town Ordinances, maintenance of public order, enforcement of traffic codes, maintenance of safe traffic flow, fire suppression and prevention, control of animals, and rapid response to medical emergencies. Supervised by the Director of Public Safety, these responsibilities are met through uniformed personnel, trained, skilled, and certified in both police and fire disciplines and in many instances, emergency medical capabilities.

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Purchased Self-Contained Breathing Apparatus (SCBAs) for fire service
- ❖ Selected new in-car/body camera vendor for FY 2021 purchase
- ❖ Selected new TASER platform
- ❖ Vetted a vendor for the purchase of a new fire engine
- ❖ Implemented a Higher Ground voice recorder

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Refresh DPS fire quarters living areas
- ❖ Implement Watch Guard video system
- ❖ Implement new TASER weapon platform
- ❖ Oversee buildout of a new fire engine
- ❖ Oversee purchase of two police vehicles for administrative personnel
- ❖ Finish implementation of P25 radio system and perform acceptance testing
- ❖ Continue to grow Public/Private Outreach Programs, to include:
 - Active Shooter Training to include integration with new video system
 - R.A.D. (Rape, Aggression, Defense System)
 - LTC (License to Carry)
 - Stop-the-Bleed and CPR classes with High School

PERFORMANCE INDICATORS

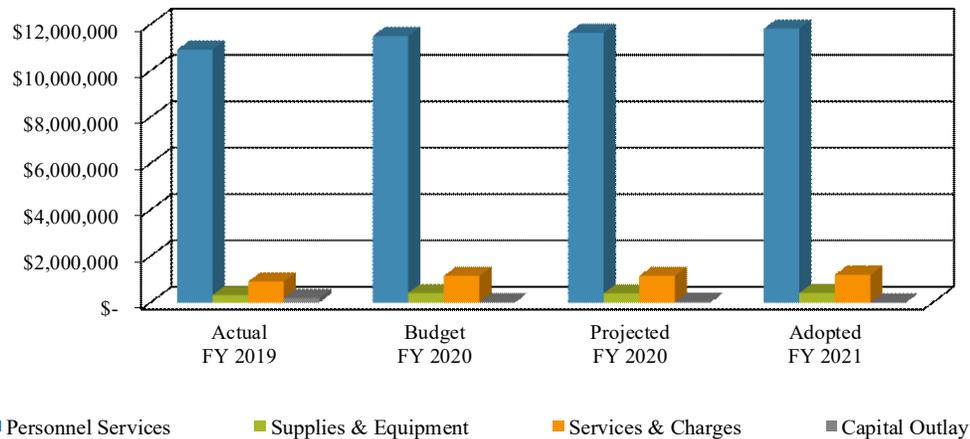
	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Projected
Call Responses				
Police	10,137	9,281	9,229	9,549
Fire	717	824	824	788
Emergency Medical	366	379	352	365
Other Activity				
Fire Inspections	380	145	363	296
Major Crimes Reported	203	187	184	191
Response Time (minutes)				
Police	2.6	2.7	2.8	2.7
Fire	1.8	2.1	1.8	1.9
Emergency Medical	2.1	2.7	2.7	2.5

Department of Public Safety



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 10,909,393	\$ 11,496,435	\$ 11,640,284	\$ 11,822,545	2.84%
Supplies & Equipment	322,901	410,175	399,352	414,556	1.07%
Services & Charges	912,804	1,157,676	1,154,322	1,201,933	3.82%
Capital Outlay	193,056	20,000	28,730	-	0.00%
Total Department	\$ 12,338,154	\$ 13,084,286	\$ 13,222,688	\$ 13,439,034	2.71%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Director	E-4	1.0	1.0	1.0
Assistant Director	E-2	1.0	1.0	1.0
Captain	G	5.0	5.0	5.0
Lieutenant	F	5.0	5.0	5.0
Sergeant	E	5.0	5.0	5.0
Investigator	C	3.0	3.0	3.0
Public Safety Officer	C	36.0	37.0	37.0
Police Officer	B	2.0	2.0	2.0
Communications Supervisor	8	1.0	1.0	1.0
Communications Manager	6	1.0	1.0	1.0
Accreditation Manager	6	1.0	1.0	1.0
Support Services Officer	4	1.0	0.0	0.0
Communications Specialist	4	8.0	8.0	8.0
Alarm Specialist	5	1.0	1.0	1.0
Administrative Secretary	4	2.0	2.0	2.0
Total Employees		73.0	73.0	73.0

Street Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Maintained the Town's street surfaces through the placement of asphalt as needed for repairs
- ❖ Inventoried Street signage throughout the Town
- ❖ Transitioned contractors on Town's Street Sweeping contract
- ❖ Responded to emergency calls related to parkway trees

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Support water and sanitary sewer functions, as necessary
- ❖ Respond to emergencies related to street, water and sanitary sewer, as necessary
- ❖ Maintain the Town's infrastructure of paved streets, alleys, sidewalks, bridges, storm sewer inlets and signage

MAJOR BUDGET ITEMS

- ❖ \$25,000 Repair Materials
- ❖ \$7,000 for Street Signage

PERFORMANCE INDICATORS

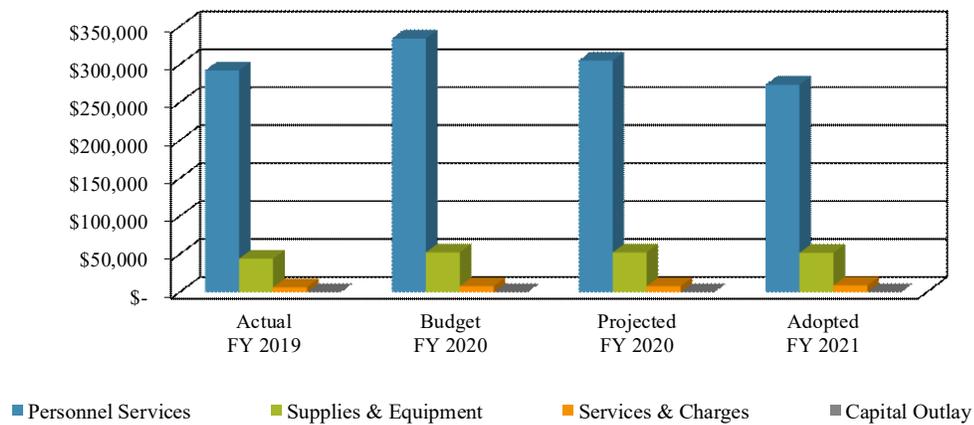
	FY2018	FY2019	FY2020	FY2021
	Actual	Actual	Actual	Projected
Asphalt Repairs (Tons)	295	250	250	260
Storm Inlets Cleaned	1,400	1,425	1,431	1,500

Street Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 292,285	\$ 334,264	\$ 305,350	\$ 273,378	-18.21%
Supplies & Equipment	44,131	52,393	52,393	51,833	-1.07%
Services & Charges	6,595	7,934	7,984	8,961	12.94%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 343,011	\$ 394,591	\$ 365,727	\$ 334,172	-15.31%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Foreman	8	0.3	0.3	0.0
Public Works Maint. Worker II	3	2.0	2.0	2.0
Public Works Maint. Worker I	2	1.0	1.0	1.0
Total Employees		3.3	3.3	3.0

Street Lighting Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Performed routine and emergency maintenance of Town's traffic and street light systems ensuring safe and reliable operation
- ❖ Tested conflict monitoring and battery back-up systems.
- ❖ Continued painting of the streetlights by quadrant.

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Protect the Town's investment in its street lighting and traffic signal systems
- ❖ Respond to calls for emergency and routine maintenance repairs in a timely manner
- ❖ Work with Engineering Department on projects in a timely manner.

MAJOR BUDGET ITEMS

- ❖ Electricity Service for Street Lights and Traffic Signals (\$27,000)
- ❖ Repair Materials (\$13,000)

PERFORMANCE INDICATORS

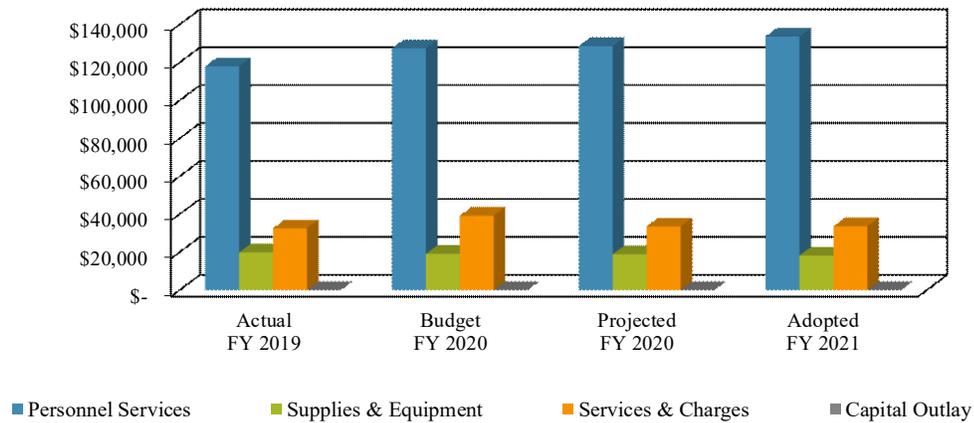
- ❖ Staff is working to identify 75% of the defects through proactive weekly inspections, prior to processing calls.
- ❖ Average days to repair is 2.5 days.

Street Lighting Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 117,968	\$ 127,450	\$ 128,599	\$ 133,658	4.87%
Supplies & Equipment	19,840	19,054	18,904	18,189	-4.54%
Services & Charges	32,518	39,200	33,512	33,633	-14.20%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 170,326	\$ 185,704	\$ 181,015	\$ 185,480	-0.12%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Electrical/Mechanical Tech	5	1.0	1.0	1.0
Total Employees		1.0	1.0	1.0



DEPARTMENT DESCRIPTION

The Library powers imagination through creativity and discovery while providing quality public library access which fulfills the informational, educational, recreational and research needs of the community.

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Added three (3) streaming services, hoopla, The Great Courses Library Edition, and AcornTV, for library cardholders to access digital movies, music, audiobooks, books, comics, and TV shows.
- ❖ Reclassified and re-cataloged the children's non-fiction print collection to more closely align with bookstore models to improve patrons' browsing experiences.
- ❖ Instituted a system for Curbside Service to allow patrons to check out physical library materials during the Library's temporary closure due to the COVID-19 pandemic.
- ❖ Staff designed, filmed, served as instructors for, and provided access online to virtual tutorials for youth and adults, including origami workshops, story times, language learning, Let's Dish cooking courses, and Craft Instructions for Adults project demonstrations.
- ❖ Transitioned from in-person to virtual special programs, featuring performers and experts, for patrons, which included partnering with the University Park Public Library to offer weekly special virtual events for families during the summer of 2020.
- ❖ Implemented remote access to online borrower registration, which enabled residents to initiate the library card application process while not in the Library's physical space.

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Expand the patrons' knowledge of digital services by growing the "Library Without Walls" campaign.
- ❖ Provide patrons of all ages with a variety of activities, in multiple settings, to emphasize and support lifelong learning and social interaction.
- ❖ Extend the Library's communications and marketing strategies to help define a brand for the Library.
- ❖ Continue the implementation of the Library Master Plan.

MAJOR BUDGET ITEMS

- ❖ Acquisition of new materials - books (\$55,179), audio/visual materials (\$14,181), e-books (\$16,251), e-audio books (\$14,606), and children's books (\$12,136).
- ❖ Continued funding for e-Services including downloadable e-materials and web-based resources.

PERFORMANCE INDICATORS

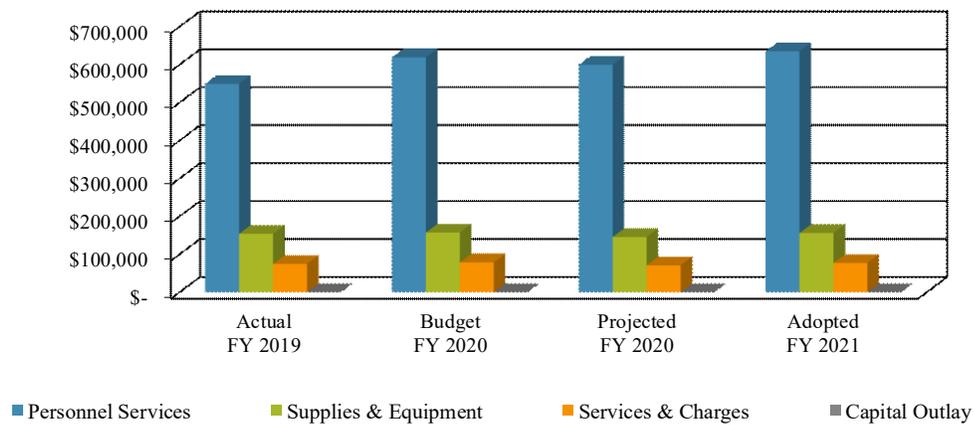
	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Projected
Collection/Circulation				
Total Circulation (Physical & Digital)	44,406	48,148	48,403	49,371
eBooks and eAudiobooks Circulation	6,315	8,505	12,280	12,894
User Cards Issued/Outstanding				
Resident	607	607	444	451
Non-Resident	39	53	25	26
Total Valid Cards	646	660	469	477

Library Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 549,407	\$ 619,051	\$ 599,212	\$ 634,998	2.58%
Supplies & Equipment	153,832	157,138	145,438	155,948	-0.76%
Services & Charges	74,264	78,531	70,737	76,963	-2.00%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 777,503	\$ 854,720	\$ 815,387	\$ 867,909	1.54%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Town Librarian	E	1.0	1.0	1.0
Librarian	5	2.0	2.0	2.0
Library Administrative Assistant	3	1.0	1.0	1.0
Library Assistant	2	0.0	0.5	0.0
Library Associate (Full-Time)	2	1.0	1.0	1.0
Library Associate (Part-Time)	2	1.5	1.0	1.5
Total Employees		6.5	6.5	6.5



DEPARTMENT DESCRIPTION

Parks and Recreation is responsible for the management and maintenance of the Town’s 22 park locations, 12 traffic islands, 8 tennis courts, swimming pool and Town Hall landscape. This department also manages the Town’s recreation program. These activities promote the “quality of life” in Highland Park by providing a high standard of customer service and safe, well-maintained facilities.

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Effectively managed the Town’s contracts for turf maintenance, park maintenance, chemical application, tree trimming, and landscape lighting
- ❖ Completed the development of the Hackberry Creek park standards and overall Town park standards
- ❖ Maintained parks, parkway trees, swimming pool and tennis courts
- ❖ Completed the Preston Road landscape and irrigation project
- ❖ Began the Fairfax Park rehabilitation project for the tennis court and playfield

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Update and continue to implement a Parks Maintenance & Operations Plan
- ❖ Rebid the chemical, mowing and landscape maintenance bids that are up for renewal
- ❖ Educate residents and provide inspection for residents on irrigation and mosquito control program
- ❖ Develop a landscape design and irrigation plan for Fairfax Park and Douglas Park
- ❖ Complete the rehabilitation of tennis court numbers 3 – 6 and update Fairfax Park

MAJOR BUDGET ITEMS

- ❖ Plant and Vegetation Material (\$108,000); Planting Material (\$35,000)
- ❖ Town-wide maintenance contracts for Turf Maintenance (\$118,498); Tree Trimming and Maintenance (\$54,636); Landscape Lighting (\$30,000); Recreation Program (\$20,000)

PERFORMANCE INDICATORS

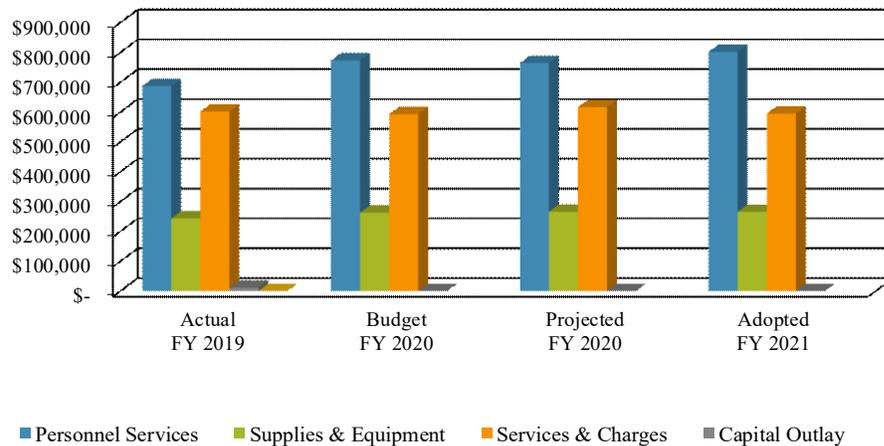
	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Projected
Number of Bulbs	15,000	15,000	19,460	20,000
Mosquito Back Yard Inspections	86	72	*	90
Irrigation Inspection	45	40	*	45
Nuisance Spraying for Mosquitoes	272	260	250	280

*Not provided due to Covid-19.



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 686,924	\$ 772,796	\$ 764,228	\$ 801,850	3.76%
Supplies & Equipment	243,481	262,716	265,789	265,738	1.15%
Services & Charges	601,673	592,445	616,163	595,111	0.45%
Capital Outlay	11,250	-	-	-	0.00%
Total Department	\$ 1,543,328	\$ 1,627,957	\$ 1,646,180	\$ 1,662,699	2.13%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Foreman	8	1.0	1.0	1.0
Parks Project Specialist	4	0.0	1.0	1.0
Parks Maintenance Specialist	4	1.0	1.0	1.0
Irrigation/Mosquito Inspector	4	1.0	1.0	1.0
Parks Maintenance Worker II	3	2.0	2.0	2.0
Parks Maintenance Worker I	1	2.0	1.0	1.0
Total Employees		7.0	7.0	7.0

Pool Department



DEPARTMENT DESCRIPTION

The Town's swimming pool facility is maintained by the Parks Department. The early swimming season begins in early May and the regular season coincides with the school district's summer vacation. The Pool Department provides for an extended season which concludes at the end of September.

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Provided a safe and clean facility for use of Town residents
- ❖ Implemented an online reservation system
- ❖ Enhanced the plumbing fixtures in the restrooms and wash area to include "touchless" feature
- ❖ Replaced the outdoor water fountain with an outdoor water bottle filling station

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Provide a safe and clean facility for the enjoyment of the Town's residents
- ❖ Continuing the expanded pool season

MAJOR BUDGET ITEMS

- ❖ Provision of staffing to accommodate the extended pool season from May to the end of September.
- ❖ Pool facilities assessment funded within the Capital Projects Fund.

PERFORMANCE INDICATORS

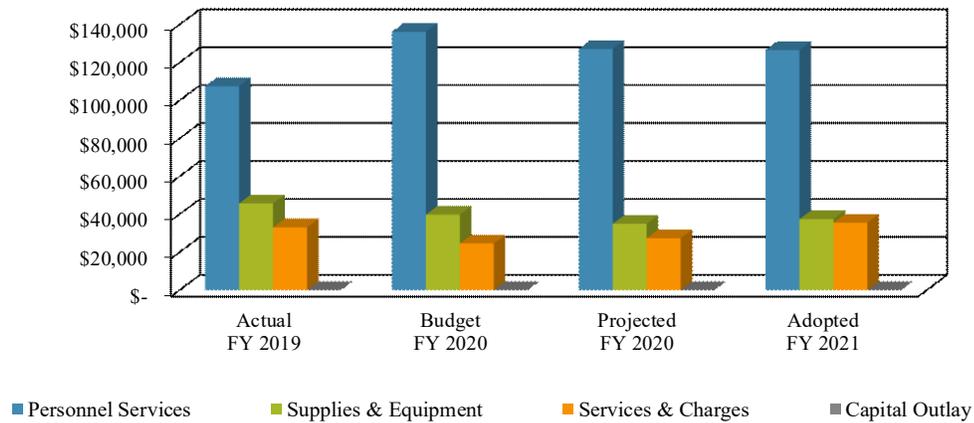
	FY2018	FY2019	FY2020	FY2021
	Actual	Actual	Actual	Projected
Annual Pool Passes Sold	1,381	1,223	1,086	1,100
Daily Pool Passes Sold	2,608	2,487	0	0

Pool Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 107,409	\$ 136,133	\$ 127,076	\$ 126,511	-7.07%
Supplies & Equipment	45,689	39,750	34,927	37,400	-5.91%
Services & Charges	32,996	24,600	27,351	35,511	44.35%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 186,094	\$ 200,483	\$ 189,354	\$ 199,422	-0.53%



EMPLOYEE CLASSIFICATION & PAY GRADE

(All Part Time Seasonal Employees)

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Manager/Assistant Manager/Lifeguards	NA	3.4	3.4	3.4
Total Full Time Equivalent Employees		3.4	3.4	3.4

Municipal Court Department



DEPARTMENT DESCRIPTION

The Municipal Court is the Court of Original Jurisdiction for all Class “C” Misdemeanors that occur within the Town limits. Duties include the efficient and effective delivery of customer service regarding traffic, criminal, Town ordinance and other miscellaneous violations of Code offenses within the Town’s jurisdiction.

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Maintained accurate records of documents and dispositions filed with the court while providing prompt and courteous responses to inquires at the court office.
- ❖ Improved daily operations in the court by participating in more training sessions and webinars.
- ❖ Updated the Court policies & procedures manual and implemented necessary changes caused by the COVID-19 pandemic.
- ❖ Successfully scheduled and conducted virtual hearings & bench trials during the pandemic.
- ❖ Maintained Court calendar, allowing all defendants swift access to the Court system.

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Maintain accurate records of documents and dispositions filed with the court while providing prompt and courteous responses to inquiries at the court office.
- ❖ Improve daily operations in the court by participating in more training sessions and webinars.
- ❖ Evaluate new laws passed during the 2021 State Legislative session to determine their impact on court procedures and implement necessary changes.
- ❖ Continue scheduling and conducting virtual hearings & trials for Defendants that request them.
- ❖ Maintain court calendar, allowing defendants swift access to the court system.
- ❖ Continue collecting and monitoring data associated with the disposition of citations as part of the Town’s ongoing effort to ensure fair and consistent adjudication of cases.

MAJOR BUDGET ITEMS

- ❖ Municipal Court Prosecution Services (\$30,000)
- ❖ Part-time court security personnel (\$37,000)

PERFORMANCE INDICATORS

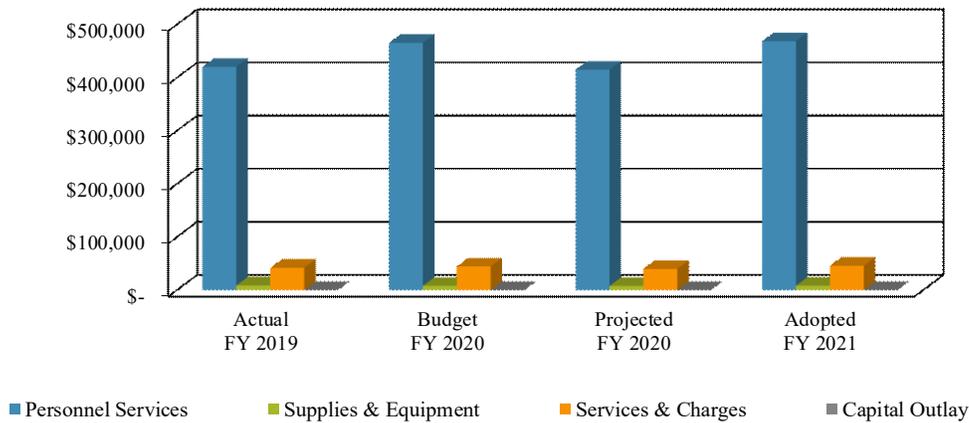
	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Projected
Cases Filed				
Traffic	10,437	12,294	6,409	7,793
Parking	181	427	576	450
State Law	94	89	76	85
Town Ordinance	246	117	97	136
Total	10,958	12,927	7,158	8,464
Cases Disposed				
Prior to Trial	3,397	3,731	2,660	3,890
At Trial	285	189	100	260
Compliance Dismissals	6,040	7,751	4,220	3,949
Total	9,722	11,671	6,980	8,099
Percent Disposed to Filed	88.72%	90.28%	97.51%	95.69%

Municipal Court Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 420,163	\$ 465,417	\$ 414,804	\$ 468,611	0.69%
Supplies & Equipment	8,555	7,925	7,640	8,250	4.10%
Services & Charges	41,712	44,415	39,860	45,700	2.89%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 470,430	\$ 517,757	\$ 462,304	\$ 522,561	0.93%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Municipal Judge (Part-time)	NA	0.5	0.5	0.5
Senior Court Clerk	5	1.0	1.0	1.0
Court Clerk	3	1.0	1.0	1.0
Court Clerk (Part-time)	3	0.5	0.8	0.8
Marshall/Bailiff (Part-time)	NA	0.5	0.5	0.5
Court Security (Part-time)	NA	0.3	0.3	0.3
Total Employees		3.8	4.1	4.1



DEPARTMENT DESCRIPTION

The Finance Department is responsible for the accurate maintenance of all fiscal, human resources and budget records pertaining to the operations of the Town. Areas of responsibility include general accounting, treasury functions, the annual audit, the preparation of the Comprehensive Annual Financial Report (“CAFR”), preparation of monthly financial and investment report for management, payment of all Town obligations, payroll processing, personnel administration, preparation of the Annual Budget, employee benefits administration, risk management and liability and property insurance management.

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Received the Government Finance Officers Association’s (“GFOA”) Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2019 CAFR and the GFOA Distinguished Budget Presentation Award for the Fiscal Year 2020
- ❖ Managed the Town’s investment portfolio in accordance to the Town’s Investment Policies that focus on the safety of principal and liquidity of resources and diversification while earning a market-based return
- ❖ Prepared and presented to Town Council for adoption the Town’s multi-year Capital Improvement Plan
- ❖ Transitioned to a paperless accounts payable system

OBJECTIVES FOR FISCAL YEAR 2021

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

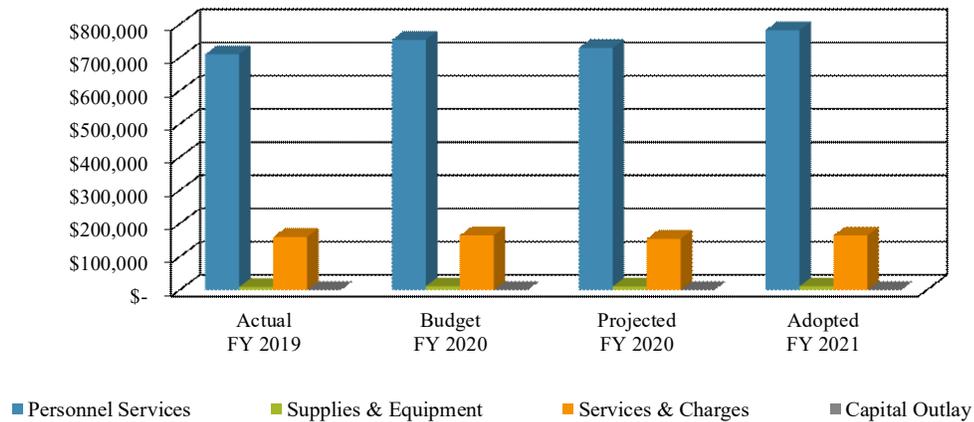
PERFORMANCE INDICATORS

	FY2018	FY2019	FY2020	FY2021
	Actual	Actual	Actual	Projected
Accounts Payable Checks Disbursed	2,870	2,953	3,149	3,240
Payroll/ACH Checks Disbursed	3,995	4,366	4,177	4,300



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 710,118	\$ 753,657	\$ 729,220	\$ 782,732	3.86%
Supplies & Equipment	8,953	11,410	10,365	11,137	-2.39%
Services & Charges	159,534	164,515	154,260	164,155	-0.22%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 878,605	\$ 929,582	\$ 893,845	\$ 958,024	3.06%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Director of Admin Services & CFO	E-4	1.0	1.0	1.0
Controller	E	1.0	1.0	1.0
Senior Accounting Technician	4	1.0	1.0	2.0
Finance and Human Resource Specialist	4	1.0	1.0	1.0
Accounting Technician	3	1.0	1.0	0.0
Total Employees		5.0	5.0	5.0

Building Inspection Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS OF FISCAL YEAR 2020

- ❖ Processed approximately 1,180 building, 238 electrical, 312 plumbing permits, and 26 excavation permits, generating approximately \$1,440,365 in permit revenues
- ❖ Processed approximately 670 contractor registrations
- ❖ Processed approximately 121 plan reviews with construction valued greater than or equal to \$100,000
- ❖ Increased public awareness of Code Enforcement activities with illegal sign enforcement and property maintenance on both occupied and construction properties

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Provide quality redevelopment for the Town
- ❖ Provide timely and accurate plan review services with new residential plan reviews averaging two weeks
- ❖ Continue to provide professional, courteous and efficient service to the public
- ❖ Continue efforts on water conservation measures in plumbing and irrigation systems in conjunction with the Town's efforts to promote water conservation
- ❖ Increase awareness among contractors of maintaining proper soil erosion prevention measures on job sites
- ❖ Provide excellence in customer service response and proactive involvement in code enforcement activities related to construction site and occupied property maintenance, and illegal posting of signs

PERFORMANCE INDICATORS

	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Projected
Number of Inspections Performed	4,633	4,611	3,896	4,000
Total Permits Issued	1,742	1,640	1,724	1,700
Total Value of Permits (in thousands)	\$ 128,480	*	*	*
Total Permit Fees & Licenses (in thousands)	\$ 1,309	\$ 1,408	\$ 1,440	\$ 1,300

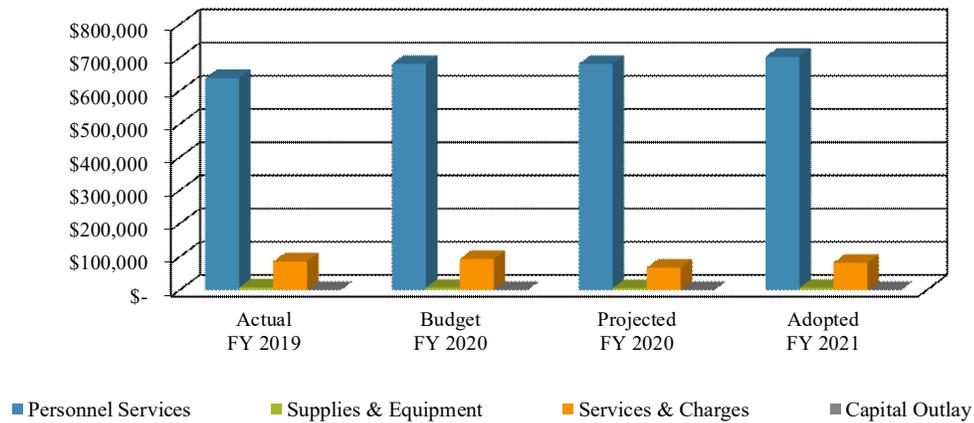
* Pursuant to HB 852, which was passed May 21 by the 2019 Texas Legislature, cities may not base building permit or inspection fees on the value of a residential dwelling or on the cost of constructing or improving the building.

Building Inspection Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 638,258	\$ 681,118	\$ 681,225	\$ 702,756	3.18%
Supplies & Equipment	7,474	6,930	5,885	6,640	-4.18%
Services & Charges	85,501	93,915	67,340	82,035	-12.65%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 731,233	\$ 781,963	\$ 754,450	\$ 791,431	1.21%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Assistant Director of Town Services	E-1	0.0	1.0	1.0
Development Services Manager	8	1.0	0.0	0.0
Senior Building Inspector	7	1.0	1.0	1.0
Building Inspector	6	1.0	1.0	1.0
Plans Examiner	4	1.0	1.0	1.0
Building Permit Technician	3	1.0	1.0	1.0
Total Employees		5.0	5.0	5.0

Information Technology Department



DEPARTMENT DESCRIPTION

The Information Technology Department improves the organization of Information Technology throughout the Town; leverages emerging technologies to reduce cost, limits growth in the workforce, improves services to citizens and employees; provides the most innovative and cost-effective technology services; continually endeavors to identify and mitigate cybersecurity risks. The IT budget includes the personnel cost associated with the IT Manager position, necessary supplies and system-wide associated costs for network connectivity and network user support.

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Deployed Microsoft Teams to Departments
- ❖ Migrated Departments to cloud storage
- ❖ Deployed/Supported telework technologies
- ❖ Updated the Town's Financial Software
- ❖ Implemented cyber awareness training for all Town officials as required by State law
- ❖ Implemented technology for telecommuting and virtual meetings in response to the pandemic

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Implement physical security improvement.
- ❖ Renew Microsoft Enterprise Agreement
- ❖ Update Public Safety Software.
- ❖ Complete department network upgrades and computer replacements

MAJOR BUDGET ITEMS

- ❖ Technology managed services contract (\$140,940)
- ❖ Enterprise agreement (\$74,000)
- ❖ Other technology maintenance contracts (\$136,200)
- ❖ Internet service and T1 circuits (\$33,900)

PERFORMANCE INDICATORS

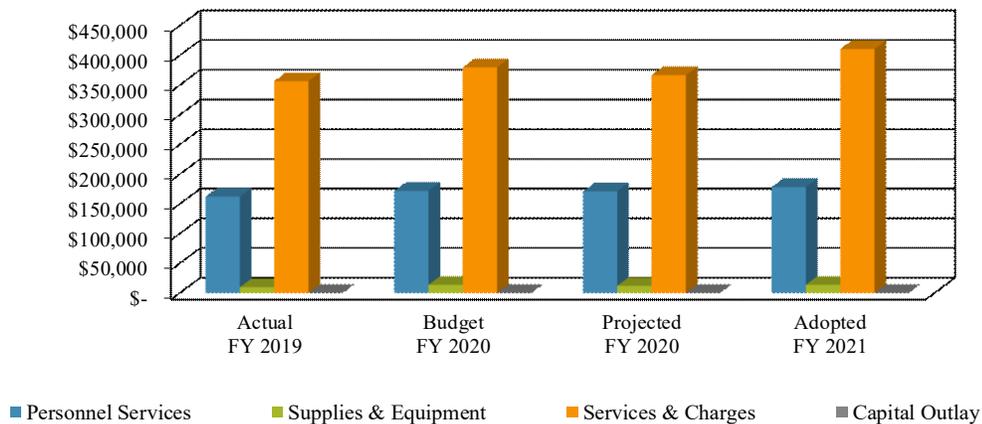
	FY2018	FY2019	FY2020	FY2021
	Actual	Actual	Actual	Projected
Help Desk Support				
Support Requests	911	1,171	1,638	1,257
Service Hours	836	1,326	2,003	1,145
Network Uptime	99%	99%	99%	99%
Application Uptime	99%	99%	99%	99%

Information Technology Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 162,270	\$ 171,914	\$ 171,088	\$ 178,282	3.70%
Supplies & Equipment	9,811	13,750	11,972	13,750	0.00%
Services & Charges	356,476	379,919	366,743	410,780	8.12%
Capital Outlay	-	-	-	-	0.00%
Total Department	\$ 528,557	\$ 565,583	\$ 549,803	\$ 602,812	6.58%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Information Technology Manager	E	1.0	1.0	1.0
Total Employees		1.0	1.0	1.0

Non-Departmental



DEPARTMENT DESCRIPTION

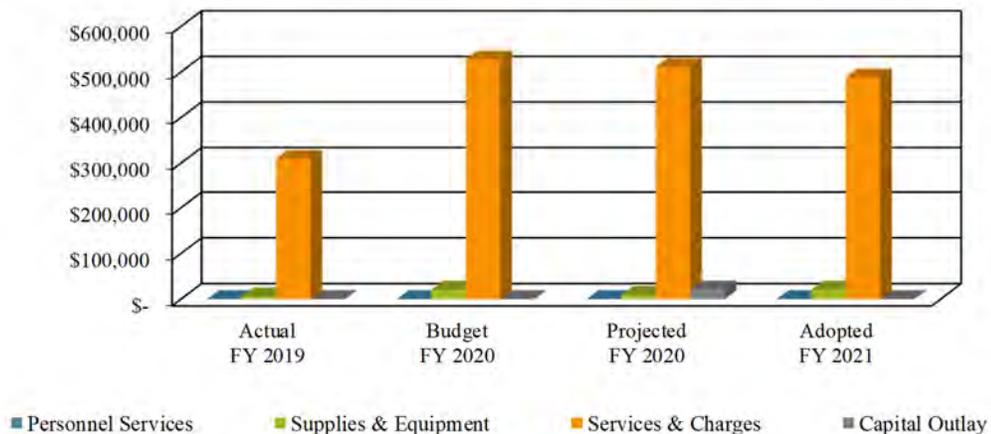
As a means of setting aside funds for expenditures that are not associated with a unique departmental budget, a Non-Departmental cost center is created in the General Fund. Expenditures that can be considered Town-wide or that may have an inherent public policy nature have been included in this cost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

MAJOR BUDGET ITEMS

- ❖ Texas Municipal Retirement System supplemental contributions (\$150,000)
- ❖ Professional Services – Human Resource Consulting (\$42,000)
- ❖ Professional Services – Website Consulting and Maintenance (\$30,240)
- ❖ Budgetary Contingency for Fuel Costs (\$15,000)
- ❖ Professional Services – Health Insurance Consulting (\$30,000)

EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.00%
Supplies & Equipment	6,273	20,600	9,675	20,600	0.00%
Services & Charges	309,368	527,735	510,940	488,129	-7.50%
Capital Outlay	-	-	21,104	-	0.00%
Total Department	\$ 315,641	\$ 548,335	\$ 541,719	\$ 508,729	-7.22%



Transfer to Other Funds



DEPARTMENT DESCRIPTION

This Budget provides for a transfer of \$2,345,052 in current revenues to the Capital Projects Fund which is comprised of: 1) basic CIP funding (\$753,000); 2) annual miscellaneous concrete project (\$301,100); 3) sidewalk and alley repair (\$92,600); 4) street resurfacing needs (\$729,586); and 5) an additional capital improvement transfer of \$651,336 from current (fiscal year 2020-21) revenues and \$547,016 funded from surplus fund balance.

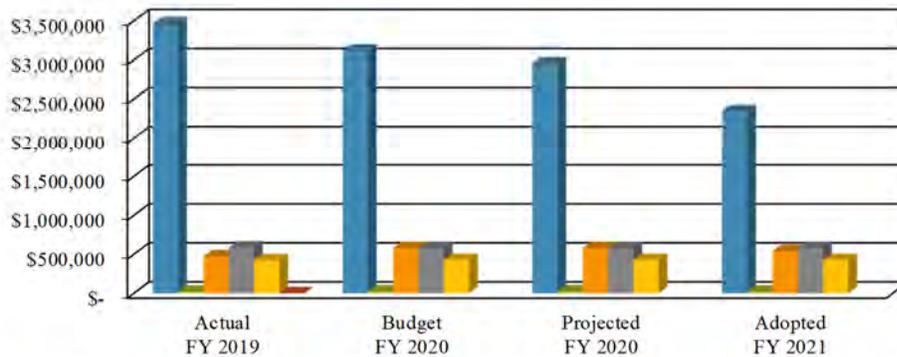
Other transfers include:

- ❖ Transfers to the Equipment Replacement Fund for future asset acquisition (\$540,000)
- ❖ Transfers to the Technology Replacement Fund for future asset acquisition and upgrades (\$579,927)
- ❖ Transfer to the Building Maintenance & Investment Fund representing the General Fund's share of Building Maintenance costs (\$427,800)
- ❖ Transfer to the Solid Waste Fund to assist with funding the Household Hazardous Waste program (\$20,000)

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

TRANSFER SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Capital Projects Fund	\$ 3,465,575	\$ 3,118,232	\$ 2,956,105	\$ 2,345,052	-24.80%
Utility & Solid Waste Funds	20,000	25,000	25,000	20,000	0.00%
Equip. Replacement Fund	473,570	580,000	580,000	540,000	-6.90%
Tech. Replacement Fund	586,841	579,927	579,927	579,927	0.00%
Bldg. Maintenance Fund	423,800	428,000	428,000	427,800	-0.05%
Total Department	\$ 4,969,786	\$ 4,731,159	\$ 4,569,032	\$ 3,912,779	-17.30%



■ Capital Projects Fund ■ Utility & Solid Waste Funds ■ Equip. Replacement Fund ■ Tech. Replacement Fund ■ Bldg. Maintenance Fund

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UTILITY FUND

The Utility Fund is the financial structure used for the accounting of providing water and 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 for the Utility Fund is the accrual basis with the budgetary basis being modified accrual. As part of the budgetary basis, capital purchases are reported as expenditures and depreciation and bad debt expenses are not included in budgeted expenditures.

UTILITY FUND OVERVIEW

The determination of the revenues necessary to fund the various services for FY 2020-21 begins with the calculation of total costs associated with services provided, as well as, anticipated capital improvements to be funded through water and wastewater rates. Program revenue, not generated through water and wastewater rates, are netted against anticipated costs for the upcoming fiscal year leaving the amount of costs to be recovered through water and wastewater rates (the “revenue requirement”). The Town maintains a rate structure that is tiered based on the amount of water consumed. Projected water consumption for the upcoming fiscal year is determined based on historical averages. By applying the projected consumption for the upcoming fiscal year to the Town’s rate structure, rates necessary to generate the annual revenue requirement can be determined. For FY 2020-21, there were no adjustments made to the rate structure for either water or wastewater. The last time the Town increased its rate structure occurred in FY 2018-19.

- **Licenses and Permits**

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

- **Charges for Services**

Water

Revenues from the retail sale of water are projected to be \$7,266,056, a \$26,287 or (.4%) decline from the FY 2019-20 Adopted Budget. The Town anticipates selling 948,000,000 gallons of water during fiscal year 2020-21.

The schedule on page 156 reflects the historical water sales (per 1,000 gallons) by category of use for the past ten (10) fiscal years.

Wastewater

The projected revenues from wastewater charges amount to \$2,973,969 or about a (1.45%) decrease from the FY 2019-20 Adopted Budget.

- **Miscellaneous**

Charges for meter replacements/installations is projected to be \$41,293, which is comparable to the average amount generated during the 2017-18 and 2018-19 fiscal years.

Projected interest earnings are projected to be lower for FY 2020-21 due to lower yields brought on by economic issues resulting from the ongoing pandemic. Interest earnings within the Utility Fund are projected to be \$86,713 in FY 2020-21.

The total cost for Utility Fund services for FY 2020-21 is \$9,700,342 (excluding transfers out) which is \$173,306 more than the budget adopted for FY 2019-20. This increase is being primarily driven by planned capital improvements within the Utility Fund for FY 2020-21.

Approximately 31.0% of the overall Utility Fund Budget is related to contractual costs associated with 1) the purchase of treated water for resale and Town use from the Dallas County Park Cities Municipal Utility District (contract expires April 2024); and Sanitary Sewer Treatment from Dallas Water Utilities (contract expires February 2044).

Another significant portion of both the budget for FY 2020-21, as well as the work program associated with it, relates to the maintenance and/or replacement of the Town's water and wastewater system infrastructure. Since 1990, the Town has chosen to fund water and wastewater system infrastructure maintenance/replacement with current revenues. This Adopted Budget provides \$2,268,353 from utility service revenues to fund the projects selected for FY 2020-21. An additional \$1,249,000 in capital expenditures is being funded through existing reserves within the Utility Fund.

The Utility Fund will also contribute \$1,301,700 to the General Fund for reimbursement of general & administrative costs for FY 2020-21. Additionally, the Utility Fund will provide \$540,636 in funding of the Town's annual right-of-way maintenance/rehabilitation program. This amount represents 5% of water and wastewater sales, a right-of-way use fee, and is reported as an inter-fund transfer to the Capital Projects Fund.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 117.

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

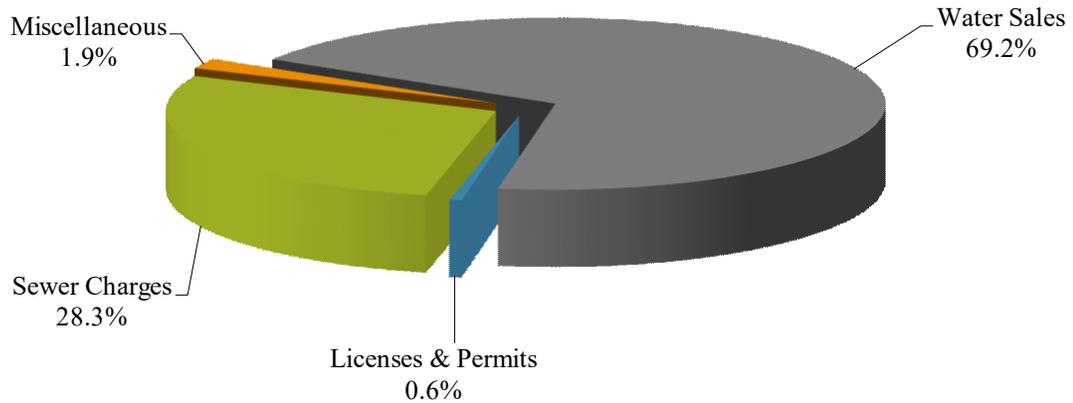
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 5,518,425	\$ 6,063,881	\$ 6,691,973	\$ 7,033,954
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 70,645	\$ 64,906	\$ 54,931	\$ 62,347
Charges for Services	9,355,086	10,356,697	10,230,102	10,285,318
Fines & Forfeits	59,780	67,854	58,566	68,666
Miscellaneous	358,253	170,994	137,847	88,713
Total Revenues	\$ 9,843,764	\$ 10,660,451	\$ 10,481,446	\$ 10,505,044
Other Sources:				
Transfers In	\$ 342,600	\$ 501,374	\$ 501,374	\$ 349,857
Total Other Sources	\$ 342,600	\$ 501,374	\$ 501,374	\$ 349,857
Total Revenues/Sources	\$ 10,186,364	\$ 11,161,825	\$ 10,982,820	\$ 10,854,901
EXPENSES - BY DEPARTMENT				
Utility Customer Service Department	\$ 402,472	\$ 489,878	\$ 442,164	\$ 547,695
Water Department	3,846,865	5,505,517	5,152,767	5,830,091
Sanitary Sewer Department	2,390,696	2,860,336	2,485,167	2,637,446
Engineering Department	588,792	671,305	675,167	685,110
Total Expenses	\$ 7,228,825	\$ 9,527,036	\$ 8,755,265	\$ 9,700,342
Other Uses:				
Transfers Out	\$ 1,783,991	\$ 1,885,574	\$ 1,885,574	\$ 1,972,466
Total Other Uses	\$ 1,783,991	\$ 1,885,574	\$ 1,885,574	\$ 1,972,466
Total Expenses/Uses	\$ 9,012,816	\$ 11,412,610	\$ 10,640,839	\$ 11,672,808
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 1,173,548	\$ (250,785)	\$ 341,981	\$ (817,907)
ENDING FUND BALANCE	\$ 6,691,973	\$ 6,441,188	\$ 7,033,954	\$ 6,216,047
Ideal Fund Balance	\$ 1,657,385	\$ 1,882,429	\$ 1,842,681	\$ 1,903,705
Fund Balance in Excess of Minimum	\$ 5,034,589	\$ 4,558,759	\$ 5,191,273	\$ 4,312,342

UTILITY FUND
STATEMENT OF REVENUES & EXPENSES BY TYPE

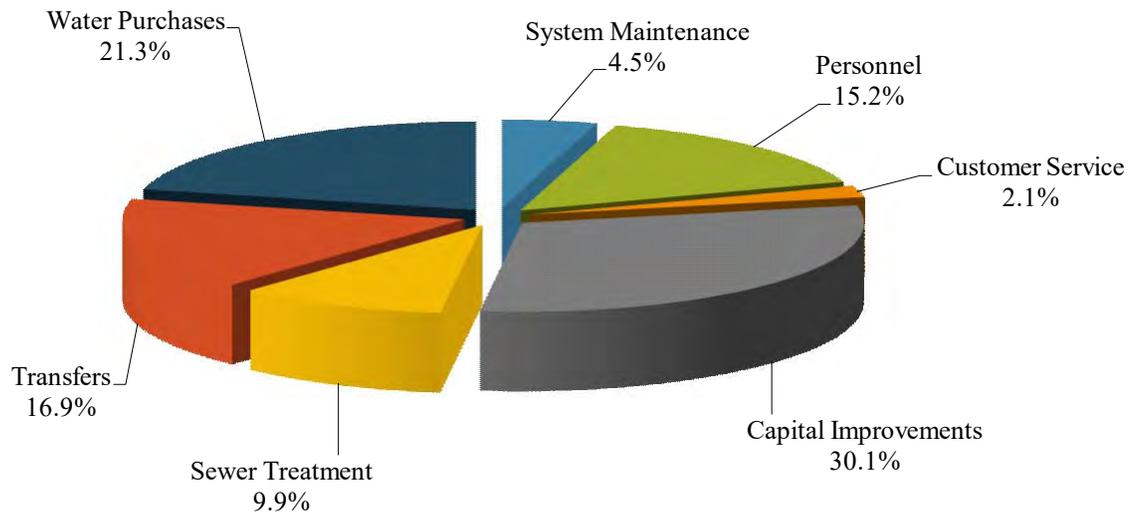
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 5,518,425	\$ 6,063,881	\$ 6,691,973	\$ 7,033,954
REVENUES/SOURCES OF FUNDS				
Licenses & Permits	\$ 70,645	\$ 64,906	\$ 54,931	\$ 62,347
Charges for Services	9,355,086	10,356,697	10,230,102	10,285,318
Fines & Forfeits	59,780	67,854	58,566	68,666
Miscellaneous	358,253	170,994	137,847	88,713
Total Revenues	\$ 9,843,764	\$ 10,660,451	\$ 10,481,446	\$ 10,505,044
Other Sources:				
Transfers In	\$ 342,600	\$ 501,374	\$ 501,374	\$ 349,857
Total Other Sources	\$ 342,600	\$ 501,374	\$ 501,374	\$ 349,857
Total Revenues/Sources	\$10,186,364	\$ 11,161,825	\$ 10,982,820	\$ 10,854,901
EXPENSES - BY TYPE				
Personnel Services				
Payroll	\$ 1,223,562	\$ 1,350,075	\$ 1,201,284	\$ 1,335,141
Payroll Taxes	85,792	100,571	87,015	98,785
Retirement	76,797	119,395	104,545	125,370
Insurance	158,702	216,759	164,032	218,914
Total Personnel	\$ 1,544,853	\$ 1,786,800	\$ 1,556,876	\$ 1,778,210
Supplies & Equipment	2,449,369	2,760,531	2,850,182	2,698,987
Services & Charges	1,307,508	1,619,705	1,588,207	1,705,792
Capital Outlay	1,926,017	3,360,000	2,760,000	3,517,353
Total Expenses	\$ 7,227,747	\$ 9,527,036	\$ 8,755,265	\$ 9,700,342
Other Uses:				
Transfers Out	\$ 1,783,991	\$ 1,885,574	\$ 1,885,574	\$ 1,972,466
Total Other Uses	\$ 1,783,991	\$ 1,885,574	\$ 1,885,574	\$ 1,972,466
Total Expenses/Uses	\$ 9,011,738	\$ 11,412,610	\$ 10,640,839	\$ 11,672,808
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 1,174,626	\$ (250,785)	\$ 341,981	\$ (817,907)
ENDING FUND BALANCE	\$ 6,691,973	\$ 6,441,188	\$ 7,033,954	\$ 6,216,047
Ideal Fund Balance	\$ 1,657,385	\$ 1,882,429	\$ 1,842,681	\$ 1,903,705
Fund Balance in Excess of Minimum	\$ 5,034,589	\$ 4,558,759	\$ 5,191,273	\$ 4,312,342

UTILITY FUND

BUDGETED REVENUES & SOURCES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



**UTILITY FUND
STATEMENT OF REVENUES**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
Licenses & Permits				
Plumbing Permits	\$ 70,645	\$ 64,906	\$ 54,931	\$ 62,347
<i>Subtotal</i>	\$ 70,645	\$ 64,906	\$ 54,931	\$ 62,347
Charges For Services				
Water Sales	\$ 6,432,889	\$ 7,223,674	\$ 7,221,726	\$ 7,155,729
Inter-Dept Water Sales	124,909	72,497	149,415	110,327
Sewer Charges	2,744,988	3,017,681	2,831,183	2,973,969
Meter Installation	46,350	38,033	24,058	41,293
Other Charges	5,950	4,812	3,720	4,000
<i>Subtotal</i>	\$ 9,355,086	\$ 10,356,697	\$ 10,230,102	\$ 10,285,318
Fines & Forfeits				
Late Payment Penalties	\$ 59,780	\$ 67,854	\$ 58,566	\$ 68,666
<i>Subtotal</i>	\$ 59,780	\$ 67,854	\$ 58,566	\$ 68,666
Miscellaneous				
Interest	\$ 220,251	\$ 168,994	\$ 136,707	\$ 86,713
Sale of Assets	-	-	-	-
Contributions	130,135	-	-	-
Miscellaneous	7,867	2,000	1,140	2,000
<i>Subtotal</i>	\$ 358,253	\$ 170,994	\$ 137,847	\$ 88,713
Total Revenues	\$ 9,843,764	\$ 10,660,451	\$ 10,481,446	\$ 10,505,044

Utility Customer Service Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Maintained the delivery of quality services to citizens through effective management and efficient administration of Town utility services
- ❖ Added a phone payment option to the existing payment choices available
- ❖ Continued monthly consumption analysis, identifying abnormal consumption based on historical data, implementing use of electronic readings to identify the time and date of consumption
- ❖ Managed online sales of tennis and annual/daily swim permits and provided assistance with scheduling

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Ensure the continued delivery of quality services to citizens
- ❖ Continue monthly consumption analysis, identifying abnormal consumption based on historical consumption using electronic readings to identify the time and date of consumption
- ❖ Continue promotion of the WaterSmart Customer Portal through one-on-one conversations, group messaging and marketing opportunities
- ❖ Implement WaterSmart print leak alerts for unregistered accounts

PERFORMANCE INDICATORS

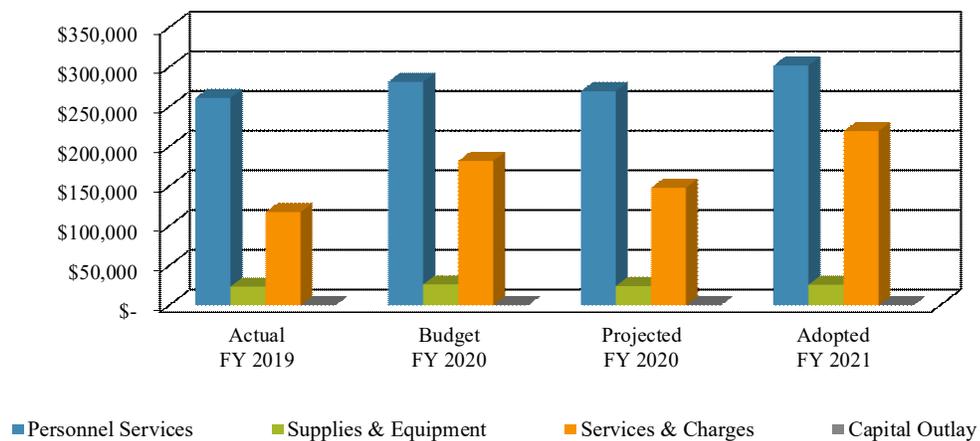
	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Projected
Utility Service				
WaterSmart Participation	16.1%	39.8%	48.2%	55.0%
WaterSmart Leak Alerts	757	5,310	5,518	5,500
New Deposits (#)	308	318	389	340
Billing Adjustments	33	2	7	5
Leak Adjustment Requests	57	28	52	65
Leak Adjustments Made	38	15	36	40
Service Requests Processed	4,434	4,389	4,034	4,200
Billing & Payment Options				
Bills Prepared	39,393	38,257	37,986	37,600
E-Bills Prepared	356	2,036	2,853	3,250
Bank Draft Customers (recurring)	1,408	1,404	1,399	1,390
Credit Card Draft Customers (recurring)	-	187	254	290
Internet Payments via HP Portal (one-time)	197	320	750	850
Payments via Customer Bank Bill Pay System	424	502	488	480
Phone Payment	-	-	16	25

Utility Customer Service Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 261,249	\$ 281,508	\$ 269,679	\$ 302,214	7.36%
Supplies & Equipment	\$ 23,664	\$ 26,420	\$ 24,355	\$ 25,980	-1.67%
Services & Charges	\$ 117,559	\$ 181,950	\$ 148,130	\$ 219,501	20.64%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	-
Total Department	\$ 402,472	\$ 489,878	\$ 442,164	\$ 547,695	11.80%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Customer Service Supervisor	6	1.0	1.0	1.0
Customer Service Specialist II	3	1.0	1.0	2.0
Customer Service Specialist I	2	1.0	1.0	0.0
Total Employees		3.0	3.0	3.0

Water Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Conducted routine maintenance of system, minimizing service interruptions
- ❖ Continued replacement of water meters
- ❖ Cross trained Water & Wastewater employees

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Maintain the quality of service by minimizing the number of customers affected during water service interruptions
- ❖ Provide funding of infrastructure replacement program through the water rate structure
- ❖ Continue the Town's meter replacement program

MAJOR BUDGET ITEMS

- ❖ Purchase of treated water from the Dallas County Park Cities Municipal Utility District at an anticipated cost of \$2,481,384
- ❖ Annual funding for wastewater infrastructure replacement and maintenance (\$1,134,176)
- ❖ Douglas Park Drainage Improvement & Landscaping (\$450,000)
- ❖ Holland Elevated Storage Tank (\$300,000)
- ❖ Abbott Avenue Reconstruction – Harvard to Mockingbird (\$230,000)

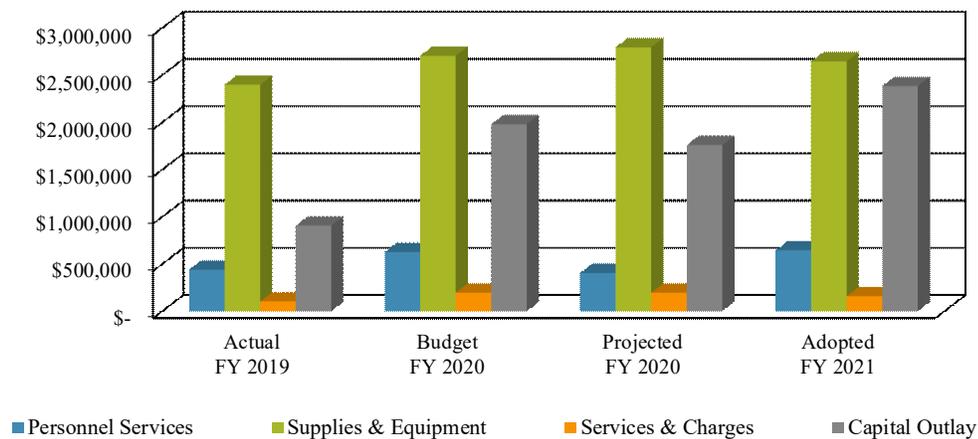
PERFORMANCE INDICATORS

	FY2018	FY2019	FY2020	FY2021
	Actual	Actual	Actual	Projected
Water Meters Read	66,542	66,451	66,521	66,500
Water Meters Installed/Replaced	449	577	582	600



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 438,686	\$ 626,389	\$ 403,867	\$ 643,987	2.81%
Supplies & Equipment	2,397,800	2,703,821	2,793,413	2,644,727	-2.19%
Services & Charges	103,611	195,307	195,487	158,200	-19.00%
Capital Outlay	906,768	1,980,000	1,760,000	2,383,177	20.36%
Total Department	\$ 3,846,865	\$ 5,505,517	\$ 5,152,767	\$ 5,830,091	5.90%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Foreman	8	0.4	0.4	1.0
Assistant Foreman	6	1.0	1.0	0.0
Public Works Maintenance Worker III	4	4.0	4.0	4.0
Total Employees		5.4	5.4	5.0

Sanitary Sewer Department



DEPARTMENT DESCRIPTION

The Sanitary Sewer Department is responsible for providing the Town with a reliable and sound system of wastewater collection. The operation of the wastewater collection system includes 37 miles of lines serving 3,200 customers and approximately 600 manholes. The Town contracts with Dallas Water Utilities for the treatment of wastewater.

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Sanitary sewer collection system maintained, keeping service interruptions to a minimum
- ❖ Continued Town's program of systematically flushing sanitary sewer lines by flushing approximately 60 miles, or the entire system 2.0 times
- ❖ Continued to address inflow and infiltration (I&I) through infrastructure maintenance and replacement

OBJECTIVES FOR FISCAL YEAR 2021

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

MAJOR BUDGET ITEMS

- ❖ Annual wastewater treatment expense (\$1,153,302)
- ❖ Annual funding for wastewater infrastructure replacement and maintenance (\$1,134,176)

PERFORMANCE INDICATORS

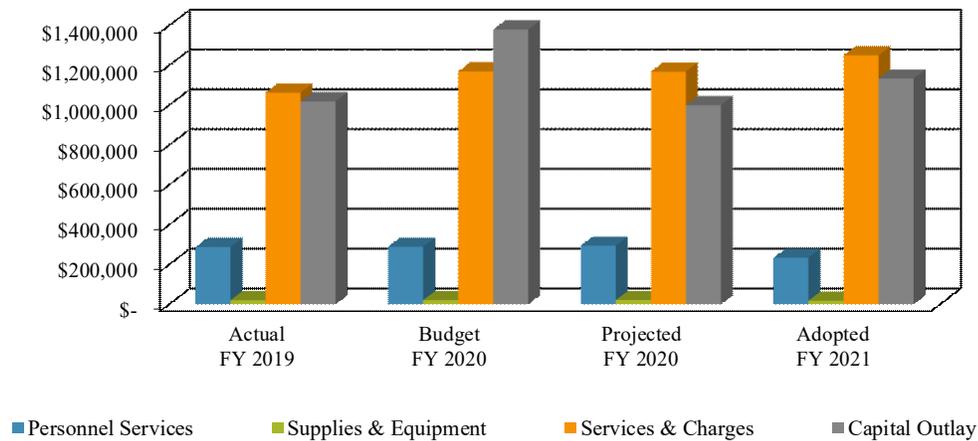
	FY2018	FY2019	FY2020	FY2021
	Actual	Actual	Actual	Projected
Service Calls	25	22	27	25
Sewer Mains Cleaned (Flushed)	458	464	462	455

Sanitary Sewer Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 287,889	\$ 289,498	\$ 295,063	\$ 234,178	-19.11%
Supplies & Equipment	20,712	21,190	21,814	18,480	-12.79%
Services & Charges	1,062,846	1,169,648	1,168,290	1,250,612	6.92%
Capital Outlay	1,019,249	1,380,000	1,000,000	1,134,176	-17.81%
Total Department	\$ 2,390,696	\$ 2,860,336	\$ 2,485,167	\$ 2,637,446	-7.79%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Foreman	8	0.3	0.3	0.0
Public Works Maintenance Worker III	4	2.0	2.0	2.0
Total Employees		2.3	2.3	2.0



DEPARTMENT DESCRIPTION

The Engineering department is responsible for the planning, design, construction and inspection of capital improvement projects for the Town. Projects include roadway reconstruction and rehabilitation, waterline and wastewater line replacement, and drainage improvements. The department is also responsible for floodplain management, traffic control, and Geographic Information System Mapping.

ACCOMPLISHMENTS FOR FISCAL YEAR 2020

- ❖ Met annual objectives and reporting requirement to state and federal agencies
- ❖ Awarded water and sewer projects in the amount of \$2 million
- ❖ Completed 25,000 linear feet of smoke testing in connection with the Sanitary Sewer Overflow Initiative
- ❖ Completed the design of Overhill Drive Reconstruction project
- ❖ Completed the design of Mockingbird Lane from Hillcrest Avenue to Airline Drive
- ❖ Completed the design of Airline Drive from south Town limits to Mockingbird Lane
- ❖ Awarded Phase I design of the Lakeside Drive and Turtle Creek Sanitary Sewer Interceptor
- ❖ Completed approximately 300,000 SF of pavement preservation
- ❖ Completed the design of Douglas Park Drainage Improvements project
- ❖ Completed the design of Drainage Easement Improvements project

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Comply with the annual reporting requirements for state and federal agencies
- ❖ Continue street rehabilitation program and repair/replace sidewalks, curbs and install ADA ramps
- ❖ Design, award, and construct water and sewer main replacement projects in the amount of \$2 million
- ❖ Reconstruct Overhill Drive including water and sewer improvements
- ❖ Award and rehabilitate Airline Drive and Mockingbird Lane including water and sewer improvements
- ❖ Construct Drainage Easement Improvements project
- ❖ Construct Douglas Park Drainage and Landscaping Improvements
- ❖ Design the rehabilitation of the Holland Elevated Storage Tank
- ❖ Design Phase II improvements for Lakeside Drive and the Turtle Creek Sanitary Sewer Interceptor
- ❖ Complete Phase I of the Stormwater Master Plan
- ❖ Design and construct Abbott Avenue Rehabilitation from Harvard Avenue to Mockingbird Lane
- ❖ Design and construct Armstrong Avenue Rehabilitation Improvements from Lakeside to Katy Trail

PERFORMANCE INDICATORS

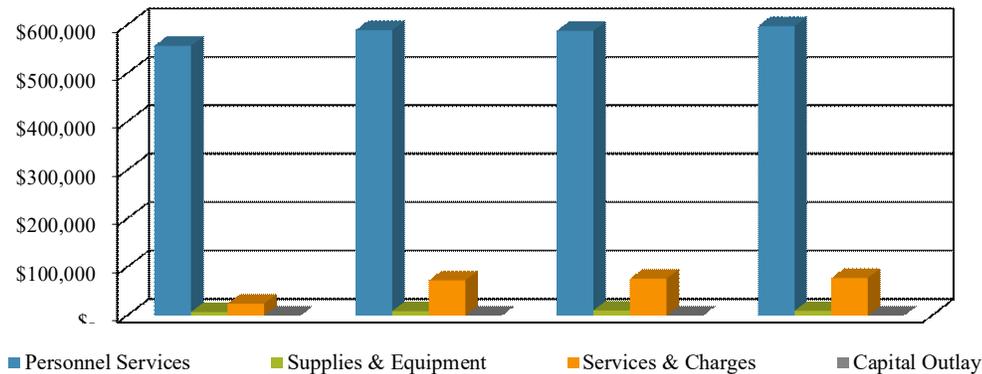
	FY2018	FY2019	FY2020	FY2021
	Actual	Actual	Actual	Projected
Sanitary Sewer Overflows	4	8	7	0
Street Resurfacing (Linear Feet)	8,350	7,700	7,000	7,000
Water Main Replacement (Linear Feet)	2,200	2,500	1,000	2,600
Sanitary Sewer Main Replacement (Linear Feet)	2,745	2,000	925	2,600

Engineering Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ 557,029	\$ 589,405	\$ 588,267	\$ 597,831	1.43%
Supplies & Equipment	7,193	9,100	10,600	9,800	7.69%
Services & Charges	24,570	72,800	76,300	77,479	6.43%
Capital Outlay	-	-	-	-	-
Total Department	\$ 588,792	\$ 671,305	\$ 675,167	\$ 685,110	2.06%



EMPLOYEE CLASSIFICATION & PAY GRADE

Classification	Grade	FY2019 Budget	FY2020 Budget	FY2021 Budget
Director of Engineering	E-3	1.0	1.0	1.0
Project Engineer	7	0.0	0.0	0.0
Construction Inspector	5	1.0	1.0	1.0
Project Coordinator	5	1.0	1.0	1.0
Engineering Tech	5	1.0	1.0	1.0
Total Employees		4.0	4.0	4.0

Transfer to Other Funds

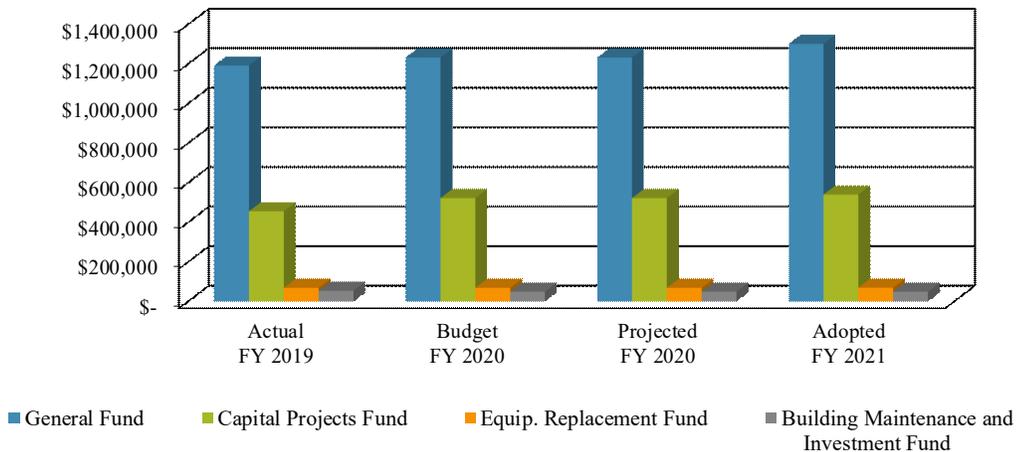


DEPARTMENT DESCRIPTION

This Budget provides for the transfer of \$1,972,466 from the Utility Fund to other funds. Included is a transfer of \$1,301,700 to the General Fund for G&A cost reimbursement, \$540,636 to the Capital Projects Fund, representing the right-of-way use fee, which is 5% on water and sanitary sewer sales, and funding for the Fund's share of Equipment Replacement, Technology Replacement and Building Maintenance & Investment Funds.

TRANSFER SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
General Fund	\$ 1,193,100	\$ 1,232,900	\$ 1,232,900	\$ 1,301,700	5.58%
Capital Projects Fund	456,183	522,893	522,893	540,636	3.39%
Equip. Replacement Fund	69,151	69,151	69,151	70,000	1.23%
Tech. Replacement Fund	10,757	10,630	10,630	10,630	0.00%
Building Maintenance and Investment Fund	54,800	50,000	50,000	49,500	-1.00%
Total Department	\$ 1,783,991	\$ 1,885,574	\$ 1,885,574	\$ 1,972,466	4.61%



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 for the Solid Waste Fund is the accrual basis with the budgetary basis being modified accrual. As part of the budgetary basis, capital purchases are reported as expenditures and depreciation and bad debt expenses are not included in budgeted expenditures.

SOLID WASTE FUND
STATEMENT OF REVENUES & EXPENSES BY DEPARTMENT

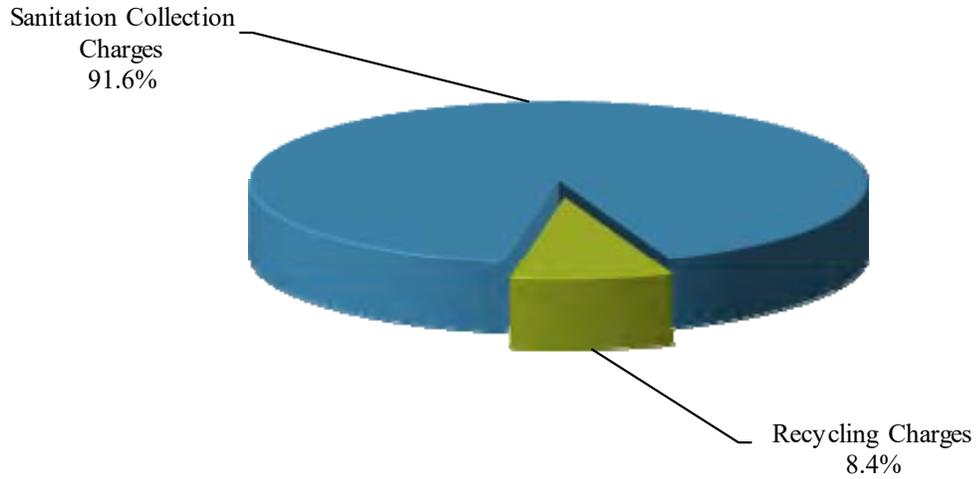
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ -	\$ 130,932	\$ 191,944	\$ 214,719
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,466,140	1,516,399	1,517,540	1,555,269
Miscellaneous	8,023	6,697	4,228	3,159
Total Revenues	\$ 1,474,163	\$ 1,523,096	\$ 1,521,768	\$ 1,558,428
Other Sources:				
Transfers In	\$ 20,000	\$ 25,000	\$ 25,000	\$ 20,000
Total Other Sources	\$ 20,000	\$ 25,000	\$ 25,000	\$ 20,000
Total Revenues/Sources	\$ 1,494,163	\$ 1,548,096	\$ 1,546,768	\$ 1,578,428
EXPENSES - BY DEPARTMENT				
Sanitation Department	\$ 1,333,887	\$ 1,401,278	\$ 1,388,193	\$ 1,431,755
Total Expenses	\$ 1,333,887	\$ 1,401,278	\$ 1,388,193	\$ 1,431,755
Other Uses:				
Transfers Out	\$ 131,000	\$ 135,800	\$ 135,800	\$ 144,600
Total Other Uses	\$ 131,000	\$ 135,800	\$ 135,800	\$ 144,600
Total Expenses/Uses	\$ 1,464,887	\$ 1,537,078	\$ 1,523,993	\$ 1,576,355
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 29,276	\$ 11,018	\$ 22,775	\$ 2,073
ENDING FUND BALANCE	\$ 191,944	\$ 141,950	\$ 214,719	\$ 216,792
Ideal Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balance in Excess of Minimum	\$ 191,944	\$ 141,950	\$ 214,719	\$ 216,792

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

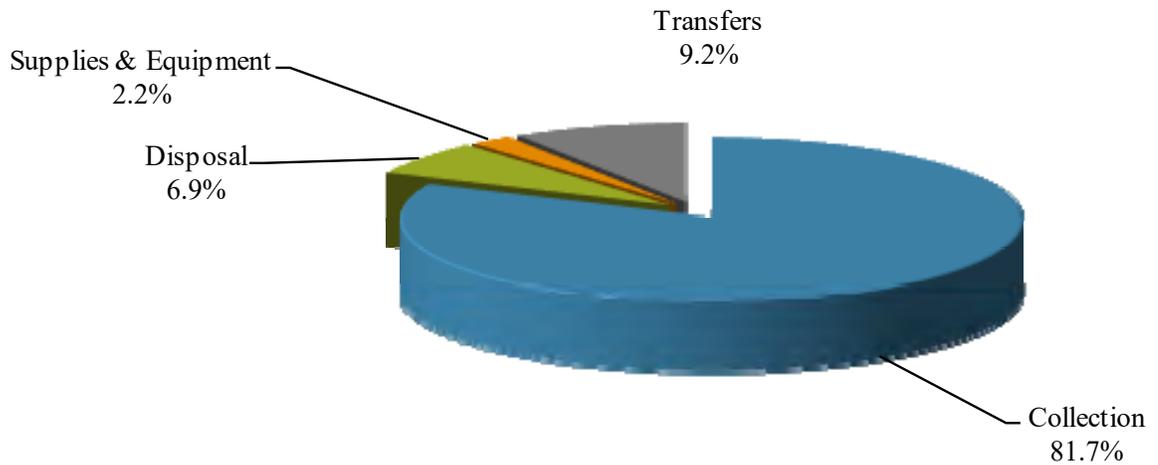
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ -	\$ 130,932	\$ 191,944	\$ 214,719
REVENUES/SOURCES OF FUNDS				
Charges for Services	1,466,140	1,516,399	1,517,540	1,555,269
Miscellaneous	8,023	6,697	4,228	3,159
Total Revenues	\$ 1,474,163	\$ 1,523,096	\$ 1,521,768	\$ 1,558,428
Other Sources:				
Transfers In	\$ 20,000	\$ 25,000	\$ 25,000	\$ 20,000
Total Other Sources	\$ 20,000	\$ 25,000	\$ 25,000	\$ 20,000
Total Revenues/Sources	\$ 1,494,163	\$ 1,548,096	\$ 1,546,768	\$ 1,578,428
EXPENSES - BY TYPE				
Supplies & Equipment	\$ 25,710	\$ 45,000	\$ 26,000	\$ 35,000
Services & Charges	1,308,177	1,356,278	1,362,193	1,396,755
Capital Outlay	-	-	-	-
Total Expenses	\$ 1,333,887	\$ 1,401,278	\$ 1,388,193	\$ 1,431,755
Other Uses:				
Transfers Out	\$ 131,000	\$ 135,800	\$ 135,800	\$ 144,600
Total Other Uses	\$ 131,000	\$ 135,800	\$ 135,800	\$ 144,600
Total Expenses/Uses	\$ 1,464,887	\$ 1,537,078	\$ 1,523,993	\$ 1,576,355
Excess (Deficiency) of Revenues/Sources over Expenses/Uses	\$ 29,276	\$ 11,018	\$ 22,775	\$ 2,073
ENDING FUND BALANCE	\$ 191,944	\$ 141,950	\$ 214,719	\$ 216,792

SOLID WASTE FUND

BUDGETED REVENUES BY TYPE



BUDGETED DISBURSEMENTS BY TYPE



**SOLID WASTE FUND
STATEMENT OF REVENUES**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
Charges For Services				
Sanitation Collection Charges	\$ 1,344,572	\$ 1,394,809	\$ 1,389,806	\$ 1,423,856
Recycling Charges	121,568	121,590	127,734	131,413
Other Charges	-	-	-	-
<i>Subtotal</i>	\$ 1,466,140	\$ 1,516,399	\$ 1,517,540	\$ 1,555,269
Miscellaneous				
Interest	\$ 8,023	\$ 6,697	\$ 4,228	\$ 3,159
Miscellaneous	-	-	-	-
<i>Subtotal</i>	\$ 8,023	\$ 6,697	\$ 4,228	\$ 3,159
Total Revenues	\$ 1,474,163	\$ 1,523,096	\$ 1,521,768	\$ 1,558,428

Sanitation Department



DEPARTMENT DESCRIPTION

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

ACCOMPLISHMENTS OF FISCAL YEAR 2020

- ❖ Provided a quick response on complaints
- ❖ Completed contract administration and coordination with vendors for related services
- ❖ Partnered with University Park to provide two recycling events for both communities
- ❖ Provided recommendations to the Town Council regarding the implementation of a Household Hazardous Waste (HHW) program for residents

OBJECTIVES FOR FISCAL YEAR 2021

- ❖ Provide a quick response on complaints
- ❖ Contract administration and vendor coordination for related services
- ❖ Explore minimizing the Town's waste stream by increasing utilization of the existing recycling program
- ❖ Replace 500 trash and recycling poly carts
- ❖ Continue to participate in the Park Cities Recycling event with the City of University Park
- ❖ Continue the Household Hazardous Waste (HHW) program for residents

MAJOR BUDGET ITEMS

- ❖ Replacement Poly Carts (\$35,000)
- ❖ Service Contracts
 - Solid Waste Collection \$ 1,098,273
 - Recyclables Collection \$ 123,253
 - Household Hazardous Waste \$ 40,000
 - Solid Waste Disposal \$ 109,554
- ❖ Parks Cities Recycling Event \$ 6,000

PERFORMANCE INDICATORS

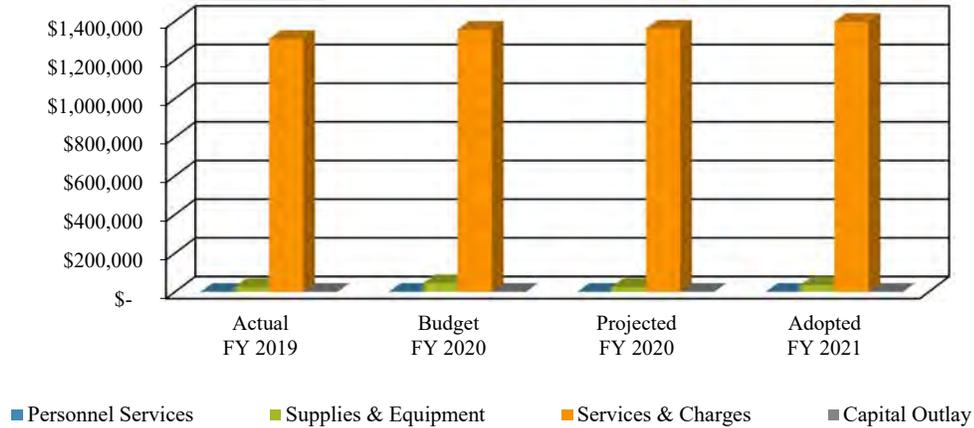
	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Projected
Collection (Tonnage)				
Compacted Waste	6,026	6,207	6,405	6,600
Loose Waste (Brush)	1,375	1,482	1,280	1,325
Recycling	1,096	1,132	1,150	1,180
Contract Expenses				
Collection	\$ 960,097	\$ 1,035,844	\$ 1,067,321	\$ 1,110,014
Disposal	87,097	99,808	109,554	113,936
Recycling	112,852	120,286	123,667	128,614
Cost per Ton				
Collection	\$ 129.73	\$ 134.72	\$ 138.88	\$ 140.06
Disposal	11.77	12.98	14.26	14.38
Recycling	102.97	106.26	107.54	108.99

Sanitation Department



EXPENDITURE SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
Personnel Services	\$ -	\$ -	\$ -	\$ -	N/A
Supplies & Equipment	25,710	45,000	26,000	35,000	-22.22%
Services & Charges	1,308,177	1,356,278	1,362,193	1,396,755	2.98%
Capital Outlay	-	-	-	-	N/A
Total Department	\$ 1,333,887	\$ 1,401,278	\$ 1,388,193	\$ 1,431,755	2.17%



Transfer to Other Funds

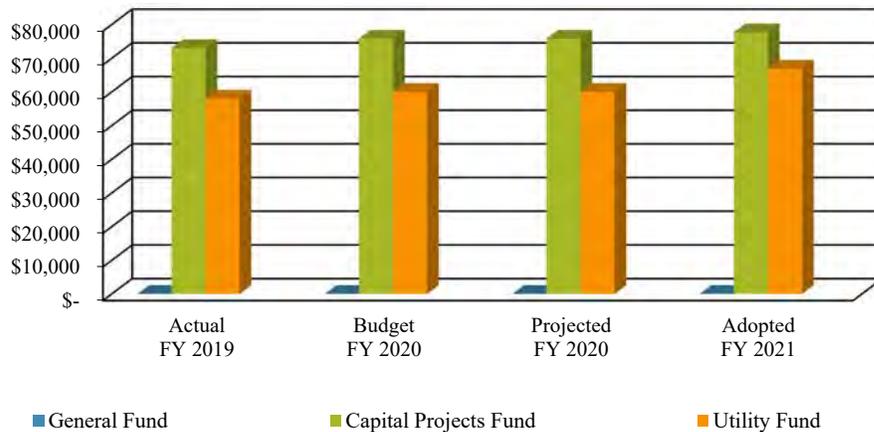


DEPARTMENT DESCRIPTION

This Budget provides for the transfer of \$144,600 from the Solid Waste Fund to other funds. Included is a transfer of \$77,700 to the Capital Projects Fund, representing the franchise fee, which is 5% on solid waste collection and recycling charges, and \$66,900 to the Utility Fund representing administrative costs for billing and collection of operations.

TRANSFER SUMMARY

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted	% Change 2020 to 2021
General Fund	\$ -	\$ -	\$ -	\$ -	N/A
Capital Projects Fund	73,000	75,800	75,800	77,700	2.51%
Utility Fund	58,000	60,000	60,000	66,900	11.50%
Total Department	\$ 131,000	\$ 135,800	\$ 135,800	\$ 144,600	6.48%



OTHER FUNDS

Storm Water Drainage Fund – 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.

Truancy Prevention Fund – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to juvenile case managers.

Municipal Jury Fund – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to juror reimbursements.

Court Technology Fund – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to technological enhancements for Municipal Court.

Court Security Fund – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to security for Municipal Court.

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.

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

The Town of Highland Park, as of September 30, 2020, does not have any outstanding debt. The Town funds capital projects on a pay-as-you-go basis and does not maintain a debt service fund.

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

STORM WATER UTILITY FUND

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

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

In addition to funding the Town's supplies of pet mits, \$5,100, maintained throughout the Town's parks, and \$40,000 for incidental repair and maintenance projects, an additional \$25,200 is provided for waterway improvements and creek cleaning, this budget also provides \$200,000 to fund improvements to Hackberry Creek, \$400,000 for drainage easement projects, \$300,000 for system-wide studies and \$400,000 for Douglas Park drainage improvement and landscaping.

The budgetary and accounting basis for the Storm Water Utility Fund is the modified accrual basis.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 117.

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

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 2,577,687	\$ 2,569,297	\$ 2,704,034	\$ 2,131,834
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ 413,844	\$ 423,709	\$ 426,347	\$ 433,031
Interest	90,689	23,495	55,412	35,705
Miscellaneous	10	-	-	-
Total Revenues	\$ 504,543	\$ 447,204	\$ 481,759	\$ 468,736
Other Sources:				
Transfers In	\$ 350,000	\$ 350,000	\$ 350,000	\$ 175,000
Total Other Sources:	350,000	350,000	350,000	175,000
Total Revenues/Sources:	\$ 854,543	\$ 797,204	\$ 831,759	\$ 643,736
EXPENSES/USES OF FUNDS				
Supplies & Equipment	5,836	7,100	7,100	7,100
Services & Charges	55,808	78,800	100,760	136,200
Capital Outlay	552,952	2,140,000	1,180,000	1,600,000
Total Expenditures	\$ 614,596	\$ 2,225,900	\$ 1,287,860	\$ 1,743,300
Transfers	113,600	116,099	116,099	103,300
Total Expenditures/Uses of Funds	\$ 728,196	\$ 2,341,999	\$ 1,403,959	\$ 1,846,600
Excess of Revenues/Sources Over Expenses/Uses	\$ 126,347	\$ (1,544,795)	\$ (572,200)	\$ (1,202,864)
ENDING FUND BALANCE	\$ 2,704,034	\$ 1,159,239	\$ 2,131,834	\$ 928,970

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is the financial structure used for the accounting of the receipt of resources (revenues and transfers) and the use of resources primarily for the acquisition of the Town's rolling stock. Each operational department within the General and Utility Funds is charged for the cost of use of their respectively assigned vehicles and equipment at a rate equal to the straight-line depreciation of original cost adjusted for inflation to insure adequate funding is provided at the time of replacement. The incurred costs are recorded as expenditures/expenses within the respective funds and as revenues in the Equipment Replacement Fund on the accrual basis of accounting. The basis of accounting for the Equipment Replacement Fund is the accrual basis with the budgetary basis being modified accrual. As part of the budgetary basis, capital purchases are reported as expenditures and depreciation expense is not included in budgeted expenditures.

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

This budget provides funding for the purchase of one vehicle for the Parks Department, one truck for the Water Department, and two administrative public safety units for the Department of Public Safety.

EQUIPMENT REPLACEMENT FUND STATEMENT OF REVENUES & EXPENDITURES

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 2,639,405	\$ 2,986,408	\$ 2,956,519	\$ 3,499,472
REVENUES/SOURCES OF FUNDS				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Interest	280,690	72,415	51,114	36,794
Sale of Assets	77,000	32,000	70,510	20,500
Contributions	-	-	-	-
Total Revenues	\$ 357,690	\$ 104,415	\$ 121,624	\$ 57,294
Transfers	542,721	649,151	649,151	610,000
Total Revenues/Sources	\$ 900,411	\$ 753,566	\$ 770,775	\$ 667,294
EXPENDITURES/USES OF FUNDS				
Vehicle Disposal	\$ 1,650	\$ 2,400	\$ 4,714	\$ 1,538
Rolling Stock Acquisition	581,647	117,963	39,650	152,508
Equipment Acquisition	-	183,458	183,458	-
Total Expenditures	\$ 583,297	\$ 303,821	\$ 227,822	\$ 154,046
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 583,297	\$ 303,821	\$ 227,822	\$ 154,046
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 317,114	\$ 449,745	\$ 542,953	\$ 513,248
ENDING FUND BALANCE	\$ 2,956,519	\$ 3,436,153	\$ 3,499,472	\$ 4,012,720

EQUIPMENT INVENTORY AND REPLACEMENT SCHEDULE

Department/ Equipment Type	VIN (Last 4)	Equipment Make	Equipment Model	Year Purchased	Scheduled Replacement
PUBLIC SAFETY					
Administration	7995	Chevrolet Tahoe	2013	2013	2021
Administration	4941	Chevrolet Tahoe	2015	2015	2022
Administration	5084	Ford SUV	2016	2016	2021
Command Vehicle	5082	Ford SUV	2016	2016	Retire 2021
CID	6193	Chevrolet Tahoe	2015	2014	2022
CID	6569	Chevrolet Tahoe	2015	2014	2022
CID	4620	Chevrolet Tahoe	2015	2015	2022
Fire Apparatus	2259	Spartan	2000	2000	2022
Fire Apparatus	2082	Pierce	2011	2011	2032
Fire Apparatus	8465	Pierce	2017	2017	2038
MICU	3067	International	2006	2006	2022
MICU	6639	International	2010	2010	2025
MICU	2794	International	2018	2017	2032
Animal Services	1769	Dodge	2013	2013	2022
Police	1769	Chevrolet Tahoe	2017	2017	2022
Police	1857	Chevrolet Tahoe	2017	2017	2022
Police	713	Chevrolet Tahoe	2017	2017	2022
Police	7888	Chevrolet Tahoe	2019	2019	2024
Police	8694	Chevrolet Tahoe	2019	2019	2024
Police	8004	Chevrolet Tahoe	2019	2019	2024
Police	9427	Chevrolet Tahoe	2019	2019	2024
Police	8074	Chevrolet Tahoe	2019	2019	2024
Motorcycle Unit	0035	Honda	2015	2016	2022
Motorcycle Unit	0029	Honda	2016	2018	2023
STREET					
Dump Truck	4906	Ford	2019	2019	2029
Pickup	3663	Chevrolet	2018	2018	2023
Pickup	9414	Chevrolet	2018	2018	2023
Asphalt Roller	1008	Bomag	2015	2015	2025
Snow Plow	5953	Ford	2010	2010	2025
STREET LIGHTING					
Truck w/ Arial lift	7821	Ford	2019	2020	2030
Pickup	1837	Chevrolet	2012	2012	2022
PARKS					
Truck w/ Arial lift	8247	Chevrolet	2008	2008	2022
Pickup	1319	Chevrolet	2018	2018	2023
Truck w/ Landscape body	3818	Chevrolet	2018	2018	2025
Pickup	5690	Chevrolet	2018	2018	2025
Pickup	9970	Chevrolet	2013	2013	2020
Van	3073	Chevrolet	2013	2013	2021
Truck w/ Landscape body	6582	Chevrolet	2012	2012	Unscheduled
SERVICE CENTER					
Front-End Loader	758	Case	2011	2011	2022
WATER					
Pickup	0678	Chevrolet	2013	2013	2021
Pickup	9155	Chevrolet	2013	2013	2022
Pickup	6902	Chevrolet	2018	2018	2025
Pickup	6245	Chevrolet	2018	2018	2025
SEWER					
Truck-4 ½ Ton w/ Flusher	8644	Ford	2019	2019	2026
Dump Truck	1795	Ford	2019	2020	2029
Loader/Backhoe	0257	John Deere	2012	2012	2022
Pickup	0486	Chevrolet	2018	2018	2025
Backhoe	5634	Case	2014	2014	2024

TECHNOLOGY REPLACEMENT FUND

The Technology Replacement Fund accounts for the Town's investment in technology equipment. This type of equipment includes computers, servers, radios, telephones, and networking assets. All assets are scheduled for replacement based upon estimated useful life that covers the respective warranty periods of the assets.

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

- Replacement of tasers (\$136,375) and body cameras (\$245,870) for the Department of Public Safety.

The basis of accounting for the Technology Replacement Fund is the accrual basis with the budgetary basis being modified accrual. As part of the budgetary basis, capital purchases are reported as expenditures, and depreciation expense is not included in budgeted expenditures.

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 1,871,064	\$ 2,359,493	\$ 2,364,308	\$ 2,850,501
REVENUES/SOURCES OF FUNDS				
Interest	\$ 92,875	\$ 53,680	\$ 42,314	\$ 28,535
Sale of Assets	135	1,000	-	-
Contributions	-	-	-	-
Total Revenues	\$ 93,010	\$ 54,680	\$ 42,314	\$ 28,535
Transfers	597,598	590,557	590,557	590,557
Total Revenues/Sources	\$ 690,608	\$ 645,237	\$ 632,871	\$ 619,092
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Technology Equipment Acquisition	197,364	146,678	146,678	382,245
Total Expenditures	\$ 197,364	\$ 146,678	\$ 146,678	\$ 382,245
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 197,364	\$ 146,678	\$ 146,678	\$ 382,245
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 493,244	\$ 498,559	\$ 486,193	\$ 236,847
ENDING FUND BALANCE	\$ 2,364,308	\$ 2,858,052	\$ 2,850,501	\$ 3,087,348

BUILDING MAINTENANCE & INVESTMENT FUND

The Building Maintenance and Investment Fund was established to insure adequate funding for the maintenance and operation of the Town's newly renovated Town Hall as well as the Town's Service Center, which houses Parks and Public Works operations. A major objective for FY 2020-21 will be the continued development of a replacement schedule of major equipment and materials of the Town Hall building while strengthening the fund balance.

Revenues to support the budget of this fund are derived from transfers from the General and Utility Fund based on the number of employees within each fund that utilize the Town Hall and Service Center buildings. With completion of a maintenance and replacement schedule, future funding will be computed accordingly. The budgetary and accounting basis for the Building Maintenance & Investment Fund is the modified accrual basis.

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

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 806,075	\$ 974,990	\$ 895,778	\$ 1,036,675
REVENUES/SOURCES OF FUNDS				
Interest	\$ 27,200	\$ 20,948	\$ 16,150	\$ 10,709
Miscellaneous	16,489	15,500	18,082	18,516
Total Revenues	\$ 43,689	\$ 36,448	\$ 34,232	\$ 29,225
Transfers	478,600	478,000	478,000	477,300
Total Revenues/Sources	\$ 522,289	\$ 514,448	\$ 512,232	\$ 506,525
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 41,823	\$ 44,750	\$ 46,100	\$ 38,550
Services & Charges	390,763	282,592	296,237	316,304
Capital Outlay	-	75,633	28,998	47,525
Total Expenditures	\$ 432,586	\$ 402,975	\$ 371,335	\$ 402,379
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 432,586	\$ 402,975	\$ 371,335	\$ 402,379
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 89,703	\$ 111,473	\$ 140,897	\$ 104,146
ENDING FUND BALANCE	\$ 895,778	\$ 1,086,463	\$ 1,036,675	\$ 1,140,821

FORFEITED PROPERTY FUND

The Forfeited Property Fund was established as set forth by Title 1, Chapter 59 of the Texas Code of Criminal Procedures and accounts for all forfeitures of seized contraband awarded to the Town's Department of Public Safety (DPS) by the State of Texas.

Proceeds from the sale of forfeited property are allocated, after the deduction of court costs, with forty percent of the proceeds going to the DPS. The proceeds may not be used to offset or decrease total salaries, expenses, and allowances that the Department of Public Safety receives as part of their operating budget and must be used solely for law enforcement purposes only.

The budgetary and accounting basis for the Forfeited Property Fund is the modified accrual basis.

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 21,531	\$ 26,619	\$ 26,637	\$ 27,417
REVENUES/SOURCES OF FUNDS				
Forfeitures	\$ 4,493	\$ 2,500	\$ 1,361	\$ 2,500
Interest	613	450	419	241
Total Revenues	\$ 5,106	\$ 2,950	\$ 1,780	\$ 2,741
Transfers	-	-	-	-
Total Revenues/Sources	\$ 5,106	\$ 2,950	\$ 1,780	\$ 2,741
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	-	1,000	1,000	1,000
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ -	\$ 1,000	\$ 1,000	\$ 1,000
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 5,106	\$ 1,950	\$ 780	\$ 1,741
Fund Balance	\$ 26,637	\$ 28,569	\$ 27,417	\$ 29,158

TRUANCY PREVENTION FUND

In 2019, the Texas Legislature approved SB 346 that repealed all of the statutes that set forth the municipal court costs and reorganized the allocation of those costs into one statute. Local Government Code Section 134.103 “Local Consolidated Fee on Conviction of Nonjailable Misdemeanor” now sets out statutory requirements for the collection, accounting and expenditure of the \$14 consolidated court cost assessed and retained locally on these convictions. Texas statutes require the establishment of a separate fund to account for 35.7143% of this fee to be dedicated towards local truancy prevention and diversion.

These funds may only be used to finance the salary, benefits, training, travel expenses, office supplies, and other necessary expenses relating to the position of juvenile case manager. Money may not be used to supplement the income of an employee whose primary role is not juvenile case management.

The budgetary and accounting basis for the Truancy Prevention Fund is the modified accrual basis.

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ 12,904
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ -	\$ -	\$ 12,872	\$ 24,000
Interest	-	-	32	96
Total Revenues	\$ -	\$ -	\$ 12,904	\$ 24,096
Transfers	-	-	-	-
Total Revenues/Sources	\$ -	\$ -	\$ 12,904	\$ 24,096
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ -	\$ -	\$ 12,904	\$ 24,096
Fund Balance	\$ -	\$ -	\$ 12,904	\$ 37,000

MUNICIPAL JURY FUND

In 2019, the Texas Legislature approved SB 346 that repealed all of the statutes that set forth the municipal court costs and reorganized the allocation of those costs into one statute. Local Government Code Section 134.103 “Local Consolidated Fee on Conviction of Nonjailable Misdemeanor” now sets out statutory requirements for the collection, accounting and expenditure of the \$14 consolidated court cost assessed and retained locally on these convictions. Texas statutes require the establishment of a separate fund to account for .7143% of this fee to be accounted for within a Municipal Jury Fund.

These funds may only be used by the municipality to fund juror reimbursements and otherwise finance jury services.

The budgetary and accounting basis for the Municipal Jury Fund is the modified accrual basis.

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ 288
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ -	\$ -	\$ 287	\$ 480
Interest	-	-	1	6
Total Revenues	\$ -	\$ -	\$ 288	\$ 486
Transfers	-	-	-	-
Total Revenues/Sources	\$ -	\$ -	\$ 288	\$ 486
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ -	\$ -	\$ -	\$ -
Service & Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures/Uses	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ -	\$ -	\$ 288	\$ 486
Fund Balance	\$ -	\$ -	\$ 288	\$ 774

COURT TECHNOLOGY FUND

In 2019, the Texas Legislature approved SB 346 that repealed all of the statutes that set forth the municipal court costs and reorganized the allocation of those costs into one statute. Local Government Code Section 134.103 “Local Consolidated Fee on Conviction of Nonjailable Misdemeanor” now sets out statutory requirements for the collection, accounting and expenditure of the \$14 consolidated court cost assessed and retained locally on these convictions. Texas statutes require the establishment of a separate fund to account for 28.5714% of this fee to be accounted for within a Court Technology Fund.

These funds may only be used to finance the purchase, or to maintain, technological enhancements for the municipal court.

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

This Budget includes appropriations for software, hardware, website maintenance contracts, and other Court technology related expenditures (\$28,069).

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

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 95,836	\$ 110,787	\$ 109,839	\$ 101,684
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 38,722	\$ 36,178	\$ 29,518	\$ 35,977
Interest	2,577	1,906	1,449	1,014
Total Revenues	\$ 41,299	\$ 38,084	\$ 30,967	\$ 36,991
Transfers	-	-	-	-
Total Revenues/Sources	\$ 41,299	\$ 38,084	\$ 30,967	\$ 36,991
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 3,852	\$ 3,852	\$ 3,968	\$ 4,044
Service & Charges	23,444	22,900	21,594	24,025
Capital Outlay	-	15,915	13,560	-
Total Expenditures/Uses	\$ 27,296	\$ 42,667	\$ 39,122	\$ 28,069
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 14,003	\$ (4,583)	\$ (8,155)	\$ 8,922
Fund Balance	\$ 109,839	\$ 106,204	\$ 101,684	\$ 110,606

COURT SECURITY FUND

In 2019, the Texas Legislature approved SB 346 that repealed all of the statutes that set forth the municipal court costs and reorganized the allocation of those costs into one statute. Local Government Code Section 134.103 “Local Consolidated Fee on Conviction of Nonjailable Misdemeanor” now sets out statutory requirements for the collection, accounting and expenditure of the \$14 consolidated court cost assessed and retained locally on these convictions. Texas statutes require the establishment of a separate fund to account for 35% of this fee to be accounted for within a Court Security Fund.

Funds may only be used for security personnel, services, and items related to buildings that house the operation of the municipal court.

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

This Budget provides for a transfer of \$24,600 to the General Fund for the services of the part-time position of Town Marshall/Bailiff.

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

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 8,071	\$ 13,137	\$ 12,834	\$ 14,597
REVENUES/SOURCES OF FUNDS				
Court Fees	\$ 29,041	\$ 28,943	\$ 26,126	\$ 39,665
Interest	322	251	237	127
Total Revenues	\$ 29,363	\$ 29,194	\$ 26,363	\$ 39,792
Transfers	-	-	-	-
Total Revenues/Sources	\$ 29,363	\$ 29,194	\$ 26,363	\$ 39,792
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Transfers	24,600	24,600	24,600	24,600
Total Expenditures/Uses	\$ 24,600	\$ 24,600	\$ 24,600	\$ 24,600
Excess Revenues/Sources Over Expenditures/Uses	\$ 4,763	\$ 4,594	\$ 1,763	\$ 15,192
ENDING FUND BALANCE	\$ 12,834	\$ 17,731	\$ 14,597	\$ 29,789

LIBRARY FUND

The Library Fund was created in 2012 to account for proceeds bequeathed to the Highland Park Library by Addison P. Moore. Before Mr. Moore’s passing, he showed a keen interest in technology and had discussions with the Librarian regarding technology used by the Library. In the spirit of Mr. Moore’s interests, this fund is used primarily to improve technology in the Town’s Library.

Annual Library Donations received in this fund include revenue producing assets received from the Addison P. Moore estate.

The FY 2020-21 Adopted Budget includes funding for the purpose of a book bicycle and related storage, as well as additional book purchases.

The budgetary and accounting basis for the Library Fund is the modified accrual basis.

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 235,953	\$ 250,169	\$ 253,500	\$ 264,994
REVENUES/SOURCES OF FUNDS				
Interest	\$ 6,555	\$ 5,000	\$ 3,334	\$ 2,580
Library Donations	36,737	10,000	34,719	39,980
Total Revenues	\$ 43,292	\$ 15,000	\$ 38,053	\$ 42,560
Transfers	-	-	-	-
Total Revenues/Sources	\$ 43,292	\$ 15,000	\$ 38,053	\$ 42,560
EXPENDITURES/USES OF FUNDS				
Supplies & Equipment	\$ 24,786	\$ 6,480	\$ 25,560	\$ 32,480
Services & Charges	959	1,020	999	1,000
Total Expenditures	\$ 25,745	\$ 7,500	\$ 26,559	\$ 33,480
Transfers	-	-	-	-
Total Expenditures/Uses	\$ 25,745	\$ 7,500	\$ 26,559	\$ 33,480
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 17,547	\$ 7,500	\$ 11,494	\$ 9,080
ENDING FUND BALANCE	\$ 253,500	\$ 257,669	\$ 264,994	\$ 274,074

DPS TECHNOLOGY FUND

The Department of Public Safety Technology Fund was established during FY 2014 to account for receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety, specifically resources received from the subleasing of telecommunications facilities located on Town property. These resources will be used to fund technological improvements related to public safety within the Town. Revenues for FY 2020-21 are anticipated to be \$93,396 with an accumulated fund balance projected to be \$286,034.

The budgetary and accounting basis for the DPS Technology Fund is the modified accrual basis.

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 264,537	\$ 278,958	\$ 276,129	\$ 283,166
REVENUES/SOURCES OF FUNDS				
Interest	\$ 7,285	\$ 5,615	\$ 3,689	\$ 2,868
Fiber Line Lease Receipts	87,307	87,180	90,528	90,528
Total Revenues	\$ 94,592	\$ 92,795	\$ 94,217	\$ 93,396
Transfers	-	-	-	-
Total Revenues/Sources	\$ 94,592	\$ 92,795	\$ 94,217	\$ 93,396
EXPENDITURES/USES OF FUNDS				
Services & Charges	\$ -	\$ -	\$ -	\$ -
Technology Equipment Acquisition	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Transfers	83,000	87,180	87,180	90,528
Total Expenditures/Uses	\$ 83,000	\$ 87,180	\$ 87,180	\$ 90,528
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 11,592	\$ 5,615	\$ 7,037	\$ 2,868
ENDING FUND BALANCE	\$ 276,129	\$ 284,573	\$ 283,166	\$ 286,034

DEBT

Legal Debt Margin Information And Debt Service Status

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

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

The Town of Highland Park, as of September 30, 2020, does not have any outstanding debt. The FY 2020-21 Adopted Budget does not include any issuance of debt to fund short-term or long-range capital projects. The Town funds capital projects on a pay-as-you-go basis.

The Town is permitted by Article XI, Section 5, of the *State of Texas Constitution* to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 0.0%.

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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.).

CAPITAL PROJECTS FUND

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

Since 1980, the Town has been aggressive in funding all capital outlay and large dollar maintenance needs through current revenues and reserves. The Town has been managed to fund its capital program without incurring additional debt and intends to continue operating on a pay-as-you-go basis.

The FY 2020-21 Adopted Budget includes transfers to the Capital Projects Fund from the General, Utility, and Solid Waste Funds. The transfers from the General Fund include growth in property values over several years (see page 118) and are earmarked specifically for capital projects. This, in conjunction with the ten-year financial model, (see pages 134 - 135) are used to plan capital needs while not impacting the General Fund's operating budget or reducing Town services offered to the community. The detail regarding these transfers is presented on pages 71, 88, and 96. In addition to these transfers, the Town's Financial Management Policies also provide for the transfer of any annual operating surplus realized by the General Fund for each preceding fiscal year.

With the completion of the major renovation of Town Hall in fiscal year 2013-14, one of the most extensive projects undertaken by the Town, the Town Council has returned its attention to the maintenance and preservation of the Town's public infrastructure, including road and bridges, utility lines, inlets, parks, traffic signs and signals, and other major technology projects.

The budget for the Capital Projects Fund includes funding for the Project 25 Public Safety Radio System of \$425,874, which has been funded over the course of three fiscal years, \$1,123,286 for the 2021 right-of-way rehabilitation program, \$496,000 for the Lakeside Drive reconstruction project, \$1,250,000 for the Abbott Avenue rehabilitation project, \$490,000 in park facilities improvements, and \$1,050,000 for the Armstrong Avenue rehabilitation project.

Lastly, this budget includes reimbursement of \$179,657 in personnel costs to the Utility Fund, representing that portion of Engineering Department personnel costs associated with Capital Projects Fund funded projects, and a transfer of \$175,000 to the Storm Water Utility Fund to assist in funding improvements to the Town's storm water drainage system.

For more information concerning the Town's infrastructure maintenance and replacement program, please refer to the Capital Improvement Program on page 117.

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

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Adopted
BEGINNING FUND BALANCE	\$ 3,563,142	\$ 6,219,231	\$ 5,204,261	\$ 2,837,587
REVENUES/SOURCES OF FUNDS				
Interest	\$ 215,483	\$ 140,190	\$ 114,241	\$ 21,796
Contributions	5,193,320	2,201,814	2,386,814	2,157,231
Total Revenues	\$ 5,408,803	\$ 2,342,004	\$ 2,501,055	\$ 2,179,027
Transfers	4,077,758	3,804,105	3,641,978	3,053,916
Total Revenues/Sources	\$ 9,486,561	\$ 6,146,109	\$ 6,143,033	\$ 5,232,943
EXPENDITURES/USES OF FUNDS				
Capital Projects	\$ 7,324,442	\$ 8,037,381	\$ 7,834,432	\$ 5,020,160
Total Expenditures	\$ 7,324,442	\$ 8,037,381	\$ 7,834,432	\$ 5,020,160
Transfers	521,000	675,275	675,275	354,657
Total Expenditures/Uses	\$ 7,845,442	\$ 8,712,656	\$ 8,509,707	\$ 5,374,817
Excess (Deficiency) of Revenues/Sources Over Expenditures/Uses	\$ 1,641,119	\$ (2,566,547)	\$ (2,366,674)	\$ (141,874)
ENDING FUND BALANCE ¹	\$ 5,204,261	\$ 3,652,684	\$ 2,837,587	\$ 2,695,713

¹ The DPS Technology Fund Balance is not included in the Fund Balance on this schedule but has been incorporated into the Fund Balance detailed on the Capital Projects Fund Ten Year Forecast schedule

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TEN YEAR CAPITAL IMPROVEMENT PLAN

TOWN OF HIGHLAND PARK, TEXAS

CAPITAL PROJECTS FUND

FISCAL YEARS 2021-2030

Project/Funding Source	2019-20	2020-21	2021-22	2022-23	2023-24
Beginning Balance	\$ 5,480,390	\$ 3,113,716	\$ 2,971,842	\$ 4,002,068	\$ 3,030,667
Annual Project Funding					
General Fund CIP Transfer	\$ 1,166,721	\$ 1,191,222	\$ 1,216,238	\$ 1,241,779	\$ 1,267,856
Solid Waste Fund 5% Transfer	75,800	77,700	78,477	79,262	80,055
Utility Fund 5% W&S Transfer	522,893	540,636	546,042	551,502	557,017
Supplemental General Fund Transfer	381,104	(254,450)	(146,518)	(75,059)	(11,136)
Increased CIP Revenue from Growth in Property Values - 2014	342,651	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	705,188
Increased CIP Revenue from Growth in Property Values - 2016	360,441	360,441	360,441	360,441	360,441
Contributions - DART	1,701,814	1,607,231	1,643,020	1,891,543	1,957,906
Intergovernmental Revenue		104,000		-	
University Park	185,000	196,000	885,000	1,300,000	-
NTxCOG					-
NTTA	-	-	-	-	-
Dallas County MCIP	-	-	525,000	500,000	1,500,000
Dallas County Road and Bridge	500,000	250,000	-	-	
Transfer from DPS Technology Fund	87,180	90,528	93,244	96,041	98,922
Interest Revenue	114,241	21,796	59,437	100,052	75,767
Total Annual Project Funding	\$ 6,143,033	\$ 5,232,943	\$ 6,308,220	\$ 7,093,400	\$ 6,934,667
Expenditures					
Project 25 Public Safety Radio System	\$ 3,044,055	\$ 425,874	\$ -	\$ -	\$ -
Tennis Court Reconstruction	200,000	-	-	-	-
Street Light Painting	25,000	25,000	25,000	25,000	25,000
Preston Road Parkway Improvements	550,000	-	-	-	-
Town Hall Security Enhancements	120,000	-	-	-	-
Armstrong Parkway - Landscape, Lighting, and Irrigation Impr.	-	-	250,000	-	-
Park Renovation/Rehabilitation Program***	400,000	490,000	211,885	218,665	225,662
Street Resurfacing & Miscellaneous Concrete	1,039,377	1,123,286	1,106,961	1,142,384	1,178,940
Overhill Drive Reconstruction - St. John to St. John	740,000	-	-	-	-
Transportation Improvement Project	-	160,000	-	-	1,200,000
Lakeside Drive Reconstruction & 30" Sewer Line	376,000	496,000	2,300,000	3,500,000	-
Airline Drive Rehabilitation	610,000	-	-	-	-
Mockingbird Lane (East) Rehabilitation	730,000	-	-	-	-
Abbott Avenue Rehabilitation - Harvard to Mockingbird	-	1,250,000	-	-	-
Armstrong Avenue Rehabilitation - Lakeside Drive to Katy Trail	-	1,050,000	-	-	-
Mockingbird Lane (West) Reconstruction	-	-	1,050,000	-	-
Westside Drive Reconstruction - Lemmon to Mockingbird Ln	-	-	-	2,840,000	-
Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln	-	-	-	-	1,960,000
Preston Road/Armstrong/Lakeside Drive Intersection Reconstruction	-	-	-	-	400,000
Armstrong Parkway Rehabilitation - Douglas to Mockingbird	-	-	-	-	-
Abbott Avenue Reconstruction - Armstrong to Harvard	-	-	-	-	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	-	-	-	-	-
Roland Avenue Reconstruction - Mockingbird Ln to Bordeaux Av	-	-	-	-	-
Douglas Avenue Reconstruction - South Town Limits to Beverly	-	-	-	-	-
Douglas Avenue Reconstruction - Beverly to North Town Limits	-	-	-	-	-
Lomo Alto Drive Reconstruction - Lorraine Ave. to Mockingbird Ln.	-	-	-	-	-
Lomo Alto Drive Reconstruction - Lemmon to Lorraine	-	-	-	-	-
Total Expenditures	\$ 7,834,432	\$ 5,020,160	\$ 4,943,846	\$ 7,726,049	\$ 4,989,602
Transfers-Out					
Storm Water Fund and Utility Fund	\$ 500,000	\$ 175,000	\$ 150,000	\$ 150,000	\$ 150,000
Project Personnel Costs	175,275	179,657	184,148	188,752	193,471
Total Transfers-Out	\$ 675,275	\$ 354,657	\$ 334,148	\$ 338,752	\$ 343,471
Total Expenditures & Transfers Out	\$ 8,509,707	\$ 5,374,817	\$ 5,277,994	\$ 8,064,801	\$ 5,333,073
Ending Balance*	\$ 3,113,716	\$ 2,971,842	\$ 4,002,068	\$ 3,030,667	\$ 4,632,261
Construction Contingency	\$ 2,000,000				
Over(Under) Contingency	\$ 1,113,716	\$ 971,842	\$ 2,002,068	\$ 1,030,667	\$ 2,632,261

* Includes DPS Technology Fund Balance.

**Excludes FY 2019-20.

***For FY 2021 this project includes a swimming pool & playground assessment.

2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total**
\$ 4,632,261	\$ 3,066,957	\$ 2,929,256	\$ 2,326,807	\$ 3,310,994	\$ 3,129,932	\$ 3,113,716
\$ 1,294,481	\$ 1,321,665	\$ 1,349,420	\$ 1,377,758	\$ 1,406,691	\$ 1,436,232	\$ 13,103,342
80,856	81,665	82,482	83,307	84,140	84,981	812,925
562,587	568,213	573,895	579,634	585,430	591,284	5,656,240
47,239	120,055	192,300	263,962	335,029	505,488	976,910
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	7,051,880
360,441	360,441	360,441	360,441	360,441	360,441	3,604,410
2,026,414						9,126,114
						104,000
-	-	-	-	-	-	2,381,000
2,500,000	2,500,000					5,000,000
-	-	-	-	-	-	-
3,400,000	645,000	876,000	716,500	1,150,000	1,300,000	10,612,500
-		250,000				500,000
101,890	104,947	108,095	111,338	114,678	118,119	1,037,802
115,807	76,674	73,231	58,170	82,775	78,248	741,956
\$ 11,537,554	\$ 6,826,499	\$ 4,913,704	\$ 4,598,949	\$ 5,167,023	\$ 5,522,632	\$ 64,135,589
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	425,874
-	-	-	-	-	-	-
25,000	25,000	25,000	25,000	25,000	25,000	250,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	250,000
232,883	240,335	248,026	255,963	264,154	272,607	2,660,180
1,216,666	1,255,599	1,295,778	1,337,243	1,380,035	1,424,196	12,461,088
-	-	-	-	-	-	-
3,600,000	3,600,000	-	-	-	-	8,560,000
-	-	-	-	-	-	6,296,000
-	-	-	-	-	-	-
-	-	-	-	-	-	1,250,000
-	-	-	-	-	-	1,050,000
-	-	-	-	-	-	1,050,000
-	-	-	-	-	-	2,840,000
-	-	-	-	-	-	1,960,000
4,000,000	-	-	-	-	-	4,400,000
-	-	1,637,000	-	-	-	1,637,000
2,050,000	-	-	-	-	-	2,050,000
1,630,000	-	-	-	-	-	1,630,000
-	1,290,000	-	-	-	-	1,290,000
-	-	1,752,000	-	-	-	1,752,000
-	-	-	1,433,000	-	-	1,433,000
-	-	-	-	-	2,600,000	2,600,000
-	-	-	-	3,110,000	-	3,110,000
\$ 12,754,549	\$ 6,410,934	\$ 4,957,804	\$ 3,051,206	\$ 4,779,189	\$ 4,321,803	\$ 58,955,142
\$ 150,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 2,525,000
198,308	203,266	208,348	213,557	218,896	224,368	2,012,771
\$ 348,308	\$ 553,266	\$ 558,348	\$ 563,557	\$ 568,896	\$ 574,368	\$ 4,537,771
\$ 13,102,857	\$ 6,964,200	\$ 5,516,152	\$ 3,614,763	\$ 5,348,085	\$ 4,896,171	\$ 63,492,913
\$ 3,066,957	\$ 2,929,256	\$ 2,326,807	\$ 3,310,994	\$ 3,129,932	\$ 3,756,392	\$ 3,756,392
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 1,066,957	\$ 929,256	\$ 326,807	\$ 1,310,994	\$ 1,129,932	\$ 1,756,392	\$ 1,756,392

TOWN OF HIGHLAND PARK, TEXAS

STORM WATER FUND

FISCAL YEARS 2021-2030

Project/Funding Source	2019-20	2020-21	2021-22	2022-23	2023-24
Beginning Balance	\$ 2,704,034	\$ 2,131,834	\$ 928,970	\$ 752,216	\$ 100,659
Revenues					
Storm Water Charges	\$ 426,347	\$ 433,031	\$ 441,692	\$ 450,968	\$ 460,438
Interest Earnings	55,412	35,705	18,579	15,044	2,013
Total Revenues	\$ 481,759	\$ 468,736	\$ 460,271	\$ 466,012	\$ 462,451
Transfers - In	350,000	175,000	150,000	150,000	100,000
Total Revenues & Transfers - In	\$ 831,759	\$ 643,736	\$ 610,271	\$ 616,012	\$ 562,451
Expenditures					
Supplies & Equipment	\$ 7,100	\$ 7,100	\$ 7,256	\$ 7,416	\$ 7,579
Services & Charges	100,760	136,200	139,196	142,258	145,388
Total Operating Expenditures	\$ 107,860	\$ 143,300	\$ 146,452	\$ 149,674	\$ 152,967
Capital Outlay:					
Drainage Studies	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Stormwater Drainage Study Phase I	-	200,000	-	-	-
Master Plan & Improvements for Hackberry Creek	100,000	200,000	300,000	400,000	300,000
Douglas Park Drainage Improvement & Landscaping	180,000	400,000	-	-	-
Drainage Easement Projects	900,000	400,000	-	-	-
Stormwater Drainage Study Phase II	-	-	235,000	-	-
Mockingbird Bridge Rehabilitation	-	250,000	-	-	-
Abbott Avenue Rehabilitation - Harvard to Mockingbird	-	50,000	-	-	-
Douglas Park Drainage Improvement - Walk Reserve	-	-	-	-	-
Westside Drive Reconstruction - Lemmon to Mockingbird Ln	-	-	-	550,000	-
Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln	-	-	-	60,000	-
Abbott Avenue Reconstruction - Armstrong to Harvard	-	-	-	-	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	-	-	-	-	-
Douglas Avenue Reconstruction - South Town Limits to Beverly	-	-	-	-	-
Douglas Avenue Reconstruction - Beverly to North Town Limits	-	-	-	-	-
Total Capital Outlay	\$ 1,180,000	\$ 1,600,000	\$ 535,000	\$ 1,010,000	\$ 300,000
Total Expenditures	\$ 1,287,860	\$ 1,743,300	\$ 681,452	\$ 1,159,674	\$ 452,967
Transfers-Out	116,099	103,300	105,573	107,896	110,270
Total Expenditures & Transfers-Out	\$ 1,403,959	\$ 1,846,600	\$ 787,025	\$ 1,267,570	\$ 563,237
Ending Balance	\$ 2,131,834	\$ 928,970	\$ 752,216	\$ 100,659	\$ 99,873

* *Excludes FY 2019-20.

2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total**
\$ 99,873	\$ 12,948	\$ 218,239	\$ 447,667	\$ 444,792	\$ 21,049	\$ 2,131,834
\$ 470,107 1,997	\$ 479,979 259	\$ 490,059 4,365	\$ 500,350 8,953	\$ 510,857 8,896	\$ 522,096 421	\$ 4,759,577 96,233
\$ 472,104	\$ 480,238	\$ 494,424	\$ 509,303	\$ 519,753	\$ 522,517	\$ 4,855,810
100,000	300,000	350,000	350,000	350,000	350,000	\$ 2,375,000
\$ 572,104	\$ 780,238	\$ 844,424	\$ 859,303	\$ 869,753	\$ 872,517	\$ 7,230,810
\$ 7,746 148,587	\$ 7,916 151,856	\$ 8,090 155,197	\$ 8,268 158,611	\$ 8,450 162,100	\$ 8,636 165,666	\$ 78,457 1,505,059
\$ 156,333	\$ 159,772	\$ 163,287	\$ 166,879	\$ 170,550	\$ 174,302	\$ 1,583,516
\$ - - 200,000 - - - - - - - 30,000 160,000 - -	\$ - - 300,000 - - - - - - - - - - -	\$ - - 300,000 - - - - - - - - - 34,000 -	\$ - - 300,000 - - - - - - - - - - 275,000	\$ - - 1,000,000 - - - - - - - - - - -	\$ - - 300,000 - - - - - - - - - - -	\$ 100,000 200,000 3,600,000 400,000 400,000 235,000 250,000 50,000 - 550,000 60,000 30,000 160,000 34,000 275,000
\$ 390,000	\$ 300,000	\$ 334,000	\$ 575,000	\$ 1,000,000	\$ 300,000	\$ 6,344,000
\$ 546,333	\$ 459,772	\$ 497,287	\$ 741,879	\$ 1,170,550	\$ 474,302	\$ 7,927,516
112,696	115,175	117,709	120,299	122,946	125,651	1,141,515
\$ 659,029	\$ 574,947	\$ 614,996	\$ 862,178	\$ 1,293,496	\$ 599,953	\$ 9,069,031
\$ 12,948	\$ 218,239	\$ 447,667	\$ 444,792	\$ 21,049	\$ 293,613	\$ 293,613

TOWN OF HIGHLAND PARK, TEXAS

UTILITY FUND

FISCAL YEARS 2021-2030

Project/Funding Source					
	2019-20	2020-21	2021-22	2022-23	2023-24
Beginning Balance	\$ 6,691,973	\$ 7,033,954	\$ 6,216,047	\$ 6,154,272	\$ 5,535,785
Revenues					
Water Sales	\$ 7,371,141	\$ 7,266,056	\$ 7,611,194	\$ 7,611,194	\$ 7,972,725
Sanitary Sewer Charges	2,831,183	2,973,969	3,115,233	3,115,233	3,263,206
Permit Revenue	54,931	62,347	64,000	64,000	64,000
Interest Earnings	136,707	86,713	124,321	123,085	110,716
Contributions-DART	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	900,000
Other Revenues	87,484	115,959	107,000	107,000	107,000
Total Revenues	\$ 10,481,446	\$ 10,505,044	\$ 11,021,747	\$ 11,020,512	\$ 12,417,647
Additional Transfer-In from the Capital Projects Fund	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Transfers-In	351,374	349,857	357,554	365,420	373,459
Total Revenues & Transfers-In	\$ 10,982,820	\$ 10,854,901	\$ 11,379,301	\$ 11,385,932	\$ 12,791,106
Expenditures					
Personnel Services	\$ 1,556,876	\$ 1,778,210	\$ 1,836,002	\$ 1,895,672	\$ 1,957,281
Supplies & Equipment	2,850,182	2,698,987	2,779,957	2,863,356	2,949,257
Services & Charges	1,588,207	1,705,792	1,756,966	1,809,675	1,863,965
Operating Capital	-	-	-	-	-
Total Operating Expenditures	\$ 5,995,265	\$ 6,182,989	\$ 6,372,925	\$ 6,568,703	\$ 6,770,503
Capital Outlay:					
Water & Sanitary Sewer Infrastructure Replace./Rehab.	\$ 2,000,000	\$ 2,268,353	\$ -	\$ 2,416,064	\$ -
Lakeside Drive Reconstruction & 30" Sewer Line	-	-	-	-	1,800,000
Gillon Pump Station Improvements	-	194,000	500,000	-	-
NE Water Pressure Capital Improvements	-	75,000	-	400,000	2,600,000
Douglas Park Drainage Improvement & Landscaping	-	450,000	-	-	-
Holland Elevated Storage Tank Rehabilitation	-	300,000	2,100,000	-	-
Overhill Drive Reconstruction - St. John to St. John	500,000	-	-	-	-
Airline Drive Rehabilitation	260,000	-	-	-	-
Abbott Avenue Rehabilitation - Harvard to Mockingbird	-	230,000	-	-	-
Sewanee Avenue Water and Sewer Improvements	-	-	500,000	-	-
Westside Drive Reconstruction - Lemmon to Mockingbird Ln	-	-	-	90,000	-
Hillcrest Avenue Reconstruction - Abbott to Mockingbird Ln	-	-	-	530,000	-
Abbott Avenue Reconstruction - Armstrong to Harvard	-	-	-	-	-
Eastern Avenue Reconstruction - Westside Dr to Mockingbird Ln	-	-	-	-	-
Roland Avenue Reconstruction - Mockingbird Ln to Bordeaux Av	-	-	-	-	-
Douglas Avenue Reconstruction - South Town Limits to Beverly	-	-	-	-	-
Douglas Avenue Reconstruction - Beverly to North Town Limits	-	-	-	-	-
Lomo Alto Drive Reconstruction - Lorraine Ave. to Mockingbird Ln.	-	-	-	-	-
Lomo Alto Drive Reconstruction - Lemmon to Lorraine	-	-	-	-	-
Total Capital Expenditures	\$ 2,760,000	\$ 3,517,353	\$ 3,100,000	\$ 3,436,064	\$ 4,400,000
Total Expenditures	\$ 8,755,265	\$ 9,700,342	\$ 9,472,925	\$ 10,004,767	\$ 11,170,503
Transfers-Out	1,885,574	1,972,466	1,968,151	1,999,652	2,057,320
Total Expenditures & Transfer-Out	\$ 10,640,839	\$ 11,672,808	\$ 11,441,076	\$ 12,004,419	\$ 13,227,823
Operating Reserve	\$ 1,842,681	\$ 1,903,705	\$ 1,951,189	\$ 2,008,009	\$ 2,066,507
Rate Stabilization Reserve	5,191,273	4,312,342	4,203,083	3,527,776	3,032,561
Ending Balance	7,033,954	6,216,047	6,154,272	5,535,785	5,099,068
Ideal Fund Balance (25% of Operating Expenses)	\$ 1,842,681	\$ 1,903,705	\$ 1,951,189	\$ 2,008,009	\$ 2,066,507
Over(Under) Ideal Fund Balance	\$ 5,191,273	\$ 4,312,342	\$ 4,203,083	\$ 3,527,776	\$ 3,032,561

* Includes 4.75% rate adjustment for Water Sales and Sanitary Sewer Sales in FY2021 and every other year thereafter.

* *Excludes FY 2019-20.

* * *						
2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total**
\$ 5,099,068	\$ 3,717,756	\$ 5,479,369	\$ 5,196,944	\$ 6,453,304	\$ 5,169,367	\$ 7,033,954
\$ 7,972,725	\$ 8,351,430	\$ 8,351,430	\$ 8,748,123	\$ 8,748,123	\$ 8,748,123	\$ 81,381,122
3,263,206	3,418,208	3,418,208	3,580,573	3,580,573	3,580,573	33,308,983
64,000	64,000	64,000	64,000	64,000	64,000	638,347
101,981	74,355	109,587	103,939	129,066	103,387	1,067,151
-	-	-	-	-	-	-
-	800,000	-	-	-	915,000	2,615,000
107,000	107,000	107,000	107,000	107,000	107,000	1,078,959
\$ 11,508,913	\$ 12,814,993	\$ 12,050,226	\$ 12,603,635	\$ 12,628,762	\$ 13,518,083	\$ 120,089,562
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
381,675	390,072	398,654	407,424	416,387	425,548	3,866,050
\$ 11,890,588	\$ 13,205,065	\$ 12,448,880	\$ 13,011,059	\$ 13,045,149	\$ 13,943,631	\$ 123,955,612
\$ 2,020,893	\$ 2,086,572	\$ 2,154,386	\$ 2,224,404	\$ 2,296,697	\$ 2,371,340	\$ 20,621,457
3,037,735	3,128,867	3,222,733	3,319,415	3,418,997	3,521,567	30,940,871
1,919,884	1,977,481	2,036,805	2,097,909	2,160,846	2,225,671	19,554,994
-	-	-	-	-	-	-
\$ 6,978,512	\$ 7,192,920	\$ 7,413,924	\$ 7,641,728	\$ 7,876,540	\$ 8,118,578	\$ 71,117,322
\$ 2,573,166	\$ -	\$ 2,740,483	\$ -	\$ 2,918,680	\$ 2,977,054	\$ 15,893,800
-	1,600,000	-	-	-	1,830,000	5,230,000
-	-	-	-	-	-	694,000
-	-	-	1,200,000	-	-	4,275,000
-	-	-	-	-	-	450,000
-	-	-	-	-	-	2,400,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	230,000
-	-	-	-	-	-	500,000
-	-	-	-	-	-	90,000
-	-	-	-	-	-	530,000
990,000	-	-	-	-	-	990,000
640,000	-	-	-	-	-	640,000
-	500,000	-	-	-	-	500,000
-	-	392,000	-	-	-	392,000
-	-	-	665,000	-	-	665,000
-	-	-	-	-	550,000	550,000
-	-	-	-	1,250,000	-	1,250,000
\$ 4,203,166	\$ 2,100,000	\$ 3,132,483	\$ 1,865,000	\$ 4,168,680	\$ 5,357,054	\$ 35,279,800
\$ 11,181,678	\$ 9,292,920	\$ 10,546,407	\$ 9,506,728	\$ 12,045,220	\$ 13,475,632	\$ 106,397,122
2,090,222	2,150,532	2,184,897	2,247,971	2,283,865	2,320,549	21,275,626
\$ 13,271,900	\$ 11,443,452	\$ 12,731,304	\$ 11,754,699	\$ 14,329,085	\$ 15,796,180	\$ 127,672,747
\$ 2,126,734	\$ 2,188,743	\$ 2,252,585	\$ 2,318,316	\$ 2,385,993	\$ 2,455,674	\$ 2,455,674
1,591,022	3,290,626	2,944,359	4,134,988	2,783,374	861,144	861,144
3,717,756	5,479,369	5,196,944	6,453,304	5,169,367	3,316,818	3,316,818
\$ 2,126,734	\$ 2,188,743	\$ 2,252,585	\$ 2,318,316	\$ 2,385,993	\$ 2,455,674	\$ 2,455,674
\$ 1,591,022	\$ 3,290,626	\$ 2,944,359	\$ 4,134,988	\$ 2,783,374	\$ 861,144	\$ 861,144

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CAPITAL PROJECTS FUND

Project 25 Public Safety Radio System

- Total Estimated Cost - \$4,087,929
- Project Year(s) - FY 2017-18 through FY 2020-21
- FY 2020-21 Funding - \$425,874
- P-25 compliant radio system will:
 - Enhance communications among jurisdictions throughout Dallas County.
 - Be built on multiple levels/zones to provide multiple levels of redundancy.
 - Be designed to improve radio coverage over a wider geographical area.
 - Will provide better penetration into medium density buildings with portable hand-held radios.
 - Required additional \$260,000 in annual operating costs for system maintenance FY 2026

Street Light Painting

- Estimated Project Cost - \$250,000
- Project Year(s) - Annual (\$25,000 per year)
- Includes painting cobra head lights and, traffic signal poles and mast arms on Oak lawn at Wycliffe, Oak Lawn at Herschel, and Armstrong at Preston Lakeside.
- Includes painting and priming one quarter of the 450 street-lights each year.

Town Hall Security Enhancements

- Estimated Project Cost - \$120,000
- Project Year(s) - FY 2020-21
- Funding carried over from FY 2019-20
- Provision of unified emergency communications.
- Project scope will include upgrade of existing cameras to improve coverage and functionality, additional badge access points, replace the building's panic button system, replace the intercom system in DPS and extend system throughout Town Hall, and integrate security system to provide for a single operational interface.

Armstrong Parkway Improvements

- Estimated Project Cost - \$250,000
- Project Year(s) - FY 2021-22
- Engage a landscape architect to develop plans for a beautification project.
- Project scope will include complete irrigation assessment and improvements for water conservation and efficiency, upgrades to landscape lighting, and renovation of azaleas beds.

Park Renovation/Rehabilitation Program

- Estimated Project Cost - \$2,660,180*
- FY 2020-21 Funding - \$490,000*
- Project Year(s) - Annually
- Improve the safety and the beauty of Town Parks by systematically updating the irrigation, lighting, playgrounds, site amenities, walkways, turf and groundcover areas to enhance the overall park experience.
**\$400,000 to be applied towards the Douglas Park Drainage, Improvement and Landscaping Project.*

Street Resurfacing & Misc. Concrete

- Estimated Project Cost - \$12,461,088
- FY 2020-21 Funding - \$1,123,286
- Project Year(s) – Annually
- An annual program of rehabilitating & restoring asphalt road surfaces, including concrete repairs to curb and gutters, streets, alleys and sidewalks.

Mockingbird Lane (East) Rehabilitation

Ten Year Capital Improvement Plan Project Detail – By Fund

- Estimated Project Cost – \$730,000
- Project Year(s) – FY 2020-21
- Funding carried over from FY 2019-20
- Limits – Hillcrest Avenue to Airline Drive
- Additional Funding Source – Dallas County –Road & Bridge - \$250,000
- Project includes concrete repairs, street resurfacing, curb and gutters, sidewalks, and ADA ramps, as needed.

Transportation Improvement Project

- Estimated Project Cost – \$8,560,000
- FY 2020-21 Funding - \$160,000
- Project Year(s) – FY 2020-21 through FY 2025-26
- Additional Funding Sources – Dallas County -\$1,000,000; North Central Texas Council of Governments - \$5,000,000, Texas Commission on Environmental Quality \$104,000.

Armstrong Avenue Rehabilitation

- Estimated Project Cost – \$1,050,000
- Project Year(s) – FY 2020-21
- Limits – Lakeside Drive to Katy Trail
- Additional Funding Source – Dallas County -Road and Bridge - \$250,000
- Project includes concrete repairs, street resurfacing, curb and gutters, sidewalks, and ADA ramps, as needed.

Mockingbird Lane (West) Reconstruction

- Estimated Project Cost – \$1,050,000
- Project Year(s) – FY 2021-22
- Limits: Westside Drive to Eastern Avenue
- Additional Funding Source – Dallas County -MCIP- \$500,000
- Project includes the total reconstruction of the road.

Preston Road Reconstruction (Phase C)

- Estimated Project Cost – \$4,400,000
- Project Year(s) – FY 2023-24 and FY 2024-25
- Limits - Preston Road @ Armstrong Parkway Intersection
- Additional Funding Sources –Dallas County – MCIP - \$2,400,000
- Road reconstruction and signal improvements.

Armstrong Parkway Rehabilitation

- Estimated Project Cost – \$1,637,000
- Project Year(s) – FY 2026-27
- Limits - Douglas Avenue to Mockingbird Lane
- Additional Funding Source – Dallas County Road and Bridge - \$250,000
- Project includes concrete repairs, street resurfacing, curb and gutters, sidewalks, and ADA ramps, as needed.

STORM WATER FUND

Improvements for Hackberry Creek

- Estimated Project Cost –\$4,640,000
- FY 2020-21 Funding - \$200,000
- Project Year(s) – FY 2016-17 through FY 2029-30
- The project encompasses the area generally from Byron Avenue to Armstrong Avenue and Between St. Johns Drive and Drexel Drive.
- The project addresses erosion, infrastructure, and aesthetics including landscaping and irrigation.

Drainage Easement Projects

- Estimated Project Cost –\$400,000
- Project Year(s) – FY 2020-21
- Improvements may include grading, adjustments to existing inlets, installing new inlets and associated storm drain-pipe and construction of a concrete flume.

Storm Water Drainage Study – Phase I & II

- Estimated Project Cost –\$435,000
- FY 2020-21 Funding - \$200,000
- Project Year(s) – FY 2020-21 & FY 2021-22
- The project will consist of modeling the Town’s storm water drainage system and identifying capital improvements.

Mockingbird Bridge Rehabilitation

- Estimated Project Cost –\$250,000
- Project Year(s) – FY 2020-21
- The project will consist of the rehabilitation of Mockingbird Bridge over Turtle Creek.

UTILITY FUND

Water & Sanitary Sewer Infrastructure Replacement/Rehabilitation:

- Estimated Project Cost - \$15,893,800
- FY 2020-21 Funding - \$2,268,353
- Project Year(s) – Every other year
- An annual program to replace aging water and sanitary sewer mains throughout the Town.

Gillon Pump Station Improvement

- Estimated Project Cost – \$694,000
- FY 2020-21 Funding - \$194,000
- Project Year(s) – FY 2018-19 through FY 2021-22
- Improvements include new automatic load rated power transfer switch and electrical relocation.
- This project was initially funded by the Dallas County Park Cities Municipal Utility District (DCPCMUD). Funding within the CIP will be used to reimburse the DCPCMUD.

Northeast Water Pressure Capital Improvements

- Estimated Project Cost – \$4,275,000
- FY 2020-21 Funding - \$75,000
- Project Year(s) – FY 2020-21, FY 2022-23, FY 2023-24 & FY 2027-28
- To improve water pressures on the northeast side of Town, anticipated construction of utility infrastructure including a 20” water line, 8.1 MGD pump, upsized University Park line from 24” to 30” and additional appurtenances. Assessment of other possible solutions are also being considered and may be proposed.

Holland Avenue Elevated Storage Tank Rehabilitation

- Estimated Project Cost – \$2,400,000
- FY 2020-21 Funding - \$300,000
- Project Year(s) – FY 2020-21 and FY 2021-22
- The elevated storage tank located at the Town’s Service Center on Holland Avenue is scheduled to be rehabilitated, which will include painting of the metal tank and address any issues that might affect the tank’s service longevity.

Sewanee Avenue Water & Sewer Improvements

- Estimated Project Cost – \$500,000
- Project Year(s) – FY 2021-22
- Limits: Princeton Avenue to Mockingbird Lane
- Project includes replacement of the water and sewer line.

PROJECTS PRESENT IN MULTIPLE FUNDS

Lakeside Drive Reconstruction & 30” Sewer Line

- Estimated Project Cost – \$11,900,000
 - Capital Projects Fund \$6,670,000
 - FY 2020-21 Funding - \$496,000
 - Project Years(s) – FY 2019-20 through FY 2022-23
 - Limits – Armstrong Avenue to Beverly Drive
 - Design (\$870,000)
 - Construction (\$2,300,000)
 - Construction (\$3,500,000)
 - Utility Fund \$5,230,000
 - Project Years(s) – FY 2023-24, FY 2025-26 and FY 2029-30
 - Limits – Wycliffe Avenue to Armstrong Avenue/Beverly Drive to North Town Limits
 - Design and Construction (\$1,800,000)
 - Design and Construction (\$1,600,000)
 - Design and Construction (\$1,830,000)
- Additional Funding Source – University Park – \$2,566,000 in the Capital Projects Fund and \$2,615,000 in the Utility Fund, total of \$5,125,000
- The project will consist of the 30” sanitary sewer interceptor replacement between Armstrong Avenue and North Town Limits and associated roadway improvements for Lakeside Drive between Wycliffe Avenue and Beverly Drive.

Airline Drive Rehabilitation

- Estimated Project Cost – \$870,000
 - Capital Projects Fund \$610,000
 - Utility Fund \$260,000
- Project Year(s) – FY 2020-21
- Funding carried forward from FY 2019-20
- Limits – Town Limits to Mockingbird Lane
- Additional Funding Source – Dallas County –Road and Bridge- \$250,000 in the Capital Projects Fund
- Project includes concrete repairs, street resurfacing, curb and gutters, sidewalks, and ADA ramps, as needed.
- Project includes utility improvements.

Abbott Avenue Rehabilitation:

- Estimated Project Cost – \$1,530,000
 - Capital Projects Fund \$1,250,000
 - Storm Water Drainage Fund \$50,000
 - Utility Fund \$230,000
- Project Year(s) – FY 2020-21

Ten Year Capital Improvement Plan Project Detail – By Fund

- Limits: Harvard Avenue to Mockingbird Lane
- Project includes concrete repairs, street resurfacing, curb and gutters, sidewalks, and ADA ramps, as needed.
- Project includes utility improvements.

Westside Drive Reconstruction

- Estimated Project Cost – \$3,480,000
 - Capital Projects Fund \$2,840,000
 - Storm Water Drainage Fund \$550,000
 - Utility Fund \$90,000
- Project Year(s) – FY 2022-23
- Limits: Lemmon Avenue to Mockingbird Lane
- Additional Funding Source – Dallas County – MCIP - \$500,000 in the Capital Projects Fund.
- Project includes the total reconstruction of the road, including water and drainage improvements.

Hillcrest Avenue Reconstruction

- Estimated Project Cost – \$2,550,000
 - Capital Projects Fund \$1,960,000
 - Storm Water Drainage Fund \$60,000
 - Utility Fund \$530,000
- Project Year(s) – FY 2023-24
- Limits - Abbott Avenue to Mockingbird Lane
- Additional Funding Source – Dallas County – MCIP - \$500,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

Abbott Avenue Reconstruction

- Estimated Project Cost – \$3,070,000
 - Capital Projects Fund \$2,050,000
 - Storm Water Drainage Fund \$30,000
 - Utility Fund \$990,000
- Project Year(s) – FY 2024-25
- Limits - Armstrong Avenue to Harvard Avenue
- Additional Funding Source – Dallas County – MCIP - \$500,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

Eastern Avenue Reconstruction

- Estimated Project Cost – \$2,430,000
 - Capital Projects Fund \$1,630,000
 - Storm Water Drainage Fund \$160,000
 - Utility Fund \$640,000
- Project Year(s) – FY 2024-25
- Limits – Westside Drive to Mockingbird Lane
- Additional Funding Source – Dallas County – MCIP - \$500,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

Roland Avenue Reconstruction

- Estimated Project Cost – \$1,790,000
 - Capital Projects Fund \$1,290,000
 - Utility Fund \$500,000
- Project Year(s) – FY 2025-26
- Limits –Mockingbird Lane to Bordeaux Avenue

Ten Year Capital Improvement Plan Project Detail – By Fund

- Additional Funding Source – Dallas County – MCIP - \$645,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

Douglas Avenue Reconstruction

- Estimated Project Cost – \$4,551,000
 - Capital Projects Fund \$3,185,000
 - Limits
 - Phase I includes South Town limits to Beverly Drive (\$1,752,000).
 - Phase II includes Beverly Drive to North Town limits (\$1,433,000).
 - Storm Water Drainage Fund \$309,000
 - Limits
 - Phase I includes South Town limits to Beverly Drive (\$34,000).
 - Phase II includes Beverly Drive to North Town limits (\$275,000).
 - Utility Fund \$1,057,000
 - Limits
 - Phase I includes South Town limits to Beverly Drive (\$392,000).
 - Phase II includes Beverly Drive to North Town limits (\$665,000).
- Project Year(s) – FY 2026-27 & FY 2027-28
- Additional Funding Source – Dallas County – MCIP - \$1,592,500 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

Lomo Alto Drive Reconstruction

- Estimated Project Cost – \$7,510,000
 - Capital Projects Fund \$5,170,000
 - Limits
 - Phase I includes Lemmon Avenue to Lorraine Avenue (\$3,110,000).
 - Phase II includes Lorraine Avenue to Mockingbird Lane (\$2,600,000).
 - Utility Fund \$1,800,000
 - Limits
 - Phase I includes Lemmon Avenue to Lorraine Avenue (\$1,250,000).
 - Phase II includes Lorraine Avenue to Mockingbird Lane (\$550,000).
- Project Year(s) – FY 2028-29 & FY 2029-30
- Additional Funding Source – anticipated Dallas County \$1,150,000 in the Capital Projects Fund
- Project includes the total reconstruction of the road, including water, sanitary sewer and drainage improvements.

Douglas Park Drainage, Improvement and Landscaping

- Estimated Project Cost –\$1,430,000
- Project Year(s) – FY 2019-20 & FY 2020-21
- FY 2020-21 Funding - \$1,250,000
 - Capital Projects Fund \$400,000*
 - Storm Water Drainage Fund \$400,000
 - Utility Fund \$450,000
- The project will consist of improvements to address lack of topography and drainage, as well as landscaping improvements.

**Funding provided from the Parks Renovation/Rehabilitation Program.*

TEN YEAR FINANCIAL FORECAST

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 3.5% per year. The tax rate is assumed to remain constant at \$0.23 per \$100 taxable assessed value.
- Building and permits revenue is indexed at 3.5% per year.
- Sales tax is indexed at 4.0% which reflects historical trends.
- Interest revenue is based on 2% of fund balance for years after FY 2022.
- Transfers-in is indexed at 2.2% per year.
- Other operational revenues are indexed based on five-year trends ranging from 2.57% to 3.44% based on the revenue category.

Expenditures:

- Payroll expense is generally indexed at 3.25% each year. However, for fiscal years 2022 through 2024 the anticipated growth ranges from 2.25% to 2.5%.
- Payroll taxes (FICA) and retirement contributions are projected at a factor of payroll expense based on the percentage of payroll budgeted for each category in the Adopted Budget. Health Insurance is projected to increase at a rate of 7.3% per year.
- "Supplies & Equipment" and "Services and Charges" are projected to grow at 3.0% per year.
- Most capital/equipment is funded from the Capital Projects Fund, Equipment Replacement Fund and Technology Replacement Fund; however, \$10,000 per year has been allocated in fiscal year 2020-21 and thereafter 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 Utility Fund

Revenues:

- Storm water revenues are indexed each year by 2.2%.
- A transfer from the Capital Improvement Fund of \$175,000 for fiscal year 2020-21 and transfers ranging between \$100,000 and \$350,000 per year for the remaining nine years is anticipated.

Storm Water Utility Fund (Cont.)

Expenditures:

- “Supplies & Equipment” and “Services & Charges” are indexed at 2.2% each year.
- Transfers-out is indexed at 2.2% per year.

Utility Fund

Utility rates are set to meet the annual revenue requirement within the Utility Fund. This fund includes the cost of capital expenditures and the Utility Fund uses a Pay-as-You-Go funding strategy. It should be noted, however, that it is not uncommon for cities to use debt to fund relatively large capital improvements to utility systems. The ten-year financial model includes a water and wastewater rate adjustment of 4.75% every two years beginning in fiscal year 2021-22.

Operational Impacts of Capital Projects on Long-Term Financial Planning

Descriptions of capital projects identified in the capital improvement plan are detailed on pages 125 through 130. Any future budgetary impacts that are known and identified are presented on those pages and have been incorporated into the Town’s 10-year financial model. While the General Fund has been modeled separately, the assumptions herein apply also to the financial modeling completed for the Town’s Capital Projects Fund, Utility Fund and the Storm Water Utility Fund.

Many of the Town’s infrastructure projects related to streets, water, sewer and the storm water utility system do not have any material financial impacts on future operating budgets. Clearly, deferring capital improvements can have a meaningful financial impact as projects become more and more expensive to replace.

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.	23.00 Cents		23.00 Cents	
	2019-20	2020-21	2021-22	2022-23
BEGINNING FUND BALANCE	\$ 5,219,327	\$ 4,745,729	\$ 4,198,713	\$ 4,194,258
REVENUES:				
Property Taxes	\$ 14,696,014	\$ 14,922,693	\$ 15,430,471	\$ 15,969,312
Sales Taxes	4,011,000	3,600,000	4,029,685	4,190,872
Sanitation/Recycling Charges	-	-	-	-
Franchise Fees	976,232	916,811	940,333	964,459
Building Inspection Fees/Permits	1,070,266	1,044,784	1,210,992	1,253,377
Municipal Court Fines/Fees	723,659	974,418	1,190,000	1,231,650
Interest Earnings	137,888	95,776	100,000	215,142
All Other	2,123,209	1,906,913	1,994,327	2,062,905
TOTAL REVENUES	\$ 23,738,268	\$ 23,461,395	\$ 24,895,808	\$ 25,887,717
Transfers from Other Funds	1,257,500	1,326,300	1,355,479	1,385,300
TOTAL REVENUES & TRANSFERS-IN	\$ 24,995,768	\$ 24,787,695	\$ 26,251,287	\$ 27,273,017
EXPENDITURES:				
Personnel Services:				
Payroll	\$ 12,864,491	\$ 12,892,316	\$ 13,182,393	\$ 13,511,953
Taxes	918,489	931,932	950,451	974,212
Retirement (TMRS)	1,108,894	1,196,507	1,318,239	1,351,195
Insurance	1,730,827	1,982,101	2,076,794	2,228,400
Total Personnel	\$ 16,622,701	\$ 17,002,856	\$ 17,527,877	\$ 18,065,760
Supplies & Equipment	\$ 979,617	\$ 1,024,011	\$ 1,054,731	\$ 1,086,373
Services & Charges	3,248,182	3,395,065	3,582,917	3,675,405
Capital Outlay:				
Sustaining	-	-	-	-
Equipment	49,834	-	10,000	10,000
CIP	-	-	-	-
TOTAL EXPENDITURES	\$ 20,900,334	\$ 21,421,932	\$ 22,175,525	\$ 22,837,538
Transfers to Capital Projects Fund	2,956,105	2,345,052	2,478,000	2,575,000
Transfers to Other Funds	1,612,927	1,567,727	1,602,217	1,637,466
TOTAL EXPENDITURES & TRANSFERS-OUT	\$ 25,469,366	\$ 25,334,711	\$ 26,255,742	\$ 27,050,004
ENDING FUND BALANCE	\$ 4,745,729	\$ 4,198,713	\$ 4,194,258	\$ 4,417,270
FUND BALANCE MINIMUM	\$ 3,818,783	\$ 3,908,242	\$ 4,040,516	\$ 4,159,051
FUND BALANCE SURPLUS	\$ 926,946	\$ 290,471	\$ 153,742	\$ 258,219

CAPITAL PROJECTS FUND

Beginning Balance	\$ 5,480,390	\$ 3,113,716	\$ 2,971,842	\$ 4,002,068
Total Annual Project Funding (1)	6,143,033	5,232,943	6,308,220	7,093,400
Total Expenditures	8,509,707	5,374,817	5,277,994	8,064,801
Ending Balance*	\$ 3,113,716	\$ 2,971,842	\$ 4,002,068	\$ 3,030,667
Construction Contingency	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Over(Under) Contingency	\$ 1,113,716	\$ 971,842	\$ 2,002,068	\$ 1,030,667

PROPERTY TAX ASSUMPTIONS

Property Tax Revenue	\$ 14,696,014	\$ 14,922,693	\$ 15,430,471	\$ 15,969,312
Property Values (2)	\$ 6,463,192,448	\$ 6,532,652,954	\$ 6,761,295,807	\$ 6,997,941,161
Tax Rate	0.23	0.23	0.23	0.23

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

(2) Growth in taxable assessed value (T.A.V.) projected at 3.5% per year after FY2020-21.

| 23.00 Cents |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 |
| \$ 4,417,270 | \$ 4,760,837 | \$ 5,116,412 | \$ 5,268,485 | \$ 5,405,809 | \$ 5,526,248 | \$ 5,627,124 |
| \$ 16,527,013 | \$ 17,104,233 | \$ 17,701,657 | \$ 18,319,990 | \$ 18,959,964 | \$ 19,622,338 | \$ 20,307,895 |
4,358,507	4,532,847	4,714,161	4,902,727	5,098,836	5,302,789	5,514,901
989,204	1,014,584	1,040,615	1,067,314	1,094,698	1,122,784	1,151,591
1,297,245	1,342,649	1,389,642	1,438,279	1,488,619	1,540,721	1,594,646
1,274,758	1,319,375	1,365,553	1,413,347	1,462,814	1,514,012	1,567,002
224,710	236,322	248,349	256,479	264,471	272,309	279,944
2,133,841	2,207,216	2,283,114	2,361,622	2,442,830	2,526,830	2,613,718
\$ 26,805,278	\$ 27,757,226	\$ 28,743,091	\$ 29,759,758	\$ 30,812,232	\$ 31,901,783	\$ 33,029,697
1,415,777	1,446,924	1,478,756	1,511,289	1,544,537	1,578,517	1,613,244
\$ 28,221,055	\$ 29,204,150	\$ 30,221,847	\$ 31,271,047	\$ 32,356,769	\$ 33,480,300	\$ 34,642,941
\$ 13,849,752	\$ 14,299,869	\$ 14,764,615	\$ 15,244,465	\$ 15,739,910	\$ 16,251,457	\$ 16,779,629
998,567	1,031,021	1,064,529	1,099,126	1,134,848	1,171,730	1,209,811
1,384,975	1,429,987	1,476,462	1,524,447	1,573,991	1,625,146	1,677,963
2,391,074	2,565,622	2,752,912	2,953,875	3,169,508	3,400,882	3,649,146
\$ 18,624,368	\$ 19,326,498	\$ 20,058,518	\$ 20,821,912	\$ 21,618,256	\$ 22,449,215	\$ 23,316,549
\$ 1,118,964	\$ 1,152,533	\$ 1,187,109	\$ 1,222,722	\$ 1,259,404	\$ 1,297,186	\$ 1,336,102
3,785,667	3,899,237	4,216,214	4,342,700	4,472,981	4,607,170	4,745,385
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,000	10,000	10,000	10,000	10,000	10,000	10,000
-	-	-	-	-	-	-
\$ 23,538,999	\$ 24,388,268	\$ 25,471,841	\$ 26,397,334	\$ 27,360,641	\$ 28,363,571	\$ 29,408,036
2,665,000	2,750,000	2,850,000	2,950,000	3,050,000	3,150,000	3,350,000
1,673,490	1,710,307	1,747,934	1,786,388	1,825,689	1,865,854	1,906,903
\$ 27,877,489	\$ 28,848,575	\$ 30,069,774	\$ 31,133,722	\$ 32,236,330	\$ 33,379,424	\$ 34,664,939
\$ 4,760,837	\$ 5,116,412	\$ 5,268,485	\$ 5,405,809	\$ 5,526,248	\$ 5,627,124	\$ 5,605,126
\$ 4,284,423	\$ 4,435,058	\$ 4,625,662	\$ 4,789,533	\$ 4,959,976	\$ 5,137,302	\$ 5,321,840
\$ 476,414	\$ 681,354	\$ 642,823	\$ 616,276	\$ 566,272	\$ 489,822	\$ 283,286
\$ 3,030,667	\$ 4,632,261	\$ 3,066,957	\$ 2,929,256	\$ 2,326,807	\$ 3,310,994	\$ 3,113,716
6,934,667	11,537,554	6,826,499	4,913,704	4,598,949	5,167,023	64,135,589
5,333,073	13,102,857	6,964,200	5,516,152	3,614,763	5,348,085	63,492,913
\$ 4,632,261	\$ 3,066,957	\$ 2,929,256	\$ 2,326,807	\$ 3,310,994	\$ 3,129,932	\$ 3,756,392
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ 2,632,261	\$ 1,066,957	\$ 929,256	\$ 326,807	\$ 1,310,994	\$ 1,129,932	\$ 1,756,392
\$ 16,527,013	\$ 17,104,233	\$ 17,701,657	\$ 18,319,990	\$ 18,959,964	\$ 19,622,338	\$ 20,307,895
\$ 7,242,869,101	\$ 7,496,369,520	\$ 7,758,742,453	\$ 8,030,298,439	\$ 8,311,358,884	\$ 8,602,256,445	\$ 8,903,335,421
0.23	0.23	0.23	0.23	0.23	0.23	0.23

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COMMUNITY INFORMATION

HIGHLAND PARK, TEXAS

HISTORY

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

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

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

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

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

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

LOCATION

Highland Park is located approximately three miles north of the center of Dallas, two miles from Love Field and thirty minutes from the Dallas/Fort Worth International Airport. The Township encompasses 2.26 square miles and has an estimated 9,180 residents.

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

MISCELLANEOUS STATISTICAL DATA

Form of Government.....Council - Manager
 Incorporation Date..... December 1913
 Adoption Of Home Rule Charter Date.....August 1975
 Adoption of Revised Town Charter.....March, 2004

Town Characteristics

Area..... 1,445 Acres (2.26 Square Miles) Population (2010 Census)..... 8,564
 Population (Est. 2017 Census) 9,083

Proportion of Property Values

Residential 92.92% Commercial 5.91%
 Business Personal Property..... 1.17%

Public Safety Personnel

Cross-trained (Police/Fire/Paramedic)..... 55 Part time Court Bailiffs.....4
 Police Officer2

Water and Sewer Utility System

Water Connections

Residential 3,061
 Residential Multifamily 38
 Commercial 86
 Irrigation 2,296
 Municipal..... 72
 Total 5,553

Sewer Connections

Residential 3,012
 Residential Multifamily38
 Commercial84
 Municipal.....3
 Total 3,137

Infrastructure

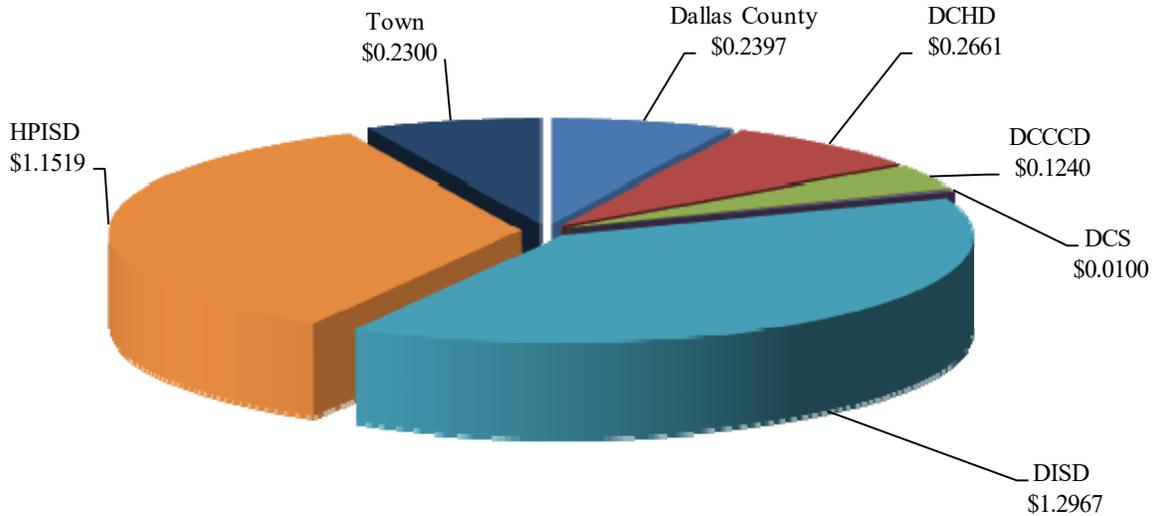
Sanitary Sewers..... 37.18 Miles Storm Sewers..... 12.22 Miles
 Parks..... 22 with 59.3 Acres Paved Streets 41.79 Miles



Highland Park

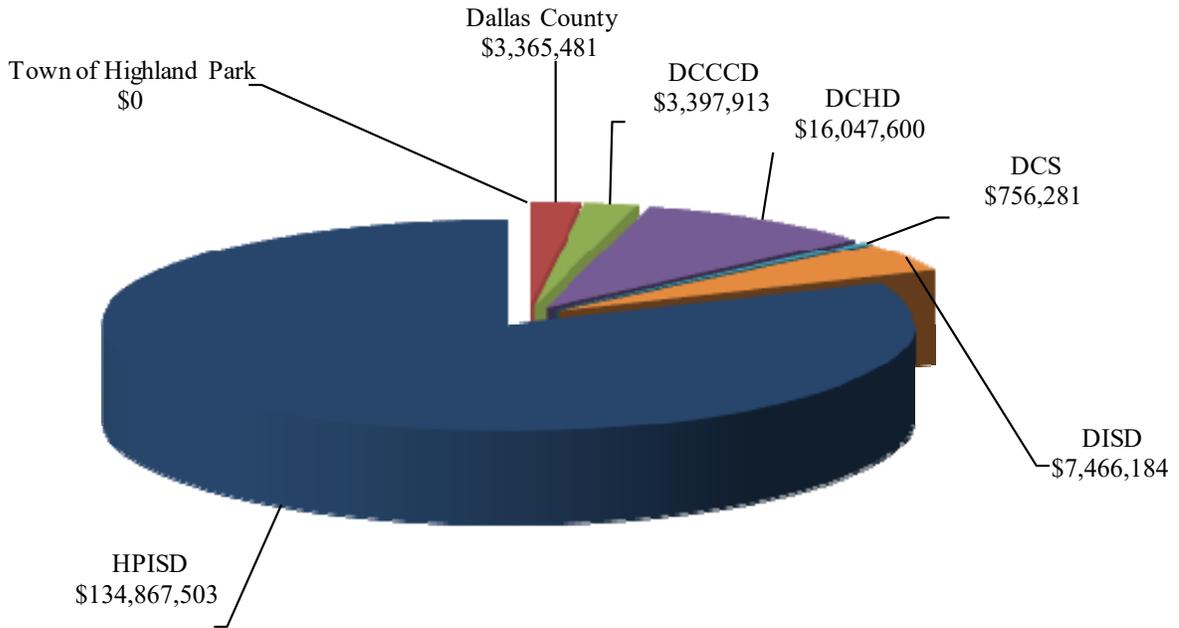
TOWN OF HIGHLAND PARK

Direct and Overlapping Property Tax Rates



Per \$100 Taxable Valuation

Direct and Overlapping Debt



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

TOWN OF HIGHLAND PARK
Appraised and Taxable Property Values
Current and Last Nine Tax Years

Tax Year	Appraised Property Value			Taxable Value
	Real Property	Business Personal Property	Total	
2011	\$ 5,407,849,850	\$ 56,732,470	\$ 5,464,582,320	\$ 4,406,947,910
2012	\$ 5,423,170,690	\$ 61,252,130	\$ 5,484,422,820	\$ 4,446,174,261
2013	\$ 5,580,077,680	\$ 72,506,290	\$ 5,652,583,970	\$ 4,598,788,373
2014	\$ 6,040,379,500	\$ 79,298,850	\$ 6,119,678,350	\$ 4,924,894,226
2015	\$ 6,589,202,920	\$ 78,135,850	\$ 6,667,338,770	\$ 5,324,500,745
2016	\$ 7,125,427,370	\$ 91,050,750	\$ 7,216,478,120	\$ 5,765,524,023
2017	\$ 7,246,975,530	\$ 89,904,340	\$ 7,336,879,870	\$ 6,012,113,607
2018	\$ 7,640,424,370	\$ 89,567,460	\$ 7,729,991,830	\$ 6,292,473,542
2019	\$ 7,835,471,260	\$ 107,590,560	\$ 7,943,061,820	\$ 6,463,192,448
2020*	\$ 8,064,947,650	\$ 95,550,440	\$ 8,160,498,090	\$ 6,616,458,934

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

* Due to the ongoing pandemic, the initial certification by the Dallas Central Appraisal District was low due to a significant number of protests pending at time of certification. The data provided herein is current at the time of writing this document and was not available at the time of budget adoption.

PRINCIPAL TAXPAYERS - 2020 TAX ROLL

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Taxable Valuation</u>	<u>% of Taxable Valuation</u>
HP Village Partners LP	Commercial	\$ 200,629,890	3.03%
Crow, Harlen	Residential	50,723,946	0.77%
Cox, Edwin L Trust	Residential	40,224,530	0.61%
Muse, John R	Residential	39,470,000	0.60%
The 4500 Trust	Residential	33,145,200	0.50%
L & B Depp UCEPP 5500	Commercial	23,500,000	0.36%
Jones. Jerral W. & Gene C.	Residential	22,448,224	0.34%
Intercity Investment	Commercial	21,779,360	0.33%
Mitchell, Amy	Residential	19,419,440	0.29%
Dallas Country Club	Commercial	17,140,230	0.26%

EMPLOYMENT DATA BY INDUSTRY

Employer Industry	Number of establishments	Annual Payroll (\$1,000's)	Employees
Wholesale trade	D	\$ 1,386	20 to 99
Retail trade	60	\$ 26,886	622
Information	D	D	20 to 99
Finance and insurance	D	D	250 to 499
Real estate and rental and leasing	D	D	20 to 99
Professional, scientific, and technical services	61	\$ 12,428	142
Administrative and support and waste management and remediation services	18	\$ 6,211	78
Educational services	3	\$ 196	10
Health care and social assistance	30	\$ 4,320	106
Arts, entertainment, and recreation	9	\$ 16,908	335
Accommodation and food services	16	\$ 11,729	495
Other services (except public administration)	12	\$ 5,098	204

"D" = Individual company data withheld according to the U.S. Census Bureau website.

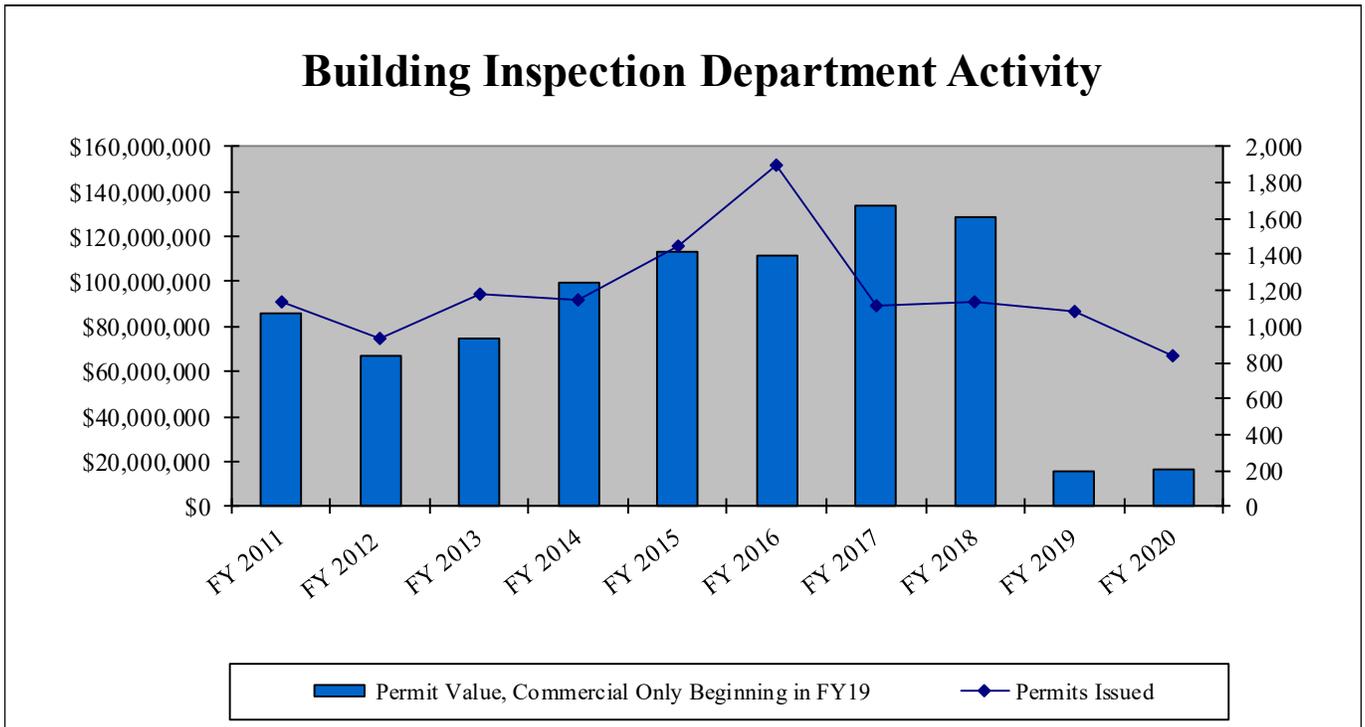
The Town of Highland Park is a relatively small municipality with a radius of about 2.26 square miles. The Town's most recent estimated population is approximately 9,083. Since there is no chamber of commerce in Highland Park, the only available information on employers is the Economic Census from the U. S. Census Bureau. This Census does not include information on individual businesses; rather, it contains only aggregate information by business sector. The information presented is from the most recent applicable Economic Census: The data above was obtained from the 2017 Economic Census.

TOWN OF HIGHLAND PARK
Construction and Property Values
Last Ten Fiscal Years

Fiscal Year	Commercial Construction		Residential Construction		Property Market Value**	
	Number of Permits	Value	Number of Permits	Value	Real Property	Personal Property
2010	31	\$ 19,975,233	1,004	\$ 72,021,698	\$ 5,670,130,390	\$ 60,667,890
2011	38	\$ 8,985,914	1,097	\$ 76,604,257	\$ 5,459,810,500	\$ 59,316,040
2012	34	\$ 3,235,348	903	\$ 64,144,609	\$ 5,407,849,850	\$ 56,732,470
2013	33	\$ 4,517,931	1,150	\$ 69,905,735	\$ 5,423,170,690	\$ 61,252,130
2014	34	\$ 8,632,850	1,110	\$ 91,191,908	\$ 5,580,077,680	\$ 72,506,290
2015	48	\$ 12,690,806	1,162	\$ 100,306,992	\$ 6,040,379,500	\$ 79,298,850
2016	29	\$ 8,623,479	1,865	\$ 102,641,000	\$ 6,589,202,920	\$ 78,135,850
2017	30	\$ 23,812,724	1,083	\$ 110,263,580	\$ 7,125,427,370	\$ 91,050,750
2018	22	\$ 45,226,370	1,117	\$ 83,254,000	\$ 7,246,975,530	\$ 89,904,340
2019	19	\$ 15,979,770	1,062	*	\$ 7,640,424,370	\$ 89,567,460
2020	26	\$ 16,227,820	808	*	\$ 8,064,947,650	\$ 95,550,440

* Pursuant to HB 852, which was passed May 21 by the 2019 Texas Legislature, cities may not base building permit revenue or inspection fees on the value of a residential dwelling or on the cost of constructing or improving the building.

** Due to the ongoing pandemic, the initial certification by the Dallas Central Appraisal District was low due to a significant number of protests pending at time of certification. The data provided herein is current at the time of writing this document and was not available at the time of budget adoption.



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PAY PLAN

The Pay Plans incorporated in the Town's FY 2020-21 Combined Budget are designed to maintain equity in the Town's designated public-sector market.

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

The pay plans for non-exempt personnel are designed to incorporate the Town's Pay for Performance ("P4P"), a program that has been very beneficial to the Town and its employees for over twenty (20) years. All non-exempt employees are evaluated based on a performance evaluation as it relates to the accomplishments of the goals and objectives of each respective department and the department's annual work plan. Immediate compensation for performance is tied to the evaluation on a scale of 0-6% of each employee's grading period base pay. The Town's FY 2020-21 Combined Budget provides for a 2% increase, as compared to the prior year, in base pay for non-exempt employees.

The Town's FY 2020-21 Combined Budget provides for a 2% increase, as compared to the prior year budget, in salary for exempt employees.

Employees (exempt and non-exempt) may earn up to \$2,100 per year for participation in the Town's Wellness Program, designed to promote a healthy lifestyle.

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
NON-EXEMPT EMPLOYEES
FISCAL YEAR 2021**

Grade	Position	Hourly Base Pay Range	
		Minimum	Maximum
8	Communications Manager Foreman	\$45.92	\$61.99
7	Senior Building Inspector Town Secretary	\$39.93	\$53.90
6	Accreditation Manager Building Inspector Communications Supervisor Customer Service Supervisor Town Services Coordinator Development Services Coordinator	\$34.72	\$46.87
5	Construction Inspector Electrical/Mechanical Tech Engineering Tech Librarian Project Coordinator Court Clerk Alarm Specialist	\$30.19	\$40.76
4	Communications Specialist DPS Administrative Secretary Irrigation/Mosquito Inspector Parks Maintenance Specialist Public Works Maintenance Worker III Human Resources Coordinator Senior Accounting Technician Secretary to the Director Plans Examiner	\$26.25	\$35.44
3	Accounting Technician Building Permit Technician Customer Service Specialist II Deputy Court Clerk Library Administrative Assistant Parks Maintenance Worker II Public Works Maintenance Worker II	\$22.83	\$30.82
2	Customer Service Specialist I Library Associate/Assistant Public Works Maintenance Worker I	\$19.85	\$26.80
1	Parks Maintenance Worker I	\$17.26	\$23.30

Base Minimum and Base Maximum reflect the range within each grade. These amounts do not reflect Pay for Performance (“P4P”) or pay related to incentives.

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
PUBLIC SAFETY PERSONNEL
FISCAL YEAR 2021**

Grade	Position	Hourly Base Pay Range Shift Duty*			Hourly Base Pay Range Administration**	
		Minimum	Maximum		Minimum	Maximum
G	Captain	\$44.05	\$48.45		\$68.82	\$75.70
F	Lieutenant	\$38.30	\$42.13		\$59.84	\$65.83
E	Sergeant	\$33.30	\$36.64		\$52.04	\$57.24
D	Unassigned	-	-		-	-
C	Public Safety Officer	\$25.85	\$31.02		\$40.38	\$48.46
B	Fire Fighter or Police Officer	\$21.54	\$23.69		\$33.65	\$37.02
A	Public Safety Apprentice	\$20.56	\$20.56		\$32.12	\$32.12

Base Minimum and Base Maximum reflect the range within each grade. These amounts do not reflect Pay for Performance (“P4P”) or pay related to incentives.

***Shift Duty is based on 3,250 hours in one year.**

****Administration is based on 2,080 hours in one year.**

**TOWN OF HIGHLAND PARK GRADED PAY PLAN
EXEMPT POSITION
FISCAL YEAR 2021**

Grade	Position	Minimum	Maximum
E-4	Director of Public Safety Director of Administrative Services & CFO	\$182,150	\$236,793
E-3	Director of Town Services Director of Engineering	\$165,590	\$215,265
E-2	Assistant Director of Public Safety	\$157,329	\$204,529
E-1	Assistant Director of Town Services	\$135,628	\$188,659
E	Town Librarian IT Manager Controller Town Services Manager	\$117,939	\$164,053

Exempt positions are not eligible for the Town’s Pay for Performance program, Incentives or Enhancements.

PAY INCENTIVES AND ENHANCEMENTS

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

Emergency Medical Technician	+2%
Crew Chief/Section Supervisor/Utility System Certification	+5%
Licensed Irrigator	+5%
Public Safety Investigator Assignment	+7.5%
Paramedic	+8%

HISTORICAL REVENUE & EXPENDITURE TREND DATA

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

	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015
Property Taxes	\$ 9,657,658	\$ 9,689,485	\$ 10,039,679	\$ 10,763,525
Water Sales	5,442,217	5,576,020	5,370,747	5,996,115
Sanitary Sewer Charges	2,591,081	2,668,813	2,545,727	2,551,417
Sales Tax	2,923,273	2,952,203	3,437,806	3,514,625
Sanitation & Recycling Charges	1,254,087	1,242,590	1,231,340	1,236,438
Franchise Fees	1,078,503	965,140	1,024,423	1,051,657
Building Activity Fees	980,357	1,030,649	1,306,011	1,396,333
Court Fines/Fees	685,854	839,826	779,530	774,048
Interest on Investments	92,310	60,187	60,870	57,242
Other Charges for Service	1,951,688	1,821,027	1,764,849	1,390,401
Storm Water Drainage Fees	363,265	352,908	374,523	381,883
All Other	786,540	2,262,525	859,129	1,837,167
Total	\$ 27,806,833	\$ 29,461,373	\$ 28,794,634	\$ 30,950,851

Source: Actual Column of Prior Year Budget Documents.

Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Projected FY 2020	Adopted FY 2021
\$ 11,573,644	\$ 12,593,539	\$ 13,266,804	\$ 13,771,615	\$ 14,767,023	\$ 14,922,693
6,699,336	6,688,572	7,291,607	6,557,798	7,371,141	7,266,056
2,788,561	2,787,880	2,808,651	2,744,988	2,831,183	2,973,969
3,606,074	3,480,389	4,071,324	4,312,342	4,011,000	3,600,000
1,235,509	1,236,532	1,390,789	1,466,140	1,516,687	1,554,416
1,021,288	1,037,497	1,036,561	1,085,951	976,232	916,811
1,031,156	1,464,379	1,232,128	1,405,605	1,170,973	1,206,353
1,019,914	1,181,779	1,075,200	1,368,822	792,462	1,074,540
106,120	244,823	546,103	988,493	567,465	652,238
1,373,008	1,358,006	1,420,196	1,439,456	1,429,403	1,473,299
386,838	390,126	399,396	413,844	426,347	433,031
1,938,116	1,778,462	2,378,644	6,311,564	3,267,122	2,454,340
\$ 32,779,564	\$ 34,241,984	\$ 36,917,403	\$ 41,866,618	\$ 39,127,038	\$ 38,527,746

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

	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015
Personnel				
Payroll	\$ 10,705,530	\$ 11,139,374	\$ 11,476,313	\$ 11,681,953
Benefits	2,884,800	2,783,687	2,858,783	2,674,221
Subtotal	<u>\$ 13,590,330</u>	<u>\$ 13,923,061</u>	<u>\$ 14,335,096</u>	<u>\$ 14,356,174</u>
Supplies & Equipment	3,578,680	3,830,378	3,627,234	3,680,111
Services & Charges	5,003,252	5,236,432	5,172,547	6,148,502
Capital Outlay	13,371,122	10,326,570	11,713,808	2,608,751
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 35,543,384</u>	<u>\$ 33,316,441</u>	<u>\$ 34,848,685</u>	<u>\$ 26,793,538</u>

Source: Actual Column of Prior Year Budget Documents.

Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Projected FY 2020	Adopted FY 2021
\$ 12,138,107	\$ 12,397,961	\$ 12,910,890	\$ 13,616,196	\$ 14,065,775	\$ 14,227,457
2,728,154	2,943,700	3,366,911	3,452,656	4,113,802	4,553,609
\$ 14,866,261	\$ 15,341,661	\$ 16,277,801	\$ 17,068,852	\$ 18,179,577	\$ 18,781,066
3,522,677	3,541,913	3,871,652	3,439,159	3,938,527	3,840,172
5,421,227	5,903,472	6,094,929	6,011,249	6,623,886	6,977,679
5,062,747	6,803,123	5,382,027	10,786,728	12,236,610	10,719,791
-	-	-	-	-	-
\$ 28,872,912	\$ 31,590,169	\$ 31,626,409	\$ 37,305,988	\$ 40,978,600	\$ 40,318,708

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HISTORICAL WATER SALES DATA

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

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Irrigation Only</u>	<u>Town Use</u>	<u>Total</u>	<u># Service Meters</u>
2011	471,920	43,182	668,402	52,296	1,235,800	5,382
2012	436,204	43,522	617,168	42,031	1,138,925	5,389
2013	408,100	45,500	595,900	45,400	1,094,900	5,416
2014	389,617	41,485	528,557	37,066	996,725	5,416
2015	367,780	36,758	509,248	32,472	946,258	5,474
2016	356,903	40,327	528,651	37,284	963,165	5,520
2017	346,993	43,020	517,801	43,944	951,758	5,516
2018	354,791	41,954	600,904	53,275	1,050,924	5,535
2019	304,193	44,922	441,619	38,581	829,315	5,546
2020	320,032	36,689	527,453	48,361	932,535	5,553

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.

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FINANCIAL MANAGEMENT POLICIES

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.

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GLOSSARY

GLOSSARY

ADA Americans with Disabilities Act

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.

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

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 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).

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 acquired prior to October 1, 2000, having an acquisition cost or value of \$1,000 or more or resources acquired after September 30, 2000 having an acquisition cost or value of \$5,000 or more and a useful life of more than one year. Capital assets are also called fixed assets.

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.

GLOSSARY

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

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

Capital 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).

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.

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.

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

CIP Capital Improvement Plan

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 \$25,000 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.

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 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.

DCC – Dallas Country Club.

DCPCMUD Dallas County Park Cities Municipal Utility District.

GLOSSARY

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.

Depreciation A non-cash expense that reduces the value of an asset over a predetermined period based on the useful life of the asset.

Director of Administrative Services & Chief Financial Officer- That person appointed by the Town Administrator who is responsible for the recording and reporting of the financial activities of the Town.

DWU Dallas Water Utilities.

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.

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

Equity See Fund Balance and Retained Earnings.

ERF Equipment Replacement Fund.

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.

FASB – Financial Accounting Standards Board.

Fiscal Year (FY) The period of October 1st through the following September 30th. (e.g. – FY 2019 refers to the fiscal year from October 1, 2018 through September 30, 2019)

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.

Full-Time Equivalent (FTE) The ratio of total hours paid during a period by the total hours in that pay period.

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

GLOSSARY

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

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

GASB Governmental Accounting Standards Board.

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).

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.

GLOSSARY

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. There are five (5) types of governmental funds; the general fund, special revenue funds, debt services funds, capital projects funds and permanent funds.

HPDPS Highland Park Department of Public Safety.

HPISD Highland Park Independent School District.

HPSV Highland Park Shopping Village.

HSA Health Savings Account.

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.

Investments Securities held for the production of revenues in the form of interest.

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.

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.

Major Fund The General, Utility and Capital Projects Funds.

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

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.

GLOSSARY

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.

OPEB – Other Post-Employment Benefits.

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.

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.

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 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.

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

SSO Sanitary Sewer Overflow.

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.

GLOSSARY

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 on taxable property, as determined by the Dallas Central Appraisal District, within the Town's corporate limits.

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

TCEQ Texas Commission on Environmental Quality.

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.

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.

TWDB Texas Water Development Board.

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.

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 and improvements related to the Town's water and sanitary sewer system.

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

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